



Office Market Report

Albuquerque - NM

PREPARED BY



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Qualifying Broker



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

21.5K

12 Mo Net Absorption in SF

225K

Vacancy Rate

6.2%

12 Mo Rent Growth

2.0%

Office demand in Albuquerque often comes from smaller tenants. However, several recent expansions from Netflix and TaskUs were big wins for local officials and economic development groups.

Construction has been limited in the last decade, particularly when compared to the years leading up to the Great Recession. The pipeline remains sparse and supply-side pressure on fundamentals is unlikely to occur in the near term.

The average office rent in Albuquerque is about half of the National Index and is a major draw for corporations seeking to expand or relocate to a low-cost location. Consistent rent growth has been hard to come by and rents have been relatively flat in the past decade.

New Mexico's non-disclosure status can cloud the investment picture, but research by CoStar has uncovered that Albuquerque has been a fairly active market in the past several quarters. Most investors come from within New Mexico.

Employment in Albuquerque is heavily concentrated in government, education and health services. Government entities represent some of the largest office tenants in the metro, including the state and city government, as well as two of the Department of Energy's largest laboratories, Los Alamos and Sandia. The public sector's reliance on the oil industry, particularly in the form of tax revenue and royalties, exposes it to more oil volatility than most government-heavy metros.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	6,028,731	8.3%	\$21.82	8.4%	(19,670)	0	0
3 Star	12,525,134	10.7%	\$18.88	10.3%	(211,595)	0	10,000
1 & 2 Star	20,685,440	2.9%	\$15.57	3.1%	73,062	0	0
Market	39,239,305	6.2%	\$17.59	6.2%	(158,203)	0	10,000
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.6%	9.0%	6.0%	12.1%	2010 Q3	5.8%	2021 Q4
Net Absorption SF	225K	287,866	59,875	1,276,305	2017 Q1	(625,064)	2014 Q2
Deliveries SF	21.5K	299,219	57,002	1,370,985	2010 Q3	28,000	2020 Q4
Rent Growth	2.0%	0.1%	2.0%	9.5%	2008 Q1	-6.8%	2010 Q2
Sales Volume	\$55.3M	\$66M	N/A	\$240M	2016 Q1	\$15M	2011 Q2

In what is typically a quiet office market, Albuquerque's vacancy rate has remained stable since the onset of the pandemic. With supply pressure a non-issue, the market has a better chance of holding steady unless demand falls off dramatically. Local officials and economic development groups have put an emphasis on diversifying the economy, specifically with jobs from high value-add industries that have leased large blocks of space in the market.

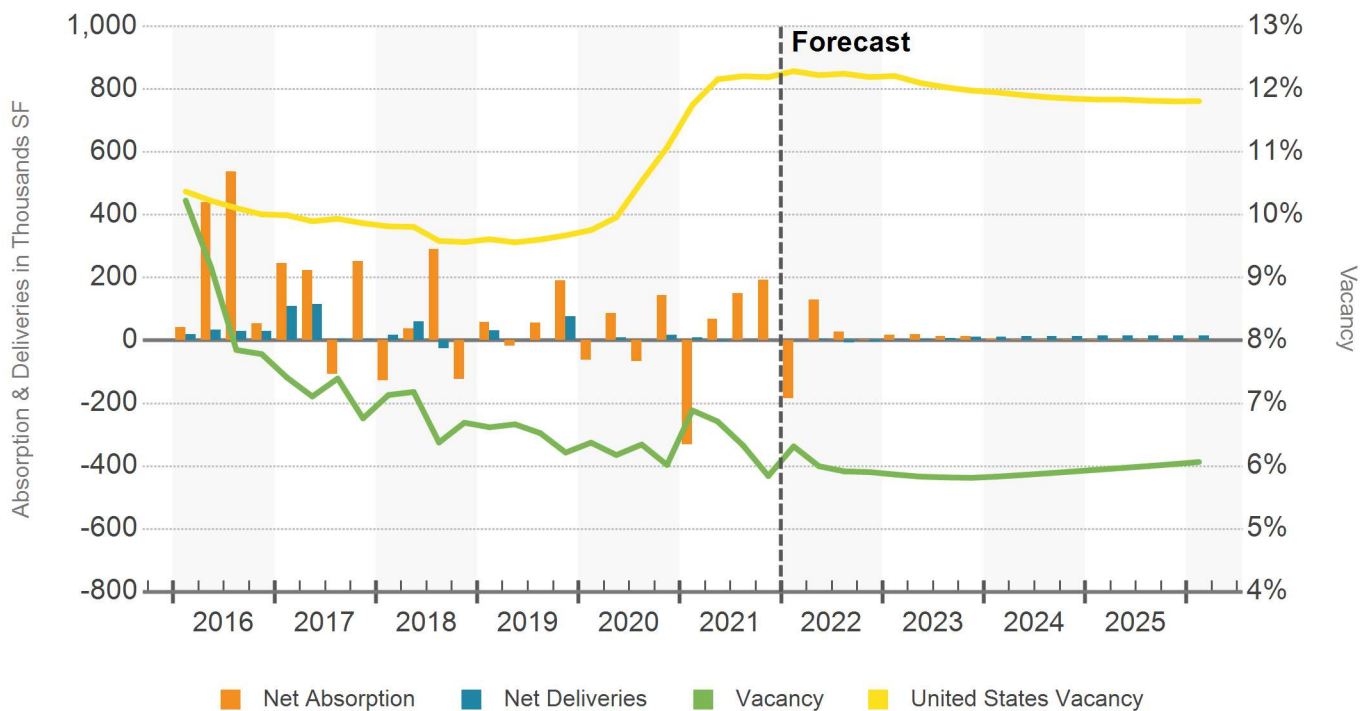
Netflix announced plans to acquire Albuquerque Studios. The 257,000-SF property includes 100,000 SF of office space. The entertainment company projects it will invest \$1 billion for its productions in the state and create about 1,000 jobs annually over the next decade. Netflix's expansion into Albuquerque was facilitated through funding from New Mexico's Local Economic

Development Act that included \$10 million and \$4.5 million from the city of Albuquerque.

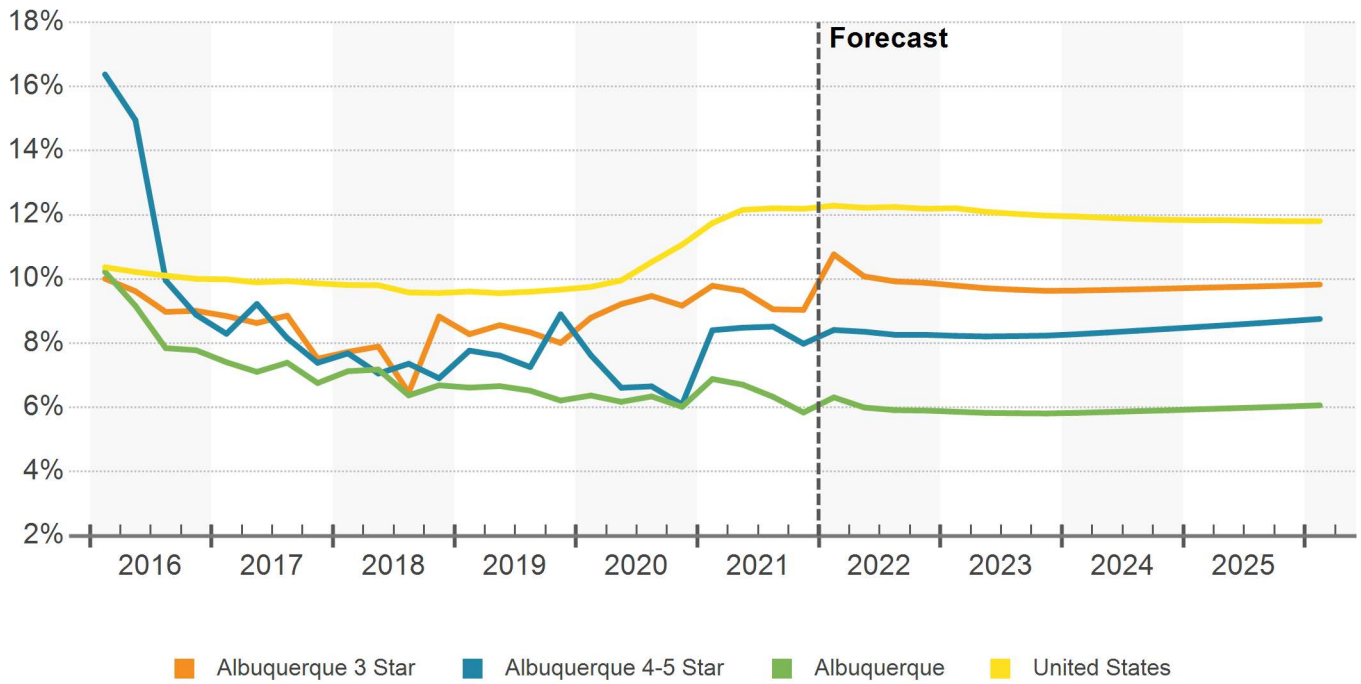
In the largest lease of this cycle, excluding government and healthcare tenants, California-based TaskUs leased 100,000 SF at The Galleria in Downtown. The virtual customer service company plans to bring roughly 700 jobs to their new location over the next five years.

The presence of Kirtland Air Force base has resulted in ancillary businesses needing office space. Leidos, an aerospace company, signed one of the biggest office leases last year when it took nearly 29,000 SF at Century Plaza in Downtown. In the year prior, aerospace Giant Raytheon inked a lease for 72,000 SF at the Sandia Science and Technology Park in the Southeast Heights submarket.

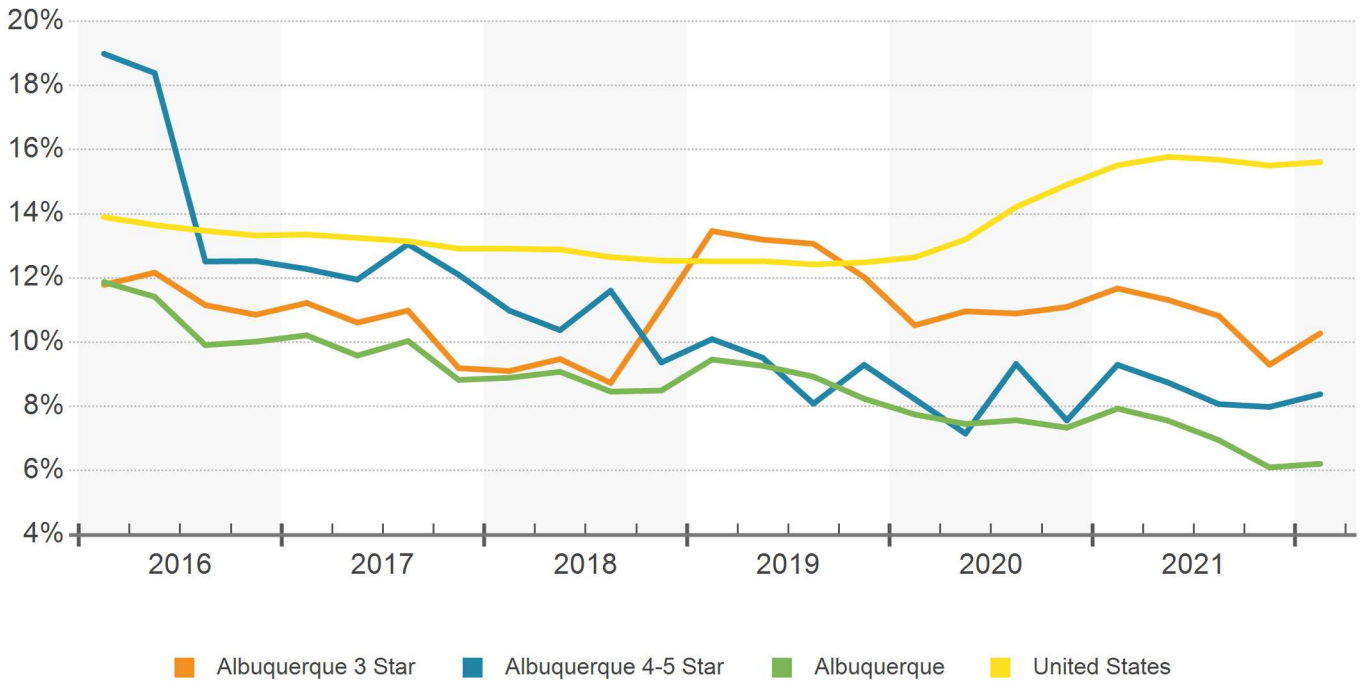
NET ABSORPTION, NET DELIVERIES & VACANCY



