

August 2021

HARRISBURG COMMERCIAL

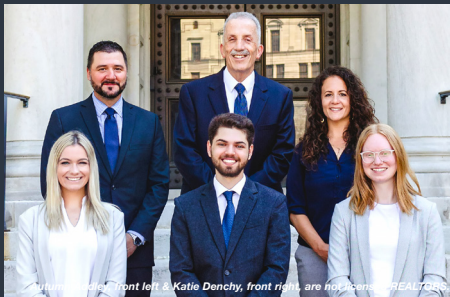
# real estate REPORT

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### Bill Gladstone Group of NAI CIR

Turning keys in commercial real estate for over 30 years.



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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:** Katie Denchy (717) 761-5070, ext. 116 or [kdenchy@naicir.com](mailto:kdenchy@naicir.com).



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## Second Quarter 2021 Commentary

### Market and Economy Overview

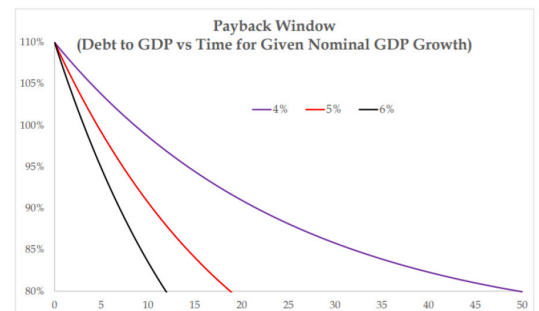
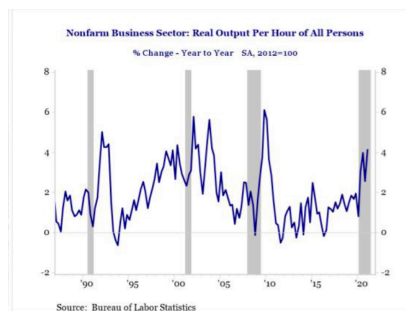
By Daniel McGarvey

2021 has continued to be a positive year for equity markets amidst the backdrop of a continually reopening economy. The second quarter has been considerably calmer than the first, but the S&P has registered five straight months of gains as we head into the summer awaiting more news on inflation, taxes and infrastructure spending.

Through the first half of the year, the S&P 500 returned over 15%, while the Barclays Aggregate Bond Index lost almost 2%. The unemployment rate decreased from 6.7% at the beginning of the year to 5.9% in June, and consumer net worth increased to new all-time highs of \$137 trillion. At the same time, year-over-year core PCE rose to 3.4% amidst growing fears that inflation may not be as “transitory” as the Fed implied.

In June, the FOMC signaled a shift in its thinking by raising its inflation projection to 3.4% and admitting it may need to raise rates as soon as 2023. Of course, these projections could change by the time it meets again, but at this point, it seems as though there is almost no alternative to inflation given our massive debt load and unwillingness to experience any form of recession.

In a way, inflation could be an unspoken necessity in order to bring debt-to-GDP back to normal levels. As shown in the chart to the upper right, higher nominal GDP would shorten the debt payback window, but that increase in nominal growth might need to come from inflation, effectively shifting the cost of the debt onto unaware consumers.



(Continued on page 3)

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37,500 SF

**NEW Commercial Sale - 30-36 E. Independence Street, Shamokin**

- This 35,000+ SF, 5-story commercial/apartment building is situated on 0.180 AC in the heart of Shamokin
- Current layout is retail (former Dollar General) on the first floor and four floors of apartments (53 units) above
- Great opportunity for an investor looking to revitalize this Shamokin landmark



17,526 SF

**NEW Industrial Sale - 200 N. Franklin Street, Waynesboro**

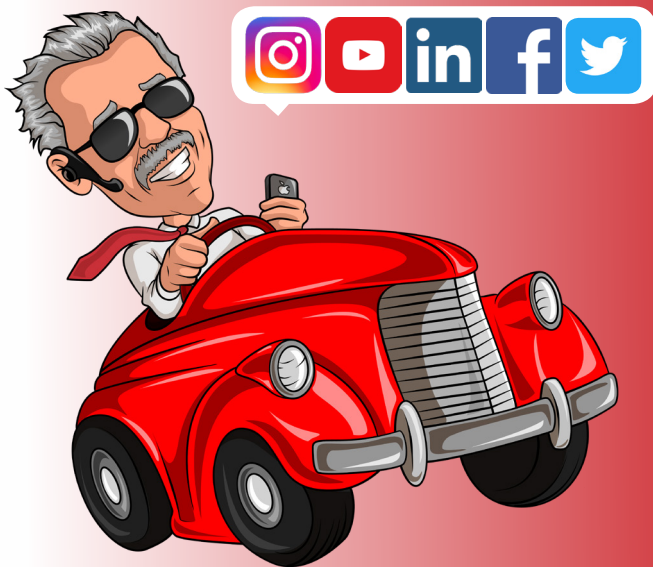
- Great industrial/warehouse opportunity in this 17,500+ SF building
- Quick access to PA I-81 and MD I-70
- The property features three 8' x 10' dock doors and a large 10' x 10' drive-in.
- Office furniture and 1-ton industrial crane can be included in the



