

# CoStar Retail Statistics

Mid-Year 2018

## Inland Empire Retail Market



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## IMPORTANT FEATURE ANNOUNCEMENT

### New Market Reports Now Available

**Market Reports have received a major upgrade.**

The new reports are dynamic: You can now run a report anytime.

They also incorporate many more markets and submarkets,  
and include five-year forecasts for several KPIs.

These new reports can be found at the Markets & Submarkets  
link on CoStar.com under the Analytics menu.

This legacy report will be phased out later this year.



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## Methodology

The CoStar Retail Report calculates Retail statistics using CoStar Group's base of existing, under construction and under renovation Retail buildings in each given metropolitan area. All Retail building types are included, including Community Center, Freestanding Retail, Neighborhood Center, Power Center, Regional Mall, Specialty Center and Unanchored Strip Center, in both single-tenant and multi-tenant buildings, including owner-occupied buildings. CoStar Group's global database includes approximately 119 billion square feet of coverage in 5.4 million properties. All rental rates reported in the CoStar Retail Report are calculated using Triple Net (NNN) rental rates.

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## Terms & Definitions

**Anchor Tenant:** A large national or regional retailer that serves as a primary draw for a shopping center; a store strategically located in a retail property in order to enhance, bring attention to, or increase traffic at the property. Sometimes called a “destination” tenant, usually these tenants lease at least 25,000 SF.

**Availability Rate:** The ratio of available space to total rentable space, calculated by dividing the total available square feet by the total rentable square feet.

**Available Space:** The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

**Buyer:** The individual, group, company, or entity that has purchased a commercial real estate asset.

**Cap Rate:** Short for capitalization rate. The Cap Rate is a calculation that reflects the relationship between one year’s net operating income and the current market value of a particular property. The Cap Rate is calculated by dividing the annual net operating income by the sales price (or asking sales price).

**Community Center:** A shopping center development that has a total square footage between 100,000 – 350,000 SF. Generally will have 2-3 large anchored tenants, but not department store anchors. Community Center typically offers a wider range of apparel and other soft goods than the Neighborhood Center. Among the more common anchors are supermarkets and super drugstores. Community Center tenants sometime contain retailers selling such items as apparel, home improvement/furnishings, toys, electronics or sporting goods. The center is usually configured as a strip, in a straight line, or an “L” or “U” shape.

**Construction Starts:** Buildings that began construction during a specific period of time. (See also: Deliveries)

**Deliveries:** Buildings that complete construction during a specified period of time. In order for space to be considered delivered, a certificate of occupancy must have been issued for the property.

**Delivery Date:** The date a building completes construction and receives a certificate of occupancy.

**Developer:** The company, entity or individual that transforms raw land to improved property by use of labor, capital and entrepreneurial efforts.

**Direct Space:** Space that is being offered for lease directly from the landlord or owner of a building, as opposed to space being offered in a building by another tenant (or broker of a tenant) trying to sublet a space that has already been leased.

**Existing Inventory:** The square footage of buildings that have received a certificate of occupancy and are able to be occupied by tenants. It does not include space in buildings that are either planned, under construction or under renovation.

**Freestanding Retail:** Single tenant building with a retail tenant. Examples include video stores, fast food restaurant, etc.

**Full Service Rental Rate:** Rental rates that include all operating expenses such as utilities, electricity, janitorial services, taxes and insurance.

**General Retail:** Typically are single tenant freestanding general-purpose commercial buildings with parking. Many single retail buildings fall into this use code, especially when they don’t meet any of the more detailed use code descriptions.

**Growth in Inventory:** The change in size of the existing square footage in a given area over a given period of time, generally due to the construction of new buildings.

**Landlord Rep:** (Landlord Representative) In a typical lease transaction between an owner/landlord and tenant, the broker that

represents the interests of the owner/landlord is referred to as the Landlord Rep.

**Leased Space:** All the space that has a financial lease obligation. It includes all leased space, regardless of whether the space is currently occupied by a tenant. Leased space also includes space being offered for sublease.

**Leasing Activity:** The volume of square footage that is committed to and signed under a lease obligation for a specific building or market in a given period of time. It includes direct leases, subleases and renewals of existing leases. It also includes any pre-leasing activity in planned, under construction, or under renovation buildings.

**Lifestyle Center:** An upscale, specialty retail, main street concept shopping center. An open center, usually without anchors, about 300,000 SF GLA or larger, located near affluent neighborhoods, includes upscale retail, trendy restaurants and entertainment retail. Nicely landscaped with convenient parking located close to the stores.

**Mall:** The combined retail center types of Lifestyle Center, Regional Mall and Super Regional Mall.

**Market:** Geographic boundaries that serve to delineate core areas that are competitive with each other and constitute a generally accepted primary competitive set of areas. Markets are building-type specific, and are non-overlapping contiguous geographic designations having a cumulative sum that matches the boundaries of the entire Region (See also: Region). Markets can be further subdivided into Submarkets. (See also: Submarkets)

**Multi-Tenant:** Buildings that house more than one tenant at a given time. Usually, multi-tenant buildings were designed and built to accommodate many different floor plans and designs for different tenant needs. (See also: Tenancy).

**Neighborhood Center:** Provides for the sales of convenience goods (food, drugs, etc.) and personal services (laundry, dry cleaning, etc.) for day-to-day living needs of the immediate neighborhood with a supermarket being the principal tenant. In theory, the typical GLA is 50,000 square feet. In practice, the GLA may range from 30,000 to 100,000 square feet.

**Net Absorption:** The net change in occupied space over a given period of time. Unless otherwise noted Net Absorption includes direct and sublease space.

**New Space:** Sometimes called first generation space, refers to space that has never been occupied and/or leased by a tenant.

**Occupied Space:** Space that is physically occupied by a tenant. It does not include leased space that is not currently occupied by a tenant.

**Outlet Center:** Usually located in a rural or occasionally in a tourist location, an Outlet Center consists of manufacturer’s outlet stores selling their own brands at a discount. 50,000–500,000 SF. An Outlet Center does not have to be anchored. A strip configuration is most common, although some are enclosed malls and others can be arranged in a village cluster.

**Owner:** The company, entity, or individual that holds title on a given building or property.

**Planned/Proposed:** The status of a building that has been announced for future development but not yet started construction.

**Power Center:** The center typically consists of several freestanding (unconnected) anchors and only a minimum amount of small specialty tenants. 250,000–600,000 SF. A Power Center is dominated by several large anchors, including discount department stores, off-price stores, warehouse clubs, or “category killers,” i.e., stores that offer tremendous selection in a particular merchandise category at low prices.

**Released Space:** The amount of space in a building that has been leased prior to its construction completion date, or certificate

of occupancy date.

**Price/SF:** Calculated by dividing the price of a building (either sales price or asking sales price) by the Rentable Building Area (RBA).

**Quoted Rental Rate:** The asking rate per square foot for a particular building or unit of space by a broker or property owner. Quoted rental rates may differ from the actual rates paid by tenants following the negotiation of all terms and conditions in a specific lease.

**RBA:** Abbreviation for Rentable Building Area. (See also: Rentable Building Area)

**Region:** Core areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Regions are further divided into market areas, called Markets. (See also: Markets)

**Regional Mall:** Provides shopping goods, general merchandise, apparel, and furniture, and home furnishings in full depth and variety. It is built around the full-line department store with a minimum GLA of 100,000 square feet, as the major drawing power. For even greater comparative shopping, two, three, or more department stores may be included. In theory a regional center has a GLA of 400,000 square feet, and may range from 300,000 to more than 1,000,000 square feet. Regional centers in excess of 750,000 square feet GLA with three or more department stores are considered Super Regional. (See also: Super Regional Mall).

**Relet Space:** Sometimes called second generation or direct space, refers to existing space that has previously been occupied by another tenant.

**Rentable Building Area:** (RBA) The total square footage of a building that can be occupied by, or assigned to a tenant for the purpose of determining a tenant's rental obligation. Generally RBA includes a percentage of common areas including all hallways, main lobbies, bathrooms, and telephone closets.

**Rental Rates:** The annual costs of occupancy for a particular space quoted on a per square foot basis.

**Sales Price:** The total dollar amount paid for a particular property at a particular point in time.

**Sales Volume:** The sum of sales prices for a given group of buildings in a given time period.

**Seller:** The individual, group, company, or entity that sells a particular commercial real estate asset.

**SF:** Abbreviation for Square Feet.

**Shopping Center:** The combined retail center types of Community Center, Neighborhood Center and Strip Center.

**Single-Tenant:** Buildings that are occupied, or intended to be occupied by a single tenant. (See also: Build-to-suit and Tenancy)

**Specialty Center:** The combined retail center types of Airport Retail, Outlet Center and Theme/Festival Center.

**Sports & Entertainment:** A facility suited for recreational activities, including: Amusement Facility, Aquatic Facility/Swimming Pool, Bowling Alley, Casino/Gaming Facility, Equestrian Center/Stable, Fitness, Court and Spa Facility, Golf Related, Racetrack, Skating Rink, Ski Resort, Sports Arena/Stadium, and Theatre/Performing Art Facility.

**Strip Center:** A strip center is an attached row of stores or service outlets managed as a coherent retail entity, with on-site parking usually located in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.

**Sublease Space:** Space that has been leased by a tenant and is being offered for lease back to the market by the tenant with the lease obligation. Sublease space is sometimes referred to as sublet space.

**Submarkets:** Specific geographic boundaries that serve to delineate a core group of buildings that are competitive with each other

and constitute a generally accepted primary competitive set, or peer group. Submarkets are building type specific (office, industrial, retail, etc.), with distinct boundaries dependent on different factors relevant to each building type. Submarkets are non-overlapping, contiguous geographic designations having a cumulative sum that matches the boundaries of the Market they are located within (See also: Market).

**Super Regional Mall:** Similar to a regional mall, but because of its larger size, a super regional mall has more anchors, a deeper selection of merchandise, and draws from a larger population base. As with regional malls, the typical configuration is as an enclosed mall, frequently with multiple levels (See also: Regional Mall).

**Tenancy:** A term used to indicate whether or not a building is occupied by multiple tenants (See also: Multi-tenant) or a single tenant. (See also: Single-tenant)

**Tenant Rep:** Tenant Rep stands for Tenant Representative. In a typical lease transaction between an owner/landlord and tenant, the broker that represents the interests of the tenant is referred to as a Tenant Rep.

**Theme/Festival Center:** These centers typically employ a unifying theme that is carried out by the individual shops in their architectural design and, to an extent, in their merchandise. Sometimes the biggest appeal of these centers is to tourists; they can be anchored by restaurants and entertainment facilities. These centers, generally located in urban areas, tend to be adapted from older, sometimes historic, buildings, and can be part of mixed-use projects. 80,000 –250,000 SF.

**Under Construction:** Buildings in a state of construction, up until they receive their certificate of occupancy. In order for CoStar to consider a building under construction, the site must have a concrete foundation in place. Abbreviated UC.

**Vacancy Rate:** A measurement expressed as a percentage of the total amount of physically vacant space divided by the total amount of existing inventory. Under construction space generally is not included in vacancy calculations.

**Vacant Space:** Space that is not currently occupied by a tenant, regardless of any lease obligation that may be on the space. Vacant space could be space that is either available or not available. For example, sublease space that is currently being paid for by a tenant but not occupied by that tenant, would be considered vacant space. Likewise, space that has been leased but not yet occupied because of finish work being done, would also be considered vacant space.

**Weighted Average Rental Rate:** Rental rates that are calculated by factoring in, or weighting, the square footage associated with each particular rental rate. This has the effect of causing rental rates on larger spaces to affect the average more than that of smaller spaces. The weighted average rental rate is calculated by taking the ratio of the square footage associated with the rental rate on each individual available space to the square footage associated with rental rates on all available spaces, multiplying the rental rate by that ratio, and then adding together all the resulting numbers. Unless specifically specified otherwise, rental rate averages include both Direct and Sublet available spaces.

