

FIGURES | MARYLAND SUBURBAN INDUSTRIAL | Q3 2026

Vacancy Eases as Leasing and Absorption Rebound



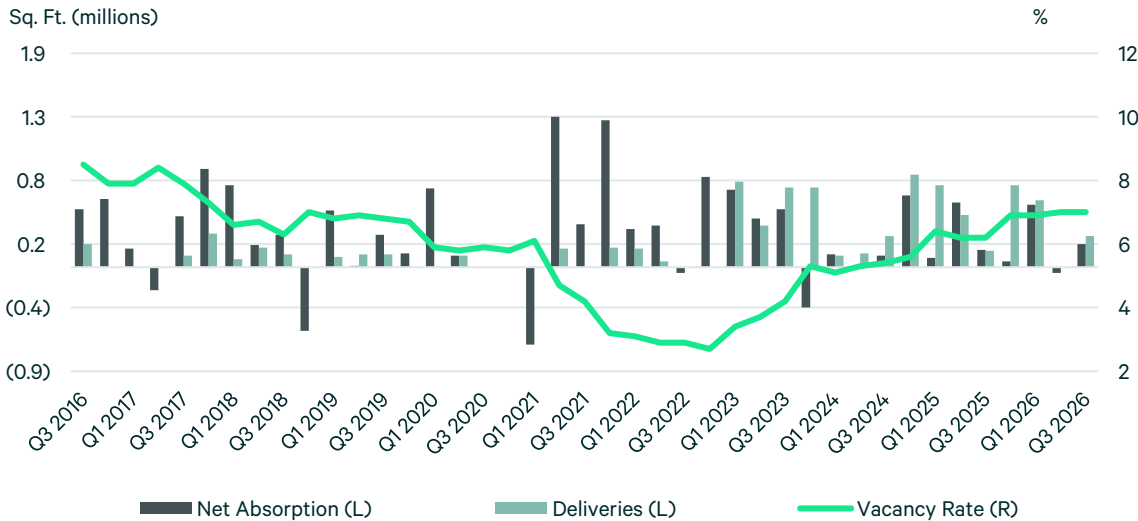
Note: Arrows indicate change from previous quarter.

Market Overview

The Suburban Maryland industrial market recorded moderate activity in Q3 2026 and fundamentals remain stable. Following a prolonged period of tightening that saw vacancy decline by 580 basis points (bps) between 2016 and 2022, the market has gradually recalibrated as new inventory has been delivered, and tenant demand has normalized. The market saw occupancy gains during Q3 2026 but also saw two vacant deliveries in Prince George’s County, causing the vacancy rate to remain unchanged quarter-over-quarter.

Demand was positive, even as the market continued to digest elevated availability and new construction. Net absorption totaled 195,000 sq. ft., negating the minimal occupancy losses seen in Q2 2026. Asking rents averaged \$14.53 per sq. ft., a marginal increase of 1.3% quarter-over-quarter and a 3.6% increase year-over-year. Under construction area stood at 707,000 sq. ft. Deliveries of 270,000 sq. ft. continued to add space to the inventory, even as the pipeline was below its recent peak.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Overall industrial vacancy in Suburban Maryland was static during Q3 2026, remaining at 7.0%. Year-over-year, the vacancy rate is up 90 bps. Occupancy levels in existing space are moderately higher than one year ago, but speculative deliveries hitting the market vacant have pushed the overall vacancy rate up. Montgomery County has the tightest inventory at an overall vacancy rate of 4.8% and a warehouse vacancy rate of 4.7%.

