

# OFFICE OVERVIEW

FIRST QUARTER | 2022



## OFFICE INDICATORS

Market Size  
**116,543,184**

Building Count  
**2,562**

Absorption  
**-49,083**

YTD Absorption  
**-49,083**

Vacancy  
**12.8%**

Rental Rate  
**\$24.49/sf**

Overall, 1st Quarter leasing activity remained relatively unchanged from the 4th Quarter 2021; however, a continued shift in momentum can be felt throughout the region as firms continue to return to the office, including larger, national firms. For example, on the west coast, tech giants Google, Apple, Meta, and Microsoft – all primarily remote since the onset of the pandemic and until recent weeks - have each set dates requiring employees to return to the office, offering various hybrid options. Office layouts continue to evolve to better provide environments that are more conducive to collaboration, creativity, and direct communication – factors that are lacking from the work-from-home model. Landlords continue to invest in their buildings adding not only amenities, but also experiences that entice tenants to want to make the trek to their office - flexible conference space, individual and group work spaces, social areas, fitness attractions, cafés, and other dining options and outdoor elements. Interest in such features keeps the flight-to-quality in full swing in our region. Most of the Baltimore Metropolitan Area leasing activity continues to be among tenants renewing or relocating, and smaller deals. Medical leasing continues to see an uptick, notably among the mental health community. Baltimore City still struggles with vacancy, the highest area being Baltimore City Southwest followed by the CBD, 25.8% and 24% respectively. 1st Quarter rental rates held steady at \$24.49/sf. The Southern Metro continues to boast the highest rates, averaging \$27.97/sf. Tenant improvement (TI) costs continue to rise putting pressure on landlords to try and achieve longer lease terms; however, most tenants are only seeking three- to five-year terms.

## ITEMS TO NOTE:

The historic Fidelity & Deposit Building located at 210 N Charles St. in Baltimore's CBD sold for \$6 million. The mostly vacant office building will be converted into apartments with street level retail.

The 22,000 sf office building located at 115 West St. in Annapolis sold for \$5.49 million or \$249.32/sf.

ConnectRN is subleasing 16,643 sf at 1 E. Pratt St. in Baltimore City, occupying the former International Youth Foundation space.

CareFirst BlueCross BlueShield signed a 15-year renewal at 1501 S. Clinton St. The 214,000 sf deal is the largest in Baltimore since the pandemic began. The company said that about 60% of the employees will spend one day or less in the office, while 40% of the staff will attend two to three days a week, only 2% are expected to return to the office four to five days a week.

Live Baltimore, a nonprofit that aims to recruit and retain city residents, renovated its headquarters located at 343 N. Charles St. The new office space is the same size but has triple the amount of collaborative spaces, has fewer individual offices, and can accommodate more staff.

Grandview Aviation expanded its new headquarters into almost 18,000 sf at 425 Williams Ct. in Middle River. The private jet charter operators have grown from 65 employees to over 120 in the past year, with plans to hire and additional 100+ people in 2022.

Evergreen Advisors signed a lease to relocate its headquarters to 30 Corporate Center in Columbia. The company signed a 10-year lease for nearly 11,000 sf.

Laureate Education Inc. is one more company that has transitioned to remote work, leaving 103,333 sf at 650 Exeter St. available.

