

OFFICE OVERVIEW

FOURTH QUARTER | 2025



OFFICE INDICATORS

Market Size
114,939,247

Building Count
2,546

Absorption
1,177

YTD Absorption
38,619

Vacancy
15.27%

Rental Rate
\$24.31/sf

The Baltimore office market ended 4Q 2025 largely flat, with year-to-date net absorption of 38,619 sf and minimal quarterly movement, signaling a market that remains in a holding pattern. Overall vacancy stands at 15.3%, while average asking rents declined slightly to \$24.31/sf, reflecting continued pricing pressure as landlords compete for a limited pool of active tenants. Leasing activity remained solid at nearly 4.5M square feet YTD, though much of that volume is driven by renewals rather than expansions. Within Baltimore City, performance remains uneven: Baltimore City SE continues to anchor demand with 691,425 sf of positive absorption YTD, while City Center and City SW posted significant occupancy losses and vacancy rates exceeding 29%, underscoring ongoing challenges facing older, less competitive assets.

Suburban submarkets delivered mixed results heading into year-end. The Southern Metro remained one of the region's more stable areas, supported by Columbia's 228,345 sf of positive absorption and a vacancy rate below the market average. In contrast, the Northern Metro recorded 302,920 sf of negative absorption YTD, driven by losses in Towson and the Reisterstown Road Corridor, despite strength along the I-83 Corridor. Investment fundamentals remain cautious, with elevated vacancy and modest rent growth limiting pricing upside. Tenant demand continues to favor newer, well-located buildings offering quality amenities, reinforcing the ongoing flight-to-quality trend and leaving older inventory facing prolonged leasing headwinds as the market moves into 2026.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	12,326,998	31.4%	30.9%	28.2%	-6,724	-445,664	\$23.42	\$23.35	\$24.92
Baltimore City Midtown	2,083,864	14.4%	14.8%	10.8%	6,764	-3,538	\$19.07	\$19.51	\$19.98
Baltimore City NE	995,507	7.1%	7.2%	8.3%	1,321	481	\$18.36	\$19.38	\$19.75
Baltimore City NW	2,115,667	6.0%	5.7%	6.2%	-7,892	860	\$27.11	\$26.64	\$25.52
Baltimore City SE	7,726,096	16.2%	16.6%	19.2%	56,793	691,425	\$26.58	\$26.67	\$26.76
Baltimore City SW	3,170,731	29.0%	29.4%	27.3%	-2,414	-72,169	\$21.09	\$21.70	\$23.74
Baltimore City	28,418,863	23.0%	23.0%	22.1%	47,848	171,395	\$23.80	\$23.89	\$24.79
Baltimore County East	4,071,073	9.3%	8.1%	11.3%	26,470	98,919	\$20.43	\$20.26	\$19.91
Baltimore County West	7,173,948	21.7%	21.7%	6.8%	156	-182,177	\$20.29	\$20.23	\$19.60
Carroll County	2,161,687	4.8%	5.0%	3.9%	4,798	-11,525	\$18.48	\$18.49	\$21.30
Cecil County	770,623	8.4%	8.7%	1.7%	4,900	-51,604	\$19.59	\$24.80	\$25.06
Harford County	5,083,948	14.2%	14.3%	15.2%	2,925	19,324	\$25.41	\$25.44	\$25.25
I-83 Corridor	10,329,161	12.3%	12.2%	14.3%	-63,727	113,635	\$24.68	\$23.94	\$23.69
Reisterstown Rd. Corridor	8,134,391	16.1%	16.2%	13.7%	11,815	-152,879	\$26.09	\$25.81	\$26.59
Towson	8,203,238	12.3%	12.4%	10.8%	-1,819	-136,613	\$22.07	\$22.20	\$21.78
Northern Metro	45,928,069	14.0%	13.9%	11.4%	-14,482	-302,920	\$23.10	\$22.98	\$22.97
Annapolis	5,400,122	9.8%	9.4%	10.0%	-35,312	-20,008	\$29.67	\$29.55	\$29.40
BWI Corridor	14,196,737	9.4%	8.8%	9.2%	-85,609	-39,272	\$25.60	\$26.35	\$22.95
Columbia	18,257,434	13.8%	14.1%	14.7%	97,872	228,345	\$25.66	\$25.99	\$26.11
Route 2 Corridor	2,738,022	7.9%	7.5%	7.2%	-9,140	1,079	\$23.79	\$25.26	\$26.20
Southern Metro	40,592,315	11.3%	11.2%	11.7%	-32,189	170,144	\$26.05	\$26.54	\$25.45
Totals	114,939,247	15.3%	15.2%	14.1%	1,177	38,619	\$24.31	\$24.46	\$24.30

