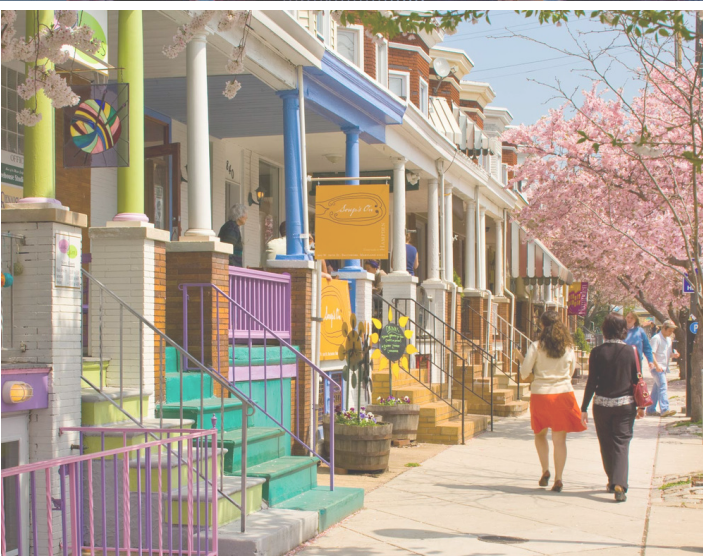


**MACKENZIE'S LOCAL OUTLOOK**  
BALTIMORE & DC METRO  
COMMERCIAL REAL ESTATE

**2ND QUARTER**  
**2026**

ECONOMY | CAPITAL | CONSTRUCTION | OFFICE | RETAIL | INDUSTRIAL





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## ECONOMIC INDICATORS\*

Employment  
**3,065,300**

Unemployment Rate  
**4.3%**

Consumer Price Index (CPI)  
**4.2%** (YOY in June)

## Maryland Area Employment Growth by Industry Sector (YOY)\*

### OUTLOOK RISES AS OIL PRICES FALL

The balance of risks facing the U.S. economy has shifted dramatically during the first six months of 2026. At the start of the year, most forecasters expected slowing inflation, a weaker labor market, and rate cuts. Those forecasts, put simply, were wrong, though in fairness to the forecasters, no one anticipated the conflict in Iran and its massive inflationary effects.

The good news: after a shaky end to 2025, the labor market has found its footing. Employment growth has accelerated, the unemployment rate has stabilized at a perfectly healthy 4.3%, and there are no indications that layoffs are picking up.

The bad news: inflation has accelerated, with the Consumer Price Index now up 4.2% over the past 12 months, the fastest year-over-year rise in over four years. Much of that increase was due to higher gas prices, yet it's not clear that inflation will cool back off even as gas prices fall. The surge in oil prices over the past several months raised input prices throughout supply chains, and it's too early to know when and to what extent producers will pass on those higher costs to consumers.

Of course, oil prices have plummeted back down to roughly pre-conflict levels as of late June, and gas and diesel prices are slowly drifting lower as a result. From March to May, however, consumers spent \$33.5 billion more on gasoline than they did during the same period of 2025. That resulted in a dramatically lower saving rate, yet at least for now it appears that consumers are content to keep spending despite rising prices.

More broadly, the dramatic change in economic dynamics—a stronger labor market and resurgent inflation—has drastically altered the interest rate outlook. As of this writing, a Fed rate hike is far more likely than a rate cut during the second half of 2026.

As a result of stubbornly high borrowing costs, interest rate-sensitive segments like housing and certain construction segments will struggle to find momentum over the next several months. Unfortunately, that's been the case for the past several years.

Industries that aren't sensitive to high interest rates, however, will enjoy what should be a relatively strong second half of the year; while risks remain, all signs point toward continued economic growth over the next few quarters.

**-.30%**  
Manufacturing

**2.2%**  
Education/Health

**-1.7%**  
Professional

**1.8%**  
Construction

The State of Maryland's top employing industry as of June 2026 was Government employing 525,000, followed by Educational & Health Services employing 511,500 and then Professional & Business Services employing 464,100 and Transportation & Utilities at 453,300.

Contributed by industry partner  
**Anirban Basu, CEO of Sage Policy Group, Inc.**  
For more information, please visit <http://www.sagepolicy.com>.





## CAPITAL INDICATORS 2026

12-Month Volume  
\$ 1,875,027,527

Total Square Feet  
10,643,835

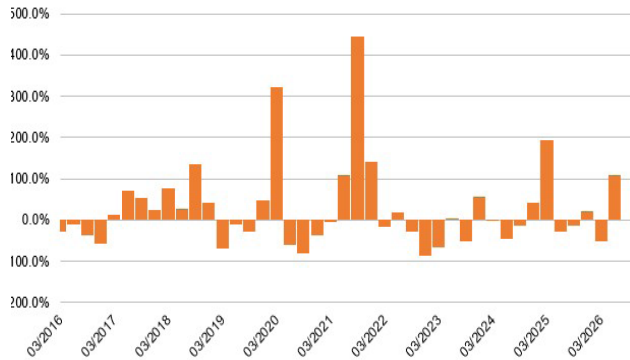
Average Price PSF  
\$164/sf

Average Cap Rate  
7.2%

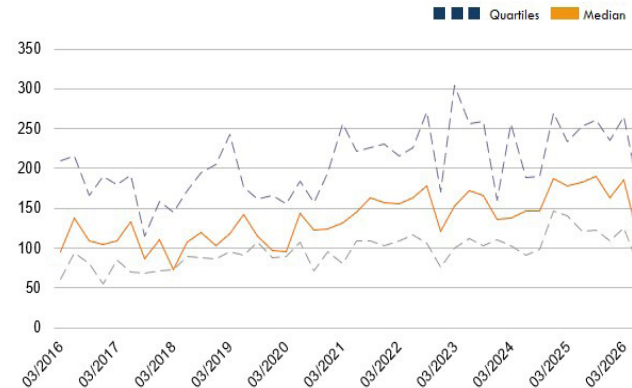
Properties Sold  
141

Volume vs. Prior Year  
-1.5%

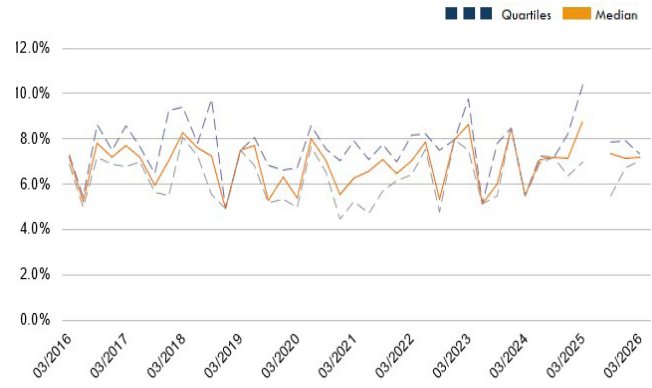
### Change In Sales (Year over Year)



### Average Sale Price Per Square Foot



### Average Cap Rates



- In the 2nd quarter of 2026, the Federal Reserve held the Effective Federal Funds Rate steady for the fourth consecutive time this year as they continue to monitor inflation and labor statistics.
- Over the course of the 2nd quarter, the 10-year Treasury was fairly turbulent, starting at 4.33% and finishing at 4.40% with a high of 4.67%.
- Swap rates have continued to be lower than their treasury counterparts and depending on prepayment sensitivities continue to provide lower all-in interest rates for borrowers in most cases assuming equal spreads.
- Financing options are ample in the market for multiple asset classes and stages of development, though the uptick in rates is putting pressure on project financing.
- Capital is becoming more and more competitive with spreads tightening from many sources, making competition a necessity when contemplating financing options.

## TOP INVESTMENT 'PLAYERS' BY ACQUISITION/DISPOSITION VOLUME

TOP BUYERS (24 MONTHS ROLLING)	Base City	Average Price Per Sale (\$m)	Acquisition Volume (\$m)	Properties
Macerich	Santa Monica, CA	\$260,000,000	\$260,000,000	1
Ardian	Paris, FRA	\$6,666,667	\$260,000,000	39
Federal Realty	Rockville, MD	\$100,225,183	\$200,450,365	2
Spinoso RE	Salina, NY	\$190,000,000	\$190,000,000	1
Centennial Real Estate	Dallas, TX	\$160,000,000	\$160,000,000	1

TOP SELLERS (24 MONTHS ROLLING)	Base City	Average Price Per Sale (\$m)	Disposition Volume (\$m)	Properties
Blackstone	New York, NY	\$16,514,583	\$280,747,912	17
Centennial Real Estate	Dallas, TX	\$260,000,000	\$260,000,000	1
Goldman Sachs	New York, NY	\$6,666,667	\$260,000,000	39
Brookfield AM	Toronto, Ontario, CAN	\$69,691,764	\$209,075,292	3
PGIM Real Estate	Newark, NJ	\$96,850,000	\$193,700,000	2

## 2026 YTD BUYER COMPOSITION

### Private Buyers

Privately controlled business geared toward operating, developing, or investing CRE.

58%

### REIT/Listed

29%

A company that owns, operates, or finances income-producing real estate, allowing investors to participate without directly owning the properties.

### Investment Buyers

Investors such as banks or mutual funds.

3.8%

\*Indicators taken from Real Capital Analytics for a rolling 12-month period based on reported sales; office, retail, and industrial. Benchmark compares to the U.S. market. Buyer type percentages are limited to YTD reported sales. All data as of 6/30/26.



## PROJECT INDICATORS

RBA Under Construction  
**3,277,625**

Count Under Construction  
**47**

RBA Delivered YTD  
**249,528**

Availability  
**67%**

Proposed Buildings  
**273**

Count Under Renovation  
**5**

## CONSTRUCTION OUTLOOK

The construction industry has, at least in some ways, outperformed expectations over the past few months. Hiring has picked up from the dismal levels of 2025, and contractor backlog has grown, according to ABC's Construction Backlog Indicator.

Yet those broad signs of momentum may reflect very narrow momentum. Spending on data center construction, up 28% over the past year and 437% over the past five years, continues to grow at a blistering pace, and that is sucking up a lot of the industry's very limited oxygen. Backlog, for instance, is significantly longer (11.6 months) for contractors working on data centers than for those who aren't (8.6 months). There has also been a massive increase in demand for skilled trades workers, like electricians, most needed for data center projects.

