

# INDUSTRIAL OVERVIEW

SECOND QUARTER | 2022



## INDUSTRIAL INDICATORS

Market Size  
**260,516,363**

Building Count  
**3,586**

Absorption  
**965,373**

YTD Absorption  
**2,984,390**

Vacancy  
**5.5%**

Rental Rate  
**\$8.19/sf**

Over 950,000 square feet was added to the industrial market inventory this quarter; however, vacancy rates have dropped and are holding at 5.5% overall. Currently, the lowest vacancy is in the Annapolis/Route 2 submarket while the Reisterstown Road submarket is among the highest at 3.04% and 11.38%, respectfully. Proximity to major interstates like I-95 appear to be the deciding factor in most transactions when inventory allows. Rental rates have continued to trend upward in both warehouse and flex properties in most submarkets and tend to be based on inventory, location, and building and market conditions. This quarter the Harford & Cecil Counties submarket has seen the largest increase of \$1.37/sf. While traditionally sublease space has a lower rental rate than its direct counterpart, recently this is not always the case for flex buildings. Current asking rates for available sublease space is averaging \$14.25/sf, while the direct space is averaging \$12.73/sf. Current construction costs, delays in necessary equipment, and a shortage of materials are driving tenants to properties that are ready for occupancy. Demand has driven sublet rents higher in some areas due to a lack of inventory. Over 6.5 million square feet of industrial and flex space across 27 buildings is under construction; approximately 65% of that inventory has been pre-leased. Baltimore International Warehouse & Transportation just inked a deal for 598,000 square feet in the re-development of Aviation Station in the Baltimore County East submarket. Industrial sales continued at their red-hot pace this quarter with the average sale price for warehouse properties just over \$144/sf and flex properties averaging \$125/sf. Over 3.1 million square feet has already traded hands this quarter bringing year-to-date numbers up to over seven million square feet sold.

