



RETAIL INDICATORS

Market Size
116,833,246

Building Count
4,703

Absorption
-2,261

YTD Absorption
-2,261

Vacancy
6.20%

Rental Rate
\$20.53/sf

1ST QUARTER SUMMARY

The year began with strong leasing activity, despite a slight increase in vacancy rates. Overall vacancy rose by 10 basis points to 6.2%, which is still lower than the 6.4% recorded in the first quarter of last year. Notably, three spaces totaling over 110,000 square feet were leased at the former JC Penney building at the Annapolis Mall, although it could not be confirmed if the deals were fully executed by the end of the first quarter.

Deals for over half a million square feet of existing inventory have already been signed this year, indicating continued demand, albeit softening. Only 37% of the 286,000 square feet of retail space currently under construction is available for lease, with the majority already pre-leased.

Baltimore City has the largest concentration of vacancy, with over 1.3 million square feet available. In contrast, retail demand in the BWI Corridor remains strong, with vacancy reaching another all-time low at 1.78%, while rental rates continue to command prices in the mid-\$20s.

However, deal negotiations remain challenging due to high interest rates, inflated operating expenses, and elevated construction costs. Market demand for 2nd generation restaurant space continues to reach new highs given these current economic conditions. We expect this trend to continue well into 2024 given the lack of new construction. With the few projects currently in design, end cap drive thru spaces are critical to retailers and will drive higher market rents.

ITEMS TO NOTE:

Baltimore's State Center redevelopment is progressing, but the plans no longer include the Fifth Regiment Armory at 219 29th Division St. Initial plans propose an upscale grocery store, home goods, and other retail stores, which might be relocated within the development.

TRIBE, an innovative movement and wellness school inked a deal for 107 E. Preston St. in Mt. Vernon. They intend to be open by the 2nd Quarter 2024.

Rye Street Tavern will reopen in Spring 2024 after being closed since 2021. Clyde's Restaurant Group has taken over the 12,000 sf restaurant which has undergone renovations in the past few months.

Low cost rent is bringing local small businesses to the Harborplace Pavilion and providing a startup location that would be otherwise unobtainable. The initiative has brought the occupancy up to 60%.

The Wine Source situated near The Avenue in Hampden, is now on the market. The owner, who has been at this location for over 23 years, stated that it is time for the new generation to assume ownership and introduce some high-tech upgrades.

Success comes from the StarUp at the Armory (a co-working space for entrepreneurs) for ZenJoy. The drink company is starting a partnership with Giant in April to add their product to 145 stores.

Vacant since 2020, the former Da Mimmo Italian Restaurant in Little Italy has been sold to a local developer. Da Mimmo had been a fixture at 217 S. High St. for 36 years and the new owner is seeking to fill the space with an experienced restaurant operator.

Following the closure of over 20 branches in Maryland last year, PNC Financial Services Group has announced plans to open three new branches and renovate several existing locations soon. PNC is committing approximately \$1 billion to open more than 100 new branches nationwide and renovate over 1,200 existing locations by 2028.

THE NUMBERS	MARKET SIZE	VACANCY %			ABSORPTION		RENTAL RATES		
		Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Annapolis	5,285,955	12.55%	12.64%	12.80%	-2,276	-2,276	\$29.95	\$29.81	\$30.52
Baltimore City	19,058,700	7.01%	6.94%	7.50%	28,575	28,575	\$18.69	\$18.31	\$18.51
Baltimore County East	15,504,700	5.41%	5.29%	4.84%	11,685	11,685	\$15.26	\$15.66	\$16.35
Baltimore County West	7,485,782	6.12%	5.83%	5.76%	-34,729	-34,729	\$18.03	\$18.54	\$15.84
BWI Corridor	9,165,587	1.80%	2.56%	2.80%	25,111	25,111	\$25.69	\$25.35	\$25.98
Carroll County	6,897,436	2.43%	2.35%	2.67%	2,639	2,639	\$16.30	\$16.19	\$17.89
Cecil County	3,217,701	4.52%	5.34%	6.29%	-5,434	-5,434	\$13.97	\$13.94	\$14.14
Columbia	10,091,422	4.47%	4.57%	4.92%	-3,619	-3,619	\$29.32	\$29.61	\$31.35
Harford County	10,588,313	5.33%	5.92%	6.98%	79,498	79,498	\$20.92	\$20.34	\$20.99
Howard County West	759,881	4.57%	4.10%	3.99%	-1,066	-1,066	\$27.04	\$27.29	\$25.43
I-83 Corridor	5,198,744	7.73%	6.41%	6.48%	-46,266	-46,266	\$25.32	\$25.19	\$23.92
Reisterstown Rd Corridor	7,464,741	10.86%	9.70%	10.11%	-18,151	-18,151	\$18.05	\$18.05	\$21.58
Route 2 Corridor	10,666,748	9.58%	9.30%	9.62%	-15,574	-15,574	\$17.15	\$16.27	\$16.05
Towson	5,447,536	3.53%	3.38%	3.62%	-22,654	-22,654	\$24.36	\$24.32	\$25.82
Totals/Averages	116,833,246	6.20%	6.10%	6.40%	-2,261	-2,261	\$20.53	\$20.40	\$20.96



