

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Baltimore-Columbia-Towson, MD

Core-Based Statistical Area Code: 12580

The Baltimore-Columbia-Towson, MD commercial real estate market is not as strong compared to the overall U.S. market.  
NAR Commercial Real Estate Market Conditions Index\* 20.0

Overall economic conditions are not as strong than nationally.  
The apartment property market is not as strong than nationally.  
The office property market is not as strong than nationally.  
The industrial property market is not as strong than nationally.  
The retail property market is not as strong than nationally.  
The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Baltimore-Columbia-Towson, MD			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	1,395	1,403	1,337	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	58	57	(71)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.4%	4.2%	-5.0%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.4%	5.1%	5.7%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,121	\$1,140	\$1,123	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-0.1%	1.3%	4.5%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-5.2%	1.2%	1.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(11.6)	(10.2)	(8.7)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	2,842	2,804	2,803	331,501	328,330	326,838	
Population growth (%)	1.35%	0.04%	0.11%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Baltimore-Columbia-Towson, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.3%	4.1%	4.6%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	(339)	(578)	1,935	58,097	61,951	187,113	
Absorption of units in past 12 months	1,918	4,192	6,671	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	1.0%	2.2%	3.5%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,563	\$1,538	\$1,426	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	9.6%	10.8%	5.8%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,557	\$1,531	\$1,413	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	10.2%	11.5%	5.6%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	16.0%	15.4%	14.5%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	194,067	194,405	192,151	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	1,282	2,113	2,706	387,022	391,271	417,342	
Net delivered units, as % of inventory	0.7%	1.1%	1.4%	2.2%	2.3%	2.5%	
Units under construction	3,346	3,262	2,831	774,864	744,997	732,144	
Units under construction, as % of inventory	1.7%	1.7%	1.5%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	45.5	27.1	(26.3)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$457	\$1,488	\$587	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$257,810	\$232,331	\$149,220	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.3%	5.3%	5.3%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Baltimore-Columbia-Towson, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	11.3%	11.3%	10.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(97,203)	(157,556)	(565,033)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(784,961)	(1,252,791)	(1,394,579)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.6%	-0.9%	-1.0%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$24.0	\$24.0	\$23.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.2%	0.9%	-0.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	10.5	10.8	(1.4)	1,153	1,161	(283)	Slower office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	134,146,368	134,243,568	135,053,680	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	(192,939)	(205,937)	(420,084)	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	-0.1%	-0.2%	-0.3%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	800,074	785,674	658,394	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.6%	0.6%	0.5%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$298	\$264	\$574	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$195	\$142	\$333	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.0%	8.0%	8.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Baltimore-Columbia-Towson, MD

Core-Based Statistical Area Code:

12580

### IV. Industrial

	Baltimore-Columbia-Towson, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	6.0%	6.7%	8.0%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	1,775,601	2,533,019	271,826	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	4,876,811	3,373,036	2,730,184	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.0%	1.4%	1.2%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$9.2	\$8.9	\$8.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	9.5%	8.5%	6.6%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	240,111,600	238,336,000	235,234,784	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	(239,615)	(391,733)	1,489,434	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-0.1%	-0.2%	0.6%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	5,867,837	5,024,183	2,044,153	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	2.4%	2.1%	0.9%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$307	\$653	\$266	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$118	\$88	\$92	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.7%	6.7%	6.6%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Baltimore-Columbia-Towson, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	5.7%	5.9%	6.4%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	268,251	413,885	(245,412)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	934,672	421,009	(1,704,444)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.7%	0.3%	-1.3%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$22.3	\$22.0	\$22.1	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	0.9%	0.3%	-0.3%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	4.40	2.80	(4.70)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	135,679,056	135,410,816	134,744,384	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-75,911	4,583	306,764	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	-0.1%	0.0%	0.2%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	360,133	345,412	241,831	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.3%	0.3%	0.2%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$222	\$329	\$110	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$192	\$233	\$140	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.0%	7.0%	7.2%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	122.6	117.5	98.7	14,939	14,804	12,876	
Y/Y change ('000)	23.9	18.6	(28.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is weaker than nationally
% share to nonfarm payroll employment	8.8%	8.4%	7.4%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## California-Lexington Park, MD

Core-Based Statistical Area Code: 15680

The California-Lexington Park, MD commercial real estate market is not as strong compared to the overall U.S. market.  
**NAR Commercial Real Estate Market Conditions Index\* 33.3**

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is about the same than nationally.

