

# Baltimore Q4

## Multifamily Market Review



**MIDFIELD**  
REAL ESTATE

[www.midfieldre.com](http://www.midfieldre.com)





Baltimore's multifamily market remains stable but balanced, with supply and demand in closer alignment than in prior cycles.

Over the past 12 months the market delivered 1,446 new units while absorbing 960, resulting in an overall 7.7% vacancy rate and 0.9% annual rent growth.

1,446

Delivered Units

960

Absorption Units

7.7%

Vacancy Rate

0.9%

Annual Rent Growth

## Commentary & Midfield Context

In this environment, market expertise and proactive deal execution matter more than ever.

Midfield Realty's recent closings — from challenging assets to 41-unit transactions — reflect how *strategic marketing* and *buyer alignment* can deliver value even when macro conditions are slow.



## VACANCY & DELINQUENCY TRENDS

Over the past quarter, Baltimore has seen a modest improvement in vacancy



Though it remains a challenge for many ownership groups. While market averages suggest vacancies in the **8–10% range**, recent underwriting and active deals continue to show **outliers as high as 40%**, particularly in underperforming assets.

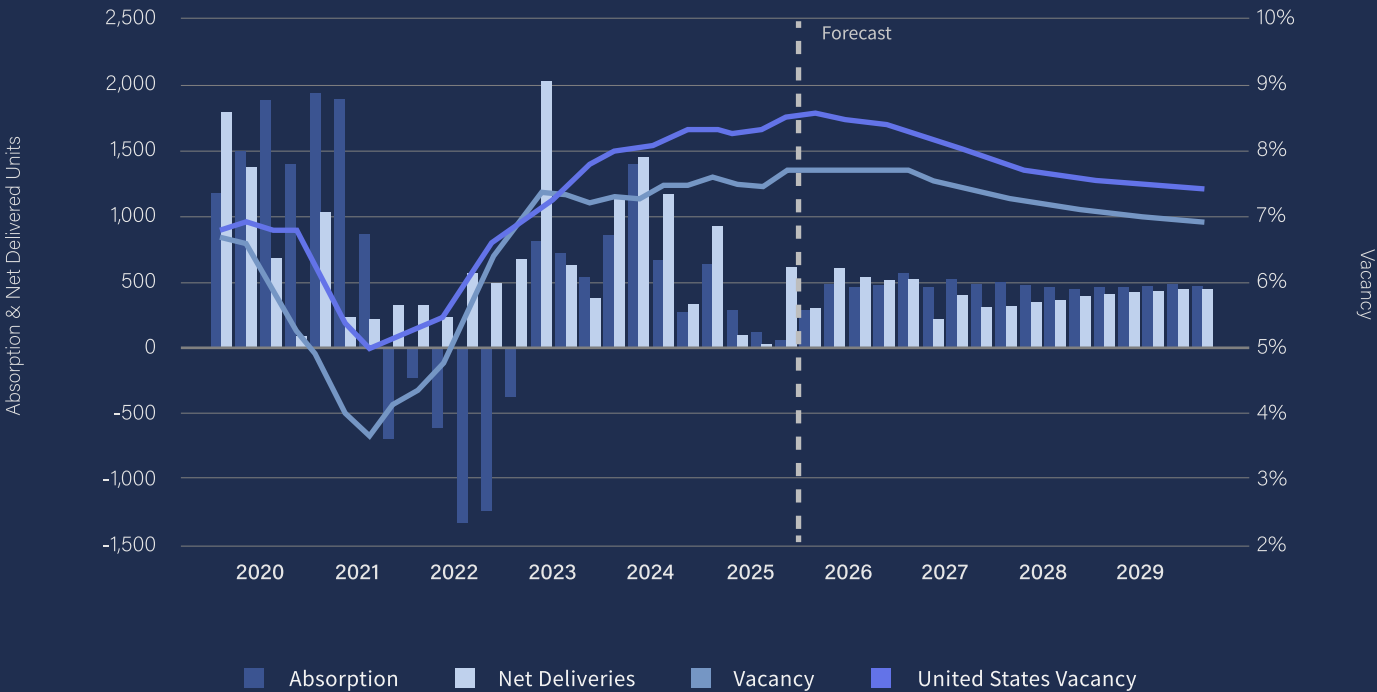
More concerning than vacancy is **delinquency**, which remains elevated across several submarkets. To mitigate this risk, some owners are increasingly utilizing **delinquency insurance bonds**, which can protect cash flow for up to 12 months when tenants are approved. As a result, owners are placing greater emphasis on **tenant quality and risk mitigation at lease-up**, rather than focusing solely on occupancy.

