

I hope you're having a great summer! Enjoy my latest newsletter.

- Mike Lin

## Inland Empire Retail Real Estate News



July 2017

By Mike Lin

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### National Real Estate News:

#### Big Box Retailer News

- On July 7<sup>th</sup>, Sears/Kmart announced 43 more store closings, in addition to the 265 closings already announced earlier this year. One of the 43 locations is in the Inland Empire, a Kmart at 7200 Arlington Ave., Riverside.
- On June 29<sup>th</sup>, Walgreens and Rite Aid called off their merger, at least in its original form. Walgreens will now buy about half of Rite Aid's stores (2,186 stores). Most of these stores will be located in the Northeast, Mid-Atlantic, and Southeast. Walgreens has not announced if it plans to close the stores that it has purchased. The Federal Trade Commission was expected to reject the merger due to anti-monopoly laws, so this new agreement was created to avoid these regulations.

### Local Happenings:



#### City of Montclair approves significant upgrades to Montclair Place

**Mall:** On June 26<sup>th</sup>, the City of Montclair approved plans for the owner of the Montclair Place to demolish the former Broadway Department store at the east end of the mall, and to construct in its place a 144,000 square foot building which will accommodate a 12-screen movie theater, a bowling alley, and three new restaurants. In addition, the exterior façade of JC Penney as well as the northwest corner of the mall

will be remodeled, as well. This follows the recent redesign and rebranding of the food court as the Moreno Street Market, which is already open.

**Flights from China to Ontario (ONT) coming soon:** This summer, Dynamic International Airways will begin offering two flights per week from Nanchang, China, to Ontario International Airport. In a prior newsletter, I had noted that ownership of the Ontario Airport was transferred from the Los Angeles World Airport organization back to a local authority called the Ontario International Airport Authority (OIAA). Since then, it has been a priority of the OIAA to increase flight volume in and out of ONT.

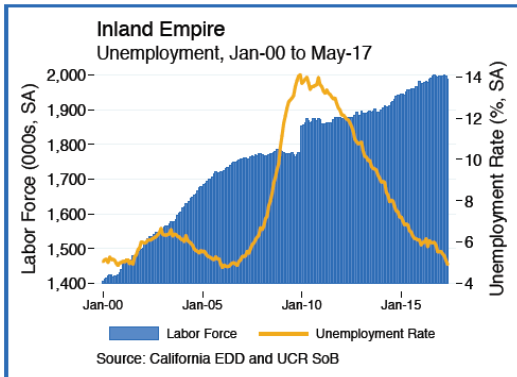
Many Chinese investors like purchasing real estate in the Inland Empire due to better investment returns (relative to LA and OC), good schools, and high growth potential. Direct flights to and from China will make it easier for Chinese to visit and invest in the area. This is a positive sign for ONT and for IE real estate.

**Employment is Trending Positive in the IE:** According to the latest (June) report from the UC Riverside School of Business, the Inland Empire added 1,400 jobs in May 2017, which is great news, since overall job gains in California have been flat for the past two months. Year-over-year employment growth in the IE is 2.8%, which

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is nearly double the 1.5% growth in the state as a whole. For the 12 months ending May 2017, the IE was responsible for the second most jobs added in California, trailing only the Los Angeles Metro area.

The unemployment rate in the IE continues to drop each month, and is now at 4.9%, a level that hasn't been seen since 2006. Construction continues to be the fastest growing sector at 2.7% growth versus the prior month and 17.8% growth in the past year. The retail sector continues to shed jobs, down 0.2% versus the prior month and down 0.1% in the past year.

**New freeway express lanes coming to I-10 and I-15:** On July 12, the San Bernardino County Transportation Authority approved a 33-mile expansion of the I-10 freeway to build two tolled express lanes between Montclair and Redlands. Phase 1, which will go from Montclair to I-15, will start in late 2018 and finish in 2002. The rest will begin in 2021 and finish in 2024.

**I-15:** Two tolled express lanes will be added in each direction between Cajalco Rd. on the south end, to CA Rt-60 on the north end. Construction will begin in 2018 with the lanes projected to be open in mid-2020. The new lanes will be built along the existing median of I-15, so unlike the CA-91 expansion project, that land will not have to be reclaimed from private owners.

### Featured Listings:



#### Single tenant leased investment: ROSS Dress for Less/ dd's DISCOUNTS in Ontario, CA

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.

**Sold on 5/31/17 for \$4,400,000 – 6.25% Cap Rate.**



**Grocery Anchored Center in Rancho Cucamonga** - This is a 89,000-square foot shopping center anchored by Stater Bros, Bank of America, and Carl's Jr. This is a unique opportunity to own an entire shopping center including the pads. The Stater Bros in this center is one of the top performing grocery stores in the region, with \$920/SF in sales per year.

