

2025 YEAR END

BALTIMORE CITY

MULTIFAMILY MARKET REPORT



BALTIMORE CITY MULTIFAMILY SUMMARY

Baltimore's multifamily market closed 2025 with strengthening fundamentals, supported by **steady renter demand and a sharp slowdown in new supply**. Absorption outpaced deliveries for a second consecutive year, and with total deliveries in 2025 running well below recent highs, **overall vacancy declined approximately 100 basis points** year-over-year. Baltimore's restrained development pipeline has fostered a more balanced environment, allowing occupancy to improve as prior deliveries stabilized.

Rent growth remained modest but positive, with average asking rents increasing approximately 0.7% year-over-year, outperforming the national average of roughly 0.3%. Landlords continued to prioritize retention and occupancy over aggressive rent increases. With construction activity falling to decade-low levels and the pipeline representing a historically small share of total inventory, rents are expected to remain stable in 2026.

On the capital markets front, **the Federal Reserve implemented three rate cuts in 2025**, including two consecutive reductions late in the year, signaling a clear shift toward easing monetary policy after nearly a year of rate stability. The benchmark rate now stands at 3.75%–4.00%, and the Fed has announced plans to end balance sheet run-off in December. While borrowing costs remain elevated by historical standards, sentiment has begun to improve.

