

OFFICE OVERVIEW

FIRST QUARTER | 2026



OFFICE INDICATORS

Market Size
114,193,609

Building Count
2,534

Absorption
-22,293

YTD Absorption
-22,293

Vacancy
15.43%

Rental Rate
\$24.58/sf

The Baltimore office market softened in 1Q 2026, with net absorption turning slightly negative at -22,293 sf YTD, signaling a modest pullback in occupied space following a relatively stable end to 2025. Overall vacancy rose to 15.4% (from 15.3% last quarter and 14.3% one year ago), while average asking rents increased to \$24.58/sf from \$24.32/sf, suggesting landlords continue to maintain rate integrity, particularly in higher-quality assets, despite elevated availability. Leasing activity remained active at 1,217,392 sf for the quarter, indicating continued tenant engagement, though expansions remain limited and occupancy gains are harder to achieve due to the volume of renewals.

Submarket performance was uneven and continues to reflect a flight-to-quality trend. Baltimore City recorded -85,083 sf of absorption, with vacancy rising to 23.4%, as absorption weakness in Baltimore City SE outweighed modest absorption gains in Baltimore City Center, which still has the highest vacancy at 32.2%. The downsizing of Ellin & Tucker by over 76,000 sf contributed to negative absorption in Baltimore City SE. The Northern Metro was a bright spot, posting positive absorption and maintaining a stable 14.0% vacancy rate, led by the I-83 Corridor and Baltimore County West at 95,376 sf and 38,063 sf, respectively. In contrast, the Southern Metro posted -52,216 sf, though it remains the tightest region at 11.6%. Demand remains concentrated in well-located, competitive buildings, while older, higher-vacancy nodes continue to face leasing headwinds entering mid-2026. 2026 Sales are off to a rough start, with average pricing at \$55.13/sf, down from \$177.24 five years ago.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	11,915,001	32.2%	31.4%	29.9%	13,477	13,477	\$24.00	\$23.42	\$25.42
Baltimore City Midtown	1,889,858	11.4%	14.4%	9.0%	12,856	12,856	\$19.40	\$19.07	\$18.54
Baltimore City NE	1,066,498	6.6%	7.1%	6.6%	-173	-173	\$18.63	\$18.36	\$19.75
Baltimore City NW	2,061,088	6.5%	6.0%	4.6%	-8,226	-8,226	\$27.47	\$27.11	\$5.76
Baltimore City SE	7,714,783	17.2%	16.2%	19.1%	-100,084	-100,084	\$26.63	\$26.58	\$26.53
Baltimore City SW	3,182,806	29.0%	29.0%	23.6%	-2,933	-2,933	\$21.12	\$21.09	\$22.25
Baltimore City	27,830,034	23.4%	23.0%	22.2%	-85,083	-85,083	\$24.14	\$23.81	\$23.22
Baltimore County East	4,058,905	9.2%	9.3%	12.9%	1,820	1,820	\$20.51	\$20.43	\$20.12
Baltimore County West	7,145,935	21.2%	21.7%	7.5%	38,063	38,063	\$20.50	\$20.29	\$19.60
Carroll County	2,170,287	4.4%	4.8%	4.3%	7,576	7,576	\$18.73	\$18.48	\$21.44
Cecil County	781,053	8.0%	8.4%	2.4%	2,115	2,115	\$19.59	\$19.59	\$25.39
Harford County	5,087,189	14.7%	14.2%	14.5%	-22,941	-22,941	\$25.18	\$25.41	\$25.19
I-83 Corridor	10,323,150	12.0%	12.3%	16.4%	95,376	95,376	\$24.69	\$24.68	\$23.79
Reisterstown Rd. Corridor	8,057,691	16.9%	16.1%	14.8%	-19,641	-19,641	\$26.47	\$26.09	\$26.10
Towson	8,196,122	12.5%	12.3%	12.0%	12,638	12,638	\$22.34	\$22.07	\$22.03
Northern Metro	45,820,332	14.0%	14.0%	12.5%	115,006	115,006	\$23.24	\$23.10	\$22.97
Annapolis	5,382,016	9.6%	9.8%	11.0%	-266	-266	\$30.34	\$29.67	\$29.67
BWI Corridor	14,213,322	10.6%	9.4%	7.8%	-81,147	-81,147	\$26.13	\$25.60	\$24.81
Columbia	18,233,635	13.6%	13.8%	14.0%	13,962	13,962	\$25.71	\$25.66	\$25.48
Route 2 Corridor	2,714,270	7.4%	7.9%	5.3%	15,235	15,235	\$24.37	\$23.79	\$26.31
Southern Metro	40,543,243	11.6%	11.3%	10.9%	-52,216	-52,216	\$26.38	\$26.05	\$25.86
Totals	114,193,609	15.4%	15.3%	14.3%	-22,293	-22,293	\$24.58	\$24.32	\$24.06

