



## INDUSTRIAL INDICATORS

Market Size  
**230,011,656**

Building Count  
**4,361**

Absorption  
**861,430**

YTD Absorption  
**861,430**

Vacancy  
**6.8%**

Asking Rent\*  
**\$6.33**

## MARKET OUTLOOK

The Baltimore-Metro Industrial market shows no signs of the market slowing down coming off a very active 1st Quarter. Not only was Trade Point Atlantic the star of the show in this market, but the Old Bethlehem Steel Site continues to be recognized on a national level which is supported by the tenants occupying the site. A few of the largest deals in Baltimore's history were signed over the past few months with recognizable names like Home Depot, Floor & Decor & the Container Store taking down large blocks of space and strategically positioning themselves as close to the Port of Baltimore as possible. The site offers many advantages with access to major rail, roadway and deep-water berths. The overall vacancy across the entire market dropped slightly yet again as the market continues to be absorbed from companies ranging small to large.

THE NUMBERS	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		ASKING RENTAL RATES*		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	5,813,170	6.3%	5.1%	7.1%	-85,602	-85,602	\$13.50	\$12.81	\$11.40
Arbutus	2,146,066	9.7%	6.1%	4.2%	-85,885	-85,885	\$11.49	\$8.25	\$8.00
Baltimore City	5,794,356	5.8%	6.3%	6.9%	16,300	16,300	\$9.48	\$9.36	\$8.51
Baltimore County East	3,916,013	5.6%	5.7%	4.2%	-16,617	-16,617	\$10.26	\$10.52	\$10.36
BW Corridor	17,933,525	6.9%	6.7%	7.4%	-70,488	-70,488	\$12.76	\$13.12	\$12.66
Carroll County	1,657,275	7.8%	11.6%	15.6%	38,219	38,219	\$11.29	\$13.03	\$12.31
Harford/Cecil	3,151,651	8.2%	8.0%	5.8%	-20,578	-20,578	\$12.88	\$12.88	\$11.27
I-83 Corridor	5,331,550	2.5%	2.6%	2.3%	-10,246	-10,246	\$8.85	\$9.41	\$11.17
Reisterstown Road	2,989,805	13.5%	13.7%	12.5%	854	854	\$10.85	\$10.76	\$10.08
Woodlawn	2,469,353	4.9%	5.7%	5.5%	9,802	9,802	\$7.15	\$7.05	\$8.45
<b>Flex Totals</b>	<b>51,202,764</b>	<b>6.7%</b>	<b>6.5%</b>	<b>6.8%</b>	<b>-224,241</b>	<b>-224,241</b>	<b>\$11.43</b>	<b>\$11.47</b>	<b>\$11.01</b>
Annapolis/Route 2	8,868,754	4.6%	8.1%	8.3%	5,079	5,079	\$6.35	\$6.05	\$5.77
Arbutus	7,548,990	4.2%	4.1%	6.7%	-9,268	-9,268	\$3.78	\$3.72	\$3.65
Baltimore City	40,674,161	4.5%	5.4%	6.4%	326,786	326,786	\$4.95	\$4.80	\$4.67
Baltimore County East	26,844,308	17.3%	17.5%	15.1%	59,725	59,725	\$3.10	\$3.24	\$3.17
BW Corridor	44,889,151	6.7%	9.2%	7.5%	665,160	665,160	\$6.81	\$6.69	\$6.11
Carroll County	7,541,764	9.0%	8.9%	3.8%	-3,216	-3,216	\$6.34	\$5.93	\$5.71
Harford/Cecil	35,106,658	3.6%	3.8%	6.9%	32,483	32,483	\$4.87	\$4.91	\$5.29
I-83 Corridor	4,352,895	3.4%	2.9%	2.4%	-20,626	-20,626	\$7.08	\$7.37	\$8.13
Reisterstown Road	1,704,669	2.0%	4.0%	1.6%	32,600	32,600	\$8.97	\$8.58	\$8.78
Woodlawn	1,277,542	2.1%	1.9%	8.9%	-3,052	-3,052	\$7.28	\$7.40	\$7.81
<b>Warehouse Totals</b>	<b>178,808,892</b>	<b>6.9%</b>	<b>8.0%</b>	<b>7.8%</b>	<b>1,085,671</b>	<b>1,085,671</b>	<b>\$4.95</b>	<b>\$4.95</b>	<b>\$4.79</b>
<b>Totals</b>	<b>230,011,656</b>	<b>6.8%</b>	<b>7.7%</b>	<b>7.6%</b>	<b>861,430</b>	<b>861,430</b>	<b>\$6.33</b>	<b>\$6.35</b>	<b>\$6.15</b>

\*Rental rates are based on NNN asking rates for flex properties, and gross rates for warehouse properties. Averages are weighted based on available space.

