

# BALTIMORE AREA MARKET WATCH

MARCH 2018

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q1 2018 NET ABSORB. SF	YTD 2018 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	901,315	23.5%	23.7%	\$21.56	1,646,700	675,147	41.0%	0	(12,000)	(12,000)
Baltimore County West	13,341,076	1,454,177	10.9%	11.1%	\$20.23	3,380,115	676,023	20.0%	30,000	(13,000)	(13,000)
Baltimore County North	16,471,875	1,515,413	9.2%	9.6%	\$20.65	2,017,542	139,210	6.9%	320,000	(33,000)	(33,000)
Baltimore County East	2,968,742	359,218	12.1%	12.1%	\$19.37	520,526	42,163	8.1%	72,080	0	0
Baltimore CBD	20,035,970	1,943,489	9.7%	9.9%	\$21.15	9,475,511	1,430,802	15.1%	234,891	(80,000)	(80,000)
Balance of Baltimore City	21,138,321	1,817,896	8.6%	9.1%	\$21.25	6,020,568	264,905	4.4%	429,203	(106,000)	(106,000)
<b>Total - Baltimore North</b>	<b>77,791,366</b>	<b>7,991,507</b>	<b>10.3%</b>	<b>10.6%</b>	<b>\$20.86</b>	<b>23,060,962</b>	<b>3,228,250</b>	<b>14.0%</b>	<b>1,086,174</b>	<b>(244,000)</b>	<b>(244,000)</b>
<b>BALTIMORE SOUTH SUBMARKETS</b>											
Columbia	16,006,161	1,344,518	8.4%	8.6%	\$24.90	7,786,250	724,121	9.3%	105,556	(16,000)	(16,000)
Route 1 North	1,245,773	142,018	11.4%	12.0%	\$21.65	219,722	31,201	14.2%	0	65,000	65,000
BWI	11,335,264	1,382,902	12.2%	13.0%	\$23.95	5,817,290	453,749	7.8%	118,614	(11,000)	(11,000)
Anne Arundel South	7,349,444	933,379	12.7%	13.0%	\$24.78	1,289,045	179,177	13.9%	245,757	7,000	7,000
<b>Total - Baltimore South</b>	<b>35,936,642</b>	<b>3,802,817</b>	<b>10.6%</b>	<b>11.0%</b>	<b>\$24.46</b>	<b>15,112,307</b>	<b>1,388,248</b>	<b>9.2%</b>	<b>469,927</b>	<b>45,000</b>	<b>45,000</b>
<b>Total - March 2018</b>	<b>113,728,008</b>	<b>11,794,324</b>	<b>10.4%</b>	<b>10.7%</b>	<b>\$22.00</b>	<b>38,173,269</b>	<b>4,616,498</b>	<b>12.1%</b>	<b>1,556,101</b>	<b>(199,000)</b>	<b>(199,000)</b>
<b>Total - March 2017</b>	<b>113,135,451</b>	<b>11,889,357</b>	<b>10.5%</b>	<b>10.7%</b>	<b>\$21.76</b>	<b>37,593,377</b>	<b>4,325,516</b>	<b>11.5%</b>	<b>1,399,842</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.	Q1 2018 NET ABSORB. SF	YTD 2018 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	11,504,840	713,300	6.2%	7.8%	\$39.03	2,419,189	38,707	1.6%	660,000	69,000	69,000
North Bethesda	10,765,098	1,948,483	18.1%	18.3%	\$28.42	1,345,340	153,369	11.4%	0	65,000	65,000
Rockville	8,483,331	1,077,383	12.7%	12.9%	\$29.57	2,978,003	425,854	14.3%	0	(25,000)	(25,000)
North Rockville	12,380,046	1,931,287	15.6%	16.6%	\$27.76	4,923,319	846,811	17.2%	0	37,000	37,000
Gaithersburg	6,386,461	772,762	12.1%	12.5%	\$22.54	1,889,195	107,684	5.7%	0	32,000	32,000
Germantown	2,730,085	406,783	14.9%	15.1%	\$24.88	1,102,063	148,779	13.5%	0	11,000	11,000
Kensington/Wheaton	1,333,234	355,973	26.7%	26.7%	\$25.10	65,000	12,025	18.5%	0	17,000	17,000
Silver Spring	6,824,072	689,231	10.1%	11.0%	\$28.12	778,420	0	0.0%	121,724	5,000	5,000
N. Silver Spring/Rt. 29	3,492,988	310,876	8.9%	9.0%	\$23.05	315,538	0	0.0%	0	28,000	28,000
<b>Total - Montgomery County</b>	<b>63,900,155</b>	<b>8,206,078</b>	<b>12.8%</b>	<b>13.5%</b>	<b>\$29.22</b>	<b>15,816,067</b>	<b>1,733,229</b>	<b>11.0%</b>	<b>781,724</b>	<b>239,000</b>	<b>239,000</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,233,178	20.1%	20.1%	\$22.70	843,873	59,071	7.0%	0	(6,000)	(6,000)
