

WESTERN MARYLAND

2023 MULTIFAMILY YEAR IN REVIEW

ALLEGANY, CARROLL, GARRETT, FREDERICK, AND WASHINGTON COUNTIES

Key Market Indicators

Investment Trends

Recently Completed & Under Construction Projects



WESTERN MARYLAND MULTIFAMILY SUMMARY

Western Maryland, encompassing Allegany, Carroll, Garrett, Frederick, and Washington counties, experienced a significant slowdown in multifamily investment activity in 2023, with total sales volume reaching just over \$35 million. Between 2014 and 2022, these regions consistently contributed over \$200 million annually in transactions. However, a volatile economic climate impeded the completion of numerous deals, leading to investor reluctance.

The Federal Reserve’s monetary policy tightening is anticipated to conclude in 2024, fueled by growing confidence in inflation control. The Fed has hinted at potential rate cuts in upcoming quarters, which may boost deal volume. The 10-year treasury rate has held steady at 4.3% or lower since the beginning of the year, down from approximately 5% in October 2023.

Multifamily development is reaching historic highs, particularly concentrated in Frederick County, where over 800 units are currently under construction, constituting 8% of its existing inventory. Frederick’s job growth continues to post gains well above Maryland and the national average, driving multifamily demand and subsequent development.

MARKET INDICATORS



6.0%

VACANCY RATE



830

UNITS UNDER
CONSTRUCTION

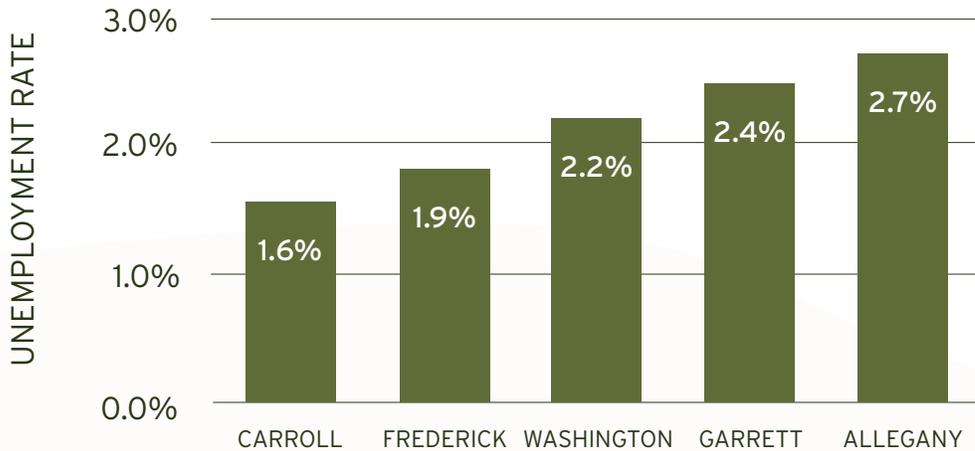


\$1,587

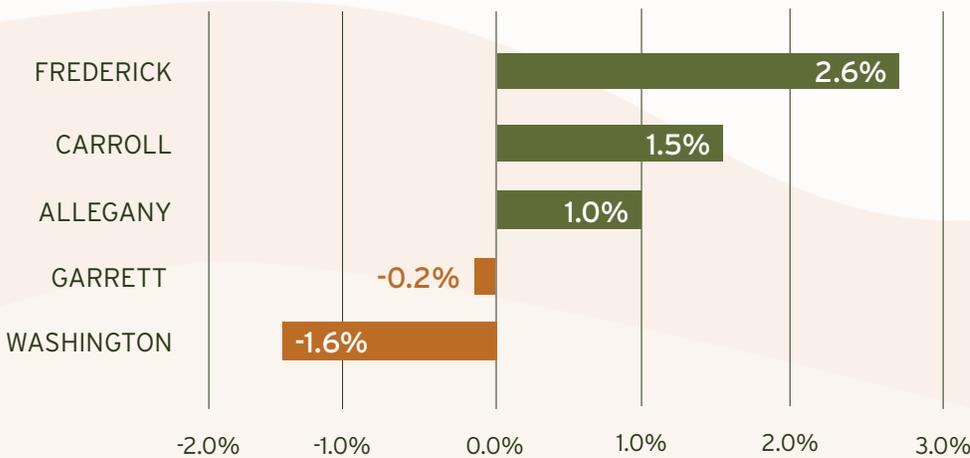
AVG. ASKING RENT

FREDERICK COUNTY LEADS JOB GROWTH IN WESTERN MARYLAND

Unemployment Rates Near Historic Lows



Year-over-Year Employment Growth in Western MD



Source: U.S. Bureau of Labor Statistics

MARKET INDICATORS



2.6%
JOB GROWTH*



1.9%
UNEMPLOYMENT RATE*



4.28%
U.S. 10-YEAR TREASURY NOTE

*Frederick County as of December 2023 Release

EMPLOYER SPOTLIGHT: LEONARDO DRS

NATIONAL DEFENSE TECH COMPANY MOVES 160 WORKERS TO FREDERICK

Leonardo DRS, a national defense company focusing on developing radio systems used in advanced electronic warfare and intelligence, relocated 160 workers to Frederick. The company moved into the 85,000-square-foot office building in July 2023.

WESTERN MARYLAND - 2023 BY THE NUMBERS

NUMBER OF TRANSACTIONS:

39

TOTAL DEAL VOLUME:

