

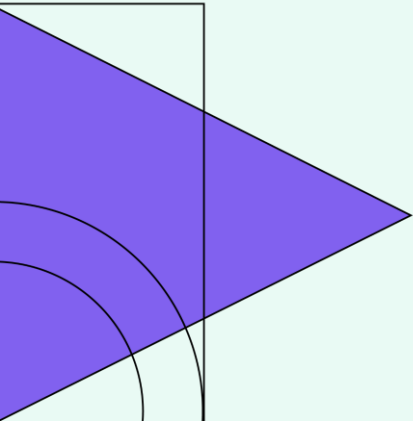
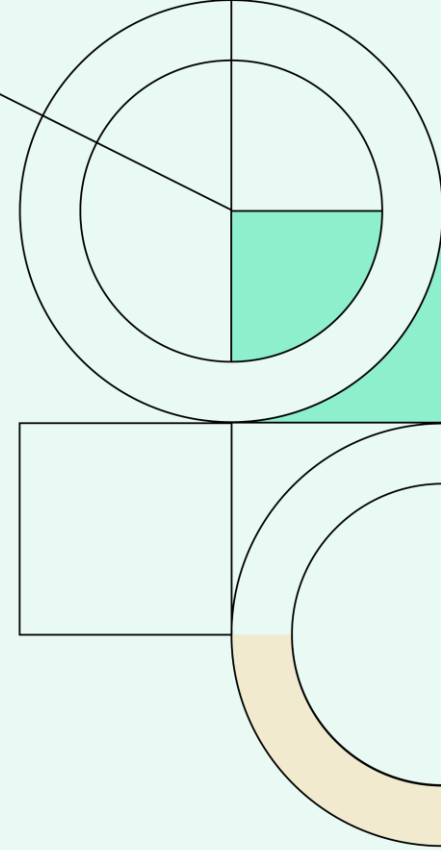


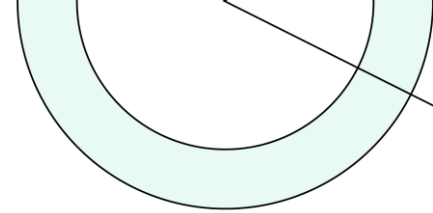
Retail Demand (Picture: City of Lake Elsinore Website)

Lake Elsinore, California

September 2024

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Background/Objectives, Key Contacts & Limiting Conditions

BACKGROUND & OBJECTIVES

Zonda has been asked to assess the market-based opportunity for Retail demand in the City of Lake Elsinore. The scope of this assignment includes a demand analysis, commentary on existing Retail uses, historical trends, market trends as well as economic and demographic indicators. Zonda was asked to assess the supply and demand for the Retail market for the future planning of the City of Lake Elsinore site.

The analysis was completed using internal proprietary and publicly available data, extensive field work, and conversations with representatives in the competitive market area and the Market. The purpose of the report is to understand the market potential for the provided product types, considering today's current and expected economic and housing market conditions.

Note: This report was completed following an aggressive Fed tightening schedule. The recommendations contained herein reflect the most recent data available but are subject to change as the market evolves.

LIMITING CONDITIONS

Client is responsible for representations about the development plans, marketing expectations and for disclosure of any significant information that might affect the ultimate realization of the projected results. There will usually be differences between projected and actual results because events and circumstances frequently do not occur as expected, and the difference may be material. We have no responsibility to update our report for events and circumstances occurring after the date of our report. Payment of any and all of our fees and expenses is not in any way contingent upon any factor other than our providing services related to this report.

KEY CONTACTS

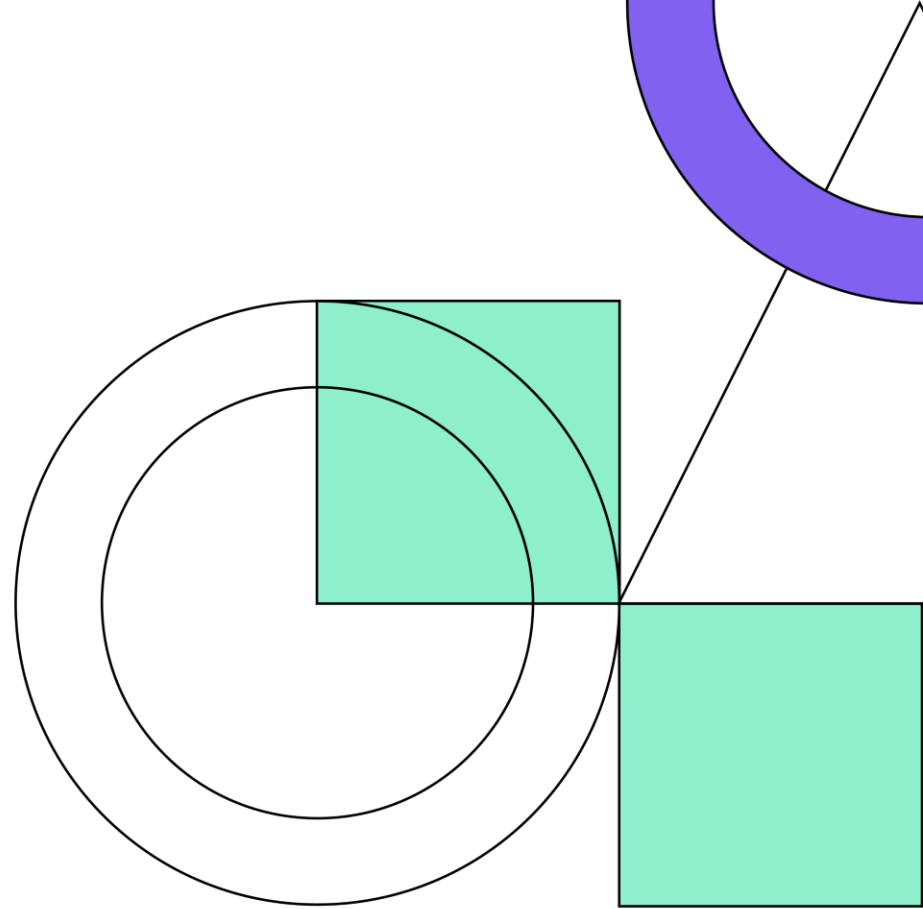
The following key team members participated on this analysis:

Tim Sullivan, Chief Advisory Officer, oversees the advisory services conducted throughout the country. Mr. Sullivan is an expert in residential and mixed-use feasibility studies, strategic planning and product development and has conducted market analyses all over the United States and northern hemisphere in his 40 years of experience in the Real Estate Industry.

Evan Forrest, Vice President - Advisory. Mr. Forrest has over 18 years in the Real Estate Industry. Mr. Forrest has sourced, developed, performed feasibility analysis, and positioned real estate (residential, commercial, retail, industrial, etc.) throughout the country as well as assisting with capital raises and expert witness cases.

Additional support was provided as needed.

Executive Summary



Summary of Key Findings

Executive Summary

Our research and analysis indicates an opportunity for retail market demand in the City of Lake Elsinore. This is based on several factors, including:

- Lake Elsinore is located in the growing submarket of South Riverside that has seen increasing demand for housing over the past five years.
- **Lake Elsinore is bisected by Interstate 15 that connects the area to the surrounding Competitive Market Area ('CMA'), as well as ease of access to western Inland Empire including employment hubs in the Corona, Riverside, and Ontario areas.**
- Demographics support the need for retail development in Lake Elsinore. Lake Elsinore is in a high growth area of Riverside County characterized by residents looking for more attainable living and employment from the much more expensive Coastal Markets. Precisely forecasts the City of Lake Elsinore will experience a growth rate of 4.8% over the next five years (+/- 3,700 new residents) with the CMA that is expected to experience a growth rate of 5.5% or +/-30,000 new residents. This will provide ample opportunity to attract various commercial ventures in the City of Lake Elsinore.
- Lake Elsinore is home to two planned communities on the north side of town in Alberhill Ranch and Nichols Ranch that are both strong performers within the Southern California market with both starting over 100 homes in the past year, along with Terracina that started 86 homes over the past four quarters. Both Alberhill Ranch and Terracina have significant potential future lots to provide housing well into the future of Lake Elsinore further pushing the need for retail in the marketplace.
- **Retail market conditions are improving in the Inland Empire and are slightly stronger in the South Riverside submarket.** South Riverside has higher average lease rates (\$21.12 vs. \$20.20 per square foot) than the overall market and lower vacancies (8.5% vs. 9.9%) than the Inland Empire overall, indicating this is a relatively strong Retail market.
- **Retail properties in the CMA have grown around 196,000 square feet per year between 2013 – 2022 but has increased to 258,000 square feet per year over the past five years. This has resulted in a growth rate of 1.2% over the past five years according to data from Reonomy.** This is a result of the increase in home development in the area and the need for employment within proximity.
- Current active retail listings in Lake Elsinore are limited with annual rates ranging from \$18.00 per square foot annually to \$24.00 per square foot annually with spaces closer to Interstate 15 obtaining higher asking rents.
- The retail market is evolving from traditional retail shopping to a more immersive experiential style of development. Lake Elsinore has the ability to pursue more experiential retail that currently appears to be limited within the CMA. **Experiential retail will generally help create community, create customer engagement, increases the use of technology in the purchasing experience, create more events around the retail centers to foster engagement within the development and between buyers & sellers. This will attract consumers and retailers to the property as more foot traffic will generally increase retail sales.**

There are some challenges that the Subject Property could face, including:

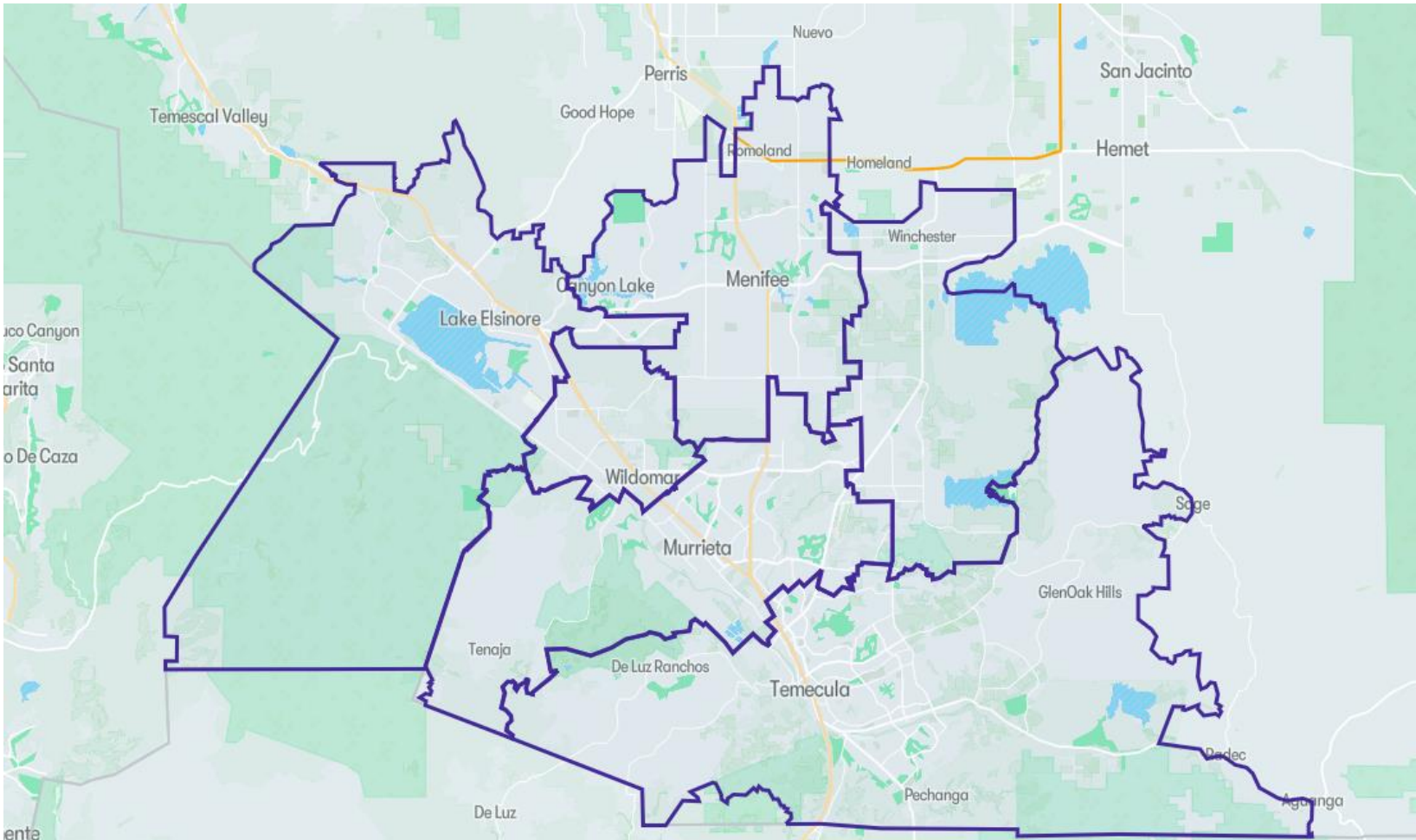
- The retail market has faced uncertainty since the pandemic as consumers have made more online purchases as well as use of delivery services that has made some segment of the retail market volatile.
- Economic uncertainty has been emerging in the market and needs to be monitored carefully (this is a national issue and not locally specific).
- Impacting all builders today is navigating through the challenging mix of shortages in labor and materials resulting in rising costs that may be prohibitive to the development of Retail space.

In general, economic conditions are evolving and improving. Zonda believes that the development of retail properties in Lake Elsinore will be in demand as the CMA continues to grow. However, given the growth within the CMA, Lake Elsinore will remain an attractive option due to location.

Community Description And Competitive Market Area ('CMA')

Executive Summary

Lake Elsinore is located in southern Riverside County just south of Temescal Valley and north of Wildomar and Murrieta along Interstate 15. Zonda has assessed the demand for commercial Retail uses in the competitive market area as defined below. The CMA is generally defined as markets with strong access to major arterials such as Interstate 15. This area generally encompasses Lake Elsinore, Menifee, Murrieta, Temecula, Wildomar, and Winchester that all share desirable access to Interstate 15. **Lake Elsinore will be influenced by the various demand factors in the competitive market area (CMA).** The CMA is generally defined as being within a 30-minute drive to Lake Elsinore. In general, the CMA follows Interstate 15. The following pages review the CMA, demand, and market trends.



Demographic Comparison

Executive Summary

The exhibits compare and contrast Lake Elsinore to the Competitive Market Area ('CMA').

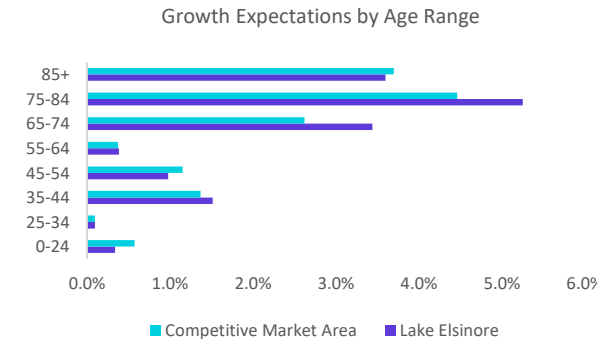
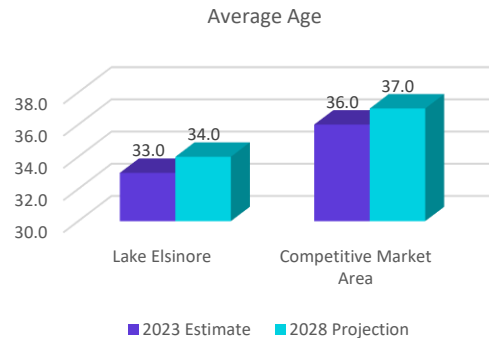
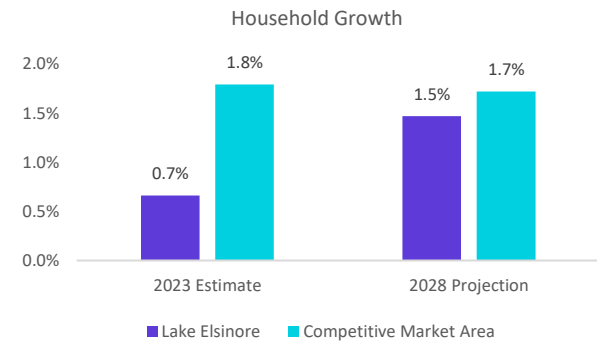
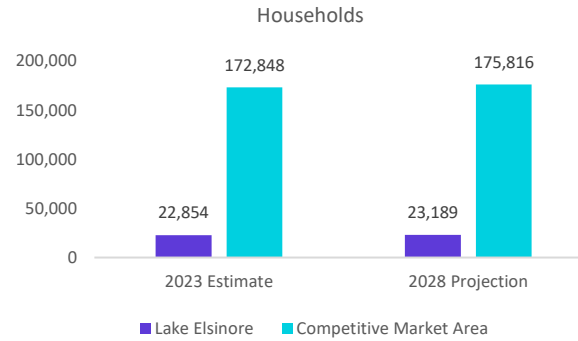
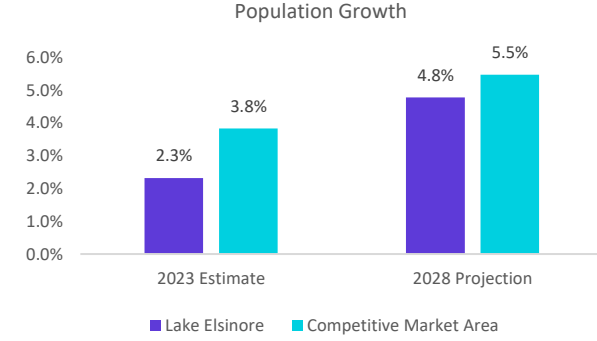
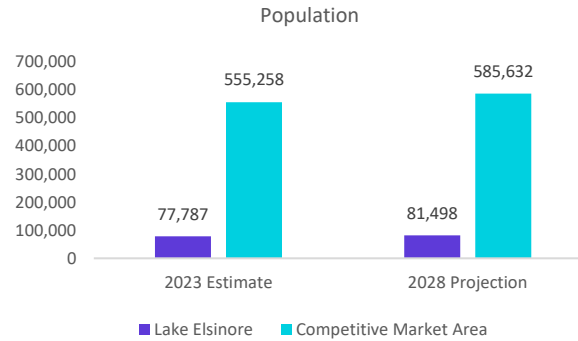
Population: The Market is expected to grow at a faster rate over the next five years due to developable land. The CMA is projected to grow at 5.5% while Lake Elsinore is expected to grow at a rate of 4.8%. The strong growth will create the need to employment within the CMA.

Households: Household growth in Lake Elsinore is expected to be slightly lower than in the CMA.

Life Stage: Lake Elsinore is slightly younger than the CMA but will generally require similar attributes such as proximity to employment, and recreational pursuits.

Income: Despite the similar avg. age, the CMA has higher earners by an avg. of 26% that is expected to decline over the next five years as Lake Elsinore attracts more residents.

	Household Income			
	2020 Census	2023 Estimate	2028 Projection	
Household Income: Average				
Market	\$123,899	\$130,332	\$155,544	19.3%
Lake Elsinore	\$95,357	\$103,126	\$127,598	23.7%
Mkt vs CMA Comparison	29.9%	26.4%	21.9%	---
Household Income: Median				
Market	\$98,258	\$103,214	\$125,880	22.0%
Lake Elsinore	\$71,409	\$75,088	\$90,417	20.4%
Mkt vs CMA Comparison	37.6%	37.5%	39.2%	---



Retail Demand

Executive Summary

The demand for Retail property in Lake Elsinore and the CMA could be substantial given not only the gap analysis but also the historical development in the area. Lake Elsinore will have limited opportunity to provide Retail properties to a market and CMA as shown in a later section of this study. The exhibit below shows the general location of Retail properties within the CMA as well as the potential Retail demand over the next ten years.

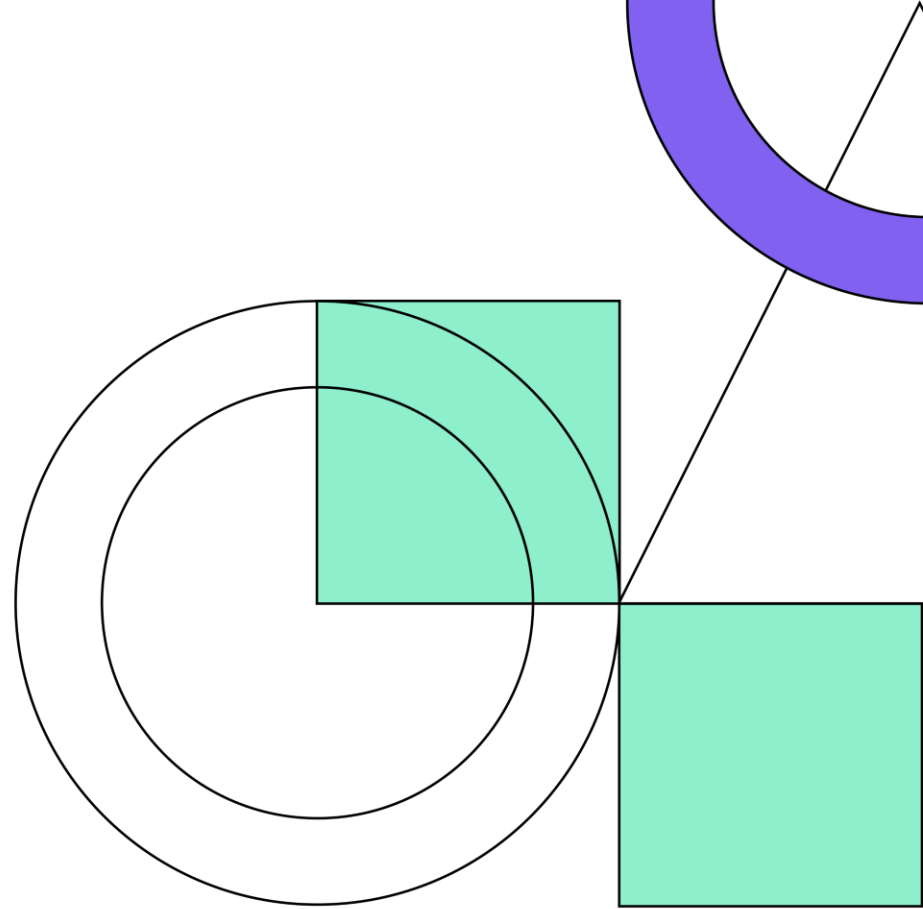
- Retail properties in the CMA have grown around 196,301 square feet per year between 2013 – 2022 but has increased to 258,000 square feet per year over the past five years. Lake Elsinore has grown at an average of 23,716 square feet per year over the past ten years which is around 12% of the total growth within the CMA each year per data from Reonomy.
- The Gap Analysis provides context into the need for retail over the next five years with at least 160,000 square feet needed, however, there is the ability to obtain larger market share due to Lake Elsinore having substantial retail spending from visitors.
- This is a result of the increase in home development in the area and the need for employment within proximity.
- According to Reonomy, Lake Elsinore’s market share has been declining since 2006 when it’s share peaked at 20.6% of the CMA but has declined to 17.5% since due to residential development passing Lake Elsinore over for other areas in the CMA.
- Our Retail demand analysis is based on growth projections and supply & demand needs within Lake Elsinore there could be substantial potential to fill a larger share of the CMA’s need for retail outside of just residents needs. **The Retail space demanded in our model in Lake Elsinore is 161,000 square feet over the next five years, or 32,276 square feet annually.** This annual Retail space demanded represents a lost opportunity for each year that space is not delivered to meet this demand—Retail tenants may locate on other cities where space is available.
- Additionally, Lake Elsinore’s location on the northern edge of the CMA and bisected by Interstate 15 provides substantial opportunity should retail be able to be located close to the Interstate.

Retail Market	Lake Elsinore, CA (city)	Lake Elsinore CMA	Inland Empire
Estimate Retail Square Feet	3,893,370sf	22,253,920sf	52,771,000sf
Total Retail Sales Incl Eating and Drinking Places	\$1,285,974,988	\$11,672,696,194	\$85,815,203,846
2024 Retail Expenditures Per Sq. Ft. of Resident Pop	\$330.30/sf	\$524.52/sf	\$1,626.18/sf
2024 Retail Expenditures Per Person of Resident Pop	\$16,532/person	\$21,022/person	\$34,334/person
Total Pop. in CMA (incl. subject site):	77,787 persons	555,258 persons	2,499,430 persons
Added Resident Retail Sales Potential From 2024	\$61,350,267	\$638,525,648	\$4,711,093,081
Added Total Retail Sales Potential From 2024	\$61,718,854	\$507,592,429	\$3,927,906,110
Added Resident Retail Sq.Ft. Potential From 2024	185741.7829	1217345.029	\$2,897,029
Added Total Retail Sq.Ft. Potential From 2024	186,858sf	967,722sf	2,415,417sf
Additional Space Needed in Five Years	161,381sf	7,271,746sf	13,996,702sf
Space Needed per Year	32,276sf	1,454,349sf	2,799,340sf
Lake Elsinore Share of Additional Space Needed in CMA	2.2%		

	Lake Elsinore, CA (city)		
Most Potent Potential Retail Types:	2024 Space Needed	2028 Space Needed	Growth
Building material and supplies dealers	17,631sf	20,474sf	16.1%
Food services and drinking places	16,262sf	20,459sf	25.8%
Used car dealers	15,074sf	16,505sf	9.5%
Direct selling establishments	13,507sf	14,476sf	7.2%
Beer, wine, and liquor stores	13,303sf	13,955sf	4.9%

	Lake Elsinore CMA		
Most Potent Potential Retail Types:	2024 Space Needed	2028 Space Needed	Growth
New car dealers	802,287sf	928,591sf	15.7%
Warehouse clubs and supercenters	127,369sf	181,263sf	42.3%
Full-service restaurants	133,006sf	152,163sf	14.4%
Direct selling establishments	141,143sf	151,209sf	7.1%
Building material and supplies dealers	86,105sf	116,613sf	35.4%

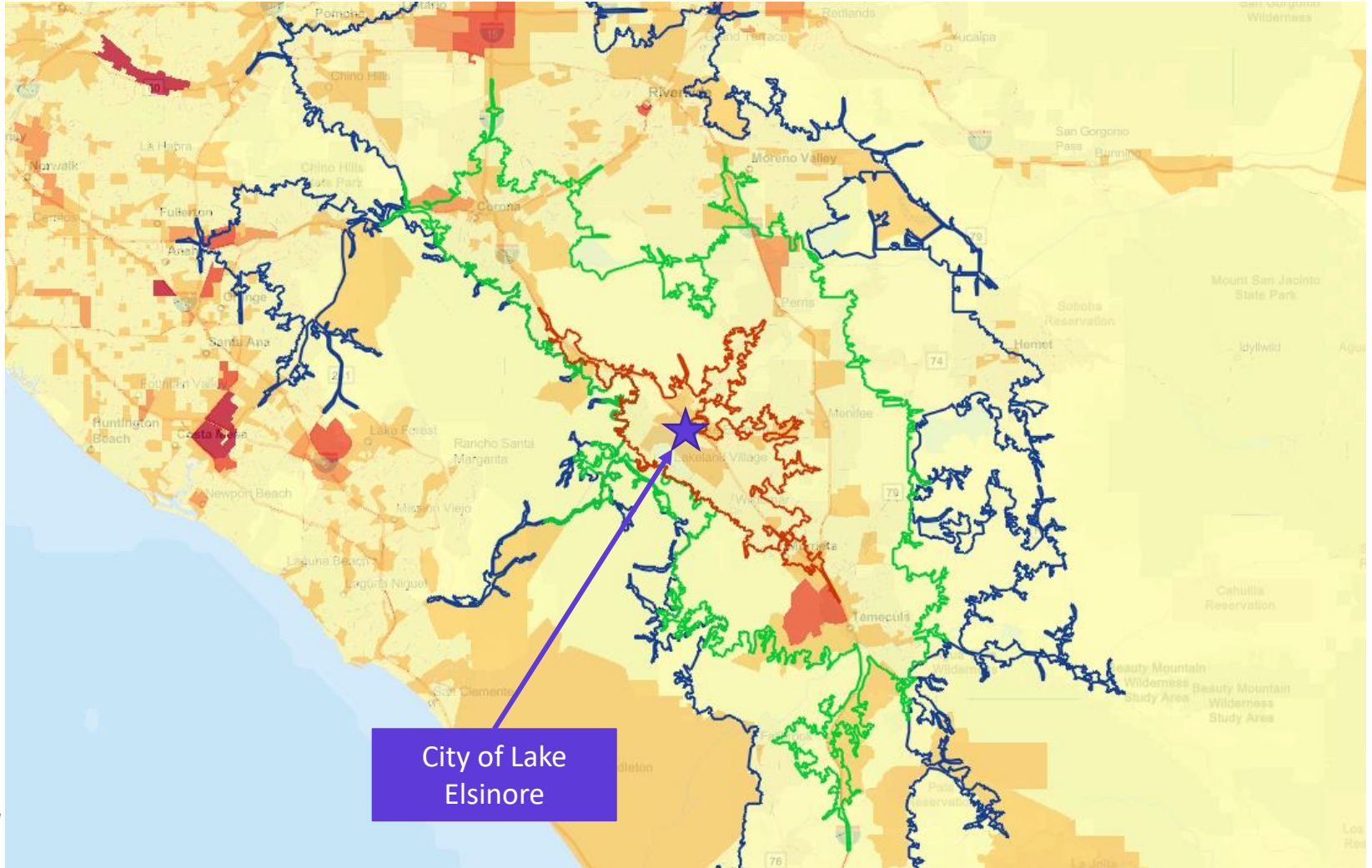
Location Overview



Employment & Drive-Time Map

Location Overview

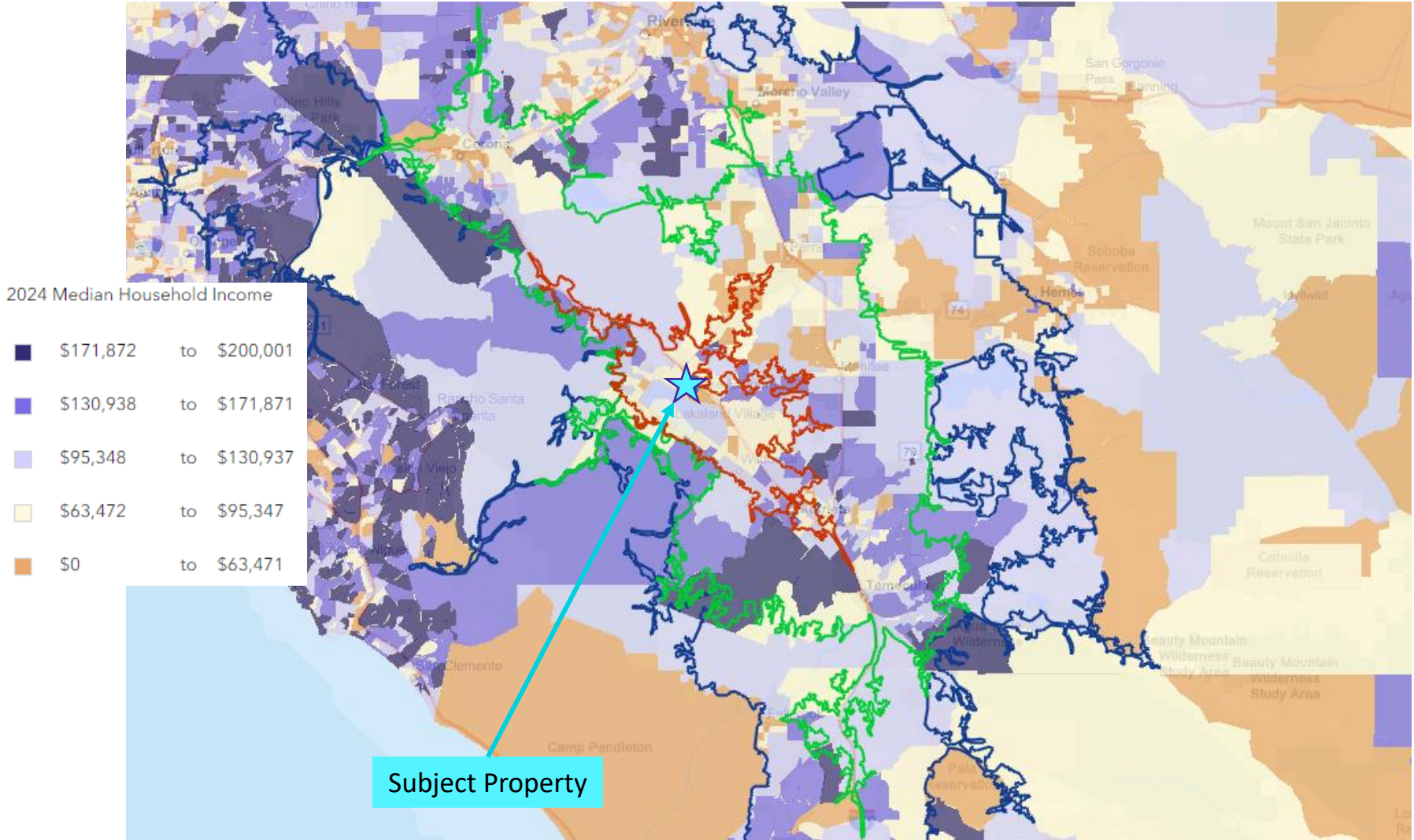
Lake Elsinore is bisected by Interstate 15 with good access across southern and western Riverside County. Given the demand in the market, Lake Elsinore would appeal to workers within multiple markets and across the defined CMA. **The map shows a 15 (red) to 30 (green) to 45 (blue) - minute drive time from Lake Elsinore that allows for access to most of the major employment nodes. Notably, a major employment nodes shown in darker red on the map to the south in Murrieta. Additionally, the expanding hospital Wildomar will attract further businesses to the area.**



Median Household Income Map by Zip Code

Location Overview

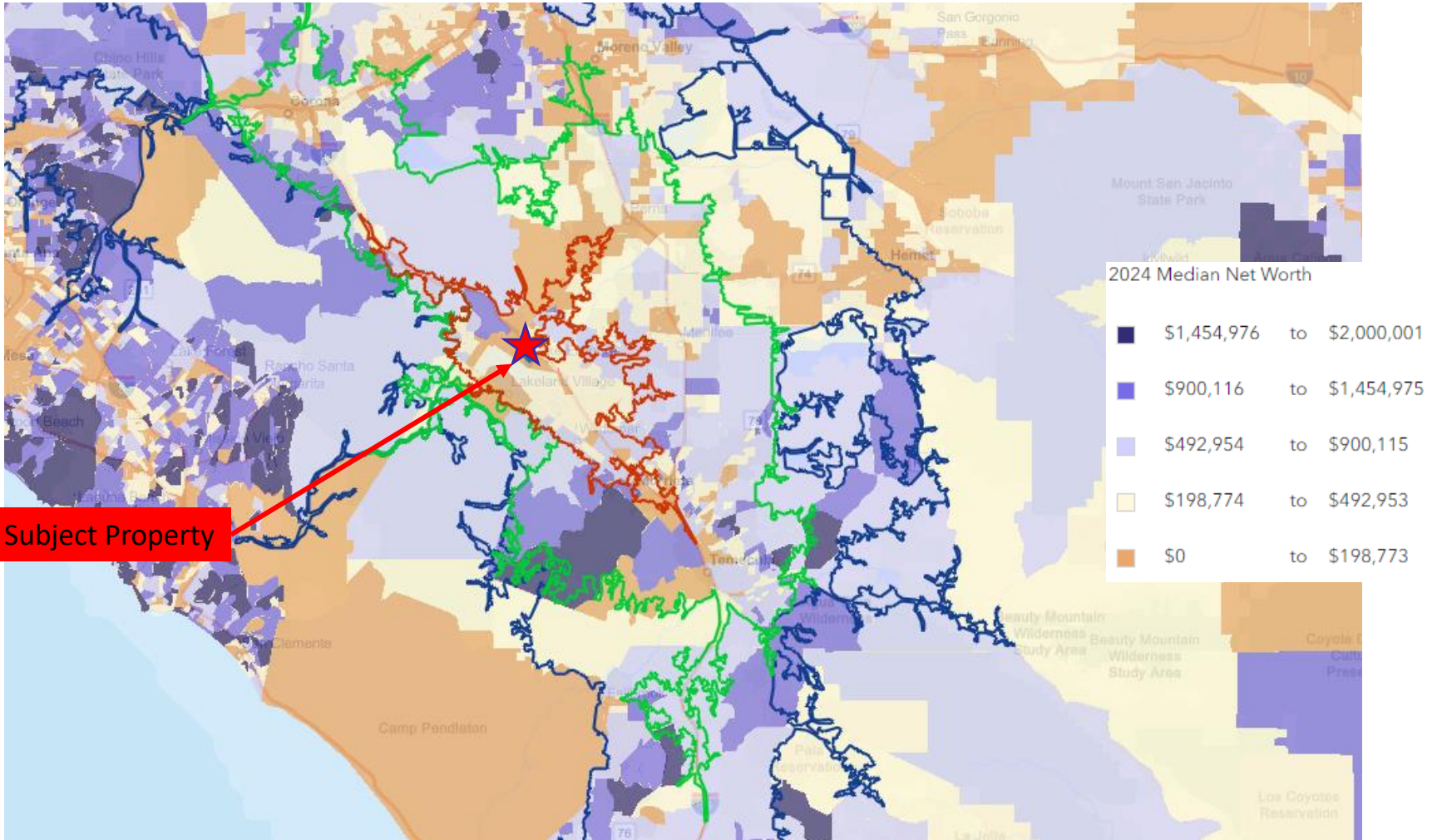
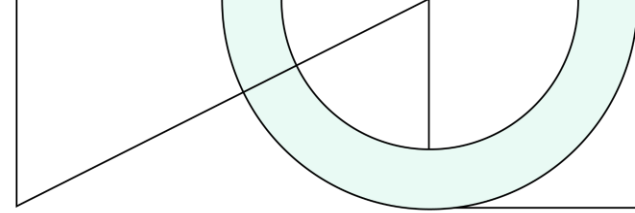
Lake Elsinore generally has lower household income than the surrounding areas. **Most household incomes in Lake Elsinore are below \$130,000 with higher income locations to the south in Murrieta and Temecula and to the north towards Corona.** It provides Lake Elsinore the opportunity to offer more attainable living while in proximity to employment bases.



