

ALBUQUERQUE METRO RETAIL OUTLOOK

Summary

The impact of COVID-19 on retail real estate remains ambiguous. Vacancy and lease rate figures for the second quarter of 2020 remained stable while leasing activity mirrored preceding quarters.

Noteworthy among recently executed leases is national retailers expanding into the Albuquerque MSA. Chipotle with their new drive-thru concept occupying 2,600 square foot space in on San Mateo & Montgomery. Another positive sign of retail development is Dunkin Donuts two new locations, one in Albuquerque's West Mesa and the other in new territory Rio Rancho. Rio Rancho will also soon be home to two Dutch Bros. Coffee locations — the first two in the state for the Oregon-based chain. Dutch Bros.' first two stores, which will have about 40 employees each, are under construction at 2121 Unser Boulevard SE and on 1440 Hwy 528. According to the company, Dutch Bros. will open the locations this month and later in 2020, respectively.

As of the end of Q 2, retail traffic in Albuquerque, NM was up 31.2% compared to the baseline period of February 1-23, 2020. Nationally, retail traffic was on average down 16.5% during that same period. In Albuquerque, NM, the Pharmacies and Drugs category had the largest change, up 88.8%.

The increase in spending came as 2.5m Americans returned to work last month and as household incomes were aided by federal support in the form of direct deposits to bank accounts, expanded unemployment benefits and the Paycheck Protection Program aimed at keeping employees on the payroll.

The coronavirus is likely to have significant impact on the market in the coming quarter. While retail and office sectors will be immediately affected, there may be opportunity for those who can quickly act. If it is possible to refinance, extend lines of credit, or renew lines of credit, now is the time to do so in anticipation of possible need. Finally, if one has the capital, there undoubtedly will be buying opportunities. The future is unknown, but the ability to look ahead to spot both risks and opportunities can prove to be invaluable.

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.

Q2 Fast Facts

NAI MAESTAS & WARD RETAIL SNAPSHOT



Largest Submarket by Population

Rio Rancho
Population: 141,336

2,400 SF
\$15 PSF
Average Rates/Size



Smallest Submarket by Population

Uptown
Population: 5,821

7,500 SF
\$12.50 PSF
Average Rates/Size



Highest Asking Rates Submarket

Cottonwood
Population: 8,335

\$20.44 PSF
7,200 SF
Average Rates/Size



Lowest Asking Rates Submarket

University
Population: 40,683

\$9.97 PSF
2,117 SF
Average Rates/Size

