



MARKETS CONTRACT

Markets retreated in the Third Quarter of 2024 as absorption totaled negative 27,380 sq. ft. fueled by lower demand from Suburban Business Districts. Although demand was modest, over 285,000 sq. ft. has been absorbed over the previous 18 months. During this period occupancy and rental rates stabilized and tenants have fewer options to consider.

We feel the lack of construction and sustained tenant demand has been a health restoring event for the Marketplace. We anticipate continued demand and expect premier options to continue to dwindle. We believe the potential exists for Class B+ availabilities to gain even more traction throughout the remainder of 2024 as business expansion persists. We have realized solid advances in the acquisition market from users who have entered the arena after years of being on the sidelines.

Going forward we anticipate continued firming of rental rates, continued solid demand and further improvement in occupancy rates for most segments of the Marketplace.

THOMAS T. POSAVEC, SIOR
Senior Vice President



2690 Commerce Drive, Harrisburg,

10,280 SF office building for sale located in the Heart of Harrisburg's East Shore.

Call Tom Posavec for a tour: 717-503-7755

DOWNTOWN BUSINESS DISTRICT

The Third Quarter of 2024 was a solid period in the Downtown Business District. Absorption totaled 60,170 sq. ft. as more firms elected to locate in the City limits. Although the Class A segment realized respectable gains throughout the Third Quarter the Class B+ and B segments really outperformed.



132 State Street, Harrisburg, PA

Class A occupancy rates closed the Quarter at 92%. Absorption totaled 4,450 sq. ft. Class A inventory levels are now at 120,000 sq. ft. Rental rates continue to range from \$18.00 to \$23.00 per sq. ft. with the most spectacular properties achieving superior rates with limited concessions.

Occupancy rates for the Class B+ segment remained at 91% in the Third Quarter. Absorption totaled 32,000 sq. ft. Upgrades at many buildings are necessary and concessions needed in order to fuel demand. Six buildings account for nearly half of the existing available space in this segment.

The Class B segment closed the Third Quarter at 94%. Absorption totaled 23,720 sq. ft. While this segment has been a classic

underperformer in the past, it continues to improve. With that said, over twenty buildings still offer suites available for lease encompassing over 98,000 square feet of available space.



5690 Allentown Boulevard, Harrisburg, PA

EAST SHORE BUSINESS DISTRICT

Absorption totaled negative 32,950 sq. ft. down from its excellent totals over the past (5) Quarters. Available inventory remains at favorable levels totaling approximately 348,000 sq. ft.



449 Eisenhower Boulevard, Harrisburg, PA

Class A occupancy rates closed the Quarter at 91%. Absorption totaled negative 55,400 sq. ft. Although occupancy levels remain well off their highs, the outlook for these premier office properties is strong as demand continues to improve and construction remains in check.

Class B+ occupancy rates closed the Third Quarter at 97%. Absorption totaled 6,250 sq. ft. Occupancy rates remain strong and have maintained levels in the 95% to 97% range over the past several quarters.

Occupancy rates in the Class B segment closed the Third Quarter at 94%. Absorption totaled 16,200 sq. ft. Available inventory stands at 98,000 sq. ft., with many of the larger availabilities now located in just a few buildings. Few large availabilities are anticipated and the outlook for these more moderately priced properties remains favorable.



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WEST SHORE BUSINESS DISTRICT

The Third Quarter of 2024 was mixed segment for the West Shore Business District. Absorption totaled negative 54,600 sq. ft., a rough figure considering the solid gains realized over the past several quarters. Occupancy rates remain strong for Class A properties and rates remain near record highs in other segments.

Class A occupancy rates slipped closing the Quarter at 95%. Absorption totaled a negative 26,900

sq. ft. The lack of new construction enabled this segment to remain stable throughout the past several years. Fewer opportunities exist for mid-sized and larger users as tenant demand has continued to increase.

Class B+ occupancy rates closed the Quarter lower at 92%. Absorption totaled negative 19,300 sq. ft. Activity for Class B+ properties have been steady over the past six quarters and the outlook for the remainder of the year should remain favorable, in spite of this recent pullback.

The lack of substantial West Shore construction has also helped to stabilize the Class B segment throughout much of the past four years, strengthening occupancy and rental rates in the process. Occupancy rates in the Class B segment remained at impressive levels closing the Quarter at 96%. Absorption totaled negative 8,400 sq. ft.



1011 Mumma Road, Lemoyne, PA



2400 Thea Drive, Harrisburg, PA

35,000 to 71,000 SF available for lease immediately. Terrific location close to several amenities.



1000 Bent Creek Boulevard, Mechanicsburg, PA

2,000 to 13,000 sq. ft. for immediate occupancy. Spectacular views. Gorgeous finishes.



717 Market Street, Lemoyne, PA



4201 Crums Mill Road, Harrisburg, PA

Class A office suites available immediately located in the Heart of Colonia Park. Great signage.



600 Bent Creek Boulevard, Mechanicsburg, PA

43,000 SF office building for sale or lease. 1,900 sq. ft. for immediate occupancy. Spectacular views. Gorgeous finishes.



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3314 Market Street, Camp Hill, PA
900 to 3,734 sq. ft. available for immediate occupancy in the Heart of Camp Hill.



2 Lemoyne Drive, Lemoyne, PA
Spectacular 1,400 SF office now available. Floor to ceiling windows. Don't miss this opportunity.



2000/2040 Linglestown Road, Harrisburg, PA
Various suites for lease. Recently renovated. Terrific finishes. Easy access. Local ownership



1108 E. Chocolate Ave., Hershey, PA
7,800 SF medical office building available for sale. Ideal for a user/buyer.



6310 Allentown Boulevard, Harrisburg, PA
Available Immediately. 1,300 SF suite. Terrific finishes and layouts. Buidling signage available.