Median Net Worth Map by Zip Code

Location Overview

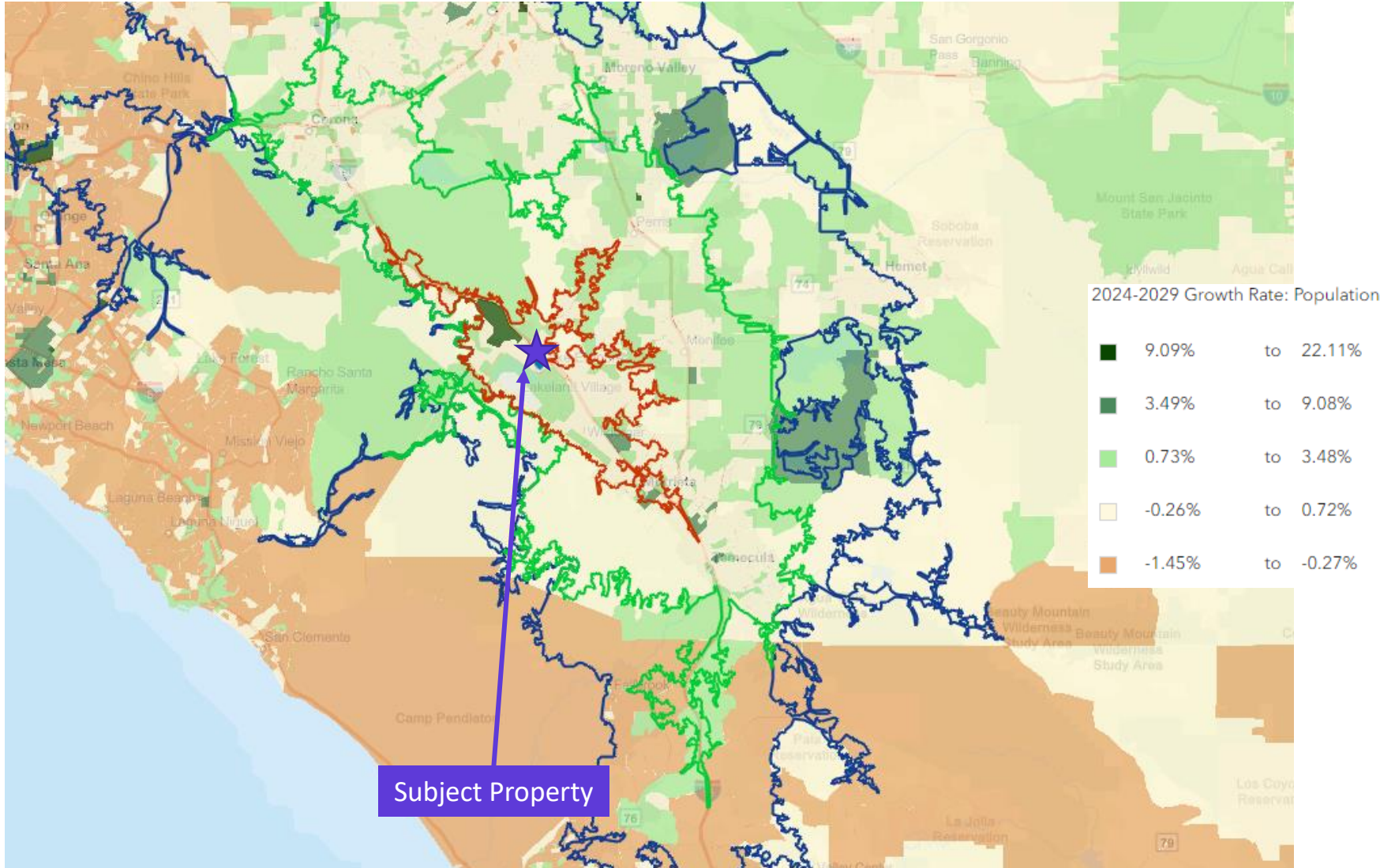
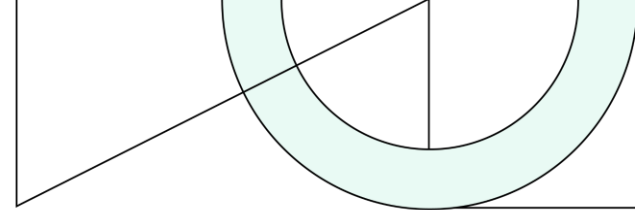
Similar to household income, median net worth in Lake Elsinore is lower than the surrounding areas. **However, given the location, Lake Elsinore provides ample opportunity for growth.**



Compounded Annual Growth Rate – 2024 – 2029

Location Overview

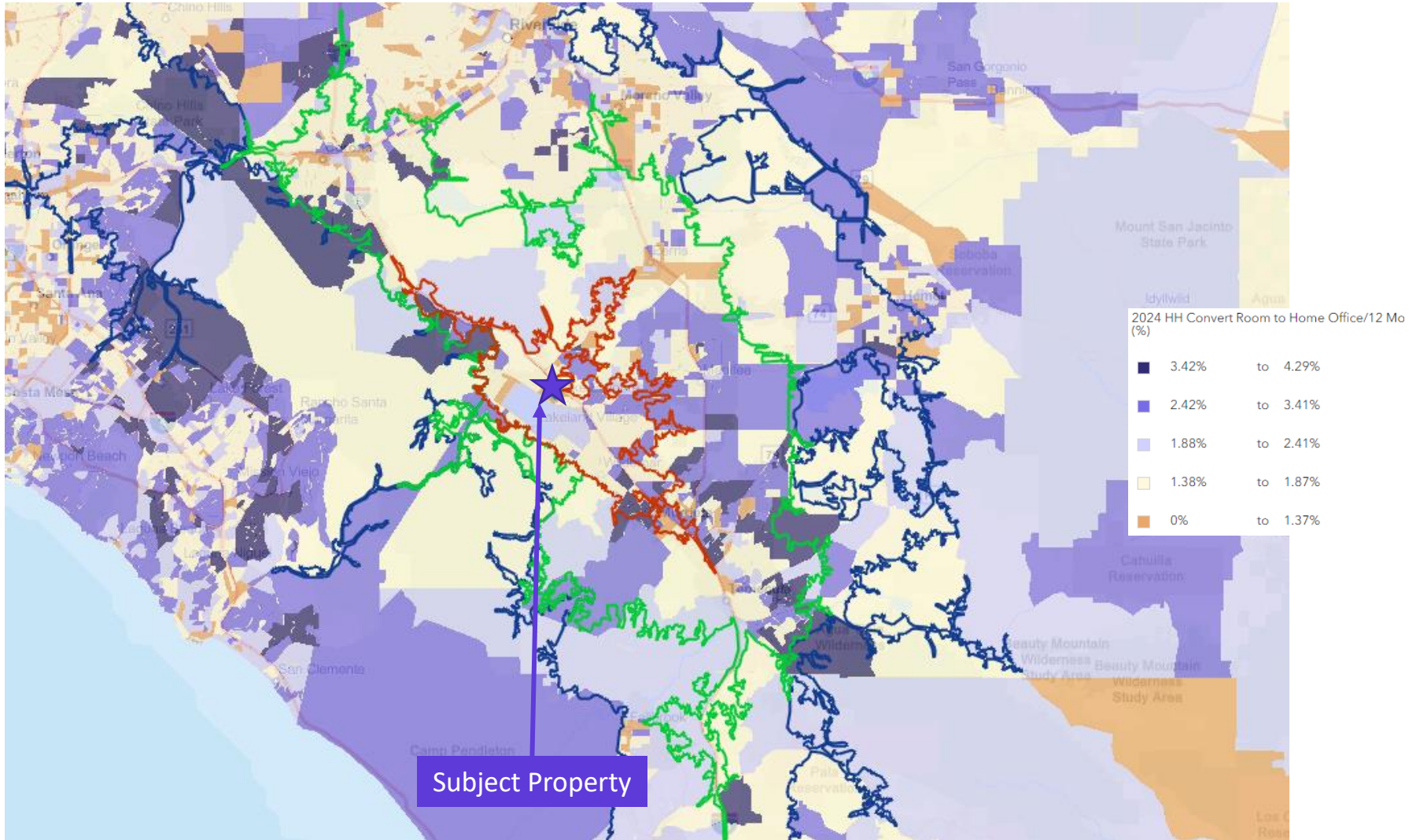
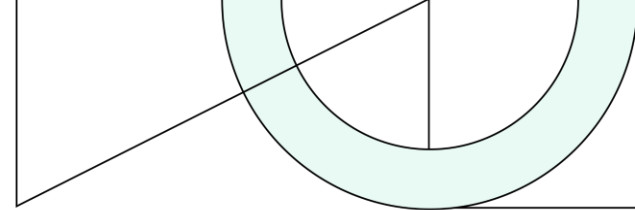
Lake Elsinore boasts one of the only areas expected to have a compounded annual growth rate over 3.5% between 2024 - 2029. Lake Elsinore has the opportunity to take advantage of the potential growth over the next five years with appropriately planned commercial properties.



Home Retail Room Conversion Past Twelve Months

Location Overview

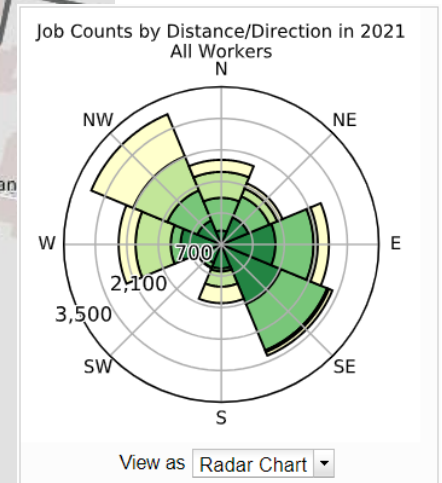
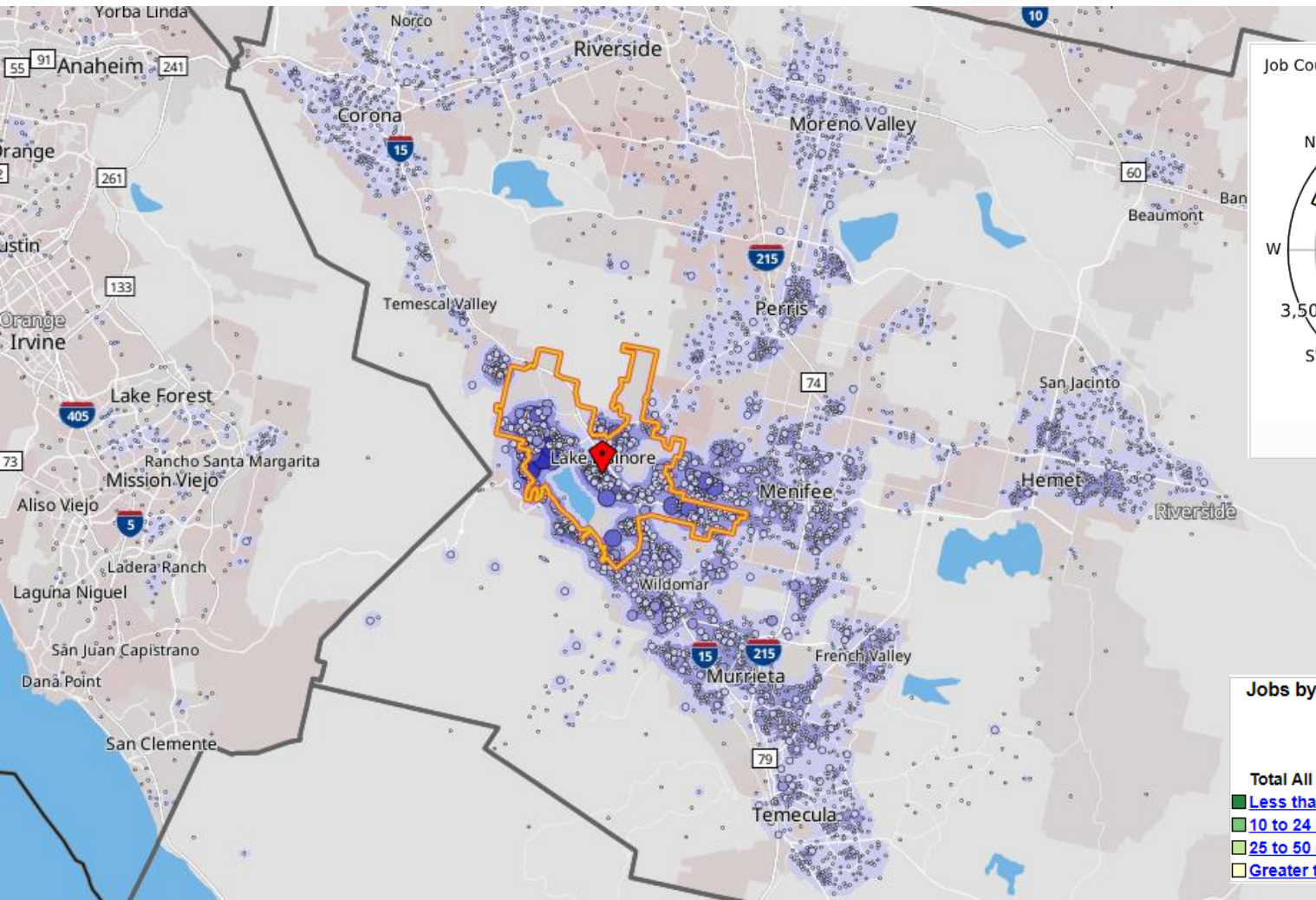
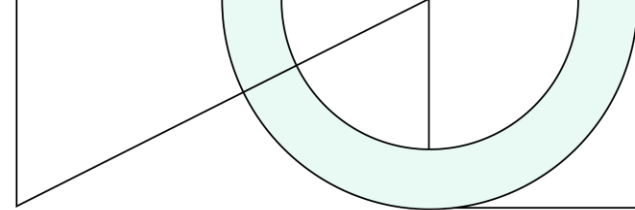
Lake Elsinore has had lower room conversions to home retail percentages than other markets. However, this is important to note for potential future need for Retail space in close proximity to where homes are located.



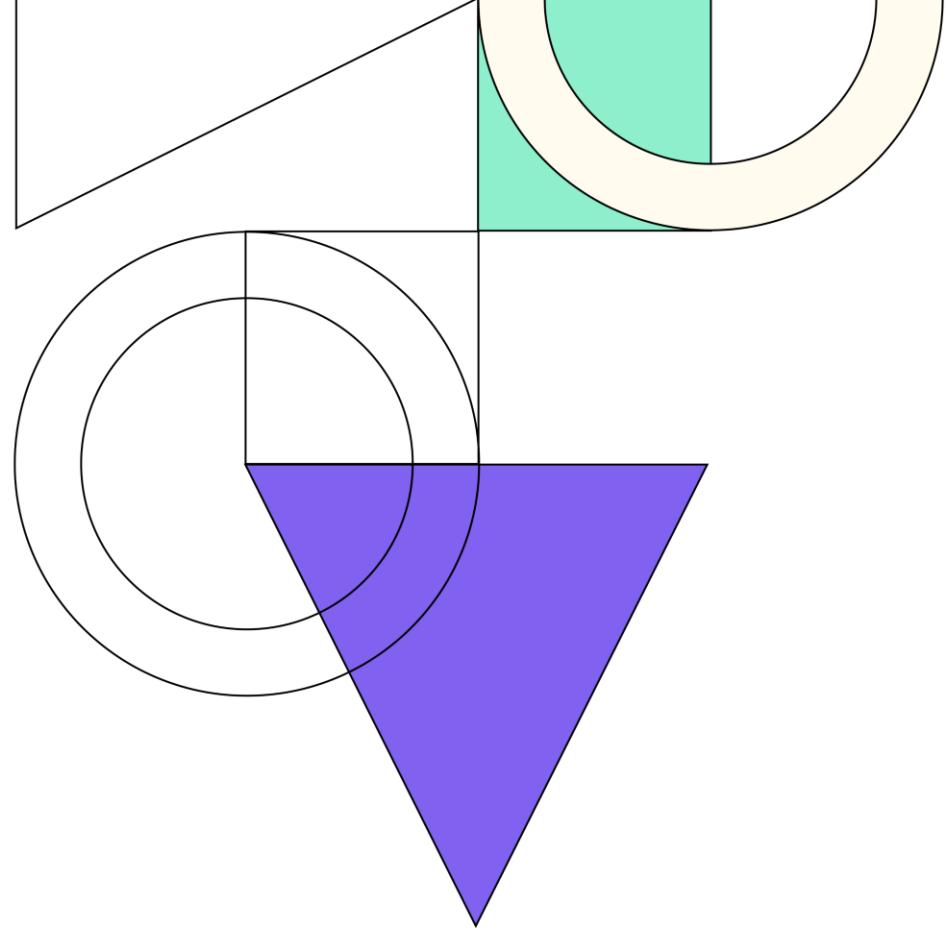
Resident Commuting Patterns for Employment

Location Overview

The majority of Lake Elsinore commutes to other parts of the CMA, notably to the south for employment with 66.1% of residents commuting under 24 miles for employment. These commuting patterns are important to consider for the retail demand opportunity in Lake Elsinore, since the majority of the workforce is spending the majority of their time just outside of the City but within proximity.



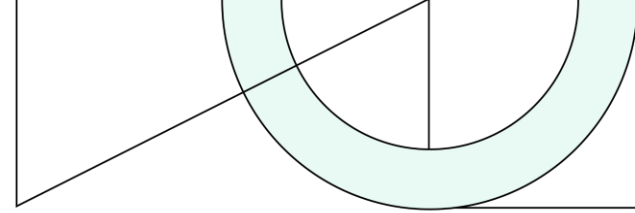
Jobs by Distance - Work Census Block to Home Census Block		
	2021	
	Count	Share
Total All Jobs	15,680	100.0%
Less than 10 miles	6,052	38.6%
10 to 24 miles	4,310	27.5%
25 to 50 miles	2,849	18.2%
Greater than 50 miles	2,469	15.7%



Retail Demand Analysis

Employment by Industry

Retail Demand Analysis



The number of businesses and employees by industry in CMA are detailed in the table below. Retail oriented jobs are highlighted in light green (but not necessarily located in Retail buildings entirely). There are approximately 12,867 Retail-oriented employees in Lake Elsinore, or 79.0% of all jobs in the city. This also equates to 13.9% of Retail-oriented jobs in the CMA. Temecula has the largest number of retail-oriented employees within the CMA.

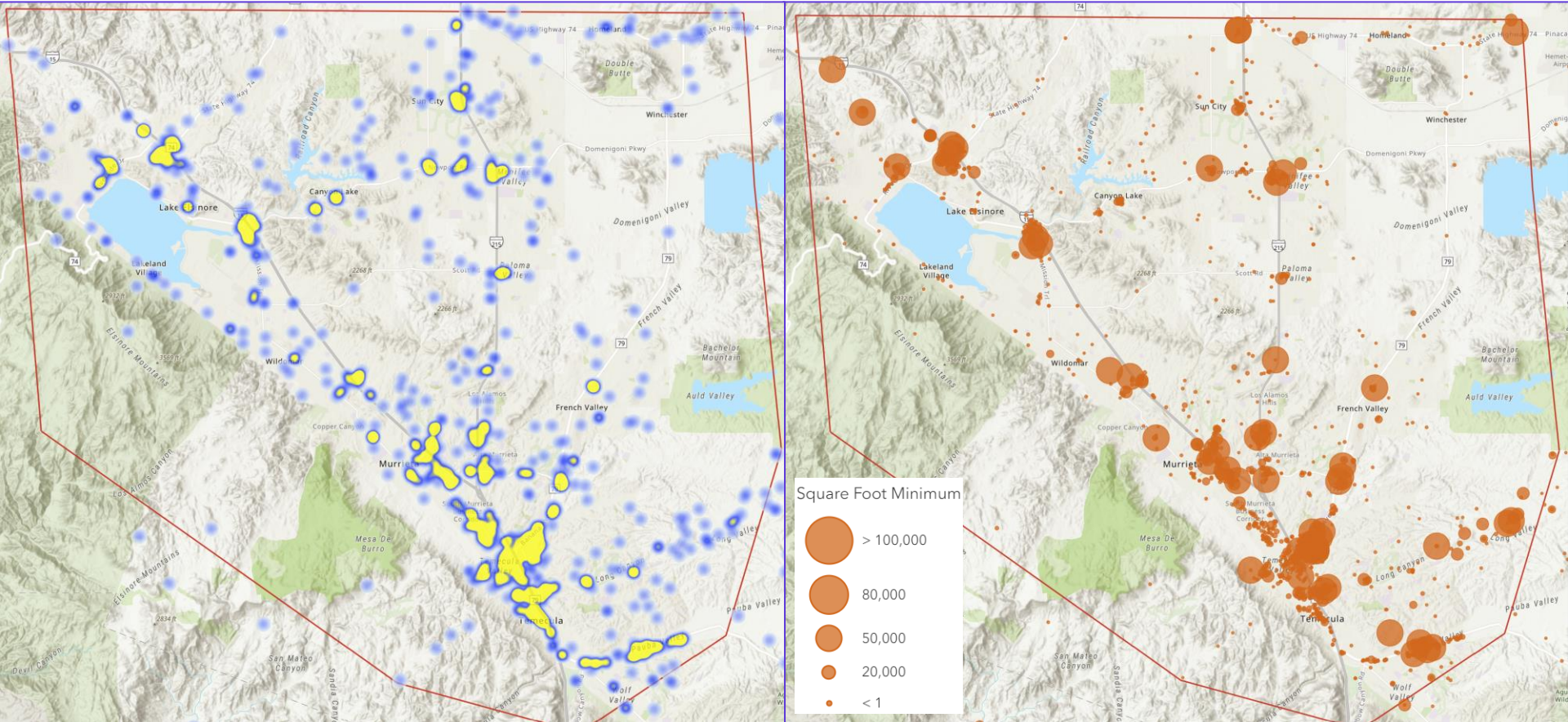
	Riverside Co.	CMA	Lake Elsinore	Menifee	Murrieta	Temecula	Wildomar	Winchester	Other
Total Businesses:	77,383	18,118	2,056	1,959	4,373	6,555	819	57	2,299
Total Employees:	743,392	140,874	16,282	15,990	31,437	56,662	5,801	329	14,373
Total Residential Population:	2,504,036	562,483	72,218	116,246	111,757	113,013	37,178	4,915	107,156
Employee/Residential Population Ratio (per 100 Residents)	30	25	23	14	28	50	16	7	
Total Employees:									
Agriculture & Mining	12,339	2,560	142	282	785	747	150	24	430
Construction	41,388	9,195	1,292	1,033	2,324	2,482	472	21	1,571
Manufacturing	46,380	11,221	747	846	1,544	6,676	230	8	1,170
Transportation	20,643	2,298	208	194	303	856	191	6	540
Communication	4,031	534	67	56	131	208	16	0	56
Utility	3,889	669	188	21	61	210	40	2	147
Wholesale Trade	28,122	3,303	385	215	762	1,495	90	1	355
Retail Trade Summary	198,567	42,212	5,391	5,421	8,275	17,849	1,455	64	3,757
Home Improvement	12,228	3,014	381	361	697	1,349	58	5	163
General Merchandise Stores	18,799	4,504	599	565	1,274	1,985	11	0	70
Food Stores	24,430	5,268	721	791	1,036	1,647	347	0	726
Auto Dealers, Gas Stations, Auto Aftermarket	21,012	4,690	628	374	638	2,248	129	18	655
Apparel & Accessory Stores	6,145	1,305	110	104	139	876	9	0	67
Furniture & Home Furnishings	7,044	1,505	137	169	436	650	28	0	85
Eating & Drinking Places	80,291	17,068	2,027	2,379	3,318	6,824	726	27	1,767
Miscellaneous Retail	28,618	4,858	788	678	737	2,270	147	14	224
Finance, Insurance, Real Estate Summary	40,564	9,414	697	861	1,981	4,764	285	3	823
Banks, Savings & Lending Institutions	9,356	2,085	172	227	485	927	48	0	226
Securities Brokers	3,269	847	35	77	170	482	13	0	70
Insurance Carriers & Agents	5,031	973	60	67	314	450	17	0	65
Real Estate, Holding, Other Investment Offices	22,908	5,509	430	490	1,012	2,905	207	3	462
Services Summary	293,530	55,628	6,813	6,677	14,224	20,465	2,810	187	4,452
Hotels & Lodging	12,931	1,118	234	122	147	456	0	0	159
Automotive Services	11,594	2,373	394	149	610	890	125	24	181
Motion Pictures & Amusements	29,202	4,432	1,457	273	1,083	1,046	46	5	522
Health Services	66,647	12,398	698	1,441	4,838	4,294	672	3	452
Legal Services	5,840	1,201	29	39	277	678	9	0	169
Education Institutions & Libraries	60,466	11,207	2,145	1,853	2,122	3,490	773	129	695
Other Services	106,850	22,899	1,856	2,800	5,147	9,611	1,185	26	2,274
Government	50,893	3,197	310	303	856	705	37	11	975
Unclassified Establishments	3,046	643	42	81	191	205	25	2	97
Retail Oriented Employees	450,861	92,347	12,867	11,386	18,390	38,090	3,081	157	8,376
Total Employment	743,392	140,874	16,282	15,990	31,437	56,662	5,801	329	14,373
% of Retail Oriented Employees	60.6%	65.6%	79.0%	71.2%	58.5%	67.2%	53.1%	47.7%	58.3%
% of Retail Oriented Employees by So. Riverside City	100.0%	13.9%	12.3%	19.9%	41.2%	3.3%	0.2%	9.1%	

Source: ESRI

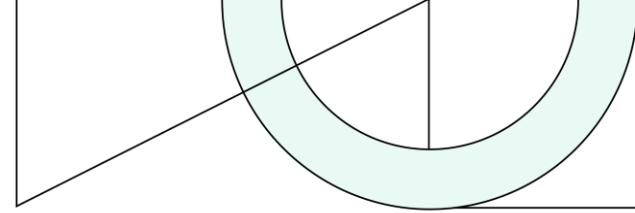
CMA Retail Market Overview

Retail Market

Lake Elsinore is characterized by lower amounts of retail properties in the general with most retail properties located to along Interstate 15. Housing growth has created a gap and need for retail stores, that will continue to grow as the demand for housing increasing in the area. The maps below represent a heat map with the yellow showing higher densities of retail square footage. The map on the right shows the volume of square footage by circle size. As shown, there are higher densities and clusters in the areas to the south of Lake Elsinore along Interstate 15 in Murrieta and Temecula. As shown on the previous page, retail-oriented jobs totaling around 61.0% of the CMA's total retail jobs are located in these two cities.



Source: ESRI



Area History

Retail Market

According to Reonomy in the CMA there is over 22mm square feet of retail space. Over the past 20 years, the market brought an average of 524,018 square feet to the market. After the Great Recession a decline in retail building occurred that correlated to slower residential development. As residential development increased in the mid-2010’s retail development followed. This also caused an increase in the need for jobs that further increased the need for retail space. Given the increasing home development in the area, demand for retail will likely continue increase in the future.

Lake Elsinore has seen lower growth and it’s market share of the CMA decline since 2005 at 20.6% to the present of 17.5% of the total CMA as other areas were more attractive for residential and subsequently retail development. Over the past ten years Lake Elsinore has averaged around 23,716 square feet of retail added to the market stock each year. This provides context into demand and gap analysis reviewed later in this section.

