

# INDUSTRIAL OVERVIEW

FIRST QUARTER | 2022



## INDUSTRIAL INDICATORS

Market Size  
260,745,420 sf

Building Count  
3,566

Absorption  
615,086 sf

YTD Absorption  
615,086 sf

Vacancy  
6.6%

Rental Rate  
\$7.97/sf

Activity within the industrial world shows no signs of stopping, kicking off the year with vacancy and rental rates holding steady, 6.6% and \$7.97/sf respectively. Deals for over 2.5 million square feet have been signed since January, and there is currently more than 4.6 million square feet under construction. Current industrial rents are in the \$6.50 to \$12.95/sf range, depending on building class and location. Demand remains highest close to the Port of Baltimore; however, the lack of available land is driving companies further out of the city. Proximity to major interstates like I-95 appear to be the deciding factor in most transactions. Last year's hot commodity, industrial outdoor storage (IOS), is proving that it was not a short-term trend. Demand for IOS continues to rise although it is a tough property type to track. The property may have a building or two, but the real value is in the land and the proper zoning. Institutional funds out of major US cities are purchasing industrial outside storage deals at record low cap rates, with the projection that rents will continue to trend upwards. Bulk distribution warehouse space vacancy rates continue to drop, while the rents continue to trend upwards, regardless of the amount of activity on the space. So far this year, industrial buildings are trading for an average of \$117/sf and flex buildings at \$111/sf. Between the need of tenants and prospective investors, supply will dissipate before anything else.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	5,872,554	7.3%	8.1%	9.8%	47,765	47,765	\$14.41	\$14.39	\$14.35
Baltimore City	5,052,596	8.2%	7.5%	9.3%	-37,783	-37,783	\$14.02	\$14.02	\$12.59
Baltimore County East	3,853,575	7.7%	7.9%	8.7%	7,460	7,460	\$14.56	\$14.25	\$17.03
Baltimore County West	4,661,347	6.9%	7.8%	6.1%	41,285	41,285	\$8.53	\$8.42	\$8.14
BWI Corridor	9,250,229	7.5%	8.4%	8.1%	78,595	78,595	\$10.22	\$10.94	\$12.14
Carroll County	1,651,714	10.0%	12.9%	17.0%	48,467	48,467	\$8.80	\$8.37	\$7.85
Columbia	8,396,418	4.9%	4.8%	4.8%	-6,353	-6,353	\$12.27	\$13.01	\$14.02
Harford & Cecil Counties	2,886,511	4.8%	5.8%	8.0%	30,279	30,279	\$10.19	\$10.21	\$10.38
I-83 Corridor	5,300,484	7.6%	6.6%	5.8%	-53,925	-53,925	\$11.63	\$11.23	\$10.08
Reisterstown Rd	3,011,750	11.4%	11.9%	14.9%	15,970	15,970	\$10.85	\$9.71	\$9.71
<b>Flex Totals</b>	<b>49,937,178</b>	<b>7.2%</b>	<b>7.6%</b>	<b>8.2%</b>	<b>171,760</b>	<b>171,760</b>	<b>\$11.76</b>	<b>\$11.85</b>	<b>\$12.16</b>
Annapolis Route 2	10,107,951	2.0%	2.4%	6.2%	38,568	38,568	\$9.30	\$9.31	\$5.72
Baltimore City	48,518,051	5.5%	4.8%	5.6%	-222,515	-222,515	\$6.24	\$6.59	\$5.93
Baltimore County East	31,995,205	5.7%	6.8%	6.0%	409,386	409,386	\$7.43	\$6.62	\$5.56
Baltimore County West	9,817,496	7.9%	7.7%	7.8%	-21,415	-21,415	\$6.86	\$5.59	\$4.29
BWI Corridor	43,317,983	3.4%	3.7%	5.5%	10,447	10,447	\$8.08	\$7.46	\$6.78
Carroll County	8,820,055	1.3%	1.2%	1.4%	-9,403	-9,403	\$6.77	\$5.54	\$5.42
Columbia	5,150,408	5.7%	8.5%	5.8%	147,191	147,191	\$7.48	\$7.69	\$6.99
Harford & Cecil Counties	46,145,685	12.7%	11.4%	13.9%	76,629	76,629	\$6.02	\$5.33	\$5.17
I-83 Corridor	5,233,202	3.7%	4.0%	4.1%	14,438	14,438	\$8.46	\$8.46	\$8.77
Reisterstown Rd	1,702,206	10.8%	10.8%	11.8%	0	0	\$10.69	\$10.65	\$9.44
<b>Warehouse Totals</b>	<b>210,808,242</b>	<b>6.4%</b>	<b>6.3%</b>	<b>7.4%</b>	<b>443,326</b>	<b>443,326</b>	<b>\$7.07</b>	<b>\$6.65</b>	<b>\$5.91</b>
<b>Totals</b>	<b>260,745,420</b>	<b>6.6%</b>	<b>6.5%</b>	<b>7.6%</b>	<b>615,086</b>	<b>615,086</b>	<b>\$7.97</b>	<b>\$7.65</b>	<b>\$7.12</b>

