



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
8.9% Vacancy Rate		
-146K YTD Net Absorption, SF		
\$11.01 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>		

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
1.4M Baltimore Employment		
4.1% Baltimore Unemployment Rate		
4.2% United States Unemployment Rate		

Source: BLS

SUPPLY & DEMAND

The Baltimore industrial market gained momentum in Q3 2026, recording more than 563,000 square feet (sf) of positive net absorption and as vacancy declined by 30 basis points (bps) since the prior quarter to 8.9%. Still, the recovery remains uneven. Year-to-date (YTD) net absorption remained negative at 146,000 sf, while several of the market’s largest transactions were relocations, renewals, or future-dated commitments that have yet to impact occupancy. Despite these headwinds, vacancy declined in each of the first three quarters of 2026.

The improvement was most evident in I-95 North (I-95N), which accounted for most of the market’s Q3 occupancy gains. The corridor recorded 390,614 sf of positive net absorption, its strongest quarter of 2026, while vacancy declined 50 bps to 8.4%. Spreetail’s 571,762-sf occupancy at 610 Chelsea Road helped narrow I-95N’s YTD occupancy losses to less than 143,000 sf. Leasing momentum also strengthened, with four new leases exceeding 200,000 sf totaling 1.6 million square feet (msf) through the first three quarters of 2026, compared with two such transactions totaling 1.2 msf during all of 2025. Additional occupancy gains are expected as future-dated commitments commence, including Herr’s Foods’ 502,200-sf lease scheduled for early 2027.

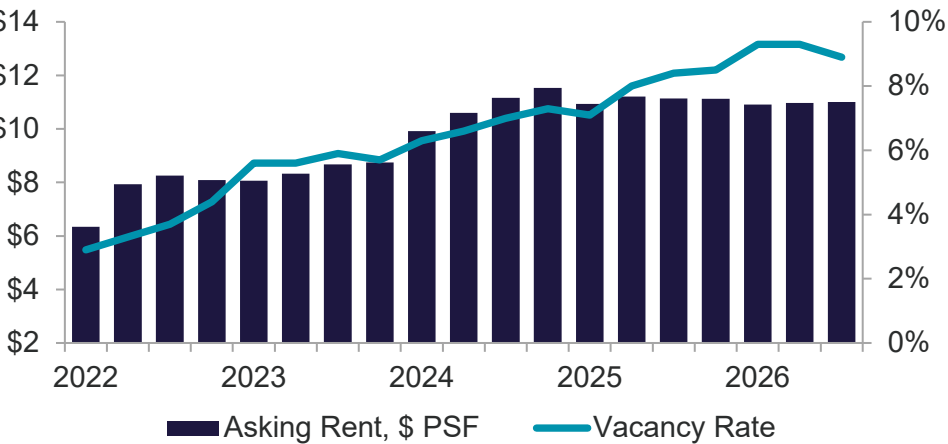
While I-95N accounted for most of the market’s Q3 occupancy gains, the BW Corridor also showed signs of improvement, recording 172,983 sf of positive net absorption and lowering vacancy by 20 bps to 10.5%. CookUnity’s 98,000-sf move-in at 8730 Bollman Place represented the corridor’s largest addition from a new tenant. Still, relocations and renewals limited net -new demand, with renewals accounting for four of the six transactions exceeding 100,000 sf. The quarter’s largest transaction, Saval Foods’ 218,000-sf lease in Columbia, supports future occupancy but will also create additional vacancy when the company consolidates and ends operations at its Elkridge facility by year-end 2027.

The construction pipeline totaled 2.5 msf, 15.7% below the trailing five-year average, with neither corridor recording a new construction start in Q3. Amazon began site work on a planned 1.2-msf facility Bainbridge Logistics Center, though the project will not add available space to the market. At 1.1msf, I-95N’s pipeline remained below 2.0 msf for a fourth consecutive quarter, while only 387,000 sf of the BW Corridor’s 1.4 msf under construction is scheduled to deliver by year-end 2026. With the remaining completions slated for 2027, limited near-term deliveries should allow demand time to absorb existing vacant space and support further vacancy compression as future commitments translate into occupancy gains.

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)	YTD CONSTR COMPLETIONS (SF)	YTD LEASING ACTIVITY (SF)	YTD RENEWAL LEASING ACTIVITY (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)
Baltimore City East	16,904,524	860,078	5.1%	-63,788	137,982	0	0	266,012	37,044	\$9.19
Baltimore County East	32,721,994	2,756,053	8.4%	106,124	217,405	1,114,075	164,920	1,229,262	437,348	\$10.78
Harford and Cecil County	42,259,469	4,128,208	9.8%	348,278	-498,212	0	376,250	1,369,480	2,092,457	\$8.94
I-95N CORRIDOR TOTALS	91,885,987	7,744,339	8.4%	390,614	-142,825	1,114,075	541,170	2,864,754	2,566,849	\$9.72
Baltimore Southeast	10,843,374	1,456,361	13.4%	0	128,488	0	0	148,814	373,825	\$10.67
Baltimore Southwest	15,045,815	1,334,071	8.9%	36,694	134,856	260,000	0	406,037	240,676	\$10.59
I-95/Route 1 Corridor	42,054,150	4,332,889	10.3%	136,289	-252,872	1,166,974	0	2,053,646	1,785,301	\$13.31
BW CORRIDOR TOTALS	67,943,339	7,123,321	10.5%	172,983	10,472	1,426,974	0	2,608,497	2,399,802	\$12.43
Carroll	5,384,965	100,000	1.9%	0	-100,000	0	0	51,000	0	\$10.00
Northwest	1,102,273	129,152	11.7%	0	0	0	0	0	0	N/A
Reisterstown Road Corridor	278,533	0	0.0%	0	0	0	0	0	0	N/A
Route 83 North	2,603,159	0	0.0%	0	86,143	0	0	0	0	\$13.50
Route 83 South	204,570	0	0.0%	0	0	0	0	0	0	N/A
Woodlawn/Catonsville	522,934	44,808	8.6%	0	0	0	0	0	0	\$6.95
BELTWAY TOTALS	10,096,434	273,960	2.7%	0	-13,857	0	0	51,000	0	\$9.36
BALTIMORE TOTALS	169,925,760	15,141,620	8.9%	563,597	-146,210	2,541,049	541,170	5,524,251	4,966,651	\$11.01

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

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
610 Chelsea Road	Harford and Cecil County	Confidential	571,762	New
40 Bethel Church Rd	Harford and Cecil County	Herr’s	502,200	New
1351 Brass Mill Rd	Harford and Cecil County	Parksite	252,400	New
8710 Robert Fulton Dr	I-95/Route 1 Corridor	Saval Foods	218,061	New
1425 Magellan Rd	I-95/Route 1 Corridor	Owens & Minor, Inc.	177,660	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
7001 Quad Avenue	Baltimore County East	LBA / Sagard	621,144	\$91.0M / \$146.50
2413 Peppermill Drive	I-95/Route 1 Corridor	Hillwood / CBRE Investors	107,129	\$31.0M / \$289.37
9645 Gerwig Lane	I-95/Route 1 Corridor	Equus / High Street	134,000	\$20.7M / \$154.25
521 McCormick Ave	Baltimore Southwest	Realterm / EQT Exeter	112,500	\$17.8M / \$157.78

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