



# Building On Strength

Accomplishments,  
Comparisons, and Outlook

Prepared by



# Today's Presentation

- **Today's goals:**

- Reflect on accomplishments since Building On Strength Plan (June 2015)
- Evaluate data shifts between the original plan and now.
- Examine future trends for Lancaster.

- **Why re-examine the plan now?**

- Significant accomplishments.
- Seismic market shifts locally and nationally.
- Refine data and reflect on progress to inform future benchmarks.

- **Presentation Format**

- Revisiting the Strategies.
- Snapshots of observations, input, peer comparisons, successes, challenges, outlook and trends.

## The 2015 Vision

*Lancaster will leverage its track record of success to foster continued economic development throughout the community, cultivate an environment that attracts entrepreneurs and investors to a world class mid-sized city, and continue to lead the region and nation as a model for successful urban economic development.*



# The Strategies

- **Strategy 1: Expanding Success:**  
Traditional Economic  
Development Investment
- **Strategy 2: Embracing the Collaborative Economy:**  
Cultivating Entrepreneurs  
(Creative, Culinary, & Technology)
- **Strategy 3: Leveraging the Brand:** Marketing Lancaster City
- **Strategy 4: Quality of Life:**  
Reinforcing Commercial Hubs



# Peer City Comparisons

Greenville, SC



Fredericksburg, VA



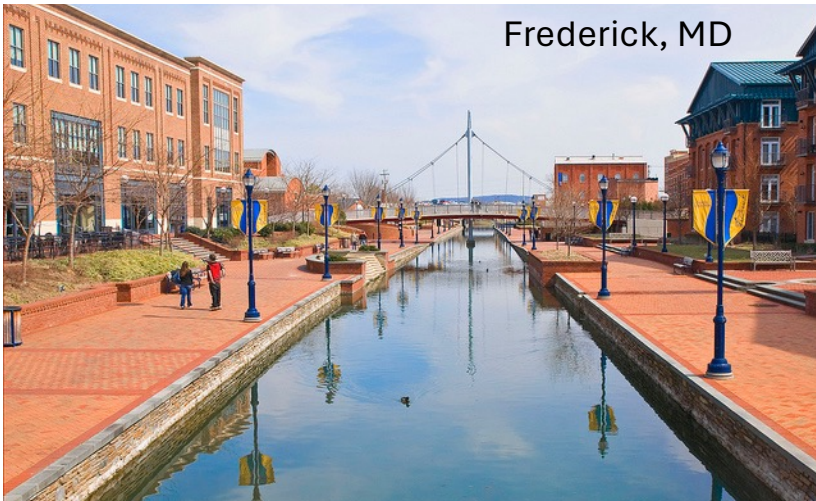
City Population Size  
vs Region

Growth Patterns

Greenville 74K  
County 548K

Fredericksburg 29K  
Counties 338k

Frederick, MD



Portland, ME



Frederick 74K  
County 284K

Portland 68K  
County 307K

**Lancaster 57K**  
**County 557K**

## **Strategy One Traditional Economic Development: Observations**

- \$1.43B over the last decade including \$370M in the pipeline.
- The only community that comes close is Greenville, SC that has had over \$3B in investment and over \$150M in the pipeline.
- 2015 plan called for a shift from "big projects" to "fine tuned" growth.
- Surprising density and vibrancy.
- Extraordinary collection of independent retail and dining.



