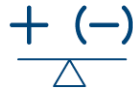


BALTIMORE METRO AREA

INDUSTRIAL MARKET | Q1 2025



226.6 MSF
Inventory



(241,000) SF
Net Absorption



6.0%
Direct Vacancy



7.0%
Overall Vacancy



3.1 MSF
Under Construction



\$12.02 PSF
Asking Rent



Industrial market retracts to start 2025

Market Observations

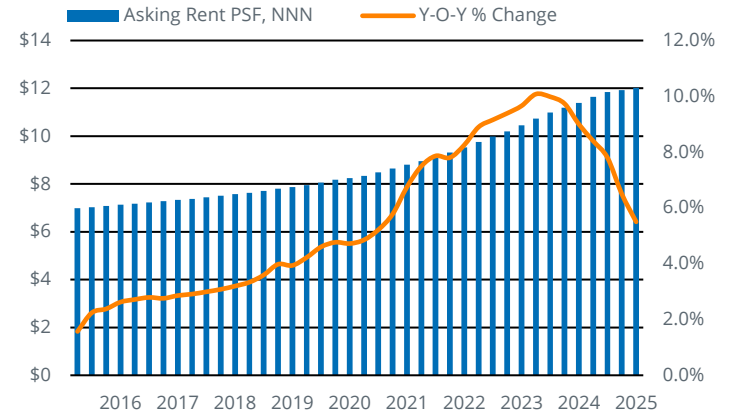
- The industrial market contracted during the first quarter of 2025, with negative 241,000 SF in net absorption, bringing the year-over-year net absorption to negative 55,000 SF.
- The vacancy rate sits at a low rate of 6.0%, although up 20-basis points this quarter. The rate will more than likely fluctuate in the near term as demand remains elevated and more construction projects deliver.
- Dragging demand this quarter were a handful of move-outs. The most notable move-out was Howard County vacating 62,336 SF at 9100 Guilford Road in Columbia. Another notable one in Columbia was EventEQ leaving 7077-7081 Oakland Mills Road.
- Helping to offset these move-outs were a handful of notable lease transactions. BTR Capital Group leasing 76,200 SF at 5200 Glen Arm Road in Baltimore County East. EventEQ also took 74,000 SF at 9525 Berger Road in Columbia.
- Asking rents increased during the quarter, rising 80-basis points to \$12.02 PSF in March 2025. Year-over-year, rents are up 5.5%.
- Industrial fundamentals remain strong, but demand will likely oscillate over the next several quarters, as the market normalizes. The vacancy rate should remain low enough during 2025 to push rents up, albeit at a decelerating pace.



BALTIMORE METRO AREA INDUSTRIAL MARKET | Q1 2025

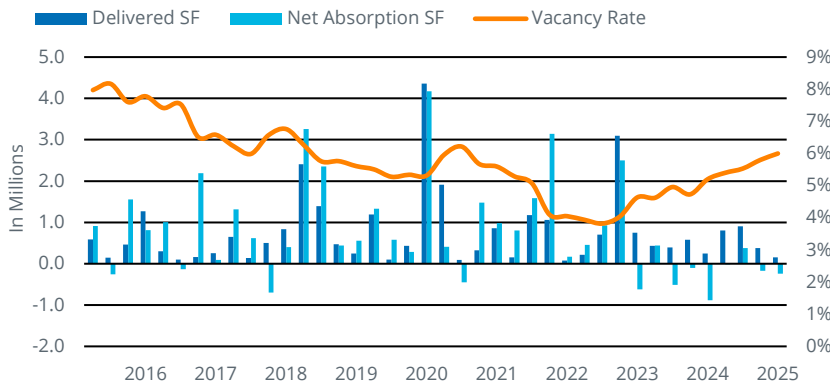
- Net absorption** totaled negative 241,000 SF during the first quarter of 2025, with year-over-year totaling negative 55,000 SF, which is the worst absorption since the first quarter of 2024.
- The **direct vacancy** rate remained low but rose to 6.0%. This is the highest vacancy rate since the third quarter of 2020 when it was 6.2%. Baltimore County North holds the lowest vacancy rate at 3.1%, up 10 basis points from last quarter. The highest rate is Baltimore County West at 8.9%, down 10 basis points from last quarter, but up from 8.6% one year ago.
- Asking rents** increased during the quarter, rising 80 basis points to \$12.02 PSF in March 2025. Year-over-year, rents are up 5.5%. Howard County and Route 1 North both experienced healthy rent gains, each at 6.3% year-over-year.
- There is 3.1 million SF **under construction** at 70% pre-leased. The most notable project is 1365 Sparrows Point Boulevard in Baltimore County East which will add 1.3 million SF when it delivers by December 2025. This project is currently 100% pre-leased with Floor & Décor taking the whole complex.