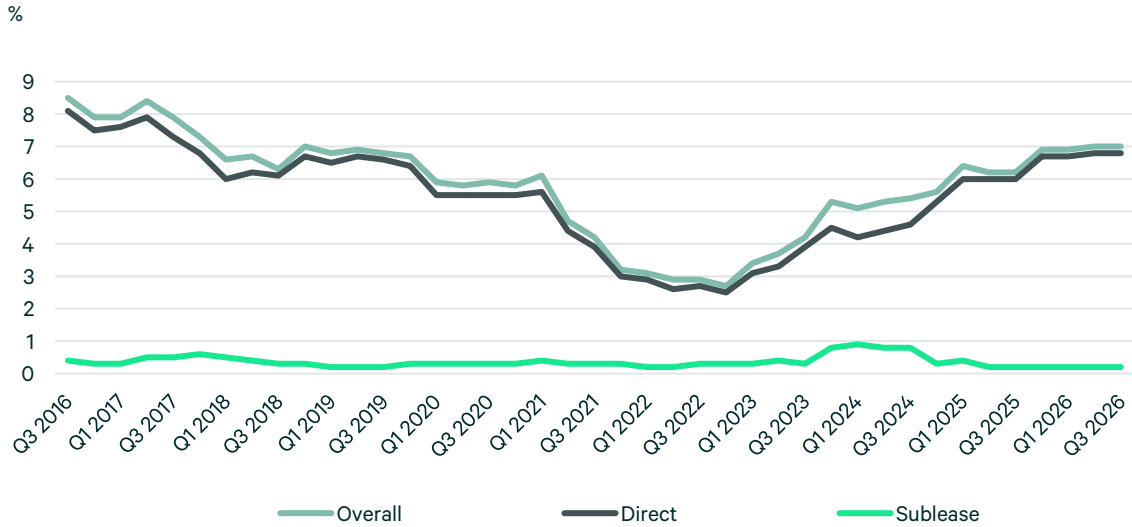
Frederick County saw minimal changes quarter-over-quarter, recording modest occupancy gains and a 20-bps decrease in vacancy rate. Montgomery County recorded a handful of space givebacks leading to a 100-bps increase in vacancy rate, despite being the most occupied county in Suburban Maryland. More speculative developments are nearing completion with no pre-leasing, which may continue to push vacancy higher across the market through the end of the year.

Asking Rent

Industrial asking rents moved marginally higher in Q3 2026 and reached a historic high. The overall average asking rent rose to \$14.53 per sq. ft. per annum on a triple net basis (NNN). This represents a 1.3% increase quarter-over-quarter and a 9.5% jump from Q3 2023, underscoring steady, cumulative growth. Pricing for warehouse space increased to \$14.12 per sq. ft. NNN, in line with the increase in overall rates.

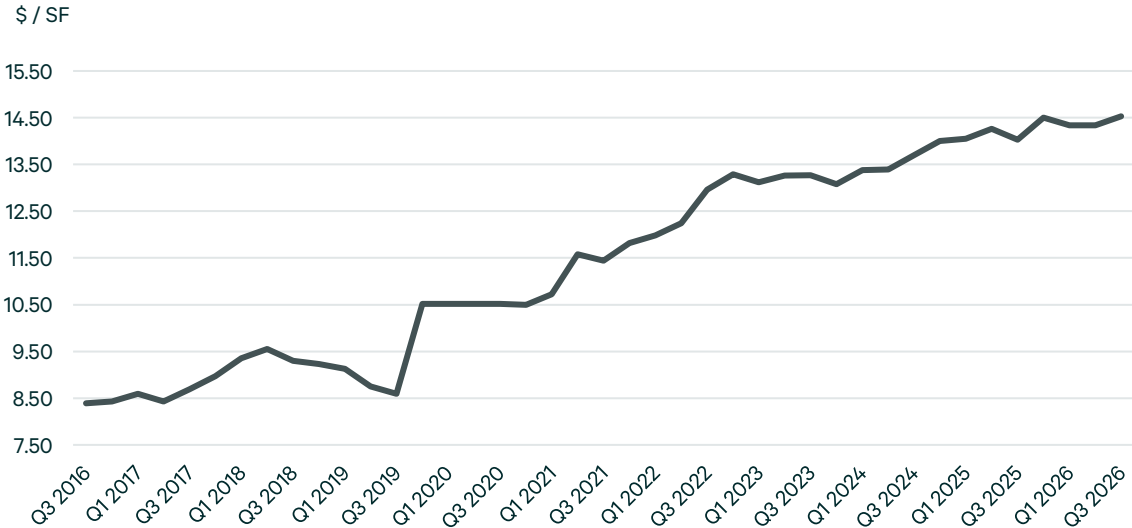
Montgomery County boasts the highest prices in Suburban Maryland with average asking rents reaching \$18.75 per sq. ft. NNN. Asking rates in Prince George’s County escalated to \$14.14 per sq. ft. NNN, while Frederick County remained relatively flat at \$12.47 per sq. ft. NNN.

Figure 2: Vacancy Rates



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

Q3 2026 recorded occupancy gains of 195,000 sq. ft., marking a reversal from the occupancy loss of 48,000 sq. ft. reported in Q2 2026 and bringing the yearly total to 685,000 sq. ft. of positive absorption. From Q4 2025 through Q3 2026, the market achieved a cumulative occupancy gain of 735,000 sq. ft.

