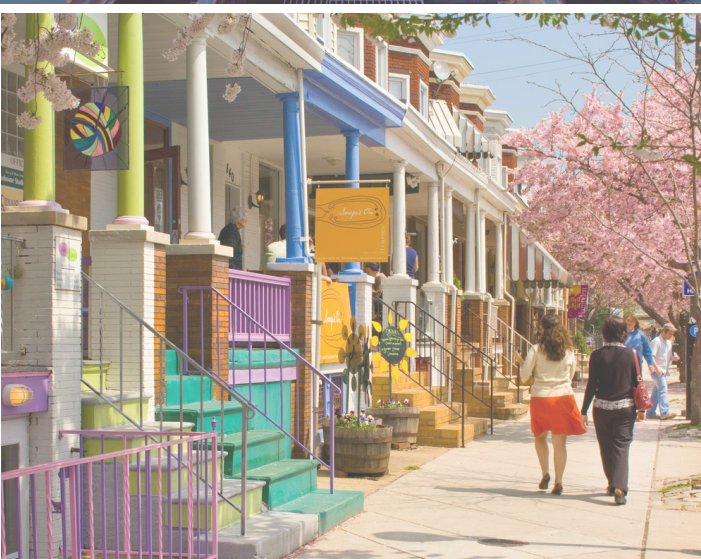


# MACKENZIE'S LOCAL OUTLOOK

BALTIMORE & DC METRO  
COMMERCIAL REAL ESTATE

## 4TH QUARTER 2023

ECONOMY | CAPITAL | CONSTRUCTION | OFFICE | RETAIL | INDUSTRIAL







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## ECONOMIC INDICATORS\*

Employment  
**3,196,167**

Unemployment Rate  
**1.8%**

Consumer Price Index (CPI)  
**3.4%** (YOY in November)

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

### ECONOMY RETAINS MOMENTUM HEADING INTO 2024

Some say the definition of insanity is doing the same thing again and again and expecting different results, but that's also the definition of practice. Whether forecasters are insane or just getting extremely good at underestimating this economy, the economy outperformed even the most optimistic forecasts in 2023.

And to be clear, the forecasts for 2023 were far from optimistic. On October 17, 2022, Bloomberg published a story with the headline, "Forecast for US Recession Within Year Hits 100% in Blow to Biden." While Bloomberg's model was uniquely certain about a downturn, they were hardly alone in predicting an economic contraction. That same month, the average respondent to the Wall Street Journal Economic Forecasting survey put a 63% chance of the economy entering recession within the next year.

Needless to say, those forecasts were wrong. U.S. employers added jobs for the 35th consecutive month in November, and despite expectations that the unemployment rate would rise to 4.0% for the first time since January 2022, it instead fell to 3.7%, just barely above the lowest rate in over half a century.

The basis for those dour predictions were based on what was thought to be conventional wisdom—that inflation couldn't slow from a 9.1% year-over-year pace to a 3.1% pace without a meaningful increase in unemployment, but that's exactly what has occurred from June 2022 to November 2023. Prices have increased at a particularly slow pace in recent months and rose at a sub 2% annualized rate in October and November.

With inflation slowing and virtually everyone who wants a job gainfully employed, the demand side of the economy remains in good health. Retail sales increased a healthy 0.3% in November and are up 4.1% over the past year.

As a result of this surprising resilience, it appears that this cycle of interest rate hikes has come to an end. The Federal Reserve staff projections now include three rate cuts in 2024.

Of course, risks remain. A rebound in inflation at this point would be extremely damaging, and the delayed effects of high borrowing costs could pump the brakes on economic growth even if price increases continue to slow. Ultimately, how long the economy maintains its current momentum depends on when the Federal Reserve begins to lower rates; the difference between landing a plane and crashing it is all about when the pilot pulls up.

**-3.5%**  
Manufacturing

**2.9%**  
Education/Health

**1.4%**  
Professional

**3.5%**  
Construction

The State of Maryland's top employing industry as of November 2023 was Educational & Health Services employing 279,700, followed by Trade, Transportation & Utilities and Professional Services at 257,400 and 252,900, respectively.

Contributed by industry partner  
**Anirban Basu, CEO of Sage Policy Group, Inc.**

For more information, please visit <http://www.sagepolicy.com>.







## CAPITAL INDICATORS 2023

12-Month Volume  
**\$1,435,400,00**

Total Square Feet  
**11,277,355**

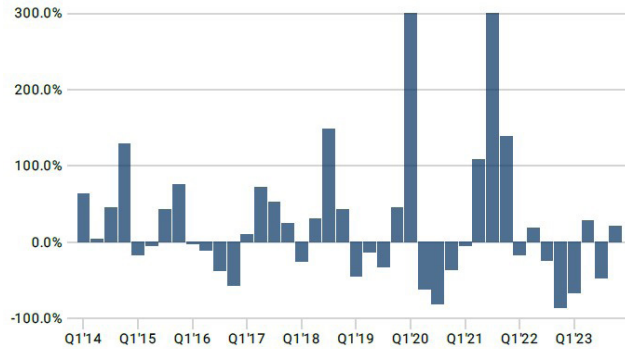
Average Price PSF  
**\$131/sf**

Average Cap Rate  
**7.4%**

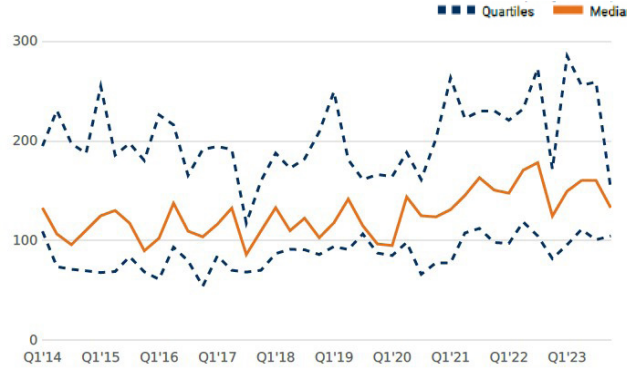
Properties Sold  
**124**

Volume vs. Prior Year  
**-25.9%**

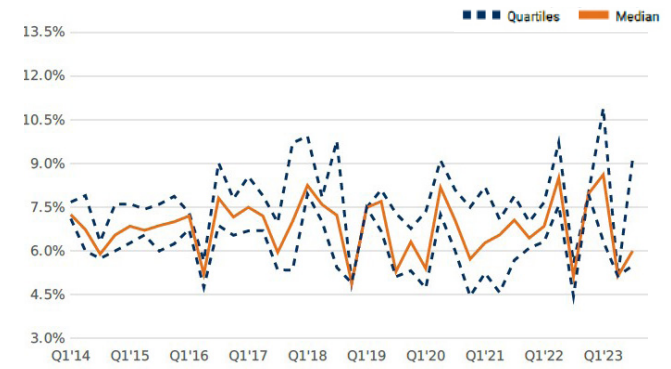
### Change In Sales (Year over Year)



### Average Sale Price Per Square Foot



### Average Cap Rates



- In the 4th quarter of 2023, the Federal Reserve continued their pause in interest rate increases and potentially signaled that we have reached the peak federal funds rate.
- The pausing of rate hikes and the comments from the Federal Reserve head, Jerome Powell about the peak prompted a decrease in long-term treasury yields as investors feel the worst is behind them.
- Commercial real estate owners and developers are finally feeling more certainty with their investment outlook after a year of unprecedented interest rate increases, which could be the breakthrough in the disconnect between buyers and sellers that is required for transaction volume to return to normal levels.
- During this time of increased volatility in the interest rate markets and reduced number of active debt providers, it is crucial to shop the market heavily as capital providers' sentiment on lending is ever changing.

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

### TOP BUYERS (24 MONTHS ROLLING)

	Base City	Average Price Per Sale	Acquisition Volume (\$m)	Properties
MCB Real Estate	Baltimore, MD	\$90,000,000	\$540,100,000	6
GID	Boston, MA	\$37,800,000	\$189,100,000	5
Prologis	San Francisco, CA	\$22,100,000	\$177,000,000	8
Longpoint Realty Partners	Boston, MA	\$62,200,000	\$124,300,000	2
High Street	Woburn, MA	\$13,100,000	\$118,300,000	9

### TOP SELLERS (24 MONTHS ROLLING)

	Base City	Average Price Per Sale (\$m)	Disposition Volume (\$m)	Properties
Blackstone	New York, NY	\$32,200,000	\$514,700,000	16
Greenburg Gibbons	Owings Mills, MD	\$14,460,000	\$289,300,000	2
Vanguard Equities	Baltimore, MD	\$90,600,000	\$271,800,000	1
Amazon	Seattle, WA	\$116,000,000	\$116,000,000	1
Crow Holdings	Dallas, TX	\$108,000,000	\$10,800,000	1

## 2023 YTD BUYER COMPOSITION

### Private Buyers

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

**70%**

**10.1%**

### 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.

**18.1%**



## PROJECT INDICATORS

RBA Under Construction  
**4,035,066**

Count Under Construction  
**54**

RBA Delivered YTD  
**6,397,145**

Availability  
**58.9%**

Proposed Buildings  
**299**

Count Under Renovation  
**15**

## CONSTRUCTION OUTLOOK

The construction industry, much like the broader economy, has retained a surprising level of momentum throughout 2023. Construction spending is outpacing inflation on an annual basis. Material price escalation has moderated. Contractors continue to hire. Even residential construction remains in decent shape despite the paralyzing effects of high interest rates on homebuying.

Certain segments will undoubtedly retain that momentum in the new year. Manufacturing-related construction, which has increased at a meteoric pace due to a bevy of federal incentive programs, will continue to pace the nonresidential sector, while infrastructure-related spending should start to ramp up. Demand for data centers will also remain robust in 2024 and beyond.

