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HARRISBURG COMMERCIAL

real estate REPORT

Gas Stations Fuel Investment

The 1950s service station is long gone, but the sector's outlook is bright thanks in part to diversified revenue streams.

By Tom Hershey



Growing up in a small town on the East Coast, I saw the corner service station as a refuge where the neighborhood kids could hang out and chat over an ice-cold soda. Our parents trusted the mechanics, and everyone knew each other's names. Fast forward to today, and small filling stations have all but disappeared, largely replaced by huge chains. Service bays have been supplanted by convenience stores, fast-food chains, and even roadside stops that resemble department stores.

Considering these trends, why would gas stations appear as

attractive investment opportunities? For operators, grocers, and chains, gas station investments have gained momentum in recent years, bolstered by high pool margins, meaning the profit beyond the cost of fuel, according to Bill Gilmore, a sales associate with Coldwell Banker Commercial NRT. Gilmore, who specializes in pad sites in Southern California, expects the trend to endure for the foreseeable future as convenience stores and grocers vie for creative revenue sources from fuel.

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Industry trends, however, are impacting the way in which investors and developers look at the future of this property type, due to the increasing popularity of hybrid and electric vehicles and looming shadow of autonomous transportation. Nonetheless, consumers are driving more than ever, despite high gas prices. The market, with \$650 billion in total sales, nearly 40 percent of which is not at the pump, is rapidly changing for fueling centers.

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New Listings



Commercial Sale - 301 N. Enola Road, Enola

- Building was constructed in the early 1940s and originally served as housing for those working at the Penna Railroad across Route 11/15, and afterwards it was converted into an appliance sales and service center
- The property features floor to ceiling windows in the retail area with views of the Susquehanna River
- In addition to the spectacular view you also get large rooms for plenty of storage or additional workspace, all on 1.31 +/- acres

18,000 SF



Office Lease - 1665 Roosevelt Avenue, York

- Join OSS Health at their brand new location on Roosevelt Avenue, just off Route 30 and moments from I-83
- Approximately 14,438 USF available on the second floor with stunning views of York County
- Excellent opportunity for tenant to help design and customize their new facility to meet their unique space needs

18,617 SF



Office Lease - 300 N. 2nd Street, Suite 704, Harrisburg

- Seventh floor (sublease) office space available in this downtown high-rise with excellent access to Harrisburg amenities
- The building boasts a marble and glass entranceway
- The suite has a waiting area, large conference room, private office, a storage area, kitchenette, and all furniture is included in the rent

1,330 SF



Office Sale - 75 E. Derry Road, Hershey

- Attractive, well-maintained, single-story office building located 0.5 miles from Chocolate Avenue in downtown Hershey
- The building sits on 1.4 +/- acres and has approximately 45 parking spaces on-site
- Interior includes private offices, open areas, conference/meeting room and plenty of storage

6,760 SF



Industrial Lease - 651 Gibson Boulevard, Harrisburg

- Clean, well-maintained, functional flex space in established industrial setting
- Easy access to and from I-83 makes the site attractive for users with nearby truck traffic
- The space has one drive-in, one dock, and a second knock-out door

4,823 SF



Office Sale - 650 S. Enola Road, Enola

- Well-maintained block building could be utilized by multiple services
- The waiting/reception area flows into office and work space which continues into two sizable shop areas with five drive-in's total
- Accessible location and surrounded by other commercial users

5,600 SF

Showcase Articles in 2020

Bill Gladstone Group of NAI CIR Accepting Articles for Harrisburg Publications



What Are We Looking For? Industry related articles that our readership of nearly 5,000 business decision makers and industry leaders would benefit from reading in print and online through social media and our website.

Articles are typically 1,200 – 1,500 words and include an author bio, headshot, and recognition for your company.

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

(Featured article...Continued from page 1)

Even with the rise in electric vehicles and broad gains in fuel efficiency, gas stations still cover all corners of the U.S. However, gas-only stations have dwindled as consumers focus more on convenience and services. Fuel retailing has undergone a transformation, shaping the views of developers and investors. Non-fuel sales, which are typically more profitable, are major drivers of change. Higher-end food choices, more food selection, personal services such as hair salons and dry cleaning, car washes, and even electric-vehicle charging stations, are now regularly incorporated into new locations.

