

MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q1 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
29.88M ↑	1.49% ↓	\$15.28M ↑	78,828 ↑	32,668 ↓	-\$2.60 ↓ <i>12-month rolling avg</i>

Limited Inventory Promoting Growth and Competition

HIGHLIGHTS

- Low construction levels keep inventory tight as vacancy drops 15 bps to five year low of 1.49%
- Competition within a limited market grows sale volume, as total sales exceed \$15.28M
- Absorption hedges negative to -22,518 as larger, vacant units hit the market

OVERVIEW

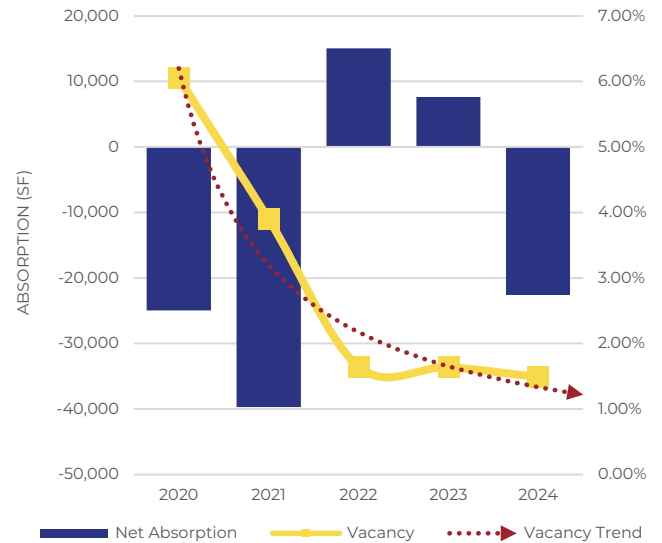
Though YOY lease rates have dropped, the overall trend remains on an upward trajectory that is expected to continue. Rising construction costs contribute to a slowing in new development, tightening the market and promoting rent growth. This has also contributed to another drop in vacancy, which currently sits 261 bps below the national average.

Average sale price continues to taper down from 2022's outstanding performance but remains above historic levels. Since 2019, average sale price has increased 17% and competition over limited inventory suggests this trend will continue.

Shopping centers join automotive service properties in dominating sales and leasing activity, defying economic stressors by offering dynamic tenants and services appealing to the post-covid consumer. The top five sales this quarter were multi-tenant, service-oriented retail properties including Millersville Shopping Center which sold for \$1.55M and the former Dunn's Auto Body & Repair center in Ephrata township.

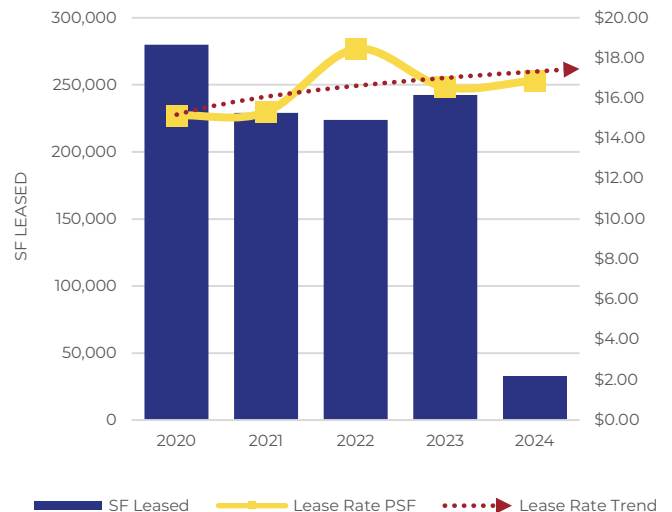
Retail units in shopping and neighborhood centers account for 33% of leased square feet this quarter. Western Corners Shopping Center in East Hempfield Township saw the most activity with 7,798 SF of retail spaces now occupied.

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

RETAIL

LANCASTER COUNTY, PA

Q1 2024

Key Sale Transactions

475-498 N Reading Rd, Ephrata

SIZE	12,672 SF
SELLER	471 North Reading Road LLC
BUYER	WellSpan Properties Inc.
PRICE	\$4,200,000

1264-1266 Manheim Pike, Lancaster

SIZE	13,693 SF
SELLER	SBE Associates
BUYER	R&TW LLC
PRICE	\$1,625,000

249 Manor Ave, Millersville

SIZE	14,631 SF
SELLER	Manor Builders PT
BUYER	JDG Holdings LLC
PRICE	\$1,550,000

965 Wood St, Mount Joy

SIZE	10,380 SF
SELLER	Wilson Enterprise LLP
BUYER	Cadet 23 LLC
PRICE	\$1,500,000

510-512 N Reading Rd, Ephrata

SIZE	5,056 SF
SELLER	Christopher Dunn
BUYER	510 North Reading Road LLC
PRICE	\$1,000,000

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Key Lease Transactions

2919 E Lincoln Hwy, Gordonville

SIZE	14,440 SF
TENANT	River Nutrition LLC
TRANSACTION	New

2970 Willow St Pike, Willow Street

SIZE	4,100 SF
TENANT	Name Withheld
TRANSACTION	New

3009-3067 Columbia Ave, Lancaster

SIZE	2,520 SF
TENANT	Everest World Class Taekwondo
TRANSACTION	New

102 W King St, Lancaster

SIZE	2,430 SF
TENANT	Mayhem's Board Game & Bookstore Café
TRANSACTION	New

3009-3067 Columbia Ave, Lancaster

SIZE	1,924 SF
TENANT	Name Withheld
TRANSACTION	New

