



MULTIFAMILY REPORT

Baltimore Slows Down

December 2023



YoY Rents Up Slightly

Construction Activity Solid

Unemployment Rate Still Tight

BALTIMORE MULTIFAMILY



Rent Growth Slows, Development Pushes On

Baltimore fundamentals continued to soften, closing a year of moderate performance. Year-over-year, rents grew 0.6% as of October, to \$1,685, 20 basis points above the U.S. rate and marking a sharp deceleration from just 12 months earlier. Overall occupancy was down 60 basis points, to 94.9% as of September.

The metro's unemployment rate was a very tight 1.9% as of September, according to data from the Bureau of Labor Statistics, with economic growth slow but steady throughout the year. Baltimore's workforce expanded by 1.4% through August, amounting to 30,900 net jobs gained on a 12-month basis. Growth by sector was a mixed bag, with the largest gains in education and health services (up 13,600 positions), while trade, transportation and utilities recorded the biggest decline (4,100 jobs). Baltimore's long-term economic growth received a boost after the city was designated a federal tech hub earlier in 2023. This allows the city to compete for a portion of \$10 billion of federal economic development funds.

Construction activity remained in line with historic averages, as the metro recorded 5,277 units under construction as of October, along with an additional 41,000 units in the planning and permitting stages. Baltimore developers completed 2,725 units through the first 10 months of 2023, nearly triple the 996 apartments delivered in 2022, a year that stood out as an outlier in the past decade because of its negative development growth.

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Recent Baltimore Transactions

ReNew Nottingham



City: Perry Hall, Md.
Buyer: FPA Multifamily
Purchase Price: \$111 MM
Price per Unit: \$157,074

Concord Park at Russett



City: Laurel, Md.
Buyer: Excelsa Holdings
Purchase Price: \$106 MM
Price per Unit: \$314,925

Heath Street Lofts



City: Baltimore
Buyer: MCB Real Estate
Purchase Price: \$12 MM
Price per Unit: \$204,167