

MARKET REPORT

YEAR-END 2023 | Greater Hanover Area

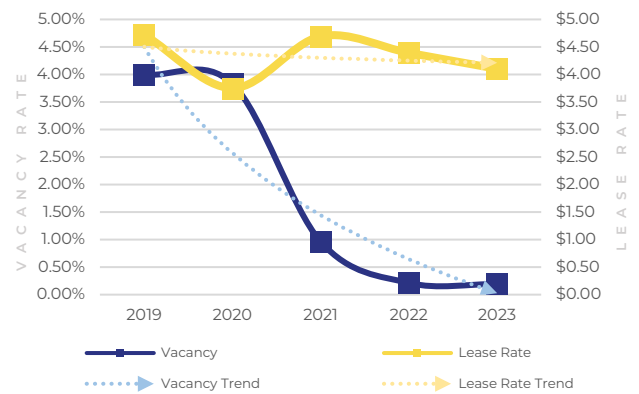


INDUSTRIAL

▲ 17.18 MSF Total Inventory

- The market remains very tight dropping 20 basis points to a mere 0.19% vacancy rate. Absorption remains positive for the year as leasing activity outpaced vacancies for all class types.
- Average lease rate decreased for the second consecutive year down 12.6% since 2021.
- 3PL operator, Hanover Terminal, Inc., has leased 53,070 SF of warehouse space at 350 South Street in McSherrystown.
- The former Winter Gardens Quality Foods facility at 304 Commerce St, New Oxford recently sold for \$3.5M in Q4 2023. The 60,000 SF food grade space is now occupied by Sandridge Crafted Foods.
- The new 348,344 SF warehouse for G&S Foods remains under construction and estimated for completion in Q3 2024.

VACANCY & AVG LEASE RATE

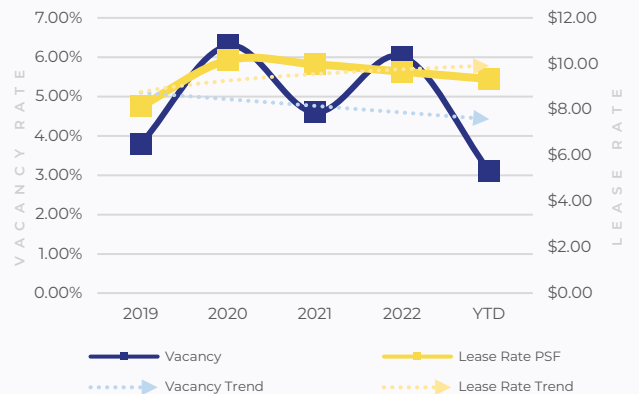


OFFICE

▶ 1.71 MSF Total Inventory

- Vacancy dropped below 4% for the first time in five years down to 3.10%. 639 Frederick St in Hanover saw the most leasing activity, with over 2,271 SF office area now occupied. Square Commercial Center accounts for 27% of all office vacancy with over 17,000 SF currently available for lease by individual suites or entire floors.
- Healthcare drives sale volume, with over \$3.51M of medical office sold in Q3 and Q4 2023. Median sale price for medical office properties is up 23% since 2020.
- 777-785 Cherry Tree Ct is a 21,424 SF former cancer treatment facility and sold for \$2.24M (\$104/SF) in July.
- 100 Frederick St in Hanover is a 14,000 SF multi-tenant office building and sold for \$1,269,500 (\$89.38/SF) in September. The buyer is a Texas-based real estate investor.

