MARKETBEAT

BALTIMORE

INDUSTRIAL Q2 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.5% Vacancy Rate	▲	▼
-687K YTD Net Absorption, SF	▼	▲
$10.92 Asking Rent, PSF *(Overall, Net Asking Rent)*	▲	▬

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.5M Baltimore Employment	▲	▼
3.1% Baltimore Unemployment Rate	▲	▲
4.2% United States Unemployment Rate	▲	▲

Source: BLS

ECONOMY:

The Port of Baltimore, a key driver of the region's industrial economy, is beginning to see the effects of new federal trade policies. Recent 25.0% tariffs on imported vehicles and parts have led some automakers, including Mitsubishi and Audi, to store cars at the port or delay processing. While current logistics remain stable, continued shifts in import activity could impact related sectors such as transportation and warehousing. The port's strong infrastructure and available space have helped maintain efficiency despite these adjustments.

At the national level, broad reciprocal tariffs ranging from 10.0% to 46.0% on goods from over 60 countries add an additional layer of complexity. With the majority of Baltimore's auto imports coming from overseas, port stakeholders and industrial users are closely monitoring changes in shipper behavior and cost structures. While the long-term impact remains uncertain, Baltimore's position as a major distribution hub ensures it will continue to play a critical role in adapting to evolving trade dynamics.

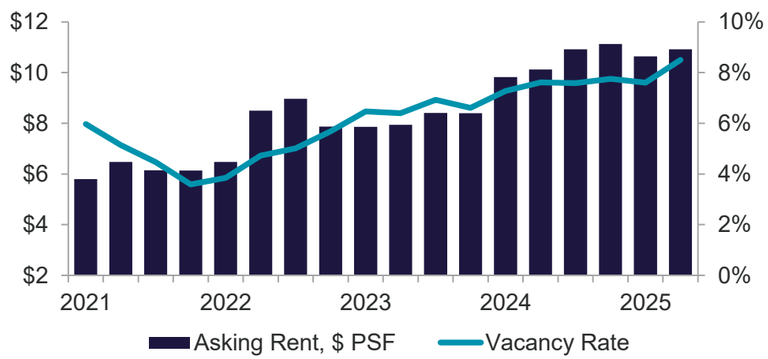
SUPPLY & DEMAND:

Headwinds persisted for the Baltimore industrial market in Q2 2025, as vacancy rose to 8.5%, a 100-basis -point (bp) increase from last quarter and the highest vacancy rate since Q2 2020. Net absorption totaled -1.2 million square feet (msf), driven by a combination of tenant relocations and move outs across the market. Along the I-95 North Corridor, Baltimore International Warehousing (BIW) vacated 600,000 square feet (sf) at 2800 Eastern Ave. Meanwhile, Classic Brands vacated 434,000 sf located at 8901 Snowden River Pky in the BW Corridor. These two departures accounted for over 1.0 msf of occupancy loss.

Despite negative absorption, bright spots emerged. Marking the largest lease commencement of the quarter, the delivery of the University of Maryland-Logistics Center at Tradepoint Atlantic added 414,960 sf of fully leased space to the market and softened the second quarter's overall loss in occupancy. Since its launch in 2017, Tradepoint Atlantic has delivered over 11.1 msf, with another 1.3 msf under construction and 10.4 msf absorbed to date—solidifying its role as a major engine for industrial growth in Maryland. Additionally, the BW Corridor saw new-to-market absorption activity totaling 253,871 sf, with notable move-ins from Daikin (120,000 sf), USpeed Logistics (65,871 sf), Magnolia Cabinetry (50,000 sf), and Quantum Aviation (38,340 sf), adding some positive momentum to an otherwise challenging quarter.

SPACE DEMAND / DELIVERIES

OVERALL VACANCY & ASKING RENT



BALTIMORE
INDUSTRIAL Q2 2025

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)	YTD LEASING ACTIVITY (SF)	YTD RENEWAL LEASING ACTIVITY (SF)**	OVERALL WEIGHTED AVG NET RENT (W/D)
Baltimore City East	17,365,092	1,250,788	7.2%	0	-125,876	0	0	0	0	$9.03
Baltimore County East	30,194,309	2,971,714	9.8%	-603,994	-522,077	1,712,523	414,960	501,500	94,350	$11.10
Harford and Cecil County	41,205,257	3,713,224	9.0%	-65,323	239,485	463,612	0	420,908	316,524	$8.22
I-95N CORRIDOR TOTALS	**88,764,658**	**7,935,726**	**8.9%**	**-669,317**	**-408,468**	**2,176,135**	**414,960**	**922,408**	**410,874**	**$9.44**
Baltimore Southeast	10,825,506	666,805	6.2%	0	0	0	0	99,650	151,189	$10.80
Baltimore Southwest	15,349,411	1,511,929	9.9%	-275,052	-303,202	0	0	181,368	0	$10.99
I-95/Route 1 Corridor	41,883,193	4,010,596	9.6%	-208,753	-2,737	356,784	115,188	748,081	1,316,185	$13.32
BW CORRIDOR TOTALS	**68,058,110**	**6,189,330**	**9.1%**	**-483,805**	**-305,939**	**356,784**	**115,188**	**1,029,099**	**1,467,374**	**$12.62**
Carroll	5,384,965	0	-	0	0	0	0	0	1,035,249	N/A
Northwest	1,287,917	0	-	0	0	0	0	0	0	N/A
Reisterstown Road Corridor	278,533	0	-	0	0	0	0	0	0	N/A
Route 83 North	2,590,770	104,328	4.0%	0	27,761	0	0	13,910	0	$10.19
Route 83 South	375,976	0	-	0	0	0	0	0	0	N/A
Woodlawn/Catonsville	522,934	44,808	8.6%	0	0	0	0	0	0	$7.15
BELTWAY TOTALS	**10,441,095**	**149,136**	**1.4%**	**0**	**27,761**	**0**	**0**	**13,910**	**1,035,249**	**$9.27**
BALTIMORE TOTALS	**167,263,863**	**14,274,192**	**8.5%**	**-1,153,122**	**-686,646**	**2,532,919**	**530,148**	**1,965,417**	**2,913,497**	**$10.92**

**Rental rates reflect weighted net asking $psf/year* ***Renewal statistics do not match the national published stats*

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
6600 Business Pkwy	I-95/Route 1 Corridor	Reico Kitchen & Bath	172,200	Renewal*
1415 Magellan Rd	I-95/Route 1 Corridor	Elite Spice	171,167	Renewal*
6610 Cabot Dr	Southeast	WR Grace	151,189	Renewal*
1904 Park 100 Dr	I-95/Route 1 Corridor	Daikin Applied Americas	120,000	New Lease
1935 Reservoir Rd	Baltimore County East	RPM Solutions	108,000	New Lease

**Renewals not included in leasing statistics*

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / $ PSF
1020 & 1025 Airport 100 Way, Hanover	BW Corridor	Clarion / KKR	456,000	$115M / $252.19
14601 Sweitzer Lane, Laurel	BW Corridor	BF Saul Co. / Northbridge Funds	112,515	$29M / $257.74
7449 - 7455 Race Road, Hanover	BW Corridor	Clarion / EQT Exeter	98,820	$23.8M / $240.84
914-9722 Pulaski Highway, Middle River	95 North	Feldman Bergin / Westrock Development	65,902	$9.1M / $138.08

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