WEST SHORE MARKET LISTINGS

THOMAS T. POSAVEC, SIOR
[redacted] • [redacted] MOBILE • [redacted]

4660 Trindle Road, Camp Hill PA.
2,700 to 13,000 SF available at this convenient West Shore location. New finishes and ample windows.

1200 Camp Hill By Pass, Camp Hill, PA.
650 to 13,000 SF available immediately. Excellent layouts. Close to downtown Harrisburg.

3 Crossgates Drive, Mechanicsburg, PA
3,500 to 21,000 SF available. Owner will renovate to suit. Excellent access to all areas.

1000 N. Front Street, Wormleysburg, PA.
Just listed. Up to 3,400 SF for lease. Minutes from downtown. Great views.

1017 Mumma Road, Wormleysburg, PA.
868 SF for immediate occupancy. Minutes to downtown. Recently renovated. Signage available.

1300 Bent Creek Blvd., Mechanicsburg, PA.
16,000 SF office building available for sale. 900 to 4,500 SF for lease. Priced to move.

145 Limekiln Road, New Cumberland, PA.
4,500 to 14,015 SF office/flex available. Easy acess. First class finishes. Price to lease.

20 Erford Road Lemoyne, PA
Up to 2,500 SF for lease. Covered parking. Great rates. Small suites. Immediate occupancy.

355 N. 21 Street, Camp Hill, PA.
600 SF to 3,900 SF available. New suites. Large windows. Covered parking. Great rates.

LANDMARK COMMERCIAL REALTY INC.

THOMAS T. POSAVEC, SIOR Vice President
20 Erford Road
Lemoyne, PA 17043
[redacted] Office
Mobile
www.landmarkcr.com
[redacted]

DESIGN & MARKETING:

MARKET ANALYSIS Q1 - 2012

	Number of Buildings	Total Inventory	Total Available	1st Q 2012 Occup. Rate	4th Q 2011 Occup. Rate	3rd Q 2011 Occup. Rate	2nd Q 2011 Occup. Rate	1st Q 2011 Occup. Rate	Year End Current Asking Rent*	1st Q 2012 Absorption in SF
CITY										
Class A	21	1,498,475	106,900	93%	93%	92%	93%	94%	$17.50-$23.00	500
Class B+	59	1,622,742	171,600	90%	89%	89%	88%	90%	$15.50-$17.50	12,650
Class B	178	1,551,749	143,501	91%	89%	90%	89%	89%	$13.00-$15.50	23,300
TOTAL	258	4,712,966	422,001							36,450
EAST SHORE										
Class A	46	1,773,672	112,700	94%	93%	93%	92%	94%	$17.80-$22.50	11,000
Class B+	87	1,852,421	185,076	90%	87%	86%	86%	87%	$15.95-$17.80	13,500
Class B	144	1,584,189	133,000	92%	92%	92%	91%	91%	$13.75-$15.95	22,600
Class C	55	417,825	30,650	93%	92%	88%	87%	87%	$11.20-$13.75	4,000
TOTAL	332	5,628,107	461,426							51,100
WEST SHORE										
Class A	63	2,256,340	122,236	95%	94%	93%	93%	91%	$17.95-$22.50	23,800
Class B+	113	2,427,390	138,944	94%	93%	93%	93%	93%	$15.80-$17.95	24,700
Class B	164	1,858,061	101,225	95%	94%	94%	93%	94%	$14.25-$15.80	10,400
Class C	90	473,028	44,500	91%	89%	91%	89%	92%	$12.00-$14.25	4,600
TOTAL	430	7,014,819	406,905							63,500
GRAND TOTAL	1,020	17,355,892	1,290,332	*Excluding interior suite janitorial services.						151,050

FIRST QUARTER - 2012

Q1 Market Watch

LANDMARK COMMERCIAL REALTY INC.
Providing Real Estate Solutions
ONCOR INTERNATIONAL

RENTAL RATES SURGE

Markets showed no sign of a slowdown as absorption totaled 151,050 sq. ft. in the First Quarter of 2012, continuing a surge which began early in the First Quarter of 2010.

In the past nine quarters more than 450,000 sq. ft. of office space has been absorbed, it's second best performance in 18 years. This solid run coupled with improving inventory levels and rising asking rates are solid indications that market fundamentals have firmed and should continue to remain favorable for 2012.

