



## MARKET INSIGHTS



Vacancy Rate  
**0.20%**



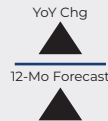
Market Rent/SF  
**\$13.01**



## CAPITAL MARKET



Average Cap Rate  
**8.5%**



Market Sale Price per SF  
**\$167**



US 10-year Treasury Note  
**4.25%**



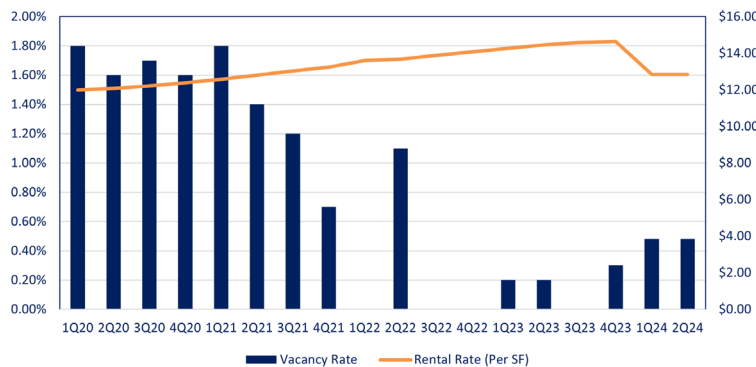
## INDUSTRIAL MARKET SNAPSHOT

- The vacancy rate for Santa Fe's industrial market further decreased to 0.20% in Q2 2024, down from 0.48% at the end of Q1 2024, illustrating a continued tightening of available space.
- The average rental rate increased slightly to \$13.01 per square foot, reflecting ongoing demand and limited supply.
- Strong demand from trades contractors and automotive tenants is driving absorption. The market is experiencing a shortage of industrial space, indicating a landlord's market.
- The vacancy rate is expected to remain low due to high demand, although new developments may provide some relief once completed.

## INDUSTRIAL INVESTMENT MARKET



- Investors are holding onto 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 seeking to secure their annual payments and avoid future rental rate hikes.
- The industrial market experienced its lowest sales levels in a decade during the last quarter, highlighting limited liquidity.
- With the continuous demand and limited supply, rental rates are projected to reach \$13.50-\$14.00 per square foot within the next year, making speculative development more attractive.

Vacancy Vs. Rental Rates






**KEY SALES TRANSACTIONS**

Property	Submarket	Buyer Type	RSF	List Price
 2351 Fox Rd	Southwest	Private Investor	19,586	Unpriced
 3935 San Felipe Rd	Southwest	Private Investor	8,344	Unpriced
 2700 Jaguar DR	Southwest	Private Investor	5,856	Unpriced

**KEY LEASE TRANSACTIONS**

Property	Submarket	Tenant	RSF
 1143 Siler Park Lane	Santa Fe	Santa Fe Film Props Production Inc	5,000

**CLASS SNAPSHOT**

Class A		Class B		Class C	
Total Square Feet	-	Total Square Feet	813,754	Total Square Feet	1,162,460
Availability	-	Availability	1,467	Availability	18,714
Avg. Face Rate	-	Avg. Face Rate	\$17.99	Avg. Face Rate	\$13.58

**MARKET STATISTICS**

Submarket Name	RBA	Available SF	Available Rate	Face Rate
Santa Fe	732,677	17,399	2.37%	\$12.38
Southwest Santa Fe	1,231,006	2,782	0.23%	\$17.00
Downtown	12,531	-	0.00%	-
<b>Total</b>	<b>1,976,214</b>	<b>20,181</b>	<b>1.02%</b>	<b>\$13.01</b>

**PRODUCT TYPE BREAKDOWN**



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**INDUSTRIAL SNAPSHOT**

Industrial market data includes non-owner-occupied buildings of ≥10,000 square feet in the Santa Fe 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.