

MARKET REPORT

YEAR-END 2022 | Greater Hanover Area

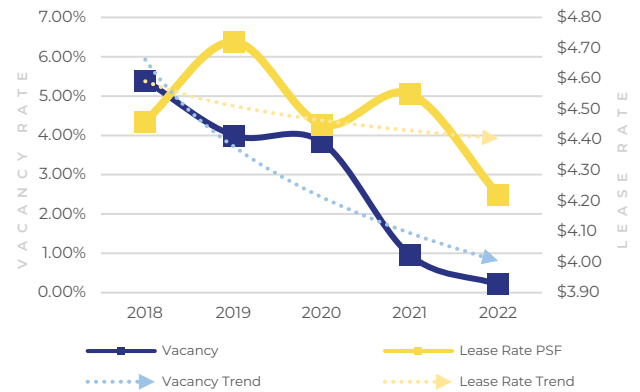


INDUSTRIAL

▶ 17.13 MSF Total Inventory

- Industrial vacancy in the Greater Hanover Area market continued to decrease with year-end vacancy at 0.21%. Current construction costs are a limiting factor to new industrial development.
- Despite average lease rates increasing in York County, average lease rates in the Hanover market have not experienced the same upward pressures compared to other markets. Though demand remains strong, the strength of Hanover industrial demand has, historically, remained local to Hanoverian users.
- New construction is minimal, but expansion projects were completed for existing users including Hanover Foods, AquaPhoenix, and Yazoo Mills. Construction at 2989 Carlisle Pike, New Oxford also nears completion, estimated for Q1 2023. Ream Roofing will occupy the space.
- 15 Industrial Drive and 211 N Blettner Avenue were sold together for \$6.5M. The buyer intends to lease the units to existing tenant McClarin Plastics.

VACANCY & AVG LEASE RATE



OFFICE

▶ 1.73 MSF Total Inventory

- The office market remains stable as average lease rates remain relatively unchanged since 2019 despite the pandemic and other economic events. Vacancy continues
- Absorption was negative for 2022 with more square feet made available than was leased.
- 80% of office space leased in 2022 were by tenants involved with finance and health/wellness industries. Top industries leasing in 2022 include insurance, counseling services and massage therapy.



