



# BALTIMORE

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MARKET  
INSIGHT  
REPORT



SPRING  
2023

# EMPLOYMENT / UNEMPLOYMENT

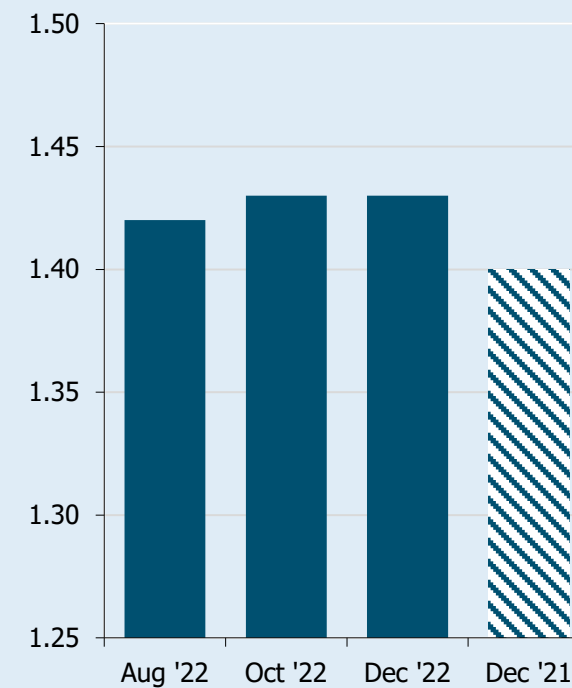
“Slow and steady” remains the mantra for job growth in the Baltimore Metro Area as the total employment payroll surpassed February 2020 levels for the first time in 2022 Q2. The Metro has already recovered the 177,400 net job loss from the period between March and April 2020, and Baltimore’s job market is expected to completely recover from pandemic-related job losses in the first half of 2023.

Over 2.8 million people live in the Baltimore-Columbia-Towson Metropolitan Statistical Area and the Region’s economy is primarily based in the industries of finance, professional and business services, health care and bioscience technology, tourism, information, logistics, and advanced manufacturing. The education and health care industry services sector is a key economic contributor, representing close to 19% of all positions located in greater Baltimore. The health care and education industry is reflected in the composition of the city’s major employers, with eight of the top 10 largest employers in the city in the fields of education and health. John Hopkins University and the University of Maryland, along with their hospital and health systems, take the top four largest employer positions and collectively support nearly 60,000 area jobs.

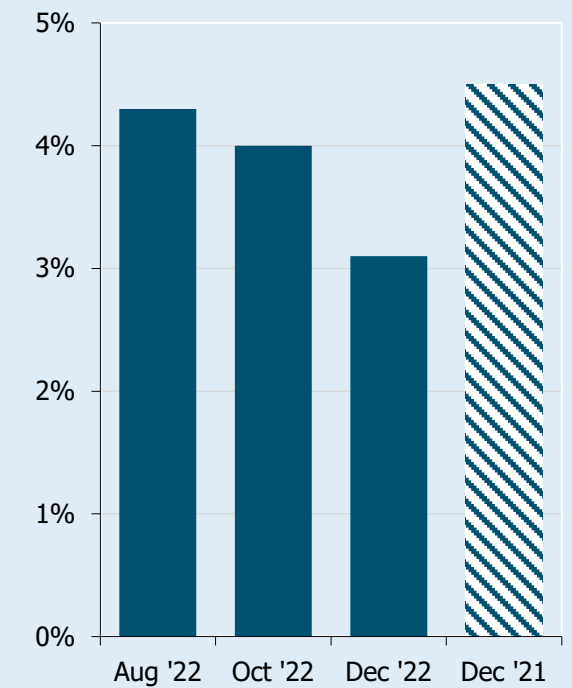
- There were 23,300 total nonfarm jobs gained in the Baltimore metro area as of December 2022, a year-over-year growth rate increase of 1.7%.
- The unemployment rate in the Baltimore MSA was 3.1% as of December 2022, 140 basis points lower than the December 2021 unemployment rate of 4.5% and 20 basis points lower than the U.S. unemployment rate of 3.3%.
- The average weekly wage for the Baltimore area was \$1,334, slightly above the national average of \$1,294.