**Year Built:** The year in which a building completed construction and was issued a certificate of occupancy.

**YTD:** Abbreviation for Year-to-Date. Describes statistics that are cumulative from the beginning of a calendar year through whatever time period is being studied.

# Inland Empire Retail Market



Overview

## Inland Empire's Vacancy Decreases to 7.3% Net Absorption Positive 725,290 SF in the Quarter

The Inland Empire retail market experienced a slight improvement in market conditions in the second quarter 2018. The vacancy rate went from 7.6% in the previous quarter to 7.3% in the current quarter. Net absorption was positive 725,290 square feet, and vacant sublease space decreased by (28,781) square feet. Quoted rental rates increased from first quarter 2018 levels, ending at \$18.32 per square foot per year. A total of 10 retail buildings with 144,705 square feet of retail space were delivered to the market in the quarter, with 2,079,226 square feet still under construction at the end of the quarter.

### Net Absorption

Retail net absorption was strong in Inland Empire second quarter 2018, with positive 725,290 square feet absorbed in the quarter. In first quarter 2018, net absorption was positive 48,566 square feet, while in fourth quarter 2017, absorption came in at positive 963,387 square feet. In third quarter 2017, negative (178,134) square feet was absorbed in the market.

Tenants moving out of large blocks of space in 2018 include: Kmart moving out of 98,000 square feet at 1670 E 4th St; Brandini Toffee moving out of 50,000 square feet at Rancho Las Palmas; and Toy's 'R' Us moving out of 47,086 square feet at 2550 Canyon Springs Pky.

Tenants moving into large blocks of space in 2018 include: Bob's Discount Furniture moving into 41,920 square feet at 27550 W Lugonia Ave; DD's Discount moving into 41,200 square feet at Montclair East Shopping Center; and EOS Fitness moving into 35,277 sf at Vail Ranch Plaza.

### Vacancy

Inland Empire's retail vacancy rate decreased in the second quarter 2018, ending the quarter at 7.3%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 7.8% in the third quarter 2017, to 7.5% at the end of the fourth quarter 2017, 7.6% at the end of the first quarter 2018, to 7.3% in the current quarter.

The amount of vacant sublease space in the Inland Empire market has trended down over the past four quarters. At the end of the third quarter 2017, there were 513,103 square feet of vacant sublease space. Currently, there are 496,152 square feet vacant in the market.

### Largest Lease Signings

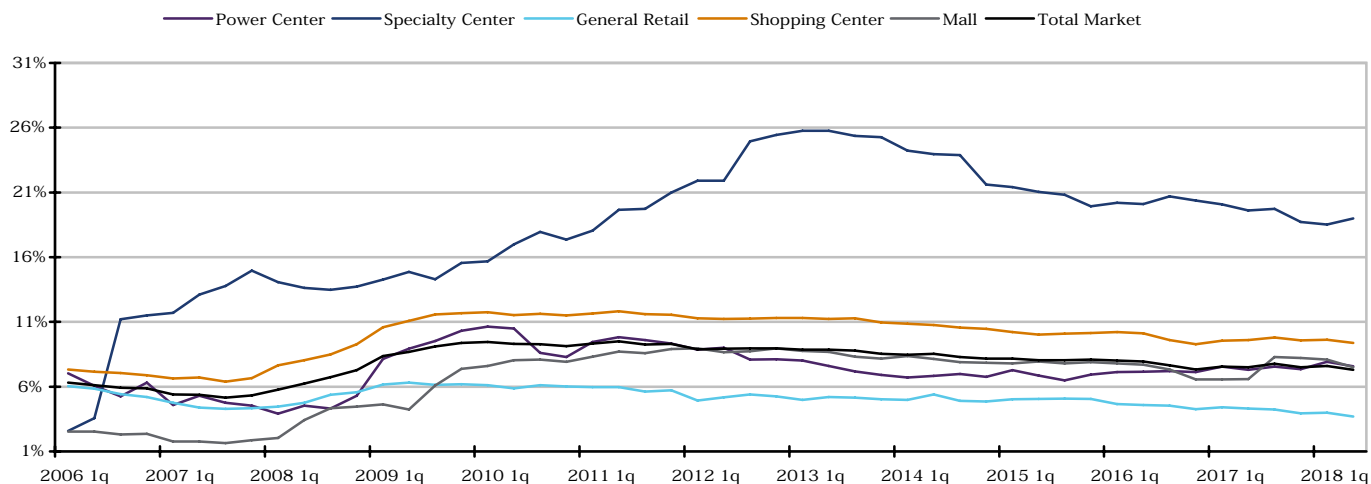
The largest lease signings occurring in 2018 included: the 41,920-square-foot-deal signed by Bob's Discount Furniture at 27550 W Lugonia Ave; and the 39,287-square-foot-lease signed by Bob's Discount Furniture at 72333 Highway 111, and the 37,000-square-foot- lease signed by LA Fitness at 29920 Temecula Pkwy.

### Rental Rates

Average quoted asking rental rates in the Inland Empire retail market are up over previous quarter levels, and up from their levels four quarters ago. Quoted rents ended the second quarter 2018 at \$18.32 per square foot per year. That compares to \$17.12 per square foot in the first quarter 2018, and \$17.03 per square foot at the end of the third quarter 2017. This represents a 7.0% increase in rental rates in the current quarter, and a 7.04% increase from four quarters ago.

## Vacancy Rates by Building Type

2006-2018



Source: CoStar Property®

## Inventory & Construction

During the second quarter 2018, 10 buildings totaling 144,705 square feet were completed in the Inland Empire retail market. Over the past four quarters, a total of 1,253,645 square feet of retail space has been built in Inland Empire. In addition to the current quarter, 27 buildings with 313,698 square feet were completed in first quarter 2018, 26 buildings totaling 453,265 square feet completed in fourth quarter 2017, and 341,977 square feet in 31 buildings completed in third quarter 2017.

There were 2,079,226 square feet of retail space under construction at the end of the second quarter 2018.

Some of the notable 2018 deliveries include: Gateway to Temecula, a 49,660-square-foot facility that delivered in second quarter 2018 and is now 88% occupied, and Stater Bros, a 44,988-square-foot building that delivered in first quarter 2018 and is now 100% occupied.

Total retail inventory in the Inland Empire market area amounted to 194,380,922 square feet in 16,748 buildings and 1937 centers as of the end of the second quarter 2018.

## Shopping Center

The Shopping Center market in Inland Empire currently consists of 1856 projects with 91,774,943 square feet of retail space in 5,524 buildings. In this report the Shopping Center market is comprised of all Community Center, Neighborhood Center, and Strip Centers.

After absorbing 280,045 square feet and delivering 67,955 square feet in the current quarter, the Shopping Center sector saw the vacancy rate go from 9.6% at the end of the first quarter 2018 to 9.4% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 9.8% at the end of the third quarter 2017, to 9.6% at the end of the fourth quarter 2017, to 9.6% at the end of the first quarter 2018, and finally to 9.4% at the end of

the current quarter.

Rental rates ended the second quarter 2018 at \$18.33 per square foot, up from the \$16.87 they were at the end of first quarter 2018. Rental rates have trended up over the past year, going from \$16.71 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 1,002,662 square feet over the past four quarters. In addition to the positive 280,045 square feet absorbed this quarter, positive 196,866 square feet was absorbed in the first quarter 2018, positive 478,008 square feet was absorbed in the fourth quarter 2017, and positive 47,743 square feet was absorbed in the third quarter 2017.

## Power Centers

The Power Center average vacancy rate was 7.6% in the second quarter 2018. With positive 64,663 square feet of net absorption and no new deliveries, the vacancy rate went from 7.9% at the end of last quarter to 7.6% at the end of the second quarter.

In the first quarter 2018, Power Centers absorbed negative (108,818) square feet, delivered no new space, and the vacancy rate went from 7.3% to 7.9% over the course of the quarter. Rental started the quarter at \$19.07 per square foot and ended the quarter at \$19.03 per square foot.

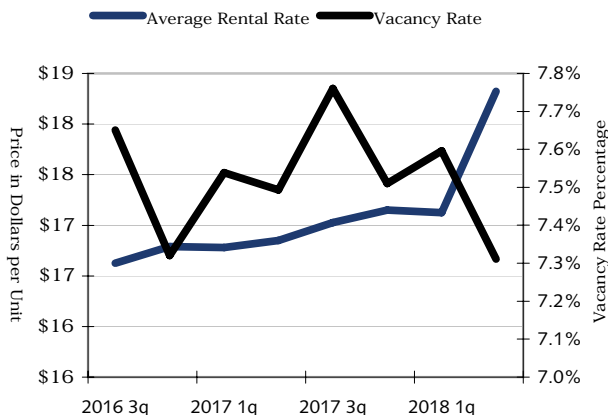
A year ago, in second quarter 2017, the vacancy rate was 7.3%. Over the past four quarters, Power Centers have absorbed a cumulative (49,472) square feet of space and delivered cumulative 2,500 square feet of space. Vacant sublease space has gone from 46,428 square feet to no available sublet space over that time period, and rental rates have gone from \$19.31 to \$19.11.

At the end of the second quarter 2018, there were 4,000 square feet under construction in the Inland Empire market. The total stock of Power Center space in Inland Empire currently sits at 18,905,643 square feet in 40 centers comprised of 529 buildings.

A total of 4,000 square feet of space was under construction at the end of the second quarter 2018.

## VACANCY & RENT

### Past 8 Quarters



Source: CoStar Property®

## General Retail Properties

The General Retail sector of the market, which includes all freestanding retail buildings, except those contained within a center, reported a vacancy rate of 3.7% at the end of second quarter 2018. There was a total of 2,330,750 square feet vacant at that time. The General Retail sector in Inland Empire currently has average rental rates of \$17.61 per square foot per year. There are 730,593 square feet of space under construction in this sector, with 76,750 square feet having been completed in the second quarter. In all, there are a total of 10,352 buildings with 62,904,956 square feet of General Retail space in Inland Empire.



# Inland Empire Retail Market



Overview

## Specialty Centers

There are currently 15 Specialty Centers in the Inland Empire market, making up 2,388,269 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Center, Airport Retail and Theme/Festival Centers.

Specialty Centers in the Inland Empire market have experienced negative (6,629) square feet of net absorption in 2018. The vacancy rate currently stands at 19.0%, and rental rates average \$19.94 per square foot.

## Malls

Malls recorded net absorption of positive 107,884 square feet, and no new deliveries, in the second quarter 2018; which caused the vacancy rate to go from 8.1% a quarter ago to 7.5% at the end of the second quarter 2018. Rental rates went from \$20.18 per square foot to \$24.21 per square foot during that time. In this report the Mall market is comprised of 26 Lifestyle Center, Regional Mall and Super Regional Malls.

## Sales Activity

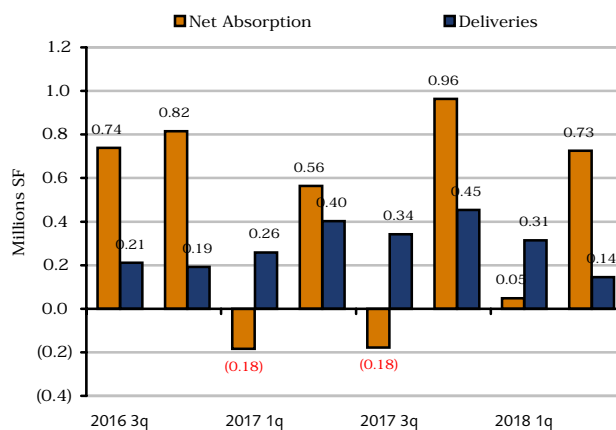
Tallying retail building sales of 15,000 square feet or larger, Inland Empire (California) retail sales figures fell during the first quarter 2018 in terms of dollar volume compared to the fourth quarter of 2017.

In the first quarter, 22 retail transactions closed with a total volume of \$152,703,889. The 22 buildings totaled 1,064,985 square feet and the average price per square foot equated to \$143.39 per square foot. That compares to 24 transactions totaling \$232,520,000 in the fourth quarter 2017. The total square footage in the fourth quarter was 1,572,543 square feet for an average price per square foot of \$147.86.

