

2024 Industrial Market Profile



ALBUQUERQUE | NEW MEXICO



13% Projected 10-Year Job Growth

10-year projection across all industries in ABQ MSA (2021-2031, *Lightcast*, 2023)



17% Job Growth in R&D

Over the past 5 years across all sub-sectors in the ABQ MSA (*Lightcast*, 2023)



3rd-Highest Concentration of R&D Jobs in the U.S.

Across all sub-sectors comparing all U.S. MSA location quotients (*BLS*, 2023)



ESRI 2023 Demographics

Growth, Workforce & Costs

Top Performing Industrial Sectors

24%
Job Growth
(2018-2023)

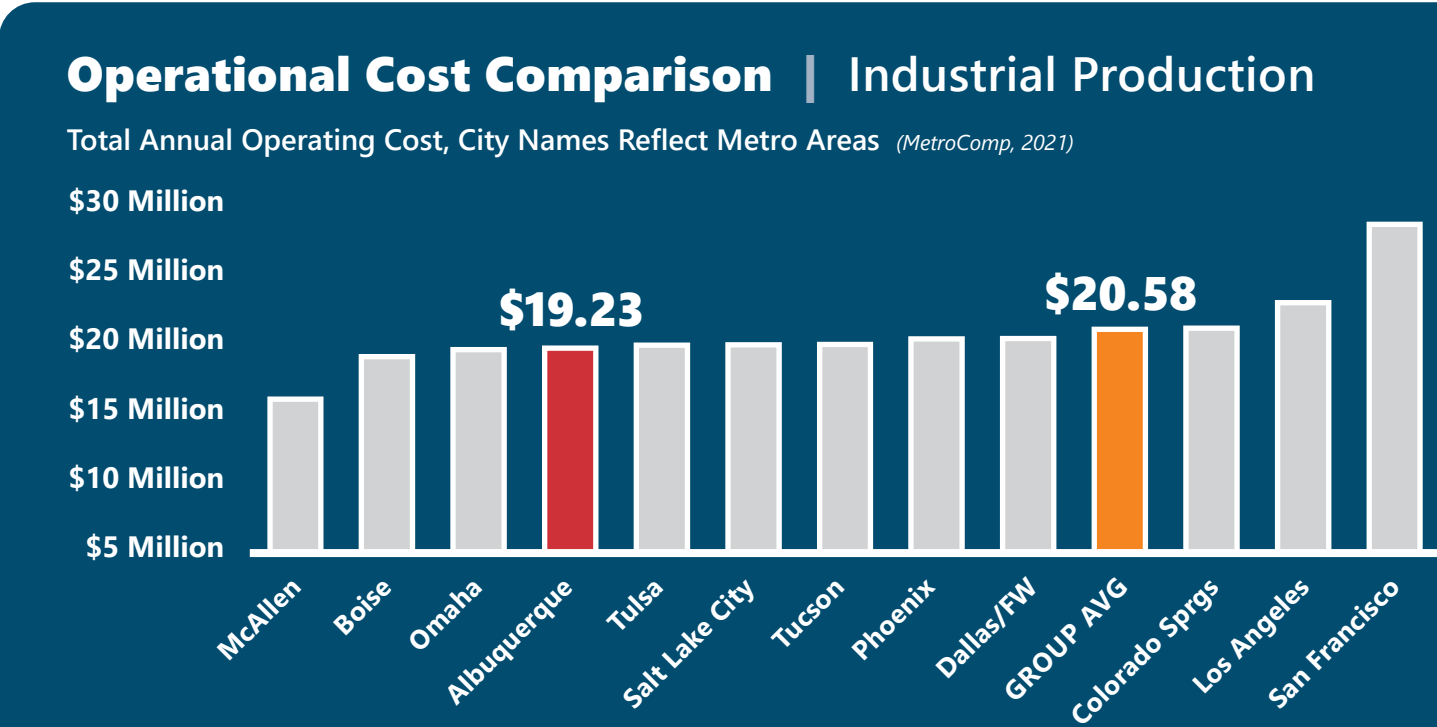
\$5.7 Billion
Exported Sales
(2022)

65%
Exported Sales
(2022)

Advanced industries are the 50 key sectors, defined by the Brookings Institution, that will shape economic revitalization efforts nationwide. Greater Albuquerque’s strong ties to research and development across all STEM fields, and the energy and defense sectors, reflect strong job growth as the region’s top-performing sub-sectors. Listed industrial-specific sub-sectors are those that had greater than or equal to 100 jobs in the region in 2018 and experienced a job growth rate of greater than or equal to 10% from 2018-2023.

