

Baltimore Metro Area

Industrial Market | Q1 2026

Downward Trend Persist Early-Year

Market Observations

- The industrial market softened during the first quarter with 117,965 SF of negative net absorption, with year-over-year totaling positive 199,216 SF.
- The vacancy rate increased 20 basis points to 7.5% in March 2026 and is higher than the national rate at 5.3%. This is the highest vacancy rate level seen in Baltimore since 2016.
- Notable deals this quarter include PRO-AIR leasing 186,878 SF at 350 Winmeyer Ave in Route 1/BWI. Also, C Steinweg took 137,000 SF at 8911 Bethlehem Blvd in Baltimore County East.
- Despite large lease deals, a handful of large move outs impacted demand. Seko Logistics vacated 156,797 SF at 8801 Citation Rd in Baltimore County East, and 121,211 SF of space was vacated at 7510 Montevideo Rd in Route 1/BWI.
- We expect near-term softening in 2026, but the long-term outlook is positive. A gradually rising vacancy rate signals a cooldown of overall demand which will be further heightened with several deliveries coming online over the next year with limited pre-leasing. 2026 is likely to be a transitional year marked market stabilization.



234.7 MSF
Inventory



(117,965) SF
Net Absorption



7.5%
Direct Vacancy



12.7%
Total Availability



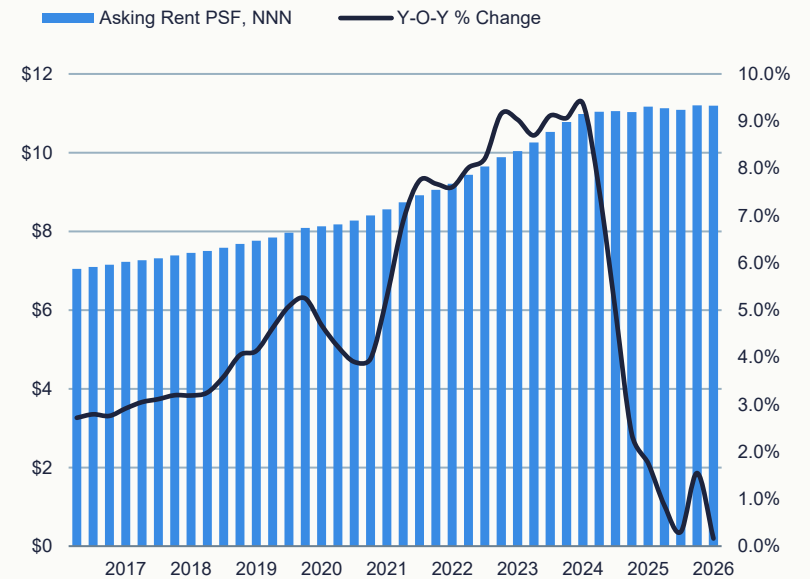
1.7 MSF
Under Construction



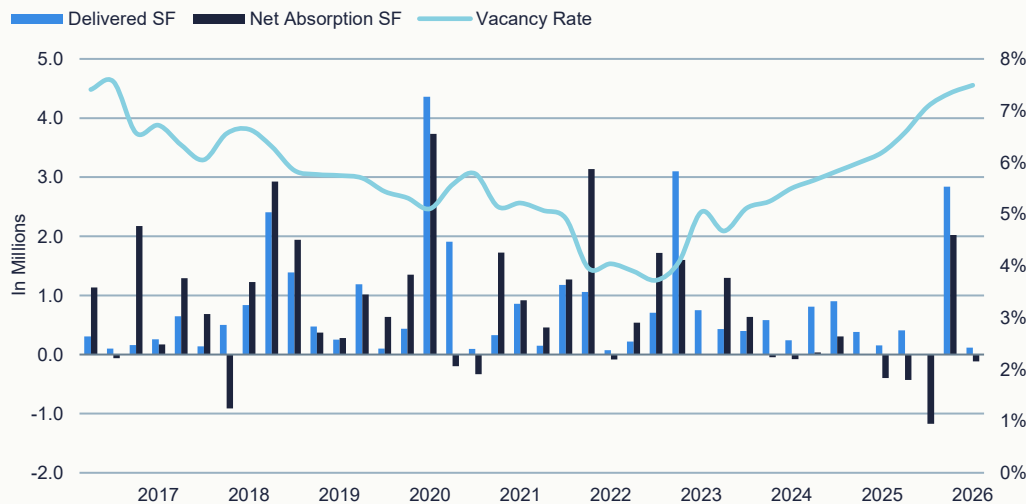
\$11.19 PSF
Asking Rent

- **Net absorption** totaled negative 117,965 SF this quarter and totals positive 199,216 SF year-over-year. This was driven by two large move-outs in Baltimore County East and the Route 1 Corridor. Although Baltimore City and Anne Arundel South also contributed to the softness.
- The **direct vacancy rate** rose to 7.5%. Warehouse has 8.2% vacancy, while flex has 5.6%. The Harford County submarket has the highest vacancy at 10.6%, while Route 83 Corridor maintains a low rate of 3.4%.
- **Asking rents** softened by 10 basis points during the quarter, landing at \$11.19 PSF at March 2026. Despite this, rents are up 0.2% year over year, which is the lowest annual increase in recent history. Gains in Columbia at 1.1% year-over-year was offset by softening of 0.3% in Harford County.
- There is 1.7 million SF **under construction** at 0% pre-leased. The most notable project is 260,000 SF at 5001 Washington Blvd in Baltimore County West. 3407 Carroll Island Rd delivered this quarter, bringing 115,000 SF online with Winsupply as the owner/user of the asset.

