INDUSTRIAL MARKET SET

# INDUSTRIAL INTEL

## JAN 2025

North Central Pennsylvania Counties

LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

FOCUS CENTRAL PA

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## ABOUT THIS REPORT

Lee & Associates of Eastern Pennsylvania and Focus Central PA have partnered to provide greater clarity on North Central Pennsylvania's industrial market. This report delivers valuable insights for investors, developers, and community stakeholders looking to understand market trends and opportunities in this emerging region.

About Focus Central Pennsylvania – Focus Central PA is nonprofit regional economic development marketing alliance, covering seven counties in Central PA including (Mifflin, Centre, Union, Snyder, Northumberland, Montour, and Columbia counties). The mission is to attract investment that cultivates economic growth in Central PA. This mission is accomplished by proactively marketing the region's opportunities to support smart industrial investment projects searching for locations. Focus Central PA is a dedicated professional team of economic development professionals that collaborate from the local, regional, and statewide levels to provide support and resources to assist companies looking to grow and expand.




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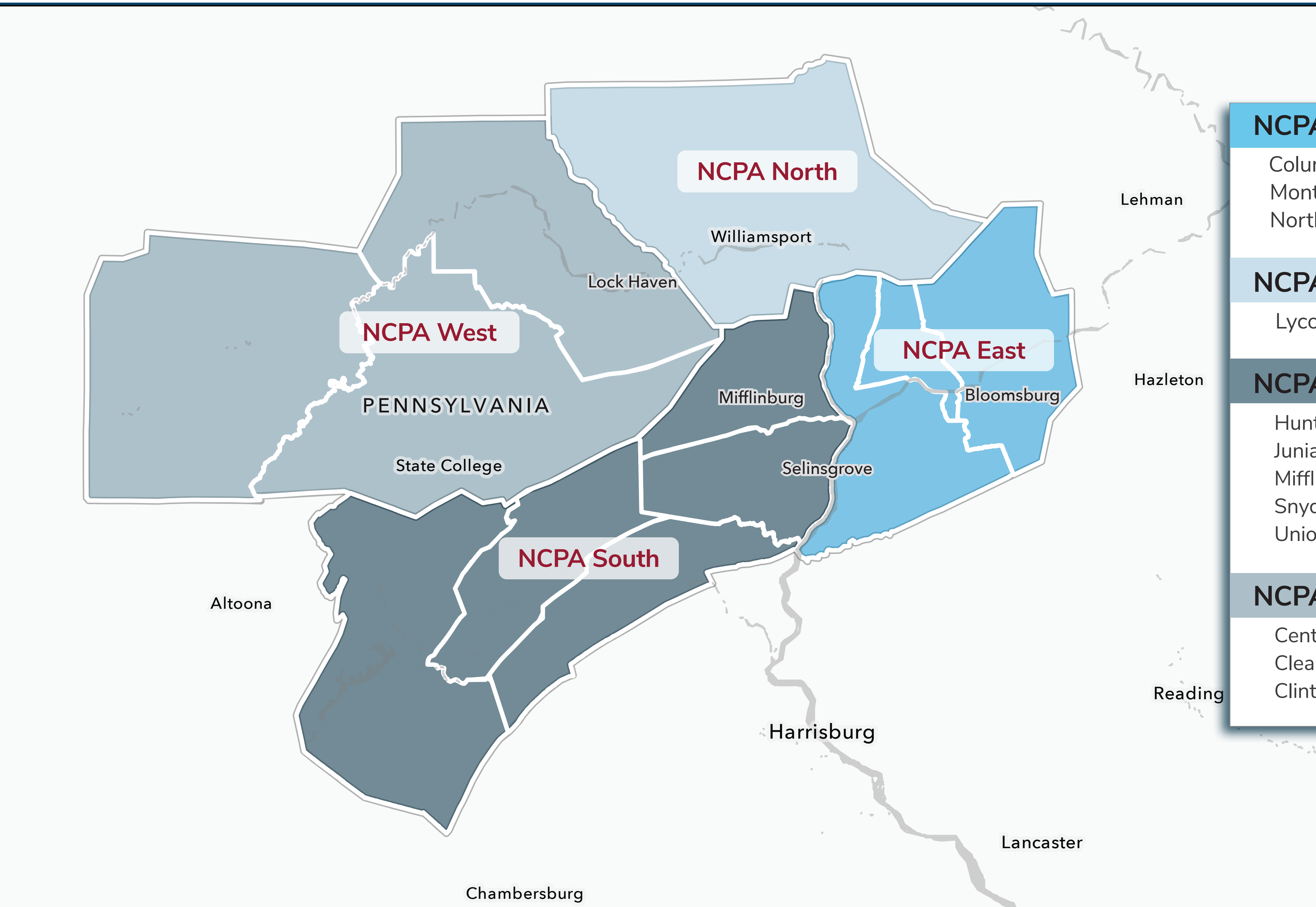


