

# MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q3 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
87.15M ↑	0.89% ↓	\$21.99M ↓	358,385 ↓	409,182 ↑	+\$0.11 ↑
<i>12-month rolling avg</i>					

## Growth Fueled by Demand for Digital Storage Infrastructure

### HIGHLIGHTS

- A third quarter of < 1% vacancy maintained upward pressure on lease rates, especially warehouse/distribution spaces which increased 21% from last year
- Despite a nominal Q2Q decline, average and median sale price growth trends expected to continue
- Leaders at the PA Energy and Innovation Summit in July announced over \$90B of investments headed for the Commonwealth

### OVERVIEW

Sale activity continued to step down from Q1's totals, but transaction volume remained within historic norms. Easing interest rates and increasing demand within the sector is expected to sustain momentum through the ongoing government shutdown.

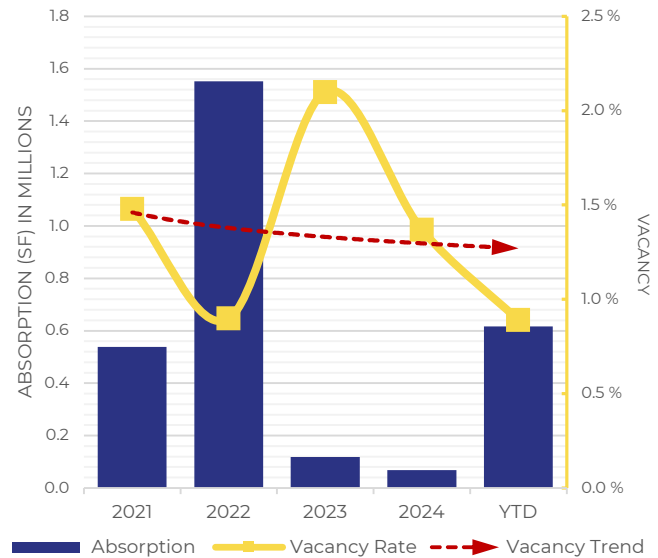
PA became a competitive target for data center development after the July announcement of billions in investment projects aimed at growing the Commonwealth's existing and potential infrastructure.

One of these major projects will touch down in Lancaster County. AI cloud computing company CoreWeave announced a \$6B plan to build a 100 MW data center campus. The property will be co-developed by Chirisa Technology Parks, Machine Investment Group and Blue Owl Capital, all major players in developing, operating and advancing AI infrastructure. The project's goal of enhancing PA's existing appeal as a data center hub will include improvements to the local power grid.

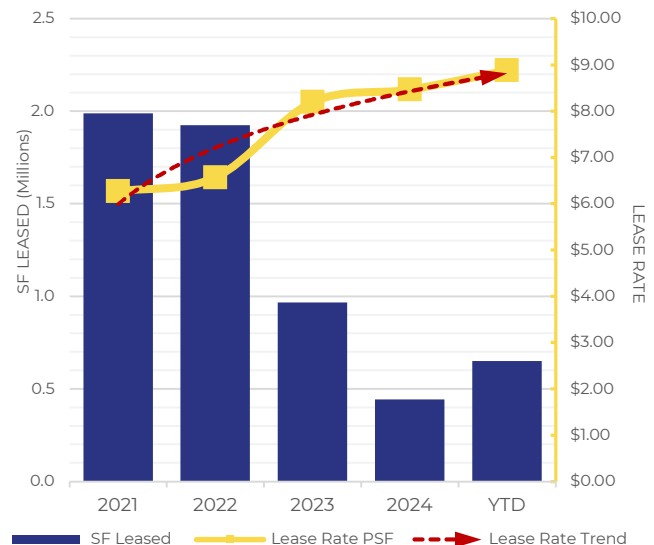
Two hydropower facilities in Lancaster County will provide Google 670 megawatts of power in a 20-year deal with Brookfield Renewable estimated to be worth \$3B. Updates to both facilities have yet to be detailed but will be necessary to sustain Google's power needs.

An appeal was made to the zoning classification of another Chirisa Technology Parks data center project at 216 Greenfield Rd. The appeal argues the classification of the data center as "wholesale trade and storage" and cites concern from residents over impact on resources and utility costs. Phase 1 of the project, approximately 20% of the \$1.3B total price tag, is already under construction.

### NET ABSORPTION & VACANCY



### SF LEASED & AVG LEASE RATE



## Key Sale Transactions

### 1195 Ivy Dr, Lancaster

SIZE	47,555 SF
SELLER	Ivy Drive Partners LP
BUYER	TM East Properties LLC
PRICE	\$6,000,000

### 2870 Yellow Goose Rd, Lancaster

SIZE	55,518 SF
SELLER	Yellow Goose Property Holdings LLC
BUYER	Spectre YG LLC
PRICE	\$4,100,000

### 1140 Enterprise Rd, East Petersburg

SIZE	23,270 SF
SELLER	B. Richard
BUYER	Corbett & Rohrer LLC
PRICE	\$2,700,000

### 652-655 Manor St, Lancaster

SIZE	137,878 SF
SELLER	Kunzler & Company Inc.
BUYER	Hotdog Holdings LLC
PRICE	\$2,025,000

### 1040 W Main St, Mount Joy

SIZE	12,200 SF
SELLER	Corbett & Rohrer LLC
BUYER	Rivendell Holdings LLC
PRICE	\$2,000,000

#### For more information contact

**EMILY KLINGLER**  
 Research Analyst  
 (717) 850-0848  
[eklingler@rockrealestate.net](mailto:eklingler@rockrealestate.net)

221 W Philadelphia St, Ste 19, York, PA 17401 717.854.5357  
 313 W Liberty St., Ste 117, Lancaster, PA 17603 ROCKrealestate.net

## Key Lease Transactions

### 450 Ben Franklin Blvd, Lancaster

SIZE	228,648 SF (Under Construction)
TENANT	Name Withheld
TRANSACTION	New

### 1838 Colonial Village Ln

SIZE	140,066 SF
TENANT	Name Withheld
TRANSACTION	New

### 1821 William Penn Way, Lancaster

SIZE	25,800 SF
TENANT	Casbah Natural Foods
TRANSACTION	New

### 1842 William Penn Way, Lancaster

SIZE	8,468 SF
TENANT	Servant Stage
TRANSACTION	New

### 76-92 W Main St, Reinholds

SIZE	3,200 SF
TENANT	Name Withheld
TRANSACTION	New

