



RETAIL INDICATORS

Market Size
115,881,026

Building Count
4,608

Absorption
130,959

YTD Absorption
288,734

Vacancy
6.4%

Rental Rate
\$20.22/sf

3RD QUARTER SUMMARY

Strong leasing activity continued through the 3rd Quarter indicating an active dealmaking environment, regardless of external economic factors and the rising tide of higher interest rates. 146,000 sf of new retail space delivered this quarter, bringing the year-to-date total to 286,240 sf. The added inventory was countered by the completion of pipeline deals from early 2022 resulting in a vacancy rate that remained steady. Within the industry, spirits were high at this year's ICSC Mid-Atlantic Retail Convention in Washington, DC. Active restaurant and quick-serve food tenants dominated the convention floor with their aggressive appetite for new locations. Developers flaunted their exciting plans for new, mixed-use projects like Port Covington, the "Aster" in College Park, and Waldorf Station, the 150-acre planned development on Rt. 301. Tenants intending to expand through new construction continue to see rising construction costs, extended timeframes due to a shortage of materials and staffing, and delays in local occupancy permitting. The recent rise in triple net expenses is keeping landlords and tenants alike on their toes, with budgets for 2023 expected to grow by more than 10%. The current state of the economy, rising utility costs, and staffing shortages are cutting into an already low profit margin on both sides of the table. Activity in Baltimore City has seen little movement, but the overall vacancy rate is still among the lowest in the Baltimore Metro area at 5.3%. Annapolis is boasting one of the highest average rental rates at over \$32 NNN, but also has the highest vacancy at 13.1% (large footprints of space at the mall).

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,231,122	13.1%	12.9%	12.8%	4,428	-4,156	\$30.69	\$30.68	\$30.10
Baltimore City	19,304,293	7.0%	6.5%	5.3%	-38,357	-196,837	\$16.57	\$17.32	\$17.75
Baltimore County East	15,220,885	5.0%	5.1%	6.6%	8,855	244,193	\$15.62	\$15.30	\$14.87
Baltimore County West	7,411,728	6.2%	6.2%	5.5%	3,909	-32,359	\$19.74	\$19.70	\$21.37
BWI Corridor	9,049,244	2.8%	2.6%	4.9%	3,397	113,308	\$24.84	\$24.34	\$24.48
Carroll County	6,846,532	3.3%	3.2%	5.1%	1,191	85,499	\$16.24	\$16.08	\$17.01
Cecil County	3,153,763	5.9%	6.2%	5.5%	9,845	-20,448	\$14.10	\$13.98	\$14.42
Columbia	10,104,334	4.9%	4.7%	6.5%	-27,342	49,302	\$31.34	\$31.18	\$31.13
Harford County	10,381,099	5.8%	6.1%	7.3%	42,069	98,929	\$21.49	\$20.95	\$20.03
Howard County West	712,332	4.7%	4.9%	3.1%	1,600	-10,899	\$24.54	\$19.45	\$32.38
I-83 Corridor	5,072,104	7.3%	7.4%	8.5%	3,490	85,849	\$21.37	\$21.37	\$21.69
Reisterstown Rd Corridor	7,388,344	10.3%	10.4%	10.1%	27,693	1,015	\$16.45	\$16.45	\$17.90
Route 2 Corridor	10,690,502	9.7%	10.3%	8.0%	62,227	-172,634	\$16.40	\$17.92	\$18.27
Towson	5,314,744	4.4%	4.9%	5.3%	27,954	47,972	\$25.56	\$25.56	\$26.53
Totals/Averages	115,881,026	6.4%	6.4%	6.8%	130,959	288,734	\$20.22	\$20.30	\$20.65

ITEMS TO NOTE:

PNC plans to close 135 branches, mostly in store, as clients prefer online banking to visiting branches. The closures will occur throughout 2023 across 5 states and will begin with 6 closures, including Gambills, MD in October 2022.

Howard Hughes signed 11 new leases which included Banditos, Medium Rare, Blackway Barn & Lodge, Might Quinn's Barbeque, Smashing Grapes, and Jrip Coffee & Croissanterie. Most will open in the Merriweather District where the mixed-use Juniper building and Color Burst Pakr are located just south of Merriweather Post Pavilion.

Anne Arundel County is home to the first Sportsbook outside of a casino in MD. Bingo World, located on Belle Grove Rd. has a new 3,000 sf BetRivers sportsbook which offers entertainment, wagering options, a lounge area, a bar, and 21 video screens.

Sherwin-Williams Company leased over 9,000 sf at Timonium Exchange in Lutherville Timonium. This location will primarily serve commercial paint contractors.