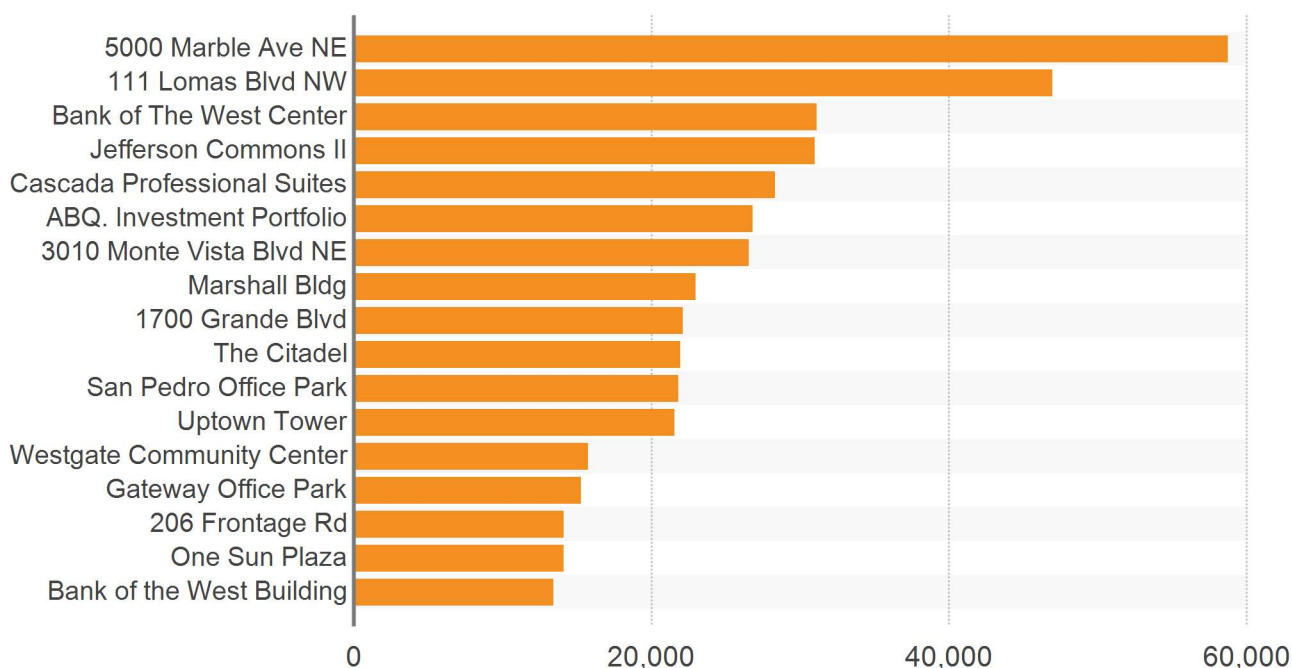
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
5000 Marble Ave NE	University	58,763	0	0	0	0	0	58,763
111 Lomas Blvd NW	Downtown	102,000	0	0	0	0	0	46,936
Bank of The West Center	Downtown	299,123	14,349	0	0	0	0	31,129
Jefferson Commons II	North I-25	31,000	0	0	0	0	0	31,000
Cascada Professional Suites	Northeast Heights	30,062	0	0	0	0	0	28,319
ABQ. Investment Portfolio	North I-25	31,647	0	5,388	0	0	0	26,793
3010 Monte Vista Blvd NE	University	28,379	0	0	0	0	0	26,556
Marshall Bldg	North I-25	78,000	9,522	1,807	0	0	0	22,988
1700 Grande Blvd	Rio Rancho	24,000	0	24,000	0	0	0	22,133
The Citadel	Uptown	96,118	0	0	0	0	0	21,951
San Pedro Office Park	Northeast Heights	25,502	2,040	(2,040)	0	0	0	21,831
Uptown Tower	Uptown	105,666	0	1,193	0	0	0	21,551
Westgate Community Center	South Valley	15,750	0	0	0	0	0	15,750
Gateway Office Park	Airport	15,265	0	0	0	0	0	15,264
206 Frontage Rd	Rio Rancho	15,300	0	0	0	0	0	14,110
One Sun Plaza	North I-25	183,000	17,382	7,394	0	0	0	14,101
Bank of the West Building	Southeast Heights	163,584	127,810	0	0	0	0	13,445
Subtotal Primary Competitors		1,303,159	171,103	37,742	0	0	0	432,620
Remaining Albuquerque Market		37,936,146	2,279,940	(195,945)	0	0	0	(207,529)
Total Albuquerque Market		39,239,305	2,451,043	(158,203)	0	0	0	225,091

TOP OFFICE LEASES PAST 12 MONTHS

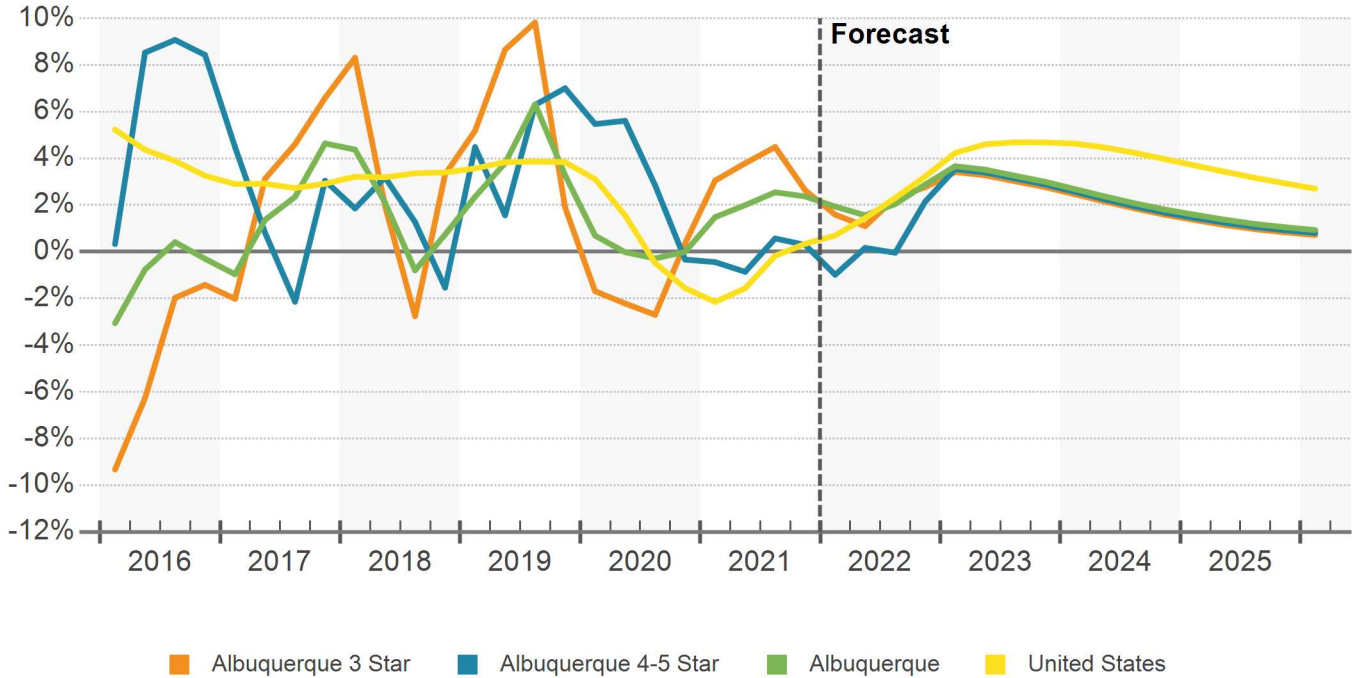
Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
7001 Zenith Ct NE	Rio Rancho	75,000	Q4 21	-	-	NAI Sun Vista
Sandia Science & Tech Park	Southeast Heights	72,100	Q4 21	BlueHalo	Edge;NAI Sun Vista	Real Estate Advisors
5421 Jefferson St NE *	North I-25	61,477	Q3 21	T-Mobile	-	CBRE
Marshall Bldg	North I-25	19,356	Q2 21	RESPEC	-	Oberstein Properties
The Galleria	Downtown	15,112	Q2 21	LQ Digital	JLL;NAI Sun Vista	Duke City Commercial...
Bank of The West Center	Downtown	13,781	Q3 21	-	-	Argus Investment Realty
San Pedro Office Park	Northeast Heights	11,135	Q1 22	-	-	NAI Sun Vista
Bank of The West Center	Downtown	10,350	Q3 21	-	-	Argus Investment Realty
Bank of the West Building	Southeast Heights	10,323	Q2 21	-	-	NAI Sun Vista
Sports Court at Renaissance	North I-25	10,206	Q1 22	DoorDash	-	Base 5 Retail Partners
Conejos Office Park	North I-25	10,105	Q1 22	-	-	NAI Sun Vista
1510 Unser Blvd SE	Rio Rancho	10,000	Q1 21	The Learning Experience	-	SCM Partners, LLC
Jefferson Professional Building	North I-25	7,535	Q3 21	-	-	NAI Sun Vista
2105 Osuna Rd NE	North I-25	7,370	Q2 21	New Mexico Livestock Bo...	-	Dura Bilt Products Inc
5501 Wilshire Ave NE	North I-25	6,948	Q2 21	-	-	NAI Sun Vista
5501 Wilshire Ave NE	North I-25	6,948	Q2 21	-	-	NAI Sun Vista
City Place	Uptown	6,939	Q4 21	-	-	NAI Sun Vista
Bank of the West Building	Southeast Heights	6,637	Q2 21	-	-	NAI Sun Vista
3815-3819 Osuna Rd NE	North I-25	6,508	Q1 22	-	-	NAI Sun Vista
Seagull Office Plaza	Far Northeast Heights	6,204	Q2 21	-	Maddox Manageme...	Duke City Commercial...
Seagull Office Plaza	Far Northeast Heights	6,204	Q2 21	-	Maddox Manageme...	Duke City Commercial...
2340 Alamo Ave SE	Airport	6,122	Q2 21	-	-	Building Interests, Inc.
City Place	Uptown	5,634	Q2 21	-	-	NAI Sun Vista
2700-2704 Yale Blvd SE	Airport	5,576	Q3 21	-	-	Building Interests, Inc.
1215-1225 4th St NW	Downtown	5,493	Q2 21	Enchantment Design & R...	RESOLUT RE	NAI Sun Vista
The Citadel	Uptown	5,415	Q3 21	Strategic Management So...	-	Duke City Commercial...
1901 Juan Tabo Blvd NE	Northeast Heights	5,219	Q1 22	-	-	Colliers New Mexico
1410-1500 San Pedro Dr NE	Uptown	5,183	Q3 21	-	-	Berger Briggs Real Est...
Tanoan Office Plaza	Far Northeast Heights	4,998	Q1 22	-	-	NAI Sun Vista
Albuquerque Plaza *	Downtown	4,907	Q2 21	Brownstein Hyatt Farber...	Real Estate Advisors	-
New Mexico Bank & Trust	Downtown	4,815	Q1 22	New Mexico Bank & Trust	Duke City Commerci...	Duke City Commercial...
2700-2704 Yale Blvd SE	Airport	4,750	Q2 21	-	-	Building Interests, Inc.
CBRE Centre	Uptown	4,707	Q4 21	-	-	CBRE
8814 Horizon Blvd NE	North I-25	4,659	Q3 21	-	-	C&S Real Estate & Dev...
3201 4th St NW	North Valley	4,623	Q1 22	-	-	NAI Sun Vista
Paseo Nuevo Office Complex	Far Northeast Heights	4,565	Q2 21	Caliber Home Loans, Inc.	CBRE	Real Estate Advisors
Albuquerque Centre	Uptown	4,549	Q2 21	-	-	C&S Real Estate & Dev...
Academy Office Park	Far Northeast Heights	4,157	Q1 22	-	-	NAI Sun Vista
Jefferson Green	North I-25	4,135	Q4 21	-	-	NAI Sun Vista
Academy Office Park	Far Northeast Heights	4,078	Q3 21	-	-	NAI Sun Vista

Renewal

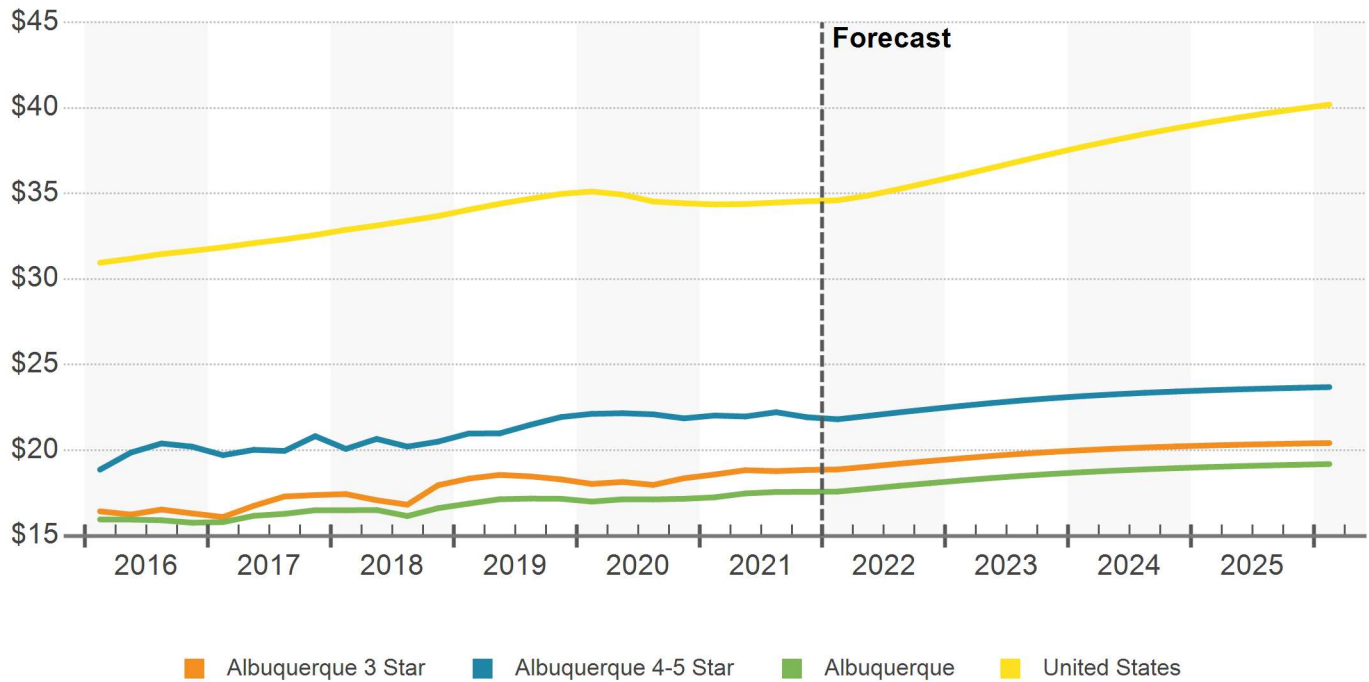
After decelerating through 2020 amid the onset of the pandemic, rent growth has improved in the last year. Asking rents are up 2.0% year-over-year. Asking rents in Albuquerque are about half of the national average. This affordability on a national level may have played a role in several recent corporate expansions, including TaskUs' 100,000-SF lease in downtown.

