

NORTHEAST BALTIMORE MULTIFAMILY

Q4 2024 MARKET REPORT



NORTHEAST BALTIMORE MULTIFAMILY SUMMARY

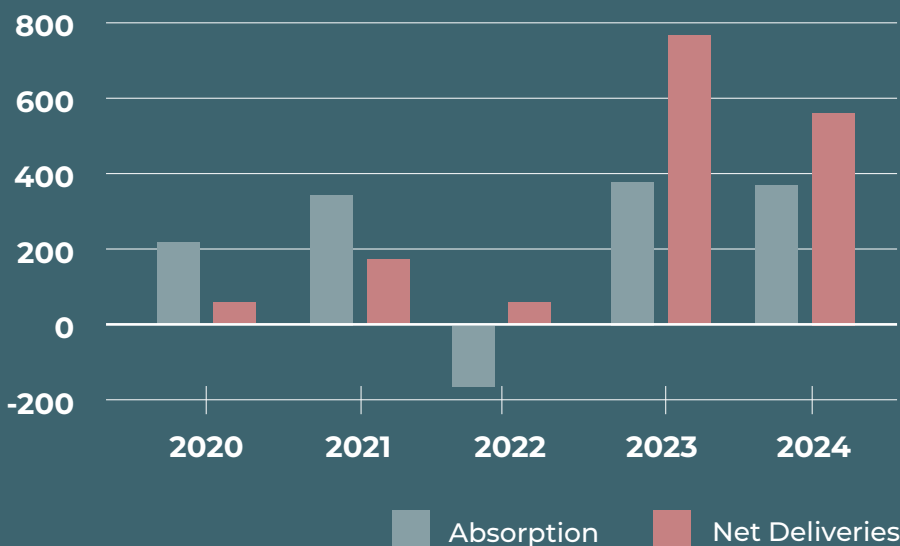
The multifamily market in Harford and Cecil counties remain well-positioned as continued population and job growth buoy demand for apartments. Multifamily construction activity has remained active, with Harford County delivering more than 1,000 units in the past two years. However, new development has slowed due to challenging financing conditions and rising construction costs, leading to fewer projects breaking ground.

In Cecil County, a mixed-use development, Southfields of Elkton, is underway, featuring 350 single-family houses, 85 townhouses, and 250 apartment units, expected to be completed in 2026. This is the first multifamily development of this scale in Cecil County since 2013.

With a slowdown in supply, vacancies should decrease if demand remains strong. The area continues to see steady economic growth, driven by significant defense, healthcare, and logistics employment hubs. Demand for apartments is supported by several of the state's top employers, such as Aberdeen Proving Ground (APG), which remains the region's largest employer. APG supports thousands of military and civilian jobs while attracting top government contractors such as Booz Allen Hamilton and CACI International Inc. At the same time, the industrial sector has flourished, with over 12 million square feet of warehouse and distribution space delivered in the past five years.

The multifamily investment market has shown resilience despite economic headwinds. Sales volume rebounded to over \$135 million in 2024, the highest in over a decade. Investors remain focused on value-add opportunities, particularly properties with below-market rents that offer strong repositioning potential. While declining 10-year Treasury yields have improved financing conditions, concerns over economic growth persist. The direction of monetary policy will be key in shaping investor sentiment, but limited new supply and sustained renter demand continue to support rent growth in the region.

Surge in Supply Outpaces Rebounding Renter Demand



MARKET INDICATORS

Vacancy Rate	8.1%
Average Asking Rent	\$1,668
Rent Growth (Annual)	2.7%
Under Construction (Units)	449
Deliveries (Units)	548

NORTHEAST BALTIMORE ECONOMY

Harford and Cecil counties benefit from a diverse economic base, with major employers in defense, healthcare, and logistics driving job growth and housing demand. The region's strong employment landscape continues to attract businesses and residents, keeping unemployment low.



Aberdeen Proving Ground & Government Contractors – APG, the region's largest employer, supports thousands of military and civilian jobs. It attracts top contractors like Booz Allen Hamilton, CACI International Inc., and IBM. Recently, TRAX International secured a major contract, creating 100 new jobs while retaining 400 positions from a prior contract with Jacobs Solutions.

