

INDUSTRIAL OVERVIEW

THIRD QUARTER | 2026



INDUSTRIAL INDICATORS

Market Size
280,922,513

Building Count
3,841

Absorption
159,531

YTD Absorption
-726,705

Vacancy
9.3%

Rental Rate
\$11.15/sf

The Baltimore industrial market recorded 159,531 sf of positive absorption in the third quarter as vacancy declined. Warehouse properties drove gains with 209,580 sf of positive absorption, while flex posted -50,049 sf. Despite quarterly improvement, year-to-date absorption remained negative at -726,705 sf. Asking rents rose to \$11.15/sf from \$11.00/sf last quarter and \$10.69/sf a year ago.

Performance varied by submarket. The BWI Corridor and Harford County led warehouse leasing with 848,969 sf and 824,162 sf, respectively, while Columbia and Baltimore County East led flex leasing with 178,836 sf and 174,793 sf. Development continued with Saval Foods' 230,000 sf headquarters and distribution center in Columbia and Northrop Grumman's 57,000 sf Propulsion Innovation Center in Elkton. However, facility closures announced by Stanley Black & Decker and ThriftBooks offset some gains. Investment activity strengthened with 31 transactions totaling approximately \$476 million. Average pricing increased to \$191.97/sf from \$141.23/sf in third quarter 2025. Year-to-date sales approached \$1.06 billion, up from \$758 million during the same period in 2025, reflecting stronger investor demand for income despite continued softness in some market fundamentals.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis/Route 2	6,737,918	9.8%	9.5%	10.7%	-16,794	-26,069	\$17.05	\$16.79	\$16.19
Baltimore City	5,339,204	7.7%	8.1%	8.7%	-47,158	-3,661	\$13.23	\$13.04	\$12.51
Baltimore County East	4,013,592	9.9%	10.1%	9.6%	1,666	10,863	\$14.82	\$14.60	\$14.07
Baltimore County West	4,817,973	10.6%	10.4%	11.6%	-18,384	22,009	\$13.90	\$13.69	\$13.19
BWI Corridor	8,639,677	7.4%	6.5%	6.4%	44,780	-29,205	\$16.21	\$15.97	\$15.41
Carroll County	1,949,750	3.9%	3.5%	4.6%	14,130	-9,508	\$12.45	\$12.27	\$11.63
Cecil County	549,032	1.5%	1.1%	2.0%	-2,500	2,980	\$15.85	\$15.88	\$15.41
Columbia	8,160,609	4.8%	4.1%	4.4%	17,896	-47,826	\$18.66	\$18.37	\$17.72
Harford County	2,579,811	6.5%	4.3%	4.4%	-24,656	-73,217	\$15.53	\$15.29	\$14.77
I-83 Corridor	5,629,367	3.9%	3.6%	2.9%	-5,774	-56,189	\$17.18	\$16.92	\$16.31
Reisterstown Rd Corridor	2,909,903	11.6%	10.8%	10.4%	-13,255	-21,842	\$15.26	\$15.01	\$14.45
Flex Totals	51,326,836	7.5%	7.0%	7.3%	-50,049	-231,665	\$15.95	\$15.71	\$15.13
Annapolis/Route 2	10,446,937	5.3%	6.1%	7.5%	81,366	161,524	\$12.09	\$11.94	\$11.65
Baltimore City	51,963,967	8.7%	9.6%	7.6%	-133,633	-103,115	\$9.07	\$9.01	\$8.83
Baltimore County East	38,865,608	10.1%	12.8%	10.1%	258,298	514,759	\$9.39	\$9.20	\$8.91
Baltimore County West	10,123,607	9.5%	11.2%	10.2%	-25,375	-46,370	\$10.09	\$10.02	\$9.82
BWI Corridor	45,399,102	10.6%	11.7%	10.1%	241,466	36,432	\$12.32	\$12.17	\$11.85
Carroll County	9,276,279	2.9%	1.8%	0.8%	6,000	-194,529	\$9.90	\$9.77	\$9.52
Cecil County	22,020,668	8.9%	7.1%	11.7%	-411,000	-411,000	\$10.11	\$9.92	\$9.87
Columbia	5,588,008	15.1%	13.4%	6.6%	11,105	127,281	\$10.87	\$10.73	\$10.47
Harford County	28,976,523	14.3%	13.7%	7.8%	224,739	-599,336	\$9.89	\$9.71	\$9.43
I-83 Corridor	5,176,434	6.3%	4.0%	6.4%	-43,386	23,904	\$14.64	\$14.64	\$14.51
Reisterstown Rd Corridor	1,758,544	4.1%	5.8%	3.9%	0	-4,590	\$13.15	\$13.16	\$12.97
Warehouse Totals	229,595,677	9.8%	11.0%	8.3%	209,580	-495,040	\$10.42	\$10.29	\$10.03
Totals	280,922,513	9.3%	10.4%	8.1%	159,531	-726,705	\$11.15	\$11.00	\$10.69

