

INDUSTRIAL OVERVIEW

FOURTH QUARTER | 2022



INDUSTRIAL INDICATORS

Market Size
263,366,700

Building Count
3,602

Absorption
994,450

YTD Absorption
4,731,645

Vacancy
5.8%

Rental Rate
\$8.87

Demand for top quality industrial space continued to outpace supply as 2022 came to an end. Over 4.3 million square feet of industrial space was delivered during the year, 77% already pre-leased. The 4th Quarter experienced a new lease in Harbor Logistics Center for over 100,000 square feet for a building that is still proposed. Transactions saw a dip in the fourth quarter compared to the high leasing pace of the past few years, a trend seen across the nation. Supply delays have softened, and inventory is being delivered across the nation which has the potential to create excess inventory in some markets. This is not expected in the Baltimore Market, which boasts a prime Mid-Atlantic location with convenient access via land, air, and sea. Inventory was strengthened with the demolition of multiple buildings that had become obsolete. The reconstruction of the Howard Street Tunnel is set to be complete in 2024 which will result in additional business at the Port of Baltimore, leading to the need for additional space in the future. This is further underscored in the deal signed for 165-acres at Tradepoint Atlantic to create a massive container terminal. The cost of the container terminal project is approximately \$1 billion and will further secure Baltimore as one of the top ports in the United States.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	6,053,461	6.9%	6.2%	8.0%	-50,070	78,183	\$14.27	\$14.26	\$14.39
Baltimore City	5,183,165	8.0%	9.1%	7.8%	57,033	-8,769	\$9.87	\$10.44	\$14.02
Baltimore County East	3,954,305	8.6%	8.6%	7.1%	-568	1,388	\$14.48	\$14.48	\$14.25
Baltimore County West	4,695,584	9.2%	8.8%	7.7%	-32,130	-72,683	\$9.57	\$8.83	\$8.42
BWI Corridor	9,265,705	7.4%	7.6%	8.1%	83,879	133,353	\$9.64	\$11.49	\$10.94
Carroll County	1,763,117	8.9%	8.9%	13.2%	-967	74,917	\$9.59	\$9.59	\$9.02
Columbia	8,372,370	5.0%	5.0%	4.2%	5,632	-65,226	\$12.46	\$12.30	\$12.84
Harford & Cecil Counties	3,002,975	6.8%	7.0%	5.5%	6,900	29,510	\$11.75	\$11.33	\$10.21
I-83 Corridor	5,363,409	6.7%	5.7%	6.9%	-26,707	6,890	\$11.11	\$11.93	\$11.61
Reisterstown Rd	2,859,927	11.1%	10.6%	12.6%	-16,111	40,577	\$11.95	\$12.01	\$9.71
Flex Totals	50,514,018	7.4%	7.3%	7.4%	26,891	218,140	\$11.47	\$11.84	\$11.90
Annapolis Route 2	10,013,767	1.2%	0.5%	2.0%	9,631	82,302	\$8.55	\$8.87	\$9.31
Baltimore City	48,583,621	5.7%	4.8%	3.6%	1,639	-314,462	\$6.76	\$6.34	\$6.59
Baltimore County East	32,866,796	3.2%	3.0%	5.7%	1,680,079	2,730,178	\$11.32	\$10.38	\$6.62
Baltimore County West	9,810,287	8.9%	6.0%	6.4%	-279,546	-247,265	\$6.81	\$6.80	\$5.59
BWI Corridor	43,660,589	4.1%	3.2%	3.5%	-410,685	22,309	\$9.38	\$9.06	\$7.46
Carroll County	8,937,081	4.8%	1.3%	1.2%	59,250	59,762	\$6.99	\$7.03	\$5.54
Columbia	5,299,402	7.7%	7.7%	9.3%	256	176,220	\$12.28	\$8.64	\$8.62
Harford & Cecil Counties	46,804,806	8.0%	8.0%	9.7%	7,736	2,067,647	\$6.37	\$6.36	\$5.33
I-83 Corridor	5,292,522	4.6%	3.2%	3.9%	-75,350	-35,402	\$9.26	\$8.46	\$8.46
Reisterstown Rd	1,583,811	2.2%	0.6%	0.4%	-25,451	-27,784	\$12.00	\$12.00	\$10.65
Warehouse Totals	212,852,682	5.4%	4.6%	5.3%	967,559	4,513,505	\$8.25	\$7.83	\$6.67
Totals	263,366,700	5.8%	5.1%	5.7%	994,450	4,731,645	\$8.87	\$8.60	\$7.69

ITEMS TO NOTE:

MCB Real Estate is expanding into the Western market with the construction of over 1.9 million square feet of industrial space in Hagerstown, MD. The Currwood Logistics Park is located on Howell Road within city limits and is being built on spec.

