



Focus Central Pennsylvania: Real Estate Market Overview and Industry Site Selection Decision Making

June 6, 2017

FIRSTENERGY ECONOMIC DEVELOPMENT PARTNER
FORUM



A Signet, LLC Company

WHO WE ARE



Juniper Solutions, a Signet LLC Company, serves both businesses and communities with a successful history of providing comprehensive real estate advisory & location strategies, as well as economic development consulting services to clients throughout North America.

www.JuniperCRE.com

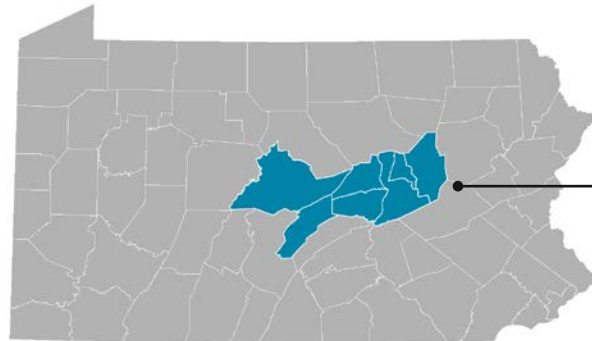
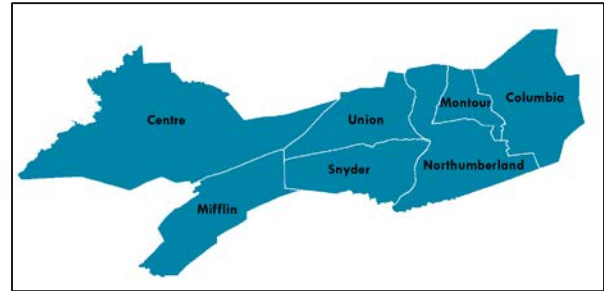


WHAT WE DO

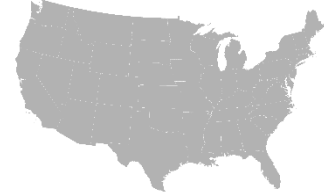
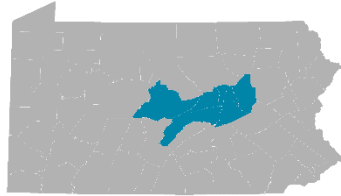
- Real Estate Strategy & Planning
- **Site Selection**
- Strategy & Lead Generation Services
- GIS Mapping and Spatial Analytics
- Market Research
- Location Assessment & Benchmarking
- **Economic Development Service**
- **Delivery Assessment**
- Workforce Analysis
- **Targeted Industry Assessment for Business Attraction**
- **Cluster and Supply-Chain Studies**
- Economic and Fiscal Impact Studies
- Incentives Analysis, Benchmarking and Recommendations
- Marketing and Business Development
- Transaction Management/Tenant Rep



Regional Industrial Real Estate Market



SNAPSHOT – REGION VS. NATION



\$4.04 Rent Per SF



\$6.71 Rent Per SF

1.0% Vacancy Rate



5.4% Vacancy Rate



SNAPSHOT - INVENTORY

1998 & BEFORE

Inventory	Survey	5-Year Avg
Existing Buildings	774	768
Existing SF	36,460,892	36,204,855
12 Mo. Const. Starts	0	28,444
Under Construction	0	21,333
12 Mo. Deliveries	0	34,133

1999 & AFTER

Inventory	Survey	5-Year Avg
Existing Buildings	27	26
Existing SF	2,540,542	2,431,167
12 Mo. Const. Starts	0	28,444
Under Construction	0	21,333
12 Mo. Deliveries	0	34,133

- Limited newer buildings available for a seven-county region in the past 20 years.
- Limited new construction in the pipeline and only small building(s) deliveries in the past five years.

