

Q4 2019 Market Review

Summary

As 2019 wraps up, the industrial vacancy rate in Albuquerque is still hovering at or near its historic low. The market appears to have stabilized as new vacancies are coming to the market at roughly the same pace as existing vacancies are absorbed. A scenario in which the vacancy rate drops significantly below its current level is unlikely, especially as new construction is finally, albeit slowly, coming about.

Median lease rates on a Triple Net (NNN) basis have jumped from \$7.00 to \$7.50 per square foot. This is a promising sign as increases in NNN lease rates will be the primary driver of new construction.

Median lease rates on a modified gross basis remain steady, hovering within \$0.10 of \$9.00 per square foot.

Fast Facts

Largest Vacancy | 79,900 SF
 6600 Gulton Ct. NE
 Albuquerque, NM | Manufacturing/
 lab space

Median Vacancy | 4,800 SF
 4615 McLeod Rd. NE
 Albuquerque, NM | Flex Space

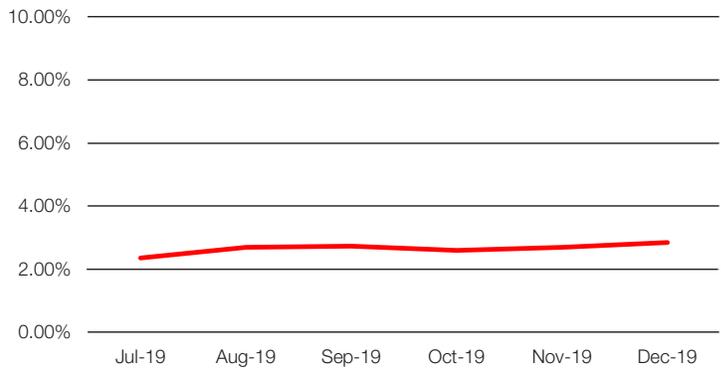
Smallest Vacancy | 800 SF
 103 Rio Rancho Blvd. NE
 Rio Rancho, NM | Flex space

**Median Office/
 Warehouse Ratio** | 23:77

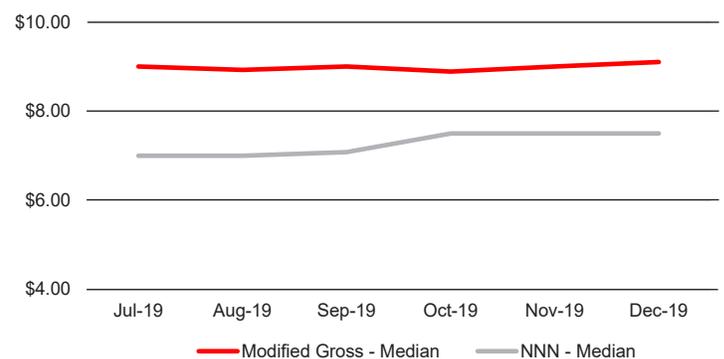
Market Tracking

Month (2019)	Vacancy	Modified Gross	NNN Median
July	2.36%	\$9.00	\$7.00
August	2.70%	\$8.93	\$7.00
September	2.73%	\$9.00	\$7.08
October	2.60%	\$8.89	\$7.50
November	2.70%	\$9.00	\$7.50
December	2.85%	\$9.11	\$7.50

Vacancy - Trailing 6 Months



Median Lease Rates - Trailing 6 Months



The information contained herein was obtained from sources deemed to be reliable. We have no reason to doubt the accuracy of information, however, we cannot, and do not, make any guarantees. The information and perspectives contained herein is not a substitute for a thorough due diligence investigation.