

## Report to Economic Development Sub-Committee

**TO:** Economic Development Subcommittee

**FROM:** Cruz Esparza, Economic Development & Housing Director

**AGENDA DATE:** August 13, 2024

**TITLE:** MARKET UPDATES

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### RECOMMENDED ACTION

Staff recommends that the Economic Development Subcommittee members receive and file the attached information about Moreno Valley's Office, Industrial, and Retail markets, plus sales taxes and housing resale values. Staff will provide a verbal presentation at the Subcommittee meeting.

### ATTACHMENTS

- EXHIBIT A: Market Report for Moreno Valley's OFFICE activity
- EXHIBIT B: Market Report for Moreno Valley's INDUSTRIAL activity
- EXHIBIT C: Market Report for Moreno Valley's RETAIL activity
- EXHIBIT D: Moreno Valley Sales Tax Update – 1<sup>st</sup> Quarter 2024
- EXHIBIT E: HdL Leakage Analytics 2024
- EXHIBIT F: Single Family Resale Home Price Average – JUNE 2024

  
Prepared By: Michele Patterson  
Economic Development Manager

*Kerry Gennell for*

  
Department Head Approval: Cruz Esparza  
Economic Development & Housing Director

## **EXHIBIT A – OFFICE MARKET**

INVENTORY SF

1.6M +0%

Prior Period 1.6M

UNDER CONSTRUCTION SF

24K -

Prior Period 0

12 MO NET ABSORPTION SF

8.2K +263.7%

Prior Period (5K)

VACANCY RATE

2.1% -0.5%

Prior Period 2.6%

MARKET ASKING RENT/SF

\$2.31 +2.6%

Prior Period \$2.26

MARKET SALE PRICE/SF

\$214 -1.6%

Prior Period \$218

MARKET CAP RATE

8.6% +0.3%

Prior Period 8.3%

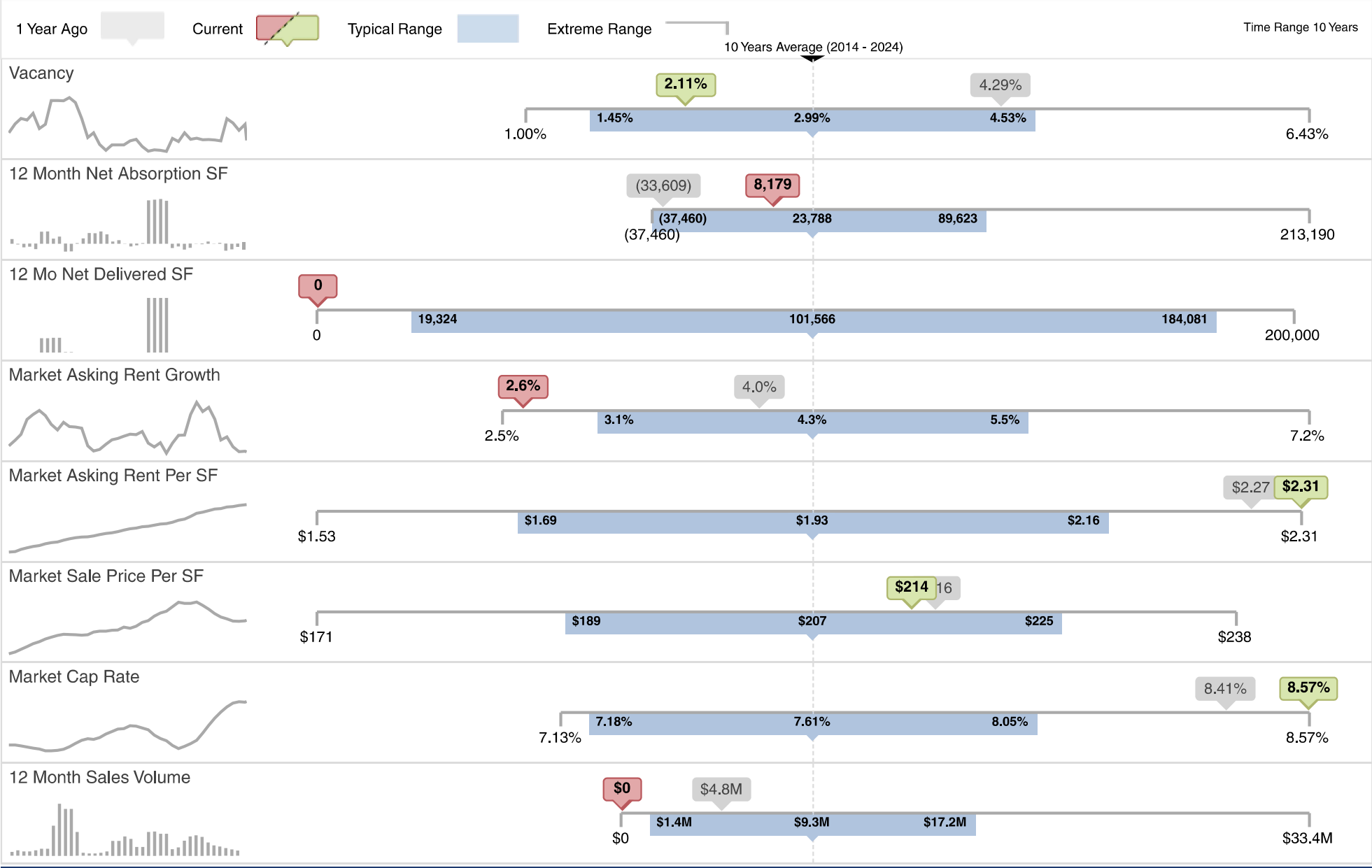
## Key Metrics

Availability		Inventory	
Vacant SF	33.4K ↓	Existing Buildings	97 ↓
Sublet SF	0 ↓	Under Construction Avg SF	24K
Availability Rate	5.4% ↓	12 Mo Demolished SF	0 ↓
Available SF Total	87K ↓	12 Mo Occupancy % at Delivery	-
Available Asking Rent/SF	\$2.33 ↓	12 Mo Construction Starts SF	24K ↑
Occupancy Rate	97.9% ↑	12 Mo Delivered SF	0 ↓
Percent Leased Rate	97.9% ↑	12 Mo Avg Delivered SF	-

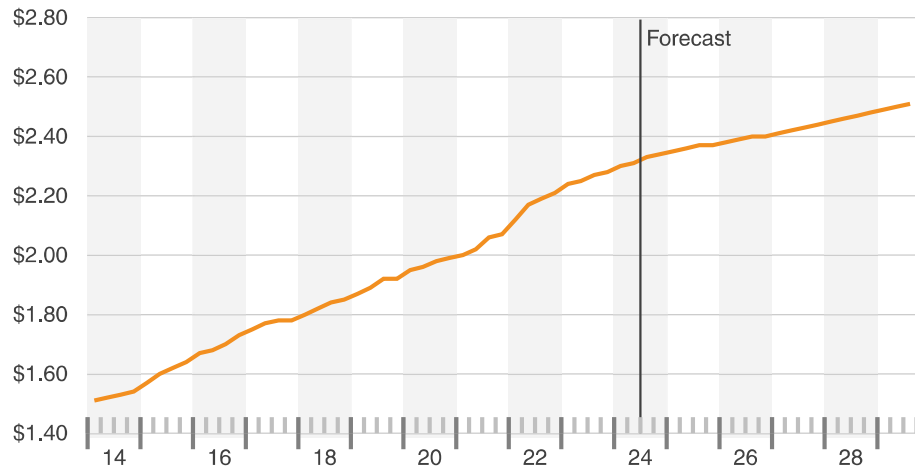
Sales Past Year		Demand	
Asking Price Per SF	-	12 Mo Net Absorp % of Inventory	0.5% ↑
Sale to Asking Price Differential	-	12 Mo Leased SF	35K ↑
Sales Volume	\$0 ↓	Months on Market	15.4 ↑
Properties Sold	1 ↓	Months to Lease	-
Months to Sale	-	Months Vacant	-
For Sale Listings	3 ↑	24 Mo Lease Renewal Rate	86.0%
Total For Sale SF	20K ↓	Population Growth 5 Yrs	0.3%

## Key Performance Indicators

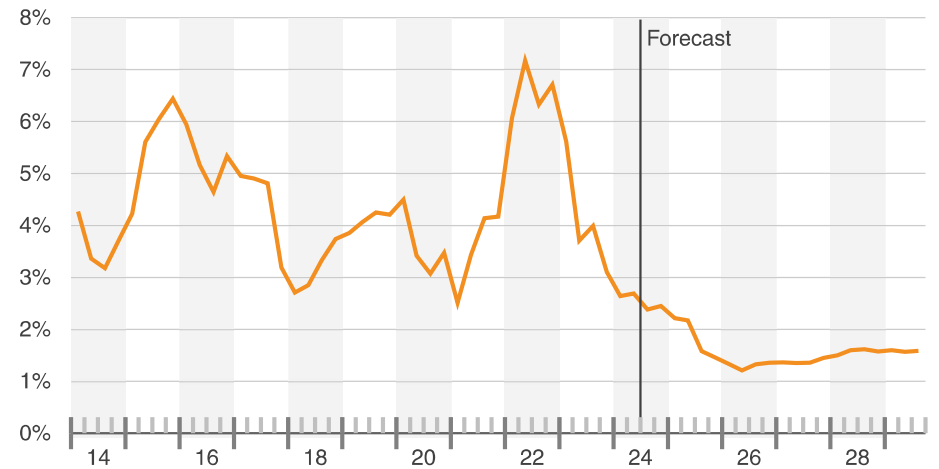




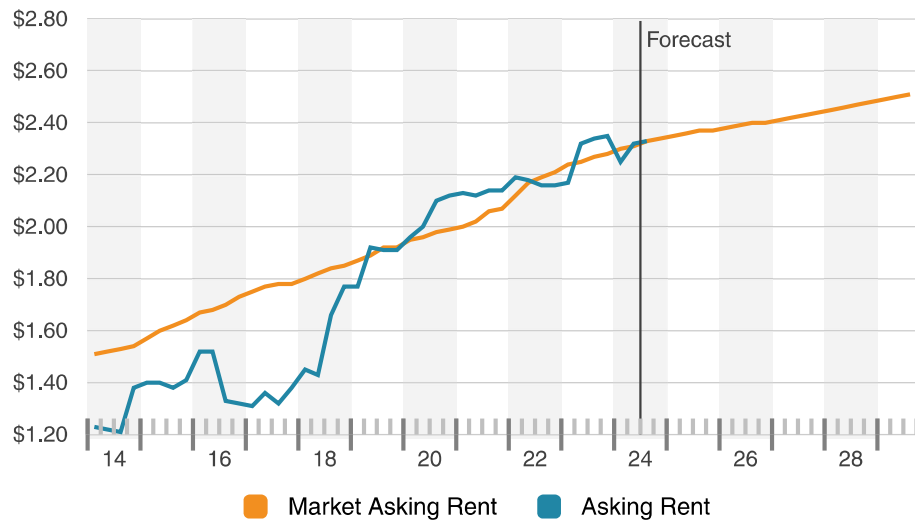
## Market Asking Rent Per SF



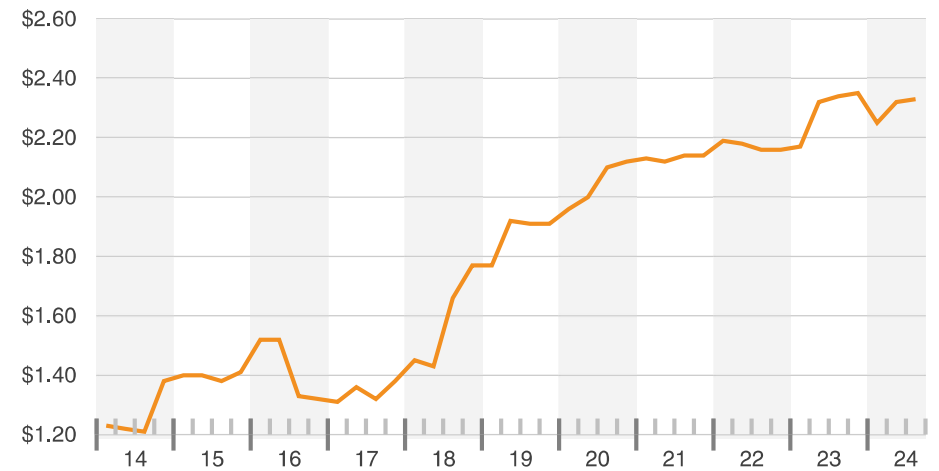
## Market Asking Rent Growth (YOY)



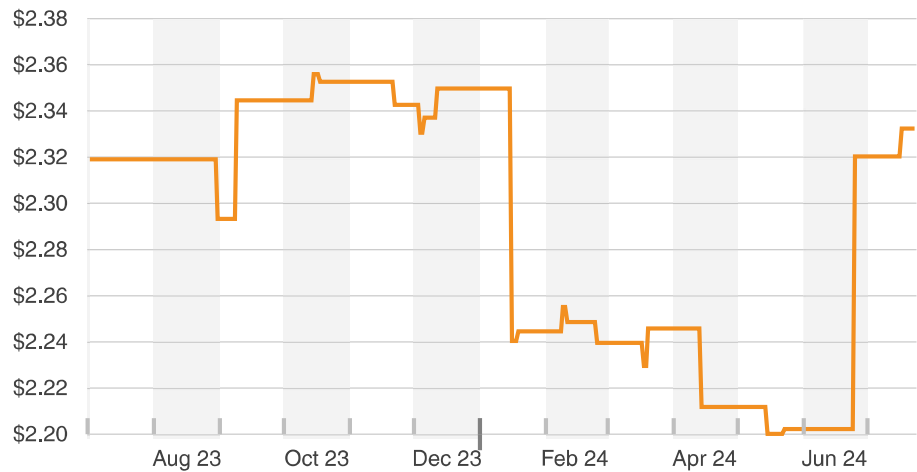
## Market Asking Rent & Asking Rent Per SF



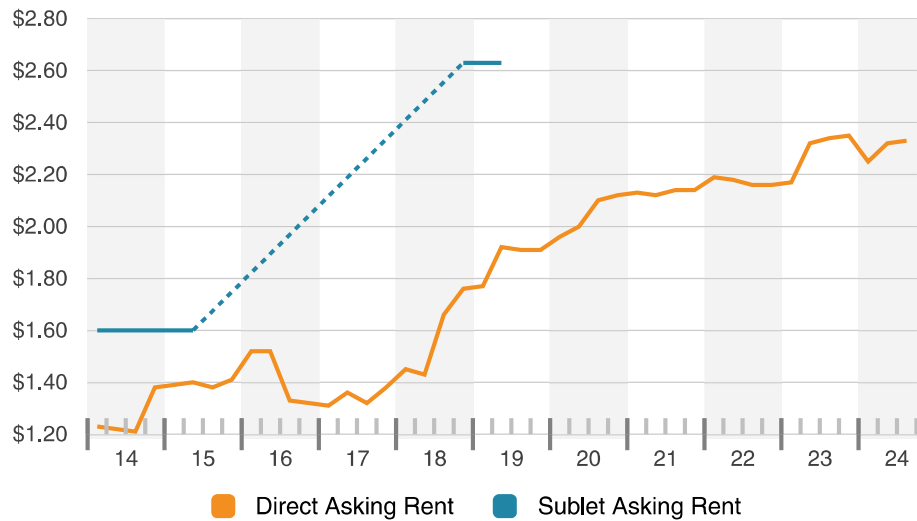
## Asking Rent Per SF



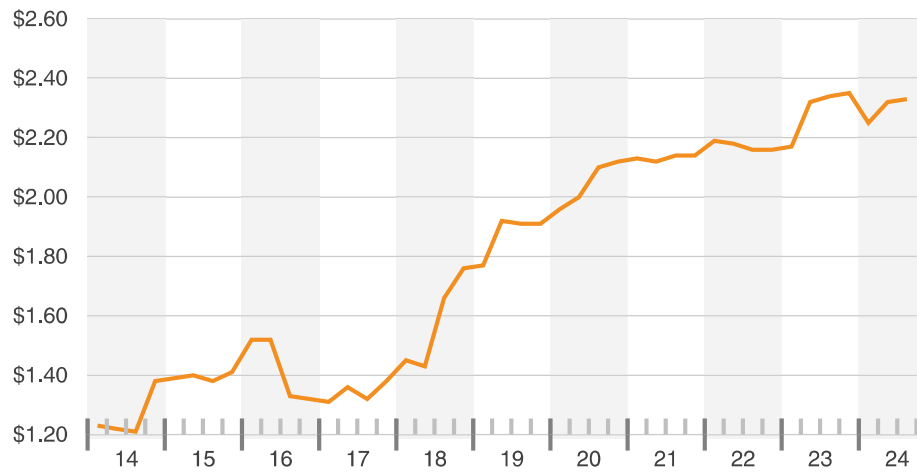
Daily Asking Rent Per SF



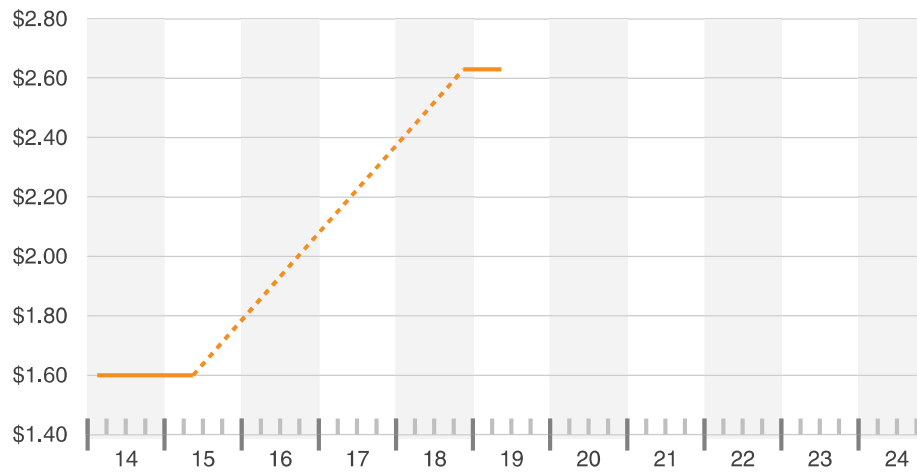
Direct & Sublet Rent Per SF



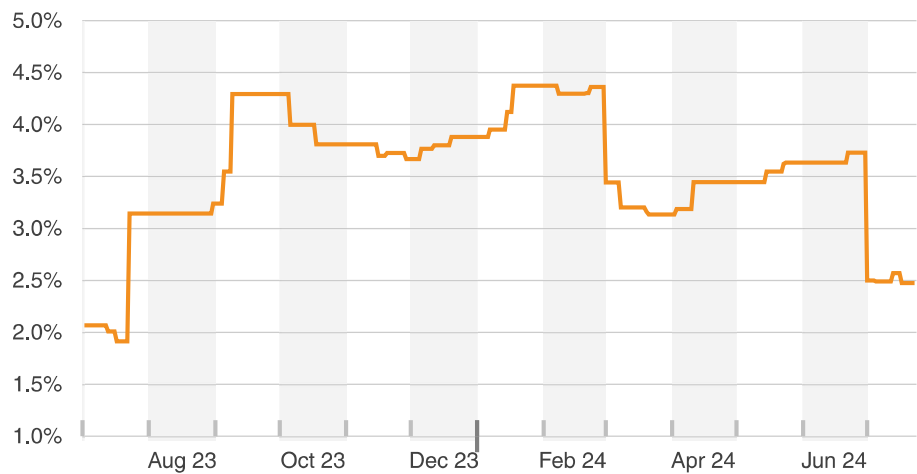
Direct Rent Per SF



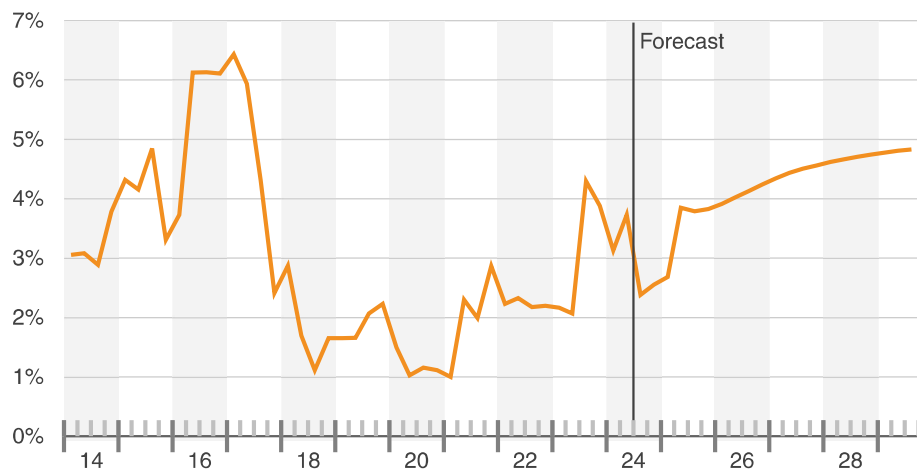
Sublet Rent Per SF



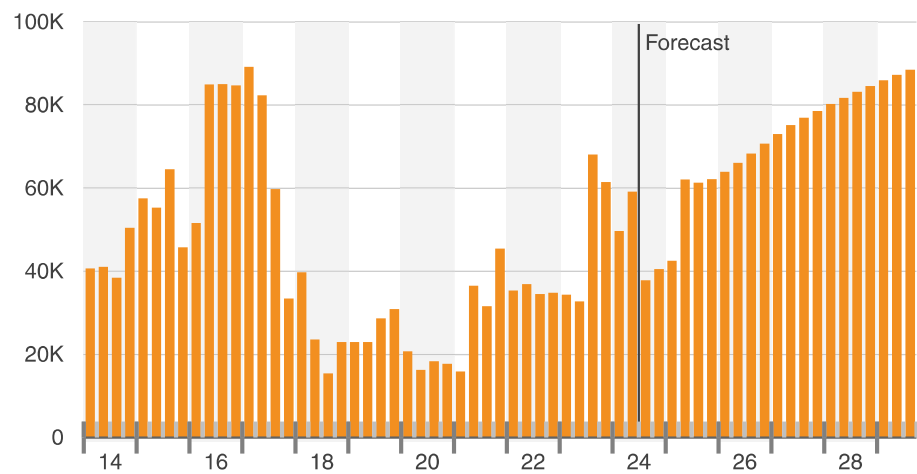
Daily Vacancy Rate



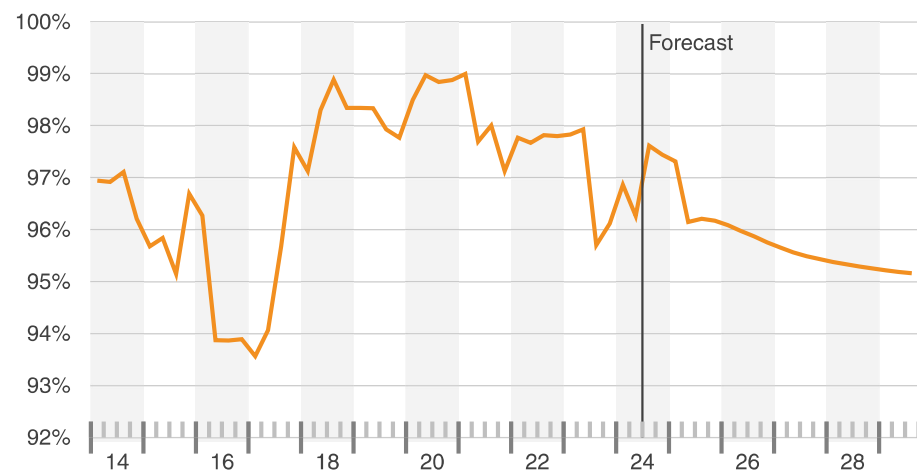
Vacancy Rate



Vacant SF

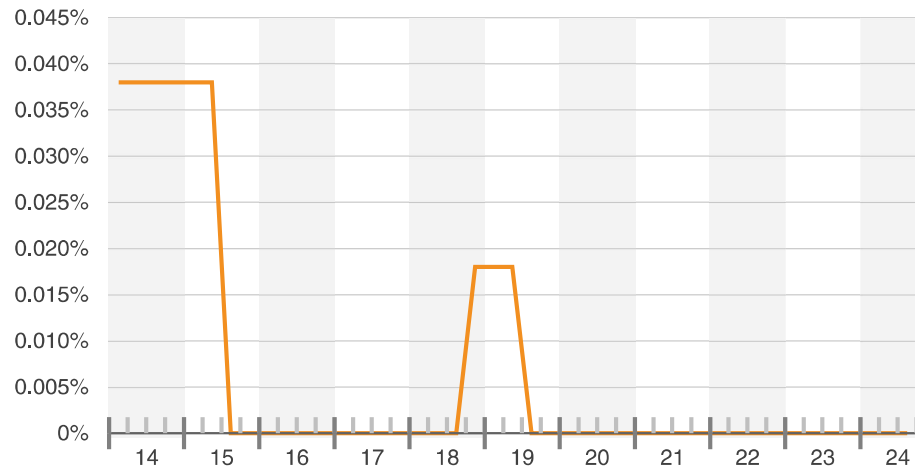


Occupancy Rate



# Search Analytics

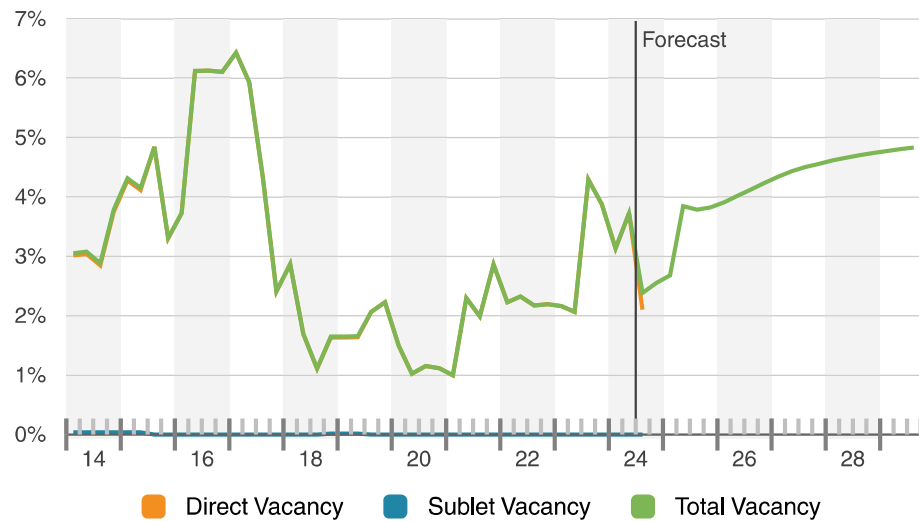
## Sublet Vacancy Rate



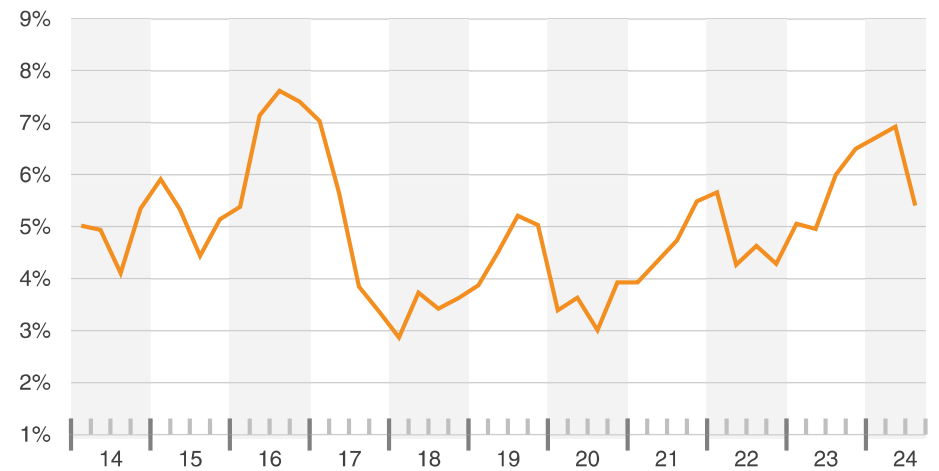
## Direct Vacancy Rate



## Direct, Sublet & Total Vacancy Rate

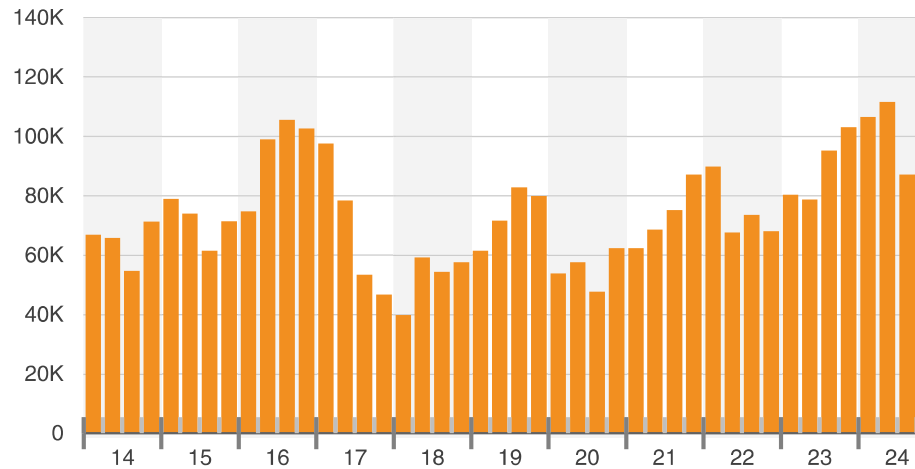


## Availability Rate

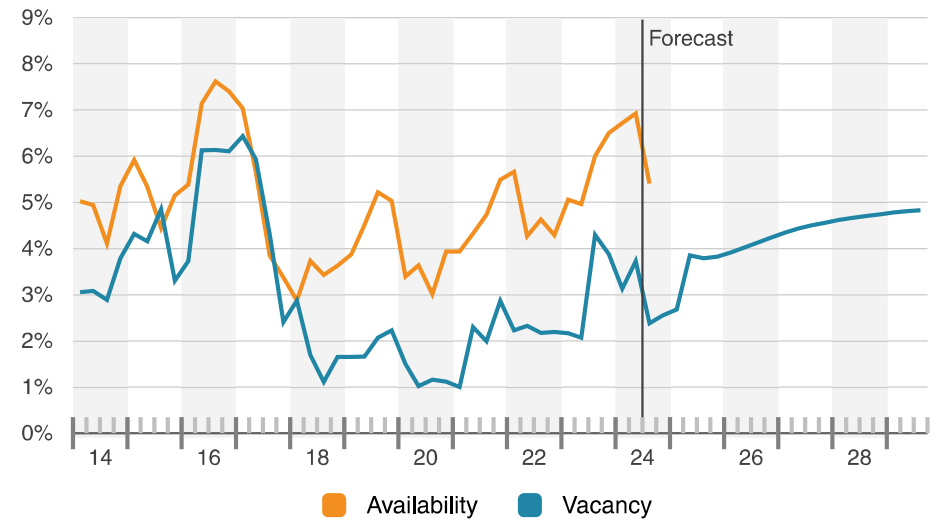


# Search Analytics

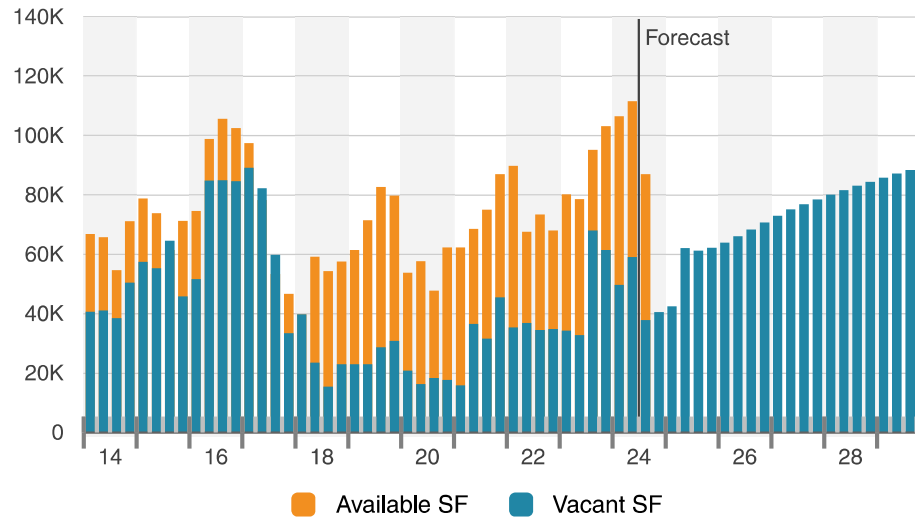
## Available SF



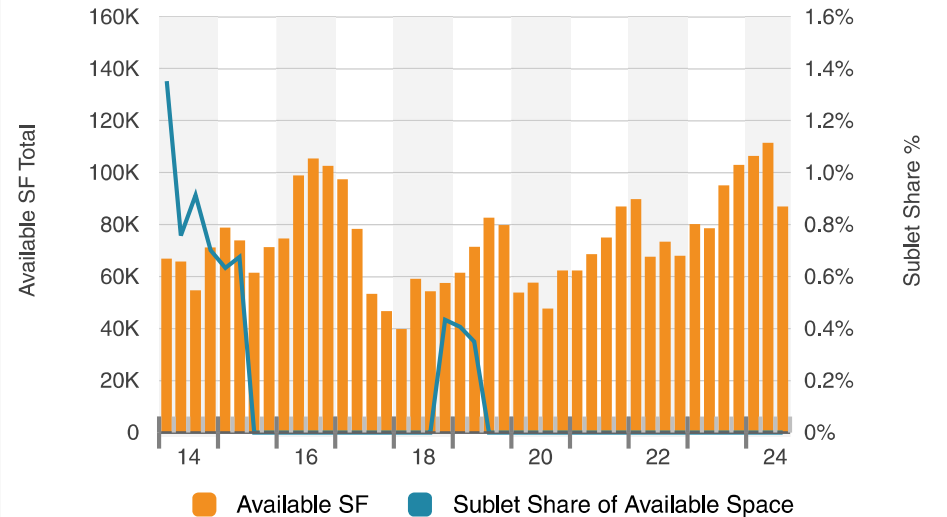
## Availability & Vacancy Rate



## Available & Vacant SF

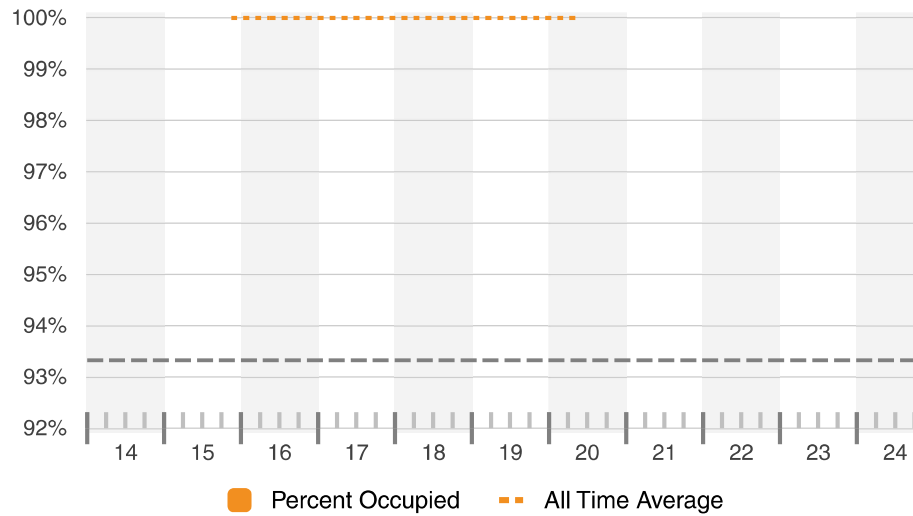


## Available SF Total & Sublet Share %

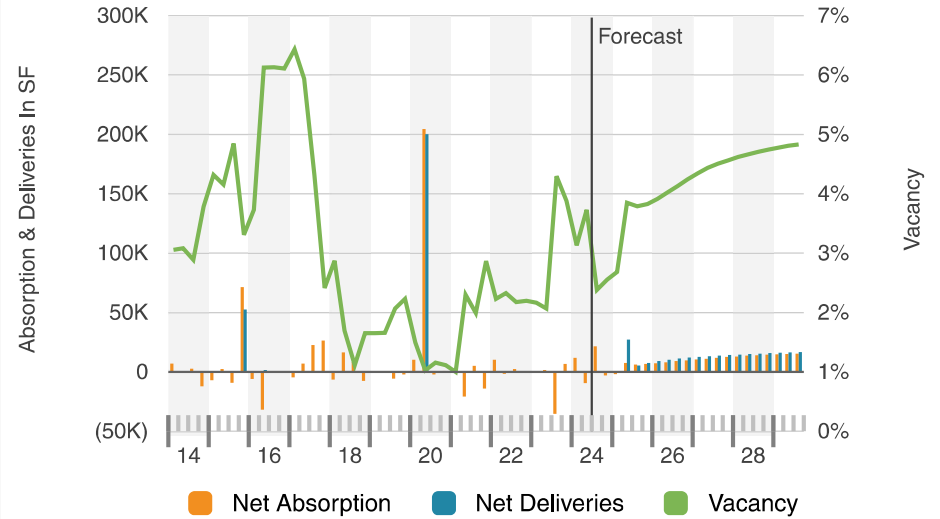


# Search Analytics

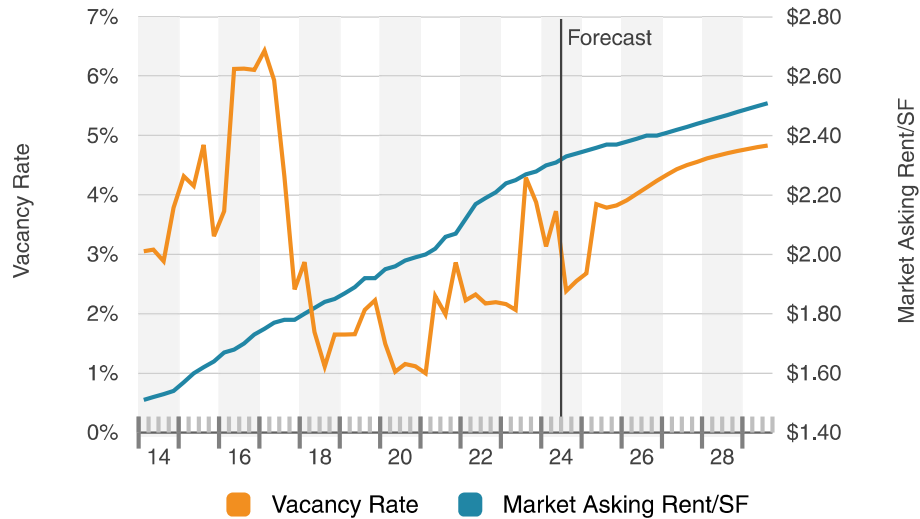
## Occupancy At Delivery



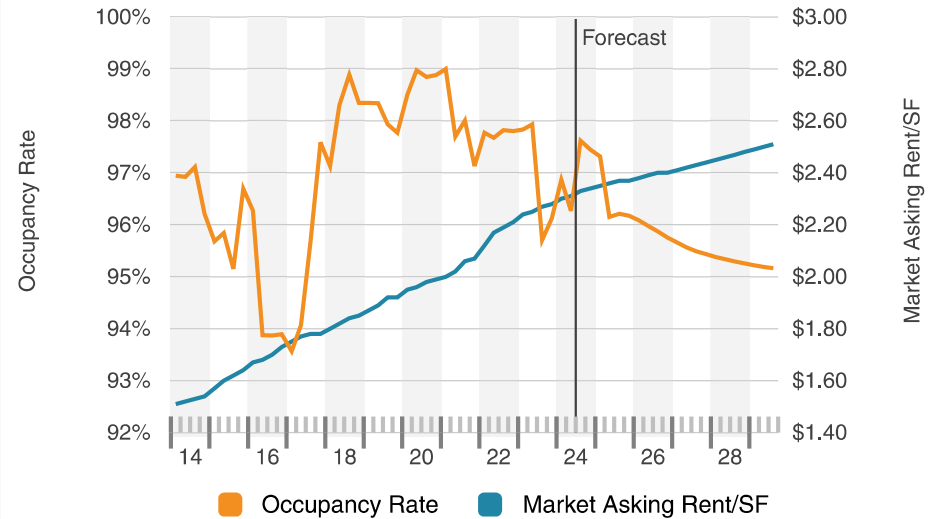
## Net Absorption, Net Deliveries & Vacancy



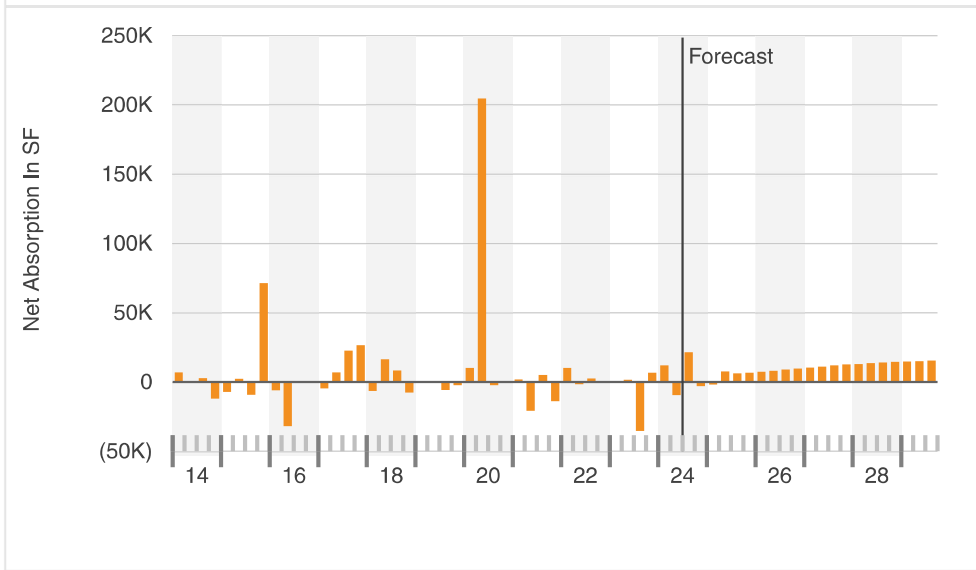
## Vacancy & Market Asking Rent Per SF



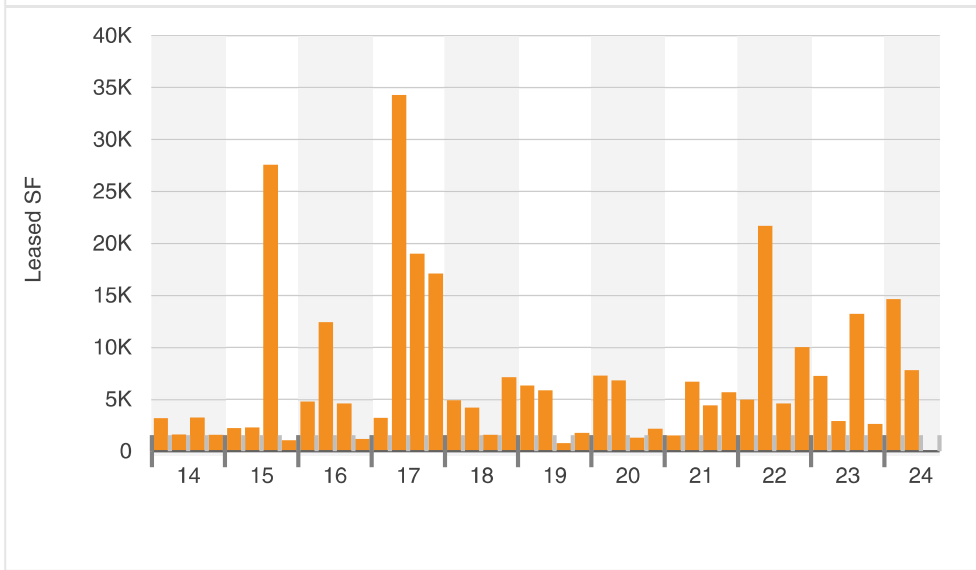
## Occupancy & Market Asking Rent Per SF



