

# BALTIMORE AREA MARKET WATCH

JUNE 2017

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F\$)	BUILDINGS BUILT 1998-PRESENT			SF UNDER CONSTR.	Q2 2017 NET ABSORB. SF	FIRST HALF 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	820,772	21.4%	21.4%	\$22.28	1,646,700	607,632	36.9%	0	29,000	83,000
Baltimore County West	13,341,076	1,520,883	11.4%	11.6%	\$19.91	3,380,115	669,263	19.8%	0	13,000	53,000
Baltimore County North	16,471,875	1,548,356	9.4%	9.6%	\$20.07	2,017,542	70,614	3.5%	320,000	33,000	166,000
Baltimore County East	2,891,762	387,496	13.4%	13.5%	\$18.93	443,546	64,314	14.5%	76,980	9,000	(23,000)
Baltimore CBD	20,035,970	1,863,345	9.3%	9.5%	\$21.05	9,475,511	1,411,851	14.9%	0	86,000	114,000
Balance of Baltimore City	21,138,321	1,754,481	8.3%	8.5%	\$20.43	6,020,568	282,967	4.7%	0	42,000	40,000
<b>Total - Baltimore North</b>	<b>77,714,386</b>	<b>7,895,333</b>	<b>10.2%</b>	<b>10.3%</b>	<b>\$20.46</b>	<b>22,983,982</b>	<b>3,106,641</b>	<b>13.5%</b>	<b>396,980</b>	<b>212,000</b>	<b>433,000</b>
<b>BALTIMORE SOUTH SUBMARKETS</b>											
Columbia	15,878,161	1,206,740	7.6%	7.9%	\$24.74	7,658,250	582,027	7.6%	228,545	49,000	318,000
Route 1 North	1,245,773	232,960	18.7%	19.2%	\$20.28	219,722	108,103	49.2%	0	0	8,000
BWI	11,335,264	1,677,619	14.8%	15.6%	\$23.86	5,817,290	488,652	8.4%	0	78,000	55,000
Anne Arundel South	7,242,803	811,194	11.2%	11.4%	\$25.37	1,162,545	110,442	9.5%	356,300	7,000	43,000
<b>Total - Baltimore South</b>	<b>35,702,001</b>	<b>3,928,513</b>	<b>11.0%</b>	<b>11.4%</b>	<b>\$24.44</b>	<b>14,857,807</b>	<b>1,289,224</b>	<b>8.7%</b>	<b>584,845</b>	<b>134,000</b>	<b>424,000</b>
<b>Total - June 2017</b>	<b>113,416,387</b>	<b>11,823,845</b>	<b>10.4%</b>	<b>10.7%</b>	<b>\$21.71</b>	<b>37,841,789</b>	<b>4,395,865</b>	<b>11.6%</b>	<b>981,825</b>	<b>346,000</b>	<b>857,000</b>
<b>Total - June 2016</b>	<b>111,364,847</b>	<b>11,319,643</b>	<b>10.2%</b>	<b>10.4%</b>	<b>\$21.63</b>	<b>35,599,782</b>	<b>3,629,589</b>	<b>10.2%</b>	<b>1,957,008</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.	Q2 2017 NET ABSORB. SF	FIRST HALF 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	11,654,099	862,403	7.4%	9.0%	\$38.08	2,419,189	87,091	3.6%	0	(82,000)	(82,000)
North Bethesda	10,765,098	2,013,073	18.7%	18.9%	\$28.27	1,345,340	156,059	11.6%	0	43,000	(11,000)
Rockville	8,483,331	1,077,383	12.7%	13.0%	\$29.71	2,978,003	440,744	14.8%	0	(76,000)	(25,000)
North Rockville	12,380,046	2,030,328	16.4%	17.9%	\$26.98	4,923,319	886,197	18.0%	0	(62,000)	(95,000)
Gaithersburg	6,386,461	766,375	12.0%	12.0%	\$22.35	1,889,195	94,460	5.0%	0	0	20,000
Germantown	2,730,085	384,942	14.1%	14.2%	\$24.78	1,102,063	166,412	15.1%	0	5,000	30,000
Kensington/Wheaton	1,333,234	363,973	27.3%	27.4%	\$24.80	65,000	11,570	17.8%	0	(9,000)	(7,000)
Silver Spring	6,849,072	671,209	9.8%	10.1%	\$28.11	778,420	3,892	0.5%	121,724	(5,000)	15,000
N. Silver Spring/Rt. 29	3,492,988	335,327	9.6%	9.9%	\$23.80	315,538	0	0.0%	0	(28,000)	(28,000)
