BALTIMORE METROPOLITAN COUNCIL

Post-pandemic Trends in Employment, Commercial Real Estate, Housing Location Choice, and Travel Demand

Phase 2 Real Estate Markets and Policy Levers

Report prepared by AECOM

Funded by the Baltimore Regional Transportation Board

5/7/2025

BALTIMORE METROPOLITAN COUNCIL

Table of Contents

List of Figures

List of Tables

Executive Summary

There is a growing discussion around the relevance of urban downtown centers in our current business environment, where remote and hybrid work patterns have become more common and digital connectivity allows many businesses to operate from virtually anywhere. While the pandemic drove considerable shifts in in-office work patterns, however, downtowns are still necessary and relevant as central hubs for commerce, culture, and social interactions. Businesses still rely on the face-to-face collaboration borne from in-office work, and cities still maintain significant agglomeration benefits from maintaining healthy downtowns. These benefits include access to large and diverse labor and social pools, close proximity to clients and contractors, shared infrastructure, and the free exchange of ideas. Cities that adapt to modern shifts in work by diversifying their downtown areas' land uses, promoting mixed-use development, and investing in public spaces and infrastructure, can thus strengthen and expand their economic and political influence.

This report, prepared for the Baltimore Metro Council (BMC), provides a detailed analysis of Baltimore's office and retail real estate markets, focusing on the impacts of hybrid and remote work, post-pandemic shifts in the commercial real estate market, and broader economic implications for the region. The study examines various market trends and downtown health and activity metrics, including vacancy rates, office space utilization, foot traffic changes, and the challenges facing Baltimore's commercial districts.

The first section introduces the purpose of the study, emphasizing the evaluation of downtown Baltimore's economic recovery. The analysis is centered on the evolving demand for office space, particularly how hybrid and remote work models have affected office vacancies, foot traffic, retail activity, and public transit ridership. This section also includes a detailed examination of office vacancy rates, retail fluctuations, and potential future outcomes for Baltimore's downtown economy.

This is followed by an overview of Baltimore office and retail real estate markets, focusing on how changes in workforce behavior and consumer activity have influenced commercial real estate availability. This section includes specific data on vacancy rates in key submarkets within Baltimore, and explores leasing trends, foot traffic patterns, and retail real estate market resilience.

The next section discusses the factors supporting downtown Baltimore's growth, such as residential development, affordability, transit access, and the importance of historical and cultural features. This section also examines government relocation policies and revitalization efforts in Baltimore, drawing comparisons with other cities that have faced similar challenges.

Key policy levers that could support downtown revitalization are then identified. These include fiscal incentives for office-to-residential conversions, affordable housing initiatives, adaptive reuse of historic properties, improved transportation options, and diversification through small-scale manufacturing. This section emphasizes the role of public safety and community engagement in fostering a thriving urban environment.

The final section presents policy strategy recommendations based on the findings. This section suggests ways to mitigate the challenges faced by the office and retail sectors and promote long-term stability and growth in Baltimore's downtown.

Overall, this report outlines the key trends and challenges in Baltimore's commercial real estate market, offering policy recommendations that aim to support the city's economic recovery and downtown revitalization in the wake of the pandemic.

Introduction and Purpose

This study provides an analysis of downtown Baltimore's economic recovery, focusing on post-pandemic shifts in commercial real estate, office vacancies and workforce trends; and their broader economic implications. This analysis examines the impact of hybrid and remote work on office demand, transit ridership, foot traffic, and retail activity. Through survey data and scenario modeling, the study identifies strategies, trends, and driving factors that support downtown revitalization and commercial real estate adaptation.

Assessing the economic recovery of Baltimore's downtown requires a detailed analysis of post-pandemic shifts in commercial real estate, office vacancies, and workforce trends, as well as other factors that impact the city's economic health. This study examines how hybrid and remote work policies are influencing office demand, real estate submarkets, and overall economic activity. The team has relied on survey data collected specifically for this study to provide insights into these trends and their implications.

The research will also assess transit ridership, foot traffic, and retail activity data to understand how a post-pandemic reduction in in-person work is shaping the broader downtown Baltimore economy. By analyzing these indicators, the study will provide a comprehensive view of how businesses, transportation networks, and commercial spaces are adjusting to new workplace dynamics.

Different scenarios will be explored to examine the impacts of varying levels of work-from-home adoption, the potential for office-to-residential conversions, and business retention strategies. These projections will help estimate possible future outcomes for Baltimore's downtown economy. The findings will inform policy recommendations aimed at supporting economic recovery, fostering downtown revitalization, and facilitating commercial real estate adaptation in response to evolving work and commuting behaviors.

The office vacancy rate in downtown Baltimore remains high, exceeding 21 percent in some areas. This is driven by the widespread adoption of hybrid work, which has reduced the need for large office spaces. The sublease market has grown significantly, with availability now more than 114 percent above pre-pandemic levels. Certain submarkets, such as the Central Business District (CBD), have seen state employees relocating into vacant office spaces, stabilizing some demand but not necessarily driving new economic growth. Adaptive reuse projects, like the conversion of One Calvert Plaza into residential units, offer potential solutions for repurposing underutilized office space, though financial incentives may be necessary to encourage further conversions.

Additionally, urban foot traffic patterns have shifted, with weekday activity concentrated from Tuesday to Thursday, and Mondays and Fridays seeing lower office attendance. This change has affected retail and service businesses that rely on a steady flow of office workers throughout the week. The Inner Harbor, Charles Street, and Bromo Arts District areas have all experienced such fluctuations in pedestrian movement. Initiatives such as the BOOST Program and the

Downtown Restaurant Recovery Program have been introduced to support local businesses by encouraging consumer engagement beyond traditional peak work hours.

Public transit ridership has also struggled to recover fully to pre-pandemic levels, particularly on remote workdays. MARC train, Light Rail, and bus services have seen lower passenger volumes, which have led to funding and operational challenges. Parking demand has also declined in key commercial districts, reducing municipal revenue and altering traffic patterns. While suburban commuting has increased, the city has invested in multimodal transit improvements and pedestrian-friendly infrastructure projects to counterbalance these trends and attract more downtown activity.

Baltimore's economic recovery depends on the successful adaptation of commercial real estate, workforce engagement, and infrastructure investments. Government relocation strategies, such moving 6,000 state employees into downtown office spaces, mirror successful revitalization efforts in other cities (such as Washington, D.C.'s Navy Yard redevelopment). Incentives for office-to-residential conversions, which have had success in San Francisco and Seattle, could help mitigate excess vacancy while diversifying downtown Baltimore's economic landscape. These policy measures will be critical in shaping the future of Baltimore's urban core.

In addition, recent federal initiatives, including President Trump's latest push to sell underutilized government properties, add another layer of complexity to Baltimore's recovery.[1] In the near term, the reduction of government office space could weaken downtown Baltimore's economic stability by decreasing daily foot traffic and demand for services. However, it could also present an opportunity to repurpose these sites for private-sector investment, mixed-use development, and/or residential conversions. If managed strategically, such a transition could support long-term revitalization by diversifying downtown Baltimore's economic base and attracting new businesses and residents.

Existing Conditions

This section provides an analysis of Baltimore's office and retail real estate markets, examining how shifts in workplace trends, consumer behavior, and economic conditions have shaped commercial real estate dynamics. As hybrid work models have significantly altered office demand and foot traffic patterns, this section assesses how vacancy rates, leasing trends, and adaptive reuse strategies are influencing both office and retail spaces.

Firstly, the submarkets across Baltimore are analyzed, with a focus on the Central Business District (CBD) and surrounding areas. Most office market trends highlight the impact of shifting tenant preferences, increasing vacancy rates in older buildings, and the rise of office-to-residential conversions. Meanwhile, the retail component examines evolving consumer activity, fluctuations in foot traffic, and the resilience of different retail property types, including general retail, strip centers, and malls.

By exploring these market conditions, the analysis aims to provide insights into how Baltimore's commercial landscape is currently adapting to long-term economic and structural changes. The findings offer valuable context for the policy levers and recommendations found in Sections 4 and 5.

Office and Retail Market Overview

Baltimore's office landscape spans several submarkets – ranging from the CBD to mixed-used hubs in the Northeast. As hybrid work changes needs for traditional office space, each area has both specific challenges and unique opportunities that are reflected in office space utilization and conversion rates, types of new development, and shifting pedestrian patterns.

Figure 1 shows the boundaries of Baltimore's downtown and submarkets as defined by CoStar. While they do not exactly reflect the boundary definitions used by federal agencies, they are clustered together based on factors such as historical context, economic activity, population trends, and real-estate metrics (such as leasing and vacancy rates).

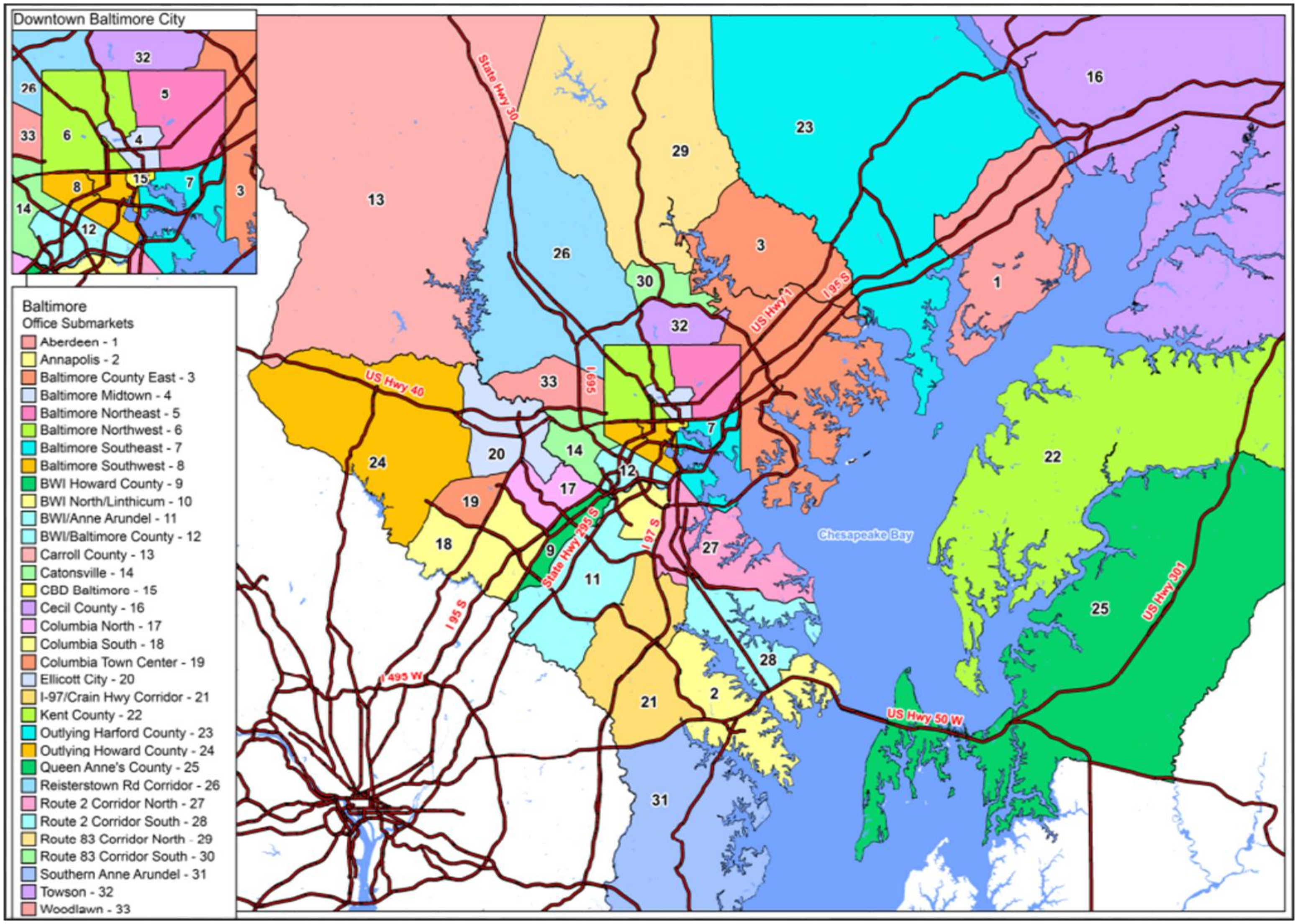


Figure 1: Submarket Map (source: CoStar)

Office

Baltimore’s office market is undergoing a profound transformation driven by lasting changes in workplace behavior, particularly the widespread adoption of hybrid and remote work. Office vacancy rates remain elevated, exceeding 21% in some downtown submarkets, while sublease availability has more than doubled compared to pre-pandemic levels. These shifts have reshaped leasing dynamics, prompting a growing interest in adaptive reuse projects—such as converting underused office buildings like One Calvert Plaza into residential units—though many such efforts may require public incentives to be financially viable.

The broader economic impacts of reduced in-person work are visible in shifting urban patterns. Weekday foot traffic now concentrates mid-week, with lower activity on Mondays and Fridays, affecting retail and service businesses dependent on consistent office worker presence. Public transit ridership also lags behind pre-pandemic levels, compounding financial pressures on transit agencies and reducing parking revenue. In response, Baltimore has launched recovery initiatives and invested in multimodal infrastructure to attract renewed downtown activity. Long-term recovery strategies—including relocating thousands of state employees to downtown offices and promoting office-to-residential conversions—are positioned to reshape the city's commercial core, drawing on lessons from other urban revitalization efforts across the country.

This section provides insights into long-term trends in commercial space utilization. The analysis highlights a sustained increase in vacancy rates, particularly in older office properties that struggle to attract tenants. The analysis focuses on the submarkets in and around Baltimore’s Center.

Baltimore CBD

Overview

As shown in Table 1, vacant office square footage in the CBD reached a high of 4.68 million square feet in Q2 2022, which has since decreased to 3.79 million square feet as of Q2 2024. Although the CBD’s current vacancy rate is lower than its rate prior to the pandemic, this reduction in vacant space is not a result of increased demand, but rather the removal of office supply and the conversion of some office buildings (such as One Calvert Plaza) to residential or mixed-use developments. Despite these reductions in vacant square footage, the CBD office market remains constrained, with no major new office buildings having been delivered since 2018 and ongoing struggles to fill existing leasing and subleasing space.

Table 1: *Baltimore CBD Office Vacancy Rates (source: REPLICA, CoStar)*

Date	Walk Trips/Day	Vacancy Rate	Vacancy SqFt
Q1_2019	27083.49	6%	265053
Q2_2019	28123.89	8%	333847
Q3_2019	28496.97	7%	271966
Q4_2019	26288.69	7%	283480
Q1_2020	23286.65	7%	297528
Q2_2020	14946.69	7%	304378
Q3_2020	18110.43	7%	305239
Q4_2020	17555.42	7%	299474
Q1_2021	18162.35	7%	290524
Q2_2021	19909.78	7%	266016
Q3_2021	20723.19	7%	274697
Q4_2021	19882.86	9%	373400
Q1_2022	19755.63	10%	415549
Q2_2022	21637.01	10%	410008
Q3_2022	20871.21	12%	491543
Q4_2022	19595.14	12%	488910
Q1_2023	19381.75	11%	460674
Q2_2023	18783.19	11%	436168
Q3_2023	20434.51	11%	455019
Q4_2023	19536.91	11%	434795
Q1_2024	21223.82	9%	385563
Q2_2024	21225.63	10%	394016

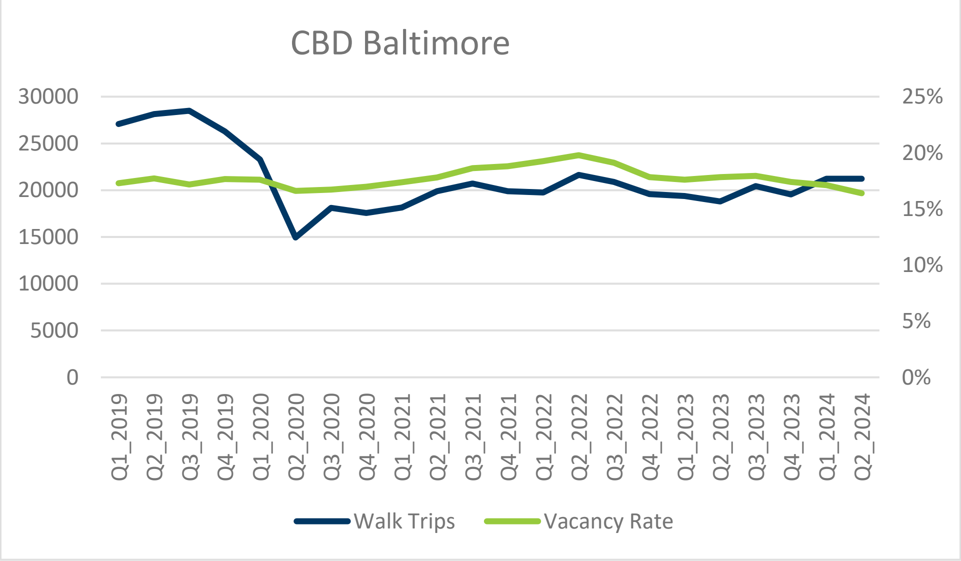


Figure 2: Baltimore CBD Office Vacancy Rates (source: REPLICA, CoStar)

In addition, the shift toward hybrid work has significantly reshaped commuting behaviors, with notable implications for office attendance patterns, transit ridership, parking demand, and overall economic activity in downtown Baltimore. A key aspect of this transformation is the pronounced decline in office occupancy on Mondays and Fridays, as employees increasingly prefer to work remotely on these days. This emerging trend is not just altering the flow of people into the city but is also creating ripple effects across transportation networks, pedestrian activity levels, and commercial district vitality. This is especially important for areas such as the CBD, which have traditionally relied on large numbers of office workers to support their economies.

Daily Walking Trips

As shown in Table 1, daily pedestrian counts in Baltimore's CBD hovered in the high 20,000s during Q1 2019, then plunged sharply by Q2 2020, reflecting the immediate impacts of pandemic-related shutdowns. Foot traffic began a modest rebound in Q1 2021 and continued recovering through Q2 2022, but by Q4 2023 and Q1 2024, daily walk trips still remained below their Q1 2019 peak. Overall, the data shows an initial steep decline, followed by a gradual but incomplete recovery.

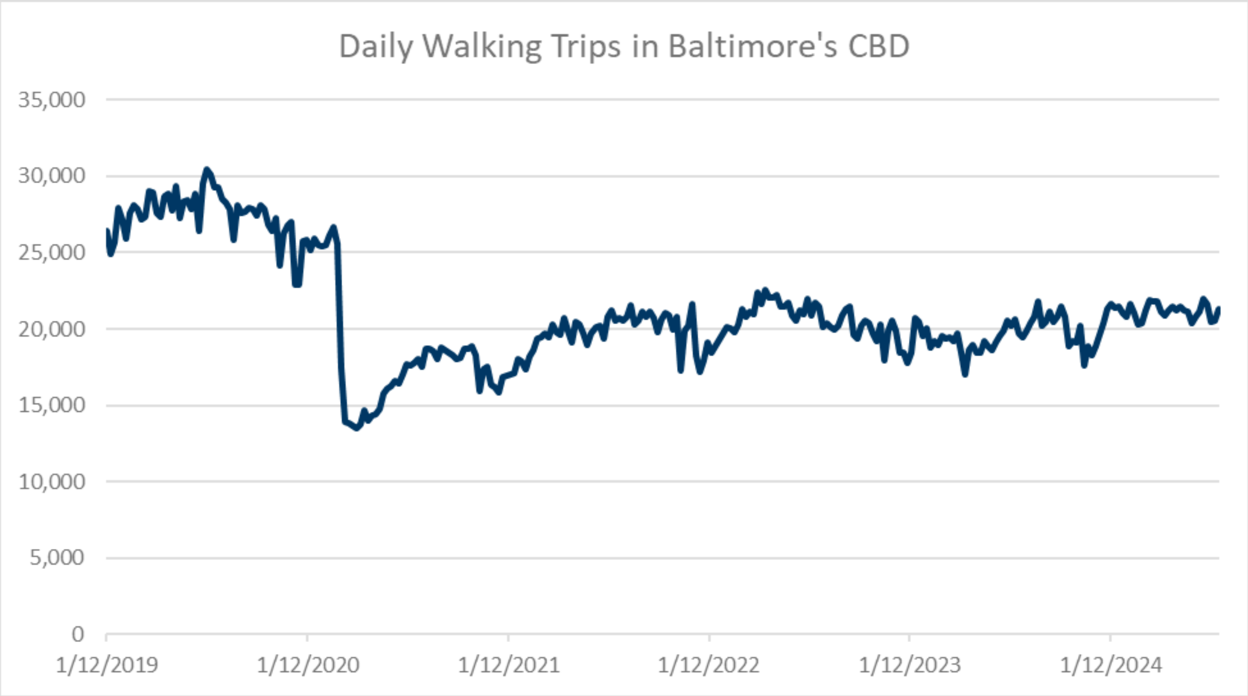


Figure 3: Daily Walking Trips in Baltimore's CBD (source: REPLICA, AECOM)

Overall, while the data shows some recovery in terms of reduced vacancy rates and a slight rebound in foot traffic, the CBD continues to face growth challenges. The shift toward hybrid work (where employees split their workweek between onsite and remote locations) combined with declining demand for traditional office space, suggests that vacancy rates will likely remain elevated for the foreseeable future.

Vacancy Rates and Leasing

As noted previously, in an effort to counteract this trend, Baltimore has begun relocating thousands of state employees from its aging State Center office complex to newer offices downtown, in an effort to combat high vacancy rates and boost economic activity in the CBD. Over 6,000 employees are set to move by the end of 2025, with agencies like the Department of Assessments and Taxation and the Comptroller's Office having already made the transition. This movement of state workers has provided temporary relief, but underlying demand for office space remains weak, particularly for older buildings that have struggled to adapt to the post-pandemic office market.

In addition, the analysis pictured in Figure 4 highlights a notable divergence in vacancy trends between 3-star and 4/5-star office locations in Baltimore's CBD during 2024. CoStar assigns star ratings to office and retail properties based on their overall quality, condition, design, location, and amenities. 3-Star buildings are typically functional, average-quality properties with basic finishes; 4-Star buildings offer modern design, updated systems, and a higher level of amenities; and 5-Star properties are considered top-tier or "trophy" assets, featuring the newest construction standards, premium finishes, and prime locations.

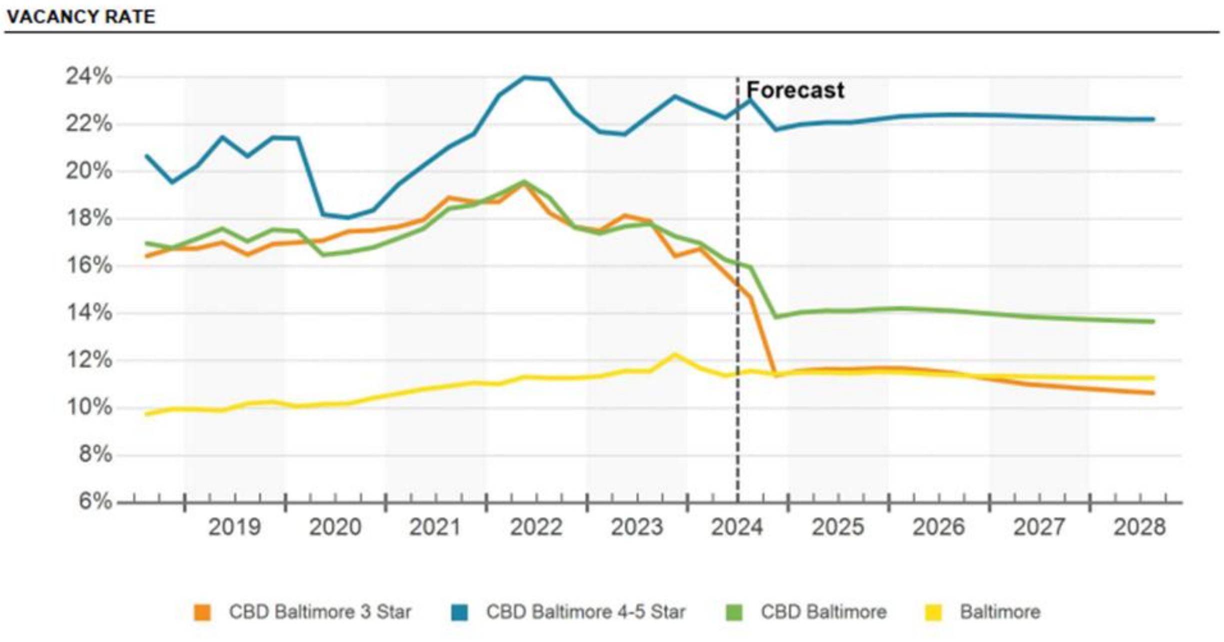


Figure 4: CBD Office Vacancy Rates (source: CoStar)

Note: Baltimore in the graphic above refers to the Baltimore Metro Area.

While Figure 4 shows vacancy rates for 3-star properties have dropped, those for 4- and 5-star properties have remained constant. One explanation for the declining vacancy rates in 3-star buildings could be the growing demand for more affordable office space. As businesses continue to downsize or adopt hybrid work models, they may be seeking the most cost-effective spaces rather than higher-priced, premium office locations. This would lead to increased occupancy in 3-star properties as businesses adjust their real estate strategies to fit new operational needs in a post-pandemic environment.

However, another important and more likely factor is the ongoing conversion of older, lower-tier office buildings, particularly 3-star properties, into residential or mixed-use spaces. The report mentions that many such buildings, especially in the CBD, are being redeveloped into housing complexes or for other uses, which reduces the overall supply of office space. This conversion trend effectively lowers vacancy rates by removing office square footage from the market, even if demand remains soft. For example, properties like One Calvert Plaza are being converted into residential units, directly impacting vacancy rates. This supply reduction in 3-star buildings helps explain why vacancy rates for these properties are declining, even if overall demand for office space hasn't necessarily surged.

In addition, the relocation of state employees has primarily been directed into older, mid-range (3-star) properties rather than top-tier 4- or 5-star buildings. The Maryland Department of Health's planned move into Metro West— a 1980 building classified as a 3-star asset—illustrates how these older offices are being repurposed for public-sector tenants.

In contrast, 4- and 5-star office locations have not seen the same level of conversion to other uses. These premium properties, often newer or in prime locations, are more likely to be preserved as office space. However, with many large corporations continuing to embrace hybrid work models and downsizing their office footprints, the demand for such high-end office spaces remains relatively stagnant. The report also notes that high-quality office buildings tend to have higher operating costs, making them less attractive to businesses seeking to reduce overhead.

Additionally, recent federal return-to-work mandates are adding another layer of complexity, as they are requiring employees to occupy federal facilities but haven't necessarily specified which locations. This uncertainty, coupled with ongoing federal downsizing efforts, may further weaken demand for premium offices if agencies choose to consolidate or relocate employees to less costly buildings—further contributing to the challenges facing 4- and 5-star properties. As a result, vacancy rates for 4- and 5-star offices have remained steady, reflecting the broader challenges in filling premium spaces amidst a changing office landscape.

As seen in Figure 5 leasing availability for 4- and 5-star office buildings in Baltimore's CBD has actually increased since 2021, further distinguishing trends in these properties from those seen in 3-star properties. While 3-star leasing availability rates have declined due to building use conversions and the attendant reduction of office space supply, 4- and 5-star office buildings continue to experience higher availability; they are now 5 percent above pre-pandemic levels and higher than in 2021, a stark contrast between the two market segments. Part of this elevated availability reflects the fact that some companies took advantage of pandemic-era weakening in market conditions to secure long-term leases at favorable rates. Many of those leases have not expired, preventing office buildings that have vacant floors and units from redeveloping them into alternative uses.

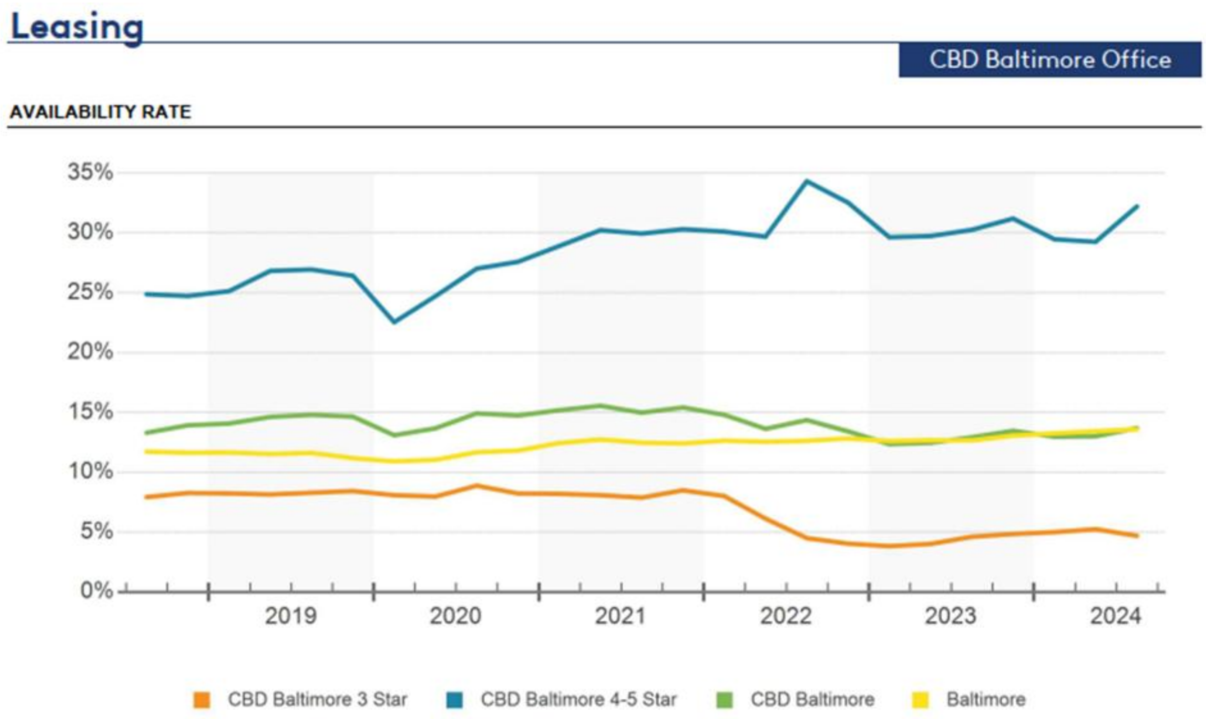


Figure 5: CBD Office Leasing Rates (source: CoStar)

The higher leasing availability for premium office space can also be partially attributed to the pandemic and post-pandemic shift in companies from in-person to hybrid work models, which have encouraged many businesses to rethink their need for large, expensive office spaces, particularly in the 4/5-star tiers. The surplus of space in 4- and 5-star buildings reflects a broader challenge in attracting tenants to high-end office spaces in the post-pandemic era.

The decline in 3-star office availability since mid-2022 is driven more by conversions reducing supply than by increased demand, while premium office spaces remain in the market and see rising availability as businesses scale down. The conversion of 3-star spaces is supported by changes in rates of foot traffic, as residential buildings generally generate fewer walking trips in a given time period. This is because office buildings attract not only employees but also clients, deliveries, and other business-related activities. Even though more people might live in these 3-star converted spaces in terms of people per square foot, their patterns of movement are different from those of office workers, resulting in lower overall foot traffic.

This prolonged reduction in in-person workdays aligns closely with the changes in office vacancy rates and the transformation of office spaces into residential or mixed-use developments. With fewer employees coming into the office regularly, demand for large office spaces has diminished, particularly in older buildings. The conversion of 3-star office spaces into residential units reflects an adaptation to the changing realities of the CBD, where residential demand has shown greater resilience compared to commercial office demand.

Additionally, the persistent reduction in in-person workdays impacts the stagnation in foot traffic recovery. While foot traffic has improved from its 2020 lows, it remains well below pre-pandemic levels. This is a direct consequence of fewer employees working in the CBD daily as reduced in-person workdays lower demand for traditional office space, leading to higher vacancy rates and decreased foot traffic. This contraction threatens the area's economic vibrancy but also suggests the need to tap into opportunity by repurposing outdated office buildings into residential or mixed-use developments, thus attracting new residents and diversifying the local economy.

Slashing the Federal Footprint and Beyond

In Q1 2025, the new administration initiated a significant downsizing of federal operations, which included a reduction in non-Department of Defense (DOD) federal building space by at least 50 percent. This initiative seeks to decrease government expenditure and streamline operations.

Such initiatives may impact real estate markets by increasing office space vacancies and destabilizing real estate markets in the near term. The federal government's termination of numerous office leases and selling of underutilized buildings could lead to increased vacancy rates, especially in cities with a significant federal presence like Washington, D.C. The resultant, sudden influx of available office space may destabilize local real estate markets, potentially leading to decreased property values and rental rates. As of April 2025, three federal office buildings located in the Washington DC were listed on the accelerated disposition list. Of these, two exceeded 800,000 in square footage: Federal Office Building -7th & D and Robert C. Weaver Building.

These policies will negatively affect the economic performance in the local economy where jobs are concentrated. Current federal directives include large-scale layoffs of federal employees, and agencies have been directed to prepare for significant personnel cuts. This could affect government services and increase unemployment rates in regions heavily reliant on federal jobs. In the short term, this will clearly lead to decreases in foot traffic and demand for services that could weaken downtown area recovery in the DMV area. However, a sale of federal properties also presents opportunities for urban redevelopment. In the medium term, cities might repurpose such spaces for housing, retail, or public use, potentially revitalizing certain areas.

2

Implications

To maintain economic stability, the city could incentivize real estate conversions, thereby supporting public infrastructure improvements that enhance livability and encouraging an influx of new businesses that cater to both residents and the remaining workforce. By fostering more mixed-use environments, Baltimore could adapt its urban core to the changing nature of work while preserving its long-term economic health.

There are a range of policy interventions aimed at easing such transitions and stimulating economic activity that could achieve this. For example, offering tax incentives or grants for developers who convert obsolete office spaces into residential units or mixed-use properties would encourage this shift and help absorb vacant buildings. Additionally, streamlining zoning regulations to allow for easier conversion of commercial properties to residential use would remove legal and bureaucratic barriers to such projects. Baltimore could also invest in enhancing public transportation and pedestrian infrastructure in the CBD, making the area more attractive for both residents and businesses. Expanding green spaces and promoting affordable housing developments within the district would further enhance its appeal as a "live-work-play" environment. Lastly, supporting local businesses through grants, tax breaks, and marketing campaigns could help stimulate demand in the district as it transitions from a primarily office-based economy to a more mixed-use landscape. These policies would enable Baltimore to mitigate the economic impact of reduced in-person work while positioning the city for long-term growth and stability.

Baltimore Midtown

Overview

Baltimore's Midtown has undergone substantial shifts in walk trips and office vacancy rates over the past several years. As shown in Table 2, walk trips peaked at 42,000 in Q3 2019 but fell sharply to a low of 31,000 by Q2 2020, reflecting the immediate impacts of pandemic-era lockdowns and that period's rapid shift to remote work. By Q2 2024, walk trips had rebounded to 40,000, although they remain slightly below pre-pandemic levels. This suggests that the area continues to adjust to changes in commuting and in-person work patterns post-pandemic.

Midtown's office vacancy rate has fluctuated similarly. It remained steady at 7 percent throughout 2019 but dropped to 5 percent in 2020, potentially due to space consolidation as businesses responded to the pandemic. By Q4 2022, the vacancy rate climbed back to 8 percent, before settling at 7 percent in Q2 2024. This underscores the ongoing challenge of filling office spaces in the area while the sustained prevalence of hybrid work models has reduced demand for traditional office occupancy.

As further demonstrated in Table 2, vacant square footage has also followed this pattern. Vacant square footage dropped from 578,000 sq. ft. in Q2 2020 to a low of 411,000 sq. ft. by Q1 2022 as businesses adjusted or repurposed office spaces. Vacancy then surged to 628,000 sq. ft. by Q4 2022, before gradually declining to 592,000 sq. ft. in Q2 2024. This demonstrates the continued volatility of the office market in Midtown, where recovery remains incomplete, and tenants continue to reevaluate their long-term space needs in light of new working models.

Midtown's vacancy rate reached 7.4 percent in 2024, slightly above the submarket's three-year average of 6.1 percent. This reflects 89,000 sq. ft. of negative absorption over the past year, and the market has not seen any new office deliveries in this time. A clear divergence exists between higher-end and lower-end office spaces, with 4- and 5-star properties experiencing vacancy rates as high as 18.3 percent, compared to 6.4 percent for 3-star properties. However, although the dataset for 4- and 5-star offices in Midtown is significantly smaller than that of the CBD, there are signs that 4- and 5-star offices have been taken off the market since 2023, either through conversions or by attracting new tenants through lower, more competitive pricing. This can be seen in Figure 7.

