

MARKET REPORT

RETAIL | Lancaster County, PA | Q2 2023



Tight Market Continues to Drive Up Lease Rates

HIGHLIGHTS

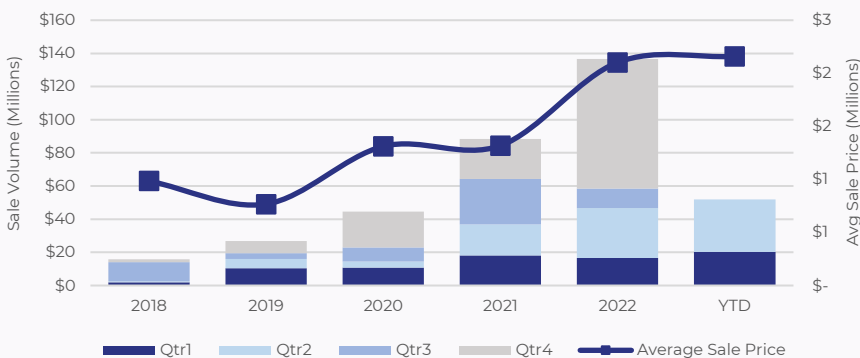
- Q2 sale volume reaches a five-year high. Sale volume and average sale price have both increased every year since 2018.
- Vacancy drops 28 basis points hitting a two-year low. There is a significant lack of large vacancies hitting the market.
- Leased square feet and transaction count both decreased in Q2, but absorption remains positive.

OVERVIEW

The Lancaster Economic Development Company (EDC) reported strong local consumer outlook in June with May 2023 polling results showing a nearly two-year high consumer sentiment score regarding the local economy. Additionally, week-over-week spending averaged around 14%-17% above January 2020 levels.¹ Consumer spending remains steady despite unclear economic predictions for 2024 creating a secure environment for retailers.

Sale volume and average sale price remain on an upward trajectory. Mid-year sale volume is up 4.5% since Q2 last year and has increased every year since 2018.

Sale Volume and Average Sale Price



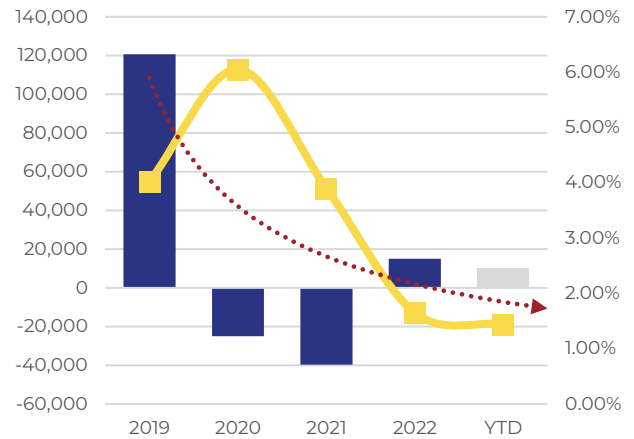
Vacancy is 400 basis points below the national average and the lowest it's been in two years. Contributing to this is a lack of vacant space greater than 10,000 SF. Year-to-date, 96% of vacant units added to the market were less than 10,000 SF.

¹ Lancaster EDC

MARKET INDICATORS

Total Inventory	29.93 MSF	▶
Sales (\$)	\$31.5M	▲
Sales (SF)	203,340 SF	▲
Total Vacancy	1.44% (-28 bps)	▼
Total Leased (SF)	26,233 SF	▼
Avg Rent Change 12-month rolling average	+\$2.70	▲

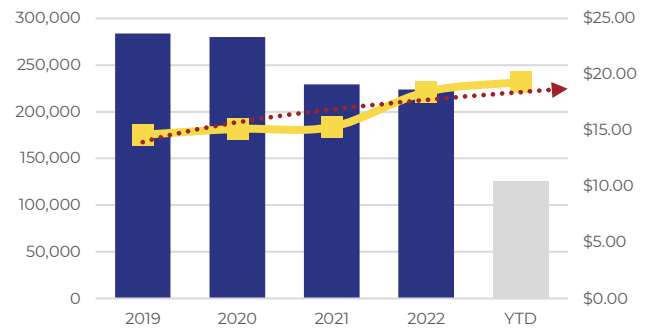
NET ABSORPTION & VACANCY



Legend: Net Absorption (Dark Blue Bar), Vacancy (Yellow Line with Squares), Vacancy Trend (Red Dotted Line with Triangles)

* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



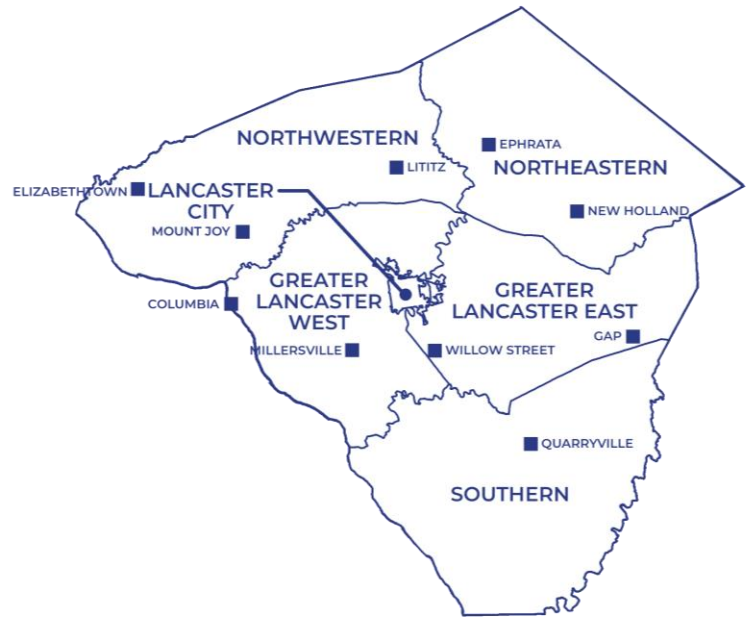
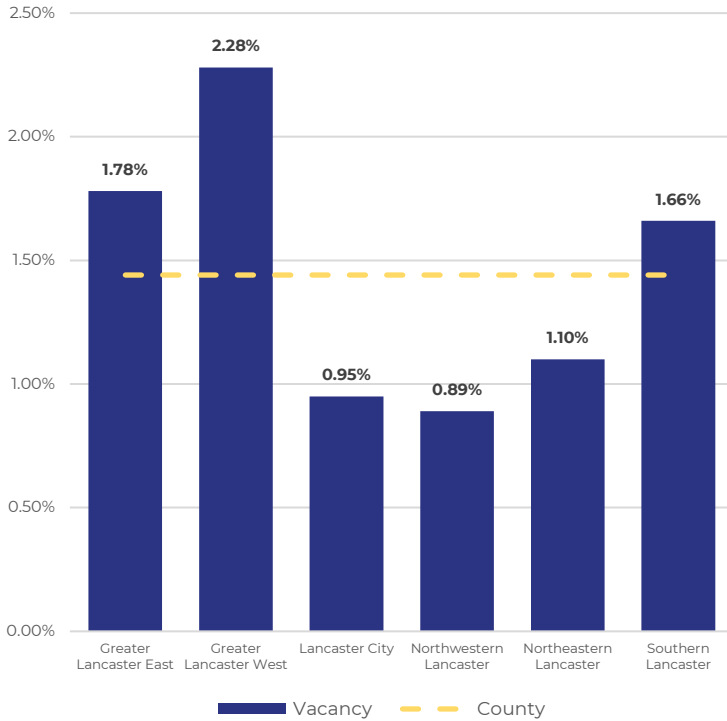
* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

RETAIL

Lancaster County, PA

Q2 2023

VACANCY BY SUBMARKET



Key Lease Transactions Q2 2023

PROPERTY	SF	TENANT	TRANSACTION
1360 Columbia Ave, Lancaster (Stone Mill Plaza)	10,000	Five Below, Inc.	New
2002-2092 Fruitville Pke, Lancaster (Hawthorne Centre)	2,800	Consumer Cellular, Inc.	New
10-60 Copperfield Cir, Lititz (Warwick Center)	2,200	Sincerely Yours Salon	New
235-245 Bloomfield Dr, Lititz (The Shoppes at Bloomfield)	2,083	Mor-Smiles	New
2232 E Lincoln Hwy, Lancaster	1,400	AT&T Wireless Services, Inc.	New

Key Sale Transactions Q2 2023

PROPERTY	SF	SELLER/BUYER	PRICE
2495 E Lincoln Hwy, Lancaster	68,000	Bloomtown Associates, LP et.al/ Motus Development	\$8,500,000
1188 Enterprise Rd, East Petersburg	26,648	Joyce Allen / Nismatoy, LLC	\$5,650,000
5120 Main St, East Petersburg	12,554	Allen Partnership / Nismatoy, LLC	\$3,250,000
226-228 Gap Rd, Strasburg	17,522	North Field Partners, LP / Strasburg Station	\$2,150,000
2095 S Market St, Elizabethtown	16,017	Duane L. & Sylvia L. Hernley / The H&H Group	\$1,775,000

DREW M. STEFFENS

Director of Data Services
(717) 854-7065
dsteffens@rockrealestate.net

KATIE P. SPURRIER

Research Analyst
(717) 850-0848
kspurrier@rockrealestate.net

221 W Philadelphia St, Ste 19, York, PA 17401
313 W Liberty St, Ste 117, Lancaster, PA 17603

717.854.5357
ROCKrealestate.net

