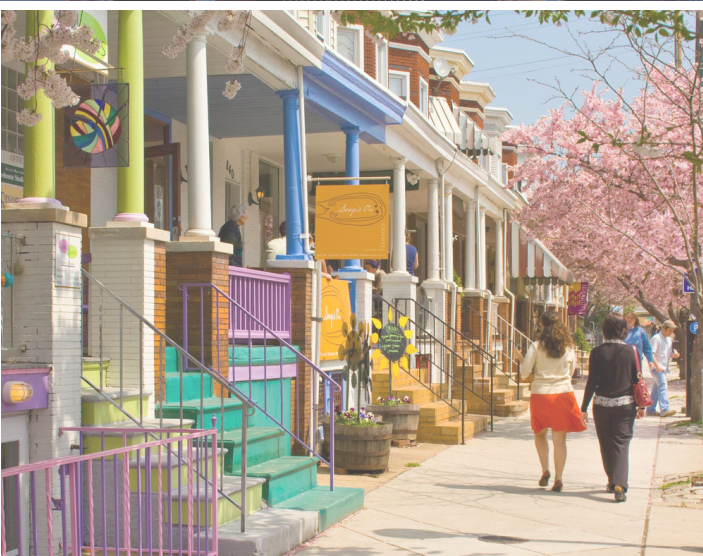


MACKENZIE'S LOCAL OUTLOOK
BALTIMORE & DC METRO
COMMERCIAL REAL ESTATE

1ST QUARTER
2025

ECONOMY | CAPITAL | CONSTRUCTION | OFFICE | RETAIL | INDUSTRIAL





CONTENTS

| | |
|----------------------------|----|
| Economic Factors | 1 |
| Capital & Investment Sales | 2 |
| Projects & Construction | 3 |
| Office Overview | 4 |
| Retail Overview | 7 |
| Industrial Overview | 10 |
| Our Research | 15 |





ECONOMIC INDICATORS*

Employment
3,146,500

Unemployment Rate
3.4%

Consumer Price Index (CPI)
2.8% (YOY in February)

Maryland Area Employment Growth by Industry Sector (YOY)*

THE OUTLOOK DARKENS

The economic outlook, which was relatively upbeat heading into the new year, has deteriorated rapidly during the first few months of 2025. There are plenty of factors at play here, but none bigger than the uncertainty stemming from the new administration's trade policy. Put simply, the on-again, off-again tariffs—but unfortunately more “on-again” than anything else—that have dominated the economic news cycle over the past two months have depressed consumers and businesses alike.

Most measures of economic sentiment surged following November's elections but have since plummeted and, as of March, are at long-term lows. The Expectations component of the Conference Board Consumer Confidence Index, for instance, fell to the worst level since 2013. Another similar measure from the University of Michigan found that two out of three consumers expect unemployment to rise this year, the highest reading since 2009 (not a particularly good time for the economy, if you'll recall). That same survey found that consumers' inflation expectations are at the highest level since 2022.

One exception is small business owner confidence which, as measured by NFIB's Small Business Optimism Index, has held up fairly well, falling slightly in January and February but remaining well above pre-election levels. There are a few potential explanations for this dynamic. First, a majority of small business owners are Republican, and political party affiliation may be masking some of the decline in sentiment. Second, the current administration has also implemented policies that are great for small business owners—like a smaller, less-stringent IRS—but not directly meaningful for the broader business environment.

But that's small business owners, and larger businesses appear to be about as glum as consumers about the outlook. The share of CEOs that expect business conditions to improve over the next 12 months fell from 64% in November to 39% in March, according to the Chief Executive Group CEO Confidence Index. Homebuilder confidence is down 17% over the past two months, according to the National Association of Homebuilders, as rates remain elevated and tariffs put upward pressure on lumber prices.

Fortunately, hard data has held up somewhat better than sentiment readings, at least thus far. Yes, retail spending has been slightly weaker than expected through the first few months of 2025, but other indicators have yet to flash warning signs. Employment growth remains healthy, existing home sales surprised to the upside in February, and inflation has remained relatively tame despite running at a faster-than-ideal pace. Perhaps most importantly, initial claims for unemployment insurance are up only slightly on a year-over-year basis and are still low by historical standards.

-0.9%
Manufacturing

3.2%
Education/Health

-1.7%
Professional

-1.3%
Construction

The State of Maryland's top employing industry as of February 2025 was Government employing 554,900, followed by Educational & Health Services employing 501,300 and then Professional & Business Services employing 469,900, and then followed by, Transportation & Utilities at 469,400.

Contributed by industry partner
Anirban Basu, CEO of Sage Policy Group, Inc.
For more information, please visit <http://www.sagepolicy.com>.





CAPITAL INDICATORS 2025

12-Month Volume
\$1,589,977,537

Total Square Feet
10,585,985

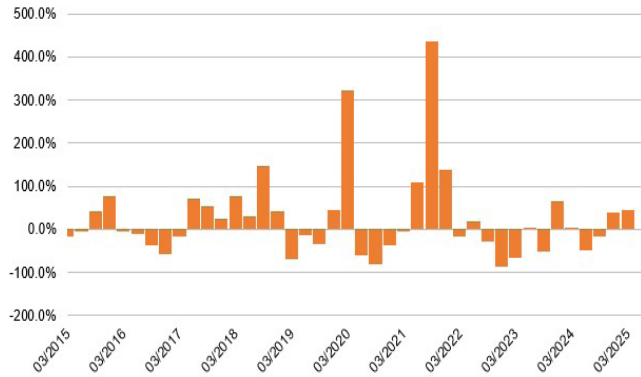
Average Price PSF
\$149/sf

Average Cap Rate
7.7%

Properties Sold
104

Volume vs. Prior Year
-6.7%

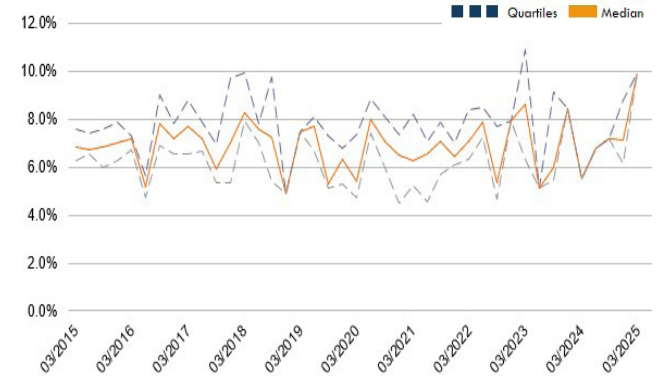
Change In Sales (Year over Year)



Average Sale Price Per Square Foot



Average Cap Rates



- In the first quarter of 2025, the Federal Reserve kept the Effective Federal Funds at the same level as they continue to monitor inflation and jobs data on a monthly basis.
- Over the course of the first quarter, the 10-Year US Treasury saw some turbulence. Beginning the quarter at 4.57% and peaking at 4.79%, the 10-Year finished down 34 bps at 4.23%.
- MacKenzie Capital has seen and felt a shift in activity with investors re-entering the market pushing an uptick in trading volume.
- Capital providers are becoming more active than before and as competition increases, it is important to shop the market and find the most aggressive terms.

TOP INVESTMENT 'PLAYERS' BY ACQUISITION/DISPOSITION VOLUME

| TOP BUYERS (24 MONTHS ROLLING) | Base City | Average Price Per Sale | Acquisition Volume (\$m) | Properties |
|-----------------------------------|---------------|------------------------|--------------------------|------------|
| MCB Real Estate | Baltimore, MD | \$94,726,333 | \$284,179,000 | 3 |
| Spinoso RE | Salina, NY | \$190,000,000 | \$190,000,000 | 1 |
| EQT Exeter | Radnor, PA | \$23,928,571 | \$167,500,000 | 7 |
| Centennial Real Estate | Dallas, TX | \$160,000,000 | \$160,000,000 | 1 |
| Rockpoint Group | Boston, MA | \$18,714,286 | \$131,000,000 | 7 |

| TOP SELLERS (24 MONTHS ROLLING) | Base City | Average Price Per Sale (\$m) | Disposition Volume (\$m) | Properties |
|------------------------------------|--------------|------------------------------|--------------------------|------------|
| Blackstone | New York, NY | \$20,480,263 | \$389,124,988 | 19 |
| Brookfield AM | Toronto, CAN | \$190,000,000 | \$190,000,000 | 1 |
| Unibail-Rodamco-Westfield | Paris, FRA | \$160,000,000 | \$160,000,000 | 1 |
| CPP Investment Board | Toronto, CAN | \$160,000,000 | \$160,000,000 | 1 |
| PGIM Real Estate | Newark, NJ | \$23,416,667 | \$140,500,000 | 6 |

2024 YTD BUYER COMPOSITION

Private Buyers

Privately-controlled business geared toward operating, developing, or investing CRE.

30.7%

32.3%

Institutional Buyers

Investor such as a bank or mutual fund.

Listed/REITs

Corporation that combines the capital of many investors to acquire or provide financing.

0%

*Indicators taken from Real Capital Analytics for a rolling 12-month period based on reported sales; office, retail, and industrial. Benchmark compares to the U.S. market. Buyer type percentages are limited to YTD reported sales. All data as of 4/4/25.



PROJECT INDICATORS

RBA Under Construction
4,280,426

Count Under Construction
38

RBA Delivered YTD
993,885

Availability
42%

Proposed Buildings
292

Count Under Renovation
12

CONSTRUCTION OUTLOOK

The construction industry retains some momentum, but there are signs that the combination of high interest rates, tight lending standards, uncertainty, and tariff-induced input price hikes are starting to weigh on growth. While nonresidential construction activity has continued to inch higher in recent months, about three-fourths of recent increases are due to the ongoing boom in data center construction. Manufacturing, which surged over the past few years, has also masked some of the segment's weakness, accounting for about \$1 in every \$5 spent on nonresidential construction over the past several quarters. Excluding data centers and manufacturing, nonresidential spending has actually fallen over the past few years.

There are signs that momentum will continue to fade in segments that are sensitive to interest rates. Associated Builders and Contractors' Construction Backlog Indicator has fallen slightly in recent months, and materials prices, which were largely flat throughout 2024, have risen since the start of the new year. With tariffs set to push input prices significantly higher, many construction projects that would have been green-lit in 2024 will now be paused or cancelled due to higher costs.

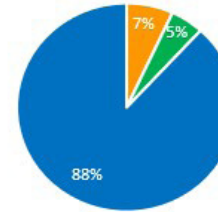
Of course, much of the construction industry's troubles trace back to uncertainty regarding trade policy. If the administration were to settle on relatively lower tariffs, without the threat of further alterations, activity could pick back up. That could also allow inflation to ease, which would lead to lower interest rates on a faster timeline, all else equal.