Laurel	2,579,823	319,898	12.4%	13.0%	\$20.76	185,804	68,747	37.0%	0	(57,000)	(57,000)
Greenbelt	3,016,041	799,251	26.5%	26.6%	\$21.64	234,096	49,160	21.0%	0	(9,000)	(9,000)
Lanham/Landover/Largo	4,944,867	1,236,217	25.0%	25.5%	\$20.88	748,783	55,410	7.4%	251,000	(69,000)	(69,000)
Bowie/Marlboro/South P.G.	4,982,613	697,566	14.0%	14.1%	\$21.23	805,084	111,907	13.9%	93,100	(10,000)	(10,000)
<b>Total - Prince George's County</b>	<b>21,658,556</b>	<b>4,286,109</b>	<b>19.8%</b>	<b>20.0%</b>	<b>\$21.57</b>	<b>2,817,640</b>	<b>344,295</b>	<b>12.2%</b>	<b>344,100</b>	<b>(151,000)</b>	<b>(151,000)</b>
Frederick County	6,858,268	774,984	11.3%	11.3%	\$22.30	1,783,835	181,951	10.2%	0	7,000	7,000
<b>Total - March 2018</b>	<b>92,416,979</b>	<b>13,267,172</b>	<b>14.4%</b>	<b>14.9%</b>	<b>\$26.92</b>	<b>20,417,542</b>	<b>2,259,475</b>	<b>11.1%</b>	<b>1,125,824</b>	<b>95,000</b>	<b>95,000</b>
<b>Total - March 2017</b>	<b>92,492,616</b>	<b>13,305,058</b>	<b>14.4%</b>	<b>14.9%</b>	<b>\$26.73</b>	<b>20,417,542</b>	<b>2,322,181</b>	<b>11.4%</b>	<b>335,346</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	Q1 2018 NET ABSORB. (SF)	ALL OF 2018 NET ABSORB. SF
<b>Baltimore Metro Area</b>								
Harford County	24,215,071	1,864,560	7.7%	7.8%	\$6.35	0	64,000	64,000
Baltimore County West	19,276,866	1,561,426	8.1%	8.1%	\$6.57	0	(269,000)	(269,000)
Baltimore County North	10,576,642	327,876	3.1%	3.6%	\$11.04	0	11,000	11,000
Baltimore County East	31,447,351	2,452,893	7.8%	7.9%	\$3.55	1,012,320	252,000	252,000
Baltimore City	53,435,597	4,648,897	8.7%	8.8%	\$4.01	0	39,000	39,000
Columbia	13,327,878	666,394	5.0%	5.2%	\$10.61	0	40,000	40,000
Route 1 North	29,597,425	2,545,379	8.6%	8.6%	\$6.26	219,500	(207,000)	(207,000)
BWI	28,209,723	2,284,988	8.1%	8.3%	\$5.49	736,150	28,000	28,000
Anne Arundel South	4,476,252	201,431	4.5%	4.5%	\$16.24	0	0	0
<b>Total - March 2018</b>	<b>214,562,805</b>	<b>16,553,844</b>	<b>7.7%</b>	<b>7.8%</b>	<b>\$5.95</b>	<b>1,967,970</b>	<b>(42,000)</b>	<b>(42,000)</b>
<b>Total - March 2017</b>	<b>210,870,479</b>	<b>16,304,580</b>	<b>7.7%</b>	<b>7.9%</b>	<b>\$6.00</b>	<b>2,604,314</b>		
<b>Suburban Maryland</b>								
Prince George's County	57,060,126	4,222,449	7.4%	7.9%	\$7.08	213,033	342,000	342,000
Montgomery County	22,683,088	1,928,062	8.5%	9.0%	\$12.19	0	(69,000)	(69,000)
Frederick County	17,027,119	1,242,980	7.3%	7.4%	\$7.59	109,043	50,000	50,000
<b>Total - March 2018</b>	<b>96,770,333</b>	<b>7,393,491</b>	<b>7.6%</b>	<b>8.1%</b>	<b>\$8.37</b>	<b>322,076</b>	<b>323,000</b>	<b>323,000</b>
<b>Total - March 2017</b>	<b>95,559,360</b>	<b>7,676,271</b>	<b>8.0%</b>	<b>8.3%</b>	<b>\$8.05</b>	<b>734,293</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.  
SOURCE: CoStar, Transwestern

### CONTACT

Elizabeth Norton  
Managing Research Director | Mid-Atlantic  
202.775.7026  
elizabeth.norton@transwestern.com

Claire Whitesell  
Senior Research Associate | Mid-Atlantic  
202.775.7049  
claire.whitesell@transwestern.com

Brandt Scheidemantel  
Research Associate | Mid-Atlantic  
202.775.7048  
brandt.scheidemantel@transwestern.com

### 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.



7160 Columbia Gateway Drive, Suite 210  
Columbia, MD 21046

T 443.285.0770  
www.transwestern.com

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