

## Inland Empire Real Estate News

July 2016

By Mike Lin, Progressive Real Estate Partners

### ICSC 2016 RECon Recap:

ICSC RECon is the largest convention in the world for the retail real estate industry. I attended this year's conference in Las Vegas on May 23-25. Here are some takeaways from the show:

- This show had the most participants since the Great Recession of 2008. Over 36,000 people were in attendance, which indicates that the Retail industry continues to grow year after year.
- There is a lot of money out there looking for deals. Many investors, REITs and developers are flush with cash and are looking to purchase properties.
- Online retailers continue to take market share from bricks-and-mortar stores (see Staples article below). Landlords try to combat Amazon.com and other e-tailers by leasing space to service businesses (such as restaurants), or by creating experiences that cannot be duplicated online.
- With interest rates at record lows and a lot of people nervous about a real estate "bubble," some are looking to exit the market and sit on cash for the next few years.

*In summary, people are cautiously optimistic about the market in the next few years. What is your strategy? Whether you are looking to buy, sell, or hold, let's talk about how I can help you achieve your investment goals.*

### National Retailer News



In May, a federal judge rejected a proposed merger between **Staples** and **Office Depot**, claiming that the merger would have increased prices in a way that would have violated antitrust laws.

**But does it really matter?** Who buys office supplies from Staples or Office Depot anymore? I recently ordered office supplies from Amazon.com on a Friday afternoon, and they were delivered to me on Sunday with free Amazon Prime shipping. Yes, on Sunday!

Amazon has already been a huge factor in the failure of bookstores, sporting goods stores, and many clothing stores. Are office supply stores next?

### Local Happenings: QVC's Distribution Center Set to Open this Fall

The huge warehouse visible from the I-10 freeway at Vineyard Avenue in Ontario will soon be the West Coast distribution center of the QVC home shopping television channel. Although this industrial property is not in my specialty area of Retail real estate, it is undeniable that this building and its employees will have a significant impact to local retailers. Up to 2,000 employees are expected to be attracted to the project, which means that new retail shops will be opening nearby. According to a June 3 article in the *Daily Bulletin*, retailers in Ontario are already benefiting from the influx of construction workers to their businesses, with the hope of a business boon once the distribution center opens for business.

## Featured Progressive Real Estate Partners listings:



### **10,000 sqft vacant grocery store in Whittier, CA: \$3,000,000**

This property is ideal for an owner-user to operate a neighborhood grocery store and collect rent from the neighboring tenants, which include a bakery and a flower shop. With an SBA loan, the interest portion can be as low as \$0.52/sqft/month, half the price of comparable rents in the area! Learn more and see a video at <http://tinyurl.com/whittiergrocery>



### **Single tenant leased investment: ROSS Dress for Less/dd's DISCOUNTS in Ontario, CA: \$5,499,000**

This is a single tenant leased investment with 6 years remaining on the original lease term. dd's is a subsidiary of Ross Dress for Less, which is rated A- by Standard & Poor's. Priced at a 5% cap rate. Learn more at <http://tinyurl.com/ddsontario>



### **CVS-anchored historic shopping center in Rancho Cucamonga, CA: \$28,680,000**

The Thomas Winery Plaza is a 99,808 square foot historic landmark retail shopping center anchored by CVS/Pharmacy, Fitness 19, Flame Broiler, and Souplantation. Many tenants are at or below market rent, providing upside potential for a new buyer. Learn more at <http://tinyurl.com/thomaswinery>

## 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.

PROPERTIES CURRENTLY FOR SALE IN WESTERN INLAND EMPIRE (\$1.5MM - 8MM)