Tradepoint Atlantic will support the growth of the Port of Baltimore with a new 165-acre container terminal. Due to the size and scope of the remediation and permitting and planning development, the time frame is undetermined.

The legalization of cannabis has the potential to fill the void in some older Maryland warehouses that have remained vacant during the industrial surge. Current users have been looking for modern buildings with the amenities needed for e-commerce; cannabis growers do not need the dock-doors, high ceiling heights or drive-ins, allowing for the repurposing of older buildings.

Triangle Business Center, located at 1500-1506 Joh Ave. was purchased by St. John Properties. The flex buildings contain over 74,000 sf across four buildings, two in Baltimore City and two in Baltimore County. At the time of the sale the Center was approximately 95% leased.

The Locke Insulators building has officially changed hands with the completion of the \$22 million sale. The building is located on 25 acres and was purchased for the land value; the existing building is in the process of being demolished for a new redevelopment project.

Sandtown Furniture Co. has relocated its headquarters to 1226 Wicomico St., expanding into 25,000 sf of showroom and workshop space. The new location is in a restored 137-year-old building in the Baltimore City SW Submarket.

Faropoint, an international real estate investment firm, has entered the Baltimore Market with the purchase of four warehouses totaling over 218,000 sf. The \$28.6 million investment included warehouses in Columbia, Glen Burnie, Nottingham and Milford Mill, Maryland.

INDUSTRIAL OVERVIEW (WAREHOUSE)

FOURTH QUARTER | 2022



WAREHOUSE INDICATORS

Market Size
212,852,682

Building Count
2,393

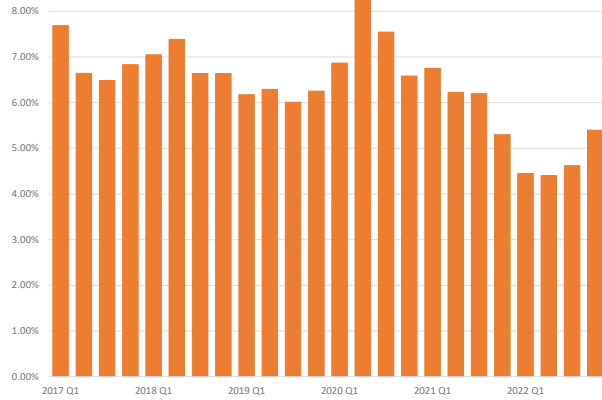
Absorption
967,559

YTD Absorption
4,513,505

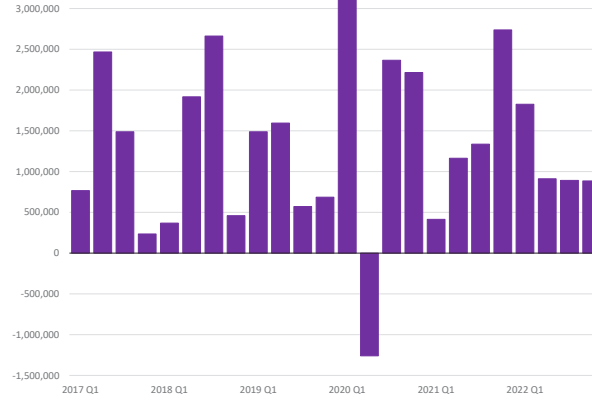
Vacancy
5.4%

Rental Rate
\$8.25

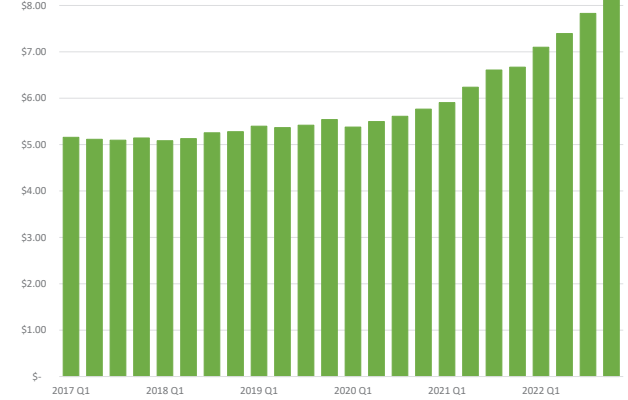
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Annapolis/Route 2	1.2%
2	Reisterstown Rd	2.2%
3	Baltimore County East	3.2%

