



BALTIMORE CITY MULTIFAMILY

Market Report

Q4 2024



HARBOR STONE
ADVISORS

BALTIMORE CITY

MULTIFAMILY SUMMARY

The Baltimore City multifamily market remained active in 2024, navigating an environment shaped by steady rental demand and ongoing supply challenges. Despite economic headwinds, leasing activity continued at a healthy pace, supporting stable occupancy levels. While transaction volume was tempered by elevated interest rates, investor interest persisted, particularly in value-add and workforce housing segments.

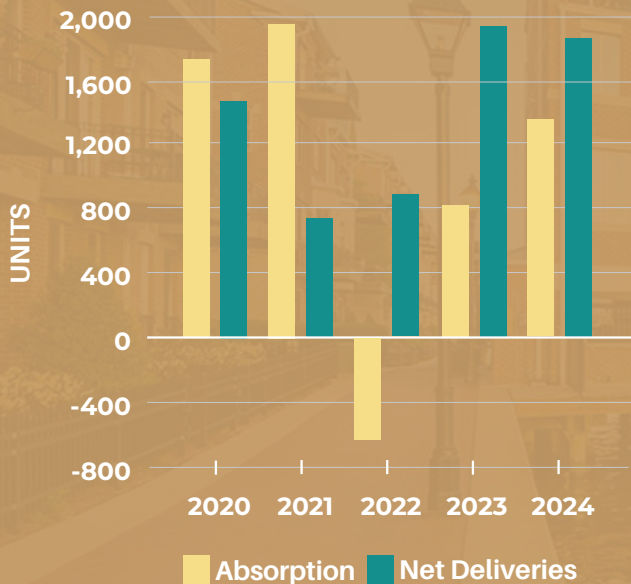
Vacancy rates held at 9.5% by year-end, as absorption largely kept pace with 1,850 new units delivered throughout the year. Rent growth remained positive, with asking rents increasing 2.8% year-over-year, reflecting improved pricing power for landlords. Development activity is beginning to moderate, with 1,650 units currently under construction, suggesting a more balanced supply pipeline in the coming years.

Looking ahead to 2025, the expected slowdown in new deliveries should ease competitive pressures on existing assets. Coupled with steady demand, this dynamic is likely to support continued rent growth appreciation and a stable investment outlook for the Baltimore City multifamily sector.

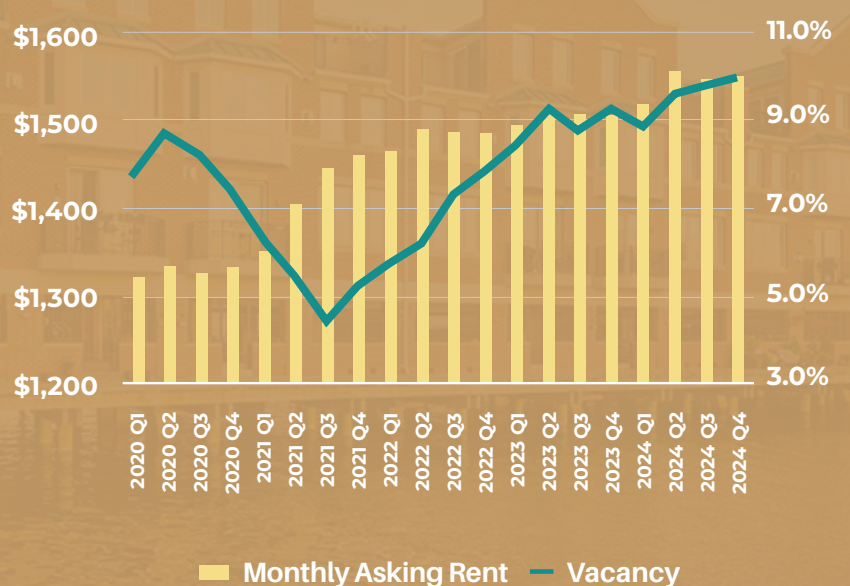
MARKET INDICATORS

Vacancy Rate	9.5%
Under Construction (Units)	1,649
Net Deliveries (Units)	1,848
Rent Growth (Annual)	2.8%

