

NEWMARK

Baltimore & Washington, DC Multifamily Overview

1Q26

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Market Observations

Baltimore metro area multifamily occupancy was essentially flat to begin 2026, ending the first quarter at 95.3%, up 20 basis points year-over-year.

Effective rent growth in the **Baltimore** metro turned negative to start 2026 and has declined sharply since peaking in 2021, registering -0.5% at the end of the first quarter. While lower, the region outperforms comparable markets.

Baltimore metro area multifamily properties absorbed 219 units during the first quarter of 2026, while the market delivered 260 units. Both metrics are down year-over-year, but they should help to ease supply pressure and support occupancy and rental rate growth.

First-quarter multifamily sales volume in the **Baltimore** metro area rose 53.1% year over year to \$367 million, marking the market's strongest quarterly total since 2022, when volume reached nearly \$450 million.



Washington metro area multifamily occupancy increased by 10 basis points quarter-over-quarter, ending the first quarter of 2026 at 94.8%. Northern Virginia leads the way regionally, with occupancy at 95.1%

Rental rates across the **Washington** metro area were down to begin 2026, with each of the market's jurisdictions registering negative year-over-year effective rental growth, reaching -1.6% region-wide at the end of the first quarter. Despite the softening, a limited construction pipeline combined with improving demand should support modest additional pressure on rents.

More than 2,300 units were delivered across the **Washington** metro area during the first quarter of 2026, a 42.0% decline from the same period last year. The market absorbed 2,709 units over during the quarter, a year-over-year increase. Limited for-sale affordability continues to support demand in the region.

In the first quarter, multifamily sales volume in the **Washington** metro area reached \$1.3 billion, marking a 100% year-over-year increase and surpassing transaction volumes from the previous two years.

Expert Insights

Baltimore Metro Area



What We Know

- The Baltimore metro area multifamily market remains stable, shifting from a recent development wave to a more balanced, localized environment.
- Deliveries have slowed and demand has moderated, though these trends should alleviate supply pressure, allowing the market to absorb earlier deliveries and helping to compress vacancies.
- Though overall market fundamentals have decelerated some, Baltimore remains generally healthy and the market is outperforming comparable markets nationally.



What We Expect

- Demand has outpaced deliveries over the last two years, a trend that is likely to continue with construction remaining limited, leading to improved fundamentals.
- Persistent uncertainty regarding interest rates and inflation may continue to weigh on near-term investment and development activity.
- Investor preference currently leans toward suburban submarkets due to higher quality schools as well as lower regulatory risk.
- Suburban product is generally garden or mid-rise, with newer, high-quality assets getting the bulk of attention compared with vintage, lower quality product.

Washington Metro Area



What We Know

- The RENTAL Act has brought renewed institutional interest in the District's multifamily market.
- Though fundamentals have softened in recent years, performance continues to exceed that of other major markets, particularly in the Sun Belt. Gateway markets remain just that despite slower recent metrics.
- The federal government shutdown, along with the national guard presence in the District, muted activity across the region for much of the past year, though the market has since emerged with improved momentum.
- Transaction activity has increased, including off market deals.



What We Expect

- The federal government's immigration crackdown has contributed to softer Class C multifamily fundamentals over the past year, though the extent to which this trend continues remains uncertain amid evolving policy conditions.
- Despite shifts within the federal government and changing public perceptions, the region recorded positive net migration in 2025. Many of the headline job losses stemmed from early retirements or deferred resignations, and a number of federal positions have since been reposted, creating potential for further regional growth.
- Conversations around a rent freeze in the District, especially in the upcoming election season, are a topic to watch in 2026.

