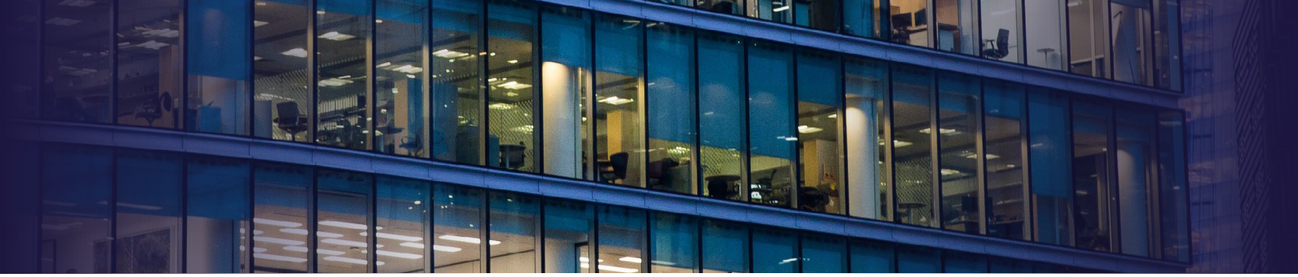
MARKETBEAT

Baltimore

OFFICE Q1 2025



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
16.4% Vacancy Rate	▼	▲
383.6K YTD Net Absorption, SF	▲	▼
$25.64 Asking Rent, PSF	▲	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.4M Baltimore Employment	▼	▼
3.0% Baltimore Unemployment Rate	▲	▲
4.1% U.S. Unemployment Rate	▲	▲

Source:BLS

ECONOMY:

The Federal Reserve (Fed) elected to hold out on making any changes to interest rates this quarter, opting to hold steady while the new administration begins to enact its economic policy. The array of tariffs, tax cuts, and regulatory changes proposed has created uncertainty among businesses, investors, and consumers alike, already leading to some contraction in the market while the Consumer Confidence Index (CCI) fell to a 12 year low according to the Conference Board's March survey. Inflation is currently at 2.8%, up 0.2% on a seasonally adjusted basis according to the Bureau of Labor Statistics (BLS).

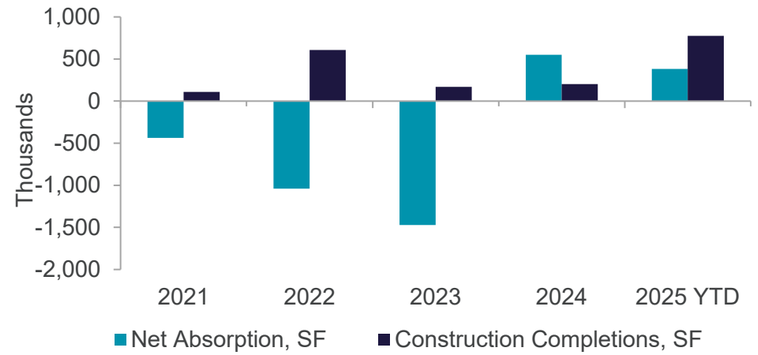
Unemployment in the region is up 20 basis points (bps) year over year (YOY), the office-using sectors with the largest declines were information, professional & business services, and finance. The Baltimore economy could also be particularly affected by federal employment and funding cuts in the coming months. According to the Maryland State Archives, Maryland has the second highest concentration of federal workers in the country with 158,000, which constitutes 5.8% of the state's total workforce.

