

# MARKET REPORT

INDUSTRIAL | York County, PA | Q4 2022



## Vacancy Up 44 Basis Points, First Quarterly Increase Since Q1 2021

### HIGHLIGHTS

- Vacancy increased after decreasing for eight consecutive quarters. Attributed to 667,510 SF completed at Logistics 83 (825 Locust Point Rd, York).
- Units less than 50,000 SF are in high demand, comprising 65% of square footage requested. 32% is attributed to demands less than 25,000 SF.

### OVERVIEW

Vacancy rate increased for the first time since Q1 2021. After decreasing only 6 basis points in Q3, vacancy ticked upward 44 basis points in Q4. However, the York County industrial market remains tight trending below pre-pandemic levels and the five-year average of 3.96%.

This vacancy increase results from completion of Phase I at Logistics 83 (825 Locust Point Rd, York) which introduced 667,510 SF of vacant class A warehouse to Greater York West. As a result, absorption dropped 62% from Q3 but remained positive for the year. Speculative construction already in the pipeline will hold the greatest sway for vacancy trends in 2023. Another 2.4 MSF is estimated for completion in 2023 with 1.1 MSF due for completion in Q1. Vacancy rate could increase 121 basis points Q1 2023 should these new units remain empty upon completion.

### DEMAND & SUPPLY

Demand remains high overall, with demand strength highest among users seeking units less than 50,000 SF. These users make up 65% of total demand. There is not enough inventory available in this size range to satisfy demand.

Size	RDI Score	Inventory Shortage/Surplus
< 25K	54	-126.46% ▼
25-50K	24	-105.98% ▼
50-100K	15	-40.39% ▼
100-250K	7	+85.50% ▲

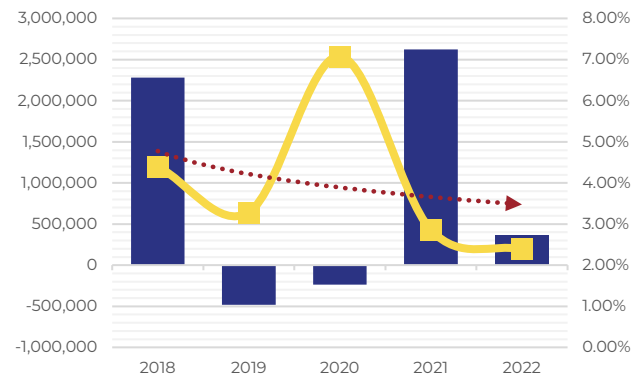
**ROCK Demand Index (RDI):** Score out of 100 measuring strength of current demand. Accounts for quantity of requests and total square feet demanded in each size category.

**Inventory Gap:** Measures deviation from supply meeting demand. Presented as a percentage where 0% represents demand being equal to supply. Negative = supply shortage, Positive = supply surplus.

### MARKET INDICATORS

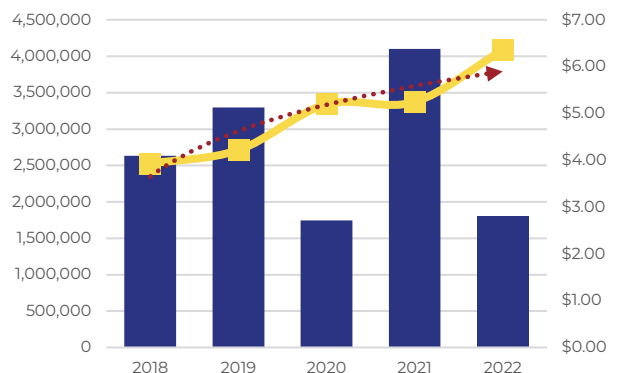
Total Inventory	87.29 MSF	▲
Sales (\$)	\$2.01 M	▼
Sales (SF)	516,595 SF	▲
Total Vacancy	2.39% (+44 bps)	▲
Total Leased (SF)	209,913 SF	▲
Average Rent	-\$0.30	▼
Average Rent <i>12-month rolling average</i>	+\$0.81	▲