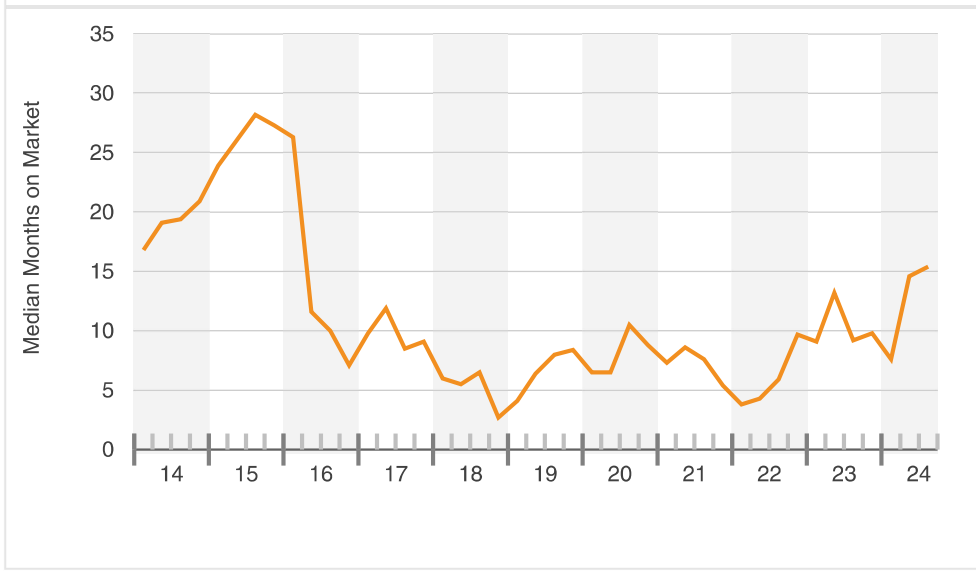
Net Absorption



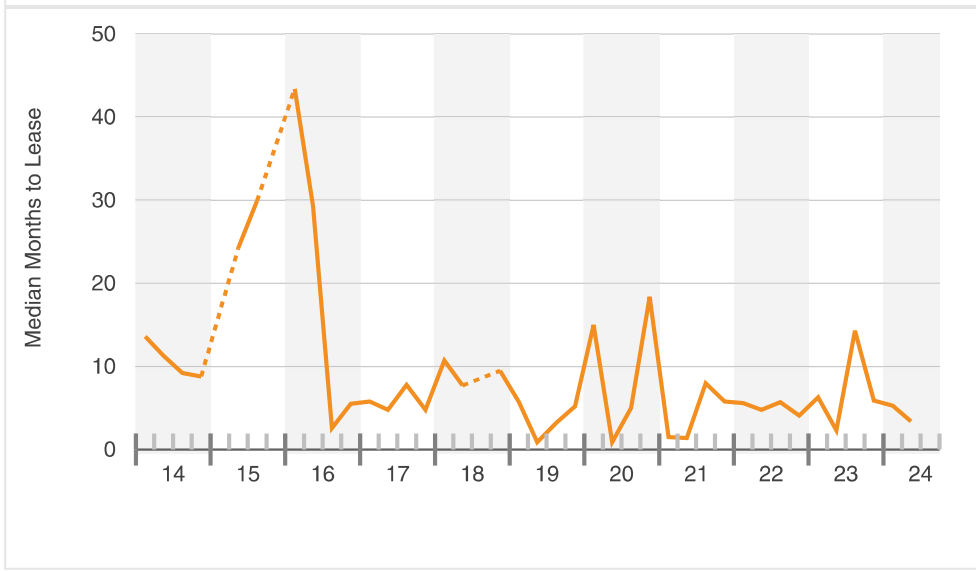
Leasing Activity



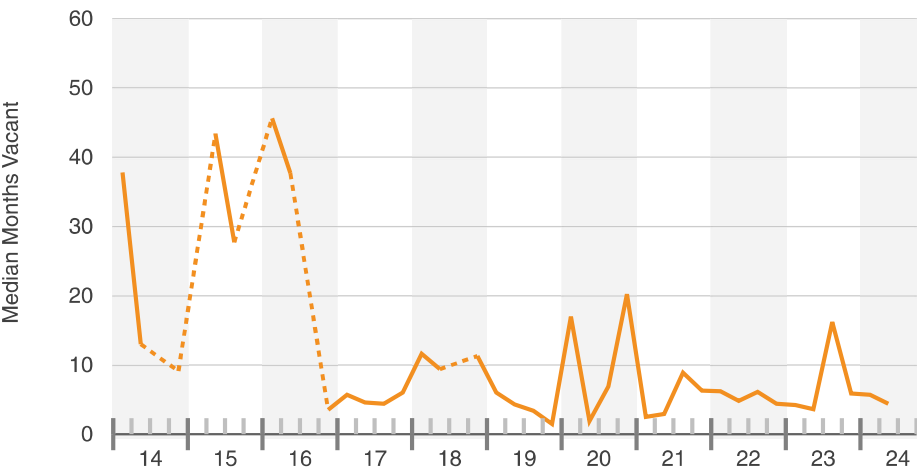
Months On Market



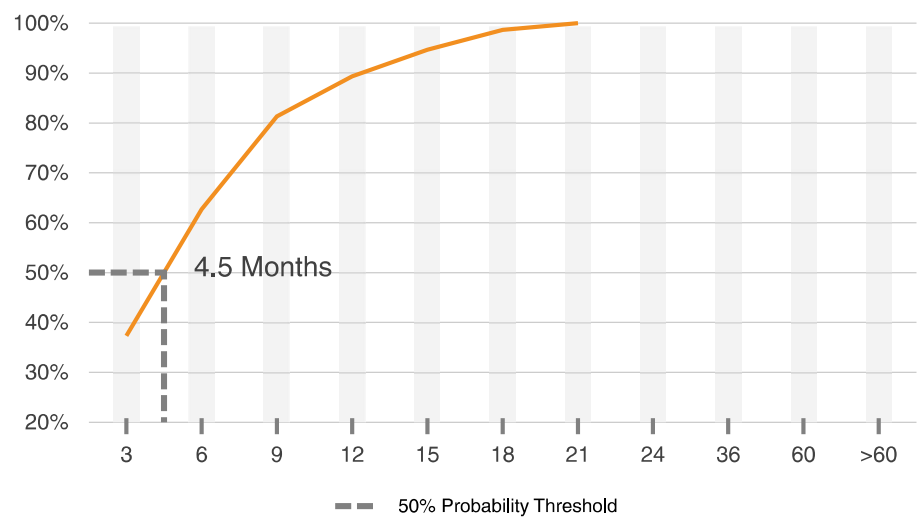
Months To Lease



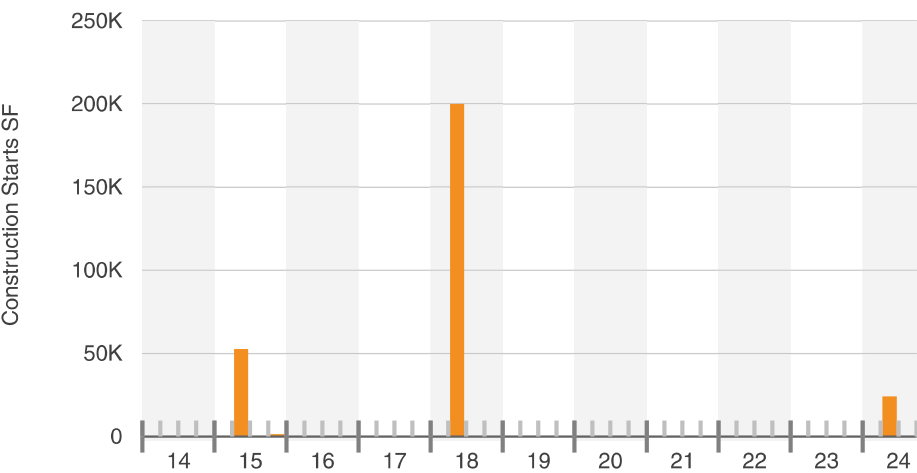
Months Vacant



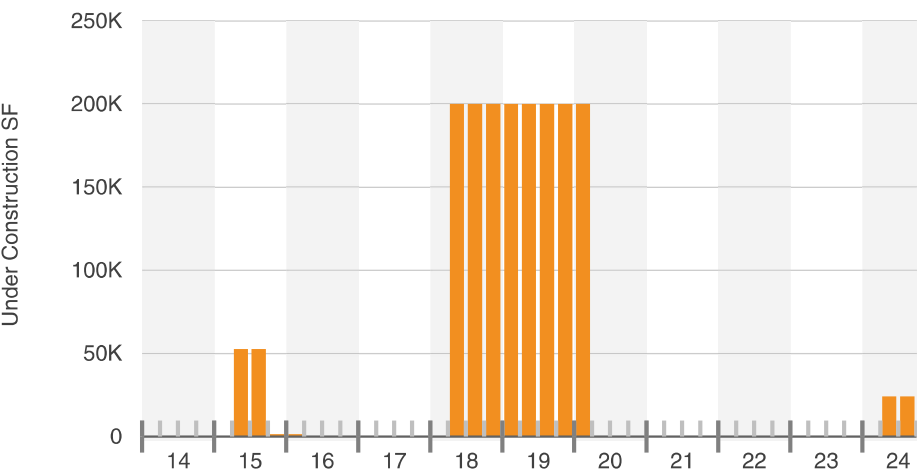
Probability Of Leasing In Months



Construction Starts



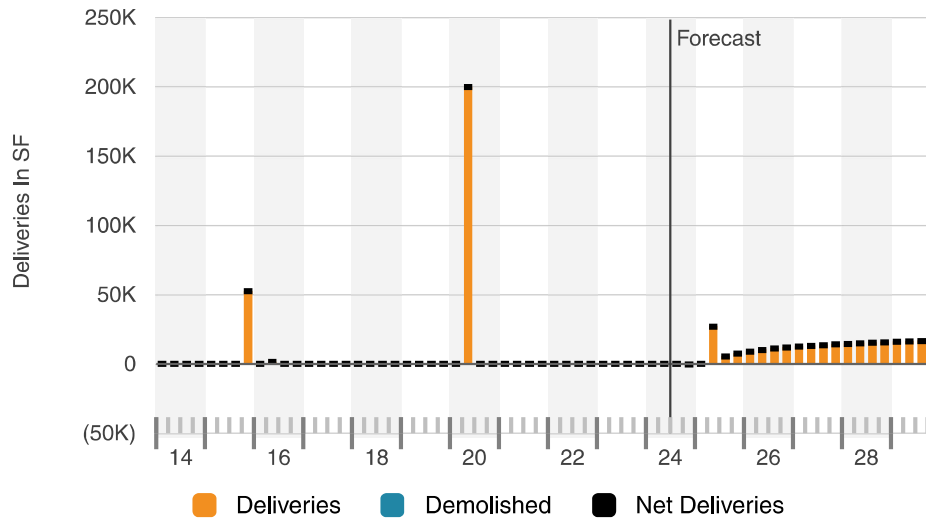
Under Construction



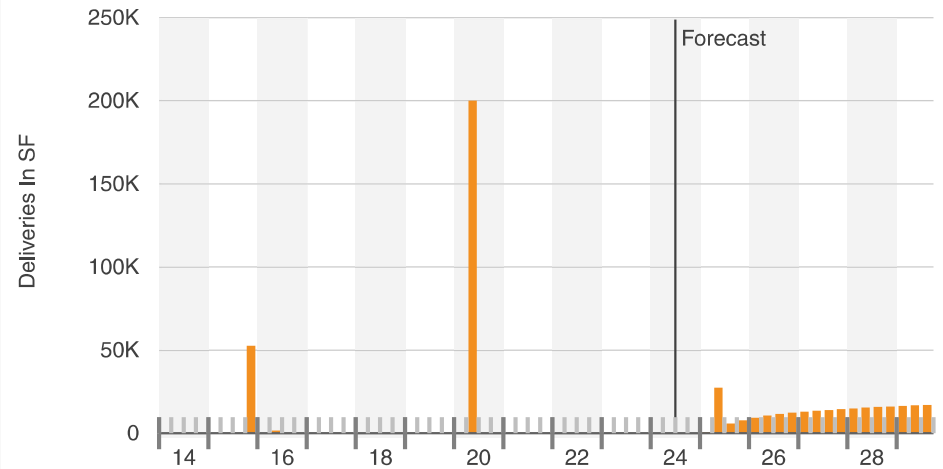


# Search Analytics

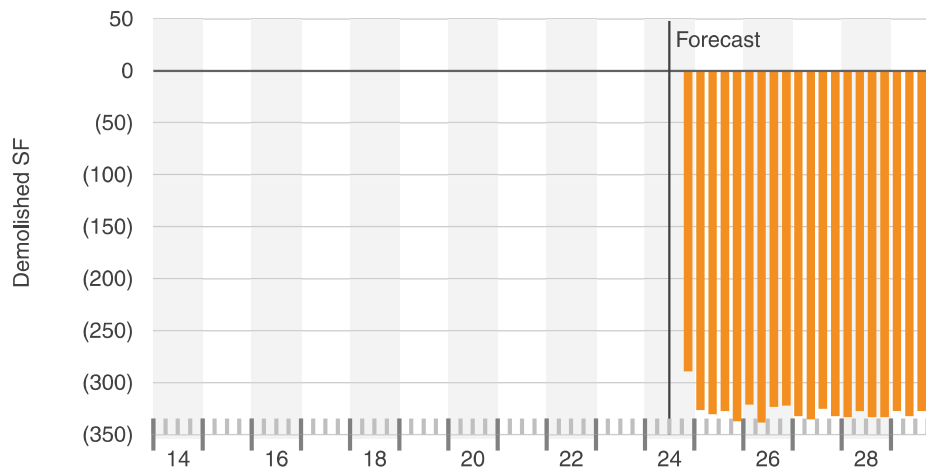
## Deliveries & Demolitions



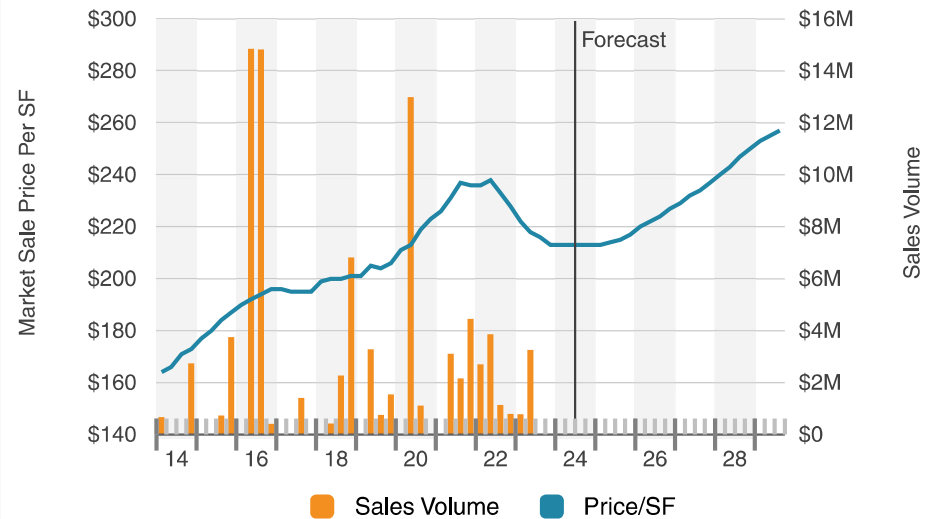
## Deliveries



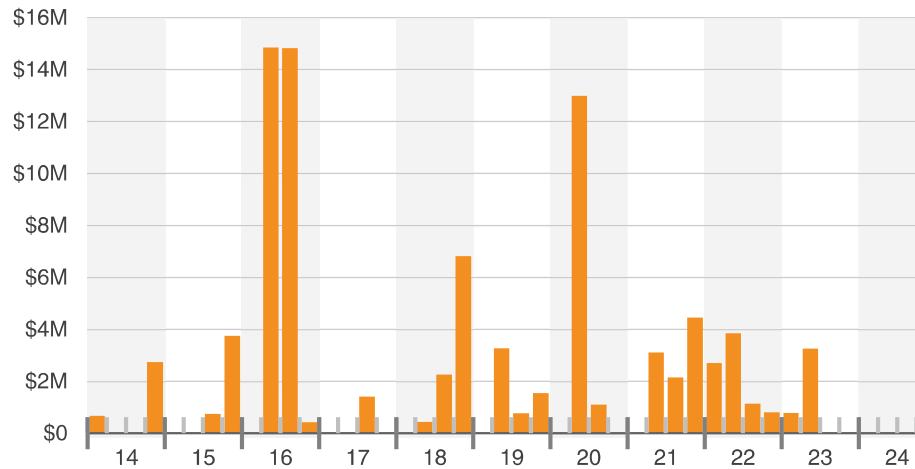
## Demolitions



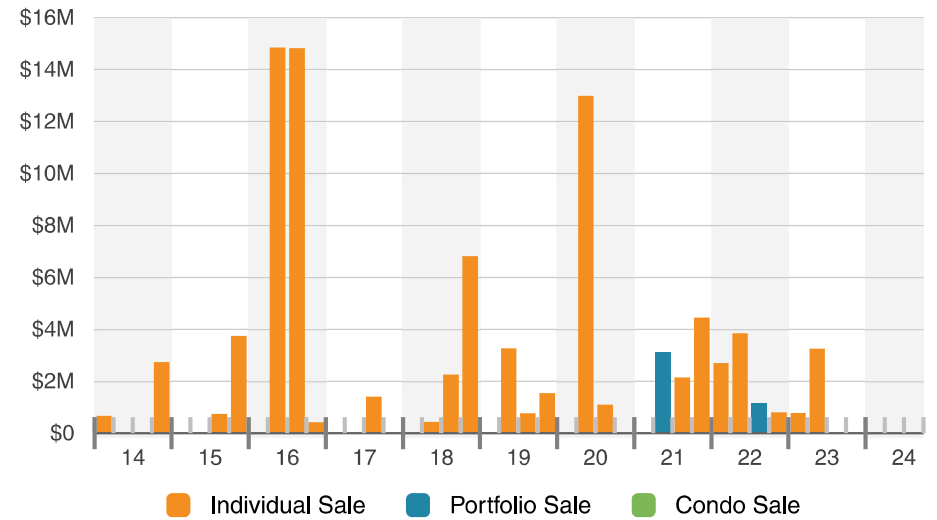
## Sales Volume & Market Sale Price Per SF



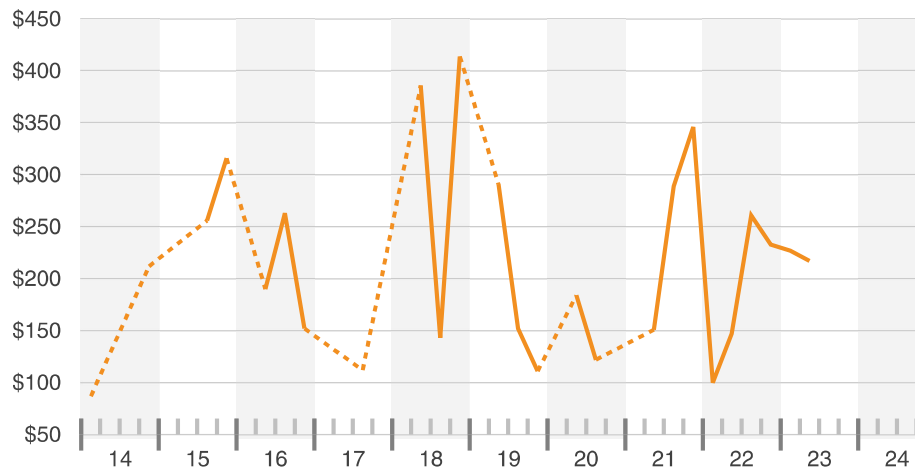
## Sales Volume



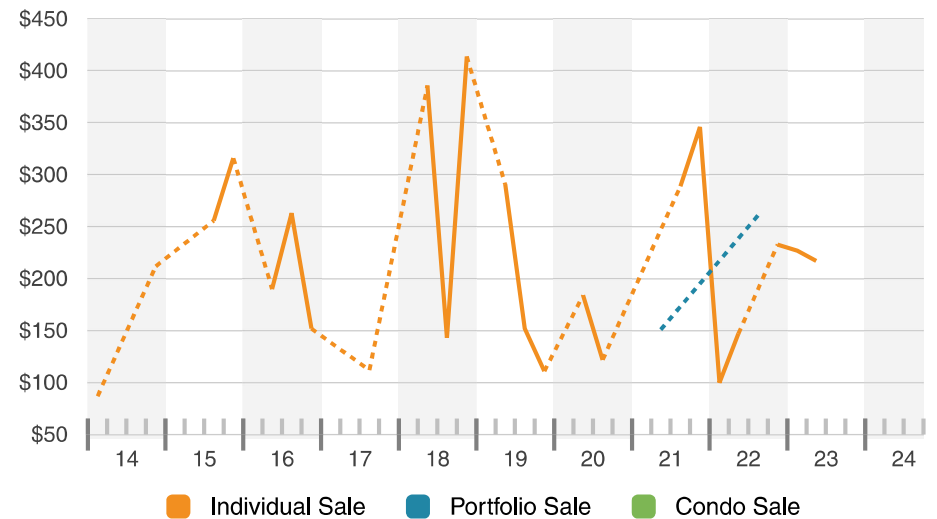
## Sales Volume By Transaction Type



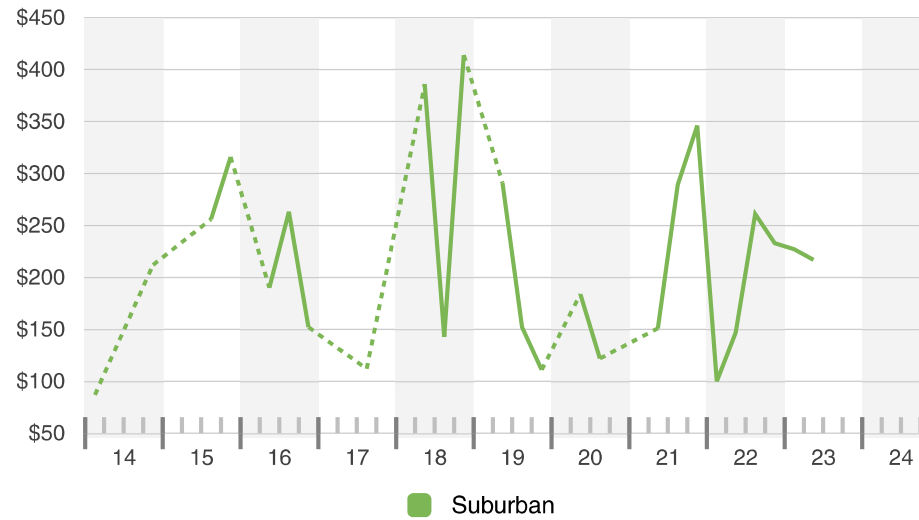
## Sale Price Per SF



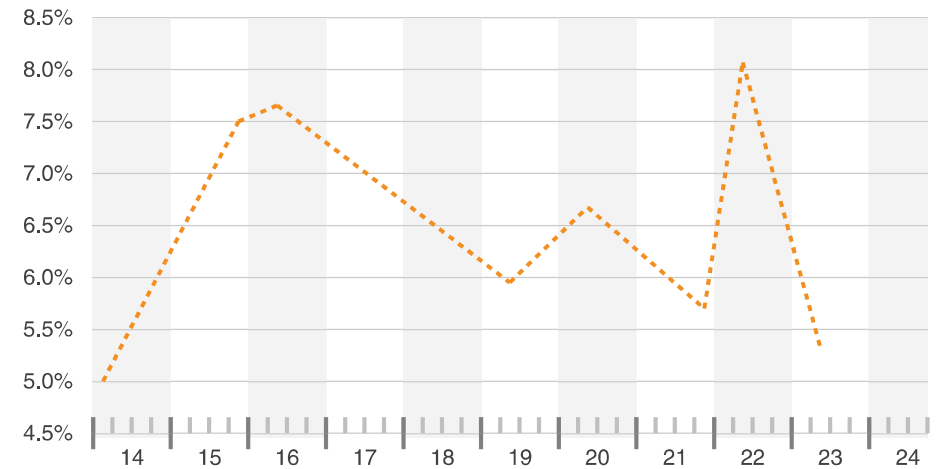
## Sale Price Per SF By Transaction Type



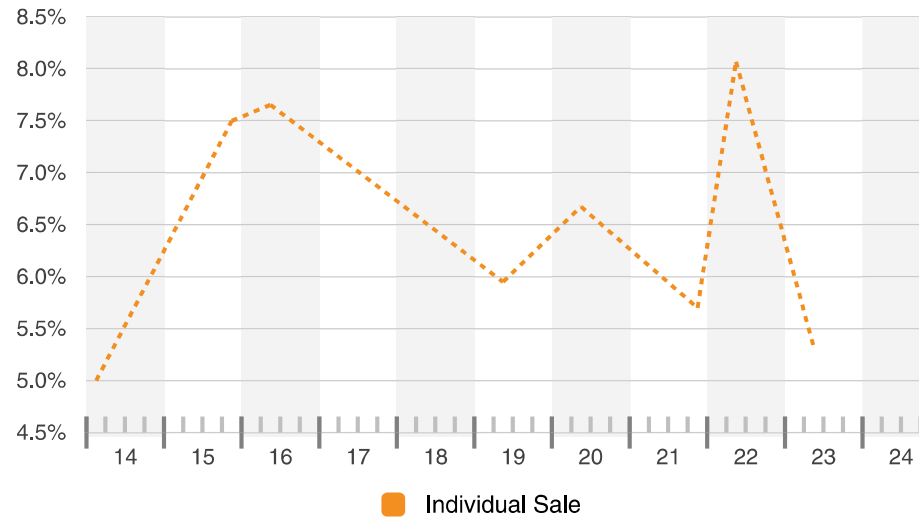
## Sale Price Per SF By Location Type



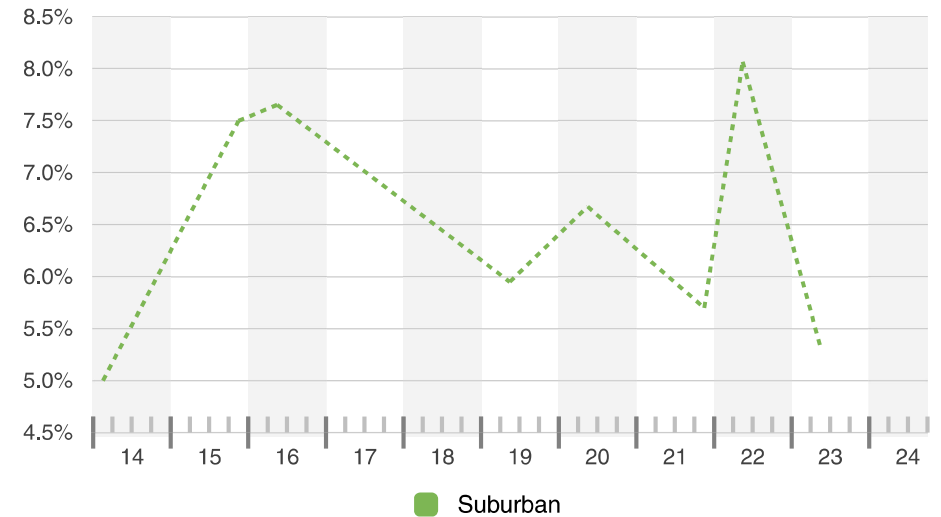
## Cap Rate



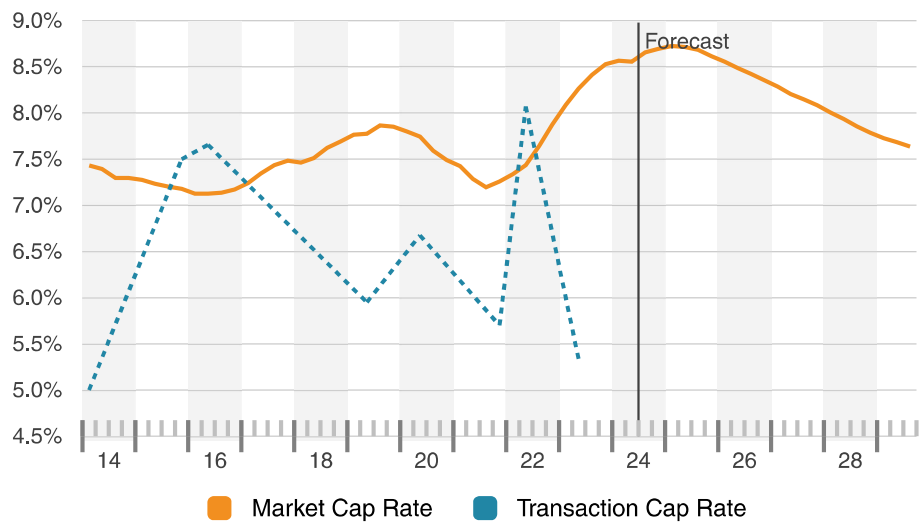
## Cap Rate By Transaction Type



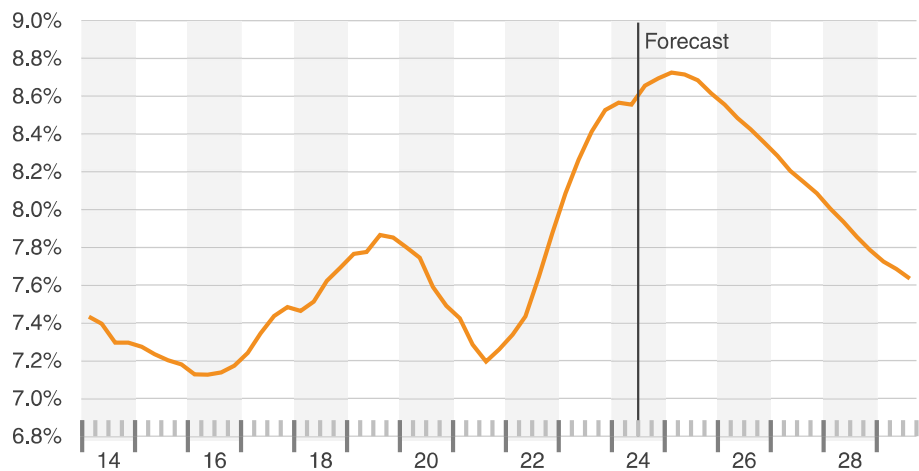
## Cap Rate By Location Type



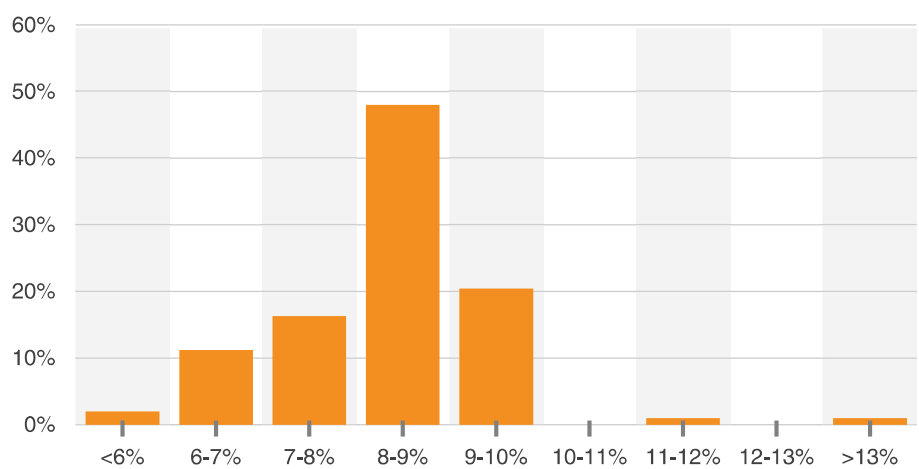
Market Cap Rate & Transaction Cap Rate



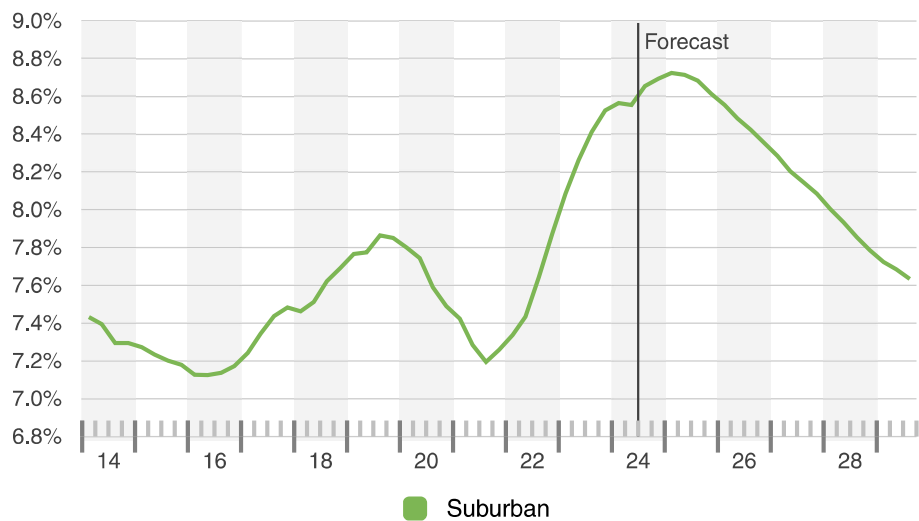
Market Cap Rate



Market Cap Rate Distribution

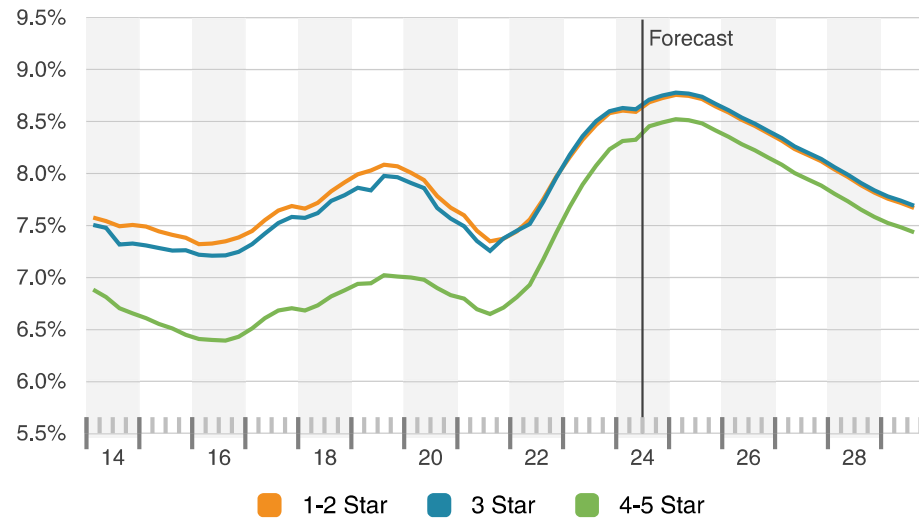


Market Cap Rate By Location Type

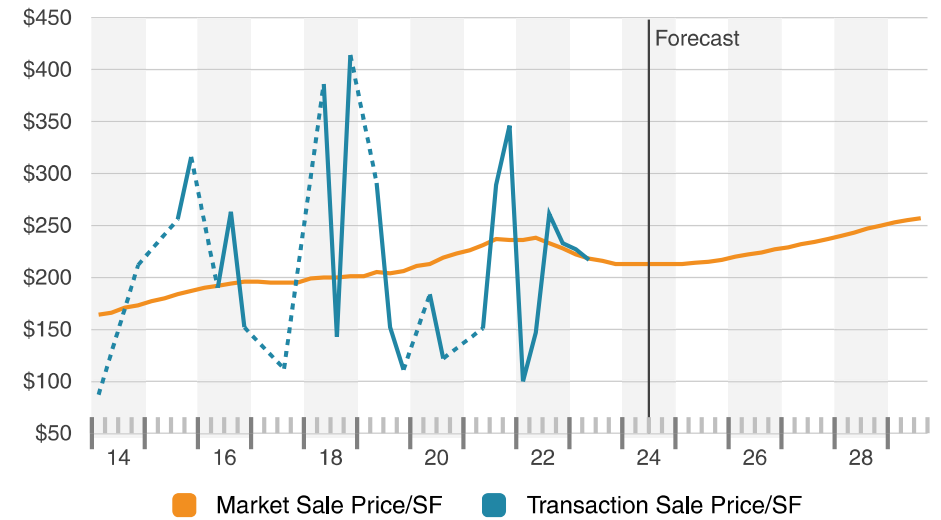


# Search Analytics

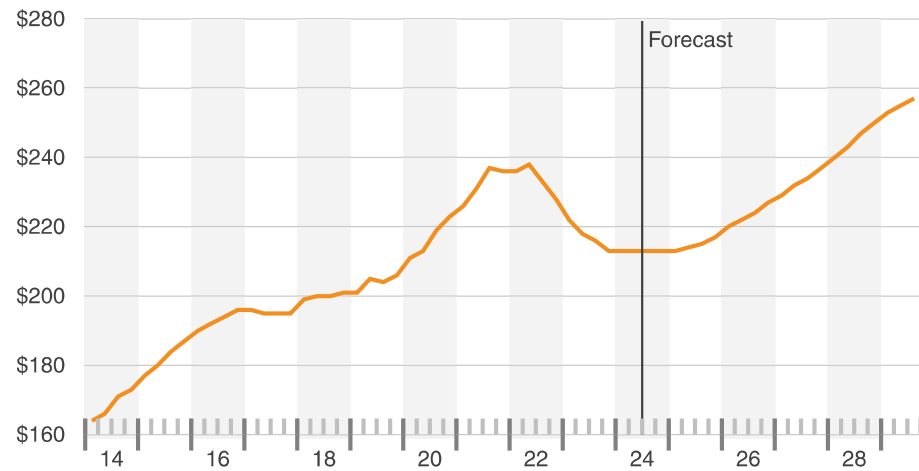
## Market Cap Rate By Star Rating



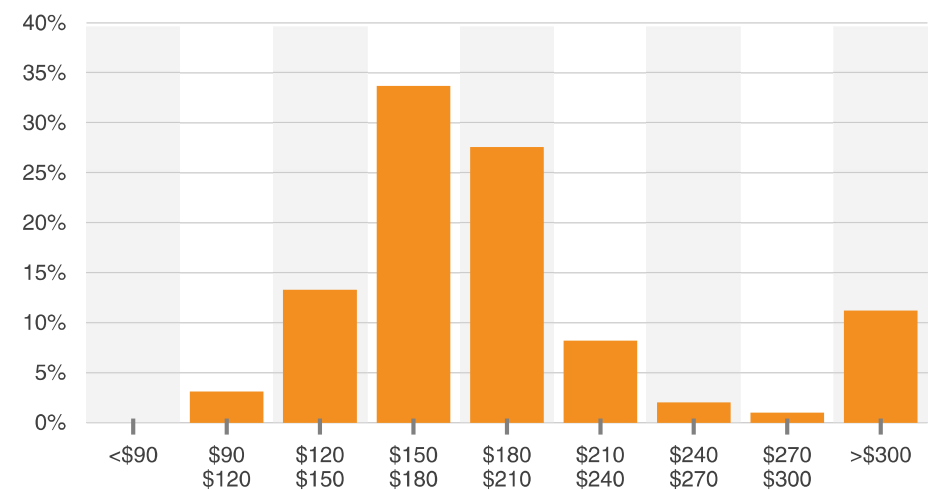
## Market Sale Price & Transaction Sale Price Per SF



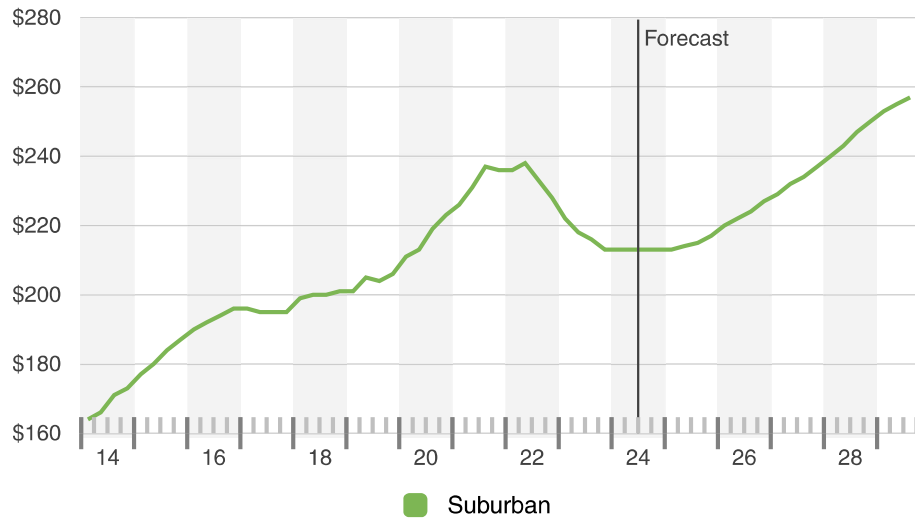
## Market Sale Price Per SF



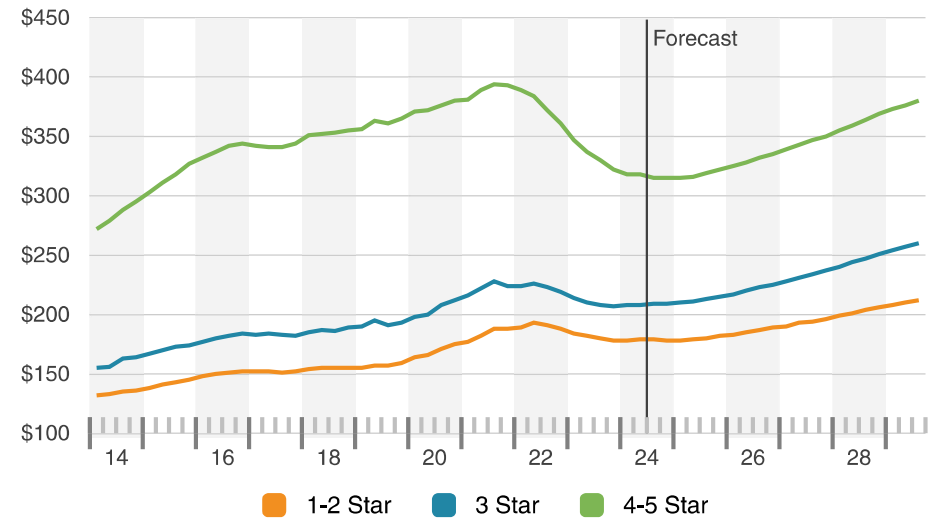
## Market Sale Price Per SF Distribution



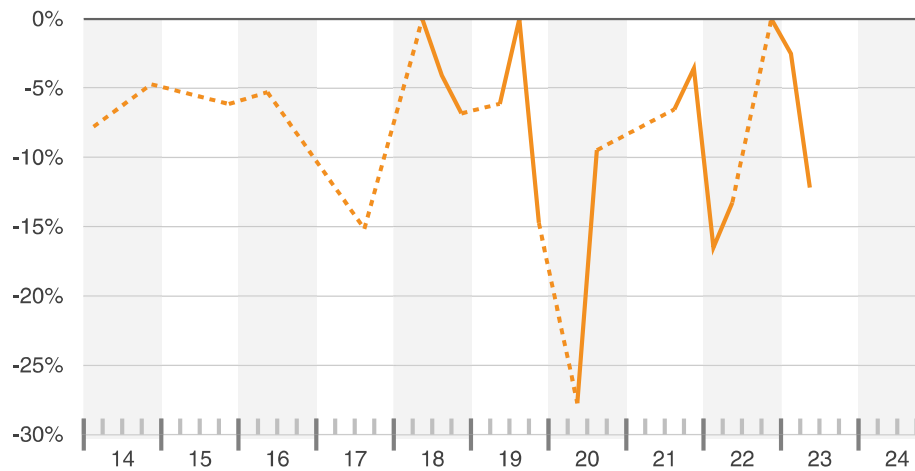
## Market Sale Price Per SF By Location Type



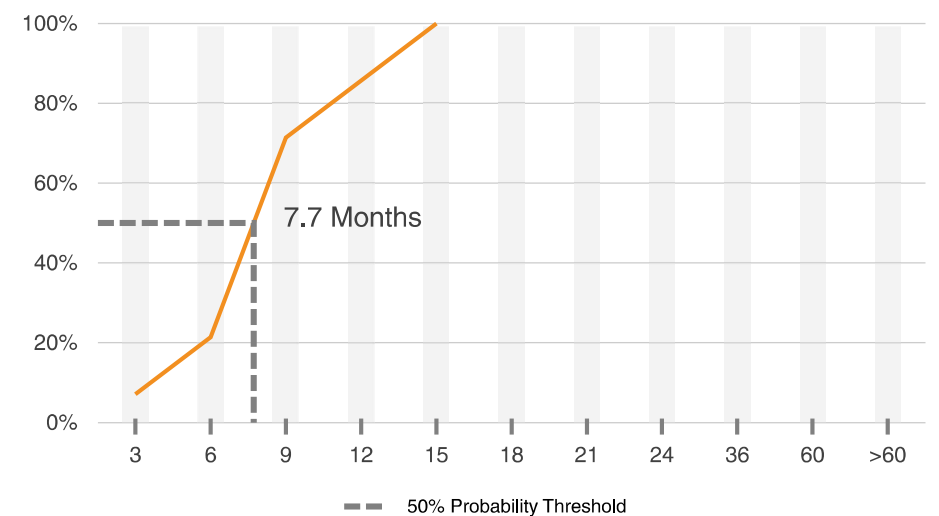
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

