



RETAIL INDICATORS

Market Size
115,889,068

Building Count
4,797

Absorption
-89,506

YTD Absorption
-426,952

Vacancy
6.36%

Rental Rate
\$21.30/sf

The Greater Baltimore retail market finished the year in a high-churn cycle—not because demand disappeared, but because legacy tenants that had been “stable” for 20–25 years began consolidating. The market posted -426,952 sf of negative net absorption YTD, a clear indicator that move-outs outpaced backfills in 2025, even as leasing activity remained solid. Average asking rents held at \$21.30/sf, and YTD leasing exceeded 2.2M square feet, though fourth-quarter volume slowed to 439,768 sf as retailers became more selective heading into year-end.

What’s driving the absorption story is the sudden wave of national brand closures hitting local centers. Closings and consolidations of pharmacies like CVS and Rite Aid; discount players (e.g., Family Dollar, Dollar Tree, Dollar General); casual dining chains such as TGI Fridays and Ruby Tuesday; and other high-profile names like Party City—many of which occupied the 10,000 –15,000 sf range—have materially impacted occupancy. These aren’t “new-to-market” vacancies; they’re long-held locations going dark, which is why the absorption hit feels outsized relative to the underlying health of daily-needs retail.

Submarket performance continues to highlight where demand is concentrating. The Route 2 Corridor, Columbia, and Annapolis stood out for relative strength and higher rent levels, while Baltimore City, Baltimore County East, and the Reisterstown Road Corridor experienced the most notable occupancy losses. The takeaway: location quality and daily-needs orientation continue to win, but 2025’s headline was portfolio pruning by legacy chains. The silver lining is that this wave of move-outs is creating a pipeline of backfill opportunities the market hasn’t seen in years—particularly for users who have struggled to find contiguous space.

Throughout early 2026, we expect:

- Increased subdivision and re-tenanting of larger boxes (pharmacy and legacy retail footprints), unlocking “right-sized” spaces for today’s most active categories (QSR, grocery, medical/wellness, service, daycare/early learning).
- Improving absorption in the first half of 2026 as the market digests 2025’s vacancy events and converts them into second-generation deals.
- Continued “flight to fundamentals,” with necessity-based, convenience-driven corridors absorbing demand while secondary pockets lag until backfills materialize.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,709,620	11.27%	11.60%	11.29%	21,490	21,741	\$34.17	\$34.28	\$32.83
Baltimore City	17,821,898	8.83%	8.64%	7.51%	-2,324	-142,458	\$17.75	\$17.76	\$19.25
Baltimore County East	15,416,602	5.31%	5.55%	5.23%	-77,882	-131,353	\$15.71	\$16.02	\$14.05
Baltimore County West	7,024,011	6.78%	7.03%	6.54%	18,126	-11,981	\$18.55	\$20.14	\$19.38
BWI Corridor	9,476,971	2.06%	1.86%	2.47%	-8,001	33,562	\$23.68	\$22.85	\$24.05
Carroll County	7,020,226	3.23%	2.67%	2.07%	-33,645	-27,743	\$18.06	\$17.59	\$16.47
Cecil County	3,267,789	4.96%	5.35%	4.52%	12,303	-2,367	\$16.66	\$15.68	\$13.77
Columbia	10,130,614	3.65%	3.85%	3.91%	9,307	23,416	\$30.48	\$28.68	\$26.52
Harford County	10,649,245	6.05%	5.91%	5.40%	-20,318	-68,993	\$19.76	\$20.10	\$20.01
Howard County West	805,365	4.40%	4.33%	3.94%	-2,142	-5,005	\$24.60	\$25.52	\$27.00
I-83 Corridor	5,222,321	9.05%	8.89%	8.17%	-2,576	-37,758	\$19.80	\$19.46	\$21.84
Reisterstown Rd Corridor	7,558,812	11.88%	10.58%	10.08%	-104,615	-120,307	\$16.71	\$18.51	\$15.02
Route 2 Corridor	10,700,472	5.73%	6.49%	7.33%	87,000	133,110	\$23.46	\$24.05	\$17.69
Towson	5,085,122	4.80%	5.09%	2.74%	13,771	-90,816	\$31.35	\$31.12	\$24.85
Totals/Averages	115,889,068	6.36%	6.35%	5.95%	-89,506	-426,952	\$21.30	\$21.35	\$20.01