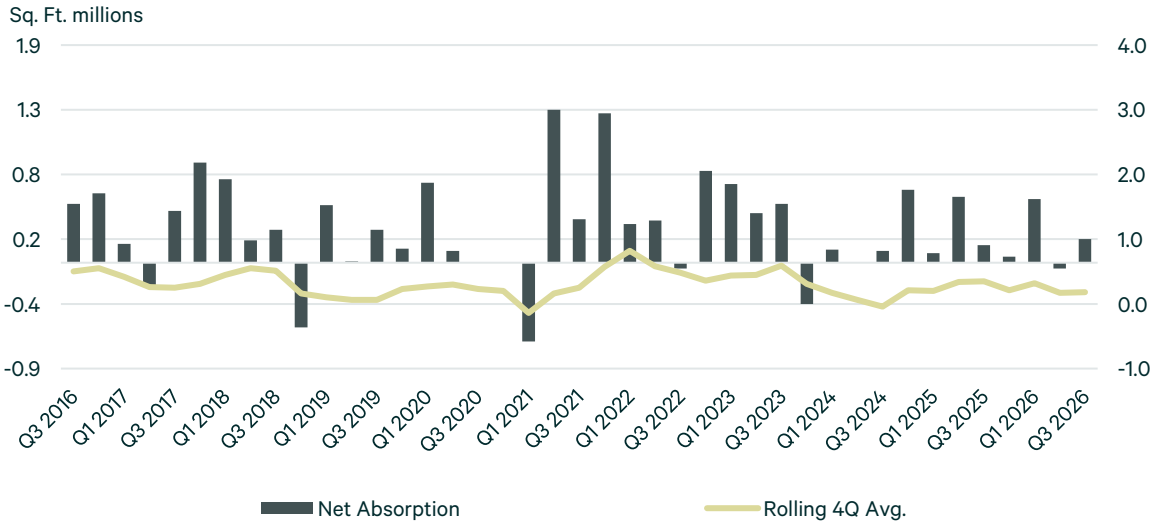
Prince George’s County posted the largest occupancy gain, adding 331,000 sq. ft. in the quarter. Southland Industries completely occupied the recently delivered 14900 Elion Way, after leasing half of the property nearly a year ago.

Construction Activity

Industrial projects totaling 707,000 sq. ft. were under construction and 270,000 sq. ft. delivered in Q3 2026, marking a smaller active pipeline and quarterly completion volume than in late 2025. During 2025, projects totaling 2.0 million sq. ft. delivered, whereas 2026 year-to-date deliveries reached just 848,000 sq. ft. through Q3 2026. The construction pipeline in Q3 2026 was lower than in Q3 2025 by 66.5%, marking a slowdown in groundbreakings.

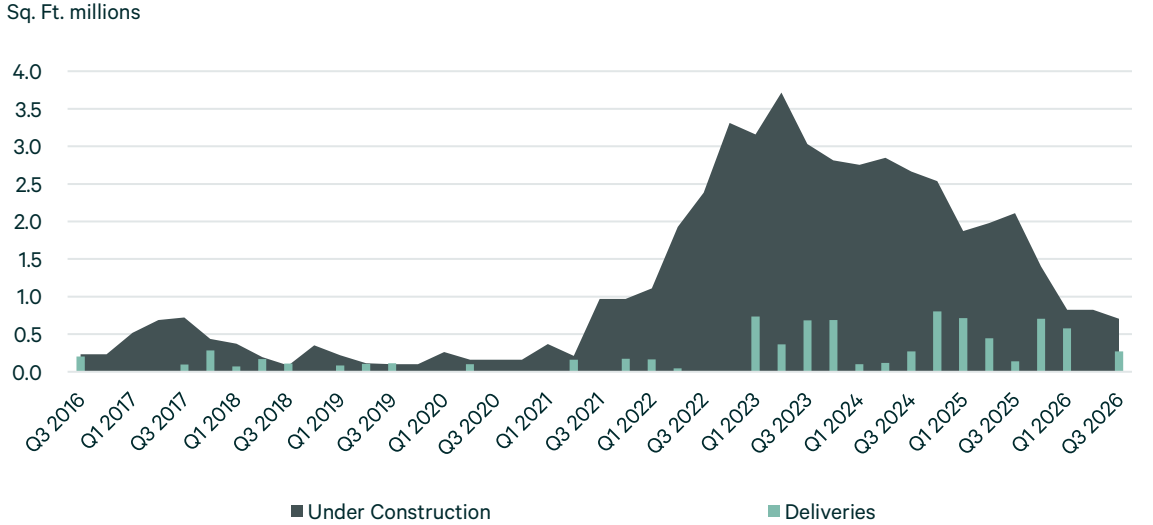
Frederick County has the highest volume under construction, with Highland Tech Logistics buildings A & B totaling 256,000 sq. ft. and 198,000 sq. ft., respectively and both delivering early next quarter. Prince George’s County follows with 152,000 sq. ft. of warehouse space at 9911 Brightseat Road, which is fully pre-leased.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