Surge in Supply Outpaces Rebounding Renter Demand



Asking Rents Climb During Leasing Season, Stabilize in Second Half



Source: CoStar

CONSTRUCTION PIPELINE

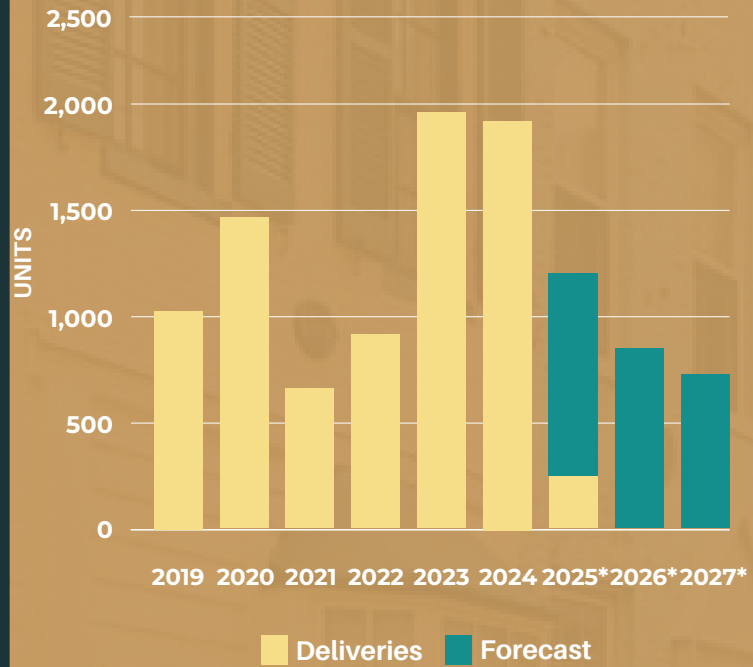
Baltimore City’s multifamily development pipeline has slowed significantly since its peak in early 2023. As of Q1 2025, 1,650 units are under construction, a sharp decline from previous highs. With fewer projects breaking ground, apartment deliveries in 2026 and 2027 are expected to decline, likely tightening the rental market as supply growth slows.

Development activity remains heavily concentrated in high-demand waterfront and urban core submarkets. Fells Point and Downtown have become key redevelopment targets, with a surge in office, retail, and hotel conversions into apartments. As demand for office space in Downtown Baltimore declines, many firms have relocated to Harbor East or downsized due to remote work, leading to adaptive reuse projects aimed at revitalizing the urban core. Notable conversions include 222 St. Paul Place, a former hotel being transformed into 300 workforce housing units, and 210 N. Charles St., a 231-unit conversion of the historic Fidelity & Deposit Building.

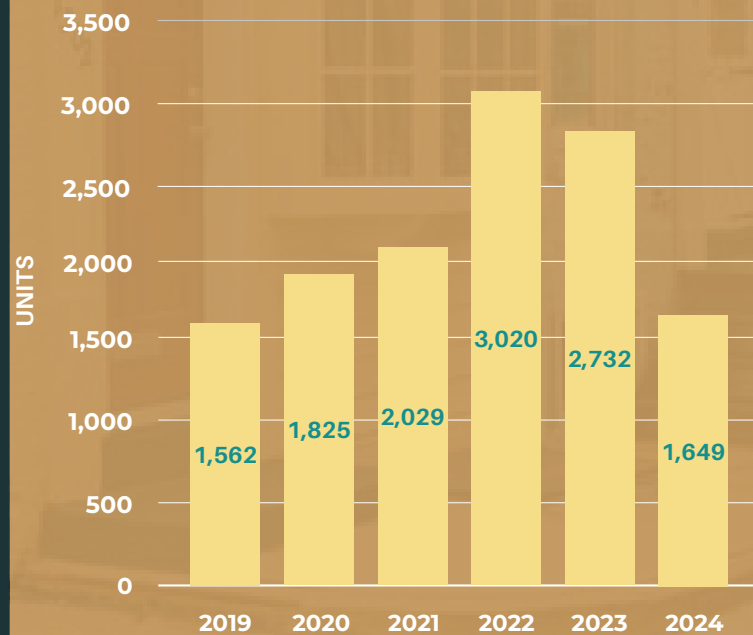
Meanwhile, Canton, Fells Point, Harbor East, and Federal Hill continue to lead new development, collectively delivering 2,300 units in the past two years, with 700 more underway. The Baltimore Peninsula has also emerged as a new rental hub, adding ROOST Baltimore (40 units), 250 Mission (162 units), and Rye House (254 units) alongside Under Armour’s global headquarters.

