

MULTIFAMILY REDEVELOPMENT OPPORTUNITY

2150 Herr Street

Harrisburg, PA

STATESMAN
INSURANCE GROUP



Confidential Offering Memorandum

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Executive summary

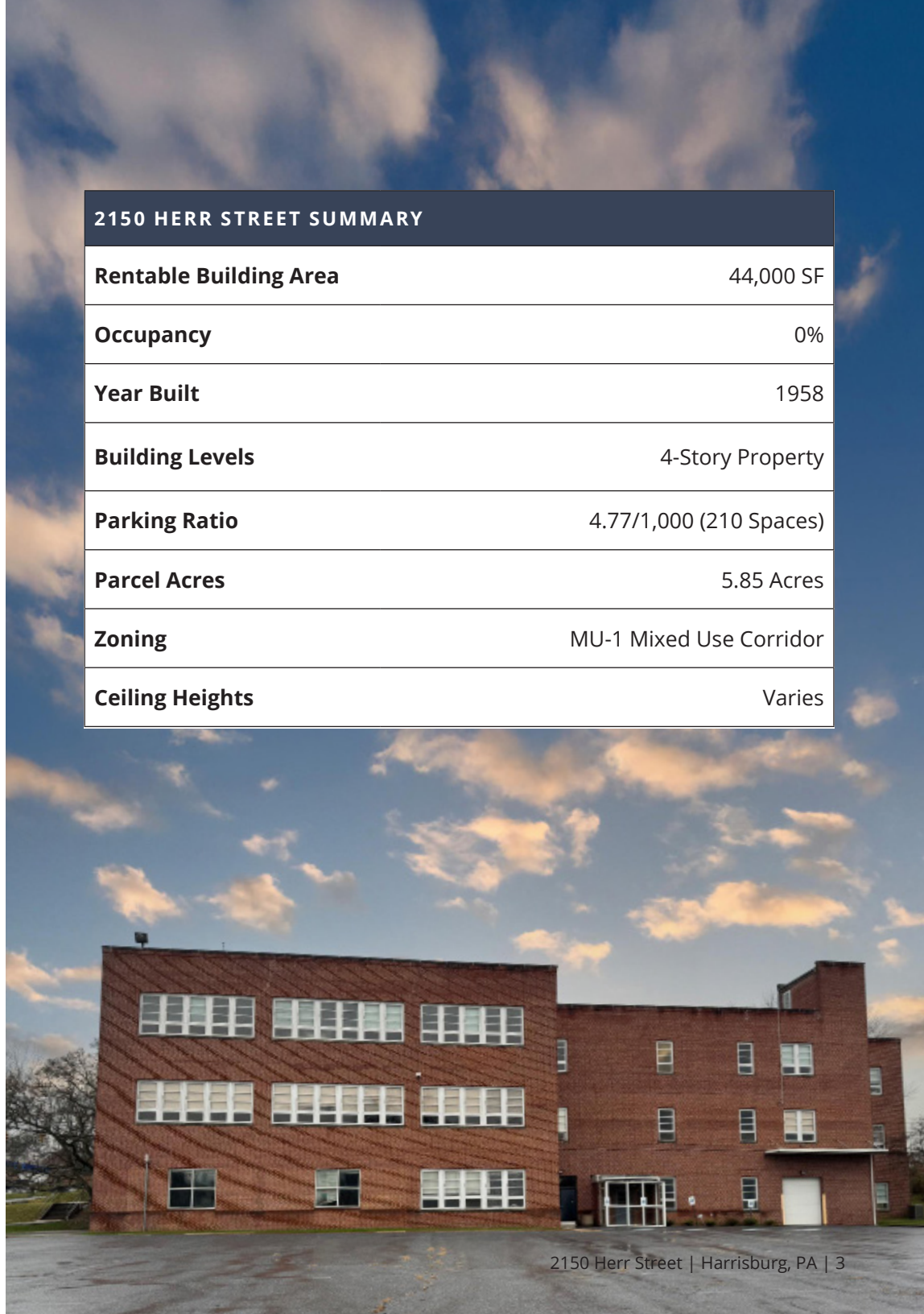
We are pleased to present the sale of a prime 5.85-acre redevelopment site located at 2150 Herr Street in Harrisburg, Pennsylvania. This strategically positioned property offers an exceptional opportunity for multifamily and mixed-use development. The site has already secured approvals for the construction of 92 residential units, providing a solid foundation for immediate development. Its location benefits from easy access to major thoroughfares such as Interstate 83, Route 22, and the Pennsylvania Turnpike, ensuring seamless connectivity to the broader Harrisburg metropolitan area, neighboring cities, and key regional destinations.