Contributed by industry partner
Anirban Basu, CEO of Sage Policy Group, Inc.
For more information, please visit <http://www.sagepolicy.com>

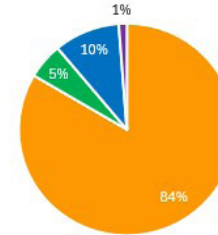
PROPERTY TYPE BREAKDOWN

Legend: Office Retail Warehouse Flex

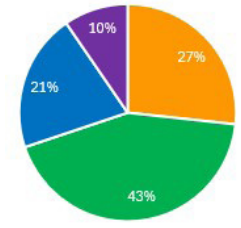
Under Construction



Deliveries YTD



Proposed Buildings



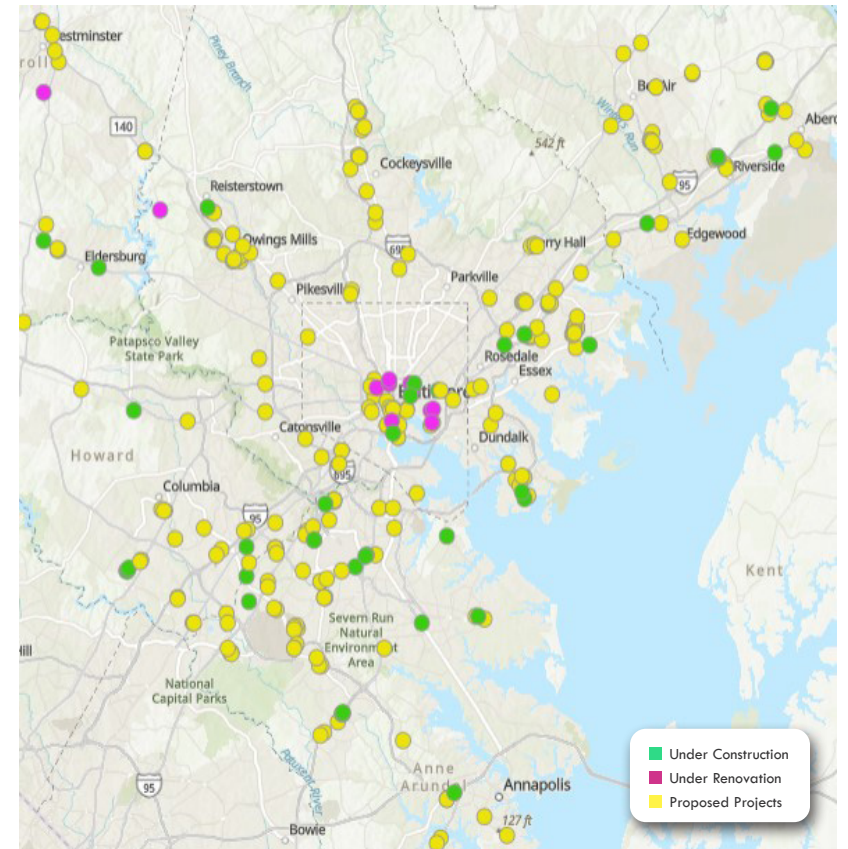
PROJECT HIGHLIGHT MACKENZIE CONTRACTING COMPANY,

BRINGING THE GARDEN INDOORS

MacKenzie Contracting successfully completed a 13,500-sf interior fit-out for the new Howard Hughes Holdings Inc. Maryland region office at 10490 Little Patuxent Parkway in the heart of Columbia's

Merriweather District. Partnering with BCT Design Group, we delivered a modern, thoughtfully designed workspace that balances private offices, open work areas, and huddle rooms to support collaboration and efficiency. Drawing inspiration from Columbia's identity as a "city in a garden," the space incorporates natural elements and greenery, fostering an inviting environment for employees. Led by Senior Vice President Scott Albright as Project Manager and Mike Thompson as Superintendent, this project highlights MacKenzie Contracting's expertise in executing high-quality office fit-outs and ability to overcome challenges while maintaining realistic schedule and budget constraints.

This Project Highlight has been provided by Autumn Hill, Vice President, Business Development of MacKenzie Contracting Company LLC. Autumn can be reached at ahill@mackenziecontracting.com.



OFFICE OVERVIEW

FIRST QUARTER | 2025



OFFICE INDICATORS

Market Size
115,900,068

Building Count
2,549

Absorption
125,278

YTD Absorption
125,278

Vacancy
14.57%

Rental Rate
\$24.45/sf

The first quarter of 2025 concluded on a strong note, with over 125,000 sf of positive absorption. In Baltimore's City Center, vacancy rates surged as the long-anticipated relocation of T. Rowe Price was finalized, adding 450,000 sf of vacant space and pushing the submarket to record lows. However, the delivery of 1307 Point St. in Baltimore City SE had no impact on the vacancy rate, as T. Rowe Price immediately occupied the building. Similarly, Under Armour's new 280,000 sf headquarters in the same submarket was completed and occupied right away.

Leasing activity remained steady, with nearly 900,000 sf of deals signed. The District Court of Maryland renewed its lease at Industrial Drive in Annapolis for over 62,000 sf. While not all transactions were as sizable, the average deal size was approximately 4,500 sf.

Limited new construction has helped prevent market oversupply, while demand for high-quality office space remains strong. The northern and southern metro areas continue to outperform the city in occupancy, with vacancy rates at 12%, 11.6%, and 23%, respectively. Despite higher vacancy, Baltimore City commands the highest rental rates at \$26.23/sf, compared to \$22.60/sf in the Northern Metro and \$25.34/sf in the Southern Metro.

The largest office transaction of the quarter was the sale of 40 Wight Ave. in Cockeysville for \$26 million (\$196/sf). While office sales have been limited at the start of the year, none have been classified as distressed or auctioned as of this publication.

| THE NUMBERS | MARKET SIZE | VACANCY % | | | ABSORPTION | | RENTAL RATES | | |
|------------------------|--------------------|--------------|--------------|--------------|-----------------|-----------------|----------------|----------------|----------------|
| | | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr |
| Baltimore City Center | 12,483,398 | 31.5% | 28.2% | 29.9% | -451,781 | -451,781 | \$25.11 | \$24.75 | \$24.54 |
| Baltimore City Midtown | 2,122,502 | 10.9% | 10.8% | 9.0% | 2,908 | 2,908 | \$19.04 | \$19.74 | \$19.23 |
| Baltimore City NE | 995,507 | 6.2% | 8.3% | 6.6% | 9,183 | 9,183 | \$19.75 | \$19.75 | \$18.50 |
| Baltimore City NW | 2,060,337 | 5.3% | 6.2% | 4.6% | 18,946 | 18,946 | \$30.04 | \$29.68 | \$29.29 |
| Baltimore City SE | 7,609,362 | 17.6% | 19.2% | 19.1% | 590,169 | 590,169 | \$31.55 | \$31.87 | \$30.16 |
| Baltimore City SW | 3,191,731 | 28.2% | 27.3% | 23.6% | -3,967 | -3,967 | \$22.25 | \$23.74 | \$24.61 |
| Baltimore City | 28,462,837 | 23.0% | 22.1% | 22.2% | 165,458 | 165,458 | \$26.23 | \$26.35 | \$25.79 |
| Baltimore County East | 4,087,579 | 10.7% | 11.3% | 12.9% | 34,133 | 34,133 | \$20.12 | \$19.91 | \$22.73 |
| Baltimore County West | 8,336,602 | 9.0% | 6.8% | 7.5% | -60,641 | -60,641 | \$19.60 | \$19.66 | \$19.52 |
| Carroll County | 2,152,967 | 4.5% | 3.9% | 4.3% | -5,788 | -5,788 | \$21.12 | \$21.30 | \$21.54 |
| Cecil County | 793,270 | 1.1% | 1.7% | 2.4% | 4,103 | 4,103 | \$25.39 | \$25.06 | \$25.56 |
| Harford County | 4,863,860 | 14.8% | 15.2% | 14.5% | 21,710 | 21,710 | \$25.18 | \$25.25 | \$24.67 |
| I-83 Corridor | 10,431,893 | 13.7% | 14.3% | 16.4% | 5,053 | 5,053 | \$23.79 | \$23.69 | \$22.62 |
| Reisterstown Rd. | 8,110,401 | 14.9% | 13.7% | 14.8% | -52,104 | -52,104 | \$24.96 | \$26.01 | \$24.48 |
| Towson | 8,166,334 | 12.1% | 10.8% | 12.0% | -81,845 | -81,845 | \$21.63 | \$21.37 | \$21.32 |
| Northern Metro | 46,942,906 | 12.0% | 11.4% | 12.5% | -135,379 | -135,379 | \$22.60 | \$22.72 | \$22.39 |
| Annapolis | 5,275,213 | 10.4% | 10.0% | 11.0% | -23,501 | -23,501 | \$29.62 | \$29.35 | \$30.61 |
| BWI Corridor | 14,153,486 | 9.4% | 9.2% | 7.8% | -31,063 | -31,063 | \$24.58 | \$22.82 | \$24.42 |
| Columbia | 18,305,888 | 14.4% | 14.7% | 14.0% | 139,638 | 139,638 | \$24.52 | \$24.72 | \$25.31 |
| Route 2 Corridor | 2,759,738 | 6.6% | 7.2% | 5.6% | 10,125 | 10,125 | \$26.43 | \$26.33 | \$25.56 |
| Southern Metro | 40,494,325 | 11.6% | 11.7% | 10.9% | 95,199 | 95,199 | \$25.34 | \$24.77 | \$25.71 |
| Totals | 115,900,068 | 14.6% | 14.1% | 14.3% | 125,278 | 125,278 | \$24.45 | \$24.33 | \$24.38 |

ITEMS TO NOTE:

T. Rowe Price Group officially opened its new 550,000 sf global headquarters at Harbor Point in Baltimore this quarter, with associates beginning to move into the new location at 1307 Point St. The company said the headquarters will serve 2,000 employees.

Gallagher Evelius & Jones LLP, the sixth largest law firm in Greater Baltimore with 57 local attorneys, will move its office to 650 S. Exeter St. from its current location at 218 N. Charles St. next spring. The firm's more than 100 employees will occupy the entire 12th floor of the building.

Maryland is abandoning plans to move its Department of Budget and Management to 300 E. Lombard St. as the property faces financial distress. The state rebid a 10-year lease in January, now seeking 28,000 sf instead of the original 45,000 sf. The 19-story tower, in receivership for over a year, is being marketed for sale.

Mason & Carter Inc., an independent insurance agency in its fourth generation of family leadership, moved into the 11th floor of the Redwood Exchange building at 233 E. Redwood St. The 5,000 sf space is just across the street from its former home at 23 South St., which is now up for sale.

