





# MACKENZIE'S LOCAL OUTLOOK

BALTIMORE METRO
COMMERCIAL REAL ESTATE
MARKET REPORT
3RD QUARTER
2018









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## **ECONOMIC FACTORS**

THIRD QUARTER | 2018

**ECONOMIC INDICATORS\*** 

Employment
1.46 Mil

Unemployment Rate
4.6%

Cost of Living 17%

Average Salary \$56,177

Wage Growth +0.2%

Consumer Price Index (CPI) +0.2%

## Baltimore (MSA) Rankings in the News

- Baltimore named 63rd most FUN CITY in America (CBS)
- Baltimore ranks 29th in most EXCITING FOOD CITIES in America (Zagat)
- Baltimore ranks in the top 10 COOLEST CITIES TO VISIT (Forbes)
- Columbia ranks 4th in Top 10 SAFEST CITIES in America (CBS)
- 5 Maryland employers among BEST FOR DIVERSITY in U.S. (Patch)
- Baltimore Metro ranks 33rd of 383 metro areas in ECONOMIC STRENGTH (EAGB)

## Metro Area Employment Growth by Industry Sector (YOY)\*

+5.9% Professional +3.7% Hospitality +1.1% Education +0.7% Trade

The Baltimore Metro Area's top employer continues to be the Healthcare/Education Services industry, employing 278.5 thousand, followed by Trade/Transportation/Utilities, and Professional/Business Services.

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



## **BALTIMORE ECONOMY POISED FOR FURTHER EXPANSION**

The current U.S. economic expansion, now in its 10th year, was (at least arguably) founded upon a series of policy actions designed to replenish bank capital and liquidity, reflate asset prices, protect the future of the U.S. auto industry, save at least one major insurer, and keep borrowing costs ultra-low. Whether or not people agree with such aggressive policymaking, we find ourselves in the midst of the 2nd longest economic expansion cycle on record.

Despite policies and programs such as the Troubled Asset Relief Program and several rounds of quantitative easing, for years, the U.S. economy stumbled along, generating approximately 2% growth driven largely by growth in consumer outlays. Banks seemed reluctant to lend. Many homeowners remained underwater on their mortgages, constraining their wealth profile and access to capital as well as limiting their mobility. Business investment often languished, helping to produce soft productivity growth, which in turn generated sluggish wage growth.

In part to support faster economic growth, Congress passed the Tax Cuts and Jobs Act of 2017, which as a central pillar slashed the corporate tax rate from 35% to 21%. The bill also cut the top individual tax rate to 37%, doubled the standard deduction, and vastly diminished the impact of the Alternative Minimum Tax, which will now impact an estimated 200,000 tax filers instead of 5 million. In addition, it made it far cheaper for companies to repatriate capital, and raised the standard deduction for flow-through business tax entities to 20%.

Business confidence has since surged, resulting in bolstered capital expenditures and more rapid economic growth. To simplify, what was once viewed as a 2% growth economy is now a 3% growth economy. The recently passed tax reform can be viewed as the capstone to a decade of pro-growth policymaking that began shortly after the failure of Lehman Brothers on September 15th, 2008. A stronger national economy has helped to tile Maryland's economic fortunes higher. According to the Bureau of Labor Statistics, the Baltimore metropolitan area added just short of 25,000 net new jobs between August 2017 and August 2018. That is perfectly acceptable performance, translating in 1.8% job growth on a year-over-year basis. That is a bit better than the corresponding national rate of job growth of 1.6%.

Performance in the Washington metropolitan area, where nearly 65,000 net new jobs have been added over the past twelve months, which translates into 2.0% job growth. Between the two regions, professional/business services added 38,000 net new jobs, with nearly 15,000 of those added in the Baltimore area. Leisure and hospitality, most jobs at restaurants and hotels, added nearly 15,000 jobs in the metroplex, with 6,000 of those added in the Baltimore region. Other sectors adding jobs in meaningful numbers include distribution and health services.

Though inflationary pressures and building and interest rates are heading higher, the near-term outlook for the region's economy and for commercial real estate remains positive. For years, first-tier markets like New York, Boston, Washington, Seattle, and San Francisco absorbed a significant fraction of financial capital. That is still occurring, but with real estate prices so elevated in those markets, capital is increasingly heading toward second-tier markets, including Baltimore. With Tradepoint Atlantic, downtown Towson, downtown Columbia, and other hotspots under development, the region's construction and real estate outlook is arguably better than it has been in years.

## CAPITAL & INVESTMENT SALES

**CAPITAL INDICATORS\*** 

12-Month Volume \$1.96 Billion

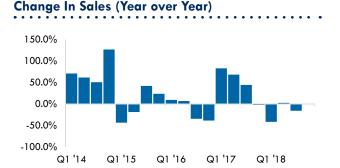
Total Square Feet 15.97 Million

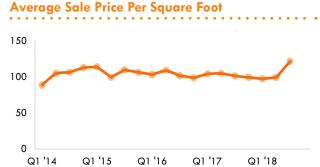
Average Price PSF \$121

Average Cap Rate 8.4%

**Properties Sold** 171

Volume vs. Prior Year -16.3%







On September 20, 2018 the 10-year US Treasury Bond Yield opened above 3,0%, surpassing a key psychological and technical level for US Treasury Debt. This is important to real estate financina because the 10-year UST yield, along with LIBOR (for now) are the two most widely used indices against which real estate loans are priced. The 10-year US Treasury Yield has now increased 59 basis points since the beginning of January 2018. According to economists, the reasons for this increase are an anticipated increase in the Federal Funds Rate in September and December, along with trade tensions between the US and China. While borrowing rates are likely to go up this year because of the increase in underlying benchmarks, the economy remains strong. In August, the unemployment rate was unchanged at 3.9% and there were 201,000 jobs added to the economy.

All good things must come to an end, however, so borrowers should make hay while the sun shines and prepare for a time when borrowing costs will have risen from where they are now and when there will be more stringent underwriting standards with rising exit strategy concerns. To get ahead, investors should lock in long-term, fixed rate financing now while rates remain relatively low. Also, real estate investors should look at their maturities to see if they have any loans coming due in the next three years, and if they do, they would be wise to extend those as much as possible so they don't have a balloon payment due when and if the market slows down.