## ITEMS TO NOTE:

The fully leased warehouses located at 8215 and 8220 Wellmoor Ct. in Jessup sold for \$30 million. The portfolio was purchased by Berkeley Partners out of San Francisco.

Hitachi Rail will be constructing a \$70 million, 307,000 sf railcar assembly plant in Hagerstown to build a fleet of 8000-series railcars for Washington Area Transit Authority.

Intralox, a conveyor belt manufacturer, moved into 310,000 sf at 1900 Finishing Mill Rd. in Tradepoint Atlantic. The lease expanded their east coast footprint by 70%.

Pompeian purchased the 399,960 sf building they currently occupy at 1600 Sparrows Point Rd. in Tradepoint Atlantic. The property sold for over \$33.5 million.

BMW of North America celebrated the grand opening of a new 75,000 sf distribution center in Tradepoint Atlantic.

East Coast Warehouse & Distribution announced plans to construct a 175,000 sf warehouse at Tradepoint Atlantic in Baltimore. Construction is expected to be completed by the third quarter of 2022.

Buligo Capital Partners acquired the three building, 281,055 sf McGaw Commerce Center in Columbia for \$41.5 million.

United Safety Technology chose Tradepoint Atlantic for its new \$350 million production plant. The company will redevelop a 750,000 sf warehouse to manufacture nitrile gloves, with production expected to begin in early 2023.

Bob's Discount Furniture's 672,000 sf distribution hub at 511 Chelsea Rd. in Aberdeen sold for more than \$94 million.

The 80,006 sf warehouse located at 1201 67th St. in Rosedale sold for \$5.72 million. Daniels Real Estate Acquisitions will transform 60,000 sf from food preparation to a medical waste processing plant; the remaining portion of the building has tenants in place.

Ace Logistics will expand into an additional 42,000 sf at 5901 Holabird Ave. in the Chesapeake Commerce Center.

