

FIGURES | BALTIMORE INDUSTRIAL | Q3 2026

Construction Activity Accelerates as Baltimore Industrial Fundamentals Rebalance

▼ 8.2%

Vacancy Rate

▲ 1.1

MSF Net Absorption

▲ 387.5

KSF Construction Delivered

▲ 3.5

MSF Under Construction

▲ \$11.45

Direct Avg. Asking Lease Rate

Note: Arrows indicate change from previous quarter.

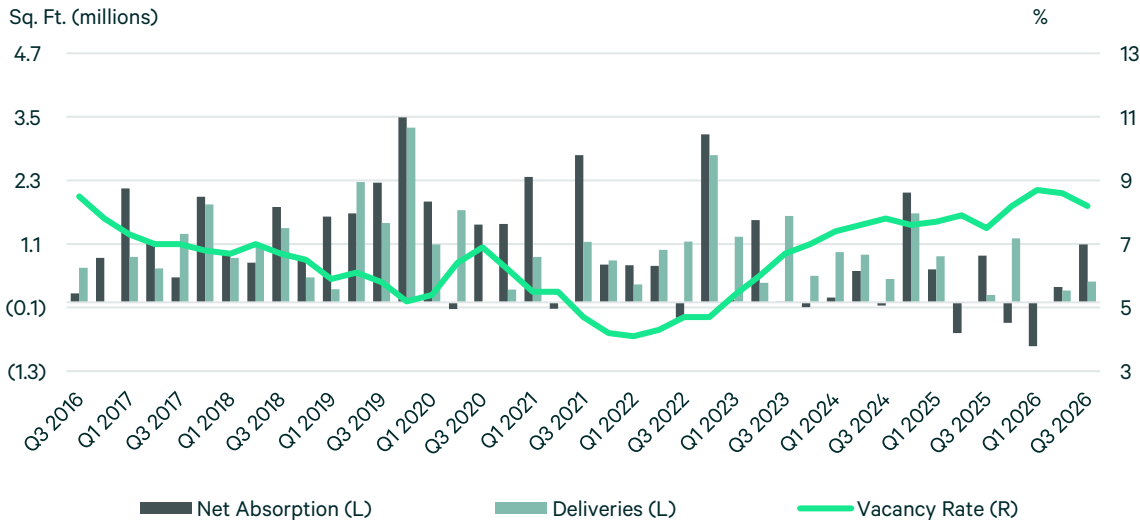
Market Overview

The Baltimore industrial market posted strong market fundamentals in Q3 2026 as the market settles into a new normal following the peak in 2022. Gross leasing was healthy, recording 11 deals over 100,000 sq ft. Net absorption totaled nearly 1.1 million sq. ft., marking the second quarter of occupancy gains following large occupancy losses in Q1 2026. The strong positive absorption seen during the third quarter pushed vacancy down 40 basis points, despite two buildings delivering vacant in the Baltimore/Washington Corridor.

The under-construction pipeline remains active following the two deliveries. It increased quarter-over-quarter with two speculative groundbreakings in the Baltimore/Washington Corridor and a build-to-suit in Cecil County.

The average asking rent in Q3 was \$11.45 per sq. ft., increasing quarter-over-quarter by 2.5%, due in part to the deliveries this quarter. Leasing was strong but down quarter-over-quarter. Activity was driven by three new deals totaling 1.3 million sq. ft. in the Harford/Cecil County submarket.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Overall industrial vacancy in the Baltimore market dropped during the third quarter as the pool of unoccupied space shrunk. The overall vacancy rate dropped to 8.2%, falling 40 basis points quarter-over-quarter. Since bottoming at 4.1% in Q1 2022, overall vacancy has risen 410 basis points, marking a prolonged period of gradual loosening after several years of historically tight market conditions.