## TOP INVESTMENT 'PLAYERS' BY ACQUISITION/DISPOSITION VOLUME

| TOP BUYERS (12 MONTHS ROLLING) | Base City | Туре       | Acquisition Volume | Properties |
|--------------------------------|-----------|------------|--------------------|------------|
| Blackstone                     | New York  | Eq. Fund   | 258,848,329        | 25         |
| CoreCivic                      | Nashville | Pub. REIT  | 242,000,000        | 1          |
| BREIT                          | New York  | Priv. REIT | 128,566,098        | 7          |
| Banyan Street Capital          | Miami     | Eq. Fund   | 79,800,000         | 1          |
| Ten Capital Management         | Cleveland | Dev/Own    | 67,300,000         | 1          |

| TOP SELLERS<br>(12 MONTHS ROLLING) | Base City      | Туре      | Disposition Volume | Properties |
|------------------------------------|----------------|-----------|--------------------|------------|
| FRP Development                    | Sparks Glencoe | Dev/Own   | 258,848,329        | 25         |
| JBG Cos                            | Bethesda       | Dev/Own   | 242,000,000        | 1          |
| Greenfield Partners                | Westport       | Eq. Fund  | 153,156,953        | 17         |
| Deutsche AWM - US                  | Santa Ana      | lnv. Mgr. | 87,499,991         | 11         |
| Vanbarton Group                    | New York       | Inv. Mgr. | 79,800,000         | 1          |

## **Private Buyers**

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





**Institutional Buyers** 

Investor such as a bank or mutual fund.

## **Public Listed/REITs**

Real Estate Investment Trusts that combines the capital of many investors to acquire or provide financing for property.



<sup>\*</sup>Indicators taken from Real Capital Analytics for a rolling 12-month period based on reported sales. Benchmark compares to the U.S. market. Buyer type percentages are limited to YTD reported sales.

# PROJECTS & CONSTRUCTION

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**PROJECT INDICATORS** 

Under Construction

Proposed Projects

**RBA Under Construction** 4,976,554

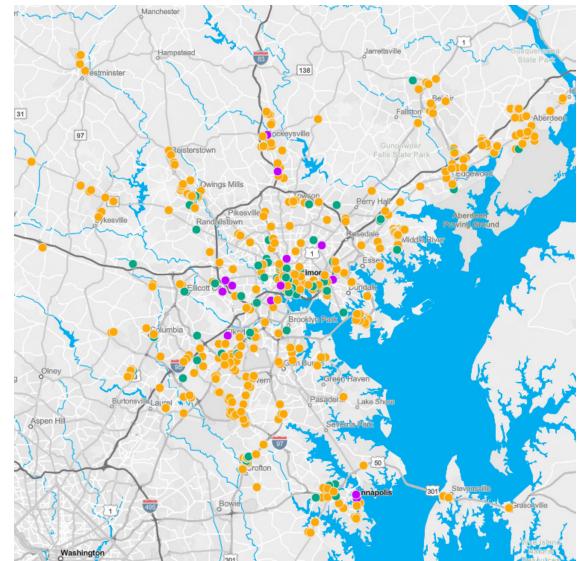
**Under Construction** 45

**RBA Delivered YTD** 5,454,455

**Vacant Availability** 6.7%

Proposed Buildings 425

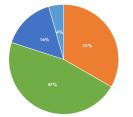
**Under Renovation** 19

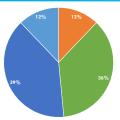


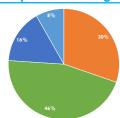
## PROPERTY TYPE BREAKDOWN



**Under Construction Deliveries YTD Proposed Buildings** 







## HIGHLIGHTED DEVELOPMENT PROJECTS



## Circle East

The \$125 million project in Towson's Circle East is well underway as they begin to pre-lease over 100,000 sf of retail space. The project is being developed by Retail Properties of America, Inc. (RPAI). Together with Towson Square, there are approximately 24 unfilled retail spaces to be filled.



## **Broadway Market**

The redevelopment efforts at Broadway Market have made progress with gutting the north shed this past summer. The entire development project should cost approximately \$3.2 million, will contain 17,600 sf and have 11 vendors. It is scheduled to reopen early 2019.



## **Port Covington**

With South Point (West Covington Park) opening this summer, Port Covington development has started its next phase called "Chapter 1," which will have 3 million sf of new development space, including a market, apartment units, and office space. Approvals are still in the works, and construction should finish in late 2020.

# **OFFICE OVERVIEW**

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**OFFICE INDICATORS** 

Market Size 77,450,526 **Building Count** 1.184

**Absorption** 244.533

YTD Absorption 255.733

Vacancy 12.7% **Asking Rent** \$22.73

## **QUARTERLY TAKEAWAY**

Overall, the office market saw a continued decrease in vacancy, from 13.4% to 12.7%, and positive absorption of 244,533 sf. BWI surpassed Columbia as this quarter's most active market, with 172,851 sf absorbed, and higher than average asking rates of \$26.90/sf. Although the downtown and City Center markets did not see much tenant movement this quarter, several leases were signed at Wills Wharf and Stadium Square with future move-in dates. The latest movements in the ongoing church sale and conversion trend are the sale of Brown Memorial on North Charles Street, and the announcement that St. John's Episcopal Church in Mt. Washington has plans to be converted into additional office space.