### NCPA East
Columbia Co.
Montour Co.
Northumberland Co.

### NCPA North
Lycoming Co.

### NCPA South
Huntingdon Co.
Juniata Co.
Mifflin Co.
Snyder Co.
Union Co.

### NCPA West
Centre Co.
Clearfield Co.
Clinton Co.

# NORTH CENTRAL PENNSYLVANIA

Centre, Clearfield, Clinton, Columbia, Huntingdon, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder and Union Counties

JAN
2025

# KEY HiGHLiGHTS

**Vacancy Declined in Q4:** After peaking at 6.43% in Q3 2024, vacancy declined slightly to 6.29% in Q4. However, vacancy increased overall from 5.0% at the beginning of 2024, following a slow start to leasing activity. Annual absorption ended at -622,062 SF, contributing to the overall rise in vacancy.

**Market Remains Balanced:** Despite the vacancy increase, the market remains stable, with approximately 3.2 MSF of vacant space. New construction deliveries were limited throughout 2024, and projects under construction remain scarce. The development pipeline is modest, totaling approximately 2.7 MSF, suggesting measured future growth.

**Leasing Activity Picked Up:** Leasing activity increased toward the end of the year, with just over 700,000 SF of new leases signed in 2024. Asking rents continued to rise, increasing 17.3% over the year, ending at an average of $4.44/SF.

# JAN '25

## MARKET INDICATORS

*Standing Stock in Centre, Clearfield, Clinton, Columbia, Huntingdon, Juniata, Lycoming, Mifflin, Montour, Northumberland, Snyder & Union Counties in Pennsylvania*

**289**
Number of Buildings

**51,290,240**
Standing Stock (SF)

**177,475**
Average Building Size (SF)

**6.29%**
Vacancy

**7,500**
Absorption

**0**
Construction Deliveries (SF)

**0**
Under Construction (SF)

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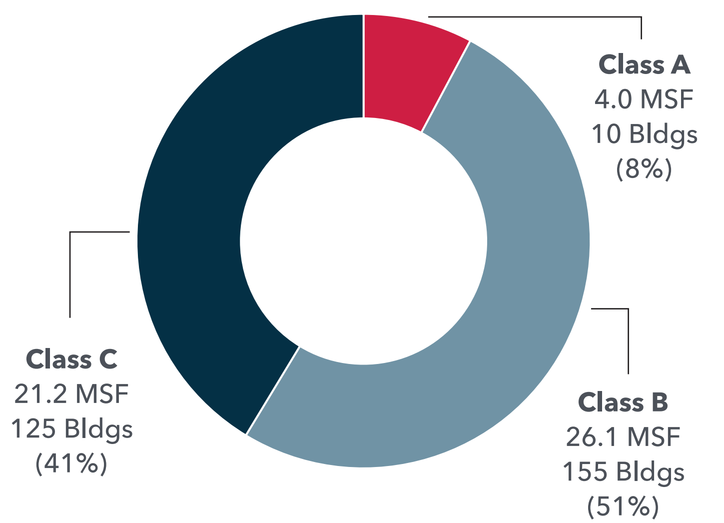
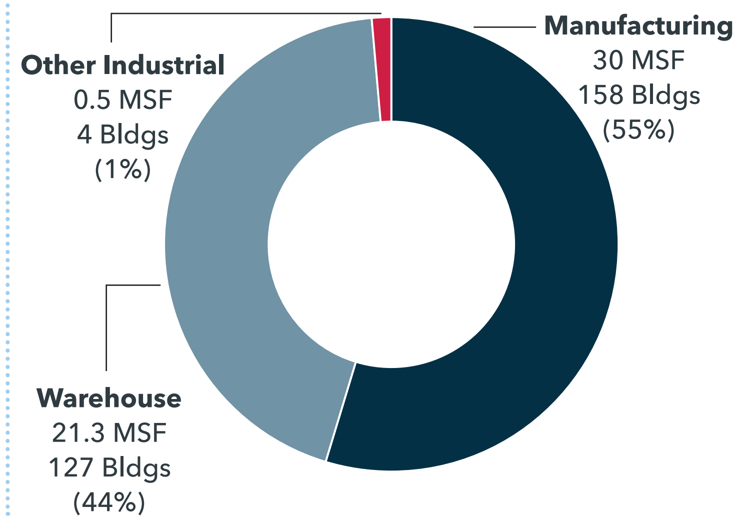
# North Central Pennsylvania Industrial Set

