

# 2015 Inland Empire Retail Overview

*PRESENTED BY:*

**BRAD UMANSKY, PRESIDENT**

9471 HAVEN AVE | SUITE 110

RANCHO CUCAMONGA, CA 91730

909.230.4500 OFFICE

[BRAD@PROGRESSIVEREP.COM](mailto:BRAD@PROGRESSIVEREP.COM) | [PROGRESSIVEREP.COM](http://PROGRESSIVEREP.COM)

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# 2014 Predictions

1. Single tenant cap rates will remain flat;
2. Even if interest rates rise, multi-tenant cap rates will not;
3. Volume will be strong as more properties stabilize;
4. Internet sensitive retailers will continue to suffer;
5. More areas of the Inland Empire will become desirable to investors;





# Leasing

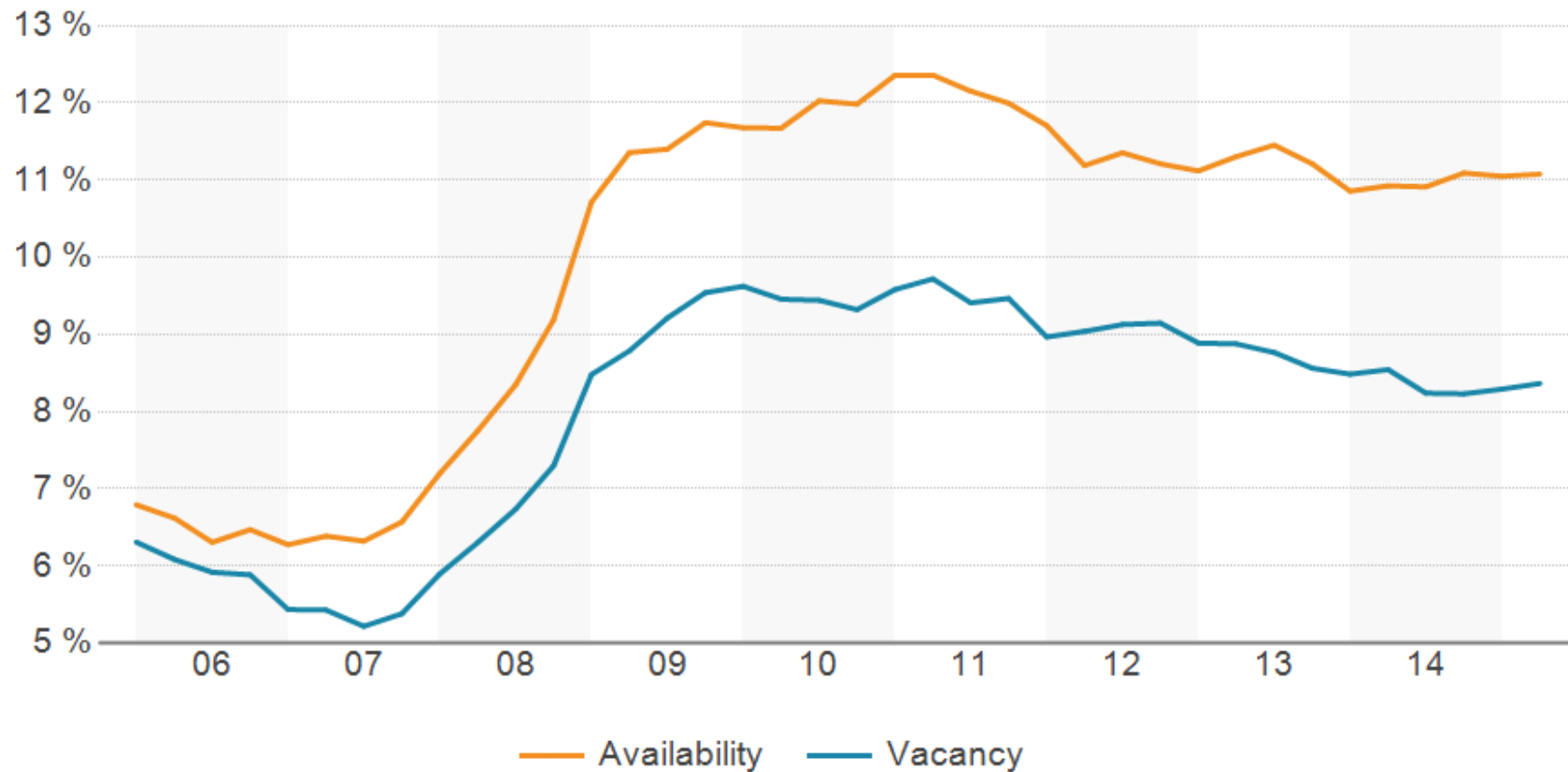
## COMPLETE INLAND EMPIRE OVERVIEW

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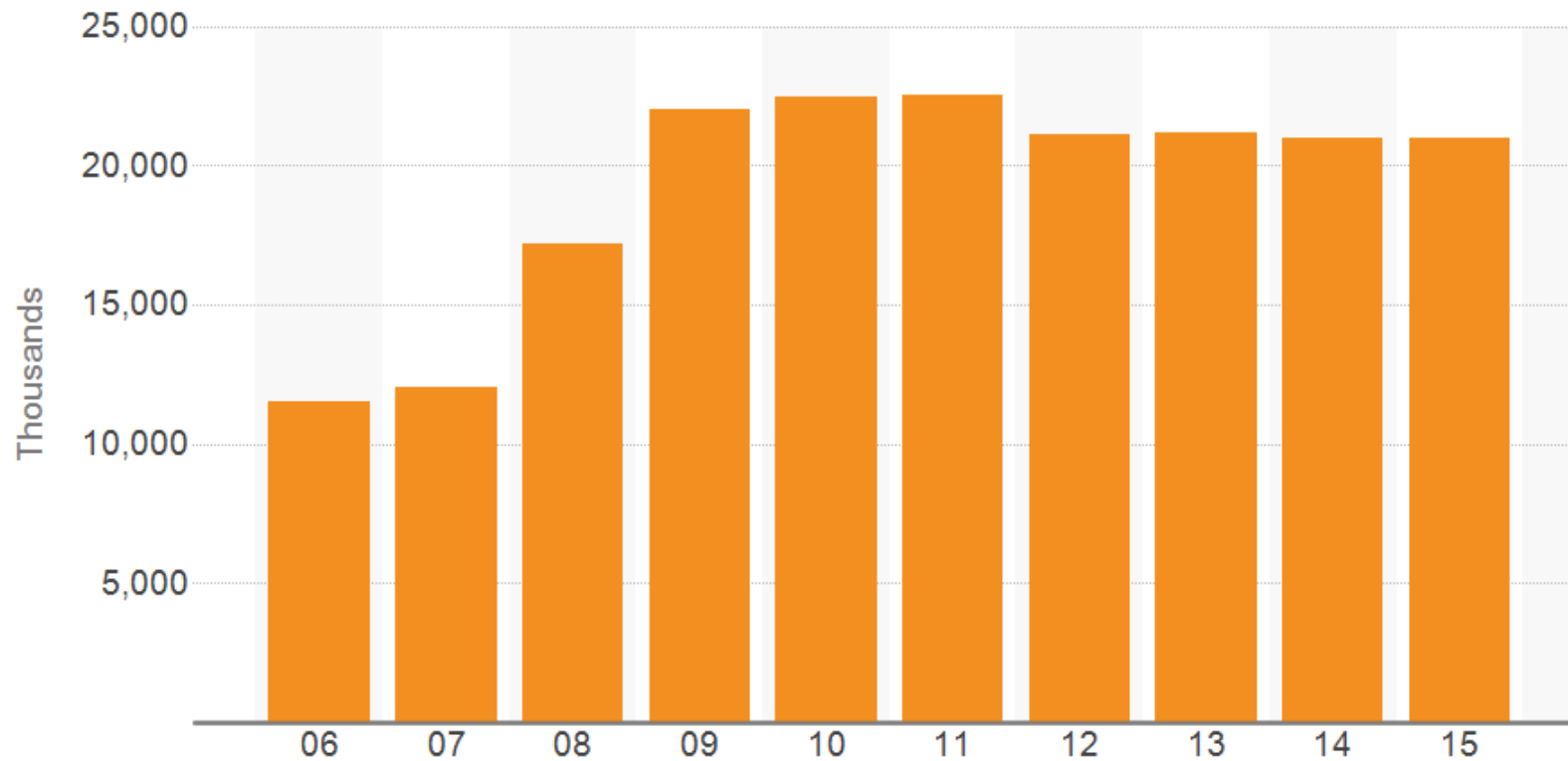
# Availability & Vacancy Rate