# INDUSTRIAL OVERVIEW (WAREHOUSE)

FIRST QUARTER | 2022



## WAREHOUSE INDICATORS

Market Size  
210,08,242

Building Count  
2,373

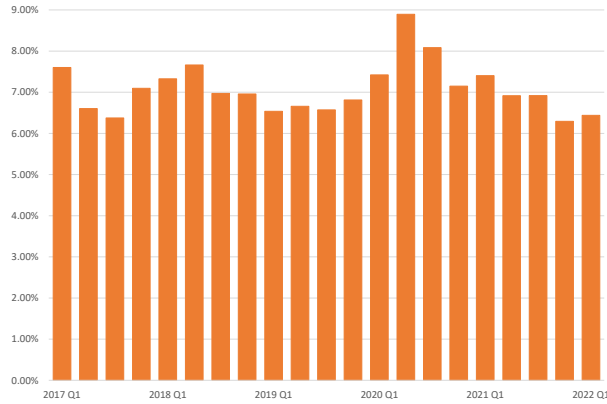
Absorption  
443,326

YTD Absorption  
443,326

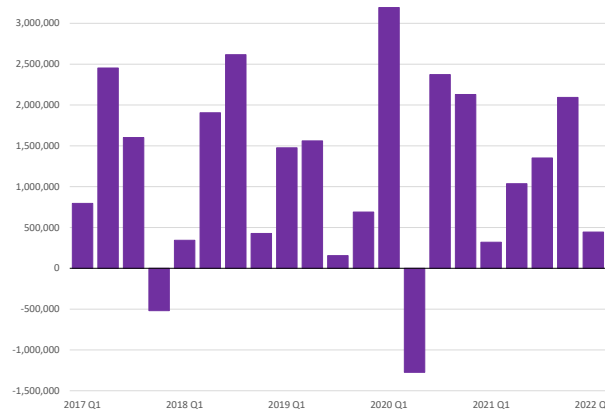
Vacancy  
6.4%

Rental Rate  
\$7.07/sf

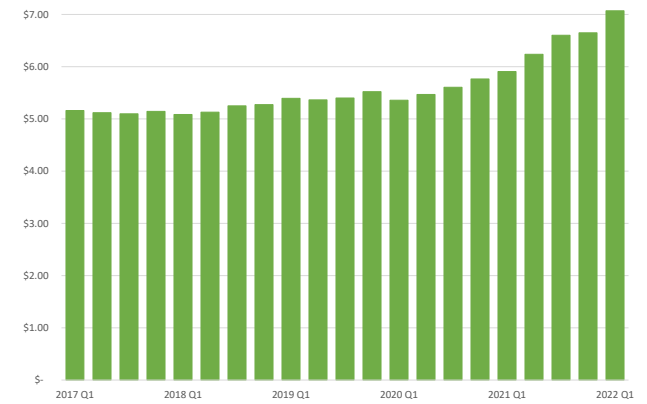
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	Carroll County	1.3%
2	Annapolis/Route 2	2.0%
3	BWI Corridor	3.4%

### Highest Vacancy

1	Harford & Cecil Counties	12.7%
2	Reisterstown Rd	10.8%
3	Baltimore County West	7.9%

### Most Change vs. Prior Quarter

-	Columbia	-2.83%
+	Harford & Cecil Counties	+1.27%

### Lowest Net Absorption

1	Baltimore City	-222,515
2	Baltimore County West	-21,415
3	Carroll County	-9,403

### Highest Net Absorption

1	Baltimore County East	409,386
2	Columbia	147,191
3	Harford & Cecil Counties	76,629

### Most Absorption, Year-to-Date

-	Baltimore City	-222,515
+	Baltimore County East	409,386

### Cheapest Rates

1	Harford & Cecil Counties	\$6.02
2	Baltimore City	\$6.24
3	Carroll County	\$6.77

### Most Expensive Rates

1	Reisterstown Rd	\$10.69
2	Annapolis/Route 2	\$9.30
3	I-83 Corridor	\$8.46

### Most Change vs. Prior Quarter

-	Baltimore City	-\$0.35
+	Baltimore County West	+\$1.27

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
6301 New Cold Mill Rd.	Baltimore Co. East	United Safety Technology Inc	737,352
7445 New Ridge Rd.	BWI Corridor	Intralox	181,391
1879 Lamonte Ave.*	BWI Corridor	Scholastic	72,800
10650 Riggs Hill Rd.*	BWI Corridor	L&W Supply	61,553

\* Renewal, Expansion, or Sublease

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
511 Chelsea Rd.	Harford County	\$94,375,000	\$140.44	672,000
8909 McGaw Ct. (3 Bldgs.)	Columbia	\$41,500,000	\$147.66	281,055
2100 Sparrows Point Rd.	Baltimore Co. East	\$33,596,640	\$84.08	399,600
8220 Wellmoor Ct. (2 Bldgs.)	BWI Corridor	\$30,000,000	\$136.86	219,200



