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HARRISBURG COMMERCIAL

real estate REPORT

Raising the Bar on Sustainability

Incorporate an ecofriendly landscape to increase your bottom line.

By Missy Henriksen



Trending for years, sustainability in landscaping is more than a buzzworthy topic; it is influencing the way properties are developed. With environmentally conscious building and design practices rising in popularity, many commercial property owners, brokers, and investors are working closely with their professional landscape teams to incorporate green spaces on their grounds to increase the overall happiness and wellness of tenants - and gain a competitive advantage in the marketplace.

After all, green concepts such as multiuse outdoor spaces and low-impact designs continue to differentiate properties and attract

tenants to retail, office, and multifamily housing properties. According to a study by the University of Washington's Urban Forestry and Greening, properties with high-quality landscapes receive 7 percent higher rental rates compared to those without. Similarly, 63 percent of respondents to a poll in the Husqvarna Global Garden Report said they would be willing to pay more for a living space if it were located in an area with green spaces.

"...Properties with high-quality landscapes receive 7 percent higher rental rates compared to those without."

Reduce Costs/Increase Profits

The incorporation of sustainable landscapes is a smart way to benefit bottom lines. In fact, the U.S. Department of Energy has found that commercial real estate profits can improve with the adoption of sustainable practices that reduce costs to tenants and building owners.

One of the first places to start is water usage. Consider ways to reduce water requirements and energy demands. Is your irrigation system performing effectively and efficiently or should enhancements be made? Often the investment made in new irrigation equipment readily pays for itself in reduced utility bills thanks to reduced water usage. Explore your property's foliage.

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Bill Gladstone, CCIM, SIOR
(717) 761-5070 ext. 120
wgladstone@naicir.com
www.billgladstone.com
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New Listings



1,000 SF

NEW Commercial Lease - 665 Market Street, Lemoyne

- Join Classic Drycleaners at this desirable commercial location
- Open floorplan allows for good retail space
- Business ID sign available for your business



2,775 SF

NEW Office Lease - 1301 Colonial Club Drive, Harrisburg

- Office space just off Linglestown Road with good parking and signage
- The office space is bright and consists of private offices, an open area (for conferences or cubicles, a kitchen and plenty of storage)
- 29+/- Parking spaces available



10,000 SF

NEW Office Sale/Lease - 920 Linda Lane, Camp Hill

- Single-story brick office building conveniently located on the SWQ of Route 15/581 interchange
- The property features good parking and signage
- A District Judge office currently occupies one suite (3,570+/- RSF) and the other suite (5,754+/- RSF) is vacant

Industrial Listing



1,500 – 3,000 SF

Lease - 1261 Claremont Road, Carlisle

- Small office and warehouse space available for lease
- Warehouse has drive-in door (8' x 10') and features plenty of on-site parking
- Claremont Road is just moments from Route 11/I-81 interchange

Investment Listings



Price Reduced

Portfolio of 4 properties; 3 existing buildings and 3 acre vacant parcel

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

- Investment Analysis available with signed Confidentiality Agreement
- Stable income from strong credit tenant and tremendous upside from the vacant 3 acres that can accept additional office/commercial buildings
- High visibility and excellent parking



28,000 SF

Sale - Confidential, Harrisburg

- Well-maintained, 3-story masonry building overlooking the Susquehanna River
- Five (5) year lease renewal starts January 1, 2019
- No deferred maintenance and on-site parking available
- Signed Confidentiality Agreement needed for additional information

(Featured article...Continued from page 1)

Rather than maintaining plants that require heavy maintenance and watering needs, incorporate native shrubs, plants, and trees that are adapted to grow well in the climate and region. A well-designed landscape that makes use of native plants and trees can provide shaded areas for tenants to gather, assist in reducing noise, provide oxygen, and reduce building energy demands for cooling and heating, which can save thousands of dollars in annual energy costs. Following the incorporation of sustainable green spaces on your property, consider obtaining eco-certifications such as Leadership in Energy and Environmental Design (LEED), which is overseen by the U.S. Green Building Council and is known as one of the most widely used green building rating systems. In addition to increasing the image of your building, LEED certification has been shown to increase occupancy rates in office buildings and rental rates in residential buildings alike.

Develop Sustainable Landscape Designs

If your building is lacking in communal space, create innovative green spaces that offer both form and function. Green roofs, for example, are vegetative layers lining a building's rooftop that can be incorporated into your landscape design to reduce energy costs by offering an added layer of insulation. As a bonus, green roofs can increase the lifespan of a building's roof by about 20 years, according to the Natural Resources Defense Council.

Also consider incorporation of interior plants when introducing green spaces into your property. Shown to reduce stress and create an inviting work experience for tenants, interiorscapes not only can enhance the overall image of your property's design, but also introduce healthy, clean air to your building. From container gardens and potted plants to green walls, the options for interiorscaping are endless.

