NEWMARK

Baltimore & Washington, DC Multifamily Overview

2Q26

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Market Observations

Baltimore metro area multifamily occupancy was essentially flat through the first half of 2026, ending the second quarter at 95.9%, up 20 basis points year-over-year.

Effective rent growth in the **Baltimore** metro area has declined sharply since peaking in 2021, registering 0.5% at the end of the second quarter. Despite slower growth, the region outperforms comparable markets.

Baltimore metro area multifamily properties absorbed 2,049 units during the first half of 2026, while the market delivered 439 units. Declining supply should support occupancy and rental rate growth.

Second-quarter multifamily sales volume in the **Baltimore** metro area rose significantly year-over-year to $293 million, marking the market's strongest quarterly total since 2022, when volume exceeded $1.0 billion.

Washington metro area multifamily occupancy increased by 60 basis points quarter-over-quarter, ending the second quarter of 2026 at 94.8%. Northern Virginia leads the way regionally, with occupancy at 95.6%

Rental rates across the **Washington** metro area were down 1.9% to begin 2026, with each of the market's jurisdictions registering negative year-over-year effective rent growth. Despite the softening, a limited construction pipeline combined with improving demand should support modest rent growth moving forward.

More than 3,500 units were delivered across the **Washington** metro area during the first half of 2026, a 47.0% decline from the same period last year. The market absorbed 4,613 units during the second quarter, a decease of 6.1% year-over-year.

During the first half of 2026, multifamily sales volume in the **Washington** metro area reached $3.8 billion, including $2.1 billion during the second quarter. First-half volume was 200% higher than the same period last year.

Source: Newmark Research; Real Capital Analytics; RealPage

Expert Insights

Baltimore Metro Area

What We Know

- The Baltimore market continues to experience modest effective rent growth and occupancy gains, while deliveries moderate and demand stabilizes.
- Lower relative entry costs and unit prices have drawn attention from investors priced out of larger markets.
- Baltimore continues to outperform comparable markets nationally, despite softening labor fundamentals. Modest but steady performance is likely to continue.

What We Expect

- A slowdown in new construction will allow owners to work through supply, while increasing occupancy and pushing rents.
- Impacts from geopolitical uncertainty such as interest rates and inflation may continue to weigh on near-term investment and development activity.
- Suburban areas and lower-quality assets show stronger rent and occupancy gains as high-end, urban Class A assets work through lease-up

Washington Metro Area

What We Know

- The Washington metro area multifamily market is contending with cooling effective rents, a shrinking construction pipeline and rising interest in other Mid-Atlantic markets.
- Concession reliance remains a headwind in submarkets that have seen a wave of deliveries over the last few years.
- Northern Virginia leads the way regionally, while the District and Suburban Maryland lag in both multifamily fundamentals and sales volume.

What We Expect

- Well-located assets remain attractive to investors, as bid activity for high-quality buildings persists.
- Lack of for-sale affordability, highlighted by persistently high mortgage rates and continued home price appreciation, along with regular resident turnover connected to government employment and students, provide resilient support for renter demand.
- A potential rent freeze will be on the ballot during this fall’s election season in the District, though current proposals, including 0% for two years followed by CPI increases, may be difficult to pass.

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Baltimore Metro Area

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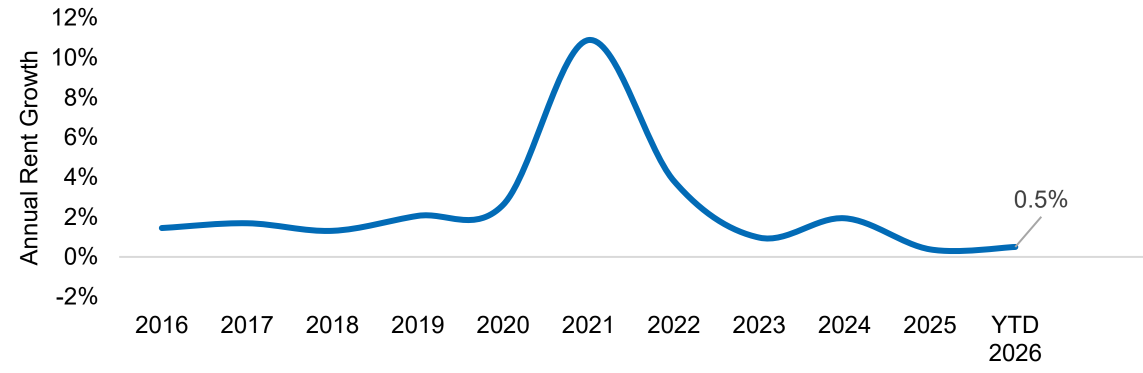
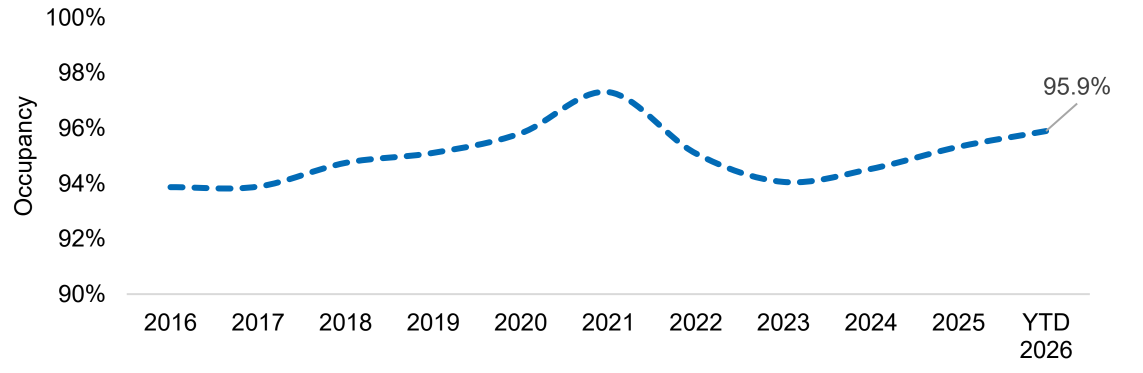
Baltimore Metro Area Multifamily Fundamentals

The Baltimore metro area experienced mixed multifamily fundamentals through the first half of 2026, as occupancy and average annual effective rent growth were both up slightly year-over-year, while absorption and deliveries were down compared with the first half of 2025. Rent growth has declined sharply since peaking in 2021 but remains positive. Absorption was down 49.4% compared with the first half of 2025, while deliveries declined by 65.6% over the same period.

