

# MARKET REPORT

RETAIL | Lancaster County, PA | Q3 2023



## High Sale Volume Reflects Strong Buyer Confidence

### HIGHLIGHTS

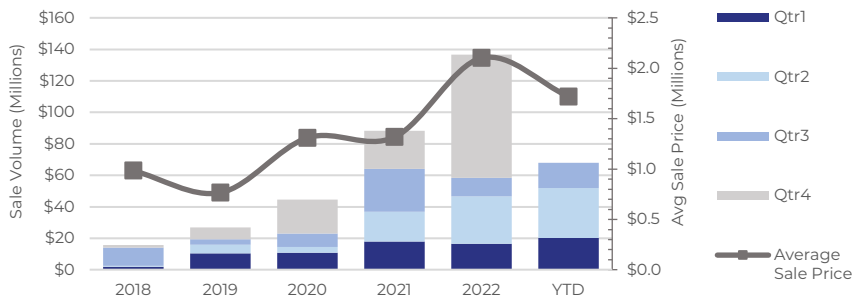
- Sale volume and average sale price has increased every year since 2019.
- Vacancy is now 24 basis points higher than the end of 2022.
- Shopping center vacancies account for 74% of all vacant square feet countywide.

### OVERVIEW

In their September report on Consumer Sentiment, EDC Lancaster County reported an overall positive outlook. Inflation, especially on essential items like food, shelter, and gas, remains a concern, but due to low unemployment, Lancastrians are confident in their ability to find work.<sup>1</sup> This may be encouraging consumer spending as total household debt increased by \$16B (0.1%) to \$17.06T in Q2 2023.<sup>2</sup>

Pricing eased slightly in Q3 both for average sale price and lease rates, but both remain on an upward trajectory. Elevated sale prices do not appear to be dissuading local investors as sale volume approaches \$68M year-to-date. This is the highest year-to-date performance over the past five years. Average sale price also remains on a five year upward trend increasing 30% since 2020 and 70% since 2018.

Sale Volume and Average Sale Price



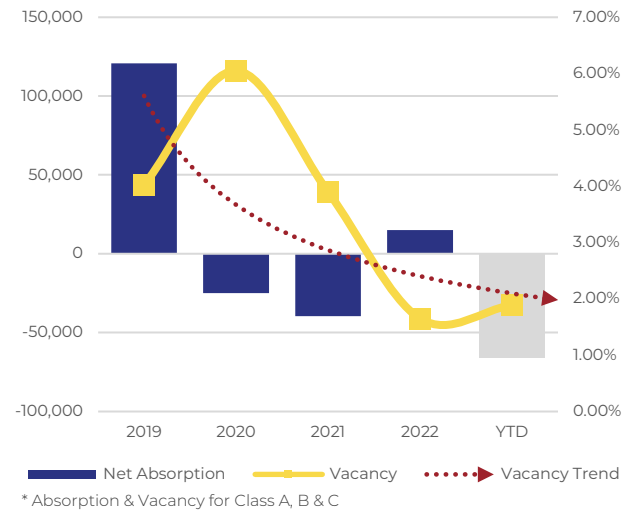
Absorption fell due to vacancy at The Shops at Rockvale, approved for a new mixed-use project. Of the retail portion remaining approximately 60,000 SF is vacant while an additional 13,000 SF is proposed. After a five-year low in 2022, vacancy is rebounding now 24 basis points higher than last year.

<sup>1</sup>Lancaster EDC  
<sup>2</sup>Federal Reserve Bank of New York Quarterly Report on Household Debt and Credit

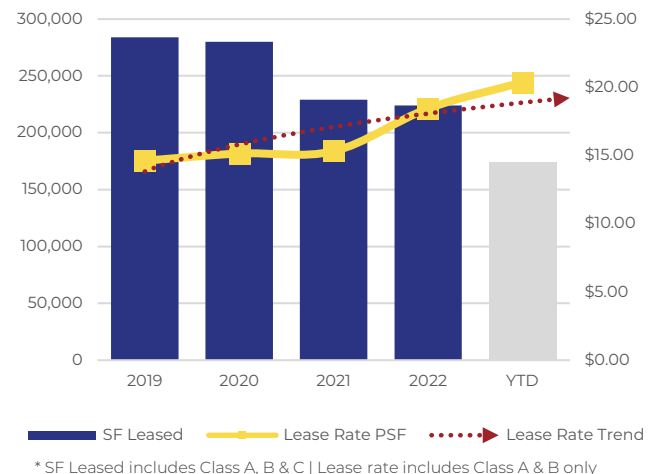
### MARKET INDICATORS

Total Inventory	29.91 MSF	▲
Sales (\$)	\$16.15M	▼
Sales (SF)	64,229 SF	▼
Total Vacancy	1.89% (+45 bps)	▲
Total Leased (SF)	45,184 SF	▲
Avg Rent Change <i>12-month rolling average</i>	+0.48	▼