With limited new supply in Northern Baltimore City, where investors are targeting value-add garden-style and townhome communities, existing properties may benefit from reduced competition and continued rent growth as the construction pipeline slows.

Annual Multifamily Deliveries Poised for a Sharp Slowdown in Coming Yers



Total Units Under Construction Decline



Source: CoStar

BALTIMORE CITY

SUBMARKET STATISTICS

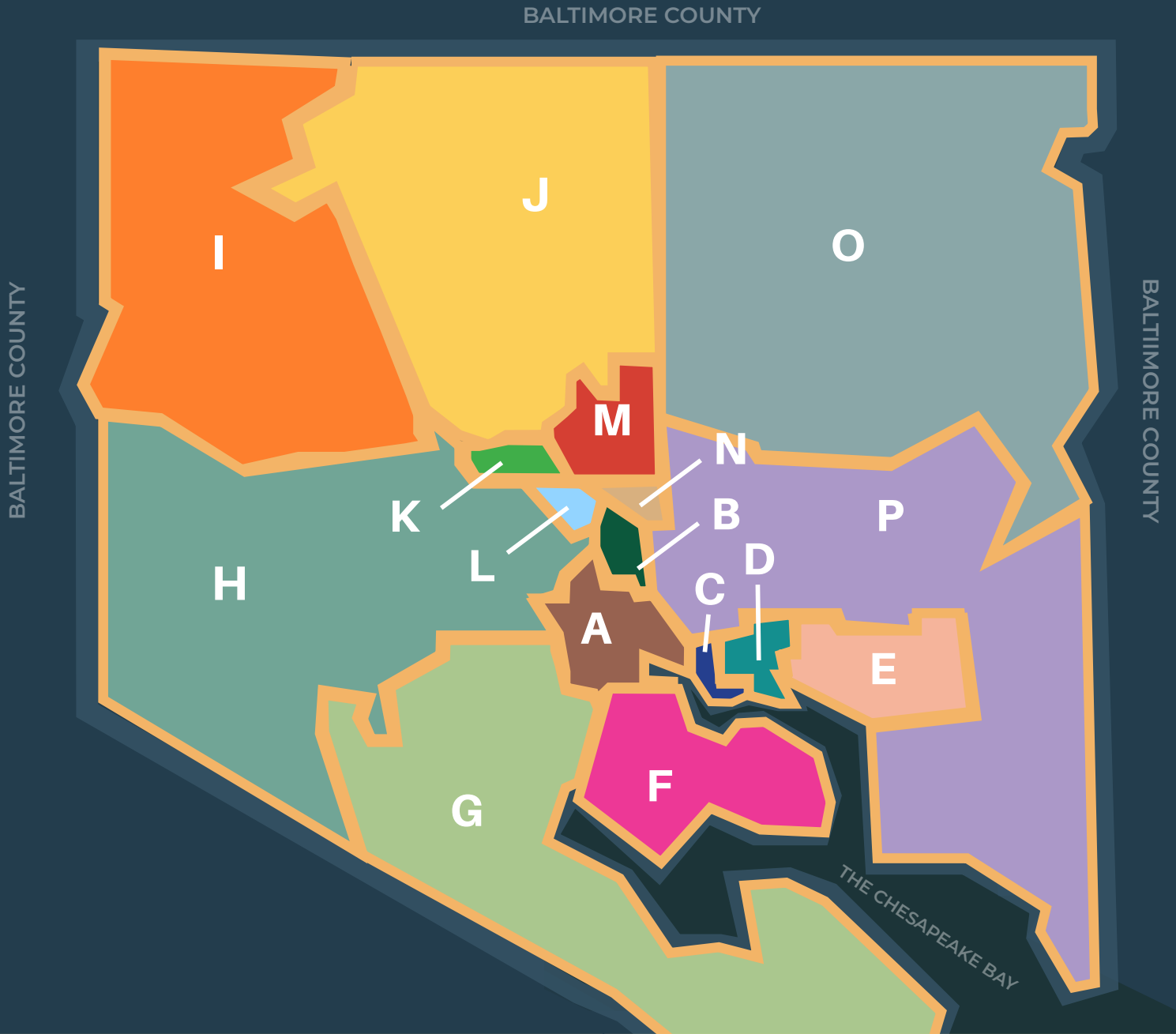
Submarket	Inventory	Avg Rent	Stabilized Vacancy	Units Sold (2024)	Deliveries (Since 2023)	Units U/C
Harbor East/ Little Italy	1,597	\$2,590	9.1%	0	352	206
Fells Point	2,930	\$2,370	16.2%	540	1,192	272
Federal Hill	3,210	\$2,258	7.9%	275	726	0
Canton	3,294	\$2,007	7.0%	29	719	0
North Baltimore City	5,194	\$1,764	5.8%	30	47	331
Downtown	9,000	\$1,613	10.8%	222	1,174	737
Station North	743	\$1,505	11.6%	7	0	0
East Baltimore City	2,863	\$1,497	6.0%	429	295	109
Mount Vernon	4,446	\$1,474	6.9%	309	0	0
Bolton Hill	772	\$1,466	7.8%	19	11	0
Charles Village/ Old Goucher/ Remington	1,655	\$1,339	6.0%	63	64	0
Northwest Baltimore City	8,262	\$1,296	7.1%	508	96	0
West Baltimore City	7,937	\$1,251	8.0%	915	0	0
Northeast Baltimore City	9,450	\$1,202	7.1%	912	42	0
Reservoir Hill	566	\$1,160	9.3%	0	0	419
South Baltimore City	1,986	\$1,116	6.6%	13	0	0

