



MARKET INSIGHTS



Vacancy Rate

4.58%



Market Rent/SF

\$22.83



CAPITAL MARKET



Average Cap Rate

7.35%



Market Sale Price per SF

\$107.46



US 10-year Treasury Note

4.54%



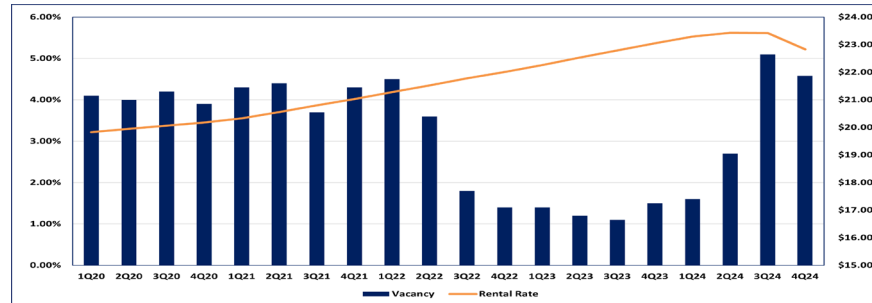
RETAIL MARKET SNAPSHOT

- The Santa Fe retail market remained stable throughout 2024, characterized by strong demand and limited new supply
- **Vacancy Rates:** The overall market vacancy rate stands at 4.58%, indicating healthy occupancy levels across most submarkets.
- **Rental Rates:** The average market rent is \$22.83/sf, with Downtown commanding a premium rate of \$32.97/sf. These rates reflect the continued desirability of well-located retail properties in Santa Fe.
- **Market Dynamics:** The Santa Fe retail market benefits from strong local consumer spending, driven by a combination of steady tourism and a growing local population. Retail space over 10,000 square feet remains in high demand, especially in established commercial corridors.

RETAIL INVESTMENT MARKET

- **Capital Market Trends:** Retail investment activity in Santa Fe experienced moderate growth in 2024, driven by stable rental income and attractive cap rates. The average cap rate for retail properties stands at 7.35%, offering competitive returns compared to other markets.
- **Investment Strategies:** Investors continue to seek stable, income-producing assets in well-established retail corridors. While rising interest rates present a challenge, Santa Fe remains an appealing market due to its historically low vacancy rates and stable rent growth.
- **Outlook:** The retail market is expected to remain steady in 2025, though macroeconomic factors such as inflation and interest rate hikes may affect transaction volumes and pricing expectations.

Vacancy Vs. Rental Rates





KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
 60 E San Francisco St	Downtown	Private Investor	42,848	Off Market Sale
 715 Saint Michaels Dr	Southwest	Private Investor	7,269	\$1,900,000
 1125 Calle La Resolana	Southwest	Private Investor	6,963	\$1,400,000

KEY LEASE TRANSACTIONS

Property	Submarket	Rental Rate	RSF
 2400-2446 Cerrillos Rd	Southwest	\$28.00/SF	4,245
 2002 Cerrillos Rd	Southwest	\$23.00/SF	4,000
 510 N Guadalupe St	Santa Fe	\$17.50/SF	3,328

CLASS SNAPSHOT

Class A		Class B		Class C	
Total Square Feet	584,678	Total Square Feet	2,421,062	Total Square Feet	1,206,241
Availability	1.02%	Availability	5.44%	Availability	4.58%
Avg. Face Rate	\$26.89	Avg. Face Rate	\$26.10	Avg. Face Rate	\$22.27

MARKET STATISTICS

Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Santa Fe	891,217	14,772	1.66%	\$15.75
Southwest	2,526,539	162,760	6.44%	\$22.51
Downtown	794,225	15,408	1.94%	\$32.97
TOTAL	4,211,981	192,940	4.58%	\$22.83

PRODUCT TYPE BREAKDOWN



RETAIL SNAPSHOT

Retail market data includes 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.