



MARKET THOUGHTS

Markets pulled back in the Second Quarter of 2026 as absorption totaled negative 24,635 sq.ft. fueled by weaker demand from the East Shore and Downtown Business Districts. The West Shore Business District saw absorption total nearly 60,000 sq.ft. as impressive demand continues across all segments of that Marketplace.

We remain encouraged by the increased number of acquisitions marketwide, and anticipate this action could increase further if the interest rate environment tends to improve.

For those who have not realized financial stability from their assets, we point to the following strategies designed to position a building for solid returns going forward:

1. **Exterior:** Catch the eye of the potential tenant in the first seconds of a showing.
2. **Flexibility:** Make deals. Phase in square footage to make deals more affordable.
3. **Design:** Refresh suites immediately.
4. **Financing:** Know your rate and terms.

We will continue to monitor the Marketplace over the months ahead, and as we see shifts in trends, we'll be the first to report on them.

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

THOMAS T. POSAVEC, SIOR
Senior Vice President



3915 Market Street, Camp Hill, PA: 17,791 sq. ft. now available for sale or lease. Situated in the heart of Camp Hill, this two building complex is perfect for an owner/user who must be close to Camp Hill and Mechanicsburg. Call Tom Posavec for details: 717-503-7755.

DOWNTOWN BUSINESS DISTRICT

After a robust 2025 produced solid gains, the Second Quarter of 2026 was a lackluster one for the Downtown Business District. Absorption totaled negative 10,630 sq. ft. as more firms elected to vacate the city limits.



2600 Commerce Drive, Harrisburg, PA

Class A occupancy rates slipped slightly closing the Quarter at 92%. Absorption totaled negative 15,000 sq. ft. Class A inventory levels are now over 122,000 sq. ft. with much of this space located in four buildings. Rental rates remain stable although new availabilities will be coming on line over the next 8 to 12 months.

Occupancy rates for the Class B+ segment remained at 93% in the Second Quarter. Absorption totaled 5,370 sq. ft. These rates have remained at solid levels for several quarters. Upgrades at several buildings are necessary in order to fuel demand.

The Class B segment remained unchanged, closing the Second Quarter at 94%. Absorption for the quarter totaled negative 1,000 sq. ft. Coupled with the positive gains and solid absorption in the First Quarter this segment has been the silver lining of the Downtown Business District in recent months. This segment had been a classic under performer in the past years, but now has remained consistent and resilient.



1429 North Third Street, Harrisburg, PA

EAST SHORE BUSINESS DISTRICT

The East Shore Business District produced significant losses in the Second Quarter of 2026 as absorption totaled negative 73,330 sq. ft. We view this as an anomaly as acquisitions continue on pace and more tenants have begun to ramp up. Occupancy and rental rates continue to improve and we anticipate further advances going forward.



449 Eisenhower Boulevard, Harrisburg, PA

Class A occupancy rates slipped to 92% as absorption totaled negative 37,100 sq. ft. while the Second Quarter failed to produce gains. We remain impressed with the stability of rents for Class A properties and are encouraged with the excellent levels being achieved.

Class B absorption totaled negative 7,230 sq. ft. during the Second Quarter 2026. Occupancy rates remained at 95%. Two large blocks of space exist and that number should continue to shrink over the upcoming months as demand for acquisitions fuels absorption.



2 Lemoyne Drive, Lemoyne, PA

Class B occupancy rate slipped as absorption totaled negative 29,000 sq. ft. We continue to notice measurable improvement in these entry level properties as market conditions stabilize.





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WEST SHORE BUSINESS DISTRICT

The Second Quarter of 2026 was a strong one for the West Shore Business District. Absorption totaled 59,325 sq. ft., a superb figure, considering the solid gains realized in recent years. Occupancy rates remain near record highs for all segments of the West Shore Business District. Additional opportunities for acquisitions remain slim.

