

FIGURES | ALBUQUERQUE INDUSTRIAL | Q4 2025

# Difficult-to-pencil speculative projects constrain premium space availability

▼ 4.2%

Vacancy Rate

▲ 493,935

SF Net Absorption

▲ 216,574

SF Construction Delivered

▼ 281,473

SF Under Construction

▶ \$10.89

NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

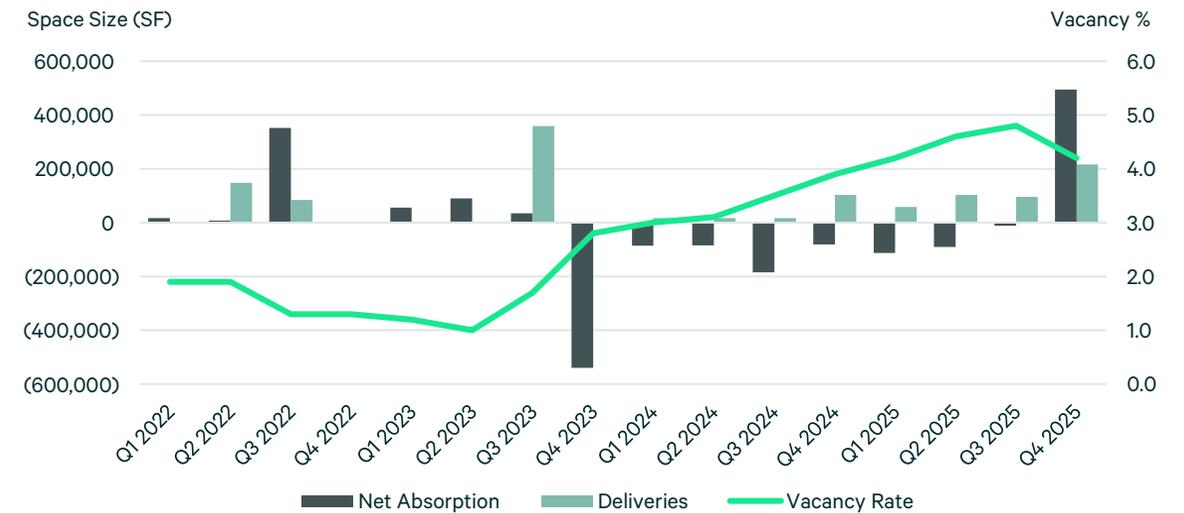
## SUMMARY

The Albuquerque industrial market staged a definitive recovery in Q4 2025, recording a positive net absorption of 493,935 sq. ft. and reversing a two-year contraction. Leasing activity reached 1.9 million sq. ft. for the year, an 94% year-over-year surge fueled by large-scale manufacturing commitments such as Maxeon Solar.

Reflecting this heightened demand, the availability rate fell 120 basis points (bps) annually to settle at 3.4%. The vacancy rate ended the year at 4.2%, marking its first quarterly decline in over two years. While Rio Rancho saw a rise in vacancy from the U.S. Cotton exit, high-velocity move-ins from other submarkets provided a counterbalancing force. Landlord pricing power remained firm, with average asking rents reaching \$10.89 per sq. ft. NNN, a 10.5% increase over the previous year.

The development pipeline tightened at year-end given all that was under construction in Q4 2025 was pre-leased. Similarly, 79% of the year's 473,406 sq. ft. of total deliveries was secured prior to completion. The scarcity of available new product, coupled with dominant national corporate interest, suggests a competitive landscape for quality space entering 2026.

