

Baltimore's Progress Stalls

August 2025



Rent Gains Slightly Ahead of US

Employment Expansion Slows

Supply Growth on Track

BALTIMORE MULTIFAMILY



Moderate Rent, Supply Growth

Baltimore ended the second quarter with a mixed performance across multifamily fundamentals. Rent gains remained sluggish but were ahead of the nation. The average advertised asking rent was up 0.3%, on a trailing three-month basis through June, to \$1,760, just \$1 short of the national average. Baltimore rents were also up 1.6% on a year-over-year basis, clocking in significantly higher than the 0.9% U.S. figure. Meanwhile, occupancy in the metro ticked up 30 basis points year-over-year through May, to 95.0%. The rate was also ahead of the nation.

Employment growth slowed down significantly, to 0.7% year-over-year through April. The metro trailed the nation after staying ahead for all of 2024. Over the 12-month interval ending in April, the metro added 500 net jobs, with education and health services leading growth (11,800 jobs), followed by the public sector (1,600). Professional and business services (-8,700 jobs) and leisure and hospitality (-3,000) recorded the largest losses. Baltimore's Waterfront continues to see large investments, with more than \$3 billion committed for ongoing and upcoming mixed-use projects. Among them is the \$1 billion Harbor Point, which is nearing completion of its third phase.

Baltimore's supply growth remained moderate, with 1,232 units added in the first half of the year, representing 0.5% of existing stock and in line with 2024's performance.

Market Analysis | August 2025

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Recent Baltimore Transactions

The Sail Cloth Factory



City: Baltimore
Buyer: BZS Realty
Purchase Price: \$16 MM
Price per Unit: \$149,533

Holly Oaks



City: Aberdeen, Md.
Buyer: Affiliated Management
Purchase Price: \$16 MM
Price per Unit: \$263,333

The Jordan



City: Baltimore
Buyer: Greyhill Group
Purchase Price: \$13 MM
Price per Unit: \$202,016

Pangea Pines

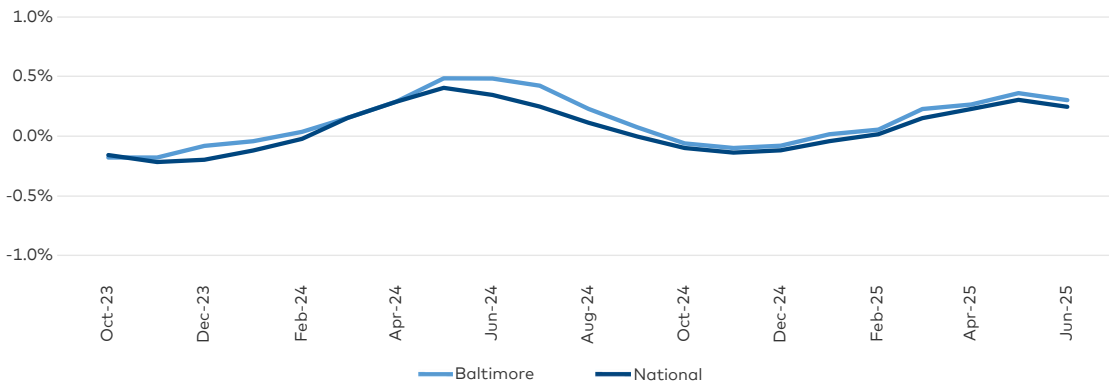


City: Baltimore
Buyer: Option One Capital
Purchase Price: \$10 MM
Price per Unit: \$83,871

