

## Inland Empire Retail Real Estate News



**Summer 2018**

By Mike Lin

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### **My new web site is live!**

After many months of back and forth with a couple of different web developers, my new web site, <http://www.mikelincre.com> is finally up and running! It is a place where I will showcase my current listings, highlight past deals, and share my thoughts about the real estate market. I will continue to send out paper newsletters like this one, but will be publishing digital content, as well.

You can also connect with me on LinkedIn (<http://www.linkedin.com/in/mikelincre>) or on Twitter at @mikelinCRE.

### **Have we peaked in the current market cycle?**

It is my observation from reviewing transactions and discussing with other industry professionals that we are starting to see cap rates level off and creep upward (thus resulting in dropping prices). This can be the result of several factors:

- The unemployment rate, at 3.9%, is at its lowest point in 50 years. This could motivate the Federal Reserve to spur inflation, which is currently at its targeted level of 2%.
- The Federal Reserve has already increased interest rates twice in 2018 with at least one more increase likely this year.
- Rising interest rates mean that loans are more expensive to obtain. This may lead to reductions in property prices.

What would be the result of just small cap rate changes? Here's a chart to illustrate the impact on a property with a net operating income (NOI) of \$150,000.

Net Oper. Income	Cap Rate	Value
\$150,000	5.00%	\$3,000,000
\$150,000	5.50%	\$2,727,273
\$150,000	6.00%	\$2,500,000
\$150,000	6.50%	\$2,307,692
\$150,000	7.00%	\$2,142,857
\$150,000	7.50%	\$2,000,000

You can see that a cap rate increase of just one percent results in a loss of half a million dollars in value! The drop in property value is even greater for properties with a higher NOI.

*Is now the right time for you to sell?* Or is it better to wait it out until the next cycle? I can help you answer these questions. If you'd like to get a complimentary, no-obligation Broker Opinion of Value for your property, please contact me. I would be glad to help you determine your future commercial real estate strategy.

Mike Lin, Progressive Real Estate Partners

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## Ontario Airport Experiencing Unprecedented Growth and adds nonstop service to NYC



As of May 2018, ONT has totaled its passengers at 438,974, an incredible **12.4% increase** from May 2017. Cargo tonnage is increasing as well, increasing **22.1%** from a year ago. On top of these numbers, ONT has also just approved a new 30-year lease with FedEx and has confirmed that JetBlue will adding nonstop service to JFK airport on September 5<sup>th</sup> of 2018. All of this action has turned ONT into the fastest growing airport in Southern California!

## The Inland Empire is the Center of California Job Growth:



The IE is the leading region in California for job growth, and it's tied for first place in national job growth, too. California employment peaked in January of 2018, with slightly more than 16 million jobs. That's **20.2% higher** than the lowest point of the last recession, and **9.9% higher** than the state's pre-recession peak. The biggest contributor to these numbers is Inland Empire, the state's largest job creator. In December, the Inland Empire posted a year-over-year **job growth of 3.4%**, compared to just

2.2% growth posted by Silicon Valley in the same period, according to the Bureau of Labor Statistics. The nation's job growth was just 1.5%, indicating that the Inland Empire is doing quite well.

## Featured Listings



### 171 East Holt Avenue, Pomona, CA

This property features newly renewed 5-year corporate leases with Little Caesars and Fred Loya Insurance, showing their commitment to the location. Culichi Roll also recently renewed its lease for 5 years. The property is located along Holt Ave, one of the main east-west corridors in Pomona.

**Price: \$2,570,000 - 6.25% Cap Rate**



### 4414 University Parkway, San Bernardino, CA

This is a three-tenant property located in a neighborhood center anchored by Ralphs and LA Fitness. The tenants are Subway, Little Caesars, and Liquid Tea Bar. There was a tremendous amount of interest in this property with several cash offers at or near asking price.

**Sold Price: \$1,980,000 - 5.48% 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 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.