VACANCY & AVG LEASE RATE

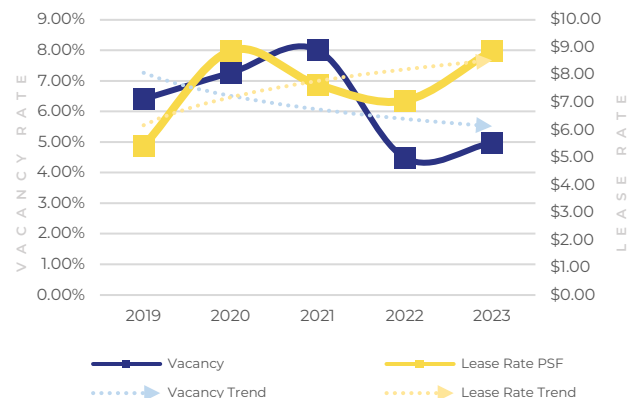


RETAIL

▲ 6.55 MSF Total Inventory

- Vacancy increased 25 basis points, attributed to the former Rite Aid location at 301 W Eisenhower Drive, Hanover. This added 14,564 vacant square feet to the market.
- Lease rates continue to increase, as limited inventory and strong demand push prices higher.
- National chain Tidal Wave Auto Spa completed construction on their second Hanover location at 500 Eisenhower Drive. The property was formerly a M&T Bank location, and construction of the conveyor car wash facility was completed in Q4 2023.
- Plans for a proposed WaWa location at Penn Plaza (1007 Baltimore St, Hanover) are approved. An estimated completion date is not disclosed.

VACANCY & AVG LEASE RATE



NOTE: 'Total Inventory' will appear as a net decrease when comparing to the 2023 mid-year report due to a change of property use for select properties.

INDUSTRIAL

SOLD - \$3,500,000



304 Commerce St, New Oxford

63,676 sf
Seller: Winter Gardens Salad Co.
Buyer: Gourmet Properties 2 LLC

SOLD - \$685,000



15 Barnhart Dr, Hanover

5,840 SF
Seller: KLK Properties, LLC
Buyer: RJ Miller, LLC.

LEASED - 7,500 SF



9 Barnhart Dr, Hanover

Tenant: Advanced Equipment Co., Inc.

OFFICE

SOLD - \$2,240,000



777 Cherry Tree Ct, Hanover

5,804 SF
Seller: UPMC Hanover
Buyer: Cherry Tree Court, LLC

SOLD - \$1,269,500



100 Frederick St, Hanover

14,204 SF
Seller: Hanover Medical Properties LLC
Buyer: Jupiter Alpine Crossings LLC

LEASED - 2,520 SF



1 E Walnut St, Hanover

Tenant: Respective Solutions Group, Inc.