01

Baltimore Metro Area

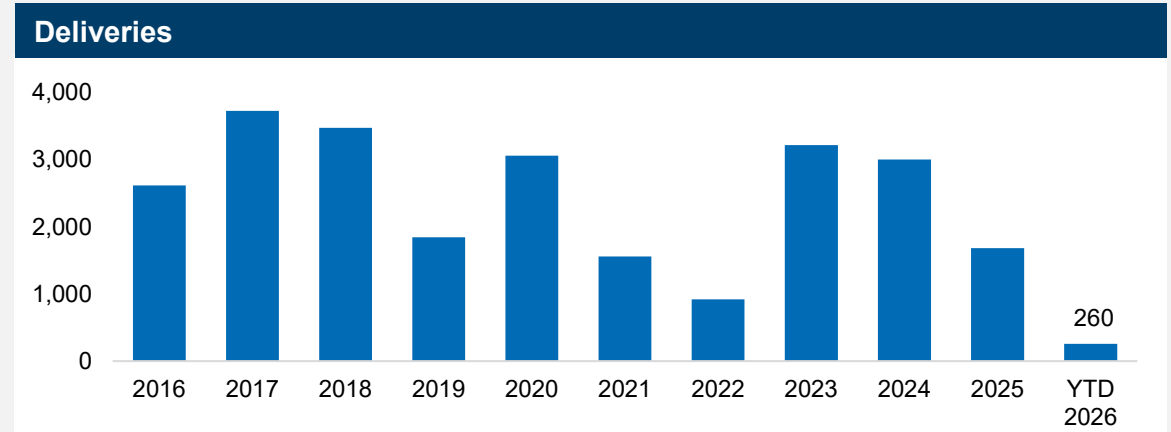
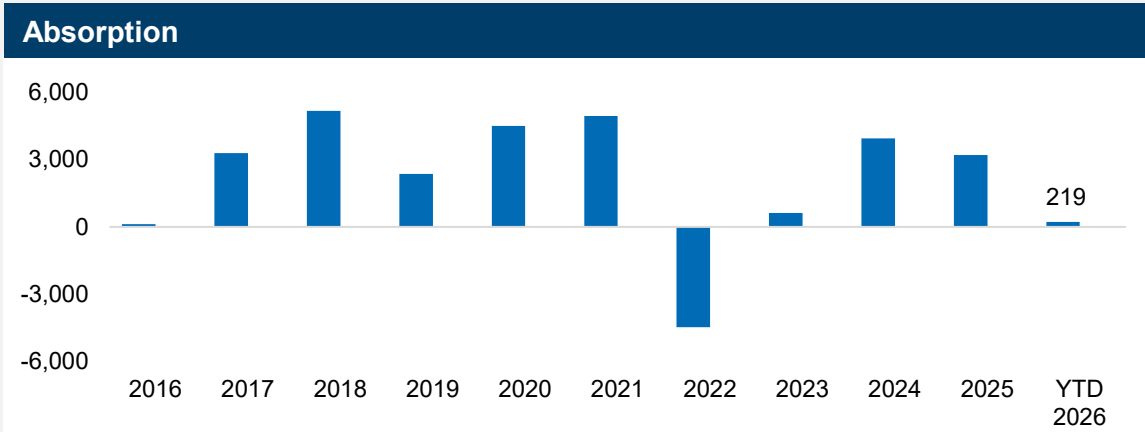
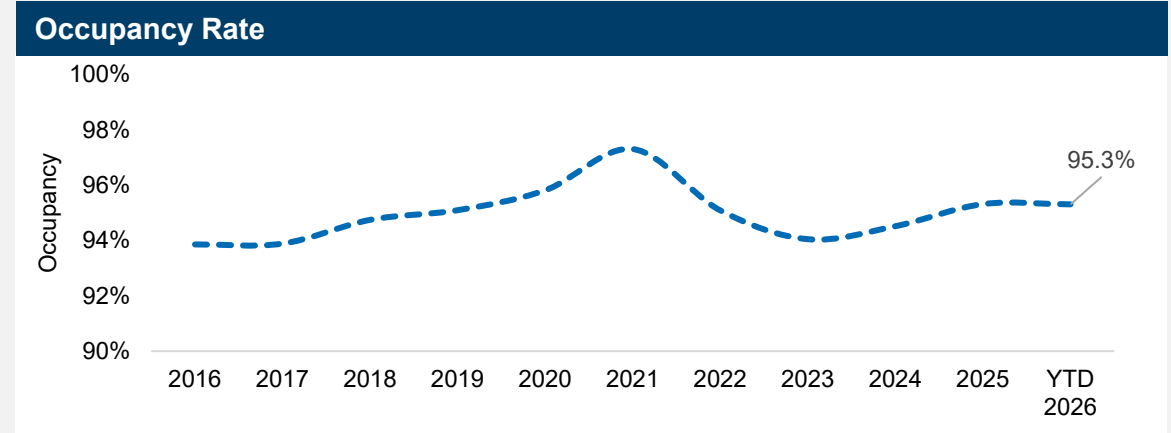
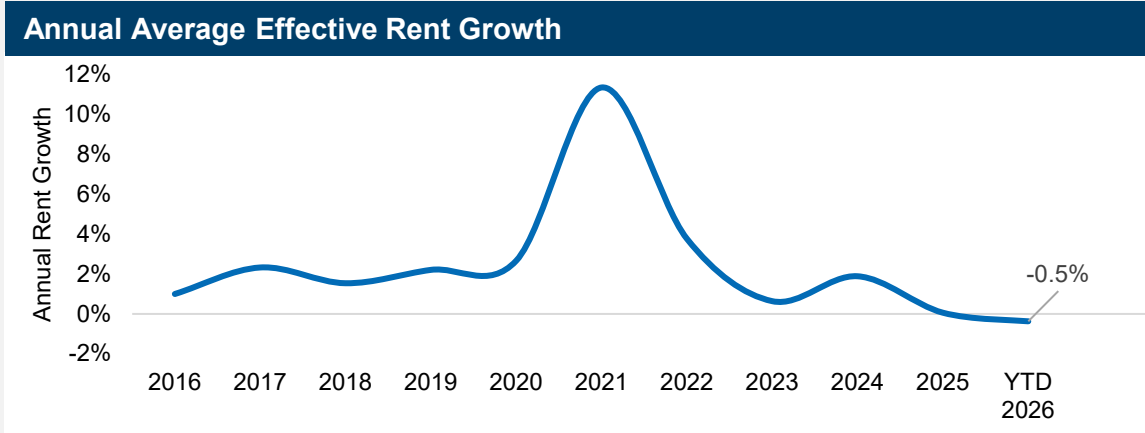
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Baltimore Metro Area Multifamily Fundamentals

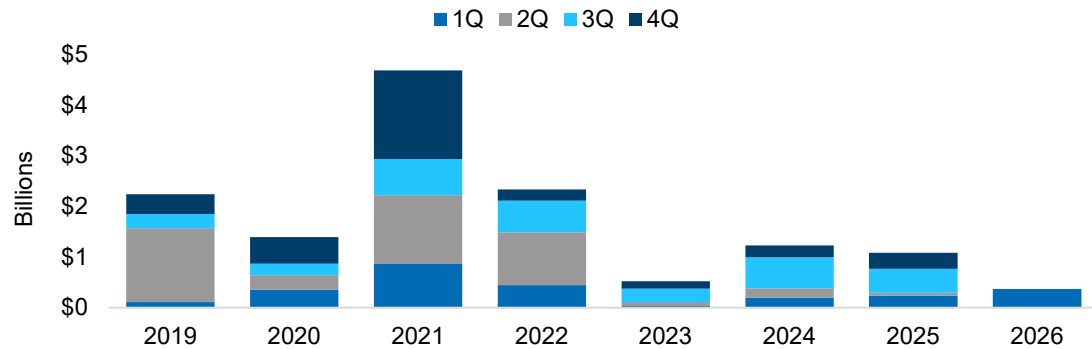
The Baltimore metro area experienced declining multifamily fundamentals at the end of the first quarter of 2026, as absorption, deliveries and average annual effective rent growth were each down year-over-year. However, the market's occupancy rate was flat over the same period. Rent growth has declined sharply since peaking in 2021, turning negative to begin 2026. Absorption was down 90.0% compared with the first quarter of last year, while deliveries declined by 69.4% over the same period.



