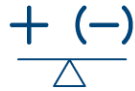


# BALTIMORE METRO AREA

## INDUSTRIAL MARKET | Q2 2025



**227.0 MSF**  
Inventory



**(110,000) SF**  
Net Absorption



**6.5%**  
Direct Vacancy



**7.5%**  
Overall Vacancy



**2.9 MSF**  
Under Construction



**\$12.10 PSF**  
Asking Rent

### Industrial Market Contracts for Third Straight Quarter

#### Market Observations

- The industrial market retracted during the second quarter of 2025, with negative 110,000 SF in net absorption, bringing the year-over-year net absorption to negative 146,000 SF.
- The vacancy rate elevated to 6.5%, up 50-basis points this quarter. The rate will likely fluctuate in the near term as select construction projects deliver with limited pre-leasing in place.
- Scaling back demand this quarter were a handful of move-outs. The most notable was at 8411 Kelso Drive, where Mako Freight vacated 274,821 SF in Baltimore County East. Another was in Baltimore City where Barton Cotton vacated 3030 Waterview Avenue for 246,635 SF.
- Some notable leases and deliveries occurred over the quarter which help protect absorption. 7300 Corporate Center, a 228,014 SF pre-leased building, delivered this quarter in BWI with Elite Spice occupying the campus. Poole & Kent signed for 150,225 SF at 4625 Hollins Ferry Road in Baltimore County West.
- Industrial fundamentals remain healthy, but demand will likely oscillate over the next several quarters, as the market reacts to economic uncertainty. Regardless, the vacancy rate should remain low enough during 2025 to push rents up, albeit at a decelerating pace.

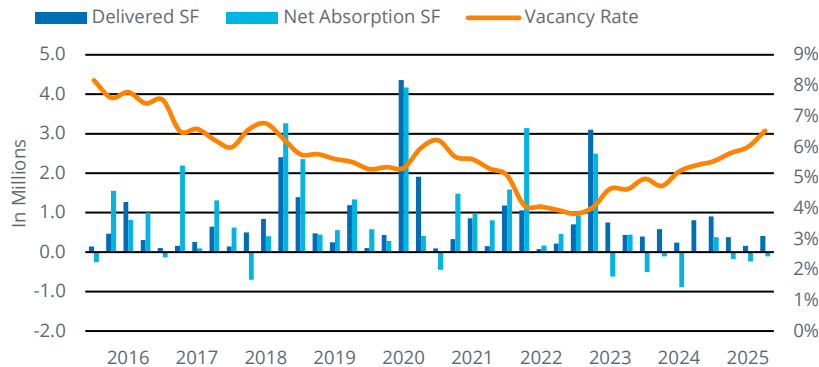




# BALTIMORE METRO AREA INDUSTRIAL MARKET | Q2 2025

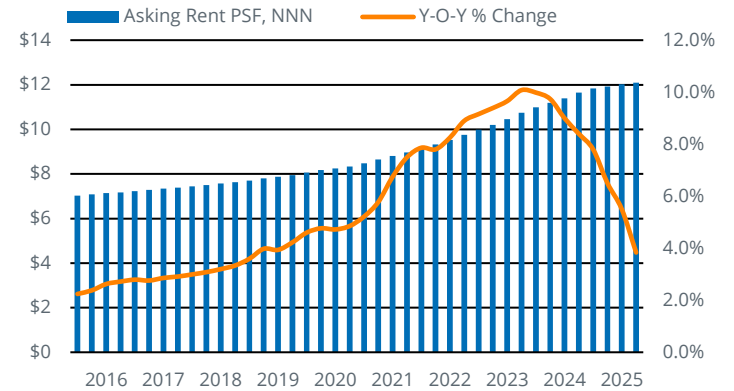
- Net absorption** totaled negative 110,000 SF during the second quarter of 2025, with year-over-year totaling negative 146,000 SF. Despite the negative net absorption, select submarkets, such as BWI were positive due to pre-leased deliveries.
- The **direct vacancy** rate rose to 6.5%. The vacancy rate has been gradually rising since the third quarter of 2022 when it bottomed out at 3.8%. Baltimore County North holds the lowest vacancy rate at 2.8%, down 30 basis points from last quarter. The highest rate is Baltimore County West at 9.0%, up 10 basis points from last quarter.
- Asking rents** increased during the quarter, rising 70 basis points to \$12.10 PSF in June 2025. Year-over-year, rents are up 3.8%, which is still healthy, but a deceleration compared to the peak 10% growth in 2023. Harford County experienced the largest increase in rent gains this quarter, rising 4.1% year-over-year.
- There is 2.9 million SF **under construction** at 61% pre-leased. The most notable project is 1.3 million SF at 1365 Sparrows Point Boulevard in Baltimore County East. This project is currently 100% pre-leased with Floor & Décor taking the whole complex.

