

YARDI® Matrix

Baltimore's Downtown Surge

Multifamily Fall Report 2016

Constant Job Gains Boost Rents

Construction Ramps Up, Targets City Core

Investment Hits Post-Bubble Best

BALTIMORE MULTIFAMILY

YARDI® Matrix

Market Analysis

Fall 2016

Contacts

Paul Fiorilla

Associate Director of Research
Paul.Fiorilla@Yardi.com
(800) 866-1124 x5764

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Author

Bogdan Odagescu

Associate Editor

Downtown Demand Drives Growth

Despite the ongoing revival of the downtown area, growth in Baltimore's multifamily market remains weak compared to nationwide metrics. Yet benefiting from demand in core submarkets and the proximity to Washington, D.C.'s more dynamic but less affordable market, the metro continues to display stable fundamentals, with rents up 3.3% year-over-year.

Anchored by its universities and health-care providers, the metro has a consistent talent pool of highly skilled workers. Recording positive population growth for the better part of the last decade, Baltimore is perceived as a safe market by both investors and developers. Several large projects—including the 3,100-acre Tradepoint Atlantic industrial park, the \$1.1 billion Harbor Point development and Sagamore's \$5.5 billion Port Covington project—highlight the city's ability to diversify its economy and use the demographic shift as a long-term booster.

The commercial development pipeline mirrors the area's multifamily market, as Baltimore is on track to top the 2015 level of new stock. The metro is also expected to exceed last year's transaction volume of \$1.4 billion, bringing a new cycle record. With 2,700 units completed year-to-date and an additional 30,000 in different stages of development, Baltimore is likely to keep demand in check due to its consistent pipeline. Yardi Matrix forecasts a 2.8% rent growth for 2016.

Recent Baltimore Transactions

Sherwood Crossing



City: Elkridge, Md.
Buyer: TruAmerica Multifamily
Purchase Price: \$119 MM
Price per Unit: \$188,407

Red Run



City: Owing Mills, Md.
Buyer: McDowell Properties
Purchase Price: \$91 MM
Price per Unit: \$175,000

Paragon at Columbia Overlook



City: Elkridge, Md.
Buyer: Amy E. Wyss
Purchase Price: \$86 MM
Price per Unit: \$269,655

The Point at Crofton



City: Crofton, Md.
Buyer: Pantzer Properties
Purchase Price: \$85 MM
Price per Unit: \$209,360