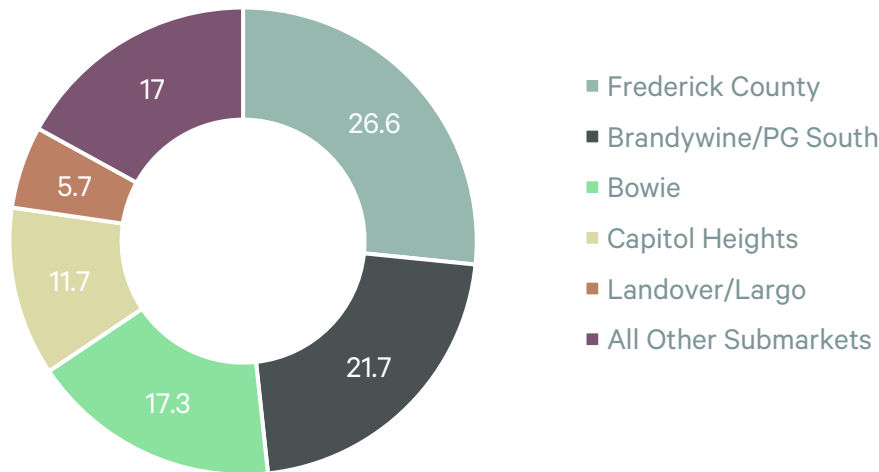
Source: CBRE Research, Q3 2026

Leasing Activity

Gross leasing volume in Q3 2026 totaled 1.9 million sq. ft., up 152% quarter-over-quarter and 24% year-over-year. Activity this quarter was relocation driven and anchored by a few large-block commitments, complemented by a steady stream of mid-size renewals across the market. Southland Industries signed a 401,000 sq. ft. new lease at 14900 Elion Way in Brandywine/PG South, expanding into the other half of the property after taking 400,000 sq. ft. last year. Further, Freeman signed a new deal in the market, taking 301,000 sq. ft. in Prince George’s County.

Leasing momentum was concentrated in Prince George’s County, which recorded just over 1.3 million sq. ft. of activity. By industry, building materials & construction tenants accounted for 567,000 sq. ft. of leasing this quarter, ahead of business services users at 359,000 sq. ft.

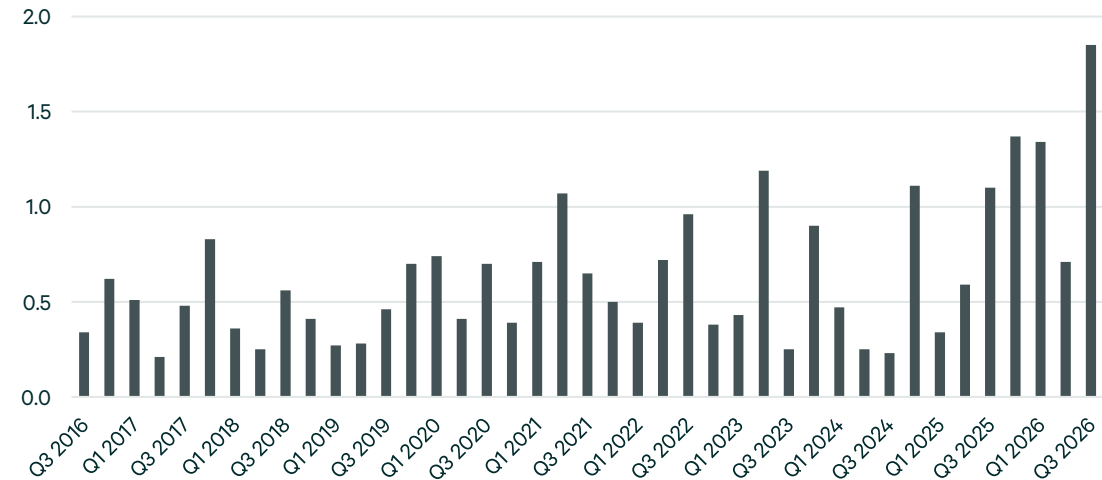
Figure 7: Leasing Activity by Submarket (% of Total Activity)



