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## **Report to Economic Development Sub-Committee**

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**TO:** Economic Development Subcommittee

**FROM:** Keith Gemmell, Acting Economic Development & Housing Director

**AGENDA DATE:** June 10, 2025

**TITLE:** QUARTERLY 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 – 4<sup>th</sup> Quarter 2024
- EXHIBIT E: Single Family Resale Home Price Average – MAY 2025

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Prepared By: Melissa McClain, Economic Development Manager

Approved By: Keith Gemmell, Acting Economic Development & Housing Director

## **EXHIBIT A – OFFICE MARKET**

# Search Analytics

INVENTORY SF

**1.6M** -0.1%

Prior Period 1.6M

UNDER CONSTRUCTION SF

**24K** +44.4%

Prior Period 16.6K

12 MO NET ABSORPTION SF

**(14.3K)** +21.7%

Prior Period (18.3K)

VACANCY RATE

**4.1%** +0.8%

Prior Period 3.3%

MARKET ASKING RENT/SF

**\$2.51** +3.7%

Prior Period \$2.42

MARKET SALE PRICE/SF

**\$212** +0.3%

Prior Period \$212

MARKET CAP RATE

**8.8%** +0%

Prior Period 8.8%

## Key Metrics

Availability	
Vacant SF	64.8K <span style="color: green;">↑</span>
Sublet SF	0 <span style="color: gray;">↕</span>
Availability Rate	7.0% <span style="color: green;">↑</span>
Available SF Total	112K <span style="color: green;">↑</span>
Available Asking Rent/SF	\$2.38 <span style="color: green;">↑</span>
Occupancy Rate	95.9% <span style="color: red;">↓</span>
Percent Leased Rate	96.1% <span style="color: red;">↓</span>

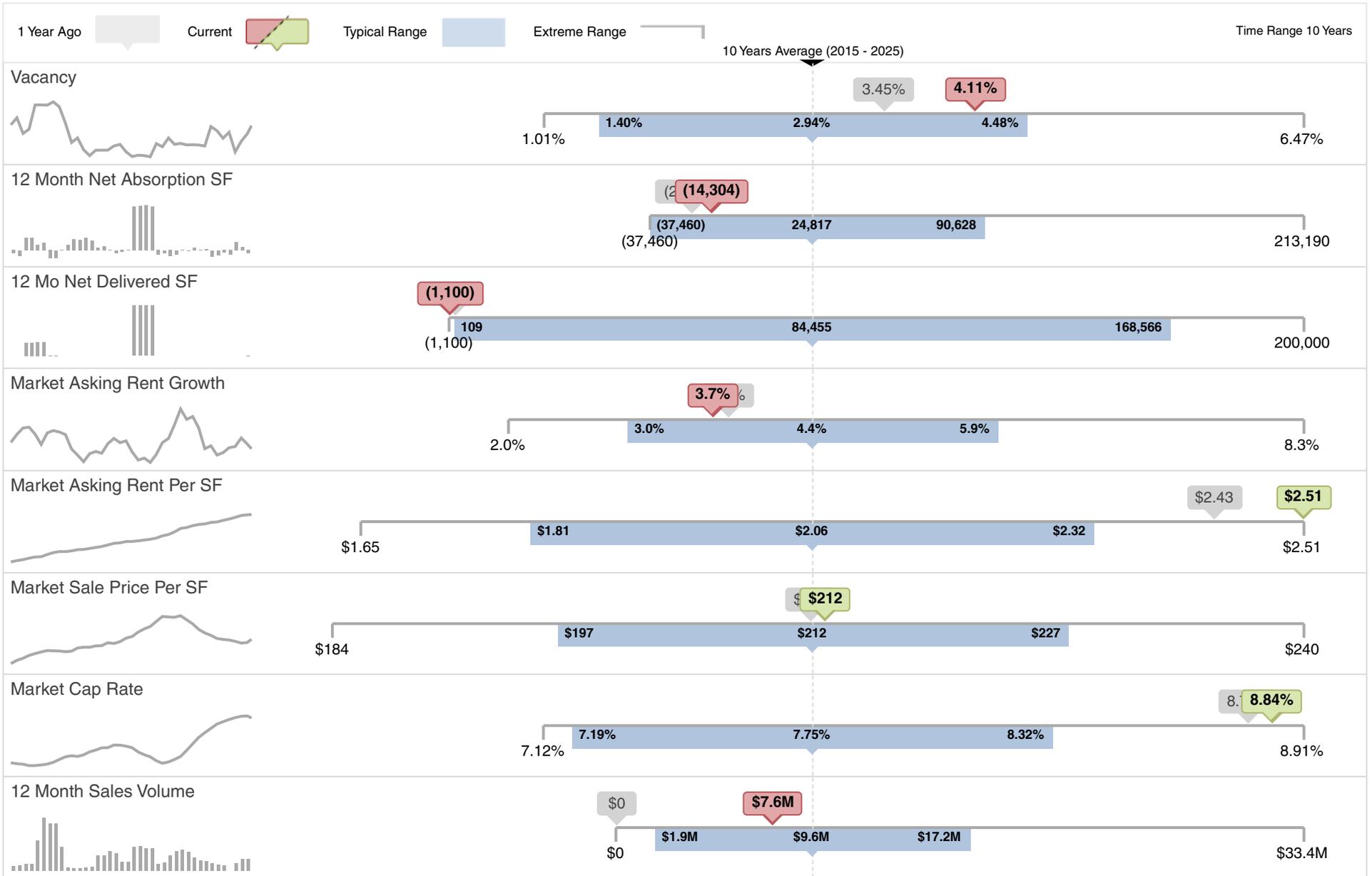
Inventory	
Existing Buildings	96 <span style="color: red;">↓</span>
Under Construction Avg SF	24K <span style="color: gray;">↕</span>
12 Mo Demolished SF	1.1K <span style="color: green;">↑</span>
12 Mo Occupancy % at Delivery	-
12 Mo Construction Starts SF	7.1K <span style="color: red;">↓</span>
12 Mo Delivered SF	0 <span style="color: gray;">↕</span>
12 Mo Avg Delivered SF	-

Sales Past Year	
Asking Price Per SF	\$380
Sale to Asking Price Differential	0%
Sales Volume	\$7.6M <span style="color: green;">↑</span>
Properties Sold	6 <span style="color: green;">↑</span>
Months to Sale	15.1
For Sale Listings	4 <span style="color: red;">↓</span>
Total For Sale SF	76.9K <span style="color: green;">↑</span>

Demand	
12 Mo Net Absorp % of Inventory	<span style="color: red;">-0.9%</span> <span style="color: green;">↑</span>
12 Mo Leased SF	19.2K <span style="color: red;">↓</span>
Months on Market	5.7 <span style="color: red;">↓</span>
Months to Lease	8.4 <span style="color: green;">↑</span>
Months Vacant	5.0 <span style="color: green;">↑</span>
24 Mo Lease Renewal Rate	82.7%
Population Growth 5 Yrs	5.0%

