

MARKET FUNDAMENTALS

	YOY Chg	Outlook
17.6% Vacancy Rate	▲	▲
-261.9K YTD Net Absorption, SF	▲	▼
\$25.74 Asking Rent, PSF (Overall, All Property Classes)	▲	▬

ECONOMIC INDICATORS*

	YOY Chg	Outlook
1.4M Baltimore Employment	▲	▲
4.1% Baltimore Unemployment Rate	▲	▲
4.2% U.S. Unemployment Rate	▲	▲

Source: BLS
*2026Q3 Figures are based on latest available data

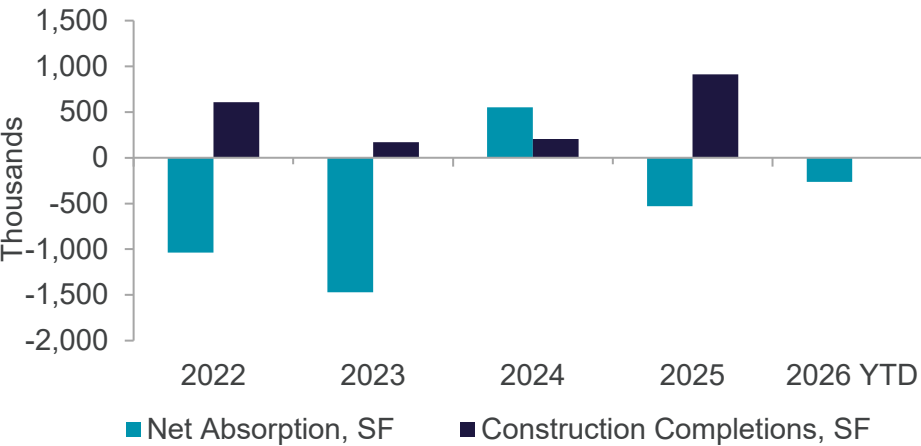
SUPPLY AND DEMAND:

Baltimore’s office market showed early signs of stabilization in the third quarter, with overall vacancy remaining unchanged quarter-over-quarter at 17.6% after seven consecutive quarters of increases. The rate remained up 30 basis points (bps) year-over-year (YOY) and quarterly absorption remained negative but improved to -29,720 square feet (sf). Together, slowing occupancy losses and declining sublease vacancy suggest improving market conditions, although performance varied considerably by geography. Reversing recent trends, Baltimore City recorded declining vacancy and positive absorption, while several suburban markets, particularly along the Baltimore-Washington corridor, continued to experience rising vacancy. This divergence reflects demand concentrating in premier assets while less competitive properties face greater vacancy pressure.

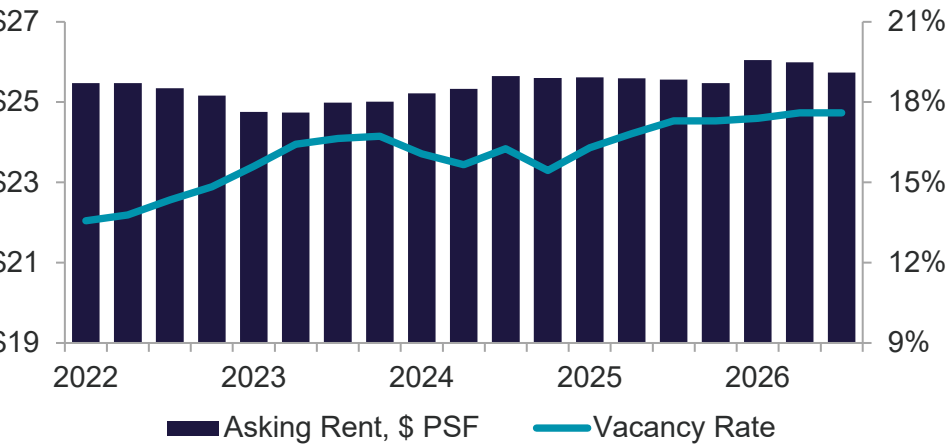
Baltimore City’s vacancy rate declined 20 bps YOY, driven by move-ins at newer developments in Harbor East and Baltimore Peninsula, while CBD vacancy remained near a historic high, rising 20 bps. New leasing activity in the city increased 22.5% over the preceding 12-month period. Quarterly new leasing was heavily concentrated in the public sector with the Maryland Department of Education accounting for 76.8% of new activity within the CBD, while Venable’s renewal preserved a significant private-sector occupancy. With no active construction in the city, continued tenant demand for premier buildings should further tighten the limited supply of top-tier space.