The Mesa Del Sol submarket has one of the highest asking rents in Albuquerque, commanding around a 30% premium over the metro average. Netflix's acquisition of Albuquerque Studios could fuel more demand from ancillary businesses, and also provide a boost to rent gains in the submarket.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Albuquerque	\$0.57	\$1	\$0.30	\$1.69	\$5.52	\$9.08
Downtown	\$0.58	\$1.01	\$0.25	\$1.12	\$5.60	\$8.56
Far Northeast Heights	\$0.52	\$1.01	\$0.44	\$3.66	\$5.66	\$11.29
Mesa Del Sol	\$0.58	\$1.01	\$0.25	\$2.22	\$5.60	\$9.66
North I-25	\$0.52	\$0.97	\$0.36	\$2.06	\$5.48	\$9.39
Northeast Heights	\$0.68	\$1.01	\$0.23	\$1.08	\$5.25	\$8.25
Rio Rancho	\$0.58	\$1.01	\$0.25	\$1.23	\$5.60	\$8.67
South Valley	\$0.58	\$1.01	\$0.25	\$0.66	\$5.60	\$8.10
Southeast Heights	\$0.59	\$1.02	\$0.26	\$1.21	\$5.67	\$8.75
University	\$0.61	\$1.01	\$0.25	\$1.13	\$5.51	\$8.51
Uptown	\$0.68	\$1.01	\$0.23	\$1.45	\$5.25	\$8.62

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Albuquerque	\$0.54	\$0.90	\$0.25	\$1.76	\$3.39	\$6.84
Airport	\$0.55	\$0.96	\$0.24	\$1.43	\$3.56	\$6.74
Cottonwood	\$0.53	\$0.92	\$0.23	\$1.71	\$3.40	\$6.79
Downtown	\$0.54	\$0.93	\$0.24	\$1.56	\$3.45	\$6.72
East Outlying	\$0.60	\$0.96	\$0.17	\$0.67	\$3.21	\$5.61
Far Northeast Heights	\$0.53	\$0.86	\$0.26	\$2.29	\$3.33	\$7.27
Kirtland AF Base	\$0.55	\$0.96	\$0.24	\$1.31	\$3.55	\$6.61
Los Lunas Corridor	\$0.53	\$0.91	\$0.23	\$1.22	\$3.38	\$6.27
Mesa Del Sol	\$0.55	\$0.96	\$0.24	\$1.67	\$3.55	\$6.97
North I-25	\$0.52	\$0.82	\$0.35	\$1.62	\$3.44	\$6.75
North Outlying	\$0.55	\$0.96	\$0.24	\$1.22	\$3.42	\$6.39
North Valley	\$0.53	\$0.89	\$0.31	\$2.87	\$3.47	\$8.07
Northeast Heights	\$0.61	\$0.91	\$0.09	\$1.49	\$2.71	\$5.81
Rio Rancho	\$0.53	\$0.92	\$0.23	\$1.73	\$3.40	\$6.81
South Valley	\$0.55	\$0.96	\$0.24	\$0.85	\$3.55	\$6.15
Southeast Heights	\$0.55	\$0.94	\$0.22	\$1.30	\$3.39	\$6.40
Torrance County	\$0.55	\$0.96	\$0.24	\$1.65	\$3.55	\$6.95
University	\$0.58	\$0.96	\$0.19	\$1.80	\$3.33	\$6.86
Uptown	\$0.66	\$0.98	\$0.10	\$1.84	\$2.92	\$6.50
West Mesa	\$0.55	\$0.96	\$0.24	\$2.20	\$3.55	\$7.50

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

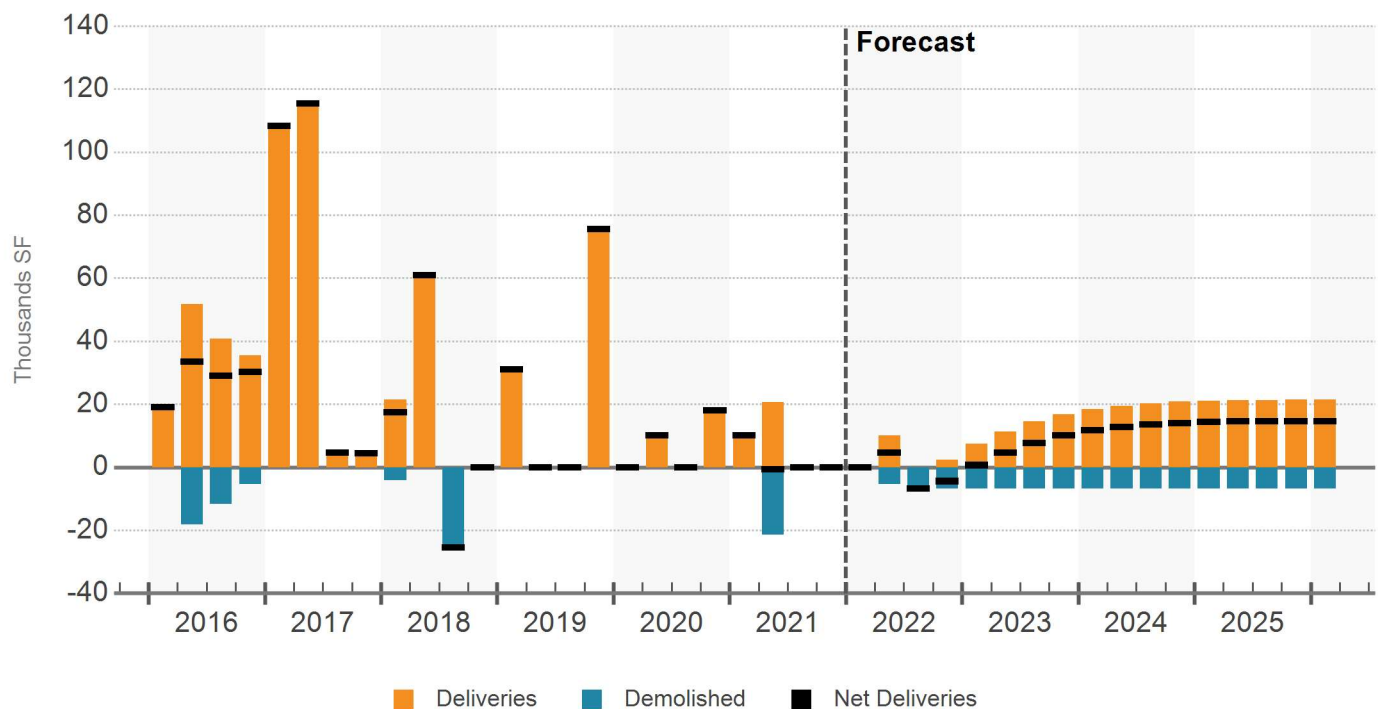
Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
Albuquerque	\$0.51	\$0.86	\$0.15	\$1.42	\$1.80	\$4.74
Airport	\$0.51	\$0.88	\$0.16	\$1.50	\$1.70	\$4.75
Cottonwood	\$0.51	\$0.88	\$0.16	\$2.01	\$1.69	\$5.25
Downtown	\$0.51	\$0.89	\$0.16	\$1.36	\$3.25	\$6.17
East Outlying	\$0.53	\$0.91	\$0.17	\$1.14	\$1.71	\$4.46
Far Northeast Heights	\$0.49	\$0.81	\$0.15	\$2.04	\$1.60	\$5.09
Los Lunas Corridor	\$0.52	\$0.89	\$0.16	\$1.16	\$1.71	\$4.44
Mesa Del Sol	\$0.53	\$0.91	\$0.17	\$2.16	\$1.73	\$5.50
North I-25	\$0.49	\$0.78	\$0.16	\$1.53	\$1.86	\$4.82
North Outlying	\$0.41	\$0.70	\$0.13	\$0.36	\$1.36	\$2.96
North Valley	\$0.49	\$0.82	\$0.16	\$1.53	\$2.07	\$5.07
Northeast Heights	\$0.56	\$0.90	\$0.09	\$1.32	\$0.43	\$3.30
Rio Rancho	\$0.50	\$0.86	\$0.16	\$1.99	\$1.66	\$5.17
SE Outlying	\$0.48	\$0.83	\$0.15	\$0.61	\$1.59	\$3.66
South Valley	\$0.53	\$0.91	\$0.17	\$1.12	\$1.91	\$4.64
Southeast Heights	\$0.53	\$0.89	\$0.14	\$1.07	\$1.35	\$3.98
Torrance County	\$0.51	\$0.88	\$0.16	\$0.47	\$1.69	\$3.71
University	\$0.52	\$0.89	\$0.15	\$1.18	\$1.73	\$4.47
Uptown	\$0.55	\$0.89	\$0.09	\$1.66	\$0.44	\$3.63
West Mesa	\$0.51	\$0.87	\$0.16	\$1.92	\$1.67	\$5.13

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Office development in Albuquerque has been relatively limited in this past decade. Construction has remained light in the last two years, with a 21,500-SF medical office building at 1817 Wellspring Avenue as the only significant delivery since 2018.

The metro's strong absorption in the past was not been met with commensurate supply, due to limited construction. The market currently has only 10,000 SF in the pipeline.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

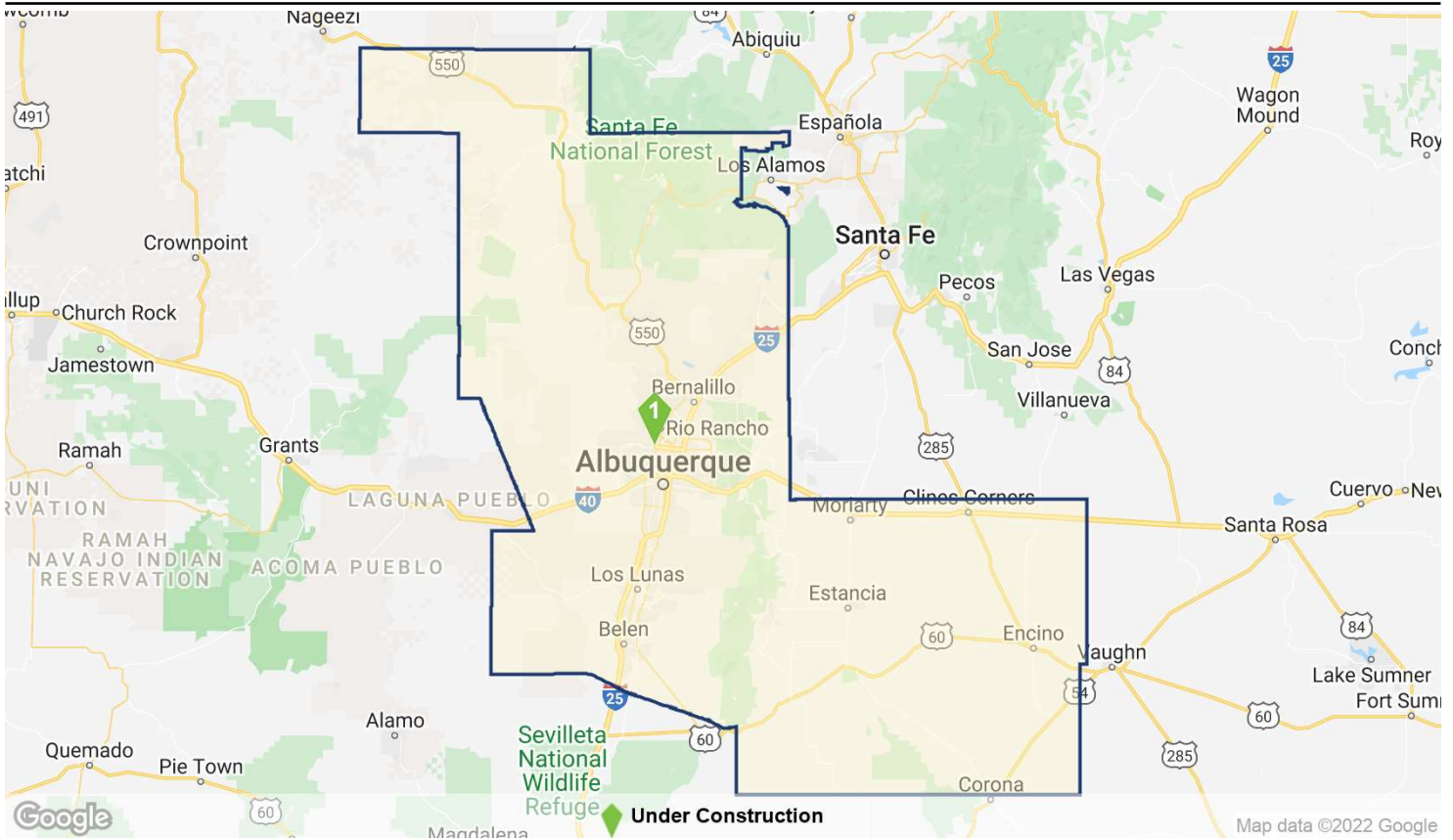
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	West Mesa	1	10	10	100%	1	8,828	10,000	1
2	Airport	0	-	-	-	-	29,867	-	-
3	Cottonwood	0	-	-	-	-	9,180	-	-
4	Downtown	0	-	-	-	-	16,985	-	-
5	East Outlying	0	-	-	-	-	4,346	-	-
6	Far Northeast Heights	0	-	-	-	-	10,692	-	-
7	Kirtland AF Base	0	-	-	-	-	17,987	-	-
8	Los Lunas Corridor	0	-	-	-	-	4,610	-	-
9	Mesa Del Sol	0	-	-	-	-	78,570	-	-
10	North I-25	0	-	-	-	-	18,866	-	-
	All Other	0	-	-	-	-	10,272	-	-
Totals		1	10	10	100%		12,597	10,000	

