



MIDFIELD
REAL ESTATE

Baltimore

Q2

Market Report 2024



01

**Steady Demand
and Robust
Absorption**



The Baltimore multifamily market continues to show impressive strength, with the demand for apartments surging over the past year

The market has absorbed approximately 4,300 units, surpassing the 10-year historical average. This strong demand indicates a promising trajectory for 2024, with this year likely ranking among the highest in terms of multifamily absorption in recent history. Both urban and suburban submarkets, including Canton, Downtown Baltimore, and surrounding counties, have experienced significant positive absorption, highlighting the city's continued appeal to renters.

Even with the addition of over 7,500 new units in the past three years, the vacancy rate has remained stable, reflecting the market's ability to balance supply with demand effectively. This stability is a testament to Baltimore's resilience and its position as a desirable market for multifamily investments.

3,825

12 Mo Delivered Units

4,692

12 Mo Absorption Units

6.7%

Vacancy Rate

2.6%

12 Mo Asking Rent Growth

Key Indicators



Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	49,024	7.8%	\$2,191	\$2,175	792	339	2,353
3 Star	96,473	6.2%	\$1,634	\$1,623	396	364	360
1 & 2 Star	67,516	6.6%	\$1,305	\$1,295	17	0	0
Market	213,013	6.7%	\$1,672	\$1,660	1,205	703	2,713

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.5%	6.1%	6.0%	7.5%	2018 Q1	3.6%	2021 Q3
Absorption Units	4,692	1,863	2,625	7,086	2021 Q2	(3,706)	2023 Q1
Delivered Units	3,825	2,239	2,154	5,470	2018 Q2	482	2004 Q2
Demolished Units	0	70	71	313	2022 Q4	0	2024 Q2
Asking Rent Growth (YOY)	2.6%	2.4%	4.1%	10.5%	2021 Q3	-1.1%	2009 Q3
Effective Rent Growth (YOY)	2.8%	2.4%	4.1%	11.4%	2021 Q3	-1.1%	2009 Q3
Sales Volume	\$480M	\$1.1B	N/A	\$4.2B	2021 Q4	\$120.7M	2009 Q4

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02

Improving Vacancy Rates & Rent Growth



Baltimore's vacancy rate has seen a favorable decline, now standing at its lowest since early 2023

This reduction in vacancy is particularly notable given the substantial new supply entering the market. The market's stability has also supported a rebound in rent growth, which is currently outpacing the national average. As demand continues to outstrip supply, rents are expected to maintain their upward trajectory, particularly in sought-after areas like East and North Baltimore.

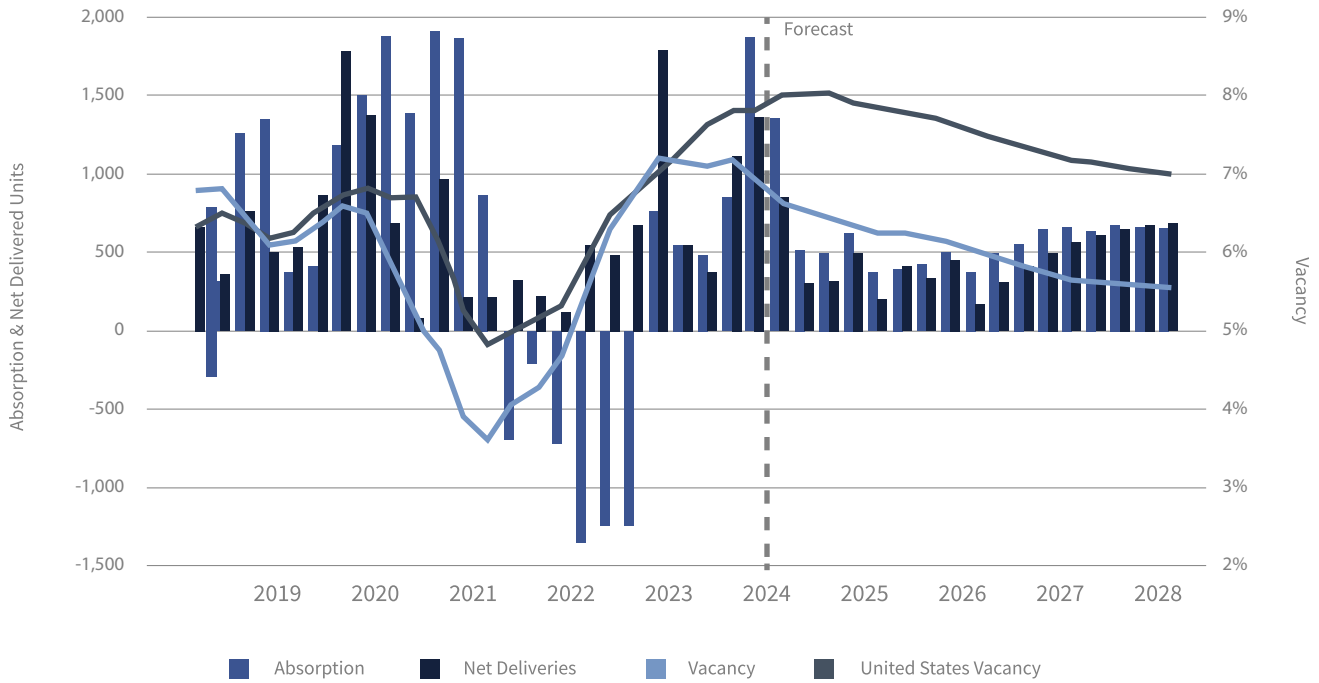
In addition, rent growth has been robust across various market segments, with the most significant gains observed in high-demand submarkets such as East Baltimore and North Baltimore City. This trend is indicative of a market that is not only stabilizing but also evolving, with strong prospects for continued growth in the coming quarters.



