MARYLAND MULTIFAMILY

2026 Q2 MARKET REPORT

HARBOR STONE
ADVISORS

2026 Q2 SUMMARY

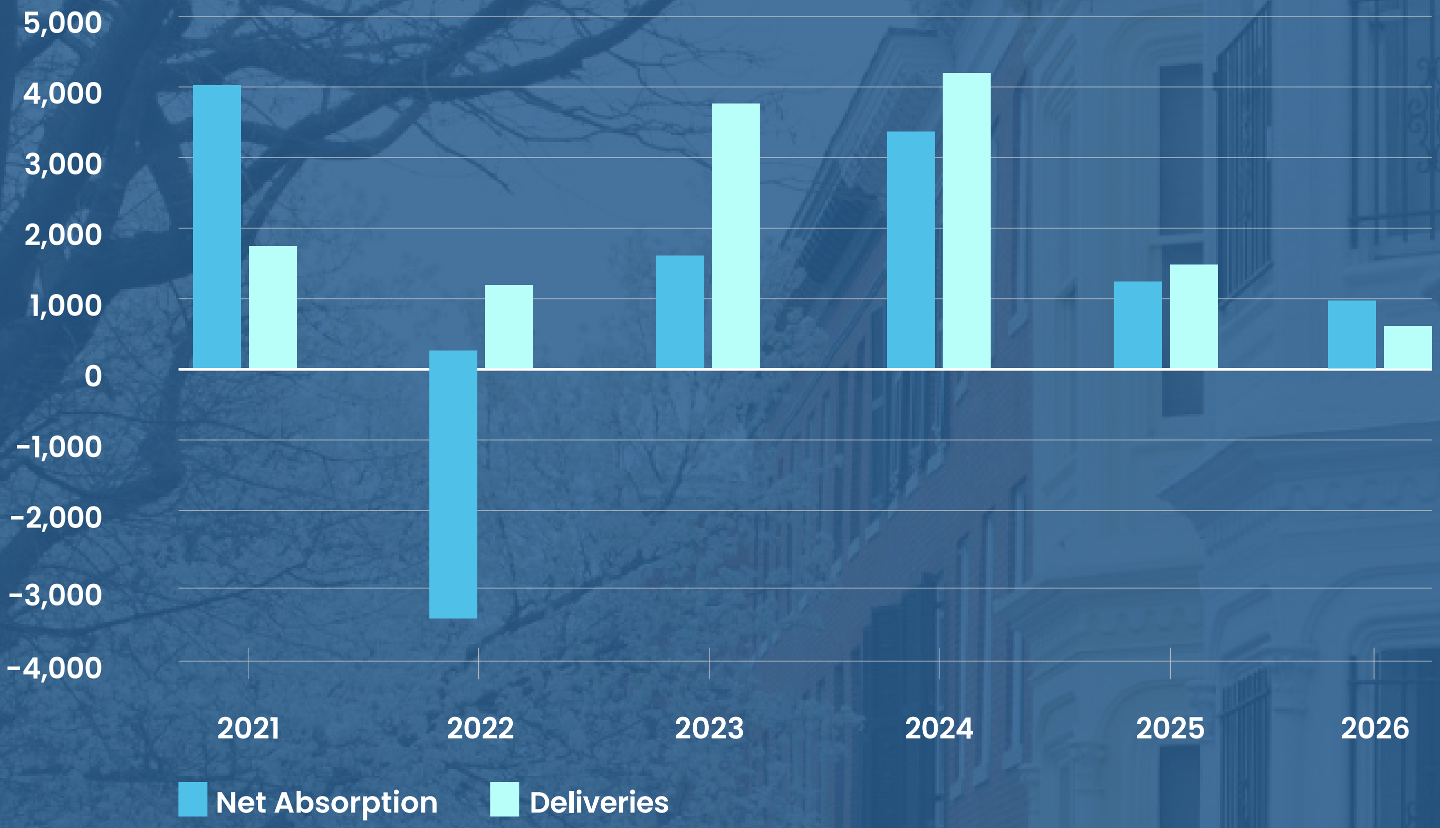
Maryland's multifamily market strengthened during the second quarter as renter demand continued to outpace new supply. Across Maryland's two largest multifamily markets, Baltimore Metro and Suburban DC, absorption exceeded deliveries, allowing vacancy rates to decline as the region continued to absorb the elevated construction activity of the past several years. As construction activity slows and recently delivered communities stabilize, market fundamentals have become increasingly balanced.

