



| 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.

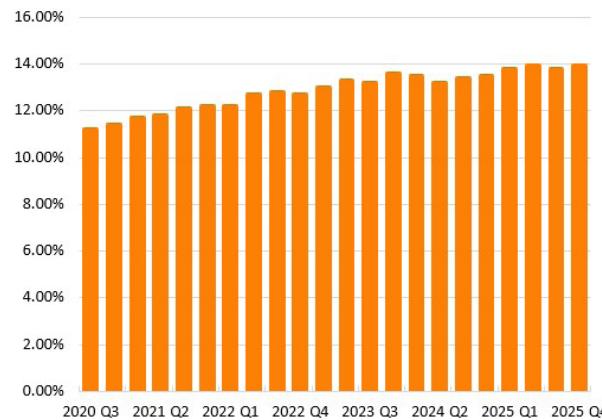
The iconic 237,000 sf office building at 300 E. Lombard St. sold in a distressed transaction for \$6.48 million, equating to approximately \$27/sf. The property is located in Baltimore's Central Business District. The buyers are based in Dallas, Texas.

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

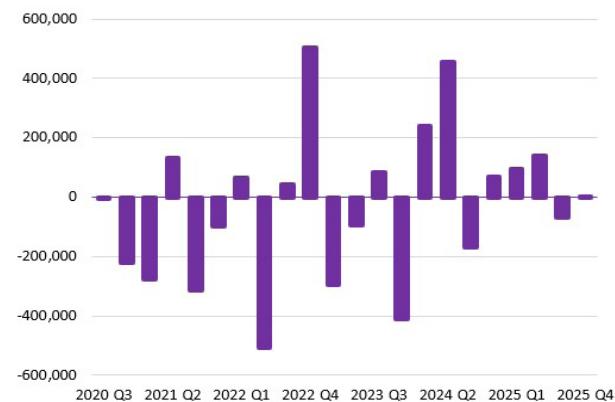


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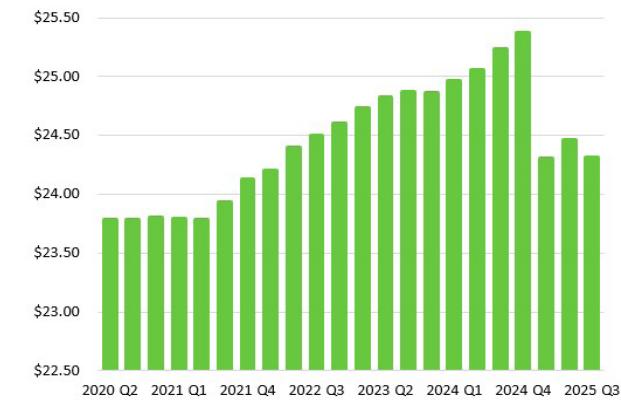
VACANCY



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, Bearman | 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)

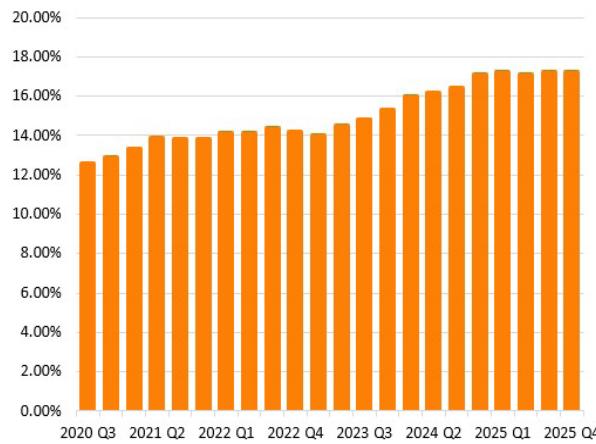
FOURTH QUARTER | 2025



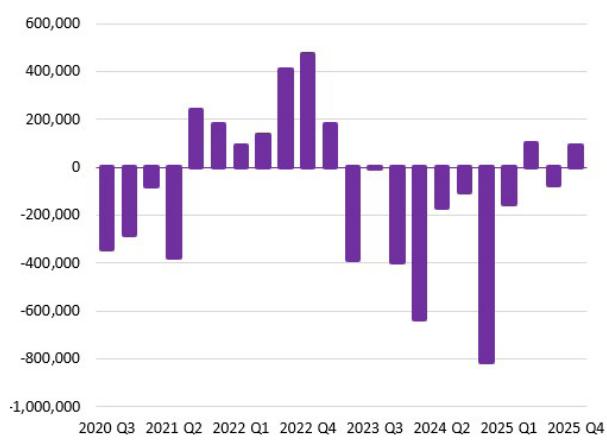
| OFFICE INDICATORS | Market Size 111,051,764 | Building Count 1,977 | Absorption 97,885 | YTD Absorption -18,740 | Vacancy 17.10% | Rental Rate \$30.06/sf |
|-------------------|----------------------------|-------------------------|----------------------|---------------------------|-------------------|---------------------------|
|-------------------|----------------------------|-------------------------|----------------------|---------------------------|-------------------|---------------------------|

| 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 |

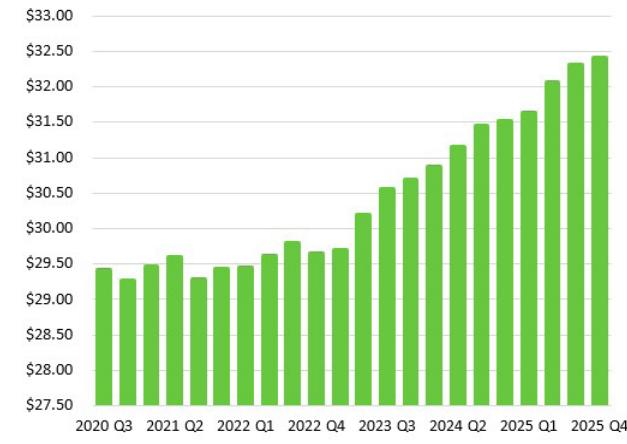
VACANCY



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 |