Under Construction Properties

Albuquerque Office

Properties	Square Feet	Percent of Inventory	Released
1	10,000	0%	100%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

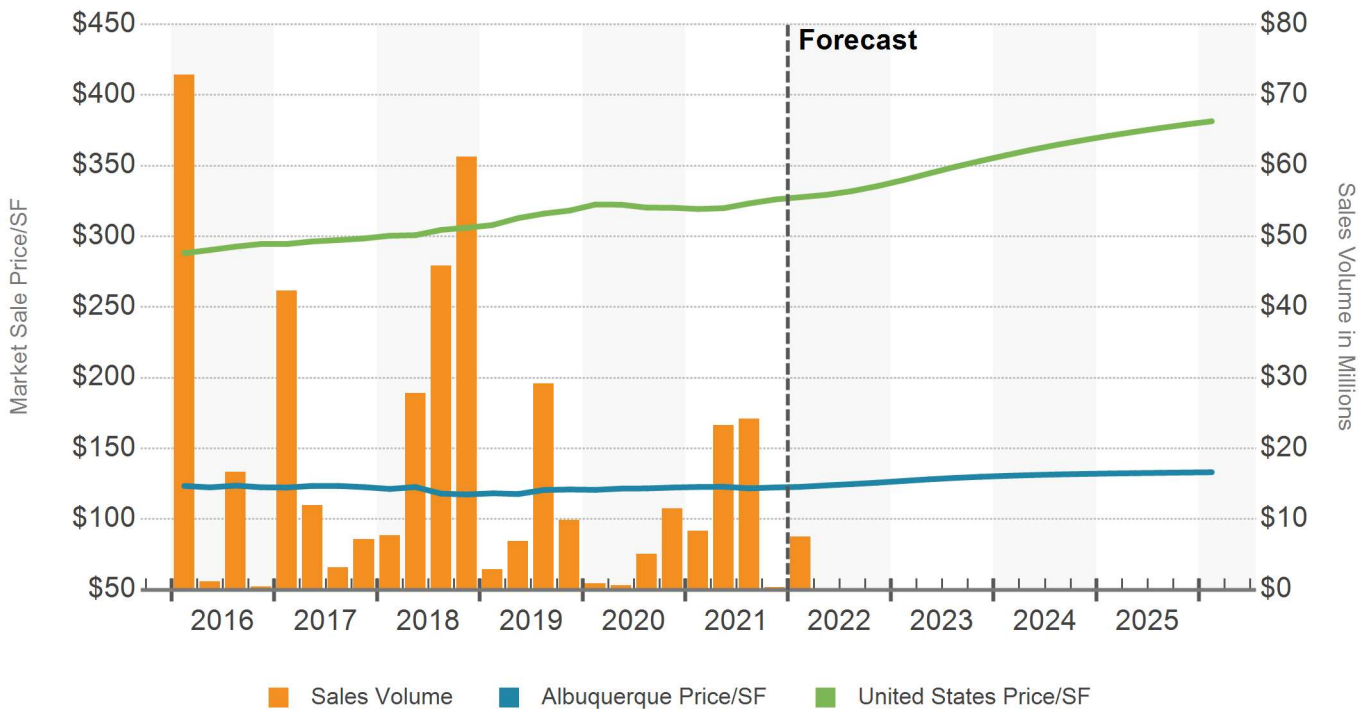
Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 4580 NW Nunzip Ave	★★★★☆	10,000	1	Jan 2021	Apr 2022	-

Although New Mexico's non-disclosure status tends to cloud the investment picture, office investors were fairly active in Albuquerque over the past decade according to CoStar's research. More than 6% of inventory has traded annually in four of the past five years. Investors are primarily coming from within the state.

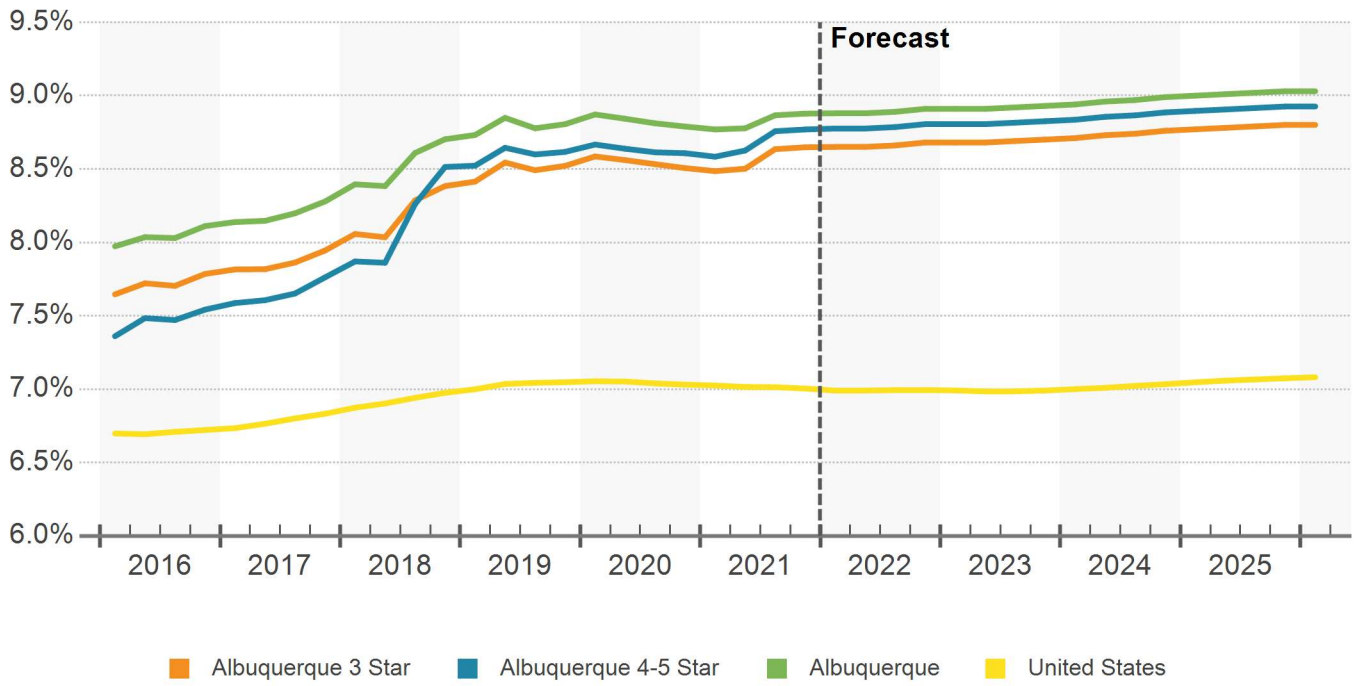
The biggest trade since the beginning of the COVID-19 outbreak was the City of Albuquerque's acquisition of the 572,000-SF Gibson Medical Center for \$15 million (\$26/SF) in April 2021. The city plans to reposition the

buildings to multiple uses for the homeless population, including a 24/7 emergency shelter, and facilities to transition the homeless residents to stable permanent housing, as well as providing access to long-term services that will reduce the number of people living on the streets. The timeline for the conversion was not disclosed. Funding for the acquisition was a combination of city funds, including a voter-approved bond, \$1 million from Bernalillo County, and the remainder was from state capital outlay allocations as well as a consortium of private businesses.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

Albuquerque Office

Sale Comparables

174

Avg. Cap Rate

8.0%

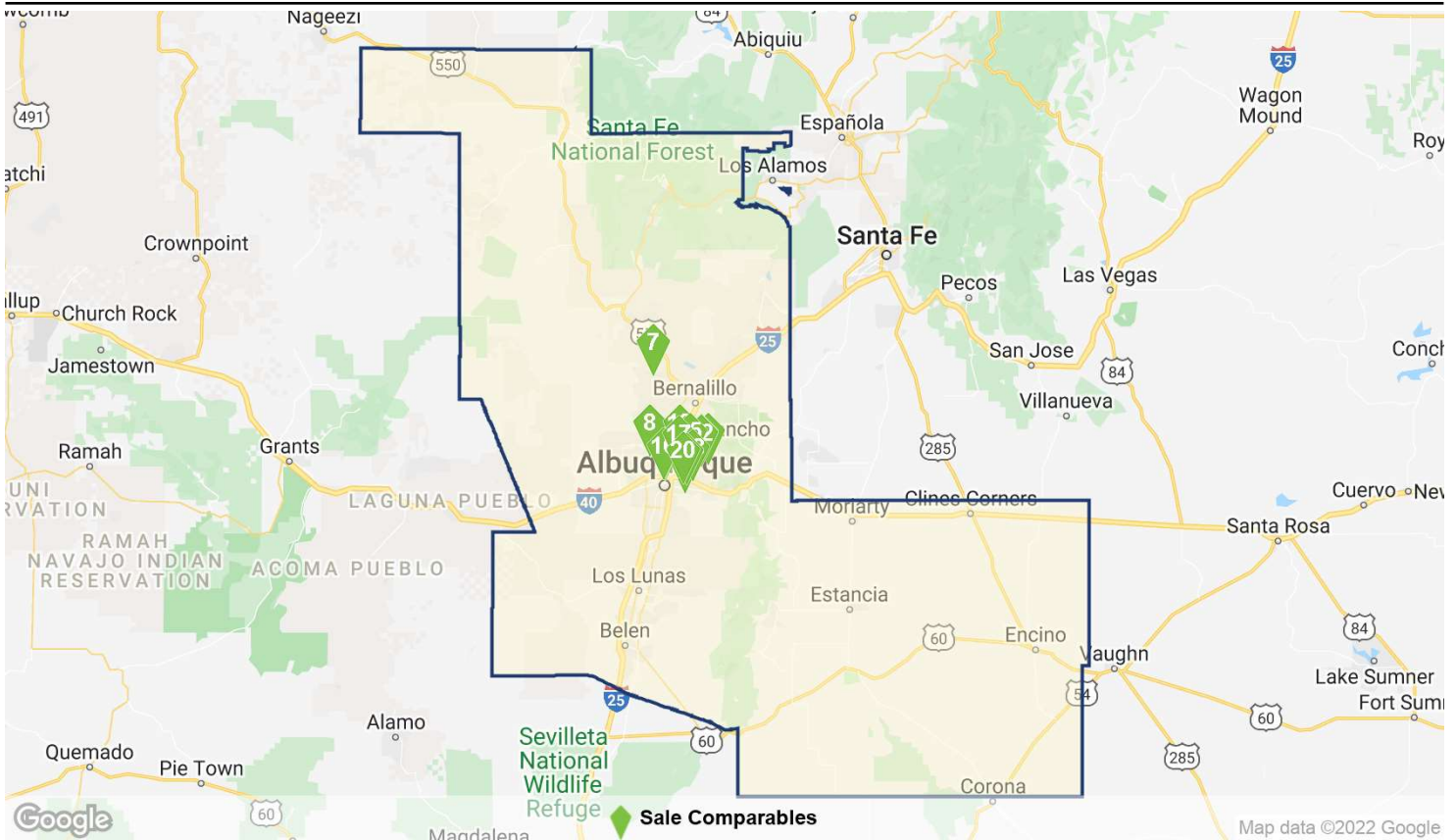
Avg. Price/SF

\$52

Avg. Vacancy At Sale

12.4%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$77,062	\$2,325,152	\$925,000	\$15,000,000
Price/SF	\$27	\$52	\$97	\$366
Cap Rate	4.7%	8.0%	8.1%	10.4%
Time Since Sale in Months	0.3	5.9	6.0	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,000	19,695	7,411	559,054
Stories	1	2	1	15
Typical Floor SF	723	10,365	5,841	139,764
Vacancy Rate At Sale	0%	12.4%	0%	100%
Year Built	1900	1981	1985	2016
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.2	★ ★ ★ ★ ★	★ ★ ★ ★ ★

Sales Past 12 Months

Albuquerque Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 Gibson Medical Center 5400 Gibson Blvd SE	★★★★★	1980	559,054	0%	4/1/2021	\$15,000,000	\$27	-
2 The Citadel 6301 Indian School Rd NE	★★★★★	1985	96,118	21.5%	9/30/2021	\$7,012,265	\$73	9.3%
3 6000 Uptown 6000 Uptown Blvd NE	★★★★★	1981	67,376	44.3%	8/10/2021	\$6,600,000	\$98	-
4 111 Lomas Blvd NW	★★★★★	1970	102,000	46.0%	6/10/2021	\$4,300,000	\$42	-
5 1031 Lamberton Pl NE	★★★★★	2001	40,498	0%	1/31/2022	\$3,750,000	\$93	-
6 ABQ. Investment Portfolio 4700 Jefferson St NE	★★★★★	1996	31,647	0%	7/12/2021	\$3,034,641	\$96	-
7 2500 Parkway Ave NE	★★★★★	2007	16,308	100%	6/26/2021	\$1,350,000	\$83	-
8 6111 Taylor Ranch Rd NW	★★★★★	1994	3,160	0%	8/27/2021	\$1,156,250	\$366	-
9 11501 Montgomery Blvd...	★★★★★	1980	9,549	0%	8/30/2021	\$1,080,000	\$113	-
10 901 3rd St NW	★★★★★	1950	5,000	0%	6/18/2021	\$1,070,000	\$214	8.2%
11 3900 Eubank Blvd NE	★★★★★	1980	12,470	0%	9/2/2021	\$938,795	\$75	-
12 3900 Eubank Blvd NE	★★★★★	1980	12,471	44.7%	9/2/2021	\$911,205	\$73	-
13 6621 Gulton Ct NE	★★★★★	2006	4,500	0%	7/22/2021	\$900,000	\$200	-
14 1513 Carlisle Blvd NE	★★★★★	2004	4,724	0%	7/26/2021	\$875,000	\$185	-
15 7027 Montgomery NE	★★★★★	1980	8,448	0%	8/6/2021	\$700,000	\$83	-
16 514 Marble Ave NW	★★★★★	2009	3,970	0%	5/18/2021	\$600,000	\$151	-
17 3816 Carlisle Blvd NE	★★★★★	1996	6,122	0%	6/8/2021	\$550,000	\$90	-
18 1109 Rhode Island St NE	★★★★★	2003	2,850	0%	8/9/2021	\$413,250	\$145	-
19 214 San Pedro Dr NE	★★★★★	1980	3,520	0%	12/15/2021	\$359,871	\$102	-
20 210 Manzano St NE	★★★★★	1961	3,243	100%	4/22/2021	\$255,000	\$79	-

Albuquerque has rebounded well, although the broader New Mexico economy still has a way to go in its economic recovery from the pandemic-induced downturn. The state lost about 100,000 nonfarm jobs from March to April of 2020, and has reclaimed about half of these jobs through May 2021. The retail and travel industries remain the hardest-hit employment sectors, along with mining and logging. In Albuquerque, the metro has reclaimed about 35,000 of the roughly 45,000 jobs lost from March to April of last year.