Improving occupancy has also begun translating into stronger pricing power. Baltimore's annual asking rents increased 1.5%, ranking among the top-performing major apartment markets nationally. Across Maryland, moderating supply conditions and improving occupancy have supported healthier rent performance, while many high-growth Sun Belt markets continue to experience weaker rent growth as they absorb record levels of new apartment supply.

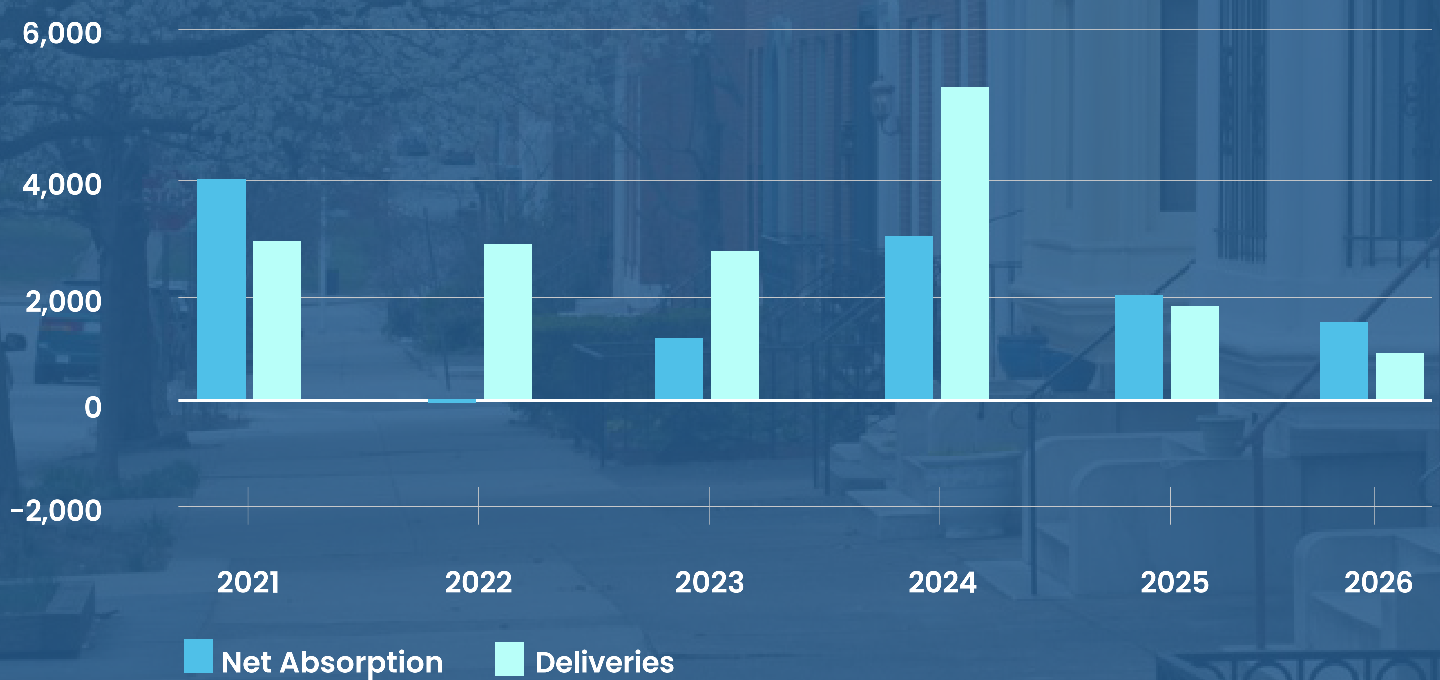
Although Treasury rate volatility continues to influence financing decisions, debt capital remains available for well-positioned multifamily investments. Combined with improving operating fundamentals, a shrinking development pipeline, and Maryland's diverse employment base, the state's apartment markets continue to attract investor interest across both institutional-quality assets and middle-market opportunities.

