

# Q1 2022 | OFFICE MARKET REPORT

## WEST SHORE

## EAST SHORE

### INVENTORY

**12.15M** SF

**24.5M** SF

### VACANCY RATE

▼ **9.3%**

**8.3%** ▼

### RENT PER SF

▲ **\$17.75**

**\$18.20** ▲

### MARKET SALE PRICE PER SF

**\$141**

**\$122**

### 12 MONTH NET ABSORPTION

▼ **29K** SF

**(258K)** SF ▲

### BUILDINGS UNDER CONSTRUCTION

**3**  
216K SF

**2**  
28K SF

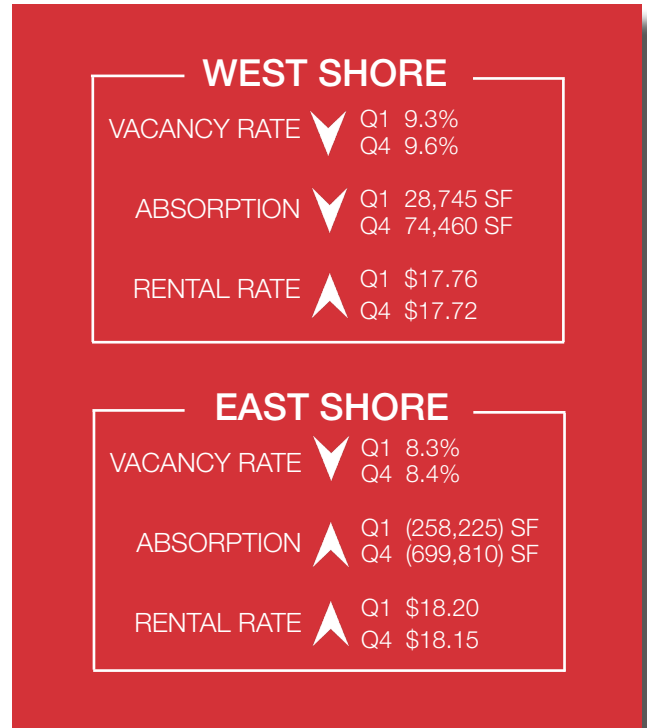
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## MARKET OUTLOOK

Office rents in the Harrisburg market rose through the first quarter of 2022. Harrisburg East saw average gross rents of \$18.20 per square foot for 1.2% annual growth in this submarket, while Harrisburg West saw average gross rents rise to \$17.75 per square foot for 1.3% annual growth. Market pricing remained unchanged across all of Harrisburg, at approximately \$129/SF in the first quarter of 2022. That figure has not changed much in the past year and the price itself is a significant discount compared to the overall average in the country.

The Harrisburg Area East is an extremely large submarket that contains roughly 24.5 million square feet of office space inventory. The vacancy rate declined slightly in the first quarter of 2022 to 8.3%. The Harrisburg West submarket registers approximately 12.15 million square feet of space and saw a slightly sharper decrease in vacancy, down to 9.3% from 9.6% in the fourth quarter of 2021.

Overall, the foundation of the office market – government, associated services, education, healthcare, logistics support services – support a consistent demand of space. The Harrisburg Market will continue to see ongoing adjustments to occupancy throughout 2022, though this foundation will help mitigate significant disruption to the office market.



## NOTABLE TRANSACTIONS



Khuri & Martin leased 10,316 SF at 1223 Research Boulevard.



Gladstone leased 7,970 SF at 5001 Louise Drive.



Khuri represented buyer in purchase of 8,024 SF at 3065 Elizabethtown Road.

## HARRISBURG DEMOGRAPHICS

