

**MACKENZIE'S LOCAL OUTLOOK**

**BALTIMORE METRO  
COMMERCIAL REAL ESTATE  
MARKET REPORT  
3RD QUARTER  
2019**

**ECONOMY | CAPITAL | CONSTRUCTION | MULTIFAMILY | OFFICE | RETAIL | INDUSTRIAL**





# CONTENTS

<b>Economic Factors</b>	<b>1</b>
<b>Capital &amp; Investment Sales</b>	<b>2</b>
<b>Projects &amp; Construction</b>	<b>3</b>
<b>Multifamily Market</b>	<b>4</b>
<b>Office Overview</b>	<b>5</b>
<b>Retail Overview</b>	<b>7</b>
<b>Industrial Overview</b>	<b>9</b>
<b>Warehouse Overview</b>	<b>10</b>
<b>Flex Overview</b>	<b>11</b>
<b>Our Research</b>	<b>12</b>





## ECONOMIC INDICATORS\*

Employment 1.48 Mil	Unemployment Rate 4.0%	Consumer Price Index (CPI) +1.1%	Household Income Growth +3.9%	Population Growth +0.2%	Leading Maryland Industry <b>Healthcare</b>
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### Baltimore (MSA) Rankings in the News

- Columbia ranks 4th in **Top 10 SAFEST CITIES** in America (CBS)
- Baltimore is the 10th most Millennial-friendly **TRAVEL DESTINATION** in U.S. (HomeToGo)
- Baltimore ranks 29th in most **EXCITING FOOD CITIES** in America (Zagat)
- Baltimore ranked 9th among best **FOODIE CITIES** in nation (BBJ)
- Sagamore Pendry (in Baltimore) ranks 1st in **BEST HOTELS** in U.S. (Conde Nast)
- Enoch Pratt Library in **Top 10 NICEST PLACES IN AMERICA** (Good Morning America)
- 5 Maryland employers among **BEST FOR DIVERSITY** in U.S. (Patch)
- Baltimore Metro ranks 33rd of 383 metro areas in **ECONOMIC STRENGTH** (EAGB)

### Metro Area Employment Growth by Industry Sector (YOY)\*



The Baltimore Metro Area's top employer continues to be the Healthcare/Education Services industry, employing 282.9 thousand, followed by Trade/Transportation/Utilities, and Professional/Business Services at 244.4 thousand and 240.3 thousand respectively.

Contributed by industry partner  
Anirban Basu, CEO of Sage Policy Group, Inc.  
For more information, please visit <http://www.sagepolicy.com>.



## THE I'S HAVE IT - INTEREST RATES, INFLATION, INDUSTRIAL PRODUCTION, & IMPEACHMENT

It was the best of times, and people wondered if they would last. As of this writing, the nation has added jobs for 107 consecutive months and counting. Over that period, the economy has added more than 21 million net new jobs, helping to drive unemployment to a 50-year low and triggering the fastest wage increases in more than a decade. Accordingly, the nation's consumer sector remains robust, with consumer spending remaining the economy's primary economic driver.

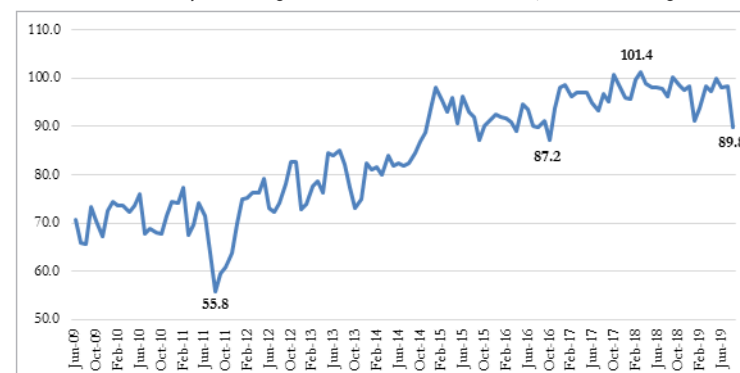
But behind the headline numbers lurks some troubling economic news. Perhaps the most obvious warning sign comes from the nation's manufacturing sector. According to the Institute for Supply Management's Purchasing Managers Index (PMI), economic activity in the nation's manufacturing sector is now contracting. Predictably, global trade patterns remain the most significant issue, with a contraction in new export orders commencing in July 2019. Among 18 manufacturing segments, only three recorded growth in September: miscellaneous manufacturing, food/beverage and tobacco products, and chemicals. In September, the PMI stood at 47.8, the lowest reading since June 2009. However, any PMI above 42.9 over a period of time generally indicates expansion of the broader economy. Despite a strong consumer sector, fears of recession persist, reflected in part by a recently inverted yield curve, financial market volatility, and a volley of economic forecasts suggesting the onset of recession within the next 12-18 months. Consumers hold the key, and their sentiment is beginning to waver in the context of considerable chatter regarding trade wars, their own indebtedness, and political uncertainty emerging from Washington, D.C.

The University of Michigan produces the monthly Consumer Sentiment Index. In March 2018, the index reached 101.4, its highest post-recession reading. By August, the Index had slipped to 89.9, falling below 90 for the first time since October 2016. Exhibit 1 tracks this index over the last ten years, starting in June 2009, the official end of the last economic recession.

Sensing the pervading weakness, the Federal Reserve has cut short-term rates twice in recent months and has injected liquidity into various markets at critical junctures. With the global economy continuing to weaken, trade disputes persisting, the U.S. dollar strong, which among other things frustrates export growth, and next year's elections positioned to add to both economic and political uncertainty, America's unprecedentedly long economic expansion is in jeopardy.

For its part, Maryland's economy is already weak. Due to the momentum-stifling impacts of a 35-day federal government shutdown that lingered into January and state legislation that may be stifling growth (e.g. minimum wage expansion), Maryland's economy tied for last in the nation in terms of percentage job growth for the period between August 2018 to August 2019. Between January 2019 and August 2019, Maryland's economy lost approximately 15,000 jobs on a seasonally-adjusted basis, with some of the sharpest losses registered among retailers and those in hospitality, segments that are disproportionately impacted by minimum wage legislation.

Exhibit 1. University of Michigan's Consumer Sentiment Index, June 2009-August 2019



\*Indicators and additional economic information taken from the Bureau of Labor Statistics.



## CAPITAL INDICATORS 12MM\*

12-Month Volume  
**\$4,194.4B**

Total Square Feet  
**4.5M**

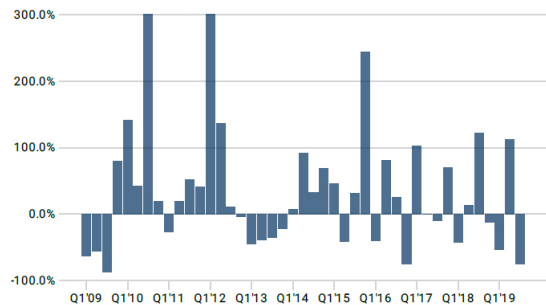
Average Price PSF  
**\$132**

Average Cap Rate  
**6.9%**

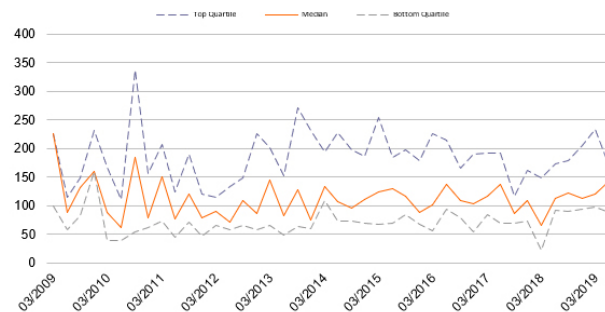
Properties Sold  
**207**

Volume vs. Prior Year  
**-20.4%**

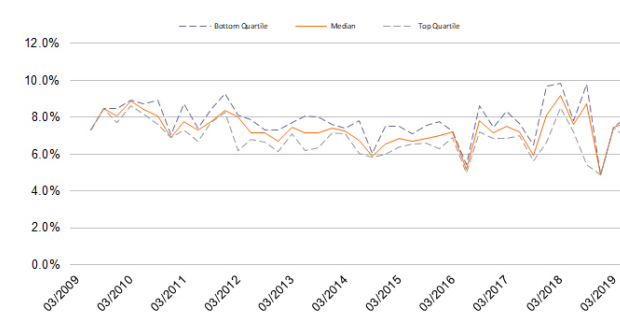
### Change In Sales (Year over Year)



### Average Sale Price Per Square Foot



### Average Cap Rates



- US unemployment rate dropped to a near 50-year low of 3.5% with moderate increase in job growth (US Federal Reserve). Despite this, a recent polling by economists still expects at least one more rate cut due to stagnate wage growth and below target inflation.
- With the reversal on interest and with expected rates to remain low over the medium and short term, capitalization rates are expected to remain low (Real Capital Analytics).
- Although many banks and life companies are reaching internal allocation limits for various property types, capital still remains available in the market at attractive terms.
- The Federal Housing Finance Agency (FHFA) announced an increase to \$200 billion in combined loan purchasing for the next five quarters. This is a dramatic increase from current caps and keeps the valuable agency lending market liquid and full of capital.
- Commercial real estate is still able to attract large inflows of equity investment both from institutional investors and high net worth individuals. Investors are worried about trade wars, geopolitical instability and still digesting the reality of negative interest rates around the world. This has led to continued volatility in the equities market and still historical lows in fixed income. Large capital managers are still in search for yield, pushing more and more to real estate.

