

FIGURES | MARYLAND SUBURBAN INDUSTRIAL | Q1 2026

Strong Occupancy Gains Contrast with Slow Activity

▶ 6.9%

Vacancy Rate

▲ 537,988

SF Net Absorption

▼ 577,859

SF Construction Delivered

▼ 824,642

SF Under Construction

▼ \$14.35

NNN/YR Direct Lease Rate

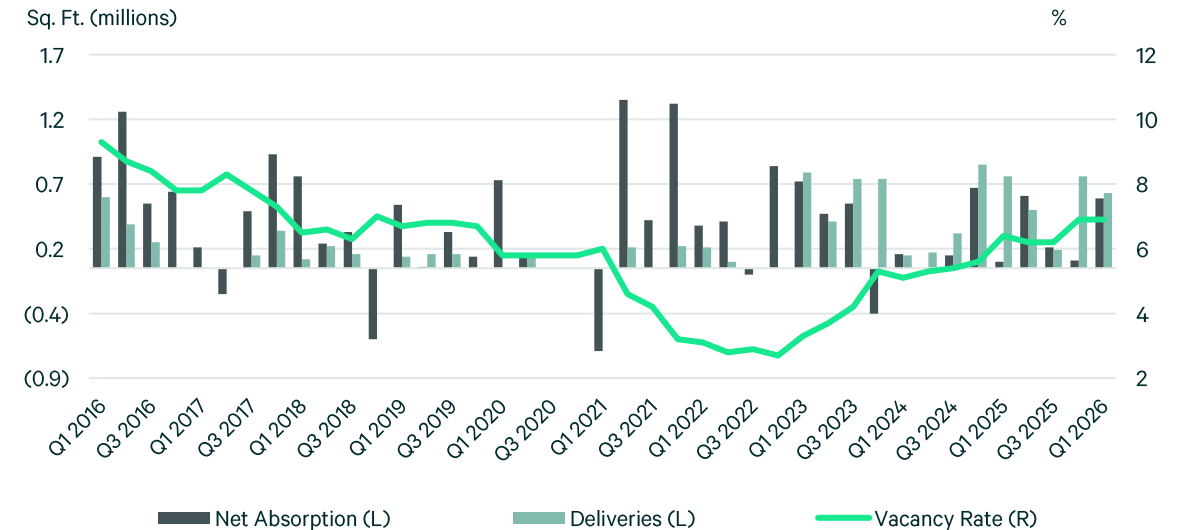
Note: Arrows indicate change from previous quarter.

Market Overview

The Suburban Maryland industrial market recorded healthy fundamentals during the first quarter. Net absorption rebounded to 538,000 sq. ft., up 475,000 sq. ft. from Q4 2025 levels. Despite the strong occupancy gains, vacancy remained static quarter-over-quarter at 6.9%, though slightly above the 6.4% recorded a year earlier and well above the 2.7% low reached in Q4 2022. Availability saw a moderate increase to 10.8% from 10.2% a quarter prior.

Three properties delivered in Q1 2026, with two vacant deliveries contributing to the unchanged vacancy rate. The construction pipeline decreased to 825,000 sq. ft., down from 1.9 million sq. ft. in Q1 2025. Pricing remained firm: the average asking rate reached \$14.35, up \$0.31 year-over-year but \$0.15 lower than in Q4 2025, as landlords maintained rate discipline even as conditions normalized from prior tightness.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy Rate

The industrial market vacancy rate finished the first quarter of 2026 at 6.9%, up 50-basis points from 6.4% in Q1 2025. Looking at warehouse vacancy, Suburban Maryland recorded a vacancy rate of 7.6%, static quarter-over-quarter.

