

## Inland Empire Retail Real Estate News



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By Mike Lin

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### National Real Estate News:

#### Elimination of the 1031 Exchange?

Tax reform is usually very boring, but listen up - this is important! There is currently a bill to reform the tax code, called the House Republican Blueprint for Tax Reform, which may result in the elimination or limitation of the 1031 tax-deferred exchange. No one is sure yet if the 1031 Exchange will survive the many financial changes being made by the Trump administration. Since every property owner can potentially be affected by any changes to this tax law, it is important to keep up-to-date on this topic. Contact me to talk about the latest news, or read more at <http://www.1031taxreform.com/1031repealissue-2/>

### Local Happenings:



**Big Al's is here, and it's awesome:** Many landlords have recently had the challenge of filling vacant big box spaces. Last newsletter, I talked about the **Haven City Market**, a gourmet food hall that will be taking over the 85,000 square foot former JC Penney in Rancho Cucamonga. Progressive Real Estate Partners is handling the leasing on the anchor tenant for the market. Another new concept to the area to occupy a big box space is **Big Al's**. Big Al's has taken over the former 45,000 square foot Best Buy in the

Piemonte at Ontario Center at 4120 E 4<sup>th</sup> St., Ontario. I had lunch there on March 16<sup>th</sup>, the day it opened for business. It is an entertainment destination with arcade games, bowling lanes, billiards, shuffleboard, and a stadium-style seating sports bar with a huge 55-foot TV. This is Big Al's fourth location and first in California. It's a great location to watch a baseball game, have a birthday party, or host a company event. In fact, Progressive Real Estate Partners will be having its company outing at Big Al's. As more and more big box spaces are coming vacant, concepts like Big Al's and the Haven City Market are creatively repurposing these spaces. Learn more at <http://www.ilovebigals.com> and <http://tinyurl.com/havencitymarket>

**New Highway CA-91 Lanes are Open:** On March 20, 2017, after three years and \$1.4 billion of construction, the new CA-91 freeway lanes finally opened. Two toll lanes and one general lane in each direction were added. More construction will be ongoing throughout 2017 to finish up the project. This route is traveled by 280,000 cars per day, and about 30,000 cars are using the new toll lanes each day. By 2035, an additional 140,000 cars a day are expected. I drive this route every day, but in the direction opposite of traffic, so unfortunately I have not noticed much difference in my commute time, although I'm sure congestion has eased for drivers heading the opposite direction of me. Check out [www.sr91project.info](http://www.sr91project.info) for the latest updates on road closures and construction.

**Job growth in the IE continues to rise, but retail jobs are suffering:** The Inland Empire added jobs in February 2017 and its employment rate dropped, according to the CA Employment Development Department.

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California continues to lead the nation in year-over-year job growth. The IE's unemployment rate was 5.3% in February, down from 5.6% in January 2017, and 5.9% in Feb. 2016. However, most of these new jobs are in construction, and the retail sector continues to lay off more workers, due in part to big box retailers closing down. Macy's plans to close 68 stores, JC Penney will close 138 locations, and Sears and Kmart will be closing 150 stores. Of these big box closings, one is located in the IE – a Kmart at 3001 Iowa Ave. in Riverside. **For the full report, visit <http://tinyurl.com/iejobs2017>**

### Mike Lin's Recently Sold Listings:



#### Single tenant leased investment: Rite Aid in Lakewood, CA – PRIME LOS ANGELES LOCATION

Rite Aid has been in this location for almost 30 years and pays only \$0.78/sf, well below market rates. The property is located in a Vons-anchored center, on a busy corner. We received a lot of interest in this property and it was sold to a private investor.

**SOLD ON 3/15/17 for \$3,500,000 – 5.1% Cap Rate**



#### Single tenant leased investment: ROSS Dress for Less/ dd's DISCOUNTS in Ontario, CA (\$4,775,000)

This is a single tenant leased investment to Ross Dress for Less, operating as dd's DISCOUNTS, with 5 years remaining on the lease term. Ross is rated A- by Standard & Poor's. Priced at a 5.75% cap rate.



#### Single tenant leased investment: Big 5 Sporting Goods in Victorville

Big 5 just renewed their option for an additional 5 years. Big 5 reports sales and has a percentage rent provision to protect against inflation. I procured a buyer for this property who recognized the property's location in front of the Victor Valley Mall.

