

The logo for NAICIR, featuring the letters 'NAICIR' in a bold, white, sans-serif font. The 'N' is stylized with a white triangle pointing upwards from its top-left corner.

NAICIR

MARKET REPORT

Q1 2026 | HARRISBURG METRO

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Office

HARRISBURG

Harrisburg's office market held up this quarter. Vacancy tightened to 5.5% from 6.8%, but demand pulled back a bit, with 12-month absorption flipping to negative 49,381 SF after being up 232,000 SF last quarter. Leasing is still mostly smaller users looking for efficient, high-quality space, and sublease space remains relatively limited.

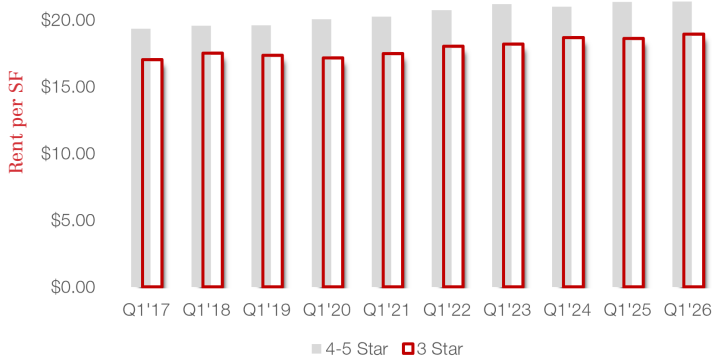
Rents were basically flat at \$18.80/SF (down slightly from \$18.89). On the sales side, pricing dipped to \$99/SF from \$102, while cap rates moved up to 12.6%, showing buyers are being more cautious.

Healthcare, professional services, and government users are still driving most of the demand, especially in Camp Hill and Rossmoyne. With barely any new construction and a steady tenant base, the market's still in a solid spot—it's just cooled off a bit from last quarter.

5.5%
VACANCY

\$18.80
RENT/SF

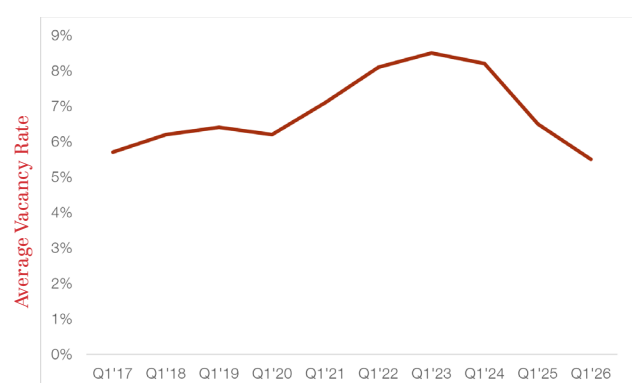
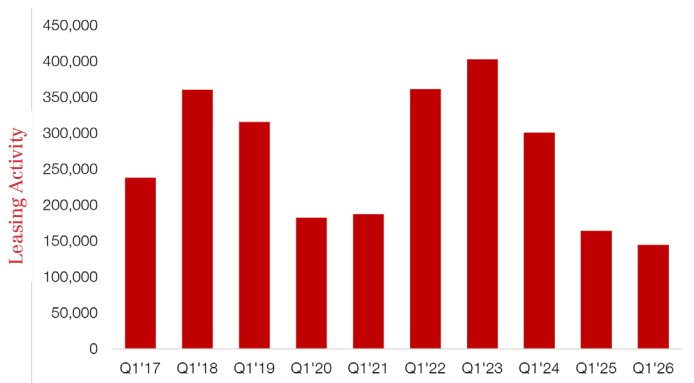
\$100
PRICE/SF



4530 Lena Drive, Harrisburg

Office 7,551 SF Leased 2026

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	26,454,706	5.91%	(273,527)	0	10,567	\$18.74
HARRISBURG AREA WEST	12,593,935	4.63%	41,557	24,990	41,557	\$18.93
YORK	10,429,663	4.36%	(187,854)	0	0	\$19.47
LANCASTER	17,234,736	4.34%	(35,248)	42,000	14,000	\$21.32
LEBANON	1,831,074	5.33%	(13,170)	6,000	0	\$22.01
CHAMBERSBURG/WAYNESBORO	2,069,912	1.17%	21,597	0	0	\$21.92
GETTYSBURG	1,145,609	2.41%	(125)	0	0	\$18.28
STATE COLLEGE	5,133,782	5.39%	(34,671)	0	0	\$23.24



