

As the market cools, absorption reverses and rents edge down

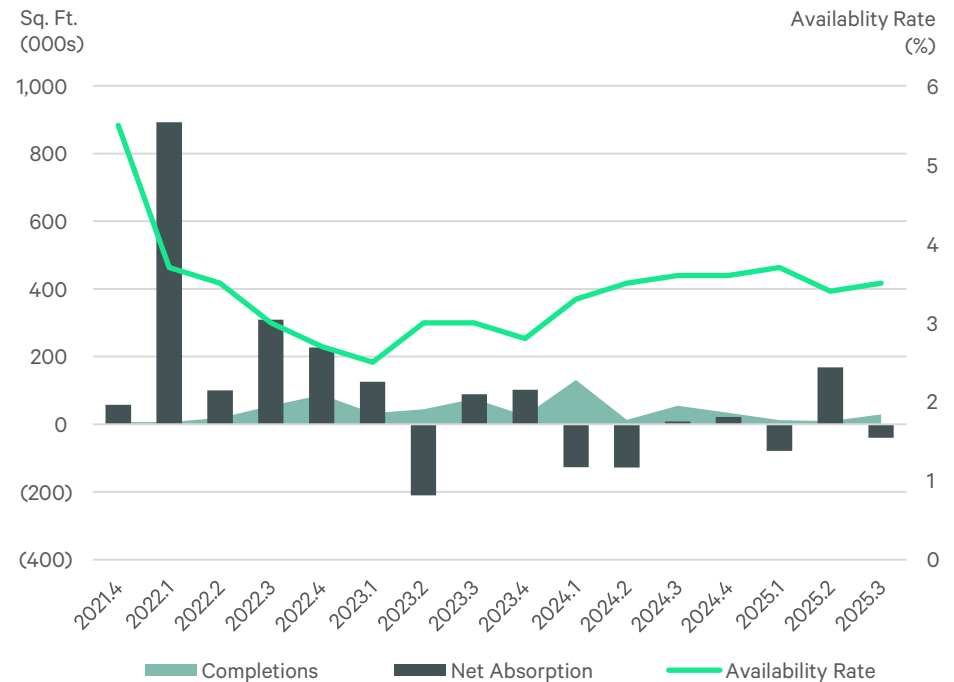
▲ 3.5% Availability Rate ▼ 40,000 SF Net Absorption ▲ 29,000 SF Completed ▼ \$16.83 Avg. Asking Rent (NNN)

Note: Arrows indicate change from previous quarter.
Source: CBRE Econometric Advisors, Q3 2025.

MARKET HIGHLIGHTS

- The Albuquerque retail market saw a slight tightening in Q3 2025, with the availability rate inching up to 3.5%, a modest 10 basis-point (bps) increase from the previous quarter.
- A momentum shift was evident in Q3 2025, as net absorption flipped to negative 40,000 sq. ft. This marks a notable change from the positive 160,000 sq. ft. absorbed in Q2.
- Construction activity picked up pace in Q3 2025. Developers delivered 29,000 sq. ft. of new retail space, more than tripling the 9,000 sq. ft. completed in Q2.
- The average asking rent in Albuquerque's retail market cooled slightly in Q3 2025, settling at \$16.83 per sq. ft., a modest decrease of \$0.19 from the previous quarter.

FIGURE 1: Completions, Net Absorption, and Availability Rate



Source: CBRE Econometric Advisors, Q3 2025.

