WRIP

Western Reserve Industrial Park is outlined in this aerial photograph of that portion of Austintown. Individual buildings and current construction projects in the Park include: 1) R and R Mack Truck Sales and Service, 2) SKF Industries, 3) Tupperware Center, 4) Youngstown Wholesale Grocery and Wine Company building under construction, 5) Strouss warehouse, 6) Tamarkin Company, 7) Youngstown Lithographing Company, 8) Youngstown National Guard Armory under construction. These developments occupy over 70 of the industrial park's 260 acres.

“UNDER ALL IS THE LAND”
An Observation

We are noting with interest an apparent trend toward investor willingness to buy raw land. Between about 1973 and the beginning of this year there were few who cared to purchase unimproved land for speculation or future development. Thus far in 1976, however, we have sold or contracted to sell five such parcels to individuals or investor groups for small scale development or future appreciation.

It had been reported that rocketing construction costs, the difficult money market and lack of expansion plans had so reduced the need for new land that few were interested in speculating with it.

Perhaps it is too early to call such activity a trend, but it does bear watching. We will do that and report to our readers in future issues.

Industrial Development

There have been few industrial districts established in this Youngstown-Warren region even though manufacturing and distribution are the backbone of its economy. By “industrial district”, we mean far more than simply industrially zoned land available for sale. To qualify, a property must be supplied by complete and adequate utility lines, be properly engineered for industrial use and include a plan for development. This plan will generally include restrictions and covenants governing construction and utilization.

The purpose of this article and the accompanying photograph are to demonstrate what a properly devised industrial park can mean to a political sub-division and to an entire community.

The Western Reserve Industrial Park is located in Austintown on Victoria Road, between Silica Road and Mahoning Avenue. Development within this park was stilled by the lack of adequate sewerage facilities between 1969 and 1973. Prior to 1968, the entire 260 acres were unoccupied, producing very little tax revenue and no employment. During the 1968-1969 period, three industrial firms located on Victoria Road. These included R and R Mack Truck Sales and Service, the Tamarkin Company and the Strouss warehouse.

It became obvious that the septic systems then being used were not adequately protecting Meander Lake. They were also expensive to install and maintain. Therefore, construction in WRIP was suspended in 1969.

After the Meander Sewage Treatment Plant construction was begun in

(please turn to page 4)
STeady

About Prices

Six months ago we reported in this column that inflation had come to our industrial real estate market. Since that time, prices seem to have stabilized in a fairly active market. We are now finding price ranges for various categories of property as:

WAREHOUSE AND LIGHT INDUSTRIAL BUILDINGS

Usable, well located and conveniently sized light industrial and warehouse buildings are being sold at $8.50 to $10.00 per square foot. This may even be slightly below that observed last spring.

Older, less desirable structures continue to find a market but at $2.00 and $3.00 per square foot.

HEAVY INDUSTRIAL AND FABRICATION BUILDINGS

We cannot relate anything concerning price levels of this type property because there have not been any such sales here for some time. This is primarily because no such buildings have been available, although requests for heavy crane equipped buildings also faded through the summer.

LEASES

New light industrial building areas continue to find a market at an approximately $1.65 per square foot per year net-to-the-owner rent. Some nominal higher rents have been indicated but landlord obligations under lease terms usually re-create the $1.65 per square foot net described.

Sound, older buildings can be rented at $7.75 per square foot per year but lease terms often make it difficult to accurately estimate the property owner's net.

INDUSTRIAL LAND

We are now making fully improved industrial land sales at $15,000.00 per acre, which is higher than we ever have previously observed here. There has not been a great number of such transfers but prices are firm.

STeady Too

Money $$

There is an old axiom in retailing that goes something like, "What you lose on peaches you make up on bananas". Our current mortgage market survey questionnaire results are about like that. One can see slight variations in the positions on individual institutions when comparing their answers of August to those of late October but the aggregate is just about the same.

In our last publication, we noted that the lending policies had generally tightened and interest rates were somewhat higher than reported in July. Those tighter lending policies and higher interest rates continue but real estate loan money is available.

Interest rates were reported at a base of 9 1/4% and indications of over 10% rates appeared in several responses. Loan fees and pre-payment penalties appear unchanged but vary widely between individual respondents.

Loan-to-value ratios continue at approximately 75% for new construction, 60% to 70% for up to 20 year old buildings and 50% to 60% for older facilities. 20 year amortization schedules are normal for new construction but 25 year terms are possible if you shop.

15 to 20 years are accorded for up to 20 year old buildings and 10 to 15 year repayment terms for older facilities. These are not universal positions as some institutions indicated willingness to extend beyond the others in various cases.

Our appreciation for participation again is extended to the Dollar Savings and Trust Company, the First Federal Savings and Loan Association, the Home Savings and Loan Company, the Mahoning National Bank, the Metropolitan Savings and Loan Company, the Peoples Bank and the Union National Bank, all of Youngstown, and the Girard Federal Savings and Loan Company.

INDUSTRIAL DEVELOPMENT

1974, activity in the Park resumed. Since that time, three additional companies are in business there, two more facilities are under construction, and prospects are good that additional ones will be started soon.

The bottom line now shows:

Total employment of approximately 475
Annual payroll at about $7 million
Some 650,000 square feet of new buildings
Real estate taxes being paid on existing structures of some $75,000.00 per year

Upon completion of the construction now under way, employment will rise another 65 and payroll approximately $750,000.00 per year. Taxes being paid on the 185 remaining acres of land have also risen dramatically, as their new value is reflected in the County records.

The Youngstown-Warren Area is not going down the tubes!