

OFFICE OVERVIEW

FIRST QUARTER | 2025



OFFICE INDICATORS

Market Size
115,900,068

Building Count
2,549

Absorption
125,278

YTD Absorption
125,278

Vacancy
14.57%

Rental Rate
\$24.45/sf

The first quarter of 2025 concluded on a strong note, with over 125,000 sf of positive absorption. In Baltimore's City Center, vacancy rates surged as the long-anticipated relocation of T. Rowe Price was finalized, adding 450,000 sf of vacant space and pushing the submarket to record lows. However, the delivery of 1307 Point St. in Baltimore City SE had no impact on the vacancy rate, as T. Rowe Price immediately occupied the building. Similarly, Under Armour's new 280,000 sf headquarters in the same submarket was completed and occupied right away.

Leasing activity remained steady, with nearly 900,000 sf of deals signed. The District Court of Maryland renewed its lease at Industrial Drive in Annapolis for over 62,000 sf. While not all transactions were as sizable, the average deal size was approximately 4,500 sf.

Limited new construction has helped prevent market oversupply, while demand for high-quality office space remains strong. The northern and southern metro areas continue to outperform the city in occupancy, with vacancy rates at 12%, 11.6%, and 23%, respectively. Despite higher vacancy, Baltimore City commands the highest rental rates at \$26.23/sf, compared to \$22.60/sf in the Northern Market and \$25.34/sf in the Southern Market.

The largest office transaction of the quarter was the sale of 40 Wight Ave. in Cockeysville for \$26 million (\$196/sf). While office sales have been limited at the start of the year, none have been classified as distressed or auctioned as of this publication.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	12,483,398	31.5%	28.2%	29.9%	-451,781	-451,781	\$25.11	\$24.75	\$24.54
Baltimore City Midtown	2,122,502	10.9%	10.8%	9.0%	2,908	2,908	\$19.04	\$19.74	\$19.23
Baltimore City NE	995,507	6.2%	8.3%	6.6%	9,183	9,183	\$19.75	\$19.75	\$18.50
Baltimore City NW	2,060,337	5.3%	6.2%	4.6%	18,946	18,946	\$30.04	\$29.68	\$29.29
Baltimore City SE	7,609,362	17.6%	19.2%	19.1%	590,169	590,169	\$31.55	\$31.87	\$30.16
Baltimore City SW	3,191,731	28.2%	27.3%	23.6%	-3,967	-3,967	\$22.25	\$23.74	\$24.61
Baltimore City	28,462,837	23.0%	22.1%	22.2%	165,458	165,458	\$26.23	\$26.35	\$25.79
Baltimore County East	4,087,579	10.7%	11.3%	12.9%	34,133	34,133	\$20.12	\$19.91	\$22.73
Baltimore County West	8,336,602	9.0%	6.8%	7.5%	-60,641	-60,641	\$19.60	\$19.66	\$19.52
Carroll County	2,152,967	4.5%	3.9%	4.3%	-5,788	-5,788	\$21.12	\$21.30	\$21.54
Cecil County	793,270	1.1%	1.7%	2.4%	4,103	4,103	\$25.39	\$25.06	\$25.56
Harford County	4,863,860	14.8%	15.2%	14.5%	21,710	21,710	\$25.18	\$25.25	\$24.67
I-83 Corridor	10,431,893	13.7%	14.3%	16.4%	5,053	5,053	\$23.79	\$23.69	\$22.62
Reisterstown Rd.	8,110,401	14.9%	13.7%	14.8%	-52,104	-52,104	\$24.96	\$26.01	\$24.48
Towson	8,166,334	12.1%	10.8%	12.0%	-81,845	-81,845	\$21.63	\$21.37	\$21.32
Northern Metro	46,942,906	12.0%	11.4%	12.5%	-135,379	-135,379	\$22.60	\$22.72	\$22.39
Annapolis	5,275,213	10.4%	10.0%	11.0%	-23,501	-23,501	\$29.62	\$29.35	\$30.61
BWI Corridor	14,153,486	9.4%	9.2%	7.8%	-31,063	-31,063	\$24.58	\$22.82	\$24.42
Columbia	18,305,888	14.4%	14.7%	14.0%	139,638	139,638	\$24.52	\$24.72	\$25.31
Route 2 Corridor	2,759,738	6.6%	7.2%	5.6%	10,125	10,125	\$26.43	\$26.33	\$25.56
Southern Metro	40,494,325	11.6%	11.7%	10.9%	95,199	95,199	\$25.34	\$24.77	\$25.71
Totals	115,900,068	14.6%	14.1%	14.3%	125,278	125,278	\$24.45	\$24.33	\$24.38

