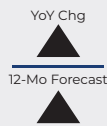




MARKET INSIGHTS



Vacancy Rate
4.0%



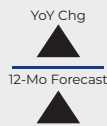
Market Rent/SF
\$10.47



CAPITAL MARKET



Average Cap Rate
8.9%



Market Sale Price per SF
\$110



US 10-year Treasury Note
4.25%



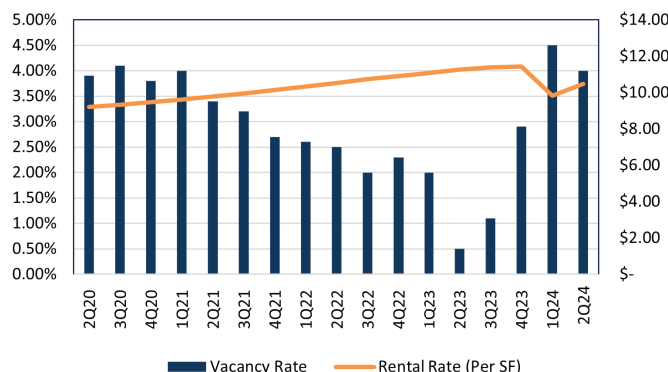
INDUSTRIAL MARKET SNAPSHOT

- Vacancy rate increased to 4.0% due to a large influx of new space, including a 476,000-square-foot building.
- Despite higher vacancies, the market remains tight with limited availability in prime locations.
- Average market rent is \$10.47 per square foot, slightly down due to increased vacancies and competition.
- Tenants are moving to newer Class A properties, causing lower rents for older Class B and C spaces.
- Increased vacancies expected as new supply continues, but strong demand for quality spaces will sustain rental rates and investment interest.
- Investment activity is anticipated to remain stable, with private investors showing particular interest in properties offering stable returns and potential for long-term appreciation.
- We forecast a sustained rise in rental rates, driven by escalating construction costs that are impacting new developments and existing property improvements.

INDUSTRIAL INVESTMENT MARKET

- Industrial investments are stable with an 8.9% average cap rate and sale prices around \$110 per square foot.
- Private investors remain highly interested in properties within the North I-25 and Airport submarkets, primarily driven by opportunities to acquire assets with existing leases that are currently below market rental rates. The North I-25 and Airport submarkets are particularly attractive to investors due to their strategic locations and robust demand for industrial space.
- Market rents in the Albuquerque industrial sector have seen a significant increase of over 40% in the past three years, enhancing the attractiveness of investments in this market. This sharp rise in rental rates underscores strong demand and the potential for high returns on investment.

Vacancy Vs. Rental Rates








KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
 3205 Broadway Blvd SE	South Valley	Public	68,800	\$6,500,000
 4100 4th St NW	North Valley	Private Investor	17,847	Unpriced
 5811 Midway Park Blvd NE	North I-25	Private Investor	14,960	Unpriced

KEY LEASE TRANSACTIONS

Property	Submarket	Tenant	RSF
 5600 University Blvd SE	Mesa Del Sol	Jacob Engineering	36,608
 101 Industrial Ave NE	North Valley	SRS Distribution	25,450
 3501 Princeton Dr NE	North I-25	Integrated Vitality	15,000

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	1,692,147	Total Square Feet	17,731,542	Total Square Feet	12,740,841
Availability	18.10%	Availability	2.18%	Availability	2.31%
Avg. Face Rate	\$10.65	Avg. Face Rate	\$10.88	Avg. Face Rate	\$11.27

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	868,447	138,978	16.00%	\$11.10
Cottonwood	78,343	-	0.00%	-
Downtown	3,488,945	87,429	2.51%	\$9.20
Far Northeast Heights	246,954	-	0.00%	-
Los Lunas Corridor	1,012,240	198,219	19.58%	\$9.50
Mesa Del Sol	281,804	-	0.00%	-
North I-25	14,347,145	285,207	1.99%	\$11.31
North Valley	2,672,850	38,992	1.46%	\$10.45
Northeast Heights	381,009	2,960	0.78%	\$9.00
Rio Rancho	1,305,709	6,016	0.46%	\$12.48
University	288,654	-	0.00%	-
South Valley	3,773,459	176,317	4.67%	\$9.98
Southeast Heights	1,035,484	12,548	1.21%	\$15.09
West Mesa	2,383,487	40,265	1.69%	\$11.03
Total	32,164,530	986,931	3.07%	\$10.47

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.