ITEMS TO NOTE:

Whitman, Requardt and Associates has signed a lease for 20,000 sf of office space at 1000 Lancaster St. in Harbor East. The 111-year-old engineering and architecture firm is expected to take occupancy later this year.

The trophy office building at 100 E. Pratt St., formerly home to T. Rowe Price, has entered receivership. In addition to T. Rowe Price, tenants including PwC, Insight Global, and CBRE have vacated the property. The ground-floor Starbucks has also closed following the company's downsizing.

Construction of the \$147 million Supreme Court of Maryland building is set to commence following the completion of the official ground breaking ceremony. The 217,564 sf facility, located on Rowe Blvd., is projected to deliver in early 2029.

Following an approximately 75% decline in revenue over the past three years, Medifast Inc. will vacate 29,500 sf at 100 International Dr. in Harbor East and relocate to 1501 S. Clinton St. in Canton.

Executive Plaza 4 at 11350 McCormick Rd. will become the new headquarters for Apex Tool Group. The company's North America corporate offices will relocate from 910 Ridgebrook Rd. to approximately 17,000 sf at the new location.

ZeroFox, a cybersecurity company, has relocated to 16,000 sf at 1500 Whetstone Way. The new space is more traditional compared to its former office, known as "the castle," located at 1834 S. Charles St.

The 129,000 sf building located at 10451 Mill Run Cir. in Owings Mills has sold for \$7.73 million. Under receivership, this property was sold at auction. It was approximately 75% occupied at the time of sale.