Highest Vacancy

1	Baltimore County West	8.9%
2	Harford & Cecil Counties	8.0%
3	Columbia	7.7%

Most Change vs. Prior Quarter

-	Columbia	-0.04%
+	Carroll County	3.47%

Lowest Net Absorption

1	BWI Corridor	-410,685
2	Baltimore County West	-279,546
3	I-83 Corridor	-75,350

Highest Net Absorption

1	Baltimore County East	1,680,079
2	Carroll County	59,250
3	Annapolis/Route 2	9,631

Most Absorption, Year-to-Date

-	Columbia	-343,892
+	Harford & Cecil Counties	2,341,166

Cheapest Rates

1	Harford & Cecil Counties	\$6.37
2	Baltimore City	\$6.76
3	Baltimore County West	\$6.81

Most Expensive Rates

1	Columbia	\$12.28
2	Reisterstown Rd	\$12.00
3	Baltimore County East	\$11.32

Most Change vs. Prior Quarter

-	Annapolis/Route 2	-\$0.32
+	Columbia	\$3.64

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
1601-1629 Wicomico St.	Baltimore City	Transdev*	182,655
4653 Hollins Ferry Rd.	Baltimore Co. West	Poole and Kent	101,000
7314 Race Rd.	Columbia	Accu-Tech	87,780
9325 Snowden River Pkwy.	BWI Corridor	Core & Main LP*	84,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
717 Wedeman Ave	BWI Corridor	\$2,750,000	\$124.72	22,050
4128 Hayward Ave	Baltimore City	\$2,300,000	\$46.94	48,995
8130 Norris Ln	Baltimore County East	\$2,074,990	\$123.51	16,800
8182 Telegraph Rd	BWI Corridor	\$2,050,000	\$224.78	9,120

* Renewal, Expansion, or Sublease



FLEX INDICATORS

Market Size
50,514,018

Building Count
1,209

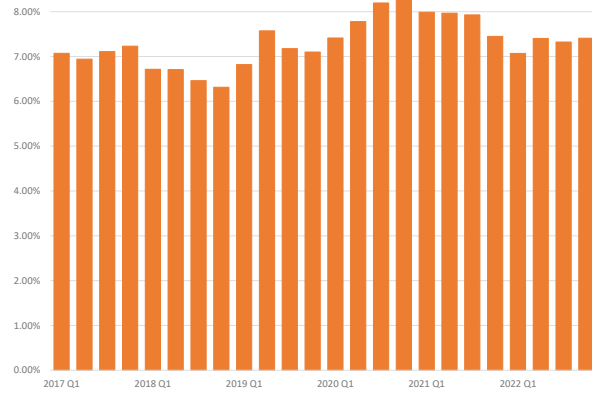
Absorption
26,891

YTD Absorption
218,140

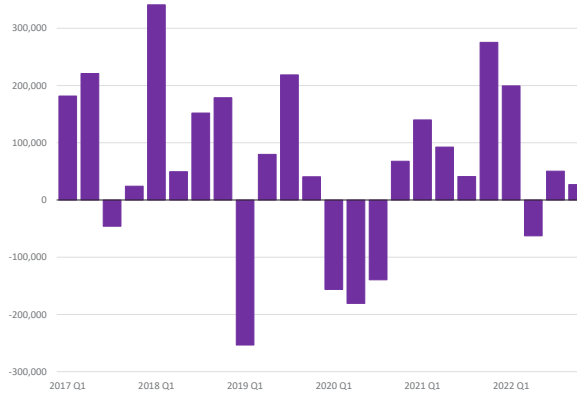
Vacancy
7.4%

Rental Rate
\$11.47

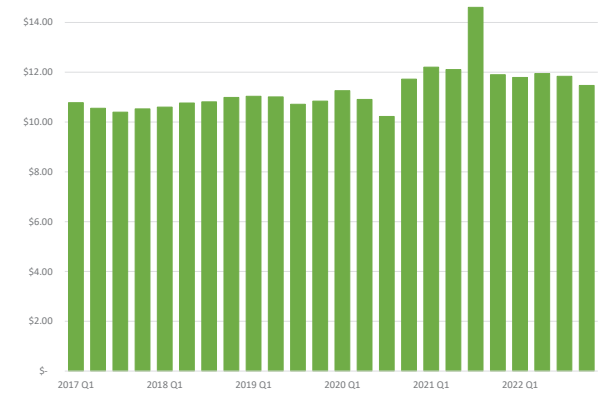
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Columbia	5.0%
2	I-83 Corridor	6.7%
3	Harford & Cecil Counties	6.8%