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
Southland Industries	401,000	New Lease	14900 Elion Way	Brandywine/PG South
Freeman	301,000	New Lease	15830 Queens Ct	Bowie
Rivian	84,000	Renewal	716 Ritchie Rd	Capitol Heights
Senneca Holdings	67,000	New Lease	4780 Winchester Blvd	Frederick County
The International Bank for Reconstruction and Development	55,000	Renewal	3301 Pennsy Dr	Landover/Largo
U.S. General Service Administration	42,000	Renewal	16071 Industrial Dr	Gaithersburg
Nefco Construction Supply	40,000	Renewal	1101 Hampton Park Blvd	Capitol Heights
Worldpac	40,000	Renewal	3301 75 th Ave	Landover/Largo

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 (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	48.21	8.9	4.3	3.9	0.4	14.70	(24,000)	11,000	-	-
100,000-199,999 sq. ft.	20.17	14.4	9.1	9.1	0.0	15.27	(185,000)	(286,000)	270,000	450,000
200,000-299,999 sq. ft.	7.98	20.9	12.8	12.8	-	12.69	-	156,000	-	256,000
300,000-499,999 sq. ft.	8.25	4.5	8.1	8.1	-	16.53	4,000	4,000	-	-
500,000-749,999 sq. ft.	4.45	12.8	15.6	15.6	-	13.57	-	-	-	-
750,000+ sq. ft.	0.80	-	-	-	-	-	401,000	801,000	-	-
Total	89.85	10.9	7.0	6.8	0.2	14.53	195,000	686,000	270,000	707,000

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 (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	69.90	11.4	7.6	7.5	0.1	14.12	205,000	806,000	270,000	707,000
R&D/Flex	19.95	9.1	4.9	4.2	0.8	16.64	(10,000)	(121,000)	-	-
Total	89.85	10.9	7.0	6.8	0.2	14.53	195,000	686,000	270,000	707,000