SNAPSHOT - AVAILABILITY

1998 & BEFORE

Availability	Survey	5-Year Avg
Rent Per SF	\$4.04	\$3.45
Vacancy Rate	1.0%	5.1%
Vacant SF	382,215	1,834,545
Availability Rate	4.2%	8.5%
Available SF	1,545,819	3,082,035
Sublet SF	0	1,127
Months on Market	40.1	34.2

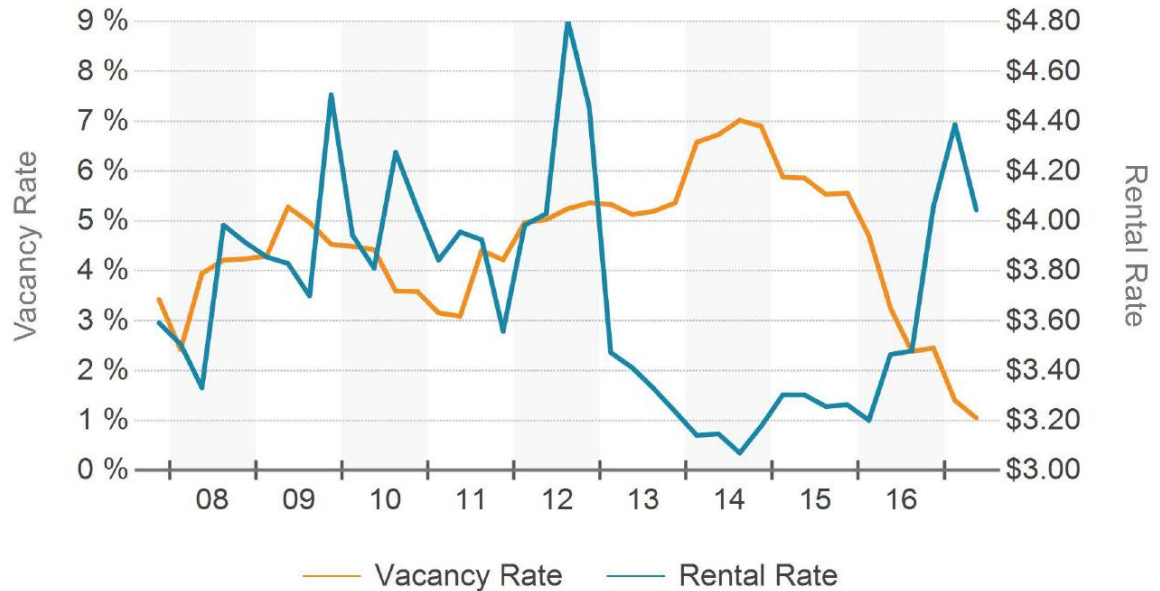
1999 & AFTER

Availability	Survey	5-Year Avg
Rent Per SF	\$6.98	\$7.84
Vacancy Rate	1.8%	2.2%
Vacant SF	47,000	53,563
Availability Rate	1.7%	4.7%
Available SF	42,000	113,946
Sublet SF	0	0
Months on Market	54.4	37.6

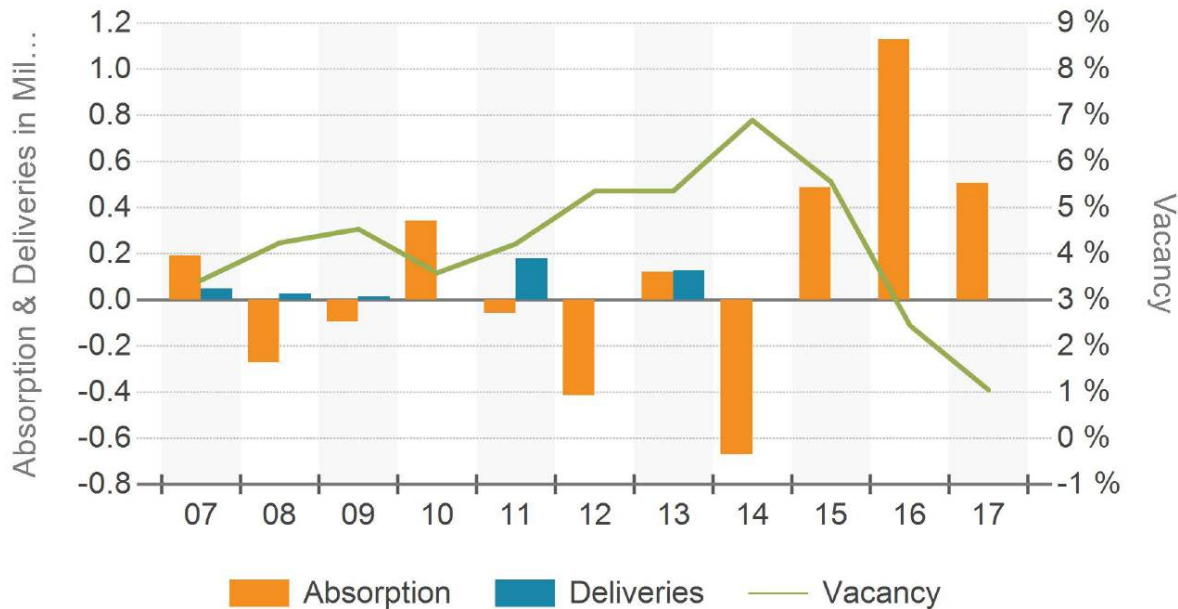
- Vacancy across all ages of industrial product is very low and has been exceptionally low for newer over the last five years.
- The seven-county region has just 42,000 SF of newer industrial product to offer for an urgent/non-build-to-suit attraction opportunity.



