5401 WATSON DRIVE SE

ALBUQUERQUE, NM

CLASS A | 212,409 SF | 100% LEASED | DUAL CREDIT TENANCY

SMART, SUSTAINABLE, SAFE AND SUPERIOR QUALITY



REAL ESTATE ADVISORS

www.reanm.com

ALBUQUERQUE

(505) 539-3200

101 D Sun Ave NE Suite # 2A | Albuquerque, NM 87109

SANTA FE

(505) 577-3524

1227 Paseo de Peralta | Santa Fe, NM 87501

EXECUTIVE SUMMARY

212,409 SF
LEED GOLD–CERTIFIED CLASS A CAMPUS

$80M
TOTAL ESTIMATED REPLACEMENT COST



5401 Watson presents a rare opportunity to acquire a 212,409 SF LEED Gold–certified Class A government-anchored campus at a significant discount to an estimated $80M replacement cost — fully leased to two investment-grade tenants on economically comparable gross bases in one of the Southwest's most rapidly emerging innovation submarkets.

LEASE STRUCTURE & CREDIT

- Newly executed 10-year full service base year lease with the State of New Mexico (NMED) commencing September 2026 — long-duration sovereign-backed income at $20.48/SF Net. *[Expires Aug 2036]*
- The State of New Mexico is separately investing more than $4M of its own capital in tenant improvements and FF&E — a meaningful self-funded commitment that reinforces long-term occupancy intent beyond the lease's contractual term.
- New Mexico operates sustained budget surpluses as the nation's #2 oil and gas producer, backed by one of the largest state permanent funds in the U.S. — among the most fiscally secure government tenants available.
- 5% rent escalation after Year 5; two 5-year renewal options provide long-term income durability and extension optionality through 2046.
- Fidelity Investments (FMR LLC, S&P: A) — NNN lease at $18.07/SF plus all operating expenses, placing both leases on a comparable gross economic basis. *[Expires Nov 2028]*
- Despite contractual flexibility to reduce its footprint, Fidelity elected to retain approximately half the campus — an affirmative signal of continued operational commitment to the Mesa del Sol location.
- The State of New Mexico is also a significant institutional client of Fidelity, adding a second layer of relationship alignment between the campus's two anchor tenants.
- Two-tenant campus at 100% occupancy — dual institutional credit, zero income fragmentation, simplified asset management.

ASSET QUALITY

- Purpose-built institutional campus constructed 2009; professionally maintained since delivery — minimal deferred capital exposure.
- LEED Gold certified under the U.S. Green Building Council — meets ESG and sustainability benchmarks required by the majority of institutional capital allocators. *[LEED Gold | USGBC]*
- Flexible two-building configuration on 24.80 acres supports single-tenant campus, independent building tenancy, or multi-tenant demising.
- 10-foot ceilings, high window-to-wall ratio, outdoor campus amenity courtyard, and 6:1,000 parking ratio.

VALUATION & PRICING ADVANTAGE

$51M
ACQUISITION PRICE

~$80M
REPLACEMENT COST

Estimated replacement cost of ~$80M today — acquisition at $51M ($240.10/SF) represents ~$0.64 on the dollar.

Below-replacement-cost basis creates a permanent structural pricing advantage — ownership can consistently undercut new development on rents while generating superior returns.

New construction cannot compete economically at this basis — the asset is effectively insulated from new supply risk.

SUBMARKET & GROWTH DRIVERS

MESA DEL SOL
- **8,600-acre** master-planned community and one of Albuquerque's fastest-growing residential and commercial submarkets.

NETFLIX
- **$1B+** studio expansion anchoring the submarket's commercial transformation — one of the largest private capital commitments in New Mexico history.

KAIROS POWER
- Advanced nuclear manufacturing campus in Mesa del Sol — **$125M+** invested, Google-backed 500 MW clean energy agreement, 140+ high-wage jobs.

PACIFIC FUSION
- **$1B** R&D campus directly across Watson Drive from the subject property, targeting fusion net gain by 2030; est. **$1.2B** state economic impact over 10 years. Immediate cross-street adjacency places 5401 Watson at the physical center of Mesa del Sol's innovation cluster.

SANDIA NATIONAL LABORATORIES
- Proximate federal anchor and foundational research institution behind the submarket's clean energy cluster.

META
- Multi-billion-dollar hyperscale data center campus in nearby Los Lunas, with an additional ~$800M expansion recently approved; reinforces the broader Albuquerque metro as an emerging Southwest hub for large-scale technology and energy infrastructure capital.

FINANCIAL OVERVIEW

INVESTMENT SUMMARY

$51,000,000
PRICE

2009
YEAR BUILT

2
TENANTS

212,409
RSF

$240.10
PRICE/RSF

24.80 AC
LOT SIZE

2
FLOORS

6:1000
PARKING SPACES

8.0%
CAP RATE



REAL ESTATE ADVISORS

5401 WATSON DRIVE SE

ALBUQUERQUE, NM



CONTACT FOR MORE INFO

TOM JENKINS, CCIM, SIOR

QUALIFYING BROKER

505.238.5318

tom@reanm.com

www.reanm.com

ALBUQUERQUE

(505) 539-3200 | 101 D Sun Ave NE Suite # 2A | Albuquerque, NM 87109

SANTA FE

(505) 577-3524 | 1227 Paseo de Peralta | Santa Fe, NM 87501