



Post-Pandemic Trends

Real Estate Market Report

AECOM

Table of Contents

- Project Purpose & Background
- Phase 1: Key Findings
- Phase 2: Focus & Methodology
- Pandemic-Era Trends: Work, Travel, and Housing
- Office & Retail Market Shifts
- Downtown (CBD) & Submarket Trends
- Policy Levers & Local Strategies
- National Case Studies

Project Overview

- Funded under the FY 2024 UPWP
- Purpose was to Understand Socio-Economic and Commercial Trend Changes due to the Pandemic
 - Work from Home
 - Changes in Employment
 - Demographic Changes
 - Changes in Commercial Real Estate
 - Retail Changes
 - Housing Market Impacts

[Project Report Link](#)

Project Overview

- Phase 1
 - Literature Review
 - Employee and Employer Survey
- Phase 2
 - Work from Home Impacts
 - Office and Retail Impacts
- Policy Levers
 - Incentives
 - Reuse/Economic Diversification

Phase 1 Overview

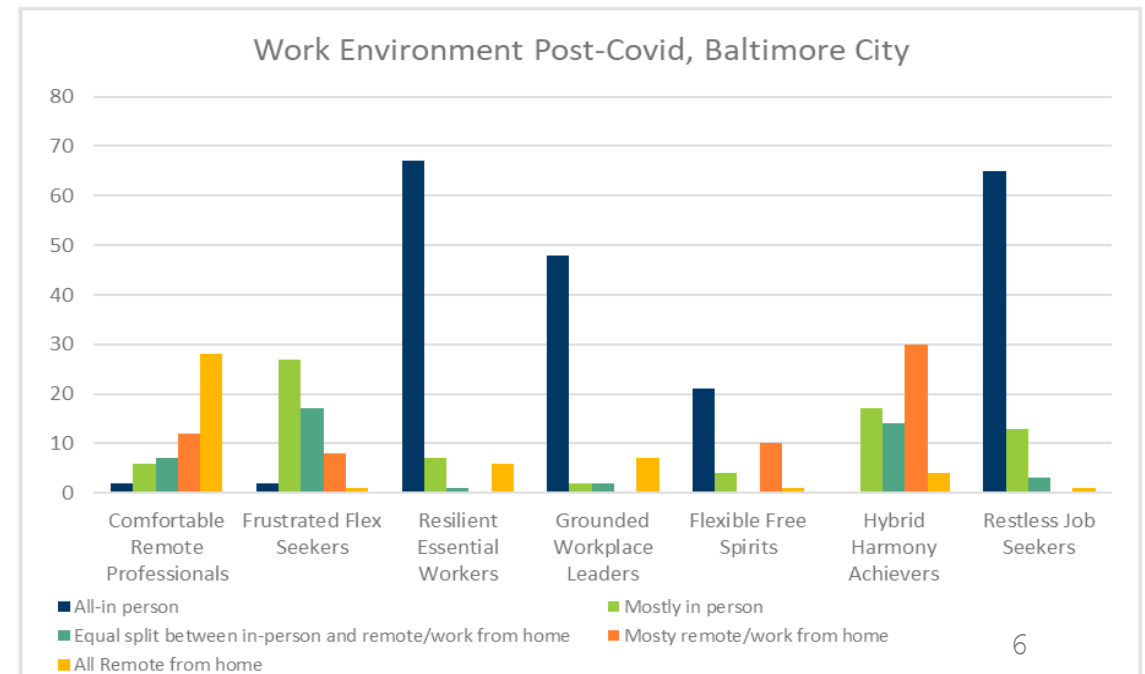
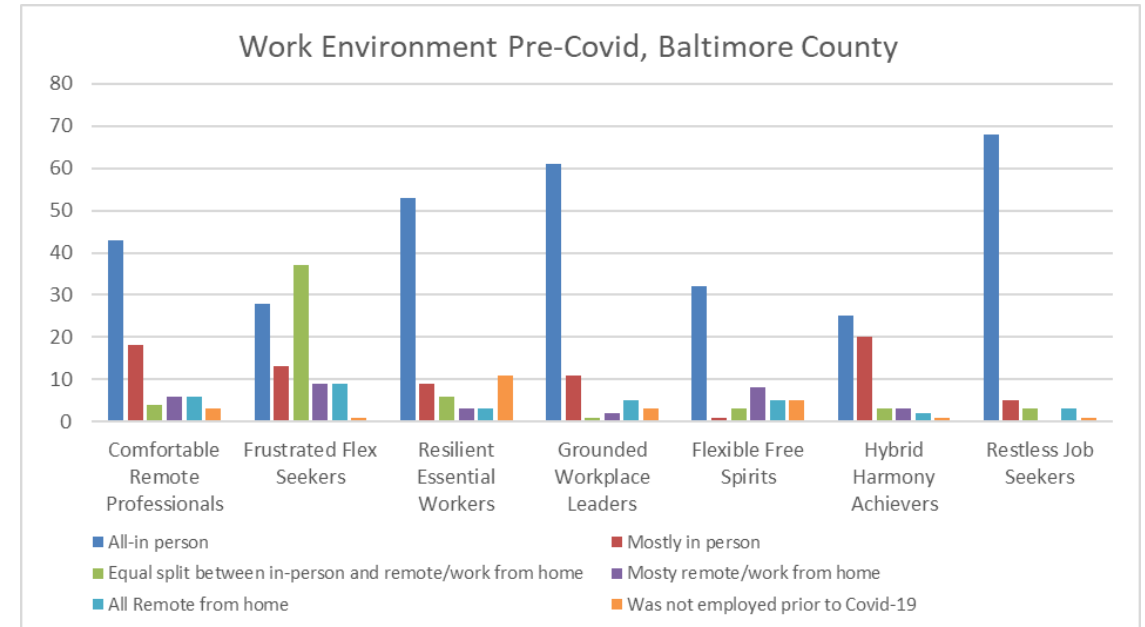
- Survey of 1,630 Baltimore-region employees in 2024
- Only 46.3% work fully on-site; 23.4% hybrid; 11.8% fully remote
- Remote work concentrated in FIRE*, tech, and professional services sectors
- Estimated 28.5% reduction in total work trips
- Mondays and Fridays show significantly lower travel demand
- 36% of respondents moved homes since 2019; average move is around 15 miles
- Potential 7.1% job reduction in region by 2050; peak congestion may fall up to 33.8%

