



INDUSTRIAL INDICATORS

Market Size
232,486,164

Building Count
4,381

Absorption
52,110

YTD Absorption
975,348

Vacancy
7.5%

Asking Rent*
\$6.29

MARKET OUTLOOK

The Baltimore industrial market is booming as vacancy rates continue to drop along with rising asking rents. Both Tradeport Atlantic and the Principio Business Park continue to see the recognizable tenants in the market as a result of availability to develop large blocks of class A distribution warehouse space. From a development standpoint, the last two quarters have been the strongest in Baltimore's history. As the retail market continues to see a change due to ever-changing consumer habits, the industrial market will continue to flourish driven by increasing e-commerce spending, therefore requiring the need for more space. We will continue to demand for build-to-suit opportunities for large blocks of space leading developers/investors to find other opportunities for their future runways.

HIGHLIGHTS & TRENDS

Local private investment company Nellis Corp. purchased two industrial buildings totaling 60,525 sf in Millersville, Maryland, from Polm Cos. for \$4.77 million, or about \$79/sf. The single-story structures named The Concourse at 301-303 Najoles Road comprise 28 loading docks, two drive-in bays and 20-foot clear ceiling heights.

Ace Logistics, a Baltimore-based provider of warehouse and logistics services, renewed its 169,000 sf lease and signed a new lease for 182,000 sf for an adjacent build-to-suit warehouse at Duke Realty Corp.'s Chesapeake Commerce Center, a 177-acre industrial campus off I-95 in Baltimore.

The industrial market on the Interstate 95 corridor is slated to grow by 750,000 sf. The development of a Class A, \$60 million Nottingham Ridge Logistics Center located off Route 43 in White Marsh began this quarter. The project is located on a site once planned for the Paragon Outlets Baltimore Mall just off I-95. Atapco Properties and Chesapeake Real Estate Group purchased the 52-acre parcel in mid-2018 for \$15 million. The partners are developing two large-scale warehouses there on spec for a new e-commerce logistics center.

Anne Arundel County's Curtis Bay Industrial Park will add a second, 340,000 sf warehouse facility this year according to developers Chesapeake Real Estate Group and EverWest Real Estate Investors. The group is building the warehouse on spec as part of its ongoing partnership that began in early 2017 when it acquired 138 acres from Exelon Corp. for \$6.7 million.

Two investment groups purchased warehouses on the Interstate 95 corridor in the Howard County towns of Jessup and Elkridge for more than \$25 million. STAG Industrial purchased a 167,490 sf facility at 6685 Santa Barbara Court in Jessup for \$13.25 million last month. Another warehouse was sold to TA Realty at 8250 Preston Court for \$12.2 million.

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	5,973,142	9.3%	6.4%	6.5%	-28,085	-110,987	\$13.67	\$13.54	\$12.50
Arbutus	2,146,066	6.6%	10.1%	4.4%	66,747	-19,138	\$11.49	\$11.49	\$8.00
Baltimore City	5,791,387	7.6%	5.9%	6.8%	-98,352	-80,552	\$9.40	\$9.48	\$8.68
Baltimore County East	4,041,113	7.6%	6.2%	6.3%	40,074	21,457	\$10.26	\$10.26	\$11.27
BW Corridor	18,030,924	6.8%	6.9%	6.7%	18,030	-45,298	\$12.71	\$12.77	\$12.79
Carroll County	1,662,648	6.4%	9.3%	9.9%	23,135	61,354	\$7.61	\$11.29	\$12.29
Harford/Cecil	3,158,562	9.2%	8.7%	7.2%	-31,397	-51,975	\$12.96	\$12.88	\$10.91
I-83 Corridor	5,336,430	3.1%	2.6%	2.2%	-25,873	-42,119	\$9.14	\$8.85	\$10.17
Reisterstown Road	2,989,805	12.7%	14.6%	12.8%	24,925	25,779	\$10.29	\$10.85	\$10.74
Woodlawn	2,477,556	6.2%	5.0%	5.0%	-29,367	-22,565	\$7.32	\$7.18	\$8.67
Flex Totals	51,607,633	7.3%	6.9%	6.5%	-40,163	-264,044	\$11.23	\$11.43	\$11.19
Annapolis/Route 2	8,868,754	7.3%	9.0%	8.2%	-240,126	-235,047	\$6.44	\$6.35	\$5.86
Arbutus	7,555,569	5.8%	4.2%	5.8%	-119,061	-128,329	\$3.78	\$3.78	\$3.64
Baltimore City	40,685,073	4.6%	4.4%	5.6%	-18,338	308,148	\$5.00	\$4.95	\$4.87
Baltimore County East	27,294,004	17.4%	17.0%	18.2%	-109,054	-49,229	\$2.95	\$3.10	\$3.03
BW Corridor	44,963,090	6.4%	8.0%	7.7%	259,113	929,256	\$6.89	\$6.81	\$6.13
Carroll County	7,565,314	8.4%	9.0%	7.3%	42,995	39,779	\$6.26	\$6.33	\$5.56
Harford/Cecil	36,646,230	6.3%	4.1%	5.3%	336,746	422,894	\$4.76	\$4.82	\$4.99
I-83 Corridor	4,355,187	3.2%	4.1%	2.9%	5,650	-14,976	\$7.46	\$7.08	\$7.45
Reisterstown Road	1,675,971	1.9%	2.1%	1.9%	3,375	35,975	\$8.97	\$8.97	\$8.88
Woodlawn	1,269,339	7.3%	1.9%	8.6%	-69,027	-69,079	\$5.32	\$6.99	\$7.40
Warehouse Totals	180,878,531	7.6%	7.5%	8.1%	92,273	1,239,392	\$4.85	\$4.94	\$4.74
Totals	232,486,164	7.5%	7.4%	7.7%	52,110	975,348	\$6.29	\$6.26	\$6.09