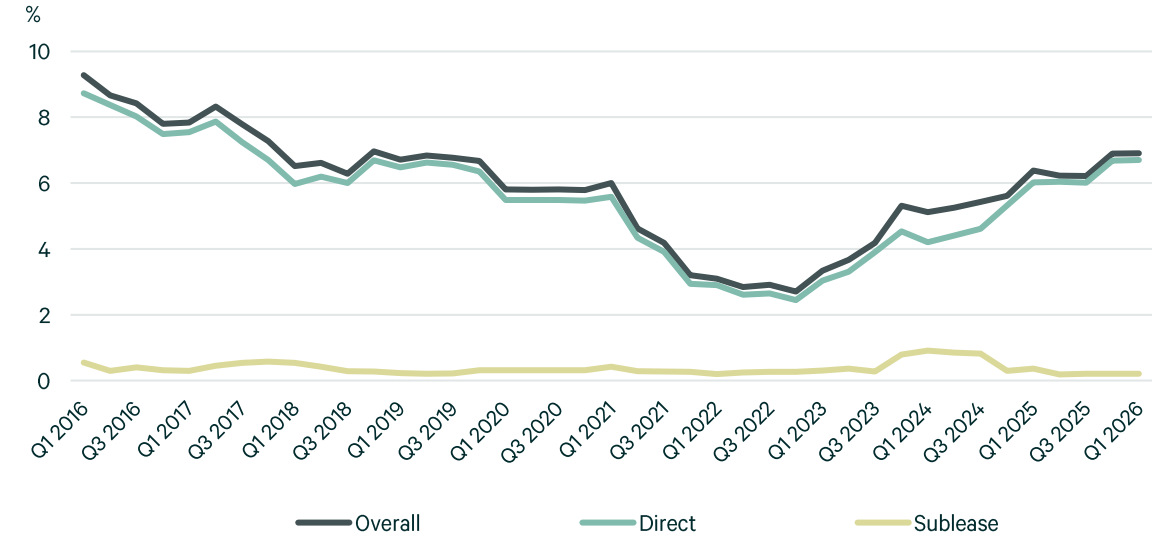
Prince George’s County saw a modest 80-basis point drop in vacancy rate to 6.6% following strong positive absorption. Conversely, Frederick County saw a spike in vacancy rate with two vacant deliveries. Sublease vacancy eased over the quarter, with the market-wide sublease rate declining to 0.2% from 0.4% in Q1 2025, and overall sublease availability remained limited.

Asking Rent

Average asking rent was \$14.35 per sq. ft. per annum on a triple-net basis (NNN) in Q1 2026, up 2.0% year-over-year from \$14.04 per sq. ft. in Q1 2025.

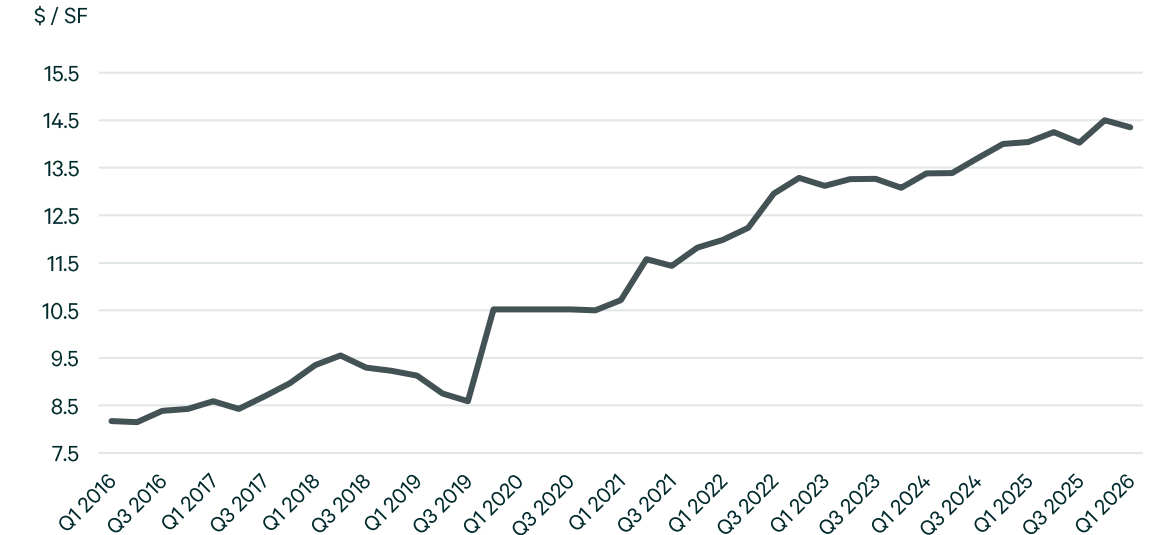
In Q1 2026 Montgomery County posted the highest average warehouse asking rate at \$15.93 per sq. ft. NNN. Prince George’s County saw a slight decrease in asking rates to \$14.26 per sq. ft. NNN as multiple high-quality spaces came off the market. Prince George’s County also has several high-quality projects in the construction pipeline that will command above average rates in coming quarters.