Ice Miller, a top-200 national law firm, is doubling its Baltimore office space to support growth. The Indianapolis-based firm, which opened in 2023 with a 5,000 sf lease at 100 Light Street, recently signed a deal to expand by 6,000 sf to accommodate continued growth.

Three new tenants signed leases at Galleria Towers in Lutherville. Che' Nova Aesthetics, ComForCare Home Care and Maryland Dermatology are joining the eight-story building located at 1447 York Road.



OFFICE INDICATORS

Market Size
115,900,068

Building Count
2,549

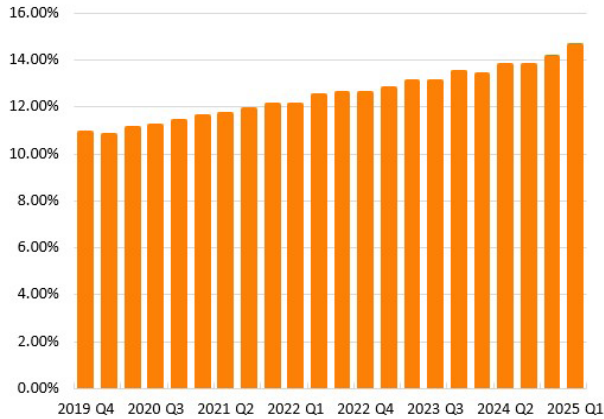
Absorption
125,278

YTD Absorption
125,278

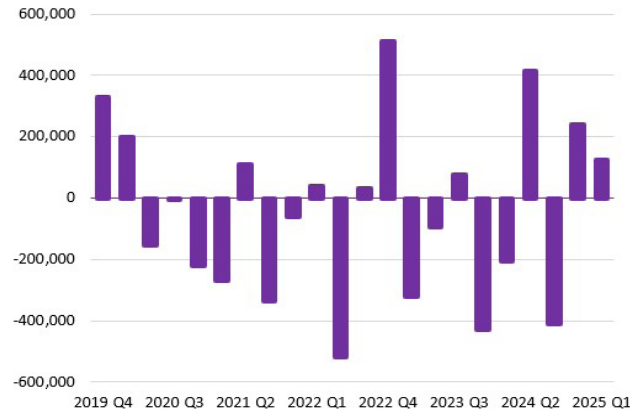
Vacancy
14.57%

Rental Rate
\$24.45/sf

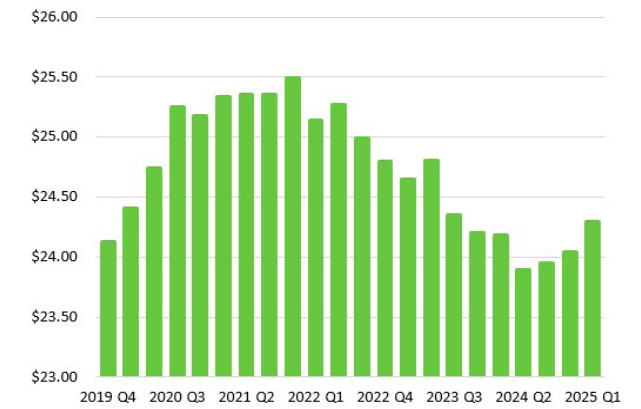
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

| | | |
|---|-------------------|------|
| 1 | Cecil County | 1.1% |
| 2 | Carroll County | 4.5% |
| 3 | Baltimore City NW | 5.3% |

Highest Vacancy

| | | |
|---|-----------------------|-------|
| 1 | Baltimore City Center | 31.5% |
| 2 | Baltimore City SW | 28.2% |
| 3 | Baltimore City SE | 17.6% |

Most Change vs. Prior Quarter

| | | |
|---|-----------------------|-------|
| - | Baltimore City NE | -2.1% |
| + | Baltimore City Center | 3.8% |

Most Positive Net Absorption

| | | |
|---|-----------------------|---------|
| 1 | Baltimore City SE | 590,169 |
| 2 | Columbia | 139,638 |
| 3 | Baltimore County East | 34,133 |

Lowest Negative Absorption

| | | |
|---|-----------------------|----------|
| 1 | Baltimore City Center | -451,781 |
| 2 | Towson | -81,845 |
| 3 | Baltimore County West | -60,641 |

Greatest Changes in Absorption, Year-to-Date

| | | |
|---|-----------------------|----------|
| - | Baltimore City Center | -451,781 |
| + | Baltimore City SE | 590,169 |

Cheapest Rates

| | | |
|---|------------------------|---------|
| 1 | Baltimore City Midtown | \$19.04 |
| 2 | Baltimore County West | \$19.60 |
| 3 | Baltimore City NE | \$19.75 |

Most Expensive Rates

| | | |
|---|-------------------|---------|
| 1 | Baltimore City SE | \$31.87 |
| 2 | Baltimore City NW | \$29.68 |
| 3 | Annapolis | \$29.35 |

Most Change vs. Prior Quarter

| | | |
|---|-------------------|---------|
| - | Baltimore City SW | -\$1.49 |
| + | BWI Corridor | \$1.76 |

LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|----------------------------|-------------------|-------------------------------------|-------------|
| 2000-2010 Industrial Dr.* | Annapolis | District Court of Maryland | 62,492 |
| 1215 E. Fort Ave. | Baltimore City SE | AECOM | 53,914 |
| 6841 Benjamin Franklin Dr. | Columbia | Huntington Ingalls Industries (HII) | 48,088 |
| 650 S. Exeter St. | Baltimore City SE | Gallagher Evelius & Jones | 33,906 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|---------------------------|-----------------------|--------------|-------|-----------------|
| 40 Wight Ave. | I-83 Corridor | \$26,000,000 | \$197 | 132,207 |
| 7168 Columbia Gateway Dr. | Columbia | \$7,315,000 | \$178 | 41,094 |
| 8010 Corporate Dr. | Baltimore County East | \$3,350,000 | \$85 | 39,598 |
| 3179 Braverton St. | Annapolis | \$2,400,000 | \$173 | 13,848 |

* Renewal, Expansion, or Sublease

OFFICE OVERVIEW (DC METRO)

FIRST QUARTER | 2025



OFFICE INDICATORS

Market Size
112,374,761

Building Count
2,008

Absorption
-205,933

YTD Absorption
-205,933

Vacancy
16.96%

Rental Rate
\$29.89/sf

THE NUMBERS

MARKET SIZE

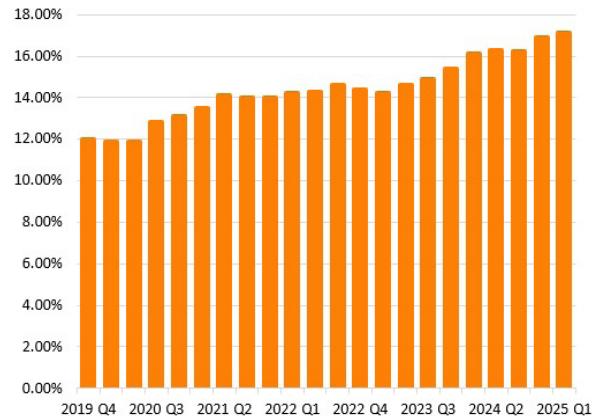
VACANCY %

ABSORPTION

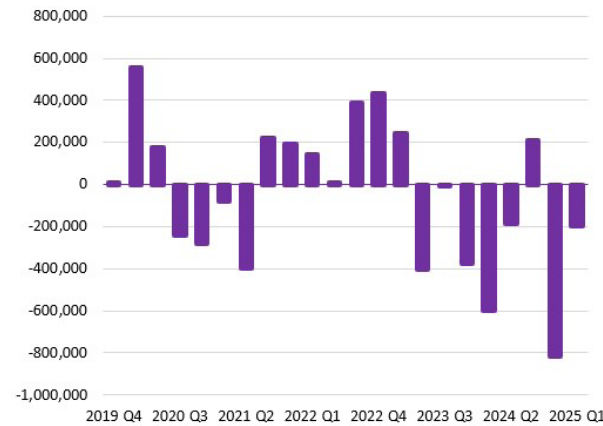
RENTAL RATES

| | Market Size | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr |
|--|--------------------|--------------|--------------|--------------|-----------------|-----------------|----------------|----------------|----------------|
| Frederick Co. | 8,869,548 | 11.0% | 12.3% | 12.3% | 95,925 | 95,925 | \$24.08 | \$23.31 | \$24.14 |
| Montgomery Co. North | 12,557,701 | 13.5% | 14.1% | 13.4% | 76,377 | 76,377 | \$31.57 | \$31.41 | \$31.72 |
| Montgomery Co. South; Rockville/Bethesda | 52,295,144 | 20.8% | 20.5% | 20.1% | -253,551 | -253,551 | \$32.96 | \$32.37 | \$32.36 |
| Prince George's Co. North | 21,943,468 | 15.0% | 14.6% | 14.2% | -17,469 | -17,469 | \$24.19 | \$24.09 | \$24.00 |
| Prince George's Co. South | 5,255,664 | 7.1% | 6.5% | 5.5% | -36,718 | -36,718 | \$29.04 | \$28.66 | \$29.06 |
| Silver Spring North/Route 29 | 4,236,159 | 9.3% | 8.7% | 9.8% | -27,041 | -27,041 | \$29.56 | \$28.28 | \$28.72 |
| Silver Spring South | 7,217,077 | 20.4% | 19.8% | 19.6% | -43,456 | -43,456 | \$30.08 | \$30.26 | \$29.90 |
| Totals | 112,374,761 | 17.0% | 16.8% | 16.5% | -205,933 | -205,933 | \$29.89 | \$29.47 | \$29.56 |

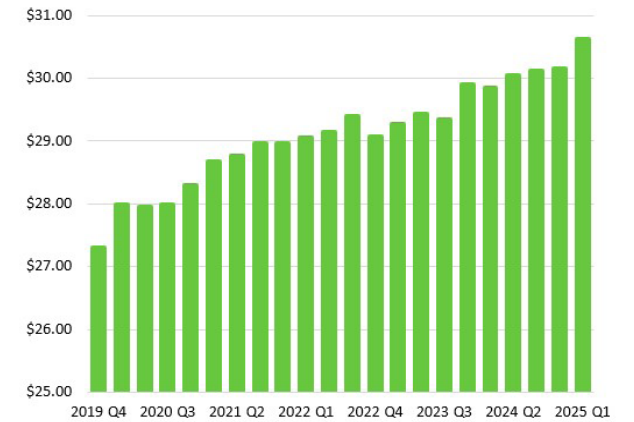
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|--------------------------|---------------------|---------------------------|-------------|
| 3275 Bennett Creek Ave.* | Montgomery County N | Banner Life Insurance Co. | 115,758 |
| 7272 Wisconsin Ave. | Montgomery County S | GEICO | 99,775 |
| 7500 Old Georgetown Rd. | Montgomery County S | Eagle Bank | 43,407 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|--------------------|------------------------|--------------|-------|-----------------|
| 10000 Falls Rd. | Montgomery County | \$17,375,000 | \$634 | 27,408 |
| 121 Rockville Pike | Montgomery County | \$10,965,000 | \$56 | 197,377 |
| 8926 Woodyard Rd. | Prince George's County | \$6,375,000 | \$187 | 34,148 |

* Renewal, Expansion, or Sublease



RETAIL INDICATORS

Market Size
118,322,130

Building Count
4,808

Absorption
-234,500

YTD Absorption
-234,500

Vacancy
6.13%

Rental Rate
\$20.23/sf

The Baltimore retail market continues to feel the impact of chain store closures, with the first quarter closing on over 220,000 sf of negative absorption. While leasing activity has softened, demand for high-quality retail space remains strong. Year-to-date, nearly 150 lease agreements have been signed, totaling over 600,000 sf.

