THIRD QUARTER 2015

HARRISBURG COMMERCIAL

real estate REVIEW

NAI CIR

A PUBLICATION OF THE BILL GLADSTONE GROUP OF NAI CIR

Bringing Your Work to Life

BILL GLADSTONE, CCIM, SIOR

Regardless of the nature of your business, you have competition. In some arenas like real estate, law, and accounting you may have much more competition than in other areas of endeavor. So how do you make your name and your performance more memorable than your competition? How do you get your phone to ring so you get more than your fair share of the phone calls from people needing services in your industry? **You brand yourself.**

Branding allows you to take all your expertise and make you more noticeable to your clients and your customers. Anybody can do this by binding all of your own experiences together in a manner that makes you more memorable for your services. It is just a matter of having the desire and the passion to absorb the cost on the front end for the benefit later on. In some industries that are much more regulated (financial advisors for example), it is more difficult to accomplish than if you are in real estate. We are not as heavily regulated and are able to make changes and use promotions that would not be acceptable in other various industries. We have our personalized bobblehead, branded t-shirts, signature notepads, pens, water bottles, coffee mugs, quarterly magazine, monthly newsletter, website, and social media outlets. Our display banner is used when we sponsor events or are featured at speaking engagements. However, I am still of the mind set there is much more that we can do.

As you look at the items listed above, I am sure there are arenas in which you can participate especially in a digital format (website or social media) that could be acceptable to your company. As you make yourself more visible than your competition including members within your own company, your endeavors will take on a life of their own.

It is never easy (the easy deals are all gone), but it can be done. You just have to want it bad enough to make it work for you. In our case we researched and found a branding specialist. Someone who could take all the parts as I described above and put them into a recognizable format which makes us more noticeable now than we were before, helping us pop out of the background better, and is capable of taking us to the next level as a better known brand in South Central PA- the Bill Gladstone Group. Our thought with the branding program is that it would help us to obtain more than our fair share of the deals going through the market by enabling us to rely heavily on referrals and repeat business.
It will ensure our success for years to come.

If starting or improving your branding program (even as an individual within a much larger company) has appeal to you and you would like to understand more about it from a program and a cost perspective, please call or send me an email. I would be glad to tell you how it has been going for us as we move through the initial steps of the program. We believe it will ultimately be to our advantage. If you decide to try this, I wish you the best with your format in your effort to stand out from your competition and **bring your work to life!**

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Contact Chuck Bender at (717) 761-5070 or cbender@naicir.com for information on advertising specifications.

Harrisburg Commercial Real Estate Review is produced four times per year by the Bill Gladstone Group of NAI CIR to serve the region's business, commercial and industrial real estate decision makers.

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ON THE COVER:
Bill Gladstone Group of NAI CIR at the Market Street Bridge in Harrisburg's Riverfront Park.

Cover Photo: Joe Cicak

ECONOMY

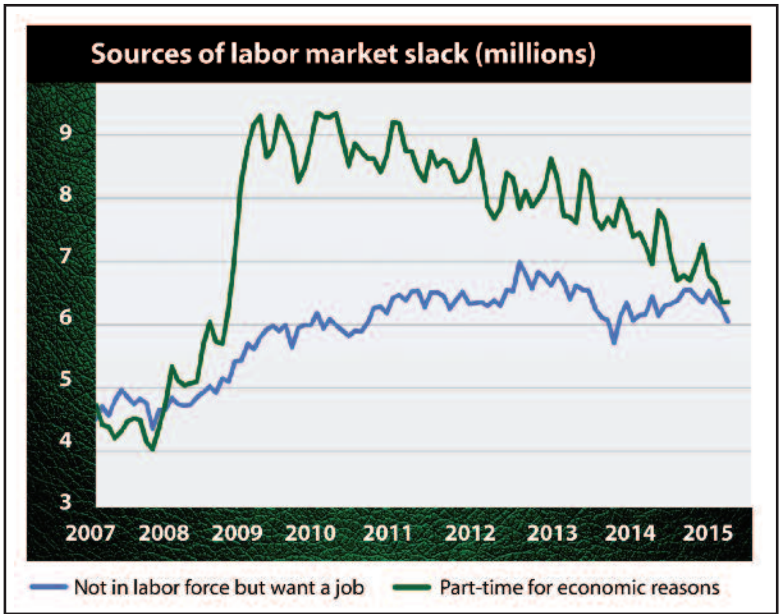
UNZIRPED: The Expected Impact of Rising Interest Rates

Zero interest rate policy (ZIRP) is a monetary policy introduced by the United States Federal Reserve in December 2008 in response to extreme weakness in the economy.

The depth and strength of the recession that ensued after the financial crisis compelled policymakers to push their main lever (that is, short-term interest rates) to its lower bound. When this tactic was deemed insufficient to stimulate the economy, officials subsequently introduced quantitative easing (QE) as a mechanism intended to stave off deflation.

The Great Recession officially ended in March 2009, with generally tepid albeit steady economic growth since then. The third (and presumably final) QE program was tapered to conclusion in late 2014, and the Fed is now anxious to normalize monetary policy by restoring the federal funds rate (rate at which commercial banks lend to each other) to its place as the Fed's primary lever. The unemployment rate has remained well below 6% for an extended period (5.3% at press time), but inflation is stabilizing in the 1.8% range; the slow and steady growth of the past several years has benefited labor markets without stoking other inflationary fires.

Historically, the Fed has encouraged growth by decreasing the federal funds rate, which typically makes it more attractive for agencies, companies, and individuals to spend money on projects and/or consumption, ultimately leading to economic expansion. Conversely, interest rate ***increases*** are the prescribed policy response when economic growth and/or inflation pressures start to overheat, as higher interest rates have a dampening effect on economic activity. The dilemma for Fed officials and the challenge for market participants in 2015 is that the conditions that typically necessitate a tightening of monetary policy do not presently exist. An increase in rates this year will neither happen for the usual reasons nor follow precedent: Gross domestic product (GDP) is presently growing about 2.5%, but the Fed has historically not tightened when that figure was below 4%. Similarly, inflation running below the target policy rate of 2% is a disincentive to raise rates, not a reason to lift.



We expect the large number of available workers to keep wages from rising too quickly. The combined number of people who are not in the labor force but want a job and those who are only able to get part-time work stood at 12.4 million in May 2015. That is 3 million higher then in mid-2007

Figure 1 Source: Bureau of Labor Statistics

IS THE DOMESTIC ECONOMY READY FOR HIGHER INTEREST RATES?

Typically, the Fed raises rates shortly after the end of a recession. But here we are, six years on. The only fundamental factor that points to the need for rate liftoff is the unemployment rate, but other weaknesses persist. Capacity utilization in the manufacturing sector is running at 77%, about 1.5% below its long-term average and well below the mid-80% range officials consider to be too tight. Industrial production has been softening in recent months and inflation-adjusted wages were stagnant or slightly negative from 2007 to 2014. Only recently have wage gains started to tick upward (2% year-over-year average hourly earnings growth as of June 2015). Given Chair Yellen's oft-stated emphasis on the importance of labor market dynamics in the economy, prolonged weakness in real wage growth is almost certain to give the Fed's governing committee pause. Part-time employment, while improving of late, is still well above historical norms (see Figure 1). Many more workers are in part-time jobs than before the recession, and older people are working longer, even in retirement. This translates into fewer full-time opportunities for younger workers seeking to start their careers. Much job growth from 2010 to mid-2014 came from the domestic energy sector's fracking to free up natural gas, but the recent decline in energy prices has reversed that trend.

BY SCOTT D. EHRIG, CIMA®, CFP®

CAUSE FOR CONCERN?

Juxtaposed against lukewarm economic data is the messaging from the Fed itself: For several months now, policymakers — in an effort to be as transparent as possible — have been telegraphing their intentions to raise rates at the appropriate time. Fed meeting minutes are parsed for slight changes in wording, as observers seek to gain insight into the timing and pace of prospective rate increases. Given the increased likelihood of interest rate liftoff despite the lack of vigor in the domestic economy, should market participants be worried?

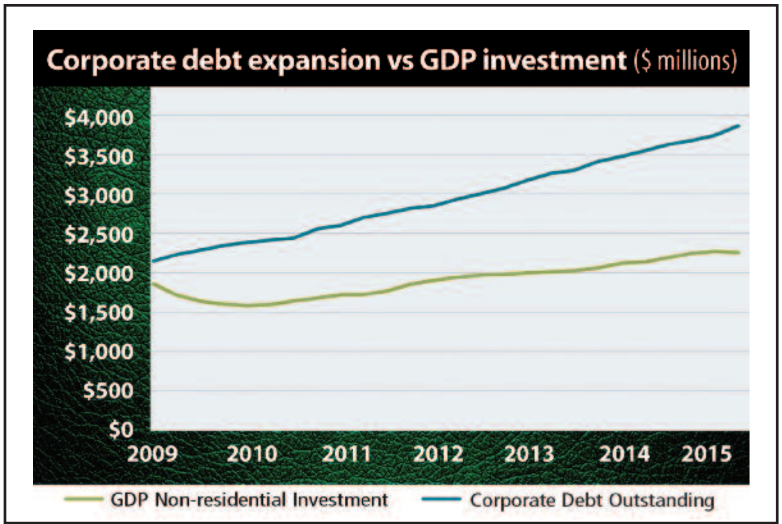


Figure 2 Source: Barclays and Bloomberg

The rationale for policymakers' urge to raise rates against the current backdrop is based more on principle than data. The act that ZIRP has been in place for such an extended period of time is giving officials ever-greater anxiety, as the seeds of market bubbles and speculative behavior are often planted amid persistent distortions like exceedingly accommodative monetary policy. The Fed wants to manufacture some "dry powder" to deal with future episodes of economic weakness, and so must restore the efficacy of its most important tool. By preemptively starting to raise rates now, officials put the ability to ease sometime in the future back on the table as a legitimate policy option. Further, positive yields on money market funds and bank deposits would increase incomes for savers, potentially providing some stimulus.

