

MARKET REPORT

INDUSTRIAL | York County, PA | Q2 2023



Construction Continues, 2.6 Million Square Feet Completed in Q2

HIGHLIGHTS

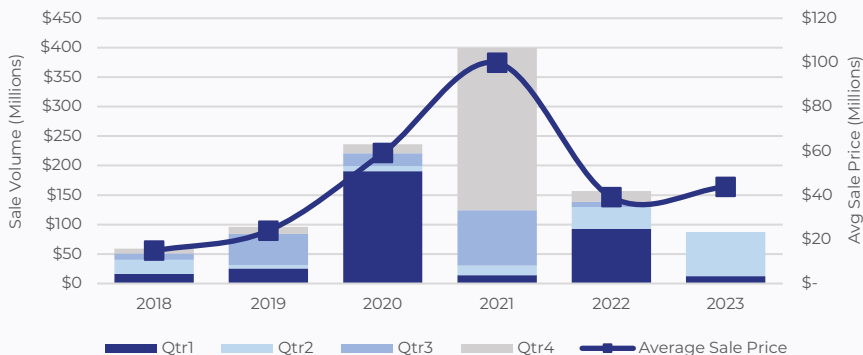
- Cabot Properties, Inc. purchased Building 1 at Core5 Logistics Center at Codorus Creek for \$54.5M.
- Leasing remains strong with square feet leased up 51% from 2022. Trade Center 83 North was pre-leased while Core5 Logistics Center at Codorus Creek was leased upon completion.
- 2.6 MSF completed this quarter increasing inventory by 3%.

OVERVIEW

Despite economic pressure, the York County industrial market remains strong. About 2.6 MSF of new construction completed this quarter. Of these sites, one was sold upon completion, two were leased upon completion, and one was pre-leased. Because of this, vacancy did not increase as much as expected providing little relief in a tight market. However, vacancy is the highest it has been over the last two years.

Although financing costs have increased, sale volume is on par with pre-pandemic levels. This is primarily due to the sale of Building 1 at Core5 Logistics Center at Codorus Creek for \$54.5M to Cabot Properties, Inc.. This sale accounted for 62% of sale volume year-to-date. While sale volume is up, the number of transactions are down 33% compared to this time last year.

Sale Volume and Average Sale Price

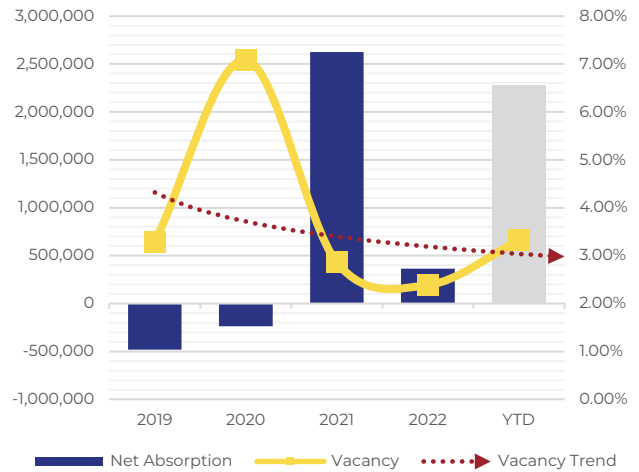


Absorption is positive year-to-date driven by high demand across all building classes. With only 500,000 SF due for completion this year, the market will remain highly competitive driving both sale prices and lease rates higher.

MARKET INDICATORS

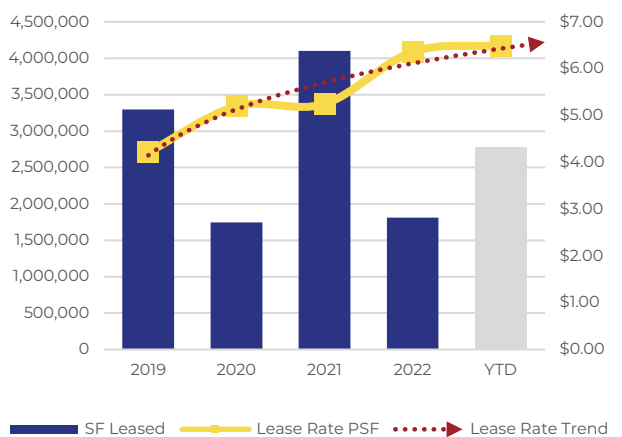
Total Inventory	88.83 MSF	▲
Sales (\$)	\$74.78 M	▲
Sales (SF)	1,137,822 SF	▲
Total Vacancy	3.34% (+49 bps)	▲
Total Leased (SF)	2,453,127 SF	▲
Avg Rent Change <i>12-month rolling average</i>	+\$1.07	▲

