

May 2020

HARRISBURG COMMERCIAL

real estate REPORT

Disruptions to Collections in the Age of COVID-19

By Ryan Fishman



Along with the tragic human cost of the COVID-19 pandemic, the economic consequences have been well-documented with its impact felt sharply across the country. It is near-impossible to think of an industry not changed by this crisis. The hardships faced by individuals and small business owners have had downstream effects on those areas of the economy they support, namely commercial real estate. The significant downturn (or full stop) in traditional retail patronage is driving a vicious cycle in which commercial real estate owners and operators feel much of the

burden; either as a result of shelter-in-place orders, loss of income for consumer purchases, or the fear of exposure to the virus.

CRE owners and operators are between a rock and a hard place – rent may be short, late, or simply not there, but eviction moratoriums aimed at ameliorating the economic brunt of the pandemic prevents them from taking possession of their units. Worse yet, a pandemic is not an ideal time to sign a lease, either for a new business or expansion, flattening demand for commercial spaces. Of course, a drop in anticipated rental rates should be anticipated.

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Although COVID-19 has caused widespread economic pain, it is critical to understand that this is, first and foremost, a crisis of public health. It is highly unlikely the present restrictions will be lifted based on economic pressure, for the most part. A "flattening of the curve" as it relates to new cases and deaths is what will ultimately determine the course of government responses to the crisis. This is important as you continue to make plans for your firm's future operations in the aftermath of the crisis. Being overly optimistic can be problematic in such an unpredictable situation since this crisis, perhaps more than any other economic crisis,

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Turning keys in commercial real estate for over 30 years.



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Price Reduced

7,658 SF

Sale - 260 Boas Street, Harrisburg

- Two-story brick building features a fully finished basement, an adjacent courtyard, fellowship hall, kitchen, classrooms, and office
- The property is elevator serviced and the second floor sanctuary holds approximately 250 people
- Built in 1881, this historic building features many architectural details



Price Reduced

15,852 SF

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



2,200 - 4,460 SF

Lease - 4647 Jonestown Road, Harrisburg

- Popular retail site - freestanding, updated building with great curb appeal and visibility on highly traveled street
- Bright, open floorplan on first floor and lower level floor features a separate entrance and drive-in door
- 13 Parking spaces on-site



Price Reduced

1,282 SF

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



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



Price Reduced

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

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)

is largely out of your hands. How you can respond or mitigate losses is largely outside of your purview and at the hands of local, state, and federal politicians. While this creates a difficult situation for your firm, keeping up to date on developments in policy responses will be essential to your firm's success through the end of this crisis.

CARES Act Relief

The massive \$2.2 trillion CARES Act stimulus bill passed by Congress and signed into law by the President on March 27th promised to provide the much-needed relief to working Americans and businesses across the United States. Just the unemployment provide cause for action; in a 6-week period in March and April, approximately 30 million Americans filed for unemployment benefits.¹ The most notorious provision in the bill is the Economic Impact Payments, which provide "\$1,200 per adult for individuals whose income was less than \$99,000 (or \$198,000 for joint filers) and \$500 per child under 17 years old – or up to \$3,400 for a family of four."² The Economic Impact Payment, in addition to the unemployment benefits, should help Americans pay the bills they may have otherwise fallen behind on (or already done so) and hopefully, strengthen consumer demand as well. This would provide an assist to businesses, who are struggling to pay their own bills now, including rent to their commercial landlords. Although the stimulus check may play a role in strengthening demand, demand will still be depressed in the short-term as this crisis continues, meaning that commercial real estate firms continue to be at risk of not receiving their rent payments.

The more important provision in the CARES Act for commercial real estate firms is the Paycheck Protection Program (PPP), which "provides small businesses with funds to pay up to 8 weeks of payroll costs including benefits. Funds can also be used to pay interest on mortgages, rent, and utilities."³ Initially pumped with \$349 billion, the fund had to be replenished with another \$320 billion after it was drained with so many requests

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Industrial Listings



8,000 SF

Lease - 1900 Crooked Hill Road, Harrisburg

- Multi-use building with up to 8,000 SF available for lease
- Built in 2001, the space features newer upgrades including high ceilings (18'7" clear), 2 docks, 2 drive-in's, a sprinkler system and central air and heat
- Located minutes from the City of Harrisburg, Route 22 and I-81, this site is highly desirable



29,280 SF

Sale - 700 Anegense 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



20,000 SF

Sale - 638 & 651 Alricks Street, Harrisburg

- Freestanding warehouse along the 6th Street industrial corridor
- Clean, well-maintained, functional, and offers convenient access to I-81, Route 22/322 and the City
- Additional land across the street (638 Alricks Street) is also available for sale, all as one parcel including the street between them (Alricks Street, which has been vacated, paved, and fenced)
- Opportunity for additional car parking, truck parking or outside storage

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for cash, a testament to what small businesses are experiencing right now. This can benefit your firm on multiple fronts, since you may be able to apply for one of these forgivable loans from the PPP program to pay your own bills, and the fund can give your tenants the funds necessary to make their rent payments to your firm. By the time you get a chance to apply for the program, though, the funds may once again be barren. The overall goal of the stimulus package is to galvanize the economy and make strides toward erasing the losses the stock market has experienced so far, so there may be downstream benefits to your firm from a more active economy. Still, the cloud of long-term uncertainty still hangs over the economy as states and localities prepare to send employees back to work and re-open businesses.

