

MARKET REPORT

MIDYEAR 2025 | Greater Hanover Area

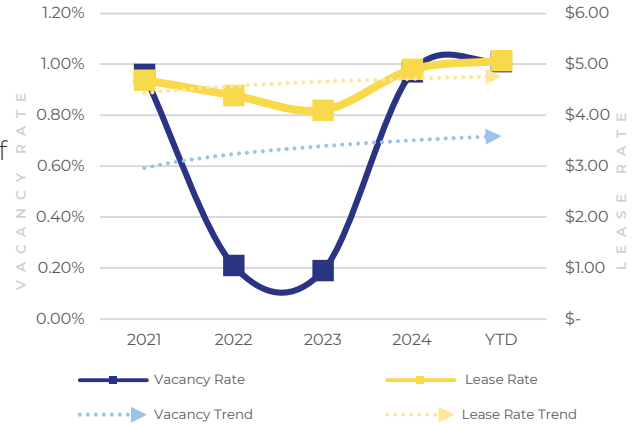


INDUSTRIAL

↑ 17.2 MSF TOTAL INVENTORY

- In line with national trends, leasing activity was nominal for the first half of the year. However, the construction pipeline remained filled but idle, so a lack of new industrial product lessened the impact of low leasing totals. Vacancy grew 4 bps to 1.01%, but absorption remained positive in the first half of the year.
- Ongoing demand for distribution and manufacturing infrastructure kept upward pressure on lease rates which rose 3% overall to \$5.07/SF.
- Sale totals have been declining since 2022, but the median sale price broke a two-year downward trend and rose 5% from last year.

VACANCY & AVG LEASE RATE

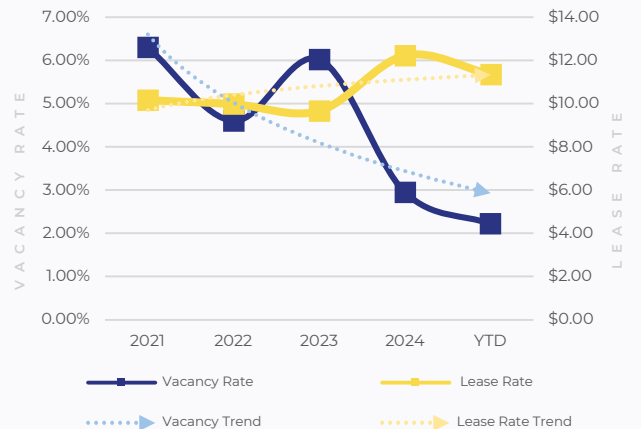


OFFICE

↑ 1.78 MSF TOTAL INVENTORY

- Professional office property sales accounted for 49% of total sales YTD, outperforming medical offices for the first time since 2023.
- Sale volume for Class A offices grew annually from 2022 to 2024, but 2025 YTD sales for the asset class broke that trend with the first drop in three years. Class B office sales totals also declined in the first half of the year, but Class C saw a 12% increase from last year.
- Vacancy remained on its two-year descent with another decrease of 73 bps.

