

Multi-Tenant Office Market Overview

2021 Q3 Office Snapshot
Albuquerque, New Mexico

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Albuquerque Metro Market

Total Square Feet

14,783,384

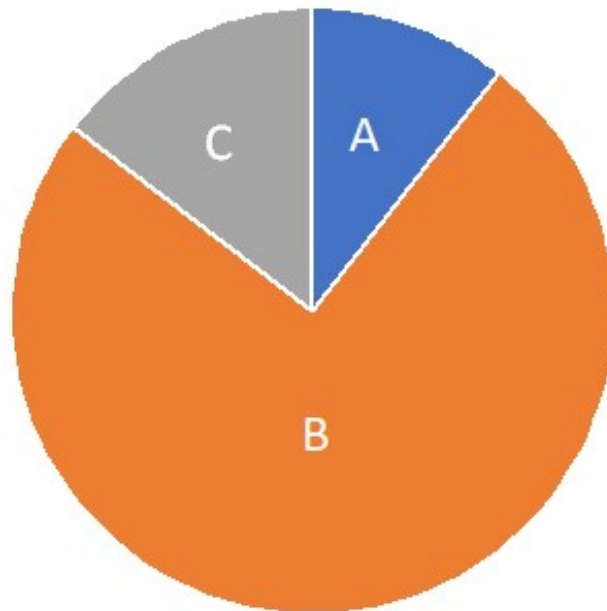
Availability

19.03%

Average Face Rate

\$

16.78



CLASS A

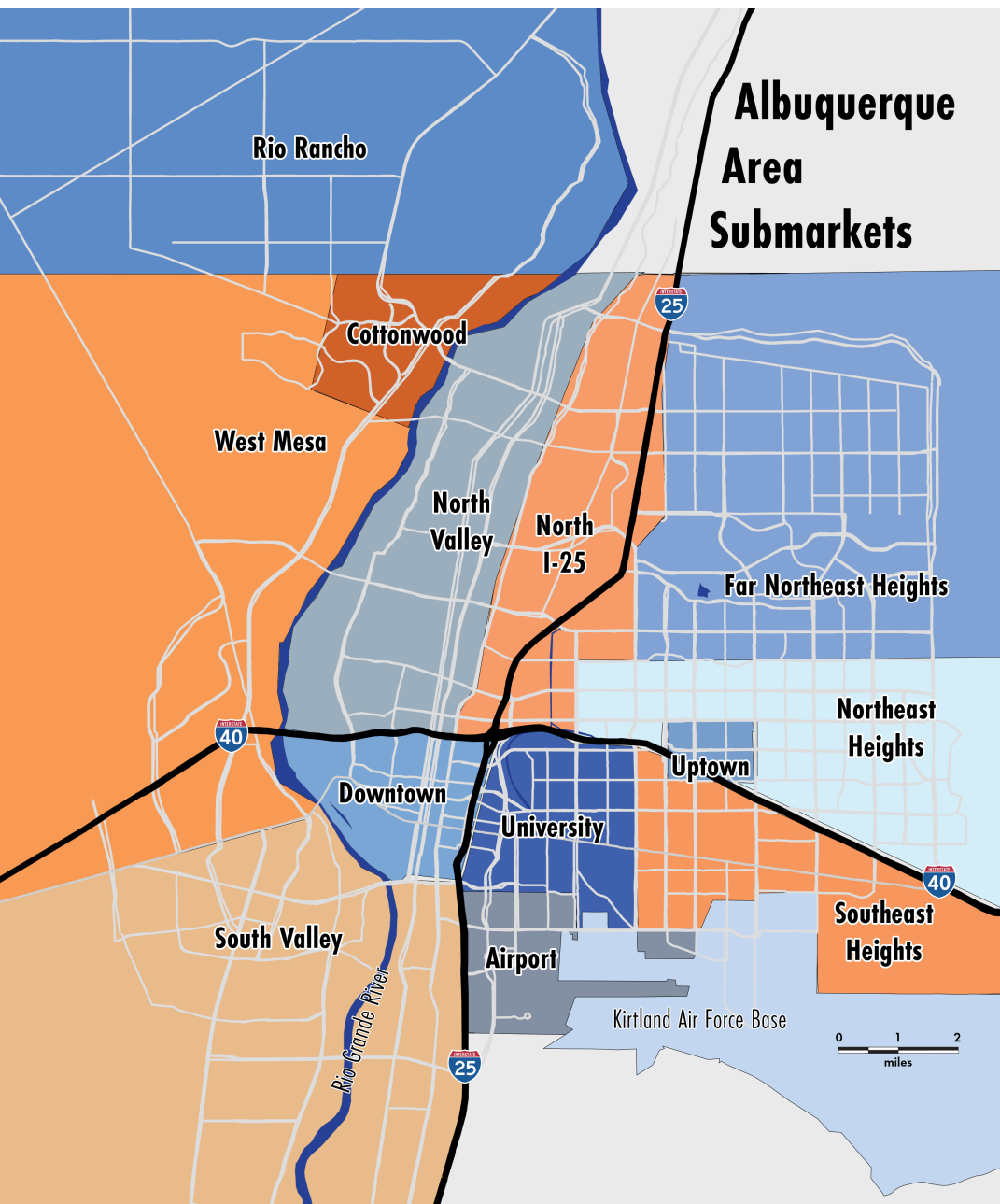
Total Square Feet	1,562,615
Availability	26.20%
Avg. Face Rate	\$ 25.14

