

MARYLAND MULTIFAMILY

Q3 2026 MARKET REPORT

HARBOR STONE ADVISORS

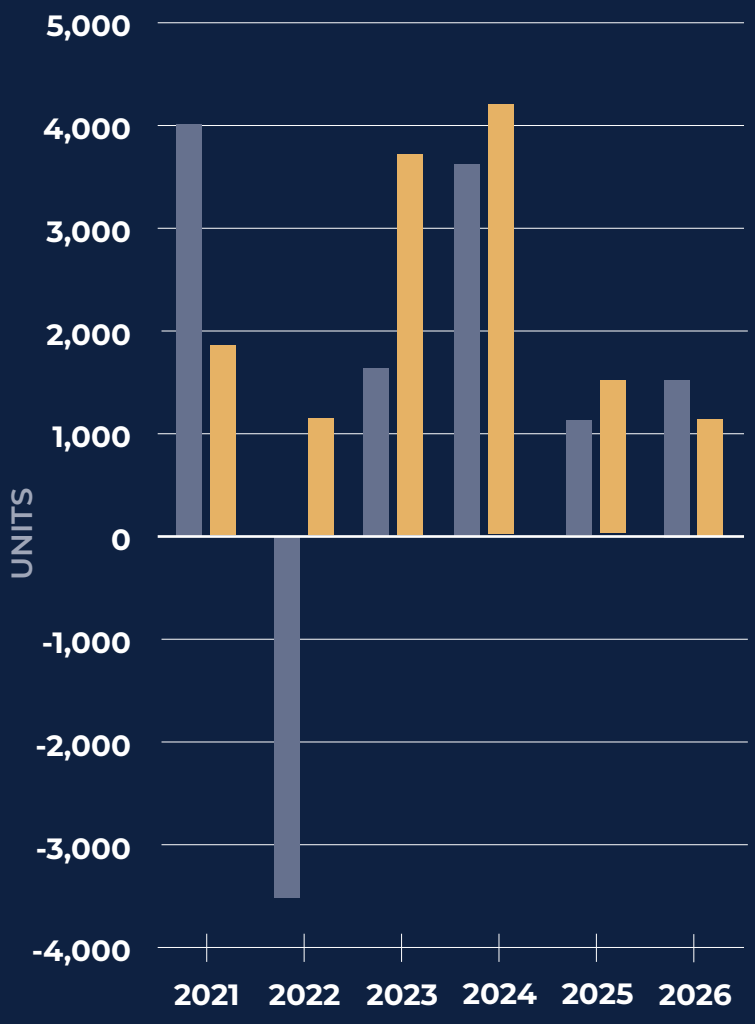
DEMAND CONTINUES TO OUTPACE SUPPLY, VACANCY DECLINES

Maryland's multifamily vacancy has declined in each of the three quarters in 2026, with rates falling by more than 50 basis points. While levels remain roughly 10 bps above the state's long-term average, several indicators point to a continued recovery.

