

FIGURES | BALTIMORE OFFICE | Q1 2026

# Baltimore Office Market Posts Positive Absorption

▼ 20.6%

Vacancy Rate

▲ 55,473

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$26.75

FSG/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

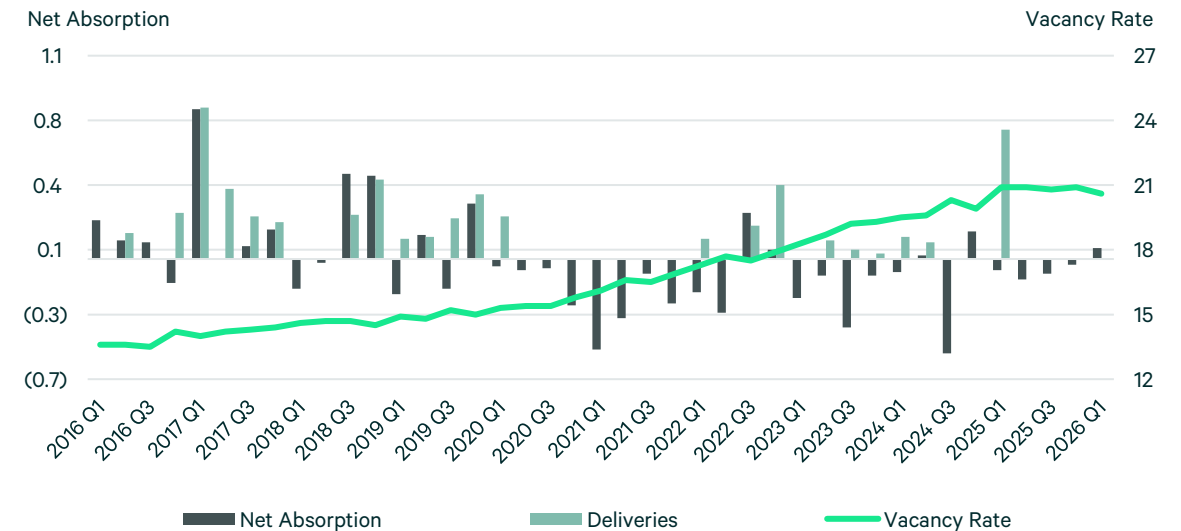
## Market Overview

The Baltimore office market has endured six years of mostly negative demand, with vacancy rising from 15.3% in Q1 2020 to 20.9% by Q4 2025. However, vacancy edged down 30 basis points (bps) quarter-over-quarter to 20.6% as the market recorded its first quarter of positive absorption since Q4 2024, driven by government expansions. Gross leasing activity picked up in Q1 with 1.06 million sq. ft. leased. Government tenants were the most active in the first quarter leasing more than 300,000 sq. ft. and accounting for 29% of all leasing activity. Relocations outpaced renewals in Q1 with relocations accounting for 658,000 sq. ft. or 62% of all transactions.

Construction activity has slowed down in the Baltimore metro. No office projects are currently under construction, and it has been a year since the last office building delivered in the Baltimore metro.

Pricing shifted only modestly, as the average asking rate moved from \$26.78 in Q4 2025 to \$26.75 in Q1 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

## Vacancy

Total vacancy in Class A buildings was 22.4% in Q1 2026, down 30 bps quarter-over-quarter. Total Class B vacancy was 17.4%, up 10 bps on the quarter and down 80 bps from a year earlier. Direct vacancy stood at 20.8% for Class A space and 16.5% for Class B, with sublease vacancy of 1.6% and 0.9%, respectively, indicating that most available space remains landlord-controlled.

