

FIGURES | BALTIMORE INDUSTRIAL | Q1 2026

Market Fundamentals Hold Steady as Leasing Increases

▲ 8.7%

Vacancy Rate

▼ (796,170)

SF Net Absorption

▼ 0

SF Construction Delivered

▲ 1.5M

SF Under Construction

▲ \$11.08

NNN/YR Direct Lease Rate

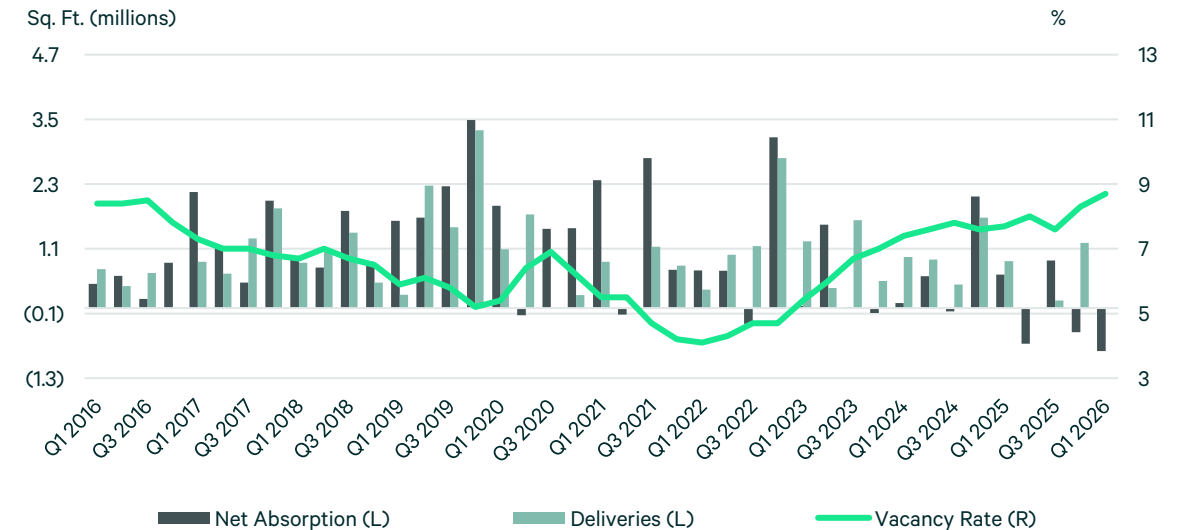
Note: Arrows indicate change from previous quarter.

Market Overview

In Q1 2026, net absorption measured 796,000 sq. ft. of occupancy loss, down 343,000 sq. ft. from the net absorption recorded in Q4 2025. The vacancy rate increased to 8.7% quarter-over-quarter, up 100 basis points (bps) from 7.7% a year earlier. Availability declined 0.2 percentage points from the previous quarter to 13.0% yet remained 1.2 percentage points above the level in Q1 2025, consistent with more space being marketed than a year ago.

On the supply side, no properties delivered in Q1 2026, down from the 1.2 million sq. ft. spike in product in Q4 2025. The construction pipeline totals 1.5 million sq. ft., increasing quarter-over-quarter with three recorded groundbreakings. Speculative building has declined since 2024 due to ongoing economic turbulence.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy Rate

The Baltimore industrial market vacancy rate finished Q1 2026 at 8.7%, up from Q4 2025. The change in vacancy was driven by a large moveout in the Harford/Cecil County submarket. Since the first quarter of 2022, the market vacancy rate has consistently trended upward and has increased by 450 basis points in total.

This quarter, the Baltimore County East submarket saw a moderate 30-basis point decrease in vacancy. The Harford/Cecil County submarket saw the largest swing, with vacancy increasing 200-basis points to 9.7%. Baltimore/Washington Corridor saw a smaller 40-basis point increase in its overall vacancy rate to 10.4%, due to the occupancy losses for the third consecutive quarter. That said, the Baltimore/Washington Corridor continues to see moderate leasing activity despite the losses.