Highest Vacancy

1	Reisterstown Rd	11.1%
2	Baltimore County West	9.2%
3	Carroll County	8.9%

Most Change vs. Prior Quarter

-	Baltimore City	-1.14%
+	I-83 Corridor	1.02%

Lowest Net Absorption

1	Annapolis/Route 2	-50,070
2	Baltimore County West	-32,130
3	I-83 Corridor	-26,707

Highest Net Absorption

1	BWI Corridor	83,879
2	Baltimore City	57,033
3	Harford & Cecil Counties	6,900

Most Absorption, Year-to-Date

-	Baltimore County West	-72,683
+	BWI Corridor	133,353

Cheapest Rates

1	Baltimore County West	\$9.57
2	Carroll County	\$9.59
3	BWI Corridor	\$9.64

Most Expensive Rates

1	Baltimore County East	\$14.48
2	Annapolis/Route 2	\$14.27
3	Columbia	\$12.46

Most Change vs. Prior Quarter

-	BWI Corridor	-\$1.85
+	Baltimore County West	\$0.74

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8361 Town Center Ct.	Baltimore Co. East	JES Operations	30,333
10947 Golden West Dr.	I-83 Corridor	Confidential	22,161
10942 Beaver Dam Rd.	I-83 Corridor	Remco, Inc.	17,050
7028 Golden Ring Rd.	Baltimore Co. East	Stanley Steamer*	16,800

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
7120-32 Ambassador Rd.	Baltimore Co. West	\$5,075,000	\$106.78	47,528
6810 Oak Hall Ln.	Columbia	\$4,200,000	\$210.00	20,000
10900 Pump House Rd.	BWI Corridor	\$3,600,000	\$189.47	19,000
109 Cockeyville Rd.	I-83 Corridor	\$2,700,000	\$145.59	18,545

* Renewal, Expansion, or Sublease

INDUSTRIAL OVERVIEW (DC METRO)