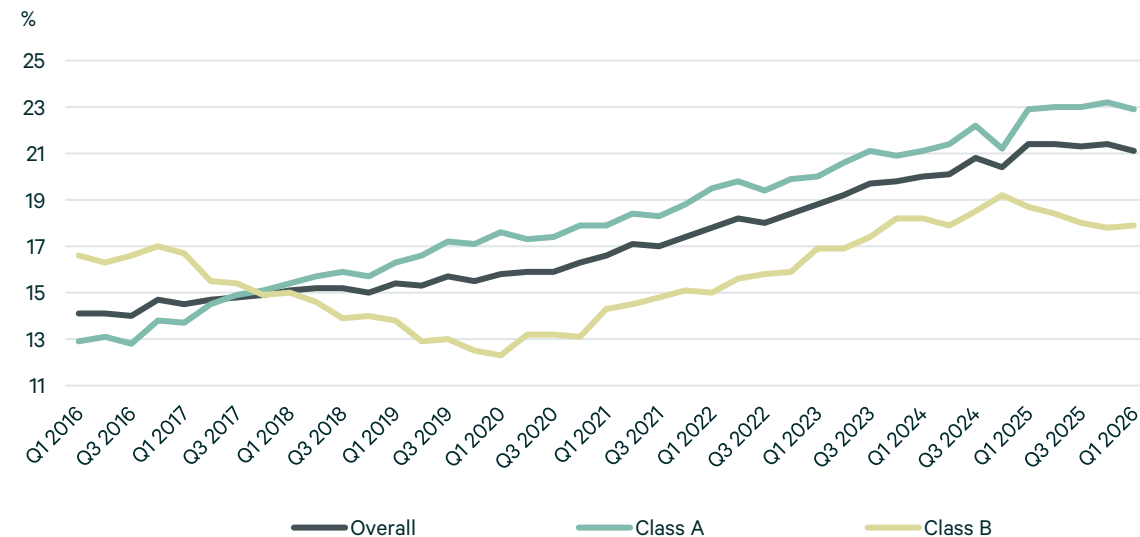
Key submarkets show a wide array in conditions. In the CBD, Class A vacancy is 30.8% with 2.6 million sq. ft. of space while Columbia Class A posted a 19.2% vacancy with 1.7 million sq. ft. of vacant space. Sublease availability totals about 1.4 million sq. ft. metro-wide, concentrated in Columbia, the BWI Corridor, and Baltimore East Class A assets.

## Asking Rent

The overall average direct asking lease rate in Q1 2026 is \$26.75 per sq. ft., essentially unchanged from \$26.78 per sq. ft. in Q4 2025. Average asking rates for the Baltimore metro’s Class A space fell 4 cents from last quarter to \$28.00 per sq. ft., driven by persistently high vacancy rates and a year-long halt in new office construction.

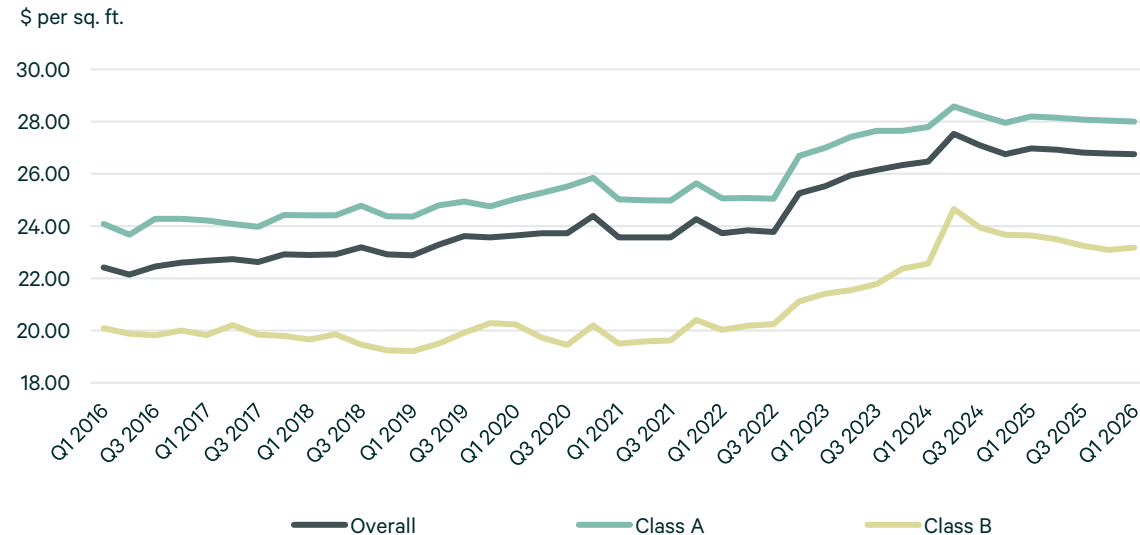
The Baltimore East submarket—which includes newer office space within the Baltimore Peninsula, Harbor East and Harbor Point—posts the highest average direct asking rent on a combined Class A and B basis at \$35.33 per sq. ft., and that figure rises to \$36.12 per sq. ft. for Class A space alone.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

## Net Absorption

The Baltimore office market recorded 55,000 sq. ft. of positive net absorption in Q1 2026, exceeding the negative 32,000 sq. ft. recorded in Q4 2025 by 87,000 sq. ft. and the negative 59,000 sq. ft. a year earlier by 114,000 sq. ft. Class A office space drove the net absorption gains with 131,000 sq. ft. of positive absorption, partially offset by negative 75,000 sq. ft. in Class B.

