

Baltimore Q1

Multifamily Market | Report 2025

01

Sale Prices

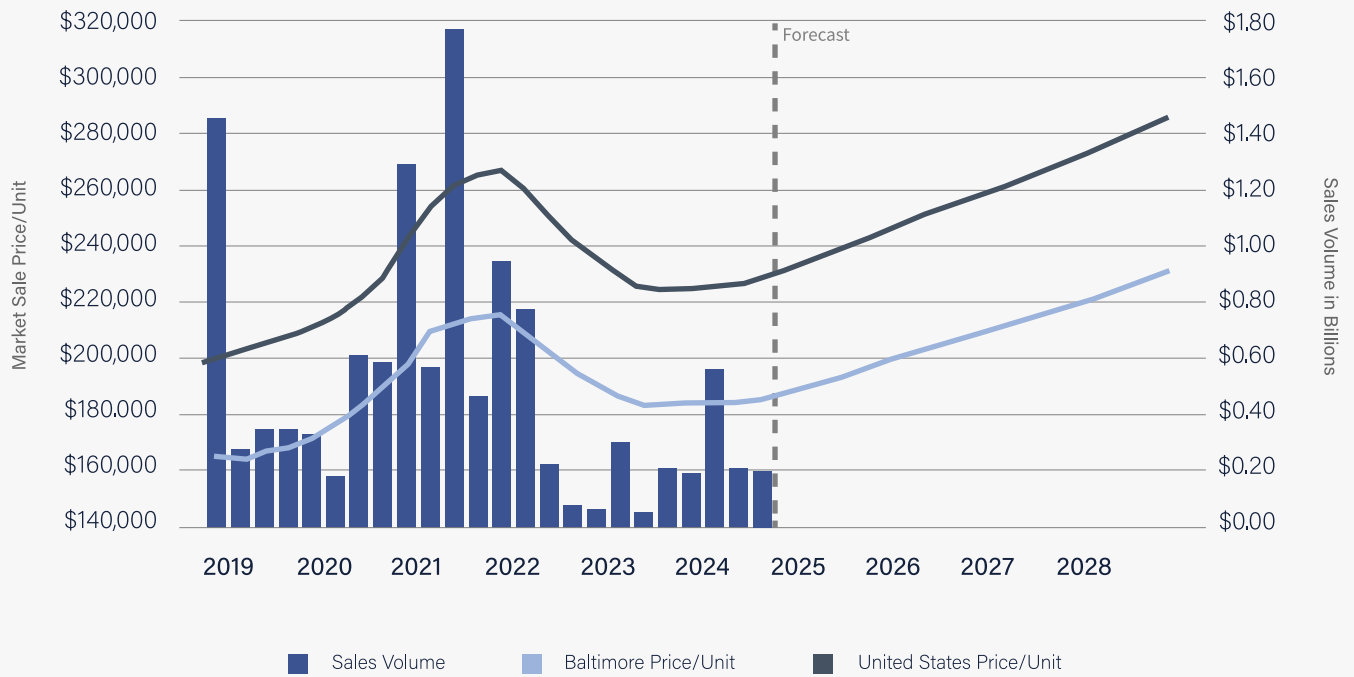


There has been a noticeable increase in the number of multifamily properties on the market. At this time last year, **an estimated** 49 properties were listed in the Baltimore area; that number has now risen to **an estimated 62 listings**.

