

FIGURES | ALBUQUERQUE OFFICE | Q1 2026

Quiet stabilization defines office market entering 2026

▲ 13.3%

Vacancy Rate

▲ (33,133)

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$20.81

FSG/YR Direct Lease Rate

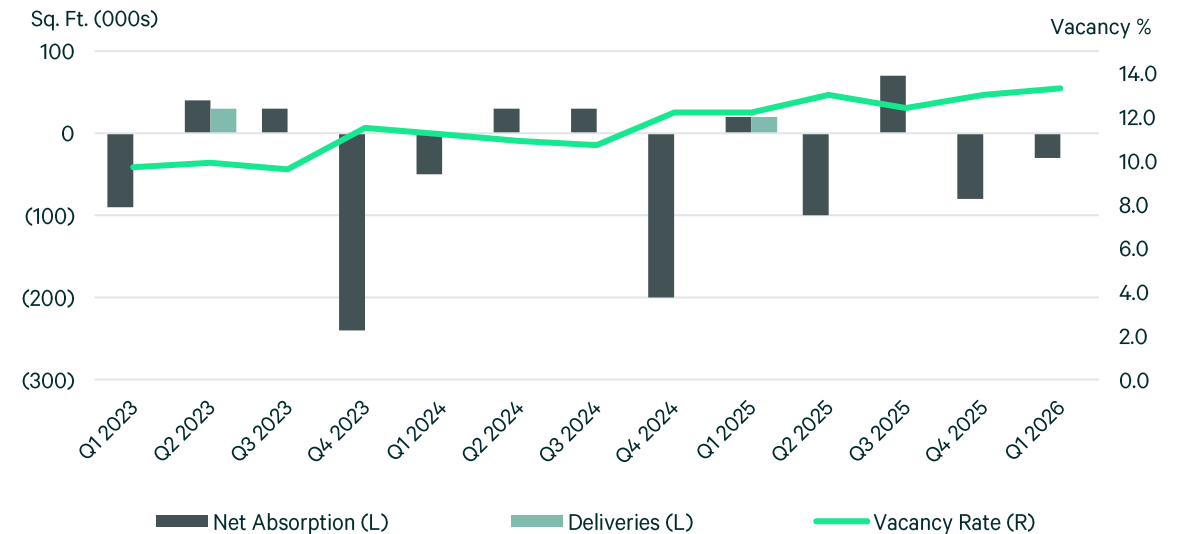
Note: Arrows indicate change from previous quarter.

Market Overview

The Albuquerque office market entered 2026 in a period of quiet stabilization, marked by cautious tenant decision-making and modest improvement in underlying activity following a prolonged lull. The overall vacancy rate increased to 13.3% in Q1 2026, a 30-basis-point increase quarter over quarter, reflecting ongoing space give-backs tied primarily to tenant right-sizing rather than widespread market exits. Leasing activity remained restrained but durable, with net absorption totaling approximately 33,000 sq. ft. of negative absorption, a notable improvement from Q4 2025. Class A space recorded positive absorption, reinforcing a preference for higher-quality space, while Class B and C assets experienced net declines as occupiers consolidated into more efficient or better-located properties.

Market performance continued to diverge by location. North I-25, Uptown, and West Mesa outperformed, supported by consistent leasing activity. Downtown vacancy remained elevated at 23.5%, reflecting challenges associated with large-format availability and slower backfill. Asking rents softened modestly in Q1 2026, with average direct asking rent declining to \$20.81 per sq. ft. FSG, down slightly from both the prior quarter and year earlier.

Figure 1: Historical Net Absorption (SF), Deliveries (SF), and Vacancy (%)



Source: CBRE Research, Q1 2026

Vacancy

The Albuquerque office vacancy rate increased to 13.3% in Q1 2026, rising 30 basis points quarter over quarter from 13.0% in Q4 2025 and 110 basis points year over year from 12.2% in Q1 2025. The increase reflected tenant right-sizing and space consolidation rather than large-scale market exits. West Mesa recorded the lowest vacancy at 4.0%, while Downtown posted the highest vacancy at 23.5%, reflecting slower re-tenanting activity.

