



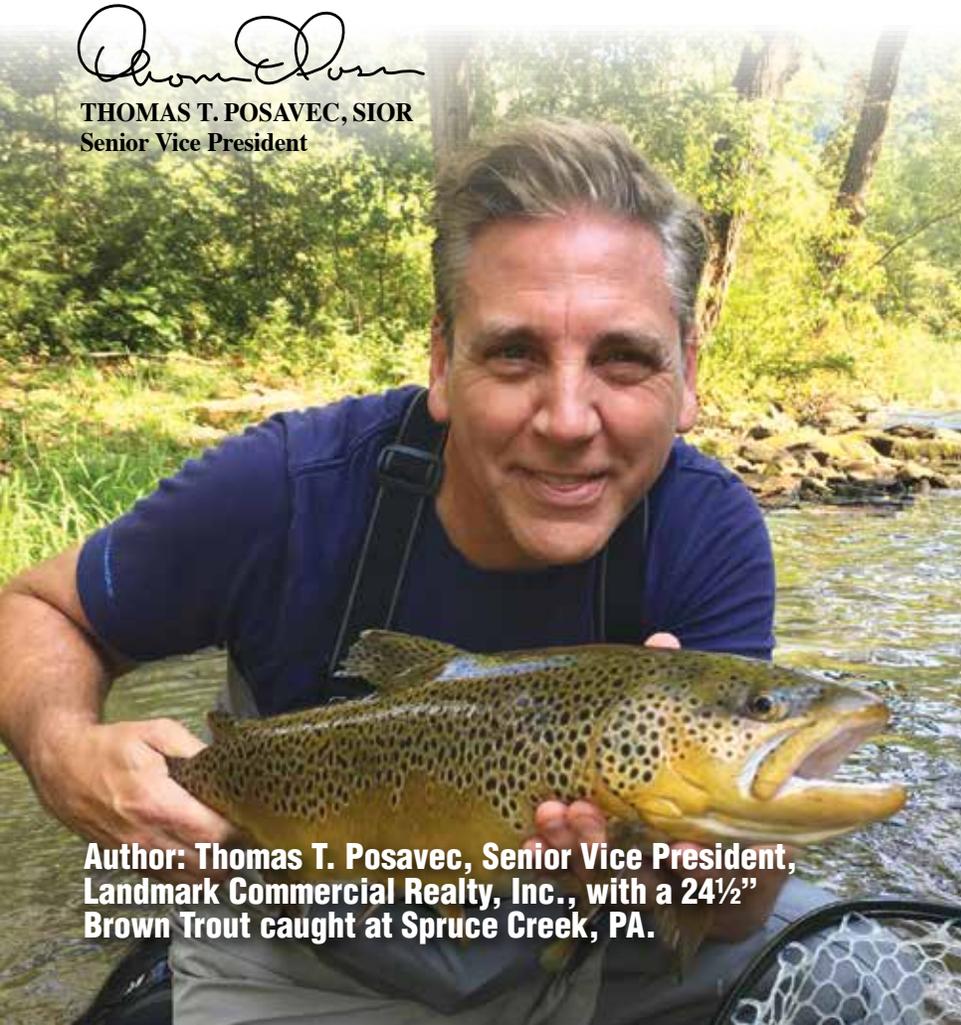
## SOLID RECOVERY

The Greater Harrisburg Office Market saw solid advances from suburban segments in 2025 as absorption totaled 170,567 sq. ft. Several buildings were acquired by users pushing absorption figures higher and further stabilizing asking rents in the process.

Over 600,000 sq. ft. of office buildings have been sold over the past eighteen months. All of these have been user acquisitions and will have little or no space for lease going forward. The flurry of activity was anticipated as fewer and fewer options remain for purchase and the sharp increase in construction costs has pushed pricing to levels significantly higher than just a few years ago.

Going forward we anticipate further improvement for Business Park and Office properties. We expect rental rates to remain firm and anticipate buyer

**THOMAS T. POSAVEC, SIOR**  
Senior Vice President



**Author: Thomas T. Posavec, Senior Vice President, Landmark Commercial Realty, Inc., with a 24½" Brown Trout caught at Spruce Creek, PA.**

CLOSED IN LAST 43 DAYS!



## DOWNTOWN BUSINESS DISTRICT

Absorption totaled 72,097 sq. ft in 2024, a solid figure for a market which had failed to gain traction in recent years.

Class A occupancy rates closed the year at 92% as absorption totaled negative 14,441 sq. ft. Fewer redevelopment projects coupled with lessening acquisitions made for a lackluster year in the segment. We anticipate more projects could surface in 2025 as confidence improves and the Downtown Business climate stabilizes.

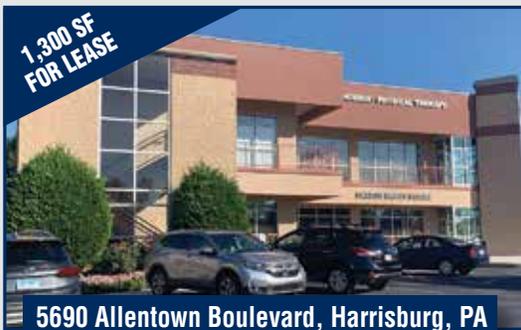


2600 Commerce Drive, Harrisburg, PA

The Class B+ segment of the Downtown Business District saw occupancy rates increase to 93% as absorption totaled 49,750 sq. ft. in 2024. We remain optimistic about the future of Downtown office properties but remain conflicted on just what absorption will look like as we move forward in 2025.

The Class B segment also produced solid advances as absorption totaled 36,788 sq. ft. in 2024. Occupancy rates closed the year at 94%. The 20% tax increase in Dauphin County will not be well received by owners who pay high real estate

taxes for the privilege to own real property in the Downtown Business District.



