



## INDUSTRIAL INDICATORS

Market Size  
**265,022,111**

Building Count  
**3,622**

Absorption  
**-671,122**

YTD Absorption  
**-671,122**

Vacancy  
**6.2%**

Rental Rate  
**\$9.54/sf**

The Baltimore industrial market, though still active, is beginning to show some weakness. Leasing activity for smaller blocks of space has remained active, while activity for larger blocks of space over 150,000 sf has slowed considerably. Leasing activity for the 1st Quarter of 2023 was below a total of two million square feet for both industrial and flex properties. The last time this occurred was in 2008. Tenants are taking a step back as they re-evaluate their supply chains in the face of slowing consumer spending. Amazon, for one, has been shedding space as they have placed several buildings on the sublet market. The quarter ended with half a million square feet of negative absorption taking the total vacancy rate from 5% this time last year, to 6.2% at the end of the 1st Quarter. There has also been an increase in availability, space that is under lease but available to the market. Availability has increased by three million square feet over the last twelve-month period. With slowing demand and relatively low supply, asking rents have steadied though remain high, averaging nearly \$9.00/sf across the market for warehouse space and \$12.00/sf for flex. The dip in activity is also effecting sales transactions. The rise in interest rates has created an even greater pricing gap between buyers and sellers. Not one industrial building of at least 100,000 sf in size changed hands during the 1st Quarter. Over the past 20 years that has happened only one other time. However, user-buyers remain very active in the market. As tenant leases expire, they face a 100-200% increase in market rents and are seeking acquisition to control their occupancy expenses long term.

