

BALTIMORE COUNTY



Office Q2 2024

	YoY Chg	12-Mo. Forecast
17.4% Vacancy Rate	▼	▼
82.2K YTD Net Absorption, SF	▲	▲
\$23.51 Asking Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
1.4M Baltimore Employment	▼	▲
2.7% Baltimore Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source: BLS

ECONOMY:

The Federal Reserve (Fed) once again chose to wait and see at their last meeting in the second quarter, keeping rates at their current levels. The Fed will assumedly keep watch over the inflationary and job data as they firmly hold their 2.0% inflation target. The Consumer Price Index (CPI) increased in the Baltimore region 2.9% year-over-year (YOY), well below the 5.3% increase just a year ago. However, CPI has been steadily increasing over the last six months as stickiness remains, notably shelter costs. Rent is reported at all-time highs, up 4.9% YOY and up 16.0% since 2021.

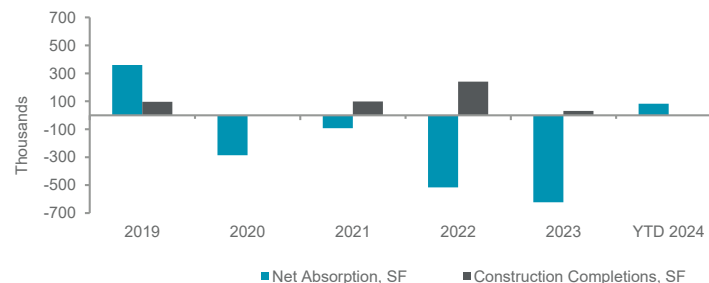
The unemployment rate continues to increase from all-time lows in 2023, now up to 3.4% compared to 2.4% a year prior. Job gains have been driven by the Education and Healthcare, Government and Business Services, while employment in every other office using sector has steadily decreased. Most notable are the decreasing employment totals in the Information and financial activities sectors. Both sectors are each down by 3.9% YOY.

SUPPLY AND DEMAND:

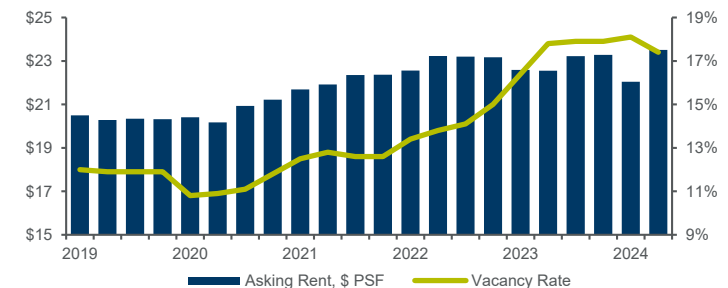
Leasing activity increased this quarter but remains on pace to be 57.0% lower than 2023 totals, which had been boosted by a strong fourth quarter. Class A office space accounted for 61.3% of year to date (YTD) leasing activity within the county, up from 57.7% of YTD activity in 2023. Absorption rates went negative after two quarters of positive movement, due largely to a dramatic decrease in sublease absorption compared to the last two quarters, which had been the first positive movement for subleases since Q4 2021.

Within the county, sublease activity has been the predominant factor in keeping the overall vacancy rate stable around 17.0%. While direct vacancy increased by 1.3% year over year (YOY), sublease vacancy halved with a decrease of 1.8% YOY to 283,500 square-feet, a 309,000 square-foot decline. Overall vacancy rates within the county submarkets vary heavily, with the Towson market recording a 4.1% YOY decline in vacancy while Route 83 North had a 2.9% increase since Q2 2023.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT





Office Q2 2024

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Baltimore County East	1,391,664	181,690	23,922	14.8%	5,657	42,756	28,372	0	\$21.26	\$21.24
Route 83 North	5,434,440	916,021	146,225	19.6%	-4,979	-238,957	54,430	0	\$25.11	\$26.76
Route 83 South	2,137,857	232,275	47,959	13.1%	2,083	7,933	23,073	0	\$25.67	\$26.92
Towson	4,568,316	705,008	12,125	15.7%	-4,750	161,794	62,732	0	\$22.40	\$24.43
Suburban North Total	13,532,277	2,034,994	230,231	16.7%	-1,989	-26,474	168,607	0	\$24.11	\$25.95
Reisterstown Road Corridor	5,136,676	892,539	39,172	18.1%	-8,866	91,330	70,616	0	\$23.07	\$23.41
Catonsville	539,618	42,860	7,353	9.3%	-4,734	-13,067	1,884	0	\$19.00	N/A
Woodlawn	2,730,815	518,237	46,000	20.7%	-20,269	30,398	7,223	0	\$19.86	N/A
Suburban West Totals	8,407,109	1,453,636	92,525	18.4%	-33,869	108,661	79,723	0	\$22.34	\$23.41
BALTIMORE COUNTY TOTALS	21,939,386	3,488,630	322,756	17.4%	-35,858	82,187	248,330	0	\$23.51	\$24.97

