



RETAIL INDICATORS

Market Size
118,322,130

Building Count
4,808

Absorption
-234,500

YTD Absorption
-234,500

Vacancy
6.13%

Rental Rate
\$20.23/sf

The Baltimore retail market continues to feel the impact of chain store closures, with the first quarter closing on over 220,000 sf of negative absorption. While leasing activity has softened, demand for high-quality retail space remains strong. Year-to-date, nearly 150 lease agreements have been signed, totaling over 600,000 sf.

Annapolis has experienced an increase in vacancy and continues to hold the highest vacancy rate at 11.34%. Despite this, rental rates have risen to over \$34/sf, maintaining the highest average rent in the region. Carroll County reports the lowest vacancy rate at 2.5%, with rents averaging approximately \$16/sf, while the BWI submarket follows closely with a 2.6% vacancy rate and rents exceeding \$24/sf.

Currently, approximately 203,000 sf of new retail space is under construction across 19 buildings, with more than 75,000 sf available for lease. In 2025, 57,000 sf of retail space was delivered; however, only one property was fully pre-leased. Additionally, the delivery of The BioPark and T. Rowe Price buildings contributed to the availability of new retail space in the market.

2025, a Broker's Perspective:

The negative net absorption of 234,500 sf of retail space in the Baltimore market certainly raises some eyebrows. This marks a significant shift, reminiscent of levels last seen in Q1 2021 during the pandemic's lingering economic impact. This recent downturn is largely driven by the financial struggles and subsequent bankruptcies of national retailers Big Lots and Party City, whose closures have created a wave of junior box vacancies, typically ranging from 10,000 to 15,000 square feet. These vacancies are particularly concentrated in suburban mid-sized shopping centers, where these chains previously maintained a strong presence. Compounding the issue, national dollar store concepts like Dollar General and Dollar Tree have also accelerated store closures amid profitability pressures and shifting consumer behavior. The combined effect of these closures has resulted in a sharp increase in available retail space, with limited tenant demand to fill the gaps. This lack of backfilling signals a broader realignment in the retail sector, as landlords grapple with an evolving tenant mix. The current environment presents a unique opportunity for well-capitalized tenants to secure quality locations with less competition. Ultimately, the trend reflects a market correction where weaker or oversaturated retail formats are pulling back from brick-and-mortar footprints. - Corey Caputo

THE NUMBERS

	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,603,673	11.34%	11.29%	12.55%	-3,650	-3,650	\$34.28	\$32.49	\$29.95
Baltimore City	19,455,669	7.41%	7.51%	7.01%	15,508	15,508	\$18.80	\$19.10	\$19.14
Baltimore County East	15,890,485	5.53%	5.23%	5.41%	-61,573	-61,573	\$14.05	\$13.59	\$15.29
Baltimore County West	7,245,094	7.22%	6.54%	6.12%	-45,599	-45,599	\$19.57	\$19.38	\$18.34
BWI Corridor	9,458,261	2.60%	2.47%	1.80%	-12,076	-12,076	\$24.30	\$24.44	\$26.38
Carroll County	7,067,110	2.52%	2.07%	2.43%	-10,196	-10,196	\$16.60	\$16.46	\$16.30
Cecil County	3,261,518	4.81%	4.52%	4.52%	2,212	2,212	\$13.57	\$13.60	\$13.84
Columbia	10,119,859	3.91%	3.91%	4.47%	-2,511	-2,511	\$28.77	\$28.33	\$29.32
Harford County	10,641,723	5.41%	5.40%	5.33%	-11,662	-11,662	\$19.01	\$20.02	\$20.92
Howard County West	774,309	3.16%	3.94%	4.57%	5,937	5,937	\$25.97	\$27.00	\$27.04
I-83 Corridor	5,243,608	8.01%	8.17%	7.73%	6,676	6,676	\$23.89	\$23.52	\$28.11
Reisterstown Rd Corridor	7,560,483	10.46%	10.08%	10.86%	-21,358	-21,358	\$16.64	\$15.69	\$15.60
Route 2 Corridor	10,691,992	7.34%	7.33%	9.58%	-43,579	-43,579	\$18.16	\$17.66	\$17.15
Towson	5,308,346	3.78%	2.74%	3.53%	-52,629	-52,629	\$22.70	\$22.97	\$24.36
Totals/Averages	118,322,130	6.13%	5.95%	6.20%	-234,500	-234,500	\$20.23	\$20.07	\$20.66

ITEMS TO NOTE:

MCB Real Estate's more than \$6 million investment in the Westridge Square shopping center in Frederick over the past two years helped attract a new anchor tenant. Crunch Fitness recently opened a 40,000 sf space in the more than 250,000 sf regional shopping center.

A Miami investment firm, Saglo Development Corp., is entering Maryland's retail market with the acquisition of a Carroll County shopping center. The group paid \$25.5 million for Freedom Village Shopping Center in Eldersburg from an entity of Continental Realty Corp.