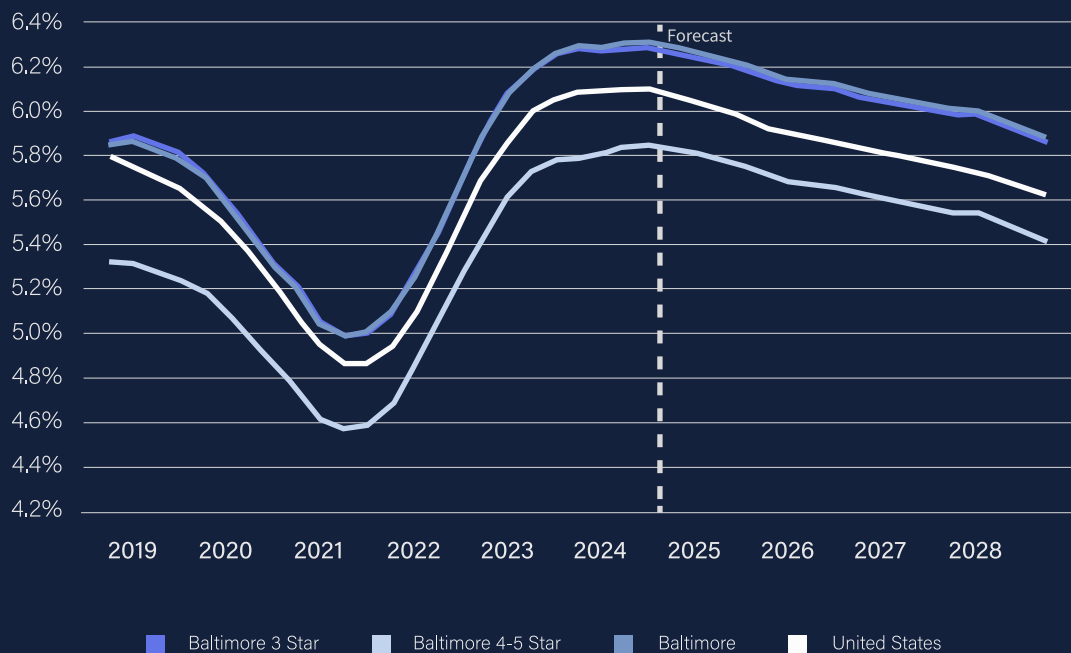
The average sale price per unit has also increased, reaching \$187,000—up from \$184,089 a year ago. It's important to note that these figures can be skewed by Class A properties, which often sell at a premium. As a result, the average price per unit may not accurately reflect what Class B and C properties are trading for.

Currently, the average time on market for multifamily assets in Baltimore is 165 days—significantly above the typical 60-day benchmark. This points to softer buyer demand, likely due to an oversupply of inventory. With more choices available, buyers are taking longer to make decisions, which is extending listing times and delaying closings.

Sales Volume & Market Sale Price Per Unit



Market Cap Rate



02

Asking Rents



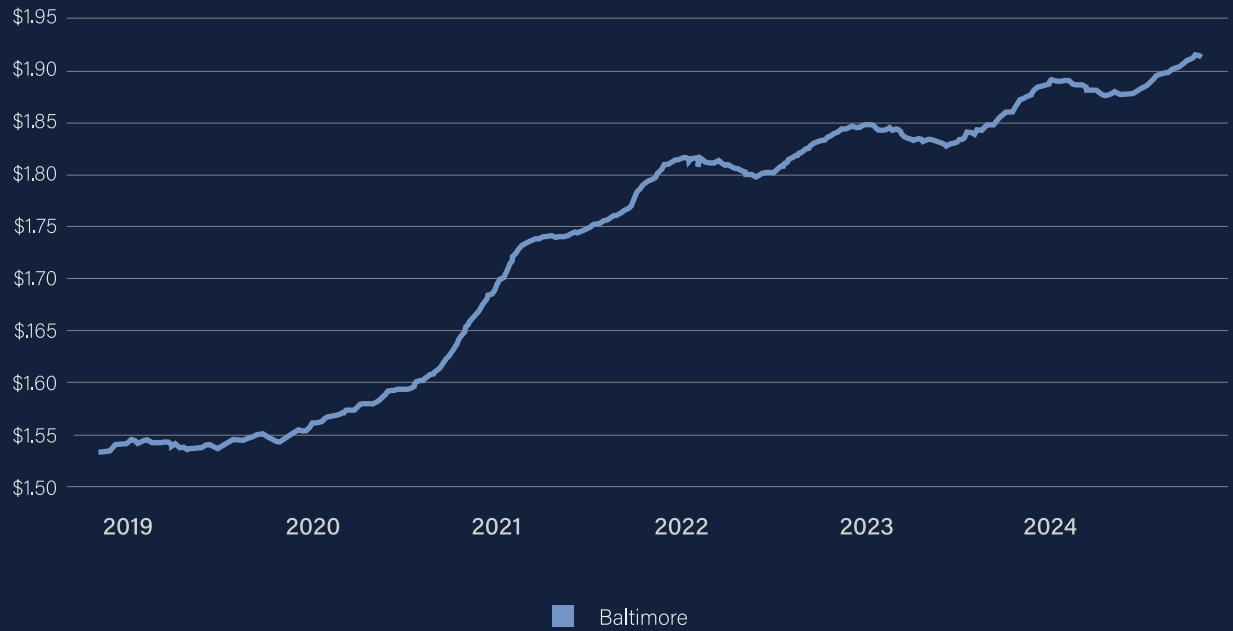
Some multifamily property owners in Baltimore have expressed concern about how the new federal administration may affect the housing market. One local owner—who preferred to remain anonymous—shared that the housing program he participates in is currently pausing the issuance of new vouchers until federal funding is confirmed. This could have a meaningful impact, particularly given that approximately 10.3% of Baltimore’s population depends on some form of government housing assistance.

