

# MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q3 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
30.72M ↑	1.04% ↓	\$21.75M ↑	125,489 ↑	9,676 ↓	-\$0.86 ↓ <i>12-month rolling avg</i>

## Leasing Trends Indicated Tenant Preference for Smaller Units

### HIGHLIGHTS

- Another quarter of low leasing activity prevented absorption recovery, but a lack of new inventory held vacancy close to 1%
- Q3 sales ranked first in YTD totals with over \$21M conveyed
- Leasing trends revealed overall average unit size remained < 2,000 SF for a third quarter
- Local craft beer favorite Iron Hill Brewery announced the closure of all locations, citing financial challenges

### OVERVIEW

Automotive service properties continue to supplement sale transaction volume, accounting for a third of sales conveyed YTD. However, value has grown most significantly within shopping centers.

The average price/SF paid for shopping center properties has doubled since 2021, increasing an average 20% annually and reaching \$175/SF for 2025.

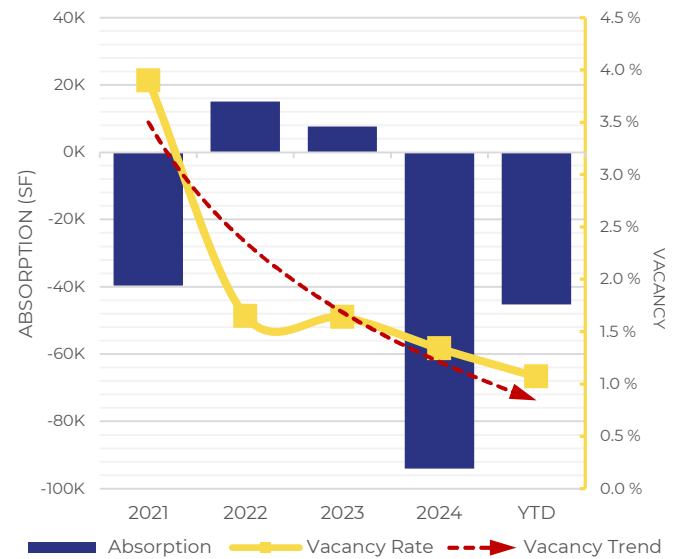
The Shops at Prospect in West Hempfield Township sold for \$10.76M (\$166.19/SF) to a Lancaster-based investor who plans on updating the Class C shopping center. The transaction was the largest YTD and brought Q3 total sales beyond \$21M.

Historically, overall average retail unit size hovered between 3.5K and 4K, but there was a notable shrinkage in 2024 to 2.8K and another in 2025 down to 1.7K.

This contraction trend most significantly reduced the average unit size for spaces > 5K SF. In 2022, the average size for units larger than 5K SF was +/- 27,000 and by 2024 that average decreased to just over 9,500 SF.

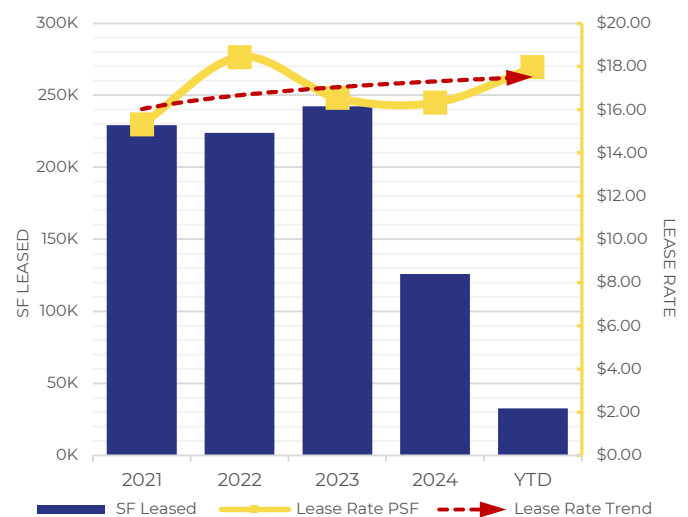
Fluctuations within leasing trends are likely to increase as e-commerce continues to reduce retailers' need for larger inventory spaces and uncertainty over long-term effects of tariffs affects inventory costs.

### 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

Q3 2025

## Key Sale Transactions

### 3985 Columbia Ave, Lancaster

SIZE	64,756 SF
SELLER	Galileo Shops At Prospect LP
BUYER	Prospect Road Partners LLC
PRICE	\$10,761,660

### 925 Plaza Blvd, Lancaster

SIZE	6,914 SF
SELLER	Park City Center
BUYER	FCPT Holdings, LLC
PRICE	\$2,438,718

### 993 Plaza Blvd, Lancaster

SIZE	5,234 SF
SELLER	Park City Center
BUYER	FCPT Holdings, LLC
PRICE	\$2,320,282

### 33 Long Ave, Stevens

SIZE	16,436 SF
SELLER	Barry Burkholder
BUYER	Furnace Hills Holdings LLC
PRICE	\$2,000,000

### 3555 Rothsville Rd, Ephrata

SIZE	4,200 SF
SELLER	Moats & Sines Investments
BUYER	Long Ave Real Estate Holdings
PRICE	\$810,000

#### 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  
313 W Liberty St, Ste 117, Lancaster, PA 17603

717.854.5357  
ROCKrealestate.net

## Key Lease Transactions

### 10-60 Copperfield Cir, Lititz

SIZE	3,200 SF
TENANT	Collective Jiu Jitsu LLC
TRANSACTION	Expansion

### 3060 Industry Dr, Lancaster

SIZE	3,074 SF
TENANT	Name Withheld
TRANSACTION	New

### 26 N Wolf St, Manheim

SIZE	1,718 SF
TENANT	Cartel Brewing & Blending
TRANSACTION	New

### 648 E Walnut St, Lancaster

SIZE	864 SF
TENANT	Name Withheld
TRANSACTION	New

### 555-565 Greenfield Rd, Lancaster

SIZE	820 SF
TENANT	Name Withheld
TRANSACTION	New