There are, however, a number of headwinds facing the construction industry. Elevated borrowing costs and tight credit conditions have severely diminished demand for certain types of construction; and worker shortages, long an issue for contractors, are driving up the cost of labor, exacerbating the effects of material price escalation that occurred in 2021 and 2022.

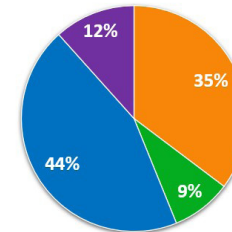
Of course, whenever the Federal Reserve decides to lower interest rates, it will come as a welcome relief to those in the construction industry; looser lending standards and more palatable borrowing costs will allow projects that stalled in 2023 to move forward at some point over the next several quarters.

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

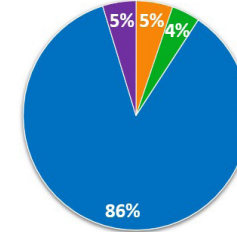
## PROPERTY TYPE BREAKDOWN

Legend: Office Retail Warehouse Flex

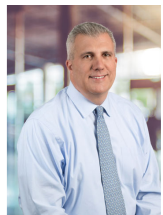
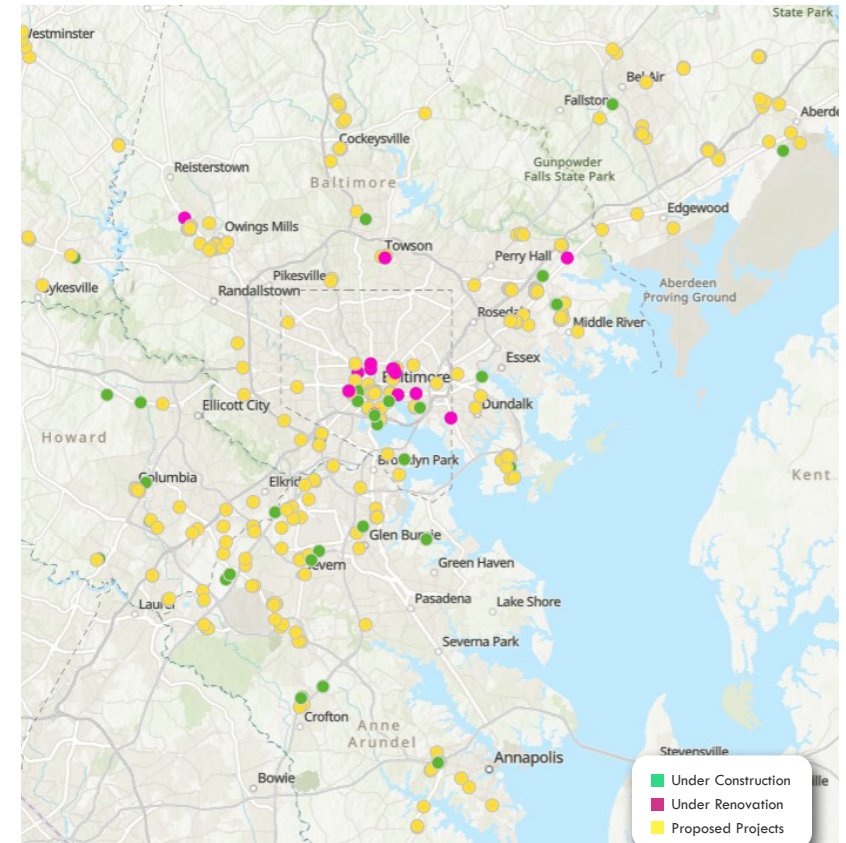
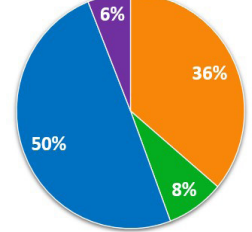
### Under Construction



### Deliveries YTD



### Proposed Buildings



## QUARTERLY TAKEAWAY FROM MACKENZIE CONTRACTING COMPANY, LLC

In 2023, the construction industry faced challenges such as material delays, labor shortages, price hikes, and building permit delays across various jurisdictions. Despite these issues, our revenue forecast for the year positions it as one of our best on record, attributed to a substantial number of repeat clients and diverse projects in healthcare, senior living, retail, quick-service restaurants, and industrial sectors. However, the office sector continues to grapple with difficulties in many markets where we operate.

Looking ahead to 2024 and beyond presents uncertainties. For significant development projects, higher interest rates have hindered progress, while persistent labor shortages are expected until the next generation of workers joins and undergoes training. Material prices are stabilizing, though certain items like emergency generators face extended lead times of 12-18 months, larger electrical panels and switch gear are 10-12 months out, and some HVAC equipment have a 5-6-month lead time. To navigate these challenges, strategic planning, early purchasing, and collaboration with a skilled General Contractor and project team are crucial to mitigate potential construction delays.

We are taking a cautious but positive approach to the 2024 construction market. Permitting delays have stalled several projects we were hoping to get out of the gate. These delays and unknown start dates make the task of manpower allocations and subcontractor scheduling difficult at best.

While being engaged in budgeting exercises for late 2024 and early 2025 projects, we observe traction, with project viability contingent on the cost of money and banks' willingness to provide loans.

*This Quarterly Takeaway has been provided by Marty Copsey, President & COO of MacKenzie Contracting Company, LLC. Marty can be reached at [mcopsey@mackenziecontracting.com](mailto:mcopsey@mackenziecontracting.com).*



## OFFICE INDICATORS

Market Size  
116,168,521

Building Count  
2,539

Absorption  
-382,740

YTD Absorption  
-624,720

Vacancy  
13.72%

Rental Rate  
\$24.23

The office market is still amid change as companies continue to deal with hybrid and work from-home-arrangements. Carroll County and Baltimore City NW currently exhibit the lowest vacancy rates among submarkets, standing at 4.06% and 4.36%, respectively. Notably, the Reisterstown Road Corridor experienced a notable increase in negative absorption, largely due to the relocation and downsizing of Allianz Trade, resulting in a vacant space of 60,000 square feet. Unfortunately, Baltimore City has not seen a recovery in occupancy, ending the year with a negative absorption of -624,720 square feet, leading to a total vacancy of 20.1%. The expected occupation of state agencies that signed leases in 2022, though delayed, is anticipated to begin in early 2024, offering potential relief to the overall vacancy situation in the city. Despite the passage of time, sublease availability remains double the figures from five years ago, totaling 1.8 million square feet, compared to just over 800,000 square feet in 2018. Sales to note are 1 E. Pratt Street and 1 South Street in Baltimore's Central Business District selling at \$70.22/sf and \$50.09/sf, respectively. Pratt Street last traded in 2018 for \$224.99/sf while South Street sold for \$134.10/sf in 2015. Challenges persist in the real estate landscape, with high construction costs and delays in permits and material acquisition impacting tenant improvement deals. Additionally, there is a lack of alignment between tenant expectations and the fiscal limitations faced by landlords. Leasing activity in the Northern Metro area remained steady in 2023, with approximately 1.7 million square feet leased each year. However, Baltimore City saw less than half of this activity in 2023. Despite abundant space, there has been no significant reduction in rents, which remain relatively stable with subtle changes observed across different submarkets.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City CBD	14,404,418	23.9%	24.2%	21.6%	-68,556	-172,123	\$24.37	\$24.36	\$24.01
Baltimore City Midtown	2,022,562	9.2%	8.9%	7.2%	-6,160	-14,585	\$19.86	\$20.57	\$19.15
Baltimore City NE	1,098,985	6.7%	6.7%	4.2%	2,430	-13,274	\$31.89	\$32.61	\$29.25
Baltimore City NW	1,946,747	4.4%	4.7%	3.5%	-8,057	-17,368	\$30.05	\$30.09	\$25.82
Baltimore City SE	4,718,946	21.1%	18.4%	19.5%	-10,146	100,808	\$26.25	\$26.92	\$25.27
Baltimore City SW	2,956,978	22.8%	22.2%	25.9%	-43,539	-31,687	\$27.66	\$27.41	\$23.41
<b>Baltimore City</b>	<b>27,148,636</b>	<b>20.1%</b>	<b>19.7%</b>	<b>18.3%</b>	<b>-134,028</b>	<b>-148,229</b>	<b>\$25.43</b>	<b>\$25.60</b>	<b>\$24.14</b>
Baltimore County East	4,267,919	14.6%	14.6%	12.8%	-991	-35,841	\$23.69	\$23.02	\$22.84
Baltimore County West	9,143,148	7.4%	7.3%	7.8%	-13,054	54,157	\$19.75	\$19.92	\$19.27
Carroll County	2,174,341	4.1%	4.4%	6.2%	10,771	58,956	\$21.89	\$23.33	\$22.07
Cecil County	747,176	6.9%	7.8%	8.0%	0	9,010	\$31.00	\$30.94	\$29.06
Harford County	4,893,564	15.7%	15.5%	15.4%	-11,626	-14,201	\$24.41	\$23.91	\$23.83
I-83 Corridor	10,355,562	14.4%	14.2%	13.5%	-40,977	-285,997	\$21.60	\$21.28	\$22.50
Reisterstown Rd.	8,310,399	14.8%	15.3%	13.2%	-90,553	-172,510	\$25.09	\$25.90	\$24.10
Towson	7,990,161	11.8%	10.6%	10.3%	-22,164	-76,355	\$21.37	\$21.26	\$20.94
<b>Northern Metro</b>	<b>47,882,270</b>	<b>12.3%</b>	<b>12.1%</b>	<b>11.5%</b>	<b>-168,594</b>	<b>-462,781</b>	<b>\$22.45</b>	<b>\$22.49</b>	<b>\$22.15</b>
Annapolis	5,158,487	10.9%	10.3%	10.8%	-12,567	38,159	\$29.25	\$29.67	\$31.17
BWI Corridor	15,050,759	8.2%	8.0%	9.9%	-20,509	86,861	\$24.24	\$25.94	\$29.27
Columbia	18,152,106	14.6%	14.7%	13.7%	-46,301	-165,199	\$25.56	\$25.54	\$26.15
Route 2 Corridor	2,776,263	6.1%	6.0%	7.3%	-741	26,469	\$25.33	\$25.01	\$24.08
<b>Southern Metro</b>	<b>41,137,615</b>	<b>11.2%</b>	<b>11.1%</b>	<b>11.5%</b>	<b>-80,118</b>	<b>-13,710</b>	<b>\$25.52</b>	<b>\$26.17</b>	<b>\$27.78</b>
<b>Totals</b>	<b>116,168,521</b>	<b>13.7%</b>	<b>13.5%</b>	<b>13.1%</b>	<b>-382,740</b>	<b>-624,720</b>	<b>\$24.23</b>	<b>\$24.52</b>	<b>\$24.61</b>

## ITEMS TO NOTE:

Encouraging signs are evident in the Baltimore CBD as multiple tenants have renewed leases at 1 South Street totaling over 73,000 sf since the property changed hands this past summer.

