

# BALTIMORE AREA MARKET WATCH

AUGUST 2016

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F\$)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2016 NET ABSORB. SF	FIRST HALF 2016 NET ABSORB. SF
	INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF <sup>3</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %			
<b>Baltimore Metro Area</b>											
<b>BALTIMORE NORTH SUBMARKETS</b>											
Harford County	3,787,302	833,206	22.0%	22.0%	\$22.77	1,646,700	586,225	35.6%	0	52,000	48,000
Baltimore County West	13,091,076	1,243,652	9.5%	9.6%	\$20.01	3,130,115	478,908	15.3%	192,000	78,000	91,000
Baltimore County North	16,342,276	1,519,832	9.3%	9.4%	\$20.67	1,887,943	45,311	2.4%	0	73,000	(8,000)
Baltimore County East	2,891,762	393,280	13.6%	13.7%	\$18.81	443,546	78,064	17.6%	0	21,000	28,000
Baltimore CBD	20,390,451	1,896,312	9.3%	9.3%	\$20.73	9,475,511	1,051,782	11.1%	0	(20,000)	(60,000)
Balance of Baltimore City	20,318,485	1,686,434	8.3%	8.7%	\$20.61	5,238,232	188,576	3.6%	759,836	81,000	144,000
<b>Total - Baltimore North</b>	<b>76,821,352</b>	<b>7,572,716</b>	<b>9.9%</b>	<b>10.0%</b>	<b>\$20.69</b>	<b>21,822,047</b>	<b>2,428,866</b>	<b>11.1%</b>	<b>951,836</b>	<b>285,000</b>	<b>243,000</b>
<b>BALTIMORE SOUTH SUBMARKETS</b>											
Columbia	15,269,749	1,038,343	6.8%	7.1%	\$23.64	7,049,838	246,744	3.5%	713,412	174,000	159,000
Route 1 North	1,145,773	114,577	10.0%	11.2%	\$19.85	119,722	9,578	8.0%	0	15,000	22,000
BWI	11,111,990	1,311,215	11.8%	12.5%	\$24.55	5,619,750	455,200	8.1%	297,540	(44,000)	(122,000)
Anne Arundel South	7,266,703	908,338	12.5%	12.7%	\$24.15	1,162,545	117,417	10.1%	25,000	72,000	50,000
<b>Total - Baltimore South</b>	<b>34,794,215</b>	<b>3,372,473</b>	<b>9.7%</b>	<b>10.0%</b>	<b>\$23.97</b>	<b>13,951,855</b>	<b>828,939</b>	<b>5.9%</b>	<b>1,035,952</b>	<b>217,000</b>	<b>109,000</b>
<b>Total - August 2016</b>	<b>111,615,567</b>	<b>10,945,189</b>	<b>9.8%</b>	<b>10.0%</b>	<b>\$21.63</b>	<b>35,773,902</b>	<b>3,257,804</b>	<b>9.1%</b>	<b>1,987,788</b>	<b>502,000</b>	<b>352,000</b>
<b>Total - August 2015</b>	<b>111,139,153</b>	<b>11,804,930</b>	<b>10.6%</b>	<b>10.8%</b>	<b>\$21.45</b>	<b>35,057,002</b>	<b>3,538,886</b>	<b>10.1%</b>	<b>1,465,466</b>		

<sup>1</sup> Includes buildings 15,000 SF RBA and greater. Does not include buildings under construction; does not include buildings owned by the government. <sup>2</sup> Does not include sublet space.

<sup>3</sup> Class A includes buildings greater than 50,000 SF and built after 1997. Except for Baltimore CBD, which includes those buildings that are defined as Class A by CoStar and are 50,000 SF or greater.