Address	City	Zip	Name/Property Type	Sale Status	Sale Price	Price/SF	Cap Rate	Size(SF)	Land(AC)
5282 W Mission Blvd	Ontario	91762	Freestanding Bar/Nightclub	Active	\$ 7,000,000	\$ 711.02	-	9,845	0.42
2240 Compton Ave	Corona	92881	Unocal 76	Under Contract	\$ 6,800,000	\$ 2,128.99	-	3,194	1.06
4431 Ontario Mills Pky (4 Prop)	Ontario	91764	Parkway Plaza	Active	\$ 6,459,000	\$ 215.59	7.22%	29,960	3.44
9090 Central Ave	Montclair	91763	US Bank	Active	\$ 6,255,000	\$ 1,499.64	4%	4,171	0.78
685 W Foothill Blvd	Upland	91786	24 Fitness	Active	\$ 6,208,000	\$ 186.15	6.50%	33,350	3.08
1337 N Mountain Ave	Ontario	91762	T-Mobile, Yogurtland, Waba	Active	\$ 6,090,000	\$ 898.89	5%	6,775	1.05
1135 W 4th St (3 Prop)	Ontario	91762	Multi-tenant with market, pizza, offices	Active	\$ 5,900,000	\$ 324.28	-	18,194	2.91
1945 E Riverside Dr (3 Prop)	Ontario	91761	Value-add center; 60% vacancy	Active	\$ 5,850,000	\$ 123.16	2.12%	47,500	4.23
606 W Holt Blvd	Ontario	91762	Ross Dress for Less/dd's Discounts	Active	\$ 5,499,000	\$ 250.36	5%	21,964	1.96
4551 Mills Cir	Ontario	91764	Chevy's Fresh Mex	Active	\$ 4,228,570	\$ 587.55	5.25%	7,197	0.73
1042 N Mountain Ave	Upland	91786	Multi-tenant pad building	Active	\$ 4,115,000	\$ 448.89	5.20%	9,167	0.49
1182-1200 W 6th St	Norco	92860	Two parallel retail strip centers	Active	\$ 4,000,000	\$ 453.98	6.23%	8,811	2.59
903-911 W Foothill Blvd	Claremont	91711	Petco, Wild Birds Unlimited	Active	\$ 3,400,000	\$ 368.52	6.09%	9,226	0.84
1050 W 6th St	Corona	92882	Pacific Western Bank	Active	\$ 3,190,000	\$ 537.40	5.25%	5,936	0.65
2645 E Riverside Dr	Ontario	91761	Vacant former Fresh & Easy	Active	\$ 3,135,000	\$ 232.22	-	13,500	1.14
2345 S Grove Ave	Ontario	91761	Restaurant/Banquet Hall	Active	\$ 2,990,000	\$ 474.60	-	6,300	0.92
4609-4611 Holt Blvd (2 Prop)	Montclair	91763	Retail/light manufacturing	Active	\$ 2,990,000	\$ 92.28	4.62%	32,400	2.2
2544 S Archibald Ave	Ontario	91761	Taco Bell	Pending	\$ 2,798,000	\$ 1,209.68	3.89%	2,313	0.76
12488 Central Ave	Chino	91710	Starbucks + 4000 sqft vacant	Active	\$ 2,600,000	\$ 471.61	-	5,513	0.42
5086-5110 Holt Blvd	Montclair	91763	Multi-tenant	Active	\$ 2,590,000	\$ 148.33	4.85%	17,461	1.25
12325 Mountain Ave	Chino	91710	Carrows Restaurant	Escrow	\$ 2,500,000	\$ 433.43	-	5,768	1.12
2896 Hamner Ave	Norco	92860	Carl's Jr	Active	\$ 2,380,954	\$ 962.39	4.20%	2,474	0.66
745 Franklin Ave (2 Prop)	Ontario	91764	Medical/Retail near Ontario Mills	Active	\$ 2,300,000	\$ 241.01	-	9,543	2.26
1888 W 6th Rd	Corona	92882	Multi-tenant two story bldg	Active	\$ 2,200,000	\$ 107.13	5.03%	20,535	1.02
12206 Central Ave	Chino	91710	Freestanding restaurant near fwy	Active	\$ 2,200,000	\$ 347.66	7.50%	6,328	0.59
8660 S Central Ave	Montclair	91763	Strip center with Dentist and Dance studio	Active	\$ 2,085,000	\$ 236.72	-	8,808	0.76
326 Adams Cir	Corona	92882	Pet Chalet	Active	\$ 2,000,000	\$ 250.00	-	8,000	0.66
5010 W Mission Blvd	Montclair	91762	Industrial/development opportunity	Active	\$ 2,000,000	\$ 238.10	-	8,400	2.64
1701 S Mountain Ave	Ontario	91762	Independent grocery store	Active	\$ 1,950,000	\$ 202.05	7%	9,651	0.92
118-124 W Holt Blvd	Ontario	91762	Streetfront retail; pawn shop	Active	\$ 1,899,999	\$ 272.75	-	6,966	0.2
205-215 N Laurel Ave	Ontario	91762	Historic downtown Ontario multi-tenant	Active	\$ 1,850,000	\$ 97.37	5.18%	19,000	0.79
1261 S Grove Ave	Ontario	91761	Auto repair building on 2.35 acre lot	Active	\$ 1,695,000	\$ 423.75	-	4,000	2.35
4234 Holt Blvd	Montclair	91763	Strip center with restaurants, laundromat	Active	\$ 1,688,000	\$ 205.13	6%	8,229	0.6
2006 W Foothill Blvd	Upland	91786	Restaurant business and property for sale	Active	\$ 1,650,000	\$ 343.75	-	4,800	0.54
1424 W Holt Blvd (2 Prop)	Ontario	91762	Thrift store and auto repair	Active	\$ 1,550,000	\$ 136.60	5.50%	11,347	0.31
1217 6th St	Norco	92860	2 story multi tenant center	Escrow	\$ 1,500,000	\$ 153.31	-	9,784	0.82