### I. Economic and Demographic

Economic	California-Lexington Park, MD			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	48	48	47	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	0	0	(1)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	0.6%	0.4%	-1.5%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.9%	4.5%	4.4%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,332	\$1,290	\$1,258	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	5.9%	7.2%	-2.4%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	2.0%	1.9%	1.5%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
<b>Demographic</b>							
Net domestic migration ('000)	0.5	0.3	(0.2)	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	114	114	113	331,501	328,330	326,838	
Population growth (%)	0.17%	0.72%	0.29%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	California-Lexington Park, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.9%	4.0%	2.2%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	3	(26)	53	58,097	61,951	187,113	
Absorption of units in past 12 months	(60)	(10)	128	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	-1.8%	-0.3%	3.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,508	\$1,529	\$1,448	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	4.1%	8.7%	6.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,495	\$1,522	\$1,445	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	3.5%	8.8%	7.2%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	12.9%	13.6%	13.2%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory	3,394	3,391	3,454	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	67	67	67	774,864	744,997	732,144	
Units under construction, as % of inventory	2.0%	2.0%	1.9%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	-	-	\$50,395	\$113,844	\$30,199	
Transaction sales price per unit	\$162,300	-	-	\$220,078	\$227,367	\$157,676	
Market cap rate	5.8%	5.8%	5.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	California-Lexington Park, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.1%	4.8%	4.2%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(10,219)	(24,889)	(4,744)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(29,985)	(24,510)	13,032	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-1.0%	-0.8%	0.4%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$20.8	\$20.8	\$20.7	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	0.8%	0.6%	0.1%	0.8%	0.4%	-2.1%	Rent growth is slower than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory in sq. ft.	3,076,063	3,086,282	3,106,048	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	28,445	28,445	28,445	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.9%	0.9%	0.9%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$2	\$0	\$26,711	\$35,335	\$17,487	
Transaction sale price per sq.ft.	\$152	\$159	\$0	\$324	\$295	\$325	
Market cap rate	8.5%	8.5%	8.5%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## California-Lexington Park, MD

Core-Based Statistical Area Code:

15680

### IV. Industrial

	California-Lexington Park, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	7.5%	6.9%	4.0%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(6,460)	7,988	(11,800)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	41,542	36,202	14,490	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.1%	2.7%	1.1%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$12.1	\$11.9	\$11.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	6.3%	6.0%	5.1%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	1,326,445	1,332,905	1,284,903	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	95,192	93,452	36,540	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	7.2%	7.0%	2.8%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	51,474	33,048	126,500	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	3.9%	2.5%	9.8%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$4	\$1	\$4	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$328	\$1,051	\$133	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	6.9%	6.9%	6.8%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	California-Lexington Park, MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	4.4%	4.2%	4.6%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(17,320)	44,420	26,766	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	6,314	50,400	33,249	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.1%	1.0%	0.7%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$16.3	\$16.1	\$15.9	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.1%	1.7%	1.3%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
<b>Supply indicators</b>							
Inventory in sq. ft.	5,076,260	5,093,580	5,069,946	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-3,295	-	-	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-0.1%	-	-	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	4,050	4,050	4,050	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.1%	0.1%	0.1%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$29	\$31	\$6	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$165	\$139	\$181	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	6.5%	6.4%	6.5%	6.8%	6.8%	6.8%	Cap rates are lower than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)
Leisure and hospitality payroll workers ('000)	-	-	-	14,939	14,804	12,876
Y/Y change ('000)	-	-	-	2,063.0	2,337.0	(2,869.0)
% share to nonfarm payroll employment	-	-	-	10.0%	9.8%	9.0%

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area

(New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at  
<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Cumberland, MD-WV

Core-Based Statistical Area Code:

19060

The Cumberland, MD-WV commercial real estate market is not as strong compared to the overall U.S. market.

NAR Commercial Real Estate Market Conditions Index\*

9.5

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is about the same than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.

### I. Economic and Demographic

Economic	Cumberland, MD-WV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	37	37	36	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	1	1	(2)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	2.2%	3.6%	-5.5%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.8%	5.6%	6.3%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$779	\$819	\$819	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	-4.9%	-6.0%	3.1%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-3.3%	0.1%	0.9%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
<b>Demographic</b>							
Net domestic migration ('000)	(0.3)	(0.3)	(0.3)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	95	97	98	331,501	328,330	326,838	
Population growth (%)	-2.68%	-0.54%	-0.64%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Cumberland, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.2%	6.3%	5.6%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	10	2	(6)	58,097	61,951	187,113	
Absorption of units in past 12 months	3	(13)	(6)	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.4%	-1.6%	-0.7%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$753	\$751	\$741	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	1.6%	5.5%	19.5%	11.4%	11.3%	2.4%	
Effective rent per unit	\$751	\$749	\$739	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	1.7%	5.7%	19.3%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	11.1%	10.5%	10.4%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory	828	818	824	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	-	-	-	387,022	391,271	417,342	
Net delivered units, as % of inventory	-	-	-	2.2%	2.3%	2.5%	
Units under construction	50	50	-	774,864	744,997	732,144	
Units under construction, as % of inventory	6.0%	6.1%	-	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	-	-	-	17.1	17.2	(15.9)	
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	-	\$1	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$46,134	-	\$60,417	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	6.7%	6.7%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Cumberland, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.1%	2.2%	1.3%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	325	6,951	6,722	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(11,218)	(4,821)	3,095	5,610,472	(41,726,112)	(119,807,672)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	-0.9%	-0.4%	0.2%	0.1%	-0.6%	-1.7%	
Market rent per sq.ft.	\$18.2	\$18.2	\$18.1	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.7%	0.5%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	-	-	-	1,153	1,161	(283)	
	2020	2019	2018	2020	2019	2018	
<b>Supply indicators</b>							
Inventory in sq. ft.	1,255,109	1,254,784	1,266,327	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	-	-	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	-	-	0.8%	0.8%	0.7%	
Under construction in sq.ft.	-	-	-	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	-	-	-	2.0%	2.0%	2.1%	
	2020	2019	2018	2020	2019	2018	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$0	\$10	\$3	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$0	\$219	\$108	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	9.1%	9.0%	8.9%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Cumberland, MD-WV