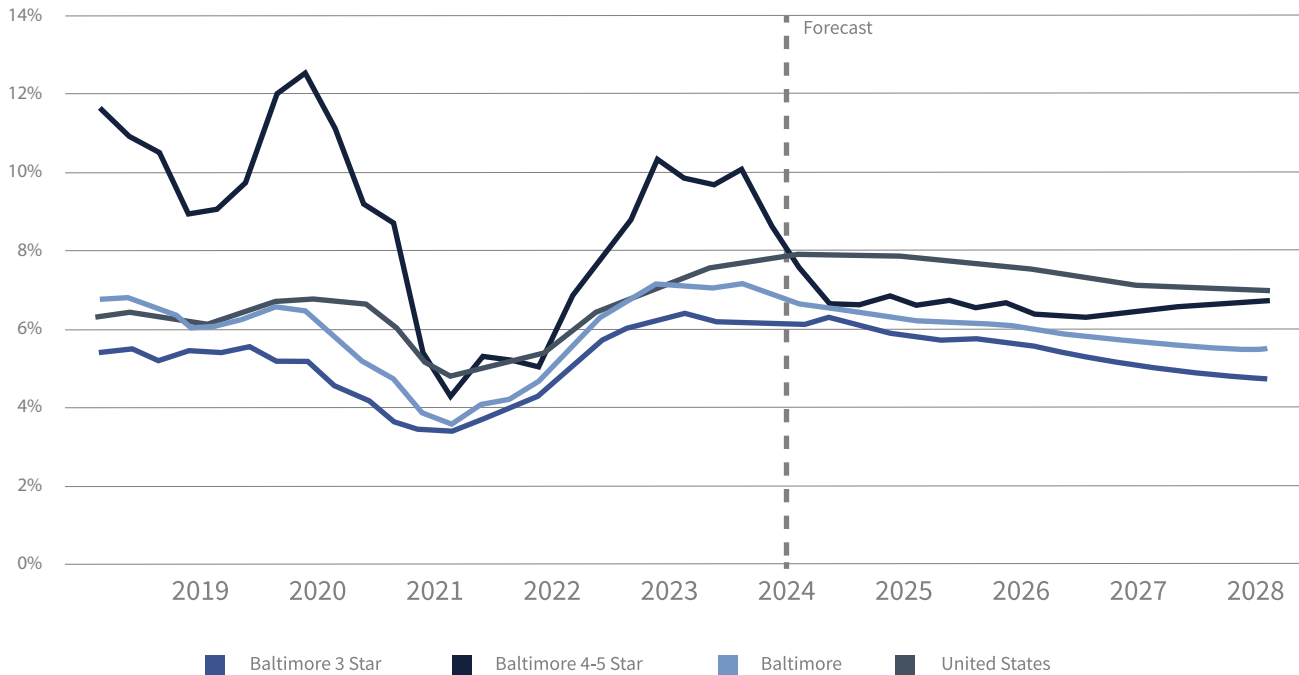
Vacancy



Absorption, Net Deliveries & Vacancy



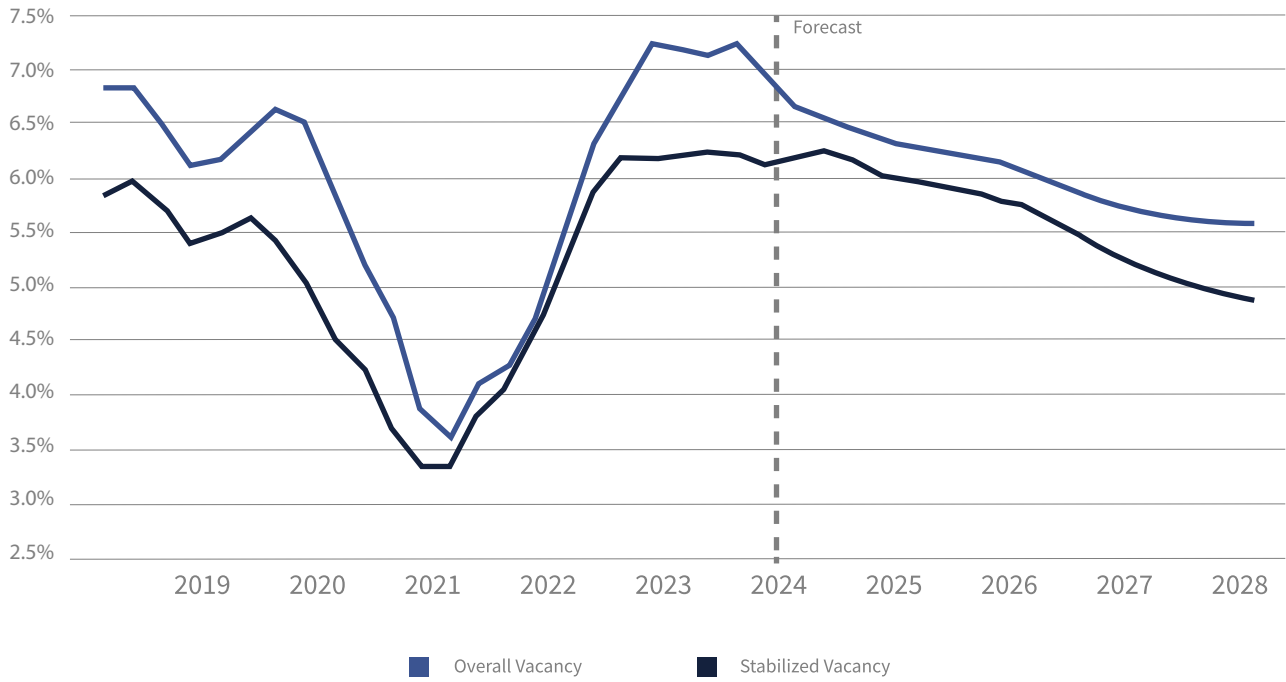
Vacancy Rate



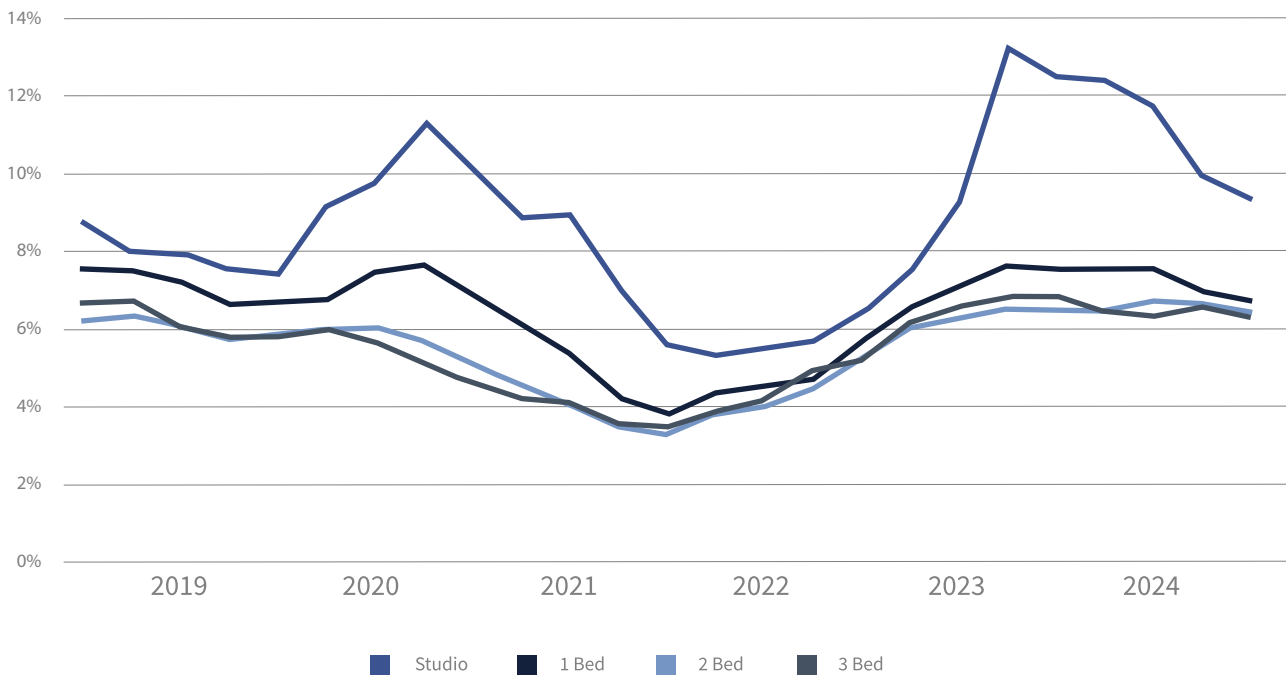
Vacancy



Overall & Stabilized Vacancy



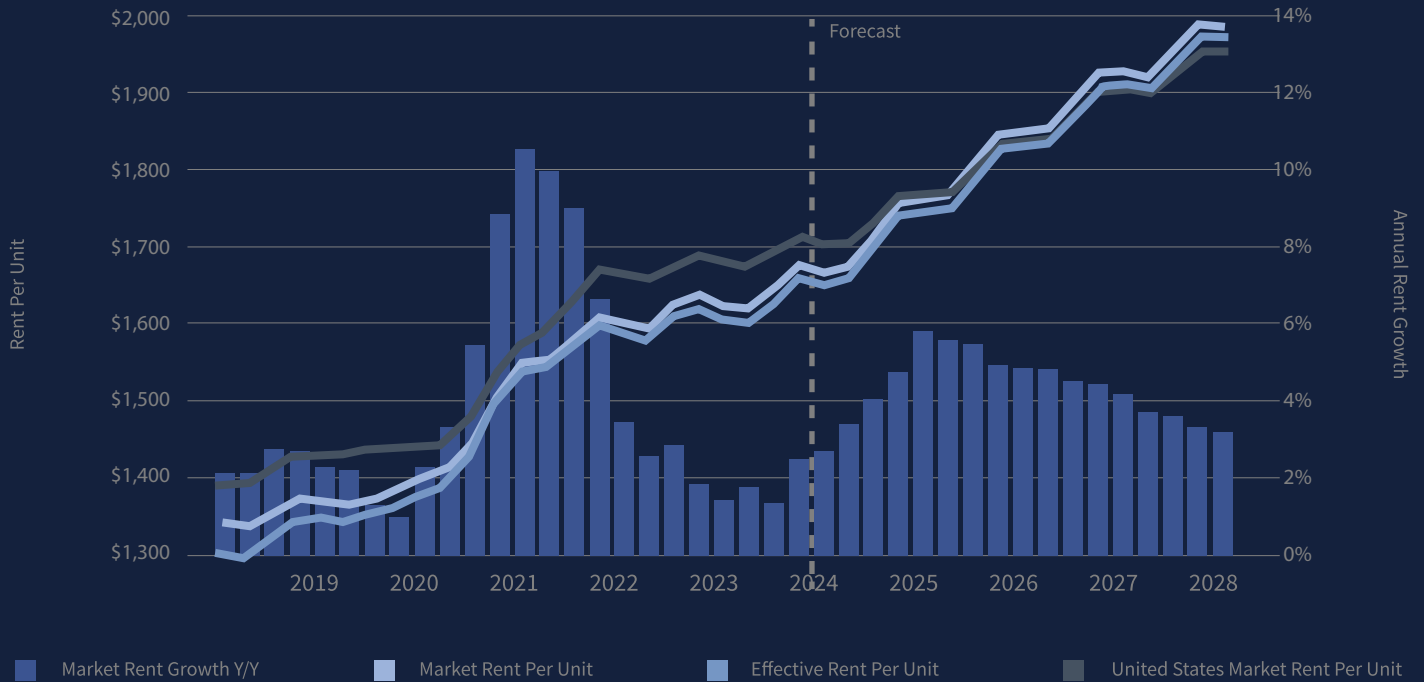
Vacancy by Bedroom



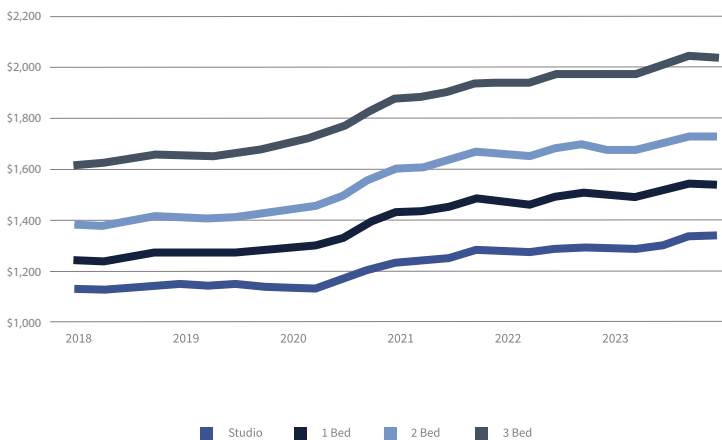
Rent Growth



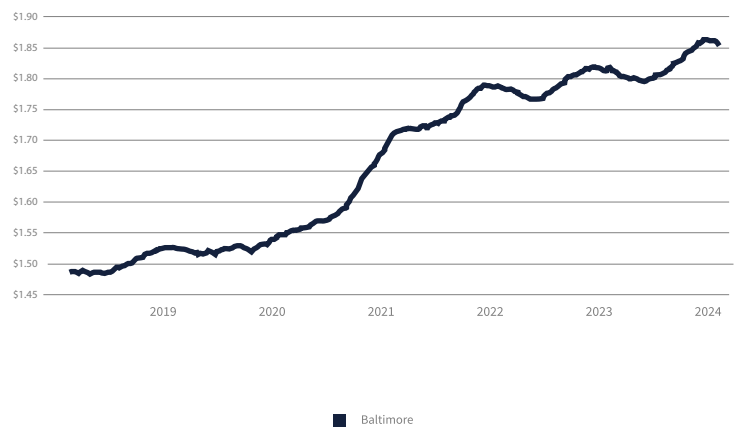
Market Rent Per Unit & Rent Growth



Market Rent Per Unit by Bedroom



Daily Asking Rent Per SF



4 & 5 Star Expenses Per SF (Annual)



Market / Cluster	Operating Expenses								Capital Expenditures			Total
	Mgmt.	Admin.	Payroll	Water	Utilities	Maint.	Insurance	Taxes	Appliance	Structural	Other	
Baltimore	\$0.62	\$0.74	\$1.07	\$0.24	\$0.58	\$1.31	\$0.26	\$1.51	\$0.18	\$0.43	\$0.80	\$7.74
Annapolis	\$0.63	\$0.82	\$1.05	\$0.11	\$0.36	\$1.25	\$0.24	\$1.61	\$0.11	\$0.28	\$0.61	\$7.07
Canton	\$0.66	\$0.81	\$1.13	\$0.38	\$0.77	\$1.35	\$0.29	\$1.58	\$0.30	\$0.75	\$1.18	\$9.20
Downtown Baltimore	\$0.66	\$0.81	\$1.07	\$0.12	\$0.41	\$1.35	\$0.25	\$1.58	\$0.12	\$0.29	\$0.61	\$7.27
East Anne Arundel...	\$0.62	\$0.82	\$1.04	\$0.10	\$0.35	\$1.22	\$0.23	\$1.59	\$0.11	\$0.27	\$0.61	\$6.96
East Baltimore	\$0.67	\$0.84	\$1.17	\$0.43	\$0.83	\$1.43	\$0.32	\$1.67	\$0.37	\$0.92	\$1.33	\$9.98
