



THIRD QUARTER - 2020

Market Watch

MODEST GAINS

The Greater Harrisburg Office Market made modest gains in the Third Quarter of 2020 after the Second Quarter saw rates hit negative levels as the COVID-19 crisis continued to persist. Absorption totaled 54,405 sq. ft.

Advances were witnessed across each segment of the Marketplace as a spike in acquisitions offset more moderate leasing activity over the past several weeks. The low interest rate environment has propelled increased demand from buyers and has given others contemplating leasing reason to pause.

We remain encouraged by the continued interest from smaller business groups who have had demand for office properties over the past five (5) months, and while we will not attempt to give guidance on the potential impact of the Coronavirus going forward we sense the Markets may be beginning the first phase of a restabilization process. What we can say is that based on demand activity currently present in the Marketplace we see reasonable prospects for demand going into the last Quarter of 2020.

A handwritten signature in black ink, appearing to read "Thomas T. Posavec".

THOMAS T. POSAVEC, SIOR
Senior Vice President

2400 Thea Drive, Harrisburg, PA

This 208,900 sq. ft. office building located in Susquehanna Township offers up to 133,000 sq. ft. for immediate occupancy. Spectacular renovations coming in Early 2021. Listed by Thomas T. Posavec, Senior Vice President, Landmark Commercial Realty, Inc., and Roy H. Brenner, Vice President, Landmark Commercial Realty, Inc. Call for more information: 717-503-7755.

MARKET SUMMARY

DOWNTOWN BUSINESS DISTRICT

Absorption totaled a positive 19,060 sq. ft. in the Third Quarter of 2020 a result of solid demand across all segments of the District.

Class A occupancy rates remained unchanged at 94% as absorption totaled a positive 3,000 sq. ft. Class B+ occupancy rates remained unchanged at 91% as absorption totaled

8,060 sq. ft. The Class B segment saw occupancy rates rise one percentage point to 95% as absorption totaled a positive 8,000 sq. ft.



2411 N. Front St, Harrisburg, PA

An impressive Third Quarter for the Class B segment as demand for these less premier properties strengthened. The lack of large blocks of space should come into play early next year if larger users enter the marketplace in early 2021. The remaining segments of the Downtown Marketplace are in good condition going forward in light of the effects of the COVID-19 Pandemic.



123 Forster Street, Harrisburg, PA

EAST SHORE BUSINESS DISTRICT

Absorption totaled a positive 16,180 sq. ft. in the Third Quarter of 2020 as inventory levels remained relatively unchanged.



945 East Park Drive, Harrisburg, PA

Class A occupancy rates remained unchanged at 94% as absorption totaled 3,037 sq. ft. Class B+ occupancy rates rose to 96% as absorption totaled a positive 8,143 sq. ft. The Class B segment saw occupancy rates remain unchanged at 96% as absorption totaled 5,000 sq. ft.

Although activity has increased in recent weeks the market appears to be simply holding its own as all of the market segments have been in the mid-nineties for the past several quarters. New construction along the Linglestown Road corridor will add retail and office opportunities for small to mid-sized users. In addition these new projects will offer spectacular acquisition opportunities for users at these new developments.



1250 N. Mountain Road, Harrisburg, PA


PennianBank
DRAGAN DODIK
SVP & Market Executive

 Member FDIC and Equal Housing Lender



PM: 717-497-8708 • dragan.dodik@pennianbank.com • pennianbank.com



RICK LIDDELL
President

GEO. W. WEAVER & SON, INC.
HARRISBURG STORAGE COMPANY
PENN HERSHEY TRANSFER
165 LAMONT ST. NEW CUMBERLAND, PA 17070
PHONE: 717/774-7835 CELL: 717/579-2140
FAX: 717/774-0774
EMAIL: gwrick@verizon.net or geoww@verizon.net

An Interstate Agent For North American Van Lines

WEST SHORE BUSINESS DISTRICT

Absorption totaled a positive 19,165 sq. ft. in the Third Quarter 2020, a modest result leaving all segments relatively unchanged.

Class A occupancy rates remained at 98% as absorption totaled a positive 8,050 sq. ft. Class B+ occupancy rates remained unchanged at 95% as absorption totaled 4,100 sq. ft. The Class B segment saw absorption total positive 7,015 sq. ft. as occupancy rates remained unchanged at 95%.