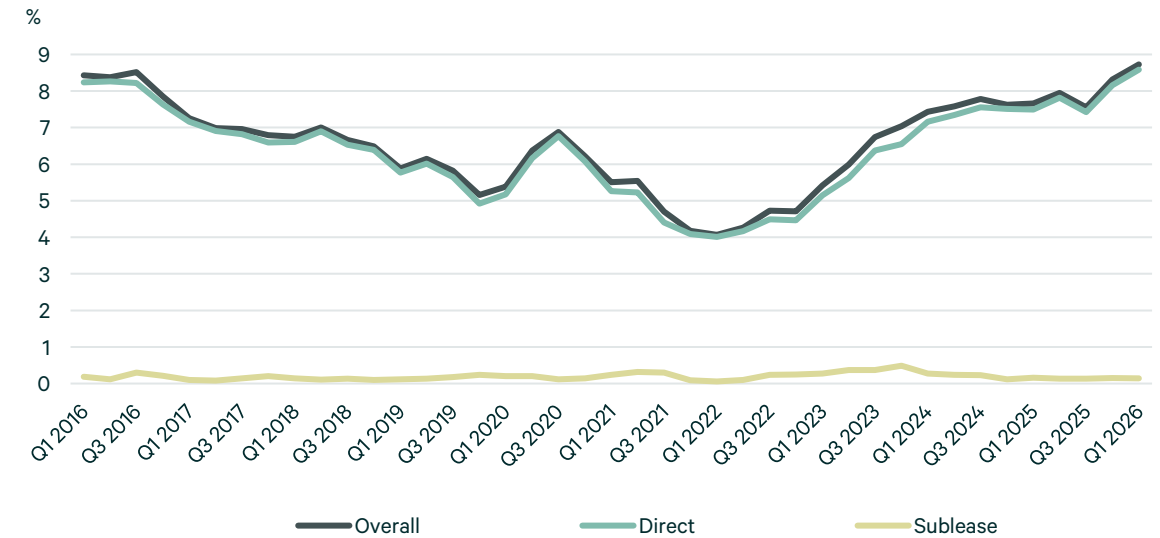
Sublease space was stable in Q1 2026, with a sublet vacancy rate of 0.2% matching the previous quarter. Sublease vacancy remained minimal across the metro.

Asking Rent

During the first quarter, average overall asking rent reached \$11.08 per sq. ft. per annum on a triple-net basis (NNN). This represented a 1.3% increase quarter-over-quarter and a 0.4% increase year-over-year. This is mostly due to more available space in the Baltimore/Washington Corridor, the most expensive submarket.

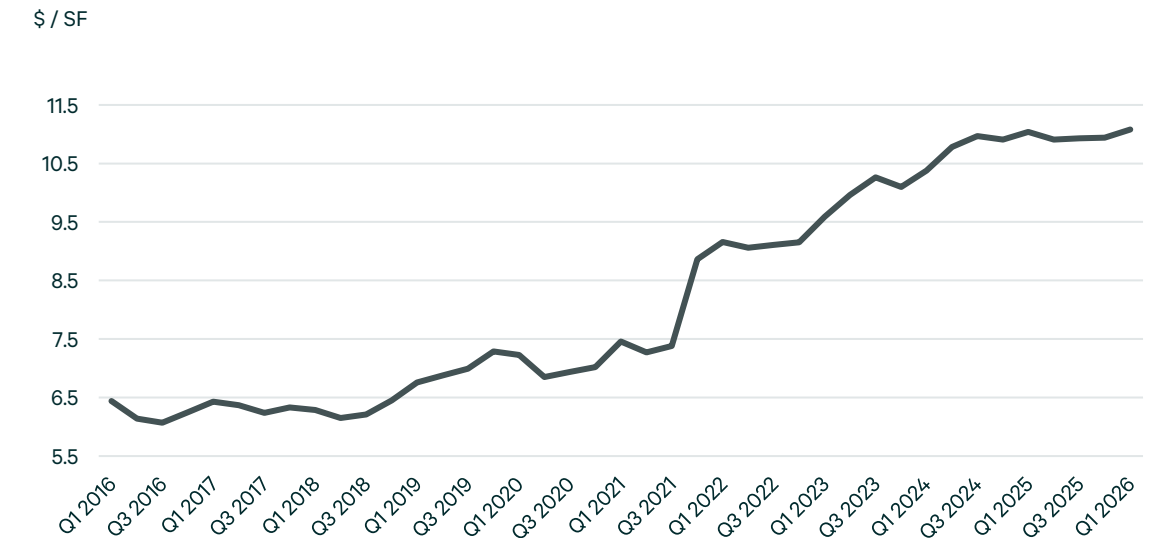
Warehouse asking rates averaged to \$10.99 per sq. ft. NNN. At the submarket level, the Baltimore/Washington Corridor recorded the highest warehouse asking rate in Q1 2026 at \$13.10 per sq. ft. Across the market, asking rates have hovered around historic highs since the second half of 2024.