<b>Total - Montgomery County</b>	<b>64,074,414</b>	<b>8,505,013</b>	<b>13.3%</b>	<b>14.0%</b>	<b>\$28.30</b>	<b>15,816,067</b>	<b>1,846,425</b>	<b>11.7%</b>	<b>121,724</b>	<b>(214,000)</b>	<b>(183,000)</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,257,718	20.5%	20.5%	\$22.27	843,873	75,105	8.9%	0	(43,000)	31,000
Laurel	2,579,823	314,738	12.2%	12.2%	\$20.30	185,804	41,806	22.5%	0	8,000	5,000
Greenbelt	3,016,041	844,491	28.0%	28.1%	\$21.31	234,096	46,351	19.8%	0	15,000	30,000
Lanham/Landover/Largo	4,944,867	1,137,319	23.0%	23.1%	\$21.51	748,783	59,903	8.0%	0	(38,000)	(38,000)
Bowie/Marlboro/South P.G.	4,982,613	727,461	14.6%	14.6%	\$22.82	805,084	112,712	14.0%	0	10,000	30,000
<b>Total - Prince George's County</b>	<b>21,658,556</b>	<b>4,281,729</b>	<b>19.8%</b>	<b>19.8%</b>	<b>\$21.83</b>	<b>2,817,640</b>	<b>335,876</b>	<b>11.9%</b>	<b>0</b>	<b>(48,000)</b>	<b>58,000</b>
Frederick County	6,810,541	810,454	11.9%	12.0%	\$21.97	1,783,835	169,464	9.5%	47,727	20,000	75,000
<b>Total - June 2017</b>	<b>92,543,511</b>	<b>13,597,197</b>	<b>14.7%</b>	<b>15.2%</b>	<b>\$26.76</b>	<b>20,417,542</b>	<b>2,351,766</b>	<b>11.5%</b>	<b>169,451</b>	<b>(242,000)</b>	<b>(50,000)</b>
<b>Total - June 2016</b>	<b>92,954,119</b>	<b>14,463,558</b>	<b>15.6%</b>	<b>16.0%</b>	<b>\$26.51</b>	<b>20,417,542</b>	<b>2,402,161</b>	<b>11.8%</b>	<b>248,903</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 2017 NET ABSORB. (SF)	FIRST HALF 2017 NET ABSORB. SF
<b>Baltimore Metro Area</b>								
Harford County	23,558,271	1,248,588	5.3%	5.3%	\$6.20	656,800	(94,000)	(283,000)
Baltimore County West	19,164,186	1,667,284	8.7%	8.7%	\$6.63	70,680	192,000	230,000
Baltimore County North	10,576,642	327,876	3.1%	3.1%	\$11.25	0	11,000	0
Baltimore County East	29,749,327	2,498,943	8.4%	8.4%	\$3.57	2,315,524	275,000	(135,000)
Baltimore City	52,957,197	4,289,533	8.1%	8.3%	\$4.19	586,000	227,000	119,000
Columbia	13,327,878	839,656	6.3%	6.5%	\$10.35	0	13,000	(13,000)
Route 1 North	29,597,425	2,367,794	8.0%	8.0%	\$6.19	0	266,000	326,000
BWI	28,113,483	2,417,760	8.6%	9.0%	\$5.51	90,240	197,000	170,000
Anne Arundel South	4,476,252	188,003	4.2%	4.2%	\$15.89	0	22,000	58,000
<b>Total - June 2017</b>	<b>211,520,661</b>	<b>15,845,437</b>	<b>7.5%</b>	<b>7.6%</b>	<b>\$5.99</b>	<b>3,719,244</b>	<b>1,109,000</b>	<b>472,000</b>
<b>Total - June 2016</b>	<b>210,601,570</b>	<b>16,873,035</b>	<b>8.0%</b>	<b>8.2%</b>	<b>\$6.07</b>	<b>1,143,016</b>		
<b>Suburban Maryland</b>								
Prince George's County	56,893,126	4,779,023	8.4%	9.0%	\$6.93	167,000	(84,000)	(48,000)
Montgomery County	22,353,088	1,922,366	8.6%	8.8%	\$11.65	0	67,000	(28,000)
Frederick County	16,654,326	1,265,729	7.6%	7.8%	\$7.36	323,293	67,000	83,000
<b>Total - June 2017</b>	<b>95,900,540</b>	<b>7,967,117</b>	<b>8.3%</b>	<b>8.7%</b>	<b>\$8.11</b>	<b>490,293</b>	<b>50,000</b>	<b>7,000</b>
<b>Total - June 2016</b>	<b>95,567,497</b>	<b>7,916,209</b>	<b>8.3%</b>	<b>8.3%</b>	<b>\$7.95</b>	<b>827,685</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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