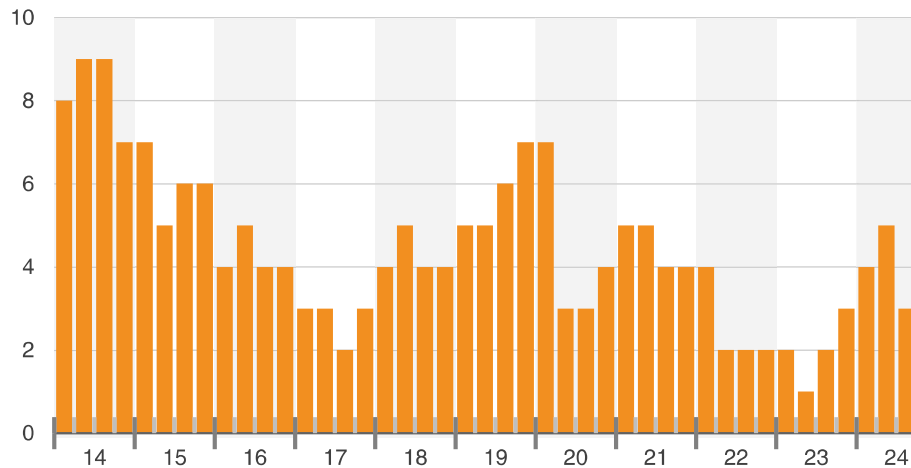


## Probability Of Selling In Months

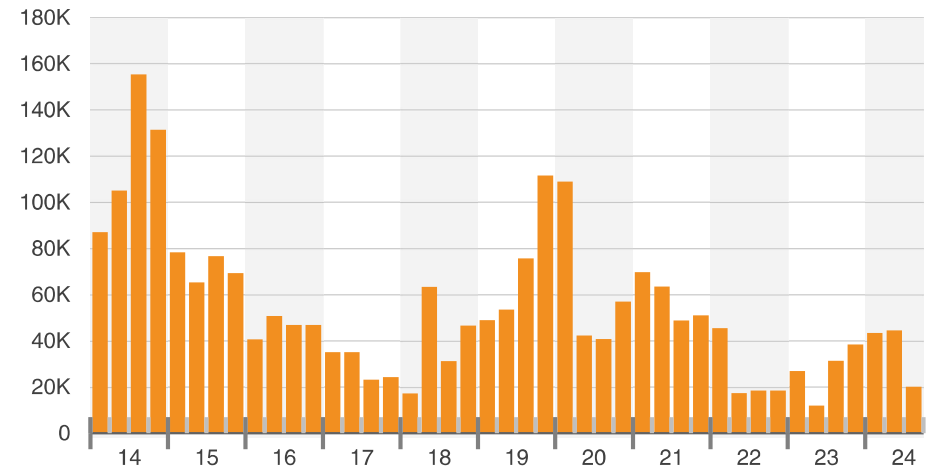


# Search Analytics

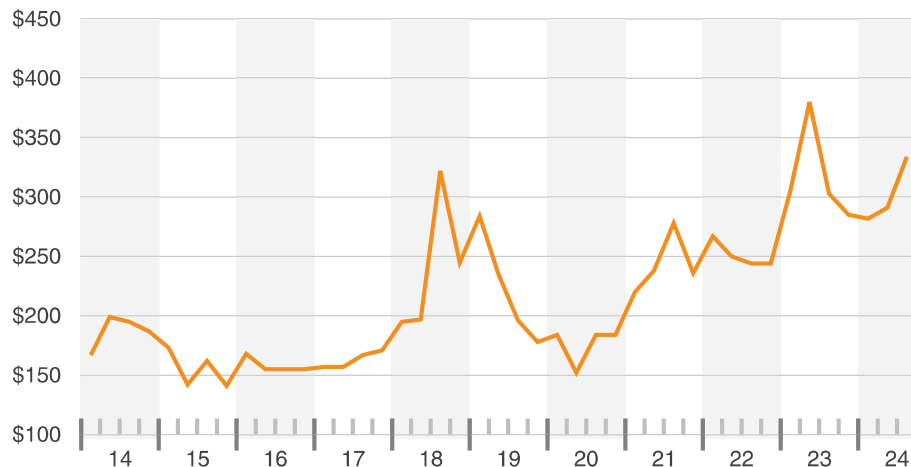
## For Sale Total Listings



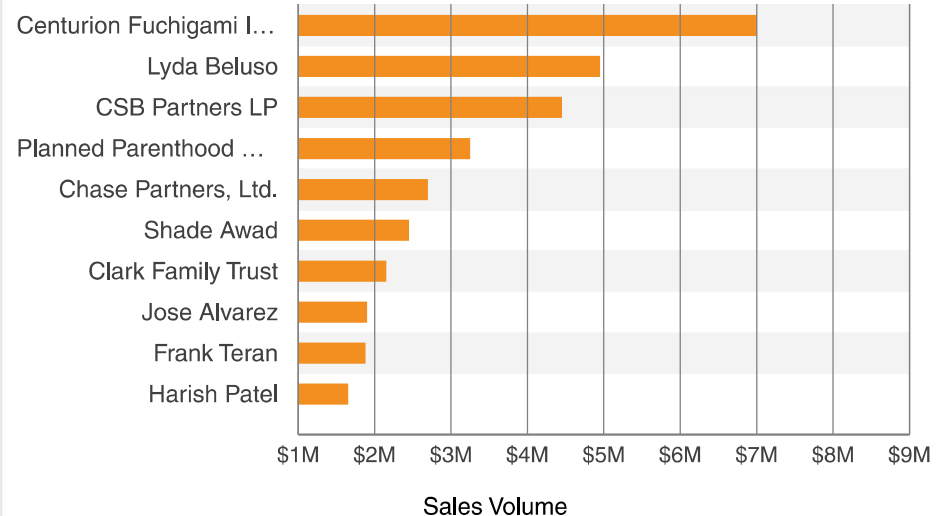
## For Sale Total SF



## For Sale Asking Price Per SF

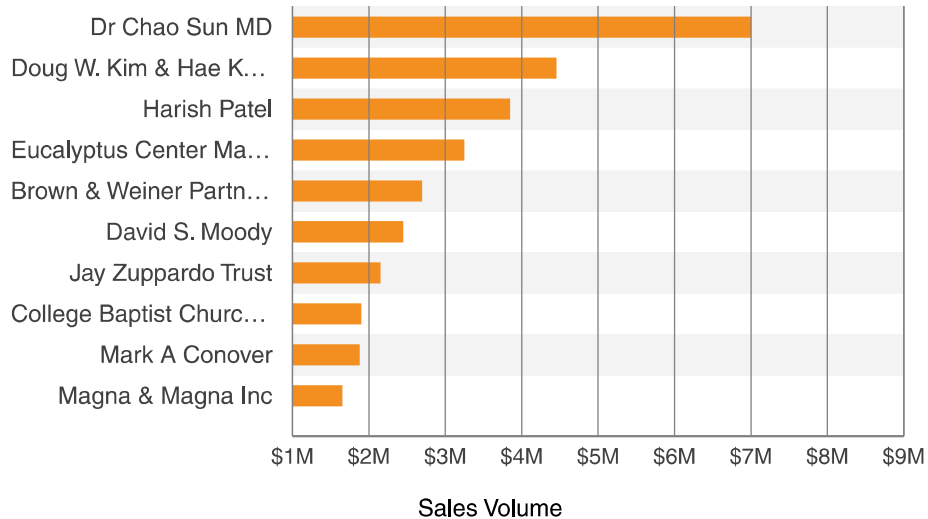


## Top Buyers

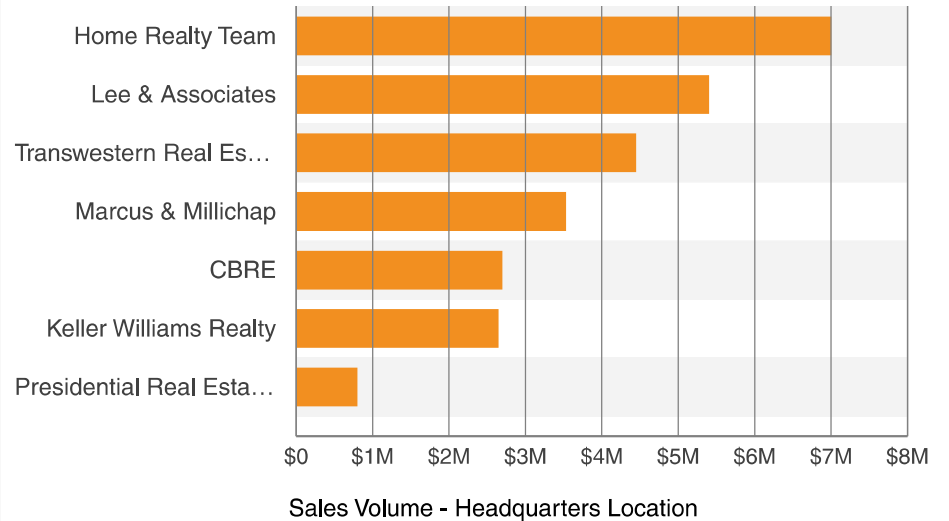


# Search Analytics

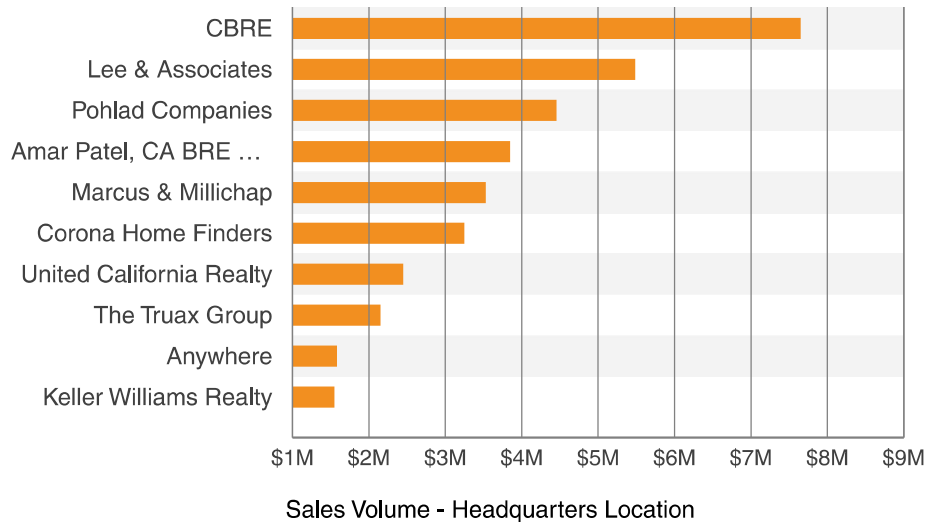
## Top Sellers



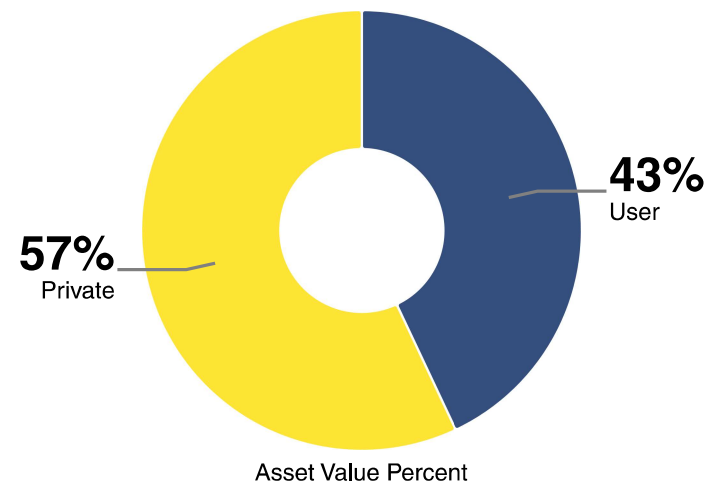
## Top Buyer Brokers



## Top Seller Brokers

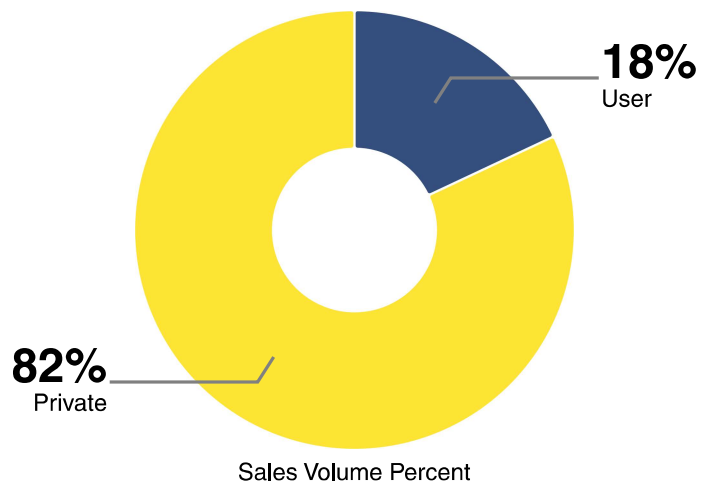


## Asset Value By Owner Type

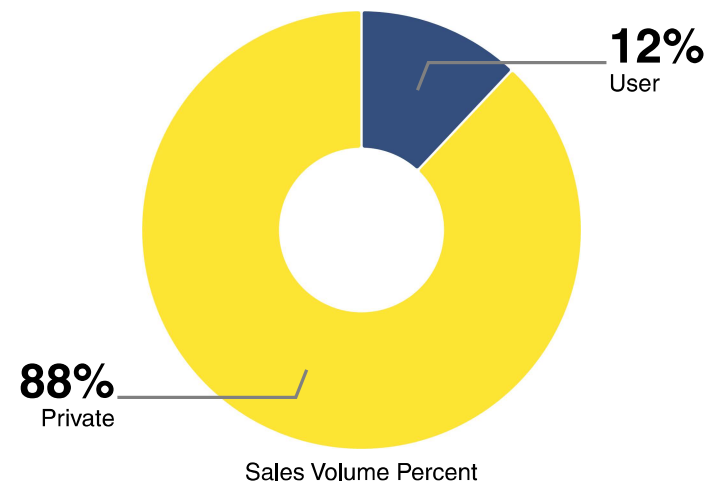




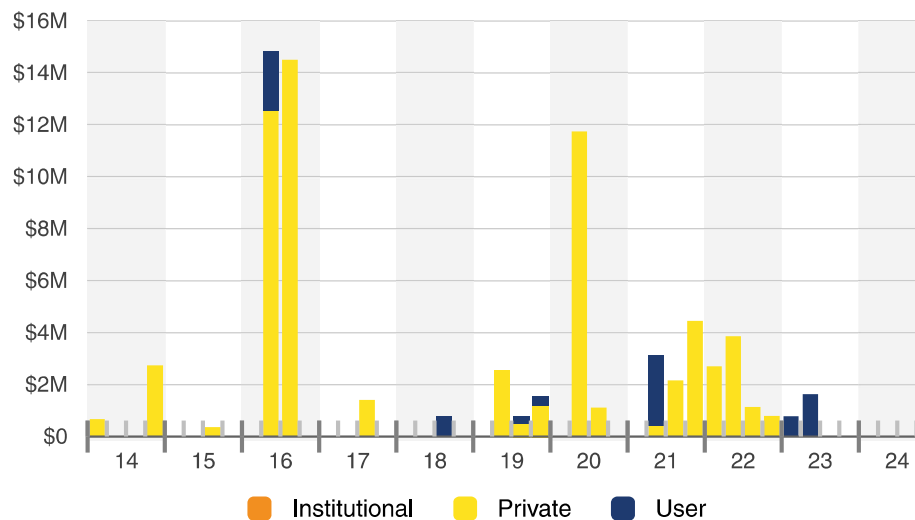
Sales By Buyer Type



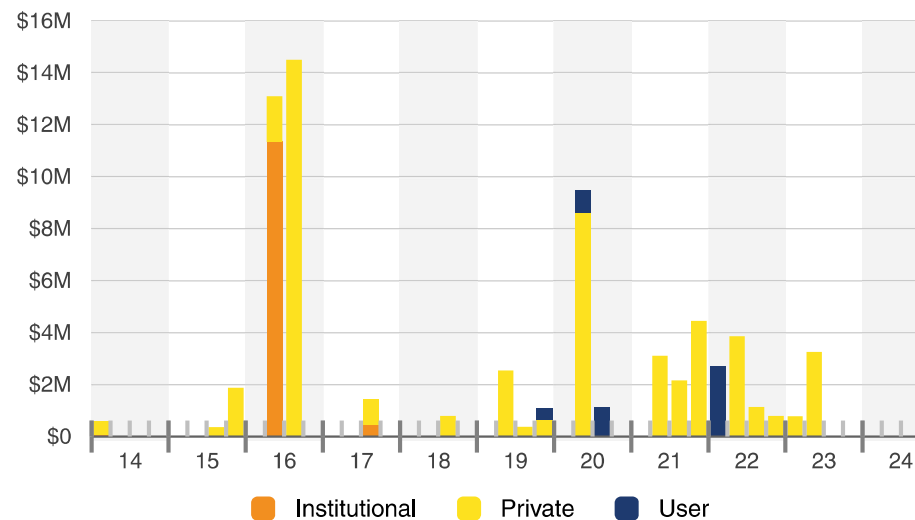
Sales By Seller Type



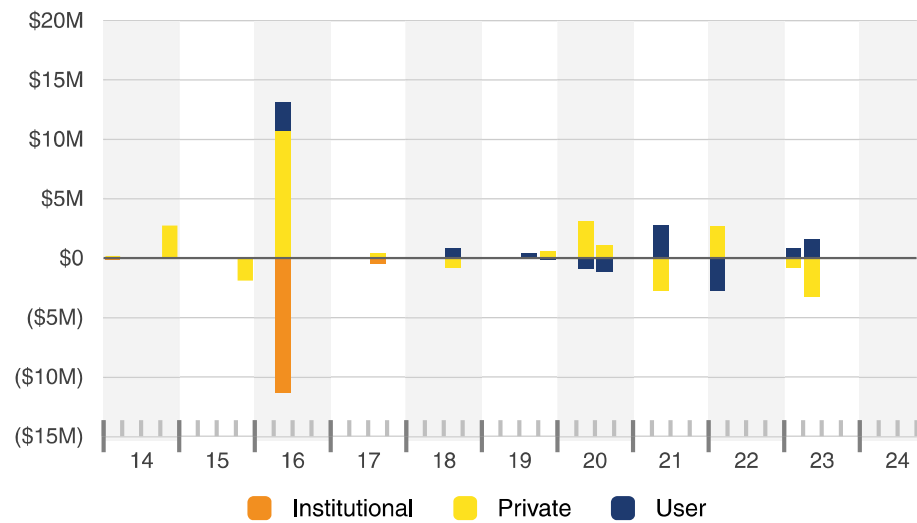
Sales Volume By Buyer Type



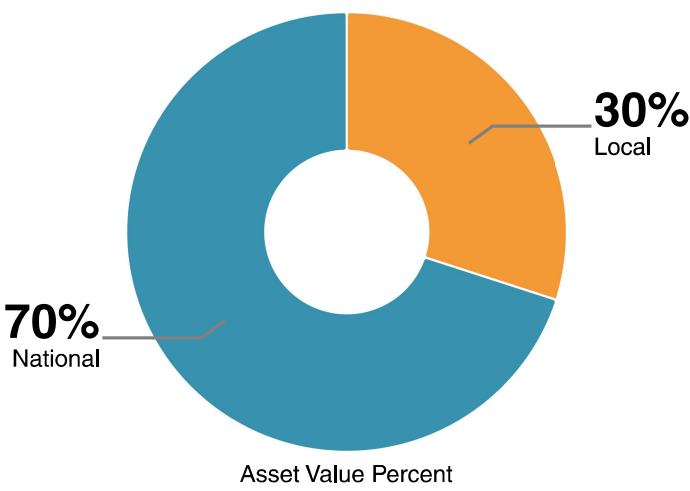
Sales Volume By Seller Type



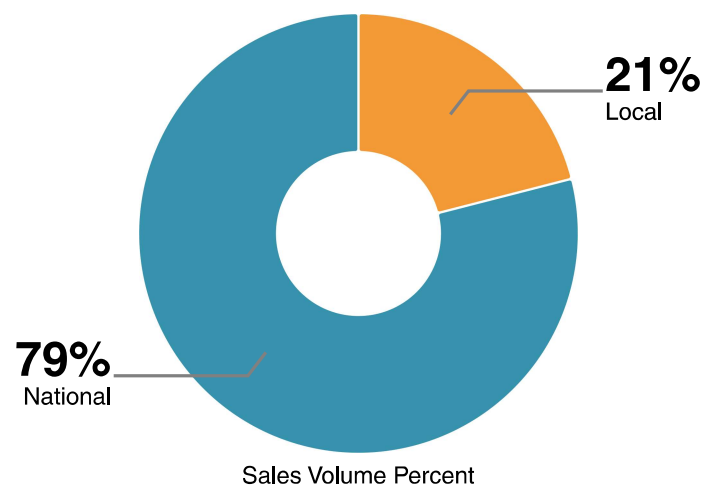
Net Buying & Selling By Owner Type



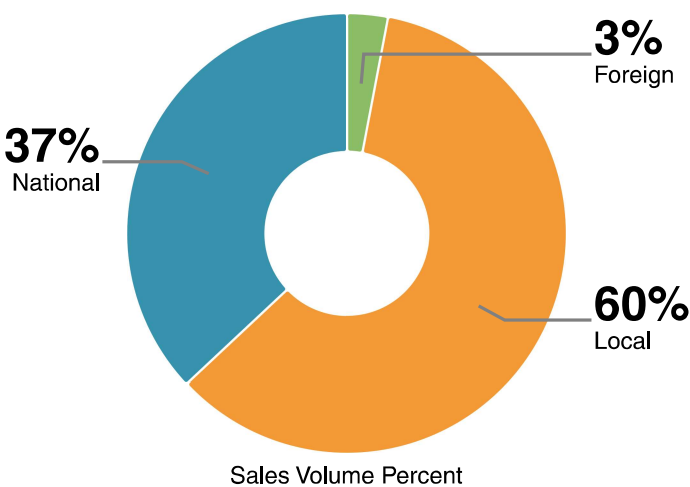
Asset Value By Owner Origin



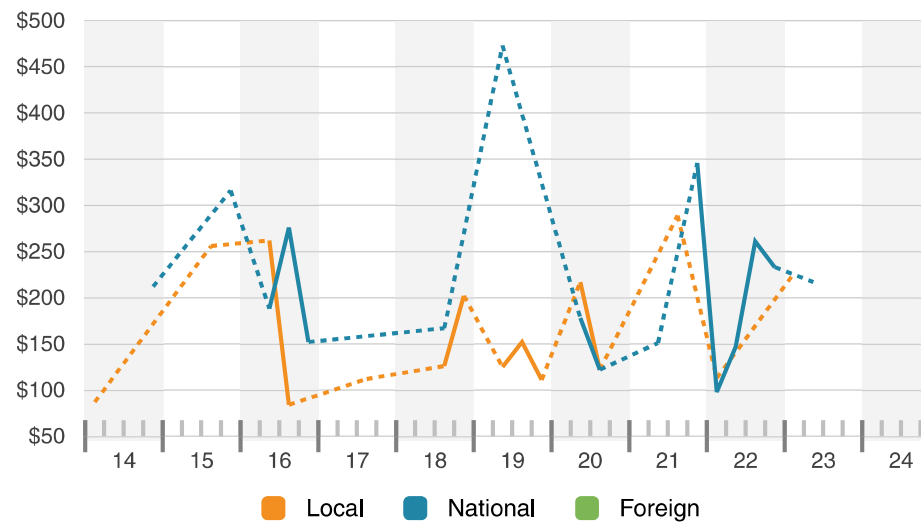
Sales Volume By Buyer Origin



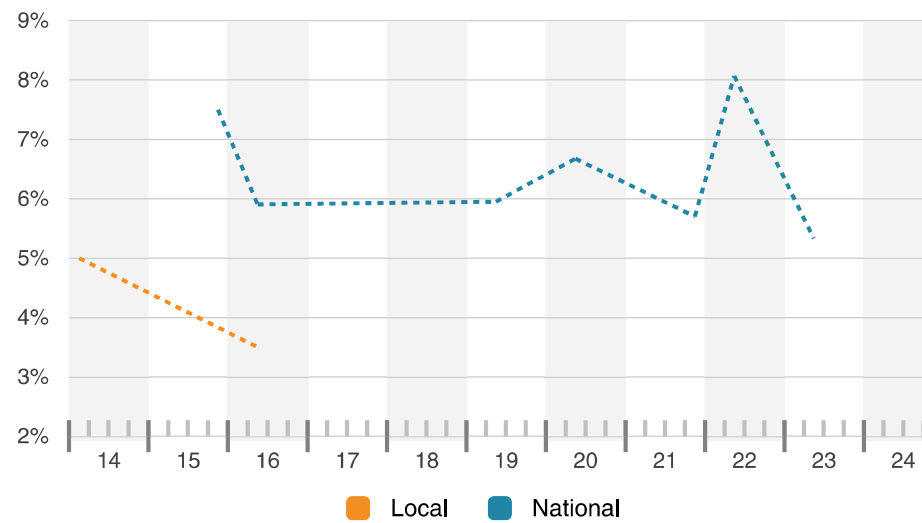
Sales Volume By Seller Origin



Average Price Per SF By Buyer Origin



Average Cap Rate By Buyer Origin



## Report Criteria

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- 101 Properties / 29 Spaces
- City: Moreno Valley, CA
- Property Type: Office

## **EXHIBIT B – INDUSTRIAL MARKET**

INVENTORY SF

**34.1M** +3.2%

Prior Period 33M

UNDER CONSTRUCTION SF

**39K** -95.7%

Prior Period 916K

12 MO NET ABSORPTION SF

**76.1K** -89.5%

Prior Period 723K

VACANCY RATE

**4.7%** +2.8%

Prior Period 1.9%

MARKET ASKING RENT/SF

**\$0.99** +0.6%

Prior Period \$0.99

MARKET SALE PRICE/SF

**\$212** -1.3%

Prior Period \$215

MARKET CAP RATE

**4.5%** +0.3%

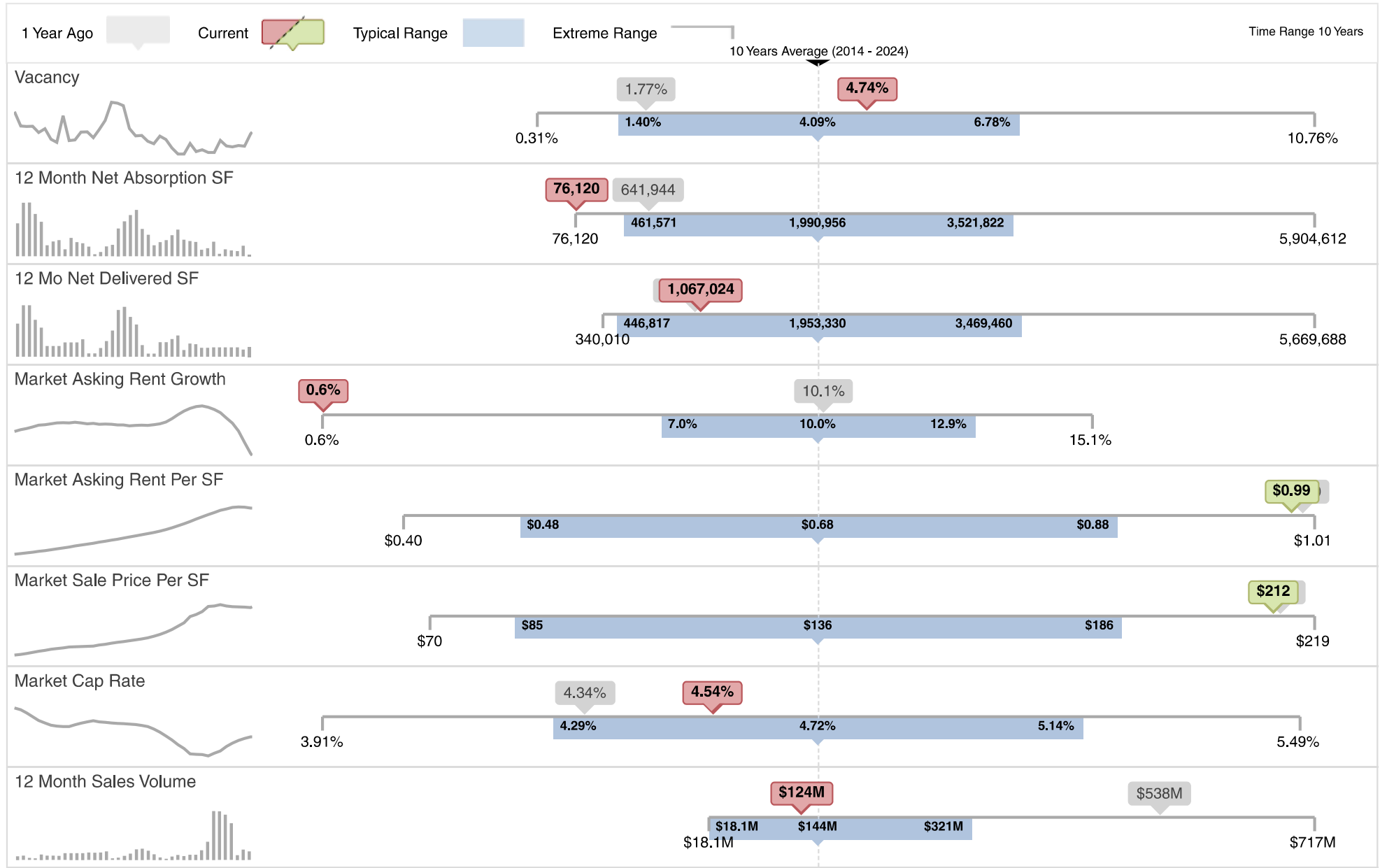
Prior Period 4.2%

## Key Metrics

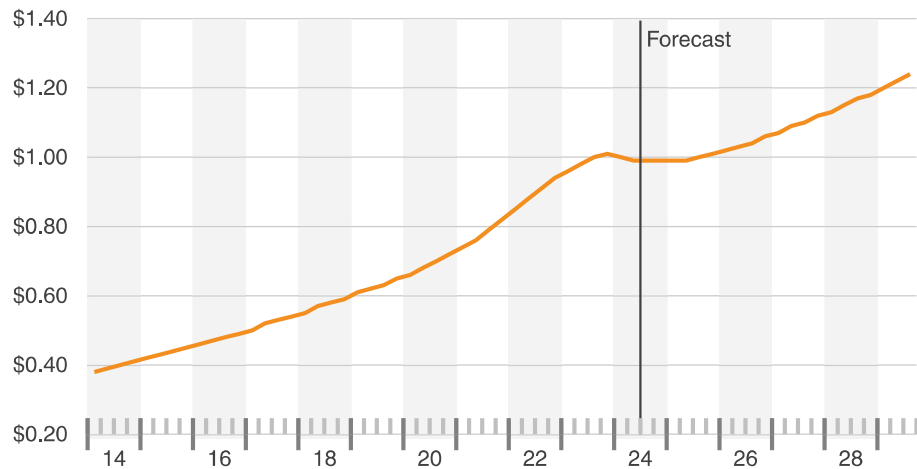
Availability		Inventory	
Vacant SF	1.6M ↑	Existing Buildings	125 ↑
Sublet SF	668K ↑	Under Construction Avg SF	39K ↓
Availability Rate	7.9% ↑	12 Mo Demolished SF	0 ↓
Available SF Total	2.7M ↑	12 Mo Occupancy % at Delivery	87.0% ↑
Available Asking Rent/SF	\$1.10 ↓	12 Mo Construction Starts SF	188K ↓
Occupancy Rate	95.3% ↓	12 Mo Delivered SF	1.1M ↑
Percent Leased Rate	96.2% ↓	12 Mo Avg Delivered SF	119K ↓
Sales Past Year		Demand	
Asking Price Per SF	\$276 ↑	12 Mo Net Absorp % of Inventory	0.2% ↓
Sale to Asking Price Differential	-7.7% ↓	12 Mo Leased SF	876K ↓
Sales Volume	\$125M ↓	Months on Market	6.9 ↑
Properties Sold	16 ↓	Months to Lease	7.7 ↑
Months to Sale	12.5 ↑	Months Vacant	7.7 ↑
For Sale Listings	11 ↓	24 Mo Lease Renewal Rate	76.1%
Total For Sale SF	233K ↓	Population Growth 5 Yrs	0.2%

# Search Analytics

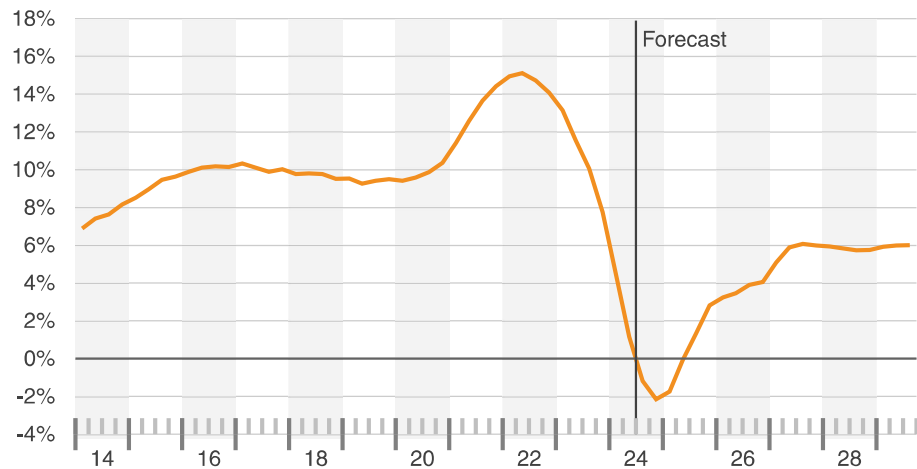
## Key Performance Indicators



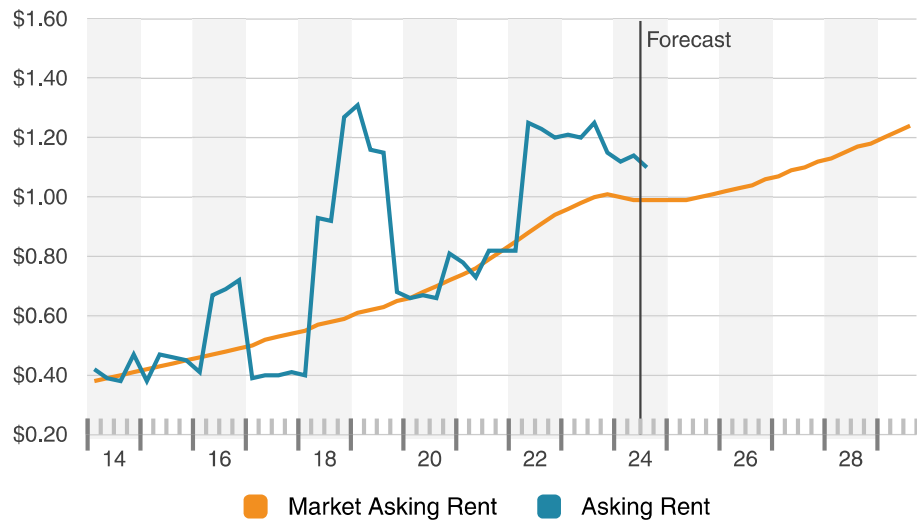
Market Asking Rent Per SF



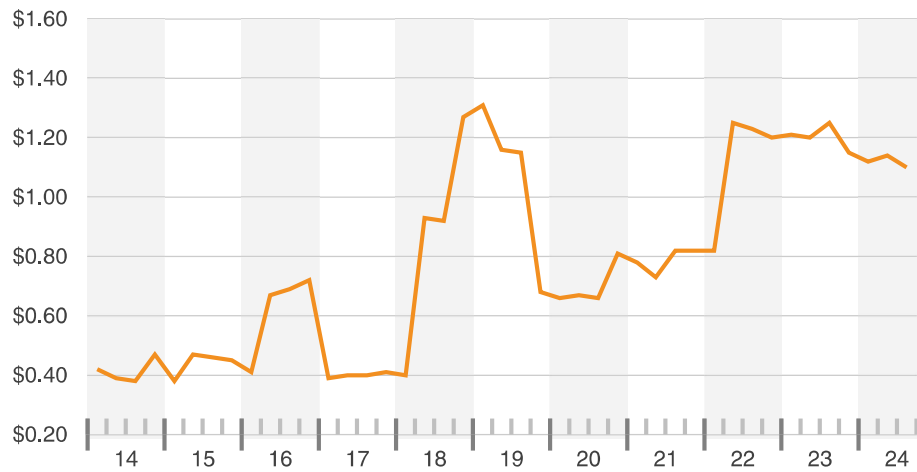
Market Asking Rent Growth (YOY)