Regional banks in Maryland have cautiously loosened credit standards and re-entered the market, while sellers have shown greater flexibility. **Private investors continued to dominate transaction activity** as institutional capital remained selective. However, improving liquidity, easing monetary conditions, and narrowing bid-ask spreads late in the year point to a gradual recovery in investment activity in 2026.

MARKET INDICATORS - 2025 Q4

9.0%

Stabilized
Vacancy Rate

1,542

Under Construction
(Units)

1,091

Net Deliveries
(Units)

0.7%

Rent Growth
(YoY)

Source: CoStar, HSA Research End of 25Q4

MULTIFAMILY SUPPLY SLOWDOWN DRIVES VACANCY COMPRESSION

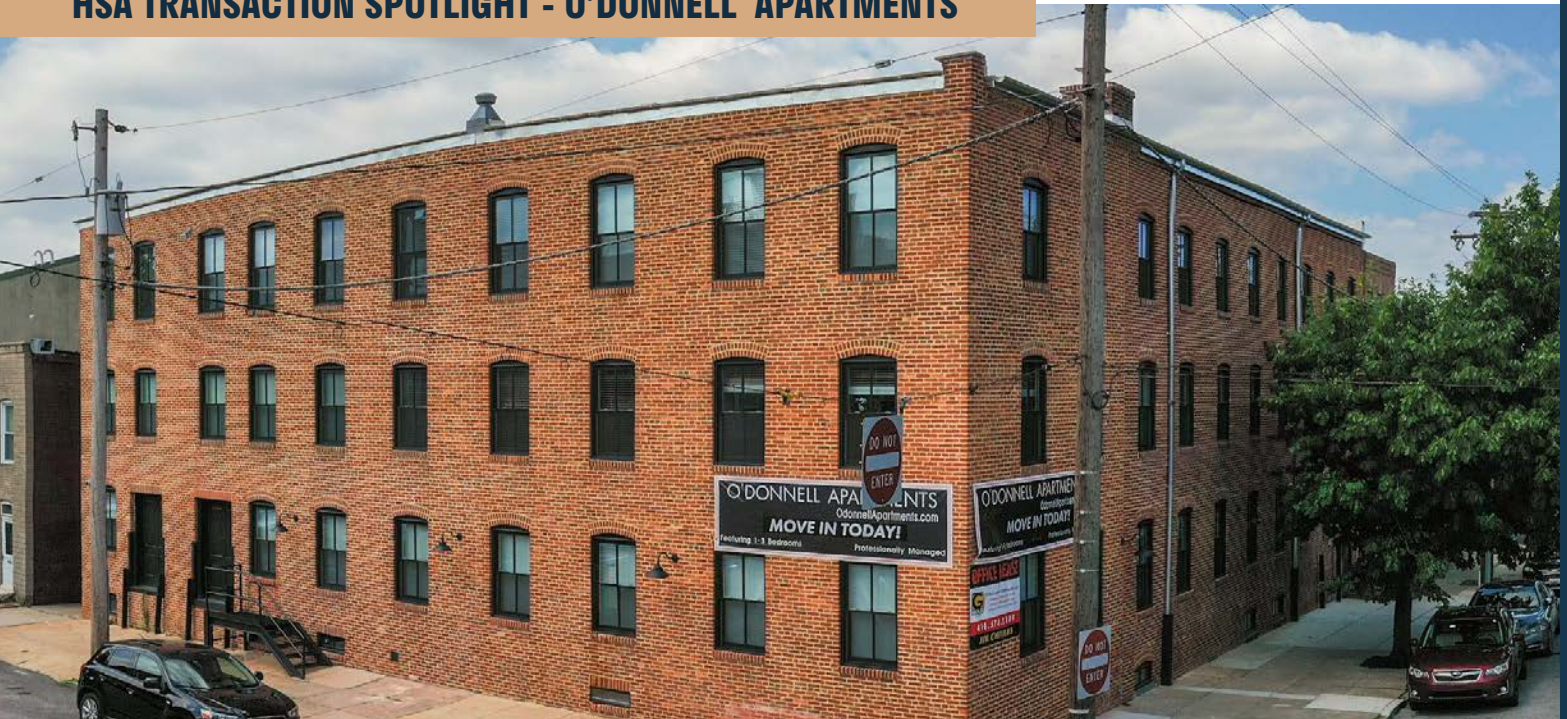
Baltimore City's multifamily market experienced a pronounced slowdown in supply in 2025, allowing demand to catch up to the elevated deliveries of recent years. Leasing momentum remained steady throughout the year, and with absorption outpacing deliveries for a second consecutive year, **overall vacancy declined approximately 100 basis points** year-over-year. Job growth remained marginally positive despite a broader national slowdown, reinforcing consistent demand for rental housing across the city.

