

MARKET REVIEW

INDUSTRIAL | Lancaster County, PA | Q2 2020



Vacancy Rate Increase Slows To +0.15% In Q2, Lease Rates At \$5.77/SF

OUTLOOK

- Average lease rate of Class A & Class B achieves a five year high of \$5.52/SF. Overall, lease rates remain stable without any drastic swings over the past five years.
- 82% of leases were for units 10,000 SF or less.
- 947,300 SF remains proposed to be built.
- Vacancy, although rising, remains well below the national average of 5.2%.

OVERVIEW

Rental rates remain stable over the past five years showing only slight variation between \$4.62 and the current \$5.52/SF for the year. Average rent increased among Class A and Class B to \$5.77/SF for Q2.

Vacancy also rose 0.15% this quarter to the current 4.29%. Four vacancies each totaling more than 100,000 SF are contributing to this vacancy comprising 36.2% of vacant square feet in Lancaster County. Despite this slight increase in vacancy, Lancaster County remains well below the national average of 5.2%.

While total leased square feet was up from last quarter, this metric has a lot of ground to cover to catch up to levels in past years. 1.40MSF was reported leased at this time last year compared to 192,547 SF year-to-date. This disparity in leased square feet is due to a low number of lease transactions with 82% of transactions in Q2 being for 10,000 SF or less in size.

Sales dollar volume ended at \$4.83M, up from the \$2.02M reported last quarter. Transactions at 471 N. Reading Rd, Ephrata and a confidential sale consisting of multiple parcels totaling more than 130,000 SF and 14 acres accounted for \$4.05M of total sales this quarter.

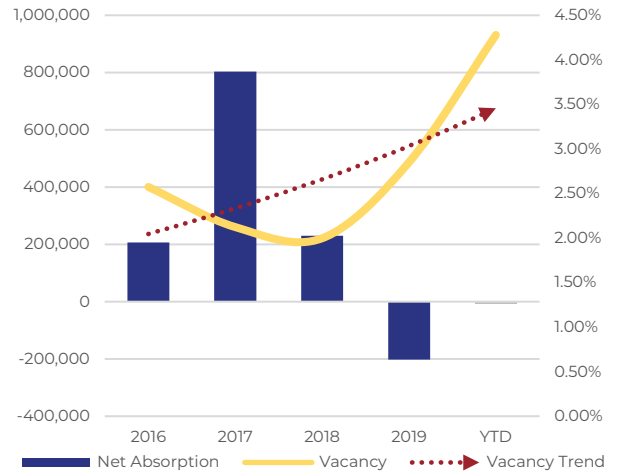
\$7.03M and 135,092 SF remains under contract for Q3.

An additional 229,000 SF of warehouse has been proposed in Greenfield Corporate Center. Greenfield is a 600 acre campus with an array of industrial, office, residential, and recreational real estate projects just off of Route 30 outside Lancaster City.

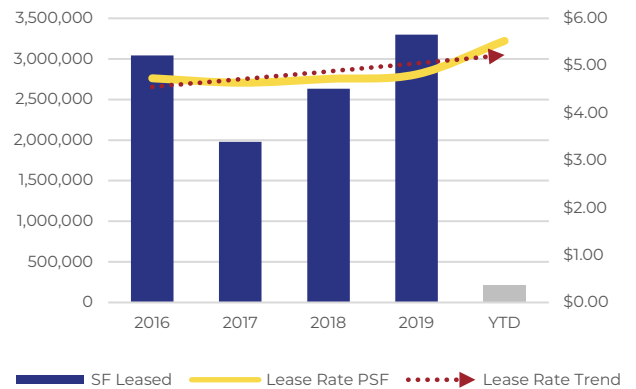
MARKET INDICATORS

Total Inventory	75.65 MSF	▲
Sales (\$)	\$4.83M	▲
Sales (SF)	96,254 SF	▼
Total Vacancy	4.29% (+0.15%)	▲
Total Leased (SF)	96,254 SF	▲
Average Rent	\$5.77 (+\$0.11)	▲