Market Asking Rent & Asking Rent Per SF



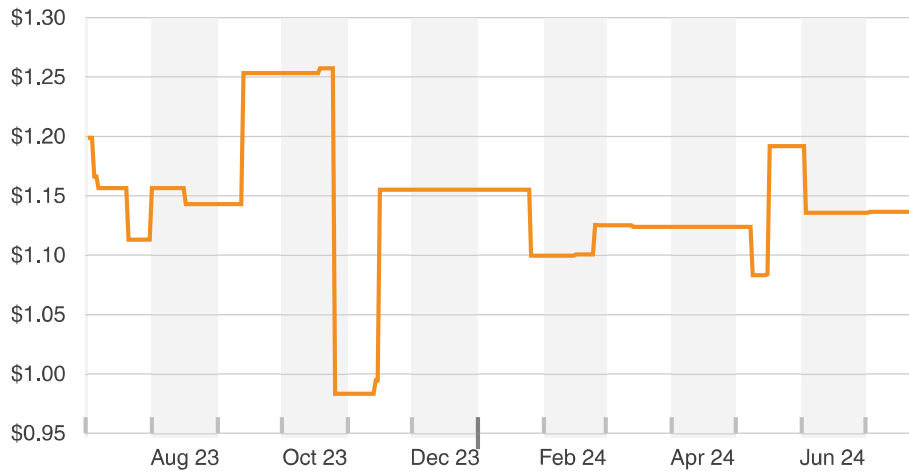
Asking Rent Per SF



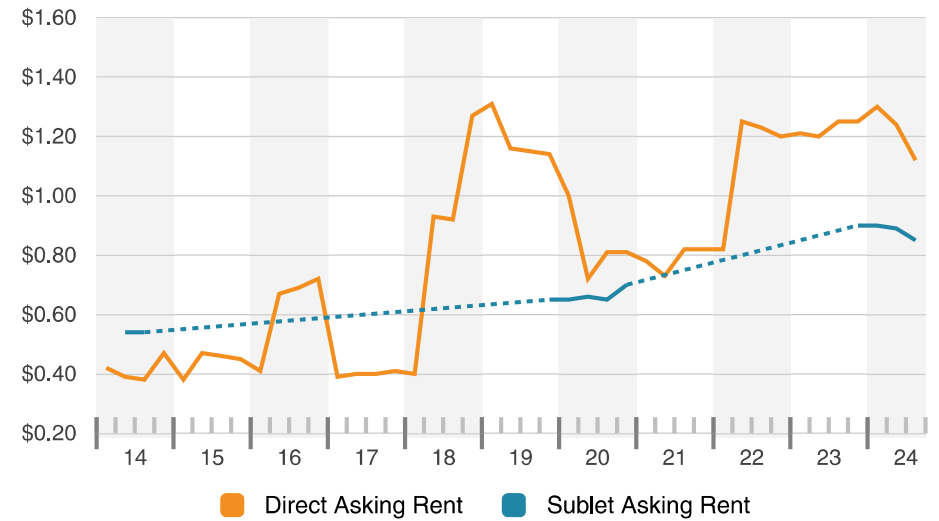


# Search Analytics

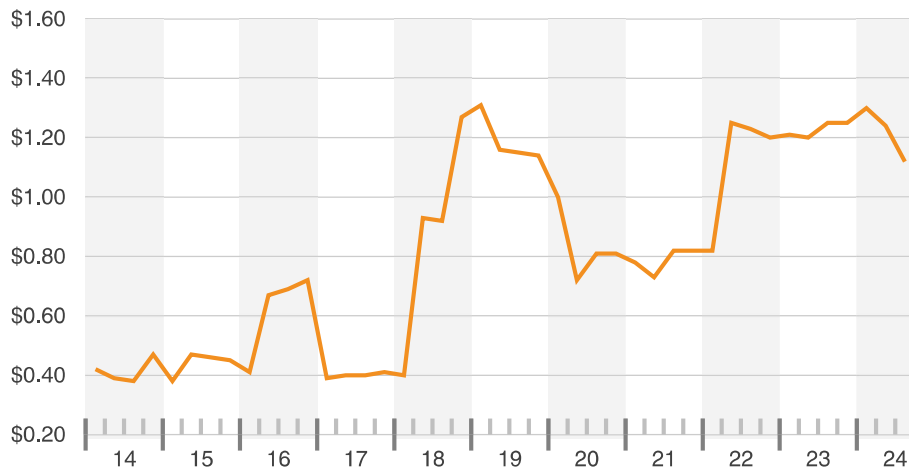
## Daily Asking Rent Per SF



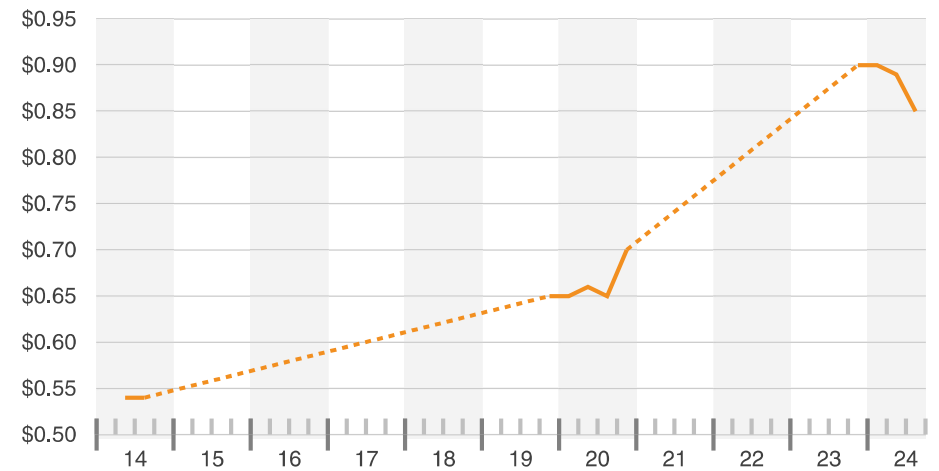
## Direct & Sublet Rent Per SF



## Direct Rent Per SF

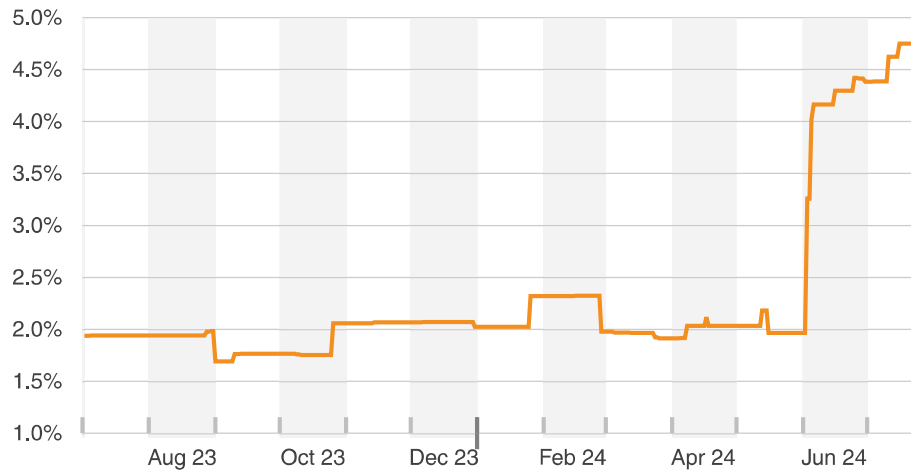


## Sublet Rent Per SF

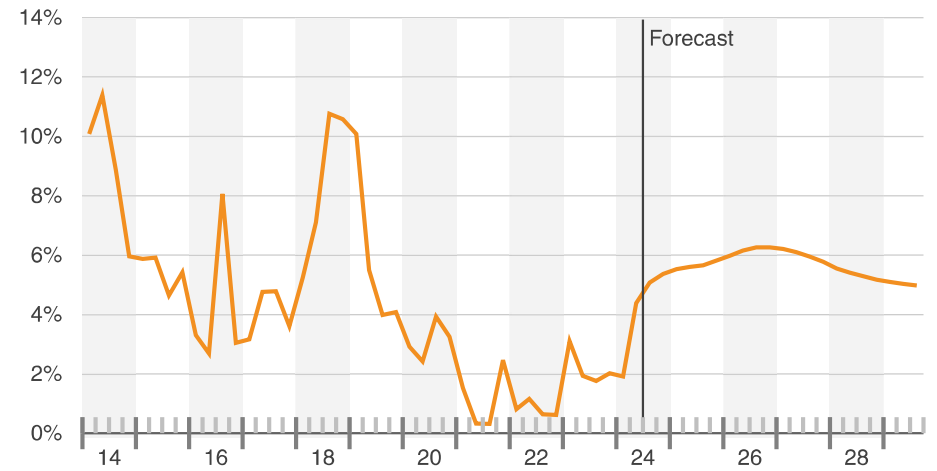


# Search Analytics

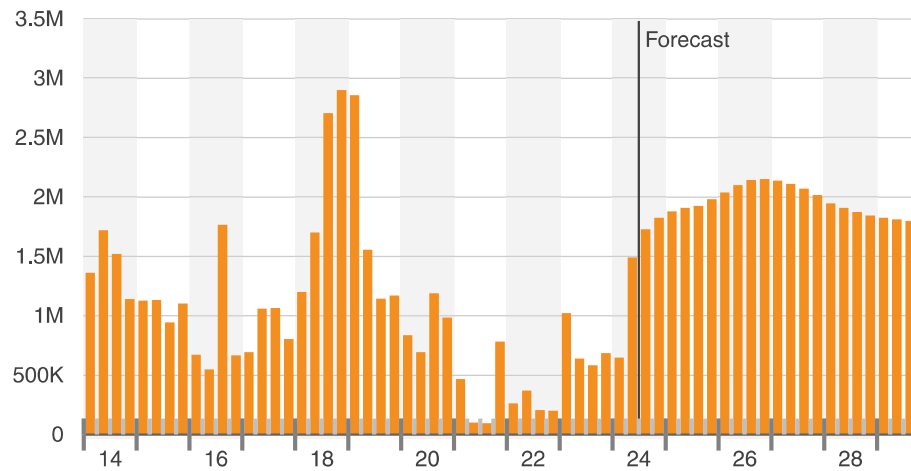
## Daily Vacancy Rate



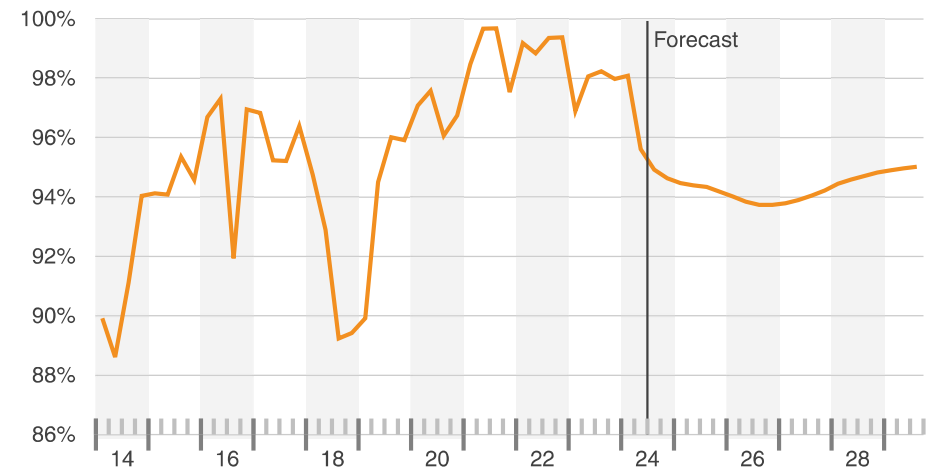
## Vacancy Rate



## Vacant SF

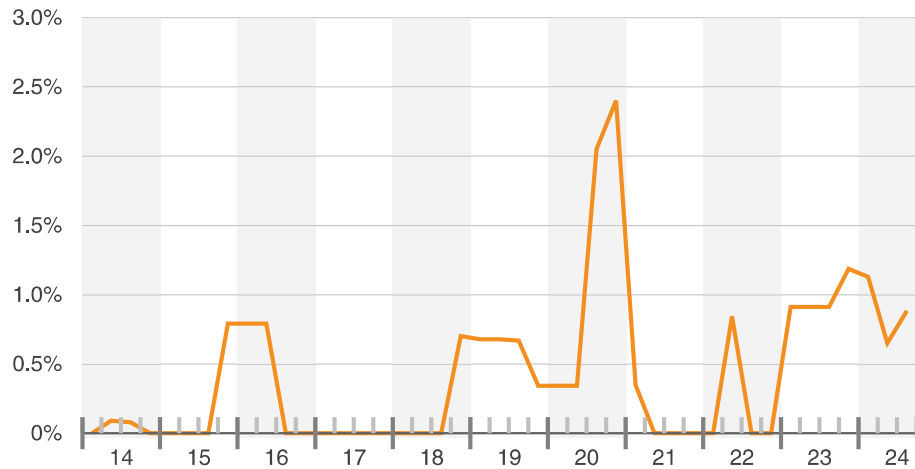


## Occupancy Rate

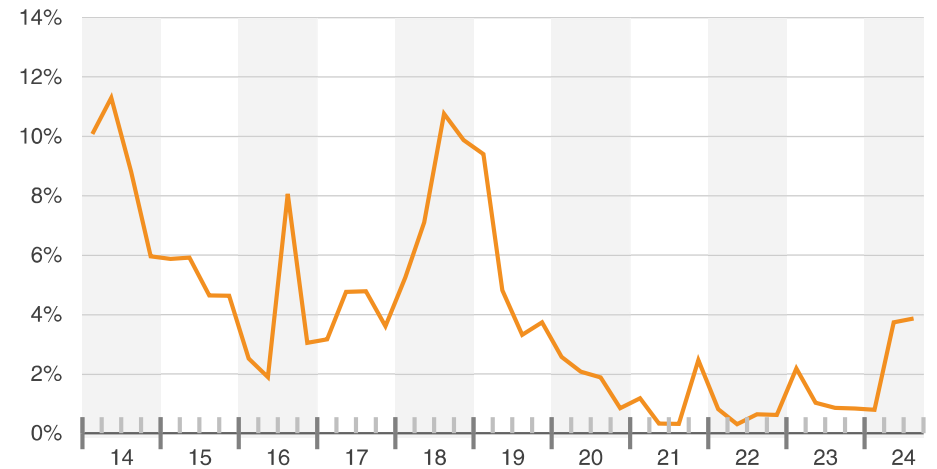


# Search Analytics

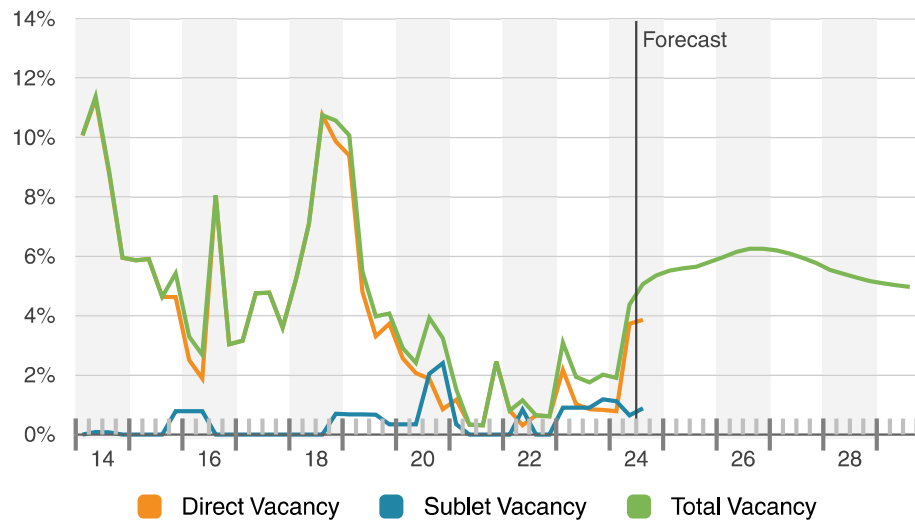
## Sublet Vacancy Rate



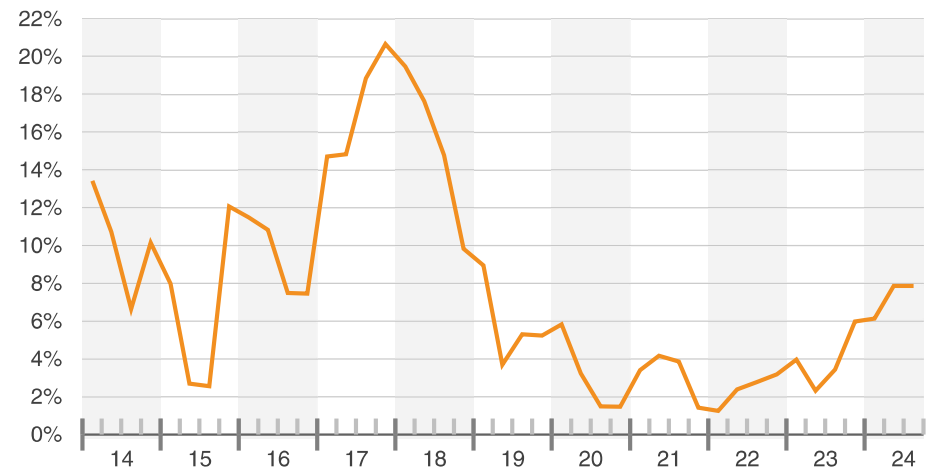
## Direct Vacancy Rate



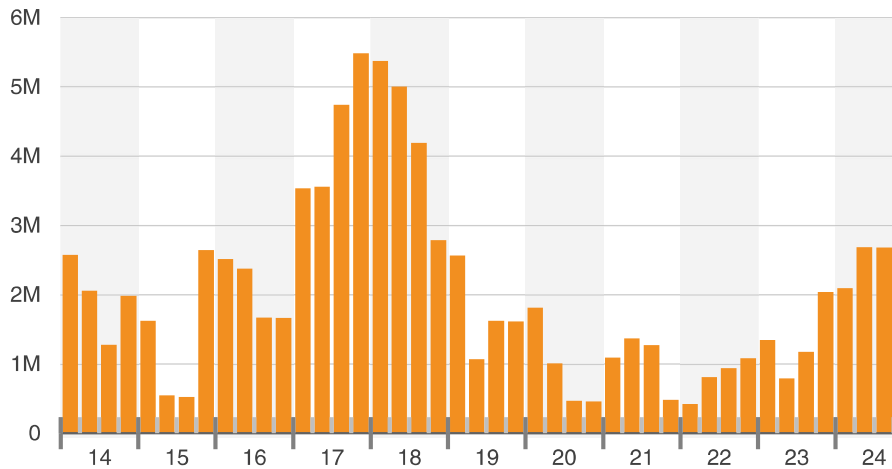
## Direct, Sublet & Total Vacancy Rate



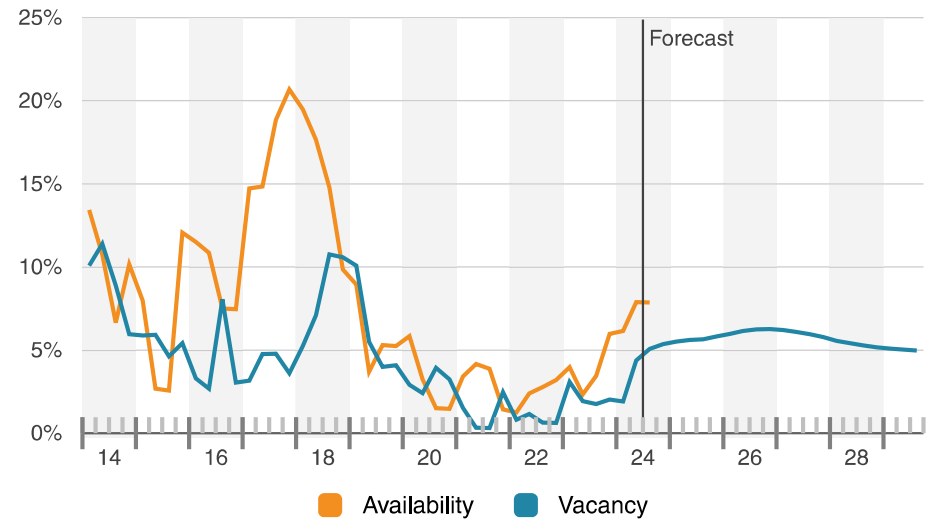
## Availability Rate



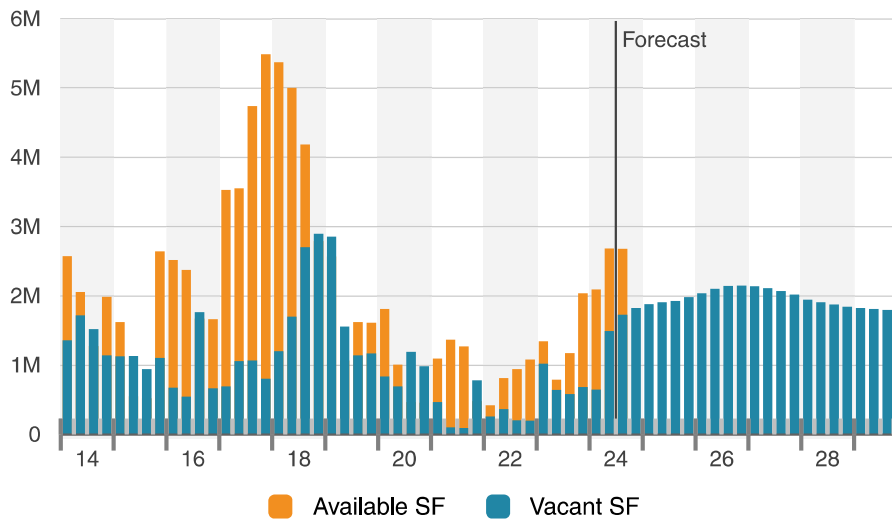
## Available SF



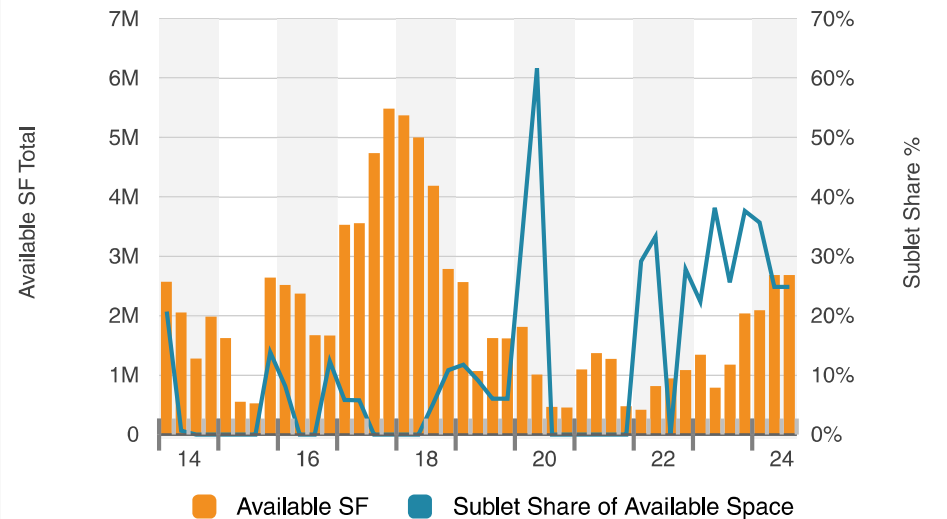
## Availability & Vacancy Rate



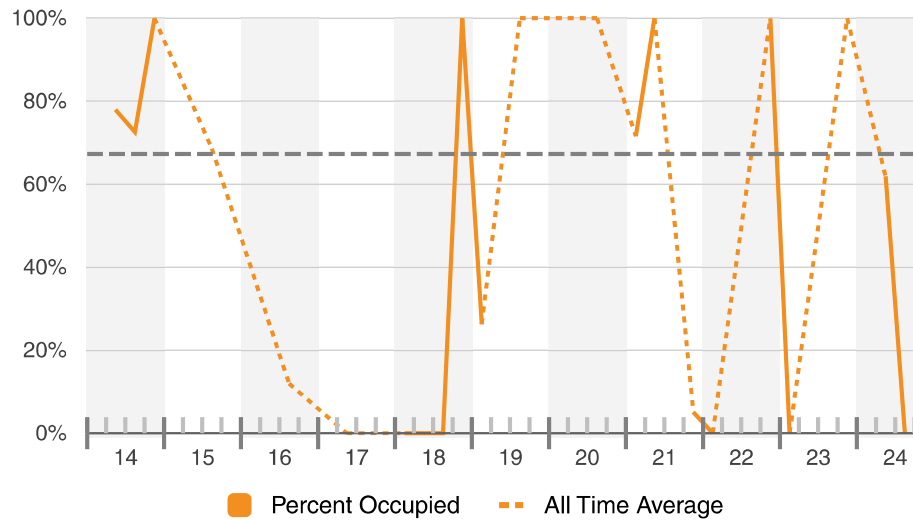
## Available & Vacant SF



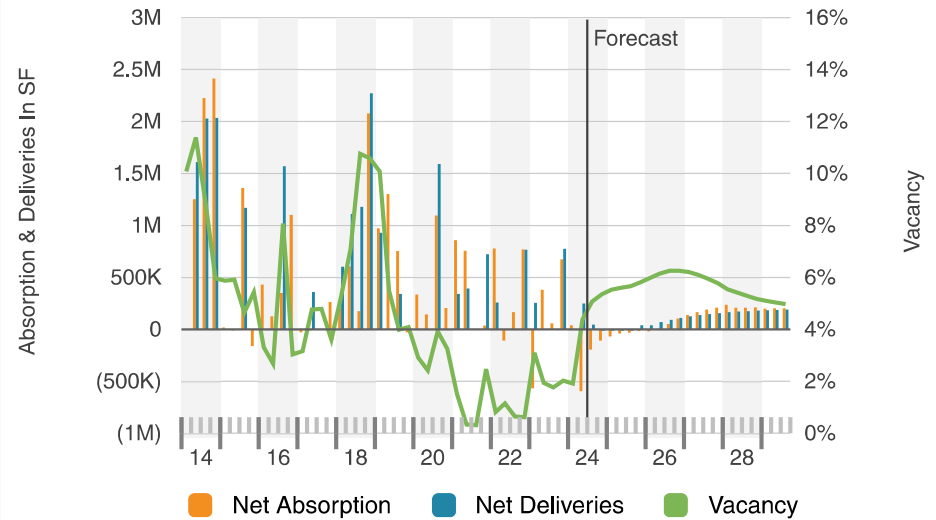
## Available SF Total & Sublet Share %



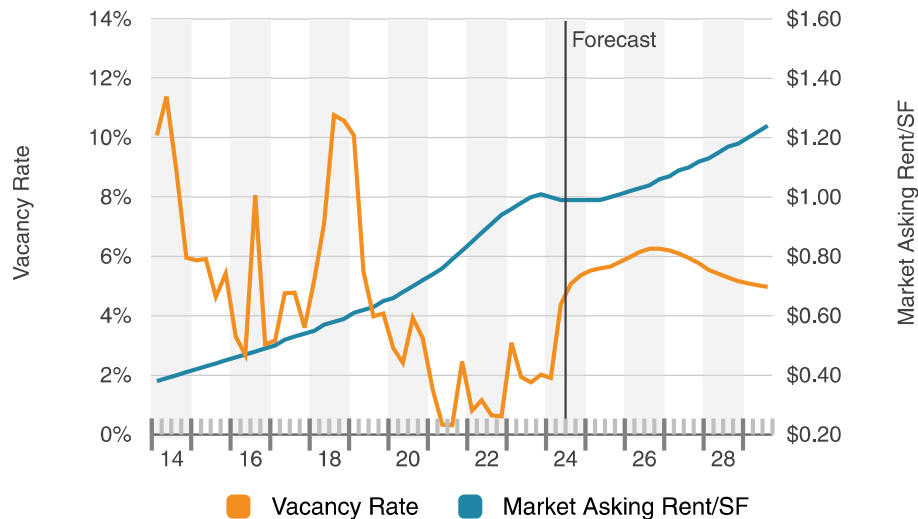
## Occupancy At Delivery



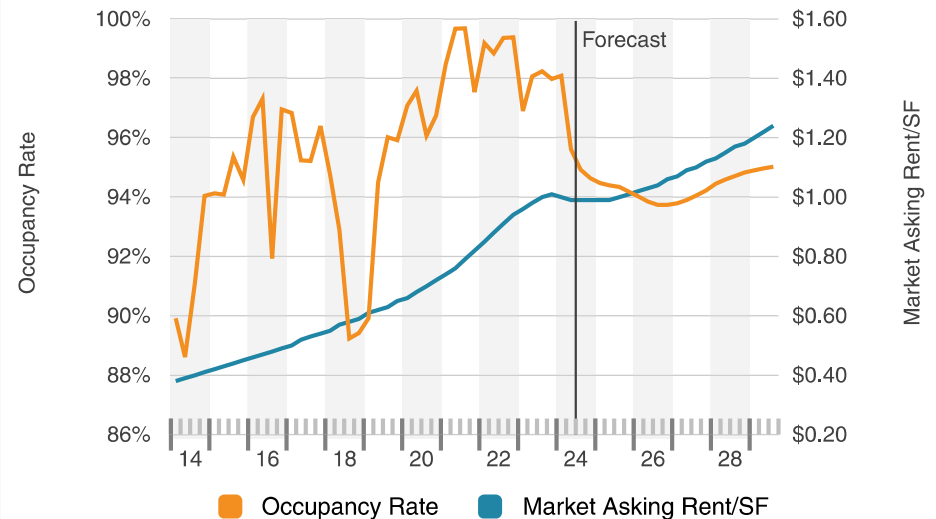
## Net Absorption, Net Deliveries & Vacancy



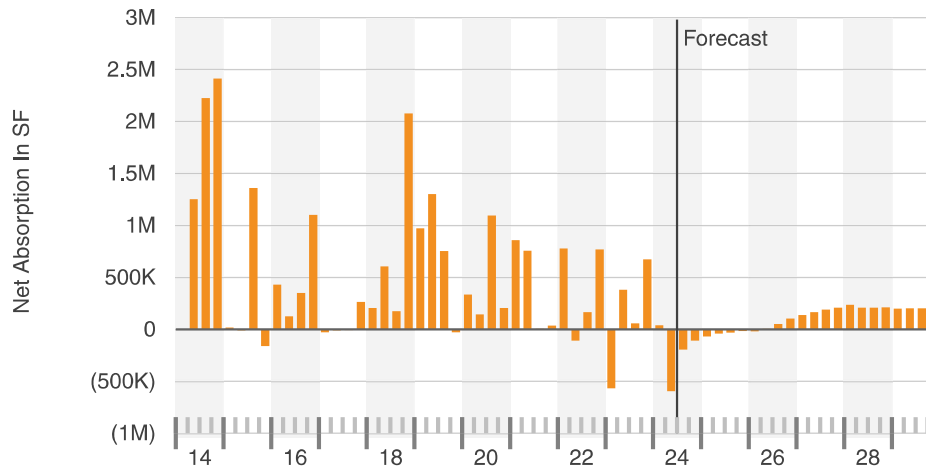
## Vacancy & Market Asking Rent Per SF



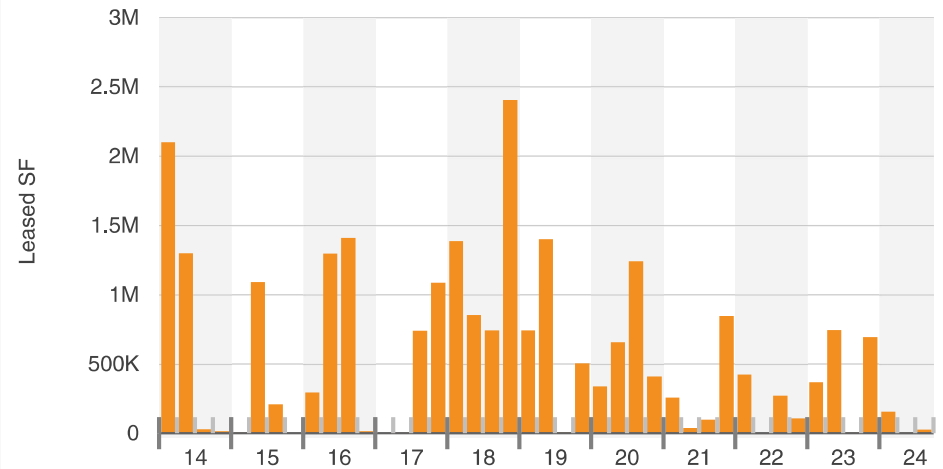
## Occupancy & Market Asking Rent Per SF



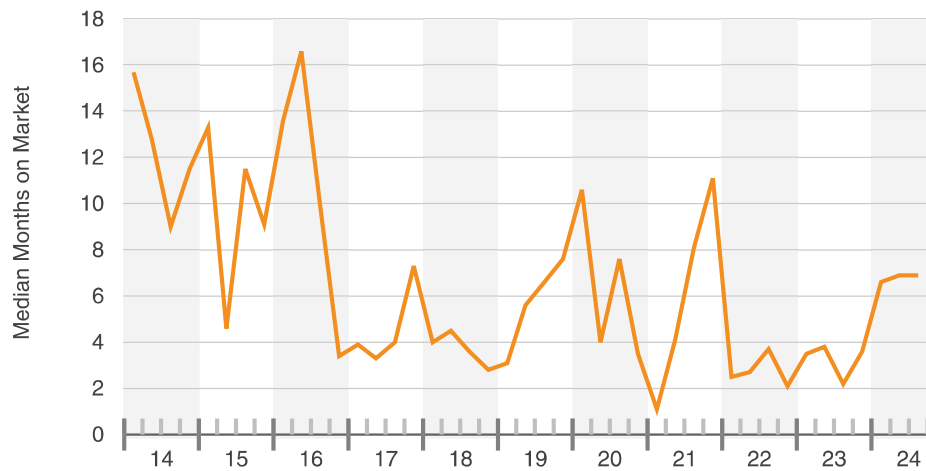
## Net Absorption



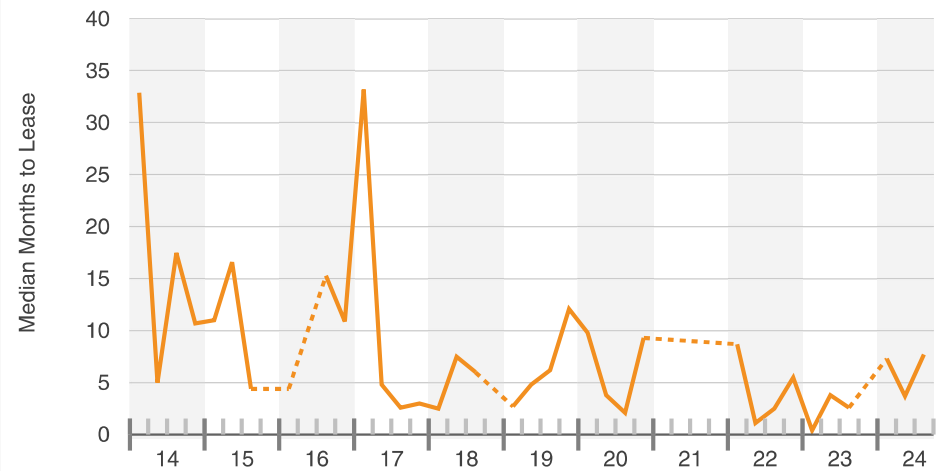
## Leasing Activity



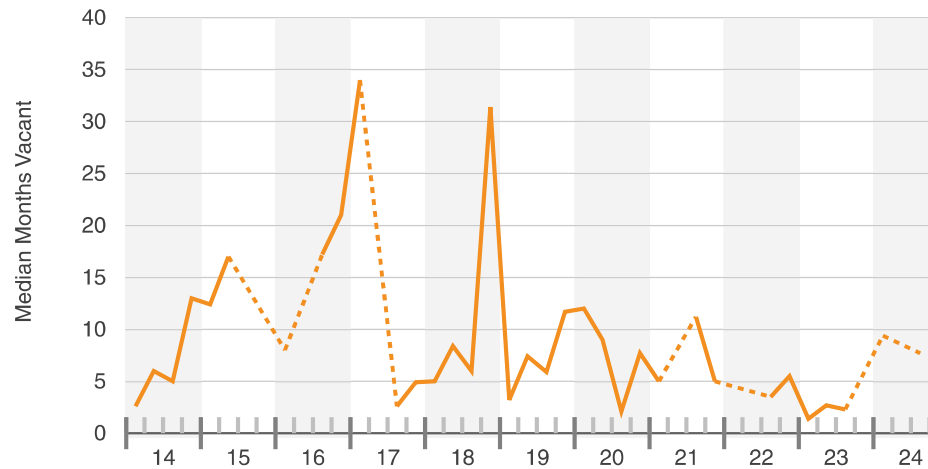
## Months On Market



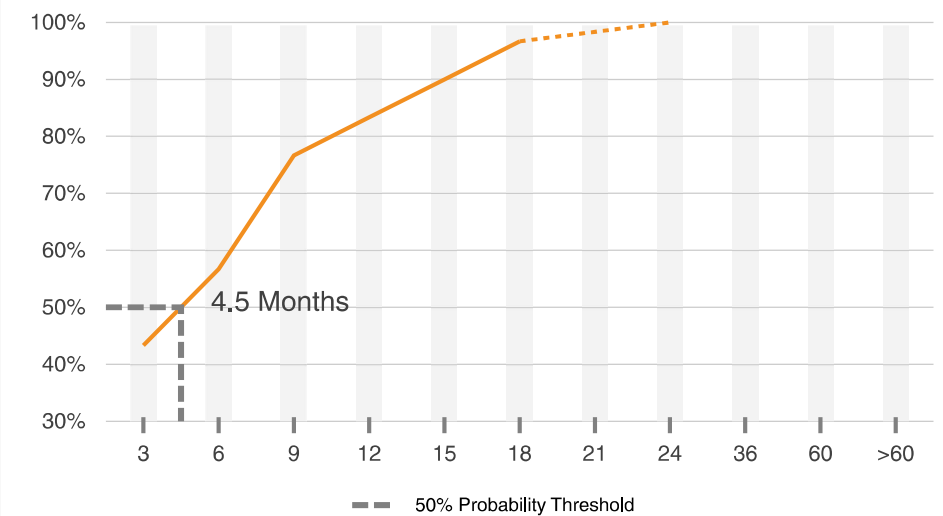
## Months To Lease



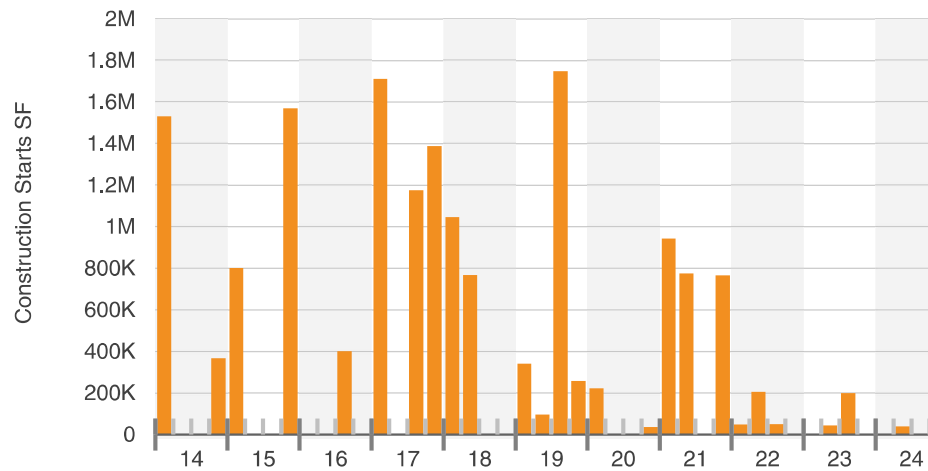
## Months Vacant



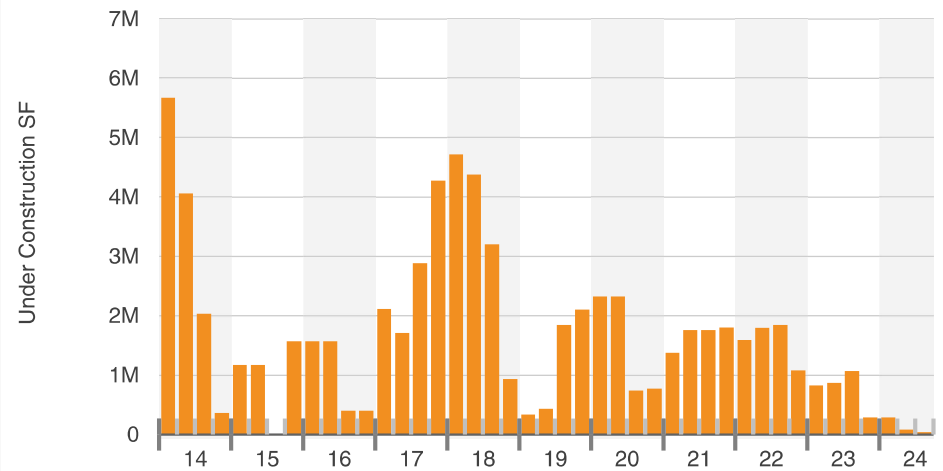
## Probability Of Leasing In Months



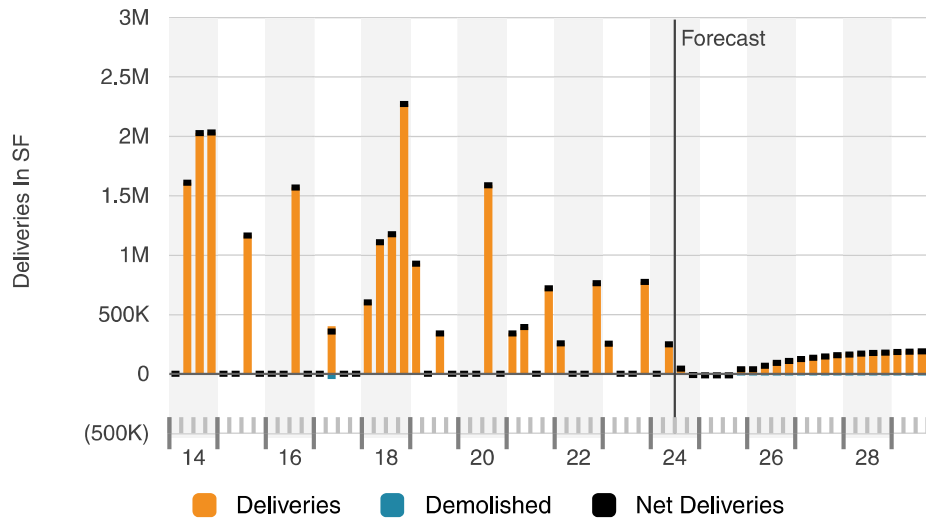
## Construction Starts



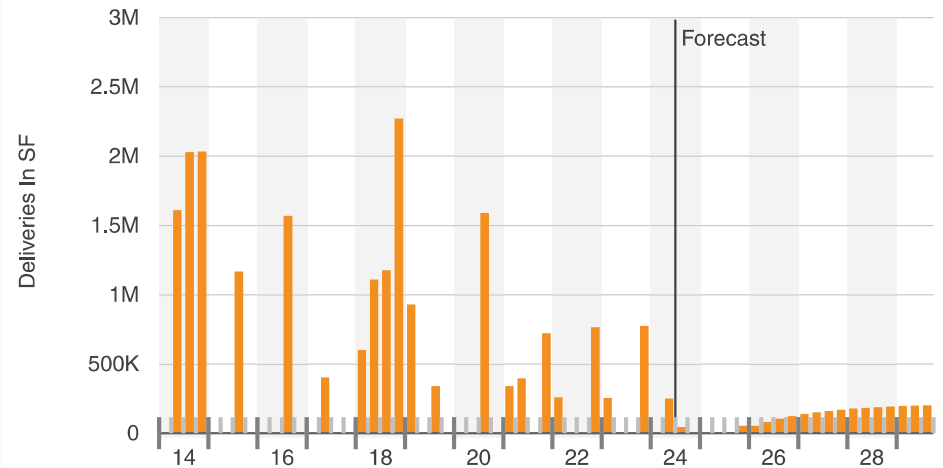
## Under Construction



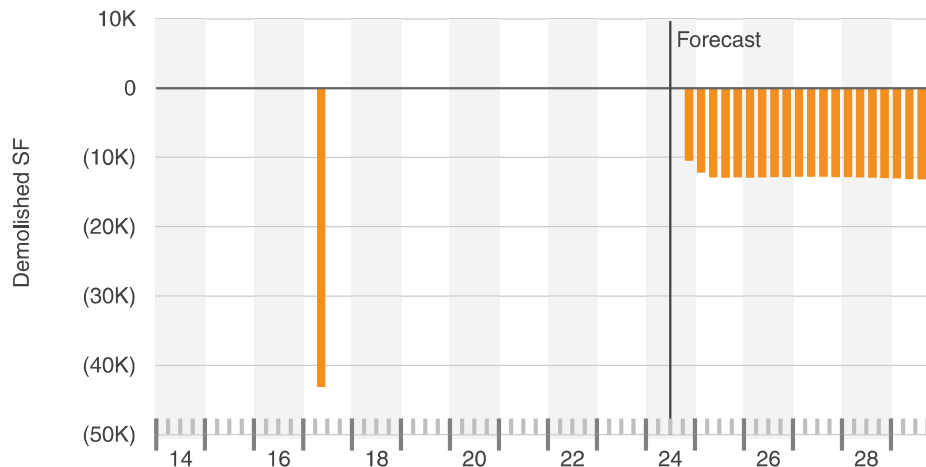
## Deliveries & Demolitions



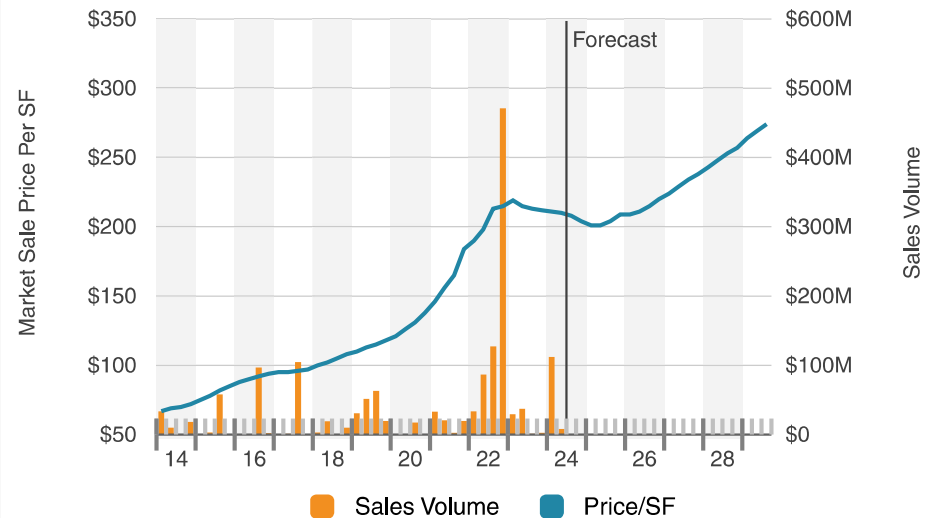
## Deliveries



## Demolitions



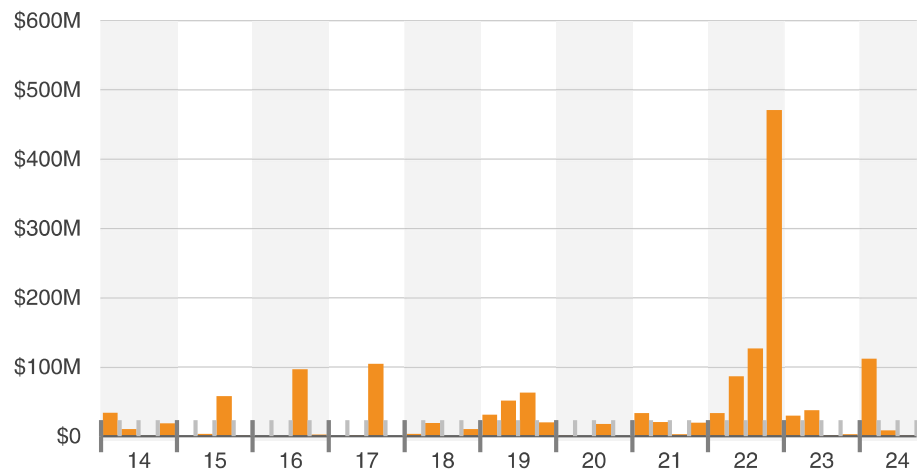
## Sales Volume & Market Sale Price Per SF



