



MARKET AT A GLANCE



OCCUPANCY RATE **94.6%**
Up **60 bps** since 1Q18



EFFECTIVE RENT **\$1,305**
Up **2.4%** since 1Q18

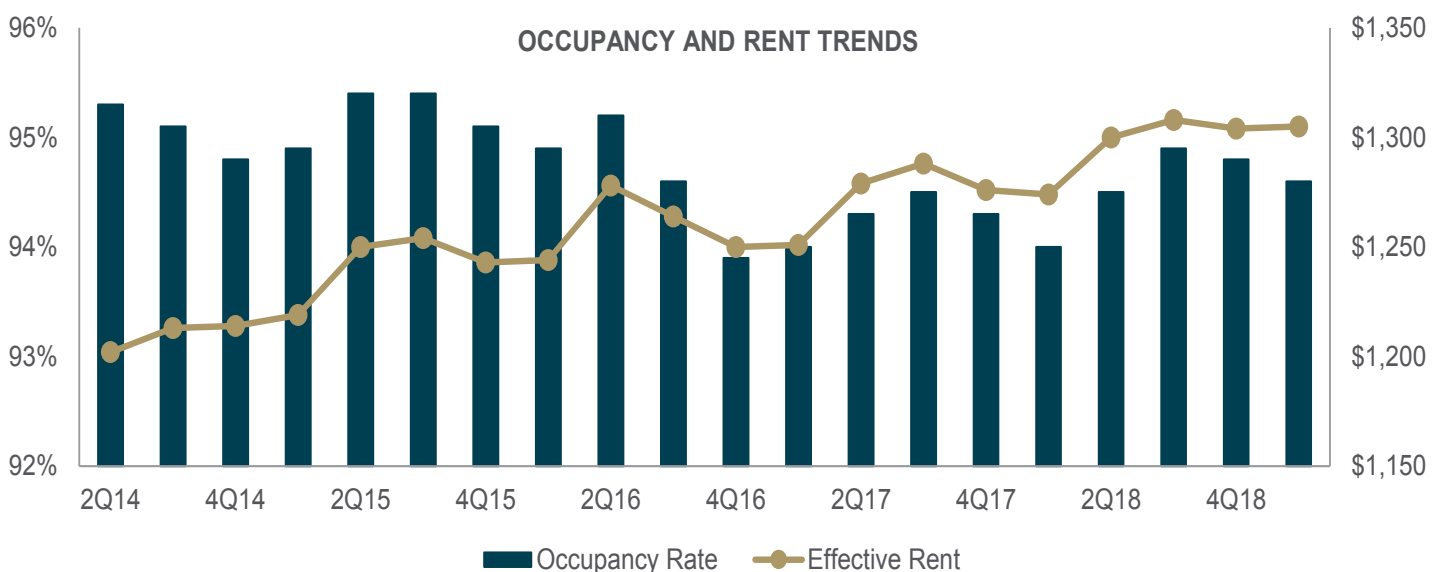


TOTAL INVENTORY **230,149**

OCCUPANCY AND RENT TRENDS

DEVELOPMENT FOCUSED IN DOWNTOWN BALTIMORE, BOOSTING APARTMENT MARKET

Following an influx of new apartments across the Baltimore metropolitan area in recent years, developers tapered deliveries in the last four quarters to bolster apartment fundamentals. After 3,921 market-rate units came online during the previous year, builders brought 2,259 units online since the first quarter of 2018. While deliveries were down overall, developers were more active in a key submarket: Downtown Baltimore. A total of 865 units came online in the area over the last four quarters, up from 550 additions during the preceding year. Underpinning the revitalization of Downtown Baltimore was local and federal incentives for development ranging from tax credits to grants. Renters responded favorably to more personal and professional options in the submarket as average occupancy elevated 60 basis points annually to 94.2% in the first quarter of 2019. At the same time, operators pulled back effective rent amid increased competition for renters. Effective rent averaged \$1,553 per month in March 2019, down 0.3% from one year prior. Conversely, operators metrowide shifted up rent amid rising occupancy. Greater Baltimore effective rent increased 2.4% year over year to an average of \$1,305 per month in March 2019. Simultaneously, average occupancy increased 60 basis points annually to 94.6% in the first quarter of 2019.



