



MARKET AT A GLANCE



OCCUPANCY RATE **95.3%**
Up **80 bps** since 2Q18



EFFECTIVE RENT **\$1,338**
Up **2.3%** since 2Q18

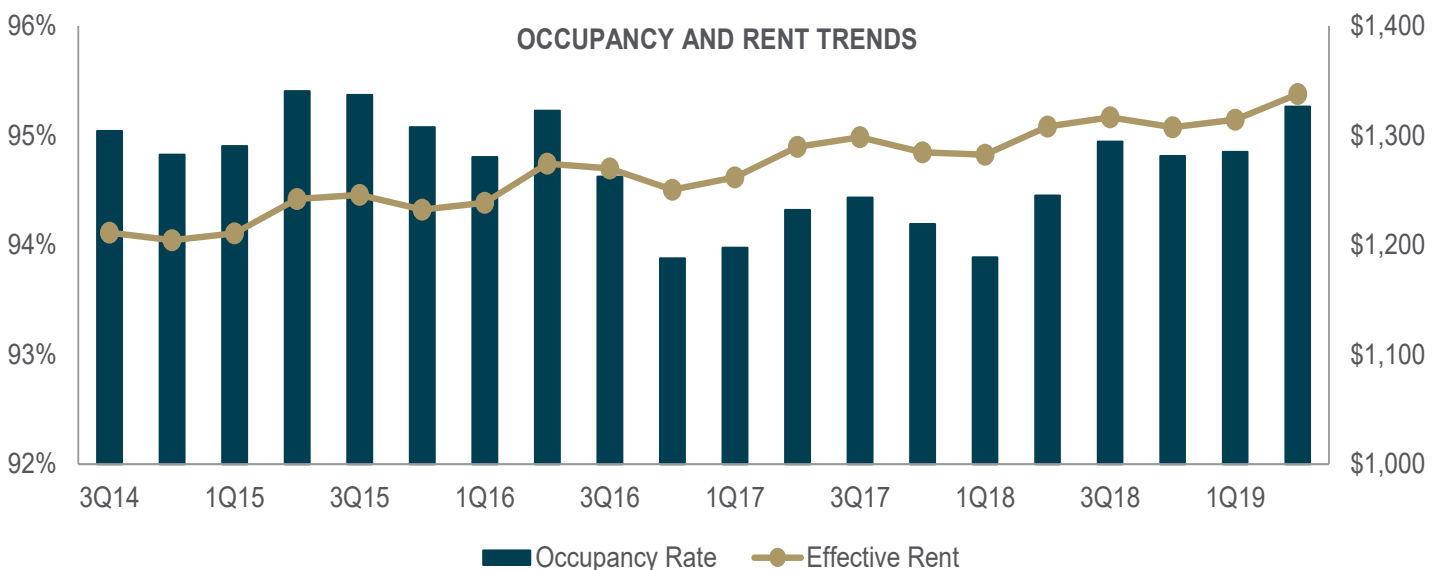


TOTAL INVENTORY **231,449**

OCCUPANCY AND RENT TRENDS

LARGE-SCALE DEVELOPMENTS BOLSTER DEMAND IN BALTIMORE APARTMENT MARKET

An urban renaissance in the Downtown Baltimore submarket underpinned elevating total apartment absorption. In addition to its emergence as a cybersecurity employment hub, renters were attracted to Downtown Baltimore for its large-scale developments that promote a live-work-play lifestyle, like in the Merriweather District and Port Covington. Throughout the metro, developers brought 564 units online during the first half of the year, approximately 23% of which were delivered to the urban core. Extending outside of the city, Questar Properties recently opened one of the area's tallest residential towers, delivering 394 new units and spurring interest in revitalized parts of the Downtown Baltimore submarket. Demand for new construction was steadfast over the past two years. In 2019, amenity-rich apartment units bolstered interest in multifamily housing, bringing the metro's year-to-date net absorption to 1,578 units. Overall, Greater Baltimore's occupancy rate increased 50 basis points to 95.3% in the second quarter of 2019. Average effective rent was \$1,338 per month in June, accelerating 2.4% since the beginning of the year. Amid increased leasing activity in the Downtown Baltimore submarket, occupancy rose 60 basis points to 93.8% and effective rent reached \$1,577 per month, a 1.4% gain.