ITEMS TO NOTE:

Saval Foods has broken ground on a new 230,000 sf headquarters in Columbia that will include a distribution center and a multi-story office building.

Sagard Real Estate acquired 7001 Quad Ave. in Rosedale, MD, from LBA Logistics for \$91 million. The 621,144 sf distribution facility sits on 32 acres and is fully leased.

Stanley Black & Decker will close its manufacturing facility at 626 Hanover Pike in Hampstead. The company, which has reduced operations at the facility several times over the years, will eliminate approximately 55 positions.

Catalyst Investment Partners acquired the 75,900 sf manufacturing facility at 6901 Rolling Mill Rd. for nearly \$10 million. Dejana Truck & Utility Equipment has occupied the property for more than 20 years and recently extended its lease through 2031.

Northrop Grumman has opened its new 57,000 sf Propulsion Innovation Center within its Elkton manufacturing facility. The \$100 million expansion supports approximately 250 employees in Cecil County.

Plans are under discussion to redevelop the 415-acre Lafarge Quarry at 1050 E. Earls Rd. into Greentree Ecopark, featuring three warehouses totaling 516,000 sf, 190 acres of environmental preserves and a 60-acre solar farm, creating jobs and generating renewable energy in Baltimore County.

ThriftBooks intends to close its 120,000 sf warehouse at 4734 Trident Ct. in Arbutus by the end of the year. Approximately 135 jobs are expected to be eliminated as a result of the closure.

INDUSTRIAL OVERVIEW (WAREHOUSE)

