



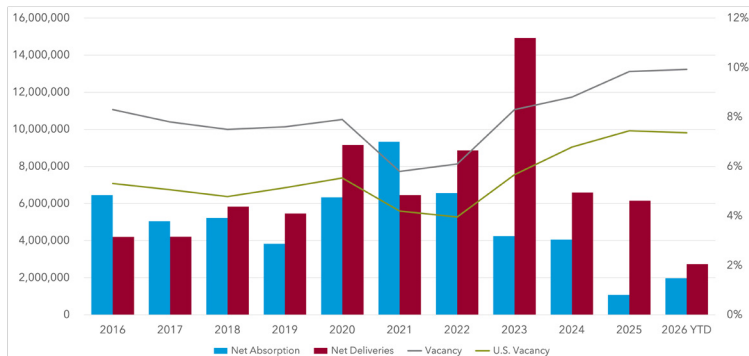
INDUSTRIAL MARKET OVERVIEW

LEE & ASSOCIATES MARYLAND, *Industrial Team*

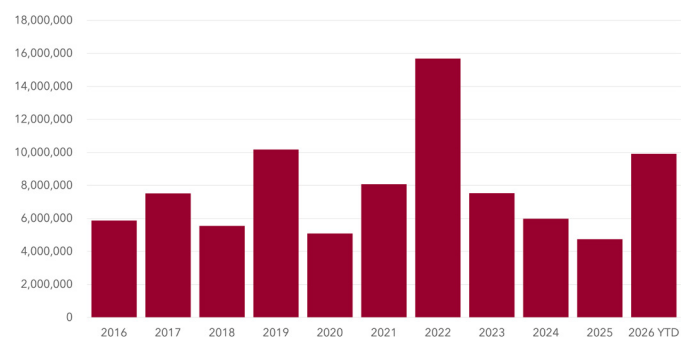
Maryland's industrial market gained momentum in Q3, with vacancy easing to 9.9% and 12-month net absorption climbing to 6.8 million square feet, up from 3.8 million a quarter earlier. The three largest reported leases totaled more than 1.8 million square feet, led by a 730,000-square-foot deal in Hagerstown. Construction is picking up, with nearly 9.9 million square feet underway, more than double the level a year ago and much of the pipeline concentrated along I-95 North. Deliveries totaled 1.3 million square feet. Average asking rents edged down to \$10.58 per square foot, as standard industrial rates softened while flex rates continued to rise.

MARKET INDICATORS	Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
▲ 12 Mo. Net Absorption SF	6,768,512	3,798,054	2,218,034	1,076,053	(4,682,841)
▼ Vacancy Rate	9.92%	10.04%	10.02%	9.84%	10.00%
▼ Avg NNN Asking Rate PSF	\$10.58	\$10.64	\$10.51	\$10.33	\$10.26
▼ Sale Price PSF	\$147	\$170	\$116	\$126	\$148
◀▶ Cap Rate	4.00%	4.00%	6.40%	7.80%	8.00%
▲ Under Construction SF	9,917,062	4,807,655	4,109,148	4,744,901	6,947,228
▼ Inventory SF	388,947,379	387,663,563	387,582,103	386,387,410	381,214,769

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
7001 Quad Ave Rosedale, MD	621,144 SF	\$91,000,000 \$146.50 PSF	Sagard Real Estate LBA Logistics	Class A
8511 Pepco Pl Upper Marlboro, MD	202,976 SF	\$56,600,000 \$278.85 PSF	Stockbridge Capital Group, LLC TA Realty	Class A
700 Evelyn Ave Linthicum, MD	177,536 SF	\$17,750,000 \$99.98 PSF	Gavigan's Furniture Camber Real Estate Partners LLC	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
16422 National Pike Hagerstown, Maryland	730,116 SF	Panattoni	Not Disclosed	Not Disclosed
610 Chelsea Rd Aberdeen, Maryland	571,762 SF	Link Logistics	Not Disclosed	Not Disclosed
40 Bethel Church Rd North East, Maryland	502,200 SF	Manulife Financial Corporation	Herr Foods, Inc.	Manufacturing

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