## TOP INVESTMENT 'PLAYERS' BY ACQUISITION/DISPOSITION VOLUME

TOP BUYERS (24 MONTHS ROLLING)	Base City	Average Price Per Sale	Acquisition Volume	Properties
Kushner Companies	New York, NY, USA	\$86.7 million	\$693.5 million	8
Blackstone	New York, NY, USA	\$17.3 million	\$587.5 million	34
Brookfield AM	Toronto, ON, CAN	\$66.7 million	\$466.9 million	7
Delek Group	Netanyal, SR	\$90.4 million	\$452 million	5
Harbor Group Int'l	Norfolk, VA, USA	\$70.4 million	\$351.9 million	5

TOP SELLERS (24 MONTHS ROLLING)	Base City	Average Price Per Sale	Disposition Volume	Properties
Lone Star	Dallas, TX, USA	\$83.7 million	\$1,507.5 billion	18
GGP	Chicago, IL, USA	\$84.2 million	\$420.8 million	5
Gramercy Property Trust	New York, NY, USA	\$33.2 million	\$332.3 million	10
Greenfield Partners	Westport, CT, USA	\$13.9 million	\$304.9 million	22
FRP Development	Sparks Glencoe, MD, USA	\$10.3 million	\$267.7 million	26

### Private Buyers

Privately-controlled business geared toward operating, developing, or investing CRE.

**63.5%**

Prior Year:  
37%

**12.5%**

Prior Year:  
13.1%

### Listed/REITs

Corporation that combines the capital of many investors to acquire or provide financing.

### Institutional Buyers

Investor such as a bank or mutual fund.

**6.3%**

Prior Year:  
32.6%

\*Indicators taken from Real Capital Analytics for a rolling 12-month period based on reported sales. Benchmark compares to the U.S. market. Buyer type percentages are limited to YTD reported sales.



## PROJECT INDICATORS

RBA Under Construction  
**8,271,838**

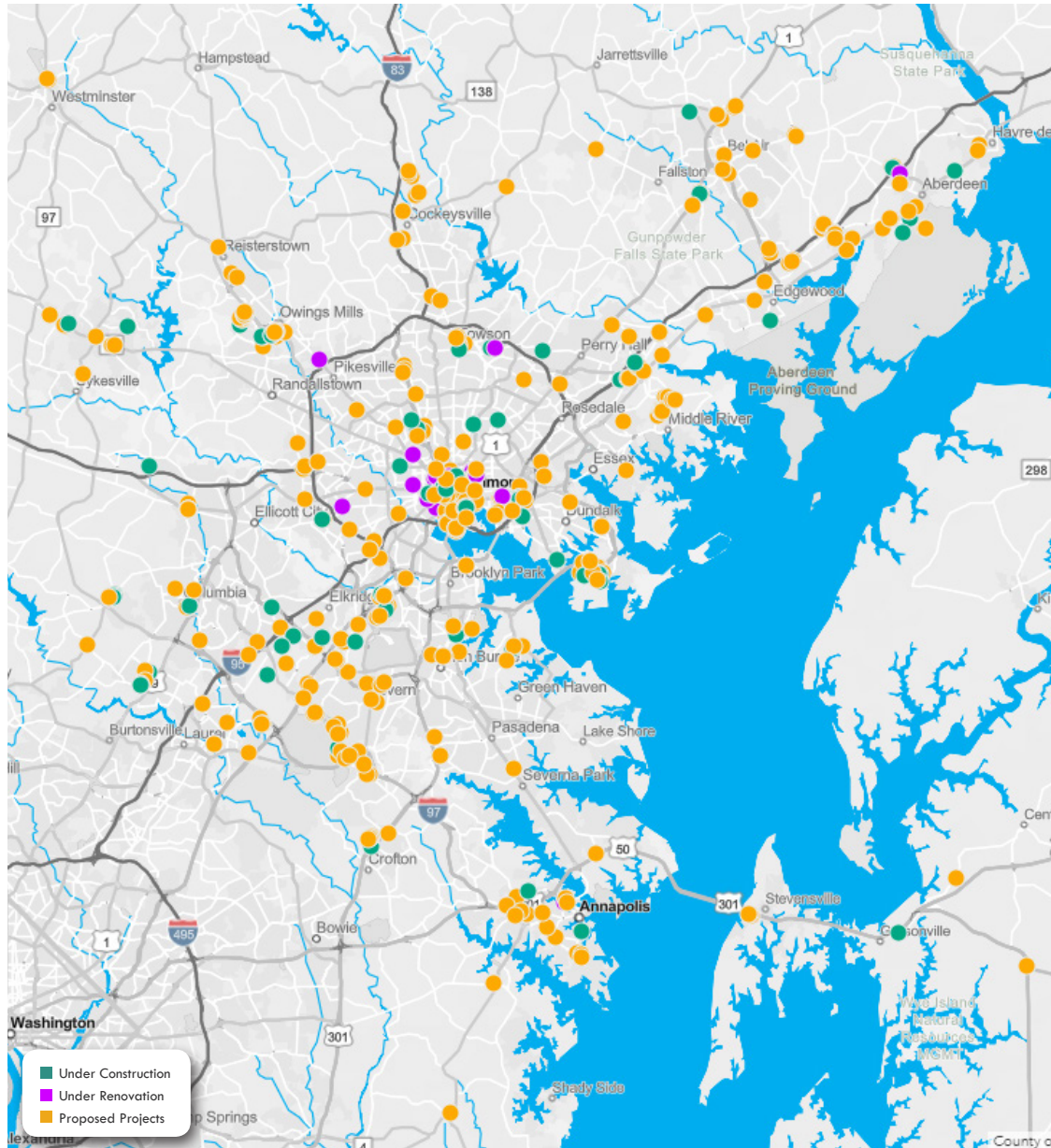
Count Under Construction  
**47**

RBA Delivered YTD  
**2,147,309**

Vacant Availability  
**6.6%**

Proposed Buildings  
**308**

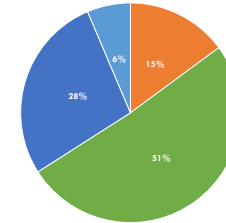
Count Under Renovation  
**18**



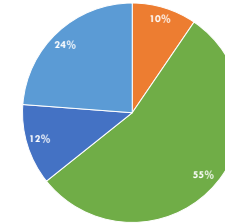
## PROPERTY TYPE BREAKDOWN

Legend: Office (Orange), Retail (Green), Warehouse (Blue), Flex (Light Blue)

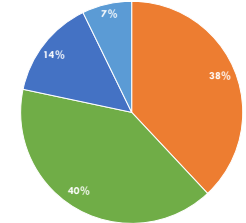
### Under Construction



### Deliveries YTD



### Proposed Buildings



## HIGHLIGHTED DEVELOPMENT PROJECTS



### North East Commons

The project, a speculative distribution facility, is slated to be completed by the first quarter of 2020. It is situated along the I-95 corridor north of Baltimore. Plans for the 716,490 sf facility at 200 Nazarene Camp Road call for 40-ft clear ceiling heights and one per 7,000 sf dock door ratios. The 60-acre site is rail capable and located within a Maryland Enterprise Zone.