THIRD QUARTER | 2026



WAREHOUSE INDICATORS

Market Size
229,595,677

Building Count
2,601

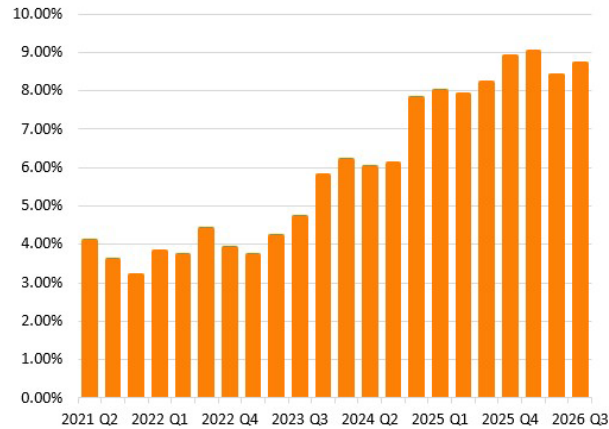
Absorption
209,580

YTD Absorption
-495,040

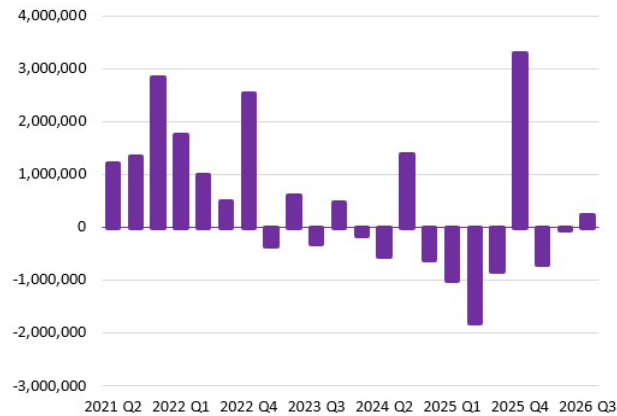
Vacancy
9.8%

Rental Rate
\$10.42/sf

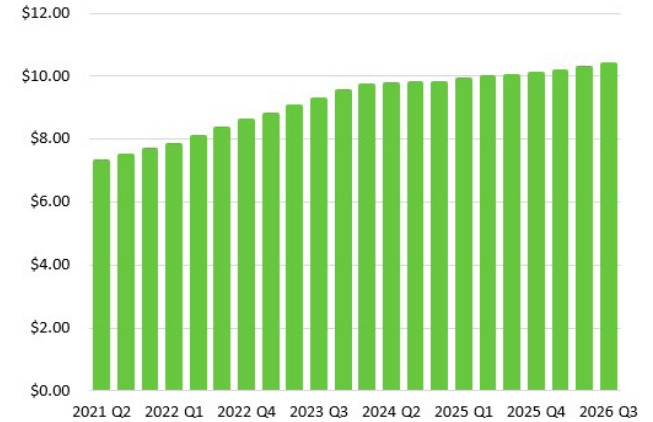
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Carroll County	2.9%
2	Reisterstown Rd Corridor	4.1%
3	Annapolis/Route 2	5.3%

Highest Vacancy

1	Columbia	15.1%
2	Harford County	14.3%
3	BWI Corridor	10.6%

Most Change vs. Prior Quarter

-	Baltimore County East	-2.7%
+	I-83 Corridor	2.2%

Most Positive Net Absorption

1	Baltimore County East	258,298
2	BWI Corridor	241,466
3	Harford County	224,739

Most Negative Absorption

1	Cecil County	-411,000
2	Baltimore City	-133,633
3	I-83 Corridor	-43,386

Greatest Changes in Absorption, Year-to-Date

-	Harford County	-599,336
+	Baltimore County East	514,759

Cheapest Rates

1	Baltimore City	\$9.07
2	Baltimore County East	\$9.39
3	Harford County	\$9.89

Most Expensive Rates

1	I-83 Corridor	\$14.64
2	Reisterstown Rd Corridor	\$13.15
3	BWI Corridor	\$12.32

Most Change vs. Prior Quarter

-	Reisterstown Rd Corridor	-\$0.01
+	Baltimore County East	\$0.19

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
610 Chelsea Rd.	Harford County	Spreetail	571,762
40 Bethel Church Rd.	Cecil County	Herr Foods, Inc.	502,200
1351 Brass Mill Rd.	Harford County	Parksite	252,400
1655 S Highland Ave.*	Baltimore City	Maryland Overpak	219,832

* Renewal, Expansion, or Sublease

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
7001 Quad Ave.	Baltimore County East	\$91,000,000	\$146.50	621,144
700 Evelyn Ave.	BWI Corridor	\$17,750,000	\$99.98	177,536
521 McCormick Dr.	BWI Corridor	\$17,350,000	\$162.91	106,500
4665 Hollins Ferry Rd.	Baltimore County West	\$11,450,000	\$108.27	105,752