CLASS B

Total Square Feet	11,052,488
Availability	18.42%
Avg. Face Rate	\$ 17.04

CLASS C

Total Square Feet	2,168,281
Availability	16.98%
Avg. Face Rate	\$ 15.05



Submarket	Total SF	Availability	Face Rate
Airport	727,474	14.19%	\$ 14.21
Cottonwood	98,365	0.00%	\$ 19.38
Downtown	3,324,949	26.46%	\$ 16.72
Far Northeast Heights	1,527,612	11.67%	\$ 17.56
Mesa Del Sol	148,473	29.72%	\$ 22.29
North I-25	3,166,968	13.52%	\$ 18.43
North Valley	140,745	2.85%	\$ 14.89
Northeast Heights	789,271	8.65%	\$ 13.51
Rio Rancho	791,441	24.14%	\$ 16.72
South Valley	73,030	17.05%	\$ 15.97
Southeast Heights	693,370	29.43%	\$ 13.93
University	863,309	7.14%	\$ 16.70
Uptown	1,762,509	15.56%	\$ 17.86
West Mesa	479,504	56.83%	\$ 18.29

Real Estate Advisors track 431 multi-tenant office buildings over 10,000 square feet in the Albuquerque market. These buildings total 14,783,384 square feet, with 2,798,921 square feet of availability. Since the pandemic began in March of 2020, the office market availability rate has increased approximately 27%, from roughly 15% to 19%.

In tracking overall market statistics, reports generally state availability, vacancy, or both. The difference between vacancy and availability is:

Vacancy is limited to space that is not leased whereas

Availability includes space that is not leased plus space that is available for sublease

As many of our investor clients want to know what spaces are competing for tenants and our user clients want to know what options are available in the market, our snapshot reports the availability.

Despite the current overall 19.03% availability rate, when you talk with most commercial real estate brokers, they will tell you that Albuquerque is a tight market, and the pandemic has had minimal effect on the market. The basis of this statement is that almost 2/3 of all the office vacancy resides in 25 buildings.

Much of the additional availability that has come online since the onset of the pandemic consist of large contact center and back-office operations. The seven closures Real Estate Advisors is tracking, range from approximately 20,000 to 200,000 square feet. Companies that have vacated this type of space in the market during the pandemic include Verizon, Thomson Reuters, Cannon, Alliance Data, Concentrix Corporation, Aura, and Optum.

As the majority of the Albuquerque Office Tenant Base consists of small to medium sized local and regional tenants, the increase in the number of large blocks of space does not change the number of options for most tenants in the market. Outside of the 25 buildings in the market that make up most of the available space, the availability rate in the other 406 buildings is 9.98%. As a result, the overall average market rental rate of \$16.78 has remained relatively the same as that at year end 2019.

The Class A Office Market consists of 1,562,615 square feet. The current availability rate is 26.20%. This rate is skewed by two buildings that have occupancy rates of less than 50%. The 500 Marquette building has hovered around 50% vacant for the last five years whereas 8801 Horizon's 60% vacancy is due to the recent consolidation of Optum's acquisition of DaVita Medical Group.

The Class B Office Market makes up approximately 75% of the total market. Class B Office space totals 11,052,488 with an 18.29% availability rate. Almost all the contact center and back-office closures occurred in Class B office space. Consequently, statistically of all the classes, the Class B office market has experienced the most significant negative absorption since the onset of the pandemic.

The Class C office market has been the most stable class of building as the tenant base which resides in these buildings are typically smaller local users that have been the least impacted subcategory of users during the pandemic. The Class C office market consist of 2,168,281 square feet with a 16.98% vacancy.

Lease Renewal | 5421 Jefferson St. NE | 61,477 SF | T-Mobile



New Lease | 6301 Indian School Rd. NE | 5,415 SF | Strategic Management Solutions



New Lease | 6727 Academy Rd. NE | 4,037 SF | Los Alamos Technical Associates



New Lease | 4401 Masthead St. NE | 3,636 SF | Clay Consulting





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Our Newest Associate Broker:

Téa Salazar is an Associate Broker at REAL ESTATE ADVISORS focused on Medical Buildings and Law Firms. As a lifelong Albuquerque resident and former data analyst at REA, Téa strives to provide her clients with reliable market knowledge in an effort to best meet their real estate needs.

Téa is a graduate from the University of New Mexico with a degree in Political Science and Spanish. While at UNM, Téa was a member of the Mock Trial team and served as ASUNM Senator. Téa also studied at the American University of Paris in France, Chiang Mai University in Thailand, and the University of Alicante in Spain where she solidified her fluency in Spanish.

Before working at REA, Téa served as a legislative intern for Senator Martin Heinrich in Washington, D.C. and as an assistant at a local law firm. Outside of the office, Téa enjoys volunteering in her community for multiple political campaigns and for local environmental and health organizations.

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Space Calculator

You may determine your requirement with our Space Calculator. Our goal in our Right Fit Solution representation of Tenant and Owner Occupants is to save our clients' money and time as well as reduce their risk. The first step is assisting our clients is determining their real estate is defining the optimal space need.

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Our reputation, for creating sound solutions for our clients' challenges through application of our knowledge and experience, is widely respected. Whether you are an occupier of commercial real estate, a private owner in our local market or an institutional investor with a multimarket presence, our professionals are ready to help.

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