



MULTIFAMILY REPORT

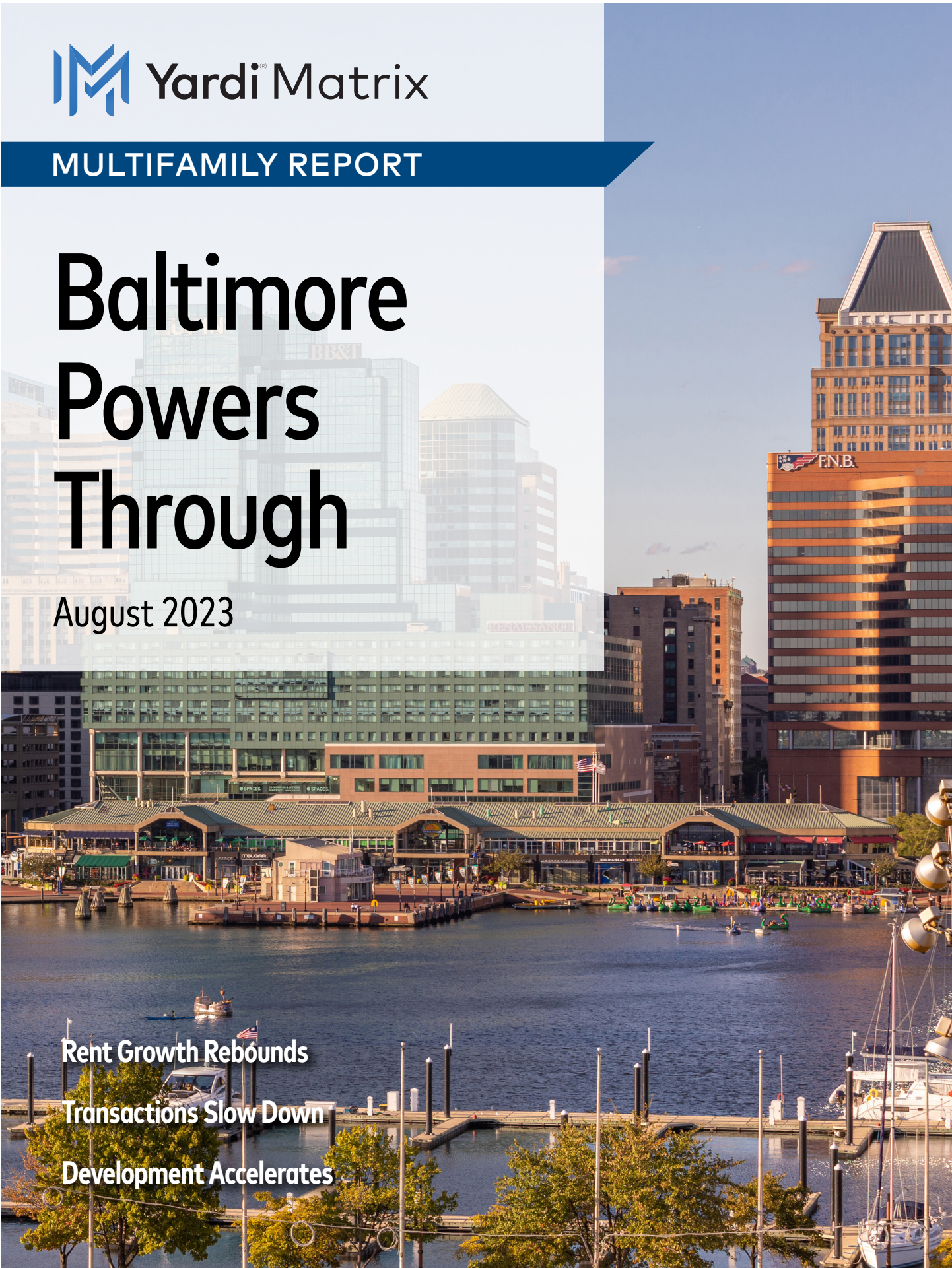
Baltimore Powers Through

August 2023

Rent Growth Rebounds

Transactions Slow Down

Development Accelerates



BALTIMORE MULTIFAMILY



Rental Market Shifts Up a Gear

After both rents and occupancy contracted last winter, the Baltimore multifamily market is recalibrating and returning to a healthier pace, with rates on an upswing and occupancy picking up slightly. The average rent was up 50 basis points on a trailing three-month basis through June, while occupancy in stabilized assets slid 1.0% over 12 months, improving from the 1.4% recorded in February.

The metro added 31,300 jobs in the 12 months ending in April, marking a 1.2% expansion. Like Washington, D.C., Baltimore benefited from a gentler economic shakeup at the height of the pandemic, compared to other coastal markets, which has helped the city's recovery. The area's unemployment clocked in at 2.2% as of May, down 150 basis points in 12 months. Large projects such as Baltimore Peninsula and Tradeport Atlantic are moving forward, while the \$200 million renovation of CFG Bank Arena was completed.

A total of \$235 million in rental communities traded in the first half of 2023 in Baltimore, 78.6% less than the volume for the same period last year, when \$1.1 billion worth of assets changed hands. Meanwhile, completions increased sharply, with 1,275 units delivered this year through June, 22% more than the 996 completed in 2022. A total of 12 projects broke ground, comprising 2,346 units. This marked a significant jump from 2022, when work began on only 630 apartments in the same time frame.

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Recent Baltimore Transactions

Belcove Place



City: Bel Air, Md.
Buyer: Sage Ventures
Purchase Price: \$60 MM
Price per Unit: \$174,419

Drumcastle



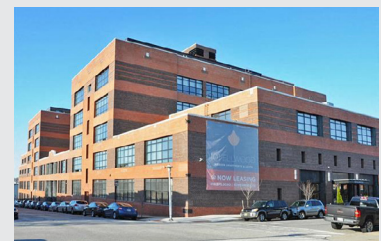
City: Columbia, Md.
Buyer: Signature Properties
Purchase Price: \$37 MM
Price per Unit: \$146,275

Beech's Farm



City: Columbia, Md.
Buyer: Howard County Housing
Commission
Purchase Price: \$30 MM
Price per Unit: \$218,519

101 Ellwood



City: Baltimore
Buyer: XSITE Capital
Purchase Price: \$25 MM
Price per Unit: \$181,607