Core-Based Statistical Area Code:

19060

### IV. Industrial

	Cumberland, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	15.4%	15.4%	16.4%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	0	0	0	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	40,000	40,000	178,801	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.2%	1.2%	5.4%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$7.0	\$6.8	\$6.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.4%	9.8%	7.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	3,332,392	3,332,392	3,292,392	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	-	-	-	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	-	-	-	1.9%	1.8%	1.8%	
Under construction in sq.ft.	-	-	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	-	-	-	3.5%	3.2%	2.4%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$2	\$1	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	\$99	\$11	-	\$140	\$136	\$105	
Market cap rate	7.0%	7.0%	7.0%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Cumberland, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	6.6%	6.0%	6.8%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	(31,874)	6,850	(14,240)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	5,867	23,501	(27,631)	94,035,968	73,627,144	(22,757,808)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	0.1%	0.5%	-0.6%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$13.8	\$13.7	\$13.3	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	3.3%	3.7%	1.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg. in retail trade payroll employment ('000) (as of latest available month of the quarter)	-	-	-	570.90	382.90	(187.70)	
<b>Supply indicators</b>							
Inventory in sq. ft.	4,754,925	4,786,799	4,749,058	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-	-	-	19,624,738	21,905,704	37,703,262	
Net delivered units, as % of inventory	-	-	-	0.2%	0.2%	0.3%	
Under construction in sq.ft.	-	-	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	-	-	-	0.5%	0.5%	0.5%	
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$1	\$5	\$5	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$25	\$217	\$9	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.9%	7.9%	8.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)
Leisure and hospitality payroll workers ('000)	-	-	-	14,939	14,804	12,876
Y/Y change ('000)	-	-	-	2,063.0	2,337.0	(2,869.0)
% share to nonfarm payroll employment	-	-	-	10.0%	9.8%	9.0%

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Hagerstown-Martinsburg, MD-WV

Core-Based Statistical Area Code: 25180

The Hagerstown-Martinsburg, MD-WV commercial real estate market is not as strong compared to the overall U.S. market.  
NAR Commercial Real Estate Market Conditions Index\* 48.0

Overall economic conditions are stronger than nationally.  
The apartment property market is not as strong than nationally.  
The office property market is stronger than nationally.  
The industrial property market is about the same than nationally.  
The retail property market is not as strong than nationally.  
The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Hagerstown-Martinsburg, MD-WV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	103	106	101	149,912	150,352	143,308	
Y/Y chg. in nonfarm payroll employment ('000)	2	4	(3)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	1.9%	3.7%	-2.4%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.5%	4.2%	4.7%	3.6%	3.9%	6.0%	Unemployment rate is lower than nationally
Average weekly wages	\$817	\$799	\$772	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	5.9%	7.9%	2.6%	4.7%	5.2%	6.9%	Wages are rising faster than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.2%	-0.2%	2.3%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic	2.2	2.1	2.4	0	0	0	Area is experiencing net domestic in-migration
Net domestic migration ('000)	294	289	286	331,501	328,330	326,838	
Population ('000)	1.98%	0.89%	0.99%	0.97%	0.46%	0.53%	Population is growing faster than nationally
Population growth (%)							

### II. Multifamily

Demand indicators	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
	Vacancy rate	1.9%	2.4%	1.9%	4.9%	4.8%	
Absorption of units over the quarter	48	51	57	58,097	61,951	187,113	
Absorption of units in past 12 months	50	59	564	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	0.5%	0.6%	6.0%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,162	\$1,121	\$1,055	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	10.2%	8.3%	5.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,159	\$1,118	\$1,052	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	10.2%	8.3%	5.7%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	16.3%	16.1%	15.7%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators	9,353	9,459	9,449	17,251,546	17,194,020	16,685,925	
Inventory	58	96	294	387,022	391,271	417,342	
Net delivered units in past 12 months	0.6%	1.0%	3.1%	2.2%	2.3%	2.5%	
Net delivered units, as % of inventory	167	167	225	774,864	744,997	732,144	
Units under construction	1.8%	1.8%	2.4%	4.5%	4.3%	4.4%	Construction is weaker than nationally
Units under construction, as % of inventory	32.8	39.6	(8.5)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)							
	\$2	\$27	\$2	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Total investment acquisitions (in million \$)	\$62,386	\$92,396	\$56,553	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Transaction sales price per unit	6.6%	6.6%	6.7%	5.1%	5.1%	5.2%	Cap rates are higher than nationally
Market cap rate							

### III. Office

Demand indicators	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
	Vacancy rate	10.4%	10.6%	11.4%	12.2%	12.1%	
Absorption in sq.ft. over the quarter	22,414	(2,693)	57,733	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	91,985	127,304	145,383	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	1.1%	1.5%	1.8%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$19.7	\$19.7	\$19.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.8%	0.4%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg. in professional/business services jobs ('000) (as of latest available month of the quarter)	0.5	0.9	(0.1)	1,153	1,161	(283)	Slower office job creation than nationally
	8,240,397	8,217,983	8,148,412	7,256,351,232	7,252,931,072	7,250,434,560	
Supply indicators	-	-	36,000	54,741,303	57,123,296	47,997,877	
Inventory in sq. ft.	-	-	0.4%	0.8%	0.8%	0.7%	
Net delivered over 12 months, in sq.ft.	62,616	-	-	143,665,184	143,194,512	153,944,000	
Net delivered units, as % of inventory	0.8%	-	-	2.0%	2.0%	2.1%	Construction activity is slower than nationally
Under construction in sq.ft.							
Under construction, as % of inventory							
	\$3	\$33	\$6	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Total investment acquisitions (in million \$)	\$204	\$163	\$44	\$324	\$295	\$325	Prices are rising faster nationally
Transaction sale price per sq.ft.	9.5%	9.5%	9.3%	7.0%	7.0%	7.0%	Cap rates are higher than nationally
Market cap rate							