## DELIVERY IMPACT ON KEY INDICATORS



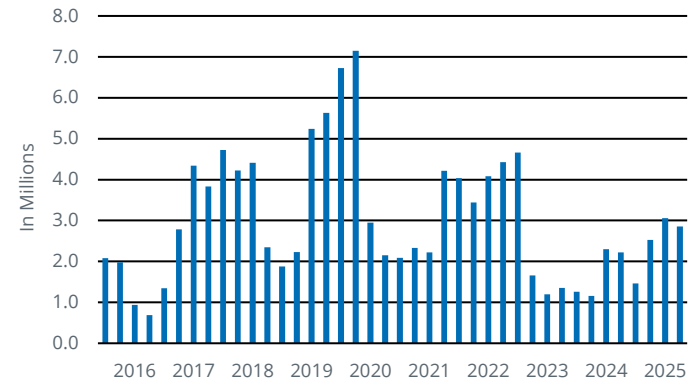
Source: CoStar, Transwestern

## ASKING RENT



Source: CoStar, Transwestern

## UNDER CONSTRUCTION



Source: CoStar, Transwestern



# BALTIMORE METRO AREA INDUSTRIAL MARKET | Q2 2025

## MARKET INDICATORS TABLE

All Product Types | Q2 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	110,470	4.8%	4.8%	0	4,000	39,000	\$13.60
Warehouse	26,594,330	1,561,979	5.9%	8.9%	319,814	(8,000)	146,000	\$10.67
Harford County	28,893,937	1,672,449	5.8%	8.6%	319,814	(4,000)	185,000	\$10.98
Flex	7,578,857	619,706	8.2%	8.6%	0	(55,000)	18,000	\$13.01
Warehouse	10,786,208	1,024,634	9.5%	9.5%	0	39,000	(64,000)	\$11.36
Baltimore County West	18,365,065	1,644,340	9.0%	9.1%	0	(16,000)	(46,000)	\$12.13
Flex	4,696,353	128,758	2.7%	2.7%	0	11,000	16,000	\$14.97
Warehouse	4,967,300	143,242	2.9%	3.1%	0	18,000	8,000	\$16.00
Baltimore County North	9,663,653	272,000	2.8%	2.9%	0	29,000	24,000	\$15.38
Flex	4,137,628	222,308	5.4%	6.0%	0	(10,000)	118,000	\$13.15
Warehouse	35,458,151	2,777,106	7.8%	9.3%	2,112,523	(250,000)	148,000	\$10.85
Baltimore County East	39,595,779	2,999,414	7.6%	8.9%	2,112,523	(260,000)	266,000	\$11.12
Flex	4,648,646	282,398	6.1%	6.8%	0	1,000	(35,000)	\$11.91
Warehouse	46,436,482	2,846,847	6.1%	6.6%	63,583	(212,000)	(696,000)	\$9.72
Baltimore City	51,085,128	3,129,245	6.1%	6.6%	63,583	(211,000)	(731,000)	\$9.97
Flex	7,660,912	226,246	3.0%	3.2%	0	51,000	47,000	\$16.71
Warehouse	5,102,322	448,481	8.8%	8.8%	0	2,000	214,000	\$11.66
Columbia	12,763,234	674,727	5.3%	5.4%	0	53,000	261,000	\$14.77
Flex	2,914,770	117,048	4.0%	5.8%	0	(11,000)	(37,000)	\$13.09
Warehouse	27,604,748	2,132,359	7.7%	8.4%	0	(78,000)	(527,000)	\$13.14
Route 1 North	30,519,518	2,249,407	7.4%	8.1%	0	(89,000)	(564,000)	\$13.14
Flex	8,367,870	567,327	6.8%	7.1%	0	20,000	(11,000)	\$13.88
Warehouse	22,540,034	1,426,158	6.3%	7.1%	356,784	381,000	403,000	\$13.41
BWI	30,907,904	1,993,485	6.4%	7.1%	356,784	401,000	392,000	\$13.54
Flex	3,838,126	171,043	4.5%	4.7%	0	(9,000)	71,000	\$17.54
Warehouse	1,358,165	7,200	0.5%	0.5%	0	(4,000)	(4,000)	\$16.62
Anne Arundel South	5,196,291	178,243	3.4%	3.6%	0	(13,000)	67,000	\$17.28
Flex	46,142,769	2,445,304	5.3%	5.7%	0	2,000	226,000	\$14.28
Warehouse	180,847,740	12,368,006	6.8%	7.9%	2,852,704	(112,000)	(372,000)	\$11.44
<b>Total</b>	<b>226,990,509</b>	<b>14,813,310</b>	<b>6.5%</b>	<b>7.5%</b>	<b>2,852,704</b>	<b>(110,000)</b>	<b>(146,000)</b>	<b>\$12.10</b>

Source: CoStar, Transwestern



# BALTIMORE METRO AREA INDUSTRIAL MARKET | Q2 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](https://transwestern.com) and @Transwestern

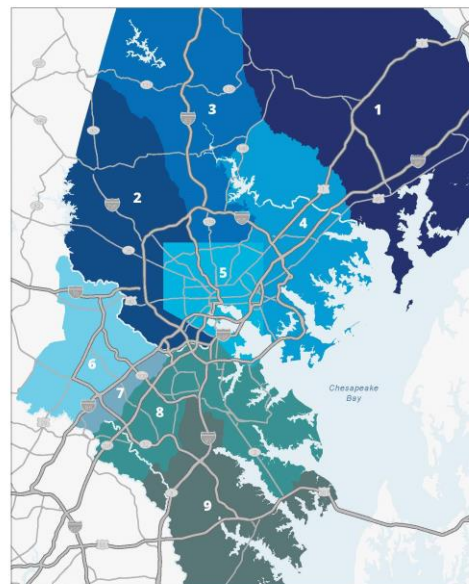
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**Baltimore Industrial Submarkets**

- 1 Harford County
- 2 Baltimore County West
- 3 Baltimore County North
- 4 Baltimore County East
- 5 Baltimore City
- 6 Columbia
- 7 Route 1 North
- 8 BWI
- 9 Anne Arundel South

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