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE

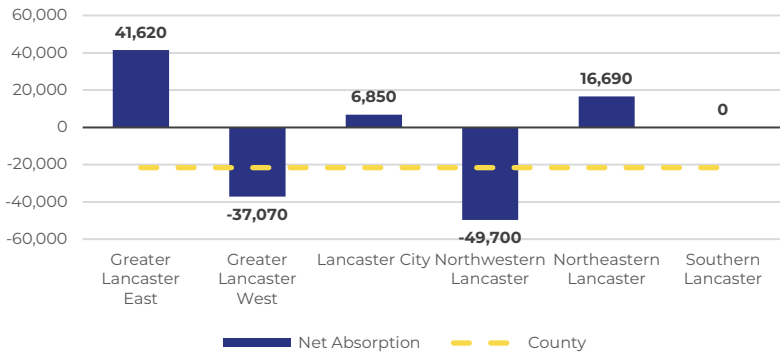


INDUSTRIAL

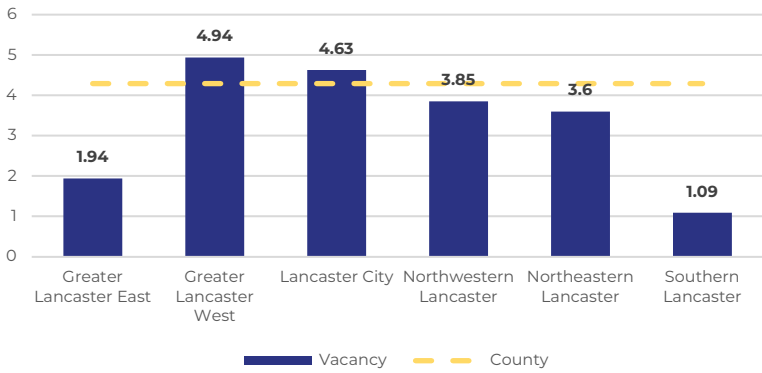
Lancaster County, PA

Q2 2020

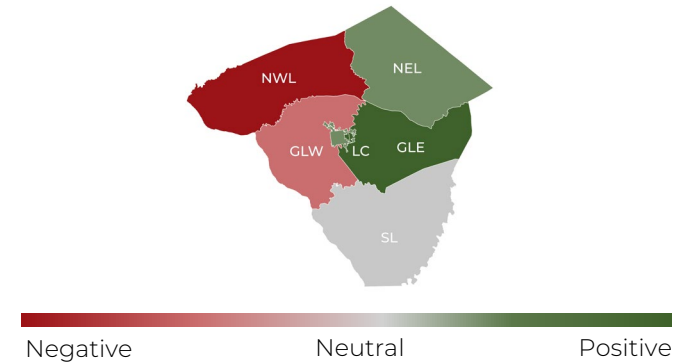
NET ABSORPTION BY SUBMARKET



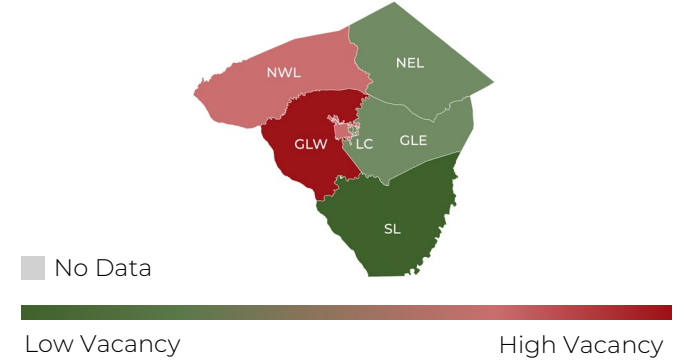
VACANCY BY SUBMARKET



NET ABSORPTION BY SUBMARKET



VACANCY BY SUBMARKET



Key Lease Transactions Q2 2020

PROPERTY	SF	TENANT	TRANSACTION
175 Greenfield Rd, Lancaster	35,452	Name Withheld	New
1740 Hempstead Rd, Lancaster	34,000	Name Withheld	New
2910 Old Tree Dr, Lancaster	16,050	Name Withheld	New
201 Enterprise Rd, Lititz	10,000	Name Withheld	New
501 Alexander Dr, Ephrata	10,000	Name Withheld	New

Key Sales Transactions Q2 2020

PROPERTY	SF	SELLER/BUYER	PRICE
Confidential	135,000	Name Withheld / Name Withheld	\$2,150,000
471 N Reading Rd, Ephrata	37,050	Charmaine K. Garman / Name Withheld	\$1,900,000
360 W Bainbridge St, Elizabethtown	8,182	David & Marsha West / Joyland Roofing & Exteriors, LLC	\$500,000
107 Maytown Ave, Elizabethtown	3,600	DDMA Real Estate, LLC / Doris J. Burkholder	\$160,000
648 Columbia Ave Rear, Lancaster	3,124	William & Nancy Creamer / April & Trevor Sell	\$121,000