Rents in Baltimore have increased by 2.4%, one of the highest growth rates in the nation. This appears to be driven by the ongoing shortage of housing supply in the local market. Maryland, as a whole, is currently facing a deficit of roughly 96,000 housing units, putting further pressure on pricing.

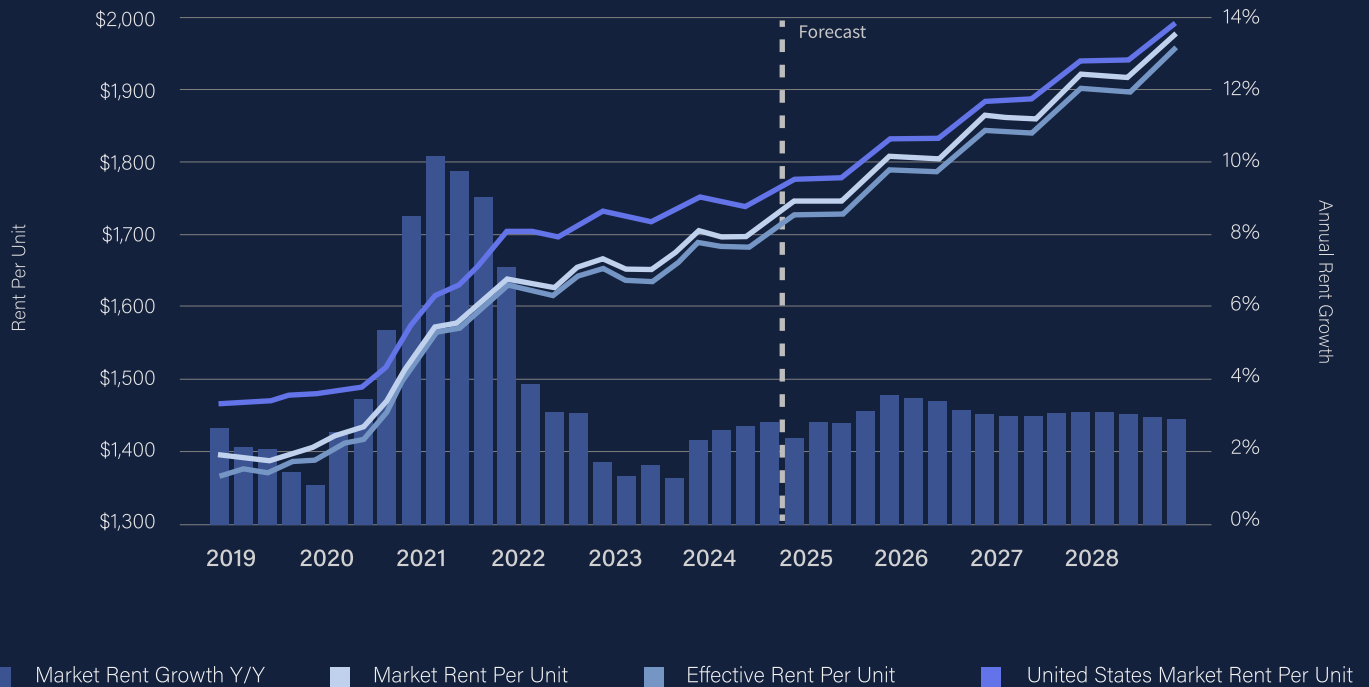
The average effective rent per unit has risen to \$1,709, up from \$1,670 over the past 12 months. At the same time, concession rates have declined by 1%, suggesting that demand for rental units is generally healthy. However, market performance varies by submarket. In several interviews conducted with leasing agents and landlords, it was reported that properties in West Baltimore—particularly those in the Class B- and C categories—are struggling to lease units as efficiently as they did 12 to 24 months ago.