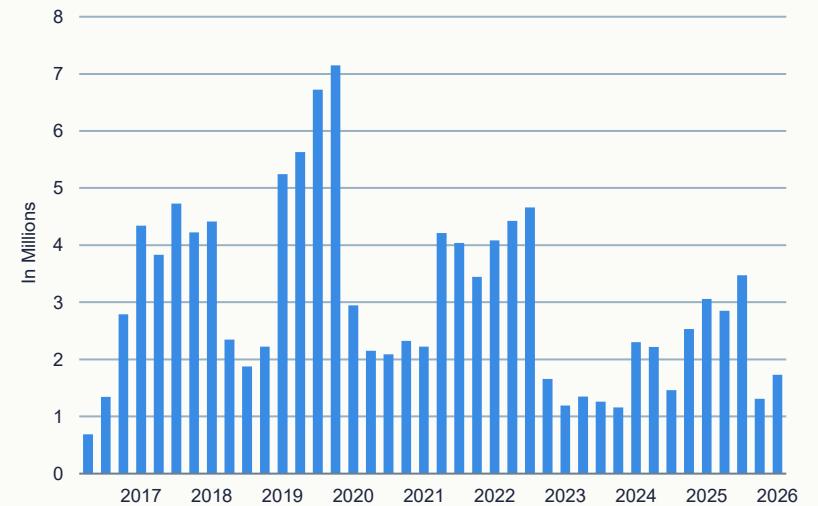
Asking Rent



Delivery Impact On Key Indicators



Under Construction



Market Indicators Table

All Classes of Space | Q1 2026

Submarket	Inventory SF	Direct Vacant SF	Direct Vacancy Rate	Total Availability Rate	Under Construction SF	Net Absorption SF	Y-O-Y Net Absorption SF	Asking Rent PSF, NNN
Harford County	29,346,704	3,104,221	10.6%	16.4%	278,250	(23,292)	(999,037)	\$9.61
Baltimore County West	18,753,561	1,562,795	8.3%	12.1%	260,000	(18,317)	203,860	\$11.98
Rt 83 Corridor	10,098,311	346,255	3.4%	6.6%	96,240	46,312	6,332	\$15.86
Baltimore County East	41,693,579	2,731,446	6.6%	12.4%	257,098	177,871	1,470,446	\$9.68
Baltimore City	53,114,892	3,895,648	7.3%	10.5%	0	(225,939)	(561,320)	\$8.93
Columbia	12,996,488	536,997	4.1%	13.4%	221,307	(51,394)	(30,965)	\$15.32
Route 1/BWI Area	52,688,422	4,421,423	8.4%	13.9%	231,917	41,042	410,646	\$12.49
Route 2 Corridor	10,751,338	763,667	7.1%	17.4%	0	(16,931)	(234,104)	\$10.78
Anne Arundel South	5,236,544	218,398	4.2%	5.5%	387,463	(47,317)	(66,642)	\$17.64