Federal Hill	\$0.67	\$0.84	\$1.17	\$0.43	\$0.83	\$1.43	\$0.32	\$1.67	\$0.37	\$0.92	\$1.33	\$9.98
Harford County	\$0.67	\$0.84	\$1.10	\$0.12	\$0.41	\$1.43	\$0.25	\$1.67	\$0.12	\$0.32	\$0.62	\$7.55
Howard County	\$0.61	\$0.74	\$1.02	\$0.29	\$0.74	\$1.26	\$0.23	\$1.51	\$0.11	\$0.28	\$0.61	\$7.40
North Baltimore City	\$0.60	\$0.72	\$1.01	\$0.37	\$0.81	\$1.07	\$0.25	\$1.25	\$0.19	\$0.46	\$1.04	\$7.77
Northwest Baltimore...	\$0.45	\$0.60	\$0.85	\$0.32	\$0.71	\$0.79	\$0.20	\$0.92	\$0.07	\$0.14	\$0.81	\$5.86
Queen Annes County	\$0.67	\$0.84	\$1.10	\$0.12	\$0.41	\$1.43	\$0.25	\$1.67	\$0.12	\$0.32	\$0.62	\$7.55
South Baltimore	\$0.67	\$0.84	\$1.17	\$0.43	\$0.83	\$1.43	\$0.32	\$1.67	\$0.37	\$0.92	\$1.33	\$9.98
Southeast Baltimore...	\$0.48	\$0.44	\$1.10	\$0.17	\$0.44	\$1.44	\$0.25	\$1.25	\$0.18	\$0.32	\$0.62	\$6.69
Southwest Baltimor...	\$0.67	\$0.84	\$1.10	\$0.30	\$0.75	\$1.43	\$0.25	\$1.67	\$0.12	\$0.32	\$0.62	\$8.07
Towson	\$0.50	\$0.49	\$1.05	\$0.21	\$0.53	\$1.29	\$0.24	\$1.18	\$0.16	\$0.28	\$0.68	\$6.61
West Anne Arundel...	\$0.65	\$0.83	\$1.07	\$0.11	\$0.38	\$1.34	\$0.24	\$1.64	\$0.12	\$0.30	\$0.61	\$7.29
West Baltimore City	\$0.67	\$0.84	\$1.17	\$0.43	\$0.83	\$1.43	\$0.32	\$1.67	\$0.37	\$0.92	\$1.33	\$9.98
West Baltimore Cou...	\$0.49	\$0.46	\$1.10	\$0.14	\$0.43	\$1.46	\$0.24	\$1.34	\$0.18	\$0.32	\$0.62	\$6.78