ITEMS TO NOTE:

Annapolis Town Center traded for \$187 million. The 480,000 sf property includes approximately 270,000 sf of multifamily, with the remainder dedicated to retail. Federal Realty Investment Trust acquired the asset from PGIM Real Estate. At the time of sale, it was 89% leased.

The long-vacant former bank building at 1901 N. Charles St. sold as part of the ongoing revitalization efforts at Station North. The buyer, Central Baltimore Partnership, plans to host pop-ups and community events ahead of a multi-million-dollar renovation.

Jerry’s Toyota has been rebranded following its acquisition by AutoNation. Now operating as AutoNation Toyota White Marsh, the dealership represents AutoNation’s first Toyota franchise in Maryland and expands the company’s in-state portfolio to 18 locations.

BJ’s Wholesale Club is expanding in Baltimore County with a new lease at Towson Place. The retailer will occupy 155,000 sf that has remained vacant since Walmart’s departure in 2024.

Phillips Edison & Company acquired Bel Air Town Center from JCR Companies for \$23.1 million. The transaction included two primary buildings totaling 78,000 sf across 6.88 acres. Outparcels were not included in the sale.

Falkenhan’s Hardware, a historic hardware store in Hampden, sustained severe damage due to a fire. The incident was ruled accidental and attributed to faulty electrical wiring, with no injuries reported. In response, community members have rallied to raise funds in support of the long-standing local business.

Kimco Realty Corporation sold the leasehold interest at 10280 Mill Run Cir. to R & L Properties for \$18.5 million. The 10.99-acre parcel is improved with a 111,238 sf retail building that is fully leased to Lowe’s Home Improvement.



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115,889,068

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4,797

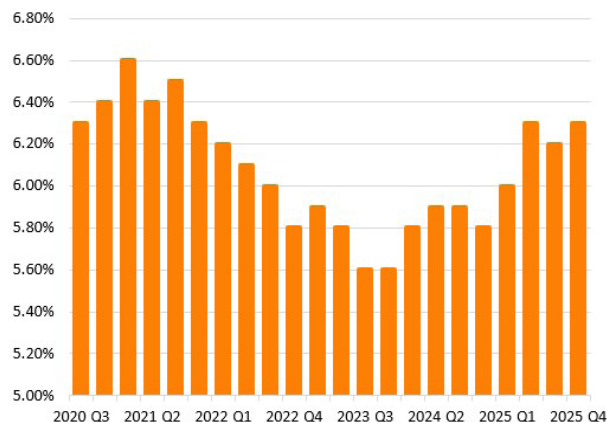
Absorption
-89,506

YTD Absorption
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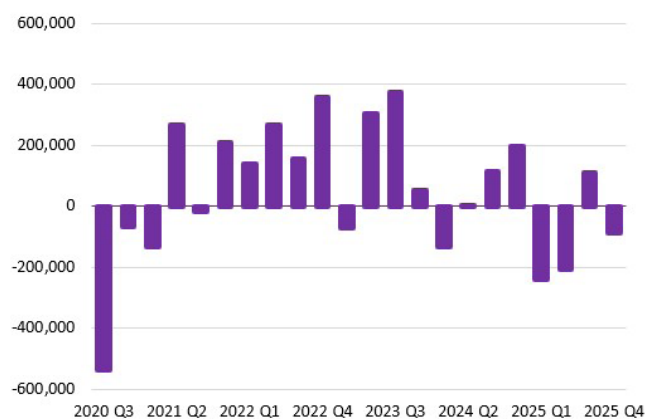
Vacancy
6.36%