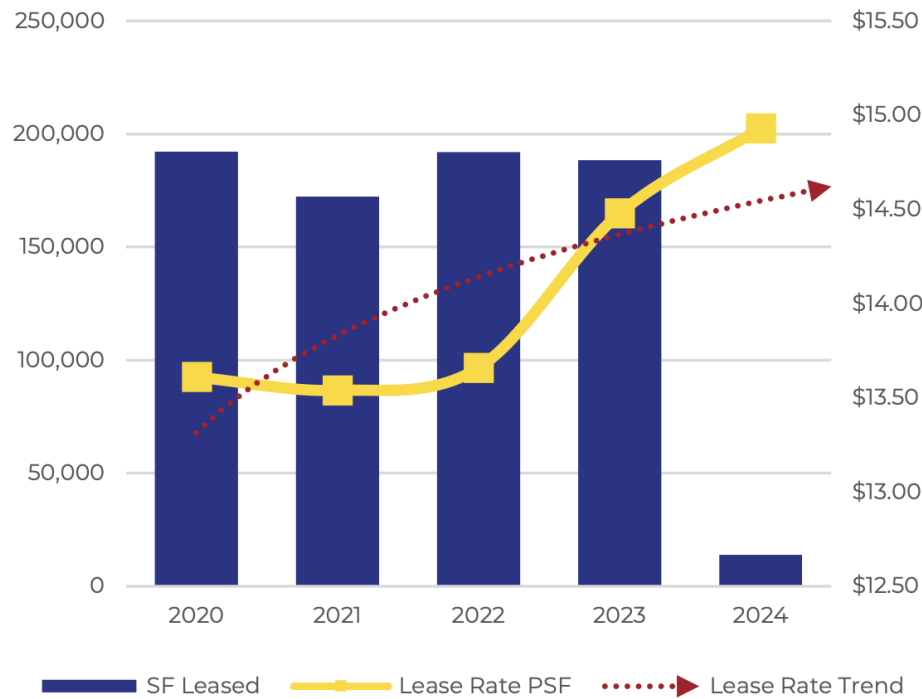
## Strategy One Traditional Economic Development: Market

- Properties for sale or rent
  - 2014 53
  - 2024 14
- Square feet for sale/rent
  - 2014 670,000+
  - 2024 191,000
- Weighted Rental Rates
  - 2014 \$11.35
  - 2024 \$14.90
- Price PSF
  - 2014 \$ 65
  - 2024 \$165

	Lancaster City		Lancaster Secondary Trade Area		Combined Trade Area	
	2015	2024	2015	2024	2015	2024
<b>Consumer Demand</b>	\$739.6 m	\$788.3 m	\$2.39 b	\$3.5 b	\$3.13 b	\$4.28 b
<b>Retail Sales</b>	\$296.9 m	\$670.2 m	\$2.97 b	\$3.6 b	\$3.27 b	\$4.27 b
<b>Market Gap</b>	\$442.7 m	\$118.1 m	(\$579 m)	(\$114 m)	(\$136.5 m)	(\$10 m)

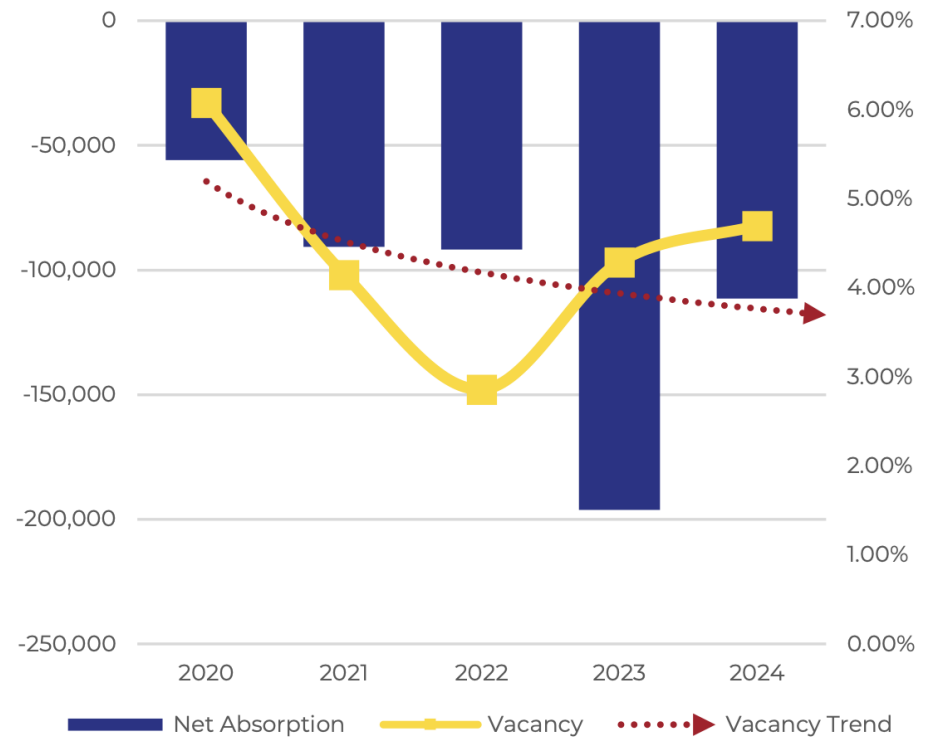
# Market Commercial Reports (Rock Commercial)

