

BIG BOX INVENTORY

CLASS A :: 24 PROPERTIES AVAILABLE



- Sites are located in power centers and freestanding buildings in regional locations. Many sites are on the mall peripheral.
- These are newer retail boxes in vibrant retail clusters surrounded by dense population and high incomes.
- Includes former Circuit City, Borders, and Best Buy locations.
- These properties have been in high demand in the past 24 months with tenants such as Dick's Sporting Goods, Nordstrom Rack, Whole Foods, Hobby Lobby, and Total Wine & More pursuing this class.

CLASS B :: 79 PROPERTIES AVAILABLE



- Older boxes constructed in power centers, community centers or freestanding locations.
- May be located in strong trade areas but have physical traits that negatively impact their desirability.
- Class B space makes up a majority of the vacant space in the Inland Empire, with a large percentage of the spaces being former grocery locations like Albertsons, Ralphys, and Vons.
- Activity in this category is often driven by landlords able to be aggressive with rents and tenant improvement allowances.

CLASS C :: 43 PROPERTIES AVAILABLE



- Generally constructed before 1990 and have not been updated since then.
- These spaces are often in secondary or neighborhood locations.
- Many were previously occupied by discount retailers or other single-tenant uses.
- 43 vacant Class C boxes totaling over 2.1 million square feet are currently available.
- Geographically speaking, most of these locations are further from the Greater Los Angeles Metro Area, serving a smaller population of potential customers.

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CURRENT BIG BOX TENANTS REPRESENTED BY CBRE IN THE INLAND EMPIRE

99¢ Only Stores
Dave & Buster's
Dick's Sporting Goods

Fallas Paredes
Floor & Décor
Golf Galaxy

JCPenney
Living Spaces
Total Wine & More

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Retail 24/7.
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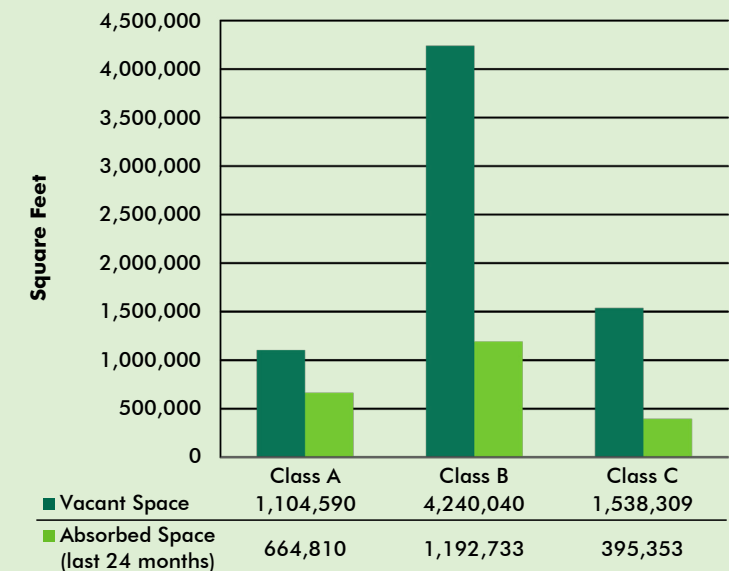
BIG BOX REPORT :: MID-YEAR 2014