### 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   |               | Bldg SF | Price Per SF | Cap Rate    | Land Area (AC) | On Market Since |
|----------------------------------|-----------|-------|---|--------|---------------|---------|--------------|-------------|----------------|-----------------|
|                                  |           |       |   | Status | Asking Price  |         |              |             |                |                 |
| 813-913 W Foothill Blvd          | Upland    | 91786 | Upland Town Square - Sprouts anchored center            | Active | Undisclosed   | 100,350 | n/a          | Undisclosed | 8.46           | 07/07/2017      |
| 15709-15713 Euclid Ave           | Chino     | 91710 | Pad for proposed 12,490 SF multi tenant building        | Active | \$ 3,250,000  | -       | n/a          | n/a         | 1.49           | 06/29/2017      |
| 910 W Ontario Ave                | Corona    | 92882 | Rite Aid Pharmacy                                       | Active | \$ 10,319,000 | 15,341  | \$ 672.64    | not avail.  | 1.76           | 06/26/2017      |
| 600-604 S Garey Ave              | Pomona    | 91766 | Restaurant, pet grooming, barber shop, lawyer, e-cigs   | Active | \$ 1,500,000  | 5,633   | \$ 266.29    | 5%          | 0.43           | 06/20/2017      |
| 2407 Valley Blvd                 | Pomona    | 91768 | Panaderia Jalisco. Maria's Tachos                       | Active | \$ 3,250,000  | 11,720  | \$ 277.30    | 4.83%       | 0.90           | 06/19/2017      |
| 12325 Mountain Ave               | Chino     | 91710 | Corporate Black Bear Diner                              | Active | \$ 3,730,000  | 5,768   | \$ 646.67    | 5%          | 1.12           | 06/15/2017      |
| 160 W Foothill Blvd              | Upland    | 91786 | Citibank; 9-yr lease                                    | Active | \$ 2,790,000  | 4,291   | \$ 650.20    | 4.50%       | 0.30           | 06/06/2017      |
| 3000 S Archibald Ave             | Ontario   | 91761 | Rite Aid Pharmacy                                       | Active | \$ 6,888,000  | 16,549  | \$ 416.22    | 5.06%       | 1.47           | 06/05/2017      |
| 601 E Holt Ave                   | Pomona    | 91767 | Single-tenant Fallas                                    | Active | \$ 3,840,000  | 30,650  | \$ 125.29    | 6.5%        | 2.57           | 06/01/2017      |
| 1438 W 7th St                    | Upland    | 91786 | Upland Freeway Ctr                                      | Active | \$ 21,052,000 | 116,061 | \$ 181.39    | 6.75%       | 7.63           | 05/30/2017      |
| 3312 Hamner Ave                  | Norco     | 92860 | Zoned CG with 144 feet of frontage on Hamner Ave        | Active | \$ 1,799,900  | 76,665  | \$ 23.48     | not avail.  | 1.76           | 05/25/2017      |
| 160 E 2nd St                     | Pomona    | 91766 | Pomona's signature downtown antiques                    | Active | Undisclosed   | 22,400  | n/a          | 6%          | 0.16           | 05/16/2017      |
| 1701-1713 Hamner Ave             | Norco     | 92860 | Busy Hamner Avenue and Freeway Frontage                 | Active | \$ 2,900,000  | 13,300  | \$ 218.05    | 4.5%        | 1.50           | 05/08/2017      |
| 313 6th St                       | Norco     | 92860 | Senor Tacos   | Active | \$ 1,536,000  | 6,000   | \$ 256.00    | 6.75%       | 0.43           | 04/10/2017      |
| 1750 W 6th St                    | Corona    | 92882 | Harbor Freight, Subway, WaBa Grill                      | Active | \$ 8,300,000  | 26,962  | \$ 307.84    | 5.66%       | 2.87           | 04/05/2017      |
| 508 S Smith Ave                  | Corona    | 92882 | Smith Shopping Plaza - Multi Tenant                     | Active | \$ 3,950,000  | 31,663  | \$ 124.75    | 6.38%       | 1.89           | 03/31/2017      |
| 110 Hidden Valley Pky            | Norco     | 92860 | Retail Free Standing Bldg                               | Active | \$ 4,490,000  | 9,000   | \$ 498.89    | 5.60%       | 0.72           | 03/21/2017      |
| 1175 E Holt Ave                  | Pomona    | 91767 | Mexican restaurant and automotive center                | Active | \$ 2,425,000  | 14,140  | \$ 171.50    | 4.46%       | 1.75           | 03/21/2017      |
| 1055-1067 E Holt Ave             | Pomona    | 91767 | Holt Ave Retail Center                                  | Active | \$ 1,600,000  | 10,875  | \$ 147.13    | not avail.  | 0.58           | 03/13/2017      |
| 4234 La Blvd                     | Montclair | 91763 | Laundromat, Korean restaurant                           | Active | \$ 2,400,000  | 9,352   | \$ 256.63    | 6.00%       | 0.92           | 03/09/2017      |
| 2051 Rancho Valley Dr            | Pomona    | 91766 | New construction Pieology & Restaurants                 | Active | \$ 5,130,000  | 7,875   | \$ 651.43    | 5.25%       | 1.26           | 02/28/2017      |
| 2741 S Towne Ave                 | Pomona    | 91766 | Globe OIL Co.   | Active | \$ 3,250,000  | 3,154   | \$ 1,030.44  | not avail.  | 1.08           | 02/10/2017      |
| 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           | 01/24/2017      |
| 290 E Holt Ave                   | Pomona    | 91767 | Street retail investment                                | Active | \$ 2,700,000  | 19,162  | \$ 140.90    | 5.43%       | 0.78           | 12/05/2016      |
| 4155-4195 Inland Empire Blvd anc | Ontario   | 91764 | Cort furniture at Ontario Mills                         | Active | \$ 16,995,000 | 60,000  | \$ 283.25    | not avail.  | 6.04           | 12/02/2016      |
| 211-251 Dupont St.               | Corona    | 92879 | Industrial/Retail Center - below market rents           | Active | \$ 4,750,000  | 24,641  | \$ 192.77    | 6.00%       | 1.56           | 11/30/2016      |
| 1099 E Foothill Blvd             | Upland    | 91786 | America's Tire Co; 2-yr lease                           | Active | \$ 2,100,000  | 8,155   | \$ 257.51    | 6.00%       | 0.50           | 11/04/2016      |
| 8660 S Central Ave               | Montclair | 91763 | 3 tenant strip center; Dance studio, Dental, one vacant | Active | \$ 2,280,000  | 8,779   | \$ 259.71    | not avail.  | 0.76           | 10/05/2016      |
| 12193 Central Avenue             | Chino     | 91710 | Single-tenant NNN Chase Bank; 5 yr lease                | Active | Undisclosed   | 4,600   | n/a          | 4.00%       | n/a            | 09/30/2016      |
| 12564 - 12596 Central Ave        | Chino     | 91710 | Central Medical Plaza                                   | Active | \$ 1,750,000  | 6,328   | \$ 276.55    | not avail.  | 0.46           | 09/14/2016      |

