

NEWMARK

Baltimore & Washington, DC Multifamily Overview

2H25

Market Observations

Baltimore metro area multifamily occupancy has increased each of the last two years, ending 2025 at 95.3%, up 80 basis points year-over-year and up 120 basis points compared to 2023.

Effective rent growth in the **Baltimore** metro slowed to end the year, the third out of four years where effective rent growth declined, after a small uptick in 2024. Overall, effective rents grew at just 0.1% over the past year.

Baltimore metro area multifamily properties absorbed 3,130 units during 2025, down 20.9% compared with 2024. The market delivered 1,567 units, the smallest amount since 2022.

Baltimore metro area multifamily sales volume was down compared with 2024, coming in at just below \$1.0 billion for the year, though fourth quarter volume surpassed each of the previous three years over the same period, with nearly \$250 million in closed deals.



Washington metro area multifamily occupancy declined by 120 basis points year-over-year, to end 2025 at 94.8%. Suburban Maryland leads the way regionally, with an occupancy of 95.0%.

Rental rates across the **Washington** metro area were down in 2025, with each of the market's jurisdictions registering lower average annual effective rents than the year prior. Market-wide rents declined by 1.1%.

Nearly 11,000 units were delivered across the **Washington** metro area during 2025, though fewer delivered in each quarter than the last. The market absorbed just 2,059 units over the same period.

Multifamily sales volume in the **Washington** metro area was up during second half of 2025, after a slow start to the year, with fourth quarter transactions amassing the largest volume since 2021, at \$2.6 billion.

Expert Insights

Baltimore Metro Area



What We Know

- The Baltimore metro area multifamily market remains stable, though with softening fundamentals, though due to thinner deliveries year-over-year, occupancy has increased modestly.
- Perceptions of crime and affordability have negatively impacted Baltimore City in recent years, a problem which persists.
- Construction costs and slower rent growth have made new development a challenge as financing remains hard, limiting upside for investors.



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.
- The potential for lower interest rates should help to bring institutional investors and developers off the sidelines.
- There is less competition for deals, leading to a muting effect on prices.
- National economic dynamics as well as federal government change spillover and their impact on demand are factors to watch.

Washington Metro Area



What We Know

- The Washington metro area multifamily market has seen rent growth soften and concessions increase as property owners prioritize occupancy in a market with a supply/demand imbalance.
- Affordability remains an issue both in terms of supply as well as developer appetite to construct as still elevated interest rates make these projects difficult to pencil.
- Regional policies continue to impact transaction volume and capital in the region, specifically in the District and Maryland.
- Federal government cuts, the fall shutdown, as well as the implementation of the National Guard in downtown Washington, DC played a role in slower absorption and capital expenditures during 2025



What We Expect

- The RENTAL Act of 2025 became law on December 31, intending reforms to DC housing laws to promote development and update and clarify processes for owners and tenants alike.
- New developments will have the ability to get around some of the most challenging aspects of the TOPA law, making investment more predictable.
- Slow, but improving fundamentals are expected as owners work through new supply, helping to reverse recent rent growth trends.
- Deal volume has likely approached a bottom and should gradually pick up as pricing adjusts, and more clarity arrives regarding local policy and federal government changes.

