



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
Totals	136,087,705	4.2%	4.4%	4.1%	186,134	598,206	\$19.81	\$19.98	\$19.54

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.



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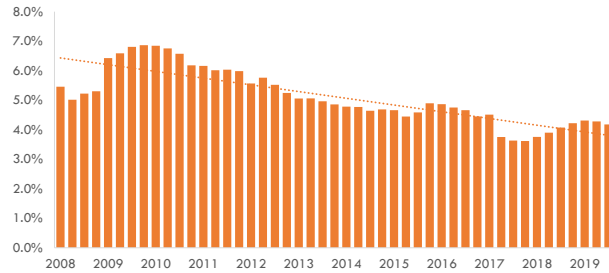
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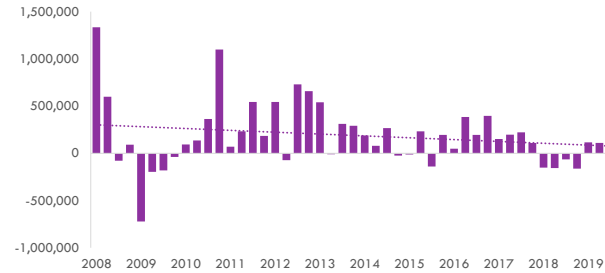
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DIRECT VACANCY



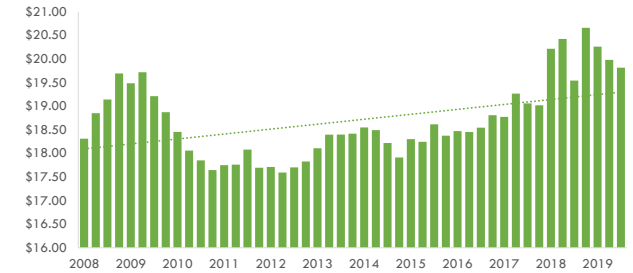
This quarter, direct vacant space decreased, equaling 5,686,901 sf out of the total 136,087,705 sf market size. This resulted in a -0.22% change from 4.39% to 4.18%. Compared to this time last year, vacancy rates are up by 0.10%.

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