On the macro side, Maryland's reported loss of approximately **24,000 jobs** has added pressure on renter confidence, slowing tenant mobility as households prioritize stability and affordability. That said, **Section 8 subsidy funding has been expanded**, and additional vouchers are expected to be issued in the coming months, which should help support tenant demand and absorption.

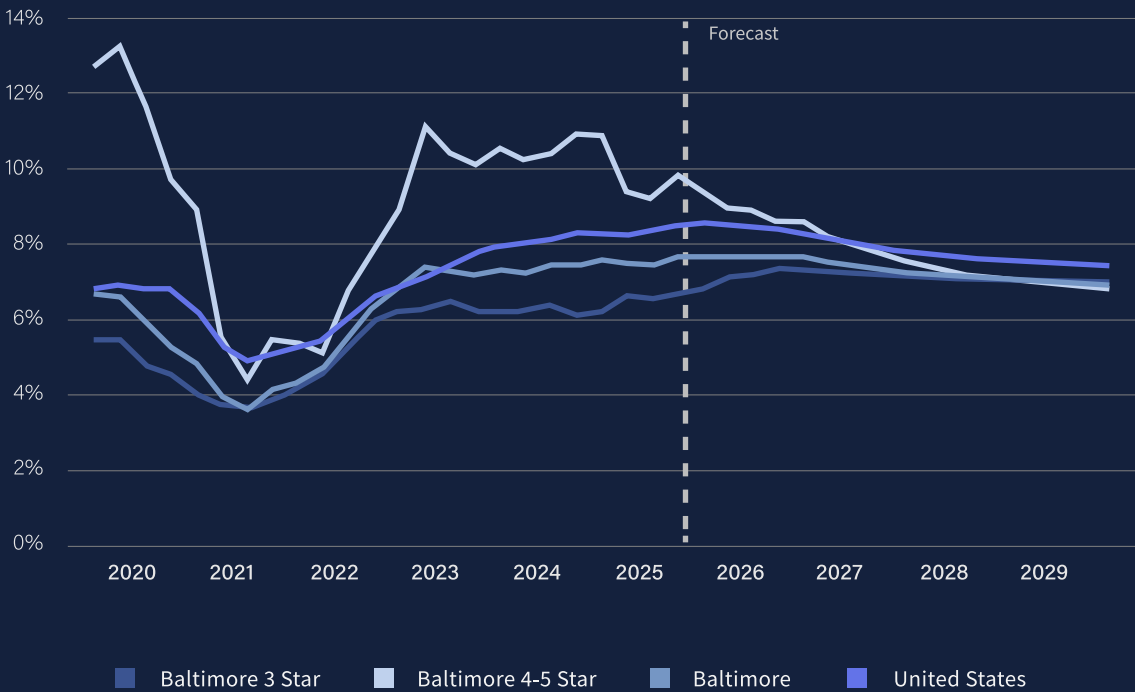


# VACANCY & DELIQUENCY TRENDS

## ABSORPTION, NET DELIVERIES & VACANCY



## VACANCY RATE



“We believe rent growth will resume over the next 18–24 months”

Recent rent trends generally align with broader market reporting; however, in practice, we are seeing **flat to slightly declining rents in select submarkets**, particularly within **Baltimore City**, and to a lesser extent in Baltimore County.

One notable shift has been among ownership groups that previously focused heavily on **subsidized housing**. Over the past three years, an influx of local investors has entered the market, renovating units and increasing overall supply. Based on publicly available Section 8 data, the **number of available units appears to be at or near all-time highs**, creating an oversupplied environment and making it more difficult for owners to place subsidy tenants.

As a result, many owners are being **pushed toward market-rate tenants**, where rent growth has not kept pace with renovation costs. While wages have increased, they have not risen enough to support higher rents at scale, forcing some owners to **moderate rent expectations to maintain occupancy**.

This dynamic has created a challenging environment: owners are often required to **invest heavily in renovations to remain competitive**, yet are unable to fully realize those costs through rent increases.

Looking ahead, we are more constructive on the **medium-term outlook**. With new development activity slowing meaningfully and **population growth continuing across Maryland**, we believe rent growth will resume over the next **18–24 months**, particularly if job creation and wage growth begin to catch up.



