

FIGURES | BALTIMORE INDUSTRIAL | Q2 2026

Baltimore Industrial Market Stabilizes Amid Selective Gains

▶ 8.7%

Vacancy Rate

▲ 287,520

SF Net Absorption

▲ 217,920

SF Construction Delivered

▲ 2.1M

SF Under Construction

▲ \$11.17

NNN/YR Direct Lease Rate

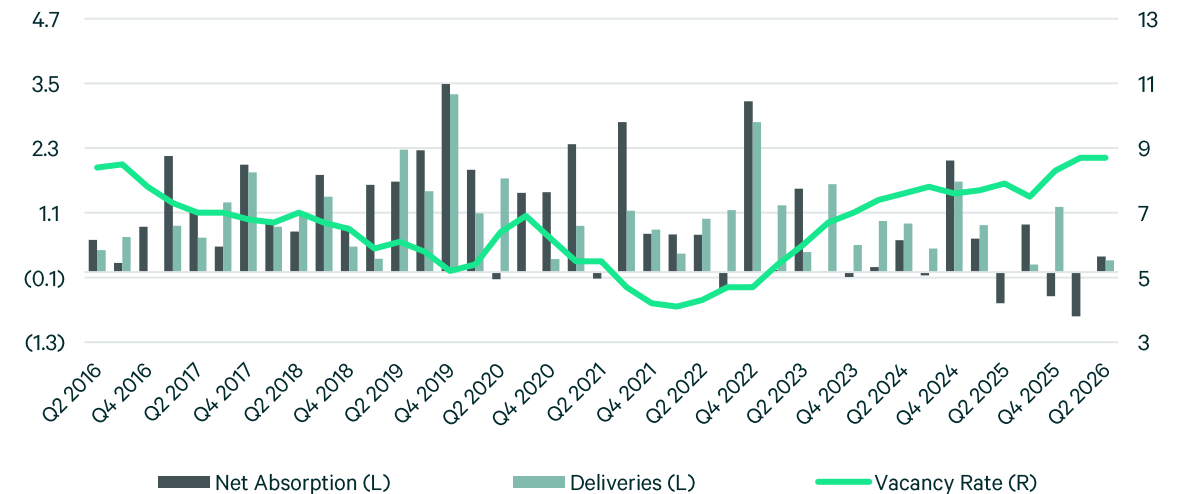
Note: Arrows indicate change from previous quarter.

Market Overview

In Q2 2026, the Baltimore industrial market showed signs of tentative stabilization. Net absorption turned positive at 288,000 sq. ft. after a sharp loss in the prior quarter. Vacancy held steady quarter-over-quarter but stands 80 basis points (bps) higher year-over-year. Leasing was strong and tenants signed six bulk renewal leases totaling 2.3 million sq. ft., underscoring sustained demand for large blocks of space.

On the supply side, space under construction totaled 2.1 million sq. ft. and developers delivered 218,000 sq. ft. of new product across two warehouses. Ground breakings have trended upward since the third quarter of 2025 and three additional properties totaling 808,000 sq. ft. broke ground in Q2 2026. The average asking rate reached \$11.17 per sq. ft. in Q2, representing an increase of 1.0% quarter-over-quarter.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy
Sq. Ft. (millions) %



Source: CBRE Research, Q2 2026

Vacancy Rate

In Q2 2026, the overall industrial vacancy rate in Baltimore was 8.7%, unchanged from the prior quarter as moderate occupancy gains in Q2 were offset by vacant, newly delivered space. Year-over-year vacancy is up 80 bps. Since early 2022, overall vacancy has risen by 460 bps, indicating a sustained loosening in market conditions relative to the very tight levels seen earlier during the peak of industrial activity.