Create Enjoyable Spaces

Sustainable, green landscape design goes well beyond maintained grounds surrounding your building - it also contributes to overall tenant satisfaction and experience. Commercial spaces often are more successful when they provide tenants and visitors with well-landscaped, environmentally friendly areas to enjoy. In fact, a study conducted by Terrapin Bright Green, an environmental consulting firm, found employees are more productive in natural, green settings.

Incorporate experiential living spaces, such as water features that create relaxing environments; lounge areas that provide privacy and shade; or outdoor dining tables, dog parks, walking and biking trails, and recreational spaces on your property that offer employees, tenants, and visitors areas to live, work, and play outdoors.

Ready to take your property to the next level before or after sale? Whether you primarily work with retail, office, or multifamily residential buildings, implementing green practices throughout your space can boost your overall bottom line. ■

About the Author:

Missy Henriksen is vice president of public affairs for the National Association of Landscape Professionals in Fairfax, Va. For more information, visit LoveYourLandscape.org or contact Henriksen at missy@landscapeprofessionals.org.

Commercial Listings



Sale - 110 Altoona Avenue, Enola

- Freestanding commercial building with good visibility
- Property has been well-maintained over the years and offers an open floorplan which allows for a variety of uses
- The previous use was a daycare



Lease - 1421 N. Third Street, Harrisburg

- Great leasing opportunity in completely renovated and updated building in the heart of thriving Midtown Harrisburg
- Neighbors include HACC Technology & Trade Campus, Susquehanna Art Museum, Midtown Cinema, Broad Street Market, The Midtown Scholar Bookstore (two blocks away), Millworks, Yellow Bird Cafe and much more



Sale - 2801 North Third Street, Harrisburg

- Stunning landmark in the City of Harrisburg available for sale
- The Zombo Shrine Center was beautifully constructed with the Moorish Revival style architecture and has been well-maintained throughout its years

Preserving History

The HTC remains a valuable tool in making historic preservation profitable.

By Jonathan Shaver, CCIM

President Donald Trump's election in November 2016 foreshadowed major changes to our nation's tax code - initially threatening preservation of the Historic Tax Credit Program.

Early tax reform conversations among the Big Six - Senate Finance Committee Chairman Orrin Hatch; Senate Majority Leader Mitch McConnell; House Speaker Paul Ryan; House Ways and Means Committee Chairman Kevin Brady; Treasury Secretary Steven Mnuchin; and former Trump economic adviser Gary Cohn - included elimination of the HTC altogether. This prospect sent shockwaves through the HTC community, which rallied fast and furiously to lobby to save the HTC from elimination or other negative modification.

Through these efforts, the HTC's prospects went from quite bleak (complete elimination), to a cut in half from 20 percent to 10 percent, to remaining at 20 percent but being allocated over five years instead of all at once at project completion. This final treatment of the HTC is what ultimately was signed into law by President Trump in the Tax Cuts and Jobs Act of 2017.

Comprehensive tax reform was conceived of, pushed through, and put into law breathtakingly quickly - less than three months from start to finish. But as a result of a robust campaign undertaken by stakeholders in the HTC industry, the worst potential outcome - elimination of the HTC - was avoided.

HTC's Reach

The Federal Historic Tax Credit is an incentive created to help offset the cost of rehabilitating historic buildings, a process that frequently is more expensive than ground-up construction. The HTC originally was created as part of the Tax Reform Act of 1976, signed into law by President Jimmy Carter. It subsequently was expanded by the Economic Recovery Tax Act of 1981, also known as the Kemp-Roth tax cut, and was made a permanent part of our tax code as part of the Tax Reform Act of 1986, signed into law by President Ronald Reagan.

Since the HTC's inception, more than 43,000 projects leveraging nearly \$90 billion in private investment have been completed in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands, according to the National Park Service, which

"Since the HTC's inception, more than 43,000 projects leveraging nearly \$90 billion in private investment have been completed in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands."

administers the program. Perennial top users of the credit include Louisiana, Missouri, New York, Ohio, and Virginia. In 2017, use of the HTC resulted in \$5.8 billion in private investment and more than 100,000 jobs being created, according to the NPS Annual

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Commercial Listings



Sale - 3424 N. 6th Street, Harrisburg

- Gorgeous cafe located along North 6th Street in Harrisburg
- The beautifully decorated restaurant has great seating options, including a courtyard and a full kitchen
- Recently updated, the second floor apartment allows for the Owner to stay on-site or for additional income



Sale - 5 N. Market Street, Duncannon

- Prime retail/commercial space in the Borough of Duncannon
- Former bank boasts a notable exterior facade and a clean, functional interior with vault
- Call for additional details to view floorplans and schedule a tour



Lease - 5129 E. Trindle Road, Mechanicsburg

- Brand new retail or office space along Trindle Road
- Great visibility and parking
- The 4,000+/- SF is an open shell - ready for your finishing touches

Seeking New Articles



The Bill Gladstone Group of NAI CIR is looking to fill editorial content in our quarterly magazine and monthly newsletter publications for the 2019 calendar year.