Expenses are estimated using NCREIF, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

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03

**Active Construction,
Strategic Development
& Strong Sales Activity**



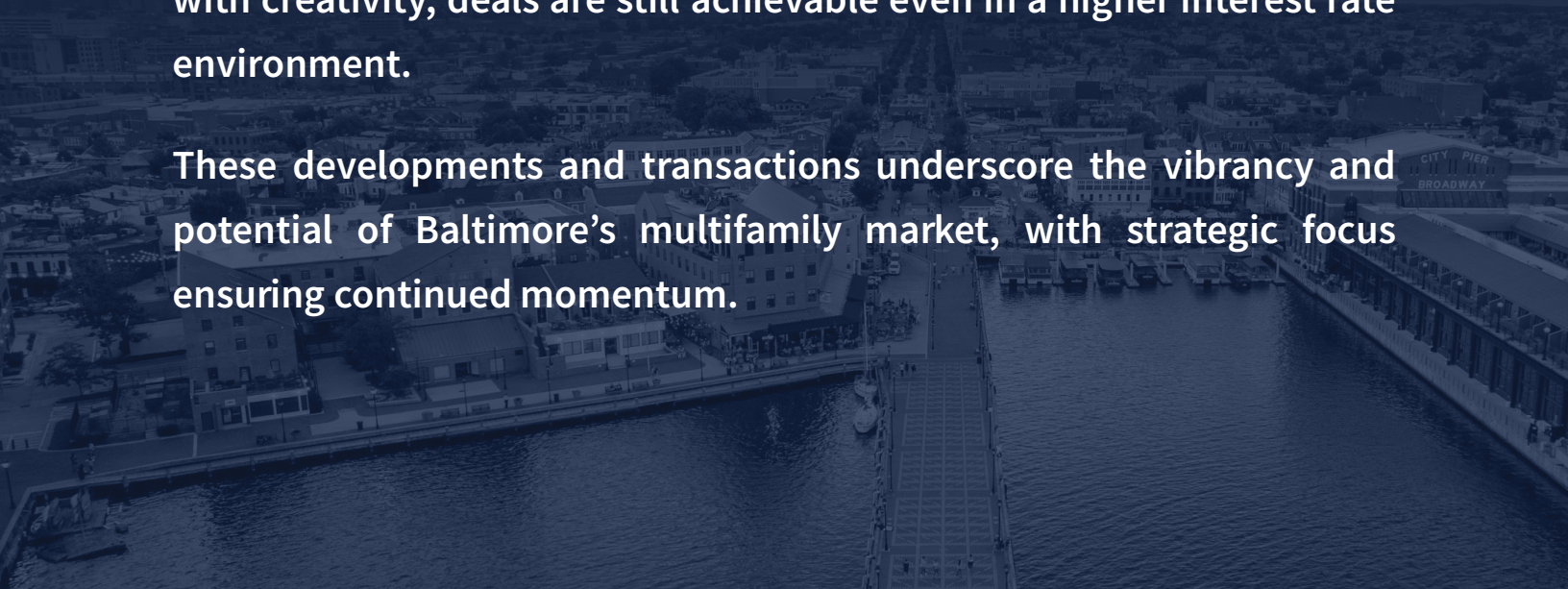
Baltimore's construction landscape remains dynamic, with around 2,700 units under development

Primarily in key areas like Downtown Baltimore, Canton, and Federal Hill. A standout project is Harbor Point, a mixed-use development set to deliver nearly 600 luxury apartments in 2024, reflecting the trend toward vibrant live-work-play environments.

Sales activity in the multifamily sector remains robust, highlighted by the Q2 2024 sale of the 414 Light Street apartments, a luxury high-rise in Downtown Baltimore, for approximately \$240 million. This transaction underscores strong investor confidence in Baltimore's multifamily market.

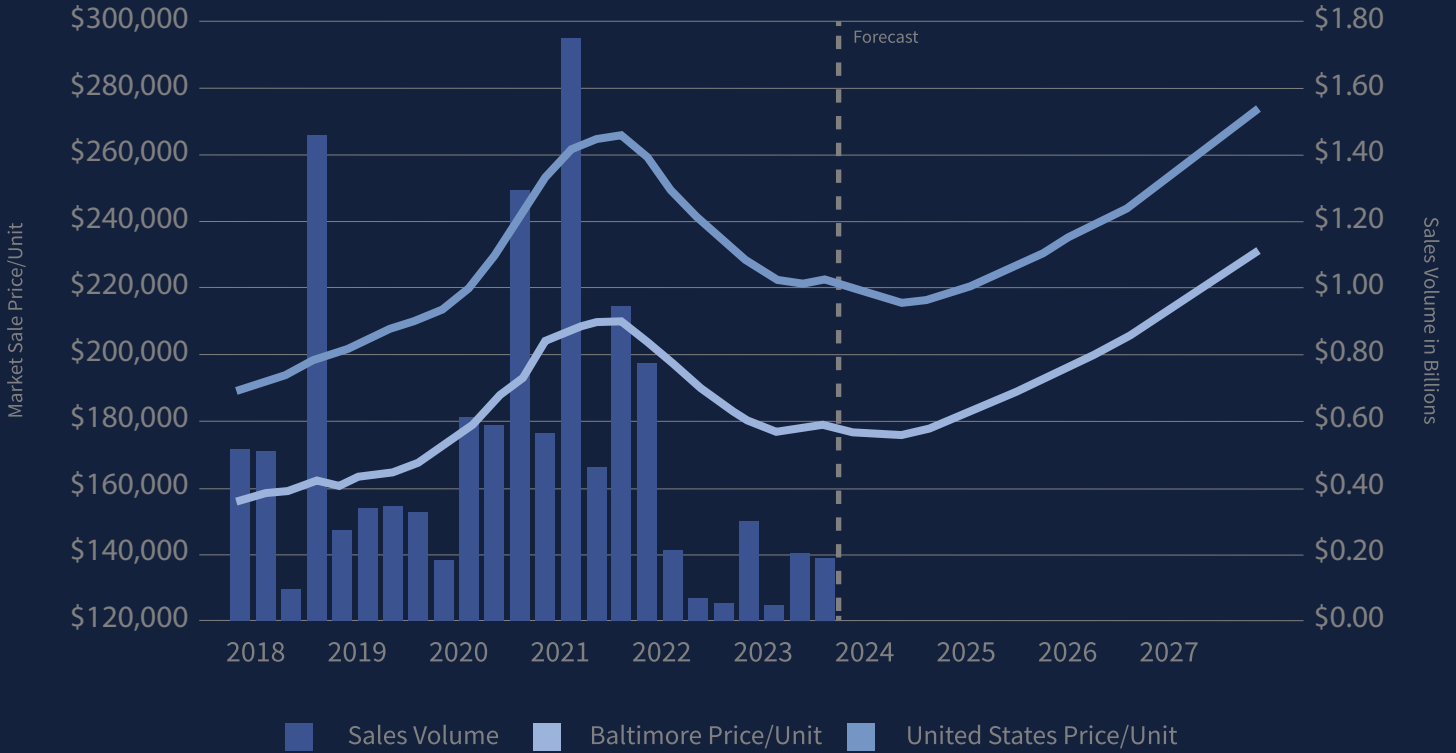
Additionally, at Midfield, we recently sold an 18-unit building near Johns Hopkins for a little over \$180,000 per unit. Our ongoing listing of a 244-unit property as a recapitalization further demonstrates that, with creativity, deals are still achievable even in a higher interest rate environment.

