

MARKET REPORT

YEAR-END 2021 | Greater Hanover Area

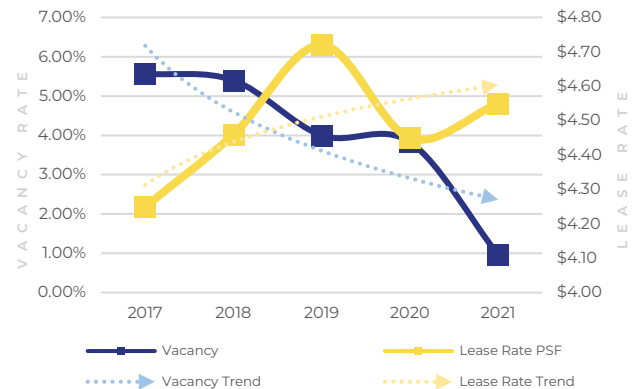


INDUSTRIAL

▲ 19.06 MSF Total Inventory

- The Greater Hanover area industrial market is tight with vacancy sitting below the national average of 3.7%. Vacancy in the Greater Hanover industrial market is less than 1% across class A, B, and C inventory.
- Absorption was positive for 2021 as more square feet was leased than made available. With limited supply and indications of steady demand, lease rates are expected to rise modestly in 2022.
- Facility expansions account for 47% of square feet under construction in York and Adams Counties with two such projects found in Greater Hanover. Hanover Foods Corporation is constructing an additional 175,493 SF of refrigeration space at 1175 Wilson Avenue. Yazoo Mills, Inc. is constructing 60,000 SF of warehouse at 800 Gitts Run Road.

VACANCY & AVG LEASE RATE

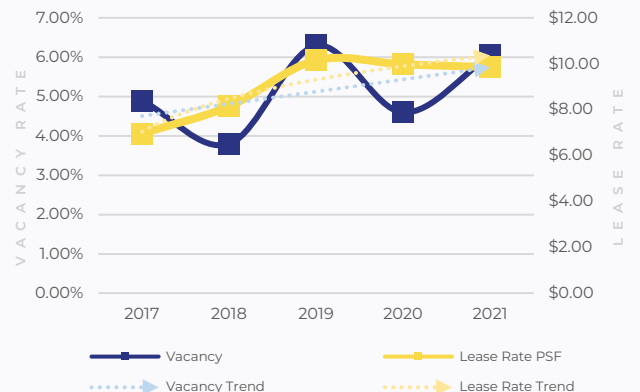


OFFICE

▶ 1.73 MSF Total Inventory

- Construction at 1191 Eichelberger St, Hanover is complete with Shoe Orthodontics announcing occupancy on February 2nd, 2022. The location was repurposed from a bank location into a two-unit office/retail location.
- Medical uses continue to drive the Class A market in the area. 21% of inventory is Class A.
- Unlike large cities, suburban markets did not experience an exodus of office tenants like New York City and San Francisco during the pandemic. As a result, locations like Hanover experienced less drastic swings in vacancy and little fluctuation in lease rates. There was an uptick in vacancy from 2020-2021 but remains in line with the typical swing in vacancy over the years.
- Absorption was negative for 2021 with more square feet made available than was leased. This can indicate that demand is low.

VACANCY & AVG LEASE RATE

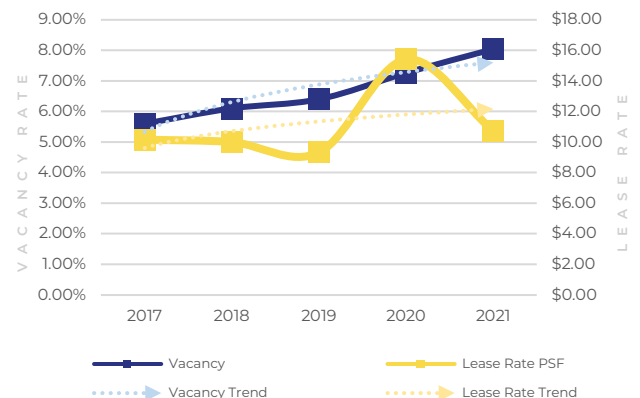


RETAIL

▲ 7.06 MSF Total Inventory

- Greater Hanover did not witness a drastic spike in vacancy correlated with the pandemic. However, vacancy remains on a five-year upward trend.
- The average lease rate over the past five years has experienced a modest increase of \$0.57. The spike seen in 2020 indicates a higher volume of leases in Class A retail centers.
- Despite increasing vacancy, at least six restaurants opened or signed leases in 2021 including Boriken Bowls, Blessing, Dos Bros, Viny's Italian & Catering, McAllister's on York and Datts Seafood.
- Redevelopment projects in downtown Hanover are providing premiere space to foster new businesses. After completing the McAllister project, developer Jordan Illyes is now transforming 108 E Chestnut St, Hanover into a mixed-use development featuring on-site parking. Integrated Development Partners has also completed a renovation of 34 Frederick St, Hanover (Montgomery Ward Building). The project features 16 luxury apartments and 3,000 SF of first floor commercial space.

VACANCY & AVG LEASE RATE



INDUSTRIAL

UNDER CONTRACT - \$968,000



154 Enterprise Dr, New Oxford

10,800 SF
Seller: Joan T. Ford

LEASED - 9,600 SF



516 Frederick St, Hanover

Tenant: Name Withheld

LEASED - 9,600 SF



262 Church St, Hanover

Tenant: Precision Cut Industries, Inc.

OFFICE

SOLD - \$1,100,000



148 Penn St, Hanover

18,633 SF
Seller: PCA Corrugated and Display, LLC
Buyer: McGrew Equipment Company

SOLD - \$335,000



146 Carlisle St, Hanover

11,200 SF
Seller: Hanover Area Chamber of Commerce
Buyer: Buck M. Stuckey

LEASED - 885 SF



134 Baltimore St (rear), Hanover

Tenant: Snacktown Kitchens Company, LLC

RETAIL

SOLD - \$1,690,000



639 Main St, McSherrystown (Turkey Hill Investment)

4,176 SF
Seller: Betty Pellman
Buyer: CPG TH, LLC

LEASED - 6,700 SF



375 Eisenhower Dr, Hanover

Tenant: Eisenhower Diner

LEASED - 12,569 SF



31 Wilson Ave, Hanover (Gateway Hanover)

Tenant: Old Navy

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.