Sources: GREA Research, CoStar, Bureau to Labor Statistics (BLS)

### Total Employment



### Unemployment



Metro Area Employment (Thousands)	December 2022	YoY Change #	No. of Jobs Added YoY
Total (Non-Farm)	1427	1.7%	23
Education & Health Services	266	0.9%	2.4
Trade, Transportation & Utilities	263	-0.6%	-1.5
Professional & Business Services	248	0.0%	0
Government	229	0.3%	0.6
Leisure & Hospitality	127	7.9%	9.3
Other Services	50	4.6%	2.2
Construction, Mining & Logging	87	8.9%	7.1
Financial Services	78	1.0%	0.8
Manufacturing	63	5.5%	3.3
Information	16	-5.3%	-0.9

Sources: U.S. BLS, Current Employment Statistics

# BALTIMORE RENTAL MARKET

- Multifamily demand in Greater Baltimore has been unprecedented in recent years, and year-over-year asking rent growth peaked at 11.4% in 2021Q3.
- Rents held strong in the first half of 2022 with growth of approximately 3.5% through June.
- The last two quarters of 2022 marked the first decline in rents since 2019, signaling a return to the historic norms prior to 2020.
- Asking rent growth increased by 2.1% for the year despite slowed demand.



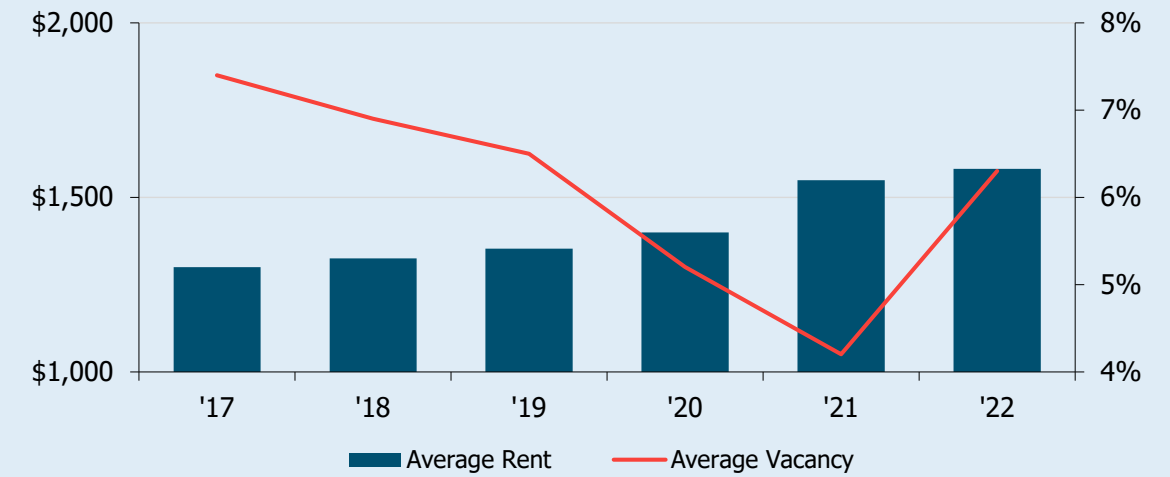
**2.1%**  
12-Month Asking Rent Growth (YoY)



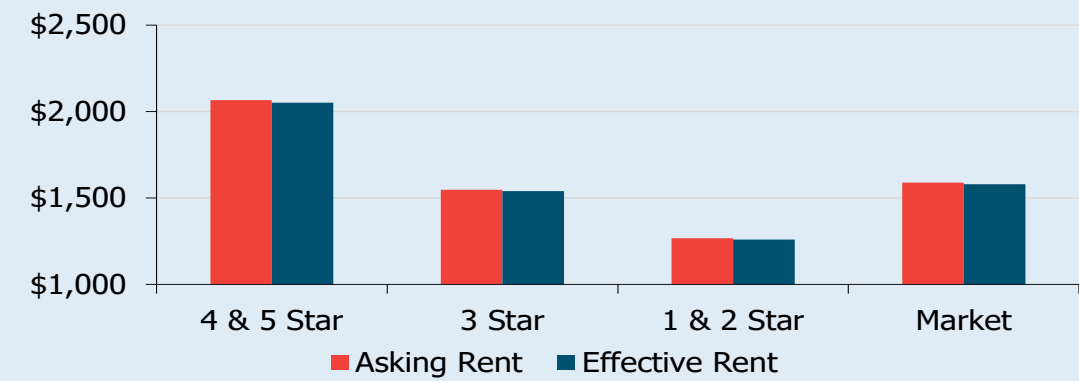
**2.4%**  
Historical Asking Rent Growth (YoY)

