

Inland Empire Real Estate News

May 2016

By Mike Lin, Progressive Real Estate Partners

National Retailers closing:



Sports Authority, which was once the country's largest sporting goods chain (and the place where I worked my first job during high school), declared bankruptcy on March 2nd, and then on April 27th, it announced that it would be closing all 450 stores nationwide. Sports Authority has 8 locations in the Inland Empire: Temecula, Murrieta, Corona, Riverside, Moreno Valley, Ontario, Montclair, and Palm Desert.

Vestis Retail Group, the parent company of **Sport Chalet**, which also owns sporting goods chains **EMS** and footwear chain **Bob's Stores**, filed for bankruptcy on April 18th. It also announced that all Sport Chalet stores will be closing. The Inland Empire locations are in Chino, Jurupa Valley, Menifee, Rancho Cucamonga, Riverside and Redlands. There is also a Sport Chalet distribution center in Ontario.



Kohl's Department Stores plans to close 18 underperforming locations by June, including 9 in California, and one in the Inland Empire (Upland). Kohl's typically occupies 100,000 square feet per location, and will be experimenting with opening new stores that occupy about 35,000 square feet.

New Grocers coming:

With the recent exit of **Fresh & Easy** and **Haggen** from Southern California, several new grocery concepts have recently moved into the Inland Empire.



German-based **Aldi** recently opened several stores in the Inland Empire, in Fontana, Lake Elsinore, Moreno Valley, San Bernardino, Yucaipa, Palm Springs, and La Quinta.

Progressive Real Estate Partners was the procuring broker for one of the San Bernardino locations. Aldi specializes in low price groceries, and 90% of their products are private labeled with the Aldi brand.

Another low-priced supermarket, **Grocery Outlet Bargain Market** recently opened two stores in the Inland Empire; in Upland and Ontario – both locations being former 15,000 sqft Fresh & Easy stores. They focus on name-brand products that are heavily discounted. They plan to open 20-30 stores per year in Southern California for the next few years.



Whole Foods recently announced its new chain, **Whole Foods 365**, which is aimed at budget-friendly millennials. The first Inland Empire location is under construction and will be located at the Sycamore Hills Plaza shopping center, on the border of Upland and Claremont. It is expected to open in late 2017.

Let's Meet at ICSC RECon!

ICSC RECon in Las Vegas is the largest convention in the world for the Retail trade, attended by over 30,000 professionals. Will you be attending RECon this year? If so, please let me know and we can set aside a time to discuss how I can help you with your real estate needs. Progressive Real Estate Partners will be at the Retail Brokers Network booth, in the Central Hall at C111 Union Street. Let's meet!



About me:



I specialize in representing buyers and sellers of retail investment properties, focusing primarily on the Western Inland Empire. Prior to commercial real estate brokerage, I worked as a full-time residential real estate investor, flipping houses in Orange County.

Originally from New Jersey, I have worked for multinational corporations such as Nestle PowerBar, Prudential, and Computer Sciences Corporation. I have a Bachelor of Science in Biomedical Engineering from Johns Hopkins University and an MBA from the Fuqua School of Business at Duke University.

About Progressive Real Estate Partners:

Progressive Real Estate Partners (PREP) is a boutique retail brokerage firm with a unique approach to leasing and selling retail properties. Established in 2007, our emphasis on retail AND geographic focus on Southern California's Inland Empire region has enabled us to become the most efficient and effective brokerage within the marketplace.

Market Overview for Western IE after 1/1/13 (Past 3 years)

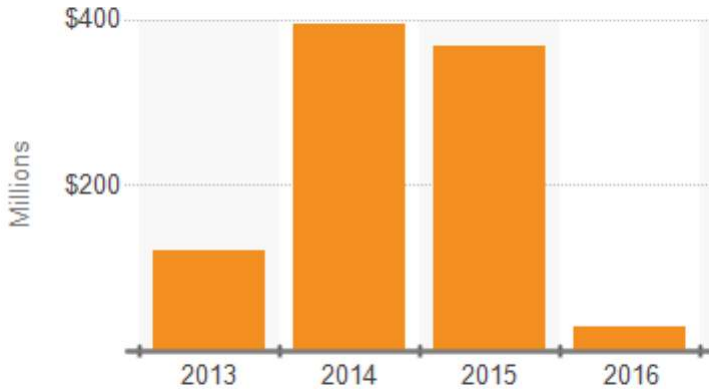
Sales Volume	Survey	Min	Max
Transactions	322	-	-
Sold SF	5,383,643	143	849,752
Sales Volume (Mil.)	\$913	\$0.0	\$170
Avg SF	16,824	143	849,752

Sales	Survey	Min	Max
Sale Price Per SF	\$203	\$23	\$7,323
Avg Sale Price (Mil.)	\$3.2	\$0.0	\$170
Cap Rate	6.1%	4.0%	11.5%
Percent Leased	92.4%	0.0%	100%

For Sale	Survey	Min	Max
Listings	90	-	-
For Sale SF	2,809,756	698	145,007
For Sale Volume (Mil.)	\$608	\$0.1	\$35
Asking Price Per SF	\$265	\$12	\$2,129
Avg Asking Price (Mil.)	\$6.8	\$0.1	\$35