| THE NUMBERS              | MARKET SIZE        | VACANCY %   |             |             | ABSORPTION     |                  | RENTAL RATES   |                |                |
|--------------------------|--------------------|-------------|-------------|-------------|----------------|------------------|----------------|----------------|----------------|
|                          |                    | Current     | Prior Qtr   | Prior Yr    | Net            | YTD              | Current        | Prior Qtr      | Prior Yr       |
| Annapolis/Route 2        | 5,927,354          | 7.3%        | 7.2%        | 9.6%        | -5,956         | 41,809           | \$14.36        | \$14.41        | \$13.55        |
| Baltimore City           | 5,054,956          | 9.0%        | 8.2%        | 9.2%        | -38,741        | -76,524          | \$13.78        | \$14.02        | \$14.31        |
| Baltimore County East    | 3,943,277          | 8.7%        | 7.6%        | 7.4%        | 15,072         | 22,532           | \$15.50        | \$14.56        | \$14.82        |
| Baltimore County West    | 4,693,638          | 7.9%        | 6.8%        | 6.4%        | -48,756        | -7,471           | \$9.11         | \$8.69         | \$8.50         |
| BWI Corridor             | 9,245,206          | 6.6%        | 7.5%        | 7.6%        | 83,293         | 161,888          | \$10.29        | \$10.22        | \$12.41        |
| Carroll County           | 1,763,117          | 11.7%       | 10.3%       | 15.4%       | -24,741        | 25,729           | \$9.35         | \$9.35         | \$6.97         |
| Columbia                 | 8,383,478          | 4.6%        | 4.7%        | 5.4%        | 8,408          | 2,055            | \$12.27        | \$12.27        | \$13.92        |
| Harford & Cecil Counties | 2,930,511          | 5.5%        | 4.8%        | 7.7%        | -21,166        | 6,942            | \$11.22        | \$10.19        | \$10.23        |
| I-83 Corridor            | 5,309,106          | 7.2%        | 7.6%        | 7.2%        | 17,139         | -36,786          | \$11.40        | \$11.63        | \$9.68         |
| Reisterstown Rd          | 2,886,554          | 11.7%       | 11.9%       | 14.1%       | 4,558          | 20,528           | \$11.04        | \$10.85        | \$9.70         |
| <b>Flex Totals</b>       | <b>50,137,197</b>  | <b>7.4%</b> | <b>7.2%</b> | <b>8.1%</b> | <b>-10,890</b> | <b>160,702</b>   | <b>\$11.94</b> | <b>\$11.79</b> | <b>\$12.05</b> |
| Annapolis Route 2        | 10,158,964         | 0.6%        | 0.5%        | 6.5%        | -435           | 157,573          | \$9.35         | \$9.30         | \$10.68        |
| Baltimore City           | 48,454,670         | 5.3%        | 5.2%        | 5.5%        | -44,292        | -186,807         | \$6.35         | \$6.24         | \$6.11         |
| Baltimore County East    | 31,332,252         | 5.7%        | 5.9%        | 6.2%        | -50,626        | 505,110          | \$7.53         | \$7.43         | \$5.76         |
| Baltimore County West    | 9,817,496          | 5.7%        | 7.9%        | 5.7%        | 212,379        | 60,814           | \$6.89         | \$6.86         | \$4.48         |
| BWI Corridor             | 43,321,696         | 3.5%        | 3.4%        | 3.9%        | 103,319        | 190,185          | \$8.47         | \$8.09         | \$6.80         |
| Carroll County           | 8,880,138          | 1.7%        | 1.3%        | 1.4%        | 9,915          | 512              | \$6.94         | \$6.77         | \$5.42         |
| Columbia                 | 5,297,995          | 8.6%        | 6.0%        | 6.3%        | -47,736        | 99,455           | \$8.13         | \$7.48         | \$7.04         |
| Harford & Cecil Counties | 46,173,854         | 6.9%        | 8.3%        | 14.2%       | 799,450        | 1,988,119        | \$6.36         | \$6.02         | \$5.17         |
| I-83 Corridor            | 5,239,895          | 3.8%        | 3.7%        | 4.4%        | -5,711         | 8,727            | \$8.46         | \$8.46         | \$8.99         |
| Reisterstown Rd          | 1,702,206          | 10.8%       | 10.8%       | 11.7%       | 0              | 0                | \$10.69        | \$10.69        | \$9.34         |
| <b>Warehouse Totals</b>  | <b>210,379,166</b> | <b>5.1%</b> | <b>5.4%</b> | <b>7.1%</b> | <b>976,263</b> | <b>2,823,688</b> | <b>\$7.29</b>  | <b>\$7.08</b>  | <b>\$6.24</b>  |
| <b>Totals</b>            | <b>260,516,363</b> | <b>5.5%</b> | <b>5.7%</b> | <b>7.3%</b> | <b>965,373</b> | <b>2,984,390</b> | <b>\$8.19</b>  | <b>\$7.98</b>  | <b>\$7.37</b>  |

## ITEMS TO NOTE:

Homefix Custom Remodeling acquired 14880 Sweitzer Ln., a 73,555 sf industrial/flex building in Laurel, MD for approximately \$7.2 million. The new owner plans to relocate offices in Columbia and approximately 200 employees to the building by 4Q2022.

Nations Roof signed a deal to move its 100 employees to nearly 30,000 sf in the Caton Research Center at 1615-1617 Knecht Ave.

The former Bainbridge Naval Training Center Redevelopment in Cecil County has begun. Two massive e-commerce warehouses will soon begin development on spec as the first phase of the \$300 million project gets underway.

Greenland Technologies Holding Corp. intends to occupy approximately 50,000 sf in a new facility at 5301 Nottingham Dr. in White Marsh and intends to open 3Q2022.

Kyocera Document Solutions is expanding its Mid-Atlantic operations into 12,148 sf at 1320 Innovation St. in the Greenleigh development.

Sugarloaf Business Center, a two-building flex complex in Frederick County has sold for \$6.2 million. Located in Ijamsville at 9639 Doctor Perry Rd., the buildings total 62,000 sf and were 97% leased at the time of sale.

