

BALTIMORE AREA MARKET WATCH

OCTOBER 2016

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F\$)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 2016 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ³	SF AVAILABLE ²	DIRECT VACANCY %			
Baltimore Metro Area											
BALTIMORE NORTH SUBMARKETS											
Harford County	3,787,302	802,908	21.2%	21.2%	\$22.73	1,646,700	599,399	36.4%	48,080	1,000	49,000
Baltimore County West	13,149,076	1,209,715	9.2%	9.4%	\$19.79	3,188,115	459,089	14.4%	217,734	93,000	185,000
Baltimore County North	16,342,276	1,552,516	9.5%	9.7%	\$20.48	1,887,943	50,974	2.7%	204,000	(16,000)	(24,000)
Baltimore County East	2,891,762	344,120	11.9%	11.9%	\$18.90	443,546	64,758	14.6%	76,980	9,000	37,000
Baltimore CBD	20,190,451	1,776,760	8.8%	8.8%	\$20.88	9,475,511	966,502	10.2%	0	85,000	25,000
Balance of Baltimore City	20,318,485	1,564,523	7.7%	7.8%	\$20.18	5,238,232	130,956	2.5%	1,059,836	39,000	182,000
Total - Baltimore North	76,679,352	7,250,542	9.5%	9.6%	\$20.59	21,880,047	2,271,677	10.4%	1,606,630	211,000	454,000
BALTIMORE SOUTH SUBMARKETS											
Columbia	15,269,749	1,007,803	6.6%	6.9%	\$23.87	7,049,838	260,844	3.7%	668,412	61,000	220,000
Route 1 North	1,145,773	121,452	10.6%	11.9%	\$20.03	119,722	9,578	8.0%	0	(7,000)	15,000
BWI	11,165,530	1,507,347	13.5%	14.2%	\$25.03	5,673,290	493,576	8.7%	244,000	25,000	(97,000)
Anne Arundel South	7,266,703	842,938	11.6%	11.8%	\$24.03	1,162,545	117,417	10.1%	0	44,000	93,000
Total - Baltimore South	34,847,755	3,479,539	10.0%	10.5%	\$24.21	14,005,395	881,415	6.3%	912,412	123,000	231,000
Total - October 2016	111,527,107	10,730,081	9.6%	9.9%	\$21.60	35,885,442	3,153,093	8.8%	2,519,042	334,000	685,000
Total - October 2015	111,304,033	11,777,739	10.6%	10.7%	\$21.48	35,301,882	3,450,451	9.8%	1,737,570		

