

# BALTIMORE AREA MARKET WATCH

SEPTEMBER 2016

## Office Space

SUBMARKET	ALL OFFICE BUILDINGS				ASKING RENT (F5)	BUILDINGS BUILT 1998--PRESENT			SF UNDER CONSTR.	Q3 2016 NET ABSORB. SF	JAN. - SEPT. 2016 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	3,787,302	836,994	22.1%	25.1%	\$22.73	1,646,700	594,459	36.1%	0	1,000	49,000
Baltimore County West	13,149,076	1,354,355	10.3%	10.5%	\$19.79	3,188,115	516,475	16.2%	192,000	93,000	185,000
Baltimore County North	16,342,276	1,552,516	9.5%	9.7%	\$20.48	1,887,943	45,311	2.4%	0	(16,000)	(24,000)
Baltimore County East	2,891,762	361,470	12.5%	12.5%	\$18.90	443,546	62,984	14.2%	0	9,000	37,000
Baltimore CBD	20,190,451	2,019,045	10.0%	10.0%	\$20.88	9,475,511	1,411,851	14.9%	0	85,000	25,000
Balance of Baltimore City	20,318,485	1,686,434	8.3%	8.4%	\$20.18	5,238,232	188,576	3.6%	759,836	39,000	182,000
<b>Total - Baltimore North</b>	<b>76,679,352</b>	<b>7,810,814</b>	<b>10.2%</b>	<b>10.4%</b>	<b>\$20.59</b>	<b>21,880,047</b>	<b>2,819,655</b>	<b>12.9%</b>	<b>951,836</b>	<b>211,000</b>	<b>454,000</b>
<b>BALTIMORE SOUTH SUBMARKETS</b>											
Columbia	15,269,749	1,053,613	6.9%	7.2%	\$23.87	7,049,838	366,592	5.2%	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	1,261,705	11.3%	12.1%	\$25.03	5,673,290	368,764	6.5%	244,000	25,000	(97,000)
Anne Arundel South	7,266,703	901,071	12.4%	12.6%	\$24.03	1,162,545	99,979	8.6%	0	44,000	93,000
<b>Total - Baltimore South</b>	<b>34,847,755</b>	<b>3,337,841</b>	<b>9.6%</b>	<b>10.0%</b>	<b>\$24.21</b>	<b>14,005,395</b>	<b>844,912</b>	<b>6.0%</b>	<b>912,412</b>	<b>123,000</b>	<b>231,000</b>
<b>Total - September 2016</b>	<b>111,527,107</b>	<b>11,148,655</b>	<b>10.0%</b>	<b>10.3%</b>	<b>\$21.60</b>	<b>35,885,442</b>	<b>3,664,567</b>	<b>10.2%</b>	<b>1,864,248</b>	<b>334,000</b>	<b>685,000</b>
<b>Total - September 2015</b>	<b>111,304,033</b>	<b>11,782,574</b>	<b>10.6%</b>	<b>10.7%</b>	<b>\$21.48</b>	<b>35,301,882</b>	<b>3,485,404</b>	<b>9.9%</b>	<b>1,652,146</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