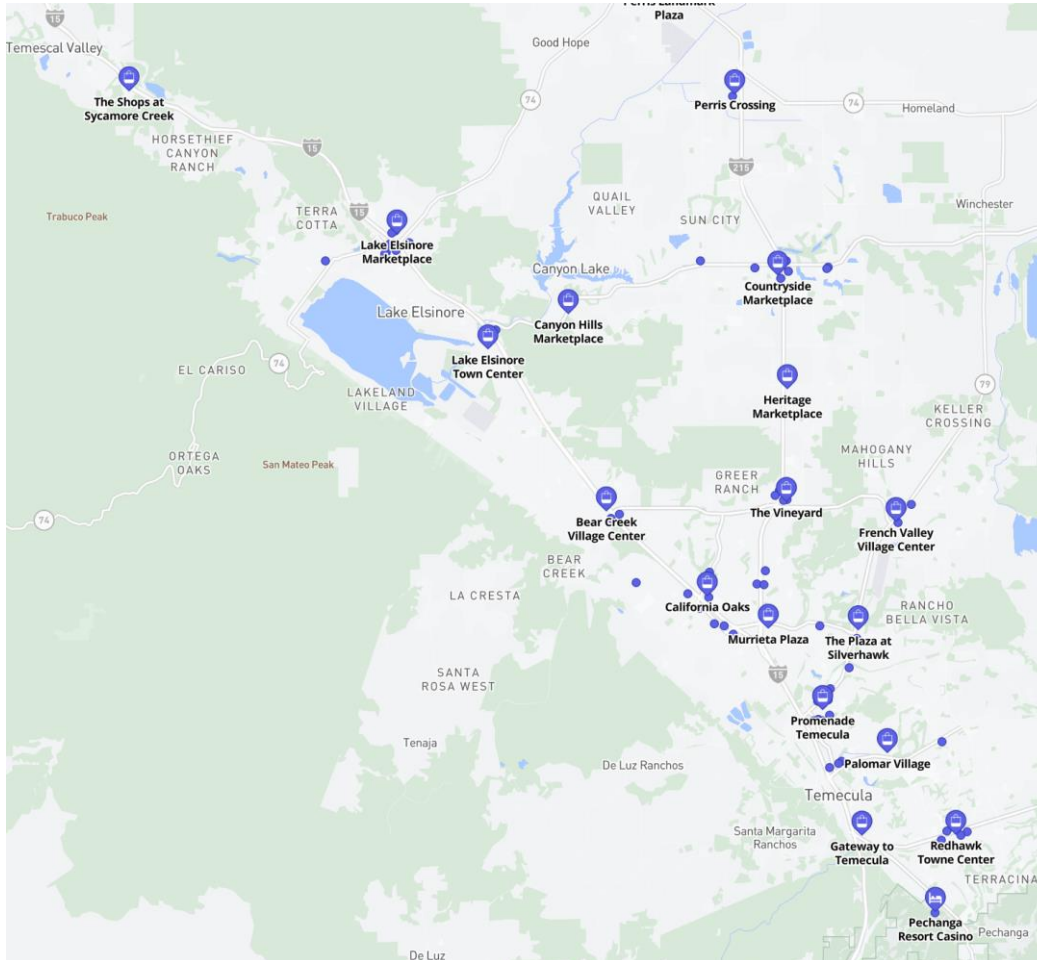
Year Built	Lake Elsinore, CA (city)						Lake Elsinore CMA				
	Units	Sq. Ft.	Per Unit	Total	Market Share	Growth	Units	Sq. Ft.	Per Unit	Total	Growth
Pre-2000	176	2,097,616	11,918	2,097,616	22.6%		743	9,271,451	12,478	9,271,451	
2000	2	10,968	5,484	2,108,584	19.2%	0.5%	43	1,691,758	39,343	10,963,209	18.2%
2001	1	14,873	14,873	2,123,457	18.7%	0.7%	24	410,911	17,121	11,374,120	3.7%
2002	1	4,721	4,721	2,128,178	18.1%	0.2%	35	393,431	11,241	11,767,551	3.5%
2003	2	13,393	6,697	2,141,571	16.8%	0.6%	36	998,307	27,731	12,765,858	8.5%
2004	2	6,666	3,333	2,148,237	15.8%	0.3%	55	831,408	15,117	13,597,266	6.5%
2005	9	873,289	97,032	3,021,526	20.1%	40.7%	45	1,408,651	31,303	15,005,917	10.4%
2006	23	318,101	13,830	3,339,627	20.6%	10.5%	88	1,170,788	13,304	16,176,705	7.8%
2007	10	170,082	17,008	3,509,709	20.0%	5.1%	93	1,360,509	14,629	17,537,214	8.4%
2008	7	52,144	7,449	3,561,853	18.8%	1.5%	44	1,427,845	32,451	18,965,059	8.1%
2009	1	80,678	80,678	3,642,531	18.2%	2.3%	29	1,063,911	36,687	20,028,970	5.6%
2010	0	0	0	3,642,531	18.1%	0.0%	12	121,938	10,162	20,150,908	0.6%
2011	1	13,678	13,678	3,656,209	18.1%	0.4%	10	69,386	6,939	20,220,294	0.3%
2012	0	0	0	3,656,209	18.0%	0.0%	6	64,619	10,770	20,284,913	0.3%
2013	1	8,320	8,320	3,664,529	18.0%	0.2%	8	47,759	5,970	20,332,672	0.2%
2014	1	3,010	3,010	3,667,539	17.9%	0.1%	13	110,678	8,514	20,443,350	0.5%
2015	1	18,800	18,800	3,686,339	17.9%	0.5%	10	156,788	15,679	20,600,138	0.8%
2016	3	19,754	6,585	3,706,093	17.8%	0.5%	22	249,791	11,354	20,849,929	1.2%
2017	1	7,741	7,741	3,713,834	17.7%	0.2%	14	107,989	7,714	20,957,918	0.5%
2018	3	30,257	10,086	3,744,091	17.6%	0.8%	34	315,064	9,267	21,272,982	1.5%
2019	12	127,116	10,593	3,871,207	17.9%	3.4%	26	296,897	11,419	21,569,879	1.4%
2020	1	2,812	2,812	3,874,019	17.7%	0.1%	13	267,949	20,611	21,837,828	1.2%
2021	2	10,598	5,299	3,884,617	17.7%	0.3%	24	142,010	5,917	21,979,838	0.7%
2022	2	8,753	4,377	3,893,370	17.5%	0.2%	11	268,082	24,371	22,247,920	1.2%
Total	262	3,893,370					1,439	22,253,920			

Source: Reonomy & Zonda

CMA Retail Market Overview

Retail Market

The map shown below recognizes the location of some of the larger retail marketplaces in the Lake Elsinore area. Placer.ai provides context into monthly visits to each location with Countryside Marketplace in Menifee estimated to have the most monthly visits with over 877,000 or 1.2 visits per square foot. Two of the larger marketplaces in Lake Elsinore enjoy slightly lower monthly visits. The Lake Elsinore Marketplace garners over 508,000 monthly visits while the Lake Elsinore Town Center obtains around 260,000 monthly visits resulting in 1.6 visits per square foot. Additionally, the Canyon Hills Marketplace obtains around 275,000 visits and 1.9 visits per square foot. The Lake Elsinore Marketplace is supported by a wide array of retail types with Costco being the biggest draw followed by Lowe's.

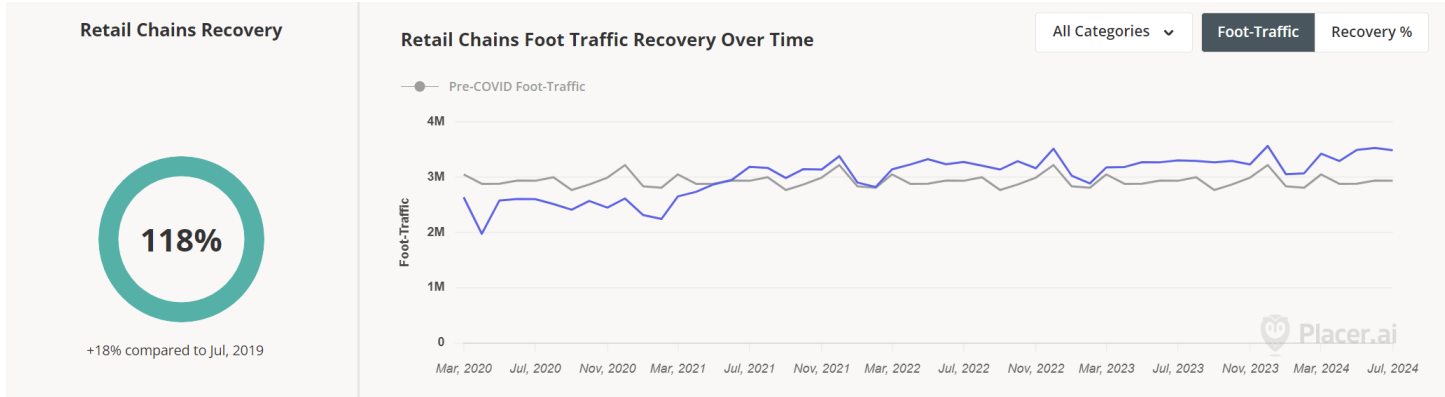


Source: Placer.ai

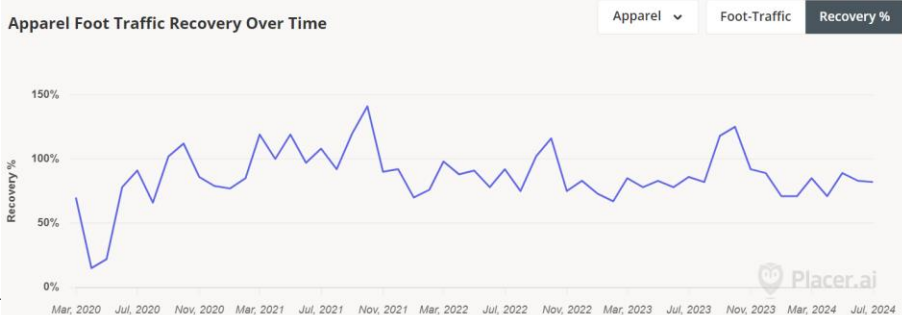
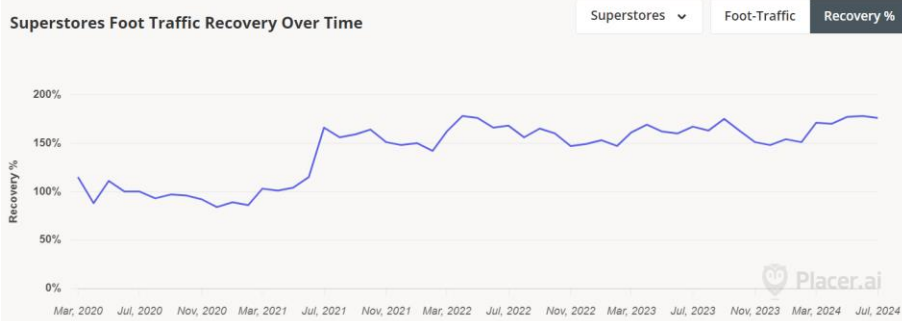
CMA Retail Market Overview – City of Lake Elsinore

Retail Market

Retail has recovered to different degrees since the pandemic. Using Placer.ai data, the City of Lake Elsinore was reviewed. It showed that retail chain recovery has increased to 118% from July 2019, or a more normalized period, while Apparel has seen the least recovery at 82%. **Those retail chains that have had the strongest recoveries including Superstores 176%, Dining (124%), Medical/Health (121%), and Groceries (112%) are among the strongest targets of types of stores in Lake Elsinore.**



Source: Placer.ai



Retail Chains Foot Traffic Recovery By Category

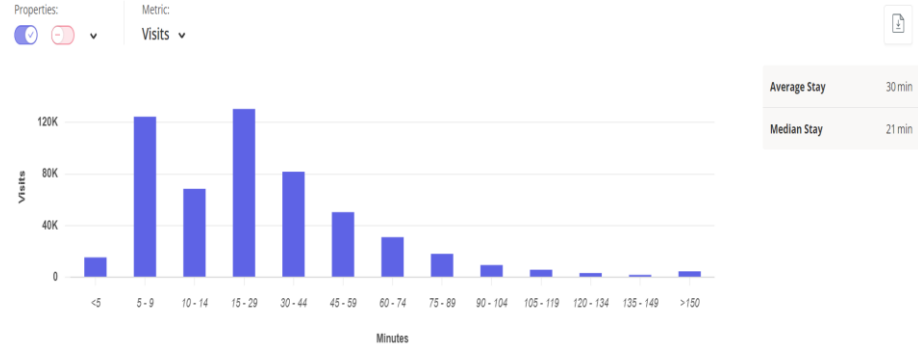
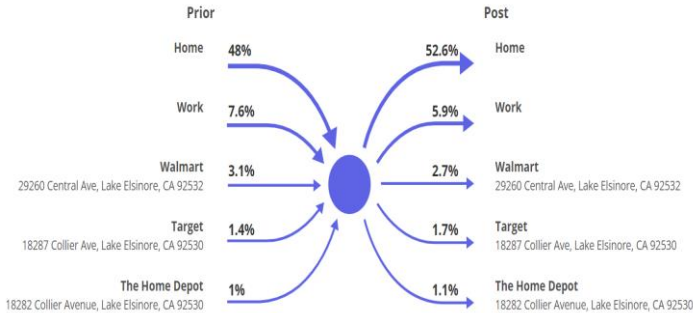
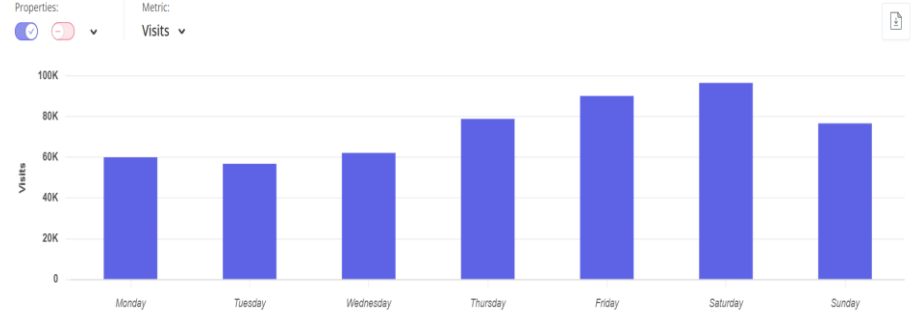
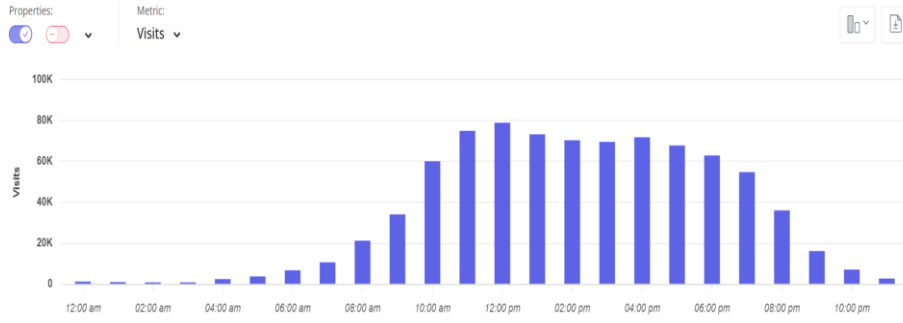
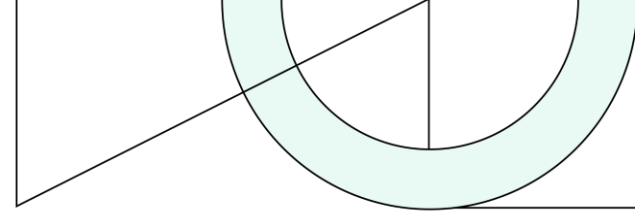
Category	Recovery
Apparel	82%
Dining	124%
Fitness	99%
Groceries	112%
Home Improvement	87%
Hotel/Casinos	139%
Medical & Health	121%
Shop & Service	110%
Spa & Beauty	104%
Superstores	176%

Retail Chains Foot Traffic Recovery compares visits to retail chain venues during the specified timeframe with visits during the equivalent pre-COVID timeframe.

CMA Retail Market Overview – Lake Elsinore Marketplace

Retail Market

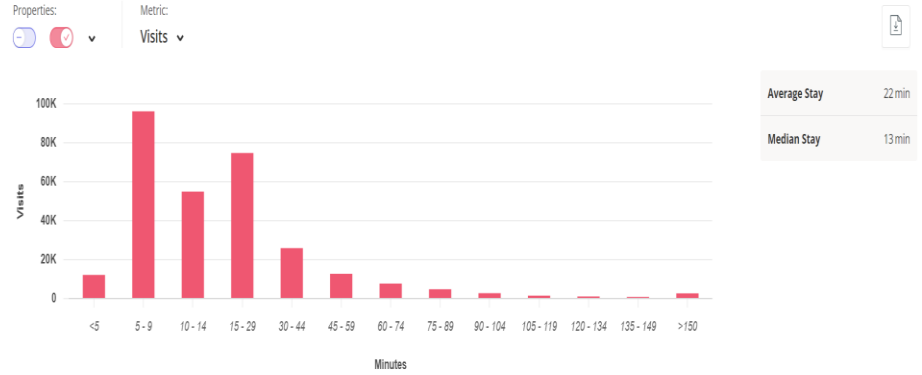
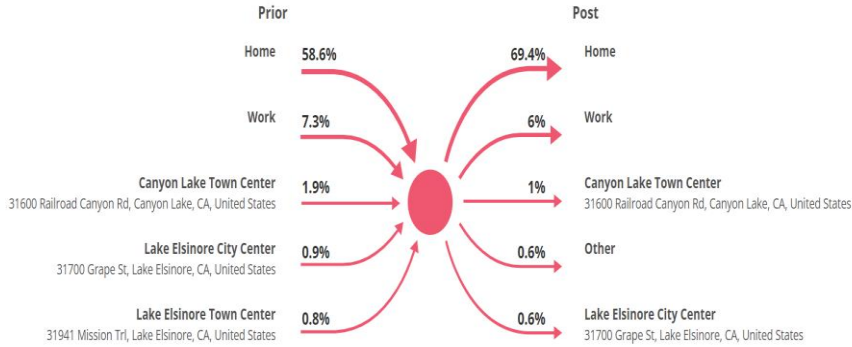
The Lake Elsinore Marketplace overview is provided below. The Lake Elsinore Marketplace is supported by a wide array of retail types with Costco being the biggest draw followed by Lowe’s. The retail complex is busiest at lunchtime and then slowly tapers off through the rest of the day with the most visits expected during the weekend, which given Costco and Lowe’s being the largest draws provides further depth into this complex. The complex does not keep shoppers for longer periods of time with the average stay is around 30 minutes.



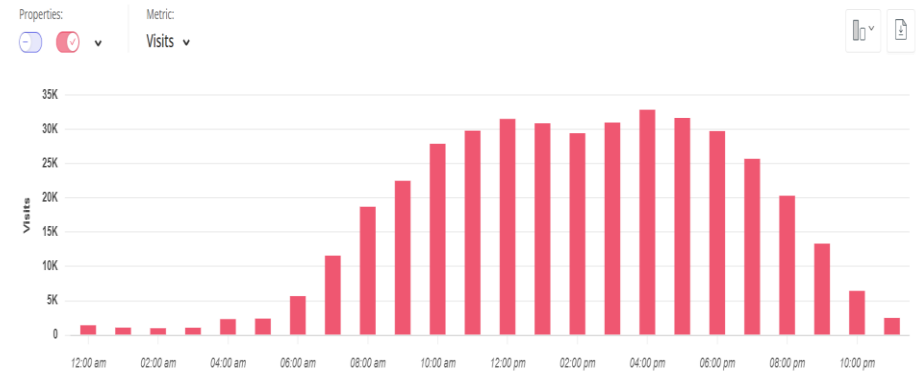
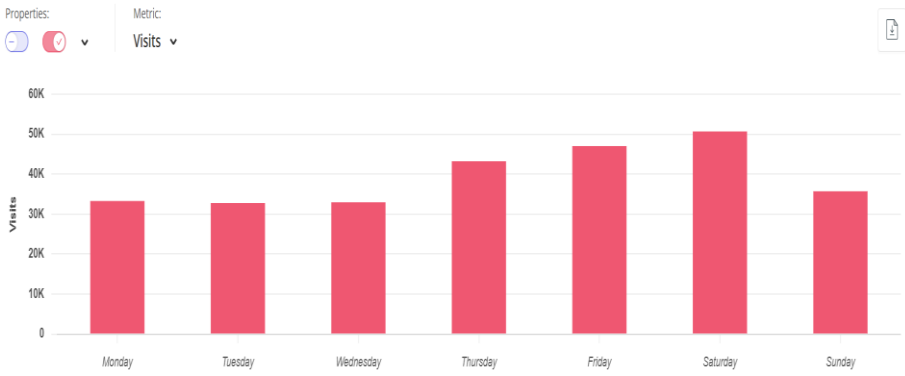
CMA Retail Market Overview – Canyon Hills

Retail Market

The Canyon Hills Marketplace overview is provided below. Canyon Hills is supported by a Stater Bros. Market being the biggest draw followed by Chevron and CVS. The retail complex is busiest later in the day, appearing to draw more after shoppers get out of work and look for quick necessities driving to the low average stay time of 22 minutes. This is further supported by Placer.ai’s data that shows almost 70% of visitors are heading home after their visit.



Average Stay	22 min
Median Stay	13 min

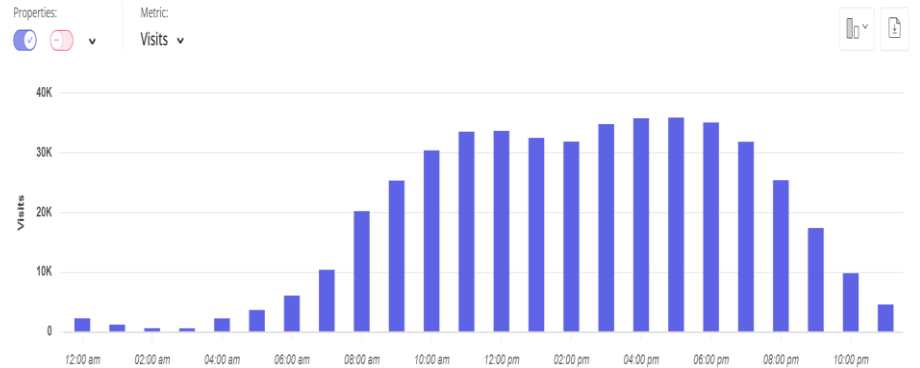
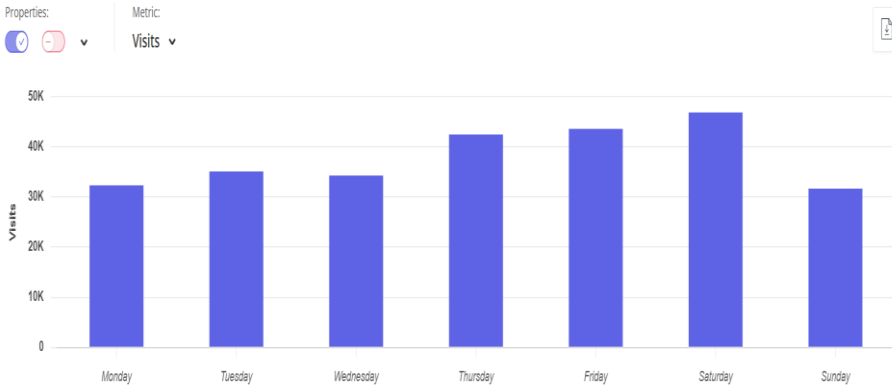
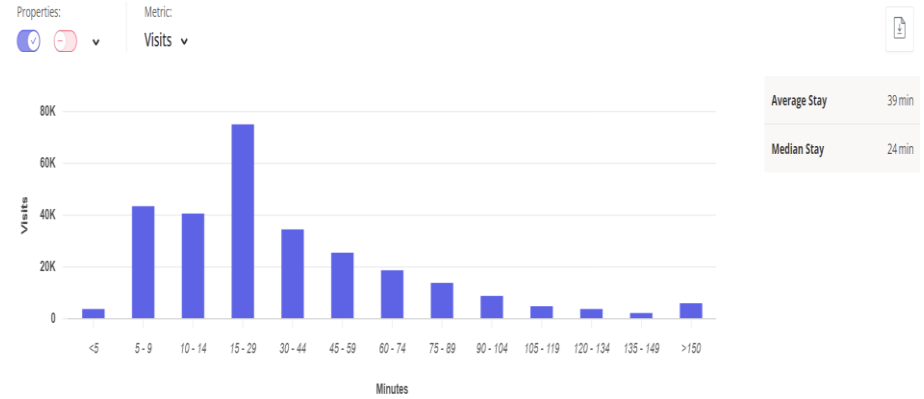
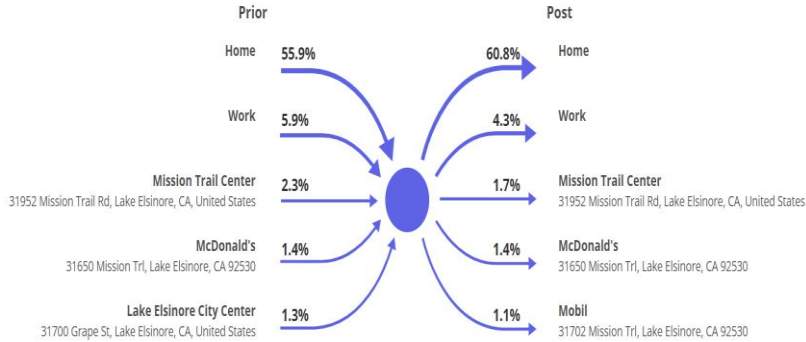


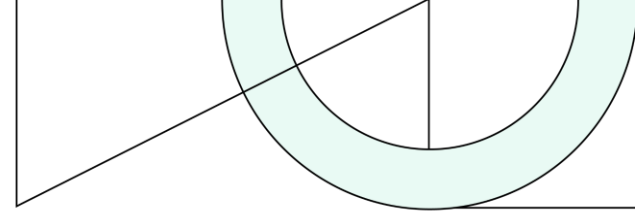
Source: Placer.ai

CMA Retail Market Overview – Lake Elsinore Town Center

Retail Market

The Lake Elsinore Town Center overview is provided below. The Town Center is anchored by a Stater Bros. Market and supported by a Starbucks and Planet Fitness. The retail complex is busiest later in the day, and garnering the highest stay time of the three complexes examined with an average stay time of 39 minutes likely a result of visitors to the Planet Fitness.





CMA Retail Market ‘Gap’ Analysis

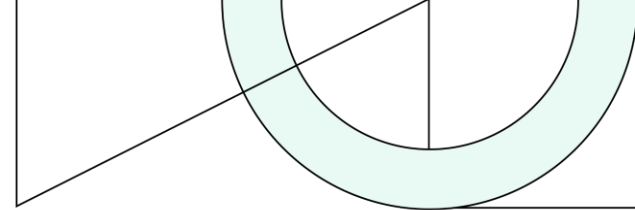
Retail Market

Retail sales are generally dependent on and generated by the local population. This is true for the CMA as residents will make up the majority of the retail sales. There is an opportunity for different categories of retail space within the CMA due to the growth being experienced in the marketplace. If residents do not have sufficient choice within the CMA to purchase retail goods, they will be drawn outside of the CMA creating a potential sales ‘gap’. This difference ‘gap’ between the CMA’s retail sales revenue and what CMA residents are spending identifies a given category of retail space as over- or under-supplied. However, as with housing, retail levels will need to be monitored carefully at the present time. The retail at the site will generally serve the immediate and surrounding residents as well as other commercial properties. Future planned retail will likely enter the Market when the economy is more normalized.

The table below presents comparisons of retail sales activity within the defined CMA as it compares with how much retail spending is represented by residents within the CMA:

Retail Stores	Lake Elsinore CMA Retail CMA						
	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2024 How Much ^{(1)?}	2028 How Much ^{(1)?}
				2024	2028		
GLA in Shopping Centers w/in the CMA	22,253,920sf	27,994,308sf	29,525,666sf	5,740,388sf	7,271,746sf	5,740,388sf	7,271,746sf
Total Retail Sales Incl Eating and Drinking Places	\$9,279,145,222	\$11,672,696,194	\$12,311,221,842	\$2,393,550,972	\$3,032,076,620		
2024 Retail Expenditures Per Sq.Ft. of Resident Pop	\$416.97/sf	\$524.52/sf	\$524.52/sf				
2024 Retail Expenditures Per Person of Resident Pop	\$16,711/person	\$21,022/person	\$21,022/person				
Total Pop. in CMA (incl. subject site):	555,258 persons	555,258 persons	585,632 persons				
Added Resident Retail Sales Potential From 2024			\$638,525,648				
Added Total Retail Sales Potential From 2024			\$507,592,429				
Added Resident Retail Sq.Ft. Potential From 2024			1,217,345sf				
Added Total Retail Sq.Ft. Potential From 2024			967,722sf				

As shown, Commercial CMA residents are spending \$11.672bb annually on retail goods while actual retail sales levels within the Commercial CMA are \$9.279bb. The surplus of \$2.393bb retail sales in the CMA reflects expenditures that residents spend outside of the CMA as it represents lost potential retail that if proper retail supply is provided there is opportunity to fill the needs of the consumers. As a result of the growing population and demand the expected gap could potentially grow to \$3.032bb should be sufficient retail supply not be added to the CMA. The demand will occur across a broad spectrum of retail types with the range reviewed on the following page. Based on the growing population within the CMA where the Subject Property is located, it could support varied types of potential retail in the CMA. **Not all demand is conducive. Still, demand for neighborhood retail will grow over time as new for-sale homes are built and sold in the local area.**



Lake Elsinore Retail Market ‘Gap’ Analysis

Retail Market

Retail sales are generally dependent on and generated by the local population. This is true for Lake Elsinore as residents will make up the majority of the retail sales. There is an opportunity for different categories of retail space within Lake Elsinore due to the growth being experienced in the marketplace. If residents do not have sufficient choice within Lake Elsinore to purchase retail goods, they will be drawn outside of the Lake Elsinore creating a potential sales ‘gap’. This difference ‘gap’ between Lake Elsinore’s retail sales revenue and what residents are spending identifies a given category of retail space as over- or under-supplied. However, as with housing, retail levels will need to be monitored carefully at the present time. The retail at the site will generally serve the immediate and surrounding residents as well as other commercial properties. Future planned retail will likely enter the Market when the economy is more normalized.

The table below presents comparisons of retail sales activity within Lake Elsinore as it compares with how much retail spending is represented by residents:

Lake Elsinore, CA (city) Retail CMA									
Retail Stores	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2024		2028	
				2024	2028	Add'l Space Viable?	How Much ⁽¹⁾ ?	Add'l Space Viable?	How Much ⁽¹⁾ ?
GLA in Shopping Centers w/in the CMA	3,893,370sf	3,870,119sf	4,054,751sf	-23,251sf	161,381sf		-23,251sf		161,381sf
Total Retail Sales Incl Eating and Drinking Places	\$1,293,701,030	\$1,285,974,988	\$1,347,325,255	(\$7,726,042)	\$53,624,225				
2024 Retail Expenditures Per Sq.Ft. of Resident Pop	\$332.28/sf	\$330.30/sf	\$330.30/sf						
2024 Retail Expenditures Per Person of Resident Pop	\$16,631/person	\$16,532/person	\$16,532/person						
Total Pop. in CMA (incl. subject site):		77,787 persons	81,498 persons						
Added Resident Retail Sales Potential From 2024			\$61,350,267						
Added Total Retail Sales Potential From 2024			\$61,718,854						
Added Resident Retail Sq.Ft. Potential From 2024			185741.7829						
Added Total Retail Sq.Ft. Potential From 2024			186,858sf						

As shown, Lake Elsinore residents or visitors are spending \$3.893bb annually on retail goods while actual retail sales levels with Lake Elsinore residents is \$3.870bb. The deficit of \$7.7mm retail sales in Lake Elsinore reflects expenditures that visitors from outside of Lake Elsinore spend in Lake Elsinore. However, as a result of the growing population and demand the expected gap could potentially grow to \$53mm providing for the need of over 160,000 square feet of retail which would average to +/- 32,000 square feet added per year, slightly above the ten year average within Lake Elsinore. This exhibits the growing desire to live in Lake Elsinore as well as the increasing demand and need for retail to enter the market. The demand will occur across a broad spectrum of retail types with the range reviewed on the following page. Based on the growing population within Lake Elsinore it could support varied types of potential retail in the CMA. **Not all demand is conducive. Still, demand for neighborhood retail will grow over time as new for-sale homes are built and sold in the local area.**

Gap Analysis – Potential Retail Targets

Retail Market

The ‘gap’ analysis that is summarized on the previous page is shown in more detail in the Appendix for both the CMA and Lake Elsinore, which presents positive ‘gaps’ in blue and negative gaps in red, as well as the supportable amount of additional square footage per retail category for those categories that reflect positive gaps.

The potential categories are shown in the table to the right. When viewing this table, it must be noted that the opportunities exist throughout the CMA. **Given the retail options in the area it is likely that used car dealers, home improvement stores, specialty stores, neighborhood stores focused on various service retailers, restaurants and eateries, and experiential retail will be in demand in the neighborhood.**

Limited opportunity exists for the clothing/accessory categories, these categories are trending downward in terms of potential due to the growing impact of online retail competition.

Smaller, boutique versions of department stores are also in demand, but again, these categories are trending downward due to the impact of online retail competitors. Health and personal care stores, and personal services in the form of a fitness/yoga studio, insurance/real estate agencies/brokerages are in demand as well as other experiential retail is in demand. These are uses that are conducive that are somewhat insulated from online competition.

Online competition is growing and will reduce demand for those categories of retail space that offer products easily purchased online. Local brand specialty shops should plan on online marketing/sales efforts to augment revenues and building designs should accommodate such uses.

Potential Retail Stores		
Category	Minimum Square Footage	Type
Dealerships		
Used car dealers	25,000-50,000sf	Regional
Boat dealers	25,000-50,000sf	Regional
Manufactured Housing	5,000-25,000sf	Regional
Outdoor power equipment stores	5,000-25,000sf	Regional
Potential Anchors or Big Box Retailers		
Home Improvement centers	50,000-100,000sf	Regional
General Merchandise Stores	75,000-200,000sf	Regional
Warehouse clubs and supercenters	75,000-200,000sf	Regional
Furniture stores	10,000-30,000sf	Reg/Twn Ctr
Home furnishings stores	10,000-30,000sf	Reg/Twn Ctr
Electronics stores	10,000-30,000sf	Reg/Twn Ctr
Sporting goods stores	5,000-25,000sf	Reg/Twn Ctr
Neighborhood Store		
Supermarkets and other grocery	30,000-50,000sf	Neighborhood
Pharmacies and drug stores	10,000-15,000sf	Neighborhood
Nursery, garden center, and farm supply stores	5,000-10,000sf	Neighborhood
Automotive parts and accessories stores	5,000-10,000sf	Neighborhood
Potential Specialty Stores		
Musical instrument and supplies stores	< 10,000sf	Rg/Tn/Nb
Paint and wallpaper stores	< 10,000sf	Rg/Tn/Nb
Office supplies and stationery stores	< 10,000sf	Rg/Tn/Nb
Women's clothing stores	< 10,000sf	Rg/Tn/Nb
Children's and infants' clothing stores	< 10,000sf	Rg/Tn/Nb
Shoe stores	< 5,000sf	Rg/Tn/Nb
Experiential Retail	< 10,000sf	Town/Neighbor
Used merchandise stores	< 5,000sf	Town/Neighbor
Health and personal care stores	< 5,000sf	Town/Neighbor
Jewelry stores	< 2,500	Town/Neighbor
Florists	< 1,000	Town/Neighbor
Gift, novelty, and souvenir stores	< 1,000	Town/Neighbor
Book stores	< 1,000	Town/Neighbor
News dealers and newsstands	< 1,000	Town/Neighbor
Potential Food Services		
Full-service restaurants	5,000-10,000sf	Rg/Tn/Nb
Limited-service restaurants	< 5,000sf	Rg/Tn/Nb
Cafeterias, grill buffets, and buffets	< 5,000sf	Rg/Tn/Nb
Coffee shops	< 2,500sf	Rg/Tn/Nb
Drinking places	< 2,500sf	Town/Neighbor
Ice cream, soft serve & fzn ygrt	< 2,500sf	Rg/Tn/Nb
Bagel/Bakery/Doughnut Shop	< 2,500sf	Town/Neighbor
Bagel shops	< 2,500sf	Town/Neighbor
Meat markets	< 2,500sf	Town/Neighbor
Fish and seafood markets	< 2,500sf	Town/Neighbor
Fruit and vegetable markets	< 2,500sf	Town/Neighbor
Specialty food stores	< 2,500sf	Town/Neighbor
Beer, wine, and liquor stores	< 2,500sf	Town/Neighbor
Services		
Gasoline stations w/ Convenience	2,500-5,000sf	Rg/Tn/Nb
Convenience stores	2,500-5,000sf	Town/Neighbor
Tire dealers	2,500-5,000sf	Town/Neighbor
Service Retailers	< 2,500sf	T/N/Bus.
Food service contractors	< 2,500sf	Light Ind.
Caterers	< 2,500sf	Bus.Park

Annual Sales Per SF – Property Types/Targets

Retail Market

The exhibit below provides further context into the different types of retail properties ability to generate taxable sales. When used in conjunction with the Gap Analysis, we can find a clearer picture on demand levels in the market. Some of the most potent retail types are shown below with higher potential taxable sales per square foot and highlighted in the orange rows (knowing all taxable sales are local and these are national numbers). **Home improvements stores, for example procure an average of \$329 per square foot which is an increase of 4.9% from one year ago while also having one of the lower occupancy cost percentages. Similarly, restaurants have a higher sales per square foot with a slight increase from one year prior but a lower occupancy cost percentage. Generally, the most potent retail needs for Lake Elsinore have stronger sales per square foot and low occupancy cost percentages that should be desirable for both the City and Retailer.**

Note: Occupancy cost percentage is the percentage of a tenant's total revenue that goes towards covering the costs of occupying their space. Lower percentages are generally considered healthier.