The Maryland Technology Development Corporation will be relocating its headquarters in early 2024. Staying in Columbia, TEDCO signed a lease for 9,528 sf at 10960 Grantchester Way.

Michael Graves Architecture is set to centralize its headquarters at 233 E. Redwood Street in the Central Business District. The upcoming relocation will lead to the vacating of the current offices in Columbia and on Light Street in Baltimore City.

The University of Maryland Medical System (UMMS) has increased their space at 250 W. Pratt Street to 40,000 sf. UMMS's logo will replace Pandora's on the building's exterior.

The medical office building located at 1838 Greene Tree Road in Pikesville sold for over \$34 million to Hines out of Houston, TX. The 143,421 sf building sold in conjunction with 9850 Key West Avenue, another medical building in Rockville for a combined total of \$59.8 million.

FD Stonewater out of Arlington, VA sold an office building in the Franklin Ridge complex for \$4.2 million to Chesapeake Real Estate Group. The 34,500 sf office building is located at 9900 Franklin Square Drive and was 75% leased at the time of sale.

Canopy Team, a planning and development company originating from Los Angeles, has recently established its first East Coast location at 3600 Clipper Mill Road. The company, co-founded by Janet Marie Smith — known for her significant role in designing Oriole Park at Camden Yards — has a global presence, contributing its expertise to various sports venues worldwide.



## OFFICE INDICATORS

Market Size  
116,168,521

Building Count  
2,539

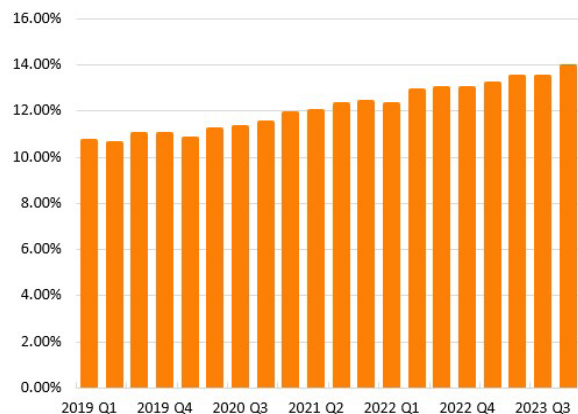
Absorption  
-382,740

YTD Absorption  
-624,720

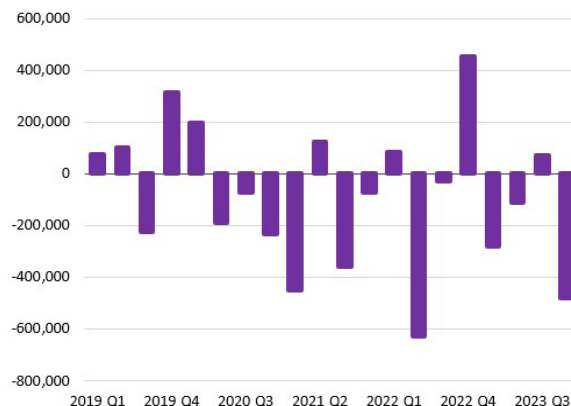
Vacancy  
13.72%

Rental Rate  
\$24.23

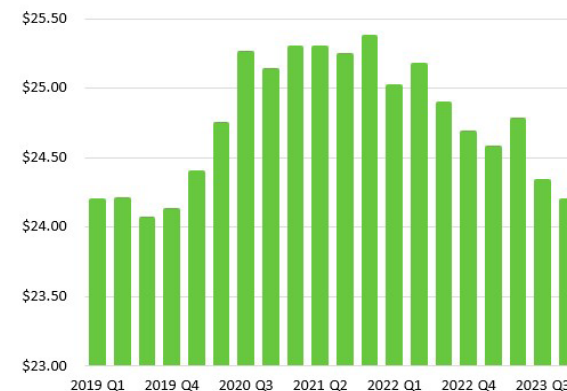
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	Carroll County	4.06%
2	Baltimore City NW	4.36%
3	Route 2 Corridor	6.07%

### Highest Vacancy

1	Baltimore City CBD	23.9%
2	Baltimore City SW	22.8%
3	Baltimore City SE	21.1%

### Most Change vs. Prior Quarter

-	Cecil County	-0.82%
+	Baltimore City SE	2.73%

### Lowest Net Absorption

1	Carroll County	10,771
2	Baltimore City NE	2,430
3	Cecil County	0

### Highest Net Absorption

1	Reisterstown Rd Corridor	-90,553
2	Baltimore City CBD	-68,556
3	Columbia	-46,301

### Most Absorption, Year-to-Date

-	I-83 Corridor	-285,997
+	Baltimore City SE	100,808

### Cheapest Rates

1	Baltimore County West	\$19.75
2	Baltimore City Midtown	\$19.86
3	Towson	\$21.37

### Most Expensive Rates

1	Baltimore City NE	\$31.89
2	Cecil County	\$31.00
3	Baltimore City NW	\$30.05

### Most Change vs. Prior Quarter

-	BWI Corridor	-\$1.70
+	Baltimore County East	\$0.67

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
100 International Dr.	Baltimore City	John's Hopkins Carey Business School	120,000
10 North Park Dr.	I-83 Corridor	Travelers Insurance	65,214
7065 Samuel Morse Dr.	Columbia	Maxium Health Care	29,788
1 South St.*	Baltimore City CBD	Atapco Properties	28,521

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
1838 Greene Tree Rd.	Reisterstown Rd Cor	\$34,078,005	\$238	143,421
10270-10290 Old Columbia Rd.	Columbia	\$4,818,066	\$108	44,475
9900 Franklin Square Dr.	Baltimore County East	\$4,200,000	\$122	34,500
9160 Guilford Rd.	Columbia	\$4,100,000	\$113	36,295

\* Renewal, Expansion, or Sublease



# OFFICE OVERVIEW (DC METRO)

FOURTH QUARTER | 2023



## OFFICE INDICATORS

Market Size  
**111,397,696**

Building Count  
**2,007**

Absorption  
**-265,873**

YTD Absorption  
**-530,430**

Vacancy  
**15.69%**

Rental Rate  
**\$28.62**

## THE NUMBERS

### MARKET SIZE

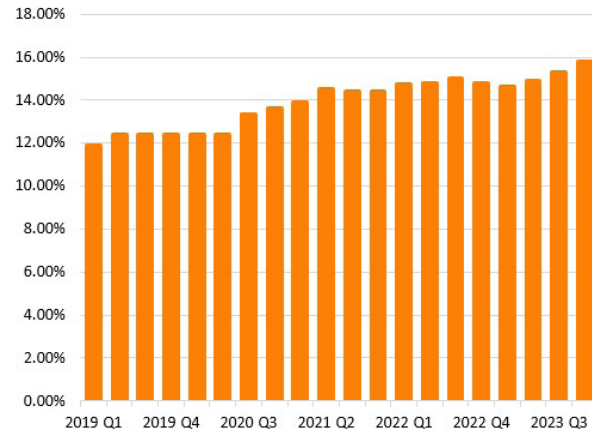
### VACANCY %

### ABSORPTION

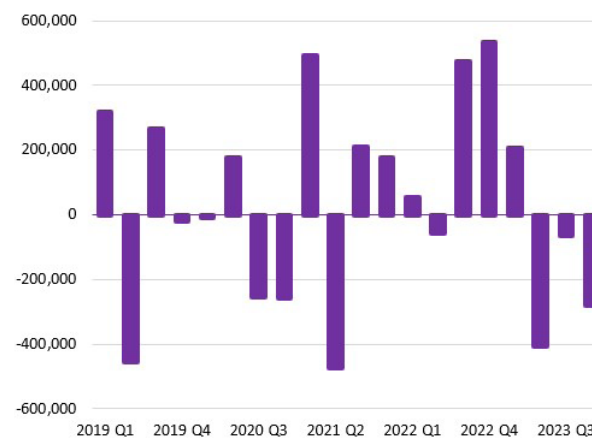
### RENTAL RATES

		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,593,316	8.4%	8.3%	8.1%	-7,253	8,625	\$24.60	\$23.90	\$22.26
Montgomery Co. North	12,242,610	13.3%	11.4%	10.0%	-46,386	-274,926	\$23.34	\$23.34	\$23.52
Montgomery Co. South; Rockville/Bethesda	51,683,527	18.9%	18.2%	19.1%	-196,787	-393,923	\$32.18	\$32.06	\$31.58
Prince George's Co. North	22,433,261	14.5%	14.0%	14.4%	28,476	273,769	\$24.06	\$24.30	\$23.23
Prince George's Co. South	5,252,906	5.2%	6.4%	5.2%	16,499	-4,998	\$31.24	\$30.86	\$29.80
Silver Spring North/Route 29	3,910,819	11.2%	10.8%	11.8%	-80	30,160	\$27.41	\$29.76	\$29.74
Silver Spring South	7,281,257	19.4%	18.6%	17.3%	-60,342	-169,137	\$29.73	\$29.20	\$30.30
<b>Totals</b>	<b>111,397,696</b>	<b>15.7%</b>	<b>15.0%</b>	<b>15.3%</b>	<b>-265,873</b>	<b>-530,430</b>	<b>\$28.62</b>	<b>\$28.59</b>	<b>\$28.06</b>