FLEX INDICATORS

Market Size
51,326,836

Building Count
1,240

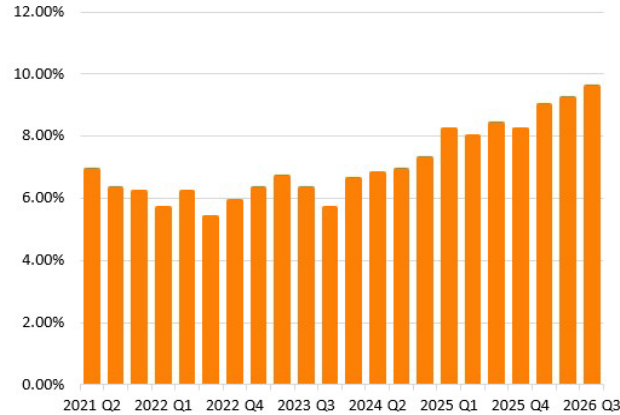
Absorption
-50,049

YTD Absorption
-231,665

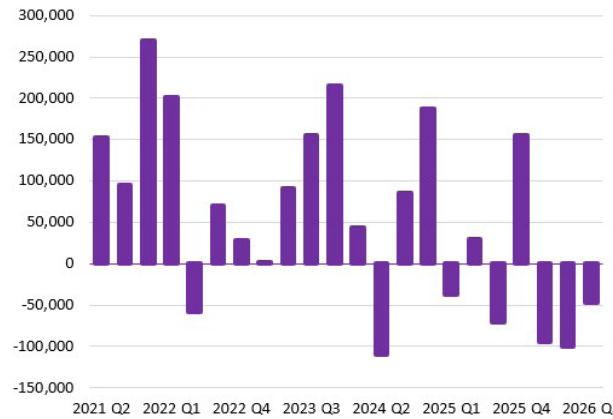
Vacancy
7.5%

Rental Rate
\$15.95/sf

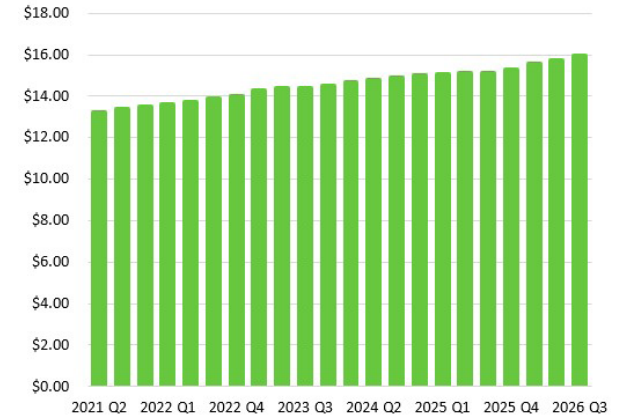
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Cecil County	1.5%
2	Carroll County	3.9%
3	I-83 Corridor	3.9%

Highest Vacancy

1	Reisterstown Rd Corridor	11.6%
2	Baltimore County West	10.6%
3	Baltimore County East	9.9%

Most Change vs. Prior Quarter

-	Baltimore City	-0.4%
+	Harford County	2.3%

Most Positive Net Absorption

1	BWI Corridor	44,780
2	Columbia	17,896
3	Carroll County	14,130

Most Negative Absorption

1	Baltimore City	-47,158
2	Harford County	-24,656
3	Baltimore County West	-18,384

Greatest Changes in Absorption, Year-to-Date

-	Harford County	-73,217
+	Baltimore County West	22,009

Cheapest Rates

1	Carroll County	\$12.45
2	Baltimore City	\$13.23
3	Baltimore County West	\$13.90

Most Expensive Rates

1	Columbia	\$18.66
2	I-83 Corridor	\$17.18
3	Annapolis/Route 2	\$17.05

Most Change vs. Prior Quarter

-	Cecil County	-\$0.03
+	Columbia	\$0.29

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8671 Robert Fulton Dr.	BWI Corridor	Frequentis	56,444
9006 Yellow Brick Rd.*	Baltimore County E	Remedi SeniorCare	48,400
7138 Columbia Gateway Dr.	Columbia	Howard Cnty Board of Elections	38,285
9300 Pulaski Hwy.	Baltimore County E	US Lubricants	25,580

* Renewal, Expansion, or Sublease

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
7941 Corporate Dr.	Baltimore County East	\$8,000,000	\$138.45	57,782
1526 E Joppa Rd.	Towson	\$4,200,000	\$560.00	7,500
350 Granary Rd.	Baltimore County East	\$3,200,000	\$135.88	23,551
8901 Herrmann Dr.	Columbia	\$2,900,000	\$236.93	12,240

INDUSTRIAL OVERVIEW (DC METRO)