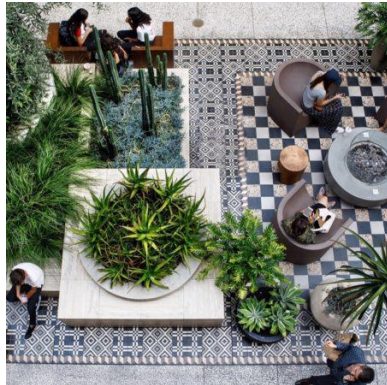
U.S. National Sales Productivity and Occupancy Costs by Category (Rolling 12-Month July 2023 - June 2024)

Category	ANNUALIZED SALES PSF					OCCUPANCY COST PERCENTAGE*
	Rolling 12 (July 2023 - June 2024)	YOY % over same period of prior year (July 2023 - June 2024)	Calendar Year 2021	Calendar Year 2022	Calendar Year 2023	Rolling 12-month average (July 2023 - June 2024)
Sporting Goods	\$397	4.9%	\$405	\$381	\$383	2.2%
Home Improvement	\$329	4.9%	\$294	\$303	\$313	3.7%
Beauty Supplies	\$928	17.5%	\$563	\$709	\$865	4.8%
Department Store	\$304	-5.1%	\$305	\$312	\$337	5.0%
Fast Food	\$772	3.4%	\$668	\$720	\$759	6.4%
Drug Store	\$330	-5.9%	\$411	\$380	\$339	6.7%
Restaurant	\$643	0.4%	\$581	\$624	\$648	6.7%
Specialty Retail	\$419	-7.4%	\$422	\$466	\$423	7.4%
Pet Supplies	\$324	-11.8%	\$305	\$322	\$372	7.7%
Dollar Store	\$134	-8.0%	\$152	\$147	\$142	8.5%
Apparel	\$276	4.1%	\$282	\$265	\$273	8.9%
Services	\$478	12.4%	\$441	\$433	\$459	9.1%
Shoes	\$272	-0.1%	\$273	\$274	\$271	9.9%
Salon	\$442	5.0%	\$402	\$430	\$419	10.2%
Specialty Food	\$563	1.6%	\$532	\$553	\$560	10.2%
Craft	\$119	-14.1%	\$153	\$144	\$132	12.8%
Hair	\$307	9.2%	\$232	\$272	\$290	13.3%
Specialty Restaurant	\$203	5.3%	\$167	\$197	\$200	13.9%
Fitness	\$122	7.6%	\$87	\$107	\$116	19.4%
Movie Theater	\$104	6.8%	\$59	\$90	\$113	25.0%

What is Experiential Retail? And Why is it Important?

Retail Market

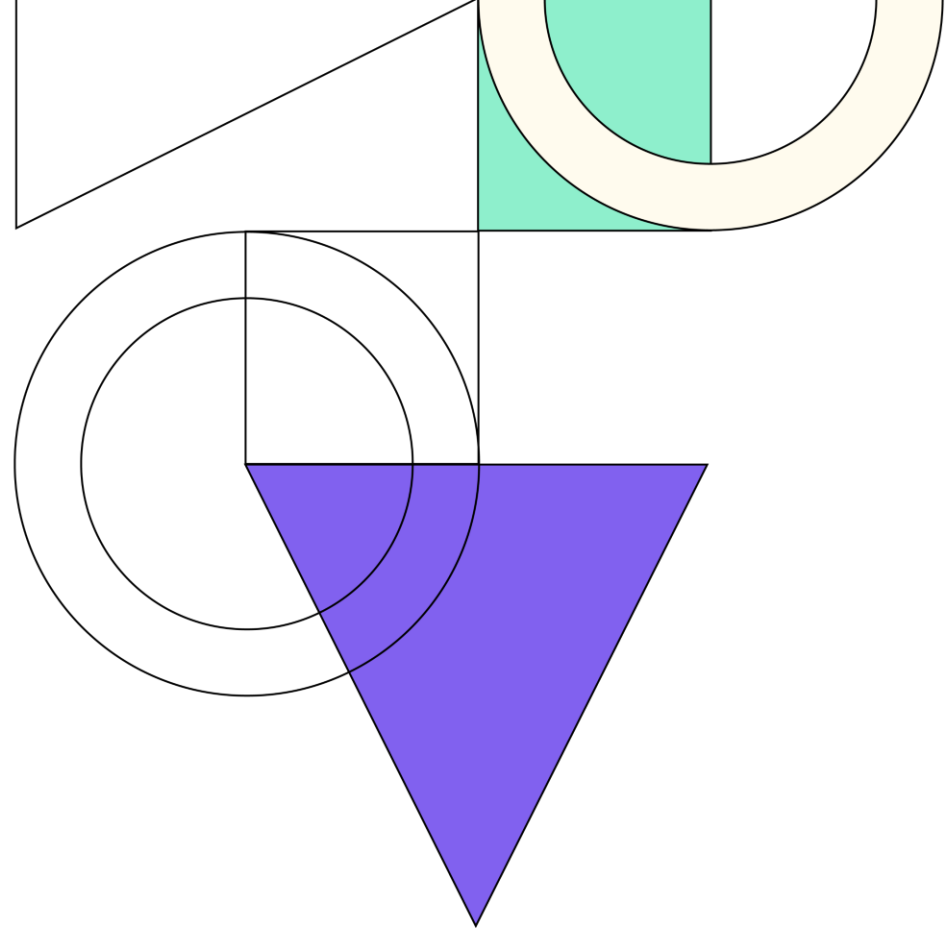
Experiential retail is a growing trend in the retail real estate market, and generally the creation of an immersive experience that seeks to create experiences rather than sales. While this seems to be against the normal procedure, experiential retail seeks to build brands, and customer engagement while building loyalty and engaging with their customers buying power even if the customer ultimately purchases online. This isn't limited to just the retail stores as entire retail complexes have begun catering to the experiential retail segments from entertainment to creating gathering points outside of the formerly traditional areas like the food court. The Westfield – Century City is an example of taking the older style of retail and transforming it into an immersive experience for the consumer and purchasers. Westfield – Century City bills itself as 'combines award-winning chefs & culinary experiences, landmark events & entertainment, multi-faceted health & wellness, public art installations, & cultural programming—all in one place. Plan your next adventure today.'



Events include:

- Padel Club
- Only Murders in the Building Escape Game
- Disney xCamp Little Mermaid Experience
- Private Birthday Parties
- Parties at Lush
- Multiple venues and retailers to host parties
- Personal Shopping
- Cooking Classes
- Private Party Cabana
- Multiple Events



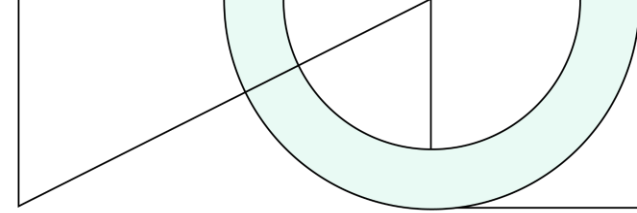


Retail Market Trends

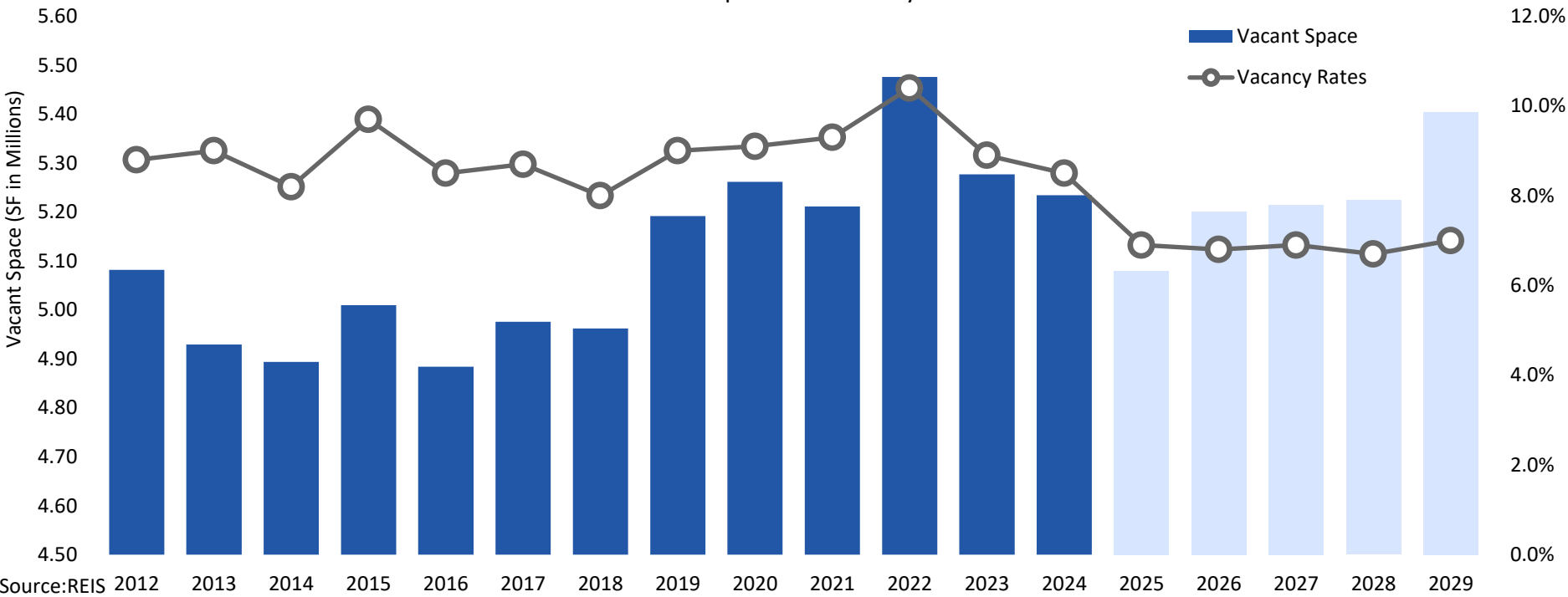
Inland Empire Retail Vacant Space

Retail Market Trends

The steady vacancy rate equates to around 5mm square feet of vacant retail space each year. Most of this space is in older less technologically updated buildings per data from REIS. The five-year forecast sees a slight rise in vacant space while the vacancy rate stays low.



Vacant Space and Vacancy Rates

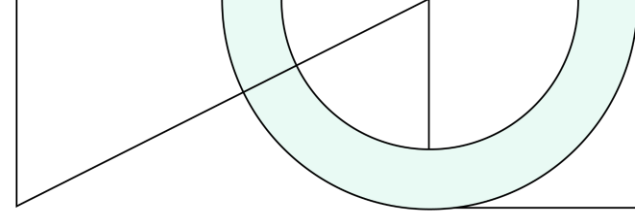


Source: REIS

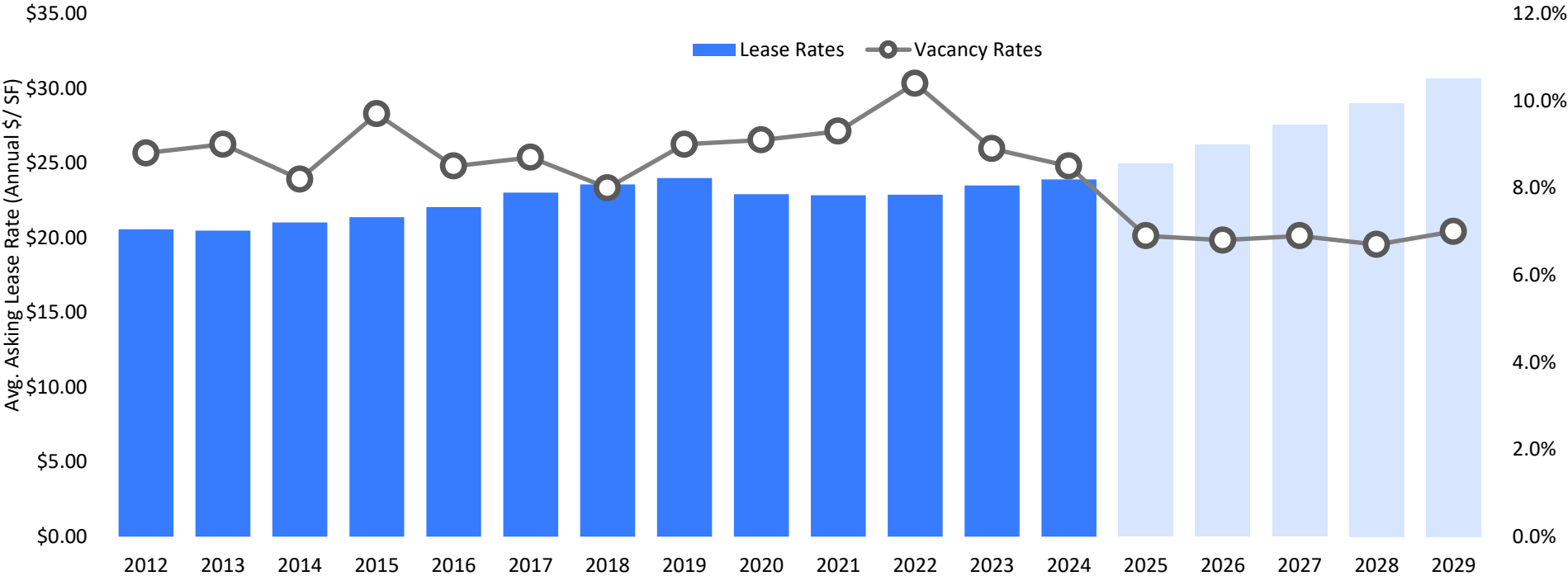
Inland Empire Retail Leasing and Vacancy Rates

Retail Market Trends

According to REIS, leasing rates have averaged around 1.3% increases year to year since 2012. As the vacancy rate is expected to remain low, that will push leasing rates higher over the coming five years with expectations that rates will increase at a rate of 5.1% per year.



Retail Lease Rates and Vacancy Rates



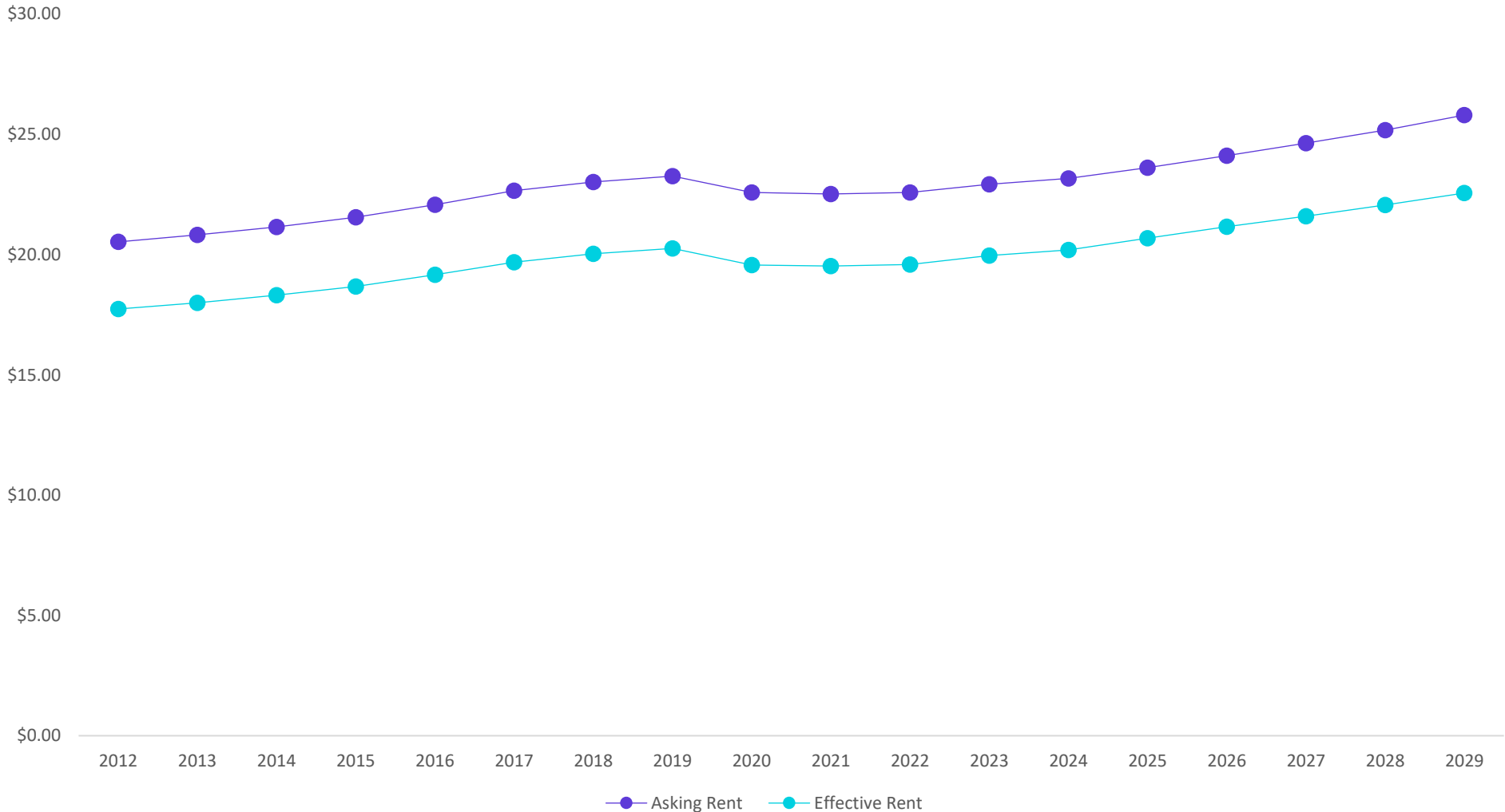
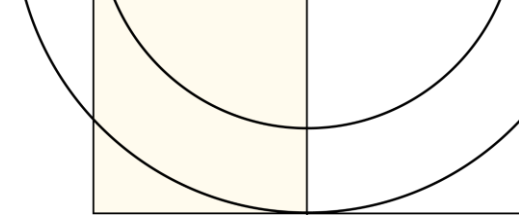
Lease Rates	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Lease Rate (\$/SF/M ²)	\$20.57	\$20.47	\$21.03	\$21.38	\$22.05	\$23.02	\$23.56	\$23.99	\$22.92	\$22.85	\$22.87	\$23.50	\$23.90	\$24.95	\$26.22	\$27.55	\$28.99	\$30.66
Lease Rate Change	--	(\$0.10)	\$0.56	\$0.35	\$0.67	\$0.97	\$0.54	\$0.43	(\$1.07)	(\$0.07)	\$0.02	\$0.63	\$0.40	\$1.05	\$1.27	\$1.33	\$1.44	\$1.67
% Change	--	-0.5%	2.7%	1.7%	3.1%	4.4%	2.3%	1.8%	-4.5%	-0.3%	0.1%	2.8%	1.7%	4.4%	5.1%	5.1%	5.2%	5.8%

Vacancy Rates	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Vacancy Rate	8.8%	9.0%	8.2%	9.7%	8.5%	8.7%	8.0%	9.0%	9.1%	9.3%	10.4%	8.9%	8.5%	6.9%	6.8%	6.9%	6.7%	7.0%
Vac. Rate Change	--	0.2%	-0.8%	1.5%	-1.2%	0.2%	-0.7%	1.0%	0.1%	0.2%	1.1%	-1.5%	-0.4%	-1.6%	-0.1%	0.1%	-0.2%	0.3%
% Change	--	2.3%	-8.9%	18.3%	-12.4%	2.4%	-8.0%	12.5%	1.1%	2.2%	11.8%	-14.4%	-4.5%	-18.8%	-1.4%	1.5%	-2.9%	4.5%

Inland Empire Historical Asking Rent vs Effective Rents

Industrial/Flex Market

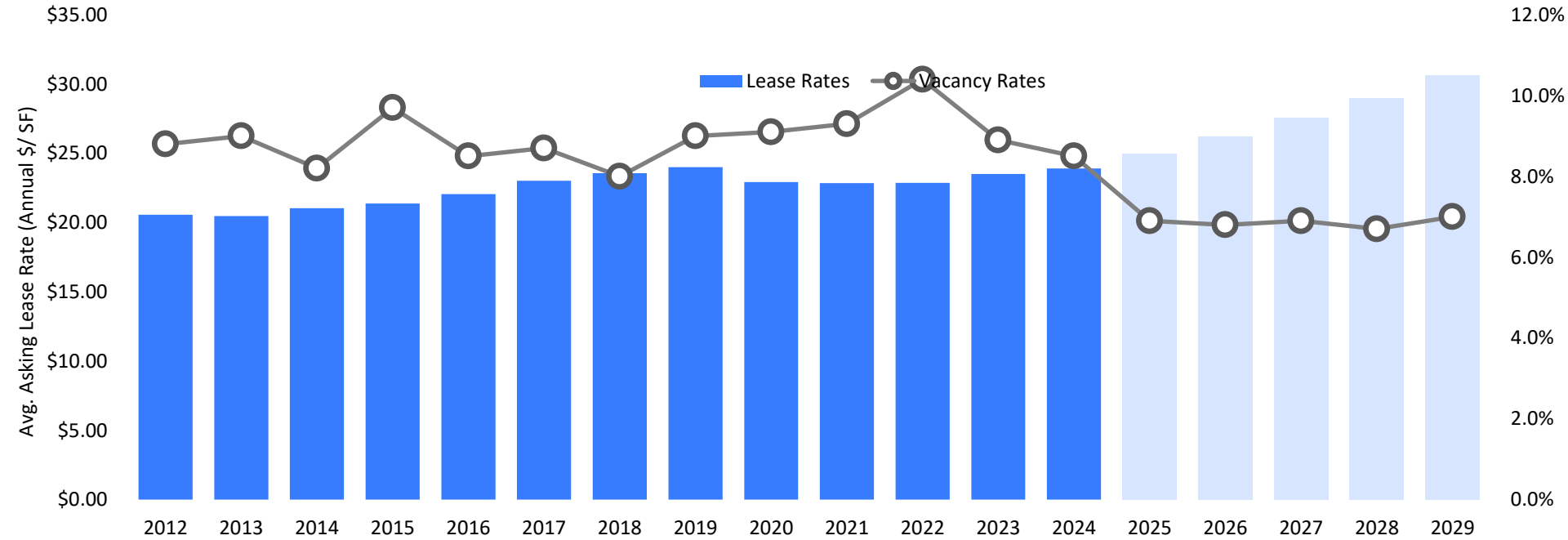
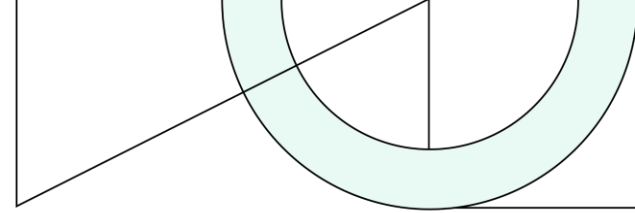
The exhibit below shows delta between the asking rent and the effective rent. **Both have been trending upwards and are expected to continue trending up over the next five years.**



South Riverside Retail Leasing and Vacancy Rates

Retail Market Trends

According to REIS, leasing rates have averaged around 1.3% increases year to year since 2012. Additionally, vacancy rate continued to drop with vacancy expected to remain below 7.0% for the next five years due to high growth and demand in the CMA.



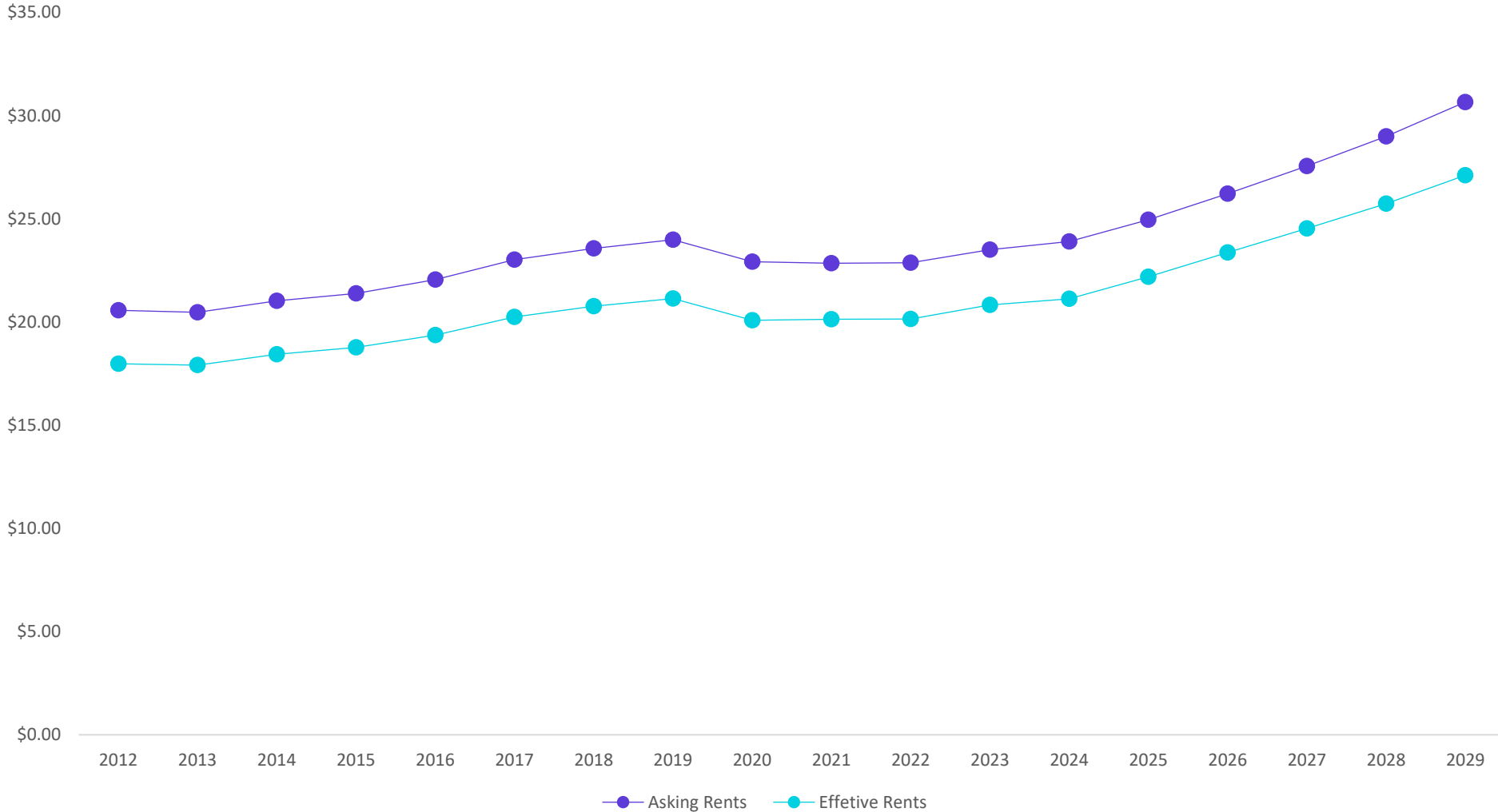
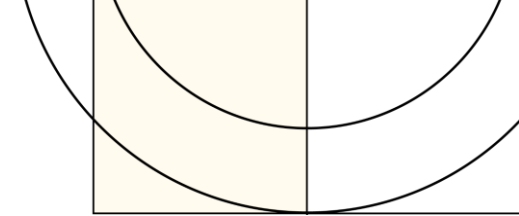
Lease Rates	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Lease Rate (\$/SF/M ²)	\$20.57	\$20.47	\$21.03	\$21.38	\$22.05	\$23.02	\$23.56	\$23.99	\$22.92	\$22.85	\$22.87	\$23.50	\$23.90	\$24.95	\$26.22	\$27.55	\$28.99	\$30.66
Lease Rate Change	--	(\$0.10)	\$0.56	\$0.35	\$0.67	\$0.97	\$0.54	\$0.43	(\$1.07)	(\$0.07)	\$0.02	\$0.63	\$0.40	\$1.05	\$1.27	\$1.33	\$1.44	\$1.67
% Change	--	-0.5%	2.7%	1.7%	3.1%	4.4%	2.3%	1.8%	-4.5%	-0.3%	0.1%	2.8%	1.7%	4.4%	5.1%	5.1%	5.2%	5.8%

Vacancy Rates	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Vacancy Rate	8.8%	9.0%	8.2%	9.7%	8.5%	8.7%	8.0%	9.0%	9.1%	9.3%	10.4%	8.9%	8.5%	6.9%	6.8%	6.9%	6.7%	7.0%
Vac. Rate Change	--	0.2%	-0.8%	1.5%	-1.2%	0.2%	-0.7%	1.0%	0.1%	0.2%	1.1%	-1.5%	-0.4%	-1.6%	-0.1%	0.1%	-0.2%	0.3%
% Change	--	2.3%	-8.9%	18.3%	-12.4%	2.4%	-8.0%	12.5%	1.1%	2.2%	11.8%	-14.4%	-4.5%	-18.8%	-1.4%	1.5%	-2.9%	4.5%

South Riverside Historical Asking Rent vs Effective Rents

Retail Market

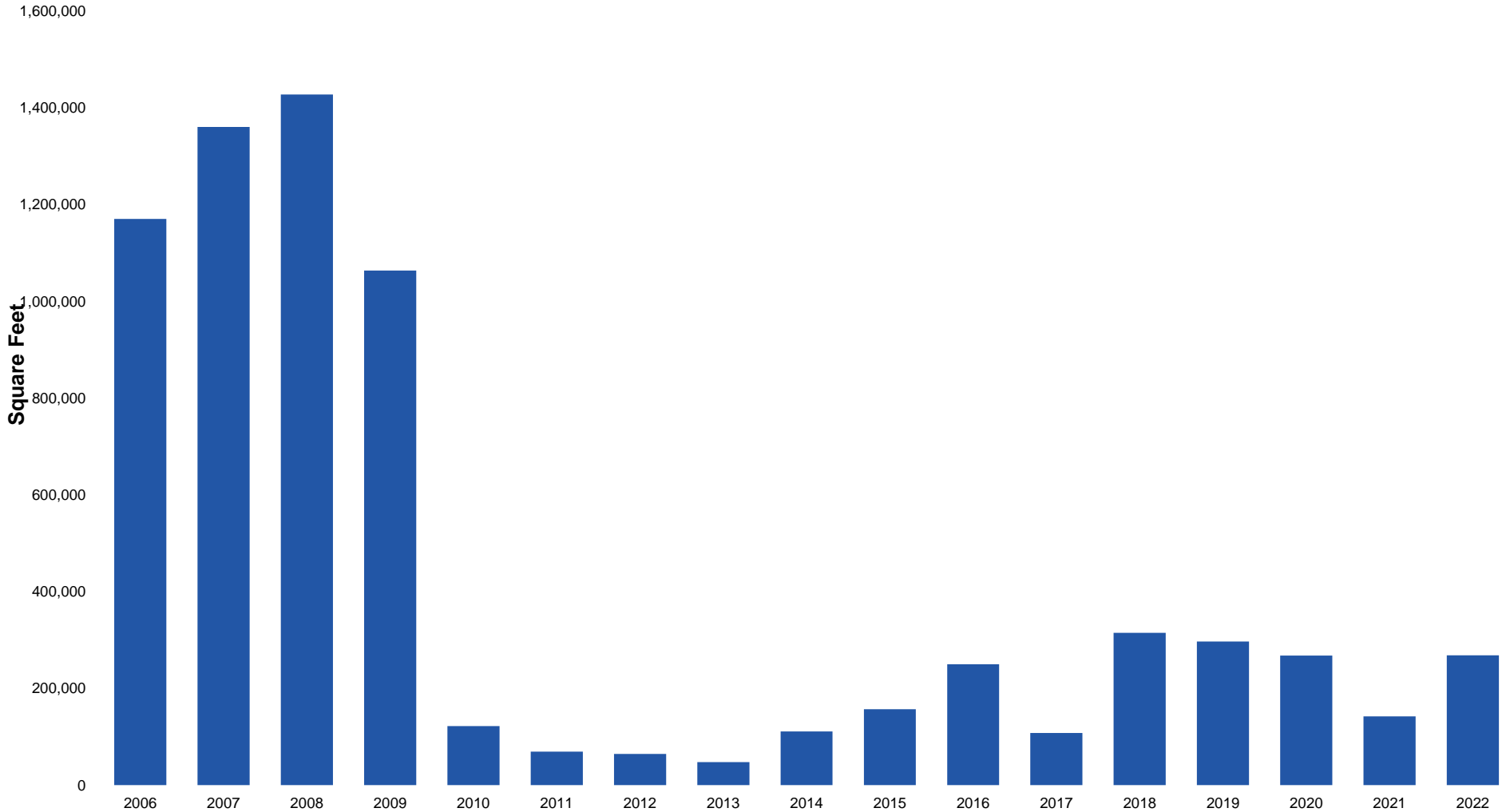
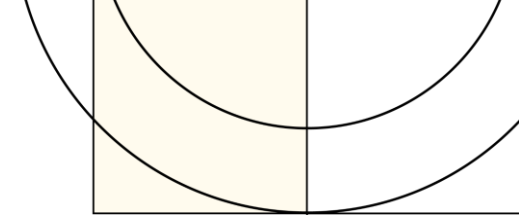
The exhibit below shows delta between the asking rent and the effective rent. **Both have been trending upwards and are expected to continue trending up over the next five years appreciating at an average rate of 5.12%.**



South Riverside Retail Deliveries

Retail Market

The exhibit below shows new Retail square footage built by year within the defined CMA per data from Reonomy. **Over the past ten years an average of 196,301 square feet of Retail space has been delivered to the CMA.** As shown, retail development has been fairly consistent since 2015/2016 but not near the levels seen prior to the Great Recession.