* Finance, Insurance and Real Estate

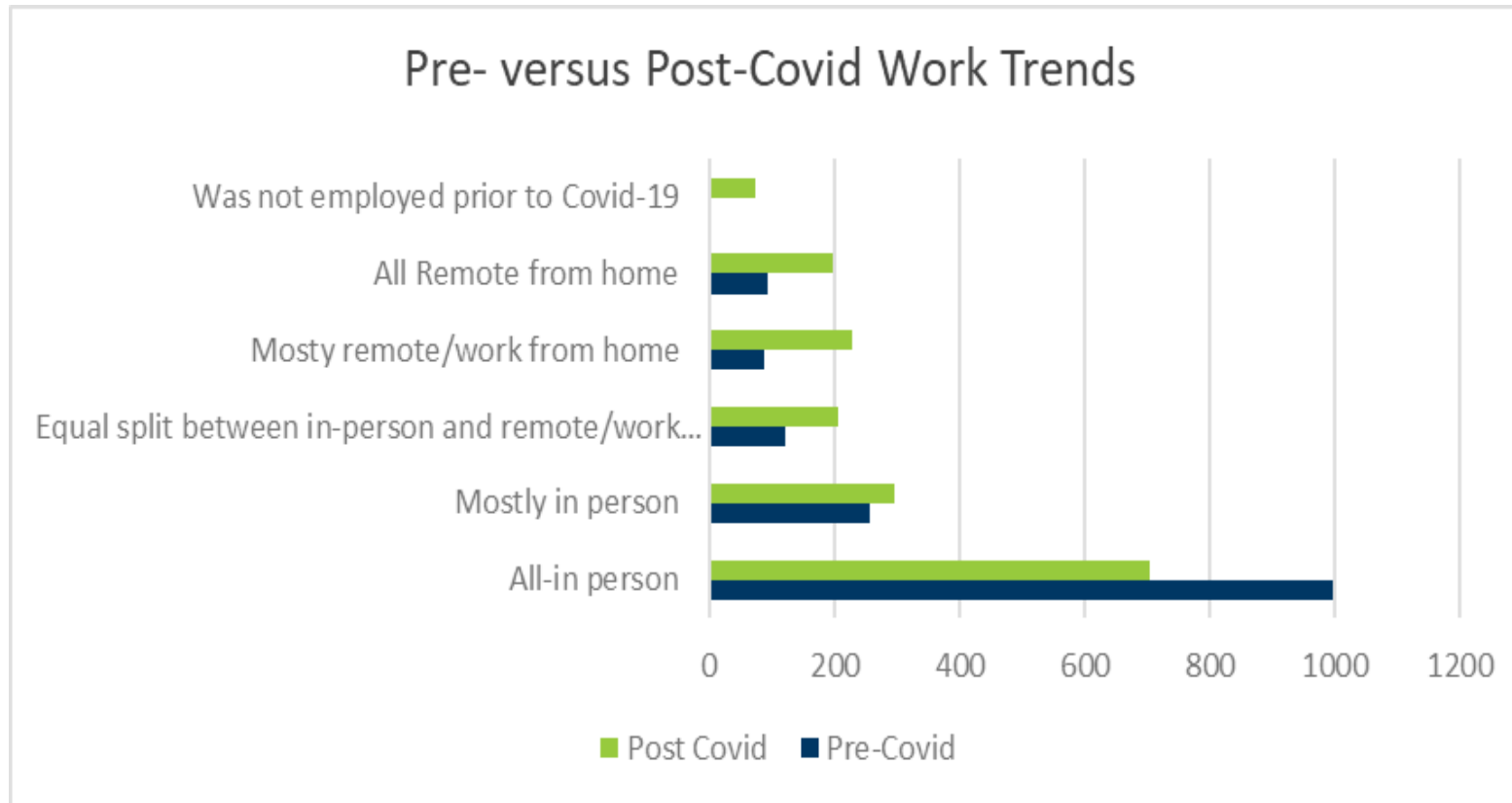
Survey Clusters

Description	Annual Household Income	# of working vehicles HH members can access
Cluster 0: Comfortable Remote Professionals	\$75K - \$100K	1.9
Cluster 1: Frustrated Flex Seekers	\$100K- \$125K	2.1
Cluster 2: Resilient Essential Workers	\$31K - \$35.5K	1.7
Cluster 3: Grounded Workplace Leaders	\$100K- \$125K	2.2
Cluster 4: Flexible Free Spirits	\$75K - \$100 K	2.2
Cluster 5: Hybrid Harmony Achievers	\$100K- \$125K	1.8
Cluster 6: Restless Job Seekers	\$50K - \$75K	1.7

Source: Employee Survey



Pre- and Post-Pandemic Trends



Source: Employee Survey

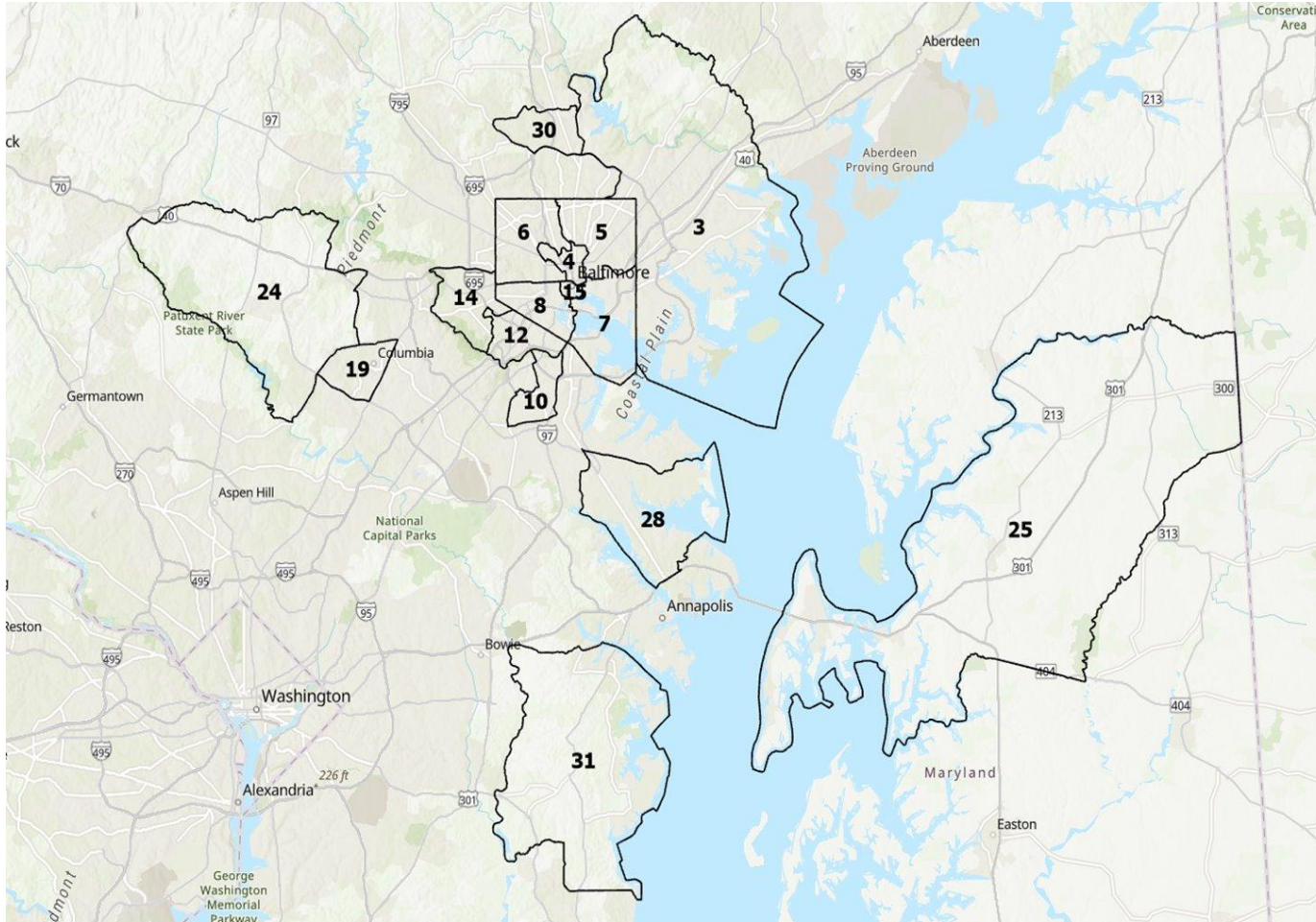
- Fully in-person work dropped: 64% to 41%
- Hybrid & remote surged:
 - Equal split: 8% to 12%
 - Mostly remote: 6% to 14%
 - Fully remote: 6% to 12%
- 4% joined the workforce post-pandemic
- Long-term shift toward flexibility

Phase 2 Overview

- Purpose: Assess long-term impacts of hybrid work on land use, real estate, and travel
- What Was Done: Surveys & market data were used to track shifts in work, commute, and space demand
- Key Findings:
 - Fewer in-office days has led to lower foot traffic, rising vacancies
 - Office demand down; retail recovery uneven
- Policy Levers & Implications:
 - Incentives for conversions & affordable housing
 - Adaptive reuse and mixed-use development
 - Transit, safety, and coordinated reinvestment strategies

Map of Areas Analyzed

- Central Business District (Zone 15)
- Baltimore Midtown (Zone 4)
- Baltimore Northeast (Zone 5)
- Baltimore Northwest (Zone 6)
- Baltimore Southeast (Zone 7)
- Baltimore Southwest (Zone 8)
- BWI/Baltimore County (Zone 12)



- Towson (Zone 30)
- Reisterstown Road Corridor (Zone 24)
- Woodlawn (Zone 31)
- Baltimore County East (Zone 3)
- MD 2 Corridor North (Zone 25)
- I-83 Corridor South (Zone 28)
- Catonsville (Zone 14)
- Ellicott City (Zone 19)
- BWI North (Zone 10)

Pre- and Post-Pandemic Trends: Survey Findings

Pre-Pandemic:

- Standard 5-day office schedule
- Strong weekday foot traffic supported retail & transit
- High demand for large downtown office spaces

