MARKETBEAT
BALTIMORE
INDUSTRIAL Q4 2024

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
5.3% Vacancy Rate	▲	▼
1.6M YTD Net Absorption, SF	▼	▲
$8.28 Asking Rent, PSF	▼	▬

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.4M Baltimore Employment	▲	▲
3.0% Baltimore Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	▲	▲

Source:BLS

ECONOMY:

The Federal Reserve's recent quarter-point rate cut in December 2024, lowering the federal funds target rate to 4.25%-4.5%, underscores its commitment to stabilizing a cooling yet resilient U.S. economy. Projections for two additional rate cuts in 2025 signal a cautious approach to economic management, with the Fed deferring its 2% inflation target to 2026.

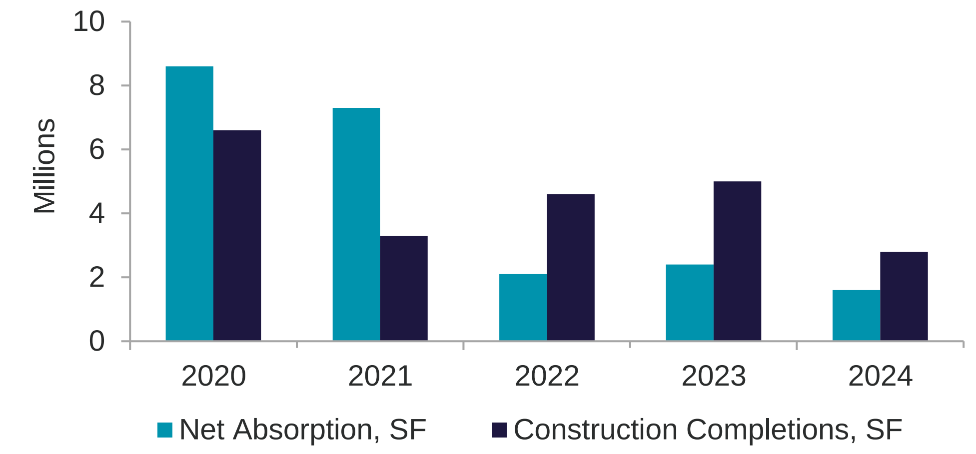
Despite a 70 basis points year-over-year (YOY) increase, Baltimore's 3.0% unemployment rate remains 120 basis points below the U.S. average. Regional economic indicators highlight steady momentum, with manufacturing jobs growing at an annualized rate of 2.0% over the past six months. Local CPI-U rose 0.2% in the last two months, propelled by higher costs for shelter and recreation, reflecting a mix of inflationary pressures and consumer resilience.

DEMAND:

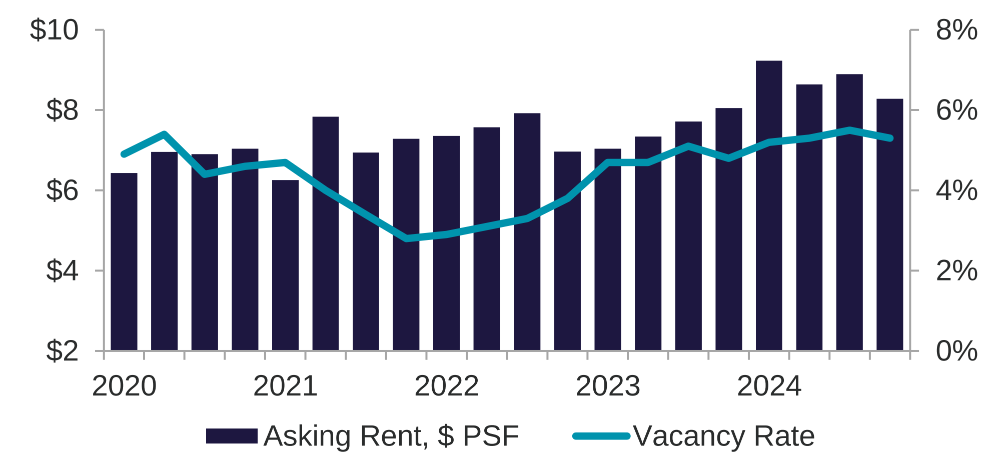
The Baltimore industrial market faced a slowdown in 2024, with delivery totals declining by 43.0% YOY to 2.8 million square feet (msf). This reduced pipeline reflects a cautious development environment, exacerbated by high availability rates, as 63.0% of the space delivered in 2024 remains vacant. Absorption metrics mirrored this trend, totaling 1.6 msf —a 35.0% YOY decline and 60.0% below the trailing three-year average. In 2024, occupancy gains were concentrated along the I-95 North Corridor, which absorbed 2.7 msf. However, this growth was offset by losses in the BW Corridor, where 1.2 msf of occupancy loss was recorded, driven by a lack of new leasing activity and renewals influencing total leasing volumes.

