



## MARKET THOUGHTS

Absorption totaled 18,880 sq. ft. in the Second Quarter 2025. Solid figures considering the run this market has enjoyed over the past several quarters.

Remarkable consistency has been established over the past several quarters pushing rental rates upward for premier properties and stabilizing rental rates for Class B+ buildings with superior locations and solid ownership. Noteworthy expansions consummated in recent months include Gannett Fleming's relocation to Mechanicsburg and Heim Electric and W.C. Eshenaur & Son's expansion at the TecPort Campus in Swatara Township, Harrisburg.

Several buildings locally that were just out of receivership just a few years ago have been or are nearing full stabilization at this time. These properties had experienced higher vacancies and have forced occupancy rates lower especially in the Class B segment of the East Shore Business District.

Going forward we are encouraged with the lack of speculative construction, are pleased with the increased number of acquisitions market wide and view the probability of a pullback as remote.

A handwritten signature in black ink, appearing to read "Tom Posavec".

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



### **800 Corporate Circle Harrisburg, PA:**

This 24,000 sq. ft. facility has undergone substantial renovations recently. This state-of-the-art facility now is offering one 2,240 sq. ft. Class A office suite. Call Tom Posavec for details: 717-503-7755.

## MARKET SUMMARY

### DOWNTOWN BUSINESS DISTRICT

The Downtown Business District which experienced gains in 2024 saw modest losses in the Second Quarter of 2025. Absorption totaled negative 840 sq. ft. as interest in Downtown Properties paused.



2600 Commerce Drive, Harrisburg, PA

The Class A segment of the Downtown Business District absorbed 3,260 sq. ft. and occupancy rates remained at 93%. Much of the Class A product has been on the market for several quarters. Premier users have not been persuaded by the advantages of a Downtown address and are continuing

to consider options outside city limits. Several law firms have vacated the City limits in the last two years in favor of better availabilities, superior pricing and free on-site parking. With demand modest at best, incentives are necessary to stimulate activity before occupancy levels improve.

Absorption for Class B+ properties totaled negative 9,300 sq. ft. in the Second Quarter of 2025. Occupancy rates closed at 93%. Markets are not significantly improving enough to stimulate the recovery process Downtown. Solutions to remedy the parking dilemma Downtown are paramount in setting in motion a recovery process that will be sustained.

Class B occupancy rates remained unchanged and closed the Second Quarter of 2025 at

94%. Absorption totaled a modest 5,200 sq. ft. This segment had gained significant ground for several quarters.



4601 Locust Lane, Harrisburg, PA

### EAST SHORE BUSINESS DISTRICT

The East Shore Business District produced gains in the Second Quarter of 2025 as absorption totaled 3,870 sq. ft.



449 Eisenhower Boulevard, Harrisburg, PA

Class A

occupancy rates rose slightly to 91% as absorption totaled 9,150 sq. ft. Very few large options exist in the East Shore Business District. We feel this will pose a significant concern for users looking

for superior product over the next several Quarters. Options exist for small tenants although rates will remain firm as owners exploit this improving market.

Class B+ absorption totaled negative 12,200 sq. ft. during the Second Quarter of 2025. Occupancy rates dipped slightly to 96%. Demand slowed after this segment realized gains in 2024 fueled by several expansions and acquisitions.

Class B occupancy rates remained at 94% as absorption totaled 6,920 sq. ft. Rental rates have been able to gain traction as availabilities have lessened over the past several Quarters. Several properties previously in receivership have been repositioned. We feel this segment will continue to benefit from significant expansions and expect continued measured demand going forward.



1120 E. Chocolate Ave, Hershey, PA



2 Lemoyne Drive, Lemoyne, PA





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## WEST SHORE BUSINESS DISTRICT

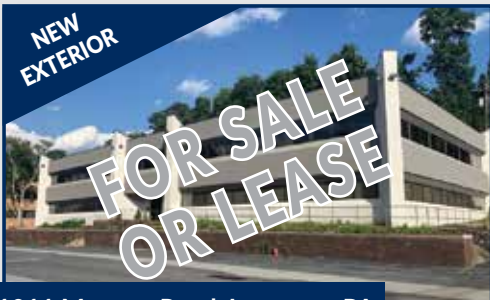
The West Shore Business District produced solid gains in the Second Quarter of 2025, as absorption totaled 15,850 sq. ft. Occupancy rates for most segments of the West Shore Business District remained near 95%. This is an extraordinary figure in light of market conditions only a few years ago.

