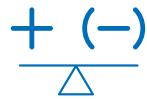


BALTIMORE METRO AREA

OFFICE MARKET | Q1 2025



104.1 MSF
Inventory



102,767 SF
Net Absorption



11.9%
Direct Vacancy



17.2%
Total Availability



220,564 SF
Under Construction



\$24.16 PSF
Asking Rent

Office market stabilizes with pre-leased delivery

Market Observations

- The office market expanded during the first quarter of 2025, with positive 102,767 SF in net absorption, bringing the year-over-year net absorption to positive 295,803 SF.
- During the quarter, the direct vacant available rate increased 30 basis points to 11.9% and is up from 90 basis points one year ago.
- A pre-leased delivery boosted absorption during the quarter. T. Rowe Price moved into their new 550,000 SF headquarters at 1307 Point Street in the Balance of Baltimore CBD. However, this was offset as the same financial firm vacated 100 E Pratt Street in the Baltimore CBD.
- Another notable lease was COPT Defense leasing 48,100 SF at 6841 Benjamin Franklin Drive in Columbia.
- Although hybrid is likely here to stay, return to office mandates, particularly for the Federal Government, should move the average days in office higher in 2025.
- Uncertainty surrounding the impact of DOGE on the greater metro area is apparent and will resonate throughout 2025, as layoffs and lease terminations occur. The uncertainty will likely penetrate the private sector due to the impact to federal contractors in our region.

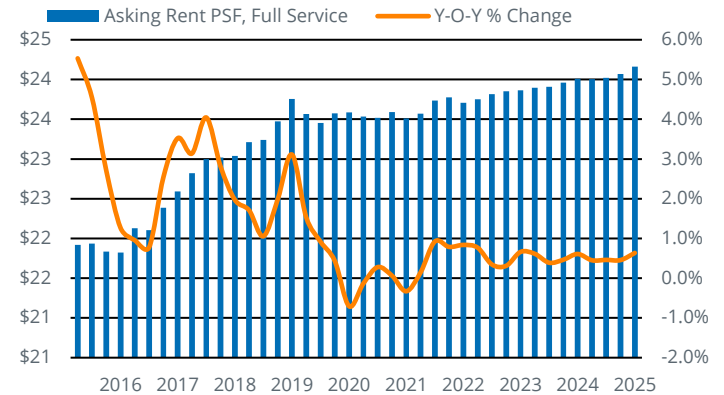




BALTIMORE METRO AREA OFFICE MARKET | Q1 2025

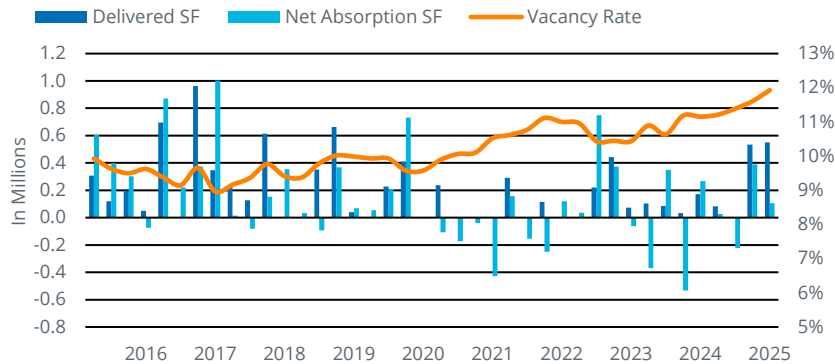
- Direct vacant available rate** was 11.9% at March 2025. Total availability, which is space being marketed, was 17.2%. Balance of Baltimore recorded a vacancy rate of 8.9%, marking a 50-basis point decrease this quarter influenced by positive absorption of 599,542 SF.
- Net absorption** totaled positive 102,767 SF during the first quarter of 2025. The Balance of Baltimore submarket led the way, while the Baltimore CBD posted negative absorption of 439,246 SF, all created by T. Rowe Price's move into their new headquarters.
- Full-service rents** averaged \$24.16 PSF at March 2025, up 40 basis points during the quarter and up 60 basis points year-over-year. The BWI submarket had the highest rents at \$29.55 PSF, followed up by Anne Arundel South at \$26.19 PSF.
- Construction pipeline** in Baltimore totaled 220,564 SF at March 2025. One project totaling 550,000 SF delivered this quarter and was 100% pre-leased. No other projects were added to the pipeline. The most notable project is 400 National Business Parkway, a 137,985 SF building for COPT in the BWI submarket.