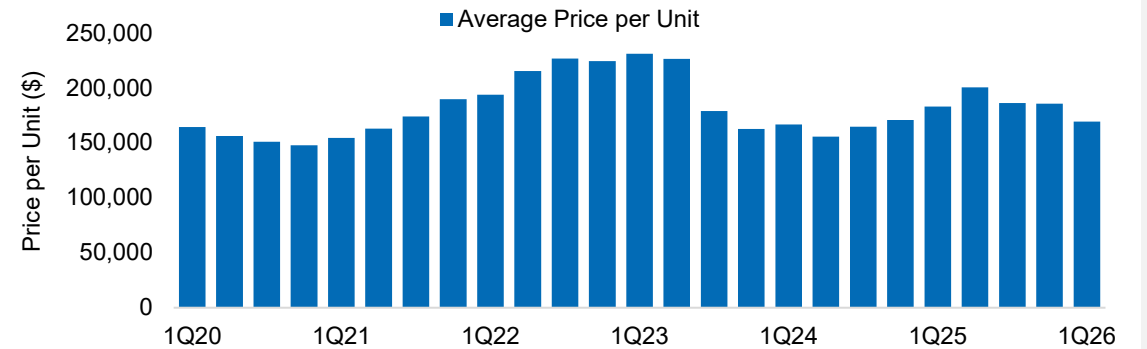
Baltimore Metro Area Multifamily Sales Market Overview

First-quarter Baltimore metro area multifamily sales volume was up 53.1% compared with the same period one year ago, coming in at \$367 million, the highest since 2022 when volume was nearly \$450 million. The average price per unit declined by 8.7% quarter-over-quarter and 7.5% year-over-year. Average cap rates were up 10 basis points quarter-over-quarter and year-over-year, ending the first quarter at 5.9%. The largest transaction of the first quarter of 2026 involved Rodgers Forge in the Baltimore City North submarket. The 498-unit affordable property sold for \$105.2 million, or \$211,245 per unit.

Total Multifamily Sales Volume



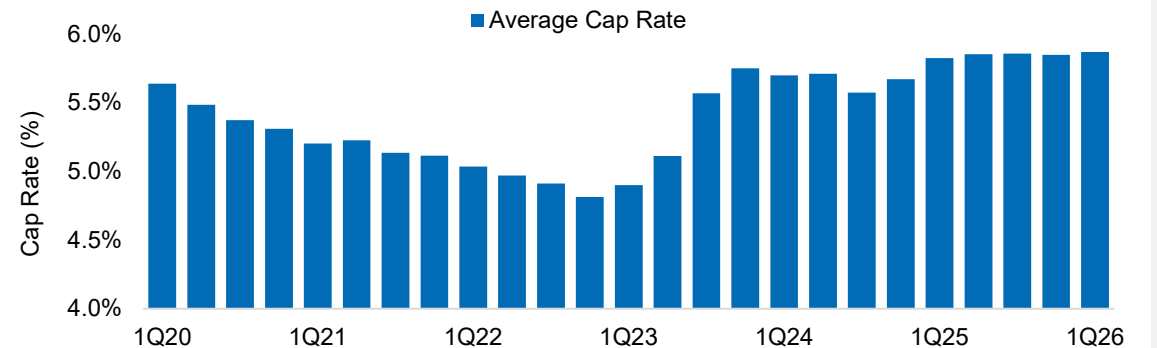
Price Per Unit (12-Month Average)



Notable Deals of 1Q 2026

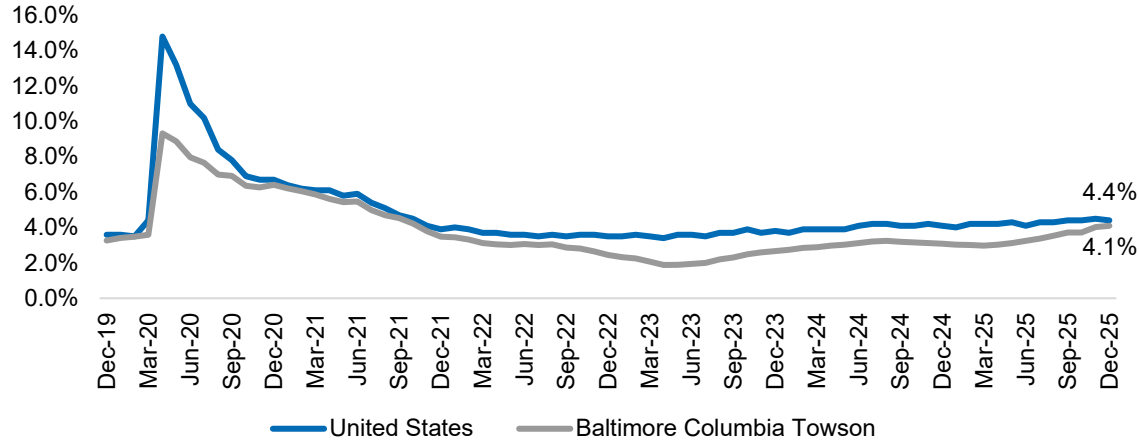
Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
Rodgers Forge	\$105.2	\$211,245	Chelsea Management	UDR	Baltimore City North
St. Charles at Olde Court Apts	\$98.6	\$161,078	Quest Management Group	David S Brown Enterprise	Owings Mills/Pikesville
Owings Park	\$47.0	\$270,115	Metropolitan Properties	Friedkin Property Group	Owings Mills/Pikesville
700 Exeter Hall Avenue	\$19.0	\$59,190	Oak Hill Townhomes LLC	Waverly Apartments	Baltimore City East