Suburban performance remains mixed. The Hunt Valley/I-83 North Corridor remained one the suburban market’s more active regions, as it captured 53.9% of Suburban North new leasing activity, supported by two transactions exceeding 15,000 sf, and recording a third consecutive quarter of positive absorption. Meanwhile, technology and security sector firms in southern submarkets continued to consolidate footprints while prioritizing premier inventory. The resulting occupancy losses pushed BWI Airport vacancy to a record high, 200 bps above the prior year.

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	22,213,722	4,925,200	157,320	22.9%	127,223	-55,582	560,238**	0	\$27.02	\$30.35
Howard County	16,993,248	2,025,574	361,045	14.0%	-40,332	-26,412	406,053	0	\$25.46	\$28.27
BWI Airport	12,023,076	1,139,043	387,857	12.7%	-17,213	-200,633	355,732	0	\$27.09	\$29.91
Greater Annapolis	3,819,176	418,616	31,490	11.8%	1,498	9,174	60,090	0	\$27.96	\$31.51
Harford County	1,881,849	407,483	13,836	22.4%	3,294	-11,156	21,734	0	\$22.54	\$22.54
Suburban North	13,363,617	2,086,834	129,863	16.6%	-86,947	12,799	371,900	0	\$24.10	\$26.46
Suburban West	8,402,373	1,691,027	75,240	21.0%	-17,243	9,862	102,209	0	\$22.53	\$23.90
BALTIMORE TOTALS	78,697,061	12,693,777	1,156,651	17.6%	-29,720	-261,948	1,877,866**	0	\$25.74	\$28.54

*Rental rates reflect full service asking
**Statistics not reflective of U.S. MarketBeat

MARKET STATISTICS BY CLASS

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)	DIRECT AVG ASKING RENT	OVERALL AVG ASKING RENT
CLASS A	44,004,973	8,116,952	731,024	20.1%	19,027	-370,855	1,209,332**	0	\$28.92	\$28.54
CLASS B	34,692,088	4,576,825	425,627	14.4%	-48,747	108,907	668,534	0	\$21.07	\$21.35
BALTIMORE TOTALS	78,697,061	12,693,777	1,156,651	17.6%	-29,720	-261,948	1,877,866**	0	\$25.96	\$25.74

