REAL ESTATE ADVISORS

SNAPSHOTS

Albuquerque, NM

INDUSTRIAL 2Q26

MARKET INSIGHTS

		YoY Chg	12-Mo Forecast
Vacancy Rate	3.39%	▲	▬
Market Rent/SF	$11.89	▲	▲

CAPITAL MARKET

		YoY Chg	12-Mo Forecast
Average Cap Rate	8%	▲	▬
Market Sale Price per SF	$152.00	▲	▲
US 10-year Treasury Note	4.25%	▲	▲

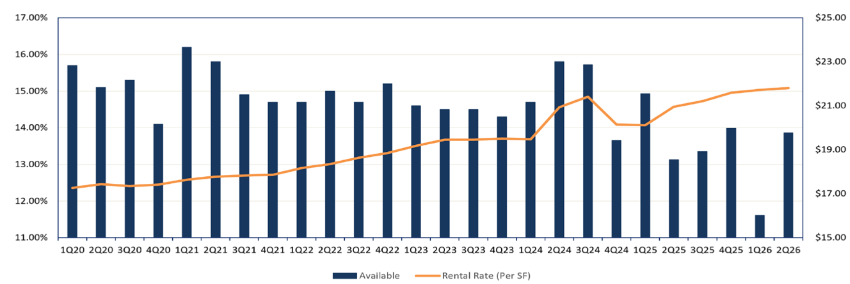
INDUSTRIAL MARKET SNAPSHOT

- **Vacancy Tightens Again:** Albuquerque industrial vacancy fell to 3.39%, down from 3.65% in Q1 and 4.07% a year ago, with 1,091,262 SF available across 32.2M SF of inventory. The market has now absorbed roughly 220,000 SF net over four quarters with almost no new deliveries, and the tightening is broad rather than driven by any single transaction.
- **Class A Finally Clears:** the big story this quarter is the top of the market. Class A availability collapsed to 2.96% from 23.72% a year ago as the large distribution blocks in the Los Lunas Corridor leased up, and face rates responded immediately, climbing to $15.00/SF from $13.70. Class B and C held steady near 3% availability at $12.25 and $11.25, confirming that the squeeze runs through every tier, not just modern product.
- **Core Submarkets Have No Room Left:** North I-25 remains the engine, holding 14.3M SF at 1.78% vacancy with the highest face rate in the metro at $13.05/SF. Downtown tightened to 2.51% and pushed rents to $10.74/SF from $8.94. The available space that does exist is concentrated in Rio Rancho at 22.72% and the Airport submarket at 14.80%, which together account for 40% of everything on the market. Tenants needing 20,000 SF or more in the core are effectively out of options.

INDUSTRIAL INVESTMENT MARKET

- **Repricing Catches Up to Debt:** average cap rates moved to 8.00%, up roughly 100 basis points year over year, as sellers finally met buyers at the cost of capital. With the 10-year Treasury at 4.25%, the spread is workable again, and deals that stalled through 2025 are penciling.
- **Values Climb on Scarcity:** market sale price reached $152/SF, up sharply from $105 a year ago. Tight vacancy and replacement cost are doing the work here. This quarter's trades ranged from $116/SF at 9415 Susan Ave. SE to $215/SF at 3024 Broadway Blvd. SE, with the premium going to small, functional, well-located buildings.
- **Owner/Users Take the Wheel:** two of the three key sales went to owner/users, a shift from the private and institutional investor buyers that led last year. Deal sizes shrank as well, with total volume of $6.6M across 46,673 SF against $13.1M a year ago. Businesses priced out of a leasing market with almost no space are buying instead, and that demand is holding pricing up even as cap rates reset.

Vacancy Vs. Rental Rates



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KEY SALES TRANSACTIONS

	Property	Submarket	Buyer Type	RSF	List Price
	502 General Chennault St. SE	Airport	Investor	32,923	$4,200,000
	3825 Commercial St NE	North Valley	Owner/User	15,210	$1,700,000
	3024 Broadway Blvd. SE	Downtown	Owner/User	8,150	$1,750,000

KEY LEASE TRANSACTIONS

	Property	Submarket	Tenant	RSF
	4601 Paseo Del Norte	North I-25	-	39,376
	1510 & 1512 1st St NW	Downtown	-	33,345
	4000 Ellison St NE	North I-25	-	25,423

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	1,942,546	Total Square Feet	17,721,170	Total Square Feet	12,498,629
Availability	2.96%	Availability	3.10%	Availability	3.87%
Avg. Face Rate	$15.00	Avg. Face Rate	$12.25	Avg. Face Rate	$11.25

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	894,578	132,388	14.80%	$12.90
Cottonwood	78,343	-	0.00%	-
Downtown	3,490,301	87,441	2.51%	$10.74
Far Northeast Heights	246,954	7,167	2.90%	$11.50
Los Lunas Corridor	1,012,240	-	0.00%	-
Mesa Del Sol	281,804	-	0.00%	-
North I-25	14,262,810	254,588	1.78%	$13.05
North Valley	2,746,848	65,805	2.40%	$10.78
Northeast Heights	379,392	-	0.00%	-
Rio Rancho	1,333,091	302,863	22.72%	$12.10
University	288,654	-	0.00%	-
Uptown	-	-	0.00%	-
South Valley	3,582,524	133,027	5.37%	$11.13
Southeast Heights	954,566	30,442	3.19%	$11.25
West Mesa	2,610,240	77,541	2.97%	$12.05
Total	**32,162,345**	**1,091,262**	**3.39%**	**$10.65**

PRODUCT TYPE BREAKDOWN

INDUSTRIAL SNAPSHOT

Industrial market data includes non-owner-occupied buildings of ≥10,000 square feet in the Albuquerque MSA. Availability reflects all space currently on the market as well as vacant space. Rent asking rates are based on full service per square foot per year. All information is obtained from sources deemed reliable. While we make every effort to ensure the accuracy of our data, we cannot guarantee accuracy. Readers should consult a real estate professional before making investments decisions based on this data.

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