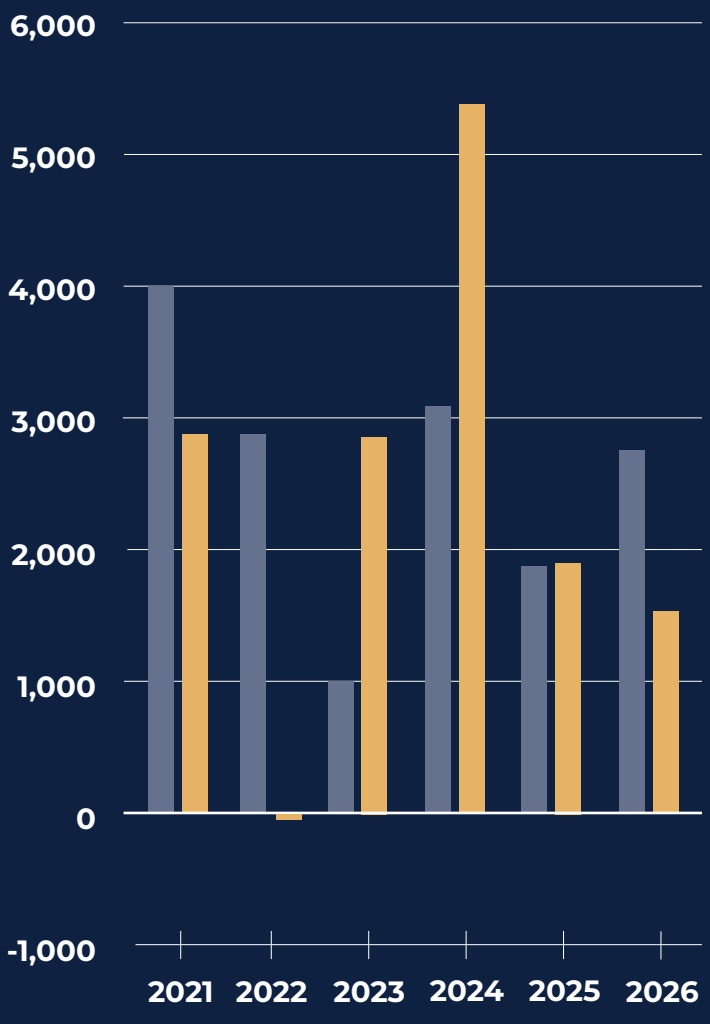
Across the state, **renter demand has continued to exceed new deliveries**, helping the region absorb years of elevated construction activity. Total deliveries across Maryland have dropped significantly in the past year, with trailing-12-month totals hitting their lowest levels since 2022. Supply-side pressure will remain low in the coming years as the total number of units under construction and permits remains near the lowest level in more than a decade.

Rent performance remains strong **in Baltimore, where annual asking rent growth continued to improve to 2% year over year**. Rental increases could likely persist with a low-supply environment, coupled with a widening gap between renting and owning.

Demand/Deliveries: Baltimore MSA



Demand/Deliveries: Suburban D.C.



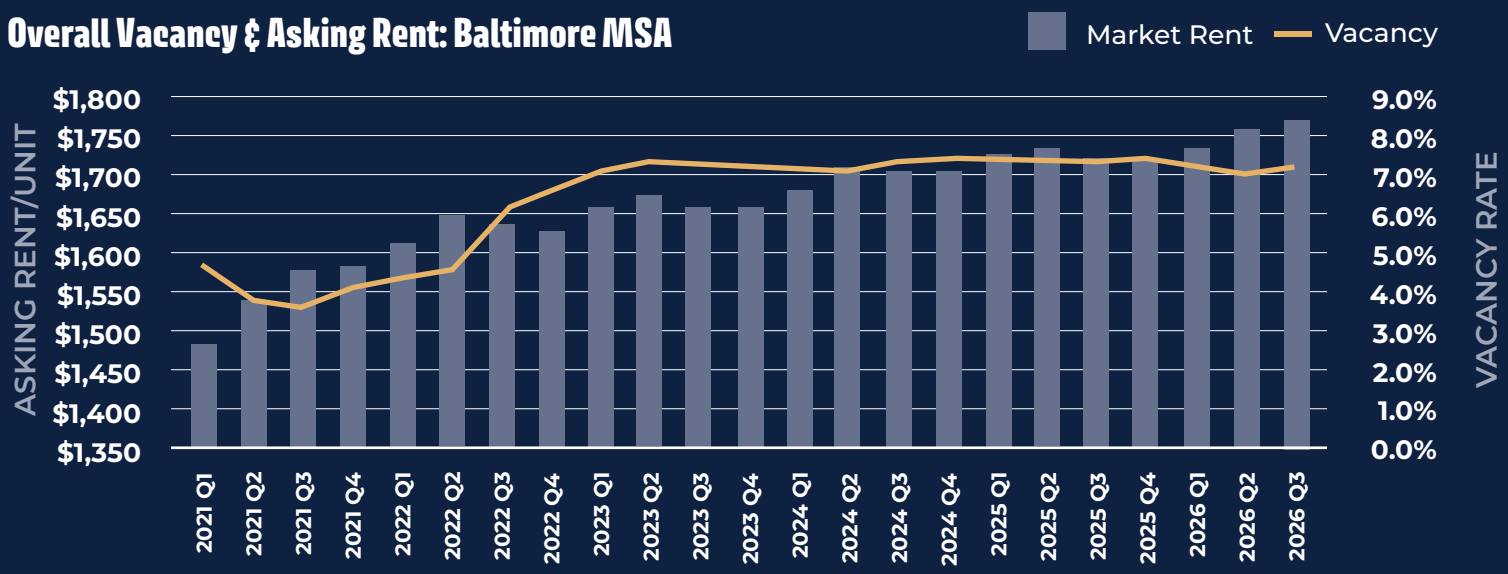
Net Absorption Deliveries Source: *CoStar*

