

MARKET REPORT

RETAIL | York County, PA | Q1 2023



Signed Leases are Up 26% Compared to the Five-Year Average

HIGHLIGHTS

- Vacancy increases for second consecutive quarter following five-year lows dropping below 5% last year.
- Absorption is negative year-to-date driven not by big box store closures but units less than 5,000 square feet.

OVERVIEW

Vacancy increased for the second consecutive quarter rising above 5%. Although increasing vacancy and negative absorption year-to-date may indicate softening demand, a higher-than-average number of signed leases in Q1 is a positive indicator. Signed leases are up 26% from the five-year average. This activity, however, has not been enough to absorb new vacancies.

While leasing activity remains strong, it is working against persistent vacancies in malls and shopping centers. The highest vacancy rates are found at indoor malls, while automotive related inventory has the lowest.

Type of Inventory	Vacancy Rate
Indoor Malls	19.01%
Shopping Centers	8.48%
Automotive Sales/Service	3.28%

Plans are proposed to redevelop the site of the historic Moderaire Motel to a new mixed-use project, Mount Zion Commons. Once approved, the project will consist of 72,000 SF of residential and commercial space including a national convenience store, possibly Wawa, according to a recent Planning Commission meeting. Anticipated delivery is spring 2024.¹

Additional national retailers plan expansions into York County:

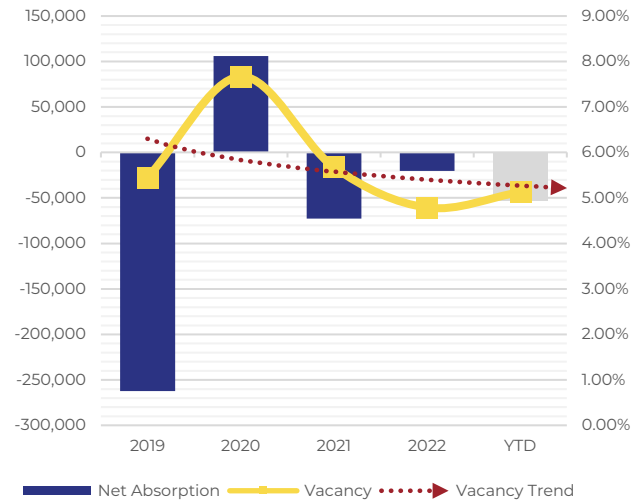
Project	Market	Size
Tidal Wave Auto Spa	Hanover (2 locations)	+/-7,000
Plaza Azteca	Hanover	+/-8,000
Wawa	Hanover & York	+/-4,800
Royal Farms	Shrewsbury	+/-4,800

¹York Daily Record

MARKET INDICATORS

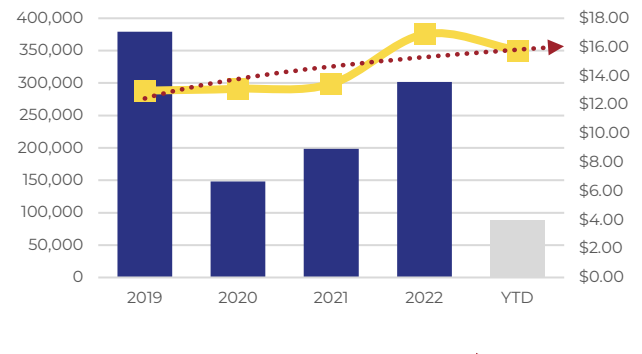
Total Inventory	28.18 MSF	▲
Sales (\$)	\$12.45M	▲
Sales (SF)	116,853 SF	▼
Total Vacancy	5.13% (+34 bps)	▲
Total Leased (SF)	94,321 SF	▲
Avg Rent Change <i>12-month rolling average</i>	+\$1.97	▲

