



HARBOR STONE
A D V I S O R S



2025 Q3

**BALTIMORE CITY
MULTIFAMILY
MARKET REPORT**

BALTIMORE CITY MULTIFAMILY SUMMARY

Baltimore's multifamily market continued to demonstrate strong fundamentals through the third quarter of 2025, supported by steady renter demand and a lack of new supply. Absorption once again outpaced deliveries, and with no new projects completed since the first quarter, vacancies have fallen 150 basis points since the start of the year. The market entered this supply slowdown earlier than many metros, particularly in the Sun Belt, where elevated construction levels have driven rising vacancies and declining rents. In contrast, Baltimore's restrained development pipeline has created a more balanced environment, helping sustain stable rents and increasing occupancy rates.

Rent growth remained moderate, posting a 1.4% year-over-year increase through the third quarter, though higher than the national average of roughly 0.5%. Landlords continue to prioritize retention and occupancy over aggressive pricing strategies, a trend that has defined much of 2025. With construction activity running well below long-term averages, rents are expected to remain steady through the remainder of the year, showing no signs of meaningful downward pressure as the market enters 2026.

On the capital markets front, the Federal Reserve cut interest rates again at its second straight meeting, marking a clear shift toward easing monetary policy after nearly a year of stability. The benchmark rate now stands at 3.75%–4.00%, and the Fed has announced plans to end its balance sheet run-off in December. While borrowing costs remain elevated by historical standards, these moves have already begun to improve sentiment across the lending landscape. Regional banks in Maryland have started to loosen credit standards and re-enter the market, while sellers have grown more flexible, often offering short-term owner financing or structured terms in anticipation of further rate reductions in 2026.

Private investors remain the primary drivers of transaction activity, as institutional capital continues to take a cautious stance. Early signs point to a return of liquidity to the sector as confidence builds and investors position themselves ahead of a potentially more favorable rate environment in the year ahead.

MARKET INDICATORS - 2025 Q3

- **Stabilized Vacancy Rate:** 8.0%
- **Under Construction (Units):** 2,015
- **Net Deliveries* (Units):** 312
- **Rent Growth (YOY):** 1.4%

Source: CoStar, HSA Research

*End of 25Q3

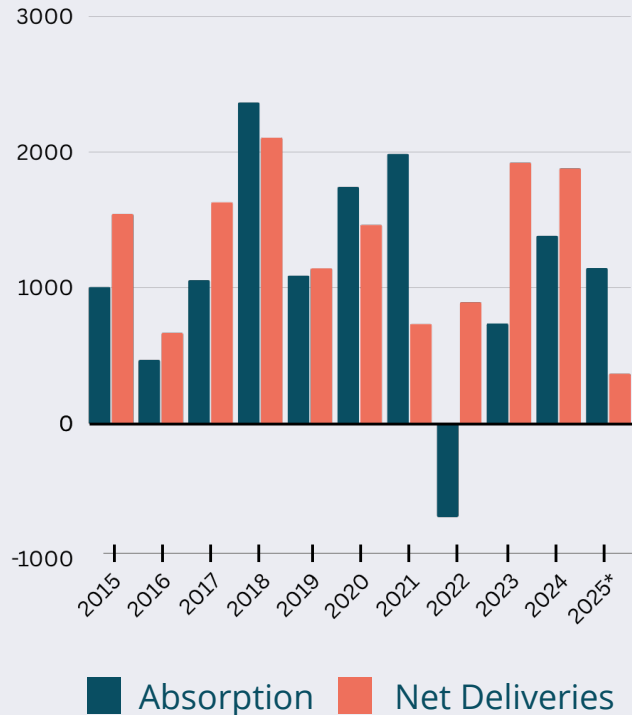
MULTIFAMILY SUPPLY SLOWDOWN ALLOWS VACANCY COMPRESSION

In Q3 2025, Baltimore City continued to experience leasing momentum after a strong first half of the year, and overall vacancy declined by 150 basis points since the start of the year. Job growth has remained marginally positive despite the national slowdown, reinforcing steady demand for apartments.

