

FIGURES | BALTIMORE OFFICE | Q3 2026

Baltimore Office Market Gains Traction as Leasing Activity Accelerates



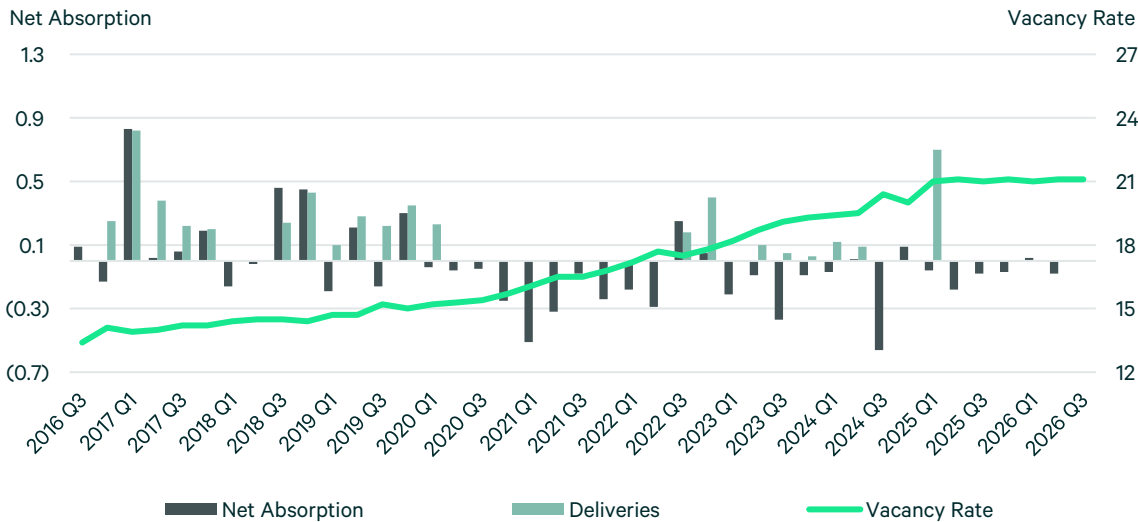
Note: Arrows indicate change from previous quarter.

Market Overview

The Baltimore office market showed signs of stabilization in Q3 2026. The market recorded 5,000 sq. ft. of positive net absorption during the quarter, while vacancy remained unchanged at 21.1%. Much of the quarter's occupancy growth was driven by the Maryland Department of Education's 160,000 sq. ft. lease, which generated positive absorption within the leased market as the agency relocates from state-owned space. Through the first three quarters of the year, net absorption totaled negative 53,000 sq. ft., a significant improvement from the negative 321,000 sq. ft. recorded during the same period in 2025. While demand remains relatively subdued, the year-over-year improvement suggests market conditions are gradually stabilizing.

With no projects currently under construction, pressure from new supply has largely subsided. As a result, the market is characterized by elevated but stable vacancy, modest improvements in absorption, and steady rents. Gross leasing activity also strengthened during the quarter, exceeding 1.0 million sq. ft. For the year, tenant relocations have outpaced renewals, accounting for 66% of leased space through the first three quarters of 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Overall vacancy in Q3 2026 remained broadly stable, as small movements across property classes offset one another. Class A vacancy rose 10 basis points quarter-over-quarter to 22.9% mostly due to large downsizes by KCI Technologies and CohnReznick. Class B vacancy fell 40 bps to 17.6% as Frequentis expanded and Howard County Board of Elections signed a new lease in Columbia. Year-over-year, vacancy in Prime (Trophy) assets is materially lower, with prime offices posting positive or neutral absorption for the last four quarters.

