

# MARKET REPORT

OFFICE | YORK COUNTY, PA | Q3 2024



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
13.54M ↑	2.95% ↓	\$5.19M ↓	82,318 ↑	59,712 ↑	+\$0.52 ↑ 12-month rolling avg

## Leasing Activity Continues Three Year Growth Streak

### HIGHLIGHTS

- Notable uptick in lease rate growth trend with an 18% overall increase since 2021
- YTD newly leased square footage surpasses 2023 totals, shrinking vacancy down another 24 bps to 2.95%
- Absorption stabilization attributed to an increase in demand for leasing larger spaces
- Class A office building at 2351 Freedom Way in York secured the quarter's top sale at \$2.13M (\$92/SF)

### OVERVIEW

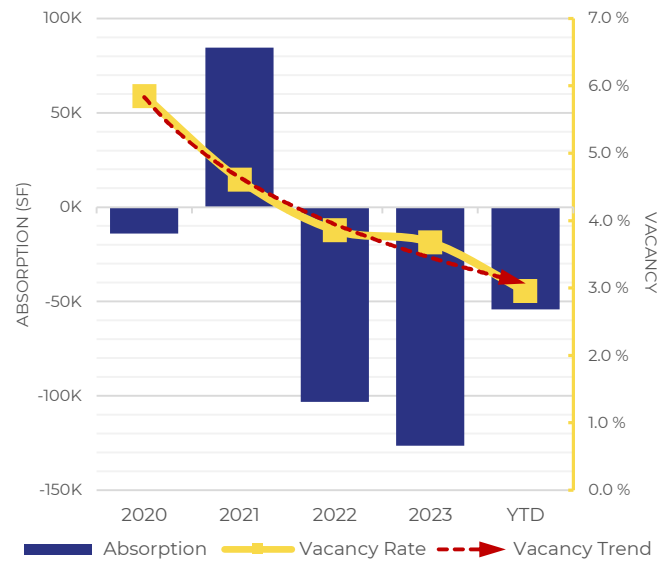
While on a national level businesses continue to deal with the ongoing challenges of securing long-term office leases amid hybrid work trends, local leasing activity has steadily improved for a third consecutive year. YTD leasing has secured 46 new leases signed and over 157,500 SF of office space now occupied.

Average unit size for all classes has also been progressively increasing over the last two years, helping to lower vacancy rates and stabilizing absorption's recovery from last year's plummet.

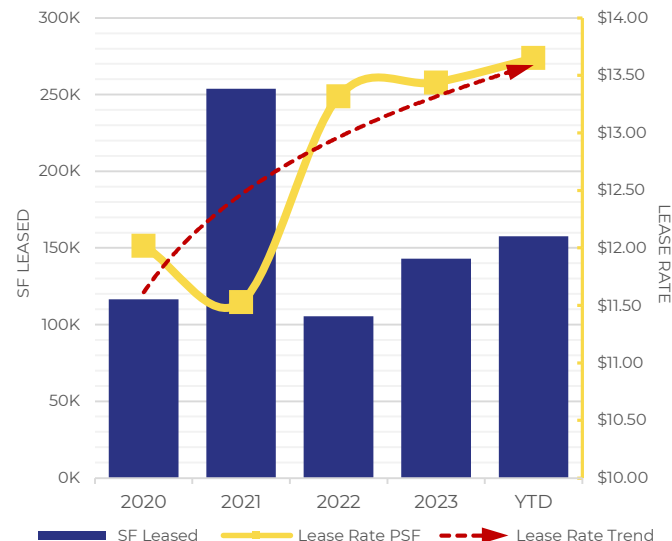
The Fed announced a 50 bps drop to interest rates, with further reductions anticipated by the end of the year. Over time this will ease access to capital for local investors and level out the decline in sale volume which has dropped 62% since 2022 and 54% from last year. Average sale price has also seen gradual YOY decrease of 21% on average since 2022, as it settles back into historic levels.

WellSpan's mini-hospital developments are still underway, and few new projects have been added to the pipeline. Accounting for much of the proposed construction is Westgate Office Park in West Manchester Township. The project is adjacent to UPMC Hospital and has approximately 40,000 SF of Class A office space already under construction. Another four proposed office buildings totaling 139,000 SF are approved and pre-leasing.

### NET ABSORPTION & VACANCY



### SF LEASED & AVG LEASE RATE



## Key Sale Transactions

### 2351 Freedom Way, York

SIZE	23,008 SF
SELLER	Freedom Way Partners LLC
BUYER	2351 Freedom Way LLC
PRICE	\$2,125,000

### 1589 Carlisle Rd, York

SIZE	3,924 SF
SELLER	Dentist-Dietterick
BUYER	ADP and JIP, LLC
PRICE	\$682,500

### 232 N George St #105, York

SIZE	4,000 SF
SELLER	232 N George St Associates, LP
BUYER	232 N George St LLC Et Al
PRICE	\$350,000

### 2125 S Queen St, York

SIZE	3,535 SF
SELLER	William J Parisi LLC
BUYER	J&T Rental, LLC
PRICE	\$346,500

### 924 W Market St, York

SIZE	6,714 SF
SELLER	Life Changing Pathways
BUYER	Colonial House, Inc.
PRICE	\$319,000

## Key Lease Transactions

### 50-56 Grumbacher Rd, York

SIZE	19,913 SF
TENANT	CHR Corporation
TRANSACTION	New

### 130-140 N Duke St, York

SIZE	14,389 SF
TENANT	Friends & Neighbors of PA, Inc.
TRANSACTION	New

### 78-80 Wyntre Brooke Dr, York

SIZE	9,950 SF
TENANT	Pinnacle Health Medical Services
TRANSACTION	New

### 227-231 W Market St, York

SIZE	2,747 SF
TENANT	Big Brothers Big Sisters of York County, Inc.
TRANSACTION	New

### 150 Farm Ln, York

SIZE	2,483 SF
TENANT	NAMI York-Adams Counties PA
TRANSACTION	New

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