* Includes Market-Rate Properties (5 or More Units)

Source: CoStar, HSA Research



BALTIMORE CITY SUBMARKET SNAPSHOT



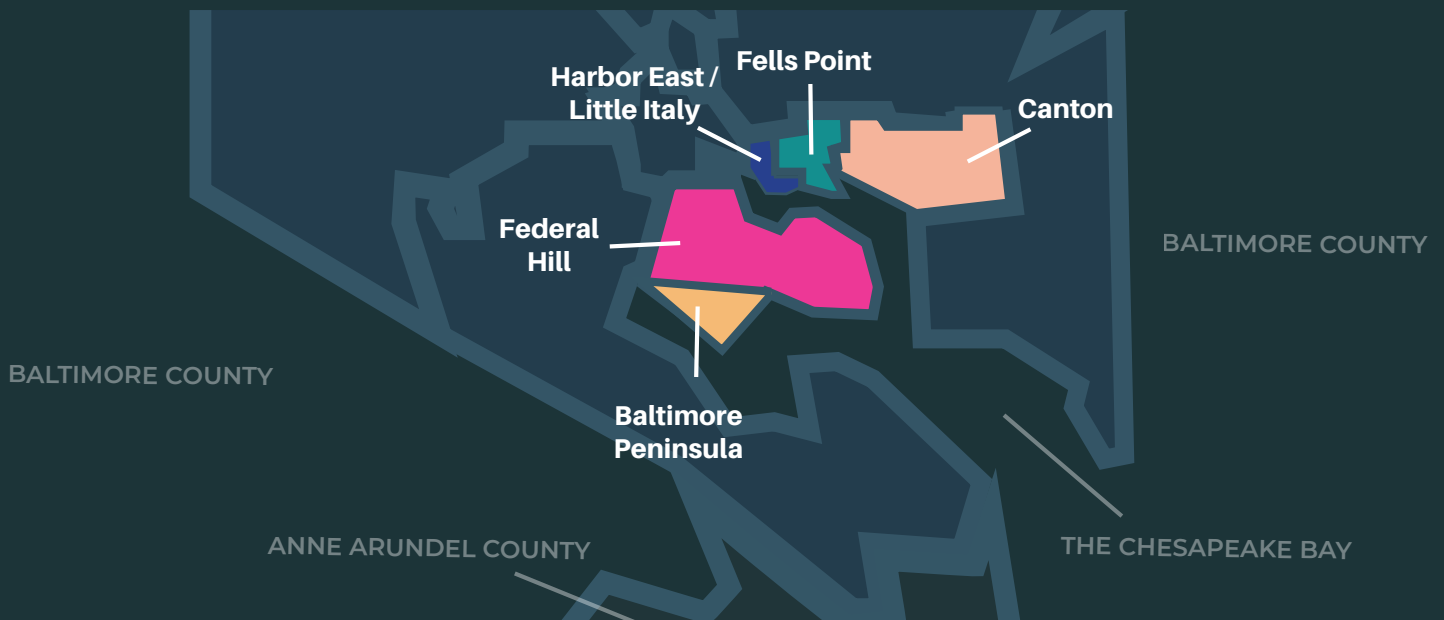
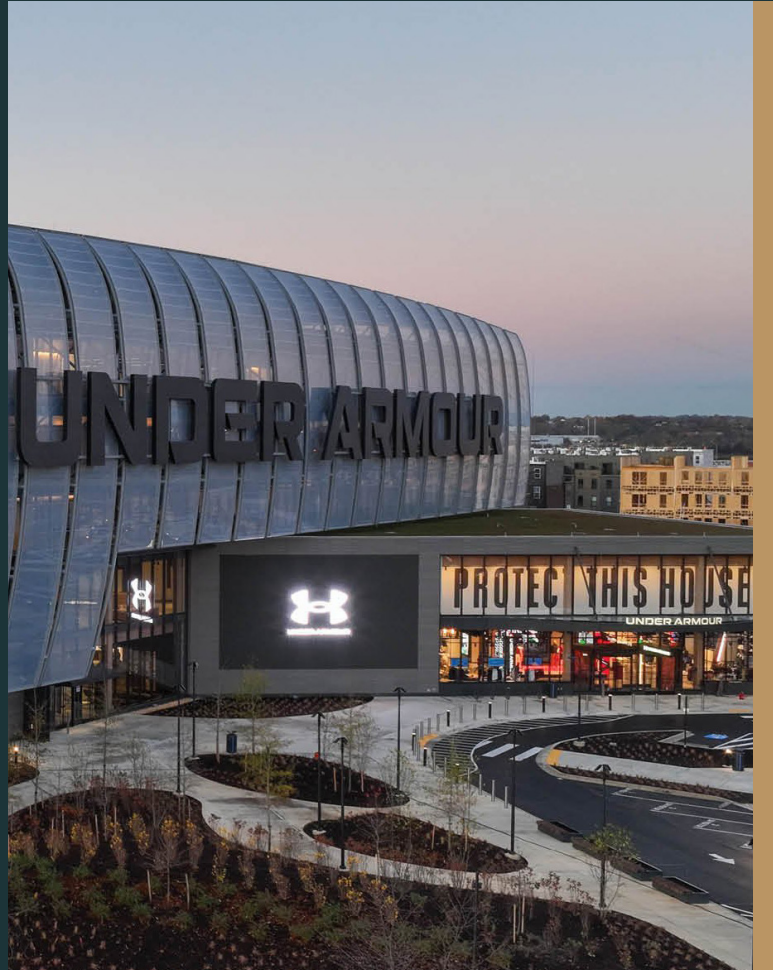
Key	Submarket	Key	Submarket
A	Downtown	I	Northwest Baltimore City
B	Mount Vernon	J	North Baltimore City
C	Harbor East / Little Italy	K	Reservoir Hill
D	Fells Point	L	Bolton Hill
E	Canton	M	Charles Village / Old Goucher / Remington
F	Federal Hill	N	Station North
G	South Baltimore City	O	Northeast Baltimore City
H	West Baltimore City	P	East Baltimore City

NEIGHBORHOOD SPOTLIGHT

WATERFRONT NEIGHBORHOODS

(Harbor East / Little Italy, Fells Point, Canton, Federal Hill, & Baltimore Peninsula)

- Baltimore’s waterfront neighborhoods remain highly sought after, attracting young professionals, empty nesters, and high-income renters. However, a surge in new supply has led to rising vacancy rates.
- Ongoing firm relocations are driving population growth. T. Rowe Price has signed a 15-year lease for a 550,000 SF headquarters at Harbor Point, adding to its Baltimore-area workforce of 5,200, including its Owings Mills location. Stifel Financial Corp also signed a 35,000 SF lease at Wills Wharf.
- Harbor East and Canton continue to be key business hubs, with major firms such as Gordon Feinblatt, Hogan Lovells, Saul Ewing, and DLA Piper relocating. Greenberg Gibbons also moved its headquarters to Canton’s 40Ten building.
- New supply pressures remain a challenge. Fells Point has delivered 1,200 new units, Canton has added 700+ units since 2023 while maintaining stronger occupancy, and Federal Hill’s limited development is positioning it for future rent growth.