1,286 SF

**NEW Office Lease - 2408 Park Drive, Suite A, Harrisburg**

- Four-story, brick office building in a convenient location in the City. Easy access to downtown, as well as I-83 and I-81
- Building features many office configurations - from single rooms to an entire 7,500 SF
- There are plenty of windows and the west side has gorgeous Capitol views
- Ask about half price rent for the first year on a 3+ year lease



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(Featured article...Continued from page 1)

The evidence of inflation has already been felt in the persistence of supply bottlenecks and historically low inventories, but it remains to be seen how soon those bottlenecks will peak. A majority of the brunt from shortages has been borne by increases in worker productivity as firms have had to regain production levels with fewer workers. Although output per hour growth is not abnormal during economic recoveries, there has been a marked increase over the past year, and the durability of these increases is certainly worth monitoring.

The likelihood of President Biden's tax proposals has not become much clearer over the quarter, and these uncertainties are making it difficult for investors to position themselves for the potential impact. The corporate tax increase, for example, seemed almost inevitable a few months ago but now feels like it could go either way. The debate about how trillions of dollars of new spending and tax increases will unfold will probably not be settled for months.

The White House has signed on to a bipartisan infrastructure plan, which is a fraction of the original proposal but will have to involve at least some tax increases. The U.S. has also endorsed a global minimum tax, aligning with the OECD's desire to tax cross-border digital services and limit multinational companies' ability to shift profits to low-tax jurisdictions. These initiatives could especially hurt technology and health care companies, which traditionally benefit from shifting their profits.

After seeing all-time lows in 2020 and an abnormally quick rise in the first quarter of 2021, the 10 Year Treasury Rate has spent the second quarter in the 1.43-1.75% range. Rates are still historically low, but, like most investors, we see them rising through the end of the year and beyond.

### Investment Allocation

The first quarter's rotation from growth to value, large cap to small cap, and domestic to international calmed down in the second quarter. Whether these rotations are over is debatable, but inflation concerns do make a case for higher-quality names that distribute cash in the near term over companies whose terminal values are based mostly on future earnings that are now less certain.

We still tilt toward value and have a favorable outlook on financials and energy as traditional sectors continue recovering, and we also believe industrials and materials could continue to benefit from the unfolding infrastructure bill. As mentioned above, sectors like technology and health care are worth monitoring as they could be particularly vulnerable to the OECD's cross-border tax initiatives.

inflation concerns do make a case for higher-quality names that distribute cash in the near term over companies whose terminal values are based mostly on future earnings that



10,125 SF

#### Lease - 5610 Derry Street, Harrisburg

- Ideal industrial location in Harrisburg with accessibility to I-83 and other highly traveled corridors
- Warehouse space contains one dock, one drive-in, and 18'+ clear ceiling height
- Good space for contractors, small distribution and storage



4,857 SF

#### Sublease - 4750 Westport Drive, Mechanicsburg

- 4,857+/- SF of flex space that is conveniently located to all major PA highways
- Attractive space with a newly built-out office area, break room and a warehouse/storage space with one dock and one drive-in door

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**COMMERCIAL**


25,730 SF

#### Sale - 25 & 33 Carlisle Street, Hanover

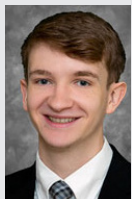
- Stunning landmark in the Borough of Hanover available for sale
- This former bank was beautifully constructed with great attention to detail and has been well maintained throughout its years
- The adjacent (and connecting) office building is also included in the sale



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Daniel McGarvey is a Portfolio Analyst with Stonebridge Financial Group, where he has become an enthusiastic contributor to the team and shown an eagerness to learn from senior staff. Problem-solving is one of Daniel's greatest strengths, and he approaches his work looking to find ways to solve problems for clients.

Daniel joined Stonebridge after graduating with honors from Messiah University, earning a Bachelor of Science in finance and a minor in psychology. During his college years, he served as an investment intern with the Pennsylvania State Employees' Retirement System and a finance intern for Word Made Flesh.

