

The NAICIR logo is rendered in a bold, white, sans-serif font. The letter 'A' is stylized with a white triangle pointing upwards, integrated into its left side. The background of the entire page is a low-angle photograph of a modern glass skyscraper, with the grid of windows creating a strong geometric pattern. A white line graphic, consisting of a long diagonal line and a shorter line forming a right-angled triangle, is positioned in the lower right quadrant of the image.

**NAICIR**

# **MARKET REPORT**

**Q4 2025 | HARRISBURG METRO**

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**55**

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# GENERAL AVAILABILITY

# Office

## HARRISBURG

Harrisburg remains PA's third-largest office market with 39.4 million SF of inventory. Limited new development has preserved balance, with vacancy at 6.3%—well below Pittsburgh and Philadelphia and only modestly higher than pre-2019 levels despite national headwinds. Sublease space remains low at 0.1%, reflecting minimal tenant contraction.

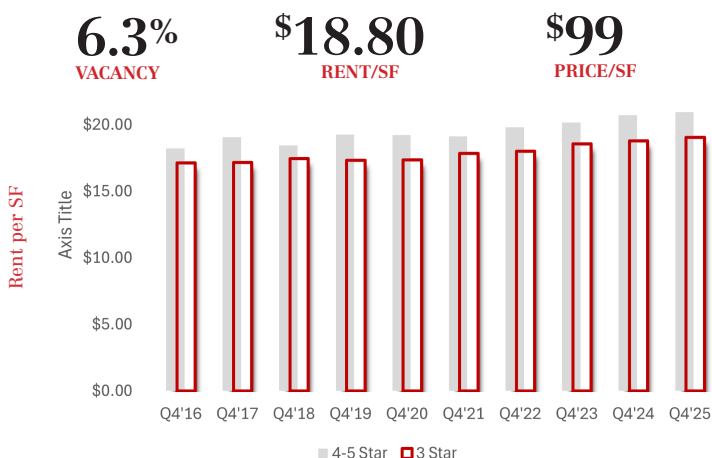
Leasing activity held steady through 2025, with more than 200 transactions totaling nearly 580,000 SF. Demand continues to be driven by healthcare, professional services, and government-related users. Average asking rents are \$18.70/SF, with top-tier assets achieving \$21.00/SF, reinforcing the region's affordability advantage relative to larger Northeast markets.

Investment activity strengthened over the year, with trailing 12-month volume reaching \$121 million—up 20% YOY and in line with historical norms. Private buyers and owner-users led transaction activity, while medical office assets attracted elevated demand, highlighted by a \$24.9 million dental portfolio acquisition. The region's stable employment base, constrained supply pipeline, and cost competitiveness continue to support a resilient office market entering 2026.

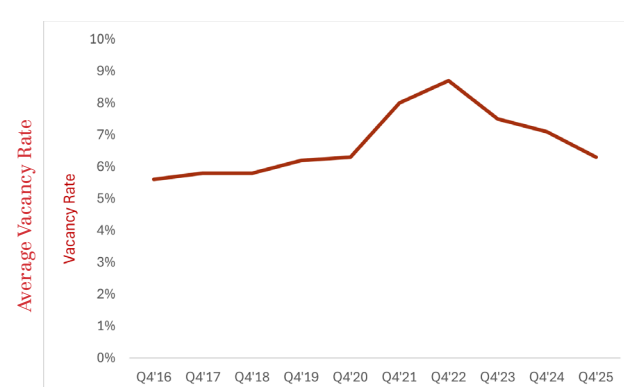
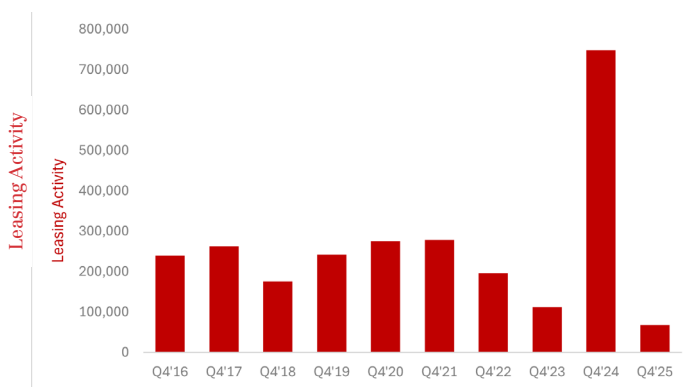


Hershey Office

Office 5,622 SF Sold 2025



Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	26,635,560	6.65%	(206,657)	0	10,684	\$18.66
HARRISBURG AREA WEST	12,726,221	5.71%	196,339	64,416	10,235	\$18.77
YORK	10,886,769	3.42%	(106,604)	0	0	\$19.32
LANCASTER	17,161,580	3.71%	90,975	42,000	0	\$20.87
LEBANON	1,994,634	4.78%	(8,700)	0	0	\$20.78
CHAMBERSBURG/WAYNESBORO	1,973,617	1.82%	2,984	0	0	\$21.24
GETTYSBURG	1,164,241	2.04%	8,746	0	4,611	\$18.23
STATE COLLEGE	5,130,022	4.97%	12,066	0	0	\$23.03