Absolute Care followed the trend of moving out of the city and downsizing to Howard county. The company left 22,000 sf at 1040 Park Ave. in Baltimore for almost 13,000 sf at 10175 Little Patuxent Square in Columbia.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City CBD	14,202,091	24.0%	23.5%	20.9%	-61,361	-61,361	\$24.18	\$24.18	\$24.79
Baltimore City Midtown	2,903,154	5.7%	6.3%	6.3%	16,909	16,909	\$23.52	\$22.36	\$22.24
Baltimore City NE	1,444,142	2.7%	3.0%	0.8%	4,364	4,364	\$32.17	\$31.31	\$31.37
Baltimore City NW	2,354,088	4.5%	4.5%	3.4%	1,990	1,990	\$24.71	\$25.17	\$28.31
Baltimore City SE	4,126,748	9.8%	8.5%	8.7%	-50,284	-50,284	\$22.36	\$22.87	\$24.02
Baltimore City SW	2,985,185	25.8%	26.0%	24.8%	4,897	4,897	\$23.41	\$23.41	\$23.41
<b>Baltimore City</b>	<b>28,015,408</b>	<b>17.5%</b>	<b>17.1%</b>	<b>15.5%</b>	<b>-83,485</b>	<b>-83,485</b>	<b>\$24.22</b>	<b>\$24.17</b>	<b>\$24.89</b>
Baltimore County East	4,614,213	11.3%	11.6%	13.7%	13,386	13,386	\$22.95	\$23.23	\$23.72
Baltimore County West	9,378,857	6.7%	6.5%	6.5%	-16,231	-16,231	\$19.17	\$19.34	\$19.47
Carroll County	2,399,908	6.1%	6.9%	10.4%	18,366	18,366	\$20.10	\$20.29	\$22.67
Cecil County	853,158	19.4%	17.4%	19.6%	-17,366	-17,366	\$28.99	\$28.99	\$26.35
Harford County	5,030,619	15.5%	17.0%	12.8%	75,529	75,529	\$23.96	\$23.75	\$23.82
I-83 Corridor	10,085,342	12.8%	12.4%	12.2%	-46,887	-46,887	\$22.99	\$22.23	\$22.70
Reisterstown Rd	8,421,276	13.3%	12.9%	13.3%	-34,074	-34,074	\$22.32	\$22.56	\$22.21
Towson	8,447,670	10.1%	10.2%	9.5%	9,389	9,389	\$21.03	\$20.93	\$20.77
<b>Northern Metro</b>	<b>49,231,043</b>	<b>11.2%</b>	<b>11.2%</b>	<b>11.1%</b>	<b>2,112</b>	<b>2,112</b>	<b>\$21.87</b>	<b>\$21.78</b>	<b>\$21.94</b>
Annapolis	5,081,118	10.8%	10.8%	10.2%	1,535	1,535	\$30.60	\$30.84	\$31.20
BWI Corridor	13,449,690	10.1%	11.3%	11.2%	155,404	155,404	\$28.72	\$29.99	\$28.81
Columbia	17,988,068	13.8%	13.0%	12.3%	-141,877	-141,877	\$27.41	\$27.07	\$26.48
Route 2 Corridor	2,777,857	7.0%	7.6%	7.6%	17,228	17,228	\$23.09	\$22.67	\$21.37
<b>Southern Metro</b>	<b>39,296,733</b>	<b>11.7%</b>	<b>11.8%</b>	<b>11.3%</b>	<b>32,290</b>	<b>32,290</b>	<b>\$27.97</b>	<b>\$28.25</b>	<b>\$27.54</b>
<b>Totals</b>	<b>116,543,184</b>	<b>12.8%</b>	<b>12.8%</b>	<b>12.2%</b>	<b>-49,083</b>	<b>-49,083</b>	<b>\$24.49</b>	<b>\$24.54</b>	<b>\$24.53</b>