Businesses should be wary but not overly concerned, and their investment positioning is such that they are aiming to avert any challenges and capitalize on market opportunities. Plenty is at stake: For investors, there is direct risk to nearly all fixed rate bonds and indirect risk to an aging (six-plus years) stock bull market, and for borrowers and other market participants, there is the prospect of less attractive financing terms in the (presumed) late innings of the business cycle. The stock market in particular has been elevated as a result of the Fed's monetary engineering, as fundamental drivers of economic growth like productivity gains and employment have been lackluster. Stock prices have been pushed higher by the Fed's actions to make other asset classes relatively unattractive; investors simply had no place else to go if they wanted to outpace inflation. And corporations responded by borrowing heavily at low rates; we believe those proceeds went mainly toward retirement of more expensive debt and share buybacks, as actual investment spending certainly lagged the expansion of corporate debt. (see Figure 2).

Despite the clear link between Fed support and market gains, the presumed tightening of monetary policy can be absorbed by the markets, based on the following:

1. The Fed has clearly signaled that even if rates do move up, it will remain accommodative by historical standards for an extended period of time.
2. Central bank officials took note of the market's 2013 "taper tantrum" response to mere suggestions of QE reduction, and seem determined to avoid a similar negative surprise.
3. Economic growth and earnings growth should remain supportive for some time.
4. Current market valuations seem rational by historical standards.

In addition to the financial markets, other participants have reasons not to fear potentially rising rates. Although borrowers will feel some pain, the Fed may not be able to raise rates much at all. Weakness in Europe, with very low interest rates on German bonds and significant QE activity on the part of the European Central Bank, makes it difficult for the Fed to go it alone. With a generally weak global economy and low inflation all around, decoupling U.S. monetary policy from the coordinated activities of other central banks is problematic. The dollar has already appreciated substantially against foreign currencies with merely the cessation of QE. Further tightening in the U.S. through interest rate increases could push the dollar even higher, damaging corporate earnings and the economy.

Second, a lift in the Fed funds rate may not translate to notably higher rates at other maturities along the yield curve. Astute observers will remember when short-term rates were increased from 1% in June 2004 to 5.25% in June 2006. Then-Chairman Alan Greenspan famously lamented the muted response of longer-term rates (the "Greenspan conundrum") wherein the 10-year yield only increased about 50 basis points. While there are both contextual similarities and differences between 10 years ago and today, it is not unreasonable to question whether a significant increase in rates at the 10-year section of the curve (where significant mortgage and financing activity occurs) is a foregone conclusion **(see Figure 3)**.

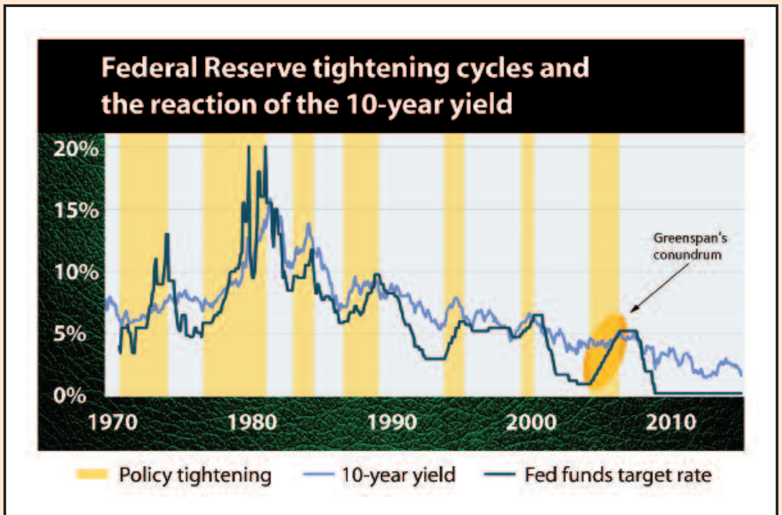


Figure 3 Source: Bloomberg

Also worth noting is that interest rates have been moving higher for three-plus years at several points along the yield curve: The two-year U.S. Treasury (UST) bottomed in September 2011 and its yield has been creeping higher since then. The 10-year UST reached its nadir in July 2012. So changes in Fed policy may result in a more pronounced flattening of the yield curve, rather than uniform increases at all maturities. This implies greater impact on market participants that have financing exposures tied to LIBOR or prime rates, and probably less impact on those whose activities are pegged to longer durations. And interest rate shifts do not necessarily account for lenders' willingness to extend credit. The latest Fed survey (April 2015) of senior bank loan officials continues to point to gradual relaxation of standards for CRE borrowers (nonfarm nonresidential property) and a slight easing of terms on commercial and industrial facilities.

Finally, it is vital to consider this tightening cycle will take place during a protracted and likely contentious presidential campaign. Given the crucial importance of the Fed maintaining an appearance of neutrality and the progressive bias of Chair Yellen, it is expected the Fed will take extra pains to ensure its actions do not damage the economy or surprise market participants as this national debate unfolds. So while it is reasonable to expect elevated volatility in the markets as the Fed shifts policy, interest rate increases are not expected to be particularly dramatic, and they should not seriously impair financial markets or economic activity over the long term.

Scott D. Ehrig, CIMA®, CFP® is the Managing Director, Senior Investment Advisor and Team Leader for Wilmington Trust, N.A. With over 20 years of experience in trust investments and portfolio management, he is responsible for managing teams of investment specialists in the central, northern, and western regions of Pennsylvania. He earned his master's degree in Finance and Economics from the William E. Simon Graduate School of Business at the University of Rochester and undergraduate degree at Virginia Tech. He is a Certified Investment Management Analyst, Certified Financial Planner, and maintains active memberships with the Investment Management Consultants Association, the CFA Institute, the Financial Planning Association, and the Estate Planning Council of Central Pennsylvania. You can reach him at sehrig@wilmingtontrust.com or (717) 255-2321.

Healthier Buildings Positively Impact Employee Productivity

WELLNESS

WE SPEND NEARLY THREE-QUARTERS OF OUR LIFE INDOORS.

For many of us, nearly half of that time is spent at work. This is astounding considering the current conditions of many workplaces. Offices with poor ventilation, no daylight, bad HVAC systems and terrible lighting! A recent study by the World Green Building Council (WGBC) shows that over time, these conditions start to take a serious toll on both our mental and physical health. So what do we do about it? WHAT ARE THE SOLUTIONS?

Let's talk ROI

Your employees are the most expensive "component" within your business. Salaries, healthcare and other benefits add up to 90% of the costs of running a business. That means the cost of the building is only 10% of the cost of operating a business **but** it has the largest opportunity to make a positive impact on the personnel. It's time we begin investing more into the comfort of the workplace and making it healthier for our employees. Studies prove that the healthier and more comfortable that our employees are, the happier and more productive they become.

Costs of ill-health vary by sector and country, and are rarely comparable, but the impact is clear: The annual absenteeism rate in the US is 3% per employee in the private sector, and 4% in the public sector, costing employers $2,074 and $2,502 per employee per year respectively.

BY WILLIAM J. SUTTON II, LEED-AP

Factors to Consider

INDOOR AIR QUALITY:

A comprehensive body of research suggests that better indoor air quality (low concentrations of CO_2 and pollutants and high ventilation rates) can lead to productivity improvements of 8-11%.

THERMAL COMFORT:

Does your space feel hot or cold? Research demonstrates that thermal comfort has a significant impact on workplace satisfaction and modest degrees of personal control over thermal comfort can return single digit improvements in productivity.

LIGHTING AND VIEWS OF NATURE:

Several studies have estimated productivity gains as a result of proximity to windows, with experts now thinking that views from windows are probably the more significant factor, particularly where the view offers a connection to nature.

NOISE AND ACOUSTICS:

Research suggests that being productive in the modern knowledge-based office is practically impossible when noise provides an unwanted distraction. This can be a major cause of dissatisfaction amongst occupants.

INTERIOR LAYOUT:

The interior configuration of an office (including workstation density and configuration of work space, breakout space and social space) impacts concentration, collaboration, confidentiality and creativity.

ACTIVE DESIGN AND EXERCISE:

Health can be improved through exercise, and so active design within a building and access to services and amenities such as gyms, bicycle storage and green space can help to encourage healthier lifestyles of building occupants. Active design can include standing desks, collaborative work spaces, an urban/campus environment (encouraging walkability between buildings) or even strategically locating stairs to encourage their use instead of elevators.