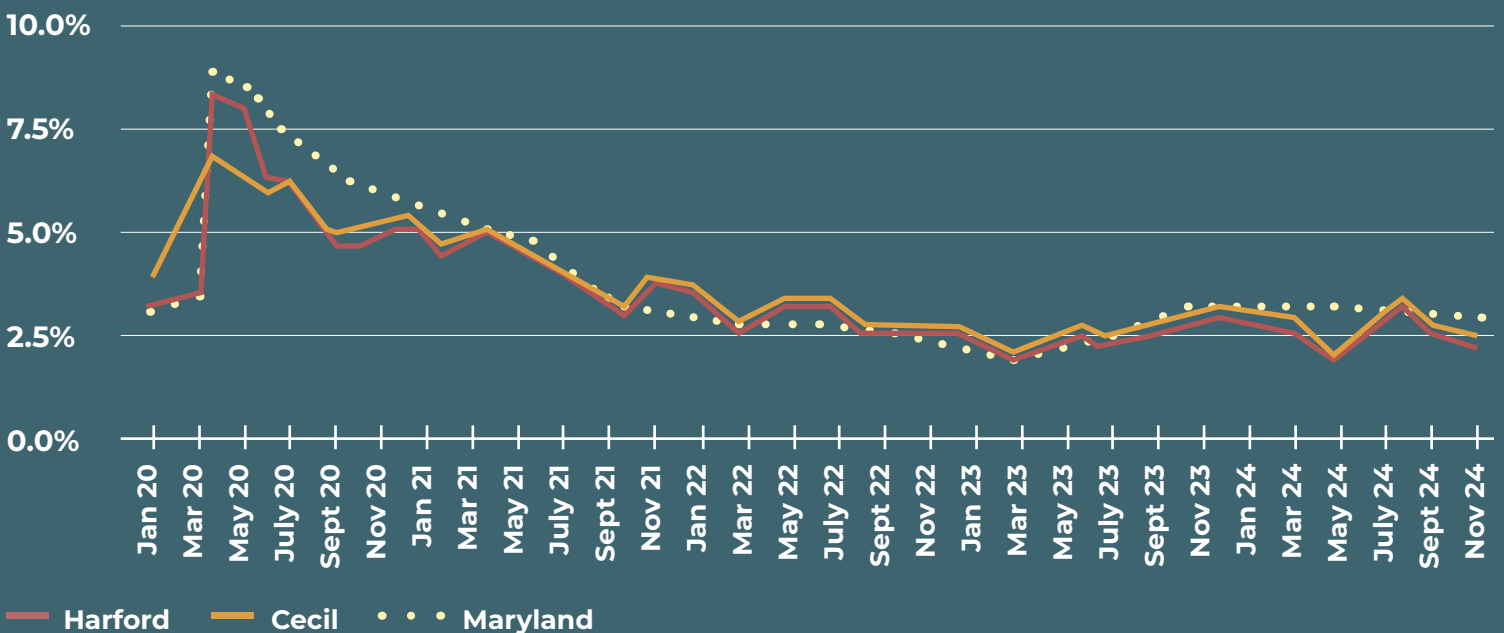


Healthcare Sector Growth – The University of Maryland Upper Chesapeake Health, with major medical centers in Bel Air and Havre de Grace, employs thousands of healthcare professionals, ensuring continued job stability and population growth in the region.



Industrial & Logistics Expansion – With over 12 million square feet of warehouse and distribution space delivered since 2019, the region has become a logistics hub. Major employers such as Amazon, Lidl, and General Electric continue to expand, creating new job opportunities and driving housing demand.

Harford & Cecil County Unemployment Remains Low



HARFORD & CECIL COUNTY REMAIN A HOTSPOT FOR INDUSTRIAL TENANTS



Strategically positioned between Baltimore and Philadelphia, Harford and Cecil counties have become prime destinations for industrial tenants seeking distribution and logistics hubs. This sustained demand has fueled significant development, with over 12 million square feet of warehouse and distribution space delivered in the past five years.

