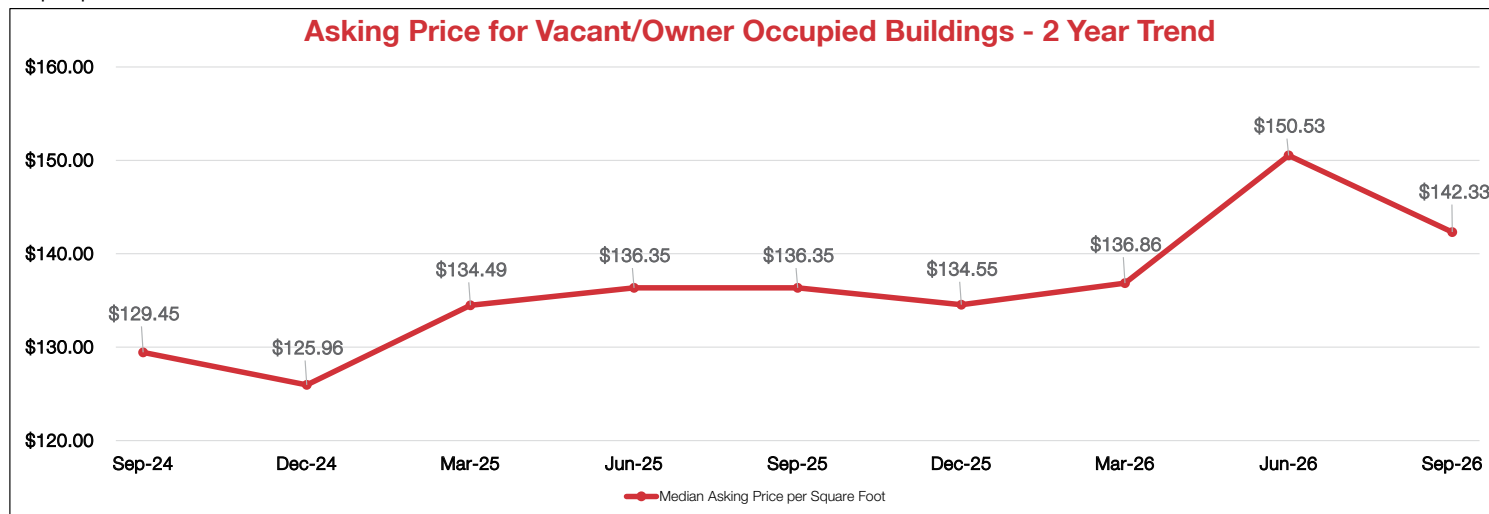


2026 Q3 Sale Market Overview

ALBUQUERQUE | INDUSTRIAL REAL ESTATE

More buildings come to market for sale and median asking prices ease

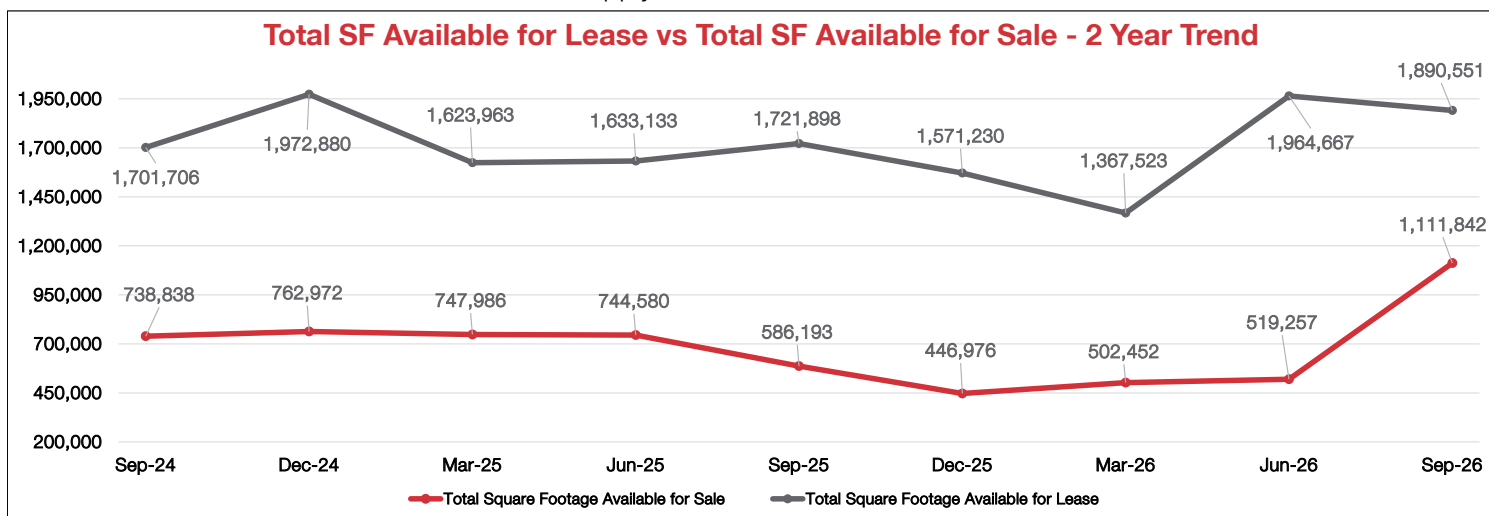
The median asking price for vacant, owner-occupied industrial properties declined 5.4%, from \$150.53 to \$142.33 per square foot, between Q2 and Q3 2026. Available square footage more than doubled, from 519,257 to 1,111,842, while the number of properties listed increased from 42 to 55.



