

# CoStar Retail Statistics

Year - End 2016

## Inland Empire Retail Market



**CoStar**<sup>TM</sup>  
The knowledge market

## Table of Contents

Table of Contents . . . . .	<b>A</b>
Methodology . . . . .	<b>B</b>
Terms & Definitions . . . . .	<b>C</b>
Market Highlights & Overview . . . . .	<b>1</b>
CoStar Markets & Submarkets . . . . .	<b>4</b>
Inventory & Development Analysis . . . . .	<b>5</b>
Inventory & Development Analysis	
Select Top Deliveries	
Select Top Under Construction Properties	
Figures at a Glance . . . . .	<b>9</b>
Figures at a Glance by Building Type & Market	
Figures at a Glance by Building Type & Submarket	
Historical Figures at a Glance	
Leasing Activity Analysis . . . . .	<b>14</b>
Select Top Lease Transactions	
Sales Activity Analysis . . . . .	<b>16</b>
Sales Activity Analysis	
Select Top Sales Transactions	
Analysis of Individual CoStar Submarket Clusters . . . . .	<b>18</b>
Inland Empire East Market	
Inland Empire West Market	

## Methodology

The CoStar Retail Statistics 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 95.6 billion square feet of coverage in 4.4 million properties. All rental rates reported in CoStar Retail Statistics are calculated using Triple Net (NNN) rental rates.

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**CoStar Group, Inc.**

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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 7.5% Net Absorption Positive 921,022 SF in the Quarter

The Inland Empire retail market experienced a slight improvement in market conditions in the fourth quarter 2016. The vacancy rate went from 7.9% in the previous quarter to 7.5% in the current quarter. Net absorption was positive 921,022 square feet, and vacant sublease space increased by 23,441 square feet. Quoted rental rates increased from third quarter 2016 levels, ending at \$16.87 per square foot per year. A total of 17 retail buildings with 179,893 square feet of retail space were delivered to the market in the quarter, with 712,761 square feet still under construction at the end of the quarter.

### Net Absorption

Retail net absorption was strong in Inland Empire fourth quarter 2016, with positive 921,022 square feet absorbed in the quarter. In third quarter 2016, net absorption was positive 907,740 square feet, while in second quarter 2016, absorption came in at positive 198,900 square feet. In first quarter 2016, positive 179,241 square feet was absorbed in the market.

Tenants moving out of large blocks of space in 2016 include: Kmart moving out of 100,000 square feet at 17099 Valley Blvd; Burlington Coat Factory moving out of 78,000 square feet at The Springs - Building B; and World Gym moving out of 60,000 square feet at Sunrise Square.

Tenants moving into large blocks of space in 2016 include: JCPenney moving into 152,178 square feet at 300 Inland Center Dr; GTI Closeout moving into 104,230 square feet at 1175 S Mount Vernon Ave; and Gelson's Market moving into 49,860 square feet at 36101 Bob Hope Dr.

### Vacancy

Inland Empire's retail vacancy rate decreased in the fourth quarter 2016, ending the quarter at 7.5%. Over the past four quarters, the market has seen an overall decrease in the vacancy rate, with the rate going from 8.3% in the first quarter 2016, to 8.3% at the end of the second quarter 2016, 7.9% at the end of the third quarter 2016, to 7.5% in the current quarter.

The amount of vacant sublease space in the Inland Empire market has trended up over the past four quarters. At the end of the first quarter 2016, there were 555,325 square feet of vacant sublease space. Currently, there are 667,038 square feet vacant in the market.

### Largest Lease Signings

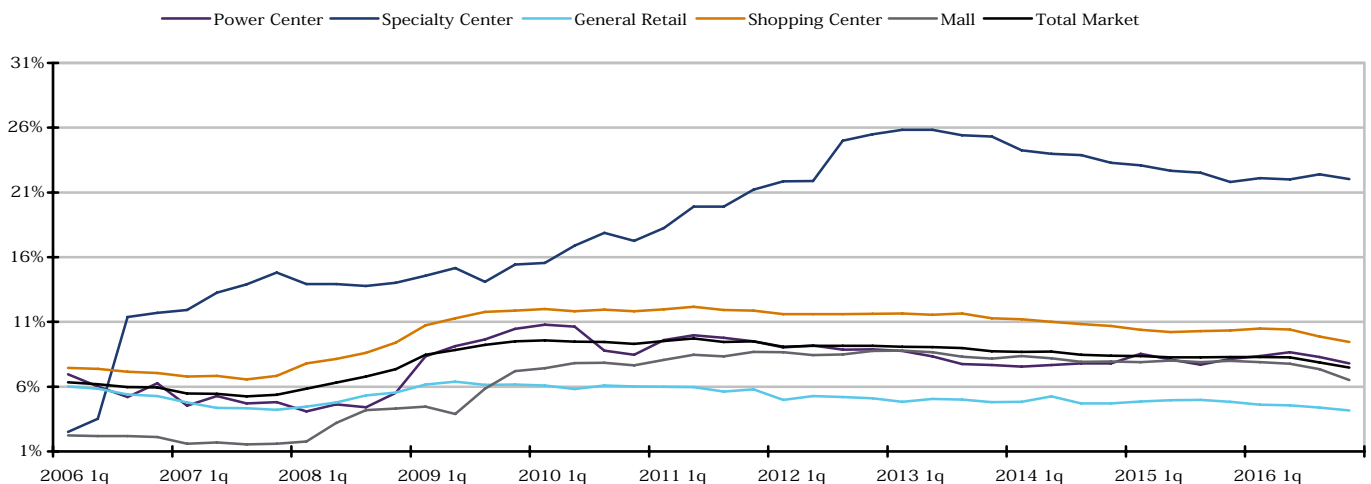
The largest lease signings occurring in 2016 included: the 152,178-square-foot-lease signed by JCPenney at 300 Inland Center Dr; the 104,230-square-foot-deal signed by GTI Closeout at 1175 S Mount Vernon Ave; and the 55,000-square-foot-lease signed by Hobby Lobby at 2663 Canyon Springs Pky.

### 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 fourth quarter 2016 at \$16.87 per square foot per year. That compares to \$16.74 per square foot in the third quarter 2016, \$16.16 per square foot in the second quarter 2016 and \$16.11 per square foot at the end of the first quarter 2016. This represents a 0.8%

## Vacancy Rates by Building Type

2006-2016



Source: CoStar Property®

increase in rental rates in the current quarter, and a 4.72% increase from four quarters ago.

## Inventory & Construction

During the fourth quarter 2016, 17 buildings totaling 179,893 square feet were completed in the Inland Empire retail market. Over the past four quarters, a total of 787,246 square feet of retail space has been built in Inland Empire. In addition to the current quarter, 26 buildings with 214,702 square feet were completed in third quarter 2016, 15 buildings totaling 136,332 square feet completed in second quarter 2016, and 256,319 square feet in 27 buildings completed in first quarter 2016.

There were 712,761 square feet of retail space under construction at the end of the fourth quarter 2016.

Some of the notable 2016 deliveries include: Town Center Marketplace, a 42,020-square-foot facility that delivered in third quarter 2016 and is now 100% occupied, and 7870 Indiana Ave, a 40,623-square-foot building that delivered in second quarter 2016 and is now 100% occupied.

Total retail inventory in the Inland Empire market area amounted to 187,435,256 square feet in 15,950 buildings and 1,879 centers as of the end of the fourth quarter 2016.

## Shopping Center

The Shopping Center market in Inland Empire currently consists of 1,804 projects with 89,440,221 square feet of retail space in 5,407 buildings. In this report the Shopping Center market is comprised of all Community Centers, Neighborhood Centers, and Strip Centers.

After absorbing 463,877 square feet and delivering 94,390 square feet in the current quarter, the Shopping Center sector saw the vacancy rate go from 9.9% at the end of the third quarter 2016 to 9.4% this quarter.

Over the past four quarters, the Shopping Center vacancy rate has gone from 10.5% at the end of the first quarter 2016,

to 10.4% at the end of the second quarter 2016, to 9.9% at the end of the third quarter 2016, and finally to 9.4% at the end of the current quarter.

Rental rates ended the fourth quarter 2016 at \$16.59 per square foot, up from the \$16.50 they were at the end of third quarter 2016. Rental rates have trended up over the past year, going from \$16.35 per square foot a year ago to their current levels.

Net absorption in the Shopping Center sector has totaled 1,159,686 square feet over the past four quarters. In addition to the positive 463,877 square feet absorbed this quarter, positive 628,814 square feet was absorbed in the third quarter 2016, positive 90,647 square feet was absorbed in the second quarter 2016, and negative (23,652) square feet was absorbed in the first quarter 2016.

## Power Centers

The Power Center average vacancy rate was 7.8% in the fourth quarter 2016. With positive 90,232 square feet of net absorption and no new deliveries, the vacancy rate went from 8.3% at the end of last quarter to 7.8% at the end of the fourth quarter.

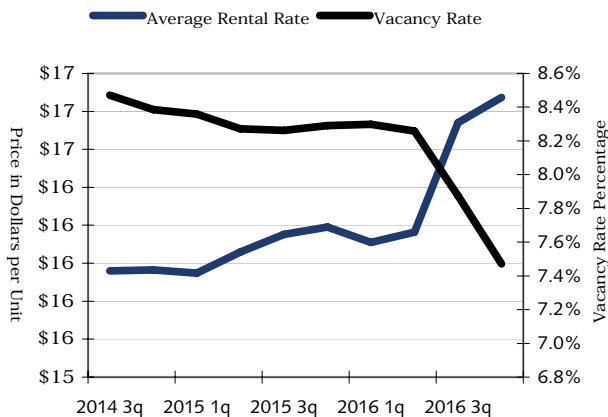
In the third quarter 2016, Power Centers absorbed positive 66,727 square feet, delivered no new space, and the vacancy rate went from 8.7% to 8.3% over the course of the quarter. Rental rates started the quarter at \$18.12 per square foot and ended the quarter at \$18.81 per square foot.

A year ago, in fourth quarter 2015, the vacancy rate was 8.1%. Over the past four quarters, Power Centers have absorbed a cumulative 87,365 square feet of space and delivered cumulative 27,020 square feet of space. Vacant sublease space has gone from 85,544 square feet to 131,853 square feet over that time period, and rental rates have gone from \$18.51 to \$18.63.

At the end of the fourth quarter 2016, there were 25,450 square feet under construction in the Inland Empire market. The total stock of Power Center space in Inland Empire currently sits at 18,283,726 square feet in 39 centers comprised of 522 buildings.

