

Inland Empire Retail Real Estate News



Fall 2017

By Mike Lin

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National Retail Real Estate News:

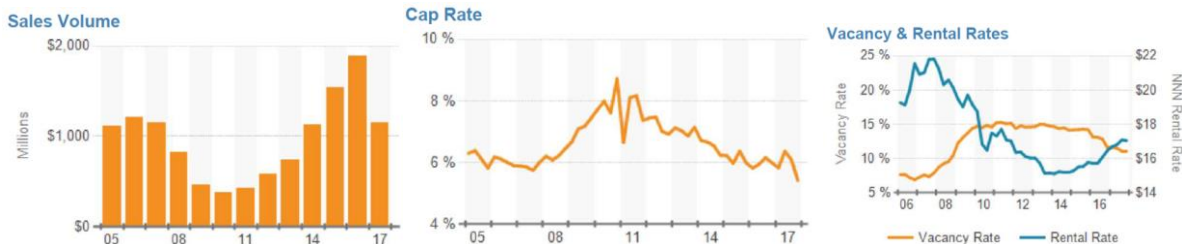
Amazon to Enter the Pharmacy Industry? Leerink, a boutique investment firm that focuses on the healthcare industry, reported on October 6th that Amazon will “almost certainly” enter the prescription drug distribution business within the next two years. As a result of this news, shares of CVS and Walgreens both dropped 5% that day. The following Monday, shares of these stocks fell another 3%.

Amazon’s purchase of Whole Foods is making waves throughout the retail industry, and the online retailer doesn’t seem to be stopping anytime soon from taking over bricks and mortar retail. In the retail real estate business, drugstores had been considered relatively safe investments, with CVS/Walgreens/Rite Aid stores in Southern California routinely selling at or below 5% cap rates. It remains to be seen if Amazon will enter the industry via a mail order delivery service, or perhaps buy an existing pharmacy chain such as CVS.

Local Happenings:

How is the Inland Empire Retail Market doing? Here are graphs that encompass all Retail Property sales in San Bernardino and Riverside Counties since January 1, 2005, spanning over 4,200 transactions.

Inland Empire Retail Market Trends, 2005-2017



As you can see, our sales volume in this cycle was higher than in the prior cycle. Cap rates are at historic lows, slightly lower than in '07. The retail rental market is showing stark differences today versus 10 years ago. The overall vacancy rate is around 12%, double what it was in the last peak. Rental rates are around \$17/sf/yr (\$1.41/sf/mo). Back then, the average asking rental rate was around \$22/sf/yr (\$1.83/sf/mo). We hope that the strong market trends continue, but as an industry, we are all proceeding with “cautious optimism” as no one really knows how long this bull market will last.

If you like these reports, but would like them customized to a particular region, product type, or other specification, please let me know. Creating custom market reports is a free service that I offer to my clients.



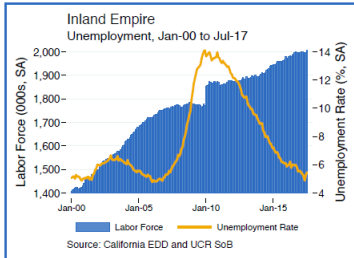
Ontario Airport (ONT) Adds Flights to and from Taiwan, Texas, and Denver: Several months ago, Dynamic International Airways began offering two flights per week from Nanchang, China, to Ontario International Airport. On Sept. 30, China Airlines announced that it would launch nonstop service between Ontario and Taipei, the capital of Taiwan. Despite its name, China Airlines is based in Taiwan, not mainland China. These flights between Taiwan and ONT are expected to carry more than 80,000 passengers per year. In addition, on October 12, Frontier Airlines completed its first flight to Austin, TX from ONT airport. San Antonio and Denver are also new destinations, with Chicago to be added in 2018.

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Passenger traffic at ONT was up 8.2 percent in August 2017 versus August 2016, and continues to grow ever since control of the airport was changed from the Los Angeles Airport Authority to a local Ontario authority.



Employment continues to trend up in the IE: According to the latest (August) report from the UC Riverside School of Business, the Inland Empire added 2,200 jobs in July 2017. Year-over-year growth in the Inland Empire stands at 2.7%, which is well above the 1.7% growth in the state as a whole. For the 12 months ending June 2017, the IE was responsible for the second most jobs added in California, trailing only the Los Angeles Metro area.