RENT TRENDS

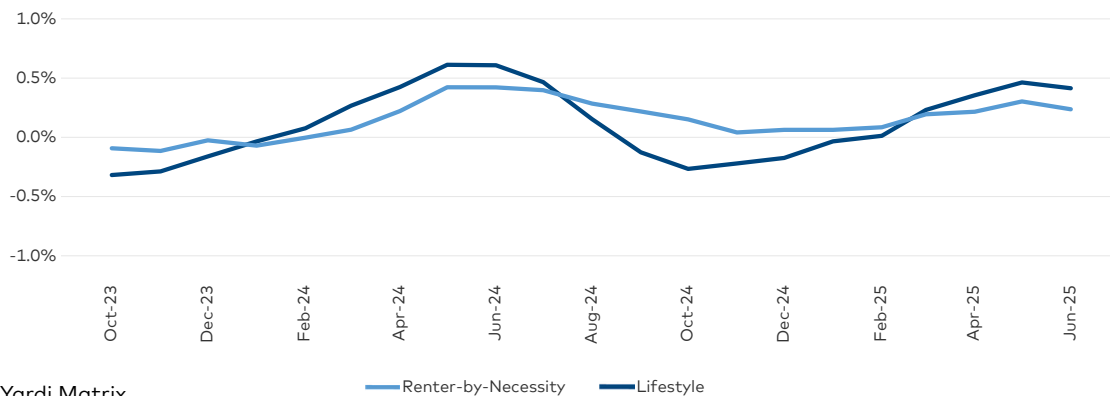
- ▶ Baltimore's average advertised asking rent increased 0.3% on a trailing three-month (T3) basis through June, to \$1,760—10 basis points ahead of the U.S. and \$1 below the national average. The metro's T3 rate regained momentum at the start of the year, in lockstep with the U.S. and on the heels of contractions in 2024's last quarter. Baltimore rents were up 1.6% year-over-year through June, 70 basis points ahead of the national figure.
- ▶ Average advertised asking rents for the Renter-by-Necessity segment were up 0.2%, on a T3 basis through June, to an average of \$1,535. The upscale, Lifestyle segment recorded a stronger recovery, up 0.4%, to \$2,172. Unlike Lifestyle properties, however, Baltimore's RBN segment did not record any contractions in 2024.
- ▶ The metro's average occupancy rate in stabilized assets ticked up 30 basis points year-over-year through May, to 95.0%, while the national figure inched down 10 basis points, to 94.6%. Occupancy in Baltimore's Lifestyle segment grew 30 basis points, to 95.6%, while the RBN figure saw a 20-basis-point uptick, to 94.6%.
- ▶ Rent development was spread across a mix of urban and suburban submarkets. Year-over-year growth for average advertised asking rents was highest in Rosedale (up 6.2% to \$1,630). Ellicott City (5.5% to \$2,134), Nottingham (5.5% to \$1,735), Cockeysville (5.4% to \$1,734) and Baltimore–Northeast (5.3% to \$1,264), rounded out the top five. Baltimore–Fells Point was the most expensive submarket, with rents up 2.4%, to \$2,634.

Baltimore vs. National Rent Growth (Trailing 3 Months)



Source: Yardi Matrix

Baltimore Rent Growth by Asset Class (Trailing 3 Months)



Source: Yardi Matrix

ECONOMIC SNAPSHOT

- ▶ Baltimore's unemployment rate was 3.7% as of June, up 70 basis points from the start of the year, according to preliminary data from the BLS. Still, the metro was 40 basis points below the U.S. figure. Maryland's jobless rate stood at 3.3%.
- ▶ Employment growth in the metro clocked in at 0.7% year-over-year through April, lagging the U.S. figure by just 10 basis points. Baltimore's employment growth rate started slowing down in February, after outperforming the U.S. figure for all of 2024 and peaking at 1.8%.
- ▶ Over the 12-month period ending in April, Baltimore registered a net gain of only 500 jobs, following severe losses in two sectors. On the up- side, education and health services led growth, with 11,800 positions added, followed by government, which gained 1,800 jobs. Professional and business services (-8,700) and leisure and hospitality (-3,000) recorded the largest losses.
- ▶ Baltimore's historic waterfront continues to see massive investments across multiple projects. So far, more than \$3 billion has been committed. The \$1 billion Harbor Point development is nearing completion of its third phase, with the opening of T. Rowe Price's global headquarters. Other major mixed-use projects are also underway, including the \$1.1 billion Baltimore Peninsula master plan and the \$900 million Harborplace.