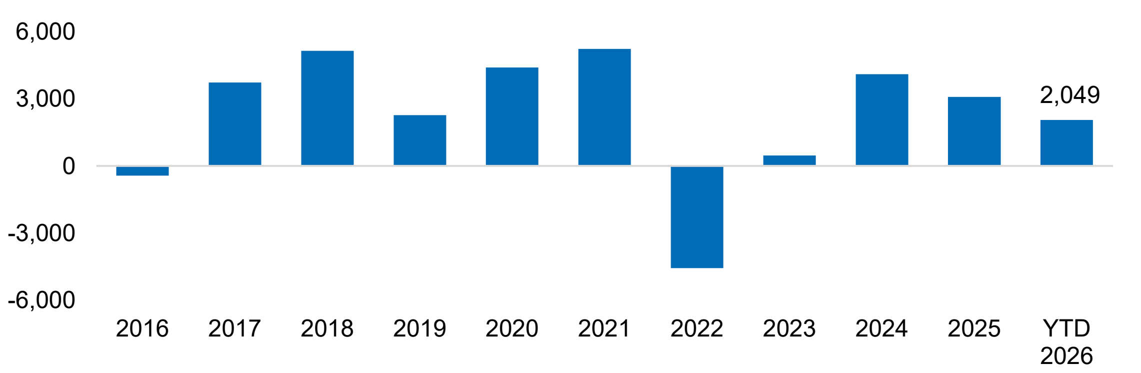
Annual Average Effective Rent Growth



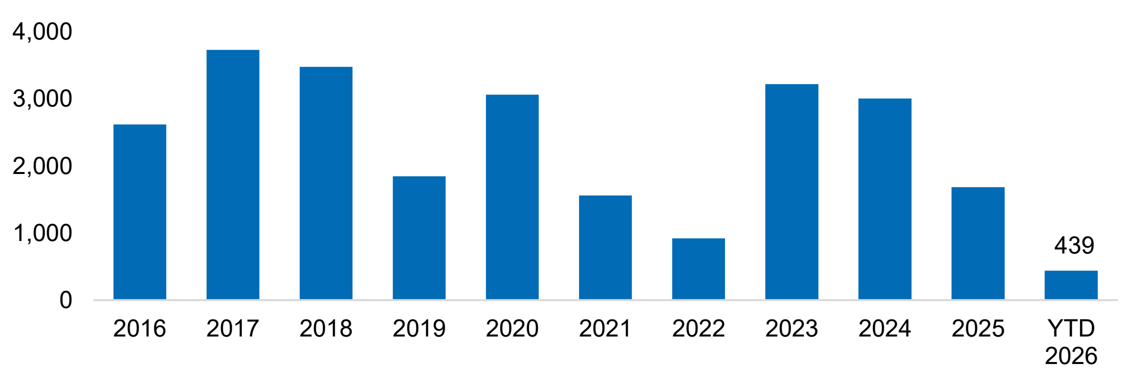
Occupancy Rate



Absorption



Deliveries

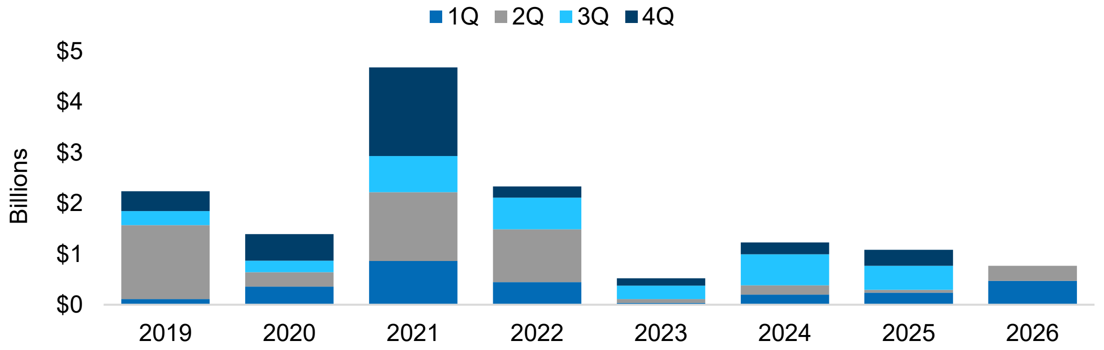


Source: Newmark Research; RealPage

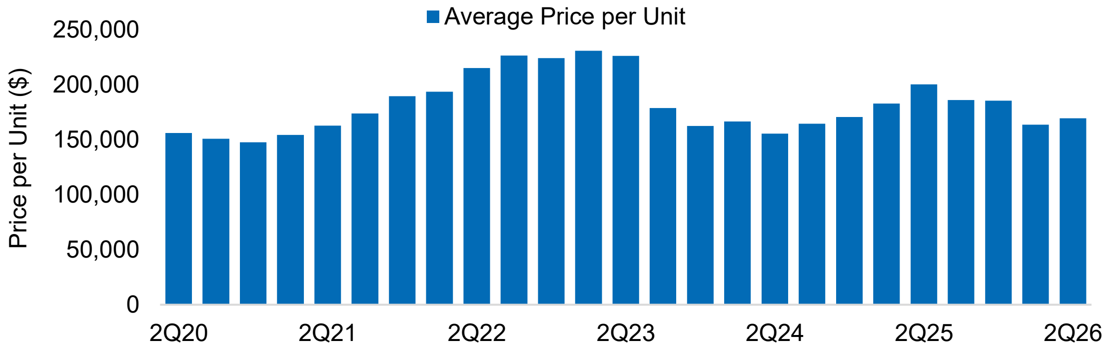
Baltimore Metro Area Multifamily Sales Market Overview

Second-quarter Baltimore metro area multifamily sales volume was up 440% compared with the same period one year ago, coming in at $293 million, the highest second quarter total since 2022 when volume was more than $1.0 billion. Volume through the first half of 2026 exceeds the same period last year by 161%. The average price per unit increased by 3.7% quarter-over-quarter but declined by 15.3% year-over-year. Average cap rates were down 10 basis points quarter-over-quarter and 20 basis points year-over-year, ending 2Q26 at 5.7%. The largest transaction of the first half of 2026 was Allied Harbor Point, a 562-unit property, sold by AH Realty Trust for $148.4 million, or $264,096 per unit.

