

# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Baltimore-Columbia-Towson, MD Metro Area

Select a Metro Area  
Baltimore-Columbia-Towson, MD

### Demographics and Economy

#### Demographics

-0.1%	32.7%	1.3%	Net Migration in Maryland
population growth (2022)	share of renters (2022)	renter household formation (2022)	2,072 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-22,198 (2022)

#### Economy

7.5%	28,600	2.0%	2.6%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$59,180	1.9%	18.1%	International Migration in Maryland
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	32,977 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	23,536 (2022)

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	-467,893	-843,195	0.9%	\$24	12.1%
2022 Q4	221,109	-606,141	0.9%	\$24	11.5%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	151,631,233	31,284	138,242	\$71.78M	9.8%
2022 Q4	151,492,991	236,857	-219,827	\$58.23M	9.0%

#### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	510	1,433	1.6%	\$1,618	\$1,604	6.9%
2022 Q4	-1,180	-3,190	2.5%	\$1,593	\$1,582	6.3%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	207,128	277	2,978	6.1%		
2022 Q4	204,150	492	1,356	5.5%		

#### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. As a result, rents rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	14,319	349,137	2.8%	\$24	5.4%
2022 Q4	367,350	788,377	2.8%	\$23	5.5%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	144,702,981	7.0%	\$123.17M	\$253	
2022 Q4	144,477,233	6.9%	\$174.81M	\$187	

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	284,164	80,532	8.2%	\$11	6.3%
2022 Q4	1,899,957	5,168,501	9.9%	\$10	5.4%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	263,676,901	11,127	2,702,397	7.4%	\$240.26M
2022 Q4	260,974,504	2,491,427	2,821,511	6.9%	\$345.79M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q4 2023

## Cumberland, MD-WV Metro Area

Select a Metro Area  
Cumberland, MD-WV Metro Area

### Demographics and Economy

#### Demographics

-0.5%	27.9%	-14.8%	Net Migration in Maryland 2,072 (2023)
population growth (2022) U.S.: 0.4%	share of renters (2022) U.S.: 34.8%	renter household formation (2022) U.S.: 2.4%	-22,198 (2022)

#### Economy

4.0%	700	1.8%	4.7%
GDP growth (2022) U.S.: 9.1%	12-month job creation (December 2023)	1-year job growth (December 2023) U.S.: 1.7%	1-year wage growth (December 2023) U.S.: 3.8%
\$50,790	3.0%	None	International Migration in Maryland 32,977 (2023)
Average wage per year (December 2023) U.S.: \$61,120	unemployment rate (November 2023) U.S.: 3.7%	share of workers teleworking (2022) U.S.: 17.9%	23,536 (2022)

### Commercial Real Estate by Sector

#### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	2,164	-4,868	1.3%	\$16	2.4%
2022 Q4	-684	-112	3.8%	\$16	2.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	1,380,972	0	0	\$0.00M	10.7%
2022 Q4	1,380,972	0	0	\$7.10M	10.1%

#### 2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide. However, vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	0.0	31.0	0.0%	\$717	\$714	2.8%
2022 Q4	0.0	53.0	-0.6%	\$717	\$714	2.7%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo		Market Cap Rate	
2023 Q4	1,004	0	32		7.7%	
2022 Q4	972	0	40		7.1%	

#### 3. Retail

Demand for retail space is **stronger than nationwide** as this area has a faster absorption of retail space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	178	105,258	3.7%	\$15	4.4%
2022 Q4	13,128	-3,774	3.0%	\$15	6.2%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	5,222,040	7.6%	\$1.40M	\$85	
2022 Q4	5,211,400	7.8%	\$2.57M	\$142	

#### 4. Industrial

Demand for industrial space is **weaker than nationwide** as this area has a slower absorption of industrial space. Despite weaker conditions, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	7,832	-162,998	6.7%	\$8	18.9%
2022 Q4		21,034	9.8%	\$8	12.3%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	5,053,424	0	192,770	7.7%	\$0.48M
2022 Q4	4,860,654	0	11,430	7.2%	\$3.51M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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# COMMERCIAL REAL ESTATE REPORT Q4 2023

Hagerstown-Martinsburg, MD-WV Metro Area

Select a Metro Area

Hagerstown-Martinsburg, MD-WV

## Demographics and Economy

### Demographics

0.9%	28.0%	-3.8%	Net Migration in Maryland
population growth (2022)	share of renters (2022)	renter household formation (2022)	2,072 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	-22,198 (2022)

### Economy

7.4%	-1,200	-1.2%	-9.4%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%	U.S.: 3.7%	U.S.: 1.7%	U.S.: 3.8%
\$42,210	2.8%	11.3%	International Migration in Maryland
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	32,977 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	23,536 (2022)

## Commercial Real Estate by Sector

### 1. Office

Demand for office space is **stronger than nationwide** as this area has a faster absorption of office space. As a result, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	23,580	166,895	1.5%	\$21	7.0%
2022 Q4	22,552	34,932	4.0%	\$21	8.6%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	9,442,927	5,000	16,987	\$6.38M	11.1%
2022 Q4	9,425,940	0	-7,450	\$3.42M	10.5%

### 2. Multifamily

Demand for multifamily space is **weaker than nationwide** as this area has a slower absorption of multifamily space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	32	167	1.4%	\$1,290	\$1,283	4.8%
2022 Q4	-102	161	9.6%	\$1,272	\$1,261	5.9%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	10,277	54	54	7.7%		
2022 Q4	10,223	0	512	7.0%		

### 3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	15,150	70,958	3.5%	\$15	3.6%
2022 Q4	59,341	104,716	3.2%	\$15	3.7%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	19,442,514	8.4%	\$4.82M	\$92	
2022 Q4	19,390,728	8.4%	\$10.57M	\$110	

### 4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. As a result, rent prices rose faster than nationwide. However, vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	232,904	2,089,190	7.6%	\$8	18.2%
2022 Q4	-78,500	486,946	10.6%	\$8	8.0%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	52,968,391	1,674,000	8,129,201	7.9%	\$5.41M
2022 Q4	44,839,190	336,000	2,154,309	7.3%	\$18.52M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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