### Southern Streams Health & Wellness Ctr.

Marvin Harvin Transformation Center Community Development Corp. (CDC) revealed plans for this project, a 120,000 sf medical office building in Baltimore. Located at 1501 North Chester St., Johns Hopkins will occupy approximately 22,000 sf in the building. The center is slated to be completed by early 2021 and is the next stage in the city's revitalization plans for East Baltimore.



### 3401 Boston

Proposed 200,000 sf building in Canton that will sit atop multiple levels of garage parking and 9,000 sf of street-level retail. This project joins the list of many for the bustling Canton waterfront. Developer Mark Sapperstein is constructing the Collective at Canton, a 12-acre mix of residential, retail and offices across Boston Street, and COPT has proposed 1.1 million sf of Class A office space, retail, restaurants and possibly a 400-foot apartment tower, a 300-room hotel and a marina.



## PROJECT INDICATORS\*

Existing Buildings  
**5,066**

Inventory (Units)  
**509,049**

Avg. Asking Rent/SF  
**\$1.60 (increase)**

Avg. Market Sale/Unit  
**\$168K**

Vacancy Rate  
**5.5%**

Market Cap Rate  
**5.8%**

## SIGNIFICANT NEW MULTIFAMILY CONSTRUCTION COLLIDES WITH SOFTENING JOB GROWTH

Contributed by industry partner Anirban Basu, CEO of Sage Policy Group, Inc.  
For more information, please visit <http://www.sagepolicy.com>.

Last year will be remembered as a good one for the Free State. Between December 2017 and December 2018, Maryland added nearly 30,000 net new jobs. But as the clock turned toward 2019, it is as if the light switch on Maryland's economy was moved into an off position.

Between January and August 2019, Maryland lost 15,000 jobs on a seasonally-adjusted basis, countervailing almost precisely half of last year's employment expansion. Job loss was especially pronounced during the summer, with June associated with a loss of more than 5,000 jobs and July associated with an additional loss of 3,500. In terms of percentage job growth between August 2018 and August 2019, Maryland tied for last in the nation along with four other states: Wisconsin, Minnesota, Louisiana, and Hawaii. The Baltimore metropolitan area also lost jobs during this period, but the pace of employment loss was slower than in the balance of the state.

Much of the pain has been registered in Maryland's D.C. Suburbs. One possible and obvious explanation is the momentum-frustrating federal government shutdown. The shutdown was the lengthiest in American history, lasting 35 days. Anecdotal evidence suggests that federal government contractors have suffered difficulty recruiting workers ever since, with educated, talented people preferring sectors associated with less uncertainty. Shifting patterns in federal contracting, including among non-defense contractors, may also serve as an explanation. While federal dynamics play a part, there are probably other factors at work. In an effort to uplift the outcomes of workers, Maryland's legislatures have continued to pass legislation placing more restrictions and burdens on Maryland's businesses.

In March 2019, Maryland's General Assembly gave its final approval to legislation that would increase the state's minimum wage to \$15/hour. The increase is set to come in stages and comes on top of a previous effort to raise the minimum wage to its current level of \$10.10/hour. While factors impacting federal workers and government contractors would tend to impact segments such as federal government and professional services, shifts in the minimum wage would tend to have greater impact on segments like retail trade and leisure/hospitality. Indeed, in the category of employment that encompasses retail, Maryland's employment has dipped from 468,000 jobs to 462,400 on a seasonally-adjusted basis, a loss approaching 6,000 positions. In the leisure/hospitality category, statewide employment has declined from 284,800 jobs to 281,600 positions, a loss of 3,200 jobs on net.

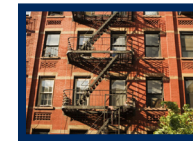
While employment growth in Maryland and the Baltimore metropolitan area has been softening, multifamily construction has been blossoming. According to data released by MacKenzie Commercial Real Estate, there were more than 11,000 units under construction statewide as of the third quarter. Nearly 6,100 of these units are under construction in the Baltimore area.

To date, regional multifamily performance can be characterized as resilient. The vacancy rate in the Baltimore region recently dipped to 6% while rents continued to edge higher. But this earlier period had been associated with a bit of a lull in new unit delivery. With the number of units under construction presently elevated both regionally and statewide and with the pace of absorption dipping recently in the context of slower employment growth, vacancy is poised to head higher. To the extent that the national economy continues to slow, this will place additional pressure on Maryland's already sluggish labor market performance.

## TOP RENTER LIFESTYLES | BALTIMORE METROPOLITAN

### METRO RENTERS | 24.3%

Residents in this highly mobile and educated market live alone or with a roommate in older apartment buildings and condos located in the urban core of the city. This is one of the fastest growing segments; the popularity of urban life continues to increase for consumers in their late twenties and thirties.



### SOCIAL SECURITY SET | 7.9%

An older market located in metropolitan cities, a quarter of which are 65 or older. Residents live alone in low-rent, high-rise buildings, in or close to business districts that attract heavy daytime traffic. They enjoy the hustle and bustle of life in the heart of the city, with the added benefit of access to hospitals, community centers, and public transportation.

### PARKS AND REC | 6.3%

These practical suburbanites have achieved the dream of home ownership. They have purchased homes that are within their means. Their homes are older, and town homes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon.



## INTRODUCING MACKENZIE MULTIFAMILY MANAGEMENT



MacKenzie Multifamily Management, LLC provides a personalized approach to multifamily management. Specializing in the development, construction, leasing, and management of new and existing apartment communities, MacKenzie approaches each project with the goal of providing tenants with a sense of community while exceeding the expectations of a management company. Acting previously as a partner to the firm, Kevin Carney joined MacKenzie this past spring to lead multifamily efforts in response to the firms' expanding property management and development opportunities. Kevin's experience spans more than 30 years in developing, building, and managing single family and multifamily housing. His professional background also includes experience in brokerage, banking, acquisition, development of land, and law. Kevin can be reached at [kcarney@mackenziemanagement.com](mailto:kcarney@mackenziemanagement.com).

\*Indicators taken from CoStar for the Maryland multifamily market as of 2019 Q3.



## OFFICE INDICATORS

Market Size  
**82,233,467**

Building Count  
**1,227**

Absorption  
**-44,702**

YTD Absorption  
**189,564**

Vacancy  
**12.8%**

Asking Rent  
**\$23.52**

## MARKET OUTLOOK

The Baltimore-Metro Office market remained stable through the 3rd Quarter of 2019. Healthcare and Biotech have remained prominent factors for the market's stabilization. In Q3 WeWork decided to halt all new lease agreements as the company is attempting to secure fresh capital after experiencing a decline in financials. University of Maryland Biopark brings in KaloCyte, a company whose goal is to promote its synthetic red blood cell substitute, as one of the 40 tenants who will occupy the university's new 330,000 sf lab and office tower. Howard Hughes' Merriweather District continues to grow at a rapid pace; construction on a 320,964 sf building anchored by Tenable wrapped up this quarter. Downtown, insurance powerhouse AON Corp. is moving out of its current 25,000 sf space at 500 E. Pratt Street to 111 S. Calvert Street where the company has recently signed a 10-year lease agreement to occupy 6,000 sf. No indication has been given to the company's drastic decrease of office space.

