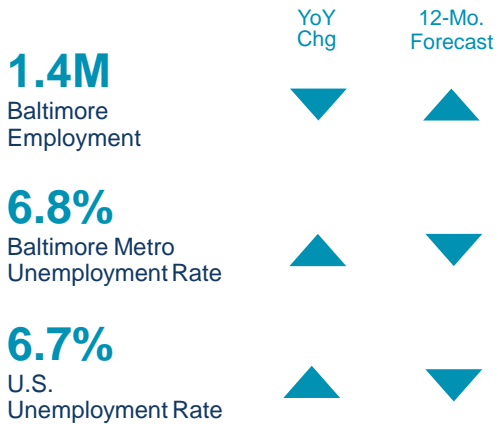


ECONOMIC INDICATORS Q4 2020



Source: BLS

ECONOMY

The fourth quarter unemployment rate in the Baltimore Metro Statistical Area (MSA) sits at 6.8%, a 310 basis-point (bps) increase year-over-year (YOY). Since the peak in job loss through April, the MSA has added back 80,000 of the lost 190,000 jobs lost as a result of the COVID-19 recession and government mandated shutdowns. Office-using sectors accounted for half of the 80,000 jobs added back to the economy in the recent months. The education and health services sector is rebounding the quickest adding over 22,000 jobs since the restrictions were placed in the health services sector on elective procedures during the first half of the year. The healthcare sector has long been a major driver in the market and is expected to remain that way. Despite the negative impact of COVID-19 on the healthcare industry, the fundamental drivers of the sector were unaltered by the pandemic. As a result, healthcare and life sciences will rebound quicker and perform better relative to other sectors. This will have a positive impact on the regions economy, with several major health systems and life science companies calling Baltimore home.

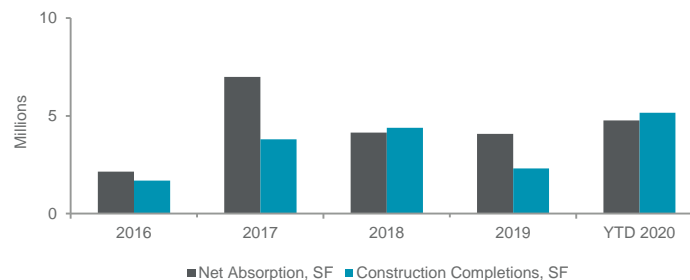
DEMAND:

McCormick & Co. inked the largest deal of the fourth quarter taking 1.8 million-square-feet (msf) at 7040 Tradepoint Ave in the Baltimore County East submarket. The second largest deal signed in the market also was signed in the I-95 North market when Rite-Aid completed a sales lease back at 601 Chelsea road in the Harford County. Year-to-date, the Baltimore County East submarket has experienced over 2.1 msf of new leasing activity, the most of all submarkets in Baltimore. Baltimore experienced just under 13.0 msf of leasing activity YTD, with 47.7% of the leasing activity falling in the I-95 North Corridor market. The market saw an 8.0% decrease in new leasing activity YOY, but a 21.8% increase over the five-year average of just over 10.0 msf. The I-95 North Corridor market was home to seven of the top 10 deals signed in 2020 totaling over 5.7 msf.

Rent:

Rents in Baltimore set high water marks in each quarter of 2020. The overall net industrial asking rent in Baltimore reached \$7.17 per square foot (psf) and YOY increase of 9.6%. The highest warehouse and distribution direct rents sit in the Baltimore County East market at \$8.01 psf. Rents in this market have been in part driven by the influx of new deliveries in recent years. Since 2015, the Baltimore County East market has added an additional 10.3 msf of inventory representing 17.5% of the markets total inventory.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT BALTIMORE



Industrial Q4 2020

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	DIRECT WEIGHTED AVG NET RENT	DIRECT WEIGHTED AVG NET RENT (OS)	DIRECT WEIGHTED AVG NET RENT (W/D)
Howard County	36,249,684	1,362,386	3.80%	389,296	433,232	0	0	\$6.89	\$10.00	\$6.85
Anne Arundel County	31,301,596	2,023,203	6.50%	439,759	912,193	232,000	166,600	\$7.32	\$10.55	\$6.98
Baltimore City/County-Southwest	23,715,490	1,413,843	6.00%	18,574	-2,142	0	0	\$4.30	\$7.50	\$4.18
Baltimore-Washington Corridor	91,266,770	4,799,432	5.30%	847,629	1,343,283	232,000	166,600	\$6.17	\$9.77	\$5.97
Harford County	26,294,620	3,305,861	12.60%	589,079	514,787	1,203,815	2,410,625	\$7.17	\$13.70	\$5.31
Cecil County	13,602,316	1,163,460	8.60%	0	0	0	0	\$4.50	N/A	\$4.50
Baltimore County East	59,202,927	2,959,278	5.00%	246,470	5,128,308	2,379,061	3,840,338	\$8.96	\$14.71	\$8.01
I-95 North Corridor	99,099,863	7,428,599	7.50%	835,549	5,643,095	3,582,876	6,250,963	\$8.45	\$14.40	\$7.37
Baltimore County-North/West	15,828,726	847,926	5.40%	-40,977	-32,048	0	0	\$7.98	\$7.88	\$8.00
Baltimore City	7,149,063	138,624	1.90%	-2,374	-18,697	0	0	\$8.41	\$8.41	N/A
Carroll County	7,232,409	227,574	3.20%	116,000	-17,764	0	0	\$9.70	N/A	\$9.70
Beltway Corridor	30,210,198	1,214,124	4.00%	72,649	-68,509	0	0	\$9.00	\$8.16	\$9.13
BALTIMORE TOTAL	220,576,831	13,442,155	6.10%	1,755,827	6,917,869	3,814,876	6,417,563	\$7.72	\$11.15	\$6.84

*Rental rates reflect weighted net asking \$psf/year

OS = Office Service/Flex W/D = Warehouse/Distribution

TYPE	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	DIRECT WEIGHTED AVG NET RENT	
Office Service / Flex	Office Service / Flex	36,612,436	2,310,333	6.30%	11,622	86,418	130,800	66,600	\$11.15
Warehouse / Distribution	Warehouse / Distribution	183,964,395	11,131,822	6.10%	1,744,205	6,831,451	3,684,076	6,350,963	\$6.84

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
7040 Tradeport Ave	Baltimore County East	McCormick & Co	1,800,000	New
601 Chelsea Rd	Harford	Rite Aid	890,000	Renewal*
8024 Telegraph Road	BWI/Anne Arundel	Nash Finch Company	361,872	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
8410,8411,8415,8416 Kelso Dr	Baltimore County East	J.P. Morgan / Starwood Real Estate	1,335,000	\$164.2M/\$122
601 Chelsea Rd	Harford	Rite Aid Corporation / MCB Real Estate	890,000	\$65M/\$73

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