Figure 2: Vacancy Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

The market posted positive net absorption of 538,000 sq. ft. in Q1 2026, far exceeding the 63,000 sq. ft. recorded in Q4 2025 and the 53,000 sq. ft. recorded in Q1 2025. Over the last year, net absorption totaled 1.3 million sq. ft., and over the last three years it reached 2.8 million sq. ft.

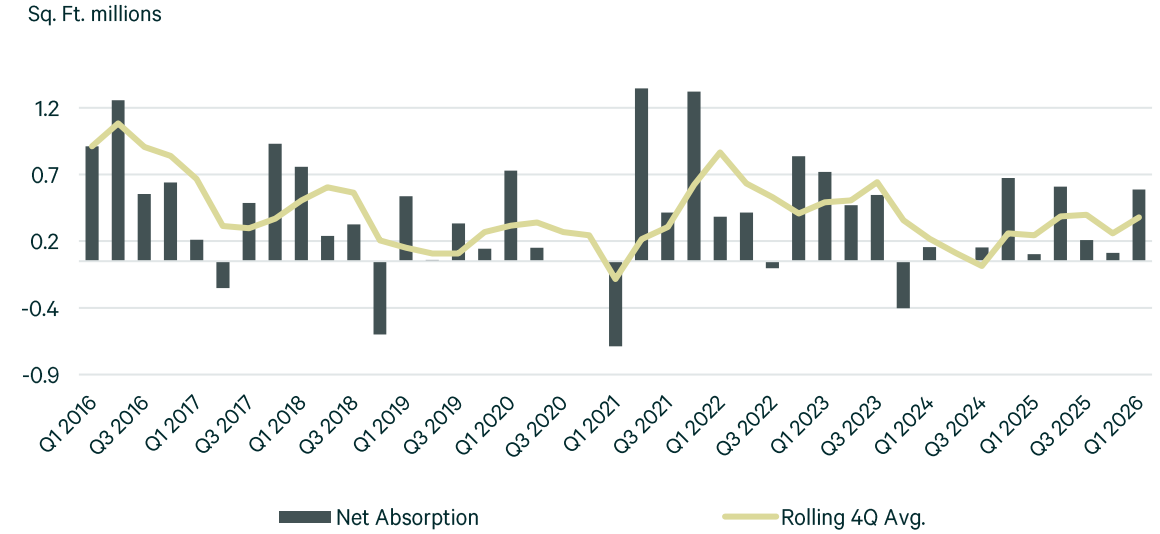
Positive occupancy gains for the first quarter were concentrated primarily in Prince George’s County, with Southland Industries moving into its 400,000 sq. ft. space at Elion Logistics Park and Columbia Woodworking moving into the newly constructed 1520 Cabin Branch Drive. Minimal occupancy gains in Frederick County were offset by minimal occupancy losses in Montgomery County.

