



OFFICE INDICATORS

Market Size
115,088,811

Building Count
2,549

Absorption
240,388

YTD Absorption
-386,786

Vacancy
13.3%

Rental Rate
\$24.66/sf

During the 3rd Quarter, signs that leasing activity is slowing in the Baltimore Metropolitan Area were apparent; however, Baltimore City experienced an increase in activity with multiple state deals completed, bringing the submarket's vacancy rates down. This is expected to continue in the city with an influx of state-related tenants moving to the submarket through the 4th Quarter and into the first quarter of 2023. Sublease space once again reached an all-time high this quarter with over 1.9 million sf currently available, compared to the pre-pandemic numbers of one million in 2019. Of the sublease space that is available, 67% is vacant; these availabilities will remain competitive in the market because most still have significant terms remaining. The Baltimore Central Business District is leading in leasing with over 237,000 sf of deals this quarter, followed closely by Columbia with 183,000 sf signed. The two submarkets also have the highest availability at 3.3 million sf and 2.5 million sf, respectfully. Building owners continue to prioritize occupancy over rental rates given the number of companies that continue to reassess their spatial needs since the start of the pandemic; and landlords are continuing to upgrade building amenities to both attract new tenants and retain those they have. Rental rates are on the rise; currently in the Baltimore Metro the average is \$23.64/sf compared to last year's rate of \$22.87 at the same time. Rates are increasing, though not necessarily due to demand, but rather as a way for landlords to offset the rise in concessions and TI packages due to the continued record high construction costs. Landlords are also completing more modified gross leases vs. full-service leases as an additional way to offset the rising costs of operating and utility expenses. Developers are active, especially with the office-to-multifamily conversion picking up steam; for example, One Charles Center, a 22-story office tower has been listed for sale as a multifamily redevelopment project instead of traditional office.

ITEMS TO NOTE:

CFG agreed to move its offices into 100,000 sf at Port Covington, becoming the first office tenant in the massive South Baltimore development.

Wealth management firm WMS Partners signed a lease for 20,000 sf to relocate its headquarters to 1 W. Pennsylvania Ave in downtown Towson from 1 Olympic Place after more than eleven years.

Univest Bank and Trust Co. has been approved to open its first location in Maryland. The expansion into the Baltimore Market will begin at 10801 Tony Dr. in Timonium.

DLA Piper is moving back downtown after almost two decades in Mount Washington. The global law firm signed a 10-year lease at 650 S. Exeter St. in Harbor East to occupy a full floor of over 34,000 sf.

Franklin Templeton has signed a lease to move into 60,000 sf at Wills Wharf in Harbor Point. The company will be vacating the 87,000 sf at 100 International Dr. it has occupied since acquiring Legg Mason in 2020.

One Charles Center, a 22-story office tower at 100 N. Charles St. in Baltimore's CBD has been listed for sale. The 350,000 sf building is being advertised as a multifamily redevelopment project.

Baltimore interior design and architectural firm Chambers Co. signed a lease at Port Covington for 9,000 sf. The firm will move from Montgomery Park early next year.

Leap to Digital, a contractor sales software company, has signed a renewal for 15,000 sf at 8820 Columbia 100 Pkwy in Columbia, MD. They will continue to occupy most of the 3rd floor.