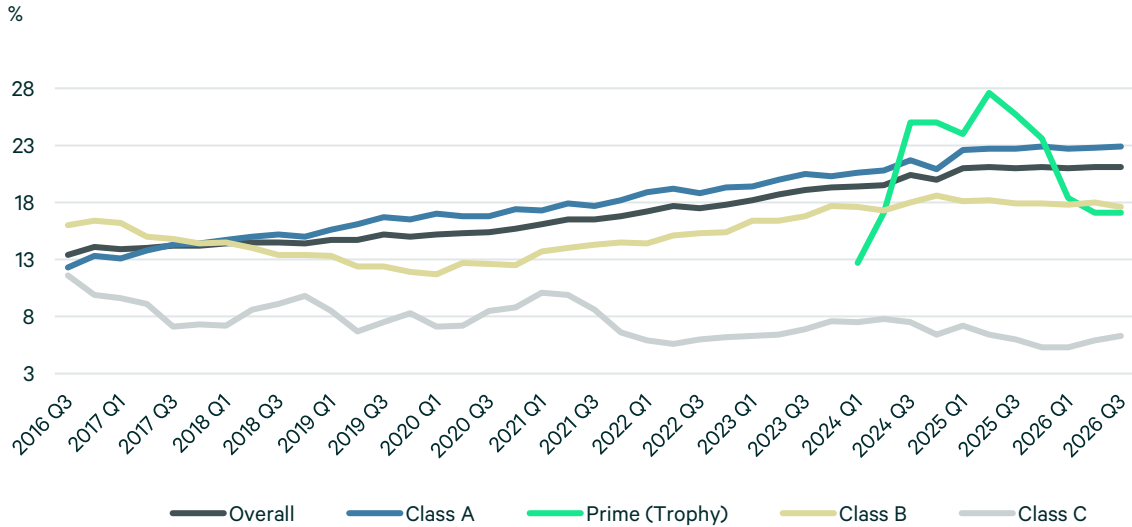
Of the sixteen Baltimore submarkets, ten of them experienced an increase in vacancy with six seeing a decrease. The Columbia submarket saw the largest decrease in vacancy, down 100 bps from the prior quarter to 17.6%. Several expansions in the submarket and small amounts of space being added back contributed towards this decrease in vacancy. Conversely, Baltimore County East saw the largest increase in vacancy of 210 bps as Stanley Black and Decker gave back space at 6201 Greenleigh Avenue.

Asking Rent

In Q3 2026, asking rents across the Baltimore market averaged \$26.91 per sq. ft. a 0.5% increase from the prior quarter. There was an increase in Class A office space in the BWI Corridor which averages higher asking rates due to the amount of SCIF space in the submarket and proximity to NSA and Fort Meade. Class A direct asking rents edged up to \$28.17 per sq. ft., a 0.6% increase quarter-over-quarter. Prime (Trophy) space recorded flat quarter-over-quarter pricing.

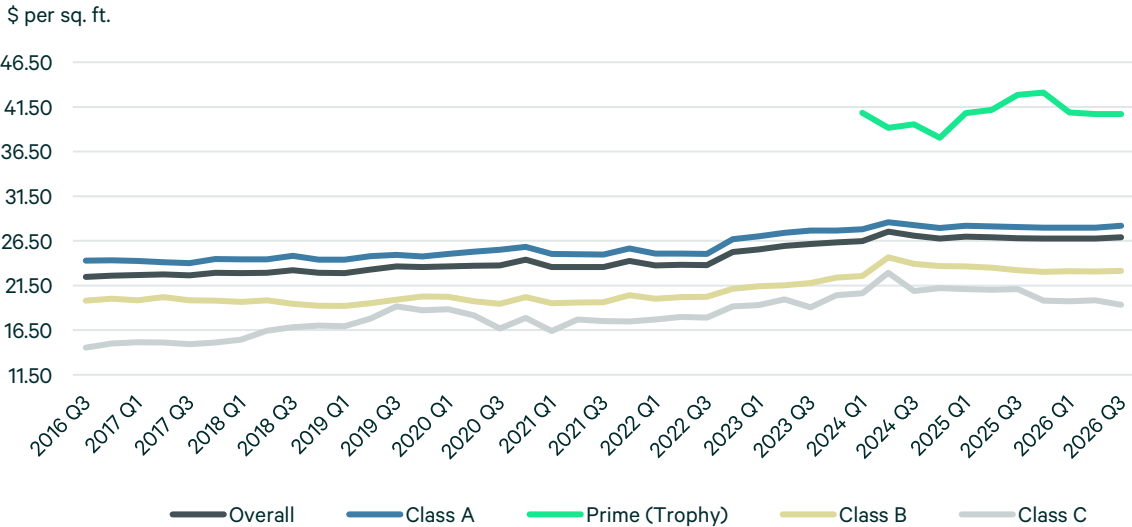
Class A asking rents were highest in the Baltimore East submarket which features newer office space with more amenities in Harbor East and Harbor Point reaching \$36.00 per sq. ft., above the \$28.04 per sq. ft. Class A rate in the CBD and the \$25.38 per sq. ft. Class A benchmark in Towson/Timonium.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

The Baltimore office market posted occupancy gain in Q3, marking a quarter-over-quarter improvement and a year-over-year shift from the occupancy loss recorded in Q3 2025. The Class A segment of the market posted negative absorption, but other classes offset that occupancy loss and total absorption for the quarter posted 5,000 sq. ft. of occupancy gain.