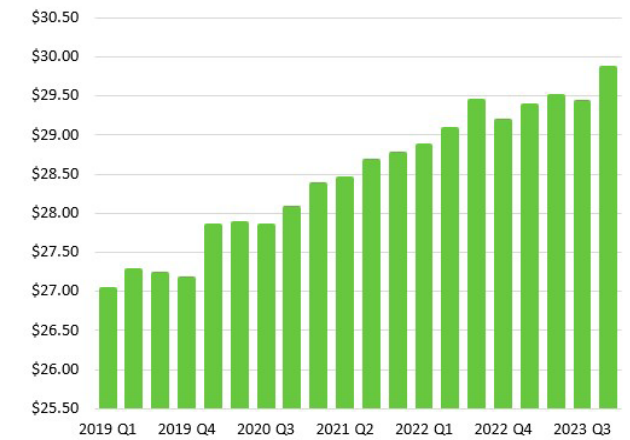
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
4600 Rivers Rd.	Prince George's County	Washington Commanders	27,516
7373 Wisconsin Ave.	Montgomery County	Unknown	22,373
4500 East West Hwy.	Montgomery County	Unknown	18,660

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
11611 Old Georgetown Rd.	Montgomery County S	\$10,400,000	\$447	23,280
8 & 12 S. Summit Ave.	Montgomery County N	\$7,000,000	\$106	66,000
9312 Old Georgetown Rd.	Montgomery County S	\$6,825,000	\$363	18,804

\* Renewal, Expansion, or Sublease

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## RETAIL INDICATORS

Market Size  
116,652,299

Building Count  
4,700

Absorption  
13,288

YTD Absorption  
301,564

Vacancy  
6.22%

Rental Rate  
\$20.42

## 4TH QUARTER SUMMARY

As leasing activity increased throughout 2023, vacancy rates continued a downward trend indicating an active deal-making environment regardless of external economic factors. Unlike office properties, retail has experienced positive absorption to the tune of over 300,000 sf. Out of the 250,000 sf of new retail space delivered in 2023, only 11,000 square feet was actively available for lease at the end of the fourth quarter 2023. Vacancy rates for the Baltimore Market ended slightly higher than last quarter at 6.22%, still lower than the end of 2022 when it was 6.30%. BWI corridor saw historically low vacancy at 2.1% as rental rates stayed in the mid-\$20's. Annapolis is boasting one of the highest average rental rates at more than \$30.00/sf but also has the highest vacancy at 12.27%, primarily due to large footprints of space available at the mall. Rates continue to fluctuate across the board from year to year; however the I-83 Corridor appears to have taken one of the largest hits with rates dropping more than \$3.50/sf over the past year. High triple net expenses and interest rates are also keeping landlords and tenants alike on their toes when negotiating deals for the future. Notably, the largest retail lease signed in 2023 was with Coppermine, who took over the former Bel Air Athletic Club. The transaction was brokered by the MacKenzie team of Michael Ruocco and Tim Harrington, who represented the landlord, Newton, MA based RMR Group. Grocery Outlet expanded its reach by securing multiple leases across the market, but the majority of deals are below 5,000 sf. Overall, there are no indications that 2024 will witness a slowdown in the real estate market.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,270,699	12.27%	12.70%	12.80%	28,015	33,160	\$30.31	\$30.94	\$30.69
Baltimore City	19,053,578	7.13%	6.85%	7.20%	9,705	42,666	\$18.31	\$18.89	\$17.63
Baltimore County East	15,491,129	5.44%	5.29%	4.90%	-23,085	-51,025	\$15.66	\$15.86	\$16.08
Baltimore County West	7,479,929	5.90%	5.83%	5.80%	-15,188	2,059	\$18.54	\$21.23	\$18.36
BWI Corridor	9,152,626	2.10%	2.45%	2.70%	39,608	82,675	\$25.35	\$25.48	\$24.83
Carroll County	6,895,325	2.50%	2.35%	2.70%	-4,135	22,883	\$16.19	\$15.95	\$16.99
Cecil County	3,227,740	4.64%	5.34%	5.30%	30,281	20,523	\$13.94	\$13.94	\$14.10
Columbia	10,097,748	4.43%	4.31%	4.70%	-10,144	40,994	\$29.61	\$30.71	\$31.09
Harford County	10,523,576	5.79%	5.92%	5.70%	6,318	-11,587	\$20.34	\$20.60	\$21.64
Howard County West	746,161	4.51%	4.10%	5.00%	-3,605	11,655	\$27.18	\$26.52	\$24.75
I-83 Corridor	5,204,958	6.90%	6.41%	7.30%	-13,371	29,994	\$25.19	\$21.16	\$28.95
Reisterstown Rd Corridor	7,457,878	10.90%	9.70%	9.60%	-45,054	1,787	\$18.05	\$23.59	\$20.69
Route 2 Corridor	10,644,275	9.57%	9.30%	10.00%	1,710	47,548	\$16.25	\$14.92	\$15.39
Towson	5,406,677	3.13%	3.38%	3.40%	12,233	28,232	\$24.32	\$24.32	\$25.60
<b>Totals/Averages</b>	<b>116,652,299</b>	<b>6.22%</b>	<b>6.09%</b>	<b>6.30%</b>	<b>13,288</b>	<b>301,564</b>	<b>\$20.42</b>	<b>\$20.91</b>	<b>\$20.93</b>

## ITEMS TO NOTE:

Just one year after opening, Baltimore's Topgolf has been listed for sale at almost \$60 million. Located near M&T Stadium, the upscale facility will sell with a 20-year lease with Topgolf.

The three Wilkins auto dealerships located on Ritchie Highway in Glen Burnie sold for over \$15 million to i.g. Burton. The dealerships will remain operational under the new owner and total over 63,000 sf between the four buildings.

As \$1 billion in debt comes due, Pennsylvania Real Estate Investment Trust (PRIET) files for Chapter 11 in a U.S. Bankruptcy Court with a restructuring deal already in place. PREIT owns three malls in Maryland, Valley Mall, Francis Scott Key Mall and the Mall at Prince George's.

After over 20 years at Village of Cross Keys, an anchor tenant, Talbots, has closed for good. Talbots was unable to negotiate a lease for a smaller space that fits into the plan as the center is in the midst of a complete overhaul by the new owners, Caves Valley.

Baltimore City Planning Commission unanimously approved three crucial bills regarding the redevelopment of Harborplace. MCB Real Estate plans to redevelop Harborplace, creating a harmonious mix of residential, retail, office and entertainment that is pedestrian friendly.

McAlister's Deli has chosen 500 Pratt Street to be its first Maryland location. The Pratt Street location will open in the middle of 2024. This new location is part of an aggressive expansion plan (through franchising) that began in 2021. Currently the company has 570 delis in 29 states.

Truist Financial Corporation will close four branches in Maryland during the first quarter of 2024. The current closures are all in Prince George's County; the Baltimore Market will keep its branches open. Truist stated that a lack of foot traffic and transaction volume is what led to the current closures.



## RETAIL INDICATORS

Market Size  
116,652,299

Building Count  
4,700

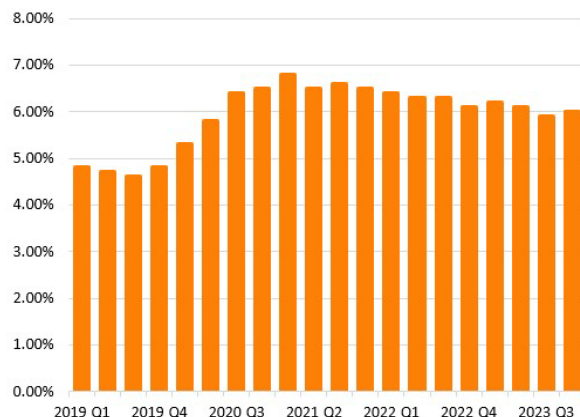
Absorption  
13,288

YTD Absorption  
301,564

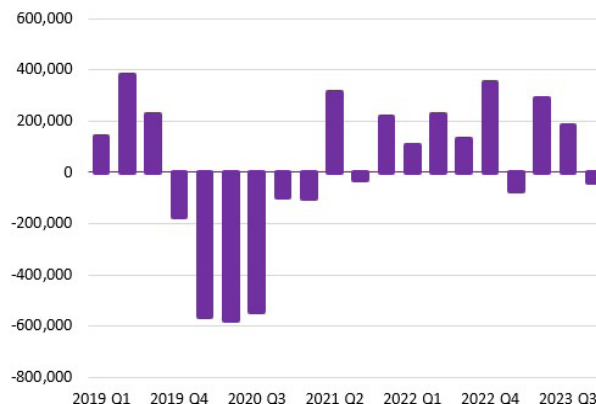
Vacancy  
6.22%

Rental Rate  
\$20.42

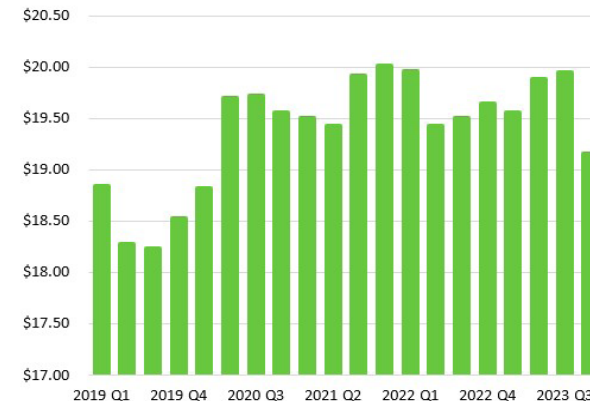
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	BWI Corridor	2.10%
2	Carroll County	2.50%
3	Towson	3.13%

