



SOLID FIRST QUARTER

Markets advanced in the First Quarter of 2025 as absorption totaled 50,490 sq. ft. fueled by solid demand from the East Shore and Downtown Business Districts. Nearly 225,000 sq. ft. has been absorbed over the past five Quarters. During this period occupancy and rental rates have continued to firm and tenants have fewer and fewer options to consider.

We feel measured speculative development and impressive tenant demand has been a health restoring event for the marketplace. We look for demand to continue over the weeks ahead and expect options for premier properties to dwindle further. We believe the potential exists for the East Shore Business District to gain even more traction throughout 2025 and remain impressed with the surge in acquisitions from that marketplace.

Going forward we expect continued firming of rates, steady demand and further modest improvement in most segments of the Greater Harrisburg marketplace as market fundamentals remain strong.

THOMAS T. POSAVEC, SIOR
Senior Vice President

2690 Commerce Drive, Harrisburg, PA:

For sale! 10,340 SF in the Heart of the East Shore. Ready for occupancy. Call Tom Posavec, Senior Vice President, Landmark Commercial Realty to schedule a tour: 717-503-7755

CLOSED IN LAST 100 DAYS!



75 S. Houcks Road, Harrisburg



800 Corporate Circle, Harrisburg



4031 Executive Park Drive, Harrisburg



2600 Commerce Drive, Harrisburg

DOWNTOWN BUSINESS DISTRICT

The Downtown Business District in the First Quarter of 2025 experienced impressive gains with absorption totaling 18,502 sq. ft. It was a good Quarter for the Downtown as demand has remained volatile in recent months.



Class A occupancy rates rose to 93%. Absorption totaled 16,632 sq. ft. We remain impressed with the continued stability of rents for Class A properties, and are encouraged as we consider the excellent levels currently being

achieved. We expect moderate growth going forward as occupancy rates remain at healthy levels.

Occupancy rates for the Class B+ segment remained at 93% in the First Quarter. Absorption totaled 4,570 sq. ft. We view the potential upside for this segment as limited as supply fuels demand and options certainly exist for tenants looking to upgrade their existing office location.

The Class B segment closed the First Quarter at 94%. Absorption totaled negative 2,700 sq. ft. Values exist for users looking

to enter the office market at rates far below the pricing of premier properties. We remain impressed with the

consistency of this segment over the past several quarters and expect activity to persist throughout the remainder of the year.



4601 Locust Lane, Harrisburg, PA

EAST SHORE BUSINESS DISTRICT

The East Shore Business District continues to impress as absorption totaled 46,500 sq. ft. We anticipate market fundamentals

should remain favorable going forward in 2025 and expect strengthening of the Marketplace to remain intact.

Class A occupancy rates closed the Quarter at 90%. Absorption totaled 67,100 sq. ft. Several large transactions were concluded and demand has remained brisk. We feel the upside for this segment remains strong and anticipate further interest from buyers over the months ahead.

Class B+ occupancy rates closed at 97%. Absorption totaled negative 14,000 sq. ft. This segment has remained strong over the past several quarters and has been aided by several large acquisitions in recent months.

Occupancy rates in the Class B segment closed the First Quarter at 94%. Absorption totaled negative 6,600 sq. ft. Despite this recent pullback, occupancy and rental rates remain favorable, due to the lack of pronounced new construction and healthy demand from several new firms entering the marketplace.



449 Eisenhower Boulevard, Harrisburg, PA



1120 E. Chocolate Ave, Hershey, PA





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WEST SHORE BUSINESS DISTRICT

The West Shore Business District produced moderate losses in the First Quarter of 2025 as absorption totaled negative 14,512 sq. ft. Rental and occupancy rates continue to remain at favorable levels as widespread demand continues across the West Shore.

Class A occupancy rates closed at 95%. Absorption totaled negative 10,796 sq. ft. While fewer deals were executed throughout the First Quarter, we are encouraged by several large transactions close to execution.



1011 Mumma Road, Lemoyne, PA

Class B+ occupancy rates closed the Quarter at 92%. Absorption totaled 4,440 sq. ft. Opportunities continue to exist for users looking to upgrade facilities at reasonable rental structures. We anticipate a solid push toward these properties over the next several weeks and expect further stabilization to follow into late 2025.

Occupancy rates in the Class B segment remained at impressive levels closing the Quarter at 96% absorption totaled negative 8,156 sq. ft. We view the upside for this segment as limited and see the potential for occupancy rates to reach higher levels as remote as tenants may opt for Class B+ options.



3500 E. Trindle Road, Camp Hill, 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.



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
600 to 2,100 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.



800 Corporate Circle, Harrisburg, PA
2,200 SF available for lease immediately. One suite remaining.



2578 Interstate Drive, Harrisburg, PA
1,500 to 2,300 SF for immediate occupancy. Just renovated. Fantastic windows.



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.



5690 Allentown Blvd, Harrisburg, PA
1,300 SF available for lease immediately. One suite remaining



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 Q1 2025

	Number of	Total	Total	1st Q 2025 Occup.	4th Q 2024 Occup.	3rd Q 2024 Occup.	2nd Q 2024 Occup.	1st Q 2024 Occup.	1st Q 2025 Current	1st Q 2024 Absorption
CITY										
Class A 16,632	23	1,577,475	107,762	93%	92%	92%	92%	93%	\$ 1 8 . 0 0	- \$ 2 3 . 0 0
Class B+ 4,570	61	1,728,315	120,075	93%	93%	91%	91%	90%	\$ 1 5 . 5 0	- \$ 1 8 . 0 0
Class B (2,700)	181	1,589,752	89,188	94%	94%	94%	92%	93%	\$ 1 3 . 0 0	- \$ 1 5 . 5 0
EAST SHORE										
Class A 67,100	48	2,254,021	222,954	90%	92%	91%	93%	91%	\$ 1 8 . 6 5	- \$ 2 3 . 0 0
Class B+ (14,000)	89	2,129,831	79,570	97%	97%	97%	97%	96%	\$ 1 6 . 5 0	- \$ 1 8 . 7 5
Class B (6,600)	151	1,708,889	98,000	94%	94%	94%	94%	94%	\$ 1 4 . 0 0	- \$ 1 6 . 5 0

**Excluding interior suite janitorial services.*

In its fourteenth 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 2025 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.



Individual Member



MEMBER

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