## SF LEASED & AVG LEASE RATE



\* SF Leased includes Class A, B & C | Lease rate includes Class A & B only

## NET ABSORPTION & VACANCY





# Strategy One: Traditional Economic Development: Comparisons



Retail Per Capita:	\$20,540	\$47,294	\$33,687	\$35,343	\$27,317
Est. Restaurants DT.	+/-150	+/-150	+/-150	+/-50	+/-50
Office Vacancy Rate:	4.9%*	13.6%*	11.4%*	4.2%*	11.5%
Class A Office Rent.	\$24-\$26	\$24-\$26	\$29-\$31	\$27-\$29	\$27-\$28
Class B Office Rent:	\$16-\$17	\$18-\$19	\$18-\$19	\$20-\$21	\$19-\$20

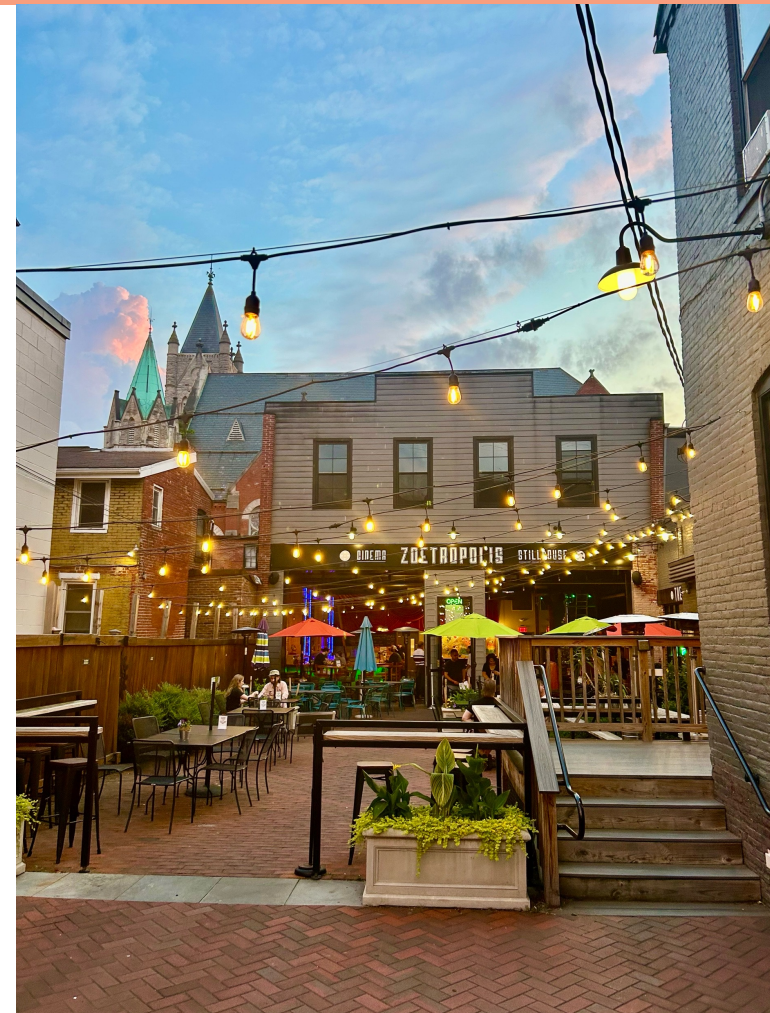
## **Strategy One Traditional Economic Development: What We Heard**