RENT GROWTH CONTINUES AS OCCUPANCY IMPROVES

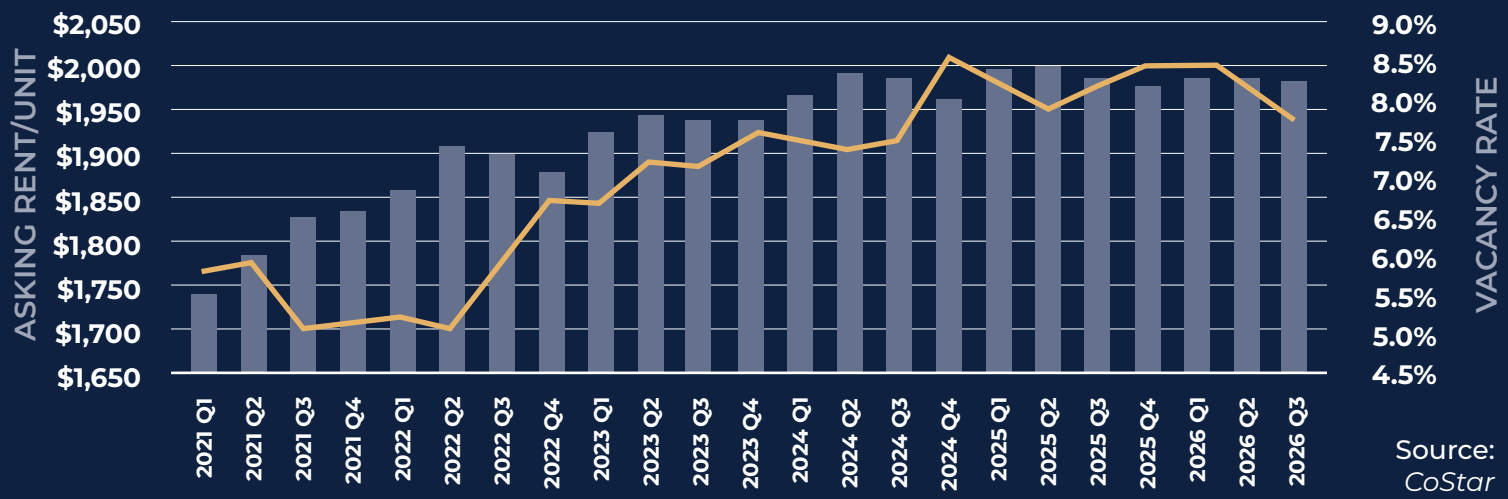
Improved occupancy has strengthened Baltimore's pricing power, with asking rents rising 2.0% annually, matching the national average and **outpacing nearby markets such as D.C. and Philadelphia**. Meanwhile, many high-growth Sun Belt markets continue to report flat or declining rents as they absorb record levels of new supply.

Suburban D.C.'s occupancy recovery continued in the third quarter, but rent growth remained subdued. Rent stabilization adds constraints at covered properties. Montgomery County limits annual increases to the lesser of 6% or inflation plus 3%, with a 5.2% cap effective July 1, 2026. Buildings less than 23 years old are generally exempt, while properties designated "Troubled" or "At Risk" face additional restrictions. Prince George's County's permanent law took effect in October 2024, with implementing regulations effective February 2026 providing procedures for fair-return increases, capital-improvement surcharges, and qualifying renovation exemptions. These policies limit rent increases at covered older properties and may make newer, exempt assets more attractive to investors.

