



MARKET AT A GLANCE



OCCUPANCY RATE **94.4%**
Down **20 bps** since 3Q16



ASKING RENT **\$1,296**
Up **1.6%** since 3Q16



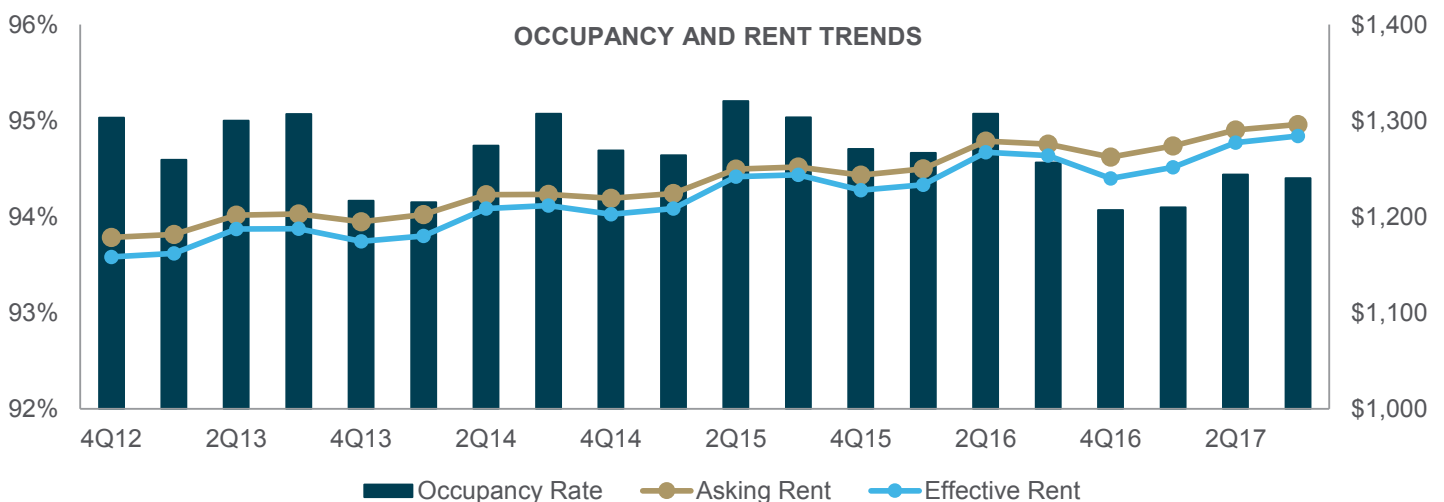
CONCESSIONS **0.9%**
Unchanged since 3Q16

OCCUPANCY AND RENT TRENDS

BRISK LEASING IN CENTRAL BALTIMORE CITY AMID HEIGHTENED DELIVERIES

Baltimore residents newly occupied 3,404 apartments in the last 12 months, up 28% from one year prior. Sturdy leasing activity however, was outmatched by a 49% year-over-year increase in completions, as developers brought 3,735 apartments online. Annual deliveries were concentrated in the submarkets of Central Baltimore City and Columbia/Howard County, with 1,144 units and 768 units, respectively. The rise in overall construction applied downward pressure on metrowide occupancy, which decreased 20 basis points year over year to 94.4%. During this same time, asking rents were on an upward trajectory, currently averaging \$1,296 per month at the end of third quarter. Rent growth was 1.6% year over year, advancing on the 1.9% appreciation one year prior.

Leasing activity was vigorous in the submarket of Central Baltimore City where demand outpaced new supply by 10% and accounted for more than one-third of total absorption in the last year. Heightened demand, supported a 40-basis-point rise in the submarket's annual occupancy rate which was 94.1% in September. Simultaneously, rent appreciated 2.0% to \$1,504 per month.