Total Multifamily Sales Volume



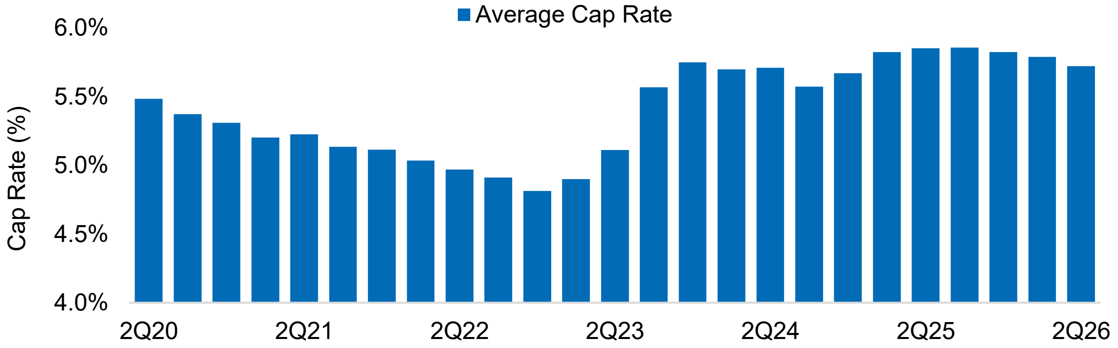
Price Per Unit (12-Month Average)



Notable Deals of 1H 2026

Multifamily Asset Name	Sales Price ($M)	Price/Unit	Buyer	Seller	Submarket
Allied Harbor Point	$148.4	$264,096	Harbor Group International	AH Realty Trust	Downtown Baltimore
Rodgers Forge	$105.2	$210,400	Chelsea Management	UDR	Baltimore City North
The Worthington	$98.6	$161,078	Quest Management Group	David S. Brown Enterprises	Owings Mills / Pikesville
Owings Park	$47.0	$270,115	Metropolitan Properties	Friedkin Property Group	Owings Mills / Pikesville

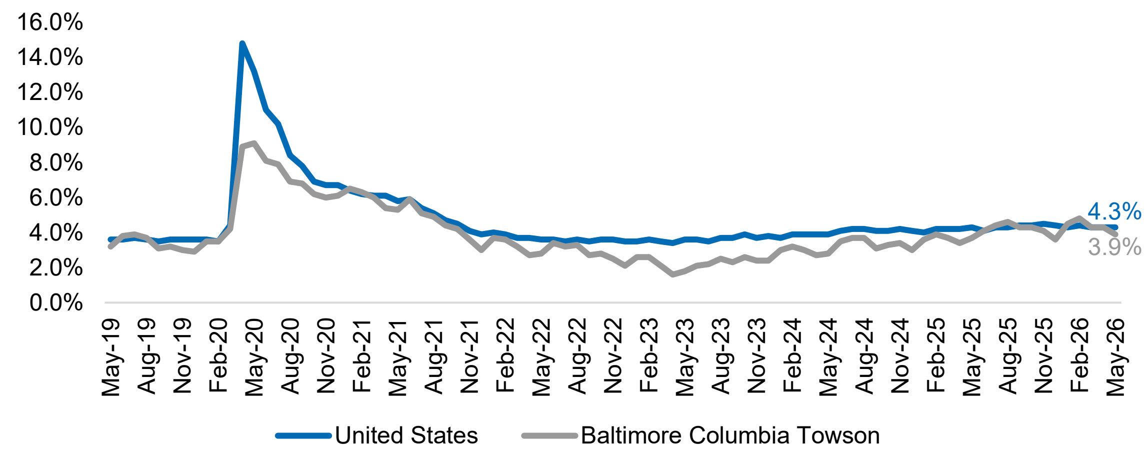
Average Cap Rates



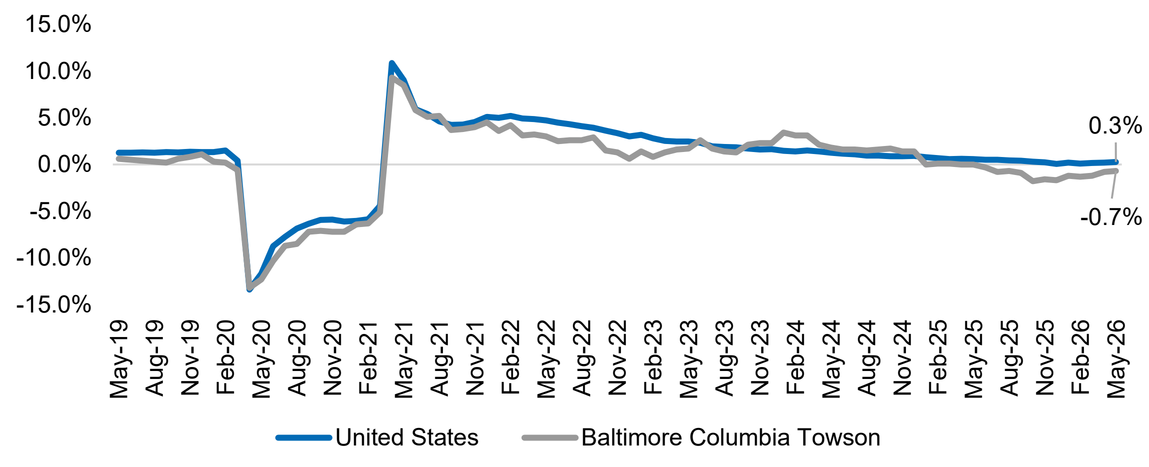
Source: Newmark Research; Real Capital Analytics; RealPage

