MARKET REPORT

OFFICE | **LANCASTER COUNTY, PA** | Q2 2026

ROCK COMMERCIAL REAL ESTATE
25 Years. Built on Trust.

INVENTORY (SF)	VACANCY RATE	SALES ($)	SALES (SF)	LEASED (SF)	RENT CHANGE
16.72M ↑	3.25% ↑	$17.38M ↑	192,826 ↑	32,719 ↓	-$0.41 ↓

12-month rolling avg

Leasing Trends Indicate Market Recalibration

HIGHLIGHTS

- 37-45 N Duke St in Lancaster sold for $2.05M ($68.32/SF) to Parachute Studios, a creative workspace and community hub
- Smaller office spaces continued to lead leasing activity, but professional offices are leasing largest units seen since COVID
- Average lease rates for all office subtypes normalized near $15/SF/YR

OVERVIEW

Recent years have revealed a bifurcating trend in the market between smaller and larger units, and YTD leasing activity widened the gap significantly. 45% of new leases signed this year were for units smaller than 1.5K SF. The few leases for units 3K SF or larger accounted for only 15%.

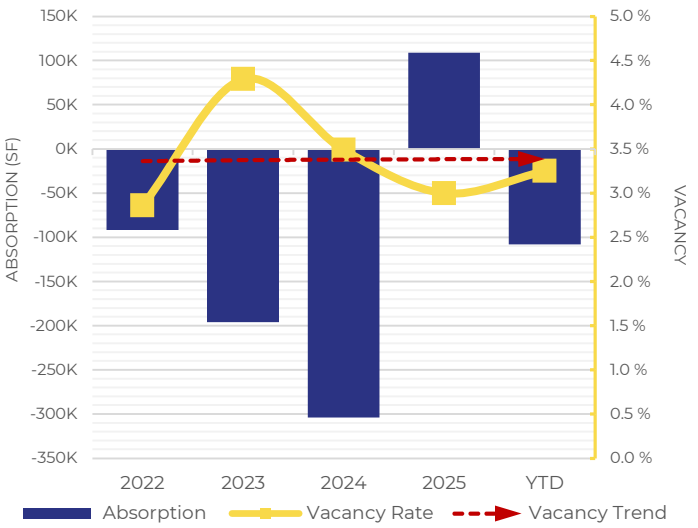
Interestingly, this bifurcation coincided with a shift in leasing of larger professional office units. Since COVID, unit size thresholds for all office types were compressed by a lack of demand for larger units. However, in 2022 this trend inverted for professional offices, which have gradually seen larger leased spaces exceeding 15K for the first time in over five years.

Notable Q2 sale activity brought total sales over $17M. And over half of that total was from two major transactions expected to bring redevelopment activity and address affordable housing needs in the region.

The historic Mill Building and Penn Medicine Lancaster General Health's former administrative offices sold for $8.125M in June. The 112,382 SF, Class A building at 26 N Cedar St in Lititz will be redeveloped by new ownership into a mixed-use property to include office, retail, restaurant and residential spaces.

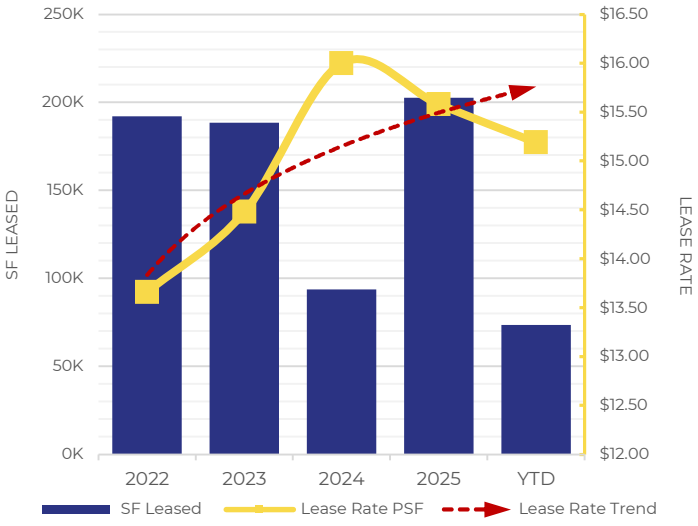
Class B medical office at 3045 Marietta Avenue sold for $1.5M (95.48/SF) to Community Basics Inc. The non-profit developer will transform the historic property into affordable housing for individuals with disabilities experiencing homelessness.

NET ABSORPTION & VACANCY

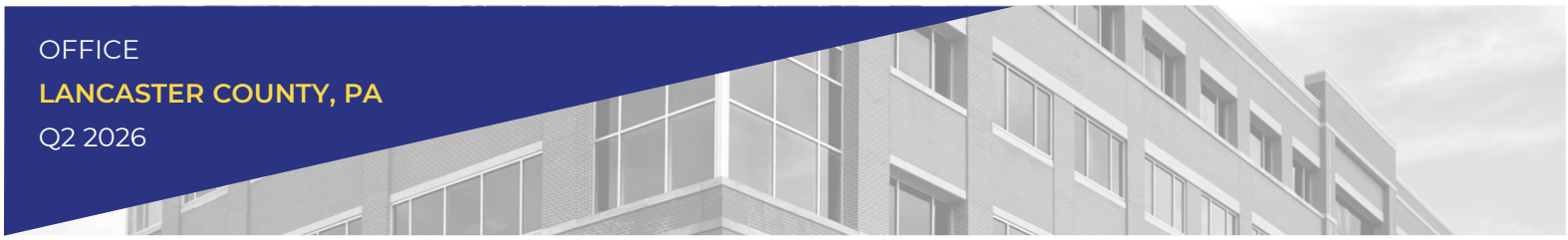


* Absorption & Vacancy for Class A, B & C

SF LEASED & AVG LEASE RATE



* SF Leased includes Class A, B & C | Lease rate includes Class A & B only



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LANCASTER COUNTY, PA

Q2 2026

Key Sale Transactions

26 N Cedar St, Lititz	
SIZE	112,382 SF
SELLER	Lancaster General Health
BUYER	Lititz Run Owner LLC
PRICE	$8,125,000

1910 Harrington Dr, Lancaster	
SIZE	15,290 SF
SELLER	RLPS Partners
BUYER	1910 Realty Group LLC
PRICE	$2,400,000

37-45 N Duke St, Lancaster	
SIZE	30,008 SF
SELLER	DJB Realty Co
BUYER	Parachute Studios Lancaster LLC
PRICE	$2,050,000

3045 Marietta Ave, Lancaster	
SIZE	15,710 SF
SELLER	David E. & Rebecca Fuchs
BUYER	Oyster Point Landing Assoc.
PRICE	$1,500,000

5970 E Lemon St, Petersburg	
SIZE	3,570 SF
SELLER	Fussner Family LP
BUYER	Lemon Street 5970 LLC
PRICE	$1,043,500

Key Lease Transactions

805 Estelle Dr, Lancaster	
SIZE	6,445 SF
TENANT	Name Withheld
TRANSACTION	New

320 Granite Run Dr, Lancaster	
SIZE	3,299 SF
TENANT	Name Withheld
TRANSACTION	New

600 Olde Hickory Rd, Lancaster	
SIZE	2,435 SF
TENANT	Name Withheld
TRANSACTION	New

1681 Crown Ave, Lancaster	
SIZE	2,196 SF
TENANT	Name Withheld
TRANSACTION	New

941 Wheatland Ave, Lancaster	
SIZE	2,151 SF
TENANT	Dark Horse Combat Academy LLC
TRANSACTION	New

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