

Q4 2022 | INDUSTRIAL MARKET REPORT

WEST SHORE

EAST SHORE

INVENTORY

73.9M SF

35.4M SF

VACANCY RATE

▲ **2.3%**

3.8% ▼

RENT PER SF

▲ **\$7.32**

\$7.48 ▲

MARKET SALE PRICE PER SF

▲ **\$100**

\$82

12 MONTH NET ABSORPTION

▲ **2.42M** SF

2.47M SF ▲

BUILDINGS UNDER CONSTRUCTION

2
419K SF

4
2.8M SF

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MARKET OUTLOOK

Harrisburg's Industrial Market conversation is right in line with the national conversation. New construction starts have slowed due to rising interest rates and softening consumer confidence. This has driven asking rents higher by the day. As of 12/31/22, average Industrial Market rent for the greater Harrisburg Market was \$7.36/SF. By sector, Flex demanded the highest rent at \$10.78/SF, Specialized industrial at \$9.32/SF and Logistics at \$6.85/SF.

Year-end 2022 reported a decline in leasing volume; this is largely due to lack of availability as the Harrisburg market vacancy rate is at 2.7%. About a third of the leasing volume from 2022 was for spaces in excess of 100,000 SF. Most notably, UK-based fashion retailer BooHoo signed a 1.1 million square foot lease in the 2nd half of 2022. This new distribution location will allow the retailer to offer next-day services to the NYC metro region, while avoiding the NYC metro region industrial rent of \$18.09/SF.

Harrisburg market pricing, based on the price movement of all industrial properties within the submarket, increased to \$94/SF. From Q3 to Q4, Harrisburg East remained unchanged at \$82/SF and Harrisburg West ticked up to \$100/SF.



NOTABLE TRANSACTIONS



Zellers & Sgagias sold 125,000 SF on 4.37AC at 333 E. 7th Street in York.



Alderman sold 14,000 SF at 9 Breneman Circle in Mechanicsburg.



Gladstone sold 24,000 SF at 1039 S. 13th Street in Harrisburg.

HARRISBURG DEMOGRAPHICS