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



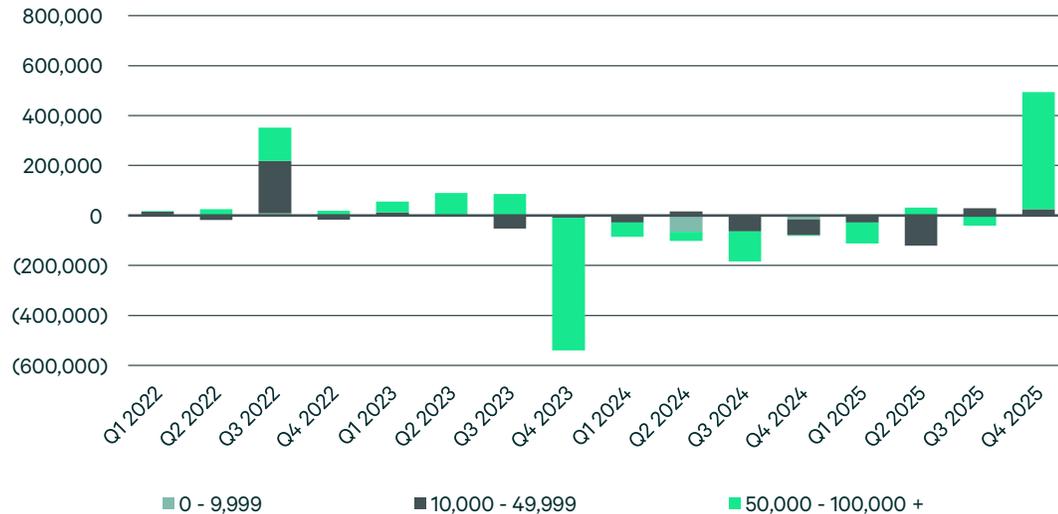
Source: CBRE Research, Q4 2025

## Net Absorption

In 2025, net absorption reached 287,772 sq. ft., marking the first positive year since 2022. This figure exceeded 2024’s absorption by 723,286 sq. ft., though it remained well below the 2021 peak of just over 3.0 million sq. ft. Valencia County and West Mesa led the market in total net absorption, with Valencia County, a historically inactive submarket, contributing over 200,000 sq. ft., driven entirely by Pacific Fusion’s Q4 2024 move-in. Conversely, U.S. Cotton’s departures pushed Rio Rancho into negative territory for the second consecutive year, posting negative 145,778 sq. ft. at year-end.

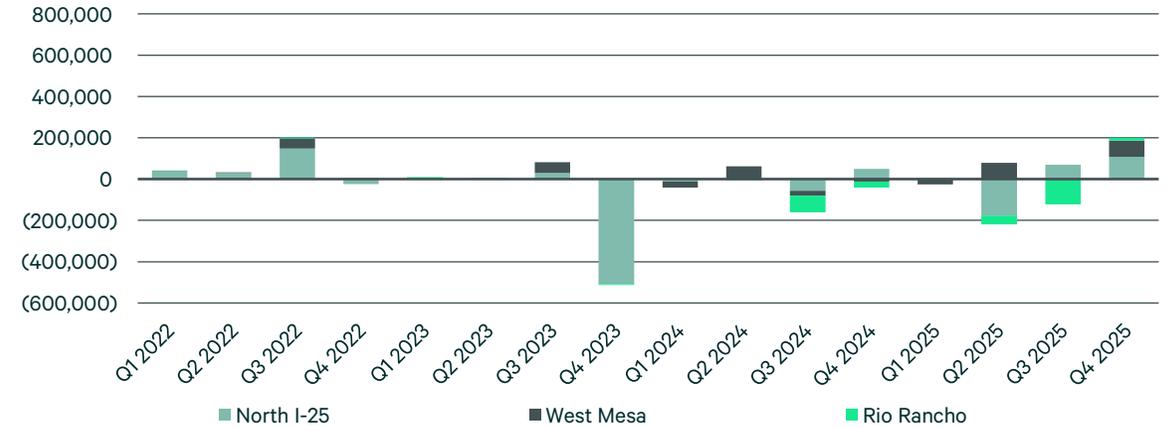
Q4 2025 closed with 493,935 sq. ft. of quarterly absorption, a strong finish fueled by significant activity in the North I-25 submarket, which jumped from absorbing 49,544 sq. ft. to 107,575 sq. ft. year-over-year. West Mesa also rebounded significantly, recording 78,602 sq. ft. compared to negative 11,591 sq. ft. in Q4 2024. Several major move-ins drove overall market growth, including Goodwill of New Mexico, MPR Logistics, and BZO Wheel and Tire Distributor.