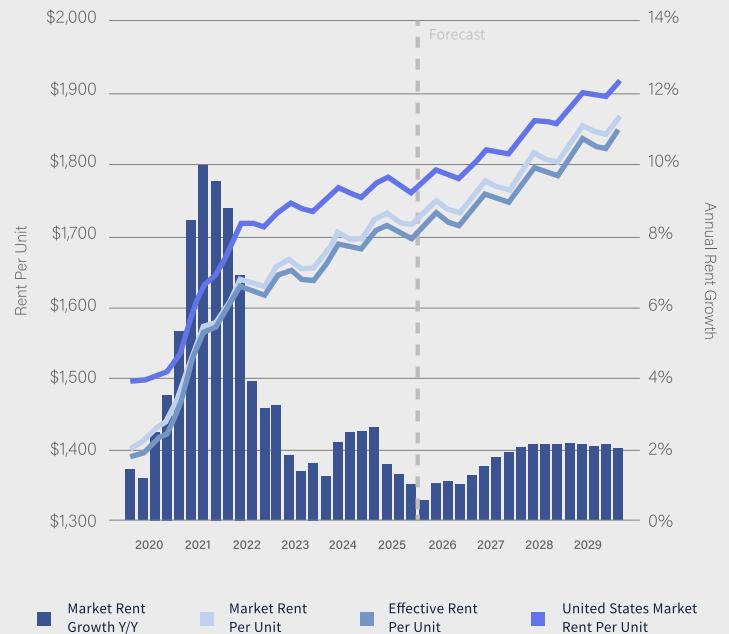
# RENT TRENDS

## Midfield Listing Context Related to Vacancy & Leasing

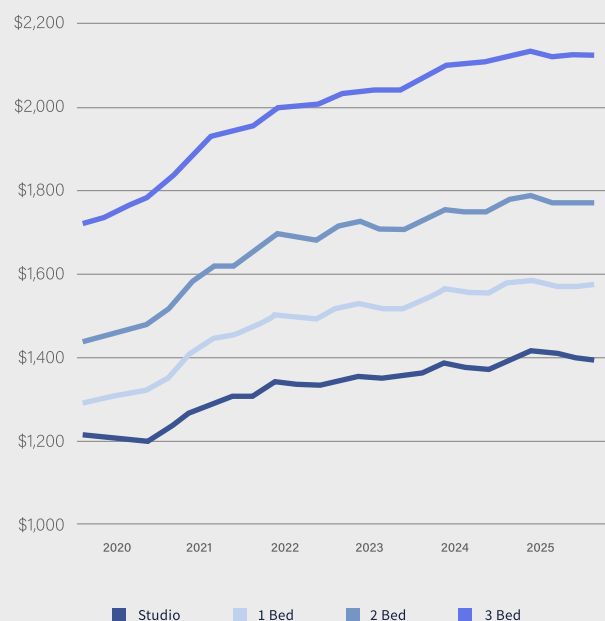
One current Midfield exclusive listing that illustrates leasing strength amid broader vacancy trends is the **16 unit investment at 2107 Park Ave in Reservoir Hill**. This property is currently **15 of 16 occupied**, underscoring that well-located, well-managed assets can achieve strong occupancy even while overall market vacancy remains elevated.



MARKET RENT PER UNIT  
& RENT GROWTH



MARKET RENT PER UNIT  
BY BEDROOM



# Baltimore's construction pipeline has cooled from its 2023 peak

But remains active, with roughly 2,600 units underway (about 1.2% of total inventory), concentrated in high-demand urban submarkets. Downtown Baltimore leads with approximately 700 units in progress, including the 231-unit office-to-residential conversion at 210 N. Charles St. Canton remains another key development node with roughly 450 units under construction, anchored by AvalonBay's 418-unit Brewers Hill project expected in 2027.

Outside the city, Howard County continues expanding multifamily supply, delivering about 1,000 units over the past two years and currently building

206 units, including Legacy at Cedar Lane in Harper's Choice.

Most of the pipeline remains weighted toward higher-end product, with approximately 2,000 units in 4 & 5 Star development and roughly 630 units in 3 Star, as mid-market development remains limited due to financing and construction cost constraints.

Looking ahead, new starts are expected to slow as capital markets remain tight, while projects already underway will deliver through 2026 and maintain competitive pressure in select urban areas.



## Midfield Listing Spotlight

### 315 N Charles St (Downtown Baltimore)

Midfield Realty is currently marketing 315 N Charles St, which is currently used as an office building and is zoned C-5-HT, offering strong flexibility in a central, high-visibility corridor. The property has seen meaningful improvements through renovations completed in 2018 and 2020, and the owner previously utilized the building, reflecting hands-on oversight.



