

Suburban Maryland

Industrial Market | Q1 2026

Momentum Pauses After Prior Gains

Market Observations

- The market paused during the first quarter of 2026, recording negative 11,398 SF of net absorption, bringing the year-over-year total to positive 1.0 million SF.
- The direct vacancy rate remained at 7.9% over the quarter but has increased 40 basis points year-over-year.
- TA Trading & Top Food Corporation leased 48,000 SF at 9001 E Hampton Dr in Central Prince George's. Metro Moving took 34,434 SF at 13230 Mid Atlantic Blvd in Northern Prince George's.
- Positive gains were outweighed by move-outs throughout the quarter. Marlo Furniture vacated 81,500 SF at 725 Rockville Pike in Montgomery County. At 8700 Ritchie Rd in Central Prince George's, Rew Materials vacated 41,051 SF.
- Asking rents increased 120-basis points over the quarter, landing at \$17.61 PSF in March 2026. While vacancy rates remain muted, year-over-year rents are up 510 basis points.
- The outlook has become mixed entering 2026, as absorption flattened amid an active construction pipeline. Despite this pause, asking rents continue to rise, underscoring ongoing pricing power and underlying demand. While performance may fluctuate quarter to quarter as new supply delivers, fundamentals are expected to remain relatively resilient over the near term.



108.8 MSF
Inventory



(11,398) SF
Net Absorption



7.9%
Direct Vacancy



11.8%
Total Availability



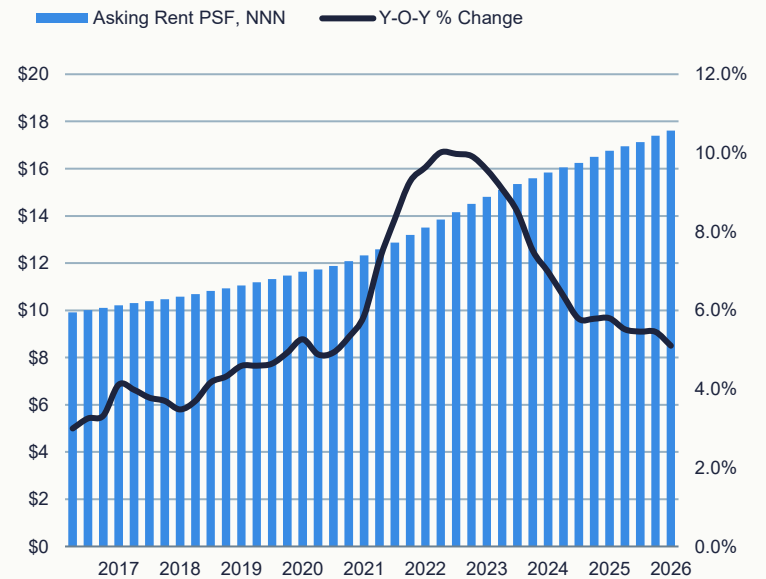
1.1 MSF
Under Construction



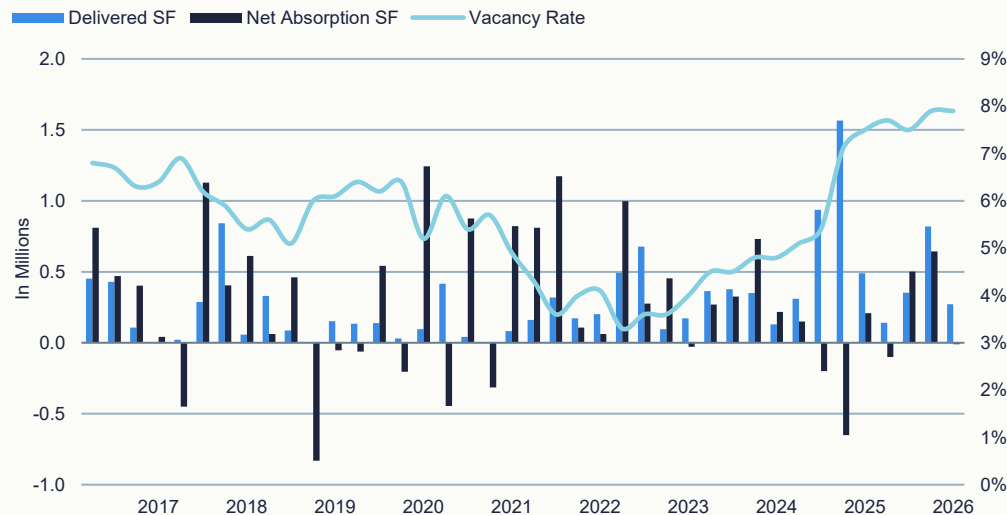
\$17.61 PSF
Asking Rent

- **Net absorption** totaled negative 11,398 SF during the first quarter of 2026, with year-over-year totaling positive 1.0 million SF.
- The **direct vacancy rate** paused at 7.9% over the quarter. Southern Prince George's County and Frederick County recorded the highest submarket rates of 10.7% and 10.3%, respectively.
- **Asking rents** increased 120 basis points to \$17.61 PSF in March 2026, with year-over-year rents climbing 510 basis points. Montgomery County holds the highest rates, averaging \$24.30 PSF, a 130 basis point increase from the previous quarter.
- There is 1.1 million SF **under construction**, after nearly 275,000 SF was delivered across three properties this quarter. The most notable project under construction is 550 Highland St, where buildings A and B are expected to deliver a combined 454,000 SF of industrial warehouse space this August.