Total retail center sales activity in 2018 was up compared to 2017. In the first three months of 2018, the market saw 22 retail sales transactions with a total volume of \$152,703,889. The price per square foot averaged \$143.39. In the same first

## ABSORPTION & DELIVERIES

### Past 8 Quarters



Source: CoStar Property®

three months of 2017, the market posted 17 transactions with a total volume of \$74,895,000. The price per square foot averaged \$132.34.

Cap rates have been higher in 2018, averaging 6.41% compared to the same period in 2017 when they averaged 6.39%.

One of the largest transactions that has occurred within the last four quarters in the Inland Empire (California) market is the sale of Riverside Plaza in Riverside. This 411,670 square foot retail center sold for \$165,750,000, or \$402.63 per square foot. The property sold on 4/17/2017, at a 5.50% cap rate."

Reports compiled by: Fred Ankenman, CoStar Research Manager, Alison Siwek and Ryan Ehlke, CoStar Research Associates.



## CoStar Submarket Clusters & Submarkets

In analyzing metropolitan areas, CoStar has developed geographic designations to help group properties together, called Markets, Submarket Clusters and Submarkets. Markets are the equivalent of metropolitan areas, or areas containing a large population nucleus, that together with adjacent communities have a high degree of economic and social integration. Markets are then divided into Submarket Clusters, which are core areas within a metropolitan area that are known to be competitive with each other in terms of attracting and keeping tenants. Markets are then further subdivided into smaller units called Submarkets, which serve to delineate a core group of buildings that are competitive with each other and constitute a generally accepted competitive set, or peer group.

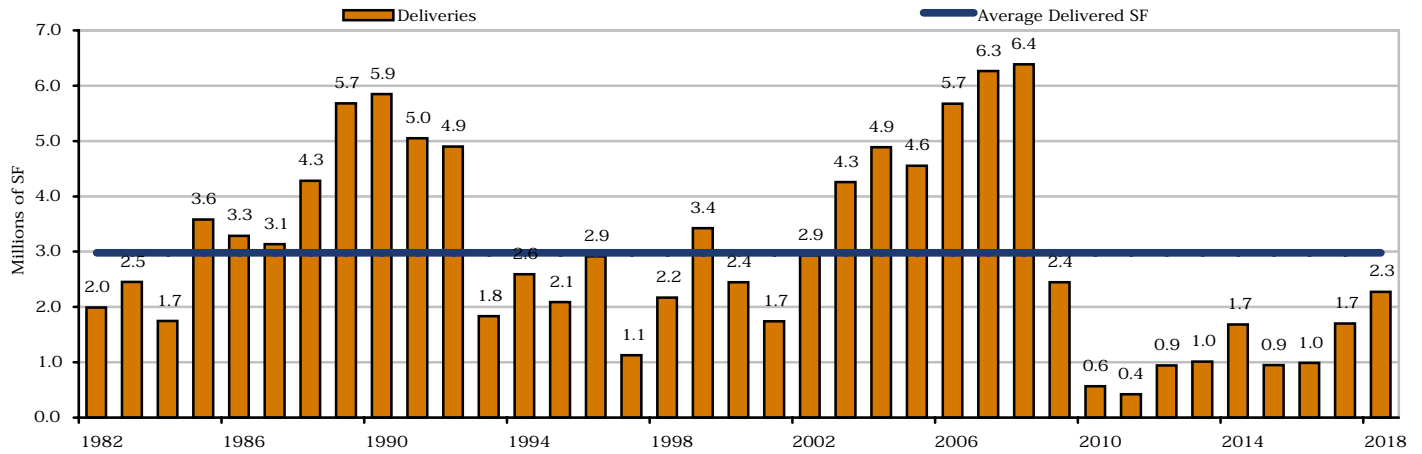
Submarket Clusters	Submarkets
Inland Empire East	Coachella Valley Corona East San Bernardino Riverside Riverside Outlying San Bernardino Outlying South Riverside
Inland Empire West	Airport Area North San Bernardino West San Bernardino

# Inland Empire Retail Market



Inventory & development

## Historical Deliveries 1982 - 2018



Source: CoStar Property® \* Future deliveries based on current under construction buildings.

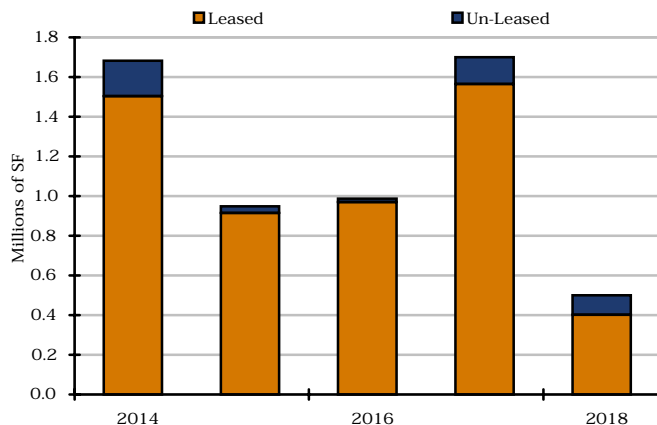
## Construction Activity Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
Inland Empire East	81	1,543,652	1,071,048	69.4%	11,258	19,057
Inland Empire West	24	535,574	318,859	59.5%	12,462	22,316
<b>Totals</b>	<b>105</b>	<b>2,079,226</b>	<b>1,389,907</b>	<b>66.8%</b>	<b>11,606</b>	<b>19,802</b>

Source: CoStar Property®

## Recent Deliveries

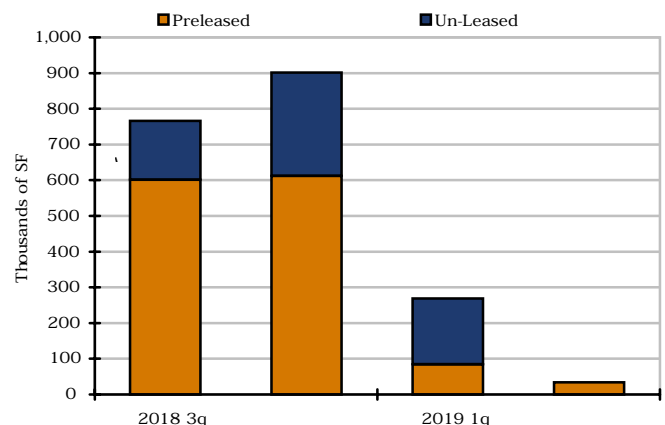
Leased & Un-Leased SF in Deliveries Since 2014



Source: CoStar Property®

## Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

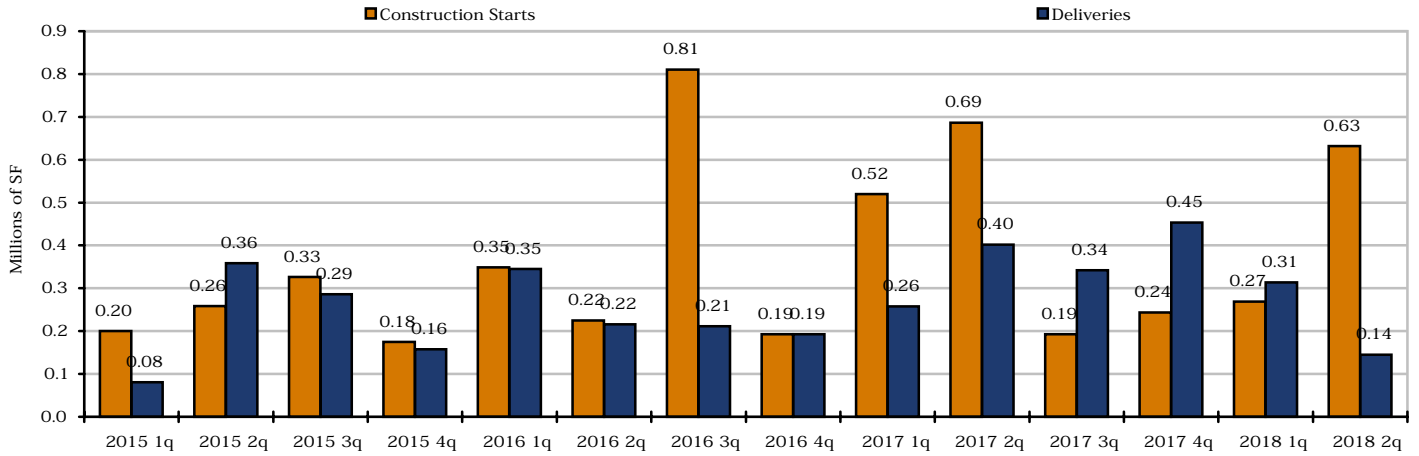


# Inland Empire Retail Market

Inventory & development

## Historical Construction Starts & Deliveries

Square Footage Per Quarter Starting and Completing Construction



Source: CoStar Property®

## Recent Deliveries by Project Size of Year-to-Date Development

Building Size	# Bldgs	GLA	SF Leased	% Leased	Avg Rate	Single-Tenant	Multi-Tenant
< 50,000 SF	40	499,516	401,545	80.4%	\$24.00	199,076	300,440
50,000 SF - 99,999 SF	0	0	0	0.0%	\$0.00	0	0
100,000 SF - 249,999 SF	0	0	0	0.0%	\$0.00	0	0
250,000 SF - 499,999 SF	0	0	0	0.0%	\$0.00	0	0
>= 500,000 SF	0	0	0	0.0%	\$0.00	0	0

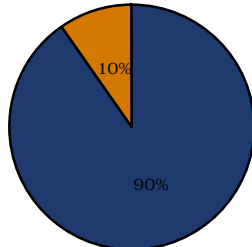
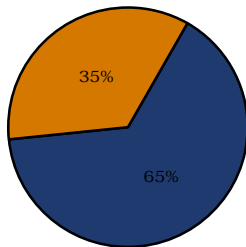
Source: CoStar Property®