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Hagerstown-Martinsburg, MD-WV

Core-Based Statistical Area Code:

25180

### IV. Industrial

	Hagerstown-Martinsburg, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	3.9%	4.4%	5.0%	4.1%	4.2%	5.3%	The area has lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	295,421	8,790	(34,906)	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	1,407,776	1,077,449	1,836,644	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	3.4%	2.6%	4.6%	3.1%	3.1%	1.6%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$7.0	\$6.8	\$6.4	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.4%	9.7%	7.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	41,645,304	41,349,884	40,237,528	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	999,135	1,115,067	1,992,300	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	2.4%	2.7%	5.0%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	3,495,438	3,515,716	1,216,867	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	8.4%	8.5%	3.0%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$3	\$172	-	\$21,817	\$51,629	\$16,323	
Transaction sale price per sq.ft.	\$7	\$96	-	\$140	\$136	\$105	
Market cap rate	7.2%	7.1%	6.9%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Hagerstown-Martinsburg, MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	4.4%	4.1%	3.5%	4.5%	4.7%	5.1%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(47,331)	(75,065)	54,938	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	(53,111)	49,158	58,565	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	-0.3%	0.3%	0.3%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$14.1	\$14.0	\$13.8	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.1%	2.1%	1.0%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	0.70	0.30	0.40	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	18,395,576	18,442,908	18,448,688	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	109,349	183,070	181,689	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	0.6%	1.0%	1.0%	0.2%	0.2%	0.3%	More delivered space relative to inventory than nationally
Under construction in sq.ft.	6,100	19,593	100,882	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.1%	0.5%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$41	\$48	\$7	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$148	\$120	\$145	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	8.2%	8.2%	8.3%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	9.3	9.1	8.6	14,939	14,804	12,876	
Y/Y change ('000)	0.7	0.7	(1.2)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	9.1%	8.6%	8.5%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

Core-Based Statistical Area Code: 37980

The Philadelphia-Camden-Wilmington, PA-NJ-DE-MD commercial real estate market is not as strong compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index\* 28.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is not as strong than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	2,924	2,947	2,811	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	114	132	(155)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	4.0%	4.7%	-5.2%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	4.8%	5.5%	7.1%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,117	\$1,128	\$1,100	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	1.5%	1.5%	7.2%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.0%	1.6%	1.6%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(10.8)	(11.1)	(14.1)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	6,242	6,105	6,097	331,501	328,330	326,838	
Population growth (%)	2.25%	0.13%	0.24%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	3.8%	3.7%	5.1%	4.9%	4.8%	6.0%	The area has a lower vacancy rate than nationally
Absorption of units over the quarter	688	1,220	3,193	58,097	61,951	187,113	
Absorption of units in past 12 months	10,224	12,729	8,589	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	3.2%	4.0%	2.8%	3.3%	4.1%	3.0%	The area has lower absorption than nationally
Market asking rent per unit	\$1,579	\$1,551	\$1,437	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	9.8%	10.1%	3.7%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,571	\$1,543	\$1,420	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	10.7%	11.1%	3.0%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	16.2%	15.7%	14.9%	16.5%	16.3%	15.4%	Renting is more affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	320,494	319,818	310,335	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	5,978	6,021	6,336	387,022	391,271	417,342	
Net delivered units, as % of inventory	1.9%	1.9%	2.0%	2.2%	2.3%	2.5%	
Units under construction	15,812	12,702	12,052	774,864	744,997	732,144	
Units under construction, as % of inventory	4.9%	4.0%	3.9%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	19.0	21.9	(24.4)	17.1	17.2	(15.9)	More jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$516	\$1,300	\$161	\$50,395	\$113,844	\$30,199	Sales transactions are rising faster than nationally
Transaction sales price per unit	\$179,343	\$212,336	\$107,715	\$220,078	\$227,367	\$157,676	Prices are rising faster nationally
Market cap rate	5.2%	5.2%	5.3%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	10.2%	9.9%	9.8%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	(1,023,670)	443,984	(1,436,158)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(1,007,976)	(1,420,464)	(4,628,156)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.3%	-0.5%	-1.6%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$26.8	\$26.8	\$26.5	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.1%	1.0%	0.2%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	25.1	20.5	(6.9)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	289,940,928	290,964,608	290,939,680	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	484,458	376,969	4,892	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.2%	0.1%	0.0%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	2,571,873	2,419,568	3,030,429	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	0.9%	0.8%	1.0%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$752	\$705	\$570	\$26,711	\$35,335	\$17,487	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$233	\$139	\$261	\$324	\$295	\$325	Prices are not rising as fast than nationally
Market cap rate	8.0%	8.0%	7.9%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Philadelphia-Camden-Wilmington, PA-NJ-DE-MD