These developments and transactions underscore the vibrancy and potential of Baltimore's multifamily market, with strategic focus ensuring continued momentum.

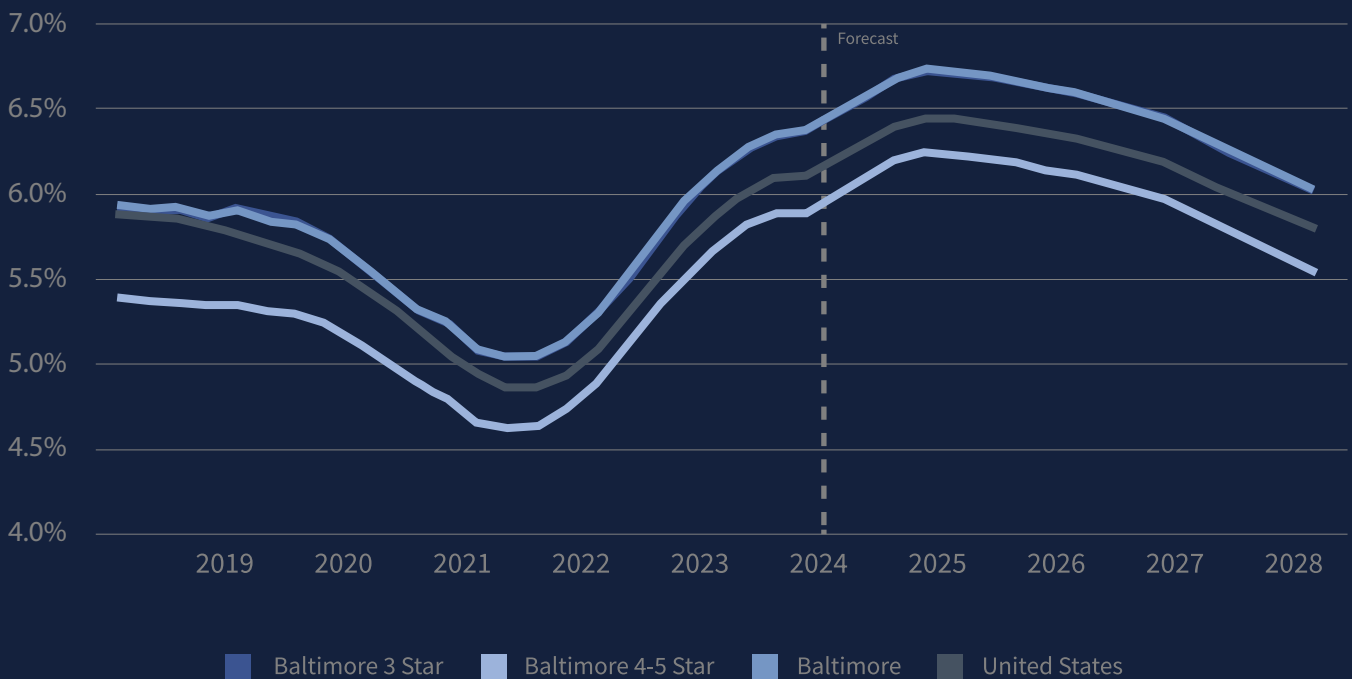




Sales Volumen & Market Sale Price Per Unit



Market Cap Rate



Sale Comparable



68

\$124

\$9.4

5.8%

Sale Comparables

Avg. Price/Unit (thous.)

Avg. Price (mill.)

Avg. Vacancy at Sale

Sales Attributes	Low	Average	Median	High
Sale Price	\$257,000	\$9,410,960	\$1,600,000	\$68,500,000
Price/Unit	\$45,833	\$123,796	\$99,833	\$257,500
Cap Rate	5.0%	8.6%	8.3%	17.0%
Vacancy Rate At Sale	0%	5.8%	3.0%	50.0%
Time Since Sale in Months	0.1	5.5	5.8	11.5
Property Attributes	Low	Average	Median	High
Property Size in Units	5	61	14	515
Number of Floors	2	3	3	12
Average Unit SF	342	845	795	2,209
Year Built	1850	1942	1948	2021
Star Rating	★★★★★	★★★★★ 2.4	★★★★★	★★★★★

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Recently Closed Transactions



3602 Monterey Rd



Sale Price
\$3,000,000

Price per Unit
\$83,333

36 Units

615 N Carrollton Ave



Sale Price
\$900,000

Price per Unit
\$150,000

6 Units

1810 McCulloh St



Sale Price
\$205,000

Price per Unit
\$34,166

6 Units

300 E 30th St



Sale Price
\$3,250,000

Price per Unit
\$180,555

18 Units

N Calvert



Sale Price
\$1,700,000

Price per Unit
\$94,444

18 Units

Station North



Sale Price
\$1,980,000

Price per Unit
\$165,000

12 Units

1700 Madison



Sale Price
\$350,000

Price per Unit
\$38,888

9 Units

Multifamily Auction Offerings



3612 Eldorado Ave
Baltimore, MD 21207

18 Units



4901 York Rd
Baltimore, MD 21212

13 Units



1611-1613 Gwynns Falls Pkwy
Baltimore, MD 21217

17 Units | Under Contract



14-16 E Madison St
Baltimore, MD 21202

20 Units | Under Contract

Exclusive Offerings



Hillside Manor
Baltimore, MD 21216

244 Units | Multifamily



499 Beaumont Ave
Baltimore, MD 21212

18 Units | Multifamily



2107-2111 Park Ave
Baltimore, MD 21217

16 Units | Multifamily



2620-2630 E Northern Pkwy
Baltimore, MD 21214

15 Units | Multifamily



201 E North Ave
Baltimore, MD 21202

12 Units | Multifamily



2800 N Calvert St
Baltimore, MD 21218

9 Units | Multifamily

Exclusive Offerings



316 N Paca St
Baltimore, MD 21201
8 Units | Multifamily



5900 York Rd
Baltimore, MD 21212
17,100 SF GLA | Retail



201 Milford Mill Rd
Pikesville, MD 21208
14,077 SF RBA | Retail



5109 York Rd
Baltimore, MD 21212
3,750 SF GLA | Retail



6515 Belair Rd
Baltimore, MD 21206
19,442 SF RBA | Retail



6200 Harford Rd
Baltimore, MD 21214
6,400 SF GLA | Retail



04

**Local Economic
Recovery & Long-Term
Stability**



The economic landscape in Baltimore has shown resilience, particularly following the challenges earlier in the year

The reopening of the Port of Baltimore has been a significant boost, helping to stabilize the local economy. Job growth, especially in sectors like Professional Services, Government, and Transportation, is contributing to the overall economic recovery, which bodes well for the multifamily market.

Looking ahead, Baltimore's multifamily sector is expected to benefit from steady population growth and a continued influx of educated professionals. With the region's population stabilizing and projected to grow through 2028, the demand for quality housing is likely to remain strong. This growth, coupled with ongoing efforts to preserve affordable housing, underscores Baltimore's potential for long-term stability and prosperity in the multifamily sector.