The region continues to attract high-profile tenants, with recent lease signings from Amazon, Wayfair, and The Container Store. Long-standing occupants such as IKEA, General Electric, Procter & Gamble, and Lidl further reinforce the area's reputation as a key logistics corridor. This ongoing industrial expansion contributes to job growth and economic stability, indirectly supporting the multifamily housing market by driving demand for rental housing.

CONSTRUCTION & DEVELOPMENT IN HARFORD & CECIL COUNTY

Multifamily construction in Northeast Baltimore has remained steady, with Cecil County seeing a notable uptick in development activity. While Harford County continues to lead in new housing supply, large-scale projects like Southfields of Elkton are reshaping the development landscape in Cecil County.

Major Mixed-Use Expansion in Elkton – The Southfields of Elkton development is bringing more than 600 housing units, including 325 apartments, along with four industrial/warehouse buildings and a regional sports complex. The 630-acre project reflects Cecil County’s increasing appeal to residents and businesses.

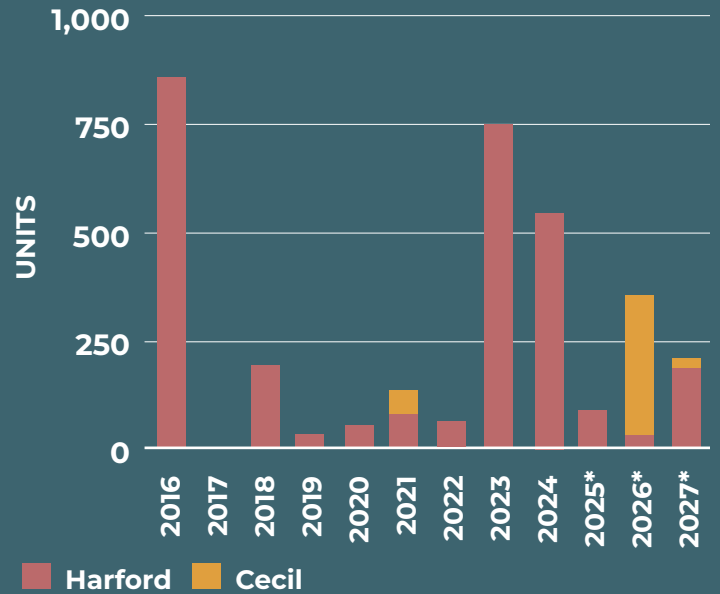
Harford County’s Multifamily Supply Wave Slows

Harford County has experienced a strong wave of multifamily development in recent years, driven by demand from the region’s growing workforce. However, new construction activity has begun to slow after a period of high deliveries.

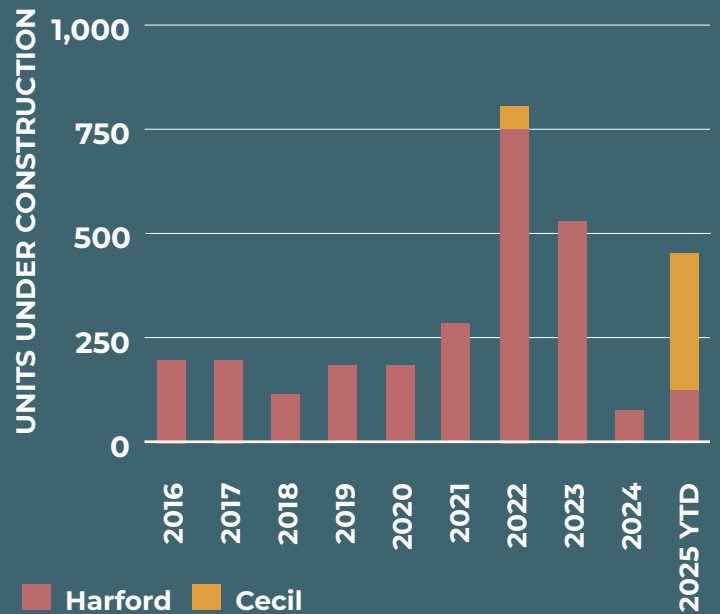
Significant Recent Deliveries – Since 2020, approximately 1,300 units have been delivered across the county, with the majority (1,070 units) completed in just the past two years (2023-2024).

