

# ALBUQUERQUE METRO RETAIL OUTLOOK

## Summary

The Albuquerque retail industry is shifting across the board due to the prolonged economic effects of COVID-19. This situation has caused vacancy levels to rise and asking rents to decrease throughout the retail sector.

In response to this “new normal,” restaurants have reconfigured their dining floor plans to accommodate for social distancing, outdoor seating and pickup/delivery services. Department stores as well as other retailers are adjusting to the increasingly competitive ecommerce marketplace and doing what they can to adapt to changes in the marketplace.

Fortunately, some businesses such as discount retailers, medical, pharmacies, hardware stores, grocers and on-line retailers like Amazon are prospering in this environment. Multiple national resources indicate many QSR brands are doing record volumes thanks to drive-thru and takeout orders. Other less adaptable business models are not faring as well.

At the beginning of Q3, retail traffic in Albuquerque, NM was up 3.2% compared to the baseline period of February 1-23, 2020 (Pre COVID-19). Nationally, retail traffic was on average down 35.2% during that same period. In Albuquerque, NM, the Convenience Stores category had the largest change, up 84%. (according to [LocateAI Retail Tracker](#)).

In the coming months we expect to see retailers continue to adapt to the COVID-19 economy. Businesses will continue to shift towards an ecommerce or delivery platform while reducing their physical footprint where prudent.





We expect market activity to remain muted until either the pandemic subsides, or an effective vaccine is rolled out on a broad basis. As a consequence of uncertainty surrounding rent rolls, we will also see investment sales and development projects transact at a slower pace. However, selective projects will progress for individuals who are well-capitalized and maintain strong relationships with active tenants. Overall CAP rates remain at or near their all-time record levels

Barring a resurgence in coronavirus cases this fall, retailers are looking to the holiday season to bring some much needed relief as there appears to be continued strong consumer demand.

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.

## Q3 Fast Facts

### NAI MAESTAS & WARD RETAIL SNAPSHOT

 <b>Largest Submarket by Population</b> Rio Rancho Population: 141,336	7,409 SF   \$13.43 PSF Average Rates/Size
 <b>Smallest Submarket by Population</b> Uptown Population: 5,821	3,701 SF   \$14.34 PSF Average Rates/Size
 <b>Highest Asking Rates Submarket</b> WestMesa Population: 113,529	2,538 SF   \$19.89 PSF Average Rates/Size
 <b>Lowest Asking Rates Submarket</b> NE Heights Population: 81,734	3,760 SF   \$11.86 PSF Average Rates/Size

### Average Asking Rates | TRAILING 4 QUARTERS



### Average Available Retail Space | TRAILING 4 QUARTERS

