

MARKET REPORT

INDUSTRIAL | York County, PA | Q3 2022



Vacancy Decline Slows for Second Consecutive Quarter

HIGHLIGHTS

- York County vacancy remains on decline contrary to nationwide vacancy which ticked up 20 basis points.¹
- 36% of new inventory was immediately absorbed upon completion.
- Absorption is positive but down 89.75% compared to last year.
- Average lease rate continues to climb, up 21% since 2021.

OVERVIEW

After the explosive year for leasing in 2021, the market remains tight in 2022 with vacancy falling below 2%. The rate of vacancy decline, however, has slowed for the second consecutive quarter following the rapid absorption experienced in 2021. Though not disappearing, a slowdown of ecommerce growth nationally may indicate a trend reversal is on the horizon. Vacancy nationally ticked up 20 basis points in Q3.¹

The construction pipeline contains 3.4 MSF with an additional 4.3 MSF planned for future development. Logistics 83, a 670,390 SF warehouse at 825 Locust Point Road, York, is due for completion in Q4 this year. A tenant has not yet been announced. 38.5% of remaining construction is due for completion in Q2 2023.

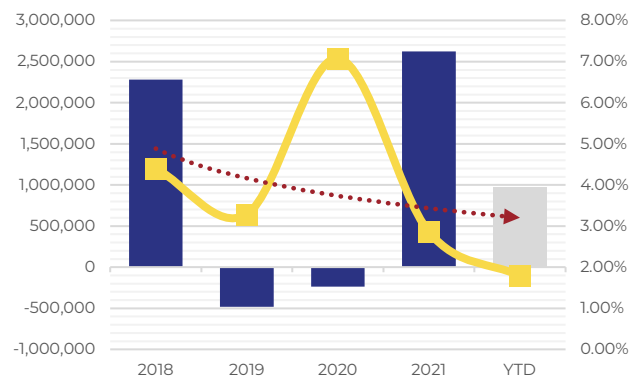
The **ROCK Demand Index (RDI)** reveals that 87.5% of industrial users are seeking space less than 100,000 SF. Although inventory increased in Q3, there remains a shortfall of at least 300,000 SF of available space to meet the needs of these users.

As vacancy remains suppressed, lease rates continue to increase with new construction asking upwards of \$8.50/SF. Until demand cools or more supply can be made available, expect lease rates to increase across the board for existing inventory and new construction.

MARKET INDICATORS

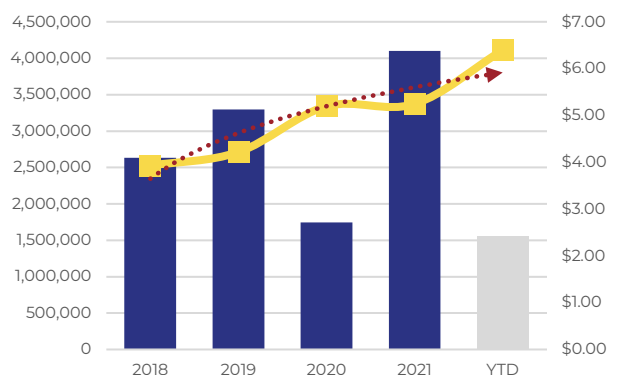
Total Inventory	86.59 MSF	▲
Sales (\$)	\$8.82 M	▼
Sales (SF)	370,570 SF	▼
Total Vacancy	1.95% (-6 bps)	▼
Total Leased (SF)	184,425 SF	▼
Average Rent	+\$0.25	▲
Average Rent <i>12-month rolling average</i>	+\$0.36	▲