VACANCY AND RENTAL RATES

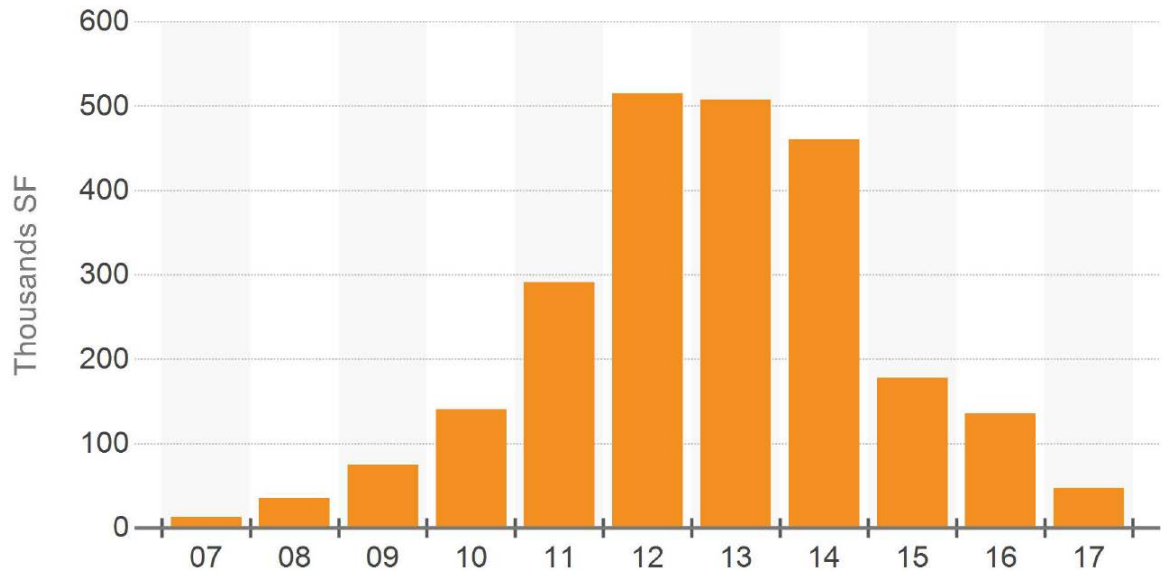


ABSORPTION, DELIVERIES, VACANCY





LEASING ACTIVITY



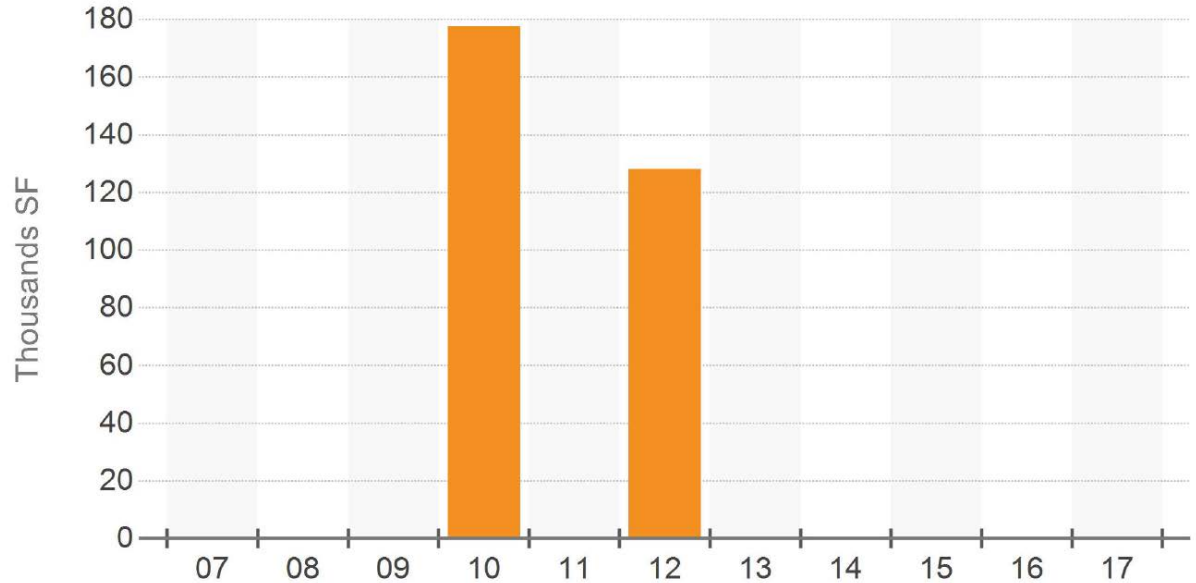


TIME ON MARKET



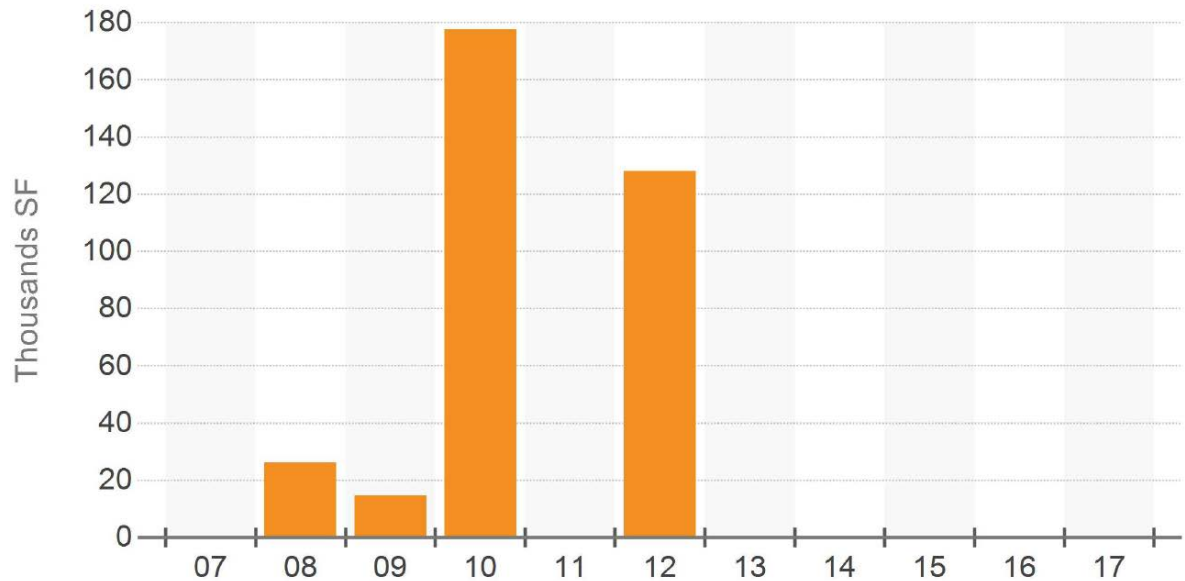


UNDER CONSTRUCTION



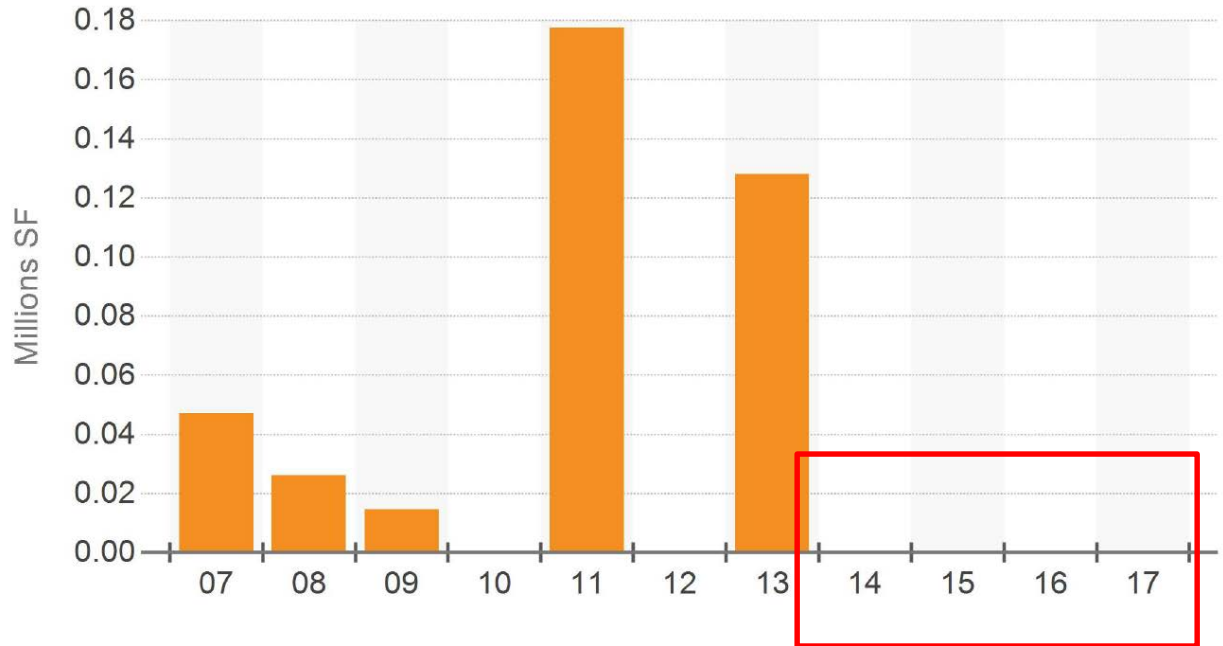


CONSTRUCTION STARTS





CONSTRUCTION DELIVERIES



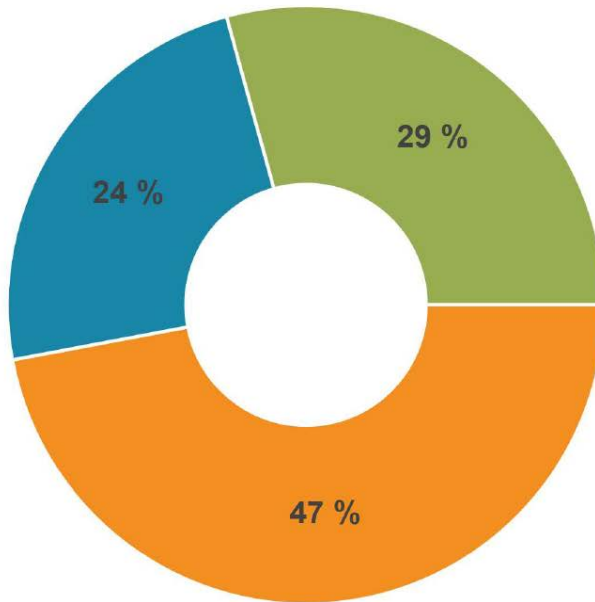


BUYER BROKERS





BUYERS BY TYPE



- Private
- REIT/Public
- User



TOP INDUSTRIAL LEASES

Tenant (Unverified)	Address	Square Feet	Sign Date
Rotech Healthcare	Berwick Knitwear Facility 232 S. Poplar St., Berwick	20,000	5/3/2017
Alex's ProScape	270-284 Reese Rd., State College	30,800	12/8/2016
Integrity Building Systems Inc.	2435 Housels Run Rd., Milton	81,447	9/9/2016
Lewistown Manufacturing Co	1 Belle Ave., Lewistown	36,000	4/4/2016
Fresh Roasted Coffee LLC	Select Pallets 600 S. High St., Selinsgrove	31,000	2/2/2016
Penna Precision Machining	1210 Matthew St., Watsontown	17,000	6/8/2015



Site Selection

Decision Making: Being Ready When Opportunity Knocks





SITE LOCATION DECISION PROCESS

A systematic, time-tested
approach to helping
companies resolve business
location challenges.



THE DECISION PROCESS IS ...

Profit-Driven

- Investment for the purpose of return. **Business is in business to make a profit.** The process must ensure that the broad perspective of the enterprise is addressed.