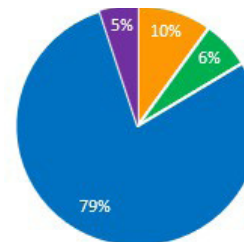
Despite that booming subsegment, total private nonresidential construction spending has now fallen in seven consecutive months and is down 8% from the December 2023 all-time high. Much of that decline has to do with CHIPS Act-incentivized megaprojects winding down, but there is little momentum to be found across most construction categories. Given stubbornly high borrowing costs and reaccelerating material price escalation, that will likely remain the case over the next several months.

Contributed by industry partner  
**Anirban Basu, CEO of Sage Policy Group, Inc.**  
For more information, please visit <http://www.sagepolicy.com>

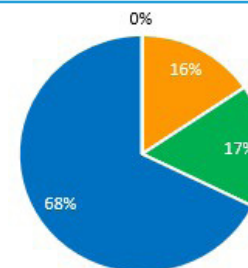
## PROPERTY TYPE BREAKDOWN

Legend: Office Retail Warehouse Flex

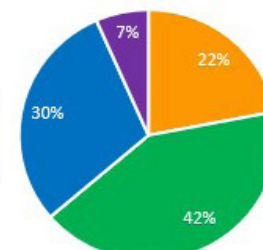
### Under Construction



### Deliveries YTD



### Proposed Buildings



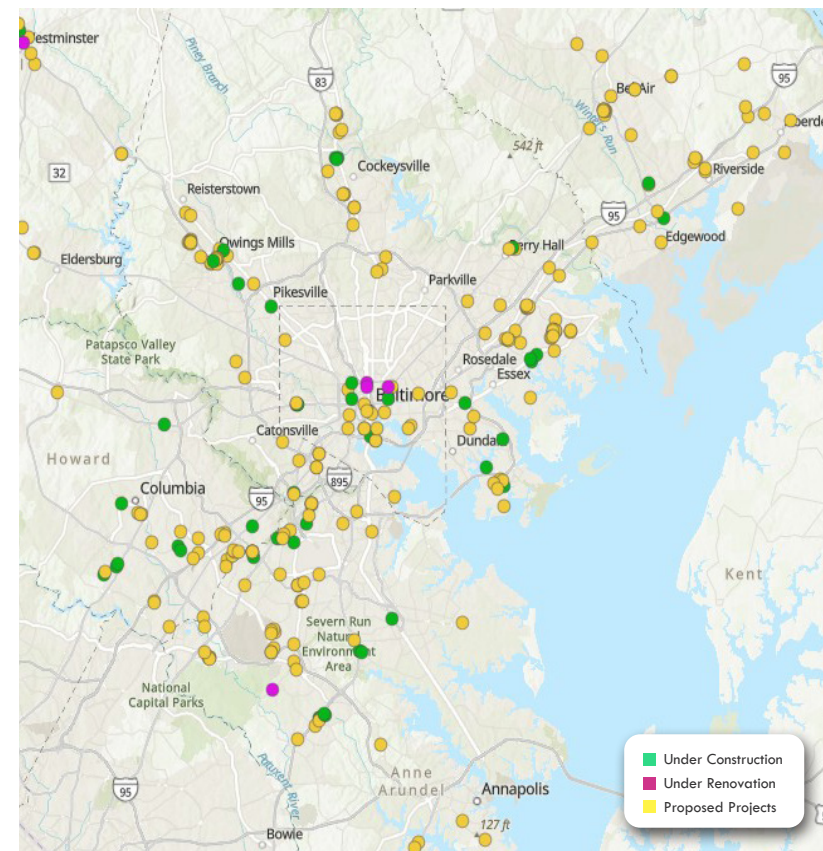
## THE GROWING VALUE OF PRECONSTRUCTION

While today's market continues to present challenges, from fluctuating material costs to higher borrowing rates, one trend has become increasingly clear: owners are engaging contractors earlier than ever before. Preconstruction has evolved beyond budgeting to become a critical planning tool, helping project teams evaluate feasibility, identify potential risks, and make informed decisions before construction begins.

At MacKenzie Contracting, we've found that early collaboration creates the greatest opportunity for success. Through real-time cost estimating, constructability reviews, scheduling input, and our open-book approach to subcontractor bidding, owners gain greater transparency and confidence throughout the design process. Addressing budget and constructability concerns early helps reduce costly redesigns, schedule impacts, and unforeseen change orders once construction is underway.

As market conditions continue to evolve, thoughtful planning remains one of the best investments an owner can make. Whether it's a renovation, redevelopment, or tenant fit-out, projects that begin with a strong preconstruction strategy are better positioned to stay on budget, on schedule, and aligned with the owner's long-term goals.

*This quarter's construction insight has been provided by Autumn Hill, Vice President, Business Development of MacKenzie Contracting Company LLC. Autumn can be reached at [ahill@mackenziecontracting.com](mailto:ahill@mackenziecontracting.com).*





OFFICE INDICATORS	Market Size 111,891,549	Building Count 2,495	QTD Absorption -41,571	YTD Absorption -266,667	Vacancy 14.2%	Rental Rate \$25.88/sf
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The Baltimore office market remained soft in 2Q 2026, with overall vacancy at 14.2%, down slightly from 14.4% last quarter but up from 14.0% one year ago. Net absorption remained negative at -41,571 sf for the quarter and -266,667 sf YTD, reflecting continued pressure across the market. Leasing activity totaled 748,957 sf for the quarter and 1,918,383 sf YTD, indicating that tenant activity remains steady, even as occupancy losses continue to outpace move-ins. The largest deal of the quarter was a 58,724 sf new lease in Columbia, followed by a 43,076 sf renewal.

Performance varied across the region. Baltimore City recorded -85,298 sf of quarterly absorption and -153,646 sf YTD, with vacancy at 21.0%. City Center remained the most challenged submarket, with vacancy at 28.0% and -46,339 sf of YTD absorption. The Northern Metro posted the strongest performance, recording 48,169 sf of quarterly absorption and 100,790 sf YTD, led by the I-83 Corridor and Baltimore County West. The Southern Metro recorded -4,442 sf of quarterly absorption and -213,811 sf YTD, driven largely by losses in the BWI Corridor and Columbia. Vacancy levels have been moderated by the demolition and repurposing of select office inventory.

Office sales improved from the first quarter, with 33 transactions totaling \$93.1 million in sales volume. However, average pricing remained low at \$74.24/sf, well below levels seen throughout much of the prior five-year period. Pricing was pulled down in part by the sale of 20 S. Charles Street, a 121,438 sf office building that traded for \$12.35/sf.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	10,840,091	28.0%	27.9%	27.6%	-61,591	-46,339	\$24.30	\$24.30	\$24.55
Baltimore City Midtown	1,914,787	12.2%	11.5%	11.9%	-17,433	-4,577	\$21.07	\$21.08	\$20.96
Baltimore City NE	1,066,498	3.4%	3.4%	6.6%	34,262	34,089	\$29.30	\$29.31	\$29.62
Baltimore City NW	2,061,088	6.2%	6.6%	5.7%	-3,418	-11,644	\$29.81	\$29.80	\$29.81
Baltimore City SE	7,593,010	16.3%	17.5%	14.9%	-24,535	-109,659	\$31.46	\$31.45	\$31.61
Baltimore City SW	3,182,806	28.5%	28.6%	28.0%	-12,583	-15,516	\$22.09	\$22.09	\$22.19
<b>Baltimore City</b>	<b>26,658,280</b>	<b>21.0%</b>	<b>21.2%</b>	<b>20.4%</b>	<b>-85,298</b>	<b>-153,646</b>	<b>\$26.47</b>	<b>\$26.47</b>	<b>\$26.63</b>
Baltimore County East	3,930,553	7.8%	7.8%	8.6%	26,456	29,776	\$22.30	\$22.30	\$22.28
Baltimore County West	6,238,592	10.8%	10.2%	11.7%	14,844	55,464	\$23.45	\$23.46	\$23.24
Carroll County	2,129,700	4.6%	4.2%	4.8%	-2,799	4,777	\$22.26	\$22.21	\$21.99
Cecil County	772,293	7.8%	7.5%	8.4%	2,385	4,500	\$23.57	\$23.55	\$23.69
Harford County	5,032,726	15.3%	16.1%	14.4%	-8,966	-48,740	\$25.24	\$25.24	\$25.17
I-83 Corridor	10,287,414	11.8%	10.8%	13.2%	35,439	140,159	\$23.97	\$23.98	\$23.90
Reisterstown Rd. Corridor	8,095,803	16.3%	16.8%	16.1%	21,068	-16,786	\$24.70	\$24.71	\$24.62
Towson	8,171,075	12.8%	13.1%	11.9%	-40,258	-68,360	\$24.07	\$24.07	\$23.94
<b>Northern Metro</b>	<b>44,658,156</b>	<b>12.3%</b>	<b>12.2%</b>	<b>12.5%</b>	<b>48,169</b>	<b>100,790</b>	<b>\$23.96</b>	<b>\$23.96</b>	<b>\$23.85</b>
Annapolis	5,346,399	8.5%	8.4%	9.6%	60,256	62,140	\$30.70	\$30.71	\$30.67
BWI Corridor	14,244,594	11.1%	12.6%	9.4%	-24,330	-241,650	\$26.37	\$26.37	\$26.40
Columbia	18,253,987	14.2%	14.2%	13.8%	-56,727	-65,895	\$28.13	\$28.14	\$28.13
Route 2 Corridor	2,730,133	6.7%	6.2%	7.9%	16,359	31,594	\$24.63	\$24.63	\$24.50
<b>Southern Metro</b>	<b>40,575,113</b>	<b>11.8%</b>	<b>12.4%</b>	<b>11.3%</b>	<b>-4,442</b>	<b>-213,811</b>	<b>\$27.62</b>	<b>\$27.62</b>	<b>\$27.61</b>
<b>Totals</b>	<b>111,891,549</b>	<b>14.2%</b>	<b>14.4%</b>	<b>14.0%</b>	<b>-41,571</b>	<b>-266,667</b>	<b>\$25.88</b>	<b>\$25.88</b>	<b>\$25.88</b>

## ITEMS TO NOTE:

Gramophone, a home audio company, will relocate its headquarters to 10741 and 10755 York Rd. in Cockeysville. The company plans to convert the property into a 70,000 sf office, showroom, and warehouse facility that will employ approximately 100 people.

