

MARKET REPORT

RETAIL | LANCASTER COUNTY, PA | Q4 2025



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
30.63M ↓	1.20% ↑	\$13.76M ↓	94,811 ↓	20,406 ↑	+\$0.46 ↑ <i>12-month rolling avg</i>

Local Economic Vitality Highlighted by Investment Transactions

HIGHLIGHTS

- Isaac's Restaurants announced it will be closing three locations, including their restaurants in downtown Lancaster City on N Queen St and in Ephrata on Reading Rd
- Investment sale activity in 2025 contributed to over \$61M in total sales YTD
- Smaller units under 1K SF fueled leasing activity and average lease rates for these spaces grew 59% YOY up to \$19.94/SF

OVERVIEW

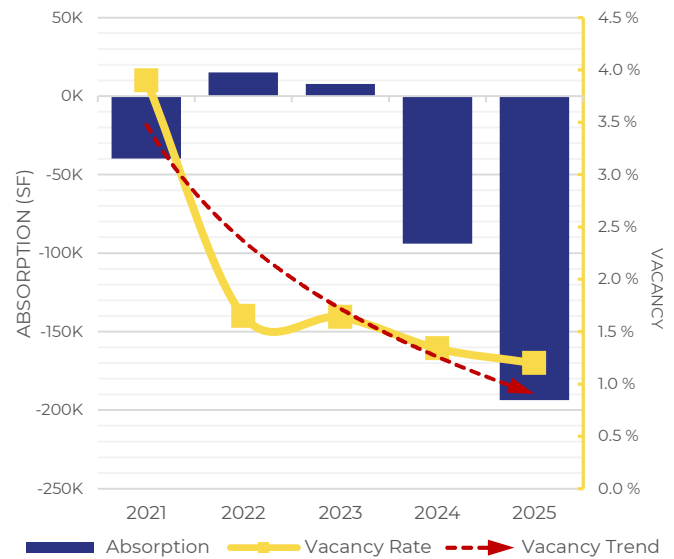
Tariff-driven price increases were expected to hinder consumer spending in Q4, but Lancaster County's economy proved resilient. Investment sales fueled Q4 transactions, especially three larger sales of restaurants which contributed to YOY growth of average sale prices, up 39% to \$1.15M.

In October, the Olive Garden restaurant within the Shops at Rockvale in East Lampeter Township sold for \$2.33M (\$313.65/SF). In November, newly built Panera at 2472 E Lincoln Hwy sold for \$2.65M (\$662.50/SF). And finally in December, Reflections Restaurant at 1390 E Oregon Rd in Leola sold for \$1.47M (\$350/SF). Interestingly, the current restaurant was built in 1940, but the property has a 235-year history of housing various tavern and inn operations.

Despite active leasing, average unit sizes shrunk through a second year and remained below 2K SF for all four quarters. The majority of leased units in 2025 were less than 1K SF and located within storefronts or shopping centers. Combined with a complete lack of leased units larger than 5K SF for the entire year, absorption fell to -193,563 SF and vacancy rose 16bps to 1.20%.

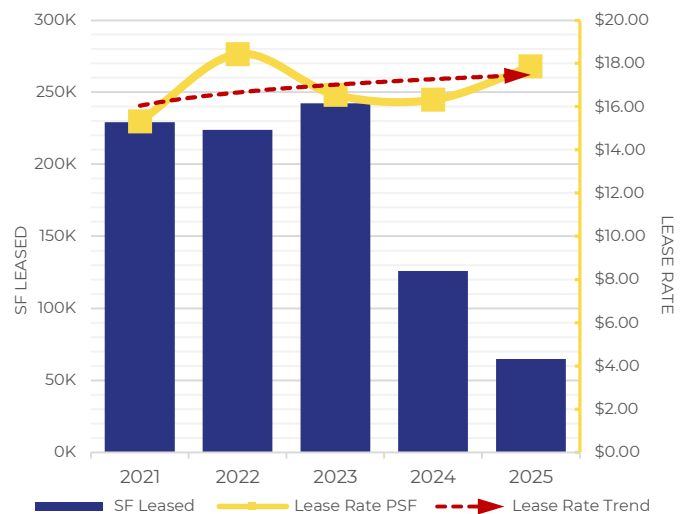
As e-commerce continued to reshape the market, a Q4 announcement highlighted the sector's ability to tailor fit fulfillment and distribution models to the specific needs of businesses and consumers, a major factor for growth and resilience. Giant plans to close their Giant Direct operations at 235 Reservoir St in Lancaster, which until 2017 was a Giant grocery store. Both the original closure of the store and its transformations in and out of the Giant Direct model highlight a crucial decision retailers face to adapt and successfully meet modern consumer expectations, including delivery times, pricing and service options for customers.

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

Q4 2025

Key Sale Transactions

301 E Main St, Landisville

SIZE	20,715 SF
SELLER	Sam Musser
BUYER	HSC 301 Main LLC
PRICE	\$2,780,000

2472 E Lincoln Hwy, Lancaster

SIZE	4,000 SF
SELLER	MP Lancaster LLC
BUYER	FD Capital Group LLC
PRICE	\$2,650,000

35 Willowdale Dr, Lancaster

SIZE	7,441 SF
SELLER	MP Lancaster LLC
BUYER	Agree Shelf PA LLC
PRICE	\$2,333,893

1390 E Oregon Rd, Lititz

SIZE	4,200 SF
SELLER	James & Lisa Garland
BUYER	Vasiliki Papazekos
PRICE	\$1,470,000

1 S Charlotte St, Manheim

SIZE	12,800 SF
SELLER	Firm Foundations
BUYER	Hot Property Deal LLC
PRICE	\$1,348,888

For more information contact

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Key Lease Transactions

1605 S Market St, Elizabethtown

SIZE	2,500 SF
TENANT	Verizon
TRANSACTION	New

118 N Prince St, Lancaster

SIZE	2,203 SF
TENANT	Name Withheld
TRANSACTION	New

1605 S Market St, Elizabethtown

SIZE	2,000 SF
TENANT	Starbucks
TRANSACTION	New

10-60 Copperfield Cir, Lititz

SIZE	2,000 SF
TENANT	Legacy Physical Therapy
TRANSACTION	New

701 Harrisburg Ave, Lancaster

SIZE	1,939 SF
TENANT	Dressed by Filling's
TRANSACTION	New