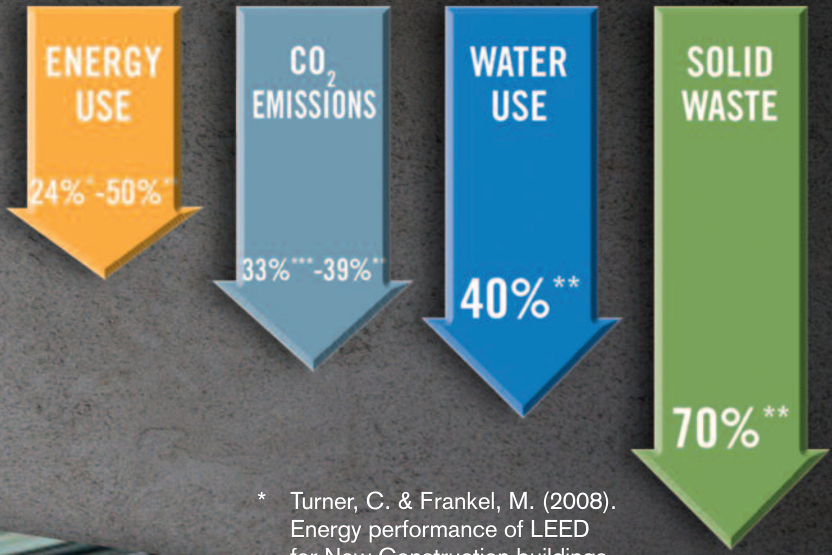
Given this information, the total sum of the opportunity for improved productivity is in the 10-20% range which could prove to have large impacts to your company's bottom line.

Trends in Design

Emerging design trends are increasingly focused on occupant wellness and healthier environments. The Living Building Challenge and the WELL Building Institute are definitely worth looking into if you are planning a new project. Their philosophies push the limits past conventional design and force us to be creative in our approach to our buildings and how we interact with them. Philosophies such as Biophilia (that there is an instinctive bond between human beings and other living systems) are now being used to design spaces and green buildings are being built to regenerate instead of degenerate our resources. The hope is that one day all buildings are healthy, interactive, creative, generative and accessible to all people.

Twelve West Office – Portland, OR

Green Buildings Can Reduce...



* Turner, C. & Frankel, M. (2008). Energy performance of LEED for New Construction buildings. Final report.

** Kats, G. (2003). The Costs and Financial Benefits of Green Building. A Report to California's Sustainable Building Task Force.

*** GSA public Buildings Service (2008). Assessing green building performance. A post occupancy evaluation of 12 GSA buildings.

How to Start...

CONDUCT A WORKPLACE SURVEY

I challenge you to start by creating a simple workplace survey of your employees and get feedback. The survey will allow you to measure what is working well at your business in terms of the building, comfort, workplace habits, expectations and happiness. This survey should be confidential and will serve as a baseline. From here you will be able to target areas that seem to be the largest potential impact for your business and start to slowly make improvements. Like any system or process improvement, you must track the impact, report back to the group and continue to monitor these improvements until you receive the desired outcomes. It may also be helpful for company leadership to reexamine the company's philosophy and goals around employee happiness and productivity.

AREAS OF FOCUS FOR THE SURVEY MAY INCLUDE:

- General information about the employee (age, sex, department, distance from work)
- Impressions of the building/company in general
- The role of sustainability
- Building fabric and systems
- Office Design/Layout
- Location/Amenities
- The workplace and me
- Employee engagement
- Move-in questions after occupancy

FOR MORE RESOURCES, PLEASE VISIT:

World Green Building Council
www.worldgbc.org

Whole Building Design Guide
www.wbdg.org

International Well Building Institute
www.wellcertified.com

Living Building Challenge
www.living-future.org/lbc

Bill Sutton, II, LEED-AP is Project Manager for R. S. Mowery & Sons, Inc. in Mechanicsburg, PA. His passion is green buildings, community development and the integrated design process. He has spent the last 10 years focusing on sustainable building practices across many building platforms in Central Pennsylvania. He has completed more than 20 green building projects ranging from educational solar photovoltaic systems to the first LEED Gold Certified Building in Harrisburg, PA. His approach to construction and sustainability is simple: it is a team effort and requires balance (people, profit, planet). You can reach him at (717) 574-7343 or wsutton@rsmowery.com.

INVESTING IN REITS

WHAT IS A REIT?

A Real Estate Investment Trust, more commonly known as a REIT, is a vehicle that invests in income-producing real estate which benefits from preferential tax treatment, allowing earnings to be passed through to its shareholders without the burden of entity-level income tax. REITs can be publicly traded or non-traded and are categorized into two primary classifications: equity REITs and mortgage REITs. Equity REITs invest in income-producing real estate while mortgage REITs invest in mortgages and debt placed on income-producing real estate. Equity REITs are more prevalent in the United States. REITs invest in a variety of real estate classes such as retail, residential, office, health care, lodging, self-storage, timber, industrial, and infrastructure, and typically earn income through long-term leases, rent, and sales.

Created by an act of Congress in 1960, the REIT structure is intended to provide an investment vehicle that allows ordinary investors access to commercial real estate investments by reducing high barriers to entry, diversifying real estate holdings, and lowering the risk of illiquidity common to commercial real estate investments. Investments in REITs often provide an investor with a relatively dependable dividend, a liquid investment in real estate assets, and the transparency of a publicly traded company. Similar to a mutual fund, REITs serve as a means to diversify investment portfolios. Fifty-five years after the creation of the REIT structure, the equity market capitalization for REITs has grown to almost $1 trillion, and the underlying real estate assets owned by REITs is close to $2 trillion. REIT-owned property can be found in each of the 50 states and the value of the REIT structure in the United States has prompted roughly 30 other countries to adopt a similar model, including the other G-7 countries.

THE INTERNAL REVENUE CODE (THE "CODE") GOVERNS THE ACTIVITIES OF REITS. AMONG OTHER RULES, TO QUALIFY AS A REIT, THE CODE REQUIRES:

- 75% of total assets to be real estate;
- 75% of revenue to be from rents generated by real estate assets, interest on mortgages secured by real estate assets, or the sale of real estate assets;
- a minimum of 100 shareholders, with no more than 50% of shares held by five or fewer shareholders; and
- at least 90% of taxable income paid out as dividends.

REITs receive a dollar-for-dollar reduction of federal income taxes for each dollar paid in dividends and, as a result, most REITs pay out 100% of their taxable income, resulting in no income tax liability for the REIT. Shareholders pay taxes on dividends that are characterized as income at ordinary tax rates; however, often a portion of the dividend received by the shareholder is characterized as a return of capital, creating additional tax benefits for the shareholder.

BY DANIEL HENCH AND KATELYN WATKINS

WHY INVEST IN A REIT?

Investing in a REIT can be an advantageous way to diversify an investment portfolio. REITs provide an investor's portfolio exposure to different classes of real estate, often located in geographically diverse markets with high barriers to entry. When trying to gain exposure to real estate assets, investors are often faced with high barriers to entry, illiquid investments, and difficulty in diversifying their investments without the benefit of the REIT vehicle. REITs provide investors an easy and liquid way to invest in the real estate market while retaining some of the tax advantages afforded to individual real estate investment. Required to distribute at least 90% of their taxable income, REITs often provide a significant return to shareholders in the form of dividends.

In addition to high dividend yields, an investment in the common equity of REITs often provides investors with long-term growth opportunities. Unlike bonds, REITs often perform well as interest rates rise, since rising interest rates often signal a stronger economy, creating higher occupancy rates and higher net operating income. An example of this could be seen during the June 2005 to June 2006 time period when interest rates were climbing. During that period, REITs increased 20% compared to 10-year Treasury yields increasing by 1.36%.

REITs have continued to show strong earnings growth, evidenced by the growth in total dividends distributed by REITs. Equity and mortgage REITs distributed a total of $11.8 billion of dividends in the first quarter of 2015, around 21% higher than the first quarter of 2014. Another way to assess REIT performance is to compare dividend yields of REITs to an index. Equity REITs had a dividend yield of 3.6% through April 2015, while the Standard & Poor 500 (S&P 500) index had a 2% dividend yield. Another comparison shows composite REITs with a five-year gross performance of 17.7% compared to a five-year gross performance of the S&P 500 of 16.5%. The FTSE NAREIT All Equity REIT Index (FTSE NAREIT), a collaboration of the Financial Times, London Stock Exchange, and the National Association of Real Estate Investment Trusts (NAREIT) among others, is a key index in analyzing REIT share performance. When comparing total return percentage change from 2010 to 2014, the FTSE NAREIT had an increase of 69.1%, while the Dow Jones Industrial Average had an increase of 53.9%.

