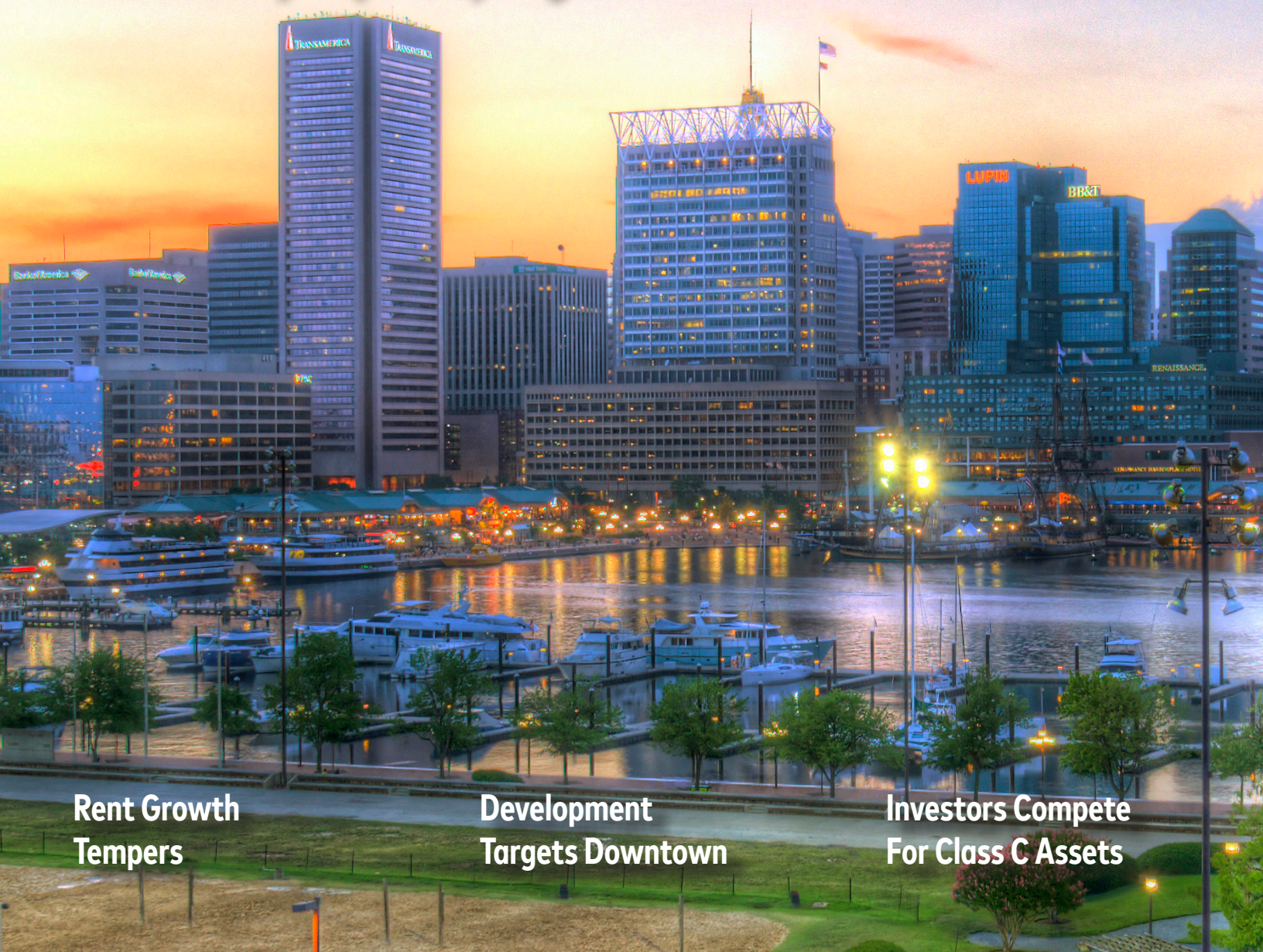


Yardi® Matrix

Baltimore Strikes A Balance

Multifamily Report Spring 2018



**Rent Growth
Tempers**

**Development
Targets Downtown**

**Investors Compete
For Class C Assets**

BALTIMORE MULTIFAMILY

Yardi® Matrix

Market Analysis

Spring 2018

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Downtown's Revival Continues

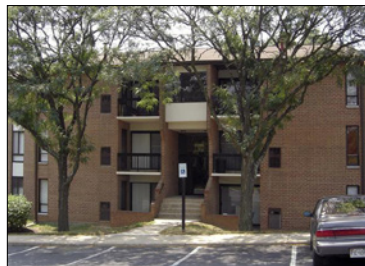
Multifamily demand in Baltimore is slowly picking up, buoyed by steady hiring and population gains, as well as rising incomes. Rent growth was moderate for most of 2017, and with a wave of new stock coming online, occupancy ticked down to 94.2% as of February 2018.

Employment growth was strongest in education and health services, anchored by landmark institutions such as Johns Hopkins Hospital and the University of Maryland Medical System. New legislation passed by the Maryland General Assembly could bring free tuition to thousands of low- and middle-income community college students, further expanding higher education in the city and creating a better educated labor pool. This dynamic would make Baltimore more attractive to employers, while continuing to fuel tech and STEM job growth. Office-using employment is also boosting demand for space across the metro: The 28-story One Light building is the first new office tower to rise in the CBD in over a decade.

Multifamily transaction volume in 2017 nearly matched the previous year's cycle high of \$1.9 billion. Developers are also active, especially in the downtown area, which had the highest number of units underway as of March. Absorption is expected to keep up with the spate of new supply, generating modest rent growth of 1.5% in 2018.

Recent Baltimore Transactions

Carriage Hill Village



City: Randallstown, Md.
Buyer: Morgan Properties
Purchase Price: \$95 MM
Price per Unit: \$117,556

Winthrop



City: Towson, Md.
Buyer: Bozzuto Group
Purchase Price: \$84 MM
Price per Unit: \$284,746

The Beacon at Waugh Chapel



City: Gambrills, Md.
Buyer: PRP Real Estate
Purchase Price: \$84 MM
Price per Unit: \$280,705

Gwynn Oaks Landing



City: Gwynn Oak, Md.
Buyer: Morgan Properties
Purchase Price: \$78 MM
Price per Unit: \$88,418