| THE MUMPERS              | MARKET     | DIRECT VACANCY % |           | ABSORPTION |                        | ASKING RENTAL RATES |                  |           |          |
|--------------------------|------------|------------------|-----------|------------|------------------------|---------------------|------------------|-----------|----------|
| THE NUMBERS              | SIZE       | Current          | Prior Qtr | Prior Yr   | Net                    | YTD                 | Current          | Prior Qtr | Prior Yr |
| Baltimore City East      | 2,405,001  | 3.8%             | 7.2%      | 4.4%       | -3,220                 | -5,423              | \$27.43          | \$27.67   | \$22.49  |
| Baltimore City Midtown   | 1,383,435  | 5.7%             | 5.2%      | 8.5%       | -6,966                 | 44,306              | \$19.99          | \$20.08   | \$21.34  |
| Baltimore City North     | 2,204,971  | 9.3%             | 9.3%      | 9.9%       | -1,078                 | -16,006             | \$26.54          | \$28.49   | \$24.54  |
| Baltimore City South     | 1,397,666  | 4.9%             | 5.7%      | 7.0%       | -3,548                 | 38,951              | \$27.12          | \$24.43   | \$27.21  |
| Baltimore City West      | 1,986,679  | 31.9%            | 35.9%     | 28.8%      | <i>7</i> 9,1 <i>57</i> | -72,724             | \$12.71          | \$14.33   | \$18.09  |
| Baltimore City           | 9,377,752  | 11.5%            | 13.2%     | 11.9%      | 64,345                 | -10,896             | \$18.61          | \$19.62   | \$21.14  |
| City Center A            | 3,124,730  | 24.6%            | 27.1%     | 19.1%      | 32,105                 | -120,009            | \$24.63          | \$25.09   | \$24.52  |
| City Center A+           | 5,638,520  | 5.8%             | 6.3%      | 7.2%       | 4,595                  | 20,888              | \$29.37          | \$29.24   | \$28.18  |
| City Center B            | 2,630,524  | 30.1%            | 32.4%     | 19.6%      | 60,701                 | -248,356            | \$1 <b>7.</b> 67 | \$17.68   | \$17.76  |
| City Center B+           | 2,820,711  | 14.6%            | 10.4%     | 12.0%      | -128,699               | -121,438            | \$22.98          | \$23.13   | \$23.27  |
| City Center              | 14,214,485 | 16.2%            | 16.5%     | 13.0%      | -31,298                | -468,915            | \$23.27          | \$23.28   | \$22.89  |
| Baltimore + CBD          | 23,592,237 | 14.3%            | 15.2%     | 12.6%      | 33,047                 | -479,811            | \$21.83          | \$22.10   | \$22.34  |
| Baltimore County East    | 2,073,921  | 16.5%            | 13.6%     | 13.6%      | -5,307                 | -3,784              | \$21.59          | \$21.66   | \$21.29  |
| Baltimore County West    | 3,075,890  | 12.6%            | 12.4%     | 14.9%      | -3,887                 | 13,415              | \$19.32          | \$19.98   | \$19.63  |
| Harford County           | 3,665,472  | 20.6%            | 21.5%     | 24.2%      | 24,667                 | 82,975              | \$21.27          | \$21.34   | \$22.99  |
| I-83 Corridor            | 7,668,098  | 9.0%             | 9.8%      | 9.3%       | 1,296                  | -2,948              | \$20.94          | \$20.88   | \$21.01  |
| Reisterstown Rd Corridor | 5,215,619  | 17.1%            | 17.8%     | 17.0%      | 1,102                  | 23,708              | \$21.06          | \$21.09   | \$20.53  |
| Towson                   | 4,912,468  | 11.5%            | 12.1%     | 12.0%      | 31,361                 | 148,116             | \$20.77          | \$21.01   | \$20.45  |
| Northern Metro           | 26,611,468 | 13.7%            | 14.0%     | 14.3%      | 49,232                 | 261,482             | \$20.88          | \$21.01   | \$21.13  |
| Annapolis                | 3,885,694  | 8.5%             | 9.4%      | 9.0%       | 40,229                 | 74,257              | \$27.96          | \$27.98   | \$27.16  |
| BWI                      | 8,560,128  | 12.4%            | 15.3%     | 14.7%      | 172,851                | 209,301             | \$26.90          | \$27.14   | \$26.58  |
| Columbia                 | 13,512,604 | 9.2%             | 9.3%      | 8.8%       | -49,528                | 186,552             | \$25.19          | \$25.60   | \$25.65  |
| Route 2 Corridor         | 1,288,395  | 12.1%            | 12.0%     | 13.4%      | -1,298                 | 3,952               | \$20.92          | \$20.96   | \$20.93  |
| Southern Metro           | 27,246,821 | 10.2%            | 11.3%     | 10.9%      | 162,254                | 474,062             | \$25.93          | \$26.14   | \$25.90  |
| Totals                   | 77,450,526 | 12.7%            | 13.4%     | 12.6%      | 244,533                | 255,733             | \$22.73          | \$22.90   | \$22.95  |

## **HIGHLIGHTS & TRENDS**

Nelson Mullins Riley & Scarborough LLP will be relocating within 100 S. Charles Street, taking 23,500 sf with an option for an additional 15,000 sf if needed as they continue to expand. The move will take place in 2019.

Stanley Black & Decker signed an extension for 6,600 sf at 210 Allegheny Avenue, doubling its current space, moving 25 employees from their Joppa Road location.

170 Jennifer Road in Annapolis recently sold to Abrams Development Group for \$16.4 million. The building has 60,000 sf of Class A office space, sitting on 3.7 acres with 200 parking spaces.

Jellyfish, a digital marketing company, signed a lease at Wills Wharf this summer. They will be taking 34,500 sf of the 330,000 sf 12-story building. The company plans to move late 2019. WeWork has also signed a lease for 69,306 sf, and will be taking the space in 2020.

Employee One Benefit Solutions (EOne) has signed a 9,000 sf office lease at 145 W. Ostend Street in Stadium Square. They currently lease 4,000 sf at 921 E. Fort Avenue.

U.S. Department of Veterans Affairs leased 15,000 sf at Franklin Square Professional Center. The facility opens this fall and will be called the Eastern Baltimore County VA Outpatient Clinic.

## **OUT AND ABOUT...\***



#### **EZ Shield**

Seeking approximately 15,000 sf in the White Marsh area.



## Peoples Bank, Cordovo Valley PA

Seeking office space around 2,000 sf in the Owings Mills and Hampstead markets.



#### First Financial Credit Union

Seeking office space around 50,000 sf along the I-83 Corridor.

<sup>\*</sup>This is a sampling of our represented tenants in the market. The section is updated quarterly. If you'd like your business to be included, please let us know.



**OFFICE INDICATORS** 

Market Size 77,450,526 **Building Count** 1,184

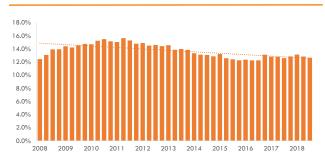
Absorption 244.533

YTD Absorption 255,733

12.7%

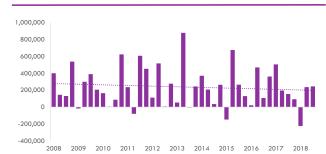
**Asking Rent** \$22.73

## **DIRECT VACANCY**



This quarter, direct vacant space decreased, equaling 9,803,037 sf out of the total 77,450,526 sf market size. This resulted in a -0.76% change from 13.42% to 12.66%. Compared to this time last year, vacancy rates are up by 0.06%.

## **NET ABSORPTION**



Quarterly absorption was approximately 244,533 sf. For 2018 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 255,733 sf. Comparatively, at this time last year, absorption was around 154,330 sf.

## **ASKING RENTAL RATES (Weighted, Full Service)**



Asking rental rates averaged \$22.73/sf this quarter, weighted by a total available space of 12,760,705 sf. This is approximately \$0.18/sf lower than last quarter (\$22.90/sf), and \$0.23/sf lower than last year (\$22.95/sf).