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 negative 796,000 sq. ft. of net absorption in Q1 2026, significantly below the 623,000 sq. ft. of positive absorption recorded in Q1 2025. Over the last year, net absorption totaled negative 1.0 million sq. ft., yet cumulative net absorption over the last 3 years reached 3.8 million sq. ft.

Positive net absorption for Q1 2026 was concentrated primarily in the submarkets north of I-95, with Baltimore City and Baltimore County East accounting for 181,000 sq. ft. of occupancy gains.

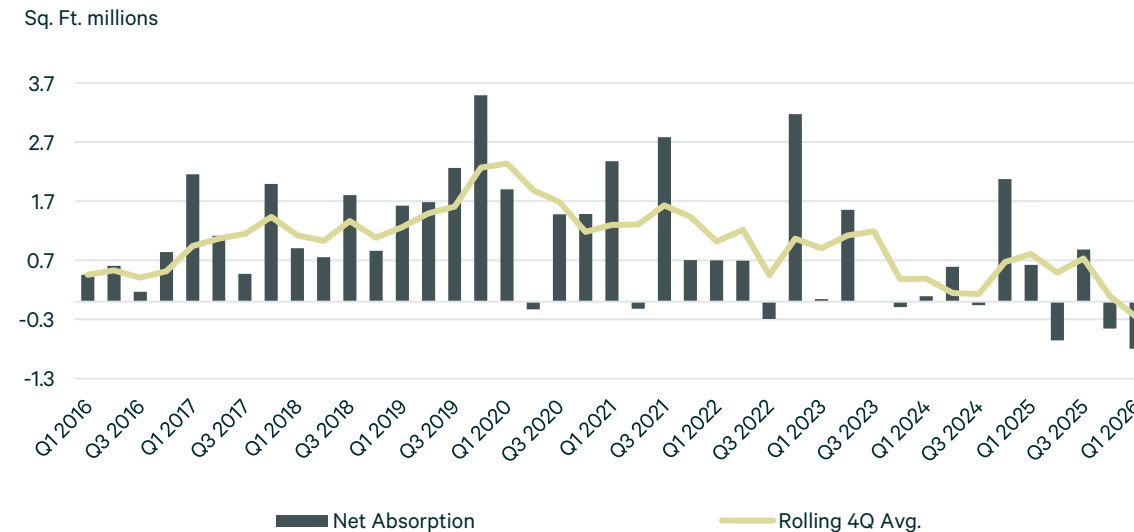
Negative net absorption in Harford/Cecil County and Baltimore/Washington Corridor outweighed the positive absorption. Rite Aid declared bankruptcy in the second quarter of 2025 and officially vacated their space at 601 Chelsea Road in Harford County. South of I-95, the Baltimore/Washington Corridor saw a handful of moveouts over 50,000 sq. ft. which drove vacancy up for the third consecutive quarter. That said, the submarket continues to see strong leasing activity.

Construction Activity

In the Baltimore industrial market, 1.5 million sq. ft. was under construction in Q1 2026 with no new space delivered. Over the course of 2025, projects totaling 2.2 million sq. ft. delivered. With all under construction space slated to deliver this year, 2026 projections are lower than levels recorded in 2025 by 31%. However, Amazon recently completed a 118-acre land purchase at Bainbridge Logistics, where they will break ground on a 1.2 million sq. ft. warehouse next quarter.