2026 Q2 SUMMARY CONT.

DEMAND/DELIVERIES: BALTIMORE METRO



DEMAND/DELIVERIES: SUBURBAN DC



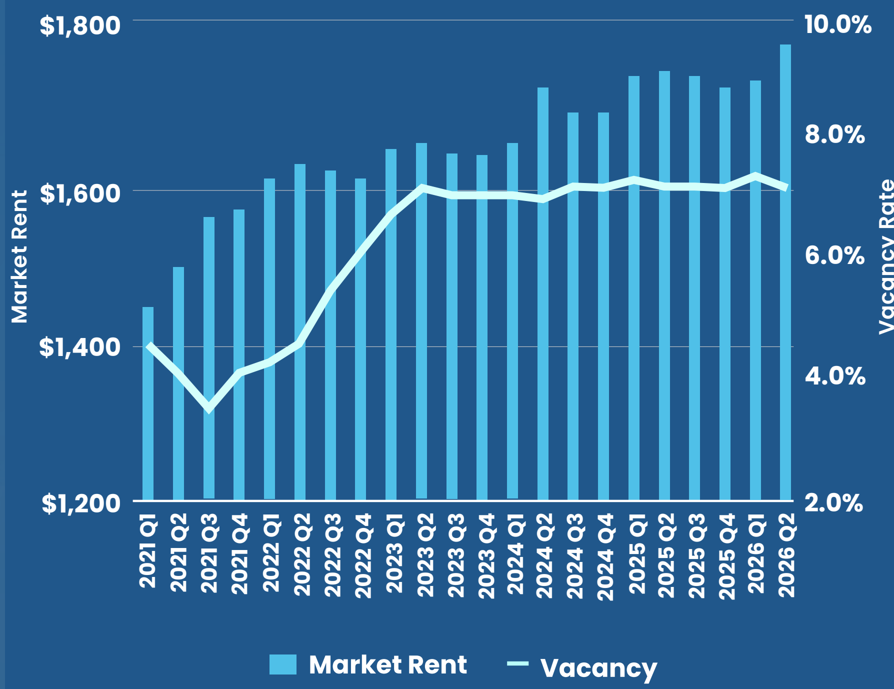
Source: CoStar

2026 Q2 VACANCY & RENTS

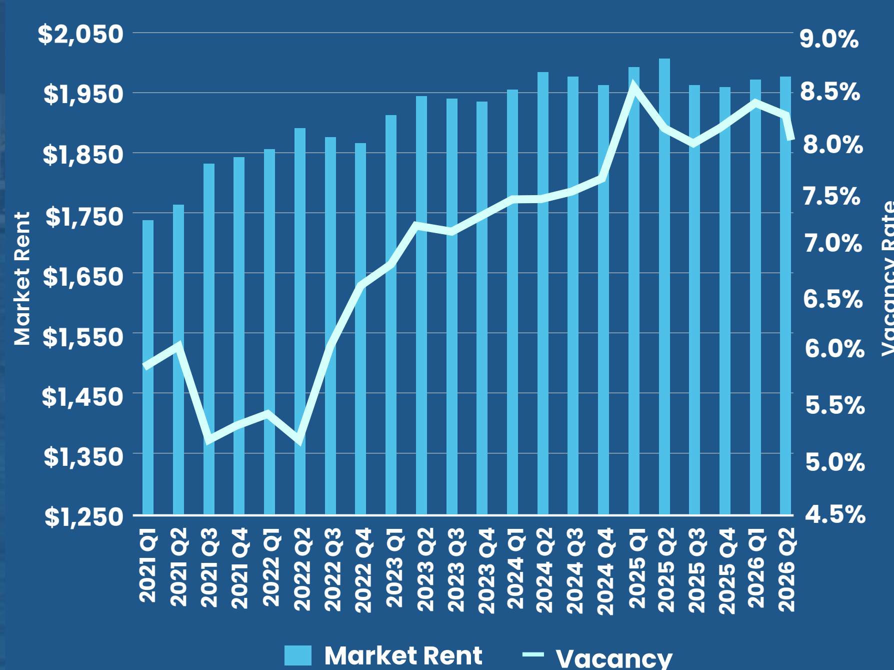
Improving supply-demand fundamentals continued to support apartment performance during the second quarter. As absorption outpaced new deliveries across both the Baltimore Metro and Suburban DC markets, vacancy compressed and recently delivered communities continued to stabilize.While concessions remain in select Class A lease-ups, particularly in supply-heavy submarkets, the broader market has become increasingly balanced as Maryland moves beyond its recent construction cycle.