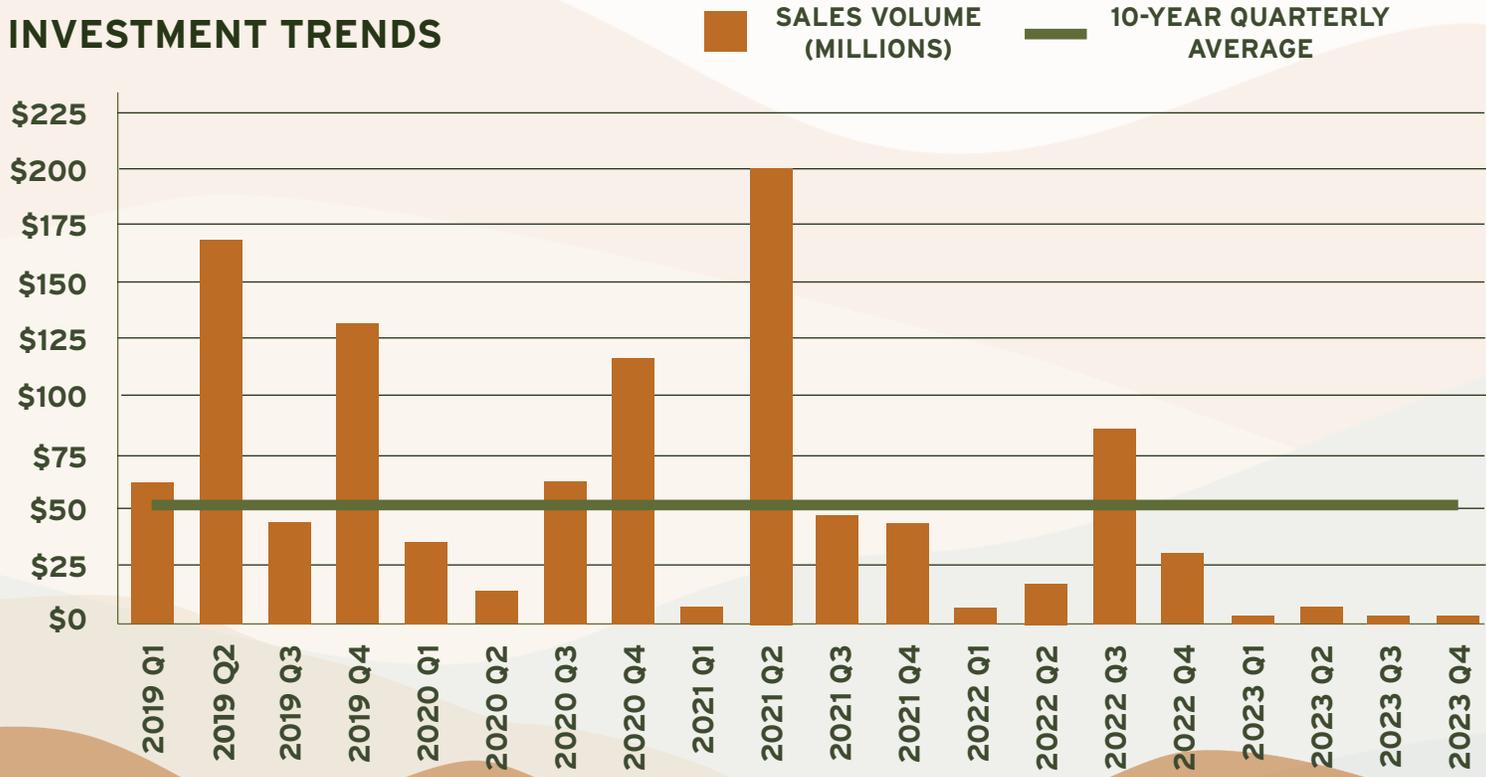
\$35.2 Million

UNITS SOLD:

331

County	Inventory (Units)	Vacancy	Average Rent	Units Under Construction
Frederick	10,511	7.9%	\$1,818	830
Washington	7,028	4.7%	\$1,277	0
Carroll	2,584	3.5%	\$1,514	0
Allegany	928	3.1%	\$722	0
Garrett	57	3.1%	\$817	0

INVESTMENT TRENDS



NOTABLE RECENT SALE TRANSACTIONS

Property Address	County	# of Units	Sale Date	Sale Price	Price/Unit
203 N Carroll St	Frederick	24	Mar 2023	\$1,343,750	\$55,990
14001 Bedford Rd NE*	Allegany	21	Nov 2023	\$1,050,000	\$50,000
13628 Pennsylvania Ave	Washington	19	Apr 2023	\$1,750,000	\$92,105
3233-3255 Chestnut St	Carroll	12	Feb 2023	\$1,000,000	\$83,333
103-105 Washington St	Allegany	12	May 2023	\$715,000	\$59,583
111 Elizabeth St	Washington	10	May 2023	\$800,000	\$80,000
21530-21534 National Pike	Washington	10	Jan 2023	\$750,000	\$75,000
7-25 S Burhans Blvd	Washington	10	Oct 2023	\$650,000	\$65,000
154-158 S Potomac St	Washington	9	Mar 2023	\$865,000	\$96,111
819-821 Washington Ave	Washington	6	May 2023	\$764,000	\$127,333
60 E Washington St	Washington	6	Jan 2023	\$675,000	\$112,500
24 Broadway	Washington	6	Sep 2023	\$614,000	\$102,333
4710 Schley Ave	Frederick	5	Jan 2023	\$610,000	\$122,000
256 E Main St*	Carroll	5	Dec 2023	Not Disclosed	Not Disclosed

