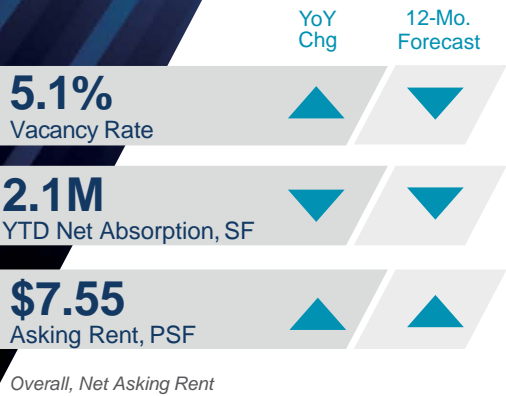
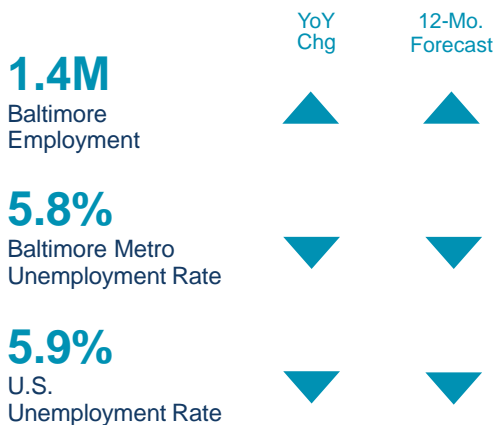


Industrial Q2 2021



ECONOMIC INDICATORS Q2 2021



Source: BLS

ECONOMY:

A year after the pandemic and the Baltimore area economy, like many large metropolitan areas, is still recovering from the economic effects of the pandemic. Per the Bureau of Labor Statistics (BLS), Baltimore area employment grew by 9.1% year-over-year (YOY). The trade and transportation sector specifically, grew 9.8% YOY. Mask mandates have been lifted in the City and Statewide. Nearly 70% of all individuals 18 and over are fully vaccinated in Baltimore County, while neighboring Howard and Anne Arundel Counties are well above 80%. Today regional unemployment rates are 40% lower YOY. Regional unemployment has been outpacing the City. Anne Arundel and Harford Counties are both at 4.8%, while the City unemployment rate is 7.6%, so there is still ample room for growth.

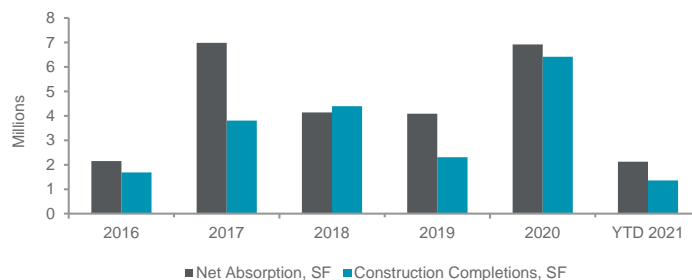
SUPPLY AND DEMAND:

The Baltimore Industrial market recorded nearly 1.8 million square feet (msf) of leasing activity in the second quarter, down 45.4% from the previous quarter. Warehouse/distribution space accounted for 75.6% of that activity. Baltimore County East in the I-95 submarket and Howard County in the BW Corridor posted the most leasing activity with 785,784 sf and 495,748 sf respectively, equating to 71.6% of the total activity in the second quarter. These two submarkets combined only account for 33.9% of the total market leasing activity year-to-date (YTD). The Harford and Cecil County submarkets have totaled 42.2% of the leasing activity YTD, with only 6.4% of that activity happening in the second quarter.

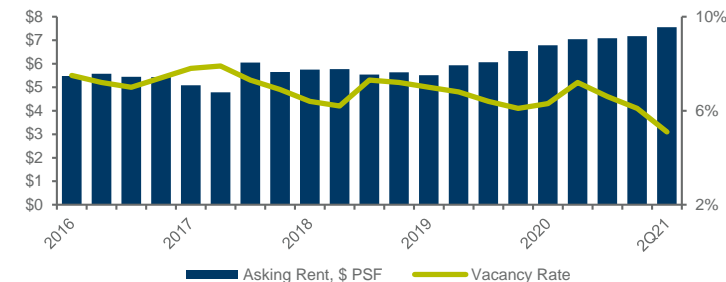
Vacancy dropped to 5.1% to end the second quarter, down from 6.1% the previous quarter. The sublease supply increased by 15.2% during the second quarter, and now accounts for 8.6% of all vacant space. In the BW Corridor sublease space accounts for 14.8% of the total space vacant, the highest of any submarket. Warehouse/distribution space represents 75.1% of total market vacancy. Absorption continued an upward trend as YTD absorption is now positive 2.1 msf. Anne Arundel County in the BW Corridor along with Cecil and Harford Counties in the I-95 North submarket account for nearly 2.6 msf of positive absorption YTD.