| THE NUMBERS              | MARKET SIZE        | VACANCY %   |             |             | ABSORPTION      |                 | RENTAL RATES   |                |                |
|--------------------------|--------------------|-------------|-------------|-------------|-----------------|-----------------|----------------|----------------|----------------|
|                          |                    | Current     | Prior Qtr   | Prior Yr    | Net             | YTD             | Current        | Prior Qtr      | Prior Yr       |
| Annapolis/Route 2        | 6,092,462          | 7.1%        | 6.7%        | 7.1%        | -25,723         | -25,723         | \$17.18        | \$14.27        | \$14.41        |
| Baltimore City           | 5,160,042          | 8.8%        | 7.5%        | 7.9%        | -67,620         | -67,620         | \$9.41         | \$9.87         | \$14.02        |
| Baltimore County East    | 3,975,433          | 8.2%        | 8.5%        | 6.9%        | 12,800          | 12,800          | \$14.48        | \$14.48        | \$14.56        |
| Baltimore County West    | 4,764,524          | 10.4%       | 8.7%        | 6.7%        | -78,504         | -78,504         | \$11.97        | \$9.57         | \$8.69         |
| BWI Corridor             | 9,019,778          | 6.7%        | 6.5%        | 6.9%        | -23,339         | -23,339         | \$9.64         | \$9.64         | \$10.23        |
| Carroll County           | 1,763,117          | 8.8%        | 8.9%        | 10.3%       | 1,465           | 1,465           | \$10.12        | \$9.59         | \$9.35         |
| Columbia                 | 8,295,371          | 4.2%        | 4.4%        | 4.3%        | 22,668          | 22,668          | \$12.65        | \$12.46        | \$11.97        |
| Harford & Cecil Counties | 3,100,975          | 7.3%        | 7.1%        | 5.6%        | 31,632          | 31,632          | \$10.28        | \$10.63        | \$9.70         |
| I-83 Corridor            | 5,495,510          | 7.3%        | 7.6%        | 8.4%        | 13,760          | 13,760          | \$10.94        | \$11.25        | \$11.97        |
| Reisterstown Rd          | 2,874,927          | 10.5%       | 10.8%       | 12.0%       | 24,225          | 24,225          | \$11.82        | \$11.95        | \$10.85        |
| <b>Flex Totals</b>       | <b>50,542,139</b>  | <b>7.4%</b> | <b>7.1%</b> | <b>7.1%</b> | <b>-88,636</b>  | <b>-88,636</b>  | <b>\$11.94</b> | <b>\$11.42</b> | <b>\$11.77</b> |
| Annapolis Route 2        | 10,026,785         | 0.2%        | 0.4%        | 0.5%        | 22,517          | 22,517          | \$9.07         | \$8.55         | \$9.30         |
| Baltimore City           | 49,100,018         | 6.7%        | 5.6%        | 4.3%        | -326,622        | -326,622        | \$6.76         | \$6.95         | \$6.24         |
| Baltimore County East    | 33,676,581         | 6.2%        | 3.4%        | 4.5%        | -314,447        | -314,447        | \$13.73        | \$11.32        | \$7.43         |
| Baltimore County West    | 9,810,287          | 8.6%        | 8.9%        | 7.5%        | 24,027          | 24,027          | \$6.69         | \$6.81         | \$6.86         |