VACANCY & AVG LEASE RATE

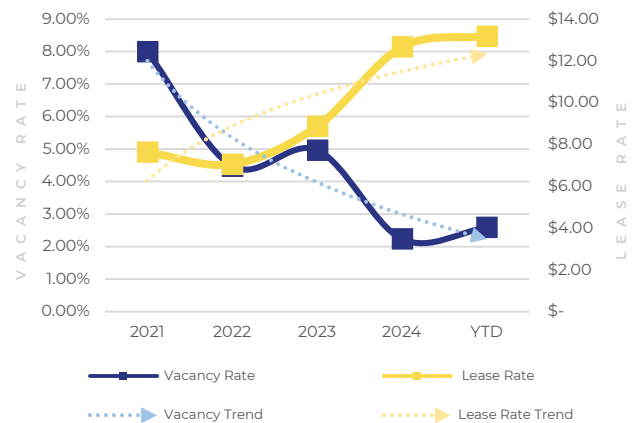


RETAIL

↑ 6.48 MSF TOTAL INVENTORY

- Lease rates maintained a growth trajectory with another \$0.51/SF increase to average rents. Vacancy rose 35 bps due to a decline in leasing activity seen in prior years.
- Two major retail brands sold their new construction properties and brought total sales over \$17.43M. Wawa's new location at 1007 Baltimore St in Hanover sold in March for \$5.48M (\$916.39/SF). Gettysburg's new Aldi grocery store sold in June for \$3.55M (\$161.36/SF).
- YWCA in Hanover broke ground on the major renovation and expansion of their facility at 23 W Chestnut St in Hanover. The project will expand operations for the non-profit and include constructing a new 12-classroom Children's Learning Academy.

VACANCY & AVG LEASE RATE



INDUSTRIAL

SOLD - \$525,000



23 Amy Way, Hanover

3,000 SF
Seller: Mid Atlantic Exchange LLC
Buyer: 23 Amy Way LLC

SOLD - \$470,000



2 Industrial Dr, Hanover

5,496 SF
Seller: James Roller
Buyer: River Industrial LLC

LEASED - 9,672 SF



4685 Shaffers Church Rd, Glenville

Tenant: Zemco Headers LLC

OFFICE

SOLD - \$535,000



1401 Baltimore Pk, Hanover

2,188 SF
Seller: Barrick Investments, LLC
Buyer: BFBS LLC

SOLD - \$339,500



250 Fame Ave, Hanover

3,656 SF
Seller: Hillside Property Holdings, LLC
Buyer: In His Name Properties LLC

LEASED - 410 SF



211 Carlisle St, Hanover

Tenant: Bosley Concrete LLC

RETAIL

SOLD - \$5,480,000



1007 Baltimore St, Hanover

5,980 SF
Seller: Penn 94 Developers LLC
Buyer: Bancroft NY LLC

SOLD - \$3,444,000



301 W Eisenhower Dr, Hanover

14,630 SF
Seller: HF Real Estate Partnership
Buyer: Hanover Eisenhower Developers LLC