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	2,685,621	6.9%	8.1%	3.4%	-50,483	-115,498	\$24.68	\$23.64	\$27.43
Baltimore City Midtown	1,682,781	7.6%	6.6%	4.7%	-17,606	-9,159	\$20.06	\$20.20	\$19.99
Baltimore City North	3,271,229	3.3%	3.2%	6.3%	-6,995	82,192	\$25.78	\$27.19	\$26.54
Baltimore City South	1,627,545	13.4%	15.5%	7.0%	19,787	-88,964	\$31.12	\$31.12	\$27.12
Baltimore City West	2,054,803	29.5%	30.7%	30.8%	23,923	-13,843	\$16.51	\$16.68	\$13.25
<b>Baltimore City</b>	<b>11,321,979</b>	<b>11.0%</b>	<b>11.6%</b>	<b>9.9%</b>	<b>-31,374</b>	<b>-145,272</b>	<b>\$21.11</b>	<b>\$21.59</b>	<b>\$19.34</b>
City Center A	3,122,337	24.0%	25.4%	24.9%	-3,262	-55,424	\$25.11	\$24.65	\$24.68
City Center A+	5,883,444	7.8%	9.0%	7.6%	22,733	31,455	\$32.57	\$30.62	\$29.37
City Center B	2,695,705	28.7%	28.4%	29.4%	-6,420	-239	\$17.71	\$17.75	\$17.76
City Center B+	2,938,662	15.7%	17.2%	16.6%	26,765	17,420	\$23.24	\$23.24	\$22.98
<b>City Center</b>	<b>14,640,148</b>	<b>16.7%</b>	<b>17.7%</b>	<b>17.1%</b>	<b>39,816</b>	<b>-6,788</b>	<b>\$24.18</b>	<b>\$23.76</b>	<b>\$23.55</b>
<b>Baltimore + CBD</b>	<b>25,962,127</b>	<b>14.2%</b>	<b>15.1%</b>	<b>14.0%</b>	<b>8,442</b>	<b>-152,060</b>	<b>\$23.29</b>	<b>\$23.09</b>	<b>\$22.26</b>
Baltimore County East	2,213,509	16.2%	15.2%	16.1%	20,653	93,444	\$22.53	\$23.13	\$21.62
Baltimore County West	3,107,567	14.9%	12.8%	12.4%	-64,295	-37,766	\$19.31	\$19.27	\$19.32
Harford County	3,671,357	19.1%	19.6%	20.5%	3,698	70,230	\$22.90	\$23.25	\$21.27
I-83 Corridor	8,573,277	8.5%	7.5%	8.3%	-122,963	-26,792	\$22.26	\$22.14	\$20.94
Reisterstown Rd Corridor	5,126,851	15.5%	16.9%	17.0%	38,783	23,273	\$21.49	\$22.38	\$20.88
Towson	5,153,596	13.8%	14.0%	11.5%	7,984	-85,107	\$20.28	\$20.92	\$20.77
<b>Northern Metro</b>	<b>27,846,157</b>	<b>13.5%</b>	<b>13.2%</b>	<b>13.3%</b>	<b>-116,140</b>	<b>37,282</b>	<b>\$21.53</b>	<b>\$21.91</b>	<b>\$20.86</b>
Annapolis	4,474,075	10.3%	10.7%	7.5%	87,428	-21,996	\$27.35	\$28.43	\$27.96
BWI	8,764,983	13.2%	13.8%	12.8%	-1,901	23,337	\$26.87	\$27.47	\$26.90
Columbia	13,929,842	9.2%	9.7%	10.3%	-29,350	310,741	\$25.27	\$25.14	\$25.20
Route 2 Corridor	1,256,283	13.3%	13.8%	11.9%	6,819	-7,740	\$21.11	\$21.53	\$20.92
<b>Southern Metro</b>	<b>28,425,183</b>	<b>10.8%</b>	<b>11.3%</b>	<b>10.7%</b>	<b>62,996</b>	<b>304,342</b>	<b>\$25.83</b>	<b>\$26.20</b>	<b>\$25.94</b>
<b>Totals</b>	<b>82,233,467</b>	<b>12.8%</b>	<b>13.1%</b>	<b>12.6%</b>	<b>-44,702</b>	<b>189,564</b>	<b>\$23.52</b>	<b>\$23.68</b>	<b>\$22.90</b>

\*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

Agora, a network for more than 30 companies in the publishing, information services and real estate industries, purchased 1030 North Charles Street, a 50,000 sf office building in the heart of Baltimore's Mount Vernon neighborhood from a private local investor for \$6 million, or \$120/sf.

iNovex and Red Alpha, both local cyber-security related firms have signed leases for COPT's renovated 6950 Columbia Gateway Drive, 11,900 sf and 6,200 sf, respectively.

VersaTech, a cybersecurity company, Feldman Bergin, a Howard County-based development and investment firm, and Long Fence and Home, LLLP, a home remodeling company purchased 8510, 8520, and 8530 Corridor Road, respectively. Totaling 130,000 sf, the buildings are situated in the Corridor 32 Business Center in Savage, MD. Currently based in Columbia, VersaTech will be relocating their headquarters to 8510 Corridor Road and Long Fence will relocate from Beltsville to 8530 Corridor Road.

Insurance giant AON Corp. is moving from 500 E. Pratt Street to 1111 S. Calvert Street where it has signed a 10-year lease for 6,000 sf.

Brown Advisory is taking another 50,000 sf at Bond Street Wharf in Fells Point bringing the waterfront building to full occupancy. WillScot Corp. and Johns Hopkins Health System Corp. both recently signed renewals in the 207,000 sf class A office building.

The Howard County Economic Development Authority (HCEDA) completed the first phase of the Howard County Innovation Center Project that included renovating the third floor of 6751 Columbia Gateway Drive into a premier 16,000 sf business incubator space.

MassMutual, a life insurance company headquartered in Springfield, Massachusetts, signed a seven-year extension and expanded into additional space totaling 22,514 sf at 11350 McCormick Road in the Executive Plaza Office Park in Hunt Valley, MD.



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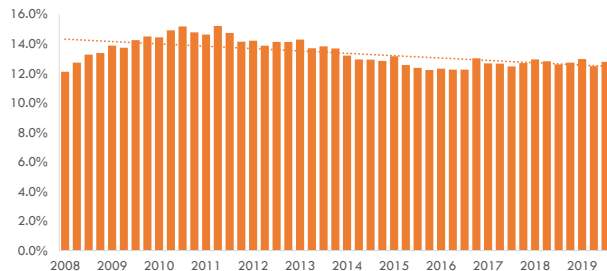
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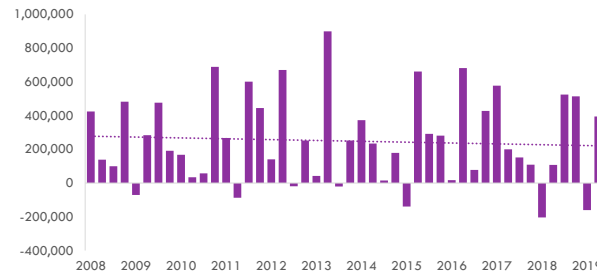
Asking Rent  
**\$23.52**

## DIRECT VACANCY



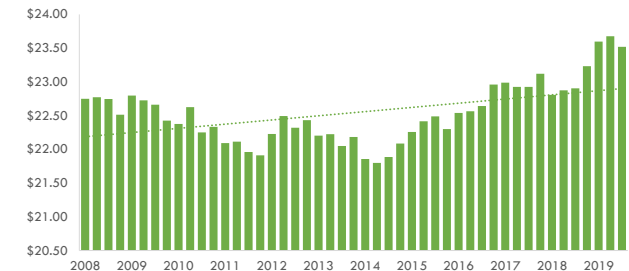
This quarter, direct vacant space decreased, equaling 10,514,178 sf out of the total 82,233,467 sf market size. This resulted in a -0.35% change from 13.14% to 12.79%. Compared to this time last year, vacancy rates are up by 0.17%.

## NET ABSORPTION



Quarterly absorption was approximately -44,702 sf. For 2019 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 189,564 sf. Comparatively, at this time last year, absorption was around 524,562 sf.

## ASKING RENTAL RATES (Weighted, Full Service)



Asking rental rates averaged \$23.52/sf this quarter, weighted by a total available space of 13,245,106 sf. This is approximately \$0.16/sf lower than last quarter (\$23.68/sf), and \$0.61/sf higher than last year (\$22.90/sf).