FIGURE 2: Historical Net Absorption (SF) by Size Range



Source: CBRE Research, Q4 2025

FIGURE 3: Historical Net Absorption (SF) in Three Key Submarkets



Source: CBRE Research, Q4 2025

FIGURE 4 : Q4 2025 Key Move-Ins

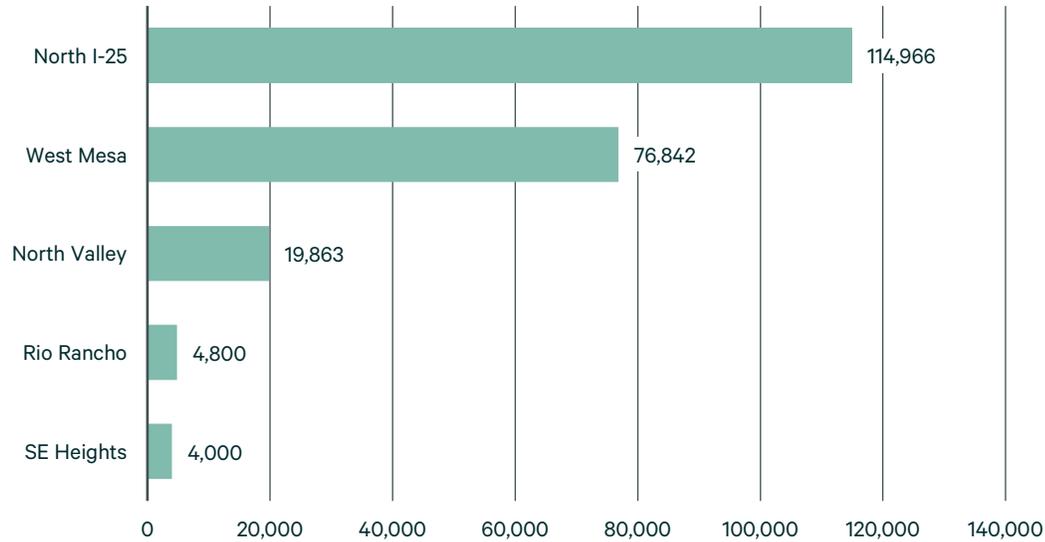
Tenant	Space Absorbed (SF)	Address	Submarket
Pacific Fusion	201,637	1300 Desert Willow Rd NW	Valencia County
Overhead Door	51,151	4000 Ellison St NE	North I-25
Stuart C. Irby Co.	50,000	7226 Central Ave SW	South I-25
Goodwill of New Mexico	49,953	3101 Menaul Blvd NE	North I-25
MPR Logistics	31,347	4511 Paseo Del Norte NE	North I-25
BZO Wheel and Tire Distributor	25,200	3005 Broadway Blvd SE	South I-25
Confidential Tenant	17,846	5656 Pasadena Ave NE	North I-25

Source: CBRE Research, Q4 2025

## Lease Activity

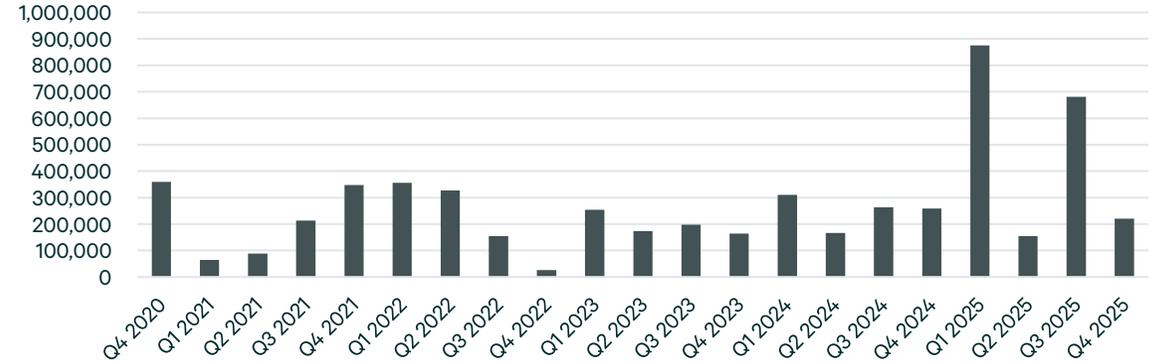
Market activity continued to remain largely concentrated in the North I-25 submarket as the area accounted for 61% of Albuquerque’s total industrial leasing activity in 2025. The submarket experienced the largest single lease signed in the area with a 505,388 sq. ft. lease signed in Q1 2025 by Maxeon Solar Technologies. North I-25 continues to demonstrate strong market dynamics, consistently closing the year with the largest amount of leasing volume since 2021. While the overall market saw steady gains since 2023, the 80.2% jump in 2025 was indicative of a particularly strong year. The major year-over-year increase was not only fueled by consistent North I-25 performance but also by the re-emergence of Valencia County, which contributed 201,637 sq. ft. in 2025 after two years of total inactivity. This "all-or-nothing" dynamic in outlying submarkets suggests that while the North I-25 submarket provides the market's steady pulse, specialized large-scale users like Pacific Fusion are now looking to secondary markets to find the contiguous space required for major industrial operations.