**1.7%**  
Forecast Average Asking Rent Growth (YoY)

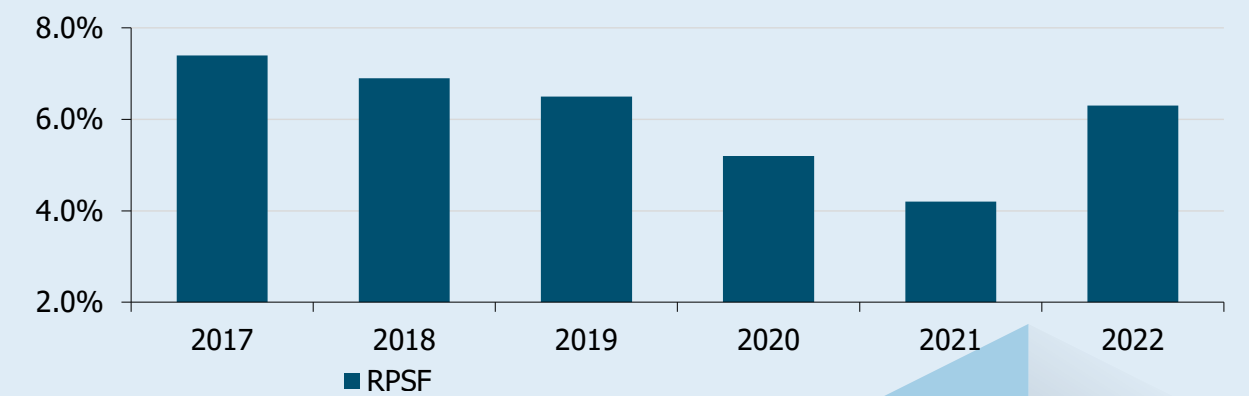
Average Rent / Vacancy



Asking Rent Comparison



Asking Rent / SF



Source: CoStar

# MULTIFAMILY CONSTRUCTION

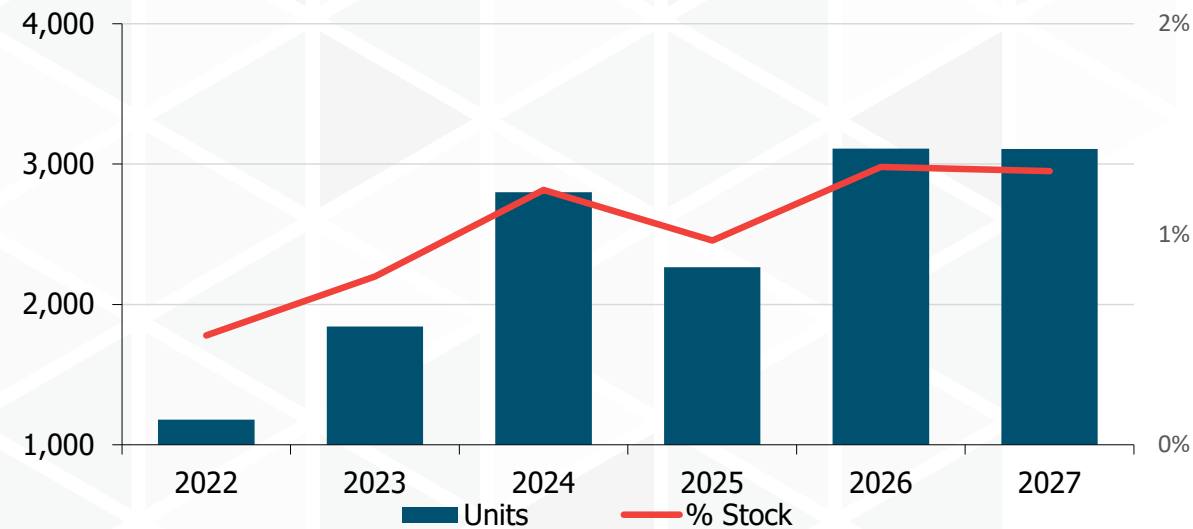
- After a 10-year low of deliveries in 2022, over 4,100 units are currently under construction and 2,000 units are projected to be completed in 2023.
- Construction remains concentrated in urban waterfront areas where a core of younger professionals with higher incomes reside.
- The submarkets of Canton, Downtown Baltimore, and Federal Hill comprise nearly 60% of all units currently under construction throughout the Baltimore metro area.
- Downtown Baltimore is undergoing a resurgence of activity with a number of office and hospitality to multifamily conversion projects currently under development.
- Downtown Baltimore is projected to have about 1,500 units under construction in 2023
- Howard County has been the leading suburban area for new multifamily development in recent years.