## VACANCY & RENT

### Past 10 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 4.2% at the end of fourth quarter 2016. There was a total of 2,482,439 square feet vacant at that time. The General Retail sector in Inland Empire currently has average rental rates of \$16.45 per square foot per year. There are 229,879 square feet of space under construction in this sector, with 79,203 square feet having been completed in the fourth quarter. In all, there are a total of 9,710 buildings with 59,515,539 square feet of General Retail space in Inland Empire.



# Inland Empire Retail Market



Overview

## Specialty Centers

There are currently 13 Specialty Centers in the Inland Empire market, making up 2,166,494 square feet of retail space. In this report the Specialty Center market is comprised of Outlet Centers, Airport Retail and Theme/Festival Centers.

Specialty Centers in the Inland Empire market have experienced negative (4,582) square feet of net absorption in 2016. The vacancy rate currently stands at 22.0%, and rental rates average \$20.20 per square foot.

## Malls

Malls recorded net absorption of positive 156,473 square feet in the fourth quarter 2016. This net absorption number, combined with the 6,300 square feet that was built in the quarter, caused the vacancy rate to go from 7.4% a quarter ago to 6.5% at the end of the fourth quarter 2016. Rental rates went from \$22.28 per square foot to \$21.86 per square foot during that time. In this report the Mall market is comprised of 23 Lifestyle Centers, Regional Malls and Super Regional Malls.

## Sales Activity

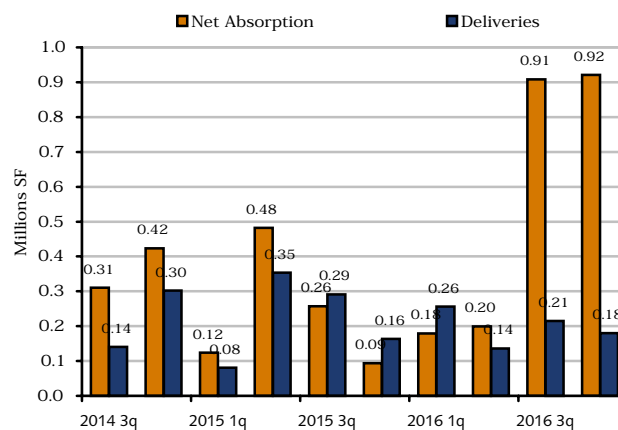
Tallying retail building sales of 15,000 square feet or larger, Inland Empire (California) retail sales figures rose during the third quarter 2016 in terms of dollar volume compared to the second quarter of 2016.

In the third quarter, 24 retail transactions closed with a total volume of \$176,609,856. The 24 buildings totaled 992,382 square feet and the average price per square foot equated to \$177.97 per square foot. That compares to 24 transactions totaling \$152,690,500 in the second quarter 2016. The total square footage in the second quarter was 1,132,823 square feet for an average price per square foot of \$134.79.

Total retail center sales activity in 2016 was up compared to 2015. In the first nine months of 2016, the market saw 71 retail sales transactions with a total volume of \$477,728,765.

## ABSORPTION & DELIVERIES

### Past 10 Quarters



Source: CoStar Property®

The price per square foot averaged \$161.62. In the same first nine months of 2015, the market posted 66 transactions with a total volume of \$470,735,145. The price per square foot averaged \$156.62.

Cap rates have been lower in 2016, averaging 6.30% compared to the same period in 2015 when they averaged 6.55%.

One of the largest transactions that has occurred within the last four quarters in the Inland Empire (California) market is the sale of Tanger Outlet Center in Barstow. This 180,929 square foot retail center sold for \$106,700,000, or \$589.73 per square foot. The property sold on 10/5/2015, at a 5.80% cap rate.

Reports compiled by: Paula Bonner, Emily Chiu, and Pharoeth Mendoza, CoStar Research Managers





## 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.

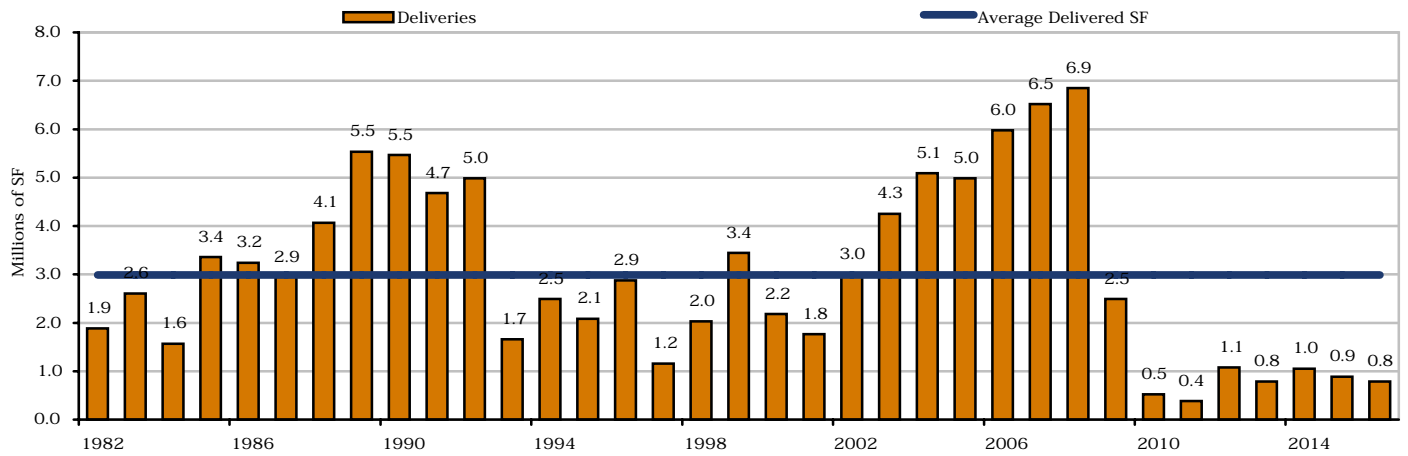
Submarket Clusters	Submarkets
Inland Empire East	Coachella Valley Corona East San Bernardino Riverside South Riverside
Inland Empire West	Airport Area North San Bernardino West San Bernardino

# Inland Empire Retail Market



Inventory & development

## Historical Deliveries 1982 - 2016



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

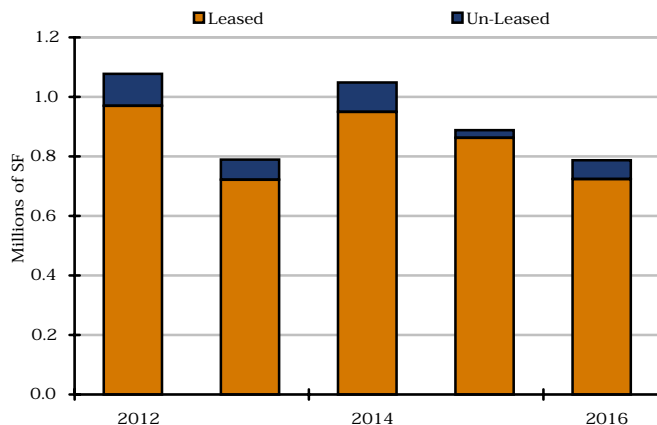
## Construction Activity Markets Ranked by Under Construction Square Footage

Market	Under Construction Inventory				Average Bldg Size	
	# Bldgs	Total GLA	Preleased SF	Preleased %	All Existing	U/C
Inland Empire East	34	622,861	560,113	89.9%	11,454	18,319
Inland Empire West	5	89,900	49,970	55.6%	12,449	17,980
<b>Totals</b>	<b>39</b>	<b>712,761</b>	<b>610,083</b>	<b>85.6%</b>	<b>11,751</b>	<b>18,276</b>

Source: CoStar Property®

## Recent Deliveries

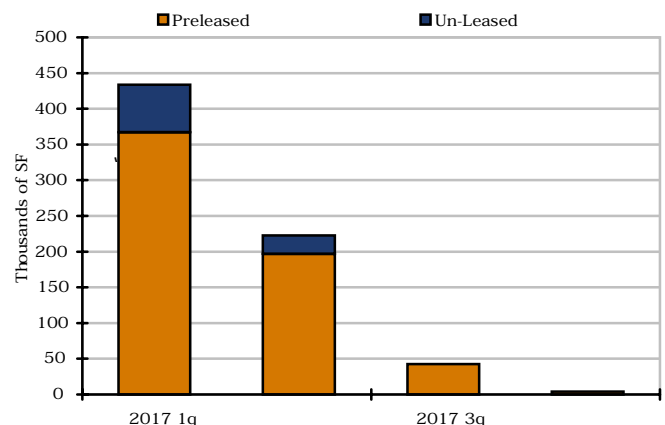
Leased & Un-Leased SF in Deliveries Since 2012



Source: CoStar Property®

## Future Deliveries

Preleased & Un-Leased SF in Properties Scheduled to Deliver



Source: CoStar Property®

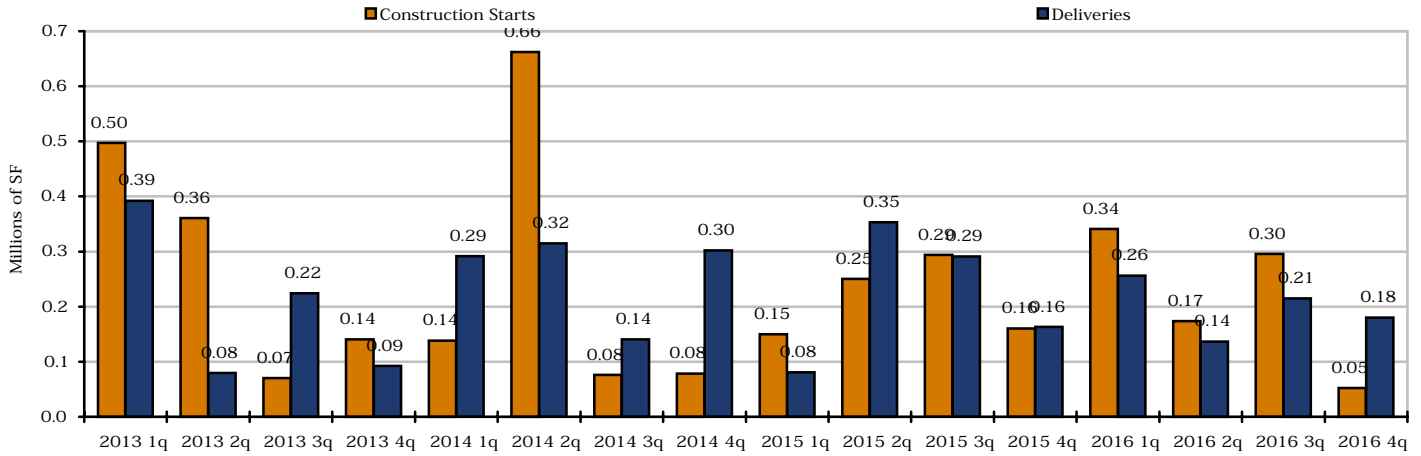


# Inland Empire Retail Market

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	85	787,246	723,944	92.0%	\$33.88	356,803	430,443
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

