

MARKET INSIGHTS



Available Rate
13.35%

YoY Chg
12-Mo Forecast



Market Rent/SF
\$21.21

YoY Chg
12-Mo Forecast

CAPITAL MARKET



Average Cap Rate
8.72%

YoY Chg
12-Mo Forecast



Market Sale Price per SF
\$206.19

YoY Chg
12-Mo Forecast



US 10-year Treasury Note
4.08%

YoY Chg
12-Mo Forecast



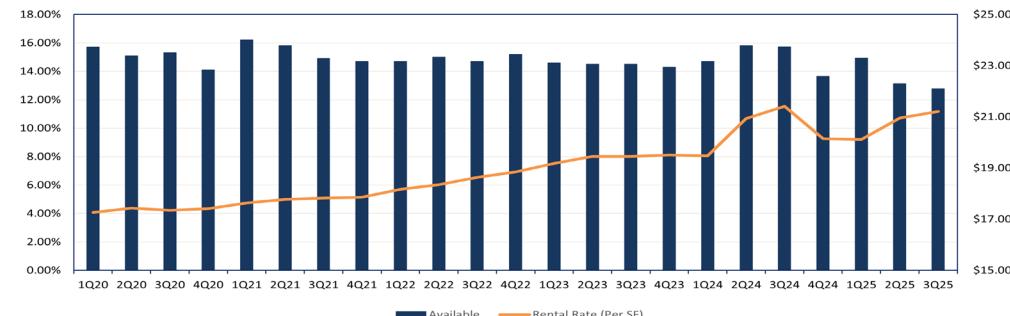
OFFICE MARKET SNAPSHOT

- The overall office availability rate is **13.35%**, reflecting a stable market with selective leasing activity.
- Class C space has the lowest availability rate at 7.85%**, showing strong demand for more affordable, utilitarian office options.
- Mesa del Sol has both the highest rental rate in the market at \$26.37/SF** and the highest availability rate at 41.24%, indicating that much of the space remains unleased despite pricing optimism.
- Downtown has the second-highest availability rate at 25.11%** and one of the higher rents at \$19.18/SF. These numbers reflect declining demand for downtown space, with tenants showing less interest in locating there.
- Rio Rancho's asking rent of \$23.75/SF is second only to Mesa del Sol**, pointing to strong interest in this more economically stable and suburban submarket.
- North Valley, Mesa del Sol, and Rio Rancho reported the same on-market availability as last quarter.** No new leasing activity occurred in these areas, and the space remains unabsorbed.

OFFICE INVESTMENT MARKET

- Average sale price surged to \$206.19/SF**, a sharp rebound from \$104/SF in 2Q25 and \$113/SF in 3Q24. This increase reflects a small volume of higher-quality owner-user sales, rather than broader market appreciation.
- Owner-user sales remain steady.** Buyers in this category are motivated to lock in fixed costs as rents increase.
- Financing is still available for owner-users**, who are generally purchasing properties below replacement cost even if prices are not heavily discounted.
- Outlook:** The Albuquerque office market is showing cautious signs of stabilization. While institutional investment is still muted, owner-users are keeping activity alive. Barring a major capital market shift, expect steady rent levels, modest absorption, and limited new construction, particularly in value-driven segments.

Vacancy Vs. Rental Rates




KEY SALES TRANSACTIONS

Property	Submarket	Buyer Type	RSF	List Price
7930 Wyoming Blvd NE	North I-25	Owner/User	8,348	\$2,235,000
6801 Jefferson St NE	North I-25	Owner/User	7,226	\$1,806,500
6721 Academy Rd NE	Far Northeast Heights	Owner/User	7,052	\$1,215,000

CLASS SNAPSHOT

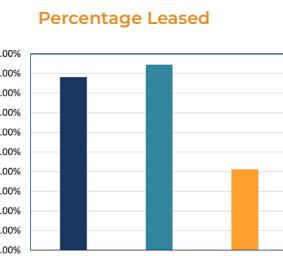
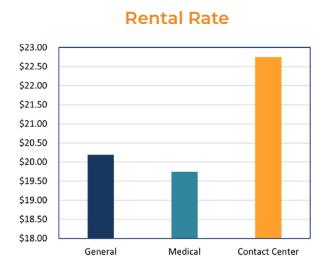
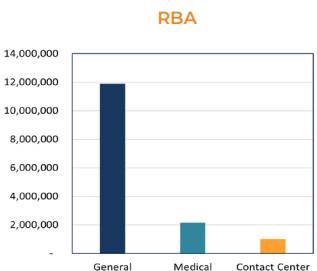
Class A		Class B		Class C	
Total Square Feet	1,966,748	Total Square Feet	11,812,201	Total Square Feet	2,195,482
Availability	22.10%	Availability	13.36%	Availability	8.56%
Avg. Face Rate	\$27.20	Avg. Face Rate	\$20.06	Avg. Face Rate	\$17.56

MARKET STATISTICS

Submarket Name	RBA	Available SF	Available Rate	Face Rate
Airport	878,310	66,412	7.56%	\$15.97
Cottonwood	147,973	1,732	1.17%	\$23.32
Downton	3,264,202	819,561	25.11%	\$19.18
Far Northeast Heights	1,622,368	142,987	8.81%	\$21.45
Mesa Del Sol	335,313	138,272	41.24%	\$26.37
North I-25	4,017,312	451,629	11.24%	\$21.95
North Valley	161,694	20,702	12.80%	\$21.00
Northeast Heights	954,382	46,178	5.12%	\$17.65
Rio Rancho	1,042,639	166,218	15.94%	\$23.75
South Valley	61,157	-	0.00%	-
Southeast Heights	432,111	5,827	1.35%	\$16.01
University	916,584	85,735	10.87%	\$19.50
Uptown	1,813,937	222,734	14.21%	\$20.75
West Mesa	337,649	-	0.00%	-
Total	15,985,631	2,133,629	13.35%	\$21.21

KEY LEASE TRANSACTIONS

Property	Submarket	Tenant	Lease Type	RSF
4200 Osuna Rd NE	North I-25	Confidential	Full Service	19,297
9400 Holly Ave NE	Far Northeast Heights	Confidential	Modified Gross	7,222
5501 Wilshire Ave NE	North I-25	Confidential	NNN	6,315

PRODUCT TYPE BREAKDOWN

OFFICE SNAPSHOT

Office market data includes non-owner-occupied buildings of $\geq 10,000$ 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.

