



MULTIFAMILY REPORT

Baltimore's Resilience Tested

Summer 2020

Tough Employment Market in Q2

Suburban Investment Volume Endures

Per-Unit Price Trends Downward Again



BALTIMORE MULTIFAMILY



Multifamily Sector Faces Rocky Road Ahead

Bolstered by above-average economic growth in the pre-pandemic era, Baltimore's multifamily market was better-equipped to deal with the challenges brought by the coronavirus outbreak. As of June, rents were stagnant on a trailing three-month basis, with the overall average at \$1,374, but still well below the U.S. figure of \$1,457. And thanks to Maryland's eviction moratorium, the occupancy rate declined by only 80 basis points year-over-year through May, on par with the national average change.

The metro's employment pool shrunk by 238,300 positions in the 12 months ending in May. By mid-July, more than 1 million Marylanders had filed for unemployment benefits, with Gov. Larry Hogan noting the state had processed a total of \$4.3 billion in state and federal unemployment benefits since the start of the pandemic.

While construction was deemed essential during the state's stay-at-home order, it's unclear how underway projects will be affected. Some 3,200 of the total 4,075 units under development as of June were expected to come online by as early as year-end, which would mark a significant increase in completions from last year's 1,957 units. Meanwhile, investment volume over the first two quarters remained virtually unchanged from the same period in 2019, at \$477.5 million.

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Contacts

Jeff Adler

Vice President & General Manager of Yardi Matrix
Jeff.Adler@Yardi.com
(800) 303-615-3676

Jack Kern

Director of Research and Publications
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Author**Razvan Cimpean**

Senior Associate Editor

Recent Baltimore Transactions

The Munsey

City: Baltimore
Buyer: PMC Property Group
Purchase Price: \$22 MM
Price per Unit: \$150,684

Oakleigh

City: Parkville, Md.
Buyer: AJH Management
Purchase Price: \$26 MM
Price per Unit: \$136,387

Jefferson Chase Condominiums

City: Frederick, Md.
Buyer: Winmar Construction
Purchase Price: \$11 MM
Price per Unit: \$201,923

Green Acres

City: Baltimore
Buyer: Schwab Partners
Purchase Price: \$14 MM
Price per Unit: \$74,725