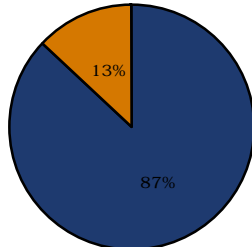
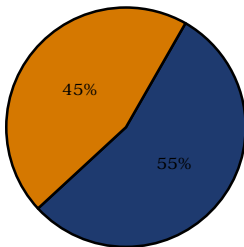
Source: CoStar Property®

## Recent Development by Tenancy

Based on GLA Developed for Single & Multi Tenant Use

2016 Deliveries

Currently Under Construction



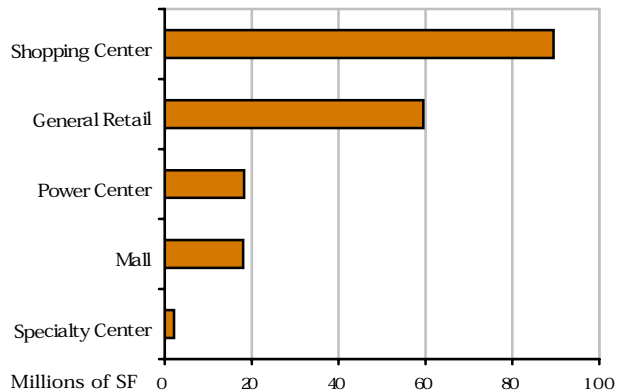
■ Multi ■ Single

■ 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. 30139 Haun Rd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>42,020</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>Third Quarter 2016</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>Rich Development Company</b></p>	<p><b>2. 7870 Indiana Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>40,623</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2015</b>  Deliv Date: <b>Second Quarter 2016</b>  Leasing Co: <b>Walters Auto Group</b>  Developer: <b>N/A</b></p>	<p><b>3. 2243 W Florida Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>40,000</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2016</b>  Deliv Date: <b>Fourth Quarter 2016</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>
<p><b>4. 48990 Mojave Dr</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>26,162</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2015</b>  Deliv Date: <b>First Quarter 2016</b>  Leasing Co: <b>Hadley Fruit Orchards, Inc.</b>  Developer: <b>N/A</b></p>	<p><b>5. 27749 Clinton Keith Rd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>22,879</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2016</b>  Deliv Date: <b>Fourth Quarter 2016</b>  Leasing Co: <b>KZ DevCo LP</b>  Developer: <b>KZ DevCo LP</b></p>	<p><b>6. La Quinta Square - ALDI</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>20,461</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>First Quarter 2016</b>  Leasing Co: <b>Retail Net Lease Properties</b>  Developer: <b>Moorefield Construction, Inc.</b></p>
<p><b>7. 34000 Yucaipa Blvd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>20,000</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Second Quarter 2015</b>  Deliv Date: <b>First Quarter 2016</b>  Leasing Co: <b>N/A</b>  Developer: <b>Doerken Properties, Inc.</b></p>	<p><b>8. 2438 Hamner Ave</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>19,669</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Fourth Quarter 2015</b>  Deliv Date: <b>Second Quarter 2016</b>  Leasing Co: <b>Lee &amp; Associates CRE</b>  Developer: <b>Evergreen Devco, Inc.</b></p>	<p><b>9. 12543 Main St</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>18,800</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>First Quarter 2016</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>
<p><b>10. 1060 Calimesa Blvd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>18,800</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2016</b>  Deliv Date: <b>Fourth Quarter 2016</b>  Leasing Co: <b>Sobel Enterprises, Inc.</b>  Developer: <b>N/A</b></p>	<p><b>11. 30155 Haun Rd</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>18,440</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>Third Quarter 2016</b>  Leasing Co: <b>Strategic Retail Advisors</b>  Developer: <b>Rich Development Company</b></p>	<p><b>12. 4920 La Sierra Ave - Rite Aid</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>17,340</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>First Quarter 2016</b>  Leasing Co: <b>N/A</b>  Developer: <b>N/A</b></p>
<p><b>13. 28995 Newport Rd - Rite Aid</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>17,185</b>  Occupied: <b>100%</b>  Quoted Rate: <b>N/A</b>  Grnd Brk Date: <b>First Quarter 2016</b>  Deliv Date: <b>Fourth Quarter 2016</b>  Leasing Co: <b>Lee &amp; Associates CRE</b>  Developer: <b>Parkcrest Properties, Inc.</b></p>	<p><b>14. Orchard Plaza - Bldg A</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>  RBA: <b>15,895</b>  Occupied: <b>80%</b>  Quoted Rate: <b>\$33.00</b>  Grnd Brk Date: <b>Third Quarter 2015</b>  Deliv Date: <b>Third Quarter 2016</b>  Leasing Co: <b>Legendary Commercial</b>  Developer: <b>Robhana Group</b></p>	<p><b>15. 12550 Day St</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>  RBA: <b>15,100</b>  Occupied: <b>14%</b>  Quoted Rate: <b>Negotiable</b>  Grnd Brk Date: <b>Second Quarter 2016</b>  Deliv Date: <b>Fourth Quarter 2016</b>  Leasing Co: <b>CBRE</b>  Developer: <b>N/A</b></p>



# Inland Empire Retail Market

Inventory &amp; development

## Select Top Under Construction Properties

Based on Project Square Footage

<p><b>1. Rialto Marketplace</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>239,552</b>            Preleased: <b>98%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>First Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>New Mark Merrill Co.</b>            Developer: <b>Ed Grush General Contractor, Inc.</b></p>	<p><b>2. 25560 Madison Ave - CarMax</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>90,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Pieper Obrien Architect</b>            Developer: <b>N/A</b></p>	<p><b>3. Epicentre Rancho Cucamonga</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>            RBA: <b>50,000</b>            Preleased: <b>77%</b>            Quoted Rate: <b>\$32.65</b>            Grnd Brk Date: <b>Fourth Quarter 2015</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Realty Asset Services</b>            Developer: <b>N/A</b></p>
<p><b>4. Chrysler, Dodge, Jeep, RAM Dealership</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>42,713</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>Third Quarter 2017</b>            Leasing Co: <b>Geovel, Inc.</b>            Developer: <b>Monarch Construction</b></p>	<p><b>5. Moreno Valley Hyundai</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>40,000</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Sterling Usa Development</b>            Developer: <b>Sauers Lopez Construction</b></p>	<p><b>6. Audi of Temecula</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>37,500</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Hoehn Motors, Inc.</b>            Developer: <b>N/A</b></p>
<p><b>7. Moutain Grove - NIKE Factory Store</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>20,050</b>            Preleased: <b>100%</b>            Quoted Rate: <b>N/A</b>            Grnd Brk Date: <b>Third Quarter 2015</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Majestic Realty Co.</b>            Developer: <b>N/A</b></p>	<p><b>8. Norco Village - Shops 1 &amp; 2</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>15,675</b>            Preleased: <b>64%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>Strategic Retail Advisors</b>            Developer: <b>N/A</b></p>	<p><b>9. Rancho Cucamonga Business Park</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>            RBA: <b>15,500</b>            Preleased: <b>74%</b>            Quoted Rate: <b>\$48.00</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Capital Realty</b>            Developer: <b>Costanzo Investments</b></p>
<p><b>10. Midtown Spectrum - Bldg 3</b></p> <p>Submarket: <b>Inland Empire West Retail Market</b>            RBA: <b>15,000</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>AyZar Commerical</b>            Developer: <b>AyZar Development</b></p>	<p><b>11. Wildomar Square - Bldg 4</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>10,200</b>            Preleased: <b>29%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>DH Holdings, Inc.</b>            Developer: <b>Regency Centers Corporation</b></p>	<p><b>12. Super Wal-Mart Center - Shops C</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>10,000</b>            Preleased: <b>0%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Third Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>Progressive Real Estate Partners</b>            Developer: <b>N/A</b></p>
<p><b>13. Tudor Plaza</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>9,436</b>            Preleased: <b>0%</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>14. Wildomar Square - Bldg 6</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>8,250</b>            Preleased: <b>64%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Fourth Quarter 2016</b>            Deliv Date: <b>Second Quarter 2017</b>            Leasing Co: <b>DH Holdings, Inc.</b>            Developer: <b>N/A</b></p>	<p><b>15. Towngate Promenade - Pad J</b></p> <p>Submarket: <b>Inland Empire East Retail Market</b>            RBA: <b>8,000</b>            Preleased: <b>17%</b>            Quoted Rate: <b>Negotiable</b>            Grnd Brk Date: <b>Second Quarter 2016</b>            Deliv Date: <b>First Quarter 2017</b>            Leasing Co: <b>CBRE</b>            Developer: <b>N/A</b></p>

# Inland Empire Retail Market



Figures at a Glance

## General Retail Market Statistics

Year-End 2016

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	6,962	42,561,294	1,667,136	1,833,686	4.3%	521,468	306,710	225,879	\$17.61
Inland Empire West	2,748	16,954,245	644,155	648,753	3.8%	168,956	57,593	4,000	\$13.96
<b>Totals</b>	<b>9,710</b>	<b>59,515,539</b>	<b>2,311,291</b>	<b>2,482,439</b>	<b>4.2%</b>	<b>690,424</b>	<b>364,303</b>	<b>229,879</b>	<b>\$16.45</b>

Source: CoStar Property®

## Mall Market Statistics

Year-End 2016

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	17	11,902,600	997,115	1,057,715	8.9%	223,074	6,300	40,000	\$21.84
Inland Empire West	6	6,126,676	116,861	116,861	1.9%	50,936	0	0	\$21.93
<b>Totals</b>	<b>23</b>	<b>18,029,276</b>	<b>1,113,976</b>	<b>1,174,576</b>	<b>6.5%</b>	<b>274,010</b>	<b>6,300</b>	<b>40,000</b>	<b>\$21.86</b>