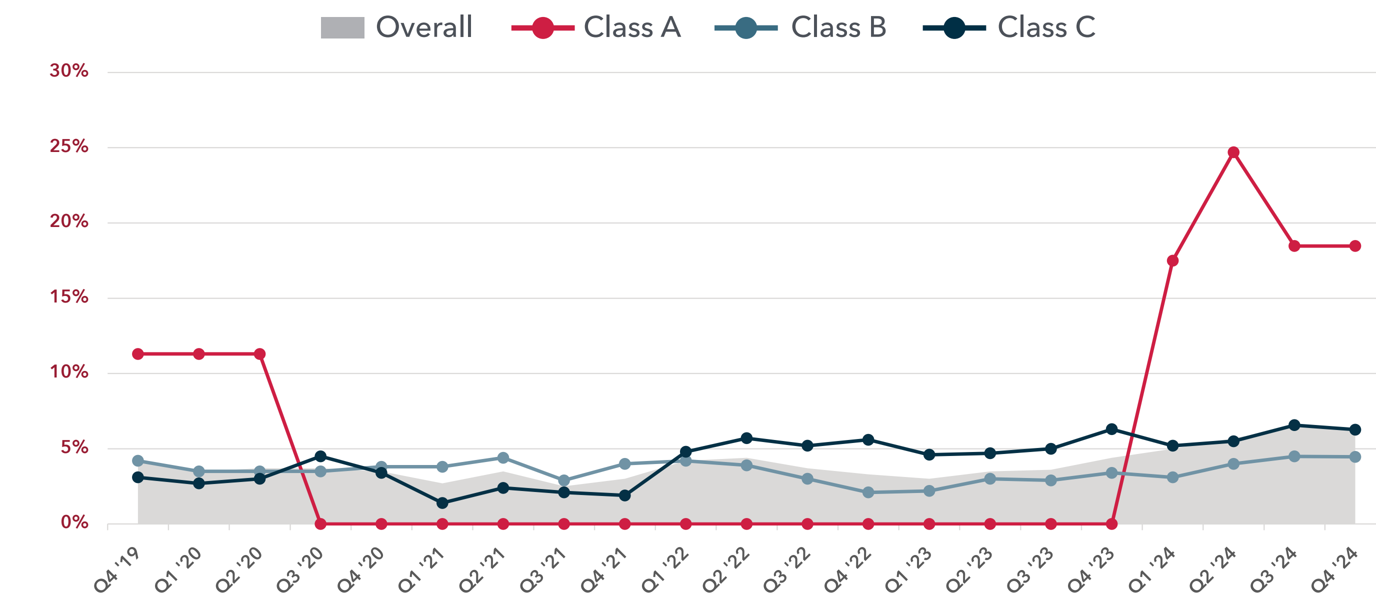
## MARKETSHARE (SF) BY BUILDING CLASS




## MARKETSHARE (SF) BY BUILDING TYPE

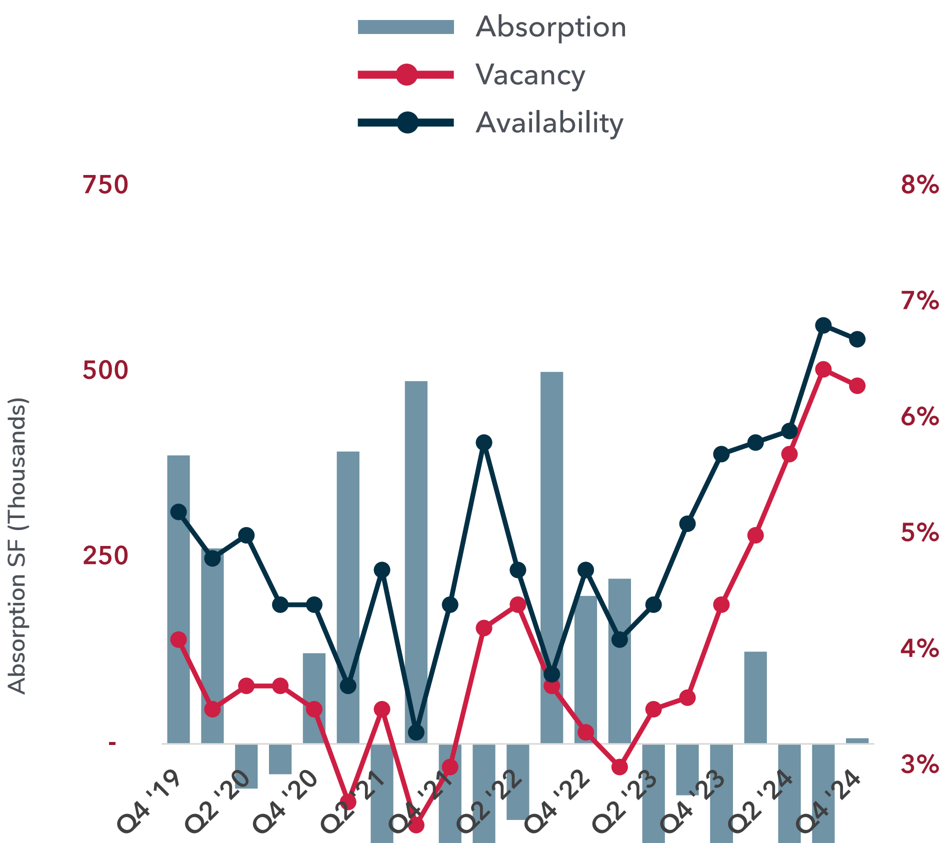



## VACANCY BY BUILDING CLASS