Core submarkets posted mixed occupancy outcomes in Q3 2026, with gains concentrated in Columbia, the CBD and Baltimore East while the BWI Corridor and Towson/Timonium saw further contraction. In Columbia, occupancy gains were recorded across all classes, reinforcing the submarket’s role as a multi-class demand hub. Tenants driving these gains includes Frequentis, Howard County Board of Elections, Synergy ECP, and United Healthcare Group. The CBD and Baltimore East recorded more moderate occupancy gains of 58,000 sq. ft. and 29,000 sq. ft., respectively, driven by the Maryland Department of Education and CohnReznick.

Conversely, the BWI Corridor and Towson/Timonium posted -63,000 and -14,000 sq. ft. of negative absorption, respectively. Major drivers of activity in BWI were CACI, and CGI Federal giving back space while Genesis Healthcare drove negative absorption in Towson/Timonium.

Construction Activity

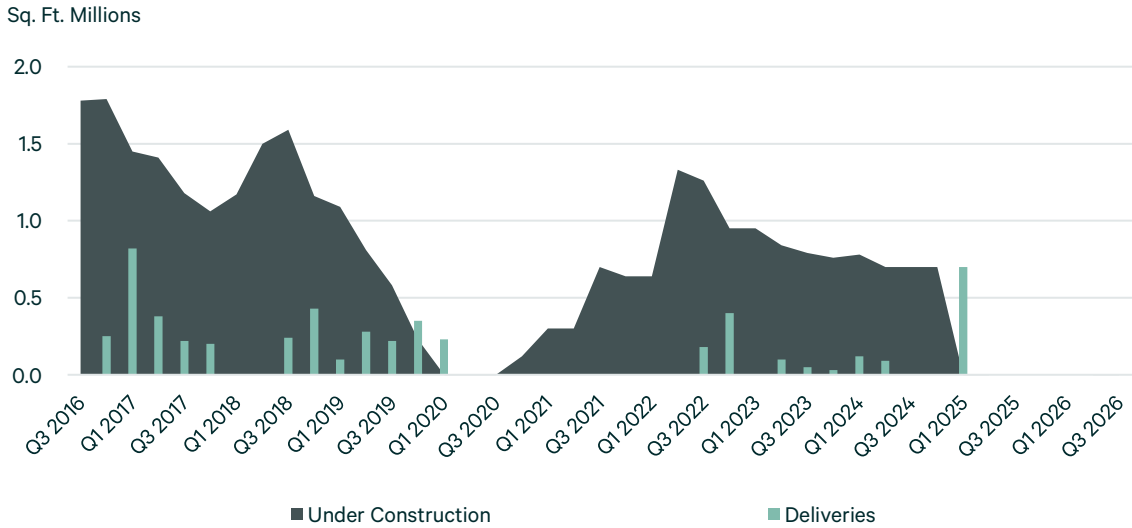
There are no office properties currently under construction across the Baltimore market. The construction pipeline peaked post-pandemic at 1.3 million sq. ft. in 2022 and has declined steadily, with the last delivery taking place in Q1 2025.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



