



OFFICE INDICATORS

Market Size
111,721,527

Building Count
2,530

QTD Absorption
14,437

YTD Absorption
-112,922

Vacancy
14.1%

Rental Rate
\$25.31/sf

The Baltimore office market improved modestly in the third quarter, with vacancy declining to 14.1% from 14.2% last quarter and 14.7% a year ago. Quarterly absorption was positive at 14,437 sf, although year-to-date absorption remained negative at -112,922 sf. Leasing exceeded 1.15 million sf for the quarter, led by City Center's two largest deals: a new 160,000 sf lease by the Maryland Department of Education and Venable's 148,900 sf renewal.

Baltimore City led quarterly absorption with 79,332 sf, while the Northern Metro remained stable at 815 sf. The Southern Metro recorded negative absorption of 65,710 sf for the quarter and -269,679 sf year to date. The I-83 Corridor led with 196,387 sf of positive absorption, while BWI and Columbia posted the largest losses at -224,756 sf and -147,184 sf, respectively. Unlike previous quarters, when losses were concentrated in a few properties, negative absorption was more widespread, spanning 68 buildings in BWI and 142 in Columbia.

Office sales slowed to 14 transactions totaling \$48.3 million, down from 25 transactions totaling \$103.1 million in the second quarter. Through the first three quarters of 2026, 52 transactions totaling \$189.7 million closed, compared with 46 totaling \$199.1 million during the same period in 2025. Despite increased transaction volume, average deal sizes declined. Third-quarter sales averaged \$3.45 million and \$74.38/sf, compared with \$5.86 million and \$108.14/sf in the third quarter of 2025.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Baltimore City Center	10,916,229	27.4%	28.0%	28.9%	25,737	-16,100	\$23.83	\$23.84	\$24.06
Baltimore City Midtown	1,914,787	12.4%	12.2%	14.8%	-4,863	-9,440	\$20.73	\$20.74	\$20.67
Baltimore City NE	1,028,590	1.5%	3.4%	7.2%	-3,352	29,840	\$27.33	\$27.30	\$27.20
Baltimore City NW	2,062,788	6.2%	6.2%	5.7%	875	-10,769	\$29.99	\$30.00	\$30.02
Baltimore City SE	7,398,799	15.8%	16.3%	16.6%	73,460	116,964	\$29.49	\$29.15	\$29.29
Baltimore City SW	3,147,988	29.2%	28.5%	29.4%	-12,525	-28,041	\$21.40	\$21.40	\$21.46
Baltimore City	26,469,181	20.6%	21.0%	21.8%	79,332	82,454	\$25.54	\$25.42	\$25.55
Baltimore County East	3,985,330	8.9%	7.8%	8.1%	-39,825	-8,549	\$22.21	\$22.21	\$22.04
Baltimore County West	6,302,923	10.9%	10.8%	21.7%	-11,213	39,619	\$23.07	\$23.08	\$22.90
Carroll County	2,204,787	4.3%	4.6%	5.0%	2,333	7,110	\$21.95	\$21.93	\$21.70
Cecil County	781,213	8.6%	7.8%	8.7%	-6,795	-2,295	\$23.34	\$23.32	\$22.92
Harford County	4,785,732	14.2%	15.3%	14.3%	-676	-63,078	\$25.02	\$25.01	\$24.86
I-83 Corridor	10,318,703	11.0%	11.8%	12.2%	68,092	196,387	\$23.61	\$23.62	\$23.57
Reisterstown Rd Corridor	8,074,234	16.3%	16.3%	16.2%	7,408	-8,022	\$24.45	\$24.46	\$24.43
Towson	8,245,328	12.7%	12.8%	12.4%	-18,509	-86,869	\$23.69	\$23.71	\$23.59
Northern Metro	44,698,250	12.0%	12.3%	13.9%	815	74,303	\$23.64	\$23.65	\$23.53
Annapolis	5,242,814	8.7%	8.5%	9.4%	10,783	61,723	\$30.44	\$30.44	\$30.39
BWI Corridor	14,153,159	11.1%	11.1%	8.8%	9,030	-224,756	\$26.00	\$26.01	\$26.06
Columbia	18,399,127	14.7%	14.2%	14.1%	-94,467	-147,184	\$27.11	\$27.11	\$27.10
Route 2 Corridor	2,758,996	6.3%	6.7%	7.5%	8,944	40,538	\$24.81	\$24.80	\$24.54
Southern Metro	40,554,096	12.1%	11.8%	11.2%	-65,710	-269,679	\$27.00	\$27.00	\$26.99
Totals	111,721,527	14.1%	14.2%	14.7%	14,437	-112,922	\$25.31	\$25.28	\$25.27