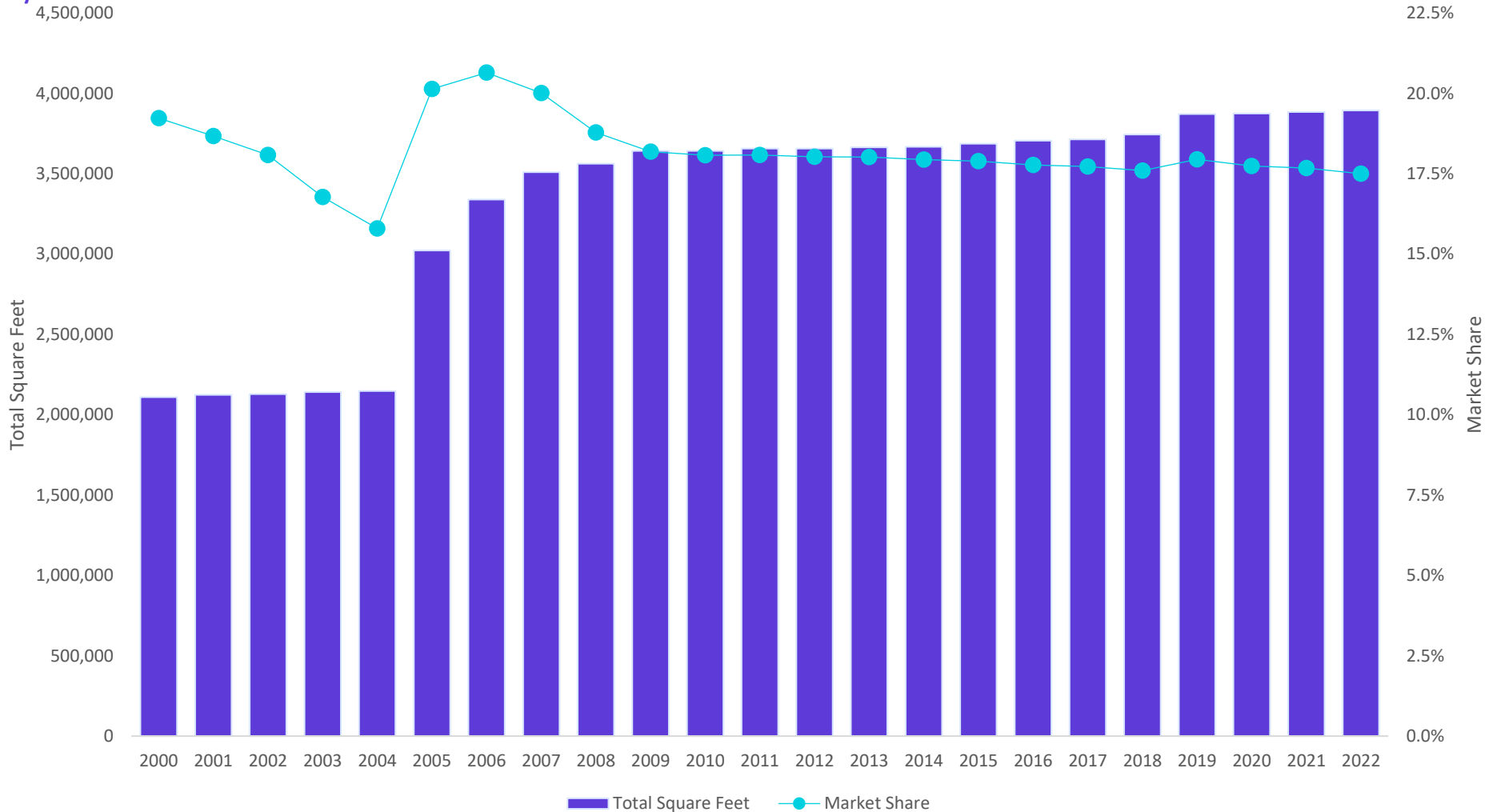


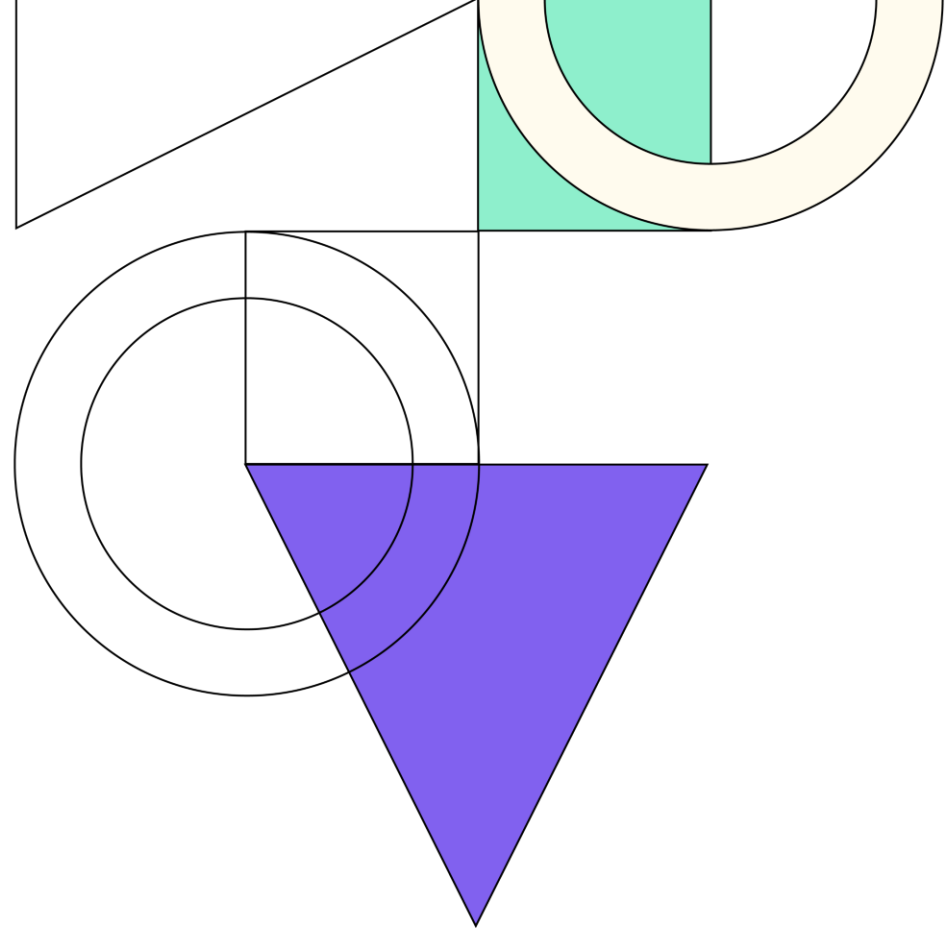
Source: Reonomy

Lake Elsinore Total Square Footage and Market Share

Retail Market

The exhibit below shows new Retail square footage built by year within Lake Elsinore per data from Reonomy. **Over the past ten years an average of 23,149 square feet of Retail space has been delivered to the CMA.** As shown, retail development has been fairly consistent since 2015/2016 but not near the levels seen prior to the Great Recession. **The Lake Elsinore market has grown slowly at a pace of around 0.63% per year over the past ten years.**





Demographic Characteristics – CMA



Population and Household Growth

Demographic Characteristics

Lake Elsinore’s population is expected to increase 4.8% or almost 3,700 residents by 2028, though this may be understated. The CMA is expected to grow slightly faster at an annual rate of 1.1% resulting in over 30,000 new residents and potential employees and consumers within the CMA. **Growth is expected to be in the emerging homebuyers & employees age ranges (25 – 34) and older age ranges (55 – 74).**

Lake Elsinore	Total Population		
	2020 Census	2023 Estimate	2028 Projection
Population	76,023	77,787	81,498
Total Numerical Change	---	1,764	3,711
Total Percent Change	---	2.3%	4.8%
Annual Number Change	---	588	742
Annual Percent Change	---	0.8%	0.9%
Households	22,704	22,854	23,189
Total Numerical Change	---	150	335
Total Percent Change	---	0.7%	1.5%
Annual Number Change	---	50	67
Annual Percent Change	---	0.2%	0.3%
Average Household Size	3.3	3.4	3.5
Share of Market			
Population	14.2%	14.0%	13.9%
Households	13.4%	13.2%	13.2%

Source: Zonda/U.S. Census Bureau

Competitive Market Area	Total Population		
	2020 Census	2023 Estimate	2028 Projection
Population	534,766	555,258	585,632
Total Numerical Change	---	20,492	30,374
Total Percent Change	---	3.8%	5.5%
Annual Number Change	---	6,831	6,075
Annual Percent Change	---	1.3%	1.1%
Households	169,808	172,848	175,816
Total Numerical Change	---	3,040	2,968
Total Percent Change	---	1.8%	1.7%
Annual Number Change	---	1,013	594
Annual Percent Change	---	0.6%	0.3%
Average Household Size	3.1	3.2	3.3

Source: Zonda/U.S. Census Bureau



Income and Household Size Characteristics

Demographic Characteristics

Lake Elsinore is generally less affluent than the rest of the CMA with much of the market share in the under \$100,000 household income range. Lake Elsinore is expected to grow at a faster rate of the next five years seeing average household income increase 23.7% compared to 19.3% in the CMA.

Lake Elsinore	2020 Census		2023 Estimate		2028 Projection	
	Total HH	%	Total HH	%	Total HH	%
Annual Household Inc.						
Household income: Less than 25k	2,971	13.1%	2,699	11.8%	2,163	9.3%
Household income: 25k - 50k	4,479	19.7%	4,294	18.8%	3,783	16.3%
Household income: 50k - 75k	4,054	17.9%	3,699	16.2%	2,844	12.3%
Household income: 75k - 100k	3,464	15.3%	3,418	15.0%	3,379	14.6%
Household income: 100k - 125k	2,460	10.8%	2,352	10.3%	2,256	9.7%
Household income: 125k - 150k	1,522	6.7%	1,840	8.1%	1,808	7.8%
Household income: 150k - 200k	2,033	9.0%	2,320	10.2%	2,834	12.2%
Household income: Above 200k	1,721	7.6%	2,232	9.8%	4,122	17.8%
	22,704	100.0%	22,854	100.0%	23,189	100.0%
Household income: Average	\$95,357		\$103,126		\$127,598	
Household Income: Median	\$71,409		\$75,088		\$90,417	

Source: Zonda/U.S. Census Bureau

Market	2020 Census		2023 Estimate		2028 Projection	
	Total HH	%	Total HH	%	Total HH	%
Annual Household Inc.						
Household income: Less than 25k	16,930	10%	16,232	9%	12,934	7%
Household income: 25k - 50k	22,485	13%	20,935	12%	17,899	10%
Household income: 50k - 75k	26,813	16%	25,683	15%	18,624	11%
Household income: 75k - 100k	23,791	14%	23,921	14%	22,124	13%
Household income: 100k - 125k	22,217	13%	21,424	12%	19,464	11%
Household income: 125k - 150k	15,786	9%	17,350	10%	17,717	10%
Household income: 150k - 200k	19,809	12%	21,246	12%	25,806	15%
Household income: Above 200k	21,977	13%	26,057	15%	41,248	24%
	169,808	100%	172,848	100%	175,816	100%
Household income: Average	\$123,899		\$130,332		\$155,544	
Household Income: Median	\$98,258		\$103,214		\$125,880	

Source: Zonda/U.S. Census Bureau



Education and Ownership Characteristics

Demographic Characteristics

Lake Elsinore residents generally have a high school degree and have potentially attended limited college classes. This helps to account for the lower Retail space needed and lower incomes within Lake Elsinore compared to the CMA. Lake Elsinore has a high number of renters that proves out when reviewing the consumer characteristics of the City.

Lake Elsinore	2020 Census		2023 Estimate	
Education Levels	Total	%	Total	%
Educational Attainment: No High School Diploma	8,617	18.1%	8,793	18.1%
Educational Attainment: High School Diploma	14,369	30.2%	14,650	30.1%
Educational Attainment: Some College	11,400	23.9%	11,649	23.9%
Educational Attainment: Associates Degree	4,208	8.8%	4,278	8.8%
Educational Attainment: Bachelors Degree	6,225	13.1%	6,391	13.1%
Educational Attainment: Advanced Degree	2,815	5.9%	2,916	6.0%

Lake Elsinore	2020 Census		2023 Estimate	
Housing Unit Occupancy	Total	%	Total	%
Total Housing Units	23,663		22,854	
Owner Occupied Housing Units	14,556	64.1%	14,614	63.9%
Renter Occupied Housing Units	8,148	35.9%	8,240	36.1%
Vacant Housing Units	959		-	
Vacant Housing Units: Seasonal	170		-	
Vacant Housing Units: Other Usage	789		-	

Consumers

Demographic Characteristics

The top consumer profiles in Lake Elsinore are Up and Coming Families, Front Porches, and Urban Edge Families which are a mix of family-oriented segments who are both homeowners as well as renters. The following pages define the top five segments in the City of Lake Elsinore.

Riverside County												
Rank	Cluster	Lifestyle Group	Household Type	Diversity Index	Own vs. Rent	Preferred Housing	Locally Adjusted Characteristics					
							Age	HH Size	HH Income	Net Worth	Home Value	HH %
1	7A: Up and Coming Families	Ethnic Enclaves	Married Couples	73	74%	Single Family	30.2	3.8	\$76,803	\$148,155	\$331,316	10.3%
2	1C: Boomburbs	Affluent Estates	Married Couples	62	84%	Single Family	32.6	4.0	\$126,153	\$453,042	\$581,615	9.8%
3	7C: Urban Edge Families	Ethnic Enclaves	Married Couples	84	64%	Single Family	31.0	3.9	\$56,270	\$76,677	\$251,945	7.4%
4	7B: Urban Villages	Ethnic Enclaves	Married Couples	86	70%	Single Family	32.5	4.6	\$66,820	\$148,545	\$460,088	7.1%
5	4A: Workday Drive	Family Landscapes	Married Couples	49	85%	Single Family	35.6	3.6	\$100,514	\$353,752	\$427,154	4.9%
6	9C: The Elders	Senior Styles	Married Couples w/No Kids	21	82%	SF; High-Rises; Mob. Hm/Seas.	69.6	2.1	\$43,337	\$272,657	\$296,571	4.5%
7	7D: Forging Opportunity	Ethnic Enclaves	Married Couples	81	60%	Single Family	27.6	4.4	\$41,862	\$35,479	\$180,478	4.3%
8	4B: Home Improvement	Family Landscapes	Married Couples	64	80%	Single Family	36.2	3.5	\$78,959	\$242,116	\$327,693	3.7%
9	13B: Family Extensions	Next Wave	Married Couples	86	35%	Single Family; Multi-Unit Rentals	27.1	5.0	\$42,202	\$18,844	\$398,502	3.6%
10	9D: Senior Escapes	Senior Styles	Married Couples w/No Kids	43	75%	SF; Mobile Homes/Seasonal	51.6	2.7	\$42,316	\$132,560	\$200,239	3.5%

CMA												
Rank	Cluster	Lifestyle Group	Household Type	Diversity Index	Own vs. Rent	Preferred Housing	Locally Adjusted Characteristics					
							Age	HH Size	HH Income	Net Worth	Home Value	HH %
1	7A: Up and Coming Families	Ethnic Enclaves	Married Couples	73	74%	Single Family	30.0	3.9	\$90,606	\$209,160	\$339,537	22.0%
2	1C: Boomburbs	Affluent Estates	Married Couples	62	84%	Single Family	32.4	4.0	\$148,824	\$639,590	\$596,047	19.5%
3	4A: Workday Drive	Family Landscapes	Married Couples	49	85%	Single Family	35.4	3.7	\$118,577	\$499,416	\$437,753	9.7%
4	9C: The Elders	Senior Styles	Married Couples w/No Kids	21	82%	SF; High-Rises; Mob. Hm/Seas.	69.3	2.1	\$51,125	\$384,928	\$303,930	5.5%
5	4B: Home Improvement	Family Landscapes	Married Couples	64	80%	Single Family	36.0	3.5	\$93,149	\$341,812	\$335,825	4.9%
6	7C: Urban Edge Families	Ethnic Enclaves	Married Couples	84	64%	Single Family	30.9	3.9	\$66,382	\$108,250	\$258,197	3.6%
7	2B: Pleasantville	Upscale Avenues	Married Couples	60	83%	Single Family	40.7	3.5	\$119,514	\$577,759	\$600,097	3.0%
8	10D: Down the Road	Rustic Outposts	Married Couples	71	66%	Mobile Homes; Single Family	33.3	3.4	\$50,188	\$72,656	\$186,813	3.0%
9	1D: Savvy Suburbanites	Affluent Estates	Married Couples	35	91%	Single Family	43.0	3.5	\$147,753	\$945,991	\$601,447	2.8%
10	1E: Exurbanites	Affluent Estates	Married Couples	34	85%	Single Family	48.5	3.1	\$136,243	\$887,830	\$674,012	2.6%

Lake Elsinore												
Rank	Cluster	Lifestyle Group	Household Type	Diversity Index	Own vs. Rent	Preferred Housing	Locally Adjusted Characteristics					
							Age	HH Size	HH Income	Net Worth	Home Value	HH %
1	7A: Up and Coming Families	Ethnic Enclaves	Married Couples	73	74%	Single Family	27.9	4.1	\$79,295	\$141,498	\$309,751	32.8%
2	8E: Front Porches	Middle Ground	Married Couples	71	47%	Single Family; Multi-Units	30.9	3.4	\$48,022	\$30,161	\$259,717	16.7%
3	7C: Urban Edge Families	Ethnic Enclaves	Married Couples	84	64%	Single Family	28.7	4.2	\$58,095	\$73,231	\$235,546	16.6%
4	4A: Workday Drive	Family Landscapes	Married Couples	49	85%	Single Family	32.9	3.9	\$103,775	\$337,858	\$399,351	16.2%
5	11C: Metro Fusion	Midtown Singles	Singles	84	24%	Multi-Unit Rentals; Single Family	25.9	3.5	\$39,706	\$15,267	\$229,388	5.6%
6	1D: Savvy Suburbanites	Affluent Estates	Married Couples	35	91%	Single Family	39.9	3.7	\$129,308	\$639,969	\$548,684	3.2%
7	13B: Family Extensions	Next Wave	Married Couples	86	35%	Single Family; Multi-Unit Rentals	25.0	5.4	\$43,571	\$17,998	\$372,563	2.6%
8	7D: Forging Opportunity	Ethnic Enclaves	Married Couples	81	60%	Single Family	25.5	4.8	\$43,220	\$33,885	\$168,731	2.5%
9	13C: NeWest Residents	Next Wave	Married Couples w/ Kids	87	17%	Multi-Unit Rentals	24.3	4.4	\$35,138	\$13,653	\$216,610	2.3%
10	10D: Down the Road	Rustic Outposts	Married Couples	71	66%	Mobile Homes; Single Family	30.9	3.6	\$43,923	\$49,152	\$170,425	1.3%

Source: ESRI

Consumers – Up and Coming Families

Demographic Characteristics

WHO ARE WE?

Up and Coming Families is a market in transition—residents are younger and more mobile than the previous generation. They are ambitious, working hard to get ahead, and willing to take some risks to achieve their goals. The recession has impacted their financial well-being, but they are optimistic. Their homes are new; their families are young. And this is one of the fastest-growing markets in the country.

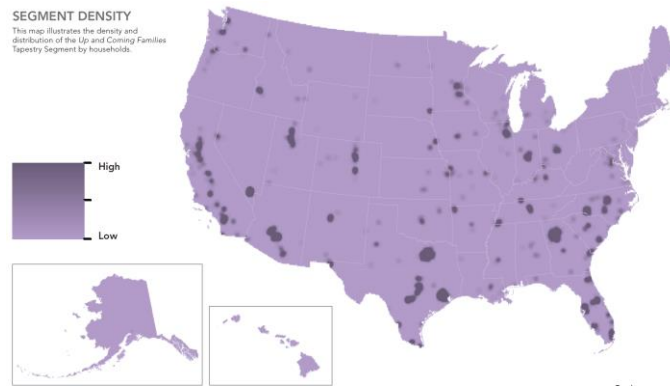
MARKET PROFILE (Consumer preferences are estimated from data by MRI-Simmons.)

- Rely on the internet for entertainment, information, shopping, and banking.
- Prefer imported SUVs or compact cars, late models.
- Carry debt from credit card balances to student loans and mortgages but also maintain retirement plans and make charitable contributions.
- Busy with work and family; use home and landscaping services to save time.
- Find leisure in family activities, movies at home, trips to theme parks or the zoo, and sports, from golfing and weight lifting to taking a jog or run.

SOCIOECONOMIC TRAITS

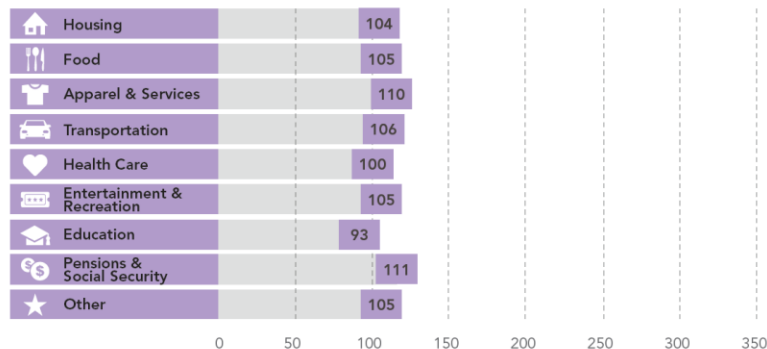
- Education: 67% have some college education or degree(s).
- Hardworking labor force with a participation rate of 71% (Index 114).
- Most households (61%) have two or more workers.
- Careful shoppers, aware of prices, willing to shop around for the best deals and open to influence by others' opinions.
- Seek the latest and best in technology.
- Young families still feathering the nest and establishing their style.

SEGMENT DENSITY
This map illustrates the density and distribution of the Up and Coming Families Tapestry Segment by households.



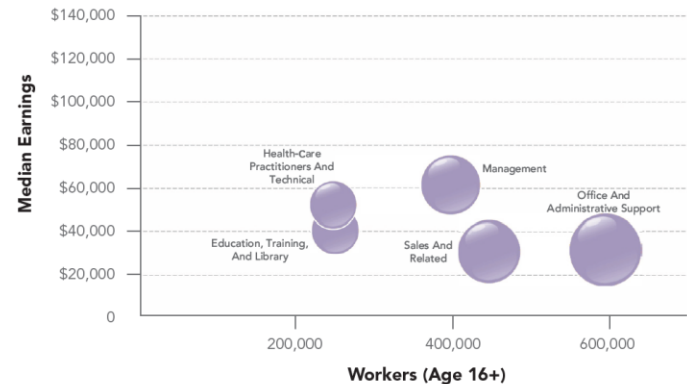
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



Consumers – Front Porches

Demographic Characteristics

WHO ARE WE?

Front Porches is a blend of household types, with more young families with children and more single households than average. More than half of householders are renters, and many of the homes are older townhomes or duplexes. Friends and family are central to *Front Porches* residents and help to influence household buying decisions. Households tend to own just one vehicle, but it is used only when needed.

MARKET PROFILE (Consumer preferences are estimated from data by MRI-Simmons.)

- Go online for gaming, watching movies, employment searches, and posting pics on social media.
- Prefer cell phones over landlines, and use their mobile devices for entertainment such as streaming movies and music.
- Drink energy and sports drinks.
- Participate in leisure activities including sports, playing board games and video games.
- Watch Comedy Central, Nickelodeon, and PBS Kids Sprout.

SOCIOECONOMIC TRAITS

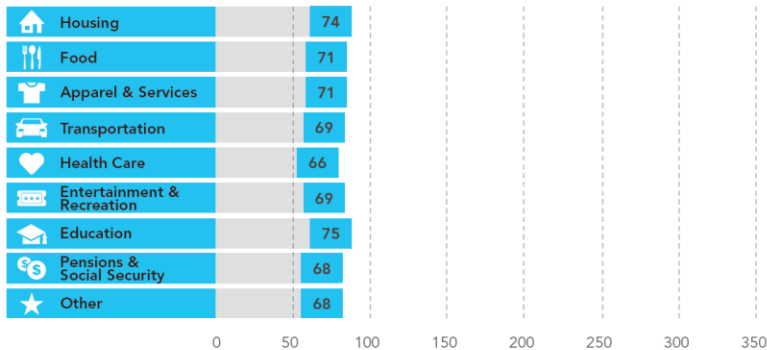
- Composed of a blue-collar workforce with a strong labor force participation rate.
- Price is more important than brand names or style to these consumers.
- With limited incomes, these are not adventurous shoppers.
- They would rather cook a meal at home than dine out.
- They seek adventure and strive to have fun.

SEGMENT DENSITY
This map illustrates the density and distribution of the Front Porches Tapestry Segment by households.



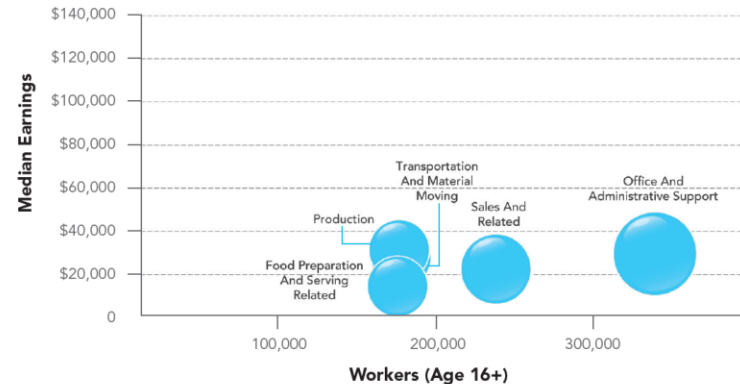
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



Consumers – Urban Edge Families

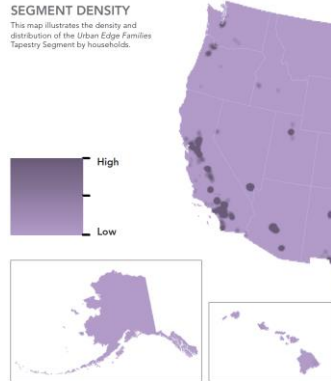
Demographic Characteristics

WHO ARE WE?

Located throughout the South and West, most *Urban Edge Families* residents own their own homes, primarily single-family housing—out of the city, where housing is more affordable. Median household income is slightly below average (Index 91). The majority of households include younger married-couple families with children and, frequently, grandparents. Many residents are foreign born. Spending is focused more on the members of the household than the home. Entertainment includes multiple televisions, movie rentals, and video games at home or visits to theme parks and zoos. This market is connected and adept at accessing what they want from the internet.

MARKET PROFILE (Consumer preferences are estimated from data by MRI-Simmons.)

- When dining out, these residents favor fast-food dining places such as Taco Bell or Little Caesar's, as well as family-friendly restaurants like Olive Garden, Denny's, or IHOP.
- Cell phones are preferred over landlines.
- Favorite channels include Animal Planet, MTV, Freedom, Bravo, and Nick Jr., as well as programming on Spanish TV.
- Residents listen to urban or Hispanic radio.
- During the summer, family outings to theme parks are especially popular.

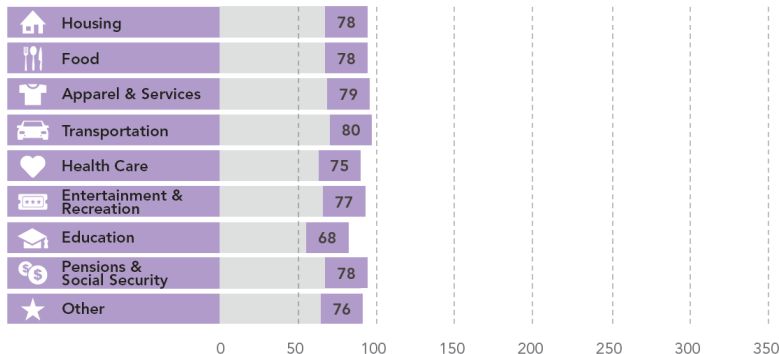


SOCIOECONOMIC TRAITS

- Nearly 17% have earned a college degree, and 63% hold a high school diploma only or have spent some time at a college or university.
- Labor force participation is higher at 66%.
- Most *Urban Edge Families* residents derive income from wages or salaries.
- They tend to spend money carefully and focus more on necessities.
- They are captivated by new technology, particularly feature-rich smartphones.
- Connected: They use the internet primarily for socializing but also for convenience, like paying bills online.

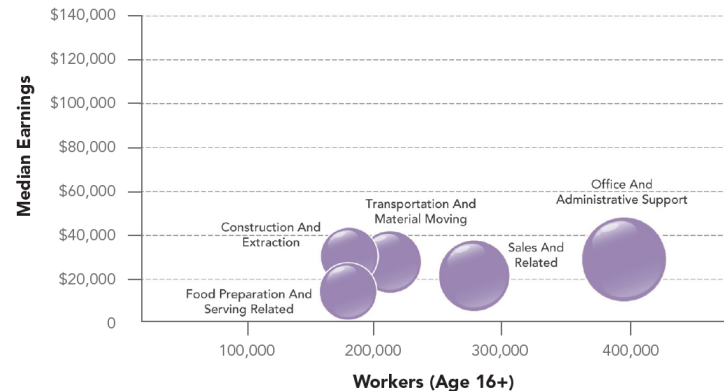
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.



Consumers – Workday Drive

Demographic Characteristics

WHO ARE WE?

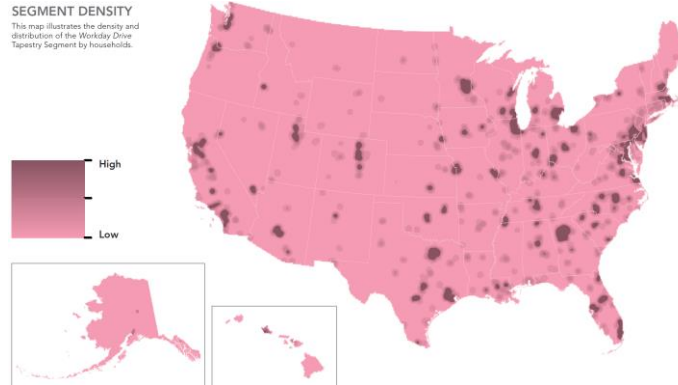
Workday Drive is an affluent, family-oriented market with a country flavor. Residents are partial to new housing away from the bustle of the city but close enough to commute to professional job centers. Life in this suburban wilderness offsets the hectic pace of two working parents with growing children. They favor time-saving devices, like banking online or housekeeping services, and family-oriented pursuits.

MARKET PROFILE (Consumer preferences are estimated from data by MRI-Simmons.)

- Most households own at least two vehicles; the most popular types are minivans and SUVs.
- Family-oriented purchases and activities dominate, like four plus televisions (Index 154), movie purchases or rentals, children’s apparel and toys, and visits to theme parks or zoos.
- Outdoor activities and sports are characteristic of life in the suburban periphery. They attend sporting events, as well as participate in them like bicycling, jogging, golfing, and boating.
- Home maintenance services are frequently contracted, but these families also like their gardens and own the tools for minor upkeep, like lawn mowers, trimmers, and blowers.

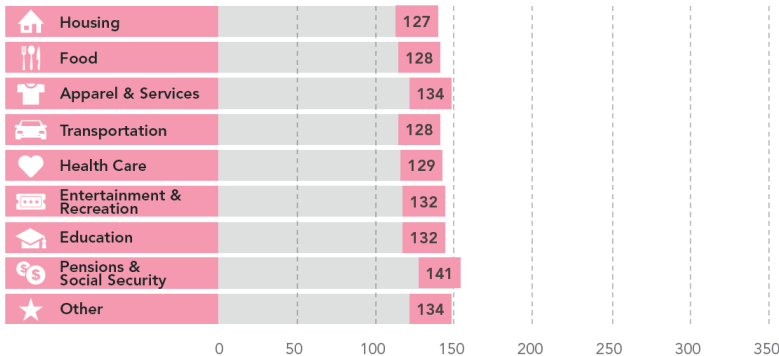
SOCIOECONOMIC TRAITS

- Education: 40.5% college graduates; more than 72% with some college education.
- High labor force participation rate at 71%; two out of three households include two plus workers (Index 124).
- Connected, with a host of wireless devices —anything that enables convenience, like banking, paying bills, or even shopping online.
- Well insured and invested in a range of funds, from savings accounts or bonds to stocks.
- Carry a higher level of debt, including first (Index 149) and second mortgages (Index 154) and auto loans (Index 149).