Featured Listings:



Multi-Tenant center with high freeway visibility in Corona, CA

This property has four tenants, all on NNN leases: 26 Degrees Sports Bar, Eyebrow Threading Salon, iLoveKickboxing.com (over 200 locations nationwide) and Sombrero's Mexican Food with a drive-thru (30 locations in SoCal). The center benefits from a busy Starbucks drive-thru. The building is highly visible from the I-15 N offramp at Ontario Ave. and can be seen from the I-15 freeway.

Price: \$4,320,000 – 5.0% Cap Rate



National Single-tenant NNN Investment – Day Care in Peoria, AZ

This property is an absolute net leased investment to Child Care Networks, operating as Sunrise Preschools. Child Care Network is the 4th largest operator of day care facilities in the US. There are 13+ years left on the lease, and the property was built in 2008. Peoria is a suburb located just 15 miles northwest of Phoenix.

Price: \$4,250,000 – 6.0% Cap Rate



Shell Gas Station – Business and Property – Chino, CA

This busy gas station sits on a prime corner at the intersection of Central Ave. and Walnut Ave. 4 pumps, 12 dispensers, and an 840 SF C-store with Type 2- liquor license. The station sells gasoline and diesel. Many opportunities to add value by adding car wash, check cashing, propane sales, etc.

Price: \$3,295,000

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, and Pomona. Prior to commercial real estate brokerage, I worked as a residential real estate investor, flipping houses in Orange County.

