



2021



STATE OF DOWNTOWN BALTIMORE

Downtown Partnership of Baltimore >>> Issued May 2022
REPORT MADE POSSIBLE BY SUPPORT FROM BGE



DOWNTOWN
PARTNERSHIP

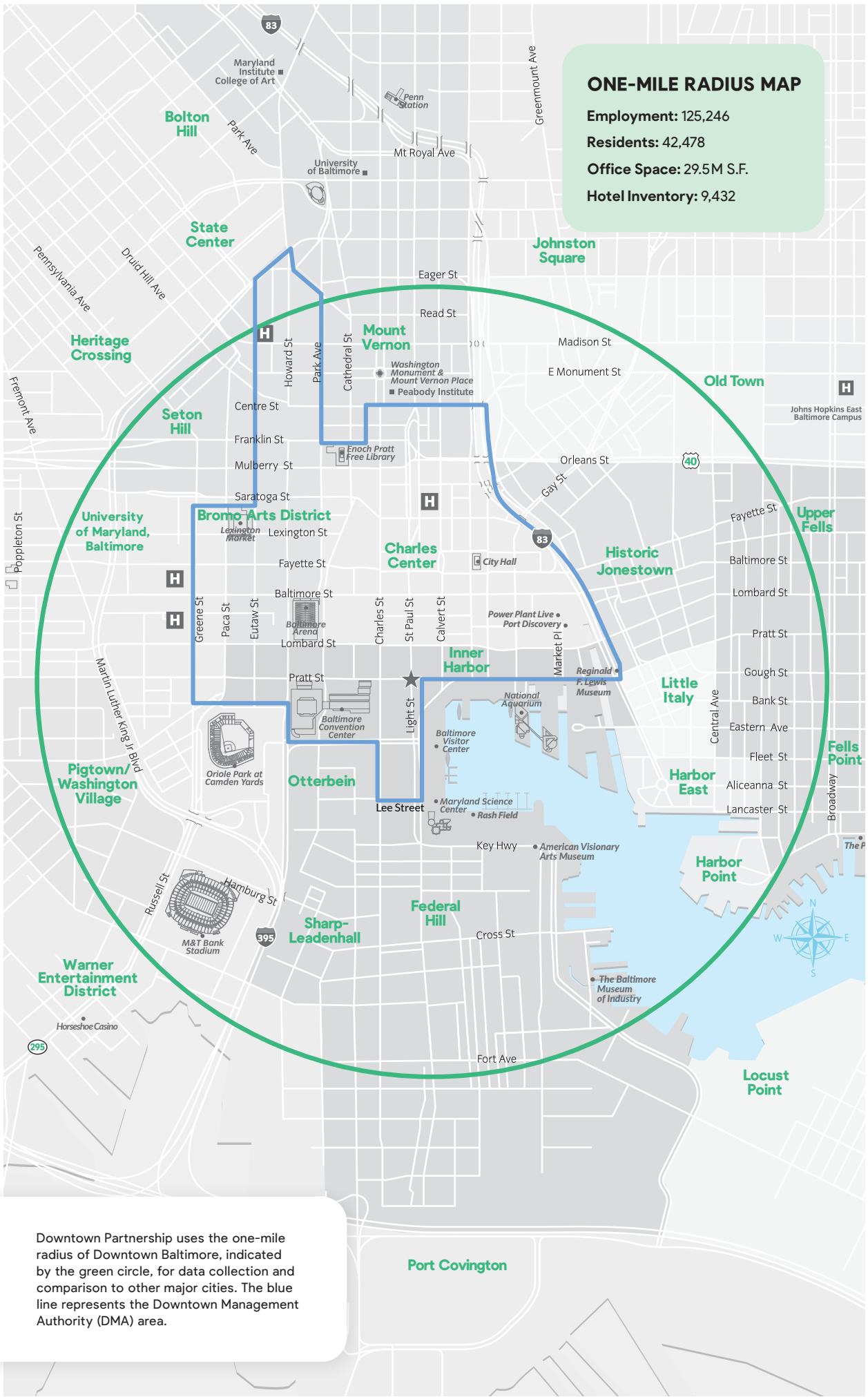
ONE-MILE RADIUS MAP

Employment: 125,246

Residents: 42,478

Office Space: 29.5M S.F.