Baltimore Metro Area Economic Metrics

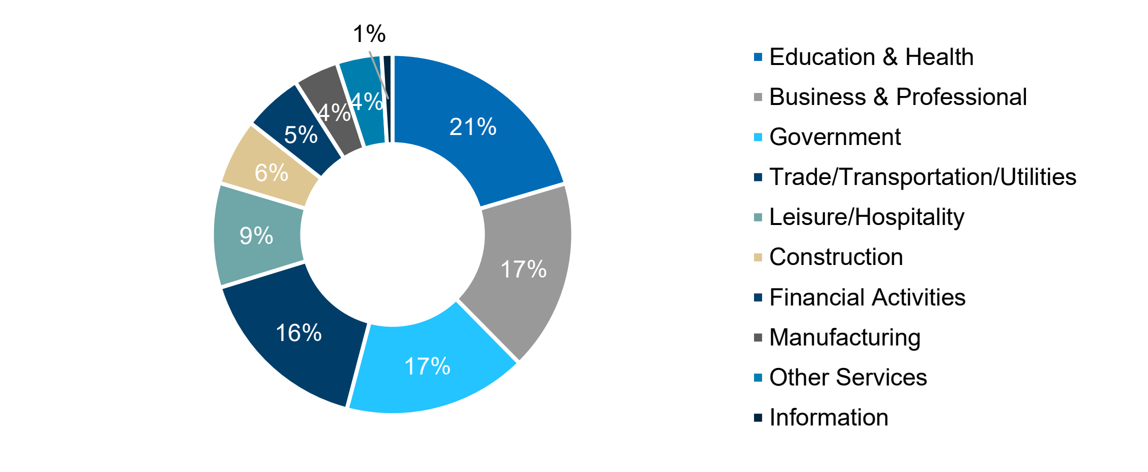
Unemployment Rate, Seasonally Adjusted



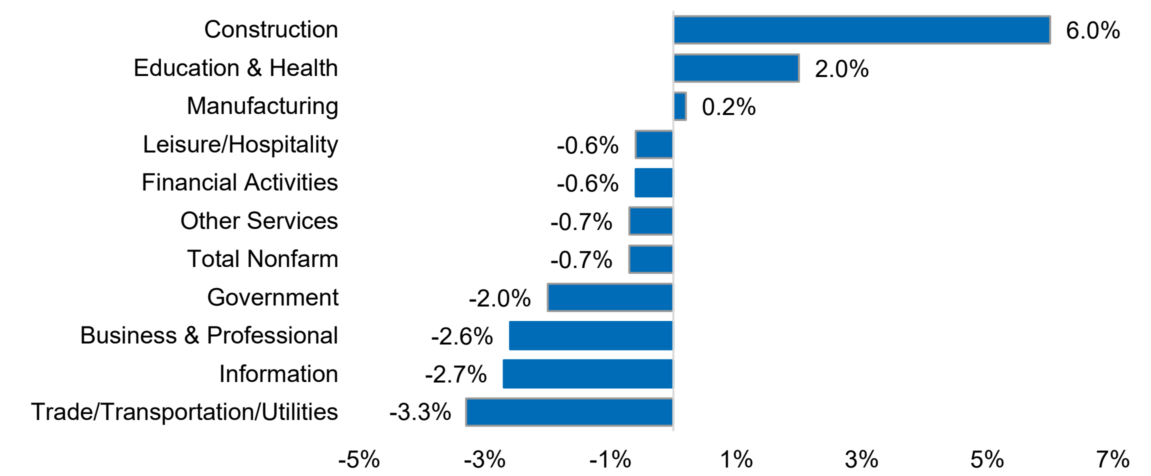
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, May 2026



Employment Growth by Industry, 12-Month % Change, May 2026



Source: Newmark Research; Moody's Analytics; U.S. Bureau of Labor Statistics; Baltimore-Columbia-Towson

*October 2025 government shutdown missing unemployment data addressed by duplicating September 2025's data

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Washington Metro Area

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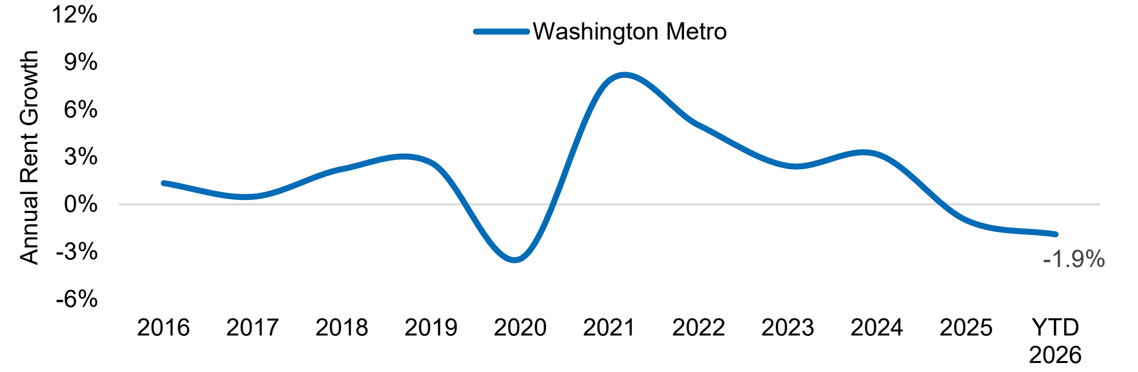
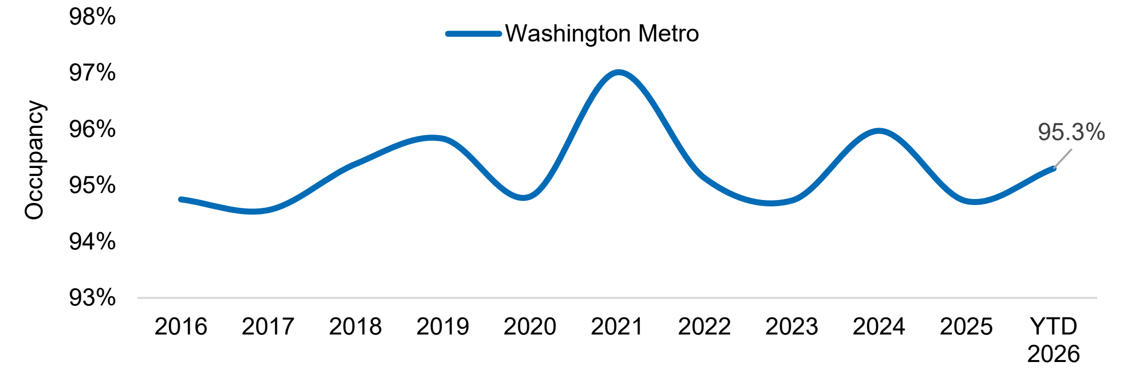
Washington Metro Area Multifamily Fundamentals