I am originally from 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 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
9710-9880 Central Ave.	Montclair	91763	Montclair Town Center - 24 Hr Fit, Bank of America, Dollar General	Active	\$ 19,500,000	96,612	\$ 201.84	6.42%	9.67	10/11/2017
2407 Valley Blvd	Pomona	91768	Strip center: Laundromat, pizza, bookstore, tacos, etc.	Active	\$ 3,890,000	11,720	\$ 331.91	4.17%	0.64	10/5/2017
5118-5156 Holt Blvd	Montclair	91763	Furniture, roofing, restaurant, industrial	Active	\$ 3,050,000	28,200	\$ 108.16	5.38%	1.79	9/18/2017
1714 S Euclid Ave	Ontario	91762	Former Cardenas supermarket	Active	\$ 2,900,000	24,000	\$ 120.83		1.92	9/11/2017
1028 N Mountain Ave	Upland	91786	Smart & Final, Planet Fitness; 12 yrs on lease	Active	\$ 14,752,457	49,968	\$ 295.24	5.25%	1.64	8/22/2017
1535 E Ontario Ave	Corona	92881	Mexican restaurant, Kickboxing, Salon, Sports Bar	Active	\$ 4,320,000	8,112	\$ 532.54	5.00%	1.27	8/21/2017
5483 Moreno St	Montclair	91763	Vacant; former motorsports store	Active	\$ 5,600,000	28,000	\$ 200.00		1.54	8/17/2017
2506-2510 S Grove Ave	Ontario	91761	Shops At Grove II	Active	\$ 1,520,694	4,140	\$ 367.32	6.00%	1.66	7/28/2017
69-79 N Grove St	Upland	91786	Restaurant, C-store, Acupuncture, Pet grooming, Barber	Active	\$ 1,680,000	6,000	\$ 280.00	5.00%	0.69	7/27/2017
5536-5546 Philadelphia St	Chino	91710	Chino Promenade: Movie theater, pizza, sushi	Active	\$ 8,500,000	39,500	\$ 215.19	6.00%	3.39	7/16/2017
813-907 W Foothill Blvd	Upland	91786	Upland Town Square - Sprouts anchored center	Active	Undisclosed	88,649			8.46	7/7/2017
15709-15713 Euclid Ave	Chino	91710	Pad for proposed 12,490 SF multi tenant at Chino Preserve	Active	\$ 3,250,000	-			1.49	6/29/2017
1141 N Mountain Ave	Ontario	91762	Joanne's Café restaurant	Active	\$ 2,150,000	3,269	\$ 657.69		0.49	6/21/2017
601 E Holt Ave	Pomona	91767	Single-tenant Fallas	Active	\$ 3,840,000	30,650	\$ 125.29	6.50%	2.57	6/1/2017
1348-1438 W 7th St	Upland	91786	Upland Freeway Ctr	Active	\$ 21,052,000	116,061	\$ 181.39	6.75%	7.63	5/30/2017
10410 Ramona Ave	Montclair	91763	Laundromat, liquor store, restaurant	Active	\$ 4,600,000	8,470	\$ 543.09		0.91	5/27/2017
3312 Hamner Ave	Norco	92860	Zoned CG with 144 feet of frontage on Hamner Ave	Active	\$ 1,799,900	76,665	\$ 23.48		1.76	5/25/2017
160-164 E 2nd St	Pomona	91766	Pomona Antique Center	Active	\$ 1,900,000	22,700	\$ 83.70		1.58	5/16/2017
4110 Holt Blvd	Montclair	91763	Vacant former gym	Active	Undisclosed	12,664			0.75	5/14/2017
276 E 9th St	Upland	91786	The Grove Theatre	Active	\$ 1,500,000	14,388	\$ 104.25		0.30	5/10/2017
710 E Foothill Blvd	Upland	91786	Vacant owner-user bldg at Upland Village	Active	\$ 1,750,000	5,600	\$ 312.50		0.48	5/9/2017
313 6th St	Norco	92860	Senor Tacos, Liquor store, Pizza	Active	\$ 1,536,000	6,000	\$ 256.00	6.75%	0.43	4/10/2017
1750-1760 W 6th St	Corona	92882	Harbor Freight, Subway, WaBa Grill	Active	\$ 8,300,000	26,962	\$ 307.84	5.66%	2.87	4/5/2017
2149 E Convention Center Way	Ontario	91764	Marie Callender's restaurant	Active	\$ 3,524,272	15,042	\$ 234.30	5.15%	2.23	3/22/2017
160 E Rincon St	Corona	92879	Marie Callender's restaurant	Active	\$ 2,276,228	10,907	\$ 208.69	4.50%	1.92	3/22/2017
4948-4962 Holt Ave	Montclair	91763	Massage, Salon, MetroPCS	Active	\$ 2,180,000	8,200	\$ 265.85		0.71	3/21/2017
1055-1067 E Holt Ave	Pomona	91767	Holt Ave Retail Center; mom-and-pop shops	Active	\$ 1,600,000	10,875	\$ 147.13		0.58	3/13/2017
4234 Holt Blvd	Montclair	91763	Laundromat, Korean restaurant	Active	\$ 2,500,000	9,352	\$ 267.32	5.76%	0.60	3/9/2017
134 N 2nd Ave	Upland	91786	Second Avenue Mall	Active	\$ 1,500,000	10,220	\$ 146.77		0.25	3/2/2017
2051 Rancho Valley Dr	Pomona	91766	New construction Pieology, Little Caesar's, Corky's restaurant	Active	\$ 5,130,000	7,875	\$ 651.43	5.25%	1.26	2/28/2017
499 N Garey Ave	Pomona	91767	Former bank building (vacant)	Active	\$ 3,000,000	14,000	\$ 214.29		0.57	2/21/2017
2741 S Towne Ave	Pomona	91766	Globe Oil Co. gas station	Active	\$ 3,150,000	3,154	\$ 998.73	5.71%	1.08	2/10/2017
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
1650 E 6th St	Corona	92879	Bar 1650	Active	\$ 3,600,000	14,982	\$ 240.29		2.71	1/20/2017
5282 W Mission Blvd	Ontario	91762	Nightclub/Bar	Active	\$ 7,000,000	9,845	\$ 711.02		0.42	12/6/2016
290 E Holt Ave	Pomona	91767	Dept Outlet & Warehouse Clearance store	Active	\$ 2,700,000	19,162	\$ 140.90	5.43%	0.78	12/5/2016
4155-4195 Inland Empire Blvd and 750 Ferrari Lane	Ontario	91764	Cort furniture at Ontario Mills, Barrett Furniture, etc.	Active	\$ 16,995,000	60,000	\$ 283.25		6.04	12/2/2016
5526 Philadelphia St	Chino	91710	Former Olive Garden (vacant)	Active	\$ 1,900,000	8,993	\$ 211.28		1.19	11/7/2016
985-987 Foothill Blvd	Claremont	91711	Office/Retail; Dog grooming, Financial	Active	\$ 2,280,000	11,410	\$ 199.82		1.01	10/17/2016
2240 Compton Ave	Corona	92881	Unocal 76 gas station	Active	\$ 7,995,000	3,194	\$ 2,503.13	4.31%	1.06	10/14/2016
8660 S Central Ave	Montclair	91763	3 tenant strip center; Dance studio, Dental, one vacant	Active	\$ 2,280,000	8,779	\$ 259.71		0.76	10/5/2016
12193 Central Avenue	Chino	91710	Single-tenant NNN Chase Bank; 5 yr lease	Active	Undisclosed	4,600	n/a	4.00%	n/a	9/30/2016