Total multifamily deliveries in 2025 were well below recent annual averages, marking **one of the slowest years for new supply in decades**. Developers continued to pull back amid elevated financing costs, tighter construction lending, and rising development expenses. As a result, the city's active construction pipeline has contracted sharply and now sits at decade-low levels, limiting near-term supply-side pressure and positioning the market for continued stabilization in 2026.

The slowdown in new deliveries has allowed Baltimore to more effectively absorb the nearly 4,000 units delivered over the prior two years, much of which consisted of Class A inventory concentrated in Federal Hill, Canton, and Fells Point. Although some newer luxury properties continue to offer concessions, typically ranging from 1 to 2 months of free rent.

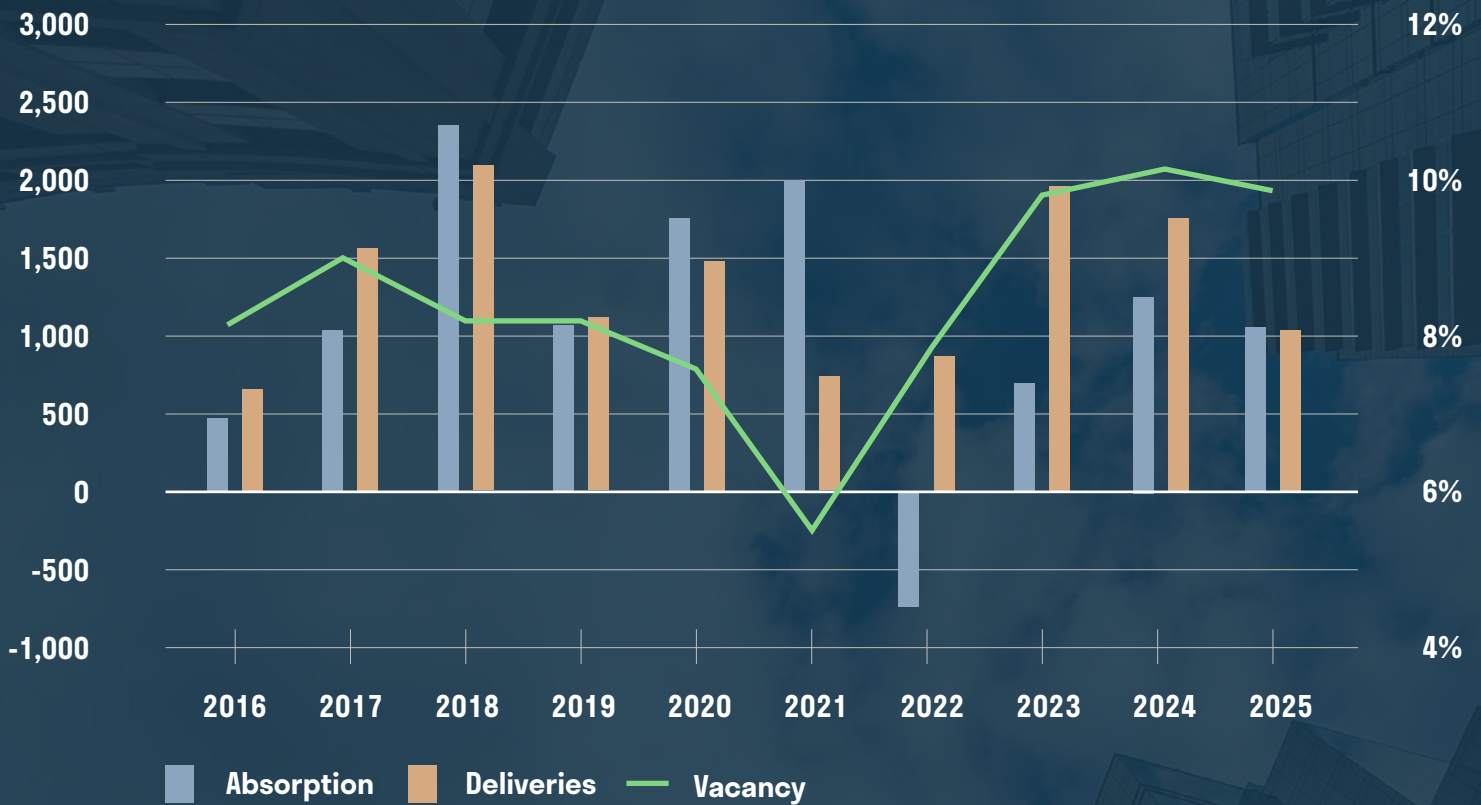
Looking ahead, with few projects breaking ground and most active developments already underway, **new deliveries are expected to remain limited through 2026**. This prolonged period of restrained supply should continue to support declining vacancies and reinforce a more balanced operating environment across Baltimore City's multifamily market.