ITEMS TO NOTE:

KCI Technologies, Inc. has signed a 53,344 sf lease at 6 North Park Dr. in Hunt Valley, where it will relocate its headquarters from Sparks, MD. The company is expected to move during the second quarter of 2027.

St. John Properties acquired the 175,000 sf office building at 10150 York Rd. in Cockeysville for approximately \$6.2 million. The company plans to improve and turn the asset into a Class A property.

Bozzuto signed a nearly 60,000 sf lease at 8160 Maple Lawn Blvd. in Fulton. The company plans to relocate approximately 225 employees from Greenbelt to its new headquarters in 2027.

L&H Business Consulting signed an 11,618 sf lease at Executive Plaza, 11350 McCormick Rd., in the I-83 Corridor. The accounting firm will nearly triple its space to accommodate its growing client base and anticipated expansion.

CohnReznick signed a new lease totaling 31,989 sf, at 650 S. Exeter St. in Harbor East. The company will downsize as part of the move from its current location at 500 E. Pratt St., where it occupies nearly 60,000 sf.

Ciena leased 28,132 sf at 8150 Maple Lawn Blvd. and plans to relocate approximately 160 employees from the BWI Corridor to Howard County.

One Calvert Plaza has been converted from office space to student housing for Morgan State University.

The State of Maryland has added 120 acres in Baltimore City to the Enterprise Zone. Businesses located within the zone may be eligible for state income and property tax credits based on job creation and capital investment.



