

# Q4 2021 | INDUSTRIAL MARKET REPORT

## WEST SHORE

## EAST SHORE

### INVENTORY

**73.9M** SF

**33M** SF

### VACANCY

▼ **5.4%**

**6.1%** ▼

### AVAILABILITY

▼ **2.6M** SF

**4.6M** SF ▼

### NET ABSORPTION

▼ **2.7M** SF

**1.1M** SF ▲

### NNN RENT PER SF

▲ **\$7.02**

**\$7.00** ▲

### BUILDINGS UNDER CONSTRUCTION

**0**

**5**

2.9K SF

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## MARKET OUTLOOK

The Greater Harrisburg Region's industrial market remains on firm footing with vacancies declining throughout the pandemic, specifically given its' position as an integral component of the Northeast logistics market and supply chain. Absorption rates remained strong through the pandemic and continue to remain strong at the start of 2022. With the COVID-19 era's related accelerated rise of E-commerce, this is projected to continue as a strong and robust market in the foreseeable future.

With a reach to 40% of the US population and 50% of the Canadian population within 1 day, and easy access to the ports of Baltimore, Philadelphia and New York, industrial occupiers in the region are offered a unique geographic position. The presence of a substantial rail system also offers advantages in connecting the supply chain outside of the east coast. Overall industrial rent growth ended at some of the strongest levels on record. Vacancy, which fluctuates in accordance with speculative industrial development, has overall remained low. These factors are driving additional speculative market development projects.

The industrial investment sales market was down from 2019; however, the volume can fluctuate wildly in near-term views as industrial portfolio sales drive large swings in activity.

The smaller, localized industrial market for <150,000 SF product remains robust. This sector remains the bread and butter of the South Central PA marketplace. Product availability is scarce and rates continue to rise. With no apparent speculative development on the horizon in this size range, vacancies will compress and rates will continue to climb.

## NOTABLE TRANSACTIONS



Shepley renewed the 50,000 SF industrial lease at 495 E. Locust Lane in York.



NAI CIR renewed the 20,000 SF industrial lease at 716 Airport Road in Palmyra.



## HARRISBURG DEMOGRAPHICS

