

The Next Nashville? Billions In New Investment Could Put Baltimore Back On The Map

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Huge Baltimore real estate and infrastructure projects are coinciding to transform some of the most recognizable parts of the city and pump billions of dollars into the local economy.

These projects are expected to create a substantial draw to the city from out-of-town investors, new residents and tourists, several local developers and officials said last week at *Bisnow's* Baltimore State of the Market. But they cautioned that the growth will also bring issues from housing affordability to congestion that the city must begin to address now.



The Inner Harbor (<https://www.bisnow.com/tags/inner-harbor>), a top waterfront tourist destination, is planned for a \$500M overhaul that will add a host of mixed-use developments and public spaces. The city's

stadium district is set to benefit from major renovations to the homes of the Baltimore Ravens (<https://www.bisnow.com/tags/baltimore-ravens>) and Orioles pro football and baseball franchises with surrounding development. The state just approved a \$400M redevelopment of the Pimlico Race Course (<https://www.bisnow.com/tags/pimlico-race-course>). And the \$5.5B Baltimore Peninsula (<https://www.bisnow.com/tags/baltimore-peninsula>) megaproject is ramping up and creating a new neighborhood on the waterfront.

“Think about the ripple effect of all these projects,” Baltimore Development Corp (<https://www.bisnow.com/tags/baltimore-development-corp>). CEO Colin Tarbert said. “I think there’s \$6B within a 1-mile radius of Light and Pratt [streets] happening, but it’s happening around the whole city.”

Tarbert also pointed to last year’s \$250M renovation (<https://www.bizjournals.com/baltimore/news/2023/03/28/cfg-bank-arena-renovations-general-manager-tour.html>) of the venue where *Bisnow's* event was held, CFG Bank Arena. The city considered rebuilding a full arena before deciding to reposition the historic 1960s-era venue, which hosted legends like Elvis Presley and Jimi Hendrix but had become outdated. It put out a request for proposals and received three competitive bids.

“It was very competitive, which showed the strength and fortitude of what’s going to happen in Baltimore,” he said.

The bidder that won, Denver-based Oak View Group (<https://www.bisnow.com/tags/oak-view-group>), came to see Baltimore as an underrated city as it was traveling to town for the project, according to Clark Construction (<https://www.bisnow.com/tags/clark-construction>) Vice President Will Englehart, who was part of the project team.

“My friends at Oak View would say, ‘Baltimore is amazing. Why aren’t more people excited about it?’” he said.

“By the time we were done with this project, people were saying, ‘Baltimore could be the next Nashville. Why not?’ It has everything. It’s got all makings of a great city. Amazing amenities. And the more people we can get to come here, the more investment we can get to happen here, more and more people will become believers.”

Baltimore County Chamber of Commerce CEO Brent Howard also said he thinks the city can be the next hot market.

“Just seeing the continued growth of our area, we think Baltimore, as he said, can be the next Nashville or the next Austin,” he said. “It has everything you need in terms of citizenship, in terms of assets, in terms of climate, we’re on the water. Even proximity to other cities: We’re right here next to D.C., we’re a skip from New York.”

One of the primary projects that could help put Baltimore on the map is Harborplace (<https://www.bisnow.com/tags/harborplace>), MCB Real Estate (<https://www.bisnow.com/tags/mcb-real-estate>)'s planned redevelopment (<https://www.bisnow.com/baltimore/news/mixed-use/mcb-real-estate-reveals-baltimore-harborplace-redevelopment-design-121401>) of an iconic property on the city's Inner Harbor that Gensler designed (<https://www.bisnow.com/baltimore/news/architecture-design/mcb-tabs-gensler-to-lead-harborplace-design-119794>) as Baltimore's “postcard image.”



The \$500M project, which received approval (<https://www.bisnow.com/baltimore/news/economic-development/baltimore-city-council-approve-harborplace-overhaul-bills-123174>) from the city council and mayor this year but still needs to pass a voter referendum in November, is planned to have four new mixed-use buildings and 19 acres of public space.

MCB Vice President Adam Genn said the project is part of the effort to make Baltimore's downtown a more appealing, walkable urban place that will draw new businesses, residents and visitors.

“Harborplace is a really important component to that,” he said. “It is a driver, it is a trajectory changer, it is a way to signal to people that we’re positioning ourselves for the next 50 to 100 years instead of looking back to where we’ve been.”

Another potential trajectory-changing project is Baltimore Peninsula, the 235-acre, \$5.5B waterfront development where MAG Partners (<https://www.bisnow.com/tags/mag-partners>) has already led the development of more than 1M SF

(<https://www.bisnow.com/baltimore/news/economic-development/report-finds-baltimore-peninsula-meeting-economic-impact-obligations-122921>) of residential and commercial space.