Average Cap Rates

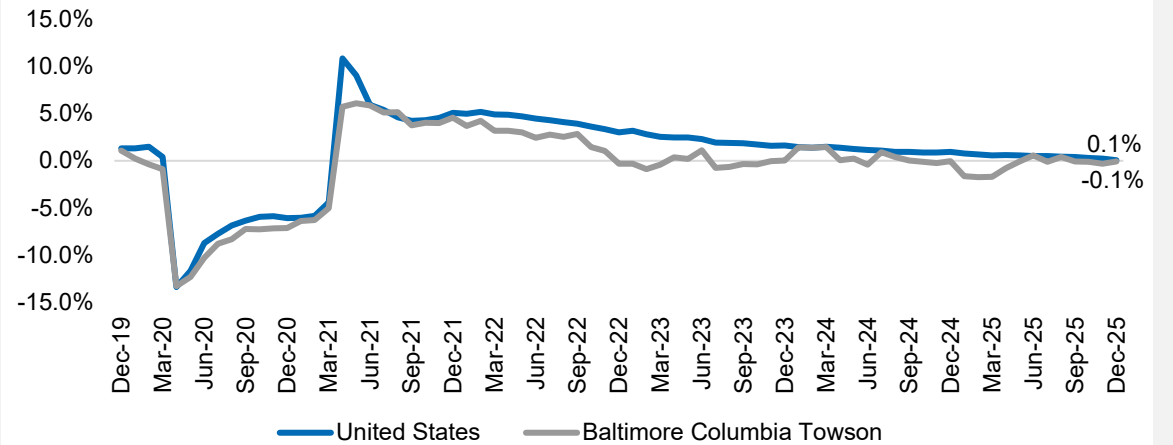


Baltimore Metro Area Economic Metrics

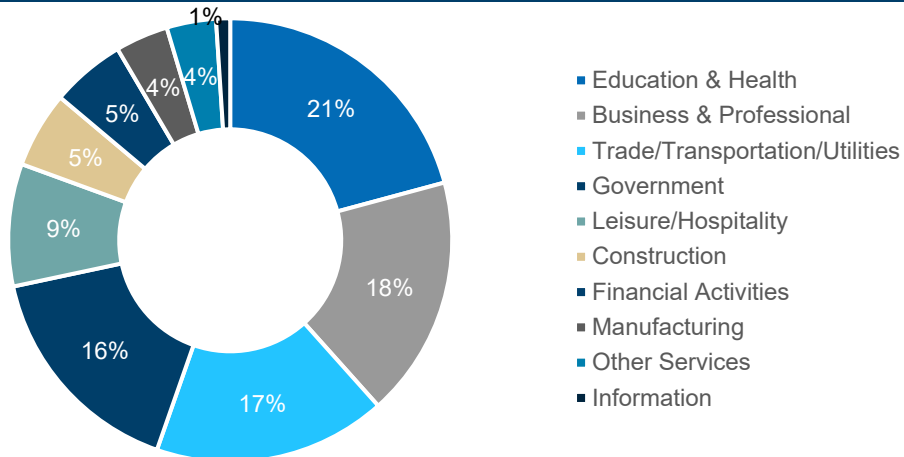
Unemployment Rate, Seasonally Adjusted



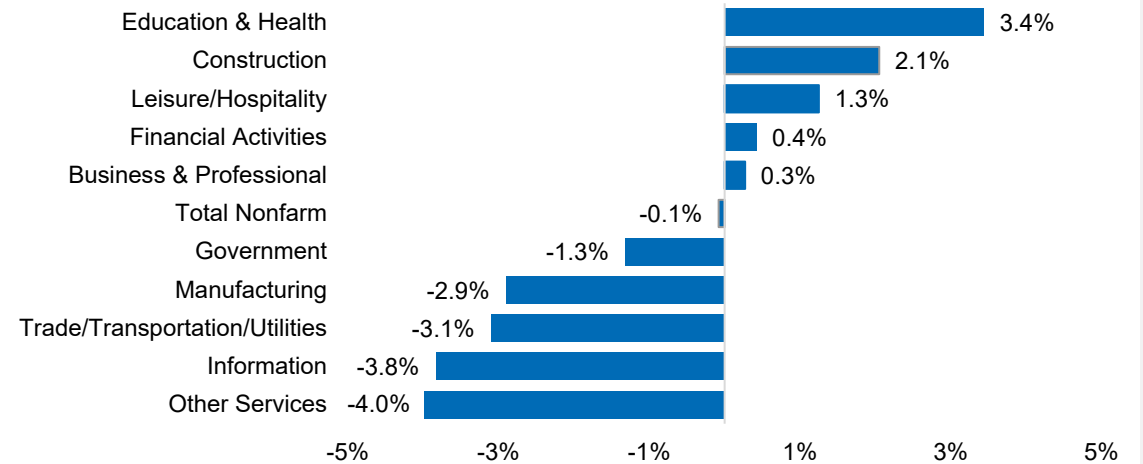
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, December 2025



