



OFFICE INDICATORS

Market Size
115,338,309

Building Count
2,546

Absorption
-202,044

YTD Absorption
-50,218

Vacancy
15.19%

Rental Rate
\$24.77/sf

The Baltimore office market continues to face headwinds, with year-to-date net absorption at -50,218 sf and a quarterly decline of -202,044 sf, reflecting an ongoing contraction in occupied space. Leasing activity remains healthy at more than three million square feet year to date, though the 15.2% vacancy rate suggests much of this volume stems from renewals rather than new tenants. Despite soft demand, average rental rates have held steady at \$24.77/sf, up slightly from the prior year, as landlords maintain pricing amid persistently high construction costs. The demolition of 1199 Winterson Rd., which removed 95,000 sf of vacancy from inventory, making way for new retail development, contributed to the vacancy reduction in the BWI Corridor. Meanwhile, tenants continue to migrate out of Baltimore City Center—most recently, Insight Global's planned departure from 100 E. Pratt St. to the Baltimore Peninsula leaving the once-prestigious building nearly vacant.

Beyond the downtown core, the Northern Metro area experienced overall occupancy losses, although the I-83 Corridor and Baltimore County East posted modest gains. The Southern Metro region, led by Columbia, maintained its status as one of the market's most stable areas, with a low vacancy rate of 11.2% and steady tenant demand. On the investment side, sale prices remain depressed, averaging around \$70/sf, well below the five-year average of \$157. Notably, 10 office sales exceeded \$200/sf year-to-date, with seven of those occurring in Annapolis, underscoring the submarket's continued strength and premium pricing. Tenant preference continues to shift toward modern, high-quality spaces, driving larger users away from aging City Center assets and into newer developments in Baltimore City SE and surrounding suburban nodes.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	12,462,204	30.9%	30.4%	28.8%	-114,776	-434,365	\$23.35	\$23.31	\$24.87
Baltimore City Midtown	2,083,864	14.8%	11.5%	9.4%	-25,012	-10,302	\$19.45	\$19.38	\$19.75
Baltimore City NE	995,507	7.2%	6.2%	8.4%	-10,023	-840	\$19.38	\$19.75	\$19.75
Baltimore City NW	2,078,337	5.7%	6.2%	6.5%	8,968	8,752	\$31.06	\$30.73	\$29.51
Baltimore City SE	7,842,807	16.6%	16.5%	20.2%	10,425	651,745	\$30.06	\$31.22	\$31.70
Baltimore City SW	3,191,731	29.4%	29.9%	23.6%	15,101	-131,655	\$21.70	\$22.25	\$23.61
Baltimore City	28,654,450	23.0%	22.6%	22.1%	-115,317	83,335	\$25.14	\$25.49	\$26.39
Baltimore County East	4,130,842	8.1%	11.0%	12.0%	24,389	87,026	\$20.26	\$20.27	\$20.49
Baltimore County West	7,175,678	21.7%	17.5%	7.0%	-1,885	-182,333	\$20.23	\$19.45	\$19.66
Carroll County	2,161,687	5.0%	4.7%	3.9%	-6,276	-16,323	\$18.49	\$19.33	\$21.44
Cecil County	795,465	8.7%	1.7%	1.7%	-55,707	-56,504	\$24.80	\$25.39	\$25.21
Harford County	5,090,775	14.3%	13.7%	15.2%	-27,318	16,399	\$25.41	\$25.44	\$25.13
I-83 Corridor	10,329,249	12.2%	13.6%	13.4%	29,965	81,638	\$23.94	\$23.94	\$22.72
Reisterstown Rd. Corridor	8,118,327	16.2%	15.0%	12.4%	-104,487	-164,694	\$25.85	\$26.20	\$25.89
Towson	8,211,964	12.4%	12.0%	11.3%	-35,878	-148,641	\$22.20	\$22.07	\$21.67
Northern Metro	46,013,987	13.9%	13.5%	11.2%	-177,197	-383,432	\$22.98	\$22.95	\$22.66
Annapolis	5,404,911	9.4%	9.7%	10.3%	14,089	24,363	\$29.55	\$29.51	\$29.69
BWI Corridor	14,207,335	8.8%	9.3%	8.6%	2,783	34,146	\$26.35	\$26.37	\$23.48
Columbia	18,280,046	14.1%	14.6%	15.1%	75,014	181,651	\$25.99	\$25.90	\$25.60
Route 2 Corridor	2,777,580	7.5%	7.4%	6.1%	-1,416	9,719	\$25.26	\$25.21	\$25.98
Southern Metro	40,669,872	11.2%	11.6%	11.6%	90,470	249,879	\$26.54	\$26.50	\$25.43
Totals	115,338,309	15.2%	15.1%	13.9%	-202,044	-50,218	\$24.77	\$24.83	\$24.56

