



INDUSTRIAL INDICATORS	Market Size 272,891,314	Building Count 3,705	Absorption 1,458,116	YTD Absorption 295,011	Vacancy 7.51%	Rental Rate \$11.83/sf
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In the third quarter, Baltimore’s industrial vacancy rates slightly declined from 7.72% to 7.53%, indicating a marginal improvement in the market. Over 3 M sf of new leases have been signed this year, showcasing continued activity despite broader economic challenges. However, the inventory of flex and industrial buildings has increased by more than 1.5 M sf due to new construction completion. Notably, approximately 74% of this new construction remains vacant, highlighting a disconnect between supply and demand in the current market.

Rental rates appear to be softening as landlords adjust their strategies to fill vacant spaces. This trend is partly driven by decreased demand for goods, which has been impacted by inflation and rising interest rates. As a result, many companies are slowing their growth and reassessing their needs in key markets, leading to a cautious approach to expansion. The Baltimore County East submarket stood out this quarter, recording the largest deal with SH Bell Company leasing 447,448 sf.

Third-party logistics companies and wholesalers were the most active sectors in the industrial market this quarter, reflecting ongoing demand in these industries. Demand has also increased for industrial outdoor storage (IOS) space but due to the necessary zoning and building-to-land ratio it has been increasingly hard to track. Despite the challenges posed by economic factors, the activity in leasing indicates that businesses are still seeking space to meet operational needs.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	6,485,450	11.39%	8.32%	6.97%	-15,338	21,227	\$16.08	\$16.14	\$16.95
Baltimore City	5,059,491	6.80%	7.01%	9.10%	-8,877	-17,505	\$21.25	\$26.08	\$25.31
Baltimore County East	4,165,341	8.92%	10.30%	11.44%	40,687	10,914	\$13.35	\$14.33	\$15.18
Baltimore County West	4,788,030	11.19%	11.27%	5.58%	1,921	-20,560	\$12.14	\$11.54	\$12.07
BWI Corridor	8,954,282	6.43%	5.49%	7.02%	-84,143	-123,278	\$15.33	\$14.51	\$13.34
Carroll County	1,896,546	5.89%	6.26%	7.72%	6,449	-12,374	\$10.76	\$10.14	\$10.57
Columbia	8,414,055	3.47%	4.01%	5.92%	44,879	72,790	\$12.73	\$12.40	\$12.24
Harford & Cecil Counties	3,116,219	8.18%	8.06%	6.87%	-5,304	-33,726	\$10.41	\$9.67	\$10.11
I-83 Corridor	5,597,899	3.68%	4.82%	6.11%	55,062	70,904	\$10.57	\$10.72	\$11.15
Reisterstown Rd	2,950,806	11.66%	12.87%	12.86%	23,489	-22,186	\$12.76	\$12.77	\$12.46
Flex Totals	51,428,119	7.34%	7.22%	7.50%	58,825	-53,794	\$14.03	\$14.31	\$14.30
Annapolis Route 2	10,210,973	2.76%	2.02%	0.42%	119,877	-144,529	\$11.79	\$12.04	\$11.75
Baltimore City	50,269,360	7.36%	6.86%	6.21%	-132,086	-344,228	\$11.44	\$10.72	\$9.15
Baltimore County East	36,281,015	8.14%	9.53%	9.31%	786,190	524,242	\$8.39	\$9.03	\$14.03
Baltimore County West	9,929,297	11.80%	11.05%	8.03%	-100,688	-210,912	\$7.94	\$7.94	\$6.69
BWI Corridor	43,817,370	8.15%	7.87%	5.87%	-71,782	-781,841	\$15.46	\$16.21	\$13.21
Carroll County	9,096,443	1.17%	0.77%	0.74%	-37,170	-46,271	\$7.01	\$7.21	\$7.96
Columbia	5,305,486	14.69%	14.62%	5.92%	-1,568	-427,186	\$13.78	\$14.37	\$12.16
Harford & Cecil Counties	49,706,017	7.97%	9.39%	11.52%	911,503	1,754,559	\$9.20	\$9.08	\$8.15
I-83 Corridor	5,224,507	4.53%	3.20%	6.16%	-69,577	-21,069	\$10.98	\$10.98	\$8.33
Reisterstown Rd	1,622,727	0.73%	0.39%	3.22%	-5,408	46,040	\$11.00	\$11.00	\$11.91
Warehouse Totals	221,463,195	7.57%	7.84%	7.40%	1,399,291	348,805	\$10.95	\$11.05	\$10.56
Totals	272,891,314	7.53%	7.72%	7.40%	1,458,116	295,011	\$11.83	\$11.97	\$11.56

ITEMS TO NOTE:

The Race Road Logistics Center, a 130,000 sf warehouse in the BWI Corridor, was sold to Sagard Real Estate for \$33.5 million, or \$256.92/sf. Built in 2022, the property was 67% leased at the time of sale.