EXECUTIVE SUMMARY

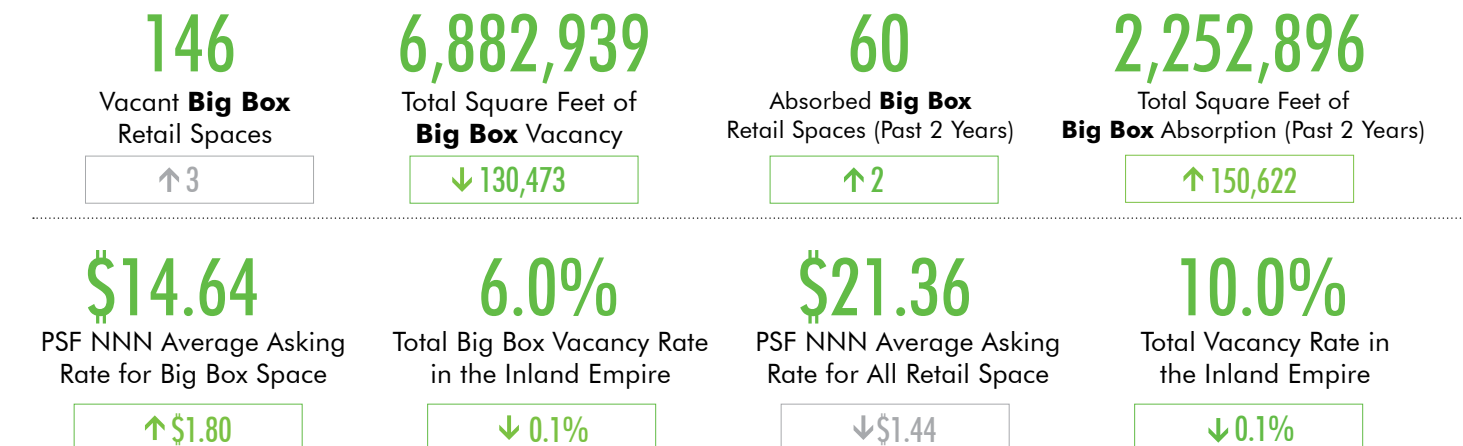
- The Retail Market in the Inland Empire has been gradually improving in almost all measureable statistics since our last report.
- While the number of Vacant Boxes have increased, Big Box Vacancy square footage has decreased slightly and Big Box Absorption has increased slightly since Q4 2013.
- After decreasing in the previous 2 reports, Asking Big Box Rents have increased, a sign that Tenants are again active in the market.
- On the other hand, Shop Space Rents have lowered since our last report by 6%.
- The Vacancy Rate for both Shop and Big Box Space has gone down slightly as Landlords gradually infill their remaining space.
- Similar to other areas in Southern California, class "A" assets in the Inland Empire are faring much better than their class "B" and "C" counterparts, which continue to struggle with many long-term vacancies.
- The West-End of the Inland Empire has fared considerably better than the rest of the market.

MID-YEAR 2014 INLAND EMPIRE BIG BOX ACTIVITY



NOTE: In the Past 6 Months, 711,519 square feet has been absorbed (24 spaces) and 897,612 square feet has been vacated (24 spaces).

CURRENT INLAND EMPIRE RETAIL NUMBERS (+/- SINCE Q4 2013)



MOST ACTIVE RETAILERS IN THE INLAND EMPIRE

PLANET FITNESS

Planet Fitness has been the most aggressive fitness user in the market, opening stores in Moreno Valley & San Bernardino.

NORDSTROM RACK

Nordstrom Rack has added a 2nd store in the Inland Empire, opening in Temecula.

CARDENAS MARKETS

Cardenas has opened in Lake Elsinore. An Average store for Cardenas is 35,000 square feet.

99¢ ONLY STORES

99¢ Only Stores has been very active, with new locations in Riverside, San Bernardino (2), and Ontario.

DICK'S SPORTING GOODS

Dick's has opened stores in both Victorville and Palm Desert in the past year and plans to additional expansion in the Inland Empire.

FOREVER 21

Forever 21 has been active throughout Southern California, opening small and large size stores. A new store just opened in Rancho Mirage.

TJX (TJ MAXX & MARSHALLS)

Off-Price Retailers such as TJ Maxx and Marshalls have been successful in the Inland Empire, opening new stores in Chino, Rancho Cucamonga, Yucaipa, and San Bernardino.