| BWI Corridor             | 43,900,732         | 5.0%        | 4.5%        | 3.0%        | -192,123        | -192,123        | \$10.43        | \$9.38         | \$8.17         |
| Carroll County           | 8,929,595          | 0.8%        | 0.8%        | 1.3%        | 2,241           | 2,241           | \$7.69         | \$6.99         | \$6.77         |
| Columbia                 | 5,299,402          | 5.6%        | 6.1%        | 6.5%        | 25,728          | 25,728          | \$12.28        | \$12.28        | \$8.46         |
| Harford & Cecil Counties | 46,877,444         | 7.8%        | 8.1%        | 7.1%        | 137,699         | 137,699         | \$6.71         | \$6.37         | \$6.02         |
| I-83 Corridor            | 5,243,317          | 3.9%        | 4.0%        | 3.3%        | 7,300           | 7,300           | \$9.10         | \$8.02         | \$6.97         |
| Reisterstown Rd          | 1,615,811          | 0.2%        | 2.1%        | 0.4%        | 31,194          | 31,194          | \$11.91        | \$12.00        | \$10.69        |
| <b>Warehouse Totals</b>  | <b>214,479,972</b> | <b>5.9%</b> | <b>5.2%</b> | <b>4.5%</b> | <b>-582,486</b> | <b>-582,486</b> | <b>\$8.97</b>  | <b>\$8.27</b>  | <b>\$7.08</b>  |
| <b>Totals</b>            | <b>265,022,111</b> | <b>6.2%</b> | <b>5.6%</b> | <b>5.0%</b> | <b>-671,122</b> | <b>-671,122</b> | <b>\$9.54</b>  | <b>\$8.87</b>  | <b>\$7.99</b>  |

## ITEMS TO NOTE:

ENI DIST, Inc sold its 40,000 sf headquarters in Beltsville and acquired a new property at 7020 Columbia Gateway Drive. The move allowed ENI DIST, an importer and distributor of Asian food, to triple its space into the over 123,000 sf property.

Honeywell has decided to close the assembly facility in Owings Mills at 10331 S. Dolfield Road. The 24,452 sf building will officially close May 2023.

Chicago-based meal company Home Chef will open a manufacturing and distribution center at 1701 E. Patapsco Ave. in South Baltimore. The 10-year lease was for 150,000 sf. They expect to be up and running by 2024.

In an off-the-market transaction, Greenspring Realty Partners sold two properties to Triten Real Estate Partners for \$26.1 million. The portfolio consisted of a fully leased, 80,755 sf warehouse at 1205 68th Street in Rosedale and a 30-acre parcel of land at 11235-11239 Philadelphia Road.

Harford County is considering a bill that would impose a six-month moratorium on the approvals and permits of new warehouses in the county. During this time the county plans to review zoning codes and break down the definitions of warehouses based on size. When the current zoning codes were created, mega warehouses did not exist.

Whitehouse & Schapiro, LLC, a family-owned company engaged in the secondhand textile recycling industry, acquired 1201 67th St., an 80,000 sf warehouse building located in the Rosedale, Baltimore County, for \$6.6 million.

The Great Wolf Lodge in Perryville will open two months ahead of schedule bringing 700 jobs to Cecil County. The \$250 million indoor water park and resort is located inside the 146-acre Chesapeake Commerce Center.