Table 2: Baltimore Midtown Office Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	40,870	7%	574,339
Q2_2019	41,961	7%	590,900
Q3_2019	42,159	7%	595,119
Q4_2019	40,994	7%	576,830
Q1_2020	38,157	6%	536,763
Q2_2020	31,504	7%	578,398
Q3_2020	35,066	5%	413,545
Q4_2020	34,049	5%	434,623
Q1_2021	34,765	5%	442,914
Q2_2021	36,590	5%	427,305
Q3_2021	38,359	5%	431,474
Q4_2021	38,623	5%	433,430
Q1_2022	38,542	5%	410,898
Q2_2022	39,764	5%	432,532
Q3_2022	41,469	5%	435,453
Q4_2022	40,729	8%	628,045
Q1_2023	40,829	6%	455,492
Q2_2023	39,673	6%	466,587
Q3_2023	38,629	6%	526,708
Q4_2023	37,828	7%	531,965
Q1_2024	39,608	7%	542,302
Q2_2024	40,092	7%	592,138

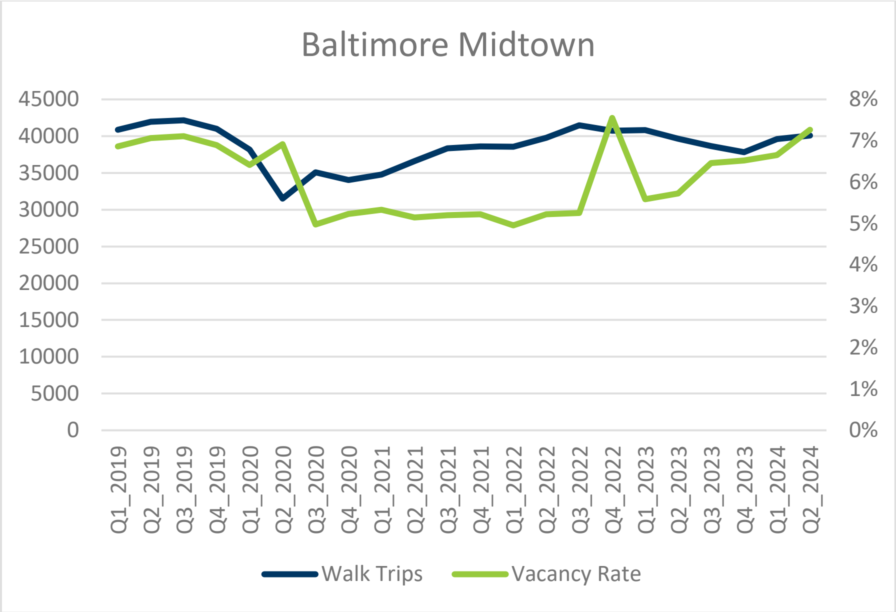


Figure 6: Baltimore Midtown Office Vacancy Rates (source: REPLICA, CoStar)

The trends in Midtown's office market are closely linked to the area's broader reduction in Total In-Person Working Days per Week Index, which shows a decline from 1.00 in 2019 to 0.73 for Baltimore City and 0.71 for Baltimore County by 2029. This sustained drop reflects the normalization of hybrid and remote work arrangements, which has led to fewer employees commuting into the office on a traditional 5-day-a-week basis. As in-person workdays continue to decrease, the demand for traditional office space has diminished, which in turn has impacted vacancy rates, especially in premium office buildings.

The ongoing decline in in-person workdays indicates that Midtown's office market will continue to face challenges unless it adapts to this structural shift in the workforce. Fewer people working on-site translates to less need for large office spaces, particularly in older or less adaptable buildings, and further drives vacancies. This is especially evident in the struggles faced by 4- and 5-star office properties, which continue to show high vacancy rates as businesses downsize their office footprints to match the hybrid work model.

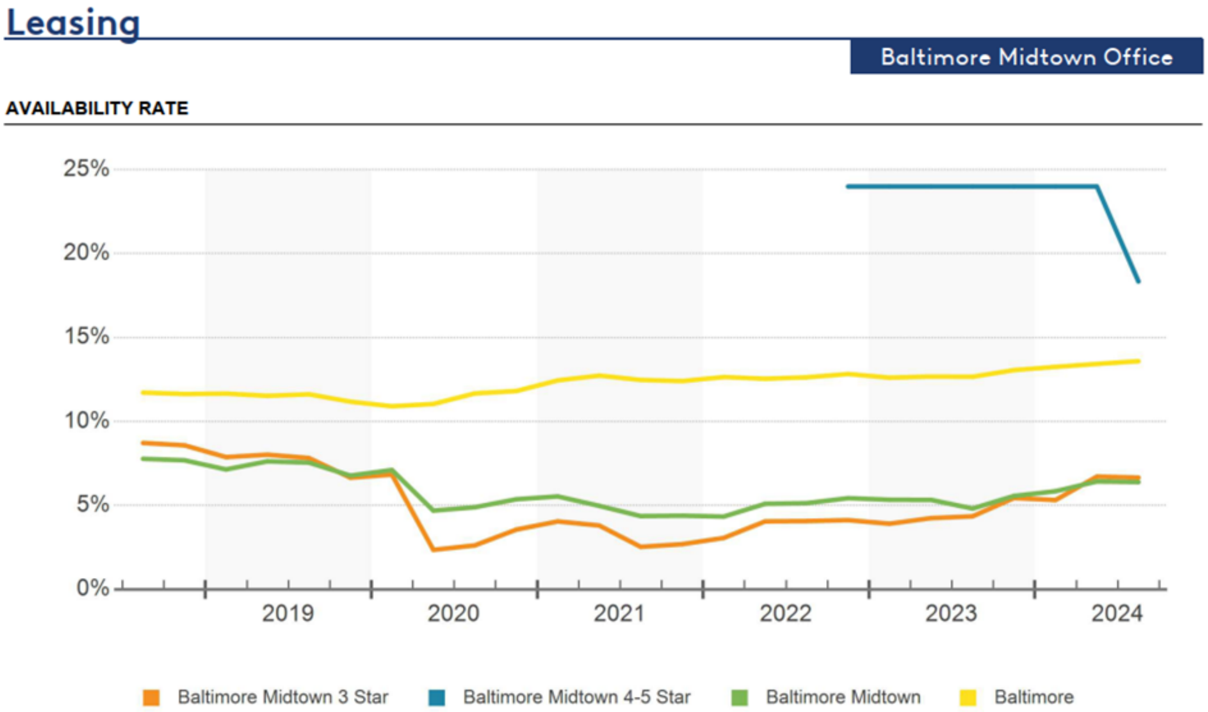


Figure 7: Baltimore Midtown Office Leasing Rates (source: CoStar)

Implications

Given the ongoing challenges in Midtown's office market, particularly in regard to rising vacancy rates in premium properties and the overall reduction in in-person workdays, policymakers should consider supporting the conversion of underutilized office spaces into residential or mixed-use developments. This shift could help alleviate the surplus of vacant office space while addressing demand for urban residential properties. Cities such as Baltimore can offer tax incentives or grants for developers to repurpose these older or vacant office buildings, a move that would both reduce vacancy rates and rejuvenate the area with new residents and businesses.

Furthermore, encouraging flexible zoning policies that facilitate such conversions would remove bureaucratic barriers and attract investment. Infrastructure improvements in Midtown, particularly in public transit and green spaces, would make the area more appealing to both residents and businesses. In addition, the city could promote business growth through targeted incentives that attract new types of tenants, such as startups or co-working spaces that function well in hybrid work environments.

Baltimore Northeast

Overview

As shown in Table 3, Baltimore's Northeast office submarket has experienced a remarkable reduction in vacancy rates over the past few years. Starting at 4 percent in 2019 and early 2020, the vacancy rate temporarily rose to 5 percent during the height of the pandemic, reflecting challenges like other submarkets. However, by Q4 2022, the vacancy rate plummeted to just 2 percent, and by mid-2024 it had improved further to a strikingly low 1 percent. This sharp decline underscores the resilience of the Northeast submarket, which benefited from strong tenant retention and demand for smaller office spaces. The lack of significant new construction also played a key role in limiting supply, thus helping reduce vacancy. In terms of vacant square footage, the submarket saw a substantial reduction, as shown in Table 3. Vacant space stood at 144,000 sq. ft. in Q2 2019 but steadily decreased to just 47,000 sq. ft. by Q4 2023 and further dropped to 26,000 sq. ft. in Q2 2024. This ongoing decline is likely driven by increased leasing in smaller office buildings and conversions of some spaces into healthcare or educational facilities, reflecting the submarket's ability to adaption to changing demands.

Table 3: Baltimore Northeast Office Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q2_2019	69,023	4%	144,561
Q3_2019	70,219	4%	134,435
Q4_2019	69,902	4%	147,206
Q1_2020	69,996	4%	120,851
Q2_2020	66,703	4%	144,329
Q3_2020	60,952	5%	158,965
Q4_2020	65,693	3%	102,973
Q1_2021	64,736	5%	177,908
Q2_2021	65,406	5%	174,840
Q3_2021	67,181	5%	188,272
Q4_2021	69,430	5%	162,848
Q1_2022	71,237	5%	178,096
Q2_2022	71,853	4%	156,890
Q3_2022	72,271	4%	139,500
Q4_2022	74,561	2%	81,182
Q1_2023	75,449	2%	61,874
Q2_2023	71,844	2%	53,025
Q3_2023	70,607	1%	47,570
Q4_2023	65,024	1%	47,838
Q1_2024	65,123	1%	26,193
Q2_2024	67,155	1%	23,245
Q2_2024	69,731	1%	27,189

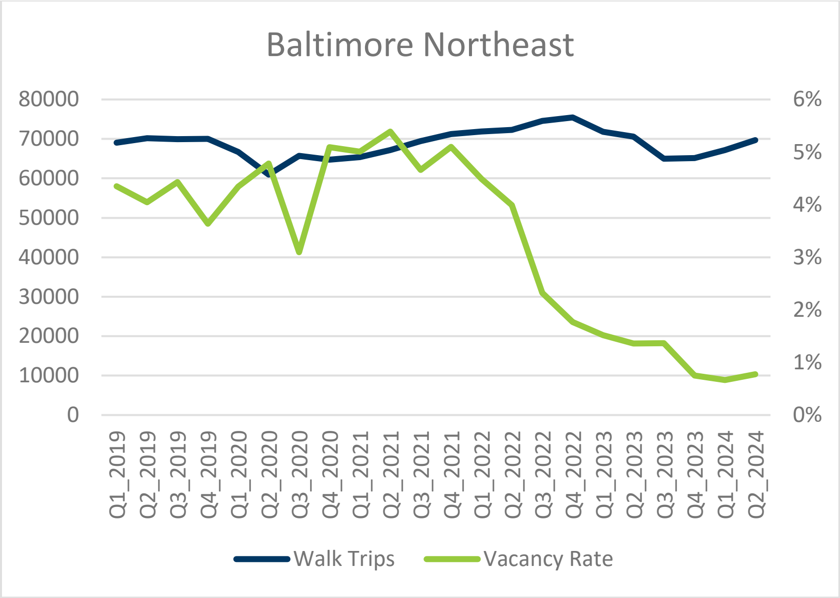


Figure 8: Baltimore Northeast Office Vacancy Rates (source: REPLICA, CoStar)

Walk trips in the Baltimore Northeast submarket remained relatively stable, even during the pandemic. In Q2 2019, the area saw 69,000 daily walk trips, which increased to 75,000 by Q1 2023. However, by Q4 2023, walk trips declined slightly to 65,000, as some businesses likely solidified remote or hybrid work models. Despite these shifts, Baltimore Northeast has maintained higher foot traffic compared to other office submarkets in the city, likely due to its mix of healthcare facilities and small businesses, and its proximity to major transportation routes. This stability indicates the area's capacity to retain in-person activities, even as hybrid work continues to reshape office environments.

While, as noted previously, the Total In-Person Working Days per Week Index reflects a broader shift toward hybrid work models across Baltimore, decreasing from 1.00 in 2019 to 0.73 by 2029 in Baltimore City and 0.71 in Baltimore County. However, Baltimore Northeast seems to have been less impacted by this trend compared with other office submarkets. With industries such as healthcare and education anchoring much of the area's economic activity, a significant portion of its employers still require employees to be physically present. This has likely contributed to the submarket's success in keeping both vacancy rates low and walk trips relatively steady, even as other parts of the city have seen greater disruptions.

Implications

The positive performance of Baltimore Northeast presents a unique opportunity for policymakers to further bolster the submarket's resilience. To support the submarket's continued growth, city planners should encourage the expansion of mixed-use spaces and further adaptive reuse of underutilized office buildings. Offering tax incentives or grants to developers for converting office buildings into healthcare or educational facilities could also help meet ongoing demand while ensuring long-term stability.

Investing in transportation infrastructure and improved digital connectivity within the submarket will further enhance its appeal, making it an attractive hub for industries that require both physical and virtual presences. Additionally, the city could promote more flexible zoning policies, enabling more rapid transformation of obsolete office spaces into mixed-use developments. These policy actions would help ensure that Baltimore Northeast continues to thrive in the face of evolving work patterns, maintaining its competitive advantage as a dynamic, mixed-use submarket within the broader Baltimore metropolitan area.

Baltimore Northwest

Overview

The Baltimore Northwest office submarket (Table 4) has shown a more volatile pattern in vacancy rates and walk trips compared to other submarkets. Starting with a relatively low vacancy rate of 2.3 percent in Q1 2019, the vacancy rate fluctuated, reaching as high as 3.8 percent by Q1 2024. The early pandemic period saw a sharp drop in walk trips from 87,665 in Q2 2019 to 70,987 in Q2 2020, alongside rising vacancy rates. This trend is consistent with other office submarkets, reflecting the widespread impact of remote work and reduced in-person office attendance.

Table 4: Baltimore Northwest Office Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	85,715	2.3%	109,986
Q2_2019	87,665	3.1%	151,168
Q3_2019	85,892	2.1%	102,976
Q4_2019	86,209	2.9%	143,199
Q1_2020	82,410	2.7%	130,475
Q2_2020	70,987	2.8%	138,031
Q3_2020	76,192	3.2%	157,172
Q4_2020	75,659	3.1%	153,321
Q1_2021	76,746	3.0%	148,378
Q2_2021	79,536	2.8%	134,694
Q3_2021	83,469	2.1%	102,256
Q4_2021	85,807	2.3%	110,522
Q1_2022	85,021	2.9%	143,107
Q2_2022	87,113	2.9%	141,420
Q3_2022	90,931	3.0%	144,539
Q4_2022	92,531	2.9%	142,711
Q1_2023	91,899	2.9%	142,521
Q2_2023	89,648	3.2%	157,352
Q3_2023	83,608	3.5%	172,606
Q4_2023	83,852	3.7%	180,834
Q1_2024	86,385	3.8%	185,749
Q2_2024	88,617	3.6%	174,199

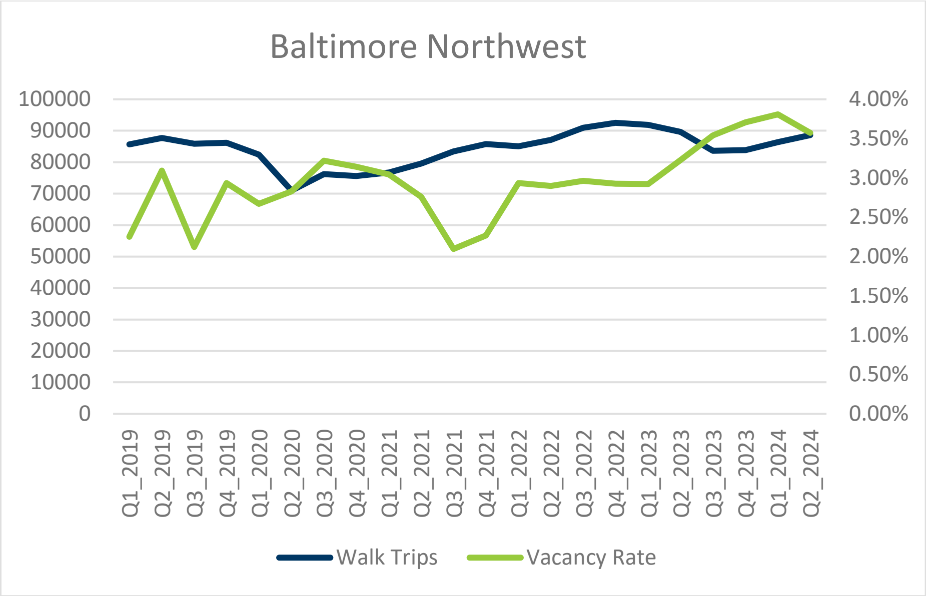


Figure 9: Baltimore Northwest Office Vacancy Rates (source: REPLICA, CoStar)

Despite temporary recovery in walk trips through 2021 and 2022, which rebounded to over 90,000 by Q4 2022, the Northwest submarket experienced another decline by Q3 2023, with walk trips falling to 83,608. Simultaneously, the vacancy rate continued to rise, peaking at 3.8 percent by Q1 2024. This fluctuation in vacancy is mirrored in the increase in vacant square footage, which rose from 109,986 sq. ft. in Q1 2019 to a significant 185,749 sq. ft. by Q1 2024.

The combination of declining foot traffic and increasing vacancy indicates that the Baltimore Northwest submarket continues to struggle to maintain occupancy levels and in-person activity, likely due to ongoing hybrid work trends. The area still faces challenges as businesses continue to reduce their office space needs and contribute to higher vacancies.

The Baltimore Northwest office submarket is currently experiencing elevated vacancy rates, particularly within its 3-star and 1/2-star office properties. Notably, 4- and 5-star buildings have maintained no vacancies over the past year, indicating stable demand for high-end office spaces in this submarket. On the other hand, 3-star buildings have a vacancy rate of 4.2%, accompanied by 8,900 square feet of negative net absorption, reflecting challenges in this middle-tier market segment. 1- and 2-star properties face the greatest difficulty, with a vacancy rate of 5.6% and 23,000 square feet of negative absorption, signaling weaker demand for older or lower-tier office spaces. These leasing trends can be seen in Figure 10.

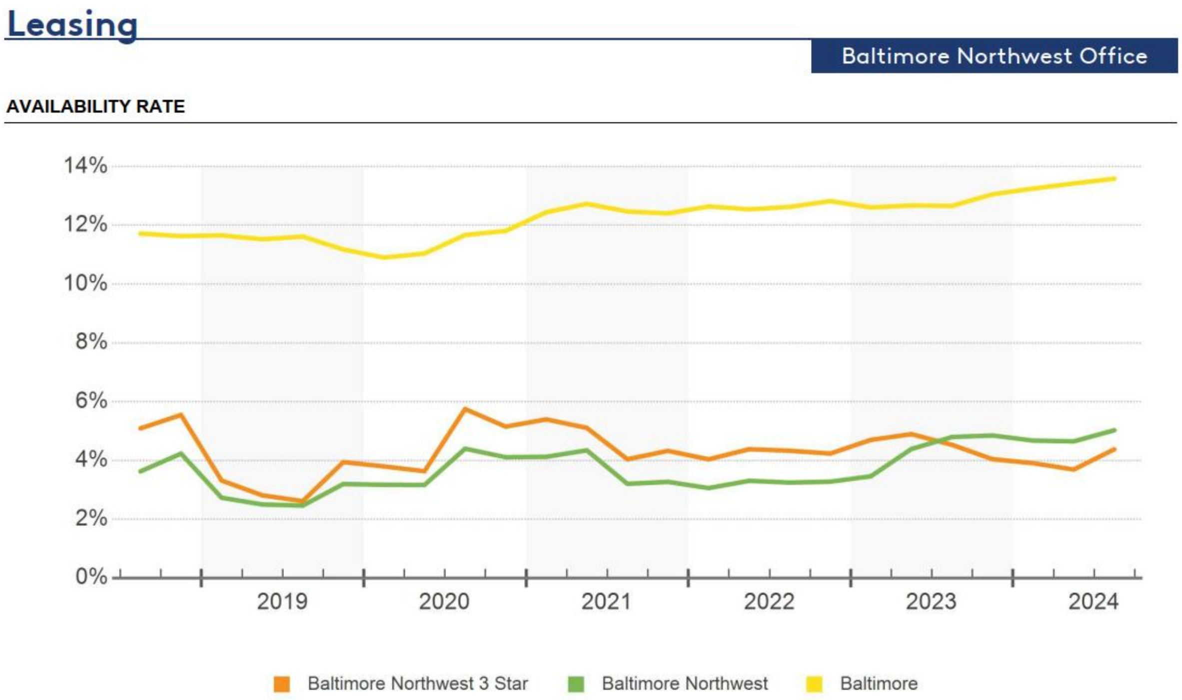


Figure 10: Baltimore Northwest Office Leasing Rates (source: CoStar)

The lack of new construction in this submarket has also contributed to these patterns. No significant office buildings have been delivered in the past year, and none are under construction. This has limited the supply of high-quality office spaces, which might explain the low vacancy rates in 4- and 5-star properties, as tenants have fewer options for premium offices.

The higher vacancies in 3-star buildings suggests that mid-range offices are struggling to attract or retain tenants, likely due to businesses downsizing or shifting toward hybrid work models. Similarly, 1- and 2-star properties are likely facing a combination of age, obsolescence, and tenant preference for better-quality spaces. This creates challenges in leasing lower-tier spaces, especially as they continue to be less attractive in the post-pandemic market.

Implications

To address these trends, the submarket could benefit from policies encouraging the redevelopment or conversion of 3-star and 1–2-star properties into mixed-use or residential developments. The associated increase in retail spaces that the induced housing demand would create could foster alternative economic activities to offices that would allow for the Northeast of Baltimore to maintain and expand its tax base.

Baltimore Southwest

Overview

The Baltimore Southwest office submarket has experienced fluctuations in both walk trips and vacancy rates over the past five years. As shown in Table 5 in Q1 2019 the vacancy rate was 15 percent, with 40,332 walk trips, and 612,748 square feet of vacant space. As the year progressed, the vacancy rate increased to 18 percent by Q3 and Q4 2019, while walk trips remained stable at around 40,000. The vacancy rate peaked at 18 percent in Q4 2019, with vacant square footage reaching 737,564 sq. ft.

The impact of the pandemic in 2020 was notable. Walk trips dropped to 35,663 by Q2 2020, reflecting the shift to remote work and business closures. However, vacancy rates improved slightly, dropping to 16 percent by mid-2020, with vacant square footage decreasing to 656,531 sq. ft. This improvement was temporary, as the vacancy rate stayed at 16 percent through the rest of 2020 and into 2021, while walk trips gradually recovered to pre-pandemic levels.

Table 5: Baltimore Southwest Office Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	40,332	15%	612,748
Q2_2019	41,007	17%	705,088
Q3_2019	40,836	18%	747,372
Q4_2019	40,597	18%	737,564
Q1_2020	38,625	18%	717,678
Q2_2020	35,663	16%	656,531
Q3_2020	38,299	16%	659,138
Q4_2020	37,646	16%	673,865
Q1_2021	37,366	15%	627,616
Q2_2021	40,026	16%	669,226
Q3_2021	40,295	17%	684,907
Q4_2021	40,933	16%	656,790
Q1_2022	41,232	17%	692,674
Q2_2022	41,816	16%	640,628
Q3_2022	41,975	16%	648,255
Q4_2022	42,189	16%	665,744
Q1_2023	41,915	16%	648,040
Q2_2023	40,716	16%	649,588
Q3_2023	38,699	15%	624,847
Q4_2023	38,194	18%	717,951
Q1_2024	39,123	17%	715,320
Q2_2024	40,366	18%	721,965

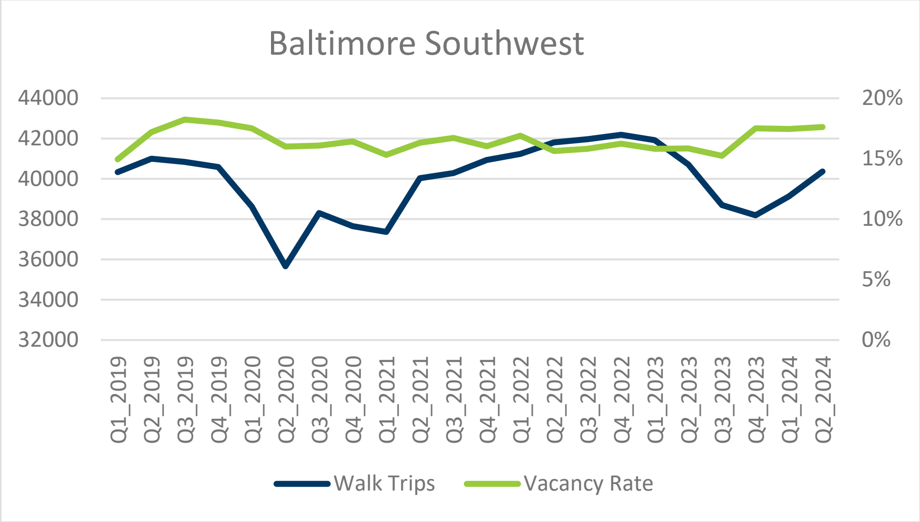


Figure 11: Baltimore Southwest Office Vacancy Rates (source: REPLICA, CoStar)

By Q1 2022, vacancy rates fluctuated between 16 percent and 17 percent, with vacant square footage ranging from 640,628 to 692,674 sq. ft. Walk trips reached over 41,000 by mid-2022, but the submarket continued to struggle with reducing its vacancy rates.

As of Q2 2024, the vacancy rate rose again to 18 percent, with vacant square footage at 721,965 sq. ft. This increase in vacancy correlates with a slight drop in walk trips in Q3 and Q4 2023, indicating that businesses in the Southwest submarket are still adjusting to hybrid work models and changing office space demand.

The Baltimore Southwest submarket shows some resilience in terms of walk trips, but persistently high vacancy rates and rising vacant square footage point to continuing challenges. Strategies such as converting or adapting older office buildings for mixed-use or residential purposes, along with infrastructure improvements, could help mitigate these issues going forward.

In addition to the fluctuations in walk trips and vacancy rates already noted, the Baltimore Southwest office submarket faces broader structural challenges related to construction and leasing activity. As of Q4 2024, the vacancy rate stands at 18.3 percent, a slight increase from 17.5 percent in the previous year. This continues a trend of elevated vacancies over the past few years, with the submarket now exceeding its five-year average vacancy rate of 16.6 percent. The market's negative net absorption of -110,000 square feet in the past 12 months further highlights the lack of tenant demand in the area.

Moreover, no new office space has been delivered in the past year, with the submarket relying on existing inventory to meet demand. However, there is currently 250,000 square feet of office space under construction, which could signal a potential shift if this new space aligns with changing tenant needs. The lack of new deliveries in the past year, combined with rising vacancy rates, underscores the challenges in filling existing office space.

Rents in Baltimore Southwest remain competitive, averaging around $22.00 per square foot, lower than the Baltimore metro-wide average of $25.00 per square foot. Despite this, rent growth in the submarket has shown only modest improvement, increasing by 1.8 percent year over year. This contrasts with the submarket's five-year average rent growth of -0.3 percent, reflecting a potential stabilization or slight recovery in rental demand. However, the persistently high vacancy rates, coupled with ongoing construction, suggest that Baltimore Southwest will need to attract new tenants or repurpose some of its office inventory to avoid further oversupply.

Implications

In conclusion, the Baltimore Southwest office submarket continues to grapple with high vacancy rates and negative net absorption, but upcoming construction projects and moderate rent growth could provide a path to recovery. Adaptive reuse of office buildings, combined with targeted incentives to attract tenants, may be critical in ensuring the submarket's long-term viability.

Baltimore Southeast

Overview

The Baltimore Southeast office submarket has experienced significant fluctuations in both walk trips and vacancy rates over the past five years, indicating ongoing challenges in maintaining stable occupancy levels. As shown in Table 6, in Q1 2019 the vacancy rate was 6 percent, with 53,459 walk trips and 593,170 square feet of vacant space. However, as 2019 progressed, the vacancy rate fluctuated between 6 percent and 7 percent, while vacant square footage rose to 710,895 sq. ft. by Q3 2019, accompanied by a stable number of walk trips.

Table 6: Baltimore Southeast Office Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	53,459	6%	593,170
Q2_2019	55,058	7%	666,020
Q3_2019	54,981	7%	710,895
Q4_2019	53,626	6%	608,797
Q1_2020	51,699	6%	618,679
Q2_2020	46,045	8%	816,955
Q3_2020	50,071	9%	858,198
Q4_2020	49,132	9%	893,610
Q1_2021	49,186	10%	948,019
Q2_2021	52,053	10%	1,000,376
Q3_2021	53,229	9%	924,499
Q4_2021	52,644	9%	892,911
Q1_2022	53,115	9%	929,610
Q2_2022	55,150	9%	919,846
Q3_2022	52,911	11%	1,040,905
Q4_2022	51,222	14%	1,414,689
Q1_2023	51,544	14%	1,463,493
Q2_2023	50,720	15%	1,586,251
Q3_2023	48,148	15%	1,603,425
Q4_2023	46,654	16%	1,616,947
Q1_2024	49,270	15%	1,537,403
Q2_2024	50,062	15%	1,518,316

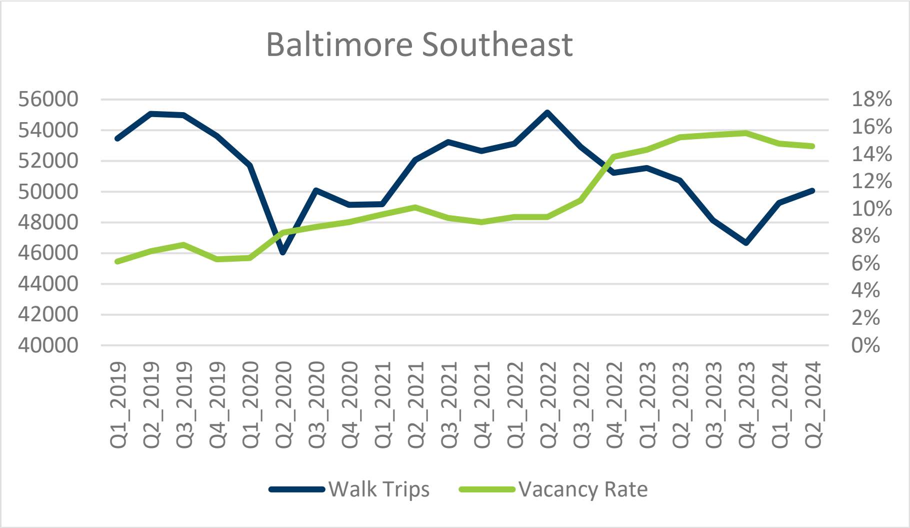


Figure 12: Baltimore Southeast Office Vacancy Rates (source: REPLICA, CoStar)

The pandemic had a notable impact in 2020. Walk trips dropped to a low of 46,045 in Q2 2020, while the vacancy rate spiked to 8 percent, with vacant square footage increasing to 816,955 sq. ft. The vacancy rate continued to rise throughout 2020, reaching 9 percent by Q4, with over 893,610 sq. ft. of space remaining vacant. The most significant rise in vacancy occurred in 2021, when it climbed to 10 percent by Q1, with vacant square footage hitting 948,019 sq. ft. Walk trips remained relatively stable, with minor fluctuations, as businesses attempted to adapt to the changing work environment.

From 2022 onward, the Southeast submarket faced increasing pressure. The vacancy rate peaked at 14 percent by Q4 2022, with vacant square footage ballooning to over 1.4 million sq. ft. This spike in vacancy correlated with a significant drop in walk trips, indicating that demand for office space continued to weaken, possibly due to a combination of remote work adoption and reduced business activity in the area.

By Q2 2023, the vacancy rate had risen even further to 15 percent, and vacant square footage climbed to 1.6 million sq. ft. Walk trips declined during this period, with only 48,000 walk trips in Q3 2023, indicating reduced in-person activity in the submarket. The trend of rising vacancy continued into Q4 2023, where the rate reached 16 percent, marking a substantial increase from the pre-pandemic period.

As of Q2 2024, the vacancy rate remains elevated at 15 percent, with 1.5 million sq. ft. of vacant office space, despite a moderate recovery in walk trips to around 50,000. The persistently high vacancy rate and vacant space suggest that the Southeast submarket is still facing difficulties absorbing available office space, likely due to the long-term effects of hybrid work models and shifting demand for traditional office environments.

To address these ongoing challenges, the submarket may need to explore adaptive reuse of vacant office spaces, converting them into residential or mixed-use developments to better meet current market needs. Additionally, improving infrastructure and attracting industries that require in-person presence could help stabilize vacancy rates and reinvigorate foot traffic in the area.

In addition to observed fluctuations in walk trips and vacancy rates, the Baltimore Southeast office submarket faces additional challenges related to its leasing activity and construction trends. As of Q2 2024, the vacancy rate sits at 14.6 percent, slightly lower than the previous year's 15.5 percent. This is an indication of slight recovery in terms of demand for office space, but the submarket continues to face high vacancy levels across various building classes, particularly in 4- and 5-star properties, which are seeing vacancy rates at 19.8 percent.

The submarket has had no new deliveries in the past 12 months, and net absorption has been positive, with 75,000 square feet of office space absorbed. However, the limited amount of leasing activity continues to constrain the market's recovery, with certain properties, particularly older ones, remaining vacant. The submarket's largest developments are focused on premium spaces, with 730,000 square feet of office space under construction, suggesting that future supply may further exacerbate vacancy challenges unless new demand materializes.

Despite these challenges, rents have remained stable. Average asking rents have increased by 0.1 percent over the past 12 months, and the current rent is $28.00 per square foot. This moderate growth in rents, along with ongoing construction projects, indicates that developers and investors are still confident in the long-term potential of the submarket. However, for Baltimore Southeast to maintain competitiveness, it will be essential to attract new tenants, particularly those interested in 4- and 5-star office spaces, while also addressing the needs of smaller businesses and tenants looking for more affordable options in 3-star and 1/2-star properties.

Implications

In summary, while the Baltimore Southeast submarket shows some signs of stabilization, particularly in its rental market and positive absorption rates of office space, high vacancy rates and a significant amount of ongoing construction pose challenges. Targeted efforts to stimulate demand, such as marketing campaigns aimed at attracting industries that require physical office space and improvements to infrastructure, will be essential to reduce vacancy and support long-term growth in the submarket.

Baltimore City Summary

The data presented across Baltimore's key office submarkets — including the CBD, Midtown, Northeast, Northwest, Southwest, and Southeast — offers a comprehensive snapshot of the city's commercial real estate conditions in its economic core. While this does not represent the entirety of Baltimore, it reflects the core areas where office space, walk trips, and commuting patterns are most concentrated and economically significant.

Since 2019, walk trips across these submarkets have fluctuated in response to the pandemic and the rise of hybrid work. Walk activity peaked in Q3 2022 at 446,946 daily trips and dropped to a low of 363,996 in Q2 2020 during lockdown conditions. As of Q2 2024, walk trips have partially recovered to 425,512, still trailing slightly below pre-pandemic highs but reflecting meaningful progress.

At the same time, vacant office square footage across these submarkets has steadily increased. In Q1 2019, total vacancy stood at 6.75 million sq. ft., rising to a peak of 7.85 million sq. ft. in Q3 2023. The most recent data from Q2 2024 shows a modest improvement to 7.45 million sq. ft., though this remains well above pre-pandemic levels.

These patterns underscore the structural shifts underway in Baltimore's core employment districts. While some markets like Northeast Baltimore have shown resilience, the broader landscape continues to adjust to new workplace expectations, changing tenant demand, and a persistent gap between office space supply and utilization. Continued investment in adaptive reuse, hybrid-supporting infrastructure, and urban livability will be essential to maintaining the relevance and vitality of these key districts.

BWI/Baltimore County

Overview

The BWI office submarket, located in western Baltimore County and adjacent to BWI Airport, has shown consistent resilience in both vacancy trends and walk trips over the last five years. As shown in Figure 13, daily pedestrian volumes have stayed relatively stable since 2019. Walk trips ranged from around 14,000 in early 2019 to approximately 15,000 by Q2 2024, indicating a near-complete recovery in foot traffic since the pandemic's onset.

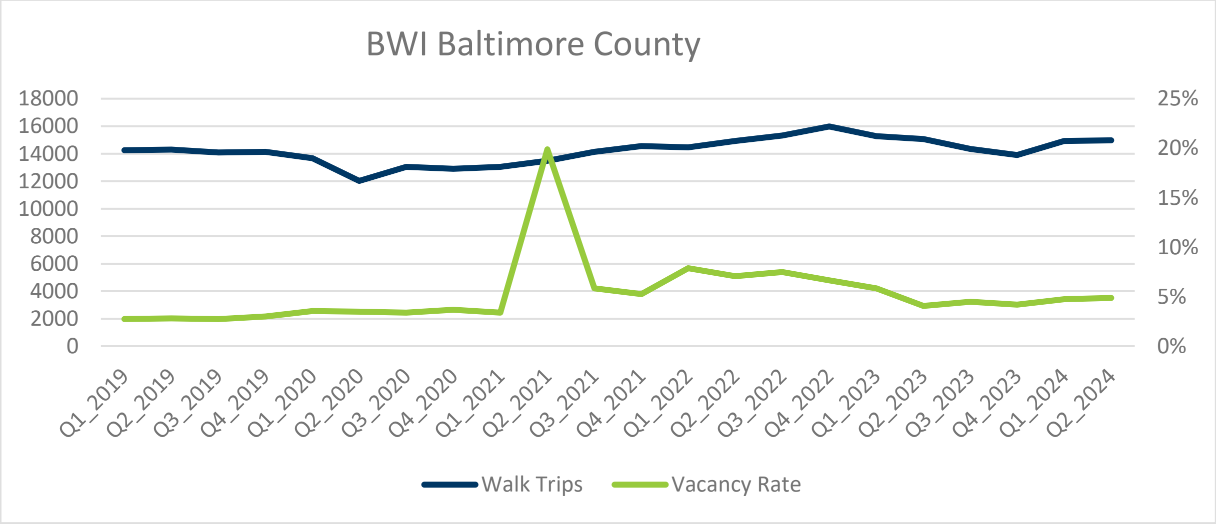


Figure 13: BWI/Baltimore County Office Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

Vacancy rates remained low through 2019 and most of 2020, averaging around 3–4%. However, Q2 2021 saw an unusual spike to 20%, attributed to a large corporate tenant vacating a significant block of space. This disruption was temporary, as vacancy fell sharply the following quarter and continued to trend downward, stabilizing at 5% in Q2 2024, with about 42,000 square feet of available space. This return to pre-pandemic vacancy levels highlights the submarket's demand stability and capacity to absorb fluctuations.

Vacancy Rates and Leasing

In addition to steady walk trip activity, leasing velocity in the BWI submarket has also remained active, with over 300,000 square feet of office space absorbed since 2021. The submarket's resilience is further underscored by a strong mix of lease renewals and new tenant entries, particularly among defense contractors and tech service firms capitalizing on proximity to Fort Meade and BWI.

According to CoStar, the submarket consists mostly of low- to mid-rise 3-star office properties that support back-office operations, regional headquarters, and a growing mix of tech, logistics, and government-adjacent tenants. While speculative construction remains limited, the submarket's performance reflects strong tenant retention, relatively affordable rents, and high accessibility via I-195, the MARC line, and proximity to the airport. Notably, 3-star properties account for over 35% of the inventory, with an average rent of $21.81 per square foot as of mid-2024. While newer buildings are scarce, limited supply has helped keep overall vacancy rates below the metro average and reduced the risk of oversaturation. Vacancy rates by office quality (3-star and 4- & 5-star properties) in the BWI/Baltimore County submarket are shown below.