Womble Bond Dickinson will relocate its Baltimore office to the 23rd floor of 100 International Dr. in Harbor East. The move will increase the firm's total square footage but will create an additional vacant floor at 100 Light St., where the firm is currently located.

T. Rowe Price sold a 9-acre parcel in Owings Mills to Amazon Data Services for \$15.2 million. The parcel includes a 110,000 sf office building that remains occupied by T. Rowe Price under a leaseback agreement. Terms of the agreement were not disclosed.

The Associated: Jewish Federation of Baltimore has relocated from its Midtown location to a newly renovated campus in Park Heights. The offices officially opened in April following the completion of a \$23 million renovation.

20 S. Charles St. in Baltimore's Central Business District sold for \$1.5 million, or \$12.35/psf. Shortly after the sale, the Downtown Partnership announced plans to relocate and will vacate the two floors it occupied at the time of the transaction.

Northwest Hospital Professional Center sold to LifeBridge Health Inc. for \$12 million. The sale included only the 48,000 sf medical office building and was structured as a leasehold transaction.



## OFFICE INDICATORS

Market Size  
111,891,549

Building Count  
2,495

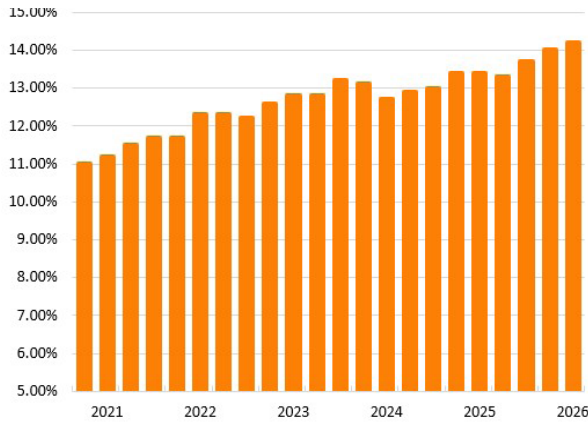
Absorption  
-41,571

YTD Absorption  
-266,667

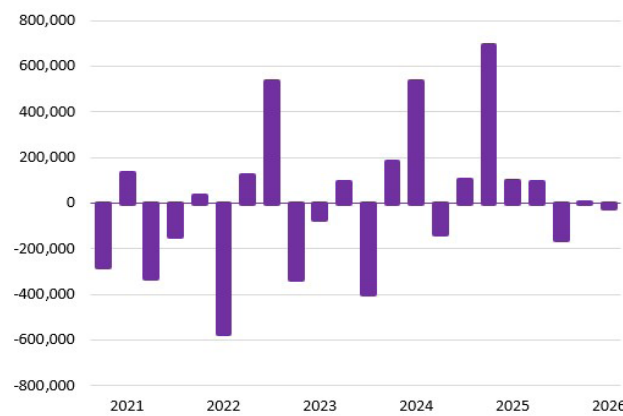
Vacancy  
14.2%

Rental Rate  
\$25.88/sf

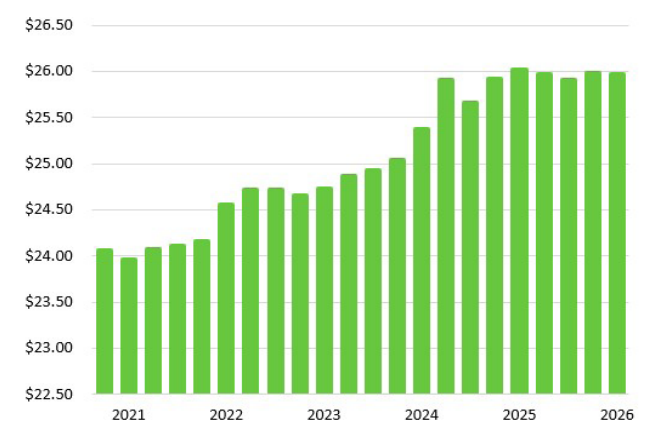
### VACANCY



### NET ABSORPTION



### RENTAL RATES



#### Lowest Vacancy

1	Baltimore City NE	3.4%
2	Carroll County	4.6%
3	Baltimore City NW	6.2%

#### Highest Vacancy

1	Baltimore City SW	28.5%
2	Baltimore City Center	28.0%
3	Reisterstown Rd. Corridor	16.3%

#### Most Change vs. Prior Quarter

-	BWI Corridor	-1.5%
+	I-83 Corridor	1.0%

#### Most Positive Net Absorption

1	Annapolis	60,256
2	I-83 Corridor	35,439
3	Baltimore City NE	34,262

#### Most Negative Absorption

1	Baltimore City Center	-61,591
2	Columbia	-56,727
3	Towson	-40,258

#### Greatest Changes in Absorption, Year-to-Date

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

#### Cheapest Rates

1	Baltimore City Midtown	\$21.07
2	Baltimore City SW	\$22.09
3	Carroll County	\$22.26

#### Most Expensive Rates

1	Baltimore City SE	\$31.46
2	Annapolis	\$30.70
3	Baltimore City NW	\$29.81

#### Most Change vs. Prior Quarter

-	Baltimore City NE	-\$0.32
+	Carroll County	\$0.27

### LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8160 Maple Lawn Blvd.	Columbia	Bozzuto	58,724
7229 Lee Deforest Dr.*	Columbia	Maxim Healthcare Services, Inc.	43,076
2455 House St.	Baltimore City SE	Whiteford	33,271
1750 Forest Dr.*	Annapolis	South River Mortgage	19,650

### SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
1750 Forest Dr.	Annapolis	\$19,500,000	\$161.49	120,750
10630-32 Little Patuxent Pkwy.	Columbia	\$12,000,000	\$70.89	169,266
5415 Old Court Rd.	Baltimore County W	\$12,000,000	\$250.00	48,000
202-206 Research Blvd.	Harford County	\$8,500,000	\$66.34	128,119

\* Renewal, Expansion, or Sublease

# OFFICE OVERVIEW (DC METRO)

SECOND QUARTER | 2026



## OFFICE INDICATORS

Market Size  
108,733,563

Building Count  
1,968

Absorption  
71,312

YTD Absorption  
282,906

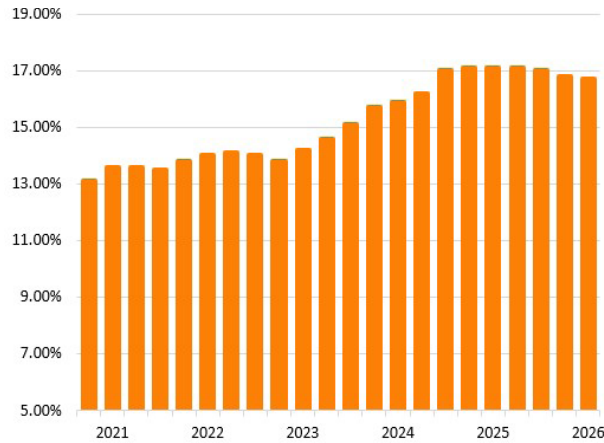
Vacancy  
17.02%

Rental Rate  
\$30.02/sf

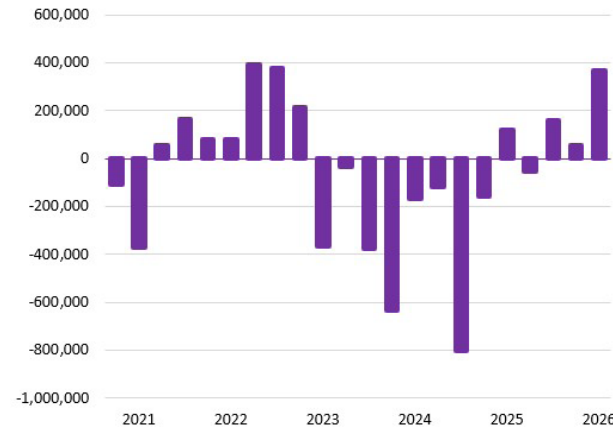
## THE NUMBERS

	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,581,020	10.6%	10.4%	11.2%	-18,772	-26,746	\$24.65	\$25.12	\$23.53
Montgomery Co. North	11,592,357	13.6%	13.9%	13.7%	31,451	96,787	\$27.36	\$31.51	\$31.53
Montgomery Co. South; Rockville/Bethesda	50,305,574	19.9%	20.3%	21.0%	187,792	236,536	\$33.49	\$33.40	\$33.13
Prince George's Co. North	22,230,316	17.2%	16.7%	16.3%	-118,450	-151,030	\$25.41	\$24.90	\$23.97
Prince George's Co. South	5,144,588	6.2%	6.2%	7.0%	1,150	28,358	\$32.76	\$29.52	\$29.55
Silver Spring North/Route 29	3,479,746	10.1%	9.0%	7.0%	-37,713	-36,619	\$27.26	\$27.98	\$29.25
Silver Spring South	7,399,962	20.3%	20.7%	19.9%	25,854	135,620	\$30.05	\$29.93	\$29.61
<b>Totals</b>	<b>108,733,563</b>	<b>17.0%</b>	<b>17.1%</b>	<b>17.3%</b>	<b>71,312</b>	<b>282,906</b>	<b>\$30.02</b>	<b>\$30.21</b>	<b>\$29.80</b>

