

MARKET REPORT

INDUSTRIAL | LANCASTER COUNTY, PA | Q1 2026



INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
88.73M ↑	0.84% ↓	\$41.79M ↓	386,584 ↓	129,118 ↓	+\$0.01 ↑ <i>12-month rolling avg</i>

Market Continued to Support Investment Opportunities

HIGHLIGHTS

- The final appeal hurdle was cleared on Chirisa's Greenfield Rd data center project, which started the clock on their community benefits agreement with Lancaster City
- Supply and demand equilibrium continued to stabilize vacancy below 1%
- Larger Q1 sales indicated local market remained a supportive environment for industrial investments

OVERVIEW

Strong Q1 leasing activity produced over 129K SF of newly leased area and overall lease rate growth stabilized on their four-year growth trajectory. This stabilization occurred in tandem with tightening vacancy, which will likely maintain upward pressure on lease rates throughout the year.

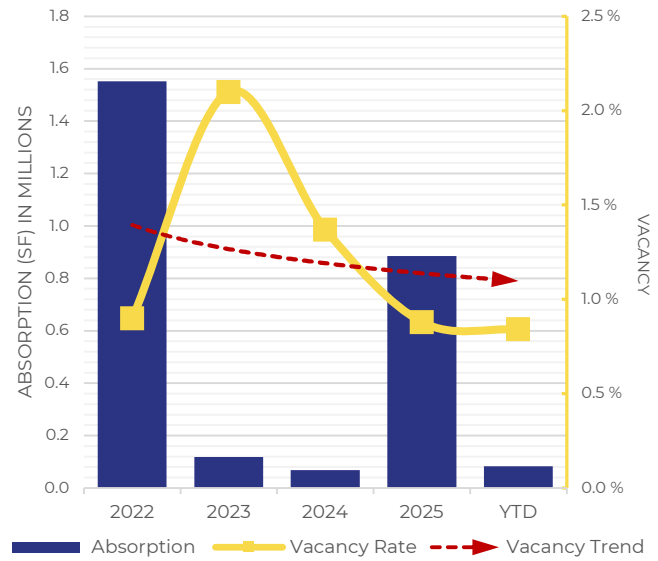
Lancaster County remained a target for industrial investment activity into the new year and achieved just under \$41M in total sales in Q1.

Lancaster Fine Foods' facility at 301 Richardson Dr in East Hempfield Township sold for \$13.75M (\$65.79/SF) to Fundamental Income Properties, a net lease investment platform based in AZ. Fundamental Income Properties has procured several food production properties in the region, including Dutch Gold Honey, and is a subsidiary of the largest commercial mortgage REIT in the US.

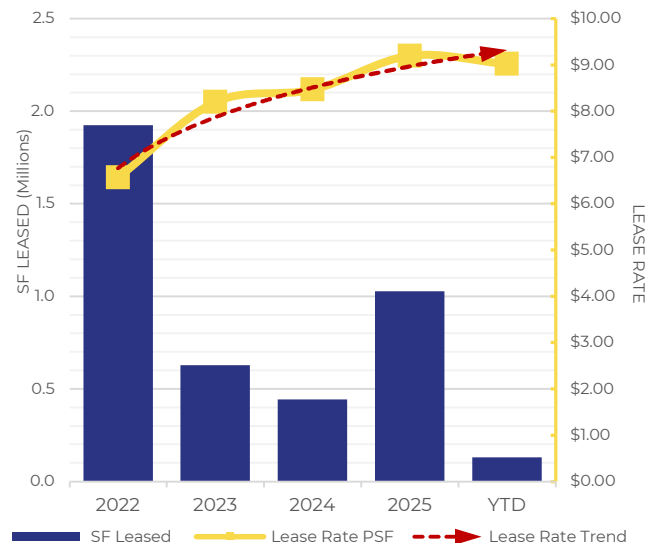
Pennsylvania Industrial Development Authority (PIDA) approved a \$2M loan for Visual Solutions Group to purchase 1811 Rohrerstown Rd. The final sale price for the Class B flex property was \$10M (\$138.62/SF), and Visual Solutions entities occupied 75% of the building at the time of sale.

While the state passed legislation to limit energy grid impacts from data centers, Lancaster City opted for a cooperative arrangement. Through a community benefits agreement with the city, co-developer Chirisa will offer payments triggered by project milestones, a pledge that totals \$20M. The funding will be handled by local non-profit and economic development organizations and will finance community projects and clean energy initiatives.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE



Key Sale Transactions

301 Richardson Dr, Lancaster

SIZE	208,993 SF
SELLER	Eastern Poultry Distributors
BUYER	FIP Master Funding LX LLC
PRICE	\$13,750,000

1811 Rohrerstown Rd, Lancaster

SIZE	72,141 SF
SELLER	Maple Run LLC
BUYER	Rohrerstown Road LLC
PRICE	\$10,000,000

2275 N Reading Rd, Denver

SIZE	37,712 SF
SELLER	Barrdon Properties LP
BUYER	2275 N Reading Road LLC
PRICE	\$7,845,000

119 S Tee Dr, Lancaster

SIZE	24,165 SF
SELLER	Penex Holdings LLC
BUYER	KM Gingrich LLC
PRICE	\$5,150,000

3040 Industry Dr, Lancaster

SIZE	17,230 SF
SELLER	White Deer Run LLC
BUYER	Elm Works LLC
PRICE	\$2,050,000

For more information contact

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Key Lease Transactions

2599 Old Philadelphia Pike, Lancaster

SIZE	46,000 SF
TENANT	Name Withheld
TRANSACTION	New

1 E Main St, Ephrata

SIZE	25,698 SF
TENANT	Name Withheld
TRANSACTION	New

2599 Old Philadelphia Pike, Lancaster

SIZE	24,000 SF
TENANT	Name Withheld
TRANSACTION	New

203-205 Greenfield Rd, Lancaster

SIZE	8,790 SF
TENANT	Name Withheld
TRANSACTION	New

125 Ashmore Dr, Leola

SIZE	5,000 SF
TENANT	Name Withheld
TRANSACTION	New