01

Baltimore Metro Area

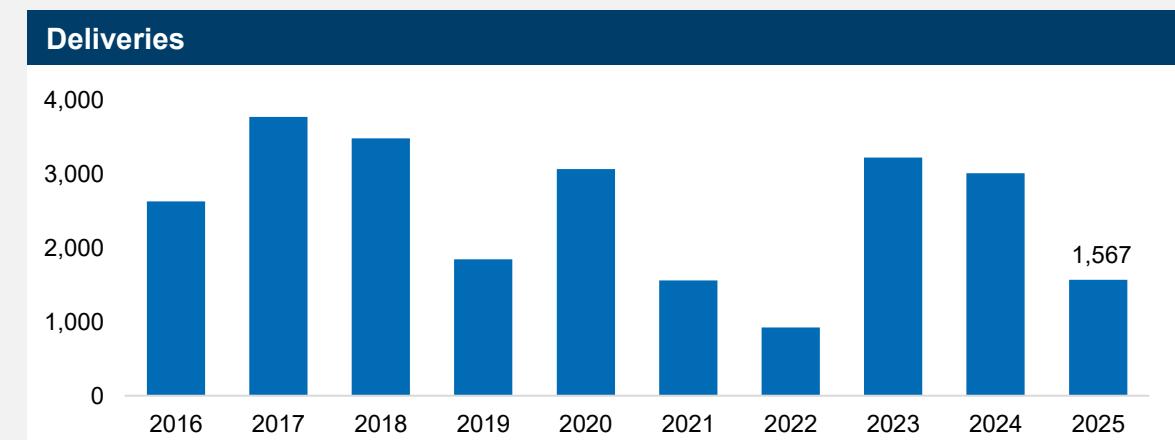
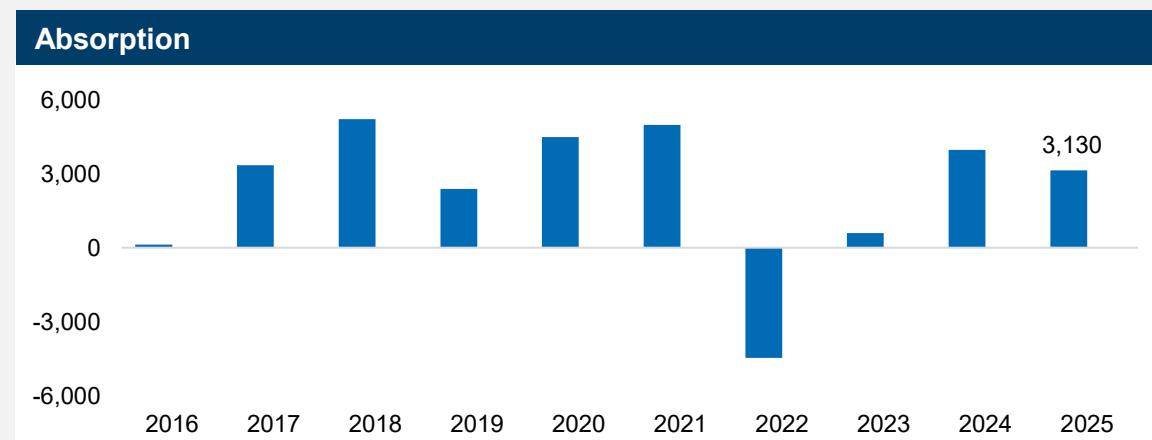
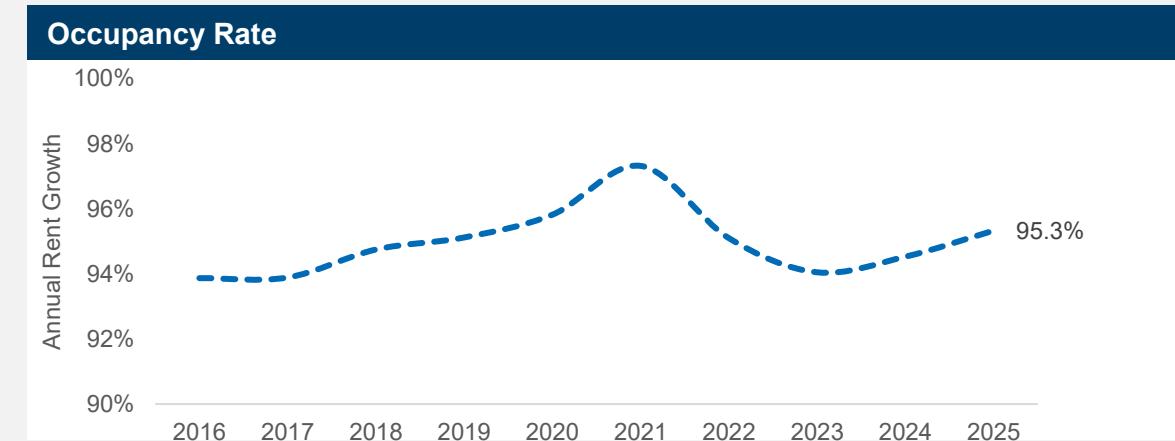
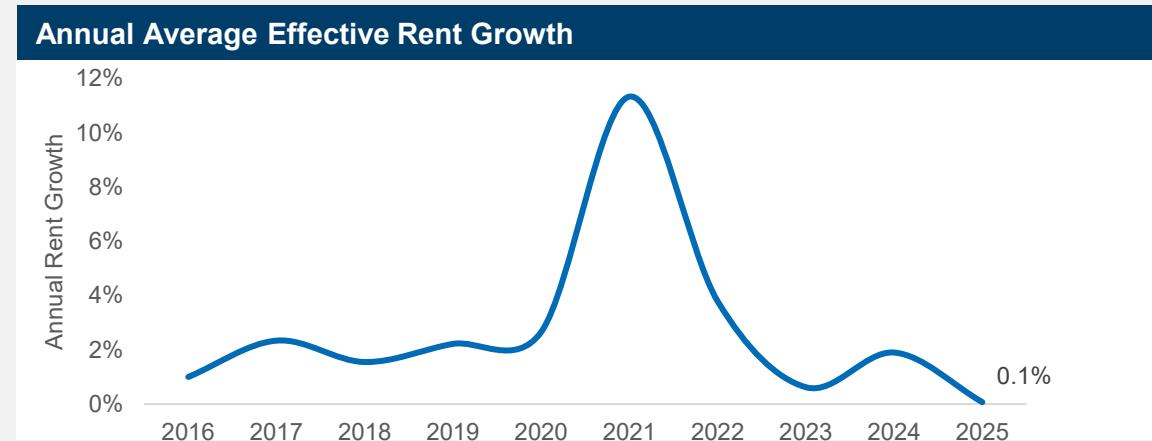
2H25

NMRK.COM



Baltimore Metro Area Multifamily Fundamentals

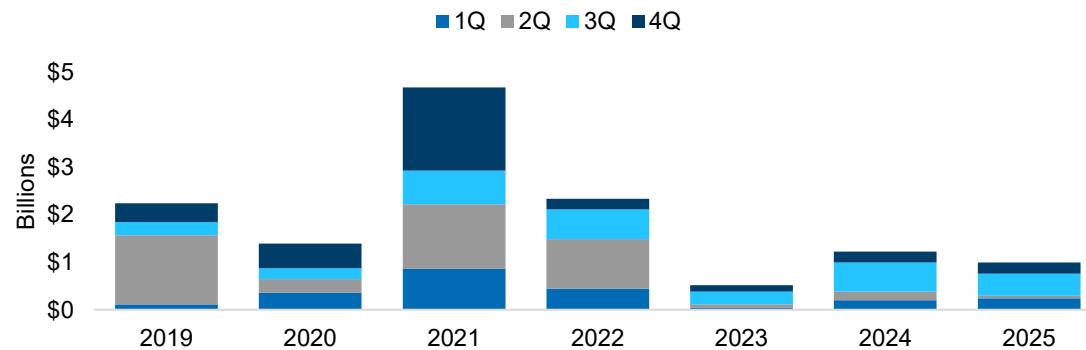
The Baltimore metro area experienced declining multifamily fundamentals to close out 2025, as absorption, deliveries and average annual effective rent growth were each down year-over-year. However, the market's occupancy rate increased 80 basis points over the same period. Rent growth slowed to basically flat to end the year, the third out of four year where effective rent growth declined, after a small uptick in 2024. Absorption was down 20.9% compared with 2024, while deliveries declined by 47.9% over the same period.



