



RETAIL INDICATORS

Market Size
116,001,316

Building Count
4,849

Absorption
152,010

YTD Absorption
127,353

Vacancy
6.3%

Rental Rate
\$25.98/sf

Baltimore's retail market strengthened during the third quarter, recording 152,010 sf of positive absorption and bringing year-to-date absorption to 127,353 sf. Vacancy declined to 6.3%, compared with 6.6% last quarter and 6.4% one year ago. Leasing activity totaled over 400,000 sf during the quarter and more than 1.36 million sf year to date. Big box vacancies left behind by Value City Furniture, Macy's, and others have been the targeted real estate by many new brands coming to the local market. We continue to see a heavy demand by food and beverage users, or QSRs, which will likely account for 70% of retail leases in 2026. Markets such as Glen Burnie and Severna Park, along the Route 2 Corridor, are leading the pack with leasing, leases including Persiano Gallery, Club Studio Fitness, Advance Auto Parts and Boot Barn so far this year. Rental rates remained essentially unchanged quarter-over-quarter at \$25.98/sf but increased 4.0% from \$24.99/sf one year ago, Annapolis continues to hold top position for asking rates at \$34.75/sf. Annapolis also led the market with 124,480 sf of positive quarterly absorption, while Baltimore County West recorded the largest quarterly loss at -59,666 sf. We expect retail rents to be pushed upward as we go into the last few months of 2026 based on market activity and shrinking supply.

Retail investment activity remained strong throughout the third quarter, with 126 transactions totaling nearly \$570 million year to date. Despite fewer transactions than the 171 recorded during all of 2025, sales volume is already approaching last year's \$584 million total. The average cap rate increased to 7.6%, compared with 7.0% in 2025, indicating some softening in pricing despite continued sales activity. With fewer assets coming to the market, as property owners start to settle in and not seek a sale at these higher cap rates, we anticipate a slowdown in asset sales, especially in the NNN market segment, but expect several "value-add" assets to finally come to the market.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,763,865	8.2%	11.2%	11.6%	124,480	132,572	\$34.75	\$34.84	\$33.65
Baltimore City	17,966,433	9.1%	9.1%	8.6%	-158	-2,789	\$20.98	\$20.99	\$20.36
Baltimore County East	15,359,618	5.1%	5.5%	5.6%	47,267	15,967	\$23.82	\$23.82	\$22.77
Baltimore County West	7,053,742	7.9%	7.1%	7.0%	-59,666	-81,227	\$24.04	\$24.08	\$23.03
BWI Corridor	9,464,112	2.3%	2.4%	1.9%	14,218	2,877	\$28.63	\$28.69	\$27.69
Carroll County	7,076,611	2.9%	3.0%	2.7%	5,506	38,806	\$24.39	\$24.31	\$23.29
Cecil County	3,377,640	4.4%	5.8%	5.4%	46,465	24,772	\$17.43	\$17.60	\$17.58
Columbia	10,088,433	3.8%	4.8%	3.9%	12,314	-96,688	\$34.60	\$34.73	\$33.34
Harford County	10,650,802	5.5%	5.2%	5.9%	-21,415	107,951	\$24.85	\$24.82	\$23.77
Howard County West	765,622	2.7%	1.7%	4.3%	-7,178	12,898	\$27.57	\$27.59	\$26.66
I-83 Corridor	5,260,342	8.2%	9.6%	8.9%	6,177	22,670	\$29.81	\$29.83	\$28.58
Reisterstown Rd Corridor	7,568,531	12.0%	11.7%	10.6%	-24,793	-11,054	\$27.33	\$27.23	\$26.01
Route 2 Corridor	10,582,336	7.1%	6.9%	6.5%	16,751	-55,071	\$24.58	\$24.62	\$23.55
Towson	5,023,229	4.4%	4.3%	5.1%	-7,958	15,669	\$27.79	\$27.86	\$26.72
Totals/Averages	116,001,316	6.3%	6.6%	6.4%	152,010	127,353	\$25.98	\$26.00	\$24.99

ITEMS TO NOTE:

Goodwill opened a new store at Reisterstown Road Plaza, backfilling the former Petco space.

The Guinness Open Gate Brewery will close its Halethorpe facility to the public in November. Guinness intends to wind down all operations at the facility by the end of next year.

Trader Joe's will backfill the former Party City space at Anneslie Shopping Center. Located along the Baltimore City/Baltimore County border, the store will occupy nearly 13,000 sf.

Demolition of the former Macy's at Harford Mall has begun. Derby Place, a 95,000 sf mixed-use center with restaurants, retail, housing and a 35,000 sf Whole Foods Market, is planned for the cleared site.

Oliver Brewing Co. is expanding its current Millersville location with a taproom and restaurant. Construction is underway, with an opening planned for late fall.

After 70 years, Eastpoint Mall has officially closed. The owner has submitted plans to Baltimore County calling for the demolition of the mall and construction of approximately 200,000 sf of warehouse space.

Mavis Tire Express Services Corp. has agreed to acquire Pep Boys and its nearly 800 U.S. locations from Icahn Enterprises for \$700 million in cash; Icahn will retain the underlying real estate.

