MARKET STUDY FOR
LAKE ELSINORE GENERAL PLAN UPDATE

Prepared for:

City of Lake Elsinore, California
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PREPARED BY:
THE NATELSON DALE GROUP, INC.
YORBA LINDA, CA • www.natelsondale.com

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1. Introduction

This report summarizes findings of a market study completed by The Natelson Dale Group, Inc. (TNDG) for the Lake Elsinore General Plan Update. The following land use categories are evaluated over a 20-year planning horizon (through 2043):

- Residential
- Retail/restaurant
- Industrial and Office
- Hotel

Forecasting Scenarios Considered

The primary analysis summarized in this report provides a relatively conservative forecast scenario that largely follows the most recent demographic projections of the Southern California Association of Governments (SCAG). These conservative market demand projections were presented at a Study Session of the Lake Elsinore City Council in February 2024. Based on the discussion at the Study Session and input from members of the City Council, TNDG and City prepared an alternative (more aggressive) forecasting scenario based on development trends in Lake Elsinore during periods of rapid growth. These historic data are summarized in Appendix C of this report.

Given that this analysis is being completed as part of a long-term planning process, the study methodology is somewhat different from the approach the consultant would take when analyzing the near-term feasibility of a specific development project. Whereas the success of an individual development project is largely dependent on market conditions as they exist at the time the project is developed, a strategic planning process is explicitly about changing existing conditions such that future market performance will surpass "baseline" trends (i.e., the conservative, SCAG-based scenario). Thus, within the context of a planning process, it is appropriate to consider relatively aggressive (but still reasonable) assumptions reflected in the alternative scenario. In this regard, the numbers provided in this report (especially the more aggressive projections) should be interpreted as "potentials" (i.e., what could happen based on proactive implementation of the General Plan) rather than definitive "forecasts" (i.e., what is expected to happen based primarily on current market considerations).

Tables A through C on the next two pages summarize projected demand levels (for each land use category) under the conservative and aggressive forecasting scenarios.

Table A
Housing Demand Projections, 2023-2043
(Numbers of dwelling units by type)
City of Lake Elsinore

Scenario	Existing (2023) Development			Incremental Demand, 2023-2043			Totals in 2043 (Existing + New)		
	SF	MF	Total	SF	MF	Total	SF	MF	Total
Conservative (based on SCAG forecast)	21,900	5,000	16,900	4,450	1,315	5,765	26,350	6,315	32,665
Aggressive (based on City historic data)	21,900	5,000	16,900	5,015	6,000	11,015	26,915	16,015	42,930

Table B
Comparison of Annual Housing Unit Absorption
Historic Trends and Forecast Scenarios
City of Lake Elsinore

Single-family (SF) Units AVERAGE PER YEAR				Multi-family (MF) Units AVERAGE PER YEAR			
Historic Trends		Forecast Scenarios		Historic Trends		Forecast Scenarios	
20-year	5-year	Conservative	Aggressive	20-year	5-year	Conservative	Aggressive
440	222	222	251	67	80	66	300

Table C
Projected Demand for Non-residential Development
2023-2043
City of Lake Elsinore

Land Use	Existing (2023) Development	Incremental Demand, 2023-2043		Totals in 2043 (Existing + New)	
		Conservative	Aggressive	Conservative	Aggressive
Retail (square feet)	4,390,000	975,000	1,375,000	5,365,000	5,765,000
Office (square feet)	400,000	50,000	80,000	450,000	480,000
Logistics/Warehouse (square feet)	2,580,000	7,500,000		10,080,000	
Other Industrial (square feet)	360,000	300,000	500,000	660,000	860,000
Hotels (rooms)	438	370	1,130	808	1,568

2. Executive Summary

Overview of Regional Economic Conditions

The material in this sub-section, following, is excerpted from the *Inland Empire Regional Intelligence Report (RIR) for 2023* from the UCR School of Business, Center for Economic Forecasting & Development at UCR School of Business[1]

The Inland Empire's labor market has fully recovered from the COVID-19 pandemic and continues to show strength. The Inland Empire's unemployment rate, at 4.3%, has risen in recent months, but remains near pre-pandemic lows. More than 316,000 jobs have been added since the national lockdown in April 2020, surpassing the 228,700 jobs that were lost at that time. Employment growth in the Inland Empire outpaced the state and nation during this period. By contrast, California's overall labor force has declined by 1.3%, or 256,900 workers. (UCR RIR, pg. 2)

Along with steady job growth since the pandemic, overall consumer spending activity is continuing to increase steadily. From second-quarter 2021 to second-quarter 2022, taxable receipts in the Inland Empire increased 9.5%. This has been driven by more business and industry spending, higher fuel prices, and increased spending in categories impacted by government health mandates and consumer reservations related to COVID-19. (UCR RIR, pg. 4)

The housing market was by far the brightest spot in the Inland Empire's economy over the last two years. However, today's elevated mortgage rates are constraining demand. Still, home prices in the Inland Empire continue to rise. From November 2021 to November 2022, the median home price rose 3.5%. This is stronger growth relative to a slight loss in Los Angeles (0.5%) yet slightly slower growth compared to Orange (10.8%) and San Diego (6.3%) counties. (UCR RIR, pg. 8)

Real Estate Development Demand

Housing Development Demand. TNDG used the latest available household growth projections from the Southern California Association of Governments (SCAG) [2] as a key component for setting up the model to estimate future housing by type in Lake Elsinore. The model results are summarized on Table 2-1 below.

[1] *Inland Empire 2023 Regional Intelligence Report*, December 2022, UCR School of Business, Center for Economic Forecasting & Development. Excerpts include minimal edits.

[2] SCAG 2024 RTP/SCS ("Connect SoCal 2024") Locally-Reviewed Growth Projections, TAZ-level, provided to the Technical Working Group, www.scag.ca.gov/technical-working-group, April 20, 2023. (Connect SoCal 2024 growth projections for total households and total employment in 2019, 2035, and 2050 as reviewed by local jurisdictions during 2022.)

TABLE 2-1. PROJECTED HOUSING DEVELOPMENT IN LAKE ELSINORE

Time periods	Units in structure: Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Totals
	Households by housing density type					
2023-2033	3,047	149	196	412	118	**3,922**
2033-2043	1,406	65	85	240	52	**1,847**
Total change, 2023-2043	**4,453**	**214**	**281**	**652**	**169**	**5,769**
	Housing density type as programmed % of total units					
2023-2033	77.7%	3.8%	5.0%	10.5%	3.0%	**100.0%**
2033-2043	76.1%	3.5%	4.6%	13.0%	2.8%	**100.0%**
	Housing density type as a % of total change					
2023-2043	77.2%	3.7%	4.9%	11.3%	2.9%	**100.0%**
	Housing density type as a % of total units					
As of 2043	77.2%	4.1%	5.4%	9.9%	3.4%	**100.0%**

Implications of housing market analysis for planning and other policy considerations

Housing affordability is an ongoing issue for all Southern California communities. The City's Housing Element includes the observation that market-rate residential development in the City can also meet the needs of households at the 80% of AMI level. This is most likely to be the case while the supply of land remains sufficient to meet demand for new housing.

The city's Dream Extreme 2040 strategic plan mentions the following residentially oriented concepts, with varying timelines to implement, all of which would tend to help diversify housing choice within the City:

- Encourage infill residential development in Downtown.
- Incentivize moderate to above-moderate residential development.
- Use density bonuses and/or other incentives to encourage residential development in mixed-use neighborhoods.
- Encourage development of estate/executive-level housing.

Single-family build-to-rent could potentially be a viable market for Lake Elsinore, meeting the needs of households with incomes/equity still below the ability to buy into market-rate housing. Build to-rent-projects are active in Menifee and Wildomar.

The City could consider policies and practices in which new housing development helps support the preservation of existing housing and neighborhoods, and encourages new development of desirable types in target areas such as Downtown and near the lake, which would help maintain balance in the housing stock.

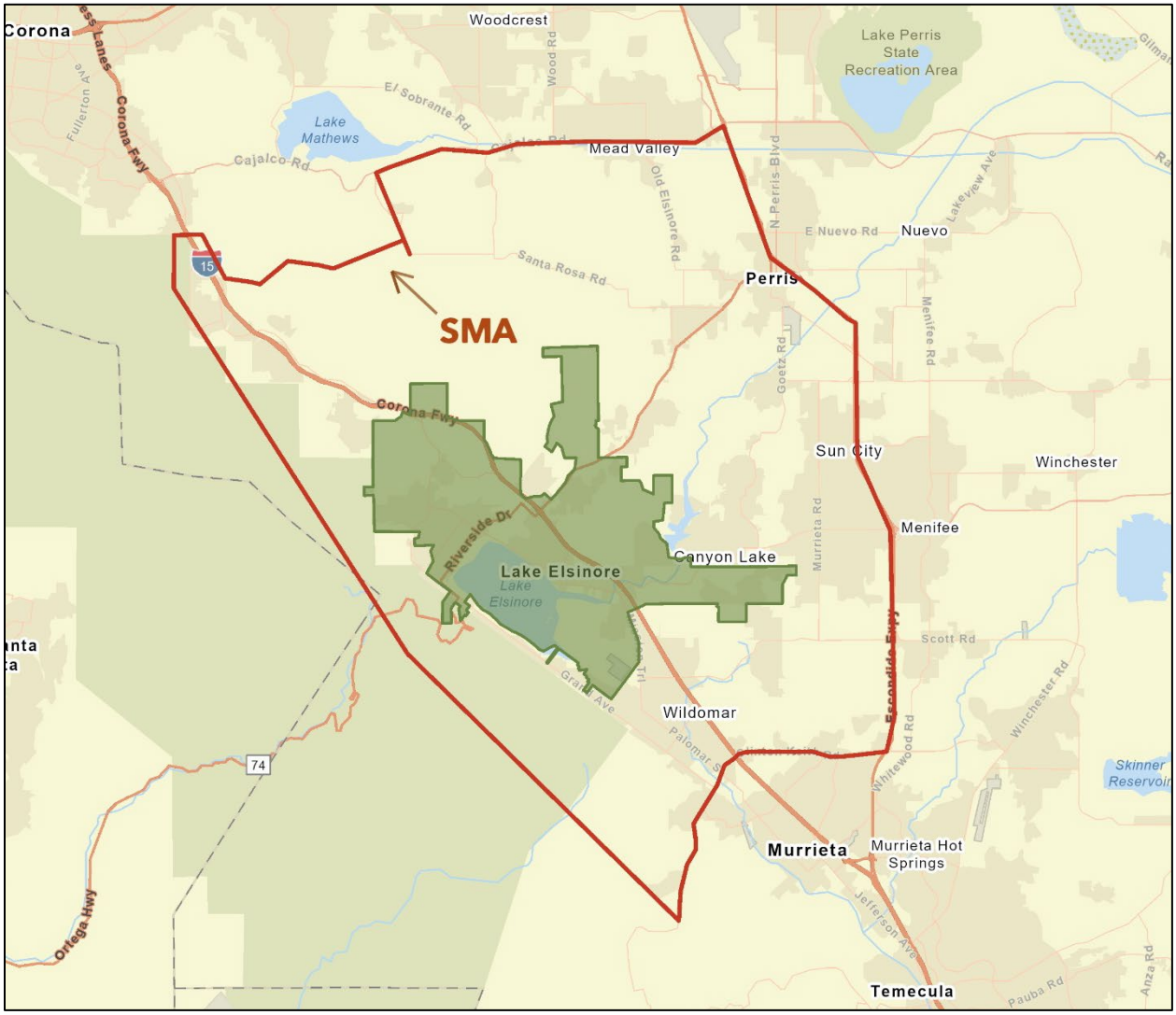
Retail/Restaurant Development Demand. As described in Chapter 5 of this report, the retail demand analysis for Lake Elsinore considers two potential trade areas from which retail facilities in the city can attract market support:

- *Primary Market Area (PMA)*: The PMA is defined by the City of Lake Elsinore's boundaries. Given the significant base of retail development in the city, the analysis assumes that residents would do most of their day-to-day shopping needs at Lake Elsinore retail establishments.
- *Secondary Market Area (SMA)*: The SMA is defined by a rectangular polygon that surrounds the PMA. The western boundary extends approximately to Riverside County line in the Cleveland National Forest. For the most part, the effective boundary is Grand Avenue, given that there is little developed land beyond this street, outside of a nominal amount of residential and commercial development along the Ortega Highway (State Route 74 [SR-74]). At Bedford Mountain Way, the northern boundary extends to Lake Mathews Drive, reaches as far north as Cajalco Road. The boundary extends further west to the Interstate-215 (I-215) freeway. The Eastern boundary extends along the I-215 to Clinton Keith Road. Finally, the southern boundary runs along Clinton Keith Road to just west of the Temecula Valley Freeway.

  The SMA "nets out" the City of Lake Elsinore so as not to double-count demand originating from the SMA.

Figure 2-1**,** on the following page, shows the PMA and SMA boundaries.

FIGURE 2-1: LAKE ELSINORE RETAIL TRADE AREA – PMA AND SMA



Source: TNDG; ESRI, ArcGIS Business Analyst

Retail Demand Analysis Summary

Table 2-2, below, provides a summary of potential demand for new retail space in Lake Elsinore through the forecast horizon year of 2043.

TABLE 2-2:
POTENTIAL DEMAND FOR NEW RETAIL SPACE
LAKE ELSINORE
IN SQUARE FEET (ALL NUMBERS ARE CUMULATIVE)

Retail Category	2022	2025	2030	2035	2043
GAFO[1] categories	120,430	176,576	286,472	405,656	474,803
Food and Beverage	19,934	32,820	58,993	87,393	106,389
Food Services and Drinking	29,650	40,121	61,709	85,140	101,635
Bldg. Matrl & Garden Equip. & Supplies	0	11,109	32,876	56,483	70,237
Auto Parts	0	3,897	11,532	19,812	24,637
Services Space at 20% of Total	42,503	66,131	112,895	163,621	194,425
Total	**212,517**	**330,653**	**564,477**	**818,106**	**972,125**

1. GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel (Clothing and Accessories), Furniture (Home Furnishings and Appliances), and Other (Specialty/Other).

As shown on Table 5-1, above, the City is currently (base year 2022) estimated to be able to theoretically support close to 213,000 square feet of retail space over and above existing development levels. This estimate is based on comparing total demand potential with actual retail sales in the city to determine the extent to which there is current residual demand (or "leakage") that could support the development of new retail space in the city. Accounting for future growth in the market, the City could theoretically support about 972,000 square feet of new retail space by 2043.

Industrial Development Demand. Table 2-3 provides an overview of TNDG's industrial demand analysis. Key findings are as follows:

<u>Existing/Recent Industrial Market Conditions</u>

- South Riverside County has an existing industrial building inventory of 24.1 million square feet, over 12% of which is within the city of Lake Elsinore.

- The existing industrial inventory for the Inland Empire overall stands at just over 735 million square feet.

- About 61% of South Riverside's industrial space is currently classified as logistics space (compared to 87% in Lake Elsinore and 84% in the Inland Empire).

- Industrial vacancy rates are low in both South Riverside (4.9%) and the Inland Empire (4.6%).

- Reflecting the low vacancy rates, average industrial rents in South Riverside have increased dramatically over the past 10 years (from $0.60 per square foot in 2013 to $1.38 per square foot in 2023). Rents are projected to continue growing over the next five years (to $1.77 per square foot in 2028). Similarly rents in Corona-Eastvale have increased from $0.55 per square foot in 2013 to $1.30 per square foot in 2023, and rents are projected to continue growing over the next five years (to $1.74 per square foot in 2028).

- Rents are slightly lower on average in the Inland Empire, while rent growth in South Riverside is essentially identical to the overall averages for the Inland Empire (Inland Empire rents are expected to grow from $1.19 to $1.51 over the next five years).

- During the pandemic, the sharp increase in e-commerce created a huge surge in demand for logistics space. Over the past three years (2021, 2022 and 2023), the Inland Empire has absorbed 46.4 million square feet of logistics space (an average of nearly 15.5 million square feet per year). For the prior seven years (2013-2020), the Inland Empire's industrial absorption averaged 22.8 million square feet per year (97% was logistics).

- In the "specialized" industrial category (including manufacturing space), absorption rates in the Inland Empire have been negative in 4 of the last 10 years, reflecting an ongoing trend of net reduction in manufacturing firms and employment.

- In the "flex" category (hybrid buildings combining office and production space) the Inland Empire absorbed 966,000 square feet between 2013 and 2020. Absorption turned negative in 2018 and 2022 but continues to grow overall and did so at an annual rate of over 88,000 square feet between 2020-2023.

- While development in South Riverside continues to grow, industrial development has been overshadowed by larger development growth trends in neighboring submarkets such as Corona-Eastvale and Moreno Valley-Perris

Future Industrial Development Opportunities

- The low industrial vacancy rates in the Inland Empire create a strong starting point that can fuel new construction demand for several years to come. For purposes of this analysis, TNDG has assumed that a "healthy" industrial market has a stabilized vacancy rate of 5%. The current vacancy rate of 4.6% is well below this benchmark and creates tight market conditions that may constrain regional economic growth despite the surge in supply. The difference between the benchmark vacancy rate and the actual vacancy

rate (5% minus 4.6%) represents pent-up demand. Throughout the Inland Empire this pent-up demand equates to about 3.8 million square feet (MSF) of new industrial space that could be added to the existing supply without creating a glut of vacant space. In theory, this pent-up demand represents an immediate development opportunity in the Inland Empire.

- In addition to the space supportable by pent-up demand, the Inland Empire is expected to generate additional industrial demand based on growth in industries occupying industrial buildings. Total demand for new industrial buildings in the Inland Empire over the next 10 years is projected to range between 156.8 MSF and 162.8 MSF (including the 3.8 MSF of pent-up demand plus 153 MSF to 159 MSF of demand driven by industry growth).

- For planning purposes, TNDG forecasts that Lake Elsinore can potentially capture up to 3.0% of countywide industrial demand, translating into **demand for about 4.7 to 4.9 MSF square feet of new industrial space over the next 10 years; by 2043 this number would grow (on a cumulative basis) to about 7.8 to 8.1 MSF.**

- Based purely on current market trends, industrial space absorption in the next 5-10 years is expected (by TNDG and other market analysts such as CoStar) to continue to be dominated by demand for logistics facilities. Logistics facilities in the Inland Empire are expected to sustain low vacancy rates (increasing to only 2.7% by 2028) and achieve strong rent growth (increasing by 33% from $1.32/SF in 2023 to $1.76/SF in 2028, according to CoStar).

- Flex and specialized industrial space are also expected to achieve rent growth over the next five years (28% for specialized space and 28% for flex space) but are not expected to generate substantial demand for new building construction. (CoStar is projecting that the total inventory of flex space in the Inland Empire will only grow by 32,500 square feet over the next five years, while the inventory of specialized industrial space is projected to grow by 41,500 square feet).

TABLE 2-3
OVERVIEW OF INDUSTRIAL MARKET CONDITIONS AND PROJECTED DEVELOPMENT OPPORTUNITIES

Existing Conditions	Inland Empire	South Riverside
Total Industrial Building Inventory	735.9 million square feet (84% logistics)	24.1 million square feet (61% logistics)
Average rent	$1.19/SF/month	$1.38/SF/month
Vacancy rate	4.6%	4.9%
Recent Demand/ Absorption Trends	Average industrial absorption of **15.3 million square feet per year** over the past 3 years (99% was logistics space) For the prior 7 years (2013-2020), industrial absorption averaged **22.8 million square feet per year** (97% logistics)	Average industrial absorption of **193,700 square feet per year** over the past 3 years (99% was logistics space) For the prior 7 years (2013-2020), industrial absorption averaged **227,900 square feet per year** (84% logistics)
Market Tailwinds (Favorable Factors)	• The pandemic-induced surge in demand for logistics facilities is expected to remain strong in the Inland Empire over the next ten years. • The low existing vacancy rate for industrial space in the Inland Empire (4.8% overall, 4.6% for logistics space) represents significant "pent up" demand which translates into immediate development opportunities.	
Market Headwinds (Constraining Factors)	• Absorption rates for "specialized" industrial space (including manufacturing facilities) have been negative in 4 of the last 10 years, reflecting an ongoing trend of a net reduction in manufacturing firms and employment. According to various forecasts reviewed by TNDG, "specialized" absorption is expected to remain stagnant. • Although absorption of "flex" space in the Inland Empire (hybrid space combining office and production areas) averaged over 138,000 square feet between 2013 and 2020, absorption dropped over the last three years (average of 88,000) and is expected to continue to slow over the next five years (average of 62,000). In contrast to logistics, firms occupying flex space were more likely to adopt work-from-home practices during the pandemic and this trend is expected to have a continuing impact on space demand.	
Projected Development Demand (Inland Empire)	TNDG forecasts countywide industrial demand over the next 10 years (2023-2033) to range from: **156.8 million square feet to 162.8 million square feet**	

Projected Development Demand (Lake Elsinore)	For planning purposes, TNDG forecasts that Lake Elsinore can potentially capture up to 3.0% of countywide industrial demand, translating into **demand for up to 4.9 million square feet of new industrial space over the next 10 years; by 2043 this number is projected to grow (on a cumulative basis) to about 8.1 million square feet.**

Office Development Demand. Table 2-4 provides an overview of TNDG's office demand analysis. Key findings are as follows:

Existing/Recent Office Market Conditions

- South Riverside County has an existing office building inventory of 6.7 million square feet, about 6% of which is in Lake Elsinore.

- The existing office inventory for the Inland Empire overall stands at just over 77.5 million square feet.

- About 9.6% of South Riverside's office space is currently classified as Class A space (compared to 8.3% in Lake Elsinore and 11.4% in the Inland Empire).

- Office vacancy rates currently stand at 3.5% in Lake Elsinore and 3.6% in South Riverside. Vacancy rates are currently higher in Class A buildings (7.4% in Lake Elsinore and 4.6% in South Riverside, compared to 6.3% in the Inland Empire overall).

- While the pandemic sparked an increase in remote work, the Inland Empire's office vacancy rate remained at 6.2% between 2021-2023. South Riverside's office vacancy rates dropped significantly over this period, from 4.8% in 2021 to 3.8% in 2023. However, the vacancy rates are expected to climb to 6.5% by 2028.

- Reflecting the low vacancy rates, average office rents in South Riverside have increased over the past 3 years (from $1.99 per square foot in 2020 to $2.22 per square foot in 2023). The Inland Empire experienced a similar increase (from $1.90 per square foot in 2020 to $2.13 per square foot in 2023).

- Over the past three years, the Inland Empire has absorbed just over 1 million square feet of office space (an average of just over 340 thousand square feet per year). For the prior seven years (2013-2020), office absorption averaged 807 thousand square feet per year (with Class A buildings accounting for 22% of this demand). Similarly, South Riverside has absorbed an average of 79,400 square feet over the past three years and averaged over 126,000 square feet between 2013-2020 (25% of which was driven by Class A buildings).

