

# MARKET REPORT

OFFICE | LANCASTER COUNTY, PA | Q1 2026



25 Years. Built on Trust.

INVENTORY (SF)	VACANCY RATE	SALES (\$)	SALES (SF)	LEASED (SF)	RENT CHANGE
16.66M ↑	3.11% ↑	\$15.95M ↑	183,216 ↑	40,149 ↓	+\$0.06 ↑ <i>12-month rolling avg</i>

## Healthcare Accessibility Remained Driver for Development

### HIGHLIGHTS

- Dynamic sale activity maintained average sale prices near \$1.3M for a second quarter
- Leasing activity favored Class B offices in business parks environments and raised average rent rates for Class B offices to \$17.98/SF in Q1
- Healthcare accessibility continued to be a primary driver in regional development

### OVERVIEW

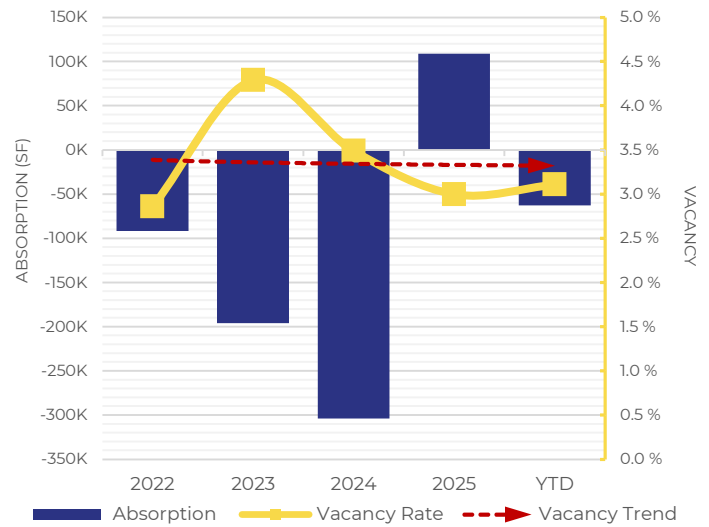
Last year, the Lancaster County office sector showed meaningful signs of stabilization and recovery characterized by the strongest year for office absorption since the pandemic.

An influx of vacant professional office spaces in Q1 reversed the absorption progress achieved in 2025 and vacancy rose 11 bps to 3.11%. However, with nearly 40K SF of office space already leased in Q1, reliable demand will likely sustain leasing activity and recover absorption throughout the year.

Medical investment activity continued to drive development in the region. Along with Penn State Health announcing plans to add a Level II NICU (neonatal intensive care unit) at their Lancaster Medical Center in East Hempfield Township, Union Community Care opened its 10th location within Lancaster City. The new Lancaster West End facility at 234 W. Orange St was purchased in 2022 as a former funeral home and was fully renovated into a community health center.

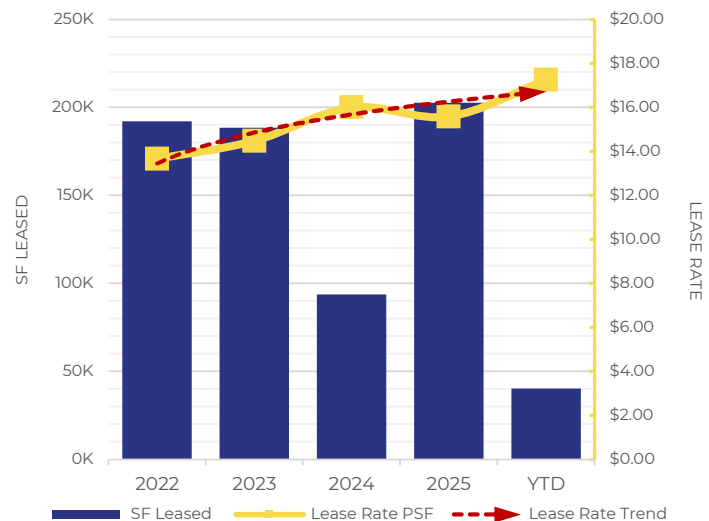
Several large investment transactions brought Q1 sale totals exceeding \$15.95M. Notably, Fulton Financial Corp's +/- 100K SF office in East Petersburg sold for \$5.3M (\$49.96/SF) to an affiliate of Benchmark Construction. Benchmark plans to update and lease +/- 21,000 SF of Class A office space formerly occupied by Fulton, who will remain on-site within a smaller footprint.

### 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

## Key Sale Transactions

### 1695 State St, East Petersburg

SIZE	106,078 SF
SELLER	Fulton Financial Realty Co.
BUYER	BRE East Pete LLC
PRICE	\$5,300,000

### 2501 Oregon Pike, Lancaster

SIZE	41,054 SF
SELLER	C&D Enterprises
BUYER	Brooklawn Enterprise LLC
PRICE	\$3,900,000

### 381 Rt 41, Gap

SIZE	9,881 SF
SELLER	Scenic Trails LLC
BUYER	381 Route 41 LLC
PRICE	\$1,700,000

### 2929 N Willow St Pike, Willow Street

SIZE	4,032 SF
SELLER	Will-Barr Associates
BUYER	Willow Street Plaza LLC
PRICE	\$800,000

### 22 E Main St, Lititz

SIZE	3,968 SF
SELLER	Eugene & Alice Bracken
BUYER	208 Harvey Ave LLC
PRICE	\$750,000

#### 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

### 790-798 New Holland Ave, Lancaster

SIZE	18,535 SF
TENANT	Name Withheld
TRANSACTION	New

### 8 W King St, Lancaster

SIZE	4,105 SF
TENANT	Name Withheld
TRANSACTION	New

### 1864 Oregon Pike, Lancaster

SIZE	3,698 SF
TENANT	Name Withheld
TRANSACTION	New

### 1850 William Penn Way, Lancaster

SIZE	2,181 SF
TENANT	Ilgenfritz Financial Group Inc.
TRANSACTION	New

### 1018 N Christian St, Lancaster

SIZE	1,980 SF
TENANT	Xikar Cigar Lounge
TRANSACTION	New