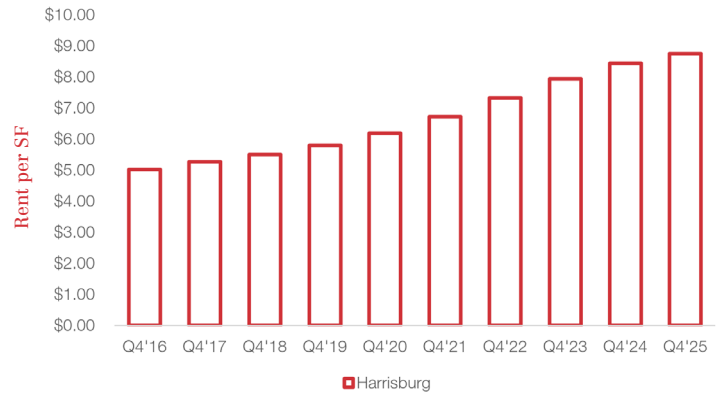


# Industrial

## HARRISBURG

Harrisburg's industrial market strengthened through late 2025 as vacancy compressed from 6.8% to 6.3%. Nearly 310,000 SF of new deliveries combined with 560,000 SF of net absorption reduced available space, while sublease inventory declined from mid-year peaks following large blocks returned by CJ Logistics and Boohoo Group. Rent growth moderated after several years of outsized gains, with average asking rates around \$8.75/SF while smaller, functional spaces continued to command premium pricing.

Leasing activity remained healthy, with more than 60 transactions recorded in 2025. A 507,000 SF commitment in Middletown, along with sizable deals by MasterBrand Cabinets and Kyocera, anchored the year, though the majority of activity came from small- to mid-sized users. Development has slowed following a 5-year expansion cycle that added 9.4 million SF, with just 310,000 SF delivered in 2025 and 1.3 million SF currently under construction as higher capital costs temper new starts. While investment volume eased from late-2024 highs, long-term fundamentals remain favorable. The region's strategic logistics positioning along the I-81/I-78 corridor, coupled with a more disciplined supply pipeline and improving occupancy trends, supports a stable outlook heading into 2026.



**6.3%**  
VACANCY

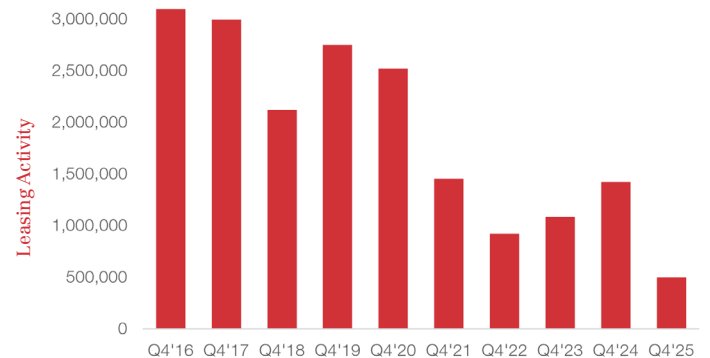
**\$8.75**  
RENT/SF

**\$101**  
PRICE/SF

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	41,748,028	7.64%	565,872	0	321,933	\$8.69
HARRISBURG AREA WEST	72,782,874	5.55%	(2,222)	1,313,392	0	\$8.80
YORK	87,430,842	5.56%	851,146	2,355,462	1,693,753	\$7.67
LANCASTER	85,288,280	3.68%	102,245	123,730	1,221,126	\$9.07
LEBANON	29,136,969	9.91%	(418,594)	1,978,500	161,000	\$6.17
CHAMBERSBURG/WAYNESBORO	36,590,225	7.86%	525,221	900,400	0	\$7.09
GETTYSBURG	9,029,336	6.15%	(460,944)	0	0	\$7.66
STATE COLLEGE	6,352,199	8.73%	59,237	0	0	\$12.76

### 1441 Stoneridge Drive, Middletown

Industrial 65,000 SF Sold 2025



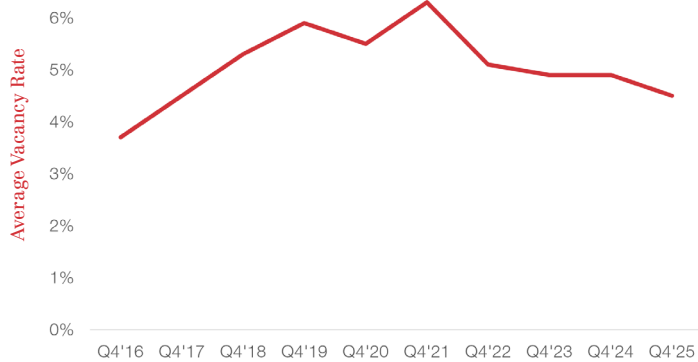
# Retail

## HARRISBURG

Harrisburg's retail market remained fundamentally tight through Q4 2025, with vacancy rising modestly from 4.3% to 4.5% following 300,000 SF of new deliveries. Net absorption of 390,000 SF kept overall availability near 1.8 million SF, and vacancy remains below five- and ten-year averages. Neighborhood centers carry the highest vacancy at 8.4%, while mall vacancy remains effectively at 0%, reflecting the limited availability of prime locations.