Positive net absorption for Q1 2026 was concentrated primarily in the CBD submarket with 80,000 sq. ft. for the quarter. The next highest submarket for positive absorption for the quarter was the Columbia submarket that contributed positive 16,000 sq. ft. Conversely, the Towson/Timonium submarket contributed the most negative absorption for the quarter contributing negative 35,000 sq. ft. to the market, followed by the Reisterstown Road Corridor that contributed negative 17,000 sq. ft. Overall, nine of the sixteen submarkets recorded positive absorption in Q1.

Of note, the Maryland Public Service Commission signed a new lease for 55,000 sq. ft. at 36 South Charles Street in the CBD which represented pure growth as they moved from government-owned space at 6 Saint Paul Street. Additionally, Whitman Requardt & Associates expanded its presence in the market, signing a lease for 19,000 sq. ft. of net-new space.

## Construction Activity

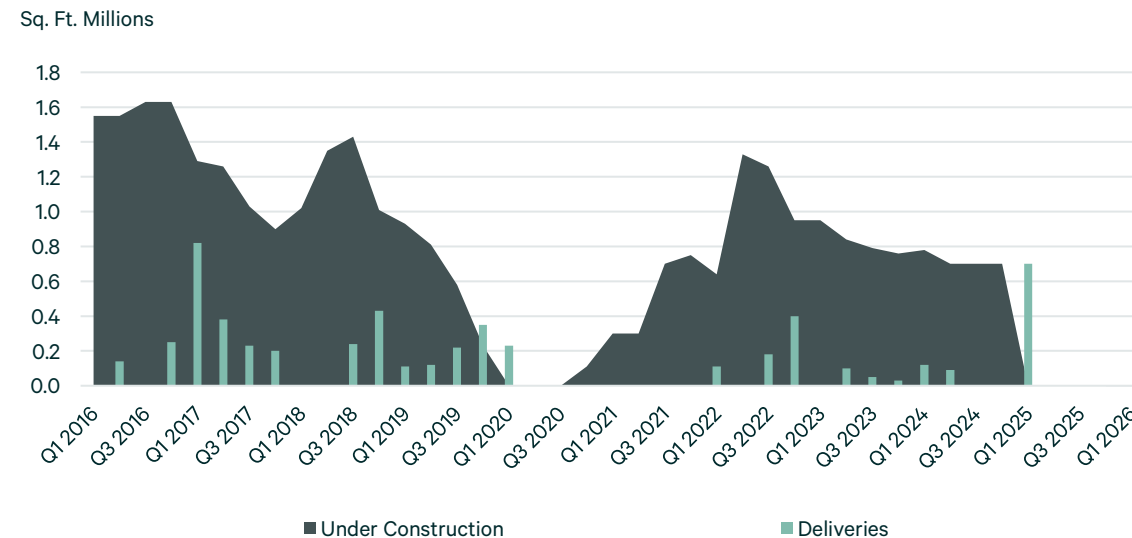
The development pipeline in Baltimore is at a cyclical low, with no deliveries and no office projects currently under construction. The last office building completed in the Baltimore metro was 400 National Business Parkway. The property delivered 147,000 sq. ft. in the BWI Corridor submarket at 0% pre-leased in Q1 2025 but is now fully leased. Historically, construction volume was highest in Q4 2016 at 1.6 million sq. ft. underway

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

## Leasing Activity

Gross leasing activity rose to 1.06 million sq. ft. in Q1 2026, with 3.3 million sq. ft. leased over the past four quarters.

