

October 2020

HARRISBURG COMMERCIAL

real estate REPORT

A Mature Market

By Nicholas Leider



Seniors housing is a growing sector within commercial real estate. But while many casual observers assume the potential is tied to demographics, with baby boomers reaching their golden years, the math doesn't quite add up.

"Those major demographic changes aren't quite here yet," says Beth Mace, chief economist and director of outreach at the National Investment Center for Seniors Housing & Care. "The typical resident in seniors housing is 83 and older. The baby boomers were born between 1946 and 1964; so, today, the oldest baby boomer is 74."

The demographics portend growing demand in the next decade. But what helped attract more investment in the sector in recent years is increased transparency and better understanding of the sector. Data on occupancy rates, rents, transaction volumes, demand and supply drivers, and returns on investment increased interest in seniors housing as a whole. Its relatively strong rent and investment performance during the Great Recession in 2007 to 2009 also contributed to interest. Wall Street analysts have also increased tracking trends and it has become a viable piece of portfolios. "Institutional investors have been heavily involved in the sector now for 15 or more years," Mace says. "Another part of the reason that they are attracted to seniors housing is that it is a diversifier for a portfolio. It's somewhat countercyclical and there's a

This article was originally published in *Commercial Investment Real Estate* magazine. Reprinted with permission of CCIM Institute. Learn more at www.ciremagazine.com.

(Continued on page 3)

Be Featured In Upcoming Harrisburg Publication

The Bill Gladstone Group of NAI CIR is accepting articles to fill editorial content.



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 www.billgladstone.com.

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.

In This Issue

- 1, 3-4.....Featured Article
- 5.....Caitlin's Smiles
- 2-7.....Featured Listings
- 8.....Recent Deals

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



Bill Gladstone Group of NAI CIR

Turning keys in commercial real estate for over 30 years.



NAICIR

A publication of the Bill Gladstone Group of NAI CIR

New Listings



NEW Office Lease - 1423 N. Third Street, Harrisburg

- First floor lease 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, Midtown Scholar Bookstore, Millworks, Yellow Bird Cafe and more
- Zoning is Commercial Neighborhood and permits many uses - call for details



NEW Office Lease - 2008 - 2010 Market Street, Camp Hill

- Prime office/commercial space in the heart of Camp Hill Borough
- This updated, clean space has direct frontage on Market Street and is within walking distances to the town's restaurants and retail sites
- Renovations to the space include opening the floorplan, adding stylish lighting and kitchen appliances, updating the restroom fixtures, HVAC and roof

Commercial Listings



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



Sale - 7451 Paxton Street, Harrisburg

- Highly visible freestanding building along Route 322 with easy access to Hershey and Harrisburg
- Building was recently remodeled and is in good condition
- The entire site has also recently been repaved and there are 75 unmarked spaces available



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



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

(Featured article...Continued from page 1)

need-based component to it, especially assisted living. It can also be countercyclical to other asset types in a commercial real estate portfolio."

In the 2000s, Mace says, large pension funds began to invest in the properties, which helped increase liquidity across the sector. "More transparency and more liquidity in the sector are acting to attract additional investment because you have someone to buy when you want to sell," she says.

"In the 2000s, Mace says, large pension funds began to invest in the properties, which helped increase liquidity across the sector. More transparency and more liquidity in the sector are acting to attract additional investment because you have someone to buy when you want to sell," she says."

But seniors housing faces some unique challenges - in that properties have some characteristics related to hospitality and some to multifamily. "Unlike office or retail, seniors housing is also an operating business," Mace says. "That may be an additional challenge from an investor's point of view. Even if you're strictly a developer, it can be difficult to find an operating partner who really understands the sector. There's a care component that requires experience, an understanding of people, and a desire to make a positive impact."