Daniel, who is fluent in Spanish, enjoys reading and exploring the outdoors as well as playing the guitar when he's not at work. He also dedicates his free time to watching and playing soccer and basketball. Daniel lives in Williamstown and works out of Stonebridge's Wormleysburg office, where he can be reached at [daniel.mcgarvey@stonebridgefg.com](mailto:daniel.mcgarvey@stonebridgefg.com).

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11,505 SF

#### Sale - 28 E. Main Street, New Kingstown

- 11,505+/- square feet of flex space in Silver Spring Township with General Industrial zoning
- Property has had many uses over the years - Harley Davidson motorcycle shop, Tae Kwon Do school, offices and storage
- There are many options on this 1.77+/- acre site.
- Income producing tenant.



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



12,400 SF

#### Lease - 3460 Paxton Street, Harrisburg

- Former Planet Fitness and CJ Tires located on heavily traveled Paxton Street, directly across from the Harrisburg Mall
- Don't miss the opportunity to lease this prime real estate
- Large warehouse/storage area with a drive-in door, front office or retail space with sprinklers
- This space has it all



10,968 SF

#### Sale - 6340-6390 Derry Street, Harrisburg

- Nearly 11,000 SF single-story, multi-tenanted, flex building on heavily traveled Derry Street
- The property features two office tenants (2,300+/- SF and 2,268+/- SF) and a warehouse user in the rear
- Perfect investor or owner/user opportunity



8,000 SF

#### Lease - 611 N. 12th Street, Lebanon

- Join Save-A-Lot grocery store in this newly constructed Old Forge Point Shopping Center located in Lebanon City
- Tenants can acquire one suite (25' x 64') or all five up to 8,000+/- square feet for retail or office use
- The vanilla shell is ready for the finishing touches

■ SALE ■ LEASE ■ SALE/LEASE

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#### Lease - 100 N. Cameron Street, Harrisburg

- Four-story, brick office building in a convenient location in the City. Easy access to downtown, as well as I-83 and I-81
- Building features many office configurations - from single rooms to an entire 7,500 SF
- There are plenty of windows and the west side has gorgeous Capitol views
- Ask about half price rent for the first year on a 3+ year lease



#### Sublease - 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



#### Lease - 156 Cumberland Parkway, Mechanicsburg

- First floor office space 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



#### Sale - 1245 Cocoa Avenue, Hershey

- Former bank branch facility with a corner location with good exposure and visibility. Daily traffic count exceeds 16,000 vehicles
- It also features two points of egress, one on Cocoa Avenue and another on Fishburn Road



#### Sale - 2411 N. Front Street, Harrisburg

- This three-story, stone office building has lovely character and amazing river views
- The property has been well-maintained over the years. It is obvious that great attention to detail was made to modernize the property while keeping the early 1900's feel



#### 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
- Within walking distance to all the downtown restaurants, amenities, and Riverfront Park





18,617 SF

#### 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



3,661 SF

#### Lease - 5229 E. Trindle Road, Mechanicsburg

- Highly visible and desirable E. Trindle Road location available for a 3,500+/- square foot tenant
- The first floor space was formally used as a dental office so would be suitable for many medical users, but is also easily adaptable to office or retail uses as well



5,142 SF

#### Lease - 208 N. Third Street, Harrisburg

- Office space in a prime Central Business District location
- This historic building faces the Capitol Complex with the largest expanse of glass window lines in a privately owned building
- All the downtown amenities are a few steps from the doors and parking is a block in every direction of Pennsylvania



11,907 SF

#### Lease - 1801 Oberlin Road, Middletown

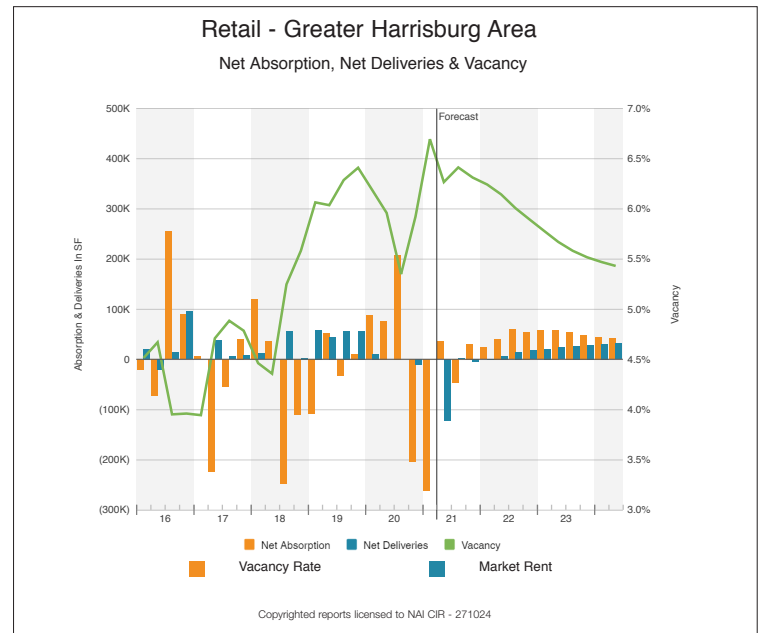
- Charming three-story stone structure with professional office tenants
- Convenient access to both Harrisburg and Lancaster
- Easy access to Harrisburg International Airport



