



OFFICE INDICATORS

Market Size
108,905,135

Building Count
2,335

Absorption
-192,120

YTD Absorption
-101,201

Vacancy
11.72%

Rental Rate
\$24.60

4TH QUARTER SUMMARY

After a year like 2020, how does our market compare in the grand scheme of things? The Baltimore Metropolitan office market experienced an average availability rate of 13.6% compared to the national average of 16.9%. Average market rent growth held steady at 0.34% for Baltimore while the national average's growth declined by approximately 2.3%. In terms of gross rent averages, Baltimore's \$24.82/sf is behind the national average of \$30.95/sf. Many of the precautionary measures the office market adopted as new industry norms will be here to stay. As the number of workers ready and willing to resume commutes to the office increases, employers must continue to exercise creative office modifications; spacious offices, less touch points, and more safety measures will be required. Looking further at the submarkets below, numbers did not fluctuate as one might predict given the current economic conditions; though it is expected that market alterations will continue to surface well into 2021. During the 4th Quarter, the Northern and Southern Metros saw only a slight uptick in vacancy, increasing by just 0.44% total; and, since the prior year, an increase of 0.72%. With many companies continuing to have employees work remotely, look for the 4th Quarter increase in sublet space to continue. Many view this as a temporary trend in response to the times; however, it offers tenants interim solutions for cutting down on costs and space they are not using. Effects on average asking rates are visible from increasing sublet space; for example, prime office space that once garnered \$35 - \$40/sf in the CBD is now being offered at \$22.00 - 25.00/sf.

THE NUMBERS	MARKET SIZE	DIRECT VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Baltimore City CBD	13,625,771	21.10%	20.50%	18.40%	-86,544	-177,189	\$25.44	\$25.54	\$24.31
Baltimore City Midtown	2,058,095	9.00%	9.30%	16.00%	4,735	143,673	\$22.51	\$21.06	\$21.17
Baltimore City NE	773,815	1.50%	6.00%	1.50%	-6,997	8	\$25.96	\$20.01	\$18.50
Baltimore City NW	1,955,483	3.50%	4.10%	4.30%	12,425	15,165	\$22.96	\$25.81	\$23.82
Baltimore City SE	3,638,826	9.30%	8.70%	9.70%	-23,367	18,807	\$24.72	\$24.21	\$28.99
Baltimore City SW	2,285,888	23.60%	23.60%	26.50%	312	66,323	\$27.70	\$26.45	\$17.58
Baltimore City	24,337,878	16.51%	16.30%	15.99%	-99,436	66,787	\$25.11	\$24.89	\$23.89
Baltimore County East	4,147,876	14.20%	14.10%	14.20%	-5,801	-55	\$23.17	\$22.62	\$21.13
Baltimore County West	9,413,459	6.40%	5.90%	6.20%	-44,542	-15,958	\$19.69	\$19.62	\$20.60
Harford County	5,069,114	12.90%	13.20%	15.50%	18,342	133,211	\$24.06	\$23.74	\$21.98
I-83 Corridor	10,026,621	9.10%	9.00%	8.00%	-5,342	-111,140	\$22.76	\$23.12	\$22.01
Reisterstown Rd	8,362,753	12.10%	12.40%	10.50%	28,005	-135,046	\$21.46	\$21.54	\$21.72
Towson	8,367,379	9.60%	9.40%	8.90%	-16,597	-52,043	\$20.61	\$20.83	\$20.45
Northern Metro	45,387,202	10.08%	9.99%	9.66%	-25,935	-181,031	\$21.67	\$21.70	\$21.29
Annapolis	5,146,421	8.70%	8.50%	9.30%	-10,557	133,940	\$29.58	\$29.73	\$29.11
BWI Corridor	13,341,892	10.80%	11.80%	12.50%	130,558	226,982	\$28.26	\$28.86	\$26.04
Columbia	17,956,668	11.60%	10.20%	9.20%	-179,971	-406,189	\$26.23	\$26.53	\$26.53
Route 2 Corridor	2,735,074	7.20%	6.90%	9.30%	-6,779	58,310	\$21.15	\$21.18	\$20.54
Southern Metro	39,180,055	10.64%	10.29%	10.34%	-66,749	13,043	\$27.01	\$27.37	\$26.28
Totals	108,905,135	11.72%	11.51%	11.32%	-192,120	-101,201	\$24.60	\$24.46	\$23.67

ITEMS TO NOTE:

The Pratt Street Corridor and surrounding blocks continue to experience the exit of larger corporations. T. Rowe Price announced they will be relocating their 468,307 sf location to Harbor Point; and, Gordon Feinblatt will be vacating the historic Garrett Building, moving to 1001 Fleet Street in April 2021, expanding to 35,000 sf.

Technology and engineering consulting firm KBR signed a 65,000 sf lease at 8120 Maple Lawn Blvd. The company will be closing two locations in Prince George's County.

