

MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q1 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
83.14M →	1.50% ↓	\$35.18M ↑	874,986 ↑	212,616 ↑	\$1.21 ↑

12-month rolling avg

Industrial Maintains Lead as Top-Performing Sector

HIGHLIGHTS

- Vacancy continues downward trend, dropping a further 60 bps to 1.5%
- Sale volume rebounds with Q1 delivering \$35.18M in total sales
- Jura, Inc. breaks ground on a new 100,000 SF “white glove” customer service facility in Mount Joy

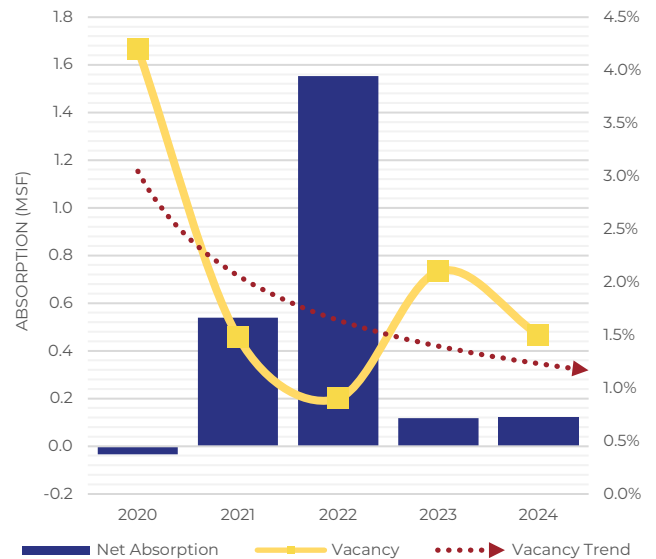
OVERVIEW

Sustained demand and tight inventory have kept leasing activity and rental rate growth stimulated, and absorption rose to +122,929 SF maintaining the positive streak started in 2021. YOY lease rates increased \$1.21, surpassing the national average. Although Class A vacancy continues to hover at 4%, overall vacancy dropped below 2%, in large part due to the 117,000 SF of new Class A distribution warehouse at 425 S Muddy Creek Rd. in East Petersburg.

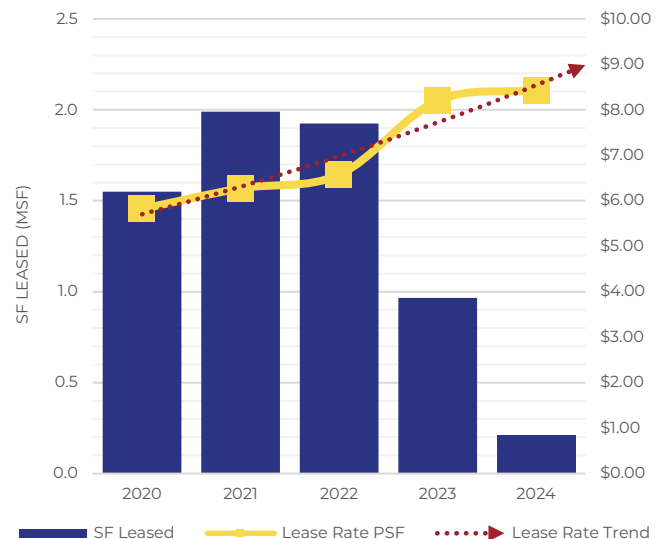
Construction activity has plateaued coinciding with rising capital costs, however approximately 930,000 SF of existing projects remain underway. New for the quarter is the Hospitality and Service Center for the Swiss company Jura, Inc., who plans to relocate their existing operations to the 100,000 SF facility at 1480 Strickler Rd and 1475 E Main St in Mount Joy. The project broke ground in January with an undefined delivery in 2025.

Class C transactions dominated sales, doubling last quarter's totals and breaking the two-year declining trend as average sales price ascended to \$2.2M. Most notably, 236 and 258 Cherry St in Manheim Borough, the former FLSmidth manufacturing facility and one of the largest industrial zoned properties in the borough, was sold twice this quarter. The new owners, who paid \$5.5M, have begun leasing out portions of the property with tentative long-term plans to bring the facility back to productive use.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

236-258 S Cherry St, Manheim

SIZE	323,283 SF
SELLER	MSC Ventures LLC
BUYER	Manheim Industries LLC
PRICE	\$5,500,000

220-230 Enterprise Rd, Lititz

SIZE	21,916 SF
SELLER	R&TW LLC
BUYER	Woodcorner Properties LLC
PRICE	\$5,250,000

124 W Airport Rd, Lititz

SIZE	36,800 SF
SELLER	Condor Snack Foods LLC
BUYER	PA Tortilla Manufacturing LLC
PRICE	\$3,800,000

1596 Manheim Pike, Lancaster

SIZE	43,149 SF
SELLER	Jakes Family LP
BUYER	1596 Manheim Pike LLC
PRICE	\$3,300,000

236-258 S Cherry St, Manheim

SIZE	323,283 SF
SELLER	FLSmith Inc.
BUYER	MSC Ventures LLC
PRICE	\$2,300,000

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Key Lease Transactions

425 S Muddy Creek Rd, East Petersburg

SIZE	117,000 SF
TENANT	Name Withheld
TRANSACTION	New

1135 Dillerville Rd, Lancaster

SIZE	35,912 SF
TENANT	Name Withheld
TRANSACTION	New

17 Meadow Ln, Paradise

SIZE	30,518 SF
TENANT	Capital Forest Products
TRANSACTION	New

499 Running Pump Rd, Lancaster

SIZE	22,500 SF
TENANT	Name Withheld
TRANSACTION	New

135 Independence Ct, Lancaster

SIZE	5,000 SF
TENANT	Name Withheld
TRANSACTION	New