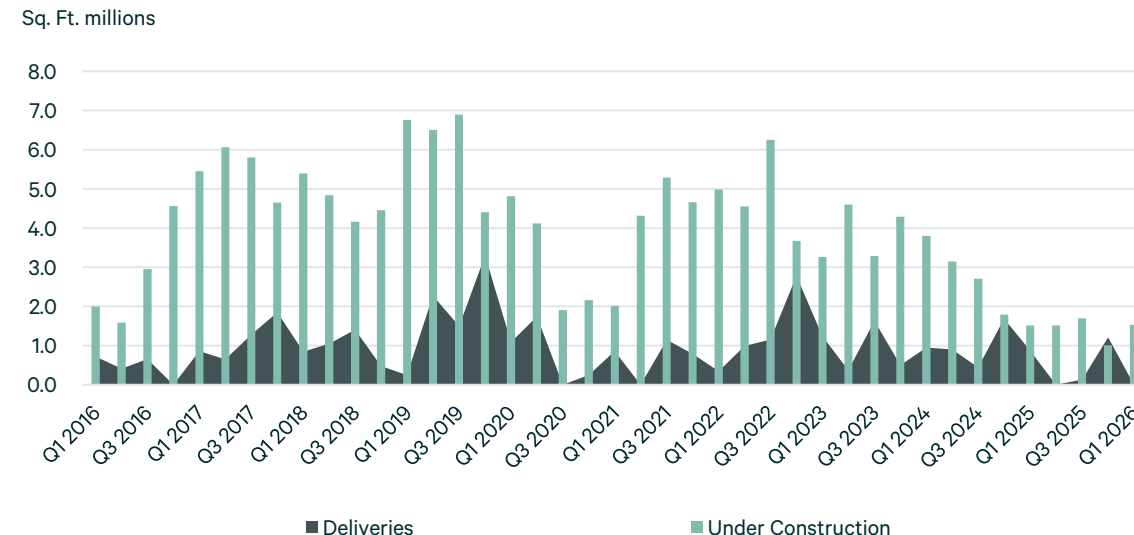
Under-construction activity in Q1 2026 is concentrated in the Baltimore County East submarket with the Middle River Logistics Park in Baltimore County East and at 1621 Clark Road in Harford/Cecil County, contributing 524,000 sq. ft. and 168,000 sq. ft. of warehouse/storage space, respectively. Additional construction is underway in the Baltimore/Washington Corridor and Baltimore Southwest submarkets, which account for 387,000 sq. ft. and 260,000 sq. ft., respectively, across the two-building Maryland Route 3 Industrial Park and Building One of Crossings 95.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



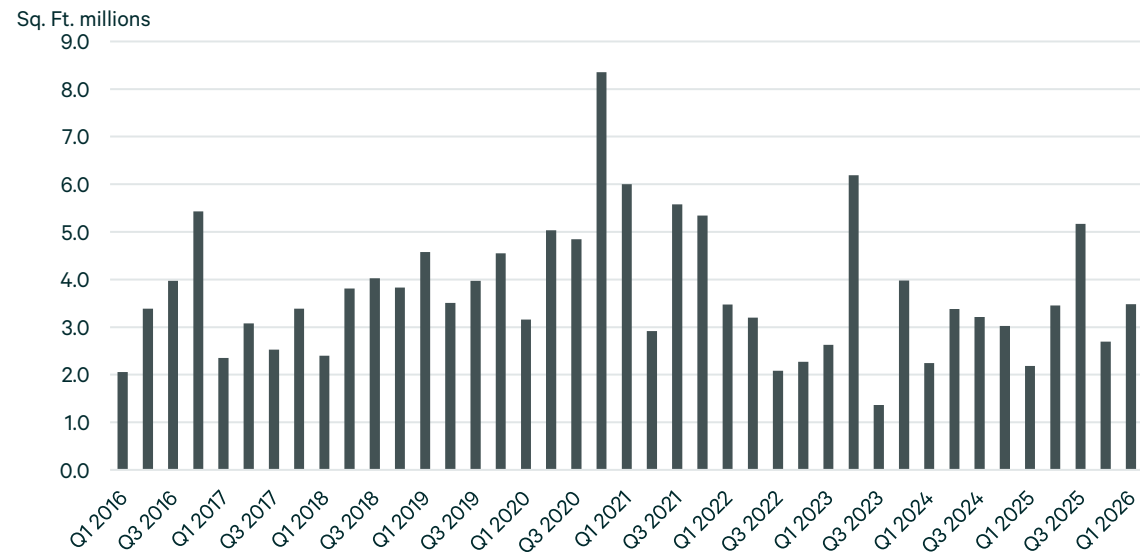
Source: CBRE Research, Q1 2026

Leasing Activity

At the close of the first quarter of 2026, gross leasing activity was 3.5 million sq. ft., up 29.1% quarter-over-quarter and 59.3% year-over-year. The Baltimore metro recorded nine leases over 100,000 sq. ft., compared to just six in the first quarter of 2025. In deals over 10,000 sq. ft., renewals accounted for 65% of gross leasing. Three of the largest transactions for the quarter were renewals, and Smith’s Detection signed two other renewals at the Lakeside Business Park, totaling 198,000 sq. ft. across three buildings. Conversely, there were more new leases signed than renewals, with an average lease size of just 36,700 sq. ft. for new leases.