The Great Recession probably should have resulted in an immediate paradigm shift of the local economy. But like many smaller markets, Albuquerque, and all of New Mexico for that matter, was slow to adapt to the evolving market conditions.

Albuquerque's economy is largely focused on the public sector, but the agriculture, tourism, and manufacturing segments also have a substantial foothold.

Local officials and economic development groups have been proactive in diversifying the economy after reeling for years coming out of the Great Recession. Their efforts started to pay off with several major companies announcing expansions in the metro area.

In June 2019, NBCUniversal announced its expansion into Albuquerque, which would create more than 330 jobs with an average salary of \$60,000. The media titan plans to invest \$4 million to convert a warehouse in Martineztown into a TV and film studio. NBCUniversal expects to spend \$500 million in production costs at its studio, with local officials estimating an economic impact of \$1.1 billion over 10 years.

This announcement comes on the heels of another expansion from a major TV and film producer. In October 2018, Netflix announced plans to acquire a 257,000-SF production facility from Albuquerque Studios in Mesa Del Sol. Over the next decade, the online entertainment provider estimates it will invest \$1 billion for its productions in the state and create about 1,000 jobs annually. Netflix's expansion into Albuquerque was facilitated through \$10 million in funding from New

Mexico's Local Economic Development Act and \$4.5 million from the city of Albuquerque.

TaskUs, a California-based virtual customer service company, recently leased 100,000 SF at The Galleria in Downtown. The company plans to occupy its office space in early 2019 and bring about 700 jobs over the next five years. New Mexico will provide roughly \$2 million through its Local Economic Development Act, and the city of Albuquerque will pony up around \$1 million in LEDA funding.

Albuquerque accounts for about half of New Mexico's economic activity, although the state's economy as a whole is relatively pedestrian, often ranking in the bottom quarter of most economic indicators. Median incomes, home prices, and the cost of living all fall below the comparable national levels.

One issue facing the metro, and the state as a whole, is a reliance on oil and government. Both sectors have shrunk this cycle and have historically been drivers of the economy.

Although job losses weren't concentrated in Albuquerque as a result of oil price volatility, this means less tax revenue and royalties for the state, which the local economy relies upon for funding after federal sequestration in 2013.

Facebook's expansion into Las Lunas could provide some long-term economic tailwinds to the metro as its data centers deliver in phases through 2023. After breaking ground on its initial phases, Facebook announced that its footprint would expand from two buildings, totaling 970,000 SF, to six buildings, totaling approximately 2.8 million SF.

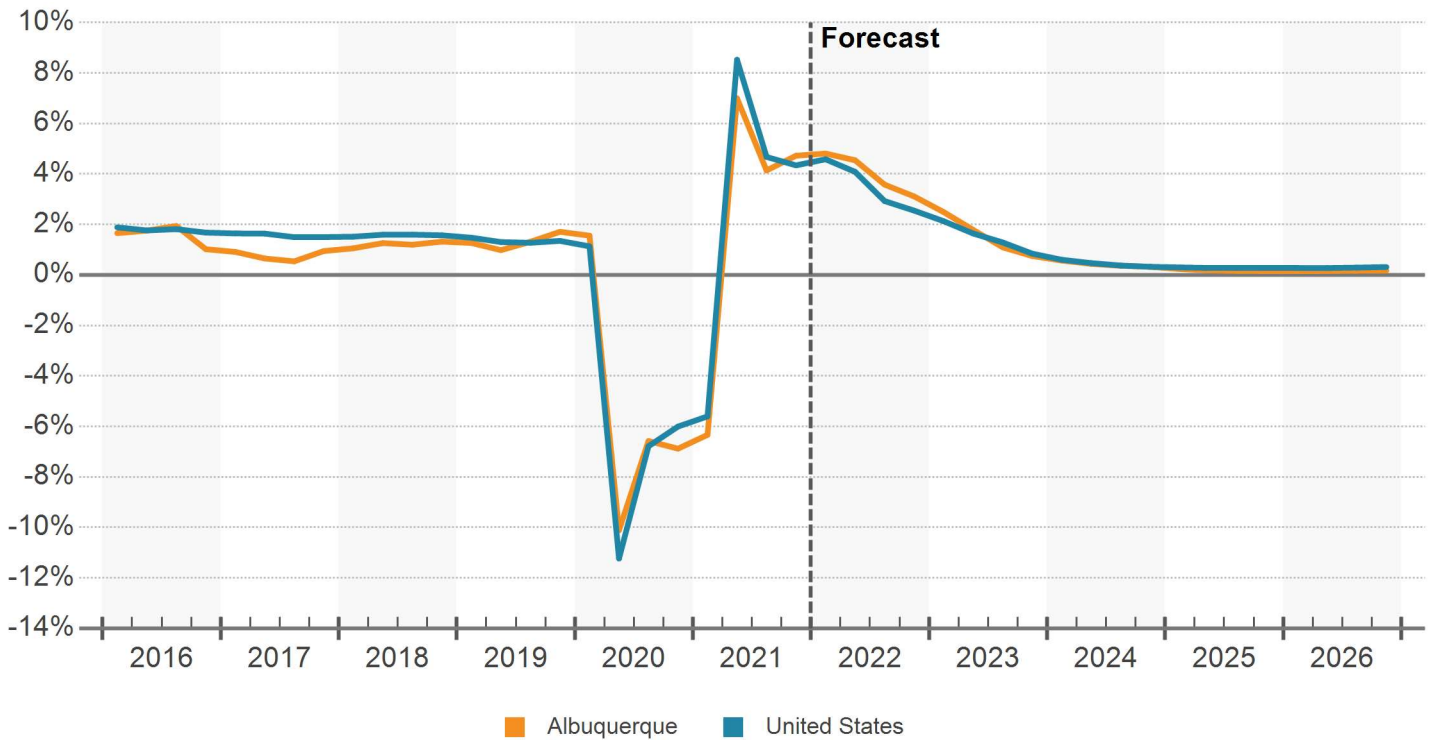
The social media giant's presence has already generated millions in tax revenue and is expected to bring in millions in new investment, dozens of long-term jobs, and support and ancillary services. For example, Affordable Solar announced that it would construct several solar farms, an investment of roughly \$45 million, to power Facebook's renewable energy-only facility.

ALBUQUERQUE EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	17	0.5	12.39%	3.61%	-0.54%	0.68%	0.09%	-0.14%
Trade, Transportation and Utilities	62	0.8	2.27%	2.79%	-0.08%	0.97%	0.01%	0.25%
Retail Trade	40	1.0	0.44%	1.90%	-0.25%	0.45%	0.16%	0.19%
Financial Activities	19	0.8	2.68%	1.71%	0.53%	1.43%	0.84%	0.52%
Government	77	1.3	1.07%	2.03%	-0.61%	0.01%	1.15%	0.67%
Natural Resources, Mining and Construction	28	1.3	4.77%	3.05%	3.74%	2.46%	0.05%	0.51%
Education and Health Services	68	1.1	4.10%	3.40%	1.96%	1.57%	0.92%	1.02%
Professional and Business Services	64	1.1	2.33%	4.31%	1.24%	1.96%	0.87%	0.98%
Information	5	0.7	5.74%	5.38%	-4.84%	0.53%	1.47%	1.32%
Leisure and Hospitality	43	1.0	20.06%	17.57%	1.29%	1.50%	1.15%	1.80%
Other Services	12	0.8	5.44%	5.68%	0.24%	0.72%	0.35%	0.48%
Total Employment	395	1.0	4.80%	4.56%	0.65%	1.17%	0.73%	0.74%

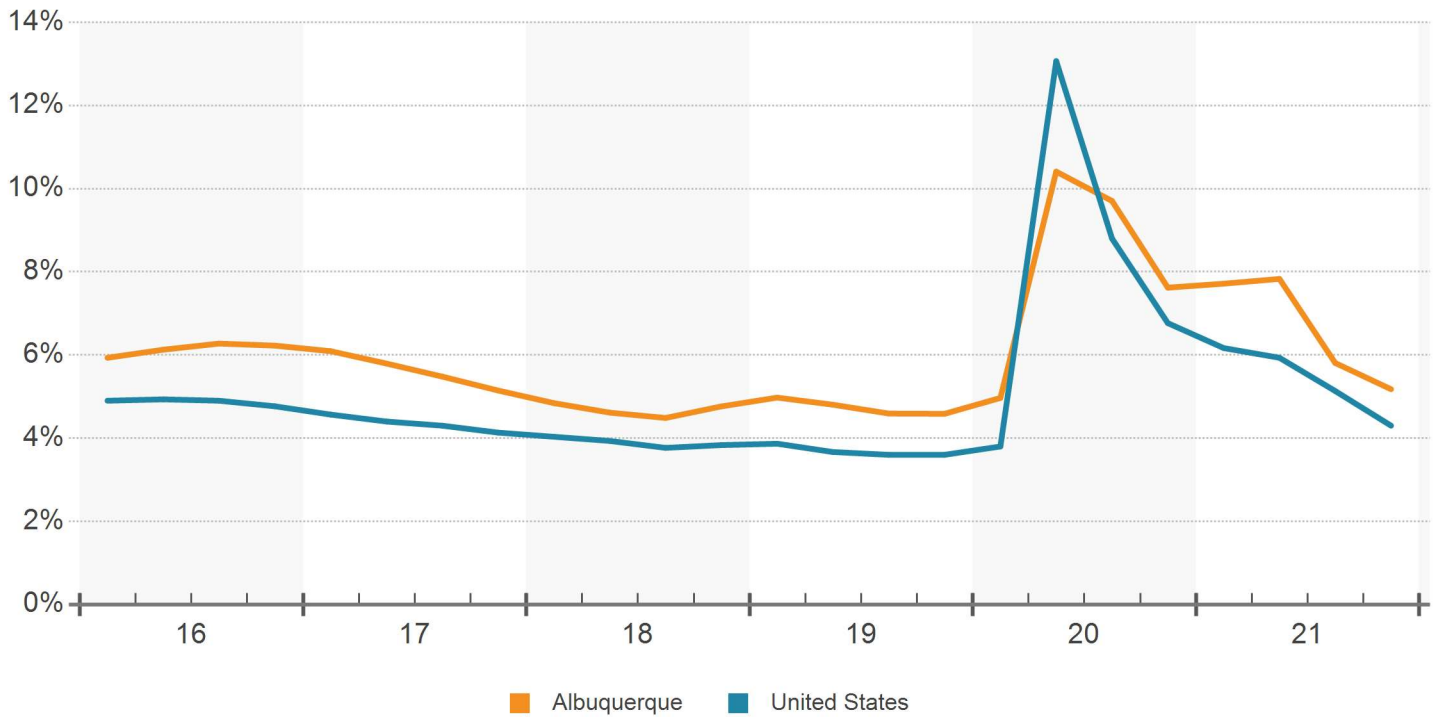
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

