

# MARKET REPORT

MIDYEAR 2024 | Greater Hanover Area

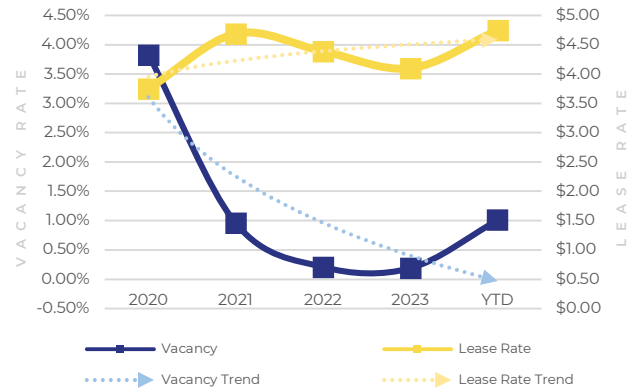


INDUSTRIAL

## ↓ 16.64 MSF Total Inventory

- Restricted lending and high rates keep sale volume low, with only \$1.36M in total sales, and average sale price drops for a second year.
- Vacancy spikes 82 bps to 1.01% due to a large vacancy at 433 Ridge Ave in Hanover Borough, and absorption hedges negative to -12,589 SF.
- Lease rates break from their two-year descent with a sharp uptick to \$4.75, attaining an overall growth of 27% since 2020. Few projects were added to the construction pipeline, and lease rate growth is expected to continue throughout the year with competition over limited inventory and ongoing demand for logistics space.
- Hanover Terminal, Inc. secured 113,142 SF of newly leased Class B warehouse space at 350 South St in McSherrystown.

### VACANCY & AVG LEASE RATE

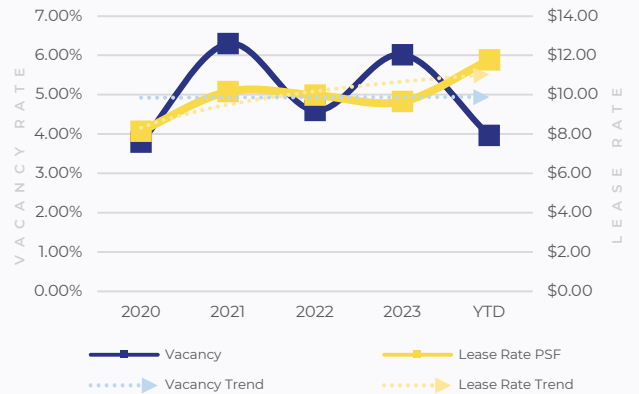


OFFICE

## ↑ 1.73 MSF Total Inventory

- Vacancy increased slightly to 3.96%
- 250 Fame Ave in Hanover brought 13,656 SF of medical condominium space to the market with two turn-key units currently available for lease.
- Sale activity maintains momentum with over \$3M in total sales.
- Demand for health care properties is driving sales activity, as two of the largest sales were medical offices. 250 E Walnut in Hanover Borough occupies the top-ranking sale at \$525,000 (\$158.66/SF). The Class B medical office was vacant at the time of sale in Q2, and was formerly occupied by South Penn Eye Care.

### VACANCY & AVG LEASE RATE

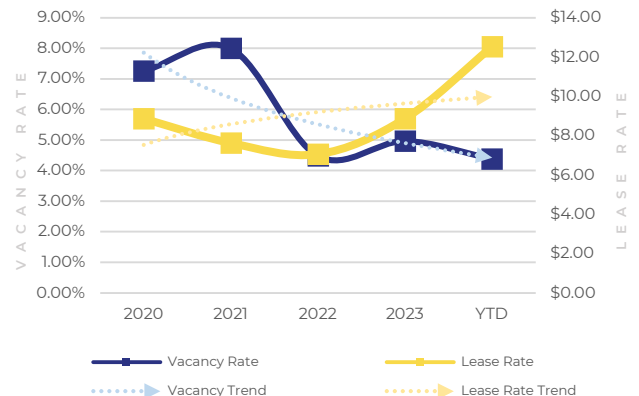


RETAIL

## ↓ 6.31 MSF Total Inventory

- Vacancy shrinks 59 bps down to 4.38%, increasing competition and maintaining upward pressure on lease rate growth.
- Sale volume levels out following the drop from 2022's peak. Average sale price increased 15% to \$887,500. Contributing to the increase was the sale of a former Burger King at 1160 Carlisle St in Penn Township. The fast food restaurant sold to Hanover Pad Developers LLC for \$1.1M (\$373/SF) in June. Burger King does not intend to reopen at the location.
- Avalon Ale House is relocating to the former Broken Clock suite in Penn Township's Grandview Plaza shopping center. The Hanover-based bar and restaurant announced the move in Q1, specifying need for larger dining, dancing and bar spaces.
- Construction has begun on a new Wawa at 1007 Baltimore St in Penn Township. The 5,585 SF convenience store and gas station is available as an investment sale listed for \$5.62M, and estimated for delivery in Q4 2024.

### VACANCY & AVG LEASE RATE



INDUSTRIAL

SOLD - \$750,000



**95 Monarch St, Littlestown**

12,271 SF  
Seller: BBDC  
Buyer: Dietz Brothers LLC

SOLD - \$380,000



**615 Frederick St Rear, Hanover**

5,410 SF  
Seller: Ronald & Deborah L Siegman  
Buyer: MYFOX Holdings LLC

LEASED - 113,142 SF



**350 South St, McSherrystown**

Tenant: Hanover Terminal, Inc.

