REA REAL ESTATE ADVISORS

SNAPSHOTS
Albuquerque, NM

OFFICE MARKET 2Q26

MARKET INSIGHTS

Available Rate
13.86%
YoY Chg: ▼
12-Mo Forecast: ▼

Market Rent/SF
$21.81
YoY Chg: ▲
12-Mo Forecast: ▬

CAPITAL MARKET

Average Cap Rate
8.20%
YoY Chg: ▼
12-Mo Forecast: ▬

Market Sale Price per SF
$193.07
YoY Chg: ▲
12-Mo Forecast: ▲

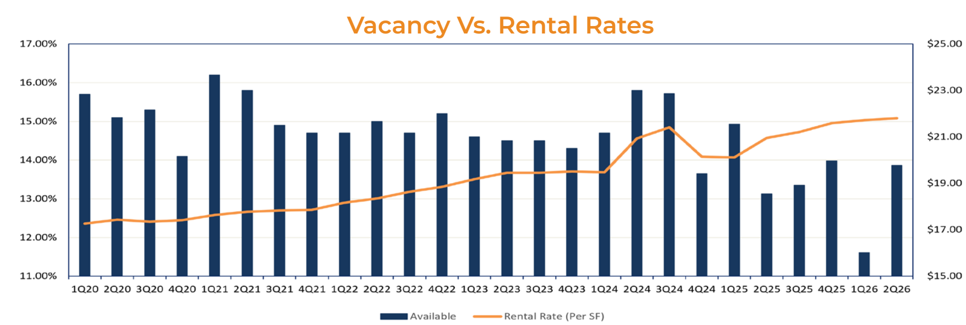
US 10-year Treasury Note
4.65%
YoY Chg: ▲
12-Mo Forecast: ▲

OFFICE MARKET SNAPSHOT

- **Leasing activity remained quiet this quarter,** with modest growth in available square footage and few large blocks of space changing hands.
- **Despite higher availability, asking rents continued to increase,** driven primarily by rising operating costs, especially higher property taxes, rather than stronger demand.
- **Tenant demand remains concentrated in smaller suites,** with spaces under 10,000 SF continuing to lease at a premium over larger blocks.
- **The Northeast Heights led leasing activity this quarter** as tenants favored secure, neighborhood-oriented locations with shorter commutes over traditional downtown office markets.
- **Rio Rancho's higher availability** is largely attributable to the Safelite building re-entering the market; otherwise, availability remains tight.

OFFICE INVESTMENT MARKET

- **Institutional investors sat this quarter out entirely.** No institutional buyers were active in the Albuquerque office market.
- **Not a single sale this quarter reported a cap rate,** which usually means the buyers were owner/users rather than investors running the numbers on yield.
- **That points to two things happening at once:** strong owner/user demand for office space, and a lending environment that's currently favoring owner/user buyers over investors. Until that opens back up, don't expect much institutional capital to come off the sidelines.



REA | REAL ESTATE ADVISORS

Maggie Hawkins
Unlicensed Assistant
505.539.3202
maggie@reanm.com

CONTACT US
www.reanm.com

Albuquerque
Real Estate Advisors, LLC
101d Sun Ave NE, Suite 2A
Albuquerque, NM 87109

Santa Fe
Real Estate Advisors, LLC
1227 Paseo de Peralta
Santa Fe, NM 87501

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2025 KEY SALES TRANSACTIONS

	Property	Submarket	Buyer Type	RSF	List Price
	9901 Montgomery Blvd NE	NE Heights	Owner/User	23,427	$2,000,000
	3740 Eubank Blvd NE	Far NE Heights	Owner/User	5,181	$1,250,000
	2511 Wyoming Blvd NE	NE Heights	Owner/User	6,374	$989,000

2025 KEY LEASE TRANSACTIONS

	Property	Submarket	Tenant	Lease Type	RSF
	7770 Jefferson St NE	Univeristy	Alma Recovery Center	Modified Gross	5,600
	8801 Horizon Blvd NE	North I-25	Not Disclosed	Full Service	4,530
	101d Sun Ave NE	North I-25	Iron Edge	Full Service	3,329

CLASS SNAPSHOT

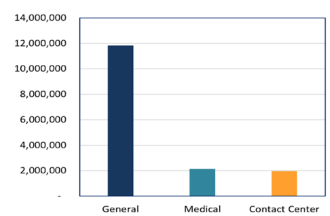
Class A		Class B		Class C	
Total Square Feet	1,997,240	Total Square Feet	11,733,316	Total Square Feet	2,197,004
Availability	14.95%	Availability	14.87%	Availability	7.48%
Avg. Face Rate	$27.93	Avg. Face Rate	$20.35	Avg. Face Rate	$19.13

MARKET STATISTICS

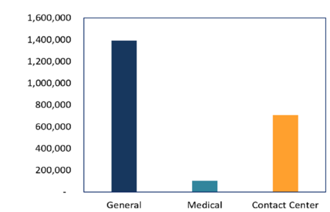
Submarket Name	RBA	Available SF	Available Rate	Face Rate
Airport	859,643	50,369	5.86%	$15.39
Cottonwood	147,973	4,620	3.12%	$23.00
Dowtown	3,231,942	935,944	28.96%	$19.59
Far Northeast Heights	1,653,940	112,047	6.77%	$20.73
Mesa Del Sol	335,313	30,228	9.01%	$27.23
North I-25	3,925,573	443,623	11.30%	$23.58
North Valley	184,225	44,038	23.90%	$20.00
Northeast Heights	954,382	29,087	3.05%	$17.94
Rio Rancho	1,042,639	225,886	21.66%	$23.50
South Valley	61,157	-	0.00%	-
Southeast Heights	432,111	13,555	3.14%	$15.22
University	916,584	95,021	10.37%	$20.42
Uptown	1,844,429	214,277	11.62%	$22.20
West Mesa	337,649	8,779	2.60%	$18.50
Total	**15,927,560**	**2,207,474**	**13.86%**	**$21.81**

PRODUCT TYPE BREAKDOWN

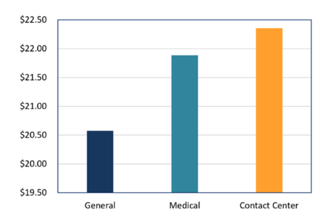
RBA



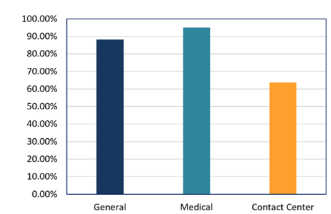
Available Space



Rental Rate



Percentage Leased



OFFICE SNAPSHOT

Office 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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