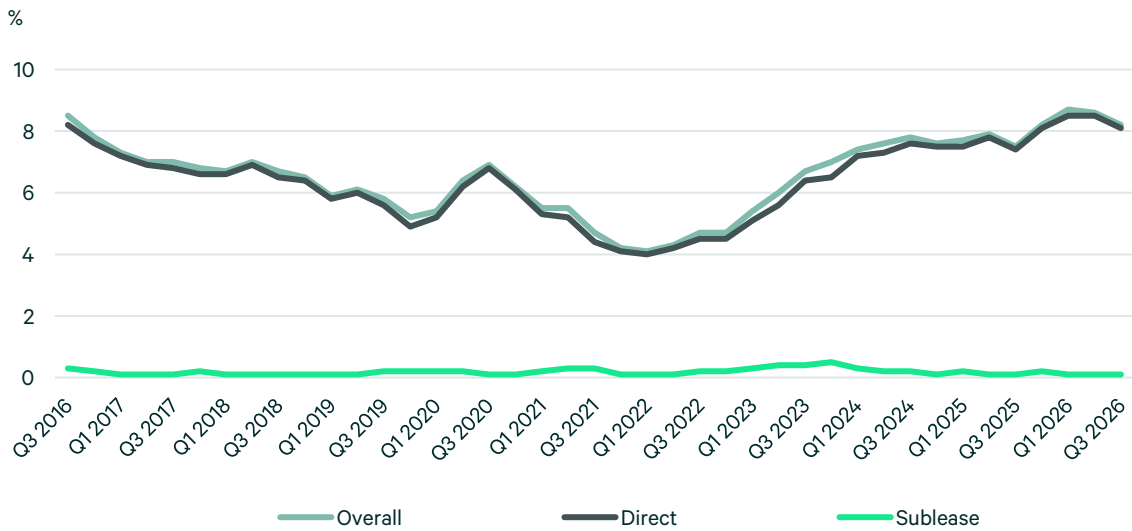
Core submarkets similarly posted marginal changes in vacancy. Baltimore City and Baltimore County East were the tightest core submarkets, with overall vacancy at 7.2% and 6.3%, respectively. With close proximity to the Port of Baltimore, both submarkets are appealing to industrial tenants. The Baltimore/Washington Corridor posted the highest vacancy at 10.3%, increasing by about 20 basis points despite moderate occupancy gains during the third quarter.

Asking Rent

Industrial asking rents continued to trend upward, reaching \$11.45 per sq. ft. per annum on a triple-net (NNN) basis. Asking rents saw a 2.5% increase quarter-over-quarter and an 11.6% cumulative rise since Q3 2023. Meanwhile, warehouse space reached \$11.36 per sq. ft. NNN. The increases were driven by speculative vacant deliveries and less-expensive bulk space being leased in Harford/Cecil County.

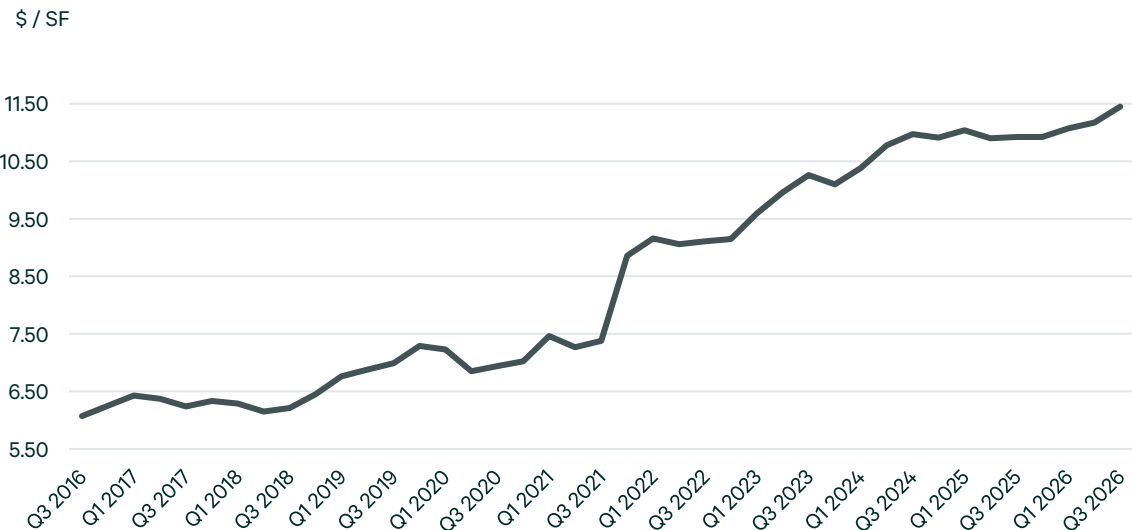
At the submarket level, the Baltimore/Washington Corridor posted an average asking rent of \$13.25 per sq. ft. NNN, the highest of the core Baltimore submarkets. Harford/Cecil County saw the largest increase quarter-over-quarter to \$8.91 per sq. ft. but remains the most affordable submarket in Baltimore.

