

Inland Empire Retail Real Estate News



Spring 2018
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For this newsletter, we'll focus on the Inland Empire and a few interesting economic indicators.

FUN FACTS ABOUT THE INLAND EMPIRE



COMPILED BY THE PROGRESSIVE REAL ESTATE PARTNERS TEAM

THE INLAND EMPIRE IS THE 13TH LARGEST METROPOLITAN STATISTICAL AREA (MSA) IN THE UNITED STATES.

Population is **4.5MM**



and is growing by **50,000 TO 100,000** people per year.



Larger than Minneapolis, Seattle, and Denver



16,000 PEOPLE ARE EMPLOYED BY AMAZON IN THE INLAND EMPIRE

Although Amazon has hurt the retail industry, it is helping the industrial sector and is bringing thousands of jobs to the area.



Amazon has **10 DISTRIBUTION** centers in the IE with two more under construction



Amazon occupies over **6 MILLION** square feet and is growing

THERE WERE 15,000 HOUSING STARTS IN 2017



BEST YEAR

This is the best year in the past decade



43%

This is up 43% over 2016



23,000 UNITS PER YEAR

We are still behind the historical average of **23,000** units per year

THE IE HAD \$71B OF RETAIL SALES IN 2017

This is up from only **\$46B IN 2009!**

Ontario Mills sales have doubled since the downturn



OVERALL RETAIL VACANCY RATE IS 7.4%

However, this includes many big box spaces over **20,000 SF.**

Removing these spaces results in a **4.6%** vacancy rate.



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Next Generation Dunkin Donuts opens in Corona



Growing up in New Jersey, I ate a LOT of Dunkin Donuts as a kid. So I was very excited to attend the recent grand opening of Corona's first Dunkin Donuts, at 924 E. Ontario Ave., Corona. This store's model is called a next-generation concept and features an 8-tap coffee beverage system (looks like a bar!), and workstations where patrons can plug in a laptop, similar to Starbucks. This is only the second next-generation DD store in the United States (the first being a location near headquarters in Massachusetts), but there are plans to open 50 more next-generation stores by the end of 2018. If you're in the area, stop by the new Dunkin for a cup of coffee or a donut!

Inland Empire Population Growth Among Top in the Nation

According to new data released by the US Census Bureau, Riverside County added 37,000 new residents and San Bernardino County added 20,000 new residents in 2017. These represent the third largest and 20th largest increases, respectively out of 3,220 counties surveyed in the US. Lower home prices in the IE versus Los Angeles and Orange Counties and an increase in jobs in the area are also contributors to the population growth.

The CA Department of Finance predicts that Riverside and San Bernardino Counties are on track to grow every year through at least 2060, which is the farthest in to the future that the state forecasts.

Read the article at the Press Enterprise at: <http://www.tinyurl.com/IEpogrowth>.

Featured Listings – University Town Center, San Bernardino, CA



Shops to Ralphs and LA Fitness – San Bernardino, CA

This property has three tenants, all on NNN leases: Subway (Corporate), Little Caesars (Corporate), and Liquid Tea Bar, which is a Taiwanese boba tea concept. The center is anchored by a brand new LA Fitness (opened Feb. 2018) and a popular Ralphs supermarket. The fast food tenant mix is ideal for the college student demographic, with Cal State San Bernardino only one mile away.

Price: \$1,998,000 – 5.5% Cap Rate



Jiffy Lube – San Bernardino, CA

This property is an absolute net leased investment to a 34-unit franchise operator of Jiffy Lube. It is located in a shopping center anchored by a brand new LA Fitness (opened Feb. 2018) and a popular Ralphs supermarket. There are 9 years left on the lease.