OFFICE INDICATORS

Market Size
111,721,527

Building Count
2,530

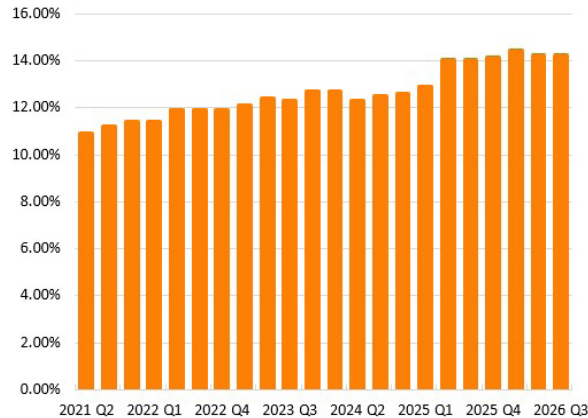
Absorption
14,437

YTD Absorption
-112,922

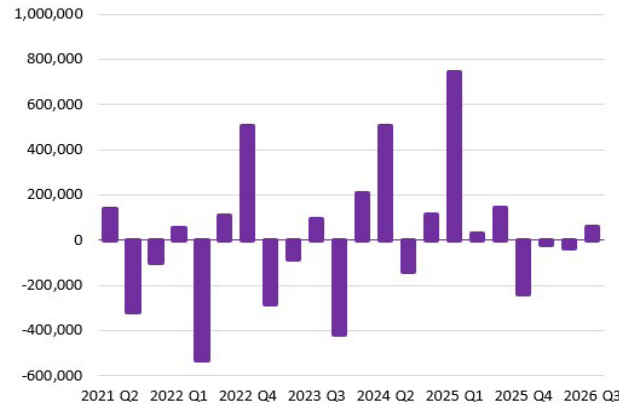
Vacancy
14.1%

Rental Rate
\$25.31/sf

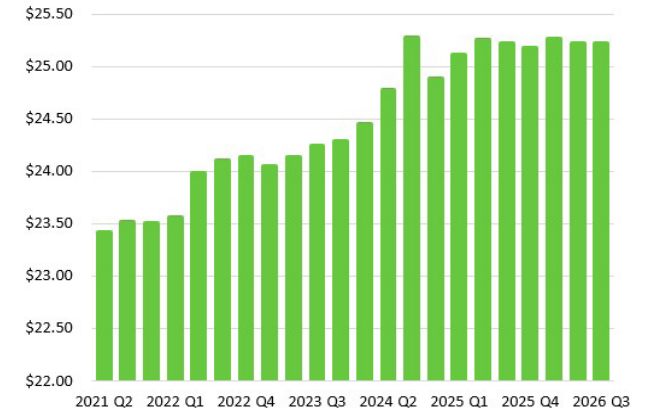
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Baltimore City NE	1.5%
2	Carroll County	4.3%
3	Baltimore City NW	6.2%

Highest Vacancy

1	Baltimore City SW	29.2%
2	Baltimore City Center	27.4%
3	Reisterstown Rd Corridor	16.3%

Most Change vs. Prior Quarter

-	Baltimore City NE	-1.9%
+	Baltimore County East	1.1%

Most Positive Net Absorption

1	Baltimore City SE	73,460
2	I-83 Corridor	68,092
3	Baltimore City Center	25,737

Most Negative Absorption

1	Columbia	-94,467
2	Baltimore County East	-39,825
3	Towson	-18,509

Greatest Changes in Absorption, Year-to-Date

-	I-83 Corridor	196,387
+	BWI Corridor	-224,756

Cheapest Rates

1	Baltimore City Midtown	\$20.73
2	Baltimore City SW	\$21.40
3	Carroll County	\$21.95

Most Expensive Rates

1	Annapolis	\$30.44
2	Baltimore City NW	\$29.99
3	Baltimore City SE	\$29.49

Most Change vs. Prior Year

-	Baltimore City Center	-\$0.23
+	Cecil County	\$0.42

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
100 N. Charles St.	Baltimore City Center	MD Department of Education	160,328
750 E. Pratt St.*	Baltimore City Center	Venable	148,963
6 North Park Dr.	I-83 Corridor	KCI Technologies, Inc.	53,344
9770 Patuxent Woods Dr.	Columbia	Howard Cnty Housing Commission	35,520

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
1520 S. Caton Ave.	Baltimore City SW	\$6,940,000	\$143.38	48,404
10150 York Rd.	I-83 Corridor	\$6,200,000	\$34.78	178,286
1104 Kenilworth Dr.	Towson	\$5,750,000	\$110.14	52,206
2024 West St.	Annapolis	\$5,225,000	\$147.12	35,515

* Renewal, Expansion, or Sublease

OFFICE OVERVIEW (DC METRO)