18

Properties

2,481

Units

1.1%

Inventory %

138

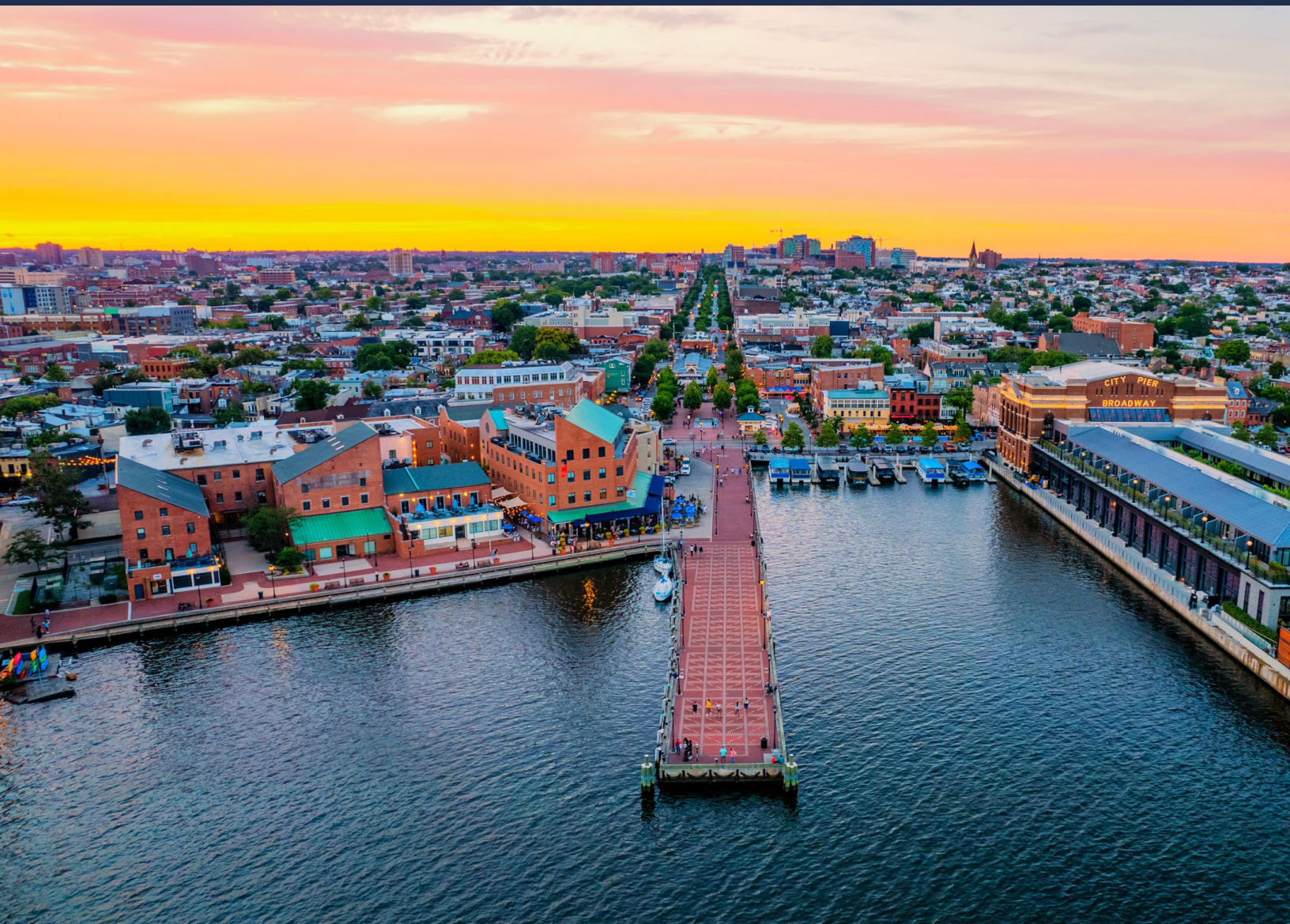
Avg. No. Units

UNDER CONSTRUCTION						
Property	Rating	Units	Stories	Start	Complete	Developer/Owner
<b>Brewers Hill AvalonBay</b> 3700 Boston St	★★★★★	418	7	Mar 2025	Jan 2027 (Estimated)	AvalonBay Communities, Inc. Gunther Bottle LLC
<b>6 Hamill Rd</b>	★★★★★	350	6	Jan 2025	Sep 2026 (Estimated)	Questar Properties, Inc. Caves Valley Partners
<b>222 St. Paul Pl</b>	★★★★★	303	37	Jan 2025	Jun 2026 (Estimated)	Urban Investment Partners Erie Insurance
<b>210 N Charles St</b>	★★★★★	231	15	Jan 2024	Feb 2026	Trademark Properties
<b>Ellicott Mill Apartments</b> 27 Frederick Rd	★★★★★	190	8	Mar 2025	Sep 2026 (Estimated)	Terra Nova Ventures LLC Ellicott Flour Mill LLC
<b>The Residences at Milestone</b> 7962 Milestone Parkway	★★★★★	183	4	Apr 2025	May 2026 (Estimated)	Varsity Investment Group
<b>Forge Overlook</b> 4151 Maple Avenue	★★★★★	182	4	Feb 2024	Feb 2026 (Estimated)	-
<b>Blue Oaks at Odenton</b> 5513 Cedar Ln	★★★★★	150	3	Oct 2025	Oct 2026 (Estimated)	Conifer Realty LLC
<b>Legacy at Cedar Lane I/II</b> 5513 Cedar Ln	★★★★★	123	4	Sep 2025	Sep 2026 (Estimated)	Enterprise Community Partners
<b>400 Park Ave</b>	★★★★★	94	6	Oct 2023	Apr 2026 (Estimated)	- Vitruvius Co
<b>The Vision at Parkway</b> 5535 Cedar Ln	★★★★★	83	4	Sep 2025	Sep 2026 (Estimated)	Dominion Properties, LLC The Dominion Group
<b>Phoenix on Park</b> 265 Park Ave	★★★★★	44	3	Jan 2022	Mar 2027 (Estimated)	Episcopal Housing Corporation Episcopal Housing Corporation
<b>Sojourner Place at Park</b> 111 Park Ave	★★★★★	42	3	Jan 2026	Jun 2026	Partners For Development
<b>326 S Herring Ct</b>	★★★★★	33	3	Apr 2023	Mar 2027 (Estimated)	- -
<b>The Standard on Bond</b> 128 N Bond St	★★★★★	30	5	Feb 2023	Jun 2026 (Estimated)	Partners For Development -
<b>The Billy</b> 91-93 Main St	★★★★★	10	4	May 2025	May 2026 (Estimated)	Brown Contracting Company, Inc. -