By submarket, the Baltimore/ Washington Corridor posted the highest positive leasing volume at 902,000 sq. ft., followed by Baltimore County East at 612,000 sq. ft., underscoring their position as the most active submarkets. By sector, manufacturers and food & beverage tenants leased the most space at 730,000 sq. ft. and 270,000 sq. ft. respectively.

Figure 6: Leasing Activity Trend



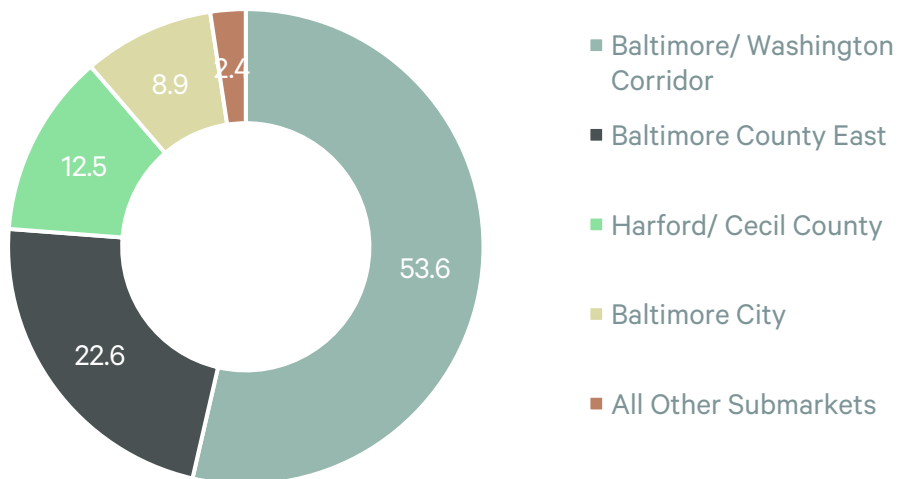
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Northrop Grumman Systems	272,000	Renewal	7040 Troy Hill Dr	Baltimore/Washington Corridor
Northrop Grumman Systems	223,000	Renewal	7621 Energy Pkwy	Baltimore/Washington Corridor
Lifoam Industries	201,000	Renewal	121 Bata Blvd	Harford/Cecil County
Pro-Air	187,000	New Lease	350 Winmeyer Dr	Baltimore/Washington Corridor
Perdue Agribusiness	150,000	Renewal	7104 Mardigian Rd	Baltimore County East
Alcon Vision	142,000	Renewal	6740 Business Pkwy	Baltimore/Washington Corridor
C Steinweg	137,000	New Lease	8911 Bethlehem Blvd	Baltimore County East
Smiths Detection	130,000	Renewal	2202 Lakeside Blvd	Harford/Cecil County

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 (MSF)
Annapolis	1.41	4.2	4.7	4.1	0.6	18.36	(18,000)	(18,000)	-	-
Baltimore City	31.41	6.4	12.1	12.0	0.1	9.38	72,000	72,000	-	-
Baltimore County East	34.22	6.8	11.0	9.0	2.0	10.82	110,000	110,000	-	0.71
Baltimore Southwest	10.91	11.6	14.7	14.3	0.4	10.73	44,000	44,000	-	0.26
Baltimore/ Washington Corridor	65.47	10.4	15.1	14.0	1.1	13.13	(245,000)	(245,000)	-	0.39
Harford/ Cecil County	42.47	9.7	12.8	10.0	2.8	8.51	(853,000)	(853,000)	-	0.17
Hunt Valley/ Towson	6.45	4.0	6.6	6.4	0.2	12.30	86,000	86,000	-	-
Owings Mills/ Reisterstown Rd	2.64	7.4	12.7	11.7	0.9	11.24	7,000	7,000	-	-
Total	194.98	8.7	13.0	11.6	1.4	11.08	(796,000)	(796,000)	-	1.53