Figure 2: Vacancy Rates



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

In Q3 2026, the Baltimore industrial market saw strong occupancy gains, marking a calmer quarter after pronounced swings in recent periods. Net absorption totaled 1.1 million sq. ft., a 24% increase from the occupancy gains of 883,000 sq. ft. recorded in Q3 2025. The four-quarter rolling average net absorption was 159,000 sq. ft., with occupiers taking slightly more space than they gave back over the four quarters. Multiple leases commencing during the upcoming fourth quarter should further bolster the annual occupancy gains by the end of the year.

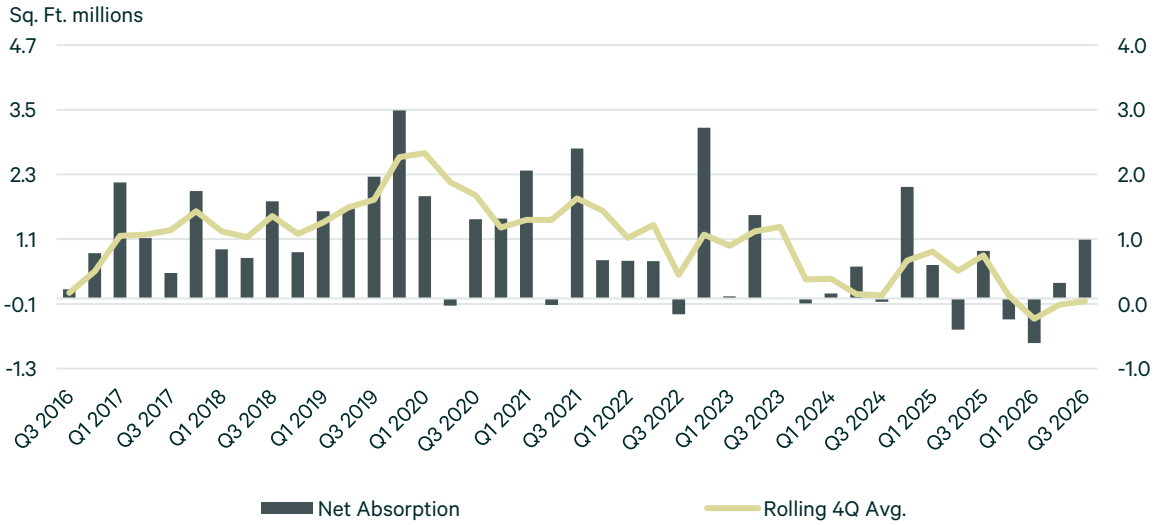
At the submarket level, occupancy changes were concentrated in Harford/Cecil County, which posted occupancy gains of 806,000 sq. ft. The submarket recorded two move-ins over 500,000 sq. ft. Meanwhile Baltimore County East recorded 347,000 sq. ft. of positive absorption, evenly spread over a handful of buildings. The Baltimore/Washington Corridor recorded 202,000 sq. ft. of positive absorption, bringing year-to-date absorption to 57,000 sq. ft. Together, Baltimore City and Baltimore Southwest recorded marginal occupancy losses in comparison. Overall, net absorption was strong following a moderately positive second quarter.

Construction Activity

Construction activity in Q3 2026 was healthy, with two buildings delivering and three breaking ground. Space under construction totals 3.5 million sq. ft., while 387,000 sq. ft. delivered in the quarter, bringing the 2026 total to 605,000 sq. ft. The active development pipeline is larger than in Q3 2025, but completions were well below deliveries recorded in 2025, so near-term supply pressure eased compared to the prior year.