- CRIZ is up and running and generating increasing revenue streams for ongoing support.
- Developers are stepping up to be proactive about attracting and retaining tenants.
- Retail rates have increased but rates are still varied.
- Office workers have not quite returned and rent rates are concerning to some.
- The unhoused population is a concern for businesses and visitors.



## **Strategy One Traditional Economic Development: Takeaways**

- Significant retail development has occurred in and adjacent to the core of Lancaster in the suburban area along Fruitville Pike and Harrisburg Pike.
- Dining cluster is intact and growing (national trends, power of clustering, increasing downtown residential).
- Lancaster’s downtown is cultivating an “experiential retail and dining” destination.
- Opportunity for curated retail along the corridors that caters to neighborhood residents.



## **Strategy One Traditional Economic Development: Trends/Outlook**

- Mid-sized cities like Lancaster are overperforming compared to larger urban markets nearby.
- DC, Baltimore, Philadelphia, Boston, Charlotte, and Atlanta all have office vacancy rates with Charlotte's being the lowest at 15.6% compared to Greenville, SC at 13.6%.
- Lease rates are also consistently lower in the mid sized markets including Lancaster. Philadelphia, for example, has a lease rate of \$41 PSF for Class A space compared to \$20-\$25 PDF for Lancaster.
- The trends point in a positive direction for Lancaster and other mid sized cities.
  - Flight to Quality
  - Economic Inclusivity and Investment
  - Lower Vacancy Rates and Higher Demand
  - Adaptive Reuse and Conversion
  - Financial Stability and Support

## ***Strategy Two Embracing the Collaborative Economy: Observations***

- Remarkable ongoing progress with creative spaces in Lancaster:
  - Southern Market
  - The Candy Factory
  - Lancaster Coworking
  - Warehouse 210
  - Lancaster Art Vault
  - Make 717
  - Aspire Worklabs
  - WestArt
  - ESOArts



## ***Strategy Two* Embracing the Collaborative Economy: What We Heard**

- There is an unmatched “ecosystem” of creative spaces in Lancaster that existed during the 2015 plan and has continued to thrive.
- Active meetings and networking spun out of meetings that happened for the BOS plan in 2015.
- Cultivate Lancaster Entrepreneurship Coalition is a major outcome of the prior plan providing coordination on small business resources.



## ***Strategy Two Embracing the Collaborative Economy: Challenges***

- Access to capital.
- Uncertain data on growth and sustainability with changing climate.
- Rising rental rates placing pressure on start ups.
- Consideration of how these spaces may continue to thrive in the Hub districts as saturation of space occurs in downtown.
- Need to stay on top of trends to make sure these spaces thrive in the future.



## **Strategy Two Embracing the Collaborative Economy: Trends/Outlook**

- Before the pandemic, 4% of jobs in the U.S. were remote. As of 2024, increased to over 15% of total job opportunities ([Global Workplace Analytics](#)).
- By the end of 2024 annual growth rate of about 21.3% for coworking spaces. ([Flexas](#)).
- The number of people using coworking spaces is projected to grow to five million by 2024, an increase of 158% compared to 2020 levels ([Coworking Hub](#)).
- The medical component of coworking or creative spaces and spaces in the HUBS should be the next horizon.



## ***Strategy Three Leveraging the Brand: Observations***

- Lancaster continues to be one of the most iconic brands in the United States.
- The *authenticity* of Lancaster City's brand over delivers compared with all peer communities: mixture, independence, vibrancy.
- Opportunity for more hotels/new formats.
- Opportunity to be more intentional in marketing Lancaster to potential residents and remote workers.