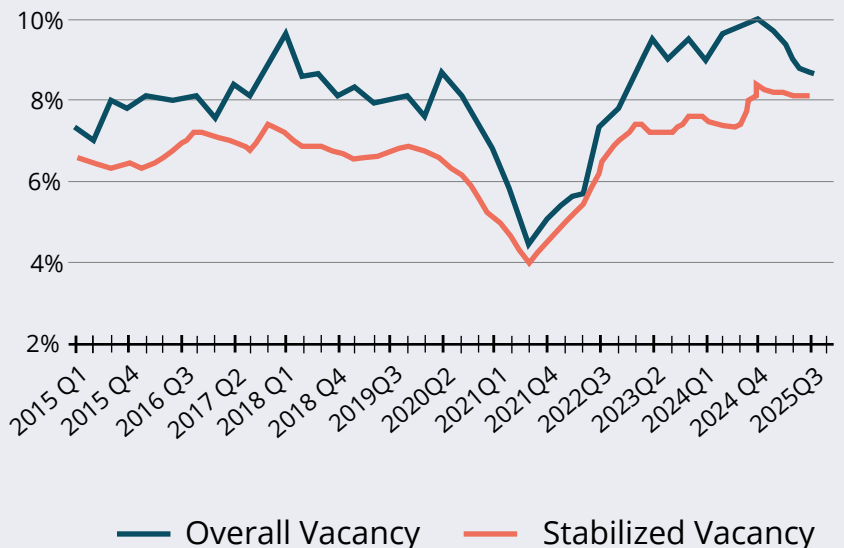
Just over 300 units were delivered in the first three quarters of 2025, and the city is likely to see the lowest total annual deliveries in decades. With developers pulling back, supply-side pressure is expected to remain minimal through the remainder of the year and into 2026.

With demand outpacing new deliveries, overall vacancy continues to decline. The supply slowdown this year has allowed the city to work through the nearly 4,000 new units delivered over the past two years, much of which is Class A inventory in Federal Hill, Canton, and Fells Point. The majority of these luxury properties are offering some form of concession, such as 6-8 weeks free.

MULTIFAMILY DELIVERIES SET TO HIT HISTORIC LOWS AS DEMAND PERSISTS



SPREAD BETWEEN OVERALL & STABILIZED VACANCY NARROWS IN 2025



Source: CoStar
*As of 25Q3

SUBMARKET STATISTICS

BALTIMORE CITY

Submarket	Inventory	Avg. Rent	Vacancy*	Units Sold (2025)	Deliveries (12 Months)	Under Construction (Units)
Harbor East/ Little Italy	1,597	\$2,566	11.5%	0	312	0
Fells Point	2,939	\$2,308	11.4%	18	0	0
Federal Hill	3,227	\$2,230	8.5%	351	0	420
Canton	2,500	\$2,156	5.7%	78	0	418
North Baltimore City	5,084	\$1,806	6.9%	64	0	350
Downtown	9,238	\$1,655	10.8%	151	0	700
Station North	737	\$1,611	12.3%	16	0	6
East Baltimore City	3,258	\$1,550	7.9%	22	0	109
Bolton Hill	770	\$1,524	8.6%	79	0	0
Mount Vernon	4,694	\$1,473	6.8%	312	0	0
Charles Village/ Old Goucher/ Remington	1,629	\$1,434	6.1%	47	0	0
Northwest Baltimore City	8,189	\$1,337	7.8%	545	0	0
West Baltimore City	7,811	\$1,253	7.9%	81	0	0
Northeast Baltimore City	9,472	\$1,191	10.1%	69	0	0
Reservoir Hill	577	\$1,172	9.7%	0	0	0
South Baltimore City	1,945	\$1,160	9.3%	33	0	0