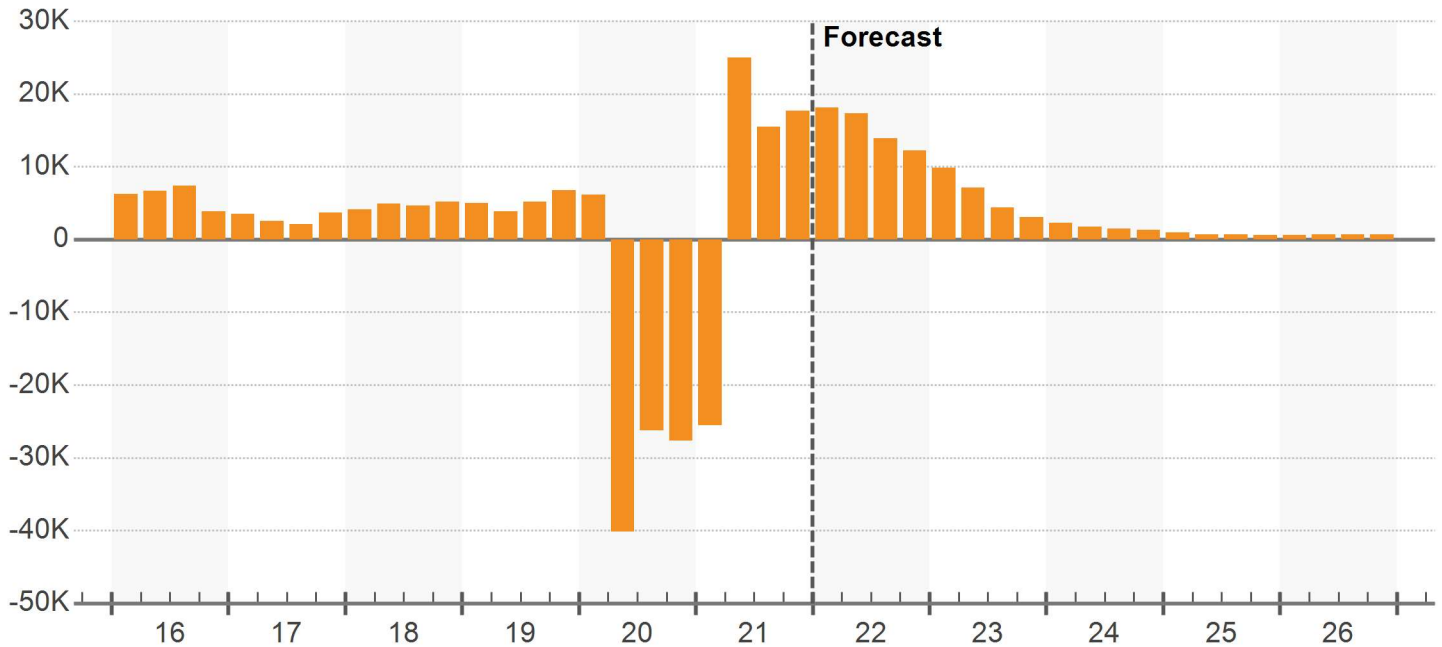


Source: Oxford Economics

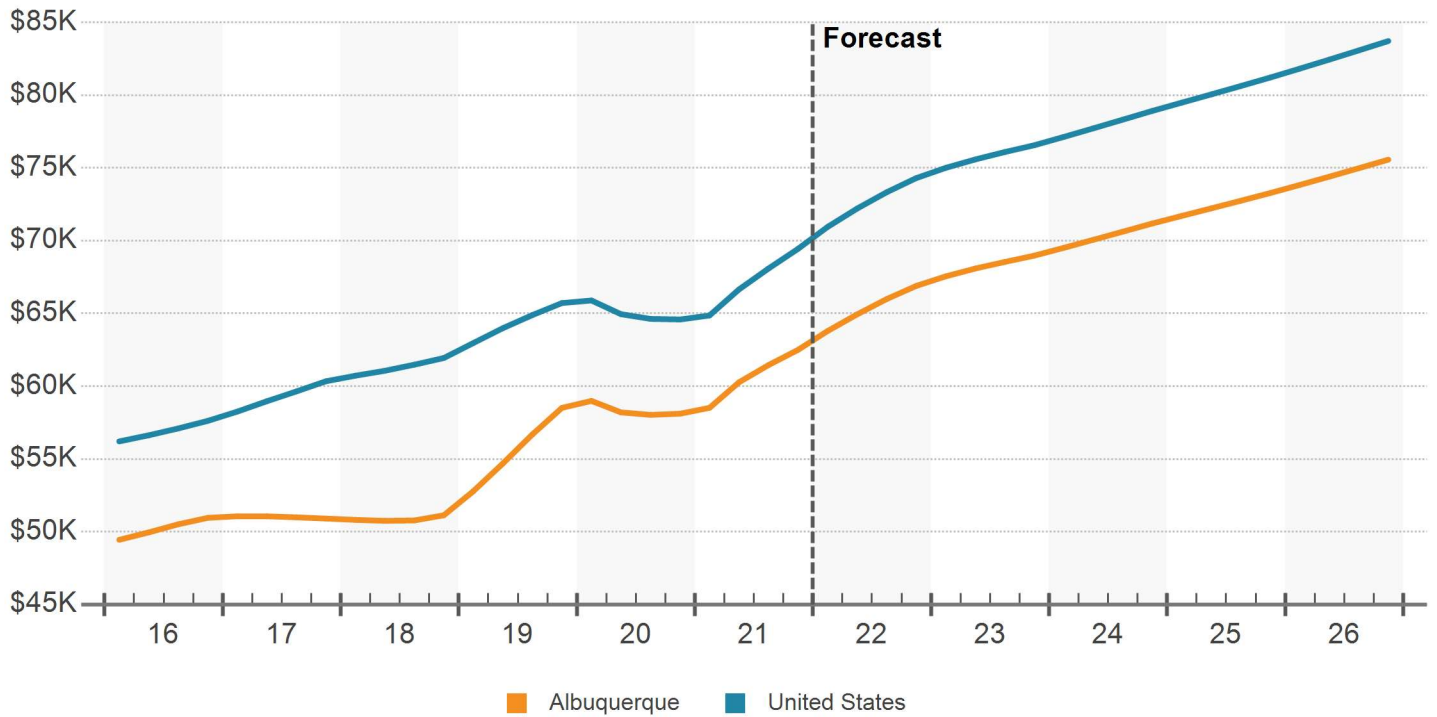
UNEMPLOYMENT RATE (%)



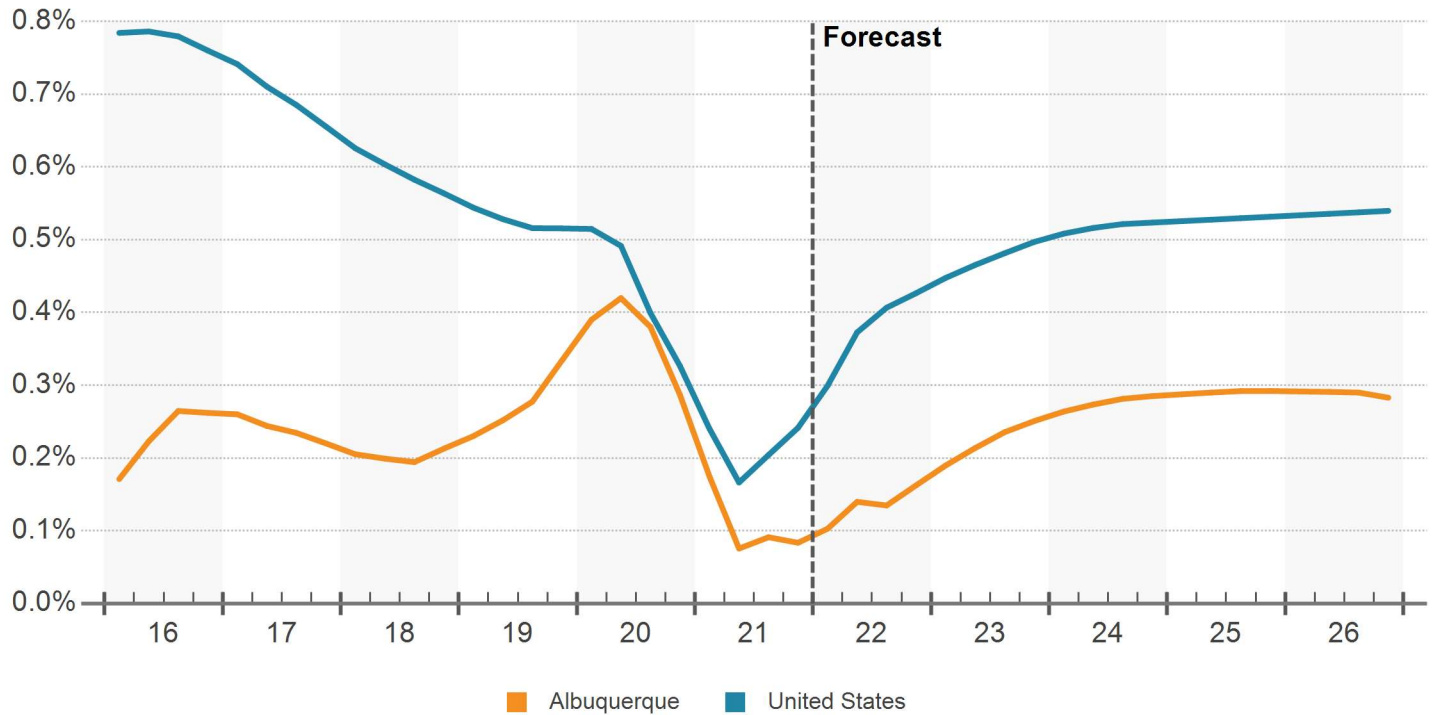
NET EMPLOYMENT CHANGE (YOY)



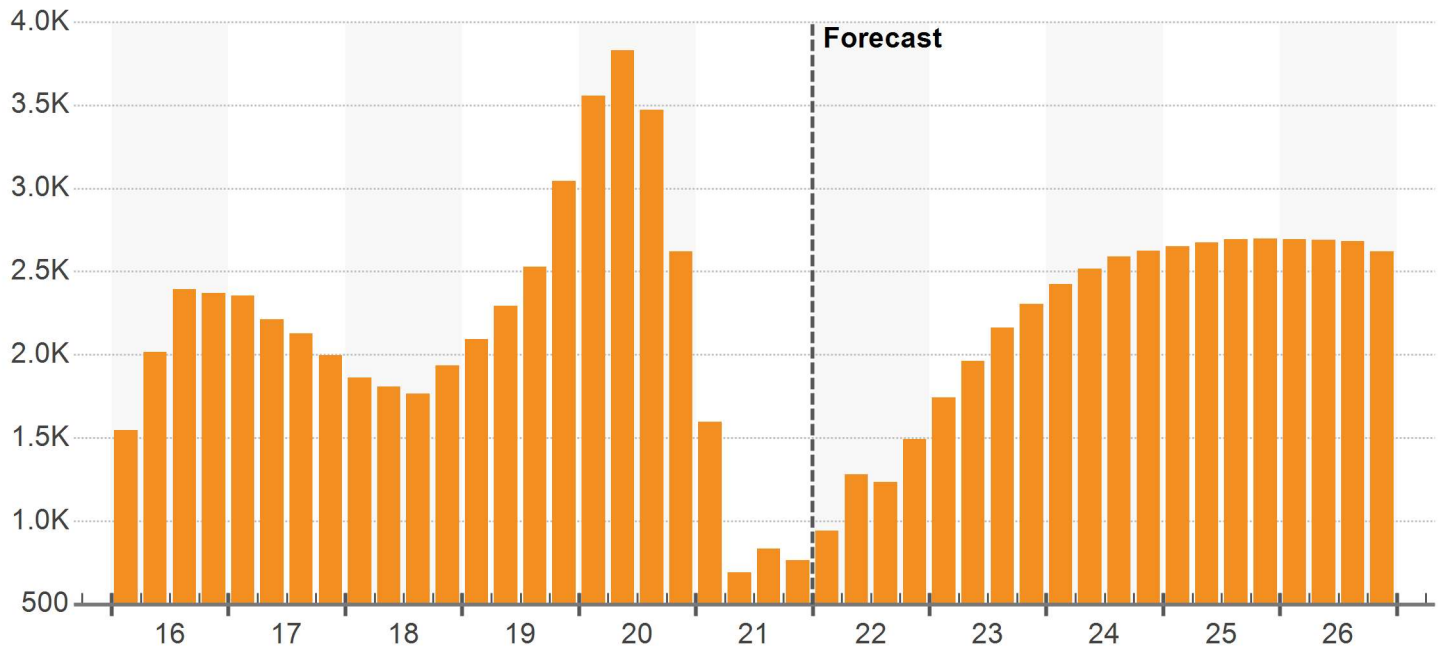
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

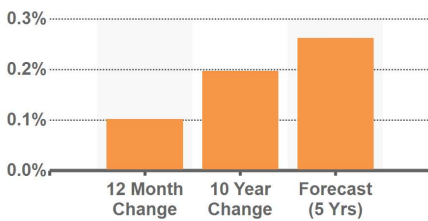


DEMOGRAPHIC TRENDS

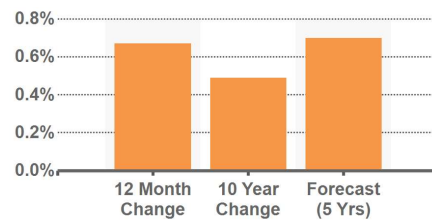
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	918,140	332,862,969	0.1%	0.3%	0.2%	0.6%	0.3%	0.5%
Households	353,554	124,291,750	0%	0.2%	0.2%	0.7%	0.2%	0.5%
Median Household Income	\$63,689	\$70,824	8.9%	9.2%	3.5%	3.4%	3.6%	3.5%
Labor Force	437,497	162,773,266	0.7%	1.5%	0.5%	0.5%	0.7%	0.6%
Unemployment	5.2%	4.3%	-2.5%	-1.9%	-0.2%	-0.4%	-	-