What Are We Looking For?

Industry related articles that our readership of over 4,500 business decision makers and industry leaders would benefit from reading in print and online through social media. Articles are typically 1,200 – 1,500 words and include an author bio, headshot, and mentioning of your company.

Topics Can Include: Finance, development, law, architecture, technology, engineering, environmental, wellness, current trends, security, business operations, and much more.

Need Assistance With A Topic?

We can suggest one that would be a good fit for your expertise.

Contact: Leah Wentz (717) 761-5070, ext. 116 or lwentz@naicir.com.

Please forward this information to any colleagues you feel could be a good fit for our publications as well. We look forward to hearing from you!



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Commercial Listing



Sublease - 4856 Carlisle Pike, Mechanicsburg

- Attractive, updated showroom space with a warehouse area and a large open area located on the second floor
- Located in the Hampden Center in Mechanicsburg
- Warehouse area has two 10' x 10' overhead doors

Office Listings



Lease - 208 N. Third Street, Harrisburg

- Office space in prime Central Business District
- Historic building faces the Capitol Complex with the largest expanse of glass window lines in privately owned building
- Downtown amenities are just a few steps away and parking is a block in every direction
- Additional 4,542 SF available for sublease



Sale/Lease - 2151 Linglestown Road, Harrisburg

- First floor condominium in the Saratoga Office Center now available
- Currently built for a medical user, but would work well for other office users
- Located close to Colonial Park, Downtown Harrisburg and all Interstate Highways in the general area

Report for Fiscal Year 2017. The use of the HTC often is bolstered by state historic tax credits, which currently exist or are pending in more than 35 states. State HTC programs often mimic the federal HTC in eligibility, credit amount, and process.

The HTC is currently 20 percent of qualified rehabilitation expenditures, which include most, but not all, of the costs incurred when renovating historic properties. In a much-simplified example, if a developer purchases a qualified historic property for \$1 million and spends \$1 million renovating it, he could qualify for a \$200,000 credit offsetting his or her federal taxes. The credits also can be monetized by partnering with those looking to offset federal tax liability for a discounted exchange rate. Using the example above, the developer may partner with a corporation or individual looking to offset income taxable at the federal level and be able to turn the \$200,000 in credits into \$150,000 in project equity.

New Provisions

The HTC had been taken in a lump sum at project completion prior to Jan. 1, 2018. With a few exceptions, it is now taken over five years following project completion. Given the time value of money, a longer credit disbursement period equates to less value per credit. This is compounded given lower corporate tax rates.

The statistics cited earlier with regard to the number of projects completed, jobs created, and private dollars invested are indicative of the HTC's performance year-over-year. The program has had a major impact in communities large and small in the 40 years of its existence. Despite the changes undertaken to the HTC during tax reform, it remains a valuable tool without which many historic rehabilitation projects would not be undertaken. ■

About the Author:

Jonathan Shaver, CCIM, is an associate broker with RE/MAX Commercial Brokers in New Orleans, specializing in the disposition of historic commercial properties using state and federal Historic Tax Credits. Contact him at jshaver@nolacommercial.com.



Sale - 4825 E. Trindle Road, Mechanicsburg

- Various opportunities exist at this location
- For the office user, the building lays out well for a small professional/business office
- For an investor, there is an acre of land for a potential larger office or construction of multi-family units behind the office building

Office Listings



Lease - 3425 Simpson Ferry Road, Camp Hill

- One suite available
- Office area has great perimeter window lines designed for professional users
- Ample parking on-site and easy access to Route 15, Route 581, and the PA Turnpike (I-76)
- Amenities close by including banks, restaurants, shopping, and convenience stores



Price Reduced

Lease - 4386 Sturbridge Drive, Harrisburg

- Class A office space for medical or professional use
- Space in shell condition, ready to accept a build-out designed to suit tenant
- Located along Route 39 with access to amenities such as lodging, eateries, gas, banking and all major transportation corridors



Lease - 5275 E. Trindle Road, Mechanicsburg

- Open corner office suite offers functionality and usability
- There are many private offices and large conference room(s) lining the perimeter
- Professional office space features executive sized offices, private in-suite restrooms and two entrances
- Space can be left as one large suite or made into two suites; Suite A - 2,318 RSF and Suite B - 4,133 RSF

