

Yardi® Matrix

Baltimore Makes Room for More

Multifamily Report Winter 2019

Deliveries Hit Cycle High

Investment Activity Tempers

Core Submarkets Lead Construction

BALTIMORE MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2019

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Accelerating Job Growth Fuels Demand

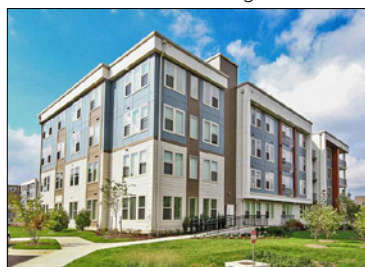
Boosted by the resurgence of its core, Baltimore remained a relatively stable multifamily market in 2018, albeit underperforming against national averages. Although development hit another cycle peak last year, occupancy in stabilized assets dropped just 10 basis points over 12 months, to 94.4% as of November, showing that Baltimore can still absorb moderate levels of stock expansion.

Employment gains picked up in the second half of 2018, fueling rental demand and helping rent growth rebound in upscale assets. The metro added 38,900 jobs in the 12 months ending in October, with professional and business services generating 16,600 positions. Port Covington and Tradeport Atlantic, Baltimore's flagship developments, are both moving forward, pointing to developer confidence and further economic expansion.

Investment shifted down a gear in 2018, with only \$1.2 billion in multifamily assets changing hands, about \$600 million less than in 2017. Baltimore had 5,200 units underway as of December, roughly half of them expected to come online in 2019. With completions slated to meet demand generated by job formation trends and demographic expansion, rent growth is bound to remain tepid in the foreseeable future. We expect the average Baltimore rental rate to advance 1.3% in 2019.

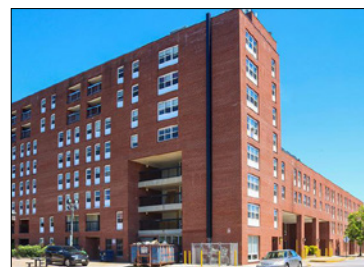
Recent Baltimore Transactions

Avalon Arundel Crossing



City: Linthicum, Md.
Buyer: AvalonBay Communities
Purchase Price: \$83 MM
Price per Unit: \$267,742

Canal Courts and Lanvale Towers



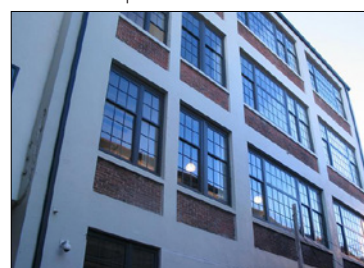
City: Baltimore
Buyer: Lincoln Avenue Capital
Purchase Price: \$14 MM
Price per Unit: \$43,644

Glen Burnie Town



City: Glen Burnie, Md.
Buyer: Promark Partners
Purchase Price: \$7 MM
Price per Unit: \$133,519

Printer's Square



City: Baltimore
Buyer: BCI Management
Purchase Price: \$6 MM
Price per Unit: \$103,629