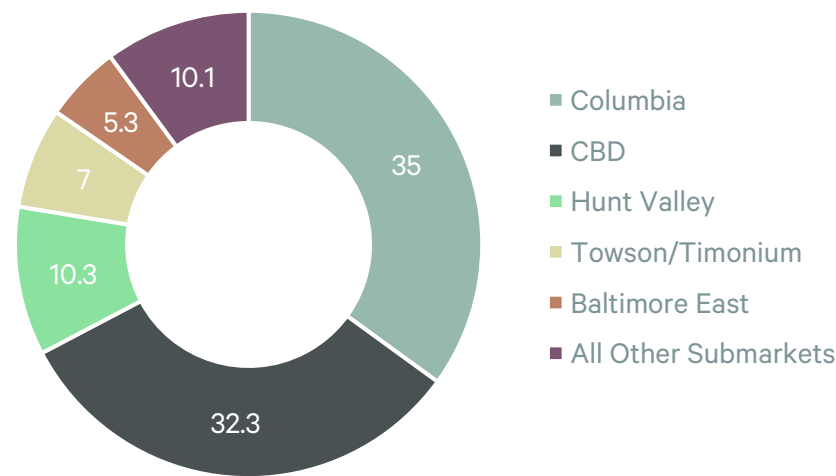
Source: CBRE Research, Q3 2026

Leasing Activity

Leasing activity was strong in Q3, surpassing 1.0 million sq. ft. and elevated 22% above the 10-year historic norm. Government and legal tenants accounted for the largest share of activity, capturing 23% and 19%, respectively. The largest transaction of the quarter was Maryland Department of Education’s 160,000 sq. ft. lease at 100 N Charles Street in the CBD, which resulted in positive absorption for the leased office market. There have been five government leases over 100,000 sq. ft. since 2022, the second largest of those transactions was the Maryland Department of Education lease this quarter. All five transactions represented pure growth to the market as they moved from state-owned buildings and contributed more than 1.03 million sq. ft. of positive absorption to the CBD.

By contrast, the largest contraction of the quarter was KCI Technologies downsizing from 120,000 sq. ft. to 48,000 sq. ft. in Hunt Valley. Also of note, Venable recommitted to 149,000 sq. ft. in the CBD which marked the second largest deal of the year so far. Leasing activity was concentrated in the largest submarkets with the most available space, Columbia and the CBD, with Columbia recording the most notable leasing across both Class A and Class B space. The CBD and Columbia submarkets claimed six of the top eight deals for the quarter.

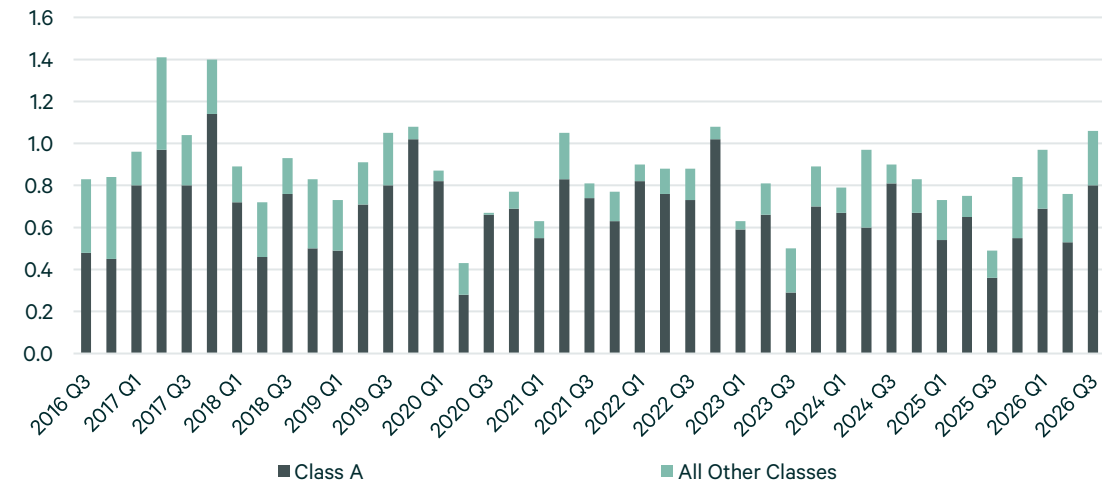
Figure 7: Leasing by Submarket (% of Total Leasing Activity)



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend

Sq. Ft. Millions



Source: CBRE Research, Q3 2026

Figure 8: Select Notable Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Maryland Department of Education	160,000	New Lease	100 N Charles St	CBD
Venable	149,000	Renewal	750 E Pratt St	CBD
Frequentis USA	56,000	New Lease	8671 Robert Fulton Dr	Columbia
KCI Technologies	48,000	New Lease	6 N Park Dr	Hunt Valley
Howard County Board of Elections	38,000	New Lease	7138 Columbia Gateway Dr	Columbia
Howard County Housing Commission	36,000	Renewal	9770 Patuxent Woods Dr	Columbia
CohnReznick	32,000	New Lease	650 S Exeter St	Baltimore East
United Healthcare Group	32,000	Renewal	10175 Little Patuxent Pkwy	Columbia