Moderation in New Development – A slowdown in permits due to challenging financing conditions and rising construction costs is leading to less development. While rental demand remains steady, these headwinds have reduced the number of new multifamily projects breaking ground.

Multifamily Supply Expected to Slow in Harford County



Development in Cecil County Picks Up



Source: CoStar
* Denotes Forecast

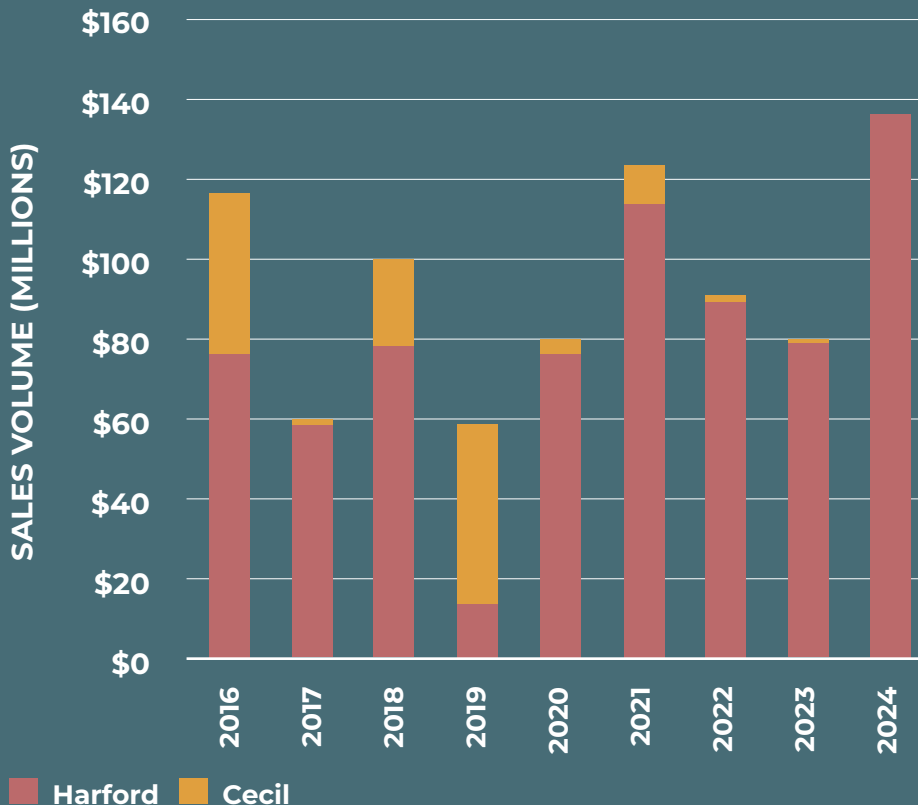
MULTIFAMILY INVESTMENT INCREASES IN 2024

The multifamily investment market in Harford and Cecil counties has remained resilient despite higher interest rates and tighter lending conditions. Overall transaction volume exceeded \$135 million in 2024, the highest level over a decade.

Investors remain focused on value-add opportunities, particularly properties with below-market rents that offer potential for repositioning. With relatively rare transactions in this market, well-positioned properties that fit these criteria are seeing strong investor interest.

While 10-year Treasury yields have declined in early 2025, lowering borrowing costs and improving financing conditions, concerns about slower economic growth and a potential recession remain. The Federal Reserve's policy direction will be key in shaping investor sentiment, as future rate cuts could create new acquisition opportunities. Investors navigating these economic uncertainties may find value in well-positioned assets, particularly those with rental upside.

PICTURED: C&D Canal
Cecil County, MD



2024 SALE TRANSACTIONS

* Denotes HSA Transaction



Apartments at Bel Air - 732 Units

1001 Todd Rd. | Harford County

\$117,158,000 | \$160,052



Holly Oaks - 60 Units

4800 Mantlewood Way | Harford County

\$15,800,000 | \$263,333



Green Street Apartments* - 12 Units

664 & 667 Green St. | Harford County

Price Not Disclosed



30 E Broadway - 7 Units

Harford County

\$1,200,000 | \$171,429



PICTURED: Bel Air Main Street
Harford County, MD

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