*Rental rates reflect full service asking

KEY LEASE TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
120 Westminster Pike	Reisterstown Road Corridor	Undisclosed	15,432	New
11155 Red Run Blvd	Reisterstown Road Corridor	CityWide Properties LLC	13,607	New
11311 McCormick Rd	Route 83 North	Undisclosed	9,697	New
1301 York Rd	Route 83 South	Bodie, Friddell & Grenzer, P.C.	8,762	New
1 Olympic Pl	Towson	Calvert Street Capital Partners, Inc.	8,033	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2024

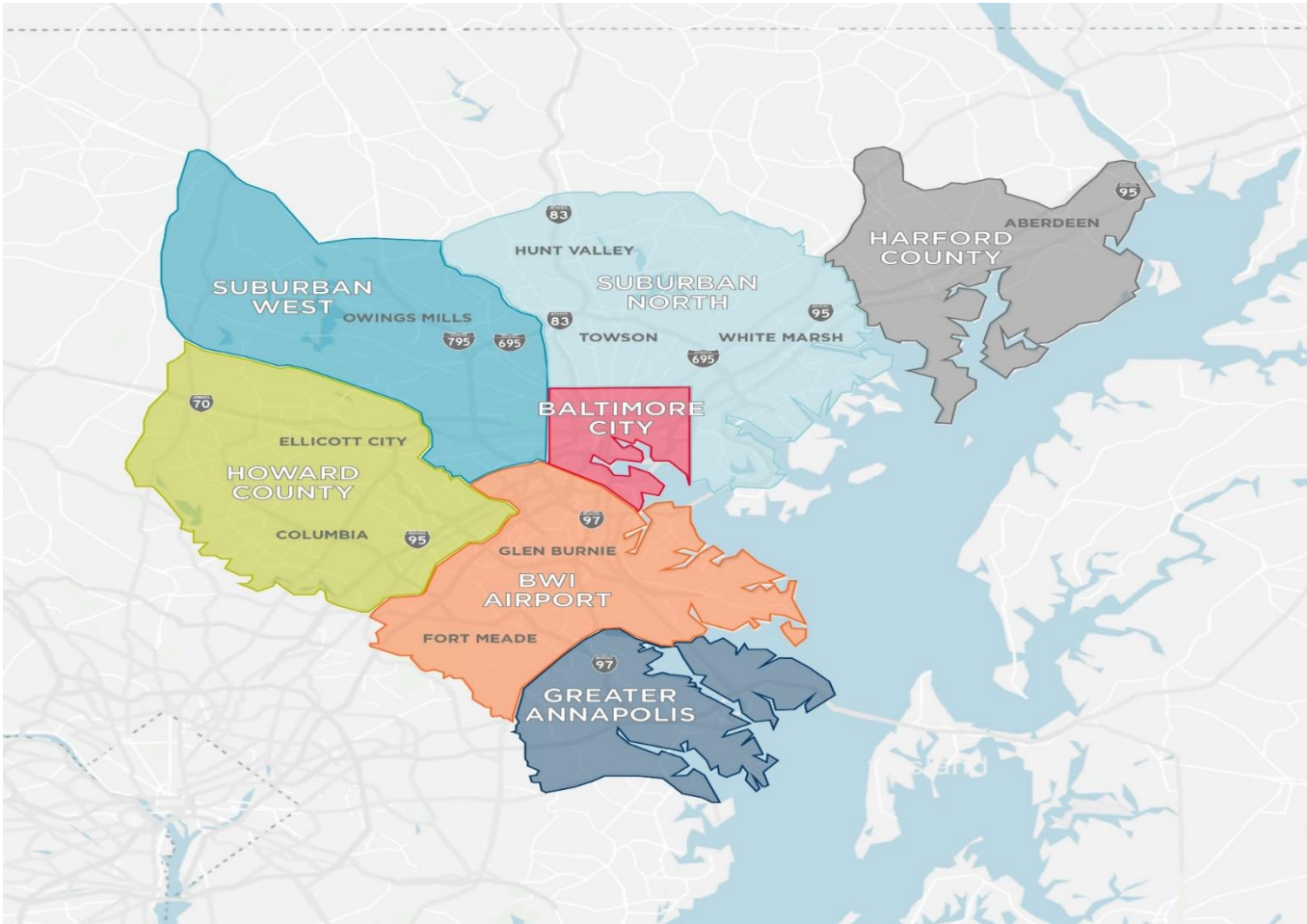
PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
9910 Franklin Square Dr	Baltimore County East	FD Stonewater / Sage Ventures	58,009	\$2.2M/\$37.7
9920 Franklin Square Dr	Baltimore County East	FD Stonewater / Sage Ventures	43,516	\$2.1M/\$49.1

BALTIMORE COUNTY

Office Q2 2024



OFFICE SUBMARKETS



ANDREW TURNBAUGH

Research Analyst

+1 410 685 9883

Andrew.Turnbaugh@cushwake.com

MICHAEL HANES

Senior Research Manager

+1 215 963 4037

Michael.Hanes@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.

cushmanwakefield.com