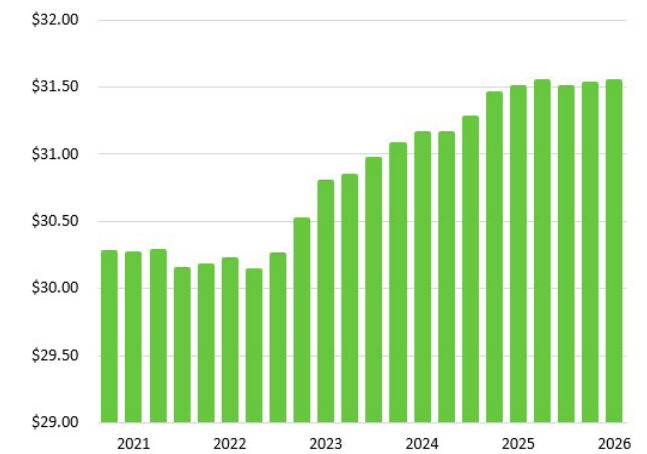
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
6505 Belcrest Rd.*	Prince George's County	Board of Trustees of PGCC	75,150
9841 Washingtonian Blvd.*	Montgomery County N	Launch Workplaces	42,181
9211 Corporate Blvd.*	Montgomery County S	Access Intelligence	32,000

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Bethesda Towers	Montgomery County S	\$40,500,000	\$63.96	633,248
8401 Connecticut Ave.	Montgomery County S	\$40,100,000	\$210.10	190,866
4445-4457 Willard Ave.	Montgomery County S	\$36,000,000	\$131.97	272,788

\* Renewal, Expansion, or Sublease



## RETAIL INDICATORS

Market Size  
116,004,113

Building Count  
4,820

Absorption  
39,102

YTD Absorption  
-82,691

Vacancy  
6.6%

Rental Rate  
\$25.59/sf

The Baltimore retail market showed modest improvement in 2Q 2026, recording 39,102 sf of positive quarterly absorption. However, YTD absorption remained negative at -82,691 sf, reflecting continued space turnover across several submarkets, sluggish demand from non-food uses, and continued concerns with timing for reviews, approvals, permits, and occupancy. Overall vacancy increased slightly to 6.6%, compared to 6.5% last quarter and 6.4% one year ago. Leasing activity totaled 251,458 sf for the quarter and 767,084 sf YTD, indicating that tenant demand remains active but uneven across the market. Such demand continues to focus “A” properties, 2nd generation restaurant space, and any location with strong co-tenancy.

Submarket performance was mixed. Harford County posted the strongest quarterly absorption at 82,464 sf, followed by Carroll County and the Reisterstown Road Corridor at 33,473 sf and 26,514 sf, respectively. Columbia recorded the largest quarterly loss at -81,801 sf and the weakest YTD absorption at -110,450 sf. Vacancy remained lowest in Howard County West, the BWI Corridor, and Carroll County, while the highest vacancy rates were recorded in the Reisterstown Road Corridor, Annapolis, and the I-83 Corridor. These submarkets continue to see the majority of tenant activity given their population density, higher incomes, and abundance of stable and high sales per square foot for neighboring businesses.

Retail sales activity increased in 2Q 2026, with 34 transactions totaling \$326.4 million in sales volume. The average actual cap rate was 8.3%, reflecting continued investor activity despite more selective pricing conditions. Pricing guidance and expectations continue to battle with investor modeling at aggressive cap rates versus trailing return rates, such as Treasury bills, with attractive, modest rates, with no risk. High interest rates continue to limit Seller interest as Buyers look for higher; value add returns. The largest transaction of the quarter was the sale of Annapolis Mall, which traded for \$272 million.

## ITEMS TO NOTE:

Vacant since closing in 2021, the 106-year-old Shofer’s Furniture building will be renovated into a 51-unit apartment building with 12,000 sf of retail space. The \$20 million Federal Hill project has already been approved by the Commission for Historical and Architectural Preservation.

Annapolis Mall is under new ownership. The Macerich Company acquired the 1.5 million sf shopping center for \$272 million, or approximately \$184.06/sf, at a 9.2% cap rate. The center last traded for \$160 million in 2024.

Planet Fitness will remain at Aberdeen Marketplace after signing a renewal agreement for the 20,880 sf it has occupied for nearly ten years.

7th Avenue, an upscale Los Angeles-based furniture chain, has leased just over 1,000 sf on Aliceanna St. in Harbor East. This will be the company’s first Maryland location.

Slick City Action Park, an indoor slide park, has leased nearly 42,000 sf at Snowden Square Shopping Center. This will be the company’s first Maryland location, with an opening planned for early 2027.

Reisterstown Shopping Center is under new ownership following a \$40.6 million sale. Lehrman and Rappaport Co. acquired the 160,000 sf center and plans to invest \$2 million in upgrades.

Country Ridge Shopping Center, located in the Baltimore County East submarket, sold for \$10.7 million, or \$81.55/sf. The center totals nearly 130,000 sf and sits on 11.5 acres of land.

Barnes & Noble will return to Baltimore with a new Harbor East along Aliceanna St. The bookstore will occupy 10,000 sf by the end of the year.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,802,409	11.2%	11.5%	11.9%	8,964	8,092	\$34.92	\$34.59	\$33.70
Baltimore City	17,953,383	9.1%	9.2%	8.0%	-10,395	-12,726	\$20.67	\$20.46	\$20.21
Baltimore County East	15,348,663	5.5%	5.4%	5.6%	-13,846	-55,373	\$23.33	\$23.01	\$22.39
Baltimore County West	7,023,716	7.1%	6.7%	7.0%	-24,370	-21,561	\$23.70	\$23.39	\$22.72
BWI Corridor	9,498,216	2.4%	2.1%	2.4%	-20,870	-11,341	\$28.61	\$28.33	\$27.62
Carroll County	6,984,493	3.0%	3.4%	2.5%	33,473	33,800	\$23.31	\$22.98	\$22.49
Cecil County	3,350,648	5.8%	5.4%	5.1%	-3,578	-21,693	\$17.37	\$17.50	\$17.48
Columbia	10,101,566	4.8%	4.0%	3.8%	-81,801	-110,450	\$34.32	\$33.95	\$32.85
Harford County	10,788,977	5.2%	5.8%	6.0%	82,464	112,396	\$24.23	\$23.89	\$23.30
Howard County West	775,805	1.7%	2.2%	4.3%	3,857	20,076	\$27.22	\$26.90	\$26.46
I-83 Corridor	5,253,683	9.6%	9.9%	8.7%	14,076	-31,455	\$29.36	\$28.98	\$28.28
Reisterstown Rd. Corridor	7,530,471	11.7%	12.0%	11.2%	26,514	13,739	\$26.32	\$25.89	\$25.54
Route 2 Corridor	10,562,367	6.9%	6.0%	7.2%	42	-29,822	\$24.43	\$24.11	\$23.41
Towson	5,029,716	4.3%	4.9%	4.7%	24,572	23,627	\$27.49	\$27.17	\$26.39
<b>Totals/Averages</b>	<b>116,004,113</b>	<b>6.6%</b>	<b>6.5%</b>	<b>6.4%</b>	<b>39,102</b>	<b>-82,691</b>	<b>\$25.59</b>	<b>\$25.29</b>	<b>\$24.69</b>



## RETAIL INDICATORS

Market Size  
116,004,113

Building Count  
4,820

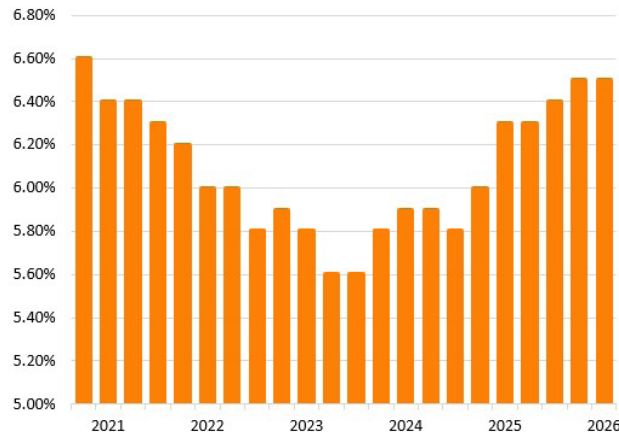
Absorption  
39,102

YTD Absorption  
-82,691

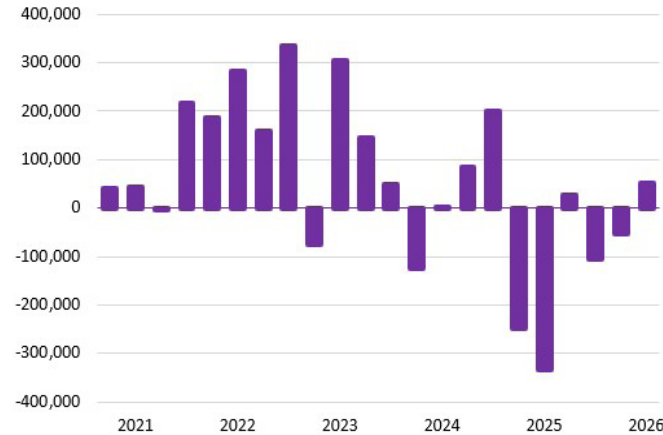
Vacancy  
6.6%

Rental Rate  
\$25.59/sf

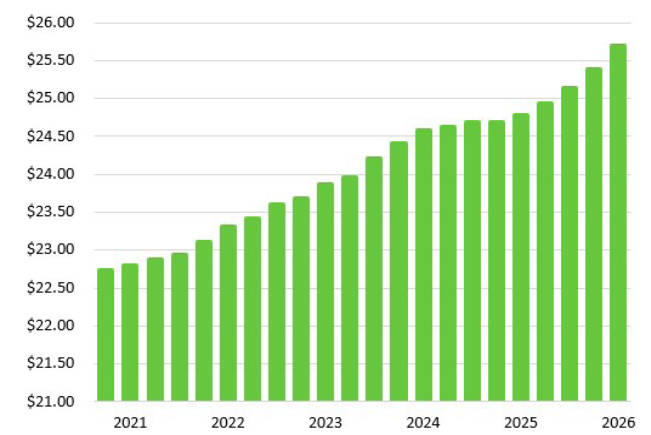
### VACANCY



### NET ABSORPTION



### RENTAL RATES



#### Lowest Vacancy

1	Howard County West	1.71%
2	BWI Corridor	2.44%
3	Carroll County	3.04%

#### Highest Vacancy

1	Reisterstown Rd. Corridor	11.74%
2	Annapolis	11.15%
3	I-83 Corridor	9.60%

#### Most Change vs. Prior Quarter

-	Howard County West	-2.10%
+	I-83 Corridor	0.81%

#### Most Positive Net Absorption

1	Harford County	82,464
2	Carroll County	33,473
3	Reisterstown Rd. Corridor	26,514

#### Most Negative Absorption

1	Columbia	-81,801
2	Baltimore County West	-24,370
3	BWI Corridor	-20,870

#### Greatest Changes in Absorption, Year-to-Date

-	Columbia	-110,450
+	Harford County	112,396

#### Cheapest Rates

1	Cecil County	\$17.37
2	Baltimore City	\$20.67
3	Carroll County	\$23.31

#### Most Expensive Rates

1	Annapolis	\$34.92
2	Columbia	\$34.32
3	I-83 Corridor	\$29.36

#### Most Change vs. Prior Quarter

-	Cecil County	-\$0.13
+	Reisterstown Rd. Corridor	\$0.43

### LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
9021 Snowden River Pkwy.	Columbia	Slick City	41,655
1010P Beards Hill Rd.*	Harford County	Planet Fitness	20,880
1906 Towne Centre Blvd.	Annapolis	Design Within Reach	11,881
1906 Towne Centre Blvd.	Annapolis	Ruth's Chris Steak House	10,150

### SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Annapolis Mall	Annapolis	\$272,000,000	\$184.06	1,477,789
1500-1550 Country Ridge Ln.	Baltimore County E	\$10,700,000	\$81.55	131,214
18 Church Cir.	Annapolis	\$7,200,000	\$579.15	12,432
2444 Solomons Island Rd.	Annapolis	\$5,450,000	\$170.31	32,000

\* Renewal, Expansion, or Sublease

# RETAIL OVERVIEW (DC METRO)

SECOND QUARTER | 2026



## RETAIL INDICATORS

Market Size  
**79,722,124**

Building Count  
**2,852**

Absorption  
**-227,999**

YTD Absorption  
**-564,239**

Vacancy  
**6.02%**

Rental Rate  
**\$34.33/sf**

## THE NUMBERS

### MARKET SIZE

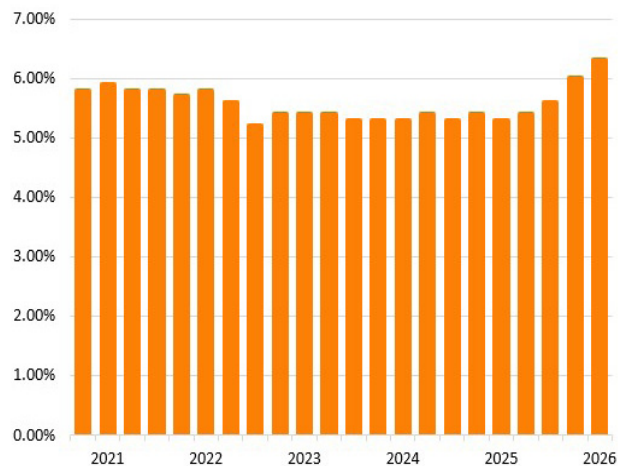
### VACANCY %

### ABSORPTION

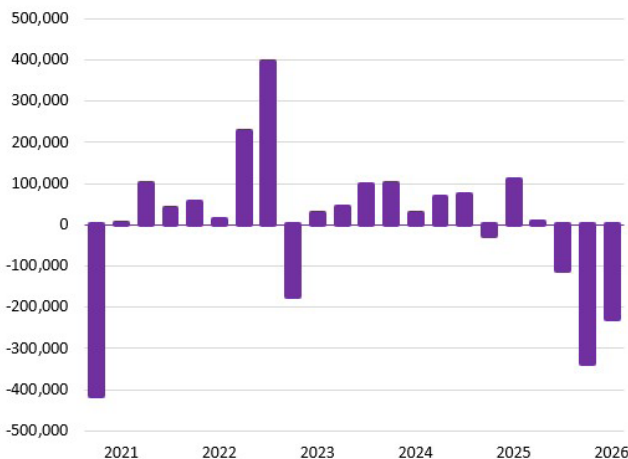
### RENTAL RATES

	MARKET SIZE	Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	12,158,591	3.3%	4.6%	5.5%	156,302	215,978	\$26.68	\$26.29	\$25.64
Montgomery County North	9,980,937	2.8%	2.7%	8.2%	-4,050	13,676	\$36.38	\$36.17	\$35.17
Montgomery County South-Rockville	17,213,115	5.2%	4.8%	4.1%	-74,875	-174,671	\$43.29	\$43.23	\$42.10
Prince George's County North	22,393,437	8.6%	7.6%	6.2%	-230,692	-423,676	\$32.39	\$32.12	\$31.31
Prince George's County South	12,179,943	5.8%	5.4%	4.0%	-50,813	-204,213	\$29.49	\$29.24	\$28.44
Silver Spring North-Route 29	3,450,688	14.2%	13.8%	13.7%	-14,737	-18,229	\$37.63	\$37.31	\$36.12
Silver Spring South	2,345,413	3.7%	3.4%	3.9%	-9,134	26,896	\$38.41	\$38.50	\$37.73
<b>Washington DC Retail Total</b>	<b>79,722,124</b>	<b>6.0%</b>	<b>5.7%</b>	<b>5.8%</b>	<b>-227,999</b>	<b>-564,239</b>	<b>\$34.33</b>	<b>\$34.10</b>	<b>\$33.21</b>

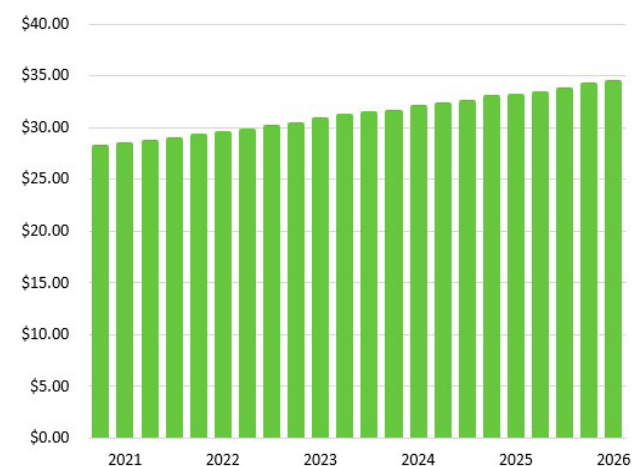
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
801-829 Southern Ave.	Prince George's County S	Tiger Market	62,321
800-802 Hungerford Dr.	Montgomery County S	RF Fager Supply	23,000
13400 Baltimore Ave.	Prince George's County N	Street Chasers Towing	22,000

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Frederick Shopping Center	Frederick County	\$55,500,000	\$227.22	244,254
10050 Baltimore Ave.	Prince George's County	\$6,600,000	\$1,394.76	4,732
4923-4933 Saint Elmo Ave.	Montgomery County	\$4,350,000	\$443.88	9,800

\* Renewal, Expansion, or Sublease



INDUSTRIAL INDICATORS	Market Size <b>281,071,893</b>	Building Count <b>3,831</b>	Absorption <b>-209,548</b>	YTD Absorption <b>-1,818,046</b>	Vacancy <b>10.39%</b>	Rental Rate <b>\$11.70/sf</b>
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The Baltimore flex market softened in 2Q 2026, recording -115,329 sf of quarterly absorption and -204,260 sf YTD. Overall vacancy increased to 7.6%, up from 7.2% last quarter and 7.1% one year ago, reflecting continued space givebacks across several submarkets. Columbia and the BWI Corridor recorded the largest quarterly losses, at -51,932 sf and -40,964 sf, respectively, while Annapolis/Route 2 and Baltimore City posted the strongest gains, at 34,922 sf and 16,580 sf. Flex leasing activity totaled 537,404 sf for the quarter and 1.1 million sf YTD, led by Intuitive Machines' 69,240 sf new lease at 709 Digital Dr. in the BWI Corridor.

The Baltimore warehouse market also remained under pressure, with -94,219 sf of quarterly absorption and -1.6 million sf YTD. Warehouse vacancy increased to 11.0%, up from 10.4% last quarter and 8.8% one year ago, indicating that availability remains elevated despite active leasing. Baltimore County East recorded one of the strongest quarterly absorption totals at 128,501 sf, supported by a 450,000 sf new lease and a 232,000 sf renewal, while Harford & Cecil Counties led leasing activity with major renewals from Clorox and Sephora totaling more than 1.6 million sf. Overall industrial leasing activity totaled 4.2 million sf for the quarter and 8.2 million sf YTD. Sales activity also improved, with 23 transactions totaling nearly \$273 million in sales volume and an average price of \$163.26/sf.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	6,736,083	10.48%	10.22%	10.75%	34,922	-17,375	\$16.45	\$16.45	\$16.05
Baltimore City	5,330,164	6.95%	7.77%	7.38%	16,580	43,497	\$13.11	\$13.09	\$12.80
Baltimore County East	4,019,900	9.49%	9.72%	9.82%	-7,647	9,197	\$14.25	\$14.26	\$13.92
Baltimore County West	4,926,553	10.41%	10.99%	11.08%	9,209	27,793	\$13.64	\$13.64	\$13.31
BWI Corridor	8,771,885	8.00%	7.15%	6.10%	-40,964	-73,985	\$15.99	\$15.99	\$15.65
Carroll County	1,934,650	4.78%	3.57%	7.18%	-21,088	-23,638	\$12.16	\$12.16	\$11.93
Columbia	8,380,754	5.57%	4.57%	4.21%	-51,932	-83,115	\$18.44	\$18.45	\$17.95
Harford & Cecil Counties	3,112,932	6.10%	4.28%	5.01%	-29,107	-57,043	\$15.54	\$15.52	\$15.16
I-83 Corridor	5,629,450	3.67%	3.30%	3.13%	-891	-21,004	\$16.43	\$16.41	\$16.04
Reisterstown Rd. Corridor	2,909,903	10.57%	10.28%	9.51%	-24,411	-8,587	\$14.73	\$14.73	\$14.39
<b>Flex Totals</b>	<b>51,752,274</b>	<b>7.60%</b>	<b>7.21%</b>	<b>7.13%</b>	<b>-115,329</b>	<b>-204,260</b>	<b>\$15.60</b>	<b>\$15.59</b>	<b>\$15.23</b>
Annapolis Route 2	10,430,133	6.15%	6.57%	3.71%	11,160	43,814	\$11.79	\$11.78	\$11.53
Baltimore City	51,834,945	9.63%	8.93%	8.65%	-148,550	-362,830	\$8.91	\$8.93	\$8.76
Baltimore County East	38,927,071	12.81%	12.53%	11.29%	128,501	-107,897	\$9.11	\$9.06	\$8.86
Baltimore County West	10,119,214	11.21%	10.49%	10.93%	-24,327	-72,893	\$9.94	\$9.97	\$9.82
BWI Corridor	45,529,875	11.70%	10.90%	9.89%	-74,081	-364,283	\$11.97	\$11.95	\$11.77
Carroll County	9,218,729	1.85%	0.57%	0.78%	-142,222	-117,178	\$9.62	\$9.60	\$9.38
Columbia	5,599,880	13.44%	15.75%	9.43%	40,120	128,856	\$10.30	\$10.39	\$10.20
Harford & Cecil Counties	50,803,105	13.67%	12.05%	8.45%	98,801	-824,075	\$9.66	\$9.61	\$9.61
I-83 Corridor	5,165,908	4.05%	5.35%	6.02%	-5,655	67,290	\$14.39	\$14.50	\$14.22
Reisterstown Rd.	1,690,759	5.84%	5.57%	3.92%	22,034	-4,590	\$13.21	\$13.31	\$13.06
<b>Warehouse Totals</b>	<b>229,319,619</b>	<b>11.02%</b>	<b>10.35%</b>	<b>8.76%</b>	<b>-94,219</b>	<b>-1,613,786</b>	<b>\$10.11</b>	<b>\$10.10</b>	<b>\$9.95</b>
<b>Totals</b>	<b>281,071,893</b>	<b>10.39%</b>	<b>9.76%</b>	<b>8.45%</b>	<b>-209,548</b>	<b>-1,818,046</b>	<b>\$11.70</b>	<b>\$11.68</b>	<b>\$11.49</b>