#### **Lowest Direct Vacancy**

| 1 | Baltimore City East    | 3.8% |
|---|------------------------|------|
| 2 | Baltimore City South   | 4.9% |
| 3 | Baltimore City Midtown | 5.7% |

### **Highest Direct Vacancy**

|   | D. I                | 21.00/ |
|---|---------------------|--------|
| U | Baltimore City West | 31.9%  |
| 2 | City Center B       | 30.1%  |
| 3 | City Center A       | 24.6%  |

| Mos      | Most Change vs. Prior Quarter |       |  |  |  |
|----------|-------------------------------|-------|--|--|--|
| <u>-</u> | Baltimore City West           | -4.0% |  |  |  |
| <b>+</b> | City Center B+                | 4.2%  |  |  |  |

## **Lowest Net Absorption**

| U | City Center B+         | -128,699 |
|---|------------------------|----------|
| 2 | Columbia               | -49,528  |
| 3 | Baltimore City Midtown | -6,966   |

### **Highest Net Absorption**

| 1 | BWI                 | 172,851                |
|---|---------------------|------------------------|
| 2 | Baltimore City West | <i>7</i> 9,1 <i>57</i> |
| 3 | City Center B       | 60,701                 |

#### Most Absorption, Year-to-Date

| •        | City Center B | -248,356 |
|----------|---------------|----------|
| <b>+</b> | BWI           | 209,301  |

## Channest Acking Pates

| Cne | apest Asking Kates        |                  |
|-----|---------------------------|------------------|
| 1   | Baltimore City West       | \$12.71          |
| 2   | City Center B             | \$1 <i>7</i> .67 |
| 3   | Baltimore County West     | \$19.32          |
| Mo  | st Expensive Asking Rates |                  |
| 1   | City Center A+            | \$29.37          |
| 2   | Annapolis                 | \$27.96          |
|     |                           |                  |

## **Baltimore City East** Most Change vs. Prior Quarter

| • | Baltimore City North | -\$1.95 |
|---|----------------------|---------|
| + | Baltimore City South | \$2.69  |

## **LEASE TRANSACTIONS**

| Location                      | Region        | Tenant               | Leased ▼  |
|-------------------------------|---------------|----------------------|-----------|
| 9690 Deereco Road¹            | I-83 Corridor | PayPal, Inc.         | 73,066 sf |
| 1201 Wills Street             | City Center   | WeWork               | 69,306 sf |
| 400 E. Pratt Street           | City Center   | Visit Baltimore      | 17,248 sf |
| 10175 Little Patuxent Parkway | Columbia      | Next Phase Solutions | 16,300 sf |

## SALE TRANSACTIONS

| Location                            | Region         | Price        | PSF ▼    | <b>Building Size</b> |
|-------------------------------------|----------------|--------------|----------|----------------------|
| 170 Jennifer Road                   | Annapolis      | \$16,400,000 | \$273.33 | 60,000 sf            |
| 5054 Dorsey Hall Drive <sup>6</sup> | Columbia       | \$260,000    | \$219.97 | 1,182 sf             |
| 405 E. Churchville Road             | Harford County | \$347,000    | \$201.63 | 1,721 sf             |
| 1652 Electric Avenue <sup>3</sup>   | Annapolis      | \$191,306    | \$165.49 | 1,156 sf             |

\$27.43



**RETAIL INDICATORS** 

Market Size 134.509.758 **Building Count** 9.908

**Absorption** -65.442

YTD Absorption -410.026

Vacancy 4.0%

**Asking Rent** \$19.52

## **QUARTERLY TAKEAWAY**

The retail market continues to fluctuate slightly, dropping only 0.1% in vacancy from the 2nd Quarter, yet due to significant negative absorption earlier this year, vacancy is still 0.3% higher than it was this time last year. The trend toward negative absorption in the city slowed this quarter, although Harborplace lost additional tenants - The Fudgery and Five Guys Burgers & Fries - this summer. The Reisterstown Road Corridor saw some positive absorption, totaling 53,446 sf, and at least two new tenants signed deals - Title Boxing Club at Metro Centre in Owings Mills, and Jose Tequilas Mexican Grill and Cantina at Owings Mills Square.

| THE NUMBERS                | MARKET      | DIRECT VACANCY % |           | ABSORPTION |         | ASKING RENTAL RATES |         |           |          |
|----------------------------|-------------|------------------|-----------|------------|---------|---------------------|---------|-----------|----------|
| THE NUMBERS                | SIZE        | Current          | Prior Qtr | Prior Yr   | Net     | YTD                 | Current | Prior Qtr | Prior Yr |
| Annapolis                  | 13,719,266  | 3.4%             | 3.4%      | 2.7%       | -16,170 | -53,161             | \$23.04 | \$23.34   | \$22.23  |
| Baltimore City             | 27,010,825  | 4.3%             | 4.3%      | 3.4%       | -47,428 | -265,390            | \$16.70 | \$19.70   | \$16.61  |
| Baltimore County East      | 9,744,144   | 6.5%             | 6.7%      | 5.9%       | 18,767  | -15,369             | \$16.65 | \$16.76   | \$13.50  |
| Baltimore South            | 10,699,892  | 5.7%             | 5.4%      | 6.2%       | -34,535 | 60,824              | \$18.86 | \$16.42   | \$17.08  |
| Baltimore West             | 10,361,793  | 2.9%             | 2.7%      | 2.8%       | -26,500 | 4,366               | \$19.73 | \$18.93   | \$18.59  |
| Carroll County             | 8,045,115   | 3.4%             | 3.7%      | 3.5%       | 18,416  | 33,368              | \$15.25 | \$15.88   | \$15.78  |
| Columbia                   | 9,231,482   | 2.6%             | 1.8%      | 2.4%       | -77,328 | -46,327             | \$26.65 | \$27.41   | \$27.04  |
| Ft. Meade                  | 8,265,969   | 4.0%             | 4.2%      | 2.8%       | 8,368   | -83,246             | \$21.96 | \$23.75   | \$22.49  |
| Harford County             | 12,054,701  | 4.5%             | 3.9%      | 4.2%       | -78,133 | -87,242             | \$18.07 | \$20.98   | \$21.56  |
| Reisterstown Road Corridor | 6,032,845   | 3.6%             | 5.5%      | 4.2%       | 53,446  | 18,237              | \$22.41 | \$22.38   | \$21.40  |
| White Marsh/Perry Hall     | 6,238,941   | 2.7%             | 3.2%      | 2.8%       | 3,201   | 17,635              | \$20.26 | \$19.38   | \$16.77  |
| York Road Corridor         | 13,104,785  | 3.0%             | 3.8%      | 3.3%       | 112,454 | 6,279               | \$23.93 | \$24.06   | \$23.29  |
| Totals                     | 134,509,758 | 4.0%             | 4.1%      | 3.7%       | -65,442 | -410,026            | \$19.52 | \$20.42   | \$18.95  |

## **SHOPPING AROUND...\***



#### Steak N Shake

Seeking 1 acre of land or a freestanding building with drive thru for conversion in Maryland.