## HIGHLIGHTS & TRENDS

Amazon has expanded its Baltimore distribution space. They will be moving into 248,000 square feet at 5300 Holabird Avenue, a Class A warehouse building. The building will be shared with Johns Hopkins Medical System (currently leasing 165,140 square feet).

TradePoint Atlantic has several new tenants: Floor & Decor has announced they will open a new 1.5 million square foot distribution center at TradePoint Atlantic. They hope to open fully by 2023. Volkswagen is also building an import processing facility that will span 166,000 square feet. This facility should open in early 2020. Home Depot has also signed a lease for two distribution warehouses in TradePoint Atlantic, totaling 1.2 million square feet.

7980 Tar Bay Drive in Jessup recently sold to MCB Real Estate for \$12.8 million. The warehouse is 203,150 square feet. Its main tenant, American Sugar Refining, is moving to 7600 Assateague Drive.

In its second sale this year, 7200 Standard Drive (in Hanover) sold to a partnership affiliated with Whitehouse & Shapiro LLC, a second-hand clothing retailer, for \$7.8 million. The building is 165,000 square feet. Operations should begin this May.

Flooring company Dunn's Floorcovering has recently signed a lease to expand its current space at 8260 Preston Court in Jessup, adding 16,000 square feet to bring its total lease to 39,000 square feet.

Together, sister companies Smith Solutions and RugCleaning.net leased 10,900 square feet at the flex building at 401 Serendipity Lane in Millersville.

Appliance Distributors Unlimited is expanding within 823 Hammonds Ferry Road in Linthicum, leasing an additional 13,072 square feet that will include warehouse space and a small office buildout.

Smithfield Foods is the latest company to move into Principio Business Park in Cecil County. The facility will be 420,000 square feet and will provide 240 jobs to the area.

# INDUSTRIAL OVERVIEW (WAREHOUSE)

FIRST QUARTER | 2019



## WAREHOUSE INDICATORS

Market Size  
**178,808,892**

Building Count  
**3,019**

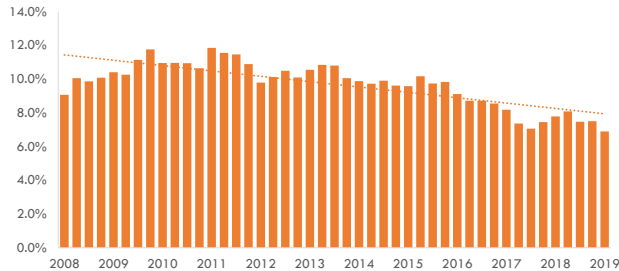
Absorption  
**1,085,671**

YTD Absorption  
**1,085,671**

Vacancy  
**6.9%**

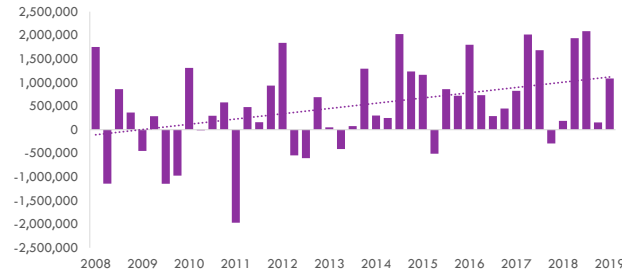
Asking Rent (Gross)  
**\$4.95**

## DIRECT VACANCY



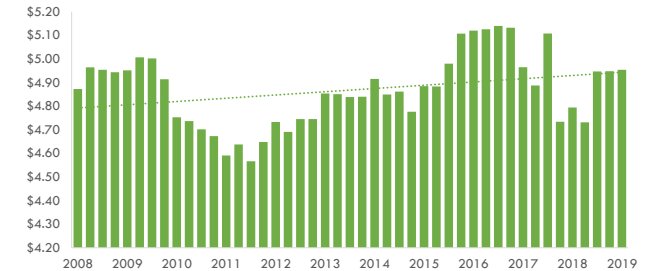
This quarter, direct vacant space decreased, equaling 12,331,226 sf out of the total 178,808,892 sf market size. This resulted in a -1.08% change from 7.97% to 6.90%. Compared to this time last year, vacancy rates are down by -0.89%.

