MARKETBEAT

BALTIMORE

INDUSTRIAL Q1 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
7.5% Vacancy Rate	▲	▼
455K YTD Net Absorption, SF	▼	▲
$10.67 Asking Rent, PSF	▼	▬

(Overall, Net Asking Rent)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.5M Baltimore Employment	▼	▼
3.0% Baltimore Unemployment Rate	▲	▲
4.1% United States Unemployment Rate	▲	▲

Source:BLS

ECONOMY:

The U.S. economy remained fluid in early 2025. Consumer spending was strong in late 2024, but confidence is slipping amid inflation concerns and new tariffs driving up costs. The Federal Reserve is expected to cut rates twice this year, though Gross Domestic Product growth is forecasted to stay below 2%. Amid slowing growth and persistent inflation, investors are favoring stable fixed-income assets, while consumer sentiment weakens despite solid spending.

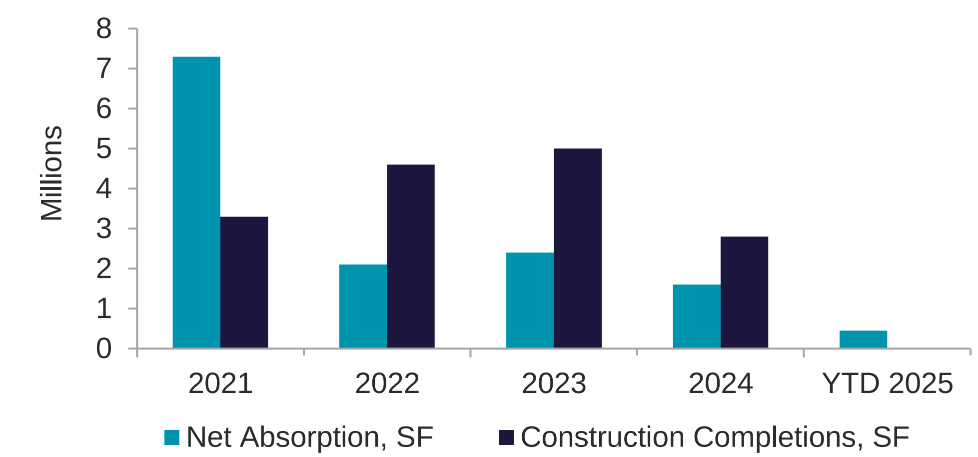
In Baltimore, the economy is rebounding well. Following the collapse of the Key Bridge (Q1 2024), the Port of Baltimore returned to full capacity by the end of the year. Furthermore, a $2 billion federally funded rebuild of the bridge is set to rally the local economy as earliest bridge completion dates are targeted for 2028.The port's national importance is widely recognized, adding to optimism surrounding the construction project. Lastly, population is growing across the region, with Baltimore City seeing its first increase in a decade.

DEMAND:

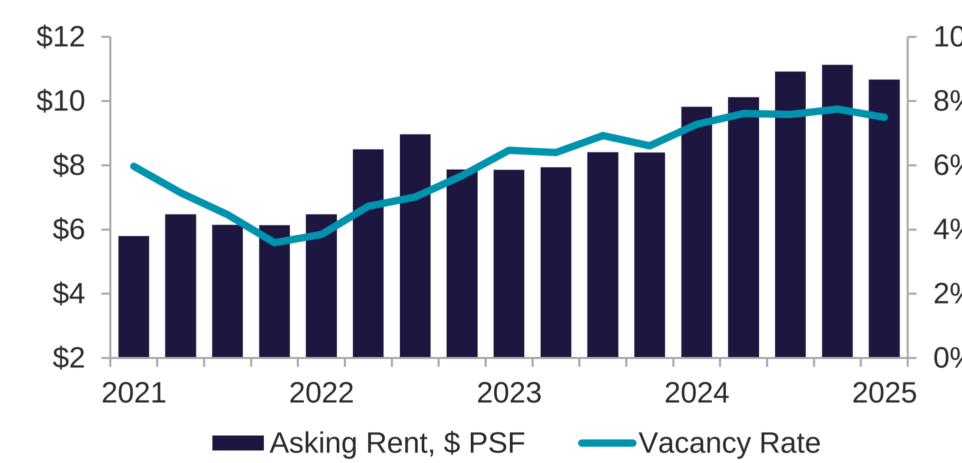
Baltimore's industrial market continued to demonstrate resilience in Q1 2025, with overall vacancy ticking down to 7.5%— an improvement of 30 basis points (bps) from the previous quarter, though still 90 bps higher year-over-year. Driven by both BW Corridor and I-95 North submarkets, the region posted over 455,000 square feet (sf) of positive net absorption. Notable move-ins included Cart.com's occupancy of a 290,000-sf facility at 8901 Snowden River Parkway in Columbia and Restoration Hardware's 201,000-sf lease commencement at 1 Principio Parkway – Building C2 in Cecil County.

