

The NAICIR logo is positioned in the upper left quadrant of the cover. It features the word "NAICIR" in a bold, white, sans-serif font. The letter "N" is stylized with a white triangle pointing upwards from its left side. The background of the entire cover is a low-angle photograph of modern glass skyscrapers reaching towards a clear blue sky. A large, white, stylized arrow graphic points from the bottom right towards the top left, partially overlapping the buildings and the text.

NAICIR

MARKET REPORT

Q1 2025 | HARRISBURG METRO

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Local knowledge. Global network.



55

YEARS SERVING
CENTRAL PA



4.9 STARS
Google

40

YEAR MEMBER OF
NAIGlobal.



Office

HARRISBURG

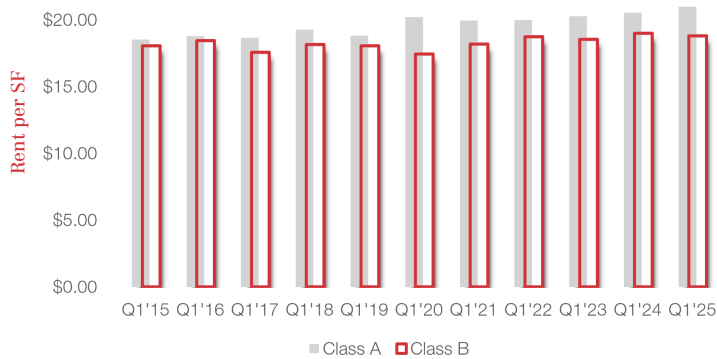
As of Q1 2025, the Greater Harrisburg Market vacancy rate stands at 6.9%, outperforming neighboring cities like Pittsburgh (11.9%) and Philadelphia (10.6%). Thanks to limited new development and steady demand, Harrisburg's vacancy increase has been minimal since 2019, despite national trends pushing vacancy rates higher. Over the past year, vacancy dropped 1.5% and net absorption hit 590,000 SF.

Leasing activity continues at a strong pace, with over 270 deals signed totaling 880,000 SF—mostly smaller suites under 10,000 SF, with an overall average lease size of approximately 3,000 SF. As a tertiary market, Harrisburg's average rent is \$18.33/SF—significantly below the national average of \$36.00/SF—partly due to the limited presence of modern high-quality office properties. Premium office spaces command slightly higher rents averaging \$21.00/SF.

6.9%
VACANCY

\$18.33
RENT/SF

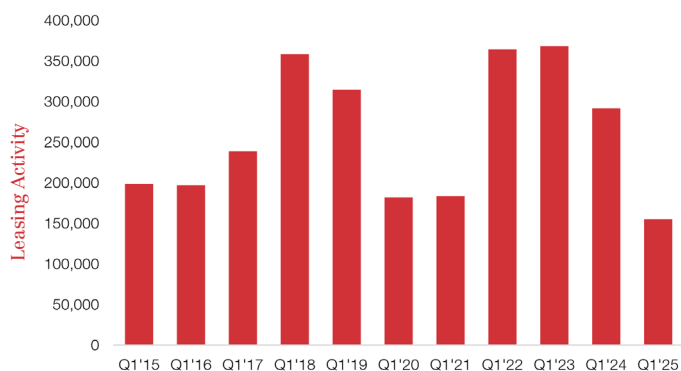
\$105
PRICE/SF



1800 Linglestown Road, Harrisburg

Office 102,000 SF ✓ Sold 2024

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	26,146,957	6.80%	162,851	36,684	12,692	\$18.34
HARRISBURG AREA WEST	13,049,990	7.20%	418,118	24,990	75,390	\$18.36
YORK	10,607,590	2.50%	98,985	0	33,846	\$19.80
LANCASTER	17,000,132	3.90%	(65,200)	0	32,618	\$20.80
LEBANON	1,936,334	4.40%	(36,672)	0	8,462	\$19.74
CHAMBERSBURG/WAYNESBORO	1,875,973	2.40%	29,979	0	0	\$20.43
GETTYSBURG	1,135,580	2.40%	14,223	0	5,000	\$17.75
STATE COLLEGE	5,226,462	4.60%	2,355	0	0	\$23.08