Core-Based Statistical Area Code:

37980

### IV. Industrial

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.3%	4.4%	5.0%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	2,152,734	1,687,882	1,500,688	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	15,767,836	15,115,790	6,147,704	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.8%	2.7%	1.1%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$9.1	\$8.8	\$8.0	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	13.1%	12.3%	8.3%	11.0%	9.3%	5.5%	Rents are rising faster than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	556,230,272	554,077,504	540,462,400	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	12,530,668	11,472,708	2,650,959	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	2.3%	2.1%	0.5%	1.9%	1.8%	1.8%	More deliveries relative to inventory than nationally
Under construction in sq.ft.	22,111,944	21,441,358	19,330,724	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	4.0%	3.9%	3.6%	3.5%	3.2%	2.4%	More delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$383	\$2,606	\$475	\$21,817	\$51,629	\$16,323	Sales transactions are not rising as fast as nationally
Transaction sale price per sq.ft.	\$77	\$118	\$75	\$140	\$136	\$105	Prices are not rising as fast than nationally
Market cap rate	6.5%	6.5%	6.6%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

Demand indicators	Philadelphia-Camden-Wilmington, PA-NJ-DE-MD			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	4.8%	4.9%	5.3%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	291,283	948,613	(87,651)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	1,531,519	1,152,585	(2,561,258)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.5%	0.4%	-0.8%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$20.9	\$20.9	\$20.7	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	1.0%	1.5%	1.8%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	8.40	11.30	(6.90)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	318,583,424	318,292,128	317,053,888	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	-229,389	-885,451	-435,903	19,624,738	21,905,704	37,703,262	Relatively more units delivered than nationally
Net delivered units, as % of inventory	-0.1%	-0.3%	-0.1%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	623,664	620,368	928,634	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.2%	0.2%	0.3%	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$549	\$896	\$263	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$172	\$176	\$150	\$219	\$226	\$182	Prices are not rising as fast than nationally
Market cap rate	7.1%	7.1%	7.1%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	235.1	240.6	197.9	14,939	14,804	12,876	
Y/Y change ('000)	37.2	55.4	(61.4)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	8.0%	8.2%	7.0%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

NAR derived the index by assigning 1 point for each indicator where local market conditions are better than the national (US) condition.

The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

Economic data may not be available for all markets. In some submarkets or metropolitan divisions (e.g., Long Island) reported by CoStar®, the economic data that is reported (e.g. employment) is of the metropolitan area (New York-Newark-Jersey City). The 390 markets in this report are based on the CoStar® market areas.

NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

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# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Salisbury, MD-DE

Core-Based Statistical Area Code:

41540

The Salisbury, MD-DE commercial real estate market is not as strong compared to the overall U.S. market.  
NAR Commercial Real Estate Market Conditions Index\* 24.0

Overall economic conditions are not as strong than nationally.  
The apartment property market is not as strong than nationally.  
The office property market is stronger than nationally.  
The industrial property market is not as strong than nationally.  
The retail property market is not as strong than nationally.  
The hotel/lodging property market is about the same than nationally.

### I. Economic and Demographic

Economic	Salisbury, MD-DE			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	157	159	153	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	5	5	(3)	6,604	6,747	(6,644)	Job creation is weaker than nationally
Y/Y % chg. in nonfarm payroll employment	2.9%	3.2%	-2.1%	4.6%	4.7%	-4.4%	Unemployment rate is higher than nationally
Unemployment rate (%)	4.7%	5.4%	5.8%	3.6%	3.9%	6.0%	
Average weekly wages	\$873	\$838	\$839	\$1,099	\$1,092	\$1,049	Wages are rising at a slower pace than nationally
Wage growth, year-over-year	4.0%	-2.1%	1.9%	4.7%	5.2%	6.9%	
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-4.9%	3.1%	1.7%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	7.2	6.3	6.2	0	0	0	Area is experiencing net domestic in-migration
Population ('000)	419	417	411	331,501	328,330	326,838	
Population growth (%)	0.55%	1.48%	1.53%	0.97%	0.46%	0.53%	Population growth is slower than nationally

### II. Multifamily

Demand indicators	Salisbury, MD-DE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	5.1%	6.6%	3.1%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	123	110	85	58,097	61,951	187,113	
Absorption of units in past 12 months	649	611	601	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	8.8%	8.4%	8.9%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$1,327	\$1,287	\$1,194	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	11.1%	10.4%	4.9%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,321	\$1,281	\$1,187	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.3%	10.5%	4.9%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	17.4%	17.6%	16.3%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory	7,412	7,289	6,762	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	825	933	294	387,022	391,271	417,342	
Net delivered units, as % of inventory	11.1%	12.8%	4.3%	2.2%	2.3%	2.5%	
Units under construction	1,061	981	902	774,864	744,997	732,144	
Units under construction, as % of inventory	14.3%	13.5%	13.3%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	5.5	5.4	(11.2)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$1	\$5	\$13	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$168,000	\$146,875	\$118,349	\$220,078	\$221,367	\$157,676	Prices are rising faster nationally
Market cap rate	6.1%	6.1%	6.1%	5.1%	5.1%	5.2%	Cap rates are higher than nationally