**1,843 New Units**

2023 Expected Completions  
2,800 New Units Will Follow in 2024

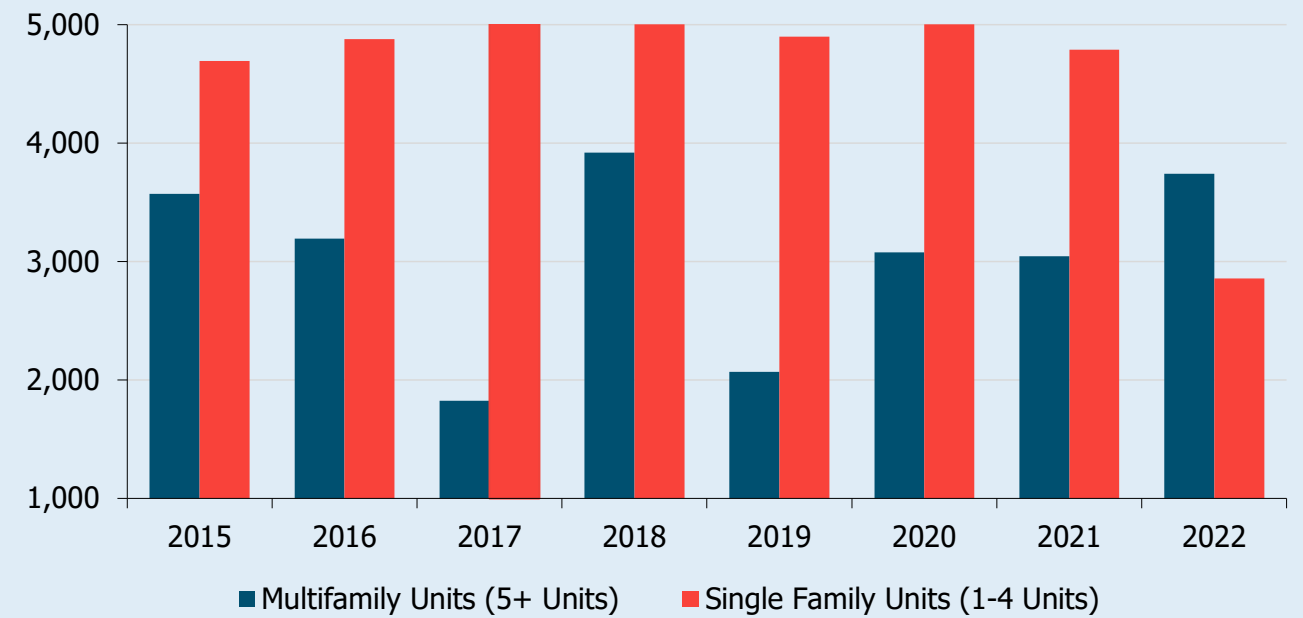
## Completions



Source: Yardi Matrix; CoStar

# PERMITS

## Total Residential Building Permits



Source: U.S. Census, Multifamily Includes Condos



**2,856**  
Single Family  
Permits 2022

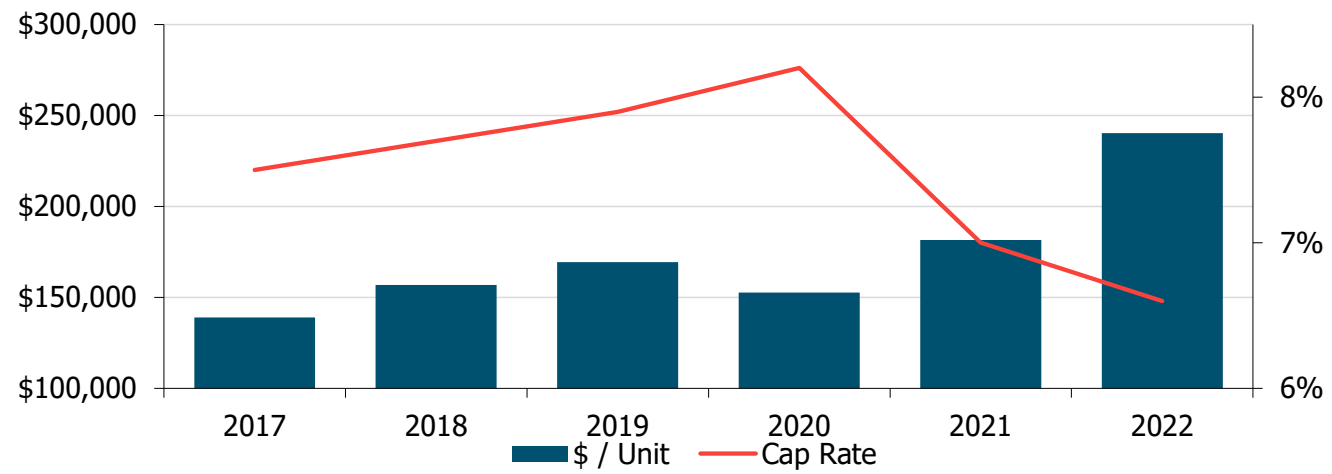
**3,740**  
Multifamily Permits  
(5+ Units; 2022)



**\$340K**  
Median Single  
Family Price 2022

# MULTIFAMILY SALES

Average Sales PPU / Cap Rate