ABOUT THE AUTHORS:

Daniel Hench and Katelyn Watkins are members of the Hersha Hospitality Trust finance and accounting team. Daniel Hench graduated from Elizabethtown College with a bachelor's degree in Business Administration and resides in Harrisburg, PA. Katelyn Watkins graduated from Bloomsburg University with a bachelor's degree in Accounting and resides in Harrisburg, PA. Founded in Harrisburg, PA, Hersha Hospitality Trust is a publicly traded, self-advised real estate investment trust in the hospitality sector which trades on the New York Stock Exchange under the symbol "HT." Hersha Hospitality Trust owns and operates high-quality upscale hotels in urban gateway markets. The company's 52 hotels totaling 8,414 rooms are located in New York, Boston, Philadelphia, Washington, DC, Miami, and select markets on the West Coast.

In 1999, the NAREIT Equity REIT index included 174 companies but no REITs were included in the S&P 500. This compares to 2015 where there are 153 companies in the NAREIT Equity REIT index, of which 24 were also included in the S&P 500. The 174 companies included in the 1999 NAREIT Equity REIT index had an average market cap of $880 million, compared to an average market cap of $5.5 billion for the 153 companies in the 2015 index.

According to NAREIT, total REIT market capitalization was $670 billion and $907 billion at years' end 2013 and 2014, respectively. An important and most commonly accepted operating measure REITs consider is Funds from Operations (FFO). Total FFO for all U.S. equity REITS for 2014 was $45 billion, which is roughly a 50% increase from 2007. Total FFO in the first quarter of 2015 was $11.2 billion, as compared to $10.4 billion in the same quarter of 2014. An additional measure investors would be interested in comparing is the change in dividends paid from one year to the next. All U.S. Equity REITS paid out in total $11.7 billion and $9.7 billion in dividends for Q1 2015 and Q1 2014, respectively.

During 2014, the residential sector had the highest return at 40%, followed by health care at 33% and lodging/resorts at 32%. The retail, industrial/office, and residential sectors comprise of more than 55% of the total market capitalization of all equity REITs. The retail sector alone captures the greatest percentage of market capitalization with approximately 25.5%.

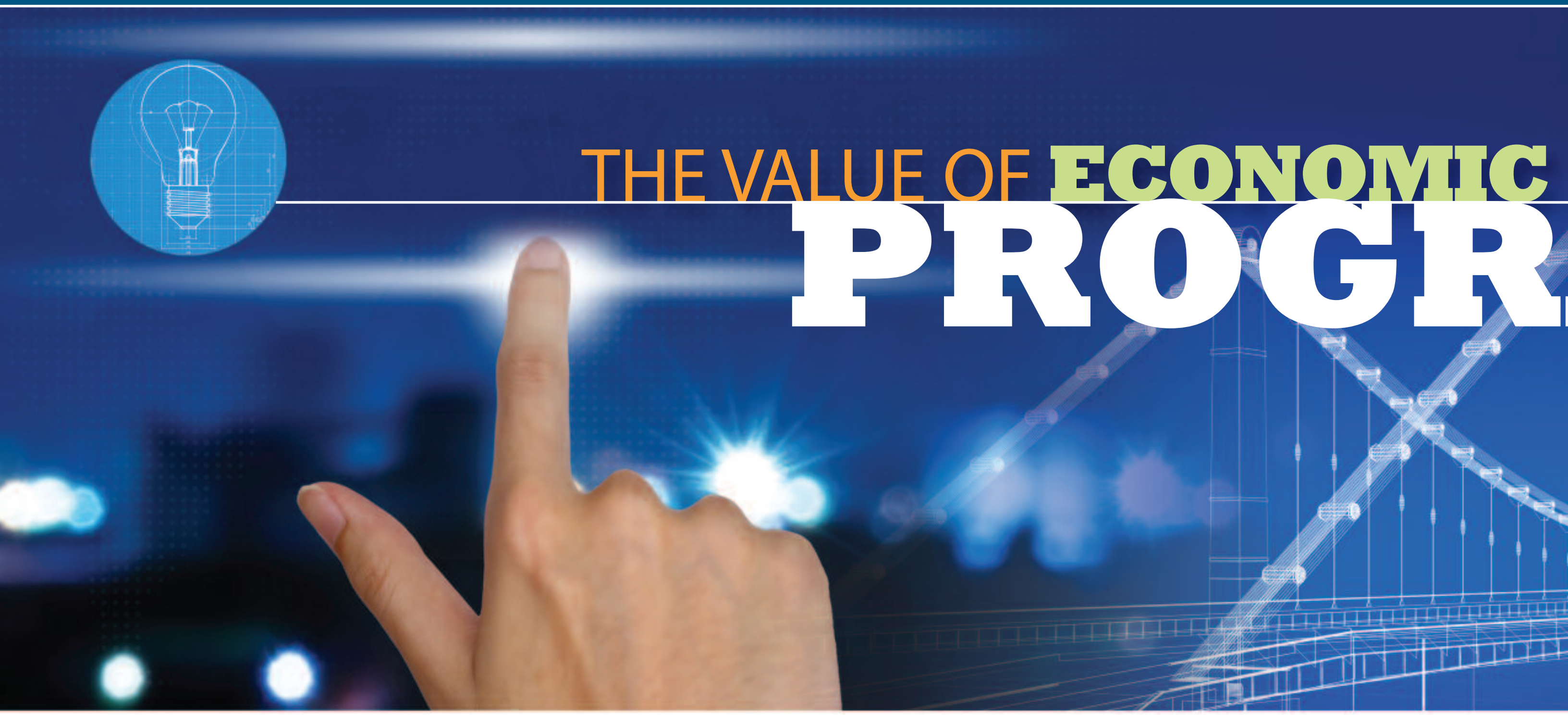
The following chart illustrates the total percentage returns for all 10 sectors from 2012 through 2014, along with the corresponding 2014 market capitalization.

PERFORMANCE BY PROPERTY SECTOR

Sector	Total Return (%)			2014 Market Capitalization ($)
	2012	2013	2014	
Industrial/Office	19.12	5.97	24.26	144,092,141
Retail	26.74	1.86	27.62	222,137,660
Residential	6.94	(5.36)	40.04	113,405,670
Diversified	12.20	4.33	27.18	95,737,916
Lodging/Resorts	12.53	27.18	32.50	55,939,484
Health Care	20.35	(7.06)	33.32	96,619,042
Self-Storage	19.94	9.49	31.44	45,606,335
Timber	37.05	7.86	8.57	31,954,263
Infrastructure	29.91	4.80	20.15	65,787,723
FTSE NAREIT Mortgage REITs	19.89	(1.96)	17.88	60,563,033

REITs are investment instruments that help diversify any investor's portfolio. When deciding to invest in REITs, there are several useful tools available such as the Total REIT Industry Tracker (T-Tracker), which is maintained by NAREIT at REIT.com. REITs are active players in the equity capital markets with 218 offerings of equity securities, including five IPOs in 2014 totaling $63.6 billion of capital raised. In 2014, all listed U.S. Equity and Mortgage REITs paid out 8.1% more dividends, when compared to the same period in 2013, as a result of strong operating fundamentals. Given their history of high dividend yields as well as the potential for long-term capital appreciation, REITs are an important part of an investor's toolkit.

THE VALUE OF ECONOMIC PROGR



Economic development programs and organizations have long played a significant role in the economic stability of Pennsylvania communities.

In fact, Pennsylvania was one of the first states to invest public dollars into private corporations. The National Academy of Public Administration reports that in 1844, the state of Pennsylvania had invested more than $100 million in the operations of private corporations.

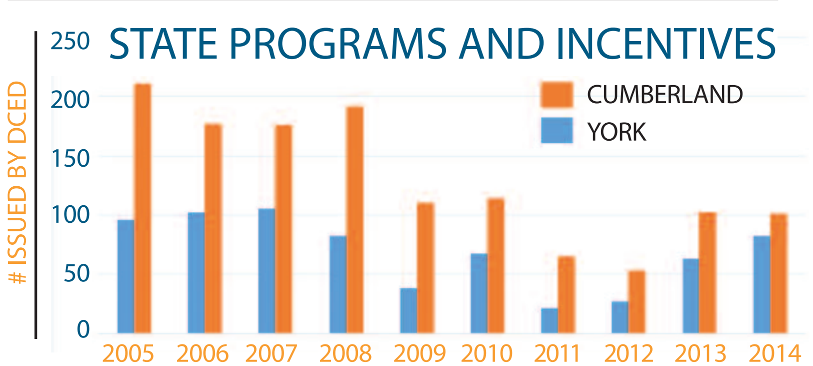
The programs and incentives that existed during the 1800s in Pennsylvania were to lure industrial enterprises into large industrial parks mostly for manufacturing jobs that created sustainable middle class wages. In the early 1900s, the state decided it was best to create private or quasi-governmental agencies to administer local economic development programs.

State and local economic development programs continue to play a significant role in the vitality of our communities.

State Economic Development Projects

The chart below reports the volume of state economic development projects funded in Cumberland and Dauphin counties. These projects include Act 47 programs, Alternative Clean Energy grants and loans, Base Retention and Conversion Grants, Ben Franklin Technology Development Authority Grants, Base Realignment and Closure, Business In Our Sites (BIOS) Grants and Loans, Community Development Block Grant (CDBG), Small Business First (SBF), First Industries, Infrastructure & Facilities Improvement, Keystone Opportunity Zones, Keystone Innovation Zones, Keystone Enterprise Zones, and other Keystone Communities Programs.

