Commercial Real Estate Insider MARKET REPORT 2019 - 2020



## Introduction

NAI Spring is pleased to once again present our annual Market Report recapping 2019 and forward thoughts for 2020. It was another strong year for commercial real estate in the greater Canton and Stark County area. The retail market was very active with the opening of several new restaurants and stores, in spite of the demise of national chains K-Mart and Sears. One interesting trend we saw popping up all over town was the announcement of new car washes. At this printing we counted six car washes opening up or being constructed in Canton and Massillon. The Industrial sector looked almost identical to the prior year with record low vacancies and tight supply, and office inventory slightly outpaced demand, except in the Class "A" market. Overall the economy grew for the 11th year in a row, albeit at a modest 2.3 percent increase. Low unemployment rates, solid wage gains, and a strong lending environment have experts cautiously optimistic about 2020.

In local news, downtown Canton made headlines with the announcement of two significant projects. First, the purchase of the McKinley Grand Hotel by Johnson Controls HOF Village for \$3.8 million, with an additional \$21 million planned for renovations to elevate the aging property into a four-star hotel. Second, the \$13 million development of "Centennial Plaza", which will transform the green space along Market Avenue to coincide with the Centennial Football Hall of Fame celebration.

We are excited to see what 2020 and beyond holds for our community, especially in the wake of the recent announcement by The Stark County Community Redevelopment Fund. The fund plans to make available over \$2.7 million to fuel economic development in our area. This puts us a step ahead of other communities by offering companies incentives above and beyond the usual tax abatement, moving expenses, and job creation credits that are typically available. It provides another tool in our toolbox to attract businesses to Stark County. This is especially beneficial when there are several great assets currently for sale or lease on the market such as the Nationwide building and the Millennium Centre located downtown, and 8000 Freedom Avenue in Jackson Township to name just a few. We are looking forward to many prosperous years to come.



Rendering of Centennial Plaza

#### Industrial

The trend of low vacancy and tight supply continued to impact the industrial sector in 2019. Users in search of warehouse and industrial space were met with the reality of very little inventory available on the market.

Some noteworthy transactions in 2019 include the sale of 7579 Freedom Ave NW, a 49,600 sq. ft. building which is currently home to Sky Max, and offers 12,200 sq. ft. of open office space available for lease. The building sold for \$1,850,000. The former tenant, Slick Woody's, moved just up the street to a larger space at 8050 Freedom Ave NW. ComDoc's newly constructed 107,500 sq. ft. headquarters on Pittsburgh road sold to an investment group for \$17,600,000, and the building at 4525 Cleveland Ave NW sold for \$660,000 and is now home to Smitty Official's Apparel.

AEP broke ground on their estimated \$20 million construction project off Faircrest Street at the I-77 interchange. AEP is reportedly building a 70,000 sq. ft. service center with offices, storage, and a fleet repair shop. A 24,800 sq. ft. mobile transformer storage building is also part of project planned for the 42-acre site.

On Lauby Road, the parking lot of the former 356th Fighter Group has been transformed into an airplane hangar owned and operated by Castle Aviation. The project includes the 50,000 sq. ft. hangar as well as plans to remodel the restaurant which will house the corporate office for the company. The move by Castle will free up other buildings on airport grounds for additional business.

It will be interesting to see how the industrial market responds to the increase in demand. With no new spec buildings on the horizon, the tight market will likely continue for the foreseeable future. Rents should inch up in response. With the rise of e-commerce, the "last mile" of the supply chain will demand even more warehouse space, preferably cold storage and energy efficient facilities. Watch for repurposing of existing space like retail or malls to fill the gap.



7579 Freedom Ave NW



8050 Freedom Ave NW



**AEP Service Center** 



Castle Aviation

## Office

The office sector remained stable in 2019, with Class "A" space still at a premium, and several large sales and lease transactions in the hot Belden Village market.

At 4650 Hills & Dales, Kidney and Hypertension leased 9,263 sq. ft., while First Commonwealth Bank took the remaining 3,956 sq. ft.. The building is now fully occupied and has been recently listed for sale.

The Schroer Group continued progress on its new corporate headquarters in Jackson Township. The 62,200 sq. ft. building currently under construction will be home to 720 employees who will be moving from their current location in North Canton's Hoover Park district. The project will also include a new intersection for access to the site on Wales Ave NW between Huckleberry St. and Strausser St. NW.

NAI Spring and affiliate companies Brookwood Management, Lemmon Development, and Danbury Senior Living will be moving into their new 22,673 sq. ft. office/ flex space currently under construction on Pittsburgh Road in spring 2020.