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

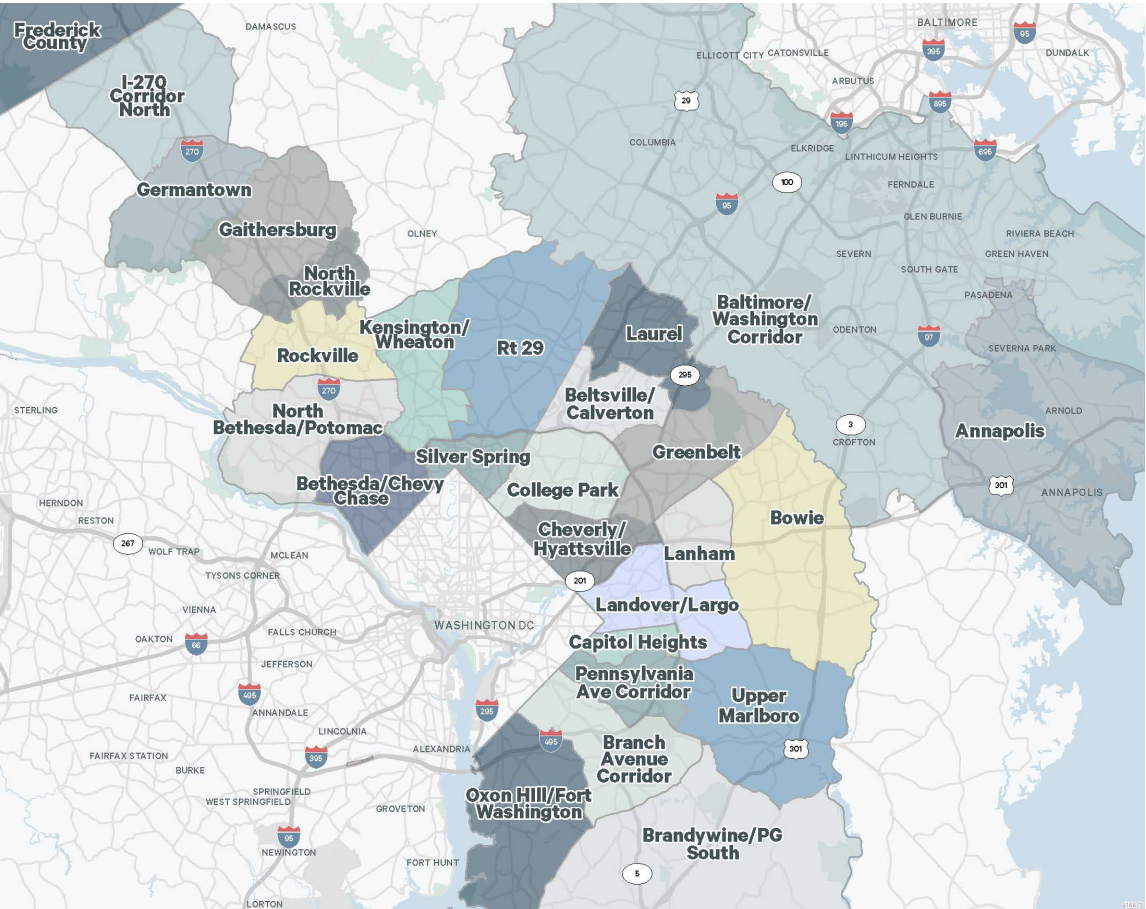
Figure 11

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	Avg. Direct Asking Rate (\$/SF NNN/yr)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Beltsville/Calverton	8.45	9.7	3.5	3.2	0.3	13.01	(34,000)	(134,000)	-	-
Bethesda/Chevy Chase	0.02	-	-	-	-	-	-	-	-	-
Bowie	6.47	12.1	12.2	12.2	-	14.76	(9,000)	(11,000)	-	-
Branch Avenue Corridor	2.90	13.9	9.6	9.6	-	16.80	11,000	21,000	-	-
Brandywine/PG South	1.85	0.1	0.1	0.1	-	22.00	401,000	801,000	-	-
Capitol Heights	4.74	14.3	5.9	5.9	-	14.07	10,000	(147,000)	-	-
Cheverly/Hyattsville	4.35	13.1	7.1	7.1	-	13.15	9,000	(21,000)	-	-
College Park	1.03	3.6	0.6	0.6	-	13.00	2,000	4,000	-	-
Frederick County	15.53	16.3	11.4	11.2	0.1	12.47	52,000	102,000	-	454,000
Gaithersburg	7.33	9.6	6.7	5.8	0.9	17.48	(213,000)	(204,000)	-	-
Germantown	0.79	18.7	6.3	6.3	-	27.06	(5,000)	(11,000)	-	-
Greenbelt	0.25	-	-	-	-	-	-	-	-	-
I-270 Corridor North	0.62	13.1	11.5	0.3	11.3	16.00	-	(2,000)	-	-
Kensington/Wheaton	0.15	17.0	-	-	-	15.88	-	-	-	-
Landover/Largo	13.13	9.8	6.0	5.9	0.1	14.24	(54,000)	138,000	-	152,000
Lanham	3.18	5.3	1.8	1.8	-	13.50	4,000	12,000	-	-
Laurel	3.74	12.9	10.3	10.3	-	16.49	6,000	(7,000)	270,000	-
North Bethesda/Potomac	0.73	7.0	5.2	5.2	-	17.00	(8,000)	(13,000)	-	-
North Rockville	5.34	3.4	1.6	1.4	0.2	16.70	30,000	46,000	-	101,000

Submarket	Net Rentable Area (MSF)	Total Availability (%)	Total Vacancy (%)	Direct Vacancy (%)	Sublease Vacancy (%)	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	0.8	-	-	-	25.56	1,000	-	-	-
Pennsylvania Ave Corridor	3.81	14.5	9.8	9.8	-	14.25	7,000	151,000	-	-
Rockville	2.88	5.4	4.6	4.3	0.3	18.98	8,000	(32,000)	-	-
Rt 29	1.19	5.0	4.1	4.1	-	20.23	4,000	1,000	-	-
Silver Spring	0.75	5.9	3.7	3.7	-	18.16	(3,000)	15,000	-	-
Upper Marlboro	0.44	8.7	8.7	8.7	-	12.46	(20,000)	(23,000)	-	-
Total	89.85	10.9	7.0	6.8	0.2	14.53	195,000	686,000	270,000	707,000

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.: 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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