Source: Oxford Economics

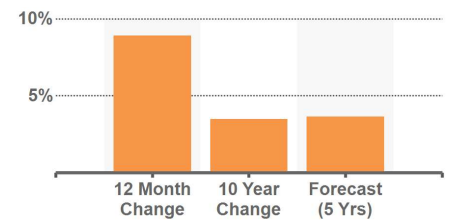
POPULATION GROWTH



LABOR FORCE GROWTH



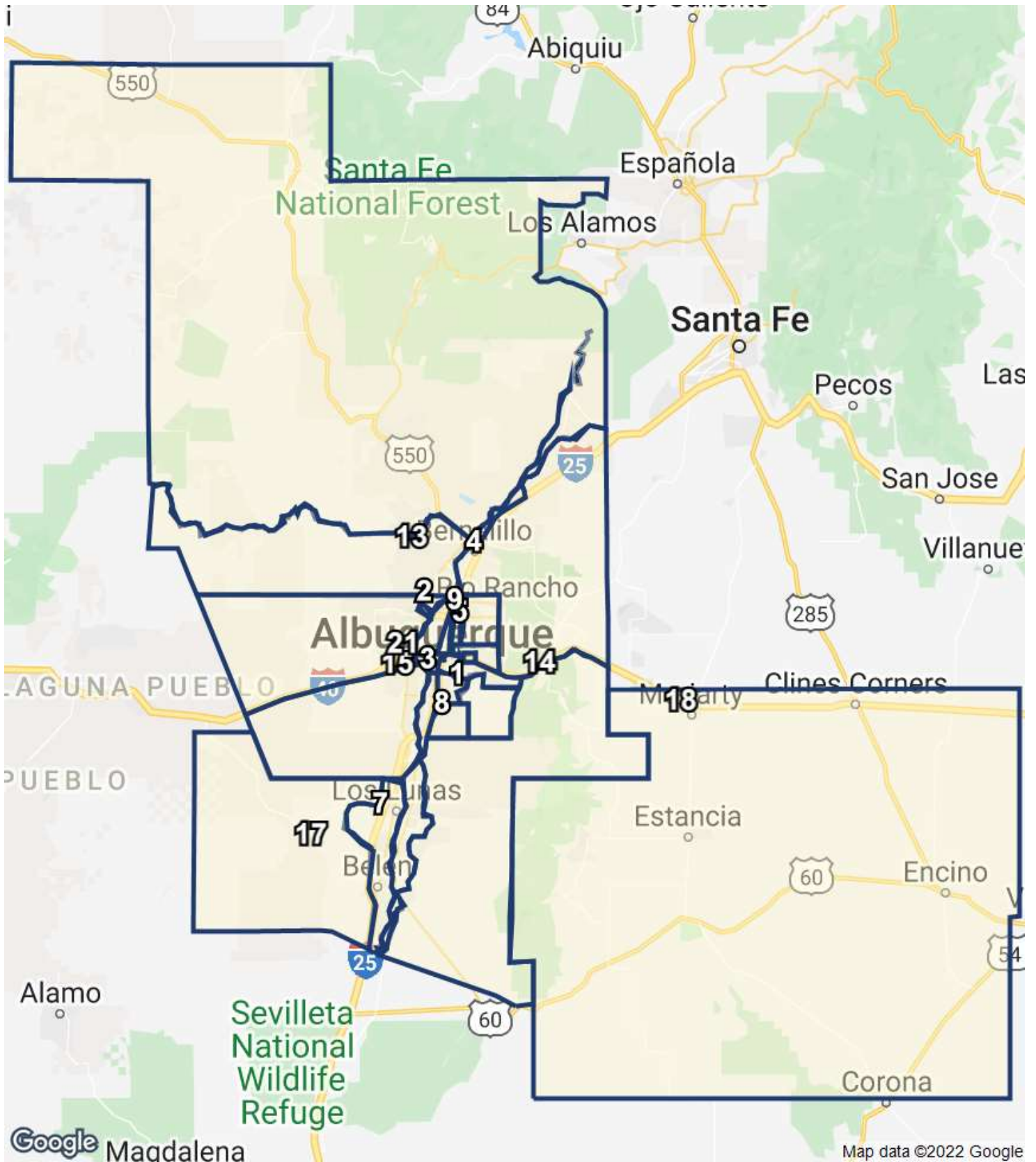
INCOME GROWTH



Source: Oxford Economics

Submarkets

ALBUQUERQUE SUBMARKETS



Google Maadalen

Map data ©2022 Google

Submarkets

Albuquerque Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Airport	83	2,479	6.3%	7	0	0	0%	-	0	-	-	-
2	Cottonwood	39	358	0.9%	15	0	0	0%	-	0	-	-	-
3	Downtown	454	7,711	19.7%	2	0	0	0%	-	0	-	-	-
4	East Outlying	54	235	0.6%	16	0	0	0%	-	0	-	-	-
5	Far Northeast Heights	279	2,983	7.6%	4	1	1	0%	3	0	-	-	-
6	Kirtland AF Base	1	18	0%	20	0	0	0%	-	0	-	-	-
7	Los Lunas Corridor	183	844	2.2%	12	0	0	0%	-	0	-	-	-
8	Mesa Del Sol	6	471	1.2%	14	0	0	0%	-	0	-	-	-
9	North I-25	412	7,773	19.8%	1	0	0	0%	-	0	-	-	-
10	North Outlying	12	135	0.3%	17	0	0	0%	-	0	-	-	-
11	North Valley	187	897	2.3%	11	0	0	0%	-	0	-	-	-
12	Northeast Heights	237	1,922	4.9%	9	0	0	0%	-	0	-	-	-
13	Rio Rancho	185	2,709	6.9%	5	0	0	0%	-	0	-	-	-
14	SE Outlying	11	51	0.1%	19	0	0	0%	-	0	-	-	-
15	South Valley	119	1,336	3.4%	10	1	16	1.2%	1	0	-	-	-
16	Southeast Heights	241	2,529	6.4%	6	0	0	0%	-	0	-	-	-
17	SW Outlying	-	-	0%	-	0	0	-	-	0	-	-	-
18	Torrance County	20	84	0.2%	18	0	0	0%	-	0	-	-	-
19	University	402	3,720	9.5%	3	0	0	0%	-	0	-	-	-
20	Uptown	115	2,322	5.9%	8	0	0	0%	-	0	-	-	-
21	West Mesa	75	662	1.7%	13	1	5	0.8%	2	1	10	1.5%	1

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Airport	\$15.58	14	2.8%	7	1.1%	2
2	Cottonwood	\$17.77	9	2.7%	8	0.9%	10
3	Downtown	\$17.72	10	1.4%	18	0%	17
4	East Outlying	\$15.36	16	3.3%	3	1.0%	5
5	Far Northeast Heights	\$17.70	11	2.6%	9	1.0%	6
6	Kirtland AF Base	\$18.76	5	1.8%	16	0.5%	14
7	Los Lunas Corridor	\$16.90	12	3.2%	5	1.0%	8
8	Mesa Del Sol	\$21.70	1	-0.3%	20	-1.7%	20
9	North I-25	\$19.36	2	1.6%	17	-0.2%	18
10	North Outlying	\$17.85	8	2.3%	11	0.8%	11
11	North Valley	\$15.45	15	3.3%	4	1.0%	7
12	Northeast Heights	\$15.01	19	3.1%	6	1.3%	1
13	Rio Rancho	\$18.17	7	2.2%	13	0.7%	13
14	SE Outlying	\$15.06	18	3.5%	1	1.1%	4
15	South Valley	\$19.10	3	2.3%	12	0.9%	9
16	Southeast Heights	\$15.31	17	2.0%	15	0%	16
17	SW Outlying	-	-	-	-	-	-
18	Torrance County	\$14.56	20	3.5%	2	1.1%	3
19	University	\$16.09	13	2.1%	14	0.3%	15
20	Uptown	\$19.02	4	1.0%	19	-0.2%	19
21	West Mesa	\$18.40	6	2.4%	10	0.8%	12

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Airport	71,193	2.9%	6	5,563	0.2%	11	-
2	Cottonwood	3,729	1.0%	4	8,540	2.4%	9	-
3	Downtown	396,207	5.1%	10	30,718	0.4%	5	-
4	East Outlying	650	0.3%	2	(650)	-0.3%	17	-
5	Far Northeast Heights	134,443	4.5%	7	81,370	2.7%	3	-
6	Kirtland AF Base	-	-	-	0	0%	-	-
7	Los Lunas Corridor	6,961	0.8%	3	6,085	0.7%	10	-
8	Mesa Del Sol	-	-	-	0	0%	-	-
9	North I-25	539,732	6.9%	13	4,674	0.1%	12	-
10	North Outlying	6,548	4.9%	9	9,760	7.2%	8	-
11	North Valley	1,682	0.2%	1	20,798	2.3%	7	-
12	Northeast Heights	92,418	4.8%	8	86,383	4.5%	2	-
13	Rio Rancho	255,816	9.4%	15	54,574	2.0%	4	-
14	SE Outlying	-	-	-	0	0%	-	-
15	South Valley	407,003	30.5%	17	(182,060)	-13.6%	21	-
16	Southeast Heights	191,960	7.6%	14	(30,000)	-1.2%	20	-
17	SW Outlying	-	-	-	0	-	-	-
18	Torrance County	4,832	5.7%	12	(4,832)	-5.7%	18	-
19	University	39,299	1.1%	5	117,290	3.2%	1	-
20	Uptown	261,884	11.3%	16	(8,224)	-0.4%	19	-
21	West Mesa	36,686	5.5%	11	25,102	3.8%	6	0.2

Supply & Demand Trends

Albuquerque Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	39,423,623	57,959	0.1%	993	0%	58.4
2025	39,365,664	57,856	0.1%	13,052	0%	4.4
2024	39,307,808	52,067	0.1%	15,035	0%	3.5
2023	39,255,741	23,036	0.1%	62,400	0.2%	0.4
2022	39,232,705	(6,600)	0%	(28,110)	-0.1%	-
YTD	39,239,305	0	0%	(158,203)	-0.4%	-
2021	39,239,305	9,328	0%	78,171	0.2%	0.1
2020	39,229,977	28,000	0.1%	103,449	0.3%	0.3
2019	39,201,977	106,500	0.3%	285,565	0.7%	0.4
2018	39,095,477	52,891	0.1%	76,426	0.2%	0.7
2017	39,042,586	235,265	0.6%	613,581	1.6%	0.4
2016	38,807,321	111,753	0.3%	1,073,080	2.8%	0.1
2015	38,695,568	41,899	0.1%	341,748	0.9%	0.1
2014	38,653,669	42,294	0.1%	3,801	0%	11.1
2013	38,611,375	(226,893)	-0.6%	(178,792)	-0.5%	-
2012	38,838,268	69,252	0.2%	(54,569)	-0.1%	-
2011	38,769,016	252,638	0.7%	394,814	1.0%	0.6
2010	38,516,378	1,121,730	3.0%	821,096	2.1%	1.4

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	6,100,438	20,291	0.3%	1,301	0%	15.6
2025	6,080,147	20,214	0.3%	3,775	0.1%	5.4
2024	6,059,933	18,771	0.3%	4,438	0.1%	4.2
2023	6,041,162	11,885	0.2%	12,346	0.2%	1.0
2022	6,029,277	546	0%	(16,248)	-0.3%	-
YTD	6,028,731	0	0%	(19,670)	-0.3%	-
2021	6,028,731	15,750	0.3%	(99,364)	-1.6%	-
2020	6,012,981	18,000	0.3%	185,432	3.1%	0.1
2019	5,994,981	68,000	1.1%	(56,122)	-0.9%	-
2018	5,926,981	60,894	1.0%	84,859	1.4%	0.7
2017	5,866,087	69,539	1.2%	151,022	2.6%	0.5
2016	5,796,548	36,017	0.6%	529,895	9.1%	0.1
2015	5,760,531	6,800	0.1%	52,260	0.9%	0.1
2014	5,753,731	15,900	0.3%	(10,866)	-0.2%	-
2013	5,737,831	128,430	2.3%	(119,582)	-2.1%	-
2012	5,609,401	0	0%	(3,022)	-0.1%	-
2011	5,609,401	169,820	3.1%	14,592	0.3%	11.6
2010	5,439,581	221,978	4.3%	224,211	4.1%	1.0

Supply & Demand Trends

Albuquerque Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	12,765,187	65,087	0.5%	39,867	0.3%	1.6
2025	12,700,100	64,870	0.5%	46,512	0.4%	1.4
2024	12,635,230	60,224	0.5%	45,270	0.4%	1.3
2023	12,575,006	38,125	0.3%	66,183	0.5%	0.6
2022	12,536,881	11,747	0.1%	(95,252)	-0.8%	-
YTD	12,525,134	0	0%	(211,595)	-1.7%	-
2021	12,525,134	15,000	0.1%	29,952	0.2%	0.5
2020	12,510,134	10,000	0.1%	(136,016)	-1.1%	-
2019	12,500,134	38,500	0.3%	137,675	1.1%	0.3
2018	12,461,634	21,530	0.2%	(143,625)	-1.2%	-
2017	12,440,104	153,498	1.2%	325,236	2.6%	0.5
2016	12,286,606	74,532	0.6%	153,372	1.2%	0.5
2015	12,212,074	50,706	0.4%	97,172	0.8%	0.5
2014	12,161,368	62,200	0.5%	68,823	0.6%	0.9
2013	12,099,168	(247,636)	-2.0%	(70,218)	-0.6%	-
2012	12,346,804	49,520	0.4%	(92,423)	-0.7%	-
2011	12,297,284	54,890	0.4%	239,829	2.0%	0.2
2010	12,242,394	873,459	7.7%	889,095	7.3%	1.0

