



| 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 |
|-------------------|----------------------------|-------------------------|---------------------------|----------------------------|------------------|---------------------------|
|-------------------|----------------------------|-------------------------|---------------------------|----------------------------|------------------|---------------------------|

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 |
| Baltimore City | 26,658,280 | 21.0% | 21.2% | 20.4% | -85,298 | -153,646 | \$26.47 | \$26.47 | \$26.63 |
| 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 |
| Northern Metro | 44,658,156 | 12.3% | 12.2% | 12.5% | 48,169 | 100,790 | \$23.96 | \$23.96 | \$23.85 |
| 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 |
| Southern Metro | 40,575,113 | 11.8% | 12.4% | 11.3% | -4,442 | -213,811 | \$27.62 | \$27.62 | \$27.61 |
| Totals | 111,891,549 | 14.2% | 14.4% | 14.0% | -41,571 | -266,667 | \$25.88 | \$25.88 | \$25.88 |

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

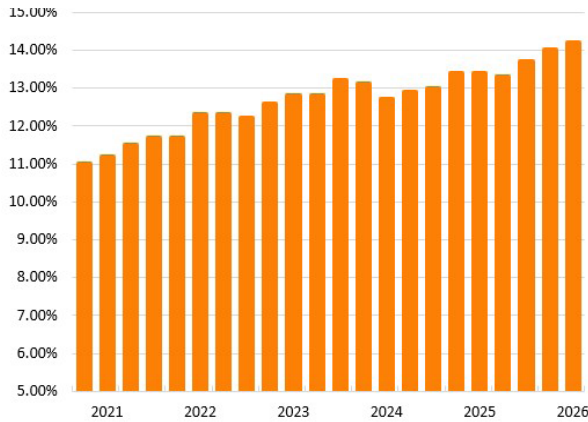
Absorption
-41,571

YTD Absorption
-266,667

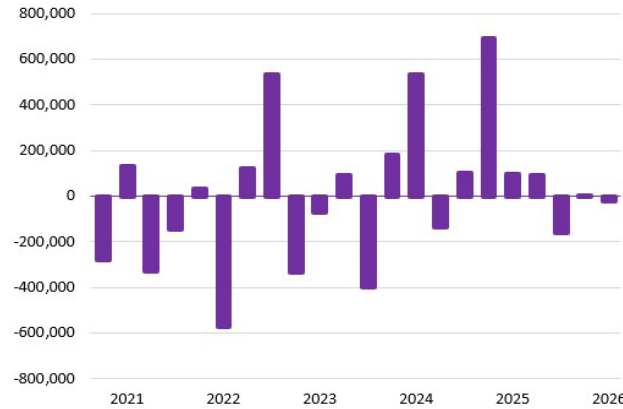
Vacancy
14.2%

Rental Rate
\$25.88/sf

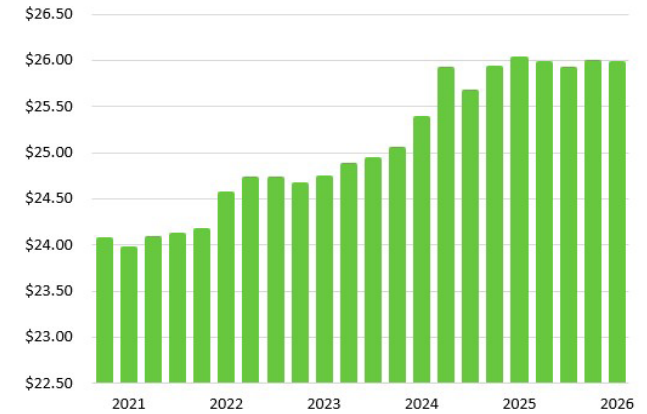
VACANCY



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

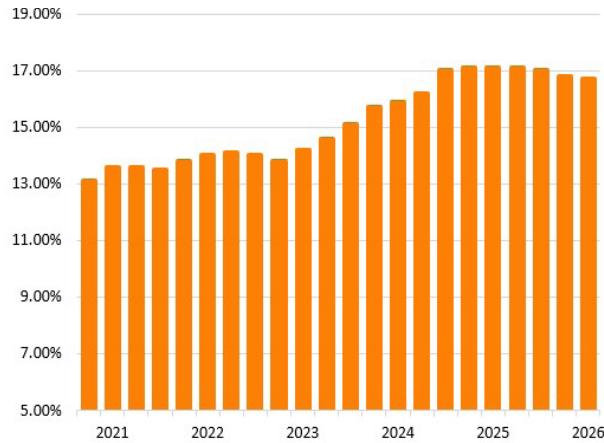
Vacancy
17.02%

Rental Rate
\$30.02/sf

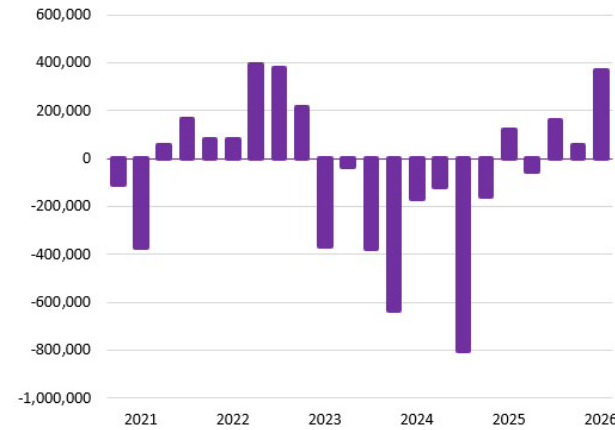
THE NUMBERS

| | 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 |
| Totals | 108,733,563 | 17.0% | 17.1% | 17.3% | 71,312 | 282,906 | \$30.02 | \$30.21 | \$29.80 |

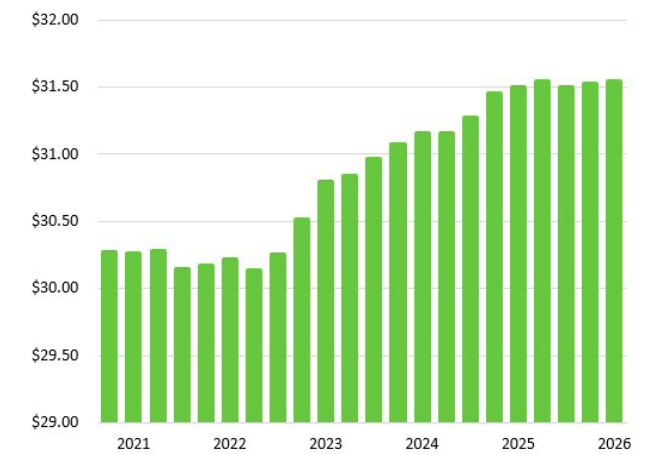
VACANCY



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