



## OFFICE INDICATORS

Market Size  
**113,410,217**

Building Count  
**2,539**

Absorption  
**-5,135**

YTD Absorption  
**-421,943**

Vacancy  
**12.59%**

Rental Rate  
**\$24.49**

## 2ND QUARTER SUMMARY

Sublease, the new talk of the town and the topic of many office brokers' conversations. Some areas of the nation consider the addition of new sublease spaces a "knee-jerk" reaction to the pandemic. Now those same parts of the country are seeing a reduction in sublease space as employers realize that the "work from home" era is diminishing. This is not so in Baltimore where metro-wide, sublease space is approximately 1.6 million square feet, a 15-year high. Pandora is the latest large company to list their vacant space for sublet in their namesake building in Baltimore's CBD. Nonetheless, many companies are now seeking hybrid solutions that offer space for collaboration and team building with the flexibility of working from home part time. As mandates were lifted throughout the 2nd quarter, employers worked to revive and alter their office operations, providing environments where employees felt safe to return to and areas that also provided comfort. This attention to space and the addition of building amenities will continue as businesses throughout the market work to re-establish in-office operations. Vacancy is still plaguing Baltimore's CBD; it has increased from 21.5% in the 1st quarter to 23.10% at the end of 2nd quarter, equating to over 200,000 sf in additional vacancy. Rental rates have fluctuated little in the past quarter except for Baltimore City SE which saw a drop in rates from \$25.45 to \$23.15. Absorption activity to note included Baltimore's CBD and the Columbia submarket; the CBD's negative 215,339 sf is a combination of firms vacating that included Pandora, Whitman, Requardt & Associates, and Saul Ewing, while Columbia's positive 277,153 sf was the delivery of 263,000 sf at 11100 Johns Hopkins Road which delivered fully occupied in June 2021.

THE NUMBERS	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City CBD	13,949,824	23.09%	21.54%	19.57%	-215,339	-376,895	\$25.19	\$24.79	\$25.27
Baltimore City Midtown	2,013,095	9.10%	9.30%	15.38%	4,161	3,034	\$22.36	\$22.31	\$21.06
Baltimore City NE	808,082	4.36%	1.42%	1.48%	4,118	4,338	\$31.75	\$31.37	\$28.76
Baltimore City NW	1,968,606	3.71%	3.87%	4.34%	3,032	-4,722	\$28.31	\$28.31	\$27.33
Baltimore City SE	3,627,625	10.48%	10.37%	9.28%	-4,048	-6,276	\$23.15	\$25.45	\$27.88
Baltimore City SW	2,628,001	22.37%	20.41%	21.49%	-51,510	-20,348	\$23.41	\$23.41	\$23.41
<b>Baltimore City</b>	<b>24,995,233</b>	<b>17.92%</b>	<b>16.79%</b>	<b>16.18%</b>	<b>-259,586</b>	<b>-400,869</b>	<b>\$24.94</b>	<b>\$25.02</b>	<b>\$25.39</b>
Baltimore County East	4,275,504	13.71%	14.84%	13.17%	53,106	-3,511	\$23.51	\$23.72	\$22.38
Baltimore County West	9,545,282	6.36%	6.40%	5.62%	3,823	-19,877	\$19.44	\$19.47	\$19.75
Carroll County	2,406,368	10.59%	10.89%	10.49%	7,295	19,351	\$21.08	\$22.14	\$17.62
Cecil County	854,331	19.22%	19.57%	14.89%	3,000	6,600	\$26.97	\$26.35	\$21.20
Harford County	5,009,736	13.32%	12.33%	12.78%	-49,473	-42,760	\$23.97	\$23.82	\$22.85
I-83 Corridor	10,138,072	12.52%	12.07%	10.35%	-45,642	-141,639	\$22.90	\$22.70	\$23.31
Reisterstown Rd	8,318,481	11.95%	12.55%	11.93%	50,211	16,189	\$21.67	\$22.21	\$22.11
Towson	8,494,905	10.12%	9.56%	8.99%	-47,528	-65,586	\$20.76	\$20.79	\$20.60
<b>Northern Metro</b>	<b>49,042,679</b>	<b>11.02%</b>	<b>10.95%</b>	<b>10.04%</b>	<b>-25,208</b>	<b>-231,233</b>	<b>\$21.79</b>	<b>\$21.90</b>	<b>\$21.50</b>
Annapolis	5,130,551	9.10%	9.46%	7.65%	18,276	4,857	\$30.49	\$31.33	\$29.94
BWI Corridor	13,452,320	11.86%	11.60%	12.70%	-35,015	-147,318	\$28.86	\$28.86	\$26.05
Columbia	18,079,557	11.88%	12.13%	10.36%	277,153	352,443	\$26.58	\$26.48	\$26.96
Route 2 Corridor	2,709,877	6.97%	7.68%	7.40%	19,245	177	\$22.31	\$21.37	\$21.27
<b>Southern Metro</b>	<b>39,372,305</b>	<b>11.17%</b>	<b>11.29%</b>	<b>10.61%</b>	<b>279,659</b>	<b>210,159</b>	<b>\$27.57</b>	<b>\$27.58</b>	<b>\$26.63</b>
<b>Totals</b>	<b>113,410,217</b>	<b>12.59%</b>	<b>12.36%</b>	<b>11.59%</b>	<b>-5,135</b>	<b>-421,943</b>	<b>\$24.49</b>	<b>\$24.55</b>	<b>\$24.13</b>