KIMPE SAS, a family-owned French-based business that distributes raw materials used in the brick industry acquired 3801 Southwestern Blvd., a single-story, 40,300 sf industrial building and 3901 Southwestern Blvd., a separate three-acre land site.

# INDUSTRIAL OVERVIEW (WAREHOUSE)

FIRST QUARTER | 2023



## WAREHOUSE INDICATORS

Market Size  
214,479,972

Building Count  
2,411

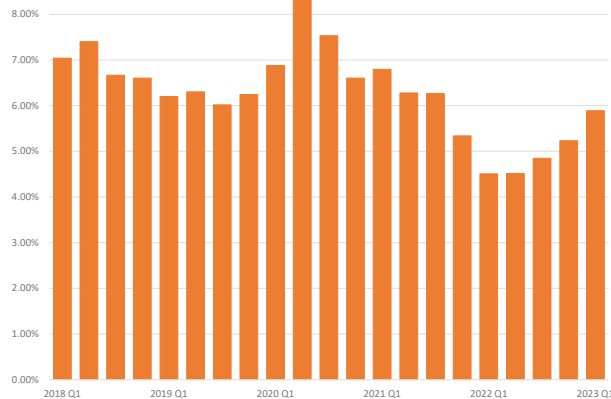
Absorption  
-528,486

YTD Absorption  
-528,486

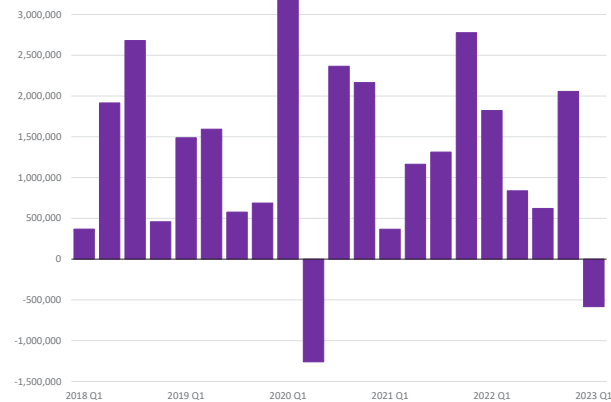
Vacancy  
5.9%

Rental Rate  
\$9.54/sf

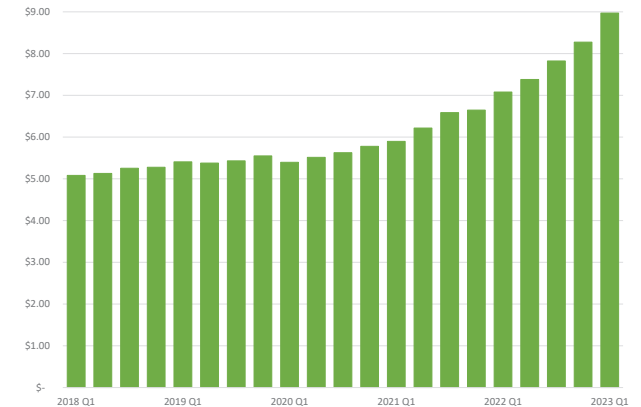
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## Lowest Vacancy

|   |                   |      |
|---|-------------------|------|
| 1 | Annapolis/Route 2 | 0.2% |
| 2 | Reisterstown Rd   | 0.2% |
| 3 | Carroll County    | 0.8% |

## Highest Vacancy

|   |                          |      |
|---|--------------------------|------|
| 1 | Baltimore County West    | 8.6% |
| 2 | Harford & Cecil Counties | 7.8% |
| 3 | Baltimore City           | 6.7% |

## Most Change vs. Prior Quarter

|   |                       |        |
|---|-----------------------|--------|
| - | Reisterstown Rd.      | -1.89% |
| + | Baltimore County East | +2.81% |

## Lowest Net Absorption

|   |                       |          |
|---|-----------------------|----------|
| 1 | Baltimore City        | -326,622 |
| 2 | Baltimore County East | -314,447 |
| 3 | BWI Corridor          | -192,123 |