<b>Oyster Place</b> 337-339 S Fremont Ave	★★★★★	9	3	Feb 2025	Mar 2026 (Estimated)	- Ben Garner
<b>400-402 Pitman Pl</b>	★★★★★	6	2	Jan 2024	Jan 2027	-

## SALE TRENDS

Buyers are prioritizing capital preservation and execution certainty

On the sales side, we are seeing **increased buyer activity**, driven largely by sellers becoming more realistic on pricing. Many assets are now trading at 10%–20% **below prior expectations**, which has helped re-engage buyers and demonstrate that liquidity still exists in the local market for the right deals.





## SALE TRENDS

Buyer preferences have become more defined.

There is strong interest in assets that can **produce approximately a 7% cap rate day one**, with a clear path to a **10% cap through execution**, or alternatively, in **heavy value-add opportunities priced at a significant discount on a per-unit basis**.

Overall, buyers remain **highly risk-averse**. Even attractively priced assets are facing resistance if they carry operational, leasing, or regulatory risk. This caution is being driven by a tighter lending environment, pressure on returns, and the added difficulty of stabilizing occupancy and collections.

As a result, buyers are prioritizing **capital preservation and execution certainty**, focusing on deals that protect LP capital rather than stretching for yield.

Transactions that are trading today are those where risk is clearly defined, priced in, and matched with realistic expectations on both sides.

Midfield Realty's recent closings and current exclusive listings also reflect this dynamic.

For example:

The 41-unit multifamily property recently closed in Charles Village and Mount Vernon demonstrates continued investor interest in core Baltimore assets where occupancy and operations align with underwriting targets.