## NET ABSORPTION



So far, 2019 has seen a net absorption of 1,085,671 sf. Comparatively, this time last year showed absorption of 187,728 sf, while 2018's year-end cumulative absorption was a positive net of 4.37 million sf.

## ASKING RENTAL RATES (Weighted, Gross)



Asking rental rates averaged \$4.95/sf this quarter, weighted by a total available space of 19,192,651 sf. This is approximately \$0.01/sf higher than last quarter (\$4.95/sf), and \$0.16/sf higher than last year (\$4.79/sf).

### Lowest Direct Vacancy

1	Reisterstown Road	2.0%
2	Woodlawn	2.1%
3	I-83 Corridor	3.4%

### Highest Direct Vacancy

1	Baltimore County East	17.3%
2	Carroll County	9.0%
3	BW Corridor	6.7%

### Most Change vs. Prior Quarter

-	Annapolis/Route 2	-3.5%
+	I-83 Corridor	+0.5%

### Lowest Net Absorption

1	I-83 Corridor	-20,626
2	Arbutus	-9,268
3	Carroll County	-3,216

### Highest Net Absorption

1	BW Corridor	665,160
2	Baltimore City	326,786
3	Baltimore County East	59,725

### Most Absorption, Year-to-Date

-	I-83 Corridor	-20,626
+	BW Corridor	665,160

### Cheapest Asking Rates

1	Baltimore County East	\$3.10
2	Arbutus	\$3.78
3	Harford/Cecil	\$4.87

### Most Expensive Asking Rates

1	Reisterstown Road	\$8.97
2	Woodlawn	\$7.28
3	I-83 Corridor	\$7.08

### Most Change vs. Prior Quarter

-	I-83 Corridor	-\$0.29
+	Carroll County	+\$0.41

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased ▼
4611 Mercedes Dr <sup>1</sup>	Balt. Co. East	McCormick & Co, Inc.	70,133
1500 Broening Hwy	Baltimore City	Mid-Atlantic Port Services, Inc.	62,000
4710-4732 Trident Ct	Arbutus	Medifast	56,182
7171 Dorsey Run Rd	BW Corridor	Synergi	42,315

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size ▼
7462 Candlewood Rd <sup>3,4</sup>	BW Corridor	\$16,357,575	\$101.16	161,698
1007-1011 Old Philadelphia Rd <sup>3,4</sup>	Balt. Co. East	\$2,724,203	\$21.50	126,725
521 McCormick Dr <sup>3,4</sup>	BW Corridor	\$5,166,429	\$91.85	112,500
8309 Sherwick Ct <sup>3,4</sup>	BW Corridor	\$8,086,686	\$160.85	100,550

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo; bolded transactions are a sampling of those brokered by MacKenzie Real Estate Services, LLC.