The redevelopment plan for this property includes a dynamic mix of 92 residential units with ground-floor commercial space, catering to the increasing demand for modern urban living and retail services in the area. The project is designed to accommodate a blend of lifestyle options, creating an engaging community atmosphere with potential for high-quality residential units paired with vibrant commercial activity at street level. This combination ensures both a strong residential base and active retail space, contributing to the overall vitality of the surrounding neighborhood.

With approvals in place and a detailed site plan prepared, this development presents an attractive investment opportunity. The project's strategic location in Harrisburg, paired with its proximity to major thoroughfares and immediate approval status, positions it as a high-potential development site. This property offers developers and investors a unique opportunity to capitalize on a growing market in a city with promising urban renewal and development prospects.

2150 HERR STREET SUMMARY

Rentable Building Area	44,000 SF
Occupancy	0%
Year Built	1958
Building Levels	4-Story Property
Parking Ratio	4.77/1,000 (210 Spaces)
Parcel Acres	5.85 Acres
Zoning	MU-1 Mixed Use Corridor
Ceiling Heights	Varies



Investment highlights

The Property at 2150 Herr Street presents a prime opportunity for multifamily development due to its strategic location and surrounding amenities. Situated in a growing neighborhood that enjoys proximity to essential services and recreational areas, this site offers potential developers the chance to tap into a market with increasing demand for residential housing. The accessibility of major highways and public transportation options enhances its attractiveness, ensuring residents can easily commute to downtown Harrisburg and nearby cities. Additionally, the area's ongoing population growth and economic development activities signal a strengthening local market, making it an ideal time to invest in a multifamily project that could benefit from both immediate and long-term community expansions.



SHOVEL-READY

Approved for 92 residential units with ground-floor commercial space, ideal for multifamily and mixed-use development.



PRIME LOCATION

Located within the state capital, offering easy access to Interstate 83, Route 22, and the Pennsylvania Turnpike.



GROWING MARKET

Harrisburg continues to experience urban renewal and development, which presents opportunities for property value appreciation over time.



URBAN LIVING & RETAIL

Designed to blend residential living with vibrant retail options, catering to growing demand for modern urban spaces.

Limitless redevelopment potential



MULTIPLE PATHS TO VALUE

2150 Herr Street offers developers numerous avenues to create value. With its prime location and mixed-use design, the property can attract a diverse range of tenants, including residents and businesses. Its entitlement for residential and commercial uses ensures adaptability, allowing developers to meet changing market demands efficiently. Whether maximizing rental yields or leveraging commercial leases, this site offers unparalleled opportunities.



STRATEGIC LOCATION

Situated in a well-connected part of Harrisburg, the property benefits from proximity to major highways, public transportation, and key urban amenities. This accessibility makes it an attractive option for both residents seeking convenience and businesses looking for a vibrant location. The surrounding infrastructure further enhances the property's value proposition.



LONG-TERM GROWTH

Harrisburg's steady population growth and urban revitalization initiatives position 2150 Herr Street as a long-term investment. The combination of residential and commercial spaces caters to evolving community needs, ensuring sustained demand and growth. Developers can capitalize on the region's positive economic trends and the property's built-in flexibility to adapt to future opportunities.