Class A occupancy rates managed to improve closing the Quarter at 96%. Absorption totaled positive 33,045 sq. ft. New Class A opportunities will come online later in 2026 adding much needed inventory to the already depleted marketplace.

Class B+ occupancy remained strong closing the Quarter unchanged at 95%. Absorption totaled 280 sq. ft. Total available inventory has remained strong over the past several months. Activity for Class B+ properties has increased and the outlook for the remainder of the year remains favorable as options for uses continues to shrink.

The lack of substantial West Shore construction has helped stabilize the Class B segment throughout much of the past 10 years, strengthening occupancy and rental rates in the process. Absorption totaled 26,000 sq. ft. Occupancy rates in the segment remained at impressive levels closing the Quarter at 95%.



1011 Mumma Road, Lemoyne, PA



3915 Market Street, Camp Hill, PA

17,791 SF available for sale or lease in the heart of Camp Hill! Ideal owner/user property.



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.



3915 Market Street, Camp Hill, PA





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120 S. Filbert Street, Mechanicsburg, PA

7,700 SF available for immediate occupancy. Ideal for medical uses.



3314 Market Street, Camp Hill, PA
600 to 2,100 sq. ft. available for immediate occupancy in the Heart of Camp Hill.



1765 W. Trindle Road, Carlisle, PA
7,000 SF for lease. Located in the heart of Carlisle.



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 Road, 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
1,400 SF for immediate occupancy. Excellent layout.



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

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.



2690 Commerce Drive, Harrisburg, PA
5,000 SF for immediate lease. 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
2,900 SF available for lease immediately. One suite remaining.



2578 Interstate Drive, Harrisburg, PA
2,800 SF available 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!



4601 Locust Lane, Harrisburg, PA:
Small suites available for immediate occupancy.



4660 Trindle Road, Camp Hill, PA
Up to 5,000 sq. ft. for lease in the Heart of Camp Hill. Available for immediate occupancy.



899 Arlington Avenue, Harrisburg, PA
3,270 SF office condo priced far below market. Available at \$189,900.



1201 Fulling Mill Road, Middletown, PA
New lobby. New finishes. Up to 12,000 SF available.



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MARKET ANALYSIS Q2 2026

	Number of Buildings	Total Inventory	Total Available	2nd Q 2026 Occup. Rate	1st Q 2026 Occup. Rate	4th Q 2025 Occup. Rate	3rd Q 2025 Occup. Rate	2nd Q 2025 Occup. Rate	Year End 2026 Current Asking Rent*	1st Q Year End Absorption in SF
CITY										
Class A	23	1,577,475	122,762	92%	93%	93%	92%	93%	\$18.00-\$23.00	(15,000)
Class B+	61	1,728,315	115,135	93%	93%	93%	93%	93%	\$15.50-\$18.00	5,370
Class B	181	1,589,752	95,188	94%	94%	95%	94%	94%	\$13.00-\$15.50	(1,000)
TOTAL	265	4,895,542	333,085							(10,630)
EAST SHORE										
Class A	48	2,254,021	175,124	92%	91%	91%	91%	90%	\$18.65-\$23.00	(37,100)
Class B+	89	2,129,831	100,200	95%	95%	96%	96%	97%	\$16.50-\$18.75	(7,230)
Class B	151	1,708,889	147,142	91%	95%	94%	94%	94%	\$14.00-\$16.50	(29,000)
TOTAL	288	6,092,741	422,466							(73,330)
WEST SHORE										
Class A	65	3,236,340	133,200	96%	95%	95%	95%	95%	\$18.65-\$23.00	33,045
Class B+	118	2,531,990	210,172	92%	92%	92%	92%	92%	\$16.50-\$18.75	280
Class B	168	1,998,261	91,278	95%	94%	95%	95%	96%	\$14.75-\$16.50	26,000
TOTAL	351	7,766,591	324,678							59,325
GRAND TOTAL	904	18,754,874	1,080,229							(24,635)

*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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