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HARRISBURG COMMERCIAL

real estate REPORT

Brick-and-Mortar's Pathway

The Shopping Center is not Doomed — if Owners Can Adapt

By Michael Koss

For the brick-and-mortar retail industry, success begins and ends with the ability to adapt to market changes. In recent years, retailers such as Amazon have completely disrupted how consumers make purchases by creating a one-stop shop, e-commerce channel. With consumers enjoying a convenient way to browse and buy from the comfort of their homes, brick-and-mortar retailers are at a crossroads, having to find new and unique ways of attracting consumers into their stores. To survive, shopping centers must reinvent how they appeal to consumers by creating a distinctive experience that also caters to a demographic specific to the retailer's location.

One-of-a-Kind Experiences Are Key

As retail trends evolve, shopping center owners are rethinking how they operate. The concept of an anchor store is stale given the online options, but according to a recent report by Numerator, a surprising majority of Americans still prefer to buy from a physical store. To stay

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Accepting Donated Items For Summer Event

Help Support Children with Special Needs in Central PA



Does Your Company Have Promotional Items to Dispose of? We'll Take Them!

- **Kid-friendly** promotional/give-away item donations (for goodie bags) are needed for children attending our "Seussical The Musical, JR." event this summer.
- **Kid-friendly item examples:** Crayons, markers, small toys, stress balls, bags, coupons, activity books, sunglasses and more! **Gift cards** are being accepted to use towards purchasing items as well. **Accepting items until July 23, 2019.**
- **Monetary donations** benefiting TrueNorth Wellness Services also being accepted.
- **Receive recognition** (for item and gift card donations) in print and online marketing mediums.

Contact: Leah Wentz at (717) 710-3528 or lwentz@naicir.com

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Bill Gladstone, CCIM, SIOR

(717) 761-5070 ext. 120
wgladstone@naicir.com
www.billgladstone.com
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New Listing



2,500 SF

Commercial Sale - 7200 Derry Street, Harrisburg

- Freestanding commercial building with good visibility along Derry Street
- The former AMVETS property could be outfitted to suit a variety of users - restaurants, retail or office users
- Excellent on-site parking with two access points from Derry Street

Industrial Listings



29,280 SF

Sale - 700 Angenese Street, Harrisburg

- Functional warehouse property for sale along the 6th Street industrial corridor
- Convenient access to I-81, Route 22/322 and the City
- A 5,500 SF temporary canvas building has been setup at this location, which can also be purchased for an additional cost



31,095 SF

Lease - 151 Allendale Road, Mechanicsburg

- Hard to find, completely updated warehouse space available
- Tenant's suite features frontage along Simpson Ferry Road, vanilla shell office space, ready to be built-out and a warehouse with 14'6" clear ceilings, two drive-in's (12' x 12'), sprinklers, and new LED lighting
- Convenient access to Route 15, Route 581, and I-81

Commercial Listings



Price Reduced

2,854 SF

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 and to schedule a tour



5,918 SF

Lease - 415 Market Street, Harrisburg

- First floor space available in the Harrisburg Transportation Center in Downtown Harrisburg
- Within walking distance to all the downtown restaurants, amenities, and Riverfront Park



1,600 - 8,000 SF

Lease - 611 N. 12th Street, Lebanon

- Join Save-A-Lot grocery store in this newly constructed shopping center located in Lebanon City
- Tenants can acquire one suite (25' x 64') or all five up to 8,000+/- SF for retail or office use
- The vanilla shell is ready for your finishing touches



relevant, shopping centers need to offer different options and experiences that are unique to their properties.

But before property owners begin trying new tactics, they need to weigh the positives against the negatives. For example, bringing in pop-up shops seems lucrative at first blush - they fill empty space, offer new brands to shoppers, and provide rental income - but these types of tenants are unappealing to shopping center owners because of their instability, despite their appeal to the retailers. Pop-up tenants typically stay open for only a few months and pay a small percentage of sales to owners. These arrangements translate into very little rent for owners and no security in maintaining long-term tenants. From a consumer

"Pop-up tenants typically stay open for only a few months and pay a small percentage of sales to owners. These arrangements translate into very little rent for owners and no security in maintaining long-term tenants."

perspective, it appears that stores are opening and closing all the time - not a message that shopping centers want to send.

The future of the shopping center is only as prosperous as its ability to connect with buyers without disrupting the center's potential for long-term, profitable tenants. Shopping center success will be based largely on strategic partnerships that align a tenant's offerings with the interests of the consumer demographic.

Shopping centers recently have morphed into community engagement spaces designed to meet the needs not only of millennials, but of consumers of all ages and demographics. The approach to the consumer experience is all-encompassing - meaning the shopping center also serves as a public forum with an appealing ambiance and attractions, such as an art gallery or movie theater.