## Recent Development by Tenancy

Based on GLA Developed for Single & Multi Tenant Use

2018 Deliveries

Currently Under Construction



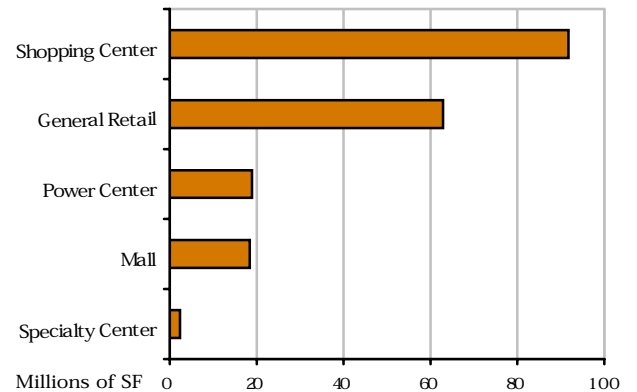
■ Multi ■ Single

■ Multi ■ Single

Source: CoStar Property®

## Existing Inventory Comparison

Based on Total GLA



Source: CoStar Property®

# Inland Empire Retail Market



Inventory &amp; development

## Select Year-to-Date Deliveries

Based on Project Square Footage

<p><b>1. Gateway to Temecula</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>49,660</b>  Occupied: <b>88%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>Second Quarter 2018</b>  Leasing Co: <b>Coldwell Banker Commercial</b>  Developer: <b>N/A</b></p>	<p><b>2. 7200 Day Creek Blvd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>44,988</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Lee &amp; Associates</b>  Developer: <b>N/A</b></p>	<p><b>3. 2115-2153 W 16th St</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>44,500</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>CBRE</b>  Developer: <b>N/A</b></p>
<p><b>4. 29920 Temecula Pky</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>37,000</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Fourth Quarter 2017</b>  Deliv Date: <b>Second Quarter 2018</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>	<p><b>5. Washington Plaza</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>35,843</b>  Occupied: <b>96%</b>  Quoted Rate: <b>\$3.12</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>2018</b>  Leasing Co: <b>Equity Management</b>  Developer: <b>N/A</b></p>	<p><b>6. 4404 University Pky</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>32,000</b>  Occupied: <b>100%</b>  Quoted Rate: <b>\$15.77</b>  Grnd Brk Date: <b>N/A</b>  Deliv Date: <b>2018</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>
<p><b>7. 928 E Ontario Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>26,102</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>	<p><b>8. 2085 Base Line Rd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>18,000</b>  Occupied: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>CBRE</b>  Developer: <b>N/A</b></p>	<p><b>9. 7170 Day Creek Blvd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>15,207</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Lee &amp; Associates</b>  Developer: <b>N/A</b></p>
<p><b>10. 4602 W Florida Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>13,744</b>  Occupied: <b>0%</b>  Quoted Rate: <b>\$19.80</b>  Grnd Brk Date: <b>N/A</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Coldwell Banker Commercial</b>  Developer: <b>N/A</b></p>	<p><b>11. 14545 Foothill Blvd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>12,505</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Lee &amp; Associates</b>  Developer: <b>N/A</b></p>	<p><b>12. Center Point Plaza</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>10,414</b>  Occupied: <b>60%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>First Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Zion Enterprises, Inc.</b>  Developer: <b>N/A</b></p>
<p><b>13. Pechanga Marketplace</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>10,250</b>  Occupied: <b>86%</b>  Quoted Rate: <b>\$30.00</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>WestMar Commercial Brokerage, Inc.</b>  Developer: <b>N/A</b></p>	<p><b>14. 1230 W Foothill Blvd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>9,436</b>  Occupied: <b>9%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Fourth Quarter 2016</b>  Deliv Date: <b>Second Quarter 2018</b>  Leasing Co: <b>Centers Business Management</b>  Developer: <b>N/A</b></p>	<p><b>15. 7210 Day Creek Blvd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>9,160</b>  Occupied: <b>60%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>First Quarter 2017</b>  Deliv Date: <b>First Quarter 2018</b>  Leasing Co: <b>Lee &amp; Associates</b>  Developer: <b>N/A</b></p>

## Select Top Under Construction Properties

Based on Project Square Footage

<p><b>1. Renaissance Marketplace</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>260,883</b>  Preleased: <b>74%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>Beta Retail</b>  Developer: <b>Lewis Commercial</b></p>	<p><b>2. 11465 Ranchero Rd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>198,324</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2016</b>  Deliv Date: <b>Third Quarter 2018</b>  Leasing Co: <b>Cannery Casino Resorts LLC</b>  Developer: <b>N/A</b></p>	<p><b>3. Goodman Commerce Center</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>152,000</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>Goodman North America</b></p>
<p><b>4. The Palms</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>127,746</b>  Preleased: <b>33%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Fourth Quarter 2017</b>  Deliv Date: <b>Third Quarter 2018</b>  Leasing Co: <b>Lee &amp; Associates</b>  Developer: <b>N/A</b></p>	<p><b>5. 1605 E 2nd St</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>75,000</b>  Preleased: <b>0%</b>  Quoted Rate: <b>\$24.00</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>First Quarter 2019</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>N/A</b></p>	<p><b>6. Meniffee Plaza</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>72,000</b>  Preleased: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>First Quarter 2018</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>N/A</b></p>
<p><b>7. 6230 Mission Blvd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>67,500</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2017</b>  Deliv Date: <b>Third Quarter 2018</b>  Leasing Co: <b>Legend International Inv.</b>  Developer: <b>N/A</b></p>	<p><b>8. Renaissance Marketplace</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>56,561</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>Third Quarter 2018</b>  Leasing Co: <b>Beta Retail</b>  Developer: <b>Lewis Management Corp</b></p>	<p><b>9. 18300 Collier Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>52,358</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2017</b>  Deliv Date: <b>Third Quarter 2018</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>N/A</b></p>
<p><b>10. 414 N Palm Canyon Dr</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>50,000</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>First Quarter 2019</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>	<p><b>11. City Center Plaza</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>49,000</b>  Preleased: <b>0%</b>  Quoted Rate: <b>\$30.31</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>First Quarter 2019</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>N/A</b></p>	<p><b>12. 1126 E 20th St</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>48,708</b>  Preleased: <b>0%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>First Quarter 2018</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>CDJT Development LLC</b>  Developer: <b>N/A</b></p>
<p><b>13. City Center Plaza</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>38,000</b>  Preleased: <b>0%</b>  Quoted Rate: <b>\$27.82</b>  Grnd Brk Date: <b>Third Quarter 2017</b>  Deliv Date: <b>Second Quarter 2018</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>N/A</b></p>	<p><b>14. 2192 Inland Empire Blvd</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>36,000</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Fourth Quarter 2017</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>	<p><b>15. 630 W Foothill Blvd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>31,552</b>  Preleased: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2018</b>  Deliv Date: <b>Fourth Quarter 2018</b>  Leasing Co: <b>Kamran Kohan</b>  Developer: <b>N/A</b></p>

# Inland Empire Retail Market



Figures at a Glance

## General Retail Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	7,553	45,399,718	1,640,985	1,785,437	3.9%	143,741	97,652	561,885	\$17.85
Inland Empire West	2,799	17,505,238	545,313	545,313	3.1%	67,373	12,874	168,708	\$16.87
<b>Totals</b>	<b>10,352</b>	<b>62,904,956</b>	<b>2,186,298</b>	<b>2,330,750</b>	<b>3.7%</b>	<b>211,114</b>	<b>110,526</b>	<b>730,593</b>	<b>\$17.6</b>

Source: CoStar Property®

## Mall Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	19	12,212,524	1,256,414	1,302,014	10.7%	149,474	4,600	405,810	\$25.65
Inland Empire West	7	6,194,587	79,048	79,048	1.3%	(12,859)	0	0	\$23.81
<b>Totals</b>	<b>26</b>	<b>18,407,111</b>	<b>1,335,462</b>	<b>1,381,062</b>	<b>7.5%</b>	<b>136,615</b>	<b>4,600</b>	<b>405,810</b>	<b>\$24.21</b>

Source: CoStar Property®

## Power Center Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	24	10,650,985	771,824	771,824	7.2%	12,222	0	0	\$17.43
Inland Empire West	16	8,254,658	661,563	661,563	8.0%	(56,377)	0	4,000	\$21.15
<b>Totals</b>	<b>40</b>	<b>18,905,643</b>	<b>1,433,387</b>	<b>1,433,387</b>	<b>7.6%</b>	<b>(44,155)</b>	<b>0</b>	<b>4,000</b>	<b>\$19.1</b>

Source: CoStar Property®

## Shopping Center Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	1,274	64,189,947	5,810,596	6,025,689	9.4%	238,967	158,761	269,205	\$17.19
Inland Empire West	582	27,584,996	2,496,343	2,587,305	9.4%	237,944	184,516	362,866	\$20.43
<b>Totals</b>	<b>1,856</b>	<b>91,774,943</b>	<b>8,306,939</b>	<b>8,612,994</b>	<b>9.4%</b>	<b>476,911</b>	<b>343,277</b>	<b>632,071</b>	<b>\$18.33</b>

Source: CoStar Property®

## Specialty Center Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	9	1,512,363	221,261	221,261	14.6%	(8,330)	0	306,752	\$19.85
Inland Empire West	6	875,906	232,210	232,255	26.5%	1,701	0	0	\$27.00
<b>Totals</b>									

Source: CoStar Property®

## Total Retail Market Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Leasing Activity
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Inland Empire East	11,900	133,965,537	9,701,080	10,106,225	7.5%	536,074	261,013	1,543,652	\$17.46
Inland Empire West	4,848	60,415,385	4,014,477	4,105,484	6.8%	237,782	197,390	535,574	\$20.07
<b>Totals</b>	<b>16,748</b>	<b>194,380,922</b>	<b>13,715,557</b>	<b>14,211,709</b>	<b>7.3%</b>	<b>773,856</b>	<b>458,403</b>	<b>2,079,226</b>	<b>\$18.32</b>

Source: CoStar Property®



# Inland Empire Retail Market

Figures at a Glance

## General Retail Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	1,117	7,658,434	191,757	191,757	2.5%	40,047	3,848	97,167	\$19.06
Coachella Valley	1,248	8,281,977	392,347	399,875	4.8%	18,513	6,004	55,650	\$20.27
Corona	242	1,616,659	28,440	28,440	1.8%	90,910	0	0	\$36.00
East San Bernardino	2,321	13,887,686	417,215	554,139	4.0%	118,624	9,436	39,499	\$10.76
North San Bernardino	1,148	6,126,215	232,295	232,295	3.8%	24,179	9,026	22,833	\$13.37
Riverside	2,039	11,309,159	363,949	363,949	3.2%	(17,024)	42,213	304,749	\$23.68
Riverside Outlying	118	533,918	14,911	14,911	2.8%	3,795	0	0	\$14.06
San Bernardino Outlying	389	1,830,352	125,944	125,944	6.9%	(47,348)	0	0	\$11.56
South Riverside	1,196	7,939,967	298,179	298,179	3.8%	(23,729)	39,999	161,987	\$21.34
West San Bernardino	534	3,720,589	121,261	121,261	3.3%	3,147	0	48,708	\$18.58
<b>Totals</b>	<b>10,352</b>	<b>62,904,956</b>	<b>2,186,298</b>	<b>2,330,750</b>	<b>3.7%</b>	<b>211,114</b>	<b>110,526</b>	<b>730,593</b>	<b>\$17.6</b>

Source: CoStar Property®

## Mall Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	4	3,656,887	34,476	34,476	0.9%	11,027	0	0	\$15.61
Coachella Valley	4	2,132,804	32,388	32,388	1.5%	194,395	0	0	\$26.60
Corona	1	493,702	12,400	12,400	2.5%	(2,100)	0	0	\$0.00
East San Bernardino	3	1,879,704	769,065	769,065	40.9%	6,490	4,600	405,810	\$0.00
North San Bernardino	1	683,647	596	596	0.1%	1,922	0	0	\$0.00
Riverside	8	5,393,721	304,017	349,617	6.5%	(29,434)	0	0	\$23.61
Riverside Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
San Bernardino Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
South Riverside	3	2,312,593	138,544	138,544	6.0%	(19,877)	0	0	\$0.00
West San Bernardino	2	1,854,053	43,976	43,976	2.4%	(25,808)	0	0	\$39.91
<b>Totals</b>	<b>26</b>	<b>18,407,111</b>	<b>1,335,462</b>	<b>1,381,062</b>	<b>7.5%</b>	<b>136,615</b>	<b>4,600</b>	<b>405,810</b>	<b>\$24.21</b>

Source: CoStar Property®

## Power Center Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	8	2,917,305	152,942	152,942	5.2%	17,390	0	0	\$24.03
Coachella Valley	7	3,990,781	371,163	371,163	9.3%	135,540	0	0	\$16.61
Corona	0	0	0	0	0.0%	0	0	0	\$0.00
East San Bernardino	5	1,815,451	149,122	149,122	8.2%	(41,522)	0	0	\$16.09
North San Bernardino	3	1,644,699	179,548	179,548	10.9%	(10,329)	0	4,000	\$27.00
Riverside	6	2,610,419	174,579	174,579	6.7%	(89,687)	0	0	\$19.32
Riverside Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
San Bernardino Outlying	1	352,822	0	0	0.0%	0	0	0	\$0.00
South Riverside	5	1,881,512	76,960	76,960	4.1%	7,891	0	0	\$20.44
West San Bernardino	5	3,692,654	329,073	329,073	8.9%	(63,438)	0	0	\$19.84
<b>Totals</b>	<b>40</b>	<b>18,905,643</b>	<b>1,433,387</b>	<b>1,433,387</b>	<b>7.6%</b>	<b>(44,155)</b>	<b>0</b>	<b>4,000</b>	<b>\$19.1</b>