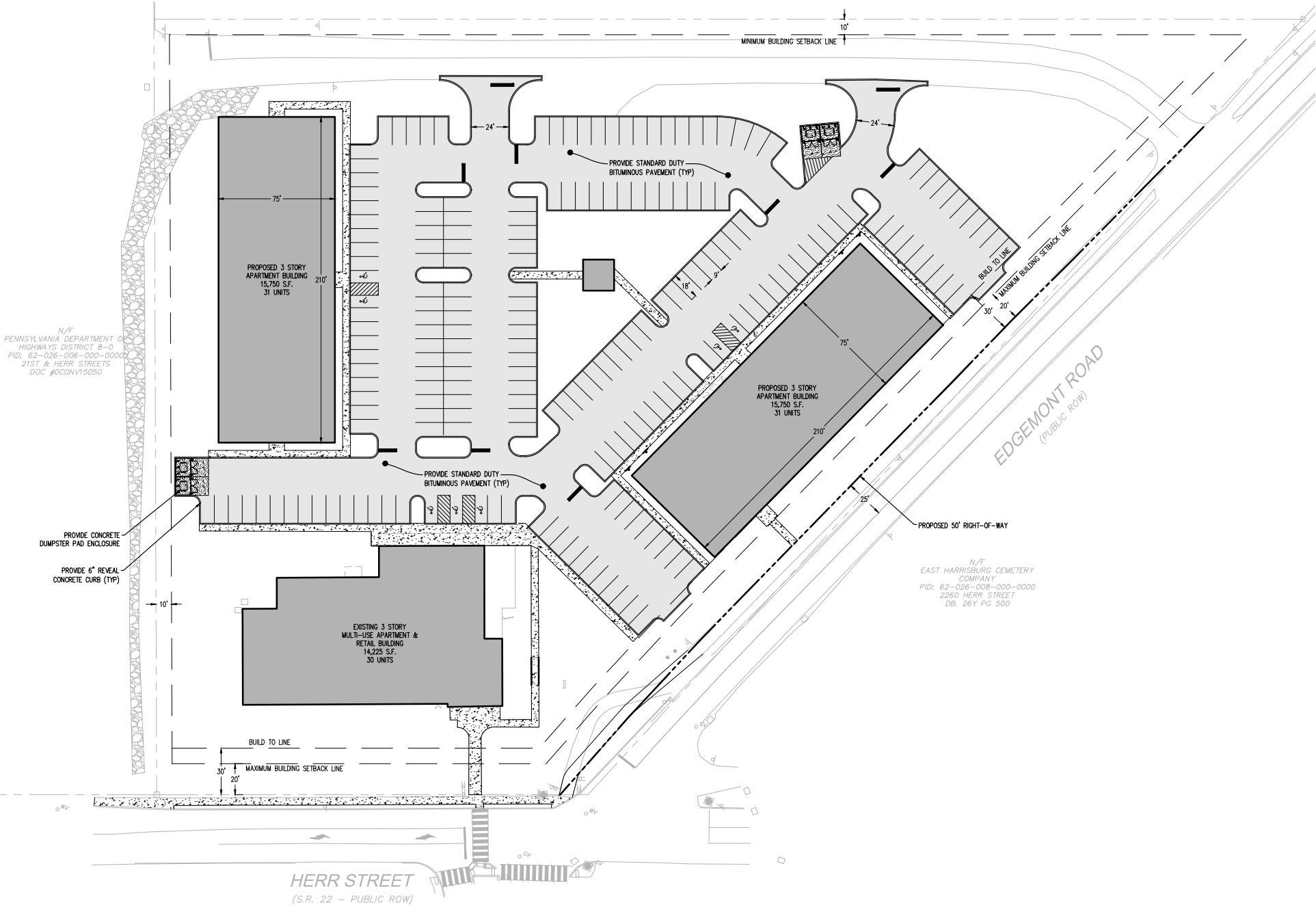


02 Property

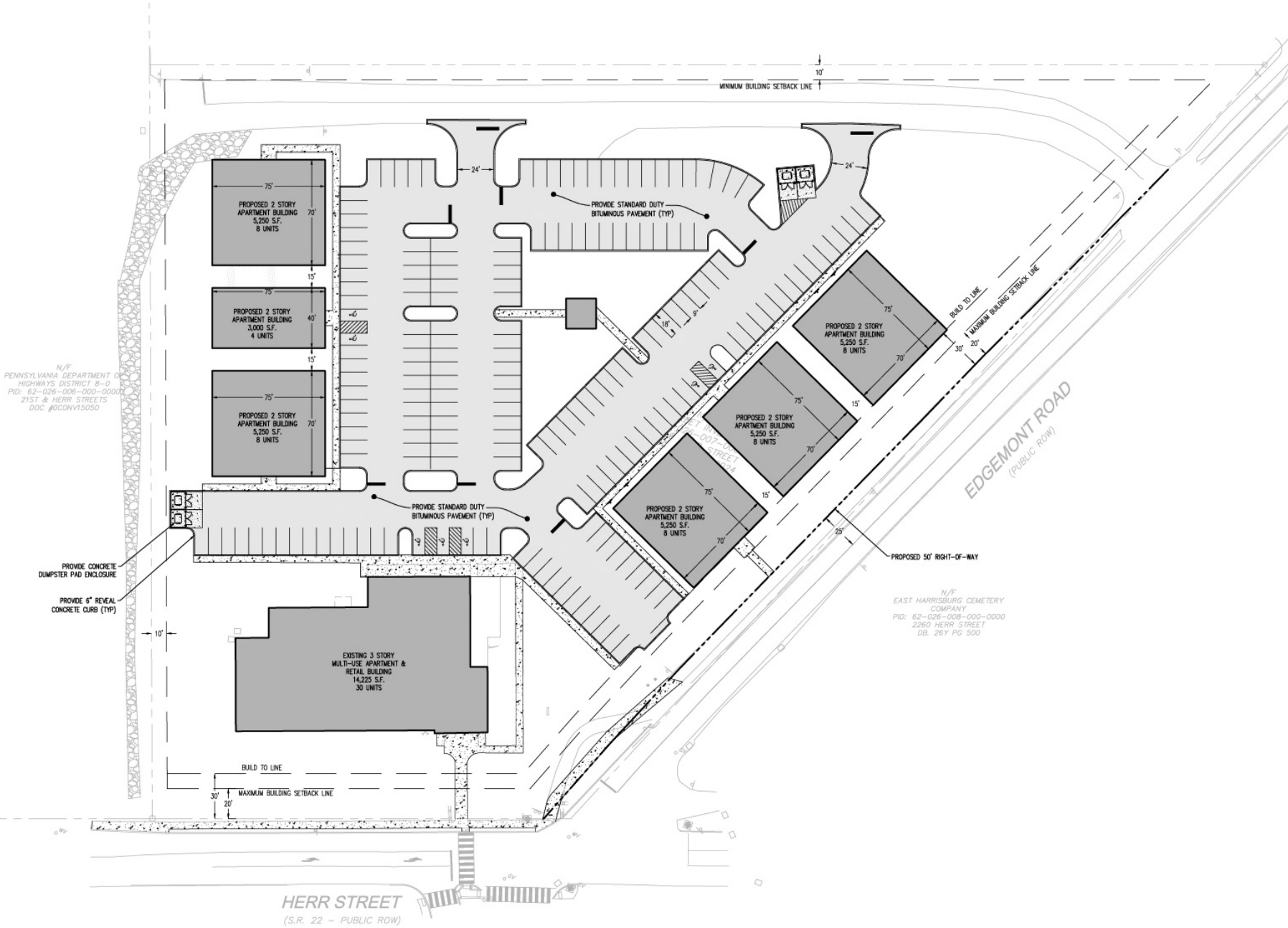


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Proposed concept plan



Proposed concept plan #2



Proposed retail/first floor concept plan



Proposed residential unit plans

FIRST LEVEL



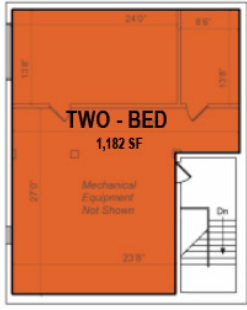
SECOND LEVEL



THIRD LEVEL



FOURTH LEVEL



Ideal redevelopment opportunity



Clean slate for development

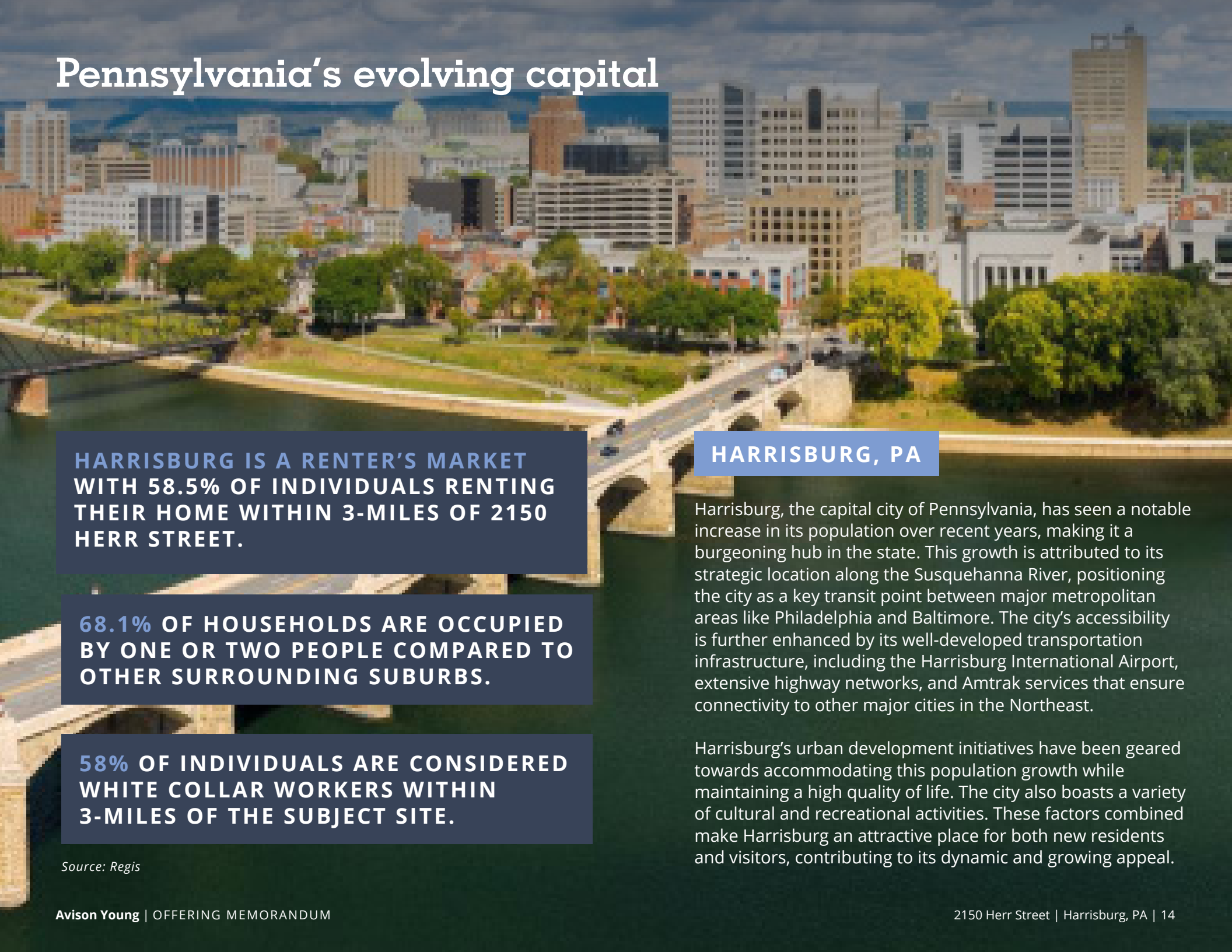


03 Location



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Pennsylvania's evolving capital



HARRISBURG IS A RENTER'S MARKET WITH 58.5% OF INDIVIDUALS RENTING THEIR HOME WITHIN 3-MILES OF 2150 HERR STREET.

HARRISBURG, PA