New Village Academy, a charter high school, has opened at Annapolis Mall. A \$12.8 million renovation converted the former 49,200 sf Lord & Taylor department store into a school with a capacity for 270 students.



RETAIL INDICATORS

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116,001,316

Building Count
4,849

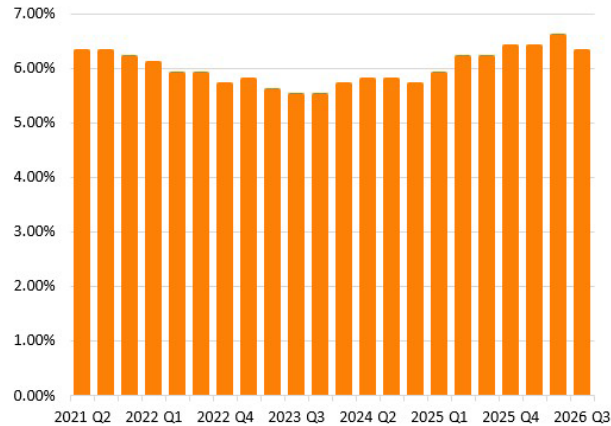
Absorption
152,010

YTD Absorption
127,353

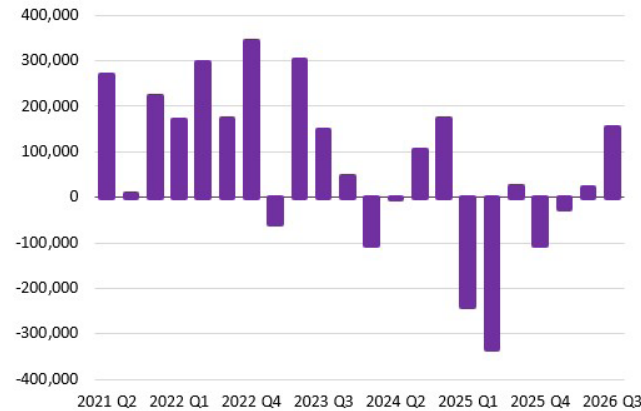
Vacancy
6.3%

Rental Rate
\$25.98/sf

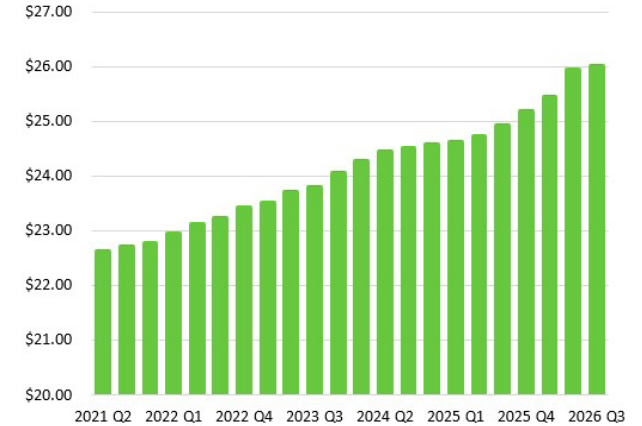
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	BWI Corridor	2.3%
2	Howard County West	2.7%
3	Carroll County	2.9%

Highest Vacancy

1	Reisterstown Rd Corridor	12.0%
2	Baltimore City	9.1%
3	Annapolis	8.2%

Most Change vs. Prior Quarter

-	Annapolis	-3.0%
+	Howard County West	1.0%

Most Positive Net Absorption

1	Annapolis	124,480
2	Baltimore County East	47,267
3	Cecil County	46,465

Most Negative Absorption

1	Baltimore County West	-59,666
2	Reisterstown Rd Corridor	-24,793
3	Harford County	-21,415

Greatest Changes in Absorption, Year-to-Date

-	Columbia	-96,688
+	Annapolis	132,572

Cheapest Rates

1	Cecil County	\$17.43
2	Baltimore City	\$20.98
3	Baltimore County East	\$23.82

Most Expensive Rates

1	Annapolis	\$34.75
2	Columbia	\$34.60
3	I-83 Corridor	\$29.81

Most Change vs. Prior Quarter

-	Cecil County	-\$0.17
+	Reisterstown Rd Corridor	\$0.10

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8036-8160 Ritchie Hwy.	Route 2 Corridor	Club Studio Fitness	40,000
11120 Reisterstown Rd.	Reisterstown Rd Corridor	Dollar General	26,668
6623-6637 Ritchie Hwy.	Route 2 Corridor	Boot Barn	17,350
1201 E. Churchville Rd.	Harford County	Smyth Jewelers	12,649

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
8235 Perry Hall Blvd.	Baltimore County East	\$6,200,000	\$1,009.77	6,140
3613-3615 E. Joppa Rd.	Baltimore County East	\$5,800,000	\$271.04	21,399
585 Marketplace Dr.	Harford County	\$4,800,000	\$382.56	12,547
9438 Baltimore National Pike	Columbia	\$2,600,000	\$521.25	4,988

RETAIL OVERVIEW (DC METRO)