SOURCE: CoStar, Transwestern

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## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F\$)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2016 NET ABSORB. SF	FIRST HALF 2016 NET ABSORB. SF
	INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF <sup>3</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %			
<b>Suburban Maryland</b>											
<b>MONTGOMERY COUNTY SUBMARKETS</b>											
Bethesda/Chevy Chase	11,654,099	827,441	7.1%	7.8%	\$38.74	2,419,189	87,091	3.6%	0	175,000	210,000
North Bethesda	10,765,098	2,174,550	20.2%	20.5%	\$28.84	1,345,340	154,714	11.5%	0	108,000	140,000
Rockville	8,483,331	1,060,416	12.5%	12.8%	\$29.33	2,978,003	443,722	14.9%	0	39,000	93,000
North Rockville	12,448,549	1,829,937	14.7%	16.0%	\$26.40	4,923,319	571,105	11.6%	0	(75,000)	(146,000)
Gaithersburg	6,779,461	1,186,406	17.5%	18.1%	\$22.63	1,889,195	119,019	6.3%	0	14,000	(156,000)
Germantown	2,730,085	431,353	15.8%	16.2%	\$24.80	1,102,063	191,759	17.4%	0	(5,000)	11,000
Kensington/Wheaton	1,333,234	373,306	28.0%	28.2%	\$23.80	65,000	7,605	11.7%	0	(2,000)	0
Silver Spring	6,832,266	703,723	10.3%	10.4%	\$27.04	778,420	10,119	1.3%	16,806	(48,000)	(14,000)
N. Silver Spring/Rt. 29	3,492,988	321,355	9.2%	9.7%	\$23.68	315,538	0	0.0%	0	42,000	73,000
<b>Total - Montgomery County</b>	<b>64,519,111</b>	<b>8,908,487</b>	<b>13.8%</b>	<b>14.4%</b>	<b>\$27.77</b>	<b>15,816,067</b>	<b>1,585,135</b>	<b>10.0%</b>	<b>16,806</b>	<b>248,000</b>	<b>211,000</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,325,206	21.6%	22.0%	\$20.71	843,873	70,885	8.4%	0	37,000	(43,000)
Laurel	2,579,823	358,595	13.9%	14.2%	\$18.87	185,804	45,894	24.7%	0	8,000	(21,000)
Greenbelt	3,016,041	1,019,422	33.8%	33.8%	\$21.84	234,096	46,351	19.8%	0	(72,000)	(75,000)
Lanham/Landover/Largo	4,910,778	947,780	19.3%	19.5%	\$21.31	748,783	78,622	10.5%	34,089	79,000	280,000
Bowie/Marlboro/South P.G.	4,982,613	762,340	15.3%	15.5%	\$22.40	805,084	135,254	16.8%	0	(140,000)	(120,000)
<b>Total - Prince George's County</b>	<b>21,624,467</b>	<b>4,413,343</b>	<b>20.4%</b>	<b>20.6%</b>	<b>\$21.26</b>	<b>2,817,640</b>	<b>377,006</b>	<b>13.4%</b>	<b>34,089</b>	<b>(88,000)</b>	<b>21,000</b>
Frederick County	6,810,541	1,014,771	14.9%	15.0%	\$21.56	1,783,835	299,684	16.8%	232,620	34,000	48,000
<b>Total - August 2016</b>	<b>92,954,119</b>	<b>14,336,600</b>	<b>15.4%</b>	<b>15.9%</b>	<b>\$26.51</b>	<b>20,417,542</b>	<b>2,261,826</b>	<b>11.1%</b>	<b>283,515</b>	<b>194,000</b>	<b>280,000</b>
<b>Total - August 2015</b>	<b>92,657,740</b>	<b>14,533,706</b>	<b>15.7%</b>	<b>16.4%</b>	<b>\$25.63</b>	<b>19,967,992</b>	<b>2,603,959</b>	<b>13.0%</b>	<b>648,245</b>		

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SOURCE: CoStar, Transwestern

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## Flex/Industrial Space

SUBMARKETS	INVENTORY SF <sup>1</sup>	SF AVAILABLE <sup>2</sup>	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q2 2016 NET ABSORB. (SF)	FIRST HALF 2016 NET ABSORB. (SF)
<b>Baltimore Metro Area</b>								
Harford County	23,558,271	1,719,754	7.3%	7.3%	\$5.91	0	(24,000)	259,000
Baltimore County West	19,164,186	1,494,807	7.8%	7.8%	\$6.64	0	(19,000)	19,000
Baltimore County North	10,576,642	401,912	3.8%	3.8%	\$11.34	0	(21,000)	(21,000)
Baltimore County East	29,288,747	3,104,607	10.6%	11.1%	\$3.74	306,016	408,000	590,000
Baltimore City	52,862,955	4,070,448	7.7%	7.8%	\$4.72	61,000	53,000	368,000
Columbia	13,327,878	852,984	6.4%	6.8%	\$9.58	0	27,000	213,000
Route 1 North	29,277,425	2,634,968	9.0%	9.9%	\$6.31	160,000	335,000	451,000
BWI	28,189,214	2,452,462	8.7%	9.2%	\$5.77	0	85,000	113,000
Anne Arundel South	4,476,252	214,860	4.8%	4.8%	\$13.28	0	9,000	22,000
<b>Total - August 2016</b>	<b>210,721,570</b>	<b>16,946,802</b>	<b>8.0%</b>	<b>8.4%</b>	<b>\$6.07</b>	<b>527,016</b>	<b>853,000</b>	<b>2,014,000</b>
<b>Total - August 2015</b>	<b>209,136,956</b>	<b>19,026,024</b>	<b>9.1%</b>	<b>9.2%</b>	<b>\$5.88</b>	<b>1,558,621</b>		
<b>Suburban Maryland</b>								
Prince George's County	56,783,849	4,713,059	8.3%	8.6%	\$6.85	411,000	485,000	597,000
Montgomery County	22,383,832	1,947,393	8.7%	8.7%	\$11.21	0	13,000	42,000
Frederick County	16,635,816	1,114,600	6.7%	6.7%	\$7.33	372,685	66,000	732,000
<b>Total - August 2016</b>	<b>95,803,497</b>	<b>7,775,053</b>	<b>8.1%</b>	<b>8.3%</b>	<b>\$7.95</b>	<b>783,685</b>	<b>564,000</b>	<b>1,371,000</b>
<b>Total - August 2015</b>	<b>93,895,102</b>	<b>8,654,817</b>	<b>9.2%</b>	<b>9.5%</b>	<b>\$7.88</b>	<b>1,402,905</b>		

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SOURCE: CoStar, Transwestern

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### METHODOLOGY

The information in this report is the result of a compilation of information on office and flex/industrial properties located in the Baltimore metro area. This report includes single-tenant, multi-tenant and owner-user office properties 15,000 SF and larger, excluding those properties owned by a government agency.



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