Hotel Inventory: 9,432



Downtown Partnership uses the one-mile radius of Downtown Baltimore, indicated by the green circle, for data collection and comparison to other major cities. The blue line represents the Downtown Management Authority (DMA) area.

EXECUTIVE SUMMARY

The State of Downtown is an economic snapshot of the previous year, a benchmark of data in the areas of office and employment, residential, hospitality, and retail trends. Tracking these areas help us understand the broader economic health of our City.

Downtown Baltimore's overall economy was recovering in 2021. Employment grew from 117,970 in 2020 to 125,246 in 2021, and Healthcare, Public Administration, and Professional Services remain top employment sectors. Downtown office space vacancy—a major concern because of the rise in remote work from the pandemic, rebounded slightly and outperformed national and regional markets.

Housing occupancy is up in the one-mile radius, from 93% in 2020 to 95.2% in 2021. Downtown apartment occupancy remained stable, even with a flood of new units hitting the market at Redwood Campus Center, Four Ten Lofts, 22 Light Street and Prosper on Fayette.

Retail sales were negatively impacted by closures and reduced visitation numbers, down from \$1,004,081,233 billion in 2020 to \$961,730,564 million in 2021. Vacancy for multi-tenant retail properties within the one-mile radius remained higher than that of the Baltimore Metro region, but lower than the Downtown Management Authority (DMA) Area, which may be attributed to The Gallery no longer captured in the data as the mall is closed and not listed for lease.

A renaissance is looming for Downtown Baltimore. The last few years have been difficult, but with the recent announcements of historic investment in Downtown Baltimore by the State of Maryland, the acquisition of Harborplace, and development projects underway at Lexington Market and the Baltimore Arena, we're feeling energized and excited for the future of our neighborhoods.

Top 25 Largest U.S. Metro Areas: One-Mile Radius Statistics

Population

1	New York	189,470
2	San Francisco	132,062
3	Chicago	97,954
4	Philadelphia	87,230
5	Seattle	80,856
6	Los Angeles	79,829
7	Boston	58,110
8	Washington	49,433
9	Denver	45,696
10	San Diego	45,279
11	Miami	44,486
12	Baltimore (12)	42,478
13	Minneapolis	39,267
14	Houston	29,781
15	Portland	26,459
16	Atlanta	23,867
17	Charlotte	22,857
18	Orlando	22,355
19	Dallas	19,838
20	Pittsburgh	18,458
21	Phoenix	18,214
22	Tampa	13,065
23	Saint Louis	12,119
24	San Antonio	10,114
25	Detroit	7,337

Average Household Income

1	New York	\$197,320
2	Boston	\$167,157
3	Chicago	\$166,639
4	Washington	\$142,534
5	San Francisco	\$137,368
6	Seattle	\$133,914
7	Philadelphia	\$128,571
8	Houston	\$125,840
9	Dallas	\$121,190
10	Charlotte	\$121,046
11	Tampa	\$117,721
12	Miami	\$115,753
13	Portland	\$108,761
14	San Diego	\$108,745
15	Baltimore (15)	\$104,768
16	Denver	\$101,351
17	Pittsburgh	\$96,426
18	Minneapolis	\$94,557
19	Orlando	\$89,453
20	Los Angeles	\$82,835
21	Detroit	\$82,394
22	Atlanta	\$81,003
23	Saint Louis	\$73,696
24	San Antonio	\$64,617
25	Phoenix	\$55,375

Households over \$75,000

1	New York	126,509
2	Chicago	66,057
3	San Francisco	59,727
4	Seattle	45,796
5	Philadelphia	42,126
6	Boston	31,782
7	Washington	25,915
8	Denver	20,292
9	Los Angeles	19,371
10	Miami	17,620
11	San Diego	17,361
12	Minneapolis	13,952
13	Baltimore (13)	12,943
14	Dallas	10,362
15	Portland	9,581
16	Charlotte	9,552
17	Houston	7,518
18	Orlando	7,109
19	Tampa	5,311
20	Pittsburgh	4,011
21	Atlanta	3,813
23	Saint Louis	2,965
22	Detroit	2,444
24	Phoenix	2,182
25	San Antonio	1,769