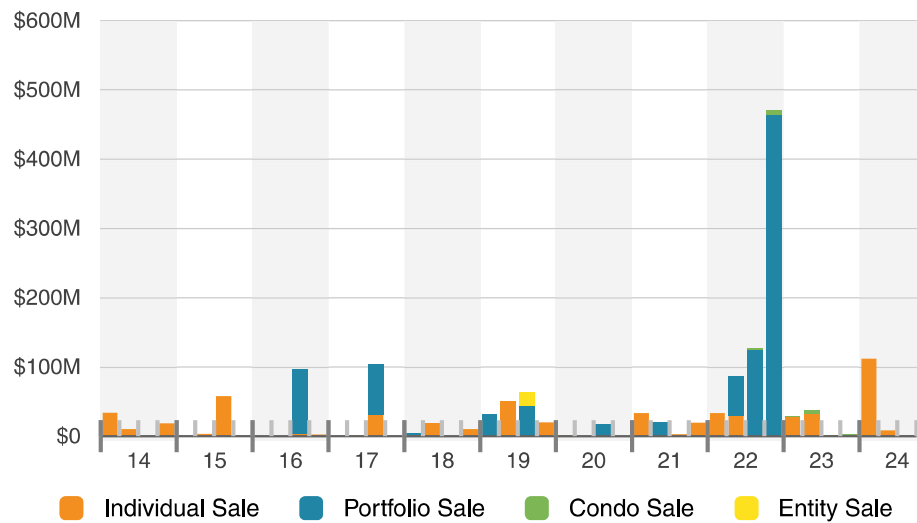


# Search Analytics

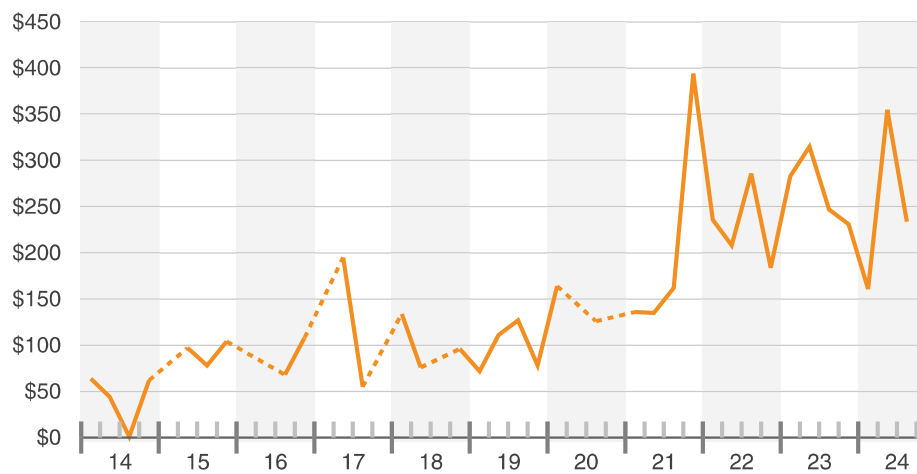
Sales Volume



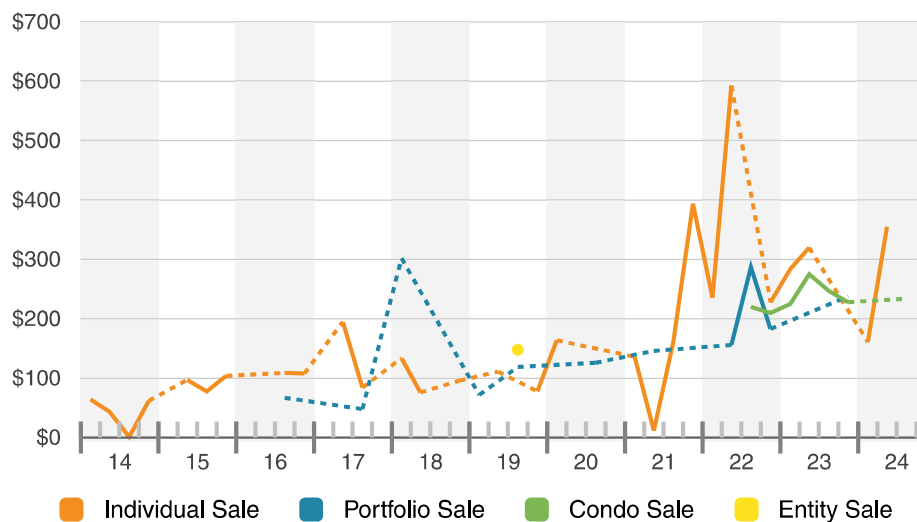
Sales Volume By Transaction Type



Sale Price Per SF

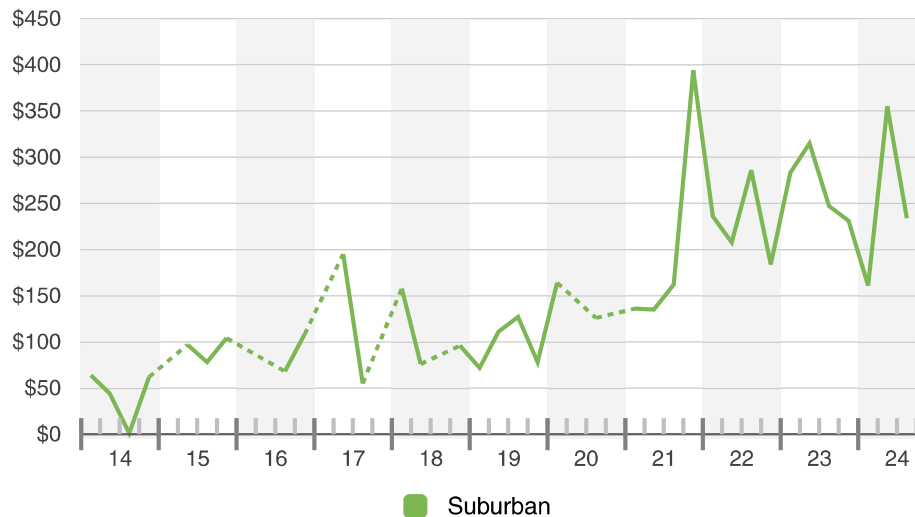


Sale Price Per SF By Transaction Type

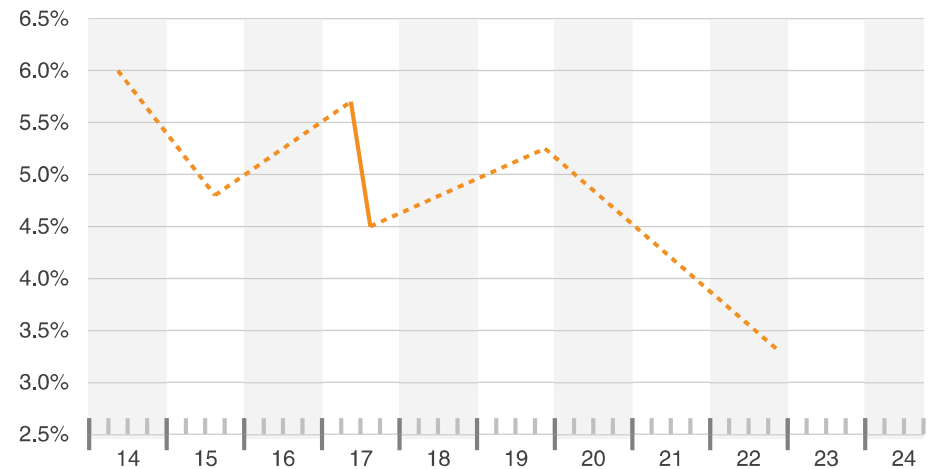


# Search Analytics

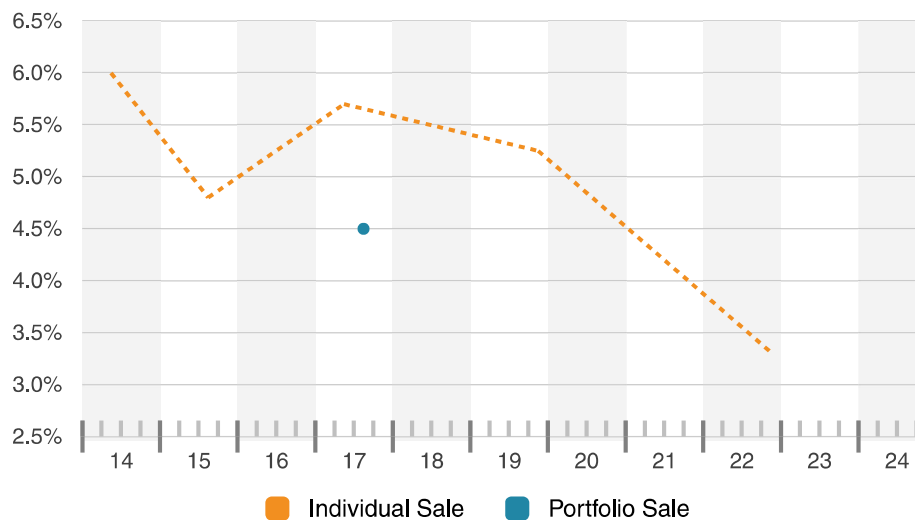
## Sale Price Per SF By Location Type



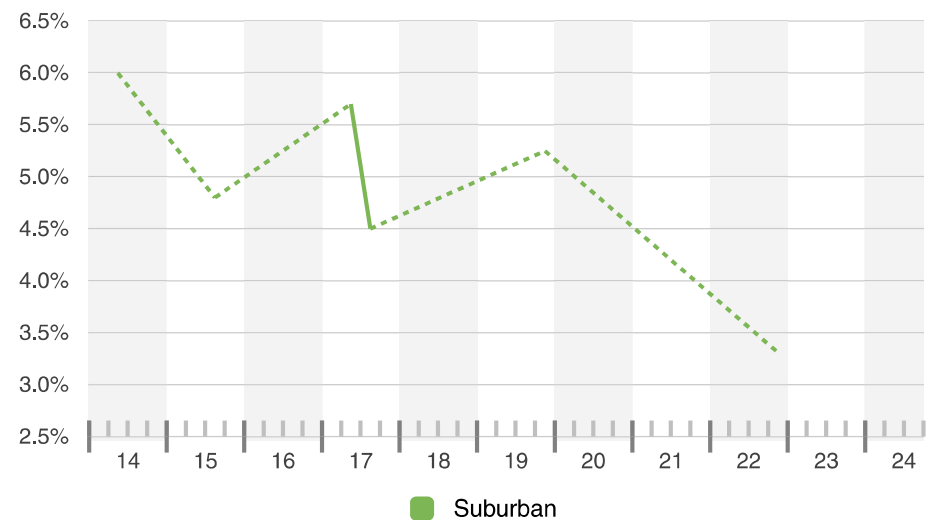
## Cap Rate



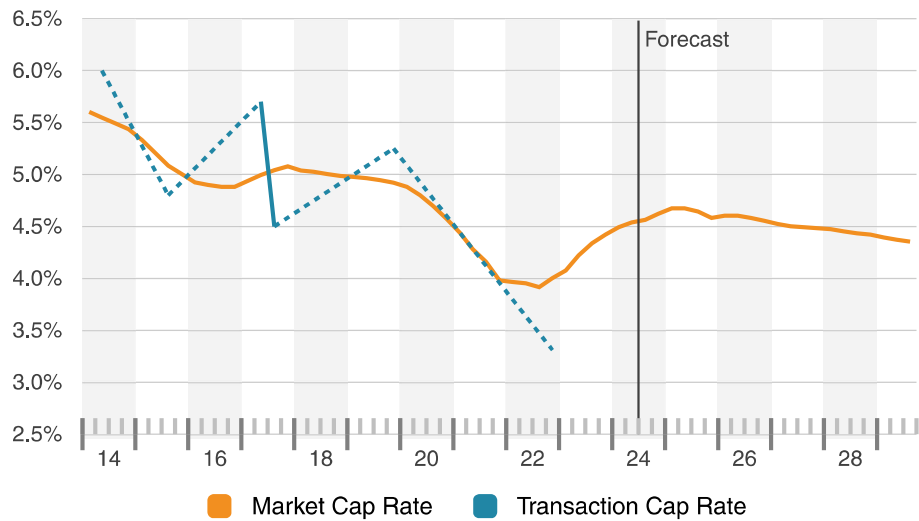
## Cap Rate By Transaction Type



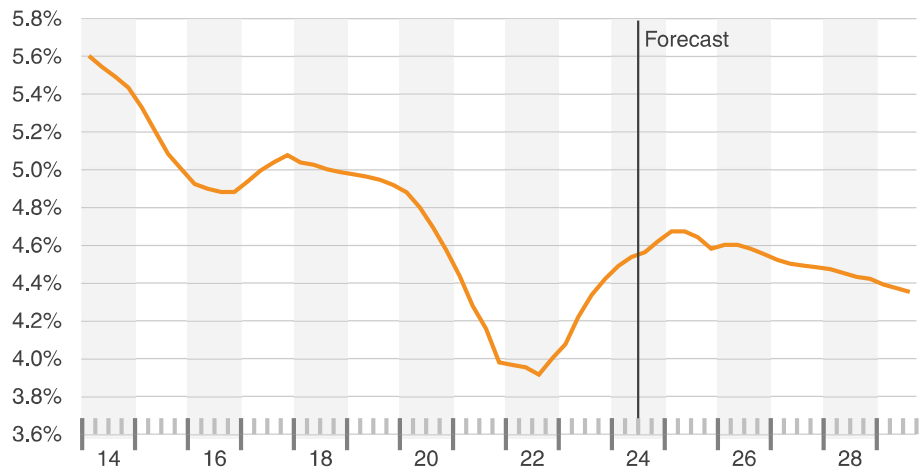
## Cap Rate By Location Type



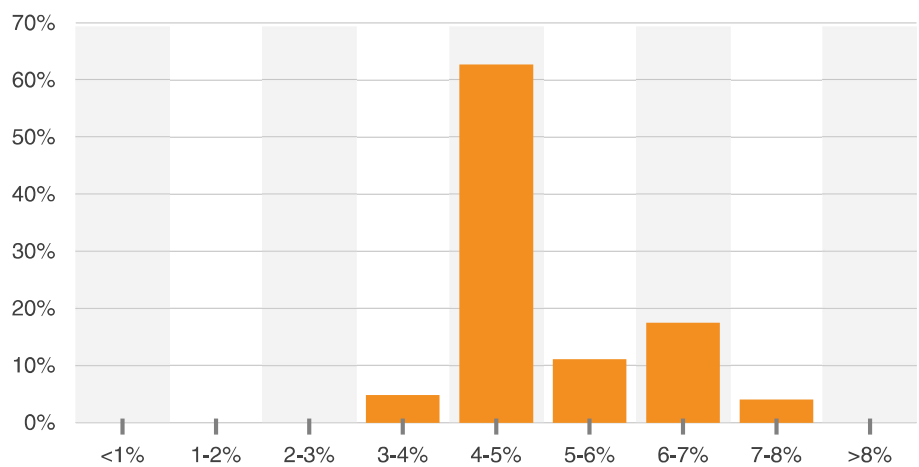
Market Cap Rate & Transaction Cap Rate



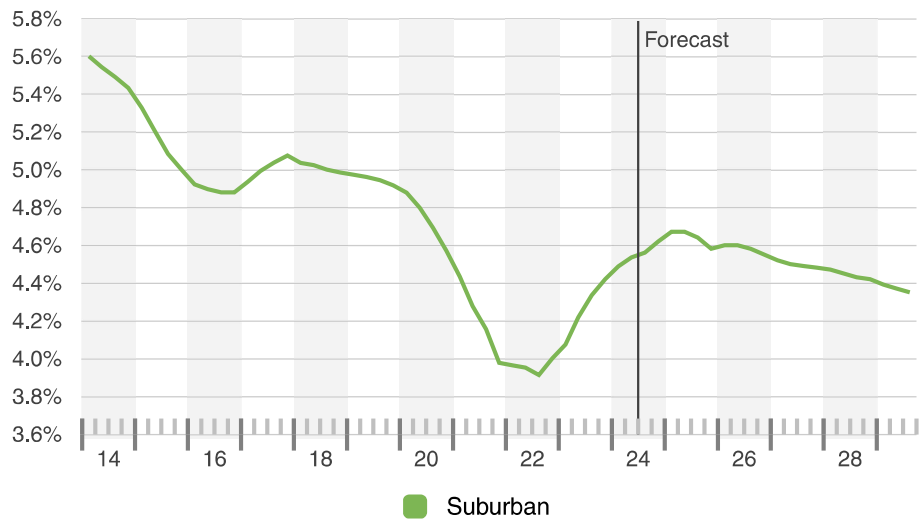
Market Cap Rate



Market Cap Rate Distribution

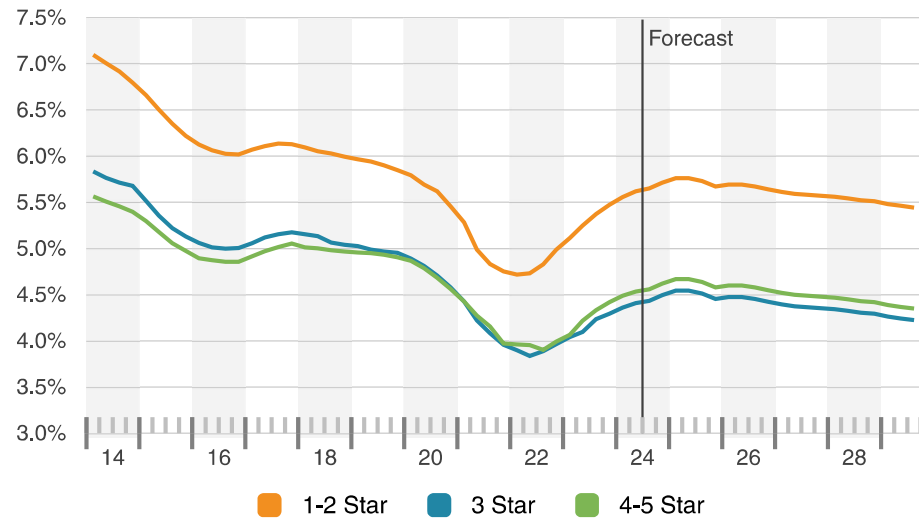


Market Cap Rate By Location Type

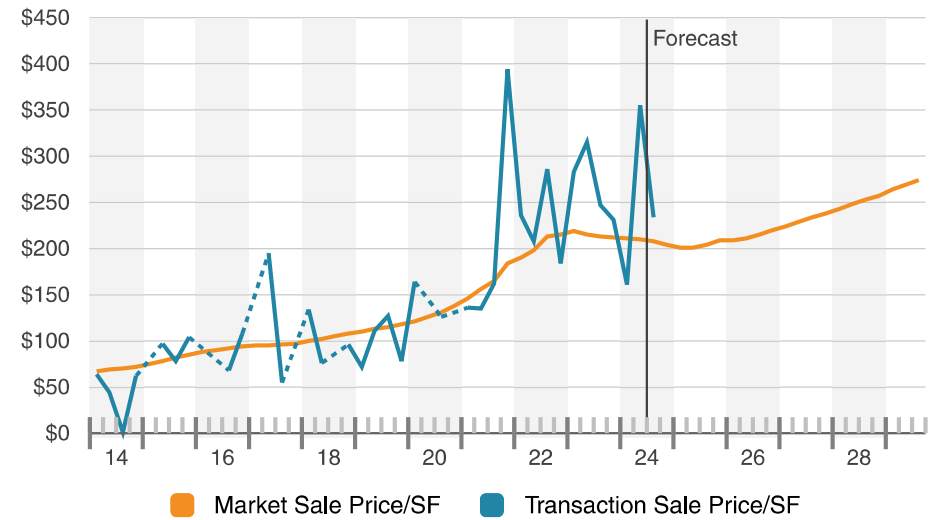


# Search Analytics

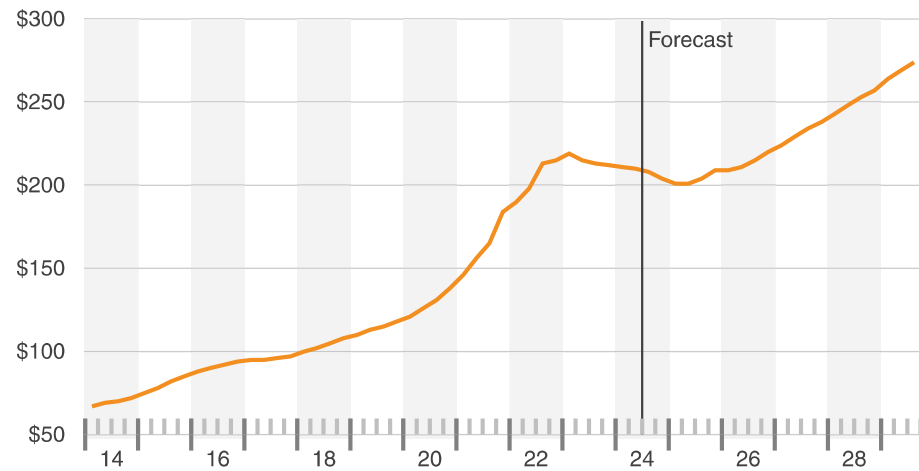
## Market Cap Rate By Star Rating



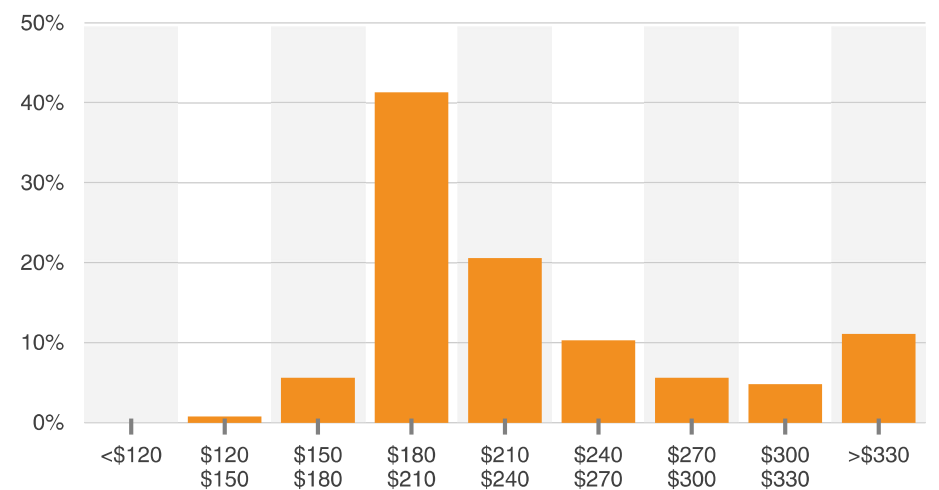
## Market Sale Price & Transaction Sale Price Per SF



## Market Sale Price Per SF

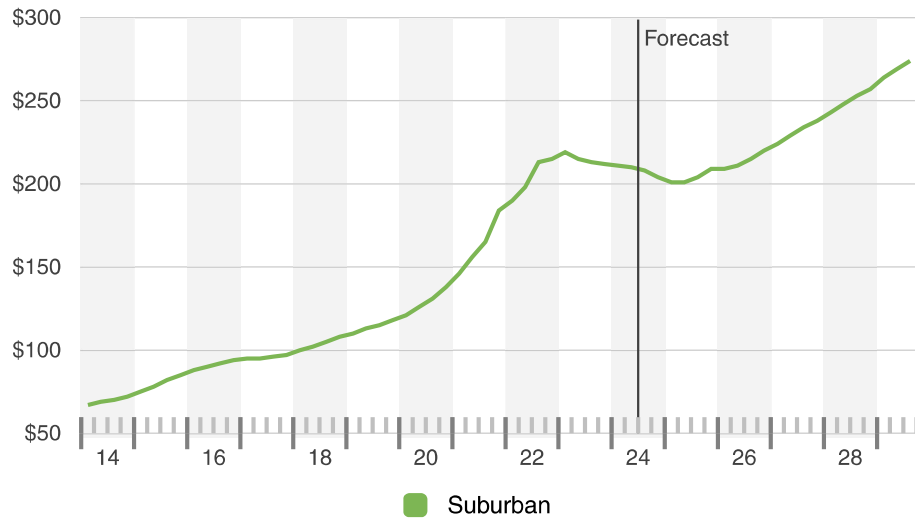


## Market Sale Price Per SF Distribution

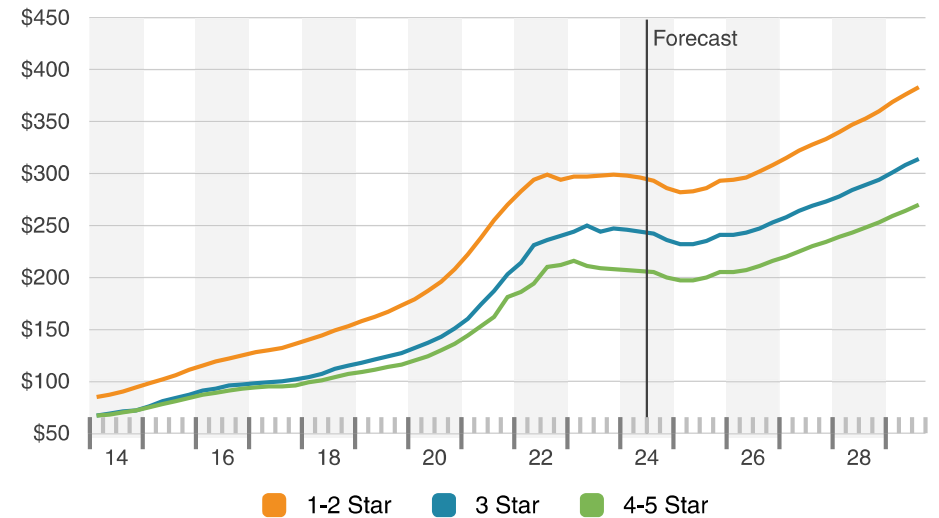


# Search Analytics

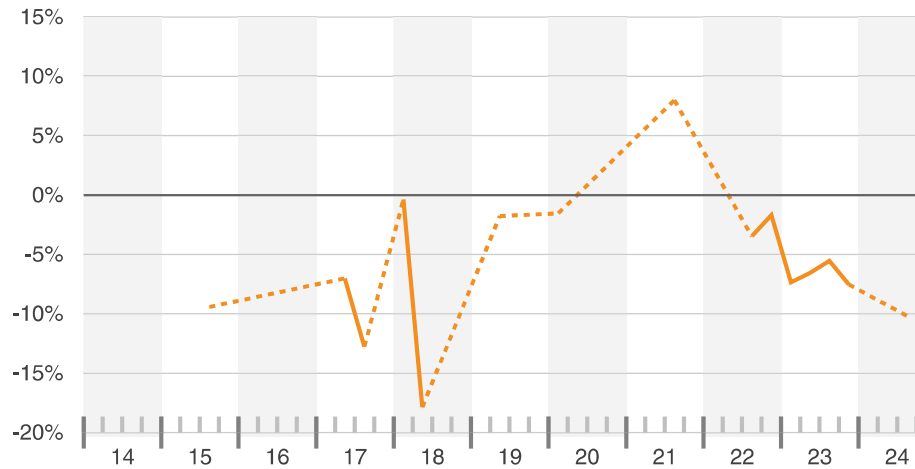
## Market Sale Price Per SF By Location Type



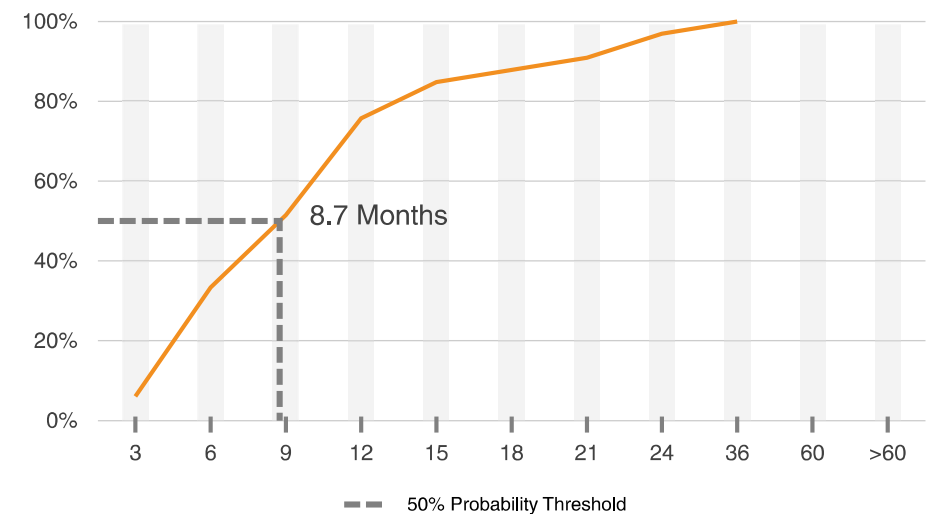
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

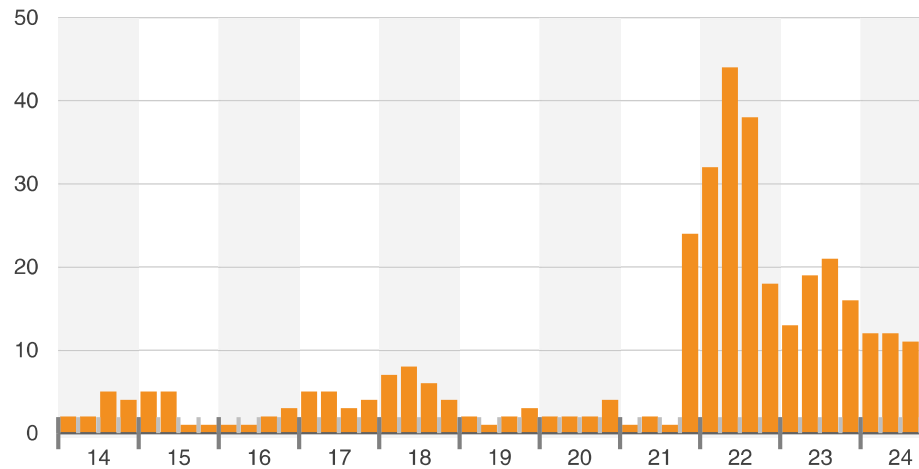


## Probability Of Selling In Months

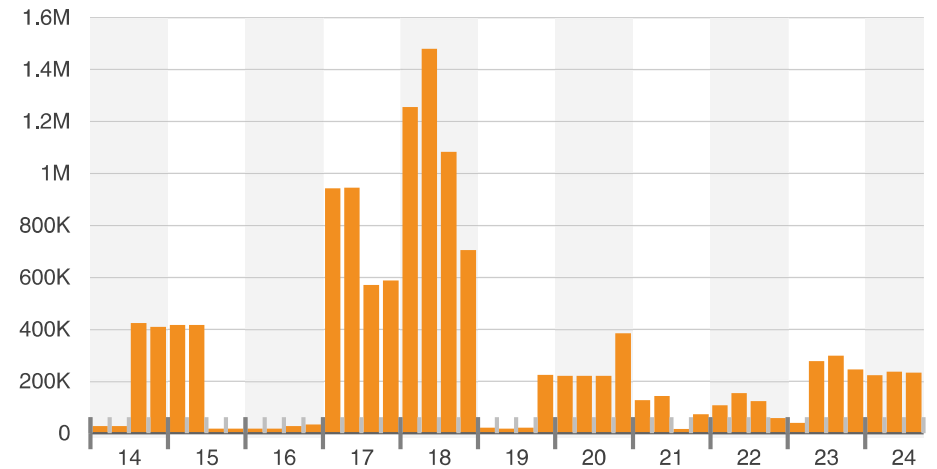


# Search Analytics

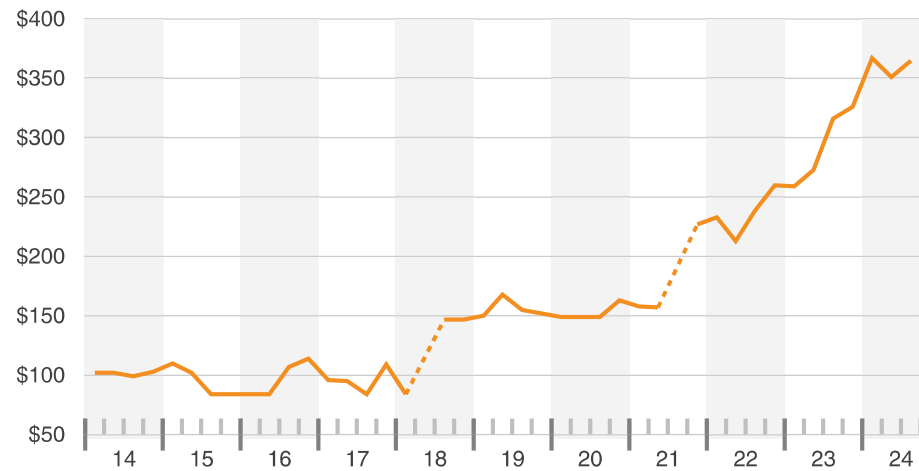
## For Sale Total Listings



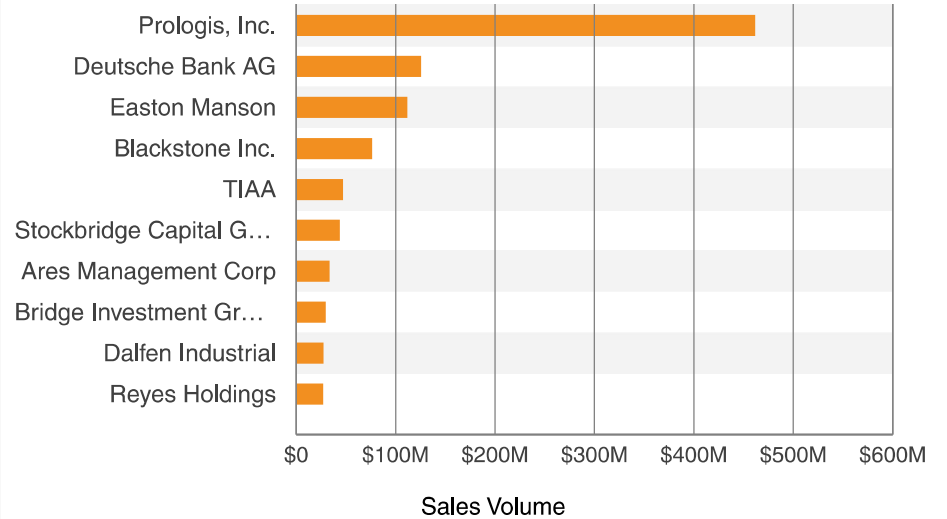
## For Sale Total SF



## For Sale Asking Price Per SF

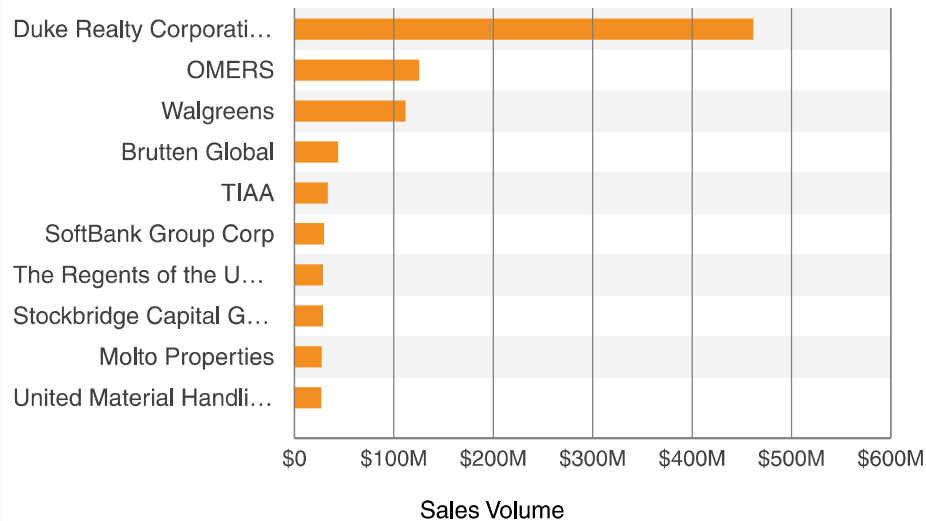


## Top Buyers

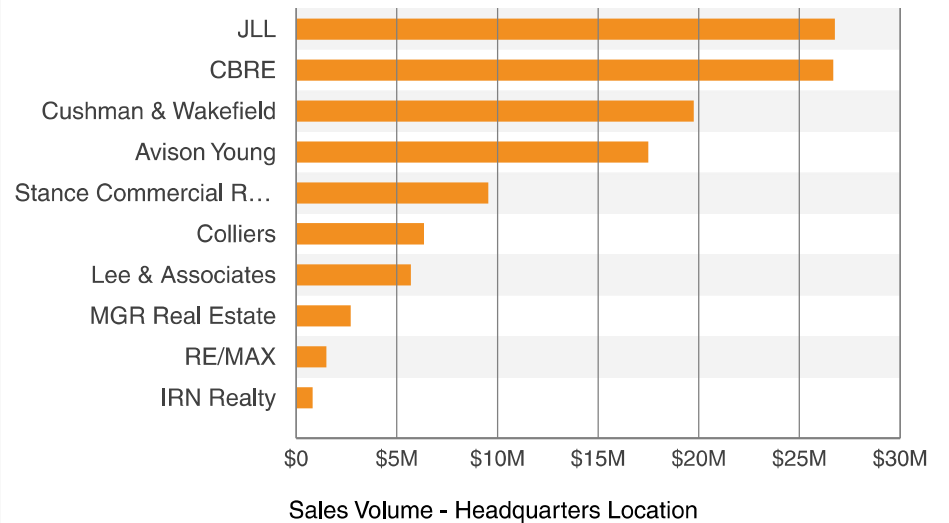


# Search Analytics

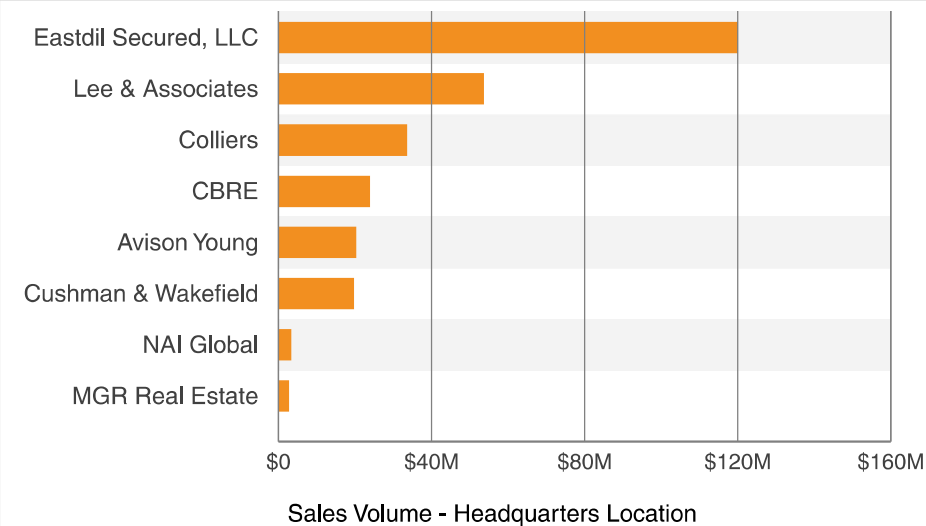
## Top Sellers



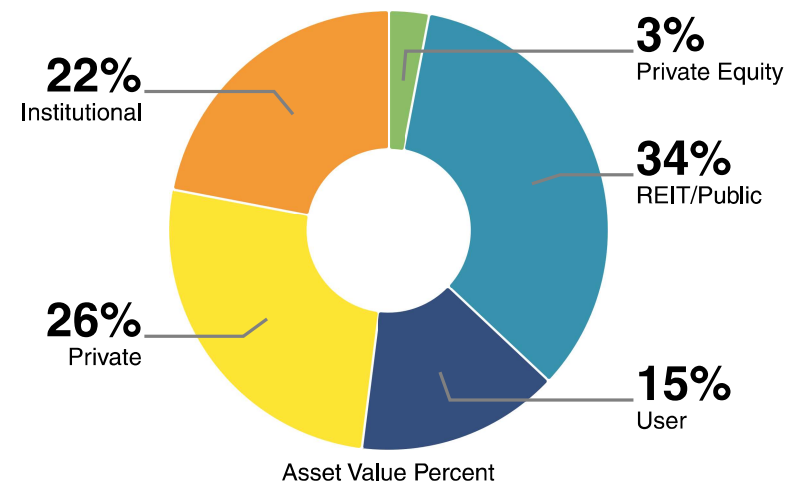
## Top Buyer Brokers



## Top Seller Brokers

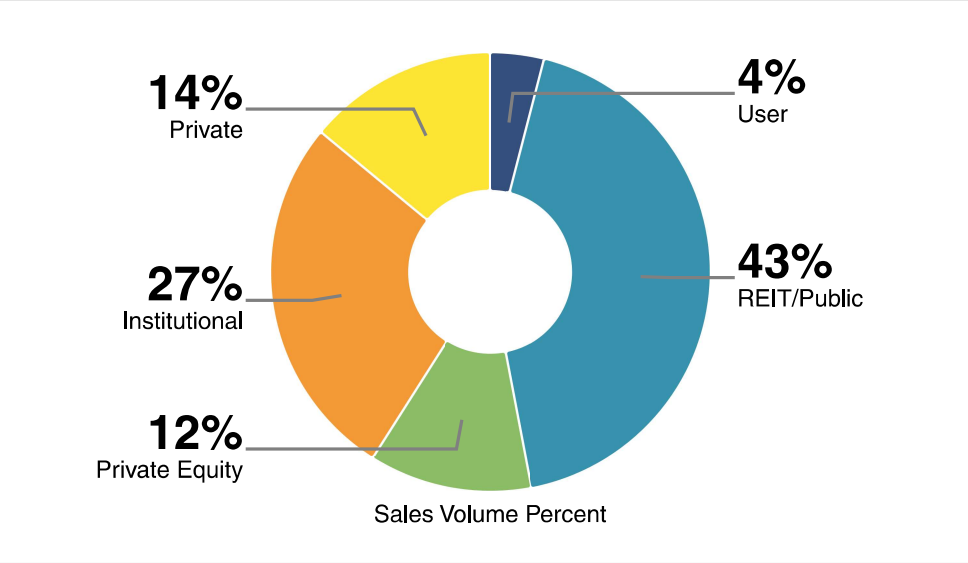


## Asset Value By Owner Type

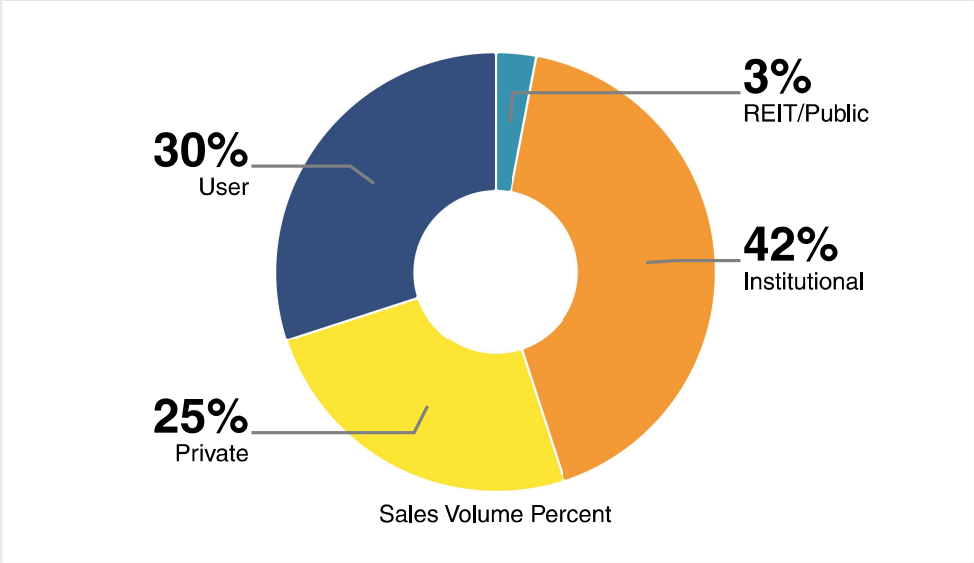


# Search Analytics

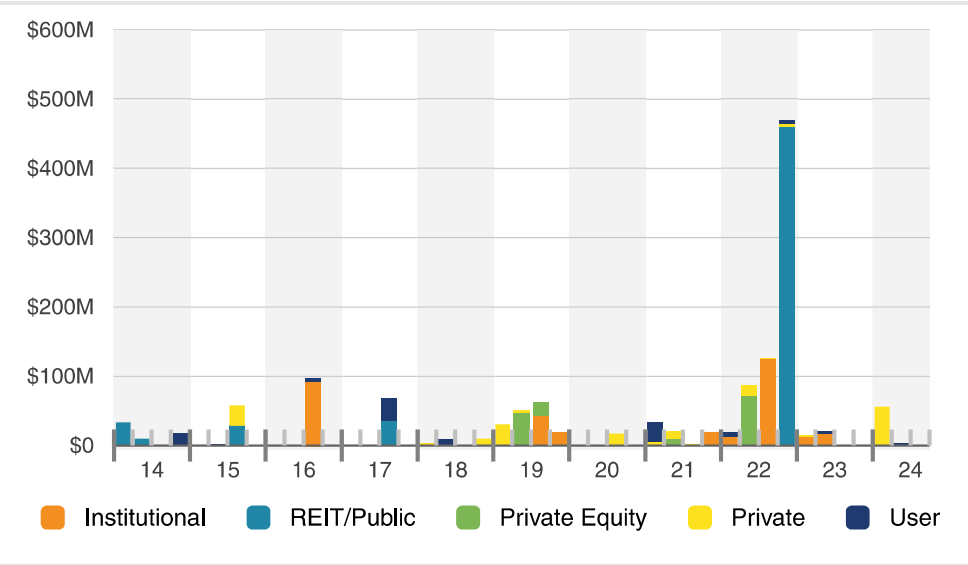
Sales By Buyer Type



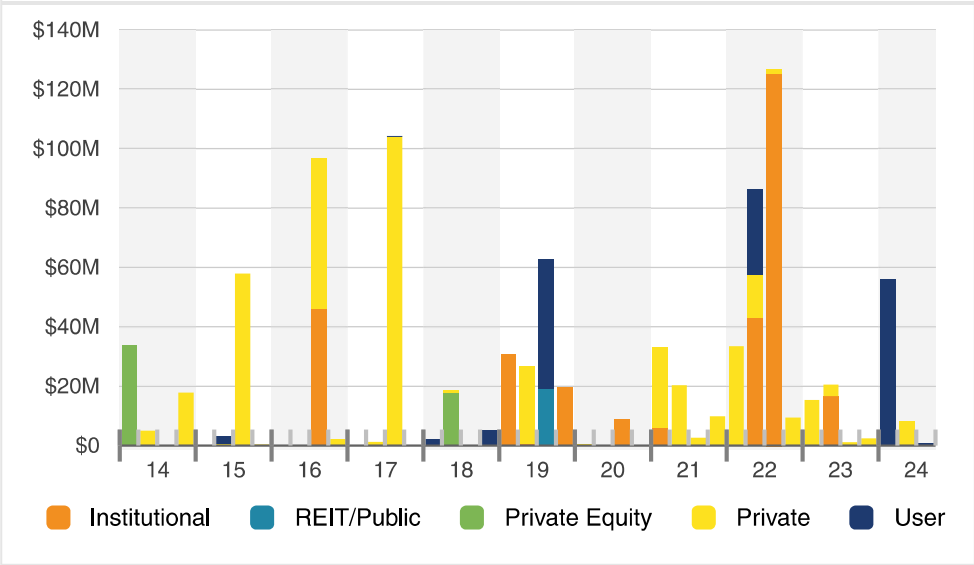
Sales By Seller Type



Sales Volume By Buyer Type



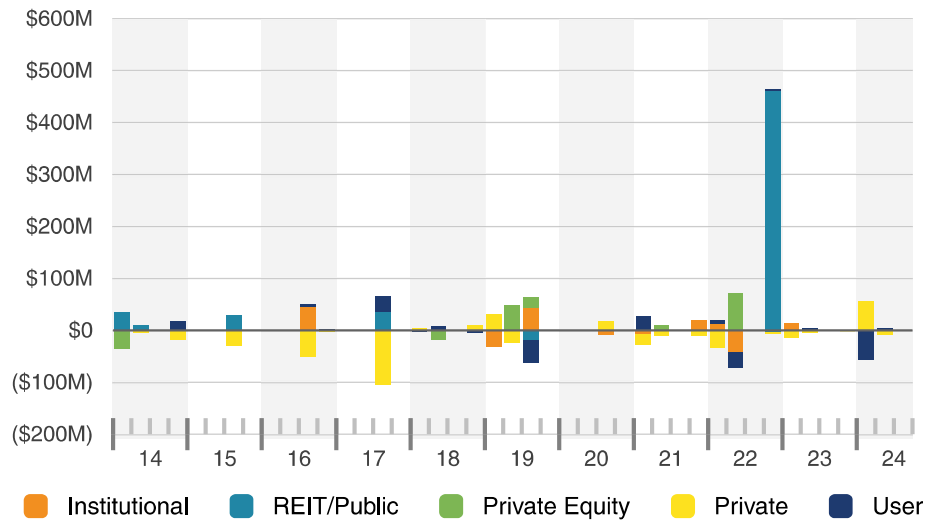
Sales Volume By Seller Type



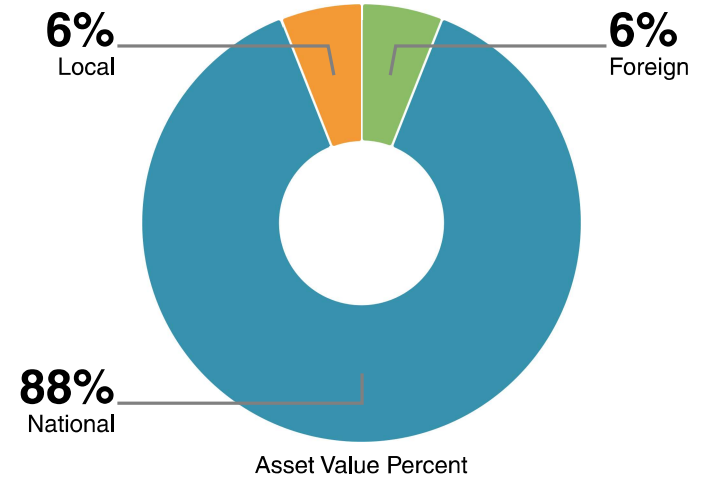


# Search Analytics

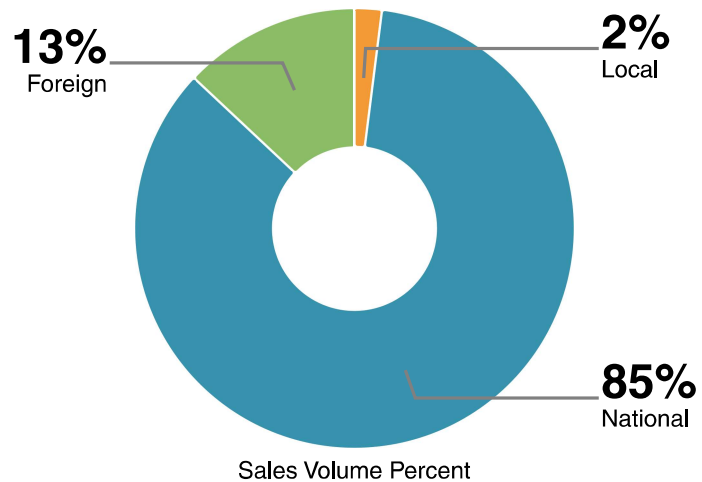
## Net Buying & Selling By Owner Type



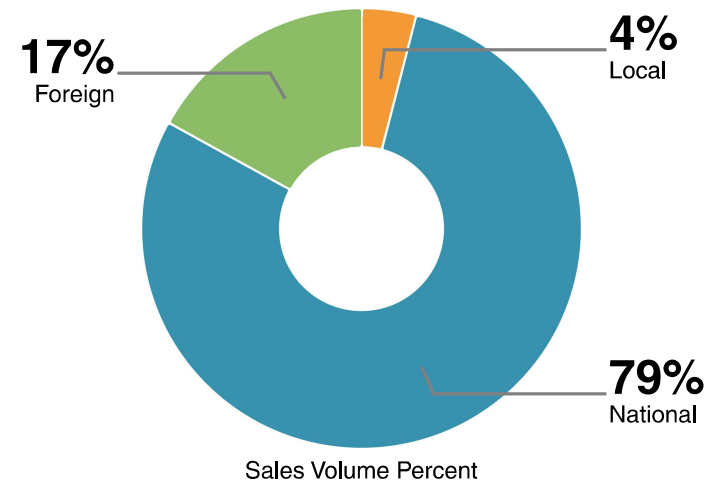
## Asset Value By Owner Origin



## Sales Volume By Buyer Origin

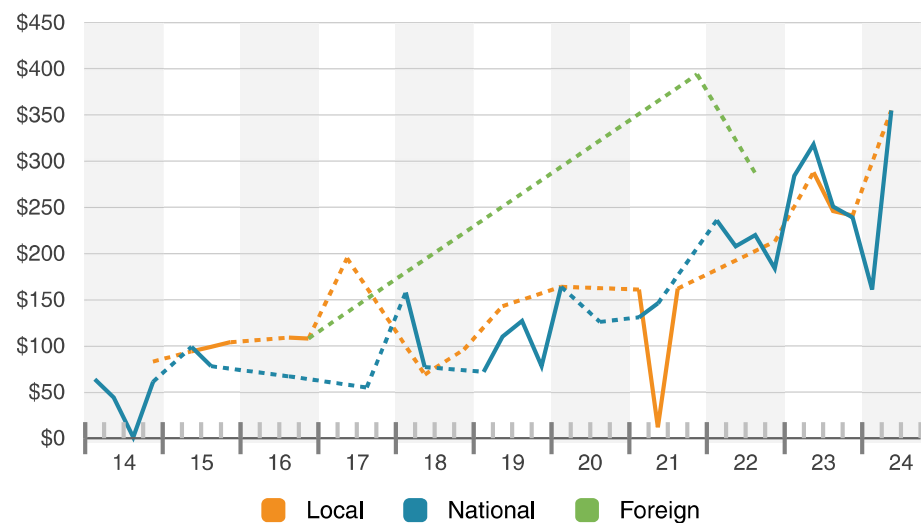


## Sales Volume By Seller Origin

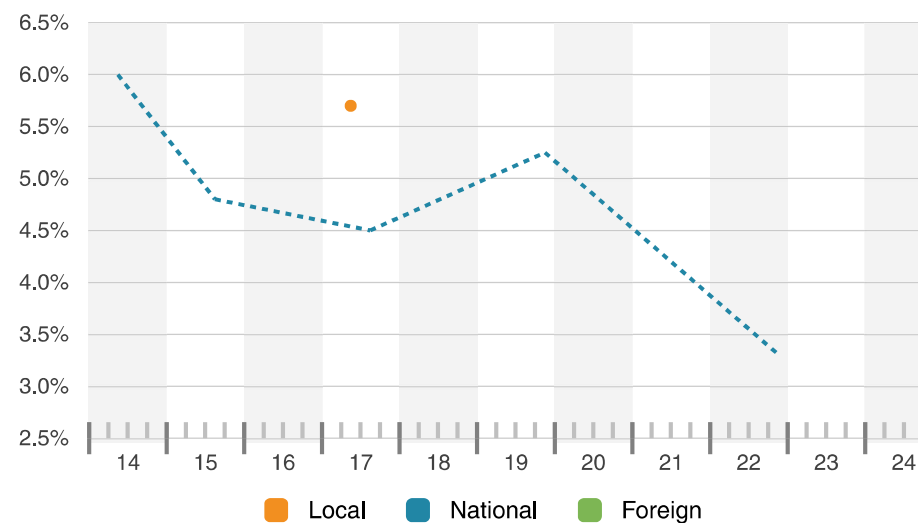


# Search Analytics

## Average Price Per SF By Buyer Origin



## Average Cap Rate By Buyer Origin



## Report Criteria

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- 137 Properties / 26 Spaces
- City: Moreno Valley, CA
- Property Type: Industrial

