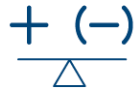


SUBURBAN MARYLAND

INDUSTRIAL MARKET | Q3 2025



97.1 MSF
Inventory



507,000 SF
Net Absorption



6.6%
Direct Vacancy



7.1%
Overall Vacancy



1.6 MSF
Under Construction



\$17.18 PSF
Asking Rent



Signs of Stabilization in the Industrial Sector

Market Observations

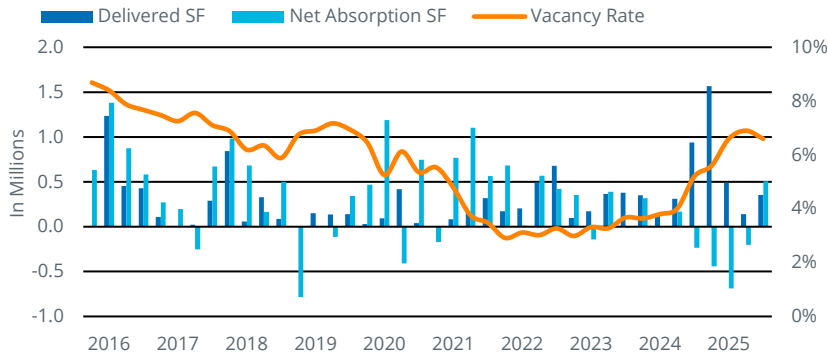
- The industrial market improved for the first time in four quarters, noting positive 507,000 SF in net absorption during the third quarter, bringing the year-over-year total to negative 813,000 SF.
- The direct vacancy rate decreased 30-basis points this quarter to 6.6% but is up from 5.2% one year ago.
- The most notable lease was Armstrong Company taking 78,255 SF at 9211 Old Pike Way in Southern Prince George's County. Also boosting absorption was the delivery of two buildings in National Capital Business Park, with JCM Associates taking 84,240 SF and The Severn Group taking 102,855 SF.
- Offsetting demand were several mid-sized move-outs. First Onsite vacated 35,485 SF at 5706-5710 Frederick Avenue in Montgomery County. Gray Graphics vacated 49,080 SF at 8607 Central Avenue in Central Prince George's County.
- Asking rents increased 120-basis points over the quarter, landing at \$17.18 PSF in September 2025. With vacancy rates remaining muted, year-over-year rents are up 430-basis points.
- The industrial outlook is relatively favorable despite ongoing national challenges such as tariffs and consumer spending. The lower importance of industrial in the region due to the smaller size of the market, coupled with high land costs, have contributed to its relative stability. We expect this stability to remain over the next 12 months, despite some oscillation in performance quarter to quarter.



SUBURBAN MARYLAND INDUSTRIAL MARKET | Q3 2025

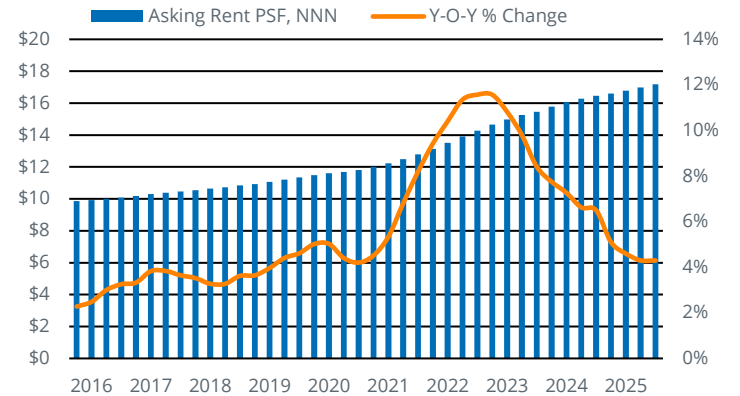
- **Net absorption** totaled positive 507,000 SF during the third quarter of 2025, with year-over-year totaling negative 813,000 SF.
- The **direct vacancy** rate decreased 30-basis points to 6.6% this quarter. Southern Prince George's County came in with the highest vacancy of all submarkets despite a decrease of 160-basis points over the quarter to 16.1%.
- **Asking rents** increased 120 basis points to \$17.18 PSF in September 2025, with year-over-year rents climbing 430 basis points. Montgomery County holds the highest rates, averaging \$23.73 PSF, which is a 100-basis point increase from the previous quarter.
- There is 1.6 million SF **under construction** at 4% pre-leased. The most notable project is Route 301, Building 1 in the Central Prince George's submarket which will add 311,040 SF of warehouse space when it delivers in October 2025.
- There were seven **investment sales** during the quarter, totaling \$106.4 million or \$173 PSF. The most notable deal was Equus Capital Partners' purchase of the 6-property portfolio in the Collington Business Center from Mapletree Investments for a total of \$102.6 million or \$178 PSF.