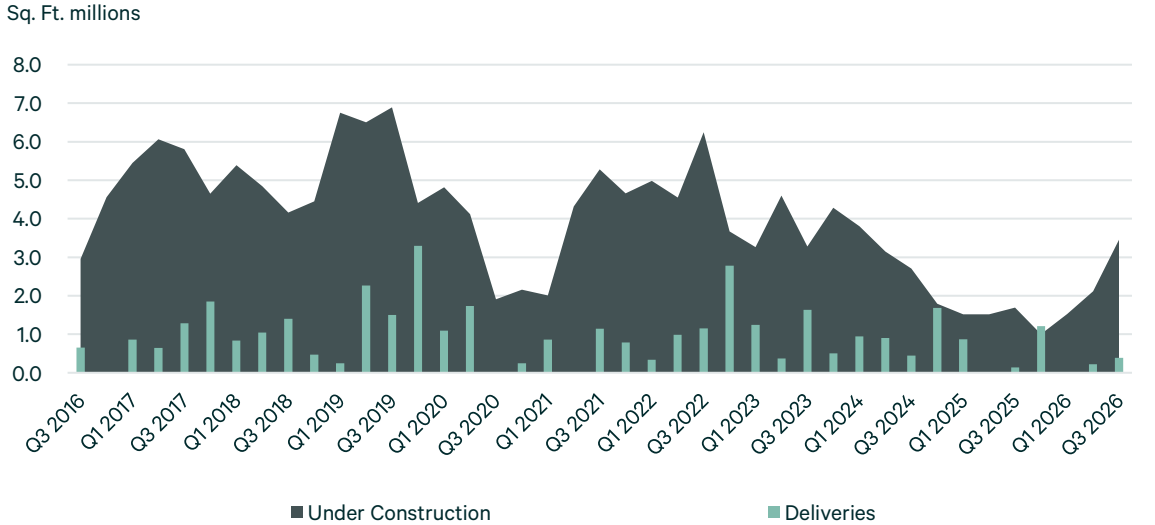
Construction is concentrated in Baltimore County East and the Baltimore/Washington Corridor, with additional activity in Baltimore Southwest. Baltimore County East carries the largest volume under way, with American Sugar Refining’s build-to-suit and Middle River Logistics Park accounting for 450,000 and 257,000 sq. ft., respectively. In the Baltimore/Washington Corridor, four speculative warehouses are under construction, while remaining construction in Baltimore Southwest is limited to the speculative 260,000 sq. ft. Crossings 95 warehouse project.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



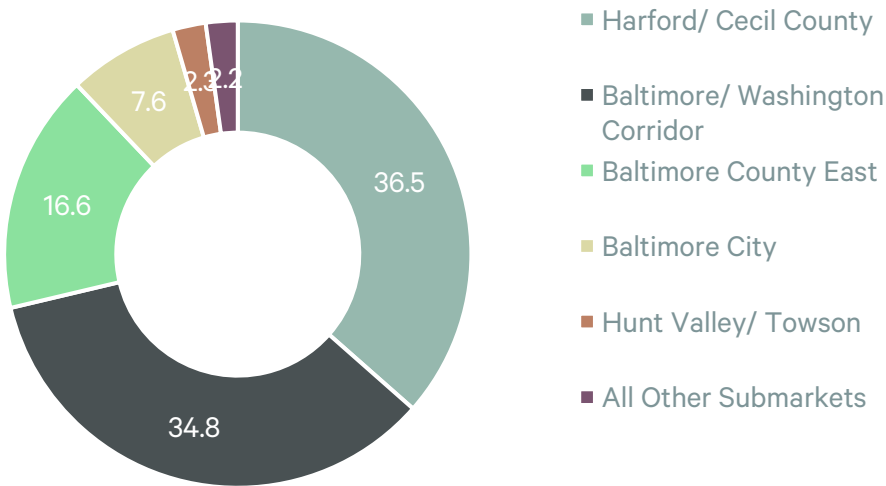
Source: CBRE Research, Q3 2026

Leasing Activity

Leasing activity in Q3 2026 was healthy but slowed from the high recorded in Q2. Gross leasing volume totaled 4.1 million sq. ft., down 15% quarter-over-quarter and 20% year-over-year, marking a slight pullback from the surge seen in Q2 2026, but up from Q1 2026. Activity was relocation driven, with seven large new leases and four renewals, and deal flow skewed toward big-box requirements in Harford/Cecil County, where Spreetail and Herr’s Foods accounted for the most notable transactions of the quarter.

By submarket, leasing this quarter was concentrated in the primary distribution corridors rather than evenly spread across the region. Harford/Cecil County recorded 1.3 million sq. ft. of commitments, while the Baltimore/Washington Corridor slightly exceeded that with 1.4 million sq. ft. Baltimore City and Baltimore County East registered more moderate but still meaningful volumes alongside smaller outlying submarkets. 3PL (third-party logistics) users led demand by square footage, signing 952,000 sq. ft., followed by wholesale & retail users leasing 640,000 sq. ft.