This experiential approach aims to attract local businesses looking for innovative ways to engage with the community, whether that be a pet adoption event or a religious function. From beautiful landscaping and park-like atmospheres to engaging in-store offerings, retailers can shake up the brick-and-mortar experience to stay relevant through this transformational era. The ultimate goal is for a shopping center to secure its spot as the unofficial heart and soul of the community - a social sanctuary that cannot be replicated by online retailers.

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Commercial Listings



2,000 - 4,000 SF

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



1,000 SF

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

Office Listings



12,571 SF

Sale - 5650 Lancaster Street, Harrisburg

- Newly renovated building conveniently situated on Derry Street, just moments from Route 322 and 283/83 interchange
- The building underwent major upgrades in 2017 and has been well-maintained throughout the years
- The unique set-up offers many possible options for an office or commercial user



Price Reduced

2,464 SF

Sale/Lease - 3759 Peters Mountain Road, Halifax

- Freestanding brick building located along heavily traveled Peters Mountain Road
- The 2,464+/- SF building has been well-maintained
- Perfectly suited for a professional office or retail user

Align With Consumer Demographics

Owners should carefully tailor their selection of stores to an area's demographics. Successful shopping centers are very strategic in the ratio of retail and food tenants, in addition to making sure that each tenant offers something distinctive. Unique stores may draw a crowd from other market areas, as well, because consumers cannot find what they want in their local neighborhoods. Centers must identify tenants that add synergy and maintain the shopping center's standards.

Owners considering whether to capitalize on retail trends to grow their centers should know that these market developments don't always translate into success. Before pursuing the latest trends, centers should focus on tailoring their marketing and store offerings to the target audience. For example, if located in a middle-class, primarily family neighborhood, a high-end boutique tenant or a vegan restaurant might not be the best fit. The sustainability of shopping centers rests on taking strategic approaches to the types of shops, restaurants, and experiences they offer - not bold, risky moves that don't align with consumer interests. Bottom line: Don't try to be something you're not.

Treat the Shopping Center as a Business

Shopping center owners must learn the changing rules of the brick-and-mortar retail experience. The buyers' market is evolving, forcing owners to abandon a traditional belief system to achieve and measure success.

A comprehensive marketing strategy can help drive the success of shopping centers by focusing the attention of buyers on important and attractive changes, whether that be an upcoming event or the opening of a new store. Work closely with tenants to support their promotional efforts and leverage any marketing opportunities, increasing the chances of a return on investment.

Evolve the Blueprint

The common focus across all shopping centers should be on creating spaces that facilitate sales by recognizing, understanding, and connecting with the consumer in different ways. Successful shopping centers remain true to their original appeal as fun, safe places for a community to gather and enjoy experiences outside the home.

The demise of the traditional shopping center continues to be a part of the retail industry's narrative. But the reality is that many retailers are evolving successfully, and new approaches to shopping centers are receiving positive feedback from consumers. The brick-and-mortar concept is positioned to remain an important part of the retail ecosystem. ■

For more on this topic, check out CCIM Institute's "*Construction: Management and Project Delivery Methods*" course.

About the Author:

Michael Koss is CEO and chairman of Los Angeles-based Koss Real Estate Investments and owner/operator of Malibu Country Mart in Malibu, California. Contact him at michaelkoss@kossfinancial.com.

Office Listings



155 - 5,910 SF

Lease - 112 Market Street, Harrisburg

- Great downtown location, directly across from the Dauphin County Courthouse and accessible to all the downtown business and entertainment districts
- Suites available in all sizes, from a single office to an entire floor
- The fifth floor suite was recently renovated with expansive views of the Susquehanna River
- Parking is available in the Market Square Garage at market rates



Price Reduced

3,600 SF

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



1,304 SF

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 or business office
- For an investor, there is an acre of land for a potential larger office or construction of multi-family units behind the current office building

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Editorial Content Needed



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

What Are We Looking For?

Industry related articles that our readership of over 4,600 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 recognition for your company.