- The Inland Empire has not seen significant office development in recent years, averaging about 0.2% in office inventory growth between 2020-2023. While this remains the case in South Riverside as well, the submarket is undergoing construction of a medical offices that will grow its office inventory by 1.3% in both 2023 and 2024.

Future Office Development Opportunities

- The current office vacancy rate of 5.8% in the Inland Empire represents an oversupply of space that will need to be absorbed before there will be net demand for new office construction. Based on the assumption that a "healthy" office market has an overall vacancy level of 5% or lower, TNDG estimates the currently oversupply between 900,000 and 1,800,000 square feet.

- Despite the currently challenging office market conditions, the Inland Empire is expected to generate additional office demand in the coming years based on employment growth in industries that typically occupy office space. TNDG forecasts that growth in office-based employment will be about 34,000 jobs over the next 10 years. However, a higher-than-historic proportion of "office workers" will be remote or hybrid workers. As such, the growth in jobs will generate less demand for office space than in previous growth cycles. Historically in the Inland Empire, the average office worker generated demand for as much as 300 square feet of office space. For forecasting purposes, TNDG has applied a reduced factor of 125 square feet per office-based job.

- Based on the above factors, TNDG projects that gross office demand in the Inland Empire over the next 10 years (2023-2033) will range from 2.8 MSF to 4.25 MSF. After adjusting for the current "excess" space, TNDG projects that net demand for new office space in the Inland Empire will range from 1.9 MSF to 2.45 MSF over the next 10 years.

- For planning purposes, TNDG forecasts that Lake Elsinore can potentially capture up to 1.5% of countywide office demand, translating into **demand for only about 37,000 square feet of new office space over the next 10 years; by 2043 this number would grow (on a cumulative basis) to about 123,000 square feet, assuming Lake Elsinore's capture of countywide office demand increases to 3.0%.**

- Market observers such as CoStar are projecting that most new office space in the Inland Empire over the next 10 years will be in the Class A category. In effect, older Class B and Class C buildings are likely to be replaced with new Class A facilities. This trend represents a significant opportunity for South Riverside and Lake Elsinore specifically as it relates to the potential upgrading of properties.

- As noted in the industrial discussion above, Lake Elsinore's ability to fully participate in the highly competitive office market in the coming decade will largely depend on two factors: 1) an aggressive marketing/economic development effort by the City to attract

targeted business types, and 2) the ability to offer new competitive office building product attractive to these firms.

TABLE 2-4
OVERVIEW OF OFFICE MARKET CONDITIONS AND PROJECTED DEVELOPMENT OPPORTUNITIES

Existing Conditions	Inland Empire	South Riverside
Total Office Building Inventory	77.5 million square feet (11% Class A)	6.67 million square feet (9.6% Class A)
Average rent	$2.13/SF/month	$2.22/SF/month
Vacancy rate	5.8%	3.6%
Recent Demand/ Absorption Trends	Average office absorption of **341,200 square feet per year** over the past 3 years For the prior 7 years (2013-2020), office absorption was an average of **807,600 square feet per year**	Average office absorption of **79,400 square feet per year** over the past 3 years For the prior 7 years (2012-2019), office absorption was an average of **126,250 square feet per year**
Market Tailwinds (Favorable Factors)	• The Inland Empire is projected to have strong growth in business sectors that typically occupy office space. The Inland Empire's office-based employment is projected to grow by 34,000 jobs over the next 10 years. (However, as noted below, a higher-than-historic proportion of "office workers" will be remote or hybrid workers. As such the growth in jobs will generate less demand for office space than in previous growth cycles). • Notwithstanding the vacancy rates (approximately 6.3%) for Class A office space, market observers such as CoStar are projecting that most new office space in the Inland Empire over the next 10 years will be in the Class A category. In effect, older Class B and Class C buildings are likely to be replaced with new Class A facilities. This trend represents a significant opportunity for Lake Elsinore as it relates to the potential upgrading of properties.	
Market Headwinds (Constraining Factors)	• The current vacancy rate of 5.8% countywide represents an oversupply of space that will need to be absorbed before there will be net demand for new office construction. • Whereas job growth in office-oriented industries is expected to be strong over the next 10 years, the "new realities" represented by remote workers will result in less new demand for office space. Historically in the Inland Empire the average office worker generated demand for as much as 300 square feet of office space. For forecasting purposes, TNDG has applied a reduced factor of 125 square feet per office-based job.	

Projected Development Demand (Inland Empire)	TNDG forecasts Inland Empire office demand over the next 10 years (2023-2033) will range from 2.8 MSF to 4.25 MSF. However, approximately 900,000-1.8 MSF of current "excess" space would need to be absorbed before the market can support substantial new construction. Thus, TNDG projects that net demand for new office space in the Inland Empire will range from: **1.9 million square feet to 2.45 million square feet**
Projected Development Demand (Lake Elsinore)	For planning purposes, TNDG forecasts that Lake Elsinore can potentially capture up to 1.5% of countywide office demand, translating into **demand for only about 37,000 square feet of new office space over the next 10 years; by 2043 this number would grow (on a cumulative basis) to about 123,000 square feet, assuming Lake Elsinore's capture of countywide office demand increases to 3.0%.**

Hotel Market Overview. As defined by CoStar, Lake Elsinore is part of the "Riverside Surrounding" submarket. This submarket includes over 10,000 rooms in 151 properties. The average hotel in the submarket has 69 rooms. Out of the total rooms in the submarket, around 46% are Midscale & Economy, another 47% are Upscale & Upper Midscale, and the remaining 7% are Luxury & Upper Upscale The submarket has experienced occupancy levels in the past year close to its five-year lows (66.4% twelve-month average occupancy rate). Still, compared to monthly occupancy rates of 36.1% and an annual rate of 57.8% during the COVID-19 pandemic, the submarket has experienced significant recovery. Average Daily Rates (ADR) and Revenue per Available Room (RevPAR) have both declined in the past three months, by 3.6% and 8.8% respectively. However, with six new projects in the pipeline totaling over 670 rooms, ADR, RevPAR, and occupancy rates are all expected to increase over the next twelve months.

According to CoStar data, Lake Elsinore has a total of 438 hotel rooms and has not seen new hotel construction since 2007. However, two new buildings have been proposed that if built, would add an additional 240 rooms to the existing inventory.

3. Area Demographic Profile

The chapter provides a summary of key demographic variables for geographies relevant to Lake Elsinore's market prospects. Table 3-1 shows Lake Elsinore compared to Riverside County as a whole, and also provides comparative data for neighboring/competitive San Bernardino, Orange, and San Diego counties. The bullet points below highlight key findings from the table.

Demographic Highlights

- In terms of educational attainment, Lake Elsinore underperforms Riverside County, San Bernardino County, Orange County, and San Diego County. About 21.5% of the City's residents have a bachelor's degree or higher, well below the percentages in the other regions. The only region with a similar higher education attainment to Lake Elsinore is San Bernardino County, with 21.9% of residents holding a bachelor's degree or higher.

- Lake Elsinore residents are much more likely to be employed in the following occupations: Construction and extraction (7.6%), Management (8.2%), Transportation and material moving (8.5%), Sales and related (11.2%), and Office and administrative support (11.5%).

- In terms of industry employment, Corridor residents are much more concentrated in the following industries: Construction (11.5%), Health care and social assistance (13.4%), and Retail trade (14.2%).

- About 51% of Lake Elsinore's population is of Hispanic or Latino origin. This share is higher than that of Orange County (34%) and San Diego County (34.3%), and lower than that of Riverside County (60.6%) and San Bernardino County (54.6%).

- Lake Elsinore's population is relatively young: about 47% are 29 years and under. This share is higher than all four reference areas: Riverside County (41.7%), San Bernardino County (44.3%), Orange County (38.3%), San Diego County (39.9%)

- More than three-fourths (76.9%) of Lake Elsinore residents "drove alone" to travel to work. In addition, only 7.6% of corridor residents worked from home (WFH), which is slightly lower than the average share in the four reference areas.

- Just above two-thirds (67.8%) of Lake Elsinore's occupied housing units are owner-occupied, which is slightly lower than in Riverside County (68.1%) but significantly higher than in the other three reference areas: San Bernardino County (60.5%), Orange County (57%), San Diego County (54.1%).

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
Population 15+ by Marital Status (%)					
Never married	37.3	35	31.8	34.7	36.2
Married	50.2	49.9	54.2	51.5	49.5
Widowed	3.4	4.7	5.3	4.6	4.4
Divorced	9.1	10.5	8.7	9.2	9.8
Population 25+ by Educational Attainment (%)					
No schooling	3.8	1.8	2.7	2.9	2.3
Nursery School	0	0	0.1	0.1	0
Kindergarden	0.1	0	0	0.1	0
1st to 4th Grade	1.3	1.5	1.1	0.8	0.9
5th to 8th Grade	4.1	4.7	4.4	3.3	3
Some High School	7.3	6.5	10.6	6.1	5.5
High School Diploma	25.8	20	23.6	15.3	15.8
GED	2.5	2.6	3.2	2.0	2.4
Some College	24.1	24.2	23.8	19.5	21.5
Associates degree	9.5	9.9	8.5	7.8	8.4
Bachelors degree	15.3	19.1	14.3	26.6	24.5
Masters degree	5	6.8	5.6	10.6	10.5
Professional school degree	0.7	1.8	1.2	3.1	2.9
Doctorate degree	0.5	1.1	0.8	1.8	2.3
Civilian Employed Population 16+ by Occupation (%)					
Management	8.2	8.5	8.2	12.9	11.4

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
Business and financial operations	4.9	5	3.8	7.3	6.5
Computer and mathematical	1.8	1.5	1.8	3.9	4.5
Architecture and engineering	2.1	1.5	1.2	3.1	3.3
Life, physical, and social science	0.5	0.8	0.7	1.0	1.9
Community and social services	1.7	2.5	1.9	1.6	1.7
Legal	0.5	0.5	0.5	1.4	1.4
Education, training, and library	5.5	6.2	5.6	5.5	5.5
Arts, design, entertainment, sports, and media	1.6	3.1	1.4	2.7	2.4
Healthcare practitioner, technologists, and technicians	6.4	5	5.6	5.6	5.7
Healthcare support	3.7	3.6	3.9	2.8	3.2
Protective service	2.8	3.3	2.7	1.6	2.1
Food preparation and serving related	6.8	6.5	5.2	5.3	6
Building and grounds cleaning and maintenance	4.5	3.3	3.7	3.5	3.9
Personal care and service	1.9	2.2	2.5	3.1	3
Sales and related	11.2	10.4	9.9	11.2	10.2
Office and administrative support	11.5	12.5	11.9	11.0	10
Farming, fishing, and forestry	0.5	0.5	0.3	0.4	0.4
Construction and extraction	7.6	5	6.0	3.8	4.6
Installation, maintenance, and repair	3.2	2.2	3.9	2.0	2.4
Production	4.8	6.9	5.5	5.1	4.2
Transportation and material moving	8.5	9	13.7	5.2	5.6
Civilian Employed Population 16+ by Industry (%)					

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
Agriculture, forestry, fishing and hunting	0.6	0.7	0.5	0.6	0.7
Mining, quarrying, and oil and gas extraction	0	0.1	0.1	0.1	0
Construction	11.5	6.3	8	6.0	6.4
Manufacturing	8.5	12.3	8	11.9	9.6
Wholesale trade	2.8	4.2	3.3	3.4	2.1
Retail trade	14.2	11.4	12.5	10.0	10.4
Transportation and warehousing	4.3	5.3	10	3.5	3.7
Utilities	0.5	0.9	1	0.5	0.7
Information	1.6	1.9	1.3	2.0	2
Finance and insurance	2.9	3.3	2.8	5.7	3.7
Real estate and rental and leasing	2.2	2.2	1.7	2.9	2.5
Professional, scientific, and technical services	4.3	4.2	4.5	10.0	11.1
Management of companies and enterprises	0.2	0.1	0.1	0.2	0.2
Administrative and support and waste management services	4.4	4.4	4.8	4.6	4.6
Educational services	7.6	8.9	8.6	8.5	8.6
Health care and social assistance	13.4	14	13.2	11.9	12.7
Arts, entertainment, and recreation	2.7	2.2	1.8	2.8	2.8
Accommodation and food services	8.1	8	7.2	7.4	8.1
Other services, except public administration	4.9	4.7	5.1	5.1	5
Public administration	5.2	4.8	5.4	3.1	5
Hispanic or Latino Origin by Race (%)					
Not Hispanic or Latino	49.1	39.4	45.4	66.0	65.7

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
White alone	32.2	23.8	26.6	39.0	44.1
Black or African American alone	6.6	2	7.6	1.6	4.6
American Indian and Alaska Native alone	0.2	0.1	0.3	0.1	0.3
Asian alone	6.6	11.9	7.3	21.1	11.7
Native Hawaiian and Other Pacific Islander alone	0.2	0	0.3	0.3	0.4
Some other race alone	0.8	0.1	0.3	0.3	0.3
Two or more races	2.5	1.5	3.1	3.5	4.2
Hispanic or Latino	50.9	60.6	54.6	34.0	34.3
White alone	15.3	24.9	24.1	14.6	17.8
Black or African American alone	0.6	0.3	0.4	0.2	0.3
American Indian and Alaska Native alone	0.2	0.8	0.8	0.4	0.5
Asian alone	0.2	0.4	0.2	0.2	0.3
Native Hawaiian and Other Pacific Islander alone	0	0	0.0	0.0	0
Some other race alone	26.2	23.8	19.7	12.6	7.7
Two or more races	8.3	10.5	9.4	6.0	7.7
Race (%)					
White alone	47.5	51.2	50.7	53.6	62
Black or African American alone	7.2	6.5	8	1.7	4.9
American Indian and Alaska Native alone	0.5	0.8	1.1	0.6	0.8
Asian alone	6.9	6.8	7.5	21.3	12
Native Hawaiian and Other Pacific Islander alone	0.2	0.3	0.3	0.3	0.4
Some other race alone	27	23.1	19.9	12.9	8.1

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
Two or more races	10.7	11.3	12.4	9.5	11.9
Total Population by Age (%)					
Under 5 years	7.7	6.2	6.9	5.7	6
5 to 9 years	8.2	6.8	7.3	5.7	5.8
10 to 14 years	8.1	7.7	7.7	6.6	6.3
15 to 19 years	7.7	7.3	7.3	6.5	6.3
20 to 24 years	7	6.7	7.3	6.4	7.3
25 to 29 years	8.1	7.0	7.8	7.4	8.2
30 to 34 years	8.6	6.8	7.4	6.9	8
35 to 39 years	6.5	6.6	6.9	6.7	7.2
40 to 44 years	6.4	6.5	6.3	6.4	6.5
45 to 49 years	7.3	6.2	6.1	6.9	6.2
50 to 54 years	5.9	6.2	6	7.0	6.1
55 to 59 years	5.4	6.1	5.9	6.9	6.2
60 to 64 years	3.6	5.5	5.4	6.0	5.7
65 to 69 years	3.5	4.6	4.2	4.7	4.7
70 to 74 years	2.4	3.8	3	3.9	3.7
75 to 79 years	1.5	2.7	1.9	2.5	2.3
80 to 85 years	1	1.7	1.2	1.7	1.6
85 years and over	1	1.6	1.2	2.0	1.8
Workers Age 16+ Years by Means of Transportation to Work (%)					
Drove alone	76.9	76.3	77.1	77.4	71.6

Table 3-1
Census-Based Demographic Comparison
City of Lake Elsinore, Riverside County, San Bernardino County, Orange County, San Diego County

VARIABLE	CITY OF LAKE ELSINORE	RIVERSIDE COUNTY	SAN BERNARDINO COUNTY	ORANGE COUNTY	SAN DIEGO COUNTY
Carpooled	12	11.6	10.6	10.8	8.4
Public transportation (excluding taxicab)	0.5	2	1.6	1.1	2.4
Bus or trolley bus	0.3	1.6	1.1	0.7	2
Light rail, streetcar, or trolley	0	0	0.0	0.0	0.3
Subway or elevated	0	0	0.1	0.1	0.1
Long-distance/Commuter Train	0.1	0.3	0.4	0.3	0.1
Ferryboat	0	0.1	0.0	0.0	0
Taxicab	0	0.2	0.1	0.1	0.2
Motorcycle	0.4	0.3	0.2	0.2	0.4
Bicycle	0	0.5	0.3	0.2	0.5
Walked	0.8	1.5	1.1	1.5	2.9
Other means	1.9	1	0.7	0.9	1.1
Worked at home	7.6	6.7	8.3	7.8	12.5
Occupied Housing Units (%)					
Owner-occupied	67.8	68.1	60.5	57.0	54.1
Renter-occupied	32.2	31.9	39.5	43.0	45.9

SOURCE: ESRI Business Analyst Online Demographic Reports, ACS Key Population & Household Facts, ACS Population Summary, ACS Housing Summary; TNDG.

4. Housing Demand Analysis

For this report, TNDG reviewed housing development conditions and influences in Lake Elsinore and estimated future housing development by density type (aligning with Census data categories) in the City through 2043. The data assembled include, where relevant, comparisons with neighboring cities and in some cases Riverside County, California, and the US.

The report includes references to housing development conditions addressed in City documents including the Housing Element[3] and the Dream Extreme 2040 strategic plan for the City.

Methodology Notes

TNDG's research processes for this report included the following:

- Reviewed, Analyzed, and Mapped Specific Area Plans of Lake Elsinore.
- Compiled detailed model specifications and location and related data for new homes being built in various communities within Lake Elsinore from the various home builders marketing new homes.
- Collected and analyzed new home construction data as well as home listings for newly constructed homes built within the last 3 years, for Canyon Lake, Corona, Lake Elsinore, Menifee, Murrieta, Perris, Temecula, and Wildomar.
- Compiled data from the U.S. Census 2021 American Community Survey 5-Year Estimates (2017-2021), and the U.S. Census Building Survey data 2022/ YTD 2023 for the housing units being built in Canyon Lake, Corona, Lake Elsinore, Menifee, Murrieta, Perris, Temecula, and Wildomar.

Housing Development and Trends in Lake Elsinore

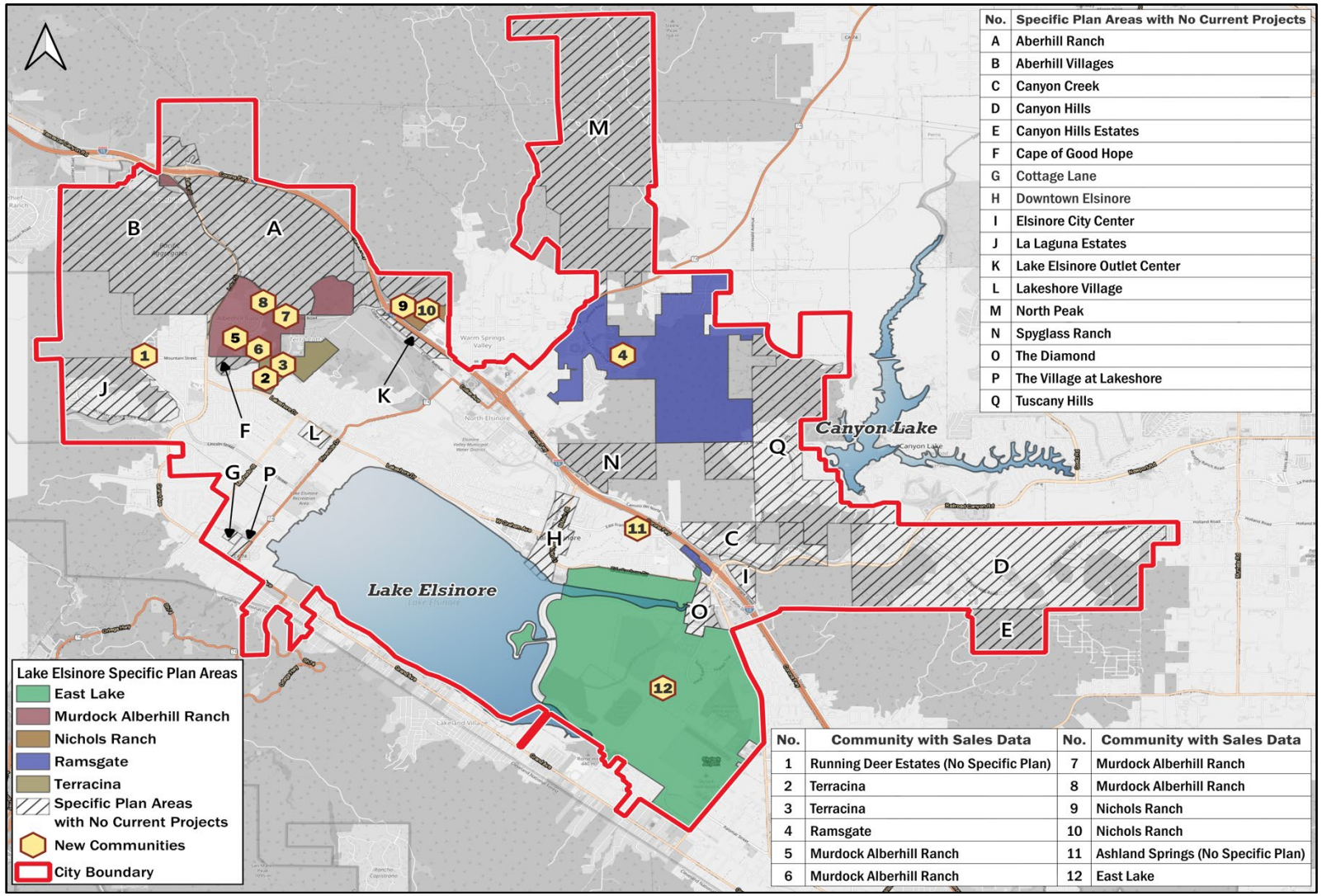
TNDG compiled data on new residential construction, and home for-sale listings for homes built within the last three years, from Redfin. The data have been aggregated to illustrate concentrations of newly built single-family homes within various new communities throughout Lake Elsinore. As shown on Figure 4-1, most of the new single-family residential projects are in the northwest part of Lake Elsinore. This location is marginally advantageous for some Lake Elsinore commuters. Based on the Census OnTheMap Destination Analysis, 15.7% of Lake Elsinore Resident Workers commute to Los Angeles County for their job, and 5.7% commute to San Diego County.

The map and legend in the figure show the locations of each of the Specific Plan areas where these new communities are located, with the colors for specific plan areas corresponding to the

[3] Lake Elsinore General Plan, Section 6.0, Housing Element, 2021 to 2029.