ITEMS TO NOTE:

The city owned building at 7 E. Redwood St. sold for \$8 million to an LLC controlled by developer Brad Byrnes. Several city agencies plan to enter into a 20 year master lease for 149,000 sf within the property. Byrnes intends to renovate the first floor, adding a new restaurant.

DecisionPoint Technologies has leased 7,000 sf at Baltimore Peninsula. The newly merged technology company will occupy space in the Rye Street Market building.

One of Baltimore's most notable office towers, 100 E. Pratt St., has experienced over an 80% decline in value since it last sold in 2016 for \$187 million. Rising vacancy driven by tenant relocations to Baltimore Peninsula has contributed to the deterioration. Ownership is seeking appointment of a receiver as a precursor to foreclosure.

Bank OZK will assume control of future development plans at Baltimore Peninsula. Sagamore Ventures and Goldman Sachs will no longer participate in future development activities but will retain ownership of the completed portions of the project.

Ellin & Tucker, an accounting and consulting firm, will vacate its current offices at 400 E. Pratt St. and relocate to a new 28,000 sf space at 100 International Dr. in Harbor East. The move reflects the continued trend of firms exiting Baltimore's Central Business District in favor of Harbor East.

The iconic 237,000 sf office building at 300 E. Lombard St. sold in a distressed transaction for \$6.48 million, equating to approximately \$27/sf. The property is located in Baltimore's Central Business District. The buyers are based in Dallas, Texas.

DAP, Inc. signed a renewal for over 60,000 sf at 2400 Boston St.



