FIRST QUARTER 2026 MARKET WATCH

LANDMARK
COMMERCIAL REALTY

MARKET THOUGHTS

While the Greater Harrisburg office market failed to make significant gains in the first quarter of 2026, we enter mid-2026 with suburban markets boasting occupancy rates between 91% and 95%. Absorption totaled negative 5,344 square feet. We are encouraged by the increase in activity from our smaller business users and remain confident with the outlook for owners of premier properties as opportunities dwindle for first-class options.

Over 700,000 sq ft of office properties have been acquired by owner/users over the past 30 months. We anticipated the stabilization of these assets and now have seen this stabilization take hold. We remain confident that the upside for the marketplace is even more probable and view the opportunity of a mild significant pullback as remote.

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.

DOWNTOWN BUSINESS DISTRICT

Absorption totaled positive 1,635 sq ft as the downtown market experienced mixed results. Market fundamentals remain solid and we remain impressed with the consistency of this market over the past several months.

2600 Commerce Drive, Harrisburg, PA

The Class A segment of the downtown business district absorbed 3,700 sq ft as occupancy rates remained at 93%. We expect improvement in this segment going forward over the next several quarters as demand may improve in the months ahead.

Absorption for Class B+ properties totaled 2,450 sq ft in the second quarter of 2026. Occupancy rates remained at 93%. We view the upside for this segment as probable and continue to see the potential of occupancy rates to improve as buildings are repurposed for uses other than office.

Class B occupancy rates closed the first quarter at 94% as absorption totaled negative 4,515 sq ft. We remain impressed with the consistency of this segment and may see additional improvement over the months ahead.

4601 Locust Lane, Harrisburg, PA

EAST SHORE BUSINESS DISTRICT

449 Eisenhower Boulevard, Harrisburg, PA

The East Shore Business District recorded modest advances in the first quarter of 2026 as absorption totaled 3,461 sq ft. Acquisitions have slowed due to a lack of product, although we have seen demand increase in recent weeks.

Class A occupancy rates remained unchanged at 91% as absorption totaled negative 1,100 sq ft. While the first quarter failed to produce solid gains, we remain impressed with the stability of results for Class A properties and are encouraged as we consider the excellent levels being achieved.

Class B+ absorption totaled negative 1,656 sq ft during the first quarter of 2026. Occupancy rates slipped to 95%. Very few large blocks of space remain available as several users have absorbed thousands of square feet of available product.

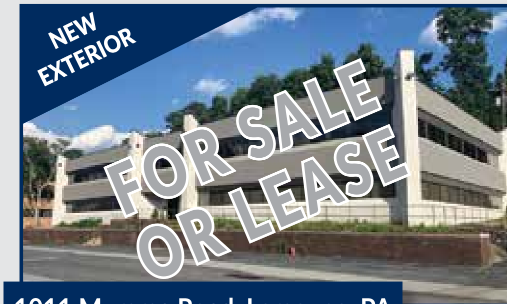
2 Lemoyne Drive, Lemoyne, PA

Class B rates rose slightly to 95% as absorption totaled 6,217 sq ft. We continue to notice measured improvement in this entry-level property segment as market conditions improve.

WEST SHORE BUSINESS DISTRICT

The West Shore Business District saw absorption total negative 10,130 sq ft in the first quarter of 2026. Several larger deals are pending which could boost figures later in the year.

Class A occupancy rates remained unchanged closing the first quarter at 95% as absorption totaled 6,800 sq ft. Few opportunities remain for first-class users and owners of premier properties will be in a strong position as we enter the second half of 2026.



1011 Mumma Road, Lemoyne, PA

Occupancy rates for Class B+ users closed the first quarter at 92% as absorption totaled negative 6,930 sq ft. Solid demand has surfaced in recent weeks which could push figures higher.

Class B occupancy rates closed the first quarter at 94% as absorption totaled negative 10,000 sq ft. This segment has remained solid for several quarters as the West Shore Business District continues to remain healthy.

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.


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. Ideal for user buyer

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.

THOMAS T. POSAVEC, SIOR
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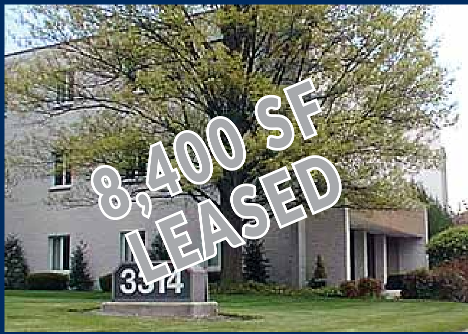
AVAILABILITIES



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.

