



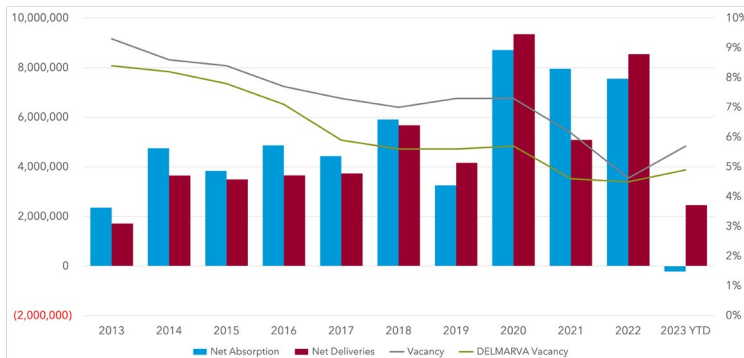
INDUSTRIAL MARKET OVERVIEW

TOM WHELAN, *Principal*

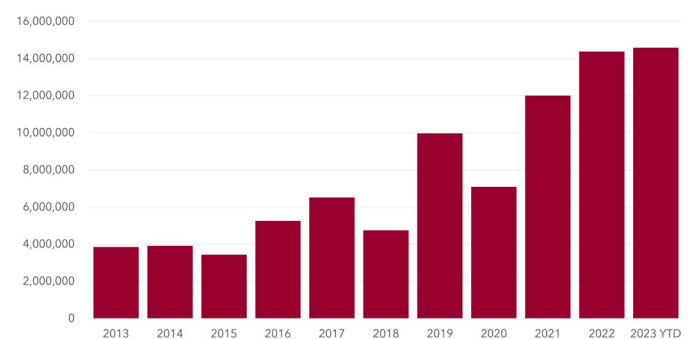
The second quarter continued the trend set in the beginning of 2023 as the direct vacancy rate increased again and the Greater Baltimore Market had its second consecutive quarter of negative net absorption. The overall numbers were buoyed by a large lease of a vacant building and the delivery of a pre-leased property in the I-95 North market cluster (approximately 1,100,000 SF combined). The demand in core markets remains robust and they maintain a below market vacancy rate. This has led to continued rental rate increases, especially with Class A product, however at a much slower pace than 2022 with signs of it potentially leveling out by year's end.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▲ Net Absorption SF	(215,737)	(1,071,216)	1,435,400	3,081,598	1,350,808
▲ Vacancy Rate	6.14%	5.34%	4.62%	4.61%	4.39%
▲ Avg NNN Asking Rate PSF	\$9.05	\$8.16	\$7.79	\$7.84	\$7.61
▲ SF Under Construction	14,580,644	14,478,784	14,373,868	12,890,943	15,071,873
▲ Inventory SF	271,337,584	269,825,208	268,920,604	267,264,616	263,439,520

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1225 S. Philadelphia Boulevard Perryman, MD	859,900 SF	\$80,700,000 \$93.85 PSF	MCB, Artemis, Ace Logistics Merritt, BentallGreenOak	Class A
Techwood Business Center Hanover, MD	648,173 SF	\$116,000,000 \$179.00 PSF	Longpoint Amazon	Class A & B
952 Frederick Street Hagerstown, MD	88,000 SF	\$7,250,000 \$82.36 PSF	AIC Ventures HBP, Inc.	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1940 Reservoir Road Sparrows Point, MD	1,321,240 SF	Tradeport Atlantic	Floor & Décor	Flooring
1225 S. Philadelphia Boulevard Perryman, MD	859,900 SF	MCB & Artemis	Ace Logistics	Transportation & Warehousing
8995-9063 Gas House Pike Frederick, MD	278,160 SF	Trammell Crow & Diamond Realty	Metrie	Manufacturing

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