801 East Park Drive, Harrisburg, PA:
2,400 SF available for immediate occupancy. Close to all Interstates.



840 Sir Thomas Court, Harrisburg, PA
5,000 SF office building for sale. Excellent location close to UPMC Pinnacle Community osteopathic Campus.



3540/3544 N. Progress Avenue, Harrisburg, PA
Various suites available immediately. Great layouts. Within 10 minutes to Downtown.



915 N. Mountain Road, Harrisburg, PA
For sale or lease in the Heart of the East Shore business District.



75 S. Houcks Road, Harrisburg, PA
Various suites available. Terrific layouts. Ample on-site parking. Excellent visibility. Heart of Colonial Park. Great finishes.



1200 Camp Hill Bypass, Camp Hill, PA
44,602 SF office building for sale in the Heart of Camp Hill. Various suites for lease from 1,000 SF and up. Spectacular location.

AVAILABILITIES

THOMAS T. POSAVEC, SIOR

717-731-1990 EXT. 3007 • 717-503-7755 MOBILE • TPOSAVEC@LANDMARKCR.COM



1201 Fulling Mill Road, Middletown, PA
60,000 SF building for sale. 1,000 to 35,000 SF for lease located just minutes from Hershey.



401 N. 2nd Street, Harrisburg, PA
7,900 SF office for sale and small office suites for lease. Available immediately.



5010 E. Trindle Road, Mechanicsburg, PA
1,880 SF available for lease or sale. Sale price \$249,900. Fantastic finishes.



2120 Market Street, Camp Hill, PA
Small office suites available for immediate occupancy. New renovations. Storage space for lease additionally in lower level.



1250 N. Mountain Road, Harrisburg, PA
Various suites available immediately in this spectacular East Shore address.



717 Market St, Lemoyne PA
Suites from 1,000 to 5,800 sq. ft. available immediately. Fantastic signage. Great location.



1240 North Mountain Road, Harrisburg, PA
10,900 SF of office space available this Summer in the Heart of Colonial Park. Call today for a tour.



4000 Vine Street, Middletown, PA
Celebree School opening soon. 5,220 SF and 7,788 SF for lease just minutes from Hershey!



2 Lemoyne Drive, Lemoyne, PA:
1,376 SF for immediate occupancy. Gorgeous first-class suite.



4660 Trindle Road, Camp Hill, PA
Up to 5,000 sq. ft. for lease in the Heart of Camp Hill. Available for immediate occupancy.



2690 Commerce Drive, Harrisburg, PA
Rare find! 10,310 sq. ft. for sale in the Heart of the East Shore Business District.



702 W. Main St, Valley View, PA
2,093 SF BB&T Bank branch in immaculate condition. Perfect for general office space. Call today for a tour.



THOMAS T. POSAVEC, SIOR
 717-731-1990 EXT. 3007
 717-503-7755 MOBILE
 tposavec@landmarkcr.com

425 North 21st Street #302
 Camp Hill, PA 17011
 www.landmarkcr.com

MARKET ANALYSIS Q3 2024

Q	Number		3rd Q	2nd Q	1st Q	4th Q	3rd Q	3rd Q	3 r d	
2024			2024	2024	2024	2023	2023	2024		
CITY										
Class A	23	1,577,475	119,394	92%	92%	93%	93%	92%	\$18.00-\$23.00	4,450
Class B+	61	1,728,315	156,075	91%	91%	90%	90%	91%	\$15.50-\$18.00	32,000
Class B	181	1,589,752	98,538	94%	92%	93%	93%	93%	\$13.00-\$15.50	23,720
TOTAL	265	4,895,542	374,007							60,170
EAST SHORE										
Class A	48	2,254,021	202,254	91%	93%	91%	91%	91%	\$18.65-\$23.00	(55,400)
Class B+	89	2,129,831	44,770	97%	97%	96%	95%	94%	\$16.50-\$18.75	6,250
Class B	151	1,708,889	98,000	94%	94%	94%	94%	94%	\$14.00-\$16.50	16,200
TOTAL	288	6,092,741	348,024							(32,950)
WEST SHORE										
Class A	65	3,196,340	162,169	95%	96%	96%	96%	96%	\$18.65-\$23.00	(26,900)
Class B+	118	2,531,990	209,359	92%	92%	92%	92%	91%	\$16.50-\$18.75	(19,300)
Class B	168	1,998,261	70,752	96%	97%	97%	97%	96%	\$14.75-\$16.50	(8,400)
TOTAL	351	7,726,591	442,280							(54,600)
GRAND TOTAL	904	18,714,874	1,164,311							(27,380)

*Excluding interior suite janitorial services.

In its thirtieth year, this study analyzed 904 office buildings in the Greater Harrisburg Area over the past twelve months and tracked economic indicators such as absorption, occupancy rates and current asking rents. This endeavor was undertaken to provide statistical data to better understand the complexities of the Harrisburg Office Market. For a closer look at 2024 a specific quarterly breakdown is illustrated on page six of the analysis.

It is important to understand that this analysis excluded owner occupied facilities, medical and governmental buildings and single user facilities as these buildings are not periodically in circulation. Furthermore, facilities available for sublease are also excluded from the analysis in order to avoid the potential of overstating vacancy rates resulting from these specific sublease opportunities.

Implementing these methods provides an accurate measure and greatly reduces the probability of an analysis becoming skewed as a result of one or two specific transactions.



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EIA ENDERS
 ASSOCIATES INSURANCE

Andrew M. Enders, Esq.

5912 Linglestown Road
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o 717.652.4902
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