High Street Logistics acquired a six-building portfolio for \$67.5M. The portfolio totals 430,118 sf with buildings in the Meadowridge Business Park in Elkridge and Rutherford Business Center in Windsor Mill.

Pioneer Cladding & Glazing Systems Inc. acquired the 103,640 sf warehouse at 1407 Parker Rd. in Halethorpe as well as a small flat-surface parking lot at 1441 Knecht Ave. for \$10.34 million.

Amazon.com plans to list at least 10 million square feet for sublease after its first quarterly loss in seven years. As e-commerce slows, they will be scaling back on some of its new space.

# INDUSTRIAL OVERVIEW (WAREHOUSE)

SECOND QUARTER | 2022



## WAREHOUSE INDICATORS

Market Size  
210,379,166

Building Count  
2,383

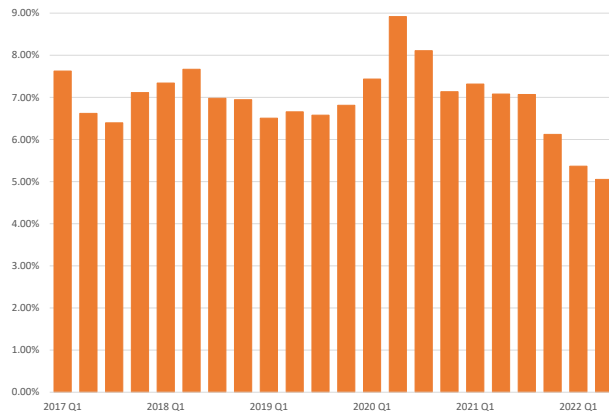
Absorption  
976,263

YTD Absorption  
2,823,688

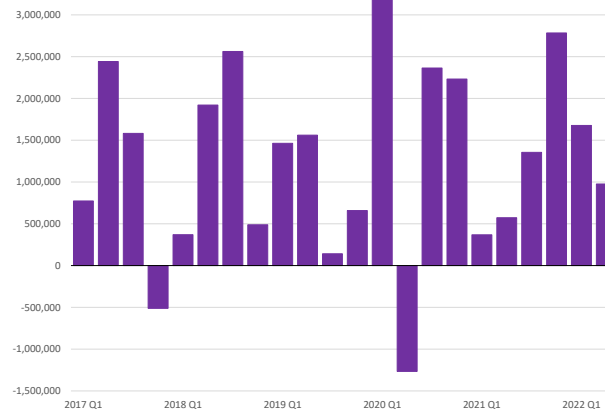
Vacancy  
5.1%

Rental Rate  
\$7.29/sf

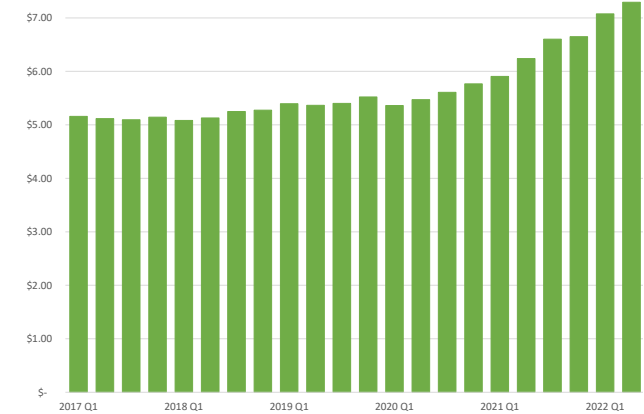
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

|   |                   |      |
|---|-------------------|------|
| 1 | Annapolis/Route 2 | 0.6% |
| 2 | Carroll County    | 1.7% |
| 3 | BWI Corridor      | 3.5% |

### Highest Vacancy

|   |                          |       |
|---|--------------------------|-------|
| 1 | Reisterstown Rd          | 10.8% |
| 2 | Columbia                 | 8.6%  |
| 3 | Harford & Cecil Counties | 6.9%  |

### Most Change vs. Prior Quarter

|   |                       |        |
|---|-----------------------|--------|
| - | Baltimore County West | -2.16% |
| + | Columbia              | +2.63% |

