

YARDI® Matrix

Will This Be Baltimore's Year?

Multifamily Spring Report 2016

**Key Sectors Drive
Growth in Jobs**

**Downtown Attracts
Degreed Millennials**

**6.5% Yields Lure
REITs, Private Investors**

BALTIMORE MULTIFAMILY

YARDI® Matrix

Market Analysis

Spring 2016

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Hope for Rent Growth; Downtown Emerges

Baltimore's multifamily market has lagged national growth in recent years, but positive signs are providing hope. Demand has been picking up as employment growth has taken a turn for the better in sectors including education, healthcare, professional services, business services and government. Tourism, technology and logistics also support the metro's diverse economy.

Another positive is the emergence of downtown Baltimore, which is becoming a 24/7 city where Millennials and Generation X households want to live. Builders have responded by ramping up deliveries in the metro's urban core submarkets. Developers are also working to build more apartments convenient to MARC train stations, which would cut down commuting time for those who work in Washington, D.C. Meanwhile, federal and local governments are taking steps to address Baltimore's historic patterns of housing segregation by devising programs to increase affordability in high-end neighborhoods.

With prices rising, multifamily transaction volume reached more than \$1.4 billion in Baltimore last year, marking a high for the current cycle, while property yields are starting to compress. After a slow year in 2015, the development pipeline is picking up. Some 5,000 units are under construction and 23,000 in the pipeline. We expect demand for units to remain strong this year, but growing supply and weak wage growth will limit rent increases to about 1%.

Recent Baltimore Transactions

Fox Hall



City: Baltimore
Buyer: L3C Capital Partners
Purchase Price: \$85 MM
Price per Unit: \$117,708

Concord Park at Russett



City: Laurel, Md.
Buyer: PRP Real Estate Management
Purchase Price: \$79 MM
Price per Unit: \$236,387

Rodgers Forge



City: Baltimore
Buyer: Bridge Investment Group
Purchase Price: \$73 MM
Price per Unit: \$145,875

Jazz at the Quarter, The Quarters
at Towson Town Center



City: Towson, Md.
Buyer: JP Morgan Asset Management
Purchase Price: \$69 MM
Price per Unit: \$246,429