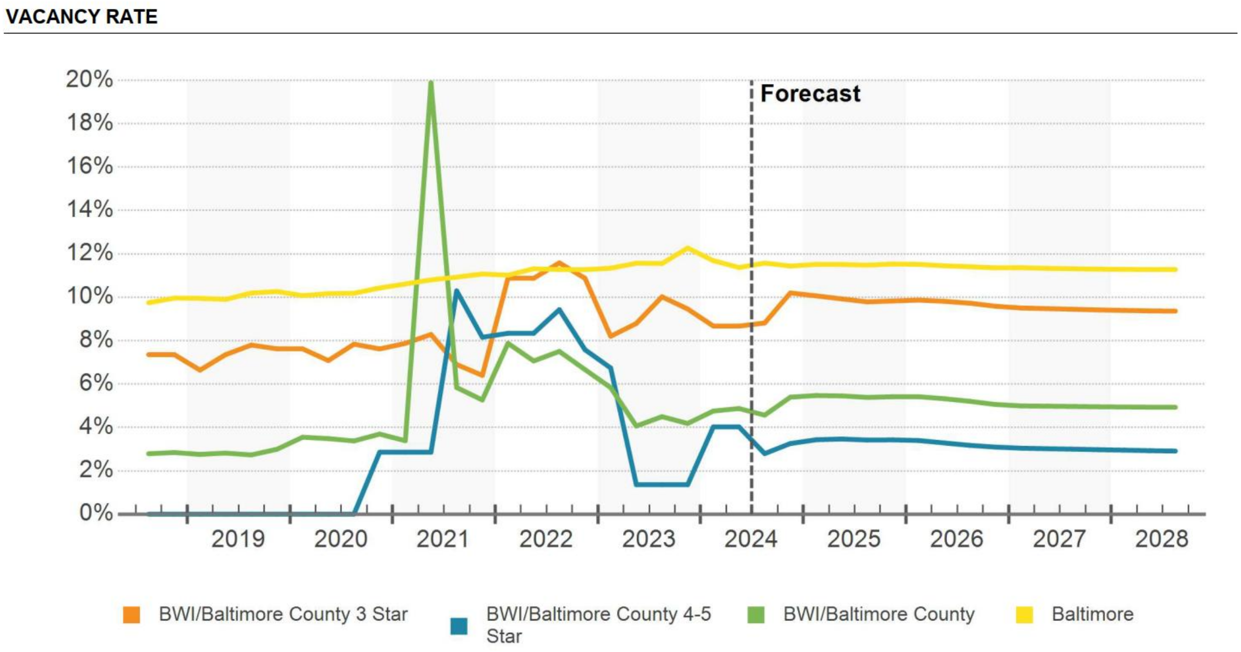


Figure 14: Baltimore County/BWI Office Vacancy Rates (source: CoStar)
Note: Baltimore in the graphic above refers to the Baltimore Metro Area.

As of Q2 2024, 3-star properties had a vacancy rate of 8.7%, reflecting some softness in this segment. In contrast, 4- and 5-star offices accounted for roughly 32% of inventory and showed a much lower vacancy rate of just 2.7%, suggesting stronger demand for newer or higher-quality space despite their smaller footprint. Meanwhile, 1- and 2-star buildings made up about 33% of the inventory, with a vacancy rate of 1.6%, indicating stable occupancy even among legacy properties. This distribution highlights a bifurcated market, where both premium and basic spaces are performing solidly, while mid-tier properties face greater competitive pressure.

Implications

The BWI submarket continues to serve as a regional bright spot for office demand. Its strong transportation connections and business park environment position it as an attractive option for users seeking value outside traditional CBD or urban core locations. Sustained walk trip recovery and stabilized vacancy suggest the area has adjusted well to the post-COVID office landscape.

Additionally, the submarket has seen growing interest in hybrid-ready floorplates and plug-and-play suites, suggesting a shift in tenant expectations toward flexibility rather than scale. Leveraging this demand could inform future repositioning strategies for older inventory. Targeted infrastructure investment and tenant incentives could help maintain this momentum and reinforce BWI's status as a high-performing submarket within greater Baltimore.

Towson

Overview

The Towson office submarket has experienced gradual but consistent pressure on its vacancy levels over the past five years, despite relatively stable walk trip counts. As of Q2 2024, vacancy stood at 11% with 899,000 square feet of vacant office space. This is up from a low of 8% in early 2019, indicating that demand has not kept pace with supply. Walk trips have largely stabilized since the early pandemic drop in 2020, but remain below their 2019 average, suggesting a sluggish return of daily in-person office activity.

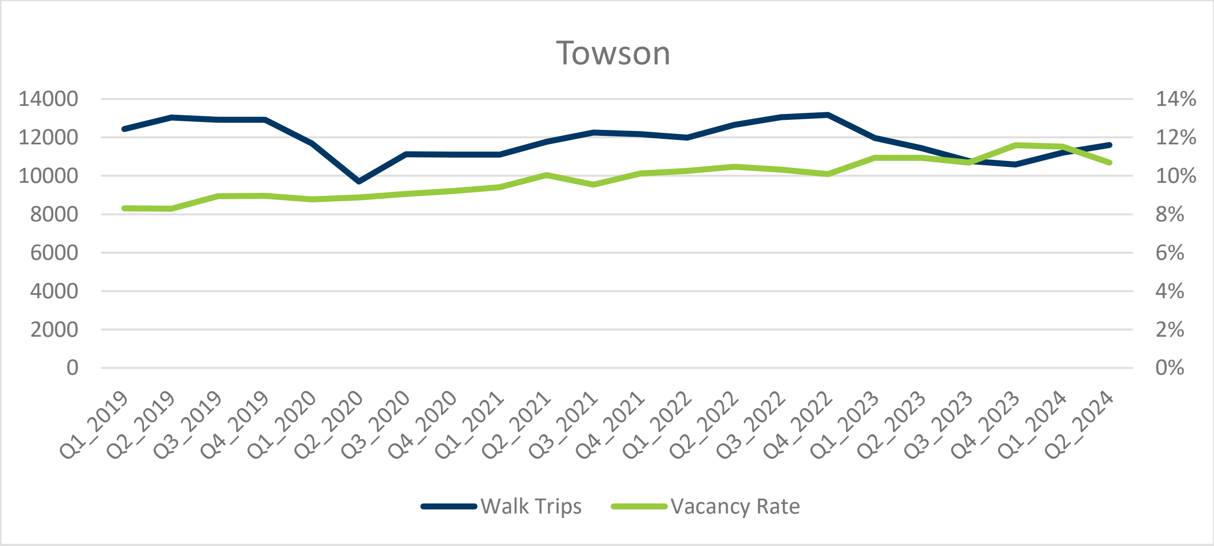


Figure 15: Towson Office Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

A key driver of current vacancy trends has been the uneven absorption across building quality. While 4- and 5-star buildings maintain a significantly elevated vacancy rate of 25%, 3-star properties, despite being more cost-effective, have experienced 85,000 square feet of negative absorption in the past year. Meanwhile, 1- and 2-star assets appear to be holding steadier with a lower 7.1% vacancy rate and modest positive absorption of 6,400 square feet. No new office buildings have been delivered recently, and no active construction is currently underway.

Walk trip patterns in Towson suggest a partial recovery from pandemic lows but still fall short of full pre-pandemic levels. Average daily pedestrian activity dropped from around 13,000 in 2019 to below 10,000 during the height of the pandemic. Recovery has been slow and somewhat volatile, with walk trips only recently climbing back to around 11,600 per day by mid-2024. This trajectory mirrors trends in other suburban submarkets and underscores the lasting effects of hybrid work on daily downtown activity.

Vacancy Rates and Leasing

Towson's overall vacancy rate has risen to 11%, exceeding its trailing three-year average of 10.6% and reflecting continued challenges in filling space. Notably, leasing activity in higher-end buildings has struggled the most. Vacancy in 4- and 5-star buildings is 25%, the highest among the submarket's property classes. Some properties, such as Towson Commons and Towson City Center, show significant levels of unleased space despite recent leasing efforts.

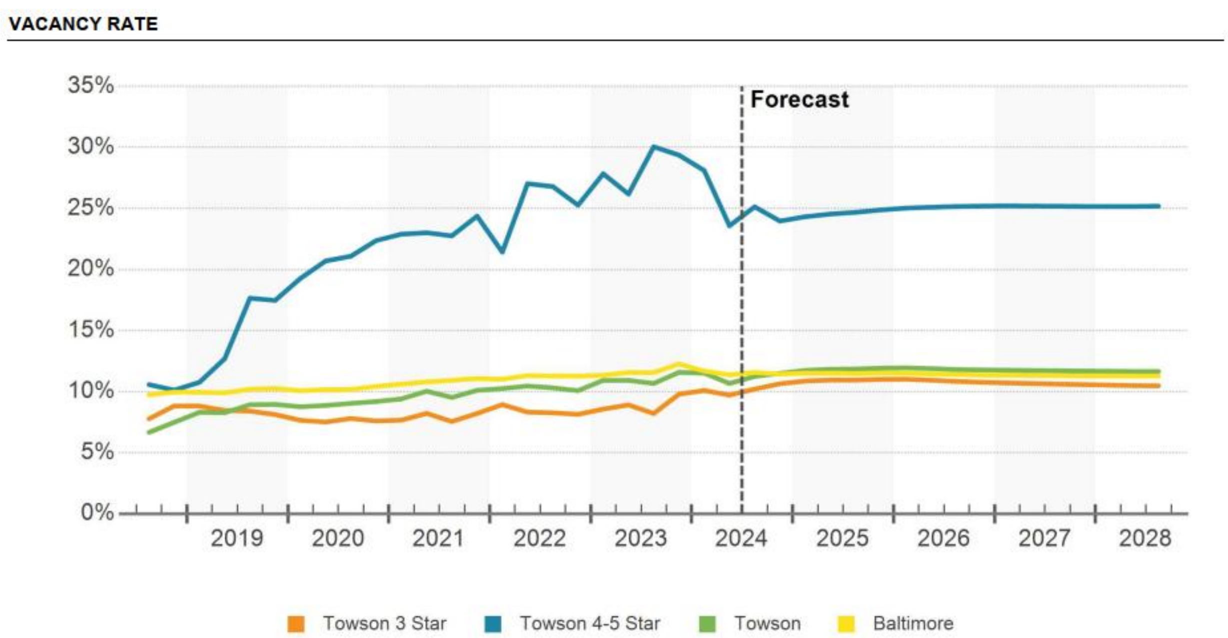


Figure 16: Towson Office Vacancy Rates (source: CoStar)

Note: Baltimore in the graphic above refers to the Baltimore Metro Area.

Mid-range (3-star) buildings, though relatively more affordable, have also faced headwinds, with persistent vacancy around 10.1% and widespread negative net absorption. Tenant turnover has been notable across a range of smaller professional and medical offices. In contrast, lower-tier

(1- and 2-star) properties have been more resilient, possibly due to their lower cost structure and appeal to small, local tenants.

Over the past 12 months, there were 19 recorded sales in the Towson office market, totaling $14.1 million and covering roughly 550,000 square feet. These transactions appear to have focused on older, lower-tier properties, as no sales of 4- or 5-star assets were recorded during this period. While detailed pricing by property class is not provided, overall pricing has remained steady. Sales volume is down from Towson's three-year average of $34.5 million annually, but investor interest in well-located, adaptable buildings remains evident. The current market cap rate sits at 10.2%, consistent with the broader Baltimore region.

Implications

Towson's office market is in a state of slow rebalancing. Rising vacancy rates, especially in premium spaces, suggest sustained softness in demand. In contrast, the resilience of lower-tier properties points to stable demand for cost-effective office options, likely driven by small businesses and medical or service-oriented tenants.

To support long-term stability, local policymakers and developers may want to explore adaptive reuse opportunities, particularly for underperforming 4- and 5-star buildings that are struggling to compete in a hybrid-first economy. Additionally, maintaining the walkability and service amenities of the Towson core will be essential to attracting both tenants and future residents in mixed-use settings.

Retail

Baltimore's retail market continues to feel the ripple effects of changing work patterns, consumer behavior, and shifting foot traffic. With fewer workers commuting daily and foot traffic now concentrated between Tuesday and Thursday, many downtown retailers—particularly those in the Inner Harbor, Charles Street, and Bromo Arts District—have experienced uneven customer flows. Retail vacancy rates reflect this volatility, peaking in recent years before showing modest improvement. General retail and strip centers have shown greater resilience, while mall-based and office-adjacent retail have struggled in the face of reduced weekday activity.

City-led initiatives like the Downtown Restaurant Recovery Program and BOOST have been instrumental in supporting small businesses, encouraging consumer engagement beyond traditional peak hours. These efforts, alongside targeted infrastructure improvements and efforts to boost downtown housing through office-to-residential conversions, aim to diversify the customer base and stabilize retail demand. Long-term recovery in the retail sector will depend not only on returning office activity but also on creating a more mixed-use, resident-driven downtown that supports businesses throughout the week and beyond the 9-to-5 window.

This section provides insights into long-term trends in retail space utilization. The analysis highlights fluctuations in vacancy rates across different retail property types, and notes both significant challenges in mall properties and more stable performance in neighborhood and general retail spaces. The analysis focuses on the submarkets in and around Baltimore's CBD.

Baltimore CBD

Overview

As shown in Table 7, vacant square footage in the retail market peaked at 4,681,009 sq. ft. in Q2 2022, with vacancy rates reaching a high of 20 percent during the same period. Since then, vacant square footage has gradually declined, reaching 3,795,911 sq. ft. in Q1 2024. However, the most recent data for Q2 2024 shows a further decline to 3,793,261 sq. ft., alongside a vacancy rate of 16 percent. The decline from peak vacancy is likely a result of space absorption and retail activity stabilization. Retail walk trips per day saw a significant drop during 2020 but have rebounded to 21,226 as of Q2 2024, indicating improving consumer foot traffic.

The data pictured in Table 7 highlights retail vacancy rates by real estate category. While vacancy rates across different retail categories in Baltimore's CBD have improved, many remain elevated compared to pre-pandemic levels. As of Q2 2024, the CBD retail vacancy rate stands at 16 percent, reflecting a decline from the peak of 20 percent in Q2 2022. This reduction in vacancy aligns with moderate space absorption and stabilization of retail activity following years of pandemic-related disruptions.

Despite this improvement, the recovery remains uneven across retail property types. Neighborhood centers report the lowest vacancy rate at 1.3 percent, while general retail properties show a vacancy rate of 5.5 percent. Strip centers have maintained 0 percent vacancy, demonstrating resilience among smaller-scale retail assets that cater to local demand. In contrast, malls face substantial challenges, with a vacancy rate of nearly 50 percent, reflecting underutilization and persistent difficulties in attracting tenants.

Overall, the Baltimore CBD retail submarket contains approximately 4.1 million square feet of total inventory, with 440,000 square feet listed as available space. This results in an availability rate of 10.8 percent, a figure that remains above pre-pandemic levels. The absence of new retail construction in 2024 further highlights a cautious development environment. Historically, the submarket has averaged 61,000 square feet of retail space under construction annually over the past decade. With no new projects currently underway, landlords appear focused on stabilizing existing properties rather than expanding inventory.

Table 7: Baltimore CBD Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips	Vacancy Rate	Vacancy SqFt
Q1_2019	27083	17%	4181331
Q2_2019	28124	18%	4277783
Q3_2019	28497	17%	4138478
Q4_2019	26289	18%	4256814
Q1_2020	23287	18%	4233168
Q2_2020	14947	17%	3938989
Q3_2020	18110	17%	3966202
Q4_2020	17555	17%	4027947
Q1_2021	18162	17%	4113025
Q2_2021	19910	18%	4211190
Q3_2021	20723	19%	4411903
Q4_2021	19883	19%	4451264
Q1_2022	19756	19%	4554915
Q2_2022	21637	20%	4681009
Q3_2022	20871	19%	4490632
Q4_2022	19595	18%	4169425
Q1_2023	19382	18%	4111419
Q2_2023	18783	18%	4165903
Q3_2023	20435	18%	4191685
Q4_2023	19537	17%	4026772
Q1_2024	21224	17%	3959111
Q2_2024	21226	16%	3793261

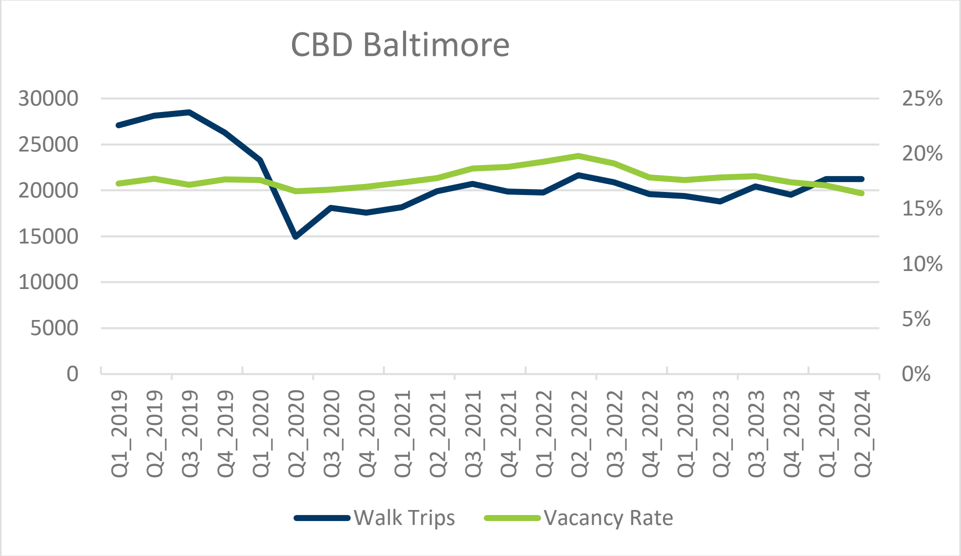


Figure 17: CBD Baltimore Retail Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

In addition, market rents in Baltimore's CBD average $24.00 per square foot, reflecting an annual growth rate of 3.5 percent. This increase surpasses the submarket's five-year average of 1.1 percent and ten-year average of 1.6 percent, suggesting a modest recovery in leasing demand. Rent growth has been strongest among smaller retail properties, such as strip centers and neighborhood retail, where tenant demand remains steady. Meanwhile, rents for malls and larger-format spaces have stagnated as landlords contend with higher vacancy rates and limited leasing activity.

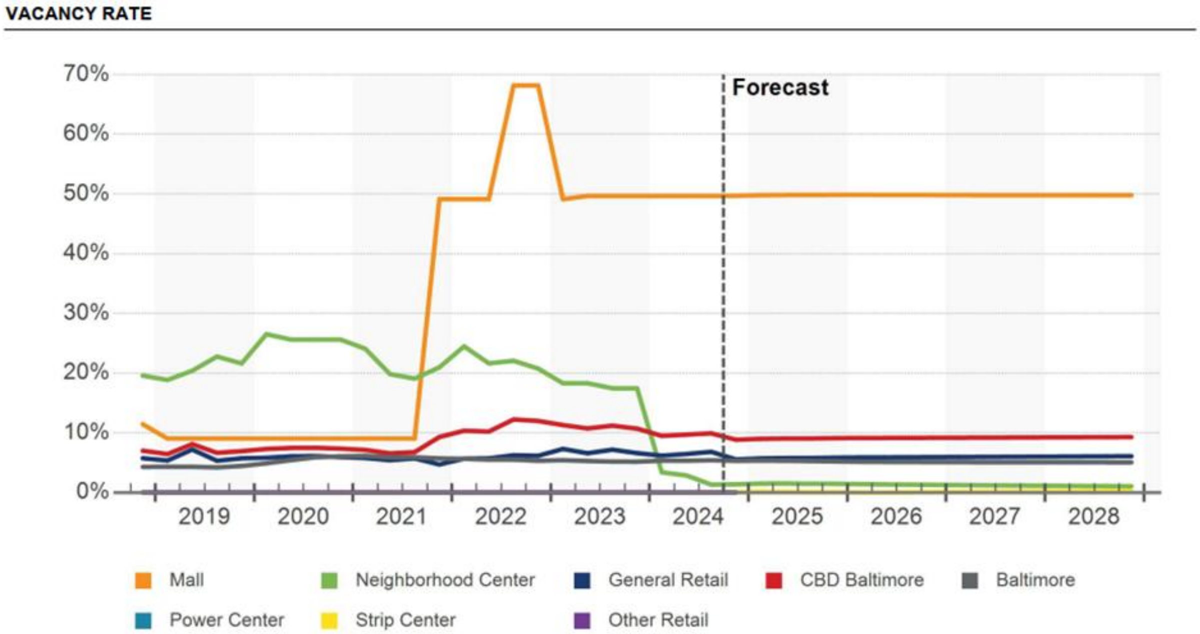


Figure 18: CBD Vacancy Rates by Retail Category (source: CoStar)

Implications

The trends observed in the CBD retail market underscore a broader shift toward smaller, community-oriented retail spaces that offer greater flexibility and affordability for tenants. Neighborhood centers and general retail properties continue to benefit from this demand, while larger retail assets, particularly malls, remain under pressure. Addressing these structural challenges will require strategic reinvestment, including the potential redevelopment or conversion of underperforming retail properties.

To support long-term stabilization, the city could consider incentivizing adaptive reuse projects, streamlining zoning regulations, and investing in infrastructure improvements to attract new tenants and bolster foot traffic. Without these interventions, vacancy rates in struggling segments, particularly malls, are likely to persist, threatening the overall economic health of the CBD retail market.

Baltimore Midtown

Overview

As shown in Table 8, the retail vacancy rate in Baltimore's Midtown submarket has remained relatively stable over the past five years, with certain notable fluctuations reflecting changing market dynamics. As of Q2 2024, the vacancy rate stands at 3.0 percent, a slight increase from the historic low of 1.0 percent in Q4 2022. Vacant square footage reached 117,700 square feet in Q2 2024, up from 100,500 square feet in Q1 2024. This increase follows a period of significant declines in vacancy, which bottomed out at 33,300 square feet by Q4 2022.

Table 8: Baltimore Midtown Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	40,870	2.0%	87,779
Q2_2019	41,961	3.0%	118,781
Q3_2019	42,159	4.0%	141,663
Q4_2019	40,994	4.0%	139,969
Q1_2020	38,157	3.0%	116,512
Q2_2020	31,504	3.0%	113,545
Q3_2020	35,066	4.0%	149,957
Q4_2020	34,049	4.0%	151,877
Q1_2021	34,765	4.0%	142,356
Q2_2021	36,590	3.0%	95,886
Q3_2021	38,359	2.0%	88,426
Q4_2021	38,623	2.0%	79,166
Q1_2022	38,542	2.0%	80,276
Q2_2022	39,764	2.0%	61,724
Q3_2022	41,469	2.0%	60,297
Q4_2022	40,729	1.0%	33,346
Q1_2023	40,829	1.0%	51,169
Q2_2023	39,673	1.0%	47,723
Q3_2023	38,629	2.0%	63,101
Q4_2023	37,828	2.0%	68,991
Q1_2024	39,608	3.0%	100,500
Q2_2024	40,092	3.0%	117,717

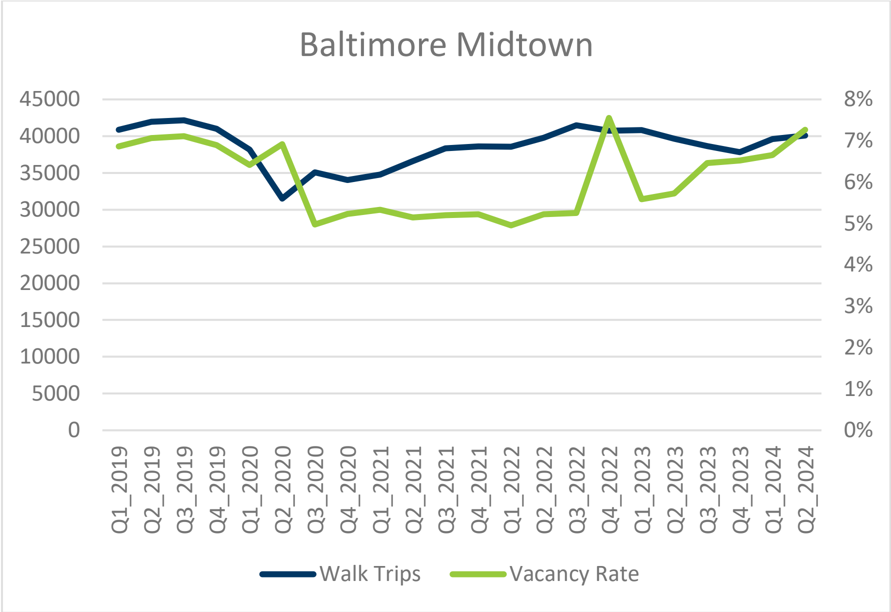


Figure 19: Baltimore Midtown Retail Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

Vacancy rates in Midtown peaked at 4 percent in 2019 and 2020, coinciding with disruptions caused by the pandemic, which reduced foot traffic and forced some retailers to close or downsize. Since then, vacancy has remained well below pre-pandemic levels, highlighting Midtown's relatively resilient retail sector.

Walk trips in Midtown peaked at 42,100 in Q3 2019 but fell sharply to a low of 31,500 by Q2 2020, due to pandemic restrictions. The recovery in pedestrian activity has been gradual but steady, with walk trips rebounding to 40,100 as of Q2 2024. While this figure remains just below pre-pandemic levels, it signals a strong return of consumer movement and retail engagement in the area.

Baltimore Midtown contains approximately 3.6 million square feet of total retail inventory. The availability rate, as of Q2 2024, stands at 4.8 percent, reflecting 170,000 square feet of listed space. Midtown has experienced no new retail construction in recent years, marking a departure from its historical average of 1,300 square feet under construction annually over the past decade. This stagnation in new deliveries reflects a cautious development environment as landlords focus on stabilizing existing spaces rather than expanding inventory. Most vacant space falls in neighborhood centers, with strip centers showing strong utilization, shown in Figure 20.

VACANCY RATE

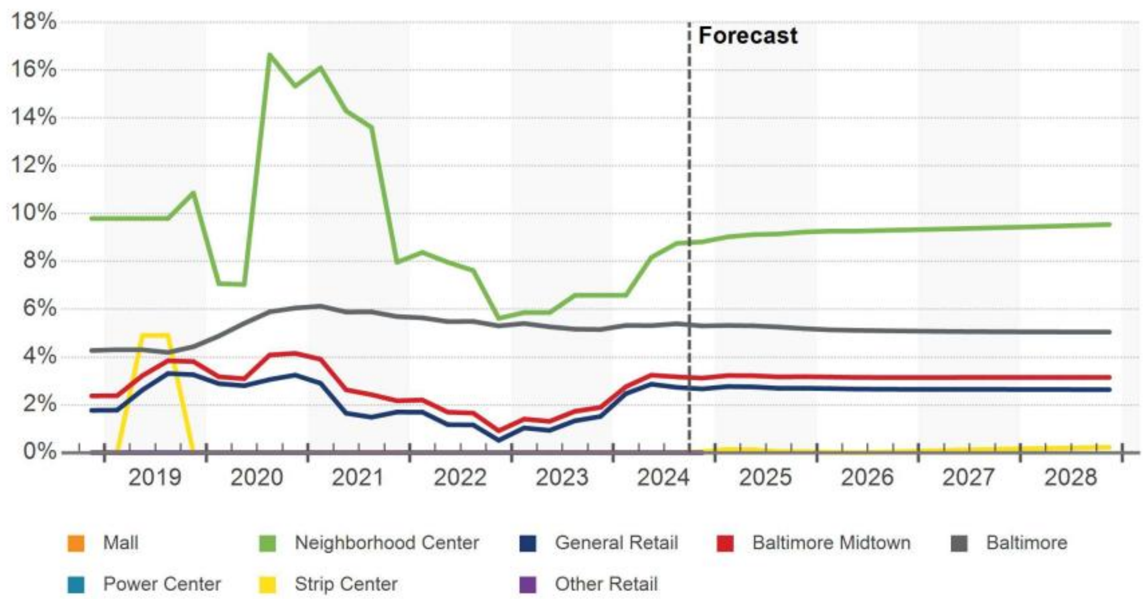


Figure 20: Baltimore Midtown Retail Vacancy Rates by Category (source: CoStar)

Retail rents in Baltimore Midtown averaged $19.10 per square foot in Q4 2024, reflecting 2.7 percent annual growth. This figure marks a significant improvement over the five-year average rent growth of 1.8 percent and the ten-year average of 2.0 percent. Rent increases have been driven primarily by strong performance in general retail properties, where tenant demand remains stable. Strip centers, maintaining a vacancy rate near zero, have also contributed to this upward pressure on rents.

Implications

Baltimore Midtown's retail market demonstrates resilience, with vacancy rates holding below pre-pandemic levels and rents continuing to show steady growth. The strong rebound in walk trips and low vacancy rates in general retail and strip centers highlight a sustained demand for community-oriented spaces that cater to local needs. However, the recent uptick in vacancy and the absence of new construction suggest that landlords may face challenges in attracting new tenants amid evolving retail trends.

To support continued stability, the city could consider targeted incentives to attract retailers and support small businesses, particularly in areas showing increased vacancy. Investments in public infrastructure, pedestrian enhancements, and community-focused amenities could further bolster foot traffic and ensure long-term retail vibrancy in Midtown.

Baltimore Northeast

Overview

Retail vacancy rates in Baltimore's Northeast submarket (Table 9) have remained low, reflecting the area's relative resilience in the face of economic challenges. As of Q2 2024, the vacancy rate stands at 2.9 percent, which is slightly above the historic low of 2.1 percent observed in Q4

2023 but remains below the submarket's five-year average of 3.6 percent. Vacant square footage has increased to 172,600 square feet from 107,600 square feet at the end of 2023.

During the pandemic, vacancy rates peaked at 6 percent in Q2 2019 before dropping steadily to pre-pandemic levels. This trend reflects strong demand for retail space in Northeast Baltimore, driven by neighborhood centers and general retail properties. However, fluctuations in vacancy over the past year suggest that certain segments may be under short-term pressure as tenant turnover increases.

Table 9: Baltimore Northeast Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	69,023	5%	267,245
Q2_2019	70,219	6%	280,072
Q3_2019	69,902	5%	262,263
Q4_2019	69,996	4%	219,613
Q1_2020	66,703	5%	251,570
Q2_2020	60,952	4%	176,678
Q3_2020	65,693	4%	179,283
Q4_2020	64,736	4%	177,372
Q1_2021	65,406	4%	186,437
Q2_2021	67,181	4%	188,113
Q3_2021	69,430	3%	153,007
Q4_2021	71,237	3%	151,913
Q1_2022	71,853	4%	184,871
Q2_2022	72,271	4%	188,429
Q3_2022	74,561	4%	221,712
Q4_2022	75,449	4%	219,386
Q1_2023	71,844	4%	198,297
Q2_2023	70,607	4%	197,214
Q3_2023	65,024	2%	114,926
Q4_2023	65,123	2%	107,599
Q1_2024	67,155	4%	178,670
Q2_2024	69,731	3%	172,599

BALTIMORE METROPOLITAN COUNCIL

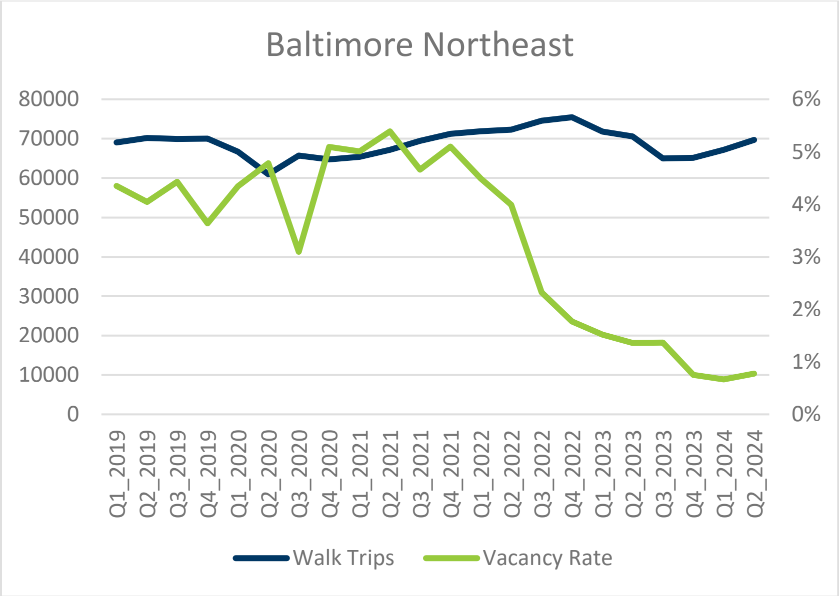


Figure 21:- Baltimore Northeast Retail Vacancy Rates (source: REPLICA, CoStar)

Walk trips in Northeast Baltimore peaked at 75,400 in Q4 2022, marking a significant recovery from the pandemic-induced decline to 60,900 in Q2 2020. As of Q2 2024, walk trips stand at 69,700, suggesting that pedestrian activity in the submarket remains robust but has yet to fully return to its prior highs. The steady rebound in foot traffic has contributed to stabilized leasing activity, particularly in well-located retail centers that cater to local demand.

The Baltimore Northeast submarket contains 5.1 million square feet of total retail inventory, with 230,000 square feet listed as available space. Despite steady demand, there has been no new construction activity in recent quarters, a sharp contrast to the ten-year average of 81,000 square feet under construction annually. This absence of new supply has constrained availability and contributed to the low vacancy rates currently observed across this submarket.

Vacancy rates in Baltimore Northeast's retail submarket (Figure 22) vary significantly by property type as well, highlighting divergent performance trends. Neighborhood centers exhibit the highest vacancy rate at 4.3 percent, reflecting tenant turnover in larger retail complexes that may struggle to maintain full occupancy. Strip centers, by comparison, maintain a vacancy rate of 5.2 percent, which has increased slightly in recent quarters but remains relatively stable due to strong demand for smaller, community-focused spaces. General retail properties, which make up the majority of the submarket's inventory, boast the lowest vacancy rate at 2.2 percent, underscoring their resilience and steady demand.

These differences reflect broader tenant preferences, with general retail and smaller-scale strip centers better positioned to adapt to shifting consumer habits and localized shopping needs, while neighborhood centers face greater challenges in attracting and retaining tenants.

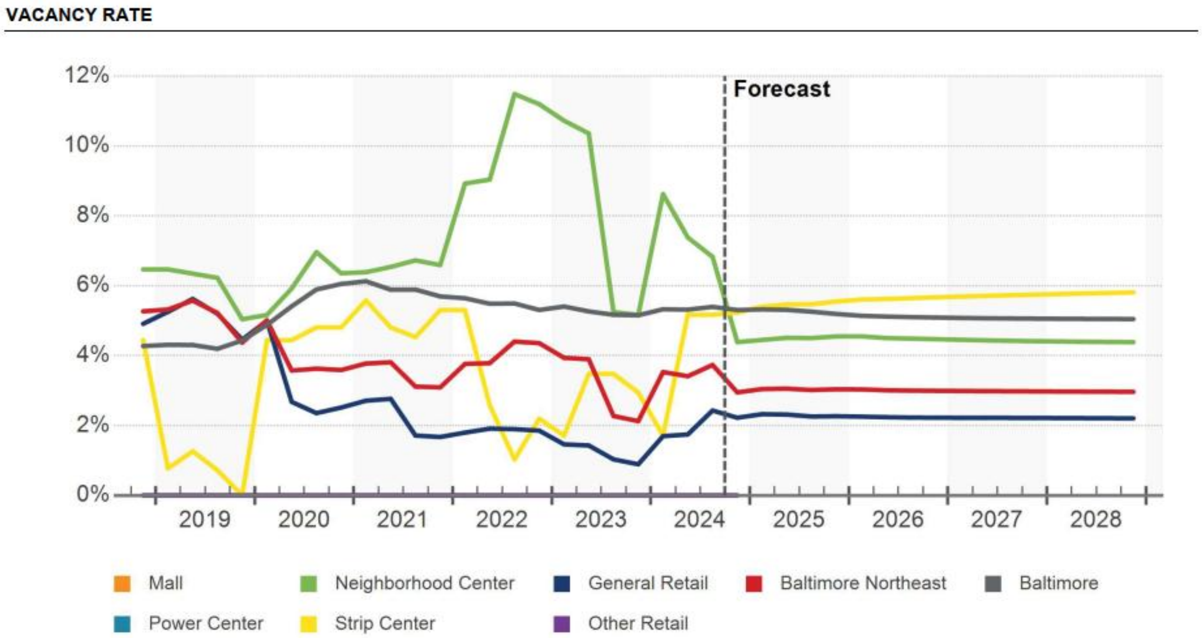


Figure 22: Baltimore Northeast Retail Vacancy Rates by Category (source: CoStar)

Market rents in Northeast Baltimore averaged $17.10 per square foot in Q2 2024, reflecting a year-over-year increase of 2.4 percent. This growth is slightly below the citywide average but marks an improvement over the submarket's five-year average rent growth of 2.1 percent. The consistent rent increases highlight strong underlying demand for retail space, particularly among neighborhood centers and general retail assets.

Implications

Baltimore's Northeast retail submarket has demonstrated considerable stability, with low vacancy rates, steady rent growth, and a strong recovery in foot traffic since the pandemic. The absence of new retail deliveries, combined with the limited availability of existing space, suggests that demand will continue to outpace supply in the near term.

However, the recent uptick in vacant square footage highlights the importance of maintaining tenant retention and supporting small businesses to avoid further fluctuations. The city could consider targeted incentives to encourage reinvestment in older retail centers and enhance pedestrian infrastructure to sustain foot traffic recovery.

Baltimore Northwest

Overview

Retail vacancy rates in Baltimore's Northwest submarket (Table 10) have experienced significant fluctuations in recent years. As of Q2 2024, the vacancy rate stands at 9.7 percent, a slight improvement from the peak of 10.7 percent recorded in Q1 2024, but well above the pre-pandemic rate of 5.7 percent in 2019. Vacant square footage has declined to 566,900 square feet from 623,000 square feet earlier in the year.

Vacancy began rising in 2020 as walk trips declined sharply during the pandemic, bottoming out at 70,000 trips per day in Q2 2020. Despite a rebound in pedestrian activity, which reached 88,600 walk trips in Q2 2024, vacancy rates have remained elevated, reflecting the ongoing challenges in tenant retention and demand recovery.

Walk trips in Northwest Baltimore peaked at 92,500 in Q4 2022, supported by a modest recovery in consumer foot traffic following pandemic-related disruptions. However, walk trips dropped to 83,600 by Q3 2023 before rebounding to 88,600 in Q2 2024. The uneven recovery in pedestrian activity underscores lingering demand challenges, particularly for larger-format retail properties.