**SOLD ON 2/21/17 for \$1,580,000 – 4.9% Cap Rate**



#### Value-Add Shopping Center in Ontario, CA

This property is 62% vacant and occupies almost an entire city block. It is anchored by Secoya Grocery market and other tenants were Papa John's and Wells Fargo. We received multiple full price cash offers and ultimately sold the property to the City of Ontario.

**SOLD ON 1/6/17 for \$3,200,000 – MULTIPLE FULL PRICE CASH OFFERS RECEIVED!**

### About me:

I specialize in representing buyers and sellers of retail investment properties, focusing primarily on the Western Inland Empire, encompassing the cities of Corona, Norco, Eastvale, Ontario, Chino, Chino Hills, Montclair, Claremont, and Pomona. Prior to commercial real estate brokerage, I worked as a residential real estate investor, flipping houses in Orange County.

I grew up in New Jersey, and have worked for corporations such as Nestle PowerBar, Prudential, and Computer Sciences Corporation. I have a degree in Biomedical Engineering from Johns Hopkins University and an MBA from Duke University.

RETAIL PROPERTIES SOLD IN THE WESTERN INLAND EMPIRE 3/1/16 - 4/1/17 OVER \$1.5MM

Address	City	Zip Code	Property Name	Sale Status	Sale Price	Bldg SF	Price Per SF	Actual Cap Rate	Land Area AC	Sale Date
611 E Holt Ave	Pomona	91767	Rite Aid	Sold	\$ 4,850,000	16,708	\$ 290.28	5.75%	1.43	2/10/2017
1371 E Foothill Blvd	Upland	91786	Del Taco	Sold	\$ 3,225,000	1,875	\$ 1,720.00	4.2%	0.64	1/19/2017
2896 Hamner Ave	Norco	92860	Carl's Jr	Sold	\$ 2,225,000	2,474	\$ 899.35	4.49%	0.66	1/18/2017
10385 Central Ave	Montclair	91763	Enterprise	Sold	\$ 2,300,000	17,528	\$ 131.22		2.39	1/13/2017
404-426 N Euclid Ave (Part of Multi-Property Sale)	Ontario	91762	Multi-Property Sale	Sold	\$ 2,625,656	64,002	\$ 41.02			1/6/2017
229 E Foothill Blvd	Upland	91786	99 Cents Store	Sold	\$ 5,726,000	21,436	\$ 267.12		3.34	12/29/2016
121 E Foothill Blvd (Part of Multi-Property Sale)	Upland	91786	Upland Village Center	Sold	\$ 5,108,839	44,735	\$ 114.20		4.55	12/29/2016
207 E Foothill Blvd (Part of Multi-Property Sale)	Upland	91786	Upland Village Center	Sold	\$ 4,076,107	35,692	\$ 114.20		1.03	12/29/2016
3060-3100 Chino Ave	Chino Hills	91709	Crossroads Entertainment Center	Sold	\$ 26,360,000	90,085	\$ 292.61	7%	10.54	12/22/2016
1888 W 6th St	Corona	92882	W. 6th St. Auto Center	Sold	\$ 1,800,000	20,535	\$ 87.66	6.14%	1.02	12/14/2016
3103-3191 N Garey Ave	Pomona	91767	The Grove	Sold	\$ 8,190,000	49,243	\$ 166.32	6.43%	5.86	11/15/2016
4360 Mills Cir	Ontario	91764	Former Coco's restaurant	Sold	\$ 3,000,000	7,080	\$ 423.73		1.58	11/10/2016
1945 E Riverside Dr (Part of Multi-Property Sale)	Ontario	91761	Vineyard Shopping Center	Sold	\$ 2,937,841	28,756	\$ 102.16		3	10/26/2016
2240 Compton Ave	Corona	92881	Unocal 76	Sold	\$ 5,500,000	3,194	\$ 1,721.98	6.27%	1.06	10/7/2016
3140 Chino Ave	Chino Hills	91709	Taco Bell	Sold	\$ 1,882,000	2,466	\$ 763.18	4.25%	1.22	9/28/2016
9303-9407 Central Ave (Part of Multi-Property Sale)	Montclair	91763	Montclair Shoppes	Sold	\$ 10,175,234	12,400	\$ 820.58		1.09	9/19/2016
9369-9389 Central Ave (Part of Multi-Property Sale)	Montclair	91763	Montclair Shoppes	Sold	\$ 3,273,307	3,989	\$ 820.58		2.02	9/19/2016
9303 Central Ave (Part of Multi-Property Sale)	Montclair	91763	Tommys	Sold	\$ 2,051,459	2,500	\$ 820.58		0.54	9/19/2016
