MACKENZIE
COMMERCIAL REAL ESTATE SERVICES, LLC

BALTIMORE METROPOLITAN AREA MARKET REPORT

OFFICE | INDUSTRIAL | RETAIL | CAPITAL MARKETS | ECONOMY

3RD QUARTER 2017

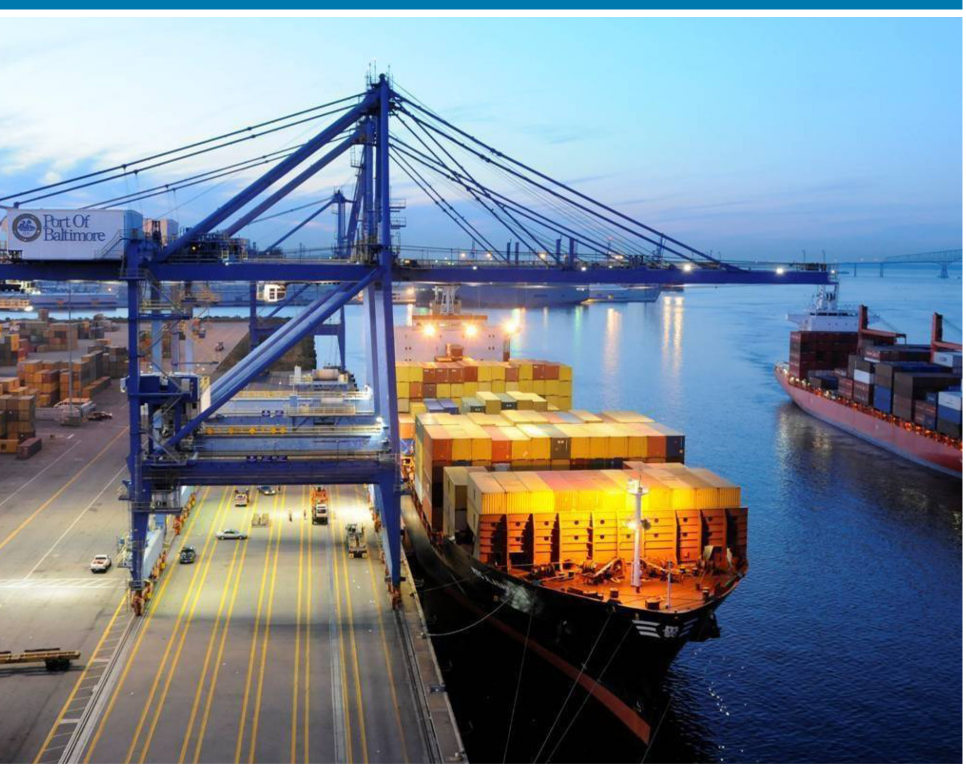

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TABLE OF CONTENTS

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Baltimore & Maryland Economies Headed in Right Direction

Contributed by Sage Policy Group, Inc.

Anirban Basu, CEO | www.sagepolicy.com

This quarter, MacKenzie reached out to their industry partner, Sage Policy Group, for an update on the Baltimore Metro Area's business centers, cultural districts, and fastest growing neighborhoods.

Maryland's economy is doing just fine. A combination of positive wealth effects, stable federal spending, a burgeoning cyber security industry, and large-scale real estate development helped the Free State add nearly 64,000 net new positions between August 2016 and August 2017. During this 12-month period, Maryland's job growth was sixth fastest in the nation in percentage terms and easily outpaced other Mid-Atlantic states.

It has been a long time since Maryland so profoundly outperformed the balance of the nation and region. Respectable levels of job growth have been apparent in both Maryland's D.C. suburbs as well as in the Baltimore Metropolitan area. Communities across Central Maryland, including Baltimore City, Howard and Prince George's counties, and Columbia, are aggressively competing along with hundreds of others for Amazon's second North American headquarters, probably the most significant economic development opportunity in our lifetime.

There are a number of factors suggesting that the U.S. recovery will continue into and through next year, which would support local economic momentum. For one, the global economy is gaining steam, with every major national economy now expanding. Policymakers in Europe, Japan, and elsewhere continue to emphasize the need for liquidity and low interest rates, spurring additional global investment, rising trade volumes, and expanding export opportunities for American producers. Stabilization of commodity prices, including oil, iron ore, natural gas, and copper prices has also helped to support global business spending.

Asset prices continue to surge, led by a U.S. stock market that simply won't quit despite ongoing worries regarding excessive complacency and lofty price/earnings ratios. Other assets also continue to become more valuable, including the typical American home. Recent data from the Federal Reserve indicate that U.S. household wealth has never been greater.

A flood of foreign investment into American commercial and multifamily real estate over the past two years, particularly in Tier 1 markets like New York, Boston, San Francisco, and Washington, D.C. has helped to further flatten capitalization rates and triggered a flurry of construction. In 2015, offshore investment into America's commercial/multifamily segments rose 85 percent over the prior year, with the pace of foreign investment activity remaining elevated in 2016. Based upon leading indicators like the Architecture Billings Index, commercial construction firms will remain busy well into 2018, helping to support the broader economy.

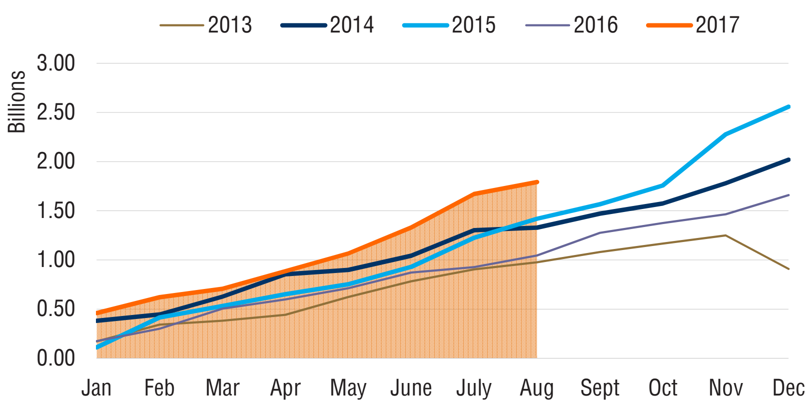
Even as the near-term outlook improves, the intermediate and longer terms appear sketchy. To date, the economic recovery has managed to linger due in large measure to incredibly low interest rates. That has only been possible because of low inflation. Even after eight years of economic recovery, leading measures of inflation stand at less than two percent.

But that could soon change. The nation continues to hurtle toward full employment. Data indicate burgeoning wage pressures. Other costs are also rising more quickly, including healthcare, mortgages, construction materials, and fuel. The result could be more rapid increases in interest rates than many presently predict, which could trigger meaningful declines in asset prices and ultimately the next economic downturn. However, based upon current economic momentum and a variety of leading indicators, recession in 2018 does not appear to be in the cards.

Maryland Unemployment Rate (SA), Jan 1995-August 2017

Source; U.S. Bureau of Labor Statistics, Note: SA-Seasonally Adjusted

CUMULATIVE HISTORICAL SALE VOLUME | BALTIMORE METRO



6.7%	AVERAGE CAP RATES
$516M	SALES VOLUME
$92	AVERAGE PRICE PSF

Baltimore Metro Area, includes office, retail and industrial properties., 3rd Quarter 2017

Chasing Yield

Commercial real estate investors have expanded their scope from major U.S. markets to secondary and tertiary markets in search of investments yielding higher returns. The yield achieved in assets in smaller markets is outweighing the value achieved in assets in larger markets. Investors have become interested in properties in non-major cities with population and job growth and diversified economies. Buyers are attracted to Class B and C assets in growing markets with development potential or recent renovations. Suburban Maryland, Baltimore, and the Baltimore Washington Corridor are beneficiaries of the "search for yield" trade. We expect this trend to continue due to the current health of the economy, trend into alternative asset classes and the recent stock market surge.

Please contact Don Schline at dschline@mackenziecommercial.com or (410) 494-6648 for additional investment sale background, information, and for analysis of your assets.

OFFICE PROPERTIES

Volume:	$127 million
Average Size:	18,945 sf
Median Sale Price:	$135/sf
Average Cap Rate:	7.2%
% Leased (Average):	88.2%

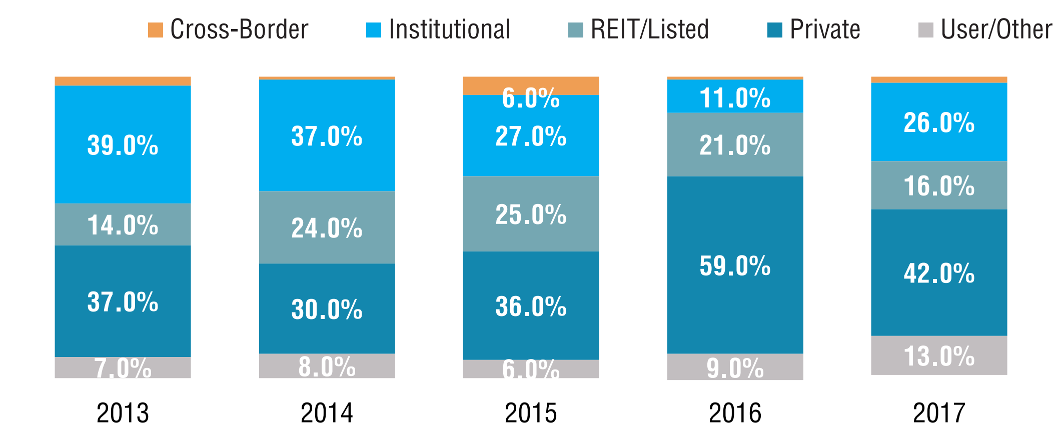
RETAIL PROPERTIES

Volume:	$58 million
Average Size:	8,663 sf
Median Sale Price:	$212/sf
Average Cap Rate:	7.4%
% Leased (Average):	89.2%

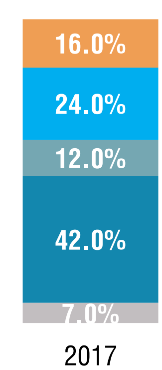
INDUSTRIAL PROPERTIES

Volume:	$332 million
Average Size:	92,584 sf
Median Sale Price:	$70/sf
Average Cap Rate:	5.7%
% Leased (Average):	91.7%

INVESTMENT BUYER COMPOSITION



BENCHMARK



* Data and graphs received from proprietary MacKenzie research, CoStar, and Real Capital Analytics.