The improvement in occupancy has also translated into stronger pricing power. Baltimore's annual asking rents increased 1.5%, placing the market among the top-performing major apartment markets nationally. In Suburban DC, rent growth has remained more moderate as portions of the market continue to absorb recent deliveries and operate under rent stabilization policies in Montgomery and Prince George's Counties. Meanwhile, many high-growth Sun Belt markets, including Austin, Phoenix, Dallas-Fort Worth, Charlotte, Tampa, and Nashville, continue to experience flat or declining rents as they work through record levels of new supply.

OVERALL VACANCY & ASKING RENT: BALTIMORE MSA



OVERALL VACANCY & ASKING RENT: SUBURBAN DC



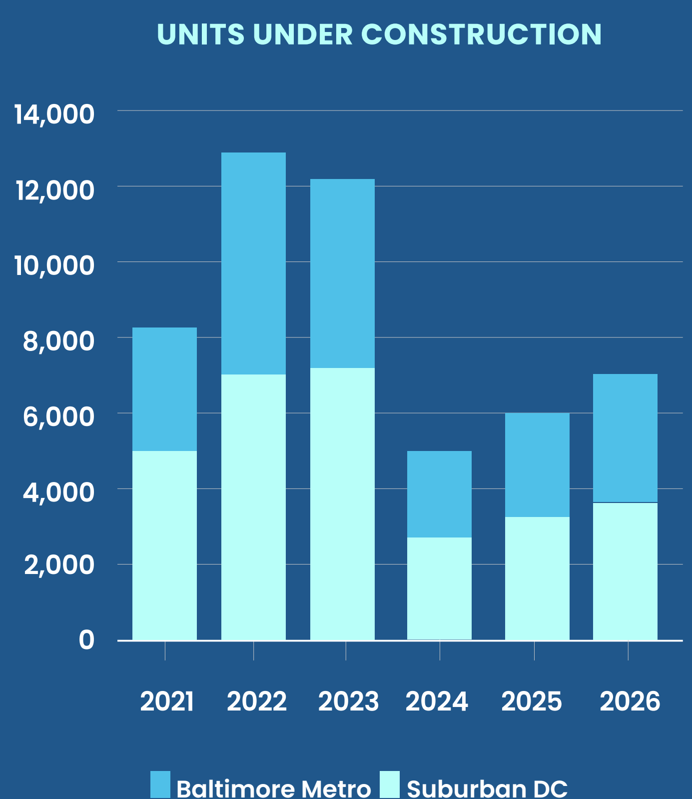
Source: CoStar

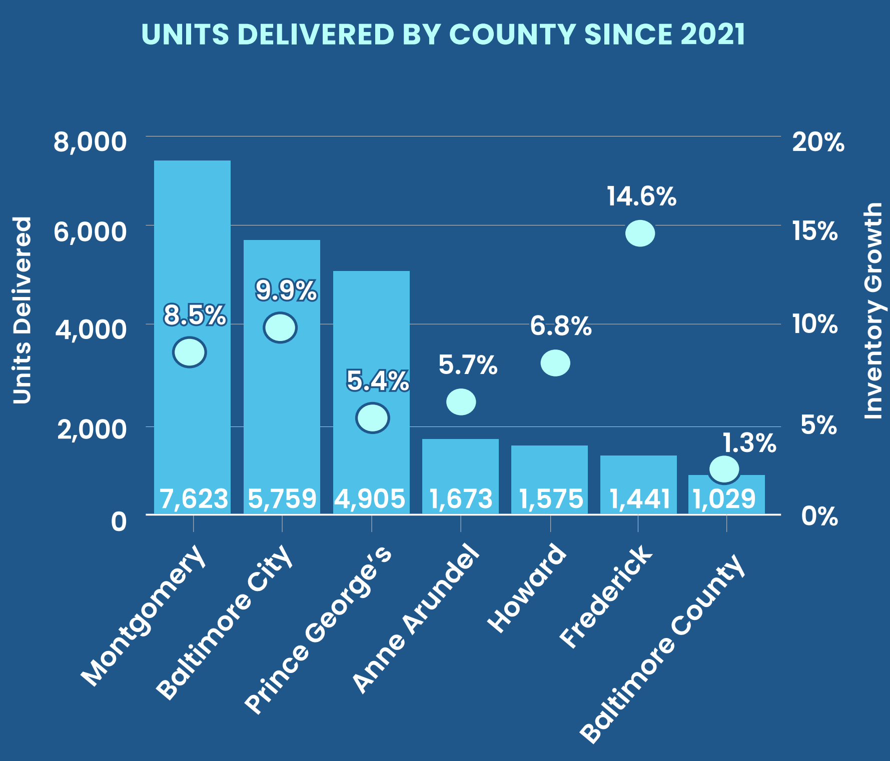
2026 Q2 CONSTRUCTION

Maryland's multifamily development pipeline continued to contract during the second quarter, reflecting a significant slowdown in new project activity following several years of elevated construction. While recently completed communities continue to deliver units to the market, new construction starts remain constrained by higher financing costs, elevated construction expenses, and a more selective lending environment. As a result, the number of units under construction has fallen well below recent peaks, signaling a more limited supply pipeline in the years ahead.

The slowdown is most evident in Maryland's two largest multifamily markets. Approximately 3,500 units remain under construction in both the Baltimore Metro and Suburban Maryland markets, representing a combined decline of nearly 45% from cyclical peaks. With permit