

# MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q2 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
30.29M ↑	1.07% ↓	\$12.02M ↑	63,345 ↑	22,944 ↑	-\$0.77 ↓ <i>12-month rolling avg</i>

## Record Low Leasing YTD Slowed Absorption Recovery

### HIGHLIGHTS

- YTD absorption sunk beyond -45K SF after a second quarter of record low leasing activity
- Average rents rose 3% overall to \$17.95 in second growth year
- Dual-tenant Class B restaurant property at 1640 N Reading Rd in Stevens sold for \$1.75M (\$209/SF) in April
- Six Strasburg residents teamed up in May to purchase the Strasburg Creamery mixed-use retail complex

### OVERVIEW

Ongoing fluctuations in tariffs and trade policies continued to restrict leasing and construction activity in the first half of the year. Retailers faced the unpredictability of supply chain logistics and cost of imported goods in the long and short term.

Within local markets, YTD leasing activity secured 68% less leased square footage than last year, and 83% less than 2023.

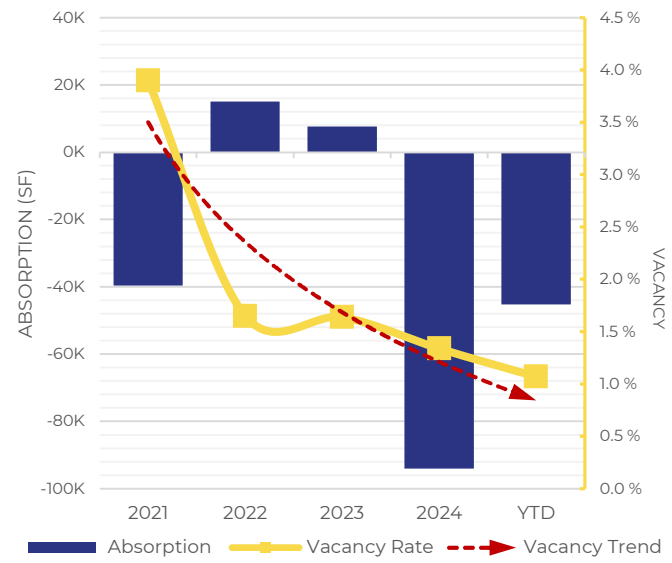
Broken down by subtype, this trend is most significant within shopping centers. In 2023, approximately 50% of leased retail space was within shopping centers. That proportion has progressively shifted to 15% as of midyear 2025.

Despite these changes in leasing trends, reliable demand within a competitive market has sustained lease rates through their second year of growth.

Service-oriented retail properties maintained their lead of sale transactions and brought in a combined \$11.5M, more than half of total sales YTD.

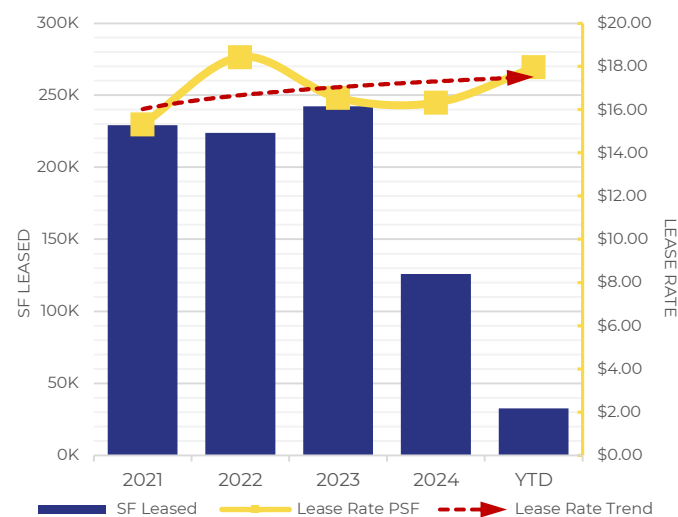
A landmark property in Strasburg gained a team of new owners. Strasburg Creamery and Strasburg Inn are part of a downtown mixed-use complex. The mixed-use retail property sold for \$1.4M (\$230/SF) to a trio of couples local to the area that plan to revitalize the historic properties and reimagine potential future uses.

### 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

Q2 2025

## Key Sale Transactions

### 325 S Reading Rd, Ephrata

SIZE	11,626 SF
SELLER	Richard J Haller
BUYER	305 Reading Road LLC
PRICE	\$2,450,000

### 1640 N Reading Rd, Stevens

SIZE	8,355 SF
SELLER	Nicholas Barakos
BUYER	1640 N Reading Road LLC
PRICE	\$1,750,000

### 2822 Main St, Morgantown

SIZE	3,577 SF
SELLER	Olleroif LLC
BUYER	2822 Main St LLC
PRICE	\$1,450,000

### 1625-1635 Philadelphia Pk, Lancaster

SIZE	3,605 SF
SELLER	Campus Shoppes LP
BUYER	Keshav Krupa LLC
PRICE	\$1,360,000

### 746 S Broad St, Lititz

SIZE	4,815 SF
SELLER	Landis Wash & Lube LLC
BUYER	Meadowbrook Realty LLC
PRICE	\$1,000,000

#### For more information contact

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## Key Lease Transactions

### 232-246 Manor Ave, Millersville

SIZE	4,991 SF
TENANT	Small Steps Day Care
TRANSACTION	New

### 237 W Chestnut St, Lancaster

SIZE	3,705 SF
TENANT	Name Withheld
TRANSACTION	New

### 39 E Chestnut St, Lancaster

SIZE	3,500 SF
TENANT	Name Withheld
TRANSACTION	New

### 301-341 E Liberty St, Lancaster

SIZE	2,500 SF
TENANT	Name Withheld
TRANSACTION	New

### 771 Greentree Rd, Elizabethtown

SIZE	2,250 SF
TENANT	Name Withheld
TRANSACTION	New