ON THE HORIZON | UPCOMING PROJECTS

Selected sampling of current construction and proposed projects.

DOWNTOWN

414 Light Street | City Center
An apartment tower is under construction at 414 Light Street, which will hold 394 apartment units and 40,000 sf of amenity and retail space (12,300 sf) on the first floor. The project is estimated to cost $160 million, and aims for a early 2018 completion date. The 394 apartment units are estimated to open up in March.

Baltimore Sun Headquarters | Baltimore City Midtown
The Baltimore Sun property in Midtown is around 5.5 acres. Developers have shown plans to convert the headquarters into a mixed-use development with a large grocery store (47,000 sf), and a few small retail spaces, and a site for a potential theater performance space (7,850 sf). The Sun's lease runs through June 2018 and they are planning to downsize drastically to about 40,000 sf.

The Parker Metal Building | Baltimore City South
Himmelrich Associates is continuing to move forward with their developments for The Parker Metal Building at 333 W Ostend Street. While the project was initially slated for delivery in the 2nd Quarter, delivery is now expected before the year end. The property will have up to 50,000 sf of divisible office space, and they will be adding a new lobby to anchor the original buildings. While there will be a significant amount of modern renovations, it will also keep much of its historic charm.

Sandtown Police Station | Baltimore City North
The Western District police station opened this July after War Horse Cities CDC redeveloped the building with a $4.5 million budget. The property has many additional collaboration and community rooms and shared spaces, including a public "reflection garden". It was a community effort, as many local organizations funded this project, such as FX Studios, who designed the new workout room, Wells Fargo, the Baltimore Ravens, Under Armour, BGE, Comcast, and others.

Stadium Square | Baltimore City South
Developers aim to have the area fully leased by the end of 2017. Janney Montgomery Scott has signed a lease at 145 W Ostend Street. Other plans for the project include building 300,000 sf of office space (between three buildings), 80,000 sf of retail, and 650 apartments.

UMMC Patient Care Center | Baltimore City Midtown
UMMC recently got approval to build a 10-story patient care center at 806 Linden Ave. They will be demolishing the current Gatch Building this fall, and construction should begin right after. The project will be 200,000 sf and costs are estimated at $56 million. UMMC is hoping for a 2019 delivery. The setup includes a lower level with a lobby, conference room, and offices, three floors dedicated to outpatients, and three floors dedicated to inpatient units.

Continued...

BRING THE MOUNTAIN TO MUHAMMAD: HANDLING THE MILLENNIAL WORKFORCE

Joe Versey, VP of Business Development, *MacKenzie Contracting*

We hear a lot of comments in the construction industry, my own notwithstanding like, "we can't find good help," or "nobody wants to work with their hands," etc. If young people are not adapting to the construction industry, then the industry needs to adapt to them.

It is imperative that we embrace technology and do it aggressively; we are further behind than any other industry when it comes to the use of technology and it's not from the lack of availability. Some of the software, along with advanced tools and methods, not to mention cutting edge materials, can and are revolutionizing the industry; however, we must continue to look at our approach and how we can attract people who actually 'want' to work construction. We have the tools, literally and metaphorically, we just need to get that message out not only to our high schools and colleges, but to the people that influence the next generation workforce: parents, teachers, school counselors, and even coaches.

Another positive that has been staring us in the face is a huge portion of the workforce that has been virtually nonexistent in the industry and that is women. We have been a male dominated industry up until now, but we see that changing, slowly, but changing none the less. It seems nowadays, nobody wants to grow up to be a carpenter, plumber, or electrician despite the fact that it can wield a very nice living. Though with a change in attitude along with new technology, software, and some fun gadgets, my hope would be we can reinvigorate the industry with a new generation of skilled crafts people.

414 Light Street
Photo credit: Baltimore Business Journal

DEVELOPMENTS CONT'D.

NORTHERN METRO

Greenleigh at Crossroads | Baltimore County East
Greenleigh has signed leases with seven tenants recently, totaling 100,000 sf. Construction is still underway on the 2.5 million sf of commercial space, which will include office, retail, and industrial properties. Tenants include Baltimore County Gymnastics, The High Roads School, Alliance Franchise Brands, Baltimore's Premier Event Solutions, Applied Technology Services, and Paragon Consulting. The Greenleigh at Crossroads project, which is only a portion of the larger Baltimore Crossroads development, is a $750 million project. Other construction plans include residential units, apartments, and condominiums, along with 128,000 sf of retail space. The SpringHill Suites (Marriott) is expected to complete in 2018.

Circle East (Formerly "Towson Circle") | Towson
The former Towson Circle planned development has been rebranded as Circle East. The new plans estimate the project's cost at $125 million. It will include retail, residential, and parking. They expect the site to break ground before 2018; the project is estimated to take roughly two years to complete. 80,000 sf of retail space is planned for the street-level area along Joppa Road. Developers are comparing the project to Bethesda Row.

SOUTHERN METRO

BWI Tech Park | BWI
The entire BWI Tech Park spans 165 acres. The BWI Technology Park II is currently under development by St. John Properties. The project is 44-acres and will cost roughly $10 million. TierPoint plans to open a data center in the park, taking up 35,000 sf at 813 Pinnacle Drive. This is expected for Spring 2018.

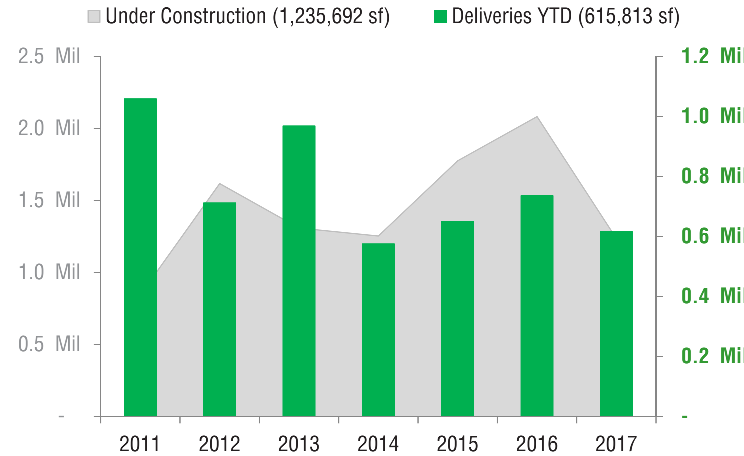
Marley Neck | Route 2 Corridor
Chesapeake Real Estate Group is in the process of submitting plans for a 450,000 sf building off of Energy Parkway. They have around 260 acres to build on. Site plans were submitted this summer for a 500,000 sf single building, and construction is slated to begin by the end of the year. If it remains on schedule, delivery is estimated for Spring 2018. The building will be cross-docked with ceilings at a minimum of 32'. It will include trailer storage space as well. Plans include another phase which would include an additional building of 300,000 sf and two additional buildings of 100,000 sf each.

Long Reach Village Center | Columbia
Orchard Development is continuing its plans to revitalize the Long Reach Village Center. The plan will include 120 units of senior housing, 132 units, and about 75,000 sf of retail and (medical) office space.

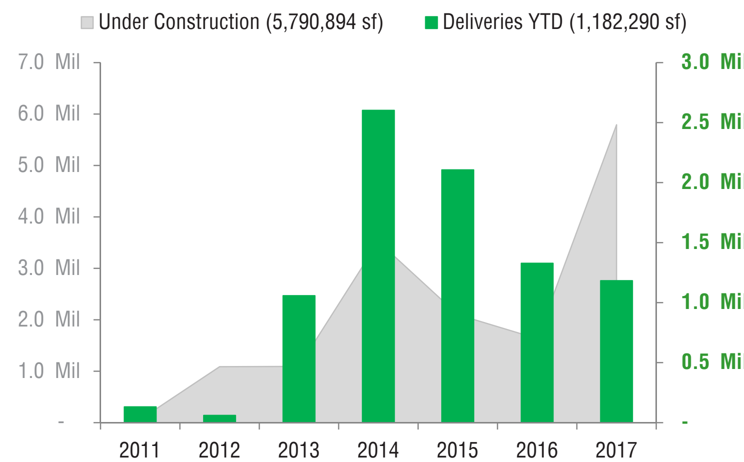
Terrapin Commerce Center | BWI
DCT Industrial is developing two large warehouses (totaling 219,500 sf) at 7200 and 7171 Dorsey Run Road in Elkridge. One building will be 126,000 sf and the other will be 93,500 sf with a combined 67 truck bays. The industrial park has 23 acres and was previously used as farmland. Developers estimate this will be open by the end of 2017.