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## 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
370-494 N Mountain Ave	Upland	91786	Former Mimi's Café and strip center plus 5 office buildings	Active	undisclosed	145,007			18.61	
2115-2153 W 16th St (6 Properties)	Upland	91784	Sycamore Hills Plaza - Whole Foods, CVS, etc.	Active	\$ 50,503,000	79,000	\$ 639.28	5.00%	81.85	6/6/2018
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
2456 S Grove Ave (3 Properties)	Ontario	91761	Portfolio of 3 CVS Locations: Ontario, Compton, El Monte	Active	\$ 21,204,429	68,746	\$ 308.45	5.50%	5.72	5/6/2018
9710-9880 Central Ave (6 Properties)	Montclair	91763	Montclair Town Center - 24 Hour Fitness, Burger King, BofA	Active	\$ 18,150,000	97,033	\$ 187.05	6.54%	11.72	6/20/2018
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	5.75%	4.53	3/7/2018
4468-4488 Holt Blvd (5 Prop)	Montclair	91763	Orchard Plaza - Starbucks, Wingstop, T-Mobile, Dollar Tree	Active	\$ 15,900,000	51,086	\$ 311.24	5.20%	10.87	1/26/2018
1028 N Mountain Ave	Upland	91786	Smart & Final, Planet Fitness; 12 yrs on lease	Escrow	\$ 13,016,873	49,968	\$ 260.50	5.95%	1.64	8/22/2017
2401 Vineyard Ave	Ontario	91761	Sears Outlet, Dunn-Edwards, AT&T Cell Tower	Active	\$ 12,500,000	45,120	\$ 277.04	5.80%	3.89	6/7/2018
924 E Ontario Ave (2 Properties)	Corona	92881	Shops to Smart & Final: Dunkin Donuts, Jimmy Johns, Supercuts	Active	\$ 10,330,000	11,120	\$ 928.96	5.10%	1.81	5/13/2018
1485 S Garey Ave	Pomona	91766	CVS	Active	\$ 8,830,000	14,840	\$ 595.01	4.50%	1.38	5/12/2018
12101 Central Ave	Chino	91710	CVS	Active	\$ 8,159,000	13,013	\$ 626.99	4.35%	1.15	4/25/2018
4413 Mills Cir	Ontario	91764	Red Lobster	Active	\$ 6,989,630	7,203	\$ 970.38	5.85%	2.35	4/18/2018
2488 S Reservoir St	Pomona	91766	Arco	Active	\$ 6,500,000	2,328	\$ 2,792.10		0.91	5/10/2018
4175 Inland Empire Blvd	Ontario	91764	Ontario Marketplace - Sam's Club, Staples, Verizon, US Bank, etc	Active	\$ 5,800,000	16,000	\$ 362.50	6.01%	1.23	11/1/2017
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
924 E Ontario Ave	Corona	92881	MOD Pizza, Dunkin Donuts, Supercuts	Active	\$ 5,595,000	5,600	\$ 999.11	5.01%	0.98	5/13/2018
110 Hidden Valley Pky	Norco	92860	Rubio's, Papa John's, Gamestop, etc	Active	\$ 5,395,000	9,000	\$ 599.44	4.72%	0.72	3/20/2018
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
926 E Ontario Ave	Corona	92881	Jimmy Johns, Ono Hawaiian BBQ, Nothing Bundt Cakes	Active	\$ 4,735,000	5,520	\$ 857.79	5.20%	0.82	5/13/2018
4480 Holt Blvd	Montclair	91763	Starbucks, T Mobile, Wingstop	Active	\$ 4,594,000	5,298	\$ 867.12	4.50%	0.72	6/21/2018
4551 Mills Cir	Ontario	91764	Chevy's Fresh Mex	Active	\$ 4,400,000	7,988	\$ 550.83	5.05%	1.91	10/30/2017
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
1700 W Holt Ave	Pomona	91768	Thee Chateau Restaurant and Banquet Hall	Active	\$ 3,900,000	14,314	\$ 275.95	6.43%	1.47	10/19/2017
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
745 Franklin Ave (2 Properties)	Ontario	91764	2 properties; medical/retail	Active	\$ 3,500,000	10,000	\$ 350.00	6.00%	1.13	10/12/2016
4155 Inland Empire Blvd	Ontario	91764	Cort furniture at Ontario Mills to be vacated	Active	\$ 3,500,000	8,036	\$ 435.54	5.48%	1.57	12/2/2016
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
289-291 N 2nd Ave	Upland	91786	JD Allison's Bar and Grill, street retail	Active	\$ 2,900,000	11,150	\$ 260.09	5.36%	0.14	5/3/2018
1714 S Euclid Ave	Ontario	91762	Former Cardenas supermarket - vacant	Active	\$ 2,900,000	24,000	\$ 120.83		1.92	9/11/2017
288-290 E Holt Ave	Pomona	91767	Department Outlet	Escrow	\$ 2,700,000	19,162	\$ 140.90		0.78	6/20/2018
171-185 E Holt Ave	Pomona	91767	Strip Center - Little Caesar's, etc.	Active	\$ 2,570,000	4,836	\$ 531.43	6.26%	0.44	4/26/2018
4605 Mills Cir	Ontario	91764	Weinerschnitzel	Active	\$ 2,520,000	2,739	\$ 920.04	5.00%	0.74	1/15/2018
750 N Ferrari Ln	Ontario	91764	Ortho Mattress at Ontario Mills	Active	\$ 2,500,000	6,000	\$ 416.67	6.00%	0.76	11/1/2017
1014 W 6th St	Corona	92882	Auto Zone	Active	\$ 2,477,000	4,858	\$ 509.88	4.25%	0.61	4/25/2018
2880 N Garey Ave	Pomona	91767	Jiffy Lube and 45% vacancy center. Cap rate is pro forma.	Escrow	\$ 2,250,000	9,639	\$ 233.43	7.56%	0.68	12/7/2017
1141 N Mountain Ave	Ontario	91762	Joanne's Café restaurant	Active	\$ 2,250,000	3,269	\$ 688.28		0.49	6/21/2017
1010 N Garey Ave	Pomona	91767	Starbucks; 7 yrs remaining	Active	\$ 2,100,000	850	\$ 2,470.59	3.44%	0.32	6/17/2018
521 N Euclid Ave	Ontario	91762	Retail Bank Building	Active	\$ 1,988,888	4,579	\$ 434.35	5.48%	0.30	6/15/2018
409 W 6th St	Corona	92882	Retail Auto Repair Building	Active	\$ 1,950,000	12,473	\$ 156.34		0.74	10/26/2017
1400 Carbon Canyon Rd	Chino Hills	91709	Circle K	Active	\$ 1,675,000	5,178	\$ 323.48	5.43%	0.57	6/12/2018
69-79 N Grove St	Upland	91786	Restaurant, C-store, Acupressure, Dog grooming, barber	Active	\$ 1,630,000	6,000	\$ 280.00	5.16%	0.69	9/11/2017
5695 Holt Blvd	Ontario	91762	Used car dealership	Active	\$ 1,590,000	2,852	\$ 557.50		0.92	7/2/2018
702 W Holt Ave	Pomona	91768	Retail Freestanding Building	Active	\$ 1,588,000	6,100	\$ 260.33		0.43	6/28/2018