City of Lake Elsinore's Adopted Specific Plans map dated July 2, 2019. Specific plans within the City that do not feature current single-family residential projects (plotted from the data for recent listings and new home construction) are indicated with hatching symbology and associated legend. (While this map focuses on the location of new single-family residential communities within adopted Specific Plan areas, residential projects located elsewhere and that are currently active within the City are not shown.)

FIGURE 4-1. LAKE ELSINORE SELECT COMMUNITY PROJECTS



No.	Specific Plan Areas with No Current Projects
A	Aberhill Ranch
B	Aberhill Villages
C	Canyon Creek
D	Canyon Hills
E	Canyon Hills Estates
F	Cape of Good Hope
G	Cottage Lane
H	Downtown Elsinore
I	Elsinore City Center
J	La Laguna Estates
K	Lake Elsinore Outlet Center
L	Lakeshore Village
M	North Peak
N	Spyglass Ranch
O	The Diamond
P	The Village at Lakeshore
Q	Tuscany Hills

No.	Community with Sales Data	No.	Community with Sales Data
1	Running Deer Estates (No Specific Plan)	7	Murdock Alberhill Ranch
2	Terracina	8	Murdock Alberhill Ranch
3	Terracina	9	Nichols Ranch
4	Ramsgate	10	Nichols Ranch
5	Murdock Alberhill Ranch	11	Ashland Springs (No Specific Plan)
6	Murdock Alberhill Ranch	12	East Lake

Source: Redfin.com; City of Elsinore; TNDG.

New single-family residential development is also active in communities around Lake Elsinore. Table 4-1 provides a summary of the new home construction data by city[4] in 2023. The figures for Lake Elsinore include the new single-family residential in the new communities shown on the map in Figure 4-1. The summary provides several key figures within two distinct sets of values. The first set of values summarizes the range of sales prices, building square footage, and price per square foot figures for the new home listing and sales data collected. The second set of values provides the *average* value for the same measures, by city.

TABLE 4-1. SINGLE-FAMILY RESIDENTIAL NEW CONSTRUCTION BY CITY

City	Price Range	Sq. Foot Range	Price/SF Range	Avg. Price	Avg. BSF	Avg. PSF	Count
Canyon Lake[1]	$1,049,999	3,000	$350.00	$1,049,999	3,000	$350.00	1
Corona	$558,000 - $2,425,000	1,303 - 5,283	$273.27 - $550.05	$834,752	2,275	$365.78	55
Lake Elsinore	$378,000 - $769,254	1,180 - 2,948	$220.15 - $378.39	$624,086	2,190	$292.32	49
Menifee	$508,990 - $834,990	1,472 - 3,994	$180.27 - $345.78	$637,997	2,556	$255.25	70
Murrieta	$529,306 - $765,990	1,577 - 2,772	$252.50 - $338.39	$615,357	2,162	$288.21	15
Perris	$513,990 - $899,999	1,401 - 3,379	$196.80 - $398.41	$610,645	2,377	$265.14	22
Temecula	$606,000 - $4,900,000	1,731 - 6,387	$235.84 - $767.18	$907,018	2,537	$340.53	27
Wildomar	$559,990 - $779,000	1,508 - 3,462	$205.08 - $382.62	$662,174	2,449	$287.98	19

1. While other cities include new construction of tract home builders and custom single-family homes being built, the Canyon Lake list shows only one new custom single-family home being built.

Source: Redfin.com; TNDG.

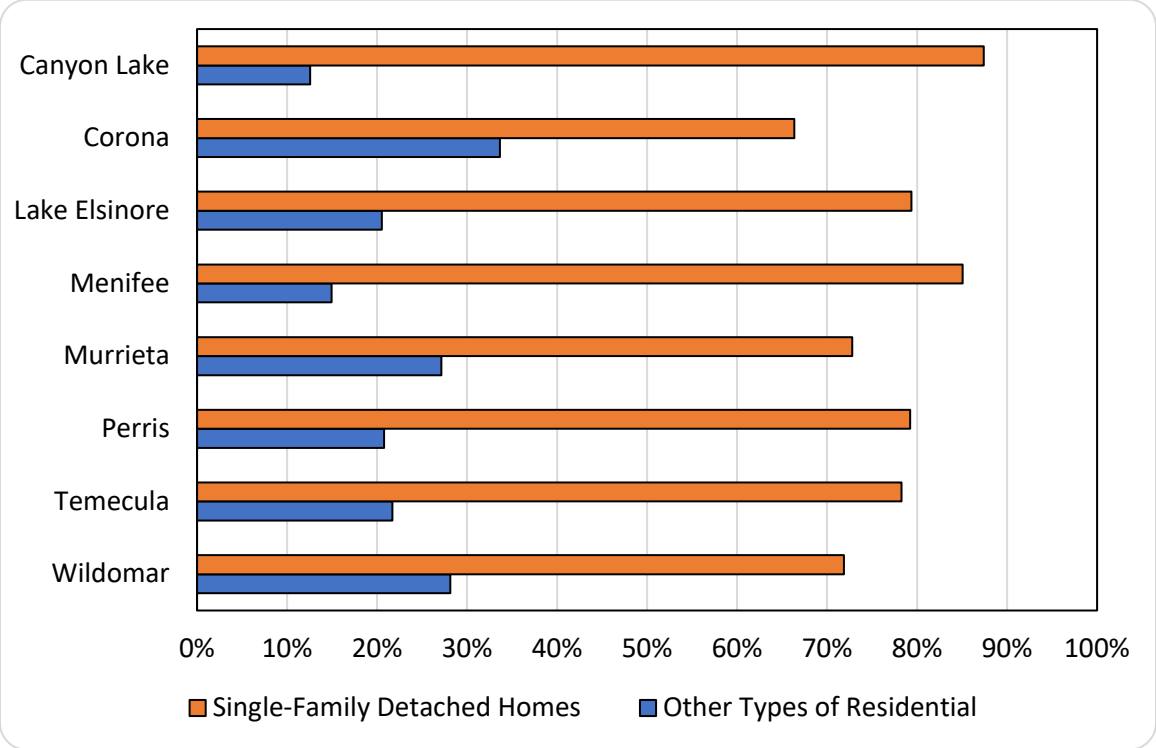
Based on Table 4-1 above, Corona has the highest average price per square foot value for new single-family homes, while Menifee has the lowest average price per square foot. Though Canyon Lake has the second-highest average price per square foot value for new construction, this is based on a single project. While Temecula has the third-highest average price-per-square-foot value for new single-family homes, it has the greatest range of values for this measure. New-construction homes within Lake Elsinore have a slightly smaller area and average a lower price-per-square-foot than those in most of the adjacent cities.

[4] Note that new home construction pricing data is also presented in a section below, in the *New Home Models from Active Projects Analysis*; but unlike the data presented in Table 4-1 above, the data in this subsequent section specifically pertain to new home construction models being marketed by new home builders within the active communities listed for the City, which have not yet been built.

Figure 4-2 shows the housing unit mix, between single-family detached homes and other types of residential, for the group of seven cities in addition to Lake Elsinore. The figure shows that:

- Lake Elsinore has a higher share of single-family detached housing (79.4%) than most of the nearby cities, the exceptions being Canyon Lake (87.4%) and Menifee (85.1%).
- Corona has the lowest share of single-family detached housing (66.4%).
- Along with Corona, both Wildomar (28.1%) and Murrieta (27.2%) also have a high share of other types of residential.

FIGURE 4-2. HOUSING UNIT MIX – SINGLE-FAMILY DETACHED HOMES AND OTHER TYPES OF RESIDENTIAL



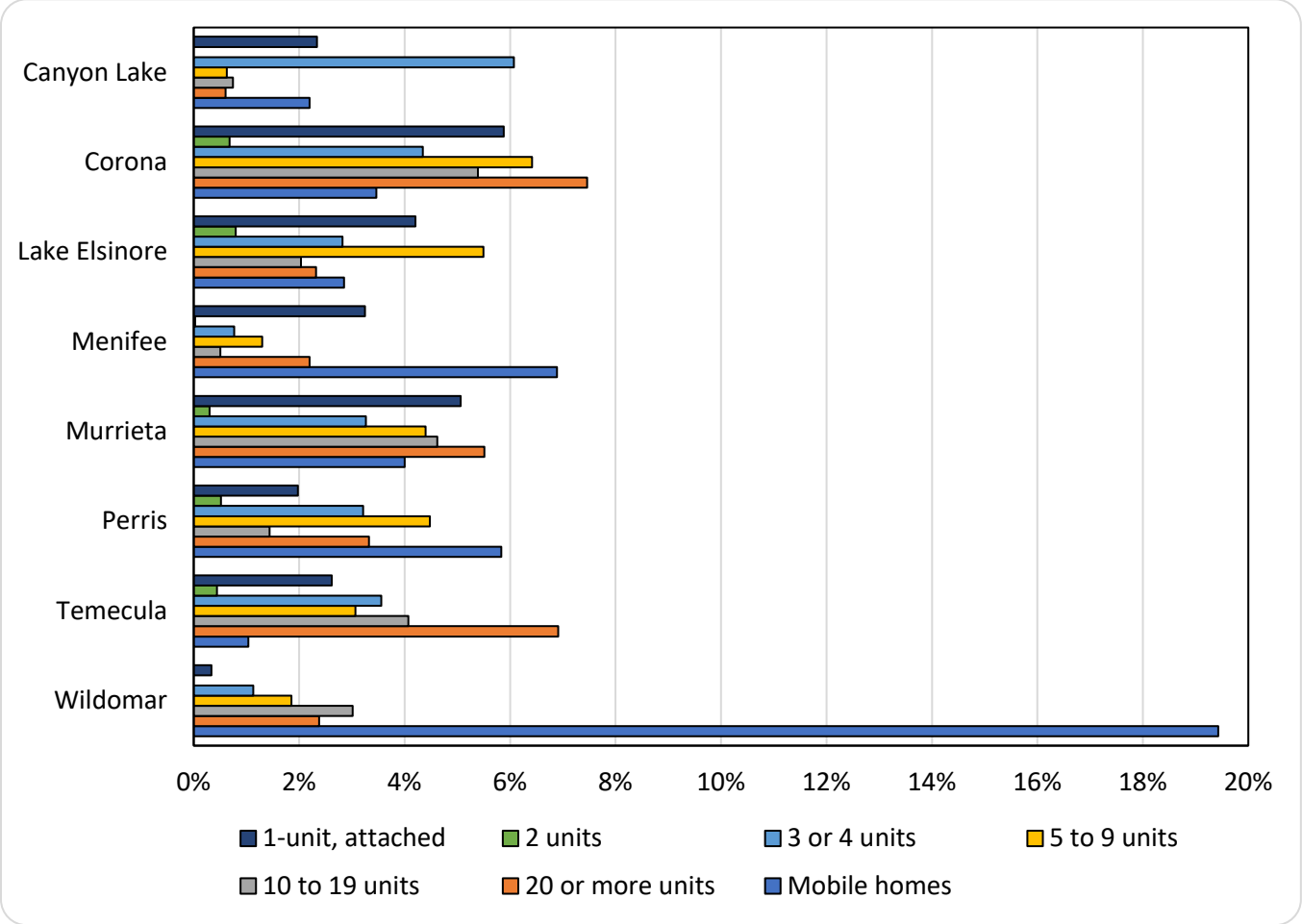
Source: U.S. Census, 2017-2021 ACS 5-Year Estimates; TNDG.

Figure 4-3 provides further detail on the mix of housing units within the Other category of residential types. The figure shows that:

- Wildomar has the highest share of mobile homes (19.4%), followed by Menifee (6.9%) and then Perris (5.8%), in comparison to the other cities.
- Corona has the highest share of apartments with 20 or more units in a structure (7.5%), followed by Temecula (6.9%) and then Murrieta (5.5%), when compared to the other cities.

- Overall, Lake Elsinore has a smaller share of multifamily residential, but does have the second-highest share of apartments with 5 to 9 units (5.5%) as shown in Figure 4-3 below.

FIGURE 4-3. HOUSING UNIT MIX – DETAILED BREAKDOWN OF OTHER TYPES OF RESIDENTIAL BESIDES SINGLE-FAMILY DETACHED HOMES



Source: U.S. Census, 2017-2021 ACS 5-Year Estimates; TNDG.

Table 4-2 provides a sense of the relative strength of residential development activity, by density type, among this group of eight cities. During the last few years, Menifee and Temecula have led the other surrounding cities in new residential construction building permit activity. Temecula and Murrieta have also shown a trend of increasing residential construction permit activity since 2020.

TABLE 4-2. BUILDING PERMIT ACTIVITY (2020-2023 YTD)

Year	Units in structure	Canyon Lake	Corona	Lake Elsinore	Menifee	Murrieta	Perris	Temecula	Wildomar
2020	1-Unit	0	253	447	1,410	136	0	261	50
	2-4 Units	0	0	0	24	14	0	63	0
	5+	0	0	0	18	73	0	0	0
	Total Units	***0***	***253***	***447***	***1,452***	***223***	***0***	***324***	***50***
2021	1-Unit	0	177	221	1,264	25	0	437	52
	2-4 Units	0	0	0	0	69	0	66	0
	5+	0	0	0	0	346	0	0	0
	Total Units	***0***	***177***	***221***	***1,264***	***440***	***0***	***503***	***52***
2022	1-Unit	14	37	311	904	18	0	394	97
	2-4 Units	0	0	2	0	24	0	0	11
	5+ Units	0	0	5	0	685	0	277	12
	Total Units	***14***	***37***	***318***	***904***	***727***	***0***	***671***	***120***
2023 YTD[1]	1-Unit	4	82	39	399	133	123	480	115
	2-4 Units	0	0	0	0	32	0	0	62
	5+ Units	0	0	0	0	260	0	441	360
	Total Units	***4***	***82***	***39***	***399***	***425***	***123***	***921***	***537***

Notes:
1. Building permit activity is reported as of 8/2023.
Source: U.S. Census Bureau, Manufacturing and Construction Division; TNDG.

Issue of housing vacancy and vacant units by type

In TNDG's studies of housing conditions in other Southern California cities, one issue that has been identified is relatively high housing vacancies, a substantial component of which is due to homes that are being held by their owners for "seasonal, recreational, or occasional use." Problems associated with high numbers of units in this category include an additional constraint on housing supply, and negative fiscal impacts of "missing" populations (this category is also related to the sometimes-contentious issue of short-term rentals made available by individual property owners).

In Lake Elsinore, this issue appears to be relatively insignificant, which can also be thought of as somewhat unusual, given the recreational focus of the community. Based on Table 4-3, overall vacancy for Lake Elsinore appears to be well below that of the US and the County, below the state, and at the lower end of the range of vacancy rates in surrounding communities.

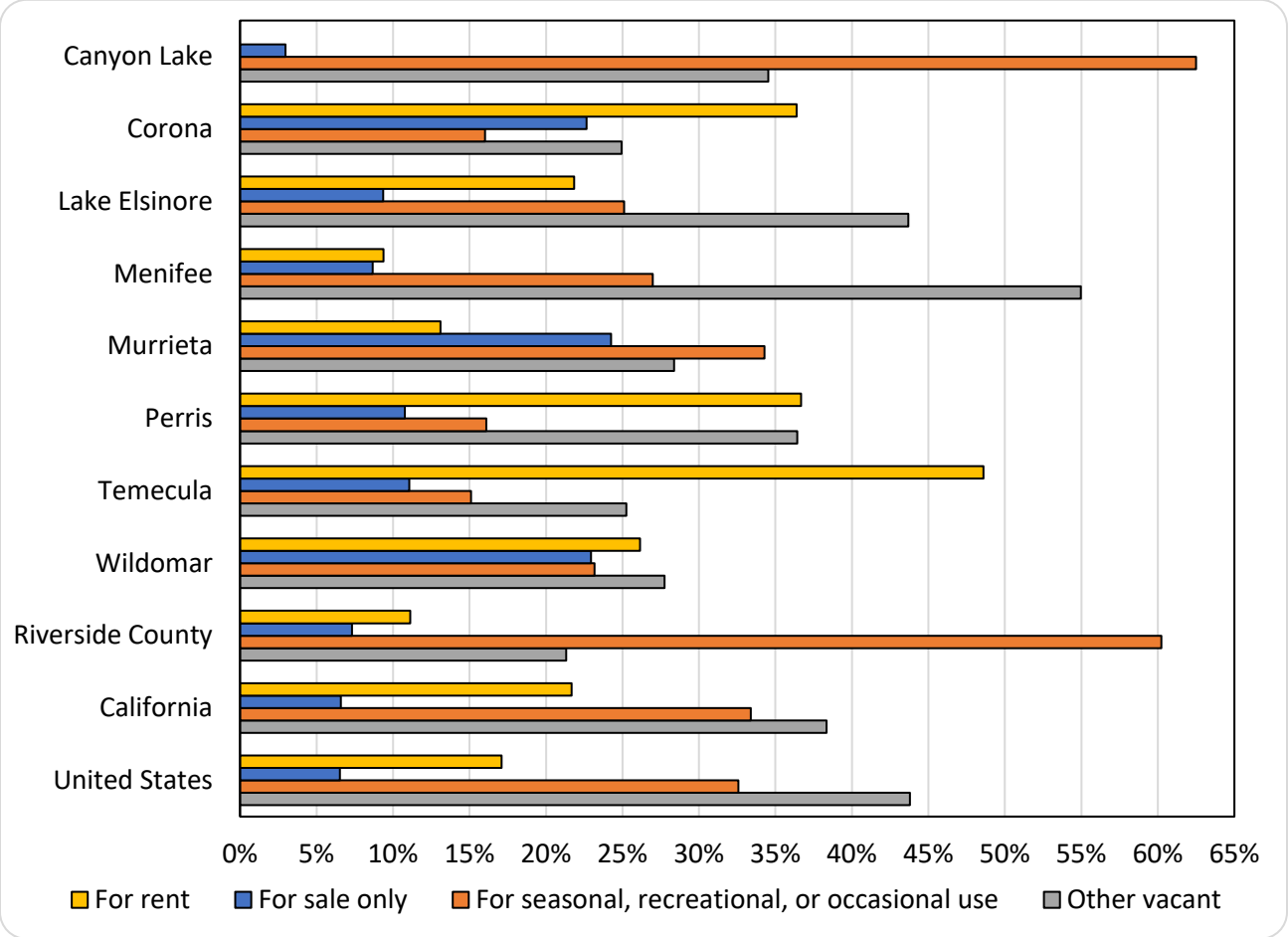
TABLE 4-4. HOUSING OCCUPANCY STATUS

Place	Occupancy Status	
	Occupied Housing	Vacant Housing
Canyon Lake	92.9%	7.1%
Corona	96.0%	4.0%
Lake Elsinore	95.4%	4.6%
Menifee	93.6%	6.4%
Murrieta	93.6%	6.4%
Perris	95.7%	4.3%
Temecula	94.8%	5.2%
Wildomar	96.1%	3.9%
Riverside County	**87.7%**	**12.3%**
California	**92.2%**	**7.8%**
United States	**88.8%**	**11.2%**

Source: U.S. Census, 2017-2021 ACS 5-Year Estimates; TNDG.

According to Figure 4-4 below, approximately 25% of the vacant housing units within Lake Elsinore are attributable to "seasonal, recreational, or occasional use," but with overall vacancy rates in the City low, this represents a relatively small number of units. In contrast, seasonal, recreational, or occasional use, among the jurisdictions shown in the figure, is highest in Riverside County (60.2%), where overall vacancies are also high (the Coachella Valley is a prominent example in the County of this characteristic).

FIGURE 4-4. VACANCY STATUS BY TYPE



1. Note that the Other vacant category includes units that are rented and sold, but are not occupied, units for migrant workers, and other vacant units that do not fall into any of the other categories specified, such as a unit for a caretaker or a vacant unit held for personal reasons by the owner.

Source: U.S. Census, 2017-2021 ACS 5-Year Estimates; TNDG.

New Home Models from Active Projects

The information provided in Tables 4-4 through 4-7, following, is based on data from New Home Source, which summarizes characteristics of new single-family home models offered by various large home builders that are currently active in Lake Elsinore and nearby cities. These communities are all in proximity to the I-15 corridor that connects to Corona and other western cities in Riverside County. Table 4-4 shows that the community with the most active single-family residential home projects in proximity to Lake Elsinore is Menifee. Lake Elsinore is outperforming other nearby cities such as Murrieta, Perris, and Wildomar.

TABLE 4-4. ACTIVE SINGLE-FAMILY RESIDENTIAL PROJECTS BY CITY

City	Active SFR Projects
Canyon Lake	(no listings)
Corona	11
Lake Elsinore	10
Menifee	20
Murietta	3
Perris	7
Temecula	11
Wildomar	4

Source: New Home Source; TNDG.

Tables 4-5 through 4-7 summarize the detailed housing-development data provided in Appendix A. These figures represent results of a data search of new home builders that are currently building homes in communities within Lake Elsinore and other nearby cities in the western sub-region of Riverside County. The tables include key figures as listed below, representing data for all models in all communities within each city:

- Minimum asking sales price, building square footage, and price per square foot.
- Maximum asking sales price, building square footage, and price per square foot.
- Estimated median sales price, building square footage, and price per square foot.
- Estimated average sales price, building square footage, and price per square foot.

The estimated median and average value provide two separate ways to measure the middle value from the range of data collected. The estimated median value is calculated by taking the middle value of the range of all model types. The estimated average value is calculated by adding up the values for all model types and dividing this total by the number of model types. When there is a possibility of extreme values amongst various model types within a city, the median value is generally the better measurement to rely on as representative of reality.

Highlights from the tables include the following:

- Based on Table 4-5 below, Corona has the highest average sales price ($718,456) and Perris has the lowest ($574,308) in comparison to Lake Elsinore and surrounding cities. Lake Elsinore has an average sales price of $599,993, which is in the lower mid-range of all cities in this comparison.
- Both home prices and home sizes vary considerably within the sampled group. Figure 4-5 summarizes the sale price differences among the communities.

It is also important to note that over half of the new home builders surveyed in Lake Elsinore feature home models with two stories, and most include three to five bedrooms as well as two to three bathrooms, as shown in Appendix A.

TABLE 4-5. SALES PRICES FOR NEW SINGLE-FAMILY HOME MODELS IN ACTIVE PROJECTS FOR VARIOUS COMMUNITIES

Place	Min. Sales Price	Max. Sales Price	Median Price	Average Price
Corona	$558,000	$973,160	$709,495	$718,456
Lake Elsinore	$542,990	$659,990	$600,000	$599,993
Menifee	$491,990	$833,350	$622,105	$639,888
Murrieta	$482,990	$690,105	$592,280	$584,397
Perris	$513,990	$622,490	$580,376	$574,308
Temecula	$461,000	$919,990	$611,000	$631,507
Wildomar	$423,990	$758,210	$588,990	$585,143

Source: New Home Source; TNDG.