## Inland Empire



# Available Square Footage

## Inland Empire



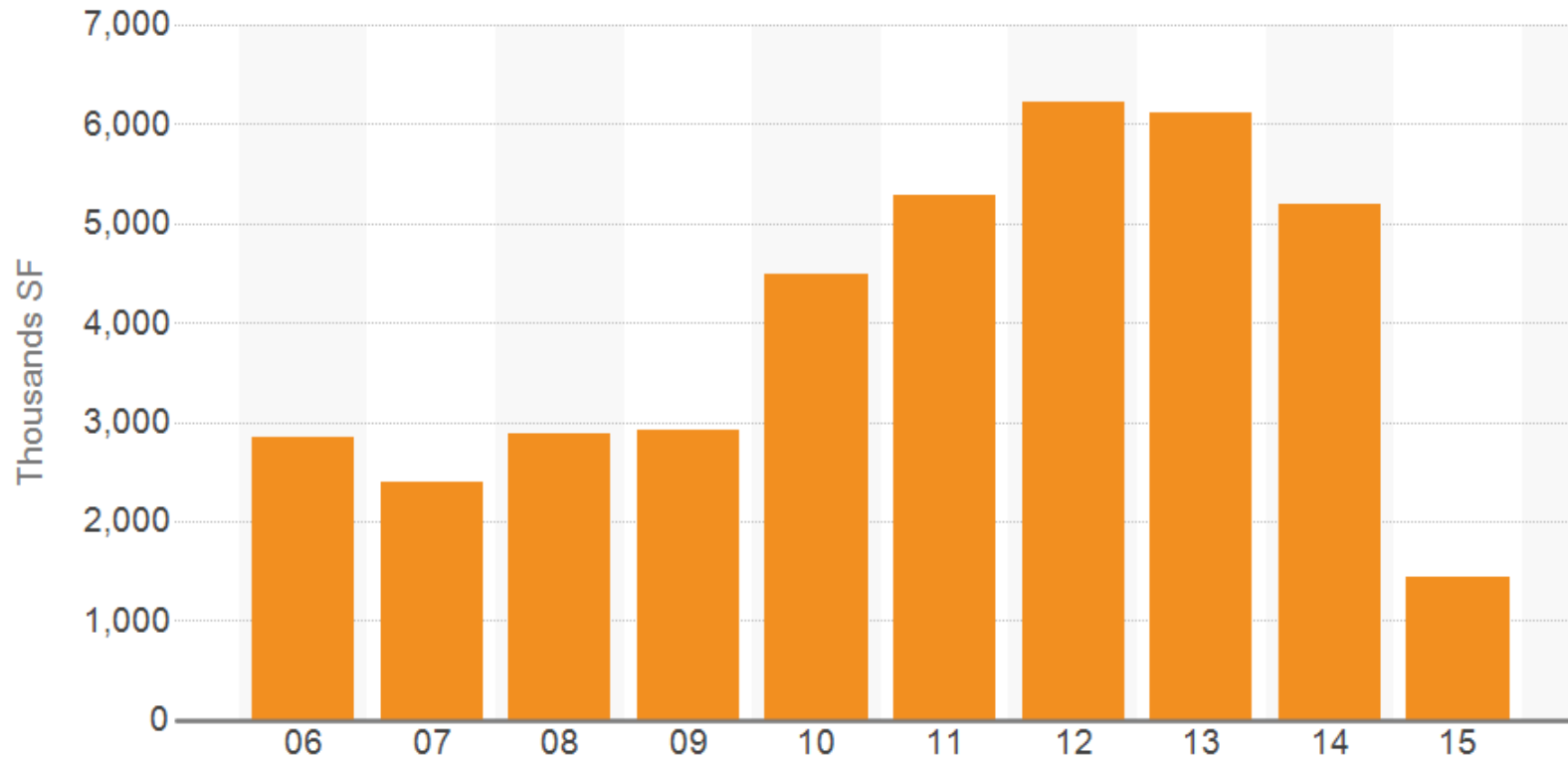
# NNN Asking Lease Rate

## Inland Empire



# Leasing Activity

## Inland Empire

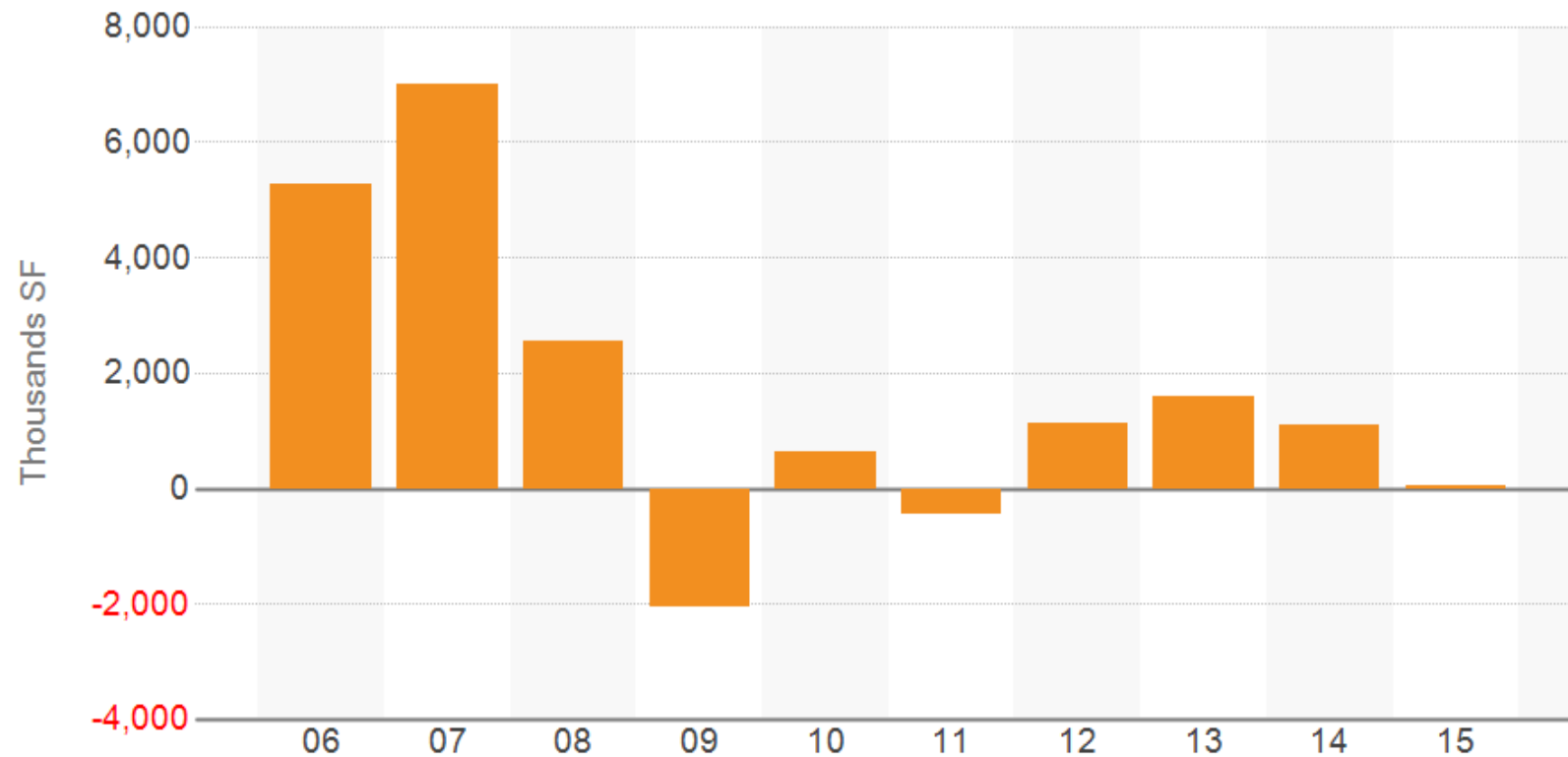