OFFICE INDICATORS

Market Size
114,193,609

Building Count
2,534

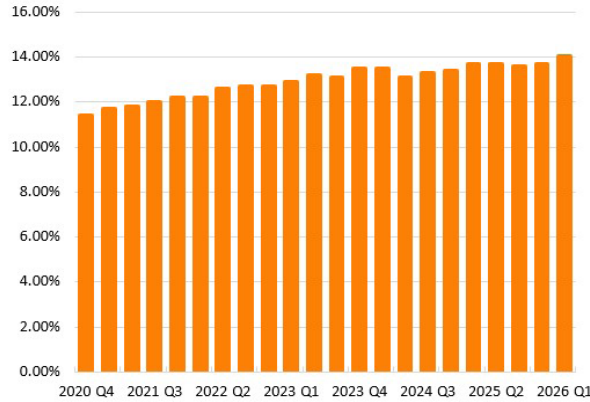
Absorption
-22,293

YTD Absorption
-22,293

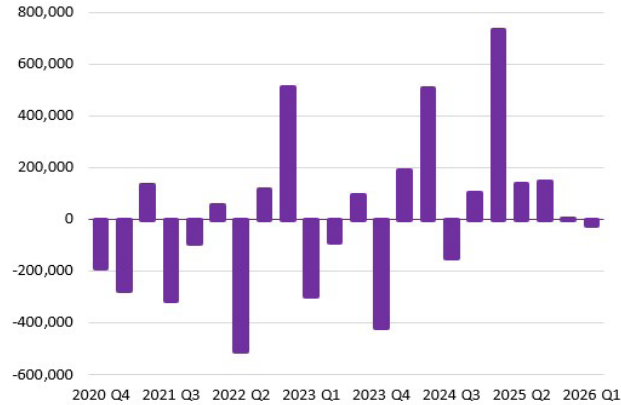
Vacancy
15.43%

Rental Rate
\$24.58/sf

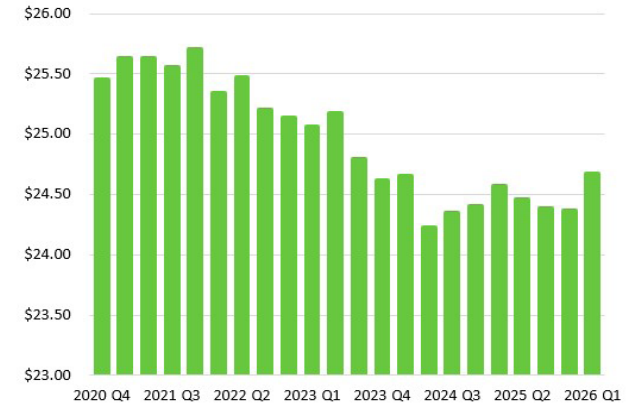
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Carroll County	4.4%
2	Baltimore City NW	6.5%
3	Baltimore City NE	6.6%

Highest Vacancy

1	Baltimore City Center	32.2%
2	Baltimore City SW	29.0%
3	Baltimore County West	21.2%

Most Change vs. Prior Quarter

-	Baltimore City Midtown	-3.0%
+	BWI Corridor	1.2%

Most Positive Net Absorption

1	I-83 Corridor	95,376
2	Baltimore County West	38,063
3	Route 2 Corridor	15,235

Lowest Negative Absorption

1	Baltimore City SE	-100,084
2	BWI Corridor	-81,147
3	Harford County	-22,941

Greatest Changes in Absorption, Year-to-Date

-	I-83 Corridor	95,376
+	Baltimore City SE	-100,084

Cheapest Rates

1	Baltimore City NE	\$18.63
2	Carroll County	\$18.73
3	Baltimore City Midtown	\$19.40

Most Expensive Rates

1	Annapolis	\$30.34
2	Baltimore City NW	\$27.47
3	Baltimore City SE	\$26.63

Most Change vs. Prior Quarter

-	Harford County	-\$0.23
+	Annapolis	\$0.67

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
400 National Business Pkwy.	BWI Corridor	Confidential	147,570
4201 Patterson Ave.*	Baltimore City NW	Dept of Health & Transp.	84,674
36 S. Charles St.	Baltimore City Center	MD Public Service Commission	55,083
1525 N. Calvert St.*	Baltimore City Midtown	Dept. of Human Services	52,500

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
10451 Mill Run Cir.	Reisterstown Rd Cor.	\$7,725,000	\$59.59	129,631
65 Old Solomons Island Rd.	Annapolis	\$4,550,000	\$219.28	20,750
5602 Baltimore National Pike	Baltimore Co. West	\$3,000,000	\$63.59	47,175
2018 Rock Spring Rd.	Harford County	\$2,100,000	\$196.83	10,669

* Renewal, Expansion, or Sublease

OFFICE OVERVIEW (DC METRO)