One of the core challenges in evaluating Class C properties is that local data sources often do not accurately reflect on-the-ground conditions. This is why we place a strong emphasis on combining both data and firsthand insights gathered directly from property owners and managers we actively work with.

Daily Asking Rent Per SF



Market Rent Per Unit & Rent Growth



03

Vacancy



Vacancy rates among four-star properties in Baltimore have improved, decreasing from 10.1% to 8.9%. This suggests that tenants may be migrating from five- and three-star buildings in search of more affordable yet still high-quality housing options. The overall vacancy rate in the city currently stands at 7.1%, a slight improvement from 7.2% a year ago. However, this citywide average is heavily influenced by the performance of the four-star segment, while vacancy has slightly increased across other property classes.

A significant challenge in interpreting market data lies in the accuracy of reported statistics. In some cases, our team has observed major discrepancies between reported and actual figures—for instance, one property listed as 0.2% vacant was in reality 39.9% vacant. This highlights the importance of validating data with on-the-ground insights and

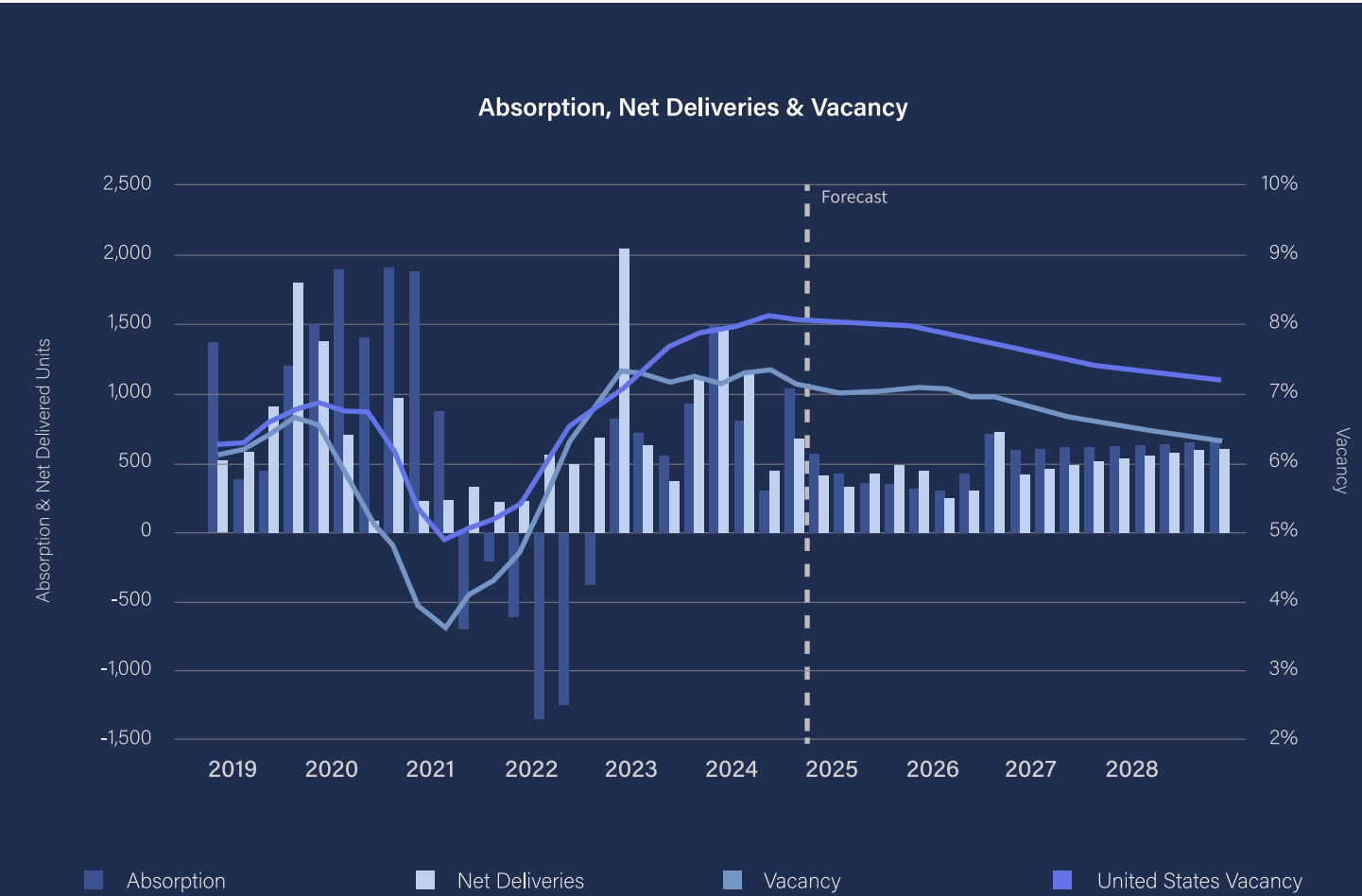
not relying solely on aggregated market reports.