### III. Office

Demand indicators	Salisbury, MD-DE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	2.3%	2.3%	3.0%	12.2%	12.1%	11.7%	The area has a lower vacancy rate than nationally
Absorption in sq.ft. over the quarter	5,432	43,977	25,505	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	62,720	82,793	29,453	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	0.7%	1.0%	0.3%	0.1%	-0.6%	-1.7%	The area has stronger absorption than nationally
Market rent per sq.ft.	\$21.5	\$21.4	\$21.3	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	1.0%	0.6%	0.7%	0.8%	0.4%	-2.1%	Rents are rising faster than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	1.0	0.8	0.9	1,153	1,161	(283)	Stronger office job creation than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Supply indicators							
Inventory in sq. ft.	8,518,282	8,512,850	8,455,562	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	-	18,796	30,796	54,741,303	57,123,296	47,997,877	
Net delivered units, as % of inventory	-	0.2%	0.4%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	117,476	109,151	70,000	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	1.4%	1.3%	0.8%	2.0%	2.0%	2.1%	Construction activity is slower than nationally
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Sales transactions							
Total investment acquisitions (in million \$)	\$8	\$9	\$2	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$87	\$127	\$63	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	9.0%	9.0%	9.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Salisbury, MD-DE

Core-Based Statistical Area Code:

41540

### IV. Industrial

	Salisbury, MD-DE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	6.2%	6.3%	7.1%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	32,105	76,259	51,788	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	168,825	188,508	378,937	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	1.1%	1.2%	2.5%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$6.8	\$6.6	\$6.2	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	8.5%	8.0%	5.4%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	15,634,023	15,601,918	15,465,198	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	18,240	-	43,700	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	0.1%	-	0.3%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	18,550	36,790	-	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	0.1%	0.2%	-	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$11	\$5	\$7	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$59	\$27	\$35	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	7.2%	7.2%	7.2%	6.3%	6.3%	6.3%	Cap rates are higher than nationally

### V. Retail

	Salisbury, MD-DE			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	5.0%	5.1%	5.3%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	28,658	20,125	6,514	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	68,152	46,008	(191,858)	94,035,968	73,627,144	(22,757,808)	The area has lower absorption than nationally
Absorption in past 12 months as % of inventory	0.3%	0.2%	-0.9%	0.8%	0.7%	-0.2%	
Market rent per sq.ft.	\$17.0	\$16.9	\$16.5	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.8%	3.2%	1.3%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	1.40	1.20	0.10	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	21,822,158	21,793,500	21,754,006	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	9,200	33,510	34,913	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.0%	0.2%	0.2%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	5,000	9,200	-	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.0%	0.0%	-	0.5%	0.5%	0.5%	Construction activity is slower than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$17	\$27	\$60	\$22,755	\$33,245	\$12,773	Sales transactions are not rising as fast than nationally
Transaction sale price per sq.ft.	\$102	\$187	\$74	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	7.4%	7.4%	7.6%	6.8%	6.8%	6.8%	Cap rates are higher than nationally

### VI. Hotel/Lodging

	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	20.9	22.1	21.3	14,939	14,804	12,876	
Y/Y change ('000)	(0.4)	0.9	(1.1)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	13.3%	13.9%	13.9%	10.0%	9.8%	9.0%	Higher fraction of workers in leisure industry than nationally

- Some data may not be available for the quarter

Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

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The total points for each local market are divided by the number of variables that are available at the local area, with 25 indicators if all the data are available. The fraction is multiplied by 100 to get the index.

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NAR reserves the right to add new variables or drop variables that comprise the index based on its analysis of variables that impact market trends.

Market cap rate is based on CoStar proprietary model that is based on both sales transaction cap rates and modeled cap rates based on characteristics of comparable properties in the geographic area.

Data may not be available for some markets or property types.

For information about this report, email data@nar.realtor.

Visit NAR's Commercial Research webpage at  
<https://www.nar.realtor/research-and-statistics/research-reports/commercial-research>



# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Washington-Arlington-Alexandria, DC-VA-MD-WV

Core-Based Statistical Area Code: 47900

The Washington-Arlington-Alexandria, DC-VA-MD-WV commercial real estate market is not as strong compared to the overall U.S. market. NAR Commercial Real Estate Market Conditions Index\* 28.0

Overall economic conditions are not as strong than nationally.  
 The apartment property market is about the same than nationally.  
 The office property market is not as strong than nationally.  
 The industrial property market is not as strong than nationally.  
 The retail property market is not as strong than nationally.  
 The hotel/lodging property market is stronger than nationally.