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2016

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	23	9,900,303	642,244	681,553	6.9%	124,664	19,520	20,050	\$17.87
Inland Empire West	16	8,383,423	653,316	745,860	8.9%	(37,299)	7,500	5,400	\$19.35
<b>Totals</b>	<b>39</b>	<b>18,283,726</b>	<b>1,295,560</b>	<b>1,427,413</b>	<b>7.8%</b>	<b>87,365</b>	<b>27,020</b>	<b>25,450</b>	<b>\$18.63</b>

Source: CoStar Property®

## Shopping Center Market Statistics

Year-End 2016

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	1,227	62,388,025	5,736,258	5,887,178	9.4%	930,281	300,313	336,932	\$16.74
Inland Empire West	577	27,052,196	2,402,864	2,555,381	9.4%	229,405	89,310	80,500	\$16.29
<b>Totals</b>	<b>1,804</b>	<b>89,440,221</b>	<b>8,139,122</b>	<b>8,442,559</b>	<b>9.4%</b>	<b>1,159,686</b>	<b>389,623</b>	<b>417,432</b>	<b>\$16.59</b>

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2016

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	7	1,287,605	192,095	192,095	14.9%	(6,289)	0	0	\$19.54
Inland Empire West	6	878,889	285,100	285,100	32.4%	1,707	0	0	\$24.77
<b>Totals</b>									

Source: CoStar Property®

## Total Retail Market Statistics

Year-End 2016

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	11,179	128,039,827	9,234,848	9,652,227	7.5%	1,793,198	632,843	622,861	\$17.07
Inland Empire West	4,771	59,395,429	4,102,296	4,351,955	7.3%	413,705	154,403	89,900	\$16.51
<b>Totals</b>	<b>15,950</b>	<b>187,435,256</b>	<b>13,337,144</b>	<b>14,004,182</b>	<b>7.5%</b>	<b>2,206,903</b>	<b>787,246</b>	<b>712,761</b>	<b>\$16.87</b>

Source: CoStar Property®



# Inland Empire Retail Market

Figures at a Glance

## General Retail Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	1,101	7,523,272	291,885	296,483	3.9%	76,827	23,943	0	\$15.89
Coachella Valley	1,246	8,073,540	491,961	501,361	6.2%	(45,878)	9,335	42,713	\$20.39
Corona	239	1,554,354	78,140	92,140	5.9%	8,403	3,324	0	\$33.02
East San Bernardino	2,255	13,584,234	643,969	787,119	5.8%	210,697	41,830	9,436	\$13.16
North San Bernardino	1,124	5,888,808	274,190	274,190	4.7%	76,114	33,650	4,000	\$11.48
Riverside	2,041	11,189,345	285,481	285,481	2.6%	252,827	183,876	19,392	\$17.88
South Riverside	1,181	8,159,821	167,585	167,585	2.1%	95,419	68,345	154,338	\$18.13
West San Bernardino	523	3,542,165	78,080	78,080	2.2%	16,015	0	0	\$23.61
<b>Totals</b>	<b>9,710</b>	<b>59,515,539</b>	<b>2,311,291</b>	<b>2,482,439</b>	<b>4.2%</b>	<b>690,424</b>	<b>364,303</b>	<b>229,879</b>	<b>\$16.45</b>

Source: CoStar Property®

## Mall Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Ctrs	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	3	3,601,169	34,297	34,297	1.0%	15,151	0	0	\$20.16
Coachella Valley	4	2,149,446	208,543	223,543	10.4%	21,926	0	0	\$20.51
Corona	1	493,702	10,715	10,715	2.2%	22,264	0	0	\$31.16
East San Bernardino	2	1,892,962	451,408	451,408	23.8%	154,693	0	0	\$0.00
North San Bernardino	1	683,647	5,630	5,630	0.8%	0	0	0	\$30.00
Riverside	8	5,639,443	240,860	286,460	5.1%	43,913	6,300	40,000	\$20.99
South Riverside	2	1,727,047	85,589	85,589	5.0%	(19,722)	0	0	\$27.00
West San Bernardino	2	1,841,860	76,934	76,934	4.2%	35,785	0	0	\$27.00
<b>Totals</b>	<b>23</b>	<b>18,029,276</b>	<b>1,113,976</b>	<b>1,174,576</b>	<b>6.5%</b>	<b>274,010</b>	<b>6,300</b>	<b>40,000</b>	<b>\$21.86</b>

Source: CoStar Property®

## Power Center Submarket Statistics

Year-End 2016

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	2,917,558	224,677	224,677	7.7%	6,116	0	0	\$18.21
Coachella Valley	7	3,410,339	324,666	324,666	9.5%	78,344	0	0	\$16.90
Corona	0	0	0	0	0.0%	0	0	0	\$0.00
East San Bernardino	5	1,709,073	111,146	111,146	6.5%	48,694	19,520	20,050	\$16.02
North San Bernardino	3	1,606,582	172,078	172,078	10.7%	21,519	7,500	5,400	\$27.00
Riverside	6	2,899,379	160,595	199,904	6.9%	(12,279)	0	0	\$23.25
South Riverside	5	1,881,512	45,837	45,837	2.4%	9,905	0	0	\$30.92
West San Bernardino	5	3,859,283	256,561	349,105	9.0%	(64,934)	0	0	\$20.12
<b>Totals</b>	<b>39</b>	<b>18,283,726</b>	<b>1,295,560</b>	<b>1,427,413</b>	<b>7.8%</b>	<b>87,365</b>	<b>27,020</b>	<b>25,450</b>	<b>\$18.63</b>

Source: CoStar Property®

## Shopping Center Submarket Statistics

Year-End 2016

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	10,895,417	867,253	927,270	8.5%	10,443	13,656	65,500	\$18.49
Coachella Valley	232	12,413,089	1,467,283	1,467,283	11.8%	334,424	52,249	0	\$16.71
Corona	73	4,216,675	198,856	199,256	4.7%	81,845	0	15,675	\$20.73
East San Bernardino	306	12,124,372	1,380,246	1,381,446	11.4%	(74,288)	23,517	245,394	\$14.49
North San Bernardino	212	8,916,201	971,498	974,936	10.9%	43,622	10,410	15,000	\$12.92
Riverside	307	15,194,531	1,091,346	1,195,033	7.9%	53,975	42,962	20,908	\$16.74
South Riverside	309	18,439,358	1,598,527	1,644,160	8.9%	534,325	181,585	54,955	\$18.29
West San Bernardino	151	7,240,578	564,113	653,175	9.0%	175,340	65,244	0	\$19.41
<b>Totals</b>	<b>1,804</b>	<b>89,440,221</b>	<b>8,139,122</b>	<b>8,442,559</b>	<b>9.4%</b>	<b>1,159,686</b>	<b>389,623</b>	<b>417,432</b>	<b>\$16.59</b>

Source: CoStar Property®



# Inland Empire Retail Market



Figures at a Glance

## Specialty Center Submarket Statistics

Year-End 2016

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	164,419	9,261	9,261	5.6%	1,707	0	0	\$22.94
Coachella Valley	3	363,794	42,066	42,066	11.6%	967	0	0	\$33.18
Corona	0	0	0	0	0.0%	0	0	0	\$0.00
East San Bernardino	1	240,000	31,556	31,556	13.1%	2,250	0	0	\$0.00
North San Bernardino	2	512,866	275,839	275,839	53.8%	0	0	0	\$0.00
Riverside	1	65,000	0	0	0.0%	0	0	0	\$0.00
South Riverside	2	618,811	118,473	118,473	19.1%	(9,506)	0	0	\$13.68
West San Bernardino	2	201,604	0	0	0.0%	0	0	0	\$32.64
<b>Totals</b>	<b>13</b>	<b>2,166,494</b>	<b>477,195</b>	<b>477,195</b>	<b>22.0%</b>	<b>(4,582)</b>	<b>0</b>	<b>0</b>	<b>\$20.20</b>

Source: CoStar Property®

## Total Retail Submarket Statistics

Year-End 2016

Market	Existing Inventory		Vacancy			YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Blds	Total GLA	Direct SF	Total SF	Vac %				
Airport Area	1,927	25,101,835	1,427,373	1,491,988	5.9%	110,244	37,599	65,500	\$18.16
Coachella Valley	2,066	26,410,208	2,534,519	2,558,919	9.7%	389,783	61,584	42,713	\$17.83
Corona	501	6,264,731	287,711	302,111	4.8%	112,512	3,324	15,675	\$21.43
East San Bernardino	3,051	29,550,641	2,618,325	2,762,675	9.3%	342,046	84,867	274,880	\$14.38
North San Bernardino	1,770	17,608,104	1,699,235	1,702,673	9.7%	141,255	51,560	24,400	\$12.76
Riverside	3,162	34,987,698	1,778,282	1,966,878	5.6%	338,436	233,138	80,300	\$17.44
South Riverside	2,399	30,826,549	2,016,011	2,061,644	6.7%	610,421	249,930	209,293	\$18.21
West San Bernardino	1,074	16,685,490	975,688	1,157,294	6.9%	162,206	65,244	0	\$19.95
<b>Totals</b>	<b>15,950</b>	<b>187,435,256</b>	<b>13,337,144</b>	<b>14,004,182</b>	<b>7.5%</b>	<b>2,206,903</b>	<b>787,246</b>	<b>712,761</b>	<b>\$16.87</b>

Source: CoStar Property®



# Inland Empire Retail Market

Figures at a Glance

## General Retail Market Statistics

Year-End 2016

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	
2016 4q	9,710	59,515,539	2,311,291	2,482,439	4.2%	202,385	8	79,203	17	229,879	\$16.45
2016 3q	9,703	59,437,836	2,424,453	2,607,121	4.4%	146,585	12	57,387	23	296,646	\$15.85
2016 2q	9,694	59,389,455	2,520,688	2,705,325	4.6%	137,411	11	110,482	25	180,107	\$14.41
2016 1q	9,684	59,279,242	2,558,903	2,732,523	4.6%	204,043	11	117,231	28	204,774	\$14.43
2015 4q	9,678	59,207,798	2,702,783	2,865,122	4.8%	106,320	6	32,774	29	261,699	\$13.94
2015 3q	9,673	59,178,921	2,781,388	2,942,565	5.0%	(7,231)	4	37,057	21	201,162	\$13.21
2015 2q	9,672	59,168,780	2,760,816	2,925,193	4.9%	(38,285)	3	20,415	16	176,050	\$13.75
2015 1q	9,670	59,153,149	2,717,269	2,871,277	4.9%	(30,130)	4	59,102	7	61,428	\$13.77
2014	9,667	59,095,165	2,630,290	2,783,163	4.7%	24,884	38	288,269	6	76,002	\$13.83
2013	9,634	59,128,338	2,684,234	2,841,220	4.8%	374,461	27	285,700	22	189,752	\$13.59
2012	9,614	58,916,470	2,822,962	3,003,813	5.1%	600,985	27	222,083	11	121,652	\$13.05
2011	9,593	58,717,102	3,191,966	3,405,430	5.8%	300,734	19	218,968	15	103,949	\$13.10
2010	9,581	58,534,062	3,419,634	3,523,124	6.0%	175,177	18	122,052	9	42,536	\$14.18
2009	9,568	58,442,076	3,486,701	3,606,315	6.2%	(103,680)	36	321,224	12	77,625	\$15.13
2008	9,539	58,162,542	3,206,304	3,223,101	5.5%	(323,125)	62	578,994	30	285,730	\$17.62
2007	9,491	57,692,685	2,400,776	2,430,119	4.2%	1,300,135	79	855,724	48	472,693	\$18.79