activity remaining below historical averages, relatively few new projects are entering the pipeline. In Montgomery and Prince George's Counties, development activity has slowed even more sharply following the implementation of rent stabilization policies, as many developers continue to reassess project feasibility and underwriting assumptions within a more restrictive regulatory environment.

Outside the state's primary markets, development activity remains limited. Southern Maryland has only a modest number of units underway, while Western Maryland currently has little to no multifamily construction in progress. Combined with improving renter demand and absorption outpacing deliveries across much of the state, the shrinking development pipeline should help reduce future supply pressure and support healthier occupancy levels as recently completed communities continue to stabilize.





Source: CoStar

MARYLAND MULTIFAMILY MARKET STATISTICS

Submarkets	Inventory	Average Rent	Stabilized Vacancy Rate	Deliveries (12 Mo)	Under Construction (Units)
Baltimore City					
Canton	2,251	$2,298	3.7%	0	418
Charles Village/Old Goucher/Station North	2,374	$1,526	7.7%	14	0
Downtown	9,308	$1,681	13.0%	53	890
East Baltimore City	2,952	$1,542	5.8%	0	0
Federal Hill/Baltimore Penisula	3,647	$2,332	7.6%	0	316
Fells Point/ Harbor East	4,003	$2,704	6.7%	0	33
Mount Vernon/Bolton Hill/Reservoir Hill	6,034	$1,528	7.7%	0	0
North Baltimore City	5,009	$1,824	8.4%	0	350
Northeast Baltimore City	9,636	$1,190	9.2%	0	0
Northwest Baltimore City	8,371	$1,323	6.9%	0	83
South Baltimore City	1,945	$1,161	9.6%	0	0
West Baltimore City	7,748	$1,261	8.3%	0	0
Total	**63,278**	**$1,614**	**8.5%**	**67**	**2,090**