## FLEX INDICATORS

Market Size  
49,937,178 sf

Building Count  
1,193

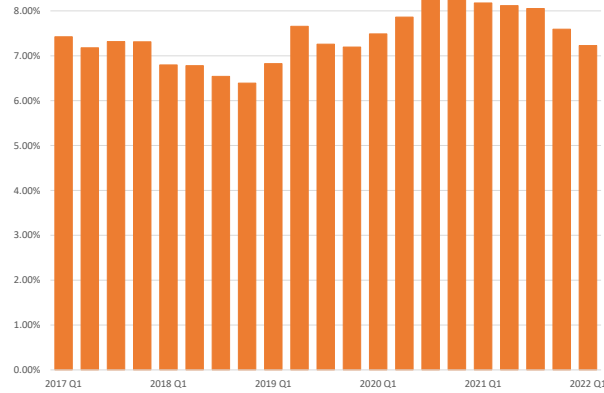
Absorption  
171,760 sf

YTD Absorption  
171,760 sf

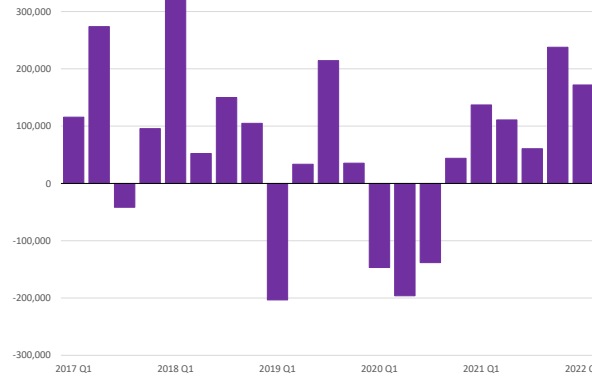
Vacancy  
7.2%

Rental Rate  
\$11.76/sf

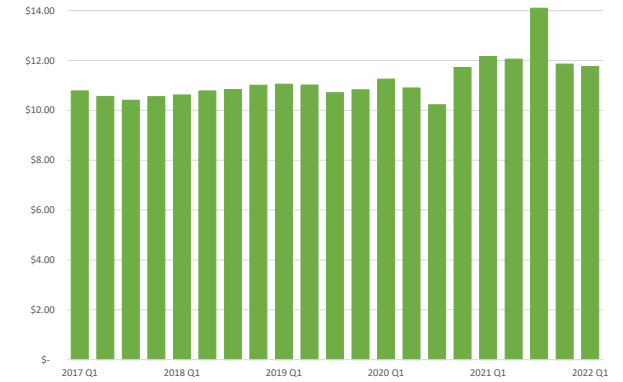
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	Harford & Cecil Counties	4.8%
2	Columbia	4.9%
3	Baltimore County West	6.9%

### Highest Vacancy

1	Reisterstown Rd	11.4%
2	Carroll County	10.0%
3	Baltimore City	8.2%

### Most Change vs. Prior Quarter

-	Carroll County	-2.92%
+	I-83 Corridor	+0.98%

### Lowest Net Absorption

1	I-83 Corridor	-53,925
2	Baltimore City	-37,783
3	Columbia	-6,353

### Highest Net Absorption

1	BWI Corridor	78,595
2	Carroll County	48,467
3	Annapolis/Route 2	47,765

### Most Absorption, Year-to-Date

-	I-83 Corridor	-53,925
+	BWI Corridor	78,595

### Cheapest Rates

1	Baltimore County West	\$8.53
2	Carroll County	\$8.80
3	Harford & Cecil Counties	\$10.19

### Most Expensive Rates

1	Baltimore County East	\$14.56
2	Annapolis/Route 2	\$14.41
3	Baltimore City	\$14.02

### Most Change vs. Prior Quarter

-	Columbia	-\$0.74
+	Reisterstown Rd.	+\$1.14

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
7125 Columbia Gateway Dr.	Columbia	Confidential	45,273
10626 York Rd.	I-83 Corridor	Confidential	44,056
1015 W Nursery Rd.	BWI Corridor	Undisclosed Moving Company	23,989
6711 Baymeadow Dr.	Route 2 Corridor	Warriors Academy	20,690

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
9950 Washington Blvd.	BWI Corridor	\$3,143,464	\$124.85	24,588
7750 Pulaski Hwy	Baltimore County East	\$3,100,000	\$118.66	26,125
4510-4516 N Point Blvd.	Baltimore County East	\$1,400,000	\$70.00	14,500
1654 Robin Cir.	Harford County	\$1,100,000	\$75.34	14,600