Statewide, Maryland's housing market is showing signs of stress. The vacancy rate rose slightly from 0.5% in 2023 to 0.6% in 2024. This shift comes amid broader economic pressures, including the loss of over 3,000 public sector jobs in March 2025, primarily due to federal cutbacks. Roughly 5% of Maryland's population is undocumented, and many of these individuals play a critical role in the state's labor force. Unfortunately, recent policy shifts and uncertainty around housing subsidies may jeopardize their housing stability.

Additionally, we've seen instances where tenants, particularly immigrant families, have opted to return to their home countries in response to the evolving federal landscape and perceived lack of long-term support.

KEY INDICATORS							
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	50,861	9.3%	\$2,251	\$2,224	172	0	1,573
3 Star	95,453	6.1%	\$1,692	\$1,677	3	0	825
1 & 2 Star	68,533	6.8%	\$1,357	\$1,347	(10)	0	0
Market	214,847	7.1%	\$1,729	\$1,713	165	0	2,398

Annual Trends	12 Months	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.2% (YOY)	6.1%	6.7%	7.5%	2018 Q1	3.6%	2021 Q3
Absorption Units	3,556	1,889	2,223	7,073	2021 Q2	(3,592)	2023 Q1
Delivered Units	3,405	2,281	1,989	5,419	2018 Q2	482	2004 Q2
Demolished Units	0	68	74	313	2022 Q4	0	2025 Q1
Asking Rent Growth	2.6%	2.4%	3.0%	10.2%	2021 Q3	-1.1%	2009 Q3
Effective Rent Growth	2.8%	2.4%	3.0%	11.1%	2021 Q3	-1.1%	2009 Q3
Sales Volume	\$1.1B	\$1B	N/A	\$4.2B	2021 Q4	\$120.7M	2009 Q4



Construction of New CRE Inventory

Maryland is currently experiencing a housing shortage, and developers are working to close that gap. This is evident in the 3,134 new units opened this year, with local absorption rising to 3,135 units. This reflects strong renter demand in certain segments, particularly among stabilized and newer assets. However, this dynamic contrasts with weaker buyer demand in the sales market, where listings are sitting longer and some owners face pressure.

Notably, approximately 60% of Maryland's multifamily housing stock was built between 1940 and 1980, highlighting the aging nature of much of the existing inventory.

In Baltimore, the number of units currently under construction is 2,998—down from 4,571 the year before. This drop is expected to impact inventory levels in 2026 and 2027, as fewer units will be delivered to the market. With supply tightening, this could result in upward pressure on rents.