Deadline-Driven

- Both the site selection process and **the project must meet deadlines.**

Competitive

- Companies have **multiple location options.** The process is one of elimination until the optimal site is found.

Comprehensive

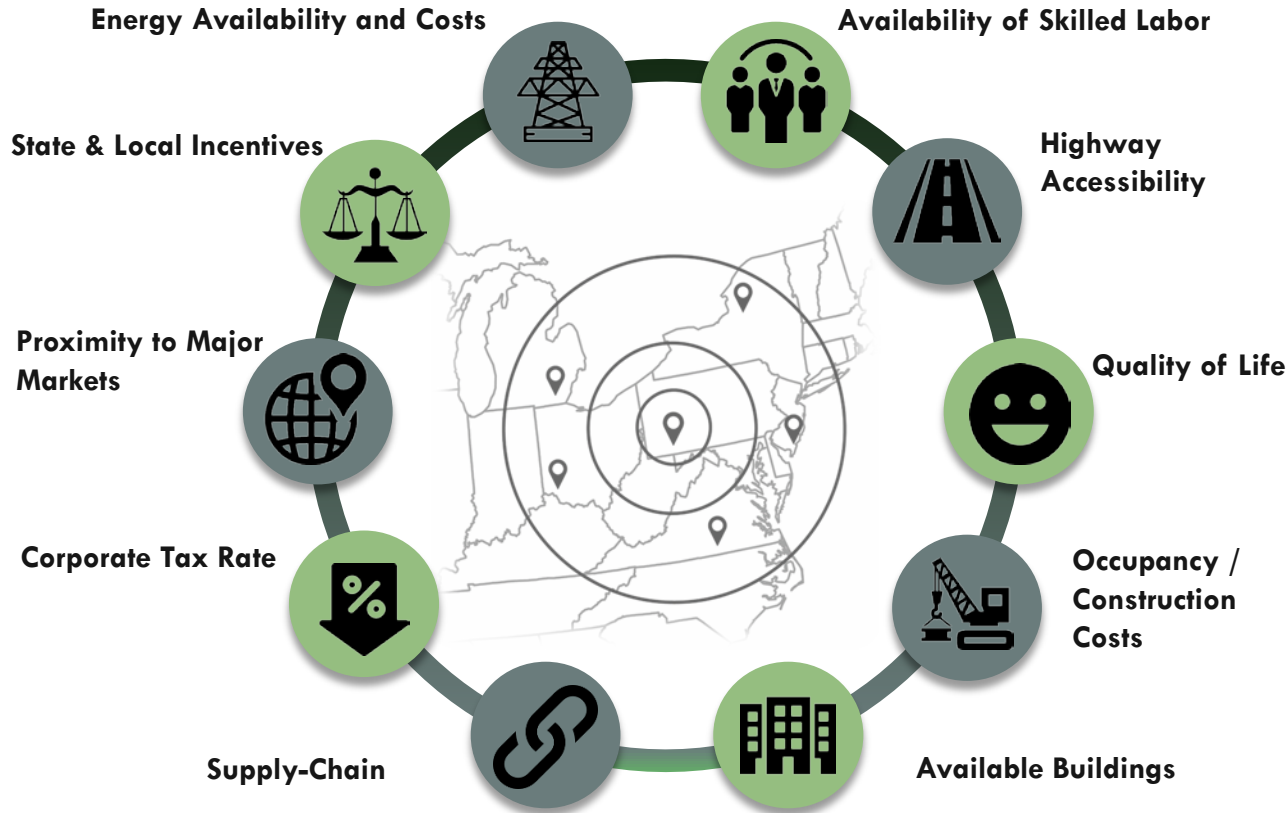
- A complex decision **involving analytical and subjective analyses,** it must take into account critical aspects that are important to the entire organization.