Eastern Lift Truck Co. has purchased the building at 8801 Wise Ave., which it has been leasing, for \$14.25 million. The company occupied about 70% of the 133,000 sf building at the time of purchase.

Catalyst Investment Partners has acquired 7675 Canton Center Dr., formerly the Dunbar Armored Inc. headquarters, for \$2.2 million. The building had been vacant for some time, and the new owners plan to renovate it to expand its warehouse capacity.

725 Pittman Rd, a 180,000 sf facility, has been purchased by a partnership between Shaw Real Estate and Atlas Container Company for \$10.3 million. The property’s close proximity to the Key Bridge impacted the sale and lowered the price.

Driven by the growing demand for cloud and AI technologies, Microsoft and Google are redirecting capital from office real estate to data centers. Both tech giants plan to reduce their office space by millions of square feet.

Tradepoint Atlantic is home to the largest lease of the quarter, S.H. Bell Company inked a deal for almost 450,000 sf at 6301 New Cold Mill Rd.

The wholesale distributor, ABC Supply Co., has signed on for nearly 265,000 sf at 1501 Perryman Rd. in Aberdeen, MD.

As the popularity of AI demand increases, so does the need for datacenters to house information. Datacenters are changing their approach in real estate selection, opting for more rural locations that have higher power availability to meet the growing power demand.



WAREHOUSE INDICATORS

Market Size
221,463,195

Building Count
2,473

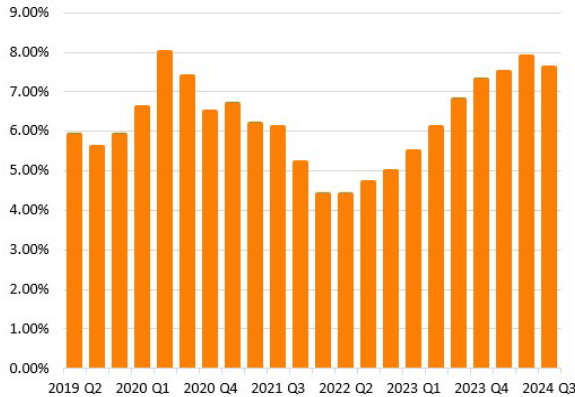
Absorption
1,399,291

YTD Absorption
348,805

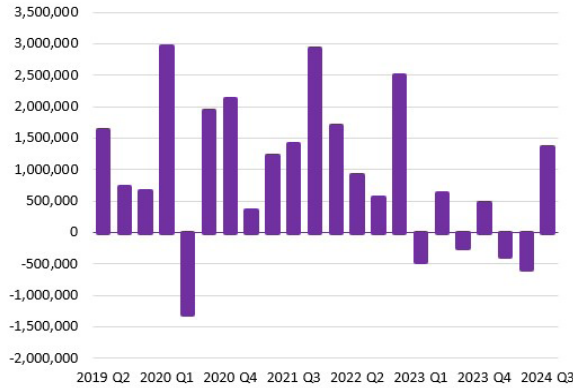
Vacancy
7.57%

Rental Rate
\$10.95/sf

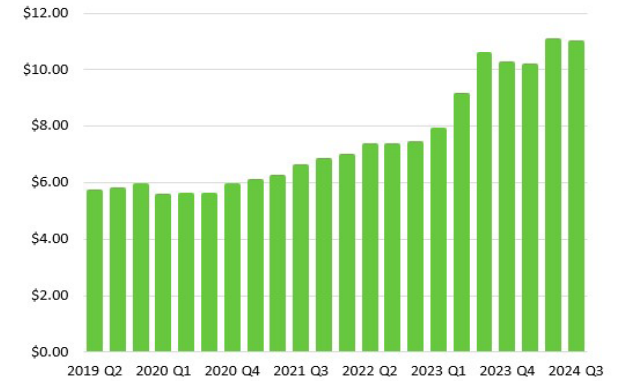
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Reisterstown Rd	0.73%
2	Carroll County	1.17%
3	Annapolis/Route 2	2.76%