By class, Class A vacancy stood at 19.6%, remaining elevated due to a small number of large vacant blocks. Vacancy was heavily concentrated in two properties; removing these assets would have reduced Class A vacancy to 10.8% and lowered overall market vacancy to 11.9%. One such property, 5401 Watson Drive SE in Mesa del Sol, was partially vacated by Fidelity in Q4 2025. The vacated portion is expected to be fully occupied by the Environmental Department in Q2 2026. Additionally, just over 129,000 sq. ft. of vacant space at 2351 HP Way in NE Rio Rancho remained unleased during the quarter. Outside of these properties, Class A vacancy remained more consistent with historic norms and continued to attract the bulk of tenant interest. Class B vacancy measured 13.9%, generally tracking the market average and reflecting steady, though selective, demand for functional and cost-effective space.

Asking Rent

Average direct asking rents declined modestly in Q1 2026, with the market average ending the quarter at \$20.81 per sq. ft. per year FSG. This represented a \$0.14-per-sq.-ft. decrease quarter over quarter, or approximately 0.7% from \$20.95 in Q4 2025. Year over year, this represented a \$0.60-per-sq.-ft. decline, or roughly 2.8% from \$21.41 in Q1 2025. The downward movement reflected increased pricing flexibility among landlords in higher-vacancy segments, while better-performing assets and submarkets remained comparatively firm.

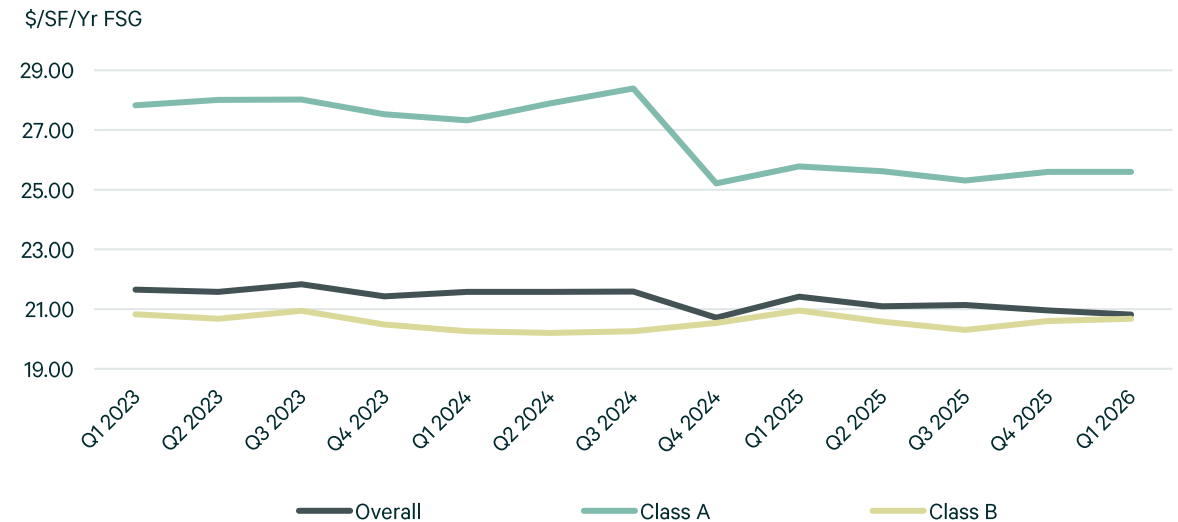
Pricing trends by class reinforced the ongoing flight-to-quality dynamic. Class A rents averaged \$25.60 per sq. ft., with Uptown commanding the highest Class A rents at \$29.00 per sq. ft., supported by strong locational appeal and limited competitive availability. Class B rents averaged \$20.68 per sq. ft., remaining relatively stable despite softer demand in select submarkets.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

The Albuquerque office market recorded approximately 33,000 sq. ft. of negative net absorption in Q1 2026, improving materially from about 76,000 sq. ft. of negative absorption in Q4 2025. Compared with just over 21,000 sq. ft. of positive absorption in Q1 2025, the market reflected a year-over-year swing of approximately 54,000 sq. ft., underscoring the persistence of cautious occupier behavior.