Employment

1	New York	951,184
2	Chicago	336,667
3	Washington	336,415
4	Boston	319,722
5	Philadelphia	247,557
6	Seattle	207,917
7	Atlanta	195,621
8	Houston	178,736
9	Los Angeles	166,613
10	Minneapolis	165,000
11	San Francisco	162,122
12	Denver	152,215
13	Baltimore (13)	125,246
14	Pittsburgh	98,981
15	Dallas	97,237
16	San Diego	76,436
17	San Antonio	75,847
18	Miami	75,661
19	Orlando	69,071
20	Detroit	68,615
21	Saint Louis	60,328
22	Phoenix	58,566
23	Charlotte	58,510
24	Tampa	46,927
25	Portland	40,547

Source: ©2022 Environics Analytics, Business data provided by Data Axle Inc., Omaha, Nebraska, Copyright© 2021. All Rights Reserved. Demographic data provided by ©Claritas, LLC 2022. () = last year's ranking

OFFICE & EMPLOYMENT



Downtown Baltimore contains over one-third of the city’s jobs despite comprising less than four percent of its geographic area. And, despite a challenging two years in the office and employment markets, Downtown employment grew from 117,970 in 2020 to 125,246 in 2021. Office vacancy went down from 23.2% in 2020 to 19.83% in 2021.

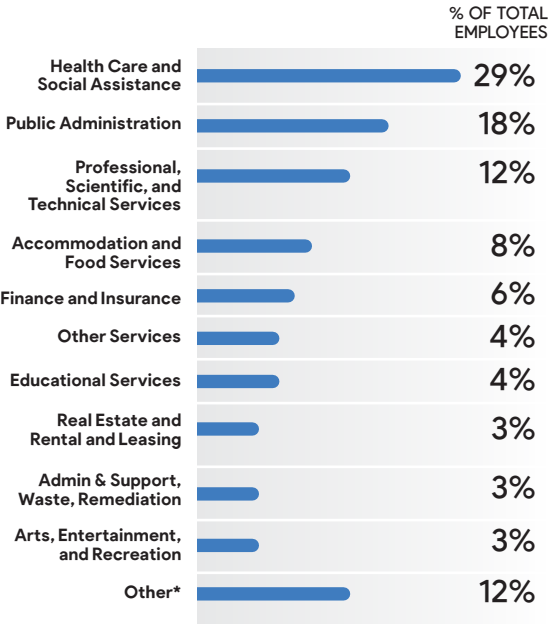
Office leasing received a much needed stimulus when the State announced the relocation of 3,000 State Center employees to the Central Business District (CBD) in 2021. New leases in the core from Ballard Spahr, ConnectRN, and Silverman, Thompson, Slutkin, White have been matched by renewals from Design Collective and Nelson Mullins Riley & Scarborough. Smaller tenants are quickly filling the spaces in the Vickers and Garrett Buildings on Redwood Street, and Spark has expanded again to allow for more tech and start up space in the Power Plant footprint.

Employment

Downtown Total: 125,246
DMA Area: 60,871

Downtown Top Industry

This top industry list is for the one-mile radius of Downtown. Top industries are the same for both Downtown and DMA, but the percentages vary a small amount.



* Other includes: Information, Retail Trade, Construction, Transportation, and Manufacturing. Each consisted of less than 2% of the total employment. The “Other Services” category is repair and maintenance, personal and laundry services, religious grantmaking civic professional and similar orgs.

Office space

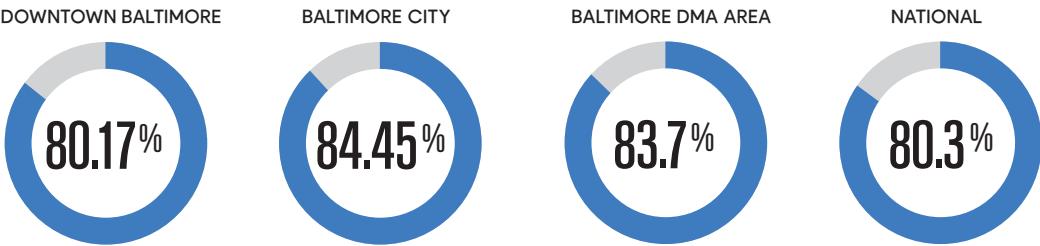
TOTAL OFFICE SPACE
29,507,919 S.F.