Employment Growth by Industry, 12-Month % Change, December 2025



02

Washington Metro Area

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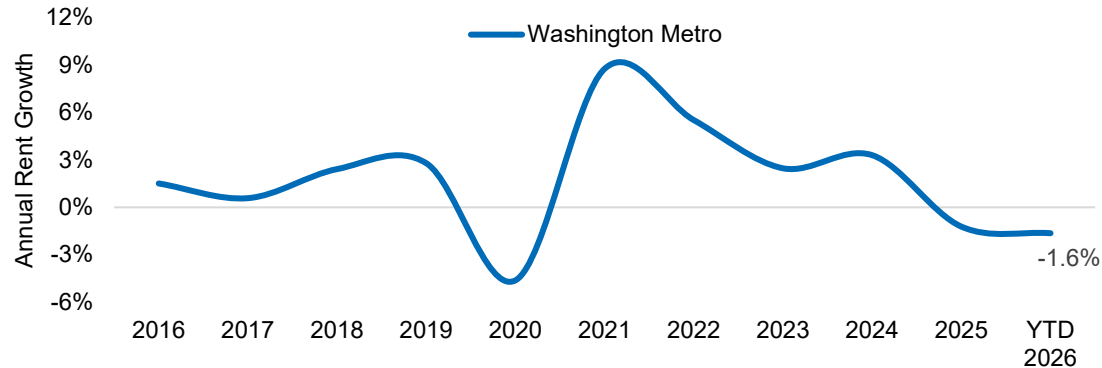
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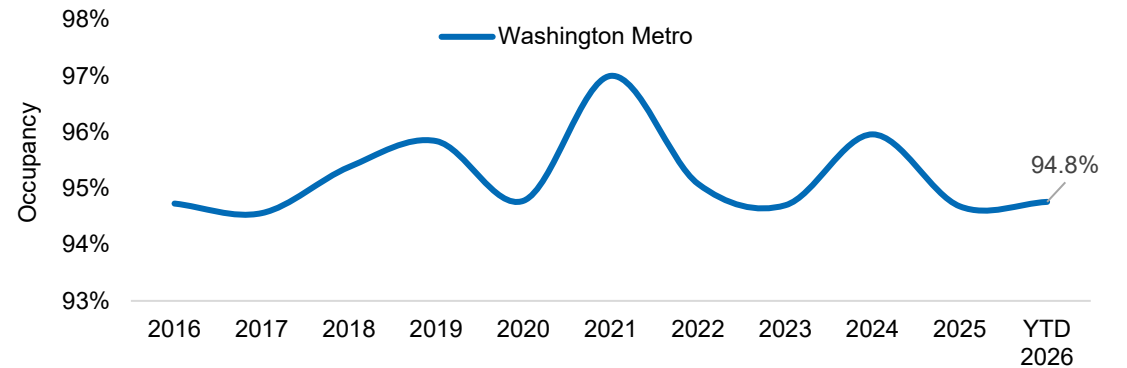
Washington Metro Area Multifamily Fundamentals

After experiencing slight increases in 2024, the followed by declines in 2025, Washington metro area multifamily fundamentals were mixed to end the first quarter of 2026. Annual average effective rents decreased by 1.6% year-over-year, while occupancy rates increased by 10 basis points to end the first quarter of 2026 at 94.8%. Northern Virginia saw the highest occupancy rate in the market at 95.1%. Absorption was up to begin the year, with the market registering 2,709 units during the first quarter. First quarter deliveries were down year-over-year, declining by 42.0% compared to the same period one year ago.