### NET ABSORPTION & VACANCY



### SF LEASED & AVG LEASE RATE

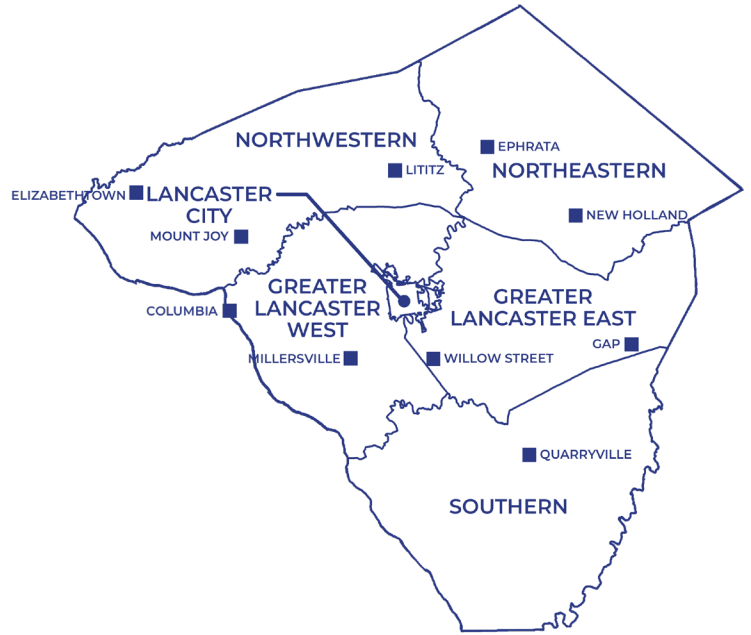
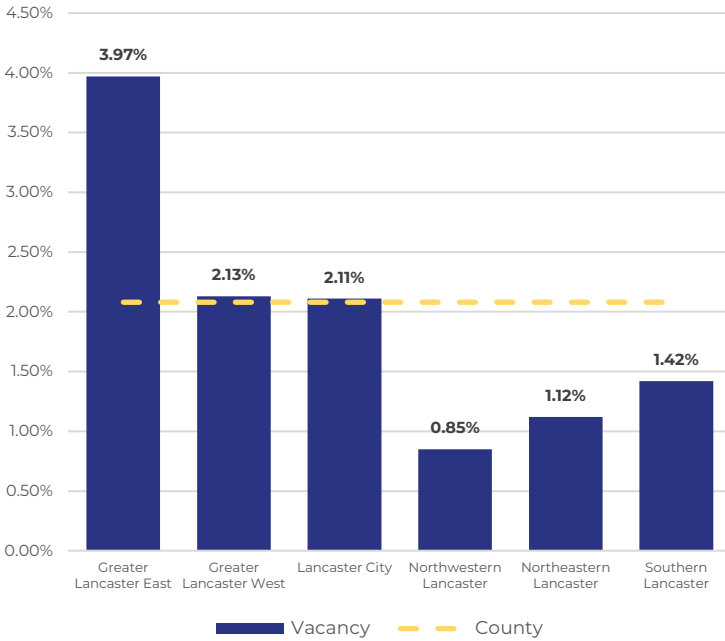


# RETAIL

Lancaster County, PA

Q3 2023

## VACANCY BY SUBMARKET



## Key Lease Transactions Q3 2023

PROPERTY	SF	TENANT	TRANSACTION
1009 N Prince St, Lancaster (Bldg 2)	13,151	Name Withheld	New
206 Rohrerstown Rd, Lancaster (Suite 22)	5,000	Pine Creek Animal Hospital	New
1607 Manheim Pike, Lancaster	4,000	Kyura Men	New
2416 Willow Street Pike, Lancaster (Suite 13)	3,080	Frisco's Chicken	New
1025 S State St, Ephrata	3,046	Name Withheld	New

## Key Sale Transactions Q3 2023

PROPERTY	SF	SELLER/BUYER	PRICE
5455 Main St, East Petersburg	14,133	David Stadel / JJLH Associates, LTD	\$4,300,000
889 E Main St, Leola	14,400	APPS Limited / Bergey's Realty Co	\$3,950,000
2350 Dairy Rd, Lancaster	6,000	Moore & Moore Real Estate, LLC / Jones Brothers Holdings, LLC	\$1,700,000
66 Keller Ave, Lancaster	2,950	Life Lion Fleet & Auto, LLC / Miller Auto Leasing, LLC	\$1,112,500
2673 Lititz Pike, Lancaster	2,542	TH Minit Markets, LLC / OM Lancaster, LLC	\$950,000

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