

# MARKET REVIEW

RETAIL | Lancaster County, PA | Q3 2021



## Demand Intact Amidst Inflation & Supply Chain Concerns, Vacancy Falls Below 4%

### HIGHLIGHTS

- The Lancaster County EDC cited weak consumer sentiment during the month of October due to concerns from inflation.<sup>1</sup>
- Amidst waning consumer sentiment, positive absorption year-to-date and declining vacancy remain optimistic indicators for the sector.
- Average rent over the twelve-month rolling average declined two cents. Lease rates remain elevated.

### OVERVIEW

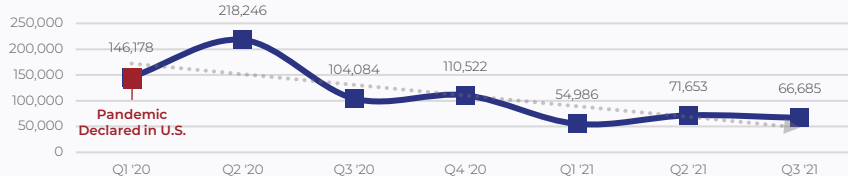
Pressures from inflation and supply chain disruption may negatively impact spending, but positive absorption and declining vacancy remain positive indicators for the sector overall. After recovering from a low of -98,000 SF in Q3 last year, absorption remains positive for the year with more inventory leased than made available.

Lease rates remain elevated, driven by prime located centers pushing lease rates upwards of \$18/SF. The hex bin analysis to the right shows concentrations of leases year-to-date and corresponding average lease rate in that area.

Vacancy continues its downward trajectory falling 36 basis points in Q3. Less vacant square feet is being added to the market each quarter after peaking in Q2 2020. An average of 144,758 SF was added each quarter in 2020 compared to an average of 64,441 SF so far in 2021.

Leasing of big box vacancies lingering on the market is also suppressing vacancy. The 60,510 SF former Wolf's Furniture, 2040 Bennet Ave was leased to Urban Air Adventure Park in September. If Brookfield Properties decides to proceed with plans to raze the former Bon-Ton at Park City Center, Lancaster, this will remove 100,000 vacant square feet, further suppressing vacancy.

### VACANT SF ADDED TO THE MARKET

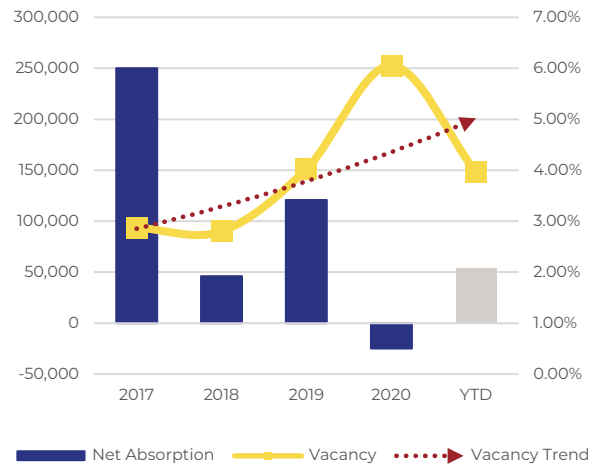


<sup>1</sup> Lancaster County Economic Development Company – Center for Regional Analysis

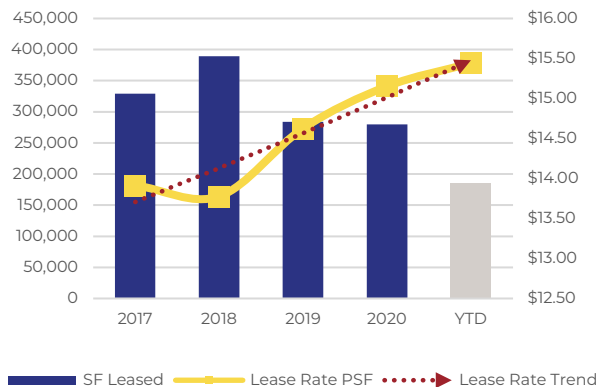
### MARKET INDICATORS

Total Inventory	31.29 MSF	▲
Sales (\$)	\$22.89M	▼
Sales (SF)	144,397 SF	▼
Total Vacancy	3.96% (-36 bps)	▼
Total Leased (SF)	98,275 SF	▲
Average Rent	-\$2.48	▼
Average Rent <i>12-month rolling average</i>	-\$0.02	▼