NET ABSORPTION & VACANCY



* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



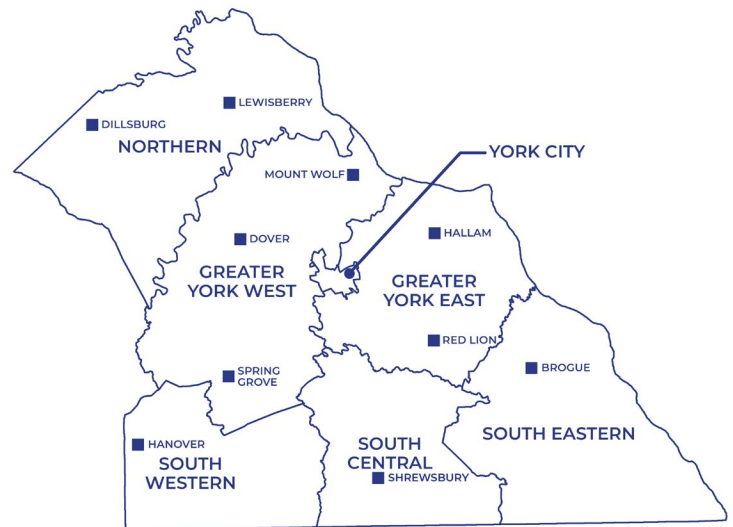
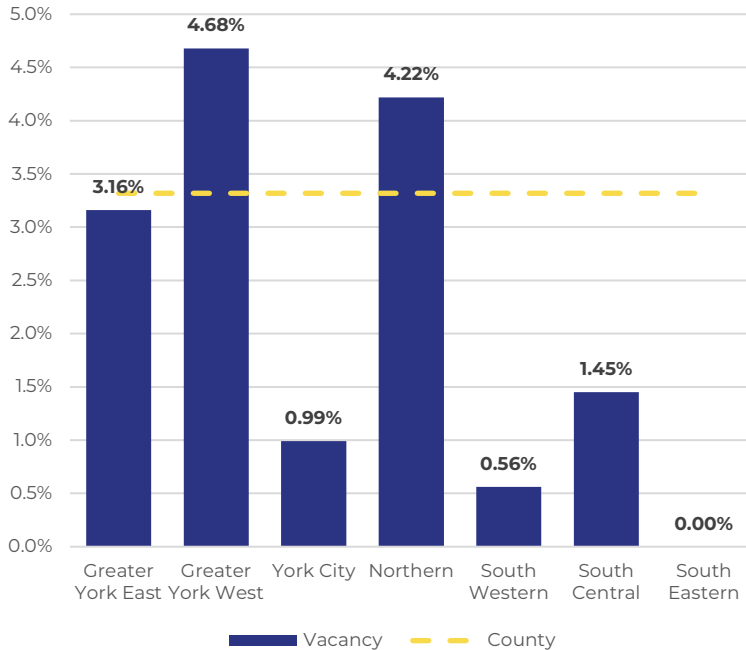
* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

INDUSTRIAL

York County, PA

Q2 2023

VACANCY BY SUBMARKET



Key Lease Transactions Q2 2023

PROPERTY	SF	TENANT	TRANSACTION
540 Busser Rd (Bldg 3C), York	302,830	Name Withheld	New
520 Busser Rd, York	204,269	Viking Range, Corp.	New
631 S Richland Ave (Bldg 700), York	167,225	Name Withheld (Government Contractor)	New
145 Morgan Ln, York	70,000	Lexora, Inc.	New
1160 Fahs St (Unit 4), York	58,420	Pro Pallet, LLC	New

Key Sale Transactions Q2 2023

PROPERTY	SF / AC	SELLER/BUYER	PRICE
405 Busser Rd (Bldg 1) York	483,770	Core5 at Codorus Crk Phase I, LLC / CABOT Properties	\$54,500,000
501 Ridge Ave, Hanover (Land)*	65 Ac	Hanover Foods Corporation / Ridge Ave Investments, LLC	\$5,119,650
1030 Wilson Ave, Hanover	38,056	J.F. Rohrbaugh & Co, LLC / KLK Properties, LLC	\$1,900,000
425 Poplar St, Hanover	19,042	Thomas A & Robert D Crawford, Jr. / Hanover Real Estate Partners, LP	\$1,358,000
791 Cool Creek Rd, Wrightsville	10,560	Abel Fence, LLC / Pro Max Abel Real Estate	\$850,000

*Proposed warehouse/distribution | 407,680 SF

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