Annapolis has experienced an increase in vacancy and continues to hold the highest vacancy rate at 11.34%. Despite this, rental rates have risen to over \$34/sf, maintaining the highest average rent in the region. Carroll County reports the lowest vacancy rate at 2.5%, with rents averaging approximately \$16/sf, while the BWI submarket follows closely with a 2.6% vacancy rate and rents exceeding \$24/sf.

Currently, approximately 203,000 sf of new retail space is under construction across 19 buildings, with more than 75,000 sf available for lease. In 2025, 57,000 sf of retail space was delivered; however, only one property was fully pre-leased. Additionally, the delivery of The BioPark and T. Rowe Price buildings contributed to the availability of new retail space in the market.

2025, a Broker's Perspective:

The negative net absorption of 234,500 sf of retail space in the Baltimore market certainly raises some eyebrows. This marks a significant shift, reminiscent of levels last seen in Q1 2021 during the pandemic's lingering economic impact. This recent downturn is largely driven by the financial struggles and subsequent bankruptcies of national retailers Big Lots and Party City, whose closures have created a wave of junior box vacancies, typically ranging from 10,000 to 15,000 square feet. These vacancies are particularly concentrated in suburban mid-sized shopping centers, where these chains previously maintained a strong presence. Compounding the issue, national dollar store concepts like Dollar General and Dollar Tree have also accelerated store closures amid profitability pressures and shifting consumer behavior. The combined effect of these closures has resulted in a sharp increase in available retail space, with limited tenant demand to fill the gaps. This lack of backfilling signals a broader realignment in the retail sector, as landlords grapple with an evolving tenant mix. The current environment presents a unique opportunity for well-capitalized tenants to secure quality locations with less competition. Ultimately, the trend reflects a market correction where weaker or oversaturated retail formats are pulling back from brick-and-mortar footprints. - Corey Caputo

| THE NUMBERS | MARKET SIZE | VACANCY % | | | ABSORPTION | | RENTAL RATES | | |
|--------------------------|--------------------|--------------|--------------|--------------|-----------------|-----------------|----------------|----------------|----------------|
| | | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr |
| Annapolis | 5,603,673 | 11.34% | 11.29% | 12.55% | -3,650 | -3,650 | \$34.28 | \$32.49 | \$29.95 |
| Baltimore City | 19,455,669 | 7.41% | 7.51% | 7.01% | 15,508 | 15,508 | \$18.80 | \$19.10 | \$19.14 |
| Baltimore County East | 15,890,485 | 5.53% | 5.23% | 5.41% | -61,573 | -61,573 | \$14.05 | \$13.59 | \$15.29 |
| Baltimore County West | 7,245,094 | 7.22% | 6.54% | 6.12% | -45,599 | -45,599 | \$19.57 | \$19.38 | \$18.34 |
| BWI Corridor | 9,458,261 | 2.60% | 2.47% | 1.80% | -12,076 | -12,076 | \$24.30 | \$24.44 | \$26.38 |
| Carroll County | 7,067,110 | 2.52% | 2.07% | 2.43% | -10,196 | -10,196 | \$16.60 | \$16.46 | \$16.30 |
| Cecil County | 3,261,518 | 4.81% | 4.52% | 4.52% | 2,212 | 2,212 | \$13.57 | \$13.60 | \$13.84 |
| Columbia | 10,119,859 | 3.91% | 3.91% | 4.47% | -2,511 | -2,511 | \$28.77 | \$28.33 | \$29.32 |
| Harford County | 10,641,723 | 5.41% | 5.40% | 5.33% | -11,662 | -11,662 | \$19.01 | \$20.02 | \$20.92 |
| Howard County West | 774,309 | 3.16% | 3.94% | 4.57% | 5,937 | 5,937 | \$25.97 | \$27.00 | \$27.04 |
| I-83 Corridor | 5,243,608 | 8.01% | 8.17% | 7.73% | 6,676 | 6,676 | \$23.89 | \$23.52 | \$28.11 |
| Reisterstown Rd Corridor | 7,560,483 | 10.46% | 10.08% | 10.86% | -21,358 | -21,358 | \$16.64 | \$15.69 | \$15.60 |
| Route 2 Corridor | 10,691,992 | 7.34% | 7.33% | 9.58% | -43,579 | -43,579 | \$18.16 | \$17.66 | \$17.15 |
| Towson | 5,308,346 | 3.78% | 2.74% | 3.53% | -52,629 | -52,629 | \$22.70 | \$22.97 | \$24.36 |
| Totals/Averages | 118,322,130 | 6.13% | 5.95% | 6.20% | -234,500 | -234,500 | \$20.23 | \$20.07 | \$20.66 |

ITEMS TO NOTE:

MCB Real Estate's more than \$6 million investment in the Westridge Square shopping center in Frederick over the past two years helped attract a new anchor tenant. Crunch Fitness recently opened a 40,000 sf space in the more than 250,000 sf regional shopping center.

A Miami investment firm, Saglo Development Corp., is entering Maryland's retail market with the acquisition of a Carroll County shopping center. The group paid \$25.5 million for Freedom Village Shopping Center in Eldersburg from an entity of Continental Realty Corp.

IKEA will open a "plan & order" store in Hunt Valley this summer, occupying a 2,000 sf space in Hunt Valley Towne Center. This smaller store focuses on design consultations, allowing customers to plan rooms and order furnishings for delivery or pickup—without in-store furniture or meatball purchases.

Baltimore County has purchased another portion of Security Square Mall in Woodlawn, giving it control of almost half of the mall's footprint. The County purchased a 9-acre plot from Macy's for \$6.5 million.

Baltimore's Greenberg Gibbons sold The Village at Waugh Chapel in Gambrells for \$126 million to Urban Edge Properties, a New York retail REIT seeking to expand amid a retail recovery. Property is anchored by Safeway, HomeGoods, TJ Maxx, and more.

Waterfront development Baltimore Peninsula has secured a new retail tenant — Shinkansen Sushi, a 3,138 sf restaurant that will be located in the Rye House building. The lease brought the development's retail occupancy to 62%.

Timber Pizza Company is expanding with a new location at Market at South River Colony in Edgewater. The 2,100 sf space is their second Maryland location, the first is in Annapolis.



RETAIL INDICATORS

Market Size
118,322,130

Building Count
4,808

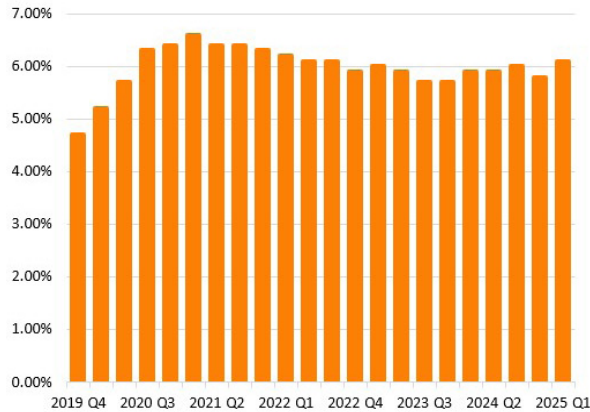
Absorption
-234,500

YTD Absorption
-234,500

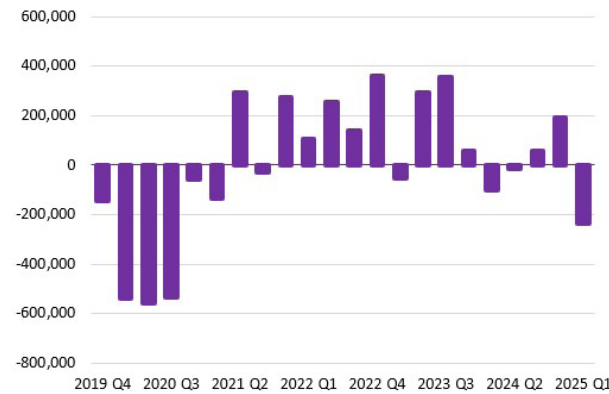
Vacancy
6.13%

Rental Rate
\$20.23/sf

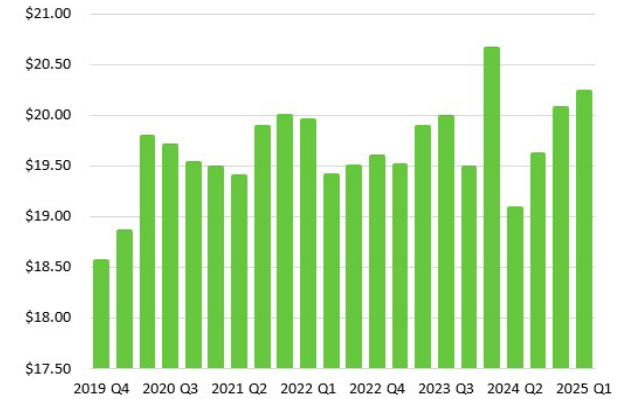
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

| | | |
|---|--------------------|-------|
| 1 | Carroll County | 2.52% |
| 2 | BWI Corridor | 2.60% |
| 3 | Howard County West | 3.16% |

Highest Vacancy

| | | |
|---|--------------------------|--------|
| 1 | Annapolis | 11.34% |
| 2 | Reisterstown Rd Corridor | 10.46% |
| 3 | I-83 Corridor | 8.01% |

Most Change vs. Prior Quarter

| | | |
|---|--------------------|-------|
| - | Howard County West | 0.77% |
| + | Towson | 1.04% |

Most Positive Net Absorption

| | | |
|---|--------------------|--------|
| 1 | Baltimore City | 15,508 |
| 2 | I-83 Corridor | 6,676 |
| 3 | Howard County West | 5,937 |