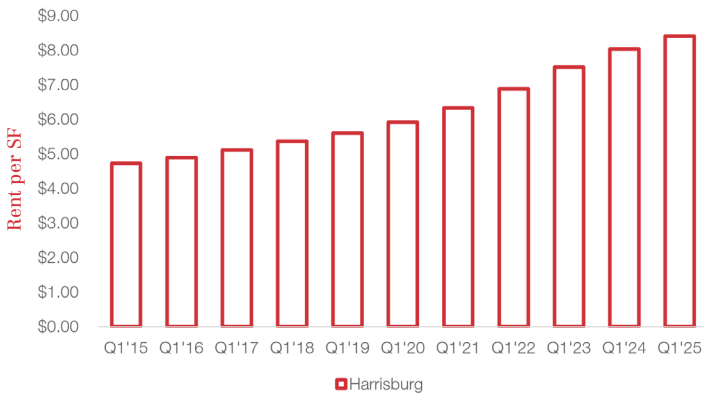


Industrial

HARRISBURG

As of Q1 2025, the Greater Harrisburg industrial market is showing early signs of recovery after a difficult 2024. The vacancy rate rose to 6.0% over the past year, driven by -360,000 SF of net absorption in 2024 and a wave of big-box sublease space hitting the market. Notable sublet listings include over 1 million SF each from CJ Logistics in Newville and BooHoo Group in Elizabethtown, contributing to sublease availability making up 35% of total vacant space.

While the market cooled significantly last year, Q1 2025 marked a shift, with absorption turning positive for the first time in three quarters. With only 330,000 SF currently under construction, new supply pressure is easing. The combination of strategic positioning and ongoing job creation in logistics suggests a resilient market poised for recovery as economic conditions improve.



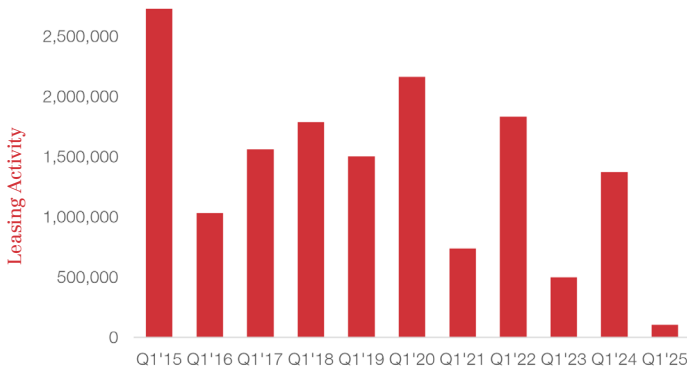
Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	40,440,333	7.60%	1,238,328	328,000	418,608	\$8.39
HARRISBURG AREA WEST	73,336,385	5.20%	(1,894,344)	0	15,000	\$8.42
YORK	85,621,162	5.10%	(328,687)	1349895	1,787,812	\$7.25
LANCASTER	81,921,708	2.50%	668,322	1,096,402	1,267,466	\$8.63
LEBANON	28,756,039	7.90%	770,478	161000	487,363	\$6.19
CHAMBERSBURG/WAYNESBORO	36,159,149	11.00%	(492,134)	0	0	\$6.77
GETTYSBURG	8,545,599	1.10%	1,031,144	0	1,004,144	\$6.71
STATE COLLEGE	6,164,906	11.00%	(45,401)	0	0	\$12.14