5690 Allentown Boulevard, Harrisburg, PA

## EAST SHORE BUSINESS DISTRICT

2024 was a strong year for the East Shore Business District as absorption totaled 60,056 sq. ft. We anticipated strong demand from buyers just one year ago and they proved our point. Several properties were purged from the market as owner/users reentered the marketplace.

Class A rates remained at 91% as absorption closed the year at 9,876 sq. ft. We anticipate several leases to be executed in the first Quarter of 2025 which should stabilize this segment even further.

Class B+ absorption totaled 16,580 sq. ft. in 2024 as modest demand and fewer downsizing pushed figures higher throughout the year. Occupancy rates closed the year at 97% fueled by deals in the 2,500 to 5,000 sq. ft. range.

The Class B segment closed 2024 at 94% as absorption totaled 33,600 sq. ft. These solid advances again were fueled by acquisitions, expansions and solid demand from users under 1,500 sq. ft. We anticipate further strengthening as we head into 2025.



449 Eisenhower Boulevard, Harrisburg, PA



1120 E. Chocolate Ave, Hershey, PA

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## WEST SHORE BUSINESS DISTRICT

The West Shore Business District continues to impress and 2024 was no different. Absorption totaled 38,414 sq. ft. in a year where the political climate made for an unstable market at times.

Class A occupancy rates closed the year at 96% as absorption totaled 50,255 sq. ft. The “Flight to Quality” was evident in 2025 and we see no pushback as we move forward over the months ahead. We anticipate solid gains from this segment in 2025 and look for acquisitions to increase in the process.

The Class B+ segment failed to reach positive territory in 2024 as absorption closed the year at negative 11,722 sq. ft. and occupancy rates totaled 92%. Activity was mixed throughout the year although we expect further improvement in 2025 as confidence and activity appears to be on the rise.

Class B occupancy closed the year at 96% as absorption remained flat ending the year at negative 119 sq. ft. The interest in first class properties coupled with a tense political climate made for a segment that pretty much remained in neutral for most of 2024. We anticipate modest advances from this segment over the Quarters ahead.



**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.



**4201 Crums Mill Road, Harrisburg, PA**

Only 1,018 SF remaining. Just renovated. Move in condition. Heart of Colonial Park.



**3500 E. Trindle Road, Camp Hill, PA**



**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**  
1,600 to 2,000 SF suites available immediately. Just off I-81. Priced to lease.



**801 East Park Drive, Harrisburg, PA:**  
1,500 to 3,000 SF available this Spring. Excellent parking. First class suite.



**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** 1,500 to 12,000 SF for lease. New lobby. New finishes. Entire 60,000 SF building for sale.



**2690 Commerce Drive, Harrisburg, PA** 10,340 SF for immediate sale. Prestigious Commerce Park address. Close to Harvest, Starbucks and lots of dining.



**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.



**2578 Interstate Dr, Harrisburg, PA** 1,500 to 2,300 SF for lease. Aggressively priced to lease. Great windows.



**4031 Executive Park Dr, Harrisburg, PA** 30,000 SF three story office building sold to the Central Dauphin School District.



**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.



**2400 Thea Drive, Harrisburg, PA (Sublease)** Various options available for immediate sublease at this first class office property. Flexible terms, sizes and rates.



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MARKET ANALYSIS Q4 2024

	Number of Buildings	Total Inventory	Total Available	4th Q 2024 Occup. Rate	3rd Q 2024 Occup. Rate	2nd Q 2024 Occup. Rate	1st Q 2024 Occup. Rate	4th Q 2023 Occup. Rate	4th Q 2024 Current Asking Rent*	4thQ 2024 Absorption in SF	Year End Total Absorption in SF
<b>CITY</b>											
Class A	23	1,577,475	124,394	92%	92%	92%	93%	93%	\$18.00-\$23.00	(5,000)	(14,441)
Class B+	61	1,728,315	124,075	93%	91%	91%	90%	90%	\$15.50-\$18.00	4,000	49,750
Class B	181	1,589,752	91,488	94%	94%	92%	93%	93%	\$13.00-\$15.50	10,350	36,788
<b>TOTAL</b>	<b>265</b>	<b>4,895,542</b>	<b>339,957</b>							<b>9,350</b>	<b>72,097</b>
<b>EAST SHORE</b>											
Class A	48	2,254,021	199,354	91%	91%	93%	91%	91%	\$18.65-\$23.00	28,500	9,876
Class B+	89	2,129,831	62,070	97%	97%	97%	96%	95%	\$16.50-\$18.75	(11,100)	16,580
Class B	151	1,708,889	98,000	94%	94%	94%	94%	94%	\$14.00-\$16.50	19,000	33,600
<b>TOTAL</b>	<b>288</b>	<b>6,092,741</b>	<b>359,424</b>							<b>36,400</b>	<b>60,056</b>
<b>WEST SHORE</b>											
Class A	65	3,236,340	142,069	96%	95%	96%	96%	96%	\$18.65-\$23.00	60,100	50,255
Class B+	118	2,531,990	68,552	92%	92%	92%	92%	92%	\$16.50-\$18.75	(2,300)	(11,722)
Class B	168	1,998,261	422,280	96%	96%	97%	97%	97%	\$14.75-\$16.50	2,200	(119)
<b>TOTAL</b>	<b>351</b>	<b>7,766,591</b>	<b>442,280</b>							<b>60,000</b>	<b>38,414</b>
<b>GRAND TOTAL</b>	<b>904</b>	<b>18,754,874</b>	<b>1,121,661</b>							<b>105,750</b>	<b>170,567</b>

\*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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