Top Performing Industrial Sub-Sectors (Lightcast, 2024)

Industry Description	5-Year Job Growth (2018-2023)	Average Industry Wage
Pharmaceutical and Medicine Manufacturing	83%	\$78,249
Clay Product and Refractory Manufacturing	53%	\$38,539
Semiconductor and Other Electronic Component Manufacturing	41%	\$126,242
Management, Scientific, and Technical Consulting Services	31%	\$90,663
Medical Equipment and Supplies Manufacturing	28%	\$64,479
Scientific Research and Development Services	15%	\$130,686
Medical and Diagnostic Laboratories	11%	\$76,712
All Advanced Industries	10%	\$109,982



Industrial Market At-A-Glance

RIO RANCHO

1 Intel

- Semiconductor Manufacturing
- \$3.5 Billion Expansion (2023)
- 150 Acres (2023)
- 700 Jobs Announced (2021)

SOUTHWEST MESA

2 ABB Installation Products

- Plastics Manufacturing
- Elastimold® Manufacturing & Assembly Plant
- 40 Acres
- 90,000 SF expansion (2023)

NORTH I-25

3 Boeing

- Defense Systems Manufacturing
- 27,000 SF expansion (2024)
- 30 Jobs Announced (2024)

SOUTHEAST HEIGHTS

4 Universal Hydrogen

- Hydrogen Commercial Aviation
- Manufacturing & Assembly Plant
- 50 Acres, 2024 Construction Complete
- 500 Jobs Announced (2023)

5 mtex Antenna Technology

- Satellite AI Panels
- Manufacturing & Assembly Plant
- 70,000 SF
- 62 Jobs Announced (2023)

MESA DEL SOL

6 Maxeon Solar Technologies

- 1st U.S. Expansion
- Manufacturing & Assembly Plant
- 160 Acres
- 1,700 Jobs Announced (2023)

7 Kairos Power

- Nuclear Power Components
- Production & Manufacturing
- 180,000 SF (2023)
- 88 Jobs

VALENCIA COUNTY

8 Arcosa Wind Towers

- Wind Tower Production
- Manufacturing & Assembly Plant
- 250 Jobs Announced

9 Meta

- Data Center
- 4.2 million SF Building
- 750-Acre Campus
- 400 Jobs Announced (2016)



MAJOR ADVANCED INDUSTRIAL EMPLOYERS

Intel

2,100 Employees

ABB Installation Products

500 Employees

SolAero by Rocket Lab

500 Employees

General Mills

200 Employees

Array Technologies

100 Employees

Connectivity & Infrastructure

Easy Access to Major Regional Markets



MILEAGE FROM ALBUQUERQUE

■ El Paso	266
■ Amarillo	289
■ Lubbock	322
■ Colorado Sprgs	379
■ Phoenix	419
■ Denver	449
■ Tucson	449
■ Chihuahua	503
■ Oklahoma City	544
■ Cheyenne	549
■ Las Vegas	575
■ Salt Lake City	599
■ Dallas	650
■ Austin	697
■ San Antonio	709
■ Los Angeles	787
■ Houston	841

I-40 Tradeport Corridor



60,000 New Jobs Anticipated

Between hubs in Arizona and New Mexico



47 Million Tons of Cargo

Travel along I-40 per year. (BTS, 2017)

The I-40 Tradeport Corridor is a revolutionary public and private investment strategy locating economic hubs along the nation's fastest growing transcontinental cargo corridor. These clean energy, global logistics, and light/heavy manufacturing hubs spur further investments in other industries in communities along I-40. In 2023, USDOT invested nearly \$1 Million to catalyze further inter-governmental partnerships with the private sector.

Learn more about the I-40 Tradeport Corridor



Utility Infrastructure

Electricity



99.98% Avg. Reliability

(NM PRC, 2020)

Public Service Company of New Mexico (PNM) provides electricity to the majority of Greater Albuquerque and serves about 100 communities in New Mexico, offering some of the lowest industrial electricity rates in the western U.S. Rural communities in the four-county region are served by Central New Mexico Electric Cooperative (CNMEC), a member-owned cooperative. CNMEC serves 11 counties in New Mexico and over 13,000 members.