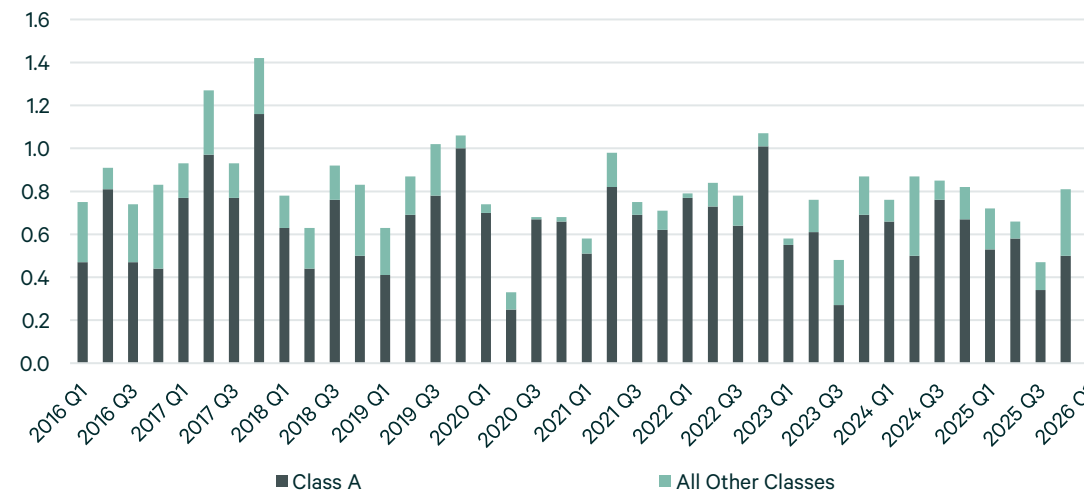
The BWI Corridor was the most active submarket in Q1 2026 with 199,000 sq. ft. leased from ten transactions, followed by the Columbia submarket with 169,000 sq. ft. leased and the CBD with 167,000 sq. ft.

Government tenants were the most active in Q1 2026, leasing 303,000 sq. ft. and accounting for 29% of all activity. Aerospace and defense tenants were the second most active, leasing 166,000 sq. ft. and accounting for 16% of activity, followed by healthcare tenants accounting for 15%.

Of note, Maryland Department of Health and Transportation renewed 84,000 sq. ft. at 4201 Patterson Avenue, recommitting to the same amount of office space in the Baltimore North submarket. Maryland Innovation and Security Institute (MISI) renewed and downsized for 41,000 sq. ft. at 7000 Columbia Gateway Drive giving back around 30,000 sq. ft. in the Columbia submarket.

Figure 6: Leasing Activity Trend

Sq. Ft. Millions



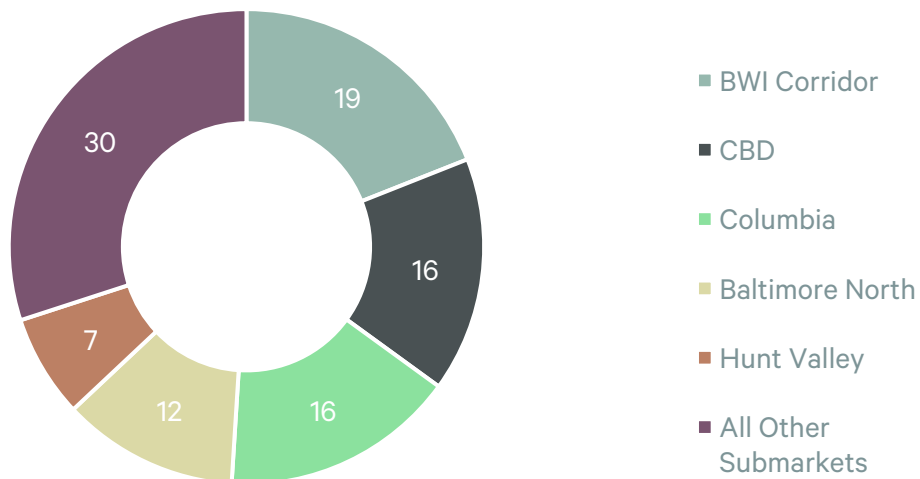
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	148,000	New Lease	400 National Business Pkwy	BWI Corridor
Maryland Department of Health and Transportation	84,000	Renewal	4201 Patterson Ave	Baltimore North
Maryland Public Service Commission	55,000	New Lease	36 S Charles St	CBD
State of Maryland Department of Human Services	52,000	Renewal	1525 N Calvert St	Midtown/Mt. Vernon
Association of Universities for Research in Astronomy	42,000	Renewal	711 W 40 <sup>th</sup> St	Baltimore North
Maryland Innovation and Security Institute (MISI)	42,000	Renewal	7000 Columbia Gateway Dr	Columbia
Medstar Health	36,000	Renewal	8013 Corporate Dr	Baltimore County East
Brightview Senior Living Development	32,000	New Lease	400 E Pratt St	CBD

Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 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	29.66	20.3	25.4	21.8	3.6	27.10	28,000	28,000	-	-
(Prime) Trophy	0.23	22.8	22.8	22.8	-	32.00	148,000	148,000	-	-
Other Class A	29.42	20.3	25.4	21.8	3.6	27.06	(120,000)	(120,000)	-	-
Class B	14.17	17.7	21.6	20.3	1.2	23.15	(55,000)	(55,000)	-	-
Class C	1.02	6.8	8.6	8.6	-	18.48	(3,000)	(3,000)	-	-
<b>Total</b>	<b>44.85</b>	<b>19.2</b>	<b>23.8</b>	<b>21.0</b>	<b>2.7</b>	<b>25.83</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q1 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	16.65	26.0	28.4	26.9	1.5	29.29	103,000	103,000	-	-
(Prime) Trophy	2.34	17.9	19.2	14.7	4.5	42.26	(15,000)	(15,000)	-	-
Other Class A	14.31	27.4	29.9	28.9	1.0	28.20	118,000	118,000	-	-
Class B	3.98	16.0	18.8	18.8	-	23.22	(20,000)	(20,000)	-	-
Class C	0.44	4.9	5.7	5.7	-	19.35	2,000	2,000	-	-
<b>Total</b>	<b>21.07</b>	<b>23.7</b>	<b>26.1</b>	<b>24.9</b>	<b>1.2</b>	<b>28.39</b>	<b>86,000</b>	<b>86,000</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q1 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	46.31	22.4	26.5	23.6	2.8	28.00	131,000	131,000	-	-
(Prime) Trophy	2.58	18.3	19.5	15.4	4.1	40.88	133,000	133,000	-	-
Other Class A	43.73	22.6	26.9	24.1	2.7	27.51	(1,000)	(1,000)	-	-
Class B	18.15	17.4	21.0	20.0	1.0	23.17	(75,000)	(75,000)	-	-
Class C	1.46	6.2	7.7	7.7	-	18.70	-	-	-	-
<b>Total</b>	<b>65.93</b>	<b>20.6</b>	<b>24.5</b>	<b>22.3</b>	<b>2.2</b>	<b>26.75</b>	<b>55,000</b>	<b>55,000</b>	<b>-</b>	<b>-</b>