While the golden age of the fuel station is gone, convenience stores with large pump banks are on the rise. Sites with 16 or more fueling positions are not uncommon, often alongside 5,000-square-foot stores cobranded with the likes of Subway and Starbucks. Unsurprisingly, gas station convenience stores are taking a bite out of fast food sales, with 56 percent of Americans making at least one purchase per month at these hybrid sites. Moreover, fuel may be a secondary purchase, if it's

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a purchase at all. As such, development sites have grown to accommodate more parking and larger stores.

Wawa is at the forefront of the gas station transition, with a cult-like following drawn by its food and beverage selections. The 54-year-old chain has grown to become one of the top 20 U.S. convenience store chains despite its 850 stores being located only on the East Coast. While still providing consumer-favorite specialty sandwiches and Tastykakes, the company has also started offering Mediterranean bowls, kale and grain salads, and a variety of healthy snacks as consumer tastes change.

Investors have recognized these strengths, as stores often trade below a 5 percent cap rate. Wawa is planning on

(Continued on page 4)

New Listing



Office Lease - 4109 Derry Street, First Floor, Harrisburg

- Freestanding, newly renovated office space situated at a dedicated signalized intersection
- Accessible directly from I-83 ramp on Derry Street
- Space is functional and the location has high traffic, perfect for your business sign exposure

Commercial Listings



Lease - 418 Market Street, Lemoyne

- Highly visible location in Lemoyne near I-83 and 581
- Store front windows and off-street parking
- Open floorplan allows for a variety of uses



Sale - 2801 North Third Street, Harrisburg

- Stunning landmark in the City of Harrisburg available for sale
- The Zembo Shrine Center was beautifully constructed with the Moorish Revival style architecture and has been well-maintained throughout its years
- Over 300 lined parking spaces

(Continued from page 3)

an additional 60 locations in 2019, with Florida leading the way. Corporate leadership estimates its store count could double by 2030. Similarly, BP, 7-11, and Shell are all experimenting with their own projects, ranging from craft coffee partnerships to uncommon cobranding and store upgrades.

Grocers and discounters have also become a part of the fueling landscape, with Costco, Sam's Club, Albertsons/Safeway, and Kroger actively playing a role. Typically, locations are on-site pad locations aimed at capturing gas customers with discounts via club memberships and loyalty programs.

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Grocers remain keen on the connectivity of on-site fuel as opposed to off-site convenience stores, but large firms have exited the fuel business. Publix in Florida began its foray into off-site markets in 2001, but sold them off 12 years later. Conversely, while Kroger made news last year when it sold off its convenience stores to the U.K.-based EG Group, the grocer remains active, with more than 700 on-site locations, and is continuing to expand. In Southern California, Kroger-owned Ralphs expanded its entry into fuel in 2012, when a supermarket gas station was an uncommon site in Los Angeles. Several chains have followed suit.

Convenience station combos will continue to adapt to meet changing consumer lifestyle choices. Future trends include solar-powered sites, sit-down restaurants, online shopping pick-up facilities, and larger fueling points for electric and hydrogen vehicles. To better lure loyal, younger customers, stores are also turning to car-connected apps, enabling the customer to pay via the app, as well as get coupons from nearby retailers. As other retailers close, this segment appears to be adapting to stay relevant with today's consumer. ■

About the Author:

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Sale - 2221 N. Sixth Street, Harrisburg

- Historic church was founded in 1890, rebuilt in 1895 and expanded in 1916 as a memorial to Camp Curtin, the largest northern military camp of the Civil War
- The church stands out as a prominent important architectural landmark for the City of Harrisburg and the region
- Property features the ability to seat over 700 congregants, beautiful stained glass windows, one of the largest organs in Harrisburg, many offices and classrooms, and a large commercial kitchen with adjacent fellowship hall