Tanger Hardware Building
Space Available

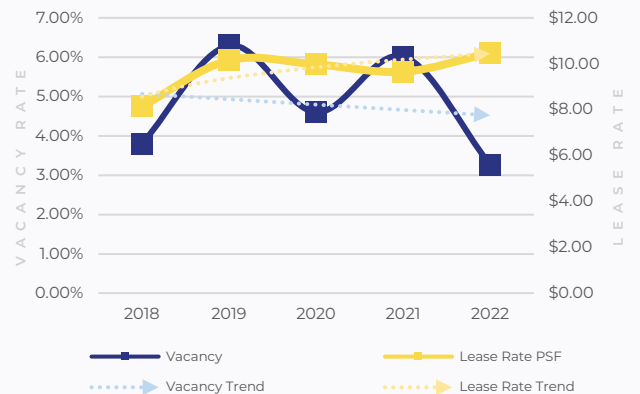


Square Commercial Center
Space Available



Eichelberger Professional Bldg
Space Available

VACANCY & AVG LEASE RATE

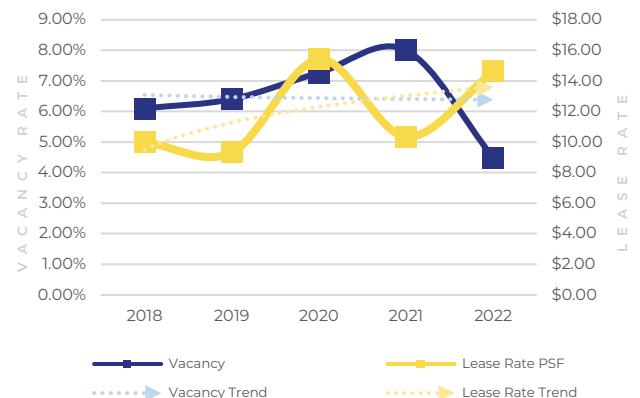


RETAIL

▼ 6.84 MSF Total Inventory

- Vacancy continues to fall as leased square feet achieves a five-year high. Leased square feet increased 44% from 2021.
- Inventory reduced from mid-year as 156,000 SF at North Hanover Mall is undergoing demolition and 46,696 SF at 1049 Baltimore Street, Hanover is converted from grocery to self-storage. Arcland Self-Storage is estimated for completion Q1 2023.
- Gateway Hanover Shopping Center is 100% occupied, fueled by tenants relocating from North Hanover Mall. Gateway Hanover sold in Q3 2022 for \$28.75M.

VACANCY & AVG LEASE RATE



NEW & PROPOSED

Popeyes | New Construction Q4 2022 | 440 Eisenhower Drive, Hanover | 2,300 SF

Wawa | Proposed | 1007 Baltimore Street, Hanover | 5,850 SF

OAK Artisan Cookery | Leased | 40 Broadway, Hanover | 3,250 SF



INDUSTRIAL

SOLD - \$6,500,000



2 Property Sale-Leaseback
15 Industrial Dr & 211 Blettner Dr, Hanover
 180,214 SF
 Seller: McClarin Properties, LLC
 Buyer: 15 Industrial Drive Et Al, LLC

SOLD - \$450,000



310 Juniper Ln, Hanover
 10,900 SF
 Seller: Smith and Willing, LLC
 Buyer: Miller Redding Partnership

LEASED - 37,500 SF



1649 Broadway, Hanover
 Tenant: Hanover Terminal

OFFICE

SOLD - \$290,000



323 Broadway, Hanover
 4,920 SF
 Seller: Carolyn L. Cline
 Buyer: Niferland LLC

SOLD - \$200,000



235 Railroad St, Hanover
 2,424 SF
 Seller: Sydney D. Berwager
 Buyer: 235 Railroad Street LLC

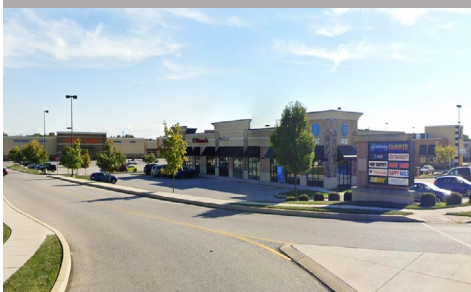
LEASED - 709 SF



124 N Peters St, New Oxford
 Tenant: April L. Murphy, LCSW

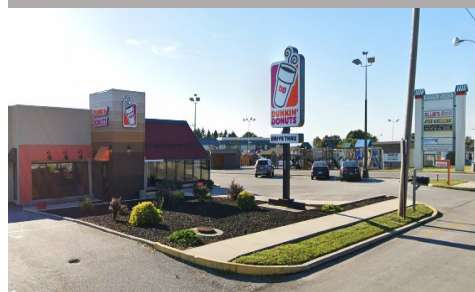
RETAIL

SOLD - \$28,750,000



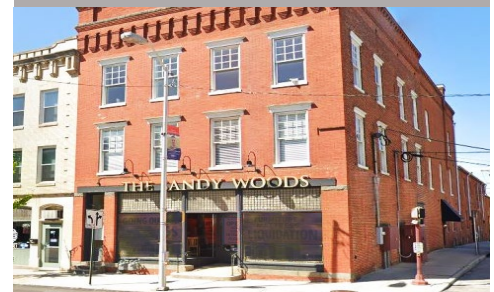
31 Wilson Ave, Hanover
Gateway Hanover Shopping Center
 308,237 SF
 Seller: Conewago North Ridge Partners, LP
 Buyer: Pennmark Management Company, Inc.