Source: CoStar Property®



## Inland Empire Retail Market



Figures at a Glance

## Shopping Center Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	214	11,173,911	927,026	928,626	8.3%	60,981	114,756	101,775	\$26.53
Coachella Valley	235	12,323,970	1,657,737	1,660,378	13.5%	58,507	0	29,848	\$16.52
Corona	74	4,452,365	254,799	256,049	5.8%	40,263	37,222	62,576	\$21.06
East San Bernardino	310	12,754,750	1,259,005	1,274,505	10.0%	108,273	32,000	37,206	\$16.24
North San Bernardino	215	9,047,282	1,127,039	1,127,039	12.5%	(57,998)	4,260	210,354	\$13.83
Riverside	307	15,112,640	1,102,861	1,272,115	8.4%	(9,460)	0	30,618	\$16.58
Riverside Outlying	6	405,625	51,025	51,025	12.6%	0	0	0	\$10.15
San Bernardino Outlying	27	863,111	117,817	117,817	13.7%	7,641	0	0	\$13.11
South Riverside	315	18,277,486	1,367,352	1,393,800	7.6%	33,743	89,539	108,957	\$19.63
West San Bernardino	153	7,363,803	442,278	531,640	7.2%	234,961	65,500	50,737	\$21.46
<b>Totals</b>	<b>1,856</b>	<b>91,774,943</b>	<b>8,306,939</b>	<b>8,612,994</b>	<b>9.4%</b>	<b>476,911</b>	<b>343,277</b>	<b>632,071</b>	<b>\$18.33</b>

Source: CoStar Property®

## Specialty Center Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	2	162,230	11,168	11,213	6.9%	1,701	0	0	\$27.00
Coachella Valley	4	540,794	31,104	31,104	5.8%	(2,247)	0	140,726	\$35.34
Corona	0	0	0	0	0.0%	0	0	0	\$0.00
East San Bernardino	1	240,000	33,103	33,103	13.8%	(7,183)	0	0	\$0.00
North San Bernardino	2	512,866	221,042	221,042	43.1%	0	0	0	\$0.00
Riverside	2	113,758	5,450	5,450	4.8%	1,100	0	166,026	\$15.63
Riverside Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
San Bernardino Outlying	0	0	0	0	0.0%	0	0	0	\$0.00
South Riverside	2	617,811	151,604	151,604	24.5%	0	0	0	\$16.38
West San Bernardino	2	200,810	0	0	0.0%	0	0	0	\$0.00
<b>Totals</b>	<b>15</b>	<b>2,388,269</b>	<b>453,471</b>	<b>453,516</b>	<b>19.0%</b>	<b>(6,629)</b>	<b>0</b>	<b>306,752</b>	<b>\$19.94</b>

Source: CoStar Property®

## Total Retail Submarket Statistics

Mid-Year 2018

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	1,955	25,568,767	1,317,369	1,319,014	5.2%	131,146	118,604	198,942	\$25.12
Coachella Valley	2,073	27,270,326	2,484,739	2,494,908	9.1%	404,708	6,004	226,224	\$17.85
Corona	509	6,562,726	295,639	296,889	4.5%	129,073	37,222	62,576	\$22.00
East San Bernardino	3,134	30,577,591	2,627,510	2,779,934	9.1%	184,682	46,036	482,515	\$14.80
North San Bernardino	1,807	18,014,709	1,760,520	1,760,520	9.8%	(42,226)	13,286	237,187	\$13.81
Riverside	3,167	34,539,697	1,950,856	2,165,710	6.3%	(144,505)	42,213	501,393	\$18.27
Riverside Outlying	132	939,543	65,936	65,936	7.0%	3,795	0	0	\$10.94
San Bernardino Outlying	448	3,046,285	243,761	243,761	8.0%	(39,707)	0	0	\$11.89
South Riverside	2,437	31,029,369	2,032,639	2,059,087	6.6%	(1,972)	129,538	270,944	\$19.40
West San Bernardino	1,086	16,831,909	936,588	1,025,950	6.1%	148,862	65,500	99,445	\$20.99
<b>Totals</b>	<b>16,748</b>	<b>194,380,922</b>	<b>13,715,557</b>	<b>14,211,709</b>	<b>7.3%</b>	<b>773,856</b>	<b>458,403</b>	<b>2,079,226</b>	<b>\$18.32</b>

Source: CoStar Property®



# Inland Empire Retail Market

Figures at a Glance

## General Retail Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	10,352	62,904,956	2,186,298	2,330,750	3.7%	283,793	6	76,750	48	730,593	\$17.61
2018 1q	10,344	62,789,753	2,357,518	2,499,340	4.0%	(72,679)	5	33,776	38	546,163	\$17.14
2017 4q	10,342	62,836,091	2,323,777	2,472,999	3.9%	388,417	12	200,989	27	364,867	\$17.05
2017 3q	10,331	62,635,128	2,510,161	2,660,453	4.2%	137,532	8	101,613	30	402,767	\$16.73
2017 2q	10,322	62,527,515	2,535,100	2,690,372	4.3%	267,459	7	158,884	35	479,266	\$15.94
2017 1q	10,315	62,320,859	2,595,903	2,751,175	4.4%	64,445	6	170,323	34	642,657	\$15.79
2016	10,307	62,146,018	2,490,163	2,647,311	4.3%	721,567	42	368,443	30	553,382	\$16.24
2015	10,280	61,905,181	2,979,753	3,128,041	5.1%	(25,207)	14	130,038	30	264,985	\$14.12
2014	10,270	61,796,730	2,841,592	2,994,383	4.8%	94,969	31	261,865	6	76,002	\$13.96
2013	10,237	61,817,403	2,953,039	3,110,025	5.0%	314,725	19	178,134	23	203,252	\$13.74
2012	10,215	61,621,030	3,047,526	3,228,377	5.2%	636,569	22	198,322	13	93,055	\$13.21
2011	10,190	61,262,978	3,293,512	3,506,894	5.7%	353,654	14	140,052	18	259,053	\$13.25
2010	10,177	61,079,301	3,573,463	3,676,871	6.0%	196,944	14	104,746	8	39,636	\$14.20
2009	10,162	60,979,747	3,654,729	3,774,261	6.2%	(118,729)	25	240,122	12	77,625	\$15.01
2008	10,133	60,700,213	3,362,701	3,375,998	5.6%	(291,789)	46	413,545	30	285,730	\$17.34
2007	10,080	60,230,459	2,588,612	2,614,455	4.3%	1,284,042	63	692,244	50	452,653	\$18.65

Source: CoStar Property®

## Mall Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	26	18,407,111	1,335,462	1,381,062	7.5%	107,884	0	0	14	405,810	\$24.21
2018 1q	26	18,407,111	1,428,316	1,488,946	8.1%	28,731	2	4,600	14	405,810	\$20.18
2017 4q	25	18,402,511	1,452,447	1,513,077	8.2%	32,428	1	22,466	16	410,410	\$17.80
2017 3q	25	18,380,045	1,462,409	1,523,039	8.3%	(314,860)	0	0	17	432,876	\$19.13
2017 2q	25	18,380,045	1,147,549	1,208,179	6.6%	(909)	0	0	16	430,876	\$19.75
2017 1q	25	18,380,045	1,146,670	1,207,270	6.6%	(940)	0	0	1	22,466	\$19.69
2016	25	18,380,045	1,145,730	1,206,330	6.6%	249,603	1	6,300	1	22,466	\$21.57
2015	25	18,373,745	1,434,633	1,449,633	7.9%	51,840	4	66,392	0	0	\$17.84
2014	25	18,307,353	1,374,459	1,435,081	7.8%	58,140	0	0	1	43,325	\$17.37
2013	25	18,307,353	1,447,599	1,493,221	8.2%	152,764	1	4,990	0	0	\$18.17
2012	25	18,302,363	1,594,954	1,640,995	9.0%	(8,416)	0	0	1	4,990	\$17.43
2011	25	18,302,363	1,446,259	1,632,579	8.9%	(183,043)	0	0	0	0	\$16.84
2010	25	18,302,363	1,166,091	1,449,536	7.9%	(98,430)	0	0	0	0	\$20.20
2009	25	18,302,363	1,067,983	1,351,106	7.4%	(532,786)	0	0	0	0	\$19.91
2008	25	18,302,363	794,380	818,320	4.5%	(8,955)	8	247,136	0	0	\$26.81
2007	24	17,823,572	306,634	330,574	1.9%	859,555	9	411,547	16	458,465	\$27.36

Source: CoStar Property®

## Power Center Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	40	18,905,643	1,433,387	1,433,387	7.6%	64,663	0	0	1	4,000	\$19.11
2018 1q	40	18,905,643	1,496,050	1,498,050	7.9%	(108,818)	0	0	1	4,000	\$19.03
2017 4q	40	18,905,643	1,389,232	1,389,232	7.3%	39,913	0	0	0	0	\$19.07
2017 3q	40	18,905,643	1,429,145	1,429,145	7.6%	(45,230)	1	2,500	0	0	\$19.42
2017 2q	40	18,903,143	1,334,987	1,381,415	7.3%	46,234	0	0	1	2,500	\$19.31
2017 1q	40	18,903,143	1,341,912	1,427,649	7.6%	(54,667)	2	27,512	1	2,500	\$19.13
2016	40	18,875,631	1,248,897	1,345,470	7.1%	70,226	6	113,230	2	27,512	\$18.56
2015	40	18,762,401	1,216,922	1,302,466	6.9%	297,248	6	354,129	6	130,782	\$18.49
2014	39	18,408,272	1,163,731	1,245,585	6.8%	659,127	4	91,220	8	398,398	\$17.54
2013	39	17,726,195	1,102,373	1,222,635	6.9%	577,677	8	391,942	3	602,057	\$19.15
2012	39	17,334,253	1,308,642	1,408,370	8.1%	533,661	3	357,683	6	353,004	\$17.53
2011	39	16,976,570	1,535,559	1,584,348	9.3%	(132,281)	1	46,827	4	215,400	\$18.71
2010	39	16,929,743	1,332,777	1,405,240	8.3%	342,256	1	2,448	2	11,200	\$21.51
2009	39	16,927,295	1,680,078	1,745,048	10.3%	(532,507)	15	257,489	3	13,648	\$25.66
2008	39	16,595,223	828,097	880,469	5.3%	2,072,468	31	1,498,915	18	308,550	\$26.54
2007	37	14,289,460	592,724	647,174	4.5%	1,682,697	27	744,043	28	1,091,796	\$26.30

Source: CoStar Property®

## Inland Empire Retail Market



Figures at a Glance

## Shopping Center Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	1,856	91,774,943	8,306,939	8,612,994	9.4%	280,045	4	67,955	38	632,071	\$18.33
2018 1q	1,855	91,704,328	8,501,988	8,822,424	9.6%	196,866	20	275,322	25	508,381	\$16.87
2017 4q	1,851	91,429,006	8,437,074	8,743,968	9.6%	478,008	13	229,810	39	734,058	\$16.88
2017 3q	1,847	91,134,135	8,624,924	8,927,105	9.8%	47,743	22	237,864	52	1,011,239	\$16.75
2017 2q	1,843	90,877,955	8,446,155	8,718,668	9.6%	239,715	7	242,968	64	1,083,555	\$16.71
2017 1q	1,841	90,570,712	8,367,617	8,651,140	9.6%	(199,193)	7	60,019	48	1,043,806	\$16.59
2016	1,840	90,510,693	8,036,909	8,391,928	9.3%	1,218,189	40	477,462	37	845,752	\$16.52
2015	1,833	90,030,731	8,681,877	9,130,155	10.1%	632,180	20	329,895	33	441,488	\$16.13
2014	1,829	89,652,953	9,148,819	9,384,557	10.5%	897,135	27	488,251	8	239,558	\$16.05
2013	1,824	89,128,738	9,546,354	9,757,477	10.9%	629,886	28	338,178	22	446,564	\$15.75
2012	1,819	88,771,262	9,743,702	10,029,887	11.3%	516,045	19	330,368	20	213,810	\$16.87
2011	1,814	88,438,394	10,004,652	10,213,064	11.5%	87,548	19	124,186	18	370,392	\$18.02
2010	1,808	88,285,025	9,867,992	10,147,243	11.5%	535,827	24	392,646	15	179,355	\$17.28
2009	1,803	87,850,779	9,819,289	10,248,824	11.7%	(474,455)	88	1,455,427	24	357,607	\$20.01
2008	1,782	86,069,099	7,728,755	7,992,689	9.3%	1,138,756	171	2,927,457	96	1,643,936	\$21.13
2007	1,729	82,423,144	5,389,264	5,485,490	6.7%	3,373,560	176	2,889,912	152	2,729,363	\$21.35