### I. Economic and Demographic

Economic	Washington-Arlington-Alexandria, DC-VA-MD-WV			U.S.			
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Total non-farm employment ('000)	3,265	3,295	3,151	149,912	150,352	143,308	
Y/Y chg.in nonfarm payroll employment ('000)	114	133	(185)	6,604	6,747	(6,644)	
Y/Y % chg. in nonfarm payroll employment	3.6%	4.2%	-5.5%	4.6%	4.7%	-4.4%	Job creation is weaker than nationally
Unemployment rate (%)	3.8%	4.2%	5.2%	3.6%	3.9%	6.0%	Unemployment rate is higher than nationally
Average weekly wages	\$1,383	\$1,397	\$1,355	\$1,099	\$1,092	\$1,049	
Wage growth, year-over-year	2.1%	3.7%	3.6%	4.7%	5.2%	6.9%	Wages are rising at a slower pace than nationally
	2020	2019	2018	2020	2019	2018	
GDP growth (%)	-2.8%	1.4%	2.1%	-3.4%	2.3%	2.9%	
	2020	2019	2018	2020	2019	2018	
Demographic							
Net domestic migration ('000)	(31.0)	(28.8)	(30.2)	0	0	0	Area is experiencing net domestic out-migration
Population ('000)	6,386	6,297	6,256	331,501	328,330	326,838	
Population growth (%)	1.40%	0.66%	0.62%	0.97%	0.46%	0.53%	Population is growing faster than nationally

### II. Multifamily

Demand indicators	Washington-Arlington-Alexandria, DC-VA-MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	6.3%	6.5%	7.8%	4.9%	4.8%	6.0%	The area has a higher vacancy rate than nationally
Absorption of units over the quarter	3,224	2,414	5,122	58,097	61,951	187,113	
Absorption of units in past 12 months	20,945	22,843	6,073	568,362	697,378	498,721	
Absorption in past 12 months as % of inventory	4.1%	4.6%	1.3%	3.3%	4.1%	3.0%	The area has stronger absorption than nationally
Market asking rent per unit	\$2,008	\$1,968	\$1,830	\$1,587	\$1,553	\$1,425	
Market asking rent per unit, y/y % chg	9.7%	9.7%	-2.0%	11.4%	11.3%	2.4%	
Effective rent per unit	\$1,993	\$1,950	\$1,784	\$1,578	\$1,543	\$1,406	
Effective rent per unit, y/y % chg	11.7%	11.3%	-3.8%	12.2%	12.2%	1.8%	Rents are rising more slowly than nationally
Rent as a percent of 2-person annual wage income	16.6%	16.1%	15.2%	16.5%	16.3%	15.4%	Renting is less affordable than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory	505,122	501,899	484,191	17,251,546	17,194,020	16,685,925	
Net delivered units in past 12 months	13,653	13,067	12,686	387,022	391,271	417,342	
Net delivered units, as % of inventory	2.7%	2.6%	2.6%	2.2%	2.3%	2.5%	
Units under construction	31,463	27,843	28,620	774,864	744,997	732,144	
Units under construction, as % of inventory	6.2%	5.5%	5.9%	4.5%	4.3%	4.4%	Construction is stronger than nationally
Ratio of jobs created to net delivered units (as of latest available month of the quarter)	8.4	10.2	(14.6)	17.1	17.2	(15.9)	Fewer jobs per delivered units than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$1,716	\$5,086	\$1,427	\$50,395	\$113,844	\$30,199	Sales transactions are not rising as fast than nationally
Transaction sales price per unit	\$279,846	\$310,815	\$261,302	\$220,078	\$227,367	\$157,676	Prices are not rising as fast than nationally
Market cap rate	4.6%	4.6%	4.7%	5.1%	5.1%	5.2%	Cap rates are lower than nationally

### III. Office

Demand indicators	Washington-Arlington-Alexandria, DC-VA-MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
Vacancy rate	15.0%	14.9%	14.4%	12.2%	12.1%	11.7%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	902,284	(128,723)	(3,525,919)	3,410,230	11,127,334	(43,926,356)	
Absorption in sq.ft. over 12 months	(2,126,535)	(6,554,738)	(6,522,653)	5,610,472	(41,726,112)	(119,807,672)	
Absorption in past 12 months as % of inventory	-0.5%	-1.5%	-1.5%	0.1%	-0.6%	-1.7%	The area has lower absorption than nationally
Market rent per sq.ft.	\$38.6	\$38.7	\$38.9	\$34.7	\$34.6	\$34.4	
Market rent growth, y/y % chg.	-0.6%	-1.0%	-1.9%	0.8%	0.4%	-2.1%	Rent growth is slower than nationally
Y/Y chg.in professional/business services jobs ('000) (as of latest available month of the quarter)	19.7	22.5	(9.9)	1,153	1,161	(283)	Stronger office job creation than nationally
	2020	2019	2018	2020	2019	2018	
Supply indicators							
Inventory in sq. ft.	437,237,984	436,335,712	439,443,808	7,256,351,232	7,252,931,072	7,250,434,560	
Net delivered over 12 months, in sq.ft.	903,383	(783,834)	1,275,278	54,741,303	57,123,296	47,997,877	More delivered space relative to inventory than nationally
Net delivered units, as % of inventory	0.2%	-0.2%	0.3%	0.8%	0.8%	0.7%	
Under construction in sq.ft.	9,080,146	10,646,355	8,645,893	143,665,184	143,194,512	153,944,000	
Under construction, as % of inventory	2.1%	2.4%	2.0%	2.0%	2.0%	2.1%	Construction activity is more robust than nationally
	2020	2019	2018	2020	2019	2018	
Sales transactions							
Total investment acquisitions (in million \$)	\$1,396	\$2,418	\$335	\$26,711	\$35,335	\$17,487	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$282	\$266	\$193	\$324	\$295	\$325	Prices are rising faster nationally
Market cap rate	7.1%	7.1%	7.0%	7.0%	7.0%	7.0%	Cap rates are higher than nationally

