



OFFICE INDICATORS

Market Size
81,885,982

Building Count
1,222

Absorption
463,447

YTD Absorption
440,161

Vacancy
12.1%

Asking Rent
\$23.52

MARKET OUTLOOK

The Baltimore-Metro Office market remained stable through the 2nd Quarter of 2019. Biotech and Healthcare have remained two crucial industries in the Baltimore office market. The University of Maryland BioPark and the Johns Hopkins FastForward incubators have provided the resources for small companies to grow their Biotech businesses. In Q2 the University of Maryland BioPark announced a project to build a new 300,000 square foot office building on Martin Luther King Boulevard. The highly anticipated construction of Port Covington began in May as Weller Development kicked off the \$600 million "Chapter 1" phase of the project. This phase will consist of 275,000 square feet of office, residential & retail space. The project is expected to be completed in the fall of 2021.

THE NUMBERS	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		ASKING RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City East	2,515,733	5.3%	4.1%	3.6%	-67,517	-65,015	\$23.64	\$22.57	\$27.56
Baltimore City Midtown	1,619,677	6.8%	7.0%	4.8%	2,718	8,447	\$20.20	\$20.37	\$20.05
Baltimore City North	3,009,482	3.3%	3.5%	8.6%	4,095	89,187	\$27.19	\$25.84	\$22.02
Baltimore City South	1,627,545	14.6%	14.2%	6.7%	-20,899	-108,751	\$31.12	\$31.42	\$24.43
Baltimore City West	2,063,827	30.5%	30.4%	34.6%	-2,756	-37,766	\$16.68	\$16.68	\$14.20
Baltimore City	10,836,264	11.2%	10.9%	11.6%	-84,359	-113,898	\$21.59	\$21.49	\$18.71
City Center A	3,122,337	23.9%	24.8%	25.7%	-16,243	-52,162	\$24.65	\$24.61	\$25.09
City Center A+	5,883,444	7.4%	8.2%	5.9%	6,919	8,722	\$30.62	\$31.14	\$29.24
City Center B	2,632,299	29.1%	28.4%	32.4%	-19,548	6,181	\$17.75	\$17.28	\$17.68
City Center B+	2,946,411	16.5%	17.4%	10.9%	7,465	-9,345	\$23.24	\$22.78	\$23.13
City Center	14,584,491	16.7%	17.2%	16.1%	-21,407	-46,604	\$23.67	\$23.47	\$23.28
Baltimore + CBD	25,420,755	14.4%	14.5%	14.2%	-105,766	-160,502	\$23.01	\$22.82	\$21.74
Baltimore County East	2,077,579	13.7%	16.3%	12.9%	48,739	32,791	\$23.13	\$22.56	\$21.67
Baltimore County West	3,285,959	12.1%	14.2%	12.3%	69,073	30,629	\$19.20	\$18.90	\$19.90
Harford County	3,678,578	19.1%	19.3%	20.7%	-9,750	66,532	\$23.25	\$23.22	\$21.34
I-83 Corridor	8,574,666	6.9%	8.6%	8.4%	94,455	109,542	\$22.14	\$21.64	\$20.88
Reisterstown Rd Corridor	5,201,147	16.4%	16.9%	17.3%	-5,254	-29,122	\$22.52	\$21.93	\$20.97
Towson	5,153,596	13.1%	13.6%	11.9%	22,655	-65,953	\$20.92	\$20.81	\$20.99
Northern Metro	27,971,525	12.5%	13.7%	13.2%	219,918	144,419	\$21.80	\$21.62	\$20.97
Annapolis	4,515,681	9.4%	10.2%	8.1%	4,864	16,666	\$28.46	\$28.92	\$27.91
BWI	8,772,022	12.2%	12.2%	14.1%	-40,391	56,079	\$27.47	\$27.23	\$27.14
Columbia	13,949,716	7.9%	11.2%	9.6%	385,627	398,058	\$25.14	\$25.49	\$25.63
Route 2 Corridor	1,256,283	13.8%	13.8%	12.1%	-805	-14,559	\$21.53	\$21.22	\$21.19
Southern Metro	28,493,702	9.7%	11.5%	10.9%	349,295	456,244	\$26.15	\$26.31	\$26.18
Totals	81,885,982	12.1%	13.2%	12.7%	463,447	440,161	\$23.52	\$23.50	\$22.85

*This is a sampling of our represented tenants in the market. The section is updated quarterly. If you'd like your business to be included, please let us know.

HIGHLIGHTS & TRENDS

Greenfield Partners, LLC sold North Park Business Community, a three-building, 297,231 square foot office portfolio in Hunt Valley, Maryland to North Park Ventures, LLC. Greenfield acquired the buildings from Liberty Property Trust in 2014 as part of a 6.6 million square foot portfolio sale.

Center Court Holdings, a New York firm, purchased an eight building Columbia portfolio leased in large part to state and county government agencies from a partnership affiliated with Greenfield Partners. The deal included buildings at 9755, 9770, 9780, 9790, 9800, 9810, 9820 and 9830 Patuxent Woods Drive. Center Court paid \$47.5 million, or \$162/sf.

Heritage Properties sold the 67,000 sf 999 Corporate Boulevard office building in Linthicum for \$10.4 million to 999 Corporate Blvd., LLC, an affiliate of Goodier Property Group.

New Jersey-based Becker Group purchased 7240 Parkway Drive in Hanover, an approximate 85,000 sf office building, for \$6.25 million. The building traded at about 14% vacant.