Over the last decade, we have seen a decrease in state funding of several of these programs. The lack in economic development funding of programs has largely been attributed to state budget constraints as a result of the loss in state tax revenues and increased expenses to include pension costs. Despite the gloom-and-doom outlook of state finances, the chart below reflects optimism that state programs are becoming more attractive again to businesses and other public sector organizations. Over the 10 years analyzed on the chart below, you can see that 2005 was



DEVELOPMENT AMS

peak volume for both counties. In line with the economic recession, we saw a sharp decline in project funding year over year with a bottom in 2012. In calendar years 2013 and 2014, we witnessed resurgence in projects funded—the direct result of an improved economy and increased funding in state programs.

One of the newer programs established in 2014 was the Multi-Modal Transportation Fund that encourages economic development and ensures that a safe and reliable system of transportation is available. This program was created and funded through the $2.3 billion transportation bill signed by Governor Corbett in 2013.

Act 161 of 2014 consolidated six financing programs in an effort to make additional funds available for six programs that experience higher demand: Pennsylvania Industrial Development Authority (PIDA), Machinery & Equipment Loan Fund (MELF), Small Business First (SBF), Export Financing Program, Community Economic Development (CED), and Pollution Prevention Assistance Account (PPAA). The benefits of this consolidation include making state resources available as a one-stop shop for businesses, providing flexibility and maximum resources, adding working capital lines of credit, and modifying job creation and private match requirements. Eligible businesses for these financing programs include agriculture processors and producers, industrial and manufacturing enterprises, service enterprises, hospitality enterprises, Keystone Innovation Zone companies, research and development enterprises, and developer and construction enterprises. Eligible uses for these programs include land acquisition costs, building costs, working capital lines of credit for operating expenses, machinery and equipment costs, and accounts receivable lines of credit.

The Deal

So when should a program or organization consider a partnership with an economic development organization? The answer is simple: if you have a project and need credit enhancement; additional financing; grants for site preparation, transportation, or utility infrastructure; or incentives to make the economics of the program work. Economic development organizations work with financial institutions through public-private partnerships; the structure varies based on the project. In 2014, the Cumberland Area Economic Development Corporation (CAEDC) was involved in 10 projects that yielded total investment of $160.5 million and created 2,106 jobs. The types of projects included:

- Incentives with projects like Georgia Pacific to locate in Shippensburg (Local Economic Revitalization Tax Abatement estimated at approximately $1.7 million over six years)
- Tax-exempt financing of $10 million for Keystone Human Services
- Infrastructure grants for Rose Business Park and Summerdale for $5.6 million, collectively
- Nature-based grants for rail trail development for Cumberland Valley Rail Trail Council in the amount of $650,000

BY JONATHAN BOWSER

For each financing and grant project, CAEDC has partnered with a local financial institution. With rising utility, water, sewer, and road network infrastructure costs, site preparation and remediation costs, and conservative underwriting from banks and credit unions, our programs help bridge the financing gap. In many cases, our programs launch a project and provide that much-needed capital that otherwise would prevent a project from happening. With most projects, we provide junior (second) lien financing behind a bank or credit union. With grants, we provide funding up to 70% of a project with a 30% private investment match. Here are a few examples of programs we have used:

PROGRAM	USES	TOTAL INVESTMENT	PUBLIC INVESTMENT	PRIVATE INVESTMENT	OWNER EQUITY
SBA 504 Program	Land, Buildings, Machinery & Equipment	$1,000,000	$500,000	$400,000	$100,000
Multi-Modal Transportation Fund	Transportation Improvements	$1,000,000	$700,000	$200,000	$100,000
Cumberland Small Business Fund	Land, Buildings, Machinery & Equipment	$1,000,000	$100,000	$200,000	$100,000

Tax-Exempt Financing

Generally, the savings on a tax-exempt financing is a discounted interest rate of 25-35%, compared to the otherwise applicable taxable commercial rate. Based on current rates, on a $5 million loan, this would produce about $250,000 in net savings in the first five years and, assuming interest rates remain relatively constant over time, approximately $1 million over 20 years (even more savings if interest rates go up over time). Eligible borrowers for tax-exempt financing include manufacturing, industrial, municipalities, 501 (c)(3)s, and assisted living/housing.

Looking Ahead

In recent months, the Governor announced his state budget proposal to the General Assembly. In his proposal, he highlighted funding initiatives for economic development programs. A few highlights from the Governor's 2015/2016 budget include the following:

- Base Realignment and Closure—$775,000 to help prevent base realignment and closure activity by the federal government at installations in the Commonwealth
- Keystone Communities—$15 million increase to foster economic growth in Pennsylvania communities and neighborhoods
- Pennsylvania First–Appropriation increase of $25 million to attract investment and job creation to Pennsylvania
- Marketing for Tourism—Appropriation increase of $2 million to attract tourism to Pennsylvania

Jonathan Bowser is CEO of Cumberland Area Economic Development Corporation (CAEDC). He is responsible for leading the development and execution of CAEDC's long-term strategy with a view to creating shareholder value. In addition, he (along with Executive Team) is responsible for all day-to-day management decisions and for implementing long- and short-term plans for the corporation, which is charged with leveraging and promoting Cumberland County's economic development and tourism assets to drive growth, create jobs, and improve quality of life. He also acts as the direct liaison between CAEDC and the Cumberland County Industrial Development Authority (CCIDA). You can reach him at (717) 240-7181 or jonathan@cumberlandbusiness.com.

Local Programs

As state funding for these programs continues to be a challenge, economic development organizations such as the Cumberland Area Economic Development Corporation and other regional economic development partners throughout southcentral Pennsylvania and the capital region have made more of a concerted effort to create or better utilize local resources to attract, retain, and expand businesses in our communities. Some of those programs include Local Economic Revitalization Tax Abatement (LERTA), Tax Incremental Financing (TIF), county-wide or region-wide revolving loan funds, Small Business Administration 504, and tax-exempt financing.

In comparison to state programs, these local programs provide gap financing for businesses and municipalities on real estate, machinery and equipment, building costs, and working lines of credit. Following one of the worse economic recessions in U.S. history, these state and local economic development programs have played an important role in the recovery of small businesses looking to expand or retain operations as well as for developers and municipalities looking to build or replace infrastructure.

NAI CIR
Bill Gladstone Group
www.billgladstone.com

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WELLNESS SERVICES
Inspiring healthy living
TrueNorthWellness.org

The Bill Gladstone Group of NAI CIR and TrueNorth Wellness Services would like to thank the sponsors below who donated items and services for our Shrek the Musical Jr. event in July. It was hosted at the beautiful venue, The Grace Milliman Pollock Performing Arts Center in Camp Hill, PA. With 150 attendees, it was an exciting event benefiting children with special needs and their families!

Thanks a Million!

gss
METRO BANK
Capital BLUE
ISAAC'S Famous Grilled Sandwiches
THE PENNSYLVANIA BAKERY
STRITES' ORCHARD
Rita's Ice-Custard-Happiness
MY GYM Children's Fitness Center
Jenny's Full Service Salon & Boutique
Friendly's
The Meadows Original Frozen Custard
Classic Drycleaners and Laundromats
CAMP HILL FIRE COMPANY No. 1

Regional Data: OFFICE

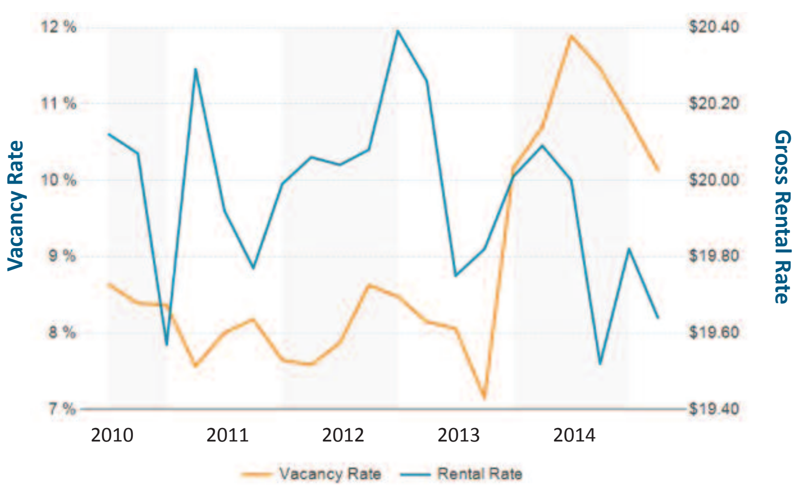
The following data focuses on the Office Market in Dauphin and Cumberland County.

Class A: Vacancy increased during 2014 and has shown a small decrease in 2015, but by less than one percent (1%). Net Absorption was almost negligible but at least it was not negative (30,000 SF) as it was in 2014.

With net absorption minimal it is not surprising that new Class A buildings are not being brought to the market. We do not need new buildings with the current vacancy rate above 11.5%.

