

MARKET REPORT

RETAIL | York County, PA | Q4 2022



Retail Investment Surged in 2022 with Sale Volume Up 76% from Last Year

HIGHLIGHTS

- Vacancy increased 73 basis points in Q4 but remains at a 5-year low.
- Transactions yielding greater than \$20/SF in 2022 boosted the average lease rate. Number of transactions in this price category were up 200% compared to 2021.
- Total inventory decreased due to demolition of the JCPenney at North Hanover Mall, Hanover and reclassification of 1049 Baltimore St, Hanover to a self-storage facility.

OVERVIEW

The year-end outlook for York County retail remains positive due to decreasing vacancy, increasing average lease rate and upward momentum in leased square feet. Nationally, consumer spending was down in December, but inflation continues to slow signified by decreasing Personal Consumption Expenditure (PCE) and Consumer Price Index (CPI).¹

Except elevated vacancy in 2020, York County retail vacancy has remained stable, generally trending between 4.5% - 5.5%. The former Rite Aid headquarters at Newberry Commons is a significant vacancy this quarter and contributed to slightly negative absorption.

Overall, retail investment remains strong with sales volume ending near \$170M in 2022. Total retail sale volume has more than doubled since 2020, and this upward trajectory is likely to continue in 2023.

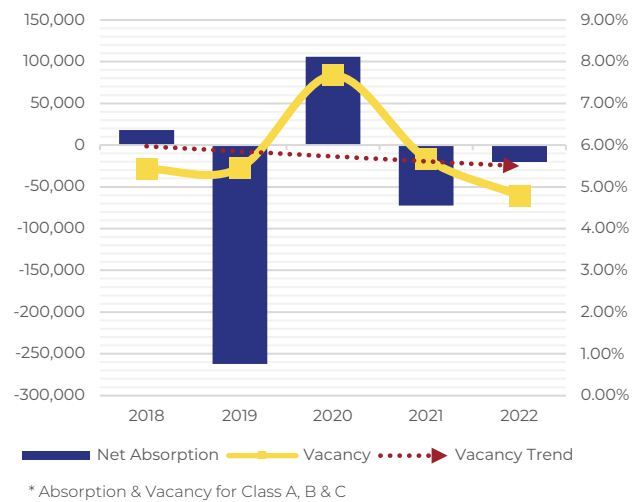
Investors continue to flock to prime located, grocery-anchored retail shopping centers due to elevated lease rates and recovered foot traffic since the pandemic. A notable lease this quarter is Sierra Outdoor Clothing occupying 20,571 SF of Giant-anchored Delco Plaza, York.

¹ <https://www.cnbc.com/2023/01/27/pce-inflation-december-2022-.html>

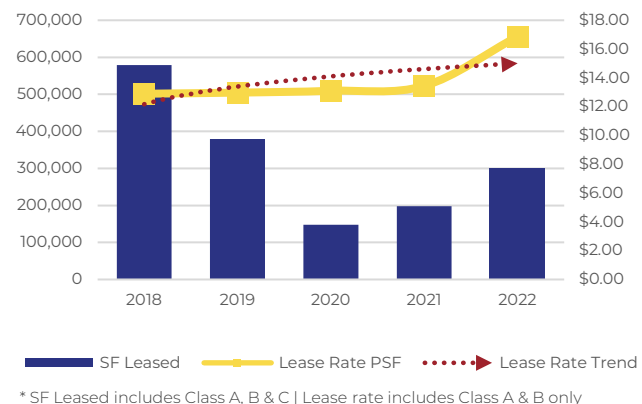
MARKET INDICATORS

Total Inventory	28.16 MSF	▼
Sales (\$)	\$12.31M	▼
Sales (SF)	201,253 SF	▼
Total Vacancy	4.79% (+73 bps)	▲
Total Leased (SF)	71,885 SF	▼
Average Rent	-\$4.69	▼
Average Rent 12-month rolling average	+\$1.18	▲