Whole Foods in Towson Row sold to New York investors for over \$26 million. Located at 300 Towson Row, the condominium is 63,750 sf and was acquired as the upleg part of a 1031 exchange for the buyer.

A five property, J.C. Penny portfolio sold for \$53 million to The Meridian Group and Martin-Diamond Properties. The buildings were formerly occupied by J.C. Penny, two of the buildings are in Maryland at Westfield Annapolis and The Mall in Columbia.

Vida Taco Bar in Harbor Point has closed after four years. The first tenant at 1405 Point has additional locations in Annapolis and Severna Park that will remain open.

Barnes & Noble, a White Marsh staple for 25 years, is closing temporarily to remodel and downsize. The store currently occupies 27,000 sf at 8123 Honeygo Blvd. and will downsize to 20,000 sf to fit a new national model.

Ross Dress for Less will open a new 20,000 sf store in Glen Burnie's Governor Plaza on Ritchie Hwy.



RETAIL INDICATORS

Market Size
115,881,026

Building Count
4,608

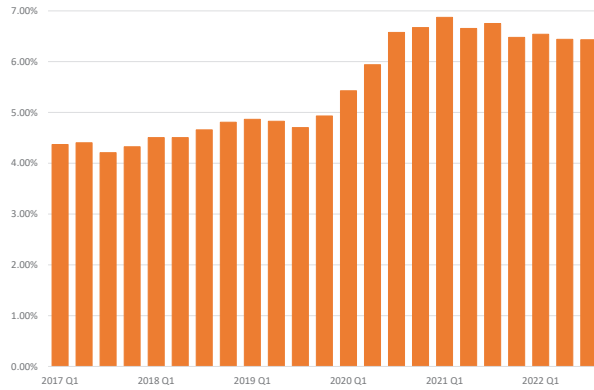
Absorption
130,959

YTD Absorption
288,734

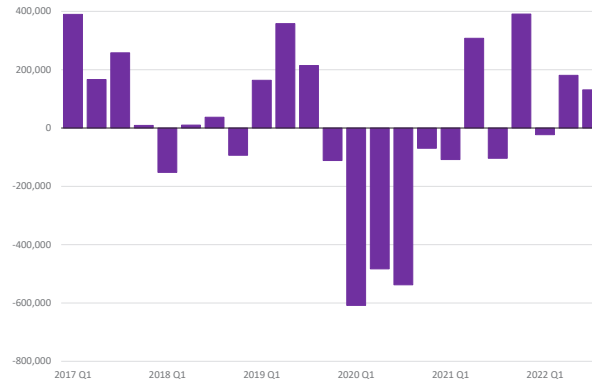
Vacancy
6.4%

Rental Rate
\$20.22/sf

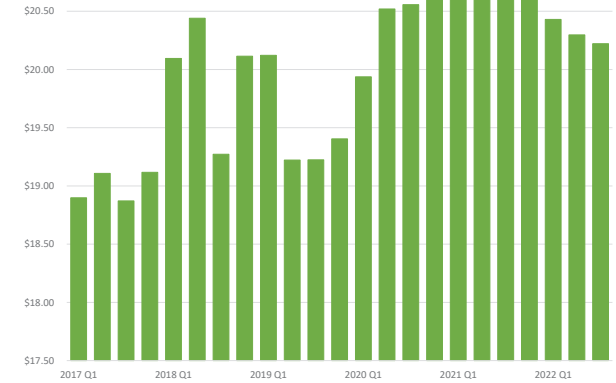
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1 BWI	2.8%
2 Carroll County	3.3%
3 Towson	4.4%

Highest Vacancy

1 Annapolis	13.1%
2 Reisterstown Rd Corridor	10.3%
3 Route 2 Corridor	9.7%

Most Change vs. Prior Quarter

- Route 2 Corridor	-0.57%
+ Baltimore City	0.45%

Lowest Net Absorption

1 Baltimore City	-38,357
2 Columbia	-27,342
3 Carroll County	1,191

Highest Net Absorption

1 Route 2 Corridor	62,227
2 Harford County	42,069
3 Towson	27,954

Most Absorption, Year-to-Date

- Baltimore City	-196,837
+ Baltimore County East	244,193

Cheapest Rates

1 Cecil County	\$14.10
2 Baltimore County East	\$15.62
3 Carroll County	\$16.24

Most Expensive Rates

1 Columbia	\$31.34
2 Annapolis	\$30.69
3 Towson	\$25.56

Most Change vs. Prior Quarter

- Route 2 Corridor	-\$1.52
+ Howard County West	\$5.09

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)
300 Towson Row	Towson	\$26,800,000	\$420.39	63,750
2911 E Joppa Rd	Baltimore Co. East	\$13,437,000	\$1,011.67	13,282
5431 Southern Maryland Blvd	Annapolis/Route 2	\$9,736,449	\$400.07	24,337
3601 Washington Blvd	BWI Corridor	\$9,515,151	\$41.01	232,034