FIGURE 5: Total Area Leased by Submarket (SF)



Source: CBRE Research, Q4 2025

FIGURE 6: Leasing Activity Trend (SF)



Source: CBRE Research, Q4 2025

FIGURE 7: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	73,242	New Lease	541 Airport Dr NW	West Mesa
Confidential Tenant	15,000	New Lease	8601 8609 Paseo Alameda NE	North I-25
Confidential Tenant	10,697	New Lease	2715 Broadbent Pkwy NE	North I-25
Confidential Tenant	8,000	New Lease	8401 Jefferson St NE	North I-25
Confidential Tenant	5,950	New Lease	3800 Midway Park Blvd NE	North I-25
Confidential Tenant	5,508	New Lease	6711 Edith Blvd NE	North Valley

Source: CBRE Research, Q4 2025

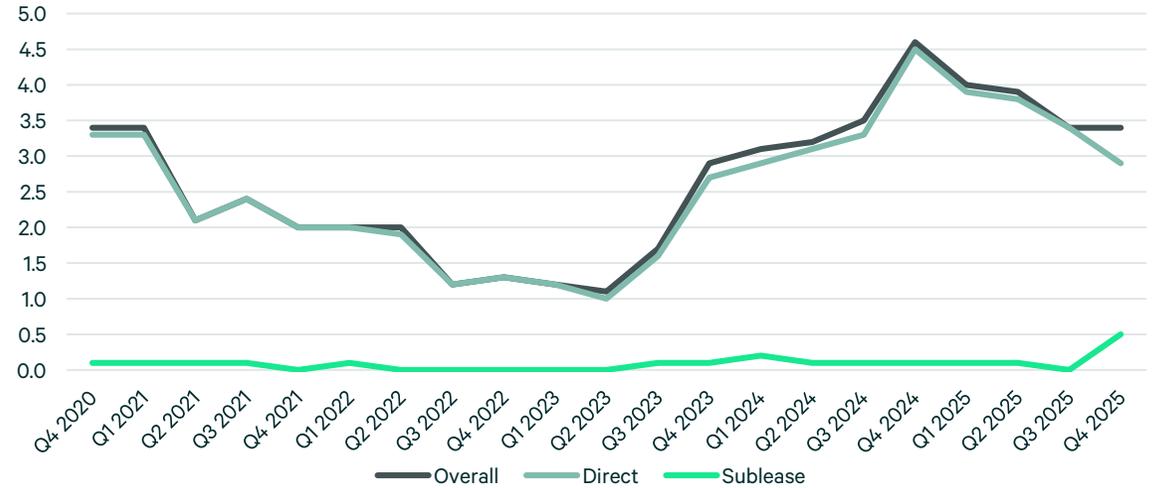
## Availability and Vacancy

The industrial market's availability rate stabilized at 3.4% in Q4 2025, remaining unchanged from the previous quarter as new listings entering the market slowed. This period of stability closed out a significant year of compression, with increased demand driving a 120-bps decline from the 4.6% rate recorded in Q4 2024. The trajectory of 2025 saw the opposite effect of the previous year. While availability rates climbed incrementally throughout each quarter of 2024, they observed a quarterly decline through the first three quarters of 2025 before leveling off at year-end. This shift suggests that the excess supply seen last year has been largely absorbed, leaving the market in a much tighter position heading into 2026.