RETAIL INDICATORS

Market Size
116,833,246

Building Count
4,703

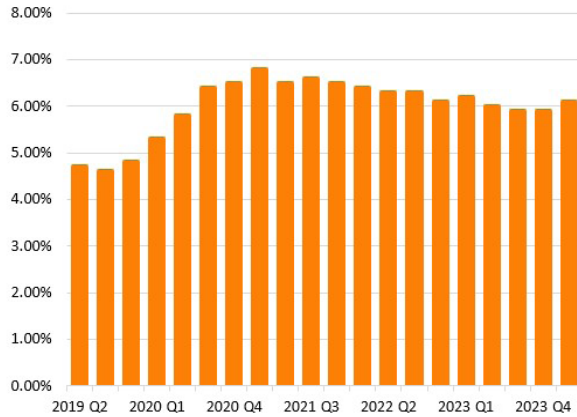
Absorption
-2,261

YTD Absorption
-2,261

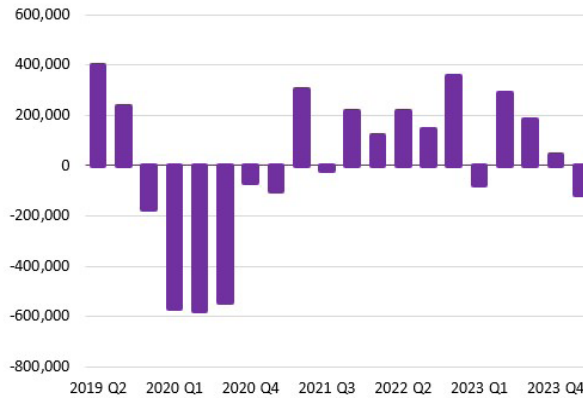
Vacancy
6.20%

Rental Rate
\$20.53/sf

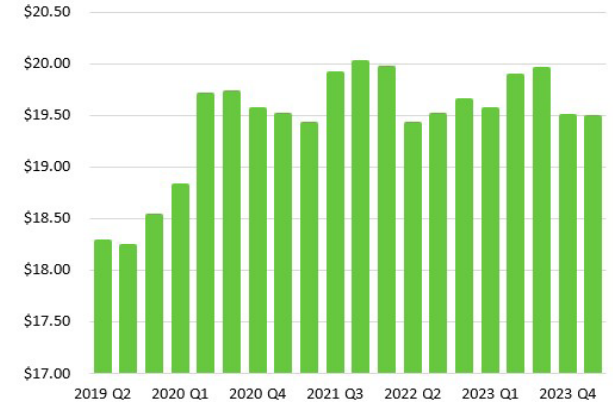
VACANCY



NET ABSORPTION



RENTAL RATES



Lowest Vacancy

1 BWI Corridor	1.80%
2 Carroll County	2.43%
3 Towson	3.53%

Highest Vacancy

1 Annapolis	12.55%
2 Reisterstown Rd Corridor	10.86%
3 Route 2 Corridor	9.58%

Most Change vs. Prior Quarter

- Cecil County	-0.82%
+ I-83 Corridor	1.32%

Lowest Net Absorption

1 Harford County	79,498
2 Baltimore City	28,575
3 BWI Corridor	25,111

Highest Net Absorption

1 I-83 Corridor	-46,266
2 Baltimore County West	-34,729
3 Towson	-22,654

Most Absorption, Year-to-Date

- Baltimore County East	-26,374
+ Route 2 Corridor	78,428

Cheapest Rates

1 Cecil County	\$13.97
2 Baltimore County East	\$15.26
3 Carroll County	\$16.30

Most Expensive Rates

1 Annapolis	\$29.95
2 Columbia	\$29.32
3 Howard County West	\$27.04

Most Change vs. Prior Quarter

- Baltimore County West	-\$0.51
+ Route 2 Corridor	\$0.88

LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
3255 Solomons Islands Rd.	Anne Arundel County	Tractor Supply Company	33,272
100 Light St.*	Baltimore City Center	The Center Club	29,258
6501 Baltimore National Pike	Baltimore County West	Burlington	28,556
8023 Belair Rd.	Baltimore County West	Unknown	24,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
9616 Harford Rd.	Baltimore County East	\$4,193,200	\$318	13,191
7 Church Cir.	Annapolis	\$4,105,000	\$539	7,620
6838 Loch Raven Blvd.	Towson	\$2,928,196	\$301	9,739
6220 Baltimore National Pike	Baltimore County West	\$2,900,000	\$431	6,723