## ITEMS TO NOTE:

Intuitive Machines, a Houston-based space company, has leased more than 69,000 sf at 709 Digital Dr. in BWI Tech Park. The company plans to occupy the property by the end of the year.

Construction has begun on a nearly 190,000 sf logistics center at 9161 Commerce Center Dr. The Cinemark movie theater that previously occupied the site was demolished in the first quarter of 2026.

Hanover Logistics Park, which consists of two distribution facilities totaling more than 383,000 sf, sold to Principal Real Estate Investors for \$104 million. The properties are located on Corporate Center Dr. and sit on 27.9 acres of land.

Realty Income Corporation, based in San Diego, CA, acquired 7458 New Ridge Rd. for \$39.8 million, or \$253.83/sf. The 156,898 sf industrial building is located in Techwood Business Park in Hanover, MD.

R.E. Michel Company will take occupancy of its newly acquired building at 6752 Baymeadow Dr. in Glen Burnie. The 120,000 sf industrial building was purchased for \$22.5 million.

The Howard County Zoning Board has approved the rezoning of two tracts of land totaling approximately 11 acres. Located near Commerce Center Dr. and Snowden Square Dr., the land is being rezoned from B-2 to M-1.

Bond Distributing has acquired the 313,000 sf industrial building at 2209 Sulphur Spring Rd. in Halethorpe. Aminim Group, based in Houston, TX, sold the property for \$31 million, or \$99.04/psf.

The Maryland Port Administration acquired 18 acres of land at Broening Hwy. and Edgewater Ave. for \$6 million. As the Port of Baltimore continues to grow, the newly acquired land will be incorporated into its new master plan currently under development.



## WAREHOUSE INDICATORS

Market Size  
229,319,619

Building Count  
2,588

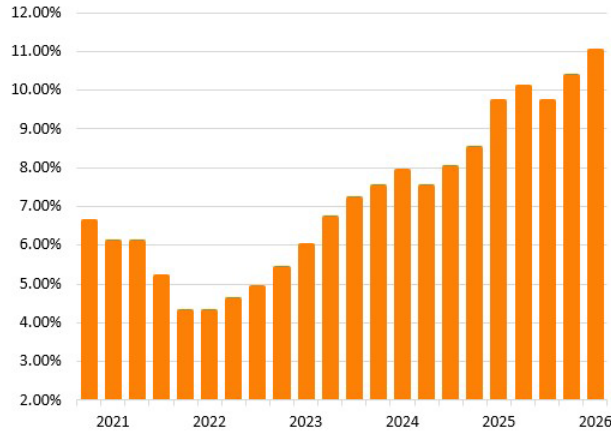
Absorption  
-94,219

YTD Absorption  
-1,613,786

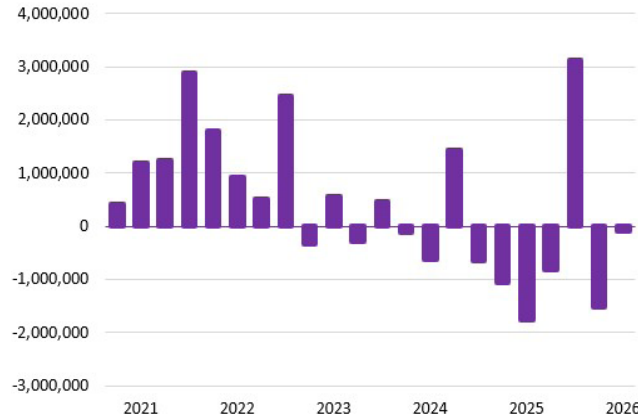
Vacancy  
11.02%

Rental Rate  
\$10.11/sf

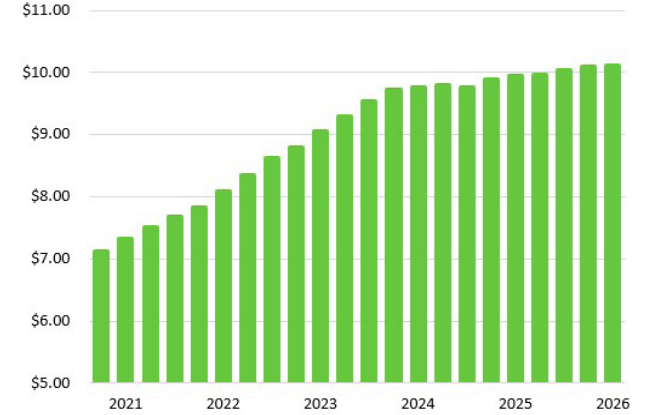
### VACANCY



### NET ABSORPTION



### RENTAL RATES



#### Lowest Vacancy

1	Carroll County	1.85%
2	I-83 Corridor	4.05%
3	Reisterstown Rd. Corridor	5.84%

#### Highest Vacancy

1	Harford & Cecil Counties	13.67%
2	Columbia	13.44%
3	Baltimore County East	12.81%

#### Most Change vs. Prior Quarter

-	Columbia	-2.30%
+	Harford & Cecil Counties	1.62%

#### Most Positive Net Absorption

1	Baltimore County East	128,501
2	Harford & Cecil Counties	98,801
3	Columbia	40,120

#### Most Negative Absorption

1	Baltimore City	-148,550
2	Carroll County	-142,222
3	BWI Corridor	-74,081

#### Greatest Changes in Absorption, Year-to-Date

-	Harford & Cecil Counties	-824,075
+	Columbia	128,856

#### Cheapest Rates

1	Baltimore City	\$8.91
2	Baltimore County East	\$9.11
3	Carroll County	\$9.62

#### Most Expensive Rates

1	I-83 Corridor	\$14.39
2	Reisterstown Rd. Corridor	\$13.21
3	BWI Corridor	\$11.97

#### Most Change vs. Prior Quarter

-	I-83 Corridor	-\$0.11
+	Reisterstown Rd. Corridor	\$0.05

### LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
1467 Perryman Rd.*	Harford & Cecil County	Clorox	946,000
531 Chelsea Rd.*	Harford & Cecil County	Sephora	656,000
Sinter Plant Rd.	Baltimore County E	Confidential	450,000
8416 Kelso Dr.*	Baltimore County E	Ancora	232,000

### SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Corporate Center Dr.	BWI Corridor	\$104,000,000	\$271.17	383,522
7458 New Ridge Rd.	BWI Corridor	\$39,825,000	\$253.83	156,898
2209 Sulphur Spring Rd.	Baltimore County W	\$31,000,000	\$99.04	313,000
6752 Baymeadow Dr.	BWI Corridor	\$22,500,000	\$187.50	120,000

\* Renewal, Expansion, or Sublease



## FLEX INDICATORS

Market Size  
51,752,274

Building Count  
1,243

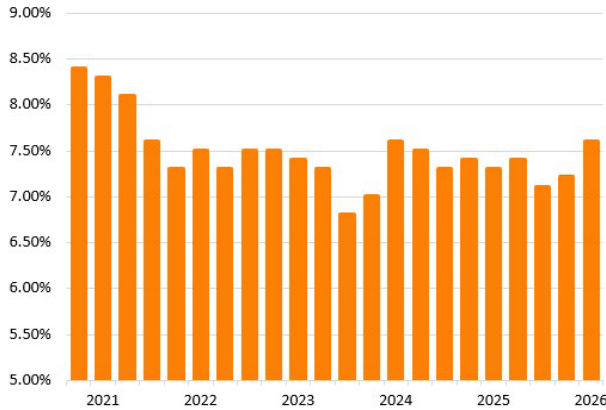
Absorption  
-115,329

YTD Absorption  
-204,260

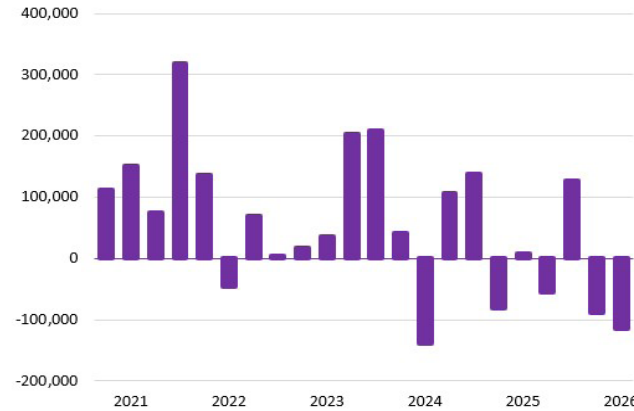
Vacancy  
7.60%

Rental Rate  
\$15.60/sf

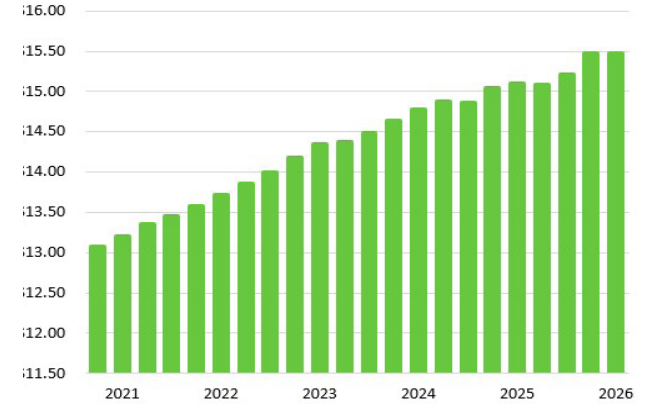
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	I-83 Corridor	3.67%
2	Carroll County	4.78%
3	Columbia	5.57%