### NET ABSORPTION & VACANCY



### SF LEASED & AVG LEASE RATE

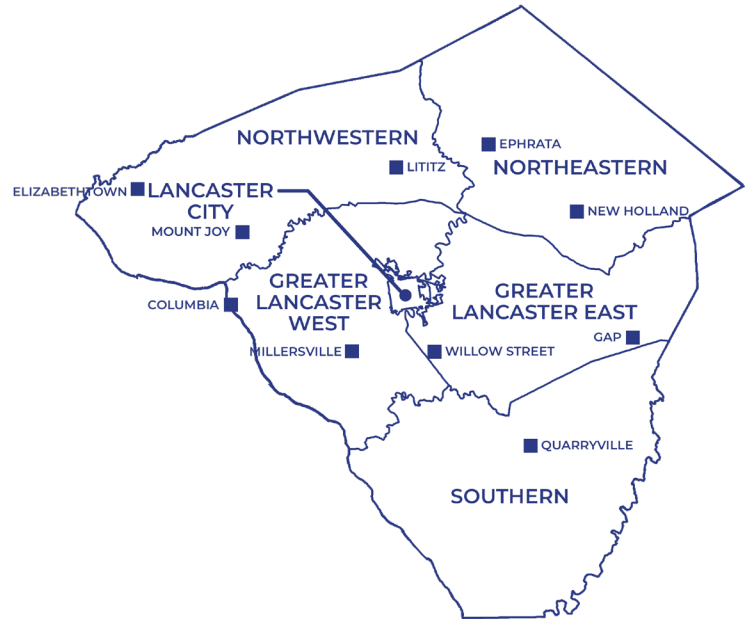
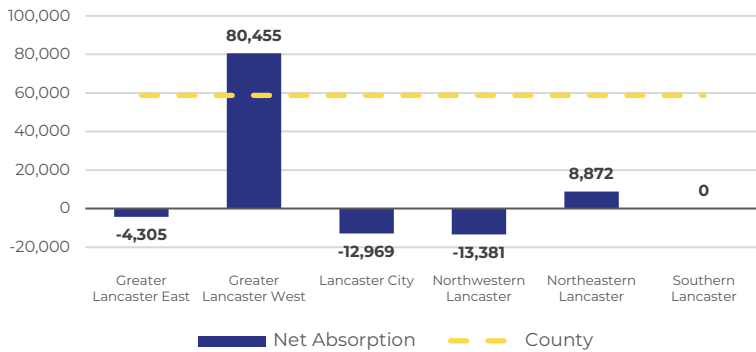


# RETAIL

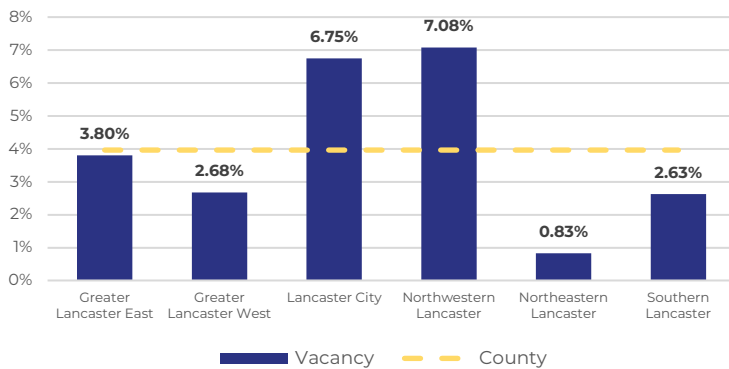
Lancaster County, PA

Q3 2021

## NET ABSORPTION BY SUBMARKET



## VACANCY BY SUBMARKET



## Key Lease Transactions Q3 2021

PROPERTY	SF	TENANT	TRANSACTION
2040 Bennet Ave, Lancaster	60,510	UAAP York, Inc. (Urban Air Adventure Park)	New
1208 Harrisburg Pk, Lancaster	11,000	Premium Finish	New
240 W Fulton St, Ephrata	10,272	Gold's Automotive Repair & DIY Shop	New
320-380 Rohrerstown Rd, Lancaster	3,800	Ginger Asian Kitchen, LLC	New
240 Seventh St, Akron	2,400	Beautifully Made, LLC	New

## Key Sales Transactions Q3 2021

PROPERTY	SF	SELLER/BUYER	PRICE
47 Lancaster Pk & 1331 Byerland Rd, Willow Street	10,650	Mdd Associates, LLP / JKL Real Estate, LLC	\$4,300,000
1223 Lancaster Rd, Manheim (Penn Towne Center)	35,521	Penn Towne Center, LLC / Millcreek Fields, LLC	\$4,000,000
1929 Lincoln Hwy E, Lancaster (Garden Spot Square)	6,832	The Abram S. Horst, Jr. Family Lmt Partnership / CHI St. Joseph Children's Health	\$2,200,000
1256 River Rd, Marietta	2,356	PTV 1102, LLC / Exchangeright Net Leased Portfolio 50 DST	\$2,152,475
3583 Rothsville Rd, Ephrata (Turkey Hill Investment)	4,703	DMB Prtn / RD1 Real Estate, LLC	\$1,025,000

**DREW M. STEFFENS**

Director of Data Services

(717) 854-7065

[dsteffens@rockrealestate.net](mailto:dsteffens@rockrealestate.net)

221 W Philadelphia St, Ste 19, York, PA 17401  
 313 W Liberty St, Ste 117, Lancaster, PA 17603  
 717.854.5357 | [ROCKrealestate.net](http://ROCKrealestate.net)