Harrisburg, the capital city of Pennsylvania, has seen a notable increase in its population over recent years, making it a burgeoning hub in the state. This growth is attributed to its strategic location along the Susquehanna River, positioning the city as a key transit point between major metropolitan areas like Philadelphia and Baltimore. The city's accessibility is further enhanced by its well-developed transportation infrastructure, including the Harrisburg International Airport, extensive highway networks, and Amtrak services that ensure connectivity to other major cities in the Northeast.

68.1% OF HOUSEHOLDS ARE OCCUPIED BY ONE OR TWO PEOPLE COMPARED TO OTHER SURROUNDING SUBURBS.

58% OF INDIVIDUALS ARE CONSIDERED WHITE COLLAR WORKERS WITHIN 3-MILES OF THE SUBJECT SITE.

Source: Regis

Harrisburg's urban development initiatives have been geared towards accommodating this population growth while maintaining a high quality of life. The city also boasts a variety of cultural and recreational activities. These factors combined make Harrisburg an attractive place for both new residents and visitors, contributing to its dynamic and growing appeal.

Capital adjacent location

HARRISBURG TOP EMPLOYERS

Employer	Industry	Employees
Commonwealth of Pennsylvania	Government	31,200
U.S. Government	Government	11,600
Hershey Company	Food Manufacturing	5,600
Highmark Blue Shield	Health Insurance	5,600
Tyco Electronics Corporation	Electronics	5,332
Penn State Hershey Medical Center	Healthcare	4,251
UPMC Pinnacle Hospital	Healthcare	3,587
Pennsylvania Higher Education Assistance Agency (PHEAA)	Financial Services	2,708
Rite Aid Corporation	Retail Pharmacy	2,375
Dauphin County	Government	2,175



