



MARKET INSIGHTS



Vacancy Rate
4.5%



Market Rent/SF
\$9.83



CAPITAL MARKET



Average Cap Rate
8.8%



Market Sale Price per SF
\$106



US 10-year Treasury Note
4.32%



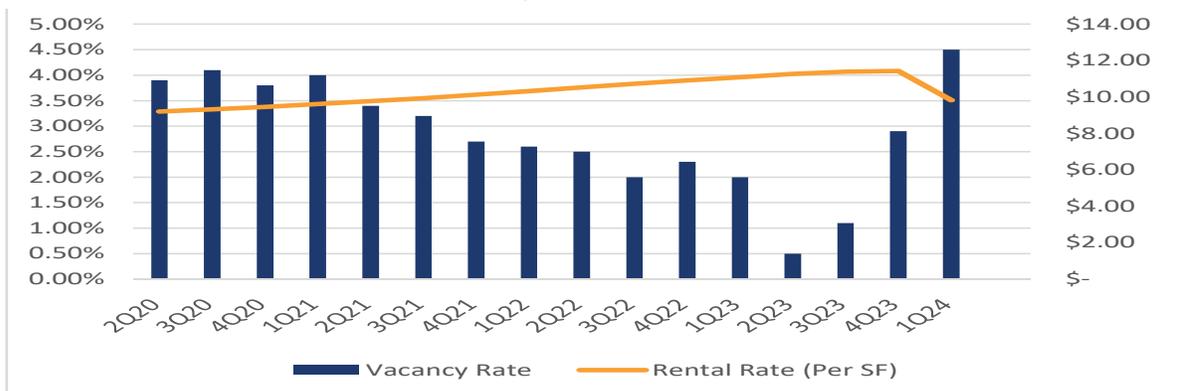
INDUSTRIAL MARKET

- The Albuquerque industrial market's vacancy rate increased to 4.5% at the end of the first quarter of 2024, up from 2.82% in the previous quarter.
- A significant contributor to this increase was a 476,000 square foot building becoming available.
- The entry of this building onto the market led to a decrease in the average market asking rental rate from \$10.57 to \$9.83 per square foot.
- This building's availability accounted for more than 87% of the increase in the overall vacancy rate.
- The relocation of tenants to more expensive Class A new construction from less costly Class B & C spaces also contributed to the rising vacancy rate and the decrease in rental rates for available spaces.
- Despite the increase in vacancies, the Albuquerque industrial market remains tight. This new 457,000 square foot space available building, combined with a 200,000 square foot space in Los Lunas, accounts for a little more than 46% of the total vacancy in the 32,353,034 square foot market.

INDUSTRIAL INVESTMENT MARKET

- The Albuquerque Industrial market experienced its lowest sales levels in a decade during the last quarter, highlighting its limited liquidity over the past decade.
- A key reason for the low sales volume is investors holding onto their properties to renew leases or attract new tenants at higher rates, thereby increasing property values.
- A significant portion of sales have been to owner-users purchasing properties to secure their annual payments and avoid future rental rate hikes.

Vacancy Vs. Rental Rates





KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
 2810 Karsten Ct. SE	Airport	Owner User	52,856	\$4,360,000
 128 Llano Del Sur Rd. SE	South Valley	Private Investor	20,600	Unpriced
 316-324 Industrial Ave. NE	North Valley	Private Investor	13,812	\$1,800,000

KEY LEASE TRANSACTIONS

Property	Submarket	Tenant	RSF
 7421 Snaproll St. NE	North I-25	Statewide Remodeling	13,393
 2415 Alamo Ave. SE	Airport	Leaf Guard Gutters	8,997
 8916 Adams St. NE	North I-25	Subsurface Exploration	8,104

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	1,692,147	Total Square Feet	17,837,037	Total Square Feet	12,823,850
Availability	18%	Availability	5%	Availability	3%
Avg. Face Rate	\$10.23	Avg. Face Rate	\$10.26	Avg. Face Rate	\$9.47

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	876,833	92,500	10.55%	\$8.71
Far Northeast Heights	261,954	2,500	0.95%	\$11.60
Mesa Del Sol	281,804	36,608	12.99%	\$10.53
North I-25	14,401,356	676,911	4.70%	\$10.69
North Valley	2,685,748	35,575	1.32%	\$9.19
Northeast Heights	381,009	-	0.00%	\$10.21
Rio Rancho	1,305,709	61,849	4.74%	\$10.28
South Valley	3,823,543	284,308	7.44%	\$8.96
Southeast Heights	1,084,387	10,009	0.92%	\$9.29
University	288,654	-	0.00%	\$9.42
Downtown	3,487,967	23,012	0.66%	\$7.81
West Mesa	2,383,487	34,324	1.44%	\$9.80
Valencia County	1,012,240	198,219	19.58%	\$8.79
Total	32,353,034	1,455,815	4.50%	\$9.83

PRODUCT TYPE BREAKDOWN



INDUSTRIAL SNAPSHOT

Industrial 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 NNN 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.