Do you find this report useful? If you have any suggestions on how I can make the data more relevant for you, please let me know!

RETAIL PROPERTIES SOLD IN THE WESTERN INLAND EMPIRE IN THE PAST 12 MONTHS OVER \$1.5MM

Address	City	Zip	Property Name/Description	Sale Status	Sale Price	Bldg SF	Price Per SF	Actual Cap Rate	Land Area AC	Sale Date
911 N Milliken Ave	Ontario	91674	Arco AM/PM	Sold	\$ 3,670,000	2,811	\$ 1,305.59		1.09	9/28/2017
2098 S Garey Ave	Pomona	91766	Jack In The Box	Sold	\$ 3,550,000	2,612	\$ 1,359.11	4.5%	0.65	9/20/2017
910 W Ontario Ave	Corona	92882	Rite Aid	Sold	\$ 9,700,000	15,341	\$ 632.29	5.03%	0.77	9/19/2017
160 W Foothill Blvd	Upland	91786	Citibank	Sold	\$ 2,700,000	4,291	\$ 629.22	4.65%	0.3	9/14/2017
284 Dupont St (3 Properties)	Corona	92879	McKinley Crossroads (24Hr Fitness, Simply Fresh, etc)	Sold	\$ 24,675,000	202,134	\$ 122.07		13.54	9/12/2017
110 Hidden Valley Pky	Norco	92860	Hidden Valley Shops (Rubio's, Papa Johns', Gamestop, etc)	Sold	\$ 4,300,000	9,000	\$ 477.78	5.85%	0.72	9/5/2017
80 N Euclid Ave	Upland	91786	IHOP	Sold	\$ 2,400,000	4,480	\$ 535.71		0.72	9/1/2017
517-521 N Euclid Ave (2 Properties)	Ontario	91762	Street retail (China Jade Gallery, Groomatorium)	Sold	\$ 1,561,000	10,772	\$ 144.91		0.43	8/29/2017
4701-4737 Holt Blvd (12 Properties)	Montclair	91763	Retail/Industrial Center	Sold	\$ 9,400,000	119,199		6.75%	42.26	8/24/2017
508 S Smith Ave (2 Properties)	Corona	92882	Smith Avenue Retail Center	Sold	\$ 3,900,000	31,663	\$ 123.17	6.3%	1.89	8/24/2017
1199 E Holt Ave (2 Properties)	Pomona	91767	Strip center plus Mexican Restaurant	Sold	\$ 2,280,000	14,140	\$ 161.24	4.74%	1.75	7/31/2017
12325 Mountain Ave	Chino	91710	Black Bear Diner	Sold	\$ 3,600,000	5,768	\$ 624.13	5.18%	1.12	7/27/2017
14589-14599 Ramona Ave (Building F)	Chino	91710	Shops to Home Depot, JCPenney: Elite Salon, Solus Clothing	Sold	\$ 3,000,000	11,327	\$ 264.85		1.47	7/20/2017
3833 Grand Ave (13 Properties)	Chino	91710	Chino Spectrum Towne Center	Sold	\$ 144,000,000	456,188		5.5%	40.07	7/18/2017
2522-2536 S Grove Ave (7 Properties)	Ontario	91761	Grove Plaza - 99Cent Only, dd's Discounts, and shops	Sold	\$ 16,007,500	88,272	\$ 181.34	4%	9.57	7/17/2017
1443 W 6th St (3 Properties)	Corona	92882	Automotive Plaza	Sold	\$ 5,680,000	48,998	\$ 115.92	6.22%	2.9	6/30/2017
2641-2681 Green River Rd (6 Properties)	Corona	92882	Sierra Del Oro Towne Centre - Ralphs Anchor	Sold	\$ 28,600,000	113,234	\$ 252.57	6.05%	66	6/21/2017
14671-14683 Ramona Ave (Building D)	Chino	91710	Shops to Home Depot, JCPenney: Yoga, Chiro, Juice Shop, etc	Sold	\$ 3,700,000	12,069	\$ 306.57	6.08%	1.58	6/19/2017