IKEA will open a "plan & order" store in Hunt Valley this summer, occupying a 2,000 sf space in Hunt Valley Towne Center. This smaller store focuses on design consultations, allowing customers to plan rooms and order furnishings for delivery or pickup—without in-store furniture or meatball purchases.

Baltimore County has purchased another portion of Security Square Mall in Woodlawn, giving it control of almost half of the mall's footprint. The County purchased a 9-acre plot from Macy's for \$6.5 million.

Baltimore's Greenberg Gibbons sold The Village at Waugh Chapel in Gambrills for \$126 million to Urban Edge Properties, a New York retail REIT seeking to expand amid a retail recovery. Property is anchored by Safeway, HomeGoods, TJ Maxx, and more.

Waterfront development Baltimore Peninsula has secured a new retail tenant — Shinkansen Sushi, a 3,138 sf restaurant that will be located in the Rye House building. The lease brought the development's retail occupancy to 62%.

Timber Pizza Company is expanding with a new location at Market at South River Colony in Edgewater. The 2,100 sf space is their second Maryland location, the first is in Annapolis.



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118,322,130

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4,808

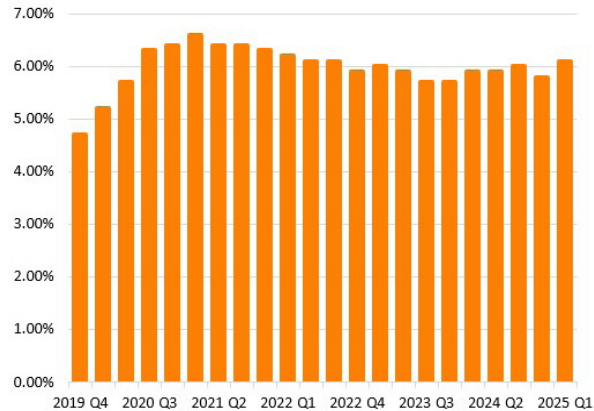
Absorption
-234,500

YTD Absorption
-234,500

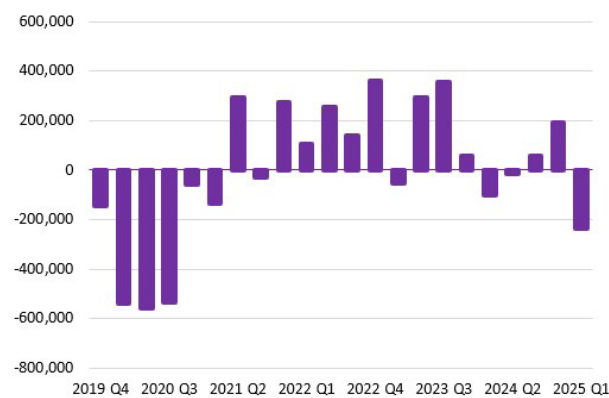
Vacancy
6.13%

Rental Rate
\$20.23/sf

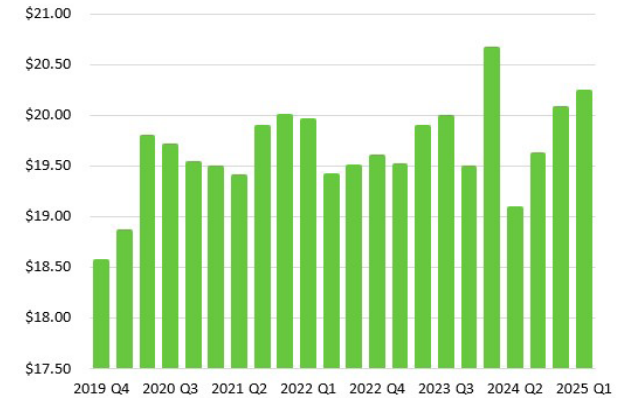
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Carroll County	2.52%
2	BWI Corridor	2.60%
3	Howard County West	3.16%

Highest Vacancy

1	Annapolis	11.34%
2	Reisterstown Rd Corridor	10.46%
3	I-83 Corridor	8.01%

Most Change vs. Prior Quarter

-	Howard County West	0.77%
+	Towson	1.04%

Most Positive Net Absorption

1	Baltimore City	15,508
2	I-83 Corridor	6,676
3	Howard County West	5,937

Lowest Negative Absorption

1	Baltimore County East	-61,573
2	Towson	-52,629
3	Baltimore County West	-45,599

Greatest Changes in Absorption, Year-to-Date

-	Baltimore County East	-61,573
+	Baltimore City	15,508

Cheapest Rates

1	Cecil County	\$13.57
2	Baltimore County East	\$14.05
3	Carroll County	\$16.60

Most Expensive Rates

1	Annapolis	\$34.28
2	Columbia	\$28.77
3	Howard County West	\$25.97

Most Change vs. Prior Quarter

-	Howard County West	-\$1.03
+	Annapolis	\$1.79

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
2323 Eastern Ave.	Baltimore County E	Maryland Aviation Museum	117,966
118 Shawan Rd.*	I-83 Corridor	Confidential	79,669
801 E. Pulaski Hwy.	Cecil County	Ocean State Job Lot	30,000
8313 Telegraph Rd.	Reisterstown Rd Corridor	Sprouts Farmers Market	23,299