## **Strategy Three Leveraging the Brand: Market Data (Discover Lancaster)**

- Average daily rates, revenue per available room, total revenue are all up year over year in Lancaster County.
- Lancaster County is outperforming or on par at all metrics in comparison with 11 peer markets.
- Trends from Discover Lancaster show further insight:
  - An estimated 9.92 million visitors to Lancaster County who directly spent \$2.58 billion in 2023, representing gains of 1.5% and 4.3%, respectively, over 2022.
  - This visitor spending supported 25,679 county jobs in total, including 16,922 direct industry jobs. These figures both grew by 2-3% last year and keep tourism in the Top 10 largest non-agriculture private sector employers in the county.

# Strategy Three Leveraging the Brand: Comparisons



## Lancaster, PA

•(ADR): \$152

•RevPAR: \$107

•Occupancy Rate:  
70%

•DT Room Count: 800

## Greenville, SC

•(ADR): \$138

•RevPAR: \$93

•Occupancy Rate:  
67%

•DT Room Count: 2100

## Portland, ME

•(ADR): \$174

•RevPAR: \$121

•Occupancy Rate:  
69.5%

•DT Room Count: 1200

## Fredericksburg, VA

•(ADR): \$130

•RevPAR: \$91

•Occupancy Rate:  
70%

•DT Room Count: 220

## Frederick, MD

•(ADR): \$145

•RevPAR: \$103

•Occupancy Rate: 71%

•DT Room Count: 14

## Strategy Three Leveraging the Brand: What We Heard

- Considerable effort to connect the dots between Lancaster County/Amish and the City and its assets through genuine partnerships.
- Current tourism plan underway that will provide geofence data that will be incredibly useful.
- The tourism data speaks for itself in Lancaster – continued increases.
- Attractions center on food, culture, events, entertainment.
- Opportunity for dynamic public spaces and connectivity to the outdoors.



## ***Strategy Three Leveraging the Brand: Challenges***

- Despite ongoing cooperation, still a brand “disconnect” that can happen at times.
- Not enough hotel rooms downtown to provide accommodation during major events at Convention Center.
- Lack of real estate/land for additional accommodations downtown.



## ***Strategy Three Leveraging the Brand: Trends/Outlook***

- **Hotel Market:** Downtown hotels in smaller cities have seen a consistent increase in ADR. These hotels typically enjoy higher occupancy rates due to their proximity to city amenities and business districts. RevPAR for downtown hotels in smaller cities has shown significant resilience and growth. For instance, some downtown hotels report RevPAR figures surpassing those from pre-pandemic levels, underscoring their recovery and demand strength
- **Brand Focus:** Opportunity for specialized sub-brands such as Tribute Portfolio, Curio, Moxy, and Indigo. These brands are tailored to leverage the unique attributes of urban centers, catering to a clientele that values authenticity and localized experiences.
- **Residential Opportunity:** Evidence of continuing remote work opportunities, proximity to major cities, amenity rich community that is walkable and bikeable, dining and shopping, access to Amtrak, and increasing product type provides opportunities to convert visitors into residents.

## ***Strategy Four Quality of Life: Observations***

- The threshold has been crossed in Lancaster with a variety of larger residential projects completed and underway indicative of the market meeting demand (foreshadowed in the prior plan).
- Concentrated effort to address housing cost issues, the unhoused population, and inclusive housing is underway.
- No evidence of poverty being “shifted out” of Lancaster to other places despite anecdotal stories.
- Workforce development and training is an essential part of the conversation.
- New housing pipeline should be celebrated.
- Continued need to develop housing of all types with the tools and streamlined processes to ensure success.



## ***Strategy Four* Quality of Life: Observations**

- 990 residential units completed or under construction 1750 pipelined.
- Strong partnership for housing under the volunteer driven Coalition for Sustainable Housing.
- 2021 Housing Study by EDC Center for Regional Analysis had profound findings on the need for housing and the “mismatch” of supply and demand.
- Strong correlating response from the City of Lancaster with the 2021 Interim Housing Strategy, an important success!
- Important to understand the housing market is not unique to Lancaster.