517 E Foothill Blvd	Pomona	91767	Starbucks	Sold	\$ 4,100,000	2,984	\$ 1,373.99	3.85%	0.69	9/13/2016
9090 Central Ave	Montclair	91763	US Bank	Sold	\$ 5,410,434	4,171	\$ 1,297.16	4.62%	0.78	8/24/2016
1337 N Mountain Ave	Ontario	91762	Multi-tenant center; Pad to Walmart	Sold	\$ 5,968,800	6,786	\$ 879.58	5.02%	1.05	8/17/2016
5128-5182 N Montclair Plaza Ln (Part of Multi-Property Sale)	Montclair	91763	Montclair Place	Sold	\$ 16,401,018	75,103	\$ 218.38		7.93	8/4/2016
5120 Moreno St (Part of Multi-Property Sale)	Montclair	91763	Wells Fargo Bank	Sold	\$ 1,572,338	7,200	\$ 218.38			8/4/2016
12325 Mountain Ave	Chino	91710	Mountain 60 Crossroads	Sold	\$ 1,900,000	5,768	\$ 329.40		1.12	7/22/2016
1701 S Mountain Ave	Ontario	91762	Farmer's Market Grocery Store	Sold	\$ 1,800,000	9,651	\$ 186.51	7.58%	0.92	7/21/2016
685 W Foothill Blvd	Upland	91786	24 Fitness	Sold	\$ 6,000,000	33,350	\$ 179.91	6.7%	3.08	7/14/2016
1700 W Holt Ave	Pomona	91768	Thee Chateau Restaurant and Banquet Hall	Sold	\$ 2,650,000	14,314	\$ 185.13	7.93%	1.47	7/11/2016
12358 S Central Ave	Chino	91710	Central Mobil	Sold	\$ 3,100,000	1,711	\$ 1,811.81		0.79	7/7/2016
1042 N Mountain Ave	Upland	91786	Smart & Final Extra Center	Sold	\$ 3,900,000	9,167	\$ 425.44	5.48%	0.49	6/30/2016
960 6th St (Part of Multi-Property Sale)	Norco	92860	Norco Country Center	Sold	\$ 7,329,436	27,285	\$ 268.63		2.89	6/23/2016
980 6th St (Part of Multi-Property Sale)	Norco	92860	Steakhouse Restaurant	Sold	\$ 2,014,688	7,500	\$ 268.63		0.79	6/23/2016
1187 E Magnolia Ave	Corona	92879	Temescal Village Plaza	Sold	\$ 2,100,000	8,949	\$ 234.66		0.95	6/10/2016
1028 N Mountain Ave (Part of Portfolio)	Upland	91786	Smart & Final Extra Center	Sold	\$ 13,000,000	49,968	\$ 260.17		1.64	6/1/2016
5445-5467 Moreno St (Part of Multi-Property Sale)	Montclair	91763	Montclair East Shopping Center	Sold	\$ 15,487,423	119,400	\$ 129.71		8.81	5/20/2016
5399 Moreno St (Part of Multi-Property Sale)	Montclair	91763	Montclair East Shopping Center	Sold	\$ 2,205,077	17,000	\$ 129.71		0.74	5/20/2016
7055 Schaefer Ave	Chino	91710	Stater Bros Plaza	Sold	\$ 3,153,000	3,900	\$ 808.46		0.46	5/19/2016
3077 W Temple Ave	Pomona	91766	Wendy's	Sold	\$ 3,400,000	2,670	\$ 1,273.41	5.43%	0.98	4/29/2016
3160-3196 N Garey Ave (Part of Multi-Property Sale)	Pomona	91767	Superior Grocers	Sold	\$ 4,051,850	75,473	\$ 114.23		5.83	4/26/2016
3240-3300 N Garey Ave (Part of Multi-Property Sale)	Pomona	91767	Foothill Square	Sold	\$ 2,015,053	37,534	\$ 114.23		2.9	4/26/2016
2500 S Grove Ave	Ontario	91761	Grove Plaza	Sold	\$ 3,100,000	5,182	\$ 598.22	4.42%	0.57	4/15/2016
14165 Pipeline Ave	Chino	91710	Wendy's	Sold	\$ 3,550,000	3,617	\$ 981.48	4.76%	1.02	4/11/2016
4975 Mission Blvd	Montclair	91763	Vacant freestanding building	Sold	\$ 1,957,000	18,923	\$ 103.42		2.4	3/25/2016
2071 Rancho Valley Dr	Pomona	91766	Rio Rancho Towne Center II	Sold	\$ 6,417,000	8,404	\$ 763.56	5.24%	0.98	3/22/2016
3160-3196 N Garey Ave (Part of Multi-Property Sale)	Pomona	91767	Superior Grocers	Sold	\$ 8,620,957	75,473	\$ 114.23		5.83	3/17/2016
3240-3300 N Garey Ave (Part of Multi-Property Sale)	Pomona	91767	Foothill Square	Sold	\$ 4,287,348	37,534	\$ 114.23		2.9	3/17/2016
215 Philadelphia St	Pomona	91766	Goodwill	Sold	\$ 3,800,000	13,189	\$ 288.12	5.5%	1.35	3/15/2016
14088 Euclid Ave	Chino	91710	Chevron	Sold	\$ 3,800,000	3,113	\$ 1,220.69		1.32	3/1/2016