NET ABSORPTION & VACANCY



* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



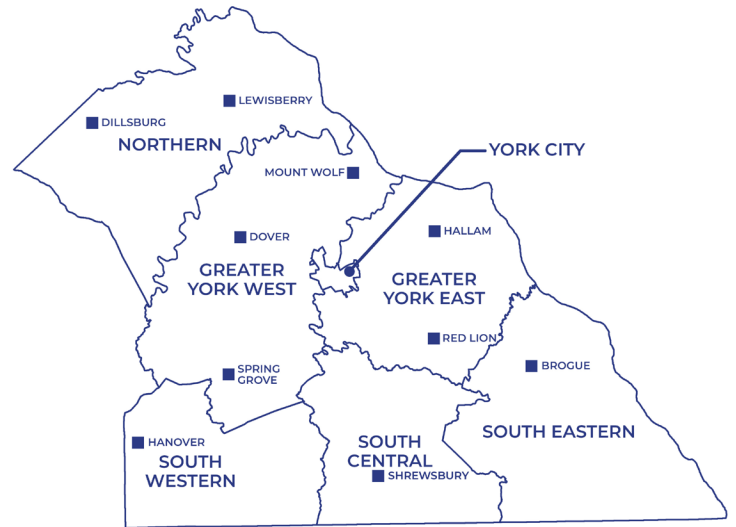
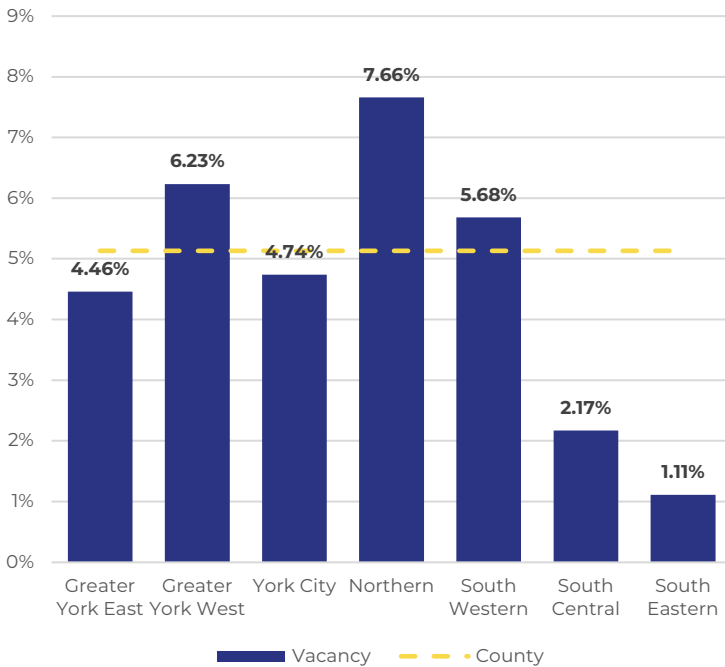
* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

RETAIL

York County, PA

Q1 2023

VACANCY BY SUBMARKET



Key Lease Transactions Q1 2023

PROPERTY	SF	TENANT	TRANSACTION
1155 Carlisle St, Hanover (North Hanover Mall)	27,914	Rural King (outparcel)	New
225-305 Glen Dr, Manchester (East Manchester SC)	19,105	Planet Fitness	New
59-71 S Main St, Red Lion	4,870	Matthew Young, Danny Workinger & Kody Workinger	New
2101-2129 Industrial Hwy, York	4,774	Beauty Systems Group, LLC	New
1418-1444 Baltimore St, Hanover	3,200	Pippin's New & Used	New

Key Sale Transactions Q1 2023

PROPERTY	SF	SELLER/BUYER	PRICE
560 Old York Rd, New Cumberland	11,020	Cole CV Fairview Township PA, LLC / Exchangeright Net Leased Portfolio 50 DST	\$3,740,000
500 Eisenhower Dr, Hanover	1,608	FamVest XL - 500 Hanover, LLC / TWAS Properties, LLC	\$1,750,000
25 & 33 Carlisle St, Hanover	22,730	Bank of Hanover & Trust Co / BMSRE, LLC	\$1,288,001
2515 Delta Rd, Brogue	7,200	Todd Leach / NBE Real Estate Holdings, LLC	\$800,000
2944 Whiteford Rd, York	16,000	LAS Meadowbrook, LLC / Whiteford Partners, LLC	\$700,000

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