

BALTIMORE CITY MULTIFAMILY

Q1 2025 MARKET REPORT



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ADVISORS

BALTIMORE CITY MULTIFAMILY SUMMARY

Baltimore's multifamily market entered 2025 with cautious optimism after a period of historic construction activity. The city delivered nearly 4,000 new apartment units between 2023 and 2024, one of the largest supply waves in more than two decades. Despite this, Baltimore has avoided the rent stagnation seen in other high-supply markets. Asking rents rose nearly 3% year-over-year in Q1, placing the city among the top performers nationally for rent growth, according to CoStar.

MARKET INDICATORS - 2025 Q1

- **Stabilized Vacancy Rate: 7.9%**
- **Under Construction (Units): 2,576**
- **Net Deliveries (Units): 312**
- **Rent Growth (Annual): 2.6%**

Occupancy rates have trended downwards to start the year as the gradual lease-up of new inventory is expected to continue through 2025. Renter demand momentum has continued, aided by population growth and a challenging for-sale market. Absorption has outpaced new deliveries in 2025, resulting in a decrease of more than 30 basis points in vacancy rates. Landlords are likely to see increased pricing power as occupancies rise, especially given the limited construction pipeline ahead.

The Baltimore City multifamily investment market remained steady in the first quarter of 2025, with approximately \$45 million in recorded transaction volume. This represents the third strongest quarterly performance in the past two years, demonstrating resilience in the face of macroeconomic uncertainty. However, volume still trails the city's long-term historical norms, reflecting a cautious investment climate and tighter underwriting conditions. The 10-year Treasury yield held relatively stable through Q1, providing some predictability for financing and valuation. The Federal Reserve has maintained its higher-for-longer interest rate stance, contributing to a sustained period of elevated borrowing costs.

KEY MULTIFAMILY TAKEAWAYS BALTIMORE CITY Q1 2025

Renter demand remains strong.

In Q1 2025, Baltimore City experienced continued leasing momentum, with vacancy declining by 30 basis points. This marks the first quarterly drop in vacancy since 2021, indicating that the market is effectively absorbing the recent surge in new supply. Leasing activity has been steady across workforce and professionally managed assets, particularly in centrally located and transit-oriented neighborhoods.

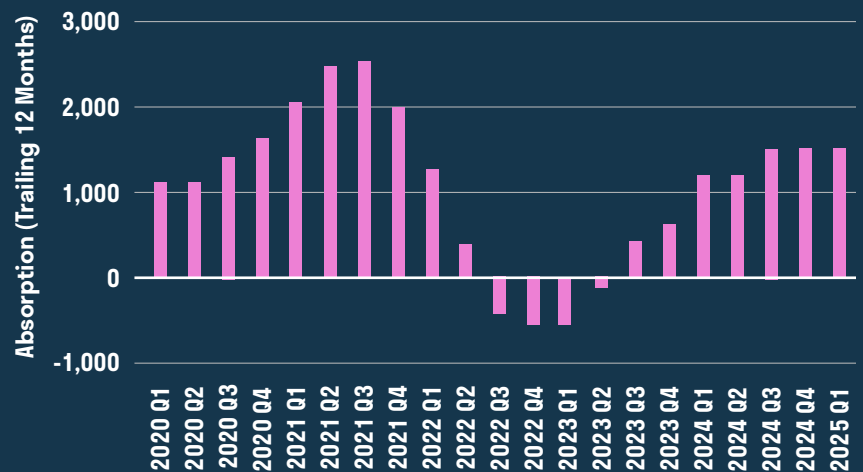
New supply is slowing.

After delivering nearly 4,000 units between 2023 and 2024, Baltimore's development pipeline has contracted. Just over 300 units were delivered in the first quarter of 2025, and it has one of the smallest pipelines the city has seen in years. With developers pulling back due to rising costs and tighter financing conditions, supply-side pressure is expected to ease through the remainder of the year.

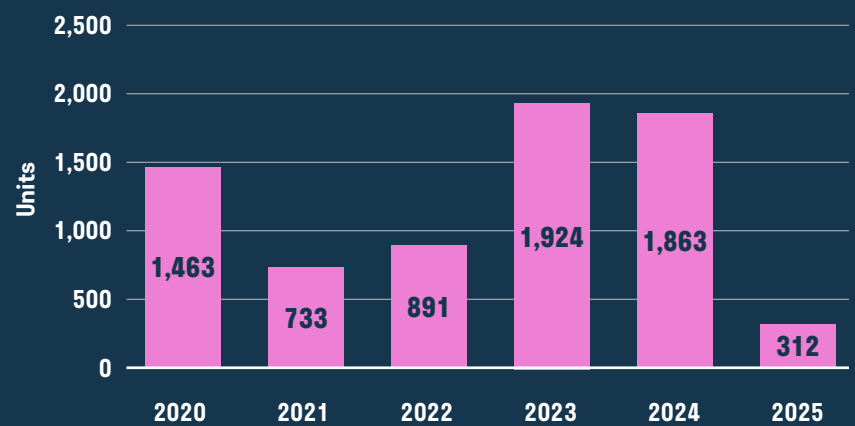
Rents continue to climb.

