TOPCOM MONTHLY

Battle Between E-Commerce and Brick and Mortar

Amazon has recently invested in purchasing over one million square foot distribution centers, 500K square feet fulfillment centers as well as a network of depots to coordinate delivery services. They are also enhancing their vehicle delivery network which is expected to rival UPS and FedEx. This has made brick and mortar retailers struggle to compete in providing fast delivery services to customers, in-store pick up as well as incentives to wait for longer delivery periods than Amazon's next or two-day services. However, many retailers have found it difficult to coordinate the in-store pick up and provide good customer service results.

Amazon also has the benefit of its investors providing them a pass on short term revenue. Amazon can focus on investing more capital into the infrastructure of its delivery systems and logistics as a pose to paying investors. This is an effort to take control of market share driving competitors out of business. This makes it difficult for traditional retailers to keep up with Amazon and maintain its brick and mortar presence which is costlier.

Many retailers are using third party logistic companies which has drastically increased in demand over the past several years. Many retailers that have focused on online sales have seen their in-store sales decreasing and

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only a slight increase in their online presence does not account for the investment. This has since lead to seeing many retailers shudder stores such as Macy's, Sear's, Walmart, Sports Authority, etc.

Amazon has also been testing brick and mortar with their campus pick up stations and Amazon Fresh grocery stores. Brick and mortar will continue to be tested and key factors will be location, well-chosen and stocked inventory.

Source: Bisnow Newsletter March 19, 2017

> **Current SBA 504 Effective Rate for
> March 2017 is 4.6%**

Commercial Developments in Azusa

A mixed-use development has been approved on the South East corner of Azusa and Foothill. This development will include a five screen Laemmle Theater, 108 residential units and restaurant and retail on the ground floor. This is being developed by The Serrano Group.

Across from the Target on Azusa and 9th Costanzo

Investments has been approved to construct a mixed use development with restaurant and retail on the ground floor and residential units above. This is directly above the Azusa Gold Line Station.

On Foothill just east of Azusa Ave, Smart and Final has plans to construct a Smart and Final Extra store. This is expected to begin in late 2017.

A residential development near the Azusa Gold Line station is planned at Dalton Ave and 9th. The Olson Company is going through the approval process for thirty townhome units.

On Azusa Ave just below the 210 freeway, Hilton is underway on construction for 110 room 4-story hotel. A 4,400 SF McDonalds is also being built adjacent to the hotel.

Source: City of Azusa Community Development

Just Listed: For Lease

41 W. Santa Clara St Arcadia, CA 91007

11,224 SF two-story elevator served building situated on 30,928 SF of land.

Large Offices with windows throughout, four restrooms, bull-pen areas, private offices and kitchen.

Excellent frontage across from new Arcadia Rusnak dealership with monument signage and 54 parking spaces.

One Block from Santa Anita and Huntington Drive. Walking distance to the Arcadia Gold Line station.

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Linda specializes in commercial and industrial sales and leasing throughout the San Gabriel Valley. She has extensive knowledge in 1031 exchange transactions, investment opportunities, and market analysis. Feel free to contact Linda with any questions or requests for information.

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