



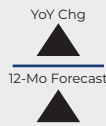
### MARKET INSIGHTS



Available Rate  
**7.28%**



Market Rent/SF  
**\$19.04**



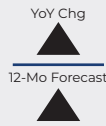
### CAPITAL MARKET



Average Cap Rate  
**6.5%**



Market Sale Price per SF  
**\$136K**



US 10-year Treasury Note  
**4.66%**



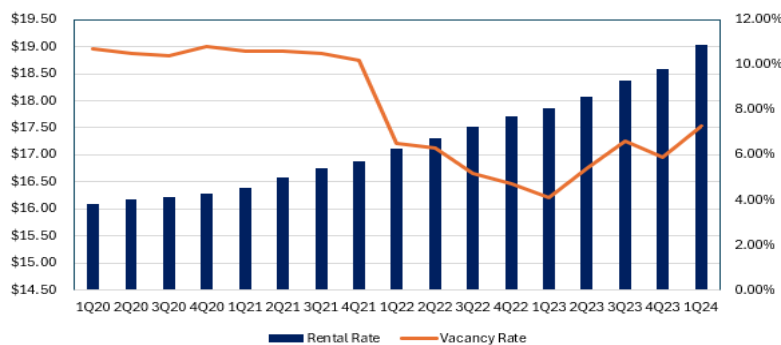
### RETAIL MARKET SNAPSHOT

- Despite challenges related to rising inflation, the Albuquerque retail market has seen annual rent growth of 3.3%, although the average rent remains about 30% lower than the national index.
- The supply pipeline has remained subdued, with most construction being either build-to-suit or preleased, helping to keep vacancies in check and having a minimal impact on the overall vacancy rate.
- Although Albuquerque is not considered a highly liquid retail market, it has attracted significant interest from California investors, who have been responsible for many of the largest deals in recent quarters.
- The closure of the Walmart location at 301 San Mateo in the University submarket, due to underperformance, has left a significant 206,278-SF freestanding building available for lease, presenting an opportunity for potential tenants.
- The Albuquerque retail market's strength is supported by a resilient consumer base, which has helped maintain stability despite the challenges faced by the sector.

### RETAIL INVESTMENT MARKET




- Despite the high interest rate environment, investors have remained active in Albuquerque's retail market, with small private investors targeting single-tenant net-leased deals under \$5 million.
- Approximately 70% of transactions since the start of 2023 have involved private buyers, who often pay in all cash to take advantage of 1031 tax-deferred exchanges, making them less dependent on debt markets compared to large institutional buyers and REITs.
- Cap rates for these smaller deals have increased by about 20 basis points since the beginning of 2022, now averaging in the low-6% range, although they vary widely based on factors such as tenant credit, location, lease term, and building quality.

Vacancy Vs. Rental Rates







**KEY SALES TRANSACTIONS**

Property	Submarket	Buyer Type	RSF	List Price
 10000 Coors Byp NW	Cottonwood	Owner User Investor	157,930	\$14,100,000
 2100 Osuna Rd NE	North I-25	Private Investor	18,195	\$2,650,000
 100 Coors Blvd NW	West Mesa	Private Investor	14,200	\$2,500,000

**KEY LEASE TRANSACTIONS**

Property	Submarket	Tenant	RSF
 4400-4420 Wyoming Blvd NE	Far Northeast Heights	Sporting Goods/ Bicycle Shops	84,371
 217-221 San Pedro Dr NE	Southeast Heights	N/A	14,000

**CLASS SNAPSHOT**

Class A		Class B		Class C	
Total Square Feet	1,307,447	Total Square Feet	10,752,903	Total Square Feet	6,379,414
Availability	2.24%	Availability	8.27%	Availability	6.72%
Avg. Face Rate	\$22.45	Avg. Face Rate	\$20.44	Avg. Face Rate	\$17.74

**MARKET STATISTICS**

Submarket Name	RBA	Available SF	Available Rate	Face Rate
Airport	58,300	12,450	21.40%	\$21.40
Cottonwood	1,974,098	210,447	10.70%	\$22.60
Downtown	746,628	38,691	5.20%	\$17.93
Far Northeast Heights	2,039,260	89,163	4.40%	\$23.18
Mesa Del Sol	-	-	-	-
North I-25	1,906,962	62,677	3.30%	\$18.70
North Valley	582,555	54,454	9.30%	\$16.06
Northeast Heights	2,812,924	274,704	9.8%	\$16.62
Rio Rancho	838,817	78,017	9.30%	\$18.67
South Valley	1,170,324	54,072	4.60%	\$18.69
Southeast Heights	1,616,378	137,548	8.50%	\$15.56
University	960,325	297,548	31.0%	\$19.63
Uptown	2,317,933	10,256	0.40%	\$22.79
West Mesa	1,485,407	26,627	1.80%	\$21.04
<b>Total</b>	<b>18,509,911</b>	<b>1,346,654</b>	<b>7.28%</b>	<b>\$19.04</b>

**PRODUCT TYPE BREAKDOWN**



**RETAIL SNAPSHOT**

Retail market data includes non-owner-occupied buildings of ≥10,000 square feet. 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 investments decisions based on this data.