Price: \$1,995,000 – 5.3% Cap Rate

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 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 |
|---|-------------|-------|--|-------------|----------------|---------|--------------|-----------------|--------------|------------|
| 160-170 E Rincon St | Corona | 92879 | Marie Callendar's restaurant plus MC Wholesaler building in rear | Sold | \$ 6,700,000 | 40,907 | \$ 163.73 | 5.75% | 3.57 | 2/8/2018 |
| 5118-5156 Holt Blvd | Montclair | 91763 | Holt Blvd Retail/Industrial shopping center | Sold | \$ 2,665,000 | 28,200 | \$ 94.50 | 5.73% | 2.01 | 1/29/2018 |
| 430 N Central Ave | Upland | 91786 | Everest burger restaurant | Sold | \$ 1,725,000 | 2,890 | \$ 596.89 | | 0.45 | 1/23/2018 |
| 5517 Philadelphia St | Chino | 91710 | Burlington will downsize and add Planet Fitness | Sold | \$ 8,915,500 | 81,282 | \$ 109.69 | | 5.77 | 1/18/2018 |
| 8 Rio Rancho Rd | Pomona | 91766 | Mitsubishi Motors Car Dealership | Sold | \$ 5,100,000 | 10,706 | \$ 476.37 | 7.5% | 2.09 | 1/17/2018 |
| 1655-1665 W 6th St (Part of 3 Property Sale with 1700 W 6th St) | Corona | 92882 | Toyota dealership plus Denny's restaurant | Sold | \$ 7,877,534 | 25,718 | \$ 306.30 | | | 1/12/2018 |
| 1700 W 6th St (Part of 3 Property Sale with 1655-1665 W 6th St) | Corona | 92882 | Car dealership | Sold | \$ 7,165,683 | 23,394 | \$ 306.30 | | | 1/12/2018 |
| 1750-1760 W 6th St | Corona | 92882 | Harbor Freight, Waba, Subway strip center | Sold | \$ 7,932,000 | 26,962 | \$ 294.19 | 5.92% | 2.89 | 1/2/2018 |
| 8790 Central Ave | Montclair | 91763 | New Fatburger; 7 year lease | Sold | \$ 2,080,000 | 2,793 | \$ 744.72 | 5% | 0.63 | 12/28/2017 |
| 110-112 Harvard Ave | Claremont | 91711 | Street retail property | Sold | \$ 2,100,000 | 5,854 | \$ 358.73 | | 0.15 | 12/12/2017 |
| 813-907 W Foothill Blvd (5 Properties) | Upland | 91786 | Upland Town Square - Sprouts-anchored center | Sold | \$ 31,700,000 | 100,263 | \$ 316.17 | 5.19% | 8.43 | 11/6/2017 |
| 1292-1296 Border Ave (3 Properties) | Corona | 92882 | Part of Village Grove Plaza - Stater Bros anchored center | Sold | \$ 4,650,000 | 27,106 | \$ 171.55 | | 2.49 | 10/31/2017 |
| 4234 Holt Blvd | Montclair | 91763 | Arirang Plaza - Laundromat, BBQ restaurant, barber shop | Sold | \$ 2,000,000 | 9,352 | \$ 213.86 | 7.2% | 0.96 | 10/5/2017 |
| 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 |

