

MARKET REPORT

INDUSTRIAL | York County, PA | Q1 2023



Average Sale Price and Volume Settling to Pre-Pandemic Levels

HIGHLIGHTS

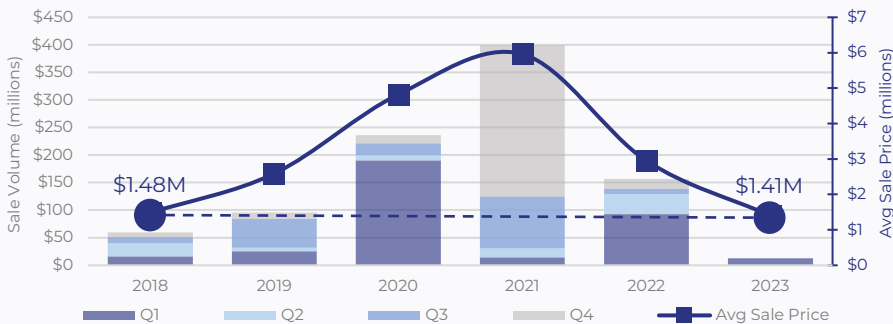
- Vacancy is up 46 basis points since last quarter; the second consecutive increase following a five-year low of 2.39% in 2022.
- After peaking in 2021, average sale price decreased over 76% while sale volume also decreased by 60% over this same time period.
- Signed leases are up 35% compared to the average Q1 performance over the past five years.

OVERVIEW

Vacancy has risen for a second consecutive quarter, after falling to five-year lows in 2022. Over 800,000 SF of recent completions in Q1 contribute to this increase.

While vacancy has increased, demand remains intact signified by positive absorption year-to-date and quantity of new leases. Signed leases are up 11% compared to this time last year and up 35% over the past five years. Market indicators overall also show signs of adjusting to pre-pandemic levels. Following the pandemic boom where a surge in pricing and sale volume achieved record highs, both sale volume and average sale prices are reminiscent of 2018.

Industrial Sales Bell Curve – Sale volume and average sale price by quarter

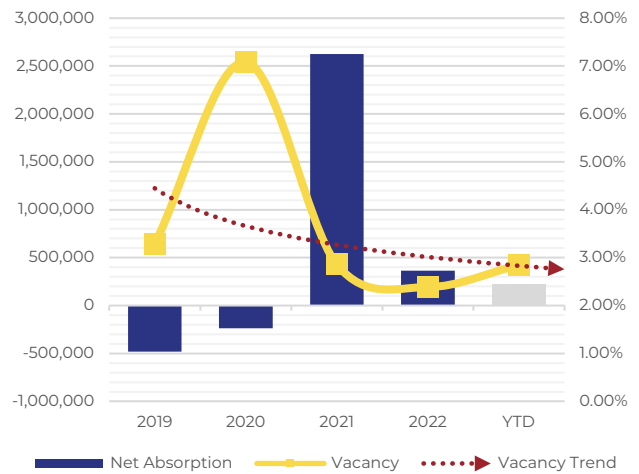


More inventory is on the way with 4.5MSF under construction and an additional 2.3MSF proposed. Building 1 at Trade Center 83 North (1025-1035 Locust Point Rd, York) is due for completion in Q2, but the 1.8MSF warehouse is pre-leased to United Natural Foods, Inc. Deliveries set for Q2 make up 65% of the current construction pipeline. Beyond Q2, the construction pipeline is considerably smaller with only 500,000 SF due for completion for the remainder of the year.

MARKET INDICATORS

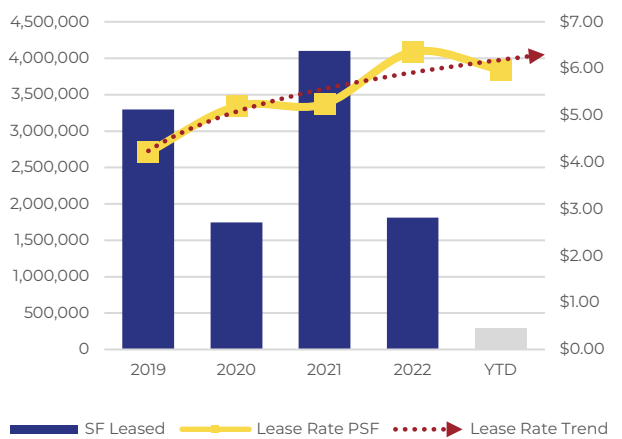
Total Inventory	88.14 MSF	▲
Sales (\$)	\$12.64 M	▲
Sales (SF)	372,238 SF	▼
Total Vacancy	2.85% (+46 bps)	▲
Total Leased (SF)	300,242 SF	▲
Avg Rent Change <i>12-month rolling average</i>	-\$0.64	▼