2057 Rancho Valley Rd	Pomona	91766	Planet Fitness, Jamba Juice, UPS Store, Waba, Wingstop	Sold	\$ 8,803,000	23,876	\$ 368.70	5.7%	1.96	6/15/2017
2295 N Garey (Part of Portfolio)	Pomona	91767	Mobil gas station (part of portfolio of 3 gas stations)	Sold	\$ 1,866,605	1,540	\$ 1,212.08		0.48	6/14/2017
4943-4949 Holt Blvd	Montclair	91763	Barbershop, salon, vacant land	Sold	\$ 1,800,000	10,000	\$ 180.00	11.35%	3.41	6/1/2017
5225-5247 Arrow Hwy	Montclair	91763	Shops to Target & Best Buy: Gen BBQ, Salon, Optometrist, Nails	Sold	\$ 6,600,000	18,106	\$ 364.52	5.85%	2.3	5/31/2017
606 W Holt Blvd	Ontario	91762	DD's Discounts	Sold	\$ 4,400,000	21,964	\$ 200.33	6.24%	1.96	5/31/2017
1390 W 6th St (4 Properties)	Corona	92882	Corona Sun Plaza - Fast food, day care, etc	Sold	\$ 4,500,000	49,181	\$ 91.50	6.12%	12.84	5/31/2017
2037 Rancho Valley Dr	Pomona	91766	Golden Corral	Sold	\$ 4,063,000	11,087	\$ 366.47	4.7%	2.95	5/22/2017
1185-1195 E Magnolia Ave	Corona	92879	Temescal Village Plaza: CVS, Citibank, Carl's Jr (Stater Bros NAP)	Sold	\$ 16,950,000	63,606	\$ 266.48		4.38	5/2/2017
121 E Foothill Blvd (5 Properties)	Upland	91786	Upland Village Center	Sold	\$ 18,500,000	153,000	\$ 120.92		7.76	5/2/2017
13815 Peyton Dr	Chino Hills	91709	KinderCare	Sold	\$ 4,800,000	9,640	\$ 497.93	5.45%	1.59	4/28/2017
2160 Euclid Ave	Ontario	91762	Shell gas station	Sold	\$ 2,900,000	1,800	\$ 1,611.11		0.4	4/28/2017
295 E Holt Ave (Part of Portfolio)	Pomona	91767	Huntington Park Car Wash	Sold	\$ 3,150,853	3,000	\$ 1,050.28		0.32	4/7/2017
3999 E Inland Empire Blvd	Ontario	91764	Banner Bank	Sold	\$ 4,055,000	18,024	\$ 224.98		1.24	3/31/2017
1542 W Holt Ave	Pomona	91768	El 7 Mares Restaurant	Sold	\$ 1,755,000	8,120	\$ 216.13		1.3	3/28/2017
2598 S Archibald Ave	Ontario	91761	Century 21, Pizza Hut, Waba Grill. 24Hr Fit center	Sold	\$ 7,300,000	18,094	\$ 403.45	5.8%	2.12	3/13/2017
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 Rent-a-Car	Sold	\$ 2,300,000	17,528	\$ 131.22		2.39	1/13/2017
404-426 N Euclid Ave	Ontario	91762	Former furniture store and bank	Sold	\$ 2,625,656	64,002	\$ 41.02		2.5	1/6/2017
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 - vacant	Sold	\$ 3,000,000	7,080	\$ 423.73		1.58	11/10/2016
1945 E Riverside Dr (Part of Multi-Propert	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

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

**PROPERTY VALUES ARE AT ALL-TIME HIGHS.
DO YOU KNOW WHAT YOUR PROPERTY IS WORTH?
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