Rental Rate
\$21.30/sf

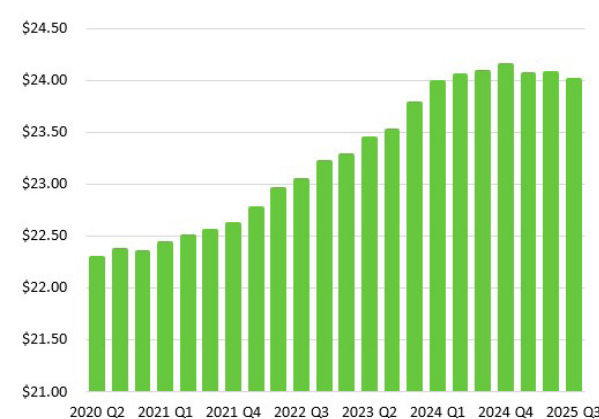
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	BWI Corridor	2.06%
2	Carroll County	3.23%
3	Columbia	3.65%

Highest Vacancy

1	Reisterstown Rd Corridor	11.88%
2	Annapolis	11.27%
3	I-83 Corridor	9.05%

Most Change vs. Prior Quarter

-	Route 2 Corridor	-0.76%
+	Reisterstown Rd Corridor	1.30%

Most Positive Net Absorption

1	Route 2 Corridor	87,000
2	Annapolis	21,490
3	Baltimore County West	18,126

Lowest Negative Absorption

1	Reisterstown Rd Corridor	-104,615
2	Baltimore County East	-77,882
3	Carroll County	-33,645

Greatest Changes in Absorption, Year-to-Date

-	Baltimore City	-142,458
+	Route 2 Corridor	133,110

Cheapest Rates

1	Baltimore County East	\$15.71
2	Cecil County	\$16.66
3	Reisterstown Rd Corridor	\$16.71

Most Expensive Rates

1	Annapolis	\$34.17
2	Towson	\$31.35
3	Columbia	\$30.48

Most Change vs. Prior Quarter

-	Reisterstown Rd Corridor	-\$1.80
+	Columbia	\$1.80

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
3255 Solomons Island Rd.	Annapolis	Planet Fitness	84,000
2430-2444 Broad Ave.*	I-83 Corridor	Brick Bodies	60,250
5722 Ritchie Hwy.	Route 2 Corridor	FunCity Adventure Park	59,000
615-640 Baltimore Pike	Harford County	Bob's Discount Furniture	46,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Annapolis Towne Center	Annapolis	\$187,000,000	\$1,163	160,731
Bel Air Town Center	Harford County	\$23,150,000	\$297	77,817
10280 Mill Run Cir.	Reisterstown Rd Corridor	\$18,500,000	\$166	111,238
8620 Baltimore National Pike	Columbia	\$12,900,000	\$401	32,148

* Renewal, Expansion, or Sublease

RETAIL OVERVIEW (DC METRO)