### Highest Vacancy

1	Annapolis	12.27%
2	Reisterstown Rd Corridor	10.90%
3	Route 2 Corridor	9.57%

### Most Change vs. Prior Quarter

-	Cecil County	-0.69%
+	Reisterstown Rd Corridor	1.20%

### Lowest Net Absorption

1	BWI Corridor	39,608
2	Cecil County	30,281
3	Annapolis	28,015

### Highest Net Absorption

1	Reisterstown Rd Corridor	-45,054
2	Baltimore County East	-23,085
3	Baltimore County West	-15,188

### Most Absorption, Year-to-Date

-	Baltimore County East	-51,025
+	BWI Corridor	82,675

### Cheapest Rates

1	Cecil County	\$13.94
2	Baltimore County East	\$15.66
3	Carroll County	\$16.19

### Most Expensive Rates

1	Annapolis	\$30.31
2	Columbia	\$29.61
3	Howard County West	\$27.18

### Most Change vs. Prior Quarter

-	Reisterstown Rd Corridor	-\$5.54
+	I-83 Corridor	\$4.03

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
200 Clifton Blvd.	Carroll County	Grocery Outlet	25,079
11716 Reisterstown Rd.	Reisterstown Rd Corridor	Harbor Freight	20,625
78 Mountain Rd.	Route 2 Corridor	Grocery Outlet	17,500
101 W. Fayette St.	Baltimore City	In The Dark Circus Arts	12,240

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
6913-6925 Ritchie Hwy.	Route 2 Corridor	\$15,025,000	\$254	59,200
6405- 6425 Dobbin Center Way	Columbia	\$5,550,000	\$683	8,128
5720 Reisterstown Rd.	Baltimore City	\$4,125,000	\$103	40,148
409 Constant Friendship Blvd	Harford County	\$3,700,000	\$81	45,463



# RETAIL OVERVIEW (DC METRO)

FOURTH QUARTER | 2023



## RETAIL INDICATORS

Market Size  
**80,503,208**

Building Count  
**2,805**

Absorption  
**7,697**

YTD Absorption  
**-209,086**

Vacancy  
**5.94%**

Rental Rate  
**\$28.43**

## THE NUMBERS

### MARKET SIZE

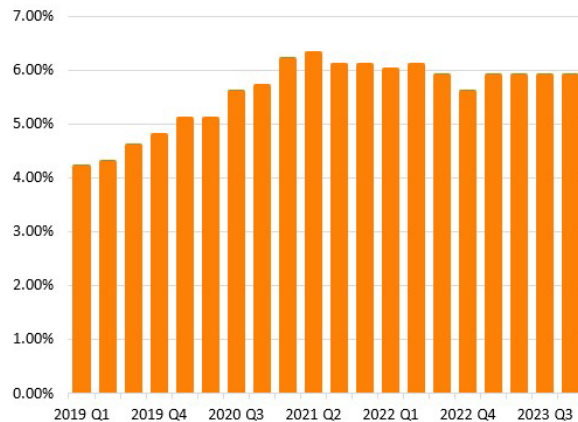
### VACANCY %

### ABSORPTION

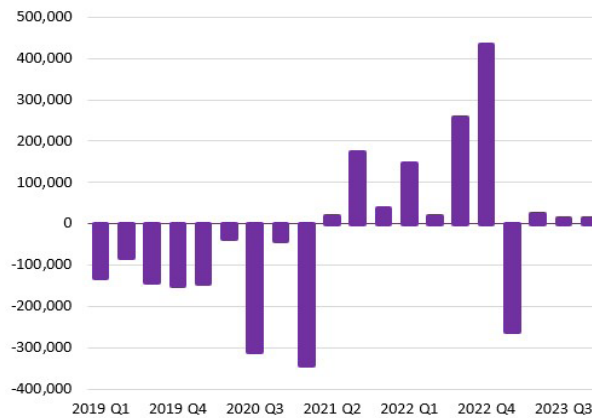
### RENTAL RATES

		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	12,261,868	5.46%	6.41%	6.70%	106,662	129,252	\$22.75	\$23.83	\$20.34
Montgomery Co. North	10,878,202	8.70%	8.41%	6.40%	8,180	-228,623	\$30.17	\$29.99	\$27.76
Montgomery Co. South; Rockville/Bethesda	17,791,986	4.40%	4.37%	4.50%	-16,080	33,666	\$34.10	\$33.58	\$31.54
Prince George's Co. North	21,921,509	6.39%	6.16%	6.00%	-66,540	-77,492	\$24.56	\$24.31	\$25.58
Prince George's Co. South	12,284,517	4.90%	4.65%	4.50%	-32,883	-38,609	\$26.22	\$27.73	\$23.43
Silver Spring North/Route 29	3,006,789	10.31%	10.49%	12.20%	-1,253	-24,993	\$37.64	\$34.84	\$28.49
Silver Spring South	2,358,337	2.85%	3.27%	2.50%	9,611	-2,287	\$42.85	\$42.85	\$33.81
<b>Totals</b>	<b>80,503,208</b>	<b>5.94%</b>	<b>5.96%</b>	<b>5.70%</b>	<b>7,697</b>	<b>-209,086</b>	<b>\$28.43</b>	<b>\$28.51</b>	<b>\$26.42</b>

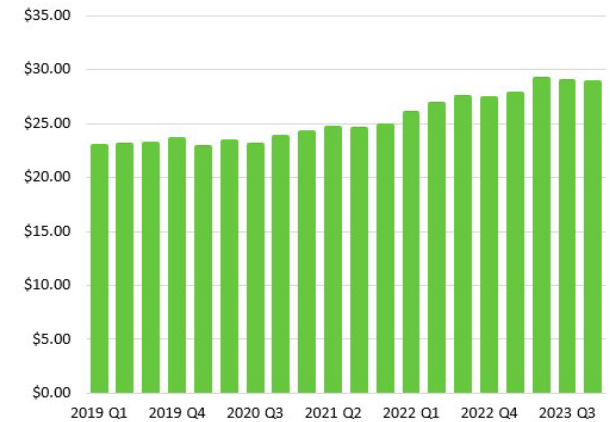
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
Frederick Rd.	Frederick County	Goodwill	18,000
3316 Donnell Dr.	Prince George's County	BioLife	15,235
5800 Silver Hill Rd.	Prince George's County	First Steps Early Learning Academy	10,440

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Potomac Promenade	Montgomery County S	\$75,780,275	\$722	104,935
17651 Redland Rd.	Montgomery County S	\$5,450,000	\$426	12,800
5818 Riggs Rd.	Prince George's County S	\$1,962,290	\$354	5,546