## ITEMS TO NOTE:

Transamerica leased 35,000 sf on the 8th floor of Wills Wharf in Baltimore's Harbor Point. With Transamerica, EY, Jellyfish, Bright Horizons, and Canopy by Hilton, Wills Wharf is now 58% leased.

Alertus Technologies purchased 10 N Charles St with plans to turn Baltimore's "Ticker" building into an Internet of Things (IoT) hub. Alertus is moving their corporate headquarters from Beltsville to Baltimore after transforming the building into a Center for Intelligent Buildings.

The first sizable new lease has been signed on Pratt Street since start of the pandemic. Silverman, Thompson, Slutkin, White recently completed a deal to move from 201 N. Charles St. into 21,000 sf of space at 400 E. Pratt St. The move will take place early next year.

RBC Wealth management firm is the latest company to leave downtown for Harbor Point. They will be vacating 11,100 sf at 100 Light St., reducing the company footprint by almost 50% occupying only 6,000 sf at Wills Wharf.

The Afro Newspapers plans to make 811 W. Lanvale St. their new headquarters. Current plans include a \$7 million overhaul of a historic city landmark, the 183-year-old Upton Mansion into a state-of-the-art building.

Technology company Rekor Systems will relocate from 7172 Columbia Gateway Dr. and take over the top two floors at 6721 Columbia Gateway Dr. Rekor said it expects to open its new 54,717 sf offices, which will also serve as an innovation hub, in early August.

IntelliGenesis LLC, a cybersecurity firm inked an 8,000 sf expansion following recent acquisition of Illinois-based Cybati. The company moved into 11,000 sf last fall at 6950 Columbia Gateway Dr.

MCB Real Estate, LLC reached an agreement to acquire the existing assets and development rights of the Clipper Mill mixed use development. Clipper Mill is a first-class mixed-use redevelopment containing 140,000 sf of office, retail and residential uses. MCB plans to move its main corporate office to the project.