1,500 SF

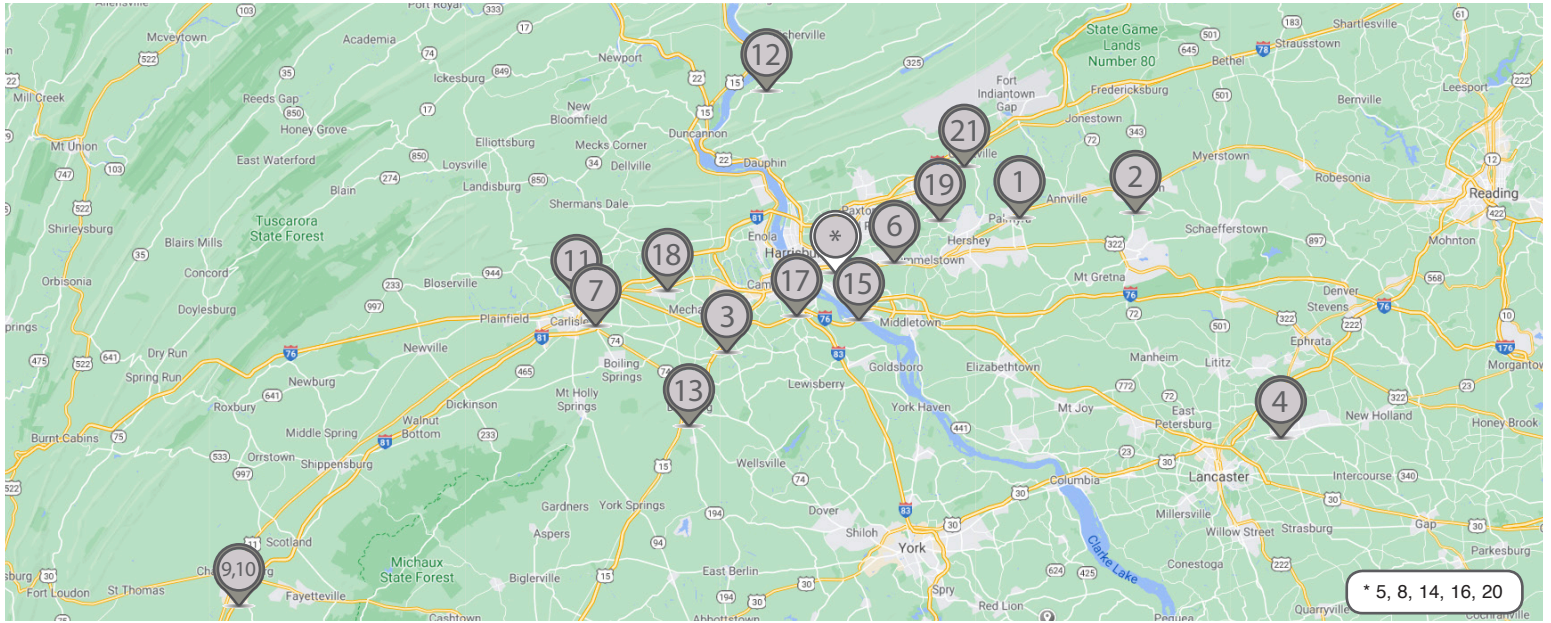
#### Lease - 3507 Market Street, Harrisburg

- Located within the heart of the West Shore, this aesthetically pleasing building has one suite available for lease
- The property is centralized on Camp Hill's main artery and is close to many restaurants and businesses





## LAND



### Sale/Lease - 370 E. Main Street, Leola

- Join the new Rutter's Farm Store on Main Street/New Holland Pike in Leola
- 1.3+/- acre pad site available for sale or lease with high visibility, easy access and located in a growing area
- Also available for lease is 2.8+/- acres in the rear of the property