Lowest Negative Absorption

| | | |
|---|-----------------------|---------|
| 1 | Baltimore County East | -61,573 |
| 2 | Towson | -52,629 |
| 3 | Baltimore County West | -45,599 |

Greatest Changes in Absorption, Year-to-Date

| | | |
|---|-----------------------|---------|
| - | Baltimore County East | -61,573 |
| + | Baltimore City | 15,508 |

Cheapest Rates

| | | |
|---|-----------------------|---------|
| 1 | Cecil County | \$13.57 |
| 2 | Baltimore County East | \$14.05 |
| 3 | Carroll County | \$16.60 |

Most Expensive Rates

| | | |
|---|--------------------|---------|
| 1 | Annapolis | \$34.28 |
| 2 | Columbia | \$28.77 |
| 3 | Howard County West | \$25.97 |

Most Change vs. Prior Quarter

| | | |
|---|--------------------|---------|
| - | Howard County West | -\$1.03 |
| + | Annapolis | \$1.79 |

LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|---------------------|--------------------------|--------------------------|-------------|
| 2323 Eastern Ave. | Baltimore County E | Maryland Aviation Museum | 117,966 |
| 118 Shawan Rd.* | I-83 Corridor | Confidential | 79,669 |
| 801 E. Pulaski Hwy. | Cecil County | Ocean State Job Lot | 30,000 |
| 8313 Telegraph Rd. | Reisterstown Rd Corridor | Sprouts Farmers Market | 23,299 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|---------------------------------|------------------|-------------|-------|-----------------|
| Governors Commons | Route 2 Corridor | \$9,570,000 | \$146 | 65,342 |
| Hickory Village Shopping Center | Harford County | \$7,507,500 | \$136 | 55,235 |
| Toby's Dinner Theatre | Columbia | \$7,200,000 | \$745 | 9,661 |
| Constant Friendship | Harford County | \$6,500,000 | \$143 | 45,463 |

* Renewal, Expansion, or Sublease

RETAIL OVERVIEW (DC METRO)

FIRST QUARTER | 2025



RETAIL INDICATORS

Market Size
82,146,635

Building Count
2,856

Absorption
-88,002

YTD Absorption
-88,002

Vacancy
5.95%

Rental Rate
\$28.91/sf

THE NUMBERS

MARKET SIZE

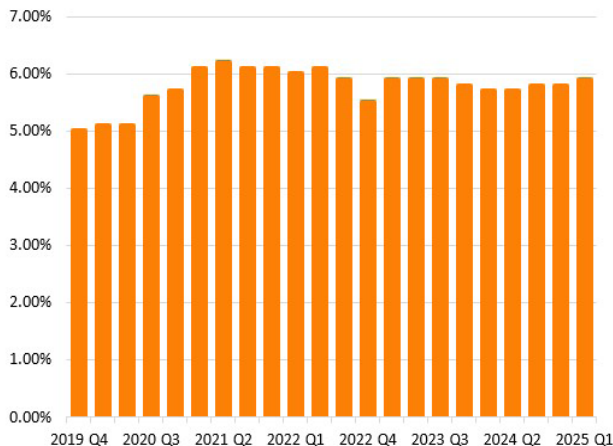
VACANCY %

ABSORPTION

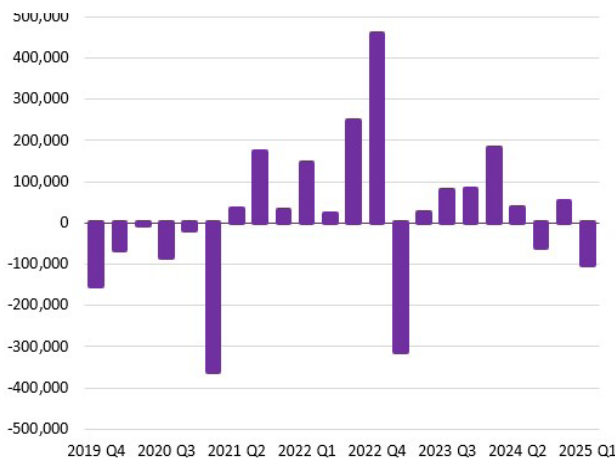
RENTAL RATES

| | MARKET SIZE | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr |
|-----------------------------------|-------------------|--------------|--------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Frederick County | 12,257,142 | 4.90% | 4.91% | 5.42% | 22,892 | 22,892 | \$15.59 | \$20.35 | \$22.98 |
| Montgomery County North | 11,018,982 | 9.13% | 8.93% | 8.46% | -28,620 | -28,620 | \$33.10 | \$32.39 | \$31.27 |
| Montgomery County South-Rockville | 18,218,112 | 4.14% | 3.82% | 4.48% | -58,889 | -58,889 | \$34.16 | \$31.47 | \$32.23 |
| Prince George's County North | 22,517,393 | 6.35% | 6.69% | 6.62% | 67,197 | 67,197 | \$28.30 | \$27.50 | \$26.11 |
| Prince George's County South | 12,323,220 | 4.48% | 4.69% | 4.57% | 20,611 | 20,611 | \$29.04 | \$26.96 | \$26.04 |
| Silver Spring North-Route 29 | 3,403,086 | 13.12% | 10.25% | 12.51% | -98,555 | -98,555 | \$37.75 | \$37.84 | \$38.70 |
| Silver Spring South | 2,408,700 | 4.03% | 3.55% | 3.18% | -12,638 | -12,638 | \$30.48 | \$29.11 | \$37.47 |
| Washington DC Retail Total | 82,146,635 | 5.95% | 5.84% | 6.05% | -88,002 | -88,002 | \$28.91 | \$28.36 | \$28.54 |

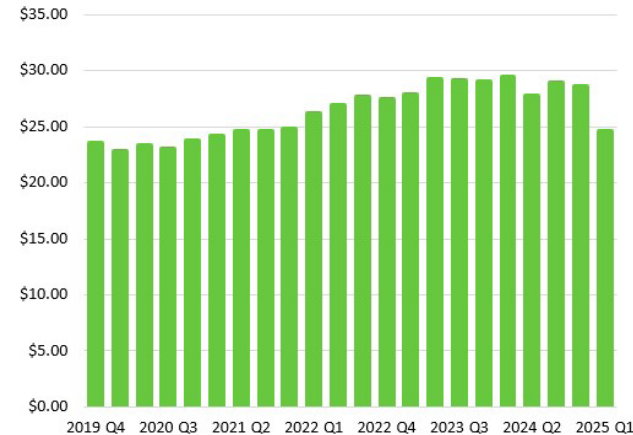
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|----------------------|--------------------------|--------------|-------------|
| 1800 Rockville Pike | Montgomery County S | Go Fresh 365 | 62,753 |
| 15920 Crain Hwy. SE | Prince George's County S | Burlington | 29,907 |
| 3861 Evergreen Pkwy. | Prince George's County N | Confidential | 22,050 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|---------------------------|------------------------|-------------|---------|-----------------|
| 2151 Brooks Dr. | Prince George's County | \$6,610,000 | \$1,176 | 5,619 |
| 4301-4335 Kenilworth Ave. | Prince George's County | \$6,550,000 | \$240 | 27,280 |
| 12851 Middlebrook Rd. | Montgomery County | \$5,500,000 | \$1,627 | 3,380 |

* Renewal, Expansion, or Sublease

INDUSTRIAL OVERVIEW

FIRST QUARTER | 2025



INDUSTRIAL INDICATORS

Market Size
274,819,857

Building Count
3,744

Absorption
41,696

YTD Absorption
41,696

Vacancy
7.43%

Rental Rate
\$11.76/sf

The Baltimore industrial market concluded the first quarter of 2025 on a positive trajectory, marked by stable rental rates, positive net absorption, and continued leasing activity. Vacancy rates saw a modest improvement, declining from 7.56% in Q4 2024 to 7.43% in Q1 2025, while overall absorption remained positive. Notably, the largest leases signed this quarter were all new deals, reflecting sustained tenant demand.

Rental rates experienced a slight uptick, driven by tenants securing new leases or renewing in higher quality buildings. All submarkets recorded increases in rental rates, albeit modest.

Sales activity began the year on solid footing, with an average sale price of approximately \$192.67 psf. The two largest transactions each involved more than 300,000 sf of warehouse space and a combined total of 63 acres—one located in Baltimore City and the other in Baltimore County.

More than 790,000 sf of industrial space has been delivered so far in 2025, with only 19.5% currently listed for lease. However, market uncertainty -largely stemming from the impacts of new tariffs and elevated interest rates—has contributed to a slowdown in new construction, with only three groundbreakings reported year-to-date.

ITEMS TO NOTE:

Guinness' parent company, Diageo, has sold 63 acres around its Baltimore County brewery to MRP Industrial and Clarion Partners as it scales back locally. The sale follows Diageo's 2023 facility closure and listing of 45 acres.

Owners of Len the Plumber Heating & Air, LLC listed the firm's 24,000 sf office and warehouse at 1552 Ridgely St. near M&T Bank Stadium. The firm has worked from renovated offices and warehouse space for years, and officials say they now need more room.

Tate, Inc., a global manufacturer, supplier, and installer of custom-designed raised flooring systems sold its U.S. company headquarters to Gaulin Properties for \$18.5 million. The 121,211 sf warehouse building is located at 7510 Montevideo Road.

Indianapolis-based developer Scannell Properties has begun construction on a 115,000 sf speculative warehouse at 3407 Carroll Island Road in Middle River, shifting from its original built-to-suit plan to proceed without a committed tenant.

A Maryland-based manufacturer is expanding its headquarters and operations to meet what it described as growing power demands of data centers. PwrQ plans to grow its warehouse at 7200 Standard Drive to 220,000 sf from its current facility size of 155,000 sf. The expansion is expected to create 160 new jobs in the area over the next five years.