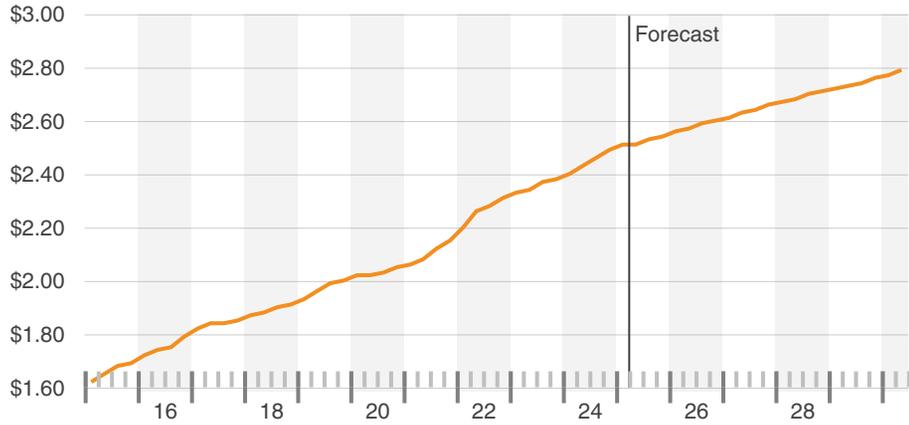
# Search Analytics

## Key Performance Indicators

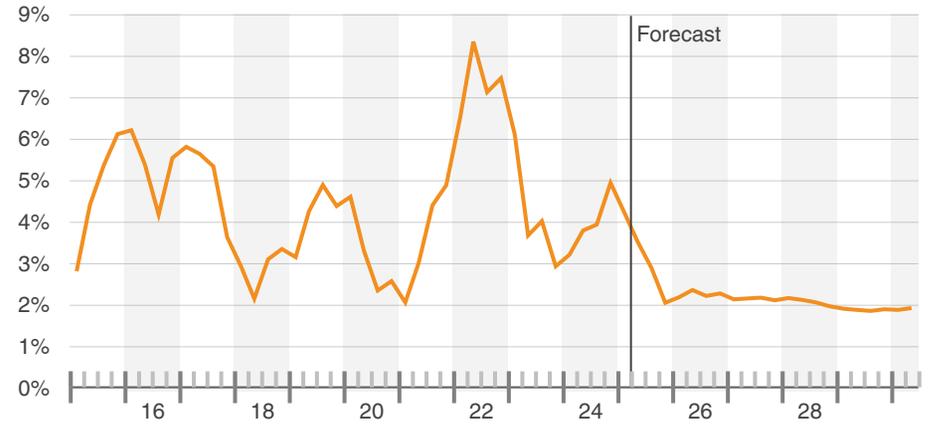


# Search Analytics

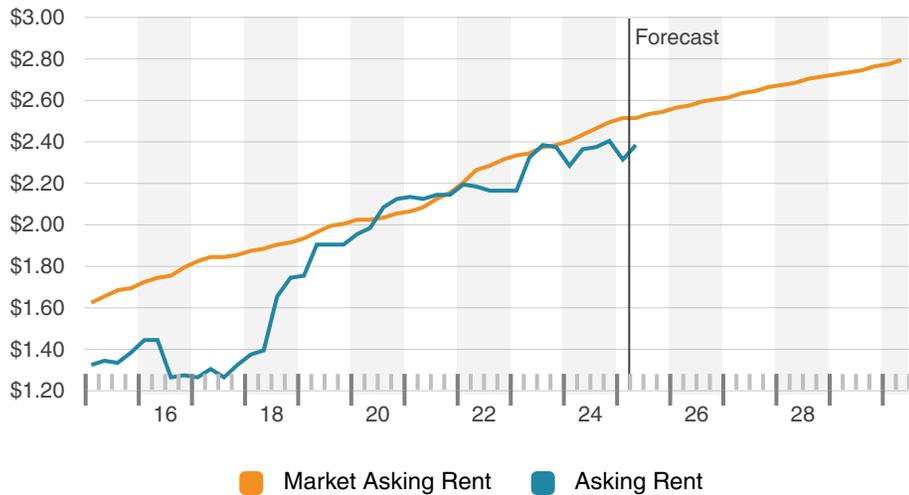
## Market Asking Rent Per SF



## Market Asking Rent Growth (YOY)



## Market Asking Rent & Asking Rent Per SF

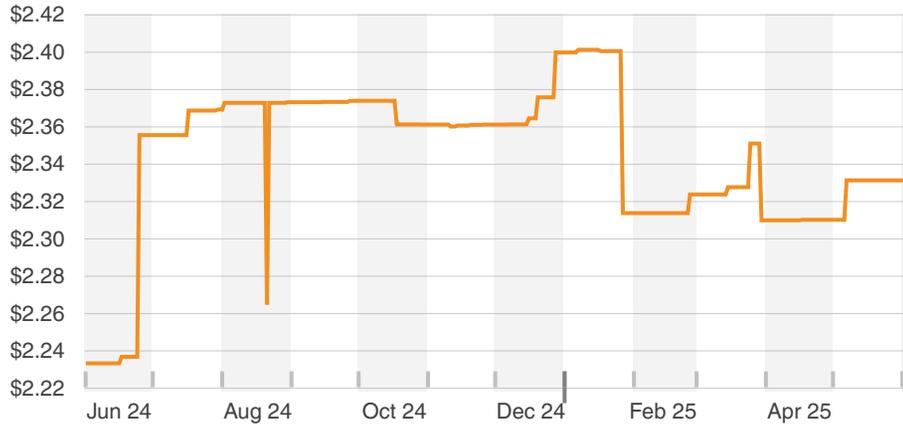


## Asking Rent Per SF

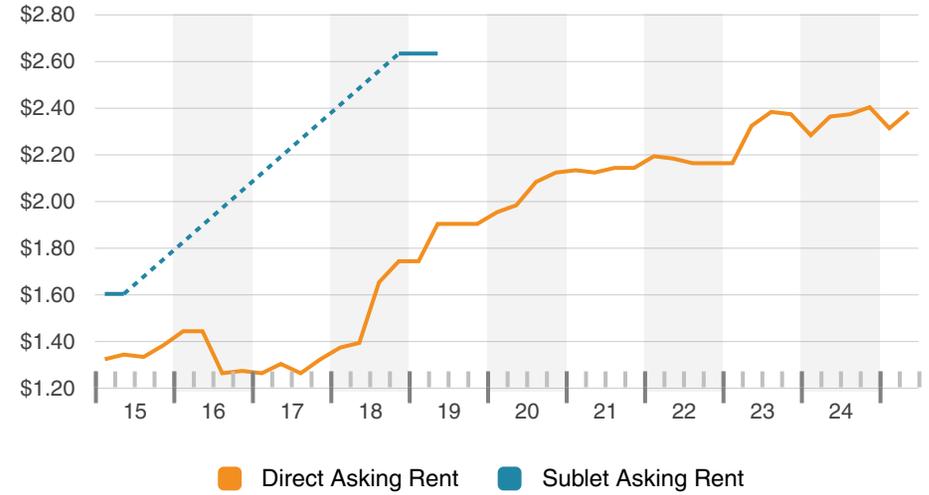


# Search Analytics

## Daily Asking Rent Per SF



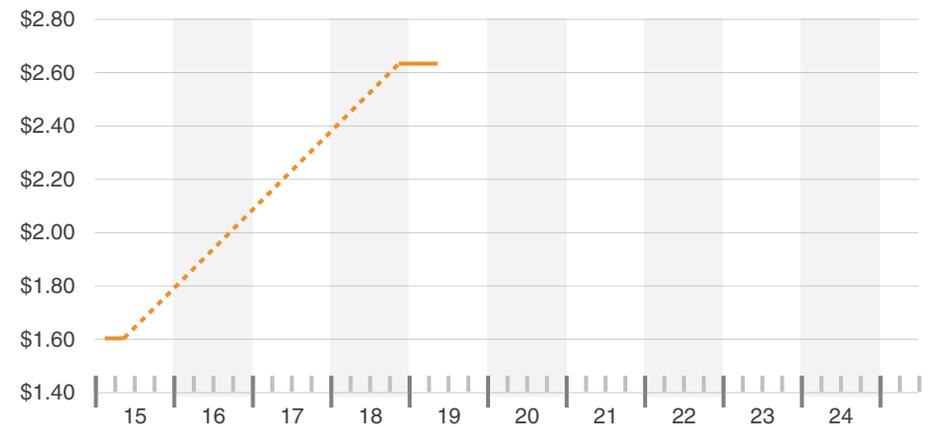
## Direct & Sublet Rent Per SF



## Direct Rent Per SF

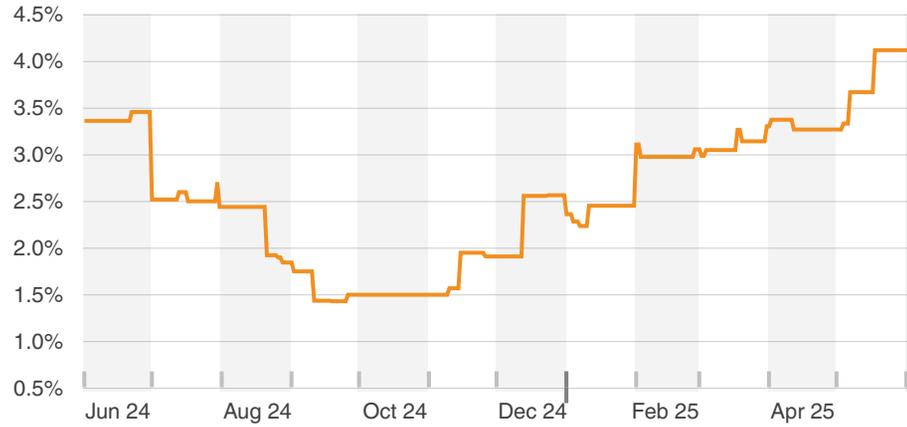


## Sublet Rent Per SF

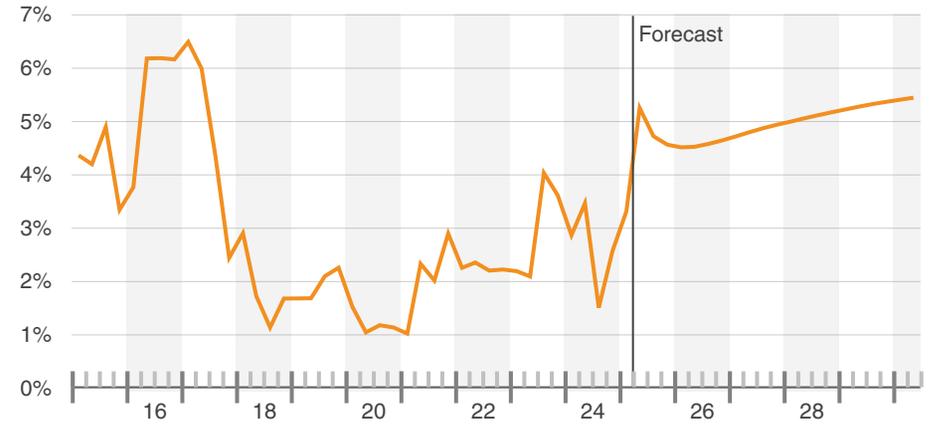


# Search Analytics

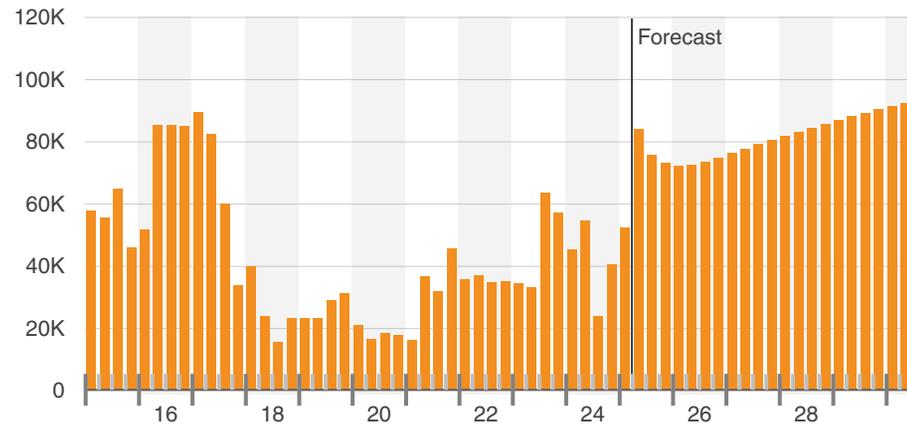
### Daily Vacancy Rate



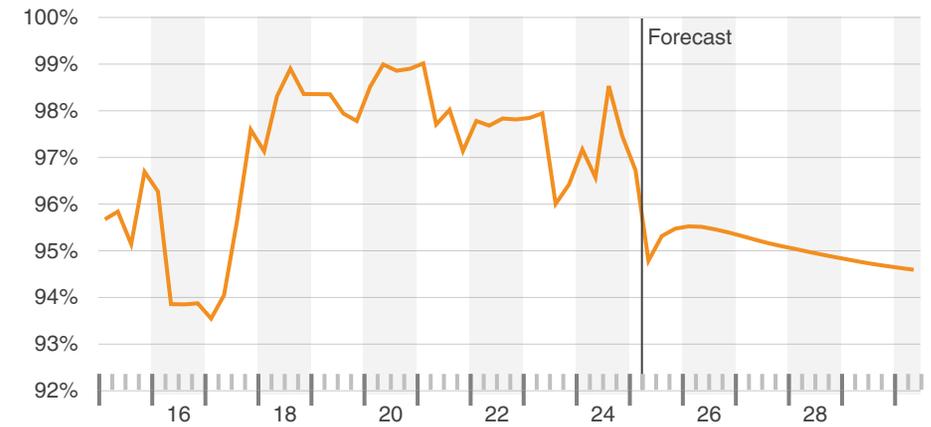
### Vacancy Rate



### Vacant SF

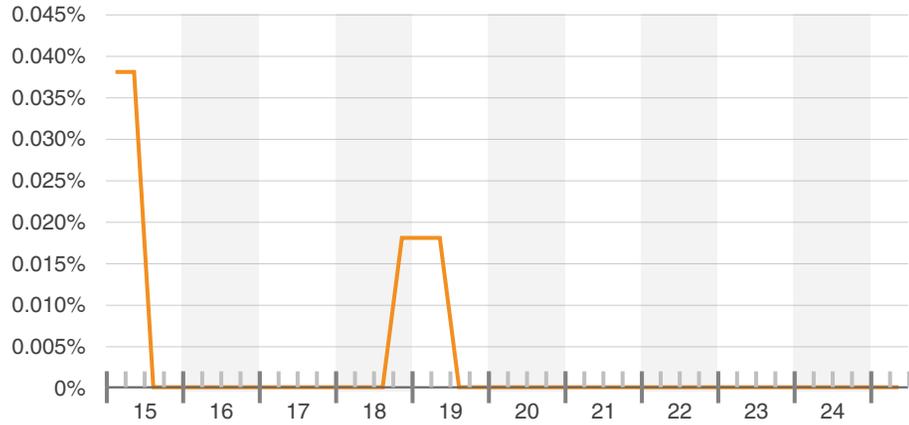


### Occupancy Rate



# Search Analytics

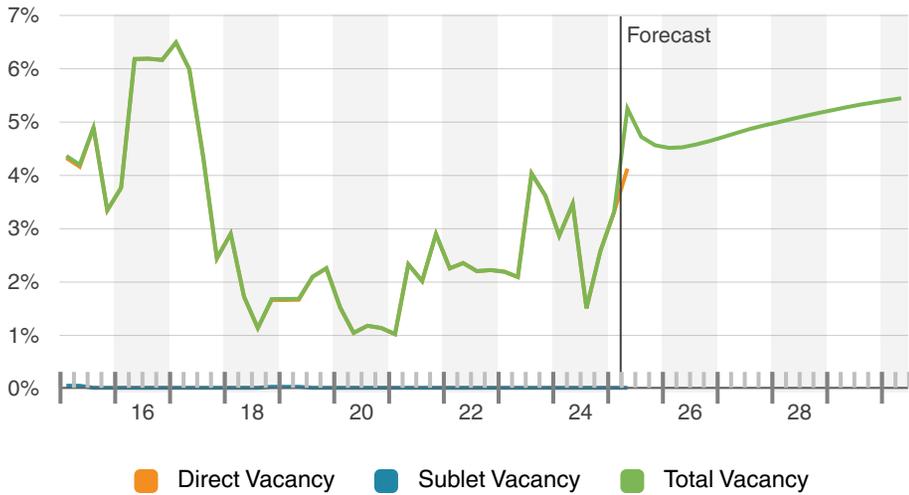
## Sublet Vacancy Rate



## Direct Vacancy Rate



## Direct, Sublet & Total Vacancy Rate

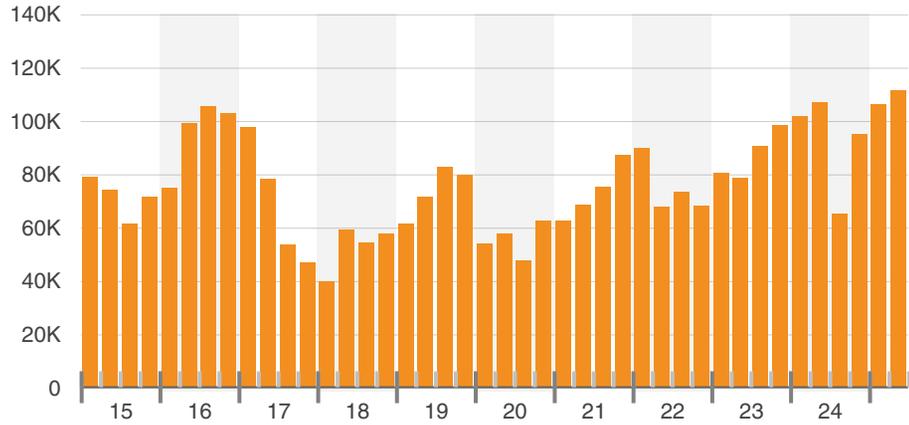


## Availability Rate

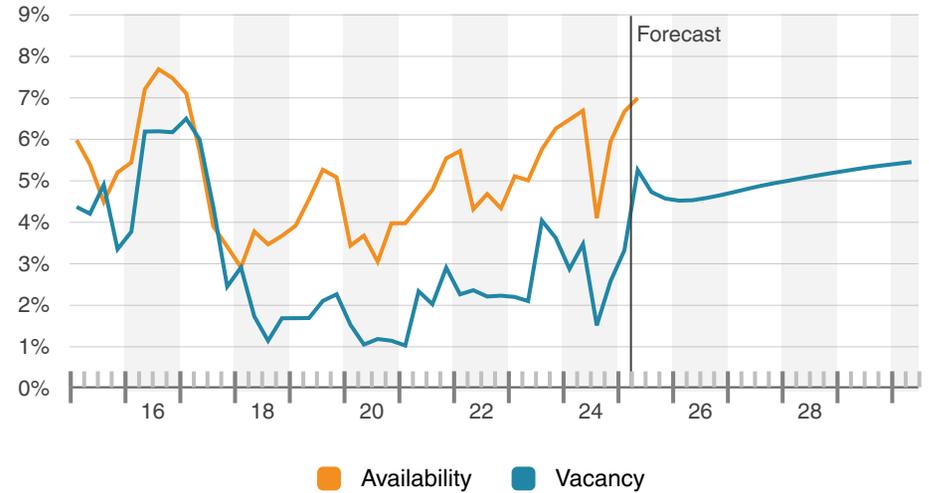


# Search Analytics

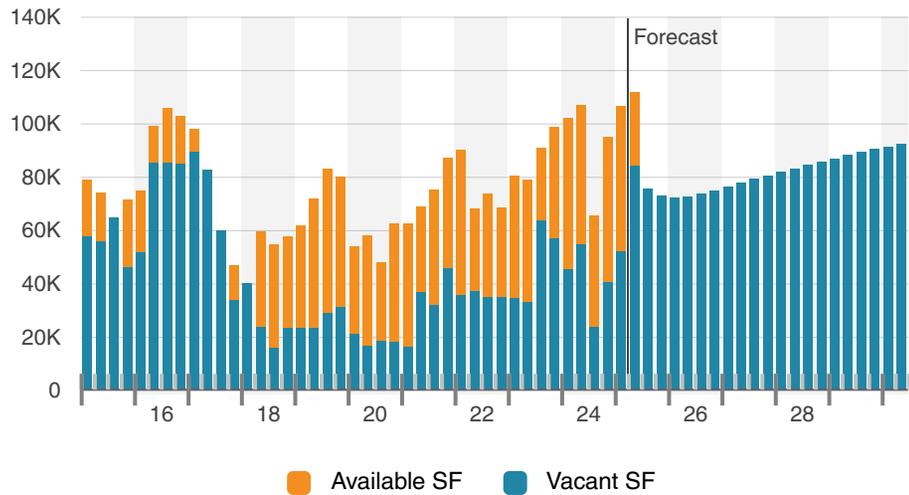
## Available SF



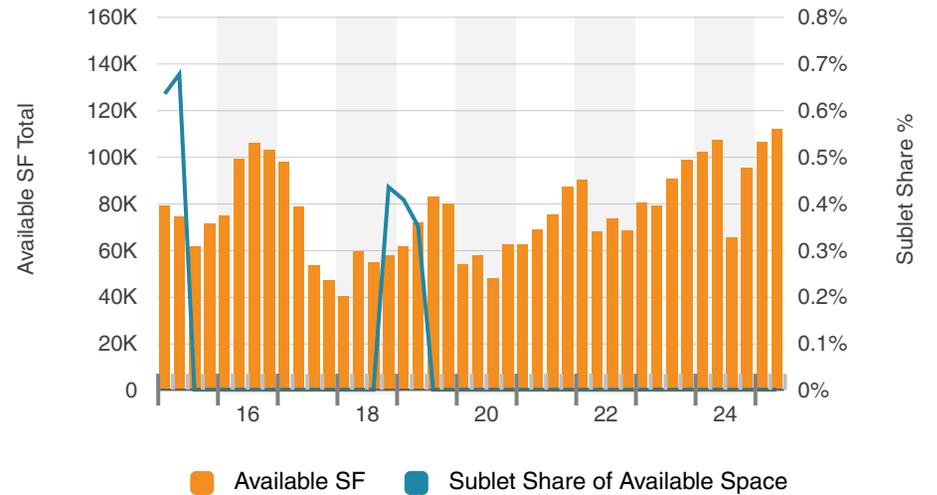
## Availability & Vacancy Rate



## Available & Vacant SF

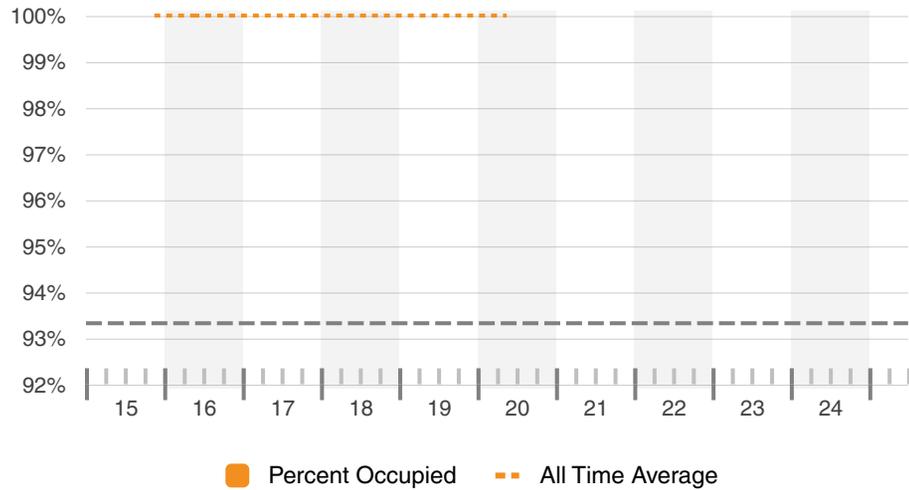


## Available SF Total & Sublet Share %

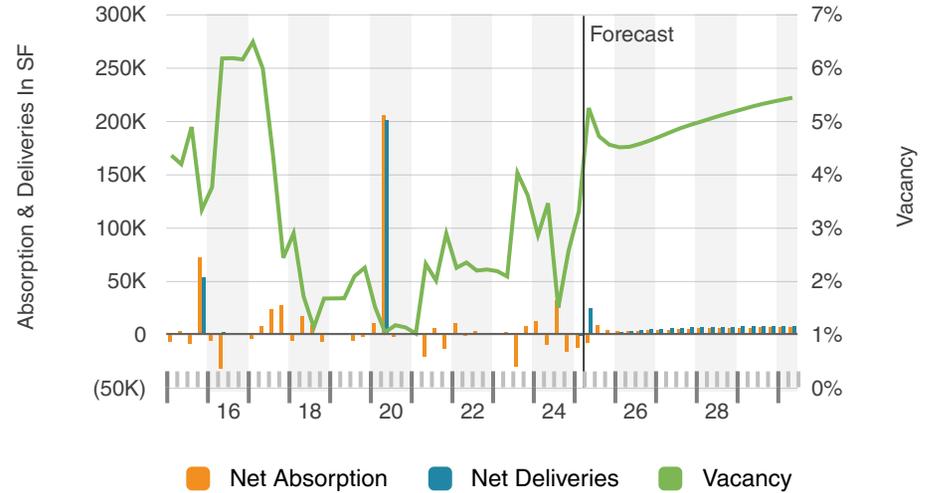


# Search Analytics

## Occupancy At Delivery



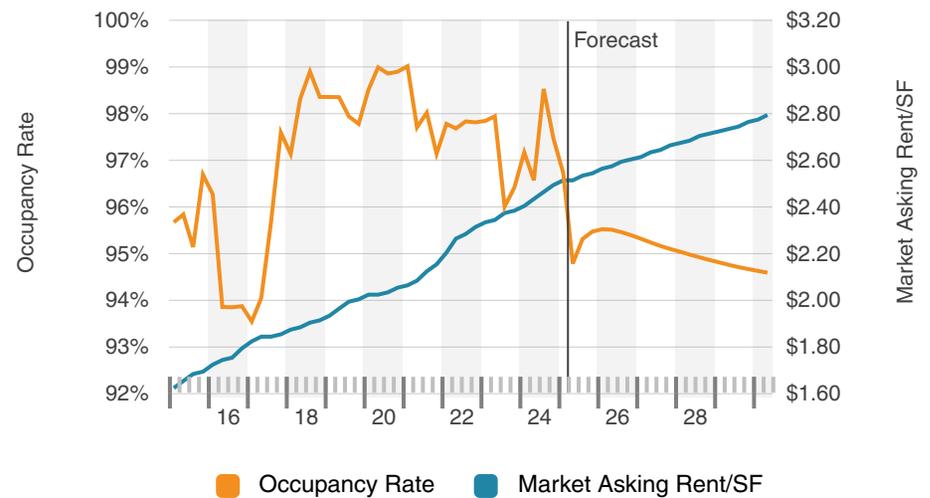
## Net Absorption, Net Deliveries & Vacancy