National accounting firm BDO USA LLP is moving from Owings Mills into 12,000 sf at The Candler Building at 700 E. Pratt St. The move will take place in January.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City CBD	13,898,824	23.80%	25.10%	23.70%	193,137	14,148	\$24.36	\$24.09	\$24.32
Baltimore City Midtown	2,258,345	7.80%	7.60%	7.70%	-4,922	6,563	\$21.04	\$21.56	\$22.36
Baltimore City NE	1,444,142	2.70%	2.80%	2.80%	1,582	3,209	\$29.66	\$32.89	\$28.37
Baltimore City NW	2,307,598	3.40%	3.20%	3.30%	-5,493	1,109	\$25.82	\$24.72	\$27.67
Baltimore City SE	3,619,435	13.20%	11.90%	8.30%	-48,810	-170,786	\$22.54	\$22.76	\$22.92
Baltimore City SW	2,942,265	25.50%	25.20%	27.20%	-8,188	16,380	\$23.41	\$23.41	\$23.41
Baltimore City	26,470,609	18.20%	18.70%	17.70%	127,306	-129,377	\$24.14	\$24.15	\$24.37
Baltimore County East	4,567,950	13.20%	13.50%	12.70%	13,653	-69,388	\$22.60	\$22.92	\$23.39
Baltimore County West	9,366,443	7.60%	7.30%	7.00%	-22,352	-94,824	\$20.24	\$19.42	\$19.58
Carroll County	2,357,238	5.80%	5.30%	5.00%	-10,403	11,826	\$20.20	\$20.06	\$21.18
Cecil County	763,726	8.80%	11.10%	8.00%	17,277	985	\$30.02	\$30.29	\$29.11
Harford County	5,016,921	16.00%	16.70%	16.50%	31,503	61,438	\$24.07	\$23.81	\$23.73
I-83 Corridor	10,113,547	14.20%	13.80%	12.60%	-46,085	-191,786	\$22.66	\$23.12	\$22.97
Reisterstown Rd	8,400,356	13.40%	13.00%	12.70%	-39,528	-45,792	\$24.52	\$24.41	\$21.98
Towson	8,457,388	10.60%	10.70%	9.60%	8,152	-32,232	\$20.96	\$20.93	\$20.93
Northern Metro	49,043,569	11.80%	11.70%	11.00%	-47,783	-359,773	\$22.36	\$22.27	\$21.93
Annapolis	5,070,805	10.60%	11.00%	9.90%	17,003	9,894	\$31.77	\$31.64	\$30.61
BWI Corridor	13,675,791	10.50%	10.40%	11.70%	145,051	256,813	\$29.68	\$29.66	\$29.00
Columbia	18,024,311	13.90%	13.80%	12.00%	-16,163	-169,080	\$26.01	\$27.36	\$27.26
Route 2 Corridor	2,803,726	7.40%	7.90%	7.90%	14,974	4,737	\$23.93	\$23.29	\$22.18
Southern Metro	39,574,633	11.80%	11.90%	11.30%	160,865	102,364	\$27.87	\$28.41	\$27.93
Totals	115,088,811	13.30%	13.40%	12.70%	240,388	-386,786	\$24.66	\$24.81	\$24.54



OFFICE INDICATORS

Market Size
115,088,811

Building Count
2,549

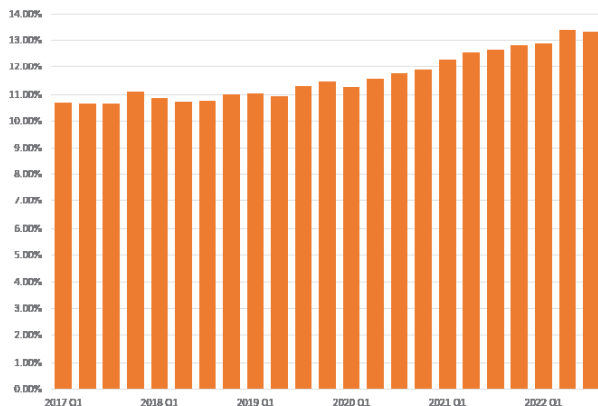
Absorption
240,388

YTD Absorption
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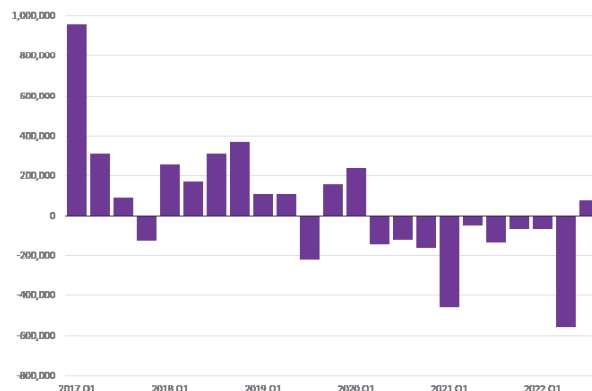
Vacancy
13.3%