### Lowest Direct Vacancy

1	Baltimore City North	3.3%
2	Baltimore City East	6.9%
3	Baltimore City Midtown	7.6%

### Highest Direct Vacancy

1	Baltimore City West	29.5%
2	City Center B	28.7%
3	City Center A	24.0%

### Most Change vs. Prior Quarter

-	Baltimore City South	-2.1%
+	Baltimore County West	2.1%

### Lowest Net Absorption

1	I-83 Corridor	-122,963
2	Baltimore County West	-64,295
3	Baltimore City East	-50,483

### Highest Net Absorption

1	Annapolis	87,428
2	Reisterstown Rd Corridor	38,783
3	City Center B+	26,765

### Most Absorption, Year-to-Date

-	Baltimore City East	-115,498
+	Columbia	310,741

### Cheapest Asking Rates

1	Baltimore City West	\$16.51
2	City Center B	\$17.71
3	Baltimore County West	\$19.31

### Most Expensive Asking Rates

1	City Center A+	\$32.57
2	Baltimore City South	\$31.12
3	Annapolis	\$27.35

### Most Change vs. Prior Quarter

-	Baltimore City North	-\$1.41
+	City Center A+	\$1.95

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased
375 W. Padonia Road <sup>(1)</sup>	I-83 Corridor	TESSCO Technologies	102,164
1201 Wills Street	Balto. City East	JellyFish Digital	34,645
250 W. Pratt Street	City Center	Univ. of MD Faculty Physicians	27,172
11350 McCormick Road	I-83 Corridor	Mass Mutual	22,514

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
305 Washington Avenue	Towson	\$4,760,000	\$90.15	52,800
8510 Corridor Road	Columbia	\$3,550,000	\$118.33	30,000
9505 Reisterstown Road	Reisterstown Cor.	\$3,090,000	\$111.00	27,873
33 - 59 Kensington Pkwy	Harford Co.	\$3,200,000	\$164.57	13,672

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo





## RETAIL INDICATORS

Market Size  
**136,087,705**

Building Count  
**10,097**

Absorption  
**186,134**

YTD Absorption  
**598,206**

Vacancy  
**4.2%**

Asking Rent (NNN)  
**\$19.81**

## RETAIL HIGHLIGHT: 64% OF RETAILERS OPENING NEW STORES IN 2019

There is constant pressure today for retailers to change and improve their online presence to stay competitive while also maintaining their brick and mortar presence to stay profitable. Across every retail segment, 2019 industry research shows there are more chains that are expanding their number of stores than closing, a cycle that retail landlords have been riding for decades. While it can prove healthy for a company to shutter underperforming stores, it is the net overall change that will reveal the health of a company and the industry as a whole.

According to an article in the August 2019 edition of Shopping Centers Today and global research and advisory firm, IHL Group, roughly five retail chains are opening stores for every single retailer that is closing them this year. This is up from last year's nearly 4:1 ratio. The firm also noted the number of chains adding stores in 2019 has increased by 56%. Two primary characteristics among those chains closing the most stores are high debt levels and rapid rates of expansion driven by historically low rates of interest over the past 10 years. This can be indicative of individual retailers rather than of the retail industry on the whole. Additionally, the article noted US retail has increased by \$565 billion in sales since January of 2017, fed not just by online sales growth but by net stores sales growth. Significant pressure remains in apparel and department stores.



## HIGHLIGHTS & TRENDS

Nalley Fresh signed a 10-year, 2,300 sf lease at Court Towers, 210 W. Pennsylvania Avenue in Towson, MD and is slated to open in November.

Washington, DC-based restaurant Bus Boys & Poets announced plans to open in Columbia, joining the rapidly growing Merriweather District. This marks the eighth location for the neighborhood café and bookstore and also the largest at 10,771 sf with seating for 400.

German discount grocer Lidl will open a new store inside the former Sears space at the Mall in Columbia, the fourth full-service store for Lidl in Maryland. The 26,170 sf store is slated to open next spring.

Department store company Burlington signed a new lease for space at the Centre at Glen Burnie in Glen Burnie, MD. This new location at 6711 Ritchie Highway will total 37,866 sf compared to its former 81,713 sf at Harundale Plaza.

Chipotle will replace a portion of the space previously occupied by P.F. Chang's China Bistro along a prime stretch of Pratt Street at Lockwood Place, opening early 2020.

Sprouts Farmers Market opened a Bel Air store in July, marking the third location the grocer has brought to the Baltimore area within the past 16 months. The 33,000 sf store is located in the Tollgate Marketplace Shopping Center.

PM Pediatrics, the nation's largest provider of pediatric urgent care opened its newest location (fifth in Maryland) at 6630 Marie Curie Drive in the Gateway Overlook Shopping Center, occupying 5,034 sf.

Giant Food regional grocery chain opened a new location at 10210 Mill Run Circle in Owings Mills in August that will feature over 66,730 sf to house expanded departments and unique product offerings.

Local organic grocery store Rooster & Hen is moving from Catonsville to Federal Hill's newly renovated Cross Street Market. The grocer will fill an 1,800 sf space near the entrance at Light Street.

Planet Fitness will open at 6475 Dobbin Road in Columbia, occupying 17,000 sf previously occupied by furniture retailer Offenbacher.

THE NUMBERS	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		ASKING RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis	13,260,934	3.6%	3.9%	3.5%	43,001	98,126	\$22.82	\$23.07	\$23.04
Baltimore City	27,082,478	4.6%	4.7%	4.7%	-24,661	-37,103	\$15.68	\$16.16	\$16.81
Baltimore County East	9,899,666	7.1%	6.9%	6.8%	-18,020	6,670	\$16.33	\$16.12	\$16.55
Baltimore South	10,755,156	5.8%	6.1%	5.7%	30,645	110,867	\$16.75	\$16.27	\$19.07
Baltimore West	10,487,663	4.1%	3.5%	2.6%	-66,282	-193,302	\$20.51	\$20.37	\$20.32
Carroll County	8,204,585	2.8%	2.9%	3.2%	4,818	77,222	\$14.90	\$15.25	\$15.25
Columbia	9,165,618	3.9%	4.7%	2.7%	113,851	212,957	\$34.56	\$32.98	\$27.18
Ft. Meade	9,329,497	2.2%	2.4%	3.6%	5,055	56,712	\$23.41	\$23.07	\$21.96
Harford County	12,185,944	4.3%	4.7%	4.3%	62,624	164,405	\$19.55	\$18.94	\$18.08
Reisterstown Road Corridor	6,140,533	3.7%	4.2%	4.3%	-29,490	109,286	\$21.77	\$21.91	\$22.41
White Marsh/Perry Hall	6,313,878	2.5%	2.9%	2.7%	-448	-1,871	\$22.25	\$20.28	\$20.26
York Road Corridor	13,261,753	3.9%	4.4%	3.4%	65,041	-5,763	\$23.91	\$25.03	\$22.96
<b>Totals</b>	<b>136,087,705</b>	<b>4.2%</b>	<b>4.4%</b>	<b>4.1%</b>	<b>186,134</b>	<b>598,206</b>	<b>\$19.81</b>	<b>\$19.98</b>	<b>\$19.54</b>

## SHOPPING AROUND...\*



**Sola Salons**  
Seeking 4,800 - 8,000 sf locations throughout the Baltimore Metro area.



**THB Bagels and Deli**  
Seeking 3,000 sf locations with ample parking throughout the Baltimore Metro area.



**KinderCare Learning Centers**  
Seeking 10,000 - 14,000 sf locations throughout Maryland, Virginia, and Washington, DC.

\*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.



## RETAIL INDICATORS

Market Size  
**136,087,705**

Building Count  
**10,097**

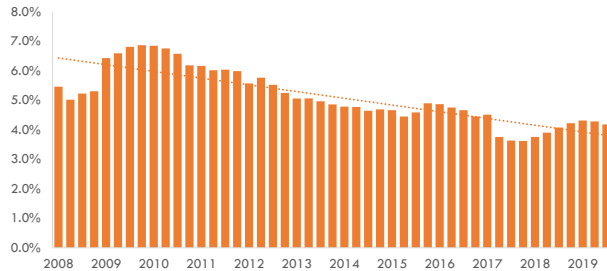
Absorption  
**186,134**

YTD Absorption  
**598,206**

Vacancy  
**4.2%**

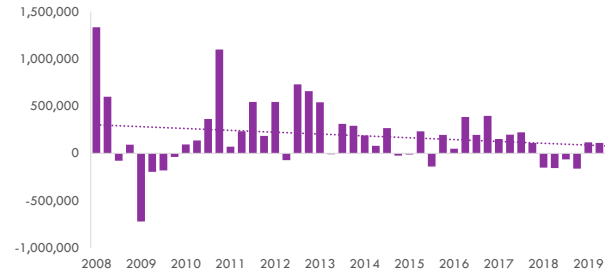
Asking Rent (NNN)  
**\$19.81**

### DIRECT VACANCY



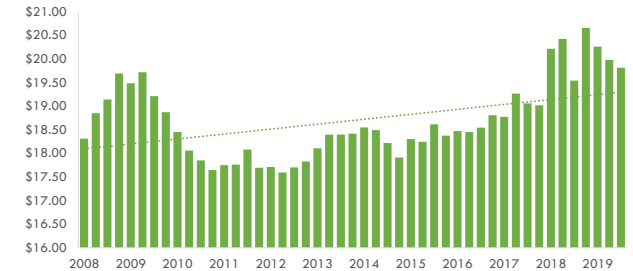
This quarter, direct vacant space decreased, equaling 5,686,901 sf out of the total 136,087,705 sf market size. This resulted in a -0.22% change from 4.39% to 4.18%. Compared to this time last year, vacancy rates are up by 0.10%.

