

2022 Year End Industrial Investments Market Report



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2022 INDUSTRIAL CAPITAL MARKET SUMMARY

According to CoStar, industrial property sales and cap rates held up remarkably well through most of 2022, even with commercial mortgage rates on new industrial loans essentially doubling over the course of the year. This is a testament to the fact that there remain far more buyers looking to build exposure to the sector than there are highly motivated sellers.

However, as financing costs and economic uncertainty have both been on the rise over the past several months, the gap between buyer and seller expectations for property pricing has been widening. Buyers generally want to be compensated for recent increases in the cost of capital, while sellers have little incentive to reduce pricing, given that they are typically holding properties that are performing very well in terms of occupancies and rent growth.

This sets the stage for transaction volume to slow during the first half of 2023, a trend that already appears to be taking shape. 22Q4 U.S. industrial property sales came in at the lowest tally for fourth quarter sales volume since 2018.

In this environment, property sales to owner/occupants and sale-leaseback deals have continued to close in large volume and have proven a viable option for investors looking to complete acquisitions with minimal friction. Owner/occupants can still realize sizable capital gains when selling properties and are less concerned about timing their sales to correspond with an optimal interest rate environment, at least when compared to private equity firms, which are solely focused on maximizing returns within their real estate portfolios. Sale-leaseback deals are also some of the first deal types that have begun to reveal any impact of higher interest rates on property pricing.

Another of investors' most popular strategies in recent months has involved targeting fully leased properties with below-market rents in place and with lease expirations coming up during the buyer's projected hold period. These types of investments offer buyers the opportunity to significantly boost a property's future net operating income, without having to hold vacant, non-income producing assets, as future leases can be negotiated with the existing tenant still in place. Albuquerque's industrial market recorded 104 transactions in the last 12 months. According to CoStar, this has not been a particularly liquid market this past decade, and it has been rare for more than 5% of inventory to trade in a given year. Investors chasing rent growth in a structurally tight market have been behind some of the largest recent trades.



\$7.1B

ASSET VALUE



\$22.1M

12 MO SALES VOLUME



7.0%

MARKET CAP RATE



7.2%

MKT SALE PRICE/ SF CHG (YOY)

12 MO SALES VOLUME	TOTAL	LOWEST	HIGHEST
Transactions	104	-	-
Sales Volume	\$22.1M	\$249.9K	\$5.1M
Properties Sold	91	-	-
Transacted SF	2.1M	1.4K	178K
Average SF	20.6K	1.4K	178K

12 MO SALES VOLUME	AVERAGE	LOWEST	HIGHEST	MARKET
Cap Rate	5.4%	5.0%	5.8%	7.0%
Sales Price/ SF	\$120	\$43	\$161	\$120
Sales Price	\$2.2M	\$249.9K	\$5.1M	-
Sales vs Asking Price	16.7%	-7.1%	71.9%	-
% Leased at Sale	98.1%	0%	100%	-

KEY PERFORMING INDICATORS



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SIGNIFICANT SALES TRANSACTIONS



10500 Copper Ave NE - Copper Pointe			
Southeast Submarket - Albuquerque, NM 87123			
Sale Date	Feb 2022	Buyer	Boyd Watterson Asset Management
List Price	Not Disclosed	Seller	Riley Industrial Services
Leased	100%	Sale Type	Investment
RBA	159,682 SF		
Year Built	1970 / 2015		

4901 Rockaway Blvd NE			
Rio Rancho Submarket - Rio Rancho, NM 87124			
Sale Date	Feb 2022	Buyer	Abruvest, LLC
List Price	\$10,620,162	Seller	MF Cummins LP
Leased	Unknown	Sale Type	Investment
RBA	147,530 SF		
Year Built	2007		



3520-3540 Pan American Fwy NE			
North I-25 Submarket - Albuquerque, NM 87109			
Sale Date	Jun 2022	Buyer	Yellow Group LLC
List Price	\$2,700,000	Seller	1 Asmbawa LLC
Leased	Unkown	Sale Type	Investment
RBA	62,683 SF		
Year Built	1974		

3711 Paseo del Norte Frontage Rd NW			
North I-25 Submarket - Albuquerque, NM 87113			
Sale Date	Feb 2022	Buyer	3711 Paseo Industrial LLC
List Price	Not disclosed	Seller	Thaler Inv LLC
Leased	100%	Sale Type	Investment
RBA	62,569 SF		
Year Built	2000		



100 Alameda Rd NW			
North Valley Submarket - Albuquerque, NM 87114			
Sale Date	Apr 2022	Buyer	Swapp Land Co LLC
List Price	\$2,700,000	Seller	Best Moulding Corporation
Leased	100%	Sale Type	Owner/User
RBA	57,797 SF	Sale Type	
Year Built	1953		

1050 18th St NW			
Downtown Submarket - Albuquerque, NM 87104			
Sale Date	Jul 2022	Buyer	Titan Sawmill LLC
List Price	\$4,900,000	Seller	18th St Mab Investors LLC
Leased	100%	Sale Type	Investment
RBA	51,355 SF		
Year Built	2000		



Tom Jenkins & Barbara Cuoco of Real Estate Advisors secured listing and subsequently they closed transaction under CBRE

SIGNIFICANT SALES TRANSACTIONS



1501 12th St NW			
Downtown Submarket - Albuquerque, NM 87104			
Sale Date	Jun 2022	Buyer	12th Street Ptns LLC
List Price	\$2,990,000	Seller	MAC Properties LLC
Leased	100%	Sale Type	Owner/User
RBA	46,817 SF		
Year Built	1948 / 2005		

7111 Pan American Fwy NE			
North I-25 Submarket - Albuquerque, NM 87109			
Sale Date	Feb 2022	Buyer	Chess Properties LLC
List Price	Not disclosed	Seller	Number Ten Pan American Bldg P
Leased	0.2%	Sale Type	Investment
RBA	42,935 SF		
Year Built	1972		



3830 Singer Blvd NE			
North I-25 Submarket - Albuquerque, NM 87109			
Sale Date	Jul 2022	Buyer	AP WIP Data Center, LLC
List Price	Not disclosed	Seller	Lawrence Family LLC
Leased	100%	Sale Type	Investment
RBA	40,718 SF		
Year Built	1987		

5801 Jefferson St NE			
North I-25 Submarket - Albuquerque, NM 87109			
Sale Date	May 2022	Buyer	Weston Dev LLC
List Price	\$5,400,000	Seller	Wilshire Properties LLC
Leased	100%	Sale Type	Investment
RBA	40,189 SF		
Year Built	1980		

