

MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q3 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
30.03M ↑	1.65% ↓	\$19.10M ↑	96,391 ↑	17,544 ↓	-\$2.43 ↓ <i>12-month rolling avg</i>

Shopping Centers Continue Three Year Lead in Leasing

HIGHLIGHTS

- Vacancy drops 14 bps from last quarter as it idles around 1.6% for a third year
- Leacock Township legacy property including Revere Inn & Suites and Magic & Wonder Dinner Theater was sold for \$6.17M in July
- Fewer new leases and smaller unit sizes drops absorption
- Sale volume sees significant improvement from last quarter with \$19.1M in total sales

OVERVIEW

Several larger sales contributed to Q3 delivering the most number of transactions and highest total sales YTD. Whether this trend will carry over into the next quarter is not certain, as several sectors are experiencing low transaction volumes in response to restricted lending standards and limited access to capital for most of the year.

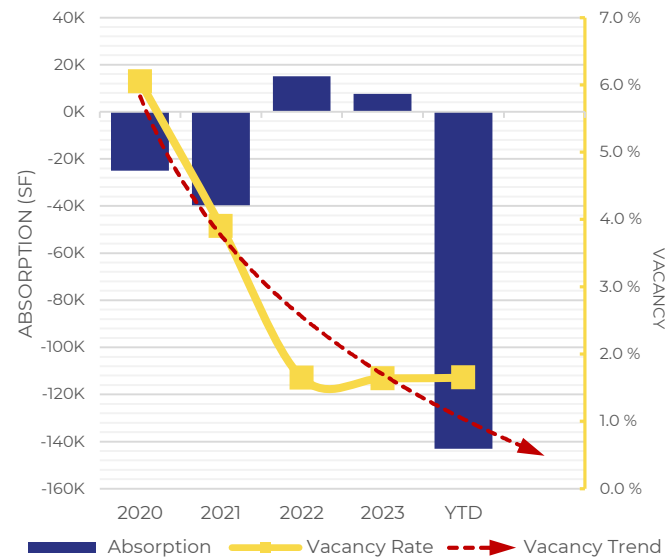
Nationally and locally, shopping centers continue to be one of the more successful retail subtypes for leasing. In addition to convenience and versatility, they offer ideal opportunities for businesses looking to right-size amidst increased inventory and labor costs. Locally, overall average unit size has been declining since 2020, shrinking, a further 18% in the last year.

In Lancaster County, shopping centers lead in new leases signed since 2022 and have accounted for 57% of newly leased area this quarter, 39% YTD. A majority of leased space this quarter occurred in Warwick Shopping Center in Lititz, boasting a total 8,050 SF of newly occupied units.

This combination of fewer new leases and smaller unit sizes has led to significantly less absorption. Idle inventory growth has held vacancy steady which has been hovering around 1.6% for a third year. Additionally, competition within this tight market continues to drive overall lease rate growth.

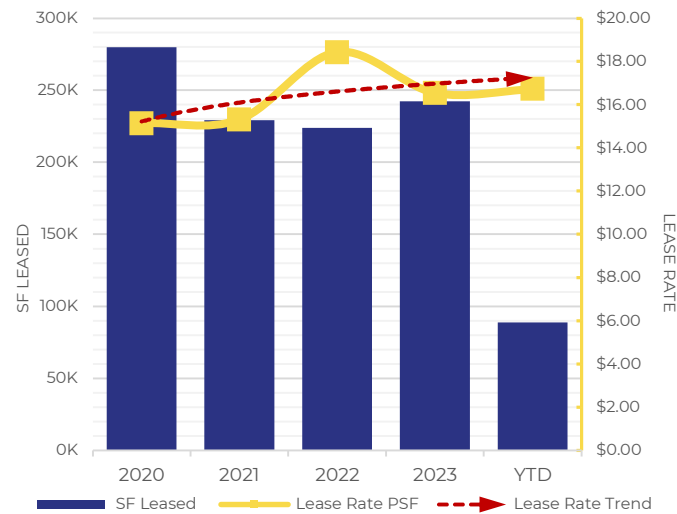
Inventory is expected to remain tight through the end of the year, despite ongoing construction activity. This is in part because several projects replacing razed or destroyed properties will be occupied upon completion, dampening their impact on inventory growth. Rockvale Diner in East Lampeter Township was razed to make way for a new 5,000 SF Panera restaurant. The 5,200 SF Riptide Car Wash coming soon to Manheim Township is built on the site of the former Staufer's of Kissel Hill. And the +/-20,000 SF Hershey Farm Restaurant that opened in July was constructed after the previous 17,000 SF restaurant was destroyed in a fire last year.

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

Q3 2024

Key Sale Transactions

100 N Pointe Blvd, Lancaster

SIZE	12,877 SF
SELLER	LCN BLM LAS VEGAS MULTI LLC
BUYER	FCPT Holdings, LLC
PRICE	\$6,842,105

345 W Main St #100, Leola

SIZE	12,000 SF
SELLER	Meadowbrook Development Assoc. LLC
BUYER	Bright Horizon Group LLC
PRICE	\$2,000,000

121 Centerville Rd, Lancaster

SIZE	7,917 SF
SELLER	Ah2 Partners LLC
BUYER	K9 Lancaster LLC
PRICE	\$2,000,000

331 W Main St, Leola

SIZE	2,449 SF
SELLER	Susquehanna Leola Landlord LLC
BUYER	Osuvents LLC
PRICE	\$2,000,000

701 Columbia Ave, Lancaster

SIZE	6,729 SF
SELLER	Hershey Mill Realty LP
BUYER	Laundry Center G LLC
PRICE	\$1,600,000

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Key Lease Transactions

10-60 Copperfield Cr #20, 22 & 24, Lititz

SIZE	4,400 SF
TENANT	Eragon Holdings Inc
TRANSACTION	New

10-60 Copperfield Cr #26 & 28, Lititz

SIZE	3,200 SF
TENANT	Greek Orthodox Church of the Transfiguration
TRANSACTION	New

27 N State St, Ephrata

SIZE	3,125 SF
TENANT	Name Withheld
TRANSACTION	New

3031 Columbia Ave, Lancaster

SIZE	1,899 SF
TENANT	Name Withheld
TRANSACTION	New

10-60 Copperfield Cr #30, Lititz

SIZE	1,250 SF
TENANT	Lancaster County Podiatry LLP
TRANSACTION	New

