

Yardi® Matrix

Steady Baltimore

Multifamily Report Summer 2019

Rent Growth Inches Up

Development, Transactions Cool Down

Professional, Business Services Sustain Demand

BALTIMORE MULTIFAMILY

Yardi® Matrix

Market Analysis

Summer 2019

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Absorption Keeps Up the Pace

Riding the wave of employment gains in high-paying industries, Baltimore's multifamily market is recording strengthened fundamentals as the year's second half advances. The average rent in the metro was up 2.8% year-over-year through July, marking a visible improvement from one year prior, when rates in the Lifestyle sector were contracting, although it trails the U.S. figure. And while 2018 marked another development-cycle high, absorption remained healthy and the occupancy rate in stabilized properties inched up 40 basis points over 12 months, reaching 95.0% as of June.

Baltimore gained 11,700 jobs for a 0.8% uptick, roughly half the U.S. rate of growth, with professional and business services and education and health services offsetting losses across several other sectors. Although the metro's employment market is spotty, several multi-phase, multibillion-dollar projects are moving forward, including Howard Hughes' Merriweather District in Columbia, Sagamore's \$5.5 billion Port Covington and the roughly 3,100-acre Tradepoint Atlantic redevelopment in Sparrows Point.

Both development and transactions shifted down a gear in the first half of 2019, with 704 units delivered and less than \$400 million in assets trading through July. With overall supply and demand close to a stable balance, we expect rent growth to remain tepid for the year, below the U.S. average.

Recent Baltimore Transactions

Rodgers Forge



City: Baltimore
Buyer: UDR
Purchase Price: \$86 MM
Price per Unit: \$173,038

The Reserve at Ballenger Creek



City: Frederick, Md.
Buyer: Hamilton Zanze & Co.
Purchase Price: \$39 MM
Price per Unit: \$188,725

Camden Court



City: Baltimore
Buyer: Tryko Partners
Purchase Price: \$35 MM
Price per Unit: \$158,371

101 Ellwood



City: Baltimore
Buyer: Waypoint Residential
Purchase Price: \$27 MM
Price per Unit: \$189,286