## OFFICE INDICATORS

Market Size  
**116,543,184 sf**

Building Count  
**2,562**

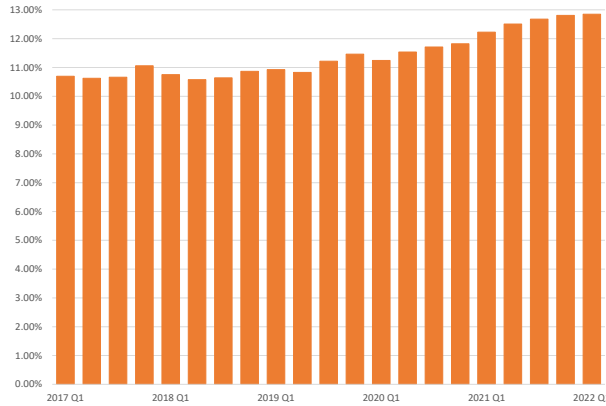
Absorption  
**-49,083**

YTD Absorption  
**-49,083**

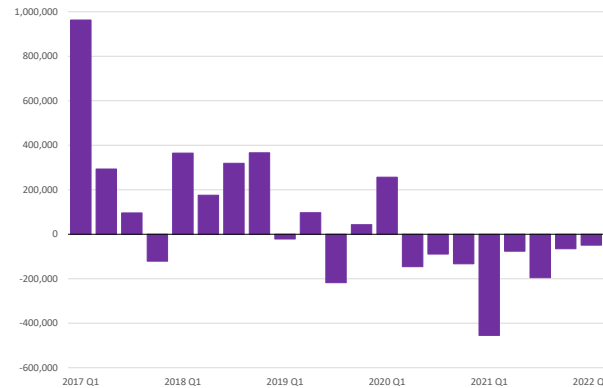
Vacancy  
**12.8%**

Rental Rate  
**\$24.49/sf**

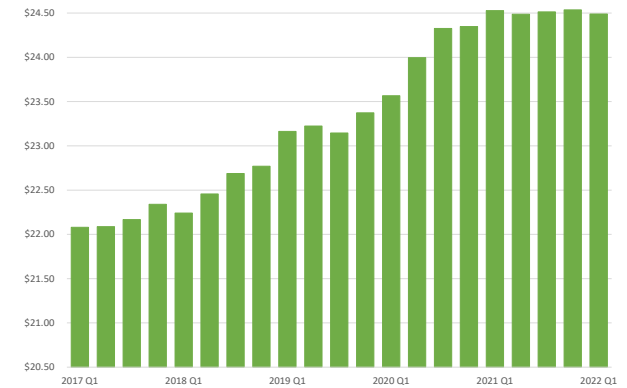
## VACANCY



## NET ABSORPTION



## RENTAL RATES



### Lowest Vacancy

1	Baltimore City NE	2.7%
2	Baltimore City NW	4.5%
3	Baltimore City Midtown	5.7%

### Highest Vacancy

1	Baltimore City SW	25.8%
2	Baltimore City CBD	24.0%
3	Cecil County	19.4%

### Most Change vs. Prior Quarter

-	Harford County	-1.55%
+	Cecil County	+2.00%

### Lowest Net Absorption

1	Columbia	-141,877
2	Baltimore City CBD	-61,361
3	Baltimore City SE	-50,284

### Highest Net Absorption

1	BWI Corridor	155,404
2	Harford County	75,529
3	Carroll County	18,366

### Most Absorption, Year-to-Date

-	Columbia	-141,877
+	BWI Corridor	+155,404

### Cheapest Rates

1	Baltimore County West	\$19.17
2	Carroll County	\$20.10
3	Towson	\$21.03

### Most Expensive Rates

1	Baltimore City NE	\$32.17
2	Annapolis	\$30.60
3	Cecil County	\$28.99

### Most Change vs. Prior Quarter

-	Baltimore City NW	-\$3.60
+	Cecil County	+\$2.64

## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
1501 S Clinton St.*	Baltimore SE	CareFirst BlueCross BlueShield	204,506
10200 Grand Central Ave.	Reisterstown Rd	Gannett - Fleming	20,124
425 Williams Ct.	Baltimore Co. East	Grandview Aviation	17,915
6797 Dorsey Rd.*	BWI Corridor	Parsons Services Co.	16,090

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
210 N Charles St.	CBD Baltimore	\$6,000,000	\$25.86	232,000
115 West St.	Annapolis	\$5,485,000	\$249.32	22,000
6805 Douglas Legum Dr.	BWI Corridor	\$3,875,000	\$189.95	20,400
50 Scott Adam Rd.	I-83 Corridor	\$2,100,000	\$87.76	23,928

