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HARRISBURG COMMERCIAL

real estate REPORT

How to Take Advantage of Historically Low Mortgage Rates

By Alex Z.



It is not often that homeowners are presented with an opportunity to borrow money over 30 years at such low mortgage rates. Mortgage rates are so low that people have forgotten that just seven years ago, in 2017, the average 30-year fixed mortgage rate hit 4.5%. Today, if anyone heard 4.5% on the phone from a lender they would immediately hang up. Low mortgage rates present opportunity. If you have not refinanced your mortgage yet, here are three reasons why you should.

1 Savings, Savings, Savings

2016 was a year that saw very low interest rates average around 3.5%. In the mortgage industry, 2016 and 2017 are known as 'The Refinance Boom' due to how many people refinanced their mortgages because they were eligible for significant savings by reducing their rate. Listen closely, 2020 interests are not even close to 2016! If you refinanced in 2016, heck at this point even if you refinanced in the beginning of 2020, the average person is likely eligible for significant savings through a refinance.

Consider this:

If the outstanding balance on your mortgage is \$200,000 and your interest rate is 3.5%, your

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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 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.



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Autumn Addley, front right, is not a licensed REALTOR.

Bill Gladstone Group of NAI CIR
 Turning keys in commercial real estate for over 30 years.



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New Listing



2,746 SF

NEW Office Sale - 500 Colonial Road, Harrisburg

- Corner location in a business campus setting, with good exposure/visibility
- Signalized intersection with two points of egress (one on each frontage road)
- Property shows evidence of regular maintenance and upkeep and above average design features (cathedral ceilings and standing seam roof) lend to curb appeal
- 16+/- Parking spaces available

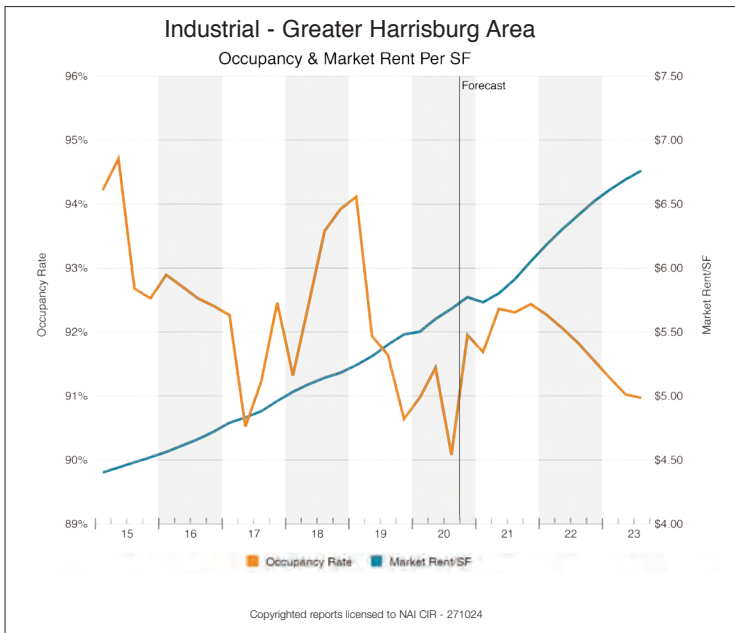
Industrial Listing



5,000 SF

Lease - 5060 Ritter Road, Suite B2, Mechanicsburg

- Approximately 2,000 SF office and 3,000 SF warehouse space with visibility from Route 15
- The office area consists of private offices, an open working area, break room and conference room
- The warehouse has a drive-in door and over 19' of clear height
- Variety of users could be acceptable for this space



Commercial Listings



30,112 SF

Sale - 25 & 33 Carlisle Street, Hanover

- 30,112 SF stunning landmark in the Borough of Hanover
- This former bank building was beautifully constructed with great attention to detail and has been well-maintained
- The adjacent (and connecting) office building is also included in the sale



2,712 SF

Sale - 453 Jonestown Road, Jonestown

- Over 2 acres of commercial land located just moments from Route 72 and Route 22
- Two-story home on the property could be utilized or removed for a redevelopment opportunity
- Excellent access and visibility from heavily traveled Jonestown Road



2,230 SF

Lease - 4647 Jonestown Road, Harrisburg

- 2,230 SF available in this popular retail site
- Freestanding, updated building with great curb appeal and visibility on highly traveled street
- Bright, open floorplan on first floor



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

(Featured article...Continued from page 1)

monthly principal and interest payment (excluding homeowners' insurance, taxes, and mortgage insurance if you have it) is \$898. The same mortgage with an interest rate of 2.65% is \$790.