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 if you are curious to know what your property is worth, please call me!

RETAIL PROPERTIES CURRENTLY FOR SALE IN THE WESTERN INLAND EMPIRE (\$1.5MM+)

Address	City	Zip	Name/Description	Sale Status	Asking Price	Bldg SF	Price Per SF	Cap Rate	Land Area (AC)	On Market Since
1055-1067 E Holt Ave	Pomona	91767	Holt Ave Retail Center	Active	\$ 1,600,000	10,875	\$ 147.13	not avail.	0.58	1/2/2015
1964 W 9th St	Upland	91786	Value-Add Retail/Medical Office Center	Active	\$ 1,850,000	10,500	\$ 176.19	5.49%	0.61	3/3/2017
521 N Euclid Ave	Ontario	91762	Euclid Street Retail Center; Two buildings; former bank	Active	\$ 1,980,000	10,772	\$ 183.81	7.03%	0.30	9/27/2016
1099 E Foothill Blvd	Upland	91786	America's Tire Co; 2-yr lease	Active	\$ 2,000,000	8,200	\$ 243.90	6.00%	0.50	11/4/2016
110-112 Harvard Ave	Claremont	91711	4 unit center in downtown area	Active	\$ 2,200,000	5,854	\$ 375.81	2.00%	0.15	2/2/2017
160 Rincon St	Corona	92879	Marie Callendar's Single Tenant. 4 yrs on lease	Active	\$ 2,276,228	10,907	\$ 208.69	4.50%	1.92	3/23/2017
8660 S Central Ave	Montclair	91763	3 tenant strip center; Dance studio, Dental, one vacant	Active	\$ 2,400,000	8,779	\$ 273.38	5.08%	0.76	8/29/2015
4234 Holt Blvd	Montclair	91763	Laundromat, Korean restaurant	Active	\$ 2,400,000	9,352	\$ 256.63	6.00%	0.60	6/30/2016
1175 E Holt Ave	Pomona	91767	Mexican restaurant and automotive center	Active	\$ 2,425,000	14,140	\$ 171.50	4.46%	1.75	3/15/2017
290 E Holt Ave	Pomona	91767	Street retail investment	Active	\$ 2,700,000	19,162	\$ 140.90	5.43%	0.78	12/5/2016
4155 Inland Empire Blvd	Ontario	91764	Cort furniture at Ontario Mills	Active	\$ 2,700,000	8,036	\$ 335.99	6.25%	1.57	6/17/2014
750 N. Ferrari Lane	Ontario	91764	Ortho Mattress	Active	\$ 2,700,000	6,000	\$ 450.00	6.25%	0.76	6/17/2014
80 N Euclid Ave	Upland	91786	IHOP Single Tenant; 5-yr lease	Active	\$ 2,750,000	4,480	\$ 613.84	4.50%	0.72	3/30/2017
4611 Holt Blvd (2 Properties)	Montclair	91763	Retail/light manufacturing	Active	\$ 2,990,000	13,600	\$ 219.85	5.00%	2.20	4/20/2015
160 W Foothill Blvd	Upland	91786	Citibank; 9-yr lease	Active	\$ 2,995,000	4,291	\$ 697.97	4.19%	0.30	2/28/2017
905 W Foothill Blvd	Claremont	91711	Shops to Sprouts center	Active	\$ 3,400,000	9,226	\$ 368.52	6.09%	0.84	5/5/2015
2741 S Towne Ave	Pomona	91766	Gas Station	Active	\$ 3,500,000	3,154	\$ 1,109.70	5.14%	1.08	2/10/2017
2149 E Convention Center Way	Ontario	91764	Marie Callender's Restaurant; 5 yrs on lease	Active	\$ 3,524,272	15,042	\$ 234.30	5.15%	2.23	3/22/2017