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# Net Absorption

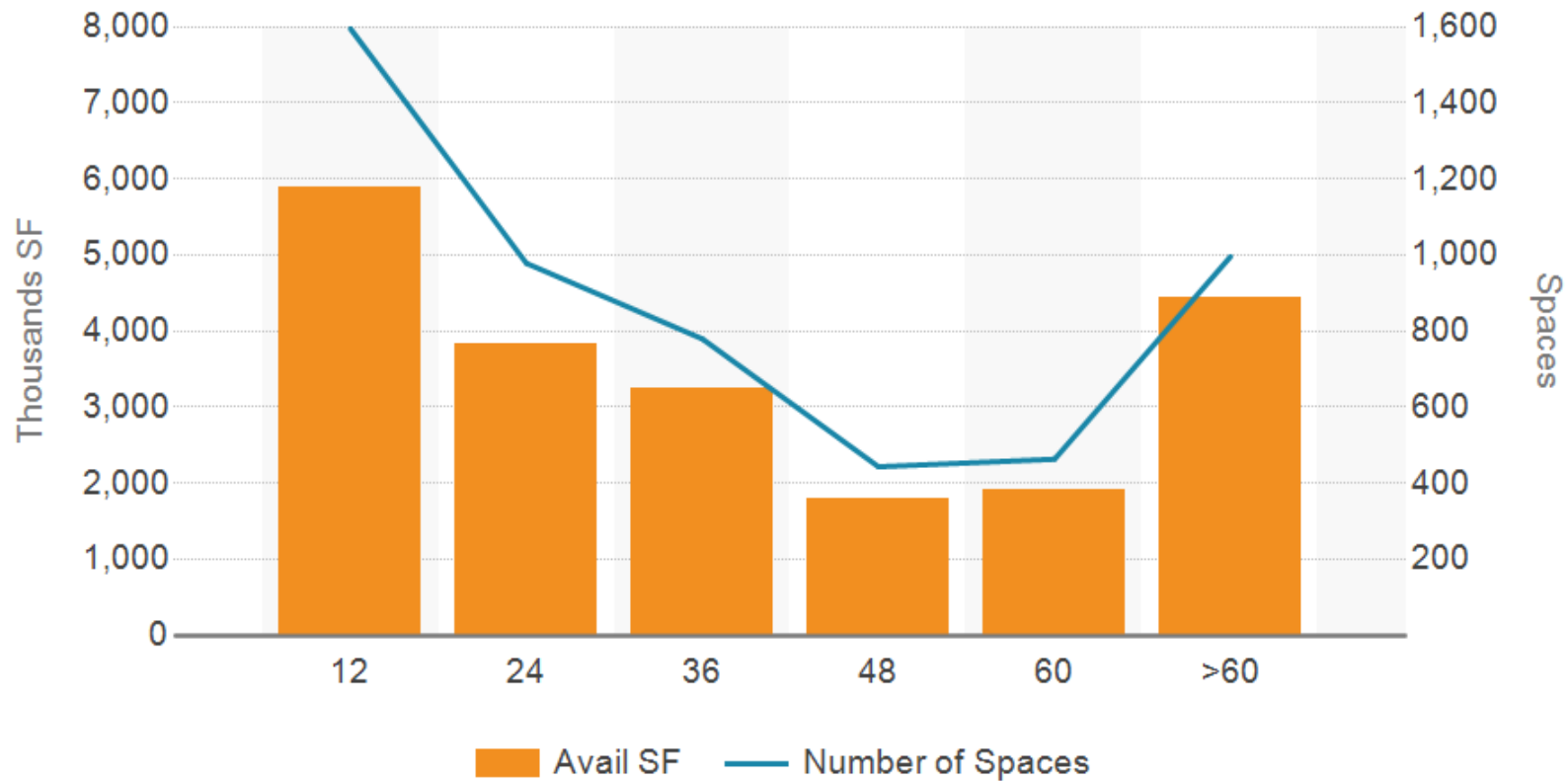
## Inland Empire



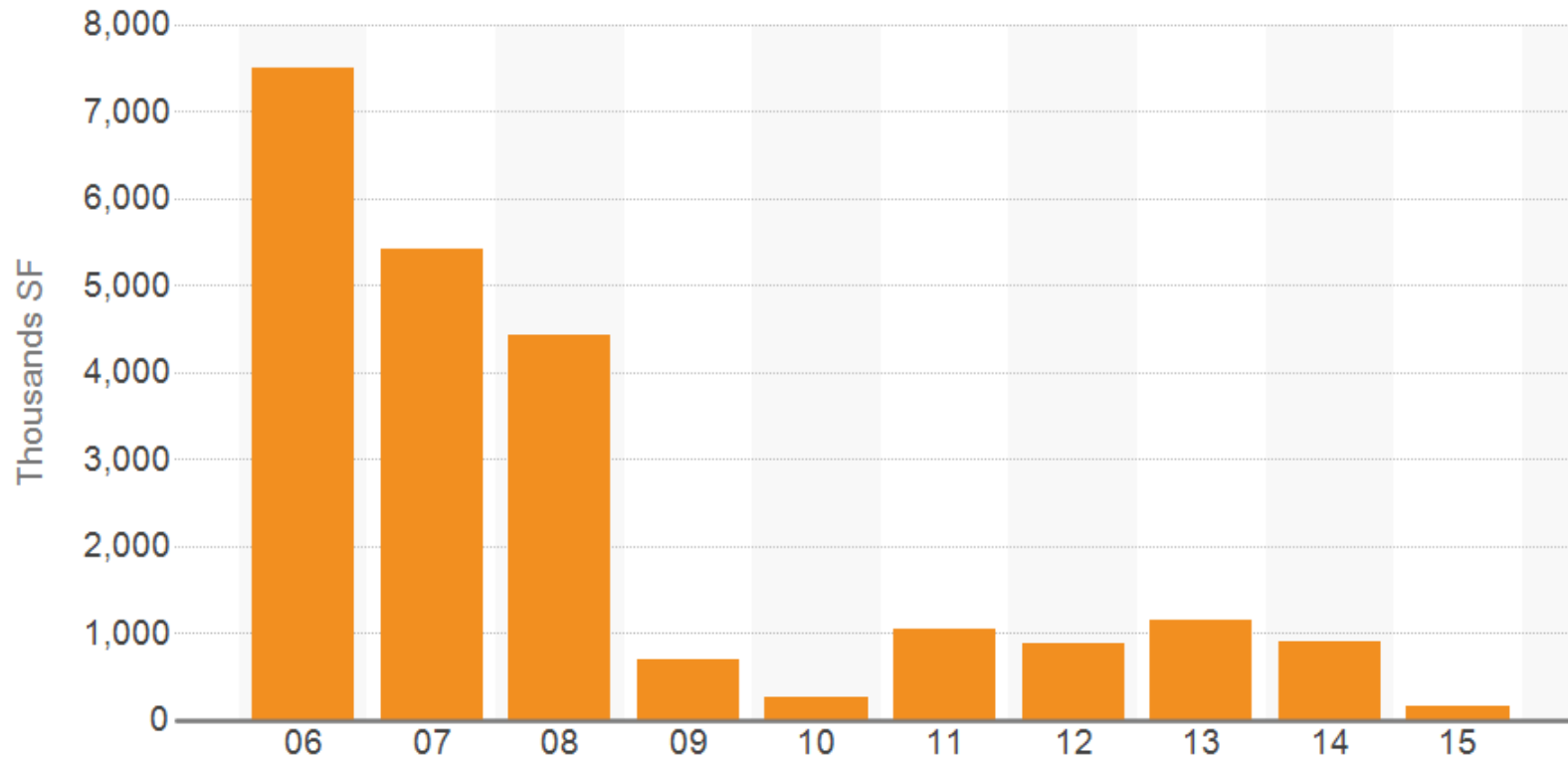


# Months on Market

## Inland Empire



# Construction Inland