## Vacancy & Market Asking Rent Per SF

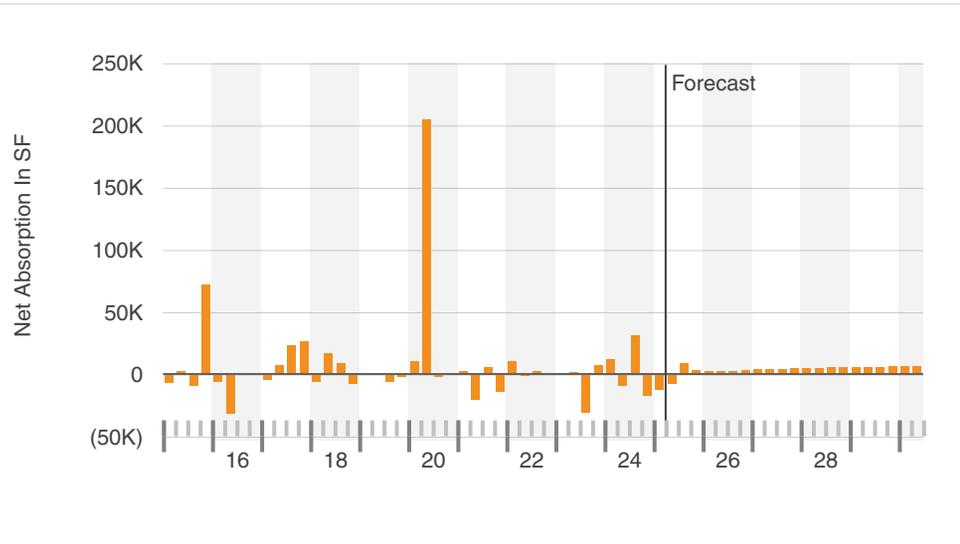


## Occupancy & Market Asking Rent Per SF

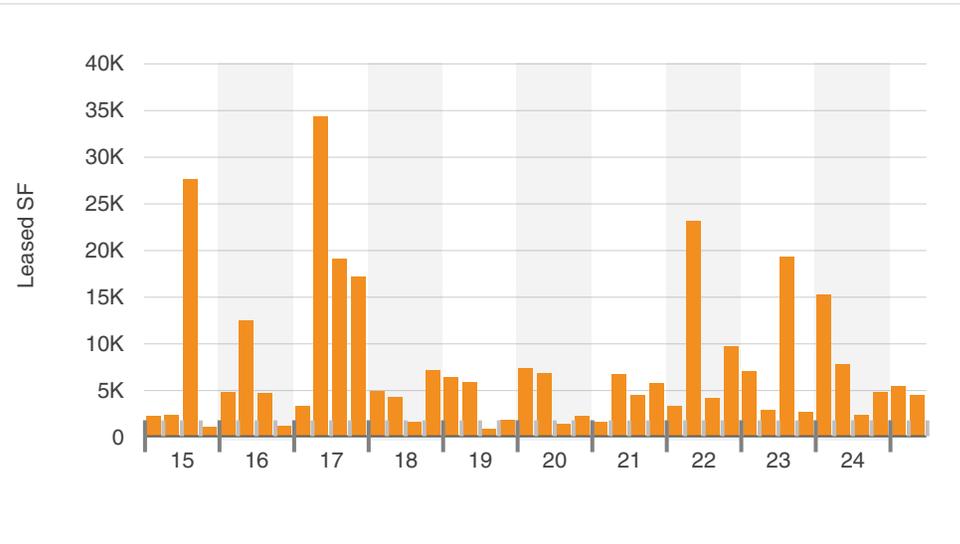


# Search Analytics

## Net Absorption



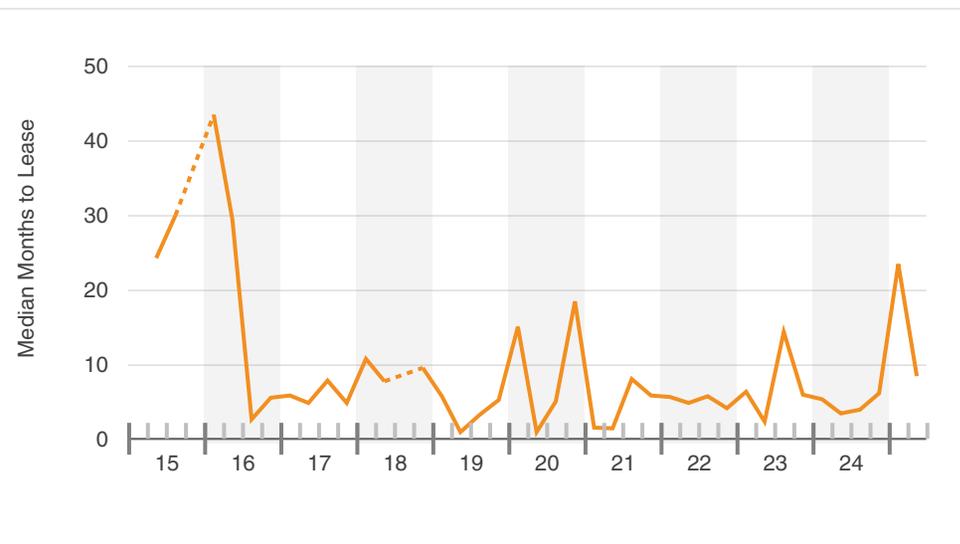
## Leasing Activity



## Months On Market

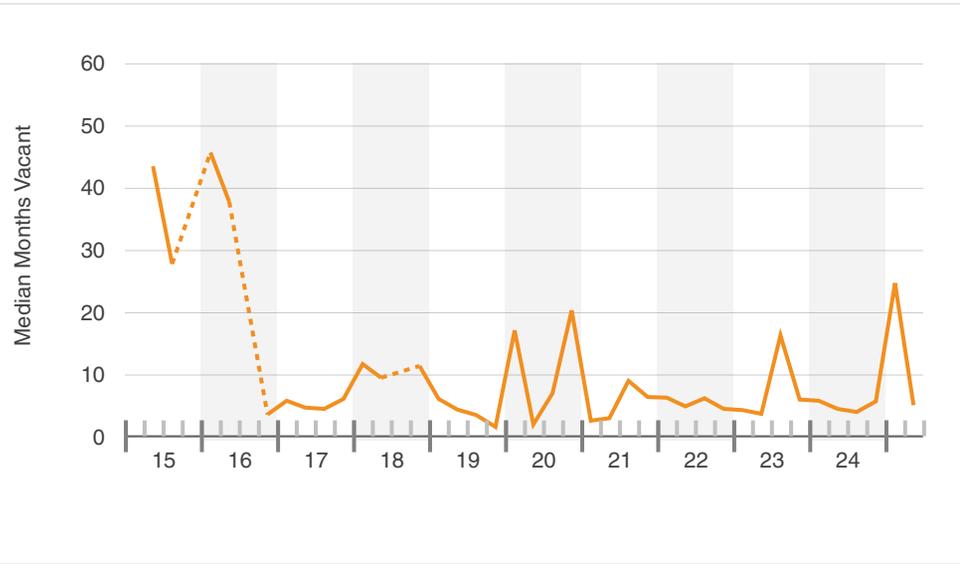


## Months To Lease

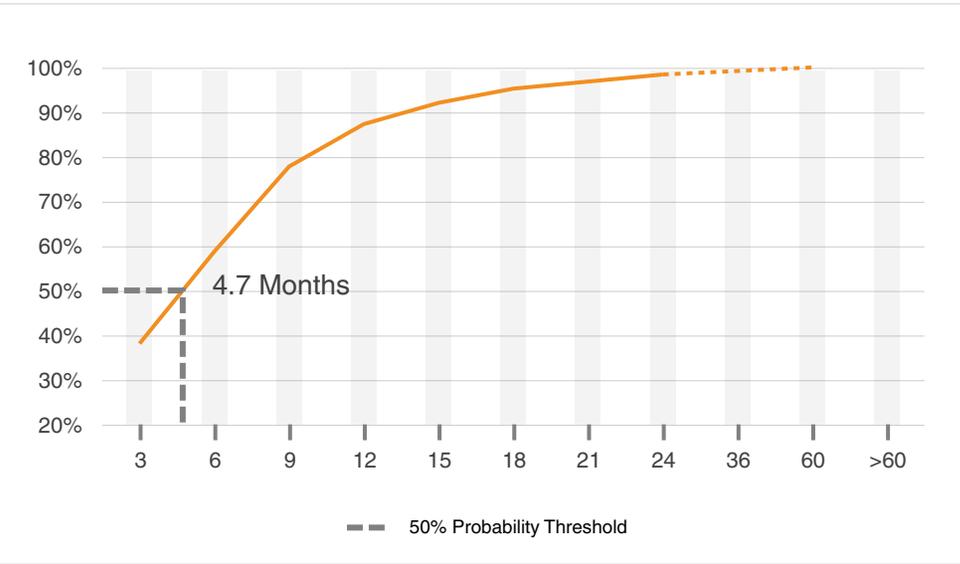


# Search Analytics

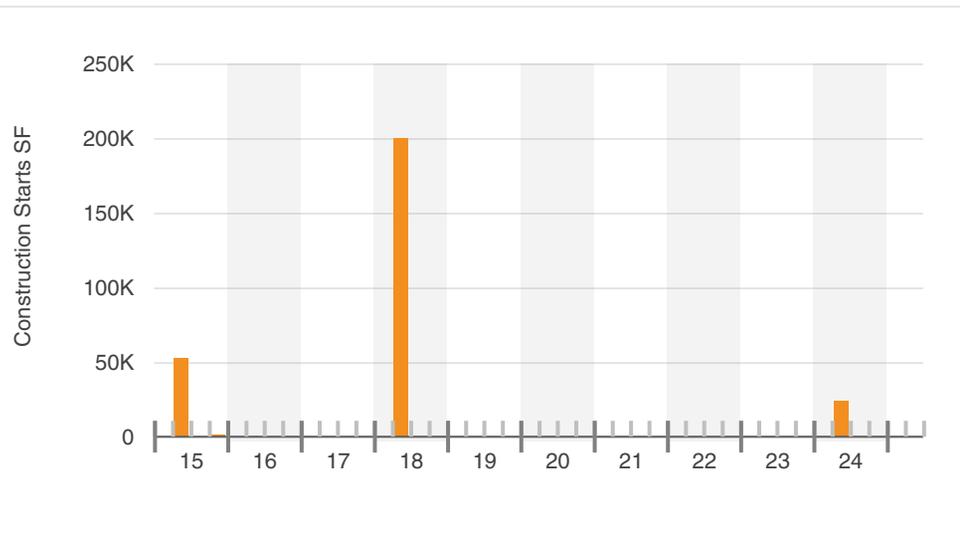
## Months Vacant



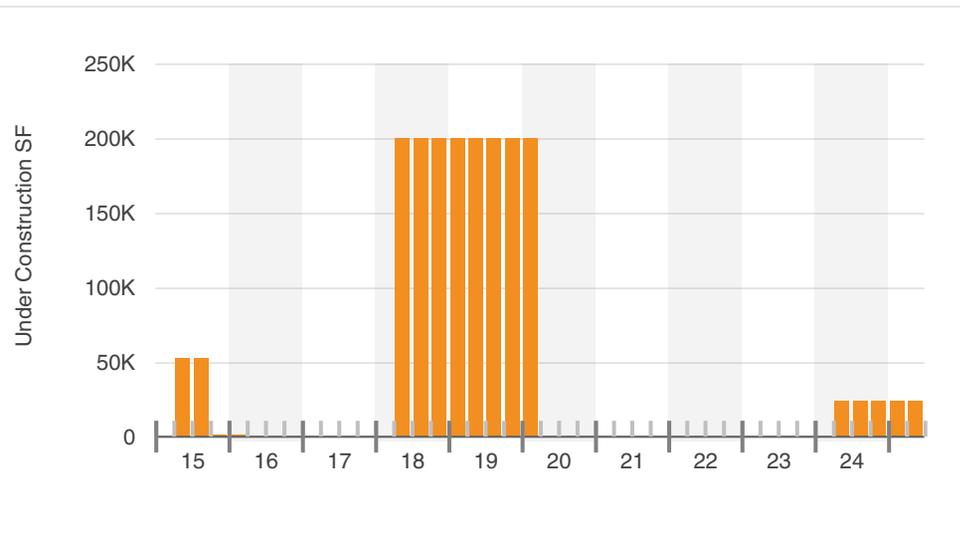
## Probability Of Leasing In Months



## Construction Starts

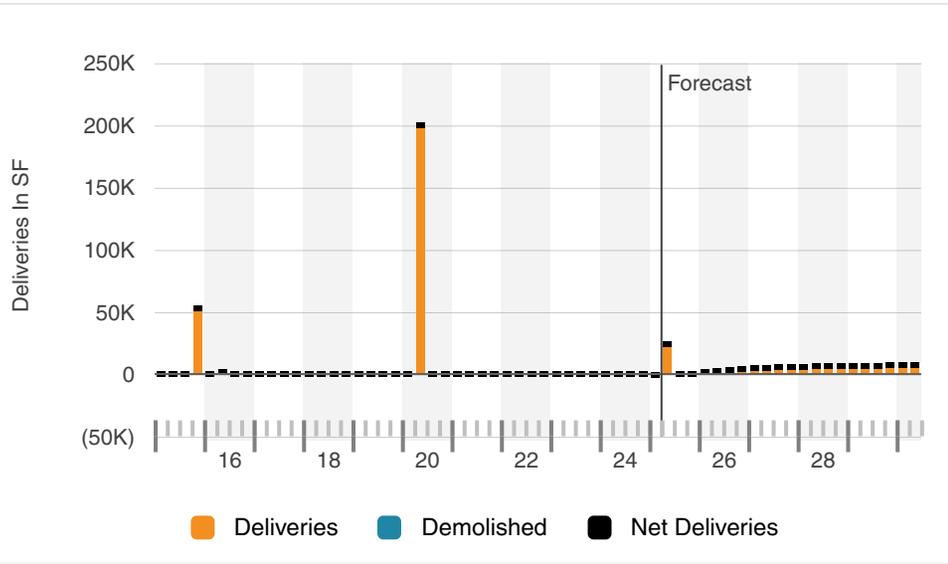


## Under Construction

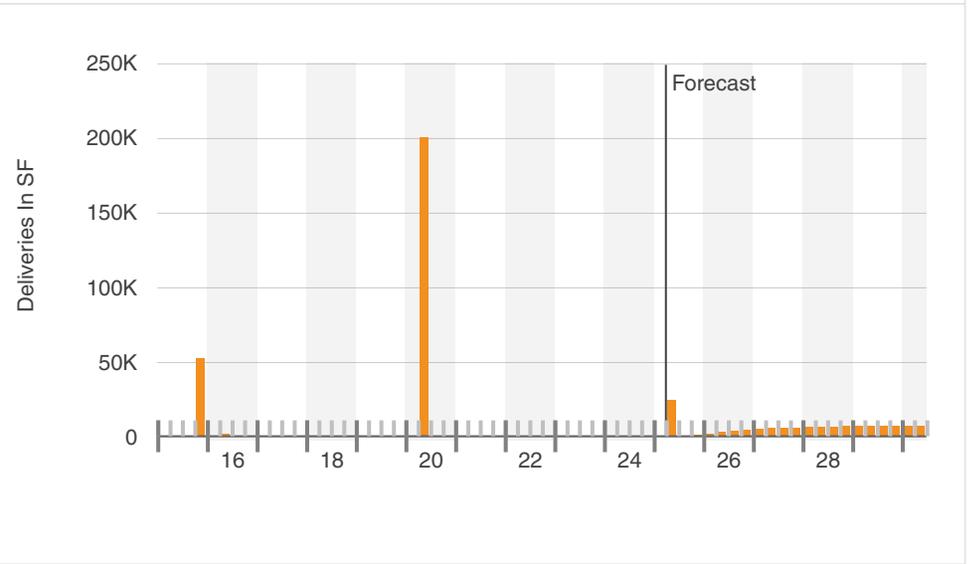


# Search Analytics

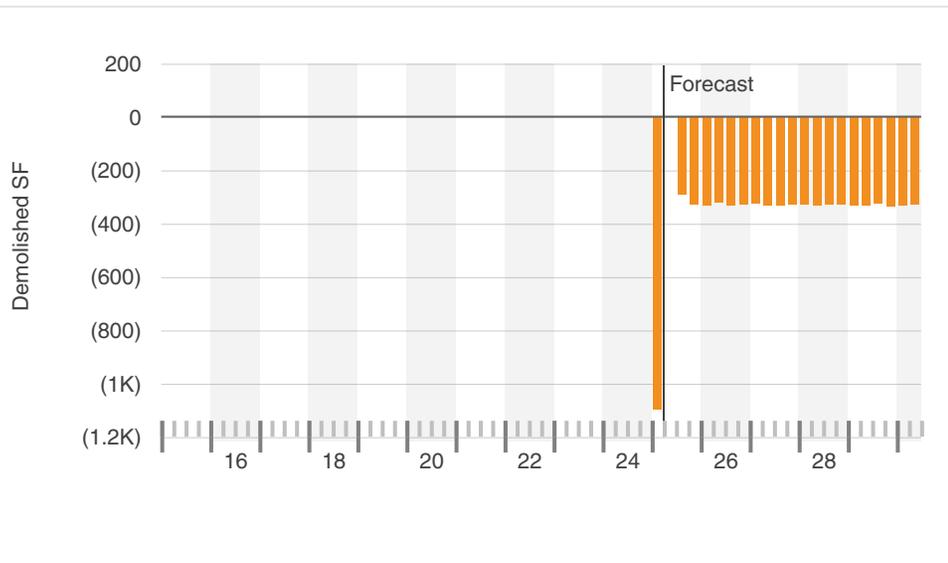
## Deliveries & Demolitions



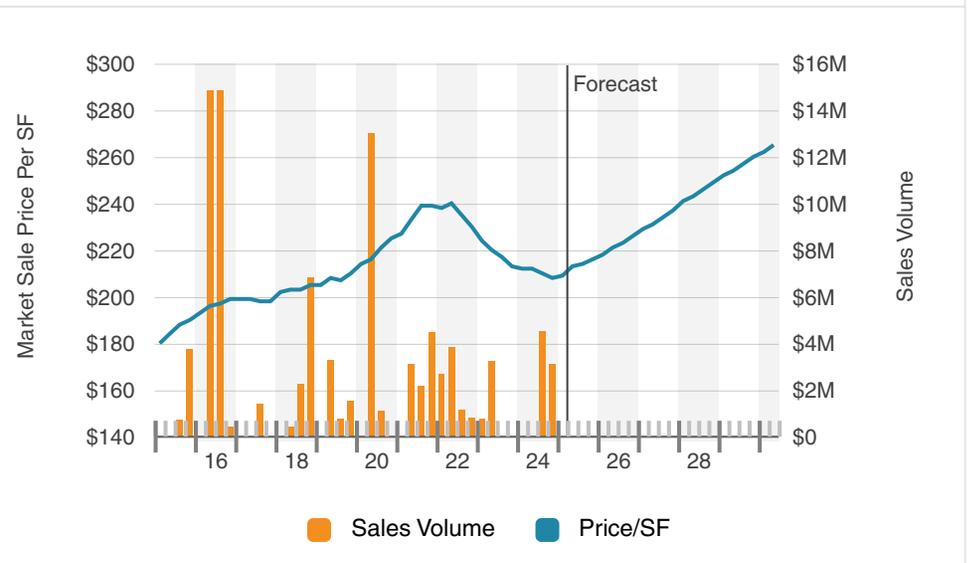