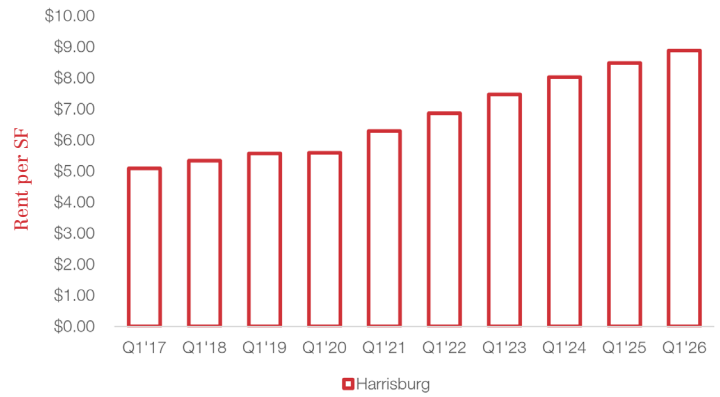
Industrial

HARRISBURG

Harrisburg's industrial market is still solid, but continuing to normalize. Over the past year, absorption came in at 370,296 SF, down from roughly 1.0M SF previously, while vacancy ticked down to about 6.0% from 6.8%. Sublease space has come off earlier highs but is still elevated compared to normal levels as larger users keep adjusting their footprints.

Rents continue to move up, currently around \$8.88/SF, up from \$8.66, with steady growth of about 4.8%. On the sales side, pricing increased to roughly \$101-\$102/SF from prior levels, while cap rates compressed to 7.2%, showing continued investor demand. Overall sales volume has dropped off sharply year-over-year.

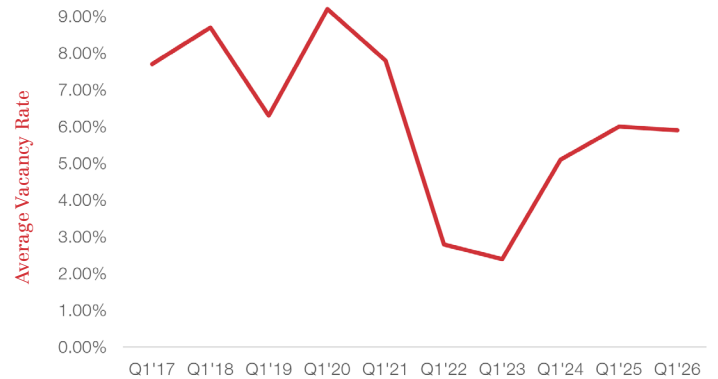
Construction activity has picked up in a meaningful way, with about 1.3M SF underway compared to very limited pipeline before, signaling developers are still confident in the market long term. Even with some short-term slowing in absorption, Harrisburg remains a key logistics hub given its location and highway access, and fundamentals are still in a good spot overall.



Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	41,501,321	6.70%	552,925	56,349	247,253	\$8.74
HARRISBURG AREA WEST	72,695,163	5.60%	(271,251)	1,213,392	52,600	\$8.93
YORK	86,873,426	6.35%	336,661	2,621,762	923,104	\$7.67
LANCASTER	85,676,292	3.99%	(239,158)	107,730	1,201,911	\$9.20
LEBANON	29,589,314	5.86%	671,362	1,988,500	161,000	\$6.28
CHAMBERSBURG/WAYNESBORO	36,558,980	10.05%	246,139	1,309,900	0	\$7.19
GETTYSBURG	9,029,193	4.60%	(317,107)	0	0	\$7.77
STATE COLLEGE	6,367,900	8.84%	108,802	0	0	\$12.93

1460 N Ridge Road, Milton

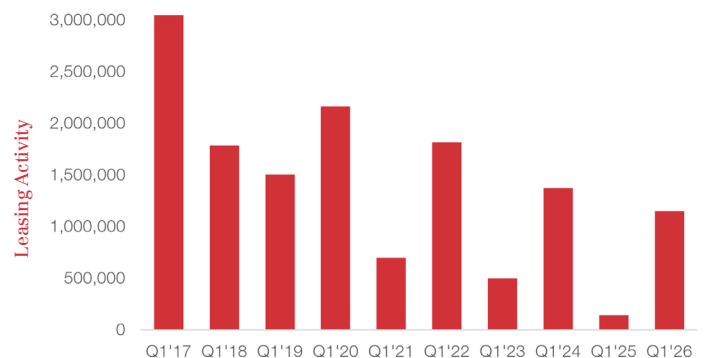
Industrial 16,000 SF ✓Leased 2026



5.9%
VACANCY

\$8.88
RENT/SF

\$102
PRICE/SF



Retail

HARRISBURG

Although things cooled slightly this quarter, Harrisburg's retail market remains one of the steadiest sectors. Vacancy moved up to 4.6% from 4.3%, and 12-month absorption came in at 69,794 SF, down from 460,000 SF previously. Even with that slowdown, overall occupancy is still tight.

