



# MARKET REPORT

H1 2023 | Harrisburg Metro

**NAICIR**

# KEY INDICATORS

VACACY RATE

**8.7%**

VACACY RATE

**5.7%**

VACACY RATE

**3.8%**

RENT

**\$18.34 /SF**

RENT

**\$16.76 /SF**

RENT

**\$7.79 /SF**

SALE PRICE

**\$119 /SF**

SALE PRICE

**\$140 /SF**

SALE PRICE

**\$92 /SF**

12 MO NET ABSORB

**(146 K) SF**

12 MO NET ABSORB

**180 K SF**

12 MO NET ABSORB

**3.3 M SF**

**4**

BUILDINGS  
UNDER CONSTRUCTION

110K SF

**7**

BUILDINGS  
UNDER CONSTRUCTION

215K SF

**1**

BUILDINGS  
UNDER CONSTRUCTION

699K SF

**OFFICE**

**RETAIL**

**INDUSTRIAL**

# MARKET OVERVIEW

## MARKET OUTLOOK

Following national headwinds, the local office market continues to be impacted by the post-pandemic workplace with corporate users reducing their office footprint and expirations revealing the opportunity for consolidation to improve efficiency. While job growth has been on track to rebound, the hybrid work model has stunted demand. Class A space and buildings with amenities – like Strawberry Square – have attracted ready-to-lease tenants.

Consumer spending and pent-up demand in the retail sector have translated to increased leasing activity. Availabilities within small to mid-sized centers are lower, as the market continues to rebound from pandemic-induced vacancy. Accordingly, asking rents in the Harrisburg market have risen by 2.7% over the last 12 months.

Within the industrial market, increased interest rates and concerns that the rising new construction costs may exceed replacement cost have led to industrial developers pulling back on new development. Earlier this year, a new 1.2 million SF distribution facility was delivered in Middletown's Core5 Logistics Center. As of 6/30/23, the Harrisburg Market has one (1) building under construction, totaling 699K SF.

New-to-market opportunities include the award-winning Tattered Flag Brewery, office suites within the centrally-located Strawberry Square, a rare 400,000 SF industrial sub-lease (40 Dauphin), 10,000 SF free-standing building with drive-ins (1053 Harrisburg Pike) and several land parcels in Bloomsburg off I-80.

## DEMOGRAPHICS



POPULATION  
**595,656**

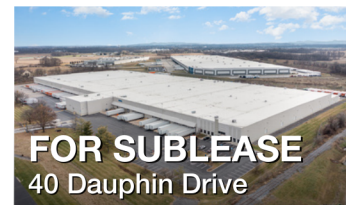


LABOR FORCE  
**363,111**



UNEMPLOYMENT RATE  
**3.3%**

## NEW INVENTORY



## NOTABLE TRANSACTIONS

