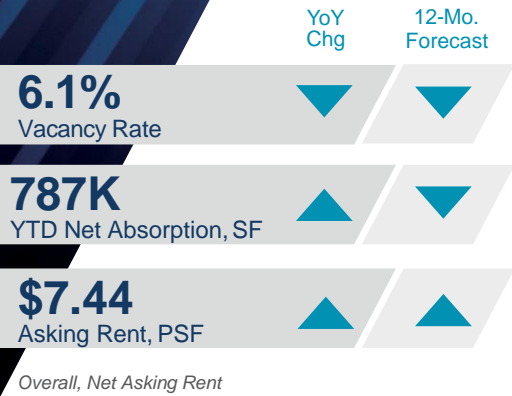
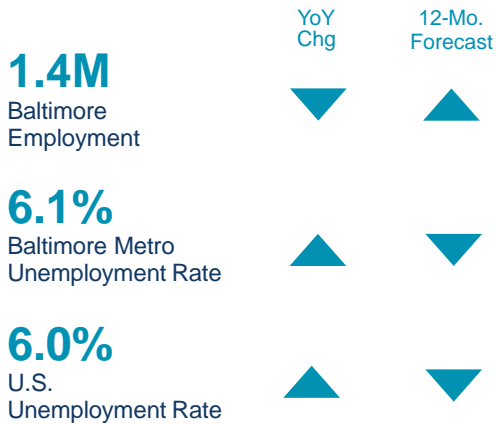


Industrial Q1 2021



ECONOMIC INDICATORS Q1 2021



Source: BLS

ECONOMY

The fourth quarter unemployment rate in the Baltimore Metro Statistical Area (MSA) sits at 6.1%, a 270 basis-point (bps) increase year-over-year (YOY). The current unemployment rate of 6.1% is only 50 bps higher than the first quarter of 2020 unemployment rate of 5.6%. Baltimore's economy has been making great strides since the peak of the pandemic; however, the economy did record an increase in unemployment rates by 40 bps in January 2021. The trade, transportation, and utilities sector posted a net job loss of over 15,700 jobs in the first quarter. Southwest laid off 100 of its employees in January located at BWI as the airline industry continues to struggle with the slowing of traveling during the pandemic.

DEMAND:

Baltimore recorded nearly 2.9 msf of leasing activity year-to-date, with 74.6% of the leasing activity falling in the I-95 North Corridor market. Wayfair inked the largest deal of the first quarter taking 1.2 million-square-foot (msf) at 1500 Woodley Road in the Harford County submarket. The second largest deal signed in was also in the I-95 North market when Bella Plus Canvas completed a new lease at 200 Nazarene Camp Road in the Cecil County. The market reported an 18.9% increase in new leasing activity YOY, driven in part by the high demand in the I-95 North Corridor.

The market recorded more than 787,000 sf of positive absorption in the first quarter of 2021, led by the 716,000 sf of positive absorption in Cecil County. Occupancy gains should continue to push vacancy rates down as last mile and logistical companies find the location and new product being delivered in the Baltimore Market highly desirable. Absorption has out paced construction completions in all but one of the past five years and with 79.4% of current construction projects preleased, this trend should continue throughout 2021.

Rent:

Rents in Baltimore set high water marks in each quarter of 2020 and continued into 2021. The overall net industrial asking rent in Baltimore reached \$7.44 per square foot an YOY increase of 8.9%. Rents in the market have been in part driven by the influx of new deliveries in recent years. Since 2016, the Baltimore market has added an additional 21.7 msf of inventory representing 9.8% of the markets total inventory.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



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	36,194,684	1,527,669	4.2%	-275,652	-275,652	77,000	0	\$6.74	\$10.71	\$6.57
Anne Arundel County	31,338,259	1,742,345	5.6%	134,518	134,518	435,920	0	\$7.13	\$14.54	\$6.92
Baltimore City/County-Southwest	23,715,490	1,248,167	5.3%	138,078	138,078	0	0	\$5.28	\$7.50	\$5.05
Baltimore-Washington Corridor	91,248,433	4,518,181	5.0%	-3,056	-3,056	512,920	0	\$6.74	\$10.71	\$6.57
Harford County	27,376,695	3,987,993	14.6%	285,832	285,832	99,240	1,104,575	\$7.47	\$13.70	\$5.80
Cecil County	14,318,806	1,034,490	7.2%	716,490	716,490	0	0	\$4.50	N/A	N/A
Baltimore County East	59,179,427	2,635,791	4.5%	-104,605	-104,605	2,973,061	0	\$13.05	\$15.39	\$11.71
I-95 North Corridor	100,874,928	7,658,274	7.6%	897,717	897,717	3,072,301	1,104,575	\$10.99	\$14.96	\$9.22
Baltimore County-North/West	15,817,443	816,259	5.2%	-57,505	-57,505	0	0	\$7.74	\$7.85	\$7.25
Baltimore City	7,125,563	266,476	3.7%	-131,650	-131,650	0	0	\$9.06	\$9.06	N/A
Carroll County	7,219,209	184,177	2.6%	81,425	81,425	0	0	\$5.33	N/A	\$5.33
Beltway Corridor	30,162,215	1,266,912	4.2%	-107,730	-107,730	0	0	\$6.40	\$8.23	\$6.13
BALTIMORE TOTAL	222,285,576	13,443,367	6.1%	786,931	786,931	3,585,221	1,104,575	\$7.37	\$12.28	\$6.82

*Rental rates reflect weighted net asking \$psf/year **Statistics not reflective of U.S. Marketbeat Tables

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	36,613,316	2,154,062	5.9%	-138,532	-138,532	172,920	0	\$12.28
Warehouse / Distribution	185,672,260	13,443,367	6.1%	786,931	786,931	3,585,221	1,104,575	\$6.82

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1500 Woodley Road	Harford	Wayfair	1,200,000	New
200 Nazarene Camp Road	Cecil	Bella Plus Canvas	716,490	New
504 Advantage Way	Harford	GFS US Holding, LLC	241,772	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
9420 Gerwig Lane	Columbia South	Washington Capital Partners, LLC / Black Creek Group	186,916	\$19M/\$153
6740 Dorsey Road	Route 1 Corridor	High Street / Scout Capital Partners	124,000	\$19M/\$153

David Spragg
Senior Research Analyst
+1 410 347 7552
David.Spragg@cushwake.com

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