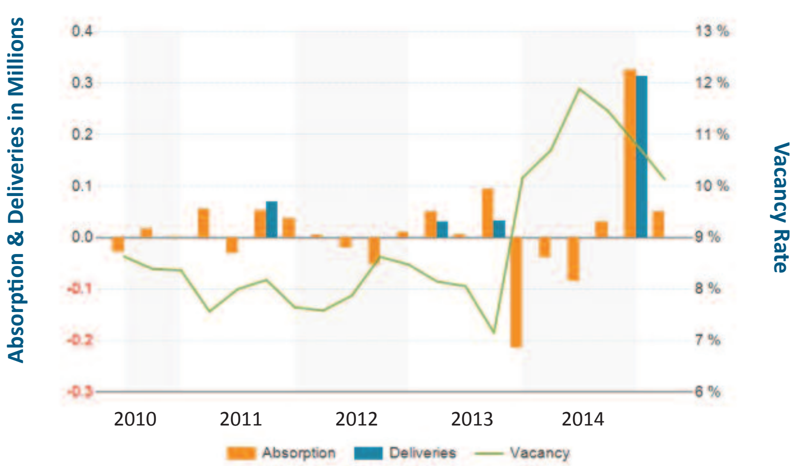
Rental Rates started their upward recovery in the first part of 2015 and have continued but at less than a 1% increase so far, over the 2014 rates, but a change for the positive. As the rates climb, with some lag time included, the vacancy level will continue to shrink.

Class A Office – Vacancy and Rental Rates



AVAILABILITY	CURRENT	5-YEAR AVG
Gross Rent Per SF	$20.28	$19.94
Vacancy Rate	10.1%	8.9%
Vacant SF	747,950	632,687
Availability Rate	14.3%	12.4%
Available SF	1,063,901	898,012
Sublet SF	57,912	95,249
Months on Market	32.7	26.0
DEMAND	**CURRENT**	**5-YEAR AVG**
12 Mo. Absorption SF	326,000	49,745
12 Mo. Leasing SF	204,302	227,902
INVENTORY	**CURRENT**	**5-YEAR AVG**
Existing Buildings	69	67
Existing SF	7,430,737	7,094,668
12 Mo. Const. Starts	0	100,423
Under Construction	32,500	131,774
12 Mo. Deliveries	312,559	118,535
SALES	**PAST YEAR**	**5-YEAR AVG**
Sale Price Per SF	$273	$202
Asking Price Per SF	$166	$166
Sales Volume (Mil.)	$68	$22
Cap Rate	5.0%	6.5%

Class A Office – Absorption, Deliveries, Vacancy



AVAILABILITY	SURVEY	5-YEAR AVG
Gross Rent Per SF	$20.28	$19.94
Vacancy Rate	10.1%	8.9%
Vacant SF	747,950	632,687
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Sales Volume (Mil.)	$68	$22
Cap Rate	5.0%	6.5%

Class B: Vacancy has leveled off in the first part of 2015 and was over 3% less than the Class A vacancy as a whole.

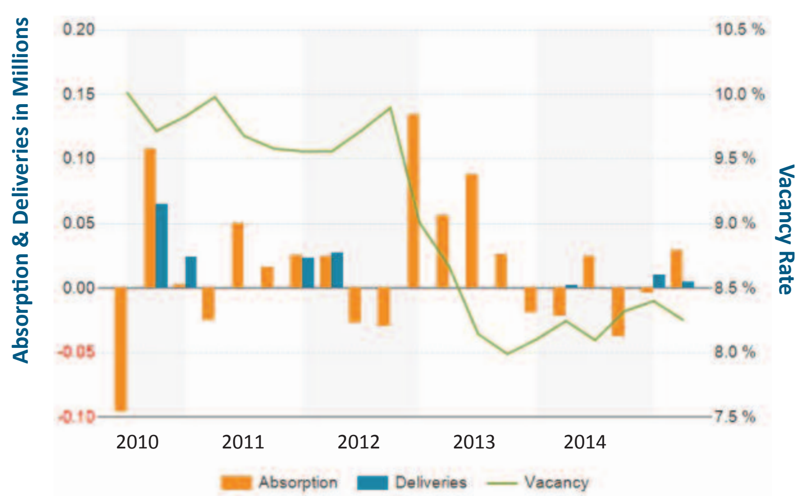
There was a minimal amount of net absorption as some new deliveries, smaller projects for specific tenants, are being brought to the market (approximately 15,000+/- SF).

Rental Rates are about $3+/- per SF less than A space. The rates started to decline in 2014 and early 2015 but less than 1%. The vacancy started to increase almost immediately (with 3-4 months lag time as usual).

Class B Office – Vacancy and Rental Rates

AVAILABILITY	SURVEY	5-YEAR AVG
Gross Rent Per SF	$16.89	$16.73
Vacancy Rate	8.2%	9.0%
Vacant SF	1,383,234	1,500,533
Availability Rate	13.6%	12.6%
Available SF	2,283,836	2,108,302
Sublet SF	45,202	102,998
Months on Market	25.7	21.4
DEMAND	**SURVEY**	**5-YEAR AVG**
12 Mo. Absorption SF	-13,244	70,520
12 Mo. Leasing SF	355,851	392,515
INVENTORY	**SURVEY**	**5-YEAR AVG**
Existing Buildings	645	639
Existing SF	16,770,200	16,720,174
12 Mo. Const. Starts	12,417	15,909
Under Construction	7,590	16,292
12 Mo. Deliveries	14,827	32,971
SALES	**PAST YEAR**	**5-YEAR AVG**
Sale Price Per SF	$124	$108
Asking Price Per SF	$83	$84
Sales Volume (Mil.)	$147	$68
Cap Rate	6.7%	8.0%

Class B Office – Absorption, Deliveries, Vacancy



AVAILABILITY	SURVEY	5-YEAR AVG
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CURRENT LISTINGS

GROW YOUR BUSINESS BY EXPANDING INTO ONE OF THESE LISTINGS FOR COMMERCIAL, INDUSTRIAL, LAND OR OFFICE SPACE.

SALE

3101 N. Front Street, Harrisburg

28,000 SF, well-maintained, 3-story masonry building overlooking the Susquehanna River. Five (5) year lease renewal started January 1, 2014. No deferred maintenance and on-site parking available.

SALE

5620-5630 Derry Street
5650-5670 Lancaster Street, Harrisburg

Portfolio of four properties; three existing buildings and 3 acre vacant parcel. Two buildings are leased to Kaplan Career Institute until 2016. Great upside potential with development of the 3 acre site and leasing of the apartments/dorms (16 units: 8 two-bedroom units, 8 three-bedroom units), 9.16%± CAP rate.

PENDING
SALE

914 S. 13th Street, Harrisburg

Great opportunity to purchase a fully occupied, freestanding building with high exposure to more than 90,000 vehicles daily. The site is 2.440 acres with 28,492 SF available, situated alongside I-83, just north of the South Bridge.

SALE

2701, 2703, 2705, 2707 Horseshoe Pike, Palmyra

10,715 SF available with property consisting of two commercial units (Antique Store and Gun Shop), one apartment (above Gun Shop) and two single-family houses. Available as an investment or redevelopment opportunity at one of South Londonderry Township's busiest intersections.

NEW

York County

York County Liquor License for sale. Liquor License #R19736/LID#57318. **Call for details!**

LEASE

660 Firehouse Road, Grantville

10,000 SF [to-be-built] functionally designed warehouse/shop space. The price is right and the East Hanover Township location is convenient to I-81.

NEW

1635 N. 7th Street, Harrisburg

Over 12,000 SF for sale with a flexible interior configuration. Building is currently being used as a church but space is very versatile and can be changed to fit the needs of a variety of users. Good visibility and quick access to Downtown Harrisburg, I-81 and I-83.

SALE

850 Wesley Drive, Mechanicsburg

4,050 SF Class "B" office building on a 0.96 acre lot for sale. An additional 1.53 acres adjoins the 0.96 acres totaling 2.49 acres for sale. The site is zoned for a variety of retail and commercial uses. Great West Shore location with easy access to Route 15 and PA Turnpike, and minutes from Rossmoyne Business Park.

LEASE

415 Market Street, Harrisburg

7,395 SF available on the first floor in the Harrisburg Transportation Center in Downtown Harrisburg. In walking distance to all the downtown restaurants, amenities, and Riverfront Park.

LEASE

8 Tristan Drive, Dillsburg

1,160 SF (Suite #4) space available in this newly constructed, modern facility. This end-unit has an open floor plan and can easily be modified for a commercial, retail or office user. There is easy access and exposure to Route 15.

322 South Front Street, Harrisburg

8,000 SF beautiful historic schoolhouse turned successful furrier business available in high visibility location. Real estate only. 2,000 SF of space on the first floor now available for lease featuring new hardwood floors, fresh paint, high ceilings, and private parking area.

6520 Carlisle Pike, Mechanicsburg

6,500 SF well-known restaurant/diner available in prime location. Furniture, fixtures, and equipment can be purchased separately. Don't miss this opportunity to run a successful business!

1319 E. Chocolate Ave, Hershey

Great opportunity to purchase or lease a single-story, 2,050+/- SF retail property located in Hershey, PA. The building sits on a 0.30+/- parcel along highly traveled E. Chocolate Avenue with good parking, visibility and signage.