Source: CoStar, HSA Research

***End of 2026 Q2**

Submarkets	Inventory	Average Rent	Stabilized Vacancy Rate	Deliveries (12 Mo)	Under Construction (Units)
Greater Baltimore					
Baltimore County					
Cockeysville/ Lutherville-Timonium/Sparks	7,951	$1,637	6.2%	0	0
White Marsh-Nottingham/ Carney/Parkville	11,708	$1,580	5.6%	0	0
Dundalk/Middle River	18,765	$1,372	6.6%	0	335
Catonsville/ Halethorpe	4,932	$1,566	5.4%	213	190
Towson	9,436	$1,875	7.1%	20	0
Owings Mills/ Pikesville/ Reisterstown	29,856	$1,677	6.1%	111	0
Anne Arundel					
Annapolis	5,924	$2,282	5.6%	0	10
East Anne Arundel County	6,377	$2,041	9.0%	0	0
West Anne Arundel County	18,714	$2,062	5.9%	150	540
Howard County	24,673	$2,180	6.2%	0	206
Total	**138,336**		**8.5%**	**344**	**335**

Source: CoStar, HSA Research

***End of 2026 Q2**

Submarkets	Inventory	Average Rent	Stabilized Vacancy Rate	Deliveries (12 Mo)	Under Construction (Units)
Suburban DC					
Montgomery County					
Bethesda	13,384	$2,817	9.0%	667	373
Gaithersburg	24,176	$2,069	6.0%	230	0
Greenbelt	14,380	$1,725	8.1%	247	0
North Bethesda	8,430	$2,455	4.9%	354	0
Outlying Montgomery County	9,629	$1,936	7.6%	0	413
Rockville	8,133	$2,315	7.9%	0	0
Silver Spring/White Oak	27,261	$1,903	7.6%	129	308
Wheaton/ Kensington	4,924	$1,995	5.7%	0	0
Prince George's County					
Branch Avenue	18,327	$1,598	10.7%	0	0
Brightwood Fort Totten	17,083	$2,162	8.0%	109	819
Capitol Heights/ Largo	10,533	$1,915	10.0%	0	763
Hyattsville	24,111	$1,816	9.0%	361	1,000
North Prince George's County	21,378	$1,915	6.7%	0	435
South Prince George's County	6,389	$1,881	8.2%	221	0
Frederick County	11,316	$1,963	5.2%	0	300
Total	**219,454**	**$1,989**	**7.7%**	**2,318**	**4,411**

Source: CoStar, HSA Research
***End of 2026 Q2**

Submarkets	Inventory	Average Rent	Stabilized Vacancy Rate	Deliveries (YTD)	Under Construction (Units)
Tertiary Maryland					
Greater Baltimore					
Carroll	2,585	$1,625	3.5%	0	0
Harford	10,928	$1,735	5.7%	30	0
Southern Maryland					
Calvert	141	$1,287	3.5%	0	0
Charles	5,842	$2,160	6.3%	0	0
St Marys	3,565	$1,837	4.9%	0	160
Western Maryland					
Allegany/Garrett	1,010	$810	3.0%	0	0
Washington	7,274	$1,425	4.2%	0	0
Eastern Shore					
Caroline	126	$899	4.8%	0	0
Cecil	3,281	$1,720	7.8%	0	0
Dorchester	574	$1,276	3.8%	0	0
Kent	308	$1,409	8.8%	0	0
Queen Anne's	561	$1,736	6.9%	0	0
Somerset	490	$1,231	3.7%	0	0
Talbot	1,147	$1,595	2.5%	12	0
Wicomico	5,079	$1,566	3.6%	0	102
Worcester	885	$1,841	6.8%	0	0
Total	**219,454**	**$1,989**	**7.7%**	**2,318**	**4,411**