Highest Vacancy

1	Columbia	14.69%
2	Baltimore County West	11.80%
3	BWI Corridor	8.15%

Most Change vs. Prior Quarter

-	Harford & Cecil Counties	-1.42%
+	I-83 Corridor	1.33%

Lowest Net Absorption

1	Harford & Cecil Counties	911,503
2	Baltimore County East	786,190
3	Annapolis/Route 2	119,877

Highest Net Absorption

1	Baltimore City	-132,086
2	Baltimore County West	-100,688
3	BWI Corridor	-71,782

Most Absorption, Year-to-Date

-	BWI Corridor	-781,841
+	Harford & Cecil Counties	1,754,559

Cheapest Rates

1	Carroll County	\$7.01
2	Baltimore County West	\$7.94
3	Baltimore County East	\$8.39

Most Expensive Rates

1	BWI Corridor	\$15.46
2	Columbia	\$13.78
3	Annapolis/Route 2	\$11.79

Most Change vs. Prior Quarter

-	BWI Corridor	-\$0.75
+	Baltimore City	\$0.72

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
6301 New Cold Mill Rd.	Baltimore County E	SH Bell	447,448
1501 Perryman Rd.	Harford County	ABC Supplies	263,764
7441 Candlewood Rd.	BWI Corridor	SP Richards	253,330
7090 Troy Hill Dr.*	BWI Corridor	Northrop Grumman Corp.	180,786

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
7314 Race Rd.	BWI Corridor	\$33,500,000	\$257	130,389
2413 Peppermill Dr.	BWI Corridor	\$22,965,265	\$215	106,700
8801 Wise Ave.	Baltimore County East	\$14,250,000	\$107	133,000
725 Pittman Rd.	Route 2 Corridor	\$10,300,000	\$58	177,825