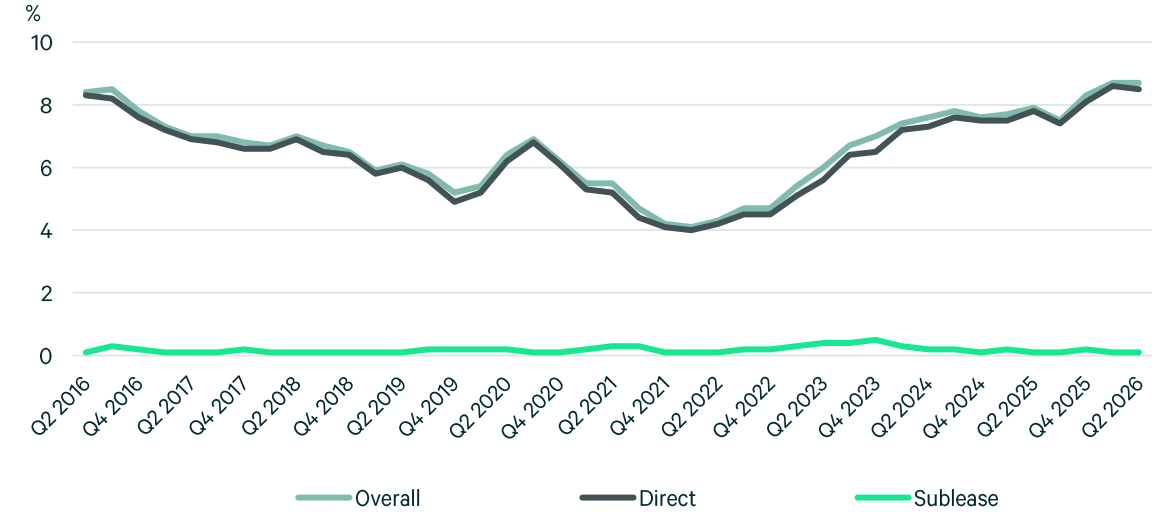
Core submarkets recorded a wide range of vacancy rates for the quarter. Baltimore City posted an overall vacancy rate of 6.8% while Baltimore County East stood at 7.3%. The northern submarkets each recorded occupancy losses of over 100,000 sq. ft., leading to the rising vacancy. Baltimore Southwest dropped to 8.7% after modest occupancy gains in the submarket. The Baltimore/Washington Corridor and Harford/Cecil County submarkets recorded the highest vacancies of 10.2% and 10.0%, respectively. That said, both submarkets recorded moderate occupancy gains this quarter.

Asking Rent

The average industrial asking rent across the Baltimore market is \$11.17 per sq. ft. per annum on a triple-net basis (NNN), an increase of 1.0% quarter-over-quarter and 2.6% year-over-year. Warehouse space posted average asking rents of \$11.09 per sq. ft. while flex space averaged \$12.58 per sq. ft.

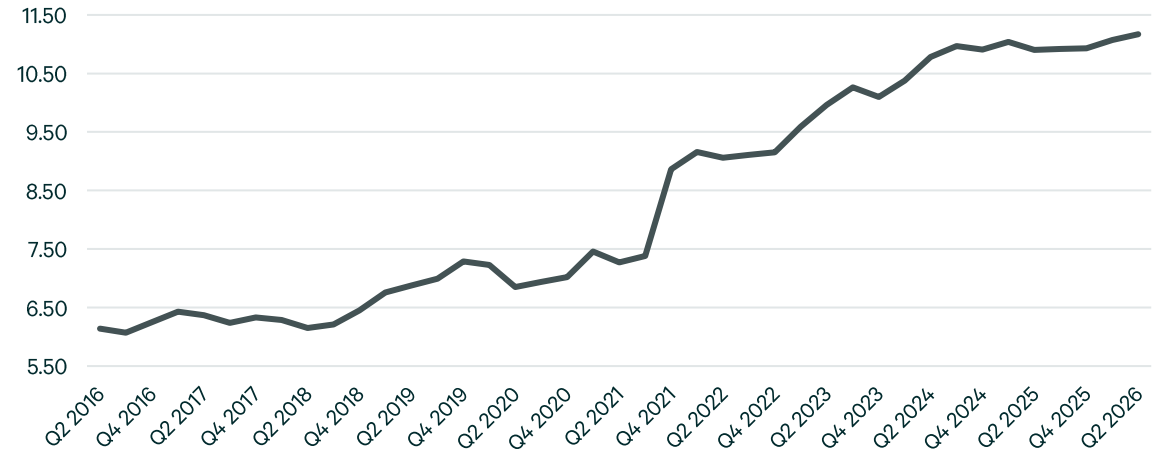
Within the core submarkets, the Baltimore/ Washington Corridor was the highest at \$13.15 per sq. ft., while Harford/Cecil County marked the low end at \$8.54 per sq. ft. Baltimore City and Baltimore Southwest sat between these extremes at \$9.52 and \$11.61 per sq. ft., respectively, illustrating a broad but orderly rent gradient across the region.