Gateway location for Herr Street



Demographics

3 Mile Radius

101,983

Total Population

\$77,022

Average Household Income

\$599,696

Average Household Net Worth

34.5

Median Age

42,993

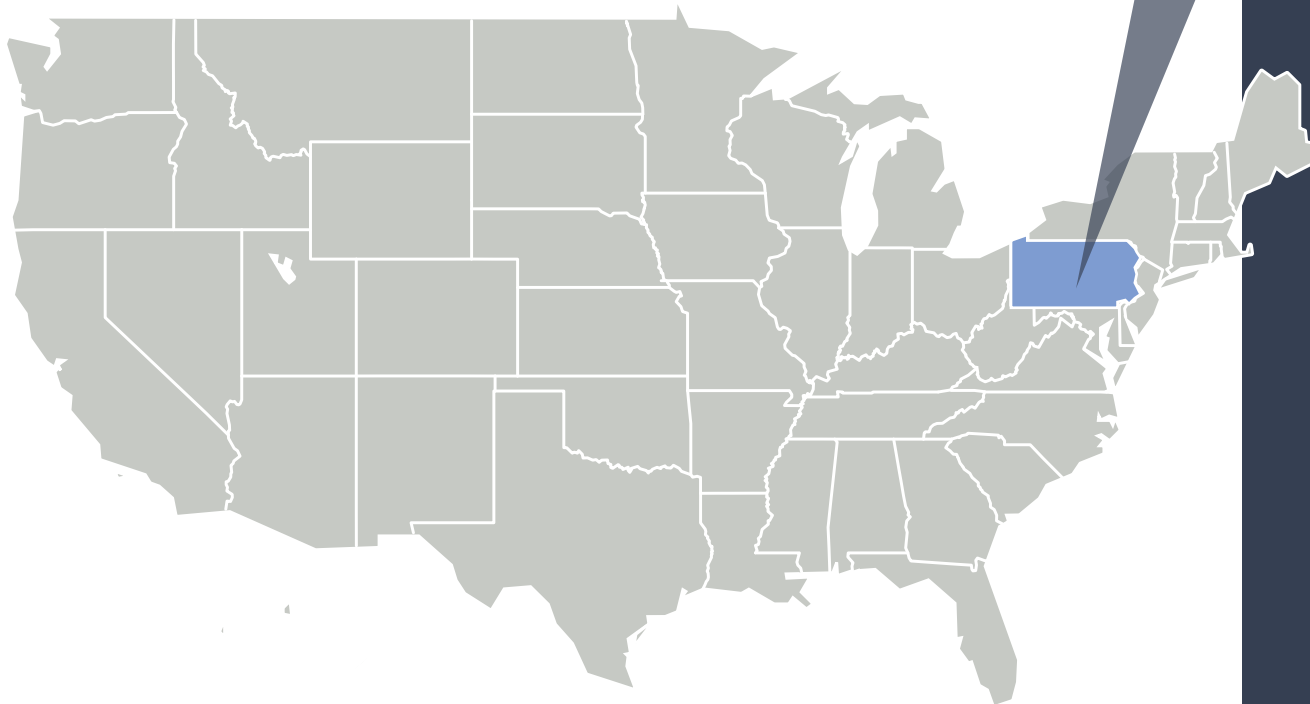
Households



Dauphin County

Dauphin County, Pennsylvania, boasts a dynamic and skilled workforce, shaped significantly by its strategic role as the state's capital in Harrisburg. This central location attracts a variety of professionals in government, healthcare, and education, further enriched by major employers such as Penn State Health and The Hershey Company. These institutions not only offer numerous job opportunities but also drive the economic development of the region. Additionally, the presence of various state agencies provides stable employment and attracts a pool of talented individuals who contribute to the public sector's efficiency and growth.

Educational institutions in Dauphin County play a critical role in workforce development, offering specialized academic and vocational training that meets the evolving demands of the modern workplace. Programs tailored to the needs of key industries like healthcare, technology, and manufacturing ensure that the workforce remains competitive and capable. This strong focus on education and skill development attracts new businesses looking for a reliable and educated workforce, promoting sustained economic growth and stability within the county.



EDUCATION

Dauphin County, Pennsylvania, stands out for its strong educational infrastructure, which significantly contributes to the skill level of its workforce. The county is home to several higher education institutions, including Harrisburg University of Science and Technology and Penn State Harrisburg, which collectively enroll thousands of students each year. In addition to higher education, the county also benefits from a solid network of public school districts that consistently perform above state averages. According to recent statistics, Dauphin County has an 89% high school graduation rate, with a considerable percentage of graduates continuing to post-secondary education or vocational training. This emphasis on educational attainment not only fuels the local economy with well-prepared entrants into the workforce but also attracts businesses seeking skilled labor in a variety of sectors.



TRANSPORTATION

Dauphin County features a robust transportation network that enhances its connectivity and economic development. Key highways like Interstate 81 and Interstate 83 facilitate easy access across the Northeast, while Harrisburg serves as an important node in the Amtrak Keystone Service, linking it to major cities like Philadelphia and Pittsburgh. Additionally, the Harrisburg International Airport provides vital air connections, supporting both business and tourism. This comprehensive transportation infrastructure is essential for the efficient movement of goods and people, underpinning the county's ongoing growth and prosperity.

04 Market

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Market considerations

Harrisburg Multifamily Real Estate Market

The multifamily real estate market in Harrisburg, Pennsylvania, continues to perform well, supported by a growing population and strong rental demand. According to recent data, the city's population has grown by approximately 5% over the past decade, bolstered by younger professionals and families attracted to Harrisburg's affordability and quality of life. The average rent for a one-bedroom apartment in Harrisburg is significantly lower than nearby

metropolitan areas like Philadelphia, where rents average over \$1,700. The vacancy rate for multifamily properties in the region remains below 5%, reflecting tight inventory and strong occupancy. Developers have responded by adding new units to the market, with over 1,000 multifamily units either completed or in the pipeline as of late 2024. Interest rates have also prompted more potential homebuyers to remain renters, further fueling demand in the multifamily sector.