TABLE 4-6. BUILDING SQUARE FEET FOR NEW SINGLE-FAMILY HOME MODELS IN ACTIVE PROJECTS FOR VARIOUS COMMUNITIES

Place	Min. Building SF	Max. Building SF	Median Building SF	Average Building SF
Corona	1,303	3,040	1,878	1,994
Lake Elsinore	1,435	2,948	2,355	2,210
Menifee	1,472	4,134	2,600	2,582
Murrieta	1,432	2,700	2,070	2,025
Perris	1,400	2,537	2,134	2,051
Temecula	1,225	3,795	1,838	1,982
Wildomar	1,378	3,463	2,214	2,166

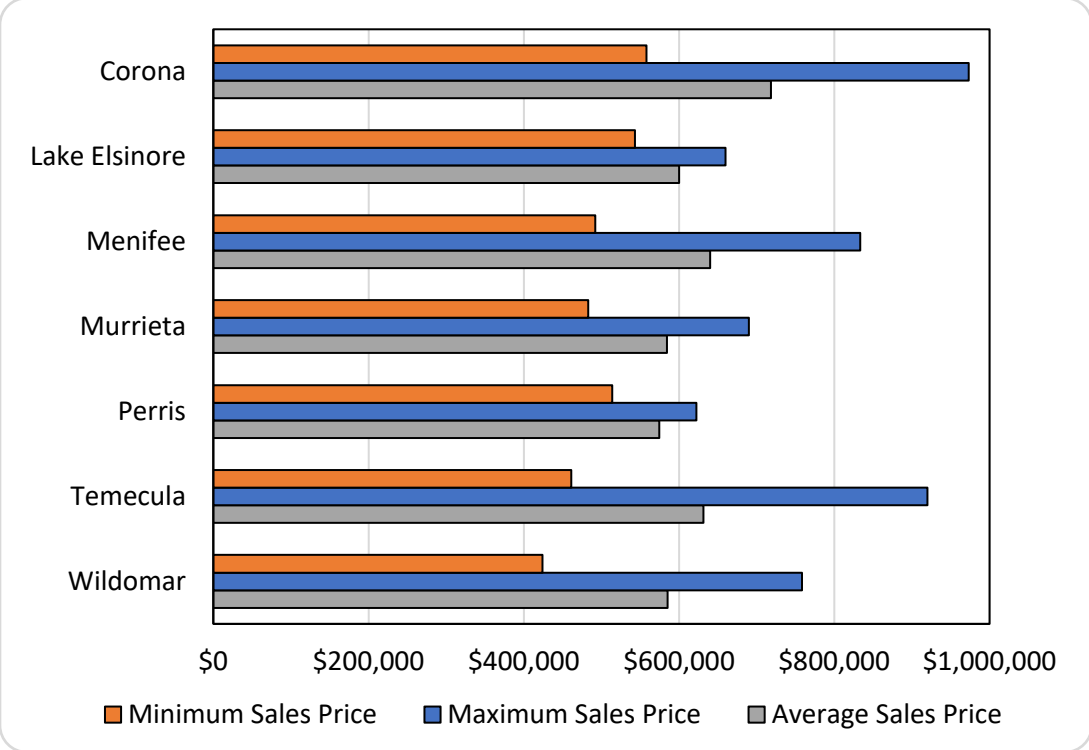
Source: New Home Source; TNDG.

TABLE 4-7. PRICE PER SF FOR NEW SINGLE-FAMILY HOME MODELS IN ACTIVE PROJECTS FOR VARIOUS COMMUNITIES

Place	Min. Price per SF	Max. Price per SF	Median Price per SF	Average Price per SF
Corona	$273.32	$428.24	$372.53	$369.10
Lake Elsinore	$220.15	$378.39	$259.40	$282.46
Menifee	$201.58	$355.97	$241.65	$254.73
Murrieta	$255.59	$337.28	$287.15	$294.13
Perris	$245.36	$367.14	$274.68	$290.47
Temecula	$235.84	$405.40	$332.66	$325.47
Wildomar	$247.48	$371.35	$276.95	$298.42

Source: New Home Source; TNDG.

FIGURE 4-5. COMPARISON OF MINIMUM, MAXIMUM, AND AVERAGE SALES PRICE FOR NEW SINGLE-FAMILY HOME MODELS IN ACTIVE PROJECTS FOR VARIOUS COMMUNITIES



Source: New Home Source; TNDG.

Table 4-8 below shows that, over the 11-year period shown, single-family detached and attached homes have increased more than the other housing types, as compared with their percent of the total inventory as of 2023. Although multifamily has a small share of the total housing stock, larger multifamily complexes of 5 or more units have increased somewhat more than smaller multifamily complexes and mobile homes over the last 11 years.

The single-family-detached category of home type is estimated to constitute over 77% of housing in Lake Elsinore currently. Lake Elsinore is strongly positioned to capture southern California demand for single-family ownership housing based on the abundant supply of developable land, relative affordability, and the area's significant quality of life and recreational amenities.

TABLE 4-8. LAKE ELSINORE HOUSING STOCK BY YEAR SINCE 2013

Year	Single-Family Detached	Single-Family Attached	2-4 Units	5 or More Units	Mobile Homes	Total
2013	12,704	812	1,025	1,791	727	17,059
2014	13,010	812	1,025	1,791	727	17,365
2015	13,451	812	1,025	1,791	727	17,806
2016	13,901	812	1,025	1,791	726	18,255
2017	14,122	812	1,025	1,791	727	18,477
2018	14,326	812	1,025	1,791	731	18,685
2019	14,476	812	1,025	1,791	732	18,836
2020	14,585	812	1,025	1,791	733	18,946
2021	16,468	929	1,112	2,076	775	21,360
2022	16,789	929	1,195	2,076	778	21,767
2023	16,930	930	1,201	2,076	781	21,918
Change 2013-2023	4,226	118	176	285	54	4,859
% of all change	87.0%	2.4%	3.6%	5.9%	1.1%	100.0%
% of inventory, 2023	77.2%	4.2%	5.5%	9.5%	3.6%	100.0%

Source: CA DOF, Table E-5 City/County Population and Housing Estimates, 2013-2023; TNDG.

Modeling the relationship of projected household growth in Lake Elsinore to the changing mix of housing unit types through 2043

TNDG used the latest available SCAG household growth projections[5] as a key component for setting up the model to estimate future housing by type in Lake Elsinore. Within the SCAG control total, TNDG projected the single-family multi-family breakdown under two scenarios. Based on a "market-driven" development scenario, with model results summarized on Table 4-9, just over three-quarters of new housing would be in the single-family-detached category by 2043.

[5] SCAG 2024 RTP/SCS ("Connect SoCal 2024") Locally-Reviewed Growth Projections, TAZ-level, provided to the Technical Working Group, www.scag.ca.gov/technical-working-group, April 20, 2023. (Connect SoCal 2024 growth projections for total households and total employment in 2019, 2035, and 2050 as reviewed by local jurisdictions during 2022.)

TABLE 4-9. PROJECTED HOUSING DEVELOPMENT IN LAKE ELSINORE

Time periods	Units in structure: Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Totals
	Households by housing density type					
2023-2033	3,047	149	196	412	118	**3,922**
2033-2043	1,406	65	85	240	52	**1,847**
Total change, 2023-2043	**4,453**	**214**	**281**	**652**	**169**	**5,769**
	Housing density type as programmed % of total units					
2023-2033	77.7%	3.8%	5.0%	10.5%	3.0%	**100.0%**
2033-2043	76.1%	3.5%	4.6%	13.0%	2.8%	**100.0%**
	Housing density type as a % of total change					
2023-2043	77.2%	3.7%	4.9%	11.3%	2.9%	**100.0%**
	Housing density type as a % of total units					
As of 2043	77.2%	4.1%	5.4%	9.9%	3.4%	**100.0%**

In the tabulated market-based growth scenario above, TNDG calibrated the model to reflect that units in structures of 5 or more units increase as a percent of the total over the projection period, while other categories decrease slightly or remain similar. By the end of the projection period, about 650 units have been added in the 5+ units-in-structure category, just over 11% of the total projected additions to the housing stock, and a total of about 930 units, adding the 2-4 units category. These allocations are based primarily on a combination of the housing inventory data in the preceding Table 4-8, the supply of land available for developing housing of various types, building permit data, and assumptions that higher-density development will constitute an increase in homebuilding activity, compared to prior trends, partly by necessity in terms of eventual capacity and partly by virtue of changes in demand for housing by building type.

For a scenario based on RHNA allocations of housing by income category for Lake Elsinore, a key assumption is that higher-density housing will be needed to accommodate units appropriate for low income and very-low income households; plus market-rate housing will also be in demand in that density spectrum. (An additional assumption is that "number of units" is less critical in the RHNA process than the mix of units by the four household income categories associated with housing affordability.) For modeling purposes, as summarized in Table 4-10 below, 55% of units are allocated to the two categories of 2-4 units and 5+ units in structure (18% and 37%, respectively). In this RHNA-based scenario, single-family-detached units will constitute only about 37% of the total for the projection period, or 2,138 units. Meanwhile, the

two categories of 2-4 units and 5+ units would have about 3,170 units added in the next 20 years. The table also shows the differences in number of units by type between this RHNA-based scenario and predicted market trends shown in Table 4-9.

TABLE 4-10. ALTERNATIVE PROJECTED HOUSING DEVELOPMENT IN LAKE ELSINORE, RECOGNIZING RHNA OBJECTIVES

Time periods	Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Totals
	Housing density type as a % of total change					
2023-2033	37.0%	5.0%	18.0%	37.0%	3.0%	**100.0%**
2033-2043	37.2%	5.0%	18.0%	37.0%	2.8%	**100.0%**
	Households by housing density type					
2023-2033	1,451	196	706	1,451	118	**3,922**
2033-2043	687	92	333	684	52	**1,847**
Total for 23-43	**2,138**	**288**	**1,038**	**2,135**	**169**	**5,769**
	Housing density type as a % of total units					
As of 2043	68.9%	4.4%	8.1%	15.2%	3.4%	**100.0%**
Difference between predicted market trends and RHNA-assumption requirements						
2023-2033	-1,596	47	510	1,039	0	
2033-2043	-719	28	248	443	0	

To add perspective to the preceding tables, Table 4-11 below summarizes basic aspects of housing affordability in Lake Elsinore. The data show that the lowest-priced new home among new homes offered for sale in Lake Elsinore would require 115% of the Riverside County Area Median Income (AMI) for 2023, or $108,600, in order to be affordable, based on the factors shown. The current median household income in Lake Elsinore is approximately $90,000.

TABLE 4-11. LAKE ELSINORE HOUSING AFFORDABILITY CONDITIONS FOR MODERATE INCOME HOUSEHOLDS

Affordability factors		Max. afford. home price at incomes shown	Required income at this price	% of median income
2023 AMI for Riverside County	$94,500	$472,500		
Max. income for "moderate income" category at 120% of median	$113,400	$567,000		
Lowest price among for-sale new homes in TNDG Lake Elsinore inventory		$542,990	$108,598	115%
Median household income in Lake Elsinore, per Census, approximately		$93,000		
	Housing affordability factors:			
5	*Times annual gross income to purchase*			

Implications of housing market analysis for planning and other policy considerations

A review of the City's Housing Element suggests that capacity for higher-density projects exists in Lake Elsinore, and the City's database of development projects in the pipeline suggests that multifamily units could predominate in the future. Nevertheless, the City may still need to incentivize or otherwise encourage higher-density development, to achieve the RHNA-based scenario., specific plans might need to be modified so that, for example, more-dense (and affordable) development could help serve as a springboard for lower densities, by jump-starting infrastructure, or other means.

The affordable-housing component, constituting 45% of RHNA requirements (low income and very-low income), will continue to involve its own unique set of development/institutional interests in order to be accomplished.

Housing affordability is an ongoing issue for all Southern California communities. The City's Housing Element, cited above, includes the observation that market-rate residential development in the City can also meet the needs of households at the 80% of AMI level. This is most likely to be the case while supply of land remains sufficient to meet demand for new housing.

The Dream Extreme strategic plan mentions the following residentially oriented concepts, with varying timelines to implement, all of which would tend to help diversify housing choice within the City:

- Encourage infill residential development in Downtown.
- Incentivize moderate to above-moderate residential development.
- Use density bonuses and/or other incentives to encourage residential development in mixed-use neighborhoods.
- Encourage development of estate/executive-level housing.

Single-family build-to-rent could potentially be a viable market for Lake Elsinore, meeting the needs of households with incomes/equity still below the ability to buy into market-rate housing. Build to-rent-projects are active in Menifee and Wildomar.

The City could consider policies and practices in which new housing development helps support the preservation of existing housing and neighborhoods, and encourages new development of desirable types in target areas such as Downtown and near the lake, which would help maintain balance in the housing stock.

5. Retail/Restaurant Demand Analysis

This section examines retail demand associated with the population in the trade area that would potentially shop at retail facilities in Lake Elsinore. The analysis evaluates current and future resident demand.

Overview of Methodology

For purposes of estimating impacts in the relevant categories, this analysis considers a Primary Market Area (PMA) that includes the City of Lake Elsinore. The analysis projects total resident purchasing power within this trade area and uses this projection of total demand as the basis for determining new retail space that could be supported in the market area. Along with the PMA, the analysis also considers a Secondary Market Area (SMA) (see below) from which the project would be expected to draw a limited amount of market support. The study methodology includes the following major steps:

1. Estimate the current potential demand for retail sales in the PMA, based on existing demographics;
2. Estimate the portion of total trade area demand that could realistically be "captured" by retail facilities in the primary market area, based on an evaluation retail taxable sales data in the City of Lake Elsinore and the SMA;
3. Forecast future (21-year) growth in the amount of supportable retail sales, based on projected increases in the trade area's resident population;
4. Compare this "potential" demand to the estimated volume of retail sales in the Primary Market Area, based on taxable sales data from the California Department of Tax and Fee Administration. (CDTFA);
5. Estimate the volumes of additional retail sales, by individual retail category that the market could support in future years (through 2043), based on the difference between potentially supportable sales and the existing sales volumes; and
6. Translate potential new retail sales (determined in step 5) into supportable square feet of new retail space, based on standard sales per square foot factors by individual retail category

Geographic Trade Areas Considered in this Analysis

As noted above the market area boundaries include a PMA and SMA, described in the following bullet points.

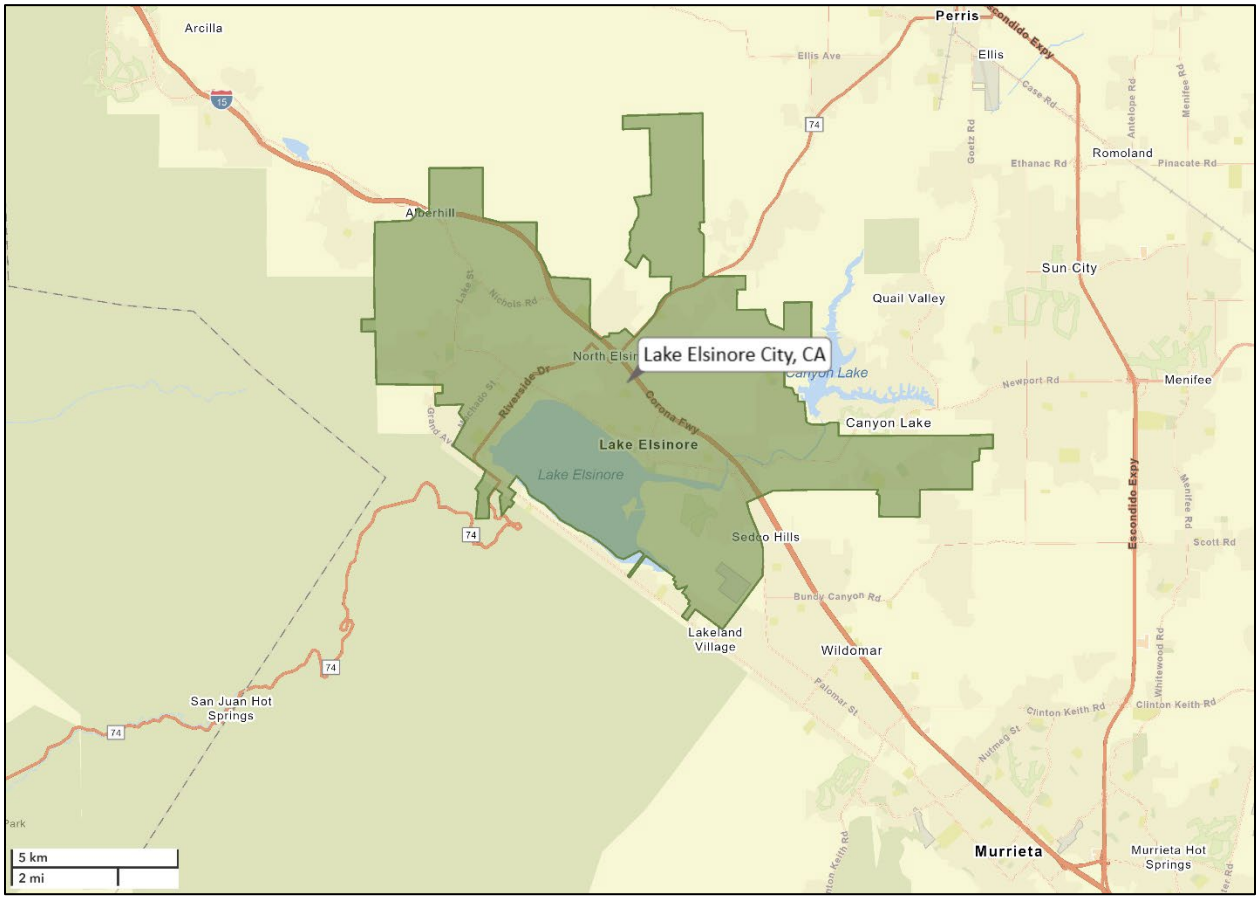
- *Primary Market Area (PMA)*: The PMA is defined by the City of Lake Elsinore's boundaries. Given the significant base of retail development in the city, the analysis assumes that residents would do most of their day-to-day shopping needs at Lake Elsinore retail establishments.
- *Secondary Market Area (SMA)*: The SMA is defined by a rectangular polygon that surrounds the PMA. The western boundary extends approximately to Riverside County line in the Cleveland

National Forest. For the most part, the effective boundary is Grand Avenue, given that there is little developed land beyond this street, outside of a nominal amount of residential and commercial development along the Ortega Highway (State Route 74 [SR-74]). At Bedford Mountain Way, the northern boundary extends to Lake Mathews Drive, reaches as far north as Cajalco Road. The boundary extends further west to the Interstate-215 (I-215) freeway. The Eastern boundary extends along the I-215 to Clinton Keith Road. Finally, the southern boundary runs along Clinton Keith Road to just west of the Temecula Valley Freeway.

The SMA "nets out" the City of Lake Elsinore so as not to double-count demand originating from the SMA.

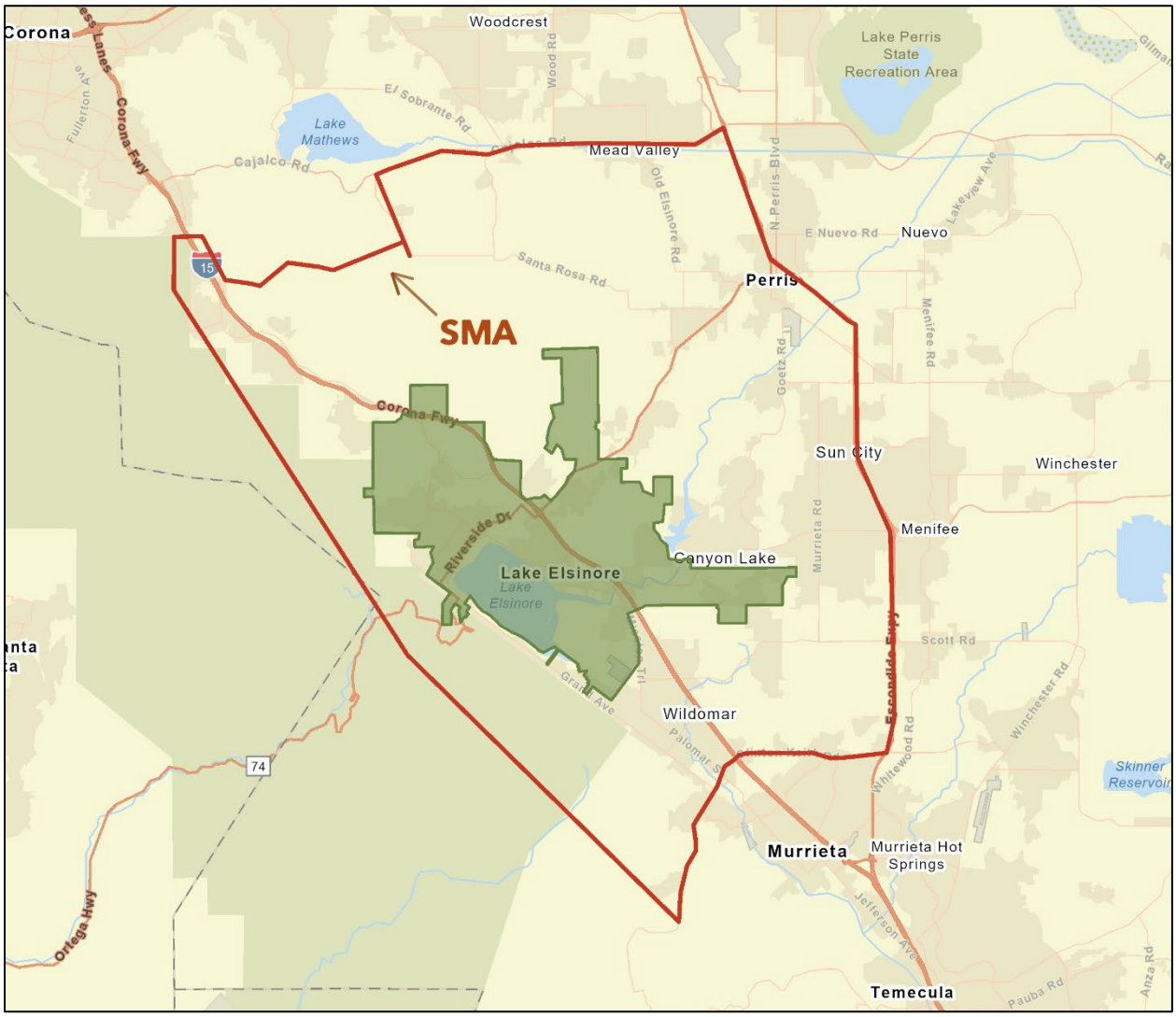
The PMA boundaries are shown on Table 5- below. Figure 5-2**,** on the following page, shows the PMA and SMA boundaries.