FOURTH QUARTER | 2025



RETAIL INDICATORS

Market Size
79,668,115

Building Count
2,835

Absorption
-120,282

YTD Absorption
58,879

Vacancy
5.32%

Rental Rate
\$25.08/sf

THE NUMBERS

MARKET SIZE

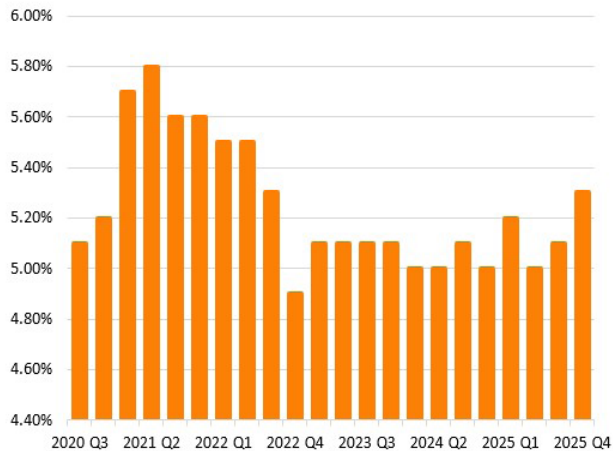
VACANCY %

ABSORPTION

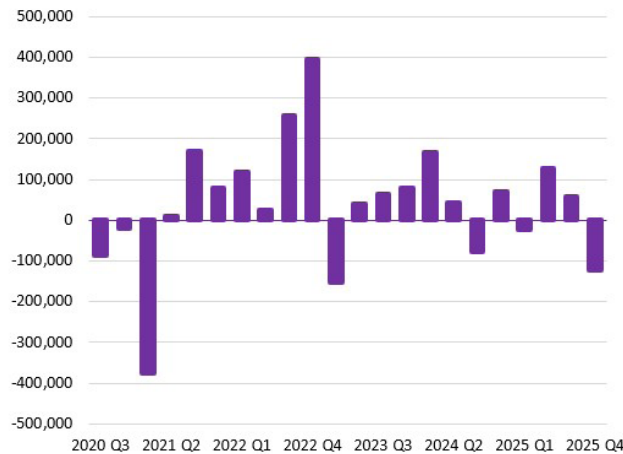
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	12,227,258	5.07%	5.26%	4.91%	32,607	95,600	\$15.71	\$15.91	\$20.66
Montgomery County North	9,945,372	2.89%	3.06%	8.93%	18,871	39,375	\$27.07	\$29.64	\$30.86
Montgomery County South-Rockville	17,224,125	4.21%	4.15%	3.82%	-16,793	-66,810	\$33.12	\$35.40	\$32.12
Prince George's County North	22,267,529	6.81%	6.27%	6.69%	-102,131	65,335	\$21.74	\$26.11	\$24.85
Prince George's County South	12,227,503	4.13%	3.84%	4.69%	-36,130	68,594	\$24.24	\$27.94	\$26.95
Silver Spring North-Route 29	3,445,675	13.67%	14.17%	10.25%	4,514	-112,781	\$33.13	\$33.38	\$37.84
Silver Spring South	2,330,653	4.92%	4.02%	3.55%	-21,220	-30,434	\$30.82	\$30.82	\$29.11
Washington DC Retail Total	79,668,115	5.32%	5.16%	5.84%	-120,282	58,879	\$25.08	\$27.73	\$27.54

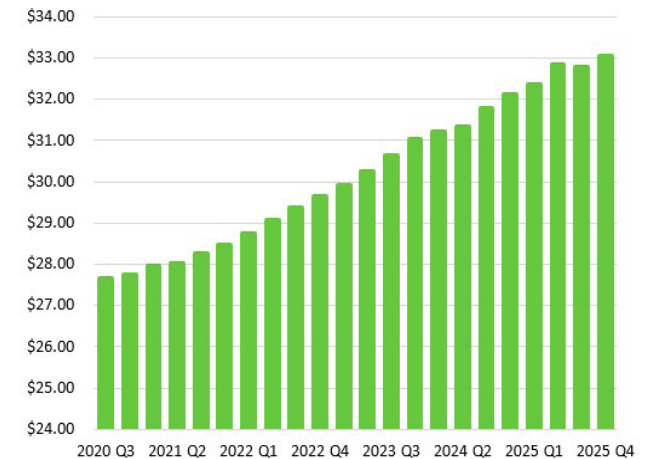
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
7595 Greenbelt Rd.*	Prince George's County	Safeway	56,750
6000-6250 Greenbelt Rd.	Prince George's County	Unknown	44,845
1601-1683 Rockville Pike	Montgomery County	Nordstrom Rack	42,296

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
North Bethesda Market	Montgomery County	\$45,300,000	\$270.46	167,494
Mitchellville Plaza	Prince George's County	\$42,950,000	\$285.38	150,502
Livingston Square	Prince George's County	\$27,350,000	\$357.97	76,403

* Renewal, Expansion, or Sublease