# BALTIMORE AREA MARKET WATCH

SEPTEMBER 2016

## 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 <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	839,095	7.2%	7.9%	\$38.20	2,419,189	87,091	3.6%	0	(23,000)	186,000
North Bethesda	10,765,098	2,174,550	20.2%	20.5%	\$28.74	1,345,340	154,714	11.5%	0	(11,000)	129,000
Rockville	8,483,331	1,094,350	12.9%	13.2%	\$28.97	2,978,003	491,370	16.5%	0	51,000	144,000
North Rockville	12,448,549	2,029,113	16.3%	17.6%	\$26.37	4,923,319	713,881	14.5%	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%	16.2%	\$24.81	1,102,063	198,371	18.0%	0	25,000	35,000
Kensington/Wheaton	1,333,234	365,306	27.4%	27.5%	\$23.80	65,000	7,605	11.7%	0	0	0
Silver Spring	6,832,266	642,233	9.4%	9.5%	\$27.28	778,420	10,119	1.3%	16,806	(34,000)	(48,000)
N. Silver Spring/Rt. 29	3,492,988	321,355	9.2%	9.7%	\$23.61	315,538	0	0.0%	0	7,000	80,000
<b>Total - Montgomery County</b>	<b>64,519,111</b>	<b>9,090,541</b>	<b>14.1%</b>	<b>14.7%</b>	<b>\$27.66</b>	<b>15,816,067</b>	<b>1,782,172</b>	<b>11.3%</b>	<b>16,806</b>	<b>(70,000)</b>	<b>139,000</b>
<b>PRINCE GEORGE'S COUNTY SUBMARKETS</b>											
Beltsville/Calverton/College Park	6,135,212	1,300,665	21.2%	21.6%	\$20.49	843,873	70,885	8.4%	0	(18,000)	(61,000)
Laurel	2,579,823	330,217	12.8%	13.1%	\$18.77	185,804	45,894	24.7%	0	(15,000)	(36,000)
Greenbelt	3,016,041	1,028,470	34.1%	34.1%	\$21.84	234,096	46,351	19.8%	0	(33,000)	(109,000)
Lanham/Landover/Largo	4,910,778	1,070,550	21.8%	22.0%	\$21.42	748,783	78,622	10.5%	34,089	49,000	329,000
Bowie/Marlboro/South P.G.	4,982,613	767,322	15.4%	15.6%	\$22.33	805,084	135,254	16.8%	0	(30,000)	(149,000)
<b>Total - Prince George's County</b>	<b>21,624,467</b>	<b>4,497,224</b>	<b>20.8%</b>	<b>21.0%</b>	<b>\$21.20</b>	<b>2,817,640</b>	<b>377,006</b>	<b>13.4%</b>	<b>34,089</b>	<b>(47,000)</b>	<b>(26,000)</b>
Frederick County	6,810,541	953,476	14.0%	14.1%	\$21.47	1,783,835	240,818	13.5%	232,620	41,000	89,000
<b>Total - September 2016</b>	<b>92,954,119</b>	<b>14,541,241</b>	<b>15.6%</b>	<b>16.1%</b>	<b>\$26.38</b>	<b>20,417,542</b>	<b>2,399,996</b>	<b>11.8%</b>	<b>283,515</b>	<b>(76,000)</b>	<b>202,000</b>
<b>Total - September 2015</b>	<b>92,772,740</b>	<b>14,468,764</b>	<b>15.6%</b>	<b>16.3%</b>	<b>\$25.68</b>	<b>20,157,992</b>	<b>2,586,772</b>	<b>12.8%</b>	<b>533,245</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

# BALTIMORE AREA MARKET WATCH

SEPTEMBER 2016

## 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 2016 NET ABSORB. (SF)	JAN. - SEPT. 2016 NET ABSORB. SF
<b>Baltimore Metro Area</b>								
Harford County	23,558,271	1,672,637	7.1%	7.1%	\$5.94	0	118,000	377,000
Baltimore County West	19,164,186	1,801,433	9.4%	9.4%	\$6.61	0	(96,000)	(77,000)
Baltimore County North	10,576,642	349,029	3.3%	3.3%	\$11.35	0	21,000	0
Baltimore County East	29,288,747	2,899,586	9.9%	10.0%	\$3.76	306,016	79,000	669,000
Baltimore City	52,807,595	4,013,377	7.6%	7.7%	\$4.60	474,100	2,000	370,000
Columbia	13,327,878	866,312	6.5%	6.9%	\$10.06	0	(27,000)	187,000
Route 1 North	29,277,425	2,517,859	8.6%	9.5%	\$6.49	160,000	29,000	481,000
BWI	27,775,813	2,222,065	8.0%	8.4%	\$5.69	427,910	(155,000)	(42,000)
Anne Arundel South	4,476,252	237,241	5.3%	5.4%	\$13.91	0	(27,000)	(4,000)
<b>Total - August 2016</b>	<b>210,252,809</b>	<b>16,579,540</b>	<b>7.9%</b>	<b>8.1%</b>	<b>\$6.10</b>	<b>1,368,026</b>	<b>(56,000)</b>	<b>1,961,000</b>
<b>Total - August 2015</b>	<b>209,264,669</b>	<b>18,553,671</b>	<b>8.9%</b>	<b>9.0%</b>	<b>\$5.86</b>	<b>1,298,425</b>		
<b>Suburban Maryland</b>								
Prince George's County	56,547,849	4,580,376	8.1%	8.3%	\$7.00	411,000	282,000	879,000
Montgomery County	22,383,832	1,835,474	8.2%	8.2%	\$11.29	0	(14,000)	28,000
Frederick County	16,739,287	1,155,011	6.9%	7.0%	\$7.23	269,214	180,000	912,000
<b>Total - September 2016</b>	<b>95,670,968</b>	<b>7,570,861</b>	<b>7.9%</b>	<b>8.0%</b>	<b>\$8.04</b>	<b>680,214</b>	<b>448,000</b>	<b>1,819,000</b>
<b>Total - September 2015</b>	<b>94,103,207</b>	<b>8,567,980</b>	<b>9.1%</b>	<b>9.5%</b>	<b>\$7.83</b>	<b>1,194,800</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

Ben Fish  
Senior Research Associate | Mid-Atlantic  
202.775.7048  
ben.fish@transwestern.com

Mallory Cason  
Research Associate | Mid-Atlantic  
202.775.7049  
mallory.cason@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