Baltimore Employment by Industry in Thousands



Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	57	0.5	-2.49%	0.04%	0.15%	0.70%	-0.43%	0.13%
Trade, Transportation and Utilities	252	1.0	-0.67%	0.07%	0.72%	1.03%	0.08%	0.14%
Retail Trade	120	0.9	-1.57%	-0.17%	-1.29%	0.18%	-0.32%	0.13%
Financial Activities	78	0.9	0.64%	0.55%	0.32%	1.44%	-0.02%	0.18%
Government	228	1.1	4.78%	2.35%	0.15%	0.55%	0.24%	0.32%
Natural Resources, Mining and Construction	86	1.1	1.85%	2.16%	1.90%	2.36%	-0.05%	0.24%
Education and Health Services	275	1.2	2.43%	3.33%	0.89%	1.98%	0.56%	0.63%
Professional and Business Services	251	1.2	1.24%	0.69%	1.38%	1.97%	0.46%	0.47%
Information	16	0.6	-0.60%	-1.76%	-0.07%	1.10%	-0.09%	0.22%
Leisure and Hospitality	129	0.8	2.55%	2.56%	0.06%	1.51%	0.34%	0.69%
Other Services	52	1.0	4.13%	1.48%	-0.42%	0.65%	0.04%	0.26%
Total Employment	1,425	1.0	1.72%	1.44%	0.68%	1.34%	0.25%	0.37%

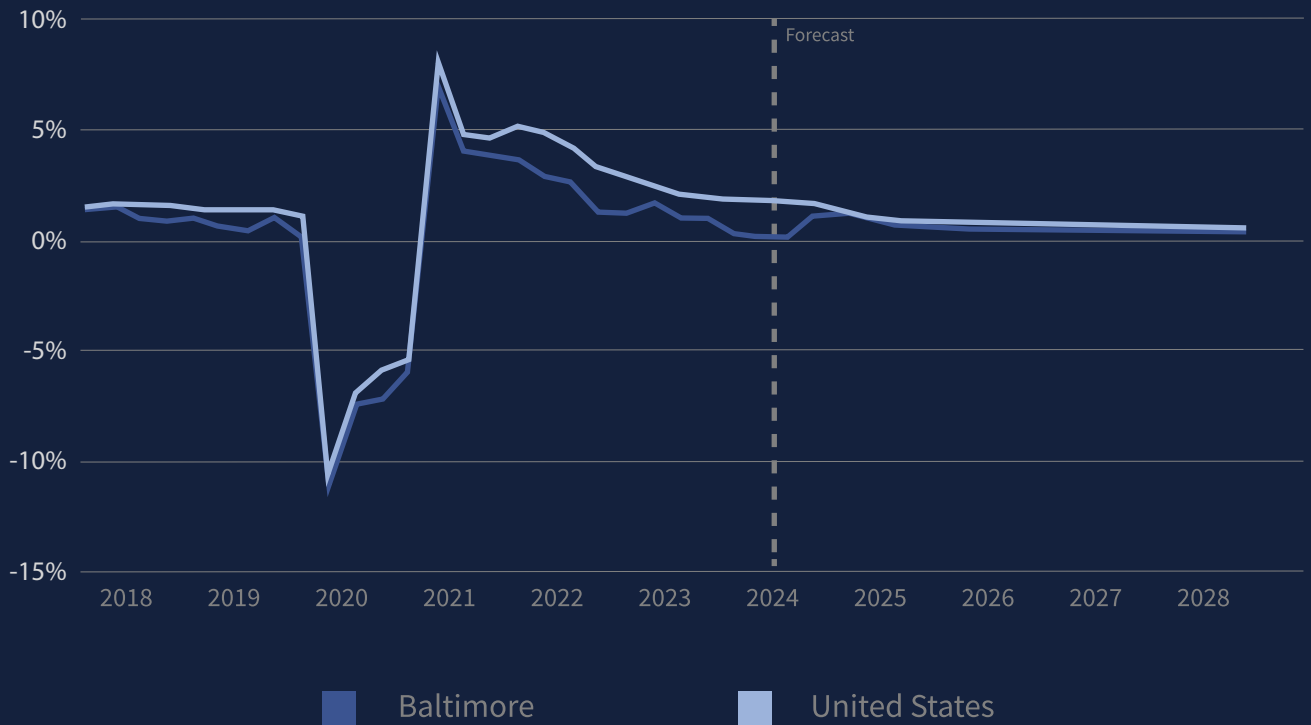
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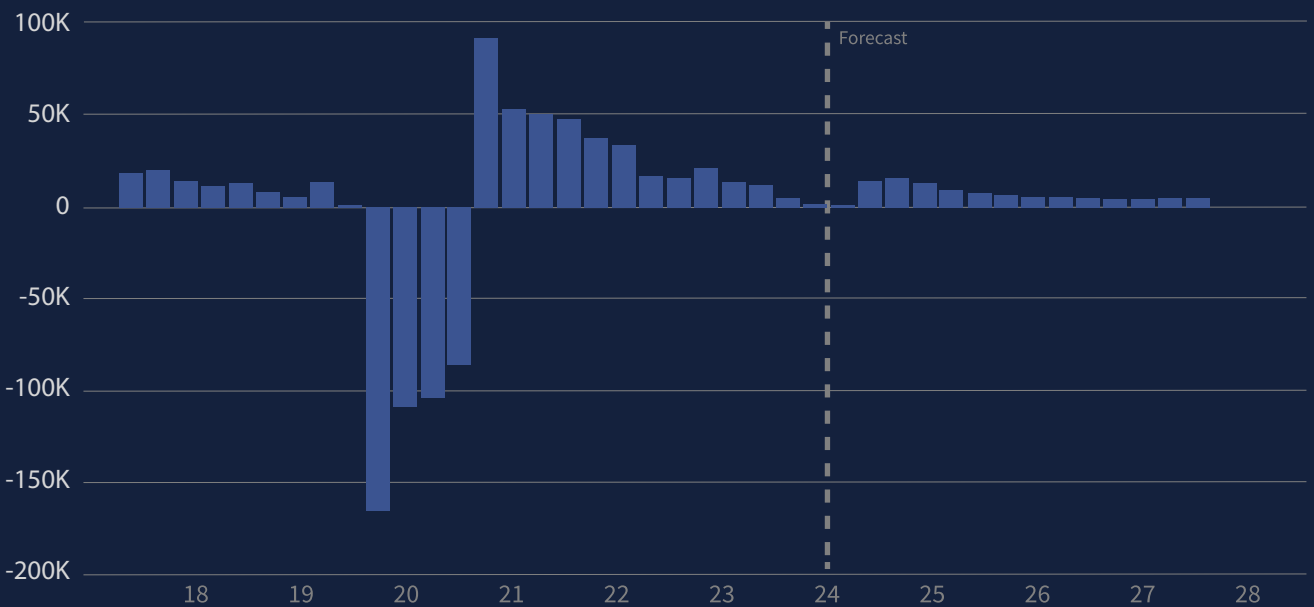
Economy



Job Growth (YOY)