## **EXHIBIT C – RETAIL MARKET**

INVENTORY SF

8.2M +0.3%

Prior Period 8.2M

UNDER CONSTRUCTION SF

950 -96.9%

Prior Period 30.4K

12 MO NET ABSORPTION SF

(93.8K) -192.5%

Prior Period 101K

VACANCY RATE

10.5% +1.4%

Prior Period 9.1%

MARKET ASKING RENT/SF

\$2.13 +2.9%

Prior Period \$2.07

MARKET SALE PRICE/SF

\$287 +4.3%

Prior Period \$275

MARKET CAP RATE

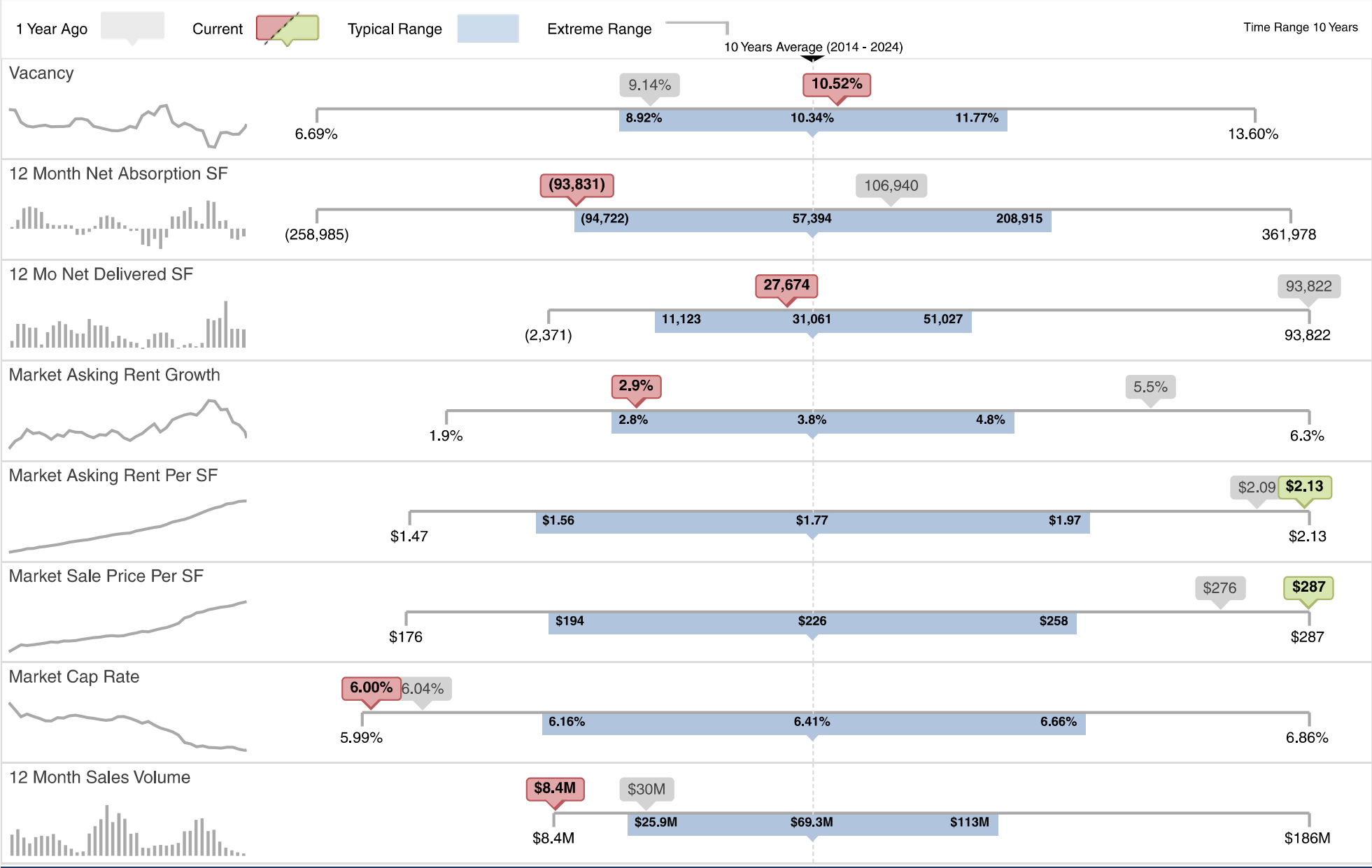
6.0% +0%

Prior Period 6.0%

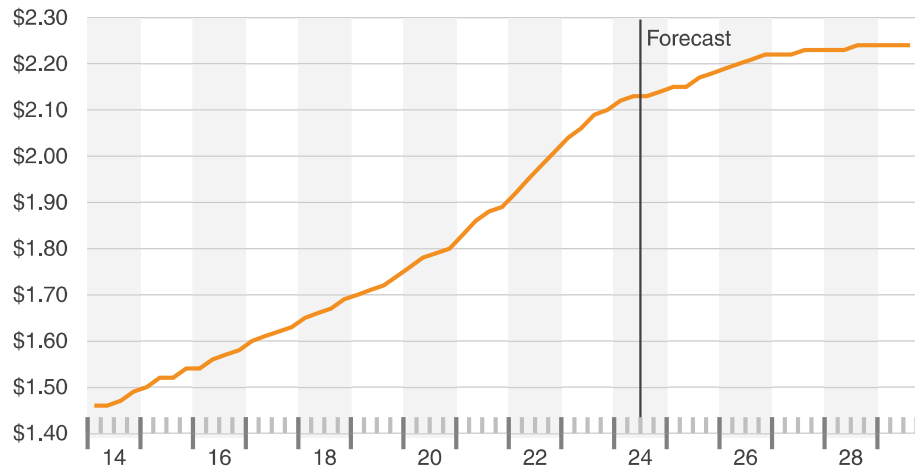
## Key Metrics

Availability		Inventory	
Vacant SF	867K ↑	Existing Buildings	534 ↓
Sublet SF	0 ↓	Under Construction Avg SF	950 ↓
Availability Rate	10.1% ↑	12 Mo Demolished SF	2.4K ↑
Available SF Total	836K ↑	12 Mo Occupancy % at Delivery	100.0% ↓
Available Asking Rent/SF	\$1.60 ↓	12 Mo Construction Starts SF	950 ↓
Occupancy Rate	89.5% ↓	12 Mo Delivered SF	30.1K ↓
Percent Leased Rate	90.2% ↓	12 Mo Avg Delivered SF	12K ↓
Sales Past Year		Demand	
Asking Price Per SF	\$289 ↓	12 Mo Net Absorp % of Inventory	-1.1% ↓
Sale to Asking Price Differential	-6.7% ↓	12 Mo Leased SF	209K ↑
Sales Volume	\$9.3M ↓	Months on Market	11.9 ↑
Properties Sold	16 ↓	Months to Lease	2.6 ↓
Months to Sale	4.9 ↓	Months Vacant	4.2 ↓
For Sale Listings	12 ↓	24 Mo Lease Renewal Rate	57.9%
Total For Sale SF	231K ↑	Population Growth 5 Yrs	0.3%

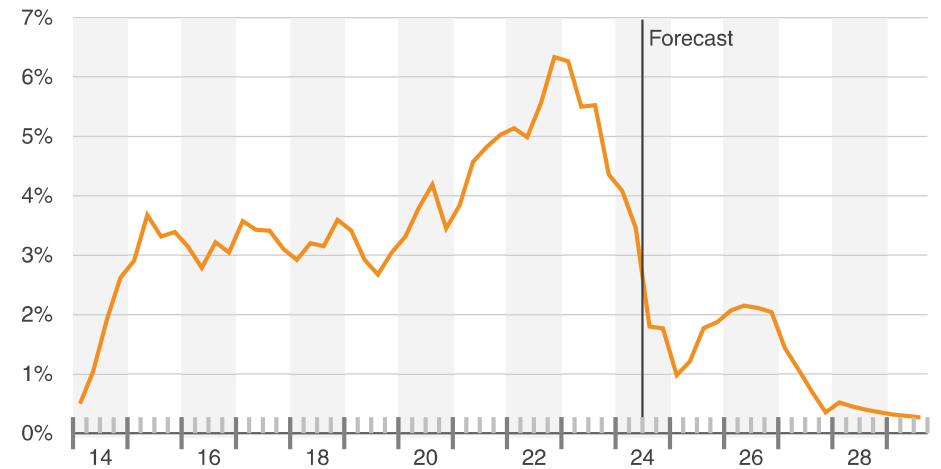
## Key Performance Indicators



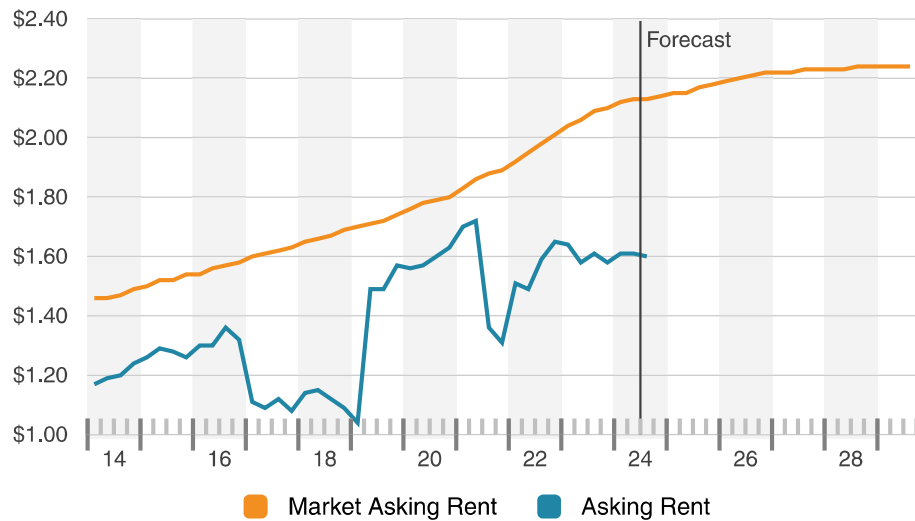
## Market Asking Rent Per SF



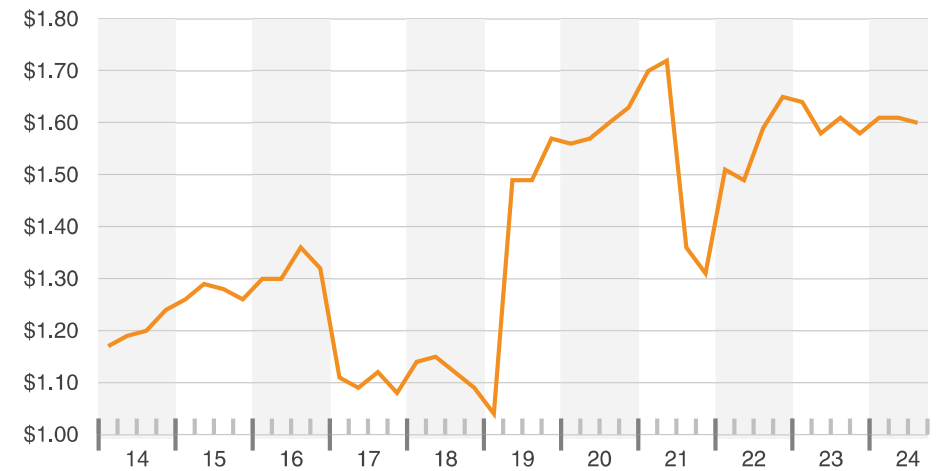
## Market Asking Rent Growth (YOY)



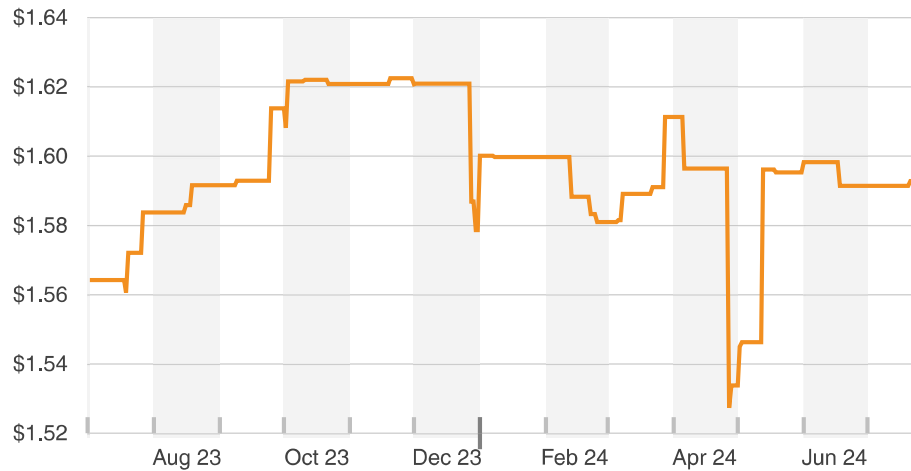
## Market Asking Rent & Asking Rent Per SF



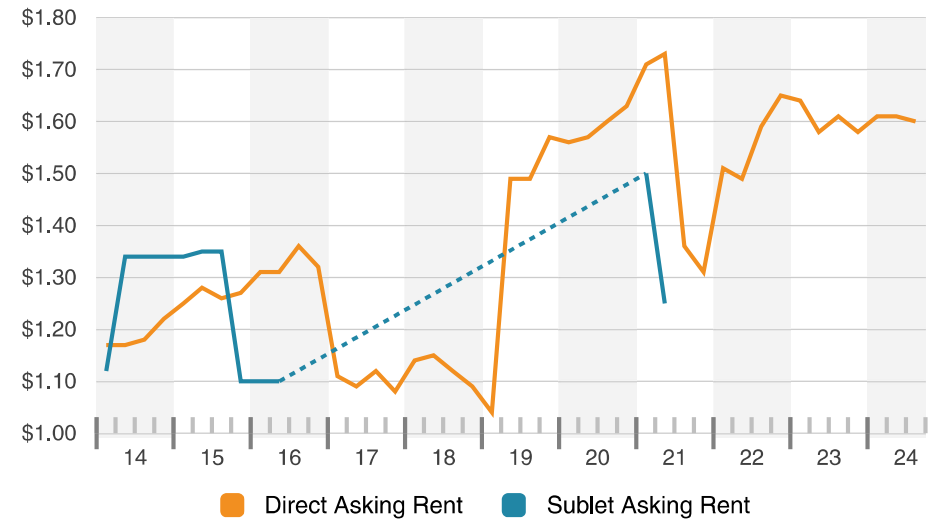
## Asking Rent Per SF



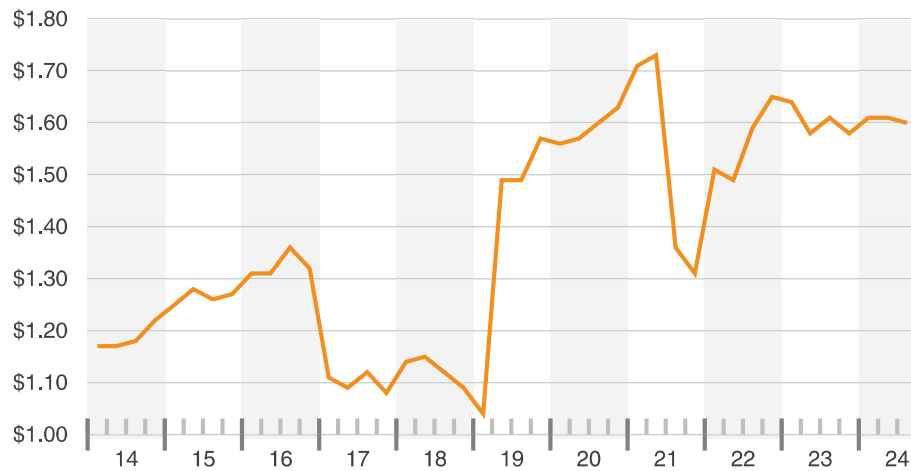
## Daily Asking Rent Per SF



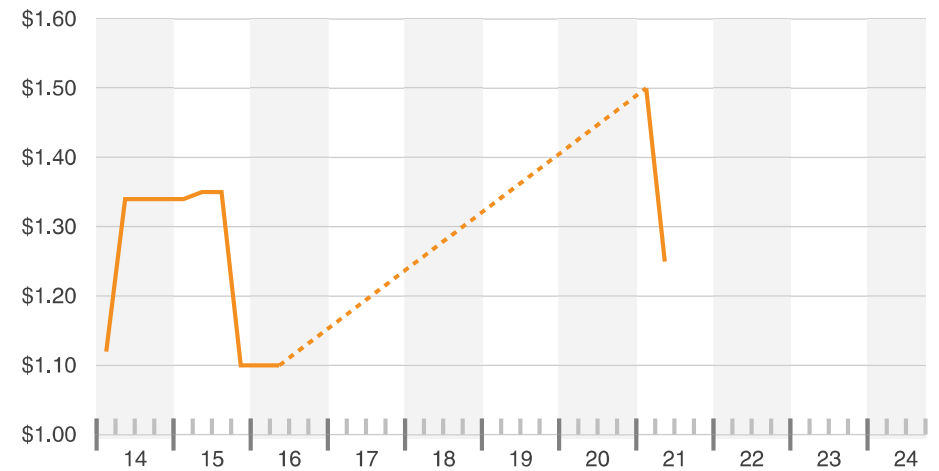
## Direct & Sublet Rent Per SF



## Direct Rent Per SF



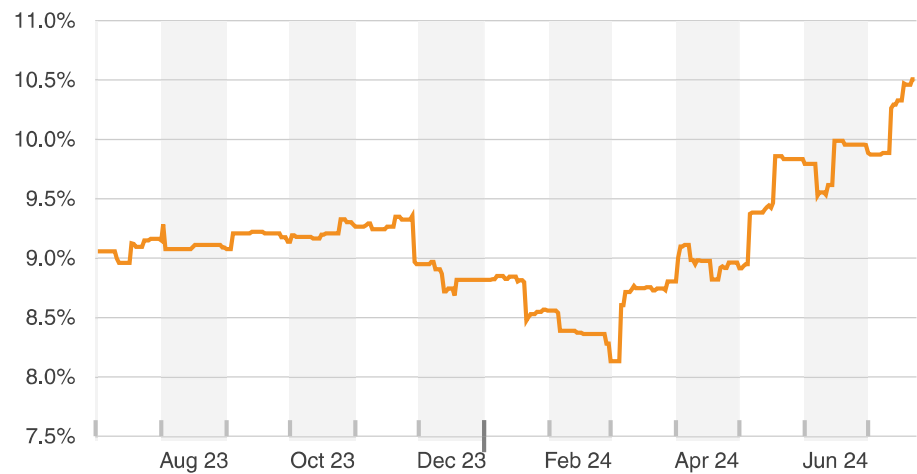
## Sublet Rent Per SF



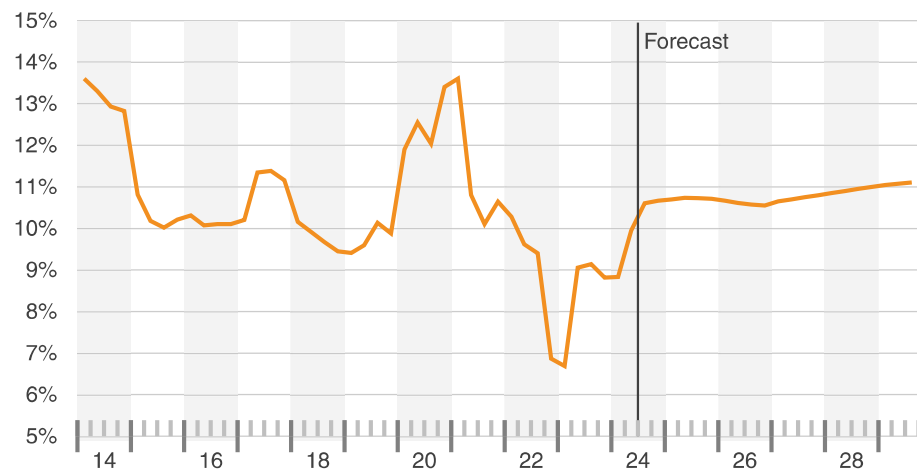


# Search Analytics

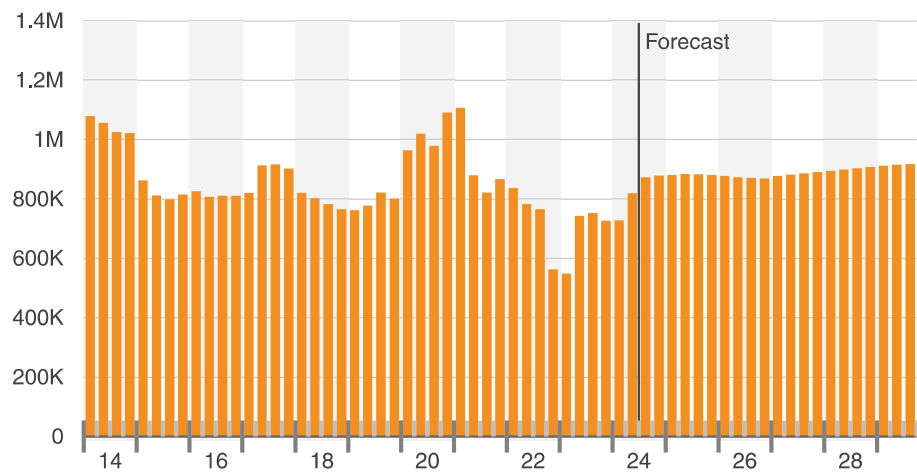
Daily Vacancy Rate



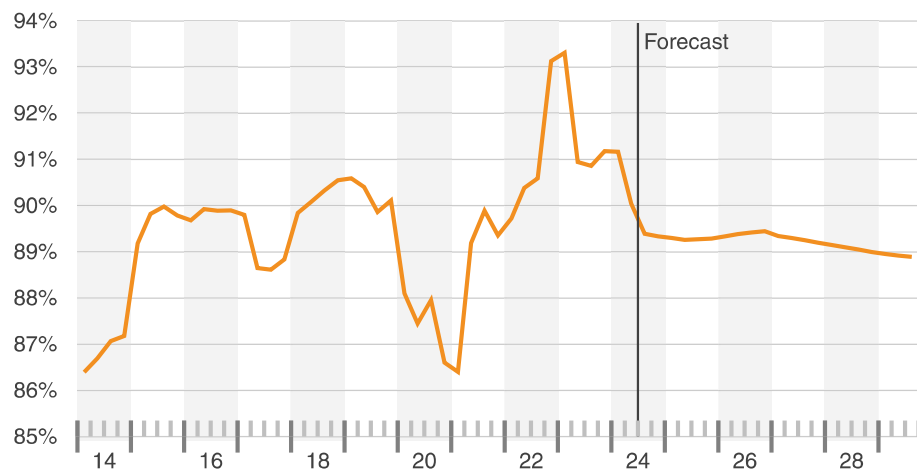
Vacancy Rate



Vacant SF

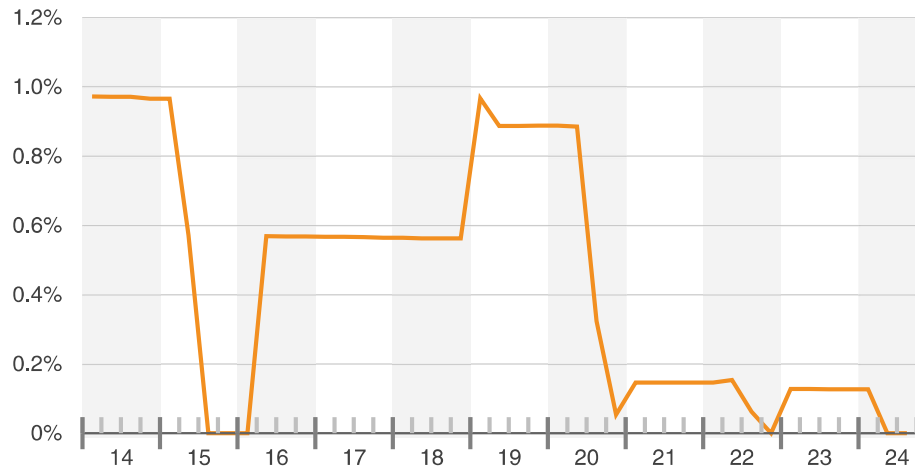


Occupancy Rate

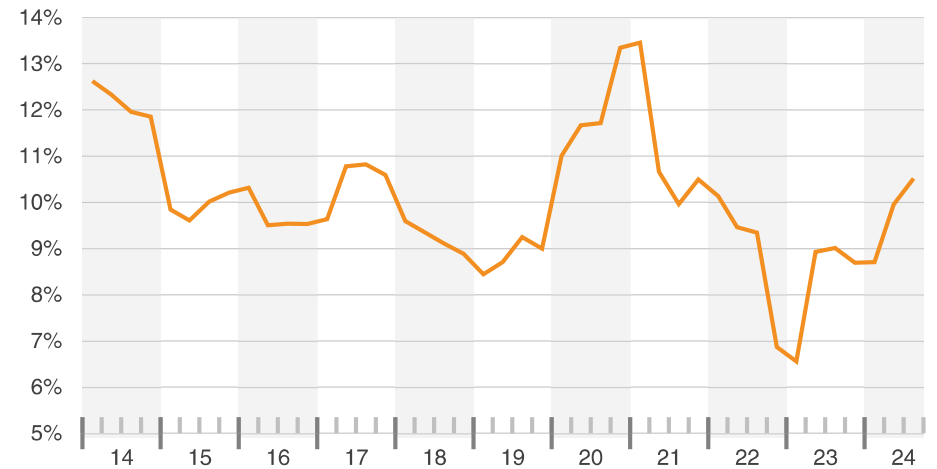


# Search Analytics

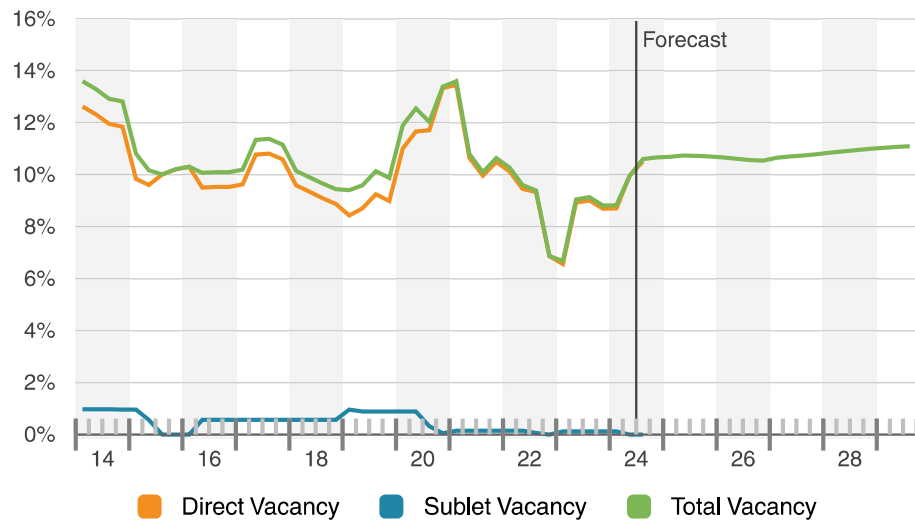
## Sublet Vacancy Rate



## Direct Vacancy Rate



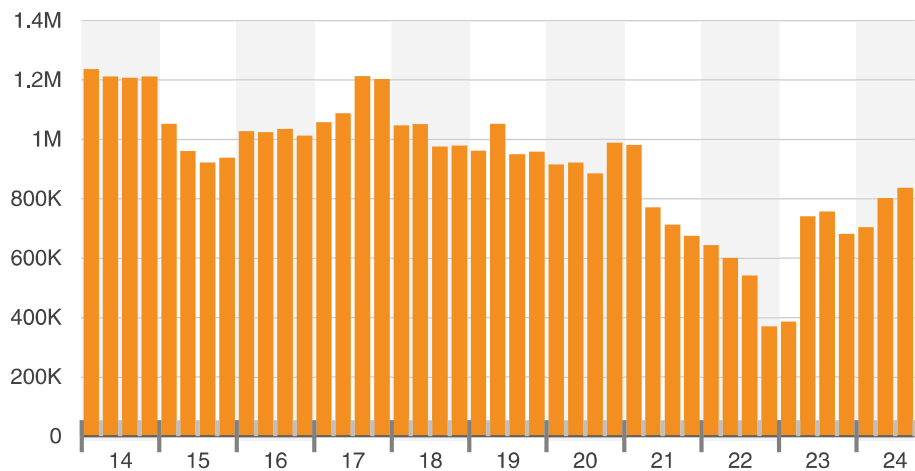
## Direct, Sublet & Total Vacancy Rate



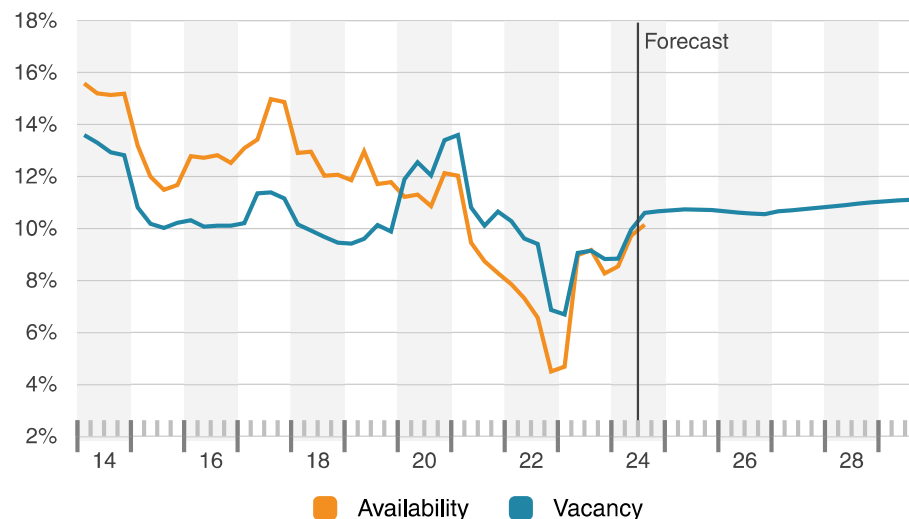
## Availability Rate



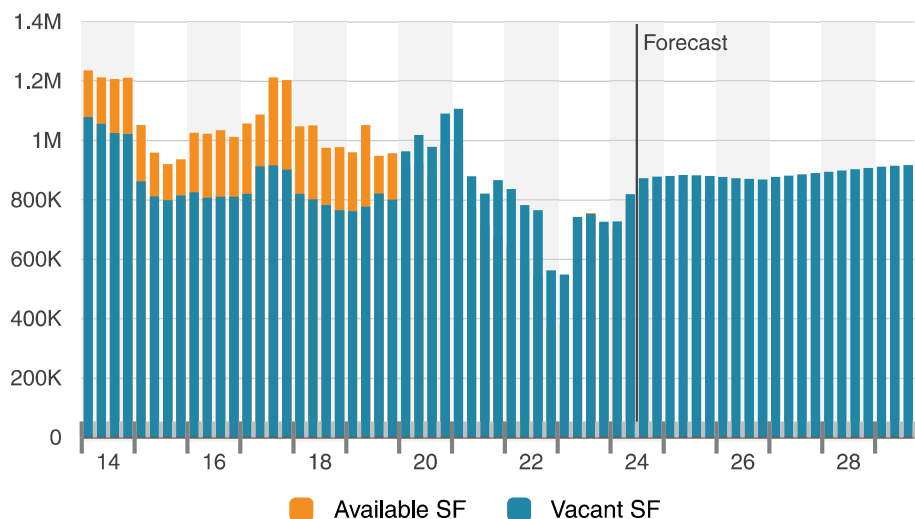
### Available SF



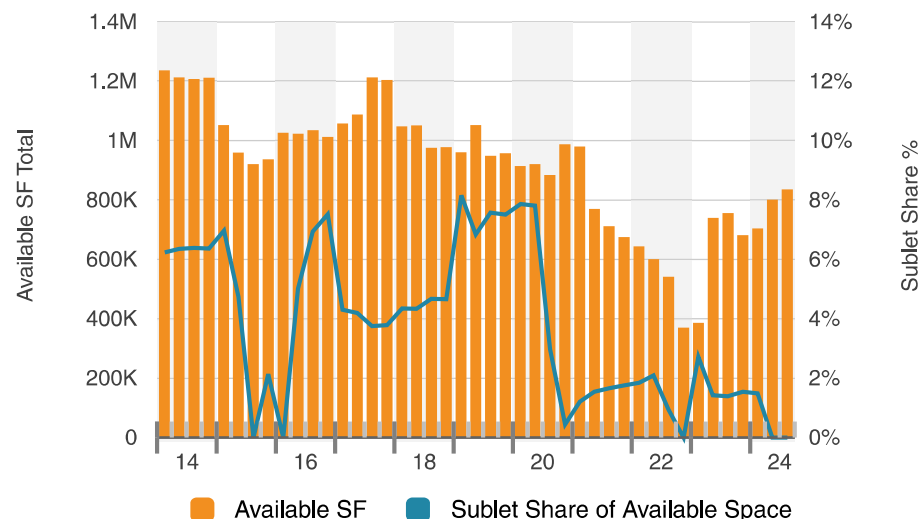
### Availability & Vacancy Rate



### Available & Vacant SF

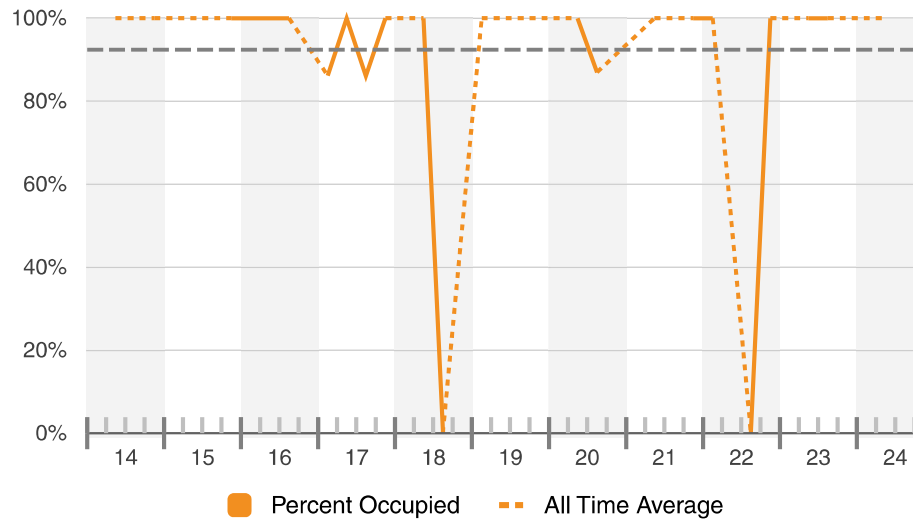


### Available SF Total & Sublet Share %

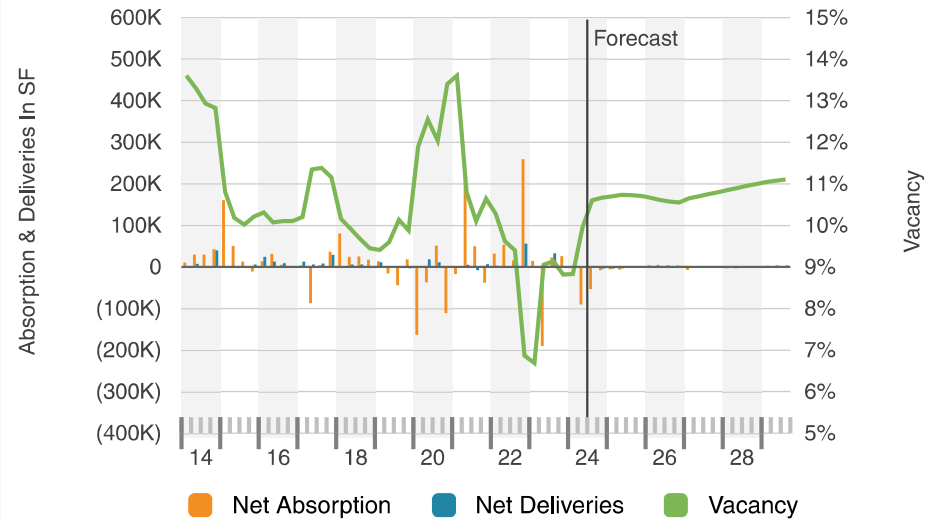


# Search Analytics

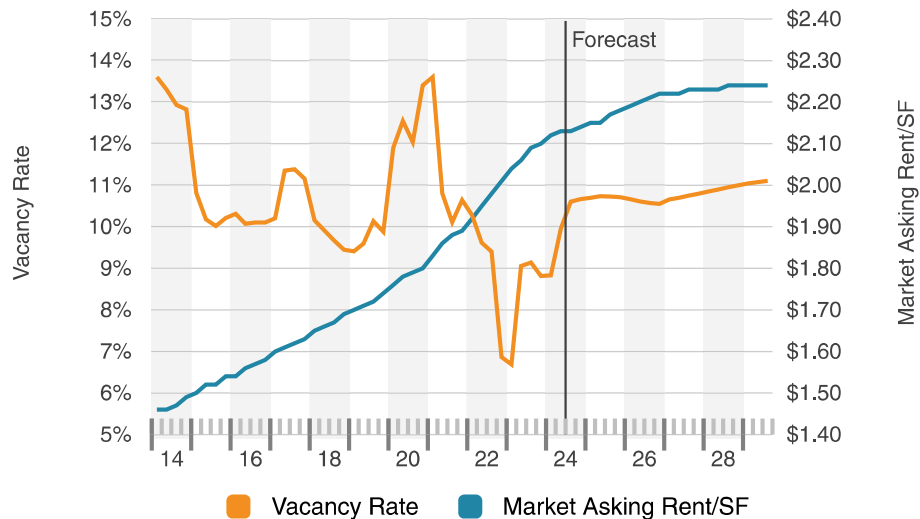
## Occupancy At Delivery



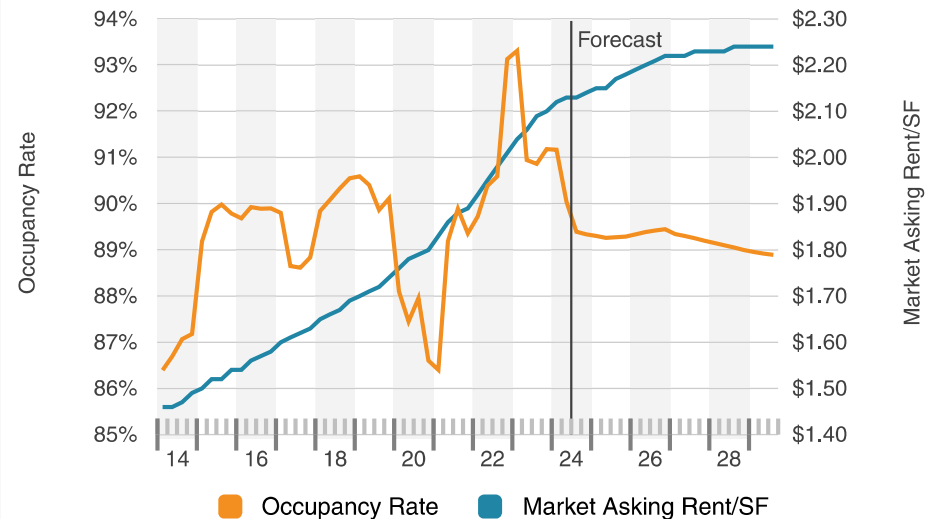
## Net Absorption, Net Deliveries & Vacancy