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 (MSF)
Under 100,000 sq. ft.	61.32	5.5	10.2	9.3	0.9	11.77	(108,000)	(108,000)	-	0.05
100,000-199,999 sq. ft.	43.37	9.4	13.1	12.1	1.0	12.24	244,000	244,000	-	0.75
200,000-299,999 sq. ft.	20.83	14.3	18.6	18.0	0.6	11.06	11,000	11,000	-	0.73
300,000-499,999 sq. ft.	21.98	13.1	19.9	16.7	3.2	11.26	(29,000)	(29,000)	-	-
500,000-749,999 sq. ft.	20.56	11.7	16.0	12.4	3.6	7.73	(26,000)	(26,000)	-	-
750,000 sq. ft.	26.92	4.9	6.8	6.1	0.7	10.07	(890,000)	(890,000)	-	-
Total	194.98	8.7	13.0	11.6	1.4	11.08	(796,000)	(796,000)	-	1.53

Source: CBRE Research, Q1 2026

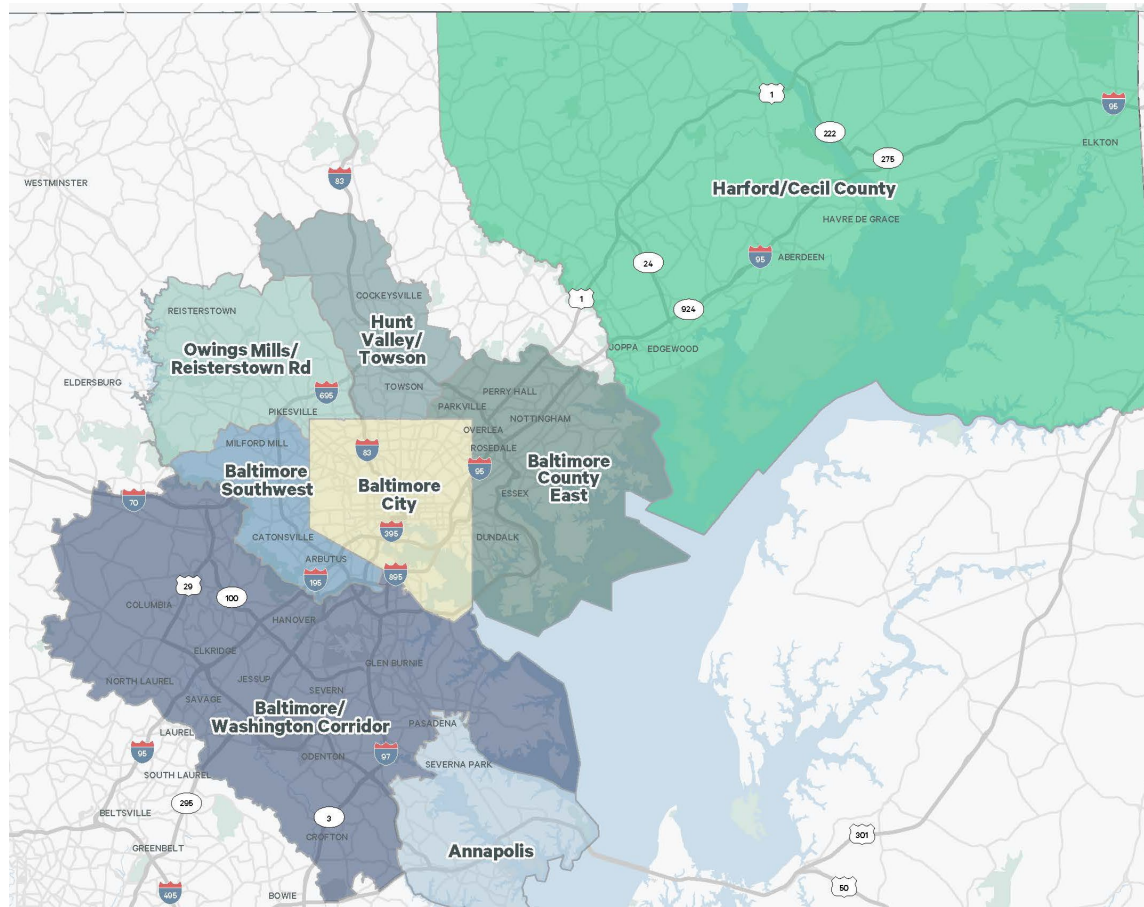
Market Statistics by Product Type

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 (MSF)
Distribution/Logistics	163.07	9.5	13.9	12.4	1.5	10.99	(782,000)	(782,000)	-	1.53
R&D/Flex	31.91	4.9	8.3	7.2	1.0	12.56	(14,000)	(14,000)	-	-
Total	194.98	8.7	13.0	11.6	1.4	11.08	(796,000)	(796,000)	-	1.53

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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