

MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q3 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
85.07M ↑	1.44% ↓	\$8.32M ↓	122,652 ↓	53,455 ↓	+\$0.10 ↑ 12-month rolling avg

Distribution Warehouses Fuel Leasing and Construction

HIGHLIGHTS

- Absorption breaks three-year positive streak as over 285,000 SF of vacant industrial space is added to the market
- More smaller spaces are being leased, as limited inventory maintains low vacancy at 1.44%
- Low sale volume this quarter and average sale price grows by 6% YOY
- Taylor Chip Cookie Co. received \$3.5M in state grants to expand business with a new 25,000 SF production facility to be built at 1780 Columbia Avenue in West Hempfield Township

OVERVIEW

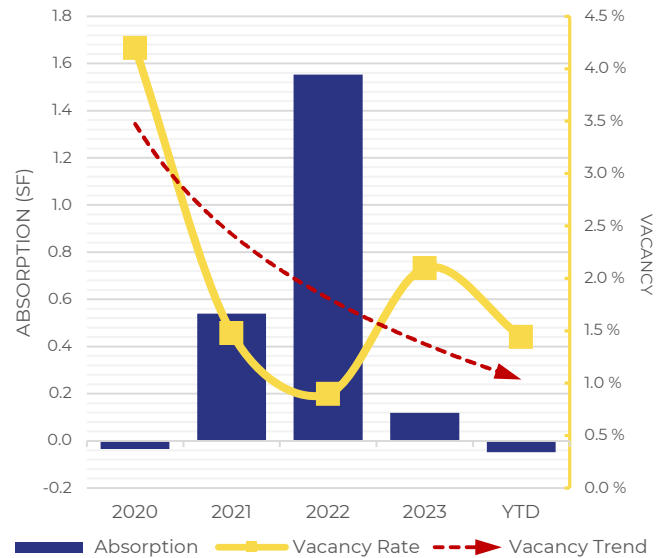
Transaction counts have remained relatively level since 2022, but sale volumes have seen annual decreases in line with less significant deals occurring each year. So far, 2024 has delivered a record low \$74.13M in total sales YTD, with Q3 volume in last place contributing only \$8.3M to that total. However, as interest rates taper down, lower costs and easier access to capital are expected to increase spending and investment.

This quarter has also seen record low lease volume paired with an influx of large vacancies. This combination has dropped absorption to -48,010 SF but low vacancy has been maintained by tight inventory.

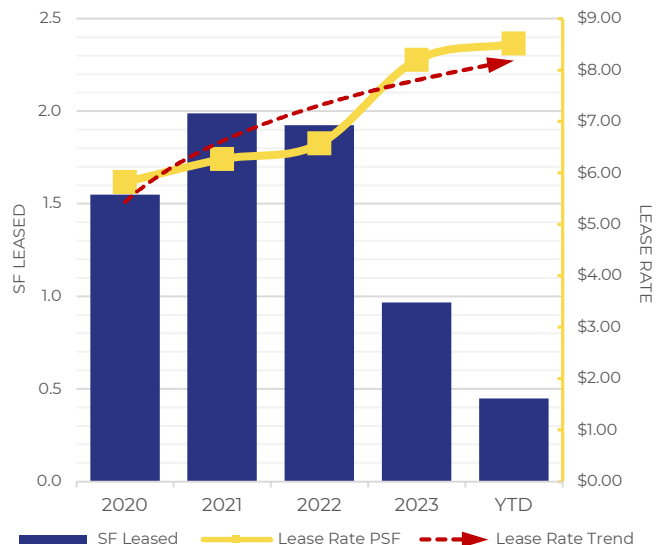
Lease rates remain elevated and upward moving, indicating value is being preserved by reliable demand within a tight market. Over the last four years, the most popular subtype securing new leases has been distribution warehouses, which saw a YOY average rate increase of 1.5%.

Several large distribution facility projects have come online this quarter as e-commerce continues to influence construction. 283 Commerce Hub at 403 S Chiques Rd in Manheim broke ground in August for a 400,000 SF of Class A industrial space that will deliver in Q1 2025. Also delivering in 2025 are two proposed warehouses totaling 461,600 SF that will be part of the Core5 @ I-283 logistics center. Finally, work was just completed on 392,040 SF Class A distribution warehouse at 156 W Harrisburg Ave in Elizabethtown.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

191 Jalyn Dr, New Holland

SIZE	17,550 SF
SELLER	Samuel & Sadie Stoltzfus
BUYER	Warehouse 191 LLC
PRICE	\$3,700,000

23 School Lane Ave, Brownstown

SIZE	17,324 SF
SELLER	Olde Oregon Associates
BUYER	Olde Brick Rentals LLC
PRICE	\$1,250,000

312 Meadow Valley Rd, Lititz

SIZE	12,800 SF
SELLER	The Fairfield Company
BUYER	Nathan Z Reiff and Grace Reiff
PRICE	\$1,000,000

336 Poplar St, Columbia

SIZE	13,160 SF
SELLER	Andreas Heisey
BUYER	TMMT Holdings, LLC
PRICE	\$685,000

199 W Stiegel St, Manheim

SIZE	29,960 SF
SELLER	199 West Stiegel Holdings
BUYER	Batra Pro Investment Limited
PRICE	\$635,000

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Key Lease Transactions

1702 Hempstead Rd, Lancaster

SIZE	28,800 SF
TENANT	Sesajal
TRANSACTION	New

203 Greenfield Rd, Lancaster

SIZE	8,050 SF
TENANT	Name Withheld
TRANSACTION	New

235 Turtle Hill Rd, Ephrata

SIZE	7,100 SF
TENANT	Optimised Global, LLC
TRANSACTION	New

28 E 28th Division Hwy #A, Lititz

SIZE	5,625 SF
TENANT	Name Withheld
TRANSACTION	New

181 E Stiegel St, Manheim

SIZE	3,880 SF
TENANT	Name Withheld
TRANSACTION	New