If you are interested in purchasing any of these properties, or just want to know more, please call me!

PROPERTIES SOLD IN THE WESTERN INLAND EMPIRE IN 2016

Address	City	Zip	Name/Property Type	Sale Status	Sale Price	Bldg SF	Price/SF	Cap Rate	Land Area (AC)	Sale Date
15880 Soquel Canyon Pky	Chino Hills	91709	Firestone Complete Auto Care	Sold	\$ 2,700,000	7,212	\$ 374.38		6.16	1/4/2016
1425 E 4th St	Ontario	91764	76 Gas station	Sold	\$ 1,475,000	1,160	\$ 1,271.55		0.36	1/12/2016
129-131 N Euclid Ave	Ontario	91762	Street retail shops	Sold	\$ 385,000	4,125	\$ 93.33		0.16	1/15/2016
1964 W Foothill Blvd	Upland	91786	Former Joey's BBQ restaurant	Sold	\$ 1,525,000	4,392	\$ 347.22		0.37	1/26/2016
1225 W Mission Blvd	Ontario	91762	Auto Sales	Sold	\$ 1,450,000	2,438	\$ 594.75		2.7	1/28/2016
350-360 W Foothill Blvd	Upland	91786	Redding Plaza: Strip center with restaurants	Sold	\$ 2,628,233	9,350	\$ 281.09	5.50%	0.78	2/3/2016
318-340 W Foothill Blvd	Upland	91786	Redding Plaza: Strip center with restaurants	Sold	\$ 2,621,767	9,327	\$ 281.09	5.50%	0.91	2/3/2016
430 N Mountain Ave	Ontario	91762	99 Cent Only	Sold	\$ 1,800,000	22,400	\$ 80.36		1.54	2/16/2016
402 E California St	Ontario	91761	Auto repair shop	Sold	\$ 405,000	1,500	\$ 270.00		0.37	2/18/2016
5606 Riverside Dr	Chino	91710	Studio 13 Salon	Sold	\$ 263,927	1,232	\$ 214.23		0.22	2/18/2016
5602 Riverside Dr	Chino	91710	Studio 13 Salon	Sold	\$ 251,073	1,172	\$ 214.23		0.43	2/18/2016
555 W Holt Blvd	Ontario	91762	Street retail - cash for gold	Sold	\$ 285,000	1,900	\$ 150.00		0.28	2/25/2016
14276 Schleisman Rd	Corona	92880	Prestige Preschool Academy	Sold	\$ 5,350,000	10,700	\$ 500.00	6.56%	1.5	2/29/2016
14088 Euclid Ave	Chino	91710	Chevron	Sold	\$ 3,800,000	3,113	\$ 1,220.69		1.32	3/1/2016
1024 E 4th St	Ontario	91764	Freestanding restaurant	Sold	\$ 360,000	1,000	\$ 360.00		0.24	3/2/2016
5405 Riverside Dr	Chino	91710	Denim Palace freestanding building	Sold	\$ 1,150,000	6,588	\$ 174.56		0.2	3/16/2016
4975 Mission Blvd	Montclair	91763	Vacant freestanding building	Sold	\$ 1,957,000	18,923	\$ 103.42		2.4	3/25/2016
2896 Hamner Ave	Norco	92860	Carl's Jr	Sold	\$ 1,200,000	2,474	\$ 485.04	4.40%	0.66	3/25/2016