FOURTH QUARTER | 2022



INDUSTRIAL INDICATORS

Market Size
109,992,660

Building Count
2,293

Absorption
136,949

YTD Absorption
703,355

Vacancy
5.7%

Rental Rate
\$13.14

THE NUMBERS

MARKET SIZE

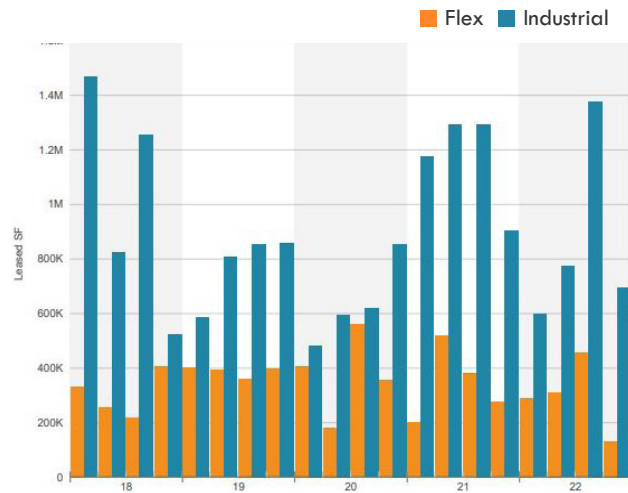
VACANCY %

ABSORPTION

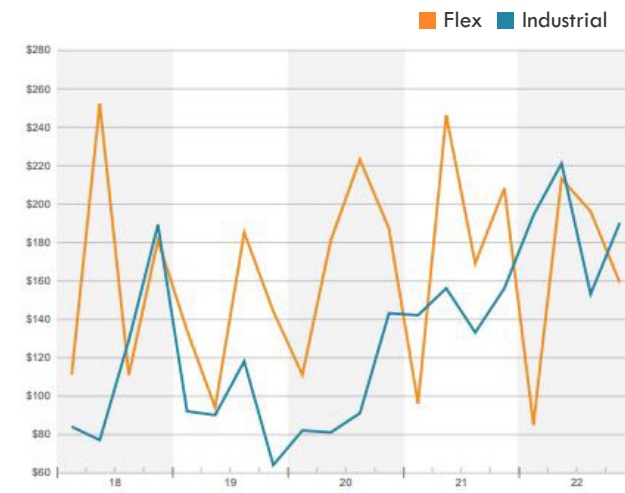
RENTAL RATES

		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	7,140,586	9.6%	9.5%	11.5%	30,582	205,411	\$12.83	\$12.80	\$12.68
Montgomery Co. North	7,474,448	9.6%	8.2%	9.5%	-102,859	-5,989	\$24.35	\$23.90	\$17.65
Montgomery Co.; Rockville/Bethesda	4,794,594	5.8%	5.1%	5.8%	-36,131	1,344	\$17.24	\$16.25	\$15.82
Prince George's Co.	8,936,012	6.1%	5.6%	5.5%	-36,582	-37,164	\$11.61	\$11.80	\$11.78
Silver Spring	1,517,370	4.5%	4.2%	4.4%	-4,274	-1,610	\$16.47	\$16.47	\$14.68
Flex Totals	29,863,010	7.7%	7.0%	7.9%	-149,264	161,992	\$16.24	\$16.02	\$14.27
Frederick Co.	14,507,808	5.6%	5.4%	3.1%	5,289	219,277	\$10.36	\$9.92	\$8.82
Montgomery Co. North	6,003,416	3.4%	3.5%	4.9%	7,867	91,576	\$14.42	\$14.06	\$12.47
Montgomery Co.; Rockville/Bethesda	6,894,251	5.3%	5.3%	5.0%	730	-22,470	\$15.28	\$14.49	\$14.09
Prince George's Co.	51,010,321	5.0%	4.9%	3.5%	292,221	268,324	\$11.58	\$10.71	\$9.47
Silver Spring	1,713,854	2.6%	1.5%	1.7%	-19,894	-15,344	\$15.74	\$15.38	\$13.14
Warehouse Totals	80,129,650	5.0%	4.8%	3.6%	286,213	541,363	\$11.98	\$11.25	\$10.07
Totals	109,992,660	5.7%	5.4%	4.8%	136,949	703,355	\$13.14	\$12.55	\$11.22

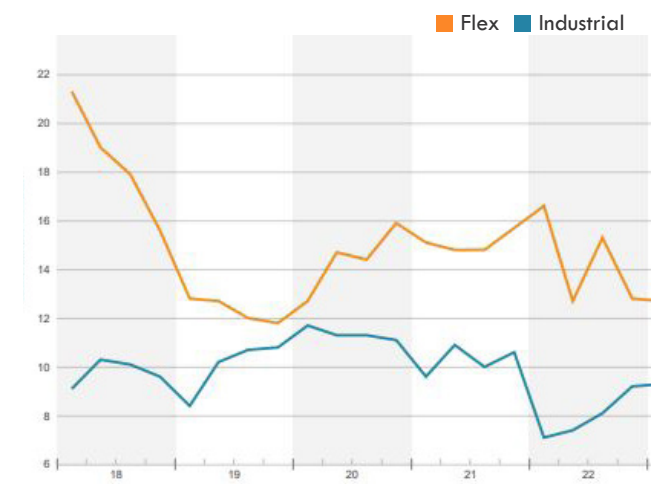
LEASING ACTIVITY



SALES PRICE PER SQUARE FOOT



LEASING: MONTHS ON THE MARKET



* Renewal, Expansion, or Sublease

INDUSTRIAL OVERVIEW (DC METRO)

FOURTH QUARTER | 2022



WAREHOUSE (DC METRO)