### Sale - Eisenhower Blvd & Highspire Road, Harrisburg

- Nice 10-acre site on Eisenhower Boulevard with easy access to Route 283, I-83 and PA Turnpike (I-76)
- This site is surrounded by commercial, retail and industrial development and the Commercial General zoning permits virtually any of these like uses for future development

Location	Acres	Zoning	Type
1 940 E. Main Street, Palmyra, Lebanon County	TBD	Highway Commercial	Lease
2 1700 Quentin Road, Lebanon, Lebanon County	TBD	General Commercial	Lease
3 <b>Pending</b> - Kim Acres Drive & Aspen Drive, Mechanicsburg, Cumberland County	1.03	Highway Commercial	Sale
4 370 W. Main Street, Leola, Lancaster County	1.3 - 2.8	General Commercial	Sale/Lease
5 1301 Eisenhower Boulevard, Harrisburg, Dauphin County	1.77	ML-Light Industrial	Sale
6 <b>Pending</b> - 7700 Derry Street, Harrisburg, Dauphin County	2.12 (lot 4)	Commercial District General	Sale
7 I-81 and W. Trindle Road, Carlisle, Cumberland County	2.18 (2 parcels)	Commercial Highway	Sale
8 1345 Eisenhower Boulevard, Harrisburg, Dauphin County	4.46	ML-Light Industrial	Sale
9 Kriner Road, Chambersburg, Franklin County	4.64	Commercial Industrial	Sale
10 755-759 Kriner Road, Chambersburg, Franklin County	4.73 - 7.83	Commercial Industrial	Sale/Lease
11 W. Suncrest Drive and Spring Road, Carlisle, Cumberland County	4.87 (4 parcels)	Commercial/Light Industrial	Sale
12 <b>Pending</b> - Peters Mountain Road & River Road, Halifax, Dauphin County	5.1	None	Sale
13 700 S. Baltimore Street, Dillsburg, York County	5.23 - 57.5	Agricultural - Conservation (AC)	Sale
14 Eisenhower Boulevard, Harrisburg, Dauphin County	5.39	Commercial General	Sale
15 Cherry Street (Lot #9) & Walnut Street, Highspire, Dauphin County	7.77	Residential Low Density	Sale
16 Route 441 and Orchard Drive, Harrisburg, Dauphin County	8.34	Single Family Residential District	Sale
17 <b>Pending</b> - 730 Limekiln Road, New Cumberland, York County	8.64	Commercial Business	Sale
18 Carlisle Pike (Route 11) Waterford Square, Mechanicsburg, Cumberland County	8.78 (8 lots)	Community Commercial (C2)	Sale
19 <b>Price Reduced</b> - Hanshue Road, Tract 2, Hummelstown, Dauphin County	9.42	Residential Agriculture	Sale
20 Eisenhower Blvd & Highspire Road, Harrisburg, Dauphin County	10.0	Commercial District General	Sale
21 Allentown Boulevard, Harrisburg, Dauphin County	17+	Commercial Highway (CH)	Sale





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## Check Out Our Recent Deals

Visit [www.billgladstone.com](http://www.billgladstone.com) to view listings and deals not included in this issue.



### LEASED - 3540 N. Progress Ave, Suite 100, Harrisburg, PA

**Sanitation Specialist, Inc.** leased 1,200 SF of office space in Harrisburg. Sanitation Specialists offers transparent on-site management and complete sanitation solutions. The Bill Gladstone Group of NAI CIR represented the Tenant and Thomas Posavec, SIOR of Landmark Commercial Real Estate represented the Landlord.



### LEASED - 1421 N. Third Street, Harrisburg, PA

**Stefan Hawkins** leased 953 SF of office/retail space in heart of Midtown Harrisburg. Stefan plans to use it as an event space that will offer different themes throughout the month. He also plans to display various local artist and painters work for purchase. When the newly rented space isn't being utilized as an art studio, or event venue, he'll allow people to host and record podcast/YouTube shows. The Bill Gladstone Group of NAI CIR handled the transaction.



### SOLD - 200 S. Progress Ave., Harrisburg, PA

**Kaizen Properties, LLC** bought 4,454 SF of office space located in Harrisburg, PA. Kaizen Properties, LLC plans to turn 200 S. Progress Ave. into a Neighborhood Pharmacy with a small convenience store. The Bill Gladstone Group of NAI CIR represented the Seller and Bishwa Chhetri of Coldwell Banker Realty represented the Buyer.