NEIGHBORHOOD SPOTLIGHT

NORTHERN BALTIMORE CITY

(North Baltimore City, Northwest Baltimore City, & Northeast Baltimore City)

- Northern Baltimore City provides a mix of workforce and market-rate housing, offering relatively stable occupancy rates and investor activity. Unlike the waterfront and downtown areas, these submarkets have not seen significant new development, maintaining a balanced supply-demand dynamic.
- Strong employment anchors supporting demand. Higher education institutions such as Johns Hopkins University, Morgan State University, and Loyola University create a steady renter base of students, faculty, and staff. Additionally, healthcare employment from MedStar Health and Sinai Hospital drives housing demand in nearby submarkets.
- One of the lowest vacancy rates in the city. With only 185 units delivered since 2023, Northern Baltimore City has maintained stable occupancy and rent growth.
- New development remains limited, with one major project underway. Sanctuary at Cross Keys, a 331-unit luxury apartment building, is set to break ground at The Village of Cross Keys, bringing new supply to this historically stable submarket.



NEIGHBORHOOD SPOTLIGHT

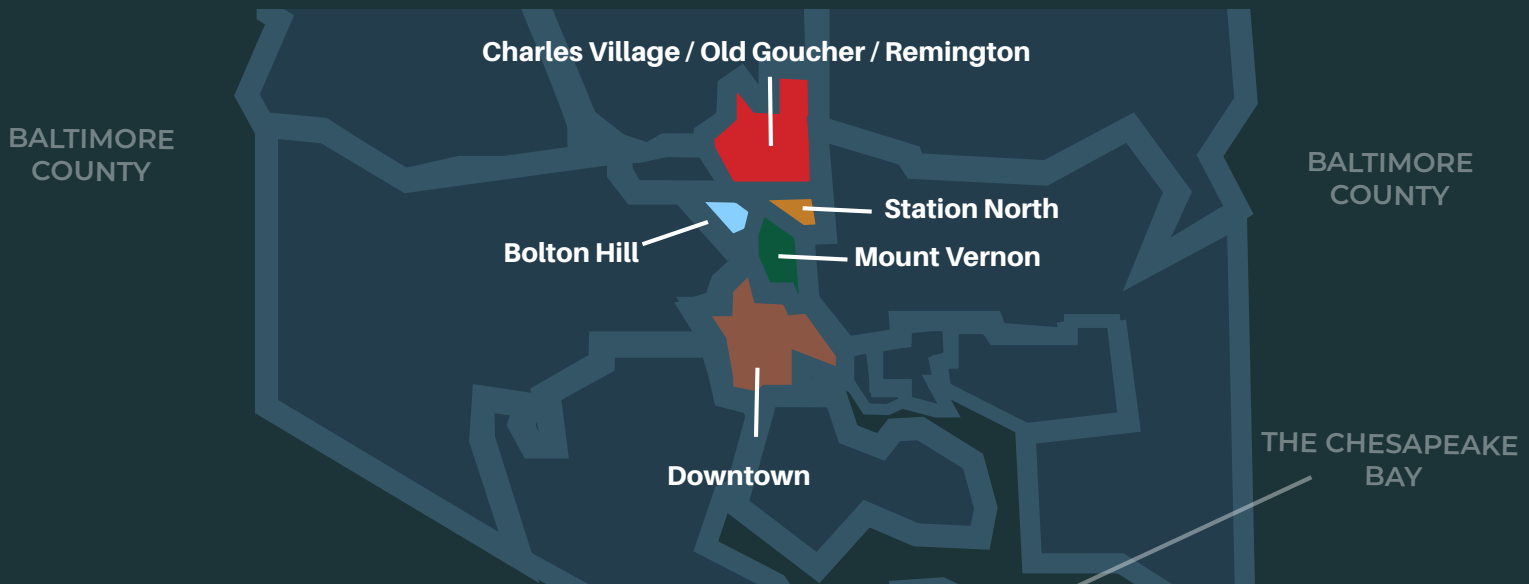
URBAN CORE

(Downtown, Mount Vernon, Bolton Hill, Station North, & Charles Village / Old Goucher / Remington)

- Baltimore’s central neighborhoods offer a blend of historic and modern multifamily housing, attracting a diverse renter base. While demand remains strong, some submarkets continue to face high vacancy rates due to new supply.
- Ongoing redevelopment is impacting the Downtown rental market. Baltimore’s largest multifamily submarket has 9,000 units, with 1,174 new units delivered since 2023 and over 700 additional units under construction.
- Mount Vernon, Bolton Hill, and Station North remain resilient, with low vacancies and over 300 units sold in 2024. These neighborhoods continue to attract professionals and students, supported by historic charm and cultural investment.
- Charles Village, Old Goucher, and Remington benefit from steady leasing demand, driven by proximity to Johns Hopkins University. With a 6.0% vacancy rate and \$1,339 average rents, the market remains stable with limited new supply.