## Highest Net Absorption

|   |                          |         |
|---|--------------------------|---------|
| 1 | Harford & Cecil Counties | 137,699 |
| 2 | Reisterstown Rd          | 31,194  |
| 3 | Columbia                 | 25,728  |

## Most Absorption, Year-to-Date

|   |                          |          |
|---|--------------------------|----------|
| - | Baltimore City           | -326,622 |
| + | Harford & Cecil Counties | 137,699  |

## Cheapest Rates

|   |                          |        |
|---|--------------------------|--------|
| 1 | Baltimore County West    | \$6.69 |
| 2 | Harford & Cecil Counties | \$6.71 |
| 3 | Baltimore City           | \$6.76 |

## Most Expensive Rates

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County East | \$13.73 |
| 2 | Columbia              | \$12.28 |
| 3 | Reisterstown Rd.      | \$11.91 |

## Most Change vs. Prior Quarter

|   |                       |            |
|---|-----------------------|------------|
| - | Baltimore City        | -\$0.19/sf |
| + | Baltimore County West | +\$2.41/sf |

## LEASE TRANSACTIONS

| Location                  | Region             | Tenant                   | Leased (sf) |
|---------------------------|--------------------|--------------------------|-------------|
| 2800 Eastern Ave.         | Baltimore Co. East | Global Trading Unlimited | 130,000     |
| 1954 Halethorpe Farms Rd. | Baltimore Co. West | Atlas Container          | 67,000      |
| 1225 Bengies Rd.          | Baltimore Co. East | Breakthru Beverage       | 63,000      |
| 7091 Troy Hill Dr.*       | BWI Corridor       | Tesla                    | 60,000      |

\* Renewal, Expansion, or Sublease

## SALE TRANSACTIONS

| Location             | Region                | Price        | PSF      | Bldg. Size (sf) |
|----------------------|-----------------------|--------------|----------|-----------------|
| 1205 68th St & Land  | Baltimore County East | \$26,100,000 | \$323.20 | 80,755          |
| 2150 Northbridge Ave | Baltimore SE          | \$7,900,000  | \$2,475  | 3,192           |
| 1201 67th St         | Baltimore County East | \$6,600,000  | \$82.71  | 79,800          |
| 2300 Eskow Ave       | Baltimore County West | \$3,100,000  | \$235.33 | 13,173          |



