

BALTIMORE OFFICE MARKET

Yardi® Matrix

Market Analysis

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Demand Catches Up to Supply



Baltimore's office market is making a steady—albeit modest—recovery, in line with national trends. **Healthy demand** has the vacancy rate slowly dropping, and rents are rising incrementally. Demand for space is led by segments that include finance, government and cybersecurity.

Some **27,600 new jobs** were added in the metro in the 12 months ending in May, with 9,500 of that in education and health services—proof that the health-care sector is a major contributor to Baltimore's employment strength. Another 6,800 jobs were added in the professional and business services sector, even as companies within the metro struggle to fill open positions.

The demand for modern, amenitized space has been fueled by a **robust development pipeline**. Projects that are aimed at transforming the metro into a holistic live-work-play environment include The Howard Hughes Corp.'s \$1 billion redevelopment of the Merriweather district and McHenry Row, a mixed-use project in the Locust Row submarket by developer Mark Sapperstein that will encompass office, residential, hospitality and retail. The development will be built on a 20-acre site in South Baltimore. All told, more than **1 million square feet is under development**, coming on the heels of 2.1 million square feet delivered in 2016 and 2017.