#### **Royal Farms**

Seeking 1.5-2 acres for purchase or ground lease on main arterial roads with easy access.



#### **Planet Fitness**

Seeking sites of approximately 20,000 sf retail space in the Maryland and DC areas.



## KFC

Seeking pad sites of 0.5-1.0 acres for sale in the Baltimore metro area.



## **Valvoline Instant Oil Change**

Seeking 0.5-1 acre pad sites along busy retail corridors throughout Maryland and Delaware.

## **HIGHLIGHTS & TRENDS**

Title Boxing Club is one of the latest Metro Centre tenants in Owings Mills, leasing the ground level for its boxing gym space.

Pepperjacks Subs, a family-owned sub shop, is opening a second location at Annapolis Junction Town Center (10170 Junction Drive), alongside Baltimore Coffee and

Regi's American Bistro, located in Federal Hill at 1002 Light Street, sold at auction for \$600,000 this Summer, to Greenspring Realty Partners. The restaurant is 3,252 sf and seats 60 inside (another 30 with its patio space). The sale also included its 7-day liquor license.

Women's clothing store Vita has announced its closing at Belvedere Square (514 E. Belvedere Ave.). The space is approximately 2,200 sf.

Jose Tequilas Mexican Grill and Cantina will be opening in Owings Mills Square this fall. The space is at 10490 Owings Mills Boulevard, and is approximately 6,700 sf (freestanding).

As part of the renovations at 250 W. Pratt Street, there will now be a new Starbucks taking 2,400 sf on the west side at the corner of Howard and Pratt. The coffee shop plans to open by February.

Samuelson's Diamonds has announced they will be moving from their storefront downtown at 419 W. Baltimore Street, to 2800 Quarry Lake, leasing 2,000 sf of second floor office space.

Streets Market & Cafe will open a location at the former Pemco site in Greektown. The market will total 20,000 sf and is scheduled to open in 2020. So far this is the second retailer to sign a lease at Yard 56.

The Fudgery at Harborplace closed this September after revenue dropped by 14% in the last several months. This is the fourth retailer to close at Harborplace since 2017. Five Guys Burgers & Fries also closed earlier this summer.

Harvest Fare Supermarket has moved into the former Food King space at Northwest Plaza (4600 W. Northern Parkway). The supermarket is approximately 47,525 sf. **RETAIL INDICATORS** 

Market Size 134,509,758 **Building Count** 9.908

**Absorption** -65.442

YTD Absorption -410,026

-78,133

-77,328

-47,428

112,454

53,446 18.767

60,824

Vacancy 4.0%

**Asking Rent** \$19.52

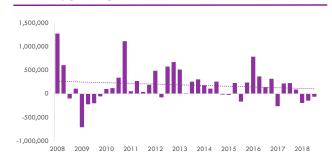
¢26 65

## **DIRECT VACANCY**



This quarter, direct vacant space decreased, equaling 5,347,665 sf out of the total 134,509,758 sf market size. This resulted in a -0.08% change from 4.06% to 3.98%. Compared to this time last year, vacancy rates are up by 0.32%.

## **NET ABSORPTION**



Quarterly absorption was approximately -65,442 sf. For 2018 year-to-date, tenant movement in the area shows an overall negative absorption, totaling -410,026 sf. Comparatively, at this time last year, absorption was around 224,566 sf.

## ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$19.52/sf this quarter, weighted by a total available space of 7,200,924 sf. This is approximately \$0.90/sf lower than last quarter (\$20.42/sf), and \$0.57/sfhigher than last year (\$18.95/sf).

## **Lowest Direct Vacancy**

| 1 | Columbia               | 2.6% |
|---|------------------------|------|
| 2 | White Marsh/Perry Hall | 2.7% |
| 3 | Baltimore West         | 2.9% |

#### **Highest Direct Vacancy**

|   |                       | <b>.</b> |
|---|-----------------------|----------|
| 1 | Baltimore County East | 6.5%     |
| 2 | Baltimore South       | 5.7%     |
| 3 | Harford County        | 4.5%     |

## Most Change vs. Prior Quarter

| • | Reisterstown Road Corridor | -1.9% |
|---|----------------------------|-------|
| • | Columbia                   | 0.8%  |

**Highest Net Absorption** 

York Road Corridor Reisterstown Road Corridor

**Baltimore South** 

**Lowest Net Absorption** 

Columbia

Harford County

**Baltimore City** 

**Baltimore County East** 

Most Absorption, Year-to-Date

**Baltimore City** -265,390 **Cheapest Asking Rates** 

|     | Carroll County           | \$15.25 |
|-----|--------------------------|---------|
| 2   | Baltimore County East    | \$16.65 |
| 3   | Baltimore City           | \$16.70 |
| Mos | t Expensive Asking Rates |         |

| U | Columbia           | \$20.03 |
|---|--------------------|---------|
| 2 | York Road Corridor | \$23.93 |
| 3 | Annapolis          | \$23.04 |

## Most Change vs. Prior Quarter

| • | Baltimore City | -\$3.00 |
|---|----------------|---------|
|   | D +1 C -       | ¢2.4    |

## Baltimore South

## **LEASE TRANSACTIONS**

| Location                           | Region          | Tenant         | Leased <b>▼</b> |
|------------------------------------|-----------------|----------------|-----------------|
| Mill Station (10300 Mill Run Cir.) | Reisterstown Rd | Lowe's         | 99,231 sf       |
| Dobbin Center                      | Columbia        | Planet Fitness | 16,776 sf       |
| 2915 E. Joppa Road                 | Balt. Co. East  | CVS            | 13,057 sf       |
| Annapolis Harbour Center           | Annapolis       | GAP            | 7,518 sf        |

## SALE TRANSACTIONS

| Location                         | Region         | Price       | PSF ▼    | <b>Building Size</b> |
|----------------------------------|----------------|-------------|----------|----------------------|
| 1541 Hyde Park Road              | Balt. Co. East | \$850,000   | \$382.19 | 2,224 sf             |
| 5719 Baltimore National Pike     | Balt. Co. West | \$500,000   | \$301.02 | 1,661 sf             |
| 61-63 Maryland Avenue            | Annapolis      | \$1,600,000 | \$255.43 | 6,264 sf             |
| 10-14 Church Circle <sup>4</sup> | Annapolis      | \$3,650,000 | \$198.03 | 18,432 sf            |