OFFICE INDICATORS

Market Size
114,939,247

Building Count
2,546

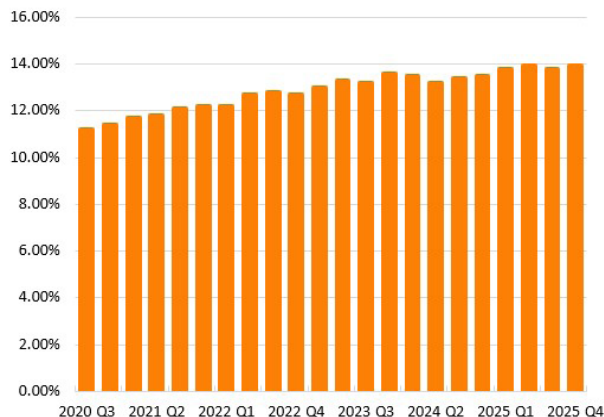
Absorption
1,177

YTD Absorption
38,619

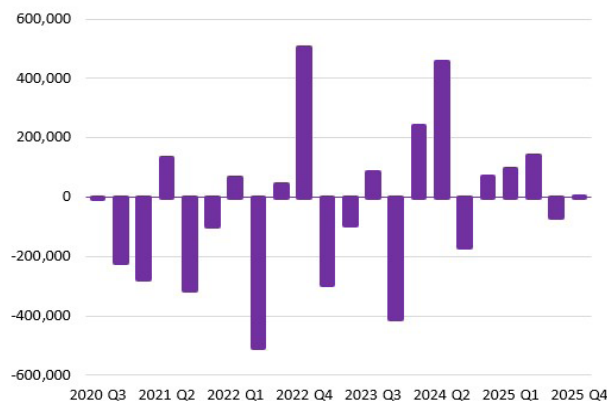
Vacancy
15.27%

Rental Rate
\$24.31/sf

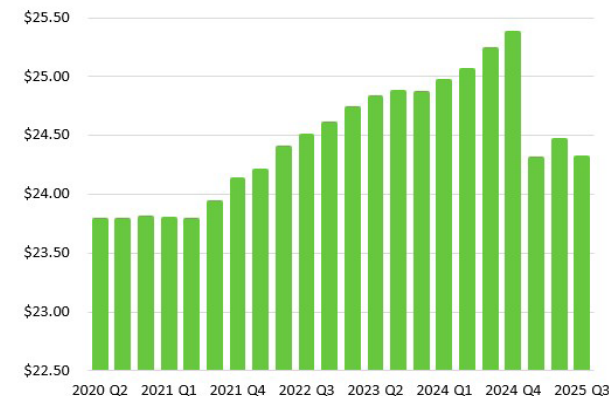
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Carroll County	4.8%
2	Baltimore City NW	6.0%
3	Baltimore City NE	7.1%

Highest Vacancy

1	Baltimore City Center	31.4%
2	Baltimore City SW	29.0%
3	Baltimore County West	21.7%

Most Change vs. Prior Quarter

-	Baltimore City SE	0.4%
+	Baltimore County East	1.2%

Most Positive Net Absorption

1	Columbia	97,872
2	Baltimore City SE	56,793
3	Baltimore County East	26,470

Lowest Negative Absorption

1	BWI Corridor	-85,609
2	I-83 Corridor	-63,727
3	Annapolis	-35,312

Greatest Changes in Absorption, Year-to-Date

-	Baltimore City SE	691,425
+	Baltimore City Center	-445,664

Cheapest Rates

1	Carroll County	\$18.48
2	Baltimore City NE	\$18.36
3	Baltimore City Midtown	\$19.07

Most Expensive Rates

1	Annapolis	\$29.67
2	Baltimore City NW	\$27.11
3	Baltimore City SE	\$26.58

Most Change vs. Prior Quarter

-	I-83 Corridor	\$0.74
+	Cecil County	\$5.21

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
2400 Boston St.*	Baltimore City SE	DAP, Inc	60,017
1 E. Pratt St.*	Baltimore City Center	PNC	58,797
100 Light St.*	Baltimore City Center	Baker, Donelson, Bearmand	54,237
7 Saint Paul St.	Baltimore City Center	MD Department of Budget	45,117

* Renewal, Expansion, or Sublease

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
1401 Severn St.	Baltimore City SW	\$10,100,000	\$112	90,580
405 E. Joppa Rd.	Towson	\$9,793,000	\$490	20,000
7125 Thomas Edison Dr.	Columbia	\$5,700,000	\$92	62,000
7160 Columbia Gateway Dr.	Columbia	\$4,025,000	\$96	42,000

OFFICE OVERVIEW (DC METRO)