\* Renewal, Expansion, or Sublease

# OFFICE OVERVIEW (DC METRO)

FIRST QUARTER | 2022



## OFFICE INDICATORS

Market Size  
109,257,300 sf

Building Count  
2,002

Absorption  
-120,136

YTD Absorption  
-120,136

Vacancy  
14.7%

Rental Rate  
\$27.64/sf

## THE NUMBERS

### MARKET SIZE

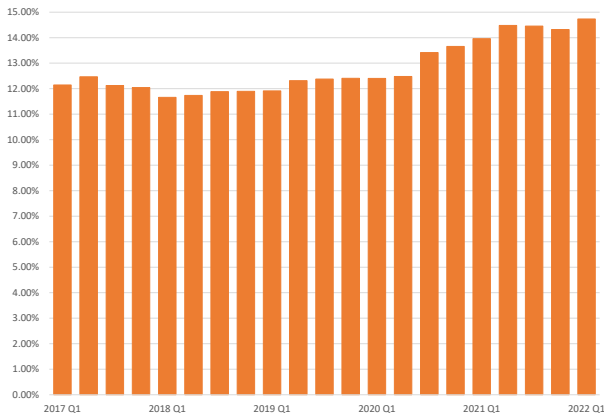
### VACANCY %

### ABSORPTION

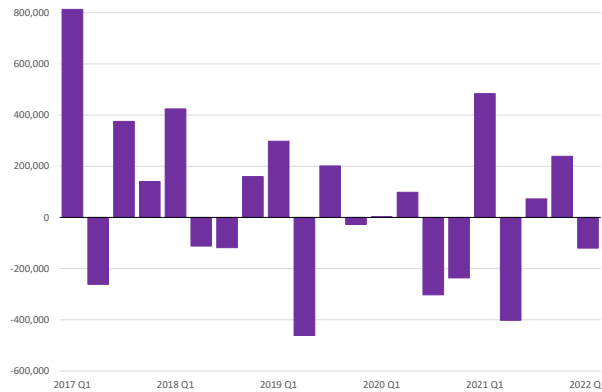
### RENTAL RATES

	MARKET SIZE	Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,569,836	8.8%	8.6%	8.2%	25,101	25,101	\$21.50	\$21.32	\$21.40
Montgomery Co. North	12,119,102	10.6%	10.3%	11.1%	-32,684	-32,684	\$23.67	\$26.13	\$25.35
Montgomery Co. South; Rockville/Bethesda	50,412,893	17.8%	17.0%	15.9%	-117,958	-117,958	\$31.20	\$30.88	\$30.96
Prince George's Co. North	21,538,028	14.0%	14.2%	15.0%	36,264	36,264	\$23.00	\$22.90	\$22.48
Prince George's Co. South	5,323,103	5.4%	5.1%	5.7%	-14,655	-14,655	\$28.80	\$27.95	\$27.20
Silver Spring North/Route 29	3,989,289	11.0%	10.4%	11.8%	-22,893	-22,893	\$27.11	\$27.20	\$27.79
Silver Spring South	7,305,049	18.4%	18.5%	16.2%	6,689	6,689	\$29.99	\$29.87	\$29.46
<b>Totals</b>	<b>109,257,300</b>	<b>14.7%</b>	<b>14.3%</b>	<b>14.0%</b>	<b>-120,136</b>	<b>-120,136</b>	<b>\$27.64</b>	<b>\$27.68</b>	<b>\$27.50</b>

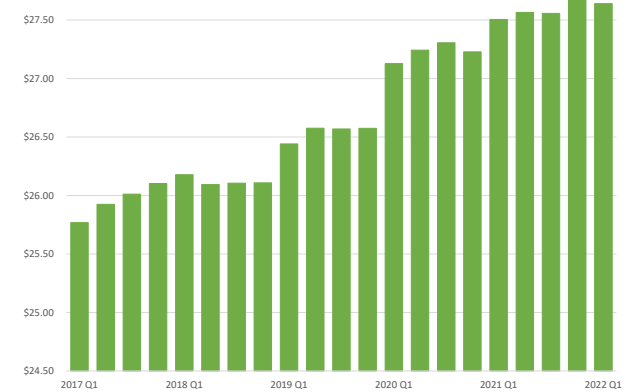
## VACANCY



## NET ABSORPTION



## RENTAL RATES



## LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
77 Upper Rock Cir.	Montgomery County S.	Tetracore, Inc	99,206
201 National Harbor Blvd.	Oxon Hill	Adventist Healthcare	54,000
770 Old Georgetown Rd.	Bethesda	CCIM	50,000

## SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
4405 East West Hwy.	Montgomery County S	\$21,500,000	\$330.46	65,060
12041 Bournefield Way	Silver Spring N/Rt 29	\$11,100,000	\$314.96	169,098
140 Thomas Johnson Dr.	Frederick County	\$8,000,000	\$391.47	20,436

\* Renewal, Expansion, or Sublease