National and regional vacancy was higher in 2021, but
Downtown’s vacancy went down by over 3%.

YEAR END 2020		YEAR END 2021	
23.2% Vacancy		19.83% Vacancy	
RENT PSF: CLASS A \$24–\$30	RENT PSF: CLASS B \$19–\$24	RENT PSF: CLASS A \$23–\$27	RENT PSF: CLASS B \$18–\$20

Total Office Space Source: (One-Mile Radius) according to CoStar
Vacancy Source: CBRE, Cushman & Wakefield, JLL, MacKenzie, Newmark Knight Frank, and Transwestern

2021 Occupancy: Comparison



Notable Lease Transactions

NAME	ADDRESS	TYPE OF LEASE	BUSINESS TYPE	SQ. FOOTAGE
Bank of America	100 International Drive	New	Finance and Insurance	54,528
Alertus Technologies, LLC	10 N Charles St	Owned	Manufacturing	42,513
Transamerica USA	1201 Wills St	New	Professional Services	34,653
Saul Ewing Arnstein & Lehr	1001 Fleet St	New	Professional Services	29,524
Nelson Mullins Riley & Scarborough	100 S Charles St	Renewal	Professional Services	23,413
Silverman, Thompson, Slutkin, White	400 E Pratt St	New	Professional Services	21,420
Ballad Spahr, LLP	111 S Calvert St	New	Professional Services	21,000
Northwestern Mutual	111 S Calvert St	Renewal	Professional Services	17,000
connectRN	1 E Pratt St	New	Healthcare	16,643

HOUSING



Since 2001, Downtown Partnership has conducted a housing study every five years. The latest, released in 2017, shows that demand for both rental and for sale housing in Downtown neighborhoods continue to be strong with the ability to absorb up to 7,000 new units in the coming five years.

2021 saw an increase of residents, up 142 residents to 42,478 in the one-mile radius of Downtown. Student housing and affordable housing were welcome additions to the inventory.

2022 marks five years since the Housing Demand Study. With so much in the pipeline for the fastest-growing residential neighborhood in the City, The Partnership is planning to release a new study by Q1 2023.

2021 saw significant residential development in the Bromo Arts District come on line with nearly 600 market-rate units and 76 affordable housing units. Additional conversions in the CBD have also increased the housing stock, and more are in planning. Future conversions include the Fidelity & Deposit Building and the Holiday Inn / Radison Hotel as both recently announced their respective plans to create market-rate housing.

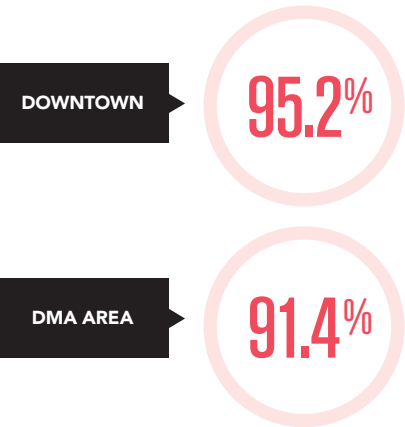
DOWNTOWN
RESIDENTS



DMA
RESIDENTS



2021 Apartment Occupancy Rates



Source: CoStar

*This number is compiled by dividing the total number of occupied units by the number of total units.