The absence of significant development coupled with continued high construction costs should benefit the leasing market going forward. The market continues to demonstrate that even with rising rental rates and record low interest rates, the flexibility of leasing versus ownership remains the preferred avenue for consumers at this time.

This study now analyzes over 1,000 properties encompassing over 17 million sq. ft. and is arguably the most accurate measure of occupancy and rental rates available to the Mid State. We are humbled that so many of you rely on the solid information which has been prepared in this analysis over the past 18 years. We will continue to be the only firm to provide quarterly market information on office and business park properties with unsurpassed accuracy going forward.

THOMAS T. POSAVEC, SIOR
Vice President
Landmark Commercial Reality, Inc.
[redacted] Office
Mobile
[redacted]

POSAVEC'S MARKET AVAILABILITIES

5001 Louise Drive, Mechanicsburg, PA

One Sterling Place, Mechanicsburg, PA

4250 Crums Mill Road, Harrisburg, PA

3605 Vartan Way, Harrisburg, PA

Local Knowledge...Local Relationships. Building Trust.

EFTA00301507

POSAVEC'S MARKET SUMMARY

DOWNTOWN BUSINESS DISTRICT

After a difficult 2010 and 2011 which produced staggering losses, activity improved sharply in the First Quarter of 2012 as absorption totaled an impressive 36,450 sq. ft. fueled by excellent demand from users in Class B+ and Class B segments. Demand for Downtown properties increased significantly over the past several weeks, a positive sign for a market which has received much bad press in recent months.

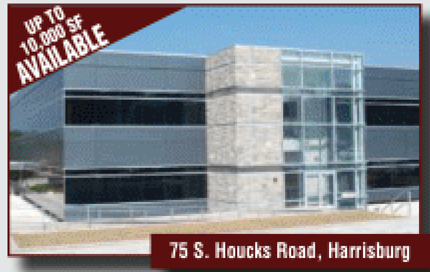
Activity from Class A tenants was less apparent in the First Quarter as absorption totaled only 500 sq. ft. Occupancy rates remain at 93%. Demand for these premier properties remains inconsistent and the departure of Buchanan Ingersoll from the M & T Bank Building located at Second and Market Streets later this year should put additional pressure on first class properties throughout the remainder of 2012.

The Class B+ segment showed signs of improvement in the First Quarter of 2012 as occupancy rates rose to 90% and absorption totaled 12,650 sq. ft. Demand for high rise towers fueled much of this activity as tenants flocked to some of the best B+ product in the market. Furthermore, several historic properties remain available for those who can make a substantial commitment to the marketplace. Prices for these properties continue to adjust and activity should increase in the upcoming months.

44 Hersha Drive, Harrisburg

Class B occupancy rates rose sharply in the First Quarter of 2012 as absorption totaled 23,300 sq. ft. Occupancy rates reached 91%, their highest levels in several quarters, as demand from less premier users finally surfaced. Fewer large suites remain, most under 3,000 sq. ft., and as owners make necessary concessions tenants should continue to respond. The outlook, while uncertain, can continue to stabilize should pent up demand remain at current levels and no significant new vacancies arise.

EAST SHORE BUSINESS DISTRICT



75 S. Houcks Road, Harrisburg

After a solid Fourth Quarter in 2011 which produced terrific advances totaling nearly 71,000 sq. ft., the East Shore Business District continued its surge as absorption totaled 51,100 sq. ft. Gains were realized across the board from all segments of the marketplace with the Class B segment showing some of the strongest momentum.

Occupancy rates for Class A properties rose to 94% as absorption totaled 11,000 sq. ft. Demand for the former Crump Insurance property helped fuel these advances as over 44,000 sq. ft. has been re-leased since the firms departure last October. Rental rates are firming, concessions fading and occupancy levels rising as demand continues to impress.

Absorption for the Class B+ segment totaled 13,500 sq. ft. in the First Quarter of 2012 pushing occupancy rates to 90% in the process. Only a few properties continue to undermine this segment and activity on these office buildings has been brisk in recent weeks. Demand from new firms is a welcome sign going forward in 2012. Several new firms have opened small to medium sized offices in the mid-state in recent weeks and based on current activity levels this trend should continue.