After experiencing slight increases in 2024, followed by declines in 2025, Washington metro area multifamily fundamentals were mixed to end the first half of 2026. Annual average effective rents decreased by 1.9% year-over-year, while occupancy rates increased by 60 basis points since the end of 2025, finishing the second quarter at 95.3% region-wide. However, occupancy has declined 100 basis points year-over-year. Northern Virginia saw the highest occupancy rate in the market at 95.6%. Absorption was up through the first half of the year, with the market registering 6,534 units year-to-date while deliveries continue to slow, with the metro adding 47.0% fewer units than during the same period one year ago.

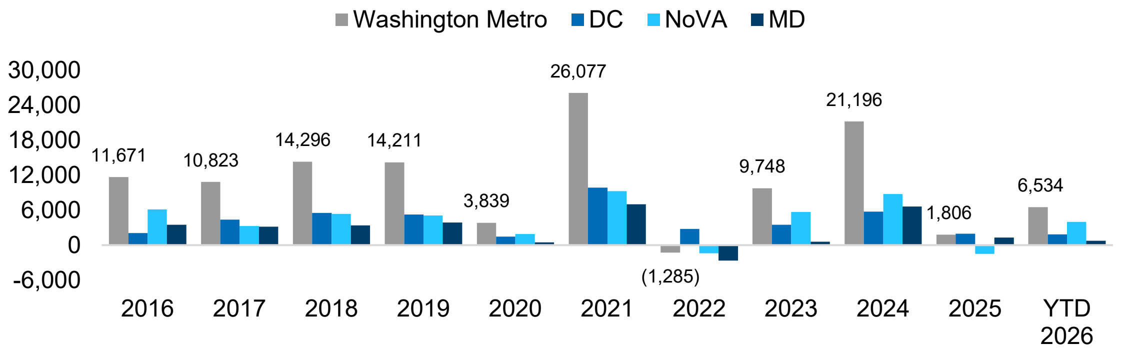
Annual Average Effective Rent Growth



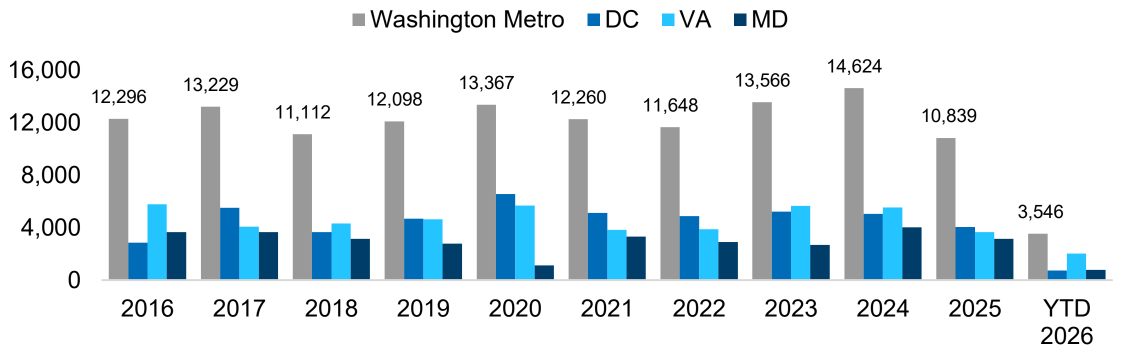
Occupancy Rate



Absorption



Deliveries

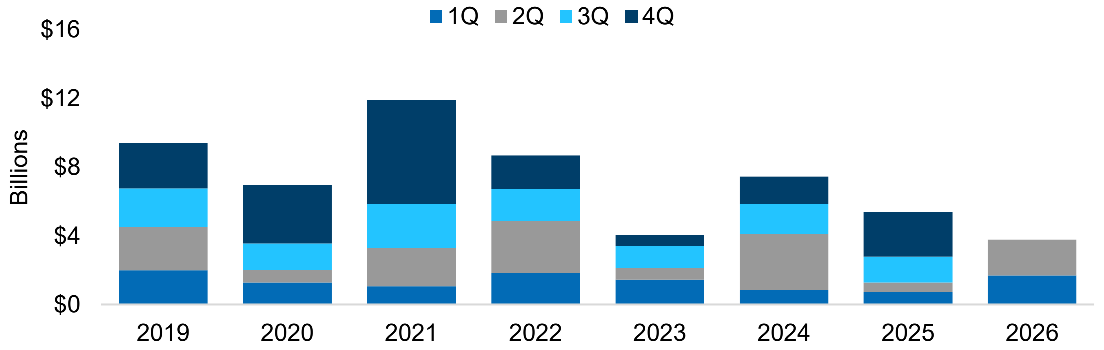


Source: Newmark Research; RealPage

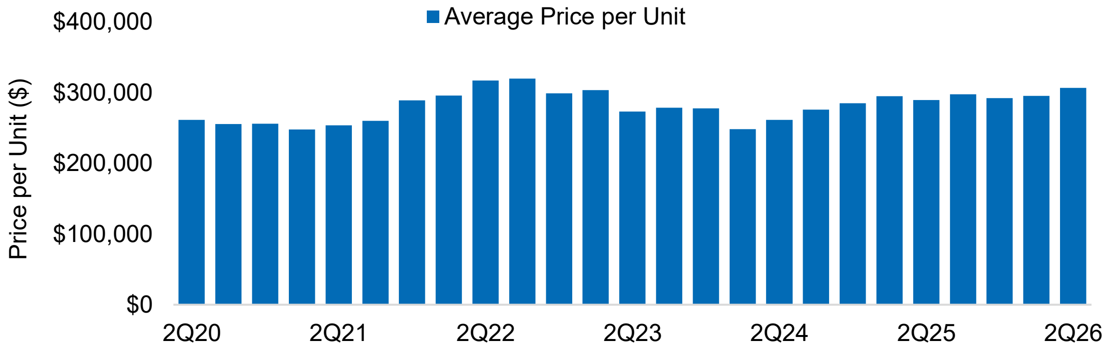
Washington Metro Area Multifamily Sales Market Overview