3460 Paxton Street, Harrisburg

12,640 SF Former Planet Fitness located on heavily traveled Paxton Street, directly across from the Harrisburg Mall. Don't miss this opportunity to own or lease this prime real estate.

5660-5670 Lancaster Street, Harrisburg

5,220 SF available. Lower level space in a three-story building used for dormitories to Kaplan Career Institute. The space is self-contained with its own exclusive entrance.

2500 North 3rd Street, Harrisburg

This beautiful synagogue has been a Harrisburg landmark for many years. Special features include over 19,000 SF of usable space, a large sanctuary and social hall with two fully equipped kitchens and a host of various smaller rooms. This corner property is well-maintained and in good condition.

COMMERCIAL LISTINGS

PENDING SALE

1111 Gap View Road, Dauphin

10,500+/- SF flex space now available for sale. The property is large, clean and very functional for a variety of uses. Sale of the property includes 8+/- acre fully fenced in yard and three adjacent lots.

SOLD

1650 Walnut Street, Harrisburg

7,140 SF well positioned building with a large gated parking lot. Close to the major Harrisburg roadways and can easily serve both the West and East Shore.

INDUSTRIAL LISTINGS

SALE

6 Pine Hill Drive, Carlisle

83,544 SF large, clean warehouse facility built in 1996 and recently expanded. Location is ideal off the Miracle Mile at I-81 and the PA Turnpike (I-76) in Carlisle. Approximately 8,900 SF of finished office space and 74,644 SF of warehouse space.

LEASE

151 Allendale Road, Mechanicsburg

70,710 SF functional warehouse, with 1,000 SF being office, available in convenient West Shore location. Includes six docks: 8′ x 8′. Easily accessible from Route 15, Route 581 and I-81.

SALE/LEASE

101 S. 17th Street, Harrisburg

20,611 SF functional, clean and inexpensive warehouse or can be an alternative use – grocery store or variety shop. Space just off I-83. 4 dock doors and 1 drive-in. Fully fenced yard. Across from the new Hamilton Health Center.

LEASE

1779 W. Trindle Road, Building 100, Carlisle

2,000 – 3,465 SF office and warehouse space available. Landlord will divide to suit tenant requirements. Easy access to I-81 and the rapidly growing Carlisle area. Adjacent to Target anchored Carlisle Crossing Shopping Center. Truck parking is also available.

LEASE

651 Alricks Street, Harrisburg

20,000 SF well-maintained freestanding warehouse along the 6th Street industrial corridor. Convenient access to I-81, Route 22/322 and the City. Additional land across the street is also available for sale all as one parcel including the street between them.

LEASE

2408 Park Drive (lower level), Harrisburg

1,300 – 4,990 SF available in this flex space for a company in need of a storage or shipping area. It features a dock door, a potential drive-in and is open, clean and competitively priced. The park is situated right off Progress Avenue at the I-81 interchange with amenities in close vicinity.

SALE/LEASE

2969 N. 7th Street, Harrisburg

85,000 SF of clean and functional industrial space. Features eight 8' x 8' dock doors and one 18' x 15' drive-in. Excellent for assembly or light industrial uses.

LEASE

144 Reno Street, New Cumberland

8,900 SF space is ideal for any kind of light manufacturing or distribution need. 3,200+/- SF office area in the front, extra storage area on the second floor and a large warehouse space (5,700+/- SF) in the back. Offers quick access to I-83 and the PA Turnpike (I-76). Property can be leased with 148 Reno Street (for an additional cost).

SALE

700 S. Baltimore Street, Dillsburg

5.23 – 57.5 Acres available made up of three parcels with great topography and accessibility from Baltimore Street (Route 74). Only moments from Route 15, a truly unique opportunity with a great country setting for a residential neighborhood. Properties can be sold together or individually.

SALE/LEASE

7700 Derry Street, Lot #8, Harrisburg

2.3 Acres available at high traffic area at a signalized corner, adjacent to new Rutter's Farm Store, Members 1st Credit Union and Susquehanna Bank branches. Surrounding area is densely populated with residential, business and office parks, and other commercial/retail businesses.

SALE

Allentown Boulevard, Harrisburg

17+ Acres available for sale along busy Allentown Boulevard with over 2,200' of frontage. Zoned Commercial Highway (CH) with multiple uses being possible. **Price reduced!**

SALE

1175 Walnut Bottom Road (Lots 2 and 3), Carlisle

1.74 – 4.07 Acres available in this commercial cul-de-sac off heavily traveled Walnut Bottom Road. Sites have utilities and are accessed by a signal at the intersection. Ideal location for an office or medical user.

SALE

5148 E. Trindle Road, Mechanicsburg

Vacant commercial land located along Trindle Road in Mechanicsburg. Heavily traveled secondary corridor with good surrounding demographics and commercial development.

SALE/LEASE

6325 Chelton Avenue, Harrisburg

3.75 Acres of office land sites with potential signage exposure to over 57,000 cars daily on I-81. Less than one mile from Route 22 and I-81. Can be subdivided to 1.0+ acre lots. **Price reduced!**

SALE

7700 Derry Street, Lots #4-8, Harrisburg

10.19 Acres available! Take advantage of current interest rates and join in on the expansion of this prime location between Hershey and Harrisburg. You can design your next space from the ground up. Easily accessible to US Route 322 and all of the Central PA highway network.

PENDING SALE

Linglestown Road, Harrisburg

9.48 Acres available in one of Linglestown Road's last remaining commercial parcels. Very desirable location in Lower Paxton Township among numerous restaurants, offices, and business services.

SALE

Waterford Square, Carlisle Pike (Route 11), Mechanicsburg

Over 16 acres remain in the park, with over 8 acres having frontage along Carlisle Pike. Waterford Square offers excellent access to major transportation routes. All lots in the park are serviced with underground power, water, gas, sewage and telecommunications.

PENDING SALE

Lockwillow Avenue, Chiara Drive and Jaycee Avenue, Harrisburg

3.68 Acres available in one of the last developable tracks. Highly popular and targeted area of Route 22. The five parcels are zoned Commercial General. Call for additional details!

NEW

Lancer Street, Harrisburg

Over 7.5 acres of semi-wooded, multi-family ground for sale in well-established, multi-family community. Excellent proximity to all services, shopping, transportation and more. Perfect for townhome development (approved for 37 units).

NEW

I-81 and W. Trindle Road, Carlisle

Two parcels for sale along W. Trindle Road. Great location directly off I-81. Call for details!

SALE

Clover Hill Business Park
Allentown Blvd. and N. Hershey Road, Harrisburg

1.35 Acres (1 lot) remains in this 44-acre park. Excellent location between Hershey and Harrisburg with quick access to I-81, Route 22, Route 39, Route 322, and I-83. Rapid growth is bringing over 1,500 new homes within five miles of this site over the next several years.

SALE

850 Wesley Drive, Mechanicsburg

4,050 SF Class "B" office building on a 0.96 acre lot for sale. An additional 1.53 acres adjoins the 0.96 acres totaling 2.49 acres for sale. The site is zoned for a variety of retail and commercial uses.

SALE

Route 114 & Gettysburg Pike (NEC), Mechanicsburg

2.140 – 2.970 Acres available in this high-profile corner lot. Located at signalized intersection situated off the PA Route 114/US Route 15 interchange. Area is populated with affluent, upper middle class neighborhoods and is continuing to expand.

SALE

Route 114 & Gettysburg Pike (NWC), Mechanicsburg

3.340 – 7.120 Acres available. Located directly across from Mechanicsburg Middle School and situated just off the PA Route 114/US Route 15 interchange. Area is populated with affluent, upper middle class neighborhoods and is continuing to expand.

SALE

Lena Drive, Lot 15, Mechanicsburg

Great opportunity to design your own office building on a prestigiously situated office lot in the Westport Business Center. With 6.92 acres available, this lot overlooks Route 15, Camp Hill and Mechanicsburg and is convenient to a full interchange of Route 15 and the PA Turnpike (I-76).

SALE

Route 441, SWC and Orchard Drive, Harrisburg

8.34 Acres available with controlled intersection and utilities on-site. Ideal opportunity for a church relocation or home business on this vacant parcel. Close to the Harrisburg Mall, TecPort Business Campus and great access to Route 283, I-83 and the PA Turnpike (I-76).

Bent Creek Boulevard, Mechanicsburg

Highly visible corner at the entrance of one of the West Shore's most prominent business parks. The two lots can be sold separately or as the entire 4.44+/- acres. Being at a corner with a traffic light and within close proximity to the Wal-Mart and Giant shopping centers, this tract offers a great location for a variety of retail/commercial uses. **Price reduced!**

330 South Third Street, Lemoyne

Development opportunity, 8.5 acres. High profile retail site or medical complex along I-83; just over the I-83 bridge in Lemoyne. Great visibility for a retail center or a medical complex. Easy access from all road networks in this area.

E. Cumberland Street (Route 422), Lebanon

2.2 Acres available at Route 422 and Narrows Drive intersection. Storm water management plan and driveway permits approved by Township. Level topography; Holiday Inn Express hotel adjacent.