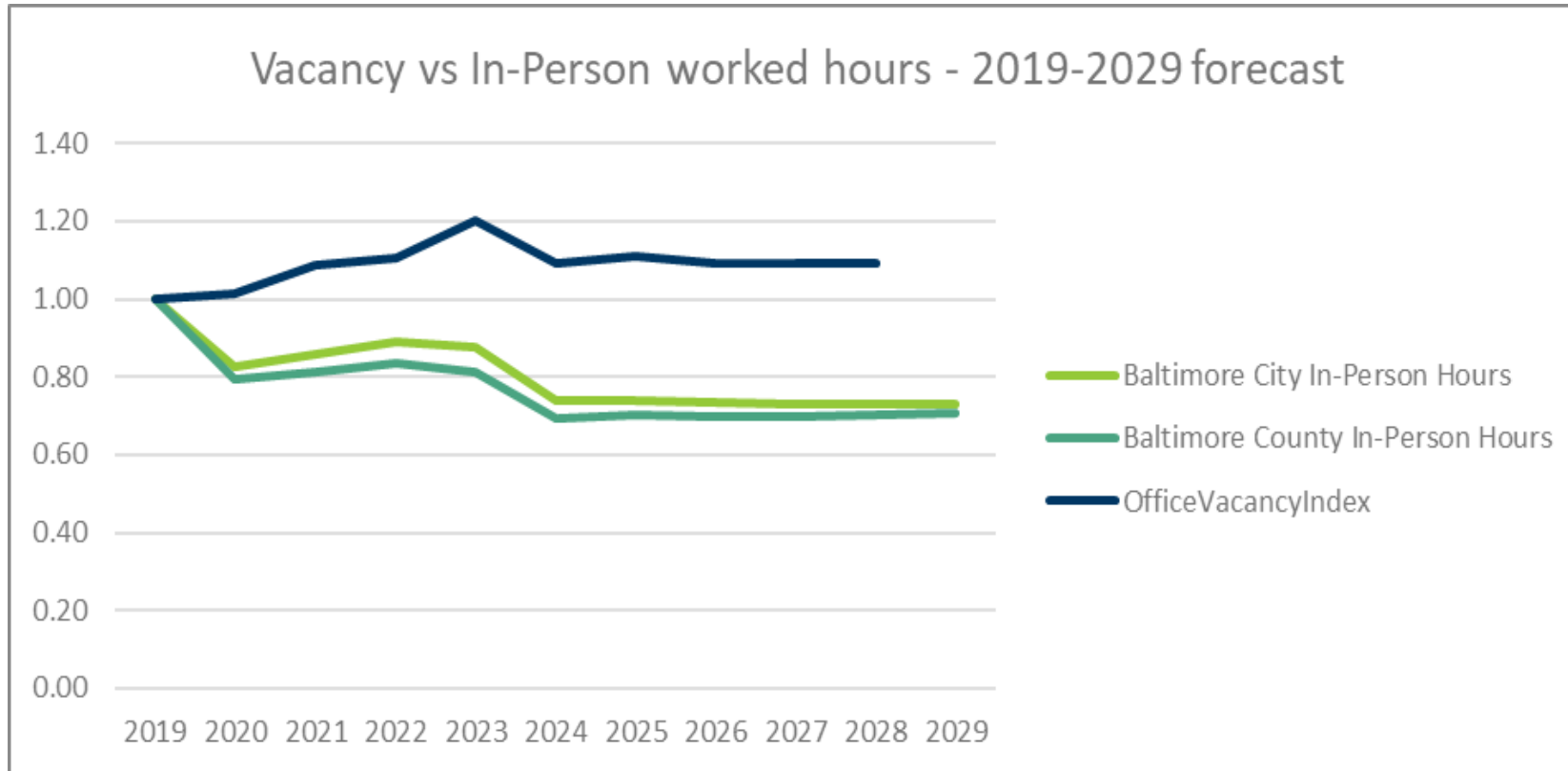
Post-Pandemic Shift:

- Hybrid/remote work became widespread
- Reduced occupancy, especially in **older CBD offices**
- Still high uncertainty – remote work – employers/employees

Impacts on Office Demand:

- Fewer commuters leads to lower foot traffic & transit use
- Higher vacancies and more sublease space downtown

Pre- and Post-Pandemic Trends

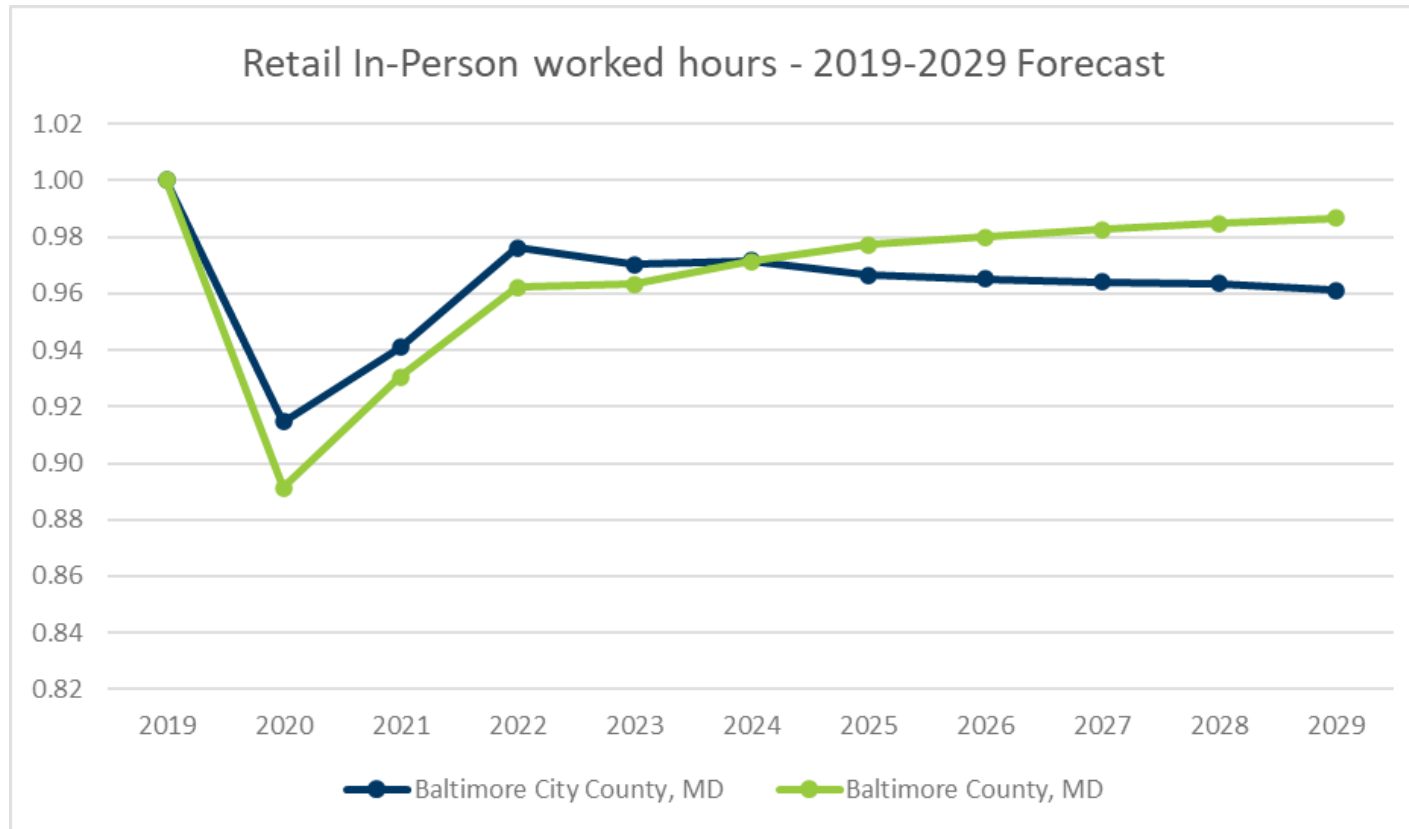


Baltimore City In-Person Hours Worked Index for FIRE:

- 1.00 (2019) to 0.83 (2020) to 0.87 (2023)
- Stabilizes at ~0.73 (2024–2029)
- Reflects expected hybrid/remote trend and new equilibrium

Source: Employee Survey, CoStar Projections (Occupancy Rate), 2024

Pre- and Post-Pandemic Trends



Source: Employee Survey

Baltimore In-Person Hours Worked Index for Retail:

- Baltimore City saw modest early recovery post-2020
- Index rose from 0.91 in 2020 to 0.98 in 2022
- 2024–2029 forecast shows stable 0.96–0.97 levels
- Baltimore County shows steadier growth to 0.99 by 2029
- Retail sector shows stronger return than office jobs
- Higher migration inflow rates or in-person office attendance would lead to higher future estimates