ITEMS TO NOTE:

Dunbar Security is relocating its Hunt Valley headquarters to 201 International Cir. The new lease totals 9,700 sf, representing a reduction of more than 5,000 sf from its current space.

The BWI Corridor lost an office building at 1199 Winterson Rd., which was demolished during the summer. The 95,000 sf structure has been cleared, and the site is being leveled and prepped for redeveloped into multiple retail pad sites.

The Goddard School property at 1111 Key Hwy. sold for \$7.75 million. The 15,000 sf, two-story brick building, completed in 2023, will continue operating as a school. The buyers already owners of two Pennsylvania locations, are expanding into the Baltimore market.

Insight Global will vacate its downtown office at 100 E. Pratt St. by mid-2026 and relocate to 15,600 sf at the Baltimore Peninsula. This move adds to the exodus from the City Center and will leave 100 East Pratt nearly vacant.

St. John Properties acquired the North Park Portfolio in Hunt Valley for \$20.05 million. The portfolio includes 3 office buildings totaling approximately 300,000 sf on North Park Dr.

Following its 2022 collapse, the parking garage at One East Pratt has reopened. MCB Real Estate acquired the property out of foreclosure in 2024 and invested \$7 million to rebuild the structure.

The \$71 million conversion of the former Shillman Building at 500 N. Calvert St. is complete, now housing the Baltimore City District Courthouse. The former courthouse at 501 E. Fayette St., previously leased by the state, will revert to city ownership.

The former Baltimore Colts' office in the deteriorated Xander building on Howard St. has been transformed into 19 luxury apartments. This redevelopment marks the latest revitalization project within the Bromo Arts District.