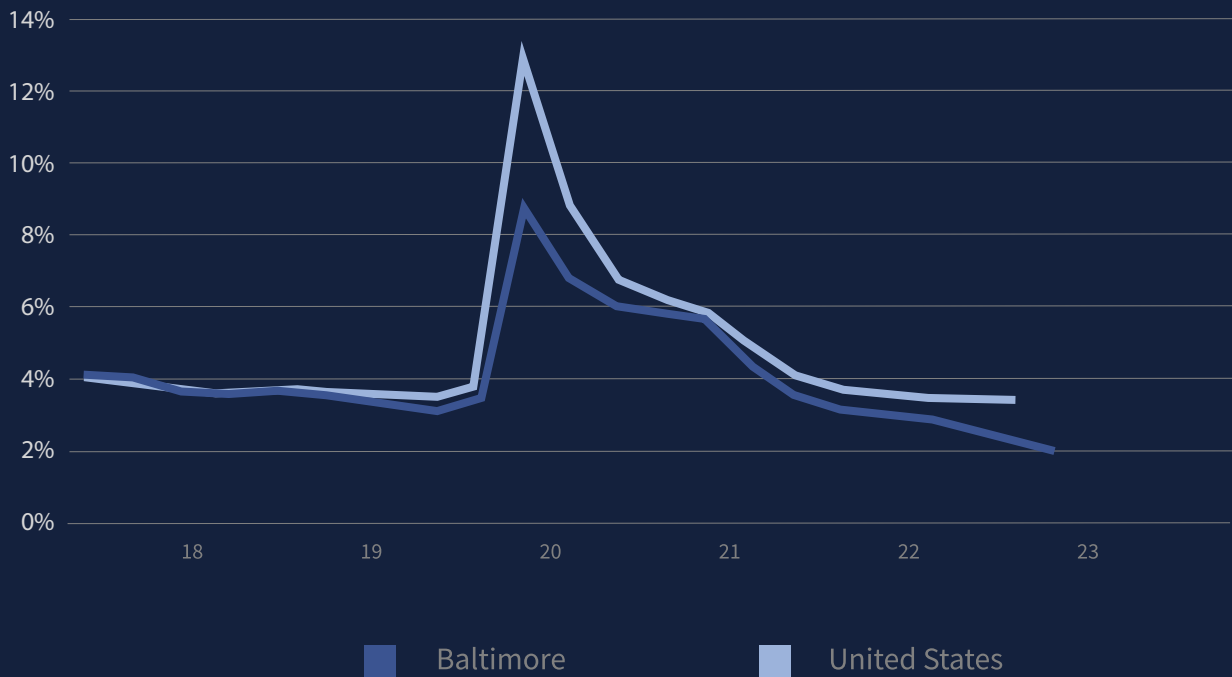


Net Employment Change (YOY)

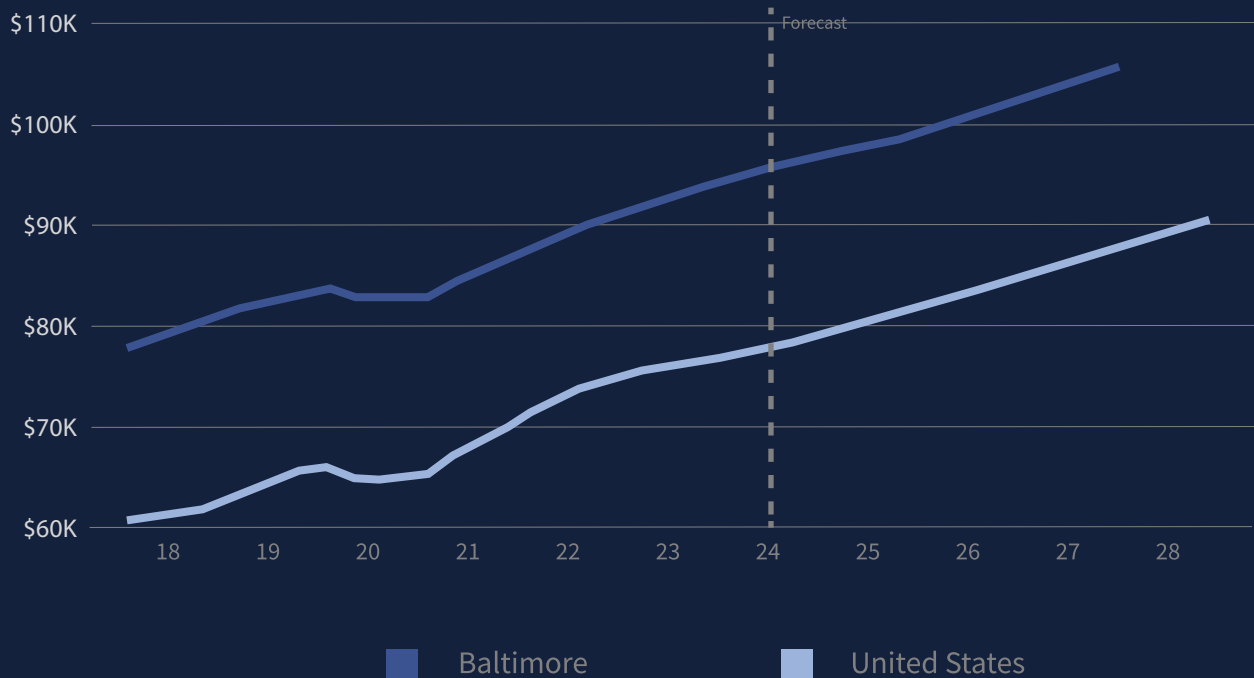




Unemployment Rate (%)