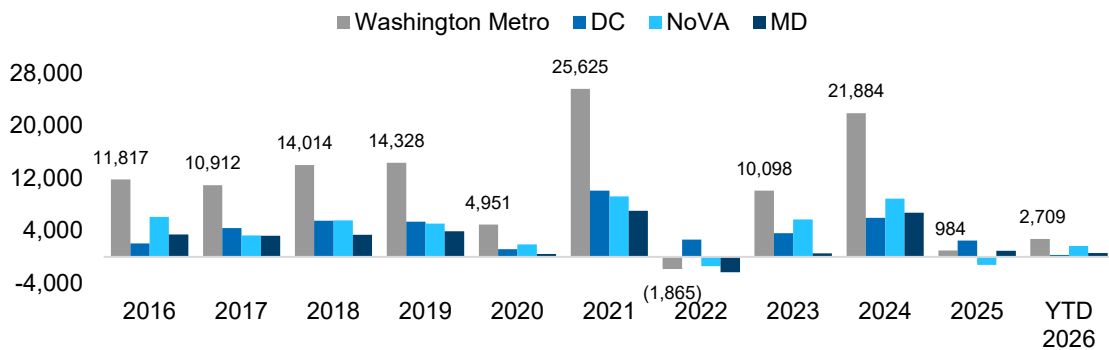
Annual Average Effective Rent Growth



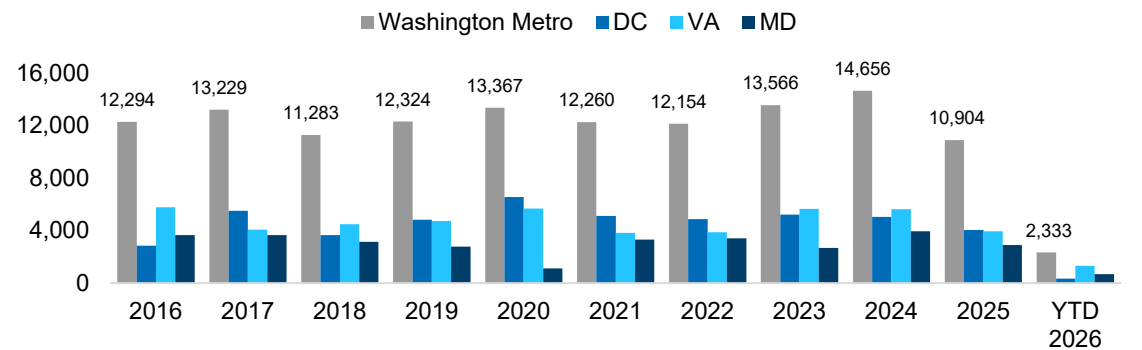
Occupancy Rate



Absorption



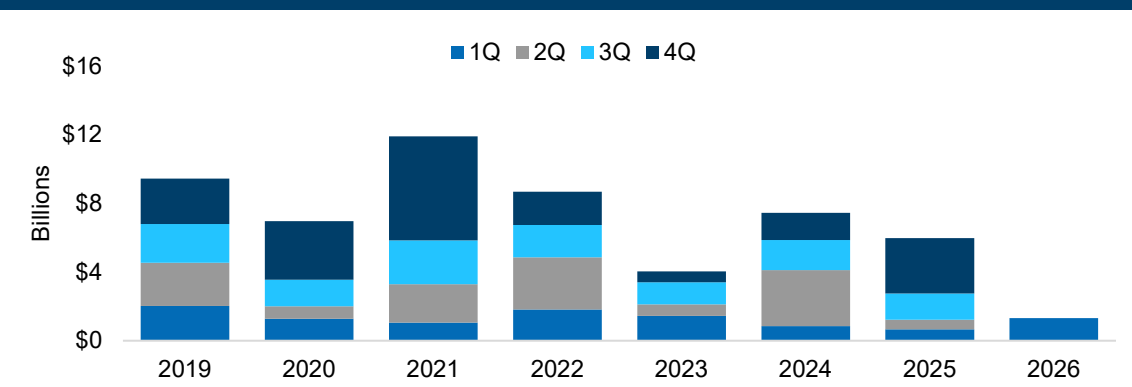
Deliveries



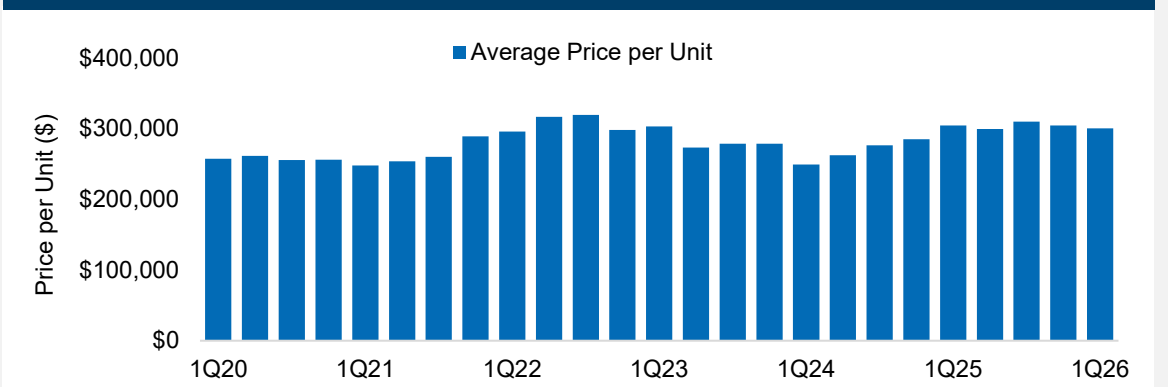
Washington Metro Area Multifamily Sales Market Overview

Total multifamily sales volume for 2025 was just under \$6.0 billion, 19.7% lower than in 2024. The average price per unit was down 1.4% quarter-over-quarter, and 1.5% over the last twelve months, ending the first quarter of 2026 at \$300,109 per unit. Cap rates have been essentially flat over the last year and currently stand at 5.3%. The largest transaction of the first quarter included Avention Huntington Station, a 366-unit property, sold by JBG Smith for \$150.5 million, or \$411,284 per unit.

Total Multifamily Sales Volume



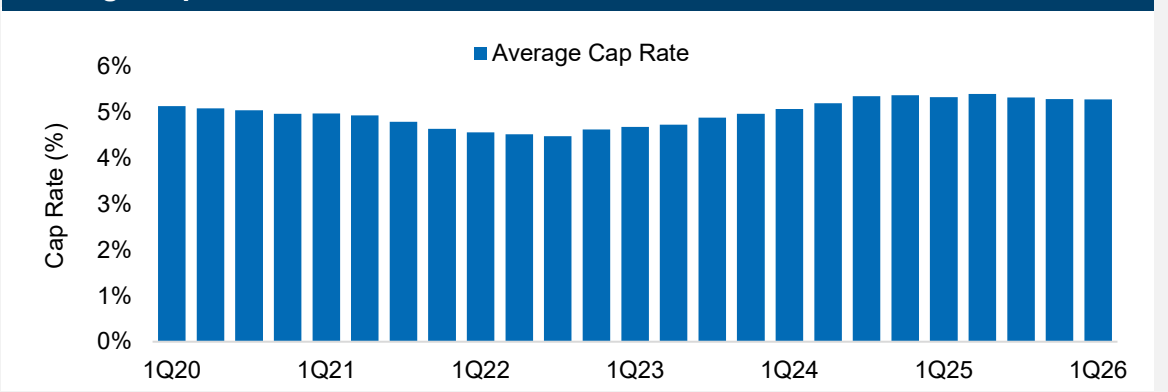
Price per Unit (12-Month Average)



Notable Deals of 1Q 2026

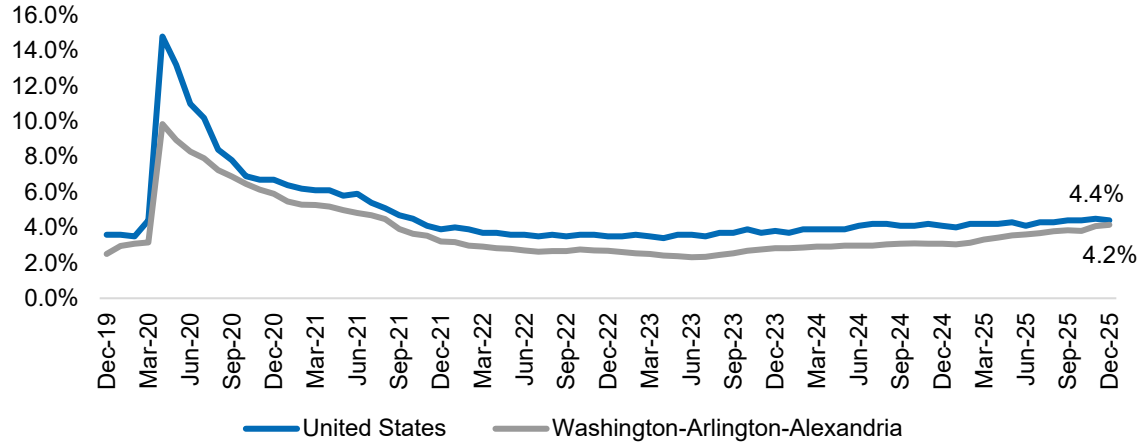
Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
Avention Huntington Station	\$150.5	\$411,284	Morgan Stanley	Avention	South Fairfax County
The Point at McLean	\$144.6	\$453,135	Pantzer Properties	LCOR	Tysons/Falls Church/Merrifield
Burke Shire Commons	\$138.1	\$383,612	DSF Group	Blackstone	West Fairfax County
The Reed	\$110.0	\$263,789	Comstock Holdings	Bainbridge Companies	Gaithersburg

