

MARKET REPORT

OFFICE | LANCASTER COUNTY, PA | Q1 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
15.82M ↑	4.70% ↑	\$7.05M ↑	56,926 ↑	13,921 ↓	\$0.94 ↑ 12-month rolling avg

Consistent Demand Sustains Office Sector Success

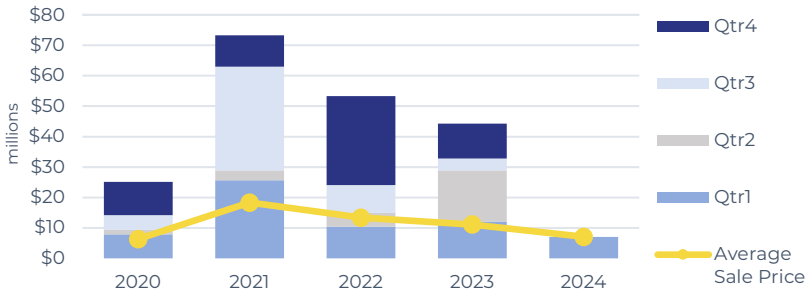
HIGHLIGHTS

- Although well below the national average, office vacancy has increased slightly, up another 41 bps to 4.70%
- Absorption stays negative but rose slightly with 13,921 SF of newly leased office space now occupied
- Consistent number of signed leases and YOY increases in lease rates showcase sector's resiliency despite ongoing economic stressors

OVERVIEW

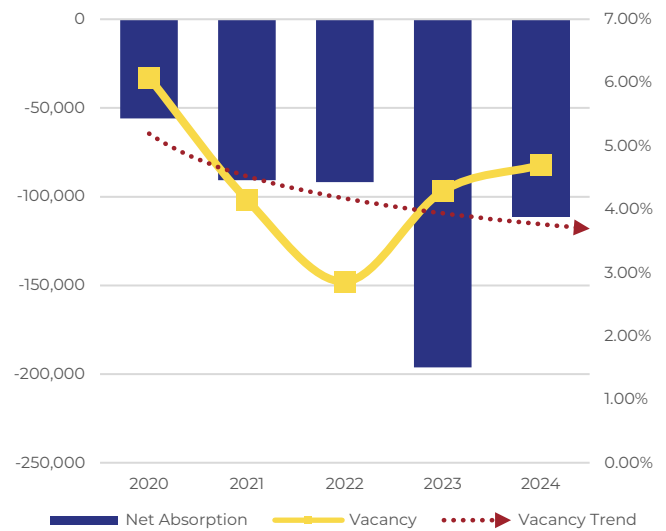
Amidst expected loan defaults and distress sales, restricted office lending has returned sale volume back down to historic norms with \$7.05M in total sales, and average sale price continues a declining trend for a third year. Class B and C properties continue to command sales but are gradually spending more time on the market. Over the past five years, the time between listing and closing for all classes has increased annually by 2% on average.

Sales Volume



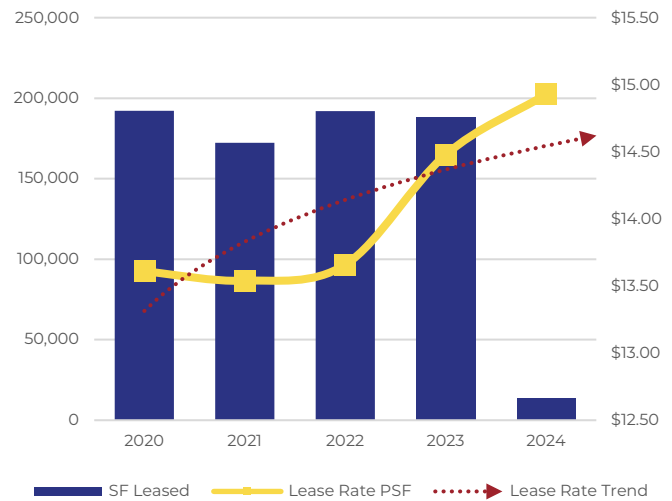
Demand for healthcare properties continues to drive construction activity. In addition to the completion of their 15,000 SF family medicine practice in Guilford Township, WellSpan is expecting a new 34,000 SF surgical facility in Lancaster to be delivered by Q3 2024. Additionally, work has been completed on the 10,000 SF Class A medical and laboratory services facility for the Clinic for Special Children. The clinic relocated to the new property at 20 Community Lane in Gordonville on April 1st.

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

Key Sale Transactions

226 N Arch St, Lancaster

SIZE	9,714 SF
SELLER	226 Arch St, LLC
BUYER	Wild Plum Investments LLC
PRICE	\$1,583,528

5275 Lincoln Hwy, Gap

SIZE	12,671 SF
SELLER	County Line Properties LP
BUYER	Panshi Group LLC
PRICE	\$1,265,000

306 Primrose Ln, Columbia

SIZE	7,000 SF
SELLER	Kamal Kafley
BUYER	Adharanand LLC
PRICE	\$1,120,000

385 E Roseville Rd, Lancaster

SIZE	2,501 SF
SELLER	Roseville Associates LP
BUYER	Sea You LLC
PRICE	\$630,000

248 Maple Ave, Quarryville

SIZE	5,120 SF
SELLER	David & Linda Musser
BUYER	New Hope Community Life Ministry
PRICE	\$560,000

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Key Lease Transactions

941 Wheatland Ave, Lancaster

SIZE	2,604 SF
TENANT	Julie Simmons MS LPC LLC
TRANSACTION	New

2501 Oregon Pike, Lancaster

SIZE	2,568 SF
TENANT	GiGi's Playhouse
TRANSACTION	New

38-44 N Christian St, Lancaster

SIZE	1,875 SF
TENANT	Name Withheld
TRANSACTION	New

38-44 N Christian St, Lancaster

SIZE	1,350 SF
TENANT	Name Withheld
TRANSACTION	New

1366 Harrisburg Pike, Lancaster

SIZE	1,224 SF
TENANT	Unnamed Medical Tenant
TRANSACTION	New