As the Class A segment continues to perform well the remainder of the marketplace also remains solid as occupancy rates for Class

B+ and B space remain at 95%. The Class A segment has held its own as firms plan for future office needs in light of the recent pandemic.

We anticipate modest new construction and continued demand from buyers going forward into 2021.



2120 Market Street, Camp Hill, PA



4640-4660 Trindle, Road, Camp Hill

Up to 24,000 sq. ft. for lease in the Heart of Camp Hill. Available for occupancy 2Q 2021.



4800 Jonestown Road, Harrisburg, PA

8,473 SF for sale or 5,775 SF for lease at this Route 22 address.



3601 North Progress Avenue, Harrisburg, PA

Up to 7,500 SF of medical office space available for lease. Easy access to I-81. Priced below market. Ideal for medical user.



WILDEMAN &
OBROCK

CERTIFIED PUBLIC ACCOUNTANTS

“Proud to be your
trusted advisors”

www.WAO-CPA.com • 717-561-0820



The Gals Cleaning Service



Let's Get You Cleaned Up!



www.thegalscleaningservice.com

(717) 645-9633

thegalscleaningservice@yahoo.com

Angela S. Martin
President



1631 North Front Street, Harrisburg, PA
8,267 sq. ft. office building for sale. 3,646 SF 1st suite and 912 SF 2nd suite for lease.



75 South Houcks Road, Harrisburg, PA
This gorgeous 29,000 SF first class building offers 1,500 to 4,300 SF for immediate occupancy.



2000/2040 Linglestown Road, Harrisburg, PA
1,500 to 2,850 SF for lease. Recently renovated. Terrific finishes. Easy access. Local ownership



5301 Jonestown Road, Harrisburg, PA
Approx. 7,531 SF office building for sale. Ample on-site parking. 1,236 SF and 1,485 SF available.



2578 Interstate Drive, Harrisburg, PA
1,500 to 2,000 SF available for immediate occupancy. Terrific buildouts.



4309 N. Front Street, Harrisburg, PA
4,244 SF to 8,480 SF for lease. Fantastic views of Susquehanna River.



5425 Jonestown Road, Harrisburg, PA
Up to 2,500 SF available immediately. Located in the Heart of Colonial Park. Terrific visibility.



940 East Park Drive, Harrisburg, PA
150 SF to 3,700 SF available for lease. Located just off I-83. Shared space available.



600 North 12th Street, Lemoyne, PA
1,258 SF available for lease. Terrific windows. Convenient West Shore address. Close to everything.



Olde Liberty Square, Harrisburg, PA
Various small suites available. Ready for occupancy. Terrific layouts. Ample on-site parking. Excellent visibility. Heart of Colonial Park.






CORPORATE
EDUCATION
HEALTHCARE

717-985-9700
www.gotanner.com

AUTHORIZED DEALER
HAWORTH®

AVAILABILITIES

THOMAS T. POSAVEC, SIOR

717-731-1990 EXT. 3007 • 717-503-7755 MOBILE • TPOSAVEC@LANDMARKCR.COM



845 Sir Thomas Court, Harrisburg, PA
Medical and professional offices for lease. Great layouts. One block from Pinnacle Campus.



801 East Park Drive, Harrisburg, PA
1,400 SF to 4,300 SF available for lease. Excellent layouts. Terrific signage.



3314 Market Street, Camp Hill, PA
1,450 SF and 1,500 SF available for lease. Convenient to East/West Shores and just minutes to Harrisburg.



1013 Mumma Road, Wormleysburg, PA
Various suites from 690 SF to 2,497 SF available immediately. Convenient both the East and West Shores.



2151 Linglestown Road, Harrisburg, PA
Across from Giant Foods. 7,124 SF professional condominium for sale. Over \$50,000 in recent renovations.



2690 Commerce Drive, Harrisburg, PA
10,300 SF office building for sale or lease in Commerce Park. Great access and eateries.



4201 Crums Mill Road, Harrisburg, PA
Up to 8,400 SF for lease. Furniture available. Immediate occupancy. Spectacular Windows.



3544 N. Progress Avenue, Harrisburg, PA
1,072 SF to 1,400 SF available immediately. Excellent location with easy access to I-81, I-83, and Rt. 322.



6310 Allentown Boulevard, Harrisburg, PA
1,500 SF up to 12,000 SF available for lease First Quarter 2021. Excellent signage and terrific new layouts.



717 Market Street, Lemoyne, PA
Up to 2,300 SF professional office suite available for lease. Great signage and visibility. Ready for occupancy. Terrific architecture.