Empire





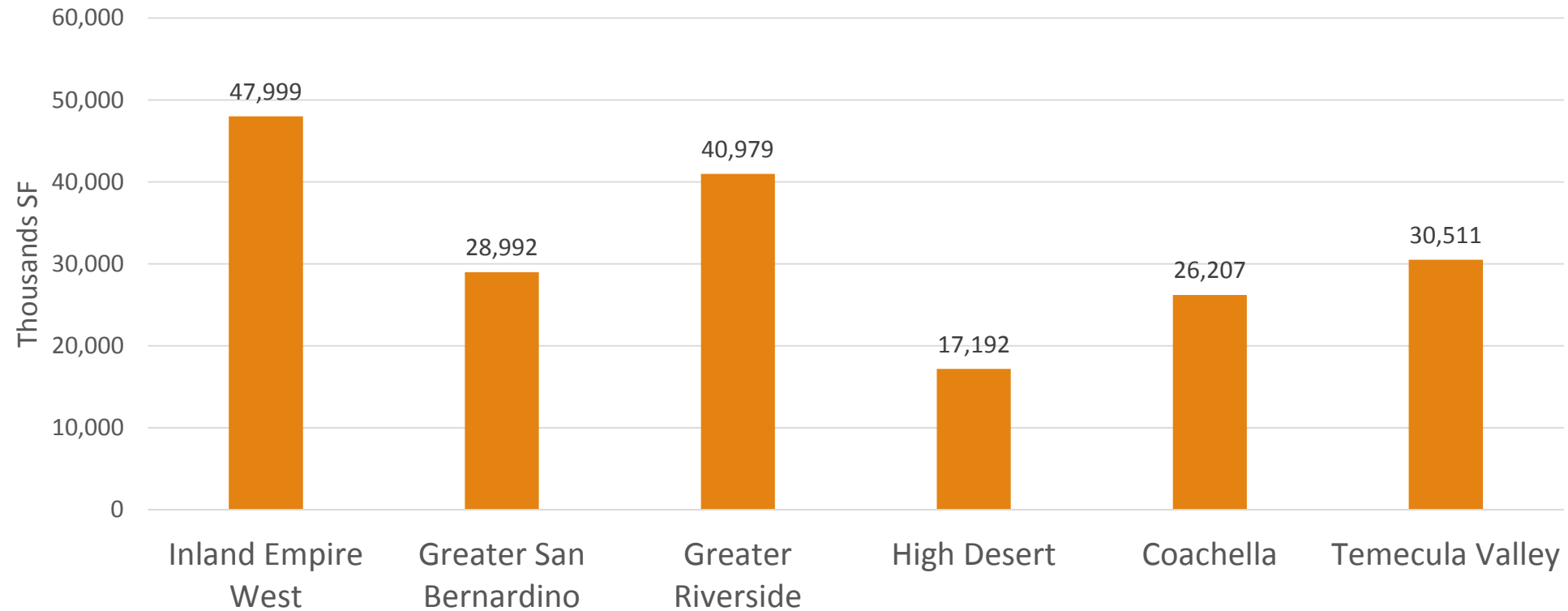
# Leasing

## SUB-MARKET INLAND EMPIRE OVERVIEW

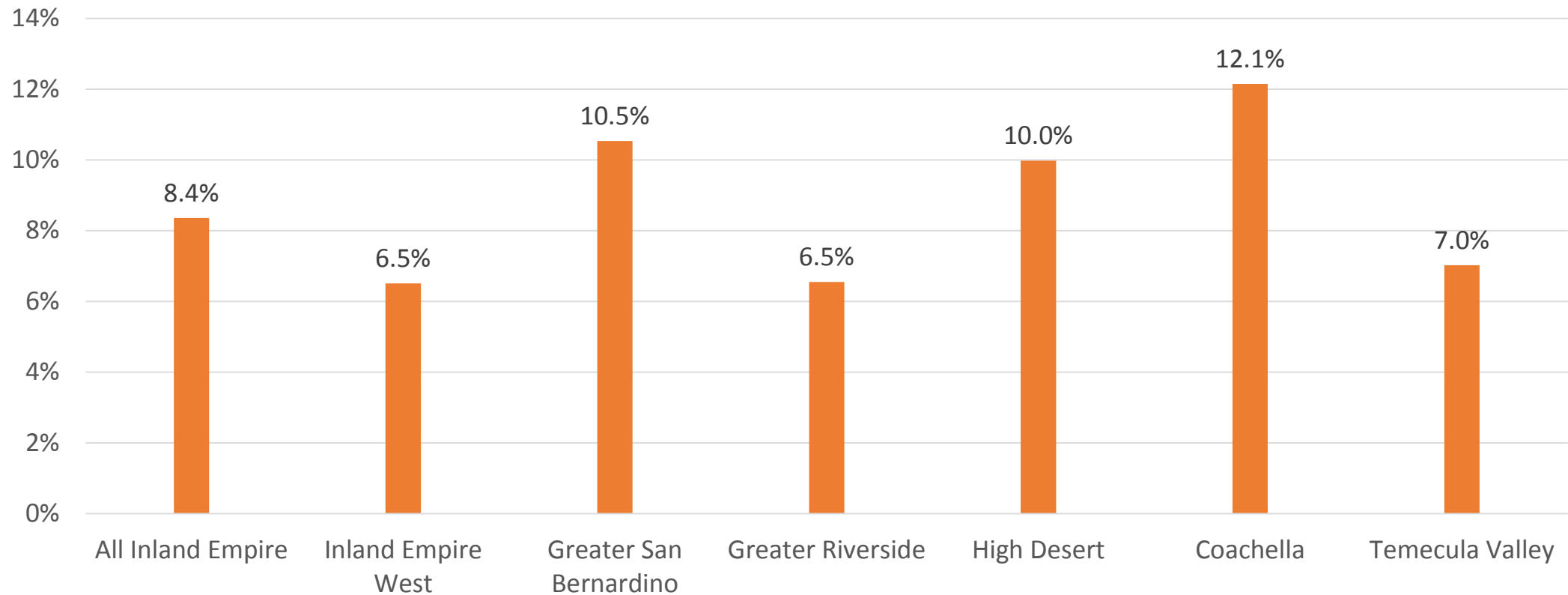
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# Distribution of Total RBA (in Thousands)