FIGURE 5-1. CITY OF LAKE ELSINORE BOUNDARIES – PRIMARY MARKET AREA



Source: TNDG; ESRI, ArcGIS Business Analyst

FIGURE 5-2: LAKE ELSINORE RETAIL TRADE AREA – PMA AND SMA



Source: TNDG; ESRI, ArcGIS Business Analyst

Retail Demand Analysis Summary

Table 5-1, below, provides a summary of potential demand for new retail space in the trade area's PMA. The demand projections are provided from 2022 (base year in this analysis) to 2043, the study period evaluated in this analysis.

TABLE 5-1:
POTENTIAL DEMAND FOR NEW RETAIL SPACE
LAKE ELSINORE RETAIL TRADE AREA – PMA
IN SQUARE FEET (ALL NUMBERS ARE CUMULATIVE)

Retail Category	2022	2025	2030	2035	2043
GAFO[1] categories	120,430	176,576	286,472	405,656	474,803
Food and Beverage	19,934	32,820	58,993	87,393	106,389
Food Services and Drinking	29,650	40,121	61,709	85,140	101,635
Bldg. Matrl & Garden Equip. & Supplies	0	11,109	32,876	56,483	70,237
Auto Parts	0	3,897	11,532	19,812	24,637
Services Space at 20% of Total	42,503	66,131	112,895	163,621	194,425
Total	**212,517**	**330,653**	**564,477**	**818,106**	**972,125**

3. GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel (Clothing and Accessories), Furniture (Home Furnishings and Appliances), and Other (Specialty/Other).

As shown on Table 5-1, above, the City is currently (base year 2022) estimated to be able to support about 212,500 square feet of retail space over and above existing development levels. This estimate is based on comparing total demand potential with actual retail sales in the city to determine the extent to which there is current residual demand (or "leakage") that could support the development of new retail space in the city. Accounting for future growth in the market, the City could support about 972,000 square feet of new retail space by 2043.

Retail Demand Analysis Methodology

Resident Market Areas

The analysis considers two resident market areas:

1. A primary market area (PMA) defined by the City of Lake Elsinore's boundaries; and
2. A group of secondary market areas (SMAs) that immediately border the City to the north, east, south, and west (see discussion above).

The analysis assumes that, given an adequate supply of retail facilities and convenient access, Lake Elsinore residents would do most of their day-to-day shopping at City retail establishments. SMA residents are assumed to do occasional shopping in Lake Elsinore in some retail categories, as discussed further below.

Population and Income Levels

The population in the Lake Elsinore Retail Trade Area (LERTA) is estimated and projected as follows:

TABLE 5-2:
POPULATION PROJECTIONS BY YEAR
LAKE ELSINORE TRADE AREA

Market Area	Estimated 2022 Population	Projected 2025 Population	Projected 2030 Population	Projected 2035 Population	Projected 2043 Population
PMA	71,313	74,319	80,694	87,617	92,940
SMA	192,979	202,418	219,186	237,343	243,352
Total	264,292	276,736	299,880	324,959	336,292

Source: ESRI, ArcGIS Business Analyst, Demographic and Income Profile; Southern California Association of Governments (SCAG).

The above population projections are from ESRI's Demographic and Income Profile reports, while the projections (through 2040) are based on growth forecasts provided by the Southern California Association of Governments (SCAG).

Per capita income levels in the LERTA are estimated as follows in Table 5-3 below:

TABLE 5-3:
PER CAPITA INCOME LEVELS
LAKE ELSINORE RETAIL TRADE AREA

Market Area	2022 Per Capita Income
PMA	$30,970
SMA	$35,854

Source: U.S. Census Bureau, American Community Survey (ACS); Bureau of Economic Analysis (BEA); TNDG.

The indicated estimates of per capita income were obtained from the ESRI data referenced above and are derived from U.S. Census Bureau data.

Retail Sales Demand

The portion of total income spent on retail purchases varies by the income level of the individual household and also varies depending on the strength of the overall economy. In general, the percentage of income spent on retail goods decreases as income levels rise (more affluent households spend more on retail goods in absolute dollar terms, but less as a percentage of their total income). Data from the Bureau of Labor Statistics (BLS) National Consumer Expenditure Survey (CES) allow for evaluation of the variation in retail expenditures by household income level. TNDG estimates the retail-to-income ratio for the LERTA as follows on Table 5-4 below.

TABLE 5-4:
TOTAL RETAIL SALES AS A PERCENTAGE OF PER CAPITA INCOME
LAKE ELSINORE RETAIL TRADE AREA

Market Area	Percentage Factor
PMA	36.5%
SMA	35.6%

Source: TNDG, based on CES data.

Based on the per capita income estimates in Table 5-3 and retail sales percentage factors in Table 5-4, Table 5-5 shows the total income in the LERTA, along with estimated retail demand (measured in terms of potential retail sales).

TABLE 5-5:
INCOME AND RETAIL DEMAND
LAKE ELSINORE RETAIL TRADE AREA
IN THOUSANDS OF CONSTANT DOLLARS

Market Area	2022	2025	2030	2035	2043
PMA	$2,208,601	$2,301,681	$2,499,135	$2,713,529	$2,878,384
SMA	6,919,049	7,257,459	7,858,655	8,509,652	8,725,123
Total Income	**$9,127,650**	**$9,559,140**	**$10,357,790**	**$11,223,181**	**$11,603,508**
PMA	$806,139	$840,114	$912,184	$990,438	$1,050,610
SMA	2,463,182	2,583,655	2,797,681	3,029,436	3,106,144
Total Retail Demand	**$3,269,321**	**$3,423,769**	**$3,709,865**	**$4,019,874**	**$4,156,754**

Source: TNDG.
*Totals may not sum due to rounding.

Distribution of Retail Expenditures

Projected retail demand from market area residents is disaggregated into various retail categories based upon retail expenditure patterns observed in the four-county region of Riverside, San Bernardino, Orange, and Los Angeles counties. The California Department of Tax and Fee Administration (CDTFA) provides the county-level taxable sales data. The basic distribution of retail sales by retail category is projected as follows on Table 5-6 below.

TABLE 5-6:
DISTRIBUTION OF RETAIL SALES BY CATEGORY
LAKE ELSINORE RETAIL TRADE AREA

Retail Category	Distribution
Shopper Goods:	
Clothing and Clothing Accessories	9.0%
General Merchandise	10.5%
Home Furnishings and Appliances	5.0%
Specialty/Other	13.5%
Subtotal	38.0%
Convenience Goods:	
Food and Beverage	13.5%
Food Service and Drinking	16.0%
Subtotal	29.5%
Heavy Commercial Goods:	
Bldg. Matrl. and Garden Equip. and Supplies	6.0%
Motor Vehicle and Parts Dealers	18.5%
Gasoline Stations	8.0%
Subtotal	32.5%
Total	100.0%

Source: California Department of Tax and Fee Administration (CDTFA); TNDG.

Capture Rate Assumptions

Primary Market Area Capture Rates

The study treats the PMA as a relatively "closed system". That is, it is assumed that, given an adequate supply of retail stores, residents of the market area will make most of their retail purchases somewhere in the trade area. This is a reasonable assumption for purposes of estimating potential retail demand, given the sufficient and diverse supply of retail development in the PMA.

It should be noted that the capture rates are calculated to account for potential retail sales that would occur at physical retail store locations, or bricks and mortar (B&M) stores. That is, the analysis, based on the income-expenditure factors and point-of-sale taxable sales data from the CDTFA (as discussed in sections above), only projects the share of retail purchases that would be made at physical retail store locations[6]. Thus, the retail expenditure factors presented above do not include the current portion of consumers' income that is spent on online retail purchases.

TABLE 5-7:
CAPTURE RATES OF PRIMARY MARKET AREA DEMAND
LAKE ELSINORE RETAIL TRADE AREA

Retail Category	Capture Rate
Shopper Goods:	
Clothing and Clothing Accessories	85.0%
General Merchandise	85.0%
Home Furnishings and Appliances	85.0%
Specialty/Other	85.0%
Convenience Goods:	
Food and Beverage	100.0%
Food Service and Drinking	85.0%
Heavy Commercial Goods:	
Bldg. Matrl. and Garden Equip. and Supplies	100.0%
Motor Vehicle and Parts Dealers	100.0%
Gasoline Stations	85.0%

Source: TNDG.

Secondary Market Area Capture Rates

The PMA's capture rates of SMA retail demand are projected to be lower than those for the PMA, given the longer distances that SMA residents would need to travel to shop in Lake Elsinore. In addition, SMA capture rates are only applied to relevant retail categories. Capture rates by category for the SMA area are shown on Table 5-8 on the following page.

[6] The geography-based taxable sales reports – used as an input to generate retail-income expenditure factors in this analysis – from the CDTFA do not include sales taxes collected from online sales.

TABLE 5-8:
CAPTURE RATES OF SECONDARY MARKET AREA DEMAND
LAKE ELSINORE RETAIL TRADE AREA

Retail Category	Capture Rate
Shopper Goods:	
Clothing and Clothing Accessories	0.0%
General Merchandise	70.0%
Home Furnishings and Appliances	0.0%
Specialty/Other	0.0%
Convenience Goods:	
Food and Beverage	10.0%
Food Service and Drinking	5.0%
Heavy Commercial Goods:	
Bldg. Matrl. and Garden Equip. and Supplies	25.0%
Motor Vehicle and Parts Dealers	25.0%
Gasoline Stations	10.0%

Source: TNDG.

Potential Retail Sales Volumes

Based on the capture rates shown above, Table 5-9 projects the potential resident market area demand in the LERTA for each retail category. As shown on the table, incremental demand through 2043 for retail sales in the LERTA is projected to grow in proportion to increases in the population.

TABLE 5-9:
POTENTIAL RETAIL SALES (RESIDENT-DERIVED)
LAKE ELSINORE RETAIL TRADE AREA – PMA[1]
IN THOUSANDS OF CONSTANT DOLLARS

Retail Category	2022	2025	2030	2035	2043
Shopper Goods					
Clothing and Clothing Accessories	$54,817	$57,128	$62,029	$67,350	$71,441
General Merchandise	228,897	239,652	259,705	281,435	291,395
Home Furnishings and Appliances	30,835	32,134	34,891	37,884	40,186
Specialty/Other	113,061	117,826	127,934	138,909	147,348
Subtotal	*$427,611*	*$446,740*	*$484,558*	*$525,578*	*$550,371*
Convenience Goods					
Food and Beverage	$147,344	$153,787	$166,873	$181,073	$190,571
Food Services and Drinking	121,257	126,492	137,286	149,002	157,249
Subtotal	*$268,601*	*$280,279*	*$304,159*	*$330,075*	*$347,820*
Heavy Commercial Goods					
Bldg. Matrl. & Garden Equip & Supplies	$92,426	$96,592	$104,754	$113,607	$118,765
Motor Vehicle and Parts Dealers	227,510	237,764	257,857	279,648	292,343
Gasoline Stations	105,246	109,848	119,195	129,338	136,122
Subtotal	*$425,181*	*$444,204*	*$481,806*	*$522,593*	*$547,230*
Total	**$1,121,392**	**$1,171,223**	**$1,270,524**	**$1,378,246**	**$1,445,421**

Source: TNDG.
1. The demand for retail sales estimates for the PMA include the retail expenditures in the PMA that are estimated to originate from shoppers who live in the SMA.
*Totals may not sum due to rounding.

In Riverside County communities/cities generally, a portion of retail demand is derived from non-residents. This non-resident component of the overall retail market usually includes sales attributable to some combination of highway travelers, other visitors and local businesses/institutions. Lake Elsinore draws a significant number of visitors to the City related to recreational at the lake. Based on data from CBSA and Dean Runyan Associates, Table 5-10 shows adjustment factors that are applied to resident demand numbers.

TABLE 5-10:
ADJUSTMENT FACTORS FOR VISITOR DEMAND (APPLIED AS A PERCENTAGE INCREASE TO TOTAL RESIDENT DEMAND)

Retail Category	2022	2025	2030	2035	2043
Shopper Goods					
Clothing and Clothing Accessories	1.04	1.04	1.04	1.04	1.04
General Merchandise	1.04	1.04	1.04	1.04	1.04
Home Furnishings and Appliances	1.04	1.04	1.04	1.04	1.04
Specialty/Other	1.04	1.04	1.04	1.04	1.04
Convenience Goods					
Food and Beverage	1.05	1.05	1.05	1.05	1.05
Food Services and Drinking	1.43	1.43	1.43	1.43	1.43
Heavy Commercial Goods					
Bldg. Matrl. & Garden Equip & Supplies	1.00	1.00	1.00	1.00	1.00
Motor Vehicle and Parts Dealers	1.00	1.00	1.00	1.00	1.00
Gasoline Stations	1.50	1.50	1.50	1.50	1.50
Source: CBSA, Dean Runyan Associates, TNDG.					

By applying the visitor-tourist factors in Table 5-10 to the potential resident demand numbers in Table 5-9, Table 5-11 projects the potential total market area demand (resident and visitor combined) in the LERTA for each retail category.

TABLE 5-11:
TOTAL POTENTIAL RETAIL SALES (RESIDENTS AND VISITOR)
LAKE ELSINORE RETAIL TRADE AREA – PMA[1]
IN THOUSANDS OF CONSTANT DOLLARS

Retail Category	2022	2025	2030	2035	2043
Shopper Goods					
Clothing and Clothing Accessories	$57,010	$59,413	$64,510	$70,044	$74,299
General Merchandise	238,053	249,238	270,093	292,693	303,051
Home Furnishings and Appliances	32,068	33,420	36,287	39,400	41,793
Specialty/Other	117,583	122,539	133,051	144,465	153,242
Subtotal	*$444,715*	*$464,610*	*$503,940*	*$546,601*	*$572,386*
Convenience Goods					
Food and Beverage	$154,711	$161,476	$175,217	$190,127	$200,100
Food Services and Drinking	173,397	180,883	196,319	213,072	224,866
Subtotal	*$328,108*	*$342,360*	*$371,536*	*$403,199*	*$424,966*
Heavy Commercial Goods					
Bldg. Matrl. & Garden Equip & Supplies	$92,426	$96,592	$104,754	$113,607	$118,765
Motor Vehicle and Parts Dealers	227,510	237,764	257,857	279,648	292,343
Gasoline Stations	157,869	164,772	178,793	194,007	204,184
Subtotal	*$477,804*	*$499,128*	*$541,404*	*$587,262*	*$615,292*
Total	**$1,250,627**	**$1,306,098**	**$1,416,881**	**$1,537,063**	**$1,612,643**

Source: TNDG.
1. The demand for retail sales estimates for the PMA include the retail expenditures in the PMA that are estimated to originate from shoppers who live in the SMA and from visitors.
*Totals may not sum due to rounding.

Based on potential retail demand estimates and projections shown above, Table 5-12 on the following page, provides a comparison of potential demand in the PMA with estimated sales in each retail category. The base year in this analysis is 2022, the most recent year for which full-year taxable sales data are available from the CDTFA. The difference in potential demand and estimated sales ("Expected Less Actual" column in Table 5-12) should be interpreted as potential supportable retail sales over and above existing estimated sales levels in the PMA. Put differently, the difference between potential demand and estimated sales is the existing estimated retail sales "leakage" in the PMA, or potential sales that could be "re-captured" with the development of additional retail facilities.

TABLE 5-12:
COMPARISON OF POTENTIAL DEMAND WITH ACTUAL SALES
LAKE ELSINORE RETAIL TRADE AREA – PMA
IN THOUSANDS OF DOLLARS

Retail Category	2022 Demand	2022 PMA Sales	Expected Less Actual	Percent/ Actual/ Expected
Shopper Goods				
Clothing and Clothing Accessories	$57,010	$32,892	$24,118	57.7%
General Merchandise	238,053	$288,358	(50,305)	121.1%
Home Furnishings and Appliances	32,068	$8,958	23,110	27.9%
Specialty/Other	117,583	$118,075	(492)	100.4%
Subtotal	*$444,715*	*$448,283*	*($3,568)*	*100.8%*
Convenience Goods				
Food and Beverage	$154,711	$144,744	$9,967	93.6%
Food Services and Drinking	173,397	158,572	14,825	91.5%
Subtotal	*$328,108*	*$303,316*	*$24,792*	*92.4%*
Heavy Commercial Goods				
Bldg. Matrl. & Garden Equip. & Supplies	$92,426	$93,147	($721)	100.8%
Motor Vehicle and Parts Dealers	227,510	229,953	(2,444)	101.1%
Gasoline Stations	157,869	154,658	3,211	98.0%
Subtotal	*$477,804*	*$477,758*	*$46*	*100.0%*
Total	**$862,922**	**$813,966**	**$48,956**	**94.3%**

Source: TNDG.

In subsequent years, incremental demand in the LERTA is projected to grow in proportion to population increases. Table 5-13, on the following page, shows the projected changes in incremental demand through 2043, the study period evaluated in this analysis.

TABLE 5-13:
TOTAL CAPTURE OF DEMAND FOR NEW RETAIL SALES
WITHIN PMA OF LAKE ELSINORE RETAIL TRADE AREA
IN THOUSANDS OF CONSTANT DOLLARS

Retail Category	2022	2025	2030	2035	2043
Shopper Goods					
Clothing and Clothing Accessories	$24,118	$26,429	$31,329	$36,651	$40,742
General Merchandise	0	10,755	30,807	52,538	62,498
Home Furnishings and Appliances	23,110	24,409	27,166	30,159	32,461
Specialty/Other	0	4,765	14,873	25,848	34,287
Subtotal	*$47,228*	*$66,358*	*$104,176*	*$145,196*	*$169,988*
Convenience Goods					
Food and Beverage	$9,967	$16,410	$29,496	$43,696	$53,194
Food Services and Drinking	14,825	20,060	30,855	42,570	50,817
Subtotal	*$24,792*	*$36,470*	*$60,351*	*$86,266*	*$104,012*
Heavy Commercial Goods					
Bldg. Matrl. & Garden Equip & Supplies	$0	$4,166	$12,329	$21,181	$26,339
Motor Vehicle and Parts Dealers	0	10,255	30,347	52,138	64,834
Gasoline Stations	3,211	7,813	17,160	27,303	34,088
Subtotal	*$3,211*	*$22,234*	*$59,836*	*$100,622*	*$125,260*
Total	**$28,003**	**$63,469**	**$135,060**	**$212,737**	**$263,559**

Source: TNDG.
*Totals may not sum due to rounding.

Supportable Retail Space

Sales per Square Foot Standards

Projected sales volume requirements per square foot of retail space by retail category are derived from typical sales per square foot data from representative stores in each retail category (as reported in the "Retail Sales Per Square Foot Report" from BizMiner).

TABLE 5-14:
SALES PER SQUARE FOOT FOR RETAIL SPACE
LAKE ELSINORE RETAIL TRADE AREA

Retail Category	Sales / Square Foot
Shopper Goods	
Clothing and Clothing Accessories	$325
General Merchandise	$300
Home Furnishings and Appliances	$500
Specialty/Other	$450
Convenience Goods	
Food and Beverage	$500
Food Service and Drinking	$500
Heavy Commercial Goods	
Bldg. Matrl. and Garden Equip. and Supplies	$375
Auto Parts	$250

Source: TNDG, based on data published by BizMiner.

Demand for New Retail Space

The sales per square foot standards are applied to the net demand numbers for each relevant retail category, as shown on Table 5-13, below. This calculation essentially converts potential sales volumes to supportable square feet of new retail space. Supportable development levels will increase in the future by virtue of anticipated growth of the population in the LERTA. Based on analysis of a proprietary database of shopping centers in a major metropolitan area, TNDG has determined that services space (e.g., dry cleaners, hair salons, banks, etc.) accounts for 10% to 25% of total shopping center space, depending on type of retail development (i.e., regional, community, neighborhood, etc.). Thus, this analysis assumes that, on average, services space accounts for 20% of total space in typical shopping center settings.

TABLE 5-15:
POTENTIAL DEMAND FOR NEW RETAIL SPACE
WITHIN PMA OF LAKE ELSINORE RETAIL TRADE AREA

Retail Category	2022	2025	2030	2035	2043
Clothing and Clothing Accessories	74,210	81,319	96,398	112,771	125,361
General Merchandise	0	35,850	102,691	175,127	208,327
Home Furnishings and Appliances	46,220	48,819	54,332	60,319	64,922
Specialty/Other	0	10,589	33,051	57,440	76,193
Food and Beverage	19,934	32,820	58,993	87,393	106,389
Food Services and Drinking	29,650	40,121	61,709	85,140	101,635
Bldg. Matrl & Garden Equip & Supplies	0	11,109	32,876	56,483	70,237
Auto Parts[1]	0	3,897	11,532	19,812	24,637
Services Space at 10% of Total	42,503	66,131	112,895	163,621	194,425
Total	**212,517**	**330,653**	**564,477**	**818,106**	**972,125**

Source: TNDG.
*Totals may not sum due to rounding.
1. Assumes that automotive parts stores account for 9.5% of sales in the overall Auto group category (based on the statewide average as reported by the CDTFA).

6. Industrial and Office Market Analysis

This chapter provides the background data and calculations for TNDG's projections of potential demand for industrial and office space in Lake Elsinore and the Inland Empire. The CoStar market data used in this chapter categorizes Lake Elsinore into the South Riverside submarket. However, Lake Elsinore is uniquely situated between two large submarkets. Thus, as a part of this analysis, TNDG has also included data from South Riverside's immediate competitor in the Inland Empire, the Corona-Eastvale submarket.

Table 6-1 summarizes existing industrial market conditions in Lake Elsinore and the Inland Empire. Key conditions include the following:

- Lake Elsinore has an existing industrial building inventory of 2.94 million square feet (MSF)
- The existing industrial inventory for the Inland Empire overall stands at just over 735 MSF.
- About 87% of Lake Elsinore's industrial space is logistics space (compared to 84% in the Inland Empire).
- Industrial vacancy rates are low in both Lake Elsinore (4.9%) and the Inland Empire (4.6%).