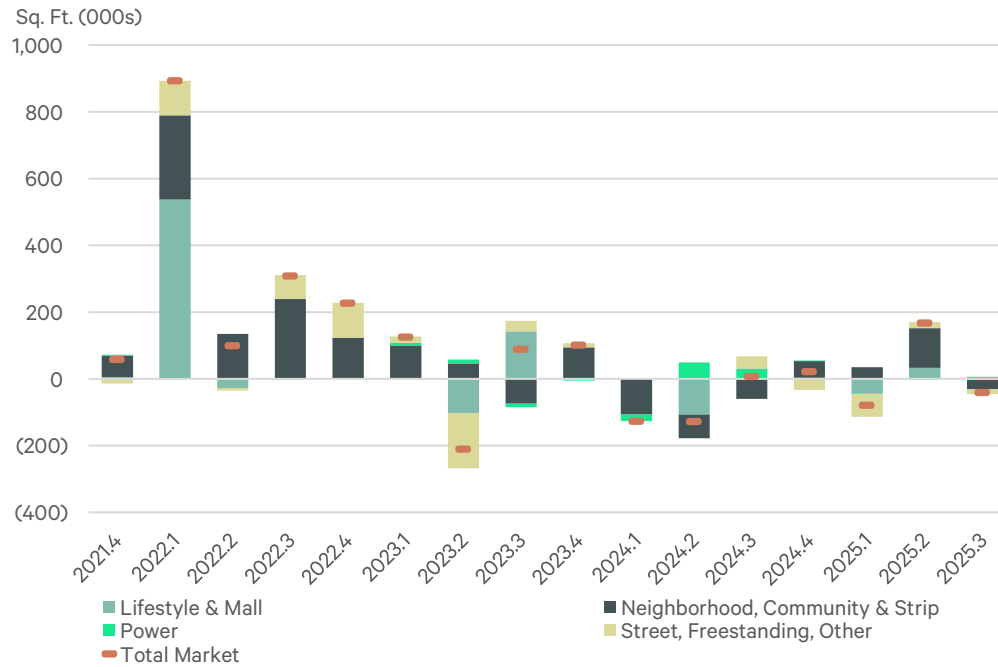
Market Overview

FIGURE 2: Market Statistics by Product Type

| Market | Inventory (SF, 000s) | Availability Rate (%) | Net Absorption (SF 000s) | Completions (SF 000s) | Net Rent |
|---------------------------------|----------------------|-----------------------|--------------------------|-----------------------|----------------|
| Lifestyle & Mall | 3,316 | 3.6 | (3) | - | \$0.00 |
| Neighborhood, Community & Strip | 19,011 | 5.4 | (28) | 22 | \$17.03 |
| Power | 1,440 | 1.1 | 6 | - | \$20.00 |
| Street, Freestanding, Other | 28,361 | 2.3 | (15) | 7 | - |
| Total Market | 52,128 | 3.5 | (40) | 29 | \$16.83 |

Source: CBRE Econometric Advisors, Q3 2025.

FIGURE 3: Net Absorption by Center Type



Source: CBRE Econometric Advisors, Q3 2025.

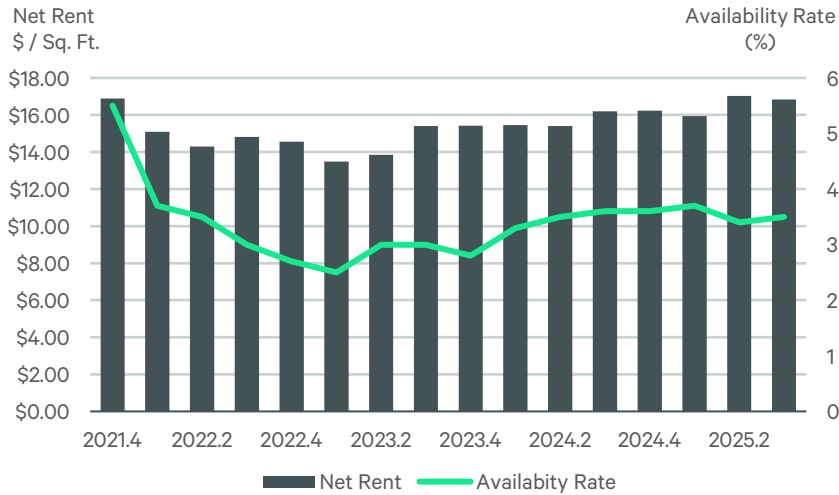
FIGURE 4: Market Statistics by Submarket