## Strategy Four Quality of Life: Market Data

### Median Sold Price Compared To Nearby Cities

CITY	APR 2023	APR 2024	CHANGE
Lancaster	\$266.2K	\$310K	<b>+16.4%</b> ↑
East Lampeter Township	\$327.4K	\$357.5K	<b>+9.2%</b> ↑
<u>Lancaster Township</u>	\$284.9K	\$309.2K	<b>+8.5%</b> ↑
<u>Manheim Township</u>	\$352.5K	\$375.5K	<b>+6.5%</b> ↑
West Lampeter Township	\$344.3K	\$360K	<b>+4.5%</b> ↑

\*Rocket

# Strategy Four Quality of Life Challenges: Comparisons



## Housing Affordability Index

### Lancaster, PA

- City: 94
- County: 110

## Median Home Price:

- \$310,000

## Median Rent:

- \$1,475



## Housing Affordability Index

### Greenville, SC

- City: 92
- County: 98

## Median Home Price:

- \$350,000

## Median Rent:

- \$1,410



## Housing Affordability Index

### Portland, ME

- Portland: 89
- County: 95

## Median Home Price:

- \$500,000

## Median Rent:

- \$1,950



## Housing Affordability Index

### Fredericksburg, VA

- City: 95
- Counties: 104

## Median Home Price:

- \$430,000

## Median Rent:

- \$1,800



## Housing Affordability Index

### Frederick, MD

- City: 94
- County: 108

## Median Home Price:

- \$450,000

## Median Rent:

- \$1,900

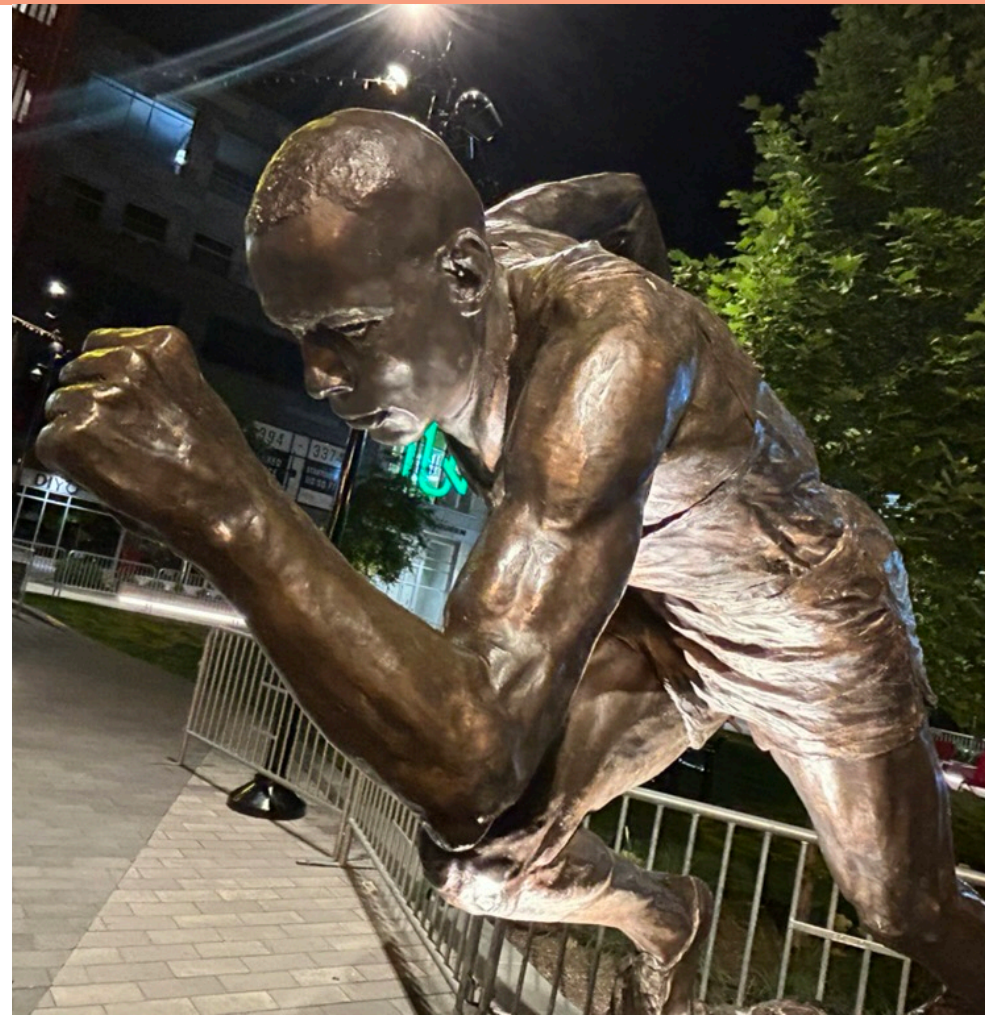
## ***Strategy Four* Quality of Life: What We Heard**