The industrial market ended Q4 2025 with an overall vacancy rate of 4.2%, representing a 30-basis-point increase from the 3.9% recorded in Q4 2024. The final quarter of 2025 marked a significant turning point as the vacancy rate experienced its first decline since Q2 2023. This year-end tightening was largely supported by the delivery of built-to-suit construction, which added occupied square footage to the market inventory without introducing new vacant space. Notably, the market's vacancy rate continues to exceed its availability rate, a discrepancy primarily driven by the Maxeon Solar facility in North I-25 which remains leased but not yet occupied.

Historical data shows a market that has transitioned from the extreme lows of 2022, where vacancy bottomed out at 1.3%, to a more normalized environment in 2025. The North I-25 submarket saw a 60-basis-point decrease in occupancy year-over-year. In contrast, Rio Rancho saw vacancy climb from 1.8% in Q4 2024 to 4.0% at the close of 2025. This 220-basis-point surge resulted from the multi-quarter exit of U.S. Cotton, which culminated in nearly 223,000 sq. ft. vacated in 2025. Despite these specific exits, submarkets like West Mesa remained remarkably consistent, moving only 10 basis points over the last twelve months to signal a high level of tenant retention in the western corridor.

FIGURE 8: Availability (%)



Source: CBRE Research, Q4 2025

FIGURE 9: Q4 2025 New Vacancies

Tenant	Sq. Ft. Vacated	Address	Submarket
The Sandoval Academy	50,400	4321 Fulcrum Way NE	Rio Rancho
US Cotton	42,913	4321 Fulcrum Way NE	Rio Rancho
Gridworks	35,185	7110 2nd St NW	North Valley
New Build	25,423	4000 Ellison St NE	North I-25
Paychex North America	14,689	4500 Alexander Blvd NE	North I-25
Lykes Cartage Company, Inc.	12,300	1450 Candelaria Rd NE	North I-25

Source: CBRE Research, Q4 2025

## Construction Activity

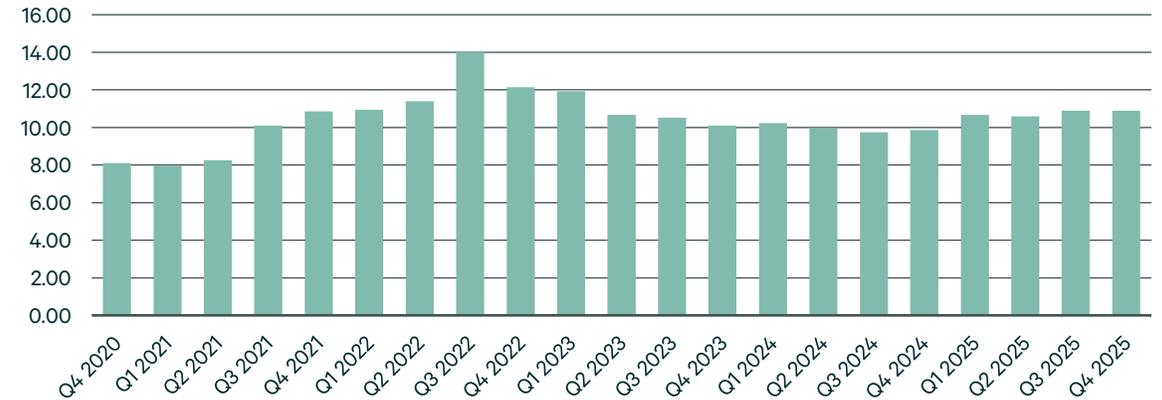
The delivery of three new properties in Q4 2025 Construction activity in the Albuquerque industrial market showed a significant decrease in Q4 2025, with the construction pipeline nearly halved quarter-over-quarter. At the close of Q4 2025, 281,473 sq. ft. were under construction, down from 498,047 sq. ft. in Q3. West Mesa accounted for a significant 76.9% of the remaining projects. Despite the overall decrease in projects, what was left of the pipeline remained strong, with 100% of the space already pre-leased.