Source: CoStar Property®

## Specialty Center Market Statistics

Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	15	2,388,269	453,471	453,516	19.0%	(11,095)	0	0	4	306,752	\$19.94
2018 1q	15	2,388,269	442,376	442,421	18.5%	4,466	0	0	1	127,746	\$18.06
2017 4q	15	2,388,269	446,887	446,887	18.7%	24,621	0	0	1	127,746	\$18.87
2017 3q	15	2,388,269	471,508	471,508	19.7%	(3,319)	0	0	0	0	\$20.39
2017 2q	15	2,388,269	468,189	468,189	19.6%	11,324	0	0	0	0	\$20.00
2017 1q	15	2,388,269	479,513	479,513	20.1%	6,821	0	0	0	0	\$21.06
2016	15	2,388,269	486,334	486,334	20.4%	(10,132)	0	0	0	0	\$19.83
2015	15	2,388,269	476,202	476,202	19.9%	41,605	1	2,466	0	0	\$17.29
2014	15	2,385,803	515,341	515,341	21.6%	219,564	1	177,000	1	2,466	\$21.99
2013	14	2,208,803	557,905	557,905	25.3%	4,072	0	0	0	0	\$23.33
2012	14	2,208,803	561,977	561,977	25.4%	(98,544)	0	0	0	0	\$18.25
2011	14	2,208,803	463,433	463,433	21.0%	(78,653)	1	1,780	0	0	\$17.03
2010	14	2,207,023	383,000	383,000	17.4%	(39,810)	0	0	0	0	\$17.84
2009	14	2,207,023	337,190	343,190	15.5%	(4,857)	1	40,887	0	0	\$18.16
2008	13	2,166,136	297,446	297,446	13.7%	27,646	1	1,211	1	40,887	\$17.99
2007	13	2,164,925	321,974	323,881	15.0%	(35,051)	1	45,124	1	1,211	\$25.88

Source: CoStar Property®

## Total Retail Market Statistics

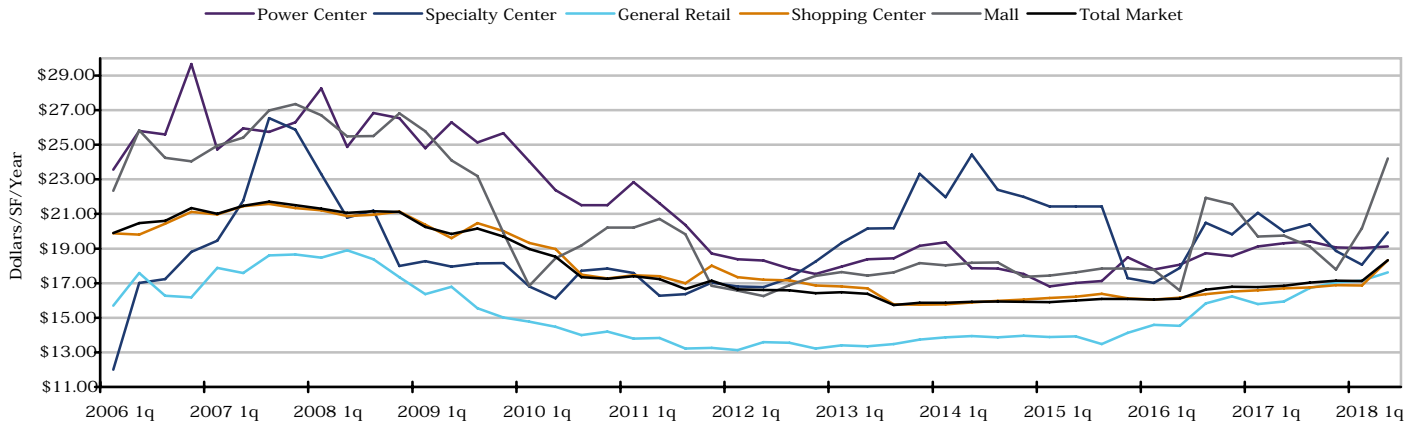
Mid-Year 2018

Period	Existing Inventory		Vacancy			Net Absorption	Deliveries		UC Inventory		Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %		# Blds	Total GLA	# Blds	Total GLA	
2018 2q	16,748	194,380,922	13,715,557	14,211,709	7.3%	725,290	10	144,705	105	2,079,226	\$18.32
2018 1q	16,735	194,195,104	14,226,248	14,751,181	7.6%	48,566	27	313,698	79	1,592,100	\$17.12
2017 4q	16,711	193,961,520	14,049,417	14,566,163	7.5%	963,387	26	453,265	83	1,637,081	\$17.15
2017 3q	16,682	193,443,220	14,498,147	15,011,250	7.8%	(178,134)	31	341,977	99	1,846,882	\$17.03
2017 2q	16,647	193,076,927	13,931,980	14,466,823	7.5%	563,823	14	401,852	116	1,996,197	\$16.85
2017 1q	16,631	192,563,028	13,931,615	14,516,747	7.5%	(183,534)	15	257,854	84	1,711,429	\$16.78
2016	16,614	192,300,656	13,408,033	14,077,373	7.3%	2,249,453	89	965,435	70	1,449,112	\$16.79
2015	16,539	191,460,327	14,789,387	15,486,497	8.1%	997,666	45	882,920	69	837,255	\$16.09
2014	16,495	190,551,111	15,043,942	15,574,947	8.2%	1,928,935	63	1,018,336	24	759,749	\$15.91
2013	16,426	189,188,492	15,607,270	16,141,263	8.5%	1,679,124	56	913,244	48	1,251,873	\$15.86
2012	16,364	188,237,711	16,256,801	16,869,606	9.0%	1,579,315	44	886,373	40	664,859	\$16.42
2011	16,316	187,189,108	16,743,415	17,400,318	9.3%	47,225	35	312,845	40	844,845	\$17.13
2010	16,280	186,803,455	16,323,323	17,061,890	9.1%	936,787	39	499,840	25	230,191	\$17.26
2009	16,235	186,267,207	16,559,269	17,462,429	9.4%	(1,663,334)	129	1,993,925	39	448,880	\$19.70
2008	16,081	183,833,034	13,011,379	13,364,922	7.3%	2,938,126	257	5,088,264	145	2,279,103	\$21.12
2007	15,726	176,931,560	9,199,208	9,401,574	5.3%	7,164,803	276	4,782,870	247	4,733,488	\$21.51

Source: CoStar Property®

## Historical Rental Rates

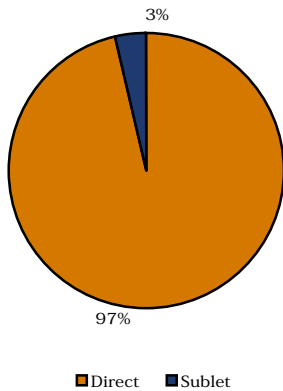
Based on NNN Rental Rates



Source: CoStar Property®

## Vacancy by Available Space Type

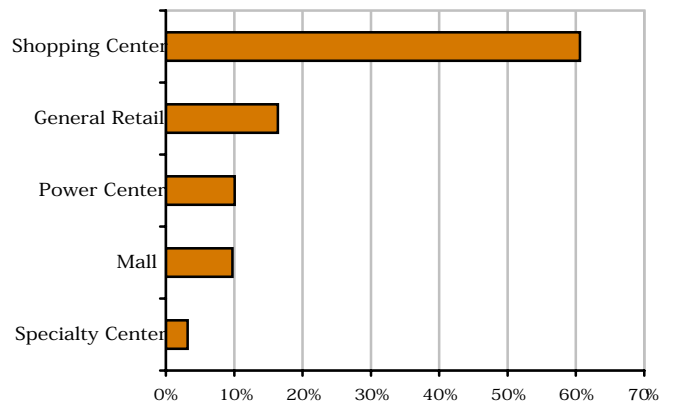
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

## Vacancy by Building Type

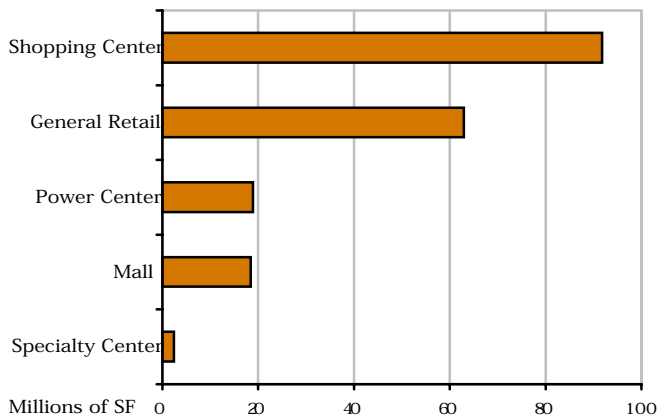
Percent of All Vacant Space by Building Type