Commercial Listings



Sale - 25 Carlisle Street, Hanover

- Stunning landmark in the Borough of Hanover available for sale
- This former bank building was beautifully constructed with great attention to detail and has been well-maintained throughout its years
- Over 55' frontage along Carlisle Street



Sale - 1440 State Street, Camp Hill

- Single-story, freestanding commercial building on heavily traveled State Street in Camp Hill
- The former NAPA store has an open floorplan which would allow for many commercial/retail uses
- Good parking and excellent visibility are just a few of this site's notable features



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

Office Listings



Sale - 1002 N. 7th Street, Harrisburg

- This former bank is located just moments from the heart of the business-friendly City of Harrisburg, and less than 0.5 miles away from the Capitol and downtown restaurant and retail areas
- The property features excellent on-site parking, an open first-floor layout and many private offices on the second floor
- 36+/- parking spaces available



Lease - 4300 Devonshire Road, Harrisburg

- Great corner location at Devonshire and Colonial Roads
- The property is well-maintained and the available space offers multiple private offices, an open area, reception/waiting areas, a kitchenette and four restrooms
- The space could be split into two separate suites if desired



Sale/Lease - 5006 - 5010 E. Trindle Road, Mechanicsburg

- Four condominium units available for sale (1,880 - 3,895 SF)
- Excellent location in newly developed area in Hampden Township
- Can be sold individually for owner/user or together as an investment



Sale - 500 N. Progress Avenue, Harrisburg

- Two-story, well-maintained office building for sale
- Conveniently located in Susquehanna Township and minutes away from I-81, I-83, downtown Harrisburg, PA Farm Show Complex, and Harrisburg Area Community College
- Ample parking available
- Contact Nik Sgagias or Amber Corbo for details: (717) 761-5070



Lease - 800 N. Third Street, Harrisburg

- Prominent downtown office building across from the State Museum and one block from the Capitol Complex
- Perfect location for attorneys and associations
- On-site parking available to tenants at below market rates



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 and certified opportunity zone benefits

Office Listings



Sale/Lease - 1001 S. Market Street, Mechanicsburg

- Two-story professional medical office available with efficient layout
- Recently renovated with high quality finishes
- Desirable location in Southpoint Office Center at the intersection of Market Street and Shepherdstown Road and near Cumberland Parkway exit of Route 15



Lease - 1773 W. Trindle Road, Suites B & D, Carlisle

- Newly updated office space for lease along busy Trindle Road
- Easy access to I-81 and the rapidly growing areas of Carlisle
- Located right in the heart of new retail and adjacent to Target anchored Carlisle Crossing Shopping Center



Lease - 208 N. Third Street, Harrisburg

- Office space in a prime central business district location
- 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



Lease - 1801 Oberlin Road, Middletown

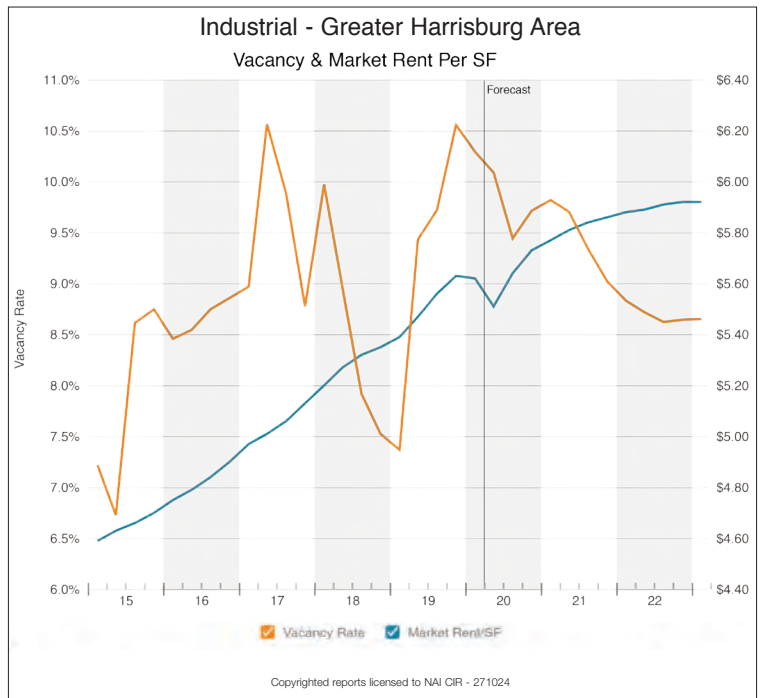
- Charming three-story stone structure with professional office tenants
- Convenient access to both Harrisburg and Lancaster
- Easy access to Harrisburg International Airport