## FLEX INDICATORS

Market Size  
50,542,139

Building Count  
1,211

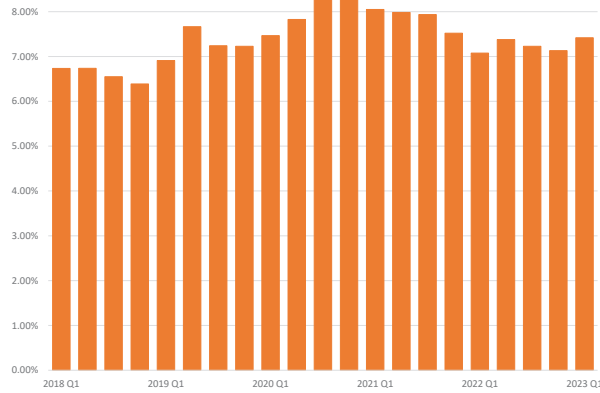
Absorption  
-88,636

YTD Absorption  
-88,636

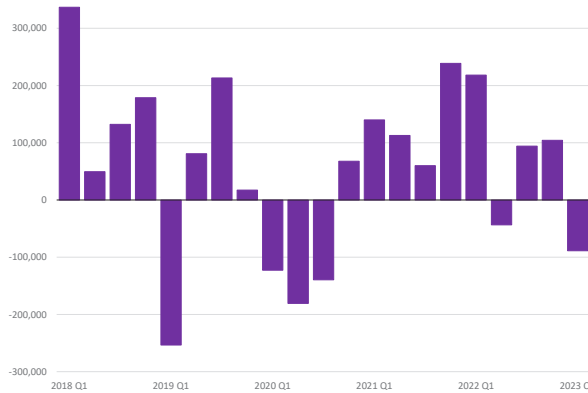
Vacancy  
7.4%

Rental Rate  
\$11.94/sf

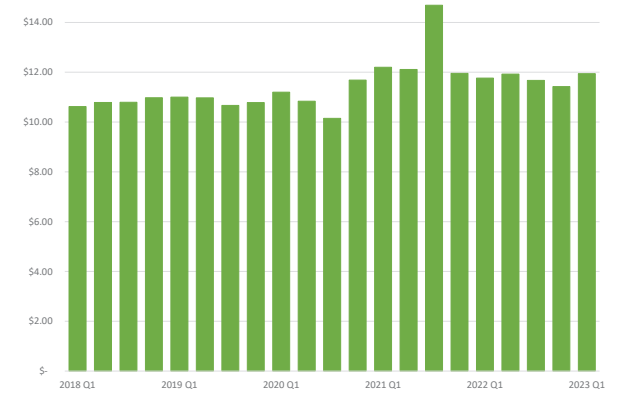
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

|   |                   |      |
|---|-------------------|------|
| 1 | Columbia          | 4.2% |
| 2 | BWI Corridor      | 6.7% |
| 3 | Annapolis/Route 2 | 7.1% |

### Highest Vacancy

|   |                       |       |
|---|-----------------------|-------|
| 1 | Reisterstown Rd       | 10.5% |
| 2 | Baltimore County West | 10.4% |
| 3 | Baltimore City        | 8.8%  |

### Most Change vs. Prior Quarter

|   |                       |        |
|---|-----------------------|--------|
| - | Reisterstown Rd.      | -0.33% |
| + | Baltimore County West | +1.66% |

### Lowest Net Absorption

|   |                       |         |
|---|-----------------------|---------|
| 1 | Baltimore County West | -78,504 |
| 2 | Baltimore City        | -67,620 |
| 3 | Annapolis/Route 2     | -25,723 |

### Highest Net Absorption

|   |                          |        |
|---|--------------------------|--------|
| 1 | Harford & Cecil Counties | 31,632 |
| 2 | Reisterstown Rd          | 24,225 |
| 3 | Columbia                 | 22,668 |

### Most Absorption, Year-to-Date

|   |                          |         |
|---|--------------------------|---------|
| - | Baltimore County West    | -78,504 |
| + | Harford & Cecil Counties | 31,632  |

### Cheapest Rates

|   |                |         |
|---|----------------|---------|
| 1 | Baltimore City | \$9.41  |
| 2 | BWI Corridor   | \$9.64  |
| 3 | Carroll County | \$10.12 |

### Most Expensive Rates

|   |                       |         |
|---|-----------------------|---------|
| 1 | Annapolis/Route 2     | \$17.18 |
| 2 | Baltimore County East | \$14.48 |
| 3 | Columbia              | \$12.65 |

### Most Change vs. Prior Quarter

|   |                   |            |
|---|-------------------|------------|
| - | Baltimore City    | -\$0.46/sf |
| + | Annapolis/Route 2 | +\$2.91/sf |

## LEASE TRANSACTIONS

| Location                 | Region                   | Tenant                      | Leased (sf) |
|--------------------------|--------------------------|-----------------------------|-------------|
| 10 Music Fair Rd.        | Reisterstown Rd Corridor | Fisker, Inc.                | 25,000      |
| 9179 Red Branch Rd.      | Columbia                 | Olympic Indoor Sports, Inc. | 20,147      |
| 2709 Rolling Rd.         | Baltimore Co. West       | Singer Bag Inc              | 18,000      |
| 6170-6210 Frankford Ave. | Baltimore NE             | MD Brands MGT, Inc          | 15,851      |