| Market | Inventory (SF 000s) | Availability Rate (%) | Net Absorption (SF 000s) | Completions (SF 000s) | Net Rent |
|----------------------|---------------------|-----------------------|--------------------------|-----------------------|----------------|
| Total Market | 52,128 | 3.5 | (40) | 29 | \$16.83 |
| Downtown Albuquerque | 2,920 | 3.3 | 20 | 22 | \$10.92 |
| East Bernalillo Co | 289 | - | - | - | - |
| East Heights | 5,738 | 3.8 | (27) | - | \$19.99 |
| North Valley | 8,538 | 3.2 | (26) | - | \$16.74 |
| Northeast Central | 9,572 | 3.3 | 3 | - | \$18.16 |
| Outer Sandoval Co | 1,301 | 2.0 | (23) | - | \$24.00 |
| Rio Rancho | 3,079 | 5.4 | (25) | - | \$20.15 |
| South Valley | 4,067 | 1.2 | (1) | - | \$14.80 |
| Torrance Co | 560 | - | - | - | - |
| University | 4,578 | 9.0 | - | 7 | \$14.93 |
| Valencia Co | 3,726 | 1.7 | 1 | - | \$7.38 |
| West Mesa | 7,714 | 2.7 | 38 | - | \$16.91 |

Source: CBRE Econometric Advisors, Q3 2025.

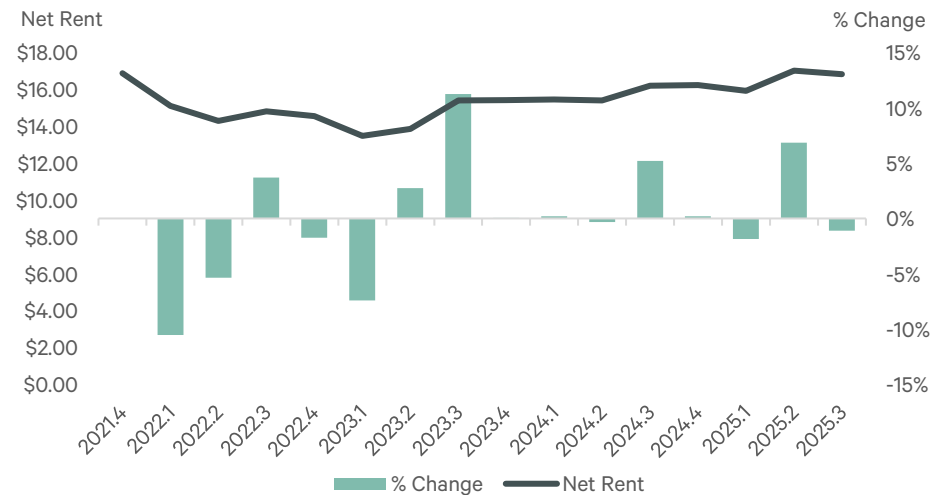
Asking Rents & Availability

FIGURE 5: Net Asking Rent and Availability Rate



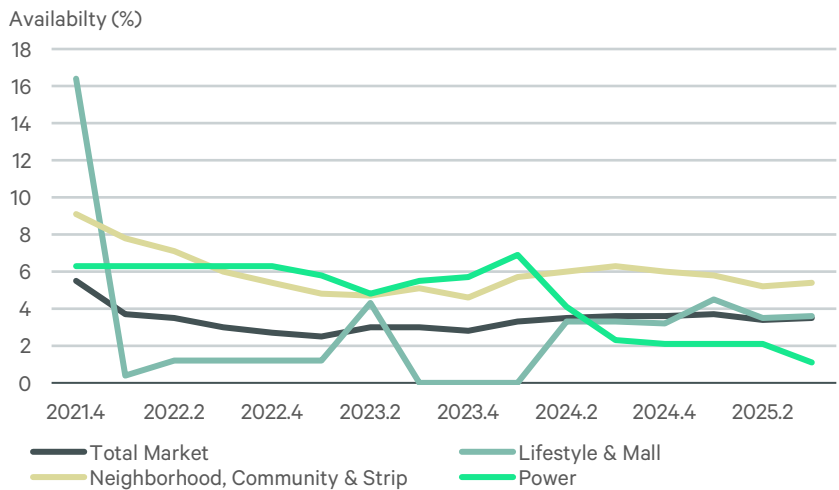
Source: CBRE Econometric Advisors, Q3 2025.