- Some data may not be available for the quarter

# NAR Commercial Real Estate Metro Market Report | 2022.Q1

## Washington-Arlington-Alexandria, DC-VA-MD-WV

Core-Based Statistical Area Code:

47900

### IV. Industrial

	Washington-Arlington-Alexandria, DC-VA-MD-WV			U.S.			
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	4.3%	4.5%	5.6%	4.1%	4.2%	5.3%	The area has higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	1,328,040	1,030,567	1,570,390	98,463,552	139,649,760	92,218,864	
Absorption in sq.ft. over 12 months	7,569,002	7,811,352	3,258,502	521,957,216	515,712,512	267,819,536	
Absorption in past 12 months as % of inventory	2.9%	3.0%	1.3%	3.1%	3.1%	1.6%	The area has lower absorption than nationally
Market rent per sq.ft.	\$14.0	\$13.5	\$12.6	\$10.2	\$9.9	\$9.2	
Market rent growth, y/y % chg.	10.9%	9.3%	5.0%	11.0%	9.3%	5.5%	Rent growth is slower than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	264,323,008	262,992,976	256,713,968	16,970,607,616	16,872,123,392	16,448,452,608	
Net delivered over 12 months, in sq.ft.	4,422,229	4,452,286	3,285,751	316,015,277	299,570,240	290,668,397	
Net delivered units, as % of inventory	1.7%	1.7%	1.3%	1.9%	1.8%	1.8%	Less deliveries relative to inventory than nationally
Under construction in sq.ft.	8,632,560	8,521,298	6,198,291	591,536,384	531,512,224	391,175,904	
Under construction, as % of inventory	3.3%	3.2%	2.4%	3.5%	3.2%	2.4%	Less delivered space relative to inventory than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$587	\$1,081	\$169	\$21,817	\$51,629	\$16,323	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$235	\$188	\$88	\$140	\$136	\$105	Prices are rising faster nationally
Market cap rate	6.2%	6.2%	6.2%	6.3%	6.3%	6.3%	Cap rates are lower than nationally
<b>V. Retail</b>							
	2022 Q1	2021 Q4	2021 Q1	2022 Q1	2021 Q4	2021 Q1	
<b>Demand indicators</b>							
Vacancy rate	4.9%	5.3%	5.3%	4.5%	4.7%	5.1%	The area has a higher vacancy rate than nationally
Absorption in sq.ft. over the quarter	924,778	(334,920)	(600,771)	24,405,304	24,416,072	3,996,477	
Absorption in sq.ft. over 12 months	1,375,579	(149,970)	(2,021,901)	94,035,968	73,627,144	(22,757,808)	
Absorption in past 12 months as % of inventory	0.5%	-0.1%	-0.8%	0.8%	0.7%	-0.2%	The area has lower absorption than nationally
Market rent per sq.ft.	\$29.9	\$29.5	\$29.2	\$22.9	\$22.6	\$22.0	
Market rent growth, y/y % chg.	2.5%	0.9%	-0.1%	3.9%	3.1%	1.1%	Rent growth is slower than nationally
Y/Y chg.in retail trade payroll employment ('000) (as of latest available month of the quarter)	5.70	6.10	(9.90)	570.90	382.90	(187.70)	The area has stronger retail trade job creation than nationally
<b>Supply indicators</b>							
Inventory in sq. ft.	253,678,912	252,754,128	252,303,376	11,256,099,840	11,231,675,392	11,161,937,920	
Net delivered over 12 months, in sq.ft.	389,008	935,131	1,099,104	19,624,738	21,905,704	37,703,262	Relatively fewer units delivered than nationally
Net delivered units, as % of inventory	0.2%	0.4%	0.4%	0.2%	0.2%	0.3%	Less delivered space relative to inventory than nationally
Under construction in sq.ft.	1,880,563	1,682,900	2,125,005	54,194,816	56,052,512	54,297,696	
Under construction, as % of inventory	0.7%	0.7%	0.8%	0.5%	0.5%	0.5%	Construction activity is more robust than nationally
<b>Sales transactions</b>							
Total investment acquisitions (in million \$)	\$561	\$878	\$198	\$22,755	\$33,245	\$12,773	Sales transactions are rising faster than nationally
Transaction sale price per sq.ft.	\$320	\$338	\$170	\$219	\$226	\$182	Prices are rising faster nationally
Market cap rate	6.1%	6.2%	6.3%	6.8%	6.8%	6.8%	Cap rates are lower than nationally
<b>VI. Hotel/Lodging</b>							
	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	2022 Q1 (March)	2021 Q4 (Dec)	2021 Q1 (March)	
Leisure and hospitality payroll workers ('000)	285.9	288.1	225.0	14,939	14,804	12,876	
Y/Y change ('000)	60.9	63.2	(92.6)	2,063.0	2,337.0	(2,869.0)	Job creation in the leisure industry is stronger than nationally
% share to nonfarm payroll employment	8.8%	8.7%	7.1%	10.0%	9.8%	9.0%	Lower fraction of workers in leisure industry than nationally

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Sources of data used: CoStar®, US Census Bureau, US Bureau of Labor Statistics, and US Bureau of Economic Analysis.

\*An index below 50 means local market conditions are weaker than nationally, above 50 means local market conditions are stronger, and 50 means local market conditions are about the same as nationally.

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