Overall Vacancy & Asking Rent: Baltimore MSA



Overall Vacancy & Asking Rent: Suburban D.C.



Source: *CoStar*

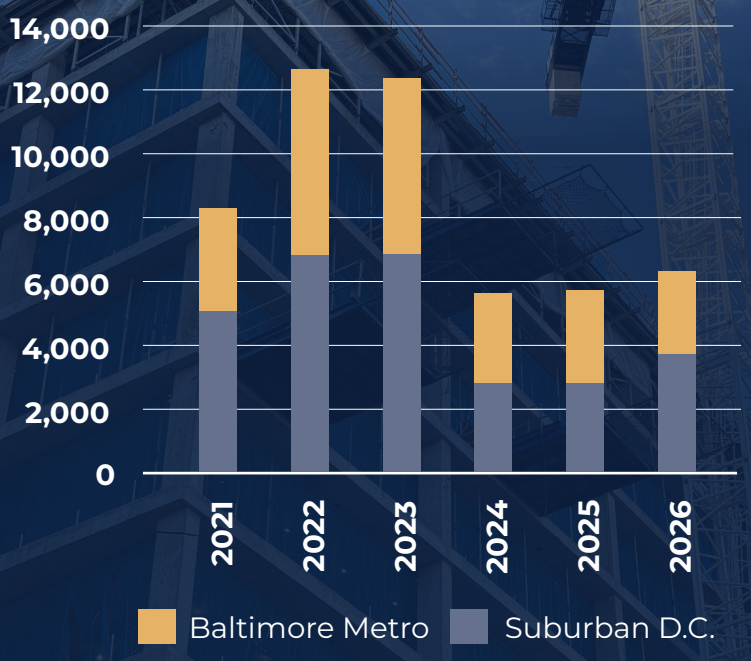
NEW SUPPLY REMAINS LOW

Maryland's development pipeline has contracted sharply. Just over 3,000 units are under construction in the Baltimore area, down from more than 6,000 at the start of 2023, while **new proposals have also slowed**. Approximately 1,100 units were delivered during the first three quarters of 2026, representing roughly 0.5% of existing inventory and trailing the national delivery rate.

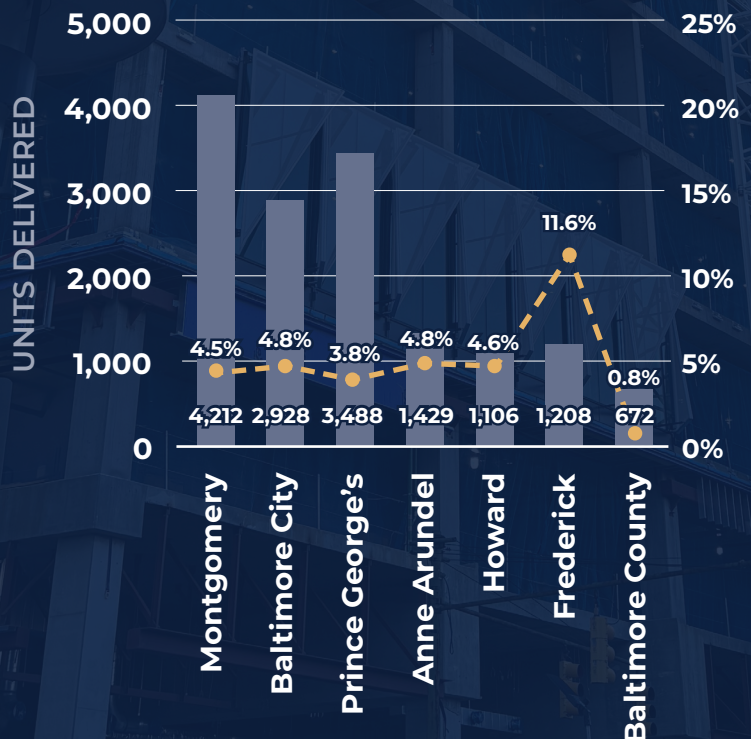
Suburban D.C. added roughly 1,200 units in the third quarter, but **its longer-term pipeline also faces constraints.** Montgomery County permitted just 54 multifamily units between October 2024 and August 2025, far fewer than neighboring jurisdictions. **The county's planning department has described rent stabilization as having a "chilling effect" on new development**, highlighting the policy's potential implications for future supply.