Asking rates increased 1.5% over the first quarter to \$7.55 per square foot (psf) at the end of the second quarter. Warehouse/distribution asking held steady during the second quarter at \$6.82 psf. Some notable deals this quarter were Amazon's lease at 1650 Sparrows Point Boulevard of 520,000 sf and Arnold Packaging's lease at 1800 Sparrows Point for 91,200 sf, both in the I-95 North submarket. In the BW Corridor, Fabrication Designs renewed 146,104 sf at 7463 New Ridge Road, and D.C. Dyna inked a new lease at 8251 Preston Court for 118,300 sf.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT BALTIMORE

Industrial Q2 2021



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 | 1,378,199 | 3.8% | 200,027 | -56,152 | 77,000 | 0 | \$6.94 | \$11.80 | \$6.67 |
| Anne Arundel County | 31,402,495 | 1,639,994 | 5.2% | 131,445 | 274,849 | 432,532 | 66,600 | \$6.78 | \$13.45 | \$6.37 |
| Baltimore City/County-Southwest | 23,770,890 | 1,382,004 | 5.8% | -139,837 | -1,759 | 0 | 0 | \$5.28 | \$7.50 | \$5.05 |
| Baltimore-Washington Corridor | 91,368,069 | 4,400,197 | 4.8% | 191,635 | 216,938 | 509,532 | 66,600 | \$6.56 | \$10.73 | \$6.29 |
| Harford County | 27,418,815 | 2,738,284 | 10.0% | 1,287,319 | 1,573,151 | 297,654 | 1,146,695 | \$6.70 | \$14.22 | \$5.47 |
| Cecil County | 14,318,806 | 12,000 | 0.1% | 0 | 716,490 | 766,080 | 0 | N/A | N/A | N/A |
| Baltimore County East | 59,327,441 | 2,925,777 | 4.9% | -30,491 | -153,396 | 3,577,941 | 147,060 | \$13.57 | \$15.81 | \$12.05 |
| I-95 North Corridor | 101,065,062 | 5,676,061 | 5.6% | 1,256,828 | 2,136,245 | 4,641,675 | 1,293,755 | \$10.91 | \$15.52 | \$8.91 |
| Baltimore County-North/West | 15,797,292 | 903,292 | 5.7% | -63,185 | -168,890 | 0 | 0 | \$8.67 | \$10.57 | \$8.21 |
| Baltimore City | 7,125,563 | 302,571 | 4.3% | -32,013 | -162,013 | 0 | 0 | \$9.71 | \$9.71 | N/A |
| Carroll County | 7,219,209 | 124,777 | 1.7% | 24,000 | 105,425 | 0 | 0 | \$5.54 | N/A | \$5.54 |
| Beltway Corridor | 30,142,064 | 1,330,640 | 4.4% | -71,198 | -225,478 | 0 | 0 | \$7.24 | \$10.00 | \$6.50 |
| BALTIMORE TOTAL | 222,575,195 | 11,406,898 | 5.1% | 1,377,265 | 2,127,705 | 5,151,207 | 1,360,355 | \$7.70 | \$12.87 | \$6.82 |

*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 | 36,650,336 | 2,156,972 | 5.9% | 112,677 | -74,480 | 99,240 | 42,120 | \$12.87 |
| Warehouse / Distribution | 185,924,859 | 9,249,926 | 5.0% | 1,264,588 | 2,202,185 | 5,151,207 | 1,360,355 | \$6.82 |

KEY LEASE TRANSACTIONS Q2 2021

| PROPERTY | SUBMARKET | TENANT | RSF | TYPE |
|---------------------|-----------------------|---------------------|---------|-----------|
| 1650 Sparrows Point | Baltimore County East | Amazon | 520,000 | New Lease |
| 1643 New Ridge Rd | BWI/Anne Arundel | Fabrication Designs | 146,104 | Renewal* |
| 8251 Preston Ct | Route 1 Corridor | D.C. Dyna | 118,300 | New Lease |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2021

| PROPERTY | SUBMARKET | SELLER / BUYER | SF | PRICE / \$ PSF |
|--------------------|------------------|--|---------|----------------|
| 7600 Assateague Dr | Route 1 Corridor | Bentall Green Oak/ Greenfield Partners | 853,503 | \$125M / \$146 |
| 7980 Tarbay Dr | Route 1 Corridor | Fundrise / Angelo, Gordon & Co. | 202,520 | \$34M / \$169 |

Michael Hanes

Senior Research Manager

+1 215 963 4037

Michael.hanes@cushwake.com

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