Source: CBRE Research, Q1 2026

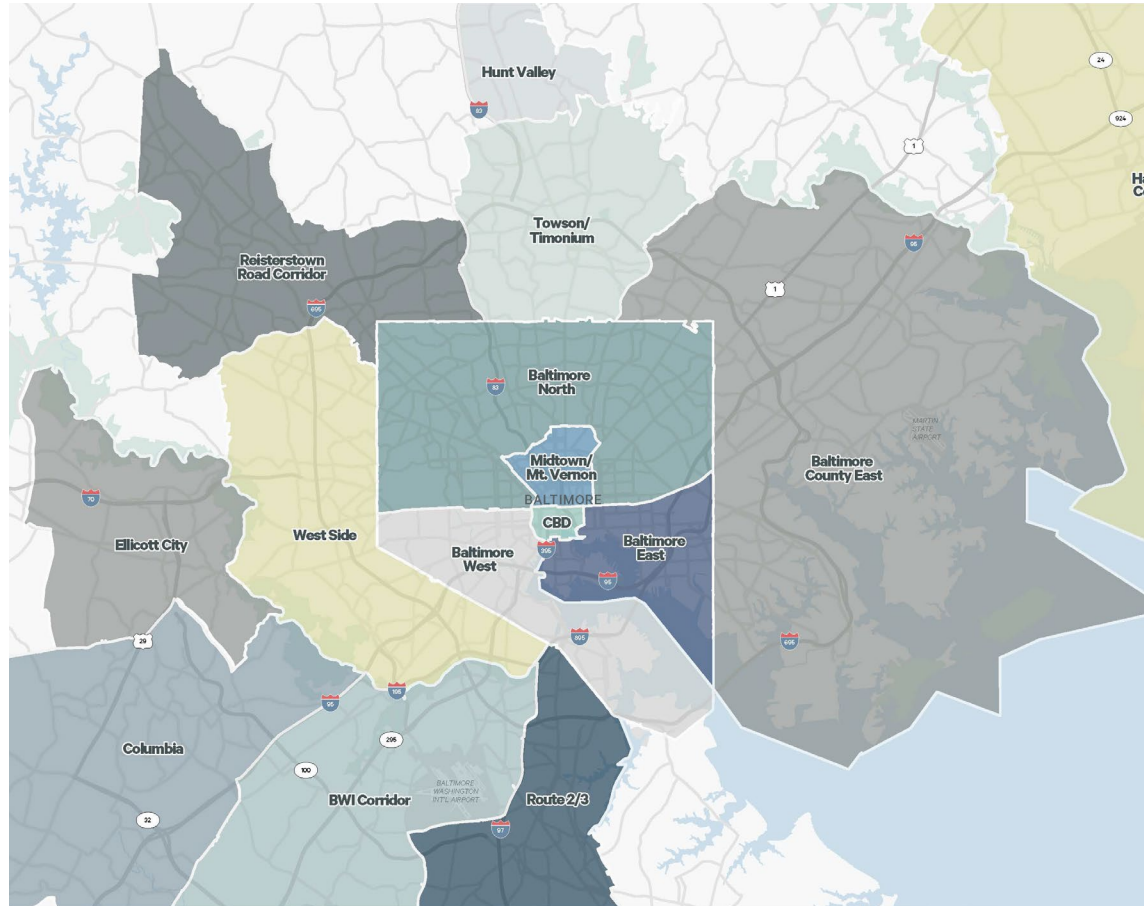
## Market Statistics by Submarket

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	2.45	14.4	16.7	15.4	1.3	29.28	9,000	9,000	-	-
BWI Corridor	9.06	13.2	17.0	12.7	4.4	29.12	(15,000)	(15,000)	-	-
Baltimore County East	1.29	19.0	24.4	21.7	2.7	24.32	(12,000)	(12,000)	-	-
Baltimore East	6.62	18.7	21.0	18.5	2.4	35.33	9,000	9,000	-	-
Baltimore North	1.54	6.6	8.3	8.2	0.1	27.17	2,000	2,000	-	-
Baltimore West	1.79	31.0	32.6	32.6	-	22.47	(3,000)	(3,000)	-	-
CBD	10.83	28.4	31.1	30.3	0.8	27.07	80,000	80,000	-	-
Columbia	12.11	17.8	22.9	18.9	4.0	27.57	16,000	16,000	-	-
Ellicott City	0.37	7.7	11.3	11.3	-	29.17	2,000	2,000	-	-
Harford County	1.76	32.4	33.9	33.1	0.8	25.76	5,000	5,000	-	-
Hunt Valley	4.33	25.7	27.8	26.1	1.7	23.76	7,000	7,000	-	-
Midtown/ Mt. Vernon	0.29	8.1	11.8	11.8	-	19.48	(1,000)	(1,000)	-	-
Reisterstown Road Corridor	4.00	23.0	32.2	31.2	1.0	25.22	(17,000)	(17,000)	-	-
Route 2/3	1.04	11.8	17.2	15.7	1.6	24.09	(3,000)	(3,000)	-	-
Towson/ Timonium	6.27	22.2	26.4	25.4	1.0	24.32	(35,000)	(35,000)	-	-
West Side	2.17	24.0	30.7	27.3	3.4	21.46	13,000	13,000	-	-
<b>Total</b>	<b>65.93</b>	<b>20.6</b>	<b>24.5</b>	<b>22.3</b>	<b>2.2</b>	<b>26.75</b>	<b>55,000</b>	<b>55,000</b>	<b>-</b>	<b>-</b>

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:** In Mid-Atlantic markets, the change in leased sq. ft. from one period to the next. Net absorption includes both the occupancy gained in the building a tenant will move into and the occupancy lost in the building the tenant will vacate, counted when the lease is signed. **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.

**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.

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