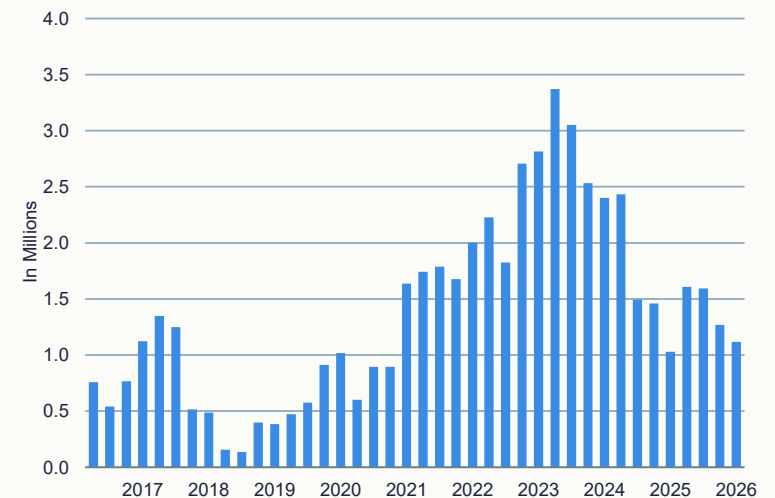
Asking Rent



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
Northern Prince George's	19,637,459	1,128,565	5.7%	9.9%	269,964	(43,486)	(89,395)	\$15.82
Central Prince George's	25,247,056	1,975,088	7.8%	11.1%	136,173	46,574	311,854	\$15.23
Southern Prince George's	15,997,921	1,715,989	10.7%	13.8%	40,000	108,486	603,445	\$15.29
Montgomery County	25,925,765	1,480,100	5.7%	10.1%	100,854	(129,776)	(16,816)	\$24.30
Frederick County	21,945,470	2,254,302	10.3%	14.8%	571,231	6,804	224,092	\$15.20
Total	108,753,671	8,554,044	7.9%	11.8%	1,118,222	(11,398)	1,033,180	\$17.61

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 the Suburban Maryland. 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 preeminent, 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 \$57 billion¹ in assets and have completed or commenced development on more than \$9 billion of real estate projects since 2012. 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 the Transwestern organization and RIA AUM as of June 30, 2025.

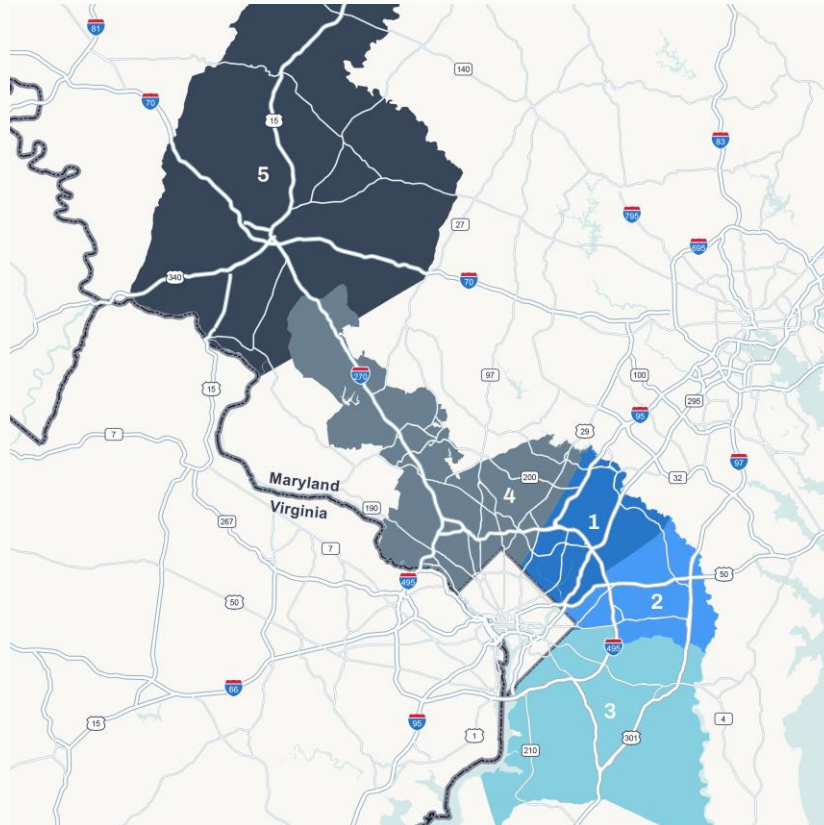
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Suburban Maryland Industrial Submarkets

- 1 Northern PG County
- 2 Central PG County
- 3 Southern PG County
- 4 Montgomery County
- 5 Frederick County

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