## SALE TRANSACTIONS

| Location        | Region                | Price     | PSF      | Bldg. Size (sf) |
|-----------------|-----------------------|-----------|----------|-----------------|
| 2981 Falls Rd   | Baltimore NW          | \$750,000 | \$50.00  | 15,000          |
| 1601 Cuba St    | Baltimore SE          | \$600,000 | \$120.00 | 5,000           |
| 7730 N Point Rd | Baltimore County East | \$450,000 | \$338.35 | 1,330           |
| 1311 N Wolfe    | Baltimore NE          | \$307,000 | \$21.93  | 14,000          |

# INDUSTRIAL OVERVIEW (DC METRO)

FIRST QUARTER | 2023



## INDUSTRIAL INDICATORS

Market Size  
110,336,216

Building Count  
2,297

Absorption  
206,802

YTD Absorption  
26,802

Vacancy  
5.4%

Rental Rate  
\$13.86/sf

## THE NUMBERS

### MARKET SIZE

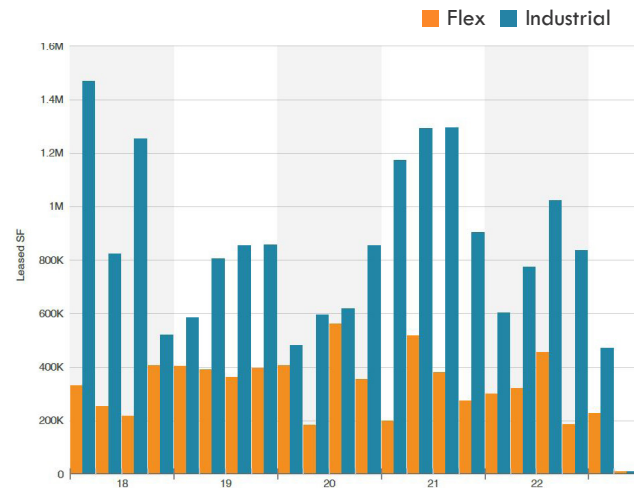
### VACANCY %

### ABSORPTION

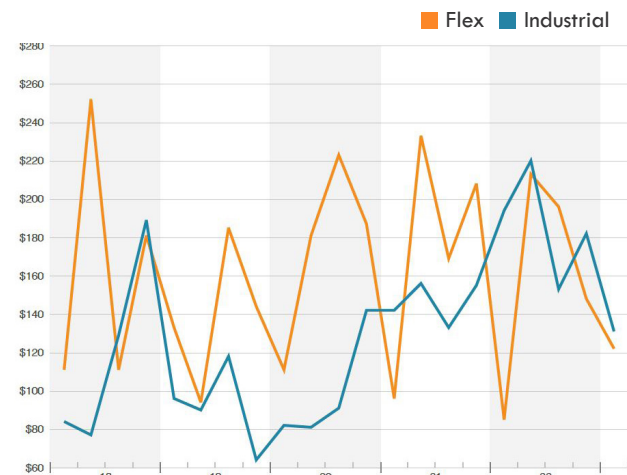
### RENTAL RATES

|                                    |                    | Current     | Prior Qtr   | Prior Yr    | Net            | YTD            | Current        | Prior Qtr      | Prior Yr       |
|------------------------------------|--------------------|-------------|-------------|-------------|----------------|----------------|----------------|----------------|----------------|
| Frederick Co.                      | 7,223,582          | 9.2%        | 9.1%        | 10.5%       | 37,187         | 37,187         | \$16.12        | \$12.83        | \$12.76        |
| Montgomery Co. North               | 7,532,366          | 10.1%       | 9.8%        | 8.4%        | -29,611        | -29,611        | \$27.55        | \$26.97        | \$20.44        |
| Montgomery Co.; Rockville/Bethesda | 4,794,112          | 5.8%        | 5.8%        | 6.1%        | 2,021          | 2,021          | \$17.22        | \$17.24        | \$15.68        |
| Prince George's Co.                | 8,910,612          | 6.9%        | 5.9%        | 5.3%        | -94,311        | -94,311        | \$12.41        | \$11.61        | \$11.89        |
| Silver Spring                      | 1,451,220          | 4.9%        | 4.7%        | 5.1%        | -1,669         | -1,669         | \$12.00        | \$16.47        | \$14.61        |
| <b>Flex Totals</b>                 | <b>29,911,892</b>  | <b>8.0%</b> | <b>7.6%</b> | <b>7.4%</b> | <b>-86,383</b> | <b>-86,383</b> | <b>\$17.87</b> | <b>\$16.92</b> | <b>\$15.00</b> |
| Frederick Co.                      | 14,654,429         | 4.7%        | 5.6%        | 3.1%        | 259,889        | 259,889        | \$11.04        | \$10.36        | \$9.78         |
| Montgomery Co. North               | 6,226,860          | 6.5%        | 3.2%        | 4.4%        | 16,793         | 16,793         | \$14.41        | \$14.42        | \$12.91        |
| Montgomery Co.; Rockville/Bethesda | 6,894,251          | 4.3%        | 4.7%        | 4.9%        | 24,474         | 24,474         | \$15.65        | \$15.28        | \$14.14        |
| Prince George's Co.                | 50,938,186         | 4.1%        | 4.1%        | 4.4%        | -13,911        | -13,911        | \$11.94        | \$11.58        | \$9.65         |
| Silver Spring                      | 1,710,598          | 2.3%        | 2.6%        | 1.5%        | 5,940          | 5,940          | \$15.74        | \$15.74        | \$13.34        |
| <b>Warehouse Totals</b>            | <b>80,424,324</b>  | <b>4.4%</b> | <b>4.3%</b> | <b>4.2%</b> | <b>293,185</b> | <b>293,185</b> | <b>\$12.37</b> | <b>\$11.98</b> | <b>\$10.39</b> |
| <b>Totals</b>                      | <b>110,336,216</b> | <b>5.4%</b> | <b>5.2%</b> | <b>5.1%</b> | <b>206,802</b> | <b>206,802</b> | <b>\$13.86</b> | <b>\$13.32</b> | <b>\$11.66</b> |