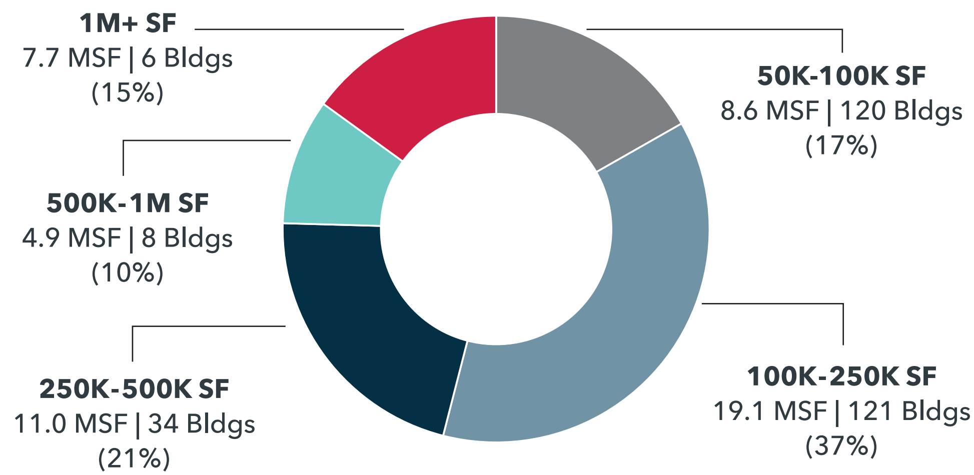


# North Central Pennsylvania Industrial Set

## HISTORICAL VACANCY, AVAILABILITY, & ABSORPTION




## MARKETSHARE BY SF RANGE




## VACANCY (%) VS. AVAILABILITY (%)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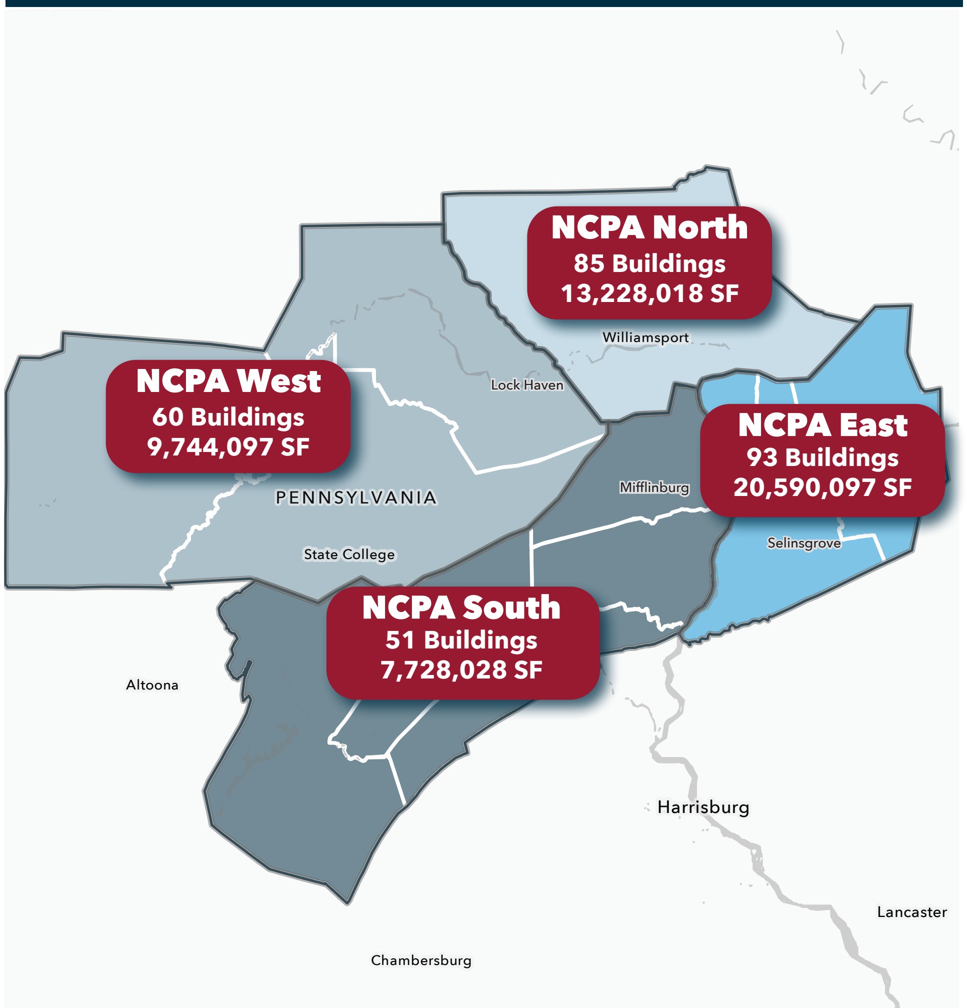
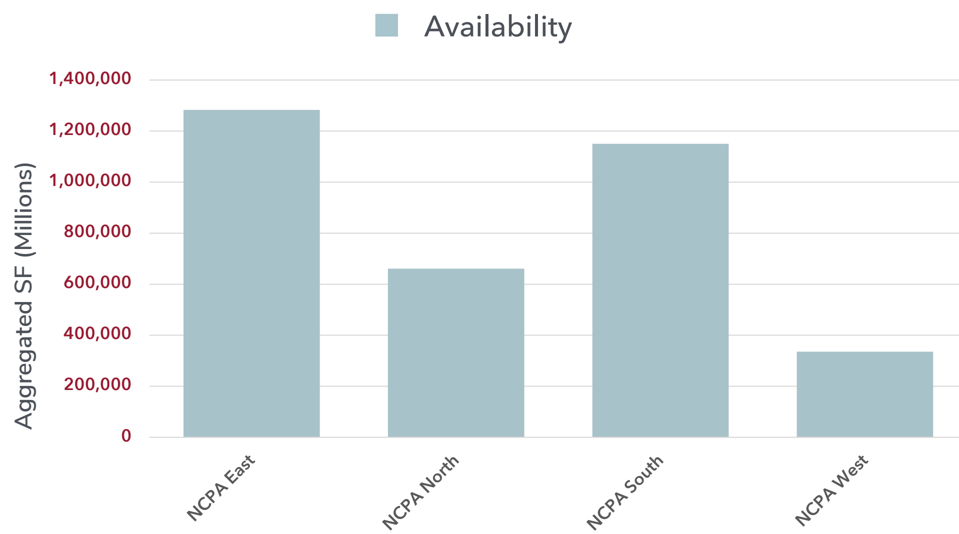
# North Central Pennsylvania Industrial Set

