

## Q1 2021 Industrial Market Report

### Key Performance Indicators



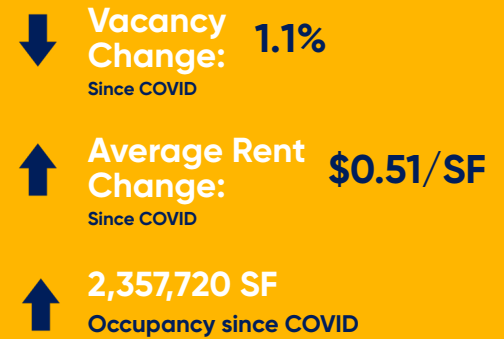
\* Y-O-Y Comparison

### Tenant's Perspective

Though pandemic-induced uncertainty has brought detrimental effects to office markets in the region, Baltimore industrial fundamentals have outperformed, being insulated from impacts of the recession-ary period. Boasting close to record-low vacancy rates and high occupier demand, the market is expected to continue to tighten.

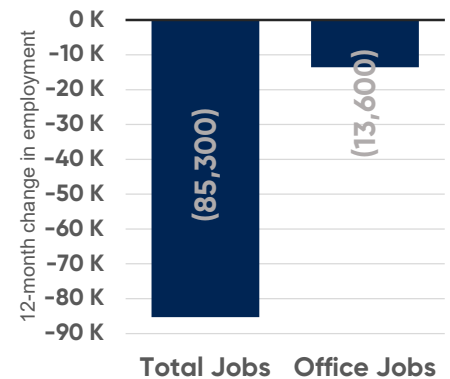
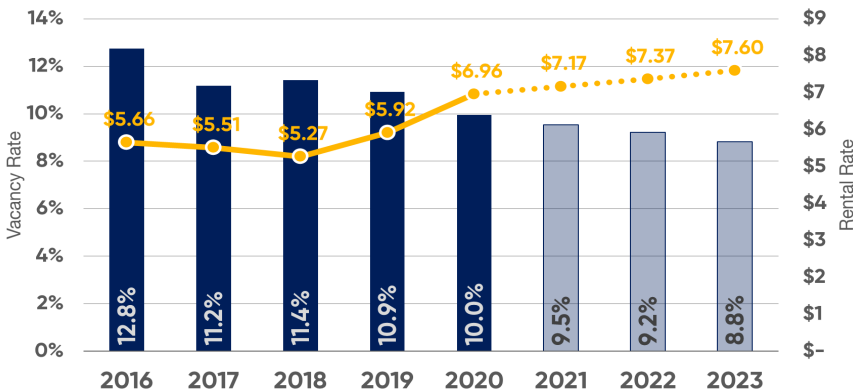
## Market Overview

Baltimore industrial market fundamentals continue to be insulated from the effects of the Coronavirus pandemic in the first quarter of 2021. The region is primed for continued growth as leasing activity continues to remain high, leading to decreasing vacancy and increasing asking rates. First-quarter vacancy continued to decline, ending at 8.2%, a 110-basis point (bps) increase from year-ago levels. Average industrial rents recorded at \$7.38/SF, a \$0.51/SF increase from year-ago levels. Warehouse rates were recorded at \$6.09/SF while flex was \$11.57/SF, increasing from year-ago levels by \$0.47/SF and \$0.03/SF, respectively. First-quarter occupancy recorded at 602,621 square feet, continuing the third-consecutive quarter of positive absorption. Though pandemic-induced uncertainty continues to affect office market fundamentals, the Baltimore industrial market's low vacancy, increasing asking rates, and limited supply have kept the market insulated from pandemic-induced shocks.