Baltimore Employment Share by Sector

Code	Employment Sector	Current Employment	
		(000)	% Share
65	Education and Health Services	401	19.4%
90	Government	361.8	17.5%
55	Financial Activities	115.1	5.6%
40	Trade, Transportation and Utilities	324.4	15.7%
30	Manufacturing	77.8	3.8%
50	Information	28.1	1.4%
80	Other Services	81.5	4.0%
15	Mining, Logging and Construction	110	5.3%
70	Leisure and Hospitality	179.4	8.7%
60	Professional and Business Services	383.4	18.6%

Sources: Yardi Matrix, Bureau of Labor Statistics

Population

- ▶ Baltimore's population ticked up 0.1% from 2021 to 2022, gaining 2,768 residents. Meanwhile, the U.S. population grew 0.4%.
- ▶ Over the decade ending in 2022, Baltimore's population grew 4.6%, remaining on a positive track.

Baltimore vs. National Population

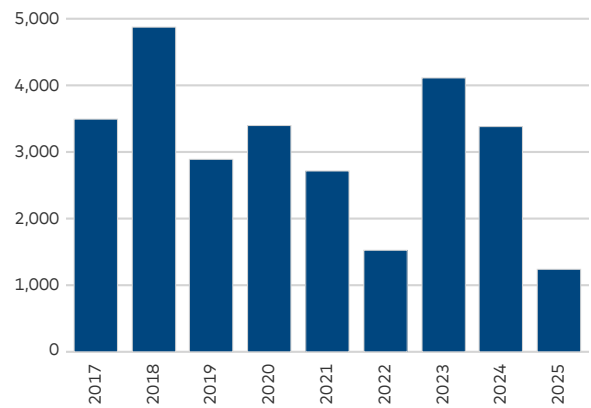
	2019	2020	2021	2022
National	324,697,795	326,569,308	329,725,481	331,097,593
Baltimore Metro	2,796,733	2,800,427	2,837,237	2,840,005

Source: U.S. Census

SUPPLY

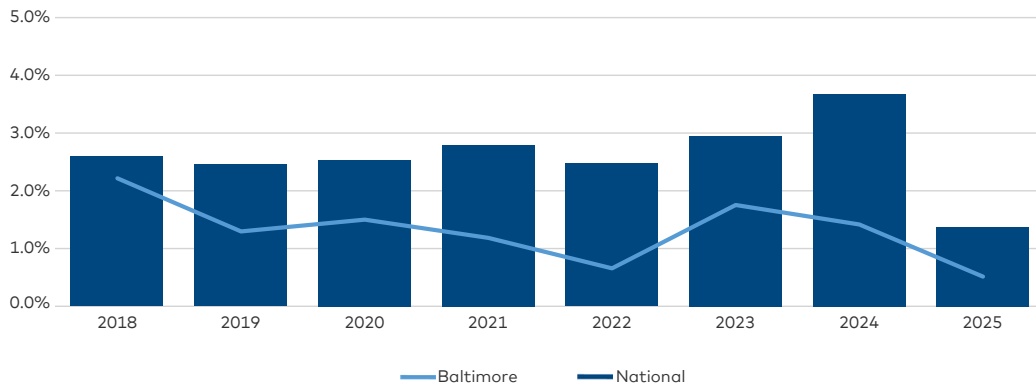
- ▶ Baltimore developers had 5,446 units under construction in June, along with an additional 41,000 in the planning and permitting stages. In line with national trends, most of the under-construction stock consisted of units in Lifestyle projects, while units in fully affordable and RBN assets made up 17.9% and 11.8% of the pipeline, respectively.
- ▶ In the first half of the year, Baltimore added 1,232 units, which was 0.5% of existing stock and 90 basis points below the national figure. This was only about 100 units less than the total delivered in the same period last year. Completions in Baltimore fluctuated over the past eight years, with developers adding an average of 3,290 units per year since then. Unlike most major markets, Baltimore's top year for deliveries within that time frame was 2018, when 4,865 units came online. Should market conditions hold, Yardi Matrix expects the metro's inventory to grow by around 2,100 units in 2025.
- ▶ Developers broke ground on just five projects, encompassing 930 units, in the first half of the year. This was slightly more than half of the 1,508 units across seven properties that broke ground during the same period last year.
- ▶ Two central submarkets led construction activity: Baltimore–Downtown (945 units) and Baltimore–Fells Point (707 units). Next in line were the metro's two other urban centers, Frederick–East (611 units) and Annapolis (566 units).
- ▶ AvalonBay Communities is working on Avalon Annapolis, a 508-unit community that is slated to come online later this year. The project is the largest underway in the metro and almost accounts for Annapolis' entire pipeline.