3RD QUARTER, YTD CONSTRUCTION COMPARISON

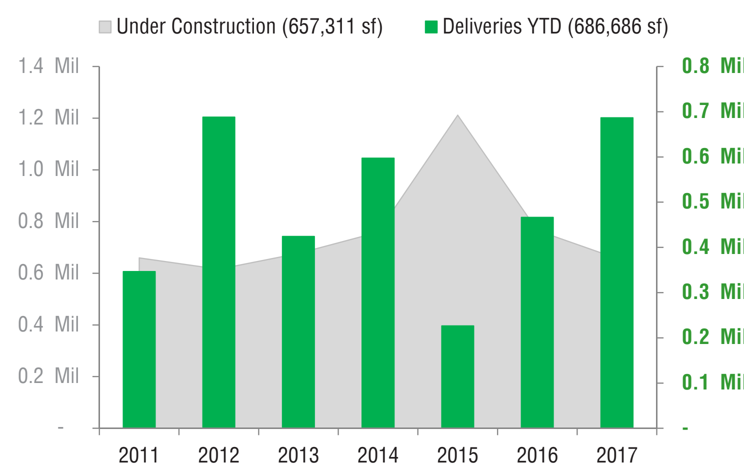
OFFICE



INDUSTRIAL



RETAIL



THE NUMBERS

	DIRECT VACANCY			ABSORPTION		ASKING RENTAL RATES*		
SUBMARKET	**2017 Q3**	**2017 Q2**	**2016 Q3**	**Current**	**YTD**	**2017 Q3**	**2017 Q2**	**2016 Q3**
Baltimore City East	3.8%	-3.4%	-5.0%	94,643	97,106	$27.80	+$1.06	+$4.50
Baltimore City Midtown	11.4%	+1.4%	+3.0%	-12,927	-40,162	$21.87	+$0.14	+$2.42
Baltimore City North	12.7%	+2.3%	+3.1%	17,913	33,183	$26.85	-$0.00	-$0.10
Baltimore City South	6.9%	+0.0%	+1.1%	0	9,675	$22.75	+$0.00	+$0.34
Baltimore City West	25.8%	-1.0%	-1.3%	24,210	48,950	$19.88	+$0.38	-$8.73
Baltimore City	**12.4%**	**-0.4%**	**-0.3%**	**123,839**	**148,752**	**$22.64**	**+$0.29**	**-$3.49**
City Center A	26.5%	-2.0%	-1.0%	55,636	55,011	$23.82	+$0.34	+$0.27
City Center A+	7.4%	+1.0%	+2.6%	-55,347	-54,453	$26.84	-$3.37	-$2.44
City Center B	19.5%	-0.9%	-1.0%	18,601	57,790	$19.07	-$0.00	+$0.38
City Center B+	10.9%	-1.0%	-2.7%	26,364	261,973	$23.18	-$0.00	+$1.41
City Center	**14.4%**	**-0.4%**	**-0.1%**	**45,254**	**320,321**	**$22.79**	**-$0.53**	**+$0.01**
Baltimore + CBD	**13.5%**	**-0.4%**	**-0.3%**	**169,093**	**469,073**	**$22.74**	**-$0.23**	**-$0.99**
Baltimore County East	13.3%	-0.3%	+0.8%	4,983	-27,164	$21.71	+$0.25	-$0.66
Baltimore County West	14.5%	-0.2%	+0.7%	15,205	-27,923	$20.14	+$0.24	-$0.13
Harford County	25.1%	+1.6%	+1.7%	-61,516	-37,877	$22.74	+$0.19	-$0.59
I-83 Corridor	9.4%	+0.3%	+0.1%	-20,007	-20,373	$21.34	+$0.40	+$0.08
Reisterstown Rd Corridor	18.0%	-0.6%	+0.8%	33,199	78,326	$21.51	-$0.23	+$0.49
Towson	14.8%	-0.7%	-2.5%	9,389	60,910	$21.49	+$0.77	+$0.68
Northern Metro	**15.2%**	**-0.0%**	**+0.1%**	**-18,747**	**25,899**	**$21.59**	**+$0.26**	**+$0.06**
Annapolis	13.2%	-1.3%	-2.4%	51,037	33,765	$28.70	-$0.61	+$2.61
BWI	15.7%	-0.6%	+1.5%	29,866	40,644	$25.98	-$0.29	+$1.50
Columbia	8.5%	-0.4%	-0.7%	47,432	56,288	$25.51	+$0.17	+$0.07
Route 2 Corridor	14.3%	+1.1%	-0.2%	-8,754	-2,286	$23.28	+$0.32	+$0.55
Southern Metro	**11.8%**	**-0.5%**	**-0.2%**	**119,581**	**128,411**	**$26.05**	**-$0.11**	**+$1.08**
Totals	**13.5%**	**-0.3%**	**-0.1%**	**269,927**	**623,383**	**$23.32**	**-$0.05**	**+$0.02**

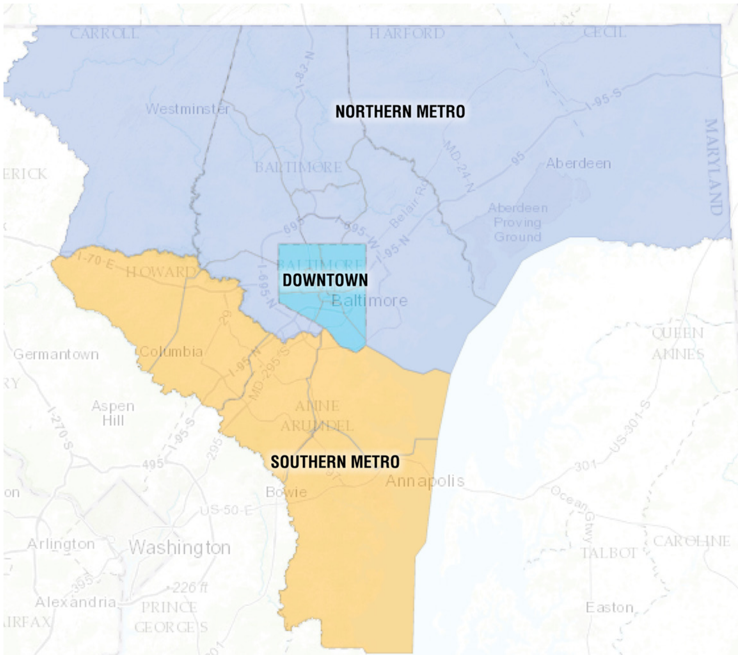
**Rental rates are weighted average.*

13.5%
VACANCY RATE

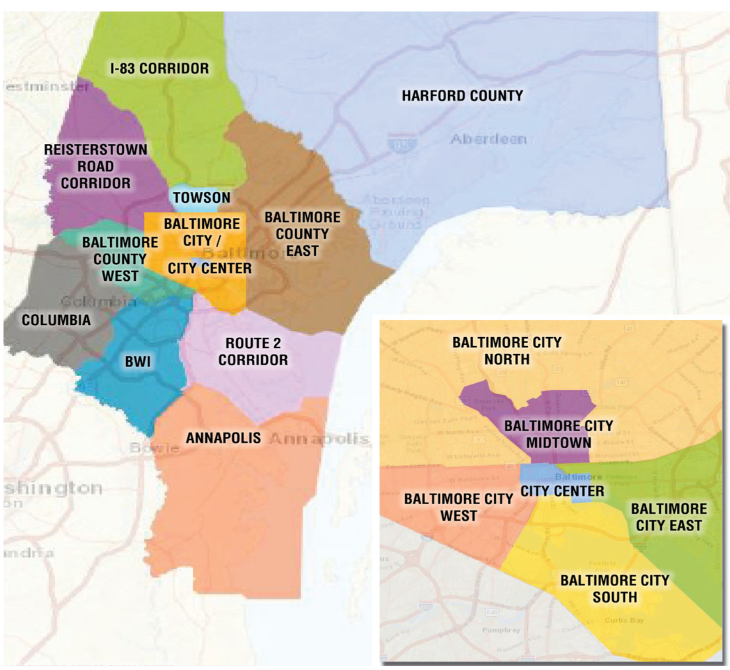
623,383
YTD ABSORPTION

$23.32
AVG. RENTAL RATE

MARKET SNAPSHOTS



SUBMARKET BREAKDOWN

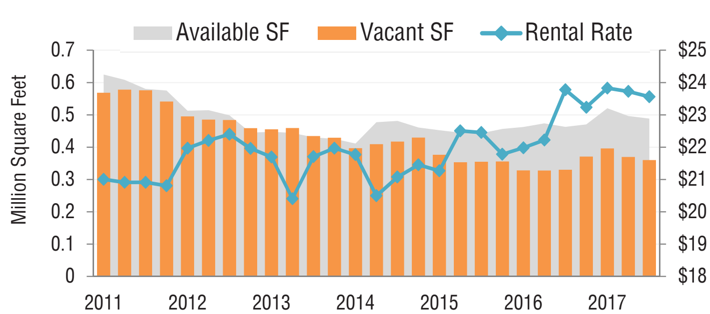


DOWNTOWN

The dominant trend toward "Live Work Play" stands out in the city's leasing patterns this quarter. Tenants continue to shift from the older buildings with fewer amenities to the newer Class A buildings in Harbor East, leaving the older Class B product with greater vacancy and fewer prospects. This is especially true for many of the national firms moving into the city, as they typically are willing to pay higher rents to lease either along Pratt Street in City Center, comparable to (or lower than) other large Mid-Atlantic cities like Washington DC, or in perimeter markets such as Locust Point or Stadium Square.

In the effort to retain and attract their millennial workforce, larger companies are looking for office space that is close to other retailers and amenities for their employees. Several companies from the suburbs have shifted toward the city to take advantage of these opportunities. Medifast, for instance, is moving to Harbor East. They are taking around 50-60,000 sf for their office portion, and leaving their manufacturing and production support in Owings Mills for the time being. Janney Montgomery Scott is one of the first tenants to sign up for Stadium Square, while Gross Mendelsohn is heading for McHenry Row. This influx of tenants has allowed the asking rents to remain some of the highest in the market. New leases have been continuing to allow for greater concessions, such as high tenant improvement allowances, in an effort to close transactions. While this could be caused by a number of factors, we've seen the general cost of construction rise significantly over the past year, as their business skyrockets with demand for new developments and reconstruction projects around the city and surrounding areas. There is also a higher demand for renovations, as Class B office buildings attempt to compete with the newer product on the market.

