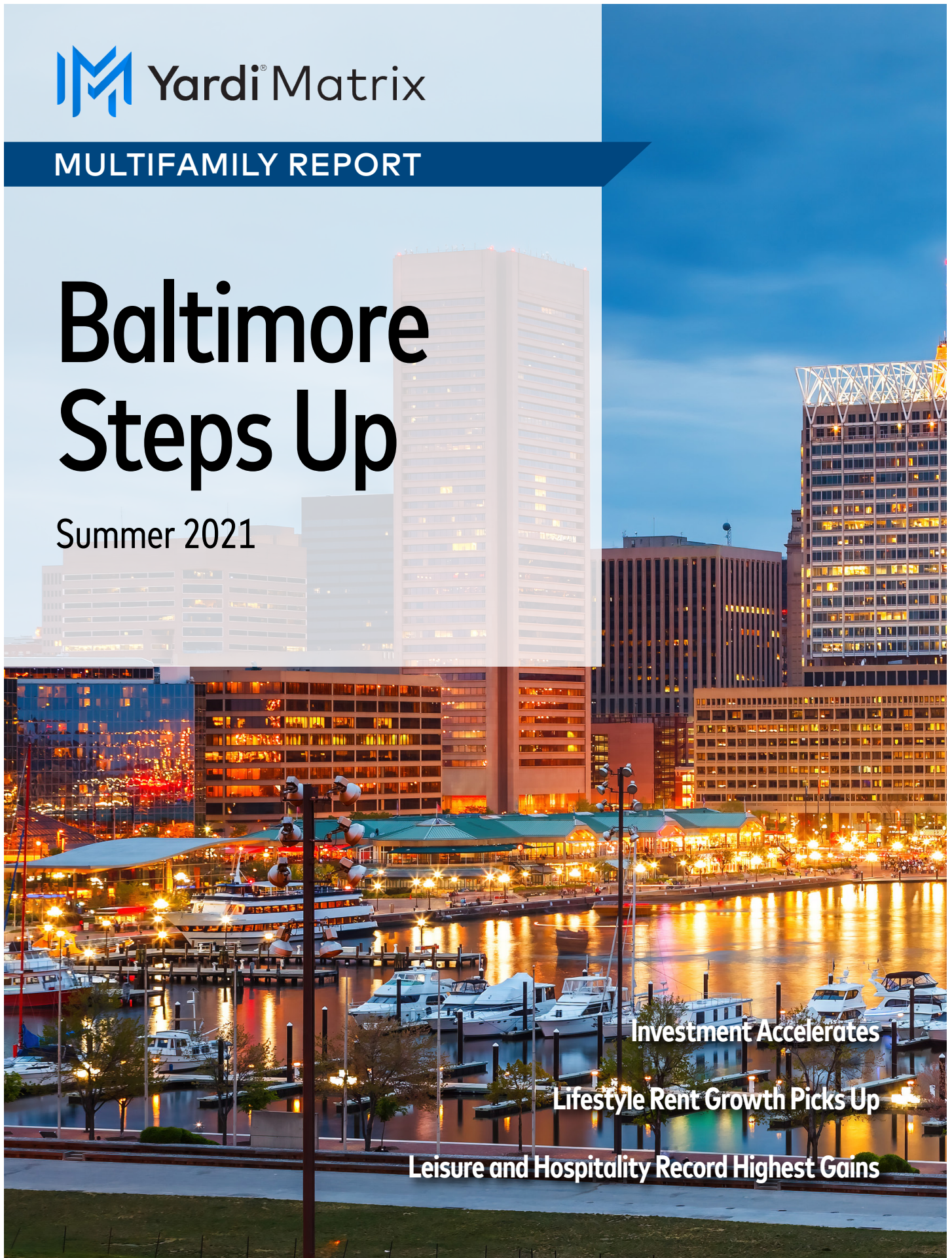




MULTIFAMILY REPORT

Baltimore Steps Up

Summer 2021



Investment Accelerates

Lifestyle Rent Growth Picks Up

Leisure and Hospitality Record Highest Gains

BALTIMORE MULTIFAMILY



Rounding the Corner

Baltimore's multifamily market had a difficult last year, but recovery is incoming. In June, rents averaged \$1,506, a 1.3% increase on a trailing three-month (T3) basis. The metro's occupancy rate of 95.9% in May—a 115 basis-point year-over-year increase and 90 basis points higher than the national average—underscores increased demand for rental housing, despite slow population growth. Lifestyle rents grew 1.5%, outperforming the working-class Renter-by-Necessity increase of 1.1%.

The metro added 155,400 jobs in the year ending in May, an 8.7% year-over-year increase, signaling Baltimore's ongoing recovery is well underway. All but one employment sector expanded, with the leisure and hospitality sector—the hardest hit during the previous year—adding nearly 50,000 jobs. The unemployment rate was 5.5% in May, 30 basis points lower than the national figure.

Construction on more than 4,400 units was underway at the end of June, with projects encompassing nearly half of those units breaking ground earlier this year. Some 1,000 units are expected to deliver this year, significantly less than last year's deliveries of 3,708 units. Multifamily transaction volume hit \$1.1 billion in the first half of the year, nearly double the investments closed during the same time frame in 2020. Sale prices averaged \$152,401 per unit, down 6.7% from the 2020 average.

Market Analysis | Summer 2021

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Recent Baltimore Transactions

Highland Village Townhomes



City: Halethorpe, Md.
Buyer: OliveTree Group
Purchase Price: \$140 MM
Price per Unit: \$127,368

Harbor Point Estates



City: Essex, Md.
Buyer: BDMG
Purchase Price: \$98 MM
Price per Unit: \$151,154

The Riverside



City: Aberdeen, Md.
Buyer: Maryland Management
Purchase Price: \$80 MM
Price per Unit: \$200,000

Hopkins Point



City: Baltimore
Buyer: OneWall Partners
Purchase Price: \$66 MM
Price per Unit: \$125,954