Vacancy rates in Baltimore's Northwest submarket (Figure 24) vary widely across retail property types, reflecting significant structural challenges. Malls report the highest vacancy rate at 38.2 percent, driven by sustained tenant losses and underutilization of large spaces. In contrast, neighborhood centers have a vacancy rate of 17.7 percent, reflecting ongoing turnover and slow absorption. General retail properties, which dominate the inventory, maintain a vacancy rate of 1.8 percent, while strip centers have stabilized with a vacancy rate of 1.4 percent. The comparatively low vacancy in general retail and strip centers highlights the resilience of smaller-scale, community-oriented retail spaces in Northwest Baltimore.

Table 10: Baltimore Northwest Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	85,715	5.8%	337,666
Q2_2019	87,665	5.7%	334,464
Q3_2019	85,892	5.8%	335,282
Q4_2019	86,209	6.3%	364,259
Q1_2020	82,410	7.0%	406,760
Q2_2020	70,987	7.4%	429,697
Q3_2020	76,192	7.9%	456,473
Q4_2020	75,659	7.3%	423,771
Q1_2021	76,746	7.3%	424,055
Q2_2021	79,536	7.2%	420,584
Q3_2021	83,469	7.3%	424,114
Q4_2021	85,807	7.3%	425,899
Q1_2022	85,021	7.4%	428,985
Q2_2022	87,113	7.8%	455,527
Q3_2022	90,931	7.7%	449,637
Q4_2022	92,531	8.0%	464,757
Q1_2023	91,899	9.8%	568,481
Q2_2023	89,648	10.1%	587,923
Q3_2023	83,608	9.7%	562,161
Q4_2023	83,852	9.7%	563,226
Q1_2024	86,385	10.7%	622,961
Q2_2024	88,617	9.7%	566,875

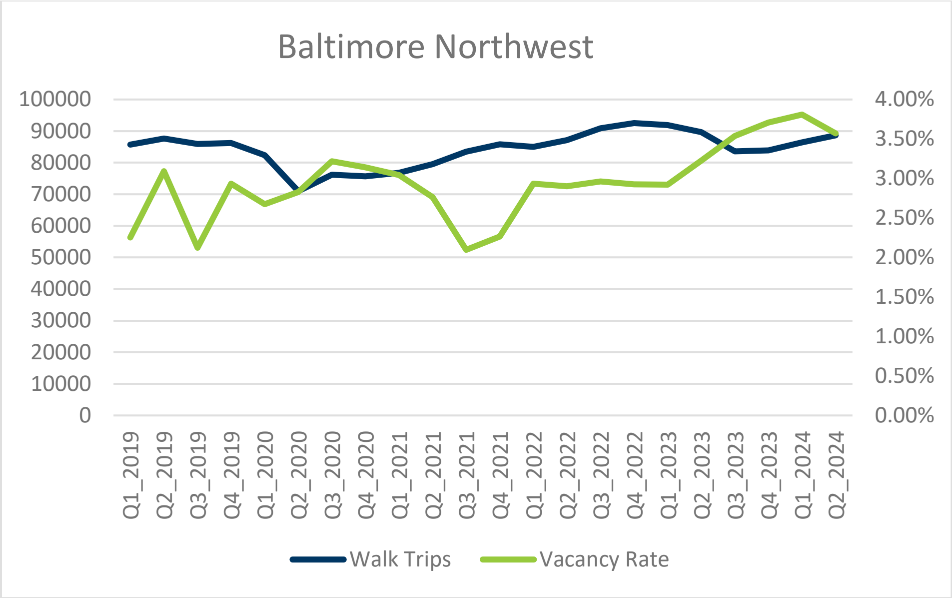


Figure 23: Baltimore Northwest Retail Vacancy Rates (source: REPLICA, CoStar)

The Northwest submarket contains 5.8 million square feet of total retail inventory, with 360,000 square feet listed as available space. The availability rate stands at 6.3 percent, up from pre-pandemic levels. There has been no new retail construction in Northwest Baltimore since 2022, reflecting a cautious approach by developers in response to persistent vacancy challenges. Over the past decade, the submarket averaged 7,300 square feet of retail space under construction annually.

Market rents in Northwest Baltimore currently average $23.65 per square foot, reflecting a 3.2 percent year-over-year increase. This figure outpaces the submarket's five-year average growth of 2.0 percent and ten-year average growth of 2.1 percent, suggesting that demand for smaller, well-positioned spaces remains strong despite elevated vacancy rates in other property types.

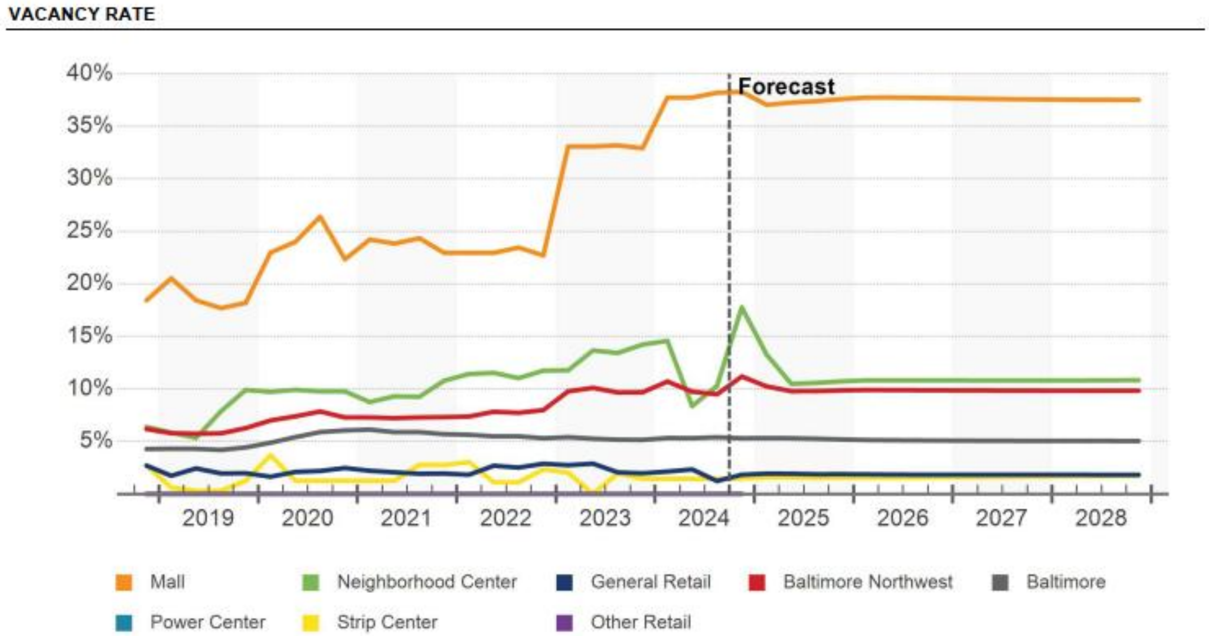


Figure 24: Northwest Baltimore Retail Vacancy Rates by Category (source: CoStar)

Implications

While general retail and strip centers in Northwest Baltimore have maintained strong occupancy levels and rent growth, larger-format retail properties, particularly malls and neighborhood centers, continue to struggle with high vacancy rates and reduced tenant demand. The ongoing volatility in walk trips suggests that foot traffic recovery remains incomplete, particularly in areas dominated by underperforming retail assets.

Addressing these challenges will require targeted strategies, such as incentivizing the redevelopment or repurposing of large-format properties into smaller retail spaces or mixed-use developments. Supporting tenant retention through public infrastructure improvements and incentives for local businesses will be critical to sustaining long-term stability in the Northwest submarket.

Baltimore Southwest

Overview

As shown in Table 11, the retail vacancy rate in Baltimore's Southwest submarket remains notably low, standing at 3 percent as of Q2 2024. This reflects a moderate increase from its historic low of 2 percent recorded in Q3 2023, though vacancy remains below the five-year average of 3.7 percent. Vacant square footage increased to 80,800 square feet in Q2 2024, up from 68,300 square feet at the end of 2023. The submarket's vacancy peaked at 5 percent in 2020 as walk trips declined sharply during the pandemic, reaching 35,600 trips per day in Q2 2020.

Pedestrian activity in Southwest Baltimore has largely rebounded following pandemic-related disruptions. Walk trips fell to 35,600 in Q2 2020 but have since improved steadily, reaching 40,400 by Q2 2024. While this figure remains slightly below pre-pandemic levels, it signals a stable return of retail foot traffic and consumer engagement across the submarket.

Table 11: Baltimore Southwest Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	40,332	3%	99,191
Q2_2019	41,007	4%	123,164
Q3_2019	40,836	5%	140,789
Q4_2019	40,597	5%	140,337
Q1_2020	38,625	5%	160,212
Q2_2020	35,663	5%	142,841
Q3_2020	38,299	5%	138,177
Q4_2020	37,646	4%	131,565
Q1_2021	37,366	5%	139,192
Q2_2021	40,026	4%	130,793
Q3_2021	40,295	4%	121,379
Q4_2021	40,933	5%	151,487
Q1_2022	41,232	4%	122,111
Q2_2022	41,816	4%	121,321
Q3_2022	41,975	4%	104,692
Q4_2022	42,189	3%	90,303
Q1_2023	41,915	3%	96,603
Q2_2023	40,716	3%	78,209
Q3_2023	38,699	2%	58,574
Q4_2023	38,194	2%	68,278
Q1_2024	39,123	3%	74,154
Q2_2024	40,366	3%	80,812

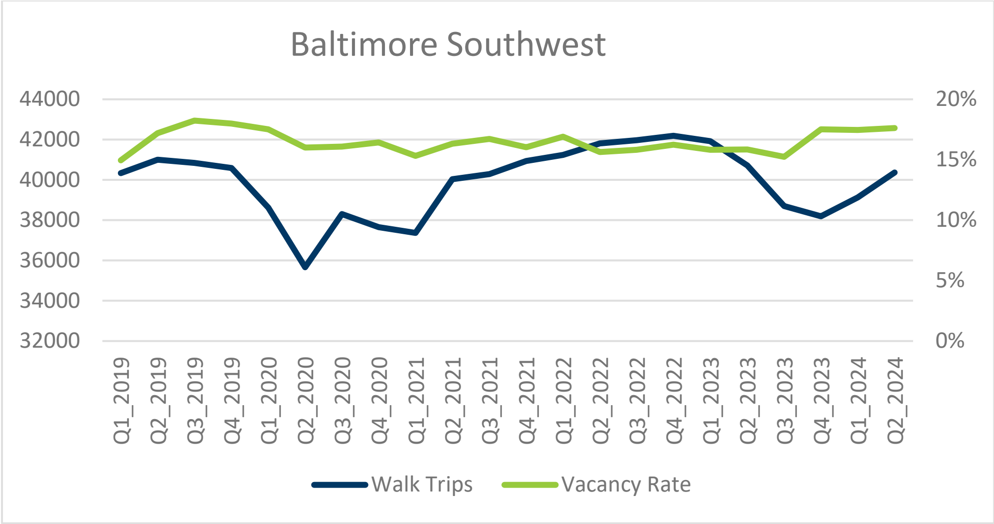


Figure 25: Baltimore Southwest Retail Vacancy Rates (source: REPLICA, CoStar)

Vacancy rates shown in Figure 26 vary significantly by property type in Southwest Baltimore, reflecting differing levels of performance and tenant demand. Neighborhood centers report the highest vacancy rate at 6.6 percent, highlighting challenges in attracting and retaining tenants in larger complexes. Strip centers exhibit no vacancy, with a consistent 0 percent rate, reflecting strong demand for smaller, localized retail spaces. General retail properties, which account for the majority of the submarket's inventory, maintain a vacancy rate of 1.5 percent, underscoring their resilience and appeal among small tenants and local businesses.

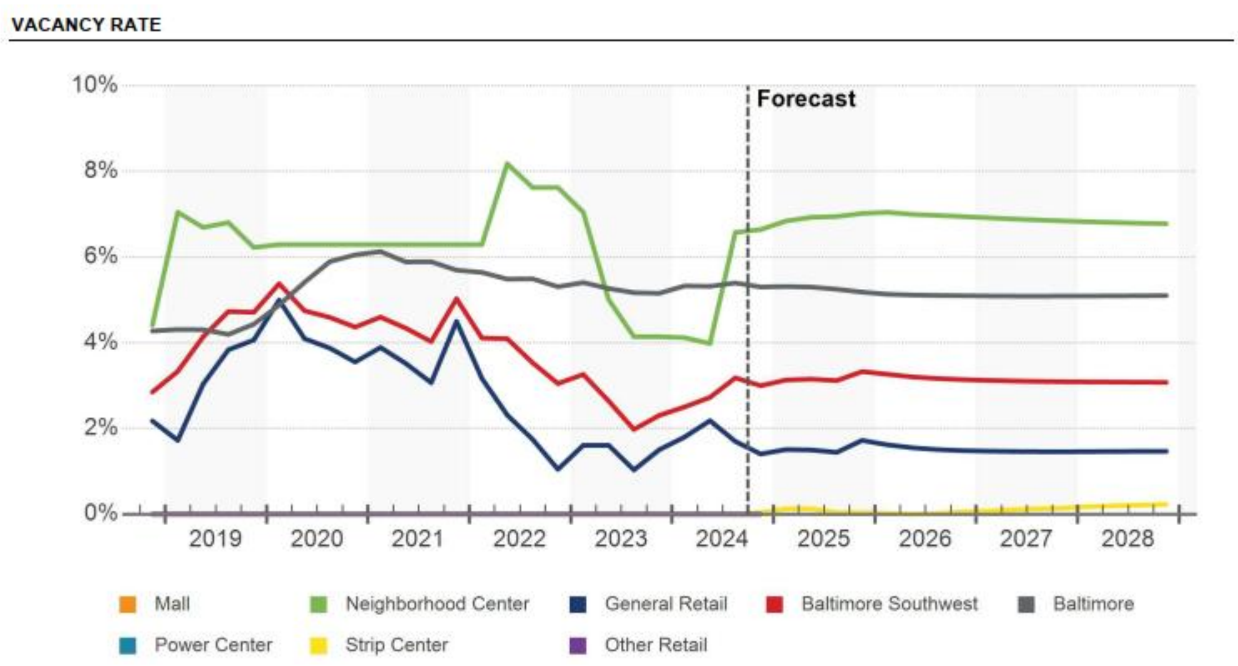


Figure 26: Baltimore Southwest Retail Vacancy Rates by Category (source: CoStar)

The Southwest submarket contains 3.0 million square feet of total retail inventory, with 170,000 square feet listed as available space, resulting in an availability rate of 5.8%. New construction remains limited, with only 8,500 square feet currently under development, significantly below the ten-year average of 18,000 square feet per year.

Retail rents in Baltimore Southwest averaged $15.40 per square foot in Q2 2024, reflecting a 2.8 percent year-over-year increase. This growth aligns with the submarket's five-year average of 2.7 percent and ten-year average of 2.6 percent, suggesting steady demand for well-located retail spaces. Rent growth has been strongest in general retail properties, where low vacancy and stable tenant demand have driven sustained increases.

Implications

Baltimore's Southwest retail market remains one of the most stable submarkets in the region, supported by strong demand for general retail and strip center properties. However, the persistent vacancy challenges in neighborhood centers highlight the need for targeted efforts to attract tenants and improve property utilization. Investments in infrastructure, small business incentives, and redevelopment initiatives could help sustain long-term stability while addressing lingering vacancy concerns.

Baltimore Southeast

Overview

Baltimore's Southeast retail market (Table 12) has maintained consistently low vacancy rates over the past five years, with minor fluctuations. As of Q2 2024, the vacancy rate stands at 3 percent, reflecting stability and a slight improvement from the recent high of 4 percent in 2022. Vacant square footage has remained below 260,000 square feet throughout 2024, a significant improvement from the peak of 315,800 square feet recorded in Q3 2022. The steady decline in vacancies signals gradual demand recovery within the submarket, though vacancy remains elevated compared to pre-pandemic lows.

Table 12: Baltimore Southeast Retail Vacancy Rates (source: REPLICA, CoStar)

Date	Walk Trips/Day	Vacancy Rate	Vacancy Sqft
Q1_2019	53,459	2%	203,052
Q2_2019	55,058	2%	188,598
Q3_2019	54,981	2%	211,802
Q4_2019	53,626	3%	254,501
Q1_2020	51,699	3%	268,758
Q2_2020	46,045	3%	250,539
Q3_2020	50,071	2%	184,875
Q4_2020	49,132	3%	222,115
Q1_2021	49,186	3%	237,334
Q2_2021	52,053	3%	233,706
Q3_2021	53,229	3%	261,478
Q4_2021	52,644	3%	288,640
Q1_2022	53,115	3%	293,091
Q2_2022	55,150	4%	312,667
Q3_2022	52,911	4%	315,795
Q4_2022	51,222	4%	308,367
Q1_2023	51,544	4%	310,448
Q2_2023	50,720	3%	303,451
Q3_2023	48,148	4%	324,568
Q4_2023	46,654	4%	309,797
Q1_2024	49,270	3%	259,466
Q2_2024	50,062	3%	258,950

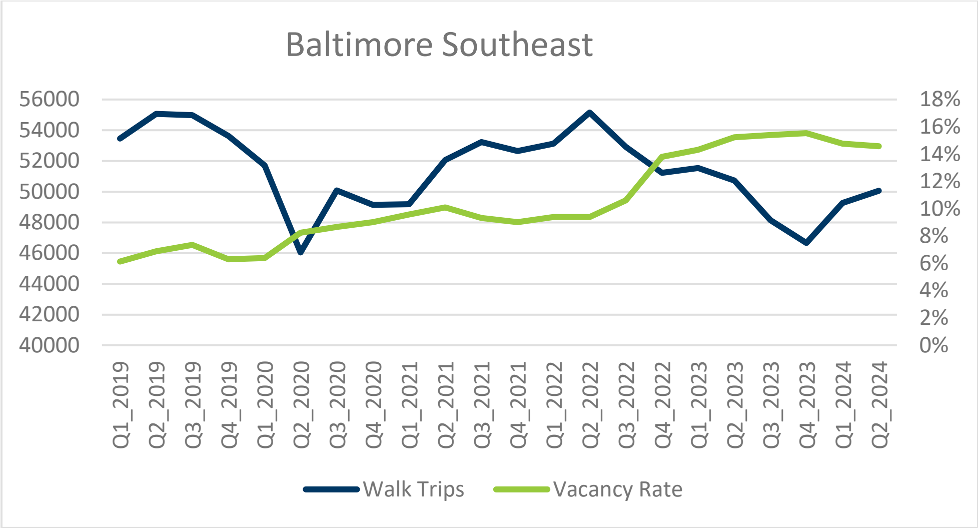


Figure 27: Baltimore Southeast Retail Vacancy Rates (source: REPLICA, CoStar)

Walk trips in the Southeast submarket fell sharply during the pandemic, declining from 53,600 in Q1 2020 to 46,000 in Q2 2020. Since then, pedestrian activity has rebounded gradually, reaching 50,000 walk trips per day as of Q2 2024. While still below the pre-pandemic average, the recovery highlights improving foot traffic driven by increased retail activity and returning consumer confidence.

Vacancy rates in the Southeast submarket (Figure 28) vary across property types, reflecting differing levels of performance. Neighborhood centers exhibit the highest vacancy rate at 18.3 percent, underscoring persistent challenges in tenant retention for larger retail complexes. Strip centers maintain a vacancy rate of 5.6 percent, reflecting moderate demand but lingering vacancies in some properties. In contrast, general retail properties, which dominate the submarket's inventory, have the lowest vacancy rate at 2.7 percent, reflecting steady tenant demand and strong occupancy levels across smaller, localized retail spaces.

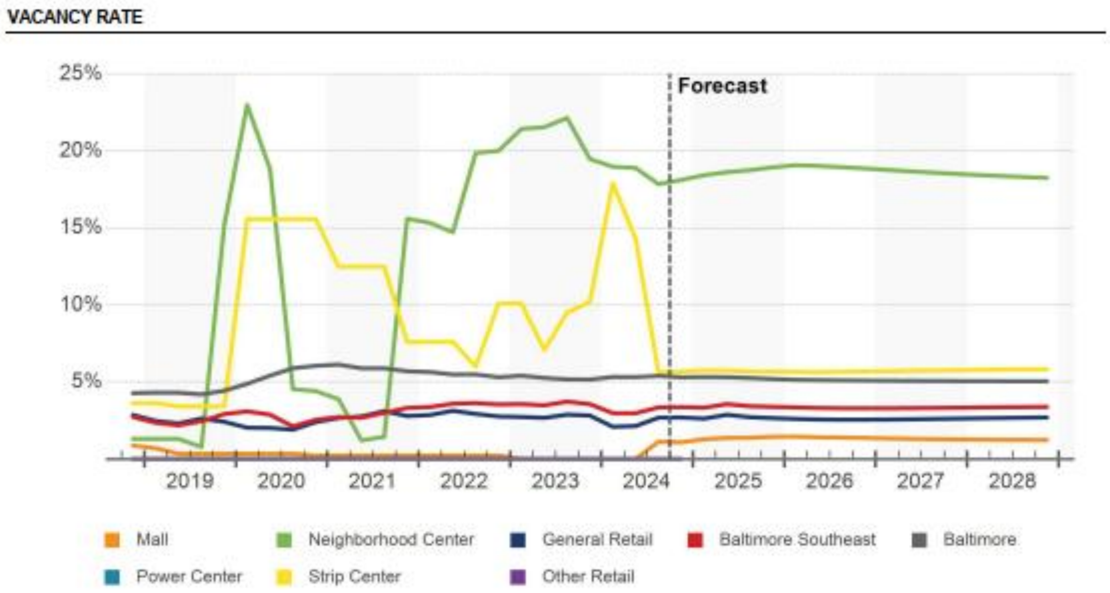


Figure 28: Baltimore Southeast Retail Vacancy Rates by Category (source: CoStar)

The Southeast submarket contains approximately 8.8 million square feet of total retail inventory. Available space currently totals 340,000 square feet, resulting in an availability rate of 3.9 percent. As of Q2 2024, 48,000 square feet of new retail construction is underway, exceeding the ten-year average of 37,000 square feet under development annually. This increase in construction activity reflects growing investor confidence in the submarket's recovery and long-term stability.

Market rents in Southeast Baltimore currently average $21.00 per square foot, reflecting a 2.6 percent year-over-year increase. This growth aligns closely with the submarket's five-year average of 1.7 percent and ten-year average of 1.9 percent, suggesting steady demand for well-located retail spaces. General retail properties continue to drive rent growth, supported by consistent tenant demand and low vacancy rates.

Implications

Baltimore Southeast's retail market has demonstrated resilience, with stable vacancy rates, modest rent growth, and improving pedestrian activity. General retail properties have outperformed other segments, reflecting ongoing demand for smaller, localized spaces. However, the elevated vacancy rates in neighborhood centers remain a concern and highlight the need for targeted reinvestment to attract and retain tenants.

To ensure long-term stability, policymakers and landlords could focus on enhancing infrastructure, encouraging small business growth, and facilitating adaptive reuse of underperforming spaces. With steady rent growth, improving walk trips, and new construction activity underway, the Southeast submarket is well-positioned for continued recovery.

Baltimore City Summary

Baltimore's retail sector remains in a gradual recovery mode, shaped by post-pandemic shifts in work patterns, pedestrian activity, and evolving consumer behavior. Foot traffic, while improved from 2020 lows, remains below pre-pandemic levels, with Q2 2024 walk trips totaling 411,000, still short of the 2019 quarterly average of over 424,000. Retail vacancy citywide peaked in Q3 2022 at over 2.18 million square feet but has since declined to 2.02 million square feet by Q2 2024, reflecting modest space absorption and market stabilization.

Performance across retail submarkets and property types remains mixed. Smaller-scale retail formats—such as strip centers and general retail properties—have consistently shown resilience, with near-zero or low vacancy rates and steady rent growth. These spaces continue to benefit from demand for localized, convenience-based shopping and lower operating costs.

In contrast, malls and large neighborhood centers face sustained challenges. Mall vacancy in the CBD nears 50%, and neighborhood center vacancy remains elevated across multiple submarkets, although one should note that malls make up a small part of retail in Baltimore's CBD. These larger formats struggle with decreased weekday foot traffic, structural obsolescence, and tenant turnover—particularly in areas reliant on office worker populations.

City-led initiatives like the Downtown Restaurant Recovery Program, BOOST, and infrastructure investments have helped shore up small businesses and draw more consistent foot traffic. However, long-term retail health hinges on broader urban revitalization, including office-to-residential conversions and fostering a more resident-driven downtown economy.

Overall, retail vacancy across Baltimore's core submarkets has declined from its pandemic-era peak, with rents trending upward—especially in Midtown, Northeast, and Southwest. However, uneven recovery across asset types highlights the need for targeted reinvestment, adaptive reuse, and pedestrian-friendly improvements to ensure citywide retail vibrancy.

BWI/Baltimore County

Overview

The BWI/Baltimore County retail submarket has maintained strong fundamentals despite broader retail headwinds across the region. As of Q2 2024, the submarket's vacancy rate stands at just 1.4%, down significantly from its post-pandemic peak of 20% in Q2 2021, when over 208,000 square feet sat vacant. Current vacant square footage is 42,000, a modest increase from Q1 2024 but still well below historical highs. Walk trips in the submarket have rebounded from their pandemic low of 12,000 in Q2 2020, returning to 15,000 by Q2 2024, consistent with pre-pandemic levels.

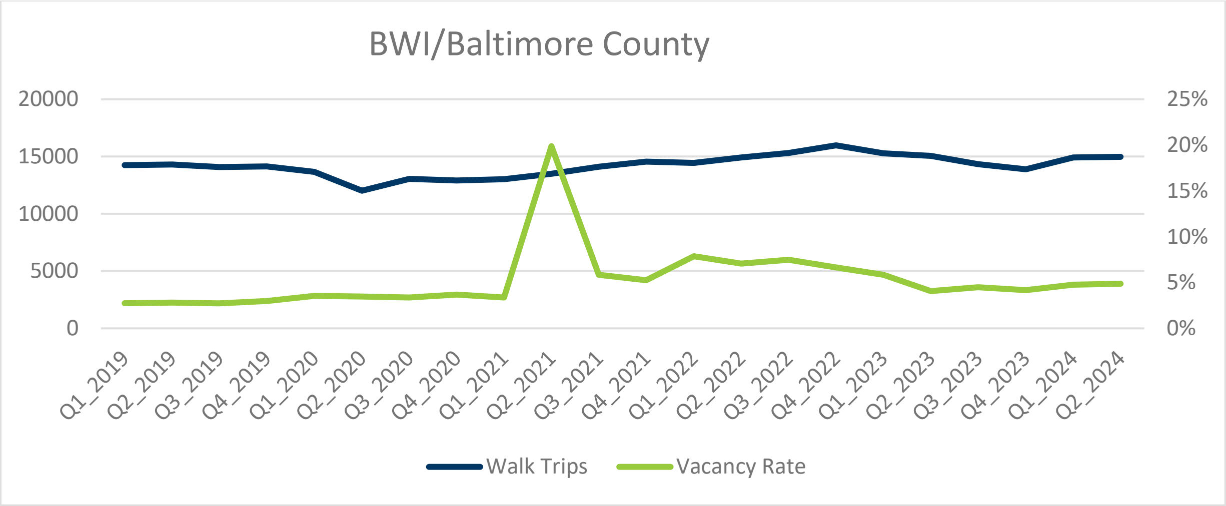


Figure 29: BWI/Baltimore County Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

The recovery has been particularly pronounced among smaller retail formats. Strip centers and general retail properties continue to perform well, posting vacancy rates of 2.3% and 1.7% respectively. Neighborhood centers and power centers also report low vacancies at 1.2%, showing widespread demand across retail types. The availability rate stands at 4.4%, with roughly 79,000 square feet listed as available across the submarket's 1.8 million square feet of total inventory.

No new retail construction was underway in 2024, marking a conservative development environment. Historically, BWI/Baltimore County has averaged 5,200 square feet of retail space under construction annually over the past decade. The absence of new supply has helped further tighten availability and contributed to the submarket's strong occupancy metrics.

As of Q4 2024, average market rents in BWI/Baltimore County are $22.00 per square foot, reflecting 2.1% annual growth. This rate matches the submarket's 10-year average and slightly trails the Baltimore metro's broader rent growth. Rent increases were strongest in general retail (3.3%) and strip center (3.1%) properties, where tenant demand remains robust. Neighborhood centers (2.0%) and power centers (1.2%) also posted positive gains, highlighting stability across all retail categories.

Implications

BWI/Baltimore County's retail market continues to stand out for its low vacancy, stable demand, and steady rent growth. The submarket has largely avoided the sharp disruptions seen in more urban cores, supported by a mix of neighborhood-serving tenants, proximity to residential density, and strong logistical connectivity.

While the rapid drop in vacancy from 2021 to 2024 signals a well-absorbed recovery, ongoing success will depend on sustaining walkable retail nodes and addressing potential supply constraints. With no new construction in the pipeline, future development may hinge on adaptive reuse and infill opportunities.

Towson

Overview

The Towson retail submarket has experienced persistent vacancy challenges over the past several years, though some recent stabilization is evident. As of Q2 2024, retail vacancy stands at 11%, with 899,000 square feet of vacant space—down from a peak of nearly 1 million square feet in Q4 2023. Walk trips have also edged upward, reaching 11,600 in Q2 2024, a modest improvement from the recent low of 11,000 in Q4 2023. However, pedestrian activity remains well below pre-pandemic levels, when Towson regularly exceeded 12,000 walk trips per quarter.

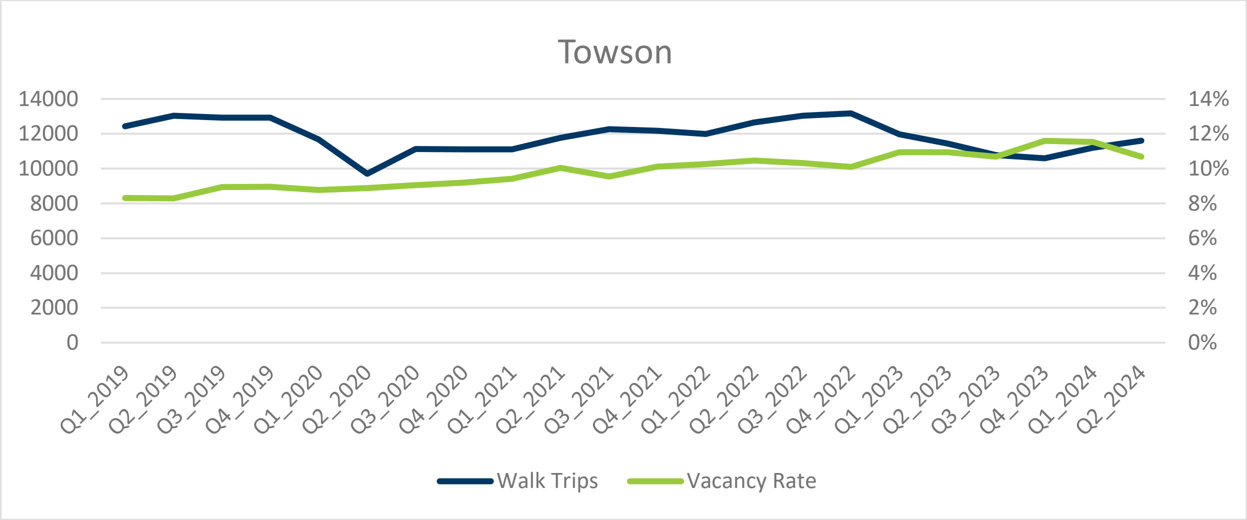


Figure 30: Towson Vacancy Rates and Walk Trips (source: REPLICA, CoStar)

Towson's vacancy has consistently remained above the citywide average, driven by prolonged softness across multiple retail formats. From Q1 2019 to Q4 2023, the submarket experienced elevated and rising vacancy despite stable inventory levels. While general retail and strip centers show relative strength, neighborhood centers and malls continue to face high turnover and slow absorption. As of Q4 2024, neighborhood center vacancy is 4.4%, power center vacancy is 1.9%, strip center vacancy is just 0.7%, and mall vacancy is 3.2%. Towson's overall availability rate stands at 9.2%, with 550,000 square feet listed.

Only 2,000 square feet of new retail construction is currently underway, significantly below the submarket's 10-year average of 34,000 square feet annually. This reflects a cautious development stance as owners focus on absorbing existing space. The total retail inventory across Towson measures approximately 6.0 million square feet, with the largest share concentrated in general retail (2.3 million SF) and mall properties (1.5 million SF).

Towson's average market rent reached $26.00 per square foot as of Q4 2024, growing 2.5% year-over-year, which exceeds the submarket's five-year average of 1.6% and 10-year average of 1.7%. Power centers led rent growth at 3.8%, followed by mall (2.9%), general retail (2.3%), strip center (2.2%), and neighborhood center (1.8%) categories. Despite the elevated vacancy, this rent growth suggests ongoing tenant interest in well-located, high-traffic spaces, particularly within high-performing asset classes.

Implications

Towson's retail market reflects a tale of two trajectories: strong rent growth and tight vacancies in strip and general retail properties, versus sustained softness in large-format and mall-based assets. The slow rebound in walk trips and continued high vacancy above 10% indicate a submarket still grappling with lagging demand and tenant churn.

Long-term stability in Towson may hinge on adaptive reuse, targeted infill development, and investments in placemaking and pedestrian infrastructure to boost foot traffic and reengage local consumers. The stalled new construction pipeline suggests little short-term relief in supply, placing greater pressure on existing landlords to innovate and reposition their properties.

Additional Data

This section examines additional data sources and trends that influence Baltimore's real estate market, either directly or indirectly. Key factors such as remote work trends, pedestrian activity, and national migration patterns play a significant role in shaping market dynamics and the vitality of Baltimore's urban core, making them essential to this analysis.

Working Pattern and Commuting Trends

The shift toward hybrid work has significantly reshaped commuting behaviors, with notable implications for office attendance patterns, transit ridership, parking demand, and overall economic activity in downtown Baltimore. A key aspect of this transformation is the pronounced decline in office occupancy on Mondays and Fridays, as employees increasingly prefer to work remotely on these days. Findings from a recent Baltimore Metropolitan Council (BMC) survey on employee and employer work preferences reinforce this trend, highlighting shifting workplace habits and their broader impact on urban mobility. This emerging trend is not just altering the flow of people into the city but is also creating ripple effects across transportation networks, pedestrian activity, and commercial district vitality.

Declining Office Attendance and Transit Ridership

Hybrid work schedules, which allow employees to work remotely part of the week, have led to a reduced need for daily commuting. Consequently, transit ridership patterns have evolved, with peak-hour congestion becoming less concentrated, especially on Mondays and Fridays. Baltimore's public transit system, including MARC trains, the Light Rail, and bus services, has seen fluctuating demand as commuters have adjusted their schedules. Whereas, the traditional five-day office workweek once provided a stable foundation for transit planning, current variability in attendance makes it challenging to predict and allocate resources efficiently.

Public transit agencies must now adapt to lower ridership during off-peak periods, which affects fare revenue and operational sustainability. However, off-peak patterns are shifting, with some transit agencies observing increased weekend ridership and a more dispersed peak period on weekdays as commuters stagger their travel times. Reduced demand for transit on remote workdays is compounded by increased reliance on personal vehicles, raising concerns about urban congestion and long-term environmental impacts. On in-office days, however, transit ridership spikes, leading to higher crowding on certain routes, which creates operational inefficiencies.

Parking Demand and Urban Mobility Adjustments

As fewer employees commute daily, parking demand in downtown Baltimore has become less predictable and more dispersed throughout the week. Historically, parking facilities in the CBD and key commercial areas such as Pratt Street, Harbor East, and Charles Center operated at or near full capacity on weekdays. However, with a growing segment of the workforce embracing remote work, some parking garages and surface lots now experience underutilization on certain days while facing periodic surges on peak office attendance days.

This changing demand profile has financial implications for private parking operators and city revenues generated through parking fees. Additionally, with fewer workers driving into downtown on Mondays and Fridays, traffic congestion has seen a slight reduction on these days, but it remains an issue during midweek peak hours.

Traffic Patterns and Pedestrian Foot Traffic Trends

Beyond transit and parking, hybrid work has also altered traffic flow and pedestrian movement throughout Baltimore's commercial districts. Weekday lunch rushes have become more concentrated within midweek days (Tuesday to Thursday), while foot traffic in retail corridors has become more uneven. This shift has direct consequences for small businesses, restaurants, and service providers that depend on a steady flow of office workers.

The Downtown Partnership of Baltimore's[3] 2024 Annual Report, highlights efforts to revitalize retail corridors and activate public spaces, ensuring commercial viability in the face of these changing patterns. For example, initiatives such as the BOOST Program and Downtown Restaurant Recovery Program have been designed to support small businesses adapting to shifts in consumer behavior. With reduced foot traffic on remote workdays, businesses must explore new marketing strategies, digital engagement, and incentives to attract customers outside of peak work hours. Additionally, these programs contribute to a stronger perception of public safety by encouraging activity beyond standard work hours, reducing the "ghost town" effect that can make urban spaces feel less secure. A steady presence of customers and pedestrians fosters a more vibrant and welcoming environment and reinforces a sense of safety in the downtown area.

Foot traffic data collected from Baltimore's Inner Harbor, Charles Street, and the Bromo Arts District further underscores how hybrid work is reshaping economic activity. Retailers and restaurateurs are witnessing higher midweek spending but weaker Monday and Friday sales, necessitating greater flexibility in staffing and inventory management.

In-Person Working Hours and Future Trends

In addition to the demographic and employment modality shifts discussed in the previous section, an employee survey conducted by the BMC revealed significant shifts in work arrangements due to the pandemic. According to this survey, fully in-person work saw a notable decline, dropping from 64 percent to 41 percent people post-pandemic, while hybrid and remote work options grew in popularity. The number of individuals splitting their time equally between in-person and remote work increased from 8 percent to 12 percent, and those working mostly remotely rose sharply from 6 percent to 14 percent. Fully remote work more than doubled, increasing from 6 percent to 12 percent. Additionally, 4 percent individuals who were not employed prior to the pandemic joined the workforce. These trends indicate a clear shift toward more flexible work arrangements, with a substantial increase in remote and hybrid work models post-pandemic. Figure 31 below summarizes these trends.

