



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.5% Vacancy Rate	▲	▲
348.9K YTD Net Absorption, SF	▼	▼
\$8.90 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	—

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.4M Baltimore Employment	▼	▲
3.4% Baltimore Unemployment Rate	▲	▲
4.1% United States Unemployment Rate	▲	▼

Source: BLS

ECONOMY:

The Federal Reserve (Fed) cut interest rates for the first time since 2020, lowering the key rate by 50 basis points (bps) from a decade high 5.3% to 4.8%. The decision comes as inflation continues to slow, with the Consumer Price Index (CPI) coming down to 2.5% year-over-year (YOY). Shelter costs continue to be a major factor in rising consumer costs, up 5.2% YOY, even as energy prices fall (-4.0% YOY) and food prices stabilize (2.1% YOY).

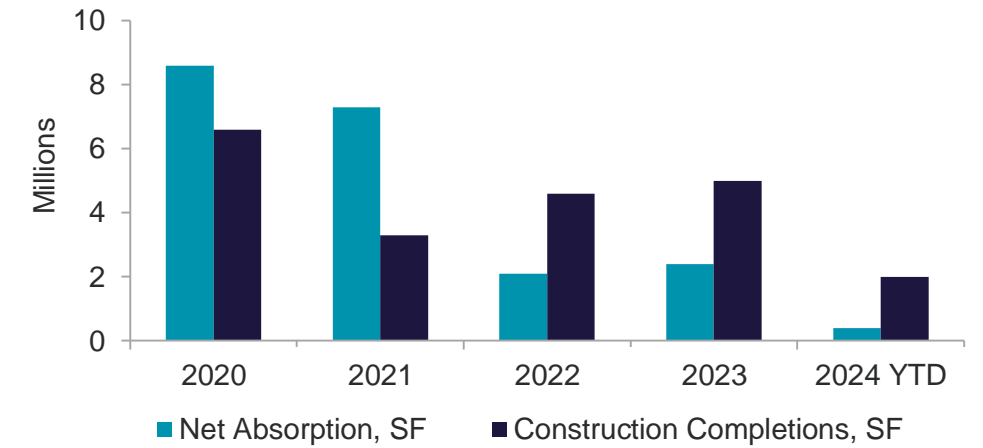
With the Fed confident the economy will hit the 2.0% inflation target rate it has focused on reinvigorating the slowing labor market. Unemployment in Baltimore reached 3.4% per the Bureau of Labor Statistics (BLS) July report, a 1.2% increase YOY. The trade & transportation sector has recorded declines in employment over the last year while the manufacturing sector has remained stable.

DEMAND:

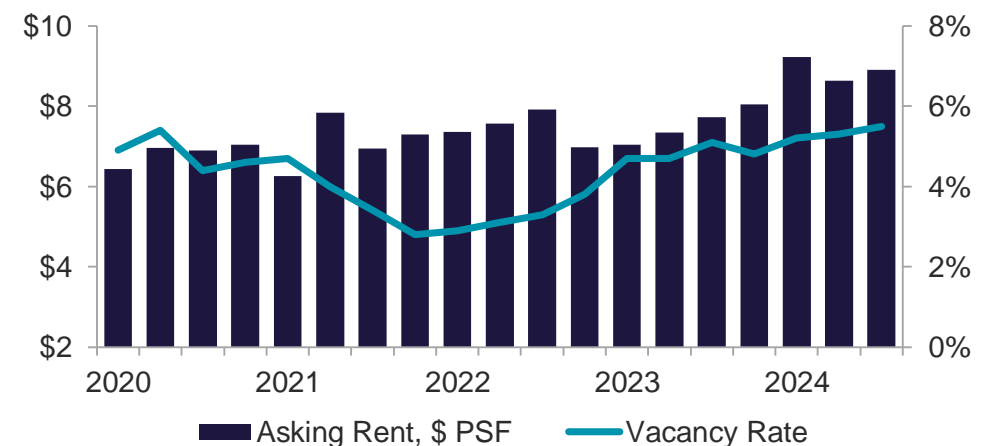
Vacancy has continued to trend upward across the market since Q3 2023, up 200 bps YOY, and 150 bps quarter-over-quarter (QOQ). Part of this 150 bps increase can be attributed to the inclusion of just over 3.0 million square feet (msf) of added inventory, including significant additions to Howard, Anne Arundel, and Cecil Counties, all of which recorded substantial increases in overall vacancy over the last 12 months. With another 1.4 million sf of vacant speculative construction expected to deliver by the end of 2025, vacancy may continue to climb upwards over the next few quarters. Sublease availability has climbed as well in both the B-W and I-95 North Corridors, up 50 bps YOY and 80 bps YOY respectively, with a total of 1.4 msf of new sublease availabilities added since one year ago.