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Governors Commons	Route 2 Corridor	\$9,570,000	\$146	65,342
Hickory Village Shopping Center	Harford County	\$7,507,500	\$136	55,235
Toby's Dinner Theatre	Columbia	\$7,200,000	\$745	9,661
Constant Friendship	Harford County	\$6,500,000	\$143	45,463

RETAIL OVERVIEW (DC METRO)

FIRST QUARTER | 2025



RETAIL INDICATORS

Market Size
82,146,635

Building Count
2,856

Absorption
-88,002

YTD Absorption
-88,002

Vacancy
5.95%

Rental Rate
\$28.91/sf

THE NUMBERS

MARKET SIZE

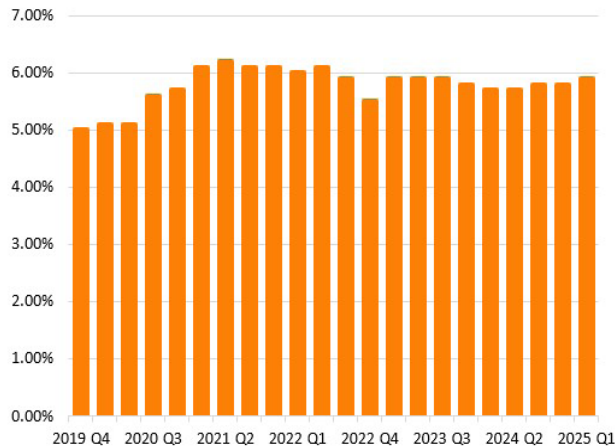
VACANCY %

ABSORPTION

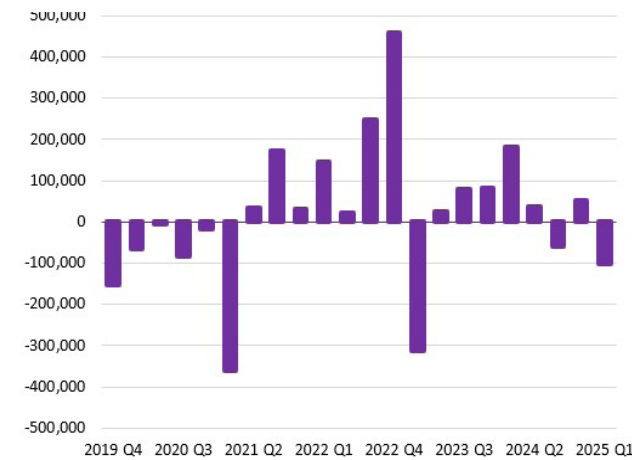
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	12,257,142	4.90%	4.91%	5.42%	22,892	22,892	\$15.59	\$20.35	\$22.98
Montgomery County North	11,018,982	9.13%	8.93%	8.46%	-28,620	-28,620	\$33.10	\$32.39	\$31.27
Montgomery County South-Rockville	18,218,112	4.14%	3.82%	4.48%	-58,889	-58,889	\$34.16	\$31.47	\$32.23
Prince George's County North	22,517,393	6.35%	6.69%	6.62%	67,197	67,197	\$28.30	\$27.50	\$26.11
Prince George's County South	12,323,220	4.48%	4.69%	4.57%	20,611	20,611	\$29.04	\$26.96	\$26.04
Silver Spring North-Route 29	3,403,086	13.12%	10.25%	12.51%	-98,555	-98,555	\$37.75	\$37.84	\$38.70
Silver Spring South	2,408,700	4.03%	3.55%	3.18%	-12,638	-12,638	\$30.48	\$29.11	\$37.47
Washington DC Retail Total	82,146,635	5.95%	5.84%	6.05%	-88,002	-88,002	\$28.91	\$28.36	\$28.54

VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
1800 Rockville Pike	Montgomery County S	Go Fresh 365	62,753
15920 Crain Hwy. SE	Prince George's County S	Burlington	29,907
3861 Evergreen Pkwy.	Prince George's County N	Confidential	22,050

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
2151 Brooks Dr.	Prince George's County	\$6,610,000	\$1,176	5,619
4301-4335 Kenilworth Ave.	Prince George's County	\$6,550,000	\$240	27,280
12851 Middlebrook Rd.	Montgomery County	\$5,500,000	\$1,627	3,380

* Renewal, Expansion, or Sublease

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