Rental Rate
\$24.66/sf

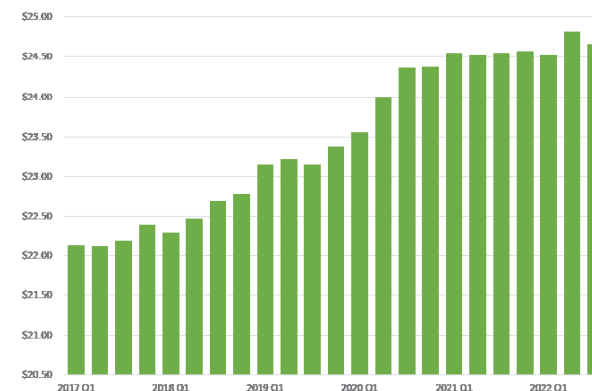
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1	Baltimore City NE	2.7%
2	Baltimore City NW	3.4%
3	Carroll County	5.8%

Highest Vacancy

1	Baltimore City SW	25.5%
2	Baltimore City CBD	23.8%
3	Harford County	16.0%

Most Change vs. Prior Quarter

-	Cecil County	-2.3%
+	Baltimore City SE	1.3%

Lowest Net Absorption

1	Baltimore City SE	-48,810
2	I-83 Corridor	-46,085
3	Reisterstown Rd Corridor	-39,528

Highest Net Absorption

1	Baltimore City CBD	193,137
2	BWI Corridor	145,051
3	Harford County	31,503

Most Absorption, Year-to-Date

-	I-83 Corridor	-191,786
+	BWI Corridor	256,813

Cheapest Rates

1	Carroll County	\$20.20
2	Baltimore County West	\$20.24
3	Towson	\$20.96

Most Expensive Rates

1	Annapolis	\$31.77
2	Cecil County	\$30.02
3	BWI Corridor	\$29.68

Most Change vs. Prior Quarter

-	Baltimore City NE	-\$3.23
+	Baltimore City NW	\$1.10

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
8130 Maple Lawn Blvd.	Columbia	Government Contractor	109,246
550 National Business Pkwy.	BWI Corridor	Microsoft	96,000
1201 Wills St.	Baltimore CBD	Franklin Templeton	60,070
700 E Pratt St.	Baltimore CBD	MD State Dept. of Assessments	47,391

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
8322 Bellona Ave.	Towson	\$15,900,000	\$283.93	56,000
7700 Montpelier Rd.	Columbia	\$12,375,000	\$282.63	43,785
950 Ridgebrook Rd.	I-83 Corridor	\$3,550,000	\$122.89	28,887
9115 Guilford Rd.	Columbia	\$3,225,000	\$144.62	22,300

* Renewal, Expansion, or Sublease

OFFICE OVERVIEW (DC METRO)