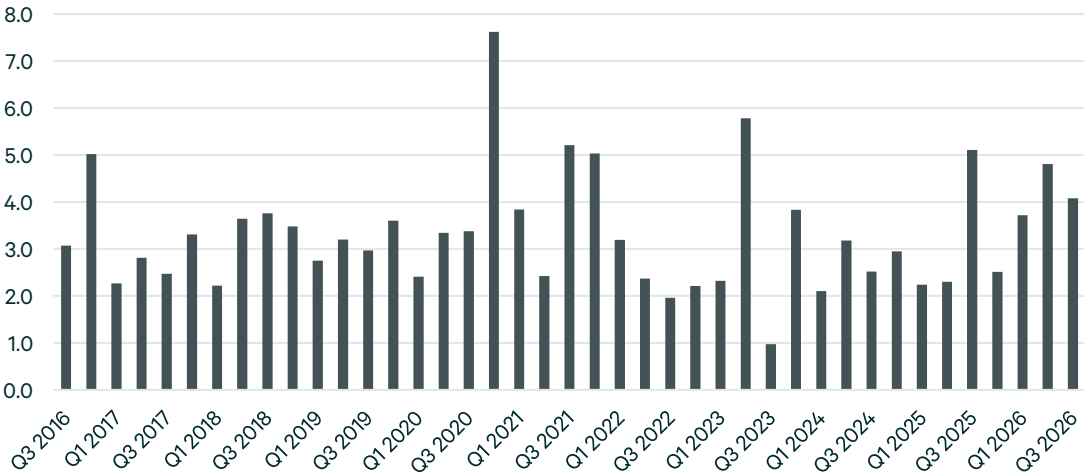
Figure 7: Leasing Activity by Submarket (% of Total Activity)



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
Spreetail	572,000	New Lease	610 Chelsea Rd	Harford/ Cecil County
Herr’s Foods	502,000	New Lease	40 Bethel Church Rd	Harford/ Cecil County
Delsey Luggage	186,000	Renewal	6090 Dorsey Rd	Baltimore/ Washington Corridor
W.R. Grace	151,000	Renewal	6610 Cabot Dr	Baltimore/ Washington Corridor
White Marsh Transport	145,000	New Lease	8415 Kelso Dr	Baltimore County East
IMC Auto Parts	126,000	Renewal	7462 New Ridge Rd	Baltimore/ Washington Corridor
Ross Dress for Less	122,000	Renewal	8700 Robert Fulton Dr	Baltimore/ Washington Corridor
CookUnity	99,000	New Lease	8730 Bollman Pl	Baltimore/ Washington Corridor

Source: CBRE Research, Q3 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 (MSF)	YTD Net Absorption (MSF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	61.37	9.4	5.0	4.8	0.2	11.73	(0.02)	0.11	-	-
100,000-199,999 sq. ft.	43.86	13.5	9.3	9.1	0.3	12.27	0.12	0.55	170,000	0.73
200,000-299,999 sq. ft.	21.04	15.3	15.4	15.4	-	11.69	0.35	(0.03)	217,000	0.97
300,000-499,999 sq. ft.	21.98	20.0	13.5	13.5	-	11.40	(0.32)	(0.13)	-	0.45
500,000-749,999 sq. ft.	20.56	9.1	7.0	7.0	-	10.01	0.97	0.94	-	-
750,000+ sq. ft.	26.92	7.7	4.9	4.9	-	9.63	-	(0.89)	-	1.30
Total	195.73	11.9	8.2	8.1	0.1	11.45	1.09	0.55	387,000	3.45

Source: CBRE Research, Q3 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 (MSF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	163.82	12.4	8.8	8.7	0.1	11.36	1.20	685,000	387,000	3.45
R&D/Flex	31.91	9.2	5.2	4.9	0.3	12.88	(0.11)	(136,000)	-	-
Total	195.73	11.9	8.2	8.1	0.1	11.45	1.09	550,000	387,000	3.45