Source: CBRE Research, Q3 2026

Market Statistics

Figure 9: Suburban Market Statistics by Class

	Net Rentable Area (MSF)	Total Vacant (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	29.79	21.1	26.1	22.8	3.3	27.47	(127,000)	(124,000)	-	-
Prime (Trophy)	0.23	22.9	22.9	22.9	-	32.00	-	148,000	-	-
Other Class A	29.56	21.1	26.1	22.8	3.3	27.43	(127,000)	(272,000)	-	-
Class B	14.22	18.2	21.3	20.1	1.2	23.16	64,000	(11,000)	-	-
Class C	1.03	5.3	6.8	6.8	-	20.23	7,000	-	-	-
Total	45.04	19.8	24.1	21.6	2.5	26.15	(57,000)	(135,000)	-	-

Source: CBRE Research, Q3 2026

Figure 10: Urban Market Statistics by Class

	Net Rentable Area (MSF)	Total Vacant (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	16.70	26.2	27.9	26.4	1.4	29.23	68,000	102,000	-	-
Prime (Trophy)	2.33	16.5	17.9	13.4	4.5	42.19	-	18,000	-	-
Other Class A	14.37	27.7	29.5	28.5	0.9	28.23	68,000	84,000	-	-
Class B	3.98	15.6	18.5	18.4	0.0	23.06	7,000	(6,000)	-	-
Class C	0.44	8.6	8.6	8.6	-	17.97	(13,000)	(14,000)	-	-
Total	21.12	23.8	25.7	24.6	1.1	28.28	62,000	82,000	-	-

Source: CBRE Research, Q3 2026

Figure 11: Metro Market Statistics by Class

	Net Rentable Area (MSF)	Total Vacant (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	46.49	22.9	26.7	24.1	2.6	28.17	(60,000)	(23,000)	-	-
Prime (Trophy)	2.56	17.1	18.4	14.3	4.1	40.70	-	166,000	-	-
Other Class A	43.93	23.2	27.2	24.7	2.5	27.74	(60,000)	(188,000)	-	-
Class B	18.20	17.6	20.7	19.7	0.9	23.14	71,000	(16,000)	-	-
Class C	1.47	6.3	7.4	7.4	-	19.32	(6,000)	(14,000)	-	-
Total	66.16	21.1	24.6	22.5	2.1	26.91	5,000	(53,000)	-	-