730 Limekiln Road, New Cumberland

Over eight acres of land available within a 1/4 mile of the Limekiln Road exit off I-83. Good for a variety of commercial uses. Some visibility to travelers going eastbound on the PA Turnpike.

7940 Grayson Road, Harrisburg (Rear lot)

Approximately 1.6 acres available for sale with quick access to Route 322 (Paxton Street). This property is perfect for your storage or parking needs. Zoning is Limited Manufacturing District. Call for additional details!

Eisenhower Boulevard, Harrisburg

Nice 10-acre site on Eisenhower Boulevard with easy access to Route 283, I-83 and PA Turnpike (I-76). This site is surrounded by commercial, retail and industrial development and the Commercial General zoning permits virtually any of these like uses for future development. **New pricing!**

SALE

3029 N. Front Street, Harrisburg

4,744 SF three-story office building with lovely character and amazing river views. The property has been well-maintained over the years and was fully renovated in 2008. It is obvious that great attention to detail was made to modernize the property while keeping the early 1900's feel.

LEASE

2090 Linglestown Road, Harrisburg

2,904 SF available in Class A building located in populated business area with easy access to Front Street and I-81, Route 322, and I-83. Office space has been finished nicely and comes competitively priced. Large open areas for cubicles.

LEASE

2090 Linglestown Road, Suite 104, Harrisburg (Sublease)

820 – 3,050 SF available in Suite 104 in Class A building. Located in a populated business area with easy access to Front Street, I-81, I-83 and Route 322, this professional office space is competitively priced and ready for a new lessee.

PENDING

SALE/LEASE

4705 E Trindle Road, Mechanicsburg

Brand new space available along heavily traveled and highly desirable Trindle Road location. The 3,300 +/- square foot, single-story office space has been recently renovated and well maintained by the Owner. Good parking ratio, visibility and open layout.

LEASE

156 Cumberland Parkway, Mechanicsburg

3,103 SF available in Suite 100. High-profile building offers quick access to Route 15 and PA Turnpike, plus great amenities. Over 200' frontage on Cumberland Parkway. It is hereby disclosed that a partner in the ownership of this property is a licensed real estate salesperson in the Commonwealth of Pennsylvania.

LEASE

5275 E. Trindle Road, Mechanicsburg

Updated and open, this corner office suite, 7,018 SF, offers functionality, style and usability. The many private offices and large conference room(s) lining the perimeter all have great views out the oversized windows. This professional office space features glass doors, executive sized offices, and two entrances.

LEASE

30 North Third Street, Harrisburg

1,869 – 20,112 SF contiguous available in Class A office building. Skywalk to Strawberry Square, Harrisburg Hilton and connected parking garage directly across from the Capitol Complex. Great window lines.

LEASE

4661 Trindle Road, Camp Hill

Exclusive, first-floor professional or medical suite now available in this red brick, window-lined, Class 'A' building. The 1,760+/- square foot suite features upgraded finishes throughout and is in a prime location with easy access to the East Shore, I-81, I-83 and the PA Turnpike. **Price reduced!**

SALE

1707 S. Cameron Street, Harrisburg

17,396 SF property with 6,500 SF office and an adjoining warehouse and two additional storage garages on-site. The office space and storage garages will be vacated by the current occupant; the main warehouse is leased by a strong credit tenant until September 30, 2015, providing income to the buyer.

SALE/LEASE

1711 N. Front Street, Harrisburg

8,620 SF office building along highly desirable North Front Street. Large front windows allow for plenty of natural light and beautiful views of the Susquehanna River. On-site parking and quick access to I-81, I-83 and the West Shore. **Call about new lower rental rate!**

LEASE

4386 Sturbridge Drive, Harrisburg

1,600 – 7,000 SF available – can be subdivided. Newly constructed class A office space for medical or professional use. Space is in shell condition, ready to accept a build-out designed to suit tenant. Located in Sturbridge Business Park along Linglestown Road (Route 39) with close access to lodging, Super Giant store, eateries, gas, banking, and all major transportation corridors.

LEASE

415 Market Street, Harrisburg

Suites ranging from 500 – 2,738 SF on the second and third floors. Located in Enterprise Zone; permits professional offices, personal services and other common office use. In walking distance to all the downtown restaurants, amenities, and Riverfront Park. ***50% Off Base Rent For First Lease Year.**

OFFICE LISTINGS

LEASE

148 Reno Street, New Cumberland

4,741 SF flex space featuring a clean, open floor plan with multiple offices, good storage and a dock. Offers quick access to I-83 and the PA Turnpike (I-76). Property can be leased with 144 Reno Street (for an additional cost).

SOLD

36 S. River Street, Halifax

Freestanding, 4,080 SF brick building located off Peters Mountain Road. The 2,040+/- SF of turnkey medical space on the first floor is perfectly suited for an owner/user of a small medical practice or office use. There is an additional 2,040+/- SF in the lower level that is currently leased month-to-month. **Call about new lower price!**

LEASE

2505 North Front Street, Harrisburg

Great opportunity to lease a full floor (4,500 SF) in a professional office building on Front Street in Harrisburg. The building has attractive window lines and splendid views of the Susquehanna River. There is also a shower on this floor for the exclusive use of the tenant if they choose to walk along Riverfront Park.

LEASE

800 N. 3rd Street, Harrisburg

Prominent downtown office building across from the State Museum. One block from the Capitol Complex; perfect location for attorneys and associations. On-site parking and many other amenities are available to tenants. Suites range from 760 SF to 1,075 SF. **Price reduced!**

LEASE

1801 Oberlin Road, Middletown

200 – 5,074 SF available in this unique, charming 40,000 SF, three-story stone structure with tenants. Convenient access to Harrisburg, Lancaster, and Harrisburg International Airport.

LEASED

801 E. Park Drive, Harrisburg

1,000 – 1,440 SF available in recently renovated building. Good parking ratio and easily accessible from I-83/Union Deposit interchange. Zoning is Business Campus; permits Professional and Medical Office uses.

2604 N. 2nd Street, Harrisburg

800 SF second floor suite ready for tenant to lease. New carpets and fresh paint at affordable rental rate. Features large reception/waiting area, three private offices, a full kitchen with eating area, a full bathroom with washer and dryer, and on-site storage. Enjoy beautiful river views from the balcony.

895 S. Arlington Avenue, Harrisburg

4,200 SF attractive office available in prestigious professional center. Currently built for medical use, but could easily be retro-fitted for any professional office user. Conveniently located to the Pinnacle Health Community General Osteopathic Hospital. Easily accessible to I-83, I-81 and the PA Turnpike.
Price reduced!

3552 Old Gettysburg Road, Camp Hill

2,150 – 2,208 SF available in this beautifully renovated building. Quick connections to Route 15 and Route 581 make this site attractive for many users. The large panoramic window lines make it appealing for the tenants and eye catching to customers and passing traffic.

774 Limekiln Road, New Cumberland

7,481 – 25,942 SF available in this beautiful, large office building located just minutes off I-83 and I-76 (PA Turnpike). The functional layout offers the ability for a single user, or multiple users. Completely renovated in 2006, the property boasts high-end finishes, large windows and an open floorplan.

LEASE

3601 N. Progress Avenue, Harrisburg

Prominent, two-story office building with Progress Avenue frontage is now offering medical/professional office space for lease. Lobby and common areas in the building have recently been renovated. The 1,375 SF suite features five private offices/exam rooms, a large reception/waiting and check-in area, a private bathroom and incredible views.

LEASE

1779 W. Trindle Road, Building 200, Carlisle

1,000 – 3,218 SF office/retail space along busy Trindle Road. This property offers great visibility. Landlord will divide to suit tenant requirements. Easy access to I-81 and the rapidly growing Carlisle area. Located across from the Sheetz convenience store and adjacent to Target anchored Carlisle Crossing Shopping Center.

LEASE

130 State Street, Harrisburg

955 SF available on the third floor. Located in the CBD along State Street leading to the steps of the Capitol Complex. Ideal for lobbyists, attorneys or other professionals who visit the City frequently. Turn-key condition and offered at a competitive full-service rate.

LEASE

208 N. Third Street, Harrisburg

250 – 4,371 SF turn-key suites available in prime CBD location. This historic building faces the Capitol Complex with the largest expanse of glass window lines in a privately owned building overlooking the Capitol. Multiple parking garages available within 1 block.

NEW

30 E. Shady Lane, Enola

2,400 SF of medical or professional office space now available for lease. Five exam rooms, two private offices, lab area, break room, and large waiting/reception area. Plenty of windows allow for abundance of natural light. There is a generous parking area and quick access to Route 11/15.

LEASE

1335 N. Front Street, Harrisburg

2,000 SF functional first floor office space includes four offices, a work room, reception area, kitchen, and two bathrooms. Grand windows overlook beautiful Susquehanna River in Downtown Harrisburg. Good on-site parking with 8 spaces for first floor tenant. Conveniently located minutes from I-81 and I-83. **Price reduced!**

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or land property in the Greater Harrisburg Area,
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Let them be your first step in finding a solution
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