



MARKET INSIGHTS



Vacancy Rate

6.95%



Market Rent/SF

\$18.34



CAPITAL MARKET



Average Cap Rate

8.2%



Market Sale Price per SF

\$89



US 10-year Treasury Note

4.54%



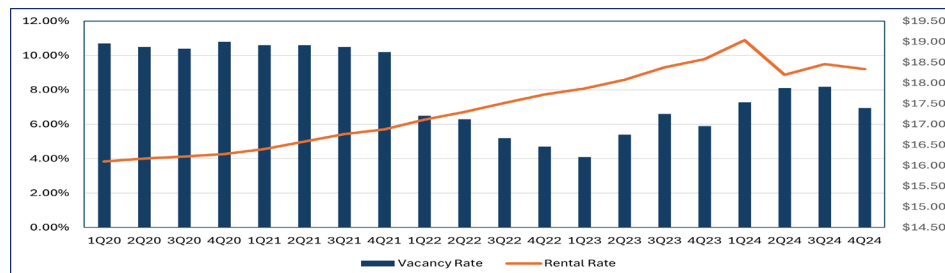
RETAIL MARKET SNAPSHOT

- **Vacancy and Rental Rates:** Vacancy dropped to 6.95%, with rents averaging \$18.34/SF. Uptown led with the highest rates at \$26.25/SF.
- **Leasing Activity:** Fitness centers and furniture retailers drove leasing, with major deals like Crunch Fitness (58,001 SF) and Legacy Furniture (35,650 SF).
- **Submarket Performance:** Uptown (1.03%) and Rio Rancho (1.61%) had the lowest vacancy. University remained high at 24.34%.
- **Consumer Demand and Stability:** Albuquerque's retail market remains resilient, driven by a strong consumer base and a balanced mix of national and local retailers, which helped mitigate broader economic challenges.
- **Outlook:** Limited new construction will help keep vacancies low, supporting gradual rent growth.

RETAIL INVESTMENT MARKET




- **Activity and Cap Rates:** Cap rates rose to 8.2%, with strong interest from private investors targeting deals under \$5 million.
- **Buyer Trends:** Cash buyers using 1031 exchanges reduced reliance on financing.
- **Key Transactions:** Notable sales include Cottonwood Mall (\$14.1M) and 12231 Academy Rd NE.
- **Capital Market Influence:** Rising interest rates have shifted investor focus towards value-add opportunities and properties with long-term lease stability, making well-located assets more competitive.
- **Forecast:** Stable rent growth and steady demand will continue attracting investors despite higher borrowing costs.

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
 12231 Academy Rd NE	Far Northeast Heights	Institutional Investor	81,500	Unpriced
 1594 Sara Rd	Rio Rancho	Private Investor	22,068	\$1,600,000

KEY LEASE TRANSACTIONS

Property	Submarket	Tenant	RSF
 2451 San Mateo Blvd NE	Northeast Heights	Crunch Fitness	58,001
 3731-3741 Ellison Dr NW	Cottonwood	Legacy Furniture	35,650
 800-840 Juan Tabo Blvd NE	Northeast Heights	Chuze Fitness	22,529

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	1,307,447	Total Square Feet	10,468,892	Total Square Feet	6,454,869
Availability	3.18%	Availability	8.96%	Availability	4.45%
Avg. Face Rate	\$23.39	Avg. Face Rate	\$17.99	Avg. Face Rate	\$17.24

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	58,300	3,510	6.02%	\$24.00
Cottonwood	1,739,728	180,192	10.36%	\$18.26
Downtown	746,628	33,105	4.43%	\$15.45
Far Northeast Heights	2,020,705	187,641	9.15%	\$21.37
Mesa Del Sol	-	-	-	-
North I-25	1,906,962	67,869	3.56%	\$18.80
North Valley	596,147	64,084	10.75%	\$17.24
Northeast Heights	2,812,924	79,327	2.82%	\$13.82
Rio Rancho	838,817	13,517	1.61%	\$16.65
South Valley	1,095,843	109,752	10.02%	\$15.67
Southeast Heights	1,618,017	170,254	10.52%	\$15.63
University	957,866	233,188	24.34%	\$21.08
Uptown	2,317,933	23,780	1.03%	\$26.25
West Mesa	1,491,338	100,328	6.73%	\$17.04
Total	18,231,208	1,266,547	6.95%	\$18.34

PRODUCT TYPE BREAKDOWN



RETAIL SNAPSHOT

Retail 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.