### NET ABSORPTION



Quarterly absorption was approximately 186,134 sf. For 2019 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 598,206 sf. Comparatively, at this time last year, absorption was around -64,679 sf.

### ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$19.81/sf this quarter, weighted by a total available space of 7,958,576 sf. This is approximately \$0.17/sf lower than last quarter (\$19.98/sf), and \$0.27/sf higher than last year (\$19.54/sf).

#### Lowest Direct Vacancy

1	Ft. Meade	2.2%
2	White Marsh/Perry Hall	2.5%
3	Carroll County	2.8%

#### Highest Direct Vacancy

1	Baltimore County East	7.1%
2	Baltimore South	5.8%
3	Baltimore City	4.6%

#### Most Change vs. Prior Quarter

-	Columbia	-0.8%
+	Baltimore West	0.6%

#### Lowest Net Absorption

1	Baltimore West	-66,282
2	Reisterstown Road Corridor	-29,490
3	Baltimore City	-24,661

#### Highest Net Absorption

1	Columbia	113,851
2	York Road Corridor	65,041
3	Harford County	62,624

#### Most Absorption, Year-to-Date

-	Baltimore West	-193,302
+	Columbia	212,957

#### Cheapest Asking Rates

1	Carroll County	\$14.90
2	Baltimore City	\$15.68
3	Baltimore County East	\$16.33

#### Most Expensive Asking Rates

1	Columbia	\$34.56
2	York Road Corridor	\$23.91
3	Ft. Meade	\$23.41

#### Most Change vs. Prior Quarter

-	York Road Corridor	-\$1.12
+	White Marsh/Perry Hall	\$1.97

### LEASE TRANSACTIONS

Location	Region	Tenant	Leased
7927 S. Belair Road	Balto. Co. East	LA Fitness	32,000
10300 Reisterstown Road	Reisterstown Rd.	Hobby Lobby	28,784
6475 Dobbin Road	Columbia	Planet Fitness	17,000
1810 York Road, Grand York Plaza	Towson	Sola Salons	8,000

### SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
9616 Reisterstown Road	Reisterstown Rd.	\$6,700,000	\$209.00	32,058
7002-7014 Reisterstown Road	Reisterstown Rd.	\$5,920,000	\$116.00	51,070
3613-3615 E. Joppa Road	Balto. Co. East	\$5,600,000	\$261.69	21,399
2936 O'Donnell Street	Baltimore City	\$910,350	\$170.16	5,350

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo



## INDUSTRIAL INDICATORS

Market Size  
**233,033,595**

Building Count  
**4,384**

Absorption  
**-139,839**

YTD Absorption  
**1,669,199**

Vacancy  
**7.2%**

Asking Rent\*  
**\$6.33**

## MARKET OUTLOOK

The Baltimore Industrial Market for Q3 remains strong as sustained demand continues to drive vacancy rates lower, while putting upward pressure on asking rents. Due to a lack of opportunities in the market, tenants are being forced to sign longer term leases for new construction prior to completion. Although asking rents are slightly increasing in certain submarkets, Baltimore is still considered to be a cost-effective location when being compared to other Mid-Atlantic and Northeast hubs. Developers and tenants are seeking opportunities in outlying submarkets like Hagerstown and Cecil County where there is strong availability of labor as hiring to support new projects continues to be critical. The state will continue to see large recognizable tenants float through due to Baltimore-Metro being such a lucrative option with its access to the fourth largest combined market in the country, along with its access to the Port of Baltimore and I-95. Development continues to increase as Q3 has seen more industrial space underway than any other quarter in history. Developers and investors are scouring the market for opportunities as interest rates remain low and they continue to see a strong runway for future growth. We continue to see lower cap rates paired with higher average sales prices across the board.

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	5,975,592	11.2%	9.6%	5.3%	-81,824	-285,663	\$13.39	\$13.67	\$14.62
Arbutus	2,146,066	6.4%	7.1%	5.6%	7,204	-7,130	\$11.49	\$11.49	\$8.25
Baltimore City	5,795,031	7.8%	7.9%	7.7%	514	-97,024	\$9.48	\$9.40	\$8.68
Baltimore County East	4,042,373	7.0%	8.1%	5.8%	21,547	64,551	\$10.26	\$10.26	\$10.57
BW Corridor	18,030,924	6.1%	7.0%	6.1%	139,284	208,914	\$12.67	\$12.71	\$12.91
Carroll County	1,675,392	6.4%	7.9%	10.2%	270	62,494	\$7.04	\$7.61	\$11.50
Harford/Cecil	3,212,183	8.2%	9.1%	7.4%	30,431	16,687	\$11.30	\$12.96	\$11.15
I-83 Corridor	5,340,423	3.2%	3.1%	1.9%	-3,631	-49,381	\$9.11	\$9.14	\$9.62
Reisterstown Road	2,989,805	13.8%	12.8%	12.8%	-32,472	-39,165	\$10.30	\$10.29	\$10.76
Woodlawn	2,477,556	8.0%	8.4%	6.7%	11,268	-29	\$7.23	\$7.32	\$6.83
<b>Flex Totals</b>	<b>51,685,345</b>	<b>7.3%</b>	<b>7.7%</b>	<b>6.4%</b>	<b>92,591</b>	<b>-125,746</b>	<b>\$11.01</b>	<b>\$11.19</b>	<b>\$11.03</b>
Annapolis/Route 2	8,972,584	6.2%	11.5%	8.2%	85,587	-63,873	\$5.76	\$6.44	\$6.09
Arbutus	7,734,316	5.8%	5.7%	4.9%	-9,863	-148,055	\$4.44	\$3.78	\$3.69
Baltimore City	40,585,741	4.6%	4.8%	5.2%	55,938	400,454	\$5.05	\$5.00	\$5.05
Baltimore County East	26,725,243	16.7%	17.3%	17.5%	174,119	419,009	\$2.94	\$2.95	\$3.31
BW Corridor	44,940,360	6.9%	7.6%	7.8%	-163,484	533,671	\$6.91	\$6.88	\$6.40
Carroll County	7,617,550	8.5%	8.4%	8.4%	-8,207	23,665	\$6.20	\$6.26	\$5.69
Harford/Cecil	37,756,342	4.5%	5.2%	3.4%	-429,522	578,540	\$5.02	\$4.76	\$4.97
I-83 Corridor	4,371,091	2.6%	4.0%	2.3%	31,940	45,514	\$8.72	\$9.67	\$7.87
Reisterstown Road	1,375,684	1.8%	2.3%	2.7%	6,687	26,349	\$9.23	\$8.97	\$8.75
Woodlawn	1,269,339	5.4%	7.3%	4.7%	24,375	-20,329	\$7.24	\$5.32	\$7.40
<b>Warehouse Totals</b>	<b>181,348,250</b>	<b>7.2%</b>	<b>8.0%</b>	<b>7.5%</b>	<b>-232,430</b>	<b>1,794,945</b>	<b>\$4.98</b>	<b>\$4.90</b>	<b>\$4.94</b>
<b>Totals</b>	<b>233,033,595</b>	<b>7.2%</b>	<b>7.9%</b>	<b>7.3%</b>	<b>-139,839</b>	<b>1,669,199</b>	<b>\$6.33</b>	<b>\$6.41</b>	<b>\$6.14</b>

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

## HIGHLIGHTS & TRENDS

Vision Technologies, a local company that provides information technology solutions, purchased 6704 Curtis Court, a 56,488 sf flex building at Baymeadow Industrial Park in Glen Burnie, Maryland, from Irvine, California-based HCP for \$5.64 million, or \$100/sf.

Developer Blue Ocean purchased the largest industrial building in the State of Maryland at 2800 Eastern Blvd. The nearly two million sf project sold for \$19.9 million and previously served as a factory where B-26 bombers among other aircraft were manufactured during World War II. Plans include turning the transit oriented property into a retail and leisure destination branded as Aviation Station.