Source: CoStar, HSA Research
*End of 2025Q3

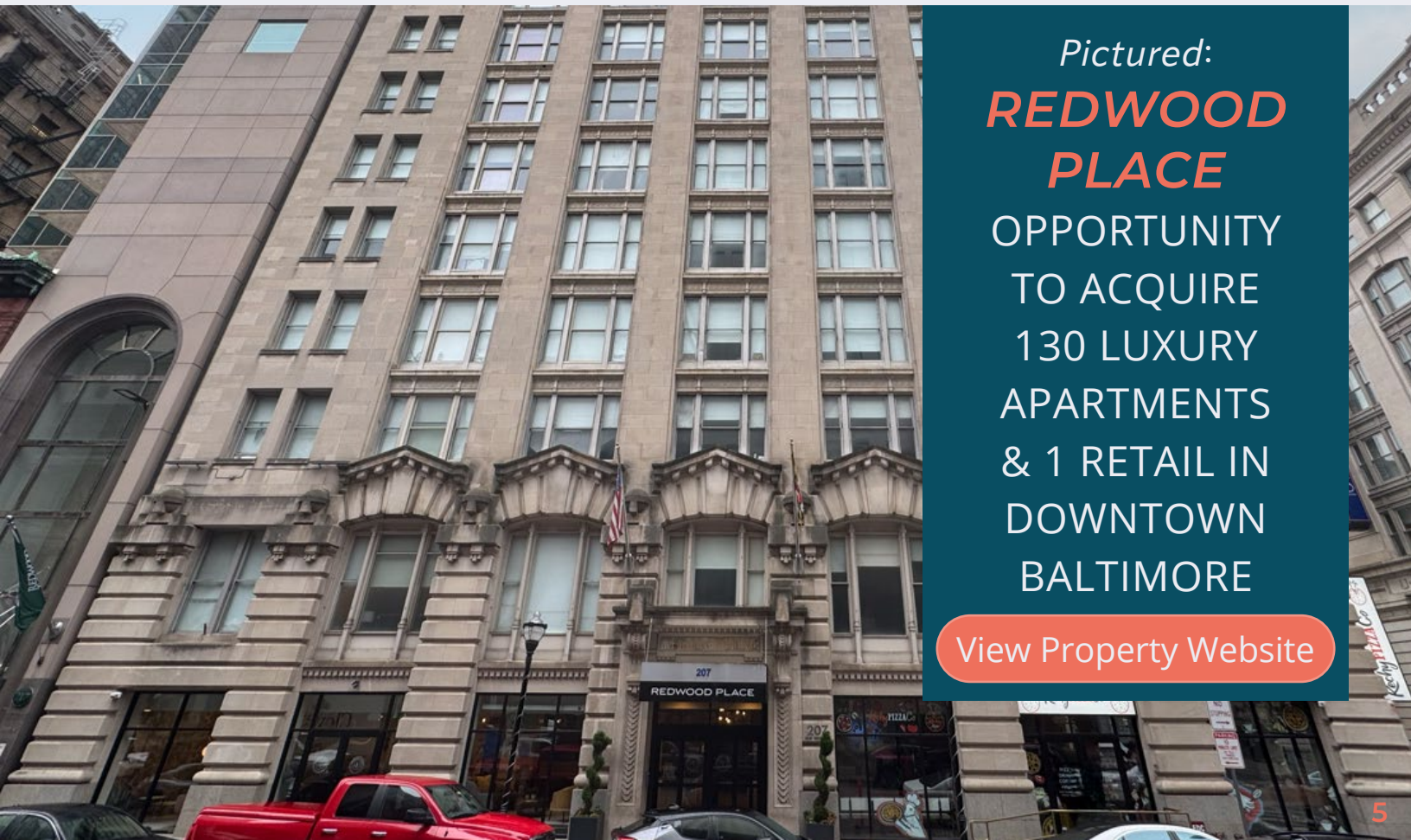
SUBMARKET HIGHLIGHT

DOWNTOWN

Downtown Baltimore's fundamentals have improved significantly in 2025, with vacancies declining by more than 200 basis points since the start of the year. No new units have been delivered this year, following the completion of roughly 1,000 units across 2023 and 2024. Leasing activity has strengthened, supported by consistent demand from the city's healthcare, education, and government employment base.

While Downtown Baltimore has seen continued development, its inventory expansion, at roughly 10% since 2023, remains modest compared to its waterfront counterparts. Fells Point and Canton have recorded inventory growth of 57% and 27%, respectively, during this time. Today, approximately 700 units remain under construction in the urban core (7.6% of total inventory), led by major projects at 222 St. Paul Place and 210 N. Charles Street.