NET ABSORPTION & VACANCY



* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



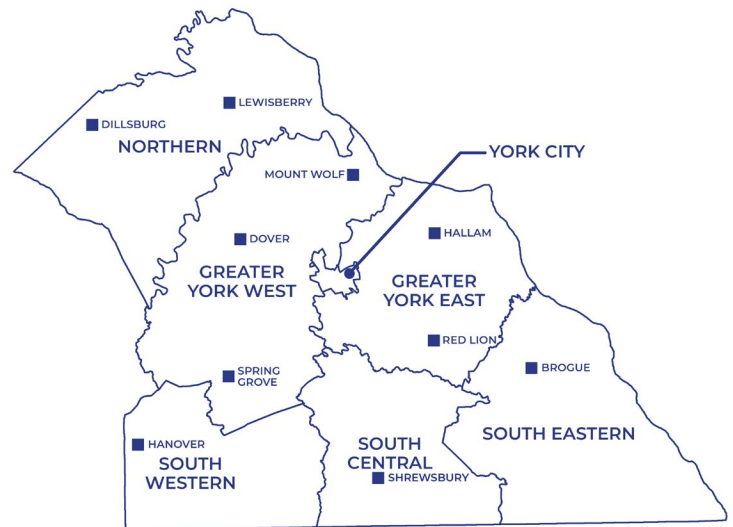
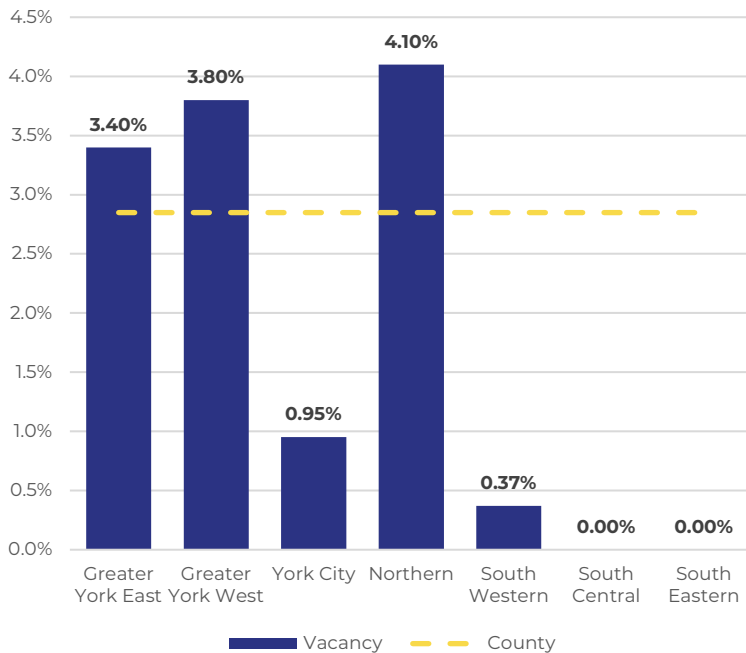
* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

INDUSTRIAL

York County, PA

Q1 2023

VACANCY BY SUBMARKET



Key Lease Transactions Q1 2023

PROPERTY	SF	TENANT	TRANSACTION
15-105 Willow Springs Cir, York	71,030	Red Lion Controls, Inc.	New
715 Willow Springs Ln, York	34,820	York E-M, Inc.	Renewal
361 N East St, York	28,418	DOCEO Office Solutions, Inc.	New
260 Shady Ln, Manchester	9,300	Hauck Logistics, LLC	New
230 Industrial Rd, York	5,800	August Mack Environmental, Inc.	New

Key Sale Transactions Q1 2023

PROPERTY	SF	SELLER/BUYER	PRICE
75 Acco Dr, York	91,500	Acco Properties, LP / Acco Business Park, LLC	\$6,200,000
5130 E Prospect Rd, York	72,500	Tighe Industries, Inc / Gallert Enterprises	\$3,050,000
207-209 S Sumner St, York	19,175	Rexroth TIC / Diehl & Sons Enterprises, LLC	\$940,000
11505 S Susquehanna Tr, Glen Rock	13,275	Shrewsbury Township / Energywise Property Holding, LLC	\$840,000
26-52 Ridge Ave, York*	28,720	Dong H. & Chae K. Kim / Anderson Ridge, LLC	\$500,000

*Possible Redevelopment Planned | Industrial to Mixed Use Conversion

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