Former IDI Warehouses traded to two different buyers; Realterm Logistics picked up one of the buildings at 521 McCormick Drive in Glen Burnie and Prologis was the buyer of the other at 8309 Sherwick Court in Jessup. Realterm, based in Annapolis, paid \$15.7 million for the 107,000 sf building that traded fully leased; Prologis purchased their 100,000 sf building also fully leased for \$12.1 million.

A 70,000 sf seafood warehouse will open in the Maryland Food Center in Jessup early next year with the development of the North Atlantic Fish Co. facility that kicked off this July at 7775 Chesapeake Bay Court. The facility will be adjacent to the site where NAFCO has had an 88,000 sf warehouse for decades.

XD2 Investments purchased two industrial buildings located in the Woodberry section of Baltimore at 1780 and 1790 Union Avenue for \$5.5 million, or approximately \$32/sf. Both buildings were fully leased.

Route 32 Business Park and Telegraph Road Business Park totaling nearly 180,000 sf of industrial space sold to affiliates of Kohlberg, Kravis, and Roberts (KKR) for over \$26 million.



## WAREHOUSE INDICATORS

Market Size  
**181,348,250**

Building Count  
**3,025**

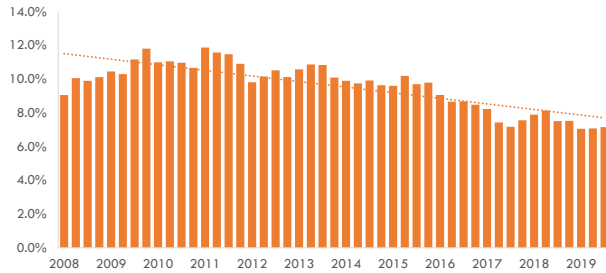
Absorption  
**-232,430**

YTD Absorption  
**1,794,945**

Vacancy  
**7.2%**

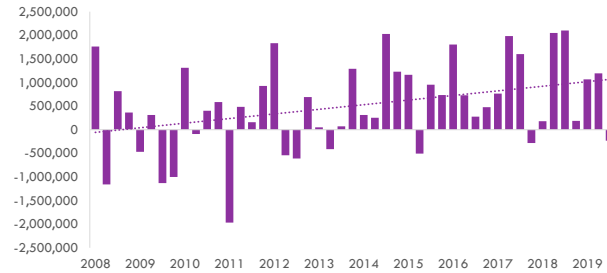
Asking Rent (Gross)  
**\$4.98**

## DIRECT VACANCY



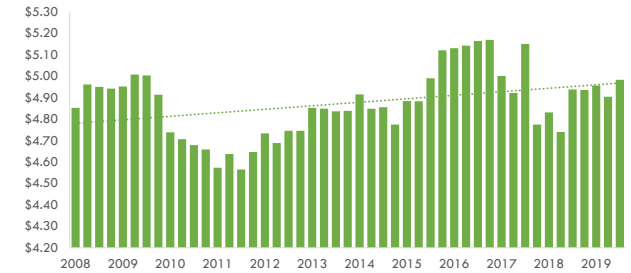
This quarter, direct vacant space decreased, equaling 12,977,535 sf out of the total 181,348,250 sf market size. This resulted in a -0.80% change from 7.95% to 7.16%. Compared to this time last year, vacancy rates are down by -0.36%.

## NET ABSORPTION



Quarterly absorption was approximately -232,430 sf. For 2019 year-to-date, tenant movement in the area shows an overall positive absorption, totaling 1,794,945 sf. Comparatively, at this time last year, absorption was around 2,099,886 sf.

## ASKING RENTAL RATES (Weighted, Gross)



Asking rental rates averaged \$4.98/sf this quarter, weighted by a total available space of 18,356,407 sf. This is approximately \$0.08/sf higher than last quarter (\$4.90/sf), and \$0.05/sf higher than last year (\$4.94/sf).

### Lowest Direct Vacancy

1	Reisterstown Road	1.8%
2	I-83 Corridor	2.6%
3	Harford/Cecil	4.5%

### Highest Direct Vacancy

1	Baltimore County East	16.7%
2	Carroll County	8.5%
3	BW Corridor	6.9%

### Most Change vs. Prior Quarter

-	Annapolis/Route 2	-5.3%
+	Arbutus	0.1%

### Lowest Net Absorption

1	Harford/Cecil	-429,522
2	BW Corridor	-163,484
3	Arbutus	-9,863

### Highest Net Absorption

1	Baltimore County East	174,119
2	Annapolis/Route 2	85,587
3	Baltimore City	55,938

### Most Absorption, Year-to-Date

-	Arbutus	-148,055
+	Harford/Cecil	578,540

### Cheapest Asking Rates

1	Baltimore County East	\$2.94
2	Arbutus	\$4.44
3	Harford/Cecil	\$5.02

### Most Expensive Asking Rates

1	Reisterstown Road	\$9.23
2	I-83 Corridor	\$8.72
3	Woodlawn	\$7.24

### Most Change vs. Prior Quarter

-	I-83 Corridor	-\$0.95
+	Woodlawn	\$1.92

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased
1020 Airport 100 Way <sup>(1)</sup>	BW Corridor	HD Supply Facilities Maintenance	156,401
8100 Dorsey Run Road <sup>(1)</sup>	BW Corridor	Cavalier Logistics	40,260
10963-10971 McCormick Road	I-83 Corridor	Wittenbach Business Systems	24,900
10822 Williamson Lane <sup>(1)</sup>	I-83 Corridor	Siteone Landscape Supply	9,600

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
7525 Perryman Court	Baltimore City	\$4,325,000	\$72.08	60,000
803 Gleneagles Court	Towson	\$4,400,000	\$147.77	29,776
1900 S. Charles Street	Baltimore City	\$3,200,000	\$107.22	29,844
7921 Philadelphia Road	Balto. Co. East	\$1,600,000	\$54.61	29,300

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo



## FLEX INDICATORS

Market Size  
**51,685,345**

Building Count  
**1,359**

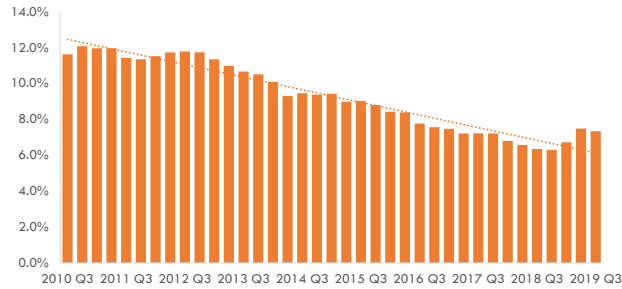
Absorption  
**92,591**

YTD Absorption  
**-125,746**

Vacancy  
**7.3%**

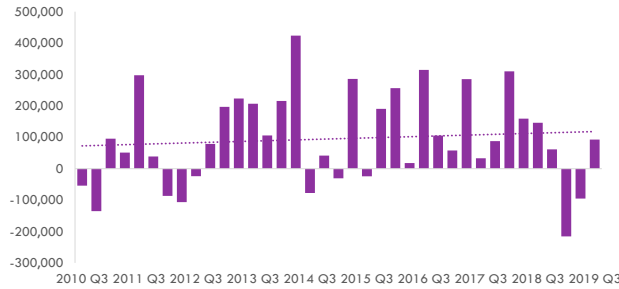
Asking Rent (NNN)  
**\$11.01**

## DIRECT VACANCY



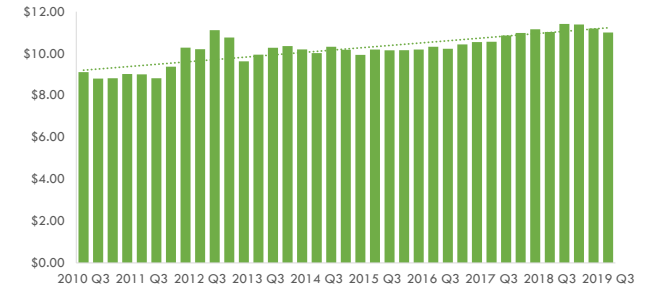
This quarter, direct vacant space decreased, equaling 3,791,473 sf out of the total 51,685,345 sf market size. This resulted in a -0.33% change from 7.66% to 7.34%. Compared to this time last year, vacancy rates are up by 0.98%.

## NET ABSORPTION



Quarterly absorption was approximately 92,591 sf. For 2019 year-to-date, tenant movement in the area shows an overall negative absorption, totaling -125,746 sf. Comparatively, at this time last year, absorption was around 146,245 sf.