HSA TRANSACTION SPOTLIGHT - O'DONNELL APARTMENTS

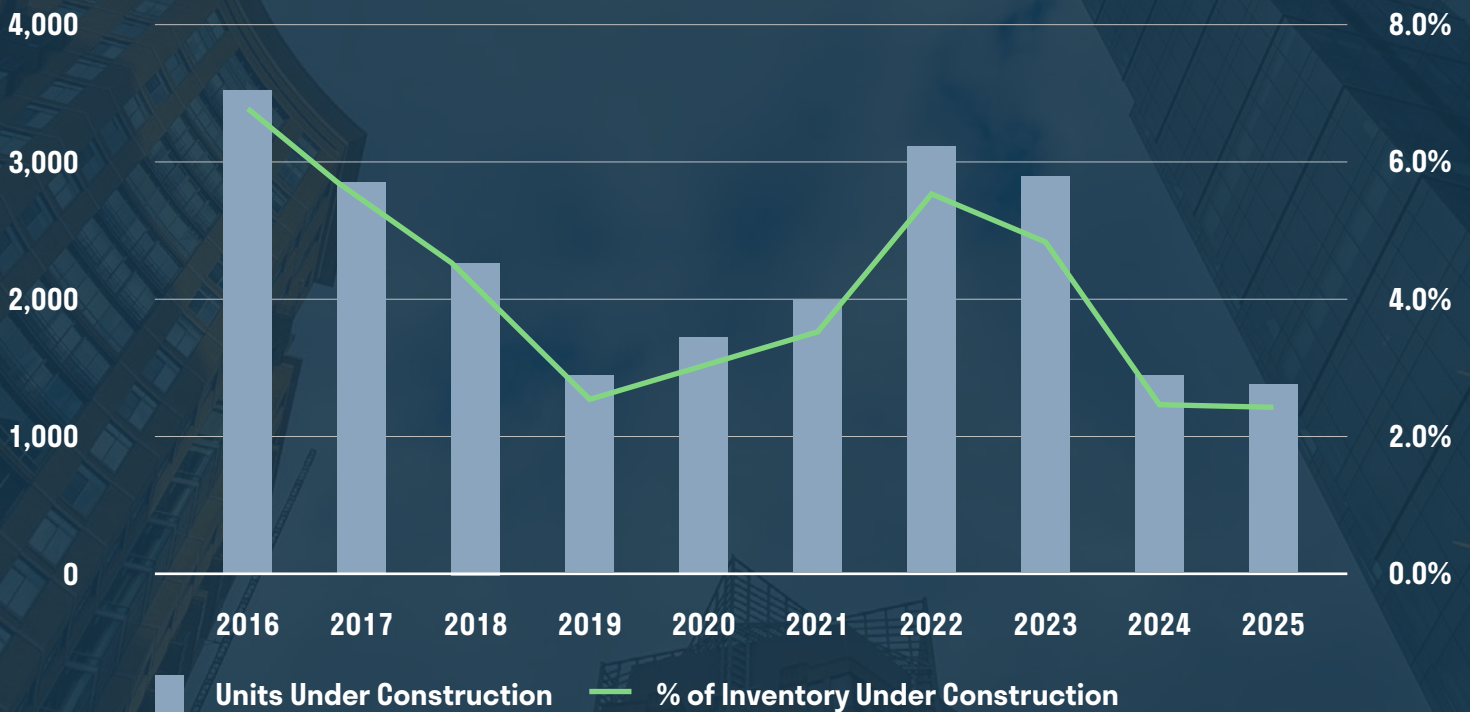


Submarket: Canton - Price: \$3,850,000 (\$296,154/Unit) - Sold: December 2025

VACANCIES BEGIN TO COMPRESS AS SUPPLY SLOWS



CONSTRUCTION PIPELINE SHRINKS TO DECADE LOWS



Source: CoStar, HSA Research End of 25Q4

BALTIMORE CITY SUBMARKET STATISTICS

Submarket	Inventory	Avg. Rent	Vacancy*	Units Sold (2025)	Deliveries (12 mo)	Under Construction (Units)
Harbor East/ Little Italy	1,847	\$2,572	11.5%	0	562	0
Fells Point	2,944	\$2,289	6.1%	171	0	33
Federal Hill	3,647	\$2,191	6.9%	788	420	0
Canton	2,251	\$2,203	4.9%	116	0	418
North Balt. City	5,084	\$1,799	7.9%	219	0	350
Downtown	9,247	\$1,618	13.3%	1,044	0	681
Station North	737	\$1,621	12.4%	16	0	18
East Balt. City	3,069	\$1,524	7.9%	22	109	0
Bolton Hill	770	\$1,544	7.7%	79	0	0
Mount Vernon	4,683	\$1,463	7.7%	536	0	0
Charles Village/ Old Goucher/ Remington	1,629	\$1,478	6.4%	134	0	0
Northwest Balt. City	8,330	\$1,323	8.0%	507	0	0
West Balt. City	7,748	\$1,251	8.8%	91	0	0
Northeast Balt. City	9,360	\$1,190	10.4%	316	0	0
Reservoir Hill	577	\$1,175	10.1%	6	0	0
South Balt. City	1,945	\$1,157	9.2%	33	0	0