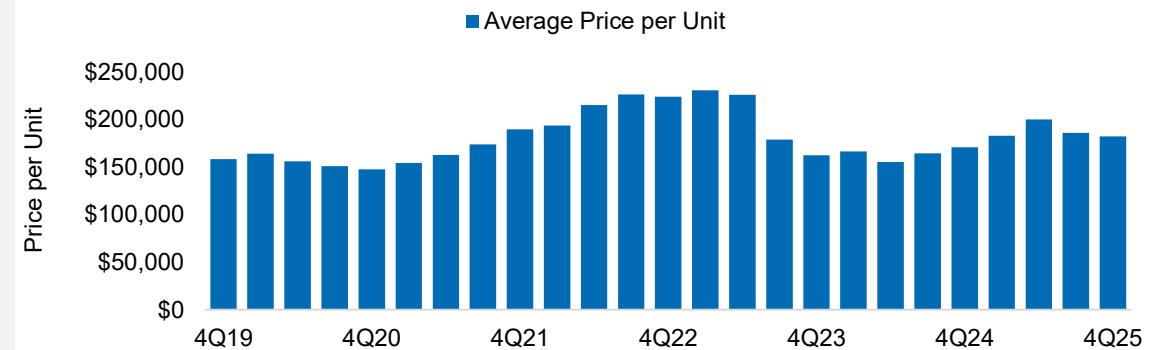
Baltimore Metro Area Multifamily Sales Market Overview

Baltimore metro area multifamily sales volume was down compared with 2024, coming in at just below \$1.0 billion for the year. Fourth quarter volume surpassed each of the previous three years over the same period, with nearly \$250 million in closed deals. Both the average price per unit and average cap rates were down quarter-over-quarter, but up year-over-year, with the price per unit increasing by 6.8% compared with fourth quarter