

MARKET REPORT

OFFICE | York County, PA | Q3 2022



Low Vacancy as Lease Rates Remain Elevated

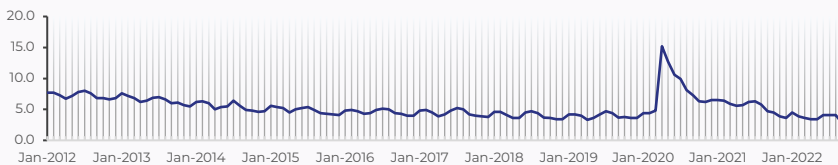
HIGHLIGHTS

- Although economic downturn looms, positive indicators are found in a low trending unemployment rate and five-year low in vacancy.
- Phase I of Westgate, an office complex adjacent to UPMC Memorial Hospital, is now complete.
- WebFX, a digital marketing provider from Harrisburg, leased 3,370 SF at 316-320 N George St, York.

OVERVIEW

While national unemployment increased 10 basis points to 3.7%, York County unemployment decreased from 4.1% to 2.8%¹ as of September.

York County Unemployment Rate



Absorption remains positive for the year indicating demand remains for physical office with more square feet leased than vacated. The surge of absorption in Q3 is due to the leasing of 1094 Haines Rd, York (82,033 SF) to WellSpan Health Services who intends to open a lab testing facility at the site.²

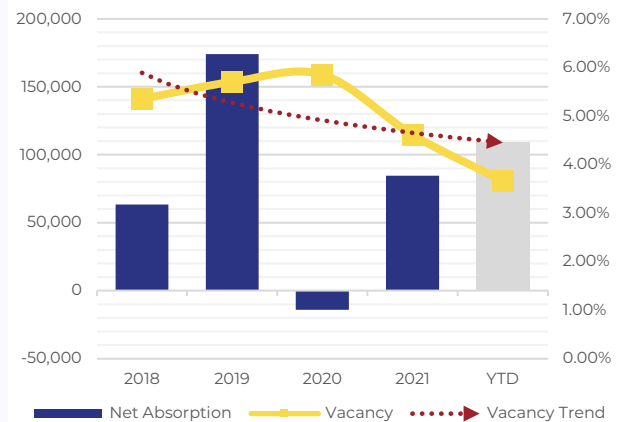
WellSpan continues to strategically position itself for future development most recently by purchasing 2550 Pine Grove Rd, York from Freedom Biker Church for \$3.2M. Freedom Biker Church will be leasing 14,389 SF at 130-140 N Duke St, York formerly used as WellSpan administrative offices.

Construction has been minimal but recent completions include 18,000 SF of medical office at Westgate, an office complex adjacent to UPMC Memorial Hospital and 10,000 SF of professional office at 3190 E Prospect Rd. Phase II of Westgate is projected to be available in 2023 and will provide an additional 95,000 SF of professional/medical office.

MARKET INDICATORS

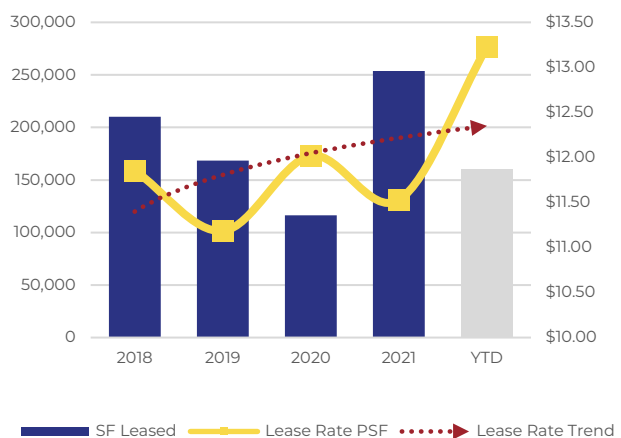
Total Inventory	13.43 MSF	▲
Sales (\$)	\$4.42 M	▼
Sales (SF)	63,595 SF	▼
Total Vacancy	2.7% (-110 bps)	▼
Total Leased (SF)	93,471 SF	▲
Average Rent	+\$1.71	▲
Average Rent <i>12-month rolling average</i>	-\$0.09	▼