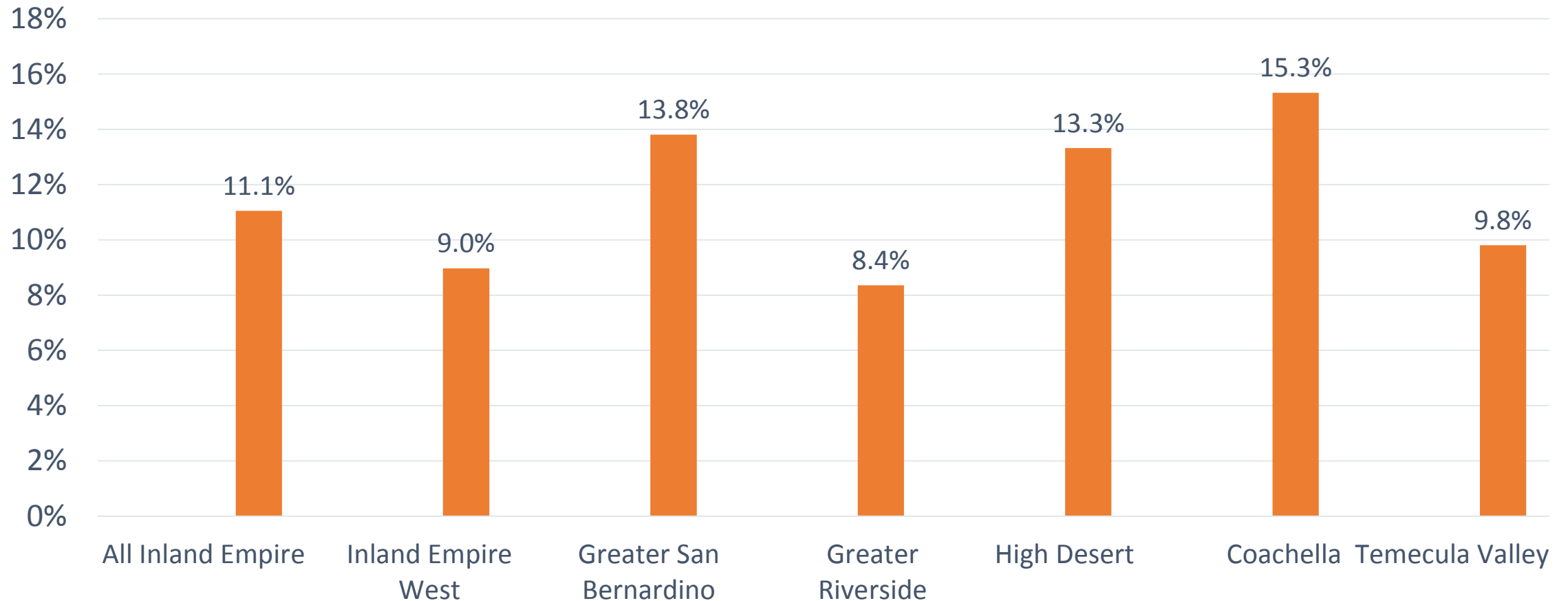


# Total Vacancy

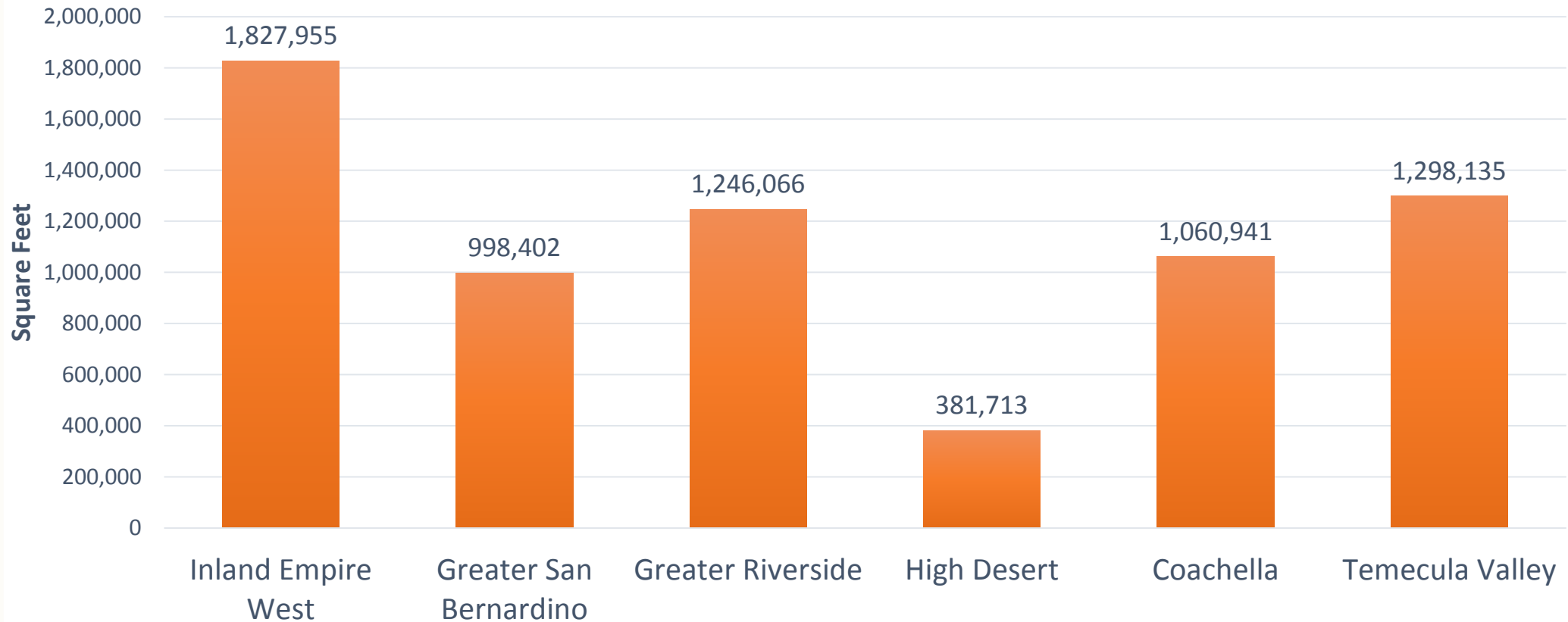




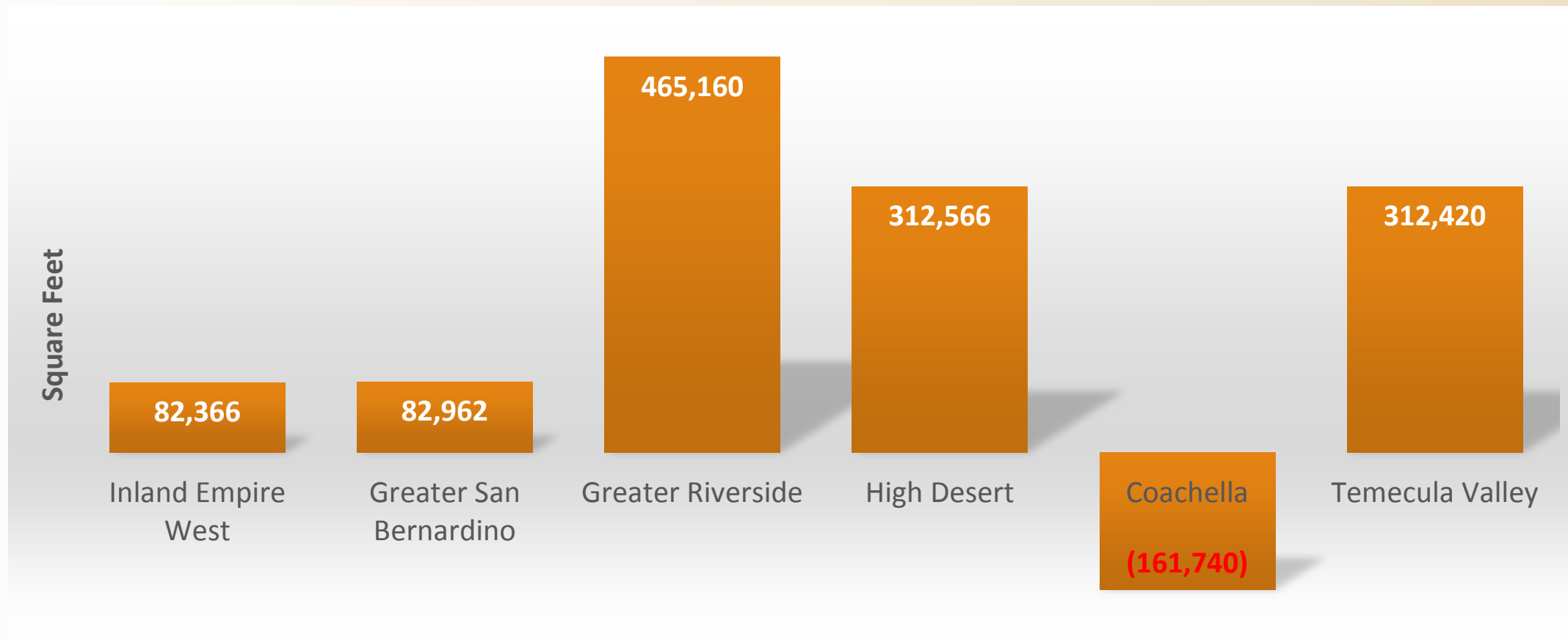
# Total Availability Rate