Units Under Construction



Units Delivered by County Since 2023



SUBMARKET SNAPSHOT: BALTIMORE METRO

BALTIMORE CITY					
Submarket	**Inventory**	**Avg. Rent**	**Stabilized Vacancy**	**Deliveries (12 mo.)**	**Under Construction (Units)**
NE Baltimore City	9,769	$1,243	8.5%	0	0
Downtown	9,337	$1,669	11.2%	53	690
NW Baltimore City	8,056	$1,323	7.9%	0	83
West Baltimore City	8,007	$1,268	7.8%	0	0
Mount Vernon/Bolton Hill/Reservoir Hill	5,800	$1,458	6.2%	0	0
North Baltimore City	5,007	$1,855	6.9%	0	330
Fells Point/ Harbor East	4,795	$2,588	15.7%	0	133
Federal Hill/Baltimore Penisula	3,650	$2,256	8.4%	420	316
East Baltimore City	2,869	$1,549	6.0%	0	0
Charles Village/Old Goucher/Station North	2,425	$1,492	8.5%	14	66
Canton	2,251	$2,295	4.3%	0	418
South Baltimore City	1,945	$1,211	9.4%	0	0
Total	**63,911**	**$1,614**	**8.4%**	**487**	**2,036**

Source: *CoStar, HSA Research*
*End of 2026 Q3

SUBMARKET SNAPSHOT: BALTIMORE METRO

GREATER BALTIMORE					
Submarket	**Inventory**	**Avg. Rent**	**Stabilized Vacancy**	**Deliveries (12 mo.)**	**Under Construction (Units)**
Baltimore County					
Owings Mills/Pikesville/ Reisterstown	29,898	$1,687	6.1%	0	111
Dundalk/Middle River	18,766	$1,377	6.6%	0	335
White Marsh-Nottingham/ Carney/Parkville	11,708	$1,607	4.4%	0	0
Towson	9,374	$1,875	7.2%	143	0
Cockeysville/Lutherville-Timonium/Sparks	7,949	$1,625	6.2%	0	0
Catonsville/Halethorpe	4,932	$1,607	6.9%	213	190
Anne Arundel County					
West Anne Arundel County	18,817	$2,062	5.9%	303	326
East Anne Arundel County	6,377	$2,051	9.6%	0	0
Annapolis	5,945	$2,282	5.6%	0	10
Howard County	25,070	$2,182	5.9%	473	0
Total	**138,836**		**6.4%**	**972**	**1,132**

Source: *CoStar, HSA Research*
*End of 2026 Q3



SUBMARKET SNAPSHOT: SUBURBAN D.C.

SUBURBAN D.C.					
Submarket	**Inventory**	**Avg. Rent**	**Stabilized Vacancy**	**Deliveries (12 mo.)**	**Under Construction (Units)**
Montgomery County					
Silver Spring/White Oak	27,168	$1,904	6.9%	0	308
Gaithersburg	24,176	$2,042	6.5%	0	0
Greenbelt	13,816	$1,712	8.1%	0	0
Bethesda	13,222	$2,834	8.4%	667	310
Outlying Montgomery County	9,668	$1,958	7.6%	0	413
North Bethesda	8,430	$2,407	5.2%	354	386
Rockville	8,133	$2,300	7.2%	0	0
Wheaton/Kensington	4,924	$2,008	5.3%	0	0
Prince George's County					
Hyattsville	24,104	$1,805	8.6%	361	843
North Prince George's County	21,854	$1,915	6.1%	435	0
Branch Avenue	18,327	$1,618	10.4%	0	0
Brightwood Fort Totten	17,083	$2,162	7.5%	52	819
Capitol Heights/Largo	10,533	$1,926	8.8%	0	763
South Prince George's County	6,389	$1,919	7.7%	221	312
Frederick County	11,603	$1,934	5.7%	332	300
Total	**219,430**	**$1,989**	**7.7%**	**2,422**	**4,454**