## Vacancy & Market Asking Rent Per SF

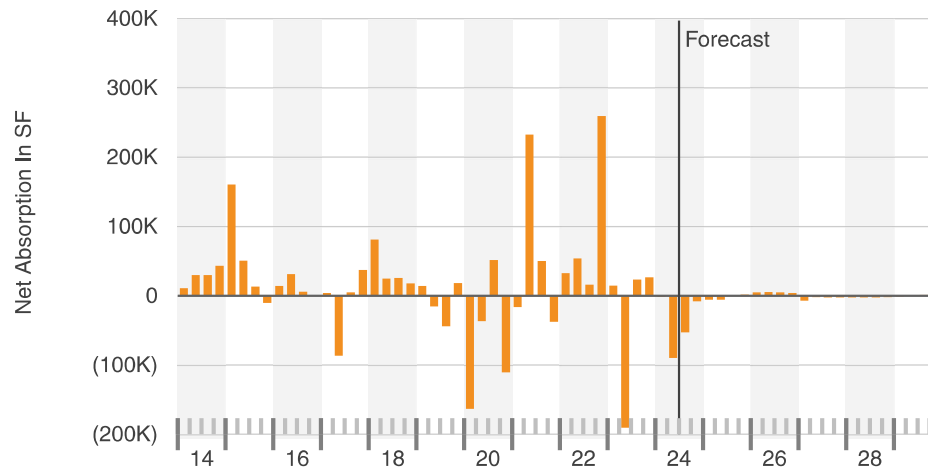


## Occupancy & Market Asking Rent Per SF

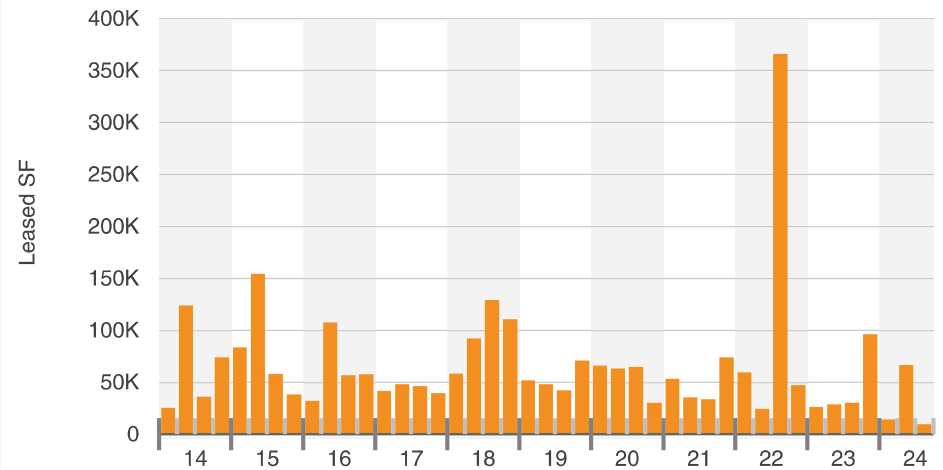


# Search Analytics

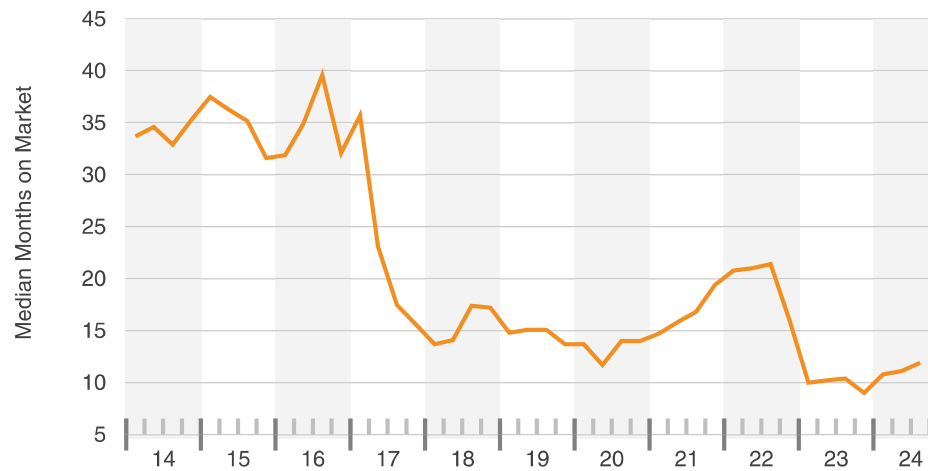
## Net Absorption



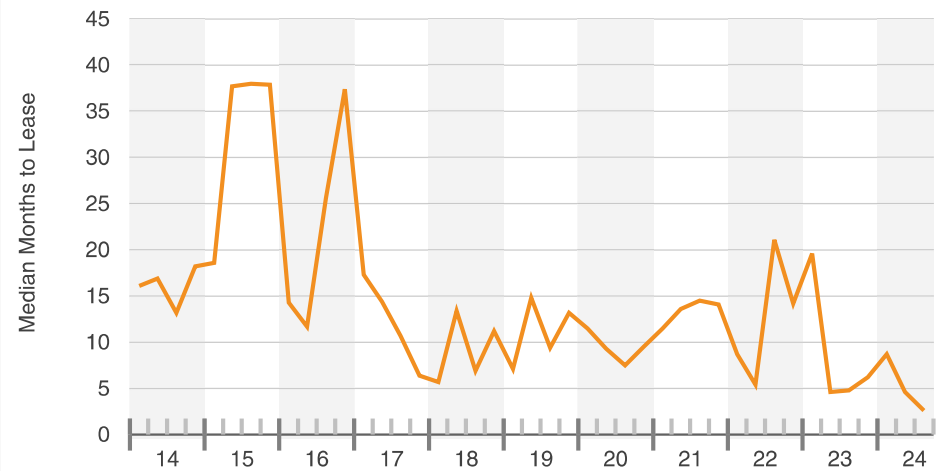
## Leasing Activity



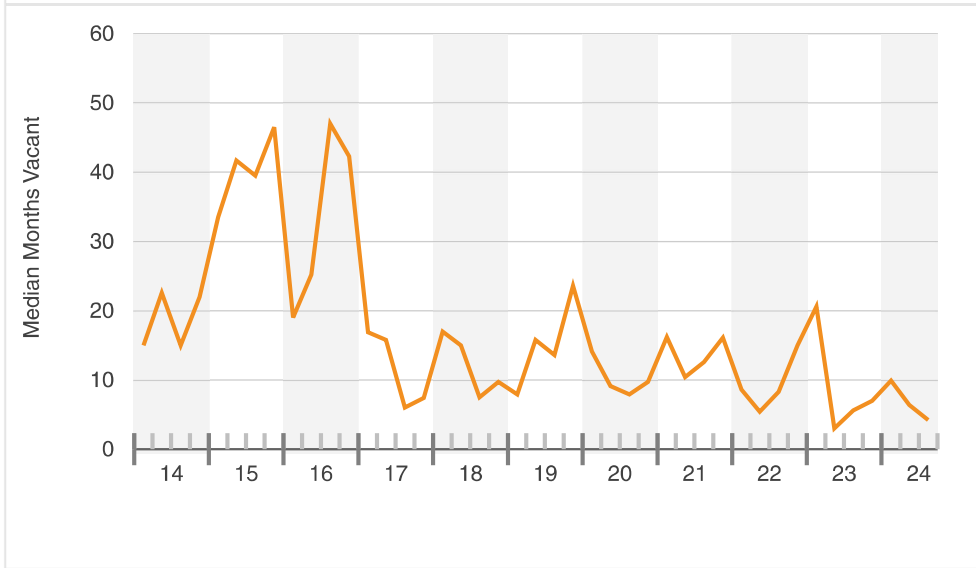
## Months On Market



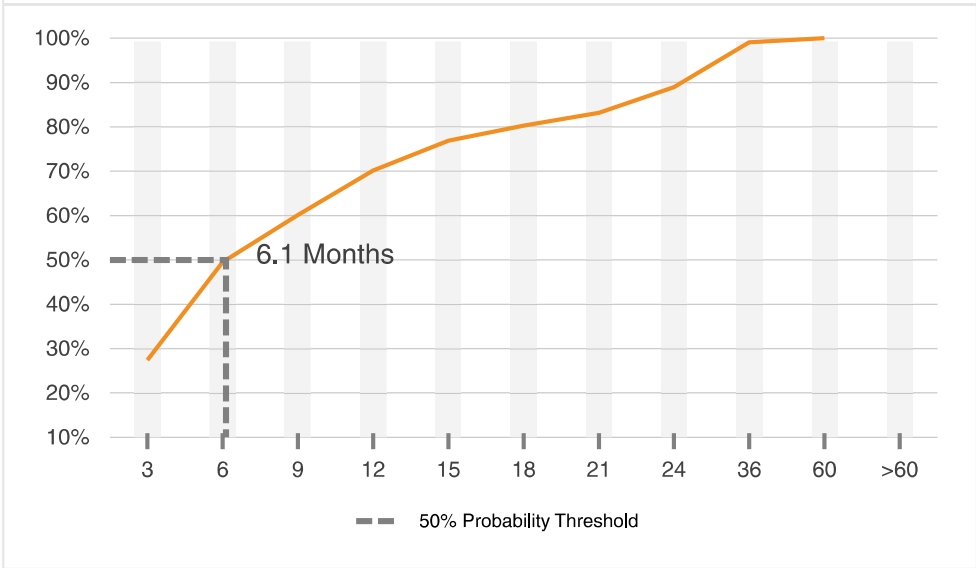
## Months To Lease



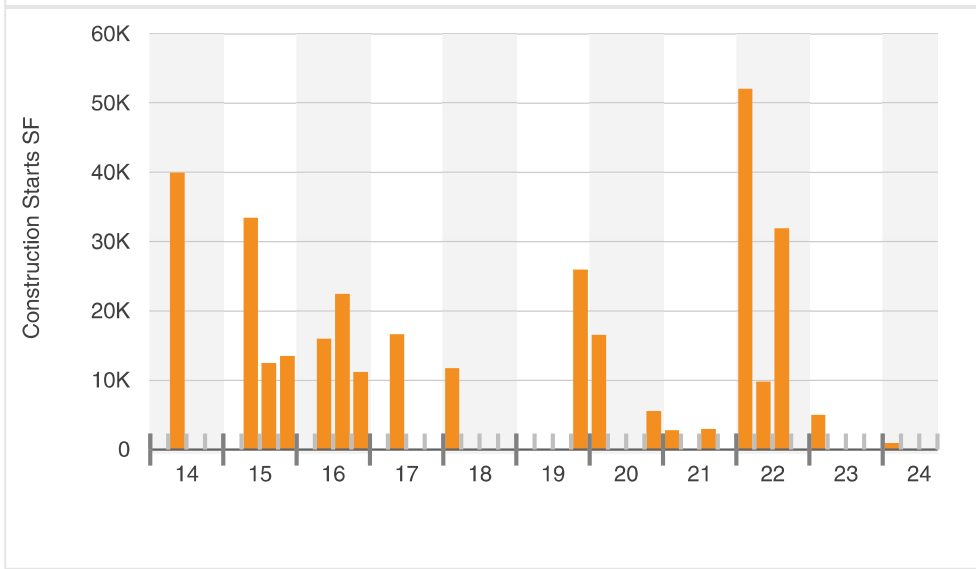
### Months Vacant



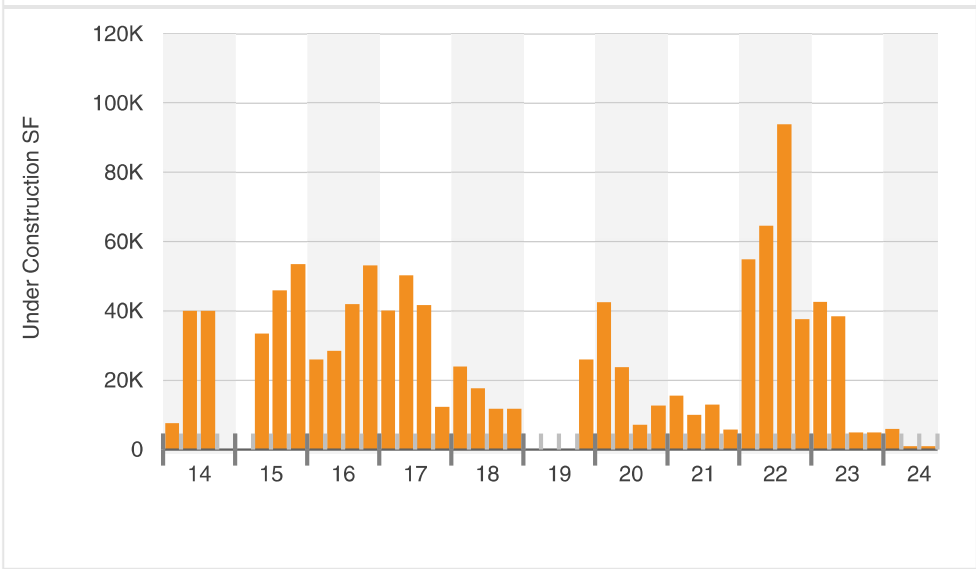
### Probability Of Leasing In Months



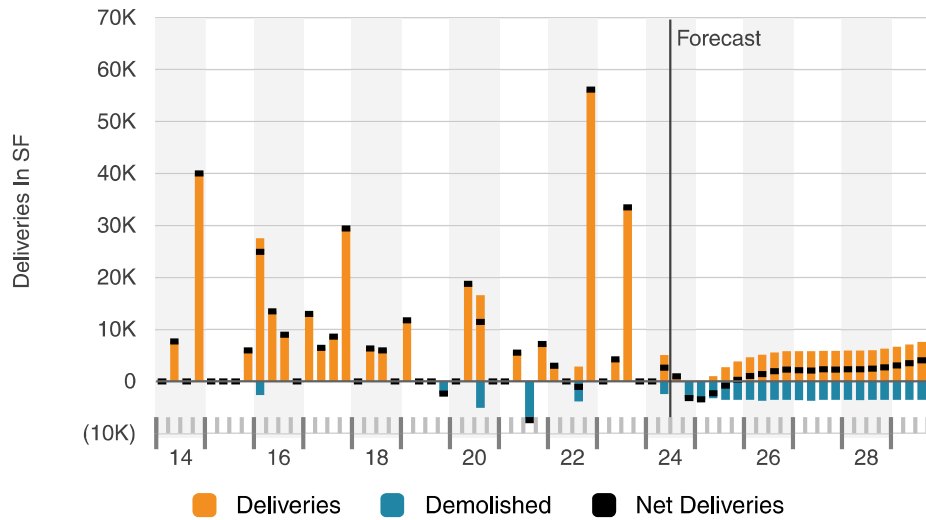
### Construction Starts



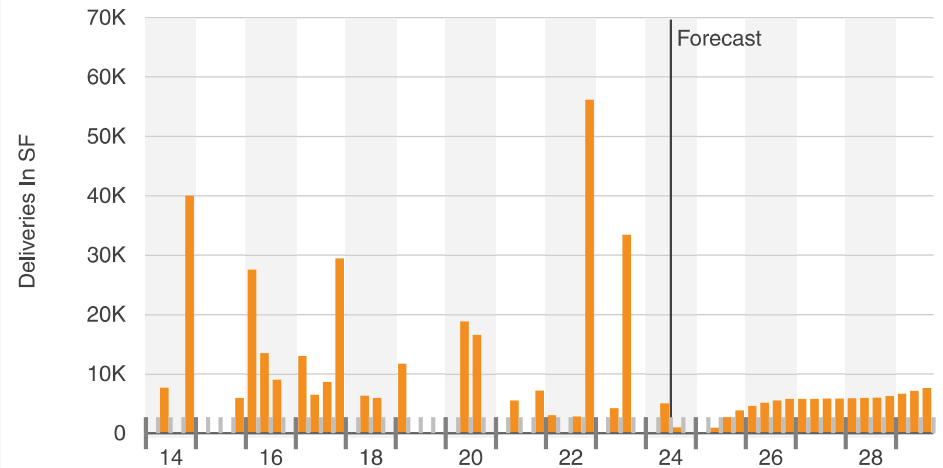
### Under Construction



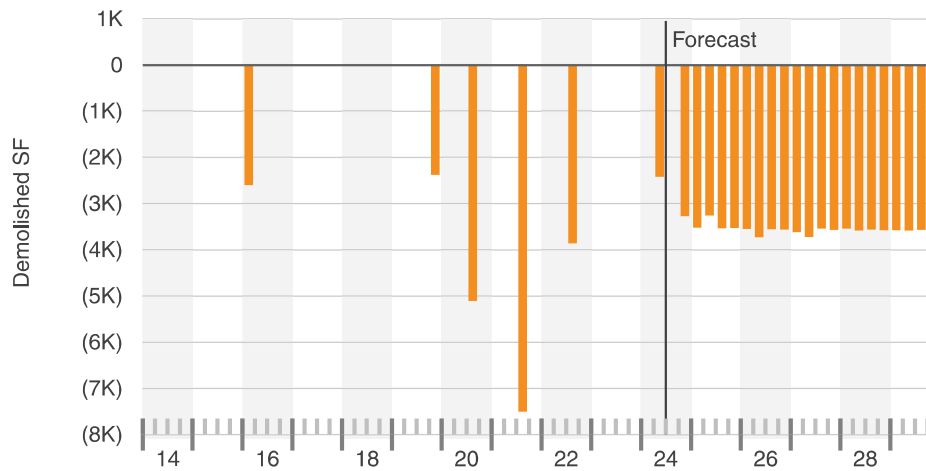
## Deliveries & Demolitions



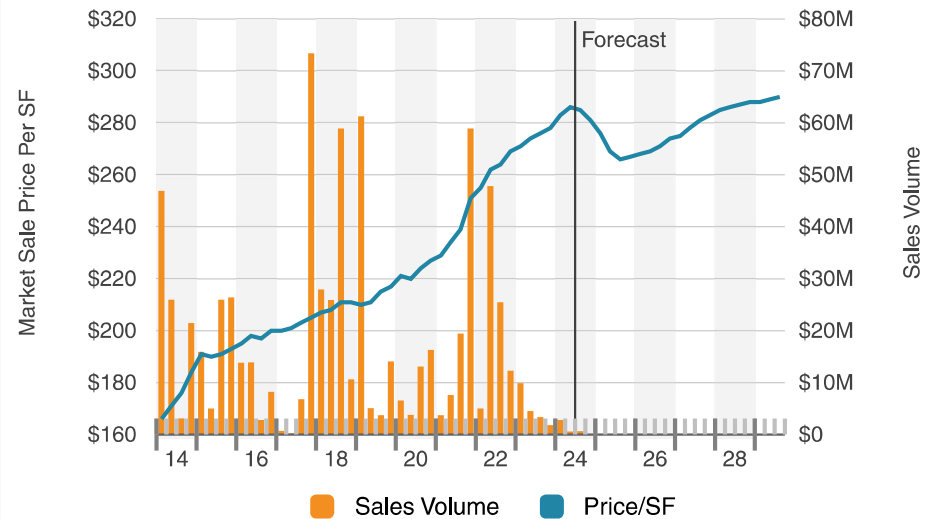
## Deliveries



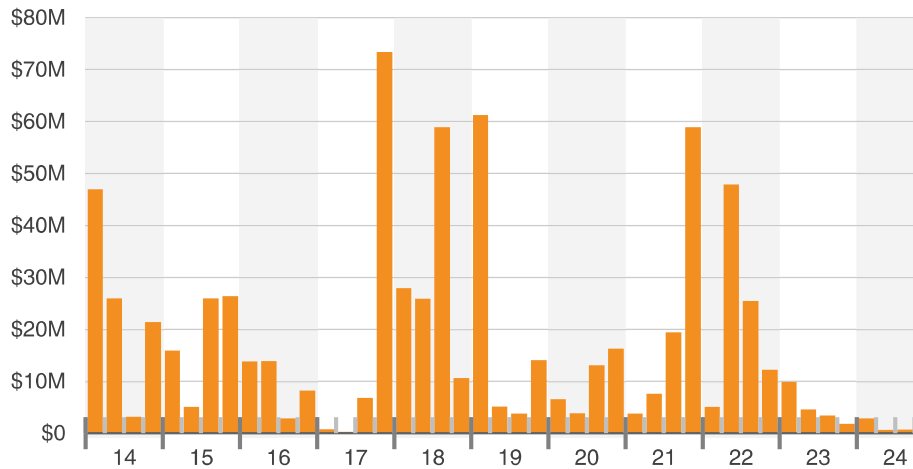
## Demolitions



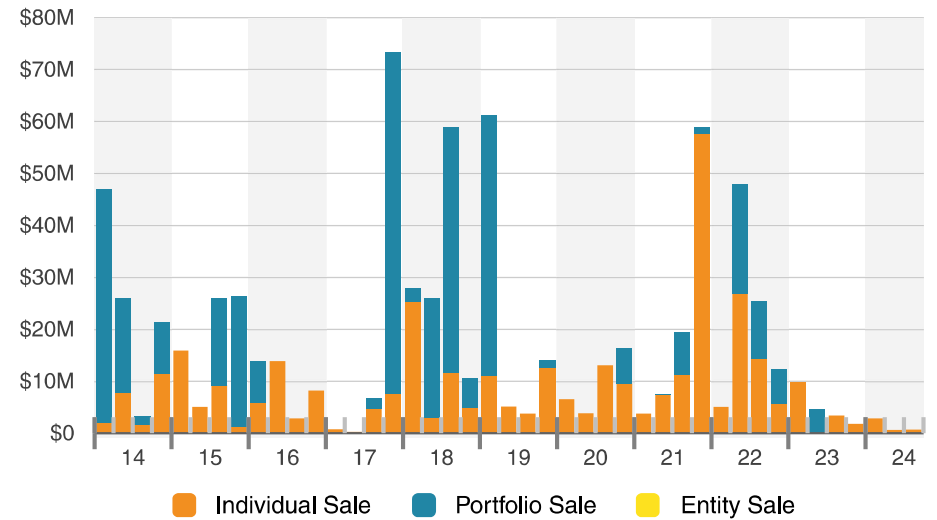
## Sales Volume & Market Sale Price Per SF



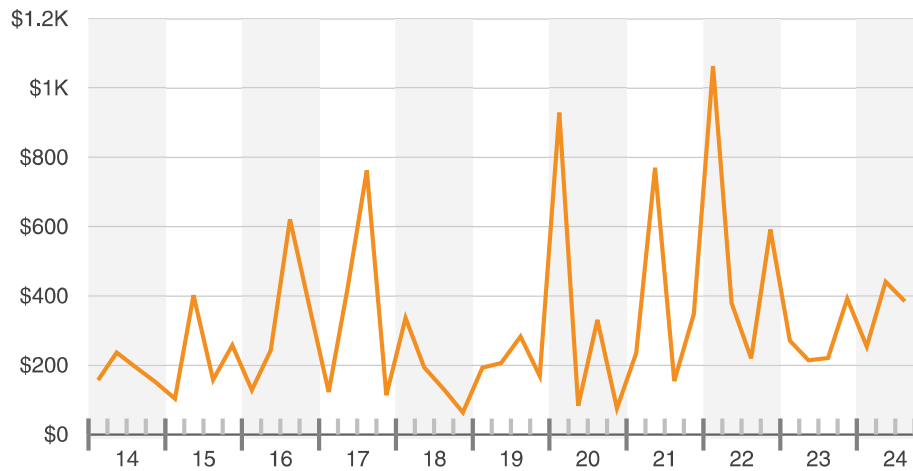
## Sales Volume



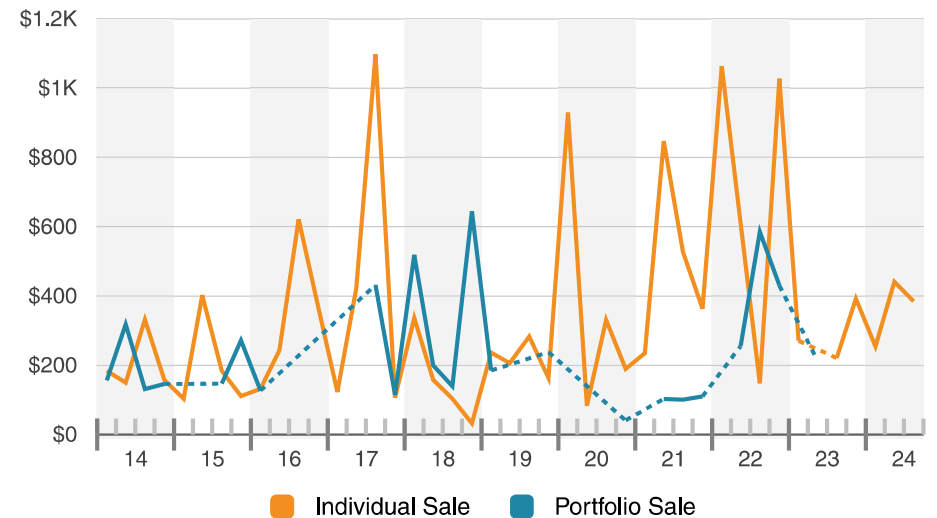
## Sales Volume By Transaction Type



## Sale Price Per SF

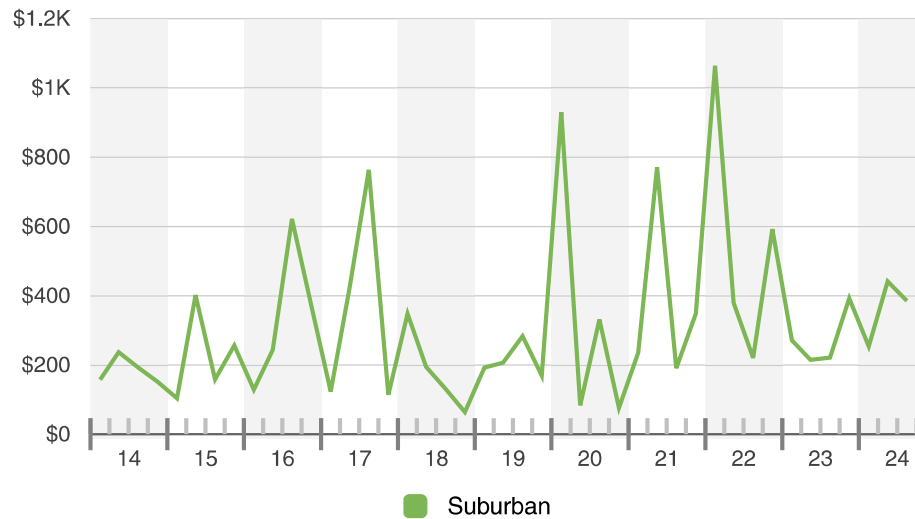


## Sale Price Per SF By Transaction Type

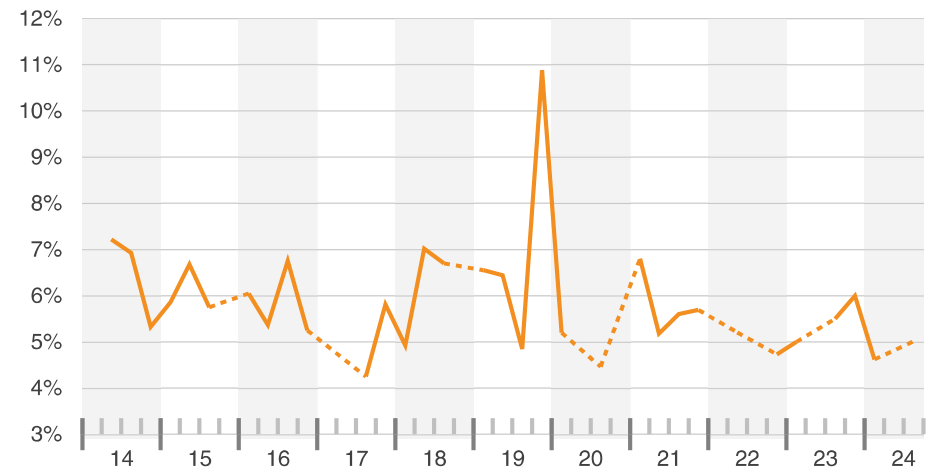




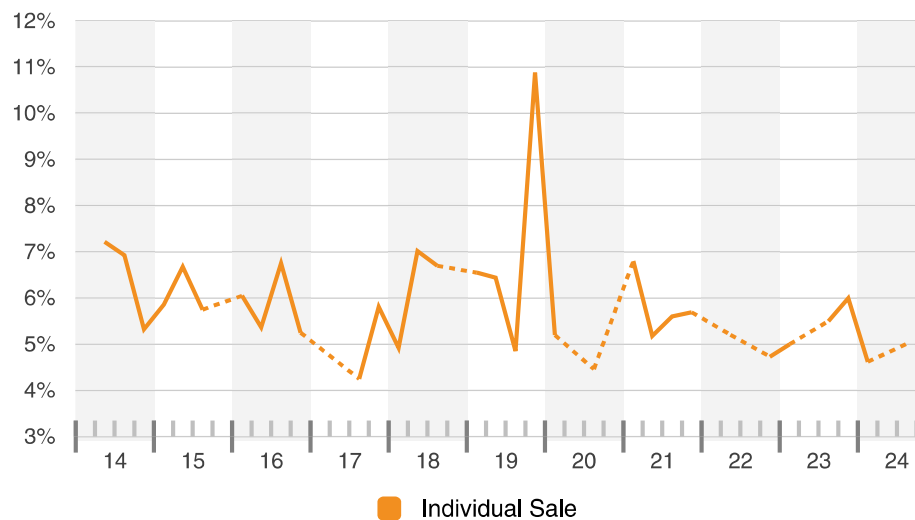
## Sale Price Per SF By Location Type



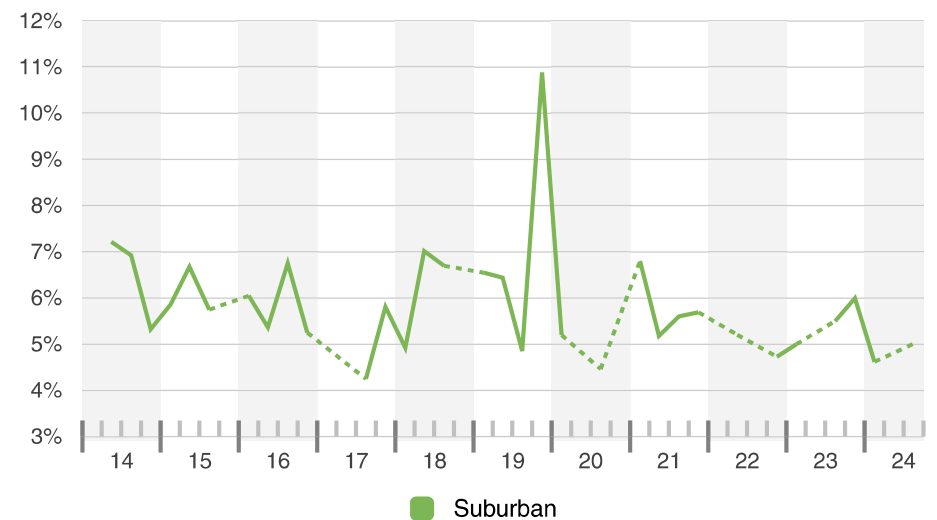
## Cap Rate



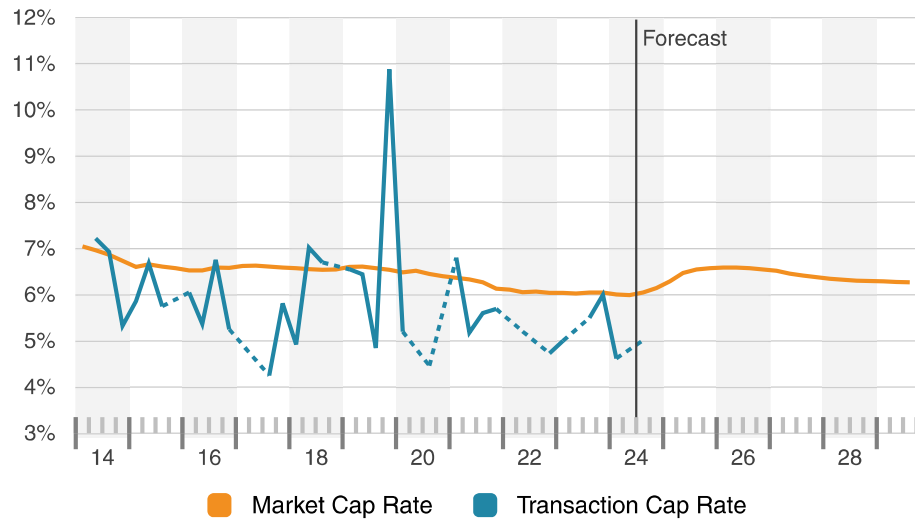
## Cap Rate By Transaction Type



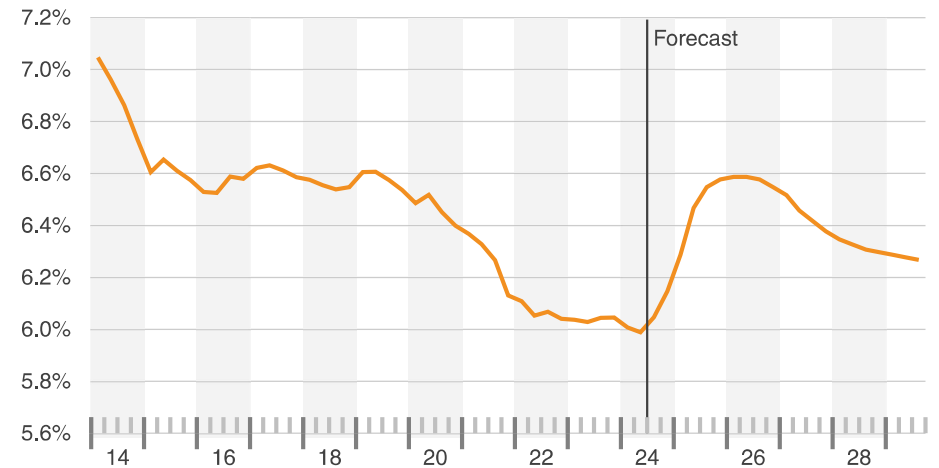
## Cap Rate By Location Type



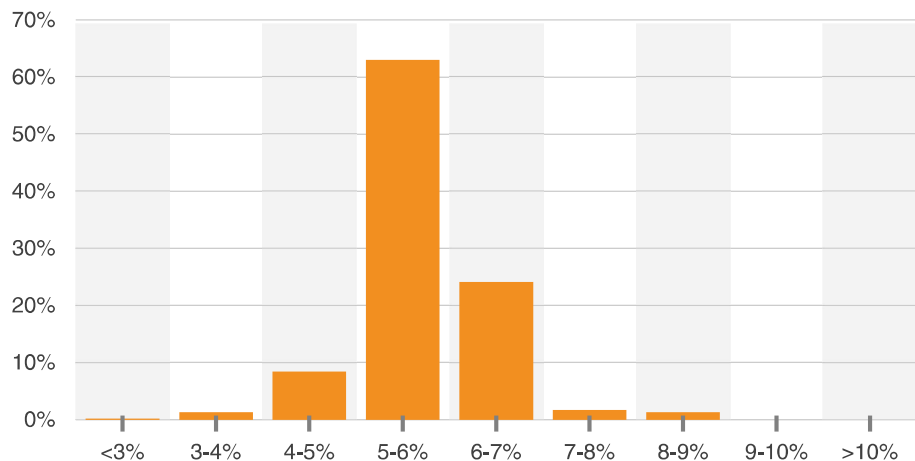
## Market Cap Rate & Transaction Cap Rate



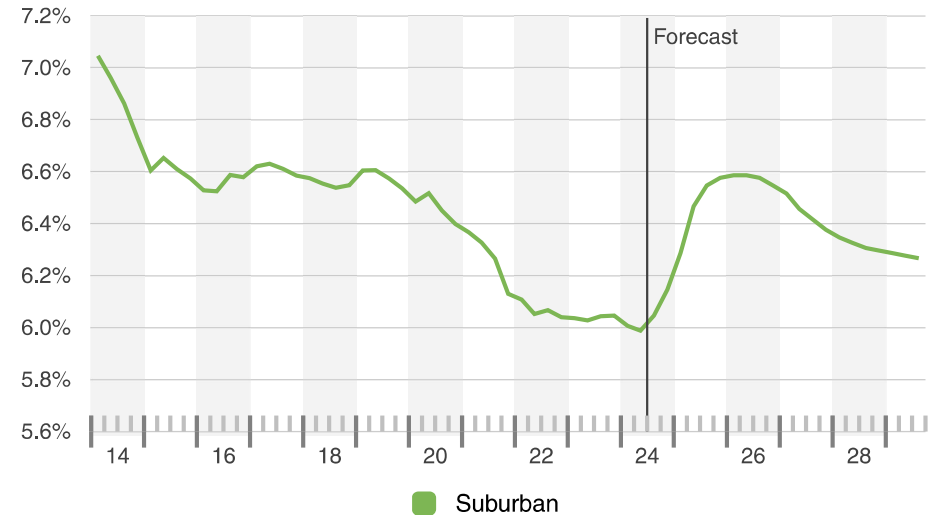
## Market Cap Rate



## Market Cap Rate Distribution

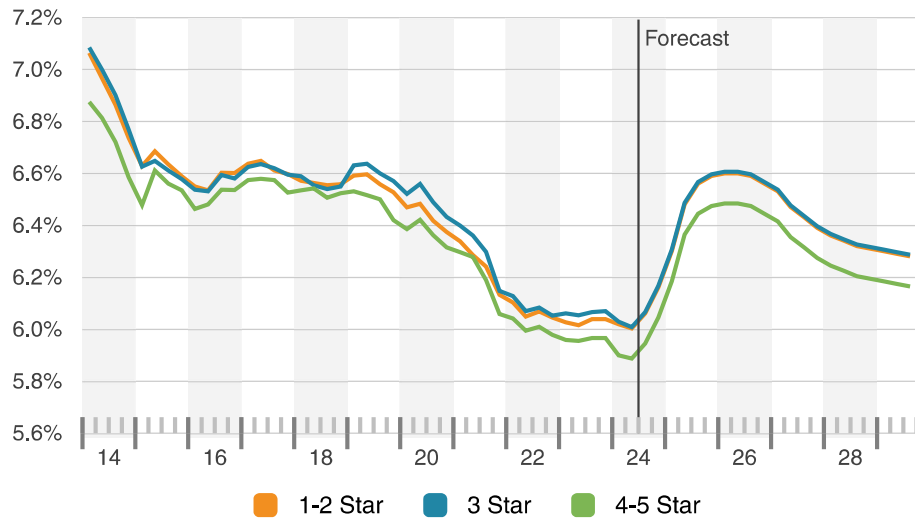


## Market Cap Rate By Location Type

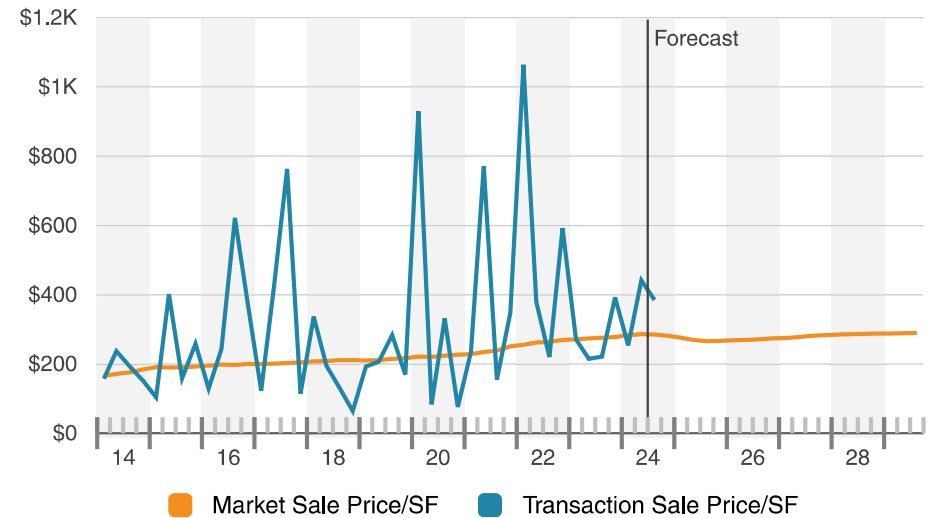


# Search Analytics

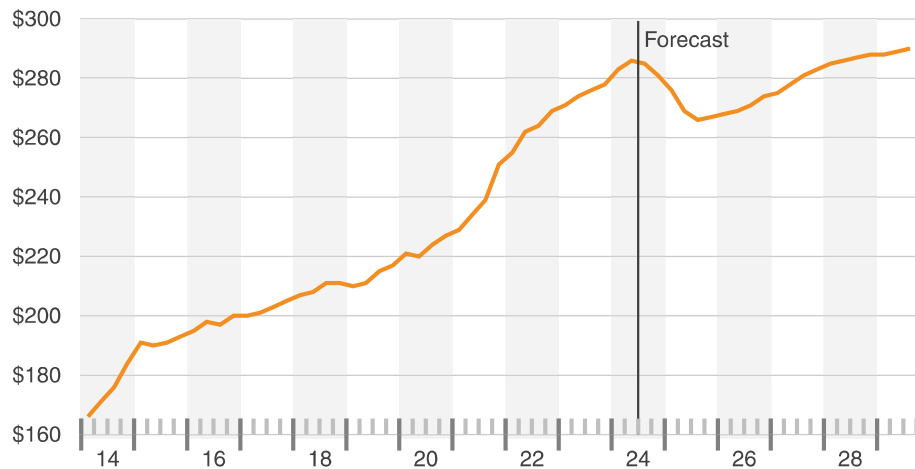
## Market Cap Rate By Star Rating



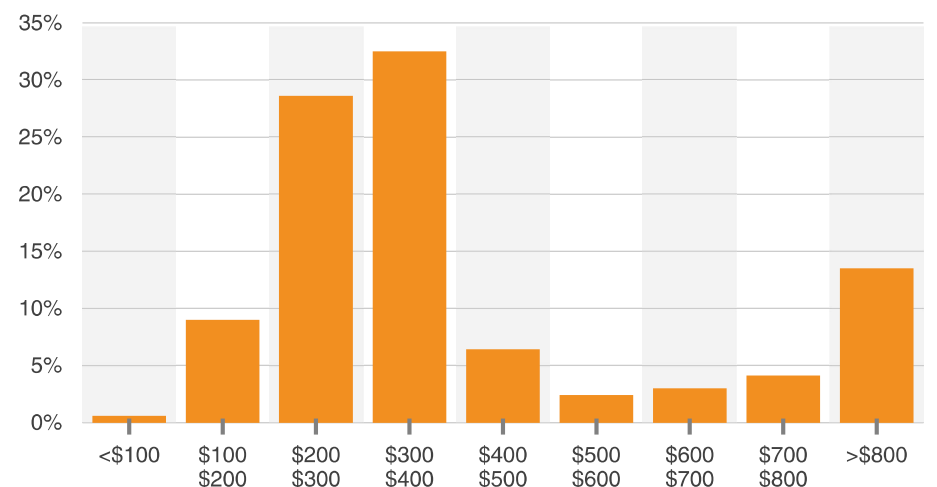
## Market Sale Price & Transaction Sale Price Per SF



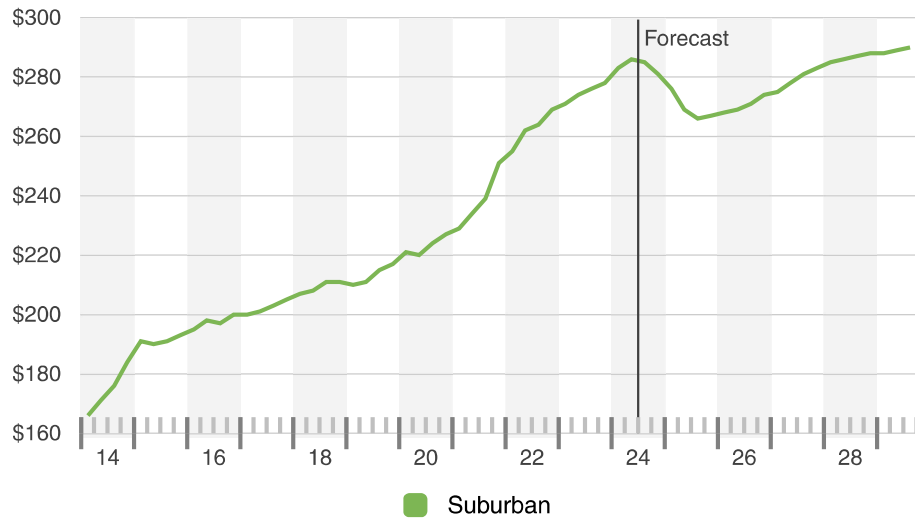
## Market Sale Price Per SF



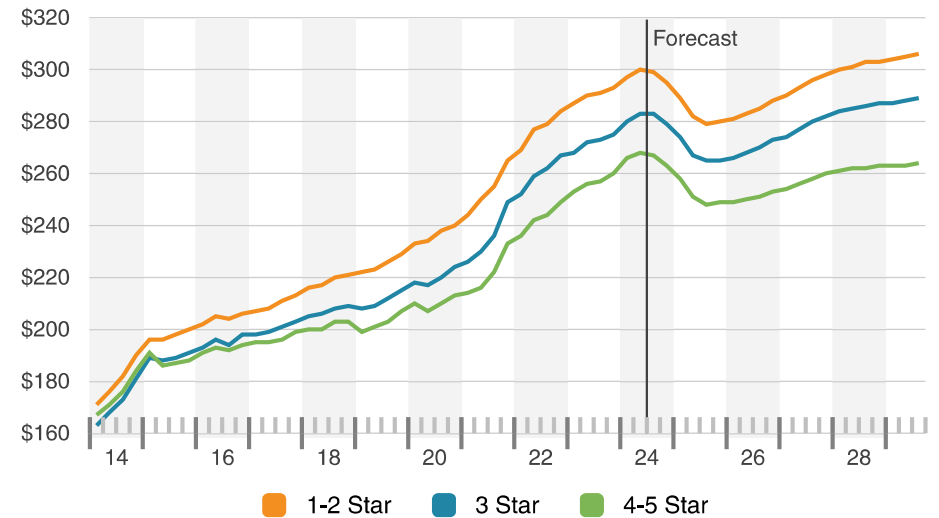
## Market Sale Price Per SF Distribution



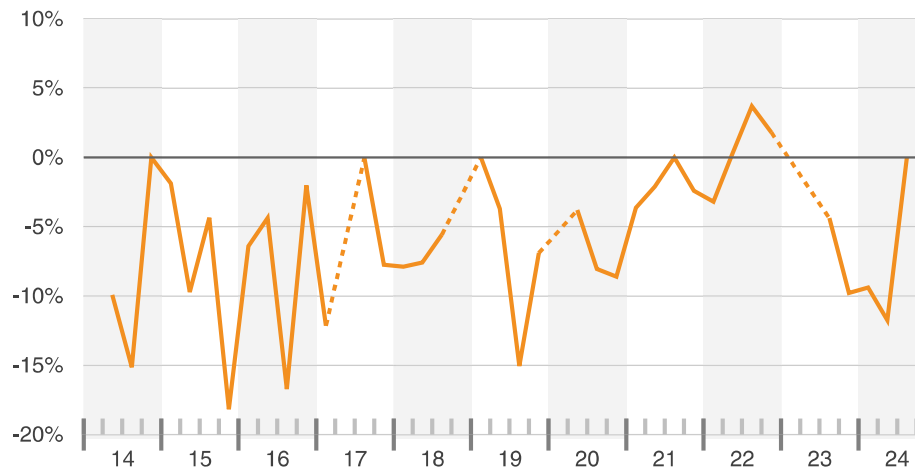
## Market Sale Price Per SF By Location Type