* Renewal, Expansion, or Sublease



FLEX INDICATORS

Market Size
51,428,119

Building Count
1,232

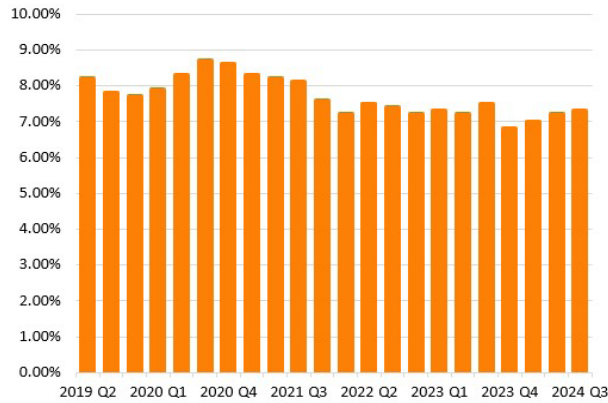
Absorption
58,825

YTD Absorption
-53,794

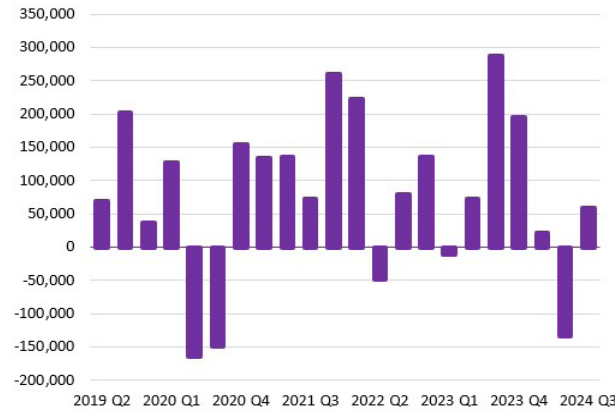
Vacancy
7.34%

Rental Rate
\$14.03

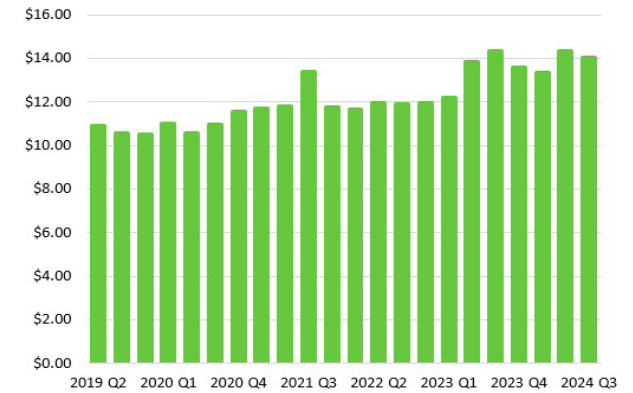
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Columbia	3.47%
2	I-83 Corridor	3.68%
3	Carroll County	5.89%

Highest Vacancy

1	Reisterstown Rd	11.66%
2	Annapolis/Route 2	11.39%
3	Baltimore County West	11.19%

Most Change vs. Prior Quarter

-	Baltimore County East	-1.39%
+	Annapolis/Route 2	3.07%

Lowest Net Absorption

1	I-83 Corridor	55,062
2	Columbia	44,879
3	Baltimore County East	40,687

Highest Net Absorption

1	BWI Corridor	-84,143
2	Annapolis/Route 2	-15,338
3	Baltimore City	-8,877

Most Absorption, Year-to-Date

-	BWI Corridor	-123,278
+	Columbia	72,790

Cheapest Rates

1	Harford & Cecil Counties	\$10.41
2	I-83 Corridor	\$10.57
3	Carroll County	\$10.76

Most Expensive Rates

1	Baltimore City	\$21.25
2	Annapolis/Route 2	\$16.08
3	BWI Corridor	\$15.33

Most Change vs. Prior Quarter

-	Baltimore City	-\$4.83
+	BWI Corridor	\$0.82

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
3610 Commerce Dr.*	Baltimore County W	RCT Systems, Inc	40,630
2555 Lord Baltimore Dr.	Baltimore County W	Neu-lon, Inc.	18,000
9075 Guilford Rd.	Columbia	Adult Day Health	16,737
7455 New Ridge Rd.*	BWI Corridor	Bayland Consultants & Designers	16,294

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
1111 S. Paca St.	Baltimore City SW	\$30,000,000	\$345	87,000
2011 Greenspring Dr.	I-83 Corridor	\$2,900,000	\$228	12,740
214 Eastern Ave.	Annapolis	\$2,250,000	\$224	10,065
1424 Odenton Rd. (Condo)	BWI Corridor	\$1,575,000	\$166	9,480

* Renewal, Expansion, or Sublease

INDUSTRIAL OVERVIEW (DC METRO)