Solid demand from Class B users pushed absorption to 22,600 sq. ft. in the First Quarter of 2012. Occupancy rates remained at 92% as availability continued to dwindle and large suites became more scarce. Much of the remaining Class B inventory consists of suites from 2,000 sq. ft. and below. Underwhelming properties with poor management will continue to underperform and get passed over as sophisticated landlords make deals.

The demand for Class C properties on the East Shore was more modest in the First Quarter of 2012. Absorption totaled 4,000 sq. ft. and occupancy rates reached 93%. Fewer availabilities remain at these less sophisticated properties as buyers are acquiring buildings, utilizing remaining availabilities and creating value.

WEST SHORE BUSINESS DISTRICT

Premier properties continue to outpace much of the remaining segments on the West Shore Business District as the "Flight to Quality" continues. Absorption totaled a remarkable 63,500 sq. ft. in the First Quarter of 2012.

Occupancy rates for Class A properties rose to 95% in the First Quarter of 2012 and absorption totaled an impressive 23,800 sq. ft. The lack of large availabilities and the continued increase in expansions help push figures higher. Few large suites remain and several deals are in the works to occupy these first class offices. Prices have firmed substantially in recent months and unless a building is troubled, this should be the trend throughout the remainder of 2012.

5070 Ritter Road, Mechnicsburg

Demand for Class B+ properties on the West Shore continued to remain vibrant as absorption totaled 24,700 sq. ft. and occupancy rates rose even higher to 94%. Some migration from the Downtown Business District can be attributed to these gains coupled with an improved market in general. With few new availabilities anticipated over the next quarter, the immediate future remains stable. Rental rates are reaching levels not seen in nearly four years as options for users dwindle.

The Class B segment reached their highest levels in years closing the First Quarter of 2012 at a remarkable 95%, up significantly from the previous year. Absorption totaled a healthy 10,400 sq. ft. as users flocked to well maintained properties with solid locations and amenities. If demand persists, construction remains limited and no significant availabilities come on line, the segment can continue to thrive.

The Class C segment managed to absorb 4,600 sq. ft in the First Quarter of 2012. Occupancy rates climbed to 91%. Excellent values remain for users looking to enter the office market at rates far below higher priced, more modern properties.

POSAVEC'S FEATURED PROPERTIES

3601 Vartan Way, Harrisburg, PA.
14,000 SF for sale or lease. Owner will divide. Terrific location in the heart of the East Shore. Spectacular windows. Ample parking.

2000-2040 Linglestown Road, Harrisburg, PA.
1,000 to 6,000 SF available. Various sizes. New suites with first class finishes. Great parking. Close to all areas.

50-75 Utley Drive, Camp Hill, PA.
12,000 to 50,000 SF for immediate occupancy. Owner will divide. Terrific location in the heart of Camp Hill. Abundant on-site parking.

THOMAS T. POSAVEC, SIOR
[redacted] MOBILE • [redacted]

EAST SHORE MARKET LISTINGS

2745 N. Front Street, Harrisburg, PA
Approximately 6,600 SF available for immediate occupancy. Great views. Free parking. Will divide.

4807-4813 Jonestown Road, Harrisburg, PA.
1,050 to 2,100 SF available. Terrific small suites. Rare opportunity for signage. Upgraded finishes.

2400 Thea Drive, Harrisburg, PA.
15,000 to 50,000 SF available immediately. Close to all areas. Great rates. Excellent parking.

4507 N. Front Street, Harrisburg, PA
2,200 to 12,000 SF available for immediate occupancy at this first-class office. Spectacular views.

2708 Commerce Drive, Harrisburg, PA.
8,000 SF medical office suite. Approved surgical center. Thousands in finishes. Priced below market.

4201 Crums Mill Road, Harrisburg, PA.
2,200 SF available for lease. Newly renovated. Great windows. Heart of Colonial Park.

3705 Elmwood Drive, Harrisburg, PA
15,574 SF available for sale or lease. IT firm's dream. Infrastructure for technology company.

614 N. Front Street, Harrisburg, PA
1,300 to 10,000 available. On-site parking. Spectacular finishes. Across from YMCA.

2300 Vartan Way, Harrisburg, PA.
1,190 to 4,850 SF for immediate occupancy. Execptional location. Ample parking

EFTA00301508