### Lowest Net Absorption

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County East | -50,626 |
| 2 | Columbia              | -47,736 |
| 3 | Baltimore City        | -44,292 |

### Highest Net Absorption

|   |                          |         |
|---|--------------------------|---------|
| 1 | Harford & Cecil Counties | 799,450 |
| 2 | Baltimore County West    | 212,379 |
| 3 | BWI Corridor             | 103,319 |

### Most Absorption, Year-to-Date

|   |                          |           |
|---|--------------------------|-----------|
| - | Baltimore City           | -186,807  |
| + | Harford & Cecil Counties | 1,988,119 |

### Cheapest Rates

|   |                          |        |
|---|--------------------------|--------|
| 1 | Baltimore City           | \$6.35 |
| 2 | Harford & Cecil Counties | \$6.36 |
| 3 | Baltimore County West    | \$6.89 |

### Most Expensive Rates

|   |                   |         |
|---|-------------------|---------|
| 1 | Reisterstown Rd   | \$10.69 |
| 2 | Annapolis/Route 2 | \$9.35  |
| 3 | BWI Corridor      | \$8.47  |

### Most Change vs. Prior Quarter

|   |                  |           |
|---|------------------|-----------|
| - | Reisterstown Rd. | No Change |
| + | Columbia         | +\$0.65   |

## LEASE TRANSACTIONS

| Location               | Region             | Tenant                                 | Leased (sf) |
|------------------------|--------------------|--|-------------|
| 2800 Eastern Blvd.     | Baltimore County E | Baltimore Intl. Whse. & Transportation | 598,000     |
| 8700 Robert Fulton Dr. | Columbia           | InFarm                                 | 183,853     |
| 6740 Business Pky.*    | BWI Corridor       | Alcon, Inc.                            | 142,008     |
| 350 Winmeyer Ave.*     | BWI Corridor       | CEVA Logistics                         | 108,078     |

## SALE TRANSACTIONS

| Location                 | Region              | Price         | PSF      | Bldg. Size (sf) |
|--------------------------|---------------------|---------------|----------|-----------------|
| I-95 Last Mile Portfolio | City & BWI Corridor | \$160,000,000 | \$166.74 | 959,570         |
| 1900 Clark Rd.           | Harford County      | \$80,547,452  | \$131.37 | 613,137         |
| 1407 Parker Rd.          | Baltimore County W  | \$10,340,000  | \$99.80  | 103,609         |
| 600 S Caroline St.       | Baltimore SE        | \$10,000,000  | \$196.08 | 51,000          |