Source: CBRE Research, Q3 2026

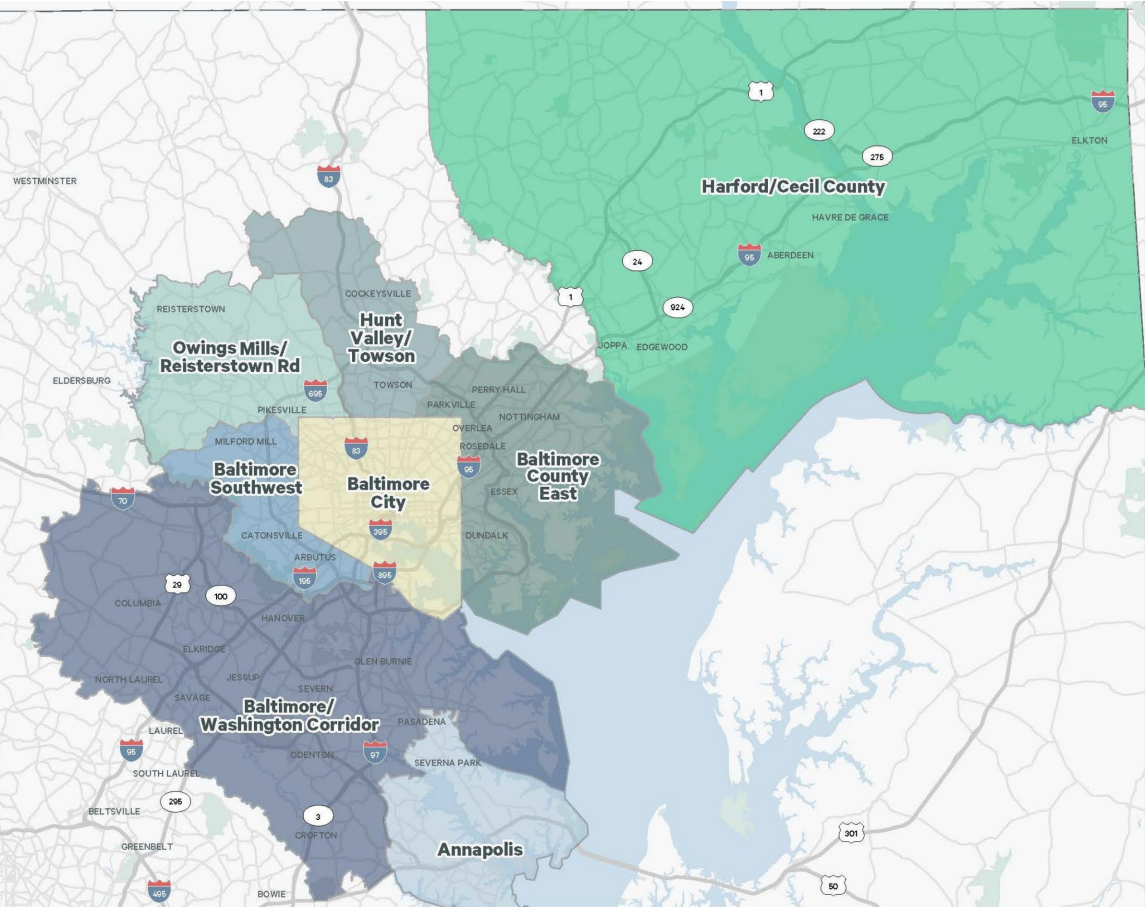
Market Statistics by Submarket

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 (MSF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Annapolis	1.41	4.4	4.3	4.3	-	17.81	(0.01)	(19,000)	-	-
Baltimore City	31.38	10.7	7.2	7.2	0.0	9.52	(0.15)	(193,000)	-	-
Baltimore County East	33.89	9.8	6.3	6.2	0.1	10.92	0.35	352,000	-	1.11
Baltimore Southwest	10.95	12.1	9.3	9.3	0.1	11.65	(0.05)	287,000	-	0.26
Baltimore/ Washington Corridor	66.00	15.6	10.3	10.0	0.3	13.25	0.20	57,000	387,000	0.78
Harford/ Cecil County	42.64	9.9	8.1	8.1	-	8.91	0.81	(4,000)	-	1.30
Hunt Valley/ Towson	6.45	4.9	2.2	2.1	0.2	12.75	0.01	121,000	-	-
Out of Submarket	0.38	-	-	-	-	-	-	-	-	-
Owings Mills/ Reisterstown Rd	2.64	14.1	9.6	9.6	-	12.20	(0.06)	(51,000)	-	-
Total	195.73	11.9	8.2	8.1	0.1	11.45	1.09	550,000	387,000	3.45

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.: 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.

Contacts

Stephanie Jennings

Research Director
+1 202 609 6802
stephanie.jennings@cbre.com

Erin Janacek

Research Manager
+1 270 991 0822
erin.janacek@cbre.com

Chad Robbins

Research Analyst
+1 410 244 3113
chad.robbins1@cbre.com