Source: CoStar, HSA Research End of 25Q4

*Stabilized Vacancy Rate

RECENTLY COMPLETED & UNDER CONSTRUCTION PROJECTS



The Frank

2500 Insulator Dr.

Submarket: Baltimore Peninsula

Units: 420

Completion: 2025



Brewers Hill AvalonBay

3700 Boston St.

Submarket: Canton

Units: 418

Estimated Completion: 2027



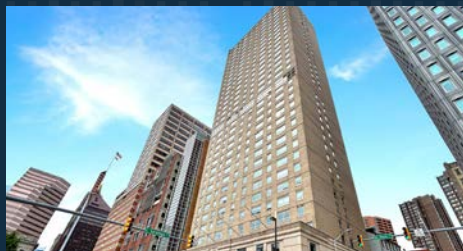
Sanctuary at Cross Keys

6 Hamill Rd.

Submarket: North Balt. City

Units: 331

Estimated Completion: 2027



222 St. Paul Place

222 St. Paul Pl.

Submarket: Downtown

Units: 303

Estimated Completion: 2026



210 N Charles Street

210 N Charles St.

Submarket: Downtown

Units: 231

Estimated Completion: 2026



Phoenix on Park

265 Park Ave.

Submarket: Downtown

Units: 44

Estimated Completion: 2026

2025 Q4 SALE TRANSACTIONS

Property Name	Address	Submarket	# of Units	Sale Date	Sale Price	Price/ Unit
20 Property Portfolio Sale	Multiple	Multiple	539	Dec 2025	\$120,319,809	\$223,228
Moravia Park Apartment Homes	4409 Moravia Rd	Northeast Balt. City	201	Oct 2025	\$19,350,000	\$96,269
The Baltimorean Apartments	2905 N Charles St	Charles Village	66	Dec 2025	\$5,950,000	\$90,152
Centre Street Apartments	21 E Centre St	Downtown	41	Dec 2025	\$4,000,000	\$97,561
1618 Bank	1618 Bank St	Fells Point	19	Dec 2025	\$2,240,000	\$117,895
1611 Gwynns Falls Pky	1611 Gwynns Falls Pky	North Balt. City	14	Nov 2025	Not Disclosed	-
O'Donnell Apartments*	3233 O'Donnell St	Canton	13	Dec 2025	\$3,850,000	\$296,154
4901 York Rd	4901 York Rd	Northeast Balt. City	13	Nov 2025	\$1,007,000	\$77,462
706 Park Ave	706 Park Ave	Mount Vernon	11	Oct 2025	\$800,000	\$72,727
4901 York Rd	4901 York Rd	Northeast Balt. City	11	Nov 2025	Not Disclosed	-
Arion Park Apartments	902 Arion Park Rd	West Balt. City	10	Dec 2025	\$618,000	\$61,800
3915 Barrington Rd	3915 Barrington Rd	Northwest Balt. City	8	Nov 2025	\$550,000	\$68,750
Paca Apartments	316 N Paca St	Downtown	8	Oct 2025	\$670,000	\$83,750
1130 Light St*	1130 Light St	Federal Hill	7	Oct 2025	Not Disclosed	-
Upper Fells Flats*	2001 Eastern Ave	Fells Point	5	Dec 2025	Not Disclosed	-
The Flats at 29th Street*	301 E 29th St	North Balt. City	5	Oct 2025	Not Disclosed	-

*Denotes HSA Transaction

2025 YEAR IN REVIEW - REPRESENTATIVE HSA TRANSACTIONS

Under Contract



Oak Hill Apts. & Townhomes
310 Units
 Baltimore City



R.E.D. Garden Portfolio
200 Units
 Baltimore City



The Sail Cloth Factory
107 Units
 Baltimore City

Under Contract



Lane Apartments
96 Units
 Baltimore City

Under Contract



Earl Court
47 Units
 Baltimore City

Under Contract



Parkview Apartments
40 Units
 Baltimore City



Clarksvew Apartments
34 Units
 Baltimore City



Calvert & St Paul Portfolio
28 Units
 Baltimore City



The Imperial at Conkling
27 Units
 Baltimore City

VIEW OUR CURRENT LISTINGS

SIGN UP TO RECIEVE OUR LATEST INSIGHTS

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