Catalyst Investment Partners acquired 6200 Fallard Drive, a 6,000 sf warehouse in Upper Marlboro, Maryland, for \$1.8 million. As part of the transaction, Catalyst Investment Partners arranged a leaseback of the property to R&F Trucking, which continues to use the facility for distribution and logistics.

| THE NUMBERS | MARKET SIZE | VACANCY % | | | ABSORPTION | | RENTAL RATES | | |
|--------------------------|--------------------|--------------|--------------|--------------|-----------------|-----------------|----------------|----------------|----------------|
| | | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr |
| Annapolis/Route 2 | 6,616,975 | 10.76% | 11.03% | 7.45% | 12,339 | 12,339 | \$16.04 | \$15.74 | \$15.35 |
| Baltimore City | 5,421,204 | 7.14% | 7.00% | 7.02% | -70,401 | -70,401 | \$12.23 | \$12.02 | \$11.82 |
| Baltimore County East | 4,080,130 | 9.16% | 9.23% | 8.19% | 2,784 | 2,784 | \$13.54 | \$13.31 | \$12.99 |
| Baltimore County West | 4,913,784 | 10.53% | 10.32% | 10.95% | -19,319 | -19,319 | \$13.10 | \$12.83 | \$12.53 |
| BWI Corridor | 8,929,859 | 6.70% | 6.00% | 4.80% | -70,510 | -70,510 | \$14.99 | \$14.71 | \$14.37 |
| Carroll County | 1,944,502 | 7.32% | 5.90% | 6.15% | 12,226 | 12,226 | \$15.15 | \$13.57 | \$13.70 |
| Columbia | 8,316,843 | 4.21% | 3.52% | 4.14% | -56,772 | -56,772 | \$17.16 | \$16.84 | \$16.46 |
| Harford & Cecil Counties | 3,155,980 | 5.58% | 7.27% | 7.36% | 53,830 | 53,830 | \$14.37 | \$14.19 | \$13.84 |
| I-83 Corridor | 5,600,702 | 4.07% | 3.61% | 5.66% | -34,214 | -34,214 | \$15.41 | \$15.13 | \$14.74 |
| Reisterstown Rd | 2,968,833 | 9.30% | 10.37% | 12.40% | 31,710 | 31,710 | \$14.37 | \$14.12 | \$13.81 |
| Flex Totals | 51,948,812 | 7.24% | 7.06% | 6.83% | -138,327 | -138,327 | \$14.87 | \$14.55 | \$14.23 |
| Annapolis Route 2 | 10,302,160 | 3.81% | 2.88% | 0.50% | -96,668 | -96,668 | \$12.46 | \$12.28 | \$12.13 |
| Baltimore City | 50,415,809 | 6.84% | 7.92% | 5.82% | -4,415 | -4,415 | \$9.30 | \$9.17 | \$9.05 |
| Baltimore County East | 36,367,104 | 8.82% | 7.61% | 8.58% | 5,816 | 5,816 | \$9.98 | \$9.84 | \$9.72 |
| Baltimore County West | 9,944,754 | 11.84% | 11.51% | 11.52% | -34,240 | -34,240 | \$10.13 | \$9.98 | \$9.85 |
| BWI Corridor | 44,297,461 | 7.94% | 8.47% | 6.19% | 71,969 | 71,969 | \$12.67 | \$12.48 | \$12.33 |
| Carroll County | 9,115,601 | 0.78% | 0.83% | 0.72% | 29,096 | 29,096 | \$9.96 | \$9.83 | \$9.69 |
| Columbia | 5,317,707 | 9.51% | 15.78% | 18.20% | 42,432 | 42,432 | \$10.81 | \$10.66 | \$10.54 |
| Harford & Cecil Counties | 50,310,858 | 8.17% | 8.07% | 9.72% | 204,207 | 204,207 | \$9.84 | \$9.76 | \$9.53 |
| I-83 Corridor | 5,175,417 | 3.88% | 3.46% | 4.37% | -25,115 | -25,115 | \$14.80 | \$14.64 | \$14.49 |
| Reisterstown Rd | 1,624,174 | 1.17% | 0.37% | 39.00% | -13,059 | -13,059 | \$12.71 | \$12.57 | \$12.38 |
| Warehouse Totals | 222,871,045 | 7.47% | 7.68% | 7.25% | 180,023 | 180,023 | \$10.60 | \$10.46 | \$10.31 |
| Totals | 274,819,857 | 7.43% | 7.56% | 7.17% | 41,696 | 41,696 | \$11.76 | \$11.59 | \$11.39 |



WAREHOUSE INDICATORS

Market Size
222,871,045

Building Count
2,502

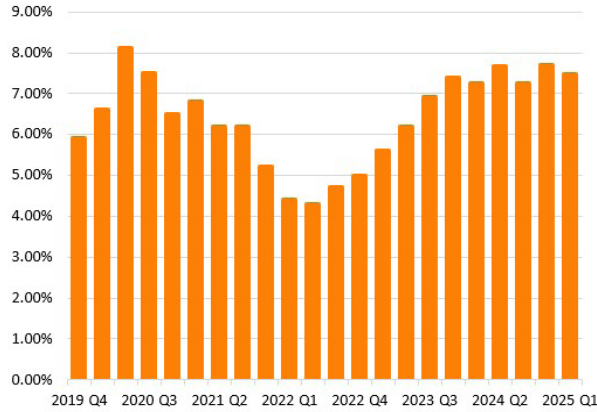
Absorption
180,023

YTD Absorption
180,023

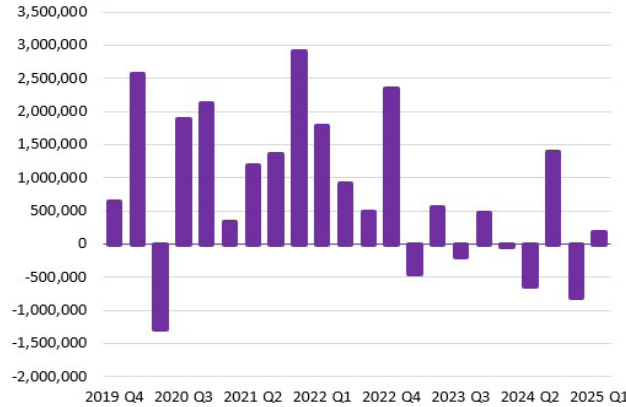
Vacancy
7.47%

Rental Rate
\$10.60/sf

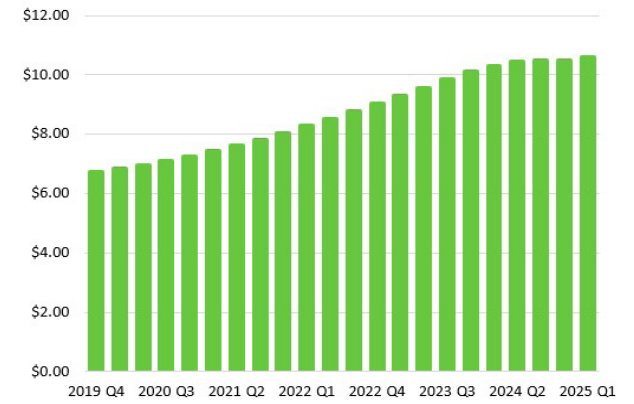
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

| | | |
|---|-------------------|-------|
| 1 | Carroll County | 0.78% |
| 2 | Reisterstown Rd | 1.17% |
| 3 | Annapolis/Route 2 | 3.81% |

Highest Vacancy

| | | |
|---|-----------------------|--------|
| 1 | Baltimore County West | 11.84% |
| 2 | Columbia | 9.51% |
| 3 | Baltimore County East | 8.82% |

Most Change vs. Prior Quarter

| | | |
|---|-----------------------|--------|
| - | Columbia | -6.27% |
| + | Baltimore County East | 1.21% |

Most Positive Net Absorption

| | | |
|---|--------------------------|---------|
| 1 | Harford & Cecil Counties | 204,207 |
| 2 | BWI Corridor | 71,969 |
| 3 | Columbia | 42,432 |

Lowest Negative Absorption

| | | |
|---|-----------------------|---------|
| 1 | Annapolis/Route 2 | -96,668 |
| 2 | Baltimore County West | -34,240 |
| 3 | I-83 Corridor | -25,115 |

Greatest Changes in Absorption, Year-to-Date

| | | |
|---|--------------------------|---------|
| - | Annapolis/Route 2 | -96,668 |
| + | Harford & Cecil Counties | 204,207 |

Cheapest Rates

| | | |
|---|--------------------------|--------|
| 1 | Baltimore City | \$9.30 |
| 2 | Harford & Cecil Counties | \$9.84 |
| 3 | Carroll County | \$9.96 |

Most Expensive Rates

| | | |
|---|-----------------|---------|
| 1 | I-83 Corridor | \$14.80 |
| 2 | Reisterstown Rd | \$12.71 |
| 3 | BWI Corridor | \$12.67 |

Most Change vs. Prior Quarter

| | | |
|---|--------------------------|--------|
| - | Harford & Cecil Counties | \$0.08 |
| + | BWI Corridor | \$0.19 |

LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|------------------------|--------------------|------------------------|-------------|
| 1 Principio Pkwy. W | Cecil County | Restoration Hardware | 200,100 |
| 4625 Hollins Ferry Rd. | Baltimore County W | The Poole and Kent Co. | 152,824 |
| 6301 New Cold Mill Rd. | Baltimore County E | Samuel | 131,353 |
| 1501 Perryman Rd. | Harford County | White Glove Services | 105,300 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|---------------------------|-----------------------|--------------|-------|-----------------|
| 1201 & 1255 S. Caton Ave. | Baltimore City SW | \$85,450,000 | \$284 | 300,726 |
| 5001 Washington Blvd. | Baltimore County West | \$35,650,000 | \$112 | 317,457 |
| 1400 Cherry Hill Rd. | Baltimore City SW | \$3,525,000 | \$344 | 10,255 |
| 2001 Conowingo Rd. | Harford County | \$2,100,000 | \$140 | 15,009 |

* Renewal, Expansion, or Sublease



FLEX INDICATORS

Market Size
51,948,812

Building Count
1,242

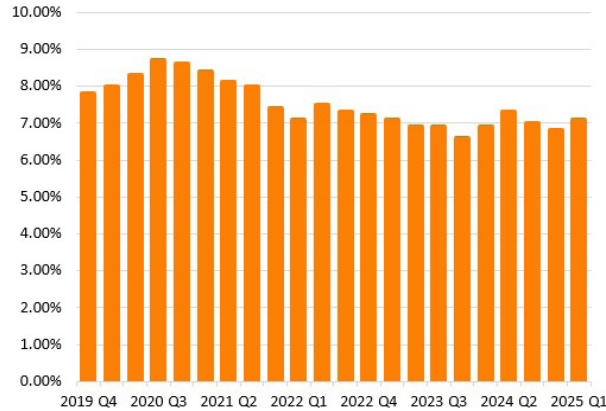
Absorption
-138,327

YTD Absorption
-138,327

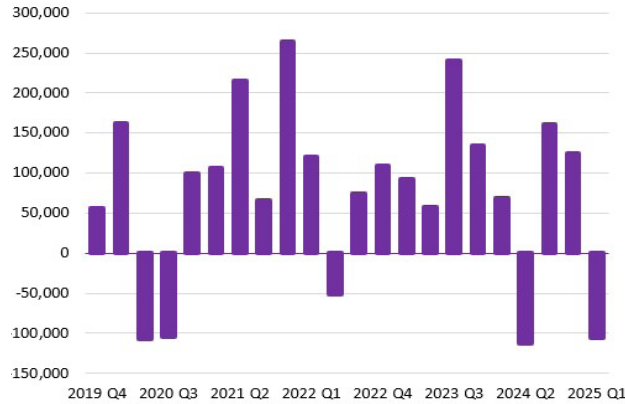
Vacancy
7.24%

Rental Rate
\$14.87/sf

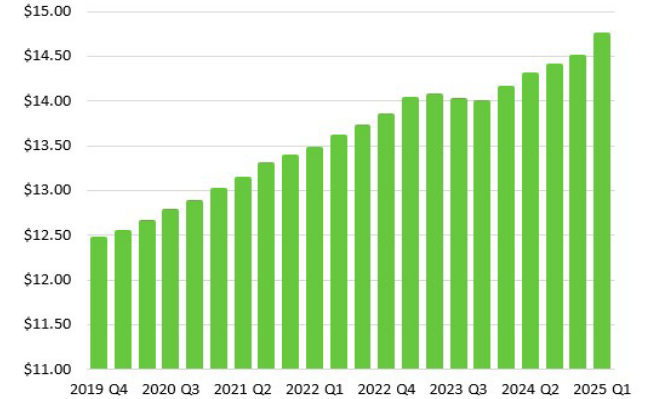
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

| | | |
|---|--------------------------|-------|
| 1 | I-83 Corridor | 4.07% |
| 2 | Columbia | 4.21% |
| 3 | Harford & Cecil Counties | 5.58% |

