MARKET REPORT

RETAIL | **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
30.67M ↑	1.10% ↓	$14.75M ↑	64,799 ↓	24,560 ↑	-$0.38 ↓
					12-month rolling avg

Demand for Shopping Center Leasing Softened for Third Quarter

HIGHLIGHTS

- Vera Bradley announced a new ~2,500 SF retail space in Tanger Outlets as part of a larger retail innovation initiative to reach a new generation of consumers
- Denim Coffee is purchasing two Prince St Café locations, including 301 Locust St and will reopen both under the Denim Coffee brand
- Median sale prices improved 9% YoY to a record high of $900K

OVERVIEW

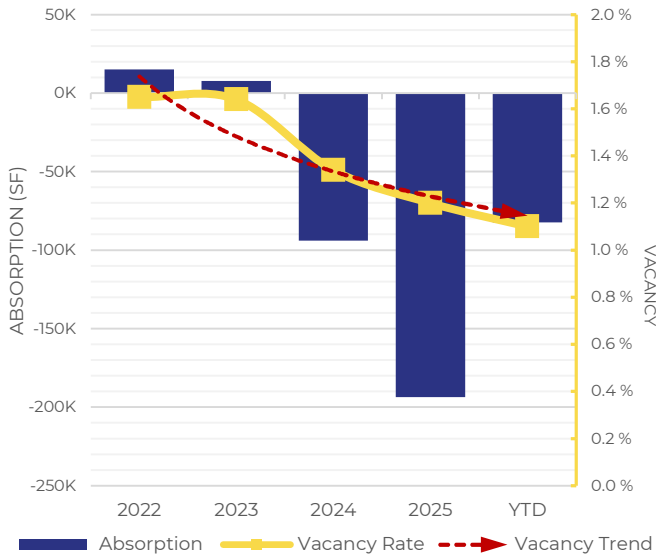
Nationally, retailers continue to thrive in suburban markets offering new consumer pools, development opportunities and competitive site strategization. Locally, major retail brands like Wawa and Sheetz remain primary drivers for new development in the county. In fact, the new Sheetz station in East Lampeter Township has been the only new retail construction for 2026, according to Lancaster County assessor's records.

Most proposed retail construction waiting in the pipeline is for shopping and neighborhood center projects, which are likely to remain on hold due to a four-year decline in local shopping center leasing. Retail spaces less than 1K SF dominated leasing activity in 2025, accounting for more than half of new leases signed. But that demand softened this year and notably reduced the number of leases signed for smaller retail units in both shopping centers and mixed-use settings.

Alternatively, restaurants not only increased their volume of new leases this year, but they were also the only retail subtype to see average lease rate growth, growing a nominal 2% YoY. All other retail subtypes saw average lease rates normalize down from last year's spike.

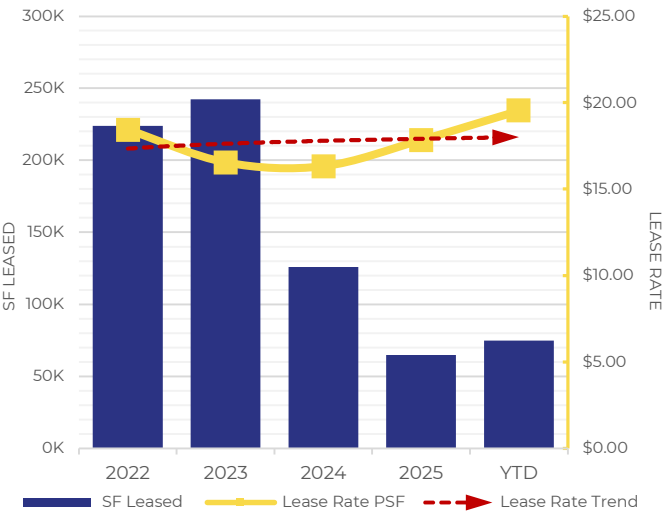
On a quarterly basis, average and median sale prices improved from their dip in Q2. However, compared to 2025, fewer larger sales this year lowered overall average sale prices by 8% while median sale prices grew 9%.

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

RETAIL

LANCASTER COUNTY, PA

Q3 2026



Key Sale Transactions

1478-1480 Harrisburg Pike, Lancaster	
SIZE	12,883 SF
SELLER	AEI Nat'l Income Prop Fund VII
BUYER	S&S Singh Partners
PRICE	$4,100,000

5996 Main St, East Petersburg	
SIZE	3,224 SF
SELLER	Fulton Nat'l Bank of Lancaster
BUYER	Agree Shelf PA LLC
PRICE	$3,068,620

100 W Main St, Terre Hill	
SIZE	3,009 SF
SELLER	BB&T Property Tax Dept
BUYER	Faithful Return Investments
PRICE	$1,300,000

218 Hershey Rd, Elizabethtown	
SIZE	3,960 SF
SELLER	DROL Holdings LLC
BUYER	218 Hershey Rd LLC
PRICE	$1,200,000

400 N Cedar St, Lititz	
SIZE	3,960 SF
SELLER	SBE Associates
BUYER	Kostaki 821 LLC
PRICE	$1,168,000

Key Lease Transactions

2350 Dairy Rd, Lancaster	
SIZE	6,000 SF
TENANT	Name Withheld
TRANSACTION	New

10-60 Copperfield Cir, Lititz	
SIZE	3,950 SF
TENANT	Lititz Pizza Company
TRANSACTION	Extension

862-868 Rt 41, Gap	
SIZE	3,138 SF
TENANT	Name Withheld
TRANSACTION	New

221 W 4th St, Quarryville	
SIZE	2,800 SF
TENANT	Name Withheld
TRANSACTION	New

611 Harrisburg Ave, Lancaster	
SIZE	2,562 SF
TENANT	Sizzling Bites
TRANSACTION	New

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