Several development and renovation projects are slated for an early 2018 completion, so upcoming movement will most likely shift to those neighborhoods. This includes projects like the Hendler Creamery redevelopment at 1100 E Baltimore Street, renovations at the Harborplace Pavillions, 423 N Howard Street, and many others. There is also growing activity in the investor market, with several buildings north of Pratt being marketed for sale including 120 E. Baltimore Street and 200 Saint Paul Street - two buildings that have had long-term owners looking to capitalize on the recent activity. Overall, we expect city occupancy levels and availability to remain steady as the end of the year approaches.



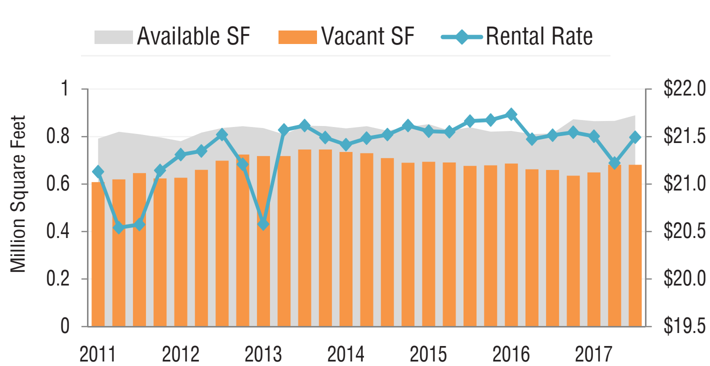
NORTHERN METRO

Baltimore Metro's Northern Metro area saw many smaller deals and sales, but on the whole has remained stable over the third quarter. Vacancy remained roughly the same at 15.87%, which totals 681,486 sf of direct space out of a market size totaling 27 million sf. Absorption went further into the negative as the metro area lost 18,747 sf. Harford County has not seen much movement this year, although their occupancy levels decreased moderately when Northrop Grumman gave back a large space at 210 Research Boulevard. However, much of Harford County's vacancy can be attributed to sublease space, which increased this quarter.

Baltimore County West continues to fluctuate this year, though the area saw some positive gains this month with a positive 15,205 sf of absorption. Tenant move-ins were noted at Rolling Run Technology Park (2270 Rolling Run) and 10705 Red Run Boulevard. Morgan Properties recently launched a $25 million redevelopment of six properties in the Windsor Mill area; upgrades amount to roughly $13,000 per apartment unit. We hope that revitalization progress will draw more residents and businesses to the area.

Baltimore County East and I-83 Corridor submarkets saw very little change. Although they experienced losses at 101 Schilling Road and 10 Fila Way, move-ins at the Galleria Towers and 11311 McCormick Road kept the vacancy relatively the same over the past quarter.

Downtown Towson's Central Business District continues to struggle to attract new office users to the market. The paid parking and other buildings do not appeal to the new generation of companies trying to attract the millennials to its workforce. However, the new construction of apartments in downtown Towson will bring more people to the area, which in turn should bring additional retail stores and restaurants and hopefully more office users. Black & Decker has been very active in the Towson market, taking down large blocks of space in the Towson Commons building on Pennsylvania Avenue. 210 Allegheny Avenue renovations are nearly complete, which will give the office market a new Class A building with on-site parking and very reasonable rental rates. I remain optimistic that Towson will continue to move forward to provide a live, work, and play environment for the growing millennial workforce.



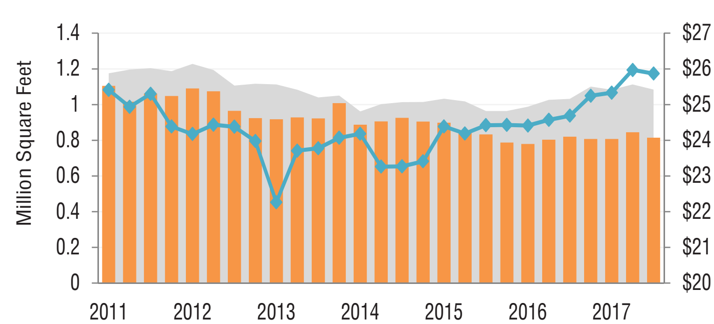
SOUTHERN METRO

The Southern Metro experienced some much-needed positive growth this quarter, filling 119,581 sf of vacancy in the market. Overall, the area still remains the healthiest in the Baltimore Metro, experiencing the highest asking rates ($26.05/sf average), some of the highest absorption levels, and lowest vacancy rates in the area. While Route 2 Corridor continues to lag behind, Annapolis, BWI, and Columbia submarkets have continued their pattern of growth.

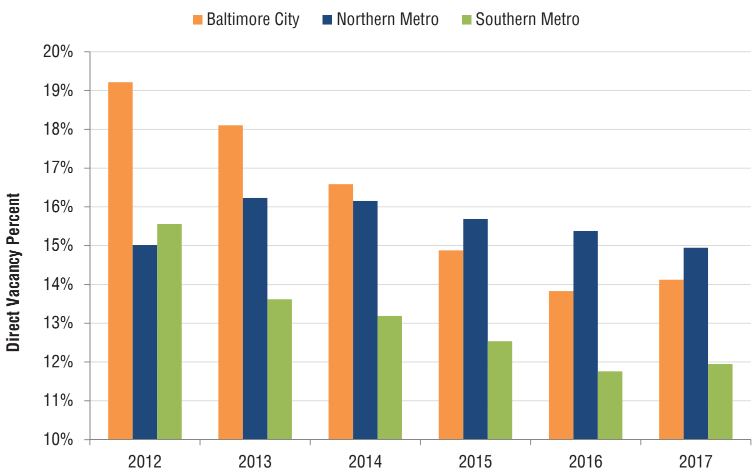
The Annapolis market remains robust so far this year. While the available space in the market has remained steady, vacancy has decreased while taxes have increased significantly. We expect the market to see some strong activity as we move through the year, as tenants of all sizes are shopping the market. There continues to be a lot of activity from investors, specifically in the West Annapolis area, and we have seen a good amount of 1031 exchanges and off-market deals completed this year.

The BW Corridor markets of Columbia and BWI continue to see growth, though it has somewhat relaxed over the recent quarters. The most significant office projects in the area are in Columbia (Howard Hughes), Maple Lawn (St. John/Greenebaum), and National Business Park (COPT). Coincidentally, these areas all have the lowest vacancy rates in the Southern Metro - Columbia is still able to boast single-digit vacancy rates, now at 8.9% (compared to 9.2% last year). Tenants were gained at One Merriweather, Little Patuxent Square, and Airport Square, which are all relatively new Class A and B buildings in the market.

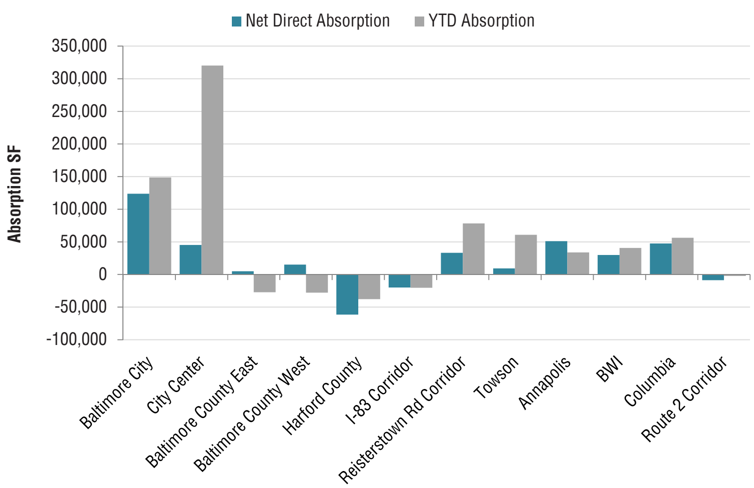
Several mixed-use and office projects are in the works thoughout the Southern Metro area. Annapolis Junction Town Center continues to develop its multi-family and retail space, though some of the space won't officially start construction until late this year and into early 2018. Arundel Preserve is also making progress on its construction, though the office portion of the space is still to be completed. Long Reach Village Center is also in the process of revitalization. While the focus is on new senior housing and expansive retail space, there will also be new medical office space available in the center. This is still in the planning phases.



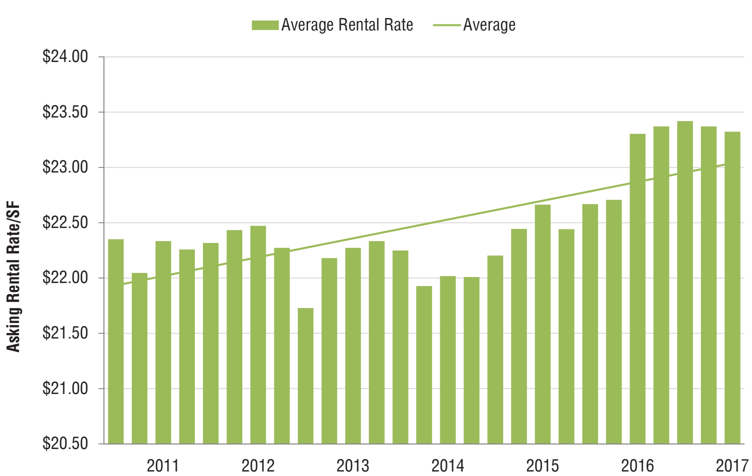
DIRECT VACANCY



ABSORPTION



ASKING RENTAL RATES



Market Tightens in Third Quarter

While vacancy did not experience much change this quarter, the market did tighten up slightly to decrease 0.3% this quarter to an average of 13.5% for the metro area. The submarkets with the lowest direct vacancy rates are Baltimore City East (3.8%), Baltimore City South (6.9%), and City Center A+ (7.4%). The areas continuing to struggle are City Center A (26.5%), Baltimore City West (25.8%), and Harford County (25.1%). While the average vacancy may not have decreased by much, there were a few markets that saw a greater loss or gain of tenant occupancy. Year-to-date, Baltimore City East vacancy has decreased 5%, City Center B+, Towson, and Annapolis all decreased 2.4-2.7%, while increases can be seen in City Midtown (+3.0%), City North (+3.1%), and City Center A+ (+2.6%).