That's a savings of \$108 per month, \$1,296 per year, and \$12,960 over 10 years...in monthly payment alone! The interest savings on that goes well into the \$30,000 range over the life of the loan. If your mortgage is \$300,000, a principal and interest payment with a 3.5% rate is \$1,347. At 2.5%, that payment is \$1,185 for a savings of \$162 per month or \$1,944 per year. There is significant savings to be had and there is no reason you should not take advantage of it. I highly recommend a refinance solely for the purpose of reducing your monthly payment and increasing your savings account.

2 Increase Your Home Value

There is a reason that Home Depot and Lowe's stocks have been soaring in 2020. If people are going to stay home more they want to improve it! A good way to finance significant home improvements (i.e. adding a bedroom or bathroom, creating a modern layout, refreshing your roof) can be through a cash out refinance. The terms of a cash out refinance are different than a rate & term refinance. Cash out refinance requires that you have at least 25% equity in your home. This means that your mortgage is less than 75% of your homes value. For example, your home is worth \$100,000 and your mortgage is less than or equal to \$75,000.

"Cash out refinance requires that you have at least 25% equity in your home. This means that your mortgage is less than 75% of your homes value. For example, your home is worth \$100,000 and your mortgage is less than or equal to \$75,000."

Now, to do a cash out refinance you also need more than just \$1,000 or \$2,000 in equity. It will cost some money to get the loan so really upwards of \$10,000 make it worth while to pull money out of your home. The beauty here is that you are borrowing at such a low rate and potentially improving the value of your home for much more than you put into it. Pro tip: be strategic with the improvements you make.

In some instances, if you're lucky, you may even end up with a lower monthly payment than you had before despite increasing your loan amount. If you have equity in your home, I highly suggest a cash out refinance to improve your home or boost your savings account for a rainy day.

3 Buy Another Home

Leverage is my favorite part about real estate. You can buy a \$100,000 home with only \$5,000 of your own dollars and \$95,000 loan from the bank. There is a perfect storm, though, that aligns the utmost leverage with the possibility of buying another home with money that has accrued in your current home. The perfect storm is an interest rate environment like Covid-19 has presented.

(Continued on page 4)

Office Listings



266 - 4,453 SF

Lease - 415 Market Street, Harrisburg

- Suites ranging from 266 - 4,453 SF on the second and third floors
- Located in Enterprise Zone; permits professional offices, personal services and other common office use
- In walking distance to all the downtown restaurants, amenities, and Riverfront Park
- Call about rent promotion details



4,454 SF

Sale - 200 S. Progress Avenue, Harrisburg

- Don't miss out on the wonderful opportunity to own prime real estate on this desirable street in Harrisburg
- The office is currently being used as a longtime counseling practice but has many different possibilities
- The layout is flexible and consists of a waiting area, several private offices and a second floor that could potentially be rented out separately



3,956 SF

Lease - 1029 Mumma Road, 2nd Floor, Lemoyne

- Attractive office building with 2nd floor space available
- Property has been well-maintained, features modern upgrades and has ample on-site parking
- Convenient location along the West Shore business corridor with quick access to all major business hubs on both East and West Shores

I preface this benefit with the caveat that you need quite a bit of equity in your home in order to accomplish this. Let's say you have north of \$300,000 of equity in your home. This means you have already put that money in there through paying a large down payment when you purchased the home or paying down the principal over time. Regardless of how you got there, taking money out of your home to buy a second home requires a lot of equity.

Instead of taking out another mortgage to buy a second home, a cash out refinance allows you to pay off the mortgage on your current home and get a new mortgage while taking enough cash out to buy the second home in cash. The only new monthly payments that will incur from buying your second home will be monthly taxes and insurance.

Round Up

There are three advantages to refinancing your mortgage, especially when mortgage rates are the lowest they have ever been:

- 1 Reduce expenses, increase savings.
- 2 Take a little cash out, renovate some rooms, increase the value in your home.
- 3 Buy a second home.

Whichever reason you choose, be sure to consider your why. Does refinancing fit into your long-term plan and make financial sense for you? And, it's still a good time to buy. ■

About the Author:



Alex Z. is a mortgage industry veteran with experience in sales and capital markets. He invests in real estate along the east coast and runs a blog geared towards the U.S. housing economy and first-time home buyers. Alex is currently available to perform market analysis and market write ups for prospective clients in the real estate industry. You can reach Alex at azurn@howofhousing.com or visit his website for more information at howofhousing.com.