THIRD QUARTER | 2024



INDUSTRIAL INDICATORS

Market Size
113,197,318

Building Count
2,319

Absorption
199,440

YTD Absorption
60,420

Vacancy
6.32%

Rental Rate
\$15.01/sf

THE NUMBERS

MARKET SIZE

VACANCY %

ABSORPTION

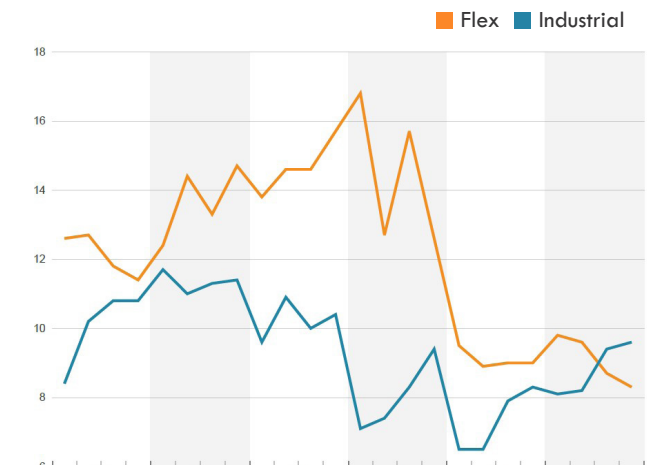
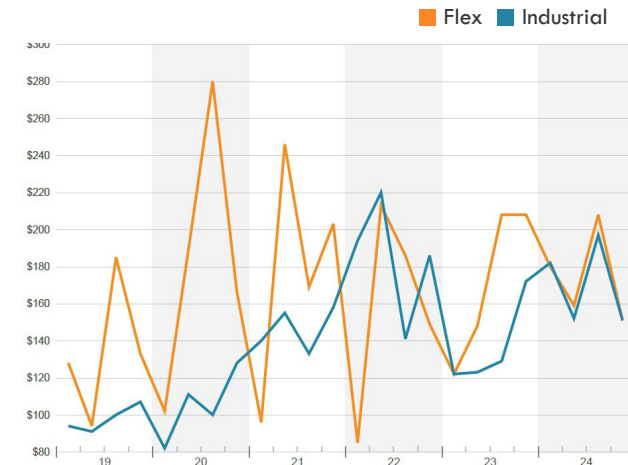
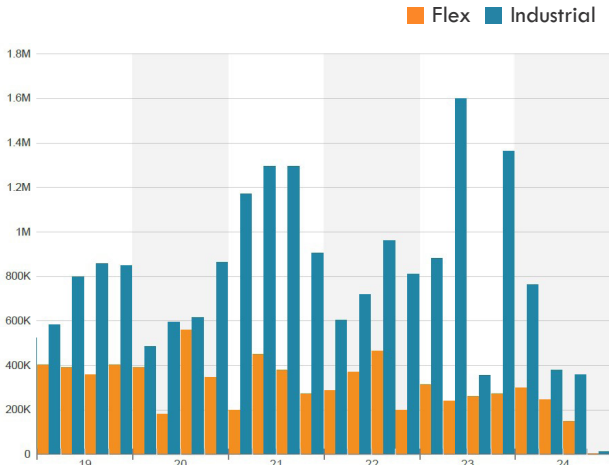
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	7,519,545	11.19%	11.15%	9.30%	40,552	-52,726	\$13.83	\$14.54	\$15.08
Montgomery Co. North	7,928,621	6.90%	10.32%	11.17%	-1,573	121,220	\$23.26	\$23.88	\$28.32
Montgomery Co.; Rockville/Bethesda	5,025,044	3.82%	6.66%	6.63%	52,356	5,390	\$25.13	\$22.64	\$19.77
Prince George's Co.	8,625,899	5.11%	6.60%	5.92%	52,994	-2,715	\$13.71	\$13.69	\$12.66
Silver Spring	1,454,271	7.97%	5.81%	4.96%	-31,458	-38,780	\$18.00	\$18.03	\$18.24
Flex Totals	30,553,380	6.58%	8.63%	8.10%	112,871	32,389	\$18.70	\$18.48	\$18.81
Frederick Co.	15,828,711	6.19%	6.48%	6.68%	124,892	364,857	\$11.59	\$11.57	\$10.81
Montgomery Co. North	5,870,052	10.29%	10.12%	9.67%	-6,893	-70,288	\$14.60	\$15.04	\$13.16
Montgomery Co.; Rockville/Bethesda	6,930,838	3.82%	4.64%	3.85%	52,356	5,390	\$18.14	\$18.22	\$16.07
Prince George's Co.	52,271,745	6.20%	6.12%	4.37%	-69,161	-265,223	\$13.32	\$13.31	\$12.28
Silver Spring	1,742,592	2.84%	2.02%	2.82%	-14,625	-6,705	\$17.07	\$15.68	\$15.57
Warehouse Totals	82,643,938	6.22%	6.26%	4.79%	86,569	28,031	\$13.56	\$13.56	\$12.45
Totals	113,197,318	6.32%	6.91%	5.30%	199,440	60,420	\$15.01	\$14.95	\$14.24

LEASING ACTIVITY

SALES PRICE PER SQUARE FOOT

LEASING: MONTHS ON THE MARKET



* Renewal, Expansion, or Sublease



WAREHOUSE (DC METRO)