Under Construction Properties



Properties

16



Units

2,398



% of Inventory

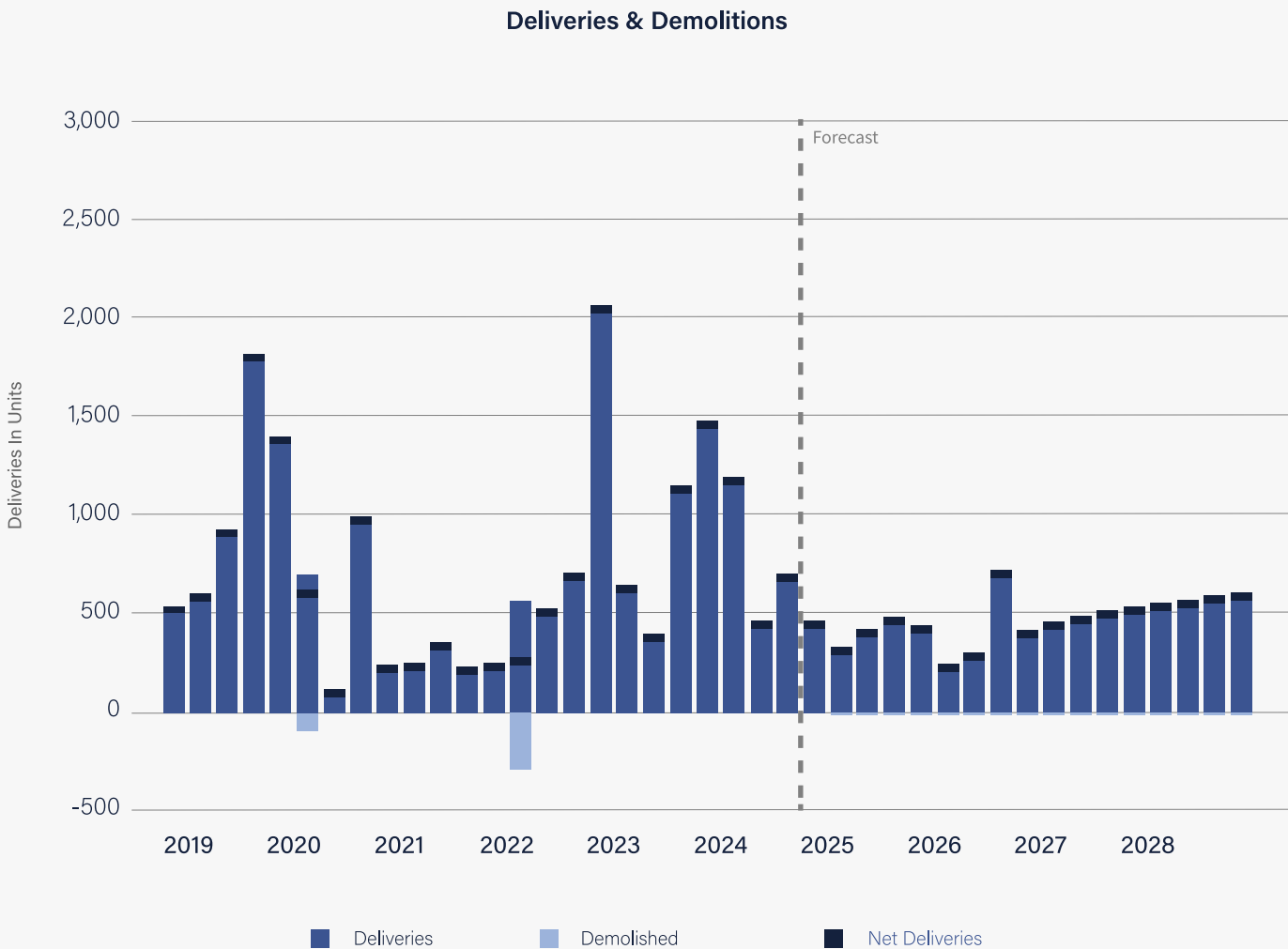
1.1%



Avg. No. Units

150

Baltimore City has shown greater momentum in multifamily development compared to Baltimore County. In 2022, the city completed 1,540 new multifamily units, while the county delivered fewer than 240. Developers often favor the city due to its streamlined permitting process and fewer infrastructure-related obstacles. In contrast, Baltimore County faces stronger community resistance, particularly over traffic and neighborhood concerns, as well as limitations from an overburdened sewer system. These challenges continue to steer more development activity into the city.



05

Multifamily Delinquency Trends & Defaults in Baltimore

01

National Delinquency Rates

Multifamily loan delinquency rates are rising nationwide, with Commercial Mortgage-Backed Securities (CMBS) experiencing the steepest increase—reaching 5.44% as of March 2025.

02

Baltimore-Specific Defaults

Baltimore has seen several high-profile multifamily defaults, including assets held by Chesapeake and Chasen Cos. These defaults are largely the result of elevated interest rates, rising operating costs, and sustained vacancies—especially in older properties. As a result, local delinquency rates have begun to climb, with many property owners finding it difficult to meet debt service obligations.