* Renewal, Expansion, or Sublease

RETAIL OVERVIEW (DC METRO)

THIRD QUARTER | 2022



OFFICE INDICATORS

Market Size
80,382,094

Building Count
2,780

Absorption
112,263

YTD Absorption
230,768

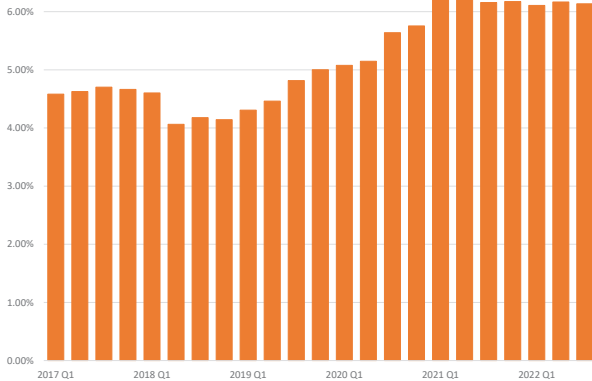
Vacancy
6.1%

Rental Rate
\$27.03/sf

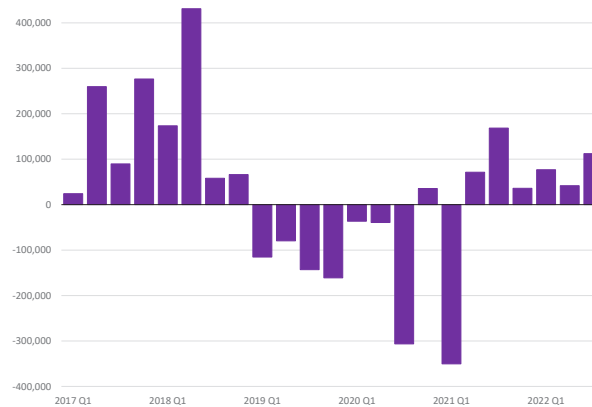
THE NUMBERS

	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	12,216,739	6.9%	7.1%	7.9%	26,331	120,608	\$20.48	\$21.06	\$19.03
Montgomery Co. North	10,833,517	6.9%	6.7%	7.0%	-18,617	32,103	\$27.21	\$26.41	\$25.95
Montgomery Co. South; Rockville/Bethesda	17,613,852	5.0%	6.1%	5.6%	192,791	131,965	\$32.02	\$32.47	\$30.42
Prince George's Co. North	21,976,073	6.1%	5.7%	5.7%	-91,285	10,073	\$25.63	\$25.26	\$23.22
Prince George's Co. South	12,255,494	5.6%	4.6%	4.0%	-24,979	-109,445	\$28.52	\$24.92	\$25.26
Silver Spring North/Route 29	3,139,037	11.8%	12.1%	12.2%	6,475	14,170	\$25.11	\$25.10	\$25.31
Silver Spring South	2,347,382	3.0%	3.9%	4.7%	21,547	31,294	\$30.82	\$30.82	\$25.09
Totals	80,382,094	6.1%	6.2%	6.2%	112,263	230,768	\$27.03	\$26.46	\$24.98

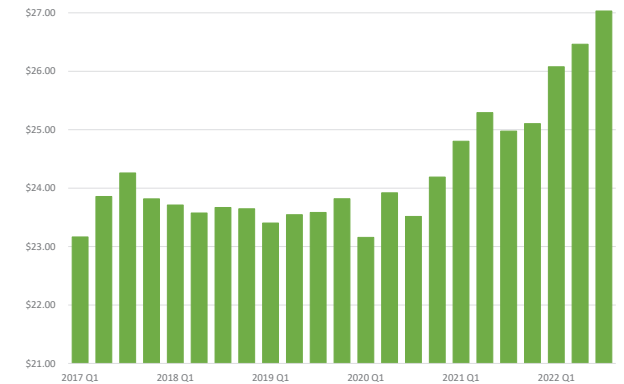
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
1 300 Rockville Pike	Montgomery County S	Rivian	61,640
806-990 Largo Center Dr.	Prince George's County N	Urban Air Adventure Park	35,686
4783-4829 Marlboro Pike	Prince George's County S	Shopper's Warehouse	35,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
Takoma Langley Crossroads	Prince George's Co.	\$57,750,000	\$461.10	125,245
6920 Crestwood Blvd.	Frederick County	\$8,400,000	\$164.77	50,981
15700 Shady Grove Rd.	Montgomery County S	\$7,000,000	\$905.45	7,731

* Renewal, Expansion, or Sublease