FIGURE 6: Net Rent and % Change



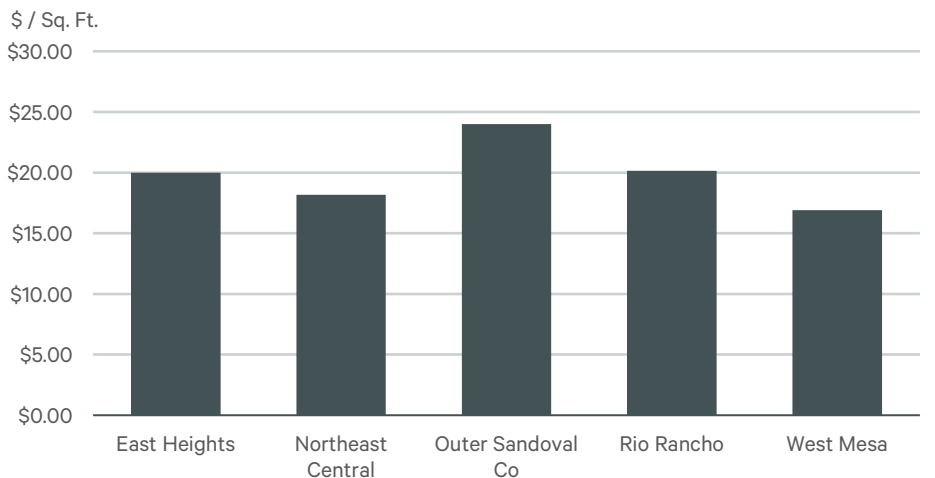
Source: CBRE Econometric Advisors, Q3 2025.

FIGURE 7: Availability by Center Type



Source: CBRE Econometric Advisors, Q3 2025.

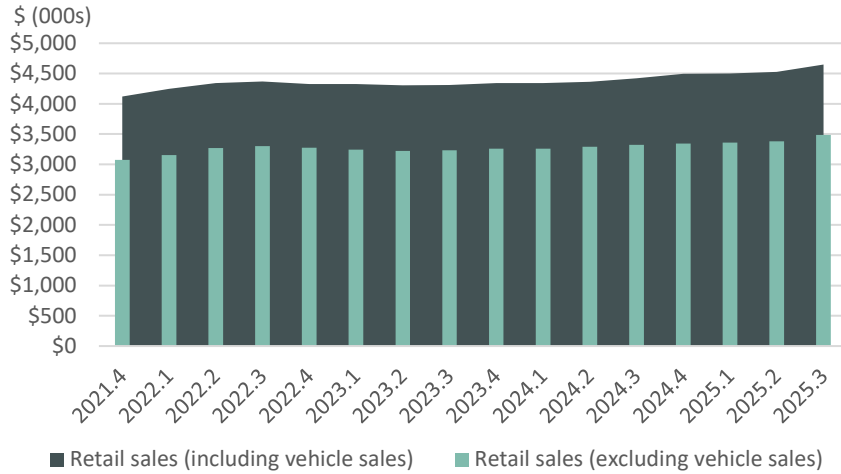
FIGURE 8: Top 5 Submarket by Net Rent



Source: CBRE Econometric Advisors, Q3 2025.