of 2024. Cap rates averaged 5.9% in the Baltimore metro to end the year. The largest transaction over the previous six months involved Milbrook Park in the Baltimore City West submarket. The 720-unit affordable property sold for \$108.0 million, or \$150,000 per unit.

Total Multifamily Sales Volume



Price Per Unit (12-Month Average)



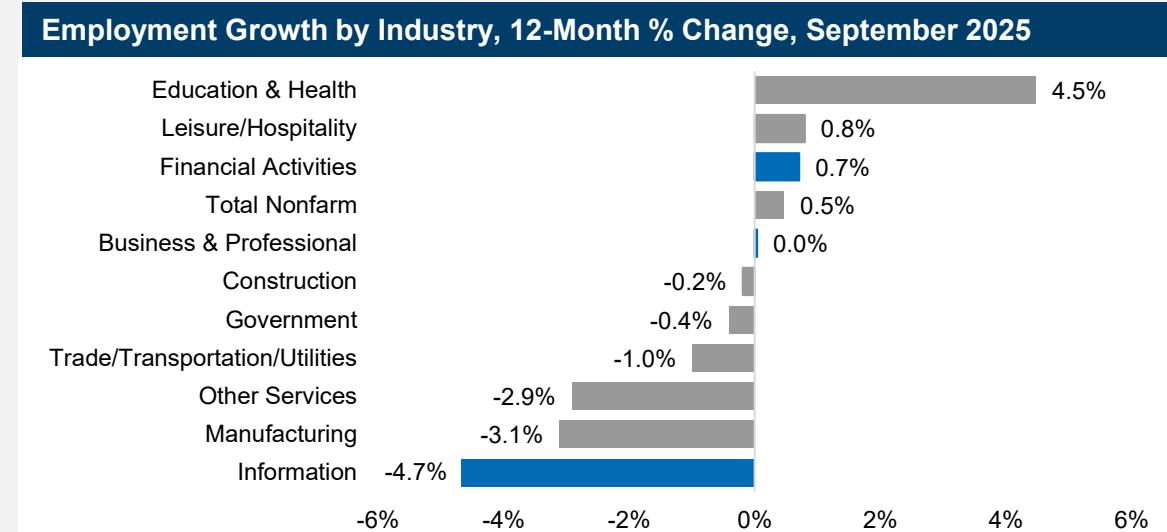
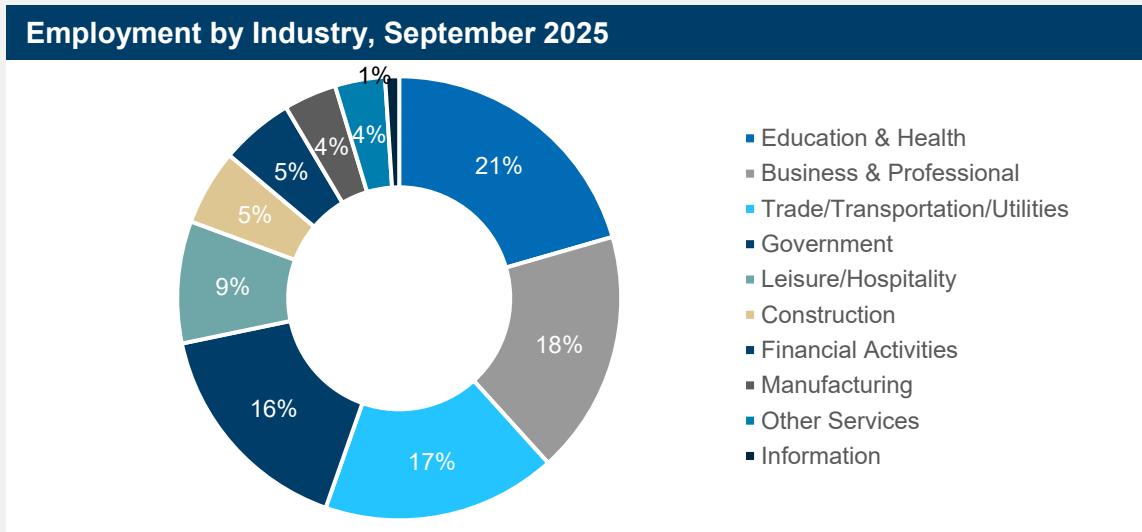
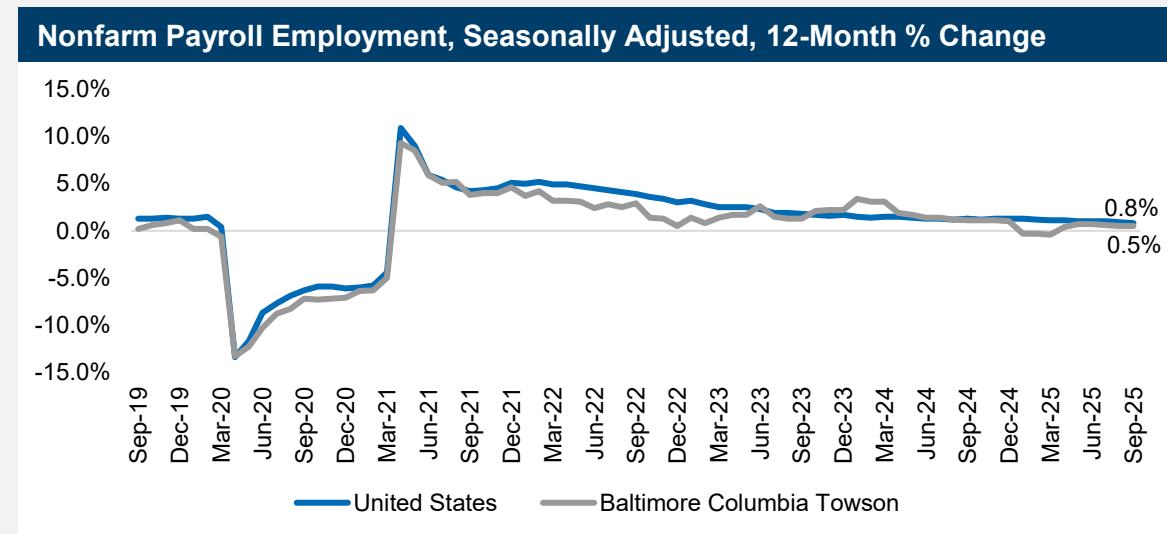
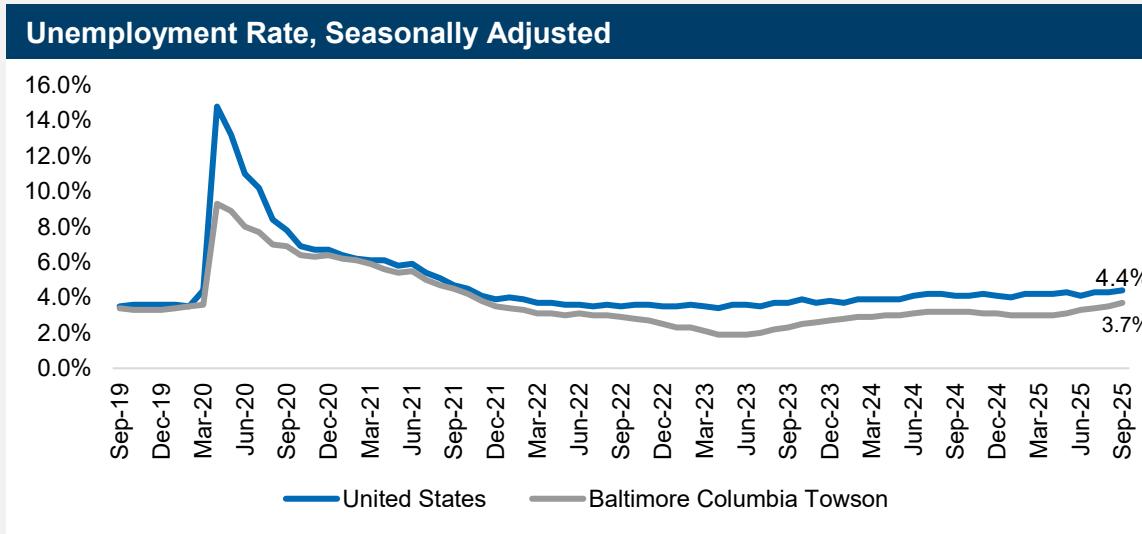
Notable Deals of 2H 2025

Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
Milbrook Park	\$108.0	\$150,000	Chelsea Management	Concordia Properties	Baltimore City West
Arbor Ridge	\$80.5	\$231,322	TruAmerica Multifamily	Investcorp	Owings Mills/ Pikesville
The Zenith	\$46.5	\$243,455	Zenith Properties LLC	Hasta Capital	Downtown Baltimore
Park at Winterset	\$40.6	\$230,682	Friedkin Realty Group	Investcorp	Owings Mills/ Pikesville

Average Cap Rates



Baltimore Metro Area Economic Metrics



02

Washington Metro Area

2H25

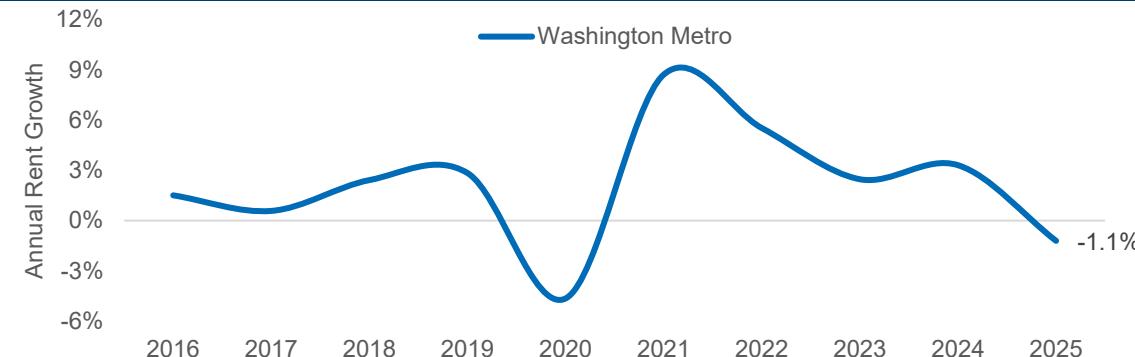
NMRK.COM



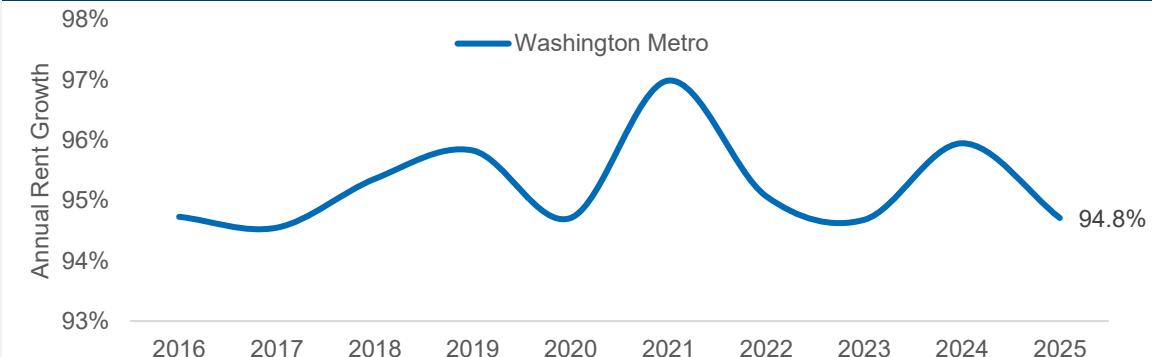
Washington Metro Area Multifamily Fundamentals

After experiencing slight increases in 2024, Washington metro area multifamily fundamentals registered declines across the board in 2025. Annual average effective rents decreased by 1.1% year-over-year, while occupancy rates declined by 120 basis points to end 2025 at 94.8%. Suburban Maryland saw the highest occupancy rate in the market at 95.0%. Absorption was down significantly, declining by 89.5% compared with 2024. Deliveries were also down year-over-year, with the market delivering fewer units than in any of the previous nine years.

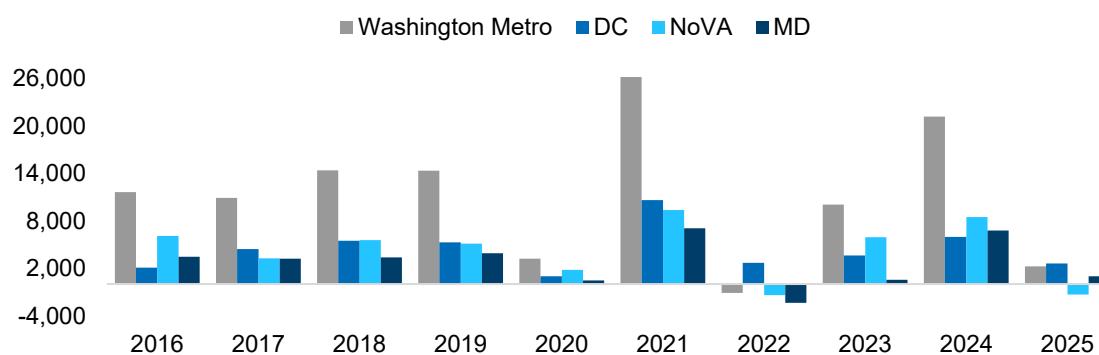
Annual Average Effective Rent Growth



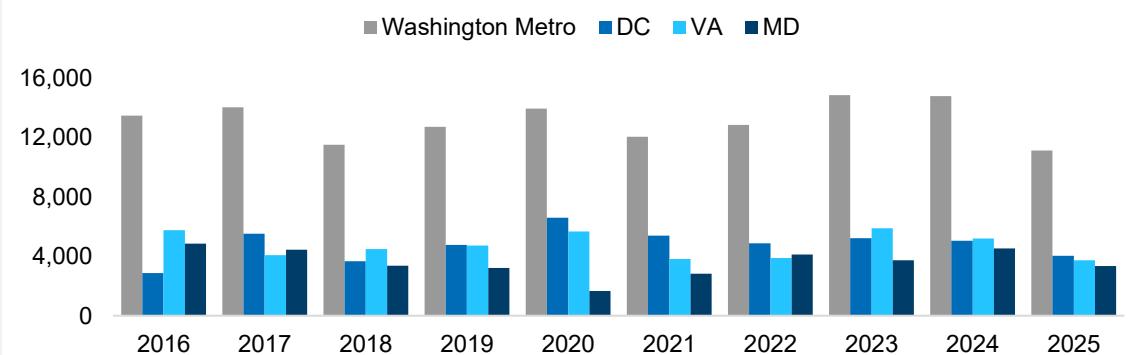
Occupancy Rate



Absorption



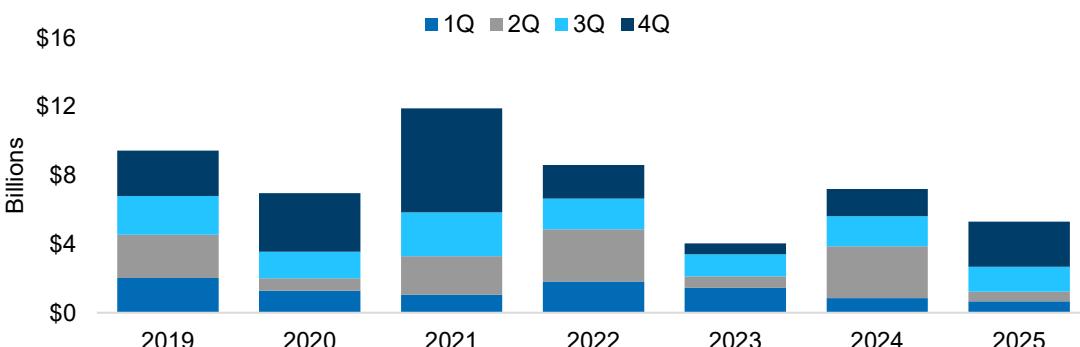
Deliveries



Washington Metro Area Multifamily Sales Market Overview

Multifamily sales volume in the Washington metro area was up over the second half of 2025, after a slow start to the year, with the fourth quarter transactions amassing the largest volume since 2021, at \$2.6 billion. Overall, 2025 sales volume in the market declined by 26.4% year-over-year, with approximately \$5.3 billion worth of transactions. The average price per unit was down slightly quarter-over-quarter, but increased by 7.4% over the last twelve months, ending 2025 at \$305,892 per unit. Cap rates have been essentially flat over the last year. The largest transaction of the second half of 2025 included the Batley, a 432-unit property, sold by JBG Smith for \$155.0 million, or \$358,796 per unit.

