

MARKET REPORT

INDUSTRIAL | YORK COUNTY, PA | Q4 2025



| INVENTORY (SF) | VACANCY RATE | SALES (\$) | SALES (SF) | LEASED (SF) | RENT CHANGE |
|----------------|--------------|------------|------------|-------------|--|
| 92.18M ↑ | 2.78% ↑ | \$7.51M ↓ | 125,676 ↑ | 629,416 ↑ | +\$0.29 ↑ <i>12-month rolling avg</i> |

Economic Forces and Shrinking Unit Sizes Softened Growth Trends

HIGHLIGHTS

- Absorption growth slowed and overall vacancy increased 43 bps to 2.78%
- Average lease rates rose 11% YOY, most notably within Class C assets which saw a 12% increase to \$5.70/SF
- Three quarters of new leases signed in 2025 were for spaces less than 15K SF, shrinking the overall average unit size by 34% YOY

OVERVIEW

2025 witnessed the industrial sector transform and transition through tariff and import volatility alongside the explosion of advanced manufacturing and data center demand. In Q4 alone, lenders and investors had to navigate a rocky CRE landscape impacted by a 43-day government shutdown, three consecutive fed rate cuts and a cooling labor market.

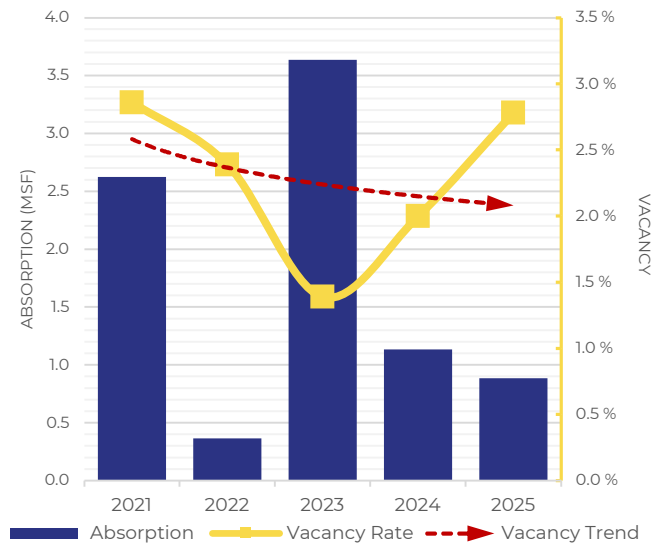
Expectedly, 2025 delivered record low total sales of just over \$70M, a 38% decrease from 2024. This trend is most significant among Class A assets, which saw a 71% decline in total sales from 2024. However, average price/SF paid for Class A properties rose 19% in the last two years, indicating this cooling trend is likely attributed to economic forces restricting lending rather than a shift in demand for quality inventory.

Nationally and locally, small bay facilities have gained favor with landlords and tenants for their cost-effectiveness, flexibility, proximity for last mile fulfillment and larger, more diverse tenant pools. And despite dynamic leasing activity, shrinking unit sizes for all classes hindered absorption growth in Q4, ending the year on a positive yet modest absorption just over 884K SF.

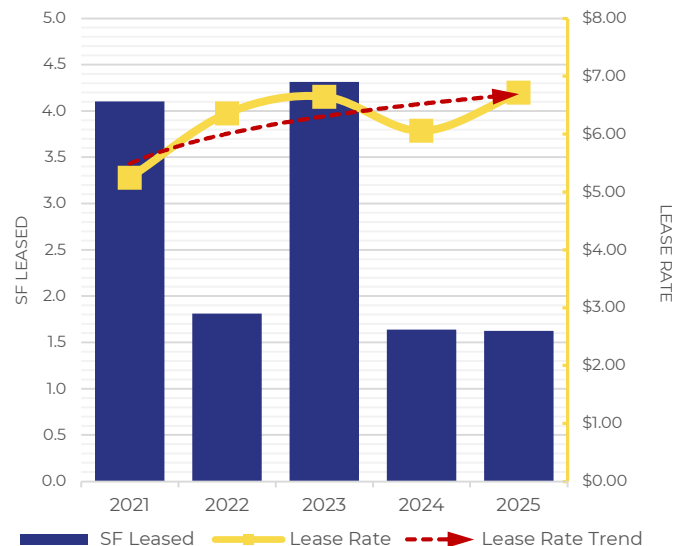
The construction pipeline gained another 1.6M SF of proposed projects in Q4. Two of these projects are positioned to gain the logistics advantage of the north-south artery I-83, which has been the focus of industrial business park development in York County.

York-based Gateway Logistics is developing a 301,500 SF warehouse along Mt. Airy Rd in Hopewell Township. Also, The Hanover Company, a private real estate company from Texas, broke ground on Locust Point Park Industrial in Conewago Township. It is expected to deliver in 2027 and will include a 423,000 SF cross-dock facility and a 285,000 SF front load building.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

300 N Sherman St, York

| | |
|--------|-------------------------------|
| SIZE | 45,273 SF |
| SELLER | Sherman Ave Holdings LLC |
| BUYER | RSKL Real Estate Holdings LLC |
| PRICE | \$2,850,000 |

24-26 Parkway Blvd, York

| | |
|--------|-----------------------|
| SIZE | 12,540 SF |
| SELLER | Shiple Family LP |
| BUYER | RE Michel Company LLC |
| PRICE | \$950,000 |

20 E Eleventh Ave, York

| | |
|--------|-------------------------|
| SIZE | 7,763 SF |
| SELLER | Barry Shelly |
| BUYER | Prosper Development LLC |
| PRICE | \$715,000 |

217 E Maple St, Dallastown

| | |
|--------|--------------------|
| SIZE | 19,348 SF |
| SELLER | Myers Holdings Inc |
| BUYER | Dallastown Borough |
| PRICE | \$600,000 |

1678 Prayer Mission Rd, Windsor

| | |
|--------|---------------------------|
| SIZE | 6,360 SF |
| SELLER | Jim Billet Welding LLC |
| BUYER | Key Global Properties LLC |
| PRICE | \$385,284 |

For more information contact

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Key Lease Transactions

500-550 Willow Springs Ln, York

| | |
|-------------|---------------------------|
| SIZE | 270,867 SF |
| TENANT | Crane Worldwide Logistics |
| TRANSACTION | New |

400 E Locust St, Dallastown

| | |
|-------------|-----------|
| SIZE | 58,865 SF |
| TENANT | recyclops |
| TRANSACTION | New |

100 Redco Ave, Red Lion

| | |
|-------------|----------------|
| SIZE | 17,422 SF |
| TENANT | AdaptivAir Inc |
| TRANSACTION | New |

4691 Raycom Rd, Dover

| | |
|-------------|-------------|
| SIZE | 16,145 SF |
| TENANT | Istech Inc. |
| TRANSACTION | Renewal |

80 Redco Ave, Red Lion

| | |
|-------------|--------------------------------|
| SIZE | 15,275 SF |
| TENANT | Finish Line Auto Body Red Lion |
| TRANSACTION | New |