## Deliveries



## Demolitions

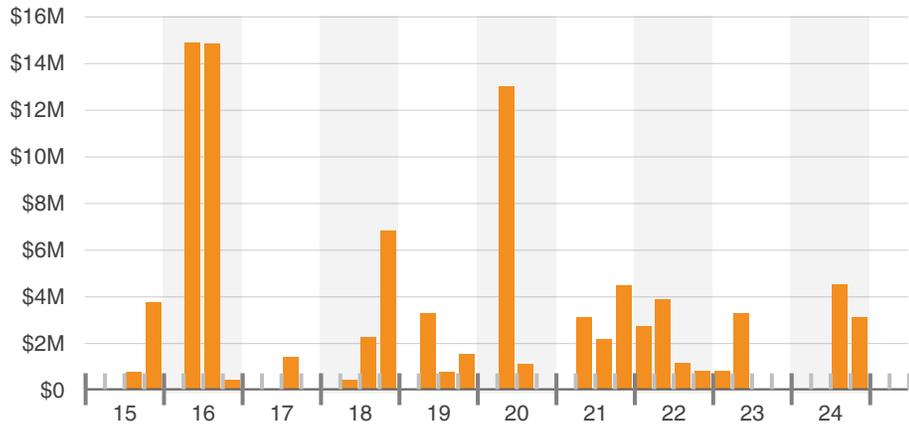


## Sales Volume & Market Sale Price Per SF

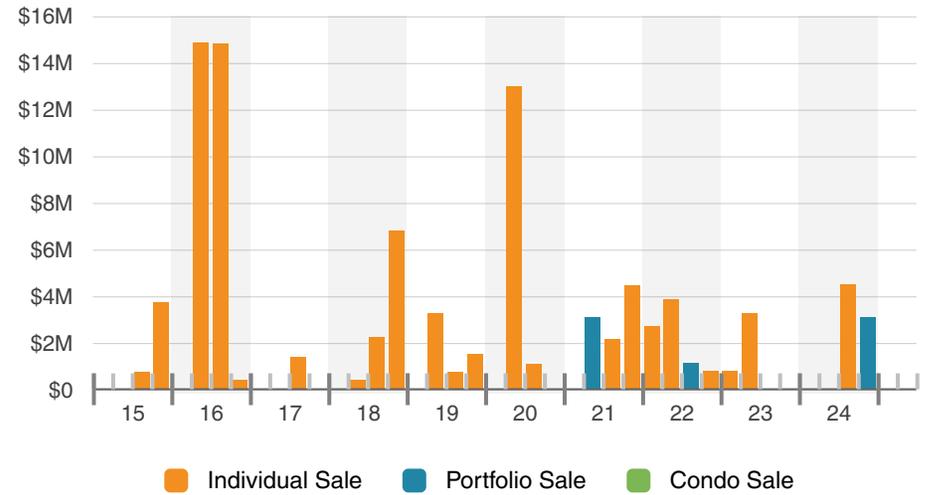


# Search Analytics

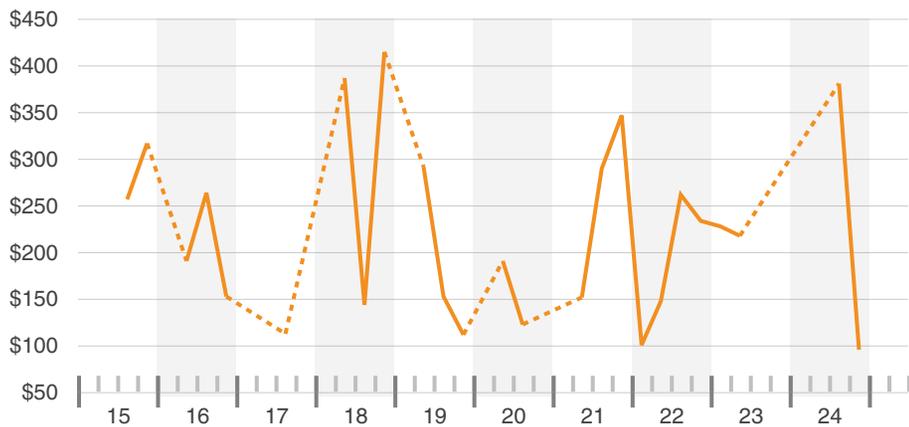
## Sales Volume



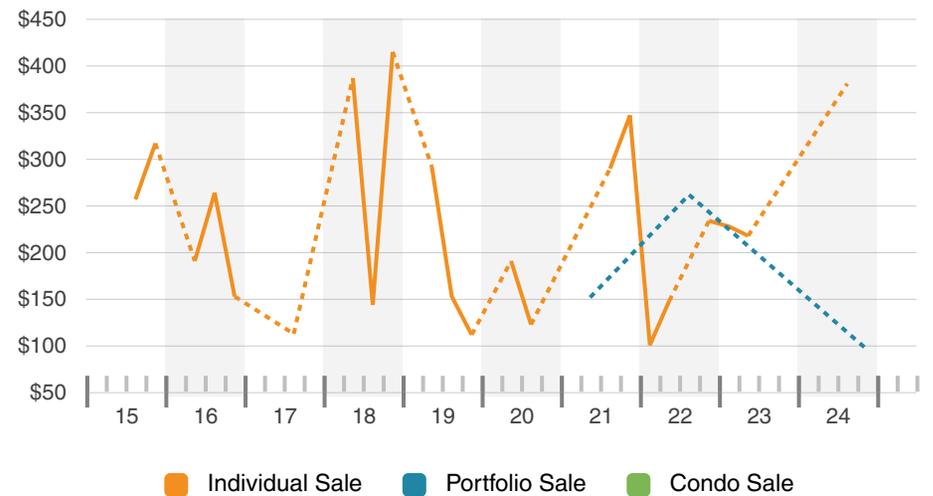
## Sales Volume By Transaction Type



## Sale Price Per SF

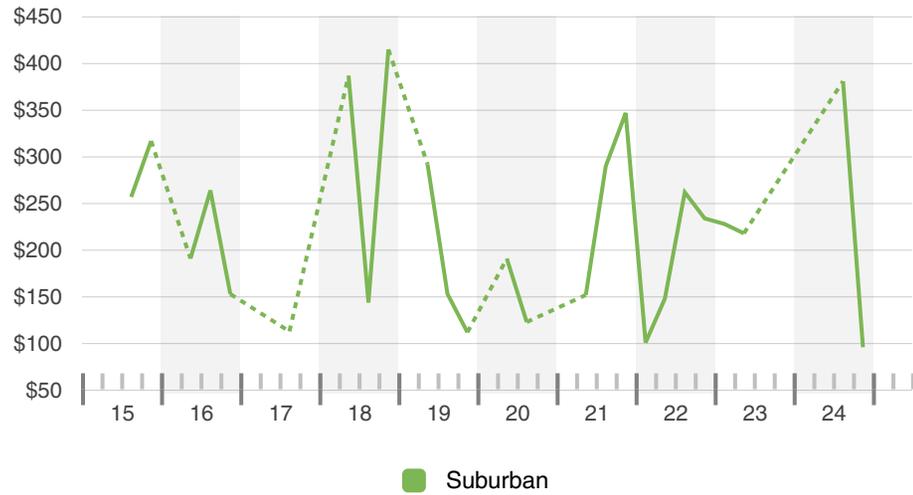


## Sale Price Per SF By Transaction Type

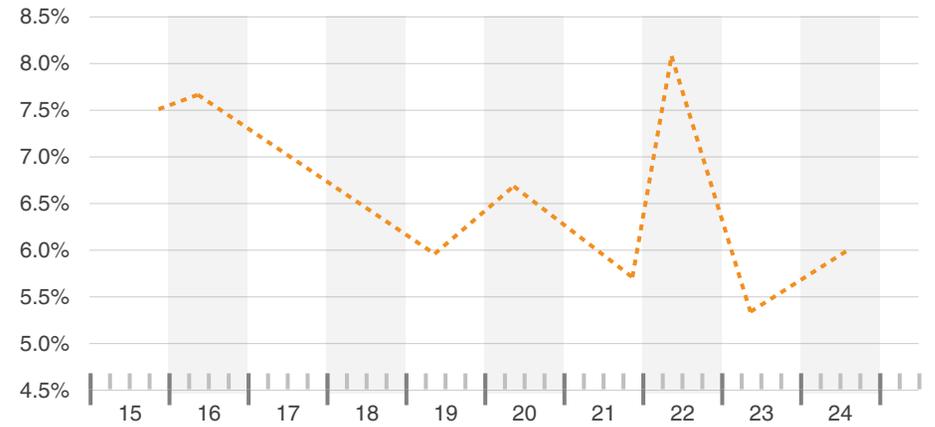


# Search Analytics

## Sale Price Per SF By Location Type



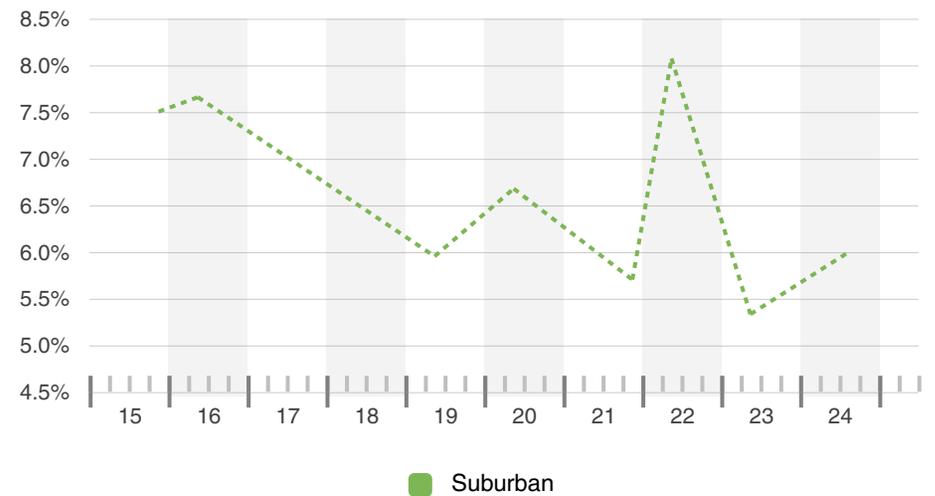
## Cap Rate



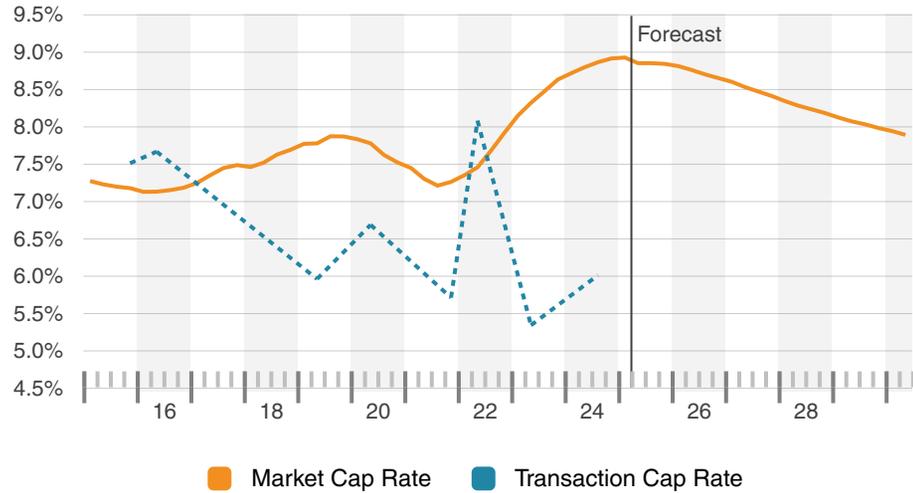
## Cap Rate By Transaction Type



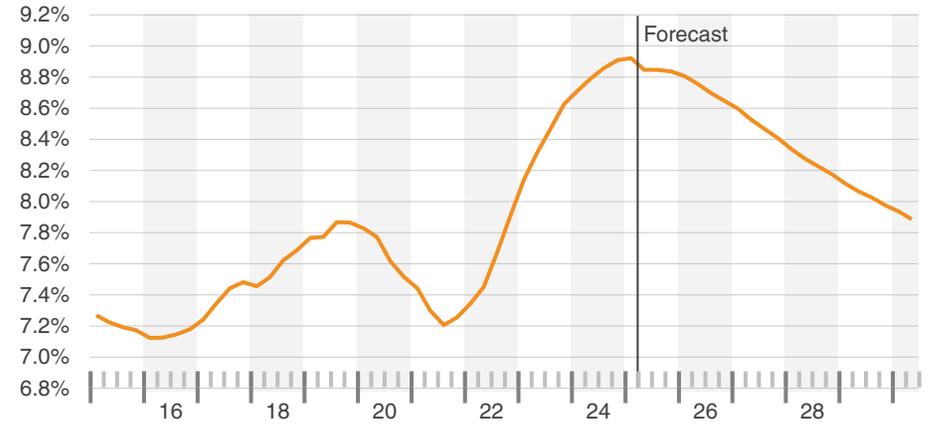
## Cap Rate By Location Type



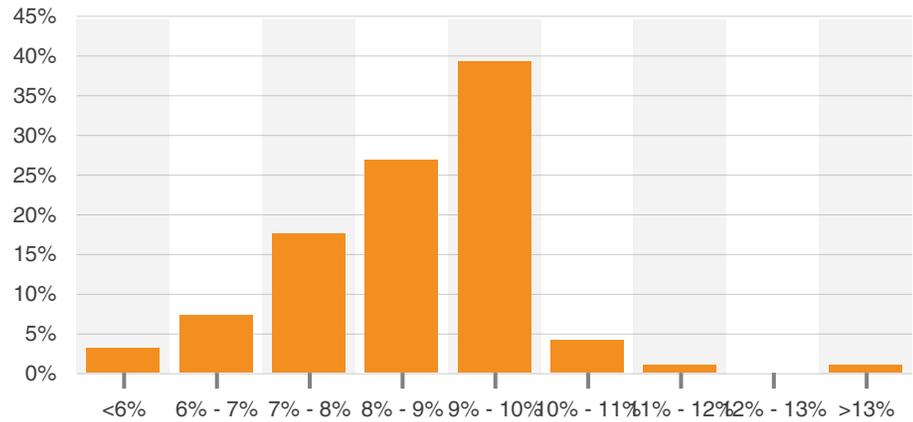
## Market Cap Rate & Transaction Cap Rate