Pre- and Post-Pandemic Trends

Commuting Trends:

- Most office/FIRE workers commute 2–3 days/week
- Low office attendance on Mondays & Fridays
- Transit ridership down (MARC, Light Rail) (Downtown Partnership of Baltimore, 2024)

Location Shifts:

- More workers relocating to suburbs or affordable areas
- Relative demand falling for downtown office space
- Growth in co-working hubs for hybrid flexibility
 - Recent examples include Groove, opening a 8,500 SF space in 2024, and International Workplace Group adding four new offices in Maryland (The Business Journal, 2024)

Pre- and Post-Pandemic Trends

WFH Projections:

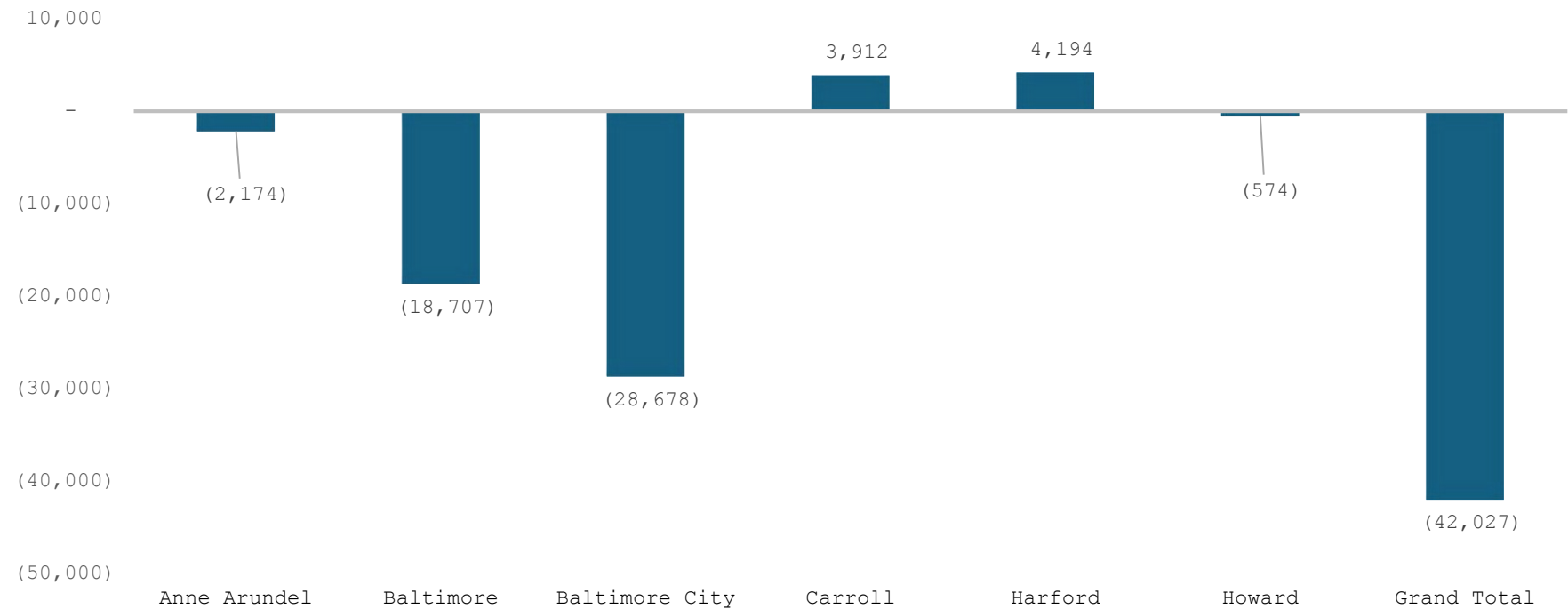
- By 2029, should employee preferences be acted on, only 73% of workers in-office at least part-time – especially pronounced in the CBD
- Hybrid work likely here to stay
 - Increased demand for flexible space solutions

Office Market Impact:

- Higher vacancy & sublease availability expected to persist
- Rising demand for smaller, adaptable office spaces
- Older buildings increasingly repurposed or converted to residential
 - The shift creates new challenges, as infrastructure and services must adapt

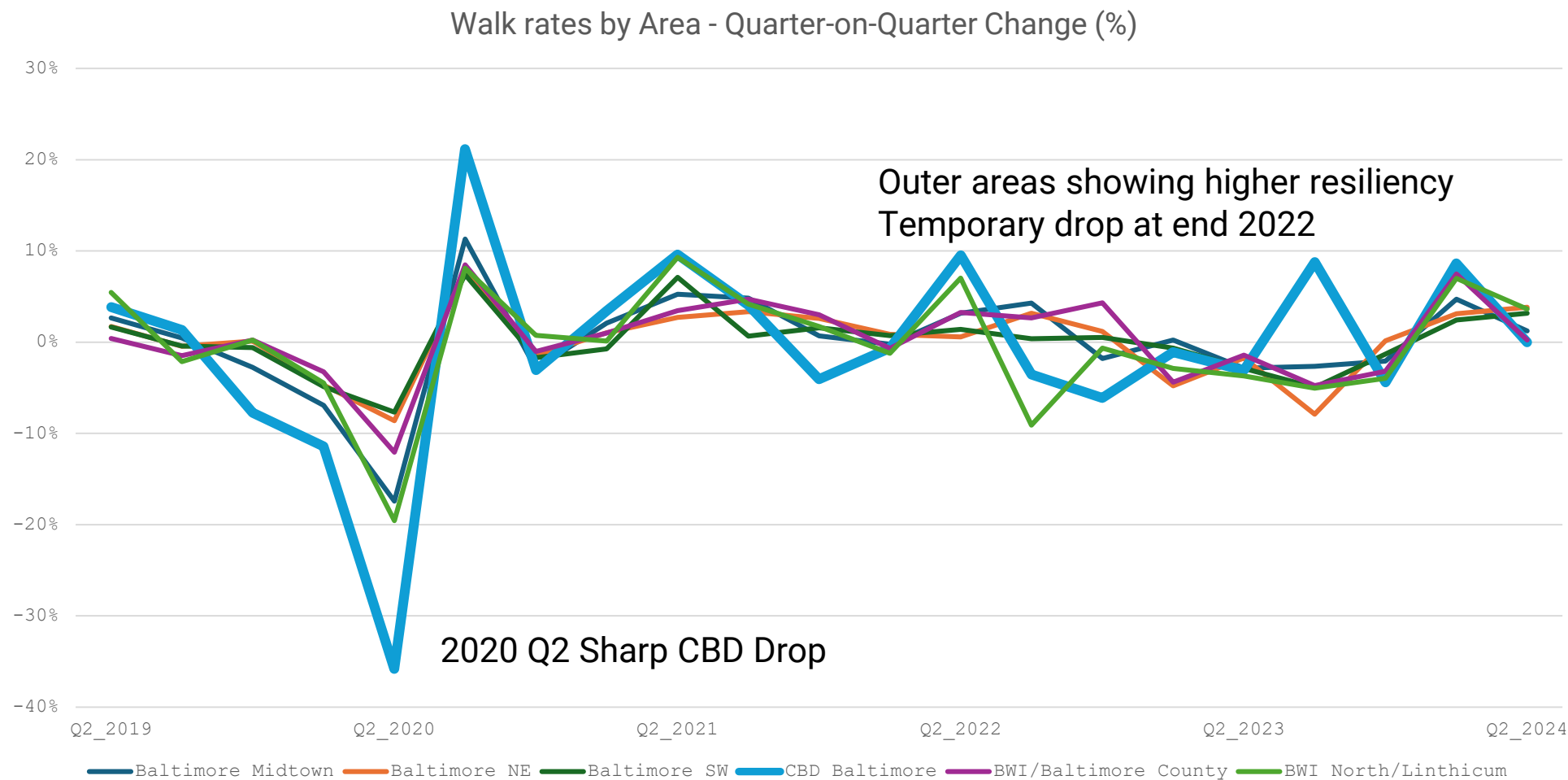
Regional Market Overview

Migration flows – number of people in/outflowing



Source: IRS, 2021

Regional Market Overview



Source: Replica, 2024

Baltimore and its submarkets

Why The CBD is so important:

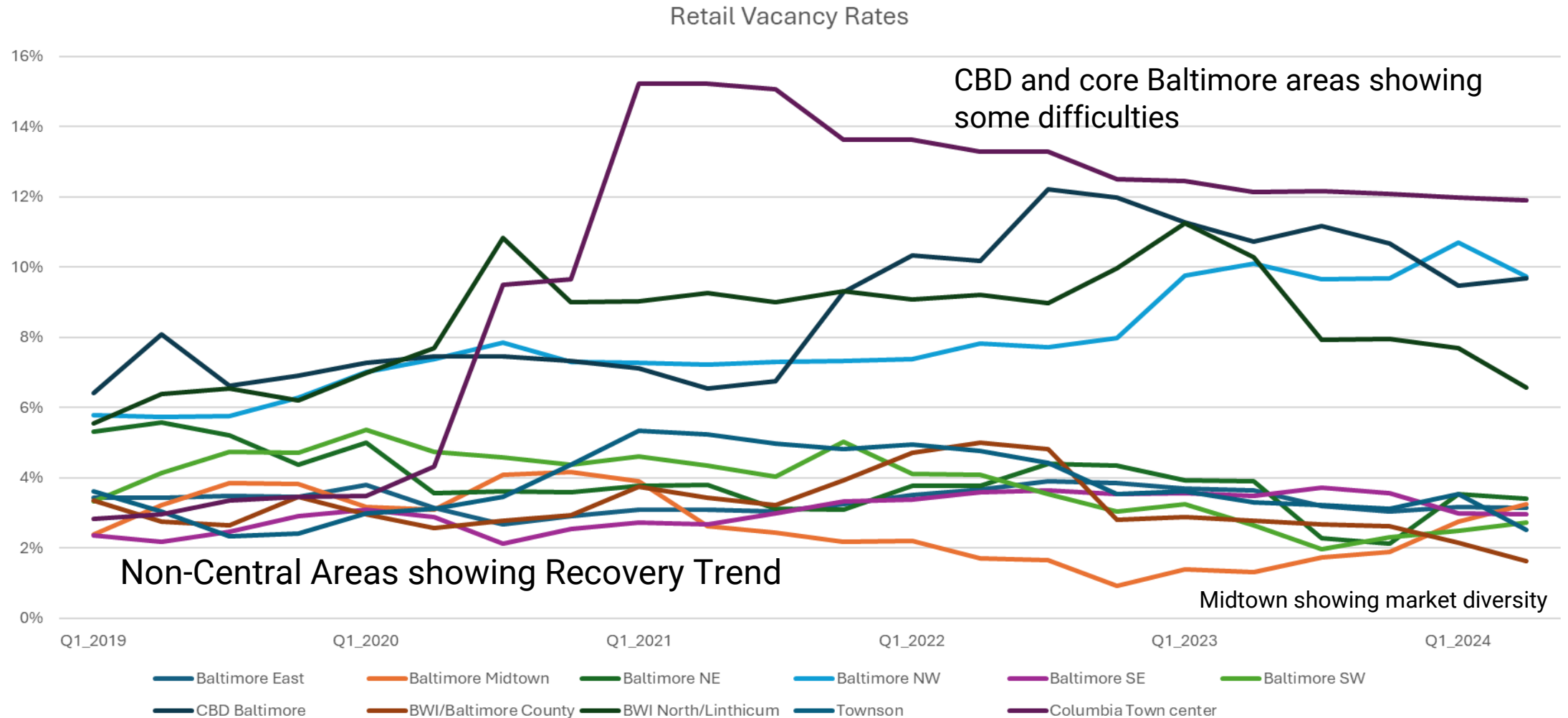
- Baltimore's downtown is the city's anchor
- Economic and civic activity is concentrated here
- CBD trends shape broader market perceptions
- Central to jobs, tourism, and public life
- Office demand downtown signals regional vitality
- Visible, symbolic center of post-COVID recovery
- CBD conditions drive reinvestment and policy shifts
- Upcoming slides explore how other submarkets compare and contribute to the regional picture



Central Baltimore and Surrounding MD Areas

- Surrounding areas have shown clear signs of recovery since the pandemic
- Central Baltimore is regaining its footing
- The health of the CBD is closely tied to regional momentum
- Stronger performance downtown can reinforce broader progress
- Downtown and City Center still interconnected
- Upcoming data shows how trends diverge across submarkets

Outside the Downtown – Trend of Recovery



Office Market Trends

Market Overview:

- Hybrid work driving major shifts
- Reduced demand for large office spaces → rising vacancies

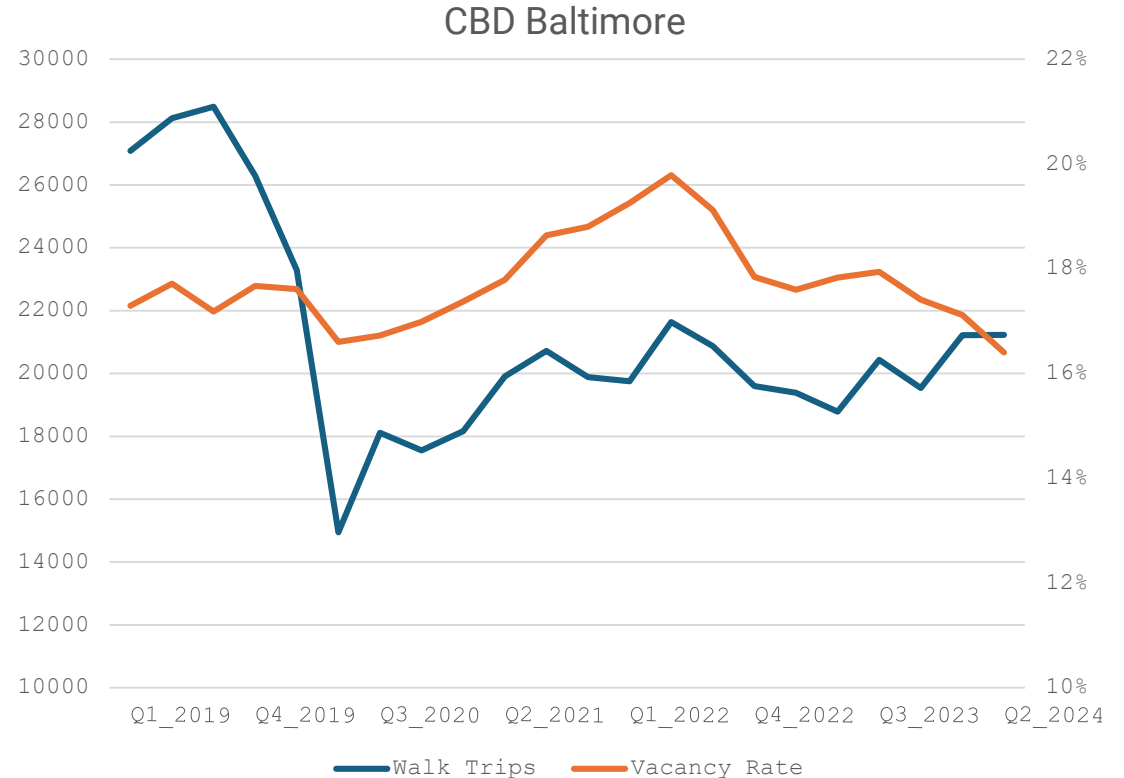
Vacancy Rates (2019–2024):

- CBD: 18–20%, peaking at 20% in Q2 2022
- Midtown: Stabilized at 5–8%
- Northeast: Dropped to 1% by Q2 2024 (strong tenant retention & smaller space demand)

Ongoing Challenges:

- CBD vacancy improving, but foot traffic still lags pre-pandemic levels

CBD Office Vacancy Rates



Source: CoStar, Replica

Office Sublease Space & Conversions (CBD)

Sublease Surge:

- Sublease space up 114% vs. pre-pandemic
- Reflects uncertainty in long-term office demand