\* Renewal, Expansion, or Sublease

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## INDUSTRIAL INDICATORS

Market Size  
**270,529,852**

Building Count  
**3,657**

Absorption  
**537,162**

YTD Absorption  
**1,099,002**

Vacancy  
**6.99%**

Rental Rate  
**\$11.04**

The data for the Baltimore industrial market, encompassing both flex and warehouse spaces, underscores the resilience of this market. The total current vacancy rate stands at 6.99%, signaling a well-balanced market, while the Year-to-Date (YTD) absorption of 1,099,002 square feet indicates sustained economic activity. The significance of market size in assessing overall economic dynamics in industrial real estate is apparent, particularly in larger submarkets like Baltimore City and Harford & Cecil Counties, indicating substantial economic involvement and potential opportunities. Due to limited available land in the BWI Corridor, the predominance of industrial development has shifted north along the I-95 corridor to Harford and Cecil Counties. While over 11 million square feet have been constructed over the past five years, only three million is available for lease. The region has accommodated the demand for larger buildings, with only six out of 25 buildings constructed under 150,000 square feet. Although the increase of rental rates has slowed, it remains active. The submarkets between the Baltimore and Washington DC beltways with more demand, such as Columbia and the BWI Corridor, are commanding higher average asking rental rates at \$11.20/sf and \$13.77/sf, respectively. Companies reluctant to relocate to areas lacking immediate access to I-95 and 695 face higher costs. The average asking rents for the Baltimore industrial market is \$11.04/sf, with flex space averaging \$13.75/sf. In summary, the overall economic outlook for Baltimore's industrial real estate market is positive, with fluctuations in demand, vacancy rates, and rental rates evident across different submarkets. Industrial sales averaged \$133/sf foot for Class A and B buildings in 2023. The diversity of the economic drivers and available product types in the Baltimore Industrial market provide resilience to the industrial sector within the broader regional economy, offering opportunity for investors, developers, and tenants.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	6,308,948	6.54%	7.30%	6.9%	33,607	55,150	\$14.34	\$14.32	\$14.27
Baltimore City	5,067,038	6.28%	7.04%	8.0%	-15,307	-34,705	\$26.67	\$25.14	\$10.17
Baltimore County East	3,991,513	7.11%	9.10%	8.6%	69,090	39,210	\$13.99	\$13.99	\$14.48
Baltimore County West	4,758,996	10.84%	11.44%	9.2%	14,687	-100,626	\$11.89	\$11.89	\$9.57
BWI Corridor	9,074,395	5.75%	6.04%	7.4%	862	203,654	\$12.73	\$12.28	\$12.50
Carroll County	1,862,549	7.62%	7.72%	8.9%	-1,535	15,093	\$10.72	\$10.50	\$9.59
Columbia	8,360,319	4.86%	5.92%	5.0%	-34,600	-11,746	\$12.06	\$11.77	\$12.46
Harford & Cecil Counties	3,087,442	6.89%	6.87%	6.8%	377	44,489	\$9.75	\$9.75	\$10.63
I-83 Corridor	5,513,632	5.83%	6.11%	6.7%	28,147	130,750	\$10.70	\$10.98	\$11.25
Reisterstown Rd	2,966,402	10.90%	12.86%	11.1%	8,669	83,221	\$12.72	\$12.48	\$11.95
<b>Flex Totals</b>	<b>50,991,234</b>	<b>6.78%</b>	<b>7.63%</b>	<b>7.4%</b>	<b>103,997</b>	<b>424,490</b>	<b>\$13.75</b>	<b>\$13.48</b>	<b>\$11.98</b>
Annapolis Route 2	10,110,786	0.35%	0.37%	1.2%	-2,431	22,819	\$12.93	\$10.60	\$8.55
Baltimore City	49,780,222	6.57%	6.34%	5.7%	-135,385	276,079	\$9.92	\$9.66	\$6.88
Baltimore County East	35,466,196	7.42%	9.31%	3.2%	606,635	379,743	\$9.80	\$10.49	\$11.32
Baltimore County West	9,870,091	9.98%	8.03%	8.9%	-192,213	-126,665	\$7.41	\$6.28	\$6.81
BWI Corridor	43,817,329	5.29%	5.69%	4.1%	14,075	-272,487	\$13.77	\$13.13	\$9.35
Carroll County	8,950,118	0.84%	0.74%	4.8%	-9,236	-5,348	\$7.96	\$7.96	\$6.99
Columbia	5,354,789	6.02%	6.00%	7.7%	-7,054	-1,514	\$11.20	\$12.04	\$12.28
Harford & Cecil Counties	49,317,651	11.07%	11.52%	8.0%	157,448	508,132	\$8.25	\$8.15	\$6.37
I-83 Corridor	5,245,416	5.60%	6.16%	4.6%	6,326	-82,933	\$7.11	\$8.33	\$8.02
Reisterstown Rd	1,626,020	3.56%	3.22%	2.2%	-5,000	-23,314	\$11.00	\$11.91	\$12.00
<b>Warehouse Totals</b>	<b>219,538,618</b>	<b>7.04%</b>	<b>7.39%</b>	<b>5.4%</b>	<b>433,165</b>	<b>674,512</b>	<b>\$10.21</b>	<b>\$10.01</b>	<b>\$8.25</b>
<b>Totals</b>	<b>270,529,852</b>	<b>6.99%</b>	<b>7.43%</b>	<b>5.8%</b>	<b>537,162</b>	<b>1,099,002</b>	<b>\$11.04</b>	<b>\$10.82</b>	<b>\$9.09</b>

## ITEMS TO NOTE:

Conair has chosen a site in Hagerstown for its upcoming distribution center, projected to be the largest in the State with a footprint exceeding 2.1 million square feet. The construction of the facility is currently underway, with an anticipated completion date in the second quarter of 2024.

After years of navigating short-term leases and moving between buildings, Samaritan's Purse has secured a permanent home through a \$10.5 million acquisition. The new headquarters, located at 7120 Ambassador Road in Windsor Mill, comprises an 82,000 sf warehouse, allowing the consolidation of all operations.

Lakeside Business Park, situated on Quarry Drive and Lakeside Boulevard in Edgewater, has been acquired for \$112 million. Rockpoint has purchased nine industrial buildings collectively spanning over 890,000 sf from Link Logistics Real Estate.

Following a 15-year occupancy at 7190 Parkway Drive, Crate & Barrel has finalized a lease renewal. The global furniture company is set to continue operating within 78,070 sf of warehouse space in Hanover, MD.

The Silverman Group purchased 7479 New Ridge Road in Hanover for almost \$18 million. Dillon's Bus Service has seven years remaining on its lease of the 18,393 sf building that is situated on 13.35 acres.

The 300 E. Cromwell Street location, once the site of the former Baltimore Sun building, has been entirely demolished. The 256,000 sf structure, which formerly accommodated the printing plant and newsroom for the Baltimore Sun, has been razed. As of now, there is no information available regarding the future plans for the site.



# INDUSTRIAL OVERVIEW (WAREHOUSE)

FOURTH QUARTER | 2023



## WAREHOUSE INDICATORS

Market Size  
219,538,618

Building Count  
2,438

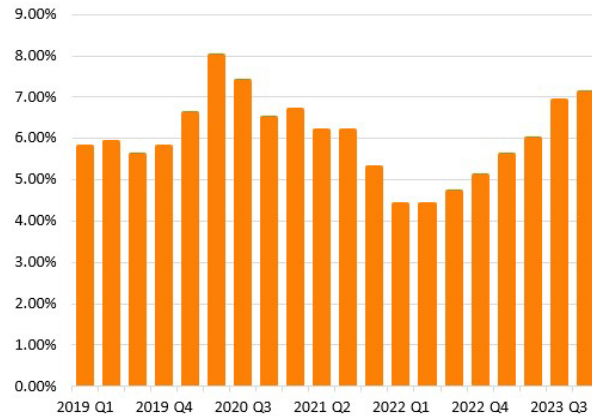
Absorption  
433,165

YTD Absorption  
674,512

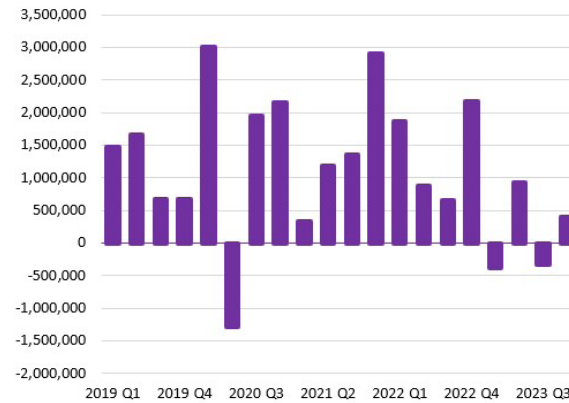
Vacancy  
7.04%

Rental Rate  
\$10.21

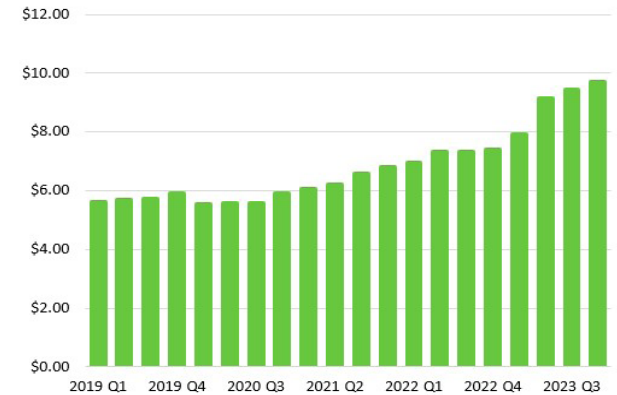
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## Lowest Vacancy

1	Annapolis/Route 2	0.35%
2	Carroll County	0.84%
3	Reisterstown Rd	3.56%

## Highest Vacancy

1	Harford & Cecil Counties	11.07%
2	Baltimore County West	9.98%
3	Baltimore County East	7.42%

## Most Change vs. Prior Quarter

-	Baltimore County East	-1.89%
+	Baltimore County West	1.95%

## Lowest Net Absorption

1	Baltimore County East	606,635
2	Harford & Cecil Counties	157,448
3	BWI Corridor	14,075

## Highest Net Absorption

1	Baltimore County West	-192,213
2	Baltimore City	-135,385
3	Carroll County	-9,236

## Most Absorption, Year-to-Date

-	BWI Corridor	-272,487
+	Harford & Cecil Counties	508,132

## Cheapest Rates

1	I-83 Corridor	\$7.11
2	Baltimore County West	\$7.41
3	Carroll County	\$7.96

## Most Expensive Rates

1	BWI Corridor	\$13.77
2	Annapolis/Route 2	\$12.93
3	Columbia	\$11.20

## Most Change vs. Prior Quarter

-	I-83 Corridor	-\$1.22
+	Annapolis/Route 2	\$2.33

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8415 Kelso Dr.*	Baltimore County East	DHL	144,500
103 Chesapeake Park Plz.	Baltimore County East	Rocket Lab	113,000
1255 S. Caton Ave.	Baltimore City SW	Carlisle Companies	108,160
1405 Magellan Rd.*	BWI Corridor	Shaw Flooring	106,758

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Lakeside Business Park	Harford County	\$112,074,285	\$126	892,076
727 Old Philadelphia Rd.	Harford County	\$51,325,000	\$103	500,625
7479 New Ridge Rd.	BWI Corridor	\$17,963,759	\$977	18,393
10331 S. Dolfield Rd.	Reisterstown Rd Cor	\$7,750,000	\$151	51,448

