

# BALTIMORE AREA MARKET WATCH

NOVEMBER 2017

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F\$)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	3,835,382	862,961	22.5%	22.7%	\$22.24	1,646,700	668,560	40.6%	0	(73,000)	10,000
Baltimore County West	13,341,076	1,227,379	9.2%	9.4%	\$19.80	3,380,115	635,462	18.8%	30,000	107,000	160,000
Baltimore County North	16,471,875	1,334,222	8.1%	8.4%	\$20.12	2,017,542	98,860	4.9%	320,000	33,000	199,000
Baltimore County East	2,968,742	439,374	14.8%	14.9%	\$19.65	520,526	130,652	25.1%	0	34,000	11,000
Baltimore CBD	20,035,970	1,843,309	9.2%	9.5%	\$21.36	9,475,511	1,231,816	13.0%	234,891	(20,000)	94,000
Balance of Baltimore City	21,138,321	1,691,066	8.0%	8.3%	\$20.75	6,020,568	349,193	5.8%	76,612	(85,000)	(44,000)
<b>Total - Baltimore North</b>	<b>77,791,366</b>	<b>7,398,311</b>	<b>9.5%</b>	<b>9.8%</b>	<b>\$20.64</b>	<b>23,060,962</b>	<b>3,114,543</b>	<b>13.5%</b>	<b>661,503</b>	<b>(4,000)</b>	<b>430,000</b>
<b>BALTIMORE SOUTH SUBMARKETS</b>											
Columbia	16,006,161	1,344,518	8.4%	8.7%	\$24.91	7,786,250	615,114	7.9%	105,556	48,000	366,000
Route 1 North	1,245,773	211,781	17.0%	17.6%	\$21.36	219,722	90,965	41.4%	0	19,000	27,000
BWI	11,335,264	1,348,896	11.9%	12.8%	\$23.85	5,817,290	506,104	8.7%	0	113,000	169,000
Anne Arundel South	7,349,444	808,439	11.0%	11.6%	\$25.33	1,289,045	194,646	15.1%	229,800	36,000	79,000
<b>Total - Baltimore South</b>	<b>35,936,642</b>	<b>3,713,634</b>	<b>10.3%</b>	<b>11.0%</b>	<b>\$24.54</b>	<b>15,112,307</b>	<b>1,406,829</b>	<b>9.3%</b>	<b>335,356</b>	<b>216,000</b>	<b>641,000</b>
<b>Total - November 2017</b>	<b>113,728,008</b>	<b>11,111,945</b>	<b>9.8%</b>	<b>10.2%</b>	<b>\$21.87</b>	<b>38,173,269</b>	<b>4,521,371</b>	<b>11.8%</b>	<b>996,859</b>	<b>212,000</b>	<b>1,071,000</b>
<b>Total - November 2016</b>	<b>112,234,443</b>	<b>11,276,458</b>	<b>10.0%</b>	<b>10.3%</b>	<b>\$21.60</b>	<b>36,532,778</b>	<b>3,602,138</b>	<b>9.9%</b>	<b>1,992,122</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 (FS)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q3 2017 NET ABSORB. SF	JAN. - SEPT. 2017 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	11,554,840	924,387	8.0%	9.7%	\$38.18	2,419,189	50,803	2.1%	660,000	(161,000)	(243,000)
North Bethesda	10,765,098	2,109,959	19.6%	19.8%	\$28.28	1,345,340	153,369	11.4%	0	(22,000)	(32,000)
Rockville	8,483,331	984,066	11.6%	12.0%	\$29.88	2,978,003	425,854	14.3%	0	17,000	(8,000)
North Rockville	12,380,046	1,956,047	15.8%	16.8%	\$27.37	4,923,319	851,734	17.3%	0	12,000	(82,000)
Gaithersburg	6,386,461	785,535	12.3%	12.6%	\$22.56	1,889,195	28,338	1.5%	0	(13,000)	7,000
Germantown	2,730,085	384,942	14.1%	14.3%	\$24.77	1,102,063	157,595	14.3%	0	(25,000)	5,000
Kensington/Wheaton	1,333,234	370,639	27.8%	27.8%	\$24.26	65,000	12,025	18.5%	0	17,000	11,000
Silver Spring	6,849,072	712,303	10.4%	11.1%	\$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)