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

³ 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 (FS)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 2016 NET ABSORB. SF
	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY		INVENTORY SF ³	SF AVAILABLE ²	DIRECT VACANCY %			
Suburban Maryland											
MONTGOMERY COUNTY SUBMARKETS											
Bethesda/Chevy Chase	11,654,099	780,825	6.7%	7.5%	\$38.20	2,419,189	77,414	3.2%	0	(23,000)	186,000
North Bethesda	10,765,098	2,131,489	19.8%	20.1%	\$28.74	1,345,340	154,714	11.5%	0	(11,000)	129,000
Rockville	8,483,331	1,119,800	13.2%	13.4%	\$28.97	2,978,003	437,766	14.7%	0	51,000	144,000
North Rockville	12,448,549	2,016,665	16.2%	17.6%	\$26.37	4,923,319	792,654	16.1%	0	(112,000)	(258,000)
Gaithersburg	6,779,461	1,193,185	17.6%	18.2%	\$22.44	1,889,195	119,019	6.3%	0	27,000	(129,000)
Germantown	2,730,085	431,353	15.8%	16.1%	\$24.81	1,102,063	189,555	17.2%	0	25,000	35,000
Kensington/Wheaton	1,333,234	353,307	26.5%	26.7%	\$23.80	65,000	7,605	11.7%	0	0	0
Silver Spring	6,832,266	737,885	10.8%	10.9%	\$27.28	778,420	10,119	1.3%	16,806	(34,000)	(48,000)
N. Silver Spring/Rt. 29	3,492,988	303,890	8.7%	9.2%	\$23.61	315,538	0	0.0%	0	7,000	80,000
Total - Montgomery County	64,519,111	9,068,399	14.1%	14.7%	\$27.66	15,816,067	1,788,848	11.3%	16,806	(70,000)	139,000
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,288,395	21.0%	21.4%	\$20.49	843,873	70,885	8.4%	0	(18,000)	(61,000)
Laurel	2,579,823	322,478	12.5%	12.8%	\$18.77	185,804	41,806	22.5%	0	(15,000)	(36,000)
Greenbelt	3,016,041	1,031,486	34.2%	34.2%	\$21.84	234,096	46,351	19.8%	0	(33,000)	(109,000)
Lanham/Landover/Largo	4,910,778	898,672	18.3%	18.7%	\$21.42	748,783	78,622	10.5%	34,089	49,000	329,000
Bowie/Marlboro/South P.G.	4,982,613	732,444	14.7%	14.7%	\$22.33	805,084	105,466	13.1%	0	(30,000)	(149,000)
Total - Prince George's County	21,624,467	4,273,475	19.8%	20.0%	\$21.20	2,817,640	343,130	12.2%	34,089	(47,000)	(26,000)
Frederick County	6,810,541	885,370	13.0%	13.1%	\$21.47	1,783,835	221,196	12.4%	232,620	41,000	89,000
Total - October 2016	92,954,119	14,227,244	15.3%	15.8%	\$26.38	20,157,992	2,683,353	13.3%	548,245	(76,000)	202,000
Total - October 2015	92,807,740	14,433,538	15.6%	16.2%	\$25.68	20,157,992	2,586,772	12.8%	533,245		

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SOURCE: CoStar, Transwestern

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Flex/Industrial Space

SUBMARKETS	INVENTORY SF ¹	SF AVAILABLE ²	DIRECT VACANCY %	OVERALL VACANCY %	ASKING RENT (NNN)	SF UNDER CONSTRUCTION	Q3 2016 NET ABSORB. (SF)	JAN. - SEPT. 2016 NET ABSORB. SF
Baltimore Metro Area								
Harford County	23,558,271	965,889	4.1%	4.1%	\$5.94	0	118,000	377,000
Baltimore County West	19,164,186	1,686,448	8.8%	9.3%	\$6.61	0	(96,000)	(77,000)
Baltimore County North	10,576,642	359,606	3.4%	3.4%	\$11.35	0	21,000	0
Baltimore County East	29,288,747	2,782,431	9.5%	9.6%	\$3.76	360,136	79,000	669,000
Baltimore City	52,807,595	3,802,147	7.2%	7.3%	\$4.60	474,100	2,000	370,000
Columbia	13,327,878	906,296	6.8%	7.2%	\$10.06	0	(27,000)	187,000
Route 1 North	29,277,425	2,459,304	8.4%	9.1%	\$6.49	160,000	29,000	481,000
BWI	27,775,813	2,388,720	8.6%	9.4%	\$5.69	427,910	(155,000)	(42,000)
Anne Arundel South	4,476,252	241,718	5.4%	5.5%	\$13.91	0	(27,000)	(4,000)
Total - October 2016	210,252,809	15,592,558	7.4%	7.7%	\$6.10	1,422,146	(56,000)	1,961,000
Total - October 2015	209,264,669	17,330,404	8.3%	8.4%	\$5.86	1,794,425		
Suburban Maryland								
Prince George's County	56,547,849	4,580,376	8.1%	8.4%	\$7.00	411,000	282,000	879,000
Montgomery County	22,383,832	1,969,777	8.8%	8.8%	\$11.29	0	(14,000)	28,000
Frederick County	16,816,501	1,395,770	8.3%	8.3%	\$7.23	269,214	180,000	912,000
Total - October 2016	95,748,182	7,945,923	8.3%	8.5%	\$8.04	680,214	448,000	1,819,000
Total - October 2015	94,103,207	8,346,073	8.9%	9.1%	\$7.83	1,195,500		

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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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