

Demographics and Economy

Demographics

0.3% population growth (2023) U.S.: 0.4%	28.8% share of renters (2022) U.S.: 34.8%	-8.8% renter household formation (2022) U.S.: 2.4%	Net Migration in New Mexico 2,554 (2023) 1,343 (2022)
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Economy

7.9% GDP growth (2022) U.S.: 9.1%	13,000 12-month job creation (December 2023)	3.2% 1-year job growth (December 2023) U.S.: 1.7%	-2.5% 1-year wage growth (December 2023) U.S.: 3.8%
\$46,820 Average wage per year (December 2023) U.S.: \$61,120	3.7% unemployment rate (November 2023) U.S.: 3.7%	14.5% share of workers teleworking (2022) U.S.: 17.9%	International Migration in New Mexico 3,642 (2023) 5,839 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-15,611	109,151	3.0%	\$19	4.7%
2022 Q4	-28,415	376,522	6.3%	\$18	4.9%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	39,308,253	-30,062	64,923	\$1.04M	10.2%
2022 Q4	39,243,330	5,000	16,498	\$14.32M	9.7%

2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	66	48	1.2%	\$1,202	\$1,193	8.5%
2022 Q4	-251	-752	7.5%	\$1,188	\$1,182	6.3%

	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate
2023 Q4	54,743	637	1,347	6.0%
2022 Q4	53,396	26	26	5.5%

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	180,560	-71,128	3.7%	\$18	2.7%
2022 Q4	123,717	1,223,304	4.8%	\$18	2.4%

	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF
2023 Q4	57,594,351	7.0%	\$1.34M	\$1,412
2022 Q4	57,467,464	6.9%	\$12.40M	\$387

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	-337,111	773,073	4.0%	\$12	2.8%
2022 Q4	-138,033	-330,040	7.1%	\$11	2.8%

	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	59,208,560	265,715	812,975	8.4%	\$0.55M
2022 Q4	58,395,585	0	232,703	7.8%	\$3.54M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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