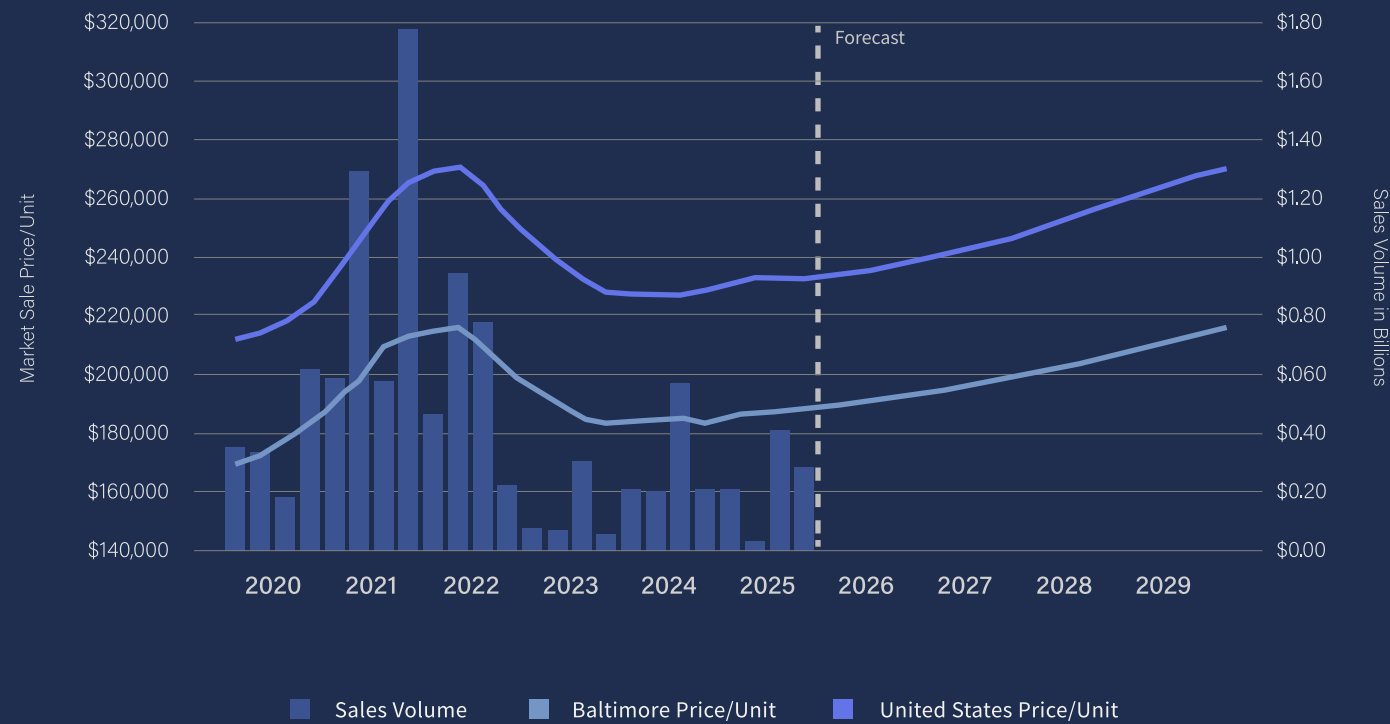


**201 Milford Mill**, another recent close, highlights Midfield's ability to deliver results for owners and buyers in markets where fundamentals remain supportive.