2,400 SF

Lease - 30 E. Shady Lane, Enola

- Medical/professional office suite available at fiercely competitive rate in a convenient location
- Property has recently been renovated and is well-maintained
- Current tenant has out-grown the space and has vacated

Office Listings



2,056 SF

Sale/Lease - 510 N. Front Street, Wormleysburg

- Great views of the City Skyline and the Susquehanna River in this move-in ready and up to date office building
- Private office/conference room with river views and other private offices are also available
- Second floor storage or conference area not included in square footage but could be useful



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



1,000 - 2,600 SF

Lease - 4300 Devonshire Road, Harrisburg

- Great corner location at Devonshire and Colonial Roads
- The property is well-maintained
- The available space offers a reception/waiting area, offices, and an open area that can be utilized in many configurations and private restrooms



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Commercial Mortgage Rates – 2021 Update

By Alex Z.

Similar to residential mortgage rates, commercial mortgage rates have been hitting historic lows since April 2020. All signs point to a low interest rate environment over the next 6 to 18 months, which means one thing.

The same benefit that homeowners who take advantage of these low rates by refinancing their debt are available to commercial real estate owners, too!

Let's say you own a \$1 million commercial property that is mortgaged at 65% LTV over 25 years with a 10% interest rate. Excluding escrows, the principal and interest on that property is \$5,906.55. In today's interest rate environment, a 4.5% interest rate is not out of the question. Refinancing to a 4.5% interest rate will bring your P&I down to \$3,612.91 for a total monthly savings of \$2,293.64 and an annual savings of almost \$27,523.67.

Just by refinancing you have created more cash flow, more income, and less expenses for your business.

The concept to keep top of mind heading into the spring buying season is leverage. How can you leverage historically low interest rates into buying another cash flow producing commercial building? Rates are that low right now.

The time to strategize is running out and the time to action is quickly approaching. Set yourself up for another huge year by taking advantage of historically low commercial interest rates.



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



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

Office Listings



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



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 distance to local restaurants and retail
- Renovations to the space included opening the floorplan, adding stylish lighting and kitchen appliances, updating the restroom fixtures, HVAC and roof



Lease - 3780 Trindle Road, 2nd Floor, Camp Hill

- 790 SF centrally located property along Trindle Road with great visibility and excellent access
- Second floor suite, above prestigious Mount Jewelers, features three offices and a reception area
- Very well-maintained property

Office Listings



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

2,875 SF



Lease - 5275 E. Trindle Road, Mechanicsburg

- Corner office suite available which offers functionality and usability
- The professional office space features executive sized offices, large conference room(s) lining the perimeter, 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
- Watch video tour online

7,018 SF



Lease - 500 N. Progress Avenue, 2nd Floor, Harrisburg

- 1,250 - 2,500 SF of available space for lease on the second floor
- The second floor consists of private offices, open work areas and a full kitchen
- Conveniently located in Susquehanna Township minutes from I-81, I-83, Route 322, downtown Harrisburg, PA Farm Show Complex & Expo Center and Harrisburg Area Community College (HACC)
- Contact Nik Sgagias or Amber Corbo for details: (717) 761-5070

1,250 - 2,500 SF



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



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

200 - 1,490 SF

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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

5,436 SF

Featured Land



Sale - 1900 State Road, Duncannon

- 9.46 Acres of 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
- Almost 1,000' frontage along State Road (Route 15)

Land Listings

Location	Acres	Zoning	Type
940 E. Main Street, Palmyra, Lebanon County	TBD	Highway Commercial	Lease
1700 Quentin Road, Lebanon, Lebanon County	TBD	General Commercial	Lease
Kim Acres Drive & Aspen Drive, Mechanicsburg, Cumberland County	1.03	Highway Commercial	Sale
370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
Price Reduced - 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
Pending - 7700 Derry Street, Harrisburg, Dauphin County	2.3 (lot 8)	Commercial District General	Lease
Price Reduced - 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
Pending - 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
Price Reduced - 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
Price Reduced - Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale

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Check Out Our Recent Deals

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



SOLD - Gettysburg Pike & Spring Lane Road, Dillsburg

R.F. Fager Company purchased 14.92+/- acres in Mechanicsburg. The use will eventually be for warehousing their inventory of products. The Bill Gladstone Group of NAI CIR represented the seller and Garrett Rothman with RSR represented the buyer.



LEASED - 4300 Devonshire Road, Harrisburg

Jim Eslner leased office space at this building. Jim is the Principal of a State Farm Insurance office, which offers home, auto and life insurance products. The Bill Gladstone Group of NAI CIR handled the transaction.



LEASED - 1423-A North Third Street, Harrisburg

Erika Malorzo of CommUnity Yoga leased a small retail space in the City of Harrisburg. It will be utilized as a yoga studio offering classes for all levels of fitness. The Bill Gladstone Group of NAI CIR handled the transaction.