RETAIL

SOLD - \$530,000



1035 George St, Hanover

1,344 SF
Seller: KISMAR LLC
Buyer: SK DEV LLC

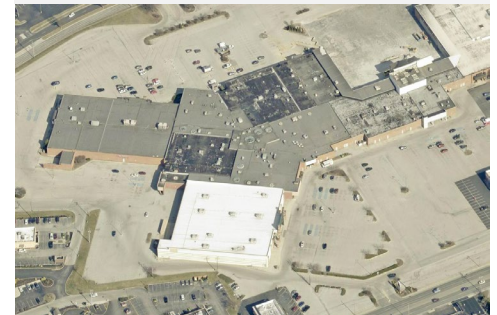
SOLD - \$495,000



1476-1480 White Hall Rd, Littlestown

10,656 SF
Seller: B Ronald & Aline Hedges
Buyer: Daniel A ET AL Hedges

LEASED - 4,333 SF



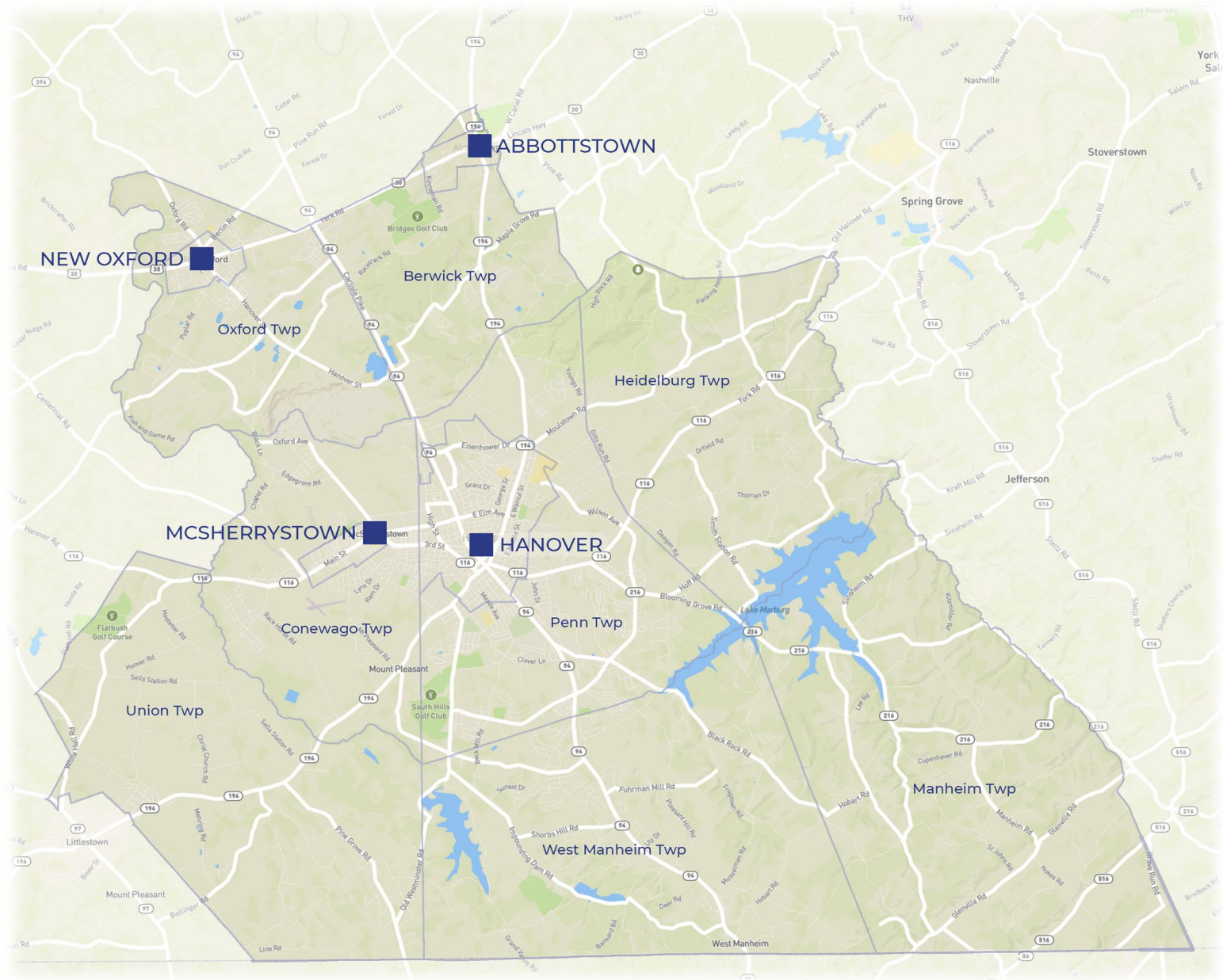
1155 Carlisle St, Ste 526, Hanover (North Hanover Mall)

Tenant: Fish & Friends

GEOGRAPHY SELECTION

For purposes of this Market Report, the Greater Hanover Area includes the Hanover Borough and surrounding communities of McSherrystown, New Oxford and Abbottstown. These communities were identified to contain businesses and consumers that identify with the Hanover Market.

Township boundaries used to define the area include Union Township, Conewago Township, McSherrystown Borough, Oxford Township, New Oxford Borough, Berwick Township, Abbottstown Borough, Penn Township, Hanover Borough, West Manheim Township, Heidelberg Township, & Manheim Township.



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