Source: CoStar Property®

## Mall Market Statistics

Year-End 2016

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	
2016 4q	23	18,029,276	1,113,976	1,174,576	6.5%	156,473	1	6,300	1	40,000	\$21.86
2016 3q	23	18,022,976	1,264,149	1,324,749	7.4%	74,095	0	0	2	46,300	\$22.28
2016 2q	23	18,022,976	1,338,244	1,398,844	7.8%	24,335	0	0	0	0	\$15.54
2016 1q	23	18,022,976	1,408,179	1,423,179	7.9%	19,107	0	0	0	0	\$16.56
2015 4q	23	18,022,976	1,427,286	1,442,286	8.0%	42,888	4	68,525	0	0	\$16.70
2015 3q	23	17,954,451	1,400,294	1,416,649	7.9%	24,003	0	0	4	68,525	\$16.95
2015 2q	23	17,954,451	1,378,675	1,440,652	8.0%	(22,209)	0	0	4	68,525	\$16.63
2015 1q	23	17,954,451	1,357,821	1,418,443	7.9%	6,453	0	0	2	48,525	\$16.32
2014	23	17,954,451	1,364,274	1,424,896	7.9%	166,471	1	135,000	2	48,525	\$16.26
2013	23	17,819,451	1,410,745	1,456,367	8.2%	110,892	1	4,990	2	140,200	\$17.23
2012	23	17,814,461	1,516,228	1,562,269	8.8%	(15,383)	0	0	2	10,190	\$16.52
2011	23	17,814,461	1,342,708	1,546,886	8.7%	(183,159)	0	0	1	5,200	\$16.91
2010	23	17,814,461	1,062,602	1,363,727	7.7%	(79,152)	0	0	1	5,200	\$20.52
2009	23	17,814,461	983,772	1,284,575	7.2%	(517,206)	0	0	1	5,200	\$19.91
2008	23	17,814,461	743,429	767,369	4.3%	(19,900)	18	469,546	1	5,200	\$26.88
2007	22	17,344,915	253,983	277,923	1.6%	804,921	20	731,393	16	454,317	\$27.36

Source: CoStar Property®

## Power Center Market Statistics

Year-End 2016

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	
2016 4q	39	18,283,726	1,295,560	1,427,413	7.8%	90,232	0	0	2	25,450	\$18.63
2016 3q	39	18,283,726	1,345,792	1,517,645	8.3%	66,727	0	0	2	25,450	\$18.81
2016 2q	39	18,283,726	1,417,519	1,584,372	8.7%	(55,783)	0	0	1	20,050	\$18.12
2016 1q	39	18,283,726	1,443,045	1,528,589	8.4%	(13,811)	4	27,020	1	20,050	\$17.82
2015 4q	39	18,256,706	1,402,214	1,487,758	8.1%	(71,488)	2	14,440	5	47,070	\$18.51
2015 3q	39	18,242,266	1,365,630	1,401,830	7.7%	114,951	1	45,481	7	61,510	\$17.15
2015 2q	39	18,196,785	1,435,100	1,471,300	8.1%	351,366	3	294,208	5	70,921	\$17.01
2015 1q	38	17,902,577	1,446,601	1,528,458	8.5%	(133,475)	0	0	8	365,129	\$16.83
2014	38	17,902,577	1,313,129	1,394,983	7.8%	107,456	5	139,414	7	319,648	\$17.53
2013	38	17,763,163	1,242,763	1,363,025	7.7%	382,028	5	184,420	2	11,200	\$19.15
2012	38	17,578,743	1,460,905	1,560,633	8.9%	547,847	4	484,715	5	182,620	\$17.55
2011	38	17,094,028	1,574,976	1,623,765	9.5%	(132,618)	1	46,827	5	342,432	\$18.80
2010	38	17,047,201	1,371,857	1,444,320	8.5%	340,191	1	2,448	2	11,200	\$21.53
2009	38	17,044,753	1,717,093	1,782,063	10.5%	(543,486)	18	316,758	3	13,648	\$25.50
2008	38	16,727,995	869,447	921,819	5.5%	2,157,142	63	2,389,187	18	293,236	\$26.87
2007	36	14,338,808	635,324	689,774	4.8%	1,563,460	41	1,445,453	30	1,175,130	\$26.30

Source: CoStar Property®

## Inland Empire Retail Market



Figures at a Glance

## Shopping Center Market Statistics

Year-End 2016

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	
2016 4q	1,804	89,440,221	8,139,122	8,442,559	9.4%	463,877	8	94,390	19	417,432	\$16.59
2016 3q	1,803	89,345,831	8,583,570	8,812,046	9.9%	628,814	14	157,315	22	472,099	\$16.50
2016 2q	1,801	89,188,516	9,017,785	9,283,545	10.4%	90,647	4	25,850	27	559,209	\$16.28
2016 1q	1,801	89,162,666	9,067,181	9,348,342	10.5%	(23,652)	12	112,068	23	497,149	\$16.20
2015 4q	1,798	89,050,598	8,773,851	9,212,622	10.3%	405	6	47,685	29	328,289	\$16.35
2015 3q	1,798	89,002,913	8,901,227	9,165,342	10.3%	122,704	5	208,521	30	308,676	\$16.56
2015 2q	1,797	88,794,392	8,831,275	9,079,525	10.2%	182,018	5	38,615	17	321,500	\$16.39
2015 1q	1,795	88,755,777	8,986,533	9,222,928	10.4%	275,205	3	19,200	11	264,518	\$16.27
2014	1,794	88,736,577	9,253,413	9,478,933	10.7%	962,387	25	486,184	7	223,769	\$16.20
2013	1,789	88,250,393	9,754,231	9,955,136	11.3%	582,701	30	313,878	18	422,502	\$15.88
2012	1,783	87,936,515	9,957,774	10,223,959	11.6%	536,671	21	370,655	19	169,416	\$16.92
2011	1,777	87,565,860	10,181,563	10,389,975	11.9%	68,838	19	117,655	19	380,215	\$18.01
2010	1,774	87,448,205	10,056,631	10,341,158	11.8%	397,972	28	397,171	15	161,732	\$17.24
2009	1,769	87,051,034	9,907,654	10,341,959	11.9%	(511,126)	109	1,812,502	27	392,441	\$20.05
2008	1,749	85,238,532	7,751,265	8,018,331	9.4%	976,639	206	3,412,939	100	1,679,498	\$21.08
2007	1,700	81,825,593	5,462,922	5,582,031	6.8%	3,384,980	232	3,433,465	146	2,635,374	\$21.38

Source: CoStar Property®

## Specialty Center Market Statistics

Year-End 2016

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	
2016 4q	13	2,166,494	477,195	477,195	22.0%	8,055	0	0	0	0	\$20.20
2016 3q	13	2,166,494	485,250	485,250	22.4%	(8,481)	0	0	0	0	\$20.45
2016 2q	13	2,166,494	476,769	476,769	22.0%	2,290	0	0	0	0	\$17.67
2016 1q	13	2,166,494	479,059	479,059	22.1%	(6,446)	0	0	0	0	\$16.95
2015 4q	13	2,166,494	472,613	472,613	21.8%	15,241	0	0	0	0	\$17.28
2015 3q	13	2,166,494	487,854	487,854	22.5%	3,125	0	0	0	0	\$22.01
2015 2q	13	2,166,494	490,979	490,979	22.7%	9,323	0	0	0	0	\$22.01
2015 1q	13	2,166,494	500,302	500,302	23.1%	6,216	1	2,466	0	0	\$22.01
2014	13	2,164,028	504,052	504,052	23.3%	43,564	0	0	1	2,466	\$22.55
2013	13	2,164,028	547,616	547,616	25.3%	4,072	0	0	0	0	\$23.57
2012	13	2,164,028	551,688	551,688	25.5%	(92,844)	0	0	0	0	\$18.25
2011	13	2,164,028	458,844	458,844	21.2%	(83,664)	1	1,780	0	0	\$17.00
2010	13	2,162,248	373,400	373,400	17.3%	(39,810)	0	0	0	0	\$17.87
2009	13	2,162,248	327,590	333,590	15.4%	4,743	1	40,887	0	0	\$18.16
2008	12	2,121,361	297,446	297,446	14.0%	18,026	1	1,211	1	40,887	\$17.75
2007	12	2,120,150	312,354	314,261	14.8%	(20,539)	1	51,916	1	1,211	\$26.62