Tenant Movement Continues Successfully

The greatest change in the market this quarter was absorption, totaling a positive 269,927 sf. The Northern Metro struggled the most this quarter, losing -18,747 sf of occupied space. This can be seen specifically in Harford County, which lost -61,516 sf. However, 48,000 sf of this loss can be attributed to Northrop Grumman, as they gave some of their space back this quarter. Other losses occurred along the I-83 Corridor (-20,007 sf), Baltimore City Midtown (-12,927 sf), and City Center A+ (-55,347 sf). However, the influx of new tenants outweighs the losses mentioned above. While most of the absorption is spread evenly throughout the markets, Baltimore City East and Annapolis have seen the most movement, absorbing 94,643 sf and 51,037 sf, respectively. Year-to-date, City Center B+ has experienced the biggest change, absorbing 261,973 sf.

Rental Rates Remain High

Although rental rates have not changed much over the last year, they remain some of the highest that the office market has seen in over five years. Currently, asking rental rates average $23.32/sf. The most expensive area continues to be Annapolis ($28.70/sf), located in the Southern Metro. Outside of the Annapolis submarket, rates remain highest downtown. Although the city averages $22.74/sf, this number is greatly influenced by City East, City North, and City Center A+ properties, asking $27.80/sf, $26.85/sf, and $26.84/sf, respectively. The most affordable spaces are located in City Center B, Baltimore City West, and Baltimore County West, which are asking for $19.07/sf, $19.88/sf, and $20.14/sf. Several rates have shifted over the last quarter. City Center A+ Rates decreased by $3.37/sf, while Baltimore City East increased by $1.06/sf. Since Q3 2016, City East has increased by $4.50/sf, and City Midtown increased by $2.42/sf.

NEWS HIGHLIGHTS

- 11685 Crossroads Circle, one of the first buildings to break ground at Greenleigh at Crossroads, is now reportedly 84% leased. The property is roughly 54,120 sf and four new tenants signed leases this quarter: Baltimore County Gymnastics, The High Roads School, Alliance Franchise Brands, and Baltimore's Premier Event Solutions.
- Also at Greenleigh Crossroads, Eisai Co Ltd, a company specializing in brain cancer research and pharmaceutical manufacturing, signed a lease at 11675 Crossroads Circle for 40,000 sf of office space.
- Medstar Health is opening a new orthopedic center in its new headquarters building in Lutherville. The building is 48,000 sf at 2118 Greenspring Drive.
- Merritt Properties recently bought 100 West Road. The Class A building is fully leased. The building sold for $24.5 million and is roughly 121,414 sf. The cap rate was confirmed at 7.5%.
- M&T Bank has officially announced their headquarters move to 1 Light Street. They have signed a new 15-year lease and will occupy 155,000 sf and six floors. The move is estimated for late 2018.
- Medifast Inc. confirmed it will move its heardquarters to the Legg Mason Tower from Owings Mills. The manufacturing component will stay in Owings Mills however. The lease includes 51,000 sf at 100 International Drive.
- COPT sold a portfolio of eight office buildings in White Marsh in late July for $47.5 million. Fernau LeBlanc Investment Partners purchased all buildings, including 8010, 8020, 8110, & 8140 Corporate Drive, 5325 & 5355 Nottingham Drive, and 8094 & 8098 Sandpiper Circle. As a whole, buildings were approximately 95% occupied at the time of sale. The portfolio also included two land parcels, totaling 41.96 acres.
- The nonprofit organization Itineris, which focuses on support for the autism community, recently purchased 2050 Rockrose Avenue in Woodberry, Baltimore. The organization had leased the 24,000 sf building for about three years prior, and purchased in September for $2.7 million.
- 8666 Veterans Highway (Severn Commons Office Building) in Millersville sold to Anne Arundel County earlier this quarter. They paid roughly $4.5 million for the 34,392 sf building. The county plans to relocate the Criminal Investigations Division of the police department to this space.
- Firstrust Bank recently moved into 2,200 sf at 888 Bestgate Road. This is reported to be a satellite office, which will focus on development and construction financing.
- MD THINK (Total Human Services Information Network) recently signed a lease at 849 International Drive in Linthicum for 15,990 sf. Their lease will begin in October.

NOTABLE TRANSACTIONS

Lease

Location	Submarket	Tenant	Amount Leased SF
700 E Pratt Street	City Center	Venable	23,459 sf
9101 Franklin Square Drive	Baltimore County East	Franklin Square Hospital	12,386 sf
2205 Warwick Way	Columbia	Corridor Mortgage	5,977 sf
4000 Old Court Road	Reisterstown Rd Corridor	Wister, Rothschild, Rudikoff, Babitt & Rogan	3,285 sf

Sale

Location	Submarket	Price	PSF	Building Size
100 West Road	Towson	$24,550,000	$202.20/sf	121,414 sf
8666 Veterans Highway	Route 2 Corridor	$4,550,000	$132.30/sf	34,392 sf
11301 Red Run Boulevard	Reisterstown Rd Corridor	$4,400,000	$137.50/sf	32,000 sf
8219 Town Center Drive	Baltimore County East	$4,075,000	$146.32/sf	27,850 sf

QUARTERLY MARKET IN REVIEW

CJ Koluch, Real Estate Advisor

2017's headlines continue to be dominated by Amazon's impact across different facets of the retail sector, store closures and bankruptcies of industry stalwarts, and more. However, under the surface, we see stories of innovation, altruistic business decisions, and the rise of the next generation of consumers.

Whole Foods by Amazon

Amazon's retail revolution continues with its $13.7 billion acquisition of grocery giant Whole Foods. Amazon's first order of business, which garnered a significant amount of press, was to lower prices for a number of grocery staples. Products marked down included organic avocados, brown eggs, salmon, apples, and chicken. However, these haven't resulted in large reductions in price. Research firm Gordon Haskett recently tracked prices on 110 items over five weeks at a select Whole Foods location in Princeton, NJ. Findings show overall prices are down just 1.2 percent since the takeover.

As is par for the course, the continued success of Whole Foods has come at the expense of its two main rivals, Trader Joe's and Sprouts Farmers Market. 10% of Trader Joe's customers visited Whole Foods between August 28 and September 16, compared to 8% of Sprouts customers. The largest number of newfound customers has come from Walmart, accounting for nearly 24%. According to Thasos Group Chief Executive Greg Skibiski, the price reductions did not convince customers to drive longer distances nor attract customers outside Whole Foods' traditional upper-income demographic.

Toys R Us Turns to Augmented Reality

Despite its recent bankruptcy filing, Toys R Us has begun ramping up its online presence and plans on implementing Augmented Reality in brick and mortar locations to transform the traditional brick and mortar experience. According to a recent Business Insider article, shoppers can use an app to animate Toys R Us' mascot Geoffrey the Giraffe, shoot virtual baskets, or scan a code to watch a toy animate their phone screen.

This AR experience is now live in 23 stores across the US, with plans for nationwide expansion on October 21. This continues the theme of 'experiential buying' we have previously noted to enhance the consumers' buying experience.

CVS Combats Opioid Epidemic

In a September 21 press release, CVS Health announced it will roll out an enhanced opioid utilization management approach as of February 1, 2018. As part of this initiative, CVS will limit the supply of opioids dispenses for certain acute prescriptions to seven days, limit the daily dosage of opioids, and require the use of immediate-release formulations of opioids before extended-release opioids are dispensed. According to the press release, "In the last two decades, opioid prescribing rates have increased nearly three-

(Continued on next page)

RETAIL SNAPSHOT | 3RD QUARTER 2017

3.9%	-86,596	$19.32
VACANCY RATE	YTD ABSORPTION	AVG. RENTAL RATE

THE NUMBERS

Submarket	Bldgs	Market Size SF	Direct Vacant SF	Direct Vacancy	Absorption Current	Absorption YTD	Available SF %	Average Asking Rent
Annapolis	818	13,631,435	367,003	2.7%	-37,187	63,983	3.8%	$22.81
Baltimore City	3,432	26,837,199	957,653	3.6%	-25,480	9,625	5.9%	$16.61
Baltimore County East	703	9,643,322	623,314	6.5%	26,749	64,900	8.1%	$14.39
Baltimore South	640	10,529,394	803,900	7.6%	9,733	-74,692	8.8%	$18.08
Baltimore West	606	10,583,013	289,208	2.7%	-57,890	13,284	5.5%	$18.24
Carroll County	518	8,117,855	283,523	3.5%	83,972	120,768	4.6%	$15.78
Columbia	423	9,083,998	229,983	2.5%	32,325	24,294	3.5%	$31.20
Ft. Meade	365	8,056,040	245,823	3.1%	3,126	63,229	4.0%	$22.60
Harford County	856	11,951,154	503,946	4.2%	10,389	12,743	5.9%	$21.69
Reisterstown Road Corridor	364	5,995,701	335,727	5.6%	3,234	-452,495	6.9%	$21.04
White Marsh / Perry Hall	357	6,318,327	177,302	2.8%	79,177	101,542	4.7%	$16.77
York Road Corridor	694	13,001,018	374,424	2.9%	-59,944	-33,777	5.6%	$23.27
Market Totals	**9,776**	**133,748,456**	**5,191,806**	**3.9%**	**68,204**	**-86,596**	**5.7%**	**$19.32**