TABLE 6-1. EXISTING INDUSTRIAL MARKET CONDITIONS (2023). LAKE ELSINORE, INLAND EMPIRE

Area	Existing Inventory (Square Feet) Logistics	Flex/ Specialty	Total Industrial
Lake Elsinore	2,557,228	362,342	2,939,570
South Riverside	14,826,042	9,291,451	24,117,570
Corona-Eastvale	26,597,365	13,024,608	39,621,973
Inland Empire	618,795,410	117,145,598	735,941,008

Area	Market Rents by Product Type Logistics	Specialty Industrial	Flex Space
Lake Elsinore	N/A	N/A	N/A
South Riverside	$1.31	$1.43	$1.54
Corona-Eastvale	$1.30	$1.25	$1.43
Inland Empire	$1.16	$1.23	$1.53

Area	Existing Vacancy Rates by Product Type Logistics	Flex/ Specialty	Total
Lake Elsinore	4.7%	11.0%	4.9%
South Riverside	5.8%	2.9%	4.9%
Corona-Eastvale	9.7%	1.6%	4.6%
Inland Empire	4.8%	2.8%	4.6%

Source: CoStar; TNDG

Table 6-2 summarizes existing office market conditions in Lake Elsinore and the Inland Empire. Key conditions include the following:

- Lake Elsinore's existing inventory of office space totals just over 393,000 square feet, representing 5.8% of South Riverside's total office space.
- The existing office inventory for the Inland Empire overall stands at just over 77.5 MSF.
- About 8.3% of Lake Elsinore's office space is Class A space (compared to 11% in the Inland Empire).
- Office vacancy rates currently stand at 3.5% in Lake Elsinore, 3.6% in South Riverside, and 5.8% in the Inland Empire. Vacancy rates are currently higher in Class A buildings in Lake Elsinore (about 7.4%)

TABLE 6-2. EXISTING OFFICE MARKET CONDITIONS (2023). LAKE ELSINORE, INLAND EMPIRE

Area	Existing Inventory (Square Feet)			
	Class A	Class B	Class C	Total
Lake Elsinore	32,788	228,137	132,103	393,028
South Riverside	641,109	4,389,736	1,634,352	6,665,197
Corona-Eastvale	603,590	2,894,000	1,205,970	4,703,560
Inland Empire	8,900,641	37,069,690	31,537,102	77,507,433

Area	Market Rents by Product Type			
	Class A	Class B	Class C	Total
Lake Elsinore	N/A	N/A	N/A	N/A
South Riverside	$2.88	$2.23	$1.95	$2.22
Corona-Eastvale	$2.63	$2.29	$2.01	$2.26
Inland Empire	$2.71	$2.20	$1.89	$2.13

Area	Existing Vacancy Rates by Product Type			
	Class A	Class B	Class C	Total
Lake Elsinore	7.4%	3.2%	3.8%	3.5%
South Riverside	4.6%	3.9%	2.3%	3.6%
Corona-Eastvale	20.3%	6.3%	7.3%	8.4%
Inland Empire	6.3%	6.2%	5.3%	5.8%

Source: CoStar; TNDG

Table 6-3 summarizes absorption rates for office and industrial space in the Inland Empire over the past 10 years (absorption is defined as the net change in occupied space). Key observations include the following:

- During the pandemic, the sharp increase in e-commerce created a huge surge in demand for logistics space. Over the past three years (2021, 2022 and 2023), the Inland Empire has absorbed 46.4 million square feet of logistics space (an average of nearly 15.5 million square feet per year). For the prior seven years (2013-2020), countywide industrial absorption averaged 22.8 million square feet per year (97% was logistics).
- In the "specialized" industrial category (including manufacturing space), absorption rates in the Inland Empire have been negative in 4 of the last 10 years, reflecting an ongoing trend of net reduction in manufacturing firms and employment.
- In the "flex" category (hybrid buildings combining office and production space) the Inland Empire absorbed 966,000 square feet between 2013 and 2020. Absorption turned negative in 2018 and 2022 but continues to grow overall and did so at an annual rate of over 88,000 square feet between 2020-2023.
- Although the pandemic increased remote work, the Inland Empire did not experience a dramatic increase in office vacancy rates. Over the past three years (2021, 2022 and 2023), the Inland Empire has absorbed just over 1 million square feet of office space (an average of just over 340

thousand square feet per year). For the prior seven years (2013-2020), office absorption averaged 807 thousand square feet per year (with Class A buildings accounting for 22% of this demand).

TABLE 6-3. OFFICE AND INDUSTRIAL ABSORPTION RATES BY TIME PERIOD. INLAND EMPIRE, 2013-2023

Land Use Category	Net Absorption (Square Feet)			
	Total Change by Period		Average ANNUAL Change	
	2013-2020 (7-year trend)	2020-2023 (3-year trend)	2013-2020 (7-year trend)	2020-2023 (3-year trend)
Office				
Class A	1,248,694	172,322	178,385	57,441
Class B	3,771,876	847,348	538,839	282,449
Class C	632,870	3,910	90,410	1,303
Total	**5,653,440**	**1,023,580**	**807,634**	**341,193**
Industrial				
Logistics	154,134,528	46,441,856	22,019,218	15,480,619
Flex	966,612	265,632	138,087	88,544
Specialty	4,611,080	-691,728	658,726	-230,576
Total	**159,712,220**	**46,015,760**	**22,816,031**	**15,338,587**

Source: CoStar; TNDG

One commonly accepted methodology for projecting future demand for industrial and office space is to calculate the need for new space based on employment growth in industry sectors that utilize industrial and office facilities. In order develop customized employment projections for this study, TNDG reviewed county level forecasts from three different sources: EMSI, the Southern California Association of Governments (SCAG), and three CoStar projections (Base Case, Moderate Upside, and Conservative Scenario). Table 6-4 below summarizes the various projections of total employment, industrial-space employment, and office-based employment.

TABLE 6-4. TOTAL EMPLOYMENT, INDUSTRIAL EMPLOYMENT, AND OFFICE EMPLOYMENT BY YEAR. INLAND EMPIRE

Total Employment	2020	2023	2033	2043	Average Annual Jobs Growth 2023-2043
Inland Empire					
EMSI	1,743,394	1,953,556	2,222,350	2,359,636	20,304
SCAG	1,730,985	1,805,211	2,076,645	2,213,930	20,436
CoStar (Base Case)	1,518,341	1,673,255	1,853,970	1,991,256	15,900
CoStar (Moderate Upside)	1,518,341	1,695,772	1,872,844	2,010,134	15,718
CoStar (Conservative)	1,518,341	1,683,307	1,743,909	1,881,195	9,894
Employment in Relevant Land Use Categories (Inland Empire)					
Baseline Projection (EMSI)					
Logistics	209,176	262,510	313,541	N/A	N/A
Other Industrial	140,891	150,963	156,539	N/A	N/A
Office	272,293	299,707	333,460	N/A	N/A

Sources: EMSI; Southern California Association of Governments; Oxford Economics; TNDG.

Tables 6-5, 6-6, 6-7 and 6-8 on the next several pages provide the sequence of calculations for TNDG's projections of employment by industry and land use.

Table 6-5 shows historic and projected employment growth by major industry for the Inland Empire. These projections are based on EMSI data. As it relates to potential demand for industrial buildings, it is important to note that the baseline employment forecasts from EMSI indicate job *losses* in a key sector that typically utilizes industrial space. Between 2023 and 2033:

- Manufacturing employment in the Inland Empire is projected to decrease by 2% or about 2,700 jobs.
- These job losses are projected to be offset by the other sector that is a major industrial space user: employment in Transportation and Warehousing is projected to grow by 21% or about 64,000 jobs.

The baseline employment projections for 2023 to 2033 are more favorable for sectors typically associated with office space demand:

- Employment in Health Care and Social Assistance is projected to grow by 24% or nearly 63,500 jobs.
- Professional, Scientific and Technical Services is projected to grow by 17% or about 11,700 jobs.
- Administrative and Support and Waste Management is projected to grow by 14% or about 22,000 jobs.
- Other Services (only a portion of which would typically be located in office buildings) is projected to grow by 11% or about 8,800 jobs.

- These job gains will more than offset projected losses in other office-oriented sectors (Management of Companies and Enterprises is projected to lose about 2,200 jobs). Finance and Insurance (another office sector) is projected to remain essentially unchanged over the next 10 years.

Two other sectors are projected to gain substantial numbers of jobs over the next ten years:

- Educational Services is projected to add about 2,900 jobs.
- Government is projected to add about 32,900 jobs.

However, Education and Government jobs are mostly located in public/institutional buildings and therefore do not generate substantial demand for new office and industrial development.

Note that Table 6-5 also includes several other sectors that are not directly relevant to this analysis (since they are not predominantly based in office/industrial buildings):

- Agriculture, Forestry, Fishing and Hunting (projected to gain about 480 jobs)
- Mining, Quarrying, and Oil and Gas Extraction (projected to gain 890 jobs)
- Utilities (projected to lose 980 jobs)
- Construction (projected to gain 8,500 jobs)
- Retail Trade (projected to lose about 6,200 jobs)
- Arts, Entertainment and Recreation (projected to gain nearly 2,900 jobs)
- Accommodation and Food Services (projected to gain about 35,800 jobs)

TABLE 6-5. HISTORIC AND PROJECTED EMPLOYMENT BY MAJOR INDUSTRY GROUP, INLAND EMPIRE

Major Industry Group	2013	2020	2023	2033	% Change 2023-2033
Agriculture, Forestry, Fishing and Hunting	5,658	5,482	5,690	6,170	8%
Mining, Quarrying, and Oil and Gas Extraction	1,740	1,648	2,442	3,336	37%
Utilities	8,160	7,312	7,832	6,856	-12%
Construction	79,412	104,276	110,254	118,766	8%
Manufacturing	99,824	108,748	114,720	111,986	-2%
Wholesale Trade	70,290	82,198	86,752	95,050	10%
Retail Trade	177,368	175,980	189,456	195,680	3%
Transportation and Warehousing	111,480	228,810	296,898	360,652	21%
Information	11,394	9,980	11,028	12,438	13%
Finance and Insurance	33,724	32,344	31,324	31,706	1%
Real Estate and Rental and Leasing	19,986	26,276	29,662	33,912	14%
Professional, Scientific, and Technical Services	52,752	57,924	67,240	78,918	17%
Management of Companies and Enterprises	11,288	10,710	9,292	7,076	-24%
Administrative and Support and Waste Management and Remediation Services	116,432	128,008	154,574	176,622	14%
Educational Services	26,838	27,830	25,566	28,474	11%
Health Care and Social Assistance	193,106	243,188	262,752	326,274	24%
Arts, Entertainment, and Recreation	18,342	14,940	19,620	22,490	15%
Accommodation and Food Services	111,852	121,650	155,202	191,006	23%
Other Services (except Public Administration)	72,866	74,042	78,778	87,594	11%
Government	264,690	282,048	294,474	327,344	11%
Total/Overall	**1,487,202**	**1,743,394**	**1,953,556**	**2,222,350**	**14%**

Source: EMSI; TNDG.

To project demand for new industrial and office buildings, it is necessary to translate the industry-level employment projections into projections of the numbers of jobs associated with each land use category. In particular, the industry data are grouped in terms of the three land use categories relevant to this study:

- Office-based jobs
- Logistics related jobs
- Other jobs based in industrial buildings

Table 6-6 shows the correspondence between each major industry group and the relevant land use categories). These percentages have been derived by TNDG based on many years of studying this topic and have been calibrated to current conditions in the Inland Empire based on EMSI employment data and CoStar real estate data. As an example of how Table 6 is applied

in the analysis: there are currently approximately 115,000 manufacturing jobs in the Inland Empire. Per Table 6-6, the analysis estimates that 25% of these jobs (or 28,750 workers) are based in office buildings and 75% (or 86,250) are based in industrial buildings (specifically in the "other"/non-logistics sub-category of industrial space).

TABLE 6-6. LAND USE - INDUSTRY CORRESPONDENCE MATRIX (SHOWS PERCENTAGES OF JOBS IN EACH INDUSTRY THAT ARE ASSOCIATED WITH EACH MAJOR LAND USE CATEGORY)

Major Industry Group	Office	Logistics	Other Industrial[1]	Other Land Uses[2]	Total
Agriculture, Forestry, Fishing and Hunting	0%	0%	0%	100%	100%
Mining, Quarrying, Oil & Gas Extraction	0%	0%	0%	100%	100%
Utilities	5%	0%	5%	90%	100%
Construction	5%	0%	5%	90%	100%
Manufacturing	25%	0%	75%	0%	100%
Wholesale Trade	20%	35%	30%	15%	100%
Retail Trade	5%	5%	0%	90%	100%
Transportation and Warehousing	0%	75%	0%	25%	100%
Information	80%	0%	0%	20%	100%
Finance and Insurance	80%	0%	0%	20%	100%
Real Estate and Rental and Leasing	80%	0%	0%	20%	100%
Professional, Scientific and Technical Services	50%	0%	20%	30%	100%
Management of Companies and Enterprises	80%	0%	0%	20%	100%
Administrative and Support and Waste Management	50%	0%	5%	45%	100%
Educational Services	5%	0%	0%	95%	100%
Health Care and Social Assistance	15%	0%	0%	85%	100%
Arts, Entertainment and Recreation	10%	0%	0%	90%	100%
Accommodation and Food Services	0%	0%	0%	100%	100%
Other Services	25%	0%	15%	60%	100%
Public Administration	0%	0%	0%	100%	100%

1. Includes manufacturing, flex, and misc. industrial space (other than distribution/warehousing).

2. Includes retail, hospitality, recreational, and institutional land uses; also includes employment not associated with specific commercial/industrial buildings (e.g., construction workers on job sites, farmworkers, work-from-home employees, etc.).

Source: TNDG (calibrated based on EMSI and CoStar data)

Based on the various data sources reviewed for this study, TNDG developed two customized employment growth scenarios for the 10-year forecast horizon (2023-2033): 1) a "baseline" scenario derived from the industry-by-industry EMSI forecasts for the Inland Empire (shown on Table 6-5 above), and 2) an "aggressive" scenario in which growth in the Inland Empire is expected to mirror statewide trends more closely.

Table 6-7 below shows the percentage growth rates (derived from EMSI) associated with the "baseline" forecast scenario. The percentage growth rates for the Inland Empire column are the same as shown on Table 6-5 above. The growth rates for the Inland Empire, California, and the United States are provided for comparison purposes.

TABLE 6-7. PROJECTED EMPLOYMENT GROWTH BY MAJOR INDUSTRY GROUP. INLAND EMPIRE, CALIFORNIA, UNITED STATES

Major Industry Group	Percentage Change in Employment 2023-33:		
	Inland Empire	California	United States
Agriculture, Forestry, Fishing and Hunting	8%	10%	9%
Mining, Quarrying, and Oil and Gas Extraction	37%	9%	15%
Utilities	-12%	4%	0%
Construction	8%	9%	7%
Manufacturing	-2%	1%	4%
Wholesale Trade	10%	0%	6%
Retail Trade	3%	4%	3%
Transportation and Warehousing	21%	16%	12%
Information	13%	15%	13%
Finance and Insurance	1%	6%	9%
Real Estate and Rental and Leasing	14%	6%	7%
Professional, Scientific, and Technical Services	17%	15%	15%
Management of Companies and Enterprises	-24%	3%	7%
Administrative and Support and Waste Management and Remediation Services	14%	10%	9%
Educational Services	11%	19%	16%
Health Care and Social Assistance	24%	25%	16%
Arts, Entertainment, and Recreation	15%	19%	16%
Accommodation and Food Services	23%	21%	16%
Other Services (except Public Administration)	11%	12%	11%
Government	11%	9%	5%
Total/Overall	14%	12%	10%

Source: TNDG (calibrated based on EMSI and CoStar data)

Table 6-8 summarizes the projected employment growth rates by land use category. The baseline forecasts (derived from EMSI data) are shown for the following geographic areas: Inland Empire, California, and United States.

TABLE 6-8. PROJECTED EMPLOYMENT GROWTH BY LAND USE CATEGORY, 2023-2033.
ORANGE COUNTY, LOS ANGELES COUNTY, CALIFORNIA, AND U.S.

Geographic Area	Office	Logistics	Other Industrial	Total Industrial
Inland Empire	11.3%	19.4%	3.7%	13.7%
California	11.0%	11.5%	5.2%	7.4%
United States	10.1%	10%	6.5%	7.7%

Source: TNDG (calibrated based on EMSI and CoStar data)

Tables 6-9 through 6-11 provide TNDG's forecasts of industrial and office building demand for the Inland Empire and Lake Elsinore. Two distinct forecasting methodologies are applied, allowing for the demand projects to be expressed in terms of a range (rather than a single forecast number for each land use):

Method 1 (Recent Historic Absorption Trends). For industrial buildings, this methodology forecasts demand based on a continuation of the strong industrial absorption rate that has been in evidence throughout the region over the past ten years.

Method 2 (Projected Industrial Employment Growth) – This methodology forecasts future space demand based on projected employment growth in industry sectors that utilize industrial and office buildings (as summarized in Tables 6-5 through 6-8 above).

Table 6-9 shows TNDG's 10-year projection of industrial building demand in the Inland Empire based on projection Method 1 (continuation of recent historic absorption trends). The Inland Empire absorbed industrial space at an average rate of more than 15.3 million square feet per year between 2020 and 2023, and TNDG believes this accelerated pace will continue in the coming ten-year period. Based on longer-term averages (for the ten-year historic period between 2013 and 2023), TDNG believes a future absorption rate of 15.3 million per year (or 153 MSF for the 10-year forecast period) is sustainable. In addition, the existing low industrial vacancy rates in the Inland Empire represent "pent up" demand that can support new construction over and above the new demand indicated for the forecast period. Thus, as shown on Table 6-9 below, the total potential industrial building opportunity in the Inland Empire over the next 10 years is projected at 156.8 MSF (including 153 MSF of new demand and 3.8 MSF of existing pent-up demand).

Table 6-9 also projects office demand based on projection Method 1. TNDG believes the pace of office absorption will reduce slightly in the next ten years, for an annual absorption rate of 280,000 between 2023 and 2033. After adjusting for the current oversupply (estimated at 900,000 in the Inland Empire), the net demand for new office construction is projected at just under 1.9 MSF.

TABLE 6-9. PROJECTION OF DEMAND FOR NEW OFFICE AND INDUSTRIAL SPACE.
METHODOLOGY 1: RECENT HISTORIC ABSORPTION TREND

Building Category	Average Annual 2013-20	Average Annual 2020-23	Projected Annual Demand	Applied to 10-yr Forecast	Adjustment for Current Undersupply (Oversupply)	Construction Demand
Industrial						
Logistics	22,019,218	15,480,619	15,000,000	150,000,000	1,200,000	151,200,000
Flex/Specialty	796,813	-142,032	300,000	3,000,000	2,600,000	5,600,000
Total	**22,816,031**	**15,338,587**	**15,300,000**	**153,000,000**	**3,800,000**	**156,800,000**
Office						
Class A	178,385	57,441	200,000	2,000,000	(200,000)	1,800,000
Class B	538,839	282,449	80,000	800,000	(700,000)	100,000
Class C	90,410	1,303	N/A	N/A	N/A	N/A
Total	**807,364**	**341,193**	**280,000**	**2,800,000**	**(900,000)**	**1,900,000**

Source: TNDG

Table 6-10 shows TNDG's projections of industrial and office space demand in the Inland Empire using Method 2 (demand projected based on anticipated employment growth in relevant industries).

The Inland Empire's industrial employment is projected to grow by 57,600 in the coming ten-year period. As shown on the table, TNDG has used standard employment density factors to translate these numbers of jobs into demand for new space.

Total new demand for industrial buildings is projected at 159 MSF for the 10-year projection period (154.8 MSF for logistics buildings and total 4.2 MSF for manufacturing/R&D space). In addition, pent-up demand related to the low existing vacancy rates creates development opportunities for an additional 3.8 MSF of industrial space. Thus, the total potential industrial building opportunity in the Inland Empire over the next 10 years is projected under Method 2 at 162.8 MSF (including 159 MSF of new demand and 3.8 MSF of existing pent-up demand).

Table 6-10 also projects office demand based on 10-year growth in office employment of 34,000 jobs. Total office demand between 2023 and 2033 is projected at about 4.25 MSF. However, much of this demand would be fulfilled in existing vacant office space. After adjusting for the current oversupply (estimated at 1.8 MSF in the Inland Empire), the net demand for new office construction is projected at just under 2.45 MSF.

TABLE 6-10. PROJECTION OF DEMAND FOR NEW OFFICE AND INDUSTRIAL SPACE.
METHODOLOGY 2: PROJECTED EMPLOYMENT GROWTH

Projection Scenario	New Jobs 2023-33	Square Feet per New Job	Absorption Demand	Adjustment for Current Undersupply (Oversupply)	Construction Demand
Logistics	51,600	3,000	154,800,000	1,200,000	154,200,000
Other Industrial	6,000	700	4,200,000	2,600,000	6,800,000
Industrial Total	57,600	2,760	159,000,000	3,800,000	**162,800,000**
Office	34,000	125	4,250,000	(1,800,000)	**2,450,000**

Source: TNDG

Table 6-11A and 6-11B project the share of countywide demand that could potentially be captured by new office and industrial development in Lake Elsinore. Table 6-11A projects potential share between 2023-2033, while 6-11B projects between the following ten years, from 2033-2043[7]. For planning purposes, TNDG has projected that Lake Elsinore can achieve a capture rate of 1.5% of the Inland Empire's office demand during the 2023-2033 period, increasing to 3.0% during the 2033-2043 period. Lake Elsinore is projected to capture 3.0% of the Inland Empire's industrial demand during the entire study period. While Lake Elsinore currently accounts for 0.5% of the Inland Empire's office space and 0.3% of Inland Empire's industrial space, these capture rates are realistic as it highlights the city's growing demand for both office and industrial space. Currently, Lake Elsinore has over 2.5 MSF of industrial space in its project pipeline and is expected to see even more demand in the coming years. Within industrial demand, around 40% demand is for logistics space, while the other 60% is for specialty and flex space. Similarly, Lake Elsinore's demand for office space is growing, predominantly in the medical office subsector. The City currently has 5.7 square feet of medical office space per household. Comparatively, this figure is about 14 for the Corona/Eastvale market, an aspirational benchmark region in terms of urban development patterns. Based on a factor or 10.0 SF/household (the approximate midpoint between the two factors), projected population growth in the City would drive demand for about 81,000 square feet of new medical office space during the 20-year study period. This would account for a substantial portion of the demand for new office space, as shown in Table 6-11A.

[7] EMSI Industry employment trends for the 2023-2033 forecast period are extrapolated to the 2033-2043 forecast period, which provides a forecast of off office-related employment based on 2033-2043 total employment forecasts.

