REAL ESTATE ADVISORS

SNAPSHOTS

Albuquerque, NM

INDUSTRIAL 3Q25

MARKET INSIGHTS

Vacancy Rate
4.43%
YoY Chg: ▼
12-Mo Forecast: ▼

Market Rent/SF
$11.17
YoY Chg: ▼
12-Mo Forecast: ▲

CAPITAL MARKET

Average Cap Rate
7.35%
YoY Chg: ▼
12-Mo Forecast: —

Market Sale Price per SF
$147
YoY Chg: ▼
12-Mo Forecast: —

US 10-year Treasury Note
4.08%
YoY Chg: ▼
12-Mo Forecast: ▼

INDUSTRIAL MARKET SNAPSHOT

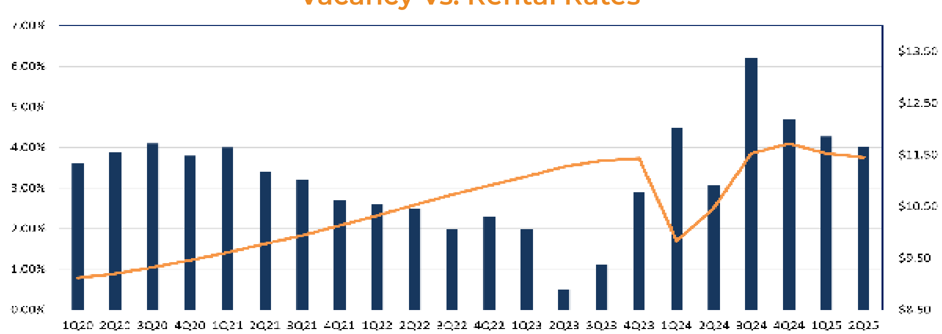
- **Vacancy levels stabilized:** following 2024's construction wave, ticking slightly upward to 4.43% in 3Q25, from 4.07% in 2Q25, but still significantly down from 6.23% in 3Q24. This reflects continued absorption of the speculative inventory delivered the previous year.
- **Rental rates slightly decline:** Rental rates remain stable at $11.17/SF, compared to $11.53/SF in 3Q24. This modest softening suggests landlords are prioritizing leasing activity in a slower rent-growth environment, even as face rates for Class A and B space remain elevated.
- **Class A availability dropped:** to 21.28% from 23.72% in Q2, indicating gradual leasing activity in newly delivered high-quality space. Average Class A rents remained elevated at $13.38/SF, a sign that tenants are still seeking newer, modern logistics space even amid broader caution.

INDUSTRIAL INVESTMENT MARKET

- **Investment activity has shown renewed life:** with average sale prices increasing sharply to $147/SF from $105/SF in Q2, and significantly above the $116/SF in 3Q24. This jump may reflect a flight to quality, tighter inventory of stable assets, or a few high-dollar trades shifting averages.
- **Cap rates ticked up slightly:** to 7.35%, reversing the slight compression seen in 2Q25 (7.0%) and suggesting investors are still pricing in risk due to higher borrowing costs and more conservative underwriting.
- **Investor sentiment remains mixed:** Private owner-users dominated sales once again, with notable activity in the North I-25 and South Valley areas. Buyers are focusing on occupancy-ready product amid tighter lending conditions, and sellers with stabilized assets are better positioned to transact.

Outlook: The market is transitioning from a delivery-driven expansion to a tenant-focused stabilization period. As new space gets absorbed and development slows, rent growth could re-accelerate by mid-2026. For now, expect steady absorption in core submarkets, while peripheral regions continue to work through excess vacancy.

Vacancy Vs. Rental Rates



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KEY SALES TRANSACTIONS

	Property	Submarket	Buyer Type	RSF	List Price
	3611 2nd St SW	South Valley	Owner/User	31,000	$3,600,000
	4531 Osuna Rd NE	North I-25	Owner/User	25,000	$4,000,000
	3720 Commercial St NE	North Valley	Private Investor	11,275	$1,630,000

KEY LEASE TRANSACTIONS

	Property	Submarket	Tenant	RSF
	3101 Menaul Blvd NE	North I-25	Undisclosed	49,953
	1239 Bellamah Ave NW	Downtown	Undisclosed	45,166
	8324 Washington NE	North I-25	Undisclosed	15,886

CLASS SNAPSHOT

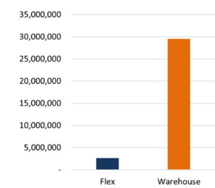
Class A		Class B		Class C	
Total Square Feet	1,942,546	Total Square Feet	17,721,271	Total Square Feet	12,500,817
Availability	21.28%	Availability	3.12%	Availability	3.67%
Avg. Face Rate	$13.38	Avg. Face Rate	$12.18	Avg. Face Rate	$11.25

MARKET STATISTICS

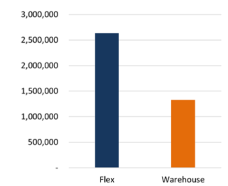
Submarket Name	RBA	Available SF	Vacancy Rate	Face Rate
Airport	895,069	69,917	7.81%	$12.00
Cottonwood	78,343	910	0.00%	-
Downtown	3,490,301	127,425	3.65%	$9.45
Far Northeast Heights	246,954	6,000	2.43%	$13.00
Los Lunas Corridor	1,012,240	201,637	19.92%	$9.50
Mesa Del Sol	281,804	-	0.00%	-
North I-25	14,263,341	137,432	0.96%	$11.83
North Valley	2,746,948	62,080	2.26%	$11.04
Northeast Heights	379,392	-	0.00%	-
Rio Rancho	1,333,091	337,964	25.35%	$11.69
University	288,654	-	0.00%	-
Uptown	-	-	0.00%	-
South Valley	3,583,691	246,161	6.87%	$11.21
Southeast Heights	954,566	25,842	2.71%	$12.66
West Mesa	2,610,240	209,233	8.02%	$12.48
Total	**32,164,634**	**1,424,601**	**4.07%**	**$11.17**

PRODUCT TYPE BREAKDOWN

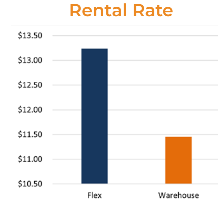
RBA



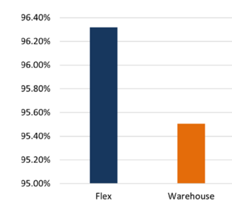
Available Space



Rental Rate



Percentage Leased



INDUSTRIAL SNAPSHOT

Industrial 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.

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