### NET ABSORPTION & VACANCY



\* Absorption & Vacancy for Class A, B & C

### SF LEASED & AVG LEASE RATE



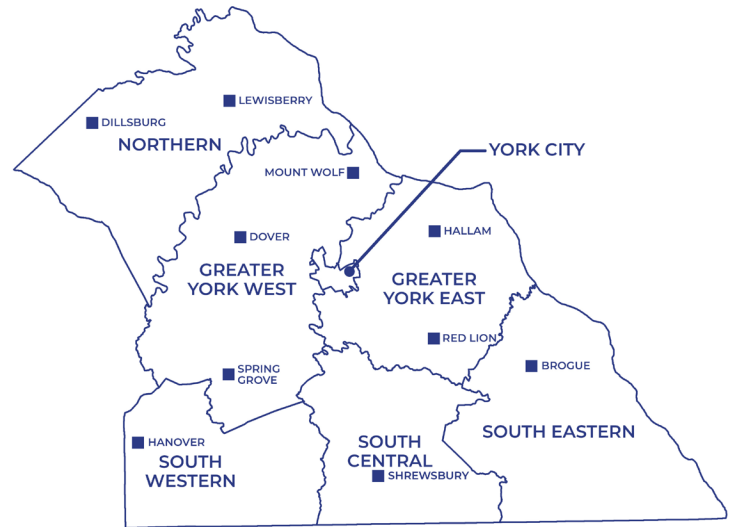
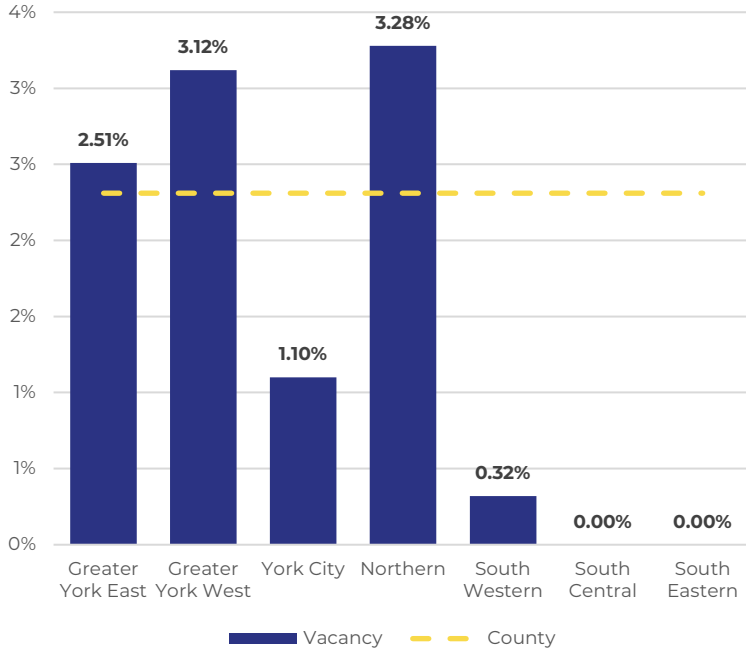
\* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

# INDUSTRIAL

York County, PA

Q4 2022

## VACANCY BY SUBMARKET



## Key Lease Transactions Q4 2022

PROPERTY	SF	TENANT	TRANSACTION
4075 E Market St, York	36,000	New Standard Corporation	New
3445 Board Rd, York	34,304	Tracked Lifts	New
75 Acco Dr, York	25,350	The Wolf Organization, LLC	New
1160 Fahs St, York	21,361	Pro Pallet, LLC	New
3524 Delta Rd, Airville	5,784	Retrocade, LLC	New

## Key Sales Transactions Q4 2022

PROPERTY	SF	SELLER/BUYER	PRICE
15 Industrial Dr, Hanover	180,214	McClarín Plastics, Inc. / 15 Industrial Drive, LLC	\$6,500,000
333 Seventh Ave, York	125,000	Leroy King / York Storage Conversion, LLC	\$6,300,000
15 E Philadelphia St, York*	46,862	Rudy Art Glass / Grotto Community Benefit, LLC	\$995,000
390 Eberts Ln, York	28,598	Eberts Lane, LP / YU-4 N Eberts Realty-1	\$800,000
135 North St, York	27,090	York RR2, LLC / York Self Storage, LLC	\$800,000

\* Redevelopment Planned | Industrial to Office Conversion

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