THIRD QUARTER | 2026



INDUSTRIAL INDICATORS

Market Size
119,684,156

Building Count
2,339

Absorption
529,391

YTD Absorption
959,916

Vacancy
9.0%

Rental Rate
\$17.02/sf

THE NUMBERS

MARKET SIZE

VACANCY %

ABSORPTION

RENTAL RATES

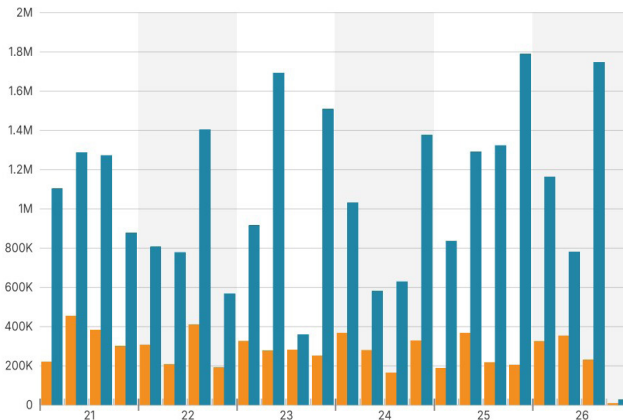
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	7,307,275	15.4%	15.0%	12.7%	-45,087	-93,378	\$17.20	\$17.02	\$16.41
Montgomery County North	6,556,008	8.9%	7.4%	10.7%	-141,074	-106,972	\$24.22	\$23.98	\$23.14
Montgomery County South	4,648,175	6.8%	8.7%	7.6%	42,766	40,422	\$31.91	\$31.69	\$30.57
Prince George's County	9,739,923	7.5%	7.9%	5.4%	-19,978	-182,562	\$18.04	\$17.86	\$17.22
Silver Spring	1,451,997	7.7%	7.3%	7.5%	-5,050	-50,845	\$23.32	\$23.08	\$22.22
Flex Totals	29,703,378	9.6%	9.7%	9.0%	-168,423	-393,335	\$21.63	\$21.42	\$20.66
Frederick County	18,614,727	9.4%	9.6%	5.2%	40,985	-63,380	\$15.28	\$15.18	\$14.47
Montgomery County North	6,277,537	7.5%	7.7%	6.7%	8,593	-49,123	\$21.96	\$21.85	\$21.05
Montgomery County South	7,272,308	4.0%	4.6%	4.2%	47,787	56,018	\$22.80	\$22.70	\$21.69
Prince George's County	55,434,007	9.4%	10.2%	9.6%	607,131	1,384,895	\$15.39	\$15.27	\$14.57
Silver Spring	2,382,199	5.5%	2.8%	2.7%	-6,682	24,841	\$19.67	\$19.56	\$18.76
Warehouse Totals	89,980,778	8.7%	8.5%	8.0%	697,814	1,353,251	\$16.54	\$16.42	\$15.69
Totals	119,684,156	9.0%	8.9%	8.3%	529,391	959,916	\$17.02	\$16.65	\$15.77

LEASING ACTIVITY

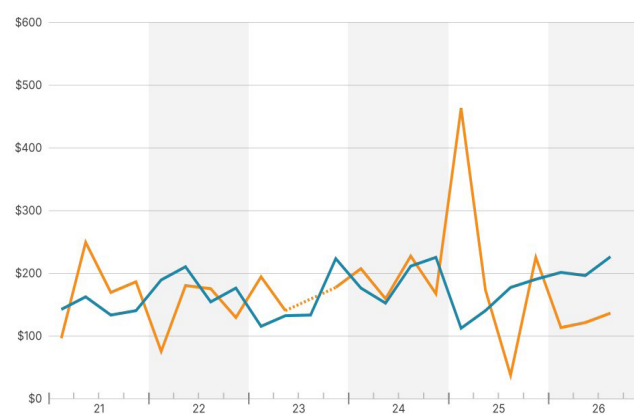
SALES PRICE PER SQUARE FOOT

LEASING: MONTHS ON THE MARKET

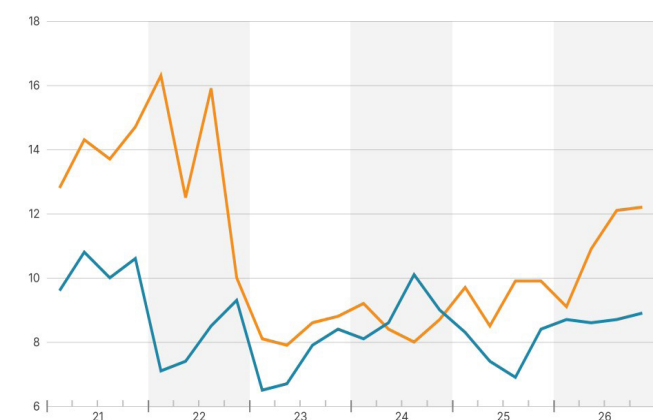
Flex Industrial



Flex Industrial



Flex Industrial



* Renewal, Expansion, or Sublease



WAREHOUSE (DC METRO)