Market Size
82,643,938

Building Count
1,677

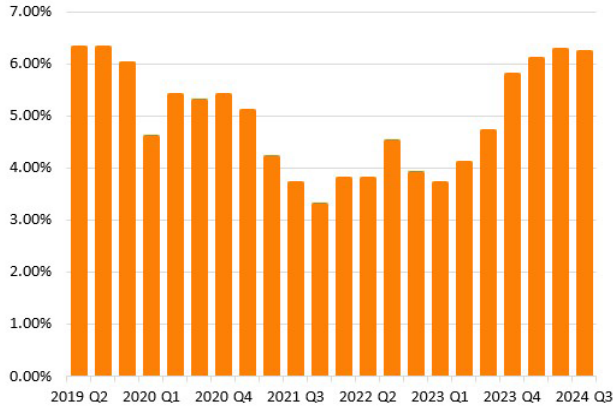
Absorption
86,569

YTD Absorption
28,031

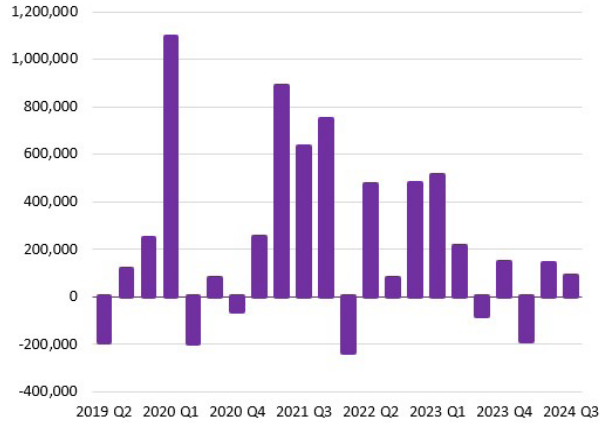
Vacancy
6.22%

Rental Rate
\$13.56/sf

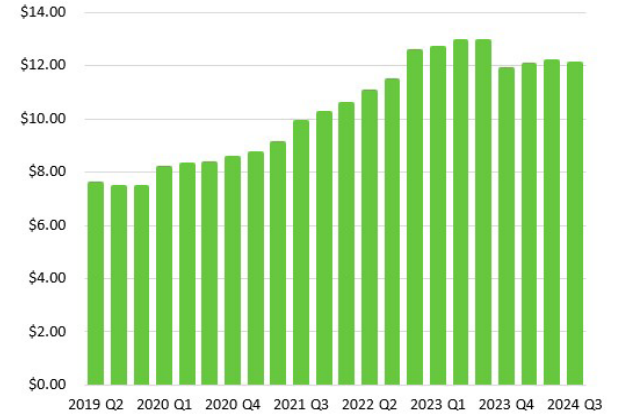
VACANCY



NET ABSORPTION



RENTAL RATES



FLEX (DC METRO)

Market Size
30,553,380

Building Count
642

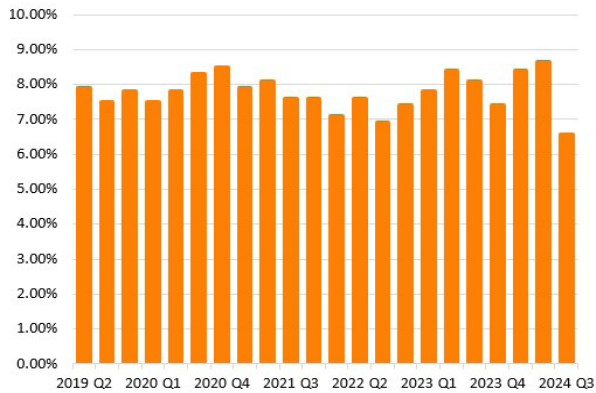
Absorption
112,871

YTD Absorption
32,389

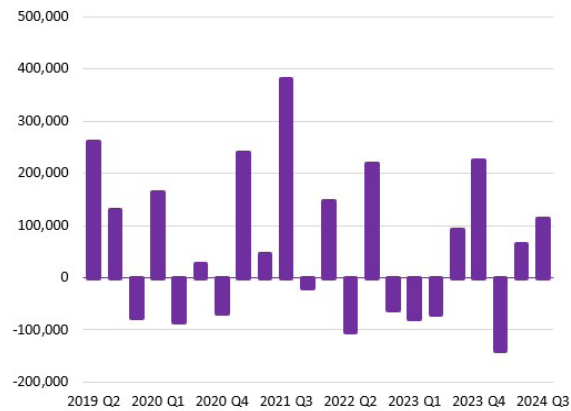
Vacancy
6.58%

Rental Rate
\$18.70/sf

VACANCY



NET ABSORPTION



RENTAL RATES