4550 Lena Drive, Mechanicsburg, PA
4,750 SF available immediately. Attractive new finishes. Modern updated lobby. Spectacular location and access. Gorgeous windows.



425 North 21st Street #302, Camp Hill, PA 17011 • www.landmarkcr.com

THOMAS T. POSAVEC, SIOR • 717-731-1990 EXT. 3007 • 717-503-7755 MOBILE • TPOSAVEC@LANDMARKCR.COM

MARKET ANALYSIS Q3 2020

	Number of Buildings	Total Inventory	Total Available	3rd Q 2020 Occup. Rate	2nd Q 2020 Occup. Rate	1st Q 2019 Occup. Rate	4th Q 2019 Occup. Rate	3rd Q 2019 Occup. Rate	3rd Qtr. 2020 Current Asking Rent*	3rd Qtr. 2020 Absorption in SF
CITY										
Class A	23	1,570,475	98,700	94%	94%	93%	94%	93%	\$18.00-\$23.00	3,000
Class B+	61	1,708,315	151,700	91%	91%	91%	90%	90%	\$15.50-\$18.00	8,060
Class B	181	1,589,752	85,091	95%	94%	94%	93%	92%	\$13.00-\$15.50	8,000
TOTAL	265	4,868,542	335,491							19,060
EAST SHORE										
Class A	48	2,238,921	138,619	94%	94%	94%	95%	94%	\$18.65-\$23.00	3,037
Class B+	89	2,129,831	89,750	96%	95%	96%	96%	96%	\$16.50-\$18.75	8,143
Class B	151	1,738,889	70,700	96%	96%	95%	95%	94%	\$14.00-\$16.50	5,000
TOTAL	288	6,107,641	299,069							16,180
WEST SHORE										
Class A	65	2,918,340	71,850	98%	97%	97%	97%	96%	\$18.65-\$23.00	8,050
Class B+	118	2,531,990	118,500	95%	95%	95%	95%	94%	\$16.50-\$18.75	4,100
Class B	168	1,993,061	91,869	95%	95%	95%	95%	95%	\$14.75-\$16.50	7,015
TOTAL	351	7,443,391	282,219							19,165
GRAND TOTAL	904	18,419,574	916,779	<i>*Excluding interior suite janitorial services.</i>						54,405

In its twenty-sixth year, this study analyzed 904 office buildings in the Greater Harrisburg Area over the past twelve months and tracked economic indicators such as absorption, occupancy rates and current asking rents. This endeavor was undertaken to provide statistical data to better understand the complexities of the Harrisburg Office Market. For a closer look at 2020 a specific quarterly breakdown is illustrated on page six of the analysis.

It is important to understand that this analysis excluded owner occupied facilities, medical and governmental buildings and single user facilities as these buildings are not periodically in circulation. Furthermore, facilities available for sublease are also excluded from the analysis in order to avoid the potential of overstating vacancy rates resulting from these specific sublease opportunities.

Implementing these methods provides an accurate measure and greatly reduces the probability of an analysis becoming skewed as a result of one or two specific transactions.



The information herein is not warranted and is subject to correction or change without notice. We assume no liability for errors or omissions. Property Owner has the right to accept or reject all offers. Landmark Commercial Realty, Inc., can represent the Buyer/Tenant as a buyer's agent, or the Buyer/Tenant and Seller/Landlord as a dual agent, but unless otherwise specified in writing, Landmark Commercial Realty, Inc., is only representing the Seller/Landlord as a Seller's agent. Note: While the analysis presented here has been carefully prepared from sources deemed reliable, Landmark Commercial Realty, Inc. makes no representation, expressed or implied as to the accuracy, completeness, or adequacy of any information. The analysis is subject to change without notice and nothing contained herein should be relied upon as a recommendation regarding any individual's personal investment decisions.



Andrew M. Enders, Esq.

5912 Linglestown Road
Harrisburg, PA 17112

o 717.652.4902
m 717.439.8606
@EndersInsurance

Offering over 24 years of experience helping people buy and sell!

Mobile: 717.608.4414 | Direct: 717.853.0444
angie@angiemillerhomes.com | www.angiemillerhomes.com

ANGIE MILLER
BROKER/OWNER

There for when life moves you.

RE/MAX
PREMIER SERVICES

1130 Cocoa Avenue
Hershey, PA 17033
Office: (717) 533-3300