SUPPLY AND DEMAND:

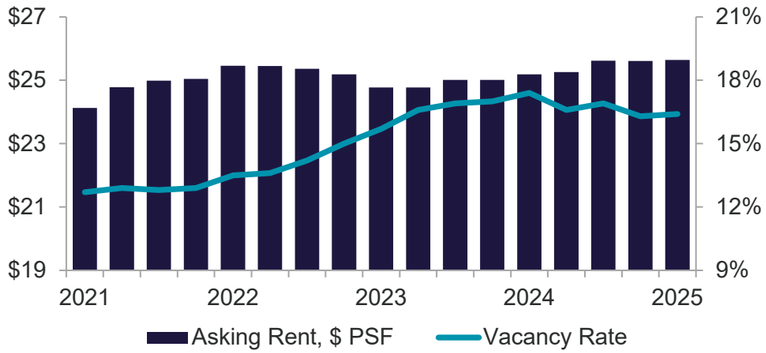
The first quarter brought the end of major office construction within the city with 775,000 square feet (sf) of new office delivered in the Southeast market, including Under Armour's new office at its headquarters campus in Baltimore Peninsula and the new T. Rowe Price headquarters in Harbor Point, where the firm will be relocating 2,000 employees over the following weeks as they vacate 100 E Pratt. The relocation is anticipated to bring 450,000 sf of vacant space to the Central Business District (CBD) in the second quarter, undoing three consecutive quarters of vacancy decline.

Vacancy rates are also on the rise in Suburban markets, up 220 basis points (bps) year over year (YOY) in Baltimore county, which had 13 availabilities greater than 10,000 sf become vacant this quarter. Similarly, in the Baltimore-Washington Corridor (Howard and Anne Arundel Counties), the vacancy rate is up 70 bps YOY. Sublease vacancy has also nearly doubled in the corridor, up 110 bps YOY, and currently constitutes 60.0% of all sublease vacancy within the overall market.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
Baltimore City	22,284,001	4,174,745	130,502	19.3%	798,019	798,019	118,833	0	$26.89	$29.71
Howard County	17,278,021	2,068,065	401,416	14.3%	-89,004	-89,004	222,899	0	$26.21	$28.72
BWI Airport	11,980,334	1,003,672	234,950	10.3%	-19,343	-19,343	44,377	137,985	$25.88	$29.46
Suburban North	13,532,277	2,069,218	220,625	16.9%	-128,564	-128,564	126,359	0	$23.90	$25.78
Harford County	1,989,968	503,125	13,463	26.0%	-12,064	-12,064	0	0	$24.00	$25.39
Greater Annapolis	3,961,712	466,633	52,852	13.1%	-4,576	-4,576	44,513	0	$29.14	$31.91
Suburban West	8,382,069	1,611,216	85,070	20.2%	-160,833	-160,833	48,713	0	$22.50	$24.00
BALTIMORE TOTALS	**79,408,382**	**11,896,674**	**1,138,878**	**16.4%**	**383,635**	**383,635**	**605,694**	**137,985**	**$25.64**	**$28.09**

**Rental rates reflect full service asking*

CLASS	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (ALL CLASSES)*	OVERALL AVG ASKING RENT (CLASS A)*
CLASS A	43,967,102	7,064,419	919,215	18.2%	510,965	510,965	400,654	137,985	$28.24	$28.09
CLASS B	35,441,280	4,832,255	219,663	14.3%	-127,330	-127,330	205,040	0	$21.71	$21.56
BALTIMORE TOTALS	**79,408,382**	**11,896,674**	**1,138,878**	**16.4%**	**383,635**	**383,635**	**605,694**	**137,985**	**$25.64**	**$28.09**

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
650 S Exeter St.	Baltimore CBD	Gallagher, Evelius & Jones	34,863	New Lease
209 Research Blvd.	Harford County	The Mitre Corporation	31,986	Renewal*
7001 Columbia Gateway Dr.	Columbia South	Tate Access Floors	24,183	New Sublease
2305 N Charles St.	Midtown	Maryland Direction for Women	21,756	New Lease
307 International Cir.	Route 83 North	FlexPrint Intermediate, LLC	16,394	New Lease