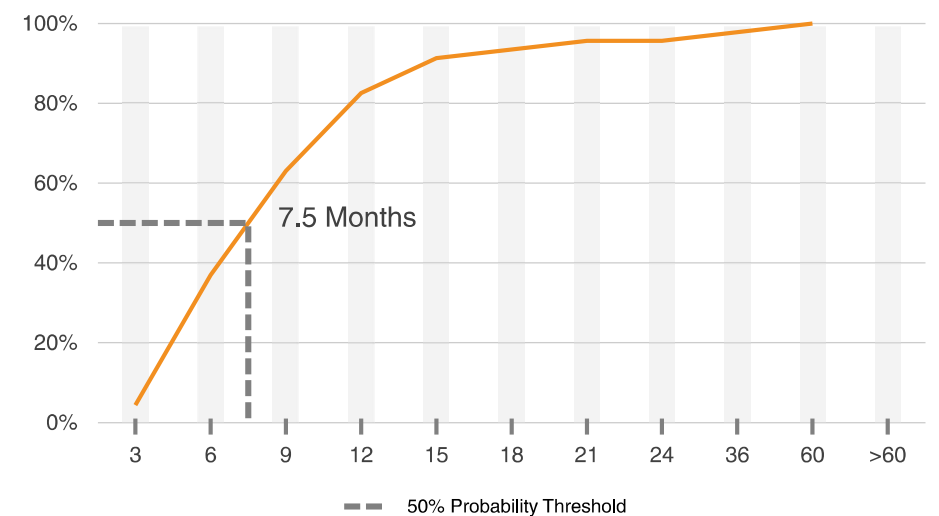
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

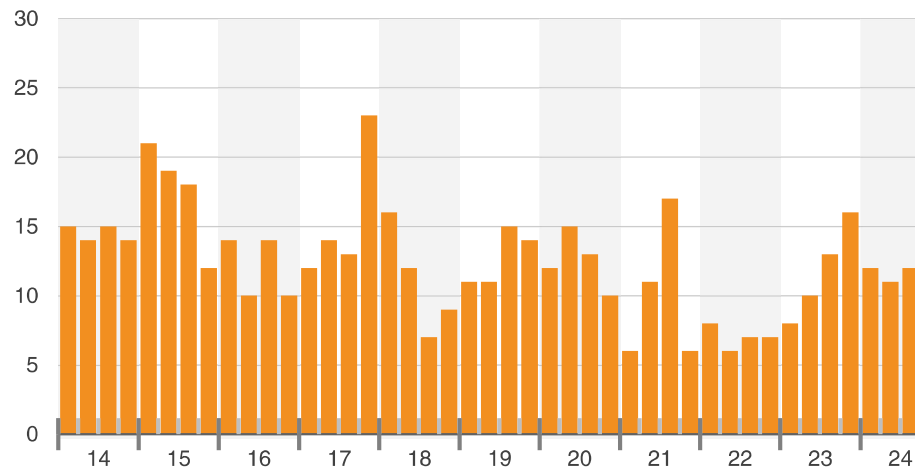


## Probability Of Selling In Months

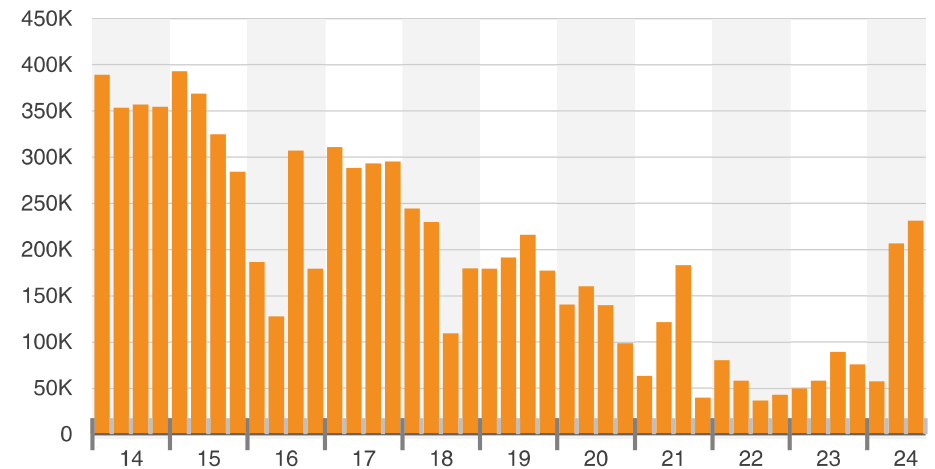


# Search Analytics

## For Sale Total Listings



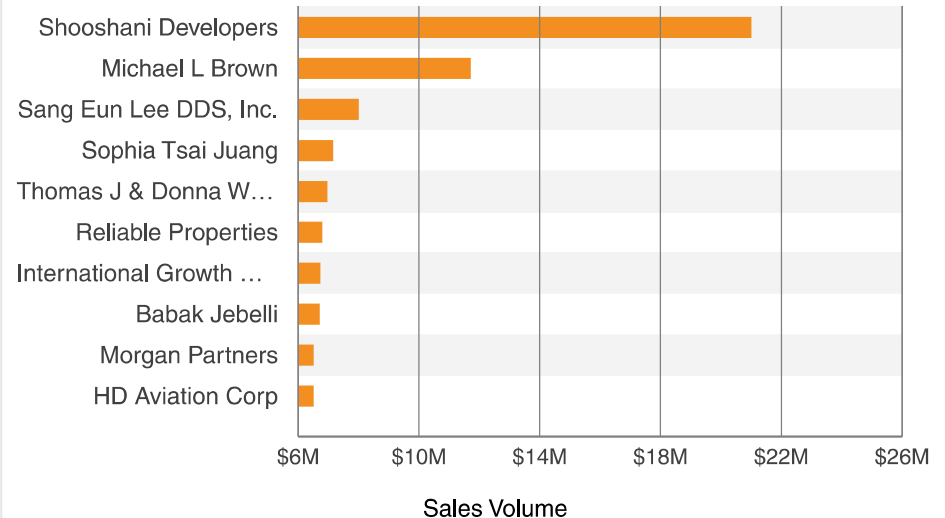
## For Sale Total SF



## For Sale Asking Price Per SF

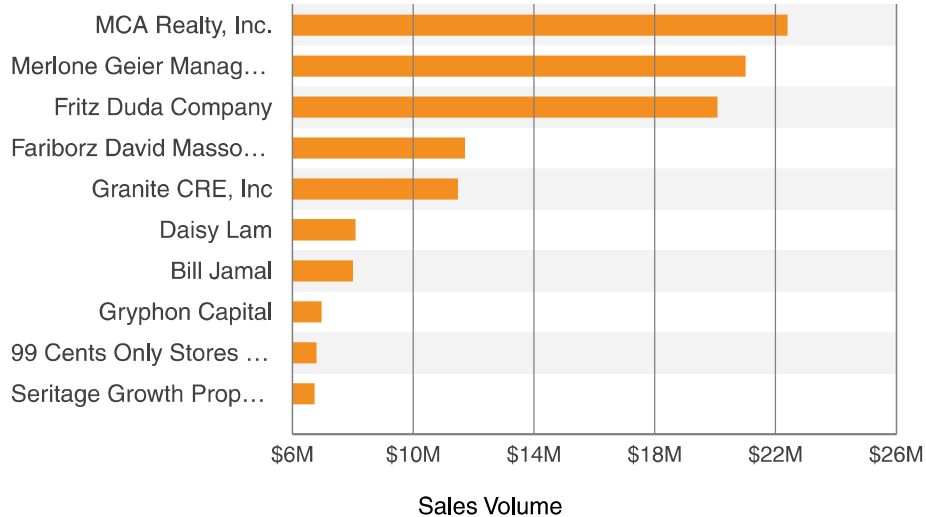


## Top Buyers

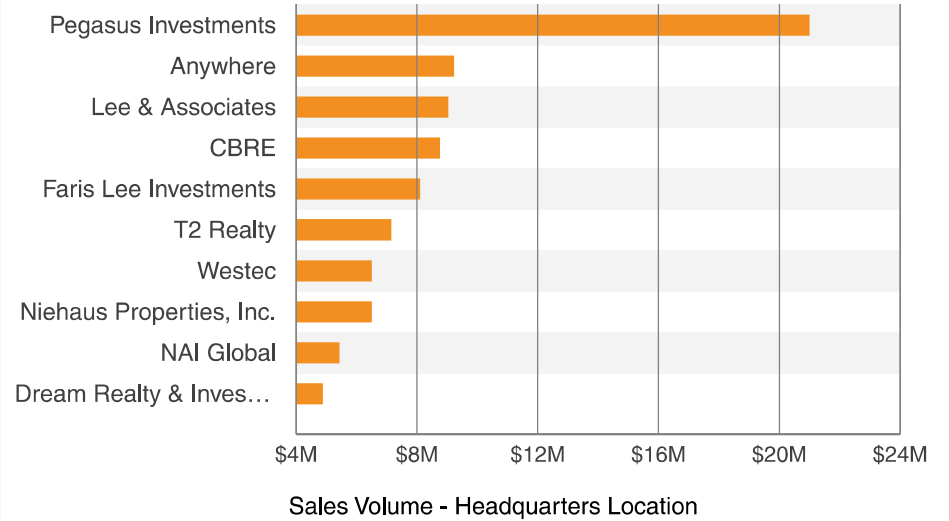


# Search Analytics

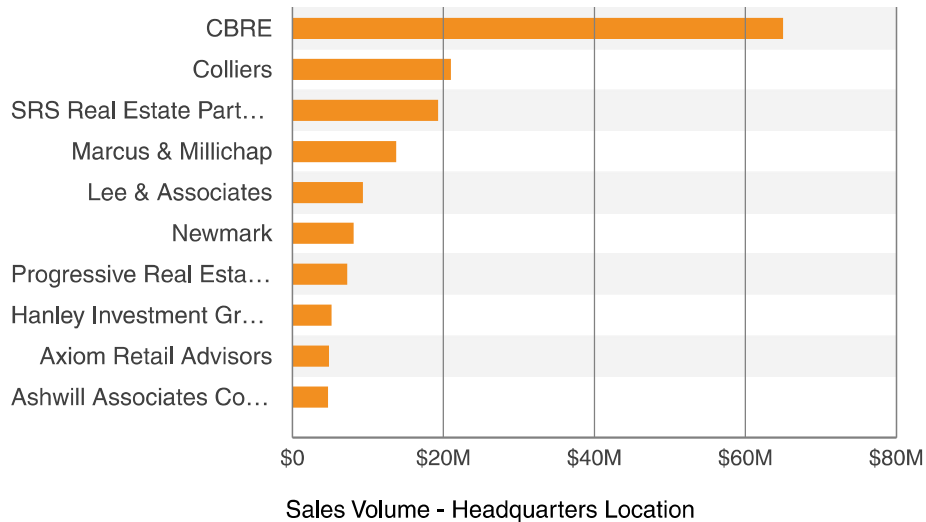
## Top Sellers



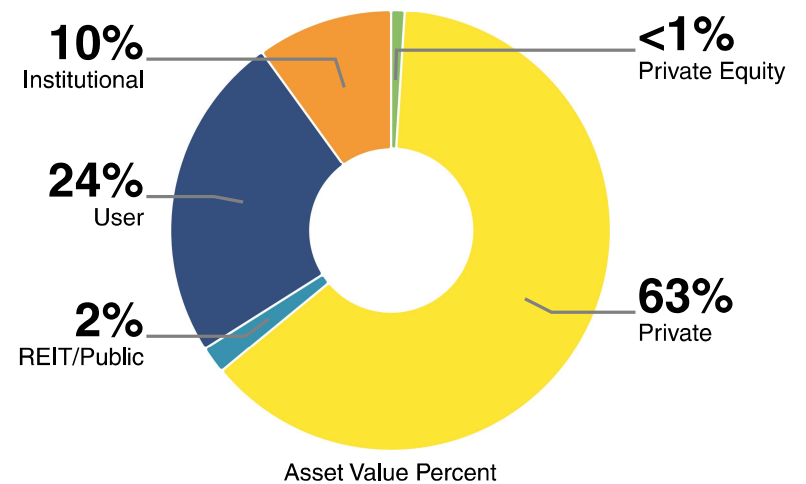
## Top Buyer Brokers



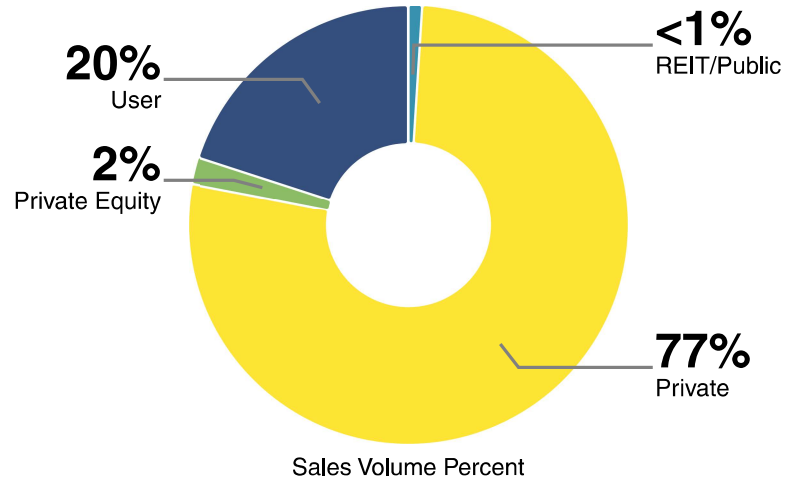
## Top Seller Brokers



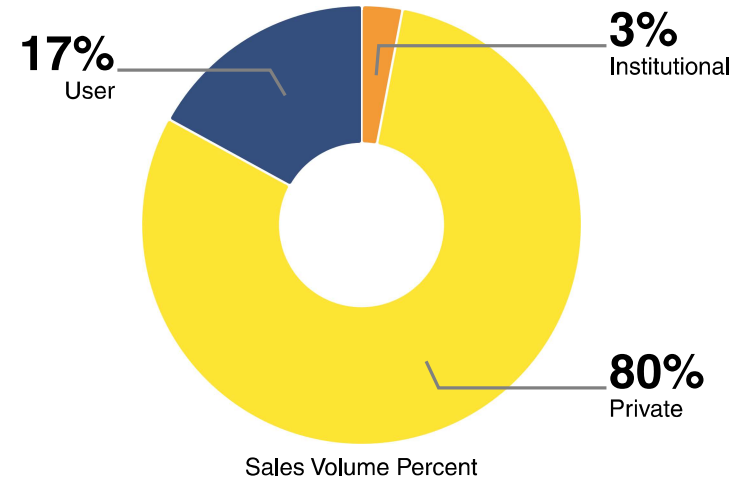
## Asset Value By Owner Type



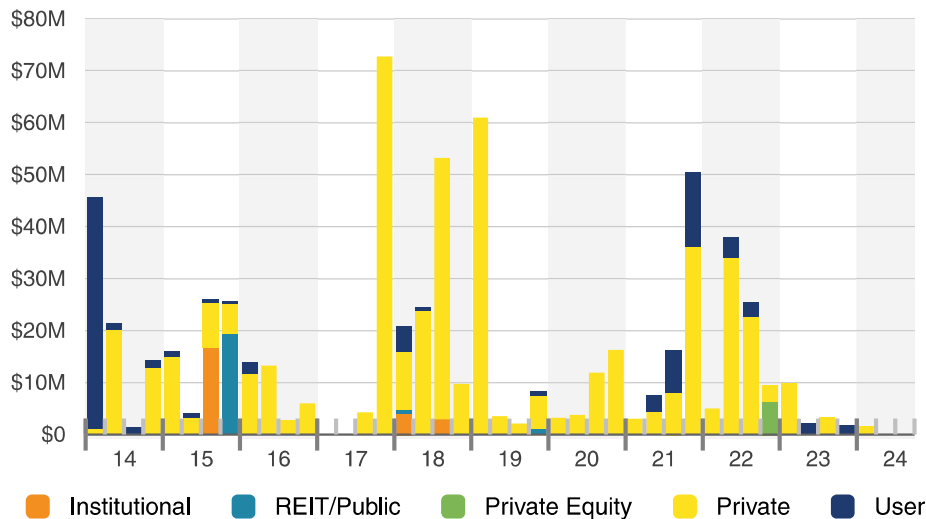
## Sales By Buyer Type



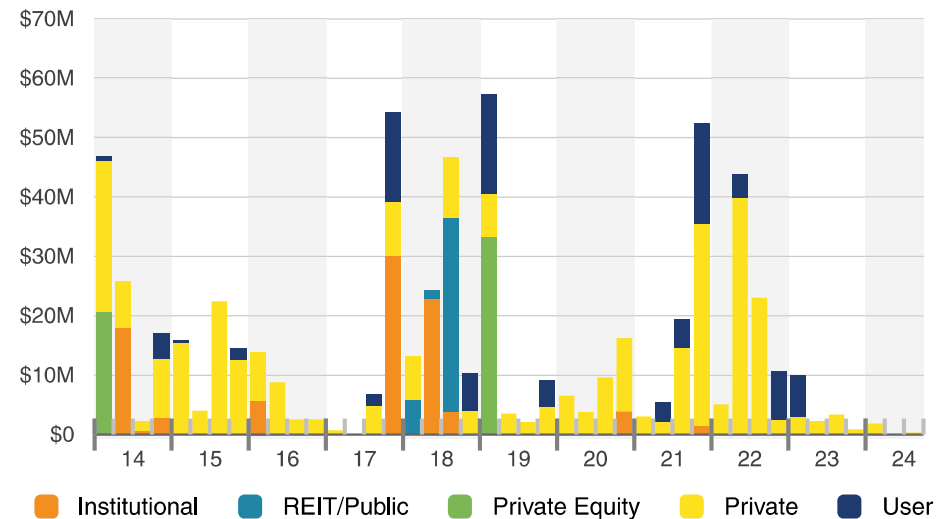
## Sales By Seller Type



## Sales Volume By Buyer Type

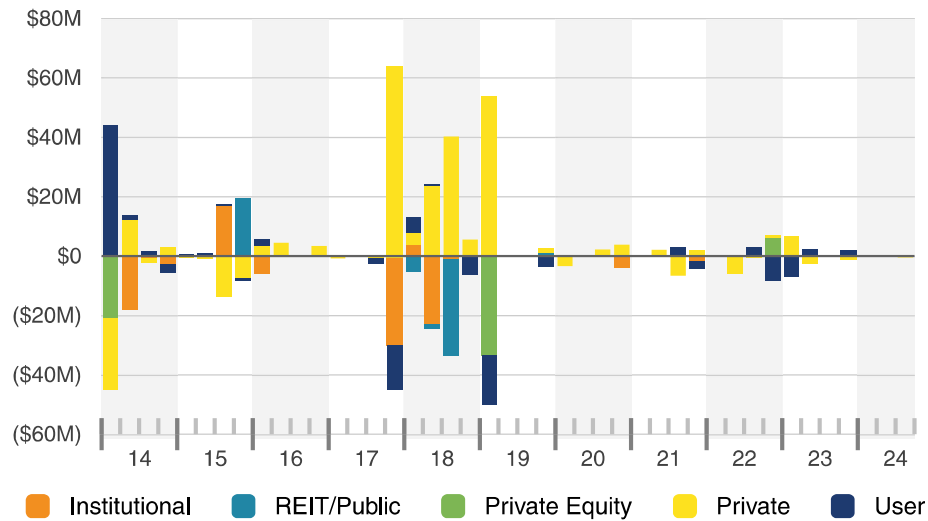


## Sales Volume By Seller Type

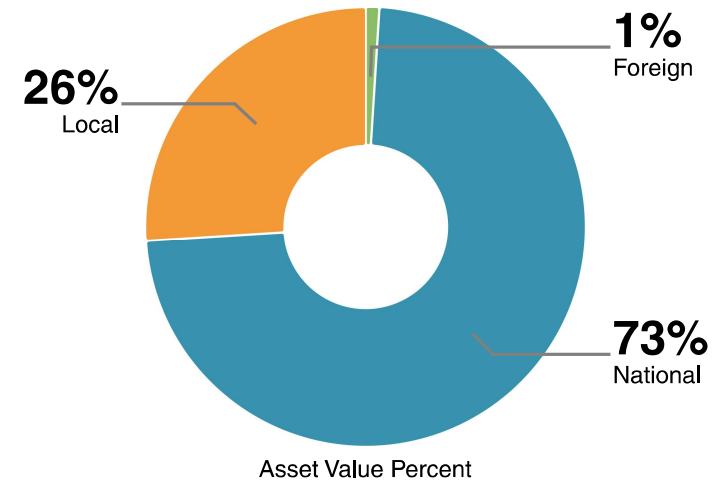


# Search Analytics

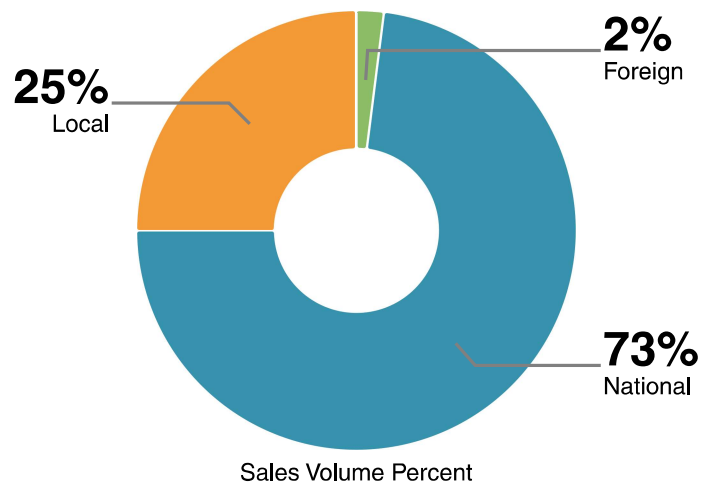
## Net Buying & Selling By Owner Type



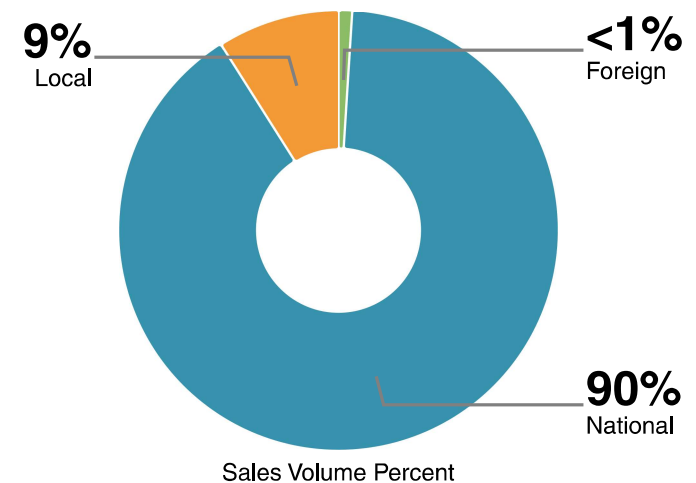
## Asset Value By Owner Origin



## Sales Volume By Buyer Origin

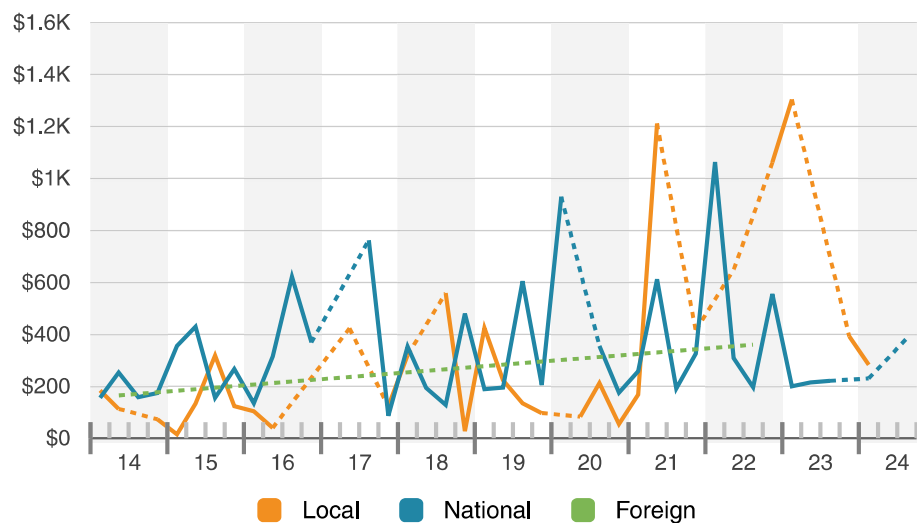


## Sales Volume By Seller Origin

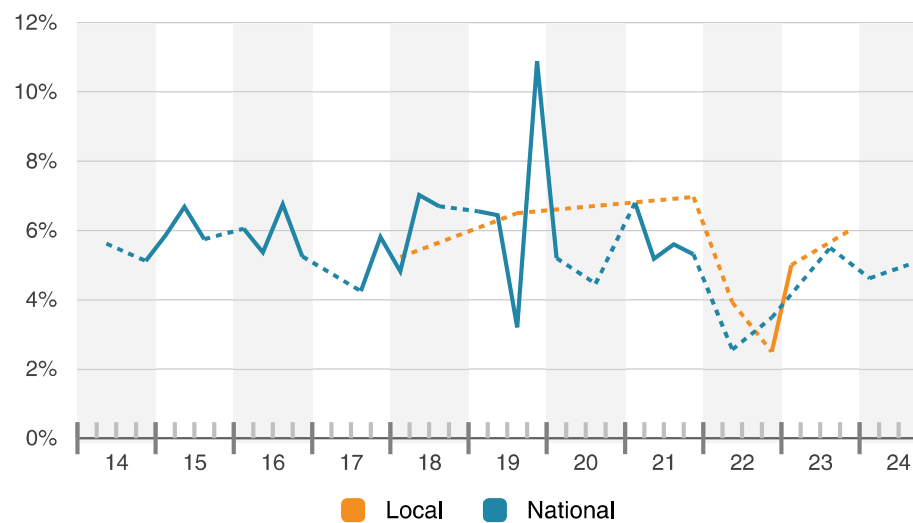




## Average Price Per SF By Buyer Origin



## Average Cap Rate By Buyer Origin



## Report Criteria

---

- 563 Properties / 137 Spaces
- City: Moreno Valley, CA
- Property Type: Retail

## **EXHIBIT D – SALES TAX REVENUES**

# CITY OF MORENO VALLEY

## SALES TAX UPDATE

### 1Q 2024 (JANUARY - MARCH)



#### MORENO VALLEY

TOTAL: \$ 8,380,445

0.8%  
1Q2024



-0.3%  
COUNTY

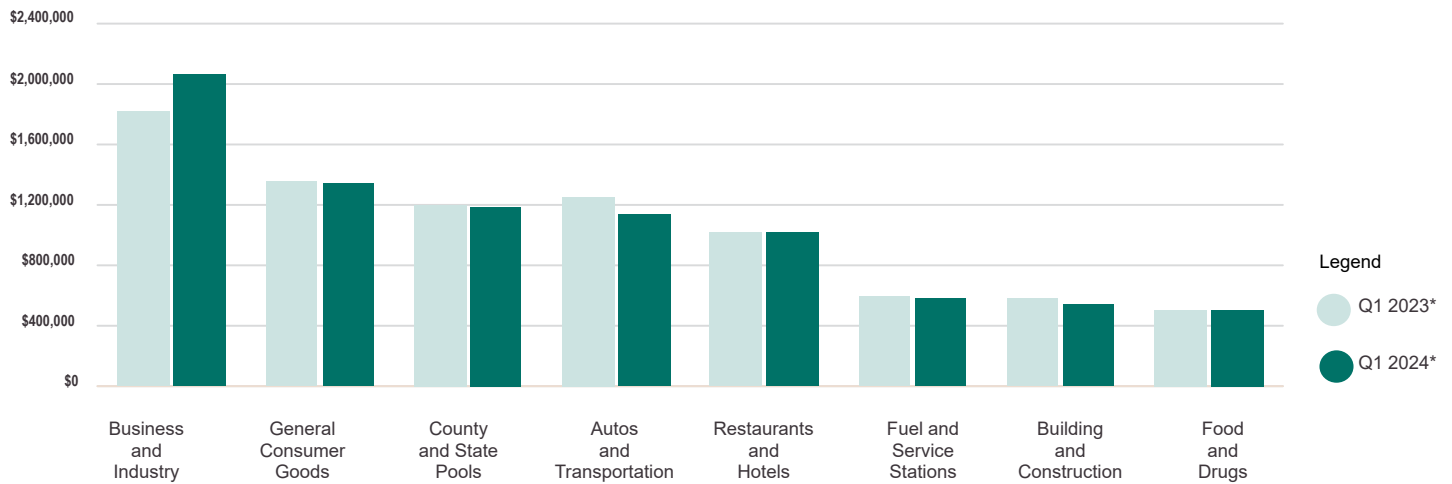


-0.2%  
STATE



*\*Allocation aberrations have been adjusted to reflect sales activity*

#### SALES TAX BY MAJOR BUSINESS GROUP



#### CITY OF MORENO VALLEY HIGHLIGHTS

Moreno Valley's receipts from January through March were 1.4% below the first sales period in 2023. Excluding reporting aberrations, including late payments, receipts for the period were up 0.8%.

The results of the business and industry group were strong enough to offset the lagging sales in other retail groups and provide a modest gain in total receipts. This came about because several taxpayers within the business/industry group received one-time orders, while several others saw a jump in seasonal demand. Not to be ignored is the fact the restaurant group managed a small gain, likely due to higher menu prices as patrons cut back on the number of times they dine out.

Looking at the retail groups with the largest negative impact this quarter, only one new car dealer reported

higher sales. This brings to five, the number of quarters in which new car dealers reported fewer sales. Next is the construction group, which saw fairly steady sales of materials, but a lack of new projects cut the bottom line.

A minor sales decline was reported by the gas station group, which saw prices vacillate during the period. Sales of general consumer goods were also off, but only slightly, as many retailers reported more foot traffic and growing sales. The recent closure of one outlet skewed the final total for this group.

Net of aberrations, taxable sales for all of Riverside County declined 0.3% over the comparable period while those of the Southern California region were flat.



#### TOP 25 PRODUCERS

7 Eleven  
Amazon Fulfillment Center ONT6  
Amazon MFA  
Car Pros Kia  
Chevron  
Costco  
Deckers Outdoor  
Food 4 Less  
Harbor Freight Tools  
Home Depot  
Lowes  
Macy's  
Moss Bros Chevrolet  
Moss Bros Chrysler Jeep Dodge Ram Fiat  
Moss Bros Gmc  
Moss Bros Honda  
Moss Bros Toyota

Premier Hyundai Of Moreno Valley  
Robertsons Ready Mix  
Ross  
Stater Bros  
Target  
TJ Maxx/Home Goods  
United Material Handling  
Walmart Supercenter



## STATEWIDE RESULTS

California's local one cent sales and use tax receipts during the months of January through March were 0.2% lower than the same quarter one year ago after adjusting for accounting anomalies. The calendar year first quarter is traditionally the lowest sales tax generating period; however, returns were more on par with the comparison period.

One of the only sectors continuing to display declines was autos-transportation. High interest rates created more expensive long-term financing costs. Combined with a dramatic cost of insurance coverage rate spike, this group declined 7.5%.

Fuel and service stations was the other sector with a drop over last year. As California drivers embark on summer travel, they'll do so with slightly elevated gas prices versus 2023, probably yielding the final period of negative results for the category heading into 2025.

During this post-holiday shopping period, general consumer goods experienced a soft rebound with very modest 0.5% growth. Although retailers selling gas were hurt by fuel prices, it did not stop family apparel and department stores from lifting revenues.

Restaurant activity contributed constant growth of 2.1%. Only fine dining establishments remain hindered as more affordable menus are preferred. Also, it appears some eateries made operational changes while implementing AB 1228; however, there isn't enough data

yet to understand if this new bill impacted revenue.

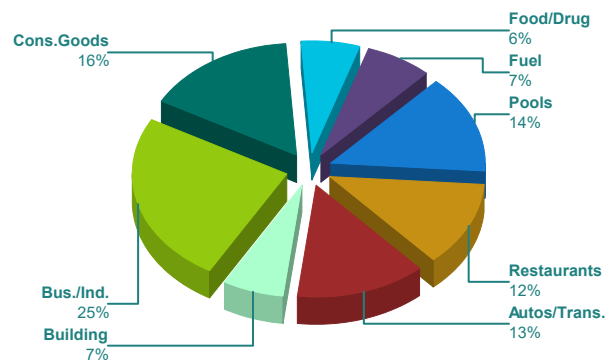
Seemingly dramatic one-time events helped boost business-industry, as investments in office supplies-furniture and energy projects were a significant reason for 3.6% gains this quarter. Additionally, strong fulfillment center direct payments demonstrated sustained logistical expansion. When coupled with improved returns via the countywide use tax pools, customers demonstrated e-commerce preferences for obtaining various goods. Overall

pool allocations improved 1.6%.

Statewide, 2024 begins in a more positive fashion compared to the recent trends of 2023. Buoyed 1st quarter results may signify 'the floor' helping ease tax revenue concerns while awaiting the next growth cycle. The Federal Reserve and their position with the Fed Funds Rate remains the most probable component between economic stagnation or spring-boarding consumer spending. Tourism and local travel in the coming summer period could further inspire confidence.

### REVENUE BY BUSINESS GROUP

Moreno Valley This Quarter\*



\*ADJUSTED FOR ECONOMIC DATA

### TOP NON-CONFIDENTIAL BUSINESS TYPES

Moreno Valley Business Type	Q1 '24*	Change	County Change	HdL State Change
Fulfillment Centers	1,708.0	2.3% ↑	4.4% ↑	5.6% ↑
New Motor Vehicle Dealers	827.1	-14.1% ↓	-3.7% ↓	-10.4% ↓
Service Stations	582.6	-0.9% ↓	-3.4% ↓	-0.9% ↓
Quick-Service Restaurants	509.1	1.8% ↑	6.7% ↑	2.7% ↑
Building Materials	443.7	0.7% ↑	0.5% ↑	-1.0% ↓
Casual Dining	384.1	-1.5% ↓	2.1% ↑	2.4% ↑
Grocery Stores	279.3	2.1% ↑	2.7% ↑	2.8% ↑
Family Apparel	202.7	12.5% ↑	8.7% ↑	7.7% ↑
Automotive Supply Stores	120.8	-4.1% ↓	-3.8% ↓	-3.2% ↓
Fast-Casual Restaurants	111.9	1.7% ↑	1.3% ↑	2.1% ↑

\*Allocation aberrations have been adjusted to reflect sales activity

\*In thousands of dollars

## **EXHIBIT E – HdL LEAKAGE ANALYTICS 2024**

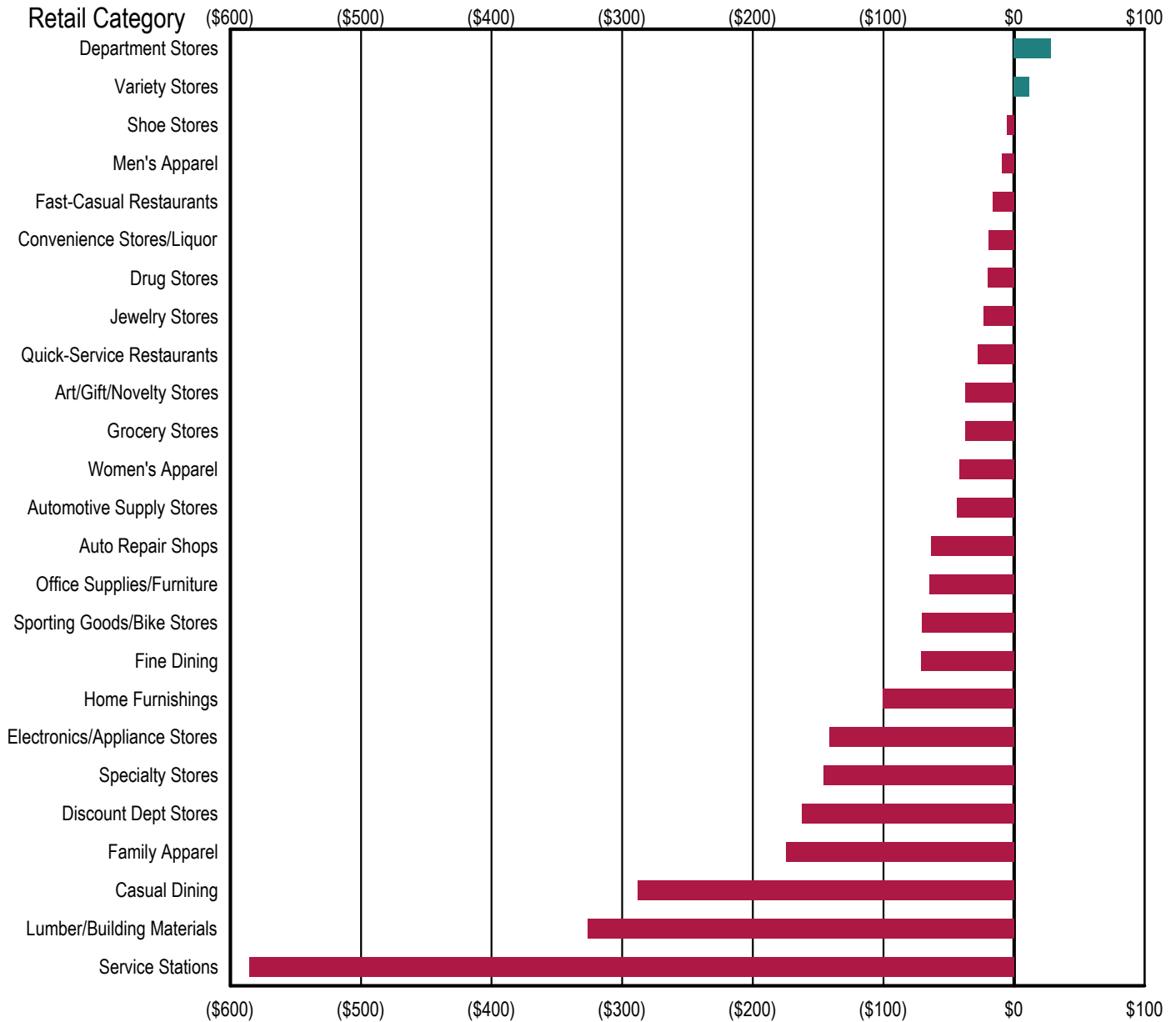


# CALIFORNIA RETAIL ANALYTICS

Expanding Retailers and Retail Stores Sales Estimate

# CITY OF MORENO VALLEY

PER CAPITA SALES TAX SURPLUS/GAP COMPARISON - 4 QUARTERS ENDING  
4Q 2023



The above graph compares **per capita** sales tax generated from targeted retail categories against countywide averages. A **retail surplus** suggests the community is capturing its local market for that category of goods plus attracting shoppers from outside the jurisdiction. A **retail gap** suggests the possibility that residents may have a greater demand for products in the specific category than is being satisfied by local businesses. The information is provided only as a general **starting point** in identifying new opportunities and is solely based on your jurisdiction's population. It is not market specific and does not factor in traffic patterns, demographic characteristics or potential competition within the market area but outside your jurisdiction's boundaries. For a comprehensive and detailed analysis of potential opportunities that your market can support, contact [ECONsolutions@hdlcompanies.com](mailto:ECONsolutions@hdlcompanies.com)



# CITY OF MORENO VALLEY

## PER CAPITA SALES TAX SURPLUS/GAP COMPARISON - 4 QUARTERS ENDING 4Q 2023

Retail Category	Per Cap Sales Capture (+) or Gap (-)	Sales Tax Deviation	Typical Sales Per Sq Ft by Retail Type	Approx Sq Ft to Close Gap
Department Stores	\$28	\$59,154	\$175	n/a
Variety Stores	12	24,203	100	n/a
Shoe Stores	(5)	(11,102)	200	6,000
Men's Apparel	(9)	(18,808)	225	8,000
Fast-Casual Restaurants	(16)	(33,201)	520	6,000
Convenience Stores/Liquor	(19)	(40,366)	375	11,000
Drug Stores	(20)	(41,637)	350	12,000
Jewelry Stores	(23)	(48,844)	500	10,000
Quick-Service Restaurants	(28)	(57,675)	500	12,000
Art/Gift/Novelty Stores	(37)	(77,442)	150	52,000
Grocery Stores	(37)	(77,463)	110	70,000
Women's Apparel	(42)	(87,586)	375	23,000
Automotive Supply Stores	(44)	(90,814)	275	33,000
Auto Repair Shops	(63)	(131,909)	215	61,000
Office Supplies/Furniture	(64)	(134,326)	225	60,000
Sporting Goods/Bike Stores	(71)	(146,865)	225	65,000
Fine Dining	(71)	(147,927)	800	18,000
Home Furnishings	(100)	(208,956)	175	119,000
Electronics/Appliance Stores	(141)	(294,292)	500	59,000
Specialty Stores	(146)	(303,852)	175	174,000
Discount Dept Stores	(162)	(338,157)	475	71,000
Family Apparel	(174)	(363,360)	375	97,000
Casual Dining	(288)	(600,414)	525	114,000
Lumber/Building Materials	(326)	(679,460)	300	226,000
Service Stations	(585)	(1,218,949)	n/a	n/a

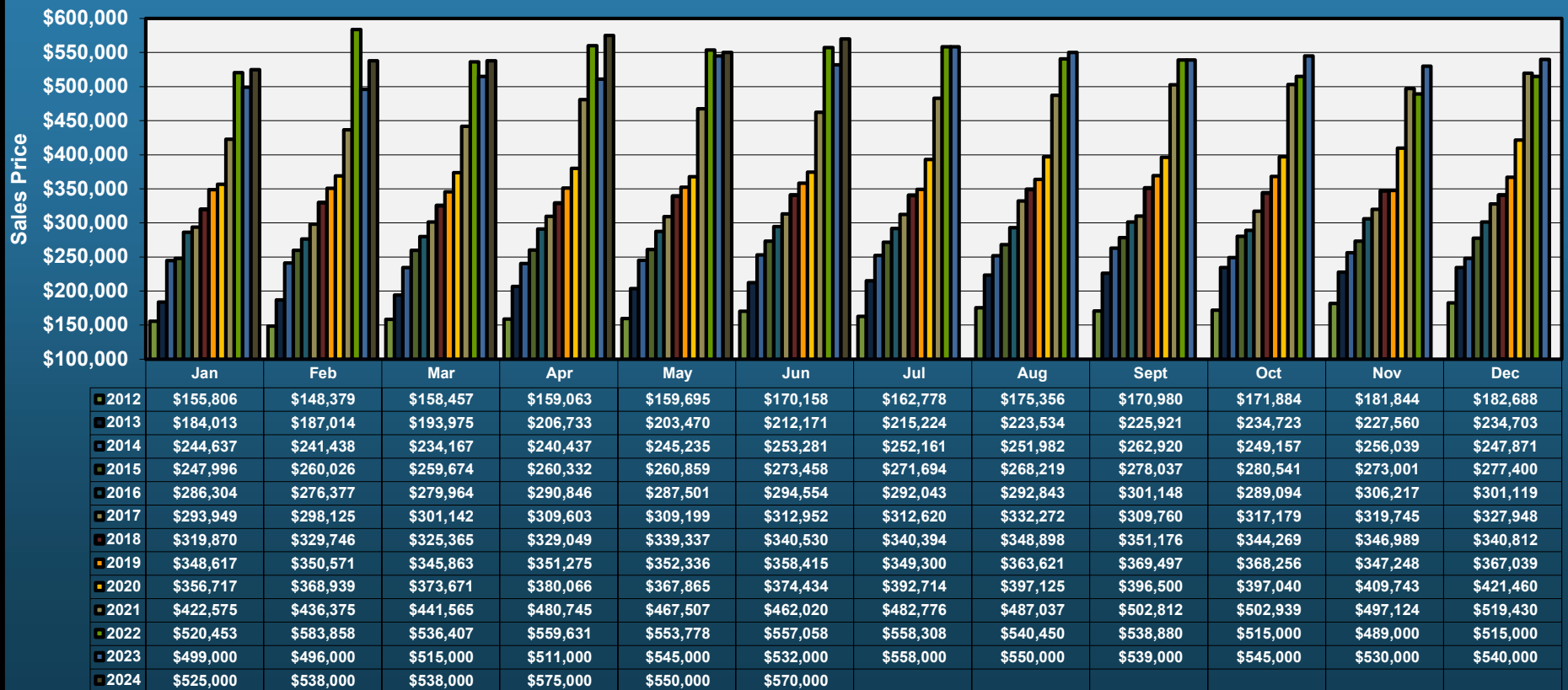
Average sales per square foot are based on HdL's overview of average statewide chain store sales. The square footage needed to close the gap is only on approximation and specific demand will vary with regional and local market conditions and individual retailers.

## **EXHIBIT F - RESALE HOUSING MARKET**

## EXHIBIT F – RESALE HOUSING MARKET

### Moreno Valley Residential Sales Appreciation

**Single Family Median Home Price  
2012 thru 2024**



source: California Association of Realtors