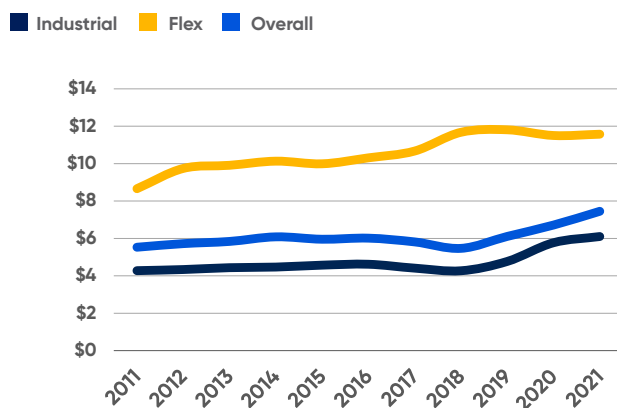
## Labor Market Perspective

Bureau of Labor Statistics data as of February 2021

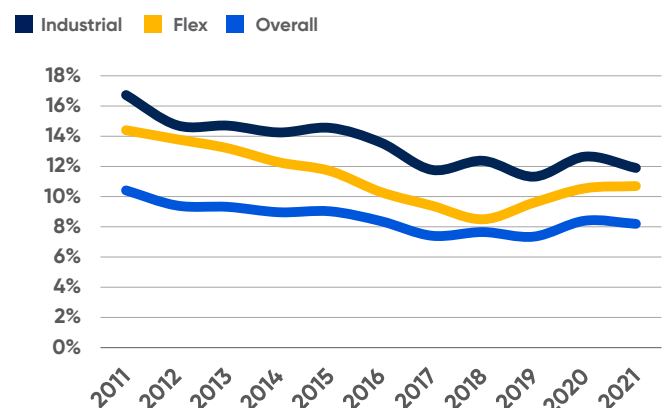


### Industrial Market Snapshot

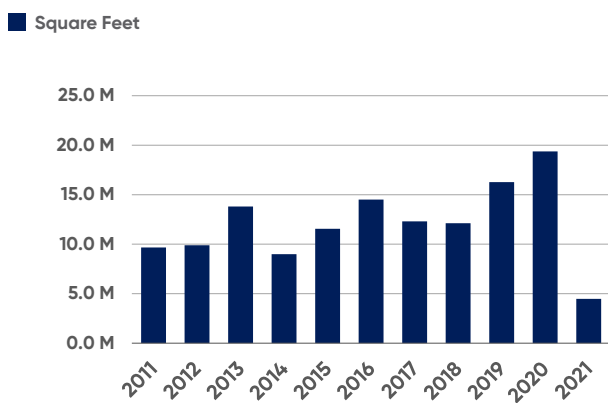
#### Average Asking Rents



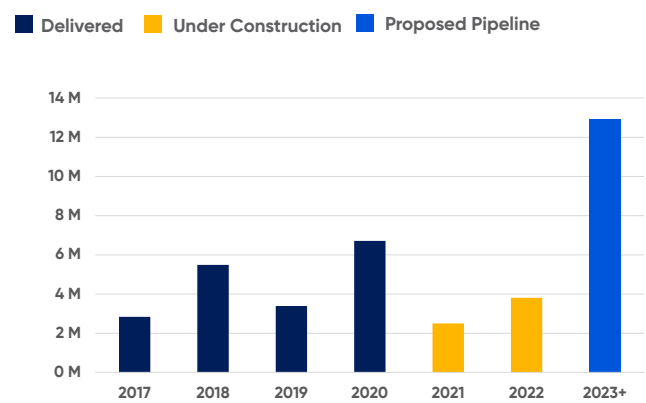
#### Average Vacancy Rate



#### Leasing Activity (Sq. Ft.)



#### Construction Delivery Pipeline (Sq. Ft.)



### Low Supply and Increasing Demand, Industrial Future Promising

Strong tenant demand and low supply have continued to push vacancy rates down in the first quarter. Demand is expected to remain high through 2021 as e-commerce's use of industrial space continues to grow. Much of the declining first-quarter vacancy has been attributed to top leases signed, mainly Wayfair's 1.2 million SF in Aberdeen and Amazon's 520,000 SF lease at Tradepoint Atlantic in Baltimore County East. Vacancy rates will continue their downward trend as nearly 78% of all properties currently under construction have been leased. With 13 properties totaling 4.2 million SF currently under construction and 12.9 million SF in the pipeline and awaiting preleases, development is expected to soar.

### Recessionary Connection

Following past economic shocks, sublease listings recorded varying increases as firms reacted to the market uncertainty by listing unused and unnecessary space.

### Current Availability

Contrary to the office market and typical recessionary events, sublease availability in the Baltimore market remains low, decreasing 68.1% (2,330,972 SF) since the onset of COVID.