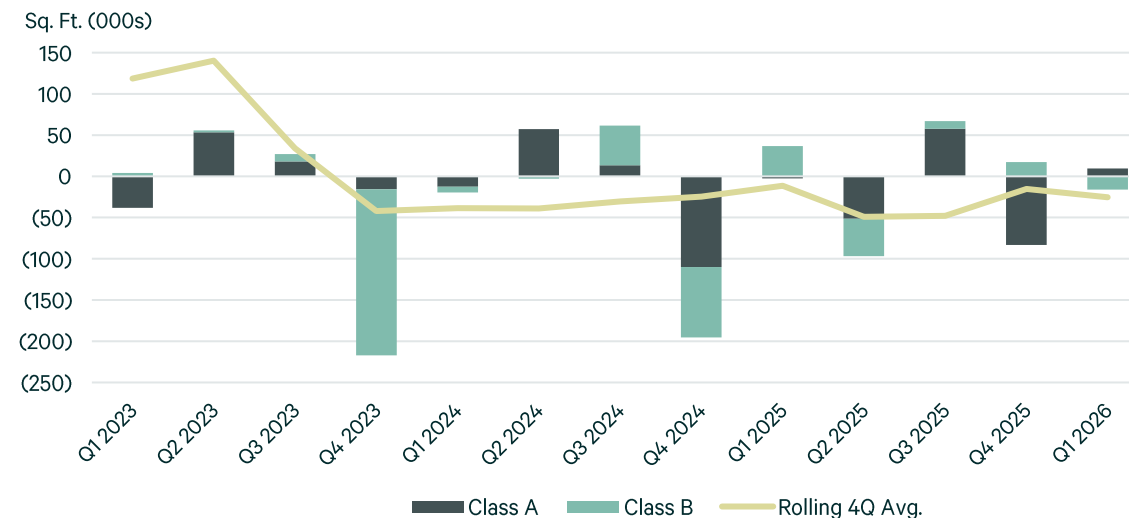
Submarket performance varied notably. Downtown posted the weakest absorption at approximately 13,000 sq. ft. of negative absorption, largely driven by about 6,000 sq. ft. of negative absorption at the Park Avenue Professional Building and nearly 4,000 sq. ft. at Silver Square. In contrast, North I-25 recorded the strongest absorption at approximately 6,000 sq. ft., supported by just over 6,000 sq. ft. absorbed at One Sun Plaza and roughly 4,000 sq. ft. at Headline Pointe.

By Class, Class A posted nearly 10,000 sq. ft. of positive absorption, signaling sustained preference for higher-quality space in well-located properties. Class B recorded approximately 16,00 sq. ft. of negative absorption, while Class C posted roughly 27,000 sq. ft. of negative absorption, reflecting ongoing tenant migration away from less-efficient inventory. Overall, absorption patterns remained selective rather than broad-based, consistent with renewal-heavy leasing activity and limited expansion demand.