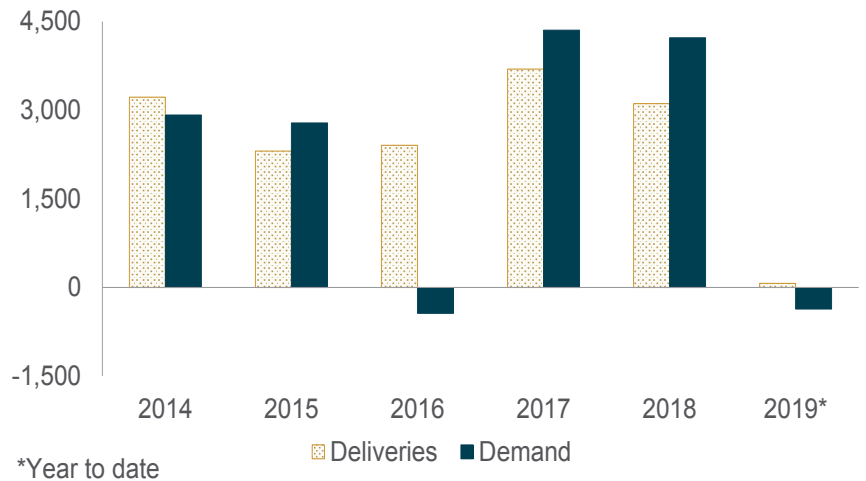
DELIVERIES AND DEMAND



DELIVERIES 68
Units YTD



NET ABSORPTION -365
Units YTD



ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
4.2% **-50 BPS CHANGE** 3.7%

2018 **EMPLOYMENT*** 2019
1.41m **1.3% CHANGE** 1.43m

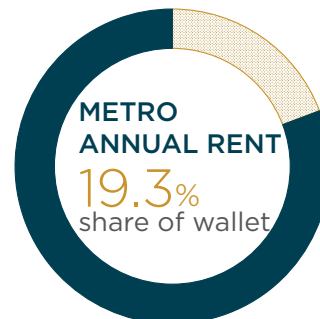
2018 **EXISTING SFH SALES**** 2019
43.0k **24.2% CHANGE** 53.4k

2018 **MEDIAN SFH PRICE**** 2019
\$275.0k **5.7% CHANGE** \$290.6k

2018 **10-YEAR TREASURY**** 2019
2.84% **-30 BPS CHANGE** 2.57%

*January; **March

While Greater Baltimore's unemployment rate reached its lowest level in more than a decade, the local workforce grew 1.3% annually to match the expansion during one year prior. At 3.7% in January 2019, the unemployment rate was down 50 basis points year over year and 30 basis points under the U.S. average of 4.0%. The education and health services sector remained a driving force in the Baltimore economy over the last year. Employers added a metro-leading 9,600 net jobs, for 3.4% annual growth through January 2019. The local economy was also boosted with the opening of several new hotels as bookings elevated to more than 52,600 room nights in 2018 to keep hotel occupancy at approximately 67%, slightly above the national average of 66%. The Baltimore leisure and hospitality industry expanded 1.5% with 2,100 net jobs added year over year through January 2019. The industry will be further boosted with the opening of the state's first Topgolf entertainment complex next year, creating approximately 500 jobs. Overall, total nonfarm employment grew by 18,000 net jobs since January 2018.



BALTIMORE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	1Q18	1Q19	1Q18	1Q19	1Q18	1Q19	1Q19	ANNUAL	1Q19	ANNUAL
Annapolis	94.0%	95.2%	5.5%	3.1%	\$1,633	\$1,683	50	318	0	210
Baltimore City East	93.7%	92.4%	-5.6%	1.2%	\$1,307	\$1,323	-329	258	0	515
Baltimore City North	93.3%	94.6%	0.8%	2.4%	\$1,075	\$1,101	0	235	0	0
Baltimore City West	93.0%	95.0%	1.8%	1.4%	\$949	\$962	72	358	0	0
Columbia/North Laurel	93.7%	94.9%	3.3%	6.1%	\$1,518	\$1,611	-67	307	0	112
Downtown Baltimore	93.6%	94.2%	-0.3%	-0.3%	\$1,557	\$1,553	222	911	56	865
Ellicott City/Elkridge	93.9%	94.6%	0.8%	1.8%	\$1,532	\$1,560	-50	116	12	58
Far North Baltimore Suburbs	95.9%	95.8%	4.6%	2.0%	\$1,194	\$1,218	-55	161	0	182
Northeast Anne Arundel County	94.5%	94.8%	4.1%	3.2%	\$1,284	\$1,325	-53	40	0	0
Northwest Anne Arundel County	94.0%	94.2%	3.5%	2.0%	\$1,622	\$1,654	-26	26	0	0
Owings Mills/Pikesville/Randallstown	94.0%	94.5%	0.5%	1.7%	\$1,288	\$1,310	-75	94	0	0
Parkville/Carney/Perry Hall	94.6%	95.4%	3.4%	1.9%	\$1,088	\$1,109	-25	98	0	0
Southeast Baltimore County	94.6%	94.7%	0.2%	2.7%	\$1,009	\$1,036	0	319	0	317
Southwest Baltimore County	94.5%	94.4%	3.5%	2.9%	\$1,121	\$1,154	-93	-19	0	0
Towson/Hunt Valley	93.5%	95.4%	1.2%	2.4%	\$1,313	\$1,344	64	303	0	0
TOTALS	94.0%	94.6%	1.8%	2.4%	\$1,274	\$1,305	-365	3,525	68	2,259



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