TABLE 6-11A. PROJECTION OF DEMAND FOR NEW OFFICE AND INDUSTRIAL SPACE, 2023-2033. POTENTIAL LAKE ELSINORE CAPTURE RATES OF INLAND EMPIRE DEMAND

Land Use	Inland Empire Demand	Potential Lake Elsinore Share	Potential Lake Elsinore Demand
Office Space			
Scenario 1 (Historic Absorption Trend)	1,900,000	1.5%	28,500
Scenario 2 (Employment-Based Growth)	2,450,000	1.5%	36,750
Industrial Space			
Scenario 1 (Historic Absorption Trend)	156,800,000	3.0%	4,700,000
Scenario 2 (Employment-Based Growth)	162,800,000	3.0%	4,880,000

Source: TNDG

TABLE 6-11B. PROJECTION OF DEMAND FOR NEW OFFICE AND INDUSTRIAL SPACE, 2033-2043. POTENTIAL LAKE ELSINORE CAPTURE RATES OF INLAND EMPIRE DEMAND

Land Use	Inland Empire Demand	Potential Lake Elsinore Share	Potential Lake Elsinore Demand
Office Space			
Scenario 1 (Historic Absorption Trend)	1,900,000	3.0%	57,000
Scenario 2 (Employment-Based Growth)	2,880,000	3.0%	86,000
Industrial Space			
Scenario 1 (Historic Absorption Trend)	103,800,000	3.0%	3,114,000
Scenario 2 (Employment-Based Growth)	107,800,000	3.0%	3,234,000

Source: TNDG

7. Hotel Market Overview

This chapter includes an overview of hotel market conditions in and around Lake Elsinore, based primarily on data available from CoStar. It also provides detailed projections of demand for future hotel development in the city.

For statistical purposes, CoStar includes Lake Elsinore in the "Riverside Surrounding" submarket (including Lake Elsinore). This submarket currently has over 10,000 hotel rooms in 151 properties. The average hotel in the submarket has 69 rooms. Out of the total rooms in the submarket, around 46% are Midscale & Economy, another 47% are Upscale & Upper Midscale, and the remaining 7% are Luxury & Upper Upscale The submarket has experienced occupancy levels in the past year close to its five-year lows (66.4% twelve-month average occupancy rate). Still, compared to monthly occupancy rates of 36.1% and an annual rate of 57.8% during the COVID-19 pandemic, the submarket has experienced significant recovery. Average Daily Rates (ADR) and Revenue per Available Room (RevPAR) have both declined in the past three months, by 3.6% and 8.8% respectively. However, with six new projects in the pipeline containing over 670 rooms, ADR, RevPAR, and occupancy rates are all expected to increase over the next twelve months.

Lake Elsinore has a total of 438 hotel rooms and has not seen new hotel construction since 2007. However, two new buildings have been proposed that if built, would add an additional 240 rooms to the existing inventory.

Riverside Surrounding Submarket:

- The submarket currently has 10,492 existing hotel rooms, as well as an additional 669 rooms under construction.
- Over the past 12 months, hotel rooms in the Riverside Surrounding Submarket have had an average occupancy rate of 66.4%.
- During this period, occupancy has dropped by 3.4%
- The submarket is currently experiencing an occupancy level close to its five-year lows.
- Currently, the occupancy rate sits at 62.8%
- Similarly, the 12-month ADR average is $131.95, dropping by an average of 0.1% during that period. The current ADR in the submarket is $128.88.
- RevPAR has also dropped by an average of 3.5% in the last year, currently sitting at $80.94 compared to a 12-month average of $87.55.
- Overall, while supply has increased by an average of 1.8% over the past two years, demand has decreased by an average of 1.8%.
- Supply is expected to grow by 4.4% in 2024, likely due to the new developments under construction.
- Demand is also expected to grow by 1.6% in 2024.
- While the submarket has seen declining occupancy, ADR, and RevPAR, all three metrics are expected to increase over the next 12 months.
    - Occupancy expected to increase to a 12-month average of 65.1%

- ADR expected to increase to a 12-month average of $142.02.
- RevPAR expected to increase to a 12-month average of $92.48.

Lake Elsinore:

- Lake Elsinore has a total of 438 available rooms, making up around 4.2% of the submarket's total hotel room inventory.
- Two new buildings have been proposed, the Artisan Alley at The Diamond containing 130 rooms set to open in 2026, and the Hampton Inn & Suites by Hilton Lake Elsinore containing 110 rooms set to open in 2027.
- The California Inn Hotel, built in 1887 and containing 36 rooms has been permanently closed.
- The two most recent hotels were constructed in 2007, the Holiday Inn Express & Suites Lake Elsinore and the Best Western Plus Lake Elsinore Inn & Suites, containing 73 and 71 rooms respectively.

Hotel Room Demand Projections

Table 7-1 shows the projected demand for new hotel rooms within the Riverside Surrounding region, through 2043. The projection model assumes an equilibrium occupancy rate of 70% (typical for this area and its stage of hotel development), and because current occupancy rates are relatively low, future demand for hotel rooms begins in 2025 under the robust scenario, and 2027 for the baseline scenario. By 2043, for the Riverside Surrounding region, over 27,000 rooms would be in demand under the robust scenario, compared to 8,900 under the baseline scenario.

The corresponding estimated Lake Elsinore shares would be approximately 1,130 rooms for the robust scenario and 370 rooms under the baseline scenario, by 2043. According to hotel data for Lake Elsinore and surrounding communities from STR, the group of hotels within just Lake Elsinore have considerably lower average occupancy rate levels than the region average, during the period from 2021 through 2023. Consequently, the point in time at which demand levels would trigger new hotel development in Lake Elsinore may lag what is shown in the table, while occupancy rates catch up.

TABLE 7-1. PROJECTED DEMAND FOR NEW HOTEL ROOMS
RIVERSIDE SURROUNDING HOTEL MARKET REGION AND LAKE ELSINORE

Scenario	2023	2025	2027	2029	2031	2033	2035	2037	2039	2041	2043
Baseline Scenario											
Existing Room Supply (room-nights)	3,763,315	4,006,119	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315
Annual Room Demand[1] (room-nights)	2,468,767	2,644,605	2,832,967	3,034,745	3,250,895	3,482,440	3,730,476	3,996,180	4,280,808	4,585,708	4,912,325
Room Occupancy Rate[2]	65.6%	66.0%	75.3%	80.6%	86.4%	92.5%	99.1%	100.0%	100.0%	100.0%	100.0%
Cumulative Supported New Room-Nights at 70% Occupancy	0	0	283,781	572,035	880,820	1,211,599	1,565,937	1,945,513	2,352,124	2,787,696	3,254,292
Cumulative Supported New Rooms	0	0	777	1,567	2,413	3,319	4,290	5,330	6,444	7,638	8,916
Lake Elsinore Estimated Share	0	0	32	65	101	139	179	223	269	319	372
Robust Scenario											
Existing Room Supply	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315	3,763,315
Annual Room Demand[1]	2,468,767	2,826,491	3,236,050	3,704,954	4,241,801	4,856,438	5,560,136	6,365,800	7,288,204	8,344,265	9,553,349
Room Occupancy Rate[2]	65.6%	75.1%	86.0%	98.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cumulative Supported New Room-Nights at 70% Occupancy	0	274,530	859,613	1,529,476	2,296,401	3,174,454	4,179,737	5,330,685	6,648,406	8,157,064	9,884,327
Cumulative Supported New Rooms	0	752	2,355	4,190	6,292	8,697	11,451	14,605	18,215	22,348	27,080
Lake Elsinore Estimated Share	0	31	98	175	263	363	478	610	760	933	1,131

Notes:
1. Low Scenario assumes an annual growth rate of 3.5%
2. High Scenario assumes an annual growth rate of 7.0%
2. Occupancy rate constrained at 100%.
Source: TNDG; STR

Appendix A: Housing Development Details

NEW SINGLE-FAMILY HOME MODELS FOR VARIOUS COMMUNITIES IN WEST RIVERSIDE COUNTY

Community	Builder	Models	Sales Price		Bed		Bath		BSF		Garage	Story	PSF	
			Min	Max	Min	Max	Min	Max	Min	Max			Min	Max
Corona														
Averly at Bedford	Tri Pointe	3	$558,000	$607,000	-	3	-	2.5	1,303	1,544	2	All 2	$393.13	$428.24
Coda at Bedford	Beazer	4	$592,990	$649,990	3	4	2	3	1,535	1,810	2	All 2	$359.11	$386.31
Ellis at Bedford	New Home Co.	6	$695,990	$727,990	-	3	-	2.5	1,730	2,013	2	All 2	$361.64	$402.31
Harper at Bedford	Taylor Morrison	12	$844,990	$973,160	4	5	3	3.5	2,466	2,840	2	All 2	-	$342.66
Horizons at Terramor	Richmond Amer.	5	$754,990	$830,880	3	5	2.5	3	2,380	3,040	2	All 2	$273.32	$317.22
Monroe at Bedford	New Home Co.	6	$734,990	$870,990	3	4	2.5	3	1,826	2,175	2	All 2	$400.46	$402.51
Serrano	Taylor Morrison	10	$629,990	$760,015	3	4	2.5	3	1,732	2,238	2	All 2	$339.60	$363.74
Skyview at Terramor	Richmond Amer.	6	$578,990	$675,276	2	4	2	2.5	1,450	2,000	2	Mostly 1	$337.64	$399.30
Tesoro at Terramor	Richmond Amer.	7	$718,990	$863,889	3	5	2.5	3	1,930	2,640	2	All 2	$327.23	$372.53
Wyatt at Bedford	Tri Pointe	3	$600,000	$700,000	-	3	-	2.5	1,450	1,785	2	All 2	$392.16	$413.79
Lake Elsinore														
Villa Real at Terracina	KB	6	$554,990	$629,990	3	6	2	3	1,539	2,517	2	Half 1&2	$250.29	$360.62
Carrera at Terracina	KB	6	$542,990	$614,990	3	5	2	3	1,435	2,389	2	Mostly 2	$257.43	$378.39
Crimson Hills	KB	6	$554,990	$659,990	3	6	2	3	1,551	2,882	2	Mostly 1	$229.00	$357.83
Hilltop at Nichols Ranch	Meritage	3	$567,000	$596,000	4	5	-	3	2,020	2,427	2	All 2	$245.57	$280.69
Highlands at Nichols Ranch	Meritage	4	$604,000	$649,000	4	5	-	3	2,320	2,948	2	All 2	$220.15	$260.34
Running Deer Estates	Richmond Amer.	5	$584,990	$640,990	2	3	2	3	2,012	2,480	2	All 1	$258.46	$290.75
Menifee														
Durango at Shadow Mountain	KB	2	$593,990	$639,990	3	4	-	2	2,381	2,681	2	All 1	$238.71	$249.47
Oak Shade at Shadow Mountain	KB	7	$523,990	$604,990	3	5	2	3.5	1,472	2,766	2	Mostly 2	$218.72	$355.97
Sky View	Woodside	7	$553,000	$686,500	2	4	2	3	1,755	3,080	2	Half 1&2	$222.89	$315.10
Quartz Ranch - Meadow Walk	Lennar	7	$550,515	$621,220	3	4	2	3	1,823	2,590	2	All 2	$239.85	$301.98
Quartz Ranch - Canyon View	Lennar	7	$614,640	$833,350	4	6	2.5	4.5	2,649	4,134	2	All 2	$201.58	$232.03
Quartz Ranch - Ridgeline	Lennar	9	$677,924	$690,580	3	4	2	3.5	1,950	2,767	2	All 1	$249.58	$347.65
The Village	Century Comm.	12	$491,990	$549,740	3	4	2.5	3	2,021	2,420	2	All 2	$227.17	$243.44
Sage at Sumac Ridge	Meritage	7	$560,000	$642,295	4	5	2.5	3	1,910	2,948	2	Mostly 2	$217.87	$293.19
Legacy at Braverde	Richmond Amer.	11	$590,990	$815,167	3	5	2.5	3.5	2,780	3,510	2	All 2	$212.59	$232.24

Community	Builder	Models	Sales Price		Bed		Bath		BSF		Garage	Story	PSF	
			Min	Max	Min	Max	Min	Max	Min	Max			Min	Max
Cedar at Sumac Ridge	Meritage	3	$628,000	$657,000	4	5	3	3.5	2,527	3,247	2	Mostly 2	$202.34	$248.52
Liberty at Braverde	Richmond Amer.	5	$583,990	$805,990	3	4	2.5	3.5	2,290	2,610	2	All 1	$255.02	$308.81
Heritage at Braverde	Richmond Amer.	7	$586,990	$693,525	4	5	3	3.5	2,480	2,940	2	All 2	$235.89	$236.69
Noble at Audie Murphy Ranch	Richmond Amer.	9	$622,990	$817,733	3	4	2	3	2,270	3,130	2	All 1	$261.26	$274.44
Murrieta														
Poppy Lane	Legacy Homes	13	$482,990	$523,235	2	3	-	2.5	1,432	1,628	2	All 2	$321.40	$337.28
Willow Springs - Serenity	Lennar	7	$625,490	$690,105	4	5	-	3	2,202	2,700	2	All 2	$255.59	$284.06
Willow Springs - Reflections	Lennar	7	$562,205	$622,355	3	4	2.5	3	1,937	2,253	2	All 2	$276.23	$290.25
Perris														
Seasons at Green Valley Ranch	Richmond Amer.	6	$513,990	$592,761	3	4	2	3	1,400	2,370	2	All 2	$250.11	$367.14
Willowbend	D.R. Horton	10	$567,990	$622,490	4	5	3	3.5	1,898	2,537	2	Mostly 2	$245.36	$299.26
Temecula														
Arborly at Sommers Bend	Woodside	3	$616,000	$703,000	-	3	-		1,837	2,442	2	All 2	$287.88	$335.33
Blossom at Sommers Bend	Woodside	5	$510,000	$546,000	3	4	2	3.5	1,482	1,838	2	All 2	$297.06	$344.13
Discovery at Sommers Bend	Woodside	3	$461,000	$499,000	2	3	-	2.5	1,225	1,788	2	All 2	$279.08	$376.33
Esplanade at Sommers Bend	Taylor Morrison	10	$749,990	$919,990	2	3	2.5	3.5	1,850	2,574	2	All 1	$357.42	$405.40
Medley at Sommers Bend	Woodside	3	$616,000	$703,000	-	3	2.5	3	1,837	2,442	2	All 2	$287.88	$335.33
Revel at Sommers Bend	Woodside	7	$554,000	$643,044	3	4	2	3	1,738	2,165	2	All 2	$297.02	$318.76
Upton at Sommers Bend	Woodside	6	$739,500	$895,000	3	5	3	4.5	2,241	3,795	2	All 2	$235.84	$329.99
Crimson at Heirloom Farms	Meritage	4	$540,000	$584,330	3	4	-	2.5	1,504	1,714	2	All 2	$340.92	$359.04
Sultana at Heirloom Farms	Meritage	7	$484,000	$593,295	2	4	2.5	3.5	1,387	1,893	2	All 2	$313.42	$348.95
Valiant at Heirloom Farms	Meritage	3	$606,000	$667,000	3	4	2.5	3	1,731	2,155	2	All 2	$309.51	$350.09
Wildomar														
Verono	KB Homes	4	$559,990	$617,990	3	4	-	2	1,508	2,238	2	All 1	$276.13	$371.35
Boulder Creek	Beazer	10	$649,990	$758,210	3	5	2	3	2,316	3,463	3	Half 1&2	$276.13	$371.35
Horizon Place	Lennar	7	$423,990	$469,990	-	3	-	2.5	1,378	1,692	2	All 2	$277.77	$307.69
Homestead	Richmond Amer.	4	$541,990	$658,990	-	3	2	2.5	2,190	2,540	3	All 1	$259.44	$247.48

1. Note that in the instance where there was not a range of values, only the maximum value is listed.

Source: New Home Source; TNDG.

Appendix B: Retail Demand Model

Table B-1
Population Projections
Lake Elsinore Retail Trade Area

Area	2022	2025	2030	2035	2043
Primary Market Area (PMA)	71,313	74,319	80,694	87,617	92,940
Secondary Market Area (SMA)	192,979	202,418	219,186	237,343	243,352
Total Market Area	264,292	276,736	299,880	324,959	336,292

Source: ESRI: Southern California Association of Governments (SCAG)

Table B-2
Per Capita Income Projections
Lake Elsinore Retail Trade Area
in Constant 2022 dollars

	2022
PMA	$30,970
SMA	$35,854
Annual Increase Factor	0.00%

Area	2022	2025	2030	2035	2043
PMA	$30,970	$30,970	$30,970	$30,970	$30,970
SMA	$35,854	$35,854	$35,854	$35,854	$35,854

Source: ESRI; U.S. Census Bureau; TNDG.

Table B-3
Total Income and Potential Retail Sales Projections
Lake Elsinore Retail Trade Area
In thousands of constant dollars

	PMA	SMA
Percent of Income Spent on Retail Goods	36.5%	35.6%

Area	2022	2025	2030	2035	2043
Total Income:					
PMA	$2,208,601	$2,301,681	$2,499,135	$2,713,529	$2,878,384
SMA	$6,919,049	$7,257,459	$7,858,655	$8,509,652	$8,725,123
Total	$9,127,650	$9,559,140	$10,357,790	$11,223,181	$11,603,508
Potential Retail Sales:					
PMA	$806,139	$840,114	$912,184	$990,438	$1,050,610
SMA	$2,463,182	$2,583,655	$2,797,681	$3,029,436	$3,106,144
Total	$3,269,321	$3,423,769	$3,709,865	$4,019,874	$4,156,754

Source: TNDG, Consumer Expenditure Survey, U.S. Census Bureau.

Table B-4
Distribution of Retail Sales by Retail Category
Lake Elsinore Retail Trade Area

Retail Category	%Distribution 2022	%Distribution 2025	%Distribution 2030	%Distribution 2035	%Distribution 2043
Shopper Goods:					
Clothing and Clothing Accessories	8.0%	8.0%	8.0%	8.0%	8.0%
General Merchandise	9.5%	9.5%	9.5%	9.5%	9.5%
Home Furnishings and Appliances	4.5%	4.5%	4.5%	4.5%	4.5%
Specialty/Other	16.5%	16.5%	16.5%	16.5%	16.5%
Subtotal	38.5%	38.5%	38.5%	38.5%	38.5%
Convenience Goods:					
Food and Beverage	14.0%	14.0%	14.0%	14.0%	14.0%
Food Service and Drinking	15.0%	15.0%	15.0%	15.0%	15.0%
Subtotal	29.0%	29.0%	29.0%	29.0%	29.0%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	6.5%	6.5%	6.5%	6.5%	6.5%
Motor Vehicle/Other Vehicle Dealers	16.0%	16.0%	16.0%	16.0%	16.0%
Gasoline Stations	10.0%	10.0%	10.0%	10.0%	10.0%
Subtotal	32.5%	32.5%	32.5%	32.5%	32.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG, based on historical taxable sales trends for Ventura County.

Table B-5
Projected Demand for Retail Sales by Major Retail Category
Lake Elsinore Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$64,491	$67,209	$72,975	$79,235	$84,049
General Merchandise	76,583	79,811	86,658	94,092	99,808
Home Furnishings and Appliances	36,276	37,805	41,048	44,570	47,277
Specialty/Other	133,013	138,619	150,510	163,422	173,351
Subtotal	$310,364	$323,444	$351,191	$381,319	$404,485
Convenience Goods:					
Food and Beverage	$112,860	$117,616	$127,706	$138,661	$147,085
Food Service and Drinking	120,921	126,017	136,828	148,566	157,592
Subtotal	$233,780	$243,633	$264,533	$287,227	$304,677
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$52,399	$54,607	$59,292	$64,378	$68,290
Motor Vehicle/Other Vehicle Dealers	128,982	134,418	145,950	158,470	168,098
Gasoline Stations	80,614	84,011	91,218	99,044	105,061
Subtotal	$261,995	$273,037	$296,460	$321,892	$341,448
Total	$806,139	$840,114	$912,184	$990,438	$1,050,610

Source: TNDG

Table B-6
Projected Demand for Retail Sales by Major Retail Category
Lake Elsinore Retail Trade Area - SMA
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$197,055	$206,692	$223,814	$242,355	$248,492
General Merchandise	234,002	245,447	265,780	287,796	295,084
Home Furnishings and Appliances	110,843	116,264	125,896	136,325	139,776
Specialty/Other	406,425	426,303	461,617	499,857	512,514
Subtotal	$948,325	$994,707	$1,077,107	$1,166,333	$1,195,865
Convenience Goods:					
Food and Beverage	$344,845	$361,712	$391,675	$424,121	$434,860
Food Service and Drinking	369,477	387,548	419,652	454,415	465,922
Subtotal	$714,323	$749,260	$811,328	$878,537	$900,782
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$160,107	$167,938	$181,849	$196,913	$201,899
Motor Vehicle/Other Vehicle Dealers	394,109	413,385	447,629	484,710	496,983
Gasoline Stations	246,318	258,366	279,768	302,944	310,614
Subtotal	$800,534	$839,688	$909,246	$984,567	$1,009,497
Total	$2,463,182	$2,583,655	$2,797,681	$3,029,436	$3,106,144

Source: TNDG

Table B-7
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Lake Elsinore Retail Trade Area - PMA

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	85.0%	85.0%	85.0%	85.0%	85.0%
General Merchandise	85.0%	85.0%	85.0%	85.0%	85.0%
Home Furnishings and Appliances	85.0%	85.0%	85.0%	85.0%	85.0%
Specialty/Other	85.0%	85.0%	85.0%	85.0%	85.0%
Convenience Goods:					
Food and Beverage	100.0%	100.0%	100.0%	100.0%	100.0%
Food Service and Drinking	85.0%	85.0%	85.0%	85.0%	85.0%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	100.0%	100.0%	100.0%	100.0%	100.0%
Motor Vehicle/Other Vehicle Dealers	100.0%	100.0%	100.0%	100.0%	100.0%
Gasoline Stations	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TNDG

Note: GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel (Clothing and Accessories), Furniture (Home Furnishings and Appliances), and Other (Specialty/Other).

