MARKET REPORT

INDUSTRIAL | **LANCASTER COUNTY, PA** | Q3 2026

ROCK COMMERCIAL REAL ESTATE
25 Years. Built on Trust.

INVENTORY (SF)	VACANCY RATE	SALES ($)	SALES (SF)	LEASED (SF)	RENT CHANGE
89.3M ↑	1.25% ↑	$32.79M ↓	270,115 ↓	106,671 ↓	+$0.46 ↑
					12-month rolling avg

Warehouse and Flex Subtypes Remain Primary Market Drivers

HIGHLIGHTS

- 86,000 SF DAS Distributors warehouse at 48 Industrial Rd in Elizabethtown sold for $15.1M ($164.56/SF) in July to Industrial Outdoor Ventures as part of the firm's broader investment strategy in the region
- Class A and B industrial assets continue 3+ years of growth in average sale prices

OVERVIEW

Sale activity was driven by warehouse/distribution and manufacturing transactions. Competitive demand for Class A and B assets continued to place upward pressure on price/SF paid for these properties, increasing 5% and 10%, respectively.

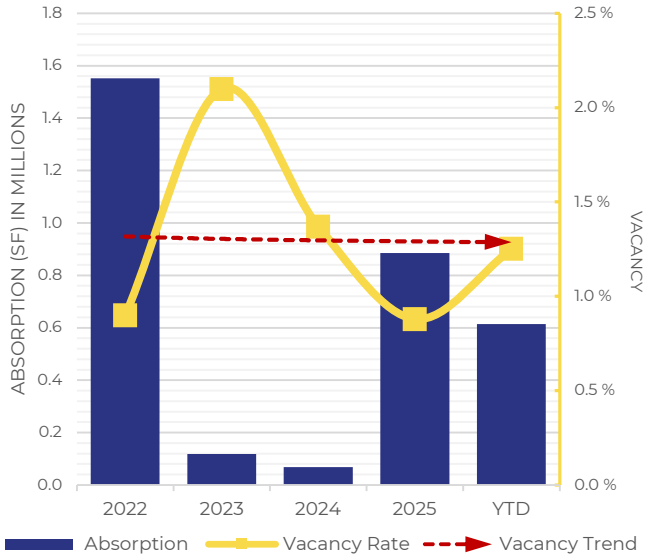
Warehouses and flex industrial remain primary drivers of regional leasing activity. Reliable demand for these assets has stabilized their average lease rates close to $8/SF for two years. As of Q3 2026 the average rate for leasing warehouse/distribution space is $8.23/SF, and $8.82/SF for flex industrial.

Cold storage properties have seen lease rate growth for three consecutive years, improving 20% since 2024. Though leasing activity has been historically low for these specialized assets, their presence in regional industrial sector has been invigorated by major local cold storage users.

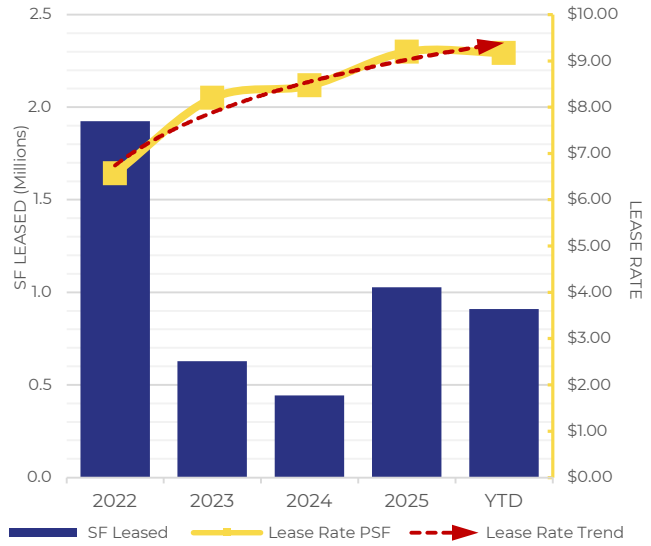
Turkey Hill's sustainability initiatives and business growth have enabled them to break ground on a new ~80,000 SF frozen warehouse at their Conestoga facility. Using energy efficient systems and designs to optimize operations, the new facility will also reduce their annual diesel fuel usage by nearly half a million gallons.

In other cold storage news, Americold announced their frozen fulfillment operations at 3800 Hempland Road will wind down in Q4 2026. The property consists of a total of 475,512 SF, with ~280,859 SF of cold storage.

NET ABSORPTION & VACANCY



SF LEASED & AVG LEASE RATE





INDUSTRIAL

LANCASTER COUNTY, PA

Q3 2026

Key Sale Transactions

48 Industrial Rd, Elizabethtown

SIZE	91,758 SF
SELLER	Melcon Investments Inc
BUYER	IOV 48 Industrial LLC
PRICE	$15,100,000

3549 Hempland Rd, Lancaster

SIZE	96,844 SF
SELLER	Unlimited Industries LLC
BUYER	Hempland Road LLC
PRICE	$7,800,000

301 Commerce Dr, New Holland

SIZE	48,657 SF
SELLER	Commerce Properties LP
BUYER	AFP Advanced Food Products
PRICE	$5,600,000

885 S Chiques Rd, Manheim

SIZE	31,256 SF
SELLER	Oal Realty LP
BUYER	Chiques Center LLC
PRICE	$4,000,000

721 S Eighteenth St, Columbia

SIZE	1,600 SF
SELLER	John Frimenko
BUYER	KSJ Properties LLC
PRICE	$290,000

Key Lease Transactions

1828 Freedom Rd, Lancaster

SIZE	70,077 SF
TENANT	Name Withheld
TRANSACTION	New

191 Commerce Dr, New Holland

SIZE	24,179 SF
TENANT	Name Withheld
TRANSACTION	New

400 W Main St, Ephrata

SIZE	11,387 SF
TENANT	Name Withheld
TRANSACTION	New

1913 Olde Homestead Ln, Lancaster

SIZE	6,500 SF
TENANT	Name Withheld
TRANSACTION	Sublease

1909 Olde Homestead Ln, Lancaster

SIZE	5,390 SF
TENANT	Name Withheld
TRANSACTION	New

For more information contact

EMILY KLINGLER
Research Analyst
(717) 850-0848
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

ROCK COMMERCIAL REAL ESTATE

25 Years. Built on Trust.