

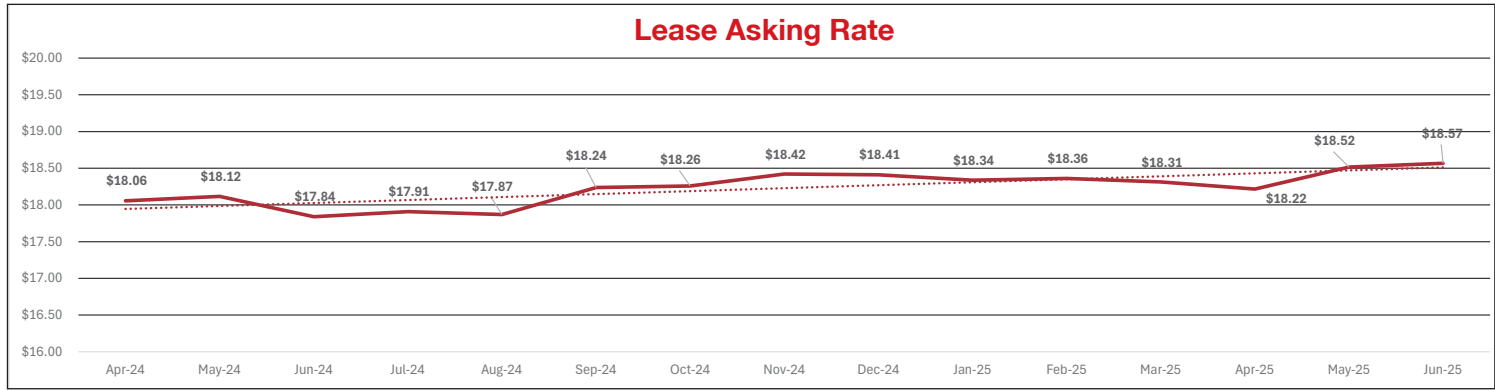
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Q2'25 Recap: Duke City Retail Remains Resilient and Landlord-Favorable

The tariff saga mentioned in the Q1 iteration of this report has yet to have a dramatic impact on the retail market in Albuquerque, although the long-term effects are still uncertain. Despite cooling in asset classes like industrial & multifamily, retail has remained resilient and continues to be a desirable asset class to investors, both local and national.

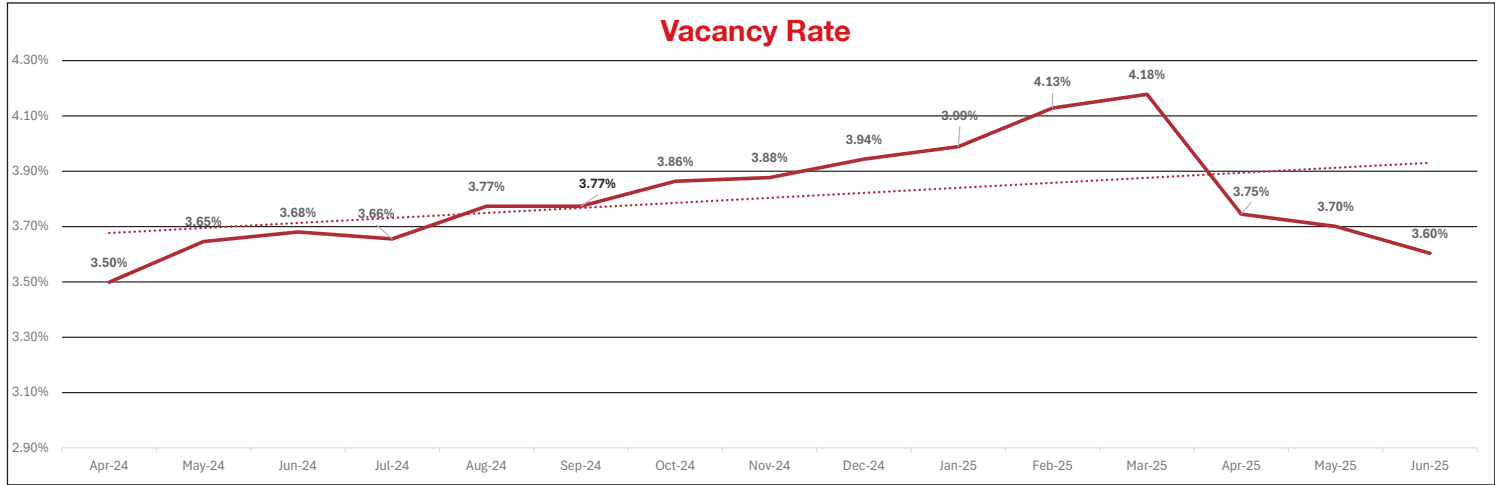
Retail NNN rates jumped in Q2 to an average asking rate of \$18.57 in June '25, up from \$18.32 at the end of March '25. On the west side areas, including the Southwest Mesa, asking NNN rates are above the city-wide average with a rate \$20.84/psf at the end of June '25. As may be expected, east side asking NNN rates are closer to the city-wide average, with a figure of \$18.30/psf.