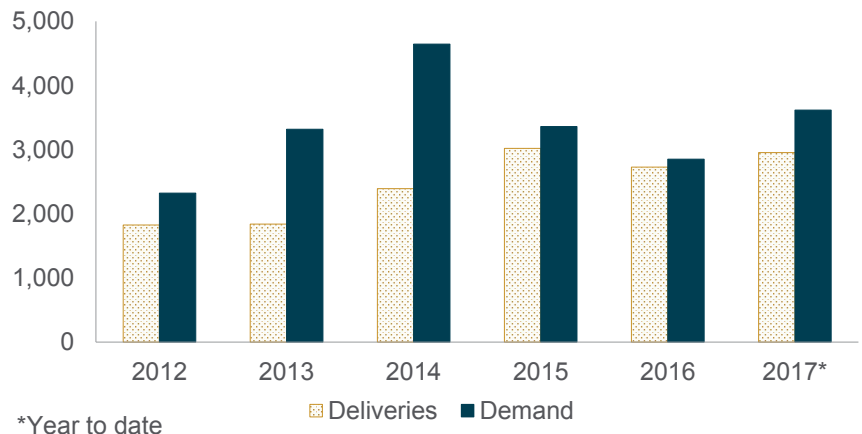
DELIVERIES AND DEMAND



DELIVERIES 2,954
Units YTD



NET ABSORPTION 3,617
Units YTD



ECONOMIC TRENDS

2016 **UNEMPLOYMENT*** 2017
4.3% **-20 BPS CHANGE** 4.1%

2016 **EMPLOYMENT*** 2017
1.40m **1.2% CHANGE** 1.42m

2016 **EXISTING SFH SALES**** 2017
40.3k **21.8% CHANGE** 49.1k

2016 **MEDIAN SFH PRICE**** 2017
\$251.5k **3.9% CHANGE** \$261.4k

2016 **10-YEAR TREASURY**** 2017
1.63% **60 BPS CHANGE** 2.20%

Baltimore metropolitan area total nonfarm employment increased by 17,100 jobs annually since August 2016. Hiring accelerated from the previous year when 13,900 positions were created. Home to Johns Hopkins University, the education and health services industry is the largest employment sector in the metro. Education and health services companies led hiring with 13,600 new employees for a 5.0% increase during the last 12 months. Businesses in the professional and business services industry contributed an additional 7,300 positions to the local economy, for a 3.1% increase. Conversely, employment contracted in four other sectors: financial activities by 2.5%; trade, transportation, and utilities by 2.4%; manufacturing by 1.7%; and information by 1.2% to shed 9,100 workers collectively. Despite setbacks in some sectors of the workforce, Baltimore's outlook remains strong. This summer, FedEx opened a new distribution facility in the Dundalk/Essex/Rosedale submarket, creating approximately 425 jobs. In 2018, Under Armour will open an e-commerce center expected to bring 1,000 jobs to Baltimore County when fully operational.

*August; **September



BALTIMORE

MULTIFAMILY REPORT

SUBMARKET BREAKDOWN

SUBMARKET NAME	OCCUPANCY		AVG RENT INCREASE		AVG RENT		NET ABSORPTION		DELIVERED UNITS	
	3Q16	3Q17	3Q16	3Q17	3Q16	3Q17	3Q17	ANNUAL	3Q17	ANNUAL
Annapolis/Crofton	95.8%	95.5%	1.5%	0.6%	\$1,647	\$1,656	39	162	0	212
Anne Arundel County	94.7%	94.9%	-0.4%	2.0%	\$1,574	\$1,605	-16	406	0	416
Carroll County	95.2%	96.3%	-0.6%	3.8%	\$1,162	\$1,206	-39	55	0	0
Central Baltimore City	93.7%	94.1%	-12.3%	2.0%	\$1,474	\$1,504	560	1,257	677	1,144
Columbia/Howard County	94.7%	94.2%	1.6%	1.5%	\$1,530	\$1,554	403	565	420	768
Dundalk/Essex/Rosedale	95.4%	95.1%	-1.8%	1.6%	\$985	\$1,001	59	-58	0	0
Glen Burnie/Harundale/Odenton	94.1%	94.3%	-3.6%	0.0%	\$1,419	\$1,419	142	493	155	482
Harford County	95.2%	95.5%	-0.6%	-0.9%	\$1,185	\$1,174	-62	305	0	268
Parkville/Carney/White Marsh	95.7%	95.1%	1.4%	0.5%	\$1,091	\$1,096	50	-107	0	0
Pikesville/Randallstown/Owings Mills	94.9%	94.8%	-0.3%	1.9%	\$1,218	\$1,241	-29	-30	0	0
Towson/Timonium/Hunt Valley	94.3%	94.0%	1.2%	1.5%	\$1,324	\$1,344	63	355	84	445
Woodlawn/Catonsville	94.4%	93.6%	2.2%	2.1%	\$1,060	\$1,082	0	0	0	0
TOTALS	94.6%	94.4%	1.9%	1.6%	\$1,276	\$1,296	1,171	3,404	1,336	3,735



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