* Renewal, Expansion, or Sublease

RETAIL OVERVIEW (DC METRO)

FIRST QUARTER | 2024



RETAIL INDICATORS

Market Size
80,965,440

Building Count
2,813

Absorption
88,122

YTD Absorption
88,122

Vacancy
6.05%

Rental Rate
\$28.92

THE NUMBERS

MARKET SIZE

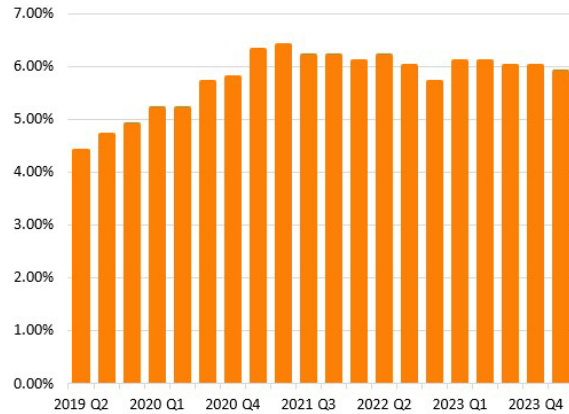
VACANCY %

ABSORPTION

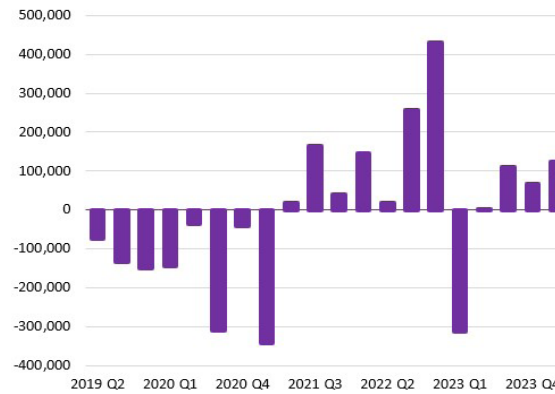
RENTAL RATES

	MARKET SIZE	Current	Prior Qtr	Prior Yr	Net	YTD	Current	Prior Qtr	Prior Yr
Frederick Co.	12,142,979	5.42%	6.41%	7.10%	9,144	9,144	\$25.67	\$23.47	\$23.47
Montgomery Co. North	10,786,951	8.46%	8.41%	6.50%	7,582	7,582	\$31.08	\$30.17	\$27.98
Montgomery Co. South; Rockville/Bethesda	17,884,180	4.48%	4.37%	4.20%	55,930	55,930	\$32.23	\$34.10	\$32.58
Prince George's Co. North	22,126,014	6.62%	6.16%	6.40%	-93,788	-93,788	\$25.46	\$24.56	\$24.87
Prince George's Co. South	12,296,153	4.57%	4.65%	4.80%	25,362	25,362	\$26.28	\$26.22	\$24.62
Silver Spring North/Route 29	3,369,684	12.51%	10.49%	9.50%	91,692	91,692	\$38.70	\$37.64	\$32.24
Silver Spring South	2,359,479	3.18%	3.27%	2.80%	-7,800	-7,800	\$42.85	\$42.85	\$40.45
Totals	80,965,440	6.05%	6.00%	5.90%	88,122	88,122	\$28.92	\$28.58	\$27.50

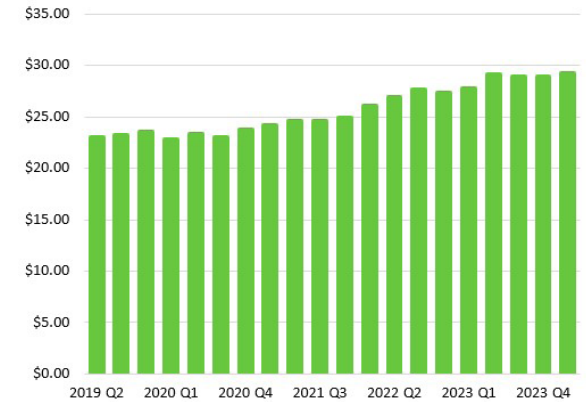
VACANCY



NET ABSORPTION



RENTAL RATES



LEASE TRANSACTIONS

Location	Region	Tenant	Leased (sf)
Old National Pike	Frederick County	Weis Markets	65,000
3500 East West Hwy.	Prince George's County	Primark	30,000
1301 W. Patrick St.	Frederick County	Spinner's Pinball Arcade	23,000

SALE TRANSACTIONS

Location	Region	Price	PSF	Bldg. Size (sf)
10 Upper Rock Cir.	Montgomery County S	\$14,150,000	\$407	34,755
7400 Shockley Dr.	Frederick County	\$12,500,000	\$232	53,799
405 S Frederick Ave.	Montgomery County N	\$7,819,736	\$1,545	5,060

* Renewal, Expansion, or Sublease