## FLEX INDICATORS

Market Size  
**51,202,764**

Building Count  
**1,342**

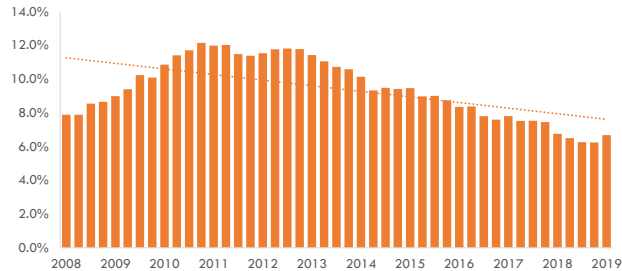
Absorption  
**-224,241**

YTD Absorption  
**-224,241**

Vacancy  
**6.7%**

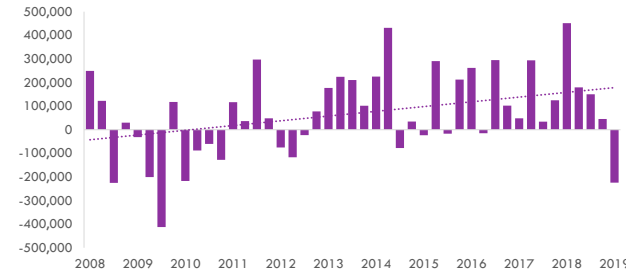
Asking Rent (NNN)  
**\$11.43**

## DIRECT VACANCY



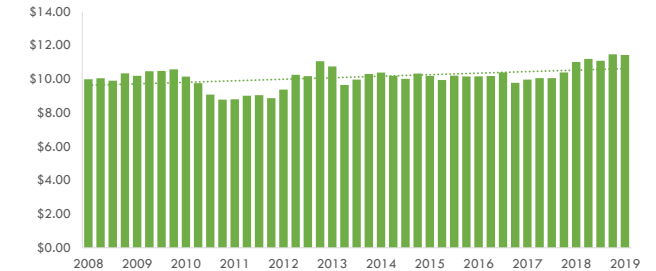
This quarter, direct vacant space increased, equaling 3,420,070 sf out of the total 51,202,764 sf market size. This resulted in a 0.14% change from 6.54% to 6.68%. Compared to this time last year, vacancy rates are down by -0.08%.

## NET ABSORPTION



So far, 2019 has seen a net absorption of -224,241 sf. Comparatively, this time last year showed absorption of 451,264 sf, while 2018's year-end cumulative absorption was a positive net of 826,039 sf.

## ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$11.43/sf this quarter, weighted by a total available space of 5,172,155 sf. This is approximately \$0.04/sf lower than last quarter (\$11.47/sf), and \$0.42/sf higher than last year (\$11.01/sf).

### Lowest Direct Vacancy

1	I-83 Corridor	2.5%
2	Woodlawn	4.9%
3	Baltimore County East	5.6%

### Highest Direct Vacancy

1	Reisterstown Road	13.5%
2	Arbutus	9.7%
3	Harford/Cecil	8.2%

### Most Change vs. Prior Quarter

-	Carroll County	-3.8%
+	Arbutus	+3.7%

### Lowest Net Absorption

1	Arbutus	-85,885
2	Annapolis/Route 2	-85,602
3	BW Corridor	-70,488

### Highest Net Absorption

1	Carroll County	38,219
2	Baltimore City	16,300
3	Woodlawn	9,802

### Most Absorption, Year-to-Date

-	Arbutus	-85,885
+	Carroll County	38,219

### Cheapest Asking Rates

1	Woodlawn	\$7.15
2	I-83 Corridor	\$8.85
3	Baltimore City	\$9.48

### Most Expensive Asking Rates

1	Annapolis/Route 2	\$13.50
2	Harford/Cecil	\$12.88
3	BW Corridor	\$12.76

### Most Change vs. Prior Quarter

-	Carroll County	-\$1.74
+	Arbutus	+\$3.24

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased ▼
<b>1116 Middle River Rd</b>	<b>Balt. Co. East</b>	<b>Freedom Church</b>	<b>21,000</b>
6785 Business Pky	BW Corridor	Tarbiyah Academy	15,150
823 Hammonds Ferry Rd	BW Corridor	Appliance Distributors Unlimited	13,200
<b>3 Harko Ct</b>	<b>Balt. Co. East</b>	<b>Everclean</b>	<b>12,500</b>

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size ▼
7468 Candlewood Rd <sup>3,4</sup>	BW Corridor	\$11,712,193	\$116.56	100,478
2923 Lord Baltimore Dr	Woodlawn	\$4,860,000	\$65.39	74,323
1003 Old Philadelphia Rd <sup>3,4</sup>	Balt. Co. East	\$1,373,311	\$24.97	55,000
6935 Oakland Mills Rd <sup>3,4</sup>	BW Corridor	\$3,839,597	\$74.50	51,538

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo; bolded transactions are a sampling of those brokered by MacKenzie Real Estate Services, LLC.