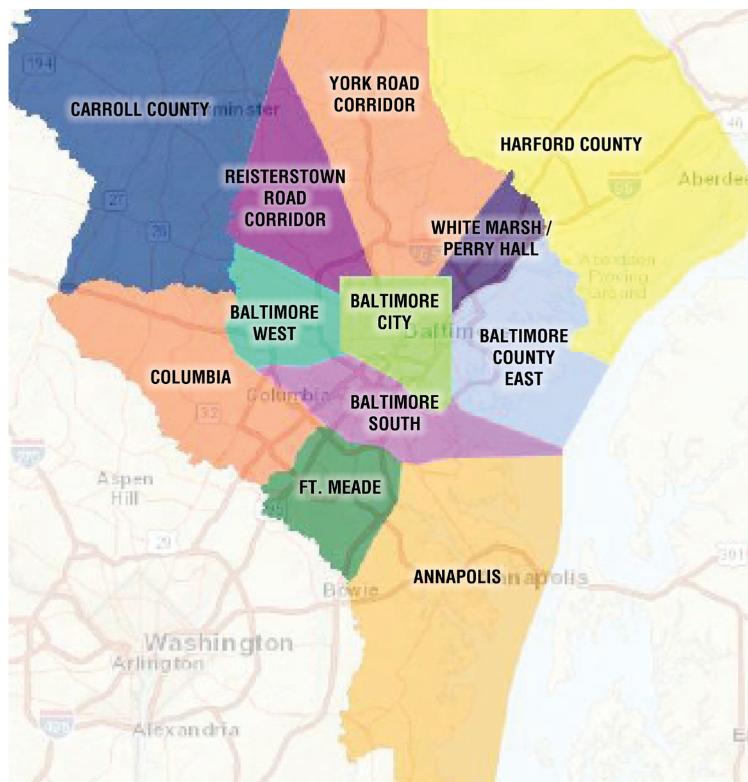
(Continued from previous page)

fold, from 76 million prescriptions in 1991 to approximately 207 million prescriptions in 2013. This remarkable volume of opioid prescribing is unique to the United States, where prescribing in 2015 was nearly four times what it was in Europe."

This continues CVS' transformation to a true health care facility, as the company ceased the sale of tobacco products in its stores in late 2014.

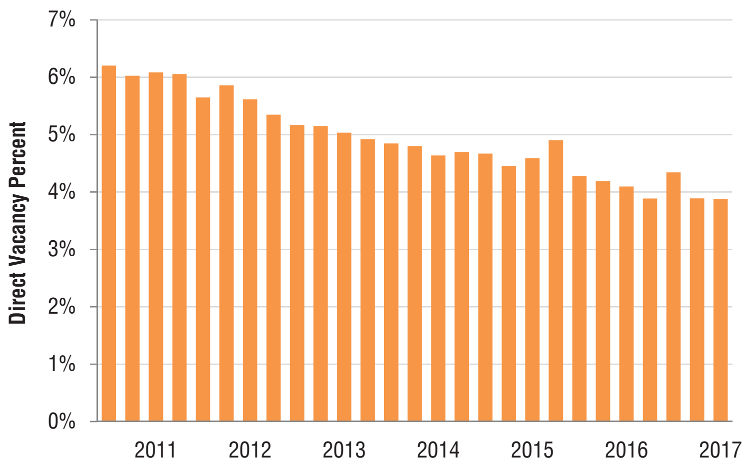
Catching Some ZZZ's

The next generation of consumers is about to disrupt the food service industry in a major way. According a recent Fast Casual article, Generation Z (currently 13-23 years old) comprises 26 percent of the US population, wields $44 billion in spending power and over $600 billion in spending influence. In their own words, Generation Z prioritizes value over price, experience and ambiance (It's all about the Instagram), cleanliness and safety, speed of service, and sustainability of sourcing.

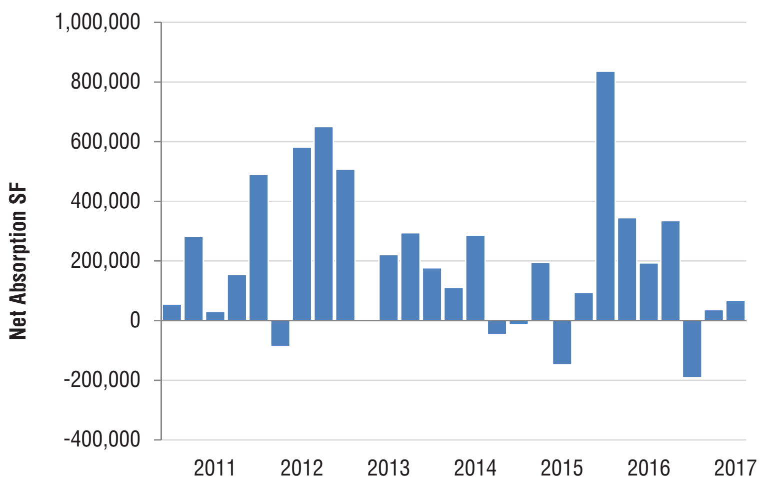


MACKENZIE

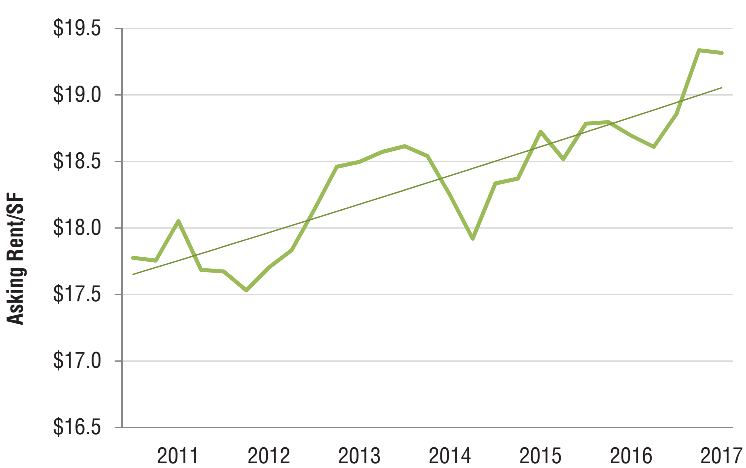
DIRECT VACANCY



ABSORPTION



ASKING RENTAL RATES



Vacancy Rates Level Off

Vacancy rates tapered off their decline this quarter, remaining at 3.9%. The tightest markets are in Columbia (2.5%), Annapolis (2.7%), White Marsh/Perry Hall (2.8%), and along York Road Corridor (2.9%). Baltimore County East and Baltimore South bring up the market's average vacancy at 6.5% and 7.6%, respectively. While there weren't many major changes, White Marsh/Perry Hall did decrease 1.3% in direct vacancy this quarter; Carroll County vacancy went from 5.5% at this time last year, to 3.5%. Although the majority of submarkets have seen a rise in occupancy, a few areas have had difficulty filling space. Reisterstown Road Corridor increased 2.1% since this time last year, landing at 5.6% this quarter. Baltimore South, which has consistently maintained the highest vacancy, increased 1.1% this year, averaging 7.6% this quarter.

Absorption Continues to Slow

While there was not much notable absorption this quarter, it is higher than it's been so far this year, totaling 68,204 sf absorbed in the market. However, it is not enough to off-set 1st Quarter's losses along the Reisterstown Road Corridor; YTD direct absorption is now -86,596 sf. Despite the overall numbers, there were some larger losses along York Road Corridor (-59,944 sf) and Baltimore West (-57,890 sf), along with Annapolis (-37,187) and Baltimore City itself (-25,480 sf). Luckily, these losses were paired with substantial absorption in Carroll County of 83,972 sf, bringing the submarket's YTD absorption to 120,768 sf. White Marsh/Perry Hall is close behind Carroll County, absorbing 79,177 sf this quarter and 101,542 sf this year so far. This quarter, Ft. Meade and the Reisterstown Road Corridor saw the least amount of activity, each absorbing 3,126 sf and 3,234 sf respectively.

Rental Rates Remain High

Despite falling slightly by $0.02/sf this quarter, rental rates are some of the highest the market has seen in many years, averaging an asking rate of $19.32/sf NNN for the area as a whole. The most expensive submarkets remain the same from last quarter, with Columbia asking an average of $31.20/sf, and the York Road Corridor properties asking $23.27/sf. The best deals are located in Baltimore County East and Carroll County, asking an average of $14.39/sf and $15.78/sf, respectively. While there wasn't much movement over the last quarter, many submarkets have shifted prices over the year. Columbia, Harford County, Baltimore City, and Reisterstown Road Corridor all rose roughly $2/sf in the last year. Annapolis has seen the greatest change, sinking $3.57/sf from $26.38/sf to $22.81/sf. On the other hand, Ft. Meade rents rose $2.82/sf from $19.78/sf to $22.60/sf.