Figure 2: Vacancy Rates



Source: CBRE Research, Q2 2026

Figure 3: Average Direct Asking Rate \$ / SF



Source: CBRE Research, Q2 2026

Net Absorption

In Q2 2026, the market recorded occupancy gains of 288,000 sq. ft., marking a reversal from the occupancy losses posted in both the prior quarter and the same period a year earlier. Over the past four quarters, net absorption averaged an occupancy loss of 25,000 sq. ft. per quarter, indicating that overall activity is near flat despite the swings in occupancy quarter-to-quarter.

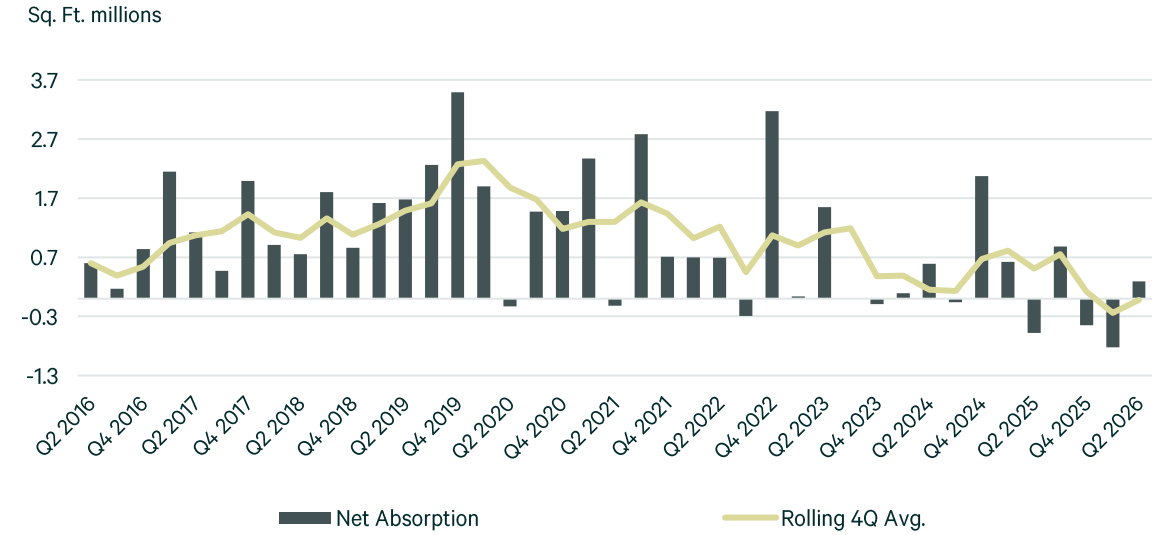
By submarket, Baltimore Southwest posted the highest occupancy gains at 309,000 sq. ft., driven by Bond Distributing. Meanwhile, the Baltimore/Washington Corridor saw occupancy gains of 98,000 sq. ft., with notable tenants such as Veho and Waymo taking new space. North of I-95, Baltimore City and Baltimore County East both recorded occupancy declines for the first time since Q2 2025, with each submarket seeing losses greater than 100,000 sq. ft.

Construction Activity

Three properties totaling 808,000 sq. ft. broke ground during the second quarter, bringing the total under construction pipeline to 2.1 million sq. ft. across 10 properties. Additionally, 218,000 sq. ft. delivered during the quarter. Of note, 1621 Clark Road delivered completely vacant in Harford County, standing at 168,000 sq. ft.