Average Cap Rates

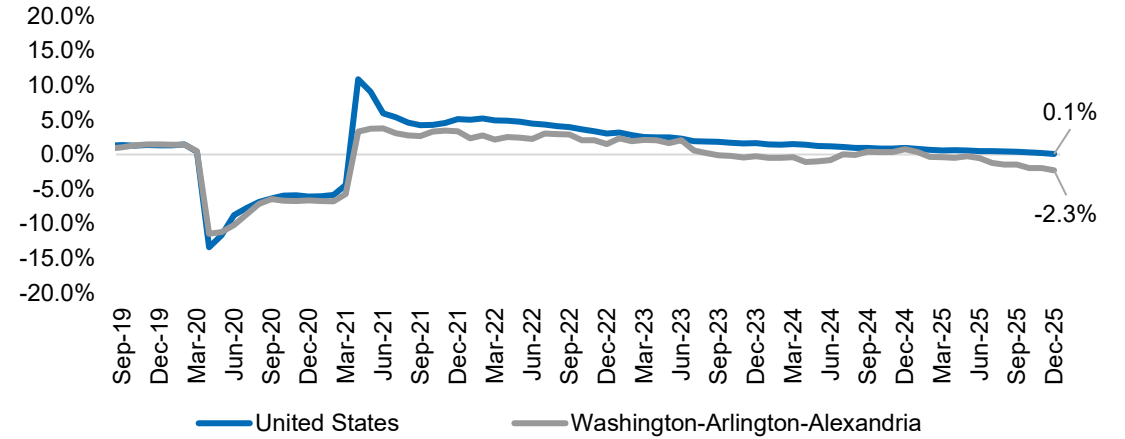


Washington Metro Area Economic Metrics

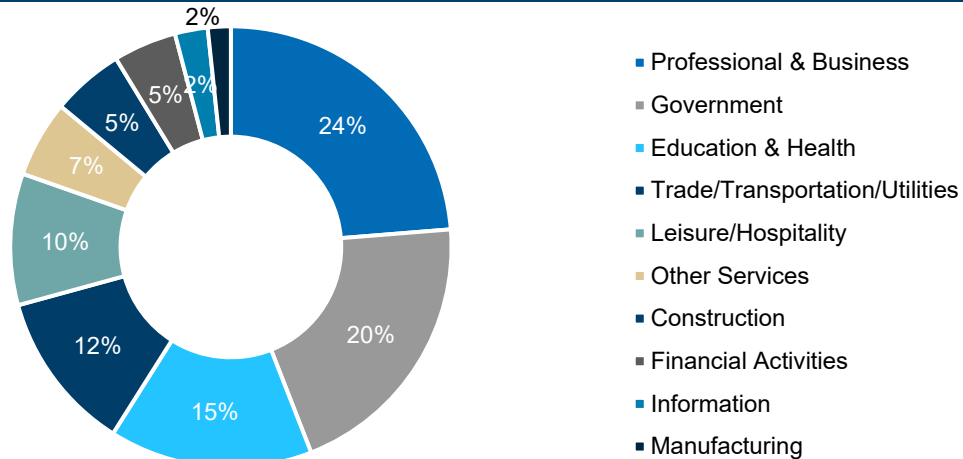
Unemployment Rate, Seasonally Adjusted



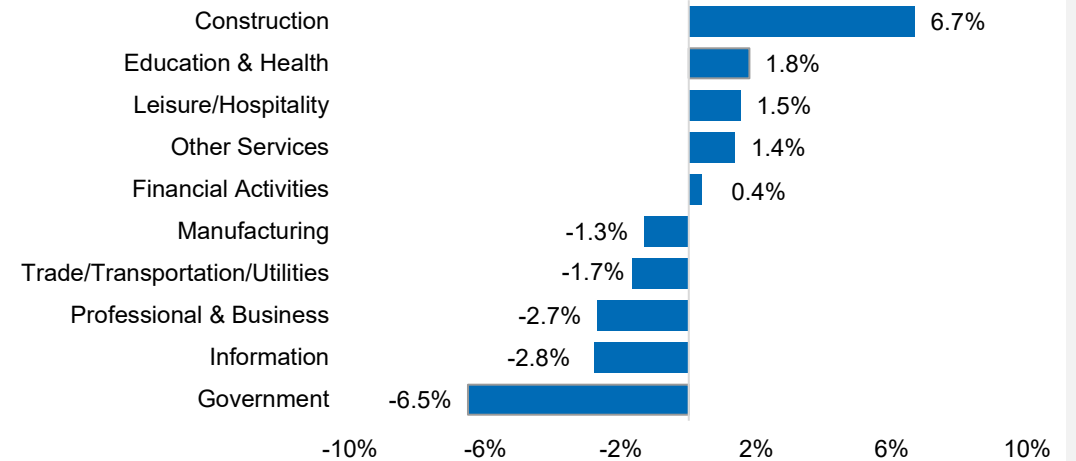
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, December 2025