Source: *CoStar, HSA Research*
*End of 2026 Q3

SUBMARKET SNAPSHOT: TERTIARY MARYLAND

TERTIARY MARYLAND					
Submarket	**Inventory**	**Avg. Rent**	**Stabilized Vacancy**	**Deliveries (12 mo.)**	**Under Construction (Units)**
Greater Baltimore					
Harford County	10,939	$1,730	6.4%	30	0
Carroll County	2,585	$1,625	3.5%	0	0
Southern Maryland					
Charles County	5,830	$2,110	6.3%	0	0
St. Mary's County	3,565	$1,880	3.8%	0	160
Calvert County	137	$1,288	3.5%	0	0
Western Maryland					
Washington County	7,453	$1,403	4.2%	79	0
Allegany/Garrett Counties	1,039	$848	3.5%	0	0
Eastern Shore					
Wicomico County	5,289	$1,537	4.4%	102	0
Cecil County	3,281	$1,691	7.5%	0	0
Talbot County	1,162	$1,595	3.5%	76	28
Worcester County	891	$1,742	5.9%	16	0
Dorchester County	382	$1,276	3.7%	0	0
Queen Anne's County	567	$1,715	6.0%	0	0
Somerset County	490	$1,097	1.8%	0	0
Kent County	308	$1,423	7.8%	0	0
Caroline County	126	$900	7.7%	0	0

Source: *CoStar, HSA Research*
*End of 2026 Q3

SALE TRANSACTIONS: 2026 Q3

Property Name	Address	County	# of Units	Sale Date	Sale Price	Price/Unit
Greenwich Place	10090 Mill Run Cir	Baltimore	332	Sept 2026	$79,500,000	$239,458
The Village at Jones Falls	2530 Edgecombe Cir N	Balt. City	288	July 2026	$18,250,000	$63,368
Olympus Pinegrove	10263 Pine Pl	Charles	288	Sept 2026	$76,500,000	$265,625
Bethesda Hill	5114 Dudley Ln	Montgomery	195	Aug 2026	$58,000,000	$297,436
The Townes at Mill Run	629 Wilbur Sq	Baltimore	108	Sept 2026	$29,500,000	$273,148
311-313 W Baltimore St	311-313 W Baltimore St	Balt. City	18	Aug 2026	$4,068,500	$226,028
936 N Calvert St*	936 N Calvert St	Balt. City	16	Sept 2026	–	–
Freestate Apartments	302 N Frederick Ave	Montgomery	16	Aug 2026	$2,600,000	$162,500
Leeds Rd	Leeds Rd	Cecil	12	July 2026	$1,140,000	$95,000
Point Place Residences	803 S Caroline St	Balt. City	12	Aug 2026	$3,560,000	$296,667
Maine Apartments*	3921 Maine Ave	Balt. City	10	July 2026	$700,000	$70,000
937-939 N Calvert St*	937-939 N Calvert St	Balt. City	10	Sept 2026	–	–
18618 Crestwood Dr	18618 Crestwood Dr	Washington	9	Aug 2026	$873,166	$97,018
142 Calvert St	142 Calvert St	Talbot	8	July 2026	$1,009,009	$126,126
The Franklin*	34 W Franklin St	Washington	7	Sept 2026	$1,150,000	$164,286
North Court Apartments*	41 N Court St	Carroll	6	July 2026	$795,000	$132,500
3344 E Baltimore St	3344 E Baltimore St	Balt. City	6	Sept 2026	$810,000	$135,000
629 Oak Hill Ave	629 Oak Hill Ave	Washington	6	Aug 2026	$900,000	$150,000
241 E 2nd St	241 E 2nd St	Frederick	6	July 2026	$770,000	$128,333

*Denotes HSA Transaction



VIEW OUR CURRENT LISTINGS

SIGN UP TO RECIEVE OUR LATEST INSIGHTS

WWW.HARBORSTONEADVISORS.COM

HARBOR STONE ADVISORS

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