KEY LEASE TRANSACTIONS Q3 2026

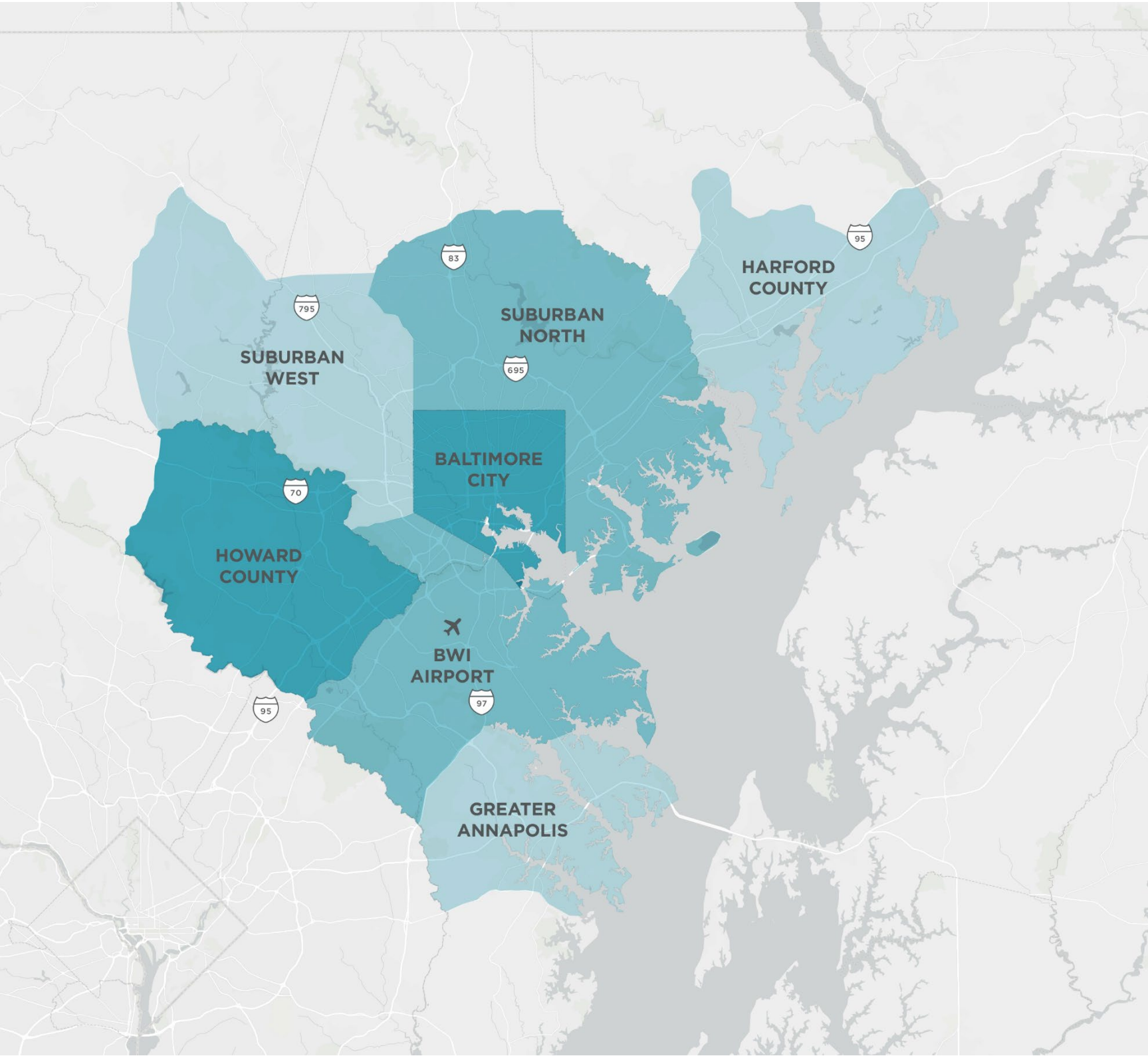
PROPERTY	SUBMARKET	SUBMARKET CLUSTER	TENANT	SF	TYPE
100 N Charles St.	Baltimore City	Baltimore CBD	Maryland Department of Education	160,238	New Lease
750 E Pratt St.	Baltimore City	Baltimore CBD	Venable LLP	148,963	Renewal*
6 N Park Dr.	Suburban North	Route 83 North	KCI Technologies, Inc.	53,344	New Lease
7138 Columbia Gateway Dr.	Howard County	Columbia South	Howard County Board of Elections	38,285	New Lease
650 S Exeter St.	Baltimore City	Southeast	Cohn Reznick, LLP	31,989	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SUBMARKET CLUSTER	SELLER BUYER	SF	PRICE / \$ PSF
10150 York Rd	Suburban North	Route 83 North	MileOne Holdings, LLC St John Properties	178,286	\$6.2M \$35
10632 Little Patuxent Pky	Howard County	Downtown Columbia	BECO Management, Inc. Reba Holdings, LLC	81,400	\$6.2M \$76
201 Defense Hwy	Greater Annapolis	Annapolis	Belvedere Management Company The Hanover Company	68,745	\$3.6M \$52
2024 West St	Greater Annapolis	Annapolis	W.F. Chesley Real Estate Raymond Crosby	34,396	\$5.2M \$152

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