"The overall goal of the stimulus package is to galvanize the economy and make strides toward erasing the losses the stock market has experienced so far, so there may be downstream benefits to your firm from a more active economy."

Tempering Expectations with "Opening Up America Again"

Politicians have increasingly been discussing and even implementing the re-opening of certain areas of the economy as frustration with the crisis grows. One critical aspect of the re-opening that should be noted is that it will be very decentralized, since federal policymakers do not have the power to force states to send employees back to work or open restaurants, for example. On April 16th, the White House released a blueprint for "Opening Up America Again," which includes 3 different phases that describe at which point certain employees can return to work and certain businesses can return to normal functioning. A few states have already begun their re-opening process and many others have announced plans to do so. While the various state plans will depend on how severe the spread is within their states, the existence of federal guidance is still indispensable to how these states will structure their policies.

The talk of opening up the American economy has been spoken with much uncertainty and anxiety. Not only is there uncertainty surrounding when this re-opening will occur and what that necessarily entails, the reality is that no one truly knows if demand will rise very much after the restrictions are lifted. This depends on whether Americans feel safe going about their normal business. If Americans do not feel confident about the public health apparatus in their area, they will not patronize businesses the way they once did, and your tenants will likely continue to suffer the effects of depressed demand. As such, it is important to keep your expectations in check, even as the situation is turning the corner and calls for some optimism. The COVID-19 crisis will not be solved until a vaccine or effective treatment arises and strengthens public confidence of the health system.

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Industrial Listing



Sale - 140 - 148 Ole Lane, Grantville

- This nearly 1,400 SF industrial building sits on over 2 acres of paved parking
- Perfect for a trucking company or industrial user needing quick access to I-81
- Parking availability for 60+/- cars and trailers

Office Listings



Sale - 3964 Lexington Street, Harrisburg

- This brick beauty has been updated and well-maintained
- Located just one block off Jonestown Road, this office space features a waiting area, several private offices, a conference room and a full basement
- The second floor has two open rooms and a full bathroom
- Corner lot with on-site parking for 10+ cars



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

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Conclusion

The economic situation remains grim at this moment, but tempered optimism is called for as our nation begins what will inevitably be a long process in emerging from this crisis. In all of this, what we do know is that we can control little in this moment, and that may lead to existential questions for individuals and businesses. Still, the best remedy in this situation is to prepare, prepare, prepare. As the country “normalizes,” constantly acclimating your firm to the changing economic conditions will be essential to your success. Being aware of your options and being proactive can be the difference between keeping your portfolio afloat and letting it sink. ■

References:

¹ <https://www.usatoday.com/story/money/2020/04/30/unemployment-benefits-3-8-million-file-jobless-claims-amid-pandemic/3046759001/>

² <https://home.treasury.gov/policy-issues/cares/assistance-for-american-workers-and-families>

³ <https://home.treasury.gov/policy-issues/cares/assistance-for-small-businesses>

About the Author:



Ryan J. Fishman is the managing partner at Fishman Group, P.C. The firm represents the owners and operators of commercial and industrial properties across the United States. They have succeeded in making the recovery of accounts receivable a profitable endeavor for more than four decades. Today, they use automation technology partnered with the experience of their attorneys and staff to seamlessly integrate with their clients; manage compliance in multiple jurisdictions; and collect for their clients. For more information, visit www.thefishmangroup.com or call (248) 353-4600.



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

Office Listings



8,403 SF

Lease - 101 N. Pointe Boulevard, Lancaster

- Class A, multi-tenanted building in the heart of Lancaster County's business area
- This beautiful building boasts large window lines, in-suite cooling/heating, in-suite music system, a guarded lobby, a common area breakroom and many high-end finishes
- Great central location with ample parking available



2,000 SF

Lease - 1335 N. Front Street, Harrisburg

- 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
- Parking available in a lot on the next block for the first floor tenant
- Conveniently located minutes from I-81 and I-83



1,843 SF

Lease - 156 Cumberland Parkway, Suite 200, Mechanicsburg

- First floor office space available in this Class A, high-profile building
- The location offers easy access to Route 15 and the PA Turnpike (I-76), plus great local amenities
- It is hereby disclosed that a partner in the ownership of this property is a licensed real estate salesperson in the Commonwealth of Pennsylvania