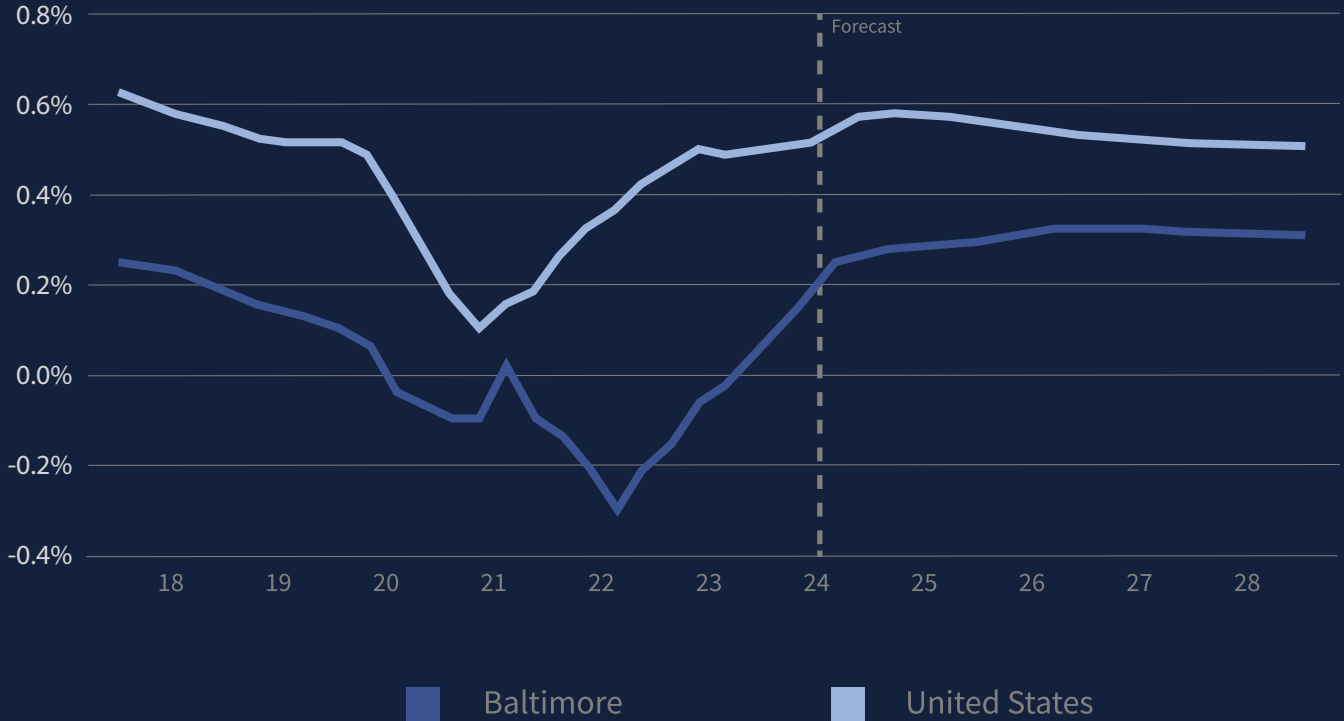


Median Household Income

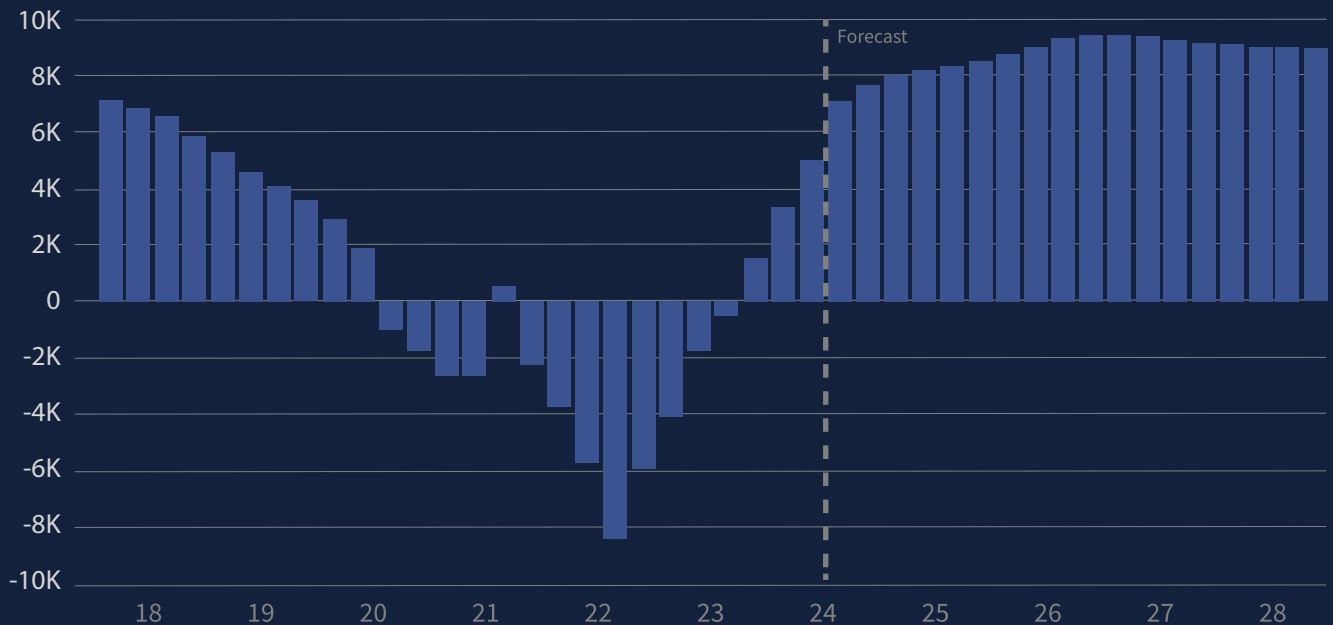




Population Growth (YOY %)



Net Population Change (YOY)



Demographic Trends

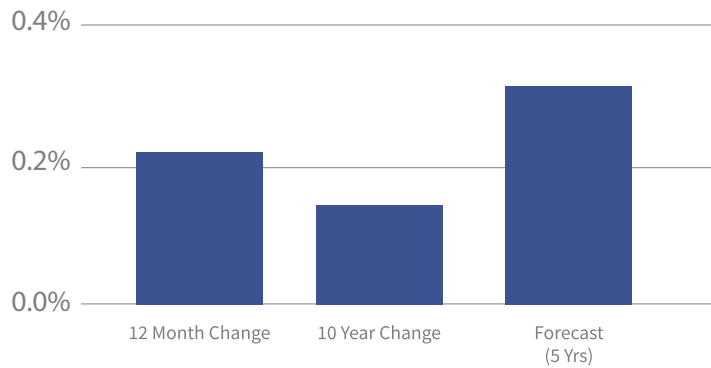


Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	2,840,517	336,525,813	0.2%	0.5%	0.1%	0.5%	0.3%	0.5%
Households	1,131,400	113,507,094	0.4%	0.7%	0.6%	0.9%	0.4%	0.6%
Median Household Income	\$95,653	\$77,864	2.9%	2.2%	3.1%	3.9%	3.0%	3.5%
Labor Force	1,497,931	168,174,594	0.4%	0.5%	0.2%	0.8%	0.6%	0.5%
Unemployment	2.5%	3.9%	0.5%	0.3%	-0.3%	-0.2%	-	-

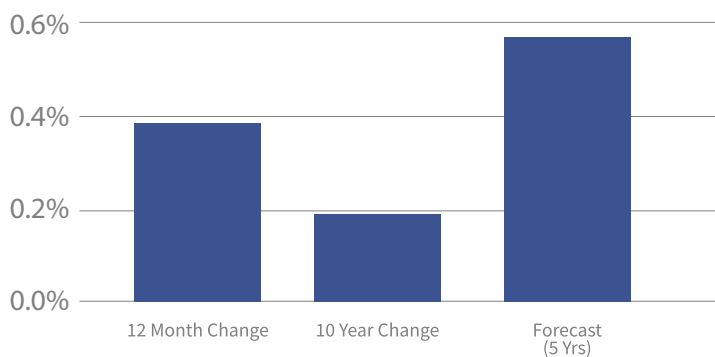
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Source: Oxford Economics

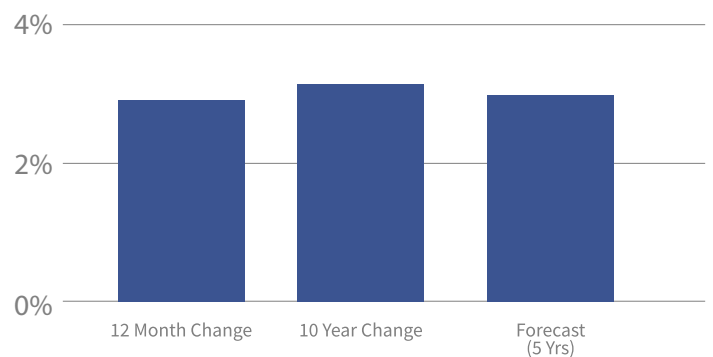
Population Growth



Labor Force Growth



Income Growth



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05

A photograph of a city skyline at dusk or dawn, with buildings and a body of water. The left side of the image is covered by a dark blue semi-transparent overlay.

Global Economy & Debt

The economic landscape in Baltimore has shown resilience, particularly following the challenges earlier in the year

The reopening of the Port of Baltimore has been a significant boost, helping to stabilize the local economy. Job growth, especially in sectors like Professional Services, Government, and Transportation, is contributing to the overall economic recovery, which bodes well for the multifamily market.

Looking ahead, Baltimore's multifamily sector is expected to benefit from steady population growth and a continued influx of educated professionals. With the region's population stabilizing and projected to grow through 2028, the demand for quality housing is likely to remain strong. This growth, coupled with ongoing efforts to preserve affordable housing, underscores Baltimore's potential for long-term stability and prosperity in the multifamily sector.

Conventional Multifamily Loans

Rates are 6.25% to 7.00%, depending on credit and property specifics.

Fannie Mae & Freddie Mac Loans

GSE loans range from 5.75% to 6.50%, ideal for larger, stable properties.

HUD/FDA Loans

Offer some of the lowest rates at 4.75% to 5.50%, especially for affordable housing projects.

Bridge Loans

Short-term financing at 7.50% to 9%, useful for renovations or quick acquisitions.

CMBS Loans

Used for large projects, with rates between 6.50% and 7.25%

Mezzanine Financing

Higher leverage with rates from 9.00% to 12.00%, sitting behind primary debt.

Estimated Debt Rates for Multifamily & Commercial Real Estate (August 2024)

Disclaimer

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