Harrisburg Office Real Estate Market

The Harrisburg office real estate market is experiencing uneven performance as it adapts to shifting workplace dynamics. Vacancy rates in the market currently hover around 15%, slightly above the national average for office spaces, as remote and hybrid work continue to reduce overall demand. Class A office spaces in prime downtown locations, such as those near the Capitol Complex, have fared better, maintaining higher occupancy levels of around 85% due to demand from government agencies and large corporate tenants. On the

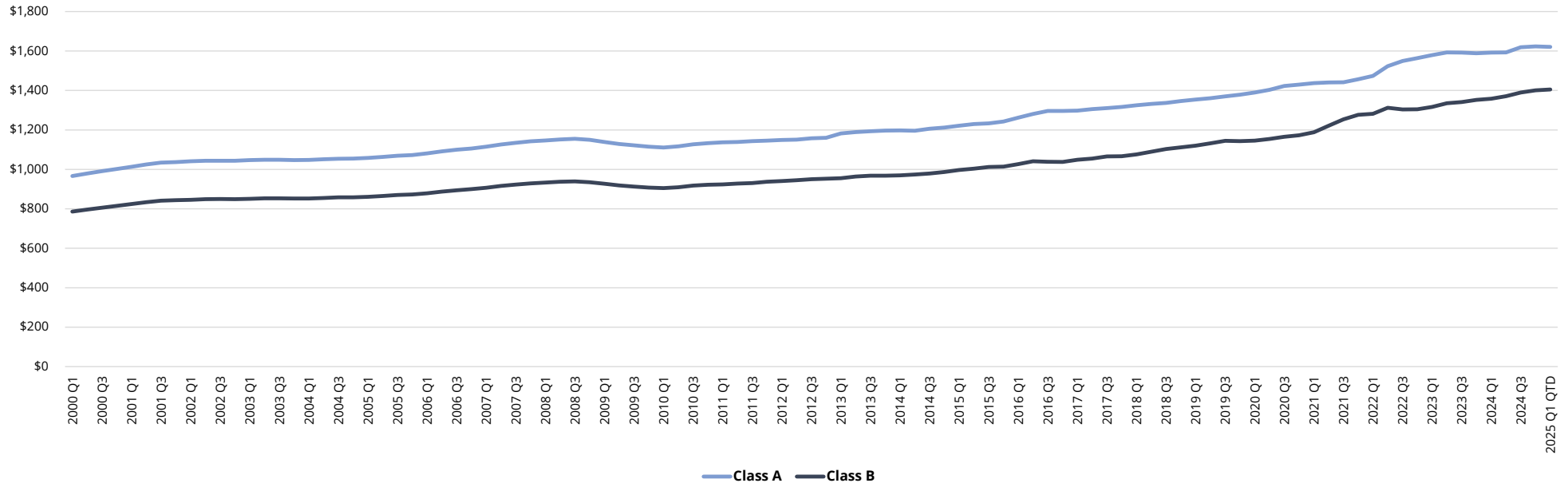
other hand, Class B and C properties have seen vacancy rates exceeding 25%, prompting a reevaluation of their future use. Average asking rents for office spaces in Harrisburg range from \$18 to \$22 per square foot annually, remaining competitive compared to neighboring cities like Lancaster or York. Investors are increasingly exploring mixed-use conversions for underperforming office buildings, particularly in areas with rising residential demand, as a strategy to revitalize the market.