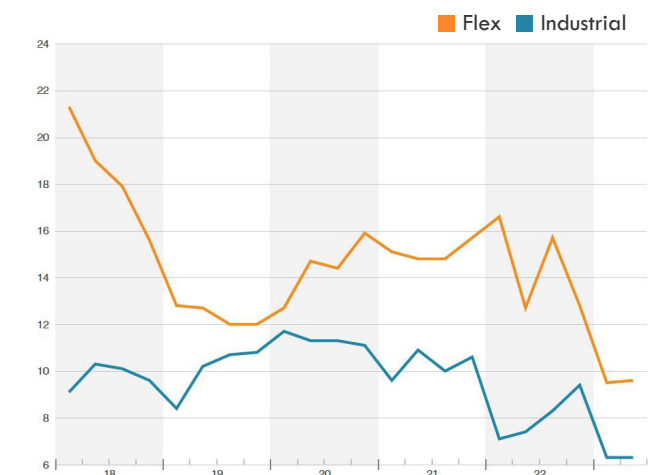
## LEASING ACTIVITY



## SALES PRICE PER SQUARE FOOT



## LEASING: MONTHS ON THE MARKET



\* Renewal, Expansion, or Sublease

© 2023, MacKenzie Commercial Real Estate Services, LLC | 13

# INDUSTRIAL OVERVIEW (DC METRO)

FIRST QUARTER | 2023



## WAREHOUSE (DC METRO)

Market Size  
**80,424,324**

Building Count  
**1,656**

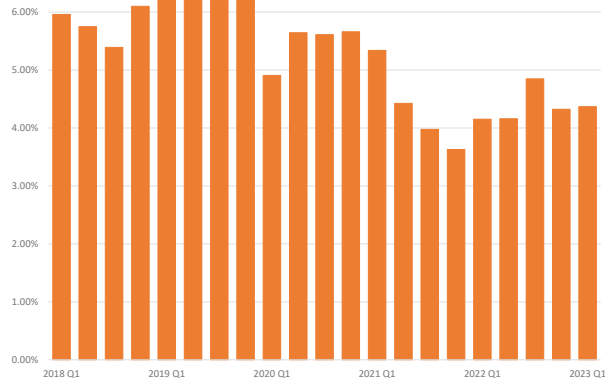
Absorption  
**293,185**

YTD Absorption  
**293,185**

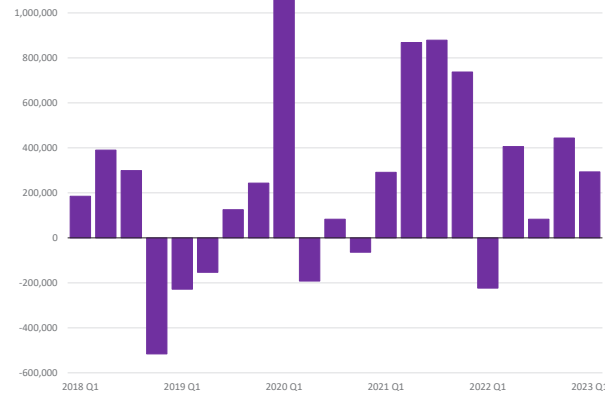
Vacancy  
**4.4**

Rental Rate  
**\$12.37/sf**

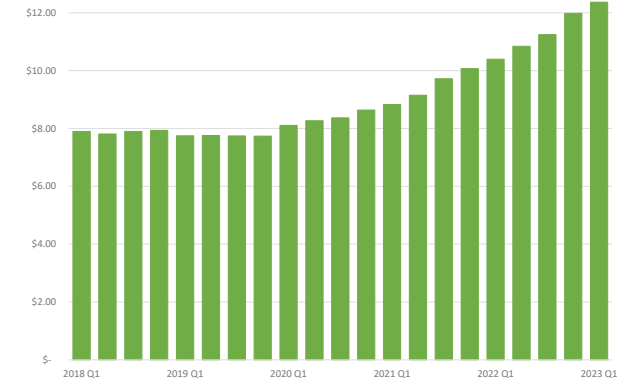
### VACANCY



### NET ABSORPTION



### RENTAL RATES



## FLEX (DC METRO)

Market Size  
**29,911,892**

Building Count  
**641**

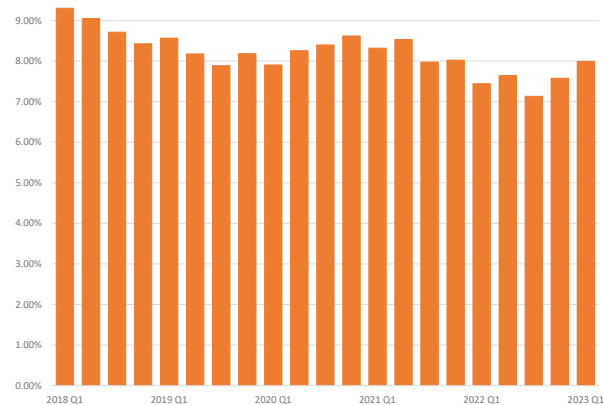
Absorption  
**-86,383**

YTD Absorption  
**-86,383**

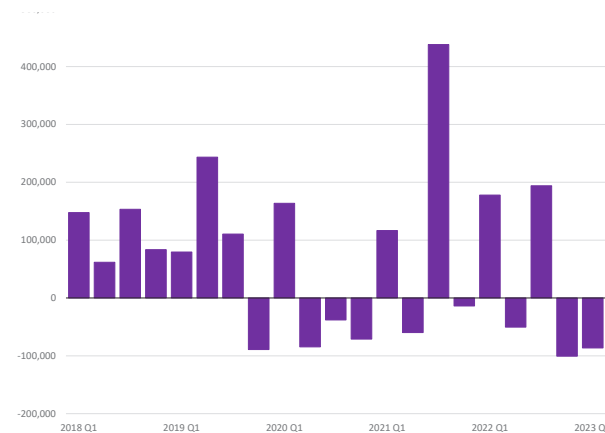
Vacancy  
**8.0%**

Rental Rate  
**\$17.87/sf**

### VACANCY



### NET ABSORPTION



### RENTAL RATES