For Sale Housing Market Summary

	Condo	Townhome
PROPERTIES SOLD	111	333
AVERAGE SALE PRICE	\$446,690	\$327,701
MEDIAN SALE PRICE	\$255,000	\$300,000

Source: MRIS 2021 provided by MacKenzie Commercial

Notable Residential Openings

PROJECT NAME	ADDRESS	PROJECT TYPE	HOUSING TYPE	# OF UNITS
Four Ten Lofts	410 N Eutaw St	New Construction	Rental - Affordable	76
115 W Hamburg	115 W Hamburg St	Multi-Family	Rental - Market Rate	33
22 Light	22 Light St	Conversion	Rental - Affordable	40
Redwood Campus Center	300 W Redwood St	Conversion	Rental - Market Rate	395
The James	211 Saint Paul St	Conversion	Rental - Market Rate	25
106 W Saratoga	106 W Saratoga St	Multi-Family	Rental - Market Rate	10
Prosper on Fayette	400 W Fayette St	New Construction	Rental - Market Rate	181

Class A Apartment Building Effective Rental Rates*

APARTMENT SIZE	AVERAGE MONTHLY RENT
Studio	\$1,571
1 Bedroom	\$1,797
2 Bedroom	\$2,511
3 Bedroom	\$3,746
All Unit Types	\$2,406

Source: CoStar, 2021 Q4 Figures

* Includes 27 buildings within the One-Mile Radius defined by the following criteria: built after 1995; 100 units or greater; building amenities; and quality finishes in units. Market rate units by CoStar's definition.

HOSPITALITY

Downtown is the region’s epicenter for hospitality with the largest number of hotels and visitor destinations, but there is no denying that the COVID-19 pandemic took a devastating turn on this industry. While day-trips and regional visitors have increased, ongoing travel restrictions for much of 2020 and 2021 hurt the international travel market and business travel.

Conventions and conferences are returning, which means room blocks for hotels will also return. And, new reasons to come downtown continue to return and grow including Fleet Week, Preakness, and the CIAA Basketball Tournament.

Downtown Hotel Pipeline

PLANNED
THROUGH 2025



CURRENT TOTAL
INVENTORY



In a year where most of the news about hotels has been focused on closures, Downtown is celebrating the renovation and preservation of the historic Drivers and Mechanics National Bank into a SpringHill Suites by Marriott.

Hotel Performance

	OCCUPANCY	ADR	REVPAR
Downtown (2021)	42.80%	\$136.03	\$58.18
National (2021)	57.60%	\$124.67	\$71.87

Source: 2020 Smith Travel Research, Inc. / STR Global, Ltd. trading

Notable Hotel Openings

SpringHill Suites by Marriott

ADDRESS: 100 N Eutaw St

PROJECT TYPE: Conversion

NUMBER OF ROOMS: 157

Notable Hotel Closures & Conversions

STR Data estimate that COVID related revenue loss for the hotel tax collection for Baltimore City was approx. \$7 million.

NAME	ADDRESS	STATUS	NUMBER OF ROOMS
Suburban Extended Stay Hotel	220 W Baltimore St	Stalled	51
Holiday Inn Inner Harbor	301 W Lombard St	Closed	365
Baltimore Plaza Hotel	102 Saint Paul St	Closed	96
Holiday Inn Express Baltimore Inner Harbor	231 W Baltimore St	Stalled	140
Holiday Inn & Radisson Hotel	101-105 W. Fayette St	Residential Conversion	707

We're keeping a close eye on visitation numbers and their economic impact on Downtown as a whole, but the pandemic made this a little harder to do.

Visitor Spending by Market Snapshot:

\$1.6 Billion
OVERNIGHT VISITORS

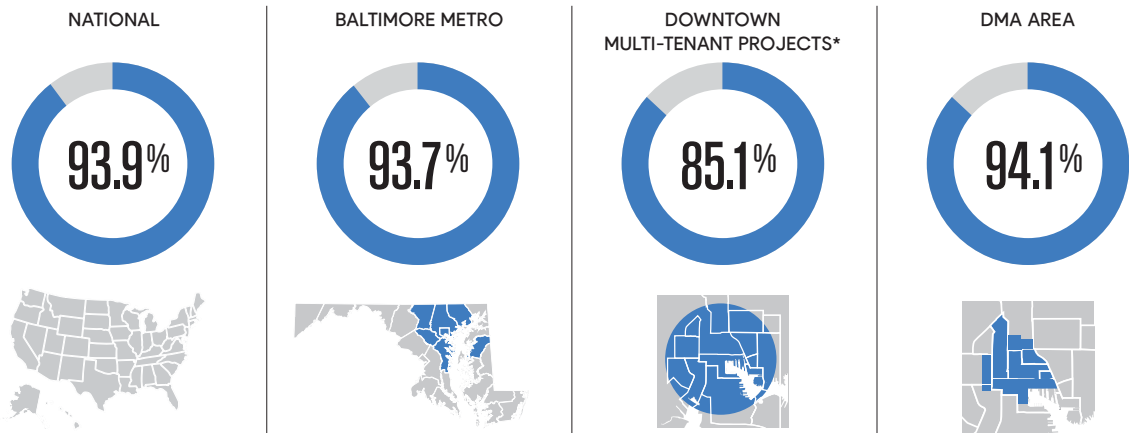
\$800 Million
DAY VISITORS

*Source: Longwoods 2020 Travel USA Visitor Profile, Visit Baltimore 2021 Annual Report



RETAIL

Retail Occupancy Rates



** Includes Lockwood Place, Harborplace, and Harbor East. High vacancy rates at Harborplace have pushed up the vacancy rates considerably this year.

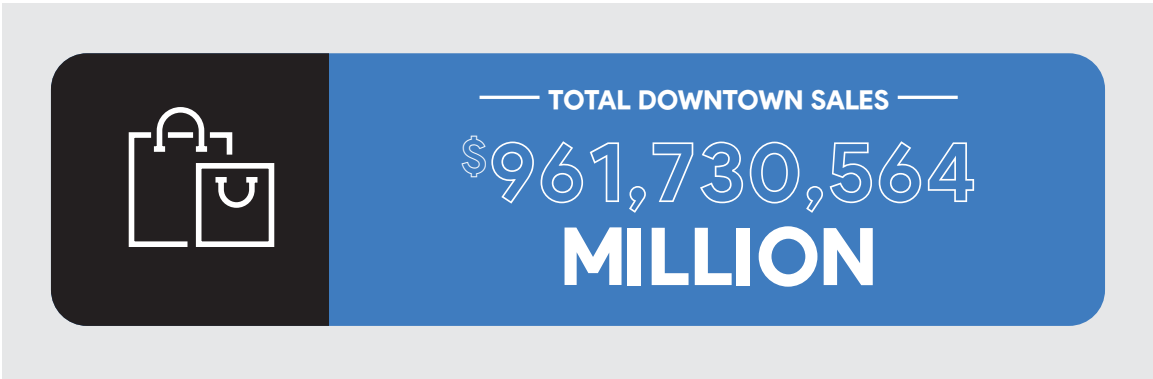
** Multi-tenant retail projects is defined as any type of building designed to accommodate two or more tenants. In Downtown, we highlight those as Lockwood Place, Harborplace, and Harbor East.

Source (for National): CoStar, Integra Realty Resources, Marcus and Millichap

Source (for Baltimore Metro): CoStar, Integra Realty Resources, Marcus and Millichap, MacKenzie Commercial

Source (for Downtown & DMA): CoStar, individual property owners, managers, and leasing agents

Downtown Retail Sales



Source: Spotlight, Copyright © 2021 by Environics Analytics (EA).

Source: InfoGroup USA 2012 Q4.