FOURTH QUARTER | 2025



OFFICE INDICATORS

Market Size
111,051,764

Building Count
1,977

Absorption
97,885

YTD Absorption
-18,740

Vacancy
17.10%

Rental Rate
\$30.06/sf

THE NUMBERS

MARKET SIZE

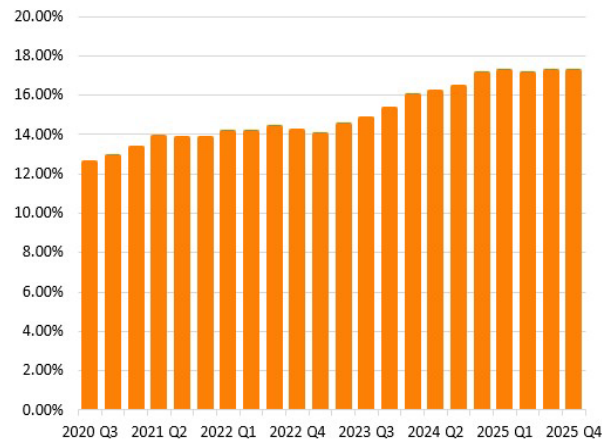
VACANCY %

ABSORPTION

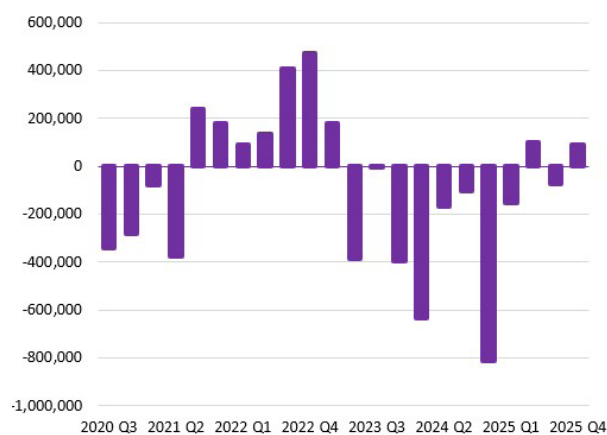
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,850,232	10.1%	11.2%	12.3%	64,724	177,710	\$24.51	\$24.17	\$23.83
Montgomery Co. North	12,413,297	13.5%	13.5%	14.1%	-38,476	76,343	\$31.74	\$31.29	\$31.74
Montgomery Co. South; Rockville/Bethesda	51,251,355	20.3%	20.5%	20.5%	176,149	47,259	\$33.49	\$33.08	\$32.85
Prince George's Co. North	22,226,062	17.1%	16.4%	14.6%	-25,931	-112,331	\$23.91	\$23.91	\$24.16
Prince George's Co. South	5,306,449	6.6%	7.0%	6.5%	-11,487	-3,992	\$29.51	\$29.80	\$28.60
Silver Spring North/Route 29	3,652,912	8.6%	6.3%	8.7%	-62,845	-55,292	\$28.04	\$29.21	\$28.46
Silver Spring South	7,351,457	21.3%	21.4%	19.8%	-4,249	-148,437	\$30.04	\$30.00	\$30.26
Totals	111,051,764	17.1%	17.1%	16.8%	97,885	-18,740	\$30.06	\$29.85	\$29.75

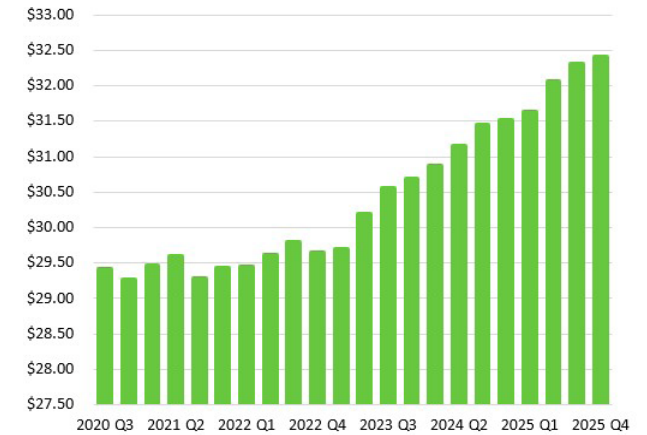
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
700 Quince Orchard Rd.*	Montgomery County	AstraZeneca	171,239
7700 Wisconsin Ave.*	Montgomery County	United Educators Insurance	28,477
14400 Sweitzer Ln.	Prince George's County	Siemens Building Technologies	26,891

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
5640 Nicholson Ln.	Montgomery County	\$12,000,000	\$301	39,836
8045 Kennett St.	Montgomery County	\$8,600,000	\$61	140,244
555 Quince Orchard Rd.	Montgomery County	\$7,794,810	\$71	109,236

* Renewal, Expansion, or Sublease

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