THIRD QUARTER | 2026



RETAIL INDICATORS

Market Size
79,731,215

Building Count
2,882

Absorption
126,230

YTD Absorption
-414,462

Vacancy
5.9%

Rental Rate
\$34.46/sf

THE NUMBERS

MARKET SIZE

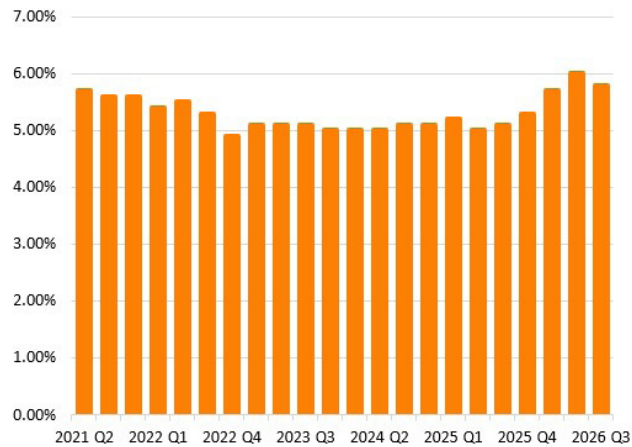
VACANCY %

ABSORPTION

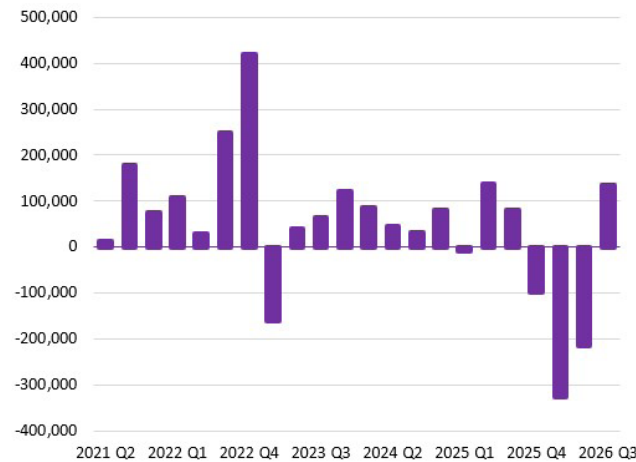
RENTAL RATES

		Current	Prior Qtr	Prior Yr	QTD	YTD	Current	Prior Qtr	Prior Yr
Frederick County	12,054,709	3.1%	3.3%	5.5%	35,199	257,492	\$26.93	\$26.61	\$25.60
Montgomery County North	9,998,186	2.6%	2.8%	8.2%	21,338	52,246	\$36.55	\$36.15	\$35.13
Montgomery County South	17,197,920	4.9%	5.2%	4.1%	56,232	-118,439	\$43.53	\$43.13	\$42.18
Prince George's County North	22,420,503	8.8%	8.6%	6.2%	-42,104	-465,780	\$32.37	\$32.02	\$31.17
Prince George's County South	12,250,604	6.1%	5.8%	4.0%	-37,293	-241,506	\$29.47	\$29.16	\$28.29
Silver Spring North	3,453,100	12.0%	14.2%	13.7%	73,872	55,643	\$37.81	\$37.24	\$36.00
Silver Spring South	2,356,193	2.9%	3.7%	3.9%	18,986	45,882	\$38.80	\$38.50	\$37.86
Washington DC Retail Total	79,731,215	5.9%	6.0%	5.8%	126,230	-414,462	\$34.46	\$34.09	\$33.16

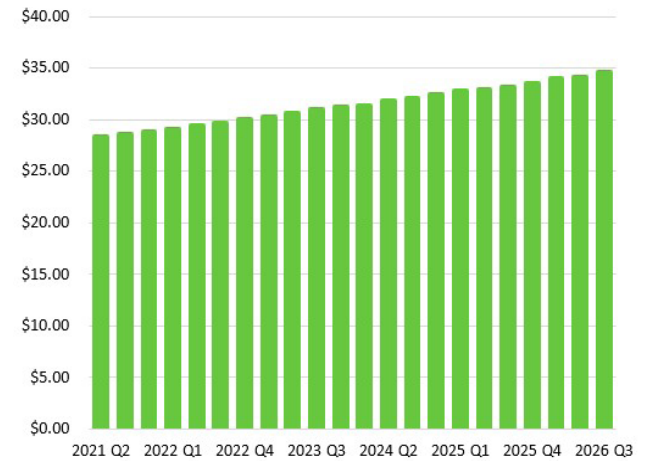
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
5533-5557 Urbana Pike	Frederick County	Burlington	24,492
8861 Branch Ave.*	Prince George's County	Staples	20,296
46-74 Bureau Dr.	Montgomery County N	Amin Furniture	15,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
3301 Briggs Chaney Rd.	Silver Spring N	\$20,500,000	\$354.98	57,749
9963 Stedwick Rd.	Montgomery County N	\$8,250,000	\$937.50	8,800
100-200 Middletown Pkwy.	Frederick County	\$7,800,000	\$439.12	17,763

* Renewal, Expansion, or Sublease