\* Renewal, Expansion, or Sublease



## FLEX INDICATORS

Market Size  
50,991,234

Building Count  
1,219

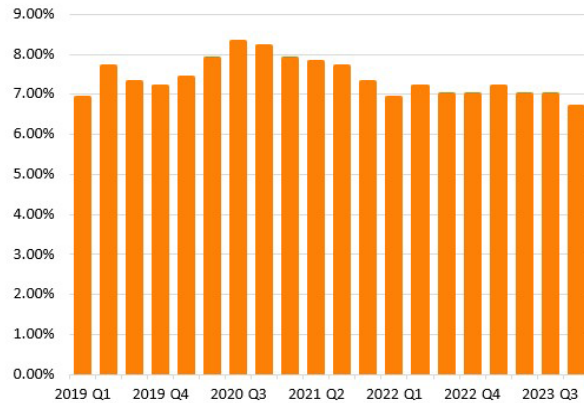
Absorption  
103,997

YTD Absorption  
424,490

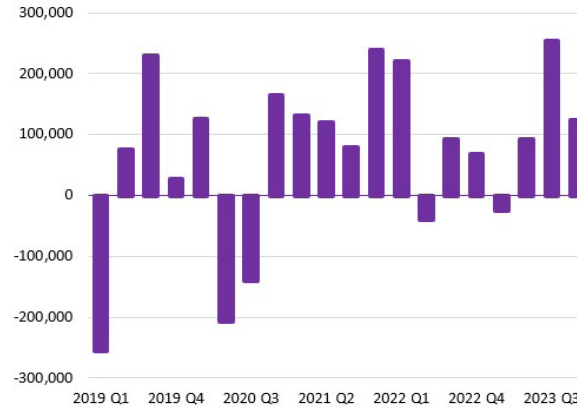
Vacancy  
6.78%

Rental Rate  
\$13.75

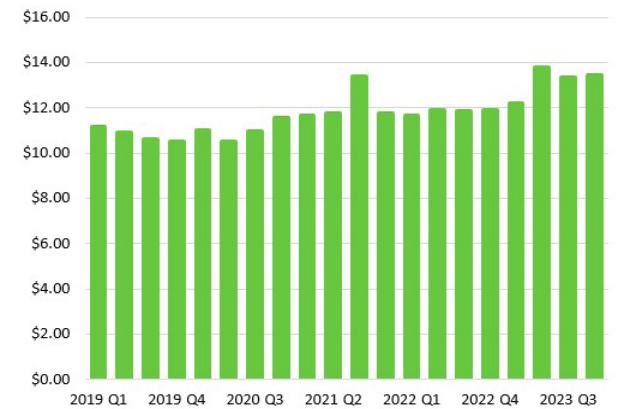
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	Columbia	4.86%
2	BWI Corridor	5.75%
3	I-83 Corridor	5.83%

### Highest Vacancy

1	Reisterstown Rd Corridor	10.90%
2	Baltimore County West	10.84%
3	Carroll County	7.62%

### Most Change vs. Prior Quarter

-	Baltimore County East	-1.99%
+	Harford & Cecil Counties	0.02%

### Lowest Net Absorption

1	Baltimore County West	188,968
2	I-83 Corridor	57,272
3	Harford & Cecil Counties	12,316

### Highest Net Absorption

1	Baltimore County East	-39,269
2	Baltimore City	-12,712
3	Annapolis/Route 2	-2,541

### Most Absorption, Year-to-Date

-	Baltimore County West	-100,626
+	BWI Corridor	203,654

### Cheapest Rates

1	Harford & Cecil Counties	\$9.75
2	I-83 Corridor	\$10.70
3	Carroll County	\$10.72

### Most Expensive Rates

1	Baltimore City	\$26.67
2	Annapolis/Route 2	\$14.34
3	Baltimore County East	\$13.99

### Most Change vs. Prior Quarter

-	I-83 Corridor	-\$0.28
+	Baltimore City	\$1.53

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
9065 Guilford Rd.	Columbia	Quick Servant Company, Inc.	46,781
1135 Business Pky. S	Carroll County	Carroll County Board of Elections	23,422
21 Fontana Ln.	Baltimore County East	Marine Solutions Inc.	21,109
125 Airport Dr.	Carroll County	Carroll County Board of Elections	14,844

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
9140 & 9150 Guilford Rd.	Columbia	\$7,400,000	\$125	59,360
6600 Santa Barbara Rd.	BWI Corridor	\$3,500,000	\$174	20,076
901 & 909 Baltimore Blvd.	Carroll County	\$3,425,000	\$69	49,700
2001-2003 Greenspring Dr.	I-83 Corridor	\$2,110,000	\$173	12,170



# INDUSTRIAL OVERVIEW (DC METRO)

FOURTH QUARTER | 2023



## INDUSTRIAL INDICATORS

Market Size  
112,517,006

Building Count  
2,311

Absorption  
248,220

YTD Absorption  
661,251

Vacancy  
6.48%

Rental Rate  
\$13.61

## THE NUMBERS

### MARKET SIZE

### VACANCY %

### ABSORPTION

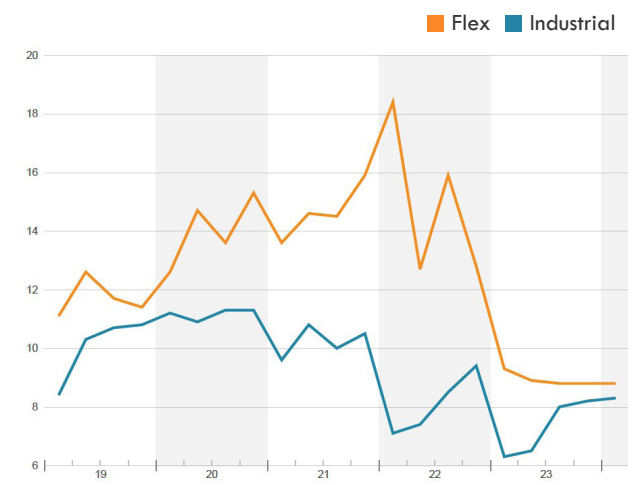
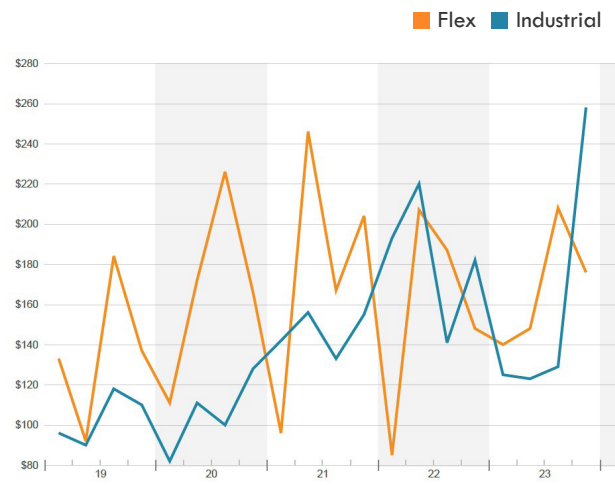
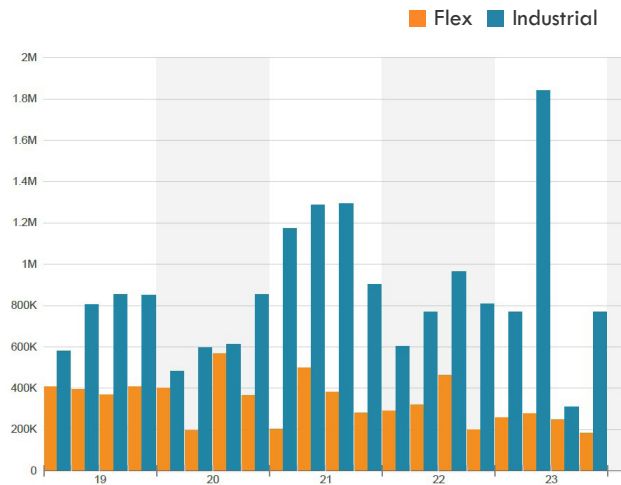
### RENTAL RATES

		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	7,386,072	10.01%	9.30%	9.6%	70,091	84,124	\$15.33	\$15.08	\$12.83
Montgomery Co. North	7,769,078	10.90%	11.17%	9.6%	18,869	-42,493	\$26.88	\$28.32	\$29.06
Montgomery Co.; Rockville/Bethesda	4,738,936	4.58%	6.63%	5.8%	85,069	45,769	\$21.64	\$20.58	\$19.53
Prince George's Co.	8,886,078	4.87%	5.92%	6.1%	52,656	84,902	\$12.80	\$12.20	\$11.32
Silver Spring	1,454,271	5.30%	4.96%	4.5%	-5,132	-8,374	\$18.03	\$18.24	\$16.47
<b>Flex Totals</b>	<b>30,234,435</b>	<b>7.65%</b>	<b>8.14%</b>	<b>7.7%</b>	<b>221,553</b>	<b>163,928</b>	<b>\$18.67</b>	<b>\$18.65</b>	<b>\$17.78</b>
Frederick Co.	15,579,339	8.24%	6.68%	5.6%	388,046	518,192	\$11.20	\$11.33	\$10.36
Montgomery Co. North	5,959,820	8.91%	9.67%	3.4%	-6,863	58,877	\$13.26	\$13.16	\$14.42
Montgomery Co.; Rockville/Bethesda	6,908,230	3.81%	3.85%	5.3%	3,052	55,620	\$16.16	\$16.03	\$15.35
Prince George's Co.	52,124,584	5.47%	4.37%	5.0%	-363,008	-137,513	\$11.03	\$12.43	\$11.70
Silver Spring	1,710,598	2.51%	2.82%	2.6%	5,440	2,147	\$15.57	\$15.57	\$15.74
<b>Warehouse Totals</b>	<b>82,282,571</b>	<b>6.04%</b>	<b>5.12%</b>	<b>5.0%</b>	<b>26,667</b>	<b>497,323</b>	<b>\$11.75</b>	<b>\$12.64</b>	<b>\$12.03</b>
<b>Totals</b>	<b>112,517,006</b>	<b>6.48%</b>	<b>5.94%</b>	<b>5.7%</b>	<b>248,220</b>	<b>661,251</b>	<b>\$13.61</b>	<b>\$14.26</b>	<b>\$13.58</b>

## LEASING ACTIVITY

## SALES PRICE PER SQUARE FOOT

## LEASING: MONTHS ON THE MARKET



\* Renewal, Expansion, or Sublease

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# INDUSTRIAL OVERVIEW (DC METRO)