OFFICE INDICATORS

Market Size
115,338,309

Building Count
2,546

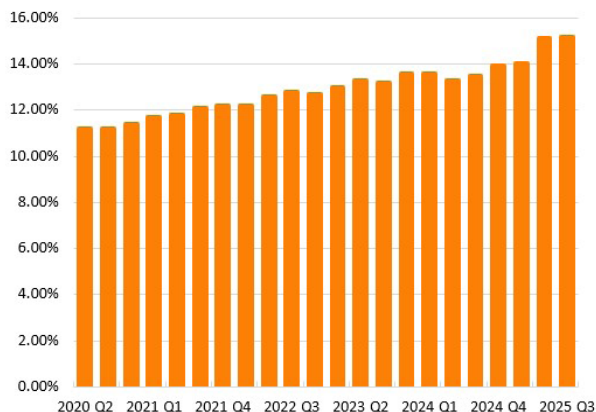
Absorption
-202,044

YTD Absorption
-50,218

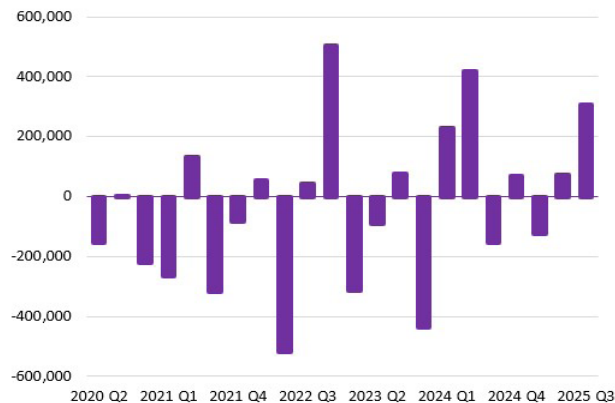
Vacancy
15.19%

Rental Rate
\$24.77/sf

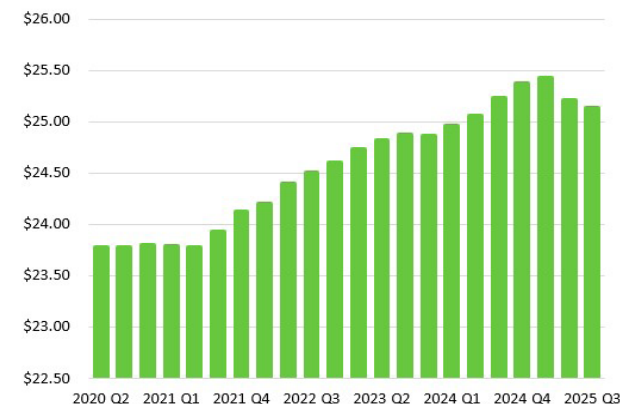
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Carroll County	5.0%
2	Baltimore City NW	5.7%
3	Baltimore City NE	7.2%

Highest Vacancy

1	Baltimore City Center	30.9%
2	Baltimore City SW	29.4%
3	Baltimore County West	21.7%

Most Change vs. Prior Quarter

-	Baltimore County East	-3.0%
+	Cecil County	7.0%

Most Positive Net Absorption

1	Columbia	75,014
2	I-83 Corridor	29,965
3	Baltimore County East	24,389

Lowest Negative Absorption

1	Baltimore City Center	-114,776
2	Reisterstown Rd Corridor	-104,487
3	Cecil County	-55,707

Greatest Changes in Absorption, Year-to-Date

-	Baltimore City Center	-434,365
+	Baltimore City SE	651,745

Cheapest Rates

1	Carroll County	\$18.49
2	Baltimore City NE	\$19.38
3	Baltimore City Midtown	\$19.45

Most Expensive Rates

1	Baltimore City NW	\$31.06
2	Baltimore City SE	\$30.06
3	Annapolis	\$29.55

Most Change vs. Prior Quarter

-	Baltimore City SE	\$1.16
+	Baltimore County West	\$0.78

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
2034 Greenspring Dr.*	I-83 Corridor	Board of Education	78,516
8115 Maple Lawn Blvd.*	Columbia	NewDay USA	30,849
226 Schilling Cir.	I-83 Corridor	SC&H Group	26,395
2455 House St.	Baltimore City SE	Ayers Saint Gross	25,525

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
4, 6 & 10 N. Park Dr.	I-83 Corridor	\$20,050,000	\$68	294,934
910-930 Ridgebrook Rd.	I-83 Corridor	\$21,100,000	\$96	218,969
940 Madison Ave.	Baltimore City Midtown	\$4,400,000	\$122	35,924
2448 Holly Ave.	Annapolis	\$3,700,000	\$121	30,520

* Renewal, Expansion, or Sublease

OFFICE OVERVIEW (DC METRO)