\* Renewal, Expansion, or Sublease



## FLEX INDICATORS

Market Size  
50,137,197

Building Count  
1,203

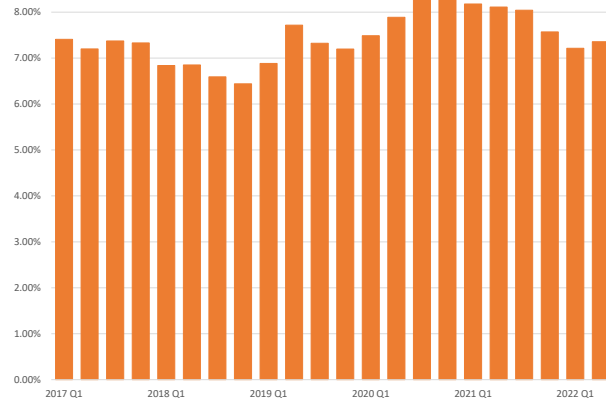
Absorption  
-10,890

YTD Absorption  
160,702

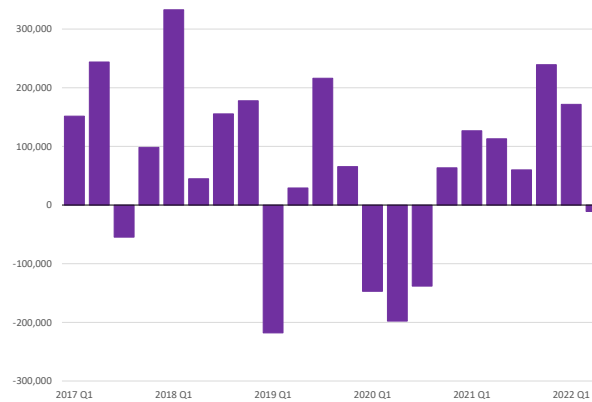
Vacancy  
7.4%

Rental Rate  
\$11.94/sf

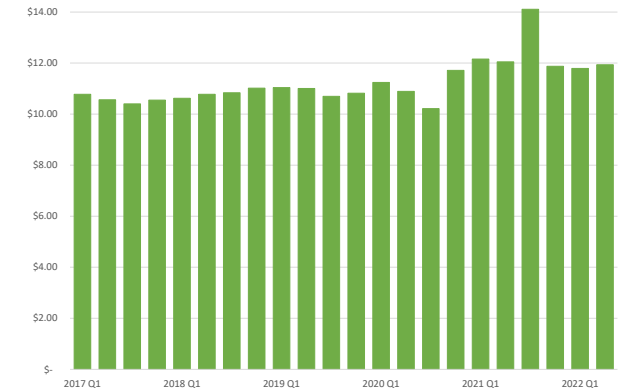
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

|   |                          |      |
|---|--------------------------|------|
| 1 | Columbia                 | 4.6% |
| 2 | Harford & Cecil Counties | 5.5% |
| 3 | BWI Corridor             | 6.6% |

### Highest Vacancy

|   |                 |       |
|---|-----------------|-------|
| 1 | Reisterstown Rd | 11.7% |
| 2 | Carroll County  | 11.7% |
| 3 | Baltimore City  | 9.0%  |

### Most Change vs. Prior Quarter

|   |                |        |
|---|----------------|--------|
| - | BWI Corridor   | -0.89% |
| + | Carroll County | +1.40% |

### Lowest Net Absorption

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County West | -48,756 |
| 2 | Baltimore City        | -38,741 |
| 3 | Carroll County        | -24,741 |

### Highest Net Absorption

|   |                       |        |
|---|-----------------------|--------|
| 1 | BWI Corridor          | 83,293 |
| 2 | I-83 Corridor         | 17,139 |
| 3 | Baltimore County East | 15,072 |

### Most Absorption, Year-to-Date

|   |                |         |
|---|----------------|---------|
| - | Baltimore City | -76,524 |
| + | BWI Corridor   | 161,888 |

### Cheapest Rates

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County West | \$9.11  |
| 2 | Carroll County        | \$9.35  |
| 3 | BWI Corridor          | \$10.29 |

### Most Expensive Rates

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County East | \$15.50 |
| 2 | Annapolis/Route 2     | \$14.36 |
| 3 | Baltimore City        | \$13.78 |

### Most Change vs. Prior Quarter

|   |                          |         |
|---|--------------------------|---------|
| - | Baltimore City           | -\$0.24 |
| + | Harford & Cecil Counties | +\$1.03 |

## LEASE TRANSACTIONS

| Location            | Region                   | Tenant       | Leased (sf) |
|---------------------|--------------------------|--------------|-------------|
| 1025 W Nursery Rd.  | BWI Corridor             | Confidential | 28,513      |
| 11515 Cronridge Dr. | Reisterstown Rd Corridor | Medifast     | 18,360      |
| 8 Easter Ct.        | Reisterstown Rd Corridor | Confidential | 18,294      |
| 11438 Cronridge Dr. | Reisterstown Rd Corridor | Confidential | 18,000      |

## SALE TRANSACTIONS

| Location                            | Region             | Price        | PSF      | Bldg. Size (sf) |
|-------------------------------------|--------------------|--------------|----------|-----------------|
| Rutherford & Meadowridge Bus. Parks | Baltimore Co. W    | \$67,500,000 | \$156.92 | 430,156         |
| 9221-9251 Rumsey Rd.                | Columbia           | \$14,650,000 | \$123.44 | 118,677         |
| 1512-1516 Jabez Run                 | Annapolis/Route 2  | \$5,000,000  | \$128.21 | 39,000          |
| 2712 Sparrows Point Rd.             | Baltimore County E | \$385,000    | \$143.66 | 2,680           |