Market Size
89,980,778

Building Count
1,699

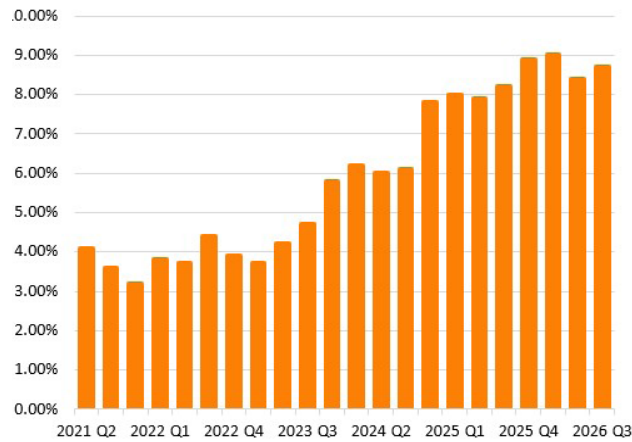
Absorption
697,814

YTD Absorption
1,353,251

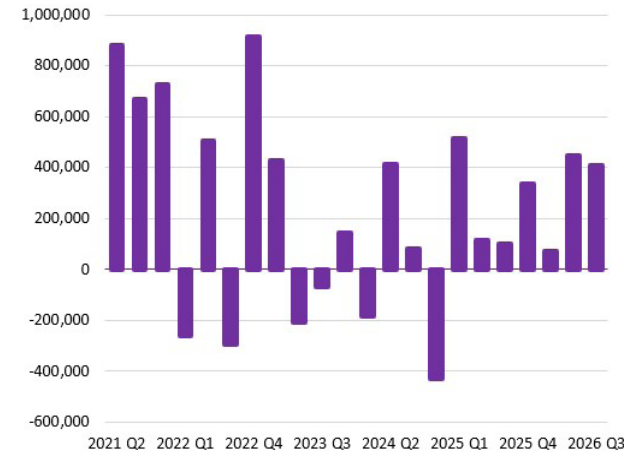
Vacancy
8.7%

Rental Rate
\$16.54/sf

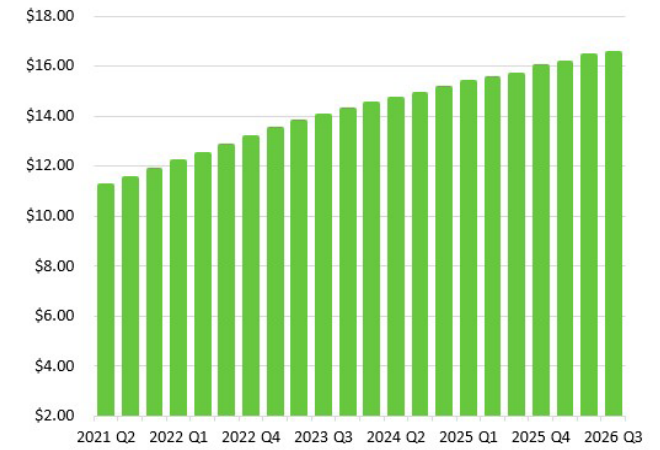
VACANCY



NET ABSORPTION



RENTAL RATES



FLEX (DC METRO)