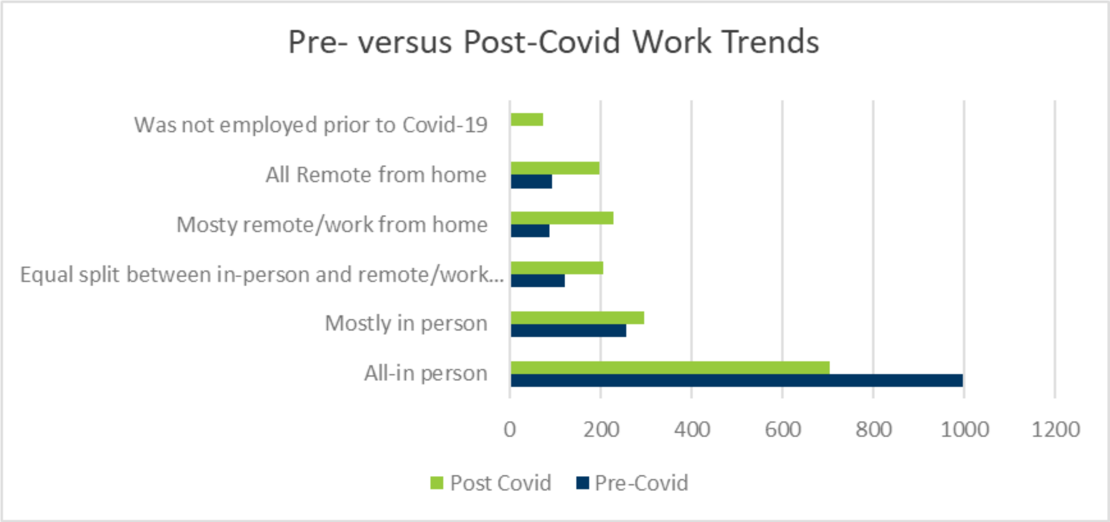


Figure 31: Pre- vs. Post-Pandemic Work Trends (source: BMC)

Baltimore City In-Person Work Patterns

As shown in Figure 32, the pandemic-driven shift in in-person office working habits, in both the historical data and forecasts for Baltimore City from 2019 through 2029, highlights evolving trends in office attendance and their long-term implications. These figures only considered types of employment that are primarily office based, such as but not exclusively FIRE (Finance, Insurance, and Real Estate) and health services.

Prior to the pandemic, in-person workdays per week, per person, in Baltimore City were consistent, indexed at 1.00 in 2019. During the height of the pandemic in 2020, this figure dropped to 0.83. A modest recovery followed in 2021 and 2022, with the index rising to 0.86 and 0.89 respectively, before slightly declining to 0.87 in 2023. However, the 2024 survey results indicate a renewed drop to 0.74, with the index projected to remain around 0.73 through 2029. This suggests a durable shift toward remote and hybrid work arrangements that is unlikely to reverse, assuming workers are able to continue securing jobs that align with their preferred work styles.

The forecasts were created using pre- and post-pandemic employee survey results, in terms of current office work arrangements, as well as S&P 500 employment data and forecasts for the region. It was assumed that the 2024 work trends would carry onto 2029. These trends can be seen in Figure 32.

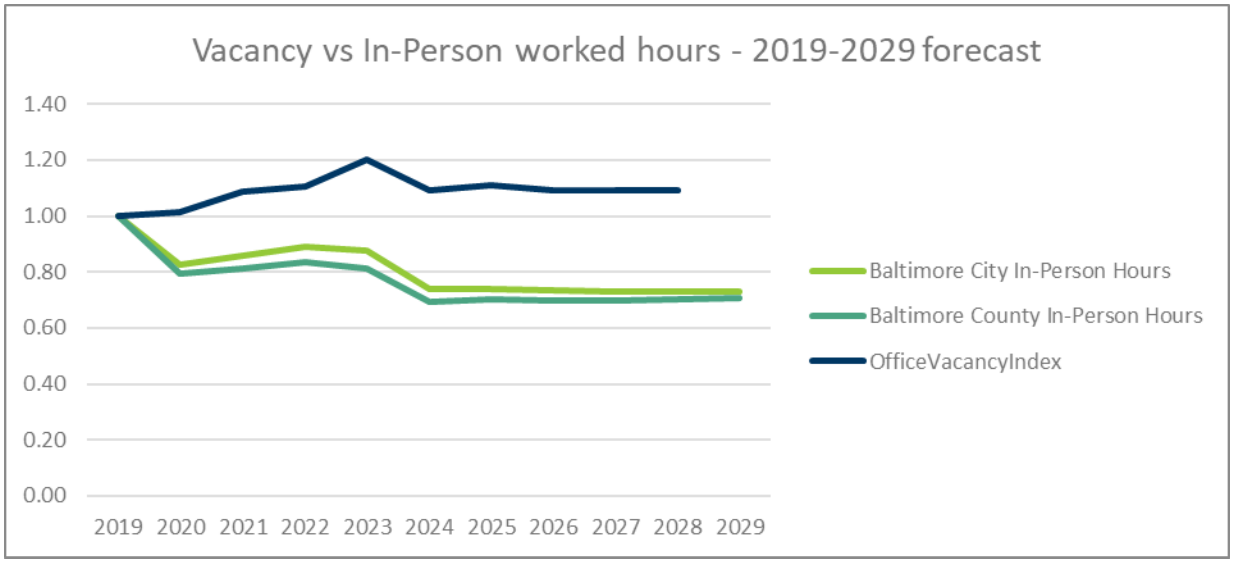


Figure 32: Vacancy vs. In-Person Worked Hours -- 2019-2029 Forecast (source: S&P Global, CoStar, BMC)

Baltimore County followed a similar but slightly lower trajectory, dropping from 1.00 in 2019 to 0.79 in 2020. The index reached 0.84 in 2022 before declining again to 0.81 in 2023, and further to 0.69 in 2024. Forecasts project only slight improvement, leveling around 0.70–0.71 by 2029.

Neighboring Anne Arundel County started at 1.00 in 2019 and dropped to 0.84 in 2020. It then saw a steady recovery, rising to 0.90 by 2023, before dipping again to 0.77 in 2024. A gradual recovery is forecast, reaching 0.81 by 2029. In contrast, Allegany County saw a sharp early decline from 1.00 in 2019 to 0.78 in 2020, with its index continuing to decrease through the forecast period, reaching 0.68 by 2029.

These trends reflect a varied picture across Baltimore and the surrounding counties, with Baltimore City seeing a persistent reduction in in-person office work and neighboring counties showing different levels of recovery or decline. A graphic depiction of the forecasted in-person hours index for retail can be seen in Figure 33 below.

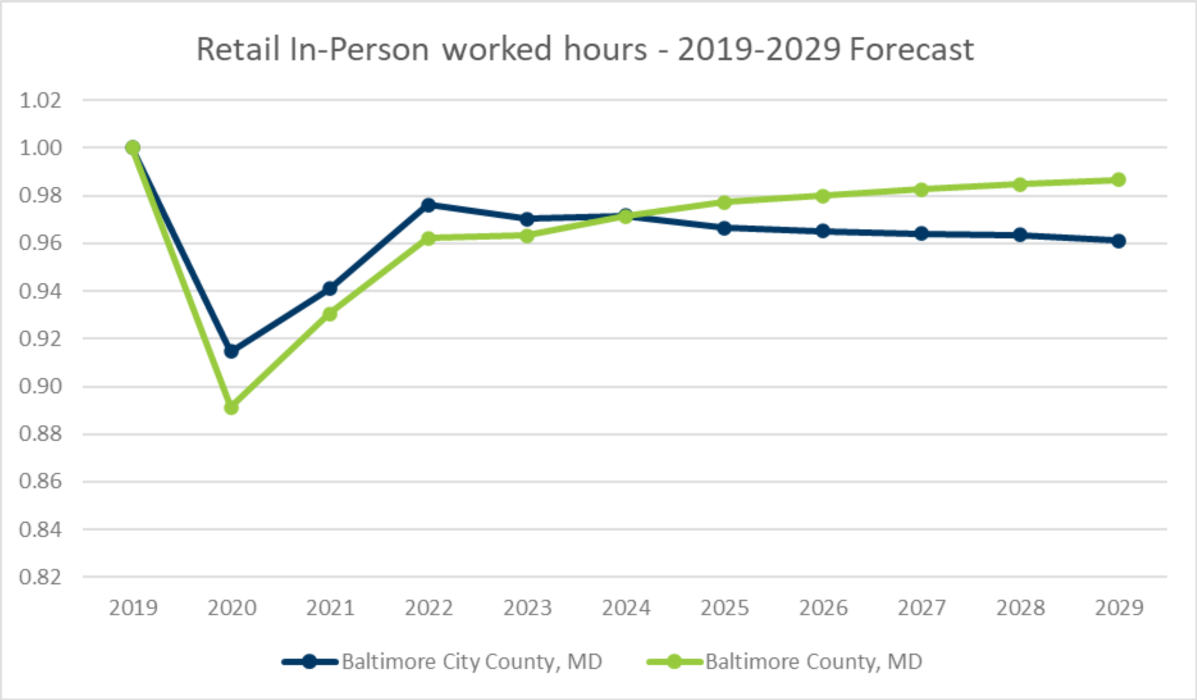


Figure 33: Retail In-Person Worked Hours -- 2019-2029 Forecast (Source: S&P500, CoStar, BMC)

In-person work within the leisure and hospitality sector has largely rebounded from pandemic-era declines, though trends vary by jurisdiction. In Baltimore City, in-person workdays per week, per person, dropped from an index of 1.00 in 2019 to 0.91 in 2020. The index recovered gradually to 0.98 by 2022, dipped slightly to 0.97 in 2023, and remained stable at that level through 2024. Forecasts suggest the index will hold steady at 0.96 through 2029, signaling a near-complete return to pre-pandemic attendance in this sector. In Baltimore County, the pattern was similar: the index dropped to 0.89 in 2020, then steadily recovered to 0.96 by 2022 and 0.97 by 2024. It is projected to reach 0.99 by 2029, indicating a nearly full restoration of in-person work habits.

Neighboring Anne Arundel County shows even stronger growth. From a dip to 0.88 in 2020, the index rose to 1.00 by 2023 and is forecast to continue increasing to 1.07 by 2029, surpassing pre-pandemic levels. Allegany County, meanwhile, shows a slower but steady decline from 1.00 in 2019 to 0.87 in 2020 and gradually down to 0.96 by 2029, reflecting regional differences in recovery pace.

These trends suggest that the leisure and hospitality sector in Baltimore and surrounding counties is experiencing a stronger and more sustained return to in-person work compared to office-based employment. However, it's important to note that these figures are based on survey estimates, and actual outcomes may vary. Unexpected shifts—such as rising demand, increased migration to the city, or changes in employer work policies—could lead to higher levels of in-person attendance than projected.

Baltimore Pedestrian Patterns

Pedestrian activity across central Baltimore has stabilized somewhat by mid-2024, but patterns vary widely by submarket, underscoring the city's uneven recovery. This section focuses on seven key urban districts: CBD Baltimore, Baltimore Midtown, Baltimore East, Baltimore Northeast, Baltimore Northwest, Baltimore Southeast, and Baltimore Southwest. These areas represent the city's core economic and institutional zones, including downtown employment centers, higher education clusters, medical districts, and neighborhood retail corridors.

Baltimore East consistently generates the highest pedestrian volumes among the areas analyzed, maintaining over 100,000 walk trips per quarter in 2024. This resilience reflects its dense mix of residential, institutional, and commercial uses. Baltimore Northwest follows closely behind, with walk trips nearing 89,000 in Q2 2024—near its 2019 levels. Northeast Baltimore has also proven stable, climbing back to nearly 70,000 walk trips, only slightly below its pre-pandemic range. These three areas—East, Northwest, and Northeast—have shown the most consistent recovery and currently account for the bulk of pedestrian volume across the central city.

Meanwhile, Baltimore Midtown and Southeast Baltimore have rebounded more modestly. Midtown's walk trips in Q2 2024 (40,092) remain slightly below 2019 levels, reflecting continued softness in the area's hybrid-impacted office and institutional uses. Southeast Baltimore has hovered around 50,000 trips per quarter since late 2022, reflecting steady neighborhood-based activity but little growth. Southwest Baltimore has largely mirrored this pattern, with walk trips recovering to around 40,000, comparable to 2019 but showing little post-pandemic momentum.

Finally, CBD Baltimore remains the slowest to recover in absolute terms. After dropping to 14,946 walk trips in Q2 2020, it has steadily improved to 21,226 as of Q2 2024. However, this remains well below its 2019 average of 27,000–28,000 trips per quarter. The CBD's sluggish rebound reflects ongoing challenges in downtown office occupancy, shifting commuter behavior, and weak weekday activity. Unless downtown attracts a more resident-driven, mixed-use base, pedestrian activity is likely to remain below historic norms. A visual representation of these trends can be seen in Figure 34.

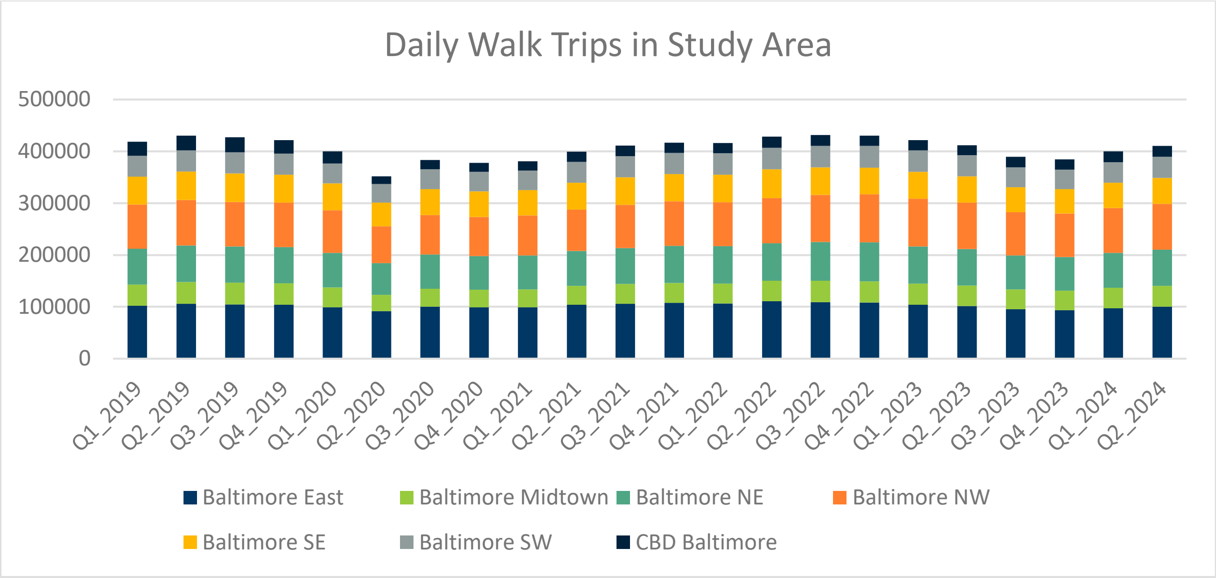


Figure 34: Daily Walk Trips (Overall)

Survey Clusters

Table 13 provides a summary of key characteristics of the seven "clusters" of employee types identified in the BMC survey. Figure 35 and Figure 36 show high-level summary of pre- and post-Covid work arrangements for all respondents in Baltimore County.

Table 13: Cluster Characteristics (source: BMC)

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

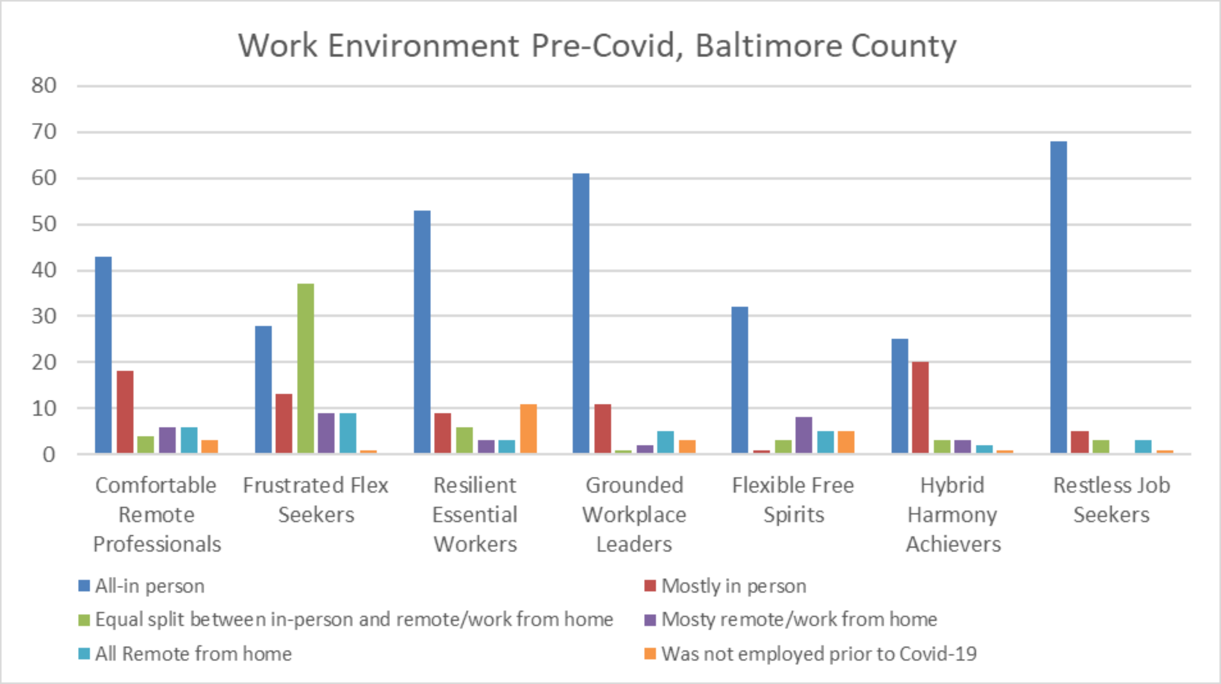


Figure 35: Work Environment Pre-Covid, Baltimore County (source: BMC)

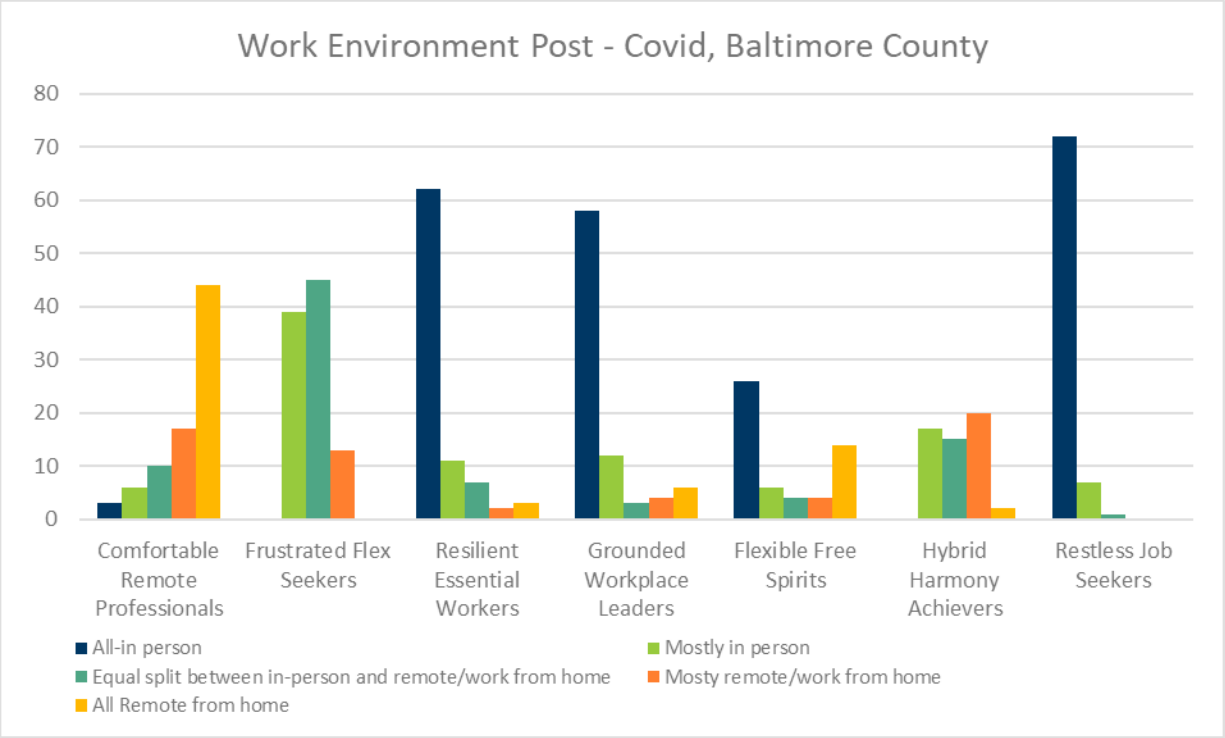


Figure 36: Work Environment Post-Covid, Baltimore County (source: BMC)

Before the pandemic, in-person work was the dominant mode across most clusters, especially in Clusters 2, 3, 5, and 6, with Cluster 6 showing the highest number of fully in-person workers. Remote and hybrid work were rare during this period, and unemployment was slightly higher in

Clusters 0, 2, and 5 compared to others. Cluster 1, however, showed some balance, with a notable share of workers splitting their time equally between in-person and remote work.

Post-pandemic, however, there was a significant shift toward remote and hybrid work across most clusters. Cluster 1 experienced the most dramatic change, with a near elimination of fully in-person workers and a strong increase in both fully remote and hybrid work arrangements. Remote work surged in Clusters 1, 3, 4, and 5, where it had previously been rare. In-person work declined in most clusters but showed a slight increase in Cluster 5. Notably, Cluster 6 remained stable, retaining a strong in-person work participation with minimal change. Additionally, unemployment dropped significantly post-pandemic, with most individuals now engaged in some form of employment, particularly in Clusters 2 and 5.

Overall, the data highlights a clear transformation in work environments following the pandemic. Remote and hybrid work became dominant alternatives to traditional in-person work, reflecting broader adoption of flexible work arrangements. While some clusters, like Cluster 6, maintained stability in their work models, others, particularly Cluster 1, saw a substantial shift toward remote and hybrid work.

Trends by Cluster for Baltimore City

Figure 37 and Figure 38 graphs below highlight significant changes in work environments due to the pandemic. Pre-COVID, fully in-person work dominated most clusters, particularly Clusters 0, 2, 3, and 6. Post-pandemic, there was a notable decline in all-in-person work across all clusters, with Cluster 6 retaining the largest share. Hybrid work arrangements, with an equal split between in-person and remote work, increased significantly, especially in Cluster 1. Remote work saw a sharp rise, particularly in Cluster 0, with more people working mostly or entirely from home. Overall, the pandemic led to a shift away from fully in-person work and toward more remote and hybrid models across all clusters.

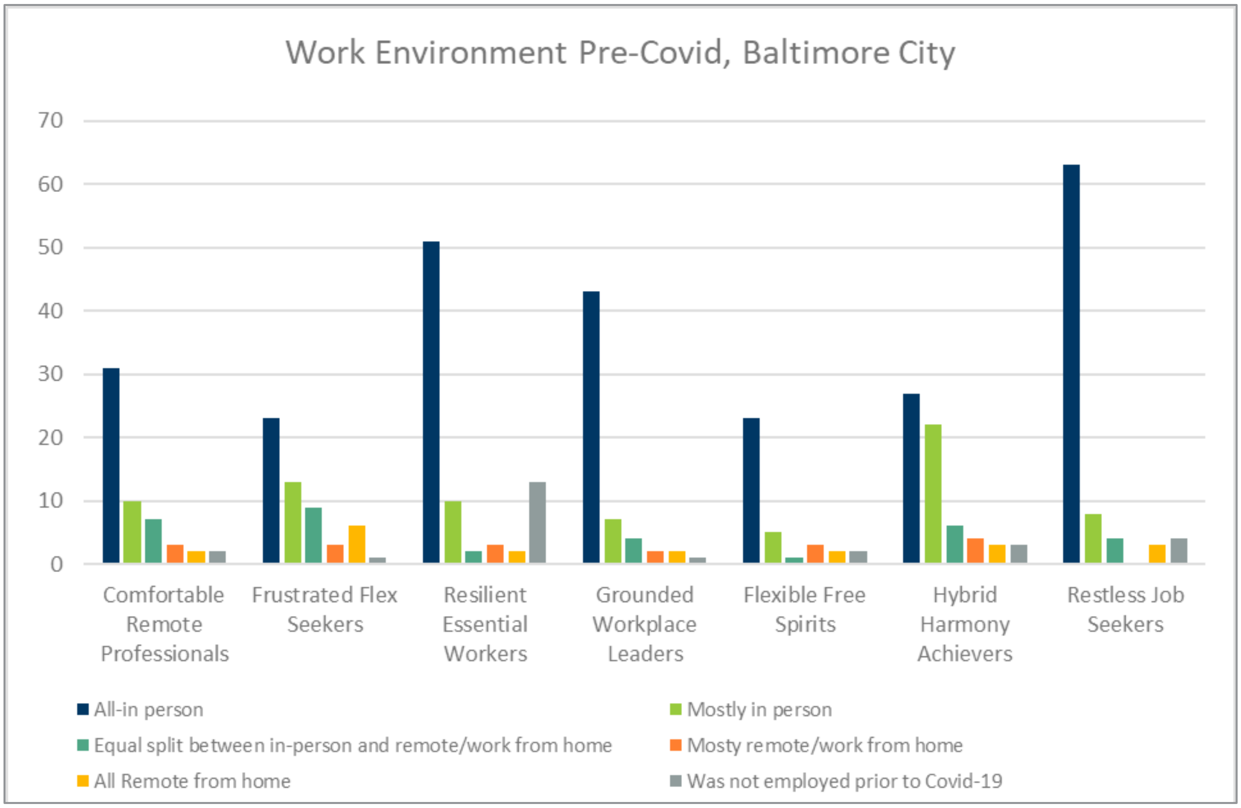


Figure 37: Work Environment Pre-Covid, Baltimore City (source: BMC)

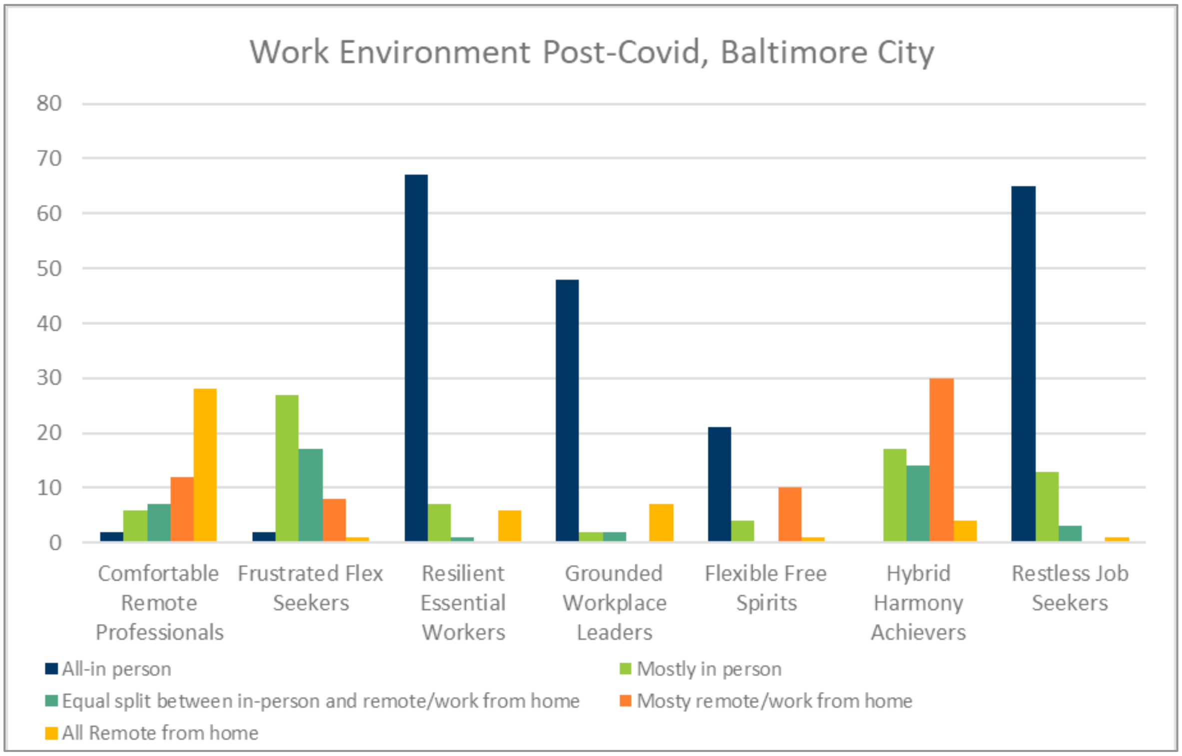


Figure 38: Work Environment Post-Covid, Baltimore City (source: BMC)

Demographic Considerations

This section investigates migration trends and patterns in and around Baltimore. Demographic shifts in the region have been influenced by changing economic conditions, housing affordability, and the rise of remote work, leading to notable migration patterns. These movements have implications for local tax bases, workforce distribution, and real estate demand, particularly in key counties such as Baltimore County, Anne Arundel, and Baltimore City. The analysis of migration flows in this section provides insight into whether Baltimore's downtown remains an attractive hub for residents and businesses vs. suburban and non-Baltimore locations. Outflows could indicate concerns about affordability, public safety, or amenities, whereas inflows may suggest renewed confidence in the city's economic and residential opportunities.

General Migration Patterns

Over the past several years, migration outflows from Northeastern states have accelerated, reflecting broader demographic and economic shifts that were amplified by the pandemic. While migration patterns have been influenced by a variety of factors, including taxation, housing affordability, and job opportunities, the pandemic fundamentally altered how and where people choose to live. The widespread adoption of remote work, particularly in office-based industries, has removed many of the geographic constraints that previously tethered employees to major urban centers. As a result, individuals and businesses alike have increasingly sought out regions with lower costs of living, more space, and a perceived higher quality of life. For example, the Missouri Economic Research and Information Center (MERIC) reports that, as of 2024, the Midwest and Southern states generally have a lower cost of living compared to the national average. This makes these regions more attractive for individuals and families seeking affordable housing and overall living expenses.[4]

Prior to the pandemic, migration trends in the Northeast were already showing gradual outflows toward the South and West, particularly to states such as Florida, Texas, North Carolina, and Tennessee. The pandemic then accelerated this movement as remote work enabled knowledge workers to relocate without disrupting their careers. States like New York, New Jersey, and Massachusetts saw sharp urban population declines as residents moved to suburban or exurban areas within the same region, or to entirely new states with more favorable tax policies and lower housing costs. This pattern has had a lasting impact, as many companies have adapted to flexible work policies that allow employees to maintain residence outside traditional employment hubs.

Additionally, shifting lifestyle preferences have played a significant role in these migration decisions. A growing number of young professionals and families have prioritized affordability, access to outdoor spaces, and lower-density living environments, which has driven population growth in mid-sized cities and suburban markets. The rise of secondary metropolitan areas, often referred to as "Zoom towns", has further reshaped migration dynamics, with previously overlooked cities emerging as new hubs of economic activity.

Beyond individual and household relocations, corporate migration has also been a contributing factor. Companies seeking to reduce operational expenses have relocated headquarters and regional offices to states with lower tax burdens, business-friendly policies, and a lower cost of labor. This, in turn, has influenced workforce migration, as employees either follow their employers to new locations or take advantage of increased job opportunities in these growing markets.

To gain a comprehensive understanding of the ongoing effects of these migration trends, it is essential to analyze the patterns specific to Baltimore and its surrounding areas. To facilitate this, the AECOM team collected and analyzed IRS migration data, gleaning insights into the movement of individuals and families based on changes in tax filing locations. The data shows movement by comparing individuals' locations of their current year's filings with the locations of their previous year's filings. It is important to note that this dataset reflects domestic migration based on tax filers and does not capture international migration. This dataset offers a high-level perspective on demographic shifts across the U.S., highlighting where people are relocating from and where they are settling. A detailed discussion of this data follows in the next section.

Migration Patterns Across Counties

In 2020-2021, Baltimore County saw the highest inflows per county, with approximately 768,000 people moving in, followed by Anne Arundel at 591,000 and Baltimore City at 453,000. These counties also had the highest number of returns, with 406,000 for Baltimore County, 305,000 for Anne Arundel, and 270,000 for Baltimore City. Smaller counties like Carroll and Harford experienced significantly lower inflows, around 175,000 and 260,000 respectively, with returns reflecting similar patterns. In total, around 2.6 million people moved into these areas, with 1.36 million of them being returnees. This highlights significant population movements, particularly in Baltimore County and the surrounding areas.

During the same period, a total of 2.63 million people moved out of the listed counties, with significant outflows seen in Baltimore County (787,000) and Anne Arundel County (593,000). Baltimore City experienced 481,500 people moving out, while suburban areas like Carroll, Harford, and Howard Counties had lower outflows of 171,000, 255,000, and 347,000 people, respectively. There were also 1.38 million tax returns across these areas: Baltimore County had the highest number of returns (414,700), followed by Anne Arundel (305,000) and Baltimore City (279,700).

The migration outflows from Baltimore City suggest a shrinking tax base, particularly as higher-income office workers are the individuals and families that are more likely to relocate. This could challenge Baltimore's ability to fund public services, infrastructure, and development initiatives, especially if office space utilization continues to decline.

Figure 39 shows the net impact of inflows and outflows by jurisdiction.

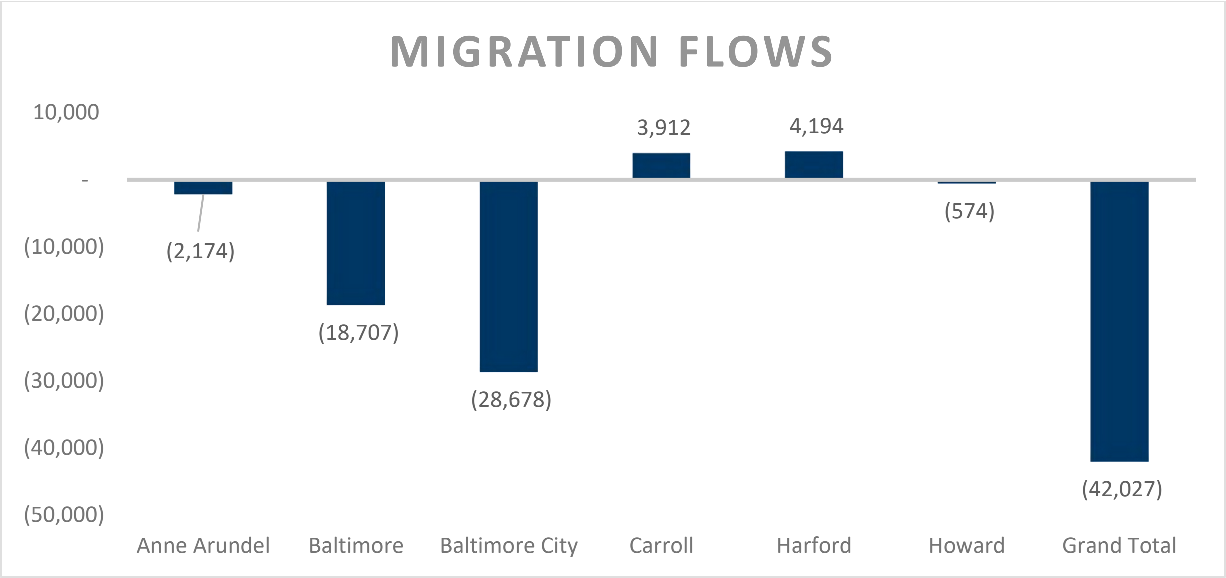


Figure 39: IRS Inflows and Outflow Patterns, 2020-2021 (source IRS)

Current and Future Plans

Baltimore's 2024 Annual Report[5] reviews current and planned infrastructure investments, streetscape improvements, and adaptive reuse projects to assess their impact on Baltimore's economic resilience and urban redevelopment. Key initiatives include the Eutaw Streetscape revitalization, which aims to enhance pedestrian connectivity and commercial viability, and the Liberty Dog Park transformation, which will repurpose an underutilized traffic median into a dynamic urban plaza.

Planned transit upgrades, supported by state funding, will focus on improving accessibility and multimodal connectivity within the downtown core, reinforcing its role as a business and residential hub. Additionally, the upcoming conversions of commercial properties into mixed-use developments, such as The Xander on Howard Street, reflect a broader strategy of mitigating office vacancies and stimulating sustained economic activity.

Factors Supporting Downtown Growth

The potential growth of Downtown Baltimore can be supported by several key factors that make this urban center attractive for businesses, residents, and visitors. Its relative affordability compared to neighboring metropolitan areas offers competitive real estate opportunities for businesses and housing developments. Historic features and waterfront locations enhance the character and appeal of downtown districts, drawing tourists, fostering cultural vibrancy, and supporting a strong sense of place. Additionally, Baltimore's unique location on the northeastern corridor and its proximity to Washington, D.C., provides access to a diverse economic network, attracting businesses and professionals who benefit from regional connectivity. Ease of access to transit further strengthens downtown areas by improving mobility, reducing congestion, and supporting transit-oriented development that enhances walkability and livability.

Residential Development and Relative Affordability

According to data from the U.S. Bureau of Labor Statistics (BLS), housing expenditures constitute the largest portion of household budgets in both the Baltimore and Washington, D.C. metropolitan areas. In the Baltimore area, households spend an average of $28,273 annually on housing, accounting for 32.4 percent of their total expenditures. In contrast, households in the Washington, D.C. area allocate approximately $34,498 per year to housing, representing 33.6 percent of their annual spending. On average, residents in the Washington, D.C. metropolitan area spend more on housing both in absolute terms, and as a percentage of their total expenditures, compared to those in the Baltimore area.

Transit Access

Traveling between Washington, D.C., and Baltimore is facilitated by several intercity transit options, each varying in terms of frequency, duration, cost, and service quality. Rail Services consist of MARC and Amtrak, which operates two lines connecting the cities. Average travel time for rail ranges from 45 minutes to an hour. Bus options include the FlixBus and Mega Bus with average travel times ranging from 40 – 50 minutes.