Notable Retail Openings

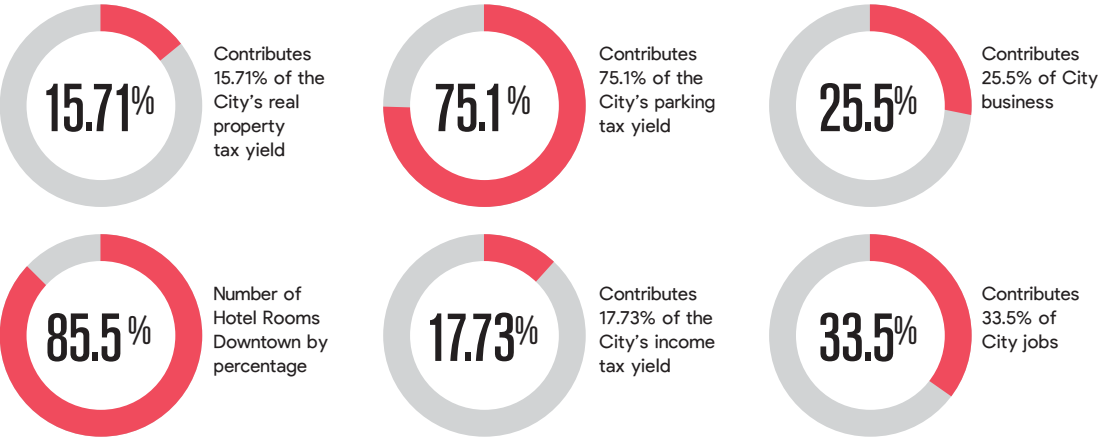
NAME	ADDRESS	BUSINESS TYPE	STATUS
Watershed	650 S Exeter St	restaurant	Open
No Way Rosé	31 E Cross St	restaurant	Open
The Gentleman's Closet	217 N Charles St	clothing	Open
PALM	23 E Cross St	bar	Open
Black Cordz	326-328 N Eutaw St	services	Open
Werner's	231 E Baltimore St	restaurant	open
Mypickup Llc	602 N Howard St	services	Open
LoCal Restaurant & Bar	206 E. Redwood St	restaurant	open
The Black Genius Art Show	106 N. Eutaw	gallery/clothing	open

ECONOMIC IMPACT EXECUTIVE SUMMARY

The Downtown Partnership of Baltimore markets & promotes the area that is home to approximately 119,000 employees, 43,000 diverse residents, and more than 5,600 businesses of all sizes and sectors. These groups are the creative and economic engines of the region.

This data illustrates how Downtown provides employment opportunities, tax revenue, and a residential base that benefit the City and region. Competitive, high-wage jobs in professional, scientific and technical services; as well as in management, remain concentrated in the CBD. But this district has diversified and is also the fastest growing residential neighborhood in Baltimore City, and the most diverse.

Though Downtown comprises just 3.8% of Baltimore’s total geographic area, it still:



Furthermore, Downtown Partnership partnered with Dr. Richard Clinch, Executive Director of The Jacob France Institute at the University of Baltimore and an expert on economic impact modeling, community impact analysis and occupational modeling, to complete the following analysis and key findings.

FINDING 1

While higher wage jobs in finance, insurance, management and scientific and other services continue to be concentrated in the CBD, those jobs have not grown. Critical jobs losses and private sector relocations out of the CBD threatens viability and existing infrastructure. This trend highlights the importance of City efforts to stabilize real estate and economic conditions in the CBD.

FINDING 2

Downtown Baltimore’s CBD is amid a transition to one of the most populated and vibrant residential neighborhoods in the city, but requires public investments to better serve residents. There are more than 40,000 full-time residents in the two zip codes that make up the city center, who pay approximately \$136 million in income taxes to the city. Without a full complement of retail and dining options, open spaces and infrastructure investments, these residents could depart, exacerbating Baltimore’s population decline.

FINDING 3

The relocation of state worker jobs from State Center creates a demand for retail businesses in the downtown core, and could help minority-owned businesses. By conservative estimates, if the average state employee spent \$10 per week dining out and \$5 per week at a local retail shop, downtown dining and retail sales would increase by an estimated \$2.2 million yearly.

Methodology: Research for this report was performed primarily by Partnership staff, with analysis from the Jacob France Institute at the University of Baltimore and assistance from the Baltimore City Department of Finance, the Baltimore City Bureau of Revenue Collections, and the Mayor’s Office of Information Technology. Data sources utilized include Nielsen-Claritas Site Reports, Nielsen Segmentation and Market Solutions, Smith Travel Research, and the U.S. Census Bureau’s Longitudinal Employer-Household Dynamics (LEHD) database. Analysis results are based on the most current data available at the time of research.



Building a brighter future.



Carim Khouzami
President & CEO, BGE

"BGE is proud to partner with the Downtown Partnership of Baltimore on their vital work to enhance the heart of the city.

As a result of their leadership and many other partners, the commercial, cultural, and living opportunities continue to expand and we are proud to have our headquarters and hundreds of our employees in the midst of this growth. Together we can contribute to the area's vibrancy and ensure a stronger Baltimore for everyone."
