

MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q2 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
86.14M ↑	0.91% ↓	\$36.13M ↓	433,096 ↓	182,338 ↑	-\$0.98 ↓ 12-month rolling avg

Lancaster County Gained Significant Development Investment

HIGHLIGHTS

- An uptick in leasing activity and lack of new vacant space kept vacancy rates low and promoted Q2Q absorption growth
- Sale volume returned to historic norms after the spike in Q1, with \$36.13M in total sales
- GSK's \$800M investment in East Donegal Township is expected to establish Lancaster County as a hub for advanced life sciences

OVERVIEW

Nationally and locally, the industrial sector continued to adjust to shifting market dynamics and evolving tenant needs, but leasing activity rebounded from last quarter's slow start.

Ongoing development initiatives to meet rising demand for industrial infrastructure continued upward pressure on local lease rates.

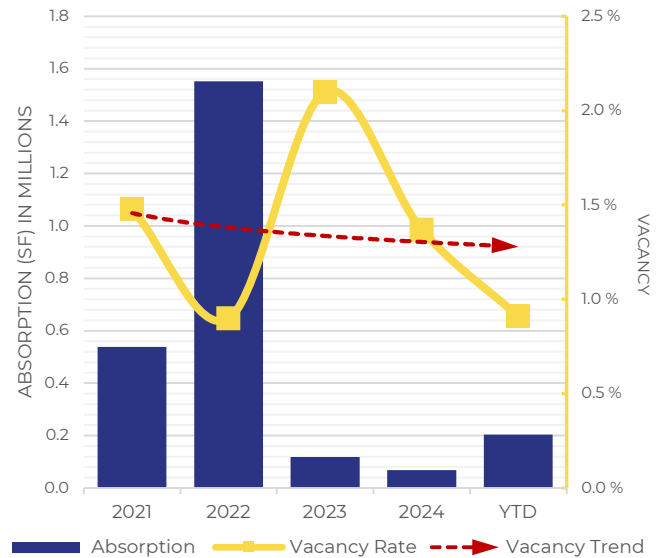
As part of this growth trend, distribution warehouses have seen an average 19% annual rise in average lease rates since 2023 and an overall increase of 33% since 2020.

Local barn supplier J&E Grill Manufacturing has engaged Scenic Ridge Company to construct their brand new 43,000 SF design-build manufacturing facility in New Holland.

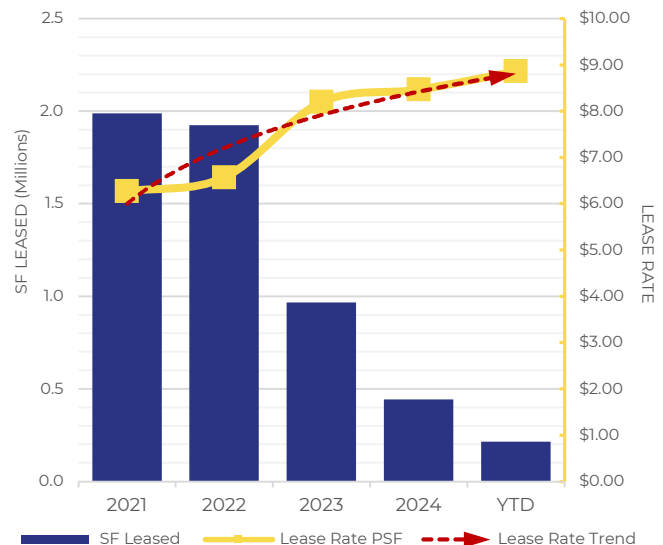
Founders Market Co., a 3PL that provides specialty food distribution and warehouse services, sold their 51,622 SF facility at 2821 Old Tree Dr for \$11.6M (\$224.73/SF). The company will continue to operate on-site and currently has a 23,300 SF expansion addition underway.

With a \$21M investment from PA's Department of Community and Economic Development (DCED), the global biopharma company GSK broke ground in April on a new facility to grow their existing R&D and manufacturing capacity of next gen vaccines and medicines in the US. The project located at 325 N Bridge St. is anticipated to increase revenue, create new jobs, and boost the state's life sciences industry.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

2821 Old Tree Dr, Lancaster

SIZE	51,622 SF
SELLER	Old Tree Partners LLC
BUYER	Old Tree LLC
PRICE	\$11,600,823

780 Eden Rd, Lancaster

SIZE	51,120 SF
SELLER	KOSKAP Partners
BUYER	Arapahoe Texas LLC
PRICE	\$6,255,000

205 Bucky Dr, Lititz

SIZE	32,000 SF
SELLER	Chroma Acrylics Inc
BUYER	Owl Acres Investment 205B LLC
PRICE	\$3,600,000

2445 Old Philadelphia Pike, Lancaster

SIZE	34,351 SF
SELLER	Calumet Enterprises LLC
BUYER	2445 LLC
PRICE	\$2,550,000

1035 Manheim Pike, Lancaster

SIZE	11,010 SF
SELLER	Mac Land Company LLC
BUYER	Fruitville Group Partners LLC
PRICE	\$2,450,000

For more information contact

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Key Lease Transactions

501 Alexander Dr, Ephrata

SIZE	90,000 SF
TENANT	Name Withheld
TRANSACTION	New

116 King Ct, New Holland

SIZE	33,200 SF
TENANT	Prime Source Business Products
TRANSACTION	New

1834 Freedom Rd, Lancaster

SIZE	16,540 SF
TENANT	Name Withheld
TRANSACTION	Sublease

150 Lincoln Ave, Reinholds

SIZE	14,700 SF
TENANT	Name Withheld
TRANSACTION	New

1915-1917 Olde Homestead Ln, Lancaster

SIZE	13,000 SF
TENANT	Next Gen Drivetrain
TRANSACTION	New