**Arctaris Impact Investors is converting 222 St. Paul Place into 310 workforce housing units by 2026.*



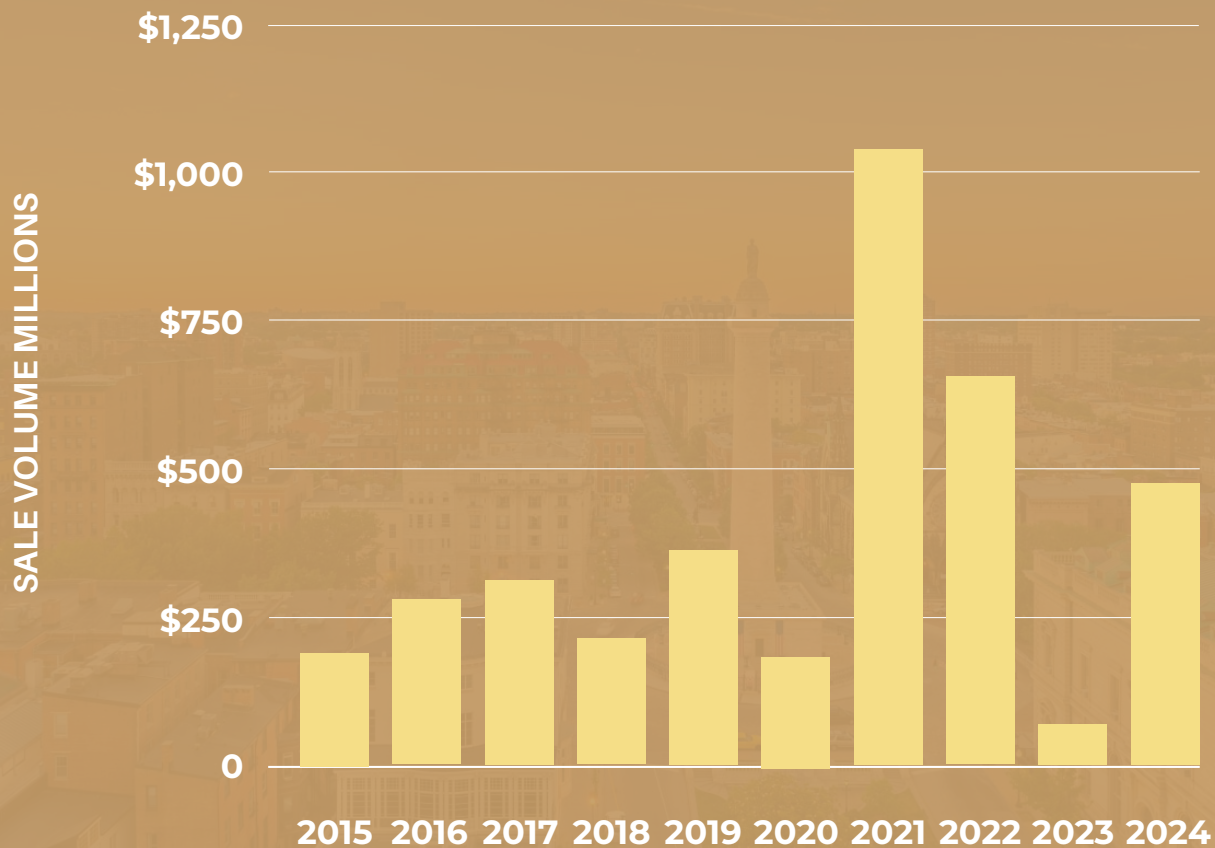
BALTIMORE CITY'S MULTIFAMILY MARKET SEES RESURGENCE IN 2024

Multifamily sales in Baltimore City have rebounded in 2024, marking the third-highest transaction volume in the past decade. Total disclosed transactions have surpassed \$460 million, reflecting renewed investor confidence as rent growth stabilizes and vacancy rates level off.