Natural Gas & Oil



2nd Largest Oil Reserve in the U.S.

(USEIA, 2021)

New Mexico Gas Company (NMGCO) is the sole provider of natural gas in Greater Albuquerque. NMGCO offers large gas users the option to purchase gas from a third party and transport it over NMGCO lines. September 2023 industrial and commercial natural gas prices in New Mexico averaged \$4.30 per thousand cubic feet compared to \$7.38 per thousand cubic feet across the country.

Water



First Strategic Water Supply in the U.S.

(Gov. Office, 2023)

New Mexico's \$500 million investment establishes an advanced market commitment model through the New Mexico Environment Department. The investment secures private capital and spurs further development in brackish water treatment, significantly increasing the state's available water supply for the growth of water-intensive industries, like wind, solar, and semiconductor manufacturing.

SUCCESS STORY

Intel

California-Based Semiconductor Manufacturer



- \$3.5 billion total capital investment
- 700 plus jobs
- Invested \$16.3 billion for its New Mexico operations since 1980

SUCCESS STORY

Maxeon

Singapore-Based Solar Panel Manufacturer



- \$1 billion total capital investment
- 1,800 jobs
- 1.9 million SF facility on 160 acres
- Will be largest U.S. solar panel manufacturer

AREA & NAI SunVista Partnership



NAI SunVista

AREA is a strong leader and driving force in the Albuquerque region. NAI SunVista is honored to work hand-in-hand to bring greater prosperity and growth to our region. We believe in the potential of this effort and are strong advocates for success and progress.

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Learn More About the
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2023 Q4 Lease Market Overview

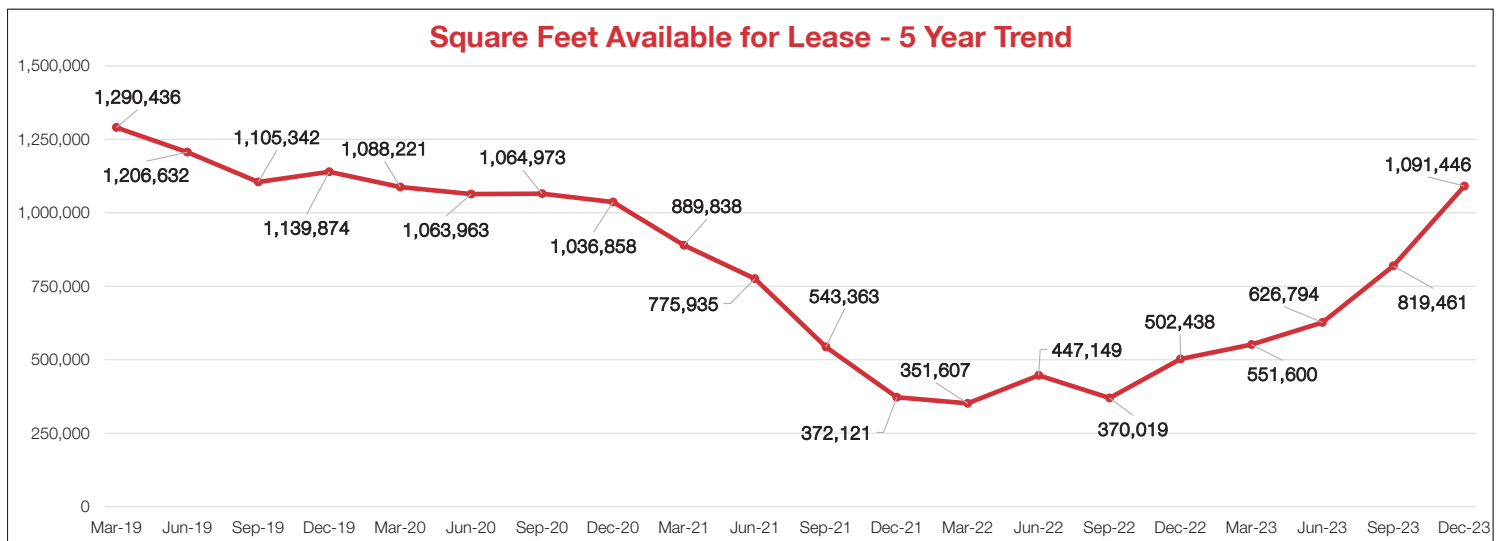
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Vacancy rate increases are accelerating; a troubling sign or a return to normalcy?