Between 30 percent and 50 percent of Downtown Baltimore's population has access to jobs within a 45-minute transit ride, as shown in Figure 40, based on data generated from the Environmental Protection Agency's (EPA's) *Access to Job and Workers via Transit Tool*[6] In addition, Figure 41 visualizes data from the EPA's *Smart Location Database* that shows that 90% - 100% of Census Block Group employment is within a half-mile of a fixed guideway transit stop.[7] This area also ranks in the top tier on the EPA's National Walkability Index (Figure 42).[8] The National Walkability Index measures the relative walkability of our nation's communities and is based on measures of the built environment that affect the probability of whether people walk as a mode of transportation (e.g., street intersection density, proximity to transit stops, diversity of land uses, etc.).[9]

BALTIMORE METROPOLITAN COUNCIL

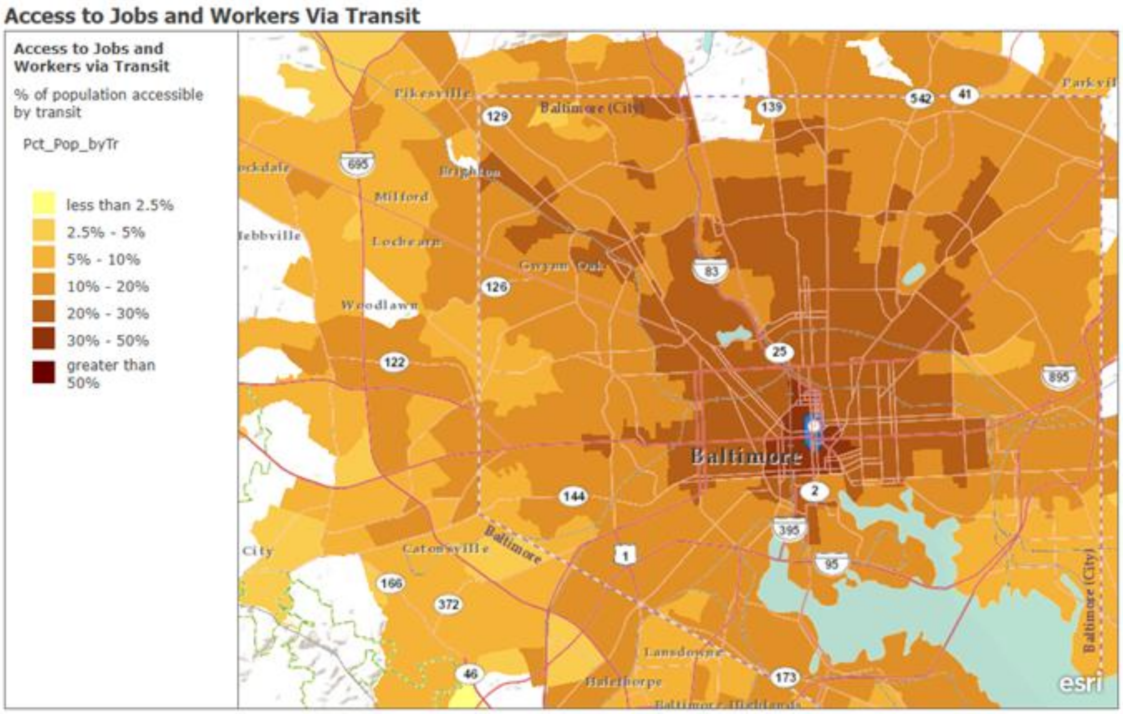


Figure 40: Baltimore Transit Access Map (source: EPA)

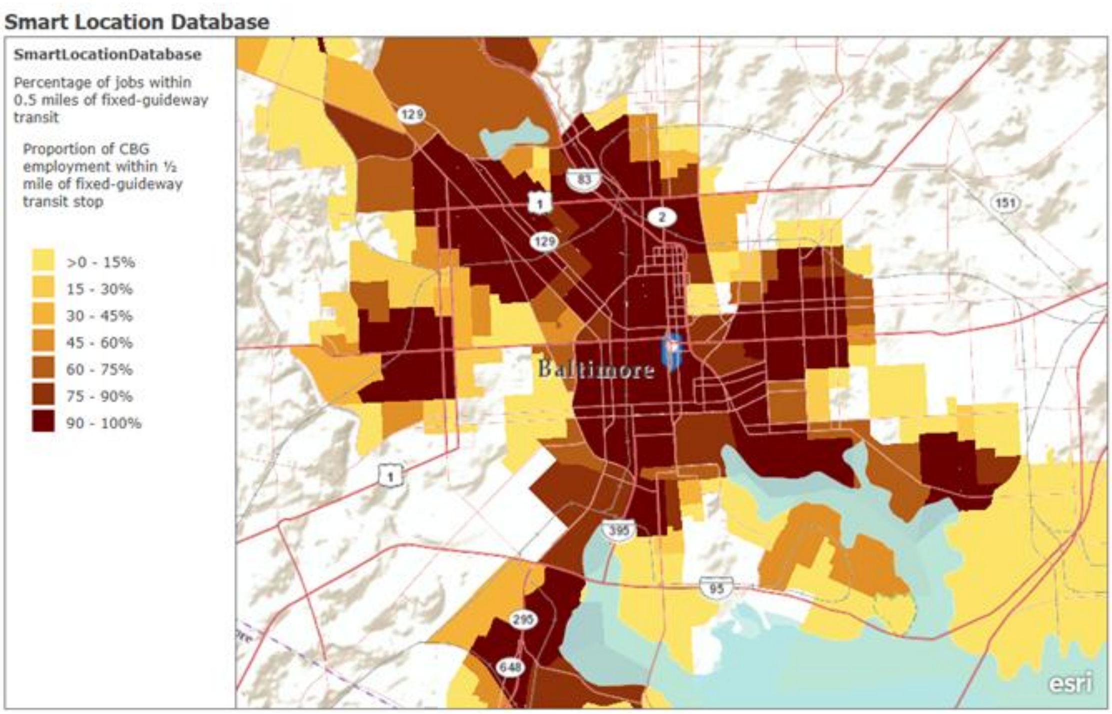


Figure 41: EPA Smart Location Database

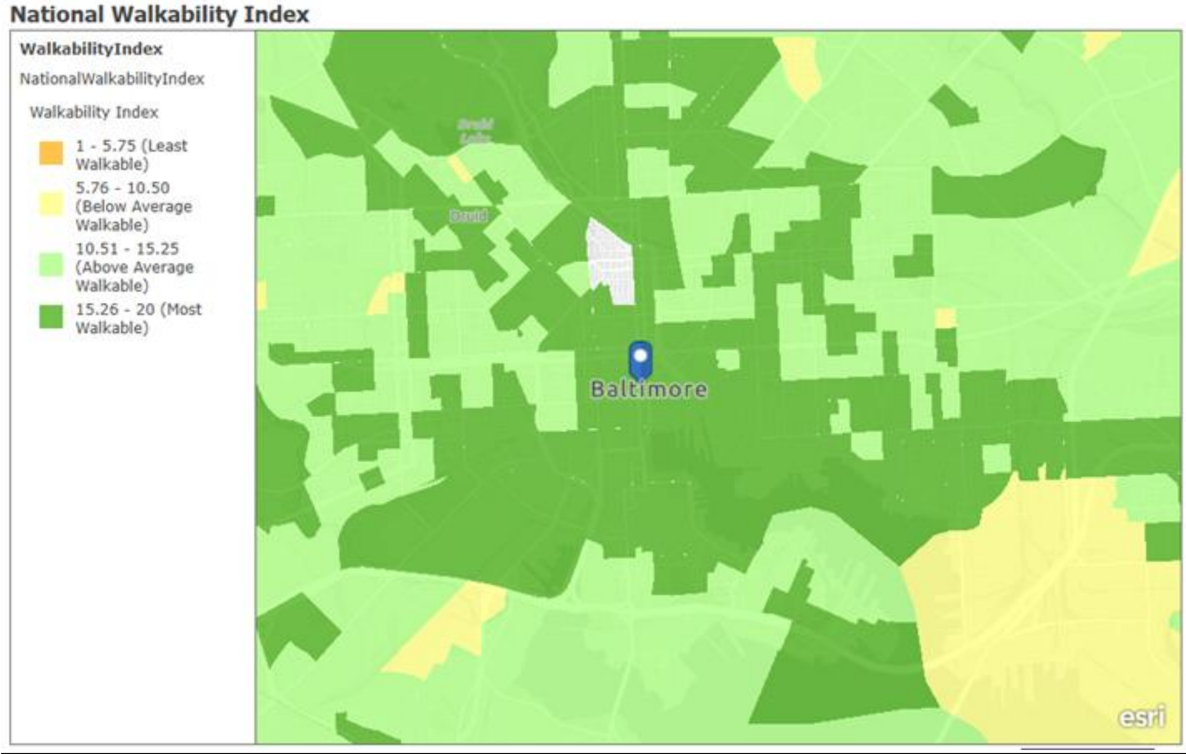


Figure 42: EPA's National Walkability Index

Historical and Cultural Features

While Washington, D.C., is characterized by its monumental national landmarks and comprehensive museums system, which reflect its status as the nation's capital, Baltimore offers a more localized cultural experience with a historic waterfront, unique museums, and charming neighborhoods. Baltimore boasts a rich maritime history, prominently showcased by its Inner Harbor area, where visitors can explore historic ships and visit the acclaimed National Aquarium. The city's cultural scene is vibrant, with institutions like the Baltimore Museum of Art and the American Visionary Art Museum offering diverse artistic experiences. Historic neighborhoods such as Fells Point and Mount Vernon feature cobblestone streets, 18th-century architecture, and a variety of dining and entertainment options. Mount Vernon, in particular, is known for its cultural landmarks, including the Peabody Institute and the Walters Art Museum.

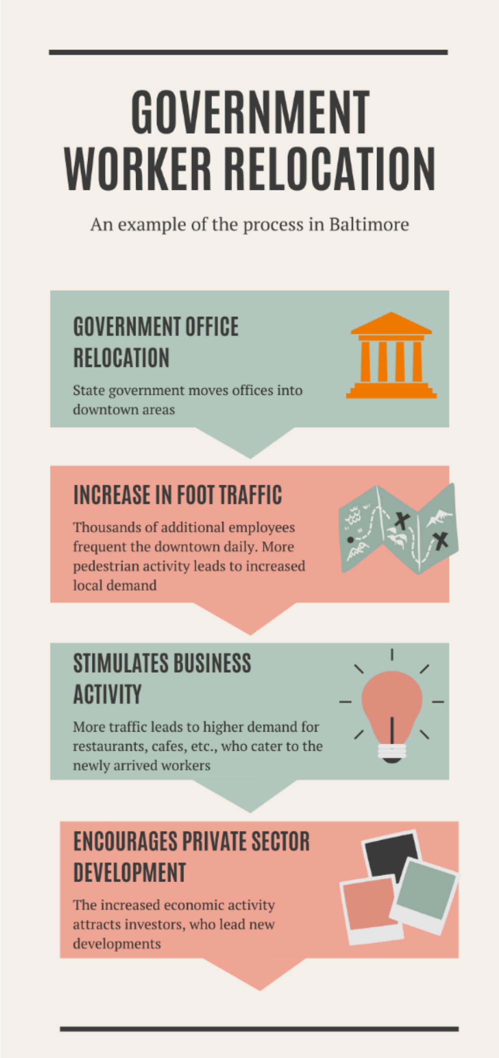
Government Relocation Policy and Revitalization Efforts

Baltimore, Maryland

Baltimore is actively relocating state employees to its downtown area as part of a strategic initiative to revitalize the CBD and address high office vacancy rates. In April 2021, Governor Larry Hogan announced a plan to relocate approximately 3,300 state employees from 12 agencies to downtown Baltimore. As noted previously, this effort involves moving employees from the aging State Center complex to modern office spaces downtown. This move was aimed at reducing office vacancies and stimulating economic activity in the CBD. This initiative was further supported under the Moore-Miller Administration to reaffirm its active role in the CBD revitalization.

Progress to Date

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. Agencies such as the Maryland Department of Assessments and Taxation and the Comptroller's Office have already completed their moves, with others like the Maryland Department of Health planning relocations by late 2025.[10] This influx of state workers is anticipated to address the high office vacancy rates in the CBD, which stood at nearly 24 percent at the time of the initial announcement.[11]



Recent Approvals

In December 2024, 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.[12]

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, furthering the commitment to downtown revitalization.[13]

Other City Examples

The use of government relocation to foster urban revitalization has been successfully implemented in other cities (Table 14). In the 1970s, the Rhodes Office Tower was built in Columbus, Ohio with a vision to provide a centralized location for various government agencies. In the DMV area, the relocation of the U.S. Department of Transportation's (USDOT's) headquarters to Washington, D.C.'s Navy Yard neighborhood centralized USDOT's operations and served as a catalyst for significant economic and infrastructural development in the Capitol Riverfront district. Other notable projects include the Wellington E. Webb Municipal Office Building in Denver, Colorado which housed 52 agencies of the City and County of Denver, and the relocation of the California State Legislature and the Governor of California at1021 O Street Office Building in Sacramento, California.

When government offices relocate to a centralized area, they create economies of agglomeration by increasing foot traffic, stimulating business activity, encouraging private development, improving infrastructure and livability, and enhancing long term stability. Urbanization economies refer to the benefits arising from city growth, such as improved transportation, cultural amenities, and infrastructure.

Table 14: Cities that Have Leveraged Government Relocation to Promote Urban Revitalization

City	**Denver, CO**	**Columbus, OH**	**Sacramento, CA**	**USDOT relocation, Navy Yard, Washington DC**
Project Description	The Wellington E. Webb Municipal Office Building is a 12-story, 704,000-square-foot office tower located at 201 W Colfax Avenue in Denver. The building houses more than 1,800 employees from 52 agencies and sub-agencies of the City and County of Denver, including the City Auditor's Office, the District Attorney's Office, Public Works, Planning and Development, and the Office of Economic Development. The structure features 571 underground parking spaces and 100 bike lockers, and it is connected by a glass atrium to the historic Annex One Building, which underwent an 88,000-square-foot renovation as part of the project.	Rhodes State Office Tower: A modernist skyscraper designed to consolidate state government offices, providing a centralized location for various agencies. Michael B. Coleman Government Center: An eight-story, 196,000-square-foot facility designed to house departments such as Building & Zoning Services, Public Service, Development, and Public Utilities. The center includes public access areas for permits and services, a public hearing room, and office space for approximately 538 city employees	A 10-story, 478,000-square-foot office building designed to house offices for the California State Legislature, the Governor of California, and other state officials. The building includes hearing rooms on the first two floors and offices on the upper floors.	The USDOT headquarters comprises two interconnected buildings totaling approximately 1.35 million square feet of office space. Located at 1200 New Jersey Avenue SE, the facility houses various departmental administrations and features modern amenities, including conference centers and secure facilities. The design emphasizes sustainability and accessibility, aligning with federal green building standards.
Project Timeline	Early 2000: The City and County of Denver initiated plans to centralize municipal offices. 2002: Completion of the Wellington E. Webb Municipal Office Building, consolidating numerous city agencies into a single downtown location.	1970s: The Rhodes State Office Tower, a 41-story building at 30 East Broad Street, was constructed between 1971 and 1974 to house various state agencies, marking an early effort to centralize government functions downtown. 2013 - 2018: Plans were initiated to further consolidate city offices, leading to the development of the construction of Michael B. Coleman Government Center.	2018: Authorization of the 1021 O Street Office Building project to provide a modern workspace for the California State Legislature and the Governor's office. 2021: Completion of the 1021 O Street building, with offices occupied in December 2021 and the building opening to the public in January 2022.	Early 2000s: The decision was made to relocate USDOT's headquarters to the Navy Yard area. 2007: The new USDOT headquarters officially opened, bringing over 6,000 employees to the neighborhood.
Cost	Construction of the Wellington E. Webb Municipal Office Building estimated project value ~ $250 million.	Rhodes State Office Tower: $66 million and $80 million at the time of construction. Michael B. Coleman Government Center: The building was estimated to cost $73 million, with an additional $17 million allocated for an adjoining parking garage.	The project was completed at an estimated cost of $430 million.	The project was executed through an operating lease agreement. In 1999, the General Services Administration (GSA) proposed a $294 million construction approach for the headquarters. However, the operating lease was chosen, with initial annual lease payments of approximately $50 million.

Source	https://milehighdevelopment.com/project/wellington-e-webb-municipal-office-building/	https://das.ohio.gov/property-services/properties-and-facilities/facilityinformation/rhodes https://en.wikipedia.org/wiki/Michael_B._Coleman_Government_Center	https://www.pci.org/PCI/PCI/Project_Resources/Project_Profile/Project_Profile_Details.aspx?ID=253122	https://bipartisanpolicy.org/blog/fixing-federal-infrastructure-the-750-million-dot-headquarters-and-the-perverse-effects-of-budget-scoring/

Policy Levers

Downtown Baltimore, which saw major redevelopment efforts particularly during the 1950s to 1980s urban renewal period—was shaped to accommodate commerce, tourism, and government services following the city's post-industrial transition. As manufacturing declined, the area was gradually repurposed to support a service-oriented economy. In the wake of the COVID-19 pandemic, with widespread changes in work patterns and increased remote work, there is a renewed urgency to reimagine downtown land use—emphasizing mixed-use development and expanded residential options to foster a more livable and resilient urban core.

Revitalizing downtown areas requires a strategic blend of policy levers that address economic development, urban design, transportation, and community engagement. Key policy tools include financial incentives such as tax credits, grants, and opportunity zones to attract businesses and developers; zoning and land-use regulations that promote mixed-use development , affordable housing, and adaptive reuse and redevelopment of historic properties; infrastructure investments that support increased transit options and improvements in public safety; and policies that support economic diversification which address the financial sustainability of our communities.

Successful downtown revitalization depends on a coordinated policy approach that aligns economic, housing, transportation, and land-use goals. Fiscal incentives, affordable housing strategies, and adaptive reuse policies—when employed in isolation—deliver partial benefits. But when designed as an interconnected, holistic strategy, these levers reinforce one another and maximize public return on investment. Coordinated implementation requires:

- effective interagency collaboration to align policy goals;
- stacking incentives to support complex projects by reducing financial barriers and attracting private capital; and
- streamlining project delivery through cross-sector partnerships.

Long term, partnerships fostered by policy coordination between local governments, private investors, and community organizations can play a crucial role in fostering long-term economic sustainability and vibrant urban life.

Fiscal Incentives

Fiscal incentives are government policies designed to encourage specific economic activities or behaviors by reducing financial burdens on individuals, businesses, or industries. These incentives typically take the form of tax breaks, subsidies, grants, or other financial benefits to stimulate investment, production, or consumption in targeted sectors.

What is Baltimore Doing?

The Downtown Partnership of Baltimore (DPOB) currently offers two grant opportunities to promote revitalization efforts:

- Baltimore's Operation Storefront is a grant initiative managed by the DPOB aimed at revitalizing the city's downtown area by supporting businesses in occupying and enhancing ground-level retail spaces. The program provides financial assistance to business owners, including property owners who operate businesses within their premises, to cover various operational and improvement costs.
- The Facade Improvement Program offers matching grants to fund exterior improvements for commercial and industrial properties. It is designed to assist business and property owners in enhancing the exterior appearances of their commercial and industrial properties.

Other City Examples

- San Francisco voters approved Measure C to waive the City’s transfer tax for projects after a conversion to residential use. The City’s transfer tax is now waived on the first transfer of a property after a conversion from commercial to residential use. The exemption is limited to the first 5 million square feet of converted space, and to projects that receive Planning Department approval before January 1, 2030, and then receive a first construction document within three years.
- In February 2025, Seattle provided a sales tax exemption for the construction costs associated with converting commercial properties into residential housing. To qualify, developers must ensure that at least 10 percent of new area housing units are affordable for households earning at or below 80 percent of the Area Median Income (AMI). If these units remain affordable for 10 years, the deferred sales and use taxes are permanently waived.[14]

Key Implementation Challenges

Implementing fiscal incentives to promote downtown revitalization comes with several challenges that cities must navigate carefully. Budget constraints often limit financial resources, making it difficult to allocate funds for tax incentives, grants, and subsidies without negatively impacting other critical public services. Additionally, ensuring equitable distribution of incentives remains a challenge, as benefits sometimes disproportionately favor large developers or higher-income groups rather than small businesses, low-income residents, and historically marginalized communities. Even when incentives are distributed, their effectiveness is not always guaranteed—tax abatements, for example, may encourage development but can also lead to revenue losses without ensuring long-term economic benefits.

Market conditions further complicate revitalization efforts, as fiscal incentives alone may not be enough to attract investment in areas with high vacancy rates, declining property values, or weak consumer demand. To maximize impact, incentives must be well-coordinated with other policies, including zoning, land-use regulations, and infrastructure improvements. Without such integration, incentives might encourage unsustainable or disconnected development.

Administrative complexity is another obstacle, as managing incentive programs requires strong oversight, transparency, and enforcement to prevent misuse or inefficiencies, while ensuring an efficient application and compliance process for businesses and developers.

Community buy-in and political will are also crucial, as revitalization efforts often require broad public support. If incentives are perceived as disproportionately benefiting outside investors or contributing to gentrification, they may face resistance from residents and businesses. Lastly, long-term sustainability must be considered, as some incentives, such as tax breaks, can lead to revenue shortfalls over time, making it harder for cities to maintain public services. Balancing short-term economic boosts with long-term financial health is essential to ensuring that fiscal incentives contribute to a vibrant and resilient downtown.

Affordable Housing Initiatives

Affordable housing initiatives are government or private sector programs designed to make housing more accessible and affordable for low- and middle-income individuals and families. These initiatives aim to reduce housing costs, increase homeownership or rental opportunities, and prevent homelessness.

What is Baltimore Doing?

Baltimore is actively encouraging the conversion of underutilized office spaces into residential units to address the shortage of affordable housing. The city ranks eighth nationally in top 20 cities for future apartment conversions according to 2023 data from RentCafe.[15] The city's former Embassy Suites hotel, for instance, was closed during the pandemic and is now being converted into a 303-unit workforce housing development. This project, supported by a $30 million Opportunity Zone investment from Arctaris Impact Investors, aims to provide naturally affordable housing for households earning up to 80% of the area median income. [16]

The BuyIntoBmore Fixed Pricing Program was another initiative approved in March 2024. This program seeks to returning vacant, city-owned properties to productive use.[17] Program goals aim to make property acquisition predictable and affordable; encourage redevelopment of vacant properties; and support neighborhood revitalization.

Other City Examples

- New York City's "City of Yes for Housing Opportunity" initiative, approved by the City Council on December 5, 2024, represents a comprehensive overhaul of the city's zoning regulations to address the housing crisis. The facilitation of office-to-residential conversions is a key reform aimed at repurposing underutilized commercial spaces into housing. The plan also includes provisions to ensure that a portion of new housing units are affordable, aimed at creating mixed-income communities and addressing the shortage of affordable housing.

- Detroit has implemented several policy initiatives to convert underutilized office and commercial spaces into affordable housing, aimed at addressing both vacancy issues and housing shortages. These policy actions include financial incentives for property owners. In 2022, Detroit introduced the Second-Floor Residential Grant program offering property owners up to $10,000 to convert unused second-floor spaces above ground-floor commercial establishments into affordable housing units. This initiative targeted specific areas, including West Vernor Highway, Springwells Street, Junction, and Bagley Avenue.[18]

Key Implementation Challenges

Converting office buildings into affordable housing presents significant challenges, particularly when adapting existing structures to meet residential needs. Many office buildings were not designed to be living spaces, making it difficult to reconfigure layouts to accommodate apartments with adequate natural light, ventilation, and plumbing. Large commercial floor plates often result in deep interior spaces that lack windows, requiring creative architectural solutions or expensive modifications. These structural limitations drive up conversion costs, as extensive renovations are necessary to install kitchens, bathrooms, insulation, and other residential amenities. Without substantial financial support, such as grants or tax incentives, the high cost of conversion may deter developers from prioritizing affordable housing units.

Securing financing for office-to-housing projects is another significant barrier, as many lenders perceive them as risky investments. While affordable housing initiatives typically rely on government subsidies and tax credits, these funding sources are often limited and highly competitive. Even when financing is secured, ensuring compliance with residential building codes adds further complexity. Fire safety regulations, accessibility requirements, and ventilation standards differ significantly from commercial office guidelines, requiring additional modifications that further increase costs and project timelines.

Beyond the physical and financial hurdles, converted office spaces must also meet the needs of residents by providing access to essential infrastructure and amenities. Many commercial districts lack key residential services, such as grocery stores, schools, and recreational spaces, which can make them less suitable for long-term housing. Addressing these gaps requires additional investment in neighborhood development, which may not always align with city budgets or private sector priorities. Additionally, community resistance and stakeholder opposition can create further delays, as local businesses and property owners may fear changes to neighborhood character or the loss of commercial activity. Ensuring that office-to-residential conversions are both feasible and beneficial requires careful urban planning, strong public-private collaboration, and targeted policies to support sustainable and affordable housing solutions.

BALTIMORE METROPOLITAN COUNCIL

Adaptive Reuse and Redevelopment of Historic Properties

Adaptive reuse refers to the process of repurposing an existing building for a use other than what it was originally designed for while preserving its structural integrity. This approach is commonly applied to older or historic buildings to extend their lifespan, reduce waste, and maintain cultural heritage.

What is Baltimore Doing?

Baltimore's retail landscape is undergoing a significant transformation driven by adaptive reuse, a process that repurposes older and often historic properties into vibrant retail and mixed-use spaces. This shift reflects a broader movement toward sustainability, economic revitalization, and the preservation of the city's architectural heritage while adapting to modern consumer demands.

In Baltimore Southeast, the redevelopment of aging office and industrial buildings into dynamic retail and mixed-use spaces is particularly evident along Boston Street and Canton Crossing. Projects such as the 79,856 SF transformation of 3301 Boston Street from an outdated office building into a modern commercial hub, or the 25,000 SF redevelopment of a former warehouse into a modern, multi-use facility for light industrial, biotech and commercial tenants on Bayview Boulevard, exemplify the area's evolution. The historic nature of many of these structures adds character to emerging retail districts, reinforcing a sense of place while offering contemporary retail experiences.

Similarly, Baltimore Midtown has embraced adaptive reuse to enhance the walkability and vibrancy of its neighborhoods. A prime example is R. House on 29th Street, a former industrial warehouse that has been reimagined as a lively food hall and retail gathering space. R. House extends beyond a food hall, serving as a communal space that hosts diverse events such as jazz nights, trivia contests, and mini markets for non-culinary entrepreneurs. Its inclusive programming has made it a gathering place for various community groups. This project demonstrates how older structures can be creatively repurposed to foster community engagement.

In other parts of the city, the focus is on the revival of existing retail corridors rather than the conversion of non-retail properties. Baltimore Northwest is seeing the redevelopment of struggling retail centers into community-oriented destinations, with The Village at Mondawmin undergoing significant upgrades to improve accessibility and business mix. Meanwhile, Baltimore Southwest has seen smaller-scale redevelopments, such as the conversion of an auto repair facility on Frederick Avenue into a multi-use retail and service center, demonstrating the adaptability of older structures to serve contemporary commercial needs.

Beyond the urban core, larger industrial sites and aging shopping centers are also being reimagined. In Baltimore County East, an extensive redevelopment is taking place as former industrial sites, such as the one at Bethlehem Boulevard, are converted into modern retail and logistics hubs. This transformation aligns with Baltimore's strategic positioning as a logistics center while breathing new life into underutilized spaces. In Outlying Harford County, the conversion of the former department store at Harford Mall into a multi-tenant retail and dining space illustrates how aging mall infrastructure can be revitalized to accommodate changing consumer preferences.

These adaptive reuse efforts not only preserve the architectural legacy of Baltimore but also support economic sustainability by repurposing existing structures rather than resorting to demolition and new construction. By integrating modern retail and service offerings within historically significant spaces, the city is creating more engaging and resilient commercial districts that cater to evolving consumer behaviors, while fostering a sense of identity and continuity.

Other City Examples

In the City of San Francisco, the "Roadmap to Downtown San Francisco's Future" initiative amends planning codes to maximize the flexibility of downtown zoning, including the following:

In 2023, San Francisco issued a Request for Interest (RFI) - Adaptive Reuse of Downtown Commercial Buildings. The goal of this RFI was to identify projects for which the city could help speed or enhance adaptive reuse through regulatory changes and financial incentives. Respondents to the RFI were asked to describe their proposal and show how the City's assistance could help make it feasible.

The City approved legislation (Ordinance No. 159-23) that established a new Commercial-to-Residential Adaptive Reuse Program (Planning Code Section 210.5). Projects which meet certain criteria are eligible to receive waivers of Planning Code requirements. The legislation also eliminated restrictions on office and housing above ground level in the Union Square area.

The Department of Building Inspection published the "Commercial-to-Residential Adaptive Reuse Information Sheet," which clarified Building and Fire Code requirements and alternative methods of compliance for adaptive reuse projects.

Key Implementation Challenges

Implementing adaptive reuse and redevelopment of historic properties presents several challenges, ranging from regulatory hurdles to financial constraints. Even if zoning laws and preservation ordinances are modified, the approval processes can still be lengthy. Additionally, structural and design limitations, such as outdated layouts, inadequate ceiling heights, and the need for seismic retrofitting also complicate redevelopment efforts.

High rehabilitation costs are another deterrent to investment, as specialized materials, skilled labor, and unforeseen structural issues can significantly increase expenses. Securing financing is another challenge, as private lenders may perceive these projects as risky, and historic tax credits or grants often come with strict eligibility requirements. Compliance with modern building codes and accessibility standards, including fire safety and ADA regulations, adds further complexity, as does the need for infrastructure upgrades to support modern plumbing, electrical, and HVAC systems. Community resistance can also arise, with concerns about altering historic character or potential gentrification. Often, developers must navigate uncertain return on investment and legal complexities related to property ownership and redevelopment restrictions.

To address these challenges, cities and developers must adopt strategic approaches, such as streamlining zoning and permitting processes, offering financial incentives like tax credits and low-interest loans, and fostering public-private partnerships to share redevelopment risks. Providing technical assistance to developers on preserving historic integrity while upgrading infrastructure can help ensure compliance with modern standards. Engaging communities early in the planning process is essential to building support and addressing concerns about neighborhood impact. Additionally, integrating sustainability measures, such as energy-efficient systems and adaptive design solutions, can enhance the long-term viability of these projects.

Supporting Transportation Options

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

What is Baltimore Doing?

The City of Baltimore is actively enhancing transportation options in Downtown Baltimore through various initiatives, including the proposed Red Line Project and the BaltimoreLink Initiative.

The Red Line is a proposed 14-mile east-west light rail transit line designed to connect key areas from Woodlawn through Downtown Baltimore to Johns Hopkins Bayview Medical Center. In June 2024, light rail was confirmed as the preferred mode for the Red Line, which aims to bridge transit gaps and enhance connectivity across the city.[19,20]

Launched in 2017, BaltimoreLink resulted in a complete overhaul and rebranding of the core transit system operating within the city and throughout the greater Baltimore region. This initiative improved connectivity to Downtown Baltimore through several key changes:

- Introduced the CityLink service, which offers frequent, 24-hour service across a downtown grid that radiates out from the city on major streets.[21] These routes replaced the previous MTA bus lines and were designed to reduce overlapping services and inefficiencies while ensuring better access to the city's core.
- Introduced dedicated bus lanes to improve bus speed and reliability. These lanes were implemented on major streets where bus congestion slowed travel times.[22]
- Improved coordination between buses and other transit services like Light RailLink, Metro Subway Link, MARC Train Service, and Bike & Pedestrian Access.

Other City Examples

- Portland's investment in MAX Light Rail in 1986 and the Portland Streetcar in 2001 has played a crucial role in downtown revitalization. Transit-oriented development (TOD) around stations has led to vibrant mixed-use neighborhoods like the Pearl District. The city has implemented policies that encouraged high-density development, walkability, and reduced reliance on cars. Since the decision to build the MAX Light Rail in 1978, over $25 billion in development has occurred within walking distance of MAX lines, indicating significant economic growth and urban revitalization.[23]
- Dallas Area Rapid Transit (DART) introduced its light rail system on June 14, 1996, with an initial 11.2-mile network comprised of the Red and Blue Lines. The expansion of DART's light rail system has significantly stimulated urban redevelopment, particularly in downtown Dallas and surrounding areas. Between 1999 and 2021, real estate developments within a quarter mile of DART stations amassed a cumulative property value of $17.1 billion, underscoring substantial economic growth in these transit-adjacent areas.[24]
- Denver's Union Station underwent a significant redevelopment that commenced in 2010, with substantial completion achieved on July 1, 2014. The redevelopment transformed 19.5 acres of former rail yards into a dynamic urban center, integrating nine modes of transportation. The project encompassed new office spaces, residential units, retail establishments, and the renovation of the historic Union Station building. [25]Regional Transit District (RTD), Denver's regional transit agency, has estimated that the redevelopment of Union Station spurred $3.5 billion in private development in the surrounding area, with an annual economic impact of $2 billion. Private development at the station and in the surrounding area included 3,000 residential units, 1.9 million square feet of office space, 250,000 square feet of retail uses, and 750 hotel rooms.[26]

- Boston added an infill station to its system in 2014 which supported significant redevelopment around Assembly Square.[27] The $29.2 million Orange Line station, a 10-minute ride from downtown Boston, lies between Wellington Circle and Sullivan Square. It's predicted to serve 5,000 passengers on typical weekday by 2030. The station is the capstone of the massive $1.5 billion Assembly Row development, which planners expect will ultimately feature up to 2,100 residential units, a hotel, 1.75 million square feet of office space and 500,000 square feet of retail and restaurant space, including a Legoland Discovery Center, a 12-screen movie theater and a beer garden.

  Opened in 2004, the NoMa - Gallaudet U station was Washington Metrorail's first infill station.[28] Prior to construction, property in the vicinity of the station consisted of vacant land, railroad yards, warehouses, and other industrial properties. The project exceeded its initial estimates of 5,000 new jobs and $1 billion in area investments. According to a case study by the National Council for Public-Private Partnerships (NCPPP), assessed valuation of the 35-block area increased to four times its initial amount from 2001 to 2007. In addition, over 15,000 jobs were created between 1998 and 2007, with $1.1 billion in private investments.

Key Implementation Challenges

Developing transportation options to support downtown revitalization presents several challenges that cities must navigate. One of the primary obstacles is securing adequate funding, as transit projects require significant financial investment for infrastructure development, operations, and long-term maintenance. Many cities operate under tight budgets and rely on uncertain funding sources such as grants, bonds, or tax increases, which can delay implementation. Additionally, infrastructure limitations pose a challenge, as many downtown areas have outdated or inadequate transit systems that require costly upgrades. Retrofitting streets to accommodate expanded transit options, such as bus lanes, bike paths, or rail systems, can be complex due to space constraints, existing utility lines, and the need to maintain traffic flow during construction.

Coordination across multiple agencies and jurisdictions is another constraint to improving transportation options. Many transit systems require collaboration between city, state, and federal agencies, as well as private stakeholders, which can lead to inconsistencies in policies, delays in project approvals, and difficulties in integrating different transportation modes. Land use and zoning regulations also play a critical role in expansion, as outdated zoning laws or resistance from property owners may limit transit-oriented development (TOD), reducing ridership potential and economic benefits. Moreover, public opposition and political hurdles can slow down transit projects, with concerns about changes in traffic patterns, loss of parking, and construction disruptions leading to resistance from businesses and residents. Political disagreements over funding priorities and route planning can also result in delays or compromised projects that fail to meet long-term mobility needs.

Equity and accessibility concerns must also be addressed, as transit investments should prioritize underserved communities, low-income residents, and people with disabilities to ensure fair access to public transportation. Without careful planning, transit improvements could contribute to gentrification, displacing vulnerable populations instead of benefiting them. Additionally, the challenge of first mile/last-mile connectivity must be resolved to improve overall transit accessibility. If people cannot easily reach transit stations due to a lack of sidewalks, bike lanes, or feeder bus services, ridership may remain low.

Environmental and sustainability considerations add another layer of complexity. While expanding transit options can reduce traffic congestion and carbon emissions, construction projects must address potential environmental concerns, including air quality, green space preservation, and stormwater management. Investing in sustainable transit solutions, such as electrified buses and renewable energy sources, requires additional funding but is essential for long-term environmental benefits. Further, cities must develop flexible, forward-thinking transit strategies that anticipate changes in how people live and work.

To address these challenges, cities can leverage diverse funding sources, streamline regulatory approvals, and foster public-private partnerships to share costs and risks. Engaging communities early in the planning process is essential to gaining public support and addressing concerns about accessibility, affordability, and displacement. Additionally, integrating multimodal transit options, improving first-mile/last-mile connectivity, and adopting flexible transit strategies can enhance overall system effectiveness.

Economic Diversification through Small-Scale Manufacturing

> Economic diversification is the process of expanding and increasing the variety of industries, sectors, and sources of income within an economy to reduce dependence on a single industry or resource.

What is Baltimore Doing?

Baltimore developers have pursued private-sector investment, making renovated, flexible manufacturing space available downtown at 1100 Wicomico Street. The project involved a 416,000-square-foot building — within a HUBZone, an Opportunity Zone and an Enterprise Zone — that now offers entrepreneurs flexible space and support to scale their businesses. It's home to the Baltimore Innovation Center, an ecosystem of early-stage startups and growing businesses; and to Harbor Designs and Manufacturing, which works with startups, private companies, universities and independent inventors to turn product ideas into production-ready blueprints and then put the products together right there.[29]

Other City Examples

The Detroit Creative Corridor Center (DC3) is an organization that helps the creative community in Detroit.[30] The DC3 has a prototype studio in the A. Alfred Taubman Center for Design Education, which is located in downtown Detroit. Its incubator spaces have helped new businesses thrive.

Another example of diversification is Ford's acquisition of the iconic Michigan Central Station in 2018 with the intention to transform it into an innovation hub in Detroit's Corktown neighborhood.[31] The Corktown campus was envisioned as a place where Ford and its partners will work on autonomous and electric vehicle businesses, and design solutions for a new transportation operating system. By the end of 2024, approximately 1,000 Ford employees were working across these facilities, with plans to accommodate up to 5,000 employees and partners in the future.[32]

In the case of New York, the Civic Hall at Union Square was inaugurated in November 2023. This center provides accessible digital skills training and entrepreneurial support, particularly targeting underserved communities. It comprises of 85,000-square-foot facility spans seven floors, offering classrooms, flexible workspaces, and event venues designed to foster innovation, education, and collaboration in the tech sector. In the first year, the initiative reported significant engagement in first year with 35K visitors, 1.1K enrollments in digital skills and tech training, and 150+ events hosted including job fairs, community gatherings, and discussions on emerging technologies.[33]

Key Implementation Challenges

Revitalizing downtowns through economic diversification presents several challenges, including high commercial rents, outdated infrastructure, and regulatory hurdles that often deter investment. Many downtowns have historically depended on a single dominant industry, making it difficult to shift towards a broader mix of businesses. Attracting new industries requires a competitive business environment and workforce skill gaps can hinder diversification efforts, as new industries and creative sectors require specialized training that may not be widely available.