DELIVERY IMPACT ON KEY INDICATORS



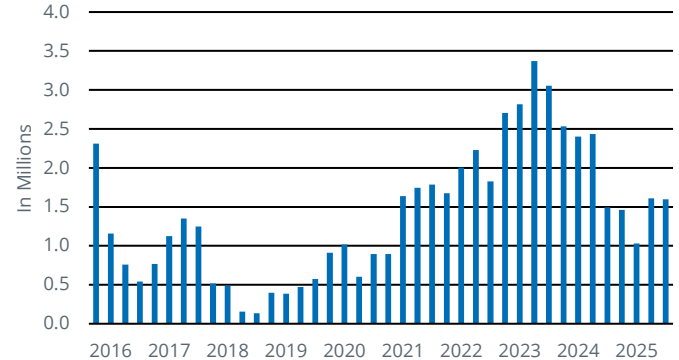
Source: CoStar, Transwestern

ASKING RENT



Source: CoStar, Transwestern

UNDER CONSTRUCTION



Source: CoStar, Transwestern



SUBURBAN MARYLAND INDUSTRIAL MARKET | Q3 2025

MARKET INDICATORS TABLE

All Product Types | Q3 2025

PRODUCT TYPE	INVENTORY SF	DIRECT VACANT SF	OVERALL 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	3,661,938	259,541	270,494	7.1%	7.4%	0	12,000	(118,000)	\$16.33
WAREHOUSE	15,559,463	719,126	719,126	4.6%	4.6%	0	97,000	(27,000)	\$15.12
Northern Prince George's	19,221,401	978,667	989,620	5.1%	5.1%	0	109,000	(145,000)	\$15.37
FLEX	3,906,735	244,984	300,024	6.3%	7.7%	34,565	(65,000)	(52,000)	\$16.06
WAREHOUSE	24,404,779	1,711,007	1,841,608	7.0%	7.5%	381,040	117,000	(702,000)	\$14.93
Central Prince George's	28,311,514	1,955,991	2,141,632	6.9%	7.6%	415,605	52,000	(754,000)	\$15.10
FLEX	961,132	11,936	11,936	1.2%	1.2%	0	(8,000)	(4,000)	\$16.57
WAREHOUSE	9,430,981	1,658,062	1,758,129	17.6%	18.6%	40,000	162,000	80,000	\$14.90
Southern Prince George's	10,392,113	1,669,998	1,770,065	16.1%	17.0%	40,000	154,000	76,000	\$15.09
FLEX	7,366,586	406,756	414,942	5.5%	5.6%	0	(8,000)	(66,000)	\$24.88
WAREHOUSE	12,321,285	443,356	519,420	3.6%	4.2%	100,854	(50,000)	(27,000)	\$21.82
MONTGOMERY COUNTY	19,687,871	850,112	934,362	4.3%	4.7%	100,854	(58,000)	(93,000)	\$23.73
FLEX	4,966,995	266,936	276,203	5.4%	5.6%	365,996	14,000	(40,000)	\$15.23
WAREHOUSE	14,549,827	714,869	750,596	4.9%	5.2%	672,180	236,000	143,000	\$14.08
FREDERICK COUNTY	19,516,822	981,805	1,026,799	5.0%	5.3%	1,038,176	250,000	103,000	\$14.46
FLEX	20,863,386	1,190,153	1,273,599	5.7%	6.1%	400,561	(55,000)	(280,000)	\$20.08
WAREHOUSE	76,266,335	5,246,420	5,588,879	6.9%	7.3%	1,194,074	562,000	(533,000)	\$16.07
TOTAL	97,129,721	6,436,573	6,862,478	6.6%	7.1%	1,594,635	507,000	(813,000)	\$17.18

Source: CoStar, Transwestern.



Research Methodology

The information in this report is the result of a compilation of information on flex and industrial properties located in Suburban Maryland. 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

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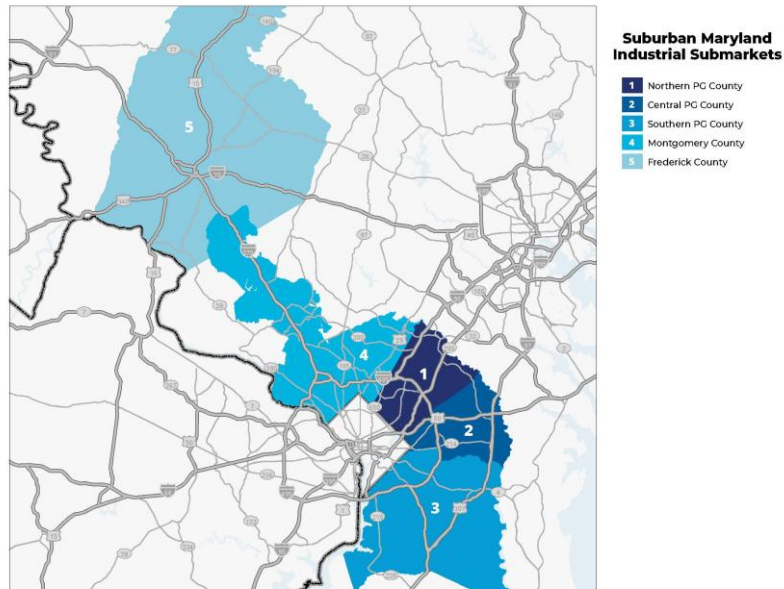
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