Highest Vacancy

| | | |
|---|-----------------------|--------|
| 1 | Annapolis/Route 2 | 10.76% |
| 2 | Baltimore County West | 10.53% |
| 3 | Reisterstown Rd | 9.30% |

Most Change vs. Prior Quarter

| | | |
|---|--------------------------|--------|
| - | Harford & Cecil Counties | -1.69% |
| + | Carroll County | 1.42% |

Most Positive Net Absorption

| | | |
|---|--------------------------|--------|
| 1 | Harford & Cecil Counties | 53,830 |
| 2 | Reisterstown Rd | 31,710 |
| 3 | Annapolis/Route 2 | 12,339 |

Lowest Negative Absorption

| | | |
|---|----------------|---------|
| 1 | BWI Corridor | -70,510 |
| 2 | Baltimore City | -70,401 |
| 3 | Columbia | -56,772 |

Greatest Changes in Absorption, Year-to-Date

| | | |
|---|--------------------------|---------|
| - | BWI Corridor | -70,510 |
| + | Harford & Cecil Counties | 53,830 |

Cheapest Rates

| | | |
|---|-----------------------|---------|
| 1 | Baltimore City | \$12.23 |
| 2 | Baltimore County West | \$13.10 |
| 3 | Baltimore County East | \$13.54 |

Most Expensive Rates

| | | |
|---|-------------------|---------|
| 1 | Columbia | \$17.16 |
| 2 | Annapolis/Route 2 | \$16.04 |
| 3 | I-83 Corridor | \$15.41 |

Most Change vs. Prior Quarter

| | | |
|---|--------------------------|--------|
| - | Harford & Cecil Counties | \$0.18 |
| + | Carroll County | \$1.58 |

LEASE TRANSACTIONS

| Location | Region | Tenant | Leased (sf) |
|-----------------------|--------------------|------------------------|-------------|
| 1330 Innovation St. | Baltimore County E | Confidential | 27,130 |
| 9409 Philadelphia Rd. | Baltimore County E | Creative Options, Inc. | 20,000 |
| 6958 Aviation Blvd. | BWI Corridor | SEA, LTD | 30,977 |
| 3 Beaver Ct.* | I-83 Corridor | Saft America, Inc. | 20,028 |

SALE TRANSACTIONS

| Location | Region | Price | PSF | Bldg. Size (sf) |
|----------------------------|---------------|-------------|-------|-----------------|
| 7483 Candlewood Rd. | BWI Corridor | \$9,100,000 | \$135 | 67,500 |
| 200 & 212 Cockeysville Rd. | I-83 Corridor | \$7,450,000 | \$196 | 37,997 |
| 10350 Guilford Rd. | BWI Corridor | \$5,000,000 | \$222 | 22,510 |
| 10900 Pump House Rd. | BWI Corridor | \$4,100,000 | \$234 | 17,500 |

* Renewal, Expansion, or Sublease

INDUSTRIAL OVERVIEW (DC METRO)

FIRST QUARTER | 2025



INDUSTRIAL INDICATORS

Market Size
115,813,075

Building Count
2,330

Absorption
270,640

YTD Absorption
270,640

Vacancy
8.56%

Rental Rate
\$16.62/sf

THE NUMBERS

MARKET SIZE

VACANCY %

ABSORPTION

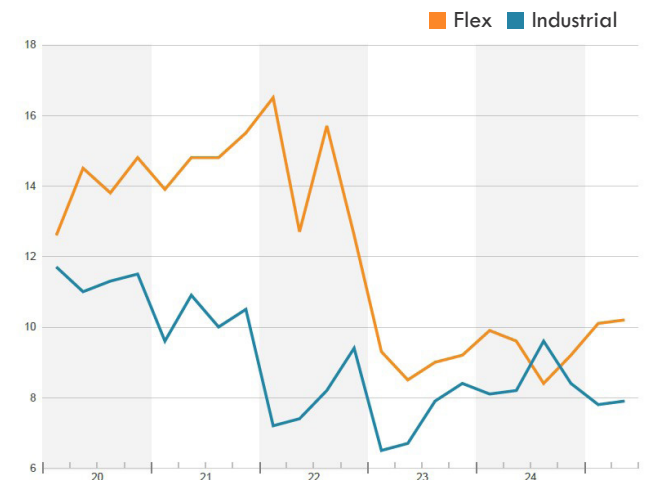
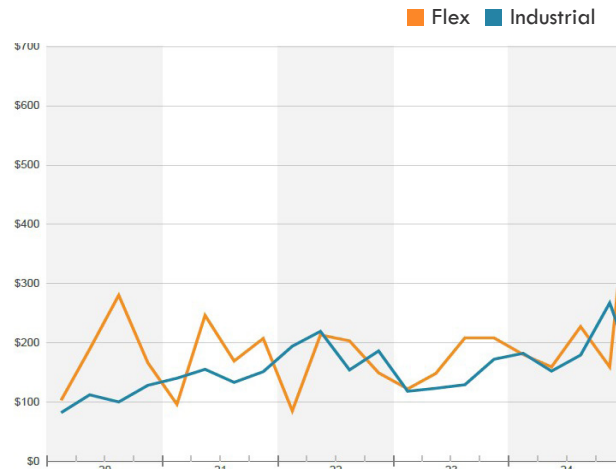
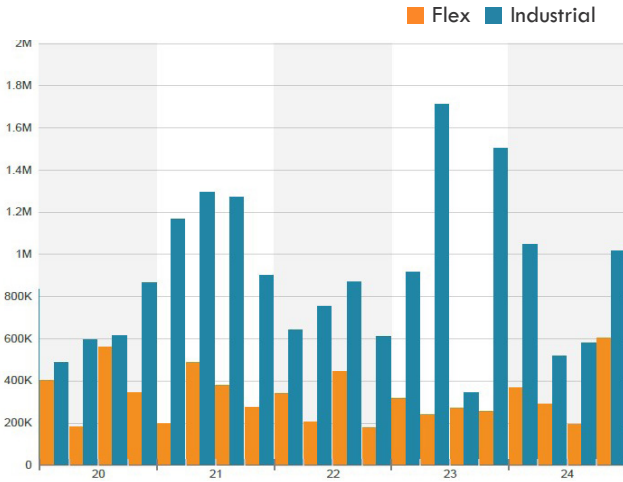
RENTAL RATES

| | Current | Prior Qtr | Prior Yr | QTD | YTD | Current | Prior Qtr | Prior Yr | |
|------------------------------------|--------------------|--------------|--------------|--------------|-----------------|-----------------|----------------|----------------|----------------|
| Frederick Co. | 7,725,639 | 14.05% | 12.71% | 12.33% | -121,446 | -121,446 | \$15.41 | \$15.29 | \$14.78 |
| Montgomery Co. North | 7,937,367 | 11.90% | 10.68% | 10.87% | -97,896 | -97,896 | \$23.11 | \$23.10 | \$22.28 |
| Montgomery Co.; Rockville/Bethesda | 5,349,359 | 7.95% | 7.62% | 6.29% | -18,430 | -18,430 | \$28.99 | \$28.97 | \$27.84 |
| Prince George's Co. | 8,649,921 | 5.46% | 5.42% | 5.31% | -10,415 | -10,415 | \$16.01 | \$16.00 | \$15.43 |
| Silver Spring | 1,404,748 | 7.52% | 7.46% | 4.77% | 2,843 | 2,843 | \$20.91 | \$20.90 | \$20.16 |
| Flex Totals | 31,067,034 | 9.76% | 9.03% | 8.59% | -245,344 | -245,344 | \$20.13 | \$20.09 | \$19.37 |
| Frederick Co. | 16,119,929 | 6.87% | 5.18% | 8.10% | -304,635 | -304,635 | \$13.77 | \$13.52 | \$13.00 |
| Montgomery Co. North | 5,899,137 | 7.48% | 6.74% | 6.23% | -41,490 | -41,490 | \$21.08 | \$20.71 | \$20.02 |
| Montgomery Co.; Rockville/Bethesda | 6,910,270 | 3.68% | 4.19% | 4.38% | 29,887 | 29,887 | \$21.84 | \$21.45 | \$20.76 |
| Prince George's Co. | 54,068,927 | 9.31% | 9.57% | 5.80% | 834,332 | 834,332 | \$14.23 | \$13.99 | \$13.48 |
| Silver Spring | 1,747,778 | 2.79% | 2.67% | 2.59% | -2,110 | -2,110 | \$18.71 | \$18.40 | \$17.83 |
| Warehouse Totals | 84,746,041 | 8.12% | 7.97% | 6.08% | 515,984 | 515,984 | \$15.33 | \$15.07 | \$14.53 |
| Totals | 115,813,075 | 8.56% | 8.26% | 6.75% | 270,640 | 270,640 | \$16.62 | \$16.42 | \$15.83 |

LEASING ACTIVITY

SALES PRICE PER SQUARE FOOT

LEASING: MONTHS ON THE MARKET



* Renewal, Expansion, or Sublease



WAREHOUSE (DC METRO)