OFFICE

SOLD - \$525,000



**250 E Walnut St, Hanover**

3,309 SF  
Seller: Baer & Walnut Limited Partnership  
Buyer: HGD Realty Associates LLC

SOLD - \$400,000



**3130 Grandview Rd, Hanover**

3,107 SF  
Seller: Dr. J Douglas & Sharon D. Butler  
Buyer: JL TWIN PROPERTIES, LLC

SOLD - \$390,000



**1304 Baltimore St, Hanover**

3,613 SF  
Seller: Hanover Optometric Associates  
Buyer: Apex Realty Holdings LLC

RETAIL

SOLD - \$2,500,000



**200 Eisenhower Dr, Hanover**

15,177 SF  
Seller: 200 Eisenhower Dr LP  
Buyer: The Giambalvo Family LP

SOLD - \$1,100,000



**1160 Carlisle St, Hanover**

2,946 SF  
Seller: Twoton, Inc  
Buyer: Hanover Pad Developers LLC

LEASED - 8,000 SF



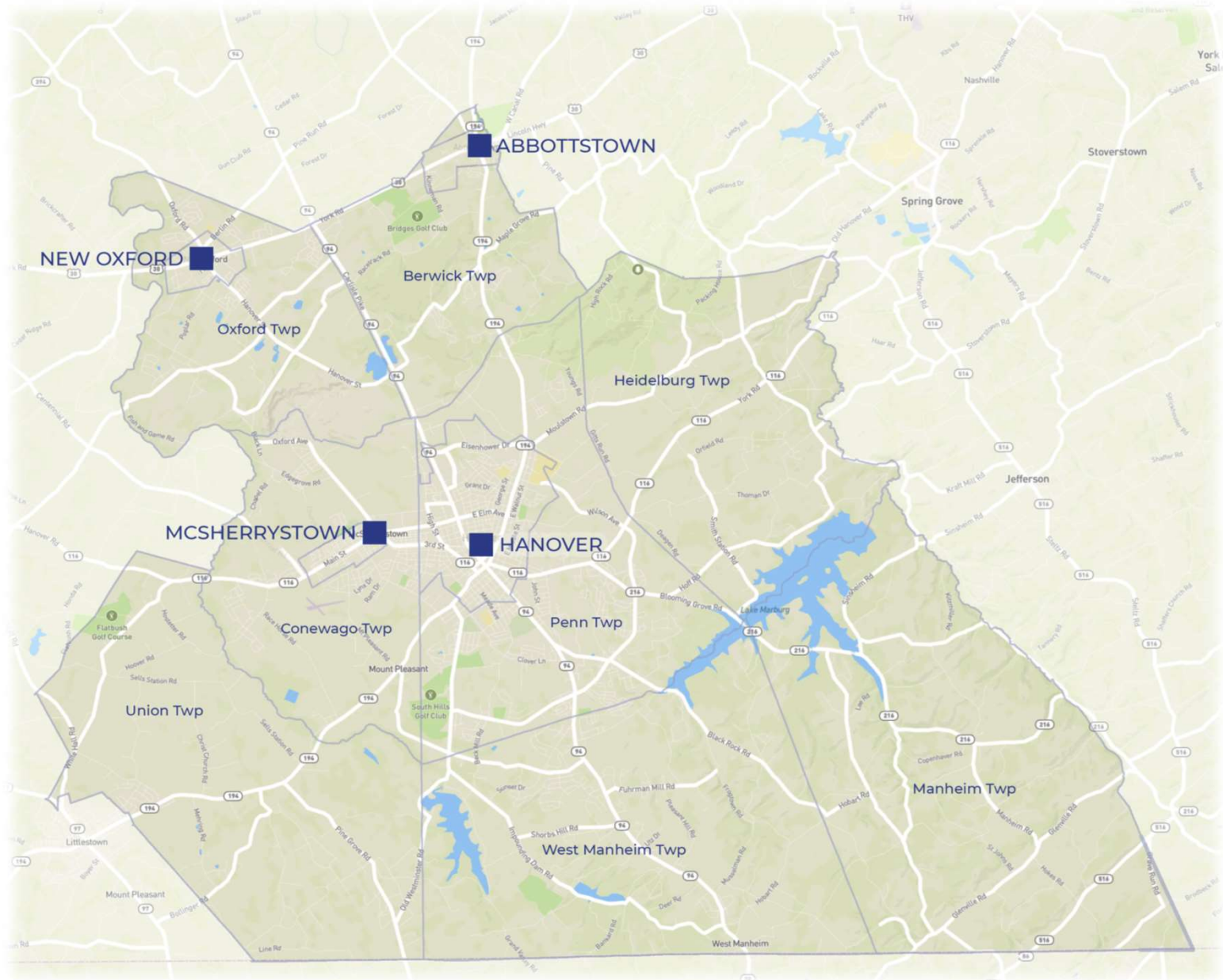
**1418 Baltimore Street, Hanover**

Tenant: Avalon Ale House

## GEOGRAPHY SELECTION

For purposes of this Market Report, the Greater Hanover Area includes the Hanover Borough and surrounding communities of McSherrystown, New Oxford and Abbottstown. These communities were identified to contain businesses and consumers that identify with the Hanover Market.

Township boundaries used to define the area include Union Township, Conewago Township, McSherrystown Borough, Oxford Township, New Oxford Borough, Berwick Township, Abbottstown Borough, Penn Township, Hanover Borough, West Manheim Township, Heidelberg Township, & Manheim Township.



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

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

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

717.854.5357  
ROCKrealestate.net