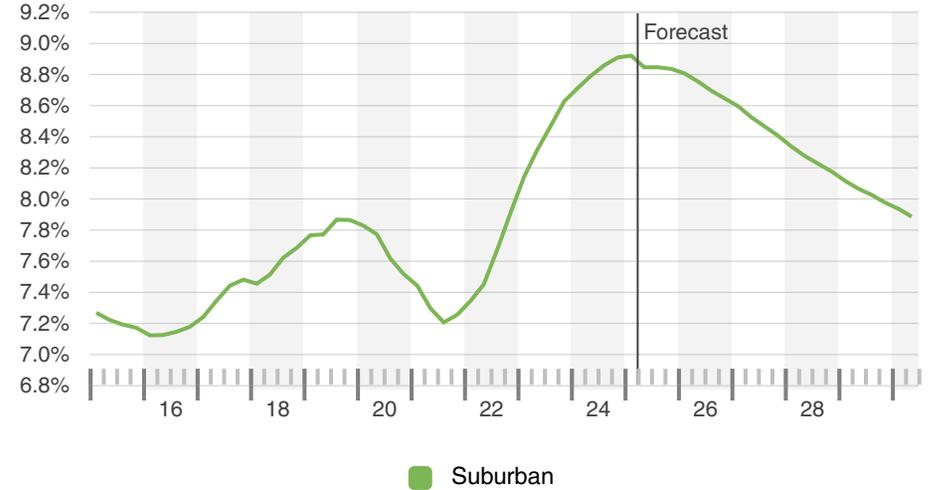
## Market Cap Rate



## Market Cap Rate Distribution

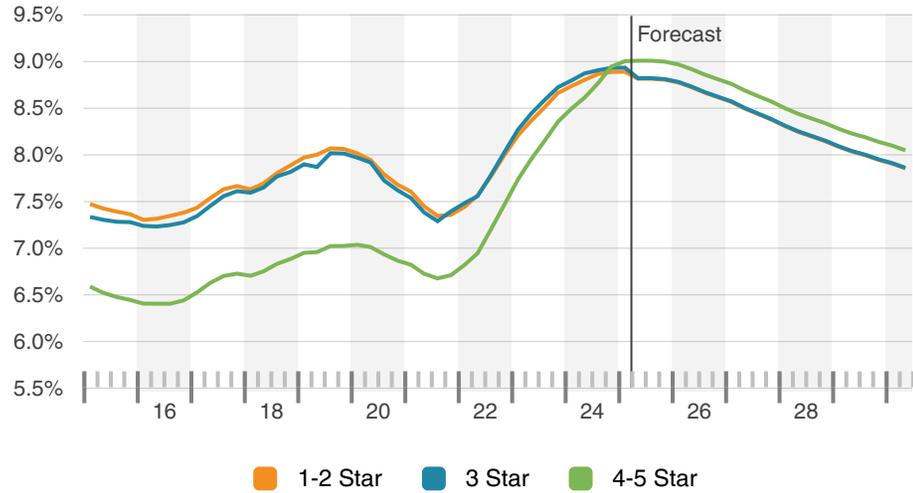


## Market Cap Rate By Location Type

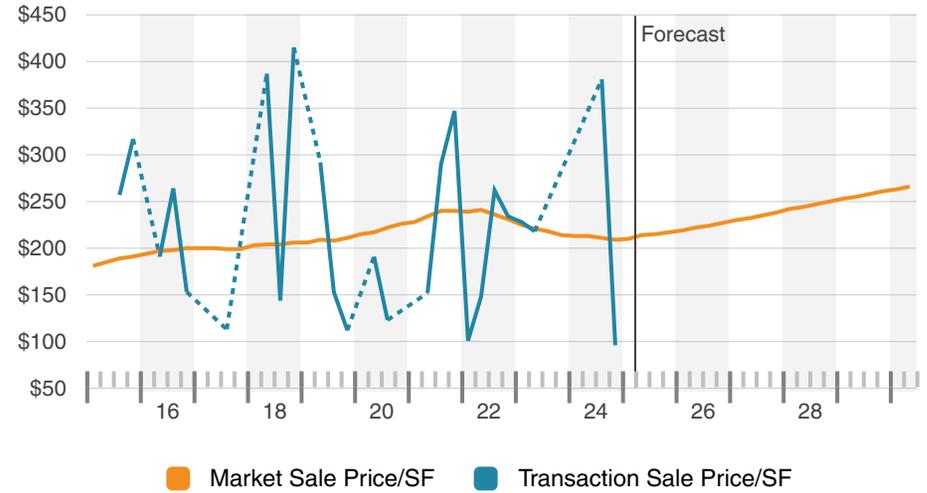


# Search Analytics

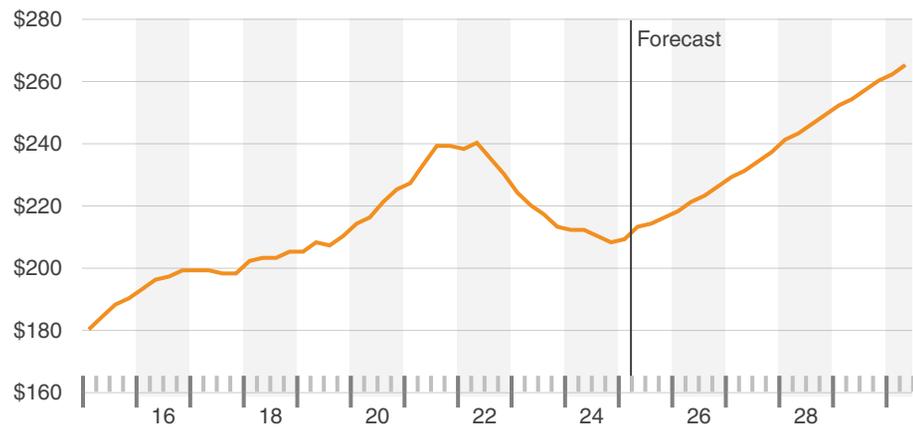
## Market Cap Rate By Star Rating



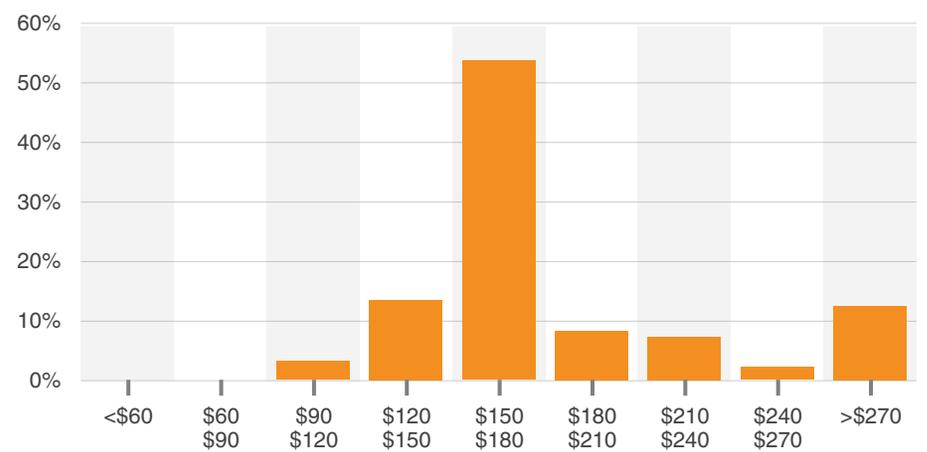
## Market Sale Price & Transaction Sale Price Per SF



## Market Sale Price Per SF

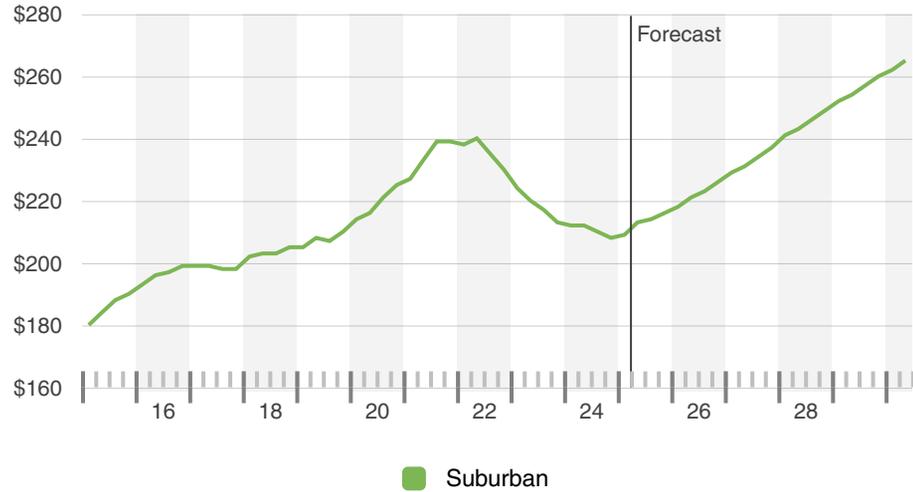


## Market Sale Price Per SF Distribution

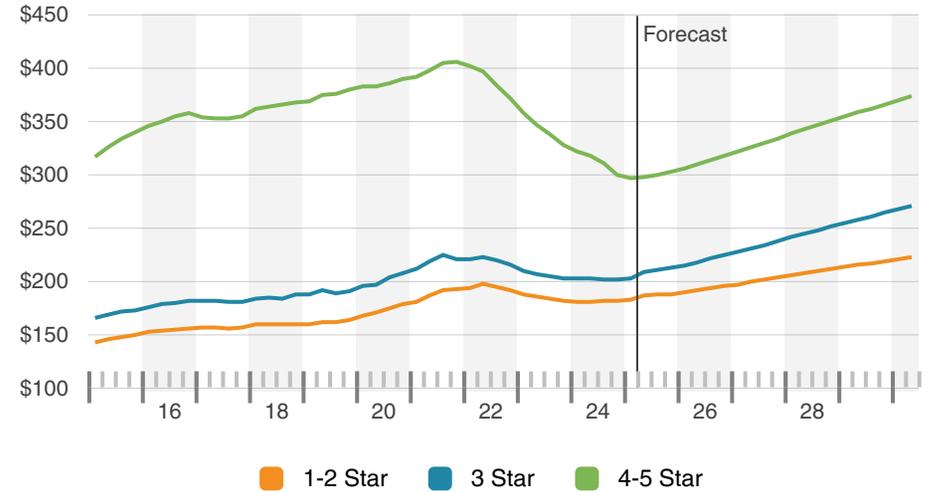


# Search Analytics

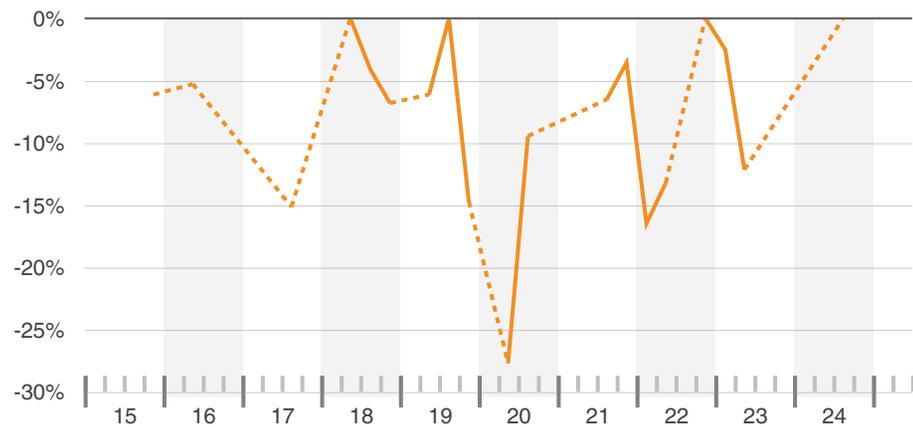
## Market Sale Price Per SF By Location Type



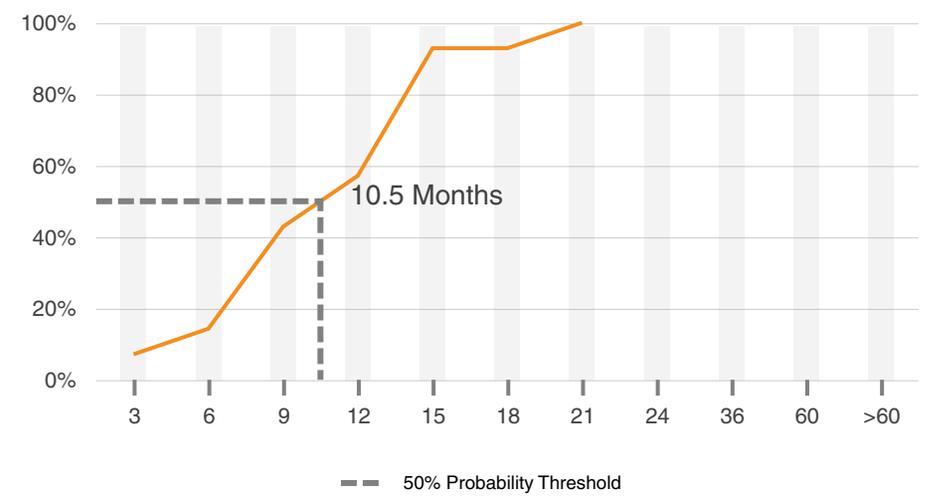
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