14165 Pipeline Ave	Chino	91710	Wendy's	Sold	\$ 3,550,000	3,617	\$ 981.48		1.02	4/11/2016
219 N Euclid Ave	Ontario	91762	Street retail - former clothing store	Sold	\$ 700,000	7,812	\$ 89.61		0.18	4/11/2016
2500 S Grove Ave	Ontario	91761	Wells Fargo	Sold	\$ 3,100,000	5,182	\$ 598.22	4.22%	0.57	4/15/2016
1237 W 6th St	Corona	92882	Pho Dat freestanding restaurant	Sold	\$ 690,000	3,500	\$ 197.14		0.33	4/19/2016
965 E 6th St	Ontario	91764	Little Learners Preschool	Sold	\$ 568,000	2,371	\$ 239.56		0.27	4/20/2016
126 W B St	Ontario	91762	Street retail - dental clinic	Sold	\$ 600,000	3,400	\$ 176.47		0.2	4/26/2016
69-79 N Grove St	Upland	91786	Multi unit strip center	Sold	\$ 1,230,000	6,000	\$ 205.00		0.69	4/27/2016
2433 N Euclid Ave	Upland	91784	North Euclid Village strip center	Sold	\$ 1,000,000	7,153	\$ 139.80	4.60%	0.95	4/27/2016
1742 S Euclid Ave	Ontario	91762	Strip center	Sold	\$ 1,050,000	1,848	\$ 568.18		0.14	4/29/2016
204 N 2nd Ave	Upland	91786	Street retail; boutique store	Sold	\$ 1,285,000	6,600	\$ 194.70	4.80%	0.13	5/10/2016
1539 Yorba St	Corona	92882	Auto repair shop	Sold	\$ 740,000	1,339	\$ 552.65		1	5/11/2016
116-128 N 2nd Ave	Upland	91786	Street retail - tattoo parlor, art gallery	Sold	\$ 775,000	5,137	\$ 150.87	6.80%	0.24	5/13/2016
7055 Schaefer Ave	Chino	91710	Starbucks pad to Stater Bros	Sold	\$ 3,153,000	3,900	\$ 808.46	4.00%	0.46	5/19/2016
5445-5467 Moreno St	Montclair	91763	Montclair East Shopping Center	Sold	\$ 15,487,423	119,400	\$ 129.71		8.81	5/20/2016
5399 Moreno St	Montclair	91763	Montclair East Shopping Center	Sold	\$ 2,205,077	17,000	\$ 129.71		0.74	5/20/2016
1028 N Mountain Ave	Upland	91786	Albertsons; part of a portfolio of 6 props	Sold	\$ 13,000,000	49,968	\$ 260.17		1.64	6/1/2016
102-108 W Holt Blvd	Ontario	91762	Street retail - restaurant, beauty salon	Sold	\$ 920,000	8,660	\$ 106.24		0.1	6/7/2016
1187 E Magnolia Ave	Corona	92879	Former Kindercare; vacant	Sold	\$ 2,100,000	8,949	\$ 234.66		0.95	6/10/2016

These recently sold properties help to determine the value of other nearby properties.

To learn more about how these comps affect your property's value, or to receive a complimentary valuation of your property, please call me!