NEWS HIGHLIGHTS

- Stelzenmuller, the owner of Jack's Bistro, is opening Blair's at 2822 Hudson Street in Canton. Jack's Bistro at 3123 Elliott Street will be closing to make room for his new restaurant.
- Charm City Medicus, a medical marijuana dispensary, has signed a lease for 3,600 sf at 717 North Point Boulevard in Dundalk. They plan to open by the end of September. This is one of 102 dispensaries to receive a license in Maryland thus far. Their clinical director is a licensed pharmacist and professor at University of Maryland's School of Pharmacy.
- Gymboree filed for bankruptcy in June, and has announced they are closing 350 stores across the nation, including two in Maryland - one in Gaithersburg and the other in Salisbury.
- Jimmy's Restaurant has completed their renovations (roughly $500,000) in Fells Point.
- Tuesday Morning is moving to Ellicott City in a part of the former Mars space at St. John's Plaza. The store will be roughly 11,000 sf and is projected to open early 2018.
- Clyde's is planning to transform the Tomato Palace in Columbia into a live music/restaurant venue. The space will have a capacity for 240 people. Current build out plans are between $1.5-2 million and they hope to have the space open by the end of 2017.
- A Korean Restaurant (Jazz+Soju) has signed a lease for Anthem House in Locust Point, roughly 2,310 sf. They hope to open in late 2017.
- The Bun Shop has announced their expansion to 3,600 sf at 40 W. Chesapeake Ave, across from Towson Row. This will be their third location in the metro area.
- Pasticcio's in Canton has officially closed as of July, on the heels of Langermann's closing in May. Concerns are focused on rental prices as many tenants feel they are too high for the area.
- Stanford Kitchen, a spinoff of Stanford Grill, is opening in Owings Mills at the Boulevard College Center at 10995 Owings Mills Boulevard. The restaurant is 4,200 sf and will seat 130 guests. They hope to open early 2018.
- Soft Surroundings, a women's clothing line, is opening a 5,883 sf shop at Hunt Valley Towne Centre in early 2018. This will be the first Soft Surroundings store in Baltimore County.
- Hammer & Nails, a men's salon, has announced their opening at the Metro Centre in late fall 2017.
- Tropical Smoothie signed a lease in the Boulevard College Center in Owings Mills. It is expected to open later this year.

NOTABLE TRANSACTIONS

Lease

Location	Submarket	Tenant	Amount Leased SF
331 Baltimore Pike	Harford County	Jurassic Golf & Arcade	9,607 sf
2337-2339 Forest Drive	Annapolis	Chuy's	6,709 sf
8200 Perry Hall Boulevard	White Marsh/Perry Hall	Relax Day Spa	3,255 sf
1060 Crain Highway	Ft. Meade	Five Guys	2,600 sf

Sale

Location	Submarket	Price	PSF	Building Size
10300 Little Patuxent Parkway[1]	Columbia	$17,930,290	$240.41/sf	149,163 sf
610 Compass Road	Baltimore County East	$2,600,000	$216.67/sf	12,000 sf
18 Church Circle	Annapolis	$2,300,000	$282.56/sf	8,140 sf
7400 Belair Road	White Marsh/Perry Hall	$2,150,000	$290.15/sf	7,410 sf

(1) Portfolio Sales; (2) Investment Sales

ASKING RENTS RISING IN FLEX & WAREHOUSE MARKETS

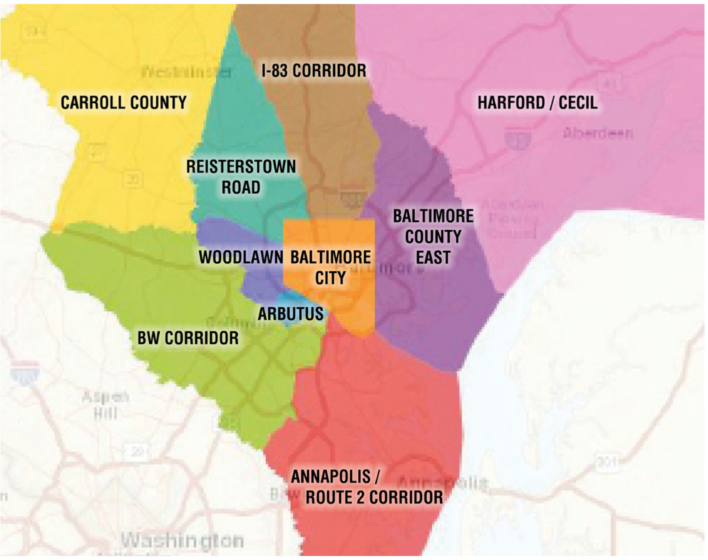
By Anirban Basu, Sage Police Group, Inc.

Baltimore is simply fated to be a leader in the burgeoning global e-commerce economy. Blessed with a combination of location at the heart of the East Coast, alignment with I-95 and I-70, its record-setting deep water port, and presence of two Class I railroads, Baltimore is poised to be at the center of worldwide online commercial throughput for decades to come.

This is perhaps nowhere more apparent than in the regional industrial market, which continues to thrive. According to data compiled by MacKenzie Commercial Real Estate, the regional warehouse market net absorbed more than 1.6 million sf of space during the Q3:2017 alone. Vacancy has dipped by 1.8 percentage points over the past year and now stands at less than 6 percent. Baltimore's Metropolitan warehouse market absorbed more than 1.6 million square feet in the third quarter of 2017, with vacancy dropping to 5.9 percent, 1.8 percentage points lower than the same time last year. Year-to-date, the Baltimore market has net absorbed almost precisely 4.5 million square feet.

On a quarterly basis, the Harford/Cecil County warehouse sub-market experienced the largest net warehouse space absorption at 1.28 million square feet. This market only stands to get bigger as Lidl and Amazon distribution centers come on-line over the next three years. Significant positive net absorption was also apparent during the third quarter in the Baltimore-Washington Corridor and Arbutus warehouse markets. Based on average asking rates, regional supply has kept up with demand. Average asking rent actually dipped from $5.19/sf a year ago to $5.14 more recently.

The region's flex space market also continues to improve, net absorbing 293,792 sf over the past quarter and 625,058 sf year-to-date. This has pushed regional flex vacancy down to 7.6 percent compared to 8.2 percent one year earlier.



AT QUICK GLANCE...

FLEX	WAREHOUSE
7.6% VACANCY RATE	5.9% VACANCY RATE
625,058 YTD ABSORPTION	4.5 M YTD ABSORPTION
$11.37 AVG. RENTAL RATE	$5.14 AVG. RENTAL RATE

** Industrial market statistics are in comparison to this time last quarter*

QUARTER SUMMARY...

DAN HUDAK, SENIOR VICE PRESIDENT/PRINCIPAL

Baltimore's Industrial Market continues to stay on fire. The market has been very active with high demand for both flex and warehouse space. The market absorbed nearly two million square feet in Q3 alone which represents approximately 60% of what the market absorbs on average annually. Current YTD direct absorption is now in record territory with over five million SF absorbed.

All but three of the 10 flex submarkets saw reductions in direct vacancy, with Q3 ending at 7.6%. With flex vacancy levels where they are, we expect to see an increase in asking rents over the next few quarters. Activity in the flex market usually mirrors growth of small businesses which typically drive job growth, thus it is no surprise to see the Maryland unemployment has dropped to 3.9%.

E-commerce continues to drive the warehouse market which saw vacancy levels drop to 5.9%, a reduction of 1.8% from last year. The warehouse market absorbed nearly 1.7 million square feet, largely driven by the Harford/Cecil submarket where nearly 1.3 million sf was removed from the market. Average asking warehouse rents edged slightly higher from Q2 to $5.14/sf.

