

GLOBAL SPOTLIGHT

Baltimore, Maryland



Once an industrial city with an economic base focused on steel processing, shipping, auto manufacturing and transportation, Baltimore is now a modern service economy.

- The general consensus within the commercial real estate community is that leasing hasn't been as brisk as in recent years. However, activity is still fairly even with speculative development increasing and deals being signed.
- The office condominium market has experienced increasing activity in recent years due to new construction and conversions. The flex office market has been taking some share from the traditional office market. This is most true in areas where construction of new Class A space has pushed office rents higher, making flex space more attractive.
- The industrial market has slowed down compared to previous years. However, the eastern part of Baltimore, through the Route 95/Harbor Tunnel corridor, including White Marsh and Harford County, has absorbed 1 million SF, balancing negative absorption in the other submarkets.
- The investment market has seen high demand for leased and income-producing property as well as vacant buildings. Overbuilding is not much of a concern due to the lack of zoned land.
- The retail market continues to improve. On the leasing side it is still somewhat easier for the smaller chain retailers to gain entry or expand, but big box tenants such as Best Buy have made headway with its third-level store downtown on Pratt Street. Multi-level sites with structured parking may become more common due to lack of available sites.

Baltimore At A Glance

Population	631,366 (2006)
Location	Largest city in Maryland
Interest	4.58% (US 10yr Treasury Note)
Unemployment	4% (Maryland)

Property	Rent/SF/Year Low	High	Effective Avg.	Vacancy Rate
Downtown Office Class A	\$20	\$34	\$24	13%
Suburban Office Class A	\$18	\$38	\$24	14%
Industrial Bulk Warehouse	\$3	\$8	\$5.30	12%
Retail Downtown	\$13	\$30	\$21.50	15%

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At A Glance

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