

# Retail Market Trends Albuquerque

Grubb & Ellis Research  
Third Quarter 2006



*“West Mesa drives majority of growth..”*

## Retail Races On

The retail sector still has the pedal to the metal despite an apparent housing slowdown in the third quarter. New construction completions increased vacancy slightly because the overall amount of square footage grew, but absorption remained positive as tenants moved into new space.

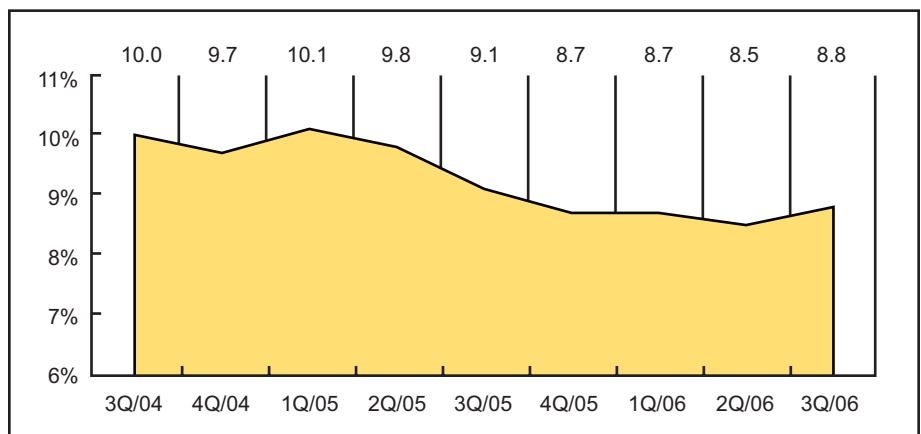
New construction in this quarter added 241,000 square feet of retail space, with strip centers accounting for the largest share at 121,010 square feet, and neighborhood centers constituting the second largest with 69,430 square feet. On a submarket basis, the West Mesa experienced the greatest growth with 104,000 square feet coming online, mainly through the opening of three strip centers and one neighborhood center. Initial absorption in these new centers was just over fifty percent at the end of the quarter.

The only submarket showing significant losses was Uptown. Many of Winrock's tenants have left, as plans for the mall's future hang in limbo. The future of the Uptown submarket, though, is much clearer. Positive absorption will occur in the fourth quarter as the ABQ Uptown lifestyle center opens and brings 170,000 square feet of new construction online. This project is already about ninety percent leased. The submarkets of Cottonwood and the Far Northeast Heights will be experiencing similar absorption rates with the fourth quarter opening of Kohl's stores in each.

**Albuquerque Office Market Trends**  
is a newsletter published quarterly by Grubb & Ellis|New Mexico. To obtain additional copies or other Grubb & Ellis|New Mexico publications, please contact:

**Ken Schaefer**  
Director of Brokerage Operations  
E-mail: ken.schaefer@grubb-ellis.com

Grubb & Ellis|New Mexico  
2400 Louisiana Blvd NE  
Bldg 1, Suite 300  
Albuquerque, NM  
Phone: 505.883.7676  
Internet: www.genewmexico.com  
Independently Owned and Operated



**Retail Vacancy Rate\***

*\*All Classes of Space*