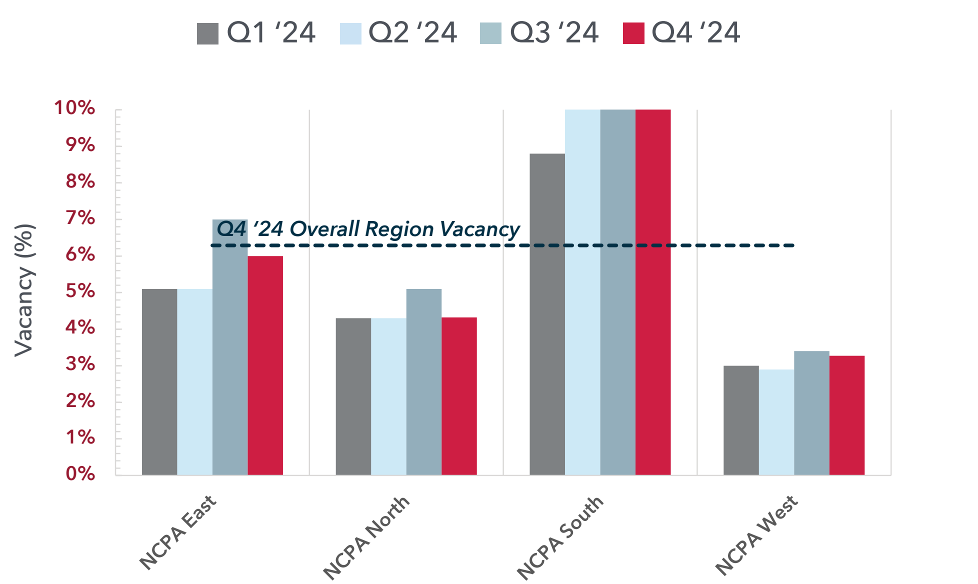
## STANDING STOCK BY SUBMARKET




## JAN 2025 - AVAILABILITY BY SUBMARKET




## VACANCY COMPARISON - PREVIOUS 4 QUARTERS



# North Central Pennsylvania Industrial Set

| Submarket | # Bldgs | Standing Stock (SF) | Vacancy (%) | Absorption (12 Mons) | Under Construction (SF) | Proposed (SF) |
|---|---|---|---|---|---|---|
| **NCPA East** | **93** | **20,590,097** | **6.00%** | **(531,952)** | **-** | **1,367,900** |
| Columbia Co | 31 | 7,889,023 | 5.66% | (446,503) | - | - |
| Montour Co | 7 | 2,065,475 | 0.00% | - | - | - |
| Northumberland Co | 55 | 10,635,599 | 7.41% | (85,449) | - | 1,367,900 |
| **NCPA North** | **85** | **13,228,018** | **4.32%** | **20,624** | **-** | **329,549** |
| Lycoming Co | 85 | 13,228,018 | 4.32% | 20,624 | - | 329,549 |
| **NCPA South** | **51** | **7,728,028** | **14.24%** | **(76,833)** | **0** | **945,241** |
| Huntingdon Co | 9 | 1,528,109 | 24.21% | (260,072) | - | - |
| Juniata Co | 4 | 646,997 | 0.00% | - | - | - |
| Mifflin Co | 10 | 1,927,567 | 0.00% | - | - | - |
| Snyder Co | 17 | 1,451,634 | 0.00% | 50,000 | - | - |
| Union Co | 11 | 2,173,721 | 33.61% | 133,239 | 0 | 945,241 |
| **NCPA West** | **60** | **9,744,097** | **3.27%** | **(33,901)** | **-** | **-** |
| Centre Co | 18 | 2,612,635 | 3.35% | (800) | - | - |
| Clearfield Co | 22 | 3,893,947 | 1.46% | 16,899 | - | - |
| Clinton Co | 20 | 3,237,515 | 5.37% | (50,000) | - | - |
| **OVERALL** | **289** | **51,290,240** | **6.29%** | **(622,062)** | **0** | **2,642,690** |
| Class A | 10 | 3,954,879 | 18.47% | - | 0 | 2,642,690 |
| Class B | 155 | 26,115,187 | 4.87% | (512,037) | - | - |
| Class C | 124 | 21,220,174 | 6.73% | (110,025) | - | - |