Infrastructure limitations is another factor that hinders redevelopment, as older buildings and inadequate broadband or utilities may not support modern business needs. Cities also face competition from suburban and regional business hubs, which often offer lower costs and greater accessibility, making it harder to draw businesses into downtown districts.

To address these challenges, cities can implement strategic policies that attract a mix of industries, invest in workforce training, and modernize infrastructure. Incentives such as tax credits, business incubators, and public-private partnerships can support both small businesses and emerging sectors.

Fostering Public Safety

> Public safety encompasses the systems, policies, and services designed to protect residents, visitors, and businesses from crime, hazards, and emergencies.

What is Baltimore Doing?

To address safety concerns, Baltimore has implemented a few initiatives, including Group Violence Reduction Strategy (GVRS), Crime Prevention Through Environmental Design (CPTED), and the Downtown Baltimore Guides (DBGs).[34] In addition, there are other safety initiatives coordinated by Downtown Partnership of Baltimore which include the Private & Public Security Partnerships, Homeless Outreach, Youth Work, and Downtown Safety Committee.

The GVRS is a comprehensive initiative aimed at reducing gun violence by directly engaging individuals most at risk of involvement in violent crime. Launched in January 2022, GVRS employs a collaborative approach that includes law enforcement, community organizations, and social service providers. The strategy offers support services and employment opportunities as alternatives to criminal activity, while holding accountable those who continue to engage in violence.[35]

Baltimore has also actively implemented CPTED principles to enhance public safety and deter criminal activity. These efforts focus on modifying the physical environment to reduce opportunities for crime and improve residents' quality of life. Key initiatives include improved street lighting, installation of security cameras, and blight reduction efforts.[36]

Other City Examples

San Francisco has invested nearly US$50 million in non-police, community-based ambassador programs as part of its Downtown Revitalization program. The Community Ambassador Program (CAP) was established in 2010. CAP employs ambassadors who provide safety escorts, deter crime, clean streets, and offer assistance in various neighborhoods.[37] As of June 2024, the program operated with 34 salaried ambassadors across six neighborhoods, including Bayview, Chinatown, Haight-Ashbury, Mid-Market, Mission, and Outer Sunset. The city also collaborates with organizations like Block by Block to manage ambassador programs in areas such as Yerba Buena and the Downtown San Francisco Partnership.[38] These programs employ ambassadors to provide cleaning, safety, and hospitality services, contributing to the overall revitalization efforts.

Seattle issued an executive order to address the open sale and use of drugs in public places in downtown neighborhoods. Actions include the pilot expansion of overdose response programs, research-based drug abatement programs, and expanded access to treatment services and overdose reversal medications. The sequence of actions include:

- Ordinance Prohibiting Public Drug Use and Possession: In September 2023, the Seattle City Council passed Ordinance 126896, classifying the knowing possession or use of controlled substances in public places as a gross misdemeanor under the Seattle Municipal Code. [39]
- Executive Order 2023-006, issued by Mayor Bruce Harrell, which directed the Seattle Police Department (SPD) to develop policies for arrests related to public drug use and possession, emphasizing diversion and treatment over incarceration. It outlined criteria for establishing probable cause and assessing threats of harm to others, considering factors such as location, drug type, and the individual's condition. The order also mandated data collection to evaluate the ordinance's effectiveness and inform future strategies.
- In November 2024, Mayor Harrell established the Downtown Activation Team through Executive Order 2024-02. This pilot initiative coordinates city departments and community partners to conduct regular cleaning, safety operations, and activations in downtown Seattle, the Chinatown-International District, and Little Saigon. The DAT focuses on improving public safety, cleanliness, and overall neighborhood vitality.[40]

Key Implementation Challenges

Implementing effective safety and security programs in cities often faces several constraints. Limited funding and resources make it difficult to sustain long-term initiatives; while balancing law enforcement with community trust remains a critical issue, as aggressive policing tactics can lead to tensions. Coordination between various agencies, including police, social services, and community organizations, is essential but often inefficient due to bureaucratic hurdles.

Addressing the root causes of crime—such as poverty, unemployment, and mental health issues—requires parallel investments in education, job training, and social services, yet these efforts are frequently underfunded. Additionally, criminal justice reforms, including alternative policing models and restorative justice programs, often face political and institutional resistance.

To address these challenges, cities must adopt a balanced approach that integrates law enforcement with community engagement, social services, and urban planning. Sustainable funding, inter-agency coordination, transparency, and data-driven policies are key to ensuring long-term success, while public trust and accountability must remain a priority to create safer, more resilient urban communities.

Policy Strategy Recommendations

This sustained shift in work habits will have broad implications for Baltimore City, particularly in terms of its tax base, public infrastructure, and transit network. With fewer workers commuting into the city daily, the demand for public transportation, parking facilities, and other commuter-related services is expected to decrease. This reduced usage could lead to declines in fare revenue for the city's transit system, potentially straining the budget needed to maintain and improve the network. Moreover, with fewer employees physically present in downtown office spaces, the city may face increased commercial vacancy rates, which can impact property tax revenues and the economic vitality of central business districts.

In response, city policymakers will need to adapt by prioritizing infrastructure that supports both remote work and hybrid work models. This could include rethinking the use of office spaces, potentially converting underutilized commercial properties into residential or mixed-use developments. Additionally, the city may need to realign its public transit policies to cater to shifting commuter patterns, focusing on improving services in residential areas and creating more flexible, demand-driven transportation options. By adopting these strategies, Baltimore can better position itself to navigate the long-term impacts of changing work patterns and maintain its economic resilience.

The emphasis on residential conversions and amenities is particularly notable given Baltimore's proximity and strong connectivity to Washington, D.C., which has experienced sustained growth over the past decade. Baltimore's geographic location offers a fast commute to D.C. via direct rail connections, making it an attractive option for workers. The housing shortage in the D.C. area, coupled with Baltimore’s more affordable real estate prices, provides an opportunity for Baltimore to attract high-income hybrid workers. These workers could benefit from Baltimore's amenities while also contributing to the city's tax base, positioning the city as a more desirable residential hub for those commuting part-time to D.C.

To be successful, revitalization requires a comprehensive strategy that integrates economic development, urban planning, transportation, and public engagement. An integrated approach must be adopted which provides a mechanism for policy coordination across implantation agencies. Leveraging a mix of fiscal incentives, zoning reforms, and infrastructure investments can promote mixed-use development and increase downtown vibrancy. However, consideration must be given to the sequencing of policies to get the most from revitalization programs. For example, fiscal incentives such as property tax abatements and sales tax exemptions for residential conversions, as seen in San Francisco and Seattle, encourage investment in adaptive reuse projects. These incentives should be paired with streamlined zoning approvals and flexible land-use policies to facilitate smooth implementation.

Ensuring the long-term success of downtown recovery efforts also requires a strong focus on sustainability, both in economic and environmental terms. Adaptive reuse and historic preservation strategies, as seen in Baltimore's transformation of aging buildings into residential spaces and small-scale manufacturing hubs provide a prototype for future development. Cities that prioritize the repurposing of existing structures over new construction reduce demolition waste and preserve architectural heritage while fostering economic revitalization. Efforts in Detroit and San Francisco demonstrate how grants and regulatory flexibility, can support sustainable redevelopment while maintaining community character.

Appendix

Policy Comparison Table

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
Define a North Star	Define a clear, forward-looking vision that guides where a city is going and embodies its unique strengths and context. Having an explicit North Star is useful for three reasons. Orienting toward a well-defined target provides a unified direction that can rally stakeholders. It also establishes a definition of success	Cleveland's 15-minute City - residents can live, work, play, and shop, all within a short distance. Such proximity improves quality of life and fosters environmental sustainability.	**Complete and Green Streets Ordinance (June 2022)**: This legislation mandates that city-sponsored road projects accommodate all users, including pedestrians, cyclists, and public transit riders, alongside motorists. The goal is to create safer and more accessible streets for everyone. **Transportation Demand Management Policy (August 2023)**: This policy reduces off-street parking requirements and encourages alternative transportation modes. Developers are incentivized to provide amenities like indoor bike parking and transit passes, promoting sustainable transit options. **Zoning Overhaul:** Form-Based Code Implementation (March 2024): Replacing the outdated Euclidean zoning, the new form-based code emphasizes building design and neighborhood aesthetics over segregated land uses. This change facilitates mixed-use developments, allowing residential, commercial, and recreational spaces to coexist, thereby enhancing neighborhood accessibility.	**Enhanced Accessibility:** By bringing essential services closer to residents, the initiative reduces travel time and transportation costs, particularly benefiting those without personal vehicles. **Environmental Sustainability**: Encouraging walking, biking, and public transit usage aims to lower carbon emissions and promote greener urban living. **Economic Revitalization**: Mixed-use developments and improved infrastructure can stimulate local businesses and attract new investments, contributing to economic growth. **Improved Public Health:** Increased opportunities for physical activity and reduced air pollution are expected to lead to better health outcomes for residents.	https://www.15minutecity.com/blog/cleveland
Build a portfolio of actions big and small	There needs to be a portfolio encompassing both big, bold ideas and targeted localized investment. Interventions at the macro- and micro-levels can deliver greater benefits combined than either would offer alone. To give just one example, the benefits of a major development strategy around an anchor attraction or in a sector where a city has a competitive advantage are likely to be greater when there are complementary neighborhood investments, such as housing developments and child-care facilities that support people who will play or work in the same area.	Washington, D.C.'s Union Market district in 2012 has led to a complete transformation of an underdeveloped light-industrial area into a vibrant mixed-use neighborhood with popular restaurants, trendy apartments, and new local businesses.	Key phases include: **A. Reopening as a Culinary Destination (2012):** The market was redeveloped and reopened in 2012, focusing on artisanal food vendors and eateries. It quickly became a hotspot for chefs, foodies, and entrepreneurs, housing over 40 vendors offering everything from gourmet sandwiches to global street food. **B. Mixed-Use Development & Residential Growth:** Several large-scale real estate projects followed, adding luxury apartments, office spaces, and retail. Projects like La Cosecha (a Latin market) and The Edison (residential towers) contributed to the area's urban density and appeal. Historic warehouse buildings were repurposed into coworking spaces, tech hubs, and creative studios. **C. Arts & Culture Expansion:** Murals and street art became defining features, enhancing the district's character. The neighborhood hosted cultural events like drive-in movies, art exhibits, and live performances to attract visitors. The arrival of museums and galleries, including immersive art installations, further diversified the district's offerings. **D. Infrastructure & Public Space Improvements:** Streetscaping efforts improved pedestrian access, bike lanes, and green spaces. A push for better public transit connectivity (proximity to NoMa-Gallaudet U Metro Station) increased foot traffic.	The Union Market area has become a focal point for development, with over 6,000 new residential units planned. Notably, at least 3,500 of these units, along with more than 250,000 square feet of retail space, are part of projects that have faced legal challenges, potentially impacting their timelines.	https://wdcep.com/wp-content/uploads/2023/12/Union-Market-2023-NP.pdf

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
Promote a wider mix of uses for land and buildings in city centers	City centers with a diverse mix of uses have recovered faster from the impacts of the pandemic than those with an overreliance on offices and retail and an oversupply of commercial property.5 A mix of uses in city centers promotes resilience by reducing dependence on a single sector, creates 'complete' neighborhoods that offer a density and diversity of services and amenities, fosters a diverse and inclusive community, and reduces transportation needs by helping more people to access services close to home.	Seattle's Downtown Activation Plan includes updating zoning policies to allow more flexibility in building use and height and allowing for more residential development while incentivizing the inclusion of amenities such as childcare and education facilities.	**Rezoning for Increased Residential Development:** Third Avenue Corridor: The plan proposes updating zoning policies to permit taller residential buildings along Third Avenue, from Union Street north to Stewart Street, and extending east on Pike Street and Union Street toward Fourth Avenue. This change would allow for high-rise residential development, with incentives for including childcare and educational facilities. **Facilitating Office-to-Residential Conversions:** The Office of Planning and Community Development (OPCD) and the Seattle Department of Construction & Inspections (SDCI) are identifying potential modifications to development standards to ease the conversion of office spaces into residential units. This initiative aims to address office vacancies and increase downtown housing availability. **Expanding Permitted Street-Level Uses:** The DAP seeks to broaden the range of allowable street-level uses to include offices, conference rooms, lab spaces, and residential building amenities. Additionally, it proposes expanding permitted uses for retail and recreational activities on all building floors, promoting a more dynamic and engaging street environment. **Incentivizing Hotel Development in Belltown**: In the Belltown neighborhood, the plan recommends increasing the Floor Area Ratio (FAR) limits to encourage hotel development. This adjustment aims to create permanent jobs and provide more accommodations for tourists and visitors, thereby boosting local economic activity. **Streamlining Environmental Review Processes:** The DAP proposes waiving State Environmental Policy Act (SEPA) requirements for all residential projects, following recent state legislation. This change is intended to expedite permitting processes for downtown developments, facilitating quicker project initiation and completion.	**Public Safety Enhancements**: The city reported an 18% decrease in overdoses and a nearly 17% increase in arrests compared to the previous year, contributing to a safer downtown environment. **Residential Growth:** Downtown Seattle now hosts over 106,000 residents, the highest number to date, indicating a successful transformation into a lively neighborhood. **Increased Foot Traffic:** In the past summer, more than 19 million people visited downtown, reflecting its growing appeal as a destination for both locals and tourists. **Public Space Activation**: Initiatives such as the installation of murals, establishment of satellite farmers markets, and creation of pickleball courts have enhanced public engagement and the vibrancy of downtown spaces	https://harrell.seattle.gov/wp-content/uploads/sites/23/2023/06/Downtown-Activation-Plan-Fact-Sheet-_FINAL_06.28.23.pdf https://wdcep.com/wp-content/uploads/2023/12/Union-Market-2023-NP.pdf https://downtownseattle.org/2024/08/king-5-seattles-downtown-activation-plan-is-a-roaring-success-one-year-later-city-leaders-say/
		Roadmap to Downtown San Francisco's Future amends planning codes to maximize the flexibility of downtown zoning.	**In 2023, the City issued a Request for Interest (RFI)** - Adaptive Reuse of Downtown Commercial Buildings. The goal of the RFI was to identify projects where the City could help speed or enhance adaptive reuse projects through regulatory changes and financial incentives. Respondents to the RFI were asked to describe their proposal and show how the City's assistance could help make it feasible. The City approved legislation (Ordinance No. 159-23) which **established a new Commercial-to-Residential Adaptive Reuse Program (Planning Code Section 210.5)**. Projects which meet certain criteria are eligible to receive waivers of Planning Code requirements. The legislation also eliminated restrictions on office and housing above the ground level in the Union Square area. Learn more about the Downtown Adaptive Reuse Program. The **Department of Building Inspection published the**	**Quantitative Impacts to Date:** **Conversions Completed:** To date, only one office-to-residential conversion project has been completed under this program. **Projects in Progress:** Several other conversion projects have been proposed, but many have faced financial challenges, leading to delays or cancellations. **Legislative Changes:** In an effort to make such conversions more economically viable, the city has introduced legislative changes, including waiving development impact fees and inclusionary housing requirements for eligible projects.	https://www.sfchronicle.com/sf/article/office-conversions-housing-20159492.php https://www.sfchronicle.com/realestate/article/downtown-sf-warfield-kalw-20154126.php https://www.c40knowledgehub.org/s/article/How-to-revitalise-city-centres-for-social-economic-and-environmental-resilience?language=en_US

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
			Commercial-to-Residential Adaptive Reuse Information Sheet which clarified Building and Fire Code requirements and alternative methods of compliance for adaptive reuse projects.		
Relocation of government offices to support growth	Before USDOT's relocation, the Navy Yard area was underdeveloped, crime-ridden, and lacked economic activity. The decision to move USDOT's headquarters from its previous location near L'Enfant Plaza to 1200 New Jersey Avenue SE in 2007 established a major federal presence, drawing businesses, real estate investment, and infrastructure improvements.	The relocation of the U.S. Department of Transportation (USDOT) headquarters to Southeast Washington, D.C. played a significant role in the revitalization of the Anacostia waterfront and the Navy Yard neighborhood		**Stimulating Real Estate Growth:** The USDOT headquarters brought thousands of employees into the area, increasing demand for housing, retail, and office space. Developers began investing in residential and commercial projects, turning what was once an industrial zone into a mixed-use neighborhood. The arrival of new apartments, condos, and office buildings helped drive up property values and made the area attractive to private investors. **Infrastructure and Transit Improvements**: The Navy Yard Metro Station saw increased ridership, leading to upgrades and expanded service to accommodate the growing workforce and new residents. Streetscapes were redesigned with walkability in mind, adding bike lanes, wider sidewalks, and improved public transportation options. USDOT's presence justified further public and private investment in roads, utilities, and public spaces. **Boosting Retail and Entertainment Development:** The influx of federal workers created demand for restaurants, shops, and entertainment venues, encouraging local businesses to open in the area. Nearby developments, such as The Yards and Capitol Riverfront, flourished due to the increased foot traffic. The construction of Nationals Park (home of the Washington Nationals MLB team) in 2008, a year after USDOT's move, further accelerated the area's revitalization. **Economic and Social Impact:** The USDOT relocation helped reduce crime rates as more people moved into the area, increasing surveillance and economic activity. Job creation surged with new business openings, benefiting both residents and commuters. The area transformed from a government-centric district into a vibrant, mixed-use urban hub.	
Actively support revitalization activity by revisiting planning policy density bonuses and permitting process		Salt Lake City has focused on making it easier to build housing in its downtown by making the permitting process very straightforward for developers seeking to build new housing	The city introduced **an electronic plan review system**, allowing applicants to submit and review plans digitally. Development of a **mobile application** for scheduling and managing building inspections **Reevaluation of off-street parking requirements** to promote mixed land use and reduce car dependency.	This transition to electronic plan review has expedited the review process, reduced paper usage, and improved communication between applicants and city officials. The app provides real-time updates, immediate inspection results, and direct communication with inspectors, enhancing transparency and efficiency. While specific quantitative outcomes are pending, the reform aims to lower construction	https://www.slc.gov/buildingservices/building-permits

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
				costs and encourage the development of more affordable housing units.	
Fiscal Incentives	Cities should also provide financial incentives to property owners and developers who invest in the development, retrofit or restoration of buildings and vacant or underutilized lots in city centers	San Francisco voters approved Measure C to waive the City's transfer tax for projects after a conversion to residential use.	The City's transfer tax is now waived on the first transfer of a property after a conversion from commercial to residential use. The exemption is limited to the first 5 million square feet of converted space, and to projects that receive Planning Department approval before January 1, 2030, and then receive a first construction document within three years.	**Goal is to convert at least 5 million square feet of office space to approximately 5,000 units of housing**. These units would welcome some 10,000 new residents to downtown's historic office core.	https://sfplanning.org/project/downtown-adaptive-reuse-program
Facilitating the conversion to mixed use	The conversion of underused commercial spaces and vacant offices to housing can help to boost property values and create more active, vibrant neighborhoods.	Waiving or modifying development standards and making regulatory changes to facilitate office-to-residential conversions, such as in **Seattle.**	Regulatory Changes: **Exemptions from Development Standards**: In July 2024, the Seattle City Council unanimously approved legislation that allows developers to convert office buildings to residential use with exemptions from certain development standards, design review processes, and the city's Mandatory Housing Affordability (MHA) requirements. These changes apply to areas where multifamily residential uses are permitted, including Downtown, Commercial, Neighborhood Commercial, Seattle Mixed, Midrise, and Highrise zones. **Sales Tax Exemption**: In February 2025, the city adopted legislation providing a sales tax exemption for the construction costs associated with converting commercial properties into residential housing. To qualify, developers must ensure that at least 10% of the new housing units are affordable for households earning at or below 80% of the Area Median Income (AMI). If these units remain affordable for 10 years, the deferred sales and use taxes are permanently waived. **Initiatives to Encourage Conversions:** Call for Ideas: In 2023, the Office of Planning and Community Development (OPCD) launched a "Call for Ideas" to gather innovative proposals for converting office spaces into residential uses. This initiative aimed to create vibrant neighborhoods by balancing residential, civic, and office uses.	The OPCD estimates that these combined efforts could result in the creation of 1,000 to 2,000 housing units over a seven-year period, including 100 to 200 affordable units. If paired with the city's Multifamily Tax Exemption (MFTE) program, the potential increases to 3,000 to 6,000 units, with 300 to 600 designated as affordable. **Challenges and Considerations:** Despite these initiatives, converting office buildings to residential use presents challenges. The high costs associated with retrofitting buildings to meet residential standards, including necessary structural changes and the addition of residential amenities, may deter developers without substantial financial incentives. Additionally, there are concerns that the resulting units may be predominantly luxury apartments, which would not address the needs of lower- and middle-income residents. Navigating regulatory hurdles, such as zoning changes, could also complicate the conversion process.	https://www.theurbanist.org/2024/08/08/seattle-hopes-to-spur-office-to-housing-conversions-with-regulatory-incentives/ https://harrell.seattle.gov/2025/02/11/seattle-adopts-sales-tax-exemption-to-encourage-office-to-residential-conversions/ https://www.seattle.gov/opcd/office-to-residential
Include Affordable Housing Options	Ensuring that new residential development in city centers includes affordable housing to maintain a balanced community that includes young people, retirees on fixed incomes and families	Legalizing new housing above businesses on commercial streets. This can unlock space for affordable housing, help local residents live close to small businesses, and build vibrant mixed-use neighborhoods, as in **New York's City of Yes for Housing Opportunity** strategy to build more housing	New York City's "City of Yes for Housing Opportunity" initiative, approved by the City Council on December 5, 2024, represents a comprehensive overhaul of the city's zoning regulations to address the housing crisis. **Zoning Reforms:** The initiative introduces significant changes to zoning laws, including: (i) Permitting accessory dwelling units (ADUs) such as backyard cottages, garage conversions, and basement apartments, enabling homeowners to earn rental income and increasing housing options. (2) Relaxing or eliminating parking minimums to reduce construction costs and encourage development. (3) Facilitating office-to-residential conversions to repurpose underutilized commercial spaces into housing. **Affordability Measures**: The plan includes provisions to	The "City of Yes for Housing Opportunity" initiative is projected to enable the creation of approximately 82,000 homes over the next 15 years. This ambitious target reflects the city's dedication to addressing housing shortages and promoting sustainable urban growth.	https://www.bclplaw.com/en-US/events-insights-news/council-adopts-significant-zoning-changes-under-city-of-yes-for-housing-opportunity.html https://www.nyc.gov/assets/planning/download/pdf/plans-studies/city-of-yes/housing-opportunity/housing-opportunity-guide-illustrated.pdf https://www.hklaw.com/en/insi

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
		in every neighborhood, including downtown areas.	ensure that a portion of new housing units are affordable, aiming to create mixed-income communities and address the shortage of affordable housing. **Investment in Housing and Infrastructure**: A $5 billion investment has been allocated to support housing development and related infrastructure improvements, underscoring the city's commitment to expanding housing opportunities.		ghts/publications/2024/12/additional-modifications-to-zoning-resolution-under-city-of-yes https://www.coleschotz.com/new-york-city-council-approves-final-city-of-yes-housing-opportunity-element/ https://nylcv.org/news/city-of-yes-for-housing-opportunity-passes-nyc-city-council/ https://nylcv.org/news/city-of-yes-for-housing-opportunity-passes-nyc-city-council/
		Earmarking vacant office space for conversion to affordable housing, such as in Detroit.	Detroit has implemented several policy initiatives to convert underutilized office and commercial spaces into affordable housing, aiming to address both vacancy issues and housing shortages. **Policy Actions:** Financial Incentives for Property Owners: In 2022, Detroit introduced a program offering property owners up to $10,000 to convert unused second-floor spaces above ground-floor commercial establishments into affordable housing units. This initiative targeted specific areas, including West Vernor Highway, Springwells Street, Junction, and Bagley Avenue. **Comprehensive Affordable Housing Plan:** In 2022, Mayor Mike Duggan announced a $203 million plan to convert vacant apartment buildings and Land Bank homes into affordable housing options. This plan encompasses various strategies, such as rehabilitating existing structures and expediting approval processes for affordable housing projects. **Adaptive Reuse of Historic Buildings:** Detroit has been proactive in repurposing older office buildings, particularly those from the 1920s, which are more suitable for residential conversion due to their design. Notable examples include the transformation of the David Whitney Building and the David Stott Building into residential units.	**Anticipated Outcomes:** **Second-Floor Conversion Program:** The program offering $10,000 incentives aimed to create 24 new affordable housing units through the conversion of unused second-floor spaces. **Overall Affordable Housing Development:** As part of the broader $203 million affordable housing plan, the city has set a goal to preserve the affordability of 10,000 housing units by 2023, a target they have achieved.	https://www.cbsnews.com/detroit/news/detroit-announces-program-offering-10k-to-convert-2nd-floor-spaces-into-affordable-housing/ https://playbook.detroitmi.gov/sites/detroit.legacy/files/2025-01/02_Playbook_AffordableHousing_Final%20%281%29.pdf https://downtowndetroit.org/news-insights/downtown-detroit-ahead-of-the-game-for-office-space-conversion/ https://socialhousenews.com/win-win-vacant-commercial-space-being-converted-into-low-cost-housing/ https://playbook.detroitmi.gov/articles/chapter-2-affordable-housing
		Including specific zoning measures to allow for more affordable residential housing, such as in Seattle.	Seattle has undertaken several zoning reforms to increase the availability of affordable residential housing: **Mandatory Housing Affordability (MHA) Program**: In 2019, the Seattle City Council approved zoning changes in 27 neighborhoods, allowing for increased building heights and densities. In exchange, developers are required to include affordable housing units in their projects or contribute to a city fund dedicated to affordable housing development. **Neighborhood Residential Zoning Updates**: In response to Washington State's House Bill 1110, Seattle is revising its Neighborhood Residential zoning to permit more diverse housing types, such as duplexes, triplexes, and fourplexes,	**Mandatory Housing Affordability (MHA) Program:** Initiated in 2017 and expanded in 2019, the MHA program combined upzoning with requirements for developers to either include affordable units in new projects or contribute to a citywide affordable housing fund. However, studies have indicated that new construction decreased in areas subject to MHA requirements, as developers opted to build in nearby zones without such mandates. This suggests that the affordability requirements may have offset the incentives provided by upzoning.	https://beachworks.org/2024/07/29/seattle-approves-zoning-changes-to-27-neighborhoods/ https://www.seattle.gov/documents/Departments/OPCD/SeattlePlan/UpdatingNeighborhoodResidentialZoning.pdf https://harrell.seattle.gov/2024/10/16/mayor-harrell-releases-details-of-one-seattle-comprehensive-plan-update/ https://en.wikipedia.org/wiki/No

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
			in areas previously limited to single-family homes. This update aims to increase housing supply and affordability. **One Seattle Comprehensive Plan:** Released in October 2024, this plan proposes zoning changes to accommodate over 330,000 new housing units, more than doubling the city's current capacity. The plan focuses on expanding housing supply to improve affordability and includes a draft rezone map and ordinance to implement "middle housing" zoning changes. **Transit-Oriented Development (TOD)**: Seattle has implemented TOD strategies to promote affordable housing near transit hubs. For example, the area around Northgate Station was rezoned to support increased building heights, facilitating the development of mixed-use projects that include affordable housing units	**One Seattle Comprehensive Plan:** Announced in October 2024, this plan proposes zoning changes to accommodate over 330,000 new housing units, more than doubling the city's current capacity. The plan focuses on expanding housing supply to improve affordability and includes strategies such as an Affordable Housing Bonus and expanding the MHA program in areas experiencing significant zoning capacity increases. As this plan is recent, quantitative outcomes are not yet available. **Transit-Oriented Development (TOD):** Seattle has promoted TOD to create affordable housing near transit hubs. For instance, the redevelopment of Yesler Terrace, a 22-acre mixed-income neighborhood, includes plans for 5,000 residential units, with at least 561 units designated for households earning 30% or less of the area median income. This project is ongoing, with several buildings already completed and occupied.	rthgate_station_%28Sound_Transit%29 https://www.huduser.gov/portal/periodicals/cityscape/vol25num2/ch11.pdf https://harrell.seattle.gov/2024/10/16/mayor-harrell-releases-details-of-one-seattle-comprehensive-plan-update/
Support businesses in city centers	By investing in and supporting city-center businesses, cities can strengthen their local economies, create jobs, attract residents and tourists, enhance the city's sense of community and identity, and maintain a dynamic urban environment.	Set up a fund, team or entity to help businesses navigate city processes and connect them to resources and workspace. For example, **Seattle created a Small Business Navigation Team** to help small businesses understand city processes and access financial resources. In		The team provides personalized support, helping business owners understand and comply with regulations, access resources, and connect with relevant departments. This initiative aims to streamline interactions between small businesses and the city, fostering a more business-friendly environment. Organizations like the Seattle Metropolitan Chamber of Commerce collaborate with local governments and partners to support business recovery and connect small businesses to community-based lenders and loan readiness coaching.	https://www.seattle.gov/economic-development/about-us/our-work/small-business-advocates
		Montréal, the Chamber of Commerce launched an online platform to help companies find takers for their surplus square footage, where they can list space, they have for lease or sublease.	In an effort to optimize the use of downtown office spaces and support employers in managing their workspaces, the Chamber of Commerce of Metropolitan Montreal launched the "Espaces et cie" initiative. This online platform facilitates the listing and sharing of surplus office space among companies, promoting collaboration and efficient space utilization.	While specific quantitative impacts of the initiative are not readily available, the platform aims to revitalize city centers by encouraging the efficient use of existing office spaces, thereby contributing to social, economic, and environmental resilience	https://espacesetcie.com/
		Provide direct funding or incentives for businesses to set up shop in city centers - include tax breaks, grants or other support mechanisms to attract	San Francisco's First Year Free program is a policy initiative designed to support and stimulate small business development by waiving specific fees during the critical startup phase. Launched in 2021, the program aims to reduce financial barriers for new and expanding small businesses, thereby fostering economic growth and diversity within the city's commercial sectors.	**Business Participation**: As of February 11, 2024, approximately 9,363 businesses have enrolled in the program, indicating strong uptake and suggesting that the initiative effectively addresses the needs of new and expanding small businesses. **Financial Relief Provided**: The city has waived	https://sftreasurer.org/business/first-year-free https://www.sf.gov/sites/default/files/2024-03/FYF%20240126.pdf https://sftreasurer.org/business

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
		a diverse range of businesses. **San Francisco has extended its First-Year Free program** that eliminates city permit costs for new business ventures in its city center.	**Policy Actions:** **Fee Waivers**: The program waives initial registration fees, initial license fees, first-year permit fees, and other applicable fees for qualifying new businesses and new locations of existing businesses. This financial relief is intended to ease the burden on entrepreneurs during their first year of operation. Eligibility Criteria: To qualify, businesses must: Have $5 million or less in San Francisco gross receipts; Operate from a registered commercial location (home-based businesses and short-term rentals are excluded; Agree to repay the waived fees if their San Francisco gross receipts exceed $15 million. **Automatic Enrollment:** Eligible businesses are automatically enrolled upon registering as a new business or new location with the Office of the Treasurer & Tax Collector, streamlining the process and ensuring immediate support without additional administrative burdens.	more than $2.58 million in fees since the program's inception, providing substantial financial support to small businesses during their formative stages. **Business Growth:** Among the enrolled businesses, 3,947 are entirely new ventures, while the remainder are existing businesses expanding to new locations. This distribution highlights the program's role in both encouraging new entrepreneurial endeavors and supporting the growth of established small businesses. By reducing initial financial hurdles, the First-Year Free program has demonstrated tangible success in promoting small business development and economic diversity in San Francisco. The continuation and potential expansion of this initiative are likely to further enhance the city's commercial vitality.	/first-year-free https://sftreasurer.org/business/first-year-free https://www.sf.gov/news--mayor-london-breed-and-supervisor-hillary-ronen-join-small-business-community-announce https://www.sf.gov/news--mayor-london-breed-and-supervisor-hillary-ronen-join-small-business-community-announce
		Boston's PLAN Downtown seeks to promote the retention, growth and diversity of active ground-floor use, especially legacy and small businesses.	Boston's PLAN: Downtown is a comprehensive initiative aimed at fostering the growth, retention, and diversity of legacy and small businesses within the city's core. Adopted by the Boston Planning & Development Agency (BPDA) Board in December 2023, the plan establishes a framework to enhance Downtown Boston as a vibrant, 24-hour neighborhood, balancing livability, affordability, and a dynamic mix of uses. **Policy Actions Supporting Legacy and Small Businesses:** **Promotion of Active Ground-Floor Uses:** The plan emphasizes the importance of active ground-floor spaces, encouraging a variety of uses that attract foot traffic and create a lively streetscape. This approach supports small businesses by increasing visibility and customer engagement. **Zoning Reforms:** PLAN: Downtown proposes modernizing land uses and enabling greater density to encourage new growth and business opportunities. The draft zoning amendment, released in April 2024, builds upon public feedback and aims to facilitate adaptive reuse and preservation of historic buildings, creating more opportunities for small businesses to thrive in diverse spaces. **Support for the Creative Economy:** The plan includes updates emphasizing the importance of supporting the creative economy, recognizing the role of creative industries in driving innovation and economic diversity. This focus provides opportunities for small businesses in the arts, culture, and entertainment sectors to flourish. **Community Engagement and Advisory Groups**: Throughout the planning process, the BPDA engaged with community members, including small business owners, through advisory groups and public meetings. This	**Boston's PLAN:** Downtown initiative, adopted in December 2023, outlines several quantitative objectives to revitalize the city's core. While specific numerical targets are not extensively detailed in the available sources, the plan emphasizes key areas for development: **Housing Development:** The plan aims to increase housing options in the downtown area, focusing on affordability and livability. This includes promoting mixed-use developments that integrate residential units with commercial and public spaces. **Mobility Enhancements**: Improving walkability and access to public transportation is a priority. The plan seeks to ensure that every home in Boston is within a 10-minute walk of a rail station or key bus route stop, aligning with broader city goals. Open Space and Climate Resilience: Expanding access to open spaces and enhancing climate change preparedness are central to the plan. This involves creating new parks and green areas, as well as implementing infrastructure improvements to address climate resilience.	https://www.bostonplans.org/planning-zoning/planning-initiatives/plan-downtown https://www.boston.gov/sites/default/files/file/2022/10/Revive%20and%20Reimagine%20-%20a%20Strategy%20to%20Revitalize%20Boston%27s%20Downtown%20-%20Oct%202022.pdf https://www.bostonplans.org/planning-zoning/planning-initiatives/plan-downtown https://barrfdn.issuelab.org/resources/36441/36441.pdf https://www.bostonplans.org/planning-zoning/planning-initiatives/plan-downtown

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
			inclusive approach ensures that the needs and perspectives of legacy and small businesses are considered in policy development.		
		Offer financial support for underserved business owners. For example, Montréal offers assistance to vulnerable businesses in its downtown. **Boston launched a multi-million-dollar commercial subsidy program** to support underserved businesses and fill vacant space and offers low-rent or rent-free spaces for minority and women-owned business enterprises on buildings' upper floors. Boston also expanded entrepreneurship opportunities for street vendors/food trucks, which are approximately 70% owned by black, indigenous and people of color entrepreneurs, by allowing them to operate in more areas and at later times, while **San Francisco waived fees for food trucks and carts and small-to-medium-scale street and sidewalk events**.	Boston has implemented several policy initiatives to expand entrepreneurship opportunities for street vendors and food trucks, aiming to foster small business growth and enhance the city's culinary landscape. **Mobile Food Truck Ordinance (2011):** In April 2011, the Boston City Council passed an ordinance to promote economic development and support the food truck industry. This legislation defined food trucks, regulated vending on public and private sites, mandated commissary space, required GPS tracking, established permit fees, and capped the percentage of total permits per business. The ordinance also created a Mobile Food Truck Committee comprising various city departments to oversee the program. **Food Cart Pilot Program (2024)**: Launched in 2024, this pilot program aims to simplify the street vending process by assisting entrepreneurs in navigating city regulations and reducing startup costs. The initiative includes a concierge service to guide vendors through permitting, a streamlined application system, and materials translated into multiple languages. Designated vending zones have been established in various neighborhoods, including Maverick Square in East Boston and City Hall Square downtown.	**Growth of the Food Truck Program:** Since the 2011 ordinance, Boston's food truck program has expanded significantly, now encompassing over 95 food trucks operating across both public and private sites in the city. **Support for Entrepreneurs:** The Food Cart Pilot Program has been designed to lower barriers for entrepreneurs, particularly those from diverse linguistic backgrounds, by providing resources in multiple languages and establishing clear guidelines for compliance.	https://www.cityofboston.gov/foodtrucks/regulations/ordinance.asp https://www.boston.gov/government/cabinets/economic-opportunity-and-inclusion/apply-2024-food-cart-pilot-program https://www.boston.gov/departments/small-business-development/food-trucks https://www.boston.gov/government/cabinets/economic-opportunity-and-inclusion/apply-2024-food-cart-pilot-program
Improve transport access and infrastructure	Improving transport and streetscapes in city-center areas enhances urban life by creating more accessible, pedestrian-friendly spaces. It attracts people, encourages local business activity, and fosters a sense of community. These	Revitalization strategies should include updating transport links to make city centers easily accessible.			
		Improve pedestrian and cycle access and safety. Implement policies that prioritize pedestrian infrastructure, such as			