12193 Central Avenue	Chino	91710	Single-tenant NNN Chase Bank; 5 yr lease	Active	\$ 3,575,000	4,600	\$ 777.17	4.00%	0.80	9/30/2016
508 S Smith Ave	Corona	92882	Smith Shopping Plaza - Multi Tenant	Active	\$ 3,950,000	31,663	\$ 124.75	5.54%	0.96	3/31/2017
2037 Rancho Valley Dr	Pomona	91766	20 yr Ground lease to Golden Corral	Active	\$ 4,063,000	11,087	\$ 366.47	4.70%	2.95	2/23/2017
4551 East Mills Circle	Ontario	91764	Chevys Fresh Mex Restaurant - 2 yr lease	Active	\$ 4,228,570	7,988	\$ 529.37	5.25%	1.91	1/22/2015
110 Hidden Valley Pky	Norco	92860	Retail Free Standing Bldg	Active	\$ 4,490,000	9,000	\$ 498.89	5.60%	0.72	3/21/2017
211-251 Dupont St.	Corona	92879	Industrial/Retail Center - below market rents	Active	\$ 4,500,000	24,640	\$ 182.63	5.20%	1.56	11/30/2016
13815 Peyton Dr	Chino Hills	91709	KinderCare Learning Center	Active	\$ 4,752,000	9,640	\$ 492.95	5.50%	1.59	3/14/2017
2051 Rancho Valley Dr	Pomona	91766	New construction Pieology & Restaurants	Active	\$ 5,053,000	7,875	\$ 641.65	5.40%	1.26	2/28/2017
1441 W 6th St	Corona	92882	Automotive Plaza	Active	\$ 5,780,000	34,502	\$ 167.53	5.63%	2.90	9/6/2016
2240 Compton Ave	Corona	92881	Circle K and 76 Gas Station	Active	\$ 6,000,000	3,194	\$ 1,878.52	7.00%	1.06	10/14/2016
4195 Inland Empire Boulevard	Ontario	91764	Furniture store	Active	\$ 6,200,000	30,000	\$ 206.67	6.25%	2.52	6/17/2014
4175 Inland Empire Boulevard	Ontario	91764	Bassett Furniture	Active	\$ 6,400,000	16,000	\$ 400.00	6.00%	1.23	6/17/2014
5225 Arrow Highway	Montclair	91763	8-tenant shops to Target & Best Buy; incl Gen BBQ	Active	\$ 7,150,000	18,106	\$ 394.90	5.40%	2.30	1/18/2017
2522-2536 S Grove Ave	Ontario	91761	99 Cents Only/dd's Discounts	Active	\$ 7,636,000	45,632	\$ 167.34	5.50%	3.37	1/24/2017
1750 W 6th St	Corona	92882	Harbor Freight, Subway, WaBa Grill	Active	\$ 8,500,000	26,962	\$ 315.26	5.50%	2.87	4/5/2017
2057 Rancho Valley Dr	Pomona	91766	New construction Planet Fitness, Wing Stop, etc	Active	\$ 8,803,000	23,876	\$ 368.70	5.70%	1.96	3/1/2017
2218-2298 S. Garey Ave	Pomona	91766	Garey Olive Center - Strip Center with 2 pads; Pizza Hut	Active	\$ 12,425,000	34,497	\$ 360.18	5.80%	2.42	11/22/2016
2401 Vineyard Ave	Ontario	91761	Vineyard Village - Dunn Edwards, Sears Outlet, etc.	Active	\$ 12,500,000	45,120	\$ 277.04	5.50%	3.89	2/14/2017
1348-1364 7th St	Upland	91786	Upland Freeway Ctr; Lamps Plus, Sit n Sleep, etc.	Active	\$ 23,189,000	116,061	\$ 199.80	6.00%	7.63	9/20/2016
1380 W 6th St	Corona	92882	Retail Strip Center with freestanding drive thru	Active	Undisclosed	42,759	n/a	9.33%	4.30	11/28/2016

If you are interested in making an offer or learning more about any of these properties, please call me!