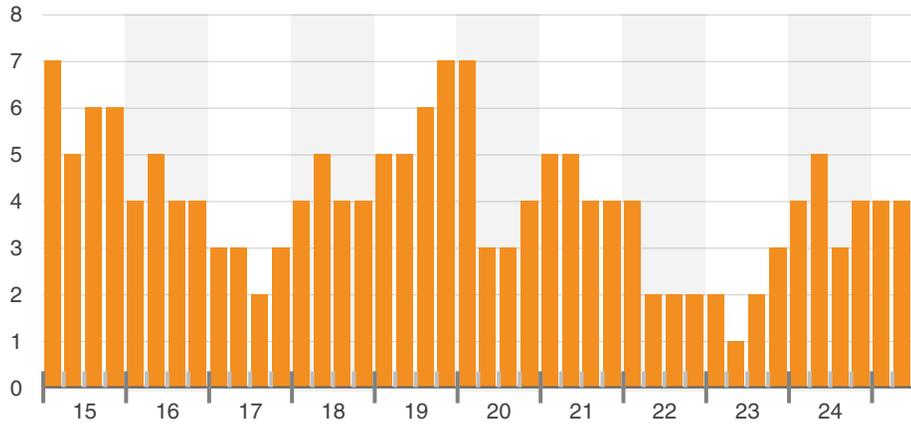


## Probability Of Selling In Months

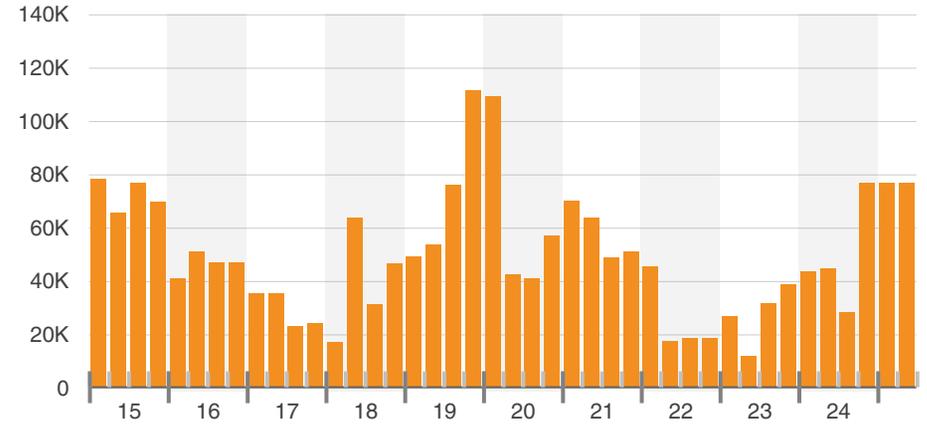


# Search Analytics

## For Sale Total Listings



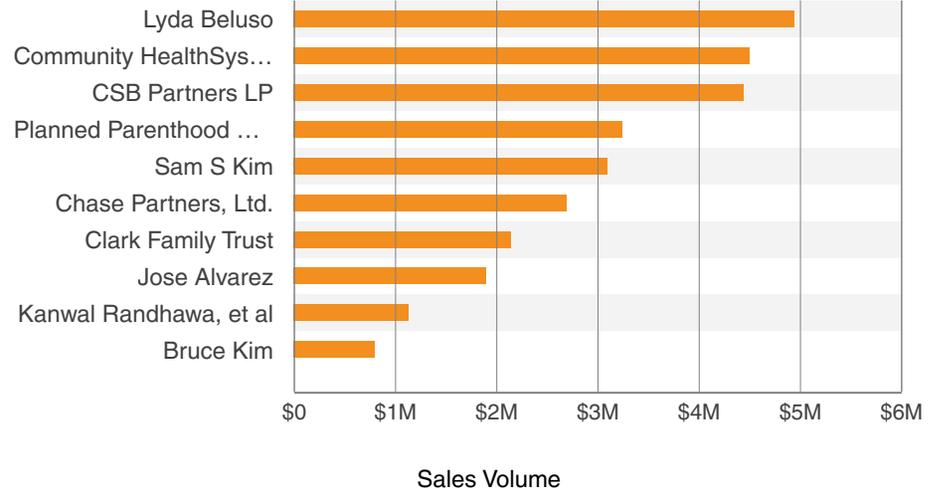
## For Sale Total SF



## For Sale Asking Price Per SF

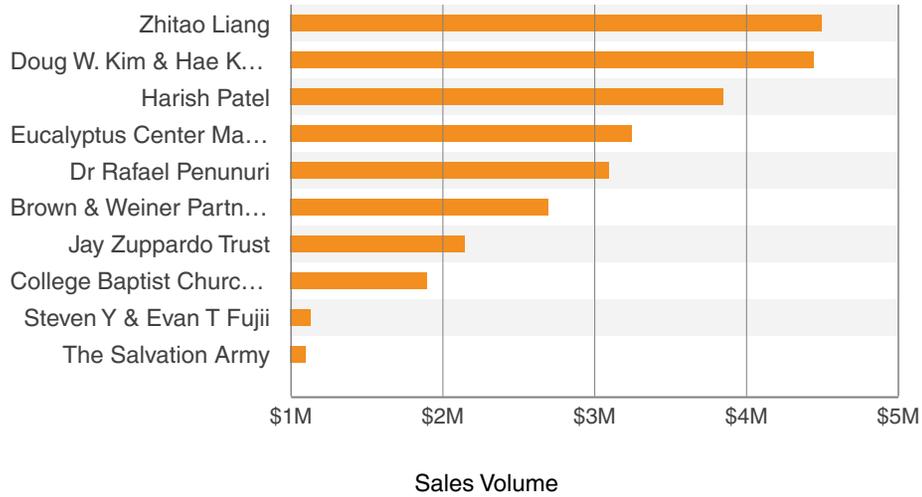


## Top Buyers



# Search Analytics

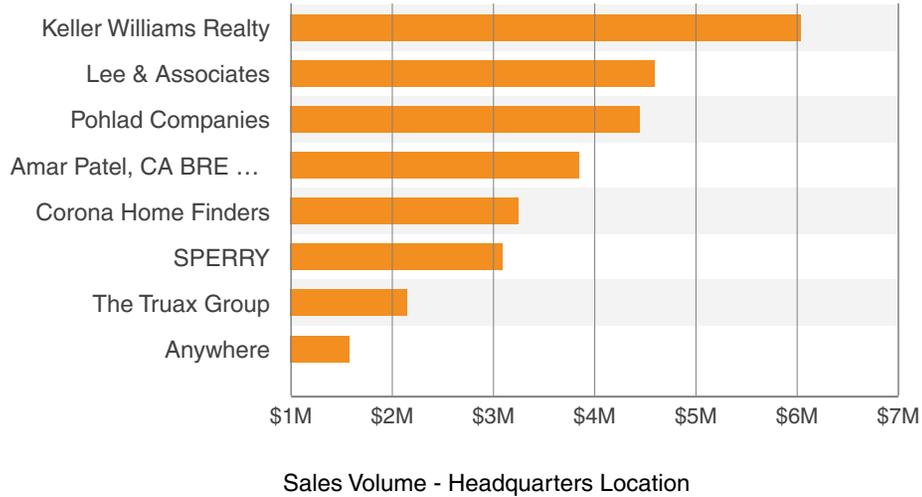
## Top Sellers



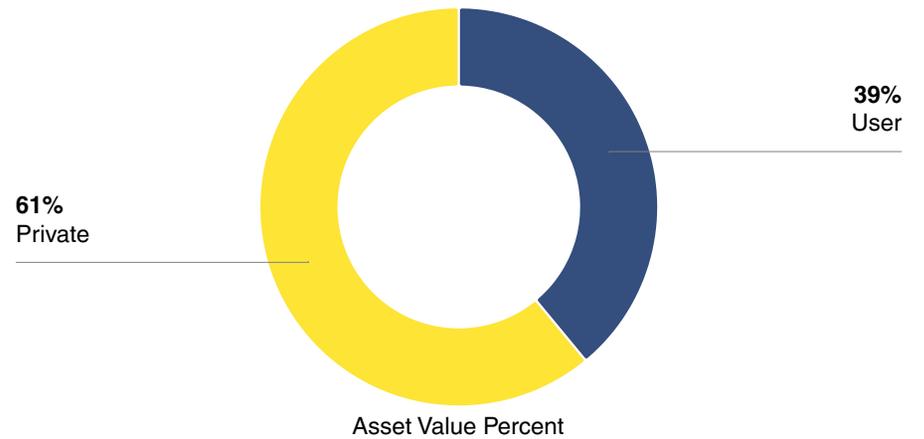
## Top Buyer Brokers



## Top Seller Brokers

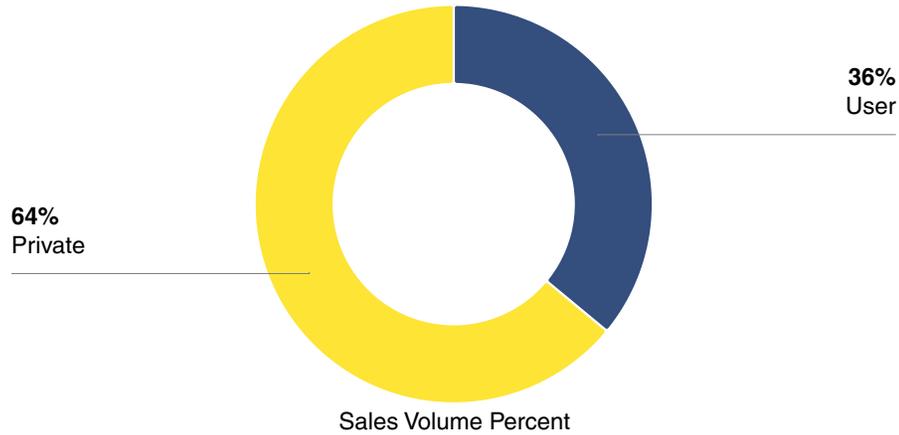


## Asset Value By Owner Type

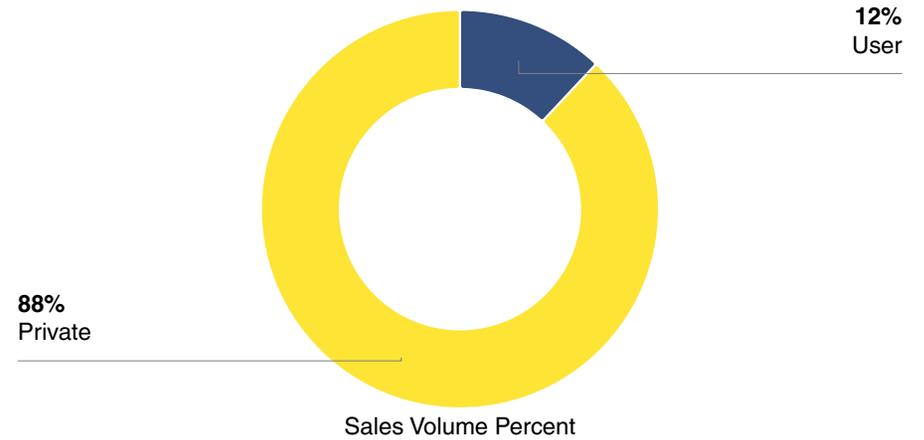


# Search Analytics

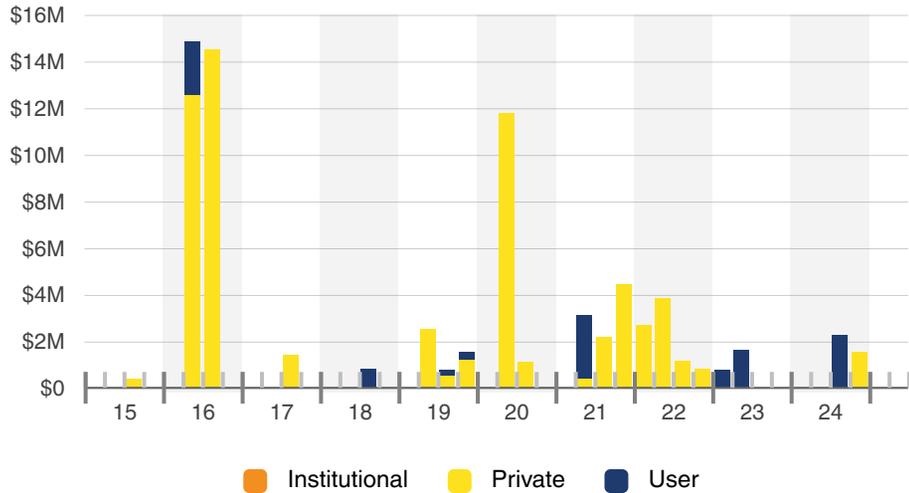
## Sales By Buyer Type



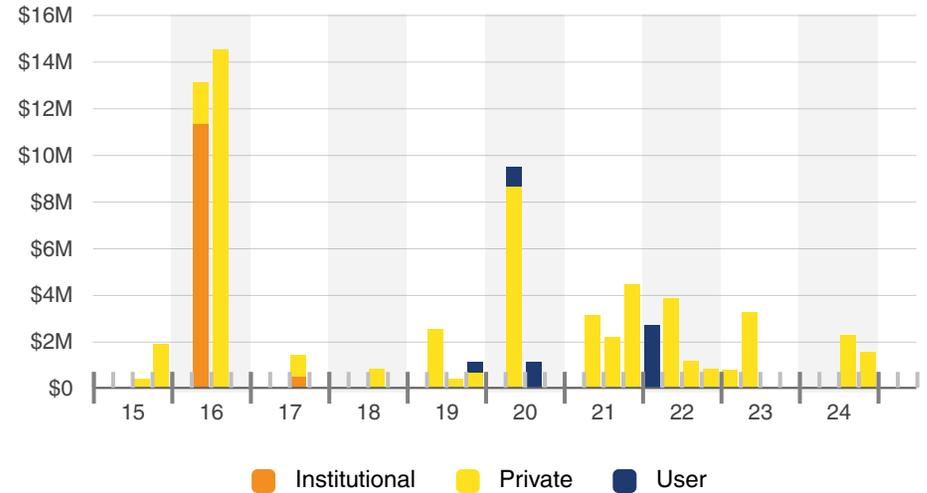
## Sales By Seller Type



## Sales Volume By Buyer Type

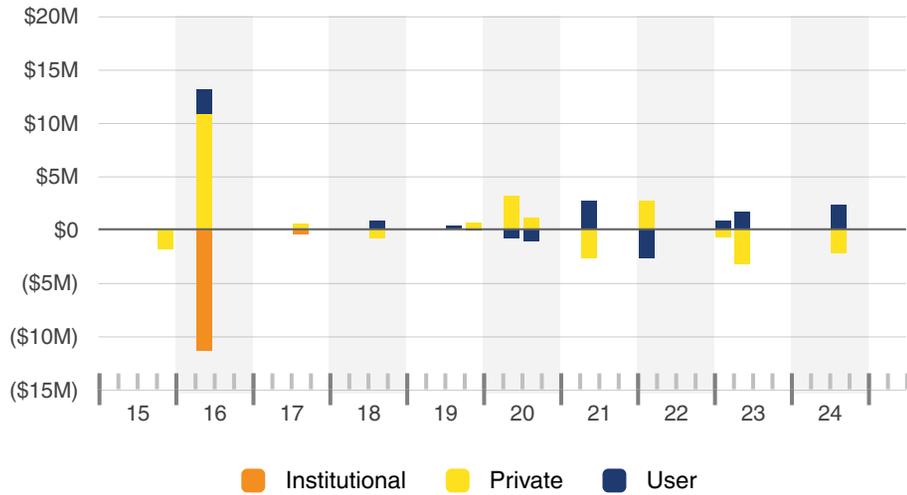


## Sales Volume By Seller Type

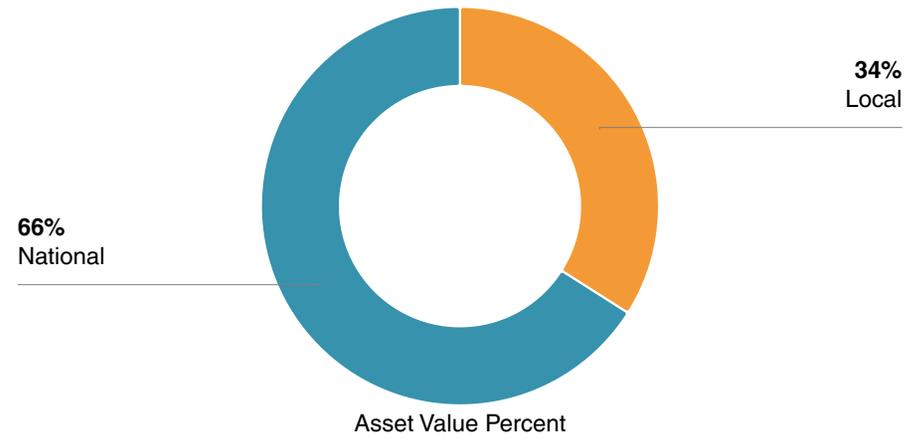


# Search Analytics

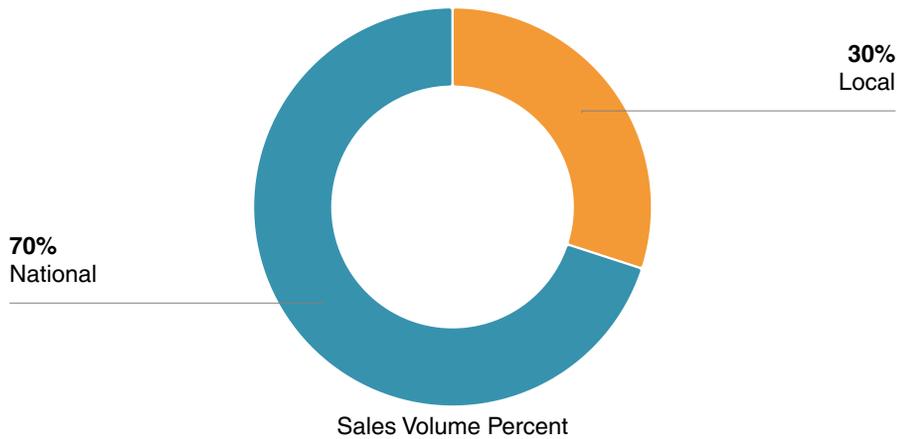
## Net Buying & Selling By Owner Type



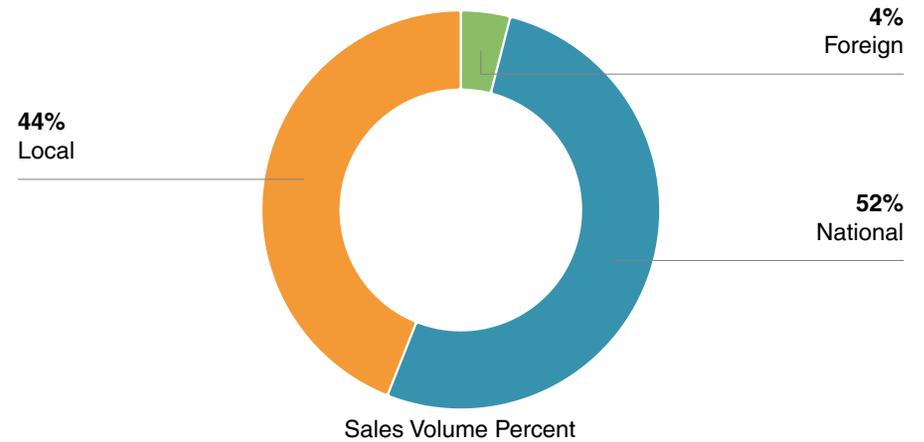
## Asset Value By Owner Origin



## Sales Volume By Buyer Origin

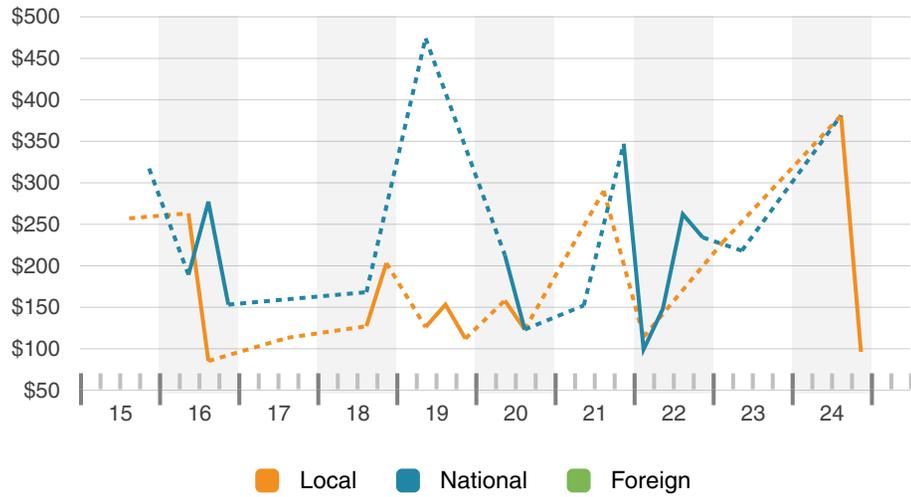


## Sales Volume By Seller Origin

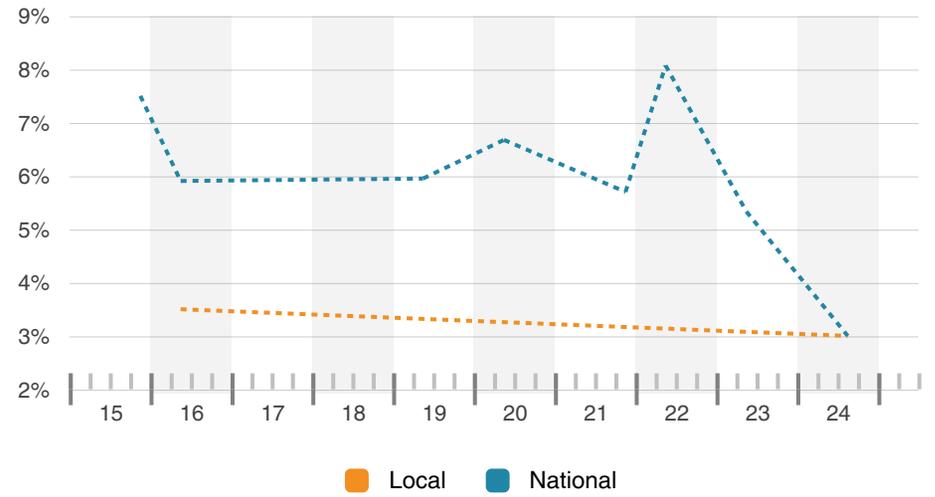


# Search Analytics

## Average Price Per SF By Buyer Origin



## Average Cap Rate By Buyer Origin



## Report Criteria

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- 103 Properties / 47 Spaces
- City: Moreno Valley, CA
- Property Type: Office

## **EXHIBIT B – INDUSTRIAL MARKET**

# Search Analytics

INVENTORY SF

**33.3M** +0.4%

Prior Period 33.2M

UNDER CONSTRUCTION SF

**39K** -68.8%

Prior Period 125K

12 MO NET ABSORPTION SF

**(1.1M)** -326.0%

Prior Period 495K

VACANCY RATE

**7.6%** +3.8%

Prior Period 3.8%

MARKET ASKING RENT/SF

**\$0.91** -3.7%

Prior Period \$0.95

MARKET SALE PRICE/SF

**\$221** +3.0%

Prior Period \$214

MARKET CAP RATE

**4.6%** +0.1%

Prior Period 4.5%

## Key Metrics

Availability	
Vacant SF	2.5M <span style="color: green;">↑</span>
Sublet SF	758K <span style="color: green;">↑</span>
Availability Rate	12.2% <span style="color: green;">↑</span>
Available SF Total	4.1M <span style="color: green;">↑</span>
Available Asking Rent/SF	\$0.89 <span style="color: red;">↓</span>
Occupancy Rate	92.4% <span style="color: red;">↓</span>
Percent Leased Rate	93.4% <span style="color: red;">↓</span>