Source: Real Capital Analytics, Based on Sales of \$2.5 Million and Greater

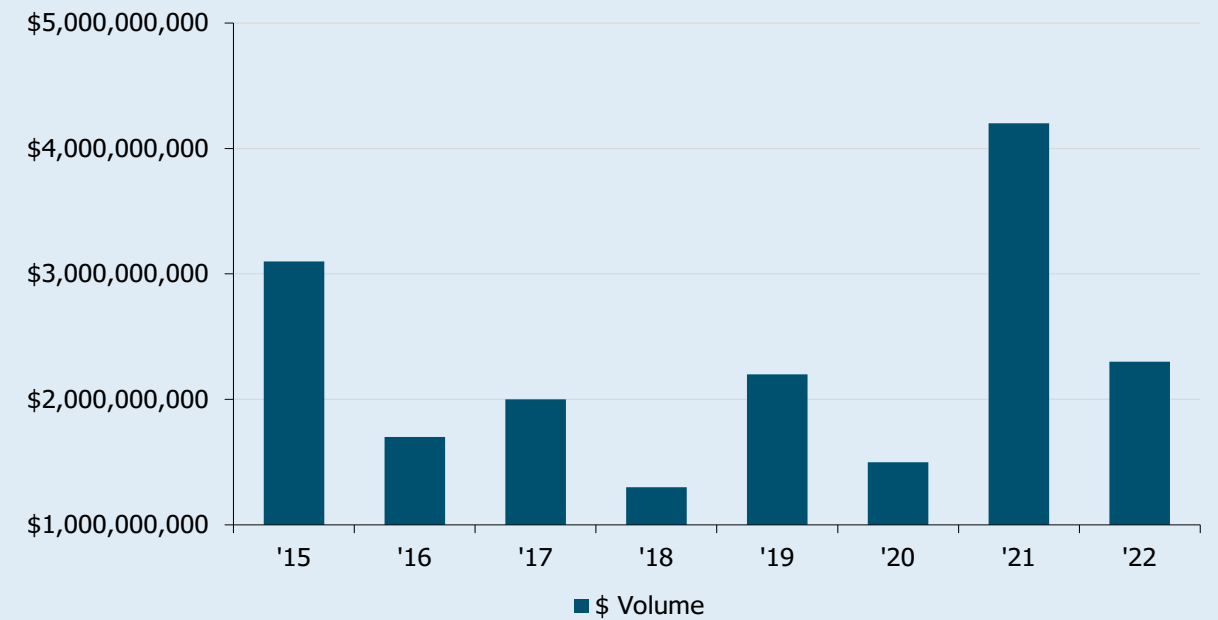


**\$2.1B**  
Sales Volume  
12 Months



**98.6%**  
Average Percentage  
Leased at Sale

Apartment Sales Transactions



Source: CoStar



**\$235.3K**  
Sold Price / Unit  
12 Month Average  
4.2% Change YoY



**5.1%**  
Avg. Cap Rate



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Sources: GREA Research; National Multifamily Housing Council; CoStar

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