**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
1041-1071 E 16th Street (3 Properties)	Upland	91784	Upland Hills W. Shopping Center: Tutor Time, Salon, Sports Bar	Sold	\$ 6,900,000	30,668	\$ 224.99	7.06%	3.14	5/17/2018
1070 E 6th Street (2 Properties)	Corona	92879	Chuck Wagon and Office Bldg to be torn down for housing	Sold	\$ 2,850,000	3,977	\$ 716.62		2.14	5/10/2018
4421-4481 Ontario Mills Pky	Ontario	91764	4 Retail Properties: furniture store, etc.	Sold	\$ 6,500,000	29,960	\$ 216.96	6.08%	3.44	5/5/2018
2149 E Convention Center Way	Ontario	91764	Marie Callendar's restaurant	Sold	\$ 3,524,500	15,042	\$ 234.31	5.15%	2.23	4/13/2018
506 W Orange Grove (2 Properties)	Pomona	91768	Car Wash	Sold	\$ 2,250,000	3,994	\$ 563.35		0.62	4/12/2018
2250 S Archibald Ave	Ontario	91761	3 tenant center: Martial Arts, Deli, Lebanese restaurant	Sold	\$ 1,840,000	5,484	\$ 335.52	6%	0.68	4/12/2018
141 W Foothill Blvd	Pomona	91767	Auto repair facility. Buyer use for own business.	Sold	\$ 2,500,000	12,040	\$ 207.64		0.79	4/4/2018
910 N Mountain Ave	Ontario	91762	Bank of America	Sold	\$ 2,500,000	11,222	\$ 222.78	4.4%	0.46	2/22/2018
928 E Ontario Ave	Corona	92881	New Smart & Final	Sold	\$ 10,000,000	26,102	\$ 383.11	4.88%		2/15/2018
14808 Pipeline Ave	Chino Hills	91709	Citibank	Sold	\$ 3,550,000	6,500	\$ 546.15	4.15%	0.66	2/9/2018
160-170 E Rincon St	Corona	92879	Marie Callendar's restaurant + 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 has downsized and added 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
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
1450 W 6th Street (3 Properties)	Corona	92882	Retail/Office	Sold	\$ 2,500,000	21,800	\$ 114.68	3.42%	0.95	12/28/2017
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	12/11/2017
941 N Milliken Ave	Ontario	91764	Wendy's	Sold	\$ 2,940,000	2,986	\$ 984.59		0.78	11/30/2017
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
2195 S Haven Ave	Ontario	91761	Am/Pm	Sold	\$ 4,730,000	2,900	\$ 1,631.03		1.71	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	\$ 9,650,000	16,124	\$ 598.49	5.03%	1.76	9/19/2017
1690 W Foothill Blvd	Upland	91786	Auto Dealership	Sold	\$ 1,500,000	2,340	\$ 641.03		1.82	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
280 Teller 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	8/30/2017
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

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!**