<b>Total - Montgomery County</b>	<b>63,975,155</b>	<b>8,566,699</b>	<b>13.4%</b>	<b>14.1%</b>	<b>\$28.99</b>	<b>15,816,067</b>	<b>1,679,718</b>	<b>10.6%</b>	<b>781,724</b>	<b>(213,000)</b>	<b>(392,000)</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,177,961	19.2%	19.2%	\$22.44	843,873	65,822	7.8%	0	0	31,000
Laurel	2,579,823	260,562	10.1%	10.1%	\$20.32	185,804	41,806	22.5%	0	57,000	62,000
Greenbelt	3,016,041	790,203	26.2%	26.5%	\$21.41	234,096	49,160	21.0%	0	27,000	57,000
Lanham/Landover/Largo	4,944,867	1,162,044	23.5%	23.7%	\$21.42	748,783	59,903	8.0%	251,000	(25,000)	(62,000)
Bowie/Marlboro/South P.G.	4,982,613	622,827	12.5%	12.6%	\$21.38	805,084	90,169	11.2%	93,100	30,000	60,000
<b>Total - Prince George's County</b>	<b>21,658,556</b>	<b>4,013,596</b>	<b>18.5%</b>	<b>18.6%</b>	<b>\$21.57</b>	<b>2,817,640</b>	<b>306,860</b>	<b>10.9%</b>	<b>344,100</b>	<b>89,000</b>	<b>148,000</b>
Frederick County	6,858,268	822,992	12.0%	12.1%	\$22.28	1,783,835	162,329	9.1%	0	15,000	90,000
<b>Total - November 2017</b>	<b>92,491,979</b>	<b>13,403,287</b>	<b>14.5%</b>	<b>15.0%</b>	<b>\$26.76</b>	<b>20,417,542</b>	<b>2,148,907</b>	<b>10.5%</b>	<b>1,125,824</b>	<b>(109,000)</b>	<b>(154,000)</b>
<b>Total - November 2016</b>	<b>92,954,119</b>	<b>14,018,713</b>	<b>15.1%</b>	<b>15.6%</b>	<b>\$26.38</b>	<b>20,417,542</b>	<b>2,366,455</b>	<b>11.6%</b>	<b>283,515</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	Q3 2017 NET ABSORB. (SF)	JAN. - SEPT. 2017 NET ABSORB. SF
<b>Baltimore Metro Area</b>								
Harford County	23,558,271	848,098	3.6%	3.6%	\$6.31	656,800	(188,000)	(471,000)
Baltimore County West	19,234,866	1,019,448	5.3%	5.4%	\$6.57	42,000	449,000	679,000
Baltimore County North	10,576,642	338,453	3.2%	3.5%	\$11.30	0	42,000	42,000
Baltimore County East	31,097,351	2,239,009	7.2%	7.6%	\$3.64	1,362,320	268,000	133,000
Baltimore City	52,957,197	4,554,319	8.6%	8.7%	\$4.11	586,494	53,000	172,000
Columbia	13,327,878	626,410	4.7%	5.2%	\$11.46	0	107,000	93,000
Route 1 North	29,597,425	2,249,404	7.6%	7.7%	\$6.22	219,500	(59,000)	266,000
BWI	28,209,723	2,426,036	8.6%	9.3%	\$5.43	235,750	60,000	230,000
Anne Arundel South	4,476,252	188,003	4.2%	4.2%	\$16.14	0	27,000	85,000
<b>Total - November 2017</b>	<b>213,035,605</b>	<b>14,489,180</b>	<b>6.8%</b>	<b>7.0%</b>	<b>\$6.05</b>	<b>3,102,864</b>	<b>759,000</b>	<b>1,229,000</b>
<b>Total - November 2016</b>	<b>210,252,809</b>	<b>15,304,047</b>	<b>7.3%</b>	<b>7.5%</b>	<b>\$6.10</b>	<b>1,422,146</b>		
<b>Suburban Maryland</b>								
Prince George's County	57,060,126	4,336,570	7.6%	8.0%	\$7.05	213,033	123,000	74,000
Montgomery County	22,683,088	1,928,062	8.5%	9.1%	\$11.92	0	0	(28,000)
Frederick County	16,846,326	1,027,626	6.1%	6.3%	\$7.48	180,793	313,000	395,000
<b>Total - November 2017</b>	<b>96,589,540</b>	<b>7,292,258</b>	<b>7.5%</b>	<b>8.0%</b>	<b>\$8.26</b>	<b>393,826</b>	<b>436,000</b>	<b>441,000</b>
<b>Total - November 2016</b>	<b>95,748,182</b>	<b>7,674,432</b>	<b>8.0%</b>	<b>8.2%</b>	<b>\$8.04</b>	<b>734,293</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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