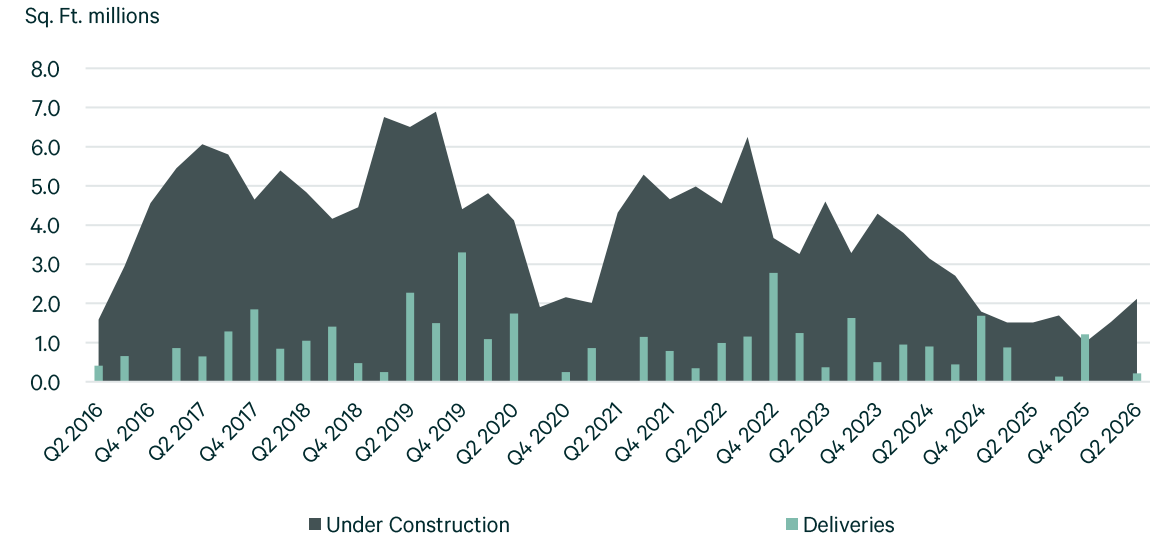
Baltimore County East has the largest concentration of projects in the pipeline, with about 1.1 million sq. ft. of industrial space under construction. South of I-95, the Baltimore/Washington Corridor has 745,000 sq. ft. of space under construction, with multiple projects slated to break ground across 2026 and 2027.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

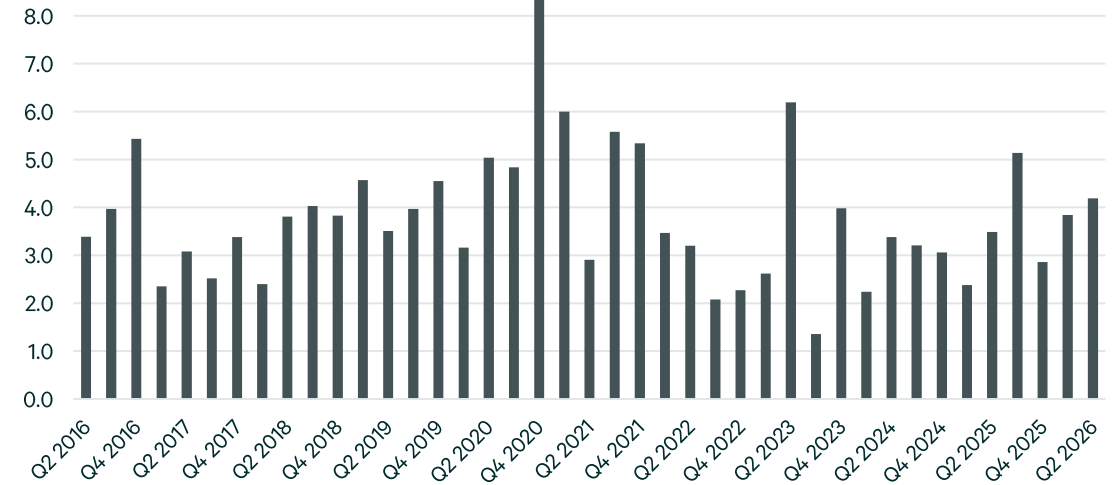
Leasing Activity

Industrial gross leasing volume totaled 4.1 million sq. ft. in Q2 2026, a quarter-over-quarter increase of 8% and 20% above the same period last year. Activity was concentrated in a small number of large blocks and skewed toward renewals among the quarter's largest transactions, led by Clorox's 946,000 sq. ft. renewal and a 656,000 sq. ft. renewal by Sephora, both in the Harford/Cecil County submarket.

Harford/Cecil County posted the highest leasing volume this quarter at 1.7 million sq. ft., followed by the Baltimore/Washington Corridor with 1.0 million sq. ft., while Baltimore County East and Baltimore City also saw healthy deal flow. Manufacturer users were the most active tenant group by square footage in Q2 2026, with wholesale & retail and food & beverage occupiers also generating significant demand.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