Construction Activity

In Q1 2026, the market recorded 578,000 sq. ft. of construction deliveries, while 825,000 sq. ft. remained under construction, all projected to deliver through the third quarter of 2026. Last year, a total of 2.0 million sq. ft. delivered across the Suburban Maryland industrial market, which is more than double the projection for 2026.

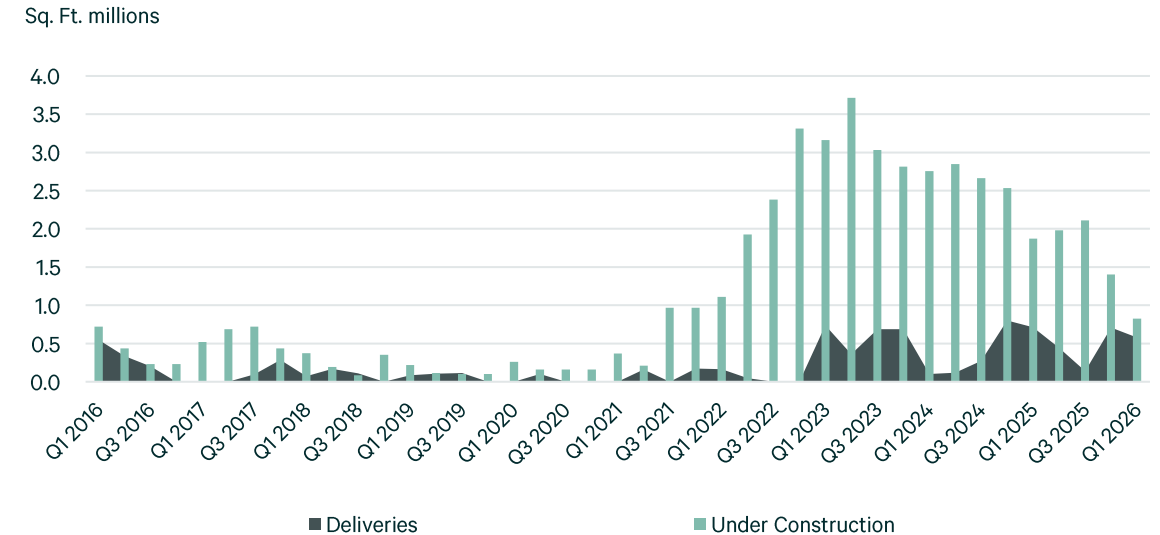
Following the delivery of 508,000 sq. ft. across two buildings at the Frederick Airport Park, Frederick County has an additional 454,000 sq. ft. under construction across two properties at Highland Tech Logistics. Additional properties in the pipeline include two buildings at Beltsville Logistics totaling 147,000 sq. ft. and 123,000 sq. ft. The entire under construction pipeline is currently available for lease. More projects will break ground in the coming quarters, including a build-to-suit warehouse from Amazon, who recently completed a 135-acre land purchase in Frederick County.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