SOLD - \$2,200,000



1019 Baltimore St, Hanover
 84,254 SF
 Seller: BSA Enterprises
 Buyer: Trone Family Trust

LEASED - 3,250 SF

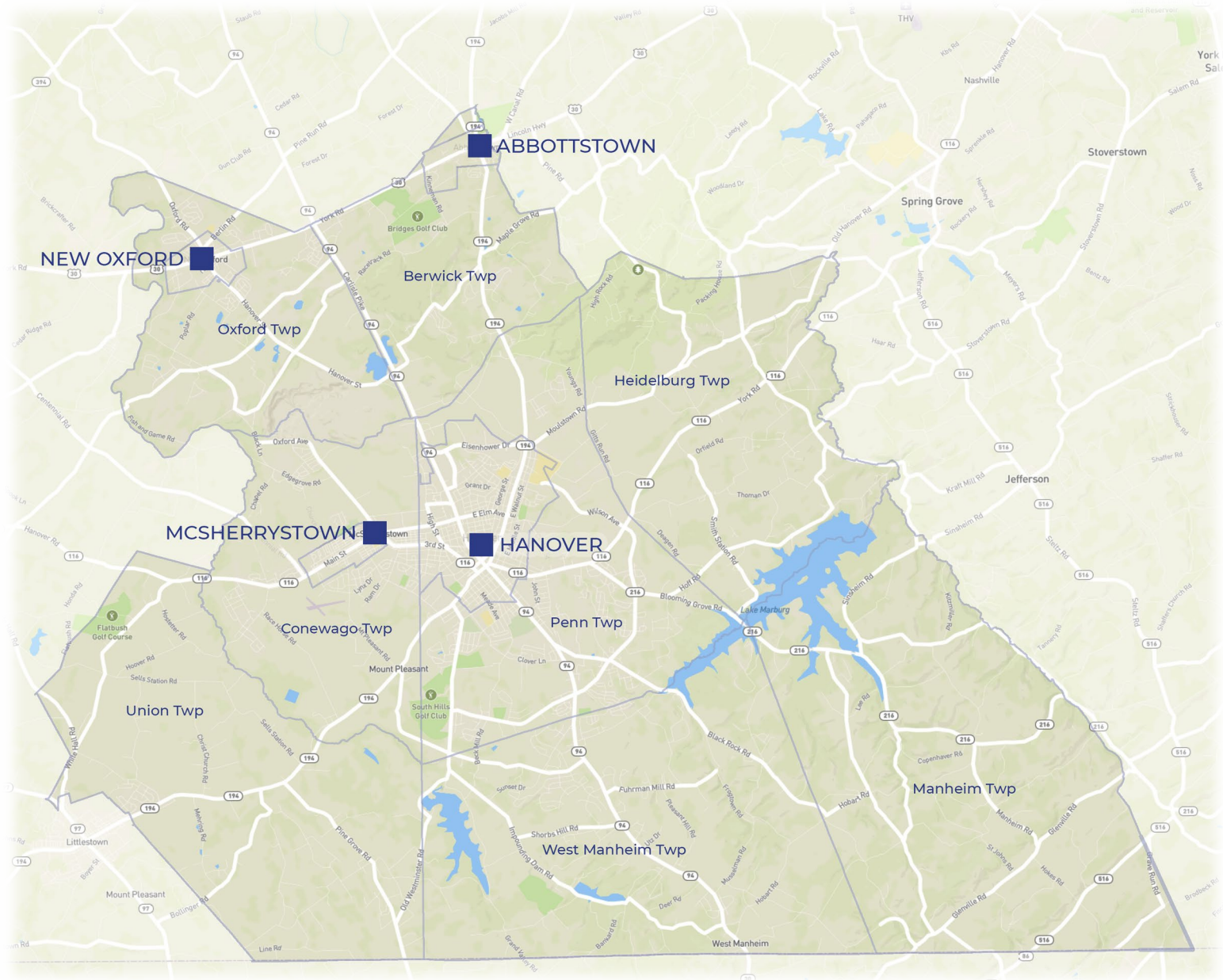


40 Broadway, Hanover
 Tenant: Oak Artisan Cookery

GEOGRAPHY SELECTION

For purposes of this Market Report, 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.



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