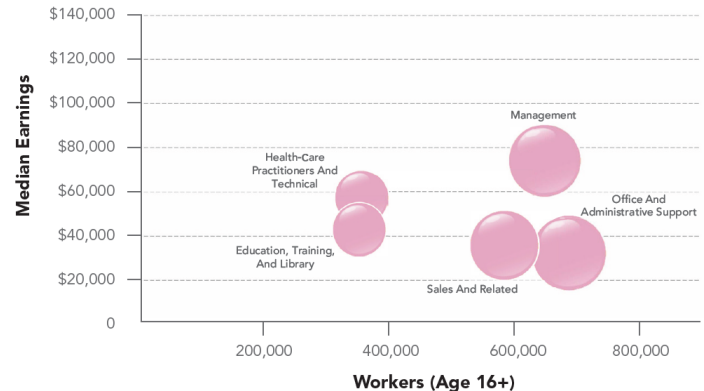
AVERAGE HOUSEHOLD BUDGET INDEX

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OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau’s American Community Survey.



Consumers – Metro Fusion

Demographic Characteristics

WHO ARE WE?

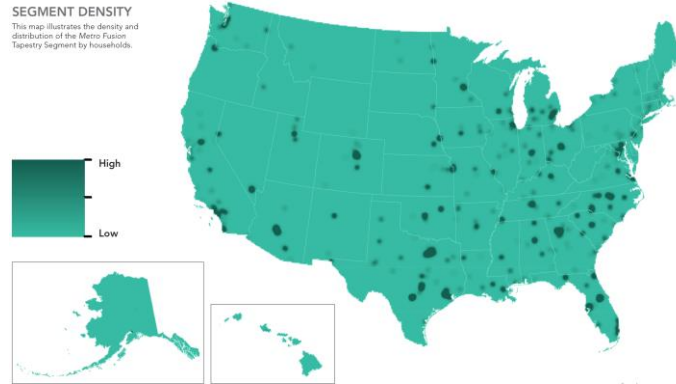
Metro Fusion is a young market. Many residents do not speak English fluently and have moved into their homes recently. They are highly mobile and over three quarters of households are occupied by renters. Many households have young children; a quarter are single-parent families. Most residents live in midsize apartment buildings. *Metro Fusion* is a hardworking market with residents that are dedicated to climbing the ladders of their professional and social lives.

MARKET PROFILE (Consumer preferences are estimated from data by MRI-Simmons.)

- Enjoy watching MTV, BET, Spanish TV networks, and truTV.
- Listen to R&B, rap, Latin, and urban music.
- Football and weight lifting are popular activities.
- Shop at discount grocery stores, Family Dollar, and Walmart.
- Often eat frozen dinners, but when dining out prefer McDonald's, Taco Bell, Burger King, and Pizza Hut.

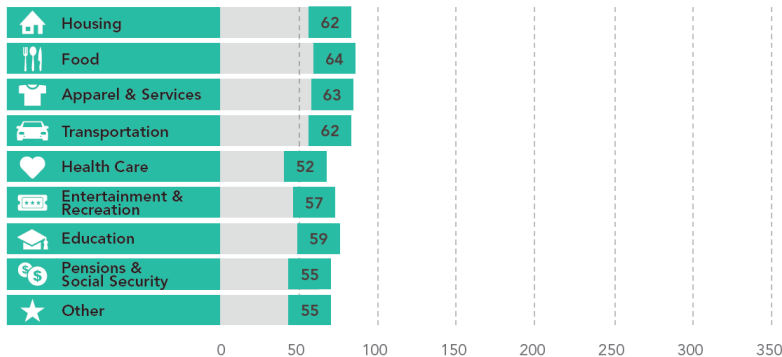
SOCIOECONOMIC TRAITS

- Younger residents are highly connected, while older residents do not have much use for the latest and greatest technology.
- They work hard to advance in their professions, including working weekends.
- They take pride in their appearance, consider their fashion trendy, and stick with the same few designer brands.
- They spend money readily on what's hot unless saving for something specific.
- Social status is very important; they look to impress with fashion and electronics.



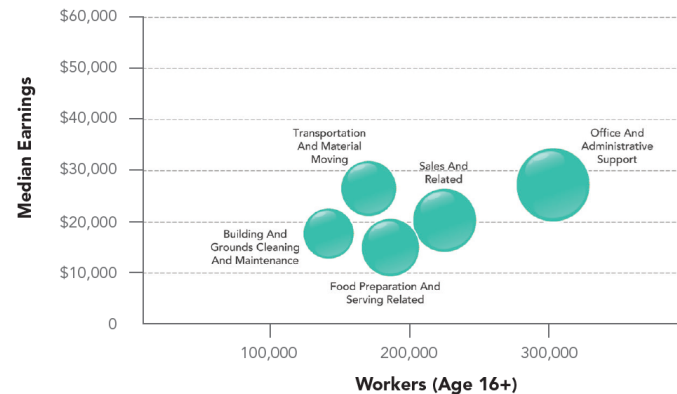
AVERAGE HOUSEHOLD BUDGET INDEX

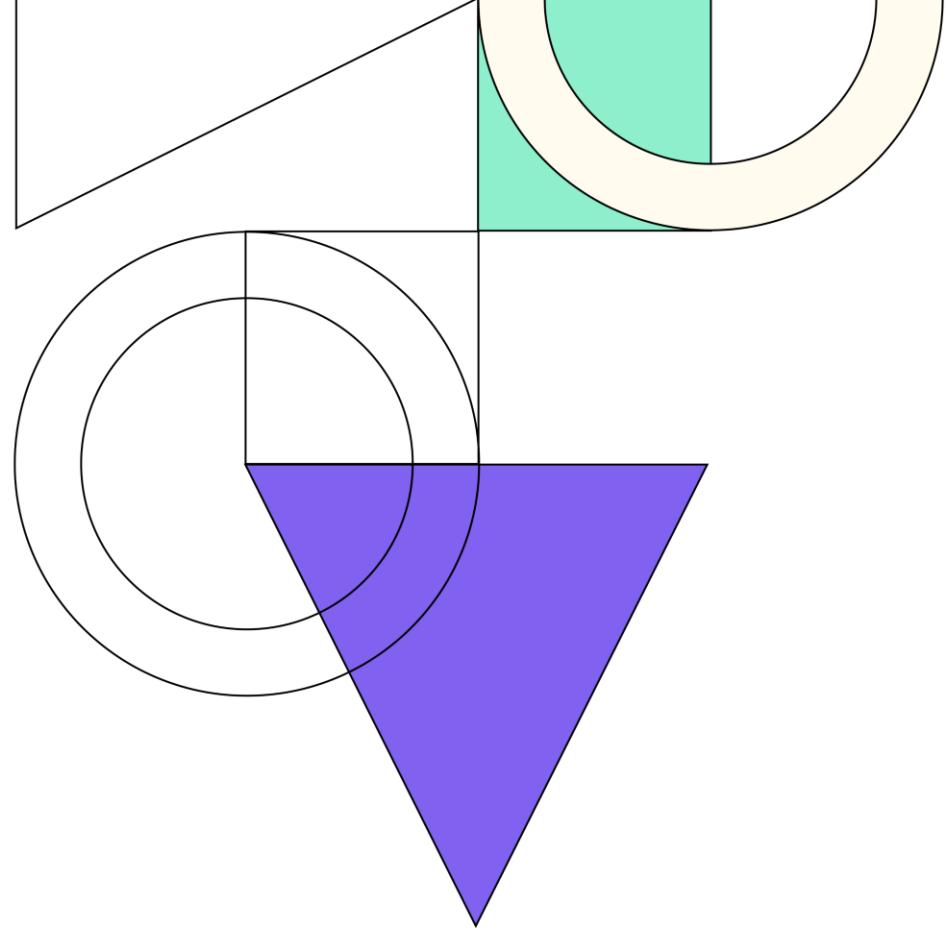
The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

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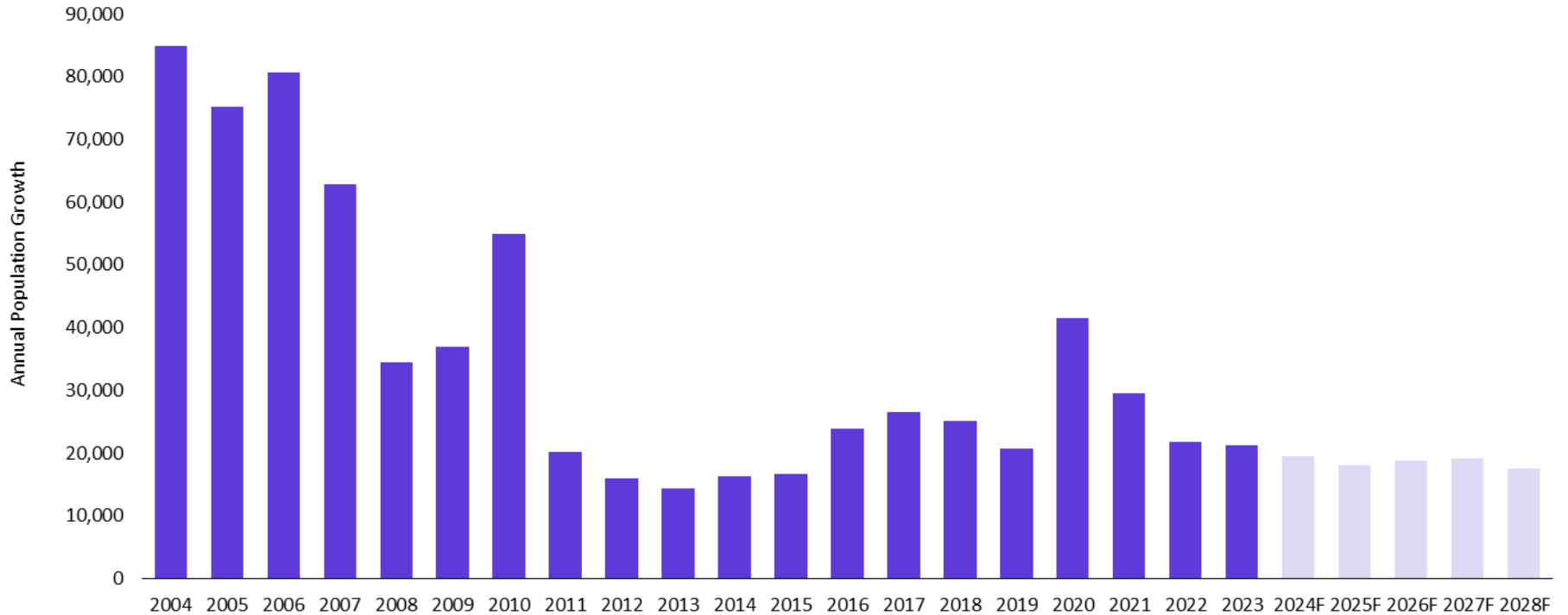
Economic Overview



Annual Population Growth – Riverside County

Economic Overview

Riverside County has grown steadily over the past ten years at a rate of 1.0% according to Moodys. **Going forward, Riverside County is expected to grow at a slower rate of 0.7% over the next five years increasing around +/- 18,000 – 19,000 people per year.**



Source: Moody's Analytics; U.S. Census Bureau (BOC)

Riverside, CA County - Moody's Analytics Five-Year Forecast

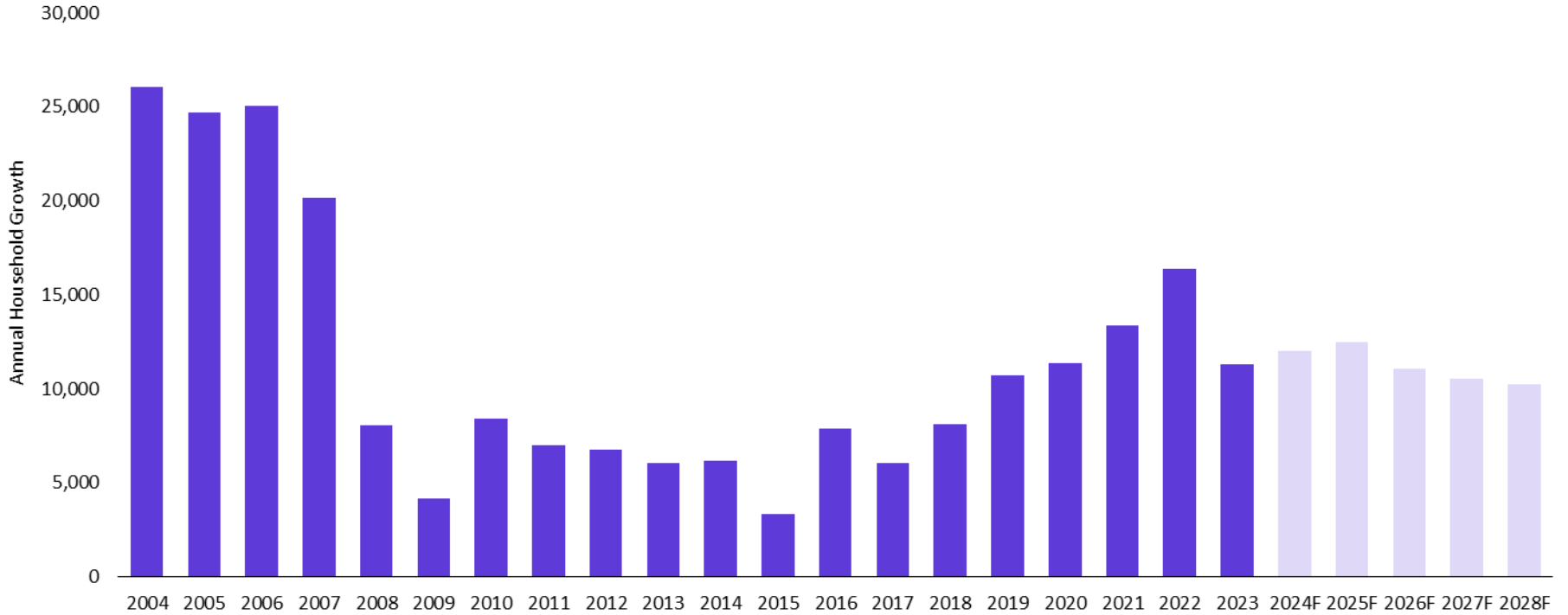
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Total Population	2,268,417	2,285,142	2,309,041	2,335,626	2,360,723	2,381,390	2,422,881	2,452,453	2,474,174	2,495,500	2,514,976	2,532,987	2,551,676	2,570,790	2,588,290
Prior Year Change	16,392	16,725	23,899	26,585	25,097	20,667	41,492	29,571	21,722	21,326	19,475	18,012	18,689	19,114	17,500
Annual % Change	0.7%	0.7%	1.0%	1.2%	1.1%	0.9%	1.7%	1.2%	0.9%	0.9%	0.8%	0.7%	0.7%	0.7%	0.7%



Household Growth – Riverside County

Economic Overview

Riverside has continued to see strong household growth with an average growth rate 1.3% since 2014. **Household growth over the next five years is expected to increase 10,000 – 12,500 new households per year.**



Source: Moody's Analytics; U.S. Census Bureau (BOC)

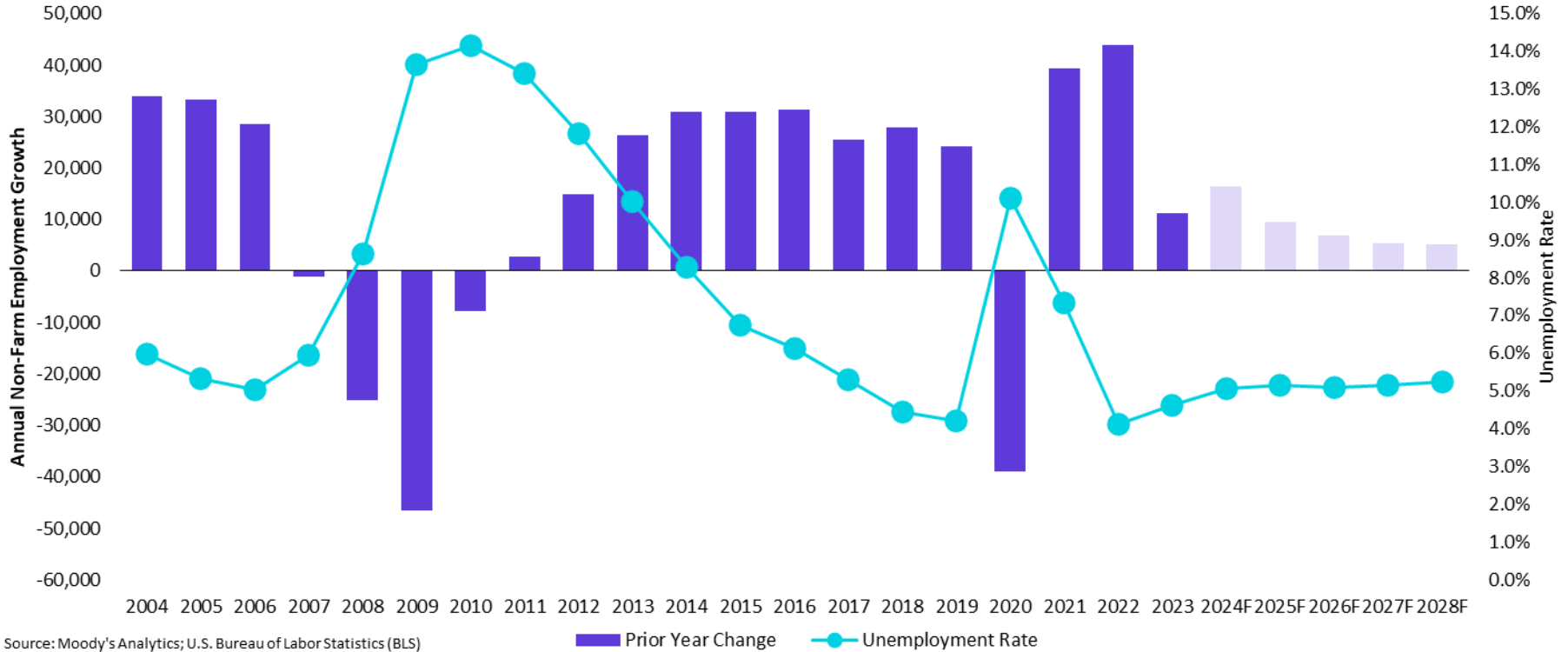
Riverside, CA County - Moody's Analytics Five-Year Forecast

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Total Households	716,677	719,996	727,840	733,904	742,032	752,762	764,092	777,479	793,862	805,160	817,168	829,618	840,707	851,211	861,428
Prior Year Change	6,151	3,319	7,844	6,064	8,128	10,730	11,329	13,387	16,383	11,299	12,007	12,450	11,089	10,505	10,217
Annual % Change	0.9%	0.5%	1.1%	0.8%	1.1%	1.4%	1.5%	1.8%	2.1%	1.4%	1.5%	1.5%	1.3%	1.2%	1.2%

Employment – Riverside County

Economic Overview

Riverside County employment has been growing at an average of 22,500 jobs per year keeping the unemployment rate low during that time except 2020 during the pandemic. **Going forward, employment is supposed to grow at a rate of 1.0% per year over the next five years.** Given population growth expectations, employment growth expectations could be conservative.



Source: Moody's Analytics; U.S. Bureau of Labor Statistics (BLS)

Riverside, CA County - Moody's Analytics Five-Year Forecast

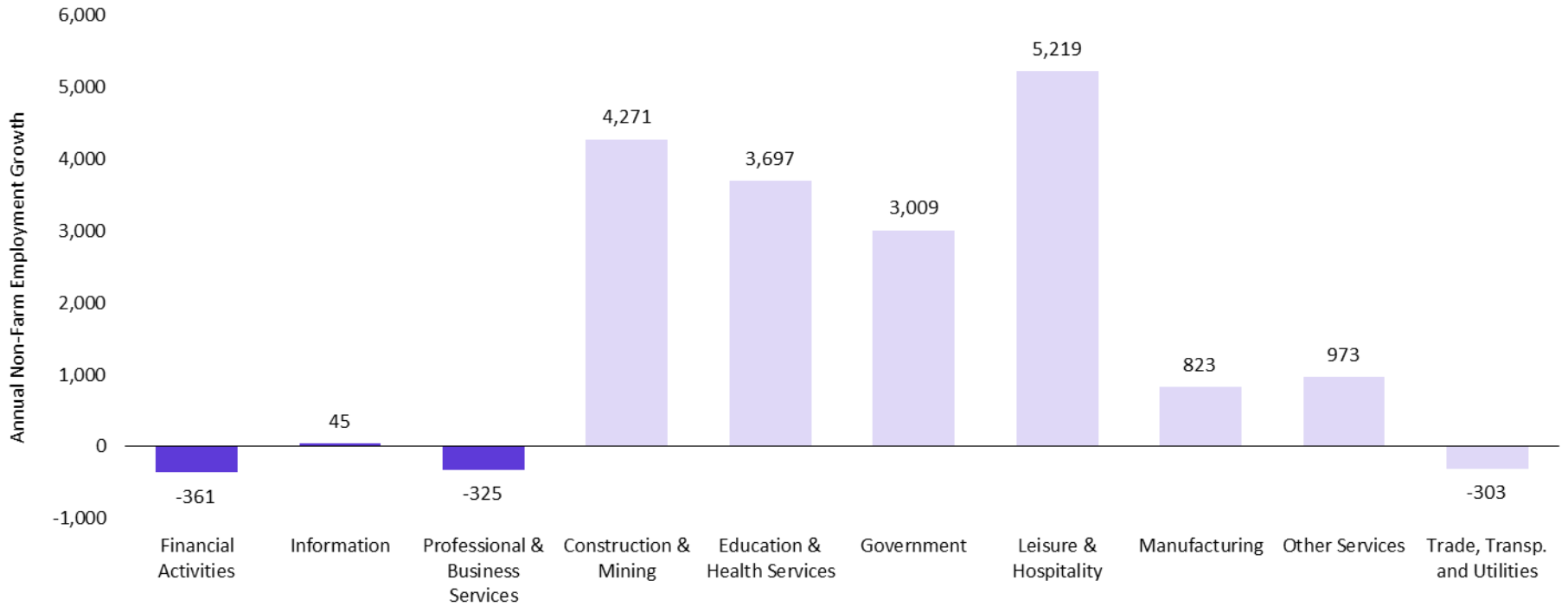
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Non-Farm Employment	630,359	661,340	692,745	718,173	746,148	770,392	731,392	770,805	814,610	825,862	842,177	851,723	858,579	863,970	869,239
Prior Year Change	30,891	30,981	31,405	25,427	27,975	24,244	(39,001)	39,414	43,804	11,252	16,315	9,546	6,857	5,391	5,269
Annual % Change	5.2%	4.9%	4.7%	3.7%	3.9%	3.2%	-5.1%	5.4%	5.7%	1.4%	2.0%	1.1%	0.8%	0.6%	0.6%
Unemployment Rate	8.3%	6.7%	6.1%	5.3%	4.5%	4.2%	10.1%	7.3%	4.1%	4.6%	5.1%	5.2%	5.1%	5.2%	5.2%



Employment by Sector – Riverside County

Economic Overview

Employment growth has been positive for the majority of employment sectors over the past year. Leisure & Hospitality has been the strongest sector over the past year. **Overall, employment growth totaled around 17,000 net jobs over the past year.**



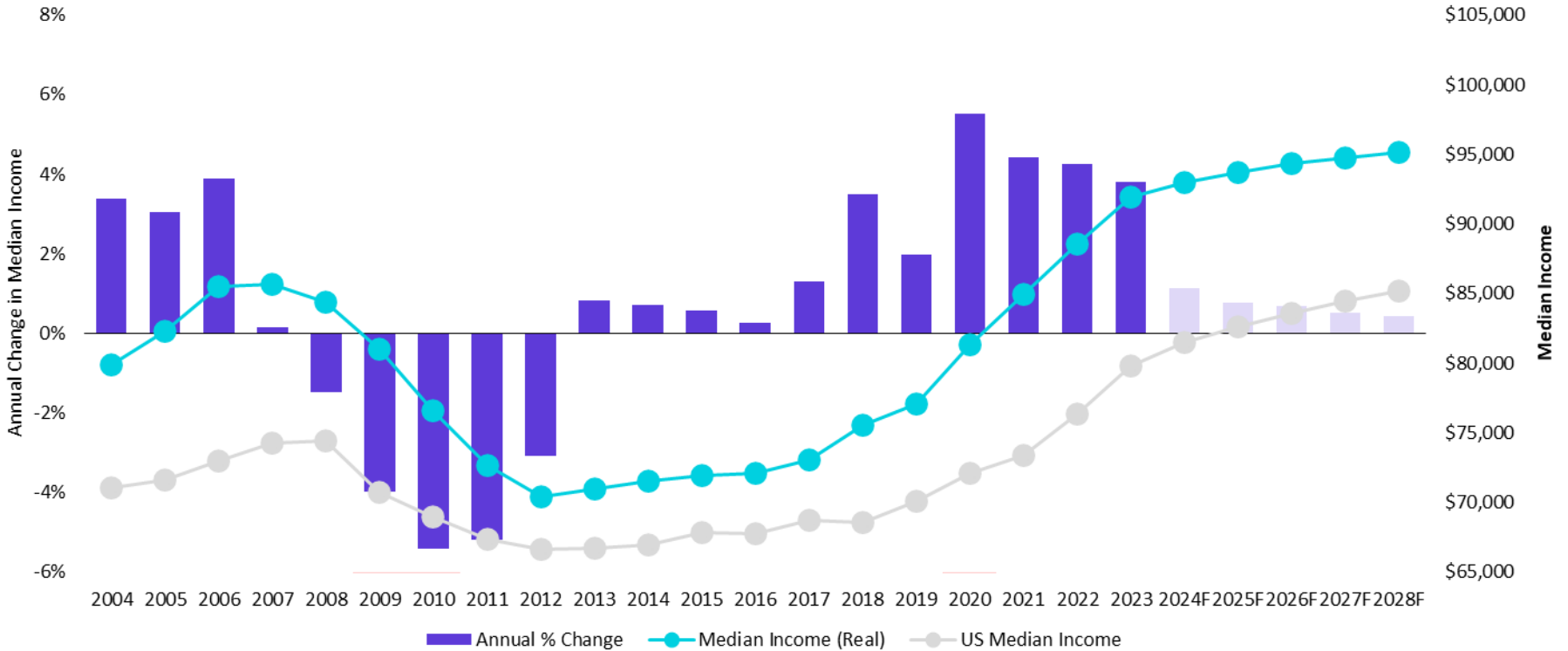
Source: Moody's Analytics; U.S. Bureau of Labor Statistics (BLS)

Category	Financial Activities	Information	Professional & Business Services	Construction & Mining	Education & Health Services	Government	Leisure & Hospitality	Manufacturing	Other Services	Trade, Transp. and Utilities
Current Month (Aug-2024)	22,027	5,734	86,504	83,536	143,690	137,177	107,737	46,814	26,970	183,976
Current Month (Aug-2023)	22,389	5,690	86,829	79,265	139,993	134,168	102,518	45,991	25,997	184,279
12-Month Change	-361	45	-325	4,271	3,697	3,009	5,219	823	973	-303

Median Income – Riverside County

Economic Overview

Median income in Riverside County is around 14% higher than the national income. Median income growth is expected to continue but at a slower rate than the United States. Growth in Southern California can point to these expectations to be conservative.



Riverside, CA County - Moody's Analytics Five-Year Forecast

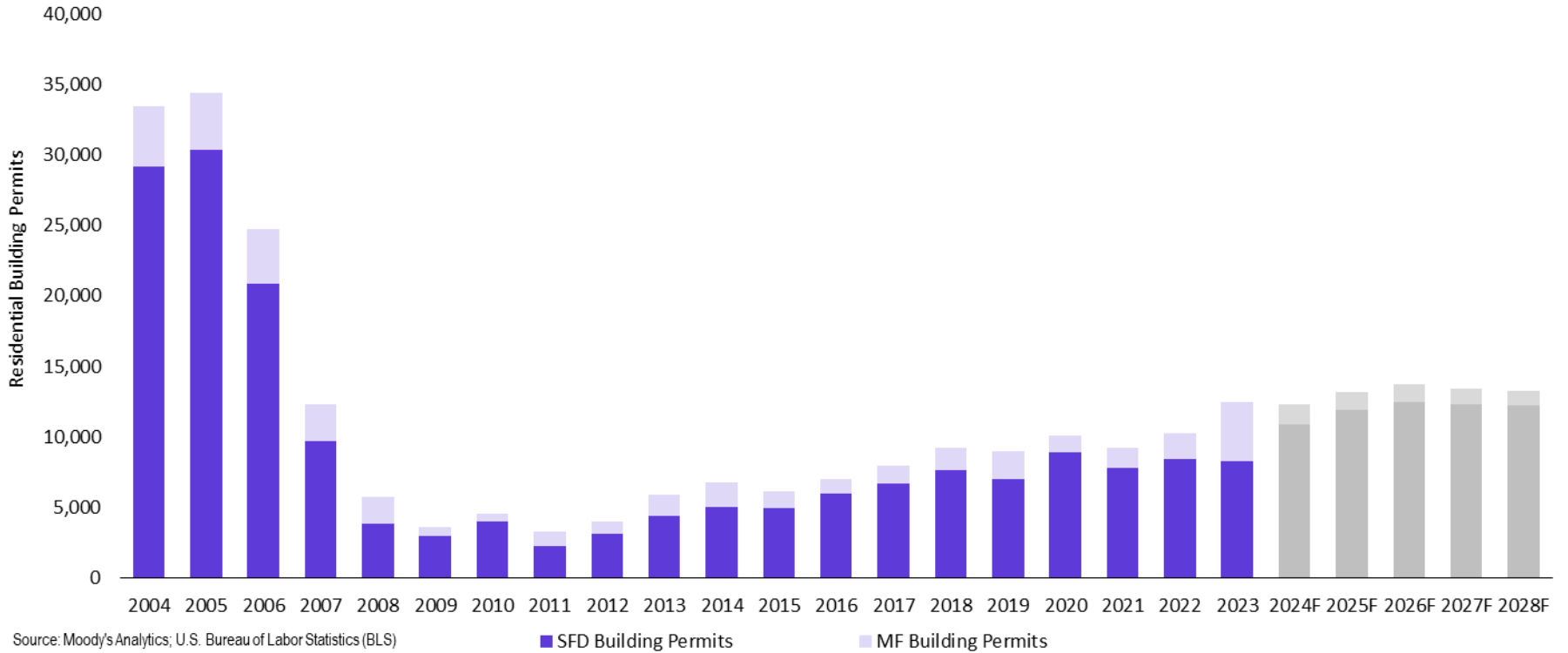
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Median Income (Real)	\$71,487	\$71,902	\$72,083	\$73,026	\$75,579	\$77,080	\$81,328	\$84,929	\$88,549	\$91,923	\$92,967	\$93,676	\$0	\$94,778	\$95,180
Annual % Change	0.7%	0.6%	0.3%	1.3%	3.5%	2.0%	5.5%	4.4%	4.3%	3.8%	1.1%	0.8%	0.7%	0.5%	0.4%
Median Income - United States	\$66,956	\$67,790	\$67,749	\$68,731	\$68,586	\$70,093	\$72,059	\$73,400	\$76,307	\$79,824	\$81,449	\$82,621	\$83,587	\$84,419	\$85,177
Annual % Change	0.4%	1.2%	-0.1%	1.5%	-0.2%	2.2%	2.8%	1.9%	4.0%	4.6%	2.0%	1.4%	1.2%	1.0%	0.9%



Permits – Riverside County

Economic Overview

Riverside County residential building permits have been steadily increasing yearly since the Great Recession. From 2014 – 2022 SFD Building Permits averaged 82.3% of all permits before receding for one year to 66.5% of all permits. **Over the next five years permits are expected to begin leveling off with limited MF Building Permits and SFD Building Permits obtaining 90.7% of all permits.**



Source: Moody's Analytics; U.S. Bureau of Labor Statistics (BLS)

■ SFD Building Permits ■ MF Building Permits

Riverside, CA County - Moody's Analytics Five-Year Forecast

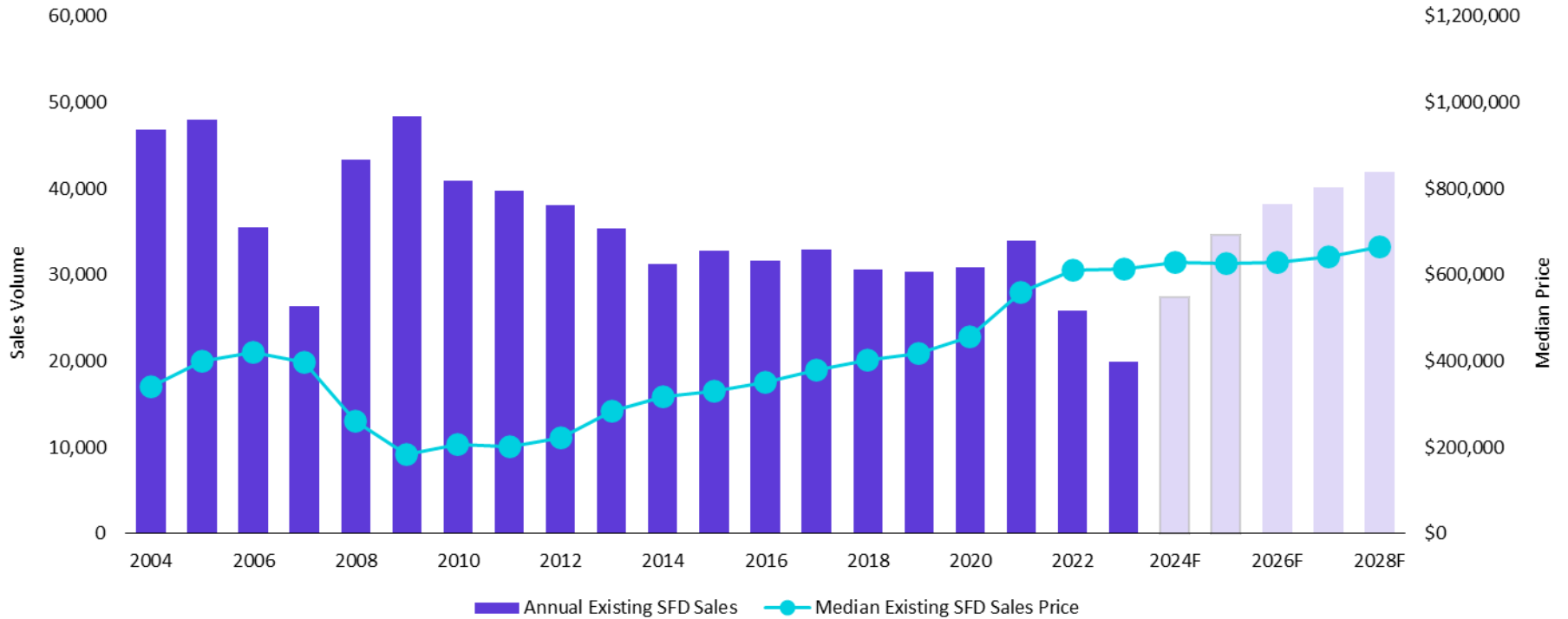
Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Total Building Permits	6,761	6,158	6,996	8,001	9,232	8,992	10,103	9,264	10,284	12,504	12,299	13,223	13,715	13,393	13,301
Annual % Change	14.1%	-8.9%	13.6%	14.4%	15.4%	-2.6%	12.4%	-8.3%	11.0%	21.6%	-1.6%	7.5%	3.7%	-2.3%	-0.7%
SFD Building Permits	5,074	4,934	5,987	6,703	7,676	7,002	8,895	7,835	8,461	8,318	10,887	11,936	12,501	12,286	12,245
Annual % Change	14.5%	-2.8%	21.3%	12.0%	14.5%	-8.8%	27.0%	-11.9%	8.0%	-1.7%	30.9%	9.6%	4.7%	-1.7%	-0.3%
MF Building Permits	1,687	1,224	1,009	1,298	1,556	1,990	1,208	1,429	1,823	4,186	1,412	1,286	1,214	1,107	1,056
Annual % Change	13.1%	-27.4%	-17.6%	28.6%	19.9%	27.9%	-39.3%	18.3%	27.6%	129.6%	-66.3%	-8.9%	-5.6%	-8.8%	-4.6%



Existing Home Closings – Riverside County

Economic Overview

Existing homes sales slowed from 2021 to 2023 with expectations that 2024 will see an increasing number of sales. Over the next five years, existing sales are expected to increase significantly. As sales rise, median closing price is expected to increase.