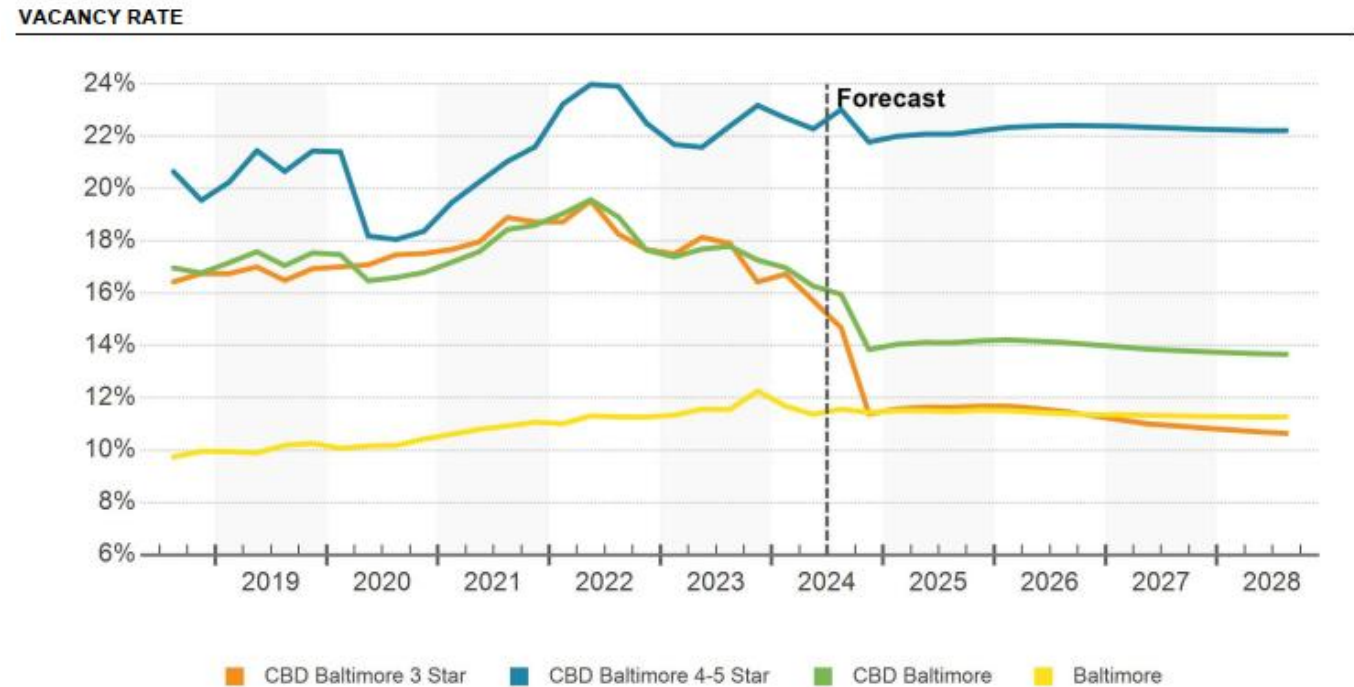
Conversions on the Rise:

- Office-to-residential gaining traction
- Example: One Calvert Plaza repurposed for mixed-use

Leasing & Vacancy Trends:

- 3-star properties: lower vacancies due to conversions
- 4–5 star properties: higher vacancies, but data does not fully account for federal RTO mandates

CBD Office Vacancy Rates



Source: CoStar Market Report

Retail Market Trends – Overview

Market Overview:

- Hit hard by remote work & pandemic lockdowns
- Recovery underway as foot traffic improves
- Some submarkets showing early signs of stabilization

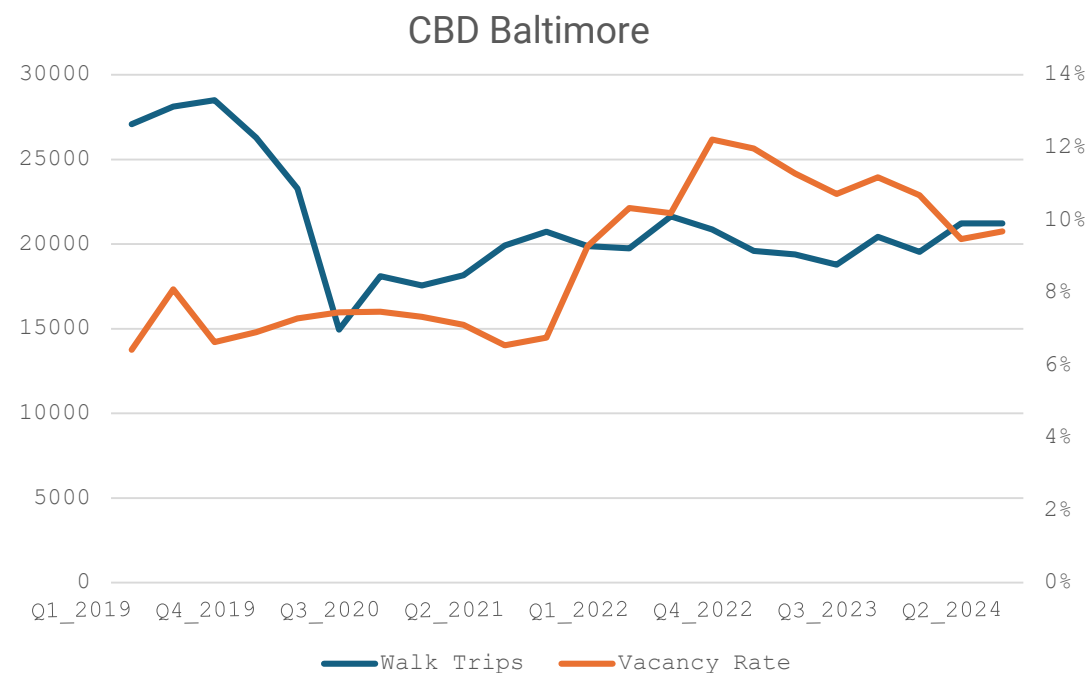
Vacancy Trends (2019–2024):

- CBD vacancy peaked at 12% (Q4 2022)
- Improved to 10% by Q2 2024

CBD Submarket Performance:

- Malls still struggling – vacancies up to 50%
 - Low market share should be noted – but the trend reflects mall performance in other submarkets as well
- Neighborhood centers/strip malls remain strong with 1–5% vacancies

CBD Retail Vacancy Rates



Source: CoStar, Replica

Retail– Foot Traffic & Lease Activity

Foot Traffic Recovery:

- Sharp drop during pandemic, now gradually rebounding
- CBD weekdays improving, especially Tues–Thurs
- Still below pre-pandemic levels

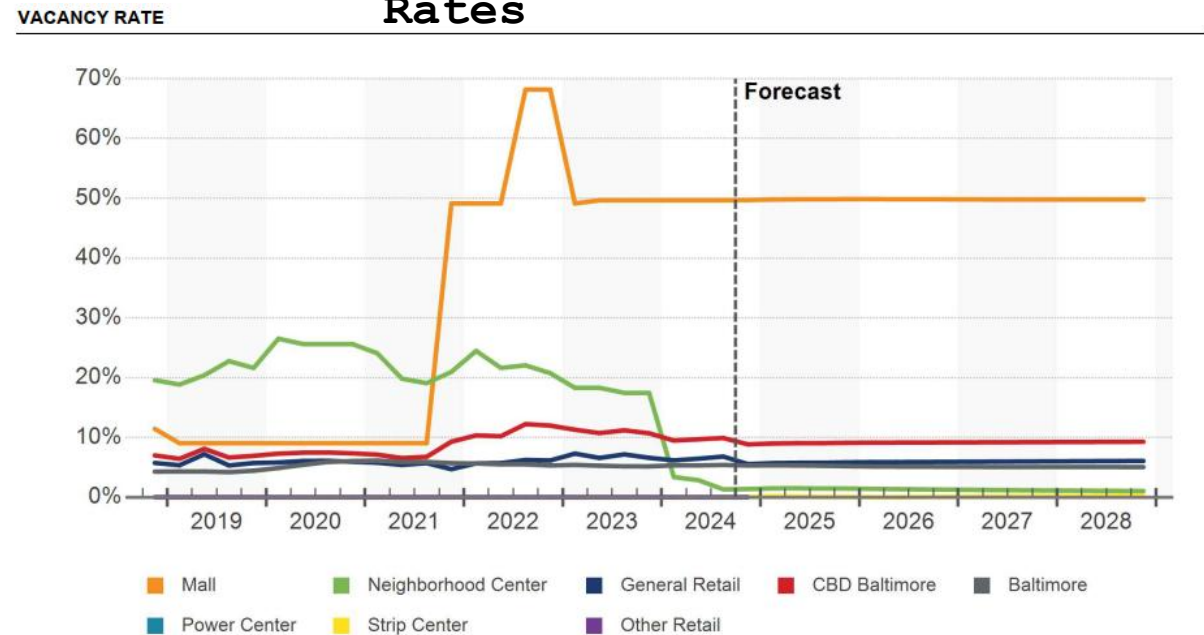
Leasing & Rent Trends:

- CBD retail rents up 3.5% YoY
- High demand at neighborhood centers
- Malls lag with flat rents & high vacancies

Challenges & Opportunities:

- Large-format spaces struggle to lease
- Smaller retail/strip centers thrive with flexibility & lower costs

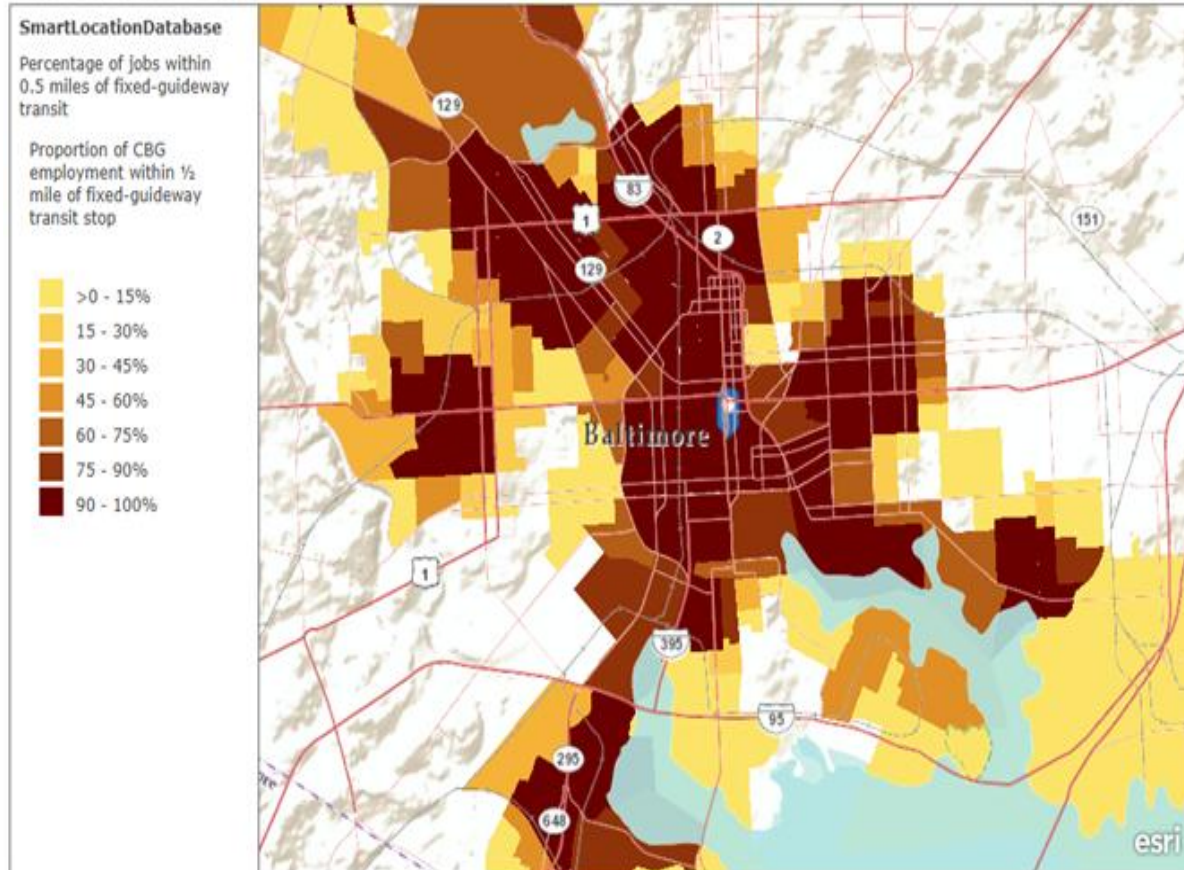
CBD Retail Vacancy Rates



Source: CoStar Submarket Report
NB: Only two malls are present in the CBD

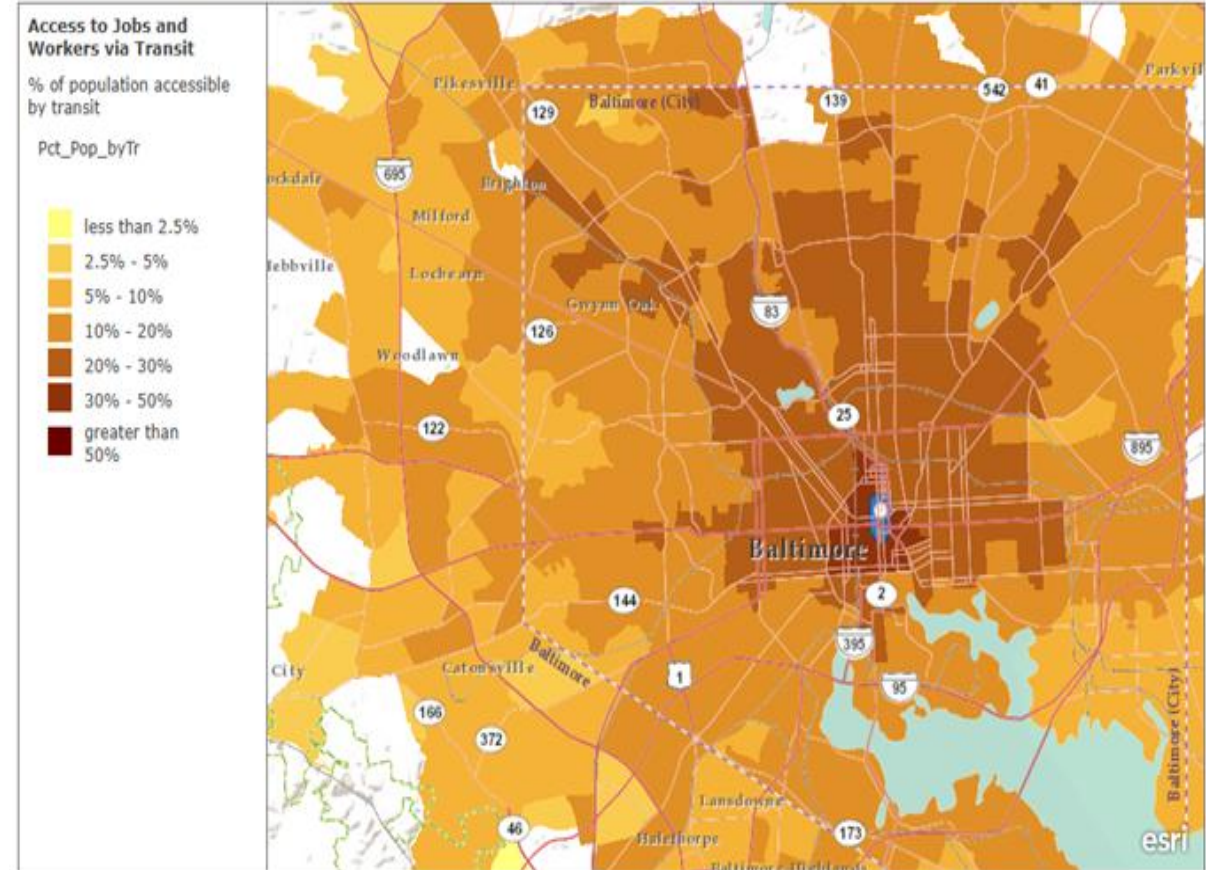
Factors Supporting Downtown Growth: Transit Access

Smart Location Database



Source: EPA Smart Location Database, 2025

Access to Jobs and Workers Via Transit



Source: EPA Access to Job and Workers via Transit Tool , 2025

GOVERNMENT OFFICE RELOCATION

State government moves offices into
downtown areas



INCREASE IN FOOT TRAFFIC

Thousands of additional employees
frequent the downtown daily. More
pedestrian activity leads to increased
local demand



STIMULATES BUSINESS ACTIVITY

More traffic leads to higher demand for
restaurants, cafes, etc., who cater to the
newly arrived workers



ENCOURAGES PRIVATE SECTOR DEVELOPMENT

The increased economic activity
attracts investors, who lead new
developments



Factors Supporting Downtown Growth: Government Relocation

- Strategic initiative to revitalize the CBD and address high office vacancy rates ([Daily Record, MD 2024](#))
- As of February 2025:
 - Over 6,000 full-time state employees have been scheduled to be relocated to downtown offices by the end of the year
 - The Maryland Department of Assessments and Taxation and the Comptroller's Office have already completed their moves
 - The Maryland Department of Health expected to relocate by late 2025
 - The Maryland Board of Public Works approved a 15-year lease for office space at 1 South Street, facilitating the move of 620 additional employees from State Center to downtown
 - The Department of General Services has issued requests for proposals to secure additional office space for multiple state agencies, including the Department of Budget and Management and the Maryland Tax Court.