2405 Linglestown Raod, Harrisburg, PA
Various suites available located across from Giant at Chipotle in just a few hundred yards from the new Union Green Development.

801 East Park Drive, Harrisburg, PA
1,791 SF and 5,400 SF available for lease.

1305 Middletown Road, Middletown, PA
Opportunity to lease 4500 SF turnkey dental office just minutes to Hershey.

2120 Market Street, Camp Hill, PA
Up to 2,200 SF available April 1, 2026.

2704 Commerce Drive, Harrisburg, PA
3,048 SF available. First class finishes. Gorgeous patio and fantastic kitchen.

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

4051 Executive Park Drive, Harrisburg, PA
2000 SF available immediately, just renovated, convenient access.

AVAILABILITIES

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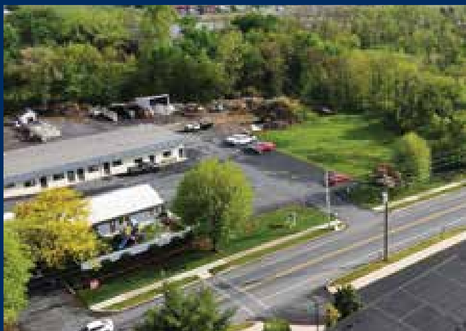


6130 Jonestown Road, Harrisburg
9,000 SF flex industrial building to be constructed.

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

2704 Commerce Drive, Harrisburg PA
3,048 SF available. First class finishes. Gorgeous patio and fantastic kitchen.

1011 Mumma Road, Wormleysburg PA
24,000 SF for sale. Various suites for lease.

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.

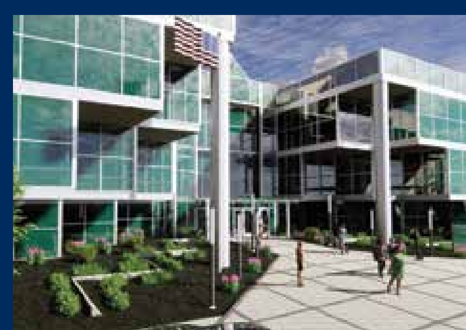
2578 Interstate Drive, Harrisburg, PA
1,500 to 2,300 SF for immediate occupancy. Just renovated. Fantastic windows.

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

2 Lemoyne Drive, Lemoyne, PA:
2,400 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
Various options available for immediate lease at this first class office property. Flexible terms, sizes and rates.

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MARKET ANALYSIS Q1 2026

	Number of Buildings	Total Inventory	Total Available	1st Q 2026 Occup. Rate	4th Q 2025 Occup. Rate	3rd Q 2025 Occup. Rate	2nd Q 2024 Occup. Rate	1st Q 2025 Occup. Rate	Year End2026 Current Asking Rent*	1st Q Year End Absorption in SF
CITY										
Class A	23	1,577,475	104,502	93%	93%	92%	93%	92%	$18.00-$23.00	3,700
Class B+	61	1,728,315	124,805	93%	93%	93%	93%	93%	$15.50-$18.00	2,450
Class B	181	1,589,752	88,989	94%	95%	94%	94%	94%	$13.00-$15.50	(4,515)
TOTAL	265	4,895,542	318,295							1,635
EAST SHORE										
Class A	48	2,254,021	156,379	91%	91%	91%	90%	92%	$18.65-$23.00	(1,100)
Class B+	89	2,129,831	95,570	95%	96%	96%	97%	97%	$16.50-$18.75	(1,656)
Class B	151	1,708,889	98,000	95%	94%	94%	94%	94%	$14.00-$16.50	6,217
TOTAL	288	6,092,741	349,949							3,461
WEST SHORE										
Class A	65	3,236,340	145,525	95%	95%	95%	95%	96%	$18.65-$23.00	6,800
Class B+	118	2,531,990	185,459	92%	92%	92%	92%	92%	$16.50-$18.75	(6,930)
Class B	168	1,998,261	98,118	94%	95%	95%	96%	97%	$14.75-$16.50	(10,000)
TOTAL	351	7,766,591	429,102							(10,130)
GRAND TOTAL	904	18,754,874	1,097,346							(5,034)

**Excluding interior suite janitorial services.*

In its fourteenth year, this study analyzed 904 office buidings 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.