03

Distressed Properties

Several core Downtown assets highlight the strain some owners are facing:

- Vivo Living's towers are set for foreclosure auction.
- PMC Property Group defaulted on a \$16.4 million loan at 301 N. Charles Street.
- Chasen Cos. filed for bankruptcy after a failed redevelopment at The Anne on Aliceanna.

06

Investor Sentiment & Policy Risks

Both local and out-of-state investors are closely watching Baltimore due to a number of policy and economic headwinds:

- Rent stabilization laws in Montgomery County and proposed caps in Prince George's County.
- Statewide debate over the Good Cause Eviction Act.
- Rising compliance costs tied to the Maryland BEPS law (Building Energy Performance Standards).
- Concerns about federal job cuts and their potential ripple effects on housing demand.

Market Activity

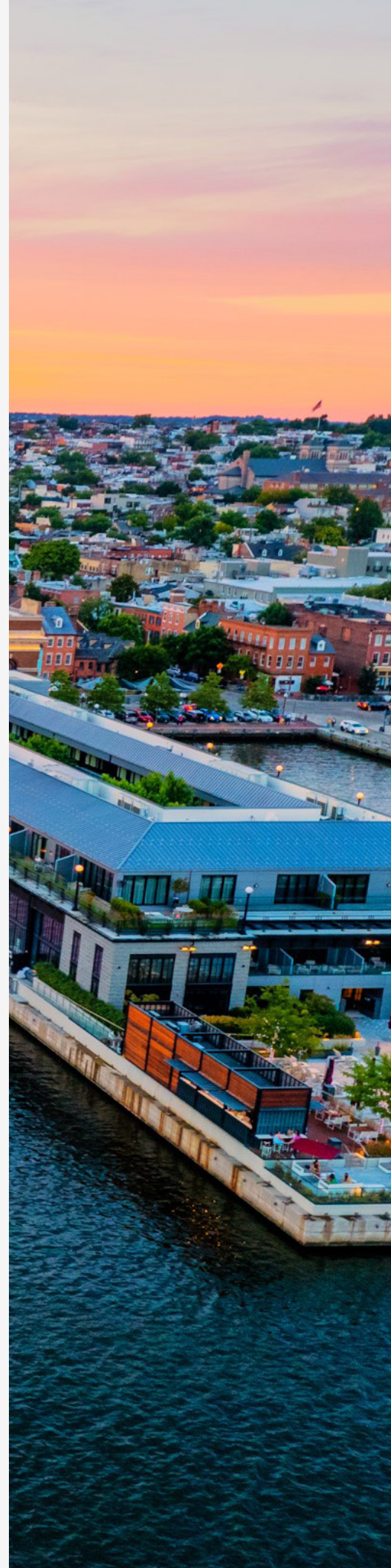
Despite these challenges, Baltimore recorded \$1.14 billion in multifamily sales over the past 12 months, an 86% increase from \$614.8 million the previous year.

07

Market Position & Outlook

Baltimore's multifamily market is currently straddling soft sales conditions and steady operational performance. Properties are taking longer to sell, and some owners are under pressure, but rent growth and absorption are holding firm.

This climate favors strategic, well-capitalized investors—particularly those positioned to stabilize distressed or underperforming assets. While uncertainty remains, the fundamentals suggest we are in the early stages of a downturn, with strong potential for those employing a disciplined, value-driven approach.



Our Recent Achievements



Hillside Manor & Forest Glen Apartments

Under Contract

244 Units | Multifamily



Baltimore SFR Portfolio

Sale Price	\$8,000,000 +
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Properties	100
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3602 Monterey Rd

Sale Price	\$3,000,000
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Price Per Unit	\$83,333
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Units	36
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E Madison St

Sale Price	\$2,597,000
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Price Per Unit	\$129,850
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Units	20
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Near Charles Village

Sale Price \$3,250,000

Price Per Unit \$180,555

Units 18



746 Edmondson Ave

Sold

15 Units | Multifamily



2620-2630 E Northern Pkwy

Sold

15 Units | Multifamily



201 E North Ave

Sold

12 Units | Multifamily



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