Market Size
80,129,650

Building Count
1,654

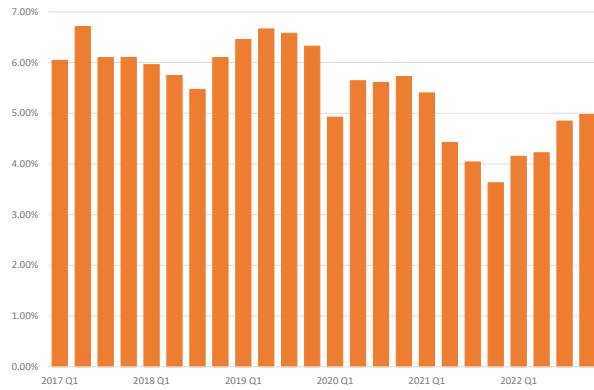
Absorption
286,213

YTD Absorption
541,363

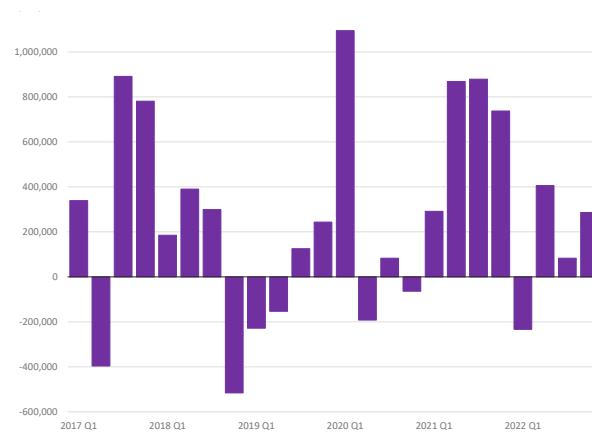
Vacancy
5.0%

Rental Rate
\$11.98

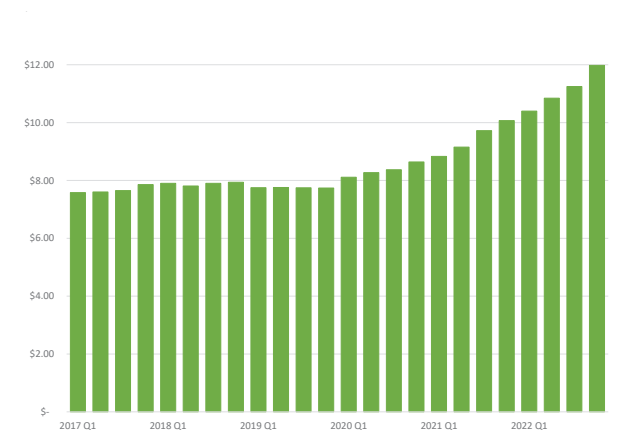
VACANCY



NET ABSORPTION



RENTAL RATES



FLEX (DC METRO)

Market Size
29,863,010

Building Count
639

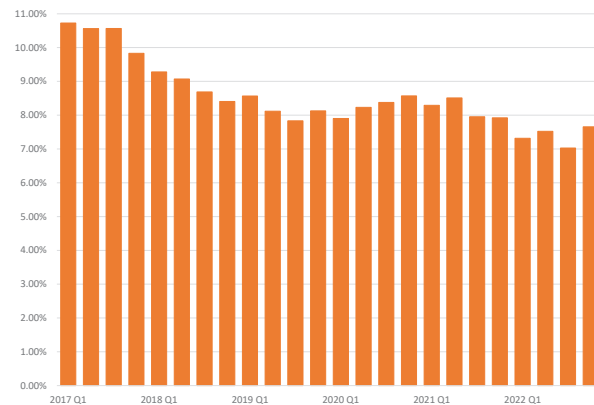
Absorption
-149,264

YTD Absorption
161,992

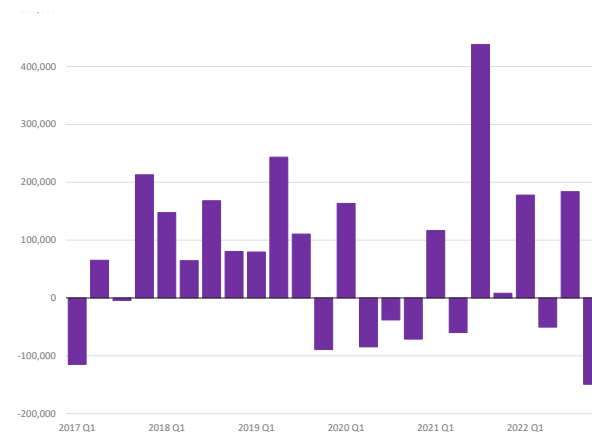
Vacancy
7.7%

Rental Rate
\$16.24

VACANCY



NET ABSORPTION



RENTAL RATES