FOURTH QUARTER | 2023



## WAREHOUSE (DC METRO)

Market Size  
82,282,571

Building Count  
1,670

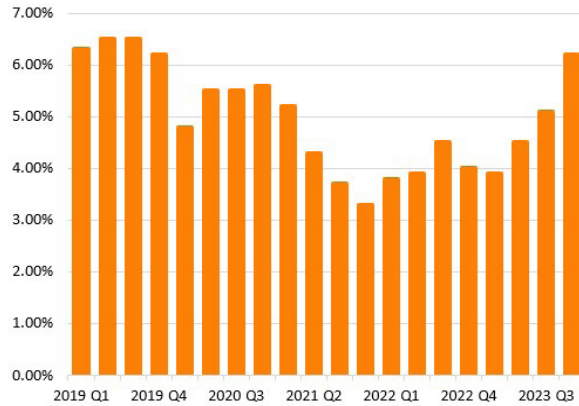
Absorption  
26,667

YTD Absorption  
497,323

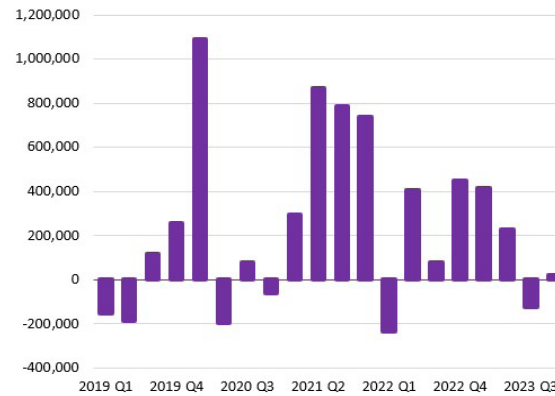
Vacancy  
6.04%

Rental Rate  
\$11.75

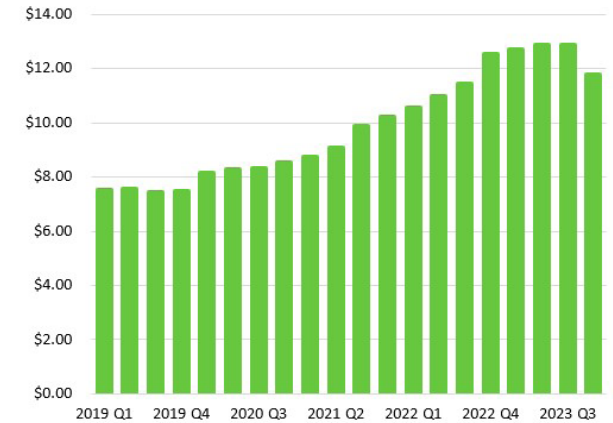
### VACANCY



### NET ABSORPTION



### RENTAL RATES



## FLEX (DC METRO)

Market Size  
30,234,435

Building Count  
641

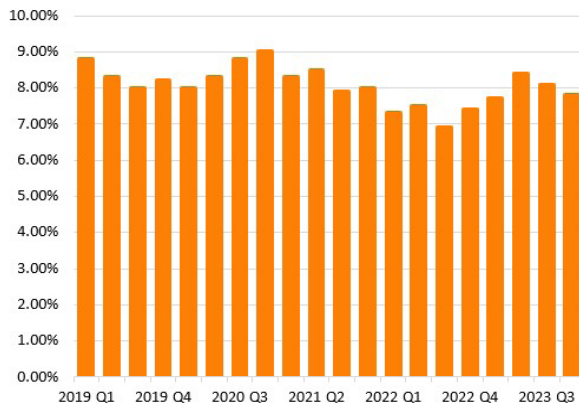
Absorption  
221,553

YTD Absorption  
163,928

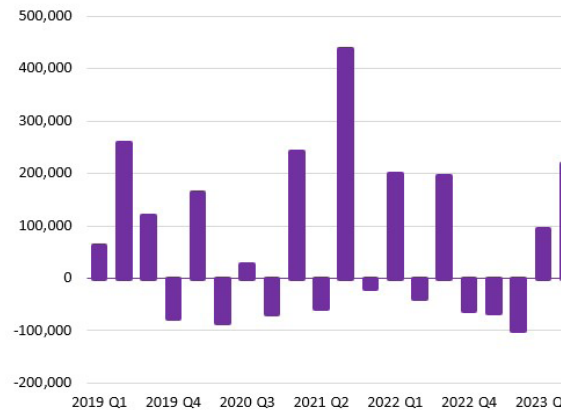
Vacancy  
7.65%

Rental Rate  
\$18.67

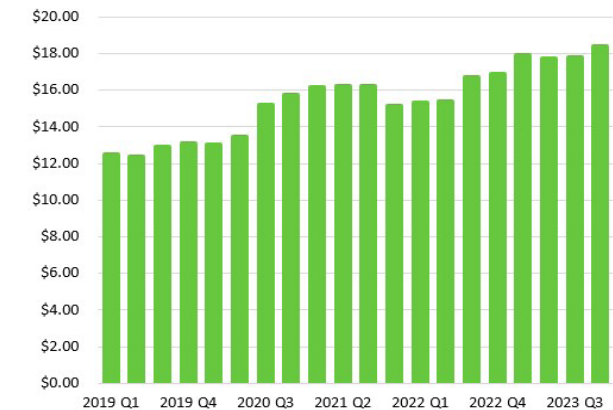
### VACANCY



### NET ABSORPTION



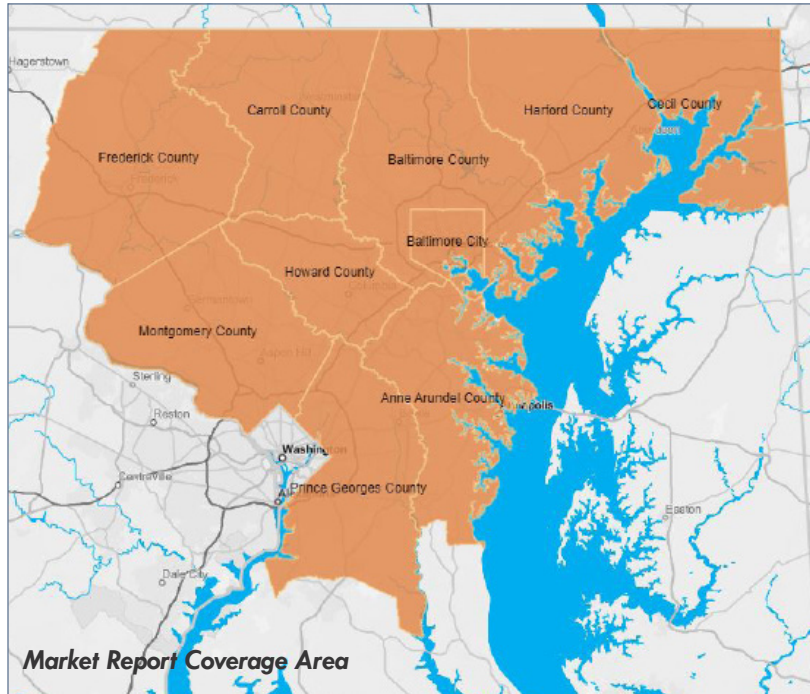
### RENTAL RATES







## REPORT CRITERIA AND SUBMARKETS



### About Us:

MacKenzie Ventures, LLC (MacKenzie) possesses the multi-disciplined team necessary to excel in Maryland's corporate real estate community. Comprising six firms, MacKenzie provides clients a competitive, full service platform of offerings in leasing, sales, investments, tenant and landlord advisory services, development, general construction, property and asset management, debt and equity capital placement, and multifamily property management. 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. Please visit [www.mackenziecommercial.com](http://www.mackenziecommercial.com) for more information.

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**OFFICE MARKET:** Office buildings 5,000 sf in size and greater in the Metro areas within Anne Arundel County, Baltimore County, Harford County, and Howard County; buildings 20,000 sf in size and greater within Baltimore City; and, there is no minimum size requirement in Annapolis. MacKenzie includes all class types except in Baltimore City and Annapolis where only classes A and B are tracked; owner occupied buildings are not tracked in Baltimore City. Data does not include under construction or proposed projects. The office market is separated into the following submarkets: Annapolis, Baltimore City CBD, Baltimore City Midtown, Baltimore City NE, Baltimore City NW, Baltimore City SE, Baltimore City SW, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Rd Corridor, Route 2 Corridor, and Towson.

**RETAIL MARKET:** Retail buildings 5,000 sf or greater in Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, and Howard County; there is no minimum size requirement in Annapolis. MacKenzie includes all class types and includes retail buildings that are for investment or owner user. Data does not include under construction or proposed projects. The region is broken down into 14 submarkets; Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Road Corridor, Route 2 Corridor, and Towson.

**INDUSTRIAL MARKET:** Flex properties are industrial buildings that have at least 70% office build-out, and single-story office buildings that have at least one dock door. Industrial buildings include warehouse, distribution, and manufacturing facilities. Both property types included are at least 10,000 sf in size and include all classes. Data does not include under construction or proposed projects. We have classified the properties into 10 submarkets for industrial, identified as the following: Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll, Columbia, Harford/Cecil Counties, I-83 Corridor, and Reisterstown Road Corridor.

**DC METRO MARKETS:** We apply the same size parameters and building specifications noted above to office, retail, and industrial product throughout the DC Metro market, and have separated this market into the following submarkets for each asset class: Frederick County, Montgomery County North, Montgomery County South; Rockville/Bethesda; Prince George's County North and South, Silver Spring North/29, and Silver Spring South.

**RENTAL RATES:** Rental rates are based on values provided by CoStar's availability-weighted rents. The availability-weighted rents exist where CoStar has a space for lease listed and an associated rent. These rents only exist at a building level in quarters when the listing is active, and aggregates of this series are an average weighted by the amount of available space associated with the listing.

### 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 [www.mackenziecommercial.com/market-report/](http://www.mackenziecommercial.com/market-report/). To join our Market Report mailing list, please send us an e-mail: [Media@MacKenzieCommercial.com](mailto:Media@MacKenzieCommercial.com).