Total multifamily sales volume through the first half of 2026 was approximately $3.8 billion, nearly 200% higher than the $1.3 billion registered during the same period in 2025. The average price per unit was up 3.8% quarter-over-quarter and 6.0% over the last twelve months, ending the second quarter of 2026 at $306,677 per unit. Cap rates have declined by 20 basis points over the last year and currently stand at 5.2% The largest transaction of the first half of 2026 was Preserve at Westfields, a 595-unit property sold by Northwood Ravin for $258.5 million, or $434,454 per unit.

Total Multifamily Sales Volume



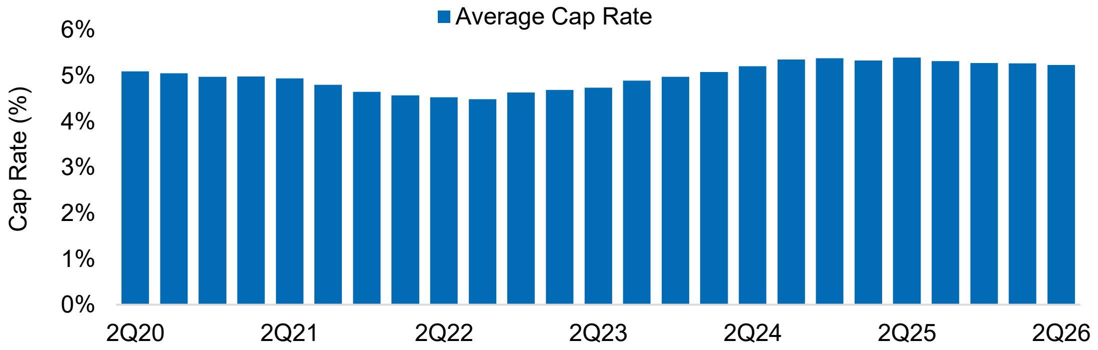
Price per Unit (12-Month Average)



Notable Deals of 1H 2026

Multifamily Asset Name	Sales Price ($M)	Price/Unit	Buyer	Seller	Submarket
Preserve at Westfields	$258.5	$434,454	Eaton Vance	Northwood Ravin	West Fairfax County
Shenandoah Crossing	$216.3	$337,891	DSF Group	Blackstone	West Fairfax County
Windsor Courthouse	$215.8	$510,047	GID	Greystar	North Arlington
Henley at Kingstowne	$106.8	$298,184	Covenant Capital	Nuveen Real Estate	South Fairfax County