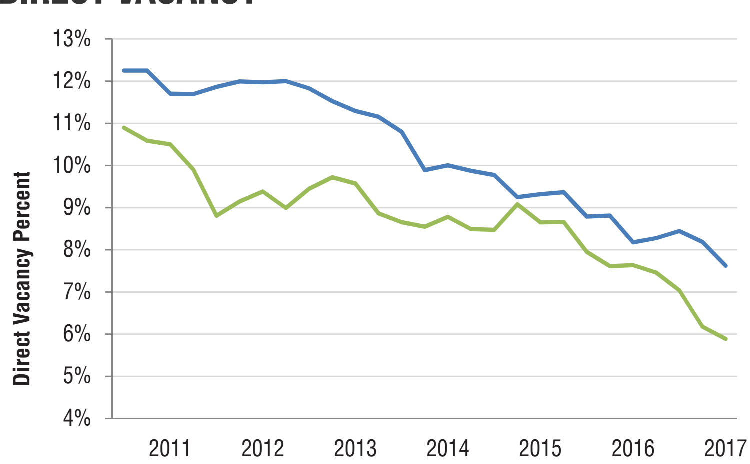
THE NUMBERS

	Submarket	Bldgs	Market Size SF	Direct Vacant SF	Direct Vacancy	Absorption Current	Absorption YTD	Available SF %	Average Asking Rent
FLEX INDUSTRIAL MARKET	Annapolis/Route 2 Corridor	176	5,234,042	330,542	6.3%	-15,613	99,352	9.8%	$12.17
	Arbutus	60	2,252,046	122,605	5.4%	-52,190	106,854	7.5%	$11.01
	Baltimore City	131	4,244,389	307,562	7.2%	-5,812	66,528	16.7%	$10.09
	Baltimore County East	115	3,838,436	292,775	7.6%	-1,863	23,305	8.6%	$10.81
	BW Corridor	334	15,150,201	1,331,425	8.8%	97,544	245,703	15.2%	$12.67
	Carroll County	55	1,195,993	162,274	13.6%	-3,837	-11,810	16.9%	$9.52
	Harford/Cecil	140	3,235,405	213,006	6.6%	206,062	31,596	8.2%	$12.74
	I-83 Corridor	107	4,917,996	119,787	2.4%	18,214	53,932	5.1%	$11.41
	Reisterstown Rd Corridor	87	3,103,879	396,035	12.8%	40,747	19,367	19.6%	$9.74
	Woodlawn/Catonsville	53	2,520,949	208,129	8.3%	10,540	-9,769	15.4%	$8.11
	Totals	**1,258**	**45,693,336**	**3,484,140**	**7.6%**	**293,792**	**625,058**	**12.6%**	**$11.37**
WAREHOUSE INDUSTRIAL MARKET	Annapolis/Route 2 Corridor	198	8,994,770	407,376	4.5%	-42,790	33,838	10.6%	$5.50
	Arbutus	103	7,564,540	629,823	8.3%	112,875	258,304	14.8%	$4.01
	Baltimore City	1,100	40,818,854	1,810,458	4.4%	88,622	665,368	8.3%	$4.72
	Baltimore County East	334	20,678,950	1,663,269	8.0%	18,265	1,563,243	11.8%	$5.00
	BW Corridor	567	43,907,441	3,546,064	8.1%	240,750	624,319	10.8%	$5.66
	Carroll County	155	7,049,228	399,771	5.7%	-21,148	21,388	7.2%	$5.46
	Harford/Cecil	339	34,026,903	1,405,918	4.1%	1,283,973	1,330,135	4.9%	$4.72
	I-83 Corridor	83	4,382,081	105,354	2.4%	-6,400	3,200	3.6%	$8.34
	Reisterstown Rd Corridor	54	1,505,998	37,600	2.5%	-6,900	-9,710	5.4%	$8.08
	Woodlawn/Catonsville	47	1,249,139	12,000	1.0%	0	0	1.5%	$8.25
	Totals	**2,980**	**170,177,904**	**10,017,633**	**5.9%**	**1,667,247**	**4,490,085**	**8.9%**	**$5.14**
	Industrial Market Totals	**4,238**	**215,871,240**	**13,501,773**	**6.3%**	**1,961,039**	**5,115,143**	**9.6%**	**$6.86**

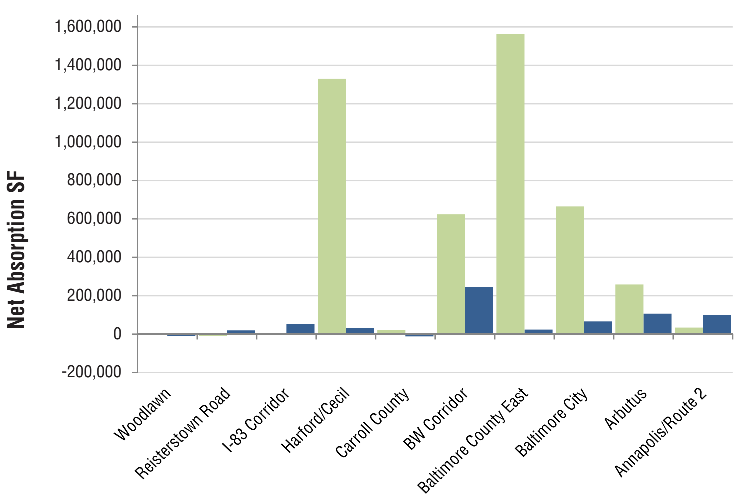
HIGHLIGHTS

- Locke Insulators has announced they are closing their manufacturing facility in Port Covington due to a "reduction in demand" over the past decade. They have yet to announce what they wish to do with the property as it is directly in the center of Port Covington's developments.
- A portfolio of warehouses at 8730 Bollman Place, 6660 Santa Barbara Road, and 6657 Amberton Drive have been sold to Goldman Sachs for $40.5 million. The price averaged $91/sf. All buildings are 100% leased at the time of sale, and include 12 tenants between them.
- General Ship Repair Corporation is selling its 2-acre industrial property at the Locust Point shipyard at 1449 Key Highway. The site has a single-story building that is 17,229 sf and sits right on the waterfront.
- Johns Hopkins Health System just signed a 165,000 sf industrial lease at the (still under construction) 413,000 sf building at 5300 Holabird Avenue. Their lease will occupy 40% of the new building, which expects to deliver this coming quarter. The total site is 47 acres and is being developed by Chesapeake Real Estate Group.
- TierPoint LLC plans to open a data center at 813 Pinnacle Drive in the BWI Technology Park II. The park is a 44-acre project currently under development. The data center will take up 35,000 sf and should open Spring 2018.
- Route One Apparel and Sterling Forever jointly purchased a 14,000 sf warhouse with an office build out at 1030 Cromwell Bridge Road. The building sold for $1.4 million, and their move is planned for November 2017.
- The new FedEx Ground warehouse at Sparrows Point opened recently. The distribution center is located at 6021 Bethlehem Boulevard. It is 306,016 sf and cost around $58 million to develop.
- Jodlbauer's Warehouse and Showroom at 700 E Pulaski Highway sold to 2900 Loch Raven LLC for $750,000 in August. Their other warehouse at 901 E Pulaski Highway sold earlier this year for $1.9 million to M&W Wholesale, Inc.

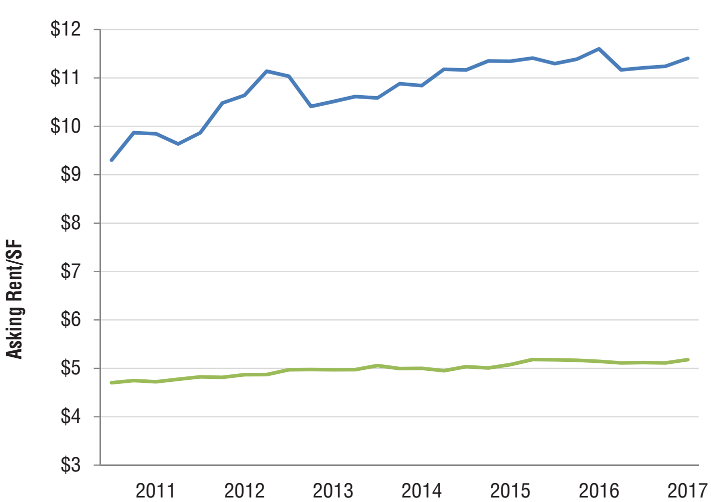
DIRECT VACANCY



YTD ABSORPTION



ASKING RENTAL RATES



Vacancy Continues Its Descent

The Industrial market's vacancy as a whole has been on a sharp decline since early 2015, decreasing from 9.1% in 2nd Quarter 2015, to an all-time low of 6.3% this quarter. The Flex market has seen a more gradual decrease in vacancy, while the Warehouse market has seen most of its activity in the past year. Flex submarkets in Reisterstown Road and Carroll County are still struggling to fill their vacancies. Reisterstown Road continues to fluctuate but did decrease slightly, and vacancy in Carroll County increased this quarter from 12.4% to 13.6%. I-83 Corridor maintains the highest occupancy in the area, going down to 2.4% this quarter. In the Warehouse markets, Woodlawn and I-83 Corridor remain the healthiest, boasting 1% and 2.4% vacancy rates, respectively. Arbutus, BW Corridor, and Baltimore County East all continue to struggle, although Arbutus and BW Corridor have had some movement this quarter.

Tenant Move-Ins Continue

Year-to-date, the Industrial market has just broken the five million sf mark in direct absorption. While Baltimore County East's Warehouse inventory is still experiencing the highest absorption rates this year, the Harford/Cecil County Warehouse submarket had 1.28 million sf absorbed just this quarter, helping bring the total Industrial absorption to 1.96 million for the quarter. The Flex market also saw most of its movement in the Harford/Cecil County submarket, totaling 206,062 sf in positive absorption this quarter. In the Flex market, the BW Corridor has had the most absorption this year, totaling 245,703, and saw 97,544 sf of absorption just this quarter. There were some larger losses in Annapolis/Route 2 for all of its industrial spaces, totaling -58,403 sf. Arbutus Flex submarket also lost roughly -52,190 sf this quarter, but still has a net YTD absorption of 106,854 sf, and a positive 258,304 sf of absorption in its Warehouse market as well.

Asking Rates Remain Consistent

While asking rental rates for industrial space haven't fluctuated more than a few cents here and there, there has been a slow increase in the past five years seen primarily in Warehouse, but overall rents have gone from an average of $5.76/sf to the current $6.61/sf. However, in the past year, the average asking rent only increased $0.25/sf. The highest Flex rates can be seen in Harford/Cecil County and the BW Corridor, asking $12.74/sf and $12.67/sf, respectively. These are also the two submarkets that have experience the most absorption this quarter. Warehouse asking rates are highest along the I-83 Corridor and in Woodlawn, asking $8.34/sf and $8.25/sf, respectively. The best deals can be found for Flex space in Woodlawn and Carroll County, asking $8.11/sf and $9.52/sf; the best deals for Warehouse space are in Arbutus, which averages a rate of $4.01/sf, and Baltimore City and Harford/Cecil County, both averaging a rate of $4.72/sf.

NOTABLE TRANSACTIONS

Lease

Location	Submarket	Tenant	Amount Leased SF
5300 Holabird Avenue	Baltimore City	Johns Hopkins Health System	165,140 sf
2140-2162 Renard Court	Annapolis/Route 2 Corridor	Peak Custom Fitness Solution	24,000 sf
815 N North Point Road	Baltimore County East	Ice Lab Ice Sculptures, Inc.	6,000 sf
8280 Stayton Drive	BW Corridor	Safeway Delivery Service, Inc.	4,400 Sf

Sale

Location	Submarket	Price	PSF	Building Size
7077-7081 Oakland Mills Road[1]	BW Corridor	$36,428,088	$107.12/sf	340,069 sf
7595 Montevideo Road[1]	BW Corridor	$29,006,863	$111.33/sf	260,542 sf
8110 Corporate Drive[1]	Baltimore County East	$10,855,724	$137.26/sf	79,091 sf
1001-1031 Wilso Drive[1]	Baltimore City	$3,783,840	$43.79/sf	86,400 sf

(1) Portfolio sale; (2) Investment sale

REPORT CRITERIA

OFFICE:

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.

INDUSTRIAL:

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.

RETAIL:

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.