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



WAREHOUSE INDICATORS

Market Size
180,878,531

Building Count
3,028

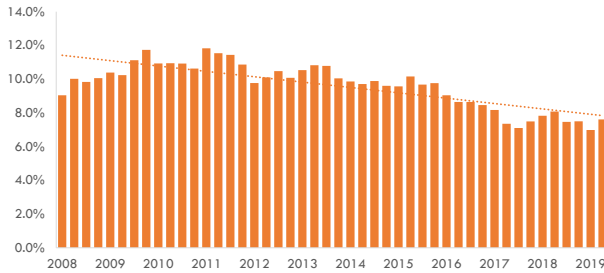
Absorption
92,273

YTD Absorption
1,239,392

Vacancy
7.6%

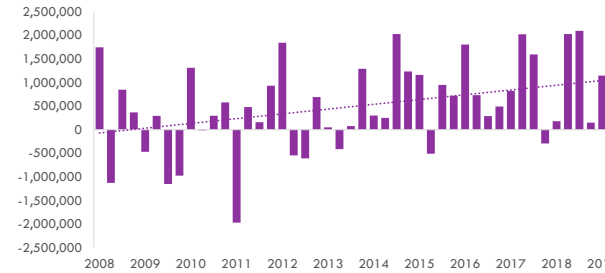
Asking Rent (Gross)
\$4.85

DIRECT VACANCY



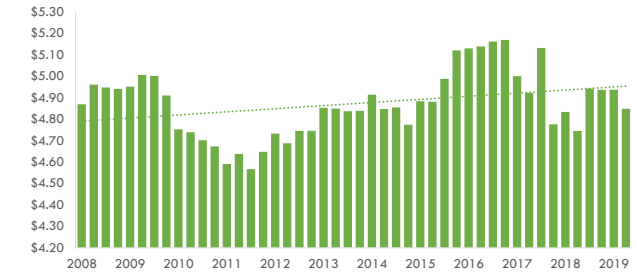
This quarter, direct vacant space increased, equaling 13,767,188 sf out of the total 180,878,531 sf market size. This resulted in a 0.08% change from 7.53% to 7.61%. Compared to this time last year, vacancy rates are down by -0.47%.

NET ABSORPTION



Quarterly absorption was approximately 92,273 sf. For 2019 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 1,239,392 sf. Comparatively, at this time last year, absorption was around 2,026,030 sf.

ASKING RENTAL RATES (Weighted, Gross)



Asking rental rates averaged \$4.85/sf this quarter, weighted by a total available space of 18,741,134 sf. This is approximately \$0.09/sf lower than last quarter (\$4.94/sf), and \$0.10/sf higher than last year (\$4.74/sf).

Lowest Direct Vacancy

1	Reisterstown Road	1.9%
2	I-83 Corridor	3.2%
3	Baltimore City	4.6%

Highest Direct Vacancy

1	Baltimore County East	17.4%
2	Carroll County	8.4%
3	Woodlawn	7.3%

Most Change vs. Prior Quarter

-	Annapolis/Route 2	-1.7%
+	Woodlawn	+5.4%

Lowest Net Absorption

1	Annapolis/Route 2	-240,126
2	Arbutus	-119,061
3	Baltimore County East	-109,054

Highest Net Absorption

1	Harford/Cecil	336,746
2	BW Corridor	259,113
3	Carroll County	42,995

Most Absorption, Year-to-Date

-	Annapolis/Route 2	-235,047
+	BW Corridor	929,256

Cheapest Asking Rates

1	Baltimore County East	\$2.95
2	Arbutus	\$3.78
3	Harford/Cecil	\$4.76

Most Expensive Asking Rates

1	Reisterstown Road	\$8.97
2	I-83 Corridor	\$7.46
3	BW Corridor	\$6.89

Most Change vs. Prior Quarter

-	Woodlawn	-\$1.67
+	I-83 Corridor	+\$0.38

LEASE TRANSACTIONS

Location	Region	Tenant	Leased
1100 Woodley Rd	Harford/Cecil	The Container Store	600,000
1020 Airport 100 Way	BW Corridor	HD Supply Facilities Maintenance ⁽¹⁾	156,401
3101 Wilmarco Dr	Baltimore City	Kols, Inc. ⁽¹⁾	54,000
6701 Moravia Park Dr	Baltimore City	Roesel-Heck Company, Inc.	28,700