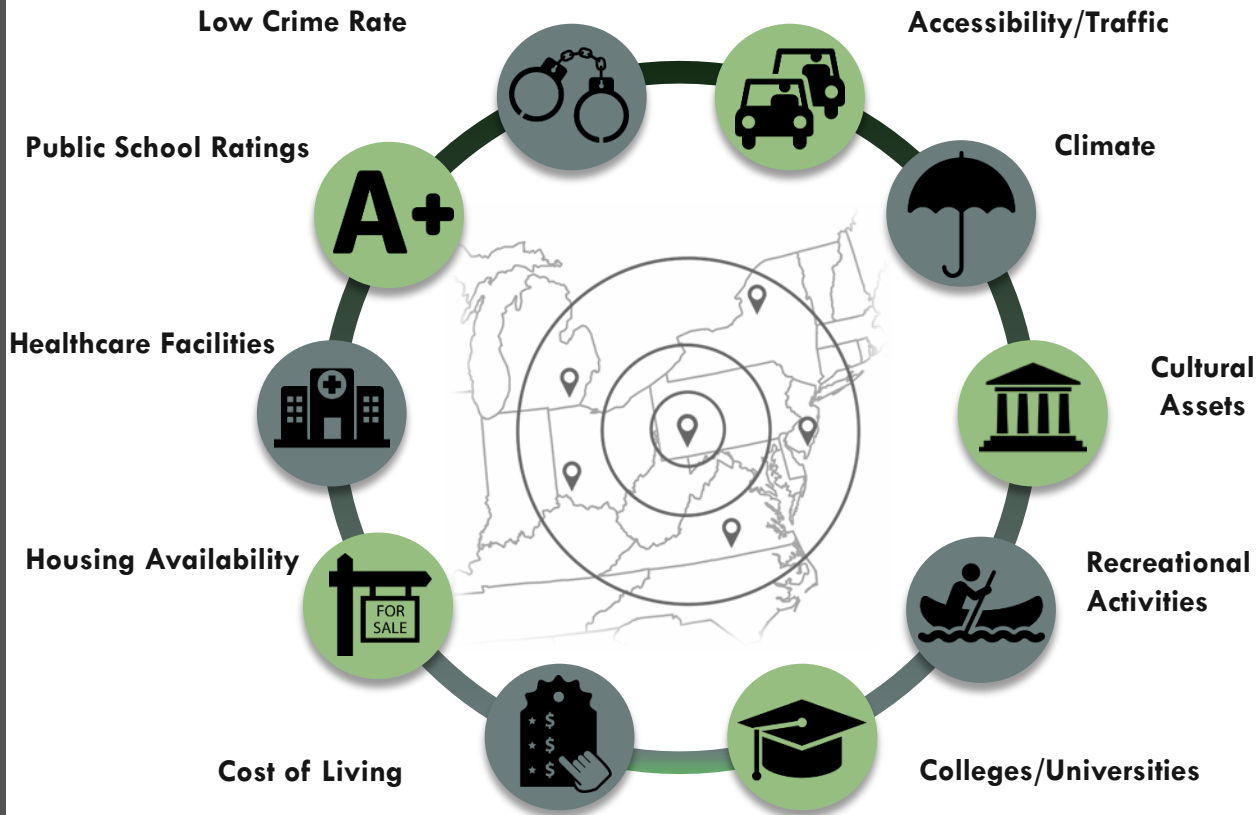
EMERGING TRENDS...

- Communities are being evaluated before they even know they are being considered.
- Use of GIS and the Internet mean the initial site search process is significantly shorter. Speed and accuracy!
- Increased importance of project-ready sites (shovel-ready) and buildings.
 - **80% of searches are looking for an existing building.**
 - 1/4 cannot find a building – so you need prepared sites too.
- Data-driven site selection approach through advanced analytics tools including drive-time coverages, psychographics, and mobile and automotive geofencing.

SITE SELECTION FACTORS



QUALITY OF PLACE FACTORS





THE SITE SELECTOR'S SHOES

- Access to accurate data
- Clarity
- Efficiency and timeliness
- Updated website that is ED leaning
- Single point of contact, who has the answers *or can get them quickly*
- Facts vs. sales pitch

TEAM SPORT

- Schools
- Fire and safety
- Parks and recreation
- Finance (banks, lenders, port authorities)
- Leadership from other companies
- Labor (if on board)
- Elected officials
- Real estate developers and owners
- Share Data
- Rehearse the Story



Source: Palo Alto Networks

PLACE AUTHENTICITY

- Live, Work, Play-ed Out.
 - Important concept by virtue, but the slogan is overdone.



- *“A great slogan can help people to remember your company, but it needs to be connected to your brand message.” – The Placemaking Group*
- EXAMPLES:
 - *Keep Austin Weird* is the slogan adopted by the Austin Independent Business Alliance to promote small businesses in Austin, Texas.





THANK YOU.

QUESTIONS?

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