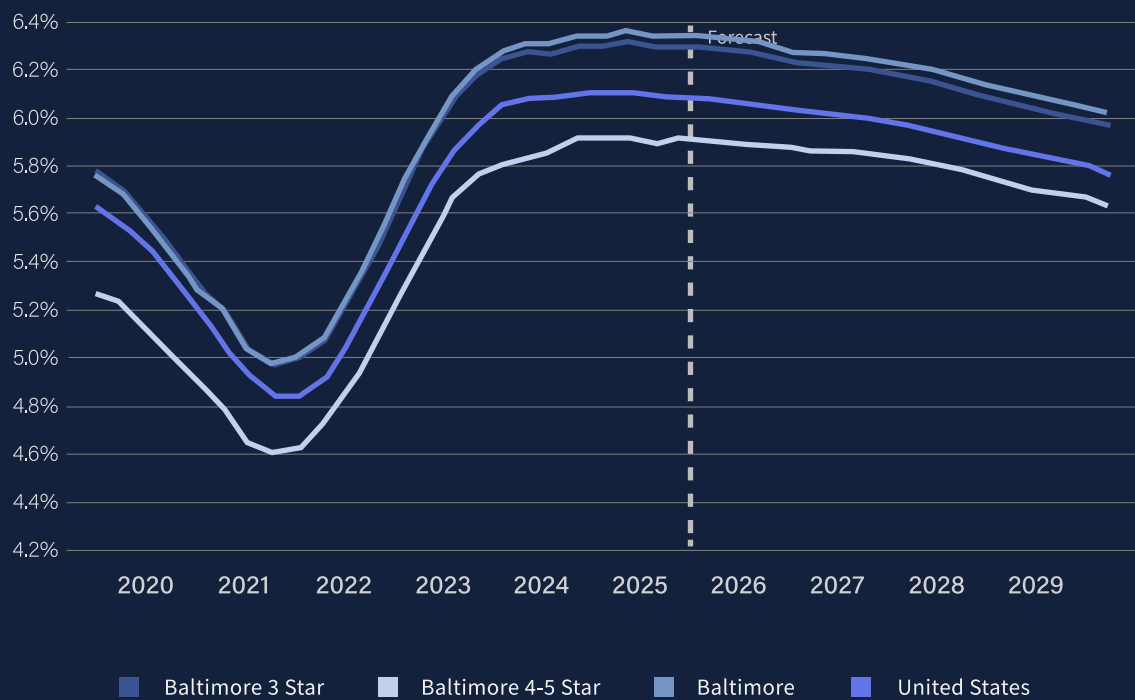


# SALE TRENDS

SALES VOLUME & MARKET SALE PRICE PER UNIT



MARKET CAP RATE





SALE TRENDS (PAST 12 MONTHS)

Over the past year, Baltimore recorded **128 sale comparables**, with an average unit price of **\$158,276**, average sale vacancy of **9.4%**, and average cap rate of **7.7%**.

NOTABLE DEALS

Milbrook Park Apartments (721 units)  
**Sold for \$108M (\$149,791/unit)**

Mariner Bay at Annapolis (208 units)  
**\$87M (\$418,269/unit)**

Arbor Ridge (348 units)  
**\$80.5M (\$231,321/unit)**

SUCCESS STORIES FROM MIDFIELD

**18-Unit Charles Village Sale**  
Sold for **\$185,555/unit**, showcasing premium valuations in core submarkets.

**Strategic Auction & Value Unlock — Mount Vernon Multifamily** Innovative sales strategy delivered competitive pricing.

**Station North 12-Unit Portfolio**  
Achieved **\$160,000 per door**, reaffirming investor interest in well-positioned urban inventory.

SALE COMPARABLES SUMMARY STATISTICS				
Sales Attributes	Low	Average	Median	High
Sale Price	\$295,000	\$9,966,273	\$2,240,000	\$108,000,000
Price/Unit	\$7,571	\$158,276	\$114,833	\$500,000
Cap Rate	3.8%	7.7%	7.6%	11.0%
Vacancy Rate At Sale	0%	9.4%	5.9%	100%
Time Since Sale in Months	0.2	5.3	4.8	12.0
Sales Attributes	Low	Average	Median	High
Property Size in Units	5	54	13	721
Number of Floors	1	3	3	24
Average Unit SF	53	790	755	2,405
Year Built	1840	1946	1938	2027
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★	★ ★ ★ ★ ★



## ECONOMY

Baltimore's economy continues to benefit from its major healthcare and education institutions, rich cultural assets, and comparatively affordable cost of living.

These fundamentals help support steady rental demand and investor interest near key employment hubs such as Johns Hopkins University, the University of Maryland, and the Johns Hopkins Health System.

As of **Q1 2026**, the Baltimore area added about 4,700 jobs over the past year (approximately 0.3% growth compared with 0.5% nationally), bringing total employment to roughly 1.5 million. Job growth over the past five years has totaled about 130,000, and over the past decade about 82,000, underscoring long-term economic resilience. Employment remains concentrated in healthcare, education, and related services, which together support approximately one in five jobs. The region's workforce is well-educated and diverse, with close to 45% of adults holding a bachelor's degree or higher and median household income near \$100,000, above the national figure. Unemployment in the region is about 3.2%, lower than the national rate of 4.2%. Projections suggest that job growth will remain modest, averaging around 0.3% annually through 2029.



## Midfield Recent Closings Near Major Institutions (Sept–Dec 2025)

Several Midfield Realty transactions closed in late 2025 within or near strong institutional employment corridors:



2404 N CALVERT ST

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Closed in Q4 2025, a multifamily property located near **Johns Hopkins University** and close to the medical and university employment centers, illustrating continued investor demand near campus-oriented rental markets.



201 MILFORD MILL RD

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Closed in this period, located near major academic and healthcare anchors, reflecting activity in areas tied to long-term employment growth.