While many operators are passionate about providing care for vulnerable populations, COVID-19 has made the already tough issue of staffing even tougher for both on-site business managers and investors. The Bureau of Labor Statistics pegged the U.S. unemployment rate at 3.65 percent in February 2020, a 50-year low. Such a tight labor market meant it was a struggle to find labor for these properties. "Roughly two-thirds of the expenses for seniors housing are associated with labor, so it's hard to cut that out when providing care like this. It's difficult to handle increased costs when working in this space." Since the pandemic in March 2020, labor challenges have changed for many operators as some staff shy away from work due to fears of the virus and as hazard pay and other rewards for work have been implemented. That said, by all accounts, frontline workers and health care professionals have been nothing less than heroic in their efforts to make sure residents are safe. A significant challenge for all operators has been securing personal protective equipment (PPE) for their staff, as well as testing and tracing protocols. A lack of better preparedness on these measures at the national level has been a particularly difficult challenge for operators. Looking ahead, many of these challenges will dissipate once a vaccine is discovered and widely disseminated.

Accessibility, both by residents and staffing, is a significant issue in site selection for seniors housing developments. Rural facilities face difficulties due to operational inefficiencies. "When opening up a property, you want to make sure there's access to transportation and there's the necessary density of seniors and adult children," Mace says. "We are also seeing a growing desire for residents to be integrated with a surrounding population."

(Continued on page 4)

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

Industrial Listing



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

There's more interest from residents to have more purpose." Today's seniors appear much more focused on the risks of social location, Mace says. While a lot of people will want to stay at home because its comfortable and familiar, seniors are desiring socialization and community, proven antidotes to loneliness and contributors to healthier lives and lifestyles.

Like any sector in commercial real estate, seniors housing has its share of challenges, but Mace remains optimistic about the future, thanks in part to the demographic tailwind provided by an aging baby boomer generation. "Despite the COVID-19 pandemic, the fundamental value proposition for seniors housing has not gone away. There will be some bumps along the way, for sure. But the bottom line is that people are still aging. That has not changed. Seniors housing continues to offer a powerful value proposition of socialization, health care, diet, exercise, medical care plan adherence, home care, hospitality, safety, generally care-free living, and fun. The growing future need for care and housing options for seniors and baby boomers is unprecedented and the opportunity remains huge," she says. "I'm an advocate, but I'm not Pollyanna-ish about it because I know it's not all roses. There are challenges in the sector, but it can be and will be an attractive investment opportunity." ■

About the Author:

Nicholas Leider is senior content editor for Commercial Investment Real Estate. Contact him at nleider@ccim.com.



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

Office Listings



Lease - 30 E. Shady Lane, Enola

- Medical/professional office suite available at fiercely competitive rate in convenient location
- Property has recently been renovated and is well-maintained
- Current tenant has out-grown the space and will be leaving by the end of 2020



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



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

Connect

With @GladstoneGroup Today!



www.billgladstone.com



'A Round of Smiles' Golf Tournament



On September 25, 2020 The Bill Gladstone Group of NAI CIR was proud to be a Beer & Drink Sponsor for the Eighth Annual 'A Round of Smiles' Golf Tournament to benefit Caitlin's Smiles. The inspiring, non-profit organization is dedicated to sharing smiles and laughter with children facing chronic or life threatening illnesses by distributing arts and crafts to them in hospitals.

Please go to www.caitlins-smiles.org to learn more about this amazing organization.



Sale/Lease - 1001 S. Market Street, Mechanicsburg

- Two-story professional medical office available with efficient layout
- Recently renovated (in 2015 and 2020) 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



Sale - 5006 - 5010 E. Trindle Road, Mechanicsburg

- Four condominium units available for sale (2,113 - 3,895 SF)
- Excellent location in newly developed area in Hampden Township
- Can be sold individually for owner/user or together as an investment

Office Listings



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



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)**

Office Listings



200 - 1,490 SF

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
- Furnished suites available



2,024 SF

Sale - 815 Waynesboro Pike, Fairfield

- Freestanding, former financial institution on a corner parcel in the Borough of Carroll Valley
- This location offers good exposure and visibility
- Two drive-thru lanes protected by a 400+/- SF canopy



1,706 - 3,834 SF

Lease - 4823 E. Trindle Road, Mechanicsburg

- Professional office space for lease in a highly visible, conveniently located building
- Space is available for lease on the first floor and the ground level and these areas can be leased together or separately
- Expansive lot with abundant on-site parking