FIRST QUARTER | 2026



OFFICE INDICATORS

Market Size
108,950,391

Building Count
1,965

Absorption
399,019

YTD Absorption
399,019

Vacancy
16.97%

Rental Rate
\$30.13/sf

THE NUMBERS

MARKET SIZE

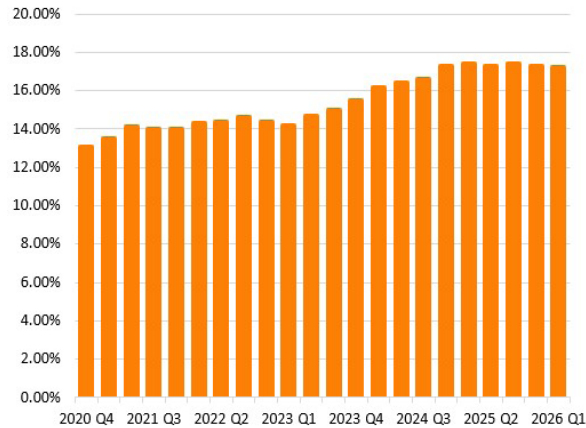
VACANCY %

ABSORPTION

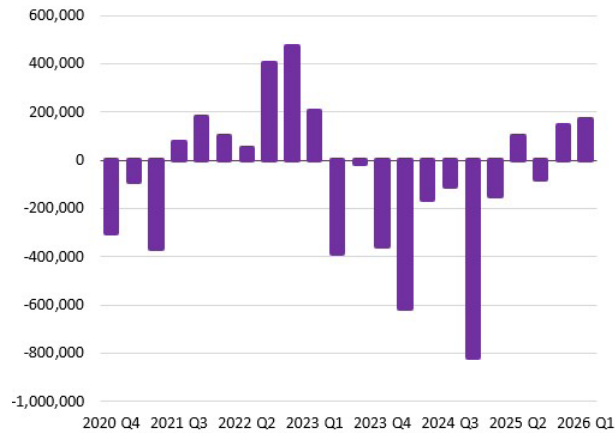
RENTAL RATES

	MARKET SIZE	Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,523,791	10.8%	10.1%	12.3%	-24,604	-24,604	\$25.24	\$24.51	\$24.04
Montgomery Co. North	11,686,789	13.8%	13.5%	13.4%	66,090	66,090	\$31.46	\$31.74	\$31.87
Montgomery Co. South; Rockville/Bethesda	50,452,898	20.3%	20.3%	20.1%	97,341	97,341	\$33.48	\$33.49	\$33.22
Prince George's Co. North	22,220,193	16.6%	17.1%	14.2%	-42,263	-42,263	\$23.92	\$23.91	\$24.20
Prince George's Co. South	5,159,045	6.2%	6.6%	5.5%	26,403	26,403	\$29.51	\$29.51	\$28.94
Silver Spring North/Route 29	3,479,746	9.0%	8.6%	9.8%	1,094	1,094	\$27.98	\$28.04	\$29.46
Silver Spring South	7,427,929	18.6%	21.3%	19.6%	274,958	274,958	\$30.85	\$30.04	\$30.08
Totals	108,950,391	17.0%	17.1%	16.5%	399,019	399,019	\$30.13	\$30.05	\$29.98

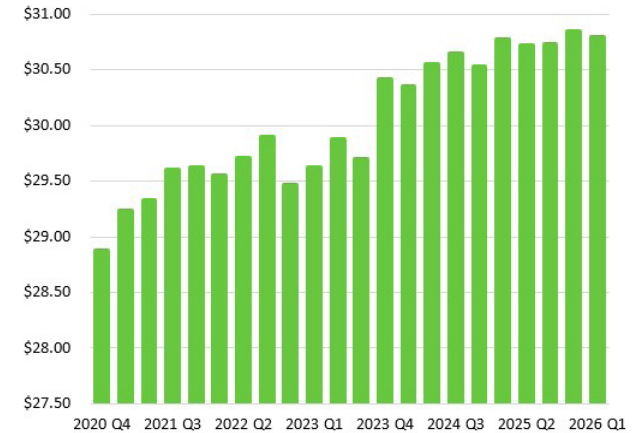
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
4380 Forbes Blvd.	Prince George's County	New Life Ministries	31,240
6550 Rock Spring Dr.	Montgomery County	DMI	22,597
7700 Wisconsin Ave.	Montgomery County	de Beaumont Foundation	12,627

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
5700 Rivertech Ct.	Prince George's County	\$15,500,000	\$99.13	156,360
12300 Twinbrook Pkwy.	Montgomery County	\$8,000,000	\$46.28	172,845
5411-5415 W. Cedar Ln.	Montgomery County	\$6,150,000	\$181.34	33,914

* Renewal, Expansion, or Sublease