This resurgence follows a period of historically low investment activity. In 2021 and early 2022, record-low interest rates fueled aggressive bidding and robust transaction volumes. However, as borrowing costs climbed sharply in late 2022, the market experienced a dramatic slowdown. By 2023, multifamily sales had fallen to their lowest level in over a decade as many owners grappled with declining valuations and financing challenges.

While interest rates will likely remain higher for longer, investors have adjusted to the elevated financing environment. The Federal Reserve is not expected to cut rates at the start of 2025, and inflationary pressures from expansionary policies, such as tax cuts and tariffs, could further delay rate relief. Despite these headwinds, Baltimore's multifamily market remains resilient, benefiting from sustained rental demand, slowing new construction, and affordability relative to other Mid-Atlantic metros.

Sale Volume Increases Sharply

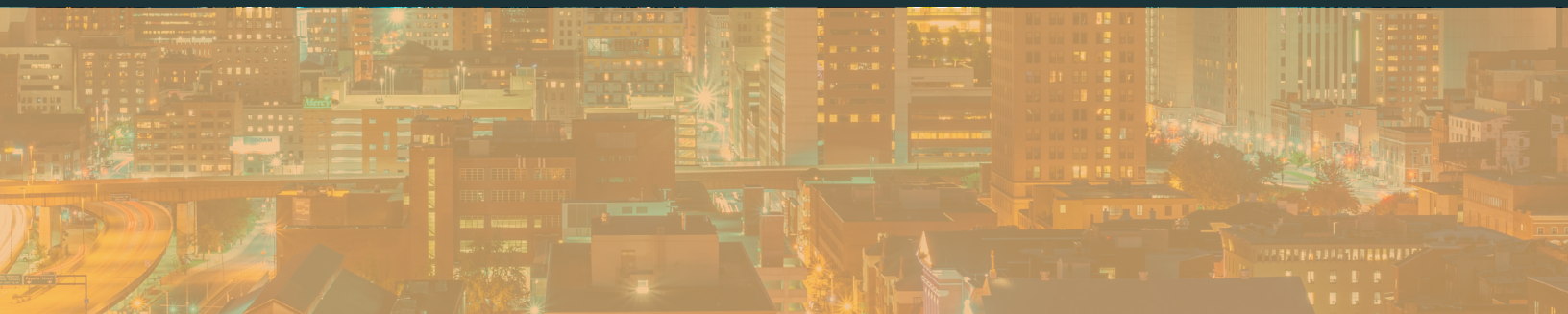


Source: CoStar, HSA Research

NOTABLE SALE TRANSACTIONS

Property Name	Address	Submarket	# of Units	Sale Date	Sale Price	Price/Unit
The Renaissance Club	1712 Waverly Way	Northeast Baltimore City	515	May 2024	\$51,750,000	\$100,485
Arrive Union Wharf	915 S Wolfe St	Fells Point	281	Aug 2024	\$79,000,000	\$281,139
Alta Federal Hill	1800 S Hanover St	Federal Hill	275	Jan 2024	\$68,500,000	\$249,091
The Crescent At Fells Point	951 Fell St	Fells Point	252	Oct 2024	Not Disclosed	-
Park Raven Apartments	5801-5811 Hillen Rd	Northeast Baltimore City	253	May 2024	\$20,200,000	\$79,842
Mount Vernon Portfolio*	Multiple Addresses in Mt Vernon	Mount Vernon	240	Feb 2024	Not Disclosed	-
Pangea Oaks*	2908-2912 Garrison Blvd	Northwest Baltimore City	139	Dec 2024	Not Disclosed	-
Pangea Pines*	6502 McClean Blvd	Northeast Baltimore City	124	Dec 2024	Not Disclosed	-
Canterbury House Apartments	6807 Park Heights Ave	Northwest Baltimore City	52	Jan 2024	\$5,200,000	\$100,000
Northwest Baltimore Portfolio*	Multiple Addresses in NW Baltimore	Northwest Baltimore City	99	May 2024	Not Disclosed	-
Canterbury House Apartments	6807 Park Heights Ave	Northwest Baltimore City	52	Jan 2024	\$5,200,000	\$100,000
London House Apartments*	6101 Park Heights Ave	Northwest Baltimore City	37	Oct 2024	Not Disclosed	-
Hampshire House*	6001 Park Heights Ave	Northwest Baltimore City	28	Oct 2024	Not Disclosed	-

* HSA Transaction



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