### Highest Vacancy

1	Reisterstown Rd. Corridor	10.57%
2	Annapolis/Route 2	10.48%
3	Baltimore County West	10.41%

### Most Change vs. Prior Quarter

-	Baltimore City	-0.82%
+	Harford & Cecil Counties	1.81%

### Most Positive Net Absorption

1	Annapolis/Route 2	34,922
2	Baltimore City	16,580
3	Baltimore County West	9,209

### Most Negative Absorption

1	Columbia	-51,932
2	BWI Corridor	-40,964
3	Harford & Cecil Counties	-29,107

### Greatest Changes in Absorption, Year-to-Date

-	Columbia	-83,115
+	Baltimore City	43,497

### Cheapest Rates

1	Carroll County	\$12.16
2	Baltimore City	\$13.11
3	Baltimore County West	\$13.64

### Most Expensive Rates

1	Columbia	\$18.44
2	Annapolis/Route 2	\$16.45
3	I-83 Corridor	\$16.43

### Most Change vs. Prior Quarter

-	Baltimore County East	-\$0.01
+	Baltimore City	\$0.02

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
10460 Campbell Blvd.	Baltimore County East	Unknown	50,160
1342 Charwood Rd.	BWI Corridor	Grand Rental Events	32,301
2520 Lord Baltimore Dr.	Baltimore County W	Securityhunter, Inc.	27,120
10330 S Dolfield Rd.	Reisterstown Rd. Corridor	Temp Air Co.	22,024

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
6709 Whitestone Rd.	Baltimore County W	\$5,500,000	\$110.95	49,570
6411 Beckley St.	Baltimore City SE	\$4,100,000	\$53.09	77,225
7150 Furnace Branch Rd.	BWI Corridor	\$2,150,000	\$127.86	16,815
3701 Malden Ave.	Baltimore City NW	\$1,250,000	\$68.82	18,162

\* Renewal, Expansion, or Sublease

# INDUSTRIAL OVERVIEW (DC METRO)

SECOND QUARTER | 2026



## INDUSTRIAL INDICATORS

Market Size  
116,184,938

Building Count  
2,295

Absorption  
486,709

YTD Absorption  
341,087

Vacancy  
9.60%

Rental Rate  
\$17.70/sf

## THE NUMBERS

### MARKET SIZE

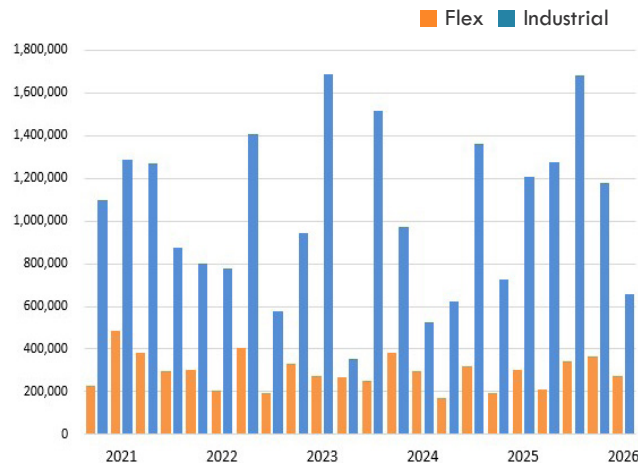
### VACANCY %

### ABSORPTION

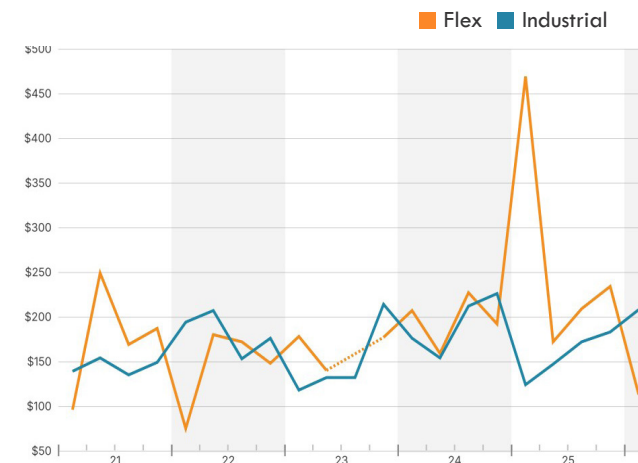
### RENTAL RATES

	Market Size	Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	7,458,358	15.02%	15.14%	11.69%	-29,631	-88,257	\$16.73	\$16.62	\$16.02
Montgomery Co. North	6,700,422	7.74%	6.90%	11.97%	18,408	-15,981	\$24.78	\$24.79	\$23.83
Montgomery Co. South	4,960,167	8.77%	8.66%	8.93%	28,372	15,456	\$31.09	\$30.86	\$29.74
Prince George's Co.	8,976,511	7.86%	7.82%	6.04%	-101,701	-162,584	\$17.72	\$17.59	\$16.94
Silver Spring	1,524,133	7.08%	7.34%	5.57%	-5,500	-45,795	\$22.84	\$22.68	\$21.77
<b>Flex Totals</b>	<b>29,619,591</b>	<b>9.75%</b>	<b>9.49%</b>	<b>9.44%</b>	<b>-90,052</b>	<b>-297,161</b>	<b>\$21.57</b>	<b>\$21.46</b>	<b>\$20.66</b>
Frederick Co.	17,302,028	9.58%	9.58%	6.41%	16,044	53,925	\$15.13	\$14.88	\$14.37
Montgomery Co. North	5,741,023	4.89%	4.89%	7.87%	184,486	160,374	\$21.72	\$21.54	\$20.76
Montgomery Co.; Rockville/Bethesda	7,294,037	4.83%	4.83%	3.46%	-45,130	-71,900	\$22.90	\$22.73	\$21.69
Prince George's Co.	53,859,322	9.26%	9.26%	9.69%	406,814	478,582	\$15.18	\$14.97	\$14.41
Silver Spring	2,368,937	2.17%	2.17%	2.42%	14,547	17,267	\$19.53	\$19.35	\$18.59
<b>Warehouse Totals</b>	<b>86,565,347</b>	<b>8.49%</b>	<b>8.49%</b>	<b>8.28%</b>	<b>576,761</b>	<b>638,248</b>	<b>\$16.37</b>	<b>\$16.16</b>	<b>\$15.55</b>
<b>Totals</b>	<b>116,184,938</b>	<b>9.60%</b>	<b>8.75%</b>	<b>8.59%</b>	<b>486,709</b>	<b>341,087</b>	<b>\$17.70</b>	<b>\$17.51</b>	<b>\$16.85</b>