Baltimore Completions (as of June 2025)



Source: Yardi Matrix

Baltimore vs. National Completions as a Percentage of Total Stock (as of June 2025)

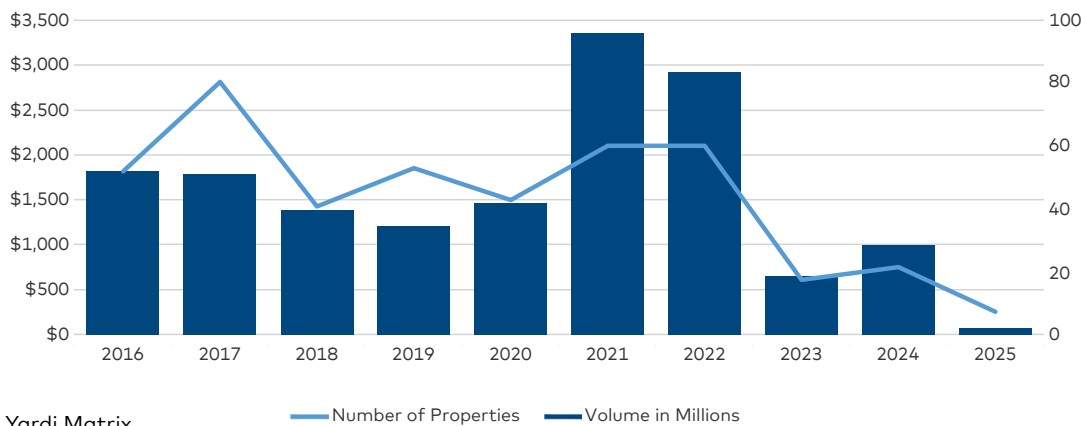


Source: Yardi Matrix

TRANSACTIONS

- ▶ Investors closed eight transactions in the first half of the year, for a total of \$74 million—a stark contrast to the \$356 million that changed hands in the same period last year. Activity slowed down over the past two years, with volumes coming in below the \$1 billion mark during the past few years. On average, investors traded \$1.7 billion annually since 2015. As in most major markets, Baltimore saw activity peak in 2021 and 2022, with \$3.4 billion and \$2.9 billion changing hands.
- ▶ This year's sales yielded an average of \$134,910 per unit, down 22.1% from last year and still lagging behind the U.S. figure, which clocked in at \$212,317. Investors favored value-add plays, with five RBN and three Lifestyle assets changing hands.
- ▶ In February, BZS Realty paid \$16 million for the 107-unit Sail Cloth Factory, in the largest sale for the first half of this year. Delancey Street Capital sold the asset at \$149,532 per unit.

Baltimore Sales Volume and Number of Properties Sold (as of June 2025)



Source: Yardi Matrix

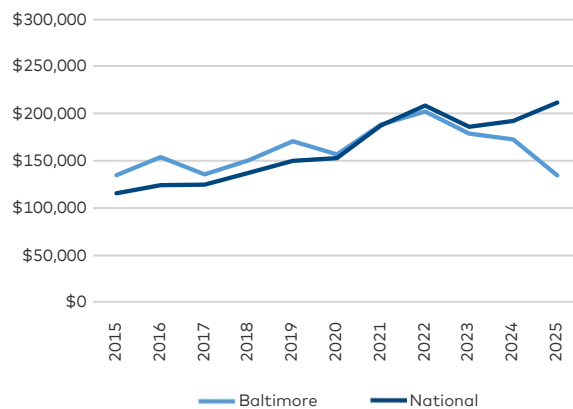
Top Submarkets for Transaction Volume¹

Submarket	Volume (\$MM)
Ellicott City	232
Baltimore–Fells Point	160
Bel-Air	117
Elkridge	87
Essex	23
Baltimore–Downtown	23
Annapolis	21