LEASED - 1,444 SF



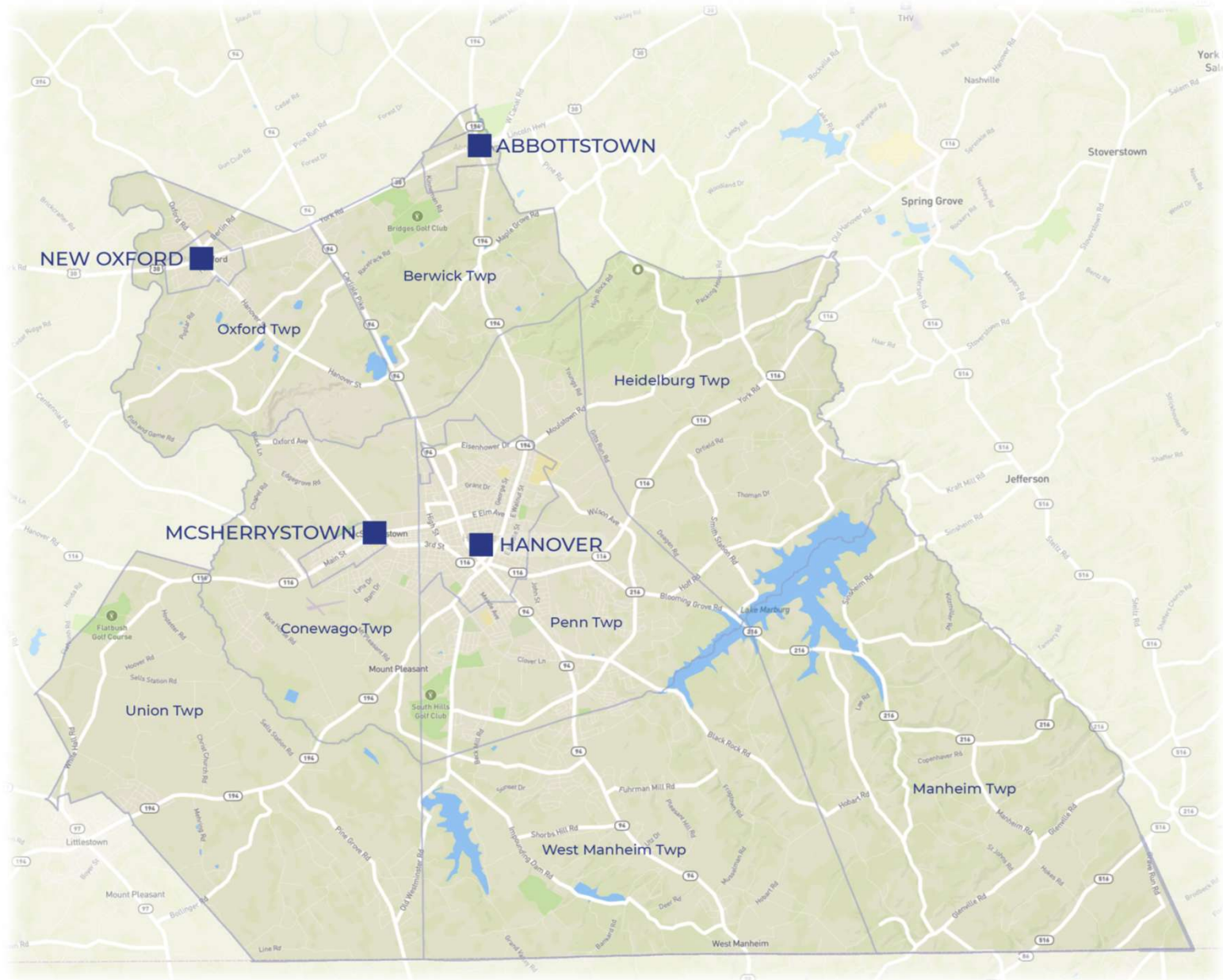
1000 Carlisle St, Hanover

Tenant: Nephrology Associates of York PC

GEOGRAPHY SELECTION

For purposes of this Market Report, the Greater Hanover Area includes the Hanover Borough and surrounding communities of McSherrystown, New Oxford and Abbottstown. These communities were identified to contain businesses and consumers that identify with the Hanover Market.

Township boundaries used to define the area include Union Township, Conewago Township, McSherrystown Borough, Oxford Township, New Oxford Borough, Berwick Township, Abbottstown Borough, Penn Township, Hanover Borough, West Manheim Township, Heidelberg Township, & Manheim Township.



ABOUT ROCK COMMERCIAL REAL ESTATE

ROCK is your trusted professional for comprehensive and strategic commercial real estate services throughout South Central Pennsylvania and Northern Maryland. Our unique team structure provides the collaboration and innovation that today's commercial real estate landscape demands. Whether you are a developer, investor, landlord, or tenant, you require a team that builds strong relationships, provides comprehensive knowledge, and focuses on solutions that are right for you.

For more information, visit www.rockrealestate.net

WANT MORE MARKET STATISTICS? ACCESS OUR MARKET REPORT LIBRARY

ROCK publishes quarterly market reports designed to survey and gauge the state of commercial real estate conditions across multiple counties. The publications offer thoughtful, forward-looking insight into trends, strategies and opportunities in the local office, industrial, and retail markets.

For more information, visit <https://www.rockrealestate.net/market-reports/>



EMILY KLINGLER
Research Analyst
(717) 850-0848
eklingler@rockrealestate.net

221 W Philadelphia St, Ste 19, York, PA 17401
313 W Liberty St, Ste 117, Lancaster, PA 17603

717.854.5357
ROCKrealestate.net