ITEMS TO NOTE:

T. Rowe Price Group officially opened its new 550,000 sf global headquarters at Harbor Point in Baltimore this quarter, with associates beginning to move into the new location at 1307 Point St. The company said the headquarters will serve 2,000 employees.

Gallagher Evelius & Jones LLP, the sixth largest law firm in Greater Baltimore with 57 local attorneys, will move its office to 650 S. Exeter St. from its current location at 218 N. Charles St. next spring. The firm's more than 100 employees will occupy the entire 12th floor of the building.

Maryland is abandoning plans to move its Department of Budget and Management to 300 E. Lombard St. as the property faces financial distress. The state rebid a 10-year lease in January, now seeking 28,000 sf instead of the original 45,000 sf. The 19-story tower, in receivership for over a year, is being marketed for sale.

Mason & Carter Inc., an independent insurance agency in its fourth generation of family leadership, moved into the 11th floor of the Redwood Exchange building at 233 E. Redwood St. The 5,000 sf space is just across the street from its former home at 23 South St., which is now up for sale.

Ice Miller, a top-200 national law firm, is doubling its Baltimore office space to support growth. The Indianapolis-based firm, which opened in 2023 with a 5,000 sf lease at 100 Light Street, recently signed a deal to expand by 6,000 sf to accommodate continued growth.

Three new tenants signed leases at Galleria Towers in Lutherville. Che' Nova Aesthetics, ComForCare Home Care and Maryland Dermatology are joining the eight-story building located at 1447 York Road.