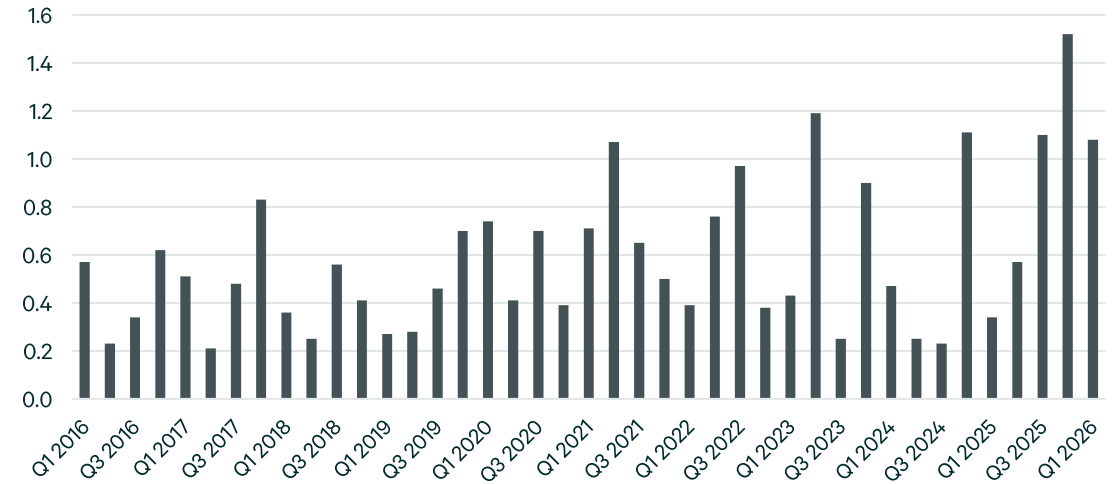
Leasing Activity

At the close of Q1 2026, gross leasing totaled 1.1 million sq. ft., an increase of more than 200% year-over-year. For full-year 2025, leasing totaled 3.4 million sq. ft., a 75.9% increase from the 1.9 million sq. ft. recorded in 2024, highlighting a step-up in annual demand. In 2025, the market recorded ten deals over 100,000 sq. ft., including Southland Industries' 400,000 sq. ft. lease at the recently delivered Elion Logistics. Multiple projects in the construction pipeline are expected to draw tenant interest across the Suburban Maryland metro.

Prince George's County recorded 725,000 sq. ft. of gross leasing and was the most active county in the Suburban Maryland metro. Six deals exceeded 50,000 sq. ft., down from seven in the fourth quarter. Across Suburban Maryland, new leases outpaced renewals with 62% of gross leasing coming from new deals.

Figure 6: Leasing Activity Trend

Sq. Ft. millions



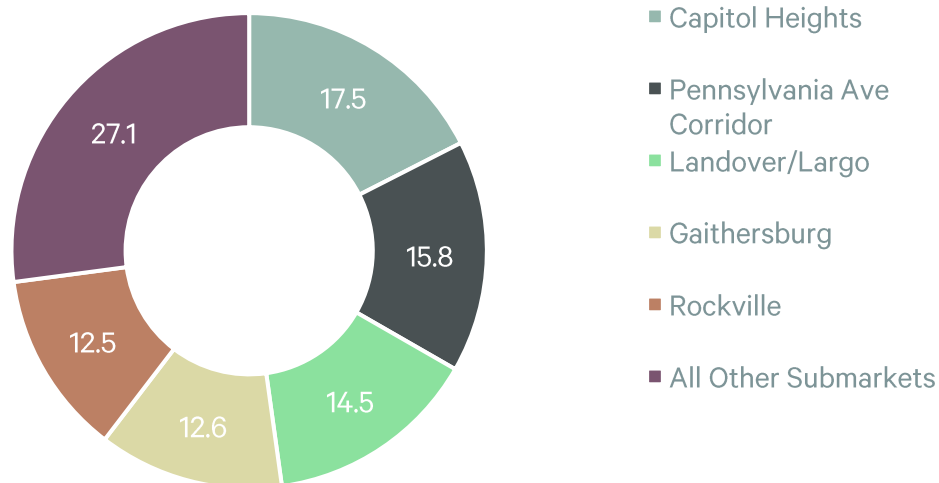
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Harris	155,000	New Lease	8511 Pepco Pl	Pennsylvania Ave Corridor
CORT Business Services	121,000	Renewal	801 Hampton Park Blvd	Capitol Heights
Lifestyle Furniture	106,000	New Lease	725 Rockville Pike	Rockville
Apisource	74,000	Renewal	10001 Aerospace Rd	Greenbelt
Gilbane Building	71,000	Renewal	6100 Columbia Park Rd	Landover/Largo
Genedx	60,000	New Lease	930 Clopper Rd	Gaithersburg
TA Trading	48,000	New Lease	9001 E Hampton Dr	Capitol Heights
MedStar Health	43,000	Renewal	3200-3244 Hubbard Rd	Landover/Largo