Source: CoStar, HSA Research
***End of 2026 Q2**

2026 Q2 SALE TRANSACTIONS

Property	County	# Of Units	Sale Date	Sale Price	Unit/ Price
Allied Harbor Point *1402 Point St*	Baltimore City	562	May 2026	$148,421,810	$264,096
The Grand *5801 Nicholson Ln*	Montgomery	548	April 2026	$180,000,000	$328,467
Yorkshire Apartment Homes *11401 July Dr*	Montgomery	325	May 2026	$79,400,000	$244,308
The Perry *12430 Park Potomac Ave*	Montgomery	297	June 2026	$152,625,000	$513,889
1405 Point	Baltimore City	289	May 2026	$60,725,058	$210,121
Hadley Germantown *2 Observation Ct*	Montgomery	218	May 2026	$53,725,000	$246,445
One80 Watkins Mill *180 Watkins Station Cir*	Montgomery	210	June 2026	$41,275,000	$196,548
The Whitney *600 S Caroline St*	Baltimore City	172	June 2026	$3,080,000	$17,907
1305 Dock Street	Baltimore City	103	May 2026	$21,047,092	$204,341
Lane Apartments* *2924 W Cold Spring Ln*	Baltimore City	96	June 2026	Not Disclosed	-
Midtown Apartments*	Baltimore City	47	May 2026	Not Disclosed	-
Dayspring Townhomes *12050 School St*	Caroline	46	April 2026	$4,095,000	$89,022
Tilbury Garden Apartments *7806-7820 Tilbury St*	Montgomery	30	June 2026	$6,900,000	$230,000
Midwood Apartments* *5001 Midwood Ave*	Baltimore City	28	June 2026	$2,800,000	$100,000

Denotes HSA Transaction

2026 Q2 SALE TRANSACTIONS CONT.

Property	County	# Of Units	Sale Date	Sale Price	Unit/ Price
100 & 102 East Argyle Street	Montgomery	22	April 2026	$4,175,000	$189,773
11 East Saratoga Street*	Baltimore City	20	May 2026	Not Disclosed	-
Saint Paul Street Apartments	Baltimore City	14	April 2026	Not Disclosed	-
3106 North Calvert Street	Baltimore City	8	May 2026	$748,125	-
460 Carvel Beach Road	Anne Arundel	7	June 2026	Not Disclosed	-
874 Washington Boulevard	Baltimore City	6	June 2026	Not Disclosed	-
2445 Lakeview Avenue	Baltimore City	6	May 2026	Not Disclosed	-
111 West Salisbury Street	Washington	6	May 2026	$575,000	$95,833
1202 Lawton Lane	Washington	6	May 2026	$975,000	$162,500
415 Biddle Street	Cecil	6	May 2026	$635,000	$105,833
8224-8226 Fort Smallwood Road	Anne Arundel	5	May 2026	$588,000	$117,600
5011 Roland Avenue	Baltimore City	5	May 2026	$820,000	$164,000
301 Goldsborough Street	Talbot	5	May 2026	$650,000	$130,000
1301 Virginia Avenue	Washington	5	April 2026	$546,000	$109,200

Denotes HSA Transaction

HARBOR STONE ADVISORS NOTABLE TRANSACTIONS

Oak Hill Townhomes

310 Units

Baltimore City

Layton Portfolio

196 Units

Baltimore City

Midwood Apartments

28 Units

Baltimore City

Lofts at the Daily Record

20 Units

Baltimore City

Harbor Stone Advisors: Performance Highlights 2026 H1

Properties Sold: 16	*Units Sold:* 681	*Units Under Contract/LOI:* 135

HARBOR STONE ADVISORS FEATURED LISTINGS

Frederick Douglass Apartments
92 Units
Baltimore City

Burhans Village
54 Units
Washington County

Glen Hollow Apartments
49 Units
Anne Arundel

Abbey Place
35 Units
Carroll County

1201 South Charles
17 Units
Baltimore City

Jennifer at Adelphi
12 Units
Prince George's County

THANK YOU FOR READING!

INVESTMENT SALES TEAM

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

VIEW OUR CURRENT LISTINGS

SIGN UP TO RECIEVE OUR LATEST INSIGHTS

WWW.HARBORSTONEADVISORS.COM

HARBOR STONE
ADVISORS