Table B-8
Potential Capture of Market Area Demand for Retail Sales Expressed in Percentages
Lake Elsinore Retail Trade Area - SMA

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	0.0%	0.0%	0.0%	0.0%	0.0%
General Merchandise	70.0%	70.0%	70.0%	70.0%	70.0%
Home Furnishings and Appliances	0.0%	0.0%	0.0%	0.0%	0.0%
Specialty/Other	0.0%	0.0%	0.0%	0.0%	0.0%
Convenience Goods:					
Food and Beverage	10.0%	10.0%	10.0%	10.0%	10.0%
Food Service and Drinking	5.0%	5.0%	5.0%	5.0%	5.0%
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	25.0%	25.0%	25.0%	25.0%	25.0%
Motor Vehicle/Other Vehicle Dealers	25.0%	25.0%	25.0%	25.0%	25.0%
Gasoline Stations	10.0%	10.0%	10.0%	10.0%	10.0%

Source: TNDG

Table B-9
Potential Capture of Market Area Demand for Retail Sales
Lake Elsinore Retail Trade Area - PMA
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$54,817	$57,128	$62,029	$67,350	$71,441
General Merchandise	65,096	67,839	73,659	79,978	84,837
Home Furnishings and Appliances	30,835	32,134	34,891	37,884	40,186
Specialty/Other	113,061	117,826	127,934	138,909	147,348
Subtotal	$263,809	$274,927	$298,512	$324,121	$343,812
Convenience Goods:					
Food and Beverage	$112,860	$117,616	$127,706	$138,661	$147,085
Food Service and Drinking	102,783	107,114	116,304	126,281	133,953
Subtotal	$215,642	$224,730	$244,009	$264,942	$281,038
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$52,399	$54,607	$59,292	$64,378	$68,290
Motor Vehicle/Other Vehicle Dealers	128,982	134,418	145,950	158,470	168,098
Gasoline Stations	80,614	84,011	91,218	99,044	105,061
Subtotal	$261,995	$273,037	$296,460	$321,892	$341,448
Total	$741,447	$772,694	$838,982	$910,955	$966,299

Source: TNDG

Table B-10
Potential Capture of Market Area Demand for Retail Sales
Lake Elsinore Retail Trade Area - SMA
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$0	$0	$0	$0	$0
General Merchandise	163,802	171,813	186,046	201,458	206,559
Home Furnishings and Appliances	0	0	0	0	0
Specialty/Other	0	0	0	0	0
Subtotal	$163,802	$171,813	$186,046	$201,458	$206,559
Convenience Goods:					
Food and Beverage	$34,485	$36,171	$39,168	$42,412	$43,486
Food Service and Drinking	18,474	19,377	20,983	22,721	23,296
Subtotal	$52,958	$55,549	$60,150	$65,133	$66,782
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$40,027	$41,984	$45,462	$49,228	$50,475
Motor Vehicle/Other Vehicle Dealers	98,527	103,346	111,907	121,177	124,246
Gasoline Stations	24,632	25,837	27,977	30,294	31,061
Subtotal	$163,186	$171,167	$185,346	$200,700	$205,782
Total	$379,946	$398,529	$431,542	$467,291	$479,123

Source: TNDG

Table B-11
Potential Capture of Market Area Demand for Retail Sales
La Habra Retail Trade Area - PMA and SMA Combined
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$54,817	$57,128	$62,029	$67,350	$71,441
General Merchandise	228,897	239,652	259,705	281,435	291,395
Home Furnishings and Appliances	30,835	32,134	34,891	37,884	40,186
Specialty/Other	113,061	117,826	127,934	138,909	147,348
Subtotal	$427,611	$446,740	$484,558	$525,578	$550,371
Convenience Goods:					
Food and Beverage	$147,344	$153,787	$166,873	$181,073	$190,571
Food Service and Drinking	121,257	126,492	137,286	149,002	157,249
Subtotal	$268,601	$280,279	$304,159	$330,075	$347,820
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$92,426	$96,592	$104,754	$113,607	$118,765
Motor Vehicle/Other Vehicle Dealers	227,510	237,764	257,857	279,648	292,343
Gasoline Stations	105,246	109,848	119,195	129,338	136,122
Subtotal	$425,181	$444,204	$481,806	$522,593	$547,230
Total	$1,121,392	$1,171,223	$1,270,524	$1,378,246	$1,445,421

Source: TNDG

Table B-12
Adjustment Factors to Account for Visitor Demand
(applied as a percentage increase to total resident demand)

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	1.04	1.04	1.04	1.04	1.04
General Merchandise	1.04	1.04	1.04	1.04	1.04
Home Furnishings and Appliances	1.04	1.04	1.04	1.04	1.04
Specialty/Other	1.04	1.04	1.04	1.04	1.04
Convenience Goods:					
Food and Beverage	1.05	1.05	1.05	1.05	1.05
Food Service and Drinking	1.43	1.43	1.43	1.43	1.43
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	1.00	1.00	1.00	1.00	1.00
Motor Vehicle/Other Vehicle Dealers	1.00	1.00	1.00	1.00	1.00
Gasoline Stations	1.50	1.50	1.50	1.50	1.50

Source: TNDG

Table B-13
Potential Capture of Market Area Demand for Retail Sales
Lake Elsinore Retail Trade Area - PMA and SMA Combined (ADJUSTED TO INCLUDE VISITOR DEMAND)
In thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$57,010	$59,413	$64,510	$70,044	$74,299
General Merchandise	238,053	249,238	270,093	292,693	303,051
Home Furnishings and Appliances	32,068	33,420	36,287	39,400	41,793
Specialty/Other	117,583	122,539	133,051	144,465	153,242
Subtotal	$444,715	$464,610	$503,940	$546,601	$572,386
Convenience Goods:					
Food and Beverage	$154,711	$161,476	$175,217	$190,127	$200,100
Food Service and Drinking	173,397	180,883	196,319	213,072	224,866
Subtotal	$328,108	$342,360	$371,536	$403,199	$424,966
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$92,426	$96,592	$104,754	$113,607	$118,765
Motor Vehicle/Other Vehicle Dealers	227,510	237,764	257,857	279,648	292,343
Gasoline Stations	157,869	164,772	178,793	194,007	204,184
Subtotal	$477,804	$499,128	$541,404	$587,262	$615,292
Total	$1,250,627	$1,306,098	$1,416,881	$1,537,063	$1,612,643

Source: TNDG

Table B-12
Comparison of Potential Retail Demand with Estimated Sales
Lake Elsinore Retail Trade Area - PMA
in thousands of constant dollars

Retail Category	2022 Demand	2022 Estimated Sales	Expected Less Actual	Percent Actual/Expected
Shopper Goods:				
Clothing and Clothing Accessories	$57,010	$32,892	$24,118	57.7%
General Merchandise	238,053	288,358	(50,305)	121.1%
Home Furnishings and Appliances	32,068	8,958	23,110	27.9%
Specialty/Other	117,583	118,075	(492)	100.4%
Subtotal	$444,715	$448,283	($3,568)	100.8%
Convenience Goods:				
Food and Beverage	$154,711	144,744	$9,967	93.6%
Food Service and Drinking	173,397	158,572	14,825	91.5%
Subtotal	$328,108	$303,316	$24,792	92.4%
Heavy Commercial Goods:				
Bldg. Matrl. and Garden Equip. and Supplies	$92,426	93,147	($721)	100.8%
Motor Vehicle/Other Vehicle Dealers	227,510	229,953	(2,444)	101.1%
Gasoline Stations	157,869	154,658	3,211	98.0%
Subtotal	$477,804	$477,758	$46	100.0%
Total	$862,922	$813,966	$48,956	94.3%

Source: CDTFA; TNDG.

Note: GAFO is a retail industry acronym for the shopper goods retail categories: General Merchandise, Apparel (Clothing and Accessories), Furniture (Home Furnishings and Appliances), and Other (Specialty/Other).

Table B-13
Net Supportable Retail Sales
Lake Elsinore Retail Trade Area - PMA
in thousands of constant dollars

Retail Category	2022	2025	2030	2035	2043
Shopper Goods:					
Clothing and Clothing Accessories	$24,118	$26,429	$31,329	$36,651	$40,742
General Merchandise	0	10,755	30,807	52,538	62,498
Home Furnishings and Appliances	23,110	24,409	27,166	30,159	32,461
Specialty/Other	0	4,765	14,873	25,848	34,287
Subtotal	$47,228	$66,358	$104,176	$145,196	$169,988
Convenience Goods:					
Food and Beverage	$9,967	$16,410	$29,496	$43,696	$53,194
Food Service and Drinking	14,825	20,060	30,855	42,570	50,817
Subtotal	$24,792	$36,470	$60,351	$86,266	$104,012
Heavy Commercial Goods:					
Bldg. Matrl. and Garden Equip. and Supplies	$0	$4,166	$12,329	$21,181	$26,339
Motor Vehicle/Other Vehicle Dealers	0	10,255	30,347	52,138	64,834
Gasoline Stations	3,211	7,813	17,160	27,303	34,088
Subtotal	$3,211	$22,234	$59,836	$100,622	$125,260
Total	$28,003	$63,469	$135,060	$212,737	$263,559

Source: TNDG

Table B-14
Sales per Square Foot Assumptions by Category
Lake Elsinore Retail Trade Area

Retail Category	Sales / Square Feet
Clothing and Clothing Accessories	$325
General Merchandise	$300
Home Furnishings and Appliances	$500
Specialty/Other	$450
Food and Beverage	$500
Food Services and Drinking	$500
Bldg. Matrl. and Garden Equip. and Supplies	$375
Auto Parts	$250

Source: TNDG

Table B-15
Net Supportable Retail Space by Category
Lake Elsinore Retail Trade Area
Expressed in Square Feet

Retail Category	2022	2025	2030	2035	2043
Clothing and Clothing Accessories	74,210	81,319	96,398	112,771	125,361
General Merchandise	0	35,850	102,691	175,127	208,327
Home Furnishings and Appliances	46,220	48,819	54,332	60,319	64,922
Specialty/Other	0	10,589	33,051	57,440	76,193
Food and Beverage	19,934	32,820	58,993	87,393	106,389
Food Services and Drinking	29,650	40,121	61,709	85,140	101,635
Bldg. Matrl. and Garden Equip. and Supplies	0	11,109	32,876	56,483	70,237
Auto Parts[1]	0	3,897	11,532	19,812	24,637
Services Space @ 20% of Total	42,503	66,131	112,895	163,621	194,425
GRAND TOTAL	***212,517***	***330,653***	***564,477***	***818,106***	***972,125***

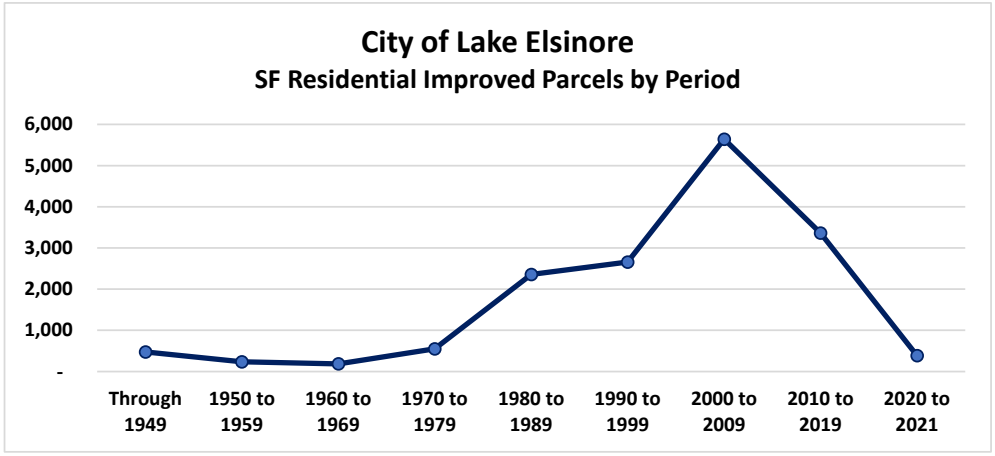
1. Assumes that automotive parts stores account for 9.5% of sales in overall Auto group category (based on statewide average as reported the CDTFA).

Source: TNDG

Appendix C: Historic Development Trends in Lake Elsinore

Table C-1
Property Tax Roll - 2022/2023
Residential - Single Family Dwelling

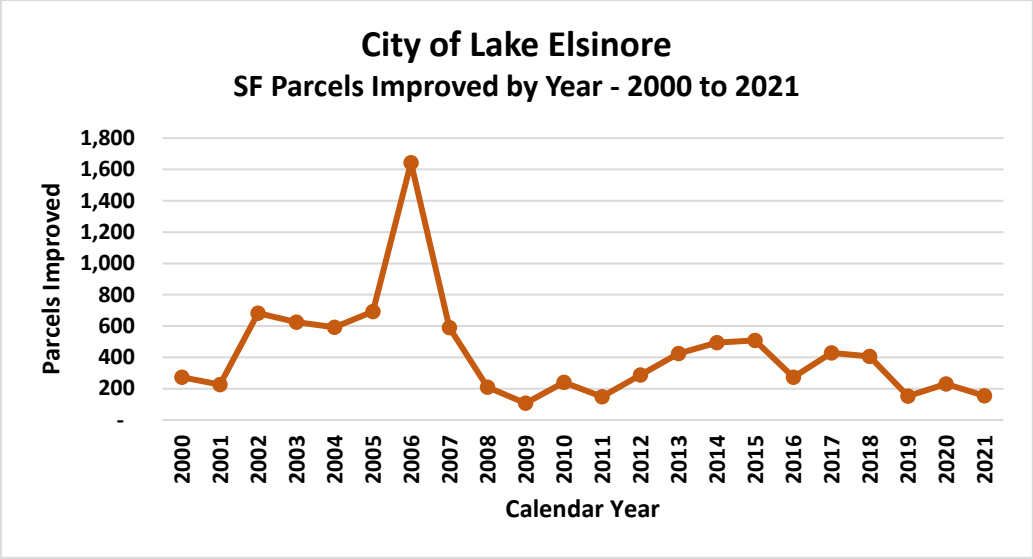
Period	Buildings	%	Total Buildings	% Change
Through 1949	477	3.0%	477	--
1950 to 1959	235	1.5%	712	49.3%
1960 to 1969	186	1.2%	898	26.1%
1970 to 1979	553	3.5%	1,451	61.6%
1980 to 1989	2,355	14.9%	3,806	162.3%
1990 to 1999	2,660	16.8%	6,466	69.9%
2000 to 2009	5,642	35.6%	12,108	87.3%
2010 to 2019	3,364	21.2%	15,472	27.8%
2020 to 2021	386	2.4%	15,858	2.5%
GRAND TOTAL	**15,858**	**100.0%**		



Source: City of Lake Elsinore, 2023 property tax roll.

Table C-2
Lake Elsinore
Property Tax Roll - 2022/2023
Residential - Single Family Dwelling

Period		Buildings	%
2000 - 2009	2000	274	2.9%
	2001	226	2.4%
	2002	682	7.3%
	2003	624	6.6%
	2004	592	6.3%
	2005	693	7.4%
	2006	1,644	17.5%
	2007	590	6.3%
	2008	210	2.2%
	2009	107	1.1%
	Sub-Total	*5,642*	*60.1%*
2010 - 2019	2010	241	2.6%
	2011	148	1.6%
	2012	287	3.1%
	2013	424	4.5%
	2014	494	5.3%
	2015	508	5.4%
	2016	274	2.9%
	2017	428	4.6%
	2018	407	4.3%
	2019	153	1.6%
	Sub-Total	*3,364*	*35.8%*
2020 - 2021	2020	231	2.5%
	2021	155	1.7%
	Sub-Total	*386*	*4.1%*
GRAND TOTAL		**9,392**	**100.0%**



Source: City of Lake Elsinore, 2023 property tax roll.

Table C-3
Lake Elsinore
Property Tax Roll - 2022/2023
Multi-Family, Etc.

Land Type	Properties		Acres		Units		Tax Value	
	Amount	%	Amount	%	Count	%	Amount	%
Apartments	67	3.3%	73.420	11.1%	1,641	15.7%	$ 223,493,077.00	13.4%
5-10 Units	*54*	*2.6%*	*30.090*	*4.6%*	*821*	*7.8%*	*$ 99,455,493.00*	*6.0%*
11-20 Units	*6*	*0.3%*	*3.440*	*0.5%*	*80*	*0.8%*	*$ 10,709,643.00*	*0.6%*
21-40 Units	*1*	*0.0%*	*1.170*	*0.2%*	*32*	*0.3%*	*$ 6,008,000.00*	*0.4%*
61-100 Units	*2*	*0.1%*	*6.630*	*1.0%*	*77*	*0.7%*	*$ 8,768,024.00*	*0.5%*
100+ Units	*4*	*0.2%*	*32.090*	*4.9%*	*631*	*6.0%*	*$ 98,551,917.00*	*5.9%*
CT Apartment	7	0.3%	39.710	6.0%	302	2.9%	$ 57,330,262.00	3.4%
Duplex	14	0.7%	2.610	0.4%	28	0.3%	$ 4,003,528.00	0.2%
Triplex	38	1.9%	8.030	1.2%	79	0.8%	$ 14,046,185.00	0.8%
Fourplex	63	3.1%	12.070	1.8%	304	2.9%	$ 22,868,451.00	1.4%
Vacant Apartment Land	20	1.0%	42.980	6.5%	-	0.0%	$ 933,633.00	0.1%
MF Sub-Total	477	23.4%	473	71.5%	8,918	85.1%	1,216,647,444.00	73.0%
Residential Condo	1,546	75.7%	175.688	26.6%	1,546	14.8%	$ 444,781,518.00	26.7%
Residential Zoned Commercial	18	0.9%	12.660	1.9%	15	0.1%	$ 5,238,576.00	0.3%
GRAND TOTAL	**2,041**	**100.0%**	**661**	**100.0%**	**10,479**	**100.0%**	**$ 1,666,667,538.00**	**100.0%**

Source: City of Lake Elsinore, 2023 property tax roll.

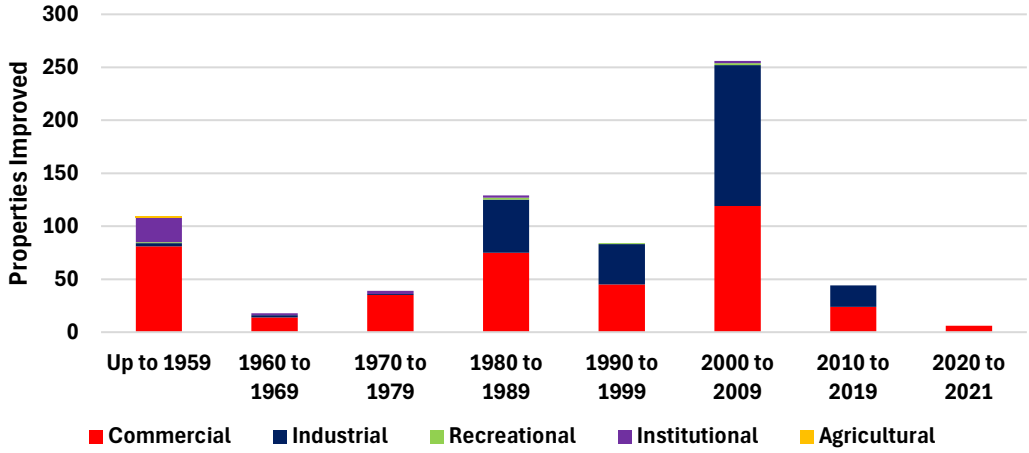
Table C-4

City of Lake Elsinore

Non-Residential Parcel Improvements by Period

Year	Commercial		Industrial		Sub-Total		Recreational		Institutional		Agricultural	
	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value	Count	Value
Up to 1959	81	$ 306,599	3	$ 273,279	84	$ 579,878	1	$ 1,040,030	23	$ -	1	$ 106,597
1960 to 1969	14	$ 360,696	2	$ 275,340	16	$ 636,036	0	$ -	2	$ -	0	$ -
1970 to 1979	35	$ 136,396	1	$ 1,751,963	36	$ 1,888,359	0	$ -	3	$ 5,038,724	0	$ -
1980 to 1989	75	$ 3,206,093	50	$ 887,699	125	$ 4,093,792	2	$ -	2	$ 5,756,170	0	$ -
1990 to 1999	45	$ 2,370,363	38	$ 1,106,700	83	$ 3,477,063	1	$ 2,194,583	0	$ -	0	$ -
2000	3	$ -	4	$ 1,438,370	7	$ 1,438,370	0	$ -	0	$ -	0	$ -
2001	1	$ 924,119	4	$ 5,294,281	5	$ 6,218,400	0	$ -	0	$ -	0	$ -
2002	2	$ 2,718,067	4	$ 293,389	6	$ 3,011,456	0	$ -	1	$ 17,268,510	0	$ -
2003	4	$ 20,461,937	3	$ 736,854	7	$ 21,198,791	0	$ -	0	$ -	0	$ -
2004	1	$ 16,119,329	37	$ 605,759	38	$ 16,725,088	0	$ -	1	$ 17,268,510	0	$ -
2005	15	$ 3,820,000	3	$ 395,000	18	$ 4,215,000	0	$ -	0	$ -	0	$ -
2006	22	$ 1,721,898	59	$ 1,414,627	81	$ 3,136,525	0	$ -	0	$ -	0	$ -
2007	19	$ 159,755	11	$ 2,942,940	30	$ 3,102,695	1	$ 10,710,160	0	$ -	0	$ -
2008	51	$ 16,570,777	4	$ 3,766,123	55	$ 20,336,900	1	$ 1,104,365	0	$ -	0	$ -
2009	1	$ 1,972,706	4	$ 1,779,212	5	$ 3,751,918	0	$ -	0	$ -	0	$ -
2000 to 2009	119	$ 64,468,588	133	$ 18,666,555	252	$ 83,135,143	2	$ 11,814,525	2	$ 34,537,020	0	$ -
2010	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
2011	1	$ 3,258,652	0	$ -	1	$ 3,258,652	0	$ -	0	$ -	0	$ -
2012	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -	0	$ -
2013	1	$ 2,772,224	0	$ -	1	$ 2,772,224	0	$ -	0	$ -	0	$ -
2014	1	$ 4,704,285	1	$ 2,010,060	2	$ 6,714,345	0	$ -	0	$ -	0	$ -
2015	1	$ 4,225,324	0	$ -	1	$ 4,225,324	0	$ -	0	$ -	0	$ -
2016	4	$ 3,098,300	8	$ 1,369,743,780	12	$ 1,372,842,080	0	$ -	0	$ -	0	$ -
2017	1	$ 8,333,333	0	$ -	1	$ 8,333,333	0	$ -	0	$ -	0	$ -
2018	2	$ 616,911,978	3	$ 19,521,167,574	5	$ 20,138,079,552	0	$ -	0	$ -	0	$ -
2019	13	$ 748,395,953,331	8	$ 1,528,876,499,742	21	$ 2,277,272,453,073	0	$ -	0	$ -	0	$ -
2010 to 2019	24	$ 749,039,257,427	20	$ 1,549,769,421,156	44	$ 2,298,808,678,583	0	$ -	0	$ -	0	$ -
2020	2	$ 2,993,583,813,324	0	$ -	2	$ 2,993,583,813,324	0	$ -	0	$ -	0	$ -
2021	4	$ 48,311,458,949,078	0	$ -	4	$ 48,311,458,949,078	0	$ -	0	$ -	0	$ -
2020 to 2021	6	$ 51,305,042,762,402	0	$ -	6	$ 51,305,042,762,402	0	$ -	0	$ -	0	$ -
GRAND TOTAL	**399**	**$ 52,054,152,868,564**	**247**	**$ 1,549,792,382,692**	**646**	**$ 53,603,945,251,256**	**6**	**$ 15,049,138**	**32**	**$ 45,331,914**	**1**	**$ 106,597**

Source: City of Lake Elsinore, 2023 property tax roll.



Source: 2023 Property Tax Roll.