THIRD QUARTER | 2022



OFFICE INDICATORS

Market Size
111,318,158

Building Count
2,009

Absorption
181,538

YTD Absorption
115,538

Vacancy
15.1%

Rental Rate
\$27.92/sf

THE NUMBERS

MARKET SIZE

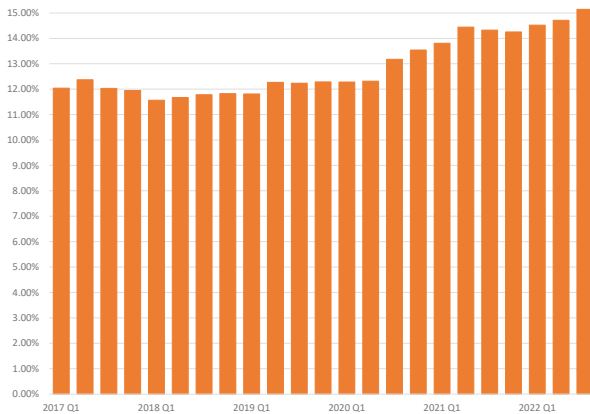
VACANCY %

ABSORPTION

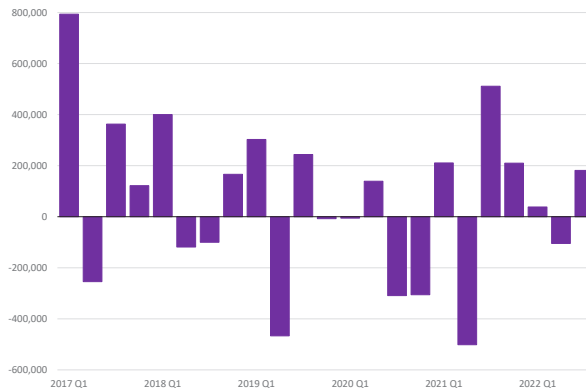
RENTAL RATES

	MARKET SIZE	Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	8,585,953	7.7%	7.9%	9.4%	14,846	87,624	\$21.91	\$22.01	\$21.88
Montgomery Co. North	12,110,411	10.4%	10.3%	10.4%	-8,751	-33,719	\$23.52	\$23.35	\$25.40
Montgomery Co. South; Rockville/Bethesda	52,106,918	18.9%	17.6%	16.9%	-44,551	-33,504	\$31.39	\$31.18	\$30.84
Prince George's Co. North	21,710,196	13.9%	14.9%	14.3%	230,769	130,929	\$22.98	\$22.89	\$22.97
Prince George's Co. South	5,317,330	5.4%	5.2%	5.1%	-10,059	-16,169	\$29.66	\$29.47	\$26.68
Silver Spring North/Route 29	4,007,931	11.4%	11.3%	10.8%	-5,320	-40,165	\$29.27	\$26.98	\$27.24
Silver Spring South	7,479,419	17.8%	17.9%	17.2%	4,604	20,153	\$30.12	\$30.09	\$29.70
Totals	111,318,158	15.1%	14.7%	14.3%	181,538	115,149	\$27.92	\$27.67	\$27.59

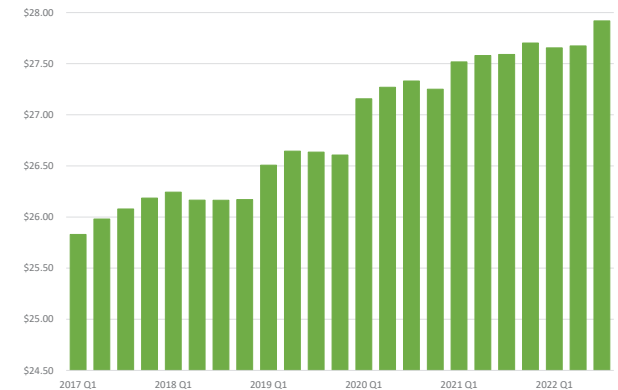
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NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
6707 Democracy Blvd.	Montgomery County S	National Institute of Health*	226,091
19710 Observation Dr.	Montgomery County N	Hughes Network Systems	140,000
6600 Rockledge Dr.	Montgomery County S	Total Wine & More *	113,436

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Democracy Center	Montgomery County S	\$69,500,000	\$101.47	684,941
15001 Shady Grove Rd.	Montgomery County S	\$46,769,897	\$452.98	103,249
2099 & 2101 Gaither Rd.	Montgomery County S	\$42,000,000	\$157.85	266,077

* Renewal, Expansion, or Sublease