Notable office sales in 2019 include 7225 Sunset Strip which sold for \$950,000.00 and is occupied by Indiana Kentucky Ohio Regional Council of Carpenters (IKORCC).

In medical office news, Crystal Clinic has expanded and opened its first Stark County location at 4466 Fulton Drive NW. Plans are for 11 surgeons and 30 other employees to offer services to the Canton community. Offices have opened on the upper level of the building, while renovations are underway on the lower level. The building is expected to be fully operational by the end of 2020. Omni Orthopedic will be moving into its new state of the art 38,000 sq. ft. surgery center sometime in 2020.

After a lull in new class "A" office spec buildings, Scott Fitzpatrick has broken ground on a new 32,000 sq. ft. office located on Munson Street NW. CliftonLarsonAllen will be taking approximately 12,000 sq. ft. on the second floor and the entire first floor is available for lease.

We predict the office market will remain stable in 2020 and possibly experience a slight cool down, as inventory and vacancy in the most desirable areas remains scarce.



Schroer Group Corporate Headquarters



Rendering Class "A" office building on Munson Street NW



New Office - Brookwood Management, NAI Spring, Danbury & Lemmon Dev.



Crystal Clinic - 4466 Fulton Drive NW

## Downtown Canton/Massillon

**DOWNTOWN CANTON** - Recent real estate activity in the Downtown Canton area has resulted in several transactions and transformations of vacant land. During 2019, the Downtown Canton Land Bank added to its list of properties by acquiring the recently vacated Nationwide building located at 1000 North Market. This updated 148,000 sq. ft. office building is in excellent condition and includes 685 parking spaces, a cafeteria, furniture, and high-speed broadband capability. NAI Spring is the listing broker.

Additional downtown living space was completed during the year. The renovation of the Bliss Tower located at 217-2nd street NW has attracted additional tenants occupying most of the units. Occupancy at the Hercules project on Market Avenue South between 9th Street and 11th Street SE has also been high with only a handful of the 90+ units currently available.

Arts In Stark closed on its purchase of 3.5 acres on Cleveland Avenue North directly across from the Cultural Center and was formerly home to Spitzer Auto. This \$315,000 purchase is consistent with the nonprofit's "North Market" project. The intent of the project is to create a plan to manage properties within the area of 9th Street NW and 12th Street NW between Cleveland and Market Avenues. The plan is being developed to not only make this area more attractive, but to also include upgrades, activities, and businesses that will attract visitors from the Hall Of Fame Village to the downtown area.

The Innovation District is up and running with the opening of its headquarters at 309 Court Avenue in the former Frank's Produce building. The Canton Innovation District is a 12-block area within downtown Canton designed to attract and facilitate the growth of technology-oriented business in Stark County. It combines historic real estate with modern infrastructure and business support resources. The Innovation District will put downtown Canton among the best places in Ohio for new tech companies to set up shop.

**DOWNTOWN MASSILLON** - 2019 was an exciting year for Massillon as the city completed its first phase of the downtown beautification initiative known as "Streetscape". The \$2.4 million project included improvements to Lincoln Way between Erie and First streets, such as new traffic signals, sidewalks and signs, landscaping, and decorative brick paving, the highlight of which is large "M's" on Lincoln Way. Massillon city council recently authorized the next phase of the project which will transform Duncan Plaza by constructing a covered amphitheater to host live music and entertainment. Mayor Kathy Catazaro-Perry says the investment reflects a renaissance for the city of Massillon which will draw more visitors and businesses.

Supporting the effort of bringing new businesses to the area is Massillon's one of a kind First North Building. First North was designed to provide high quality office space with modern infrastructure and conveniences such as fiber optic broadband, a building wide generator, energy efficient lighting, and a large meeting room with video teleconference capability. First North is currently offering build-to-suit flexible floor plans from 1,000-13,000 square feet. The building is located at 50 North Avenue in downtown Massillon.

More positive news for western Stark County last year was the announcement that it was selected as the site of Hendrickson USA's new manufacturing facility. The 180,000 sq. ft. facility will be located at 4500 Sterilite Street NE and be an expansion of Hendrickson's Canton operation. The project will utilize local contractors and is expected to bring in between 100-300 permanent jobs once completed.