NET ABSORPTION & VACANCY



* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



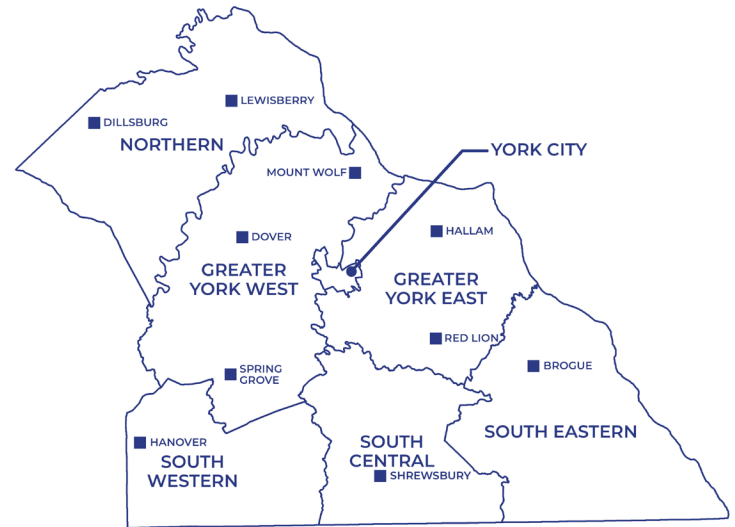
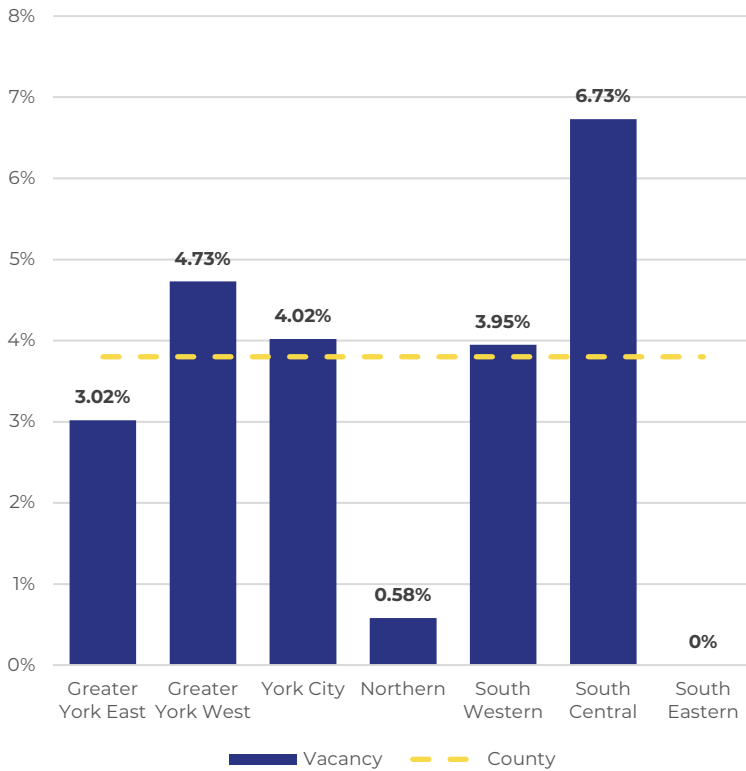
* SF Leased includes Class A, B & C

* Lease rate includes Class A & B only and > 500 SF

¹ BLS.gov – preliminary value for York-Hanover Statistical Area

² Transaction mentioned in Q2 2022 retail report but not yet attributed to retail or office statistics. It is accounted for in this report.

VACANCY BY SUBMARKET



Key Lease Transactions Q3 2022

PROPERTY	SF	TENANT	TRANSACTION
1094 Haines Rd, York	82,033	WellSpan Health Services, Inc.	New
316-320 N George St, York	3,370	WebFx, Inc.	New
401 E Locust St, Dallastown	2,799	AA Young Machining, LLC	New
2200 S George St, York	1,508	Compass Wealth Advisors, LLC	New
600 N Hartley St, Suite 110-130, York	1,386	Rodney D. Hill DBA MFG Empire	New

Key Sales Transactions Q3 2022

PROPERTY	SF	SELLER/BUYER	PRICE
221 W Philadelphia St, Suite 2EB	16,682	Westwood Properties Management, LLC / EK Commerce Center, LLC	\$1,800,000
1 N George St, York	25,356	Redevelopment Authority – City of York / 1 North George, LLC	\$550,000
221 W Philadelphia St, Suite 3EBb	3,746	EK Commerce Center, LLC / Westwood Properties Management, LLC	\$500,000
2798 S Queen St, York	4,136	Michael L. & Frederick A. Yost / Spangstine Enterprises, LLC	\$495,000
323 Broadway, Hanover	4,920	Carolyn Cline / Neiferland, LLC	\$290,000

DREW M. STEFFENS
 Director of Data Services
 (717) 854-7065
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