Source: National Association of Realtors (NAR); Zonda Price Forecast; Moody's Analytics Sales Forecast

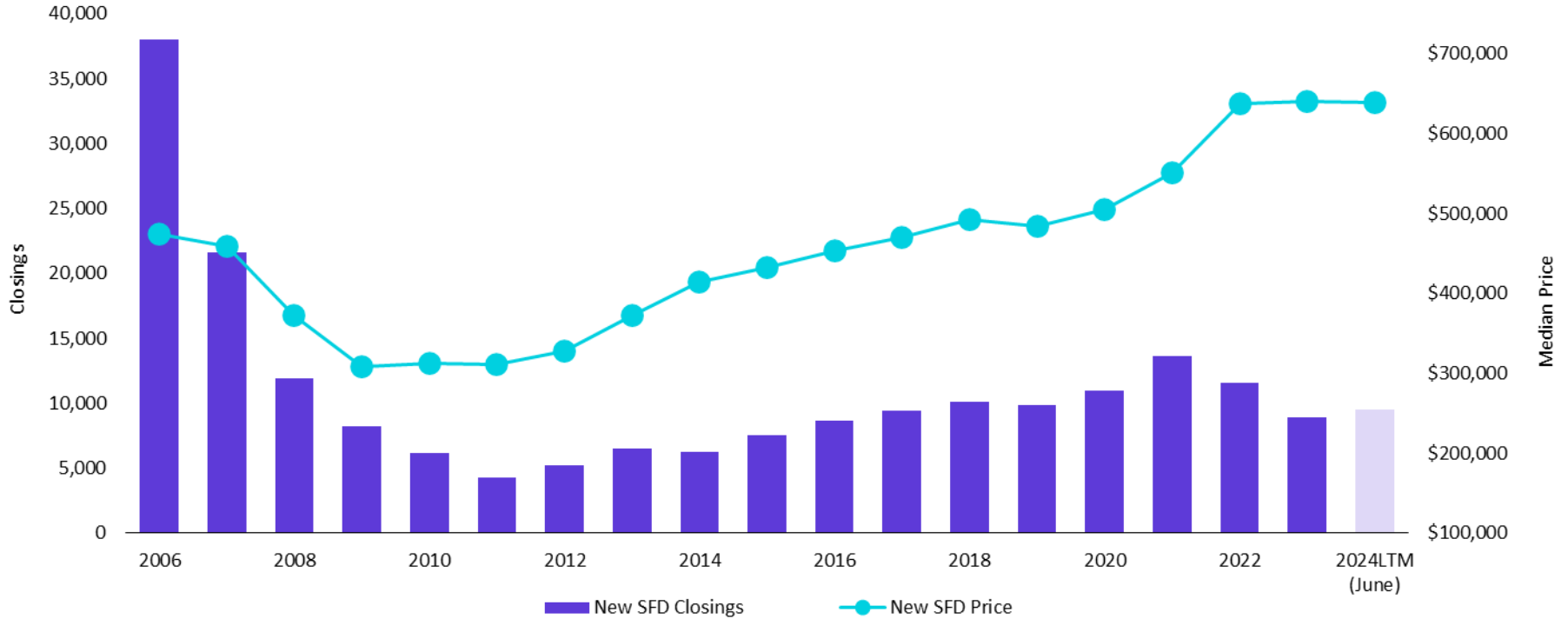
Riverside, CA County - Moody's Analytics Five-Year Forecast

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Annual Existing SFD Sales	31,246	32,750	31,702	32,963	30,563	30,296	30,808	33,931	25,849	19,933	27,377	34,574	38,166	40,093	41,897
Annual % Change	-11.8%	4.8%	-3.2%	4.0%	-7.3%	-0.9%	1.7%	10.1%	-23.8%	-22.9%	37.3%	26.3%	10.4%	5.0%	4.5%
Median Existing SFD Sales Price	\$316,836	\$330,409	\$351,765	\$379,336	\$401,800	\$417,350	\$457,368	\$558,325	\$611,940	\$612,360	\$627,719	\$626,997	\$628,927	\$641,357	\$664,368
Annual % Change	11.9%	4.3%	6.5%	7.8%	5.9%	3.9%	9.6%	22.1%	9.6%	0.1%	2.5%	-0.1%	0.3%	2.0%	3.6%

New Home Closings – Riverside County

Economic Overview

New home closings found a bottom in 2023 following two years of declines. Over the past ten years, closings had increased 4.3% annually, while average price increased 5.7% annually. However, over the past few years average closing price had begun leveling off.



Riverside, CA County

Category	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024F	2025F	2026F	2027F	2028F
Annual New SFD Sales	6,210	7,522	8,626	9,443	10,125	9,877	11,001	13,659	11,521	8,858	9,491	9,966	10,464	10,987	11,536
Annual % Change	-4.2%	21.1%	14.7%	9.5%	7.2%	-2.4%	11.4%	24.2%	-15.7%	-23.1%	7.1%	5.0%	5.0%	5.0%	5.0%
Average New SFD Sales Price	\$414,126	\$432,344	\$452,933	\$469,662	\$492,679	\$484,474	\$504,297	\$550,595	\$638,068	\$640,138	\$638,432	\$644,816	\$658,150	\$671,760	\$685,651
Annual % Change	11.3%	4.4%	4.8%	3.7%	4.9%	-1.7%	4.1%	9.2%	15.9%	0.3%	-0.3%	1.0%	2.1%	2.1%	2.1%

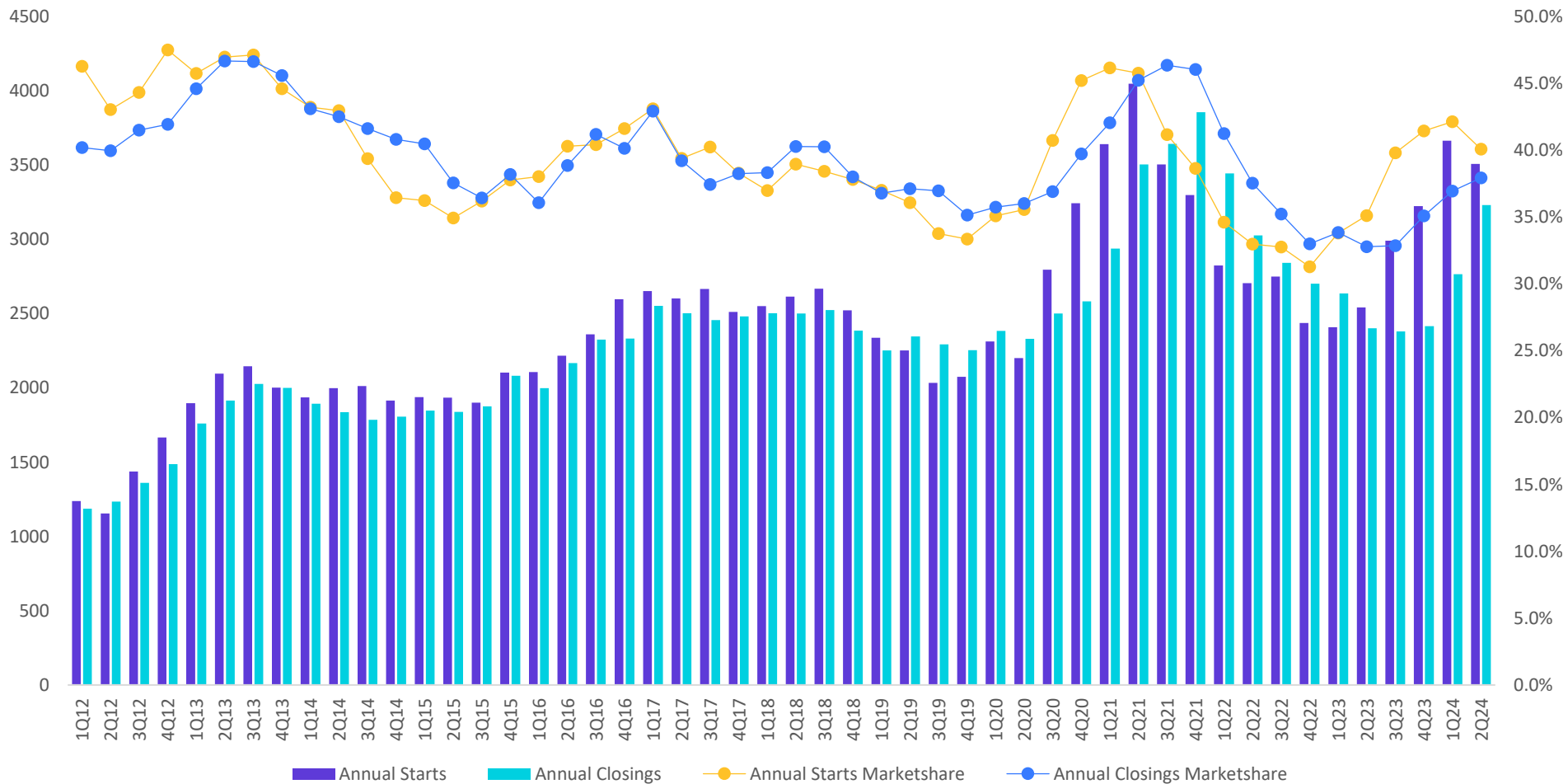
New Home Starts and Closings Market share - CMA

Economic Overview

Annual starts and closings market share of the Riverside County market has been increasing over the past year as demand has increased.

Annual starts and closings are above their ten-year averages of 2,601 and 2,500, respectively.

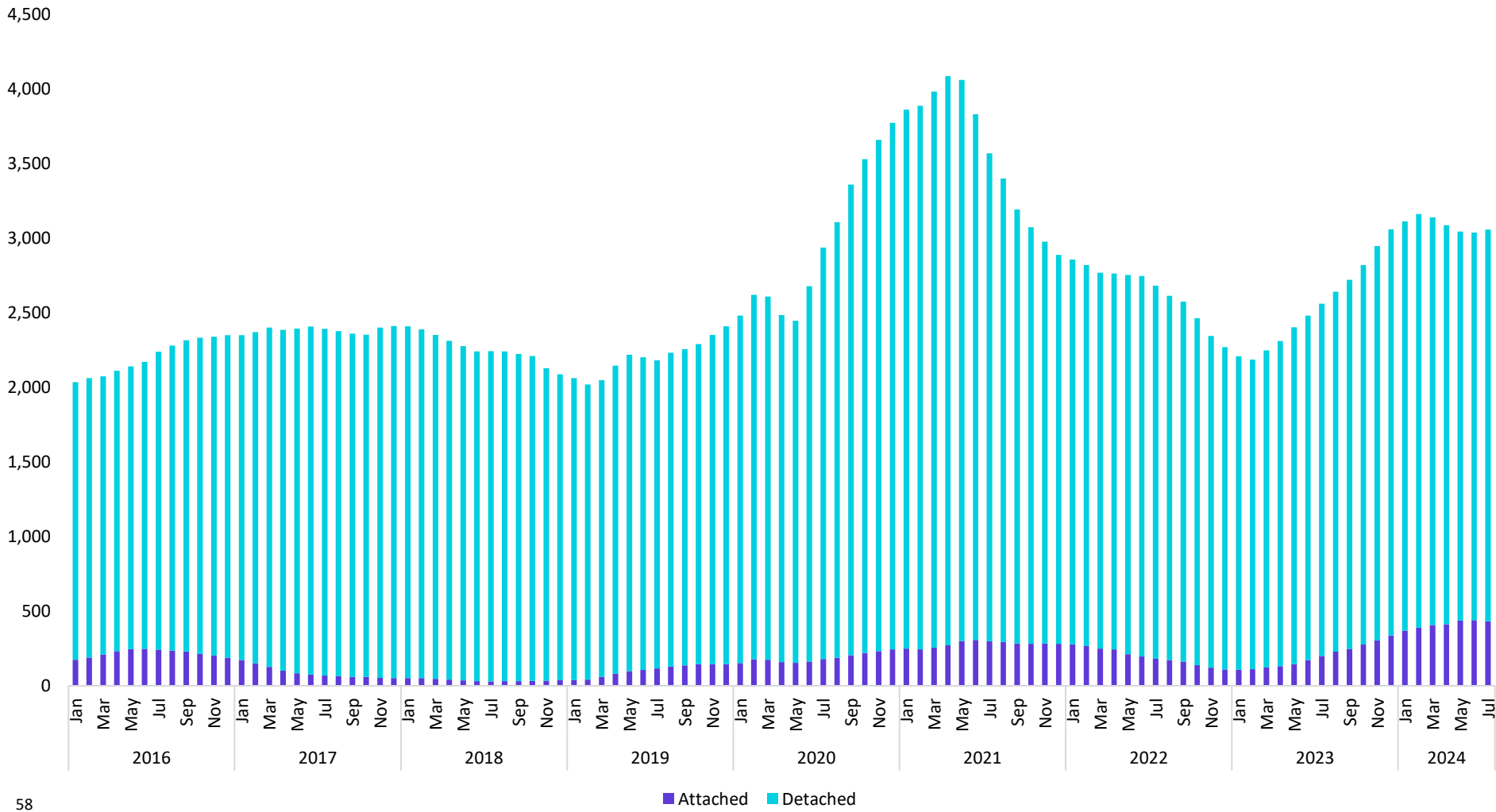
Annual Starts and Closings Marketshare

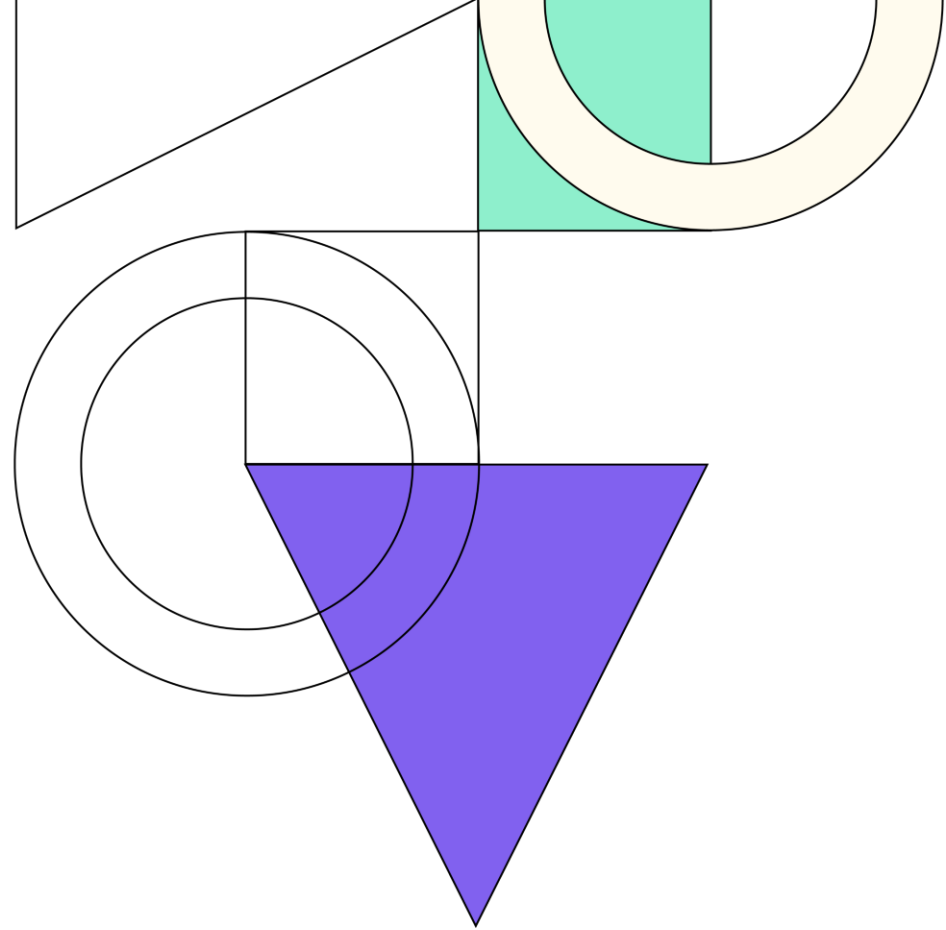


Annual New Home Sales - CMA

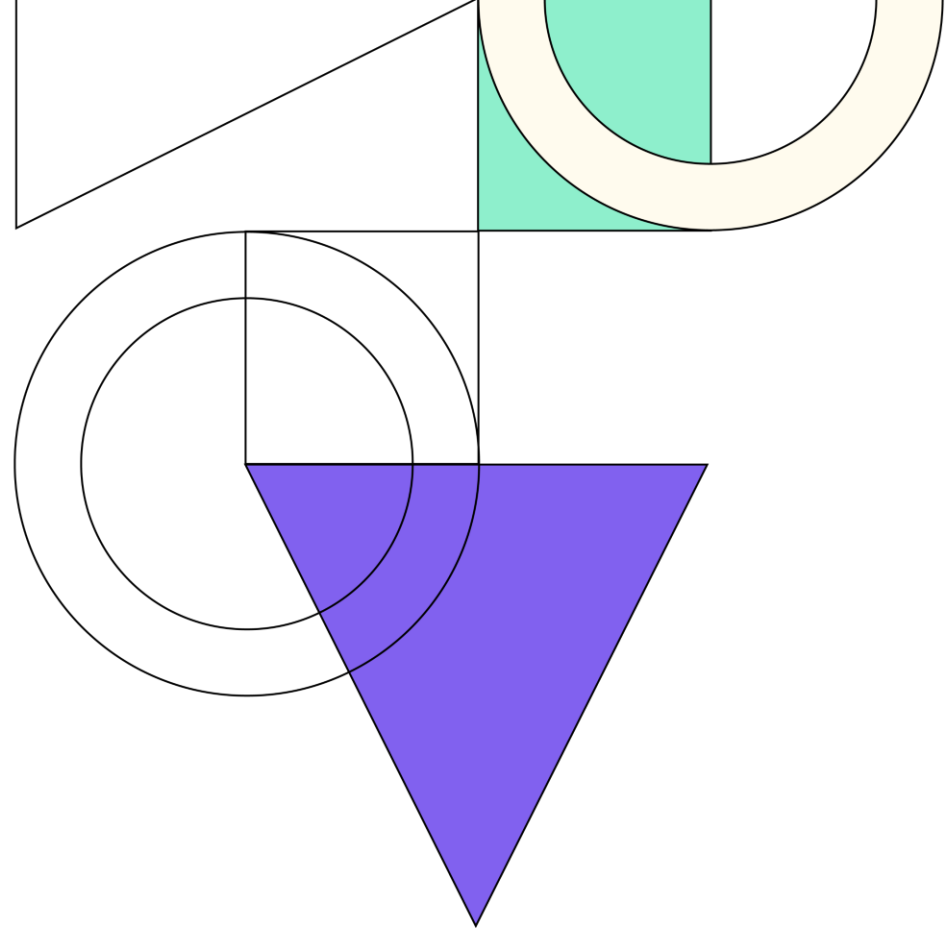
Economic Overview

Similar to annual starts and closings shown on the following page, annual sales increased over the past year before declining slightly through the Spring. It should be noted that annual sales declined as actively selling neighborhoods declined before increasing in June and July. It should be noted that sales, starts, and closings having been picking up substantially, that will draw demand for commercial properties within the CMA and in Lake Elsinore.





Appendix



Appendix - Retail Gap Analysis – Lake Elsinore

Gap Analysis by Retail Type Demand

Retail Gap Analysis

The table shows the gap or surplus of retail product located within Lake Elsinore and the corresponding potential square footage needed.



Lake Elsinore, CA (city)									
Retail CMA									
Retail Stores	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2024		2028	
				2024	2028	Add'l Space Viable?	How Much ⁽¹⁾ ?	Add'l Space Viable?	How Much ⁽¹⁾ ?
GLA in Shopping Centers w/in the CMA	3,893,370sf	3,870,119sf	4,054,751sf	-23,251sf	161,381sf				
Total Retail Sales Incl Eating and Drinking Places	\$1,293,701,030	\$1,285,974,988	\$1,347,325,255	(\$7,726,042)	\$53,624,225				
2024 Retail Expenditures Per Sq.Ft. of Resident Pop	\$332.28/sf	\$330.30/sf	\$330.30/sf						
2024 Retail Expenditures Per Person of Resident Pop	\$16,631/person	\$16,532/person	\$16,532/person						
Total Pop. in CMA (incl. subject site):		77,787 persons	81,498 persons						
Added Resident Retail Sales Potential From 2024			\$61,350,267						
Added Total Retail Sales Potential From 2024			\$61,718,854						
Added Resident Retail Sq.Ft. Potential From 2024			185741.7829						
Added Total Retail Sq.Ft. Potential From 2024			186,858sf						
Totals									
Total retail trade including food and drink	\$1,293,701,030	\$1,285,974,988	\$1,347,325,255	(\$7,726,042)	\$53,624,225				
Total retail trade	\$1,166,936,591	\$1,130,458,502	\$1,184,389,512	(\$36,478,089)	\$17,452,921				
Motor Vehicle and Parts Dealers									
Motor vehicle and parts dealers	316,549,695	262,910,248	\$275,452,960	(\$53,639,447)	(\$41,096,735)	NO	-	NO	-
Automobile dealers	228,589,800	215,907,406	\$226,207,744	(\$12,682,394)	(\$2,382,056)	NO	-	NO	-
New car dealers	216,975,445	192,565,623	\$201,752,390	(\$24,409,822)	(\$15,223,055)	NO	-	NO	-
Used car dealers	11,614,355	23,341,783	\$24,455,354	\$11,727,428	\$12,840,999	YES	15,074sf	YES	16,505sf
Other motor vehicle dealers	50,227,228	24,409,616	\$25,574,130	(\$25,817,612)	(\$24,653,098)	NO	-	NO	-
Recreational vehicle dealers	17,817,930	9,772,927	\$10,239,166	(\$8,045,003)	(\$7,578,764)	NO	-	NO	-
Motorcycle, boat, and other motor vehicle dealers	32,409,298	14,636,689	\$15,334,964	(\$17,772,609)	(\$17,074,334)	NO	-	NO	-
Boat dealers	5,227,755	5,480,591	\$5,742,055	\$252,836	\$514,300	YES	325sf	YES	661sf
Motorcycle, ATV, and all other motor vehicle dealers	27,181,543	9,156,098	\$9,592,910	(\$18,025,445)	(\$17,588,633)	NO	-	NO	-
Automotive parts, accessories, and tire stores	37,732,667	22,593,226	\$23,671,086	(\$15,139,441)	(\$14,061,581)	NO	-	NO	-
Automotive parts and accessories stores	21,811,816	14,243,394	\$14,922,906	(\$7,568,422)	(\$6,888,910)	NO	-	NO	-
Tire dealers	15,920,851	8,349,832	\$8,748,179	(\$7,571,019)	(\$7,172,672)	NO	-	NO	-
Furniture and Home Furnishings Stores									
Furniture and home furnishings stores	24,236,035	21,897,146	\$22,941,798	(\$2,338,889)	(\$1,294,237)	NO	-	NO	-
Furniture stores	9,326,348	11,953,210	\$12,523,464	\$2,626,862	\$3,197,116	YES	3,909sf	YES	4,758sf
Home furnishings stores	14,909,688	9,943,936	\$10,418,333	(\$4,965,752)	(\$4,491,355)	NO	-	NO	-
Floor covering stores	6,069,133	4,426,602	\$4,637,783	(\$1,642,531)	(\$1,431,350)	NO	-	NO	-
Other home furnishings stores	8,840,554	5,517,334	\$5,780,551	(\$3,323,220)	(\$3,060,003)	NO	-	NO	-
Window treatment stores	398,689	313,660	\$328,624	(\$85,029)	(\$70,065)	NO	-	NO	-
All other home furnishings stores	8,441,866	5,203,674	\$5,451,927	(\$3,238,192)	(\$2,989,939)	NO	-	NO	-
Electronics and Appliance Stores									
Electronics and appliance stores	23,868,284	18,064,178	\$18,925,969	(\$5,804,106)	(\$4,942,315)	NO	-	NO	-
Household appliance stores	5,158,684	3,194,004	\$3,346,381	(\$1,964,680)	(\$1,812,303)	NO	-	NO	-
Electronics stores	18,709,600	14,870,175	\$15,579,589	(\$3,839,425)	(\$3,130,011)	NO	-	NO	-
Building Material and Garden Equipment and Supplies Dealers									
Building material and garden equipment and supplies dealers	45,335,813	74,834,287	\$78,404,421	\$29,498,474	\$33,068,608	YES	27,803sf	YES	31,167sf
Building material and supplies dealers	44,537,895	63,244,103	\$66,261,302	\$18,706,208	\$21,723,407	YES	17,631sf	YES	20,474sf
Home centers	35,315,390	35,452,215	\$37,143,541	\$136,825	\$1,828,151	YES	129sf	YES	1,723sf
Paint and wallpaper stores	874,713	2,489,032	\$2,607,777	\$1,614,319	\$1,733,064	YES	1,522sf	YES	1,633sf
Hardware stores	2,758,308	5,579,616	\$5,845,804	\$2,821,308	\$3,087,496	YES	2,659sf	YES	2,910sf
Other building material dealers	5,589,484	19,723,239	\$20,664,180	\$14,133,755	\$15,074,696	YES	13,321sf	YES	14,208sf
Lawn and garden equipment and supplies stores	797,917	11,590,184	\$12,143,119	\$10,792,267	\$11,345,202	YES	10,172sf	YES	10,693sf
Outdoor power equipment stores	347,372	2,333,915	\$2,445,260	\$1,986,543	\$2,097,888	YES	1,872sf	YES	1,977sf
Nursery, garden center, and farm supply stores	450,546	9,256,268	\$9,697,859	\$8,805,722	\$9,247,313	YES	8,299sf	YES	8,716sf

Gap Analysis by Retail Type Demand

Retail Gap Analysis

The table shows the gap or surplus of retail product located within Lake Elsinore and the corresponding potential square footage needed.

Lake Elsinore, CA (city) Retail CMA									
Retail Stores	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA		2024		2028	
				Opportunity 2024	Gap or (Surplus) 2028	Add'l Space Viable?	How Much ^{(1)?}	Add'l Space Viable?	How Much ^{(1)?}
Food and Beverage Stores									
Food and beverage stores	163,542,212	166,706,449	\$174,659,547	\$3,164,237	\$11,117,335	YES	1,193sf	YES	4,190sf
Grocery stores	163,195,302	150,438,416	\$157,615,412	(\$12,756,886)	(\$5,579,890)	NO	-	NO	-
Supermarkets and other grocery	162,688,996	144,618,237	\$151,517,568	(\$18,070,759)	(\$11,171,428)	NO	-	NO	-
Convenience stores	506,306	5,820,179	\$6,097,843	\$5,313,873	\$5,591,537	YES	2,003sf	YES	2,108sf
Specialty food stores	23,533	4,184,905	\$4,384,555	\$4,161,372	\$4,361,022	YES	1,569sf	YES	1,644sf
Meat markets	23,533	1,279,465	\$1,340,505	\$1,255,932	\$1,316,972	YES	473sf	YES	496sf
Fish and seafood markets	0	502,869	\$526,859	\$502,869	\$526,859	YES	190sf	YES	199sf
Fruit and vegetable markets	0	872,645	\$914,276	\$872,645	\$914,276	YES	329sf	YES	345sf
Other specialty food stores	0	1,529,926	\$1,602,914	\$1,529,926	\$1,602,914	YES	577sf	YES	604sf
Baked goods stores and confectionery and nut stores	0	0	\$0	\$0	\$0	NO	-	NO	-
All other specialty food stores	0	718,288	\$752,556	\$718,288	\$752,556	YES	839sf	YES	879sf
Beer, wine, and liquor stores	323,376	12,083,128	\$12,659,580	\$11,759,752	\$12,336,204	YES	13,303sf	YES	13,955sf
Health and Personal Care Stores									
Health and personal care stores	57,476,704	68,879,270	\$72,165,307	\$11,402,566	\$14,688,603	YES	3,394sf	YES	4,372sf
Pharmacies and drug stores	49,803,010	58,772,000	\$61,575,848	\$8,968,990	\$11,772,838	YES	2,669sf	YES	3,504sf
Cosmetics, beauty supplies, and perfume stores	5,112,805	4,281,049	\$4,485,286	(\$831,756)	(\$627,519)	NO	-	NO	-
Optical goods stores	722,964	1,935,741	\$2,028,090	\$1,212,777	\$1,305,126	YES	361sf	YES	388sf
Other health and personal care stores	1,837,925	3,890,479	\$4,076,083	\$2,052,554	\$2,238,158	YES	611sf	YES	666sf
Food	1,043,624	1,377,327	\$1,443,035	\$333,703	\$399,411	YES	99sf	YES	119sf
All other health and personal care stores	794,301	2,513,152	\$2,633,047	\$1,718,851	\$1,838,746	YES	1,625sf	YES	1,738sf
Gasoline Stations									
Gasoline stations	58,588,948	80,464,302	\$84,303,029	\$21,875,354	\$25,714,081	YES	6,511sf	YES	7,653sf
Clothing and Clothing Accessories Stores									
Clothing and clothing accessories stores	56,071,025	49,071,634	\$51,412,704	(\$6,999,391)	(\$4,658,321)	NO	-	NO	-
Clothing stores	44,196,285	34,117,374	\$35,745,018	(\$10,078,911)	(\$8,451,267)	NO	-	NO	-
Men's clothing stores	1,252,635	1,008,358	\$1,056,464	(\$244,277)	(\$196,171)	NO	-	NO	-
Women's clothing stores	5,643,609	5,729,017	\$6,002,332	\$85,408	\$358,723	YES	60sf	YES	254sf
Children's and infants' clothing stores	1,267,559	1,963,025	\$2,056,675	\$695,466	\$789,116	YES	491sf	YES	558sf
Family clothing stores	28,736,392	20,652,550	\$21,637,825	(\$8,083,842)	(\$7,098,567)	NO	-	NO	-
Clothing accessories stores	4,584,460	1,751,229	\$1,834,775	(\$2,833,231)	(\$2,749,685)	NO	-	NO	-
Other clothing stores	2,711,629	3,013,195	\$3,156,946	\$301,566	\$445,317	YES	213sf	YES	315sf
Shoe stores	5,669,600	6,087,645	\$6,378,070	\$418,405	\$708,470	YES	295sf	YES	501sf
Jewelry, luggage, and leather goods stores	6,205,140	8,866,615	\$9,289,616	\$2,661,475	\$3,084,476	YES	1,881sf	YES	2,180sf
Jewelry stores	3,090,965	6,046,496	\$6,334,957	\$2,955,531	\$3,243,992	YES	2,089sf	YES	2,293sf
Luggage and leather goods stores	3,114,175	2,820,119	\$2,954,659	(\$294,056)	(\$159,516)	NO	-	NO	-
Sporting Goods, Hobby, Musical Instrument, and Book Stores									
Sporting goods, hobby, musical instrument, and book stores	13,766,124	19,415,680	\$20,341,948	\$5,649,556	\$6,575,824	YES	6,654sf	YES	7,745sf
Sporting goods, hobby, and musical instrument stores	13,766,124	17,197,238	\$18,017,670	\$3,431,114	\$4,251,546	YES	4,041sf	YES	5,008sf
Sporting goods stores	7,497,849	12,029,379	\$12,603,267	\$4,531,530	\$5,105,418	YES	5,337sf	YES	6,013sf
Hobby, toy, and game stores	5,290,060	3,798,620	\$3,979,842	(\$1,491,440)	(\$1,310,218)	NO	-	NO	-
Sewing, needlework, and piece goods stores	664,084	613,291	\$642,549	(\$50,793)	(\$21,535)	NO	-	NO	-
Musical instrument and supplies stores	314,130	755,947	\$792,011	\$441,817	\$477,881	YES	520sf	YES	563sf
Book stores and news dealers	0	2,218,442	\$2,324,278	\$2,218,442	\$2,324,278	YES	2,613sf	YES	2,738sf
Book stores	0	2,082,071	\$2,181,401	\$2,082,071	\$2,181,401	YES	2,452sf	YES	2,569sf
News dealers and newsstands	0	136,371	\$142,877	\$136,371	\$142,877	YES	161sf	YES	168sf
General Merchandise Stores									
General merchandise stores	148,759,460	144,645,160	\$151,545,776	(\$4,114,300)	\$2,786,316	NO	-	YES	2,626sf
Department stores	20,247,732	16,782,721	\$17,583,378	(\$3,465,011)	(\$2,664,354)	NO	-	NO	-
Other general merchandise stores	128,511,728	127,862,439	\$133,962,398	(\$649,289)	\$5,450,670	NO	-	YES	5,137sf
Warehouse clubs and supercenters	120,916,973	116,681,419	\$122,247,963	(\$4,235,554)	\$1,330,990	NO	-	YES	1,254sf
All other general merchandise stores	7,594,755	11,181,020	\$11,714,435	\$3,586,265	\$4,119,680	YES	3,380sf	YES	3,883sf

Gap Analysis by Retail Type Demand

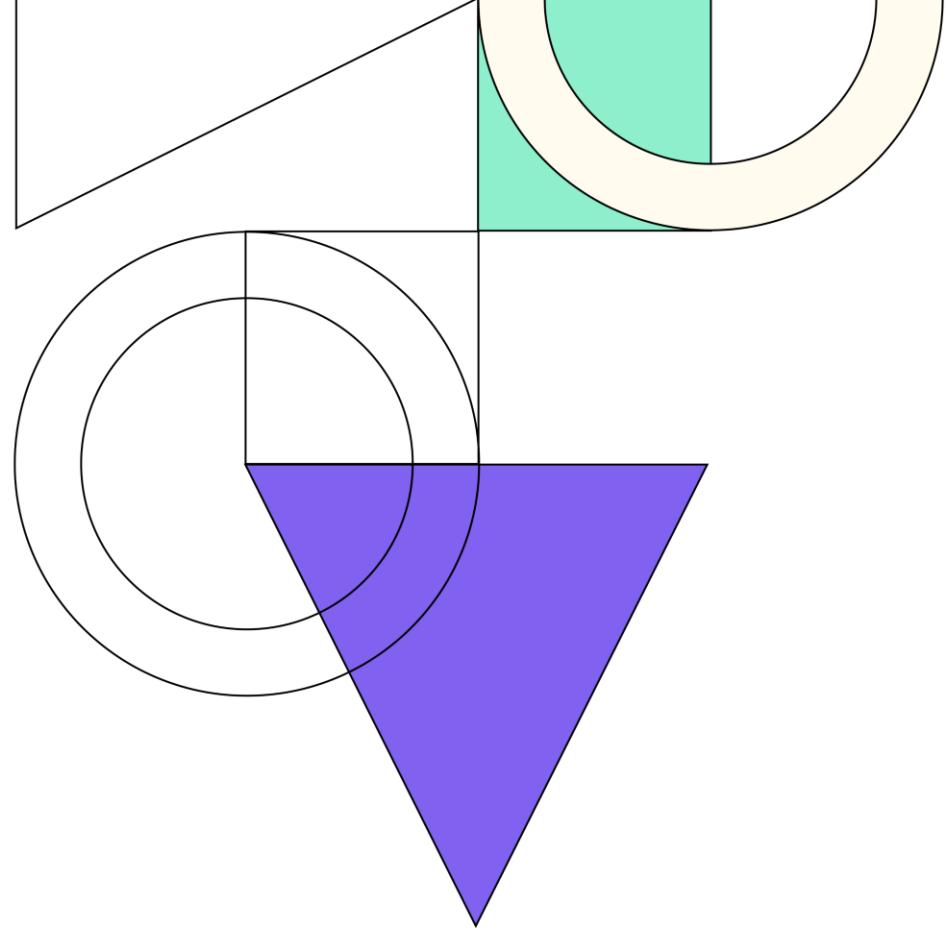
Retail Gap Analysis

The table shows the gap or surplus of retail product located within Lake Elsinore and the corresponding potential square footage needed.