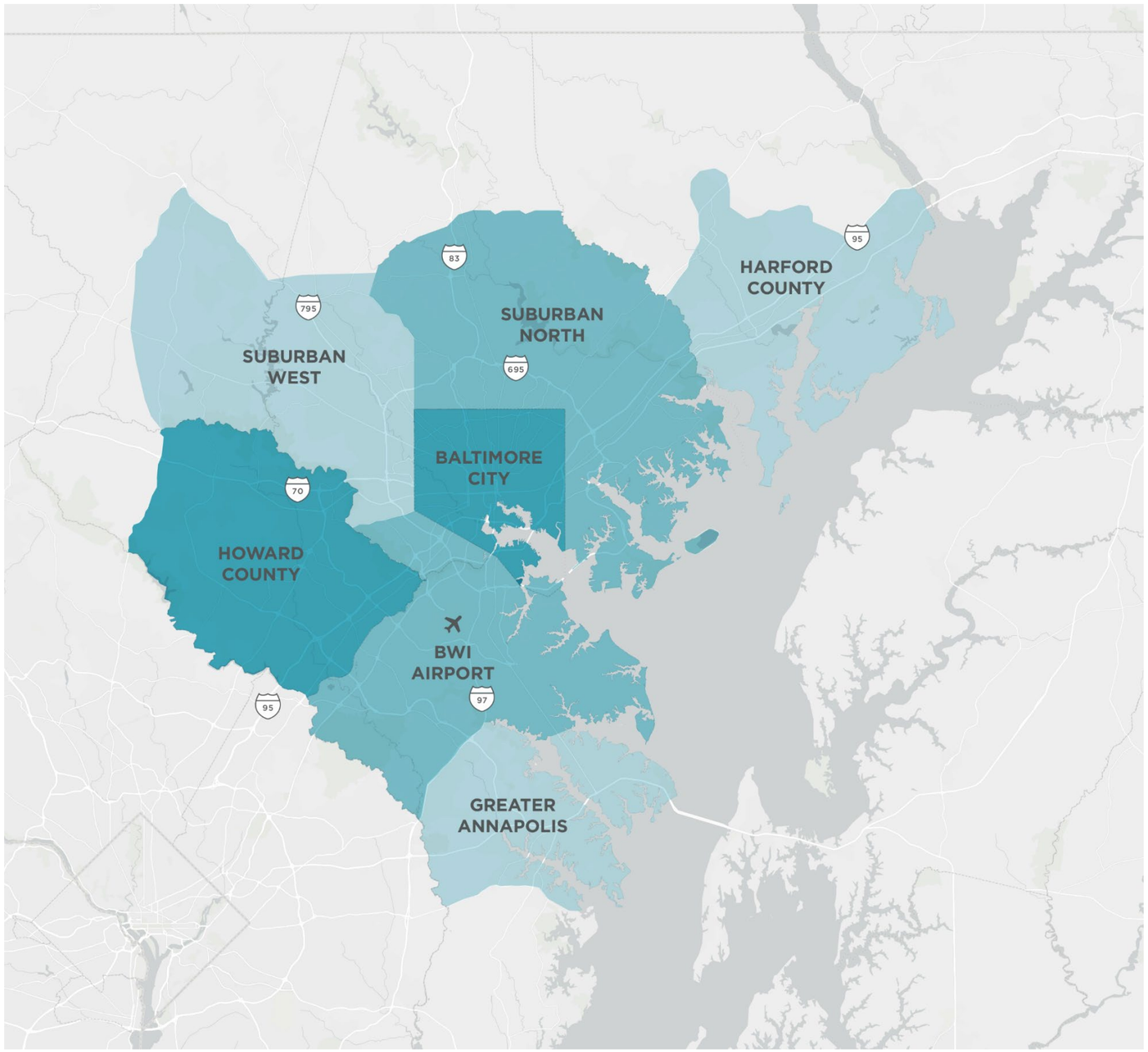
**Renewals not included in leasing statistics*

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
1307 Point St. (Buildings I & II)	Southeast	T. Rowe Price	525,000	Beatty Development, LLC
2501 Port Covington Dr.	Southeast	Under Armour	250,000	Sagamore Ventures

BALTIMORE
OFFICE Q1 2025

OFFICE SUBMARKETS



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