Development trends also shifted, with the average building size for deliveries in 2024 at 191,205 sf marking the first time in five years it has fallen below 200,000 sf. The market's vacancy profile is also heavily weighted, with nearly half (49.0%) of vacant space tied to the five largest listings, emphasizing the impact of large-block availability on overall market health . These dynamics reflect both cyclical pressures and structural adjustments in Baltimore's industrial market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)
Howard County	36,644,359	1,969,548	5.40%	67,172	-1,036,967	0	0	N/A	$15.50	$14.40
Anne Arundel County	32,735,582	1,427,709	4.40%	341,562	63,655	220,284	774,181	N/A	$14.00	$12.50
Baltimore City/County SW	23,980,542	1,256,476	5.20%	-33,300	-255,709	0	0	N/A	$9.25	$8.15
Baltimore-Washington Corridor Totals	93,360,483	4,653,733	5.00%	375,434	-1,229,021	220,284	774,181	N/A	$12.46	$13.31
Harford County	27,864,132	1,580,202	5.70%	63,620	284,217	463,612	416,800	N/A	$10.00	$6.00
Cecil County	18,668,944	2,360,630	12.60%	0	1,359,600	0	794,520	N/A	N/A	N/A
Baltimore County East	63,751,645	3,147,661	4.90%	523,995	1,079,443	2,012,483	851,500	N/A	$14.97	$6.13
I-95 North Corridor Totals	110,284,721	7,088,493	6.40%	587,615	2,723,260	2,476,095	2,062,820	N/A	$14.72	$6.13
Baltimore County North/West	15,396,929	445,634	2.90%	67,883	83,581	0	0	N/A	$9.50	$9.90
Baltimore City	6,618,224	196,909	3.00%	3,700	-3,520	0	0	N/A	$11.54	N/A
Carroll County	7,200,453	20,193	0.30%	3,760	3,760	0	0	N/A	$17.50	$6.00
Beltway Corridor Totals	29,215,606	662,736	2.30%	75,343	83,821	0	0	N/A	$13.22	$9.78
BALTIMORE TOTALS	**232,860,810**	**12,404,962**	**5.30%**	**1,038,392**	**1,578,060**	**2,696,379**	**2,837,001**	**N/A**	**$13.58**	**$7.64**

**Rental rates reflect weighted net asking $psf/year*

***Please note, table reflects industrial & flex property combined statistics*

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
8901 Snowden River Pky	Columbia South	Cart.com	290,788	New
7300 Corporate Center Dr.	BWI/Anne Arundel	Confidential	228,085	New
5003 Holabird Ave	Southeast	TA Services	161,415	Renewal*
3701 Duncanwood Ln	Baltimore City East	Confidential	135,873	Renewal*
7510 Montevideo Rd	Route 1 Corridor	Tate Access Floors, Inc.	121,211	New

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
7200 Standard Dr	BW Corridor	High Street Logistics Properties/EQT Exeter	154,590	$27M/$174.66
7510 Montevideo Rd	BW Corridor	Tate Access Floors, Inc./ Gaulin Properties, LLC	121,211	$18.5M/$152.63
6750 Santa Barbara Ct	BW Corridor	Rockfon/Commercial Real Estate Services of Maryland	101,066	$9.4M/$93.01

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