

# Q1 2022 | INDUSTRIAL MARKET REPORT

WEST SHORE

EAST SHORE

## INVENTORY

**72.2M** SF

**33.0M** SF

## VACANCY RATE

▼ **2.3%**

**4.1%** ▼

## RENT PER SF

▲ **\$6.71**

**\$7.00** ▲

## MARKET SALE PRICE PER SF

▲ **\$92**

**\$75** ▲

## 12 MONTH NET ABSORPTION

▲ **3.26M** SF

**1.84M** SF ▲

## BUILDINGS UNDER CONSTRUCTION

**1**  
793K SF

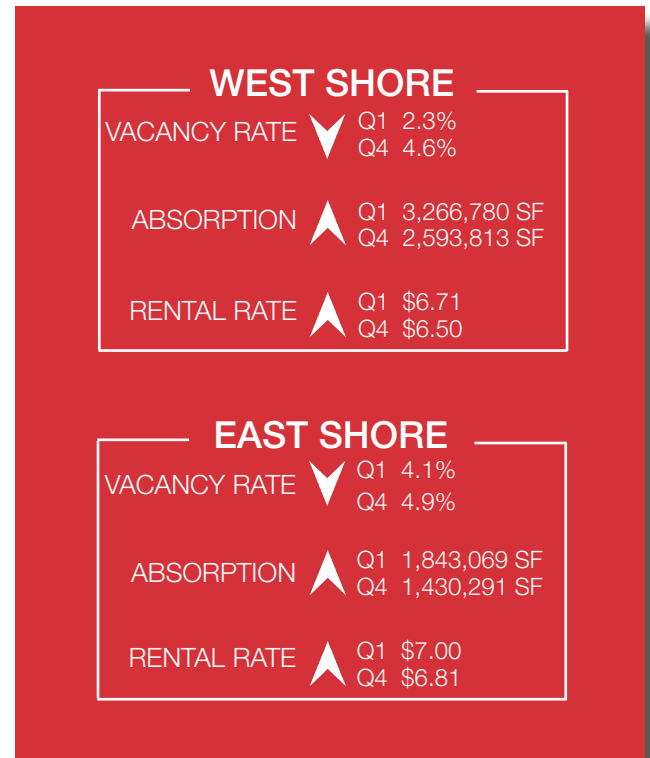
**7**  
4.41M SF

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## MARKET OUTLOOK

The Harrisburg Market reported its lowest vacancy in early 2022; Harrisburg Area West finished the first quarter of 2022 at 2.3% vacancy, down from 4.6% at year-end 2021. Harrisburg East reported 4.1% vacancy in Q1 2022, down from 4.9% at year-end 2021. With lower vacancies and slower deliveries, market rents continue to trend upward. Harrisburg West saw NNN rents climb over \$0.20 per square foot to \$6.71 per square foot and Harrisburg East reported NNN rent of \$7.00 per square foot, up \$0.19 from year end 2021. With 5.2 million square feet under construction in the Harrisburg market, the majority of new development (4.4M square feet) is in the Harrisburg East Market.

As widely reported, the logistics sector continues to propel the Harrisburg industrial market to new statistical heights. A recent slowdown in both starts and deliveries across the market has helped drive asking rents – and the pace at which they are growing – in line with the Lehigh Valley region. The current wave of speculative space is expected to drive millions of square feet of leasing and absorption throughout 2022. While the market may see fluctuations to vacancies, rents and pricing on a quarterly basis, headwinds from supply chain disruptions, rising interest rates, and labor shortages will be important indicators of the future industrial market in Central Pennsylvania.



## NOTABLE TRANSACTIONS



Shepley & Albright leased 101,750 SF at 1400 N. Cameron Street.



Wilsbach leased 21,428 SF at 1451 Stroneridge Drive.



Alderman leased 18,400 SF at 503-509 Industrial Drive.

## HARRISBURG DEMOGRAPHICS