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Beltsville/Calverton	8.45	2.6	7.8	6.4	1.4	13.04	(68,000)	(68,000)	-	-
Bethesda/Chevy Chase	0.02	-	-	-	-	-	-	-	-	-
Bowie	6.47	12.0	17.2	17.2	-	15.07	3,000	3,000	-	-
Branch Avenue Corridor	2.90	10.4	14.6	11.0	3.6	16.59	(1,000)	(1,000)	-	-
Brandywine/PG South	1.85	21.7	21.7	21.7	-	22.00	400,000	400,000	-	-
Capitol Heights	4.74	5.9	14.1	10.4	3.7	14.24	(146,000)	(146,000)	-	-
Cheverly/Hyattsville	4.33	7.1	12.7	11.3	1.4	13.57	(22,000)	(22,000)	-	-
College Park	1.03	0.5	2.2	2.2	-	15.00	6,000	6,000	-	-
Frederick County	15.53	12.0	16.2	15.9	0.3	12.45	22,000	22,000	508,000	454,000
Gaithersburg	7.33	3.7	6.6	5.3	1.3	17.44	18,000	18,000	-	-
Germantown	0.79	4.9	9.4	7.5	1.9	25.90	-	-	-	-
Greenbelt	0.25	-	-	-	-	-	-	-	-	-
I-270 Corridor North	0.62	11.5	14.4	3.2	11.3	25.03	(2,000)	(2,000)	-	-
Kensington/Wheaton	0.15	-	15.0	15.0	-	16.46	-	-	-	-
Landover/Largo	13.13	5.5	9.8	8.8	1.0	13.93	207,000	207,000	70,000	-
Lanham	3.18	1.3	4.3	2.7	1.6	14.33	14,000	14,000	-	-
Laurel	3.47	3.5	6.3	6.3	-	11.70	(13,000)	(13,000)	-	270,000
North Bethesda/Potomac	0.73	3.6	5.1	5.1	-	16.26	(2,000)	(2,000)	-	-
North Rockville	5.34	1.9	3.2	2.8	0.5	16.46	27,000	27,000	-	101,000

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Oxon Hill/Fort Washington	0.19	-	-	-	-	-	-	-	-	-
Pennsylvania Ave Corridor	3.83	10.3	14.2	13.7	0.5	14.12	130,000	130,000	-	-
Rockville	2.88	4.7	5.5	5.3	0.2	20.29	(35,000)	(35,000)	-	-
Rt 29	1.19	4.4	4.4	4.4	-	20.00	(3,000)	(3,000)	-	-
Silver Spring	0.75	5.5	5.2	5.2	-	18.49	1,000	1,000	-	-
Upper Marlboro	0.44	3.6	3.6	3.6	-	11.88	-	-	-	-
Total	89.58	6.9	10.8	9.8	1.0	14.35	538,000	538,000	578,000	825,000

Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	48.20	4.2	8.3	7.1	1.2	14.73	51,000	51,000	70,000	-
100,000-199,999 sq. ft.	19.90	6.8	11.4	10.5	0.9	14.31	(69,000)	(69,000)	-	568,000
200,000-299,999 sq. ft.	7.98	12.8	20.4	19.2	1.2	12.61	156,000	156,000	508,000	256,000
300,000-499,999 sq. ft.	8.25	8.2	8.4	7.6	0.8	16.25	-	-	-	-
500,000-749,999 sq. ft.	4.45	15.6	15.6	15.6	-	13.82	-	-	-	-
750,000 sq. ft.	0.80	50.0	50.0	50.0	-	-	400,000	400,000	-	-
Total	89.58	6.9	10.8	9.8	1.0	14.35	538,000	538,000	578,000	825,000