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

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

| Address  | City        | Zip Code | Property Name                                      | Sale Status | Sale Price    | Bldg SF | Price Per SF | Actual Cap |       | Land Area  | Sale Date |
|--|-------------|----------|--|-------------|---------------|---------|--------------|------------|-------|------------|-----------|
|  |             |          |  |             |               |         |              | Rate       | AC    |            |           |
| 14671-14683 Ramona Ave                                       | Chino       | 91710    | Shops to Home Depot, JC Penney, McD's              | Sold        | \$ 3,700,000  | 12,069  | \$ 306.57    | 6.08%      | 1.58  | 6/19/2017  |           |
| 2057 Rancho Valley Rd  | Pomona      | 91766    | Planet Fitness and Shops                           | Sold        | \$ 8,803,000  | 23,876  | \$ 368.70    | 5.7%       | 1.96  | 6/15/2017  |           |
| 4943-4949 Holt Blvd  | Montclair   | 91763    | Multi tenant barbershop, salon                     | Sold        | \$ 1,800,000  | 10,000  | \$ 180.00    | 11.35%     | 3.41  | 6/1/2017   |           |
| 5225-5247 Arrow Hwy  | Montclair   | 91763    | Gen BBQ and other Shops to Target & Best Buy       | 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  | Corona      | 92882    | Corona Sun Plaza                                   | Sold        | \$ 2,811,482  | 30,727  | \$ 91.50     |            | 3.21  | 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  | Sold        | \$ 16,950,000 | 63,606  | \$ 266.48    |            | 4.38  | 5/2/2017   |           |
| 121 E Foothill Blvd (Part of Multi-Property Sale)            | Upland      | 91786    | Upland Village Center                              | Sold        | \$ 7,747,009  | 44,735  | \$ 173.18    |            | 4.55  | 5/2/2017   |           |
| 207 E Foothill Blvd (Part of Multi-Property Sale)            | Upland      | 91786    | Upland Village Center                              | Sold        | \$ 6,180,983  | 35,692  | \$ 173.18    |            | 1.03  | 5/2/2017   |           |
| 275 E Foothill Blvd (Part of Multi-Property Sale)            | Upland      | 91786    | Sizzler Restaurant; part of Upland Village Ctr     | Sold        | \$ 1,839,298  | 10,621  | \$ 173.18    |            | 1.22  | 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   |           |
| 2295 N Garey (Part of Portfolio)                             | Pomona      | 91767    | Mobil gas station                                  | Sold        | \$ 1,617,438  | 1,540   | \$ 1,050.28  |            | 0.48  | 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   | 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    | Former furniture store                             | Sold        | \$ 2,625,656  | 64,002  | \$ 41.02     |            | 2.5   | 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 - vacant                  | 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: Dickey's BBQ, Burger Im, etc    | 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: Starbucks, Sleep Number         | 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    | Waba, Yogurtland, Dental T-Mobile; Walmart Pad     | 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    | 99c Only, Golds Gym; Shops To Target & Best Buy    | 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    | Former Carrows; now Black Bear Diner               | 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   |           |

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?**  
**CALL ME FOR A COMPLIMENTARY VALUATION OF YOUR PROPERTY!**