## OFFICE INDICATORS

Market Size  
113,410,217

Building Count  
2,539

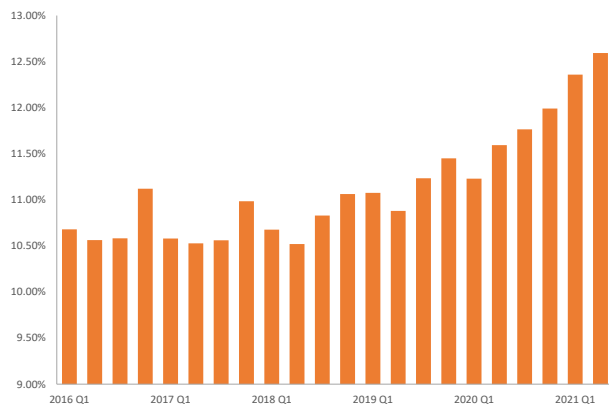
Absorption  
-5,135

YTD Absorption  
-421,943

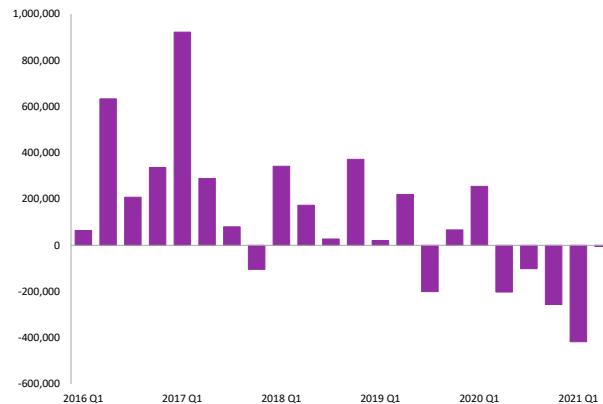
Vacancy  
12.59%

Rental Rate  
\$24.49

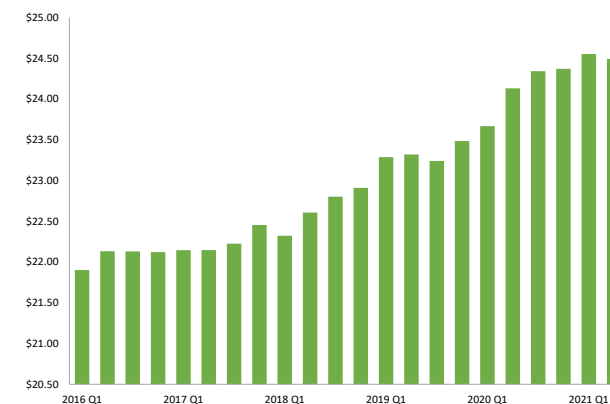
### DIRECT VACANCY



### NET ABSORPTION



### RENTAL RATES



#### Lowest Direct Vacancy

1	Baltimore City NW	3.71%
2	Baltimore City NE	4.36%
3	Baltimore County West	6.36%

#### Highest Direct Vacancy

1	Baltimore City CBD	23.09%
2	Baltimore City SW	22.37%
3	Cecil County	19.22%

#### Most Change vs. Prior Quarter

-	Baltimore County East	-1.13%
+	Baltimore City NE	2.94%

#### Lowest Net Absorption

1	Baltimore City CBD	-215,339
2	Baltimore City SW	-51,510
3	Harford County	-49,473

#### Highest Net Absorption

1	Columbia	277,153
2	Baltimore County East	53,106
3	Reisterstown Rd Corridor	50,211

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

-	Baltimore City CBD	-376,895
+	Columbia	352,443

#### Cheapest Rates

1	Baltimore County West	\$19.44
2	Towson	\$20.76
3	Carroll County	\$21.08

#### Most Expensive Rates

1	Baltimore City NE	\$31.75
2	Annapolis	\$30.49
3	BWI Corridor	\$28.86

#### Most Change vs. Prior Quarter

-	Baltimore City SE	-\$2.30
+	Route 2 Corridor	\$0.94

### LEASE TRANSACTIONS

Location	Region	Tenant	Leased
700 E Pratt St.	Baltimore CBD	Johns Hopkins Center for Communication	116,047
120 E Baltimore St.	Baltimore CBD	MD State Retirement & Pension System	79,742
7131 Rutherford Rd.	Baltimore Co. East	Amatus Health	36,336
420 National Business Pky.	BWI Corridor	Raytheon Company	28,900

### SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
2288 Blue Water Blvd.	BWI Corridor	\$15,800,000	\$148.36	106,500
21 Crossroads Dr.	Reisterstown Rd Cor.	\$10,000,000	\$156.73	63,804
3121 Saint Paul St.	Baltimore Midtown	\$3,900,000	\$240.07	16,245
1520 Jabez Run Rd.	BWI Corridor	\$3,825,000	\$154.58	24,745