## Submarket Statistics

Submarket	Total Bldgs	Inventory	Sublet Available	Total Available	Total Vacant	Vacancy Rate	Net Absorption Q1	Net Absorption (YTD)	Industrial Rent	Flex Rent	Total Direct Rent	Under Construction	SF Delivered YTD
Baltimore NW	18	804,576	-	68,891	21,872	2.7% ▼	5,340	5,340	\$5.74	\$9.05	\$9.05 ▲	-	-
Baltimore SE	70	10,057,928	24,000	859,006	363,006	3.6% ▼	6,204	6,204	\$5.74	\$17.24	\$7.53 ▲	-	-
Baltimore SW	42	4,503,478	42,000	856,651	755,243	16.8% ▲	(45,095)	(45,095)	\$4.49	\$7.50	\$4.56 ▲	-	-
Baltimore City	176	18,590,734	66,000	2,038,710	1,183,623	6.4% ▼	(33,551)	(33,551)	\$5.38	\$10.37	\$6.05 ▲	147,060	-
Rt 1/BWI Howard	51	5,362,798	223,759	693,704	425,518	7.9% ▲	98,995	98,995	\$7.25	\$15.00	\$9.39 ▼	-	-
Route 2 Corridor	56	6,146,005	424,430	1,036,802	869,732	14.2% ▼	15,953	15,953	\$7.87	\$9.81	\$9.17 ▲	-	-
Columbia	121	9,411,957	138,670	1,205,988	649,267	6.9% ▲	(153,615)	(153,615)	\$6.77	\$14.58	\$9.10 ▼	-	-
Howard County	350	32,242,615	460,232	3,492,562	1,944,517	6.3% ▼	118,706	118,706	\$6.94	\$13.68	\$8.09 ▼	-	-
Cecil County	29	8,573,352	-	580,900	790,700	9.2% ▼	(24,210)	(24,210)	\$4.75	N/A	\$4.75 ▼	766,080	-
Route 83 North	43	3,457,581	-	360,721	278,955	8.1% ▲	(5,489)	(5,489)	\$7.50	\$9.94	\$9.65 ▲	-	-
Route 83 South	15	1,245,426	7,255	110,698	58,638	4.7% ▲	(6,765)	(6,765)	\$12.00	\$15.00	\$12.96 ▼	-	-
I-83 Corridor	67	5,208,677	7,255	536,307	392,581	7.5% ▲	(12,254)	(12,254)	\$8.01	\$9.48	\$9.17 ▲	-	-
Arbutus	79	7,197,991	30,080	1,040,321	735,833	10.2% ▲	22,367	22,367	\$3.86	\$8.38	\$4.03 ▲	-	-
Baltimore County East	158	25,119,167	88,958	4,176,292	3,692,295	14.7% ▼	(120,322)	(120,322)	\$6.80	\$14.50	\$7.21 ▲	2,916,362	-
Reisterstown Road	66	2,746,498	3,475	534,432	430,464	15.7% ▲	(17,402)	(17,402)	\$8.75	\$9.96	\$9.95 ▼	34,200	-
Woodlawn/Catonsville	40	2,383,197	-	190,179	164,404	6.9% ▼	28,405	28,405	\$7.50	\$8.02	\$8.00 ▲	-	-
Baltimore County	409	40,828,749	129,768	4,809,781	3,561,827	6.3% ▼	(127,611)	(127,611)	\$6.23	\$11.08	\$6.54 ▲	2,950,562	-
I-97/Crain Hwy Corridor	50	1,890,831	-	209,854	214,778	11.4% ▼	(8,241)	(8,241)	N/A	\$13.93	\$13.93 ▲	-	-
BWI/Anne Arundel	131	13,373,580	9,989	1,033,814	909,489	6.8% ▼	485,483	485,483	\$6.28	\$12.01	\$7.07 ▼	227,000	-
BWI North/Linthicum	49	3,046,693	-	636,579	437,075	14.3% ▲	6,557	6,557	\$9.24	\$11.91	\$10.01 ▼	-	-
Route 1 Corridor	177	17,444,309	97,803	1,592,870	968,796	5.6% ▼	173,326	173,326	\$7.03	\$10.88	\$7.31 ▼	77,000	-
Annapolis	32	1,199,651	-	135,053	160,400	13.4% ▼	23,237	23,237	N/A	\$18.09	\$18.09 ▼	-	-
Anne Arundel County	439	36,955,064	107,792	3,608,170	2,690,538	7.3% ▼	507,036	507,036	\$7.10	\$12.93	\$8.51 ▲	304,000	-
Harford County	118	20,092,246	-	3,643,117	2,724,807	13.6% ▲	(11,075)	(11,075)	\$5.08	\$4.01	\$5.22 ▼	42,120	860,000
Baltimore Market Total	1,521	157,282,760	1,090,419	18,173,240	12,896,012	8.2% ▼	602,621	602,621	\$6.09	\$11.57	\$7.38 ▲	4,209,822	860,000