Office Listings



2,875 SF

Sublease - 3 Kennedy Street, Lancaster

- This 2,875 SF former bank has modern features and an intelligent layout for a variety of users
- The design includes 3 drive-thru lanes (1 ATM), 4 private offices, conference room, and a break room
- Located just minutes from the Route 30 interchange at Greenfield and Old Philadelphia Pike and Route 222



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



Price Reduced

11,563 SF

Lease - 5275 E. Trindle Road, Mechanicsburg

- Two corner suites offering functionality and usability are available
- The east side office (4,545 SF) features perimeter offices with windows, a conference room, breakroom, and in-suite private restrooms
- The west side office (7,018 SF) has private offices and large conference room(s) lining the perimeter
- Watch video tour online



266 - 4,453 SF

Lease - 415 Market Street, Harrisburg

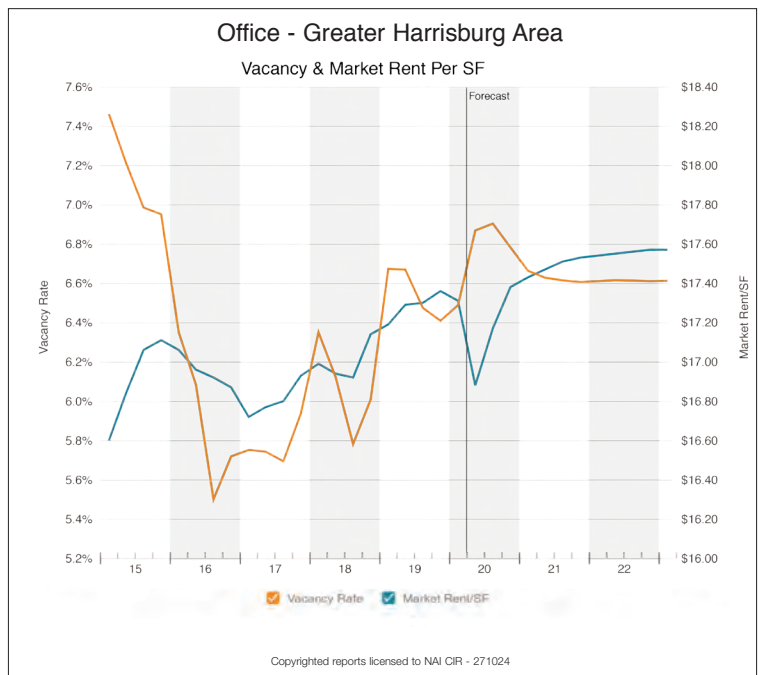
- Attractive office spaces at the Harrisburg Transportation Center
- In walking distance to all the downtown restaurants, amenities, and Riverfront Park
- Located in Technology Corridor Enterprise Zone
- **HALF PRICE RENT for the first year on a 3 or 5 year deal (promotion ends October 31, 2020)**



10,984 SF

Sale - 75 Evelyn Drive, Millersburg

- Well-maintained, large office building located just minutes from Routes 147 and 209
- Functional layout offers the ability for a single user or multiple users
- Property boasts excellent parking, large windows and a versatile floorplan



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/Lease - 755 Kriner Road, Chambersburg

- 4.73 - 7.83 Acres available located between Chambersburg and Greencastle, PA off I-81, Exit 14, on Kriner Road across from the CSX Intermodal Terminal in Chambersburg
- Average daily traffic on I-81 is 23,700 (north), 24,778 (south)

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
Sold - 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 - 7.83	Commercial Industrial	Sale/Lease
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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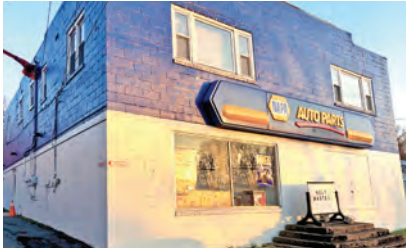
Check Out Our Recent Deals

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



LEASED - 4400 Deer Path Road, Suite 205, Harrisburg

Handler Henning & Rosenberg LLC leased 9,200 SF of office space in Harrisburg. The seasoned personal injury attorneys have been in business since 1922. With offices in Carlisle, Hanover, Harrisburg, Lancaster, and York, they are dedicated to educating their clients about their legal rights. The Bill Gladstone Group of NAI CIR handled this transaction.



SOLD - 241 Gettysburg Street, Dillsburg

K&M Mobile Automotive, LLC purchased a 6,300 SF freestanding two-story block building retail space in the Borough of Dillsburg. The buyer plans to use their location for interior restoration of plastic, vinyl, and leather items in both automotive and marine vehicles. The Bill Gladstone Group of NAI CIR facilitated the transaction.



LEASED - 2609 North Front Street, Harrisburg

Wonderhouse Studios, LLC, a videographer, leased 1,600 SF of office space in Harrisburg. The Bill Gladstone Group of NAI CIR represented the lessee and Lori Fortini of WCI Partners, LP represented the lessor.