

MARKET REVIEW

MIDYEAR 2021 | Greater Hanover Area

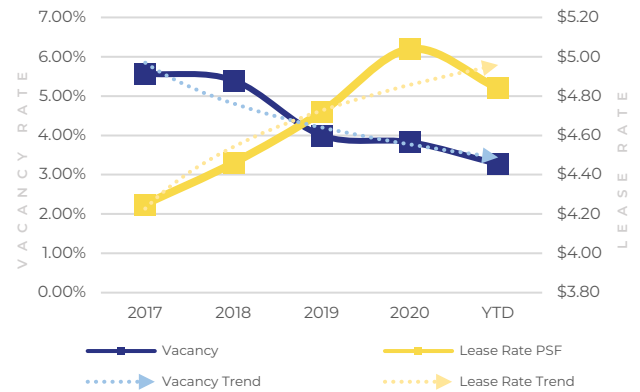


INDUSTRIAL

▶ 18.9 MSF Total Inventory

- The Greater Hanover Area is on par with the national trend of increasing lease rates coupled with declining vacancy. Vacancy is currently at 3.27%.
- 1.3 million square feet remain vacant.
- An acquisition of Penn-Mar Castings by private equity firm, Oakland Standard Company, resulted in a seven-property sale in Hanover totaling \$2.4M. Penn-Mar Castings will operate as the third location of C.A. Lawton Company based out of De Pere, Wisconsin. Lawton operates additional steel foundries in Novi, Michigan and New Brighton, Pennsylvania.
- 108 E Chestnut Street (Old Sheffer Appliance Building) in downtown Hanover was sold with the intention of being converted into a mixed-use development project featuring on-site parking. The property was purchased on March 11th, 2021 by Jordan Illyes, developer of the nearby Hotel McAllister at 11 York Street.

VACANCY & AVG LEASE RATE

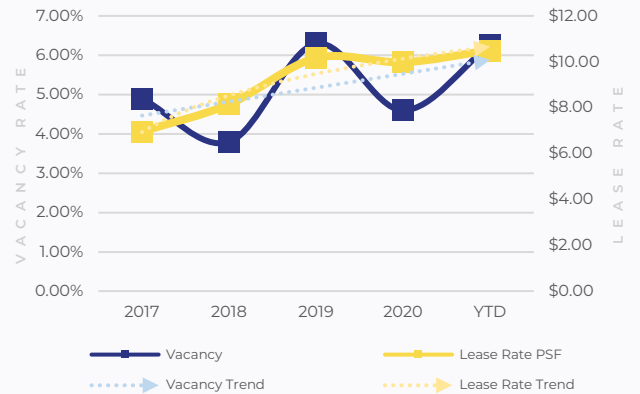


OFFICE

▶ 1.75 MSF Total Inventory

- 1191 Eichelberger St, Hanover is under construction and due for completion later this year. The location is being re-purposed from a bank location to medical office. Shoe Orthodontics will occupy the space.
- Medical uses continue to drive the Class A market in the area. 21% of inventory is Class A.
- Lease rates are at a five-year high, currently \$10.50/SF and on a five-year upward trend.
- 43% of available office inventory in the Greater Hanover Area is within Downtown Hanover including vacancies at Square Commercial Center (1 Center Square), The Tanger's Hardware Building (37 Broadway), The Sandy Woods Building (38-40 Broadway), and the Old Post Office (141 Broadway).

VACANCY & AVG LEASE RATE

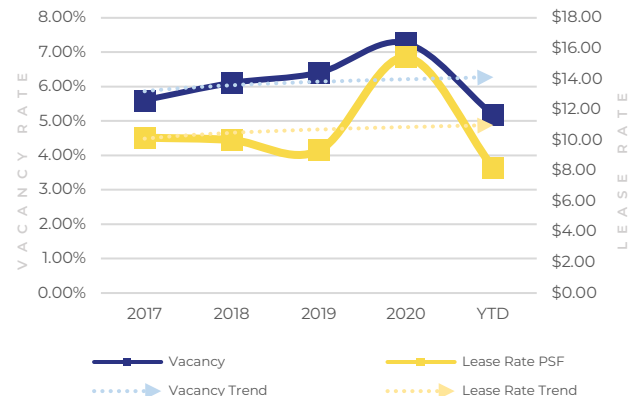


RETAIL

▲ 6.69 MSF Total Inventory

- Hanover witnessed a surge of new automotive related businesses throughout 2020 and first half of 2021. New businesses include Smith's Specialized Automotive 5,000 (SF at 1374 Carlisle St), Two Mavis Discount Tire locations (6,400 SF at 1324 Carlisle St & 865 Baltimore St), Meineke Car Care Center (4,500 SF at 1125 Carlisle St), and ModWash (4,000 SF at 341 Eisenhower Dr).
- More square feet were leased than new space becoming available, resulting in positive net absorption. This is a positive indicator of less store closures, giving the market time to absorb remaining vacancies.
- The average lease rate over the past five years has declined \$2.01/SF since 2017. Class A shopping centers give this metric an occasional boost with asking rates between \$15-30/SF.
- Vacancies remain at the former Bon-Ton location and Wolf's Furniture both located along Eisenhower Dr. The former A.C. Moore location at Hanover Commons was purchased by Goodwill Keystone Area.

VACANCY & AVG LEASE RATE



INDUSTRIAL

SOLD - \$6,700,000



29 Barnhart Dr, Hanover

108,000 SF
Seller: Barnhart Drive Associates
Buyer: 29 Barnhart Drive, LLC

SOLD - \$160,000



**108 E Chestnut St, Hanover
(Mixed-Use Conversion Project)**

19,450 SF
Seller: Tilden M. & Jason Reinhart, Jr.
Buyer: Jordan Illyes

LEASED - 42,608 SF



262 Church St, Hanover

Tenant: Events Technologies, LLC

OFFICE

SOLD - \$ 690,000



100 Penn St, Hanover

15,360 SF
Seller: Webster Investment Group, LLC
Buyer: Gettysburg Realty Associates, LLC

LEASED - 2,112 SF



3130 Grandview Rd, Hanover

Tenant: Healing Hearts Counseling

LEASED - 3,405 SF



11-13 Carlisle St, Hanover

Tenant: Name Withheld

RETAIL

SOLD - \$1,120,000



375 Eisenhower Dr, Hanover

6,700 SF
Seller: Monahan Equities I
Buyer: Carlisle Dillsburg, LLC

SOLD - \$810,000



441 Pine St, Hanover

26,080 SF
Seller: Yesteryear Antique Center
Buyer: YACH, LLC

LEASED - 4,460 SF



10 Carlisle St, Hanover

Tenant: Rent-a-Fiesta

GEOGRAPHY SELECTION

For purposes of this MarketREVIEW, the Greater Hanover Area includes the Hanover Borough and surrounding communities of McSherrystown, New Oxford and Abbottstown. These communities were identified to contain businesses and consumers that identify with the Hanover Market.

Township boundaries used to define the area include Union Township, Conewago Township, McSherrystown Borough, Oxford Township, New Oxford Borough, Berwick Township, Abbottstown Borough, Penn Township, Hanover Borough, West Manheim Township, Heidelberg Township, & Manheim Township.