Armada Hoffer Properties, Inc. has acquired the Thames Street Wharf office building located in the Harbor Point development for \$101 million. The building is anchored by Morgan Stanley and Johns Hopkins Medicine which together leases 92% of the property's 263,426 rentable square feet. The building is currently 100% occupied.

GBMC Health Partners, a multi-specialty medical group of GBMC-employed providers, signed a lease for 13,766 sf of space within Padonia Village, a nearly 115,000 sf neighborhood shopping center located at 61 E. Padonia Road in Timonium, MD. The healthcare organization intends to operate a new Advanced Primary Care practice containing physician practice groups in the space formerly occupied by Padonia Ale House, with an anticipated 2020 opening.

Leaves Behavioral Services, an organization dedicated to helping people with social, communication, and behavioral challenges grow and succeed, has signed a lease for 10,030 sf at 8098 Sandpiper Drive in White Marsh, Maryland.



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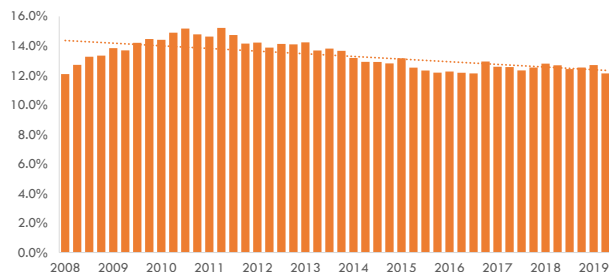
Absorption
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YTD Absorption
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Vacancy
12.1%

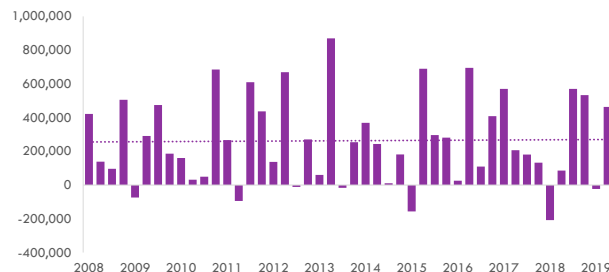
Asking Rent
\$23.52

DIRECT VACANCY



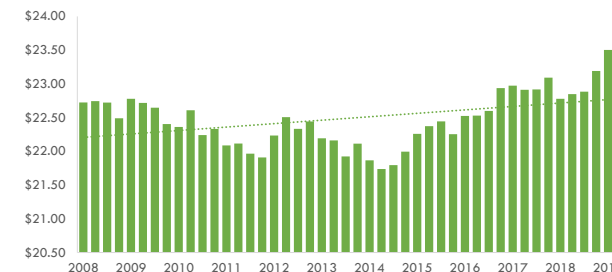
This quarter, direct vacant space decreased, equaling 9,936,839 sf out of the total 81,885,982 sf market size. This resulted in a -1.05% change from 13.19% to 12.13%. Compared to this time last year, vacancy rates are down by -0.56%.

NET ABSORPTION



Quarterly absorption was approximately 463,447 sf. For 2019 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 440,161 sf. Comparatively, at this time last year, absorption was around 85,632 sf.

ASKING RENTAL RATES (Weighted, Full Service)



Asking rental rates averaged \$23.52/sf this quarter, weighted by a total available space of 13,073,090 sf. This is approximately \$0.02/sf higher than last quarter (\$23.50/sf), and \$0.68/sf higher than last year (\$22.85/sf).

Lowest Direct Vacancy

1	Baltimore City North	3.3%
2	Baltimore City East	5.3%
3	Baltimore City Midtown	6.8%

Highest Direct Vacancy

1	Baltimore City West	30.5%
2	City Center B	29.1%
3	City Center A	23.9%

Most Change vs. Prior Quarter

-	Columbia	-3.2%
+	Baltimore City East	+1.2%

Lowest Net Absorption

1	Baltimore City East	-67,517
2	BWI	-40,391
3	Baltimore City South	-20,899

Highest Net Absorption

1	Columbia	385,627
2	I-83 Corridor	94,455
3	Baltimore County West	69,073

Most Absorption, Year-to-Date

-	Baltimore City South	-108,751
+	Columbia	398,058

Cheapest Asking Rates

1	Baltimore City West	\$16.68
2	City Center B	\$17.75
3	Baltimore County West	\$19.20

Most Expensive Asking Rates

1	Baltimore City South	\$31.12
2	City Center A+	\$30.62
3	Annapolis	\$28.46

Most Change vs. Prior Quarter

-	City Center A+	-\$0.52
+	Baltimore City North	+\$1.35

LEASE TRANSACTIONS

Location	Region	Tenant	Leased
111 Schilling Rd	I-83 Corridor	Life Technologies Corporation	35,608
2101 E. Biddle St	Baltimore City	Associated Builders & Contractors	30,049
307 Washington Ave	Towson	Towson University	21,716
700 York Rd	Towson	Fortis Institute	19,600

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
307 International Circle ⁽³⁾	I-83 Corridor	\$25,199,162	\$127.57	197,525
4 North Park Dr ⁽³⁾	I-83 Corridor	\$19,038,171	\$148.42	128,268
8140 Corporate Dr ⁽³⁾	Balt.Co. East	\$13,784,699	\$179.72	76,699
1215 York Rd	I-83 Corridor	\$4,150,000	\$161.48	25,700

(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.