## INDUSTRIAL OVERVIEW

THIRD QUARTER | 2018



**INDUSTRIAL INDICATORS** 

Market Size 221,723,730 **Building Count** 4,278

Absorption 2,010,568 YTD Absorption 4.652.546

Vacancy 6.6%

**Asking Rent** \$6.75

## **QUARTERLY TAKEAWAY**

Baltimore Metro's Industrial market had an active 3rd Quarter, primarily with warehouse leases and transactions. Large spaces were leased by Kuehne + Nagel, The Container Store, Utz Quality Foods, Best Buy, and others throughout the metro area, primarily in satelite submarkets like the BW Corridor and Harford/Cecil County. Although deals have been signed, the vacancy may not see its results until late 2018 or early 2019. Several transactions occurred this quarter as well, in Rosedale on Yellow Brick Road (8901 and 8965), at 8779 Greenwood Place in Savage, and 9050 Junction Drive in Annapolis Junction. For the metro area, prices generally averaged \$90-95/square foot. Tenant warehouse movement has centered in Baltimore County East and Harford/Cecil counties, totaling around 2 million square feet in positive absorption for the metro area as a whole, and over 4 million year-to-date.

| THE NUMBERS MARKET    |             | <b>DIRECT VACANCY</b> % |           | ABSORPTION |           | ASKING RENTAL RATES |         |           |          |
|-----------------------|-------------|-------------------------|-----------|------------|-----------|---------------------|---------|-----------|----------|
| THE NUMBERS           | SIZE        | Current                 | Prior Qtr | Prior Yr   | Net       | YTD                 | Current | Prior Qtr | Prior Yr |
| Annapolis/Route 2     | 5,221,636   | 5.2%                    | 6.3%      | 6.5%       | 56,798    | 95,035              | \$14.58 | \$12.67   | \$12.51  |
| Arbutus               | 2,112,546   | 4.1%                    | 4.6%      | 5.4%       | 6,118     | 25,317              | \$8.25  | \$8.00    | \$8.00   |
| Baltimore City        | 4,633,630   | 10.4%                   | 9.5%      | 8.0%       | -64,138   | -75,827             | \$8.68  | \$8.68    | \$7.17   |
| Baltimore County East | 3,868,807   | 5.9%                    | 6.9%      | 7.7%       | 18,750    | 10,899              | \$10.57 | \$9.92    | \$9.43   |
| BW Corridor           | 15,080,058  | 7.3%                    | 8.1%      | 9.3%       | 47,509    | 332,906             | \$12.81 | \$12.71   | \$11.30  |
| Carroll County        | 1,651,675   | 10.4%                   | 11.4%     | 15.1%      | -6,935    | 132,937             | \$11.50 | \$12.29   | \$6.11   |
| Harford/Cecil         | 3,116,058   | 7.1%                    | 7.7%      | 6.7%       | 3,874     | -15,516             | \$11.15 | \$10.91   | \$9.21   |
| I-83 Corridor         | 4,978,552   | 2.1%                    | 4.1%      | 2.3%       | 12,359    | 57,543              | \$9.62  | \$10.17   | \$11.28  |
| Reisterstown Road     | 3,078,758   | 12.7%                   | 12.4%     | 12.9%      | -8,130    | 14,351              | \$10.76 | \$10.74   | \$9.98   |
| Woodlawn              | 2,521,711   | 4.9%                    | 5.0%      | 8.3%       | 2,206     | 24,951              | \$6.83  | \$8.67    | \$8.51   |
| Flex Totals           | 46,263,431  | 6.9%                    | 7.6%      | 8.0%       | 68,411    | 602,596             | \$11.04 | \$11.07   | \$9.99   |
| Annapolis/Route 2     | 9,000,624   | 8.3%                    | 8.1%      | 8.2%       | -18,541   | -19,921             | \$6.26  | \$6.04    | \$5.60   |
| Arbutus               | 7,569,727   | 5.0%                    | 5.8%      | 7.3%       | 59,263    | 141,689             | \$3.69  | \$3.64    | \$3.86   |
| Baltimore City        | 40,964,874  | 5.1%                    | 5.8%      | 4.9%       | 218,603   | 345,582             | \$5.07  | \$4.91    | \$4.61   |
| Baltimore County East | 24,175,808  | 11.4%                   | 12.4%     | 7.4%       | 1,000,734 | 2,714,598           | \$5.18  | \$5.15    | \$5.21   |
| BW Corridor           | 44,297,995  | 7.5%                    | 8.3%      | 8.1%       | 168,720   | 180,664             | \$6.40  | \$6.12    | \$6.02   |
| Carroll County        | 7,554,242   | 8.5%                    | 7.3%      | 5.0%       | -96,441   | -325,200            | \$5.69  | \$5.56    | \$5.63   |
| Harford/Cecil         | 34,888,048  | 3.7%                    | 5.7%      | 4.1%       | 644,564   | 1,053,981           | \$5.02  | \$4.99    | \$4.97   |
| I-83 Corridor         | 4,192,960   | 2.4%                    | 3.2%      | 2.7%       | 19,090    | 47,479              | \$7.87  | \$7.45    | \$8.61   |
| Reisterstown Road     | 1,546,682   | 10.4%                   | 3.6%      | 2.4%       | -104,487  | -135,521            | \$8.75  | \$8.88    | \$8.82   |
| Woodlawn              | 1,269,339   | 4.7%                    | 8.6%      | 0.9%       | 50,652    | 46,599              | \$7.40  | \$7.40    | \$8.25   |
| Warehouse Totals      | 175,460,299 | 6.6%                    | 7.4%      | 6.0%       | 1,942,157 | 4,049,950           | \$5.56  | \$5.38    | \$5.30   |
| Totals                | 221,723,730 | 6.6%                    | 7.4%      | 6.5%       | 2,010,568 | 4,652,546           | \$6.75  | \$6.70    | \$6.45   |

## **HIGHLIGHTS & TRENDS**

Utz Quality Foods recently leased 23,439 sf of warehouse space at 8909 McGaw Court off of Snowden River Parkway in Columbia. The building totals 141,000 sf and is approximately 86% leased.

Chesapeake Real Estate Group and Atapco Properties closed this summer on a 52-acre parcel off of I-95 and Route 43 in White Marsh for \$15 million. They plan to develop Class A industrial space with additional show room and retail space. The site was initially planned as an outlet mall.