Total Multifamily Sales Volume



Price per Unit (12-Month Average)



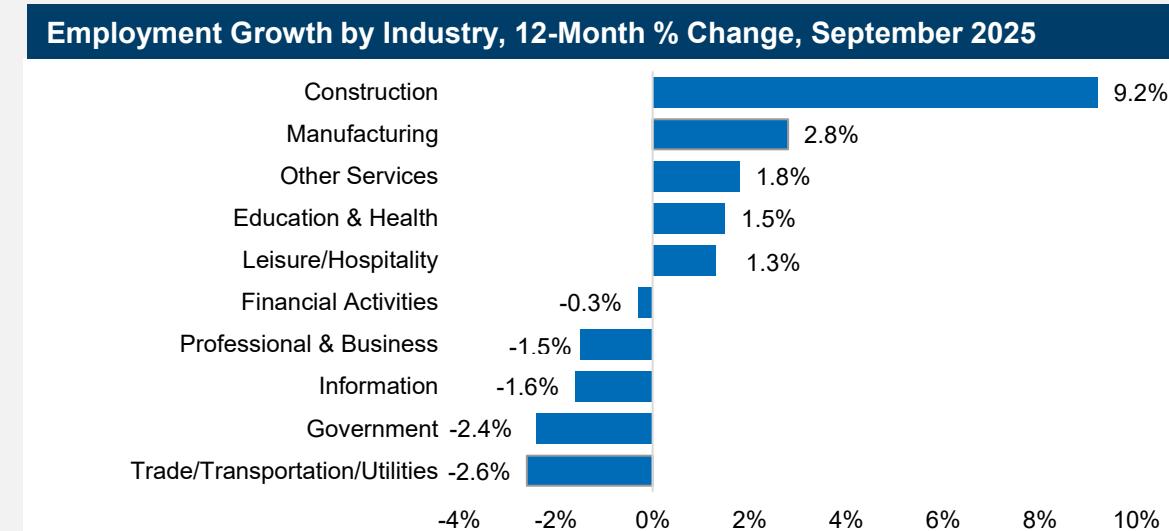
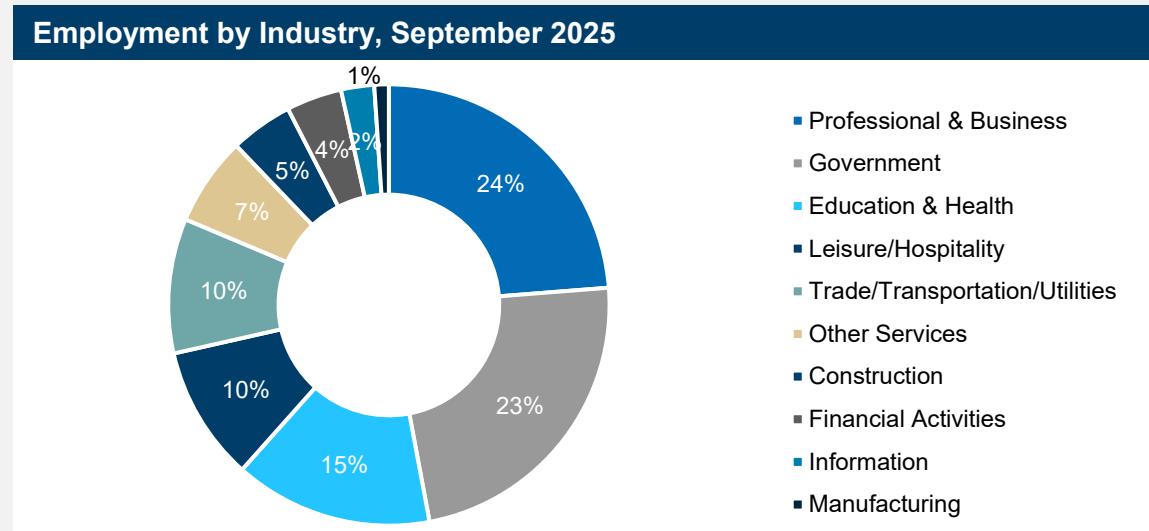
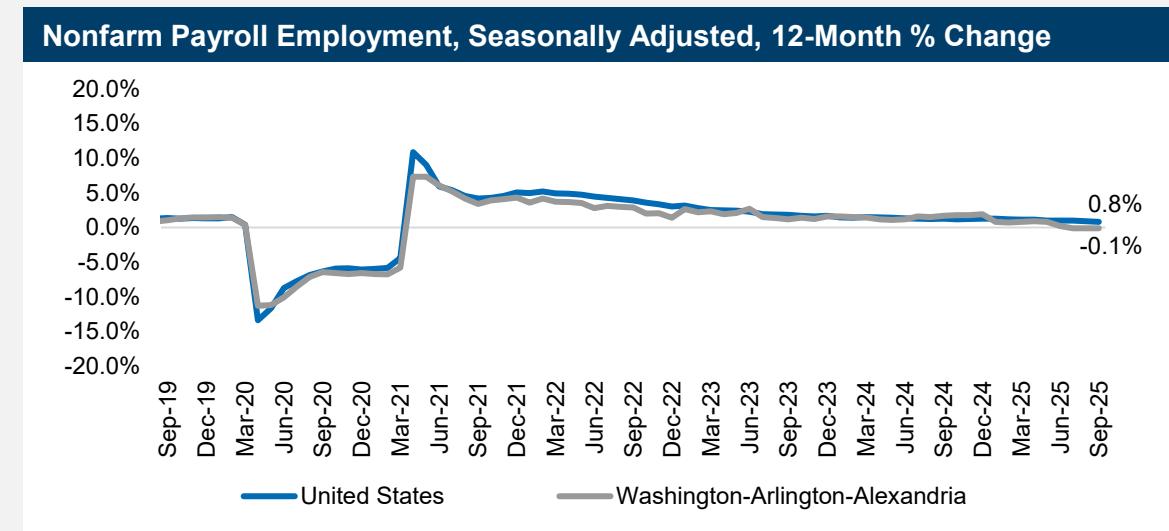
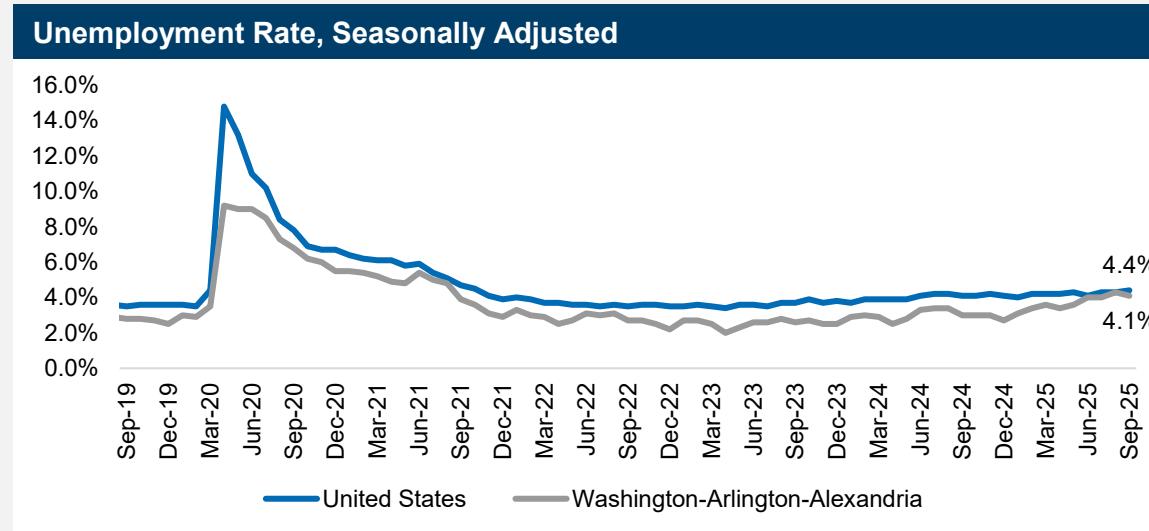
Notable Deals of 2H 2025