4,186 SF

Sale - 2451 N. 3rd Street, Harrisburg

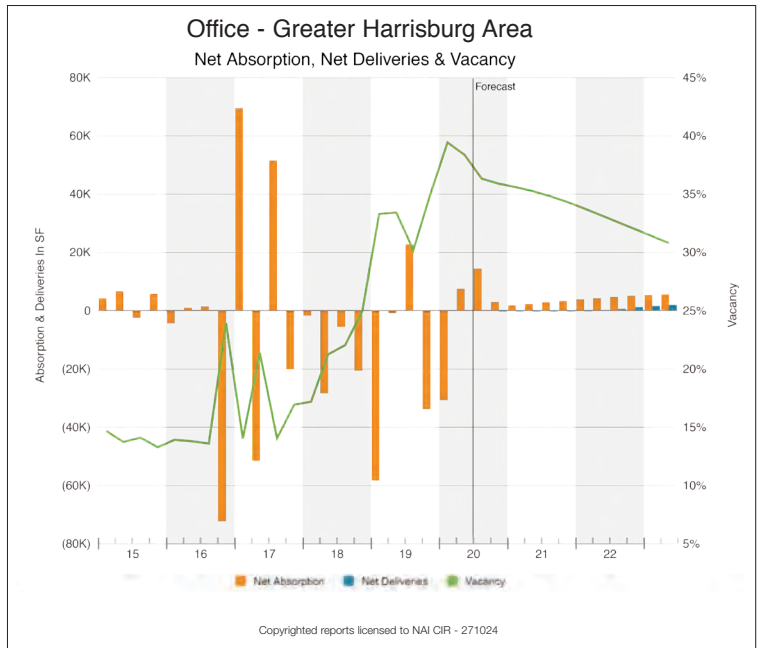
- Commercial ADA accessible one story building with finished lower level in excellent condition that has been recently remodeled (carpet, paint and windows)
- Building offers 13 private offices, waiting/reception area, two conference rooms, break room, three restrooms, and a large training room on the lower level
- Located on the corner of N. 3rd and Schuylkill, across from the Polyclinic Medical Center



800 - 885 SF

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



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 - Route 441 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 PA Turnpike (I-76)

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
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
1345 Eisenhower Boulevard, Harrisburg, Dauphin County	4.46	ML-Light Industrial	Sale
Kriner Road, Chambersburg, Franklin County	4.64	Commercial Industrial	Sale
Price Reduced - 755-759 Kriner Road, Chambersburg, Franklin County	4.73 - 7.83	Commercial Industrial	Sale/Lease
W. Suncrest Drive and Spring Road, Carlisle, Cumberland County	4.87 (4 parcels)	Commercial/Light 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
Cherry Street (Lot #9) & Walnut Street, Highspire, Dauphin County	7.77	Residential Low Density	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
Hanshue Road, Tract 2, Hummelstown, Dauphin County	9.42	Residential Agriculture	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

www.billgladstone.com



PRESORTED STANDARD
U.S. POSTAGE PAID
Harrisburg, PA
Permit No. 783

BILL GLADSTONE, CCIM, SIOR

NAI CIR
1015 Mumma Road
Lemoyne, PA 17043
717 761 5070
www.naicir.com
www.billgladstone.com



@GladstoneGroup

Check Out Our Recent Deals



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



SOLD - 3964 Lexington Street, Harrisburg

TN Brother LLC purchased this 2,244 SF office building in Harrisburg. Their home healthcare business will be moving into the space. The Bill Gladstone Group of NAI CIR represented the seller and Narayan Dhungana of Coldwell Banker Residential Brokerage represented the buyer.



SOLD - 1 N. 2nd Street, Newport

Donald A. & Linda Z. Jacobs purchased this 9,332 SF former bank building in Newport. Don Jacobs Insurance Services, Inc. will be occupying the space. The Bill Gladstone Group of NAI CIR handled the transaction.



SOLD - 217 State Street, Harrisburg

217 State Street, LLC purchased a 3,240+/- SF building for investment purposes. It is designed for offices on the first floor and residential uses on the two upper floors. It is located in the 200 Block of State Street in the City of Harrisburg. The Bill Gladstone Group of NAI CIR represented the buyer and Garrett Rothman of RSR represented the seller.