OFFICE INDICATORS

Market Size
115,900,068

Building Count
2,549

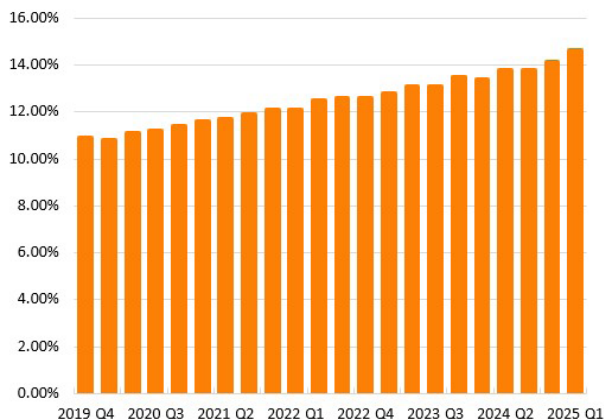
Absorption
125,278

YTD Absorption
125,278

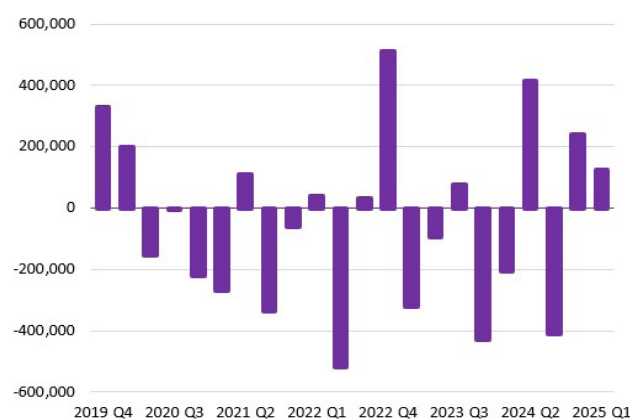
Vacancy
14.57%

Rental Rate
\$24.45/sf

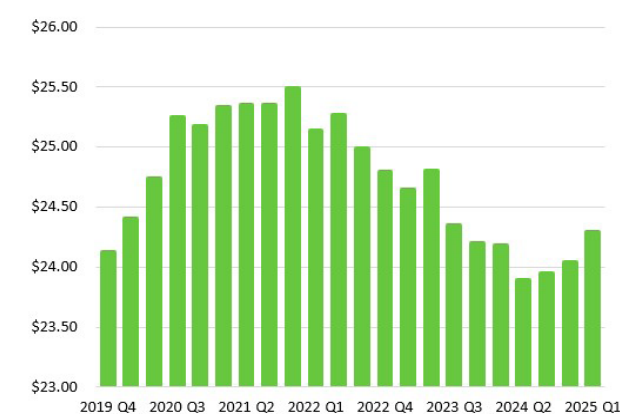
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Cecil County	1.1%
2	Carroll County	4.5%
3	Baltimore City NW	5.3%

Highest Vacancy

1	Baltimore City Center	31.5%
2	Baltimore City SW	28.2%
3	Baltimore City SE	17.6%

Most Change vs. Prior Quarter

-	Baltimore City NE	-2.1%
+	Baltimore City Center	3.8%

Most Positive Net Absorption

1	Baltimore City SE	590,169
2	Columbia	139,638
3	Baltimore County East	34,133

Lowest Negative Absorption

1	Baltimore City Center	-451,781
2	Towson	-81,845
3	Baltimore County West	-60,641

Greatest Changes in Absorption, Year-to-Date

-	Baltimore City Center	-451,781
+	Baltimore City SE	590,169

Cheapest Rates

1	Baltimore City Midtown	\$19.04
2	Baltimore County West	\$19.60
3	Baltimore City NE	\$19.75

Most Expensive Rates

1	Baltimore City SE	\$31.87
2	Baltimore City NW	\$29.68
3	Annapolis	\$29.35

Most Change vs. Prior Quarter

-	Baltimore City SW	-\$1.49
+	BWI Corridor	\$1.76

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
2000-2010 Industrial Dr.*	Annapolis	District Court of Maryland	62,492
1215 E. Fort Ave.	Baltimore City SE	AECOM	53,914
6841 Benjamin Franklin Dr.	Columbia	Huntington Ingalls Industries (HII)	48,088
650 S. Exeter St.	Baltimore City SE	Gallagher Evelius & Jones	33,906

* Renewal, Expansion, or Sublease

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
40 Wight Ave.	I-83 Corridor	\$26,000,000	\$197	132,207
7168 Columbia Gateway Dr.	Columbia	\$7,315,000	\$178	41,094
8010 Corporate Dr.	Baltimore County East	\$3,350,000	\$85	39,598
3179 Braverton St.	Annapolis	\$2,400,000	\$173	13,848

OFFICE OVERVIEW (DC METRO)