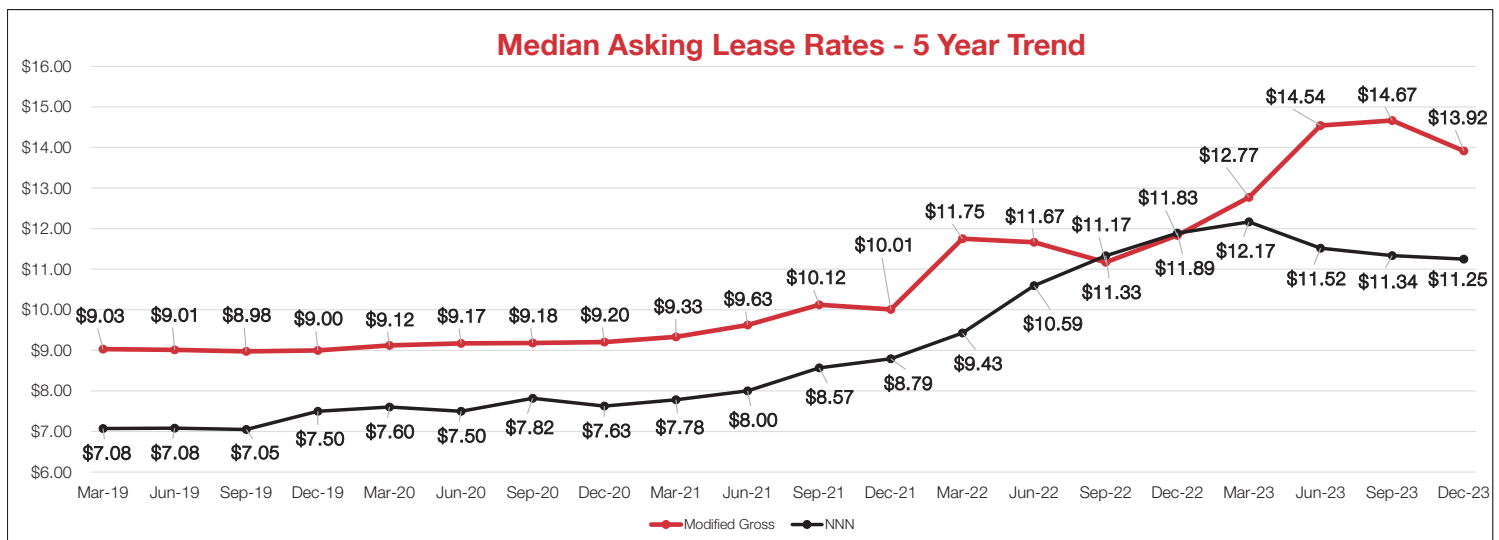
At 2.72%, the vacancy rate for industrial real estate in Albuquerque has reached a two year high. The market is finally normalizing after several years of extremely limited supply.

The sum total of vacant space now exceeds 1,000,000 square feet for the first time since 2020. New construction, along with a couple of bulk vacancies (more on that below), are primary contributors to this increase. Highlighted in the last edition of this report was the completion of two new buildings (bulk distribution warehouses located at 9210 Daytona Rd. NW and 3750 Prince St. SE, respectively) which combined, contribute roughly 200,000 square feet of space to the overall vacancy rate (as of this writing).

• In late November, two large vacancies came to market: 4901 Rockaway Blvd. NE, a 50,000 square foot multi-tenant industrial warehouse in Rio Rancho and, more notably, 9201 San Mateo Blvd. NE, a 475,000 square foot manufacturing facility formerly occupied by Honeywell. Both properties were recently acquired by a group of investors based in Denver, CO and offer unique opportunities to the market. Rio Rancho now has more vacancies (and thus more opportunity for tenants) than it has in years while the former Honeywell facility (demised into 20,000 – 50,000 SF units) is a bulk offering in Albuquerque's most in demand North I-25 Corridor submarket.



• 9201 San Mateo Blvd. NE is far and away the largest vacancy on the market, though that could change quickly as portions of the building are leased and it can no longer be offered as contiguous space. The smallest vacancy is a 995 square foot office/warehouse/flex space located at 8411 Firestone Ln. NE.