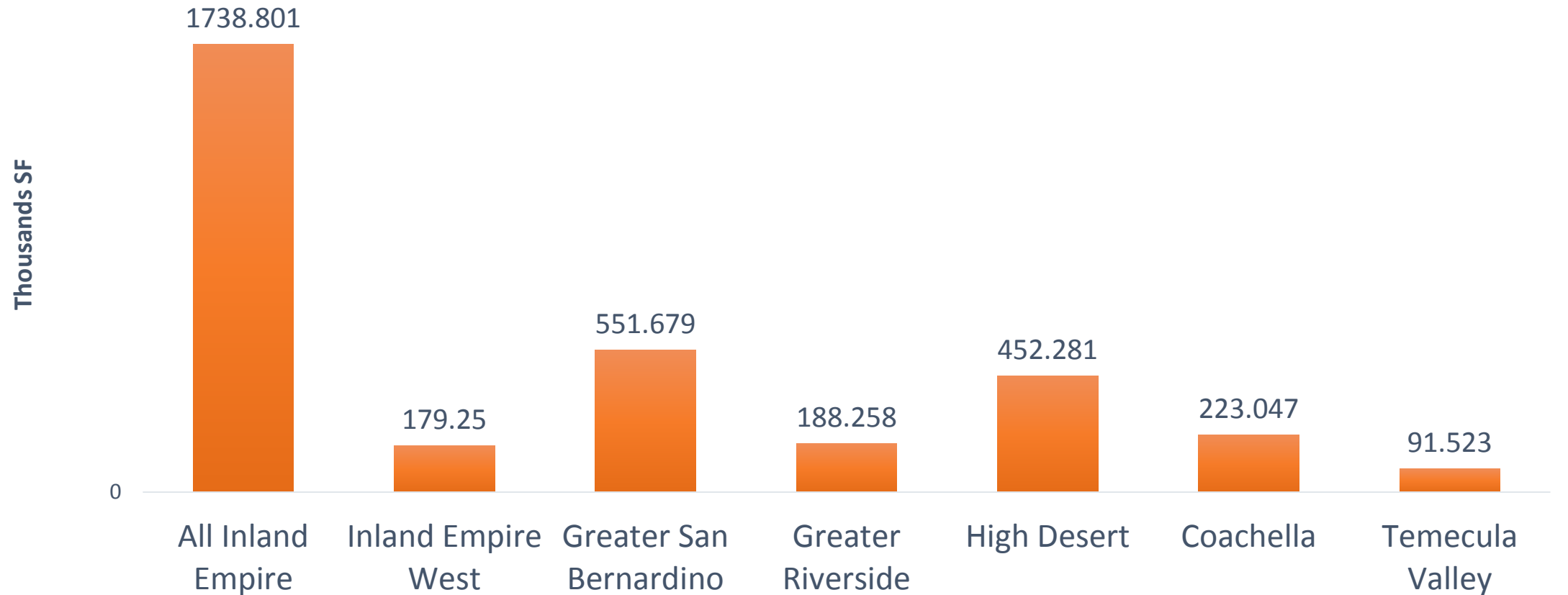
# Total SF Leased (1/1/14 to 5/31/15)



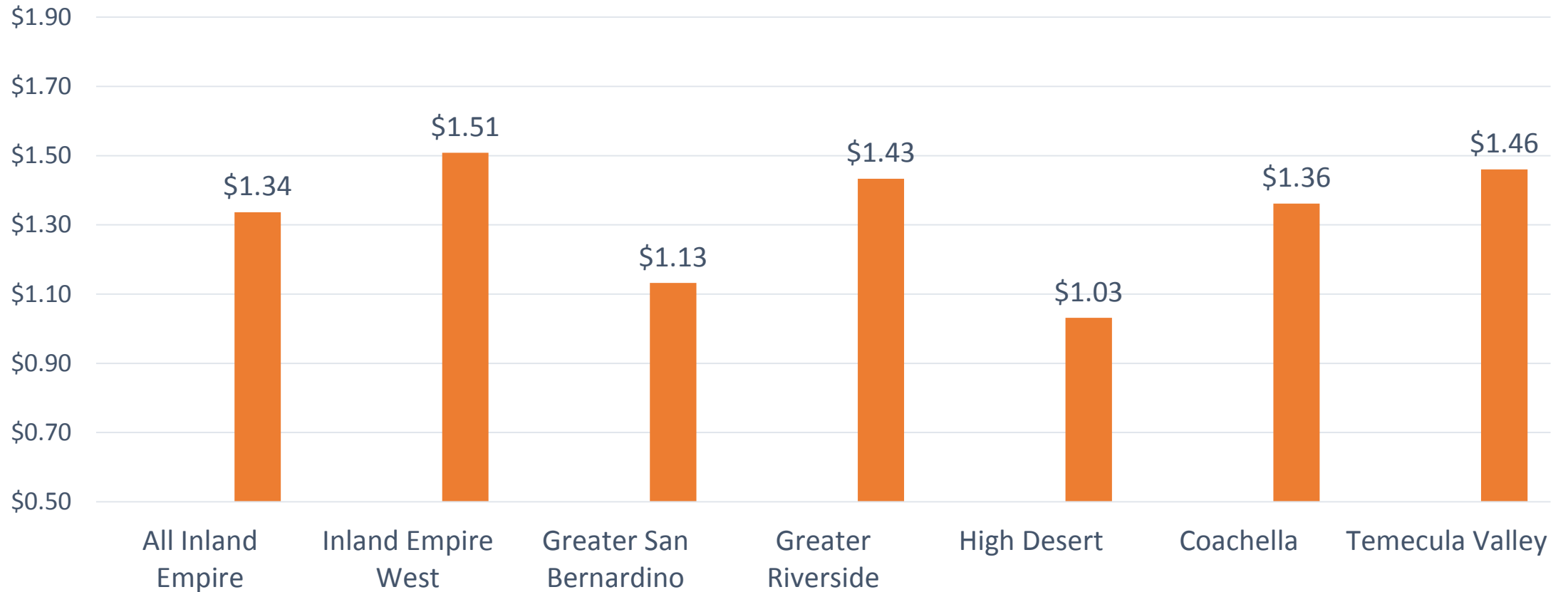
# Total Net Absorption: 1/1/2014 – 5/31/2015