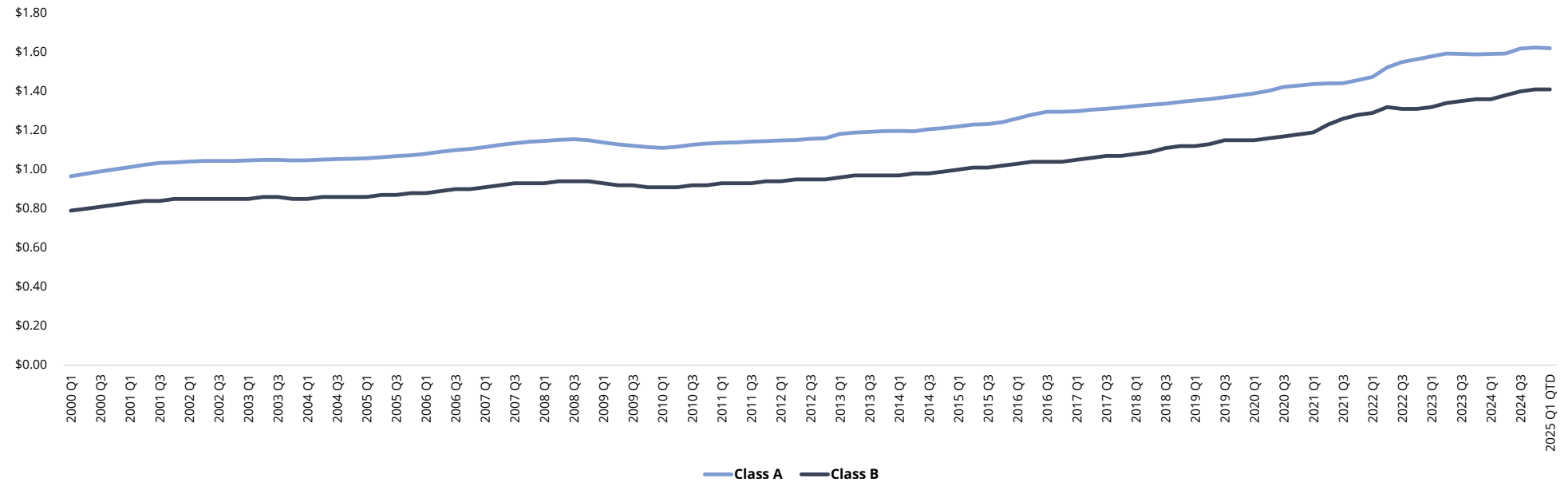
Market rents

Data source: Harrisburg East MF submarket, AVANT by Avison Young

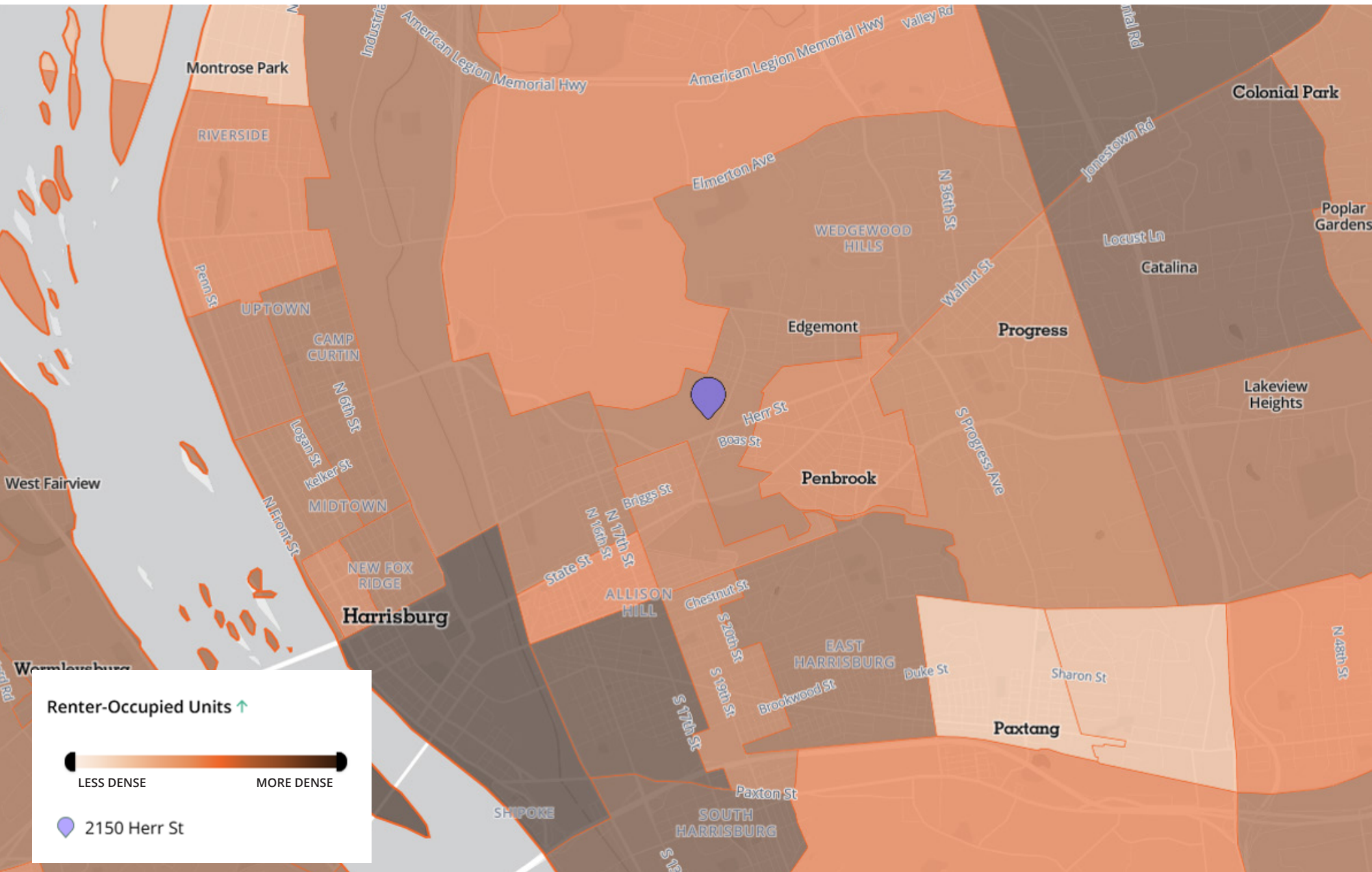
CLASS A VS CLASS B MARKET RENT



CLASS A VS CLASS B MARKET RENT (\$/SF)



2150 Herr Street is ideally located to attract MF renters



**If you would like more
information please get
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