

# Retail Market Trends Albuquerque

Grubb & Ellis Research  
Second Quarter 2008



*New Construction  
Still Popular...*

## Some Slowing, Some Growing

The retail market performed better than expected in the second quarter. Vacancy declined by 30 basis points and absorption of space was a healthy 136,000 square feet of space. Overall absorption of space was split equally between existing centers and recently completed projects. The biggest space occupied during the quarter was Pro's Ranch Markets' move into 34,000 square feet of newly renovated space at Atrisco Plaza in the West Mesa submarket.

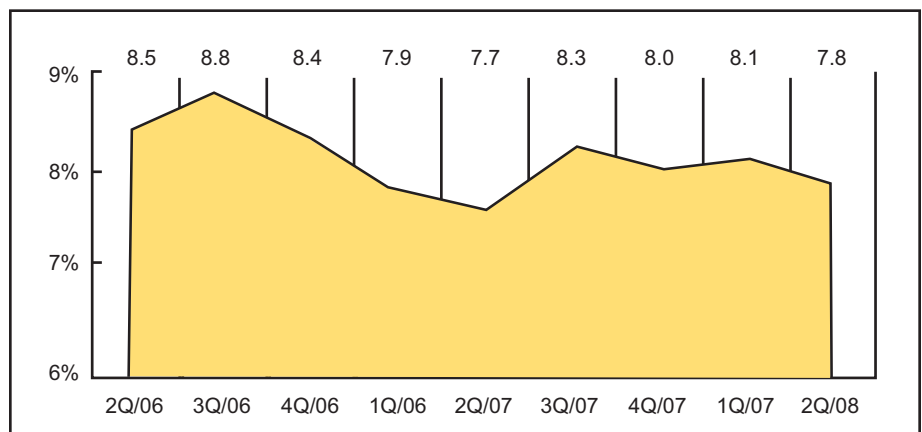
New centers in the West Mesa, Far Northeast Heights, Northeast, and Cottonwood submarkets are performing well with the absorption of over 38,000 square feet of space. Established centers in the Northeast Heights and Uptown submarkets experienced positive absorption of 50,000 square feet. As the supply of vacant retail land dwindles in the Cottonwood submarket, look for additional retail projects to move north to Rio Rancho and south along Paseo Del Norte.

To deal with a slowing retail market, landlords may begin to embrace non-traditional tenants such as fitness centers and dollar stores. New quick service and fast casual restaurants are looking to the Albuquerque Metro Area as a safe place to provide growth opportunities. As a whole, the metro area retail market has not seen any closings of under performing locations but expansion plans of anchor and junior anchor tenants have slowed dramatically.

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**Retail Vacancy Rate\***

*\*All Product Types*