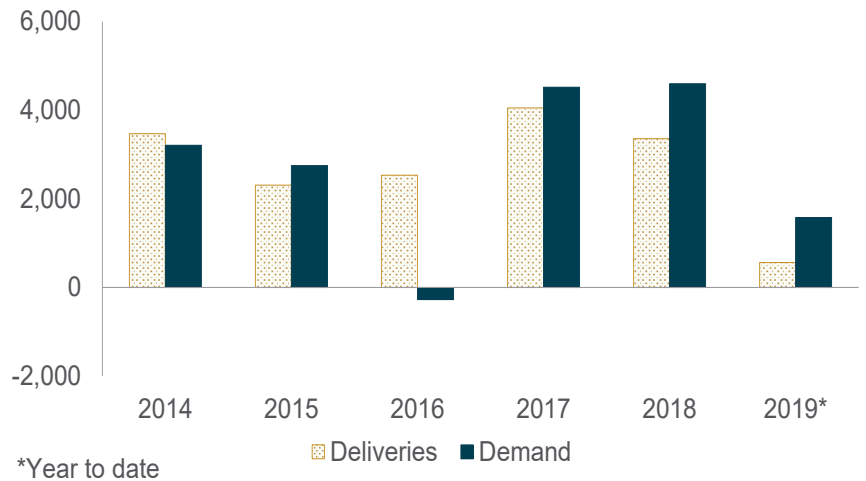
DELIVERIES AND DEMAND



DELIVERIES 564
Units YTD



NET ABSORPTION 1,578
Units YTD



ECONOMIC TRENDS

2018 **UNEMPLOYMENT*** 2019
4.2% **-40 BPS** 3.8%
CHANGE

2018 **EMPLOYMENT*** 2019
1.41m **1.1%** 1.43m
CHANGE

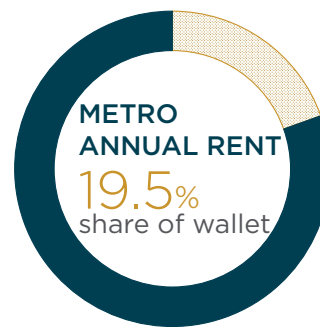
2018 **EXISTING SFH SALES**** 2019
39.5k **2.8%** 40.6k
CHANGE

2018 **MEDIAN SFH PRICE**** 2019
\$283.4k **3.5%** \$293.3k
CHANGE

2018 **10-YEAR TREASURY**** 2019
2.91% **-80 BPS** 2.07%
CHANGE

Several employment sectors posted gains in the last year, boosting the Baltimore economy. Employment grew 1.1% annually from April 2018. Overall, Greater Baltimore's workforce grew by 15,200 jobs, led by recruiting in the education and health services sector. Pharmaceutical firm Emergent BioSolutions and the University of Maryland Medical Center are in the midst of expanding their operations, elevating the metro's capabilities in the biotech and health care industries to meet the needs of its increasingly aging population. The local workforce also received a boost from the addition of 1,600 new employees in the professional and business services sector, which expanded 0.7% annually. Athletic clothing company Under Armour is currently developing a global headquarters in Port Covington that will generate \$4 billion in gross economic output and house more than 10,000 employees at build-out. Thanks to a diversified economy that supported hiring across multiple sectors, the metro's unemployment rate decreased 40 basis points to 3.8% in April 2019.

*April; **June



BALTIMORE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT CHANGE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	2Q18	2Q19	2Q18	2Q19	2Q18	2Q19	2Q19	ANNUAL	2Q19	ANNUAL
Annapolis	95.2%	95.8%	3.6%	3.4%	\$1,678	\$1,736	91	140	0	84
Baltimore City East	94.6%	95.3%	-0.6%	0.7%	\$1,378	\$1,388	105	719	0	630
Baltimore City North	93.6%	93.7%	0.2%	1.6%	\$1,077	\$1,095	-163	18	0	0
Baltimore City West	93.9%	95.5%	0.4%	2.4%	\$954	\$977	-1	437	93	158
Columbia/North Laurel	94.0%	95.4%	0.7%	4.6%	\$1,558	\$1,631	100	233	0	0
Downtown Baltimore	93.4%	93.8%	-2.2%	-0.9%	\$1,591	\$1,577	302	681	192	654
Ellicott City/Elkridge	95.4%	95.4%	2.0%	3.0%	\$1,597	\$1,645	64	93	39	97
Far North Baltimore Suburbs	95.6%	96.3%	0.8%	4.0%	\$1,213	\$1,261	110	154	0	60
Northeast Anne Arundel County	94.4%	96.0%	1.3%	3.1%	\$1,328	\$1,369	120	213	0	0
Northwest Anne Arundel County	94.2%	95.5%	2.7%	2.0%	\$1,704	\$1,738	176	202	35	35
Owings Mills/Pikesville/Randallstown	94.5%	95.8%	0.5%	2.7%	\$1,274	\$1,309	169	245	0	0
Parkville/Carney/Perry Hall	95.1%	96.1%	3.7%	4.4%	\$1,097	\$1,145	61	123	0	0
Southeast Baltimore County	95.0%	94.8%	2.7%	1.2%	\$1,052	\$1,065	56	144	0	191
Southwest Baltimore County	94.9%	95.3%	3.2%	1.6%	\$1,138	\$1,156	93	74	0	0
Towson/Hunt Valley	94.0%	95.3%	0.7%	1.5%	\$1,377	\$1,398	16	208	0	0
TOTALS	94.5%	95.3%	1.4%	2.3%	\$1,308	\$1,338	1,300	3,683	359	1,909



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