

BALTIMORE AREA MARKET WATCH

OCTOBER 2017

Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	3,835,382	870,632	22.7%	22.9%	\$22.24	1,646,700	666,914	40.5%	0	(73,000)	10,000
Baltimore County West	13,341,076	1,240,720	9.3%	9.4%	\$19.80	3,380,115	635,462	18.8%	30,000	107,000	160,000
Baltimore County North	16,471,875	1,498,941	9.1%	9.4%	\$20.12	2,017,542	78,684	3.9%	320,000	33,000	199,000
Baltimore County East	2,968,742	433,436	14.6%	14.7%	\$19.65	520,526	130,132	25.0%	0	34,000	11,000
Baltimore CBD	20,035,970	1,883,381	9.4%	9.6%	\$21.36	9,475,511	1,326,572	14.0%	234,891	(20,000)	94,000
Balance of Baltimore City	21,138,321	1,796,757	8.5%	8.8%	\$20.75	6,020,568	367,255	6.1%	76,612	(85,000)	(44,000)
Total - Baltimore North	77,791,366	7,723,867	9.9%	10.2%	\$20.64	23,060,962	3,205,017	13.9%	661,503	(4,000)	430,000
BALTIMORE SOUTH SUBMARKETS											
Columbia	16,006,161	1,184,456	7.4%	7.8%	\$24.91	7,786,250	498,320	6.4%	105,556	48,000	366,000
Route 1 North	1,245,773	216,765	17.4%	17.9%	\$21.36	219,722	90,965	41.4%	0	19,000	27,000
BWI	11,335,264	1,518,925	13.4%	14.3%	\$23.85	5,817,290	517,739	8.9%	0	113,000	169,000
Anne Arundel South	7,349,444	889,283	12.1%	12.7%	\$25.33	1,289,045	193,357	15.0%	229,800	36,000	79,000
Total - Baltimore South	35,936,642	3,809,429	10.6%	11.1%	\$24.54	15,112,307	1,300,380	8.6%	335,356	216,000	641,000
Total - October 2017	113,728,008	11,533,296	10.1%	10.5%	\$21.87	38,173,269	4,505,397	11.8%	996,859	212,000	1,071,000
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		

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 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	11,554,840	947,497	8.2%	9.8%	\$38.18	2,419,189	53,222	2.2%	660,000	(161,000)	(243,000)
North Bethesda	10,765,098	2,088,429	19.4%	19.6%	\$28.28	1,345,340	156,059	11.6%	0	(22,000)	(32,000)
Rockville	8,483,331	958,616	11.3%	11.7%	\$29.88	2,978,003	425,854	14.3%	0	17,000	(8,000)
North Rockville	12,380,046	2,005,567	16.2%	17.3%	\$27.37	4,923,319	866,504	17.6%	0	12,000	(82,000)
Gaithersburg	6,386,461	798,308	12.5%	12.5%	\$22.56	1,889,195	28,338	1.5%	0	(13,000)	7,000
Germantown	2,730,085	409,513	15.0%	15.1%	\$24.77	1,102,063	157,595	14.3%	0	(25,000)	5,000
Kensington/Wheaton	1,333,234	350,641	26.3%	26.3%	\$24.26	65,000	12,025	18.5%	0	17,000	11,000
Silver Spring	6,849,072	698,605	10.2%	10.8%	\$27.98	778,420	0	0.0%	121,724	(21,000)	(5,000)
N. Silver Spring/Rt. 29	3,492,988	338,820	9.7%	10.1%	\$23.31	315,538	0	0.0%	0	(17,000)	(45,000)
Total - Montgomery County	63,975,155	8,595,996	13.4%	14.1%	\$28.99	15,816,067	1,699,598	10.7%	781,724	(213,000)	(392,000)
PRINCE GEORGE'S COUNTY SUBMARKETS											
Beltsville/Calverton/College Park	6,135,212	1,214,772	19.8%	19.8%	\$22.44	843,873	65,822	7.8%	0	0	31,000
Laurel	2,579,823	245,083	9.5%	9.6%	\$20.32	185,804	41,806	22.5%	0	57,000	62,000
Greenbelt	3,016,041	778,139	25.8%	26.1%	\$21.41	234,096	48,692	20.8%	0	27,000	57,000
Lanham/Landover/Largo	4,944,867	1,162,044	23.5%	23.7%	\$21.42	748,783	56,159	7.5%	75,000	(25,000)	(62,000)
Bowie/Marlboro/South P.G.	4,982,613	692,583	13.9%	13.9%	\$21.38	805,084	91,780	11.4%	93,100	30,000	60,000
Total - Prince George's County	21,658,556	4,092,621	18.9%	19.0%	\$21.57	2,817,640	304,258	10.8%	168,100	89,000	148,000
Frederick County	6,858,268	843,567	12.3%	12.4%	\$22.28	1,783,835	162,329	9.1%	0	15,000	90,000
Total - October 2017	92,491,979	13,532,183	14.6%	15.1%	\$26.76	20,417,542	2,166,185	10.6%	949,824	(109,000)	(154,000)
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		

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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 2017 NET ABSORB. (SF)	JAN. - SEPT. 2017 NET ABSORB. SF
Baltimore Metro Area								
Harford County	23,558,271	1,130,797	4.8%	4.8%	\$6.31	656,800	(188,000)	(471,000)
Baltimore County West	19,234,866	1,192,562	6.2%	6.2%	\$6.57	42,000	449,000	679,000
Baltimore County North	10,576,642	274,993	2.6%	2.9%	\$11.30	0	42,000	42,000
Baltimore County East	29,749,327	2,171,701	7.3%	7.6%	\$3.64	2,710,344	268,000	133,000
Baltimore City	52,957,197	4,342,490	8.2%	8.4%	\$4.11	586,494	53,000	172,000
Columbia	13,327,878	706,378	5.3%	5.7%	\$11.46	0	107,000	93,000
Route 1 North	29,597,425	2,308,599	7.8%	7.9%	\$6.22	219,500	(59,000)	266,000
BWI	28,209,723	2,284,988	8.1%	8.7%	\$5.43	235,750	60,000	230,000
Anne Arundel South	4,476,252	179,050	4.0%	4.0%	\$16.14	0	27,000	85,000
Total - October 2017	211,687,581	14,591,557	6.9%	7.1%	\$6.05	4,450,888	759,000	1,229,000
Total - October 2016	210,252,809	15,592,558	7.4%	7.7%	\$6.10	1,422,146		
Suburban Maryland								
Prince George's County	56,965,126	4,443,280	7.8%	8.5%	\$7.05	308,033	123,000	74,000
Montgomery County	22,353,088	1,922,366	8.6%	9.2%	\$11.92	330,000	0	(28,000)
Frederick County	16,846,326	1,128,704	6.7%	6.9%	\$7.48	180,793	313,000	395,000
Total - October 2017	96,164,540	7,494,349	7.8%	8.4%	\$8.26	818,826	436,000	441,000
Total - October 2016	95,748,182	7,945,923	8.3%	8.5%	\$8.04	680,214		

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.
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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