Class A occupancy rates managed to remain steady closing the Second Quarter at 95%. Absorption totaled 26,140 sq. ft. Several large transactions were offset by a number

of unanticipated vacancies. Large deals are pending and should improve occupancy rates going forward throughout 2025.

Occupancy rates for Class B+ properties closed the Second Quarter at 92%. Absorption totaled 11,120 sq. ft. Fewer opportunities exist for solid Class B+ options on the West Shore. Rossmoyne Business Center remains near full occupancy and the Camp Hill Business Center has improved sharply over the past twelve months.

Class B occupancy rates closed the Second Quarter at 95% as absorption totaled negative 21,410 sq. ft. Occupancy rates have remained at remarkable levels for several Quarters. Rental rates have increased and fewer concessions are being offered. We expect further improvement in this West Shore segment as start-up companies have resurfaced, and confidence has improved.



**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.



**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.



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

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



**2690 Commerce Drive, Harrisburg, PA**

For Sale! Gorgeous Class A property in the heart of Harrisburg's East Shore.



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







**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.



**1765 W. Trindle Road, Carlisle, PA**  
23,000 SF flex warehouse now available in Carlisle, Pennsylvania.



**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:**  
1,791 SF available. 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.



**800 Corporate Circle, Harrisburg, PA**  
Fantastic location. Just 2,240 SF for lease. Call today.



**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



**6130 Jonestown Road, Harrisburg**  
9,000 SF flex industrial building to be constructed. Scheduled for completion in 2026.



**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 Q2 2025

	Number of Buildings	Total Inventory	Total Available	2nd Q 2025 Occup. Rate	1st Q 2025 Occup. Rate	4th Q 2024 Occup. Rate	3rd Q 2024 Occup. Rate	2nd Q 2024 Occup. Rate	2nd Q 2025 Current Asking Rent*	2nd Q 2025 Absorption in SF
<b>CITY</b>										
Class A	23	1,577,475	104,502	93%	93%	92%	92%	92%	\$18.00-\$23.00	3,260
Class B+	61	1,728,315	124,805	93%	93%	93%	91%	91%	\$15.50-\$18.00	(9,300)
Class B	181	1,589,752	88,989	94%	94%	94%	94%	92%	\$13.00-\$15.50	5,200
<b>TOTAL</b>	<b>265</b>	<b>4,895,542</b>	<b>318,295</b>							<b>(840)</b>
<b>EAST SHORE</b>										
Class A	48	2,254,021	156,379	91%	90%	92%	91%	93%	\$18.65-\$23.00	9,150
Class B+	89	2,129,831	95,570	96%	97%	97%	97%	97%	\$16.50-\$18.75	(12,200)
Class B	151	1,708,889	98,000	94%	94%	94%	94%	94%	\$14.00-\$16.50	6,920
<b>TOTAL</b>	<b>288</b>	<b>6,092,741</b>	<b>349,949</b>							<b>3,870</b>
<b>WEST SHORE</b>										
Class A	65	3,236,340	145,525	95%	95%	96%	95%	96%	\$18.65-\$23.00	26,140
Class B+	118	2,531,990	218,549	92%	92%	92%	92%	92%	\$16.50-\$18.75	11,120
Class B	168	1,998,261	98,118	95%	96%	97%	96%	97%	\$14.75-\$16.50	(21,410)
<b>TOTAL</b>	<b>351</b>	<b>7,766,591</b>	<b>429,102</b>							<b>15,850</b>
<b>GRAND TOTAL</b>	<b>904</b>	<b>18,754,874</b>	<b>1,097,346</b>							<b>18,880</b>

\*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.



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