# RBA Delivered 1/1/14 to 5/31/15

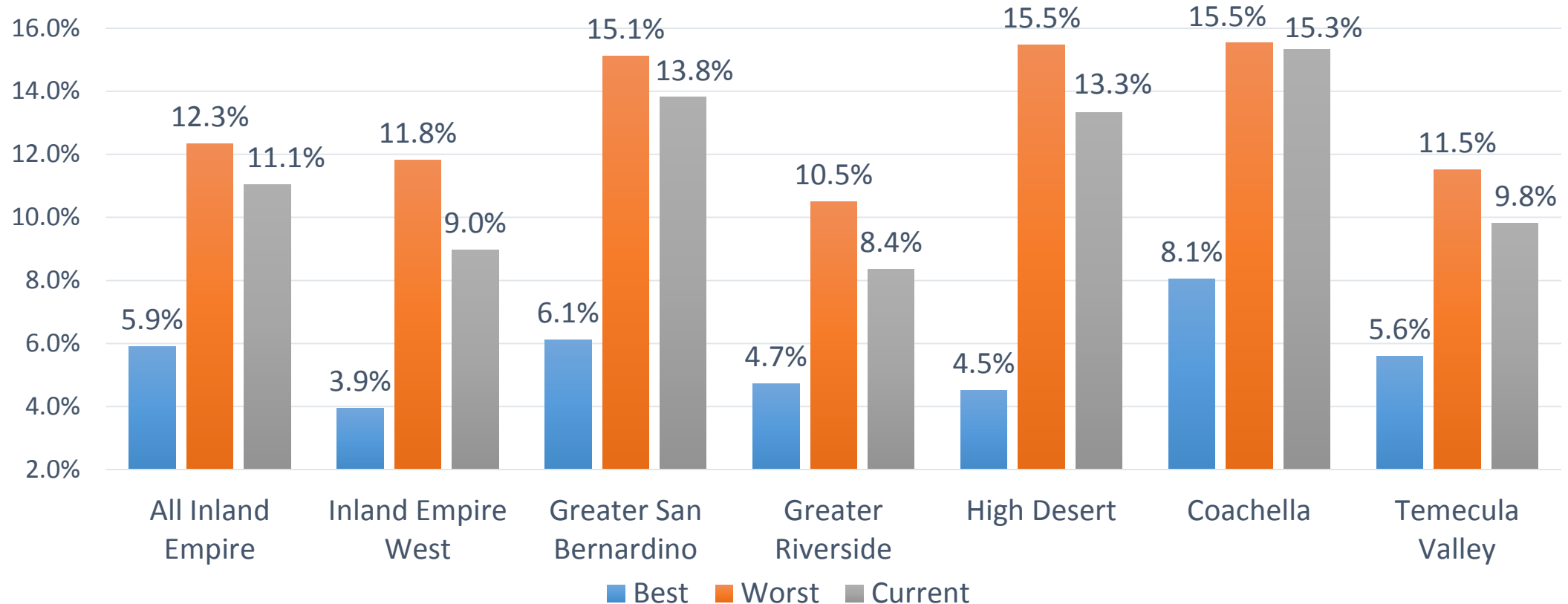


# Average Asking Lease Rate





# Total Availability Rate: Best, Worst, & Current



# Big Box Activity

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# Big Box Activity

## 25,000 SF & Larger

130 Spaces Currently Available

14 Deals Done Last Year

99 Cent Only

Hobby Lobby

El Super

Clarks Nutritional Foods

24 Hour Fitness

T.J. Maxx

# Big Box Activity

## 10,000 - 24,999 SF & Larger

**383** Spaces Currently Available

**46** Deals Done Last Year

**Aldi (5)**

**Planet Fitness (4)**

**Petco**

**Party City**

**Crunch Fitness**

**Goodwill**

**Warehouse Shoe Sale**

**Barons Market**

**Mountain Grove, Redlands**

**Ross**

**T.J. Maxx**

**Home Goods**

**ULTA**

**Old Navy**

**Buy Buy Baby**

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# Sales

## COMPLETE INLAND EMPIRE OVERVIEW

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# Average Sale Price Per Square Foot

## Inland Empire



# Cap Rate

## Inland Empire



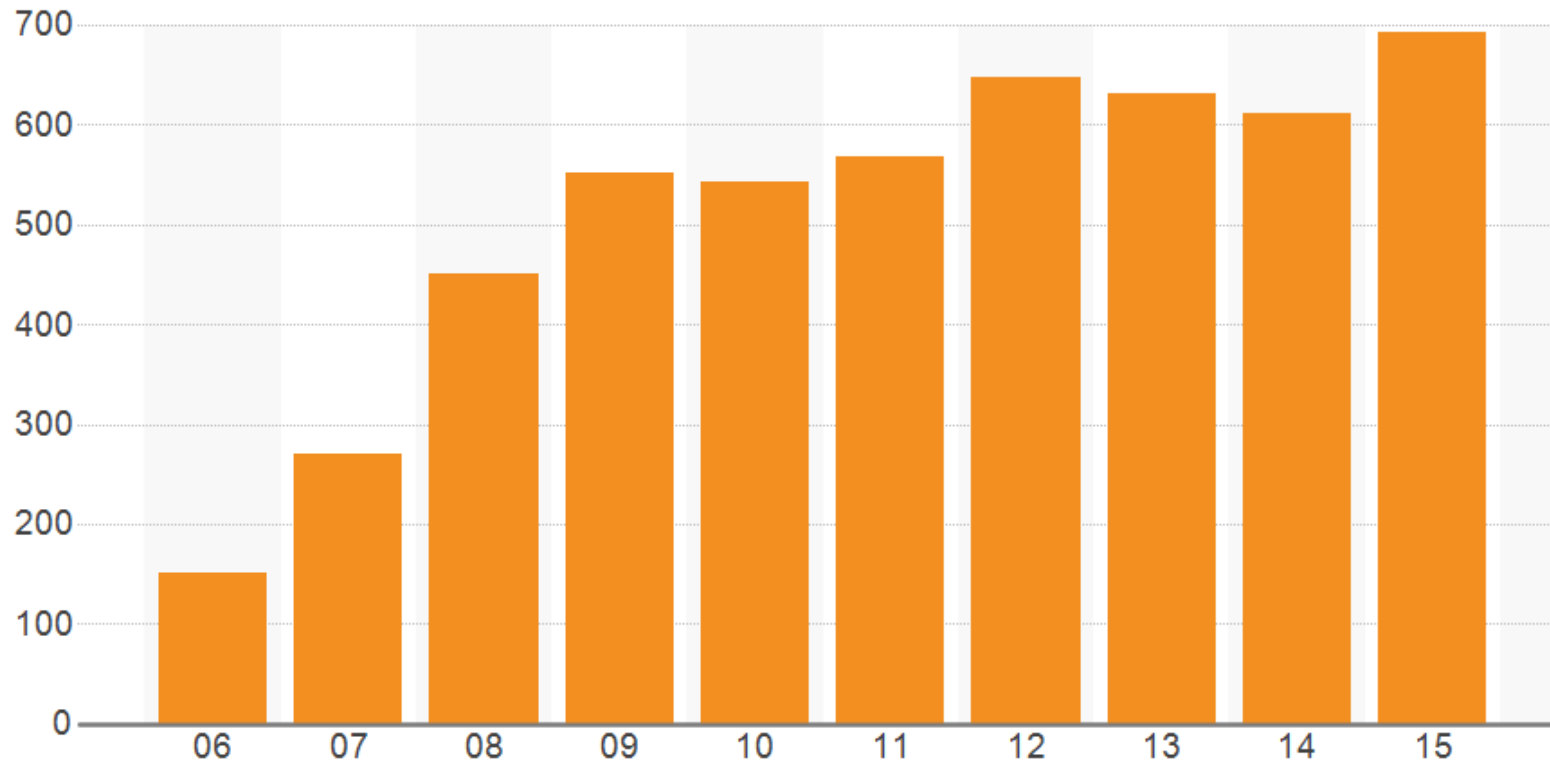
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# Cap Rate Ranges