Source: CoStar Property®

## Total Retail Market Statistics

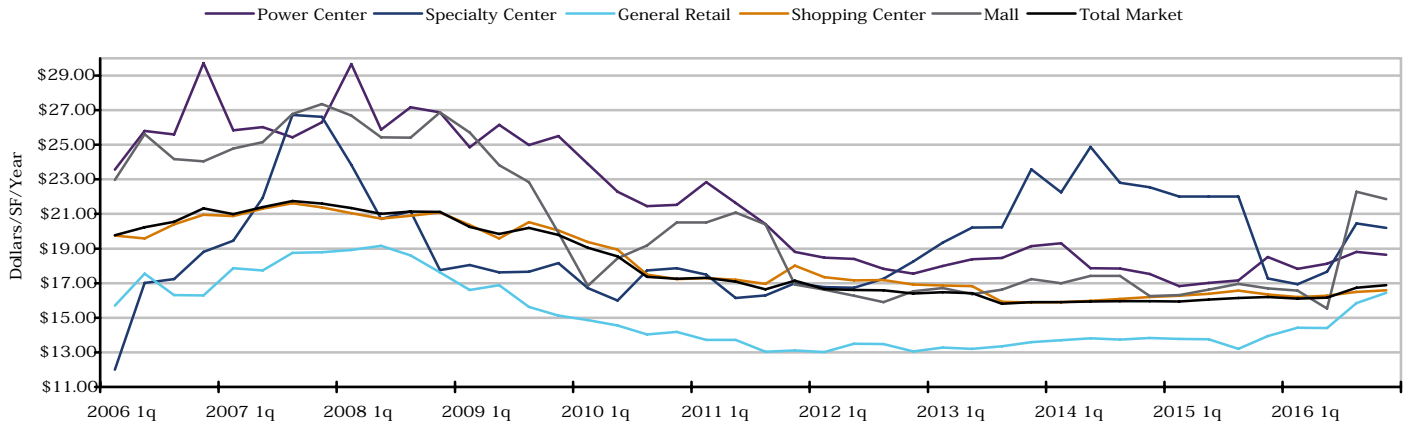
Year-End 2016

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	
2016 4q	15,950	187,435,256	13,337,144	14,004,182	7.5%	921,022	17	179,893	39	712,761	\$16.87
2016 3q	15,934	187,256,863	14,103,214	14,746,811	7.9%	907,740	26	214,702	49	840,495	\$16.74
2016 2q	15,911	187,051,167	14,771,005	15,448,855	8.3%	198,900	15	136,332	53	759,366	\$16.16
2016 1q	15,897	186,915,104	14,956,367	15,511,692	8.3%	179,241	27	256,319	52	721,973	\$16.11
2015 4q	15,875	186,704,572	14,778,747	15,480,401	8.3%	93,366	18	163,424	63	637,058	\$16.19
2015 3q	15,858	186,545,045	14,936,393	15,414,240	8.3%	257,552	10	291,059	62	639,873	\$16.15
2015 2q	15,851	186,280,902	14,896,845	15,407,649	8.3%	482,213	11	353,238	42	636,996	\$16.06
2015 1q	15,841	185,932,448	15,008,526	15,541,408	8.4%	124,269	8	80,768	28	739,600	\$15.95
2014	15,834	185,852,798	15,065,158	15,586,027	8.4%	1,304,762	69	1,048,867	23	670,410	\$15.96
2013	15,770	185,125,373	15,639,589	16,163,364	8.7%	1,454,154	63	788,988	44	763,654	\$15.90
2012	15,714	184,410,217	16,309,557	16,902,362	9.2%	1,577,276	52	1,077,453	37	483,878	\$16.41
2011	15,668	183,355,479	16,750,057	17,424,900	9.5%	(29,869)	40	385,230	40	831,796	\$17.13
2010	15,635	183,006,177	16,284,124	17,045,729	9.3%	794,378	47	521,671	27	220,668	\$17.26
2009	15,593	182,514,572	16,422,810	17,348,502	9.5%	(1,670,755)	164	2,491,371	43	488,914	\$19.78
2008	15,436	180,064,891	12,867,891	13,228,066	7.3%	2,808,782	350	6,851,877	150	2,304,551	\$21.12
2007	15,100	173,322,151	9,065,359	9,294,108	5.4%	7,032,957	373	6,517,951	241	4,738,725	\$21.60

Source: CoStar Property®

## Historical Rental Rates

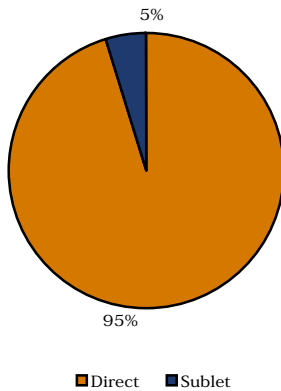
Based on NNN Rental Rates



Source: CoStar Property®

## Vacancy by Available Space Type

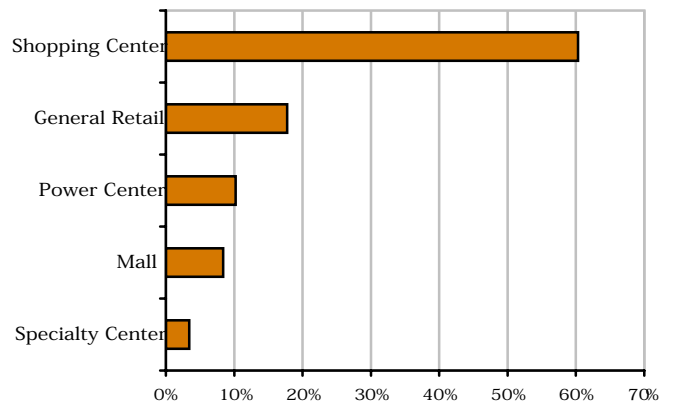
Percent of All Vacant Space in Direct vs. Sublet



Source: CoStar Property®

## Vacancy by Building Type

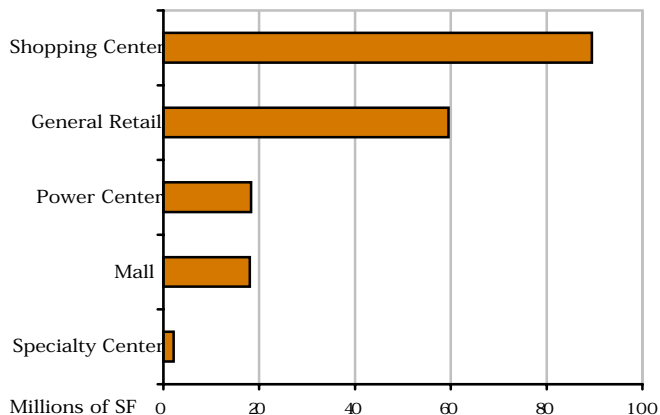
Percent of All Vacant Space by Building Type



Source: CoStar Property®

## GLA By Building Type

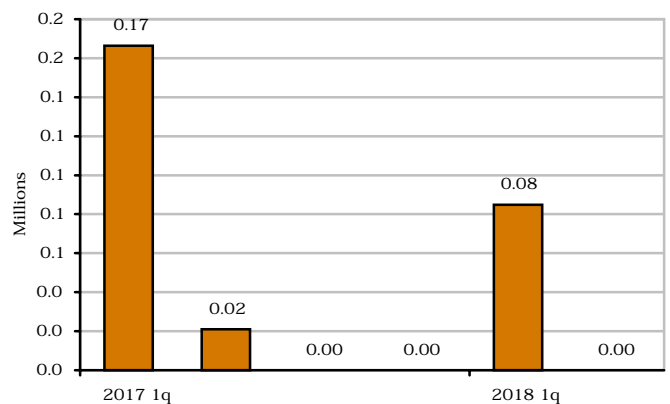
Ratio of Total GLA by Building Type



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 2016

Building	Submarket	SF	Qtr	Tenant Name	Tenant Rep Company	Landlord Rep Company	
1	300 Inland Center Dr	East San Bernardino	152,178	1st	JCPenney	N/A	The Macerich Company
2	1175 S Mount Vernon Ave	East San Bernardino	104,230	1st	GTI Closeout	N/A	Century Developments
3	2663 Canyon Springs Pky	Riverside	55,000	2nd	Hobby Lobby	N/A	Merlone Geier Management
4	Ontario Mills	Airport Area	49,599	2nd	Q Outlet	N/A	Simon Property Group, Inc.
5	One Eleven La Quinta Center	Coachella Valley	48,194	2nd	Petco	N/A	Shovlin Companies
6	4120 E 4th St	Airport Area	45,657	2nd	Big Al's	N/A	Newmark Grubb Knight Frank; IDSRE
7	Day Creek Marketplace	Airport Area	44,156	1st	Stater Bros.	N/A	Lee & Associates
8	2314 River Rd	Corona	44,000	2nd	Stater Bros.	N/A	Strategic Retail Advisors
9	3490 Madison St	Riverside	43,500	2nd	24 Hour Fitness	Avison Young	Lee & Associates
10	217 E Club Center Dr	East San Bernardino	40,451	1st	Club Center Events	N/A	Cresa Orange County
11	27510 Eucalyptus Ave	Riverside	40,000	2nd	Moreno Valley Hyundai	N/A	N/A
12	3380 Tyler St	Riverside	38,595	1st	Furniture and Mattress	N/A	NAI Capital
13	29145 Vallejo Ave	South Riverside	37,000	2nd	LA Fitness	N/A	N/A
14	6709 Carnelian St	Airport Area	35,250	4th	Sprouts	N/A	Progressive Real Estate Partners
15	Murrieta Crossings*	South Riverside	34,103	4th	Aero Sports Trampoline Parks	N/A	Direct Deal
16	78825 Highway 111	Coachella Valley	33,862	1st	T J Maxx	N/A	Lee & Associates
17	72810 Hwy 111	Coachella Valley	32,457	2nd	Tristone Cinema Group	The Truax Group, Inc.	Direct Deal
18	2522 S Grove Ave	Airport Area	25,631	4th	DD's Discounts	N/A	Centers Dynamic, Inc.
19	2430 Tuscany St*	Riverside	25,000	3rd	Barnes & Noble	N/A	Cushman & Wakefield; CBRE
20	72700 Dinah Shore Dr	Coachella Valley	24,831	1st	Republic Moving & Storage	JLL	Coldwell Banker Lyle & Associates
21	24674 Collier Ave	South Riverside	24,580	1st	Marshalls	N/A	Strategic Retail Advisors
22	Sunrise Center	Coachella Valley	24,000	3rd	99 Cent Store	N/A	Premier Commercial Brokerage
23	1210 E Washington St	East San Bernardino	23,672	3rd	N/A	N/A	The Abbey Company
24	300 S Highland Springs Ave	Riverside	23,000	2nd	Marshalls	N/A	Sage Investco
25	El Paseo Square - Bldg A-H	Coachella Valley	22,738	1st	Saks OFF 5th	N/A	Cushman & Wakefield
26	1028 N Mountain Ave	West San Bernardino	21,178	3rd	Planet Fitness	N/A	Progressive Real Estate Partners
27	24674 Collier Ave	South Riverside	21,070	1st	Marshalls	N/A	Strategic Retail Advisors
28	Village Walk Plaza - Bldg F	South Riverside	20,909	2nd	Planet Fitness	N/A	Merlone Geier Management
29	3808 Grand Ave	West San Bernardino	20,700	1st	ALDI	N/A	Newmark Grubb Knight Frank
30	30038 Haun Rd	South Riverside	20,612	2nd	Forever 21	N/A	Lee & Associates
31	30038 Haun Rd	South Riverside	20,612	2nd	HomeGoods	N/A	Lee & Associates
32	La Quinta Square	Coachella Valley	20,461	1st	ALDI	N/A	Retail Net Lease Properties
33	27641 San Bernardino Ave	East San Bernardino	20,050	2nd	Nike	N/A	Majestic Realty Co.
34	Murrieta Town Center	South Riverside	18,979	2nd	Marshalls	N/A	Lee & Associates
35	29716 Via Las Colinas Rd	South Riverside	18,552	3rd	ALDI	N/A	N/A
36	12410 Amargosa Rd	North San Bernardino	18,311	3rd	Get Air Victorville	N/A	Progressive Real Estate Partners
37	California Oaks Center	South Riverside	17,962	3rd	Crunch Fitness	N/A	Brixmor Property Group
38	28995 Newport Rd	South Riverside	17,185	2nd	Rite Aid	N/A	N/A
39	46805 Dune Palms Rd	Coachella Valley	16,100	1st	Laser Oasis LLC	N/A	Point Home Realty Group
40	Redhawk Pavilion - Bldg 1	South Riverside	15,553	3rd	N/A	N/A	Level Asset Management