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
	improvements not only enhance the quality of life for residents but also attract visitors, boosting economic activity and reinforcing the city centers as a vibrant focal point of the city.	wider sidewalks, pedestrian zones, and well-maintained walkways.			
		Promote safer freight in city centers. Urban last-mile delivery creates traffic congestion, noise pollution, traffic accidents and safety concerns for pedestrians and cyclists.			
Expand the availability of public services in city centers	Downtowns that have a wide range of public services are more successful at addressing the diverse needs of urban populations. City centers dominated by offices and commercial buildings may lack basic public services that will be needed by a growing downtown population. In addition, city centers may have a higher concentration of vulnerable populations, including those facing homelessness, mental health challenges and unemployment, who will need targeted support. As well as helping those individuals, addressing these common downtown social challenges can lead to greater safety for everyone and a more positive perception of the city center.	San Francisco has invested almost US$50 million in non-police, community-based ambassador programs as part of its Downtown Revitalization program.	San Francisco has implemented several policy actions to revitalize its downtown area by establishing non-police, community-based ambassador programs. These initiatives aim to enhance public safety, cleanliness, and hospitality through civilian efforts, thereby creating a more welcoming environment for residents, workers, and visitors. Key Policy Actions: **Significant Budget Allocation:** The city has allocated nearly $50 million over two years to fund non-police, community-based ambassador programs. **Expansion of Ambassador Programs:** Mayor London Breed announced an expansion of community ambassadors and civilian police department personnel to improve public safety. **Community Ambassador Program (CAP)**: Established in 2010, CAP employs ambassadors who provide safety escorts, deter crime, clean streets, and offer assistance in various neighborhoods. As of June 2024, the program operated with 34 salaried ambassadors across six neighborhoods, including Bayview, Chinatown, Haight-Ashbury, Mid-Market, Mission, and Outer Sunset. **Partnerships with Organizations:** The city collaborates with organizations like Block by Block to manage ambassador programs in areas such as Yerba Buena and the Downtown San Francisco Partnership. These programs employ ambassadors to provide cleaning, safety, and hospitality services, contributing to the overall revitalization efforts.	San Francisco's non-police, community-based ambassador programs have demonstrated a significant impact on reducing crime in areas they serve. A study conducted by Stanford University, focusing on the work of Urban Alchemy—a nonprofit organization employing trained ambassadors, many with lived experiences such as former incarceration or homelessness—revealed notable findings. The research analyzed 40 intersections in the Tenderloin, SoMa, and Mid-Market neighborhoods, comparing crime rates during the organization's operating hours (7 a.m. to 7 p.m.) over a 12-month period before and after ambassador deployment. The results indicated a 52% overall reduction in crime at these intersections, with drug-related offenses decreasing by 80%. Importantly, the study controlled for potential displacement effects, confirming that the decline in crime was not merely shifting to nearby areas.	https://www.sf.gov/news--san-francisco-marks-progress-downtown-revitalization https://www.blockbyblock.com/news/mayor-london-breed-announces-expansion-of-ambassadors-and-public-safety-support/ https://sfist.com/2024/06/19/how-many-ambassadors-does-the-city-need-community-ambassadors-rally/ https://www.blockbyblock.com/news/block-by-block-expands-programming-in-san-francisco-to-yerba-buena-and-downtown/ https://urban-alchemy.us/mayor-london-breed-stanford-researchers-and-urban-alchemyannounce-52-decrease-in-crime-rates-in-ambassador-served-areas/
		Expand services for public health issues that affect city centers. For example, Seattle issued an executive order to address the open sale and use of drugs in public places in downtown neighborhoods. Actions include the pilot	**Ordinance Prohibiting Public Drug Use and Possession:** In September 2023, the Seattle City Council passed Ordinance 126896, classifying the knowing possession or use of controlled substances in public places as a gross misdemeanor under the Seattle Municipal Code. **Executive Order 2023-006:** Following the ordinance, Mayor Bruce Harrell issued Executive Order 2023-006, providing guidance on its implementation. The order directs the Seattle Police Department (SPD) to develop policies for arrests related to public drug use and possession, emphasizing diversion and treatment over incarceration. It	Initial reports indicate positive trends: **Downtown Activation Team Outcomes**: Since its inception in early September 2024, the DAT has contributed to a 27% decrease in violent crime, a 14% reduction in emergency service calls, and a 30% decline in emergency medical responses in the targeted areas compared to the previous year. **Enforcement and Diversion Efforts:** Upon enforcing the new drug ordinance in October 2023, SPD reported making 25 contacts in	https://www.kuow.org/stories/seattle-city-council-passes-drug-ordinance https://harrell.seattle.gov/2023/09/28/mayor-harrell-issues-executive-order-guiding-implementation-of-new-law-prohibiting-public-consumption-of-drugs/ https://harrell.seattle.gov/wp-

Action	Description	City Examples	Policy Actions	Impacts/ Prospective Outcomes	Source
		expansion of overdose response programs, research-based drug abetment programs and expanding access to treatment services and overdose reversal medications.	outlines criteria for establishing probable cause and assessing threats of harm to others, considering factors such as location, drug type, and the individual's condition. The order also mandates data collection to evaluate the ordinance's effectiveness and inform future strategies. **Downtown Activation Team (DAT):** In November 2024, Mayor Harrell established the Downtown Activation Team through Executive Order 2024-02. This pilot initiative coordinates city departments and community partners to conduct regular cleaning, safety operations, and activations in downtown Seattle, the Chinatown-International District, and Little Saigon. The DAT focuses on improving public safety, cleanliness, and overall neighborhood vitality.	areas known for rampant public drug use. Of these, 13 individuals were referred to caseworkers for services, highlighting the city's focus on connecting individuals to treatment and support rather than solely relying on arrests.	content/uploads/sites/23/2024/11/Executive-Order-2024-02-Downtown-Activation-Team-and-Neighborhood-Focused-Strategies.pdf https://downtownseattle.org/2024/11/seattle-mayor-announces-downtown-activation-team-to-revitalize-city-center/ https://www.fox13seattle.com/news/this-is-not-about-arresting-people-spd-rolls-out-enforcement-of-new-drug-possession-ordinance

Source: AECOM

BALTIMORE METROPOLITAN COUNCIL

Possible Baltimore Scenarios

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Define a North Star - Cleveland's 15-minute City - residents can live, work, play, and shop, all within a short distance. Such proximity improves quality of life and fosters environmental sustainability.	Complete and Green Streets Ordinance (June 2022): This legislation mandates that city-sponsored road projects accommodate all users, including pedestrians, cyclists, and public transit riders, alongside motorists. The goal is to create safer and more accessible streets for everyone. Transportation Demand Management Policy (August 2023): This policy reduces off-street parking requirements and encourages alternative transportation modes. Developers are incentivized to provide amenities like indoor bike parking and transit passes, promoting sustainable transit options. Zoning Overhaul: Form-Based Code Implementation (March 2024): Replacing the outdated Euclidean zoning, the new form-based code emphasizes building design and neighborhood aesthetics over segregated land uses. This change facilitates mixed-use developments, allowing residential, commercial, and recreational spaces to coexist, thereby enhancing neighborhood accessibility.	Baltimore's adoption of the Define a North Star policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Define a North Star policy similarly to Cleveland's 15-minute City - residents can live, work, play, and shop, all within a short distance. Such proximity improves quality of life and fosters environmental sustainability. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Define a North Star policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Build a portfolio of actions big and small - Washington, D.C.'s Union Market district in 2012 has led to a complete transformation of an underdeveloped light-industrial area into a vibrant mixed-use neighborhood with popular restaurants, trendy apartments, and new local businesses.	Key phases include: A. Reopening as a Culinary Destination (2012): The market was redeveloped and reopened in 2012, focusing on artisanal food vendors and eateries. It quickly became a hotspot for chefs, foodies, and entrepreneurs, housing over 40 vendors offering everything from gourmet sandwiches to global street food. B. Mixed-Use Development & Residential Growth: Several large-scale real estate projects followed, adding luxury apartments, office spaces, and retail. Projects like La Cosecha (a Latin market) and The Edison (residential towers) contributed to the area's urban density and appeal. Historic warehouse buildings were repurposed into coworking spaces, tech hubs, and creative studios. C. Arts & Culture Expansion: Murals and street art became defining features, enhancing the district's character. The neighborhood hosted cultural events like drive-in movies, art exhibits, and live performances to attract visitors. The arrival of museums and galleries, including immersive art installations, further diversified the district's offerings. D. Infrastructure & Public Space Improvements: Streetscaping efforts improved pedestrian access, bike lanes, and green spaces. A push for better public transit connectivity (proximity to NoMa-Gallaudet U Metro Station) increased foot traffic.	Baltimore's adoption of the Build a portfolio policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Build a portfolio policy similarly to Washington, D.C.'s Union Market district in 2012 has led to a complete transformation of an underdeveloped light-industrial area into a vibrant mixed-use neighborhood with popular restaurants, trendy apartments, and new local businesses. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Build a portfolio policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Promote a wider mix of uses for land and buildings in city centers - Seattle's Downtown Activation Plan includes updating zoning policies to allow more flexibility in building use and height and allowing for more residential development while incentivizing the inclusion of amenities such as childcare and education facilities.	Rezoning for Increased Residential Development: Third Avenue Corridor: The plan proposes updating zoning policies to permit taller residential buildings along Third Avenue, from Union Street north to Stewart Street, and extending east on Pike Street and Union Street toward Fourth Avenue. This change would allow for high-rise residential development, with incentives for including childcare and educational facilities. Facilitating Office-to-Residential Conversions: The Office of Planning and Community Development (OPCD) and the Seattle Department of Construction & Inspections (SDCI) are identifying potential modifications to development standards to ease the conversion of office spaces into residential units. This initiative aims to address office vacancies and increase downtown housing availability. Expanding Permitted Street-Level Uses: The DAP seeks to broaden the range of allowable street-level uses to include offices, conference rooms, lab spaces, and residential building amenities. Additionally, it proposes expanding permitted uses for retail and recreational activities on all building floors, promoting a more dynamic and engaging street environment. Incentivizing Hotel Development in Belltown: In the Belltown neighborhood, the plan recommends increasing the Floor Area Ratio (FAR) limits to encourage hotel development. This adjustment aims to create permanent jobs and provide more accommodations for tourists and visitors, thereby boosting local economic activity. Streamlining Environmental Review Processes: The DAP proposes waiving State Environmental Policy Act (SEPA) requirements for all residential projects, following recent state legislation. This change is intended to expedite permitting processes for downtown developments, facilitating quicker project initiation and completion.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Seattle's Downtown Activation Plan includes updating zoning policies to allow more flexibility in building use and height and allowing for more residential development while incentivizing the inclusion of amenities such as childcare and education facilities. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Roadmap to Downtown San Francisco's Future amends planning codes to maximize the flexibility of downtown zoning.	In 2023, the City issued a Request for Interest (RFI) - Adaptive Reuse of Downtown Commercial Buildings. The goal of the RFI was to identify projects where the City could help speed or enhance adaptive reuse projects through regulatory changes and financial incentives. Respondents to the RFI were asked to describe their proposal and show how the City's assistance could help make it feasible. The City approved legislation (Ordinance No. 159-23) which established a new Commercial-to-Residential Adaptive Reuse Program (Planning Code Section 210.5). Projects which meet certain criteria are eligible to receive waivers of Planning Code requirements. The legislation also eliminated restrictions on office and housing above the ground level in the Union Square area. Learn more about the Downtown Adaptive Reuse Program. The Department of Building Inspection published the Commercial-to-Residential Adaptive Reuse Information Sheet which clarified Building and Fire Code requirements and alternative methods of compliance for adaptive reuse projects.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Roadmap to Downtown San Francisco's Future amends planning codes to maximize the flexibility of downtown zoning. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Relocation of government offices to support growth - The relocation of the U.S. Department of Transportation (USDOT) headquarters to Southeast Washington, D.C. played a significant role in the revitalization of the Anacostia waterfront and the Navy Yard neighborhood	Relocation of stat (MD) and local offices to support growth	Baltimore's adoption of the Relocation of government offices to support growth policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Relocation of government offices to support growth policy similarly to the relocation of the U.S. Department of Transportation (USDOT) headquarters to Southeast Washington, D.C. played a significant role in the revitalization of the Anacostia waterfront and the Navy Yard neighborhood. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Relocation of government offices to support growth policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Actively support revitalization activity by revisiting planning policy density bonuses and permitting process - Salt Lake City has focused on making it easier to build housing in its downtown by making the permitting process very straightforward for developers seeking to build new housing	The city introduced an electronic plan review system, allowing applicants to submit and review plans digitally. Development of a mobile application for scheduling and managing building inspections Reevaluation of off-street parking requirements to promote mixed land use and reduce car dependency.	Baltimore's adoption of the Actively support revitalization policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Actively support revitalization policy similarly to Salt Lake City has focused on making it easier to build housing in its downtown by making the permitting process very straightforward for developers seeking to build new housing. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Actively support revitalization policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.
Fiscal Incentives - San Francisco voters approved Measure C to waive the City's transfer tax for projects after a conversion to residential use.	The City's transfer tax is now waived on the first transfer of a property after a conversion from commercial to residential use. The exemption is limited to the first 5 million square feet of converted space, and to projects that receive Planning Department approval before January 1, 2030, and then receive a first construction document within three years.	Baltimore's adoption of the Fiscal Incentives policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Fiscal Incentives policy similarly to San Francisco voters approved Measure C to waive the City's transfer tax for projects after a conversion to residential use. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Fiscal Incentives policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Facilitating the conversion to mixed use - Waiving or modifying development standards and making regulatory changes to facilitate office-to-residential conversions, such as in Seattle.	Regulatory Changes: Exemptions from Development Standards: In July 2024, the Seattle City Council anonymously approved legislation that allows developers to convert office buildings to residential use with exemptions from certain development standards, design review processes, and the city's Mandatory Housing Affordability (MHA) requirements. These changes apply to areas where multifamily residential uses are permitted, including Downtown, Commercial, Neighborhood Commercial, Seattle Mixed, Midrise, and Highrise zones. Sales Tax Exemption: In February 2025, the city adopted legislation providing a sales tax exemption for the construction costs associated with converting commercial properties into residential housing. To qualify, developers must ensure that at least 10% of the new housing units are affordable for households earning at or below 80% of the Area Median Income (AMI). If these units remain affordable for 10 years, the deferred sales and use taxes are permanently waived. Initiatives to Encourage Conversions: Call for Ideas: In 2023, the Office of Planning and Community Development (OPCD) launched a "Call for Ideas" to gather innovative proposals for converting office spaces into residential uses. This initiative aimed to create vibrant neighborhoods by balancing residential, civic, and office uses.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Waiving or modifying development standards and making regulatory changes to facilitate office-to-residential conversions, such as in Seattle. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Include Affordable Housing Options - Legalizing new housing above businesses on commercial streets. This can unlock space for affordable housing, help local residents live close to small businesses, and build vibrant mixed-use neighborhoods, as in New York's City of Yes for Housing Opportunity strategy to build more housing in every neighborhood, including downtown areas.	New York City's "City of Yes for Housing Opportunity" initiative, approved by the City Council on December 5, 2024, represents a comprehensive overhaul of the city's zoning regulations to address the housing crisis. Zoning Reforms: The initiative introduces significant changes to zoning laws, including: (i) Permitting accessory dwelling units (ADUs) such as backyard cottages, garage conversions, and basement apartments, enabling homeowners to earn rental income and increasing housing options. (2) Relaxing or eliminating parking minimums to reduce construction costs and encourage development. (3) Facilitating office-to-residential conversions to repurpose underutilized commercial spaces into housing. Affordability Measures: The plan includes provisions to ensure that a portion of new housing units are affordable, aiming to create mixed-income communities and address the shortage of affordable housing. Investment in Housing and Infrastructure: A $5 billion investment has been allocated to support housing development and related infrastructure improvements, underscoring the city's commitment to expanding housing opportunities.	Baltimore's adoption of the Include Affordable Housing Options policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the Include Affordable Housing Options policy similarly to Legalizing new housing above businesses on commercial streets. This can unlock space for affordable housing, help local residents live close to small businesses, and build vibrant mixed-use neighborhoods, as in New York's City of Yes for Housing Opportunity strategy to build more housing in every neighborhood, including downtown areas. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the Include Affordable Housing Options policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Earmarking vacant office space for conversion to affordable housing, such as in Detroit.	Detroit has implemented several policy initiatives to convert underutilized office and commercial spaces into affordable housing, aiming to address both vacancy issues and housing shortages. Policy Actions: Fiscal Incentives for Property Owners: In 2022, Detroit introduced a program offering property owners up to $10,000 to convert unused second-floor spaces above ground-floor commercial establishments into affordable housing units. This initiative targeted specific areas, including West Vernor Highway, Springwells Street, Junction, and Bagley Avenue. Comprehensive Affordable Housing Plan: In 2022, Mayor Mike Duggan announced a $203 million plan to convert vacant apartment buildings and Land Bank homes into affordable housing options. This plan encompasses various strategies, such as rehabilitating existing structures and expediting approval processes for affordable housing projects. Adaptive Reuse of Historic Buildings: Detroit has been proactive in repurposing older office buildings, particularly those from the 1920s, which are more suitable for residential conversion due to their design. Notable examples include the transformation of the David Whitney Building and the David Stott Building into residential units.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Earmarking vacant office space for conversion to affordable housing, such as in Detroit. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Including specific zoning measures to allow for more affordable residential housing, such as in Seattle.	Seattle has undertaken several zoning reforms to increase the availability of affordable residential housing: Mandatory Housing Affordability (MHA) Program: In 2019, the Seattle City Council approved zoning changes in 27 neighborhoods, allowing for increased building heights and densities. In exchange, developers are required to include affordable housing units in their projects or contribute to a city fund dedicated to affordable housing development. Neighborhood Residential Zoning Updates: In response to Washington State's House Bill 1110, Seattle is revising its Neighborhood Residential zoning to permit more diverse housing types, such as duplexes, triplexes, and fourplexes, in areas previously limited to single-family homes. This update aims to increase housing supply and affordability. One Seattle Comprehensive Plan: Released in October 2024, this plan proposes zoning changes to accommodate over 330,000 new housing units, more than doubling the city's current capacity. The plan focuses on expanding housing supply to improve affordability and includes a draft rezone map and ordinance to implement "middle housing" zoning changes. Transit-Oriented Development (TOD): Seattle has implemented TOD strategies to promote affordable housing near transit hubs. For example, the area around Northgate Station was rezoned to support increased building heights, facilitating the development of mixed-use projects that include affordable housing units	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Including specific zoning measures to allow for more affordable residential housing, such as in Seattle. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Support businesses in city centers - Set up a fund, team or entity to help businesses navigate city processes and connect them to resources and workspace. For example, Seattle created a Small Business Navigation Team to help small businesses understand city processes and access financial resources. In		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Set up a fund, team or entity to help businesses navigate city processes and connect them to resources and workspace. For example, Seattle created a Small Business Navigation Team to help small businesses understand city processes and access financial resources. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Montreal, the Chamber of Commerce launched an online platform to help companies find takers for their surplus square footage, where they can list space, they have for lease or sublease.	In an effort to optimize the use of downtown office spaces and support employers in managing their workspaces, the Chamber of Commerce of Metropolitan Montreal launched the "Espaces et cie" initiative. This online platform facilitates the listing and sharing of surplus office space among companies, promoting collaboration and efficient space utilization.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Montreal, the Chamber of Commerce launched an online platform to help companies find takers for their surplus square footage, where they can list space they have for lease or sublease. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Provide direct funding or incentives for businesses to set up shop in city centers - include tax breaks, grants or other support mechanisms to attract a diverse range of businesses. San Francisco has extended its First-Year Free program that eliminates city permit costs for new business ventures in its city center.	San Francisco's First Year Free program is a policy initiative designed to support and stimulate small business development by waiving specific fees during the critical startup phase. Launched in 2021, the program aims to reduce financial barriers for new and expanding small businesses, thereby fostering economic growth and diversity within the city's commercial sectors. Policy Actions: Fee Waivers: The program waives initial registration fees, initial license fees, first-year permit fees, and other applicable fees for qualifying new businesses and new locations of existing businesses. This financial relief is intended to ease the burden on entrepreneurs during their first year of operation. Eligibility Criteria: To qualify, businesses must: Have $5 million or less in San Francisco gross receipts; Operate from a registered commercial location (home-based businesses and short-term rentals are excluded; Agree to repay the waived fees if their San Francisco gross receipts exceed $15 million. Automatic Enrollment: Eligible businesses are automatically enrolled upon registering as a new business or new location with the Office of the Treasurer & Tax Collector, streamlining the process and ensuring immediate support without additional administrative burdens.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Provide direct funding or incentives for businesses to set up shop in city centers - include tax breaks, grants or other support mechanisms to attract a diverse range of businesses. San Francisco has extended its First-Year Free program that eliminates city permit costs for new business ventures in its city center. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Ease permitting regulations for ground-floor commercial spaces. Cities can make it easier to start and grow a business by creating transparency, streamlining processes and building out systems to support new businesses opening in city centers, such as in San Francisco.		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Ease permitting regulations for ground-floor commercial spaces. Cities can make it easier to start and grow a business by creating transparency, streamlining processes and building out systems to support new businesses opening in city centers, such as in San Francisco. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Boston's PLAN Downtown seeks to promote the retention, growth and diversity of active ground-floor use, especially legacy and small businesses.	Boston's PLAN: Downtown is a comprehensive initiative aimed at fostering the growth, retention, and diversity of legacy and small businesses within the city's core. Adopted by the Boston Planning & Development Agency (BPDA) Board in December 2023, the plan establishes a framework to enhance Downtown Boston as a vibrant, 24-hour neighborhood, balancing livability, affordability, and a dynamic mix of uses. Policy Actions Supporting Legacy and Small Businesses: Promotion of Active Ground-Floor Uses: The plan emphasizes the importance of active ground-floor spaces, encouraging a variety of uses that attract foot traffic and create a lively streetscape. This approach supports small businesses by increasing visibility and customer engagement. Zoning Reforms: PLAN: Downtown proposes modernizing land uses and enabling greater density to encourage new growth and business opportunities. The draft zoning amendment, released in April 2024, builds upon public feedback and aims to facilitate adaptive reuse and preservation of historic buildings, creating more opportunities for small businesses to thrive in diverse spaces. Support for the Creative Economy: The plan includes updates emphasizing the importance of supporting the creative economy, recognizing the role of creative industries in driving innovation and economic diversity. This focus provides opportunities for small businesses in the arts, culture, and entertainment sectors to flourish. Community Engagement and Advisory Groups: Throughout the planning process, the BPDA engaged with community members, including small business owners, through advisory groups and public meetings. This inclusive approach ensures that the needs and perspectives of legacy and small businesses are considered in policy development.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Boston's PLAN Downtown seeks to promote the retention, growth and diversity of active ground-floor use, especially legacy and small businesses. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Offer financial support for underserved business owners. For example, Montreal offers assistance to vulnerable businesses in its downtown. Boston launched a multi-million-dollar commercial subsidy program to support underserved businesses and fill vacant space and offers low-rent or rent-free spaces for minority and women-owned business enterprises on buildings' upper floors. Boston also expanded entrepreneurship opportunities for street vendors/food trucks, which are approximately 70% owned by black, indigenous and people of color entrepreneurs, by allowing them to operate in more areas and at later times, while San Francisco waived fees for food trucks and carts and small-to-medium-scale street and sidewalk events.	Boston has implemented several policy initiatives to expand entrepreneurship opportunities for street vendors and food trucks, aiming to foster small business growth and enhance the city's culinary landscape. Mobile Food Truck Ordinance (2011): In April 2011, the Boston City Council passed an Ordinance to promote economic development and support the food truck industry. This legislation defined food trucks, regulated vending on public and private sites, mandated commissary space, required GPS tracking, established permit fees, and capped the percentage of total permits per business. The ordinance also created a Mobile Food Truck Committee comprising various city departments to oversee the program. Food Cart Pilot Program (2024): Launched in 2024, this pilot program aims to simplify the street vending process by assisting entrepreneurs in navigating city regulations and reducing startup costs. The initiative includes a concierge service to guide vendors through permitting, a streamlined application system, and materials translated into multiple languages. Designated vending zones have been established in various neighborhoods, including Maverick Square in East Boston and City Hall Square downtown.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Offer financial support for underserved business owners. For example, Montreal offers assistance to vulnerable businesses in its downtown. Boston launched a multi-million-dollar commercial subsidy program to support underserved businesses and fill vacant space and offers low-rent or rent-free spaces for minority and women-owned business enterprises on buildings' upper floors. Boston also expanded entrepreneurship opportunities for street vendors/food trucks, which are approximately 70% owned by black, indigenous and people of color entrepreneurs, by allowing them to operate in more areas and at later times, while San Francisco waived fees for food trucks and carts and small-to-medium-scale street and sidewalk events. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Enable meantime use and pop-up options at vacant premises. Cities should aim to offer both short- and long-term solutions for mixed use that balance long-term regeneration projects with longer lead-in and delivery timeframes and short-term measures to bring life back into urban centers		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Enable meantime use and pop-up options at vacant premises. Cities should aim to offer both short- and long-term solutions for mixed use that balance long-term regeneration projects with longer lead-in and delivery timeframes and short-term measures to bring life back into urban centers. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.
Improve transport access and infrastructure - Revitalization strategies should include updating transport links to make city centers easily accessible.		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Revitalization strategies should include updating transport links to make city centers easily accessible. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Improve pedestrian and cycle access and safety. Implement policies that prioritize pedestrian infrastructure, such as wider sidewalks, pedestrian zones, and well-maintained walkways.		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Improve pedestrian and cycle access and safety. Implement policies that prioritize pedestrian infrastructure, such as wider sidewalks, pedestrian zones, and well-maintained walkways. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.
Promote safer freight in city centers. Urban last-mile delivery creates traffic congestion, noise pollution, traffic accidents and safety concerns for pedestrians and cyclists.		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Promote safer freight in city centers. Urban last-mile delivery creates traffic congestion, noise pollution, traffic accidents and safety concerns for pedestrians and cyclists. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Expand the availability of public services in city centers - San Francisco has invested almost US$50 million in non-police, community-based ambassador programs as part of its Downtown Revitalization program.	San Francisco has implemented several policy actions to revitalize its downtown area by establishing non-police, community-based ambassador programs. These initiatives aim to enhance public safety, cleanliness, and hospitality through civilian efforts, thereby creating a more welcoming environment for residents, workers, and visitors. Key Policy Actions: Significant Budget Allocation: The city has allocated nearly $50 million over two years to fund non-police, community-based ambassador programs. Expansion of Ambassador Programs: Mayor London Breed announced an expansion of community ambassadors and civilian police department personnel to improve public safety. Community Ambassador Program (CAP): Established in 2010, CAP employs ambassadors who provide safety escorts, deter crime, clean streets, and offer assistance in various neighborhoods. As of June 2024, the program operated with 34 salaried ambassadors across six neighborhoods, including Bayview, Chinatown, Haight-Ashbury, Mid-Market, Mission, and Outer Sunset. Partnerships with Organizations: The city collaborates with organizations like Block by Block to manage ambassador programs in areas such as Yerba Buena and the Downtown San Francisco Partnership. These programs employ ambassadors to provide cleaning, safety, and hospitality services, contributing to the overall revitalization efforts.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to San Francisco has invested almost US$50 million in non-police, community-based ambassador programs as part of its Downtown Revitalization program. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
Expand services for public health issues that affect city centers. For example, Seattle issued an executive order to address the open sale and use of drugs in public places in downtown neighborhoods. Actions include the pilot expansion of overdose response programs, research-based drug abetment programs and expanding access to treatment services and overdose reversal medications.	Ordinance Prohibiting Public Drug Use and Possession: In September 2023, the Seattle City Council passed Ordinance 126896, classifying the knowing possession or use of controlled substances in public places as a gross misdemeanor under the Seattle Municipal Code. Executive Order 2023-006: Following the ordinance, Mayor Bruce Harrell issued Executive Order 2023-006, providing guidance on its implementation. The order directs the Seattle Police Department (SPD) to develop policies for arrests related to public drug use and possession, emphasizing diversion and treatment over incarceration. It outlines criteria for establishing probable cause and assessing threats of harm to others, considering factors such as location, drug type, and the individual's condition. The order also mandates data collection to evaluate the ordinance's effectiveness and inform future strategies. Downtown Activation Team (DAT): In November 2024, Mayor Harrell established the Downtown Activation Team through Executive Order 2024-02. This pilot initiative coordinates city departments and community partners to conduct regular cleaning, safety operations, and activations in downtown Seattle, the Chinatown-International District, and Little Saigon. The DAT focuses on improving public safety, cleanliness, and overall neighborhood vitality.	Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	Baltimore implements the policy similarly to Expand services for public health issues that affect city centers. For example, Seattle issued an executive order to address the open sale and use of drugs in public places in downtown neighborhoods. Actions include the pilot expansion of overdose response programs, research-based drug abetment programs and expanding access to treatment services and overdose reversal medications. There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.
-		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Restated Policy and City	Baltimore-Equivalent Policy	Low Scenario	Mid Scenario	High Scenario
How Downtown Plans Can Create a Framework for Revitalization Efforts		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.
How Downtown Plans Can Create a Framework for Revitalization Efforts		Baltimore's adoption of the policy falls short due to resistance from key local stakeholders. The city faces delays in securing funding and public buy-in. As a result, implementation is slow, and the intended benefits, such as improving public safety and walkability, are only partially realized. Many areas remain underserved, and there's no measurable improvement in local businesses or residents' daily experiences.	There are moderate improvements in infrastructure and accessibility, but some neighborhoods are left behind due to uneven distribution of resources. While there are visible improvements in some key areas like business corridors, there are still challenges with public acceptance and logistical constraints, and the policy falls short of delivering its full transformative potential.	Baltimore's adoption of the policy exceeds expectations. The city's infrastructure sees a rapid upgrade, with significant improvements in walkability, public transportation, and local economic activity. There is broad public support, and private sector investments pour into revitalized neighborhoods. Key stakeholders cooperate, and the policy delivers strong economic and social benefits across all parts of the city, making it a model for other cities.

Sources

CoStar. (2025). CoStar Group: Commercial Real Estate Data, Analytics, and News. Available: https://www.costar.com

S&P 500 Economic Indicators. (2024). S&P 500 Index - S&P Dow Jones Indices. Available: https://www.spglobal.com

Internal Revenue Service (IRS). (2024.). IRS Website. Available: https://www.irs.gov

City of Baltimore. (2024). City of Baltimore Official Website. Available: https://www.baltimorecity.gov

Replica. (2024). Replica: Smart City Data Solutions. Retrieved February 21, 2025, from https://www.replica.io

[1] Deborah Acosta. “The U.S. Government has a Landlord, and Trump Isn’t a Fan.” The Wall Street Journal. Jan. 21, 2025. https://www.wsj.com/real-estate/commercial/the-u-s-government-has-a-landlord-and-trump-isnt-a-fan-872c469e

[2] US General Service Administration, Assets Identified for Accelerated Disposition, https://www.gsa.gov/real-estate/real-estate-services/real-property-disposition/assets-identified-for-accelerated-disposition

[3] Downtown Partnership of Baltimore. 2024 Annual Report - Downtown’s Moment: The Art of Urban Transformation. October, 2024. https://godowntownbaltimore.com/wp-content/uploads/24-224-DTP_Annual-Report_-lo-res-proof.pdf

[4] MERIC, 2024. Available: https://meric.mo.gov/data/cost-living-data-series

[5] Downtown Partnership of Baltimore. 2024 Annual Report - Downtown’s Moment: The Art of Urban Transformation. October, 2024. https://godowntownbaltimore.com/wp-content/uploads/24-224-DTP_Annual-Report_-lo-res-proof.pdf

[6] Environmental Protection Agency (EPA). Access to Jobs and Workers Via Transit Tool. https://epa.maps.arcgis.com/home/webmap/viewer.html?webmap=3bffc086a9b34928a632ab6c8530ebcf

[7] EPA. Smart Location Database Tool. https://epa.maps.arcgis.com/home/webmap/viewer.html?webmap=137d4e512249480c980e00807562da10

[8] EPA. National Walkability Index Tool. https://epa.maps.arcgis.com/home/webmap/viewer.html?webmap=f16f5e2f84884b93b380cfd4be9f0bba

[9] EPA. National Walkability Index Methodology and User Guide. June 2021. https://www.epa.gov/sites/default/files/2021-06/documents/national_walkability_index_methodology_and_user_guide_june2021.pdf

[10] Downtown Partnership of Baltimore. “State Center Relocation” informational webpage. https://godowntownbaltimore.com/advocacy/state-center-relocation/

[11] David Collins and Kai Reed, WBAL TV11 News. “3,300 state employees to be relocated to downtown Baltimore.” April 19, 2021. https://www.wbaltv.com/article/state-employee-relocation-downtown-baltimore/36165281

[12] Jack Hogan. “MD to move 620 workers from State Center as revamp planning resumes.” The Daily Record, Maryland. December 6, 2024. https://thedailyrecord.com/2024/12/06/md-to-move-620-workers-from-state-center-as-revamp-planning-resumes/

[13] MD Department of General Services. “Maryland Department of General Services Announces Request for Proposals to Lease Space for Multiple State Agencies in Baltimore City.” April 30, 2024.

[14] Callie Craigshead, Office of the Mayor of Seattle. “Seattle Adopts Sales Tax Exemption to Encourage Office-to-Residential Conversions.” February 11, 2025. https://harrell.seattle.gov/2025/02/11/seattle-adopts-sales-tax-exemption-to-encourage-office-to-residential-conversions/

[15] Veronica Grecu. “Adaptive Reuse Surges Again With 151K Upcoming Units; Hotel Conversions Overtake Offices in 2023. Rentcafe.com. May 7, 2024. https://www.rentcafe.com/blog/rental-market/market-snapshots/adaptive-reuse-apartments/

[16] Donna Kimura. “Former Baltimore Hotel to Become Workforce Housing.” Affordable Housing Finance website. January 15, 2025. https://www.housingfinance.com/developments/former-baltimore-hotel-to-become-workforce-housing_o

[17] Baltimore City Department of Housing & Community Development, Fixed Pricing Program, https://dhcd.baltimorecity.gov/sites/default/files/Fixed%20Pricing%20Program%202024%20Fact%20Sheet.pdf

[18] DeJanay Booth-Singleton. "Detroit announces program offering $10K to convert second-floor spaces into affordable housing." CBSnews.com. January 26, 2023. https://www.cbsnews.com/detroit/news/detroit-announces-program-offering-10k-to-convert-2nd-floor-spaces-into-affordable-housing/

[19] https://governor.maryland.gov/news/press/pages/governor-moore-announces-light-rail-as-recommended-mode-for-baltimore%E2%80%99s-red-line.aspx

[20] The Baltimore Red Line, https://redlinemaryland.com/

[21] Maryland Department of Transportation, BaltimoreLink Basics, https://www.mta.maryland.gov/baltimorelink-basics#:~:text=Launched%20in%20June%202017%2C%20BaltimoreLink,grid%20of%20high%2Dfrequency%20routes

[22] Maryland Department of Transportation, Infrastructure Improvements – Dedicated Bus Lanes, https://www.mta.maryland.gov/infrastructure-improvements

[23] TRI MET, MAX Light Rail Project History, https://trimet.org/history/maxoverview.htm

[24] UNT Economic Research Group, The Economic Impact New DART Light Rail Stations 2019 – 2021, November 2023, https://dartorgcmsblob.dart.org/prod/docs/default-source/tod-docs/the-economic-impact-near-dart-light-rail-stations-_-november-2023.pdf

[25] Continuum, Union Station Project Details, https://continuumpartners.com/project-page/union-station-district

[26] https://nap.nationalacademies.org/read/27953/chapter/18

[27] WBUR, New MBTA Station the Capstone of Somerville's Assembly Square Development, August 2014, https://www.wbur.org/news/2014/08/25/assembly-mbta-station-somerville

[28] USDOT Federal Highway Administration, Project Profile: NoMa – Gallaudet U Metrorail Station, https://www.fhwa.dot.gov/ipd/project_profiles/dc_noma.aspx

[29] Technical.ly, Baltimore is setting a national standard for diversifying its economy, December 2024, https://technical.ly/civic-news/baltimore-small-scale-manufacturing-economic-diversity/

[30] New Economy Initiative, Detroit Creative Corridor Center – Space as a Catalyst for Creativity, https://neweconomyinitiative.org/detroit-creative-corridor-center-space-as-a-catalyst-for-creativity/

[31] Ford Newsroom, Ford Acquires Iconic Michigan Central Station as Centerpiece of New Detroit Campus to Usher in Ford's Smart, Connected Future, June 2018, https://media.ford.com/content/fordmedia/fna/us/en/news/2018/06/19/ford-acquires-iconic-michigan-central-station.html

[32] Detroit Free Press, *Ford Employees Officially Move into New Office at Michigan Central Station, October 2024*, https://www.freep.com/story/money/cars/ford/2024/10/08/michigan-central-station-ford-employees-move-new-offices/75568534007/

[33] Civic Hall The Bernard Goldstein Center at Union Square, *Civic Hall's NY Tech Alliance Meet Up to Showcase Civic Hall Members to Celebrate its First Anniversary (November 2023),* https://www.civichall.org/press-releases/civic-hall-celebrates-one-year-anniversary-of-its-bernard-goldstein-center-at-union-square

[34] Downtown Partnership of Baltimore, Stewards of Downtown, https://godowntownbaltimore.com/what-we-do/hospitality-safety/

[35] Mayor's Office of Neighborhood Safety and Engagement Home, Group Violence Reduction Strategy (GVRS), https://monse.baltimorecity.gov/gvrs

[36] Maryland Department of Transportation, Community Design for Safety, https://dhcd.maryland.gov/Communities/Documents/csw/CommunitySafetyCPTED.pdf

[37] SFIST, How Many Ambassador's Does the City Need? SF Community Ambassadors Rally to Save their Jobs, June 2024, https://sfist.com/2024/06/19/how-many-ambassadors-does-the-city-need-community-ambassadors-rally/

[38] Block by Block, Block by Block Expands Programming in San Francisco to Yerba Buena and Downtown, July 2024, https://www.blockbyblock.com/news/block-by-block-expands-programming-in-san-francisco-to-yerba-buena-and-downtown/

[39] Office of the Mayor, Mayor Harrell Issues Executive Order Guiding Implementation of New Law Prohibiting Public Consumption of Drugs, September 2023, https://harrell.seattle.gov/2023/09/28/mayor-harrell-issues-executive-order-guiding-implementation-of-new-law-prohibiting-public-consumption-of-drugs/

[40] City of Seattle Office of the Mayor, Executive Order 2024-02: Establishing the Downtown Activation Team and NeighborhoodFocused Strategies to Restore and Sustain the Vibrancy of Seattle, https://harrell.seattle.gov/wp-content/uploads/sites/23/2024/11/Executive-Order-2024-02-Downtown-Activation-Team-and-Neighborhood-Focused-Strategies.pdf