## TOP LEASE DEALS (PAST 6 MONTHS)

**Superior Huntingdon Composites**
1200 Susquehanna Avenue, Huntingdon
167,942 SF | August 2024

**Scholes Electric & Communications**
1424 Susquehanna Avenue, Berwick
96,000 SF | September 2024

**Details Pending**
10320 Fairgrounds Road, Huntingdon
54,851 SF | September 2024

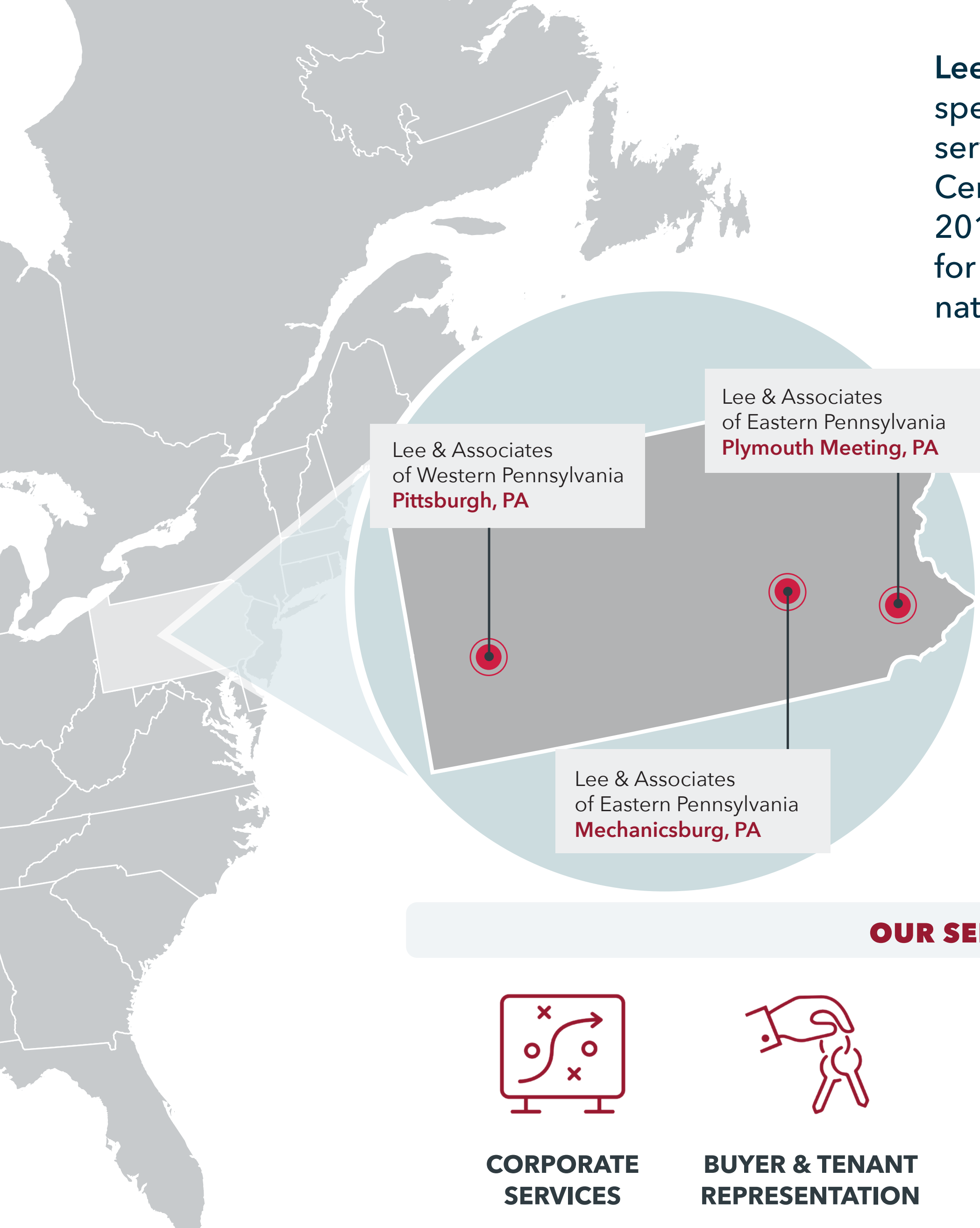
## TOP SALE DEALS (PAST 6 MONTHS)

**Buyer: Riverside Technologies, Inc.**
**Seller: 1337 Holdings, LLC**
700 Hepburn Street, Milton
184,000 SF | 09/30/24 | $2,175,000

**Buyer: STORE Capital**
**Seller: Liberty Lane Partners**
1200 Susquehanna Avenue, Huntingdon
167,942 SF | 08/27/24 | $12,687,885

**Buyer: Galen Limited Partnership**
**Seller: SDR Holdings, LLC**
500 Science Park Road, State College
105,046 SF | 09/16/24 | $9,500,000

# Lee & Associates Pennsylvania Teams




**Lee & Associates is a leading commercial brokerage firm** specializing in industrial, office, retail, land, and investment services across the Greater Philadelphia Region, Lehigh Valley, Central PA, and beyond. Since joining the national network in 2015, we've expanded into Western PA, setting new standards for excellence and growth with a strong local presence and national platform.

## Proud Sponsor of Leading Industry Organizations

IAMC (Industrial Asset Management Council) · CSCMP · ICSC · NAIOP (Commercial Real Estate Development Association) · SIOR · CCIM

## Additional Professional Relationships

ADP · GLS Global Location Strategies · CREW Network

## OUR SERVICES & SPECIALTIES

- CORPORATE SERVICES
- BUYER & TENANT REPRESENTATION
- SELLER & LANDLORD REPRESENTATION
- INVESTMENT SALES
- PROPERTY MANAGEMENT

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# Methodology

## METHODOLOGY:

The Lee & Associates of Eastern Pennsylvania ("LAEP") Industrial Supply Report is a compilation of statistics and other metrics reflecting tenant activity and a base of existing industrial buildings and development sites located across the North Central Pennsylvania regional market. Our tracking set includes industrial buildings 50,000 square feet and larger, which are used, designed for, or readily adaptable to industrial uses such as warehouse, distribution, manufacturing, service facilities, truck terminals, and other similar facilities.

LAEP's research goal is to verify the information in our reports through the first-hand observations of our research team, the personal market knowledge of our brokers, and information received by the company through regular interactions with the broader industrial development and brokerage community. Other inputs include general Internet research across a variety of sources, Google Earth, and the analysis of information available through CoStar, LoopNet, CREXI and other subscription resources.

While reasonable effort is made to ensure the accuracy of our reports, errors of fact and calculation may occur. Moreover, many of the statements contained in this report are forward looking in nature. Consequently, all information is submitted subject to error and omission, and the user is encouraged to reach their own conclusions regarding current and future market conditions.

## TERMS AND DEFINITIONS:

**Approval:** A Development Approval is a legal document obtained through government entities, allowing for a development project to commence. An Approval specifies the location, design, structural details, and time frame for which the project will take place.