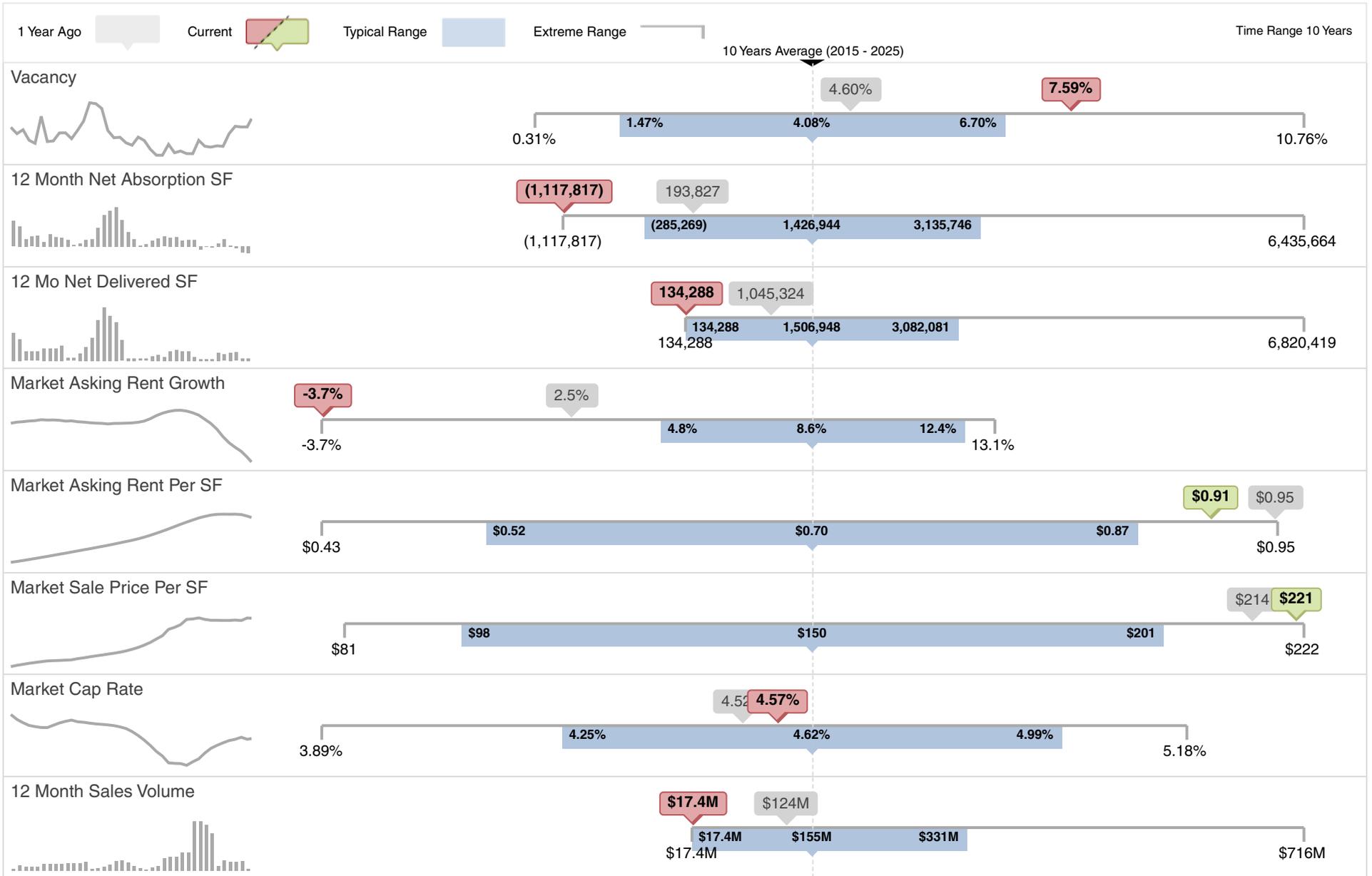
Inventory	
Existing Buildings	127 <span style="color: green;">↑</span>
Under Construction Avg SF	39K <span style="color: green;">↑</span>
12 Mo Demolished SF	0 <span style="color: gray;">↔</span>
12 Mo Occupancy % at Delivery	34.0% <span style="color: red;">↓</span>
12 Mo Construction Starts SF	50.4K <span style="color: red;">↓</span>
12 Mo Delivered SF	134K <span style="color: red;">↓</span>
12 Mo Avg Delivered SF	32.9K <span style="color: red;">↓</span>

Sales Past Year	
Asking Price Per SF	\$260 <span style="color: red;">↓</span>
Sale to Asking Price Differential	<span style="color: red;">-9.2%</span> <span style="color: red;">↓</span>
Sales Volume	\$15M <span style="color: red;">↓</span>
Properties Sold	10 <span style="color: red;">↓</span>
Months to Sale	17.5 <span style="color: green;">↑</span>
For Sale Listings	11 <span style="color: gray;">↔</span>
Total For Sale SF	307K <span style="color: green;">↑</span>

Demand	
12 Mo Net Absorp % of Inventory	<span style="color: red;">-3.4%</span> <span style="color: red;">↓</span>
12 Mo Leased SF	913K <span style="color: red;">↓</span>
Months on Market	6.8 <span style="color: red;">↓</span>
Months to Lease	10.3 <span style="color: green;">↑</span>
Months Vacant	11.3
24 Mo Lease Renewal Rate	65.9%
Population Growth 5 Yrs	4.8%

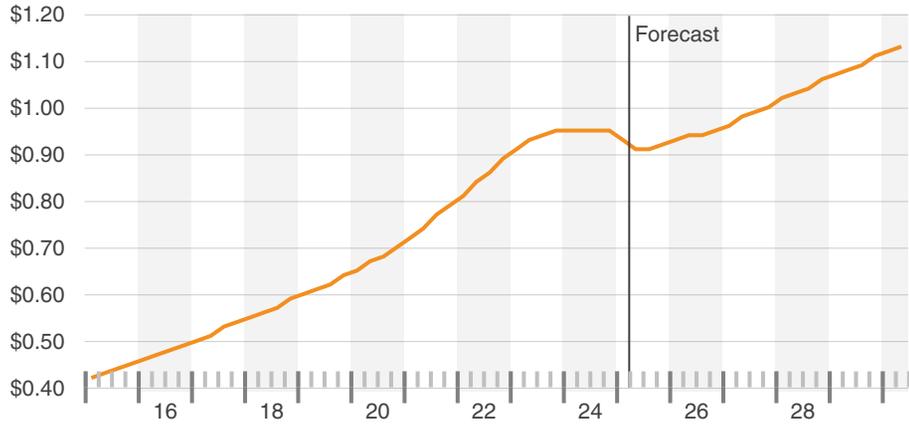
# Search Analytics

## Key Performance Indicators

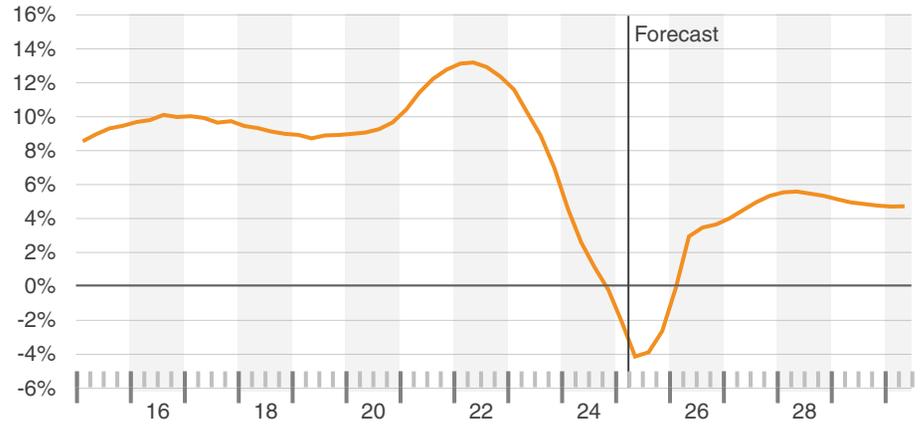


# Search Analytics

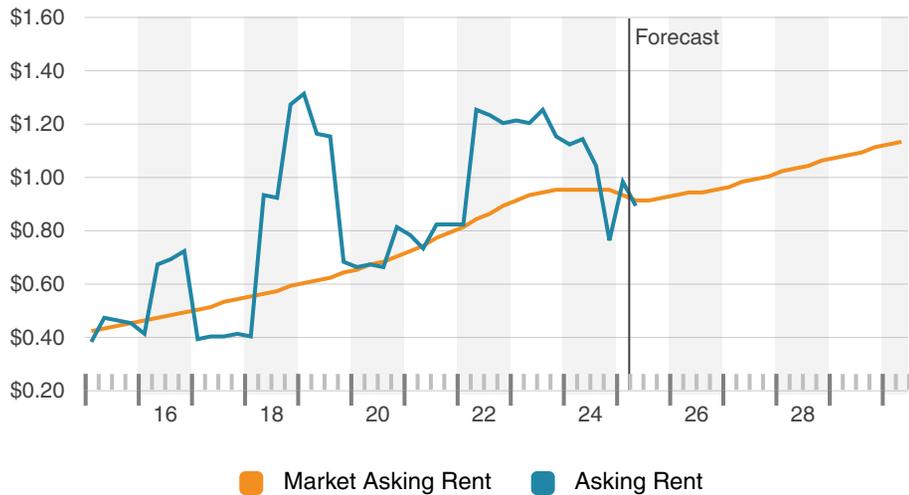
## Market Asking Rent Per SF



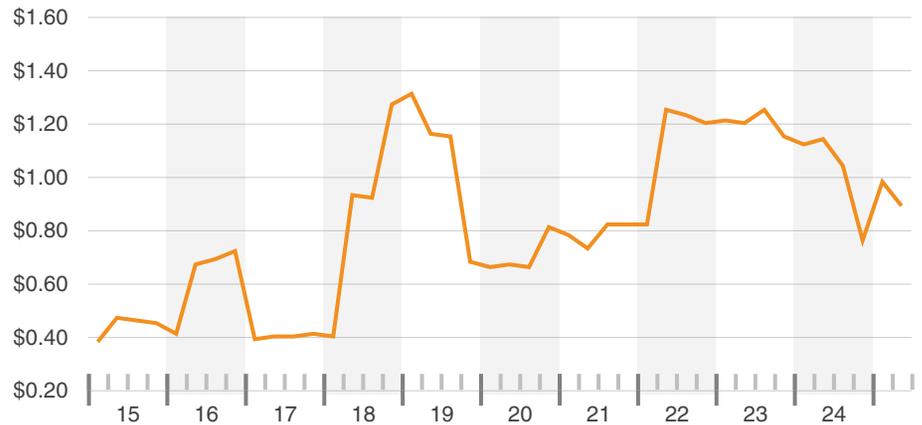
## Market Asking Rent Growth (YOY)