Market Size
29,703,378

Building Count
640

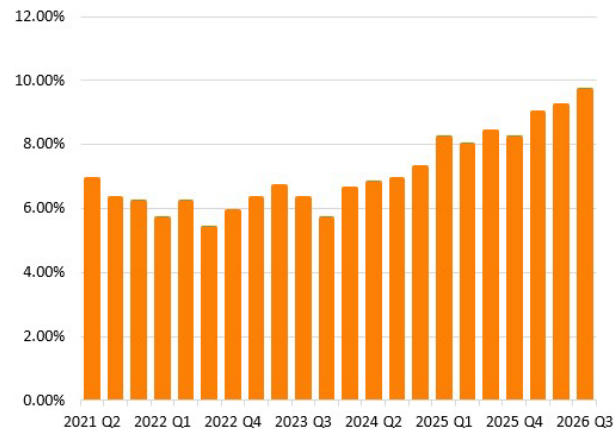
Absorption
-168,423

YTD Absorption
-393,335

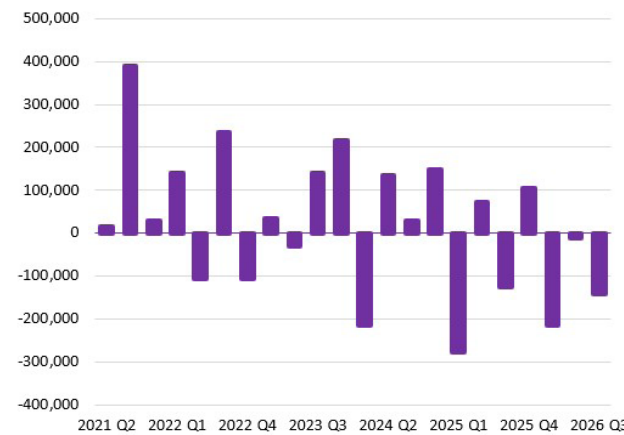
Vacancy
9.6%

Rental Rate
\$21.63/sf

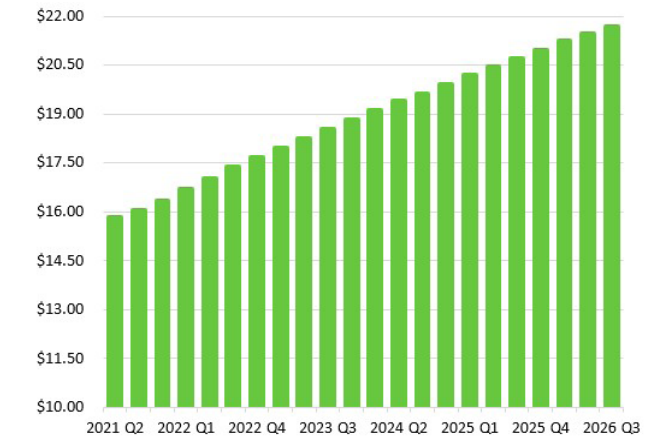
VACANCY



NET ABSORPTION

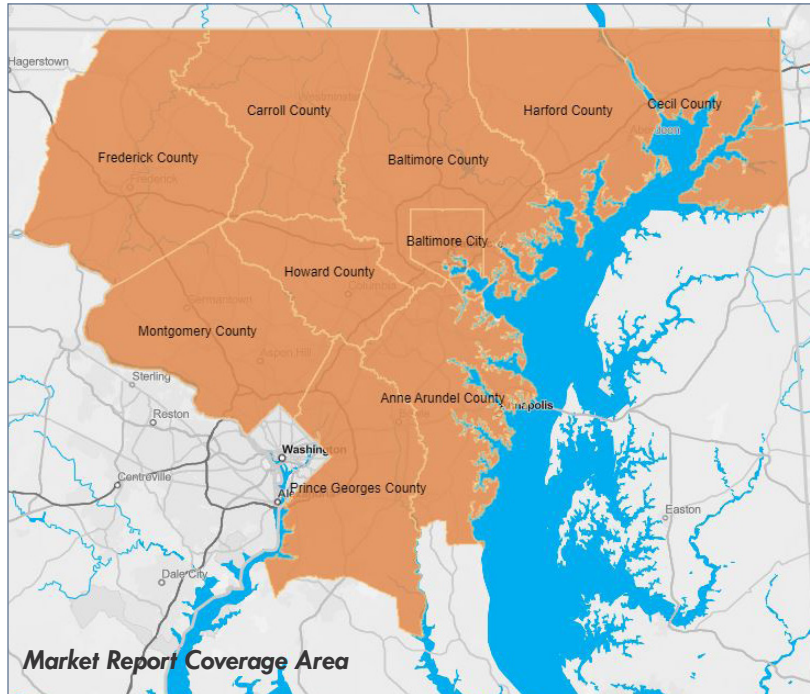


RENTAL RATES





REPORT CRITERIA AND SUBMARKETS



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 for more information.

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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 Center, 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, 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 Rd 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 11 submarkets for industrial, identified as the following: Annapolis, Baltimore City, Baltimore County East, Baltimore County West, BWI Corridor, Carroll, Cecil County, Columbia, Harford County, I-83 Corridor, and Reisterstown Rd 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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