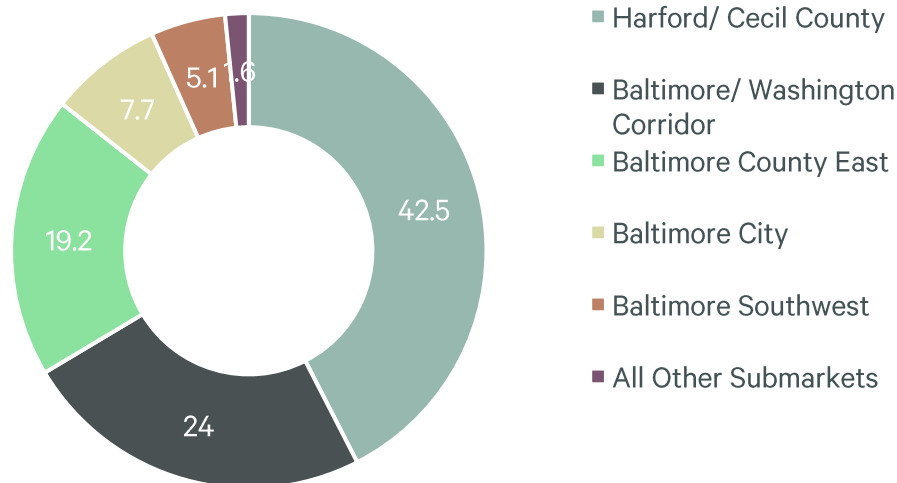
Source: CBRE Research, Q2 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Clorox	946,000	Renewal	1467 Perryman Rd	Harford/ Cecil County
Sephora	656,000	Renewal	531 Chelsea Rd	Harford/ Cecil County
Confidential Tenant	450,000	New Lease	Sinter Plant Rd	Baltimore County East
Ancora Warehousing and Logistics	232,000	Renewal	8416 Kelso Dr	Baltimore County East
Carrier Enterprise	180,000	Renewal	7481 Coca Cola Dr	Baltimore/ Washington Corridor
Emd Sales	153,000	Renewal	1800-2100 Washington Blvd	Baltimore City
Moonlight East Sales	103,000	New Lease	6680 Business Pkwy	Baltimore/ Washington Corridor
Poole and Kent	101,000	Renewal	4653 Hollins Ferry Rd	Baltimore Southwest

Source: CBRE Research, Q2 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 9

Size Range	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	61.37	9.6	5.1	4.9	0.2	11.53	247,000	139,000	50,000	-
100,000-199,999 sq. ft.	43.54	13.4	9.3	9.0	0.3	12.23	208,000	432,000	168,000	0.71
200,000-299,999 sq. ft.	20.83	17.6	16.2	16.2	-	11.01	(392,000)	(380,000)	-	0.96
300,000-499,999 sq. ft.	21.98	18.8	12.0	12.0	-	11.44	224,000	196,000	-	0.45
500,000-749,999 sq. ft.	20.56	17.0	11.7	11.7	-	8.89	-	(26,000)	-	-
750,000+ sq. ft.	26.92	6.1	4.9	4.9	-	10.07	-	(890,000)	-	-
Total	195.19	12.6	8.7	8.5	0.1	11.17	288,000	(529,000)	218,000	2.12

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 10

Product Type	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	163.29	13.4	9.4	9.3	0.1	11.09	289,000	(513,000)	218,000	2.12
R&D/Flex	31.91	8.6	4.9	4.5	0.3	12.58	(2,000)	(16,000)	-	-
Total	195.19	12.6	8.7	8.5	0.1	11.17	288,000	(529,000)	218,000	2.12

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Annapolis	1.41	4.0	3.5	2.9	0.6	18.36	10,000	(8,000)	-	-
Baltimore City	31.38	11.2	6.8	6.7	0.0	9.52	(115,000)	(43,000)	-	-
Baltimore County East	33.89	11.4	7.3	7.2	0.1	10.91	(105,000)	5,000	50,000	1.11
Baltimore Southwest	10.95	12.0	8.7	8.6	0.1	11.61	309,000	353,000	-	0.26
Baltimore/ Washington Corridor	65.47	15.2	10.2	10.0	0.3	13.15	119,000	(145,000)	-	0.74
Harford/ Cecil County	42.64	12.6	10.0	10.0	-	8.54	43,000	(811,000)	168,000	-
Hunt Valley/ Towson	6.45	5.4	2.4	2.3	0.2	12.34	23,000	109,000	-	-
Out of Submarket	0.38	-	-	-	-	-	-	-	-	-
Owings Mills/ Reisterstown Rd	2.64	11.0	7.2	7.2	-	11.37	4,000	11,000	-	-
Total	195.19	12.6	8.7	8.5	0.1	11.17	288,000	(529,000)	218,000	2.12

Source: CBRE Research, Q2 2026