“The scale of our project generally leads the highest and best use to be everything,” MAG Partners investment associate Patrick Bell said. “We’re going to continue to see more and more businesses choosing to come to our city and create what we all think of as an economic driver for our region.”

The iconic Camden Yards (<https://www.bisnow.com/tags/camden-yards>) ballpark is also expected to serve as an economic driver in the coming years, as up to \$600M in renovations (<https://www.sportsbusinessjournal.com/Articles/2024/03/29/baltimore-orioles-david-rubenstein-opening-day>) are planned after the Orioles were acquired this year (<https://www.bisnow.com/baltimore/news/economic-development/david-rubenstein-agrees-to-buy-hometown-baltimore-orioles-122649>) by a group led by David Rubenstein (<https://www.bisnow.com/tags/david-rubenstein>). The Ravens' M&T Bank Stadium is also slated (<https://www.baltimoreravens.com/stadium/renovations/>) for substantial renovations, as is Pimlico (<https://www.bisnow.com/baltimore/news/economic-development/maryland-legislature-passes-gov-moores-housing-bills-and-more-at-end-of-session-123696>), the home to horse racing's Preakness Stakes.

The construction of a new bridge to replace the collapsed Key Bridge (<https://www.bisnow.com/tags/key-bridge>) could also serve as an economic boost for the region, Englehart said. While the tragedy created short-term pain, federal and state investments in the building of a new bridge could pump billions into the local economy.

“Anytime there’s a project of that magnitude, there’s gravity to it — contractors, vendors, suppliers, trucking, etc. There’s usually a pull toward the major project,” he said. “The project itself is enormous, but

then there's going to be a ripple effect through the construction economy, which may have ripples for other things as well.”

While these massive investments are all expected to benefit Baltimore's economy in the long term, that growth could also present new problems for city leaders to address, such as housing affordability and traffic congestion.



“We can't rest on our laurels,” BDC's Tarbert said. “We're doing the right things, but we're also going to have pressures. If we're successful, affordable housing is going to be a huge issue if we don't build it now.”

Maryland has a housing shortage of roughly 96,000 units, according to Gov. Wes Moore's administration (<http://governor.maryland.gov/news/press/pages/governor-moore-signs-housing-legislation-to-make-maryland-more-affordable.aspx#:~:text=Building%20a%20stronger%20housing%20market,w>) and that shortage has already begun to drive up prices in Baltimore, Live Baltimore Executive Director Annie Milli said.

“You need to add housing in order to make housing more affordable,” she said. “One of the big stories now is the existing home sales market is locked. We’re not going to move the market with existing home sales, because everyone has good mortgages and are not moving. So we really need to build new housing, and this is the time to do it.”

Milli added that there are efforts moving forward to build new housing, from city-owned lots coming up for sale (<https://www.bisnow.com/baltimore/news/economic-development/32-downtown-baltimore-properties-set-for-sale-122100>) to proposals to convert office buildings into residential.

“That new construction is hopefully going to help out with affordability, create some permanently affordable units and drive consumers into the city, because we know that housing drives moves more than almost anything else,” she said.

More people moving to Baltimore could also put pressure on the city's transportation system. Genn said Baltimore needs to shift away from its car-centric mindset and focus more on public transit.

“We love our cars. That’s how we’ve operated as a city for a long time, and changing resident behavior is one of the big barriers that we need to be honest with ourselves that we have,” he said. “If you look at how great cities function, how large American cities function, the way they’re successful is transit and multimodal access.”

One major effort in the works to address that is the Red Line, a planned east-to-west train route that Moore revived last year (<https://www.bisnow.com/baltimore/news/economic-development/gov-moore-reveals-red-line-revival-plans-119415>) after his predecessor killed it (https://www.washingtonpost.com/local/trafficandcommuting/five-years-later-many-across-baltimore-bitterly-lament-gov-hogans-decision-to-kill-the-red-line-light-rail/2020/09/12/600f9b44-f529-11ea-bc45-e5d48ab44b9f_story.html). Genn said adding that transit line would decrease vehicular traffic, increase foot traffic, attract businesses to the city and create new development opportunities.

It would also better connect the city to Baltimore County and lead residents from each jurisdiction to spend more money in the other, Howard said.

“The Red Line is something I’m really excited about,” he said. “That’s going to be one of the first things coming on in the next few years that connects the city to the county. Seeing how that ripple effect of money circulating from southwest Baltimore County through the city to the east side is something we get really excited about.”

As the city sees all of this growth, Tarbert also said that leaders must make sure to prioritize holding on to its identity.

“It’s super important we recognize the legacy citizens, the residents that have been here, and we don’t want to lose our authenticity,” he said. “I’ve been to some of the cities that have been mentioned, and they feel different, but they all feel like themselves. So for me, Baltimore is such a homegrown big town, I don’t want to lose that, but I do want the investment.”

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