Lake Elsinore, CA (city)									
Retail CMA									
Retail Stores	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA		2024		2028	
				Opportunity 2024	Gap or (Surplus) 2028	Add'l Space Viable?	How Much ⁽¹⁾ ?	Add'l Space Viable?	How Much ⁽¹⁾ ?
Miscellaneous Store Retailers									
Miscellaneous store retailers	23,233,583	24,570,624	\$25,742,820	\$1,337,041	\$2,509,237	YES	1,303sf	YES	2,446sf
Florists	0	1,142,284	\$1,196,779	\$1,142,284	\$1,196,779	YES	1,113sf	YES	1,166sf
Office supplies, stationery, and gift stores	5,055,091	5,060,692	\$5,302,123	\$5,601	\$247,032	YES	5sf	YES	241sf
Office supplies and stationery stores	2,720,063	2,107,023	\$2,207,543	(\$613,040)	(\$512,520)	NO	-	NO	-
Gift, novelty, and souvenir stores	2,335,027	2,953,669	\$3,094,580	\$618,642	\$759,553	YES	603sf	YES	740sf
Used merchandise stores	3,938,188	3,518,919	\$3,686,797	(\$419,269)	(\$251,391)	NO	-	NO	-
Other miscellaneous store retailers	14,240,305	14,848,730	\$15,557,121	\$608,425	\$1,316,816	YES	593sf	YES	1,283sf
Pet and pet supplies stores	5,233,903	4,782,356	\$5,010,509	(\$451,547)	(\$223,394)	NO	-	NO	-
Art dealers	2,675,096	2,171,733	\$2,275,340	(\$503,363)	(\$399,756)	NO	-	NO	-
Manufactured	1,573,373	1,565,458	\$1,640,142	(\$7,915)	\$66,769	NO	-	YES	65sf
All other miscellaneous store retailers	4,757,933	6,329,183	\$6,631,131	\$1,571,250	\$1,873,198	YES	1,531sf	YES	1,826sf
Tobacco stores	2,090,004	1,749,918	\$1,833,402	(\$340,086)	(\$256,602)	NO	-	NO	-
All other miscellaneous store retailers	2,667,929	4,579,265	\$4,797,729	\$1,911,336	\$2,129,800	YES	1,863sf	YES	2,076sf
Non-store Retailers									
Non-store retailers	235,508,708	198,999,524	\$208,493,234	(\$36,509,184)	(\$27,015,474)	NO	-	NO	-
Electronic shopping and mail-order houses	233,105,967	190,802,535	\$199,905,190	(\$42,303,432)	(\$33,200,777)	NO	-	NO	-
Vending machine operators	0	1,012,623	\$1,060,932	\$1,012,623	\$1,060,932	YES	2,861sf	YES	2,997sf
Direct selling establishments	2,402,741	7,184,367	\$7,527,113	\$4,781,626	\$5,124,372	YES	13,507sf	YES	14,476sf
Fuel dealers	140,064	3,736,745	\$3,915,015	\$3,596,681	\$3,774,951	YES	10,160sf	YES	10,664sf
Other direct selling establishments	2,262,677	3,447,622	\$3,612,098	\$1,184,945	\$1,349,421	YES	3,347sf	YES	3,812sf
Food Services and Drinking Places									
Food services and drinking places	126,764,439	155,516,486	\$162,935,742	\$28,752,047	\$36,171,303	YES	16,262sf	YES	20,459sf
Special food services	1,893,037	11,485,714	\$12,033,665	\$9,592,677	\$10,140,628	YES	5,426sf	YES	5,736sf
Food service contractors	663,574	8,819,404	\$9,240,153	\$8,155,830	\$8,576,579	YES	4,613sf	YES	4,851sf
Caterers	724,192	2,406,302	\$2,521,100	\$1,682,110	\$1,796,908	YES	951sf	YES	1,016sf
Mobile food services	505,270	260,008	\$272,412	(\$245,262)	(\$232,858)	NO	-	NO	-
Drinking places	3,510,038	5,001,814	\$5,240,437	\$1,491,776	\$1,730,399	YES	844sf	YES	979sf
Restaurants and other eating places	121,361,365	139,028,958	\$145,661,640	\$17,667,593	\$24,300,275	YES	9,993sf	YES	13,744sf
Full-service restaurants	59,144,238	69,181,715	\$72,482,181	\$10,037,477	\$13,337,943	YES	5,677sf	YES	7,544sf
Limited-service restaurants	48,512,642	59,257,311	\$62,084,311	\$10,744,669	\$13,571,669	YES	6,077sf	YES	7,676sf
Cafeterias, grill buffets, and buffets	1,683,014	1,510,709	\$1,582,781	(\$172,305)	(\$100,233)	NO	-	NO	-
Snack and non-alcoholic beverage bars	12,021,471	9,079,224	\$9,512,368	(\$2,942,247)	(\$2,509,103)	NO	-	NO	-

Source: Claritas; Zonda



Appendix - Retail Gap Analysis – CMA

Gap Analysis by Retail Type Demand

Retail Gap Analysis

The table shows the gap or surplus of retail product located within the CMA and the corresponding potential square footage needed in the CMA.

Lake Elsinore CMA Retail CMA							
Retail Stores	2024 Estimated Retail Sales	2024 Resident Expenditures	2028 Resident Expenditures	CMA Opportunity Gap or (Surplus)		2024	2028
				2024	2028	How Much ^{(1)?}	How Much ^{(1)?}
GLA in Shopping Centers w/in the CMA	22,253,920sf	27,994,308sf	29,525,666sf	5,740,388sf	7,271,746sf	5,740,388sf	7,271,746sf
Total Retail Sales Incl Eating and Drinking Places	\$9,279,145,222	\$11,672,696,194	\$12,311,221,842	\$2,393,550,972	\$3,032,076,620		
2024 Retail Expenditures Per Sq.Ft. of Resident Pop	\$416.97/sf	\$524.52/sf	\$524.52/sf				
2024 Retail Expenditures Per Person of Resident Pop	\$16,711/person	\$21,022/person	\$21,022/person				
Total Pop. in CMA (incl. subject site):	555,258 persons	555,258 persons	585,632 persons				
Added Resident Retail Sales Potential From 2024			\$638,525,648				
Added Total Retail Sales Potential From 2024			\$507,592,429				
Added Resident Retail Sq.Ft. Potential From 2024			1,217,345sf				
Added Total Retail Sq.Ft. Potential From 2024			967,722sf				
Totals							
Total retail trade including food and drink	\$9,279,145,222	\$11,672,696,194	\$12,311,221,842	\$2,393,550,972	\$3,032,076,620		
Total retail trade	\$8,196,611,970	\$10,281,666,505	\$10,844,099,353	\$2,085,054,535	\$2,647,487,383		
Motor Vehicle and Parts Dealers							
Motor vehicle and parts dealers	1,620,021,798	2,473,859,012	\$2,609,185,281	\$853,837,214	\$989,163,483	1,097,477sf	1,271,418sf
Automobile dealers	1,257,120,194	2,014,781,766	\$2,124,995,363	\$757,661,572	\$867,875,169	973,858sf	1,115,521sf
New car dealers	1,172,164,138	1,796,343,140	\$1,894,607,598	\$624,179,002	\$722,443,460	802,287sf	928,591sf
Used car dealers	84,956,056	218,438,627	\$230,387,766	\$133,482,571	\$145,431,710	171,571sf	186,930sf
Other motor vehicle dealers	205,644,581	253,521,162	\$267,389,403	\$47,876,581	\$61,744,822	61,538sf	79,364sf
Recreational vehicle dealers	103,493,697	104,661,859	\$110,387,124	\$1,168,162	\$6,893,427	1,501sf	8,860sf
Motorcycle, boat, and other motor vehicle dealers	102,150,884	148,859,303	\$157,002,279	\$46,708,419	\$54,851,395	60,037sf	70,503sf
Boat dealers	17,206,140	58,520,375	\$61,721,586	\$41,314,235	\$44,515,446	53,103sf	57,218sf
Motorcycle, ATV, and all other motor vehicle dealers	84,944,744	90,338,929	\$95,280,694	\$5,394,185	\$10,335,950	6,933sf	13,285sf
Automotive parts, accessories, and tire stores	157,257,023	205,556,083	\$216,800,514	\$48,299,060	\$59,543,491	62,081sf	76,534sf
Automotive parts and accessories stores	95,749,819	129,675,340	\$136,768,905	\$33,925,521	\$41,019,086	43,606sf	52,724sf
Tire dealers	61,507,203	75,880,744	\$80,031,610	\$14,373,541	\$18,524,407	18,475sf	23,810sf
Furniture and Home Furnishings Stores							
Furniture and home furnishings stores	134,606,643	203,513,446	\$214,646,140	\$68,906,803	\$80,039,497	102,540sf	119,106sf
Furniture stores	47,942,976	110,173,972	\$116,200,764	\$62,230,996	\$68,257,788	92,606sf	101,574sf
Home furnishings stores	86,663,667	93,339,475	\$98,445,378	\$6,675,808	\$11,781,711	9,934sf	17,532sf
Floor covering stores	33,065,302	42,765,508	\$45,104,888	\$9,700,206	\$12,039,586	14,435sf	17,916sf
Other home furnishings stores	53,998,365	50,573,967	\$53,340,489	(\$3,024,398)	(\$257,876)	-	-
Window treatment stores	2,237,979	2,843,400	\$2,998,941	\$605,421	\$760,962	225sf	283sf
All other home furnishings stores	51,360,386	47,730,567	\$50,341,548	(\$3,629,819)	(\$1,018,838)	-	-
Electronics and Appliance Stores							
Electronics and appliance stores	126,930,762	162,223,219	\$171,097,234	\$35,292,457	\$44,166,472	16,632sf	20,814sf
Household appliance stores	23,152,733	29,040,790	\$30,629,394	\$5,888,057	\$7,476,661	2,775sf	3,523sf
Electronics stores	103,778,029	133,182,429	\$140,467,841	\$29,404,400	\$36,689,812	13,857sf	17,290sf
Building Material and Garden Equipment and Supplies Dealers							
Building material and garden equipment and supplies dealers	539,318,826	698,120,717	\$736,309,665	\$158,801,891	\$196,990,839	149,672sf	185,665sf
Building material and supplies dealers	500,360,564	591,718,057	\$624,086,513	\$91,357,493	\$123,725,949	86,105sf	116,613sf
Home centers	376,157,821	331,140,734	\$349,254,960	(\$45,017,087)	(\$26,902,861)	-	-
Paint and wallpaper stores	16,229,567	23,521,163	\$24,807,829	\$7,291,596	\$8,578,262	6,872sf	8,085sf
Hardware stores	38,768,635	52,090,386	\$54,939,860	\$13,321,751	\$16,171,225	12,556sf	15,241sf
Other building material dealers	69,204,541	184,965,774	\$195,083,864	\$115,761,233	\$125,879,323	109,106sf	118,642sf
Lawn and garden equipment and supplies stores	38,998,262	106,402,660	\$112,223,151	\$67,444,398	\$73,264,889	63,567sf	69,053sf
Outdoor power equipment stores	3,640,706	21,676,592	\$22,862,356	\$18,035,886	\$19,221,650	16,999sf	18,117sf
Nursery, garden center, and farm supply stores	35,317,556	84,726,068	\$89,360,796	\$49,408,512	\$54,043,240	46,568sf	50,936sf

Gap Analysis by Retail Type Demand

Retail Gap Analysis

The table shows the gap or surplus of retail product located within the CMA and the corresponding potential square footage needed in the CMA.

Lake Elsinore CMA Retail CMA							
Retail Stores	2024 Estimated	2024 Resident	2028 Resident	CMA		2024	2028
	Retail Sales	Expenditures	Expenditures	Opportunity Gap or (Surplus)		How	How
				2024	2028	Much ⁽¹⁾ ?	Much ⁽¹⁾ ?
Food and Beverage Stores							
Food and beverage stores	1,358,296,913	1,483,238,121	\$1,564,374,952	\$124,941,208	\$206,078,039	47,094sf	77,677sf
Grocery stores	1,280,091,590	1,338,914,882	\$1,412,156,872	\$58,823,292	\$132,065,282	22,172sf	49,780sf
Supermarkets and other grocery	1,239,637,408	1,287,534,017	\$1,357,965,345	\$47,896,609	\$118,327,937	18,054sf	44,602sf
Convenience stores	40,454,182	51,380,865	\$54,191,527	\$10,926,683	\$13,737,345	4,119sf	5,178sf
Specialty food stores	26,665,710	37,221,223	\$39,257,317	\$10,555,513	\$12,591,607	3,979sf	4,746sf
Meat markets	9,662,452	11,378,617	\$12,001,056	\$1,716,165	\$2,338,604	647sf	881sf
Fish and seafood markets	0	4,472,059	\$4,716,692	\$4,472,059	\$4,716,692	1,686sf	1,778sf
Fruit and vegetable markets	2,030,919	7,767,231	\$8,192,118	\$5,736,312	\$6,161,199	2,162sf	2,322sf
Other specialty food stores	14,972,339	13,603,316	\$14,347,451	(\$1,369,023)	(\$624,888)	-	-
Baked goods stores and confectionery and nut stores	0	0	\$0	\$0	\$0	-	-
All other specialty food stores	7,391,991	6,393,880	\$6,743,641	(\$998,111)	(\$648,350)	-	-
Beer, wine, and liquor stores	51,539,612	107,102,016	\$112,960,764	\$55,562,404	\$61,421,152	62,853sf	69,481sf
Health and Personal Care Stores							
Health and personal care stores	422,821,431	621,387,801	\$655,379,266	\$198,566,370	\$232,557,835	59,097sf	69,214sf
Pharmacies and drug stores	336,998,863	529,872,594	\$558,857,949	\$192,873,731	\$221,859,086	57,403sf	66,029sf
Cosmetics, beauty supplies, and perfume stores	44,304,252	38,651,876	\$40,766,230	(\$5,652,376)	(\$3,538,022)	-	-
Optical goods stores	15,066,053	17,756,368	\$18,727,686	\$2,690,315	\$3,661,633	801sf	1,090sf
Other health and personal care stores	26,452,263	35,106,963	\$37,027,402	\$8,654,700	\$10,575,139	2,576sf	3,147sf
Food	14,569,724	12,421,661	\$13,101,157	(\$2,148,063)	(\$1,468,567)	-	-
All other health and personal care stores	11,882,539	22,685,302	\$23,926,245	\$10,802,763	\$12,043,706	10,211sf	11,383sf
Gasoline Stations							
Gasoline stations	439,650,583	707,736,712	\$746,451,679	\$268,086,129	\$306,801,096	79,788sf	91,310sf
Clothing and Clothing Accessories Stores							
Clothing and clothing accessories stores	411,332,287	438,693,256	\$462,690,873	\$27,360,969	\$51,358,586	19,336sf	36,296sf
Clothing stores	302,175,842	304,867,275	\$321,544,277	\$2,691,433	\$19,368,435	1,902sf	13,688sf
Men's clothing stores	11,555,062	9,093,847	\$9,591,303	(\$2,461,215)	(\$1,963,759)	-	-
Women's clothing stores	38,354,308	51,142,530	\$53,940,154	\$12,788,222	\$15,585,846	9,038sf	11,015sf
Children's and infants' clothing stores	11,660,048	17,198,028	\$18,138,803	\$5,537,980	\$6,478,755	3,914sf	4,579sf
Family clothing stores	188,151,808	184,839,851	\$194,951,053	(\$3,311,957)	\$6,799,245	-	4,805sf
Clothing accessories stores	31,908,465	15,693,278	\$16,551,740	(\$16,215,187)	(\$15,356,725)	-	-
Other clothing stores	20,546,151	26,899,740	\$28,371,223	\$6,353,589	\$7,825,072	4,490sf	5,530sf
Shoe stores	53,667,462	53,813,422	\$56,757,151	\$145,960	\$3,089,689	103sf	2,184sf
Jewelry, luggage, and leather goods stores	55,488,983	80,012,559	\$84,389,446	\$24,523,576	\$28,900,463	17,331sf	20,424sf
Jewelry stores	27,658,772	54,805,276	\$57,803,262	\$27,146,504	\$30,144,490	19,185sf	21,304sf
Luggage and leather goods stores	27,830,212	25,207,283	\$26,586,184	(\$2,622,929)	(\$1,244,028)	-	-
Sporting Goods, Hobby, Musical Instrument, and Book Stores							
Sporting goods, hobby, musical instrument, and book stores	100,530,642	175,029,786	\$184,604,353	\$74,499,144	\$84,073,711	87,749sf	99,027sf
Sporting goods, hobby, and musical instrument stores	93,890,650	155,058,384	\$163,540,465	\$61,167,734	\$69,649,815	72,047sf	82,037sf
Sporting goods stores	52,010,286	108,898,973	\$114,856,019	\$56,888,687	\$62,845,733	67,007sf	74,023sf
Hobby, toy, and game stores	34,695,950	33,743,415	\$35,589,264	(\$952,535)	\$893,314	-	1,052sf
Sewing, needlework, and piece goods stores	4,329,216	5,683,535	\$5,994,439	\$1,354,319	\$1,665,223	1,595sf	1,961sf
Musical instrument and supplies stores	2,855,198	6,732,462	\$7,100,744	\$3,877,264	\$4,245,546	4,567sf	5,001sf
Book stores and news dealers	6,639,992	19,971,402	\$21,063,888	\$13,331,410	\$14,423,896	15,702sf	16,989sf
Book stores	6,639,992	18,759,787	\$19,785,994	\$12,119,795	\$13,146,002	14,275sf	15,484sf
News dealers and newsstands	0	1,211,615	\$1,277,893	\$1,211,615	\$1,277,893	1,427sf	1,505sf

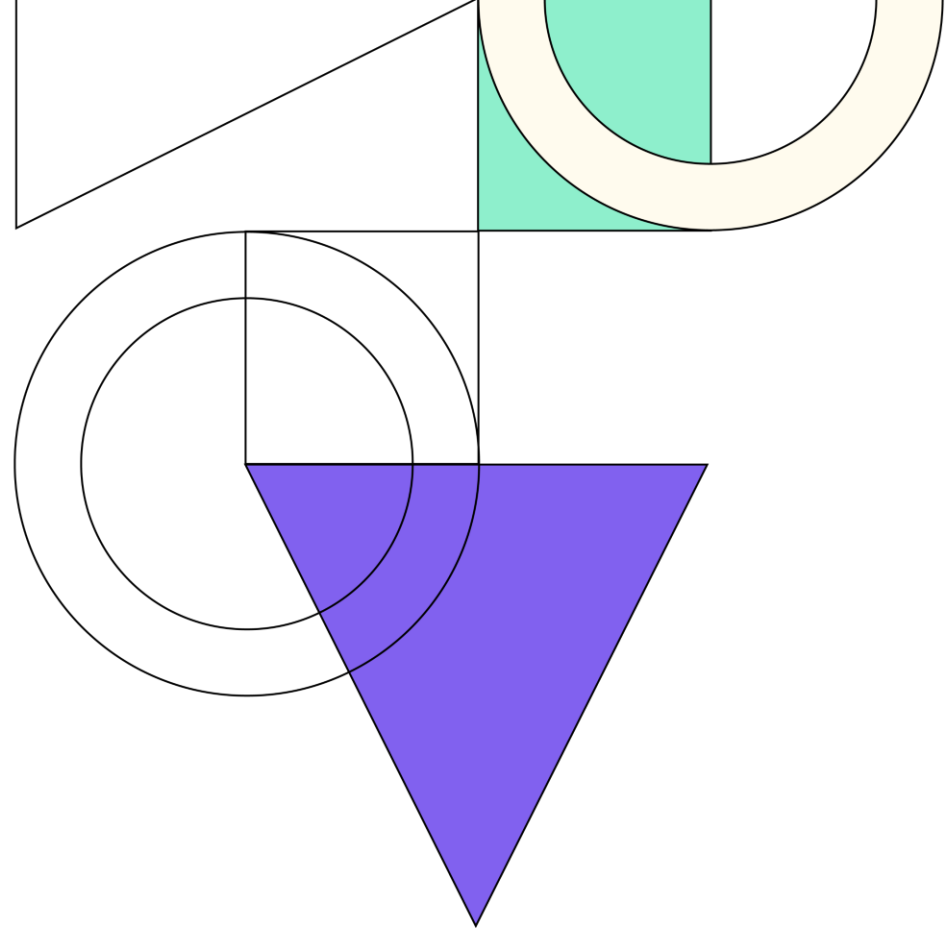
Gap Analysis by Retail Type Demand

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	Retail Sales	Expenditures	Expenditures	Opportunity Gap or (Surplus) 2024	2028	How Much ⁽¹⁾ ?	How Much ⁽¹⁾ ?
General Merchandise Stores							
General merchandise stores	1,117,554,625	1,296,103,838	\$1,367,003,956	\$178,549,213	\$249,449,331	168,284sf	235,108sf
Department stores	151,434,286	150,457,440	\$158,687,838	(\$976,846)	\$7,253,552	-	6,837sf
Other general merchandise stores	966,120,338	1,145,646,398	\$1,208,316,119	\$179,526,060	\$242,195,781	169,205sf	228,271sf
Warehouse clubs and supercenters	910,164,367	1,045,303,320	\$1,102,484,023	\$135,138,953	\$192,319,656	127,369sf	181,263sf
All other general merchandise stores	55,955,972	100,343,077	\$105,832,094	\$44,387,105	\$49,876,122	41,835sf	47,009sf
Miscellaneous Store Retailers							
Miscellaneous store retailers	167,363,193	223,678,124	\$235,913,876	\$56,314,931	\$68,550,683	54,888sf	66,814sf
Florists	3,222,643	10,600,604	\$11,180,484	\$7,377,961	\$7,957,841	7,191sf	7,756sf
Office supplies, stationery, and gift stores	34,475,500	45,879,335	\$48,389,049	\$11,403,835	\$13,913,549	11,115sf	13,561sf
Office supplies and stationery stores	18,755,950	19,081,453	\$20,125,256	\$325,503	\$1,369,306	317sf	1,335sf
Gift, novelty, and souvenir stores	15,719,550	26,797,882	\$28,263,793	\$11,078,332	\$12,544,243	10,798sf	12,226sf
Used merchandise stores	24,751,927	31,872,207	\$33,615,696	\$7,120,280	\$8,863,769	6,940sf	8,639sf
Other miscellaneous store retailers	104,913,123	135,325,978	\$142,728,647	\$30,412,855	\$37,815,524	29,642sf	36,857sf
Pet and pet supplies stores	39,014,887	42,190,110	\$44,498,014	\$3,175,223	\$5,483,127	3,095sf	5,344sf
Art dealers	19,498,898	19,670,820	\$20,746,863	\$171,922	\$1,247,965	168sf	1,216sf
Manufactured	10,898,044	16,788,998	\$17,707,398	\$5,890,954	\$6,809,354	5,742sf	6,637sf
All other miscellaneous store retailers	35,501,294	56,676,051	\$59,776,373	\$21,174,757	\$24,275,079	20,638sf	23,660sf
Tobacco stores	15,507,522	14,789,797	\$15,598,836	(\$717,725)	\$91,314	-	89sf
All other miscellaneous store retailers	19,993,772	41,886,253	\$44,177,536	\$21,892,481	\$24,183,764	21,338sf	23,571sf
Non-store Retailers							
Non-store retailers	1,758,184,267	1,798,082,473	\$1,896,442,077	\$39,898,206	\$138,257,810	112,707sf	390,559sf
Electronic shopping and mail-order houses	1,741,315,234	1,723,942,545	\$1,818,246,510	(\$17,372,689)	\$76,931,276	-	217,320sf
Vending machine operators	1,690,286	8,996,628	\$9,488,766	\$7,306,342	\$7,798,480	20,639sf	22,030sf
Direct selling establishments	15,178,747	65,143,300	\$68,706,801	\$49,964,553	\$53,528,054	141,143sf	151,209sf
Fuel dealers	3,224,396	33,750,457	\$35,596,691	\$30,526,061	\$32,372,295	86,232sf	91,447sf
Other direct selling establishments	11,954,350	31,392,843	\$33,110,110	\$19,438,493	\$21,155,760	54,911sf	59,762sf
Food Services and Drinking Places							
Food services and drinking places	1,082,533,252	1,391,029,689	\$1,467,122,489	\$308,496,437	\$384,589,237	174,489sf	217,528sf
Special food services	23,983,879	103,276,788	\$108,926,286	\$79,292,909	\$84,942,407	44,849sf	48,044sf
Food service contractors	15,918,022	79,474,956	\$83,822,435	\$63,556,934	\$67,904,413	35,948sf	38,407sf
Caterers	7,533,449	21,481,550	\$22,656,644	\$13,948,101	\$15,123,195	7,889sf	8,554sf
Mobile food services	532,409	2,320,282	\$2,447,207	\$1,787,873	\$1,914,798	1,011sf	1,083sf
Drinking places	15,971,951	45,215,826	\$47,689,245	\$29,243,875	\$31,717,294	16,541sf	17,940sf
Restaurants and other eating places	1,042,577,421	1,242,537,075	\$1,310,506,958	\$199,959,654	\$267,929,537	113,099sf	151,544sf
Full-service restaurants	383,976,487	619,131,918	\$652,999,981	\$235,155,431	\$269,023,494	133,006sf	152,163sf
Limited-service restaurants	586,345,599	528,896,441	\$557,828,398	(\$57,449,158)	(\$28,517,201)	-	-
Cafeterias, grill buffets, and buffets	6,205,918	13,483,311	\$14,220,882	\$7,277,393	\$8,014,964	4,116sf	4,533sf
Snack and non-alcoholic beverage bars	66,049,418	81,025,405	\$85,457,697	\$14,975,987	\$19,408,279	8,471sf	10,978sf

Source: Claritas; Zonda



Appendix - Methodology



Methodology

The Zonda housing survey monitors the supply of detached and attached homes on a quarterly basis. Our survey tracks all condominium, townhome, duplex and single-family construction activity in the Market area. The survey allows us to accurately track the size of the total market, as well as supply and demand within the sub-markets. Further, it helps us establish the depth of the market and the scope of the competition. In this study, Zonda Advisory supplemented the quarterly survey data with sales contracts, deed record transactions, and fieldwork specifically needed to analyze the competitive market area within the Market.

ONLY visual inspection provides these critical insights



Methodology

Future Lot Inventory Stages



Vacant Land – the site remains untouched



Survey Stakes – survey flags are found on the site



Equipment on Site – large machines used to excavate land are on site



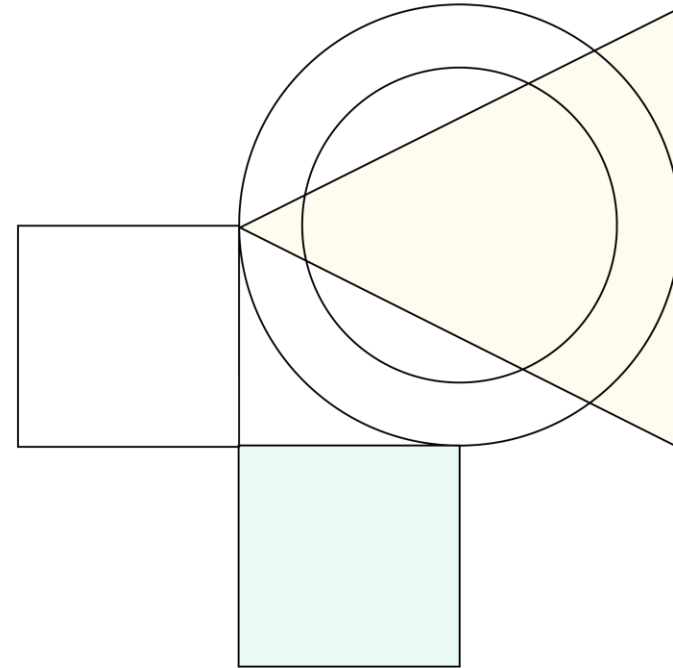
Excavation – lot grading, street excavation and utility work currently underway



Street Paving – streets are currently being poured, but are not accessible

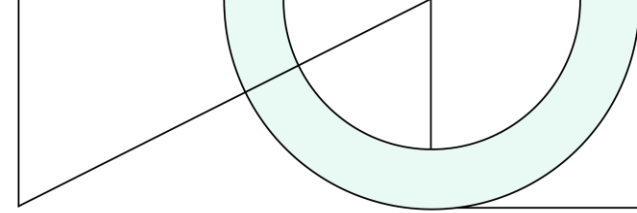


Streets In – streets appear to be poured for the entire section, but are not accessible to verify



Disclaimer

Appendix



It is understood by “Client” that Zonda can make no guarantees about the recommendations in this study, primarily because these recommendations must be based and, in some cases, inferred from facts discovered by Zonda during the course of the study or provided by the client. To protect the Client and to assure that Zonda’s research results will continue to be accepted as objective and impartial by the business community, it is understood that Zonda’s fee for this study is in no way dependent upon the specific conclusions reached or the nature of the advice given in this report.

Reasonable efforts have been made to ensure that the data contained in this study reflect the most accurate and timely information possible and are believed to be reliable. This study is based on estimates, assumptions and other information developed by Zonda from its independent research effort, general knowledge of the industry and consultations with the Client and its representatives. No responsibility is assumed for inaccuracies in reporting by the Client, its agents and representatives or any other data source used in preparing or presenting this study. This report is based on market-wide information that was current as of of 2024 and Zonda has not undertaken any update of its research effort since such date. While every reasonable effort was made to collect this information and it is deemed reliable, it cannot be guaranteed for accuracy.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular point in time, but such information, estimates or opinions are not offered as predictions or as assurances that events will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report and the variations may be material. Therefore, Zonda makes no warranty or representation that any of the projected values or results in this study will actually be achieved.



Thank you!

Zonda Advisory

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