Market Size
84,746,041

Building Count
1,682

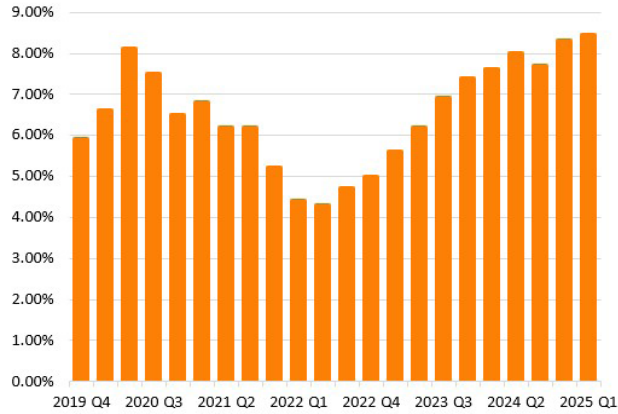
Absorption
515,984

YTD Absorption
515,984

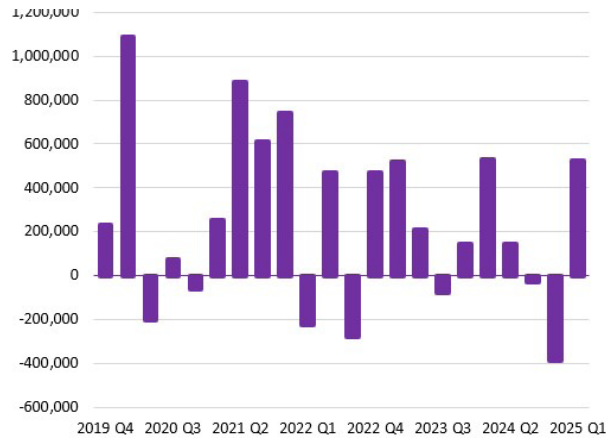
Vacancy
8.12%

Rental Rate
\$15.33/sf

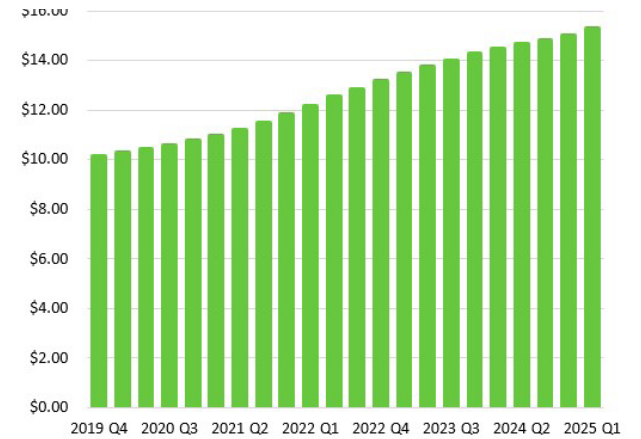
VACANCY



NET ABSORPTION



RENTAL RATES



FLEX (DC METRO)

Market Size
31,067,034

Building Count
648

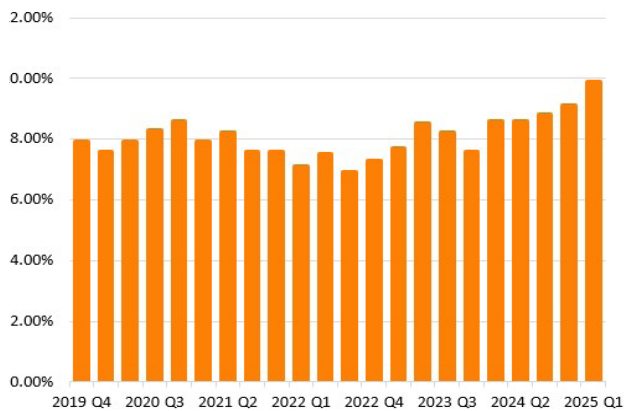
Absorption
-245,344

YTD Absorption
-245,344

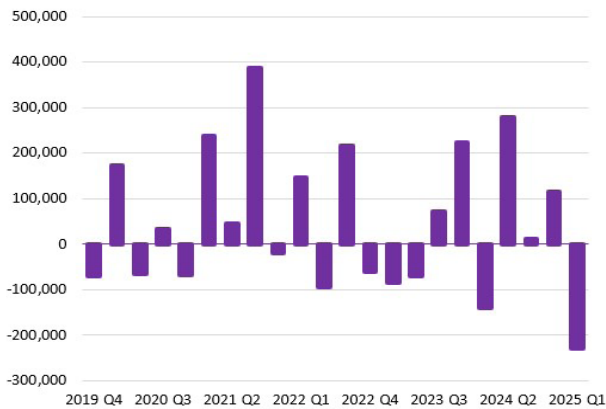
Vacancy
9.76%

Rental Rate
\$20.13/sf

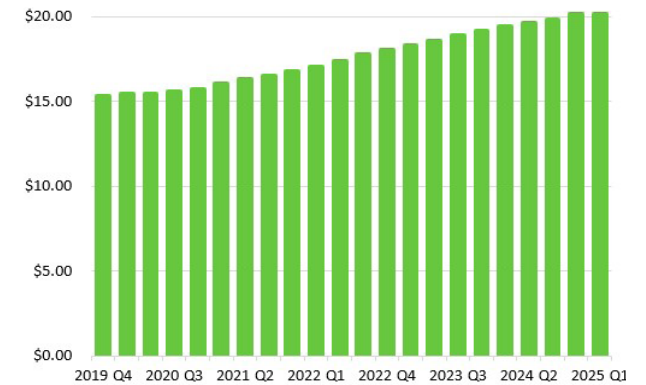
VACANCY



NET ABSORPTION

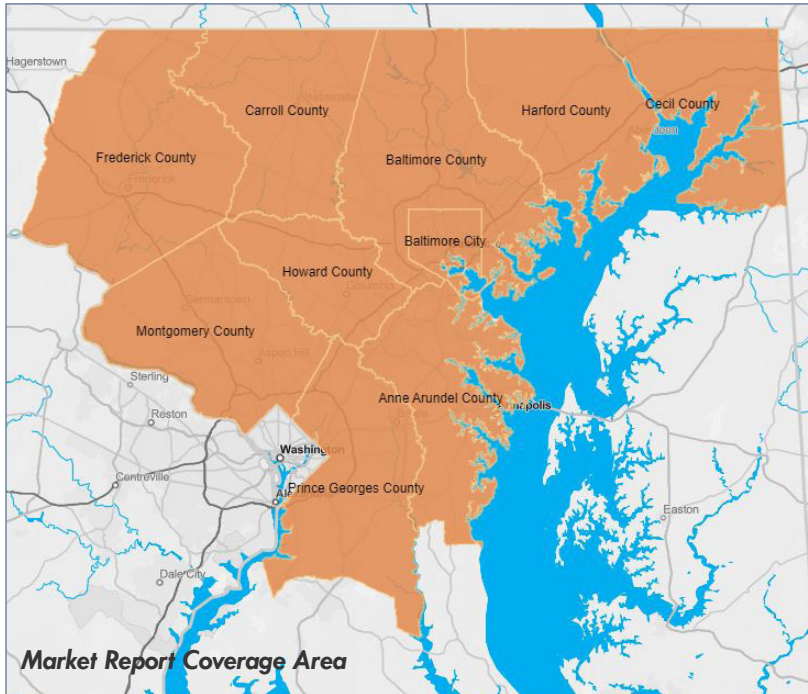


RENTAL RATES





REPORT CRITERIA AND SUBMARKETS



About Us:

MacKenzie Ventures, LLC (MacKenzie) possesses the multi-disciplined team necessary to excel in Maryland's corporate real estate community. Comprising six firms, MacKenzie provides clients a competitive, full service platform of offerings in leasing, sales, investments, tenant and landlord advisory services, development, general construction, property and asset management, debt and equity capital placement, and multifamily property management. With more than 225 employees and offices in Annapolis, Baltimore, Bel Air, Columbia, and Lutherville, Maryland, MacKenzie is one of the largest full service commercial real estate firms in the Mid-Atlantic. Please visit www.mackenziecommercial.com for more information.

MacKenzie Commercial Real Estate Services, LLC
 Corporate Headquarters: 2328 W. Joppa Road, Suite 200
 Lutherville, MD 21093
 Website: MacKenzieCommercial.com
 Contact Us: Media@MacKenzieCommercial.com

OFFICE MARKET: Office buildings 5,000 sf in size and greater in the Metro areas within Anne Arundel County, Baltimore County, Harford County, and Howard County; buildings 20,000 sf in size and greater within Baltimore City; and, there is no minimum size requirement in Annapolis. MacKenzie includes all class types except in Baltimore City and Annapolis where only classes A and B are tracked; owner occupied buildings are not tracked in Baltimore City. Data does not include under construction or proposed projects. The office market is separated into the following submarkets: Annapolis, Baltimore City CBD, Baltimore City Midtown, Baltimore City NE, Baltimore City NW, Baltimore City SE, Baltimore City SW, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Rd Corridor, Route 2 Corridor, and Towson.

RETAIL MARKET: Retail buildings 5,000 sf or greater in Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, and Howard County; there is no minimum size requirement in Annapolis. MacKenzie includes all class types and includes retail buildings that are for investment or owner user. Data does not include under construction or proposed projects. The region is broken down into 14 submarkets; Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Road Corridor, Route 2 Corridor, and Towson.

INDUSTRIAL MARKET: Flex properties are industrial buildings that have at least 70% office build-out, and single-story office buildings that have at least one dock door. Industrial buildings include warehouse, distribution, and manufacturing facilities. Both property types included are at least 10,000 sf in size and include all classes. Data does not include under construction or proposed projects. We have classified the properties into 10 submarkets for industrial, identified as the following: Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll, Columbia, Harford/Cecil Counties, I-83 Corridor, and Reisterstown Road Corridor.

DC METRO MARKETS: We apply the same size parameters and building specifications noted above to office, retail, and industrial product throughout the DC Metro market, and have separated this market into the following submarkets for each asset class: Frederick County, Montgomery County North, Montgomery County South; Rockville/Bethesda; Prince George's County North and South, Silver Spring North/29, and Silver Spring South.

RENTAL RATES: Rental rates are based on values provided by CoStar's availability-weighted rents. The availability-weighted rents exist where CoStar has a space for lease listed and an associated rent. These rents only exist at a building level in quarters when the listing is active, and aggregates of this series are an average weighted by the amount of available space associated with the listing.

Disclaimer:

All information furnished regarding property for sale, rent, exchange or financing is from sources deemed reliable. No representation is made as to the accuracy thereof and all such information is submitted subject to errors, omissions, or changes in conditions, prior sale, lease or withdrawal without notice. All information should be verified to the satisfaction of the person relying thereon. Portions of the base statistics are from CoStar Property data and Real Capital Analytics (RCA). To learn more about our methodology, research team, or to access previous market reports, please visit www.mackenziecommercial.com/market-report/. To join our Market Report mailing list, please send us an e-mail: Media@MacKenzieCommercial.com.