THIRD QUARTER | 2026



OFFICE INDICATORS

Market Size
109,645,580

Building Count
1,978

Absorption
-239,710

YTD Absorption
-58,750

Vacancy
17.2%

Rental Rate
\$31.93/sf

THE NUMBERS

MARKET SIZE

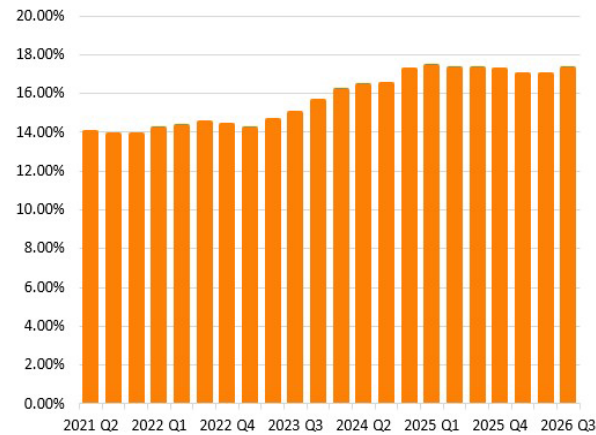
VACANCY %

ABSORPTION

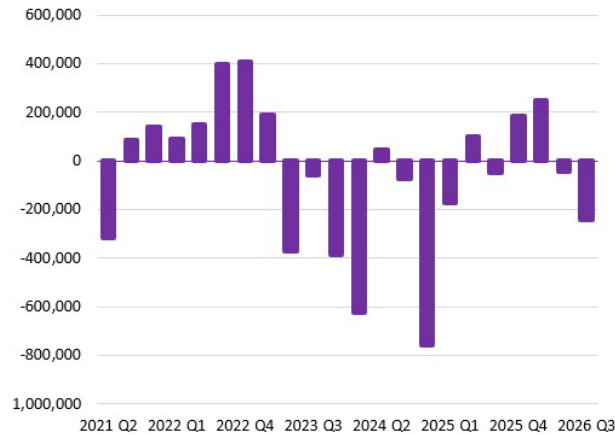
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	8,505,039	11.0%	10.6%	11.2%	20,611	-46,101	\$25.97	\$25.96	\$25.76
Montgomery County North	12,229,106	13.5%	13.6%	13.7%	-66,795	-41,297	\$31.26	\$31.27	\$31.16
Montgomery County South	50,515,641	19.9%	19.9%	21.0%	-4,949	215,082	\$35.86	\$36.05	\$35.71
Prince George's County North	22,371,102	17.4%	17.2%	16.3%	-12,395	-161,473	\$26.96	\$26.91	\$26.82
Prince George's County South	5,167,041	6.4%	6.2%	7.0%	-22,923	6,921	\$30.72	\$30.68	\$30.47
Silver Spring North/Route 29	3,482,694	9.4%	10.1%	7.0%	-33,004	-30,416	\$31.26	\$31.27	\$31.14
Silver Spring South	7,374,957	21.9%	20.3%	19.9%	-120,255	-1,466	\$29.27	\$29.23	\$29.10
Totals	109,645,580	17.2%	17.0%	17.3%	-239,710	-58,750	\$31.93	\$32.01	\$31.78

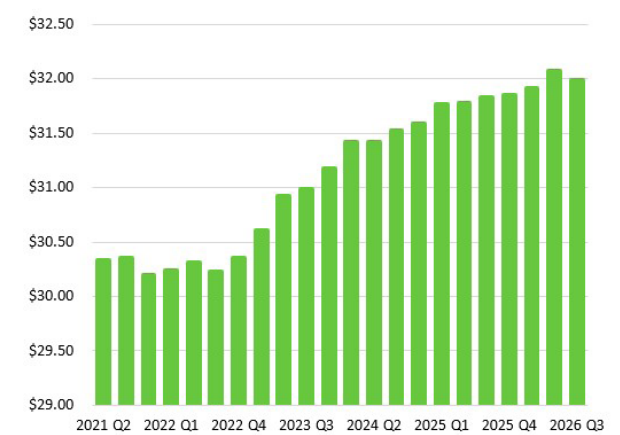
VACANCY



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 S	Launch Workplaces	42,181
9211 Corporate Blvd.*	Montgomery County S	Access Intelligence	32,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
9841 Washingtonian Blvd.	Montgomery County S	\$11,075,000	\$107.15	103,360
400 Professional Dr.	Montgomery County N	\$6,350,000	\$49.21	129,030
7401 Forbes Blvd.	Prince George's County	\$5,225,000	\$168.55	31,000

* Renewal, Expansion, or Sublease

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