Employment Growth by Industry, 12-Month % Change, December 2025



03

Appendix

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Baltimore Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 1Q 2026

Multifamily Submarket	Inventory (Units)	Occupancy	Effective Rent	YOY % Change	Under Construction (Units)
Annapolis	10,850	95.6%	\$2,131	-2.6%	-
Baltimore City East	19,253	94.7%	\$1,910	-0.7%	762
Baltimore City North	17,286	96.7%	\$1,417	-2.3%	331
Baltimore City West	17,720	94.7%	\$1,343	-0.5%	20
Columbia/North Laurel	17,290	95.3%	\$2,068	-1.4%	183
Downtown Baltimore	21,457	93.5%	\$1,857	-1.1%	453
Ellicott City/Elkridge	9,884	96.0%	\$2,097	1.0%	190
Far North Baltimore Suburbs	15,332	94.7%	\$1,763	-0.3%	30
Northeast Anne Arundel County	12,740	95.4%	\$1,761	0.0%	-
Northwest Anne Arundel County	14,952	95.2%	\$2,160	-0.4%	303
Owings Mills/Pikesville/Randallstown	19,757	95.2%	\$1,704	0.0%	-
Parkville/Carney/Perry Hall	12,182	96.1%	\$1,524	1.7%	-
Southeast Baltimore County	17,981	95.4%	\$1,405	-0.4%	-
Southwest Baltimore County	17,328	95.3%	\$1,470	-0.2%	-
Towson/Hunt Valley	16,413	95.7%	\$1,773	1.0%	140
Baltimore Metro	240,425	95.2%	\$1,740	-0.5%	2,382
Baltimore Metro Area	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Baltimore City	75,716	94.8%	\$1,650	-1.1%	1,566
Baltimore Suburbs	164,709	95.4%	\$1,782	-0.2%	816
Baltimore Metro Total	240,425	95.2%	\$1,740	-0.5%	2,382

Washington Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 1Q 2026

	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
District of Columbia					
Central DC	52,944	94.10%	\$2,721	-2.46%	1,246
Navy Yard/Capitol South	26,067	91.72%	\$2,685	-4.25%	780
North Central DC	19,976	95.08%	\$2,046	-2.18%	-
Northeast DC	30,721	93.73%	\$2,395	-2.96%	74
Northwest DC	23,922	94.35%	\$2,541	-4.19%	1,247
Southeast DC	29,782	97.67%	\$1,504	-1.25%	-
District of Columbia Total	183,412	94.4%	\$2,367	-2.8%	3,347
Suburban Maryland					
Bethesda/Chevy Chase	17,884	94.0%	\$2,919	-0.8%	496
College Park/Greenbelt	11,000	93.1%	\$1,994	0.4%	-
Downtown Silver Spring	15,093	92.9%	\$2,026	-3.0%	-
East Silver Spring/Takoma Park/Adelphi	16,536	96.2%	\$1,628	2.5%	308
Frederick	12,737	95.8%	\$1,899	-0.1%	300
Gaithersburg	16,975	95.9%	\$2,037	-1.5%	-
Germantown	8,661	95.2%	\$1,929	-3.0%	-
Hyattsville/Riverdale	18,654	96.2%	\$1,722	-0.1%	-
Landover/Bowie	20,485	95.7%	\$1,915	1.5%	435
Laurel/Beltsville	14,450	95.4%	\$1,746	-0.7%	-
Northeast Montgomery County	9,699	95.3%	\$1,809	-1.1%	-
Rockville/North Bethesda	21,901	95.2%	\$2,370	-1.2%	440
South Prince George's County/St. Charles	23,704	95.0%	\$1,713	0.7%	208
Suitland/District Heights/Capitol Heights	18,255	95.2%	\$1,671	0.3%	-
Wheaton/Aspen Hill	13,300	92.8%	\$1,896	-1.3%	-
Suburban Maryland Total	239,334	95.0%	\$1,962	-0.3%	2,187

Washington Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 1Q 2026

	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Northern Virginia					
Central Alexandria	12,594	95.3%	\$1,919	-0.7%	390
Columbia Pike	15,231	94.3%	\$2,219	-2.8%	530
Crystal City/Pentagon City	15,803	93.0%	\$2,732	-2.6%	0
East Alexandria	22,482	94.7%	\$2,452	-1.9%	738
Fredericksburg/Stafford	16,434	94.3%	\$1,894	-0.9%	0
Loudoun County	19,021	95.2%	\$2,301	-0.7%	1,513
Manassas/Far Southwest Suburbs	15,216	96.9%	\$2,042	-0.6%	0
North Arlington	33,782	95.7%	\$2,937	0.1%	2,154
Reston/Herndon	23,204	95.4%	\$2,361	-0.2%	400
Seven Corners/Baileys Crossroads/Annandale	12,721	94.5%	\$2,042	-4.1%	268
South Fairfax County	25,365	95.6%	\$2,076	-3.4%	719
Tysons Corner/Falls Church/Merrifield	29,451	95.3%	\$2,449	-1.3%	626
West Alexandria	11,003	93.8%	\$1,898	-3.7%	383
West Fairfax County	17,439	96.0%	\$2,273	-3.6%	260
Woodbridge/Dale City	15,391	94.2%	\$1,934	-3.1%	355
Northern Virginia Total	285,137	95.1%	\$2,305	-1.7%	8,336
Washington Metro Area					
District of Columbia	183,412	94.4%	\$2,367	-2.8%	3,347
Suburban Maryland	239,334	95.0%	\$1,962	-0.3%	2,187
Northern Virginia	285,137	95.1%	\$2,305	-1.7%	8,336
Washington Metro Total	707,883	94.9%	\$2,205	-1.5%	13,870

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