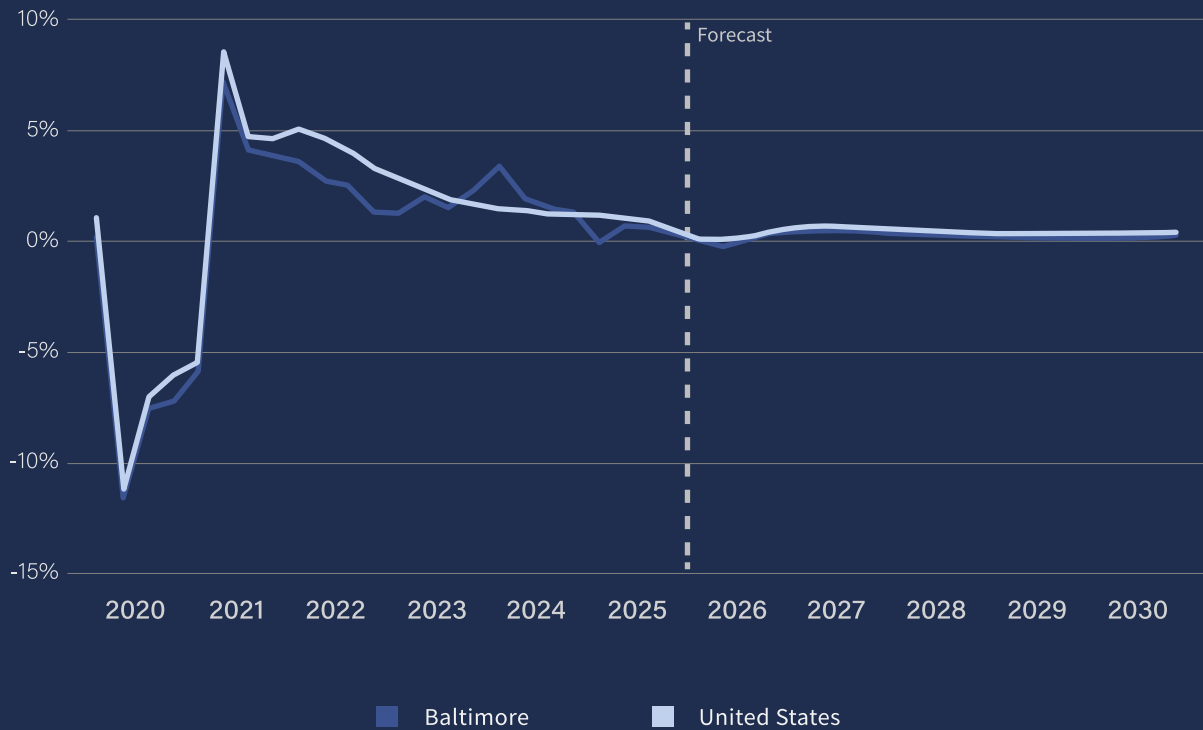
*These deals highlight investor confidence in locations with stable renter demand driven by nearby hospitals, universities, and related employers.*







## JOB GROWTH (YOY)



DEMOGRAPHIC TRENDS						
Demographic Category	Current Level		12 Month Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US
Population	2,866,301	342,191,813	0.1%	0.4%	0.1%	0.3%
Households	1,136,898	134,027,125	0.4%	0.7%	0.4%	0.6%
Median Household Income	\$102,352	\$83,689	2.9%	2.7%	3.1%	3.6%
Labor Force	1,495,553	170,957,172	0.6%	1.2%	0.3%	0.2%
Unemployment	3.4%	4.3%	0.2%	0.2%	-	-





# Midfield Success Highlights



Successfully sold **316 N Paca St** by overcoming financing barriers and securing a qualified buyer with no reliance on tightened DSCR lenders.



Closed a **41-unit multifamily property** in Mount Vernon, demonstrating strong demand in core neighborhoods.

Client Feedback  
& Testimonials

Multiple clients praise Midfield's professionalism and responsiveness throughout the investment process.

## Representative closed deals and client achievements for Q4 and the full year.



Closed a **14-unit sale on Gwynns Falls Pkwy** after multiple prior buyers failed to close, showing the value of persistence and buyer qualification.



Successfully **sold 250-unit asset** after generating 11 competitive offers through targeted marketing.

From acquisition to sale execution, this seamless delivery reinforces that strong service drives repeat business and referrals.





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