A handful of large buildings account for most of the new supply: Array Technologies listed its 69,600-square-foot facility located at 3901 Midway Pl. NE for sale in early August while Cinelease brought its 310,000-square-foot facility located at 9201 Pan American Fwy to market in late September.

The circumstances driving the sale of these properties are a mixed bag. Array Technologies' facility is available following the company's relocation to a newly constructed $\pm 215,000$ square foot facility on Atrisco Vista Blvd. near 9 mile hill. Cinelease, however, appears to be reducing its footprint in Albuquerque.

Three other properties larger than 25,000 square feet also came to market in Q3 2026. Added together, these five buildings alone account for about 90% of the increase in supply.



About 1.11 million square feet is currently available for sale, compared with 1.89 million for lease. The gap narrowed from roughly 1.45 million square feet last quarter to 779,000 today. For owners unsure whether to sell or lease, evaluating the total inventory in both market segments is a worthwhile exercise to perform. Whichever has fewer competing opportunities may be the right choice.

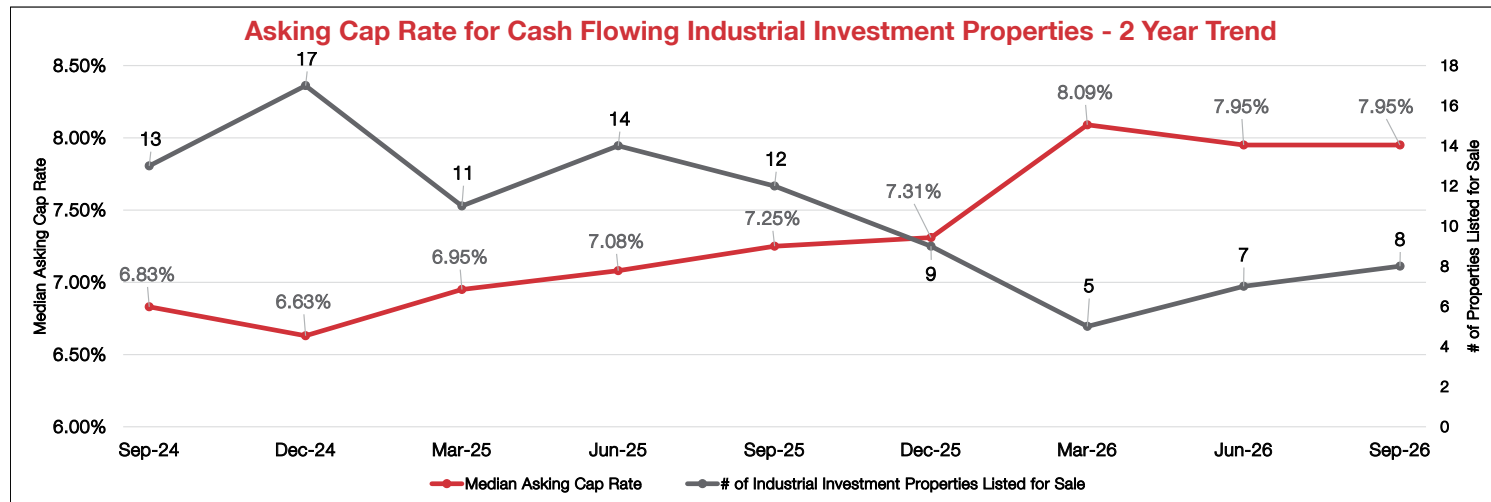
2026 Q3 Sale Market Overview

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Investment asking cap rates hold steady with few listings available

The median asking capitalization (cap) rate* for leased industrial investment properties remained at 7.95%. Eight properties are currently listed for sale, up from seven one quarter ago but less than half the 17 listed less than two years ago.

This small sample may not adequately represent pricing for high-quality industrial investment properties. But it does show that not many owners are interested in selling and the few that are actively marketing space are doing so in an increasing cap rate environment.



While lease terms (rent, length of lease, lease structure, etc.), tenant credit, and building condition all have an impact on what an investor is willing to pay for a property, persistently high (and potentially worsening) financing costs remain the primary impediment to higher activity in the industrial investment sale market.

On September 17, the Federal Reserve increased the target range for the federal funds rate by 0.25% to 3.75% - 4.00% while signaling that another rate increase may occur later this year. In the weeks that followed, the 10-year Treasury yield increased from 4.94% to 5.24% as of October 1.

Without getting too much into the weeds, for commercial real estate investment sale purposes it is important to remember that interest rates for loans closely correlate with both of these benchmarks. As they increase, so do monthly payments for newly issued (and refinanced) loans.

This reduces the investor's net income after debt service, potentially requiring a lower purchase price to maintain an acceptable rate of return.

Definitions:

Cap Rate: A measure of the return on investment a property generates based on its net operating income (NOI) relative to its sale price or value. It is calculated by dividing the NOI by the property's value ($\text{NOI} \div \text{Value}$). Lower cap rates generally correspond to higher property values, while higher cap rates correspond to lower values, all else being equal.

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