



MARKET INSIGHTS



Available Rate
6.18%



Market Rent/SF
\$26.09



CAPITAL MARKET



Average Cap Rate
8%



Market Sale Price per SF
\$160



US 10-year Treasury Note
4.24%



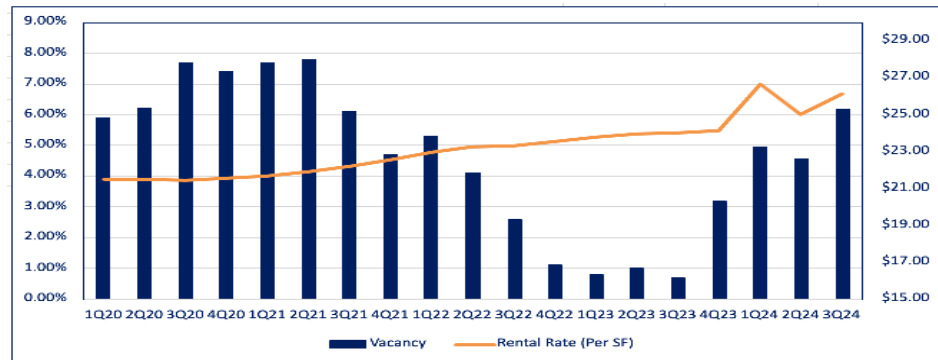
OFFICE MARKET SNAPSHOT

- **Vacancy Rate:** Increased to 6.18% in Q3, largely due to the State of New Mexico vacating Plaza La Prensa, adding significant space to the market.
- **Rental Rates:** Average rental rate rose to \$26.09/sf, reflecting confidence in a market with limited new supply and strong demand across key sectors.
- **Demand Dynamics:** Driven by finance, insurance, real estate, and healthcare, contributing to steady occupancy and upward rental trends.
- **Market Supply:** The increase in available space primarily stems from State tenancy changes, with Plaza La Prensa now representing nearly a third of total vacancy.

OFFICE INVESTMENT MARKET

- **Cap Rates:** Held steady at approximately 8%, indicating stable investor sentiment despite challenging financing conditions.
- **Sale Price Stability:** Market sale price per square foot remains flat at \$160, with potential for gradual increases as demand stays resilient.
- **Investment Interest:** Santa Fe's barriers to new construction and relatively low vacancy make it attractive to investors, contrasting with more owner-user-driven markets nationally.
- **Economic Context:** Declining U.S. 10-Year Treasury yields could spur more investment activity as borrowing costs potentially ease.

Vacancy Vs. Rental Rates








KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
 2100 Calle De La Vuelta Unit B101-B102	Santa Fe	Owner User	2,297	\$695,000
 552 Agua Fria	Santa Fe	Owner User	1,926	\$1,325,000
 1490 S St Francis Drive	Santa Fe	Owner User	783	\$287,000

KEY LEASE TRANSACTIONS

Property	Submarket	Lease Rate	RSF
 683 Harkle Rd	Santa Fe	\$17 / SF	4,550
 2019 Galisteo Street Unit #A1	Santa Fe	\$19 / SF	1,795
 1189 Parkway Drive Unit #G2	Southwest	\$25 / SF	1,677

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	205,122	Total Square Feet	1,725,891	Total Square Feet	452,611
Availability	0.67%	Availability	8.23%	Availability	0.87%
Avg. Face Rate	\$21.00	Avg. Face Rate	\$28.49	Avg. Face Rate	\$16.45

MARKET STATISTICS

Submarket Name	RBA	Available SF	Available Rate	Face Rate
Southwest Santa Fe	947,131	93,383	9.86%	\$24.89
Santa Fe	896,496	19,257	2.17%	\$28.05
Downtown	549,997	34,727	6.31%	\$29.06
Total	2,393,624	147,367	6.18%	\$26.09



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PRODUCT TYPE BREAKDOWN



OFFICE SNAPSHOT

Office 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 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.