\* Renewal, Expansion, or Sublease

# INDUSTRIAL OVERVIEW (DC METRO)

SECOND QUARTER | 2022



## INDUSTRIAL INDICATORS

Market Size  
**108,493,056**

Building Count  
**2,267**

Absorption  
**56,982**

YTD Absorption  
**13,723**

Vacancy  
**5.0%**

Rental Rate  
**\$11.79/sf**

## THE NUMBERS

### MARKET SIZE

### VACANCY %

### ABSORPTION

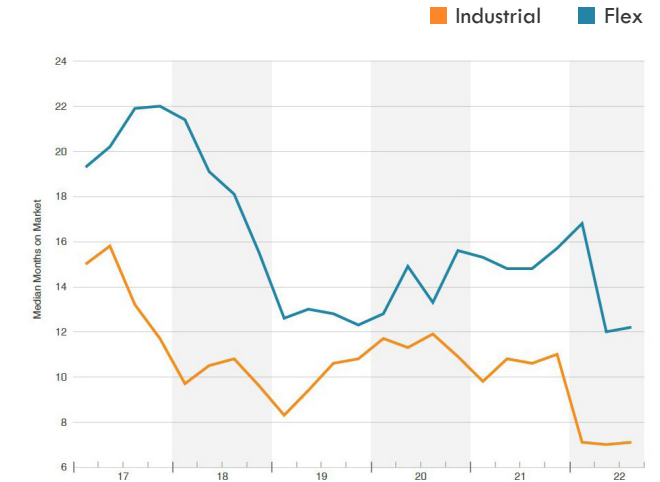
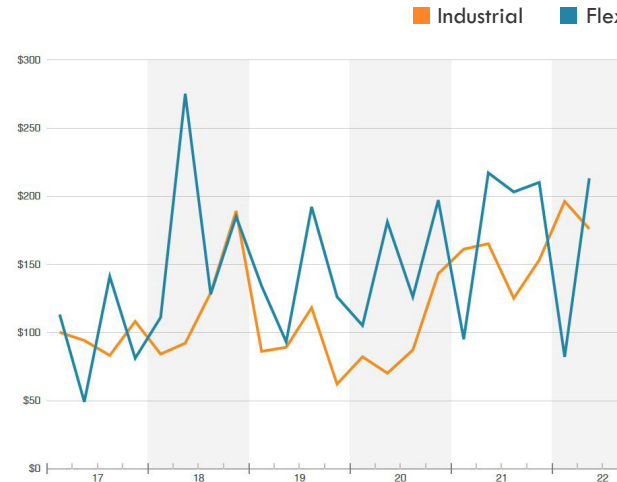
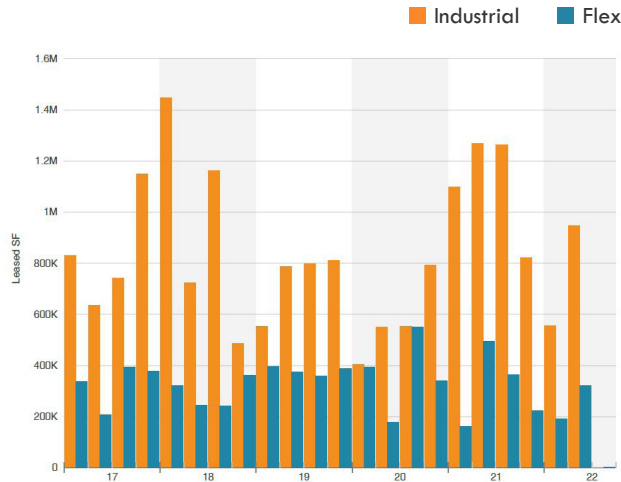
### RENTAL RATES