# INDUSTRIAL OVERVIEW (DC METRO)

FIRST QUARTER | 2022



## INDUSTRIAL INDICATORS

Market Size  
108,301,205

Building Count  
2,281

Absorption  
-55,590 sf

YTD Absorption  
-55,590 sf

Vacancy  
4.8%

Rental Rate  
\$11.48/sf

## THE NUMBERS

### MARKET SIZE

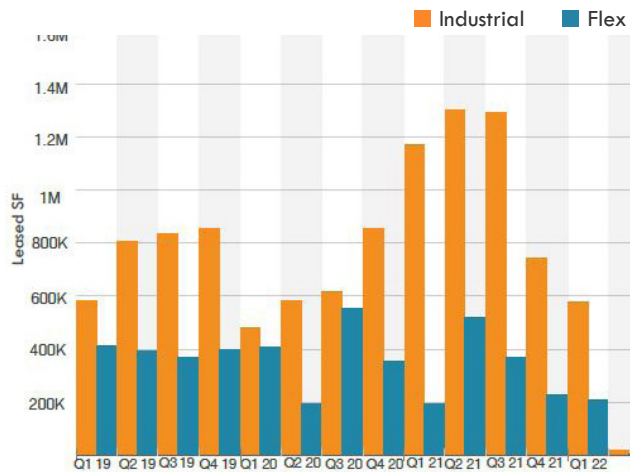
### VACANCY %

### ABSORPTION

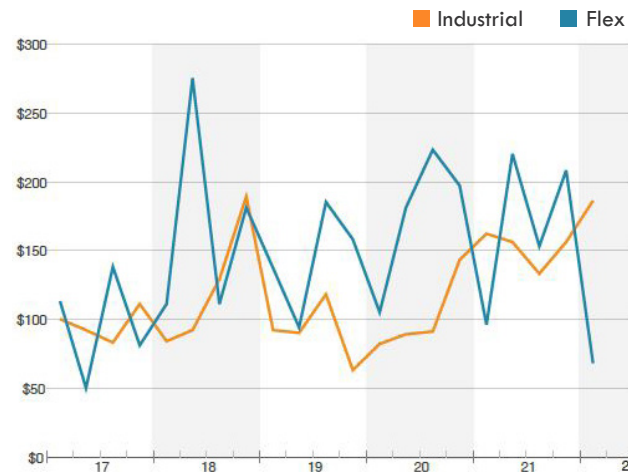
### RENTAL RATES

		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	6,756,186	7.3%	8.2%	7.1%	58,854	58,854	\$12.79	\$12.71	\$10.28
Montgomery Co. North	7,458,587	8.1%	9.5%	9.0%	105,118	105,118	\$18.31	\$17.65	\$16.00
Montgomery Co.; Rockville/Bethesda	4,980,253	5.0%	5.1%	5.6%	2,068	2,068	\$15.50	\$15.67	\$16.11
Prince George's Co.	9,116,490	4.9%	5.2%	7.3%	29,075	29,075	\$12.09	\$11.97	\$11.66
Silver Spring	1,590,829	4.6%	4.2%	8.4%	-6,691	-6,691	\$14.61	\$14.68	\$14.73
<b>Flex Totals</b>	<b>29,902,345</b>	<b>6.2%</b>	<b>6.9%</b>	<b>7.5%</b>	<b>188,424</b>	<b>188,424</b>	<b>\$14.50</b>	<b>\$14.31</b>	<b>\$13.36</b>
Frederick Co.	13,881,009	3.0%	3.0%	2.7%	-631	-631	\$9.66	\$8.63	\$7.40
Montgomery Co. North	5,955,278	3.7%	4.2%	3.3%	32,476	32,476	\$12.91	\$12.47	\$12.52
Montgomery Co.; Rockville/Bethesda	6,729,295	4.9%	5.1%	6.6%	10,297	10,297	\$14.19	\$14.12	\$13.04
Prince George's Co.	50,119,424	4.6%	3.8%	6.5%	-290,706	-290,706	\$9.59	\$9.46	\$7.92
Silver Spring	1,713,854	1.5%	1.7%	3.2%	4,550	4,550	\$13.34	\$13.14	\$13.74
<b>Warehouse Totals</b>	<b>78,398,860</b>	<b>4.2%</b>	<b>3.8%</b>	<b>5.5%</b>	<b>-244,014</b>	<b>-244,014</b>	<b>\$10.33</b>	<b>\$10.02</b>	<b>\$8.74</b>
<b>Totals</b>	<b>108,301,205</b>	<b>4.8%</b>	<b>4.6%</b>	<b>6.1%</b>	<b>-55,590</b>	<b>-55,590</b>	<b>\$11.48</b>	<b>\$11.21</b>	<b>\$10.03</b>