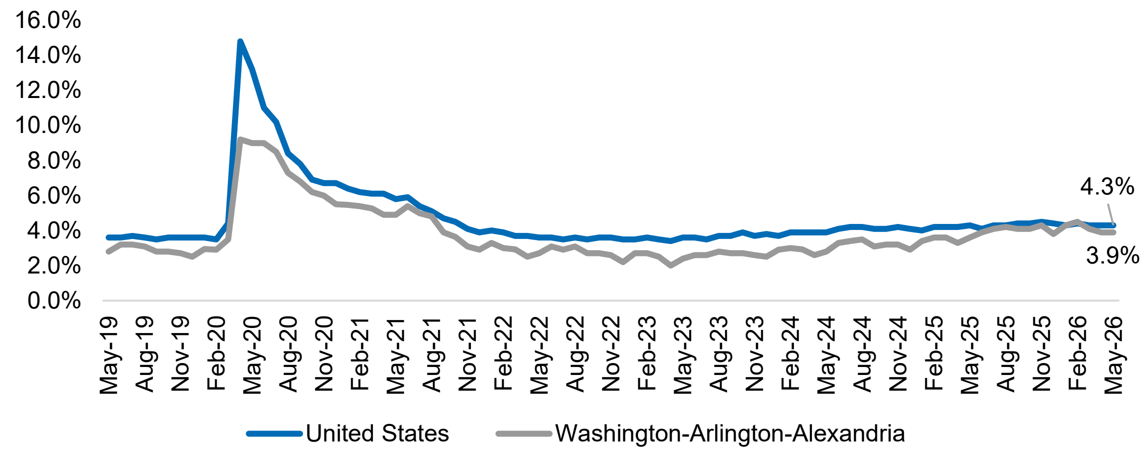
Average Cap Rates



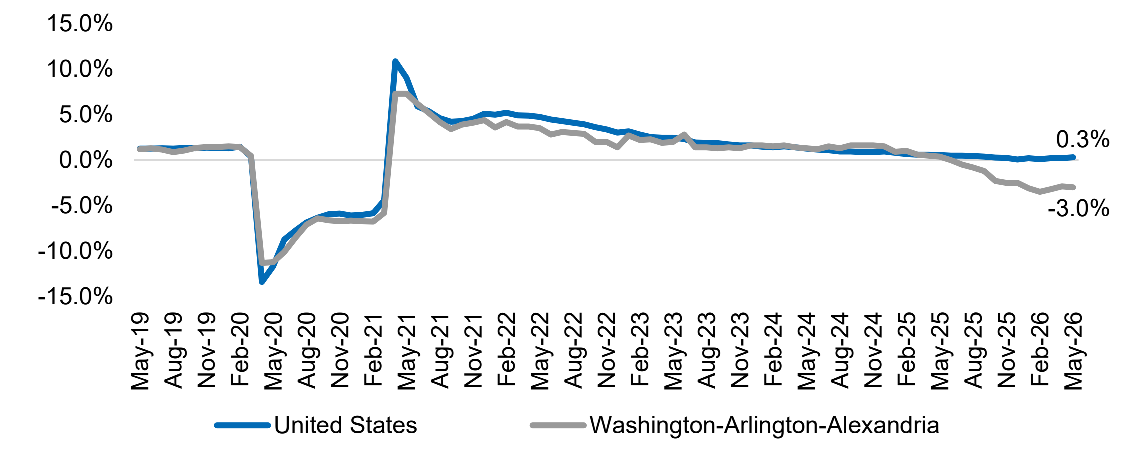
Source: Newmark Research; Real Capital Analytics; RealPage

Washington Metro Area Economic Metrics

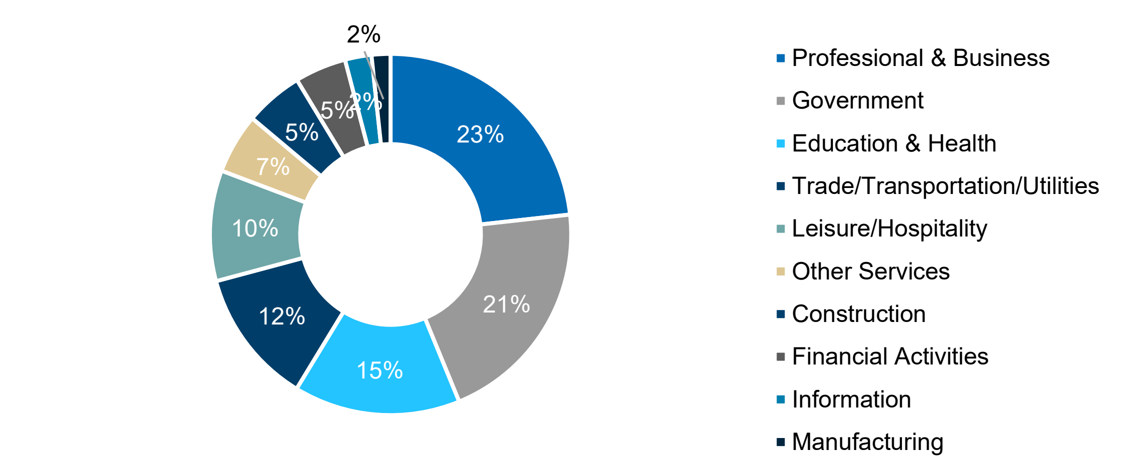
Unemployment Rate, Seasonally Adjusted



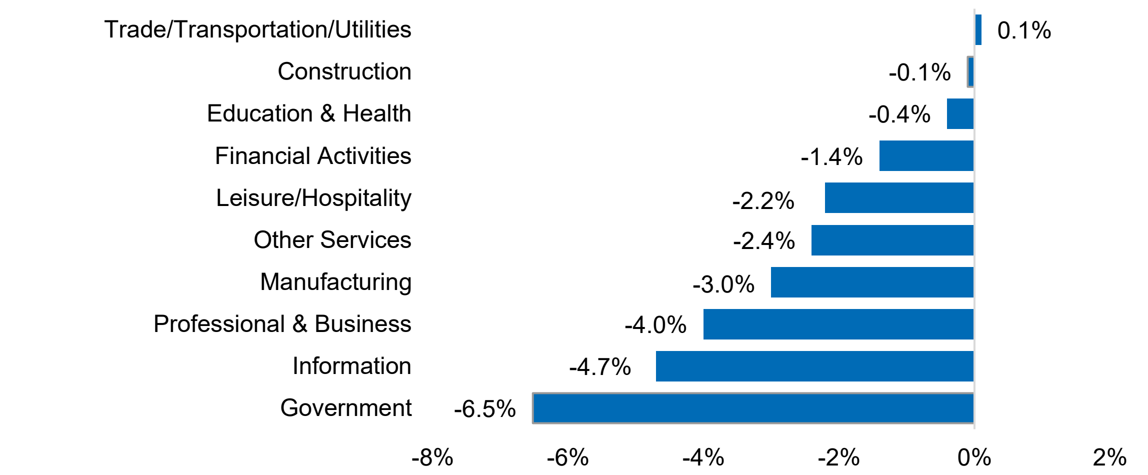
Nonfarm Payroll Employment, Seasonally Adjusted, 12-Month % Change



Employment by Industry, May 2026



Employment Growth by Industry, 12-Month % Change, May 2026



Source: Newmark Research; Moody's Analytics; U.S. Bureau of Labor Statistics; Washington-Arlington-Alexandria
*October 2025 government shutdown missing unemployment data addressed by duplicating September 2025's data

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Appendix

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Baltimore Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 2Q 2026

