REA REAL ESTATE ADVISORS

SNAPSHOTS

SANTA FE, NM OFFICE MARKET 2Q26

MARKET INSIGHTS

AVAILABLE RATE
4.13%
YoY CHG ↓ | 12-MO FORECAST ↑

MARKET RENT/SF
$26.75
YoY CHG ↑ | 12-MO FORECAST ↑

CAPITAL MARKET

AVERAGE CAP RATE
8.00% 1Q26
YoY CHG — | 12-MO FORECAST —

MARKET SALE PRICE/SF
$178.76
YoY CHG ↓ | 12-MO FORECAST —

US 10-YEAR TREASURY
4.65%
YoY CHG ↑ | 12-MO FORECAST —

OFFICE MARKET SNAPSHOT

Market Conditions: Santa Fe's office market picked up 133,000 SF of new availability this quarter, pushing the overall rate from 3.80% to 4.13%. Nearly all of it sits Downtown, now at 7.48% available. Everywhere else tells a different story: Santa Fe proper tightened to 1.54%, and market rent edged up to $26.75/SF, a new series high.

Demand Drivers: One deal carried the quarter: a 20,000 SF lease at 2905 E Rodeo Park Drive, its first time on the market in twenty years. Everything else signed was under 3,000 SF. Medical office is 99.47% leased, leaving healthcare users with build-to-suit or nothing.

Barriers to New Development: Zoning, historic preservation, and construction costs continue to block new supply, keeping Santa Fe structurally undersupplied and putting existing buildings in the driver's seat.

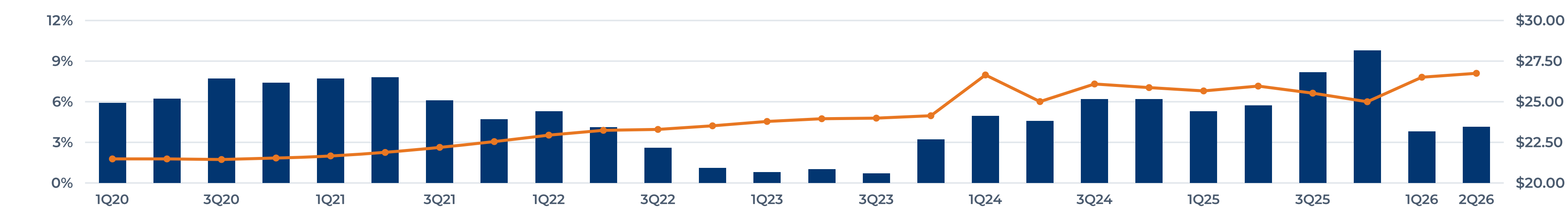
OFFICE INVESTMENT MARKET

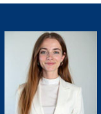
Trends: Investment activity stayed small and owner-user driven this quarter: three closings averaging $178.76/SF, down from $221.14/SF in 1Q26. That drop is about building size and age, not a discount on quality. Class A space barely trades at all, just 2.52% available at face rates of $34.81/SF.

Outlook: No sale reported a cap rate this quarter, so the 8.00% shown is carried over from last quarter, unchanged. What the data does show is rent climbing faster than availability, landlords holding firm on pricing for scarce quality space, not demand softening.

Investment Appeal: Supply constraint is the whole case. Rent sits at a series high, availability hovers near 4%, and these buildings could not be replicated at replacement cost. Buyers underwrite the in-place income, not the promise of rent growth.

VACANCY VS. RENTAL RATES





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SNAPSHOTS

KEY SALES TRANSACTIONS

PROPERTY	SUBMARKET	CLOSE DATE	BLDG SF	SALE PRICE
411 Saint Michaels Dr #3	SE North	06/23/26	1,500–1,999	$409,000
1723 Second St	SW City	05/01/26	2,000–2,999	$360,000
1448 Saint Francis Dr	SW City	04/30/26	1,000–1,499	$355,000

KEY LEASE TRANSACTIONS

PROPERTY	SUBMARKET	CLOSE DATE	LEASE RATE	LEASED SF
2905 E Rodeo Park Dr #5	SW City	04/27/26	$20.00/SF	20,000
810 Calle Mejia #103	NW City	05/27/26	$22.00/SF	2,818
228 S Saint Francis Dr #E	NW City	05/13/26	$19.00/SF	2,348

MARKET STATISTICS

SUBMARKET NAME	RBA	AVAILABLE SF	AVAILABLE RATE	FACE RATE
Southwest Santa Fe	1,348,995	53,723	3.98%	$25.88
Santa Fe	1,024,111	15,721	1.54%	$28.04
Downtown	849,222	63,556	7.48%	$27.18
Total	**3,222,328**	**133,000**	**4.13%**	**$26.75**

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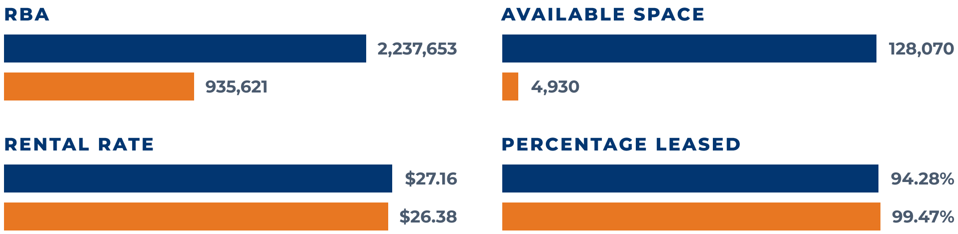
CLASS SNAPSHOT

	TOTAL SQUARE FEET	AVAILABILITY	AVG. FACE RATE
Class A	423,667	2.52%	$34.81
Class B	2,154,742	5.23%	$26.47
Class C	643,919	1.48%	$22.50

PRODUCT TYPE BREAKDOWN



OFFICE SNAPSHOT

Office market data includes non-owner-occupied buildings of ≥10,000 square feet in the Santa Fe 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 investment decisions based on this data.