Colony Industrial purchased two warehouses in the Rossville Industrial Park in Rosedale at 8901 Yellow Brick Road and 8965 Yellow Brick Road, together totaling 219,760 sf. This is in addition to the warehouse purchased last quarter at 8261 Preston Court.

The Maryland Food Authority has announced plans to build a new 70,000 sf warehouse in Jessup, which would be leased in addition to their current 88,000 sf warehouse at 7775 Chesapeake Bay Court.

High Street Realty Co. purchased two Class B industrial properties at 8779 Greenwood Place (Savage, MD) and 9050 Junction Drive (Annapolis Junction) for \$23.8 million (approximately \$95/sf).

Best Buy has leased 500,400 sf in the Brandon Woods III industrial park in Curtis Bay. The retailer plans to open a distribution center and will use some space for home delivery services and installation for appliances. The new facility is expected to open in March 2019.

DC-based Spectrum Management purchased a 16,746 sf industrial building in Upper Fells Point at 422 S. Bond Street for \$1.1 million in early August. The building is only one block away from the Perkins Homes redevelopment planned in East Baltimore.

Kuehne + Nagel and The Container Store signed leases for Class A warehouse space at Eastgate 95 in Perryman. Kuehne + Nagel leased 656,000 sf and plans to occupy this fall, and The Container Store leased 628,320 sf and plans to move sometime next year.

# **INDUSTRIAL OVERVIEW (WAREHOUSE)**





**WAREHOUSE INDICATORS** 

Market Size 175,460,299 **Building Count** 3,008

Absorption 1,942,157 YTD Absorption 4,049,950

6.6%

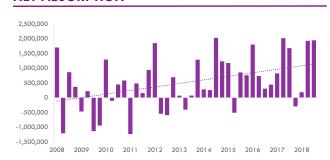
**Asking Rent** \$5.56

## **DIRECT VACANCY**



This quarter, direct vacant space decreased, equaling 11,558,644 sf out of the total 175,460,299 sf market size. This resulted in a -0.83% change from 7.41% to 6.59%. Compared to this time last year, vacancy rates are up by 0.54%.

## **NET ABSORPTION**



Quarterly absorption was approximately 1,942,157 sf. For 2018 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 4,049,950 sf. Comparatively, at this time last year, absorption was around 1,676,333 sf.

## **ASKING RENTAL RATES (Weighted, Gross)**



Asking rental rates averaged \$5.56/sf this quarter, weighted by a total available space of 17,234,144 sf. This is approximately \$0.18/sf higher than last guarter (\$5.38/sf), and \$0.26/sf higher than last year (\$5.30/sf).

## **Lowest Direct Vacancy**

| 1                             | I-83 Corridor         | 2.4%  |  |
|-------------------------------|-----------------------|-------|--|
| 2                             | Harford/Cecil         | 3.7%  |  |
| 3                             | Woodlawn              | 4.7%  |  |
| Highest Direct Vacancy        |                       |       |  |
| 1                             | Baltimore County East | 11.4% |  |
| 2                             | Reisterstown Road     | 10.4% |  |
| 3                             | Carroll County        | 8.5%  |  |
| Most Change vs. Prior Quarter |                       |       |  |

## Lowest Net Absorption

| 1 | Reisterstown Road | -104,487 |
|---|-------------------|----------|
| 2 | Carroll County    | -96,441  |
| 3 | Annapolis/Route 2 | -18,541  |

#### **Highest Net Absorption**

|   |                       | <del>.</del> |
|---|-----------------------|--------------|
| 0 | Baltimore County East | 1,000,734    |
| 2 | Harford/Cecil         | 644,564      |
| 3 | Baltimore City        | 218,603      |

## Most Absorption, Year-to-Date

| • | Carroll County        | -325,200 |
|---|-----------------------|----------|
| A | Raltimore County East | 2714598  |

## CI . A I. D .

| Chec | apest Asking Kates       |        |
|------|--------------------------|--------|
| 1    | Arbutus                  | \$3.69 |
| 2    | Harford/Cecil            | \$5.02 |
| 3    | Baltimore City           | \$5.07 |
| Mos  | t Expensive Asking Rates |        |
| 0    | Reisterstown Road        | \$8.75 |
| 2    | I-83 Corridor            | \$7.87 |
|      |                          |        |

## Most Change vs. Prior Quarter

Woodlawn

| Reisterstown Road | -\$0.13 |
|-------------------|---------|
| 192 Carridar      | \$0.40  |

## **LEASE TRANSACTIONS**

Reisterstown Road

Woodlawn

| Location                           | Region                | Tenant                 | Leased ▼   |
|------------------------------------|-----------------------|------------------------|------------|
| 1100 Woodley Road                  | Harford/Cecil         | The Container Store    | 628,320 sf |
| 7550 Perryman Court                | Annapolis/Rt. 2       | Best Buy               | 500,400 sf |
| 7603 Energy Parkway <sup>1</sup>   | Annapolis/Rt. 2       | Barrett Distribution   | 274,152 sf |
| 2940 Waterview Avenue <sup>1</sup> | <b>Baltimore City</b> | Keolis Transit America | 117,612 sf |

## **SALE TRANSACTIONS**

| Location                              | Region         | Price       | PSF ▼    | <b>Building Size</b> |
|---------------------------------------|----------------|-------------|----------|----------------------|
| 1303 Enterprise Court                 | Harford/Cecil  | \$925,000   | \$123.33 | 7,500 sf             |
| 8901 Yellow Brick Road <sup>4,3</sup> | Balt. Co. East | \$9,871,078 | \$88.96  | 110,960 sf           |
| 2920 Dede Road                        | Carroll County | \$3,775,000 | \$72.51  | 52,060 sf            |
| 1807 Whitehead Road                   | Balt. Co. West | \$2,615,000 | \$51.27  | 51,000 sf            |

-4.0%

6.8%

\$7,40

# INDUSTRIAL OVERVIEW (FLEX)



**FLEX INDICATORS** 

Market Size 46,263,431 **Building Count** 1,270

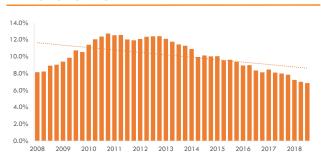
Absorption 68.411

YTD Absorption 602,596

Vacancy 6.9%

**Asking Rent** \$11.04

## **DIRECT VACANCY**



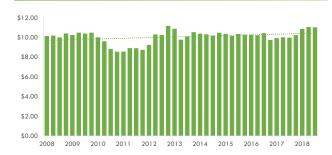
This quarter, direct vacant space decreased, equaling 3,172,804 sf out of the total 46,263,431 sf market size. This resulted in a -0.71% change from 7.57% to 6.86%. Compared to this time last year, vacancy rates are down by -1.13%.