* Denotes HSA Transaction

14001 Bedford Rd NE*

14001
5

MONTE VISTA
APARTMENTS
Modern Studio 1BR & 2BR Apartments



RECENTLY COMPLETED & UNDER CONSTRUCTION PROJECTS



EDE Apartments

400 E 7th St | 350 Units

County: Frederick

Project Completion: Under Construction

Developer: Morgan Keller



Upper East Apartments

1601 Pinder St | 260 Units

County: Frederick

Project Completion: Under Construction

Developer: The Duffie Companies



The Park at Walnut Ridge

2001 Wood Hollow PI | 100 Units

County: Frederick

Project Completion: 2023

Developer: SDC Properties



Bainbridge Market Commons

550 Stanton St | 344 Units

County: Frederick

Project Completion: 2023

Developer: The Bainbridge Companies



Magnolia Haus at Tuscarora Creek

1009 Reagans Rd | 189 Units

County: Frederick

Project Completion: 2023

Developer: Capital City



Burhans Village

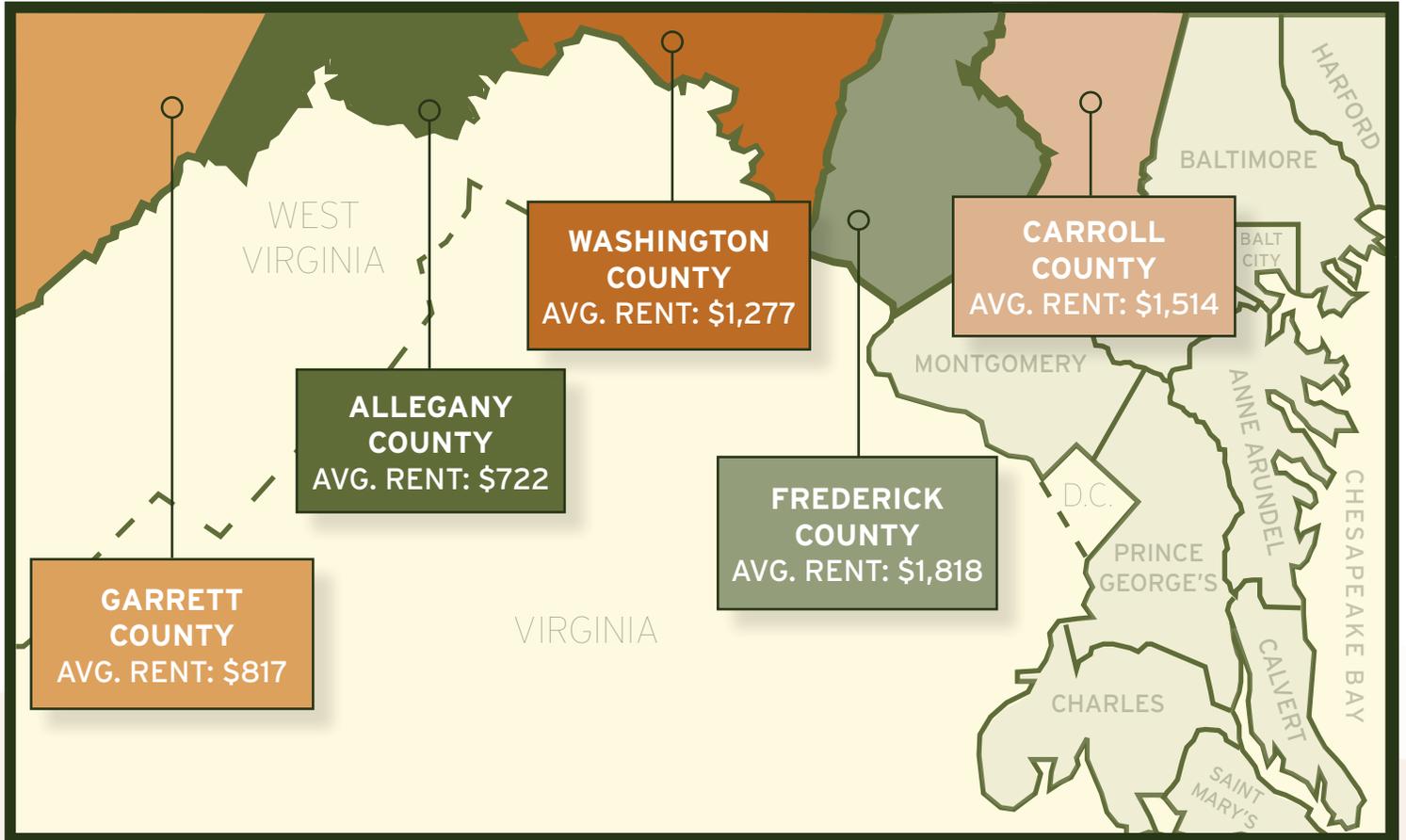
511 N Burhans Blvd | 54 Units

County: Washington

Project Completion: 2023

Developer: Burkentine

WESTERN MARYLAND AVERAGE RENTS



Unless otherwise noted, apartment market data is from CoStar. The data set includes rental properties with at least 5 units and excludes affordable communities as well as senior, student and other specialized multifamily subtypes.



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