

# MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q1 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
85.35M ↑	0.98% ↓	\$190.9M ↑	1.99M ↑	31,841 ↓	+\$0.59 ↑
12-month rolling avg					

## Major Sale Transactions Raised Average Sale Price to Record High

### HIGHLIGHTS

- As tenants stayed put to await the short-term effects of tariffs, vacancy dropped 39 bps and absorption continued its positive streak into a fifth year
- Q1 2025 delivered an incredible \$190.9M in total sales and saw a 46% increase to median sale price which rose for a third consecutive year
- Dutch Gold Honey executed two major Q1 transactions which included the sale/leaseback of their Lancaster headquarters as well as the transfer of majority stake to a private equity firm

### OVERVIEW

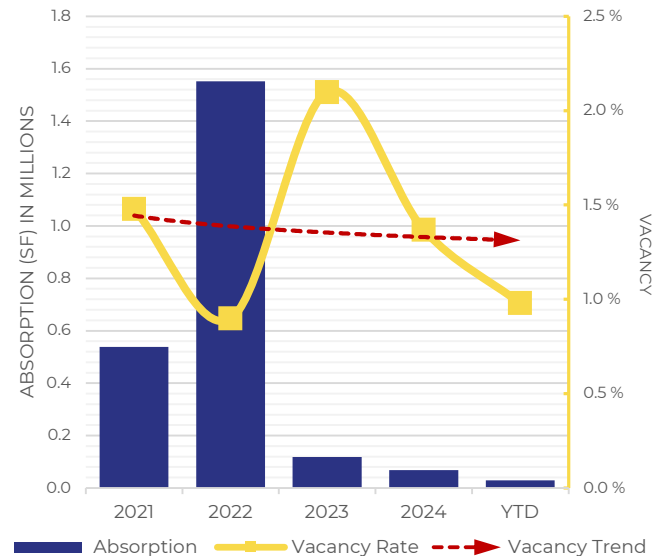
Nationally and locally, leasing activity within the industrial sector slowed as manufacturers monitored material costs, supply chain disruptions and an uncertain U.S. tariffs policy. Although reshoring initiatives continue to encourage and reshape demand for manufacturing in the region, the short-term effects of tariffs are delaying leasing decisions for many industrial tenants.

Favorably, this holding pattern further restricted an already tight local market and helped stabilize vacancy despite fewer new leases signed in Q1. Strong demand and competition grew overall lease rates to a new record high, most notably for spaces larger than 5,000 SF which saw rent growth of 6% YOY to \$7.20/SF/YR.

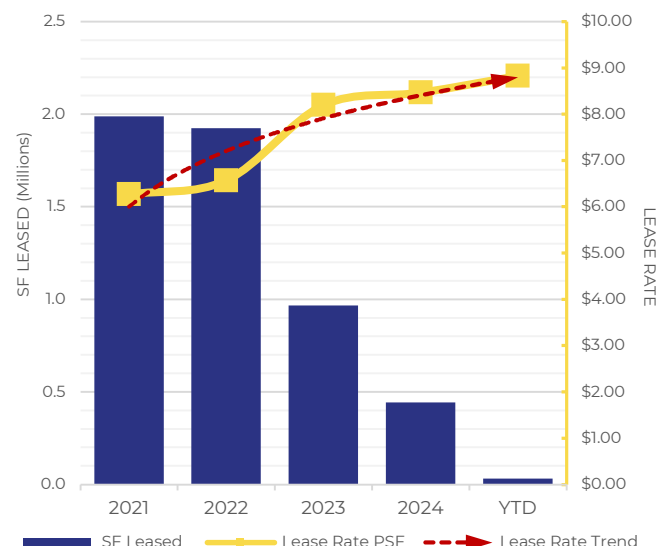
Four major sales accounted for 92% of total sales in Q1 and raised the overall average sale price to a record high \$13.2M. Lancaster Log Cabins spent \$15.1M purchasing nearly 70 acres in Ephrata with plans to build a 150,000 SF facility for their growing operations and expand their production line. Dutch Gold Honey sold their 200,000 SF facility in Lancaster for \$31M to an out of state investor but will continue leasing the space. LSC Communications sold two obsolete printing plants at 1375 Harrisburg Pike and 216 Greenfield Rd in a \$130M deal, and the new owners will convert the properties into data centers to meet rising demand for AI and cloud computing infrastructure.

High Real Estate Group announced plans to develop a 476-acre tract in Manor Township formerly owned by Armstrong World Industries into a mixed-use community that will include residential, commercial and industrial space needed to address urban growth demands in the area.

### NET ABSORPTION & VACANCY



### SF LEASED & AVG LEASE RATE



## Key Sale Transactions

### 216 Greenfield Rd, Lancaster

SIZE	758,973 SF
SELLER	LSC Communications MCL LLC
BUYER	Greenfield Road Owner LLC
PRICE	\$70,396,754

### 1375 Harrisburg Pike, Lancaster

SIZE	826,042 SF
SELLER	LSC Communications MCL LLC
BUYER	Harrisburg Place Owner LLC
PRICE	\$59,603,246

### 2220 Dutch Gold Dr, Lancaster

SIZE	198,538 SF
SELLER	Dutch Gold Business Center Lp
BUYER	FIP Pennsylvania II LLC
PRICE	\$31,000,000

### 55 New St, Ephrata

SIZE	81,512 SF
SELLER	Hitech Commerce Llc
BUYER	DMJ LLC
PRICE	\$3,700,000

### 1463-1467 Manheim Pike, Lancaster

SIZE	34,448 SF
SELLER	Hunter Family Realty LP
BUYER	Hunter Lancaster RE LLC
PRICE	\$3,400,000

#### For more information contact

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## Key Lease Transactions

### 3531 Lincoln Hwy E, Paradise

SIZE	13,251 SF
TENANT	Name Withheld
TRANSACTION	New

### 23 Prestige Ln, Lancaster

SIZE	9,000 SF
TENANT	Name Withheld
TRANSACTION	New

### 2 Site Rd, Leola

SIZE	5,590 SF
TENANT	Name Withheld
TRANSACTION	New

### 405 Brossman Rd, Ephrata

SIZE	2,800 SF
TENANT	Name Withheld
TRANSACTION	New

### 301 E Liberty St, Lancaster

SIZE	1,200 SF
TENANT	Name Withheld
TRANSACTION	New