Policy Levers



What is Baltimore Doing?

- **Fiscal Incentives**

Government policies that encourage specific economic activities or behaviors by reducing financial burdens on individuals, businesses, or industries.

- Baltimore's Operation Storefront
- Façade Improvement Program

- **Affordable Housing Initiatives**

Government or private sector programs designed to make housing more accessible and affordable for low- and middle-income individuals and families.

- Encouraging the conversion of underutilized office spaces into residential units
 - Ranks eighth nationally in top 20 cities for future apartment conversions
 - Former Embassy Suites Hotel is now being converted into a 303-unit workforce housing development
- BuyIntoBmore Fixed Pricing Program
 - As of March 2024, program approved that would sell city-owned vacant homes for a low fixed price

What is Baltimore Doing?

- Adaptive Reuse and Redevelopment of Historic Properties

The process of repurposing an existing building for a use other than what it was originally designed for while preserving its structural integrity.

- Baltimore Southeast – converting aging office and industrial building into dynamic retail and mixed-use spaces along Boston Street and Bayview Boulevard
- Baltimore Midtown - embraced adaptive reuse to enhance the walkability and vibrancy of its neighborhoods e.g. R. House on 29th Street
- Baltimore Northwest - redevelopment of struggling retail centers into community-oriented destinations e.g. The Village at Mondawmin
- Baltimore County East - an extensive redevelopment beyond the urban core in former industrial sites, e.g. Bethlehem Boulevard and outlying Harford County

What is Baltimore Doing?

- **Supporting Transportation Options**

Transportation options range from public, private, non-motorized, and emerging mobility solutions for different needs, costs, and environmental impacts.

- Red Line Project
- BaltimoreLink Initiative

- **Economic Diversification**

The process of expanding the variety of industries, sectors, and income sources to reduce dependence on a single industry or resource.

- Baltimore Innovation Center, an ecosystem of early-stage startups and growing businesses
- Harbor Designs and Manufacturing works with startups, private companies, universities and independent inventors

- **Fostering Public Safety**

Encompasses the systems, policies, and services designed to protect residents, visitors, and businesses from crime, hazards, and emergencies.

- Group Violence Reduction Strategy (GVRs)
- Crime Prevention Through Environmental Design (CPTED)
- Downtown Baltimore Guides (DBGs)
- Private & Public Security Partnerships/Homeless Outreach/Youth Work/ Downtown Safety Committee

Case Studies: San Francisco



Fiscal Incentives

March 2024: Proposition C waives the City's real estate transfer tax on non-residential properties converted to residential use

March 2025: Waives development fees and development impact requirements imposed by Chapter 4 of the City's Planning Code
([National Law Review 2025](#))



Adaptive Reuse

June 2023: Issued RFI on 'Adaptive Reuse of Downtown Commercial Buildings'

Identify Adaptive Reuse Projects where the City can support commercial building conversions into housing

([San Francisco Office of Economic & Workforce Development, 2023](#))

Case Studies: Detroit



Affordable Housing

Second-Floor Residential Grant Program
launched in 2022 ([Southwest Detroit
Business Association](#))

Program offered up to \$10,000 to convert
2nd-floor commercial spaces into
affordable housing units

Targeted areas: West Vernor Highway,
Springwells Street, Junction, and Bagley
Avenue



Economic Diversification

Detroit Creative Corridor Center (DC3) supports the
creative community ([New Economy Initiative, 2025](#))

- Established in 2010 to provides incubator spaces
- The DC3 has a prototype studio located in
downtown Detroit

Michigan Central Station

- In 2018, transform into Detroit's Corktown
Campus ([Ford Newsroom, 2018](#))
- By 2024, 1,000 Ford employees relocated to
campus. ([Detroit Free Press, 2024](#))

Case Studies: New York



Affordable Housing

"City of Yes for Housing Opportunity" initiative approved in December 2024 ([Kramer Levin, 2024](#))

Overhaul City's zoning regulations to address the housing crisis

Aimed at repurposing underutilized commercial spaces into housing



Economic Diversification

Civic Hall at Union Square, inaugurated in November 2023 ([Civic Hall Press Release, 2024](#))

Provides accessible digital skills training and entrepreneurial support for underserved communities

85,000-square-foot facility spans designed to foster innovation, education, and collaboration in the tech sector

Case Studies: Public Transportation

Portland

- MAX Light Rail in 1986 and the Portland Streetcar in 2001
- Transit-oriented development (TOD) around stations has led to vibrant mixed-use neighborhoods like the Pearl District

Dallas

- Light rail system on June 14, 1996, with an initial 11.2 mile network comprised of the Red and Blue Lines
- Spurred significant real estate development within a quarter mile of DART stations ~ cumulative property value of \$17.1 B

Denver

- Denver Union Station redevelopment transformed 19.5 acres of former rail yards into a dynamic urban center, integrating nine modes of transportation
- Redevelopment of Union Station spurred \$3.5 billion in private development, with an annual economic impact of \$2 B

Boston

- Assembly Station, an infill station was opened in 2014. The station is located in Somerville's Assembly Square and was designed to serve adjacent mixed-use development
- Catalyst for the \$1.5 B Assembly Row project, and residential demand surged

Washington, DC

- The NoMa - Gallaudet U station opened in 2004 as the Washington Metrorail's first infill station
- The project exceeded its initial estimates of 5,000 new jobs and \$1 B in area investments

Case Studies: Seattle- Public Safety

**September 2023
Ordinance 126896,**
classifies the knowing
possession or use of
controlled substances in
public places as a gross
misdemeanor

Executive Order 2024-02
Pilot initiative which
coordinates city departments
and community partners to
conduct regular cleaning,
safety operations, and
activations in selected areas



Executive Order 2023-006

Directed the Seattle Police
Department (SPD) to develop
policies for arrests related to
public drug use and possession,
emphasizing diversion and
treatment over incarceration

Source: [Office of the Mayor, September 2023](#)

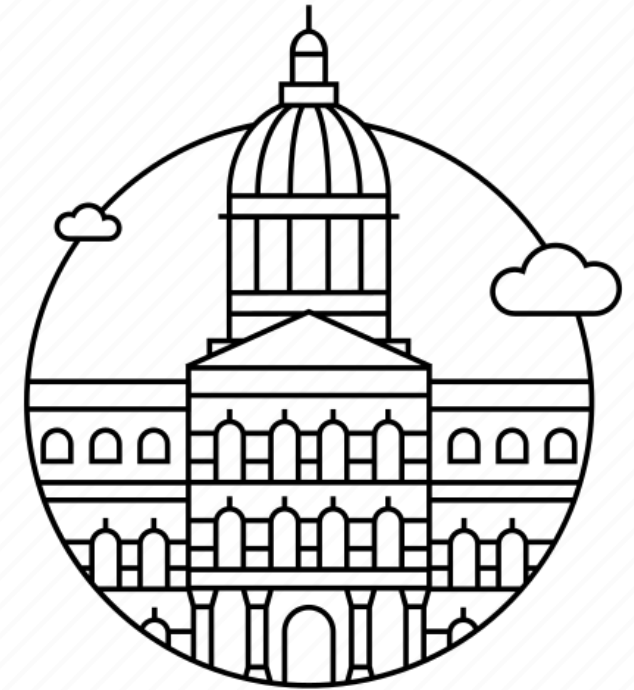
Conclusion

- Remote work is reshaping city dynamics
- Fewer office commuters means less transit demand
- Downtown offices face rising vacancy pressure
- Public revenue from fares and taxes at risk
- City must rethink how space and services work
- Hybrid workers bring new residential opportunities
- Baltimore can attract talent with urban amenities and affordability



Implications

- Revitalization needs coordinated, flexible strategy
- Support mixed-use with zoning and tax tools
- Make adaptive reuse the foundation for growth
- Stack policies—grants, fast-track permits, incentives
- Target sustainability: reuse over demolition
- Transit and rail link to D.C. is a key asset
- Align public, private, and community goals for impact
- Ongoing social, economic, and policy shifts must be tracked to guide decision-making
- **Track near-term trends to steer long-term strategy**



For More Information

Todd Lang | Director of Transportation Planning/CFO

410-732-9566 | tlang@baltometro.org | www.baltometro.org



@BALTOMETROCOUNCIL



@BALTIMORE METROPOLITAN COUNCIL



@BALTIMORE METROPOLITAN COUNCIL

