

# MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q2 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
29.85M →	1.79% ↑	\$5.01M ↓	39,531 ↓	19,949 ↓	-\$4.07 ↓ <i>12-month rolling avg</i>

## Influx of Larger Vacancies Spurs Record Low Absorption

### HIGHLIGHTS

- Lease rate growth slowing but maintains an overall upward trajectory
- 119,433 SF of vacant retail space added to the market, dropping absorption to record low
- General RV plans \$15M renovation and 22,000 SF expansion in Mount Joy Township

### OVERVIEW

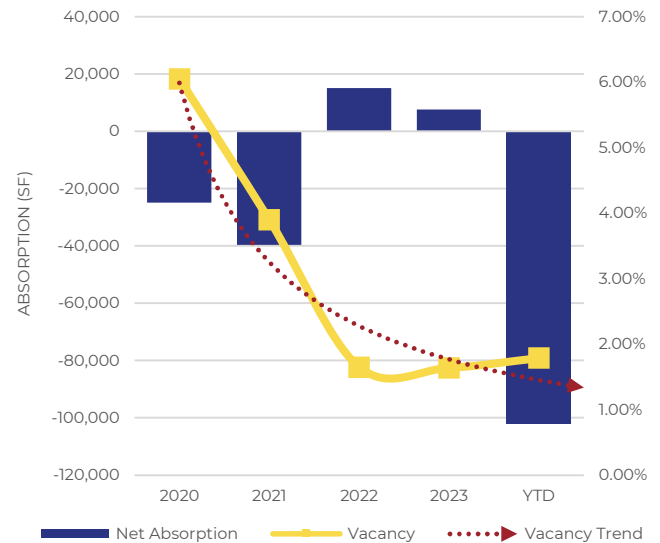
The sector continues to normalize with YoY declines of average sale price and lease rates. Sale volume remains on par with historic trends with over \$18.89M in total sales YTD.

Reliable demand is expected to maintain upward pressure on competitive lease rates which have increased 18% overall since 2020. Also ensuring continued sector success is Lancaster County's status as an established tertiary market. Secondary and tertiary markets offer retailers benefits such as less volatility, new customer bases, affordability and more favorable investment opportunities.\*

Several new projects were added to the construction pipeline. Notably, General RV is planning to spend \$15M on renovating their facility at 187 Merts Dr in Mount Joy Township. The project will add 22,000 SF of retail space and additional paving for vehicle storage.

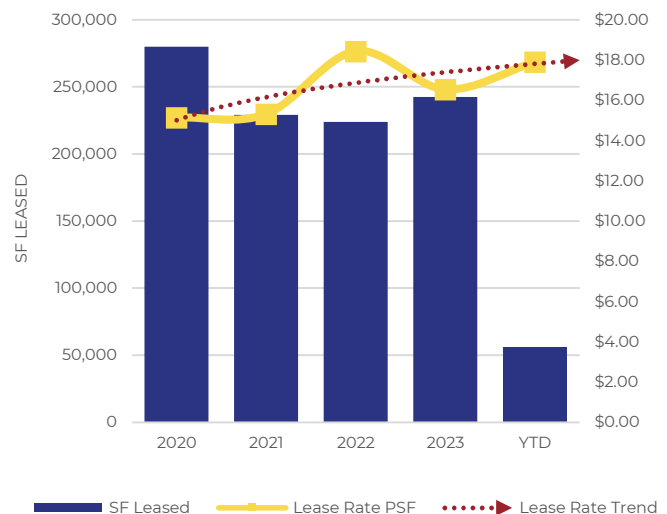
Although absorption was driven down to -102,044 SF by larger vacancies, lack of new inventory helped minimize impact on vacancy growth, which increased 30 bps to 1.79%. Q2 accounts for 75% of vacant retail space added to the market YTD. The largest vacancy this quarter is the 38,000 SF remains of the former Martin's Grocery, which was partially destroyed in a recent fire. Two Pep Boys locations in East Lampeter Township and Lancaster City together added just under 30,000 SF of retail space to the market in June.

### 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

\* <https://www.globest.com/2024/05/21/retailers-look-for-success-in-secondary-and-tertiary-markets/>

RETAIL

LANCASTER COUNTY, PA

Q2 2024

## Key Sale Transactions

### 190-196 Doe Run Rd, Manheim

SIZE	9,603 SF
SELLER	Dogleg Holdings LLC
BUYER	Merbet Properties LLC
PRICE	\$1,100,000

### 1701 W Main St, Ephrata

SIZE	5,666 SF
SELLER	Boniface Enterprises LLC
BUYER	Ephrata Beer Co. Holdings LLC
PRICE	\$900,000

### 1724 E Lincoln Hwy, Lancaster

SIZE	5,644 SF
SELLER	1724 Lincoln Hwy East LLC
BUYER	Professional Real Estate Holdings LLC
PRICE	\$640,000

### 6049 Main St, Petersburg

SIZE	3,269 SF
SELLER	Gregory Bucher
BUYER	Main St EP Associates LLC
PRICE	\$625,000

### 2044 Main St, Caernarvon

SIZE	3,900 SF
SELLER	Anthony Martin
BUYER	S&M Equity LLC
PRICE	\$425,000

#### DREW M. STEFFENS

Director of Data Services  
(717) 854-7065  
[dsteffens@rockrealestate.net](mailto:dsteffens@rockrealestate.net)

221 W Philadelphia St, Ste 19, York, PA 17401  
313 W Liberty St, Ste 117, Lancaster, PA 17603

#### EMILY KLINGLER

Research Analyst  
(717) 850-0848  
[eklingler@rockrealestate.net](mailto:eklingler@rockrealestate.net)

717.854.5357  
ROCKrealestate.net

## Key Lease Transactions

### 375 Highland Dr, Mountville

SIZE	5,408 SF
TENANT	Hugh S Smith PHD & Assoc.
TRANSACTION	New

### 16 S Lime St, Lancaster

SIZE	4,225 SF
TENANT	TFB Hospitality Group
TRANSACTION	New

### 363-401 S Seventh St, Akron

SIZE	3,452 SF
TENANT	Name Withheld
TRANSACTION	New

### 2007 State Rd, Lancaster

SIZE	2,524 SF
TENANT	Wendy's
TRANSACTION	New

### 27 W Lemon St, Lancaster

SIZE	2,060 SF
TENANT	Name Withheld
TRANSACTION	New