**Availability Rate:** The ratio of available existing space to total rentable space, expressed as a percentage.

**Available Space:** The total amount of existing space that is currently marketed as available for occupancy within six months of the end of the quarter reported. It includes any space that is available, regardless of whether the space is vacant, occupied, or available for sublease.

**Build-to-Suit (BTS):** A term describing a particular property, developed, designed, and underwritten specifically for a certain tenant to occupy. A build-to-suit can be leased or owned by the occupier.

**Class A:** Extremely desirable, investment-grade properties which command the highest rents or sale prices when compared to other buildings in the same submarket. Class A buildings are well located, provide efficient tenant layouts and site designs, and also meet and/or exceed current desired key building specifications such as clear height, parking ratios, and construction material.

**Class B:** Buildings that satisfy most operating needs, but fall short of preferred building specifications and designs, typically due to their age. Class B properties typically command lower rents or sale prices compared to Class A properties.

**Class C:** Buildings that offer basic space but exhibit significant levels of functional obsolescence. Class C properties command lower rents or sale prices compared to other buildings in the same market.

**Concept:** A development scheme which is not the subject of active entitlement efforts. A Concept plan typically serves as the starting point in the site development process, and is an essential part of the initial planning of any development project. Failed entitlement efforts are often carried as Concepts, given the potential for future re-submittal.

**Construction:** Activity tied to the physical construction of a building, usually triggered by building permits, footer excavations, steel orders or other confirmation of vertical intention. Earth disturbance and grading activities are not themselves considered Construction activity, unless the researcher is satisfied regarding the developer's intention to proceed with vertical construction.

**Demand:** A forward looking measurement of prospective occupier activity, based largely on inquiries, property tours, RFP and proposal documents and negotiations. When

**Approval:** A Development Approval is a legal document obtained through government entities, allowing for a development project to commence. An Approval specifies the location, design, structural details, and time frame for which the project will take place.

# Methodology

### TERMS AND DEFINITIONS (CONTINUED):

**Delivered:** Buildings that have completed shell construction within the quarter reported. Completed construction includes properties that have been granted or are awaiting a certificate of occupancy.

**Development:** Reports regarding Development activity are intended to reflect Pre-Construction activities from conceptualization through entitlements, and ultimately grading activities. Because Graded or Pad Ready sites are not always coupled with a vertical building schedule and permit, grading independent of vertical intention is considered to be a Development activity.

**Entitlement:** A legal right conveyed through approvals from government entities to develop a property/building for a specific use.

**Grading:** The process of preparing a site to receive a physical structure, including the removal of vegetative growth, topsoil removal, earthmoving, compaction and other site shaping activities. Unless it is coupled with a commitment to proceed with vertical Construction, Grading is considered to be a Development activity.

**Net Absorption:** The net change in occupied space over a given period of time. We typically report Net Absorption on a quarterly, year-to-date, and trailing 12 month basis.

**Pad Ready:** A "Pad Ready Site" is one that is entitled, fully graded, and ready for Construction.

**Pre-Construction:** A term describing a particular property which is not yet under construction. Pre-Construction includes properties that may or may not have full entitlements. For purposes of our reports, the term Pre-Construction is synonymous with Development.

**Pre-leased:** Tenant has been secured after a speculative building decision has been actualized, with leases signed prior to substantial completion.

**Quality Control:** The process of Constant Quality Control ("CQC") entails regular evaluation of the entire data set used in the development and reporting of this Logistics Set. This entails regular changes/adds/corrections/deletions to previously reported data in order to ensure accuracy and adherence to criteria required for inclusion in the reported Logistics Set. Most often such adjustments result in differences which are statistically or measurably insignificant, and as such are not noted. Where such adjustments are impactful, however, they are footnoted on the page in question.

**Speculative Construction:** A term describing a particular property which was under-written without a known or specific tenant to occupy the building upon delivery. Speculative Construction (sometimes referred to as "Spec") can be constructed and leased or purchased prior to delivery.

**Sublease:** Space that is available for lease from the current tenant, rather than directly from the property owner, and has a remaining lease term of two years or longer.

**Submarkets:** Specific geographic boundaries that serve to delineate a group of buildings that are competitive with each other and constitute a generally accepted primary competitive set. Submarkets are non-overlapping, contiguous geographic designations which cumulatively match the boundaries of the Market (or Submarket Cluster) they are located within.

**Under Construction:** Buildings in a state of construction. Properties under construction do not impact standing stock or net absorption totals until delivery occurs.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space, divided by the total amount of existing inventory within a given Market or Submarket.

**Vacant Space:** Space that is not currently occupied by a tenant and available for immediate occupancy.

INDUSTRIAL MARKET SET

# INDUSTRIAL INTEL
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