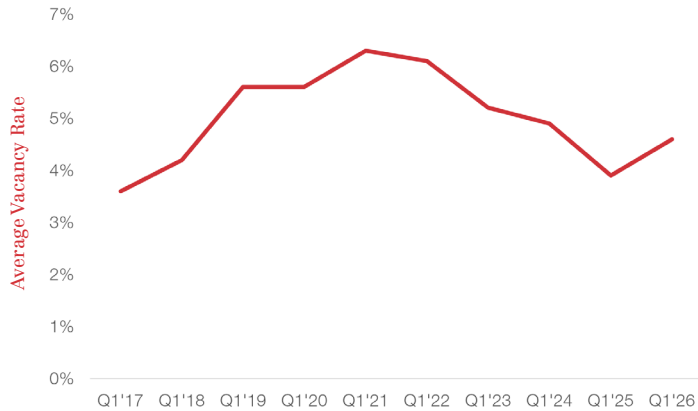
Rents were basically flat, now at \$17.25/SF compared to \$17.32, with modest growth around 1.3%. On the sales side, pricing held steady around \$141-\$142/SF, while cap rates ticked up to 8.3% from about 8.2%. Sales volume also pulled back to \$158M from \$197M, showing a bit more caution from buyers.

Construction remains limited at just over 70K SF underway, so there is still not much new supply coming online. Demand from service, grocery, and daily-use tenants is still doing most of the heavy lifting. So while leasing activity slowed from last year, retail in Harrisburg is still in a good spot overall—just not moving quite as fast as it was.

4.6%
VACANCY

\$17.25
RENT/SF

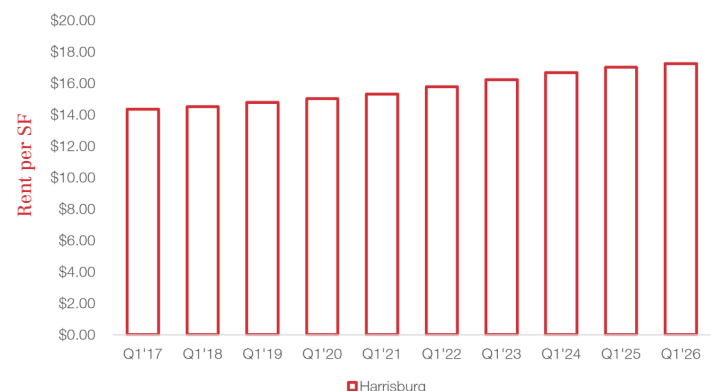
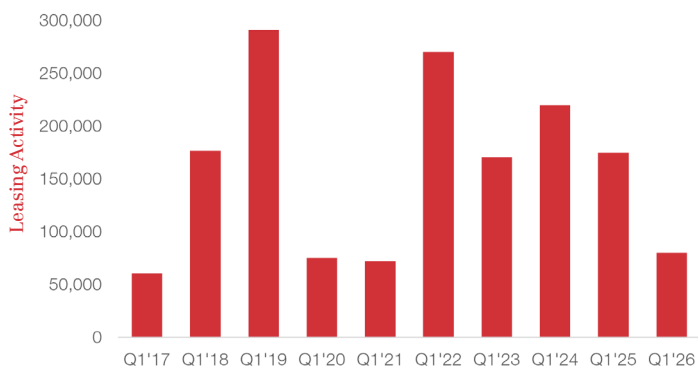
\$141
PRICE/SF



Colonial Crossings, Harrisburg

🏪 Retail 📏 17,180 SF ✓ Sold 2026

Submarket	Total Inventory SF	% Vacant	12 Mo. Net Absorption SF	SF Under Construction	12 Mo. Delivered SF	Asking Gross Rent
HARRISBURG AREA EAST	19,247,246	4.68%	(83,363)	20,004	37,467	\$17.83
HARRISBURG AREA WEST	17,501,911	4.50%	161,603	52,065	315,169	\$16.61
YORK	25,044,228	6.65%	(164,962)	8,373	59,305	\$16.43
LANCASTER	29,400,357	3.56%	(188,299)	36,857	71,950	\$16.69
LEBANON	7,554,539	3.89%	(73,285)	0	0	\$15.93
CHAMBERSBURG/WAYNESBORO	7,256,024	9.07%	10,590	2,000	0	\$14.37
GETTYSBURG	3,821,812	2.92%	(27,992)	0	25,437	\$12.59
STATE COLLEGE	8,796,182	3.66%	127,186	0	0	\$20.53



Our Team

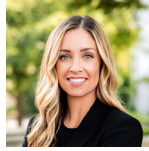
AGENTS



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
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Amber Corbo
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ASSOCIATE



Tony Plakas
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James D. Ross
SENIOR VICE PRESIDENT



Craig Rahn
SENIOR VICE PRESIDENT



Jack L. Shepley
EXECUTIVE VICE PRESIDENT

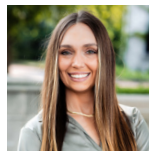


Patrick Whyson
ASSOCIATE

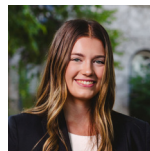


Chris Wilsbach
VICE PRESIDENT

STAFF



Allison Gonzalez
OPERATIONS MANAGER



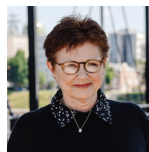
Jocelyn Kauffman
AGENT SUPPORT



Jaylin Moore
AGENT SUPPORT



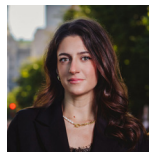
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