THIRD QUARTER | 2025



OFFICE INDICATORS

Market Size
112,639,888

Building Count
1,990

Absorption
-184,131

YTD Absorption
-236,531

Vacancy
17.06%

Rental Rate
\$29.83/sf

THE NUMBERS

MARKET SIZE

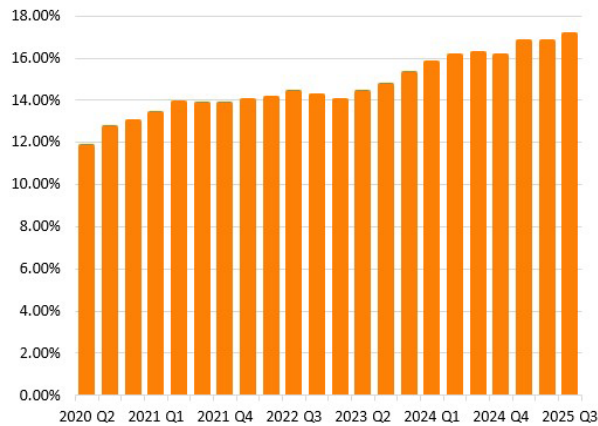
VACANCY %

ABSORPTION

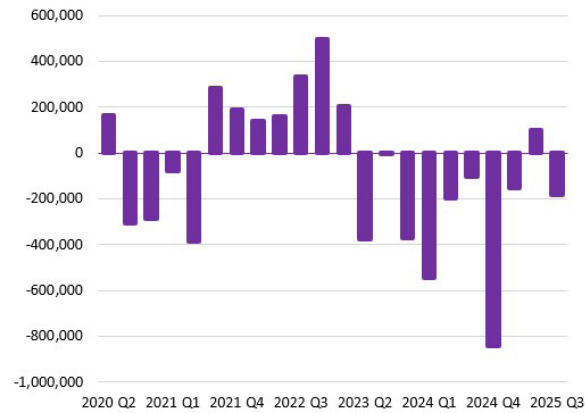
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,855,566	11.2%	10.9%	12.6%	-19,575	84,452	\$24.17	\$23.58	\$23.85
Montgomery Co. North	12,556,800	13.5%	12.8%	12.9%	-51,151	114,893	\$31.19	\$31.51	\$32.01
Montgomery Co. South; Rockville/Bethesda	52,021,970	20.5%	20.5%	20.0%	-9,050	-197,161	\$33.05	\$33.25	\$33.08
Prince George's Co. North	22,557,266	16.4%	15.0%	13.1%	-71,189	-77,575	\$23.91	\$23.98	\$24.16
Prince George's Co. South	5,331,449	7.0%	7.6%	6.1%	31,967	-24,505	\$29.80	\$29.55	\$28.40
Silver Spring North/Route 29	4,002,153	6.3%	8.7%	9.1%	8,785	7,553	\$29.21	\$29.56	\$28.63
Silver Spring South	7,314,684	21.4%	20.5%	18.4%	-73,918	-144,188	\$30.00	\$29.93	\$30.19
Totals	112,639,888	17.1%	16.8%	16.1%	-184,131	-236,531	\$29.83	\$29.92	\$29.88

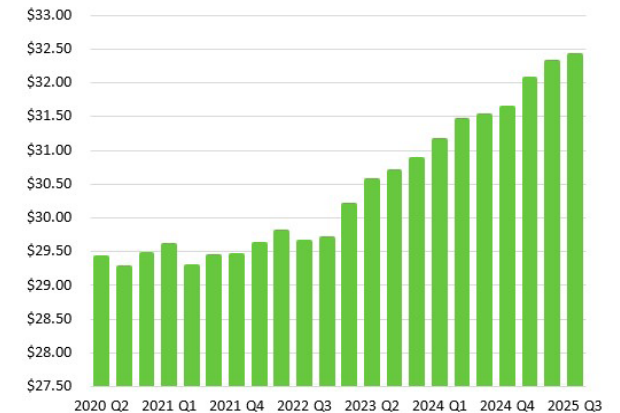
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
9711 Washington Blvd.	Montgomery County S	DRB Group	56,409
5404 Wisconsin Ave.	Montgomery County S	Unknown	27,925
702 King Farm Blvd.	Montgomery County S	Unknown	26,478

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Maryland Trade Center III	Prince George's County N	\$27,500,000	\$143.23	192,000
1801-1803 Research Blvd.	Montgomery County S	\$26,000,000	\$89.22	291,398
9513 Key West Ave.	Montgomery County S	\$18,000,000	\$96.37	186,786

* Renewal, Expansion, or Sublease

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