Despite this, the Baltimore market has maintained positive net absorption year-to-date (YTD), with the I-95 North Corridor absorbing 750,618 sf in Q3 and nearly 2.0 msf YTD, offsetting the -1.6 msf YTD net absorption in the B-W Corridor, which has recorded negative absorption for the last three quarters.

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)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Howard County	36,527,975	2,042,241	5.6%	-284,511	-1,076,821	0	0	N/A	\$15.50	\$11.66
Anne Arundel County	32,496,681	1,465,907	4.5%	-156,741	-316,657	417,200	390,588	N/A	\$14.00	\$11.26
Baltimore City/County SW	24,557,830	1,334,816	5.4%	-97,932	-248,449	0	0	N/A	\$9.25	\$4.75
Baltimore-Washington Corridor Totals	93,582,486	4,842,964	5.2%	-539,184	-1,641,927	417,200	390,588	N/A	\$12.80	\$10.86
Harford County	27,604,932	1,388,427	5.0%	1,800	220,597	259,200	157,600	N/A	\$8.91	\$6.00
Cecil County	18,797,914	2,334,480	12.4%	766,080	1,359,600	627,288	794,520	N/A	N/A	N/A
Baltimore County East	64,911,735	3,587,505	5.5%	-17,262	419,665	859,143	646,200	N/A	\$14.97	\$5.96
I-95 North Corridor Totals	111,314,581	7,310,412	6.6%	750,618	1,999,862	1,745,631	1,598,320	N/A	\$13.81	\$5.96
Baltimore County North/West	15,805,568	525,882	3.3%	24,817	333	0	0	N/A	\$9.10	\$7.29
Baltimore City	7,125,563	203,759	2.9%	-11,527	-9,370	0	0	N/A	\$12.70	N/A
Carroll County	7,200,453	23,953	0.3%	0	0	0	0	N/A	\$17.50	\$6.00
Beltway Corridor Totals	30,131,584	753,594	2.5%	13,290	-9,037	0	0	N/A	\$13.53	\$7.25
BALTIMORE TOTALS	235,028,651	12,906,970	5.5%	224,724	348,898	2,162,831	1,988,908	N/A	\$13.43	\$8.55

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

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6301 New Cold Mill Rd.	Baltimore County East	SH Bell	447,448	Sublease
1501 Perryman Rd.	Harford County	ABC Supply	263,764	New
8125 Stayton Dr.	Route 1 Corridor	Capitol Warehousing Inc.	205,000	Renewal*
7090 Troy Hill Dr.	Route 1/BWI Howard	Northrup Grumman Corp.	180,786	New
6611 Cabot Dr.	Route 2 Corridor	Chadwell Supply	124,978	New

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
8801 Wise Ave.	BW Corridor	Sweetheart Properties	133,000	\$14.3M/\$107.52
7314 Race Rd.	BW Corridor	TA Realty/Sagard Real Estate	130,389	\$33.5M/\$256.92
6480 Dobbin Rd.	BW Corridor	Feldman Bergin/Northbridge	53,250	\$10.9M/\$204.69
1200 Bernard Rd.	Baltimore City/County SW	Grander Capital/Faropoint	49,500	\$6.3M/\$127.27

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