

MARKET REPORT

OFFICE | YORK COUNTY, PA | Q1 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
13.44M ↑	3.40% ↓	\$4.57M ↓	76,294 ↓	44,525 ↑	+\$0.27 ↑ 12-month rolling avg

Record Low Vacancy Continues

HIGHLIGHTS

- Vacancy dropped 28 bps to 3.40%, continuing a decelerating downward trend
- Absorption improves slightly but remains negative as market struggles to fill larger spaces
- Competition over a tight inventory promotes lease rate growth for a fourth consecutive year

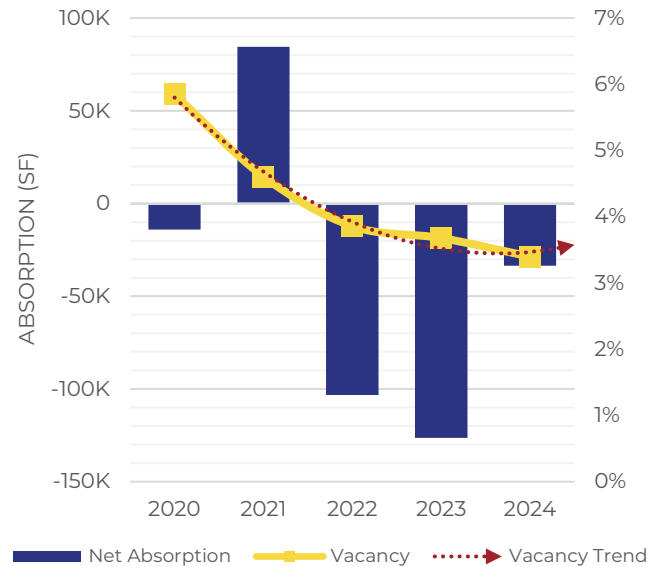
OVERVIEW

Vacancy remains low as a restricted inventory keeps supply and demand evenly matched. Lease rate growth continues for a fourth consecutive year, increasing 12% since 2020. In line with the national trend of flight to quality, Class A properties have seen an uptick in activity this quarter accounting for approximately half of leased square feet. M&T Bank Corporation leased 13,014 SF of Class A office space at Susquehanna Commerce Center (221 W Philadelphia St) in York City. This is the largest Class A unit leased since 2021.

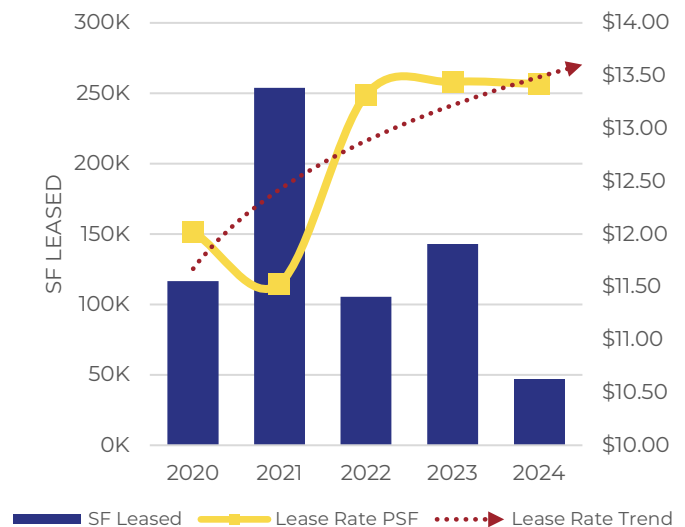
Nationally, as the office lending environment has tightened due to an increase in delinquencies and increased risk, sale volume continues to decrease. The local market has experienced a similar trend where sale volume has fallen each year since 2021. Although average sale price has also dropped, it remains above pre-pandemic levels as competition among limited inventory is expected to resume to meet a historically steady demand.

Inventory growth remains stagnant. However, 32,000 SF of Class A office space has been proposed. Notably, BLM Construction & Remodeling, LLC is planning 20,000 SF of new office space at 85 N Fayette St in West Manchester Township. The former bowling alley was razed in 2022, with plans to develop it as an office for their business operations.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

33-37 Frederick St, Hanover

SIZE	26,106 SF
SELLER	Adams-Hanover Counseling Services
BUYER	Borough of Hanover
PRICE	\$729,000

1600 Sixth Ave (Units 3A & 3B), York

SIZE	7,523 SF
SELLER	BFISP, Ltd
BUYER	In His Name Properties, LLC
PRICE	\$676,000

3093 N George St, York

SIZE	3,592 SF
SELLER	Typical Life Corporation
BUYER	3093 North George Street, LLC
PRICE	\$449,000

25 N Duke St, York

SIZE	14,310 SF
SELLER	25 N Duke Street, LLC
BUYER	D & F Realty Holdings, LP
PRICE	\$345,000

19 W Railroad Ave, Shrewsbury

SIZE	1,884 SF
SELLER	Kitchell Chiropractic, LLC
BUYER	19 W Railroad LLC
PRICE	\$320,000

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Key Lease Transactions

221-3WBb W Philadelphia St, York

SIZE	13,014 SF
TENANT	M&T Bank Corporation
TRANSACTION	New

1410-1420 Sixth Ave, York

SIZE	8,426 SF
TENANT	Campbell Construction
TRANSACTION	New

235 St Charles Way, York

SIZE	5,110 SF
TENANT	GGG Information Services, Inc
TRANSACTION	New

85 Wyntre Brooke Dr, York

SIZE	2,862 SF
TENANT	Revived Shrewsbury, LLC
TRANSACTION	New

1190 Regents Glen Blvd, York

SIZE	2,400 SF
TENANT	Name Withheld
TRANSACTION	New