|                                    |                    | Current     | Prior Qtr   | Prior Yr    | Net            | YTD             | Current        | Prior Qtr      | Prior Yr       |
|------------------------------------|--------------------|-------------|-------------|-------------|----------------|-----------------|----------------|----------------|----------------|
| Frederick Co.                      | 6,806,909          | 6.7%        | 7.3%        | 7.0%        | 37,588         | 96,442          | \$12.76        | \$12.76        | \$10.40        |
| Montgomery Co. North               | 7,464,340          | 8.2%        | 8.1%        | 10.5%       | -13,009        | 92,109          | \$18.48        | \$18.31        | \$15.61        |
| Montgomery Co.; Rockville/Bethesda | 4,966,753          | 4.6%        | 5.1%        | 5.6%        | 22,812         | 22,635          | \$15.89        | \$15.47        | \$15.93        |
| Prince George's Co.                | 9,055,103          | 5.9%        | 4.7%        | 6.3%        | -107,824       | -68,560         | \$11.77        | \$12.09        | \$12.13        |
| Silver Spring                      | 1,506,864          | 4.6%        | 4.9%        | 8.1%        | 4,380          | -2,311          | \$16.02        | \$14.61        | \$14.73        |
| <b>Flex Totals</b>                 | <b>29,799,969</b>  | <b>6.4%</b> | <b>6.2%</b> | <b>7.5%</b> | <b>-56,053</b> | <b>140,315</b>  | <b>\$14.58</b> | <b>\$14.49</b> | <b>\$13.40</b> |
| Frederick Co.                      | 13,882,602         | 3.1%        | 3.1%        | 1.9%        | 5,489          | 4,858           | \$9.86         | \$9.78         | \$8.03         |
| Montgomery Co. North               | 5,958,334          | 3.5%        | 3.7%        | 3.3%        | 11,420         | 43,896          | \$13.40        | \$12.91        | \$12.39        |
| Montgomery Co.; Rockville/Bethesda | 6,770,155          | 5.0%        | 5.0%        | 5.7%        | -5             | 10,518          | \$14.27        | \$14.14        | \$13.31        |
| Prince George's Co.                | 50,368,142         | 5.0%        | 4.8%        | 5.4%        | 97,491         | -189,054        | \$10.10        | \$9.59         | \$8.32         |
| Silver Spring                      | 1,713,854          | 1.5%        | 1.5%        | 3.7%        | -1,360         | 3,190           | \$13.34        | \$13.34        | \$13.74        |
| <b>Warehouse Totals</b>            | <b>78,693,087</b>  | <b>4.5%</b> | <b>4.4%</b> | <b>4.6%</b> | <b>113,035</b> | <b>-126,592</b> | <b>\$10.74</b> | <b>\$10.35</b> | <b>\$9.13</b>  |
| <b>Totals</b>                      | <b>108,493,056</b> | <b>5.0%</b> | <b>4.9%</b> | <b>5.4%</b> | <b>56,982</b>  | <b>13,723</b>   | <b>\$11.79</b> | <b>\$11.49</b> | <b>\$10.31</b> |