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!**

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 |
|------------------------------------|-------------|-------|--|-------------|---------------|---------|--------------|----------|----------------|-----------------|
| 1964 W 9th St | Upland | 91786 | 2 buliding office/retail center | Active | \$ 1,625,000 | 10,500 | \$ 154.76 | 7.48% | 0.61 | 3/3/2017 |
| 69-79 N Grove St | Upland | 91786 | Restaurant, C-store, Acupressure, Dog grooming, barber | Active | \$ 1,680,000 | 6,000 | \$ 280.00 | 5.01% | 0.69 | 9/11/2017 |
| 331 E Foothill Blvd | Upland | 91786 | Towing center | Active | \$ 1,785,000 | 3,202 | \$ 557.46 | 4.20% | 0.54 | 1/17/2018 |
| 2250 S Archibald Ave | Ontario | 91761 | Three tenant strip: Karate studio, Deli, Lebanese Cuisine | Active | \$ 2,050,000 | 5,484 | \$ 373.81 | 5.75% | 0.68 | 11/1/2017 |
| 1141 N Mountain Ave | Ontario | 91762 | Joanne's Café restaurant | Active | \$ 2,100,000 | 3,269 | \$ 642.40 | | 0.49 | 6/21/2017 |
| 4948-4962 Holt Ave | Montclair | 91763 | Massage, Salon, MetroPCS | Active | \$ 2,180,000 | 8,200 | \$ 265.85 | | 0.706 | 3/21/2017 |
| 2880 N Garey Ave | Pomona | 91767 | Jiffy Lube and 45% vacancy center. Cap rate is pro forma. | Active | \$ 2,250,000 | 9,639 | \$ 233.43 | 7.56% | 0.68 | 12/7/2017 |
| 750 N Ferrari Ln | Ontario | 91764 | Ortho Mattress at Ontario Mills | Active | \$ 2,500,000 | 6,000 | \$ 416.67 | 6.36% | 0.76 | 11/1/2017 |
| 1714 S Euclid Ave | Ontario | 91762 | Former Cardenas supermarket - vacant | Active | \$ 2,900,000 | 24,000 | \$ 120.83 | | 1.92 | 9/11/2017 |
| 1501 E Holt Ave | Pomona | 91767 | Street retail - ice cream auto parts, beauty etc | Active | \$ 3,300,000 | 13,460 | \$ 245.17 | 5.09% | 0.71 | 3/2/2018 |
| 1261 W Foothill Blvd | Upland | 91786 | 3 tenant strip center: Pizza Hut, Yoshinoya, Vision center | Active | \$ 3,372,800 | 5,520 | \$ 611.01 | 5.25% | 0.47 | 11/28/2017 |
| 4155 Inland Empire Blvd | Ontario | 91764 | Cort furniture at Ontario Mills | Active | \$ 3,500,000 | 8,036 | \$ 435.54 | 5.83% | 1.57 | 12/2/2016 |
| 745 Franklin Ave | Ontario | 91764 | 2 properties; medical/retail | Active | \$ 3,500,000 | 10,000 | \$ 350.00 | 6.00% | 1.13 | 10/12/2016 |
| 601 E Holt Ave | Pomona | 91767 | Single-tenant Fallas; 10 yrs on lease | Active | \$ 3,840,000 | 30,650 | \$ 125.29 | 6.50% | 1.43 | 6/1/2017 |
| 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 |
| 1700 W Holt Ave | Pomona | 91768 | Thee Chateau Restaurant and Banquet Hall | Active | \$ 3,950,000 | 14,314 | \$ 275.95 | 6.35% | 1.47 | 10/19/2017 |
| 197 E 2nd St | Pomona | 91766 | 4-level restaurant/lounge in downtown | Active | \$ 4,300,000 | 20,000 | \$ 215.00 | 6.00% | 0.10 | 3/17/2017 |
| 4551 Mills Cir | Ontario | 91764 | Chevy's Fresh Mex | Active | \$ 4,400,000 | 7,988 | \$ 550.83 | 5.05% | 1.91 | 10/30/2017 |
| 600-616 Indian Hill Blvd (2 Prop) | Pomona | 91767 | 2 buildings - T-shirt, dentistry, many independent tenants | Active | \$ 4,859,000 | 22,410 | \$ 216.82 | 5.80% | 1.63 | 3/6/2018 |
| 110 Hidden Valley Pky | Norco | 92860 | Rubio's, Papa John's, Gamestop, etc | Active | \$ 5,395,000 | 9,000 | \$ 599.44 | 4.70% | 0.72 | 3/20/2018 |
| 4360 Mills Cir | Ontario | 91764 | Raising Cane's; 15 year ground lease | Active | \$ 5,625,000 | 7,080 | \$ 794.49 | 4.00% | 1.52 | 2/28/2018 |
| 4175 Inland Empire Blvd | Ontario | 91764 | Bassett Furniture | Active | \$ 5,800,000 | 16,000 | \$ 362.50 | 6.33% | 1.23 | 11/1/2017 |
| 15938 Los Serranos Country Club Dr | Chino Hills | 91709 | Two building center - San Juan Rotisserie, Salon | Active | \$ 6,200,000 | 16,000 | \$ 387.50 | 4.50% | 2 | 3/2/2018 |
| 5536-5546 Philadelphia St | Chino | 91710 | Chino Promenade: Movie theater, pizza, sushi | Active | \$ 6,800,000 | 39,500 | \$ 172.15 | 7.43% | 3.39 | 7/16/2017 |
| 1028 N Mountain Ave | Upland | 91786 | Smart & Final, Planet Fitness; 12 yrs on lease | Active | \$ 13,016,873 | 49,968 | \$ 260.50 | 5.95% | 1.64 | 8/22/2017 |
| 4468-4488 Holt Blvd (5 Prop) | Montclair | 91763 | Orchard Plaza - Starbucks, Wingstop, T-Mobile, Dollar Tree | Active | \$ 16,750,000 | 46,119 | \$ 363.19 | | 10.87 | 1/26/2018 |
| 990 Ontario Mills Dr (4 Prop) | Ontario | 91764 | Daybreak Plaza: Dollar General, Jamba Juice, Rubio's, Starbucks, etc | Active | \$ 16,752,000 | 42,570 | \$ 385.52 | 575.00% | 4.53 | 3/7/2018 |
| 3700 Inland Empire Blvd (5 Prop) | Ontario | 91764 | Plaza Continental - Benihana, Black Angus, etc | Active | \$ 37,000,000 | 120,022 | \$ 308.28 | 5.65% | 16.89 | 2/17/2018 |
| 390 & 470 N Mountain Ave | Upland | 91786 | Former Mimi's Café and strip center plus 5 office buildings | Active | undisclosed | | | | | |

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!