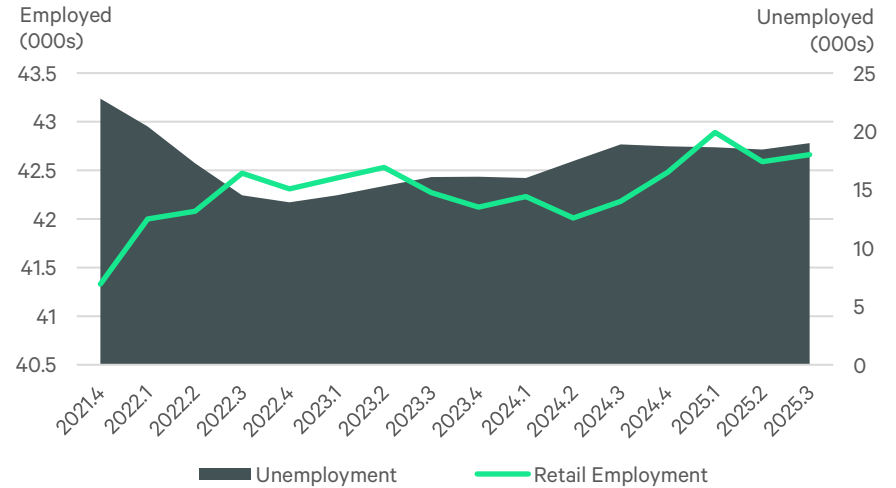
Economic Overview

FIGURE 9: Total Retail Sales



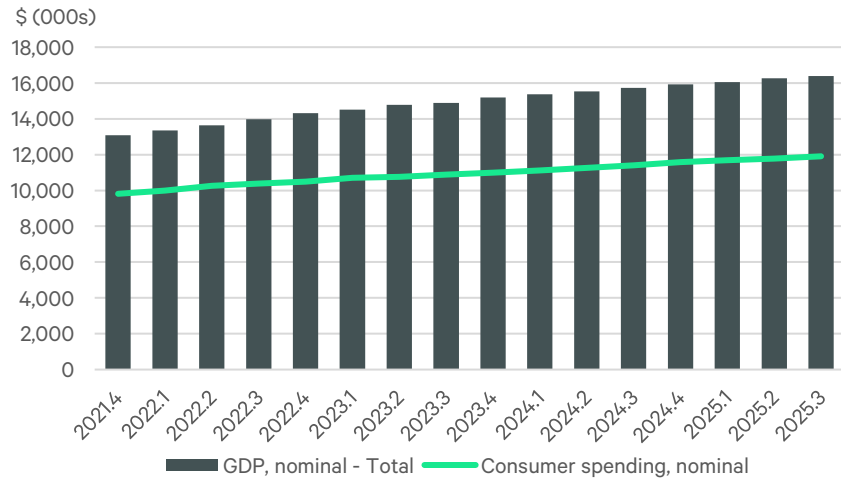
Source: Oxford Economics, Q3 2025.

FIGURE 10: Retail Employment vs. Unemployment



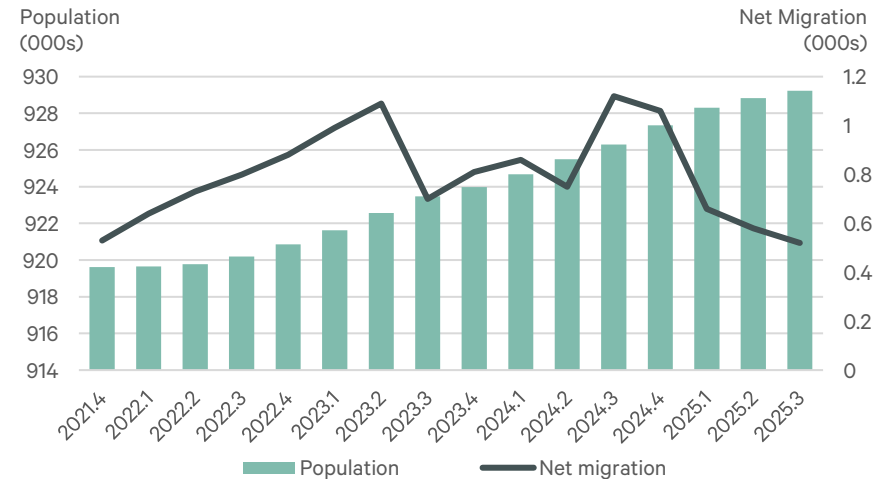
Source: Oxford Economics, Q3 2025.

FIGURE 11: GDP & Consumer Spending



Source: Oxford Economics, Q3 2025.

FIGURE 12: Total Population & Net Migration



Source: Oxford Economics, Q3 2025.

Contacts

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Retail Definitions

Neighborhood, community and strip centers are groupings of buildings where there is most often an anchor property (except strip). Neighborhood properties are the largest ranging from 125,000 to 400,000 sq. ft., followed by community at 30,000 to 125,000 sq. ft., and strip with 30,000 or less sq. ft.

Lifestyle are upscale national-chain specialty stores with dining and entertainment in an outdoor setting. Lifestyle centers range from 150,000 to 500,000 sq. ft. Malls, including both regional and super regional malls, can provide a wide range of goods and services. Regional malls are built around full-line department stores and usually range over 300,000 sq. ft. Super regional malls are usually over 750,000 sq. ft. with more department stores.

Power Centers are category-dominant anchors, including discount department stores, off-price stores, and wholesale clubs, with only a few small tenants. They range from 250,000 to 600,000 sq. ft. and have multiple anchors.

Freestanding Retail are single-tenant occupied retail buildings. All other variables may vary.

Market Definition

The Albuquerque market consists of Bernalillo County, Sandoval County, Torrance County, Valencia County.