Multifamily Asset Name	Sales Price (\$M)	Price/Unit	Buyer	Seller	Submarket
The Batley	\$155.0	\$358,796	Peterson Companies	JBG Smith	Northeast DC
Enclave at Potomac Club	\$147.0	\$362,069	UDR	Mesirow	Woodbridge/ Dale City
Milestone	\$142.0	\$246,528	Arel Capital	Hampshire Properties	Germantown
Vy at Reston Heights	\$131.5	\$341,558	Pantzer Properties	JBG Smith	Reston/ Herndon

Average Cap Rates



Washington Metro Area Economic Metrics



03

Appendix

2H25

NMRK.COM



Baltimore Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 2H 2025

Multifamily Submarket	Inventory (Units)	Occupancy	Effective Rent	YOY % Change	Under Construction (Units)
Annapolis	10,850	95.0%	\$2,076	-2.9%	-
Baltimore City East	18,917	94.4%	\$1,899	-0.6%	867
Baltimore City North	17,286	96.7%	\$1,434	-0.6%	331
Baltimore City West	17,720	94.8%	\$1,337	1.6%	20
Columbia/North Laurel	17,294	94.9%	\$2,063	-1.9%	182
Downtown Baltimore	21,457	93.3%	\$1,908	-1.1%	547
Ellicott City/Elkridge	9,876	96.3%	\$2,052	-0.4%	190
Far North Baltimore Suburbs	15,302	95.0%	\$1,744	0.6%	30
Northeast Anne Arundel County	12,740	95.5%	\$1,768	0.5%	-
Northwest Anne Arundel County	14,952	94.8%	\$2,140	-0.3%	303
Owings Mills/Pikesville/Randallstown	19,660	95.3%	\$1,716	1.1%	-
Parkville/Carney/Perry Hall	12,182	96.1%	\$1,517	3.4%	-
Southeast Baltimore County	17,981	95.7%	\$1,414	1.0%	-
Southwest Baltimore County	17,328	95.7%	\$1,458	-0.6%	-
Towson/Hunt Valley	16,413	95.8%	\$1,760	1.8%	-
Baltimore Metro	239,958	95.2%	\$1,737	0.1%	2,470
Baltimore Metro Area	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Baltimore City	75,380	94.7%	\$1,663	-0.2%	1,765
Baltimore Suburbs	164,578	95.4%	\$1,771	0.3%	705
Baltimore Metro Total	239,958	95.2%	\$1,737	0.1%	2,470