\* Renewal

# OFFICE OVERVIEW (DC METRO)

SECOND QUARTER | 2021



## OFFICE INDICATORS

Market Size  
109,232,500

Building Count  
2,018

Absorption  
-499,476

YTD Absorption  
-93,903

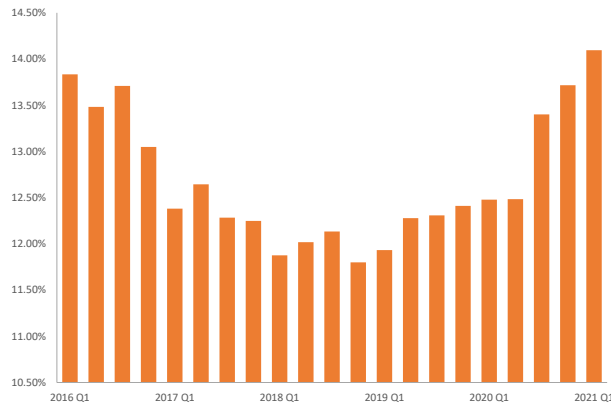
Vacancy  
14.64%

Rental Rate  
\$27.62

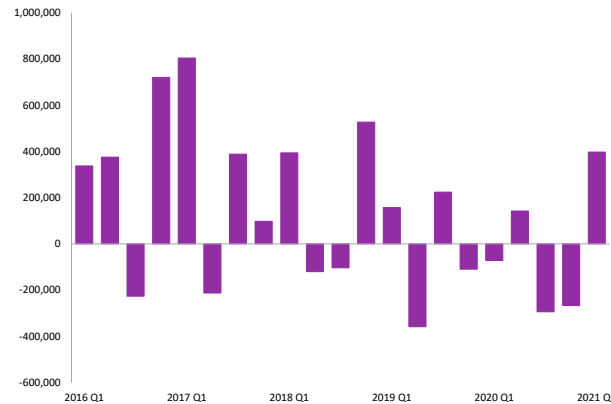
## THE NUMBERS

	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,156,483	11.20%	10.93%	10.06%	-22,173	13,015	\$22.05	\$22.14	\$22.46
Montgomery Co. North	12,123,728	11.16%	11.30%	10.33%	16,690	-60,853	\$24.74	\$25.34	\$23.49
Montgomery Co. South; Rockville/Bethesda	51,156,506	16.43%	15.82%	13.10%	-167,836	-368,966	\$31.00	\$30.98	\$31.21
Prince George's Co. North	21,361,947	15.43%	15.19%	13.59%	-50,911	-35,436	\$22.68	\$22.40	\$21.99
Prince George's Co. South	5,229,688	5.92%	5.71%	8.47%	-10,613	596,034	\$26.46	\$26.73	\$24.03
Silver Spring North/29	3,960,821	10.86%	10.36%	12.31%	-19,692	-12,125	\$28.31	\$27.79	\$27.40
Silver Spring South	7,243,327	17.72%	14.34%	13.24%	-244,941	-225,572	\$29.88	\$29.46	\$30.51
<b>Totals</b>	<b>109,232,500</b>	<b>14.64%</b>	<b>14.04%</b>	<b>12.43%</b>	<b>-499,476</b>	<b>-93,903</b>	<b>\$27.62</b>	<b>\$27.59</b>	<b>\$27.36</b>

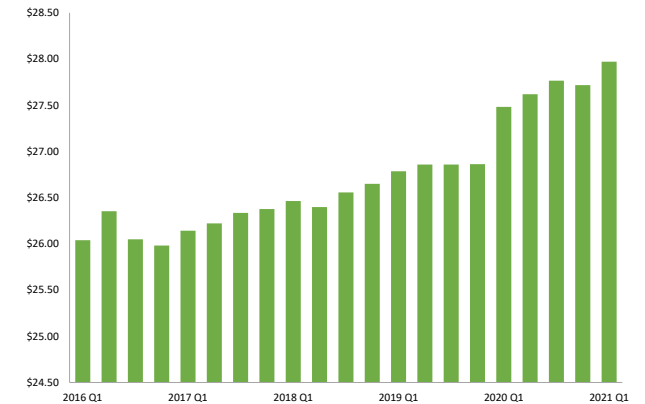
## DIRECT VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased
9713 Key West Ave.	Montgomery Co. S	MaxCyte	67,326
4600 Powder Mill Rd.	Prince George's N	Madison Street Partners	40,000
18310 Montgomery Village Ave.	Montgomery Co. N	Perfect Office Solutions	16,472

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
9601-13 Medical Center Dr.	Montgomery Co. S	\$80,500,000	\$854.05	94,256
7495 New Horizon Way	Frederick	\$7,700,000	\$102.12	75,400
11600 Nebel St.	Montgomery Co. S	\$5,497,000	\$183.23	30,000