Construction Activity

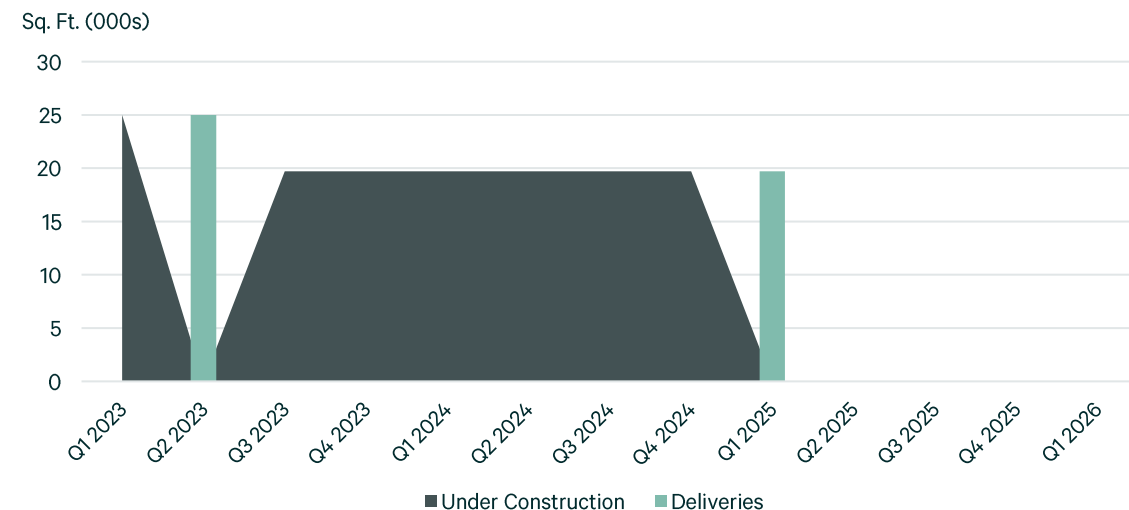
Office construction activity remained inactive in Q1 2026. Development continued to be constrained by elevated construction and financing costs as well as heightened macroeconomic uncertainty, all of which limited the feasibility of speculative office projects. Market recalibration remained focused on absorbing existing inventory rather than introducing new supply, positioning Albuquerque to work through vacancy organically as tenant confidence and space utilization patterns continued to normalize.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Market Statistics

Figure 6: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	1.47	23.6	20.0	17.7	2.3	25.81	8,000	8,000	-	-
Class B	5.32	8.8	11.2	9.5	1.7	21.40	(15,000)	(15,000)	-	-
Class C	3.03	6.8	7.6	7.0	0.5	17.53	(14,000)	(14,000)	-	-
Total	9.82	10.4	11.4	9.9	1.4	21.73	(20,000)	(20,000)	-	-

Source: CBRE Research, Q1 2026

Figure 7: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	0.58	9.4	16.2	13.2	3.0	24.50	1,000	1,000	-	-
Class B	1.16	37.3	37.6	37.3	0.3	19.84	(2,000)	(2,000)	-	-
Class C	1.06	16.0	17.5	16.0	1.5	17.05	(13,000)	(13,000)	-	-
Total	2.80	23.5	25.6	24.3	1.3	19.46	(13,000)	(13,000)	-	-

Source: CBRE Research, Q1 2026

Figure 8: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	2.05	19.6	18.9	16.4	2.5	25.60	10,000	10,000	-	-
Class B	6.48	13.9	15.9	14.5	1.4	20.68	(16,000)	(16,000)	-	-
Class C	4.09	9.2	10.1	9.3	0.8	17.31	(27,000)	(27,000)	-	-
Total	12.62	13.3	14.5	13.1	1.4	20.81	(33,000)	(33,000)	-	-