Total deliveries for Q3 2025 amounted to 216,574 sq. ft., contributing to the 473,406 sq. ft. of new industrial inventory delivered over the last year. Deliveries in Q4 2025 featured two fully committed Built-to-Suit (BTS) projects. Stuart C. Irby Co., an electrical equipment company, opened its 50,000-sq.-ft. facility in South I-25 after breaking ground in December 2024. Additionally, Oppidan Investment expanded its global data center footprint with the completion of a 90,000-sq.-ft. facility in West Mesa. On the speculative side, Overhead Door, a local garage door servicer, leased 66.8% of a newly delivered 76,574-sq.-ft. building in North I-25, leaving 25,423 sq. ft. still available on the market.

Pre-commitment was a dominant theme for the 2025 delivery landscape, as 79.0% of total new construction was secured by a diverse roster of tenants such as Duke City Sports, ABB Ltd, Netflix, Redwire, Stuart C. Irby Co, Overhead Door, and Oppidan Investments. Interestingly, just 18.1% of this space was taken by local Albuquerque firms, while the remaining 81.9% was absorbed by national or international corporations expanding their presence in the regional market. The Albuquerque market continues to experience a cycle where tenant demand outpaces the availability of quality space. Following the positive jump in absorption in Q4 2025, vacancy rates have remained tight for five consecutive years. While most construction over the last decade has focused on built-to-suit projects, there is a compelling argument that the market is primed for speculative industrial development. However, despite record-low vacancy, the financial feasibility of speculative projects remains a significant hurdle for developers.

FIGURE 10: Avg. Direct Asking Rate (\$/SF/Yr NNN)

(\$/SF/Yr NNN)



Source: CBRE Research, Q4 2025

FIGURE 11: Historical Construction Volume and Deliveries (SF)



Source: CBRE Research, Q4 2025

## Market Statistics by Size

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	QTD Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	27,772,351	4.1	4.0	10.74	270,624	55,511	216,574	65,000
100,000-199,999 sq. ft.	5,524,501	6.8	8.6	11.18	21,674	(22,950)	0	0
200,000-299,999 sq. ft.	2,678,044	0.0	0.0	0.00	0	45,116	0	216,473
300,000-499,999 sq. ft.	1,529,491	0.0	0.0	0.00	201,637	201,637	0	0
500,000-749,999 sq. ft.	1,058,214	47.8	0.0	0.00	0	0	0	0
750,000 sq. ft.	9,000,000	0.0	0.0	0.00	0	0	0	0
<b>Total</b>	<b>47,562,601</b>	<b>4.2</b>	<b>3.4</b>	<b>10.89</b>	<b>493,935</b>	<b>279,314</b>	<b>216,574</b>	<b>281,473</b>