Industrial Listing



Lease - 2150 S. Queen Street, 2nd Floor, York

- Second floor office and warehouse space available for lease
- Located in the growing area of South York just off the I-83 and S. Queen Street interchange
- Good visibility from the highway and S. Queen Street has access to St. Charles Way and traffic signal
- Many retailers and businesses in the immediate area



Investment Listing



Sale - 905 E. Chocolate Avenue, Hershey

- 15 unit Travel Inn ideally located off E. Chocolate Avenue with excellent roadside visibility and moments from Hershey attractions
- This facility is made up of 2 buildings consisting of 10 exterior guest rooms, 5 apartments and a spacious on-site manager's suite with three bedrooms, living area and kitchen
- The Hershey Travel Inn has been renovated over the years and also has solid revenue history for many years

Featured Land



Sale - Kriner Road, Chambersburg

- 4.6+/- acres located near major industrial distribution centers including CSX Inter-modal Terminal, Target, KMART, Nitterhouse Concrete Products
- Over 400' of exposure to I-81 and over 400' of frontage on Kriner Road

Land Listings

Location	Acres	Zoning	Type
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
1301 Eisenhower Boulevard, Harrisburg, Dauphin County	1.77	ML-Light Industrial	Sale
Pending - Bent Creek Boulevard, Lot 2, Mechanicsburg, Cumberland County	2.02	Community Commercial	Lease
453 Jonestown Road, Jonestown, Union Township	2.05	Commercial	Sale
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
Pending - 7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
Pending - St. Johns Road, Camp Hill, Cumberland County	3.05	General Commercial District	Sale
1345 Eisenhower Boulevard, Harrisburg, Dauphin County	4.46	ML-Light Industrial	Sale
Kriner Road, Chambersburg, Franklin County	4.64	Commercial Industrial	Sale
Price Reduced - 755 Kriner Road, Chambersburg, Franklin County	4.73 - 7.82	Commercial Industrial	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	4.87 (4 parcels)	Commercial/Light Industrial	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
730 Limekiln Road, New Cumberland, York County	8.64	Commercial Business	Sale
Carlisle Pike (Route 11) Waterford Square, Mechanicsburg, Cumberland County	8.78 (8 lots)	Community Commercial (C2)	Sale
1900 State Road, Duncannon, Perry County	9.46	Commercial	Sale
Pending - Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10.0	Commercial District General	Sale
Pending - 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

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Check Out Our Recent Deals



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



LEASED - 28 E. Main Street, Suite 300, New Kingstown

James Vending leased 2,096 SF of flex space in Cumberland County. James Vending is a full-service company, offering state-of-the-art vending programs, as well as Office Coffee Services, Fresh and Frozen Food Programs, Micro Markets, Amusements, ATM Service, and more. The Bill Gladstone Group of NAI CIR handled the transaction.



SOLD - 5620 & 5650 Derry Street, Harrisburg

Derry St. Properties Group, LLC purchased a 10,500+/- SF commercial building and an adjacent 2+/- acre lot located in Dauphin County. The future use will be an adult daycare facility. The Bill Gladstone Group of NAI CIR represented the seller and Igor Druker with Brokers Realty Group represented the buyer.



SOLD - 5650 Lancaster Street, Harrisburg

The Organization for Hindu Religion and Culture purchased this 12,571 +/- SF office and commercial building located in Harrisburg. The Bill Gladstone Group of NAI CIR represented the seller and Prem Khanal with Cavalry Realty represented the Buyer.