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
9830 Reisterstown Rd	Reisterstown Rd	\$10,736,795	\$41.62	257,987
1780 Union Ave ⁽¹⁾	Baltimore City	\$3,691,254	\$32.35	114,099
8240 Beachwood Rd	Balt. Co. East	\$1,550,000	\$66.81	23,200
7621 Fitch Ln	Balt. Co. East	\$1,531,000	\$153.10	10,000

(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
51,607,633

Building Count
1,353

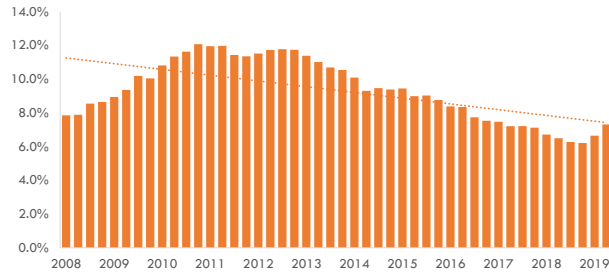
Absorption
-40,163

YTD Absorption
-264,044

Vacancy
7.3%

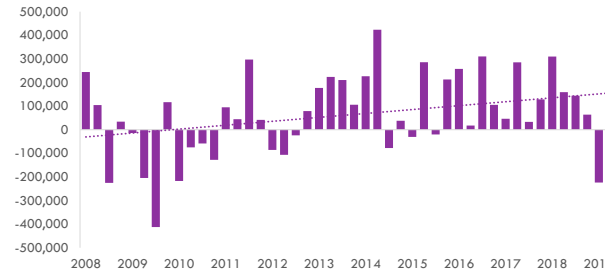
Asking Rent (NNN)
\$11.23

DIRECT VACANCY



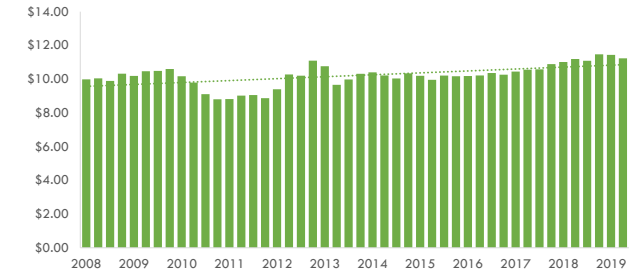
This quarter, direct vacant space increased, equaling 3,773,247 sf out of the total 51,607,633 sf market size. This resulted in a 0.40% change from 6.91% to 7.31%. Compared to this time last year, vacancy rates are up by 0.82%.

NET ABSORPTION



Quarterly absorption was approximately -40,163 sf. For 2019 year-to-date, tenant movement in the area shows an overall negative absorption, totaling -264,044 sf. Comparatively, at this time last year, absorption was around 159,017 sf.

ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$11.23/sf this quarter, weighted by a total available space of 5,476,404 sf. This is approximately \$0.20/sf lower than last quarter (\$11.43/sf), and \$0.04/sf higher than last year (\$11.19/sf).

Lowest Direct Vacancy

1	I-83 Corridor	3.1%
2	Woodlawn	6.2%
3	Carroll County	6.4%

Highest Direct Vacancy

1	Reisterstown Road	12.7%
2	Annapolis/Route 2	9.3%
3	Harford/Cecil	9.2%

Most Change vs. Prior Quarter

-	Arbutus	-3.4%
+	Annapolis/Route 2	+3.0%

Lowest Net Absorption

1	Baltimore City	-98,352
2	Harford/Cecil	-31,397
3	Woodlawn	-29,367

Highest Net Absorption

1	Arbutus	66,747
2	Baltimore County East	40,074
3	Reisterstown Road	24,925

Most Absorption, Year-to-Date

-	Annapolis/Route 2	-110,987
+	Carroll County	61,354

Cheapest Asking Rates

1	Woodlawn	\$7.32
2	Carroll County	\$7.61
3	I-83 Corridor	\$9.14

Most Expensive Asking Rates

1	Annapolis/Route 2	\$13.67
2	Harford/Cecil	\$12.96
3	BW Corridor	\$12.71

Most Change vs. Prior Quarter

-	Carroll County	-\$3.68
+	I-83 Corridor	+\$0.29

LEASE TRANSACTIONS

Location	Region	Tenant	Leased ▼
8100 Dorsey Run Rd	BW Corridor	Cavalier Logistics ⁽¹⁾	40,260
809 & 811 Pinnacle Dr	BW Corridor	Rosendin Electric	37,585
1116 Middle River Rd	Balt. Co. East	My Freedom Church, Inc.	21,960
9309 Snowden River Pkwy	BW Corridor	Chiseled Life, LLC	16,866

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size ▼
2923 Lord Baltimore Dr	Woodlawn	\$4,860,000	\$65.39	74,323
8510 Corridor Rd	BW Corridor	\$3,550,000	\$27.13	130,863 sf
6801 Douglas Legum Dr	BW Corridor	\$1,417,940	\$155.00	9,148
1050 Cromwell Bridge Rd	Balt. Co. East	\$1,343,050	\$173.14	7,757

(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.