## LEASING ACTIVITY

## SALES PRICE PER SQUARE FOOT

## SALES: MONTHS ON THE MARKET



\* Renewal, Expansion, or Sublease

# INDUSTRIAL OVERVIEW (DC METRO)

SECOND QUARTER | 2022



## WAREHOUSE (DC METRO)

Market Size  
78,693,087

Building Count  
1,633

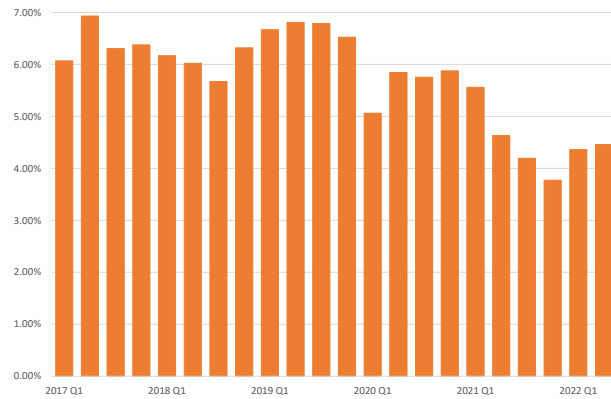
Absorption  
113,035

YTD Absorption  
-126,592

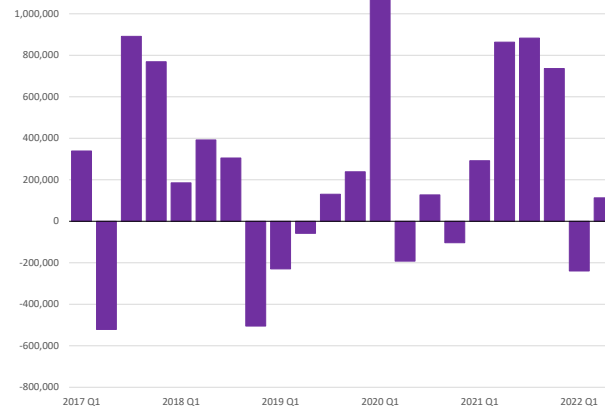
Vacancy  
4.5%

Rental Rate  
\$10.74/sf

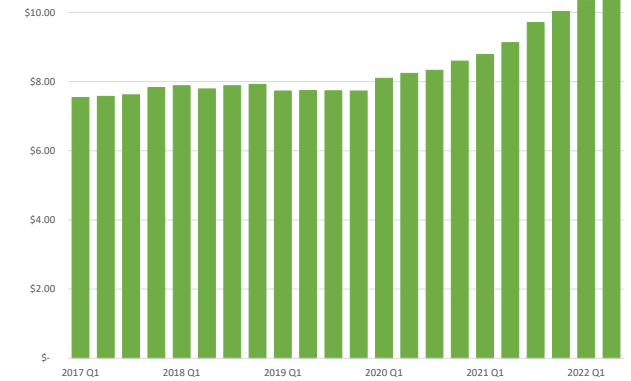
### VACANCY



### NET ABSORPTION



### RENTAL RATES



## FLEX (DC METRO)

Market Size  
29,799,969

Building Count  
634

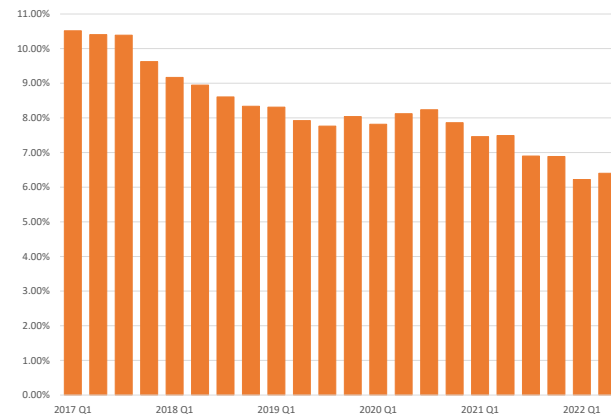
Absorption  
-56,053

YTD Absorption  
140,315

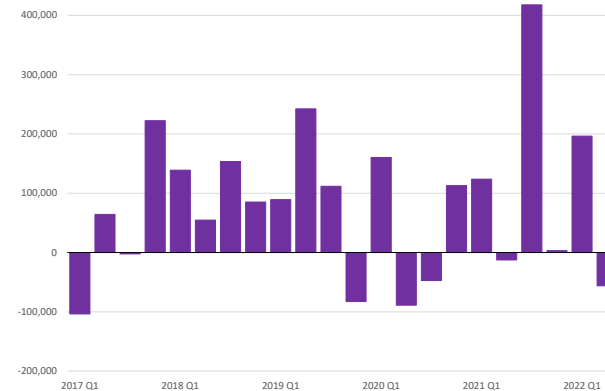
Vacancy  
6.4%

Rental Rate  
\$14.58/sf

### VACANCY



### NET ABSORPTION



### RENTAL RATES