ASKING RENT



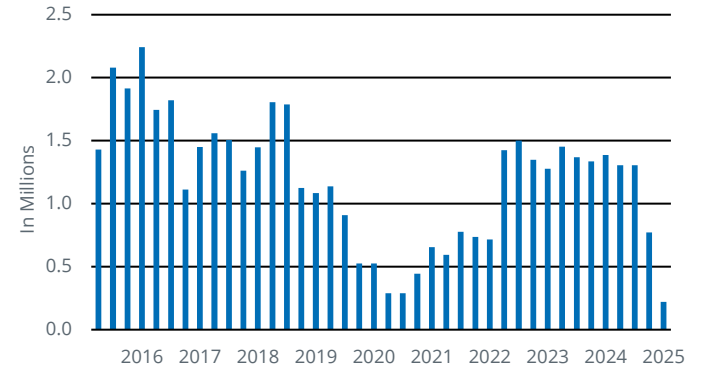
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



BALTIMORE METRO AREA OFFICE MARKET | Q1 2025

MARKET INDICATORS TABLE

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT AVAILABLE SF	DIRECT VACANT AVAILABLE RATE	TOTAL AVAILABILITY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	Y-O-Y NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Harford County	2,328,188	547,889	23.5%	28.1%	0	(17,670)	(24,500)	\$23.10
Baltimore County West	10,019,401	1,516,874	15.1%	21.6%	0	(99,935)	(163,883)	\$23.26
Baltimore County North	14,812,782	2,128,905	14.4%	20.9%	0	(3,254)	(249,904)	\$22.15
Baltimore County East	2,620,513	292,834	11.2%	15.3%	0	(9,974)	36,094	\$19.73
Baltimore CBD	16,925,040	2,494,476	14.7%	17.7%	0	(439,246)	(280,674)	\$23.09
Balance of Baltimore City	23,636,758	2,092,216	8.9%	13.5%	82,579	599,542	924,958	\$23.73
Columbia	15,224,957	1,906,551	12.5%	20.6%	0	108,522	106,342	\$25.51
Route 1 North	1,190,660	84,671	7.1%	16.6%	0	1,724	11,816	\$22.70
BWI	11,428,956	871,638	7.6%	12.1%	137,985	(72,584)	(160,726)	\$29.55
Anne Arundel South	5,957,642	487,956	8.2%	11.7%	0	35,642	96,280	\$26.19
Total	104,144,897	12,424,010	11.9%	17.2%	220,564	102,767	295,803	\$24.16

Source: CoStar, Transwestern

To continually improve the content provided to our clients, starting at Q1 2025, Transwestern Research has revised its office methodology which may shift current and historical data in our market reporting. Please reach out to the research contact(s) noted in this report with any questions.



BALTIMORE METRO AREA OFFICE MARKET | Q1 2025

Research Methodology

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

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

For more information

Elizabeth Norton

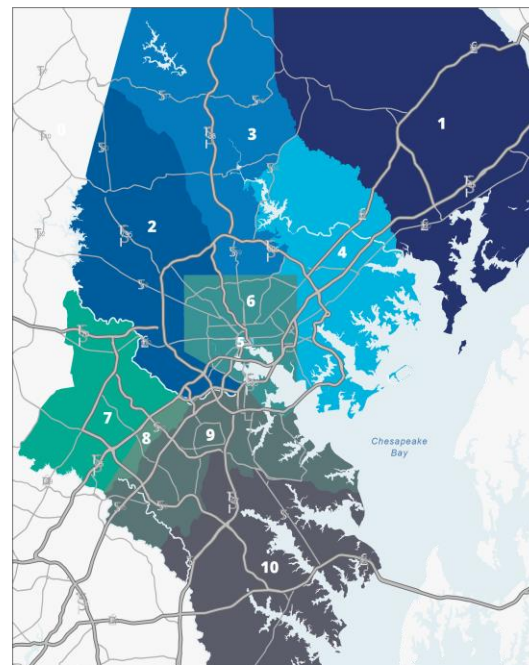
Senior Managing Research Director
Research Services
Elizabeth.Norton@transwestern.com
202.775.7026

Colin Chapman

Research Analyst | Research Services
Colin.Chapman@transwestern.com
202.778.3105

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Baltimore Office Submarkets

- 1 Harford County
- 2 Baltimore County West
- 3 Baltimore County North
- 4 Baltimore County East
- 5 Baltimore CBD
- 6 Balance of Baltimore City
- 7 Columbia
- 8 BWI Howard County/Route 1 North
- 9 BWI
- 10 Anne Arundel South