Featured Land



Sale - 100 Narrows Drive, Lebanon NEC of US Route 422 and Narrows Drive

- 2.2+/- Acres at the intersection of Route 422 and Narrows Drive adjacent to Holiday Inn Express
- Site has level topography, stormwater management plan already approved, and drive-way permits from the township
- All the site needs is a user to obtain plan approvals for their building and parking

Office Listing



Lease - 30 N. Third Street, Harrisburg

- 1,443 - 20,112 SF contiguous available in Class A office building
- Skywalk to Strawberry Square, Walnut Street garage, Harrisburg Hilton, Whitaker Center, etc.
- This building is Energy Star Certified and utilizes the latest energy management systems for optimal energy efficiency

Land Listings

Location	Acres	Zoning	Type
Pending - 300 S. Sporting Hill Road, Mechanicsburg, Cumberland County	1.19	Apartment Office Limited (AOL)	Sale
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
Allentown Boulevard and N. Hershey Road, Harrisburg, Dauphin County	1.35 (1 lot)	Business Enterprise District	Sale
Bent Creek Boulevard, Lot 2, Mechanicsburg, Cumberland County	2.02	Community Commercial	Lease
7700 Derry Street, Harrisburg, Dauphin County	2.12 (lot 4)	Commercial District General	Sale
Price Reduced - I-81 and W. Trindle Road, Carlisle, Cumberland County	2.18 (2 parcels)	Commercial Highway	Sale
Price Reduced - 100 Narrows Drive, NEC of US Route 422 & Narrows Drive, Lebanon	2.2	Commercial	Sale
8001 Grayson Road, Harrisburg, Dauphin County	2.25	Commercial	Lease
7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
2600 Delta Road, Brogue, York County	2.5	General Commercial	Sale/Lease
St. Johns Road, Camp Hill, Cumberland County	3.05	General Commercial District	Sale
Peters Mountain Road & River Road, Halifax, Dauphin County	5.1	None	Sale
700 S. Baltimore Street, Dillsburg, York County	5.23 - 57.5	Agricultural - Conservation (AC)	Sale
Eisenhower Boulevard, Harrisburg, Dauphin County	5.39	Commercial General	Sale
W. Suncrest Drive and Spring Road, Carlisle, Cumberland County	6.72 (5 parcels)	Commercial/Light Industrial	Sale
1706 Good Hope Road, Enola, Cumberland County	6.78	Office Park	Sale
Pending - Lancer Street Extended, Harrisburg, Dauphin County	7.52	Medium Density Residential (R-2)	Sale
503 Jonestown Road, Jonestown, Lebanon County	7.91	Commercial	Sale
Route 441 and Orchard Drive, Harrisburg, Dauphin County	8.34	Single Family Residential District	Sale
Price Reduced - 730 Limekiln Road, New Cumberland, York County	8.64	Commercial Business	Sale
1900 State Road, Duncannon, Perry County	9.46	Commercial	Sale
Carlisle Pike (Route 11) Waterford Square, Mechanicsburg, Cumberland County	9.6 (11 lots)	Community Commercial (C2)	Sale
Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10	Commercial District General	Sale
Route 75 & William Penn Highway, Mifflintown, Juniata County	11	Industrial Commercial	Sale/Lease
Gettysburg Pike & Spring Lane Road, Dillsburg NWC and SWC, York County	14.68 & 14.92	Commercial	Sale
Price Reduced - Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale
3050 Heidlersburg Road, York Springs, York County	18.16	Highway Commercial	Sale/Lease
349 Pleasant View Road, New Cumberland, York County	45.48	Commercial Business	Sale
Linglestown Road, Harrisburg, Dauphin County	61.55	Agricultural Residential	Sale

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Check Out Our Recent Deals

Visit www.billgladstone.com to view listings not included in this issue.



SOLD - 1 Rutherford Road, Harrisburg

H&H Rutherford Road, LLC purchased 7,320 SF of office space in Dauphin County. The Bill Gladstone Group of NAI CIR represented the seller and Dan Alderman of NAI CIR represented the buyer.



SOLD - 151 Allendale Road, Mechanicsburg

Parath, LLC purchased a 77,000 SF warehouse space in Cumberland County. The company was approved for a \$1.25 million loan to renovate the warehouse building. The building will eventually house three tenants, including SupplySource Inc., an office furniture company. The Bill Gladstone Group of NAI CIR facilitated the transaction.



LEASED - 800 N. Third Street, Harrisburg

DATAMARK, Inc. leased an office suite in Harrisburg. DATAMARK, Inc. is a leading business process outsourcing (BPO) company headquartered in El Paso, Texas. They provide a wide range of outsourced back-office services, including call center services; high-volume digital mailroom and mail center management; data entry, document processing and document management. The Bill Gladstone Group of NAI CIR handled the transaction. Additional space remains.