Source: CoStar Property®

## GLA By Building Type

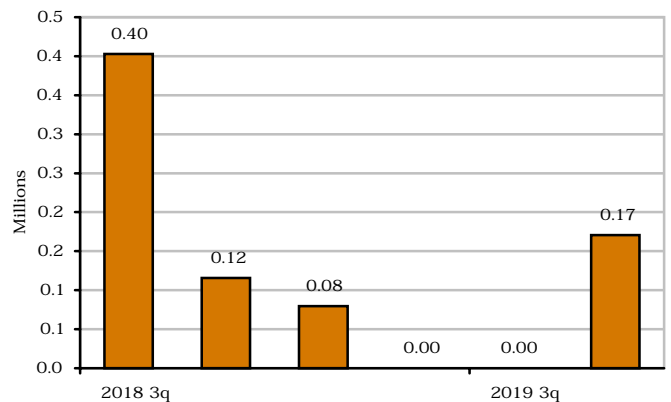
Ratio of Total GLA by Building Type



Source: CoStar Property®

## Future Space Available

Space Scheduled to be Available for Occupancy\*



\* Includes Under Construction Spaces Source: CoStar Property®

## Inland Empire Retail Market



Leasing Activity

## Select Top Retail Leases Based on Leased Square Footage For Deals Signed in 2018

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	Palm Springs Mall (Phase I)	Coachella Valley	188,590	2nd	College of the Desert	N/A	TTY Management, Inc.
2	27550 W Lugonia Ave	East San Bernardino	41,920	1st	Bob's Discount Furniture	N/A	Majestic Realty Co.
3	72333 Highway 111	Coachella Valley	39,287	2nd	Bob's Discount Furniture	Atlantic Retail	Lee & Associates
4	LA Fitness	South Riverside	37,000	1st	LA Fitness	N/A	N/A
5	Stater Bros.	Riverside	30,080	2nd	Stater Bros.	N/A	Direct Deal
6	72680 Dinah Shore Dr	Coachella Valley	25,900	2nd	N/A	N/A	Monterey Shore Holdings LLC
7	Upland Village Center	West San Bernardino	23,585	1st	Ross Dress, Inc.	N/A	Epstein & Associates
8	39681 Avenida Acacias	South Riverside	19,961	2nd	N/A	N/A	Tobias Commercial
9	12618 Schleisman Rd	Riverside	19,104	2nd	99 Only	N/A	N/A
10	12353 C Mariposa Rd	North San Bernardino	18,090	2nd	N/A	N/A	Present Value Properties, Inc.
11	15751 Main St	North San Bernardino	18,040	2nd	DD's	N/A	Michael Development Corp
12	2115-2153 W 16th St	West San Bernardino	14,500	1st	CVS	N/A	Newmark Knight Frank
13	Washington Plaza	South Riverside	14,045	1st	Sistar Mortgage	N/A	Equity Management
14	30025 Date Palm Dr	Coachella Valley	14,000	1st	Fresh and Easy Market	N/A	Lee & Associates
15	13161 Peyton Dr*	West San Bernardino	12,722	1st	CVS Pharmacy	N/A	N/A
16	Foothill Center	Airport Area	12,505	1st	Les Schwab Tire Center	N/A	N/A
17	Central Court Shopping Center	West San Bernardino	12,020	1st	Sandy's Furniture	N/A	CBRE
18	Renaissance Marketplace	East San Bernardino	12,000	1st	Old Navy	N/A	Beta Retail
19	Renaissance Marketplace	East San Bernardino	12,000	2nd	Party City	N/A	Beta Retail
20	The Club Center - Bldg A	East San Bernardino	11,792	2nd	N/A	N/A	CBRE
21	7000 Indiana Ave	Riverside	11,000	1st	Walgreens	NAI Capital	AIP Commercial Brokerage
22	72333 Highway 111	Coachella Valley	10,693	2nd	Five Below	N/A	Lee & Associates
23	990 Ontario Mills Dr*	Airport Area	9,000	1st	Sit 'N Sleep	N/A	Lee & Associates
24	12160 Hesperia Rd	North San Bernardino	8,400	1st	Prince Market	N/A	Hi Desert Plaza LLC
25	Town Center Plaza - Bldg 300	South Riverside	8,090	1st	N/A	N/A	Melanie Raedeker
26	Lake Arrowhead Village	East San Bernardino	8,000	1st	N/A	N/A	KWS Commercial
27	8801 Central Ave	West San Bernardino	8,000	1st	Aaron Brothers Art & Framing	Lee & Associates	Progressive Real Estate Partners
28	Hesperia Square	North San Bernardino	8,000	2nd	N/A	N/A	Westland Real Estate Group
29	Jefferson Gateway Center - Bldg 3	South Riverside	7,942	1st	N/A	N/A	JT-Jefferson LLC
30	Wardlow Shopping Center	Corona	7,777	1st	Corona Power Sports	N/A	Daleo Enterprises
31	69048 E Palm Canyon Dr	Coachella Valley	7,680	2nd	The Floor Works	The Garland Commercial Group	Giannini & Falabrino Properties
32	Foothill Crossing	Airport Area	7,400	2nd	LongHorn Steakhouse	N/A	Argent Retail Advisors
33	Carriage Square	North San Bernardino	7,398	1st	Voktec	Shear Realty	Lee & Associates
34	3856 La Sierra Ave	Riverside	7,000	1st	Ace Hardware	N/A	Argent Retail Advisors
35	780 Inland Center Dr	East San Bernardino	6,534	1st	Adrenaline Martial Arts and Fitness	N/A	Progressive Real Estate Partners
36	24640 Madison Ave	South Riverside	6,500	2nd	Black Bear Diner	CBRE	Coreland Companies
37	Tower Plaza Center - Bldg C	South Riverside	6,483	1st	Talk of the Town Salon Suites	N/A	NAI Capital
38	14284 Schleisman Rd	Riverside	6,407	1st	Bank of America	N/A	Strategic Retail Advisors
39	Carriage Square	North San Bernardino	6,118	1st	Key City Insurance	N/A	Lee & Associates
40	2221 W Esplanade Ave	South Riverside	5,698	1st	Mason Jar	N/A	Lee & Associates

Source: CoStar Property®

\* Renewal

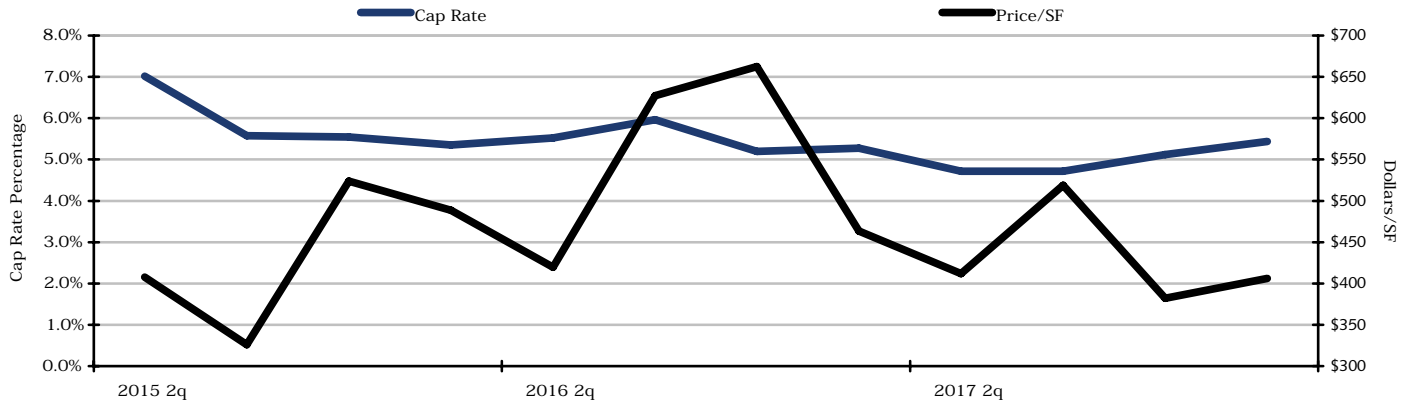


# Inland Empire Retail Market

Sales Activity

## The Optimist Sales Index

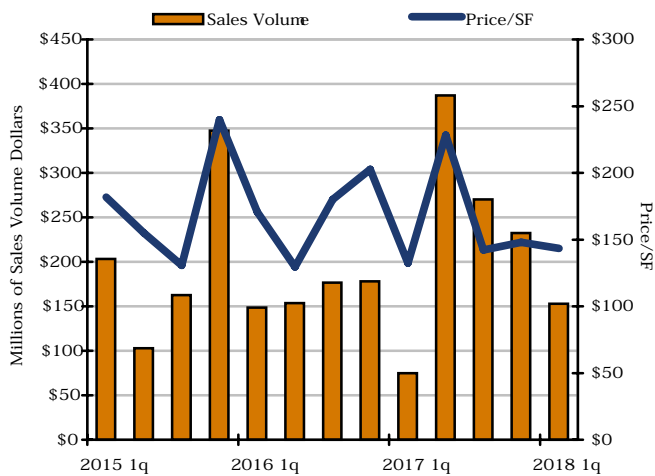
Average of Two Highest Price/SF's and Two Lowest Cap Rates



Source: CoStar COMPS®

## Sales Volume & Price

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Sales Analysis by Building Size

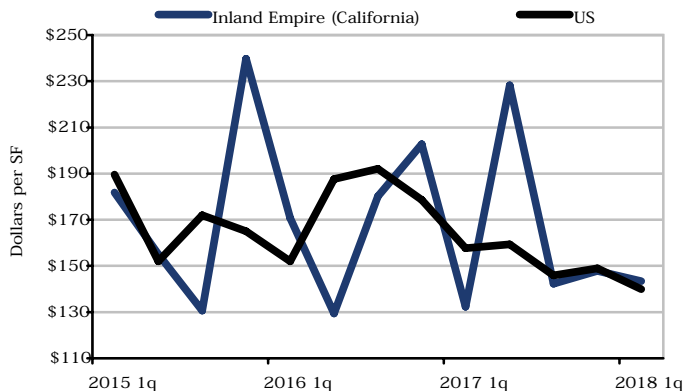
Based on Retail Building Sales From April 2017 - March 2018

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	240	1,931,396	\$626,548,030	\$324.40	5.85%
25K-99K SF	57	2,269,849	\$384,850,862	\$169.55	6.59%
100K-249K SF	13	1,801,520	\$219,775,000	\$121.99	5.77%
>250K SF	4	1,563,813	\$307,275,000	\$196.49	7.70%

Source: CoStar COMPS®

## U.S. Price/SF Comparison

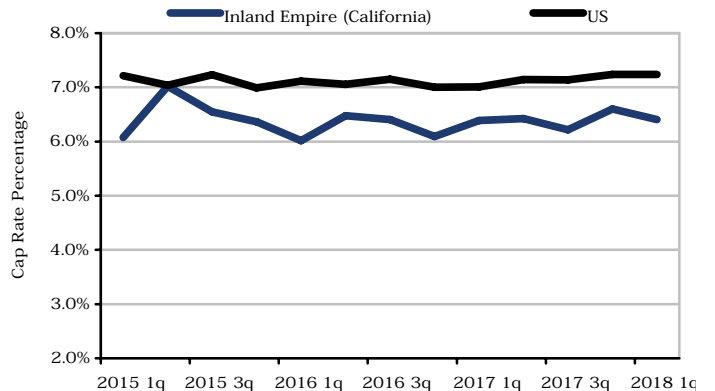
Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## U.S. Cap Rate Comparison

Based on Retail Building Sales of 15,000 SF and Larger



Source: CoStar COMPS®

## Inland Empire Retail Market



Sales Activity

## Select Top Sales

Based on Sales from April 2017 Through June 2018

## 1. Riverside Plaza



## Riverside

Price: **\$165,750,000**  
 Price/SF: **\$402.63**  
 Cap Rate: **5.5%**  
 RBA: **411,670**  
 Date: **4/17/2017**  
 Year Built: **N/A**  
 Buyer: **AEW Capital Management**  
 Seller: **Vestar**

## 2. Moreno Valley Mall



## Moreno Valley

Price: **\$60,250,000**  
 Price/SF: **\$122.69**  
 Cap Rate: **11.6%**  
 RBA: **491,063**  
 Date: **12/15/2017**  
 Year Built: **1992**  
 Buyer: **International Growth Properties**  
 Seller: **U.S. Bank**

## 3. Murrieta Town Center



## Murrieta

Price: **\$56,600,000**  
 Price/SF: **\$168.99**  
 Cap Rate: **6%**  
 RBA: **334,939**  
 Date: **9/25/2017**  
 Year Built: **1990**  
 Buyer: **U.S. Realty Partners, Inc.**  
 Seller: **Jade Enterprises**

## 4. Rancho Las Palmas



## Rancho Mirage

Price: **\$42,500,000**  
 Price/SF: **\$253.74**  
 Cap Rate: **5.9%**  
 RBA: **167,497**  
 Date: **9/28/2017**  
 Year Built: **2016**  
 Buyer: **DRA Advisors LLC**  
 Seller: **Paragon Commercial Group**

## 5. Upland Town Square



## Upland

Price: **\$31,700,000**  
 Price/SF: **\$316.17**  
 Cap Rate: **5.19%**  
 RBA: **100,263**  
 Date: **11/6/2017**  
 Year Built: **1968**  
 Buyer: **Brixmor Property Group**  
 Seller: **IRA Capital**

## 6. Perris Plaza



## Perris

Price: **\$31,400,000**  
 Price/SF: **\$209.13**  
 Cap Rate: **6.44%**  
 RBA: **150,148**  
 Date: **12/1/2017**  
 Year Built: **N/A**  
 Buyer: **SandTree Holdings LLC**  
 Seller: **The Coudures Family LP**

## 7. Sierra Del Oro Towne Centre



## Corona

Price: **\$28,600,000**  
 Price/SF: **\$252.57**  
 Cap Rate: **6.05%**  
 RBA: **113,234**  
 Date: **6/21/2017**  
 Year Built: **1991**  
 Buyer: **Phillips Edison & Co, Inc.**  
 Seller: **Cornerstone Development Partners, Inc.**

## 8. McKinley Crossroads



## Corona

Price: **\$24,675,000**  
 Price/SF: **\$75.66**  
 Cap Rate: **N/A**  
 RBA: **326,141**  
 Date: **9/12/2017**  
 Year Built: **1989**  
 Buyer: **ShopOne Centers REIT, Inc.**  
 Seller: **Torchlight Loan Services LLC**