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2026	20,557,998	(27,419)	-0.1%	(40,175)	-0.2%	-
2025	20,585,417	(27,228)	-0.1%	(37,235)	-0.2%	-
2024	20,612,645	(26,928)	-0.1%	(34,673)	-0.2%	-
2023	20,639,573	(26,974)	-0.1%	(16,129)	-0.1%	-
2022	20,666,547	(18,893)	-0.1%	83,390	0.4%	-
YTD	20,685,440	0	0%	73,062	0.4%	0
2021	20,685,440	(21,422)	-0.1%	147,583	0.7%	-
2020	20,706,862	0	0%	54,033	0.3%	0
2019	20,706,862	0	0%	204,012	1.0%	0
2018	20,706,862	(29,533)	-0.1%	135,192	0.7%	-
2017	20,736,395	12,228	0.1%	137,323	0.7%	0.1
2016	20,724,167	1,204	0%	389,813	1.9%	0
2015	20,722,963	(15,607)	-0.1%	192,316	0.9%	-
2014	20,738,570	(35,806)	-0.2%	(54,156)	-0.3%	-
2013	20,774,376	(107,687)	-0.5%	11,008	0.1%	-
2012	20,882,063	19,732	0.1%	40,876	0.2%	0.5
2011	20,862,331	27,928	0.1%	140,393	0.7%	0.2
2010	20,834,403	26,293	0.1%	(292,210)	-1.4%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	\$19.29	-	0.7%	8.9%	2,436,826	6.2%	0.1%
2025	\$19.16	-	1.0%	8.2%	2,374,756	6.0%	0.1%
2024	\$18.96	-	1.8%	7.0%	2,324,863	5.9%	0.1%
2023	\$18.62	-	3.0%	5.1%	2,282,742	5.8%	-0.1%
2022	\$18.08	-	2.9%	2.1%	2,316,982	5.9%	0.1%
YTD	\$17.59	-	2.0%	-0.7%	2,451,043	6.2%	0.4%
2021	\$17.58	-	2.4%	-0.8%	2,292,840	5.8%	-0.2%
2020	\$17.17	-	0%	-3.1%	2,361,683	6.0%	-0.2%
2019	\$17.17	-	3.3%	-3.1%	2,437,132	6.2%	-0.5%
2018	\$16.62	-	0.7%	-6.1%	2,616,197	6.7%	-0.1%
2017	\$16.50	-	4.6%	-6.8%	2,639,732	6.8%	-1.0%
2016	\$15.77	-	-0.3%	-11.0%	3,020,572	7.8%	-2.5%
2015	\$15.82	-	-0.7%	-10.7%	3,981,899	10.3%	-0.8%
2014	\$15.93	-	2.2%	-10.1%	4,281,748	11.1%	0.1%
2013	\$15.59	-	-4.5%	-12.0%	4,243,255	11.0%	-0.1%
2012	\$16.33	-	1.5%	-7.8%	4,291,356	11.0%	0.3%
2011	\$16.09	-	-3.1%	-9.2%	4,167,535	10.7%	-0.4%
2010	\$16.61	-	-6.2%	-6.2%	4,309,711	11.2%	0.5%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	\$23.78	-	0.6%	8.4%	547,436	9.0%	0.3%
2025	\$23.65	-	0.9%	7.8%	528,481	8.7%	0.2%
2024	\$23.43	-	1.7%	6.8%	512,066	8.5%	0.2%
2023	\$23.05	-	2.9%	5.0%	497,762	8.2%	0%
2022	\$22.40	-	2.1%	2.1%	498,255	8.3%	0.3%
YTD	\$21.82	-	-0.9%	-0.5%	501,137	8.3%	0.3%
2021	\$21.93	-	0.3%	0%	481,467	8.0%	1.9%
2020	\$21.87	-	-0.3%	-0.3%	366,353	6.1%	-2.8%
2019	\$21.94	-	7.0%	0%	533,785	8.9%	2.0%
2018	\$20.51	-	-1.5%	-6.5%	409,663	6.9%	-0.5%
2017	\$20.83	-	3.0%	-5.1%	433,628	7.4%	-1.5%
2016	\$20.21	-	8.4%	-7.9%	515,111	8.9%	-8.6%
2015	\$18.64	-	-1.4%	-15.0%	1,008,989	17.5%	-0.8%
2014	\$18.91	-	-4.3%	-13.8%	1,054,449	18.3%	0.4%
2013	\$19.77	-	-5.7%	-9.9%	1,027,683	17.9%	4.0%
2012	\$20.96	-	1.4%	-4.5%	779,671	13.9%	0.1%
2011	\$20.67	-	1.3%	-5.8%	776,649	13.8%	2.4%
2010	\$20.40	-	2.6%	-7.0%	621,421	11.4%	-0.5%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	\$20.49	-	0.5%	5.4%	1,269,598	9.9%	0.1%
2025	\$20.39	-	0.8%	4.9%	1,244,470	9.8%	0.1%
2024	\$20.22	-	1.6%	4.0%	1,226,222	9.7%	0.1%
2023	\$19.91	-	2.8%	2.4%	1,211,377	9.6%	-0.3%
2022	\$19.37	-	2.8%	-0.4%	1,239,528	9.9%	0.8%
YTD	\$18.88	-	1.7%	-2.9%	1,344,144	10.7%	1.7%
2021	\$18.85	-	2.6%	-3.1%	1,132,549	9.0%	-0.1%
2020	\$18.37	-	0.4%	-5.6%	1,147,501	9.2%	1.2%
2019	\$18.30	-	1.9%	-5.9%	1,001,485	8.0%	-0.8%
2018	\$17.96	-	3.3%	-7.6%	1,100,660	8.8%	1.3%
2017	\$17.39	-	6.6%	-10.6%	935,505	7.5%	-1.5%
2016	\$16.31	-	-1.4%	-16.1%	1,107,243	9.0%	-0.7%
2015	\$16.55	-	-4.2%	-14.9%	1,186,083	9.7%	-0.4%
2014	\$17.26	-	11.5%	-11.2%	1,232,549	10.1%	-0.1%
2013	\$15.49	-	-9.9%	-20.4%	1,239,172	10.2%	-1.2%
2012	\$17.19	-	0.4%	-11.6%	1,416,590	11.5%	1.1%
2011	\$17.13	-	-5.8%	-11.9%	1,274,647	10.4%	-1.6%
2010	\$18.19	-	-6.5%	-6.5%	1,459,586	11.9%	-1.1%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2026	\$17.25	-	0.9%	7.7%	619,792	3.0%	0.1%
2025	\$17.10	-	1.3%	6.7%	601,805	2.9%	0.1%
2024	\$16.89	-	2.0%	5.4%	586,575	2.8%	0.1%
2023	\$16.55	-	3.2%	3.3%	573,603	2.8%	0%
2022	\$16.04	-	3.3%	0.1%	579,199	2.8%	-0.5%
YTD	\$15.57	-	3.4%	-2.8%	605,762	2.9%	-0.4%
2021	\$15.53	-	3.1%	-3.1%	678,824	3.3%	-0.8%
2020	\$15.07	-	-0.1%	-5.9%	847,829	4.1%	-0.3%
2019	\$15.09	-	2.8%	-5.8%	901,862	4.4%	-1.0%
2018	\$14.68	-	-0.2%	-8.4%	1,105,874	5.3%	-0.8%
2017	\$14.71	-	3.9%	-8.2%	1,270,599	6.1%	-0.6%
2016	\$14.15	-	-2.8%	-11.7%	1,398,218	6.7%	-1.9%
2015	\$14.55	-	2.1%	-9.2%	1,786,827	8.6%	-1.0%
2014	\$14.25	-	-1.3%	-11.1%	1,994,750	9.6%	0.1%
2013	\$14.43	-	-0.2%	-9.9%	1,976,400	9.5%	-0.5%
2012	\$14.46	-	2.3%	-9.8%	2,095,095	10.0%	-0.1%
2011	\$14.13	-	-2.9%	-11.8%	2,116,239	10.1%	-0.6%
2010	\$14.54	-	-9.2%	-9.2%	2,228,704	10.7%	1.5%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$133.77	133	9.0%
2025	-	-	-	-	-	-	\$133.01	132	9.0%
2024	-	-	-	-	-	-	\$131.98	131	9.0%
2023	-	-	-	-	-	-	\$129.97	129	8.9%
2022	-	-	-	-	-	-	\$125.84	125	8.9%
YTD	46	\$7.5M	1.7%	\$3,750,000	\$92.60	10.4%	\$122.84	122	8.9%
2021	161	\$56.1M	6.6%	\$2,077,864	\$55.35	7.8%	\$122.43	121	8.9%
2020	125	\$18.1M	3.3%	\$1,208,300	\$46.41	7.8%	\$122.39	121	8.8%
2019	168	\$48.8M	5.0%	\$1,477,797	\$140.41	8.4%	\$121	120	8.8%
2018	173	\$142.6M	7.5%	\$2,969,811	\$98.56	8.1%	\$117.49	116	8.7%
2017	136	\$64.5M	5.9%	\$2,014,152	\$95.43	9.5%	\$122.68	122	8.3%
2016	130	\$91M	3.9%	\$3,248,763	\$171.99	8.0%	\$122.56	121	8.1%
2015	161	\$170.8M	7.6%	\$3,049,800	\$91.99	7.5%	\$116.71	116	8.2%
2014	119	\$69.5M	4.8%	\$2,395,145	\$70.14	8.7%	\$116.45	115	8.0%
2013	119	\$19.2M	3.4%	\$833,867	\$47.19	8.4%	\$110.72	110	8.2%
2012	115	\$32.5M	2.7%	\$927,521	\$101.66	9.6%	\$111.12	110	8.2%
2011	73	\$78.1M	2.6%	\$2,440,531	\$100.41	8.6%	\$108.72	108	8.3%

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4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$146.98	134	8.9%
2025	-	-	-	-	-	-	\$146.32	133	8.9%
2024	-	-	-	-	-	-	\$145.35	133	8.9%
2023	-	-	-	-	-	-	\$143.30	131	8.8%
2022	-	-	-	-	-	-	\$138.88	127	8.8%
YTD	-	-	-	-	-	-	\$135.76	124	8.8%
2021	3	\$7M	6.4%	\$7,012,265	\$72.95	9.3%	\$135.44	123	8.8%
2020	3	\$2M	3.9%	\$2,011,973	\$12.30	-	\$137.98	126	8.6%
2019	-	-	-	-	-	-	\$136.57	125	8.6%
2018	6	\$79M	10.6%	\$19,742,708	\$144.93	8.2%	\$132.51	121	8.5%
2017	5	\$2.8M	13.6%	\$2,750,000	\$10.96	-	\$149.59	136	7.8%
2016	3	\$59M	5.8%	\$29,500,000	\$231.24	-	\$152.28	139	7.5%
2015	5	\$38.7M	8.4%	\$9,664,100	\$89.23	-	\$143.24	131	7.6%
2014	2	\$13.3M	13.5%	\$13,250,000	\$27.72	-	\$141.13	129	7.6%
2013	1	\$0	2.9%	-	-	-	\$133.77	122	7.8%
2012	-	-	-	-	-	-	\$129.34	118	7.9%
2011	3	\$61.5M	10.2%	\$20,483,333	\$107.15	-	\$125.73	115	8.0%

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3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$135.79	127	8.8%
2025	-	-	-	-	-	-	\$135.31	126	8.8%
2024	-	-	-	-	-	-	\$134.57	126	8.8%
2023	-	-	-	-	-	-	\$132.84	124	8.7%
2022	-	-	-	-	-	-	\$128.92	120	8.7%
YTD	7	\$7.5M	2.1%	\$3,750,000	\$92.60	10.4%	\$126.07	118	8.7%
2021	26	\$14M	5.4%	\$2,329,833	\$71.74	7.5%	\$125.64	117	8.6%
2020	15	\$5.9M	2.7%	\$1,954,342	\$43.08	8.1%	\$126.82	118	8.5%
2019	40	\$28.1M	7.2%	\$3,516,887	\$191.48	9.0%	\$125.41	117	8.5%
2018	35	\$35.2M	10.4%	\$3,204,515	\$71.59	8.8%	\$122.84	115	8.4%
2017	21	\$40.8M	4.5%	\$8,156,069	\$312.99	11.3%	\$128.69	120	7.9%
2016	18	\$8.5M	2.7%	\$1,709,438	\$144.70	7.2%	\$128.24	120	7.8%
2015	30	\$79.1M	8.8%	\$4,655,590	\$96.48	7.2%	\$117.74	110	8.0%
2014	15	\$40.4M	3.3%	\$8,089,830	\$127.77	8.0%	\$119.03	111	7.8%
2013	12	\$4.1M	1.9%	\$1,380,240	\$74.57	8.5%	\$111.52	104	8.0%
2012	28	\$14.1M	2.9%	\$1,569,466	\$133.12	8.3%	\$114.80	107	7.9%
2011	13	\$8.6M	1.2%	\$1,073,063	\$98.84	8.8%	\$113.45	106	8.0%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2026	-	-	-	-	-	-	\$128.70	136	9.2%
2025	-	-	-	-	-	-	\$127.74	135	9.2%
2024	-	-	-	-	-	-	\$126.51	134	9.2%
2023	-	-	-	-	-	-	\$124.34	131	9.1%
2022	-	-	-	-	-	-	\$120.18	127	9.1%
YTD	39	\$0	2.0%	-	-	-	\$117.11	124	9.0%
2021	132	\$35.1M	7.4%	\$1,755,554	\$48.59	7.6%	\$116.70	123	9.0%
2020	107	\$10.2M	3.5%	\$931,773	\$112.86	7.6%	\$115.16	122	9.0%
2019	128	\$20.6M	5.1%	\$825,289	\$102.97	8.0%	\$113.80	120	9.0%
2018	132	\$28.3M	4.8%	\$858,498	\$69.27	7.3%	\$109.88	116	9.0%
2017	110	\$20.9M	4.6%	\$804,713	\$71.14	8.8%	\$111.19	117	8.6%
2016	109	\$23.4M	4.1%	\$1,115,151	\$109.07	8.3%	\$110.46	117	8.5%
2015	126	\$53M	6.6%	\$1,513,925	\$87.88	7.7%	\$108.36	114	8.4%
2014	102	\$15.8M	3.2%	\$685,220	\$80.50	9.1%	\$107.70	114	8.3%
2013	106	\$15M	4.4%	\$751,912	\$42.86	8.4%	\$103.52	109	8.4%
2012	87	\$18.3M	3.3%	\$705,310	\$86.01	10.5%	\$103.58	109	8.5%
2011	57	\$8.1M	1.4%	\$383,928	\$68.65	8.3%	\$100.90	107	8.6%

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