



MULTIFAMILY REPORT

Baltimore's Bumpy Journey

December 2022

Rent Growth Softens

Occupancy Rate Slides

Unemployment Below State Figure

BALTIMORE MULTIFAMILY



Construction Starts Dip, Development Moderates

Amid negative demographics and ebbing demand, Baltimore's rental market continued its moderate performance. Rent growth softened to 0.3% on a trailing three-month basis through October, to \$1,687, while the average occupancy rate in stabilized assets slid 90 basis points year-over-year through September, to 95.7%.

Metro Baltimore added 58,500 jobs in the 12 months ending in August, accounting for 3.5% employment growth in a year, but trailing the U.S. rate by 80 basis points. Gains were led by leisure and hospitality with 15,200 jobs, followed by trade, transportation and utilities with 13,400 positions. Of all sectors, only financial activities lost jobs (-1,600). According to preliminary Bureau of Labor Statistics data, the unemployment rate stood at 3.7% in September, which placed Baltimore behind other major Mid-Atlantic metros such as Washington, D.C., (3.0%) and Richmond (2.8%), but ahead of the state (4.0%).

Development activity moderated across the metro. Only 1,544 units came online this year through October, and developers had just 4,233 units underway. Construction starts also took a nose-dive: After breaking ground on 2,367 apartments in the first 10 months of 2021, developers started work on only 751 units in the same interval of this year. Meanwhile, transaction activity continued to gain momentum. With \$2.4 billion in multifamily assets changing hands, sales were on par with last year's volume.

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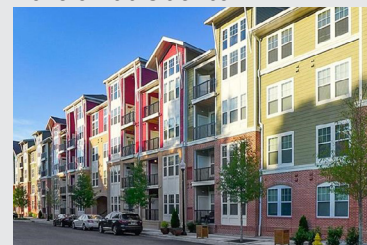
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Recent Baltimore Transactions

Echelon at Odenton



City: Odenton, Md.
Buyer: Hamilton Zanze & Co.
Purchase Price: \$102 MM
Price per Unit: \$419,803

Allegiant at Owings Mills



City: Owings Mills, Md.
Buyer: Carter Multifamily
Purchase Price: \$93 MM
Price per Unit: \$286,574

Quiet Waters Landing



City: Annapolis, Md.
Buyer: MCB Real Estate
Purchase Price: \$92 MM
Price per Unit: \$234,615

Versailles



City: Towson, Md.
Buyer: Livingston Street Capital
Purchase Price: \$63 MM
Price per Unit: \$298,810