On the development side, construction activity slowed notably, with no new speculative projects breaking ground in Q1. This comes on the heels of 2024's eight speculative starts—the lowest annual total since 2020. Currently, there is 1.2 million square feet of spec space under construction, representing a 19.6% decline compared to the trailing three-year average. The absence of new starts, paired with steady absorption, could support tightening fundamentals in the quarters ahead, particularly if demand remains stable.

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)
Baltimore City East	17,365,092	1,236,488	7.10%	-125,876	-125,876	0	0	N/A	N/A	$8.74
Baltimore County East	29,779,531	1,900,086	6.40%	81,917	81,917	2,127,483	0	N/A	N/A	$10.26
Harford and Cecil County	40,572,329	3,647,901	9.00%	304,808	304,808	463,612	0	N/A	N/A	$8.17
I-95N CORRIDOR TOTALS	**87,716,952**	**6,784,475**	**7.70%**	**260,849**	**260,849**	**2,591,095**	**0**	**N/A**	**N/A**	**$8.96**
Baltimore Southeast	10,825,506	666,014	6.20%	0	0	0	0	N/A	N/A	$11.07
Baltimore Southwest	15,349,226	1,236,877	8.10%	-28,150	-28,150	0	0	N/A	N/A	$10.95
I-95/Route 1 Corridor	41,768,005	3,653,269	8.80%	195,075	195,075	471,972	0	N/A	N/A	$13.58
BW CORRIDOR TOTALS	**67,942,737**	**5,556,160**	**8.20%**	**166,925**	**166,925**	**471,972**	**0**	**N/A**	**N/A**	**$12.90**
Carroll	5,384,965	0	0	0	0	0	0	N/A	N/A	N/A
Northwest	1,287,917	0	0	0	0	0	0	N/A	N/A	N/A
Reisterstown Road Corridor	278,533	0	0	0	0	0	0	N/A	N/A	N/A
Route 83 North	2,590,770	49,681	1.90%	27,761	27,761	0	0	N/A	N/A	$10.25
Route 83 South	375,976	0	0	0	0	0	0	N/A	N/A	N/A
Woodlawn/Catonsville	522,934	44,808	8.60%	0	0	0	0	N/A	N/A	$7.15
BELTWAY TOTALS	**10,441,095**	**94,489**	**0.90%**	**27,761**	**27,761**	**0**	**0**	**N/A**	**N/A**	**$8.78**
BALTIMORE TOTALS	**166,100,784**	**12,435,124**	**7.50%**	**455,535**	**455,535**	**3,063,067**	**0**	**N/A**	**N/A**	**$10.67**

Rental rates reflect weighted net asking $psf/year

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1 Principio Pky	Harford and Cecil County	Restoration Hardware	201,000	New
4625 Hollins Ferry Rd	Baltimore Southwest	Poole & Kent	150,228	New
7600 Assateague Dr	I-95/Route 1 Corridor	Pepsi	141,403	Renewal
504 Advantage Ave	Harford and Cecil County	WF Cabinetry	114,608	New (sublease)
1501 Perryman Road	Harford and Cecil County	White Glove	105,300	New Lease

Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1255 & 1201 S. Caton Ave	BW Corridor	MRP Industrial/New York State Common Retirement Fund	300,726	$85.5M/$284.15
10 property portfolio	BW Corridor/95N	Blackstone, Inc./Investcorp International	881,000	$128.7M/$146.10

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