



### MARKET INSIGHTS



Available Rate  
**15.72%**



Market Rent/SF  
**\$21.41**



### CAPITAL MARKET



Average Cap Rate  
**8.59%**



Market Sale Price per SF  
**\$113**



US 10-year Treasury Note  
**4.24%**



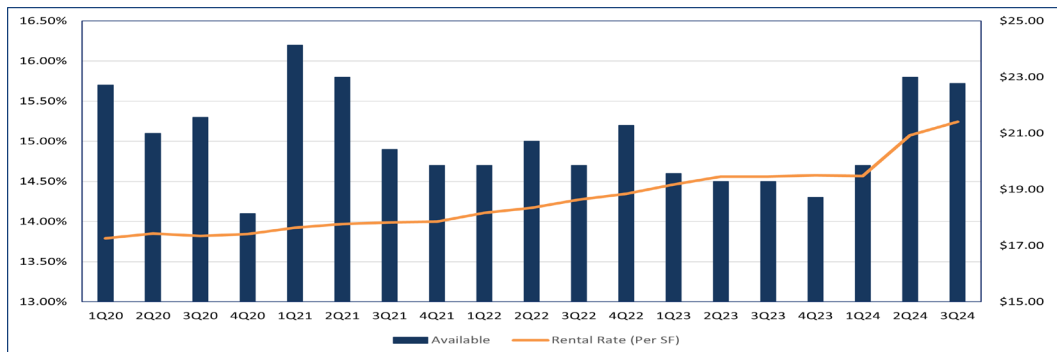
### OFFICE MARKET SNAPSHOT

- **Market Stability:** Albuquerque office availability remains steady at 15.7%, supported by limited new construction and demand from smaller tenants.
- **Reduced Market Square Footage:** Total office space decreased from 16.45M sf at the end of 2023 to 15.81M sf in 3Q24, with vacant Class C buildings converted to alternative uses.
- **Rental Rate Increase:** Average rates rose from \$19.18 to \$21.41 per sf in 2024, reflecting reduced Class C space and inflation adjustments.
- **Downtown Vacancy Rates:** Downtown's 27% availability is highest among Albuquerque submarkets, yet buildings with on-site parking and security have less than 13% availability, versus 30% elsewhere Downtown.
- **Parking Costs:** Downtown tenants incur added costs of \$3.50 per sf for parking.

### OFFICE INVESTMENT MARKET




- **Sales Volume Decline:** Office sales dropped nearly 60% in 2023, reaching their lowest level since 2010 due to interest rates and economic uncertainty.
- **Owner-User Sales Focus:** Owner-users are leading sales as financing remains more accessible for them.
- **Higher Cap Rates:** Multi-tenant properties saw cap rates rise to 8.59%, impacted by a lower volume of sales dominated by distressed properties and underperforming Class C buildings.
- **Conservative Investment Shift:** Investors prefer single-tenant properties to avoid multi-tenant risks in the current market.

Vacancy Vs. Rental Rates








**KEY SALES TRANSACTIONS**

Property	Submarket	Buyer Type	RSF	List Price
 7520 Montgomery Blvd NE	Far Northeast Heights	Institutional Investor	23,494	Off Market
 10600 Menaul Blvd NE	Northeast Heights	Private Investor	14,732	\$1,700,000
 1501-1515 4th St NW	Downtown	Owner/User	13,857	\$644,000

**KEY LEASE TRANSACTIONS**

Property	Submarket	Tenant	RSF
 500 Marquette Ave NW	Downtown	Robles Rael & Anaya	18,271
 500 Marquette Ave NW	Downtown	State of New Mexico	16,702
 101 D Sun Ave NE	North I-25	Tricore	12,493

**CLASS SNAPSHOT**

Class A		Class B		Class C	
Total Square Feet	1,662,453	Total Square Feet	11,916,739	Total Square Feet	2,235,058
Availability	22.35%	Availability	17.16%	Availability	12%
Avg. Face Rate	\$25.68	Avg. Face Rate	\$19.58	Avg. Face Rate	\$16.76

**MARKET STATISTICS**

Submarket Name	RBA	Available SF	Available Rate	Face Rate
Airport	912,513	181,757	19.92%	\$15.36
Cottonwood	147,973	975	0.66%	\$24.60
Downtown	3,391,648	801,178	27.27%	\$19.88
Far Northeast Heights	1,676,012	242,656	14.48%	\$21.18
Mesa Del Sol	123,473	30,228	24.48%	\$27.23
North I-25	3,872,896	528,724	15.15%	\$21.85
North Valley	161,694	20,702	12.80%	\$21.00
Northeast Heights	964,382	54,263	5.81%	\$14.11
Rio Rancho	1,005,447	262,765	26.13%	\$19.13
South Valley	61,157	-	0.00%	-
Southeast Heights	432,111	7,839	1.81%	\$14.58
University	916,584	43,523	4.75%	\$19.40
Uptown	1,810,711	293,982	17.08%	\$19.67
West Mesa	337,649	17,486	5.18%	\$21.75
<b>Total</b>	<b>15,814,250</b>	<b>2,486,078</b>	<b>15.72%</b>	<b>\$21.41</b>

**PRODUCT TYPE BREAKDOWN**



**OFFICE SNAPSHOT**

Office 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 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.