Washington Metro Area Submarket Statistics – 2H 2025

Multifamily Statistics by Submarket – As of 2H 2025

District of Columbia	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Central DC	52,919	94.50%	\$2,718	-1.3%	694
Navy Yard/Capitol South	26,017	91.47%	\$2,708	-3.6%	428
North Central DC	19,747	95.05%	\$2,044	-1.8%	-
Northeast DC	30,653	93.05%	\$2,427	-0.9%	123
Northwest DC	23,670	95.04%	\$2,572	-2.1%	1,232
Southeast DC	29,782	97.53%	\$1,503	-0.4%	-
District of Columbia Total	182,788	94.4%	\$2,378	-1.6%	2,477
Suburban Maryland	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Bethesda/Chevy Chase	17,560	93.9%	\$2,924	-0.6%	806
College Park/Greenbelt	11,000	93.5%	\$1,979	-2.0%	-
Downtown Silver Spring	15,092	93.2%	\$2,062	-1.1%	-
East Silver Spring/Takoma Park/Adelphi	16,536	96.3%	\$1,624	0.6%	308
Frederick	12,737	95.5%	\$1,895	0.1%	300
Gaithersburg	16,975	96.0%	\$2,055	-2.5%	-
Germantown	8,661	95.4%	\$1,934	-3.5%	-
Hyattsville/Riverdale	18,474	96.5%	\$1,683	-0.5%	361
Landover/Bowie	20,485	95.5%	\$1,891	-0.4%	435
Laurel/Beltsville	14,450	95.3%	\$1,738	-2.0%	-
Northeast Montgomery County	9,699	95.2%	\$1,847	1.3%	-
Rockville/North Bethesda	21,773	95.0%	\$2,353	-1.7%	440
South Prince George's County/St. Charles	23,704	95.1%	\$1,697	-0.6%	208
Suitland/District Heights/Capitol Heights	18,255	95.2%	\$1,654	0.7%	-
Wheaton/Aspen Hill	13,300	93.1%	\$1,883	-2.2%	-
Suburban Maryland Total	238,701	95.0%	\$1,954	-0.9%	2,858

Washington Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 2H 2025

Northern Virginia	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Central Alexandria	12,594	95.7%	\$1,869	-2.9%	0
Columbia Pike	15,228	94.8%	\$2,181	-1.6%	0
Crystal City/Pentagon City	15,803	93.4%	\$2,721	-1.7%	0
East Alexandria	22,521	94.3%	\$2,434	-1.4%	738
Fredericksburg/Stafford	16,323	94.6%	\$1,878	-0.4%	0
Loudoun County	18,270	94.8%	\$2,277	1.1%	2,111
Manassas/Far Southwest Suburbs	15,216	96.8%	\$2,021	0.5%	0
North Arlington	33,782	95.2%	\$2,873	-0.1%	1,633
Reston/Herndon	22,810	94.9%	\$2,305	0.6%	819
Seven Corners/Baileys Crossroads/Annandale	12,526	95.8%	\$2,050	-1.9%	0
South Fairfax County	25,365	95.1%	\$2,080	-3.2%	893
Tysons Corner/Falls Church/Merrifield	29,495	95.0%	\$2,436	0.8%	305
West Alexandria	11,003	93.0%	\$1,888	-3.8%	0
West Fairfax County	17,125	95.7%	\$2,228	-3.9%	0
Woodbridge/Dale City	15,391	94.8%	\$1,956	-0.9%	0
Northern Virginia Total	283,452	94.9%	\$2,281	-1.0%	6,499
Washington Metro Area	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
District of Columbia	182,788	94.4%	\$2,378	-1.6%	2,477
Suburban Maryland	238,701	95.0%	\$1,954	-0.9%	2,858
Northern Virginia	283,452	94.9%	\$2,281	-1.0%	6,499
Washington Metro Total	704,941	94.8%	\$2,195	-1.1%	11,834

Liz Berthelette

*Head of Northeast Research &
National Life Science Research*

elizabeth.berthelette@nmrk.com

Kevin Sweeney

*Associate Director
Mid-Atlantic Research*

kevin.sweeney@nmrk.com

Nick Schlanger

*Senior Research Analyst
Mid-Atlantic Research*

nick.schlanger@nmrk.com

District of Columbia

1899 Pennsylvania Avenue,
NW Suite 300
Washington, DC 20006
t 202-331-7000

Chad Braden

*Senior Research Analyst
Mid-Atlantic Research*

chad.braden@nmrk.com

Salini Thiraviyarahajah

*Research Analyst
Mid-Atlantic Research*
salini.thiraviyarahajah@nmrk.com

New York Headquarters

125 Park Ave.
New York, NY 10017
t 212-372-2000

*Multifamily Sales and Finance Team:***Christine Espenshade**

*Vice Chairman
T 202-312-5741
M 410-336-5019
Christine.Espenshade@nmrk.com*

Shawn McDonald

*Vice Chairman
M 301-448-5355
Shawn.McDonald@nmrk.com*

Victoria Pickett

*Executive Managing Director
M 757-376-2996
Victoria.Pickett@nmrk.com*

Robert Garrish

*Vice Chairman
T 202-312-5479
M 443-676-3486
Robert.Garrish@nmrk.com*

Garrison Gore

*Senior Managing Director
M 804-517-8978
Garrison.Gore@nmrk.com*

Charles Wentworth

*Executive Managing Director
M 804-283-3447
Charles.Wentworth@nmrk.com*

Newmark has implemented a proprietary database and our tracking methodology has been revised. With this expansion and refinement in our data, there may be adjustments in historical statistics including availability, asking rents, absorption and effective rents. Newmark Research Reports are available at nmrk.com/insights

All information contained in this publication (other than that published by Newmark) is derived from third party sources. Newmark (i) has not independently verified the accuracy or completeness of any such information, (ii) does not make any warranties or representations, express or implied, concerning the same and (iii) does not assume any liability or responsibility for errors, mistakes or inaccuracies of any such information. Further, the information set forth in this publication (i) may include certain forward-looking statements, and there can be no guarantee that they will come to pass, (ii) is not intended to, nor does it contain sufficient information, to make any recommendations or decisions in relation to the information set forth therein and (iii) does not constitute or form part of, and should not be construed as, an offer to sell, or a solicitation of any offer to buy, or any recommendation with respect to, any securities. Any decisions made by recipient should be based on recipient's own independent verification of any information set forth in this publication and in consultation with recipient's own professional advisors. Any recipient of this publication may not, without the prior written approval of Newmark, distribute, disseminate, publish, transmit, copy, broadcast, upload, download, or in any other way reproduce this publication or any of the information it contains with any third party. This publication is for informational purposes only and none of the content is intended to advise or otherwise recommend a specific strategy. It is not to be relied upon in any way to predict market movement, investment in securities, transactions, investment strategies or any other matter. If you received this publication by mistake, please reply to this message and follow with its deletion, so that Newmark can ensure such a mistake does not occur in the future.