Source: CoStar Property®

\* Renewal

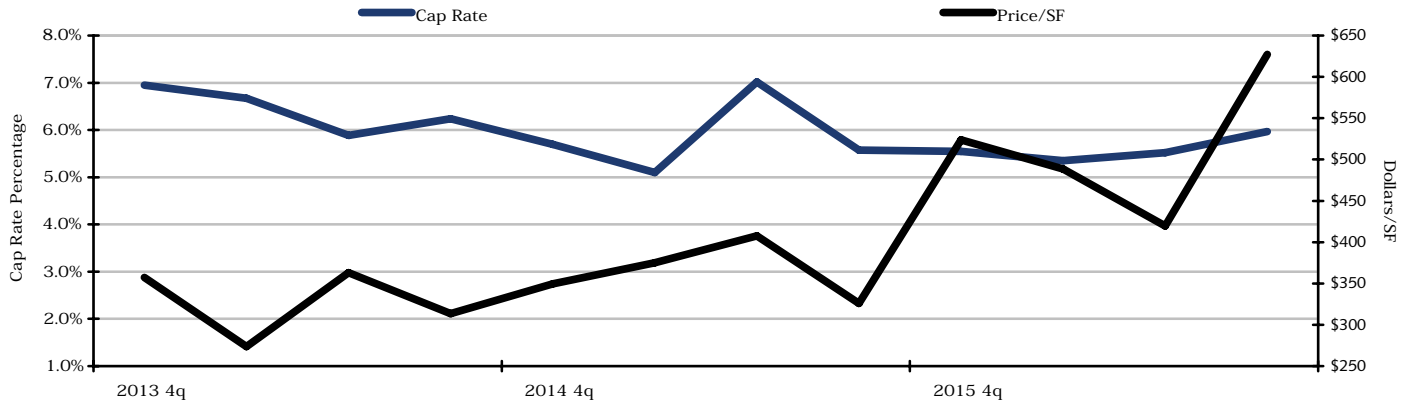


# Inland Empire Retail Market

Sales Activity

## The Optimist Sales Index

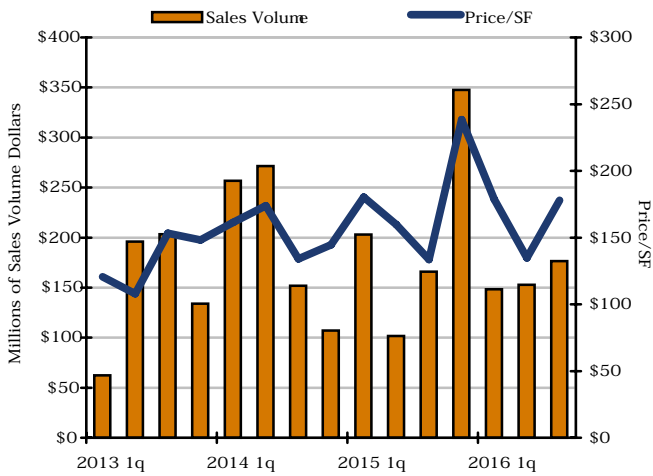
Average of Two Highest Price/SF's and Two Lowest Cap Rates



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

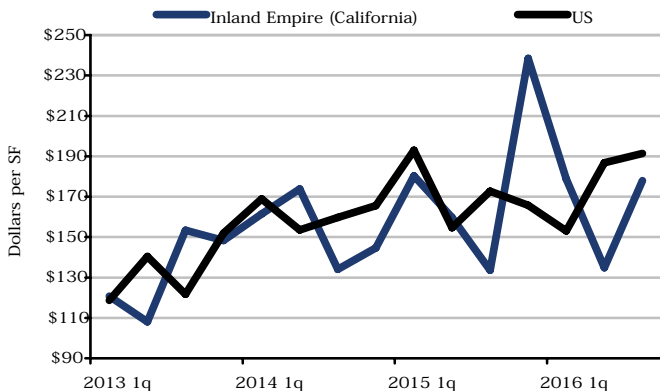
Based on Retail Building Sales From Oct. 2015 - Sept. 2016

Bldg Size	#	RBA	\$ Volume	Price/SF	Cap Rate
< 25,000 SF	328	2,378,551	\$688,810,809	\$289.59	5.93%
25K-99K SF	43	2,031,040	\$333,864,856	\$164.38	6.55%
100K-249K SF	11	1,502,399	\$307,441,000	\$204.63	6.16%
>250K SF	-	0	\$0	\$-	-

Source: CoStar COMPS®

## U.S. Price/SF Comparison

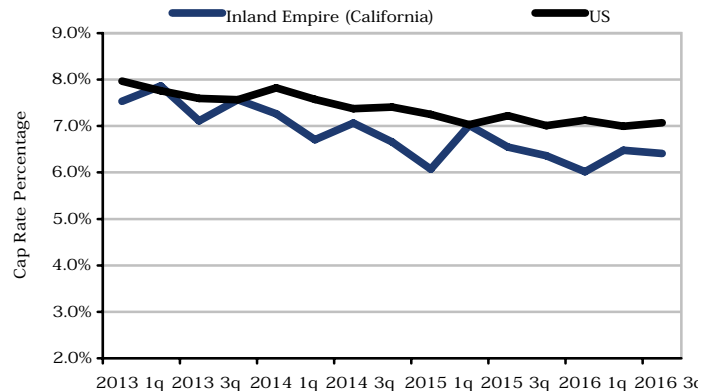
Based on Retail Building Sales of 15,000 SF and Larger



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 October 2015 Through December 2016

### 1. Tanger Outlet Center



#### Barstow

Price: **\$106,700,000**  
 Price/SF: **\$589.73**  
 Cap Rate: **5.8%**  
 RBA: **180,929**  
 Date: **10/5/2015**  
 Year Built: **1994**  
 Buyer: **Fortress Investment Group LLC**  
 Seller: **Tanger Factory Outlet Centers, Inc.**

### 2. Temecula Town Center



#### Temecula

Price: **\$59,850,000**  
 Price/SF: **\$335.98**  
 Cap Rate: **6.2%**  
 RBA: **178,133**  
 Date: **11/23/2015**  
 Year Built: **N/A**  
 Buyer: **ARES Management LLC**  
 Seller: **LNR Partners**

### 3. University Village



#### Riverside

Price: **\$43,890,000**  
 Price/SF: **\$254.27**  
 Cap Rate: **6.2%**  
 RBA: **172,613**  
 Date: **2/24/2016**  
 Year Built: **N/A**  
 Buyer: **Bochao Zhan**  
 Seller: **3D Investments**

### 4. Chino Towne Center



#### Chino

Price: **\$32,000,500**  
 Price/SF: **\$272.53**  
 Cap Rate: **6%**  
 RBA: **117,419**  
 Date: **8/11/2016**  
 Year Built: **1975**  
 Buyer: **Continuum Analytics**  
 Seller: **SCI Real Estate Investments LLC**

### 5. Vail Ranch Plaza



#### Temecula

Price: **\$27,450,000**  
 Price/SF: **\$269.74**  
 Cap Rate: **5.78%**  
 RBA: **101,766**  
 Date: **12/9/2016**  
 Year Built: **2005**  
 Buyer: **Kimco Realty Corporation**  
 Seller: **Retail Properties of America, Inc.**

### 6. Moreno Marketplace



#### Moreno Valley

Price: **\$19,400,000**  
 Price/SF: **\$249.48**  
 Cap Rate: **6%**  
 RBA: **77,763**  
 Date: **10/29/2015**  
 Year Built: **N/A**  
 Buyer: **Phillips Edison Grocery Center REIT II, Inc.**  
 Seller: **Strategic Realty Trust, Inc.**

### 7. CentrepoinTE Plaza



#### Colton

Price: **\$19,288,000**  
 Price/SF: **\$177.94**  
 Cap Rate: **5.8%**  
 RBA: **108,398**  
 Date: **5/26/2016**  
 Year Built: **1992**  
 Buyer: **JMYL Development**  
 Seller: **Fred Techert**

### 8. Montclair Place North Plaza



#### Montclair

Price: **\$17,973,356**  
 Price/SF: **\$218.38**  
 Cap Rate: **6.28%**  
 RBA: **82,303**  
 Date: **8/4/2016**  
 Year Built: **1969**  
 Buyer: **FM Enterprises, Inc.**  
 Seller: **CIM Group LP**

### 9. BMW of Palm Springs



#### Palm Springs

Price: **\$17,800,000**  
 Price/SF: **\$433.90**  
 Cap Rate: **N/A**  
 RBA: **41,023**  
 Date: **9/1/2016**  
 Year Built: **N/A**  
 Buyer: **IndiGo Auto Group**  
 Seller: **Gene Whisenhunt**