Lease Asking Rate



City-wide vacancy dropped considerably in Q2, mainly due to a handful of big-box spaces being either removed from the market or repositioned to purchase opportunities. This brings the city-wide vacancy down to its lowest level since July of 2024. One notable backfill is the Chuze Fitness at the NWQ of San Mateo and Cutler, which took over 60k square feet that Bed, Bath, and Beyond previously occupied. Unsurprisingly, the total square feet of vacant space on the west side of Albuquerque falls significantly below the total for the Eastside, with figures of 63,653 SF vs 1,581,776 SF, respectively.

Vacancy Rate



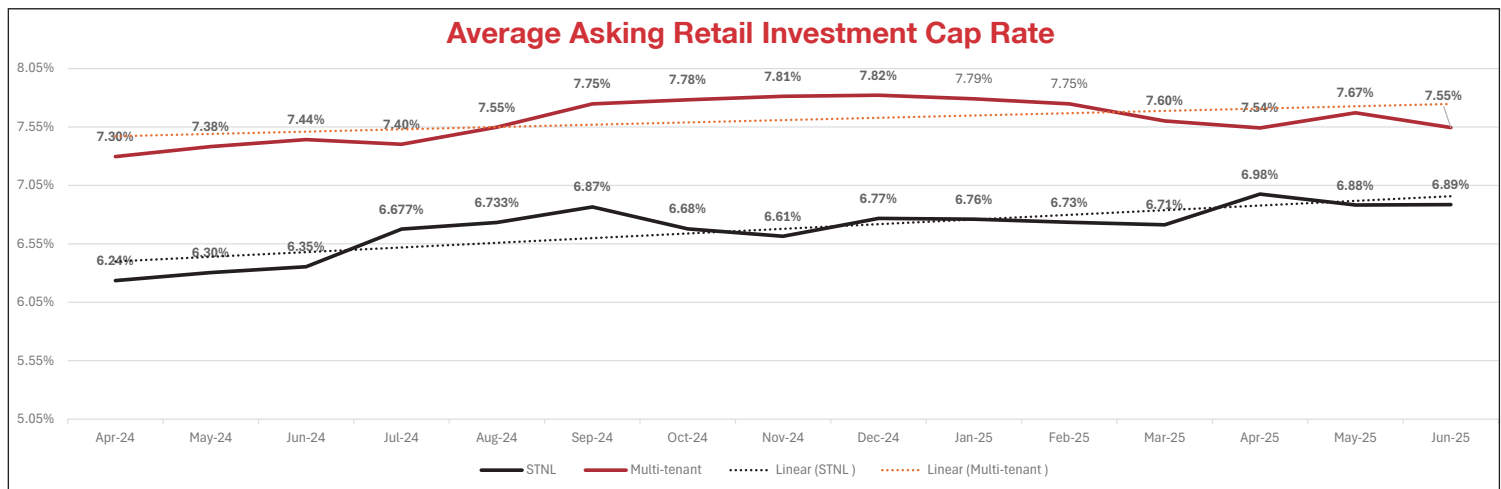
2025 Q2 Market Review

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With the lack of major macro changes in the economy, it is to be expected that both month-over-month and quarter-over-quarter discrepancies in asking yields for both STNL & Multi-Tenant Retail Properties have been largely unchanged. The primary buyers for these types of assets in the Albuquerque market have been regional private investors and the occasional California 1031 buyer, targeting yields that often outperform those found in larger markets

A noticeable shift has been the number of multi-tenant retail properties currently listed. Between April '25 and the end of June '25, the number of multi-tenant retail assets on the market decreased nearly 30%. At the end of June '25, there were twenty-eight Single-tenant Net Leases on the market, up 64% from June '24, which had only seventeen Single-tenant Net Leases on the market.

Several notable transactions occurred in Q2 of '25, including a Multi-Tenant center on Montgomery Blvd, a BMO Bank Single Tenant Net Lease, and a vacant Scooter's Coffee in Bernalillo, which sold for the asking price of \$1.4M.