## ASKING RENTAL RATES (Weighted, NNN)



Asking rental rates averaged \$11.01/sf this quarter, weighted by a total available space of 5,265,740 sf. This is approximately \$0.19/sf lower than last quarter (\$11.19/sf), and \$0.03/sf lower than last year (\$11.03/sf).

### Lowest Direct Vacancy

1	I-83 Corridor	3.2%
2	BW Corridor	6.1%
3	Arbutus	6.4%

### Highest Direct Vacancy

1	Reisterstown Road	13.8%
2	Annapolis/Route 2	11.2%
3	Harford/Cecil	8.2%

### Most Change vs. Prior Quarter

-	Carroll County	-1.5%
+	Annapolis/Route 2	1.5%

### Lowest Net Absorption

1	Annapolis/Route 2	-81,824
2	Reisterstown Road	-32,472
3	I-83 Corridor	-3,631

### Highest Net Absorption

1	BW Corridor	139,284
2	Harford/Cecil	30,431
3	Baltimore County East	21,547

### Most Absorption, Year-to-Date

-	Annapolis/Route 2	-285,663
+	BW Corridor	208,914

### Cheapest Asking Rates

1	Carroll County	\$7.04
2	Woodlawn	\$7.23
3	I-83 Corridor	\$9.11

### Most Expensive Asking Rates

1	Annapolis/Route 2	\$13.39
2	BW Corridor	\$12.67
3	Arbutus	\$11.49

### Most Change vs. Prior Quarter

-	Harford/Cecil	-\$1.66
+	Baltimore City	\$0.08

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased
809 & 811 Pinnacle Drive	BWI	Rosendin Electric	37,585
8415 Progress Drive <sup>(1)</sup>	Frederick	Globecom Services	21,000
799 Cromwell Park Drive	Route 2 Corridor	John S. Connor, Inc.	12,840
904, 906 Commerce Drive	Annapolis	Anne Arundel Surgicenter, LLC	8,925

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
6704 Curtis Court	Rt. 2 Corridor	\$5,644,800	\$100.00	56,448
8520 Corridor Road	BW Corridor	\$5,150,000	\$101.28	50,848
8510 Corridor Road	BW Corridor	\$3,550,000	\$117.60	30,186
7477 New Ridge Road	BW Corridor	\$2,200,000	\$161.00	13,626

(1) Renewal; (2) Expansion; (3) Part of Portfolio Sale; (4) Investment Sale; (5) Foreclosure; (6) Condo

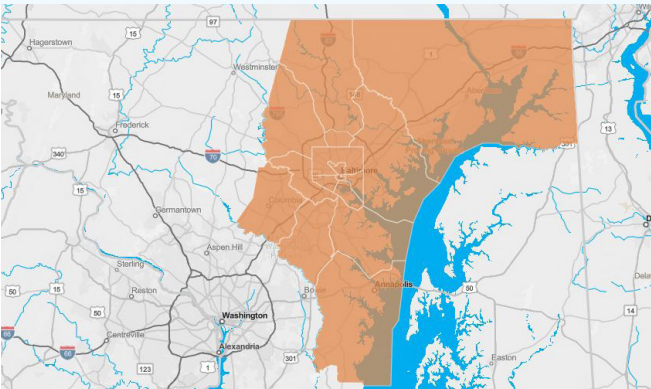


## REPORT CRITERIA AND SUBMARKETS

### OFFICE MARKET

Buildings 15,000 sf in size and greater in the Metro areas within Anne Arundel County, Baltimore City, Baltimore County, and Howard County, buildings 20,000 sf in size and greater within Baltimore's City Center, buildings 10,000 sf in size and greater in the Metro areas within Harford County, and buildings 5,000 sf in size and greater within Annapolis city limits. MacKenzie includes all class types, but does not track owner occupied buildings or buildings leased exclusively to medical tenants.

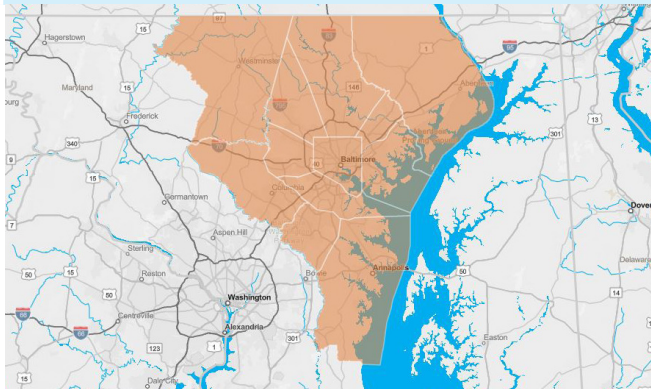
The office market is separated into the following submarkets: Annapolis, Baltimore City, BWI, Baltimore County East, Baltimore County West, City Center, Columbia, Harford County, I-83 Corridor, Reisterstown Corridor, Route 2 Corridor, and Towson.



### RETAIL MARKET

Retail buildings greater than or equal to 2,000 sf in Baltimore City and surrounding counties of Baltimore, Howard, Carroll, Harford, Cecil and Anne Arundel. The Baltimore Retail Market resembles a "hub and spoke" configuration, with many of the submarkets following the major roads in and out of Baltimore City.

The region is broken down into 12 submarkets; Annapolis, Baltimore City, Baltimore County East, Baltimore County South, Baltimore County West, Carroll County, Columbia, Fort Meade, Harford County (including Cecil County) the Reisterstown Road Corridor, White Marsh/Perry Hall (Baltimore County East), and the York Road Corridor.

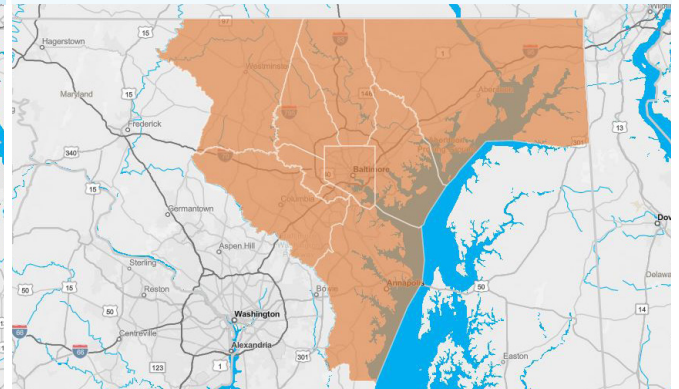


### INDUSTRIAL MARKET

Flex buildings and some single-story office buildings that are greater than 5,000 sf, single-story warehouse buildings that are greater than or equal to 5,000 sf, and some multi-story warehouse buildings in Baltimore City. MacKenzie does not track owner occupied buildings.

We have classified the properties into 10 submarkets for industrial identified as the following: Annapolis, Arbutus, Baltimore County East, Baltimore City, BW Corridor, Carroll, Harford/Cecil, I-83 Corridor, Reisterstown Road Corridor, and Woodlawn/Catonsville.

Flex buildings are limited to properties 5,000 sf and greater, while warehouse buildings are limited to single-story properties. Data does not include under construction or proposed projects.



### Disclaimer:

All information furnished regarding property for sale, rent, exchange or financing is from sources deemed reliable. No representation is made as to the accuracy thereof and all such information is submitted subject to errors, omissions, or changes in conditions, prior sale, lease or withdrawal without notice. All information should be verified to the satisfaction of the person relying thereon. Portions of the base statistics are from CoStar Property data and Real Capital Analytics (RCA). To learn more about our methodology, research team, or to access previous market reports, please visit our webpage: <https://www.mackenziecommercial.com/market-report/>. To join our Market Report mailing list, please send us an email: [Media@MacKenzieCommercial.com](mailto:Media@MacKenzieCommercial.com).

### About Us:

MacKenzie Ventures, LLC (MacKenzie) possesses the multi-disciplined team necessary to excel in Maryland's corporate real estate community. Comprising seven firms, MacKenzie provides clients a competitive, full service platform of offerings in leasing, sales, investment sales, tenant and landlord advisory services, corporate and business consulting, commercial and residential development, general construction, property and asset management, debt and equity capital placement, and market research. With more than 225 employees and offices in Annapolis, Baltimore, Bel Air, Columbia, and Lutherville, Maryland, MacKenzie is one of the largest full service commercial real estate firms in the Mid-Atlantic.

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