## LEASING ACTIVITY



## SALES PRICE PER SQUARE FOOT



## SALES: MONTHS ON THE MARKET



\* Renewal, Expansion, or Sublease

# INDUSTRIAL OVERVIEW (DC METRO)

FIRST QUARTER | 2022



## WAREHOUSE (DC METRO)

Market Size  
78,398,860

Building Count  
1,643

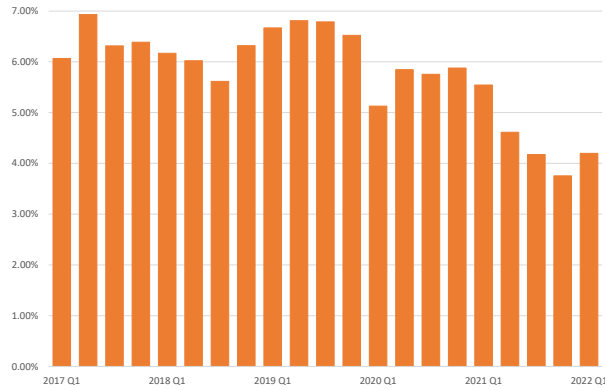
Absorption  
-244,014

YTD Absorption  
-244,014

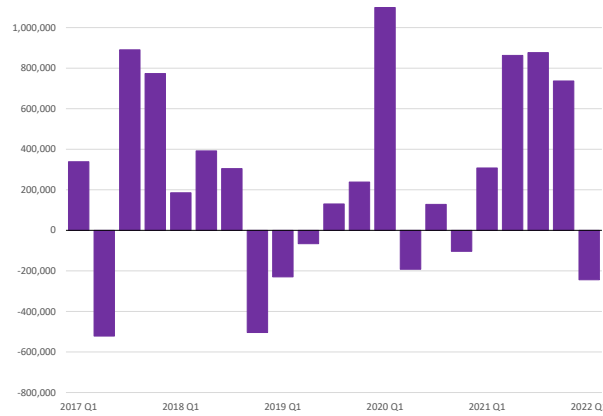
Vacancy  
4.2%

Rental Rate  
\$10.33/sf

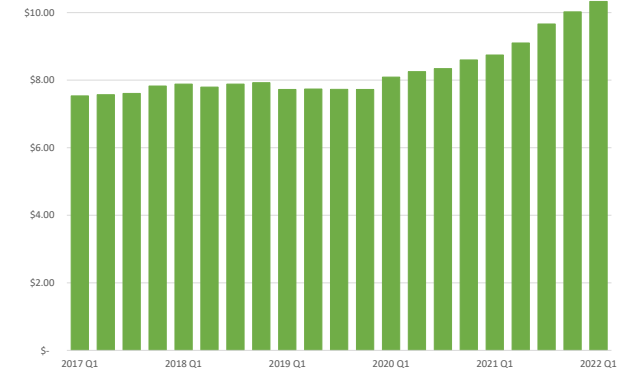
### VACANCY



### NET ABSORPTION



### RENTAL RATES



## FLEX (DC METRO)

Market Size  
29,902,345

Building Count  
638

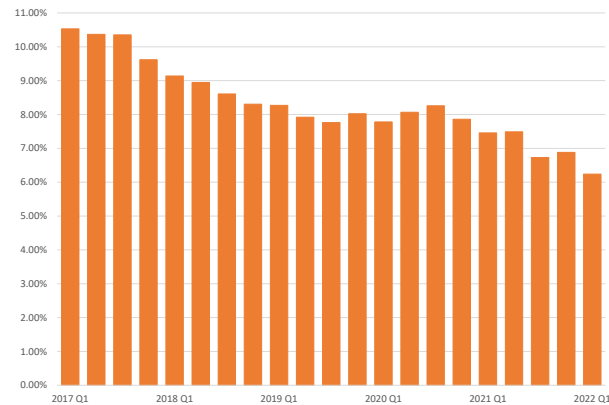
Absorption  
188,424 sf

YTD Absorption  
188,424 sf

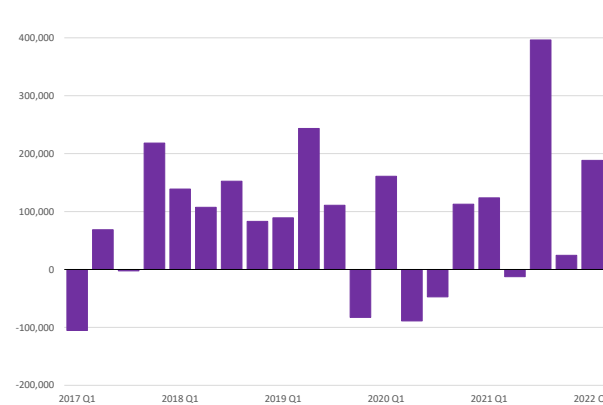
Vacancy  
6.2%

Rental Rate  
\$14.50/sf

### VACANCY



### NET ABSORPTION



### RENTAL RATES