1000 N Market, Canton



First North Building - 50 North Avenue NE, Massillon

#### Retail

The retail sector in our market was very active in 2019. On the sales side, deals of note include the sale of Thursdays Plaza on Dressler Road in Belden Village, Kames Sporting Goods in North Canton, Avondale Plaza on Fulton and further west on Fulton the sale of Shaker Town Square. Just east of the I-77/Portage interchange Flynn Tires purchased and opened a new 6 bay tire store. In Alliance, negotiations are still underway for the sale of Carnation Mall.

Retail leasing saw several interesting transactions including a new Ace Hardware store opening in 2020 in Oakwood Square, a new post office in Washington Square and a Tru-Value Store on 30th Street east of Cleveland Ave. Across the street on 30th Street a new 21,000 sq. ft. J.P. Dunn Store opened in a former Christian book store. Under final construction at Cleveland Ave and 30th Street, is a 47,000 sq. ft. Marc's with planned opening in Q2 of 2020.

The two-level Sears store in Belden Village Mall is being transformed with a Dave and Busters now open on the second floor in 32,000 sq. ft., and Galaxy Golf and Dicks Sporting Goods soon to follow in mid-2020 on the main floor. On the same property the former free-standing Sears tire store will be renovated to house Cheddar's Scratch Kitchen.

A new At Home Store opened just west of the Strip beside Sam's club comprising 91,472 sq. ft. On Dressler



Marc's near completion on Cleveland Ave NW & 30th



Ace Hardware under Construction at Oakwood Square

the discount Movies 10 complex has been renovated into a dinner/movie complex with dedicated seating which opened late December.

The announced closing of Pat Catan's in Springbrook Plaza on Whipple Ave resulted in this 50,000 sq. ft. space becoming a Michael's store with a similar craft-oriented offering.

As reported previously, TJ Maxx is preparing to move into 25,000 sq. ft. in the Venue Development at Whipple and Everhard as well as opening a new store in Alliance. Earthfare located at The Venue just announced the closing of all its locations by the end of February 2020. Rounding out the retail activity was the opening of a 15,000 sq. ft.. Discount Outlet store in Belden Village formerly occupied by Marc's.

In restaurant news, First Watch opened on Dressler in the 3,500 sq. ft. former Rustic Barrel location. On Whipple the former City Grille has been renovated into a new Mexican/ Spanish restaurant, Francisco's. At 4730 Belden Village St NW, Giordano's, known for their deep pizza, opened in the former Panera Bread location. Chipotle is adding a new location at 3220 Cleveland Ave NW.



Dave & Busters location at 4110 Belden Village St NW



New at home store at 4932 Portage St NW

## Land Developments

There are several great locations for industrial development in Stark county that are priced competively with infrastructure already in place. Leading the way is Nova East Industrial Park located right off Route 30, which has sites for \$30,000/acre. NAI Spring also has highly visible industrial sites in Massillon and on Faircrest and I-77 in Canton.

One of the most noteworthy land projects in recent years is the development of approximately 47 acres east of Frank Ave NW, south of Applegrove St. NW, and just north of The Strip shopping center. The tract of land is being marketed as "Creekside Park", a full service mixeduse "Live-Work-Play" development that will resemble a parklike campus with integrated walking trails.

Jackson Township worked in conjunction with the City of Canton and Fitzpatrick Development to extend Strip Ave in order to make the park more accessible for tenants and enhance potential development. Two million dollars has been invested to extend the road and relocate the Dominion Energy Ohio Pipeline. The development will be the first of its kind in the Stark County area to capitalize on the growing demand of young professionals to live and work in sustainable spaces, with access to such conveniences as grocery stores, coffee houses, bike trails, and outdoor activities.

Elsewhere in Jackson Township, work is set to begin on redeveloping the former Tam O'Shanter golf course. Sixty-two acres along Fulton Rd and Everhard Rd NW will become a retail district with restaurants anchored by a Meijer supercenter and gasoline convenience store. Stark Parks is using 200 acres for a county park, while 40 acres will be used by Jackson Township to develop athletic fields. Work is reported to begin around mid-September 2020.



ink Ave. and Applegrove St. intersection



# Realizing Potential, Delivering Results.



Dan Spring, SIOR



Don Bester



**Bill Rearick** 



Fritz Spring



Tim Bishman



Sean Sanford



Brian Spring, CCIM



Greg Luntz



Kelly Sober



Lindsay Gram



Erin Tolin



4607 Cleveland Ave NW Canton, Ohio 44709 naispring.com



Connect with us online! NAI Spring stays active on social networking outlets including: Facebook, LinkedIn, Twitter and The News Funnel. Like us, follow us, for up-to-date information on the Commercial Real Estate marketplace both locally and nationally and to stay connected with our company into the future.

Affiliates