Source: CBRE Research, Q3 2026

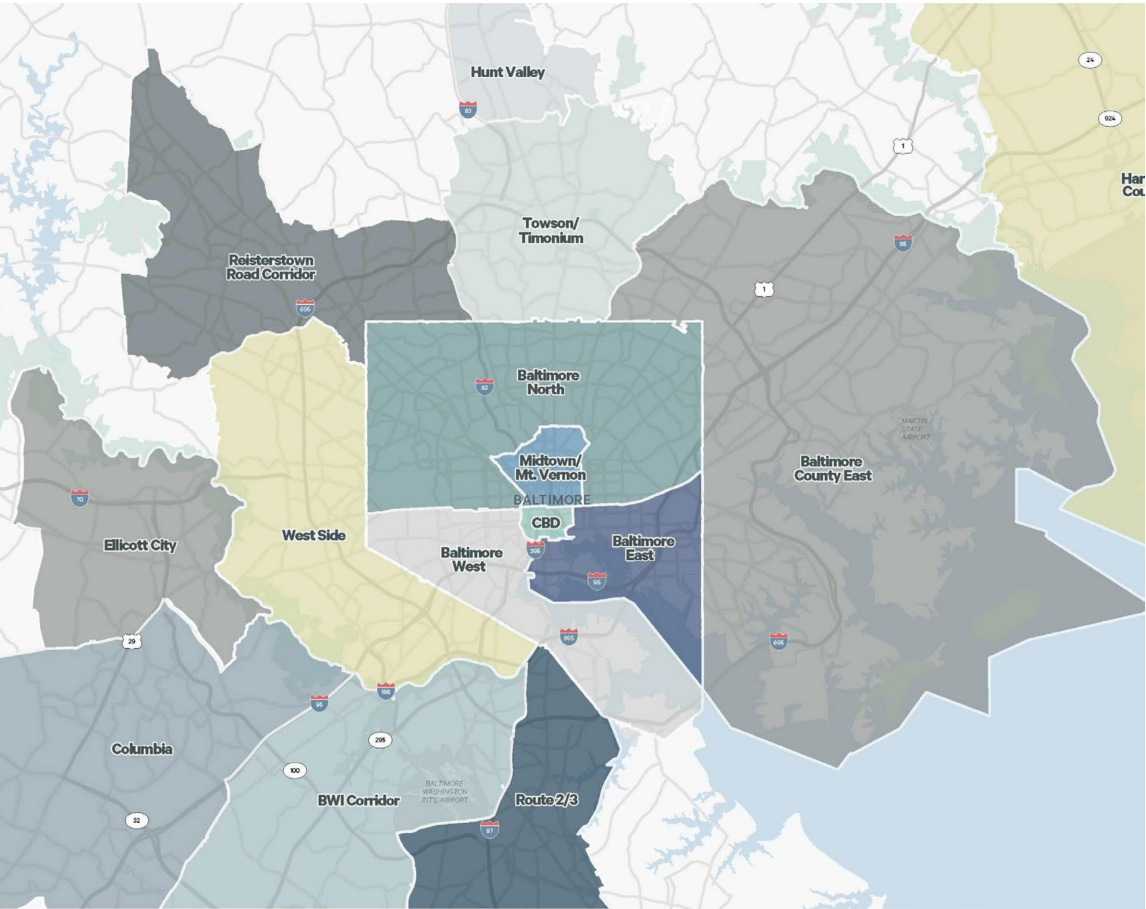
Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (MSF)	Total Vacant (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Annapolis	2.48	12.8	14.9	14.4	0.5	30.12	23,000	48,000	-	-
BWI Corridor	9.06	14.4	18.1	13.6	4.5	30.95	(63,000)	(98,000)	-	-
Baltimore County East	1.29	20.6	24.4	21.7	2.7	24.20	(27,000)	(33,000)	-	-
Baltimore East	6.67	16.5	18.8	16.6	2.2	35.23	30,000	126,000	-	-
Baltimore North	1.54	7.0	7.8	7.8	-	25.12	(12,000)	(4,000)	-	-
Baltimore West	1.79	31.7	33.7	33.6	0.1	23.01	(11,000)	(17,000)	-	-
CBD	10.83	29.7	31.5	30.6	0.9	27.18	59,000	(7,000)	-	-
Columbia	12.12	17.6	22.7	19.2	3.5	27.70	123,000	162,000	-	-
Ellicott City	0.37	9.4	11.8	11.8	-	28.87	-	(5,000)	-	-
Harford County	1.78	35.5	36.9	36.1	0.8	25.27	(24,000)	(40,000)	-	-
Hunt Valley	4.48	25.3	27.0	25.3	1.7	23.47	(44,000)	1,000	-	-
Midtown/ Mt. Vernon	0.29	13.2	15.3	15.3	-	19.63	(4,000)	(16,000)	-	-
Reisterstown Road Corridor	4.02	24.5	32.2	31.6	0.6	25.16	(35,000)	(49,000)	-	-
Route 2/3	1.08	12.5	16.0	15.6	0.3	24.22	8,000	(9,000)	-	-
Towson/ Timonium	6.19	23.7	27.9	26.5	1.4	24.28	(14,000)	(117,000)	-	-
West Side	2.18	23.7	31.4	28.5	3.0	21.90	(4,000)	4,000	-	-
Total	66.16	21.1	24.6	22.5	2.1	26.91	5,000	(53,000)	-	-

Source: CBRE Research, Q3 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.: In Mid-Atlantic markets, space in a building that is not occupied, or space where vacancy is confirmed to be upcoming because an existing tenant has committed to another location.. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

CBRE’s market report analyzes office buildings that total 20,000+ sq. ft., excluding owner-occupied buildings, that are located within the submarket boundaries shown on the accompanying map.

Contacts

Stephanie Jennings

Research Director

stephanie.jennings@cbre.com

Erin Janacek

Research Manager

erin.janacek@cbre.com

Steven Wagner

Research Analyst

steven.wagner@cbre.com