Source: CBRE Research, Q1 2026

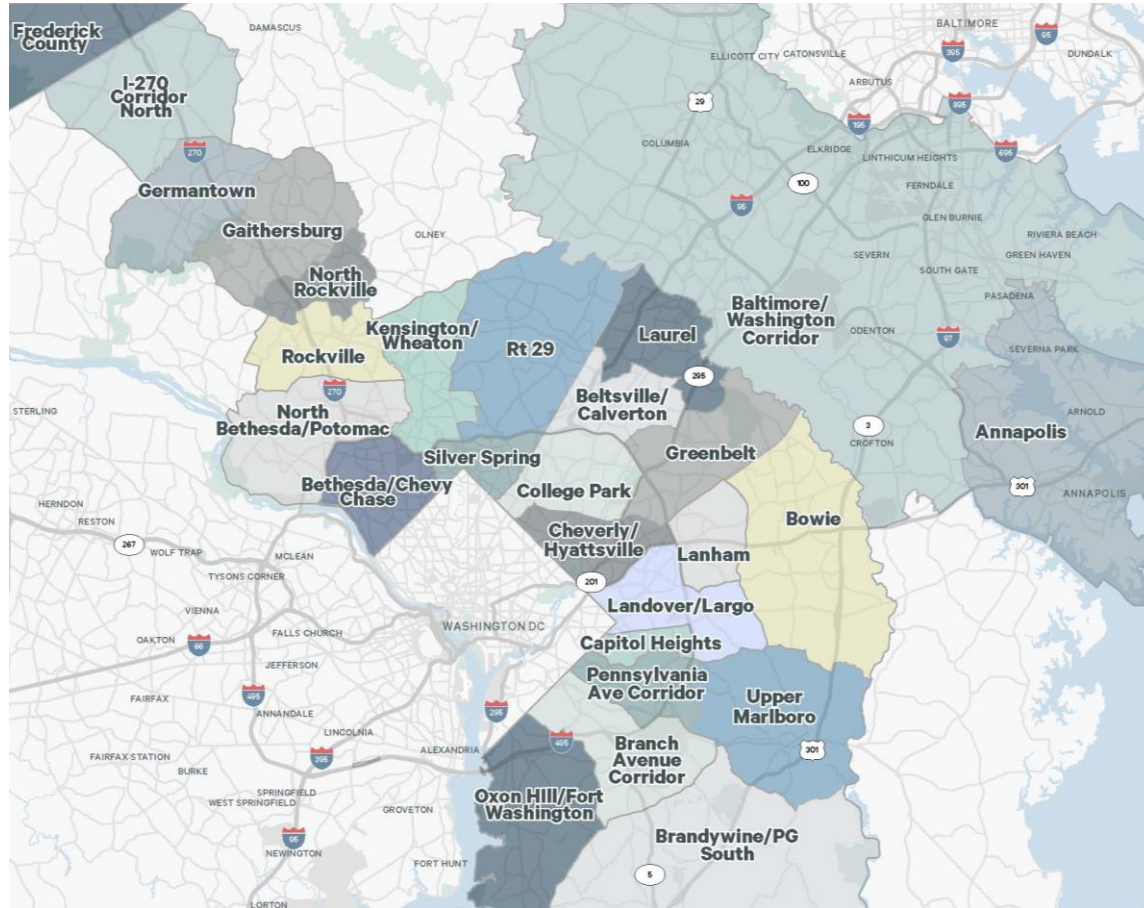
Market Statistics by Product Type

Figure 11

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	69.63	7.6	11.7	10.7	1.0	13.93	581,000	581,000	578,000	825,000
R&D/Flex	19.95	4.6	7.7	6.5	1.1	16.60	(43,000)	(43,000)	-	-
Total	89.58	6.9	10.8	9.8	1.0	14.35	538,000	538,000	578,000	825,000

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

CBRE’s market report analyzes all classes of competitive single and multi-tenant industrial buildings that total 10,000+ sq. ft., including owner-occupied buildings, that are located within the submarket boundaries shown on the accompanying map.

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