Total	234,679,839	17,580,850	7.5%	12.7%	1,732,275	(117,965)	199,216	\$11.19

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 Baltimore metro area. This report includes single tenant, multi-tenant and owner-user properties 15,000 SF and larger, excluding data centers and properties owned by a government agency.

About Transwestern

Transwestern is a vertically integrated commercial real estate firm dedicated to serving investors, partners and clients through expertise in investment, development, brokerage and property management. We own, lease and operate \$64 billion¹ in assets. Our experience spans diverse property types, including logistics, multifamily, retail, mixed-use, healthcare, office, data centers, hotel, and life sciences. Across 33 offices nationwide, our team is united by a culture that cultivates agility, mutual trust and high performance. Learn more at transwestern.com.

¹ Includes all Transwestern enterprise assets and its RAUM as of April 1, 2026.

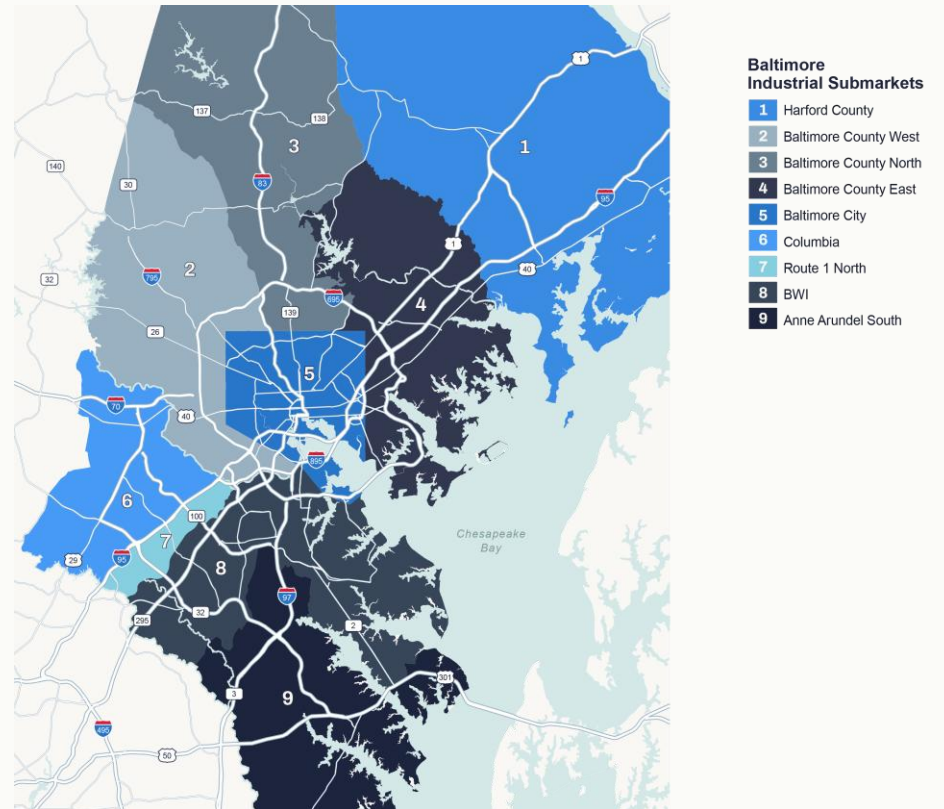
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