

Q4 2020 Market Review

Summary

Santa Fe Market trends

Without a doubt, 2020 has been a unique year that no one could have ever anticipated. Who would have ever thought that big-box giants like Target, Smiths, and Walmart would have to close for a period? That hotels would have such dramatic drops in reservations that they would consider closing? Or that small local businesses would be the unintentional main target of lockdowns. This sounds like a lot of bad news; however, not everything about 2020 was bad. There are always opportunities that can be taken advantage of, even during a world-wide pandemic.



407 Rodeo Rd. | Wildflower International new offices.

According to Ultra Health, the **medical** marijuana industry posted 62% increase in earnings during the third quarter of this year compared to the same period in 2019. Medical marijuana dispensaries, smoke shops and related businesses have actively been looking for new locations in order to expand all over the state.

In **technology**, Santa Fe has caught the eye of the United States Military. Santa Fe Descartes Labs received a \$2.2 million dollar contract to collaborate with the U.S. Air Force in order to develop technology to help military analysts and troops in the field assimilate massive amounts of data in real time. Additionally, Wildflower International secured a \$1 billion dollar contract with the U.S. Military related to unmanned aircraft technology. Wildflower International purchased a 17th Century Spanish style building from NAI Maestas & Ward during the second

quarter of 2020 in order to expand their offices.

The **retail** division is adjusting during this time as well. Developers are working on ways to innovate in spaces like San Isidro Plaza and Residence Inn, where COVID has impacted the normal flow of business. San Isidro Plaza plans to accommodate 180-200 new units, while Residence Inn will eventually become affordable short-term housing. Without a doubt, these are excellent ways to adapt these commercial locations that are a benefit to many Santa Fe residents.

Industrial spaces remained stable during the pandemic, despite the vacancy rate rising slightly to 5.49%. In spite of this, the market remains active even though inventory is limited.

Office spaces are beginning to attract more interest. This is largely attributed to the fact that people are getting tired of the home-office. Two state departments are actively looking for large office spaces between 17,000-20,000 square feet approximately. The Corporation Commission of New Mexico recently moved into the Bokum building in downtown Santa Fe; however, they continue to look for a new location with parking. The Administration Office of the Court is analyzing options that would accommodate 45-50 employees. They will be looking more seriously at this move in the first quarter of 2021.

Something we have to look forward to in 2021 is a boom in the **housing** market of Santa Fe. There has always been a shortage of quality, affordable housing, but that is about to change in the upcoming year. There are more than 1,500 apartments units on the market or under construction and about 9 residential developments that will be completed in 2021. It is worth mentioning that there is an estimated rental shortage of 7,343 units according to the [2020 Santa Fe Housing Report](#). The south side of the city will also experience significant growth in all categories during the upcoming year.

2021 is sure to be a great year for commercial real estate in Santa Fe!

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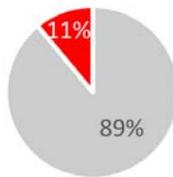
SANTA FE RETAIL



LEASE

Average Size 2,824 SF
 Average Price \$19.48/SF
 Average DOM 649 Days
 Vacancy Rate 6.70%

MARKET % Retail



SALE

Average Size 3,718 SF
 Average Price \$256.56/SF
 Average DOM 347 Days

■ Lease ■ Sale

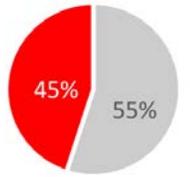
SANTA FE INDUSTRIAL



LEASE

Average Size 3,197 SF
 Average Price \$12.87/SF
 Average DOM 251 Days
 Vacancy Rate 5.49%

MARKET % Industrial



SALE

Average Size 4,214 SF
 Average Price \$124.11/SF
 Average DOM 122 Days

■ Lease ■ Sale

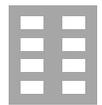
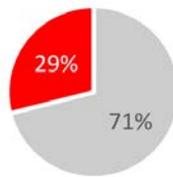
SANTA FE OFFICE



LEASE

Average Size 2,804 SF
 Average Price \$20.28/SF
 Average DOM 632 Days
 Vacancy Rate 11.58%

MARKET % Office



SALE

Average Size 5,438 SF
 Average Price \$200.32/SF
 Average DOM 363 Days

■ Lease ■ Sale

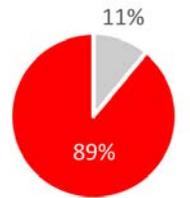
SANTA FE LAND



SALE

Average Size 6.10 Acres
 Average Price \$6.97/SF
 Average DOM 901 Days
 11.58%

MARKET % Land



■ Lease ■ Sale

*Market vacancy rate was obtained by consulting available published market information and gathering information available from property owners and brokers.