NET ABSORPTION & VACANCY



* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

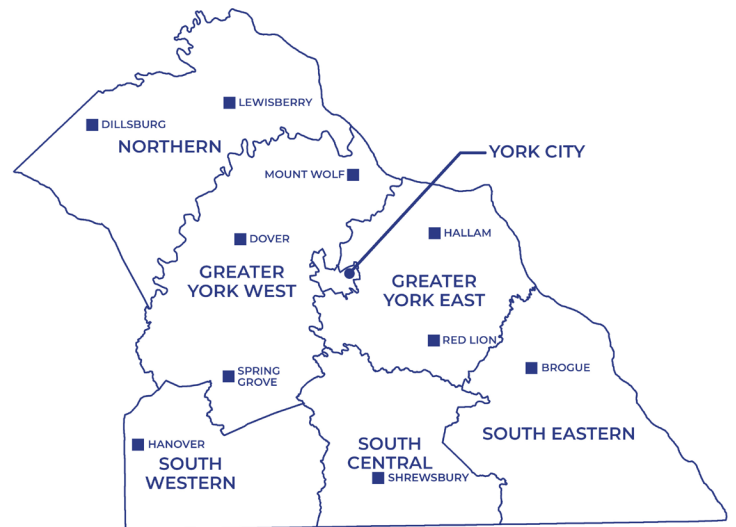
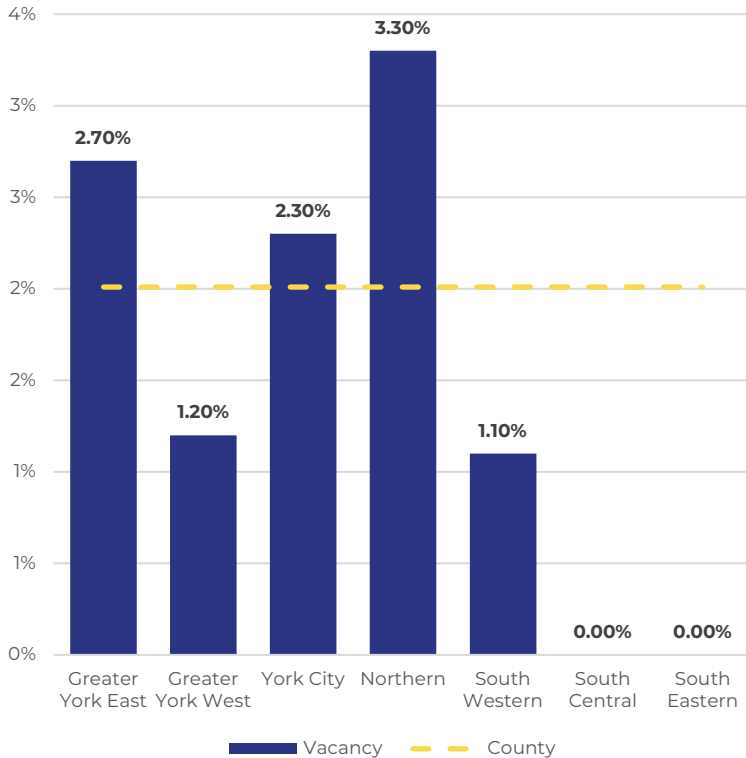
¹ <https://www.globest.com/2022/10/17/industrial-is-showing-some-signs-of-softening/>

INDUSTRIAL

York County, PA

Q3 2022

VACANCY BY SUBMARKET



Key Lease Transactions Q3 2022

PROPERTY	SF	TENANT	TRANSACTION
1649 Broadway, Hanover	37,500	Hanover Terminal, Inc.	New
3635-3725 Board Rd, York	17,800	Southland Insulators of PA, LLC	Renewal
15894 Elm Dr, New Freedom	14,978	KW Liquidators, LLC	New
9 Barnhart Dr, Hanover	10,734	Hanover Terminal, Inc.	New
517 Prospect St, York	5,975	Wine Packaging by Naylor	New

Key Sales Transactions Q3 2022

PROPERTY	SF	SELLER/BUYER	PRICE
101 Sinking Springs Ln, Emigsville	61,250	Hercon Pharmaceuticals, LLC / CKT Holdings, LLC	\$2,700,000
2 Interchange Pl, York	28,280	Interchange Place Lot 2 / Kinsley Realty, Inc.	\$1,850,000
110 E Walnut St, Red Lion	11,768	Dennis Warner / Dale & Dallas Krapf Joint Ventures	\$1,650,000
768 Corporate Cir, New Cumberland	8,704	Carmen Delerme / Acen, LLC	\$995,000
951 Elm St, York	237,609	Rom Ark Associates, Inc. / R&R Fish, LLC	\$526,000

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