Multifamily Submarket	Inventory (Units)	Occupancy	Effective Rent	YOY % Change	Under Construction (Units)
Annapolis	10,850	95.96%	$2,224	-1.0%	-
Baltimore City East	19,337	95.54%	$1,942	1.4%	822
Baltimore City North	17,286	96.23%	$1,440	0.1%	331
Baltimore City West	17,740	96.68%	$1,354	0.6%	-
Columbia/North Laurel	17,290	96.29%	$2,129	0.1%	182
Downtown Baltimore	21,457	95.85%	$1,934	-0.2%	453
Ellicott City/Elkridge	9,884	96.25%	$2,157	1.0%	190
Far North Baltimore Suburbs	15,332	95.03%	$1,797	1.7%	-
Northeast Anne Arundel County	12,740	95.82%	$1,770	0.1%	-
Northwest Anne Arundel County	15,027	95.75%	$2,200	0.1%	303
Owings Mills/Pikesville/Randallstown	19,757	95.44%	$1,738	1.0%	-
Parkville/Carney/Perry Hall	12,182	96.44%	$1,528	1.4%	-
Southeast Baltimore County	17,981	95.85%	$1,413	-0.2%	335
Southwest Baltimore County	17,328	95.28%	$1,479	-0.8%	-
Towson/Hunt Valley	16,413	96.03%	$1,812	1.5%	143
Baltimore Metro	**240,604**	**95.9%**	**$1,775**	**0.5%**	**2,759**

Baltimore Metro Area	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Baltimore City	75,820	96.1%	$1,688	0.5%	1,606
Baltimore Suburbs	164,784	95.8%	$1,815	0.4%	1,153
Baltimore Metro Total	**240,604**	**95.9%**	**$1,775**	**0.5%**	**2,759**

Source: Newmark Research; RealPage

Washington Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 2Q 2026

District of Columbia	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Central DC	53,095	94.77%	$2,777	-2.0%	1,089
Navy Yard/Capitol South	26,017	92.82%	$2,657	-6.4%	428
North Central DC	19,976	95.64%	$2,015	-4.2%	0
Northeast DC	30,622	94.66%	$2,407	-3.5%	74
Northwest DC	24,179	95.17%	$2,551	-4.8%	955
Southeast DC	29,329	97.10%	$1,509	-2.0%	0
District of Columbia Total	**183,218**	**95.0%**	**$2,382**	**-3.5%**	**2,546**

Suburban Maryland	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Bethesda/Chevy Chase	17,962	93.8%	$2,962	-1.6%	496
College Park/Greenbelt	11,000	94.0%	$1,990	0.6%	-
Downtown Silver Spring	15,093	93.7%	$2,030	-2.6%	-
East Silver Spring/Takoma Park/Adelphi	16,536	94.3%	$1,585	-2.4%	308
Frederick	12,761	96.4%	$1,954	0.3%	300
Gaithersburg	16,975	96.6%	$2,068	-1.8%	413
Germantown	8,661	95.8%	$1,938	-3.7%	-
Hyattsville/Riverdale	18,715	95.3%	$1,723	0.0%	-
Landover/Bowie	19,979	96.2%	$1,939	1.7%	435
Laurel/Beltsville	14,450	95.4%	$1,767	-0.2%	-
Northeast Montgomery County	9,699	95.5%	$1,817	-1.1%	-
Rockville/North Bethesda	22,079	95.8%	$2,395	-1.2%	86
South Prince George's County/St. Charles	23,777	94.8%	$1,716	0.4%	186
Suitland/District Heights/Capitol Heights	18,255	95.0%	$1,679	0.1%	-
Wheaton/Aspen Hill	13,300	94.0%	$1,890	-2.4%	-
Suburban Maryland Total	**239,242**	**95.1%**	**$1,974**	**-0.8%**	**2,224**

Source: Newmark Research; RealPage

Washington Metro Area Submarket Statistics

Multifamily Statistics by Submarket – As of 2Q 2026

Northern Virginia	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
Central Alexandria	12,594	96.0%	$1,902	-3.9%	390
Columbia Pike	15,231	95.6%	$2,226	-2.2%	530
Crystal City/Pentagon City	15,803	93.2%	$2,739	-3.4%	0
East Alexandria	22,643	95.3%	$2,485	-2.5%	770
Fredericksburg/Stafford	16,234	95.1%	$1,912	-0.4%	30
Loudoun County	19,242	95.7%	$2,359	-2.0%	1,283
Manassas/Far Southwest Suburbs	15,216	97.3%	$2,078	0.5%	0
North Arlington	33,859	96.6%	$3,000	0.0%	2,563
Reston/Herndon	23,098	96.3%	$2,408	-0.9%	818
Seven Corners/Baileys Crossroads/Annandale	12,721	93.8%	$2,126	-3.8%	268
South Fairfax County	25,511	95.4%	$2,107	-3.5%	1,104
Tysons Corner/Falls Church/Merrifield	29,451	96.4%	$2,499	-1.2%	996
West Alexandria	11,003	95.1%	$1,878	-3.6%	383
West Fairfax County	17,479	96.0%	$2,290	-3.0%	260
Woodbridge/Dale City	15,436	94.5%	$1,948	-2.6%	365
Northern Virginia Total	**285,521**	**95.6%**	**$2,339**	**-1.9%**	**9,760**

Washington Metro Area	Inventory (Units)	Occupancy Rate	Effective Rent (Per Unit)	YOY % Change	Under Construction (Units)
District of Columbia	183,218	95.0%	$2,382	-3.5%	2,546
Suburban Maryland	239,242	95.1%	$1,974	-0.8%	2,224
Northern Virginia	285,521	95.6%	$2,339	-1.9%	9,760
Washington Metro Total	**707,981**	**95.3%**	**$2,227**	**-1.9%**	**14,530**

Source: Newmark Research; RealPage

NEWMARK

Liz Berthelette
Managing Director
Head of Northeast Research &
National Life Science Research
elizabeth.berthelette@nmrk.com

Kevin Sweeney
Associate Director
Mid-Atlantic Research
kevin.sweeney@nmrk.com

Chad Braden
Senior Research Analyst
Mid-Atlantic Research
chad.braden@nmrk.com

Salini Thiraviyarajah
Research Analyst
Mid-Atlantic Research
salini.thiraviyarajah@nmrk.com

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

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

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

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

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

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

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