2023 Q4 Lease Market Overview

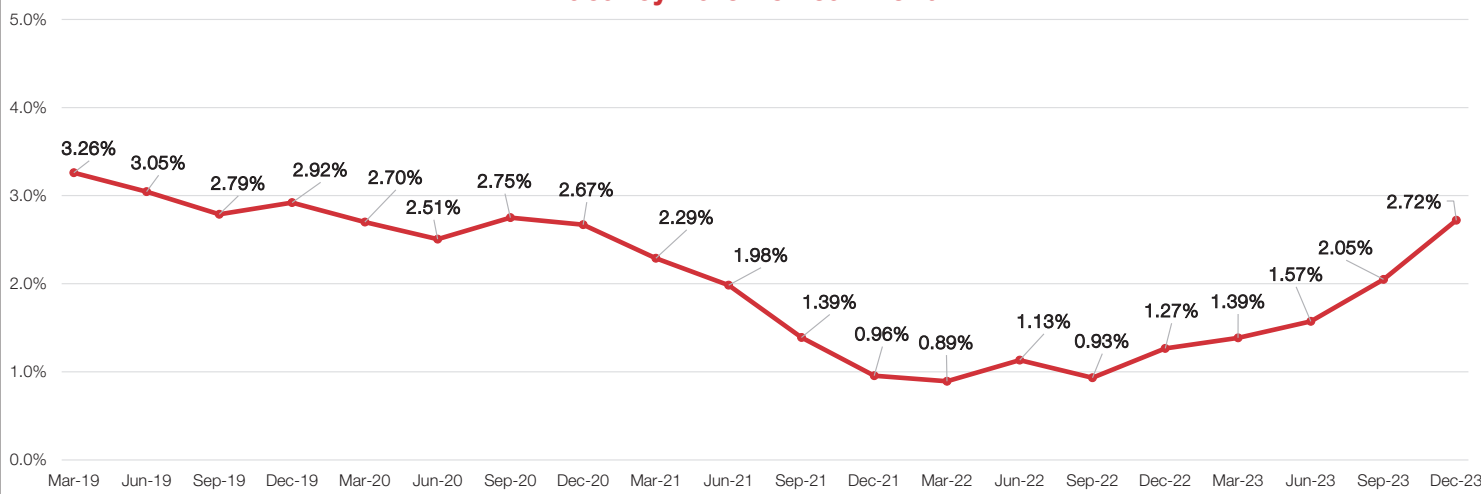
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• The median triple-net (NNN) asking lease rate continues to stabilize in the low to mid \$11.00 per square foot range. Of the 78 spaces currently on the market, only 7 have an asking price below \$10.00 per square foot. Modified gross lease space is making a bit of a comeback. After nearly disappearing as a category in recent years, there are currently 21 properties with that lease structure on the market with a median asking lease rate of \$13.92/SF.

In the first, second and third quarters of 2023 there were no new construction starts to report. High construction costs, interest rate increases, and slow absorption of other new construction projects are likely all to blame. However, developers appear to be reengaging with new buildings underway in the North I-25 Corridor (a 75,000 SF bulk distribution facility and a 10,000 SF multi-tenant office/warehouse facility) and near I-40 and Unser (an 86,000 SF multi-tenant bulk distribution facility). Based on typical construction timelines, each of these projects should be completed near the end of 2024/start of 2025.

While vacancy is now higher than it's been in several years, its increase is largely attributable to healthy market indicators: new construction, renovation or conversions of underutilized properties, and a broad based reassessment of the value of industrial real estate.

Vacancy Rate - 5 Year Trend



NEW CONSTRUCTION OVERVIEW:

Under Construction	Q3 2023	Q4 2023	% Change
Total Square Footage	0	172,654	-
Number of Buildings	0	3	-
Average Project Size (SF)	0	57,551	-
Proposed/Marketed	Q3 2023	Q4 2023	% Change
Total Square Footage	1,533,413	1,360,759	-11.26%
Number of Buildings	16	13	-18.75%
Average Project Size (SF)	95,838	104,674	9.22%

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NAI SunVista understands the unique real estate needs of the land and industrial communities. Our Land and Industrial Division advisors have extensive experience in developing customized solutions for our clients in manufacturing, assembly, warehousing and distribution, as well as those looking for vacant land.



Scan below to learn more about the NAI SunVista Industrial Team:



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