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

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

Office Listings



Lease - 1100 N. Mountain Road, Suite 1, Harrisburg

- Large, open office suite in this brick, single-story office building in Lower Paxton Township
- Great signage and visibility on Mountain Road
- Close proximity to I-81



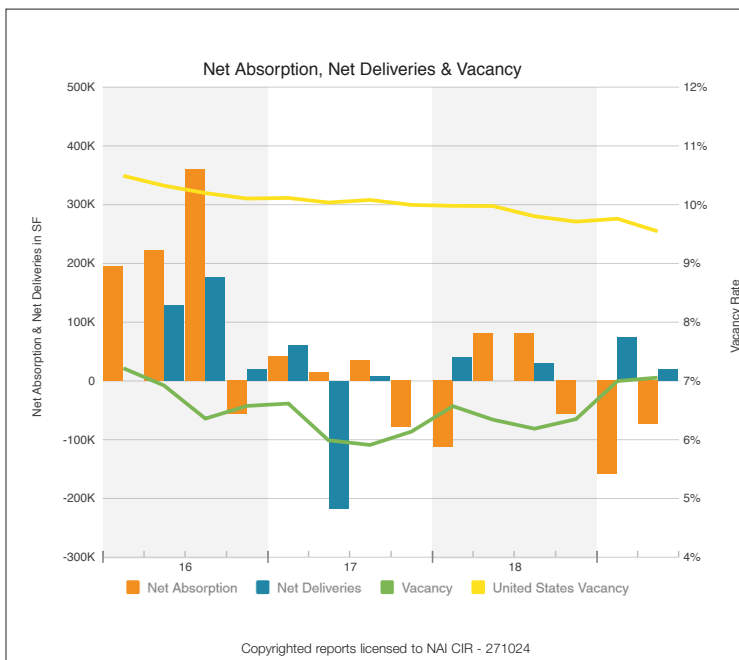
Sale - 1223 E. Chocolate Avenue, Hershey

- Beautifully kept, freestanding office on heavily traveled road
- The space is very versatile and will lend itself to a variety of users
- Features include a first floor office area with reception/waiting, private offices, a conference room and kitchenette
- The second floor has a two-bedroom apartment which is rented on a short-term basis
- Storage areas are abundant throughout



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





Lease - 301 Chestnut Street, Harrisburg

- Located at Pennsylvania Place, this is a one-of-a-kind development for the Harrisburg market that includes over 50,000 SF of Class A office space in the City's thriving downtown district
- The building offers an ultimate level of visibility, functionality and sophistication
- On-site parking, workout facility, a swimming pool and high-end finishes embody the urban luxury of this high-rise mixed-use building
- Call for **FREE RENT** details

524 - 10,918 SF



Lease - 208 N. Third Street, Suite 400, Harrisburg

- Completely renovated and updated suite on the 4th floor
- Historic building faces the Capitol Complex with great window lines
- Downtown amenities are just a few steps away and parking is a block in every direction

2,311 SF



Price Reduced

2,023 SF

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, I-81 and I-83



3,000 - 4,606 SF

Lease - 24 Northeast Drive, Hershey

- Functional, single-story office building in prominent Hershey location
- Perimeter window line can be expanded to suite tenant's specs
- 35+/- Parking spaces in-common with all tenants in building, and over 100 parking spaces available nearby



2,746 SF

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



680 - 5,074 SF

Lease - 1801 Oberlin Road, Middletown

- Charming three-story stone structure with professional office tenants
- Convenient access to both Harrisburg and Lancaster
- Easy access to Harrisburg International Airport



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Featured Land



Sale - 1900 State Road, Duncannon

- Level land with great frontage and visibility along Route 11/15
- Property is zoned Commercial which allows a large variety of commercial, retail and business uses

Investment Listing



Sale - Confidential, Harrisburg

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

Land Listings

Location	Acres	Zoning	Type
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
Bent Creek Boulevard, Lot 2, Mechanicsburg, Cumberland County	2.02	Community Commercial	Lease
Price Reduced - 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
Price Reduced - 7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
5650 Derry Street, Harrisburg, Dauphin County	1.90+/-	Commercial Limited	Sale
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 - 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	8.78 (8 lots)	Community Commercial (C2)	Sale
Price Reduced - Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10	Commercial District General	Sale
Gettysburg Pike & Spring Lane Road, Dillsburg NWC, York County	14.92	Commercial	Sale
Price Reduced - Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale
Price Reduced - 349 Pleasant View Road, New Cumberland, York County	45.48	Commercial Business	Sale
Pending - 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 – Lancer Street, Harrisburg

Wynchase II LP purchased 7.52± acres of land located in Lower Paxton Township from Crown Realty Trust. The land will be home to future townhomes. The Bill Gladstone Group of NAI CIR handled the transaction.



SOLD – 3424 North 6th Street, Harrisburg

Grateful Endeavors, LLC purchased this 2,500± SF retail space located in Susquehanna Township for use in their catering business. The Bill Gladstone Group of NAI CIR handled the transaction.



SOLD – 800 W. Hersheypark Drive, Hershey

Antique Automobile Club of America purchased this 34,500± SF office space located in Derry Township. Since 1935, AACA has had one goal: The preservation and enjoyment of automotive history of all types. The Bill Gladstone Group of NAI CIR handled the transaction.