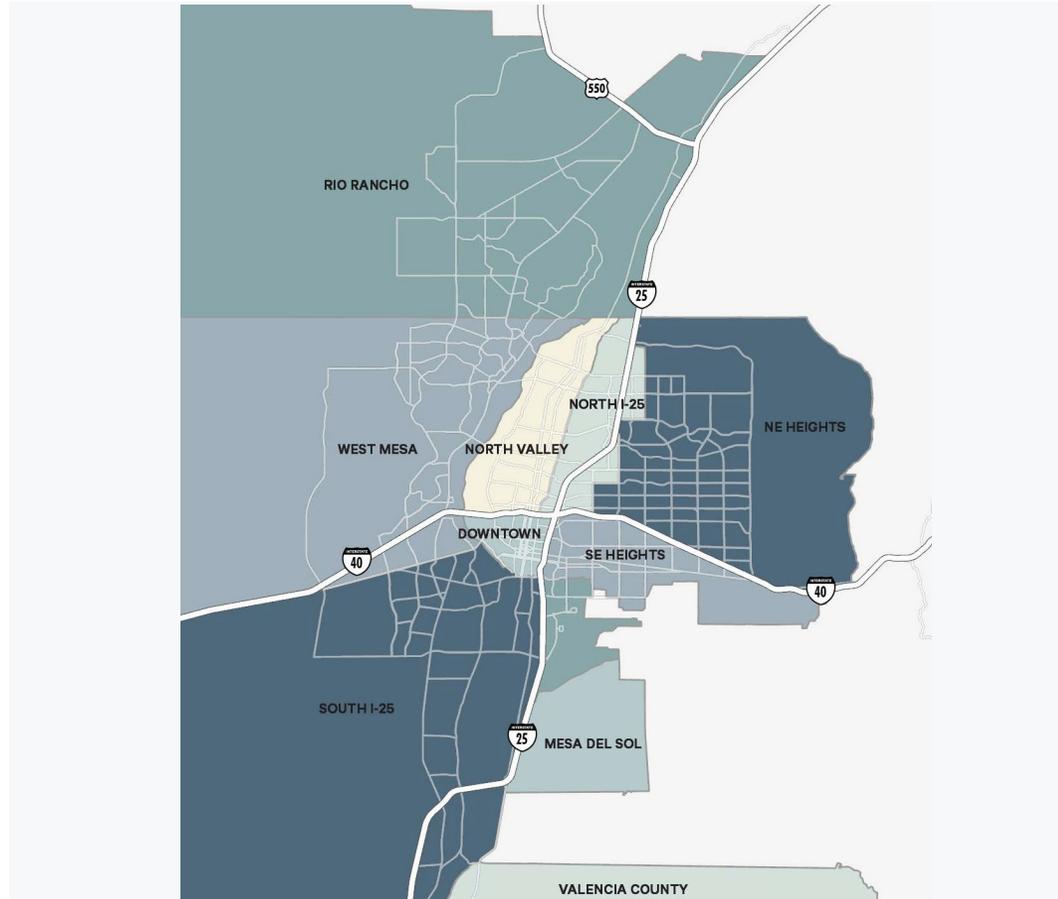
## Market Statistics by Product Type

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	QTD Deliveries (SF)	Under Construction (SF)
Distribution / Logistics	18,255,693	3.3	3.3	11.72	214,220	214,816	126,574	281,473
Manufacturing	13,920,876	7.9	4.3	9.67	201,637	38,016	0	0
R&D / Flex	5,034,183	2.5	2.9	12.14	5,288	(90,425)	0	0
Other Industrial	10,351,849	1.8	2.3	10.06	72,790	116,907	90,000	0
<b>Total</b>	<b>47,562,601</b>	<b>4.2</b>	<b>3.4</b>	<b>10.89</b>	<b>493,935</b>	<b>279,314</b>	<b>216,574</b>	<b>281,473</b>

## Market Statistics by Submarket

Submarket	Building Count (#)	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	QTD Deliveries (SF)	Under Construction (SF)
Airport	35	1,134,585	8.8	8.8	10.77	28,500	(1,058)	0	0
Downtown	111	3,194,755	3.9	4.8	8.88	8,262	(24,598)	0	0
Mesa del Sol	11	753,242	0.0	0.0	0.00	0	59,346	0	65,000
NE Heights	24	482,381	0.0	0.0	0.00	0	960	0	0
North I-25	546	16,809,035	5.0	2.2	11.65	107,575	3,485	76,574	0
North Valley	92	2,599,450	2.2	2.3	11.54	(24,121)	(27,487)	0	0
Rio Rancho	56	6,554,789	4.0	5.4	10.72	14,280	(145,778)	0	0
SE Heights	59	1,511,743	1.1	1.1	11.38	4,000	33,323	0	0
South I-25	91	3,186,355	8.4	8.4	11.59	75,200	53,350	50,000	0
Valencia County	27	3,275,499	4.1	4.1	9.17	201,637	201,637	0	0
West Mesa	73	8,060,767	2.4	1.6	11.35	78,602	126,134	90,000	216,473
<b>Total</b>	<b>1,125</b>	<b>47,562,601</b>	<b>4.2</b>	<b>3.4</b>	<b>10.89</b>	<b>493,935</b>	<b>279,314</b>	<b>216,574</b>	<b>281,473</b>

## Market Area Overview



### CBRE ALBUQUERQUE

6565 Americas Parkway NE, Suite 825  
Albuquerque, NM 87110

### Survey Criteria

Includes all existing industrial 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 time period. Data published in previous reports is subject to change.

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