Source: CBRE Research, Q1 2026

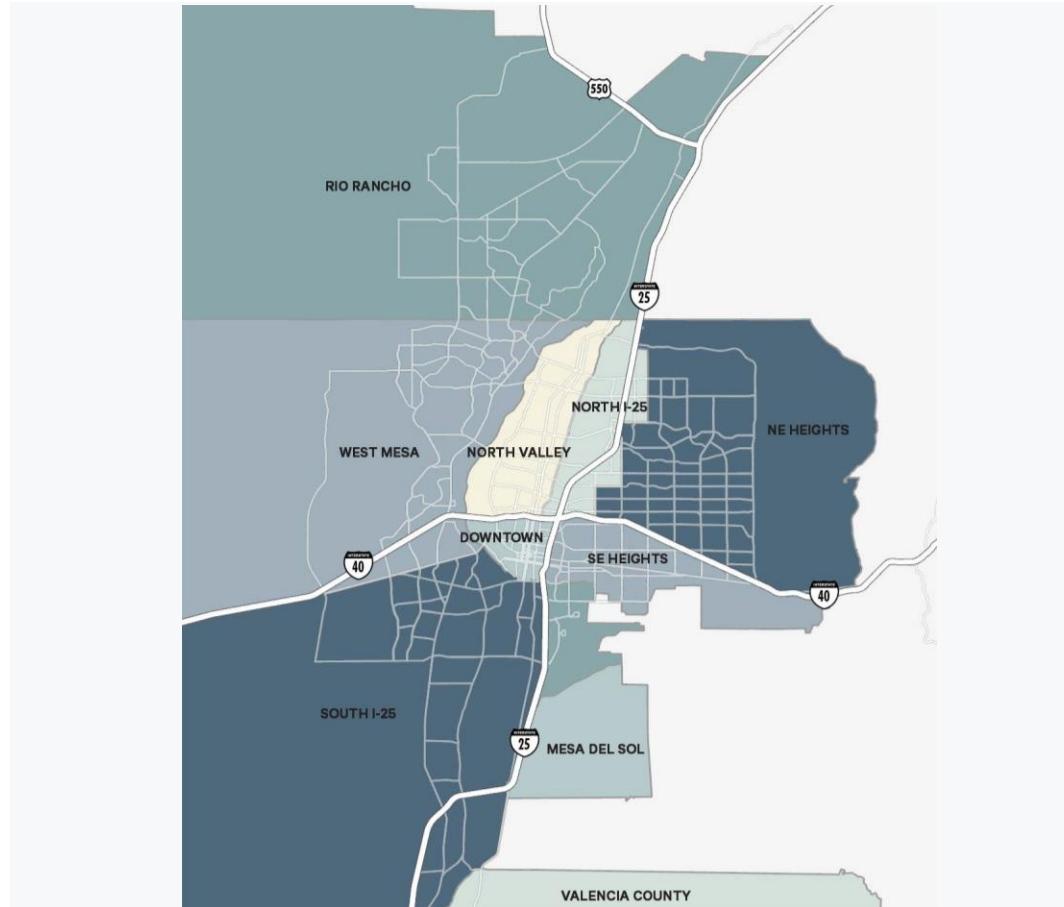
Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	0.87	10.3	10.3	10.3	-	15.78	(6,000)	(6,000)	-	-
Downtown	2.80	23.5	25.6	24.3	1.3	19.46	(13,000)	(13,000)	-	-
Far Northeast Heights	1.27	13.6	10.4	10.2	0.2	20.80	2,000	2,000	-	-
Mesa del Sol	0.29	33.4	-	-	-	-	-	-	-	-
NE Heights	0.53	2.9	3.3	3.3	-	19.55	(1,000)	(1,000)	-	-
North I-25	3.31	8.5	11.4	8.3	3.1	23.42	6,000	6,000	-	-
Rio Rancho	0.73	17.8	17.8	17.8	-	25.00	-	-	-	-
SE Heights	0.33	4.3	4.3	4.3	-	16.51	(7,000)	(7,000)	-	-
University	0.32	5.8	34.7	30.1	4.6	20.15	1,000	1,000	-	-
Uptown	1.81	10.2	12.7	11.6	1.1	21.93	(7,000)	(7,000)	-	-
West Mesa	0.35	4.0	4.4	4.4	-	21.16	(6,000)	(6,000)	-	-
Total	12.62	13.3	14.5	13.1	1.4	20.81	(33,000)	(33,000)	-	-

Source: CBRE Research, Q1 2026

Market Area Overview



CBRE ALBUQUERQUE

6565 Americas Parkway NE, Suite 825
Albuquerque, NM 87110

Survey Criteria

Includes all existing office buildings 10,000 sq. ft. and greater in size, in the Albuquerque metro market. Buildings which have begun construction are evidenced by site excavation or foundation work.

Methodology

Position absorption is calculated at time of occupancy, which allows for product to be vacant but no longer available. Lease rates are calculated using weighted average of asking lease rates for existing product with availability. Sublease space can be vacant or occupied. Total Vacancy includes both direct and sublease. Lease activity is the sum of the square footage of leases signed during a designated period. Data published in previous reports is subject to change.

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