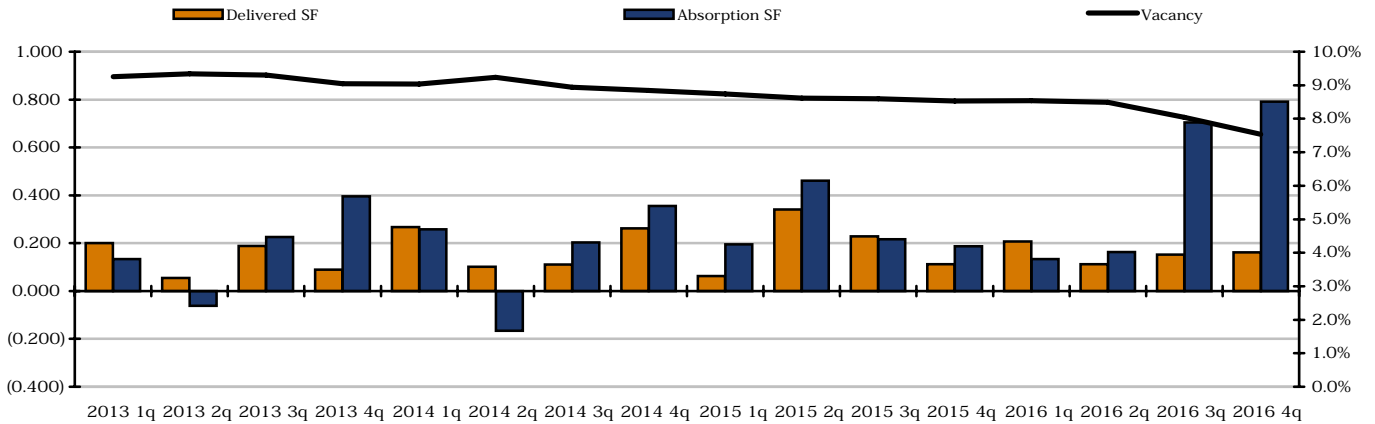
# Inland Empire Retail Market

Inland Empire East Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

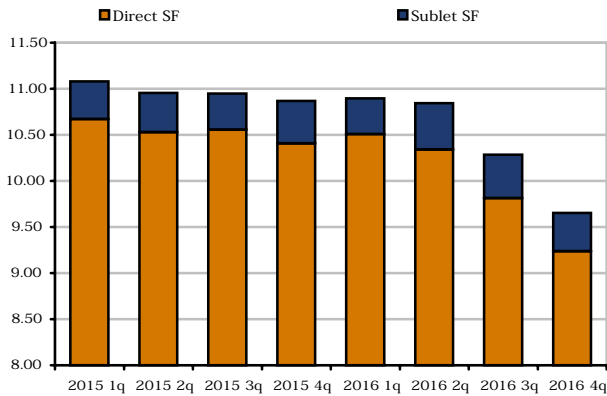
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

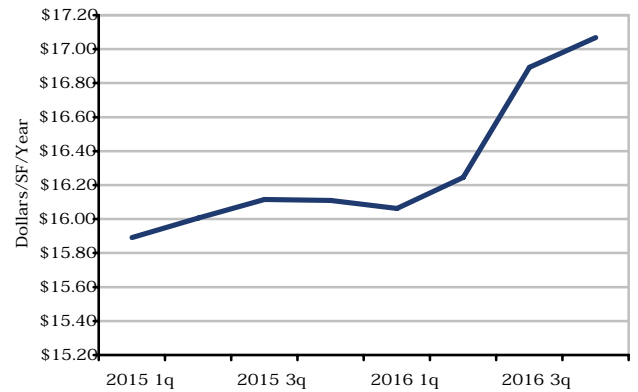
Historical Analysis, All Classes



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	
2016 4q	11,179	128,039,827	9,652,227	7.5%	791,822	14	162,100	34	622,861	\$17.07
2016 3q	11,166	127,879,227	10,283,449	8.0%	703,885	19	151,647	41	732,802	\$16.89
2016 2q	11,150	127,736,586	10,844,693	8.5%	163,383	10	112,122	41	624,518	\$16.25
2016 1q	11,141	127,624,733	10,896,223	8.5%	134,108	22	206,974	36	565,965	\$16.06
2015 4q	11,124	127,463,546	10,869,144	8.5%	187,384	12	112,433	45	449,905	\$16.11
2015 3q	11,113	127,355,010	10,947,992	8.6%	216,487	6	228,443	46	490,682	\$16.11
2015 2q	11,109	127,145,659	10,955,128	8.6%	460,925	9	340,888	33	527,389	\$16.01
2015 1q	11,101	126,809,555	11,079,949	8.7%	194,556	4	63,202	23	670,769	\$15.89
2014 4q	11,097	126,746,353	11,211,303	8.8%	355,830	14	261,682	18	649,344	\$15.94
2014 3q	11,084	126,493,005	11,313,785	8.9%	203,708	10	110,363	28	835,976	\$15.96
2014 2q	11,075	126,675,848	11,700,336	9.2%	(165,753)	8	101,686	34	887,637	\$15.99
2014 1q	11,067	126,574,162	11,432,897	9.0%	257,289	16	267,878	25	349,692	\$15.79
2013 4q	11,052	126,308,228	11,424,252	9.0%	395,304	9	88,842	32	489,098	\$15.82
2013 3q	11,044	126,225,121	11,736,449	9.3%	225,127	14	188,354	35	463,572	\$15.84
2013 2q	11,030	126,036,767	11,773,222	9.3%	(62,300)	9	54,021	41	605,447	\$15.81
2013 1q	11,021	125,982,746	11,656,901	9.3%	133,740	15	200,331	37	512,867	\$15.92

Source: CoStar Property®

# Inland Empire Retail Market

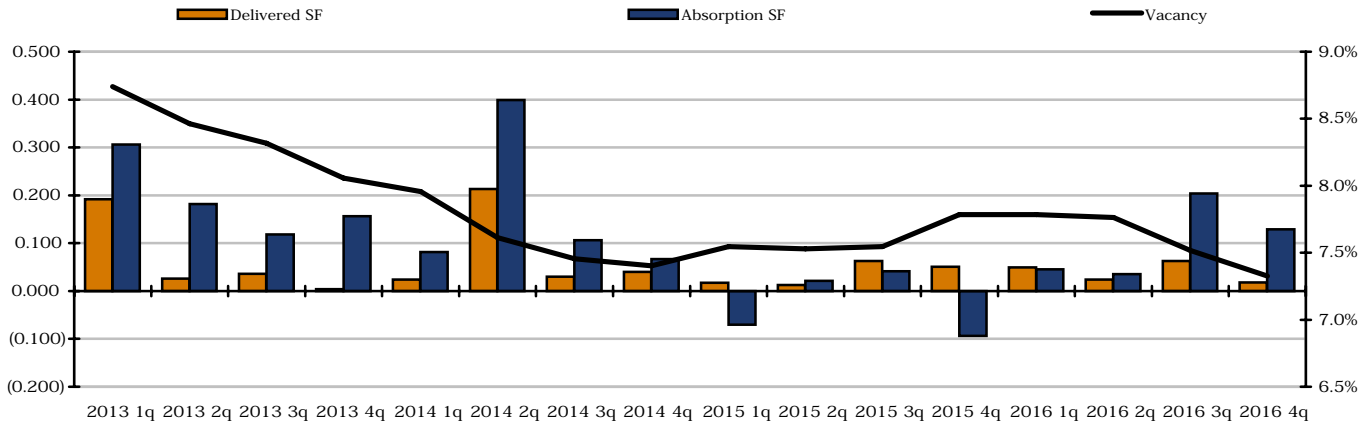


Inland Empire West Market

Market Highlights – Class “A, B & C”

## Deliveries, Absorption & Vacancy

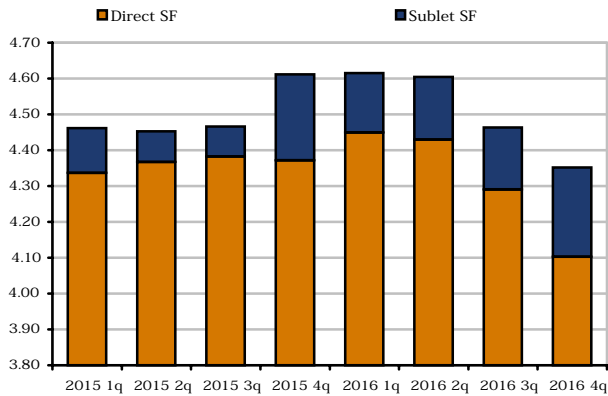
Historical Analysis, All Classes



Source: CoStar Property®

## Vacant Space

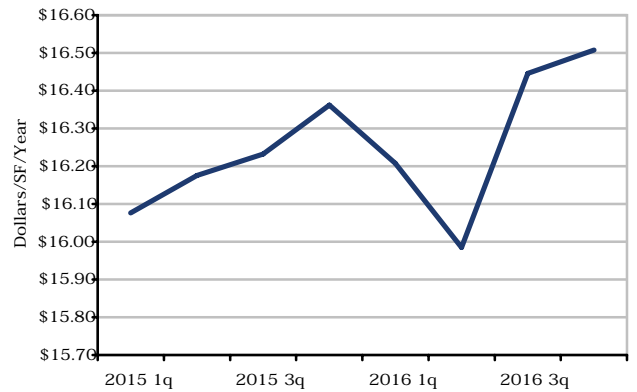
Historical Analysis, All Classes



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	
2016 4q	4,771	59,395,429	4,351,955	7.3%	129,200	3	17,793	5	89,900	\$16.51
2016 3q	4,768	59,377,636	4,463,362	7.5%	203,855	7	63,055	8	107,693	\$16.45
2016 2q	4,761	59,314,581	4,604,162	7.8%	35,517	5	24,210	12	134,848	\$15.98
2016 1q	4,756	59,290,371	4,615,469	7.8%	45,133	5	49,345	16	156,008	\$16.21
2015 4q	4,751	59,241,026	4,611,257	7.8%	(94,018)	6	50,991	18	187,153	\$16.36
2015 3q	4,745	59,190,035	4,466,248	7.5%	41,065	4	62,616	16	149,191	\$16.23
2015 2q	4,742	59,135,243	4,452,521	7.5%	21,288	2	12,350	9	109,607	\$16.18
2015 1q	4,740	59,122,893	4,461,459	7.5%	(70,287)	4	17,566	5	68,831	\$16.08
2014 4q	4,737	59,106,445	4,374,724	7.4%	67,069	8	40,211	5	21,066	\$16.02
2014 3q	4,730	59,068,742	4,404,090	7.5%	106,503	4	29,948	12	57,777	\$15.95
2014 2q	4,727	59,054,244	4,496,095	7.6%	398,898	5	213,379	12	70,159	\$15.82
2014 1q	4,722	58,840,865	4,681,614	8.0%	81,218	4	23,720	11	260,726	\$16.16
2013 4q	4,718	58,817,145	4,739,112	8.1%	156,378	1	3,800	12	274,556	\$16.07
2013 3q	4,717	58,813,345	4,891,690	8.3%	118,112	4	36,000	9	252,195	\$15.74
2013 2q	4,713	58,777,345	4,973,802	8.5%	181,489	5	25,680	9	264,475	\$17.70
2013 1q	4,709	58,757,665	5,135,611	8.7%	306,304	6	191,960	10	76,101	\$17.62

Source: CoStar Property®