- Anecdotes of the high cost of housing driving people away from the city, displacing long time renters, and flipping houses.
- Concurrently, anecdotes of Lancaster being attractive for residents of larger cities because it is more affordable.
- Concern about market saturation with substantial new product coming online.



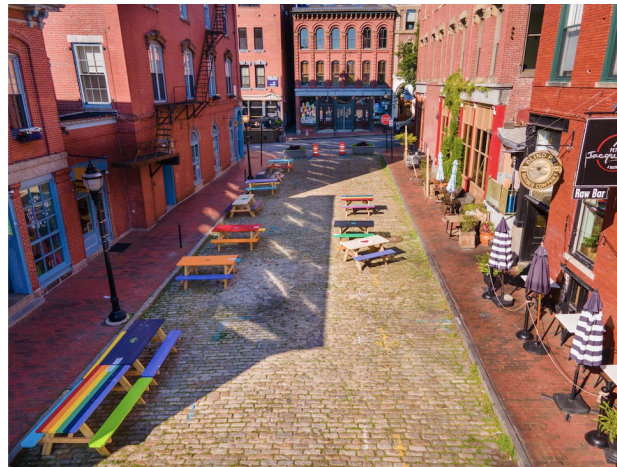
## ***Strategy Four* Quality of Life: Takeaways**

- Unique density makes Lancaster in a class of its own.
- Census Data creates confusing message -- population growth is not the sole end game.
- Some tools in original plan have not been deployed to preserve affordability.
- Need to mitigate risk in developing commercial space in neighborhood hubs.



## Strategy Four Quality of Life: Trends/Outlook

- Significant opportunity for placemaking.
- Creating connections to outdoor recreation and the Conestoga.
- Leverage existing studies for streets to prioritize multi-modal travel (bike/walk vs car focus).



# Examples to Explore



Portland Homeless Services Center



The Bookends Parking Garage



Rappahannock Riverfront Park Fredericksburg

## Call To Action Items

- **Community Land Trust/Land Bank** – To preserve affordability and create community wealth.
- **Focus on Hubs** – Need for broader ecosystem for start up businesses including retail, restaurant, and office.
- **Community Indicators** – Continue to be a leader in data collection and trends, consider a master dashboard.
- **Fine Tuned Marketing** – Not just for visitors but for new and existing residents.
- **Open Spaces/Vibrancy** – Include efforts for connection to green spaces and linkages not evident in prior BOS plan including connection to the Conestoga.
- **Explore Long Term Reuse of Monolith Sites** – Continue to renovate vacant spaces but explore large sites (structured parking) for ongoing dense mixed-use development.
- **Celebrate Successes** – You are in “rarified air” and when you feel challenged don’t forget that you are the *exceptional* city.
- **Continue to Be Bold** – Continue to be bold in new goals and outcomes!



THANK YOU!

Prepared by