ASKING RENT



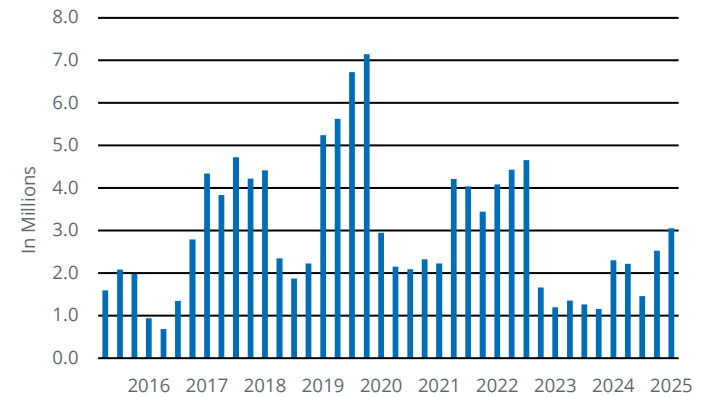
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



BALTIMORE METRO AREA INDUSTRIAL MARKET | Q1 2025

MARKET INDICATORS TABLE

All Product Types | Q1 2025

PRODUCT TYPE	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL VACANCY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, NNN
Flex	2,299,607	114,520	5.0%	5.0%	0	3,000	46,000	\$13.50
Warehouse	26,526,330	1,485,947	5.6%	8.4%	468,033	105,000	345,000	\$10.60
Harford County	28,825,937	1,600,467	5.6%	8.2%	468,033	108,000	391,000	\$10.90
Flex	7,578,857	563,978	7.4%	7.6%	0	35,000	69,000	\$12.91
Warehouse	10,786,208	1,063,786	9.9%	9.9%	0	(16,000)	(112,000)	\$11.30
Baltimore County West	18,365,065	1,627,764	8.9%	8.9%	0	19,000	(43,000)	\$12.05
Flex	4,696,353	139,632	3.0%	3.1%	0	(8,000)	29,000	\$14.85
Warehouse	4,967,300	161,427	3.2%	3.4%	0	(7,000)	74,000	\$15.94
Baltimore County North	9,663,653	301,059	3.1%	3.3%	0	(15,000)	103,000	\$15.29
Flex	4,137,628	193,714	4.7%	4.7%	0	6,000	108,000	\$13.05
Warehouse	35,458,151	1,926,750	5.4%	6.9%	1,997,523	64,000	322,000	\$10.78
Baltimore County East	39,595,779	2,120,464	5.4%	6.7%	1,997,523	70,000	430,000	\$11.05
Flex	4,648,646	284,176	6.1%	6.9%	0	(5,000)	(26,000)	\$11.82
Warehouse	46,436,482	2,635,383	5.7%	6.7%	27,000	(175,000)	(336,000)	\$9.66
Baltimore City	51,085,128	2,919,559	5.7%	6.7%	27,000	(180,000)	(162,000)	\$9.91
Flex	7,660,912	296,249	3.9%	3.9%	0	(31,000)	15,000	\$16.58
Warehouse	5,102,322	450,135	8.8%	8.8%	0	(28,000)	225,000	\$11.60
Columbia	12,763,234	746,384	5.8%	5.8%	0	(59,000)	240,000	\$14.66
Flex	2,914,770	105,678	3.6%	5.7%	0	(66,000)	(47,000)	\$12.98
Warehouse	27,604,748	2,054,339	7.4%	7.8%	0	(74,000)	(997,000)	\$13.06
Route 1 North	30,519,518	2,160,017	7.1%	7.6%	0	(140,000)	(1,044,000)	\$13.05
Flex	8,367,870	586,481	7.0%	7.2%	0	(2,000)	64,000	\$13.78
Warehouse	22,196,832	1,463,759	6.6%	7.1%	563,486	(49,000)	70,000	\$13.33
BWI	30,564,702	2,050,240	6.7%	7.1%	563,486	(51,000)	134,000	\$13.45
Flex	3,838,126	161,950	4.2%	4.4%	0	7,000	96,000	\$17.40
Warehouse	1,358,165	3,000	0.2%	0.2%	0	0	0	\$16.55
Anne Arundel South	5,196,291	164,950	3.2%	3.3%	0	7,000	96,000	\$17.15
Flex	46,142,769	2,446,378	5.3%	5.6%	0	(61,000)	354,000	\$14.16
Warehouse	180,436,538	11,244,526	6.2%	7.3%	3,056,042	(180,000)	(409,000)	\$16.55
Total	226,579,307	13,690,904	6.0%	7.0%	3,056,042	(241,000)	(55,000)	\$12.02

Source: CoStar, Transwestern



BALTIMORE METRO AREA INDUSTRIAL MARKET | Q1 2025

Research methodology

The information in this report is the result of a compilation of information on flex and industrial properties located in the Baltimore metro area. This report includes single tenant, multi-tenant and owner-user properties 15,000 SF and larger, excluding data centers, biotech, and properties owned by a government agency.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern

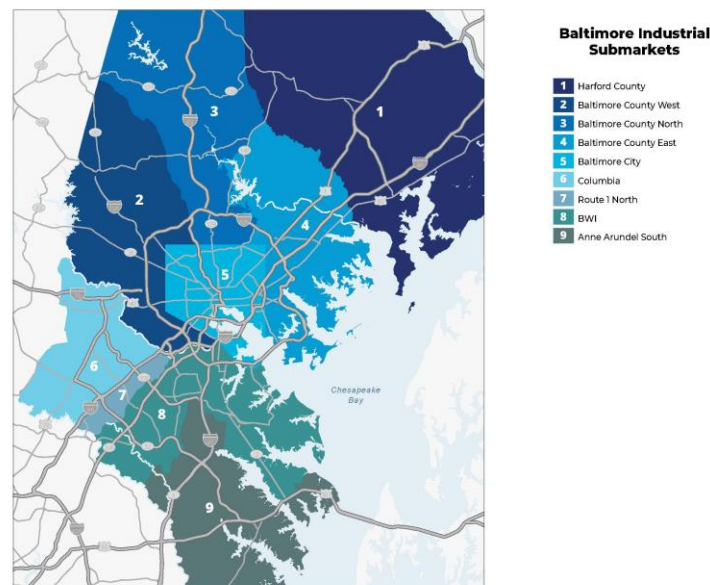
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