Hotel-to-apartment conversions continue to shape Downtown's revitalization, with several former hospitality assets repositioned as multifamily housing. For example, Redwood Place has undergone two significant transformations in less than a decade. Originally constructed as an office building, it was converted into a modern hotel in 2015. In 2024, the current owners executed an extensive renovation, converting the hotel into contemporary apartments while preserving its historical character.



Pictured:
**REDWOOD
PLACE**

OPPORTUNITY
TO ACQUIRE
130 LUXURY
APARTMENTS
& 1 RETAIL IN
DOWNTOWN
BALTIMORE

[View Property Website](#)

UNDER CONSTRUCTION PROJECTS



The Frank

2500 Insulator Dr

Submarket: Baltimore Peninsula

Units: 420

Estimated Completion: Nov. 2025



Brewers Hill AvalonBay

3700 Boston St

Submarket: Canton

Units: 418

Estimated Completion: 2027



Sanctuary at Cross Keys

6 Hamill Rd

Submarket: North Baltimore City

Units: 331

Estimated Completion: 2027



222 Saint Paul Place

222 St. Paul Pl.

Submarket: Downtown

Units: 303

Estimated Completion: 2026



210 North Charles Street

210 N Charles St.

Submarket: Downtown

Units: 231

Estimated Completion: 2026



Hammond at Greenmount Park

1100 Greenmount Ave.

Submarket: East Baltimore

Units: 109

Estimated Completion: 2026

FEATURED SALE TRANSACTIONS

2025 Q3 SALE TRANSACTIONS

Property Name	Property Address	Sub-Market	# of Units	Sale Date	Sale Price	Price/Unit
ReNew Federal Hill East	1901 S Charles St & 2 E Wells St	Federal Hill	344	September 2025	\$73,000,000	\$212,209
The R.E.D. Townhome Portfolio*	Baltimore, MD	Northwest Baltimore City	200	August 2025	Not Disclosed	-
Hillsdale Manor	4738 Wakefield Rd	Northwest Baltimore City	180	August 2025	Not Disclosed	-
Flats at Professional Arts Building	101 W Read St	Mount Vernon	96	September 2025	13,750,000	\$143,229
Forest Glen	2801 Forest Glen Rd	Northwest Baltimore City	64	August 2025	Not Disclosed	-
1613 Elrino St	1613 Elrino St	East Baltimore City	29	August 2025	Not Disclosed	-
Kennedy Court Apartments	2643 Kennedy Ave & 1605 Homestead St	Northeast Baltimore City	26	September 2025	\$1,550,000	\$59,615
107 & 109 W Monument St*	107 & 109 W Monument St	Mount Vernon	25	September 2025	Not Disclosed	-
Garrison Gardens	3600 Garrison Blvd	Northwest Baltimore City	24	July 2025	Not Disclosed	-
Preston Apartments*	9 & 13-17 W Preston St	Mount Vernon	20	July 2025	Not Disclosed	-
York Court	499 Beaumont Ave	Northeast Baltimore City	18	August 2025	2,190,000	\$121,667
The Kenary*	1707 Eastern Ave	Fells Point	12	July 2025	Not Disclosed	-
Stricker Towns*	1301 N Stricker St	West Baltimore City	11	August 2025	Not Disclosed	-
Portfolio Sale 1814, 1900, 1908, 1910, 1912-1916 Sulgrave Ave	East Baltimore City	North Baltimore City	27	April 2025	Not Disclosed	-
Suites at Saint Paul* 717-721 St Paul St.	East Baltimore City	Mount Vernon	18	June 2025	Not Disclosed	-

* Denotes HSA Transaction

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WWW.HARBORSTONEADVISORS.COM



INVESTMENT SALES

JUSTIN VERNER

President

410.960.3962

jverner@harborstoneadvisors.com

BROOKS HEALY

Director

443.523.6865

bhealy@harborstoneadvisors.com

TOM WOHLGEMUTH

Senior Advisor

240.444.4656

tom@harborstoneadvisors.com

KEVIN LANDOLPHI

Advisor

631.355.9725

kevin@harborstoneadvisors.com

SALES SUPPORT SERVICES

SHANA SABIE

Senior Investment Sales Analyst

TODD GALVIN

Senior Research Analyst

GINA BELL

Senior Marketing Specialist

JOHANNA HUSENA

Marketing & Design Specialist