## 9. Michael's Plaza



## Riverside

Price: **\$22,150,000**  
 Price/SF: **\$351.86**  
 Cap Rate: **6.35%**  
 RBA: **62,952**  
 Date: **8/1/2017**  
 Year Built: **1986**  
 Buyer: **jKim Group, Inc.**  
 Seller: **The Krausz Companies, Inc.**





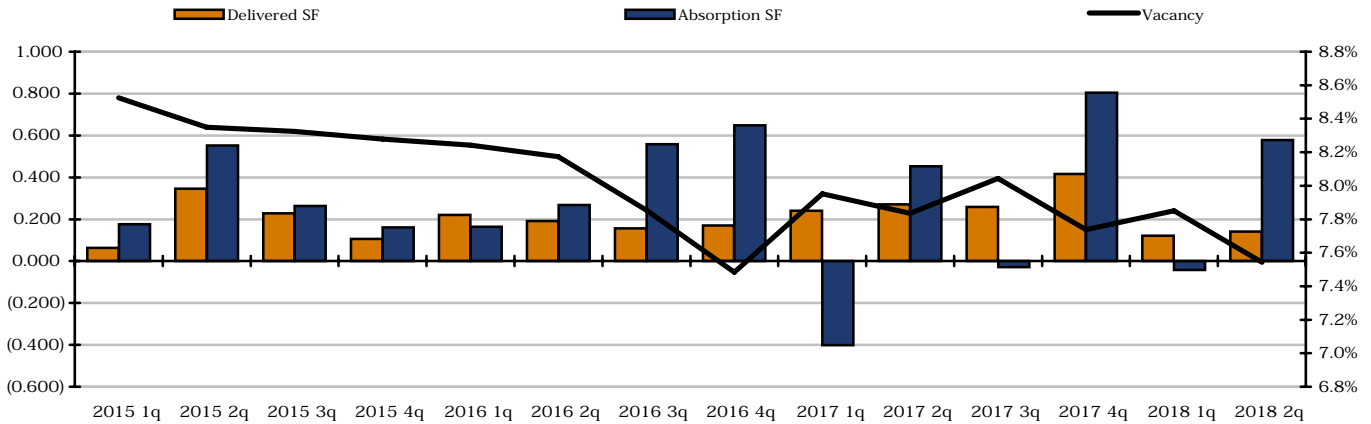
# Inland Empire Retail Market

Inland Empire East Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

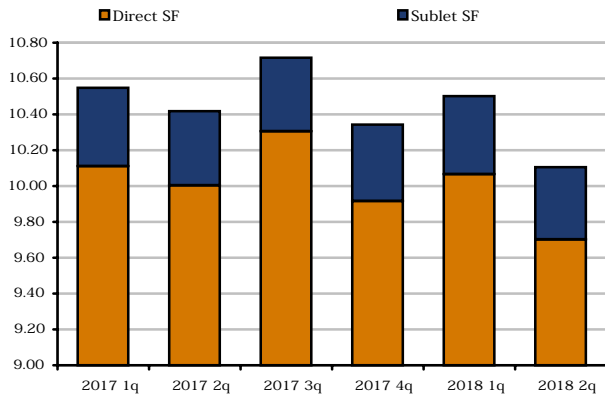
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

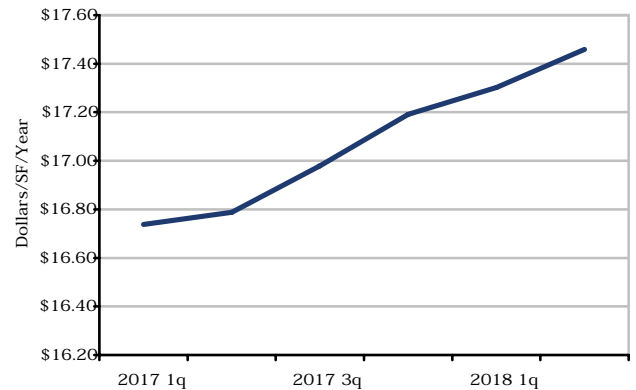
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 2q	11,900	133,965,537	10,106,225	7.5%	577,687	9	140,445	81	1,543,652	\$17.46
2018 1q	11,888	133,783,979	10,502,354	7.9%	(41,613)	12	120,568	57	1,116,041	\$17.30
2017 4q	11,877	133,665,636	10,342,398	7.7%	804,294	21	416,358	54	1,067,806	\$17.19
2017 3q	11,854	133,235,621	10,716,677	8.0%	(27,808)	24	258,959	66	1,250,924	\$16.98
2017 2q	11,828	132,964,971	10,418,219	7.8%	453,159	9	271,485	82	1,403,210	\$16.79
2017 1q	11,818	132,641,363	10,547,770	8.0%	(401,611)	12	239,923	57	1,064,188	\$16.74
2016 4q	11,806	132,401,566	9,908,250	7.5%	648,617	15	169,512	52	899,622	\$16.88
2016 3q	11,791	132,230,321	10,385,622	7.9%	558,023	20	155,847	50	932,399	\$16.76
2016 2q	11,774	132,083,480	10,796,804	8.2%	268,121	11	191,613	45	669,499	\$16.15
2016 1q	11,763	131,889,429	10,870,874	8.2%	164,794	23	220,529	40	639,476	\$15.96
2015 4q	11,752	131,762,180	10,908,419	8.3%	161,471	11	106,400	49	567,108	\$15.95
2015 3q	11,740	131,651,582	10,959,292	8.3%	263,518	6	228,443	49	595,142	\$16.02
2015 2q	11,734	131,399,768	10,970,996	8.3%	552,590	9	346,352	38	669,350	\$15.92
2015 1q	11,725	131,047,875	11,171,693	8.5%	175,790	4	63,202	26	810,257	\$15.82
2014 4q	11,722	130,987,545	11,287,153	8.6%	1,075,266	11	373,179	19	738,683	\$15.86
2014 3q	11,708	130,014,534	11,389,408	8.8%	246,883	9	106,268	29	1,566,228	\$15.92

Source: CoStar Property®



# Inland Empire Retail Market

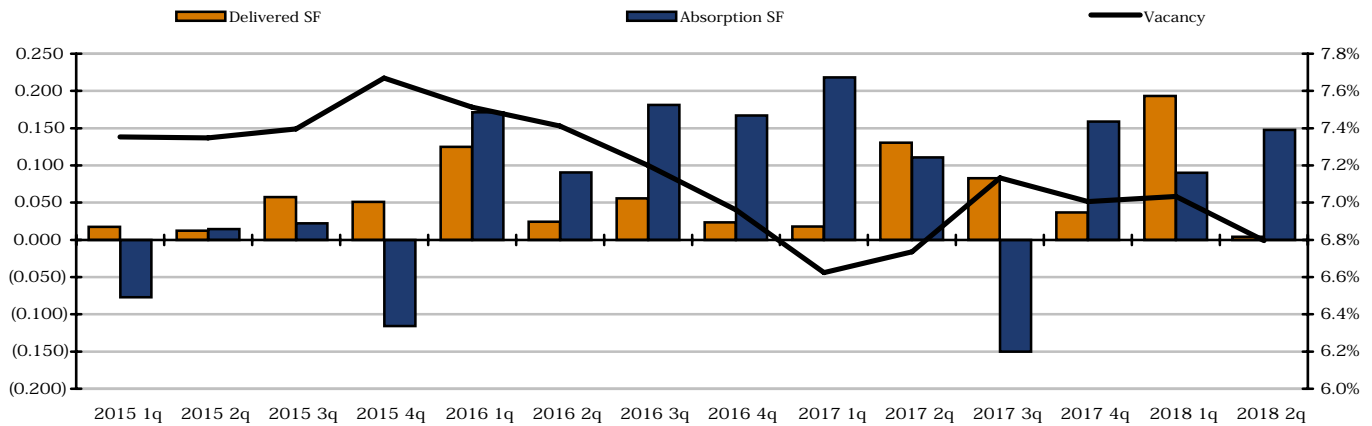


Inland Empire West Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

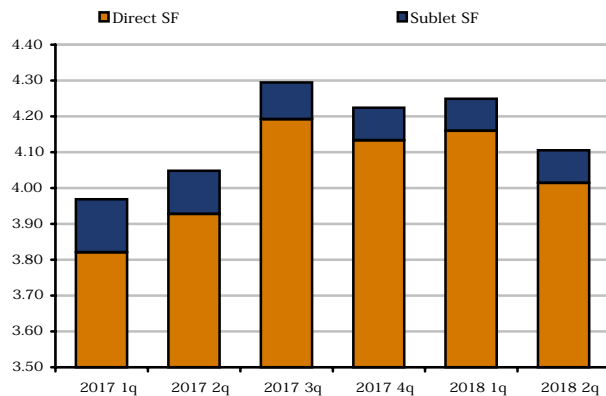
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

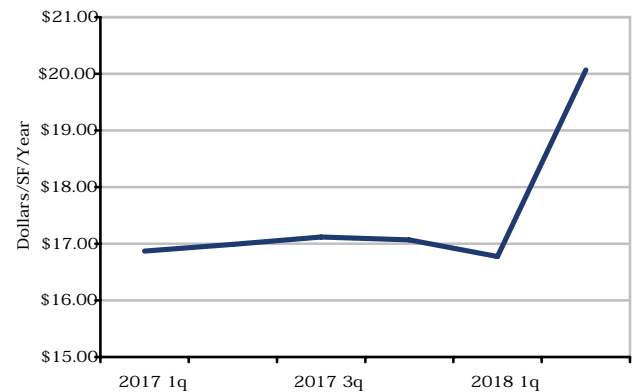
Historical Analysis, All Classes



Source: CoStar Property®

## Quoted Rental Rates

Historical Analysis, All Classes



Source: CoStar Property®

Period	Existing Inventory		Vacancy		Net Absorption	Delivered Inventory		UC Inventory		Quoted Rates
	# Bldgs	Total RBA	Vacant SF	Vacancy %		# Bldgs	Total RBA	# Bldgs	Total RBA	
2018 2q	4,848	60,415,385	4,105,484	6.8%	147,603	1	4,260	24	535,574	\$20.07
2018 1q	4,847	60,411,125	4,248,827	7.0%	90,179	15	193,130	22	476,059	\$16.78
2017 4q	4,834	60,295,884	4,223,765	7.0%	159,093	5	36,907	29	569,275	\$17.07
2017 3q	4,828	60,207,599	4,294,573	7.1%	(150,326)	7	83,018	33	595,958	\$17.12
2017 2q	4,819	60,111,956	4,048,604	6.7%	110,664	5	130,367	34	592,987	\$16.99
2017 1q	4,813	59,921,665	3,968,977	6.6%	218,077	3	17,931	27	647,241	\$16.87
2016 4q	4,808	59,899,090	4,169,123	7.0%	167,033	3	23,293	18	549,490	\$16.62
2016 3q	4,805	59,874,084	4,311,150	7.2%	181,260	6	55,586	16	516,661	\$16.37
2016 2q	4,798	59,814,287	4,432,613	7.4%	90,390	5	24,210	15	180,461	\$16.04
2016 1q	4,792	59,782,314	4,491,030	7.5%	171,215	6	124,845	19	201,384	\$16.26
2015 4q	4,787	59,698,147	4,578,078	7.7%	(115,626)	6	50,991	20	270,147	\$16.40
2015 3q	4,781	59,647,156	4,411,461	7.4%	22,248	3	57,616	17	224,422	\$16.26
2015 2q	4,778	59,592,364	4,378,917	7.3%	14,628	2	12,350	9	109,607	\$16.20
2015 1q	4,776	59,580,014	4,381,195	7.4%	(76,953)	4	17,566	5	68,831	\$16.10
2014 4q	4,773	59,563,566	4,287,794	7.2%	74,038	6	25,812	5	21,066	\$16.04
2014 3q	4,766	59,525,863	4,324,129	7.3%	94,131	4	29,948	12	57,777	\$15.98

Source: CoStar Property®