433 Ridge Avenue, Hanover

Industrial 132,056 SF Ten-X Auction | May 12



6.0% VACANCY \$8.43 RENT/SF \$97 PRICE/SF

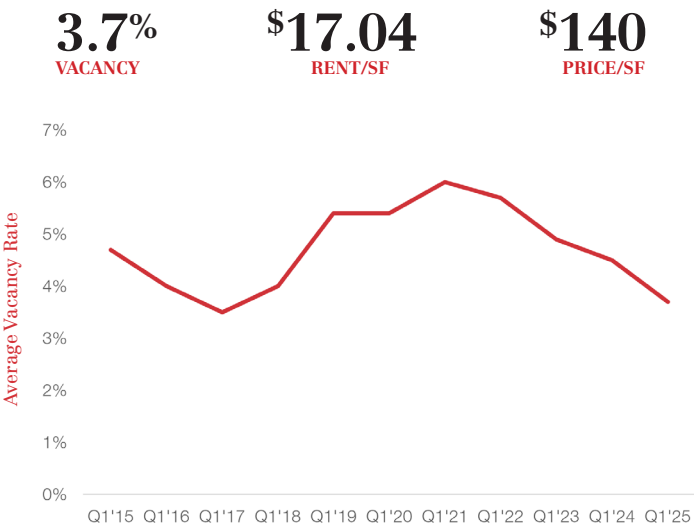


Retail

HARRISBURG

As of Q1 2025, the Greater Harrisburg retail market is performing well, with a vacancy rate of 3.7%—well below its five- and ten-year averages. Over the past year, the market absorbed 360,000 SF of space while only adding 33,000 SF in new deliveries, contributing to a -0.9% drop in vacancy. Total retail inventory stands at 38.8 million SF, with neighborhood centers making up the largest share of available space.

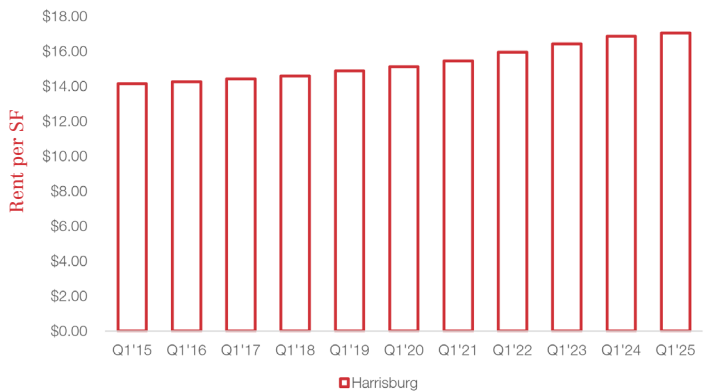
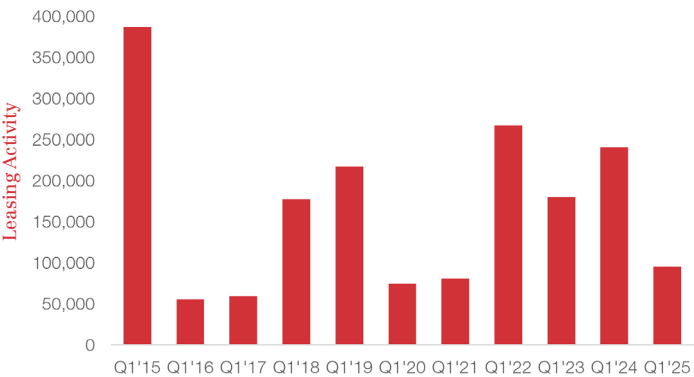
Leasing activity has been supported by steady rent growth, with average asking rents at \$17.04/SF, up 0.9% year over year. Neighborhood centers led rent gains at 3.4%, while power centers saw a decline. With just 190,000 SF under construction—slightly above the 10-year average—new supply remains controlled. The Harrisburg retail sector continues to show solid fundamentals, driven by healthy demand and a balanced development pipeline.



Black + Decker Tools Warehouse, Tanger Outlets Hershey

Retail 4,410 SF Leased 2024

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	19,587,111	4.00%	304,604	20,085	16,188	\$17.29
HARRISBURG AREA WEST	19,198,080	3.30%	53,729	171,749	15,455	\$16.78
YORK	25,980,854	5.70%	(145,950)	30257	16,689	\$16.13
LANCASTER	30,008,830	3.10%	(392,887)	25,000	16,284	\$16.56
LEBANON	7,568,887	2.80%	9,522	0	9,804	\$15.61
CHAMBERSBURG/WAYNESBORO	7,361,531	8.80%	39,399	0	57314	\$14.02
GETTYSBURG	3,688,983	1.60%	26,513	25664	14,011	\$12.27
STATE COLLEGE	9,623,358	4.90%	(114,690)	0	4,285	\$20.02



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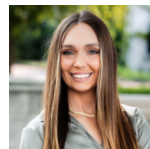
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