Source: Yardi Matrix

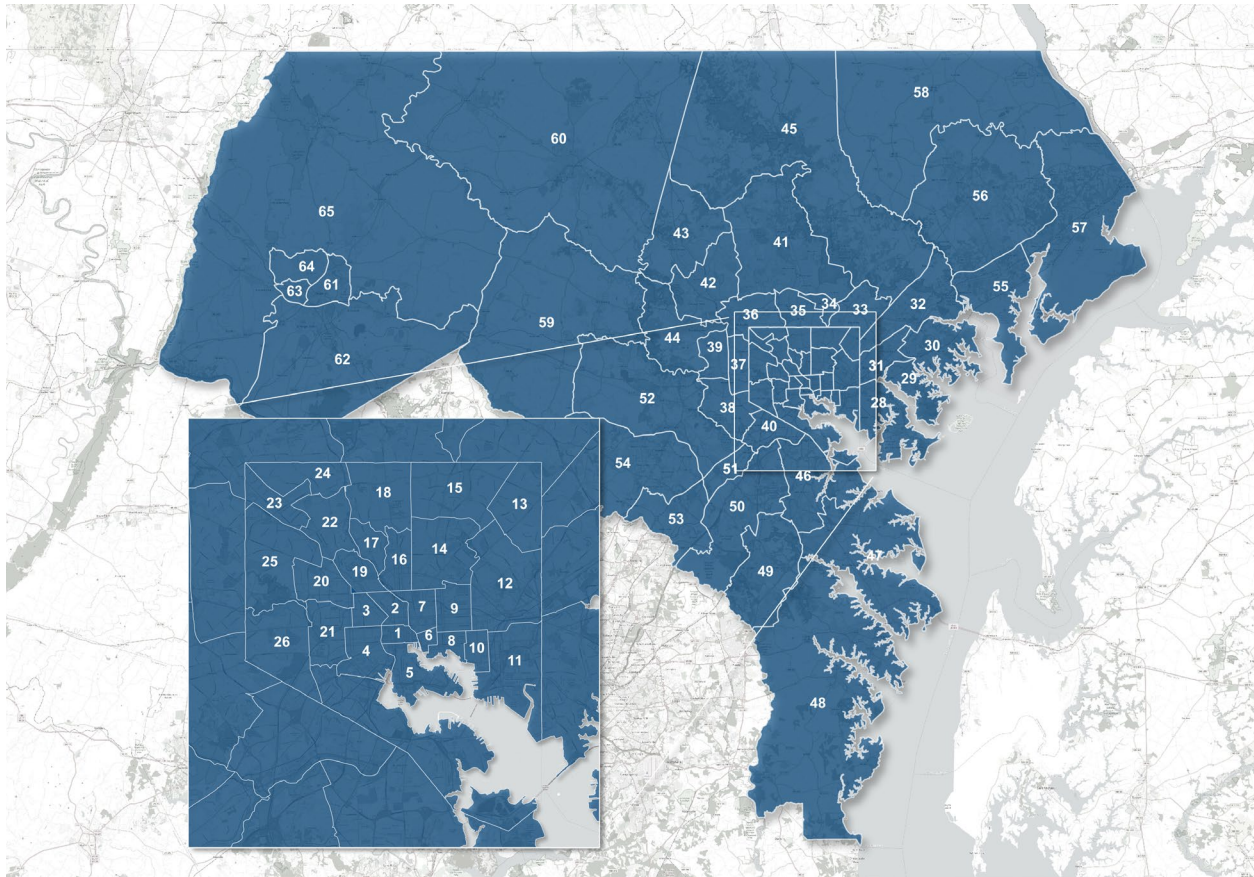
¹ From July 2024 to June 2025

Baltimore vs. National Sales Price per Unit



Source: Yardi Matrix

BALTIMORE SUBMARKETS



Area No.	Submarket
1	Baltimore–Downtown
2	Baltimore–Midtown
3	Baltimore–Upton
4	Baltimore–Poppleton
5	Baltimore–South
6	Baltimore–Little Italy
7	Baltimore–Oldtown
8	Baltimore–Fells Point
9	Baltimore–Middle East–Washington Hill
10	Baltimore–Brewers Hill
11	Baltimore–Southeast
12	Baltimore–Herring Run Park
13	Baltimore–Hamilton
14	Baltimore–Waverly
15	Baltimore–Northeast
16	Baltimore–Johns Hopkins
17	Baltimore–Hampden
18	Baltimore–Roland Park
19	Baltimore–Reservoir Hill
20	Baltimore–Mondawmin
21	Baltimore–Edmondson
22	Baltimore–Pimlico

Area No.	Submarket
23	Baltimore–Glen–Fallstaff
24	Baltimore–Cheswolde
25	Baltimore–Northwest
26	Baltimore–West
27	Baltimore–Morrell Park–Cherry Hill
28	Dundalk
29	Essex
30	Middle River
31	Rosedale
32	Nottingham
33	Parkville
34	Towson–Northeast
35	Towson–Southwest
36	Pikesville
37	Gwynn Oak
38	Catonsville
39	Windsor Mill
40	Halethorpe
41	Cockeysville
42	Owings Mills
43	Reisterstown
44	Randallstown

Area No.	Submarket
45	Northern Baltimore County
46	Glen Burnie
47	Pasadena–Arnold
48	Annapolis
49	Odenton
50	Hanover–Severn
51	Elkridge
52	Ellicott City
53	Laurel
54	Columbia
55	Edgewood
56	Bel-Air
57	Aberdeen
58	Northern Harford County
59	Sykesville–Mount Airy
60	Westminster
61	Frederick–East
62	Frederick–South
63	Frederick–West
64	Frederick–North
65	Outlying Frederick County

DEFINITIONS

Lifestyle households (renters by choice) have wealth sufficient to own but have chosen to rent. Discretionary households, most typically a retired couple or single professional, have chosen the flexibility associated with renting over the obligations of ownership.

Renter-by-Necessity households span a range. In descending order, household types can be:

- *A young-professional*, double-income-no-kids household with substantial income but without wealth needed to acquire a home or condominium;
- *Students*, who also span a range of income capability, extending from affluent to barely getting by;
- *Lower-middle-income ("gray-collar") households*, composed of office workers, policemen, firemen, technical workers, teachers, etc.;
- *Blue-collar households*, which barely meet rent demands each month and likely pay a disproportionate share of their income toward rent;
- *Subsidized households*, which pay a percentage of household income in rent, with the balance of rent paid through a governmental agency subsidy. Subsidized households, while typically low income, extend to middle-income households in some high-cost markets, such as New York City;
- *Military households*, subject to frequency of relocation.

These differences can weigh heavily in determining a property's ability to attract specific renter market segments. The five-star resort serves a very different market than the down-and-outer motel. Apartments are distinguished similarly, but distinctions are often not clearly definitive without investigation. The Yardi® Matrix Context rating eliminates that requirement, designating property market positions as:

Market Position	Improvements Ratings
Discretionary	A+ / A
High Mid-Range	A- / B+
Low Mid-Range	B / B-
Workforce	C+ / C / C- / D

The value in application of the Yardi® Matrix Context rating is that standardized data provides consistency; information is more meaningful because there is less uncertainty. The user can move faster and more efficiently, with more accurate end results.

The Yardi® Matrix Context rating is not intended as a final word concerning a property's status—either improvements or location. Rather, the result provides reasonable consistency for comparing one property with another through reference to a consistently applied standard.

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