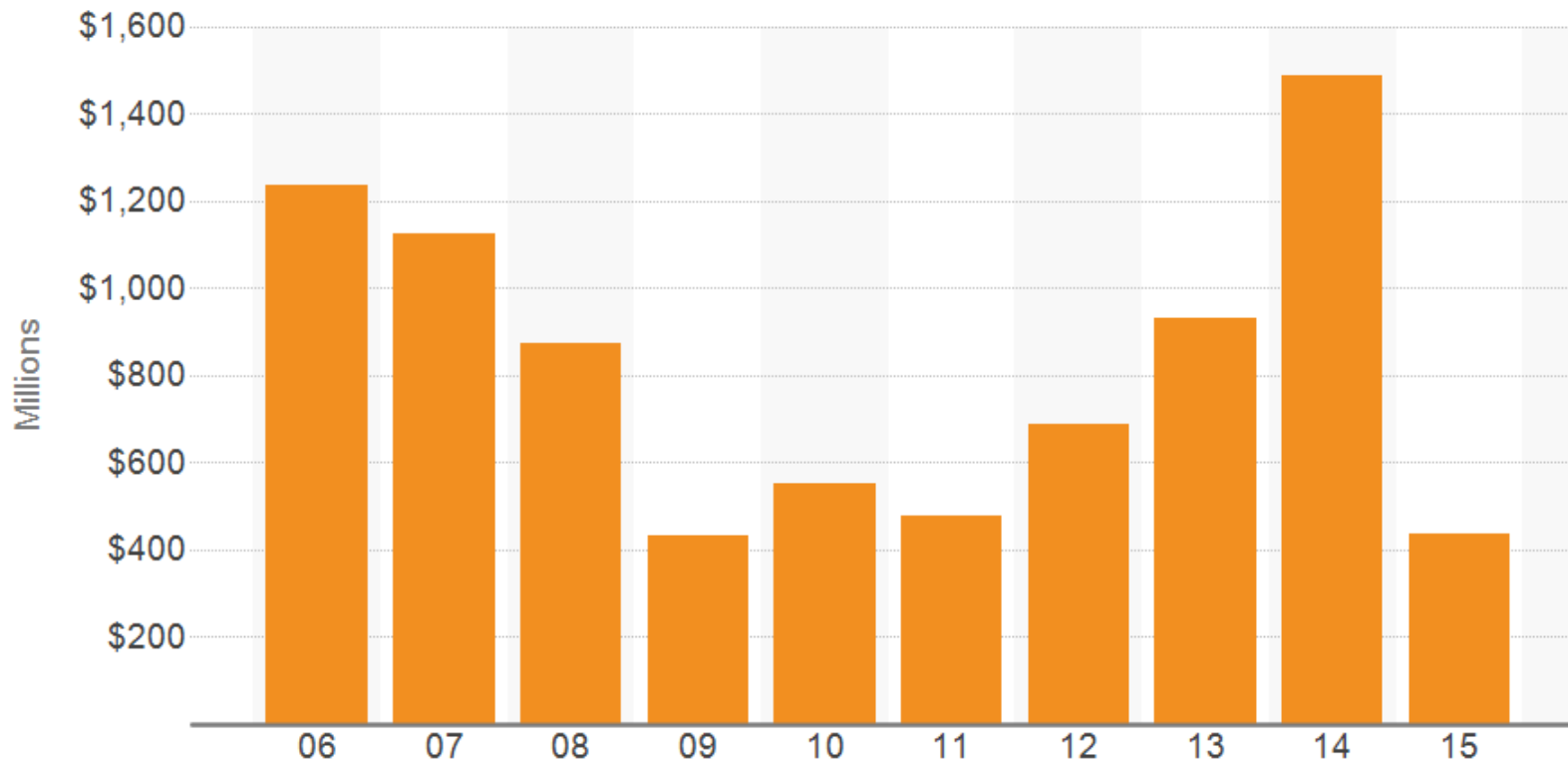
Investment Property Type	Cap Rate
Single Tenant	4.5 – 5.75%
Multi-Tenant	6.0 – 7.0%

# For Sale Total Listings Inland Empire



# Sales Volume Total

## Inland Empire





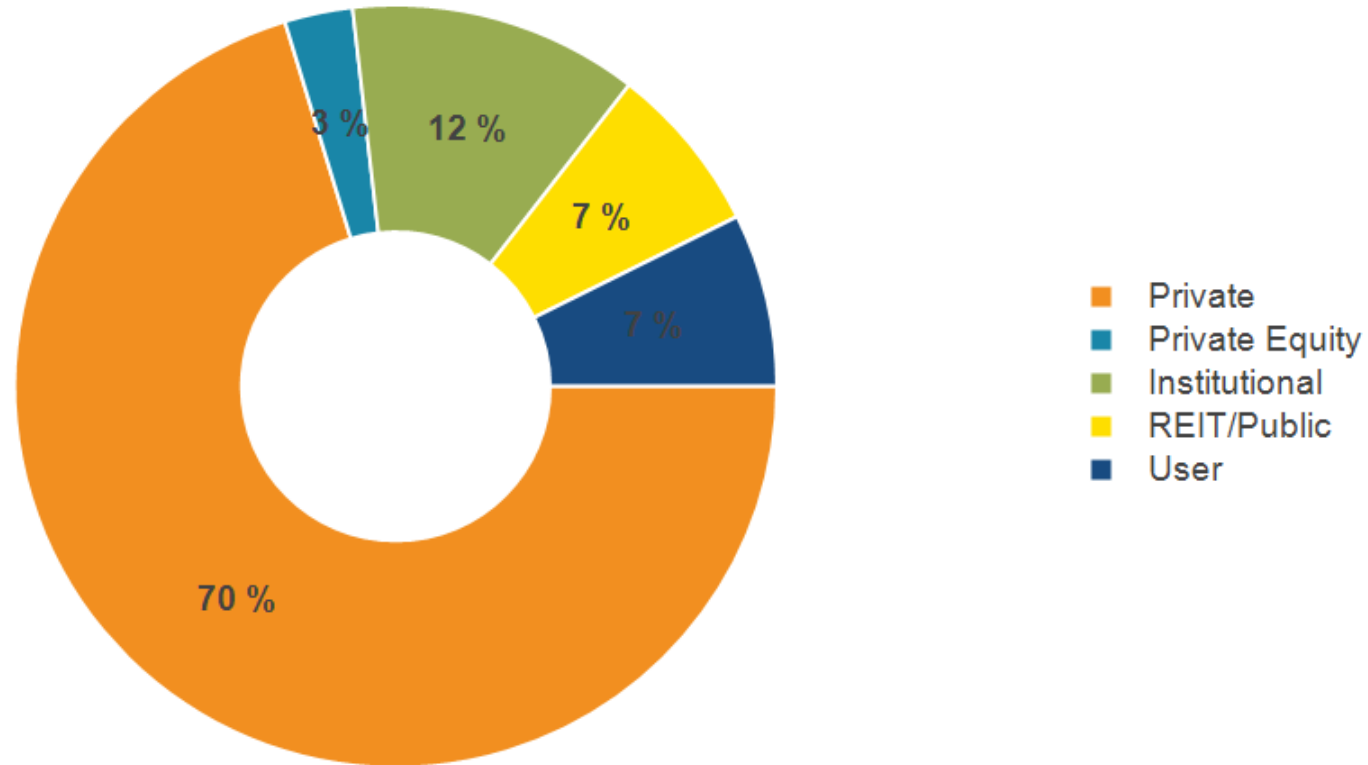
# Sales to Asking Price Differential

## Inland Empire



# Sales Volume by Buyer Type

## Inland Empire



# 2015 Predictions & Observations

1. Expect continued steady growth;
2. Lease rates for high quality space will continue to rise;
3. Lease rates for B & C space will increase modestly;
4. Overall absorption will be modest due to the amount of B & C space;
5. Cap rates on single tenant properties will increase;

# 2015 Predictions & Observations

- 6. Cap rates on multi-tenant space will remain flat;
- 7. Little need for additional development;
- 8. Any new development will be tenant driven;
- 9. Re-tenanting vacant box space will continue to be challenging;
- 10. The Eastern & Outlying I.E. will continue to improve;

# Questions?

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