Rents edged higher to \$17.52/SF from \$17.42/SF, with power centers leading annual growth at 7.3% and malls increasing 5.3%. Construction activity remains measured, with approximately 90,000 SF underway—below historical average—supporting continued supply discipline.

Investment activity with active, with 148 retail properties trading over the past 12 months totaling 1.2 million square feet and \$185 million in volume. Average pricing of \$145/SF and cap rates near 8.1% reflect steady investor demand for well-anchored and necessity-based assets. Stable consumer spending and limited new supply continue to position the retail sector for steady performance entering 2026.



6427 Carlisle Pike, Mechanicsburg

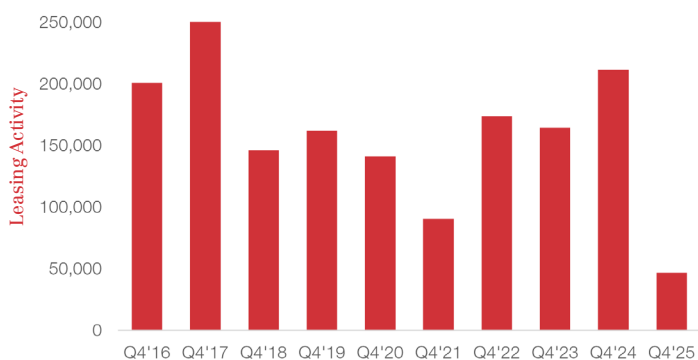
Retail +/-9,200 SF Sold 2025

**4.5%**  
VACANCY

**\$17.52**  
RENT/SF

**\$144**  
PRICE/SF

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	19,324,332	3.89%	449,195	20,454	22,513	\$17.76
HARRISBURG AREA WEST	17,160,792	4.81%	(15,640)	205,805	131,759	\$16.86
YORK	25,239,206	6.70%	(289,738)	0	52,813	\$16.35
LANCASTER	29,110,117	3.33%	42,375	70,177	17,300	\$16.66
LEBANON	7,441,337	3.80%	(40,440)	0	0	\$15.96
CHAMBERSBURG/WAYNESBORO	7,127,450	8.63%	(25,296)	2,000	0	\$14.30
GETTYSBURG	3,725,810	2.56%	(28,079)	0	25,664	\$12.46
STATE COLLEGE	8,767,820	5.50%	(121,683)	0	4,285	\$20.40



# Our Team

## AGENTS



**Robin R. Zellers**  
CEO, MANAGING BROKER



**Nik Sgagias**  
PRESIDENT, MANAGING PARTNER



**Casey P. Khuri**  
CHIEF OPERATING OFFICER



**Aaron Albright**  
SENIOR ASSOCIATE



**Daniel J. Alderman**  
EXECUTIVE VICE PRESIDENT



**David Alderman**  
SENIOR ASSOCIATE



**Nicholas Balint**  
ASSOCIATE



**Joseph A. Bedard**  
SENIOR VICE PRESIDENT



**Amber Corbo**  
VICE PRESIDENT



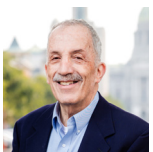
**Bryan Donovan**  
SENIOR ASSOCIATE



**Pamela E. Fisher**  
SENIOR VICE PRESIDENT



**Alex Giannakopoulos**  
ASSOCIATE



**Bill Gladstone**  
EXECUTIVE VICE PRESIDENT



**Andrés Godoy**  
ASSOCIATE



**Tony Plakas**  
ASSOCIATE



**James D. Ross**  
SENIOR VICE PRESIDENT



**Craig Rahn**  
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**Jack L. Shepley**  
EXECUTIVE VICE PRESIDENT

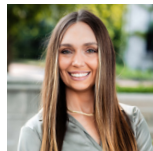


**Patrick Whysong**  
ASSOCIATE

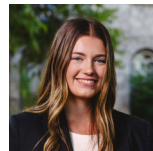


**Chris Wilsbach**  
VICE PRESIDENT

## STAFF



**Allison Gonzalez**  
OPERATIONS MANAGER



**Jocelyn Kauffman**  
AGENT SUPPORT



**Jaylin Moore**  
AGENT SUPPORT



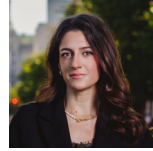
**Emma Weikel**  
MARKETING DIRECTOR



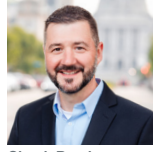
**Michele Alderman**  
ALDERMAN TEAM



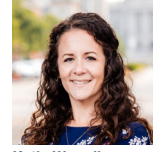
**Brenda Miller**  
ALDERMAN TEAM



**Gabrielle Walter**  
ALDERMAN TEAM



**Chuck Bender**  
GLADSTONE TEAM



**Katie Warrell**  
GLADSTONE TEAM



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Pennsylvania

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# NAICIR

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