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE

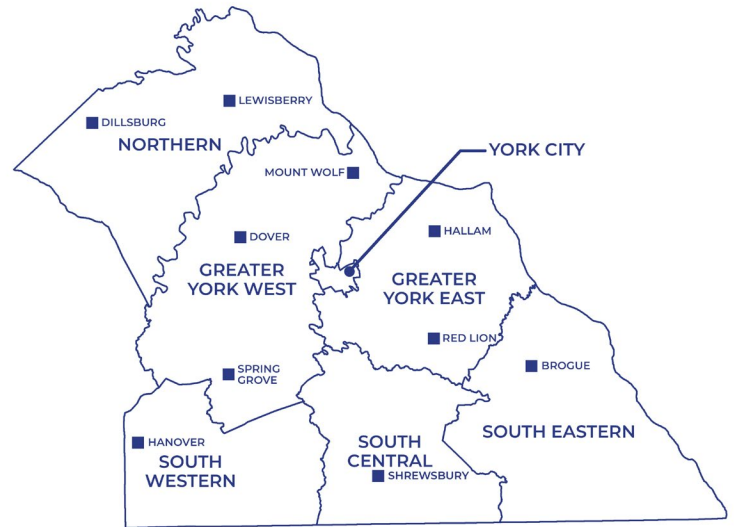
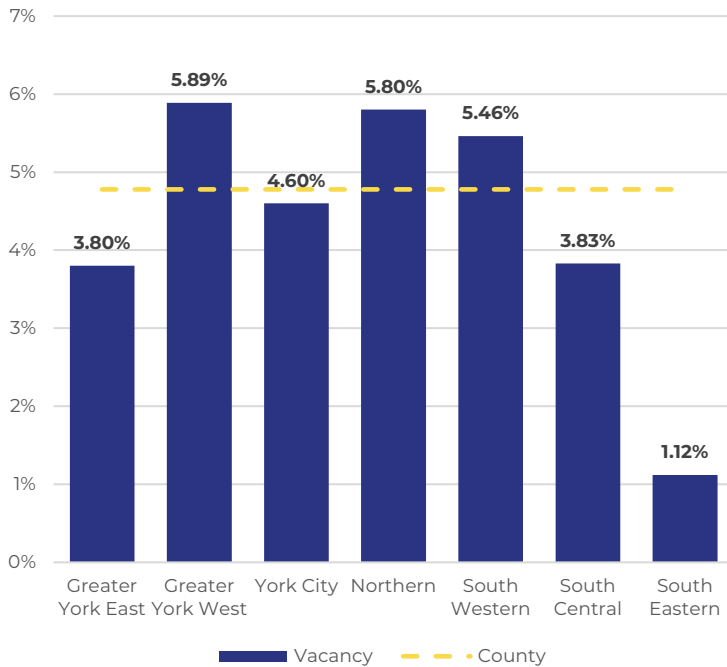


RETAIL

York County, PA

Q4 2022

VACANCY BY SUBMARKET



Key Lease Transactions Q4 2022

PROPERTY	SF	TENANT	TRANSACTION
1201 Carlisle Rd, York (Delco Plaza)	20,571	Sierra Outdoor Clothing	New
549-577 S Main St, Shrewsbury (Market Square SC)	7,500	Edgar's Home Furnishings	New
15 S Main St, Red Lion	4,891	Primrose Yarn Company	New
4157 N George St Ext, Manchester	3,744	Name Withheld	New
1508 S George St, York	3,450	Witmer Automotive	New

Key Sales Transactions Q4 2022

PROPERTY	SF	SELLER/BUYER	PRICE
900 W Broadway, Red Lion	11,269	Rite Aid of PA Inc / Red Lion Broadway LLC	\$2,592,187
601 US Hwy 15 N, Dillsburg	26,554	Shuco LP / HJ 11-15 Holdings Inc.	\$2,200,000
1019 Baltimore St, Hanover	84,254	BSA Enterprises / Trone Family Trust	\$2,200,000
3200-3202 E Prospect Rd, York	12,968	International Association of Machinists and Aerospace Works Trustees / East Prospect Road Partners, LLC	\$1,050,000
2650 Eastern Blvd, York	3,850	2650 Eastern Realty, LP / Landis & Landis Realty	\$970,000

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