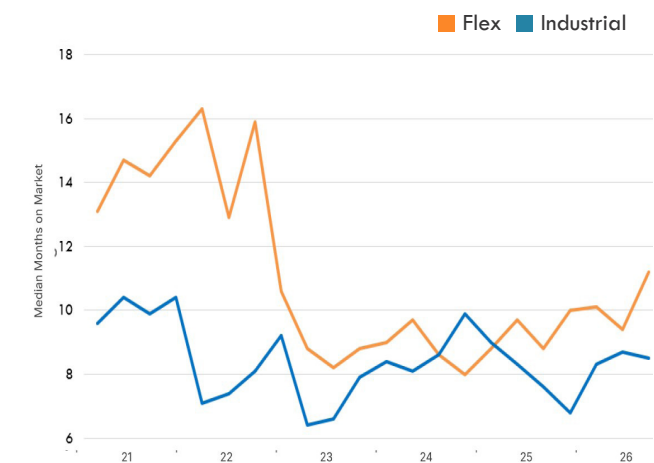
## LEASING ACTIVITY



## SALES PRICE PER SQUARE FOOT



## LEASING: MONTHS ON THE MARKET



\* Renewal, Expansion, or Sublease



## WAREHOUSE (DC METRO)

Market Size  
86,565,347

Building Count  
1,659

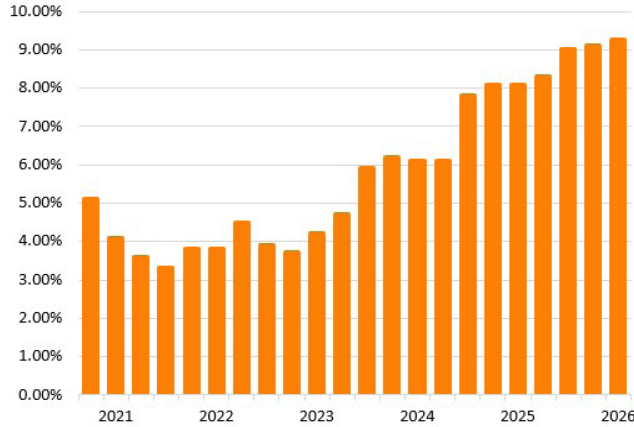
Absorption  
576,761

YTD Absorption  
638,248

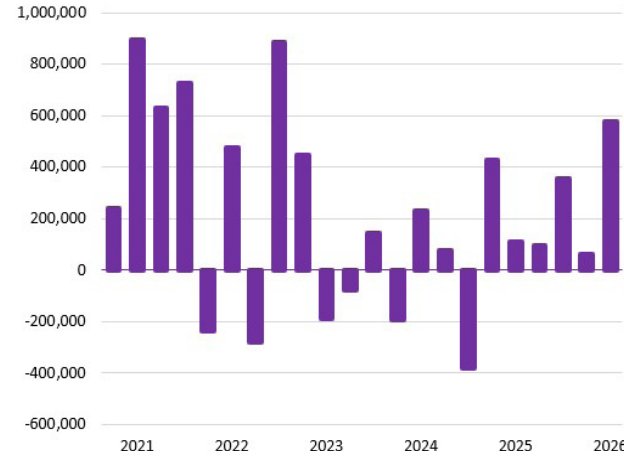
Vacancy  
8.49%

Rental Rate  
\$16.37/sf

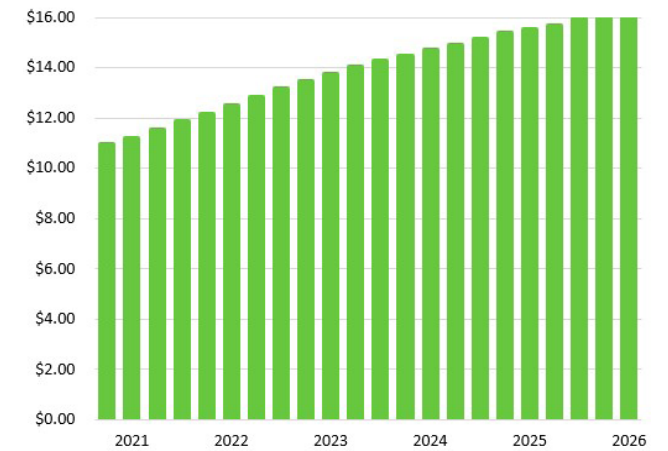
### VACANCY



### NET ABSORPTION



### RENTAL RATES



## FLEX (DC METRO)

Market Size  
29,619,591

Building Count  
636

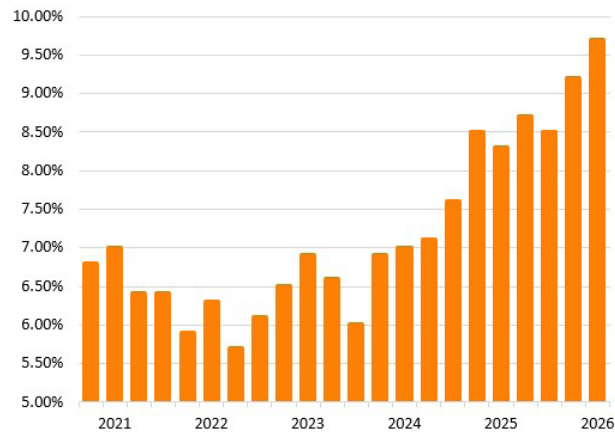
Absorption  
-90,052

YTD Absorption  
-297,161

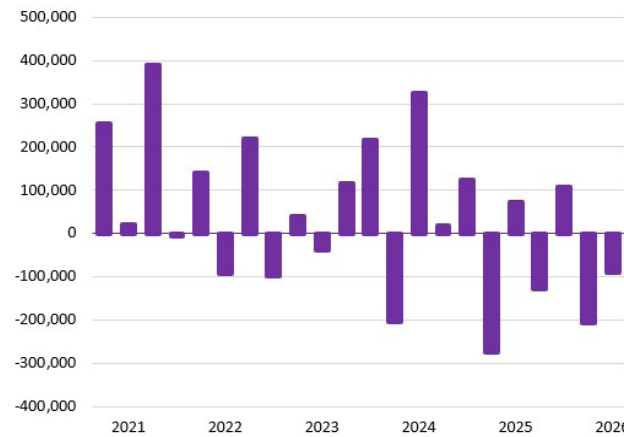
Vacancy  
9.75%

Rental Rate  
\$21.57/sf

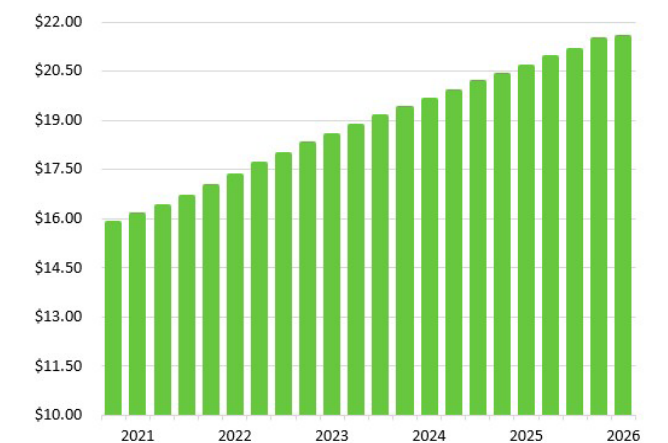
### VACANCY



### NET ABSORPTION

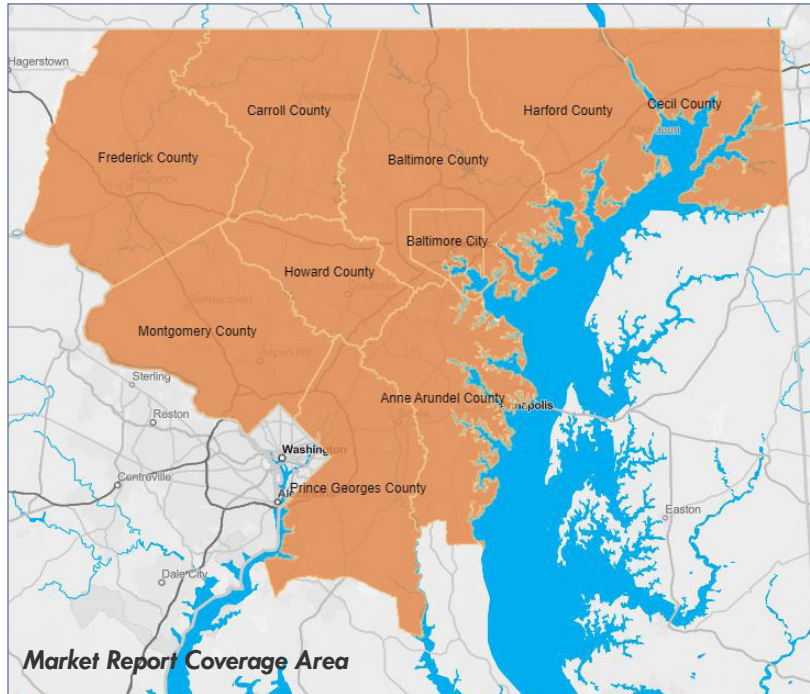


### RENTAL RATES





## REPORT CRITERIA AND SUBMARKETS



Market Report Coverage Area

### About Us:

MacKenzie Ventures, LLC (MacKenzie) possesses the multi-disciplined team necessary to excel in Maryland's corporate real estate community. Comprising six firms, MacKenzie provides clients a competitive, full service platform of offerings in leasing, sales, investments, tenant and landlord advisory services, development, general construction, property and asset management, debt and equity capital placement, and multifamily property management. With more than 225 employees and offices in Annapolis, Baltimore, Bel Air, Columbia, and Lutherville, Maryland, MacKenzie is one of the largest full service commercial real estate firms in the Mid-Atlantic. Please visit [www.mackenziecommercial.com](http://www.mackenziecommercial.com) for more information.

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 Website: [MacKenzieCommercial.com](http://MacKenzieCommercial.com)  
 Contact Us: [Media@MacKenzieCommercial.com](mailto:Media@MacKenzieCommercial.com)

**OFFICE MARKET:** Office buildings 5,000 sf in size and greater in the Metro areas within Anne Arundel County, Baltimore County, Harford County, and Howard County; buildings 20,000 sf in size and greater within Baltimore City; and, there is no minimum size requirement in Annapolis. MacKenzie includes all class types except in Baltimore City and Annapolis where only classes A and B are tracked; owner occupied buildings are not tracked in Baltimore City. Data does not include under construction or proposed projects. The office market is separated into the following submarkets: Annapolis, Baltimore City CBD, Baltimore City Midtown, Baltimore City NE, Baltimore City NW, Baltimore City SE, Baltimore City SW, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Rd Corridor, Route 2 Corridor, and Towson.

**RETAIL MARKET:** Retail buildings 5,000 sf or greater in Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Harford County, and Howard County; there is no minimum size requirement in Annapolis. MacKenzie includes all class types and includes retail buildings that are for investment or owner user. Data does not include under construction or proposed projects. The region is broken down into 14 submarkets; Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll County, Cecil County, Columbia, Harford County, Howard County West, I-83 Corridor, Reisterstown Road Corridor, Route 2 Corridor, and Towson.

**INDUSTRIAL MARKET:** Flex properties are industrial buildings that have at least 70% office build-out, and single story office buildings that have at least one dock door. Industrial buildings include warehouse, distribution, and manufacturing facilities. Both property types included are at least 10,000 sf in size and include all classes. Data does not include under construction or proposed projects. We have classified the properties into 10 submarkets for industrial, identified as the following: Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll, Columbia, Harford/Cecil Counties, I-83 Corridor, and Reisterstown Road Corridor.

**DC METRO MARKETS:** We apply the same size parameters and building specifications noted above to office, retail, and industrial product throughout the DC Metro market, and have separated this market into the following submarkets for each asset class: Frederick County, Montgomery County North, Montgomery County South; Rockville/Bethesda; Prince George's County North and South, Silver Spring North/29, and Silver Spring South.

**RENTAL RATES:** Rental rates are based on values provided by CoStar's availability-weighted rents. The availability-weighted rents exist where CoStar has a space for lease listed and an associated rent. These rents only exist at a building level in quarters when the listing is active, and aggregates of this series are an average weighted by the amount of available space associated with the listing.

### Disclaimer:

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