Asking rents rose to over \$1,585 in Q1 2025, up 2.6% year-over-year. This steady pace of growth reflects strong fundamentals and minimal use of concessions, especially in stabilized properties. With vacancies trending downwards, if demand continues to hold and new deliveries remain muted, further rent growth is expected in the back half of 2025.

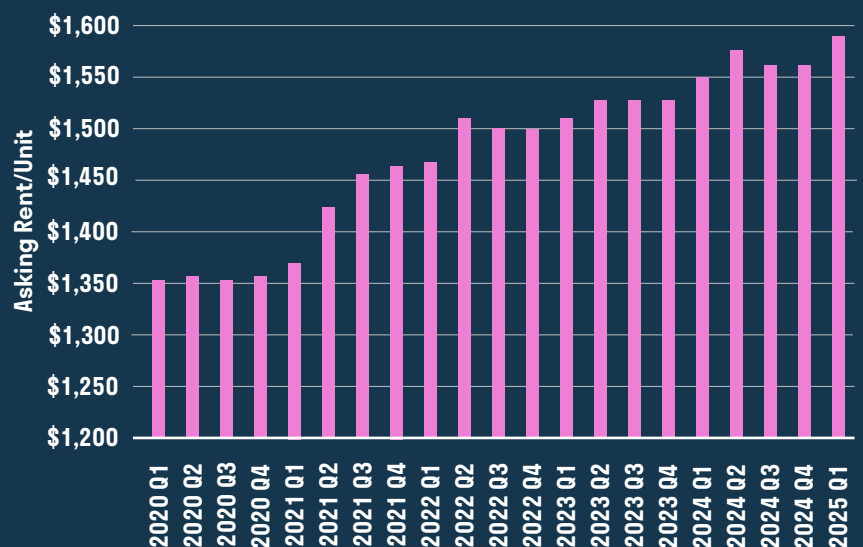
RENTAL DEMAND MOMENTUM PERSISTS INTO 2025 Q1



MULTIFAMILY DELIVERIES SLOW IN 2025 Q1



ASKING RENTS GROW BY 2.6% ANNUALLY



Source: CoStar, Q1 2025

RECENTLY COMPLETED & UNDER CONSTRUCTION PROJECTS


Allied Harbor Point
1402 Point St.

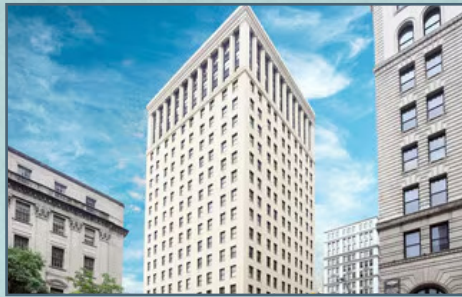
Submarket: Harbor East
 Units: 312
 Status: Delivered 2025


Sanctuary at Cross Keys
6 Hamill Rd.

Submarket: North Baltimore City
 Units: 331
 Status: Under Construction


Reservoir Square
738 W North Ave.

Submarket: Reservoir Hill
 Units: 320
 Status: Under Construction


222 Saint Paul Place
222 St. Paul Pl.

Submarket: Downtown
 Units: 303
 Status: Under Construction


210 North Charles Street
210 N Charles St.

Submarket: Downtown
 Units: 231
 Status: Under Construction


Hammond at Greenmount Park
1100 Greenmount Ave.

Submarket: Downtown
 Units: 109
 Status: Under Construction

2025 Q1 SALE TRANSACTIONS

Property Name	Submarket	# of Units	Sale Date	Sale Price	Price/Unit
The Sail Cloth Factory* <i>121 S Fremont Ave.</i>	Downtown	107	February 2025	\$16,000,000	\$149,533
The Jordan <i>303 McMechen St.</i>	Bolton Hill	63	February 2025	\$12,525,000	\$198,810
2620 E Northern Pkwy <i>2620 E Northern Pkwy.</i>	NE Baltimore City	15	March 2025	\$1,430,000	\$95,333
The Clarksvew* <i>3701 Clarks Ln.</i>	NW Baltimore City	34	January 2025	Not Disclosed	-
Chase Street Apartments* <i>Baltimore, MD</i>	Mount Vernon	24	March 2025	Not Disclosed	-
North Commons* <i>1801-1812, 1816 Saint Paul St.</i>	Station North	16	February 2025	Not Disclosed	-
Madison Lofts* <i>712 Saint Paul St.</i>	Mount Vernon	10	February 2025	Not Disclosed	-

* Denotes HSA Transaction

**Denotes Auction Sale



Pictured: The Sail Cloth Factory*
SOLD: February 2025



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