FIRST QUARTER | 2025



OFFICE INDICATORS

Market Size
112,374,761

Building Count
2,008

Absorption
-205,933

YTD Absorption
-205,933

Vacancy
16.96%

Rental Rate
\$29.89/sf

THE NUMBERS

MARKET SIZE

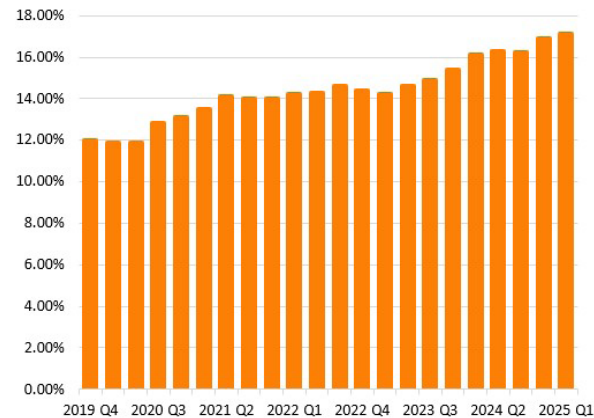
VACANCY %

ABSORPTION

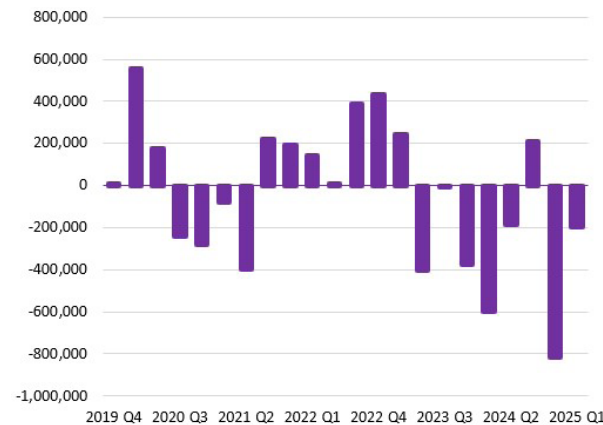
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,869,548	11.0%	12.3%	12.3%	95,925	95,925	\$24.08	\$23.31	\$24.14
Montgomery Co. North	12,557,701	13.5%	14.1%	13.4%	76,377	76,377	\$31.57	\$31.41	\$31.72
Montgomery Co. South; Rockville/Bethesda	52,295,144	20.8%	20.5%	20.1%	-253,551	-253,551	\$32.96	\$32.37	\$32.36
Prince George's Co. North	21,943,468	15.0%	14.6%	14.2%	-17,469	-17,469	\$24.19	\$24.09	\$24.00
Prince George's Co. South	5,255,664	7.1%	6.5%	5.5%	-36,718	-36,718	\$29.04	\$28.66	\$29.06
Silver Spring North/Route 29	4,236,159	9.3%	8.7%	9.8%	-27,041	-27,041	\$29.56	\$28.28	\$28.72
Silver Spring South	7,217,077	20.4%	19.8%	19.6%	-43,456	-43,456	\$30.08	\$30.26	\$29.90
Totals	112,374,761	17.0%	16.8%	16.5%	-205,933	-205,933	\$29.89	\$29.47	\$29.56

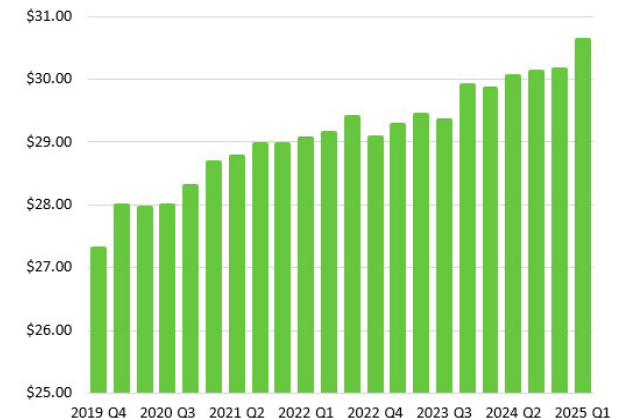
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
3275 Bennett Creek Ave.*	Montgomery County N	Banner Life Insurance Co.	115,758
7272 Wisconsin Ave.	Montgomery County S	GEICO	99,775
7500 Old Georgetown Rd.	Montgomery County S	Eagle Bank	43,407

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
10000 Falls Rd.	Montgomery County	\$17,375,000	\$634	27,408
121 Rockville Pike	Montgomery County	\$10,965,000	\$56	197,377
8926 Woodyard Rd.	Prince George's County	\$6,375,000	\$187	34,148

* Renewal, Expansion, or Sublease

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