

Yardi® Matrix

Baltimore: Still a Safe Harbor

Multifamily Report Winter 2018

Investors Focus
On Suburbs

Deliveries to
Accelerate in 2018

Core Construction
Surge Continues



BALTIMORE MULTIFAMILY

Yardi® Matrix

Market Analysis

Winter 2018

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Investors Stay Bullish; Rent Growth Slows

Although fueled by demand for live-work-play communities and an ongoing urban development surge, Baltimore's multifamily market fundamentals continue to lag behind the national trend. Rents were up 1.2% year-over-year through October, at roughly half the U.S. average, and the expected 2018 wave of deliveries is slated to further soften the market.

Anchored by Johns Hopkins University and associated health-care providers, Baltimore's economy continues to slowly diversify while also losing positions in traditional sectors such as trade, transportation and utilities. Education and health services, together with professional and business services, generated 24,200 jobs in the year ending in September, reinforcing the city's status as an alternative to much more expensive nearby metros such as Washington, D.C., and New York City. Although trailing the nation in job formation, Baltimore benefits from several large-scale projects that are bound to boost the city's economy in the long run. The list includes the \$6.5 billion Port Covington development, the 3,100-acre TradePoint Atlantic park and Beatty Development Group's portside Harbor Point.

Investor interest is high: Roughly \$1.4 billion in assets traded this year through October. Some 2,200 units came online in the first 10 months of 2017, and another 7,400 units are under construction, which continues to put pressure on occupancy levels and should keep rent growth tepid for the foreseeable future.

Recent Baltimore Transactions

The Seasons



City: Laurel, Md.
Buyer: GoldOller Real Estate Investments
Purchase Price: \$187 MM
Price per Unit: \$172,105

Winthrop



City: Towson, Md.
Buyer: Bozzuto Group
Purchase Price: \$84 MM
Price per Unit: \$284,746

The Beacon at Waugh Chapel



City: Gambrills, Md.
Buyer: PRP Real Estate Management
Purchase Price: \$84 MM
Price per Unit: \$280,705

Crosswinds at Rolling Road



City: Baltimore
Buyer: Morgan Properties
Purchase Price: \$80 MM
Price per Unit: \$98,422

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