Properties	Survey	Min	Max
Existing SF	6,251,047	143	849,752
Vacancy Rate	11.2%	0.0%	100%
Rent Per SF	\$16.32	\$6.76	\$36.00
12 Mo. Absorption	32,491	-18,910	10,700
12 Mo. Leasing SF	321,683	0	61,702

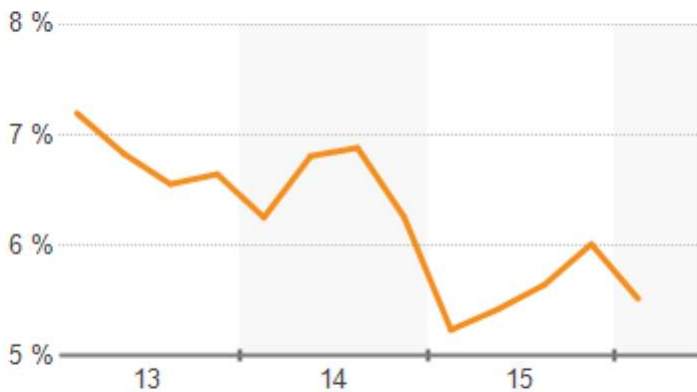
Sales Volume



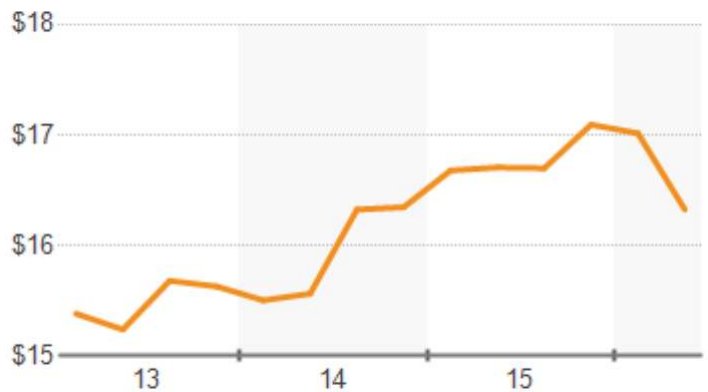
Average Sale Price Per SF



Cap Rate



Asking Rent Per SF



Retail Property Sales in Western Inland Empire in 2016

Address	City	Zip Code	Name	Type	Bldg SF	Land Area AC	Sale Price	Price Per SF	Sale Date
4975 Mission Blvd	Montclair	91763		Retail	18,923	2.4	\$ 1,957,000	\$ 103.42	3/25/2016
2896 Hamner Ave	Norco	92860	Carl's Jr	Retail	2,474	0.66	\$ 1,200,000	\$ 485.04	3/25/2016
5405 Riverside Dr	Chino	91710	Denim Palace	Retail	6,588	0.2	\$ 1,150,000	\$ 174.56	3/16/2016
1024 E 4th St	Ontario	91764	Mexican Restaurant	Retail	1,000	0.24	\$ 360,000	\$ 360.00	3/2/2016
14088 Euclid Ave	Chino	91710	Chevron	Retail	3,113	1.32	\$ 3,800,000	\$ 1,220.69	3/1/2016
14276 Schleisman Rd	Corona	92880	The Marketplace At Enclave	Retail (Neighborhood Center)	10,700	1.5	\$ 5,350,000	\$ 500.00	2/29/2016
555 W Holt Blvd	Ontario	91762	Cash For Gold	Retail	1,900	0.28	\$ 285,000	\$ 150.00	2/25/2016
5606 Riverside Dr	Chino	91710	Studio 13 Salon	Retail	1,232	0.22	\$ 263,927	\$ 214.23	2/18/2016
5602 Riverside Dr	Chino	91710	Studio 13 Salon	Retail	1,172	0.43	\$ 251,073	\$ 214.23	2/18/2016
402 E California St	Ontario	91761		Retail	1,500	0.37	\$ 405,000	\$ 270.00	2/18/2016
430 N Mountain Ave	Ontario	91762	99 Cent Only	Retail (Neighborhood Center)	22,400	1.54	\$ 1,800,000	\$ 80.36	2/16/2016
350-360 W Foothill Blvd	Upland	91786	Redding Plaza	Retail (Strip Center)	9,350	0.78	\$ 2,628,233	\$ 281.09	2/3/2016
318-340 W Foothill Blvd	Upland	91786	Redding Plaza	Retail (Strip Center)	9,327	0.91	\$ 2,621,767	\$ 281.09	2/3/2016
1225 W Mission Blvd	Ontario	91762	Auto Sales	Retail	2,438	2.7	\$ 1,450,000	\$ 594.75	1/28/2016
1964 W Foothill Blvd	Upland	91786	Restaurant	Retail	4,392	0.37	\$ 1,525,000	\$ 347.22	1/26/2016
129-131 N Euclid Ave	Ontario	91762		Retail (Strip Center)	4,125	0.16	\$ 385,000	\$ 93.33	1/15/2016
1425 E 4th St	Ontario	91764	76 Gas	Retail	1,160	0.36	\$ 1,475,000	\$ 1,271.55	1/12/2016
15880 Soquel Canyon Pky	Chino Hills	91709	Soquel Canyon Crossing	Retail (Neighborhood Center)	7,212	6.16	\$ 2,700,000	\$ 374.38	1/4/2016

If you would like to discuss any of these properties, or to receive a complimentary valuation of your property, please contact me at (909) 230-4500 or mike@progressiverep.com