Eating Recovery Center leased 53,798 sf at 55 Schilling Road, and an additional 28,021 at nearby 101 Schilling Road. The group relocated from the campuses of St. Joseph Medical Center and GBMC to allow for growth.

Seven years after moving its corporate headquarters to Iowa, life insurance and annuity company F&G plans to close its Baltimore office, leaving the city where it was founded in 1959.

GP Strategies Corp., a global workforce transformation solutions provider, is shrinking its headquarters by approximately 22,000 sf in Columbia as it moves to a permanent shift in increased remote work.

Old Dobbin Business Park sold for \$30.6 Million in Columbia, MD. John B. Levy & Co. joined Fernau LeBlanc Investment Partners to acquire the six-building park that spans 256,000 sf from Greenfield Partners.

100 Light Street will lose the building's namesake, Transamerica, in October 2021. Their new location has not been disclosed; however, the 125,109 sf they currently occupy is available for lease.

Architecture firm CRGA Design moved from its longtime Annapolis location into the newly redeveloped Union Bros. complex in South Baltimore at 37 Cross Street. The firm leased 10,032 sf earlier this year.

Think Tank, a new privately owned coworking space, opened in Harford County, occupying 9,600 sf in Bel Air.



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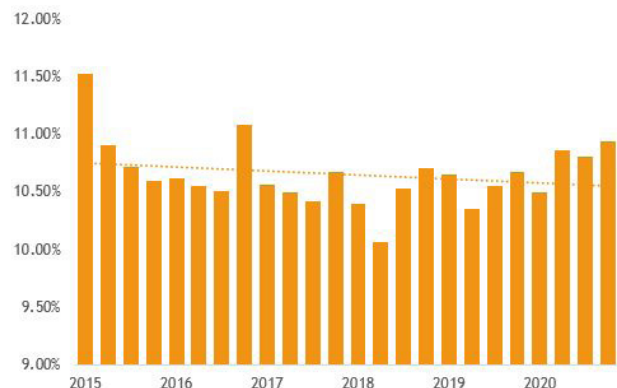
Absorption
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YTD Absorption
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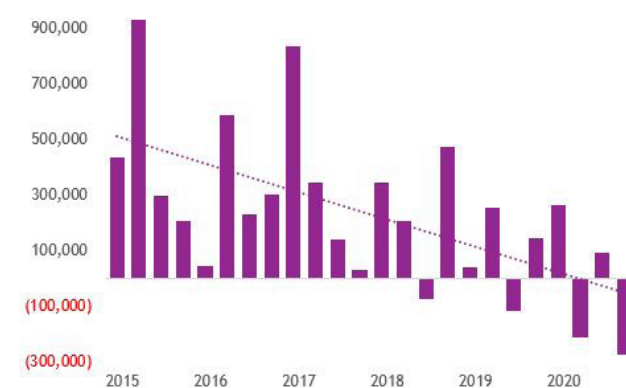
Vacancy
11.72%

Rental Rate
\$24.60

DIRECT VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Direct Vacancy

1	Baltimore City NE	1.50%
2	Baltimore City NW	3.5%
3	Baltimore County West	6.4%

Highest Direct Vacancy

1	Baltimore City SW	23.60%
2	Baltimore City CBD	21.10%
3	Baltimore County East	14.20%

Most Change vs. Prior Quarter

-	Baltimore City NE	4.50%
+	Columbia	1.40%

Lowest Net Absorption

1	Columbia	-179,971
2	Baltimore City CBD	-86,544
3	Baltimore County West	-44,542

Highest Net Absorption

1	BWI Corridor	130,558
2	Reisterstown Road Corridor	28,005
3	Harford County	18,342

Most Absorption, Year-to-Date

-	Columbia	-406,189
+	BWI Corridor	226,982

Cheapest Rates

1	Baltimore County West	\$19.69
2	Towson	\$20.61
3	Route 2 Corridor	\$21.15

Most Expensive Rates

1	Annapolis	\$29.58
2	BWI Corridor	\$28.26
3	Baltimore City SW	\$27.70

Most Change vs. Prior Quarter

-	Baltimore City NW	\$2.85
+	Baltimore City NE	\$5.95

LEASE TRANSACTIONS

Location	Region	Tenant	Leased
1000 Wills St.	Baltimore CBD	T. Rowe Price	469,992
7223 - 7229 Lee Deforest Dr.	Columbia	Maxim Healthcare Services*	146,792
1001 Fleet St.	Baltimore CBD	Gordon Feinblatt	34,930
11101 McCormick Rd.	I-83 Corridor	CCMC*	21,418

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size
9175 Guilford Rd.	Columbia	\$6,155,000	\$112.25	54,835
18 Magothy Beach Rd.	Route 2 Cor.	\$2,150,000	\$215.00	10,000
1131 Belair Rd.	Harford County	\$1,300,000	\$113.04	11,500
27 Old Solomons Island Rd.	Annapolis	\$1,200,000	\$276.24	4,344

* Renewal