## **NET ABSORPTION**



Quarterly absorption was approximately 68,411 sf. For 2018 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 602,596 sf. Comparatively, at this time last year, absorption was around 86,176 sf.

## ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$11.04/sf this quarter, weighted by a total available space of 4,787,322 sf. This is approximately \$0.03/sf lower than last quarter (\$11.07/sf), and \$1.05/sf higher than last year (\$9.99/sf).

## **Lowest Direct Vacancy**

| 1 | I-83 Corridor | 2.1% |
|---|---------------|------|
| 2 | Arbutus       | 4.1% |
| 3 | Woodlawn      | 4.9% |

#### **Highest Direct Vacancy**

| 1 | Reisterstown Road | 12.7% |
|---|-------------------|-------|
| 2 | Baltimore City    | 10.4% |
| 3 | Carroll County    | 10.4% |

## Most Change vs. Prior Quarter

| • | I-83 Corridor  | -2.0% |
|---|----------------|-------|
|   | Raltimore City | 0.0%  |

## Lowest Net Absorption

| 0 | Baltimore City    | -64,138 |
|---|-------------------|---------|
| 2 | Reisterstown Road | -8,130  |
| 3 | Carroll County    | -6,935  |

#### **Highest Net Absorption**

| 9. | 9                     |        |  |
|----|-----------------------|--------|--|
| 0  | Annapolis/Route 2     | 56,798 |  |
| 2  | BW Corridor           | 47,509 |  |
| 3  | Baltimore County East | 18.750 |  |

## Most Absorption, Year-to-Date

| • | Baltimore City | -75,827 |
|---|----------------|---------|
| • | BW Corridor    | 332,906 |

## **Cheapest Asking Rates**

| 1   | Woodlawn                 | \$6.83  |
|-----|--------------------------|---------|
| 2   | Arbutus                  | \$8.25  |
| 3   | Baltimore City           | \$8.68  |
| Mos | t Expensive Asking Rates |         |
| 1   | Annapolis/Route 2        | \$14.58 |
|     |                          |         |

| 2 | BW Corridor    | \$12.81 |
|---|----------------|---------|
| 3 | Carroll County | \$11.50 |

## Most Change vs. Prior Quarter

|          | Woodlawn          | -\$1.84 |
|----------|-------------------|---------|
| <b>+</b> | Annapolis/Route 2 | \$1.91  |

## **LEASE TRANSACTIONS**

| Location                        | Region         | Tenant                | Leased ▼  |
|---------------------------------|----------------|-----------------------|-----------|
| 8240 Preston Court <sup>1</sup> | BW Corridor    | Ryder                 | 46,555 sf |
| 4801-4825 Benson Avenue         | Arbutus        | First Choice Services | 24,711 sf |
| 2000 Washington Boulevard       | Baltimore City | M&T Bank              | 20,000 sf |
| 3437 9th Street <sup>1</sup>    | Baltimore City | Access Demolition     | 19,252 sf |

## **SALE TRANSACTIONS**

| Location                                  | Region          | Price       | PSF ▼    | <b>Building Size</b> |
|---|-----------------|-------------|----------|----------------------|
| 6 Gwynns Mill Court                       | Reisterstown Rd | \$825,000   | \$172.41 | 4,785 sf             |
| 9198 Red Branch Road <sup>4,3</sup>       | Columbia        | \$8,932,770 | \$148.88 | 60,000 sf            |
| 9315 Snowden River Parkway <sup>4,3</sup> | Columbia        | \$7,676,527 | \$128.57 | 59,707 sf            |
| 9199 Red Branch Road <sup>4</sup>         | Columbia        | \$4,100,000 | \$111.52 | 36,764 sf            |



#### REPORT CRITERIA AND SUBMARKETS

#### **OFFICE MARKET**

Buildings 15,000 sf in size and greater in the Metro areas within Anne Arundel County, Baltimore City, Baltimore County, and Howard County, buildings 20,000 sf in size and greater within Baltimore's City Center, buildings 10,000 sf in size and greater in the Metro areas within Harford County, and buildings 5,000 sf in size and greater within Annapolis city limits. MacKenzie includes all class types, but does not track owner occupied buildings or buildings leased exclusively to medical tenants.

The office market is separated into the following submarkets: Annapolis, Baltimore City, BWI, Baltimore County East, Baltimore County West, City Center, Columbia, Harford County, I-83 Corridor, Reisterstown Corridor, Route 2 Corridor, and Towson.

#### **RETAIL MARKET**

Retail buildings greater than or equal to 2,000 sf in Baltimore City and surrounding counties of Baltimore, Howard, Carroll, Harford, Cecil and Anne Arundel. The Baltimore Retail Market resembles a "hub and spoke" configuration, with many of the submarkets following the major roads in and out of Baltimore City.

The region is broken down into twelve submarkets; Annapolis, Baltimore City, Baltimore County East, Baltimore County South, Baltimore County West, Carroll County, Columbia, Fort Meade, Harford County (including Cecil County) the Reisterstown Road Corridor, White Marsh/Perry Hall (Baltimore County East), and the York Road Corridor.

#### **INDUSTRIAL MARKET**

Flex buildings and some single-story office buildings that are greater than 5,000 sf, single-story warehouse buildings that are greater than or equal to 5,000 sf, and some multi-story warehouse buildings in Baltimore City. MacKenzie does not track owner occupied buildings.

We have classified the properties into 10 submarkets for industrial identified as the following: Annapolis, Arbutus, Baltimore County East, Baltimore City, BW Corridor, Carroll, Harford/Cecil, I-83 Corridor, Reisterstown Road Corridor, and Woodlawn/Catonsville.

Flex buildings are limited to properties 5,000 sf and greater, while warehouse buildings are limited to single-story properties. Data does not include under construction or proposed projects.





#### **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 our webpage: https://www.mackenziecommercial.com/market-report/. To join our Market Report mailing list, please send us an email: dtaylor@mackenziecommercial.com.

#### **About Us:**

MacKenzie Ventures, LLC (MacKenzie) possesses the multi-disciplined team necessary to excel in Maryland's corporate real estate community. Comprising seven firms, MacKenzie provides clients a competitive, full service platform of offerings in leasing, sales, investment sales, tenant and landlord advisory services, corporate and business consulting, commercial and residential development, general construction, property and asset management, debt and equity capital placement, and market research. 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.

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