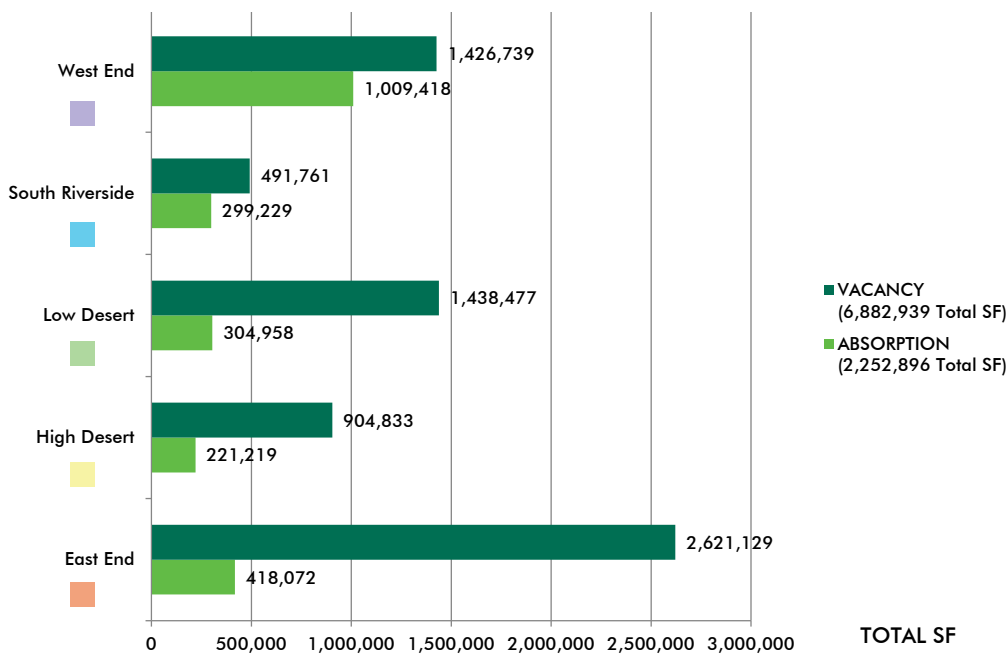
TOTAL WINE & MORE

Total Wine has opened their 2nd location in the Inland Empire, at Desert Crossing in Palm Desert.

PAST 24 MONTHS: # OF SPACES LEASED BY TOP TENANTS IN THE INLAND EMPIRE

- 4** 99¢ ONLY STORES
- 4** TJX COMPANIES
- 2** PLANET FITNESS
- 2** EL SUPER
- 2** DICK'S SPORTING GOODS

BIG BOX ABSORPTION & VACANCY BREAKDOWN BY INLAND EMPIRE RETAIL SUBMARKET



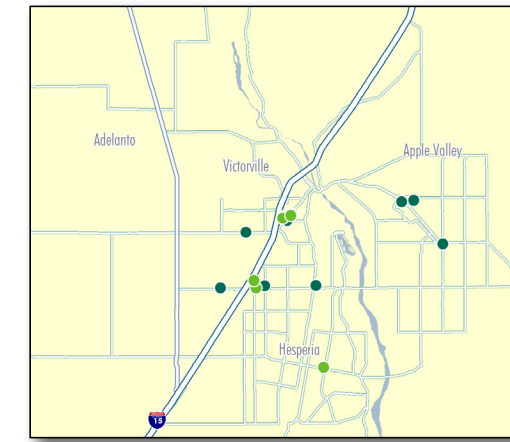
METHODOLOGY

We surveyed vacant retail box spaces in excess of 20,000 contiguous square feet located in shopping centers or freestanding buildings within the Inland Empire market. Absorption was based on retailers that either signed leases or opened within these spaces in the last 2 years. The boxes are classified as Class A, B or C.

INLAND EMPIRE BIG BOX VACANCIES & ABSORPTION



HIGH DESERT



BARSTOW