## Market Asking Rent & Asking Rent Per SF

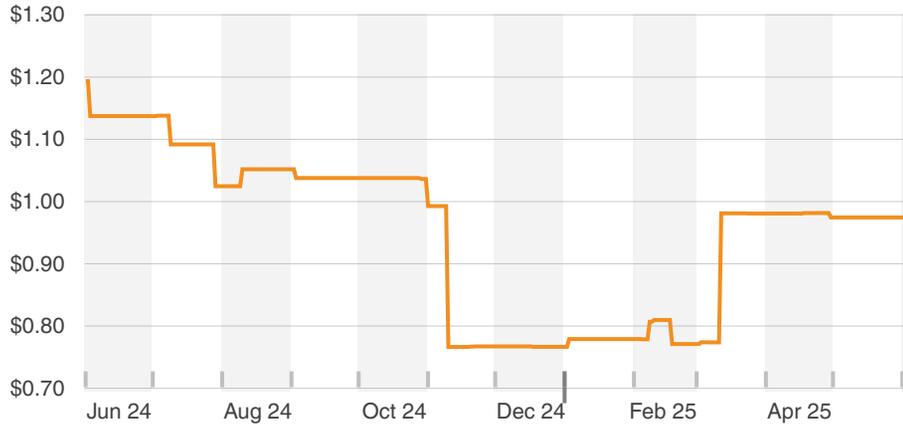


## Asking Rent Per SF

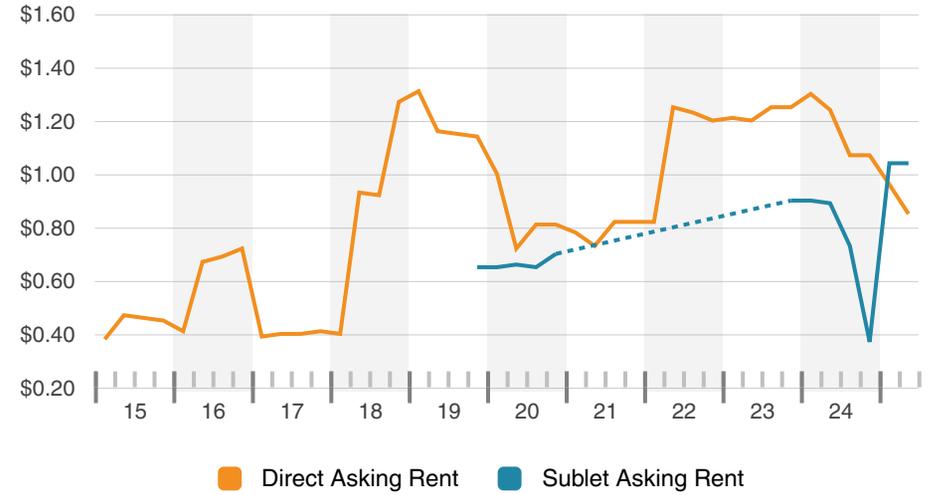


# Search Analytics

## Daily Asking Rent Per SF



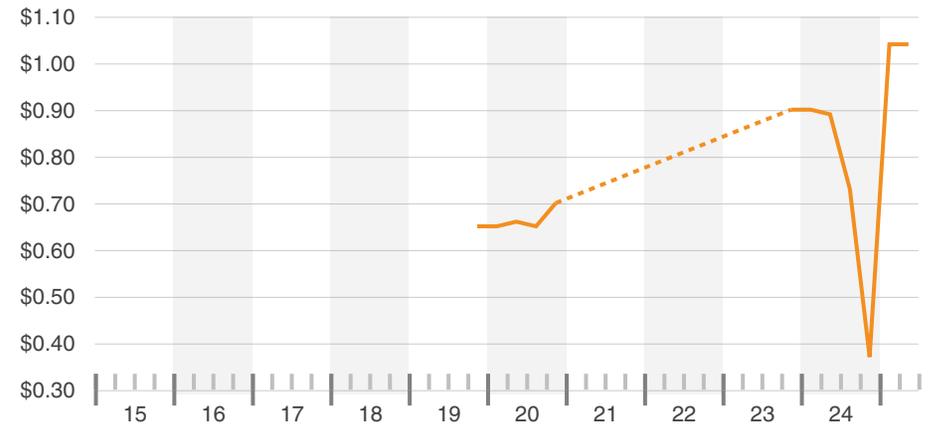
## Direct & Sublet Rent Per SF



## Direct Rent Per SF

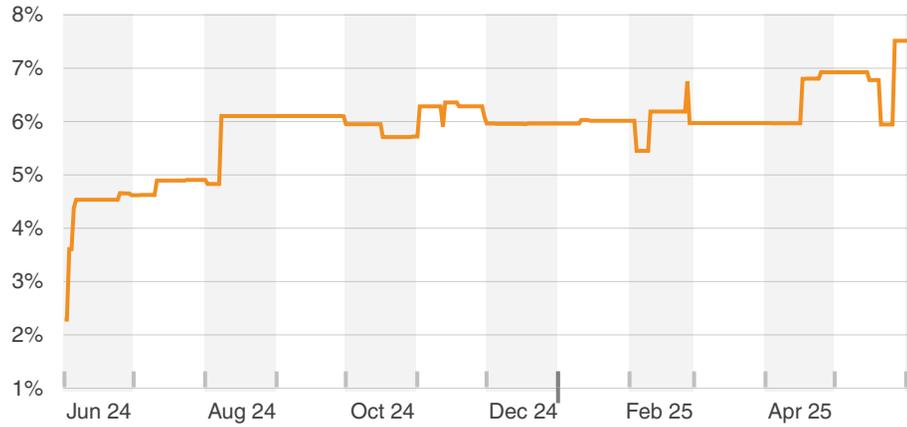


## Sublet Rent Per SF

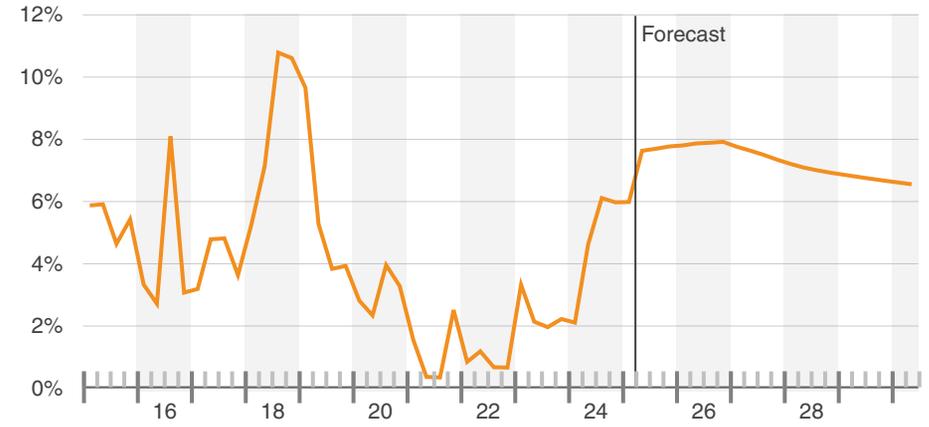


# Search Analytics

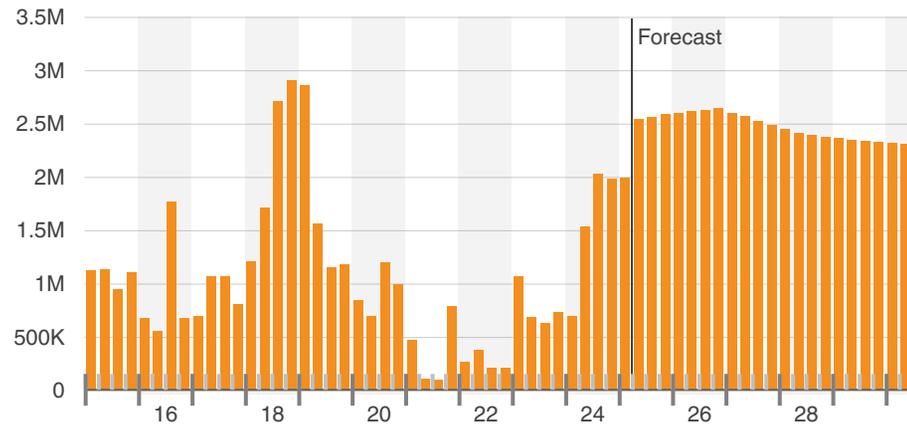
## Daily Vacancy Rate



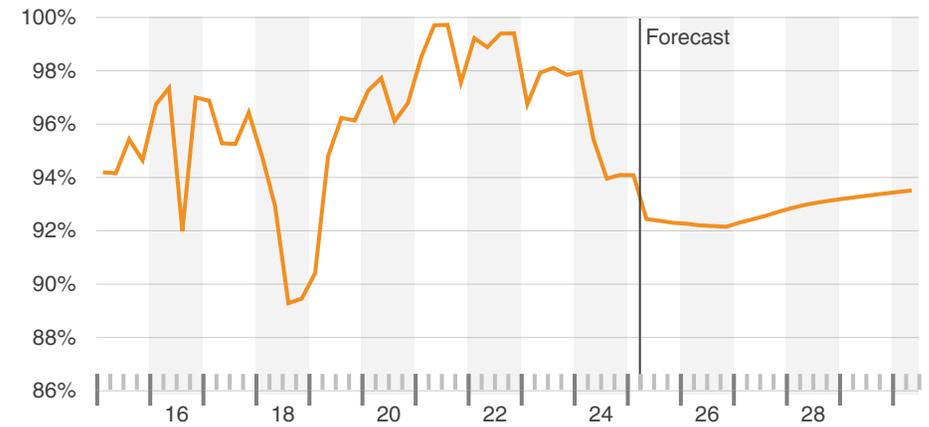
## Vacancy Rate



## Vacant SF

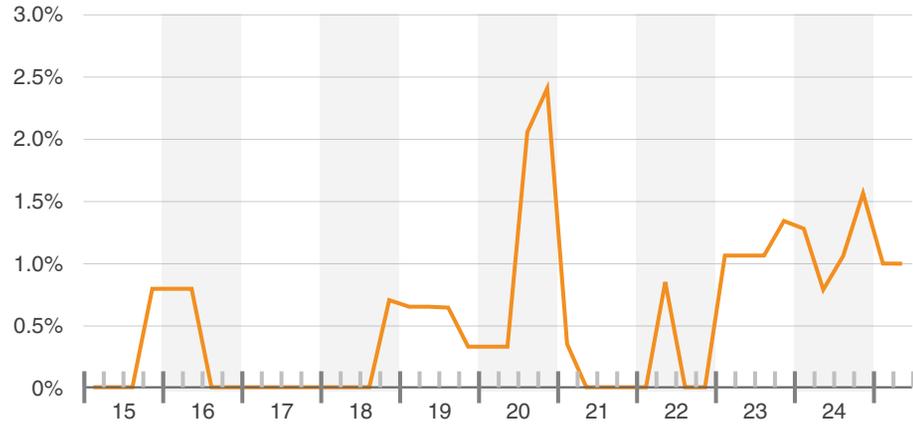


## Occupancy Rate



# Search Analytics

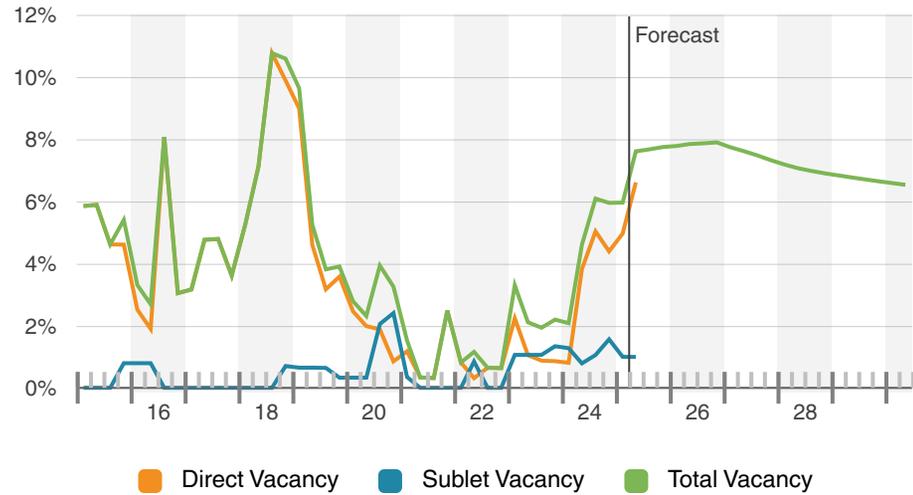
## Sublet Vacancy Rate



## Direct Vacancy Rate



## Direct, Sublet & Total Vacancy Rate

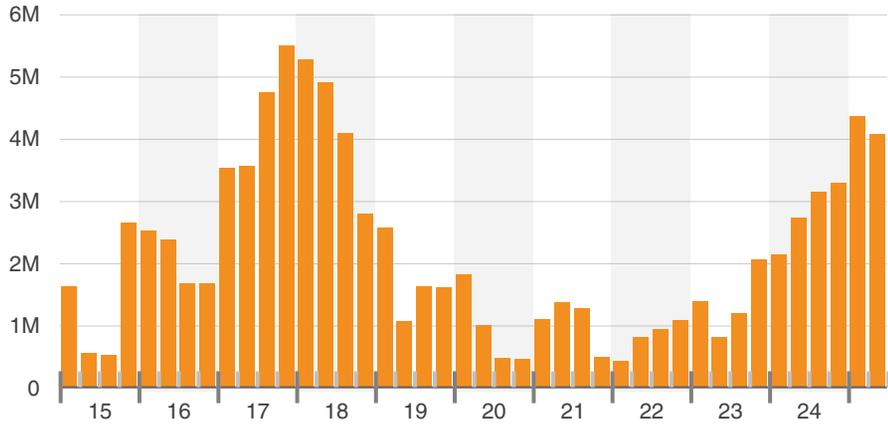


## Availability Rate

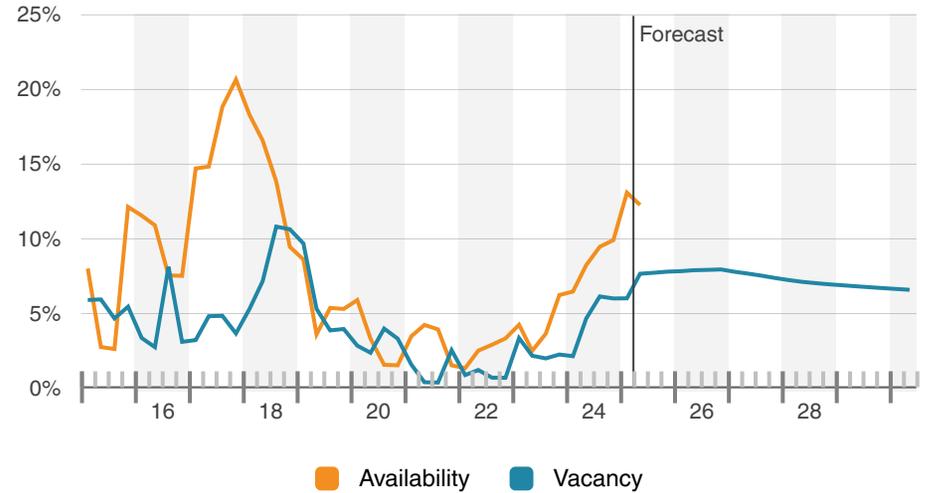


# Search Analytics

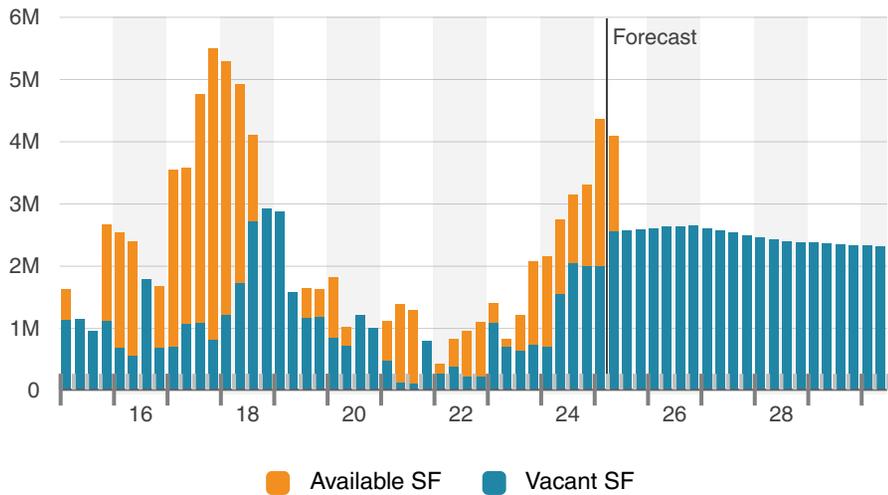
## Available SF



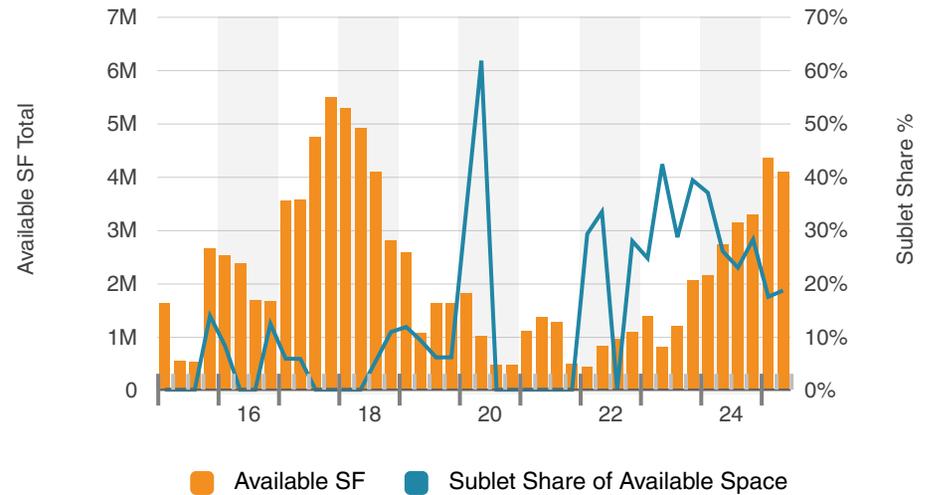
## Availability & Vacancy Rate



## Available & Vacant SF

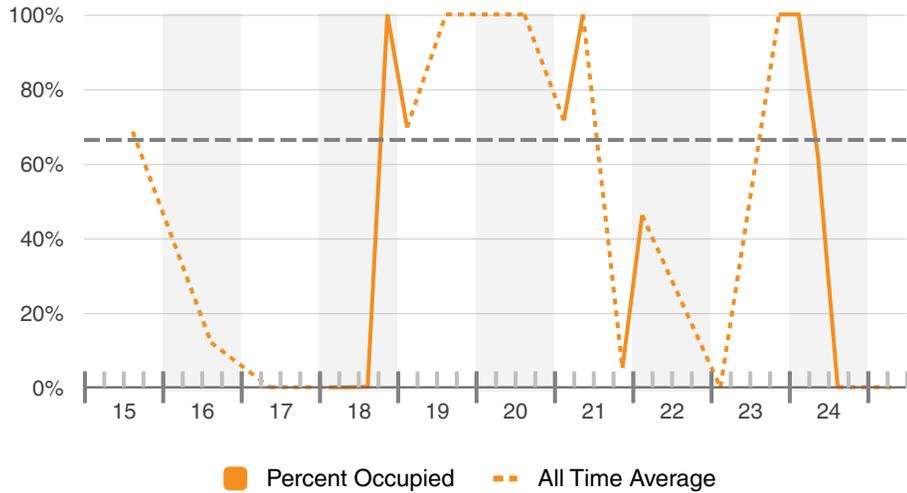


## Available SF Total & Sublet Share %

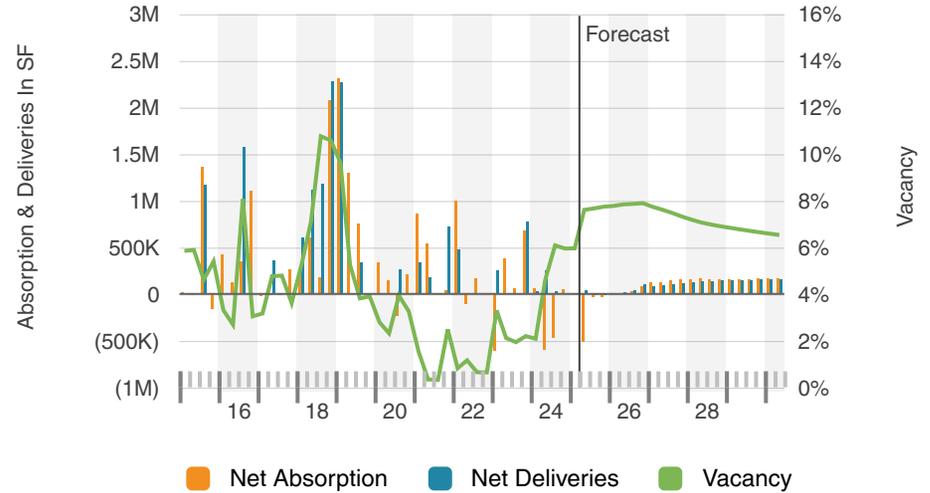


# Search Analytics

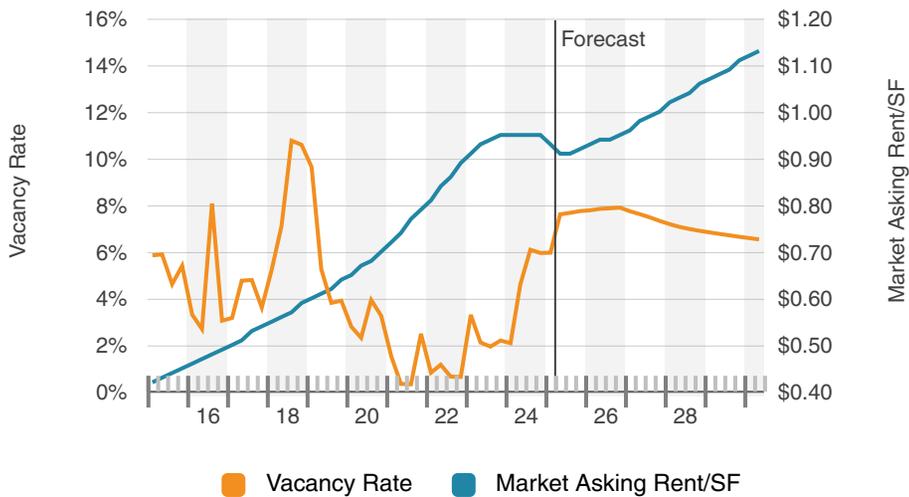
## Occupancy At Delivery



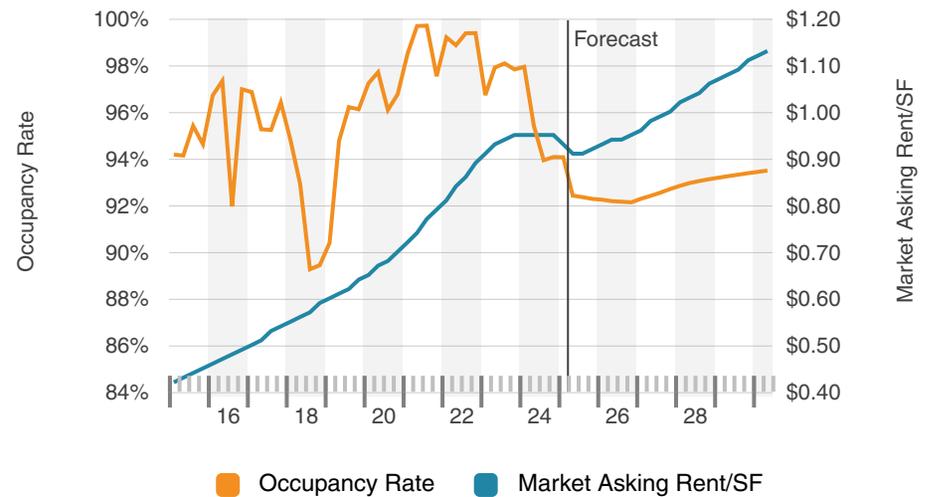
## Net Absorption, Net Deliveries & Vacancy



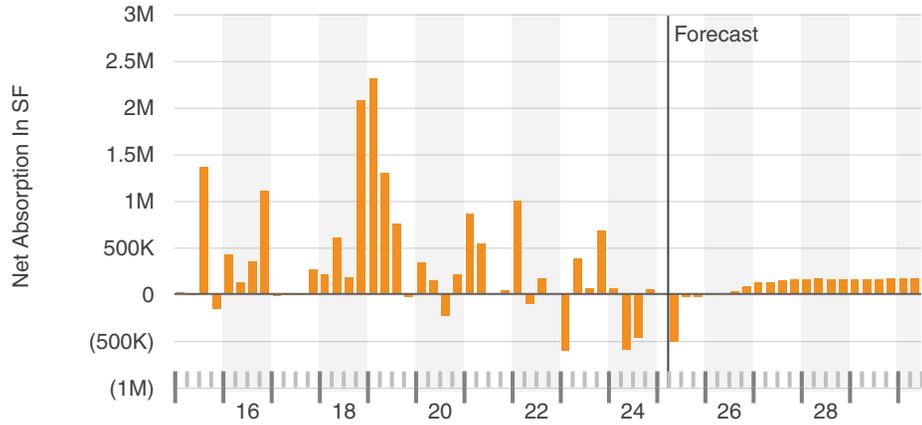
## Vacancy & Market Asking Rent Per SF



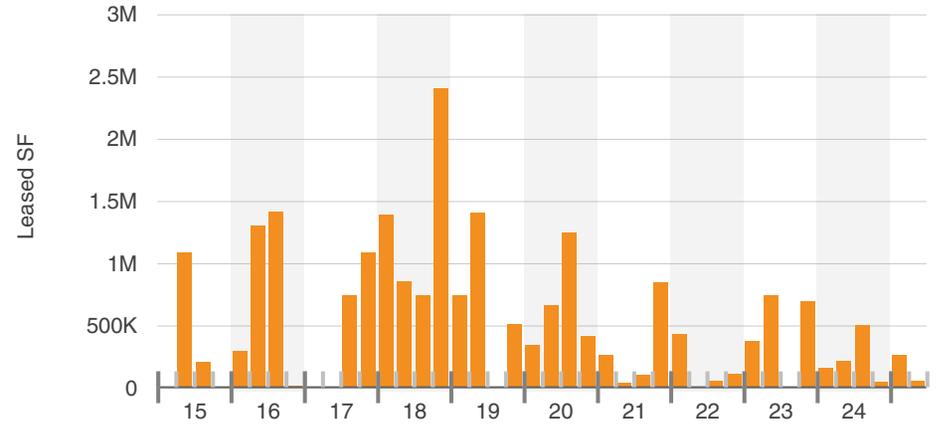
## Occupancy & Market Asking Rent Per SF



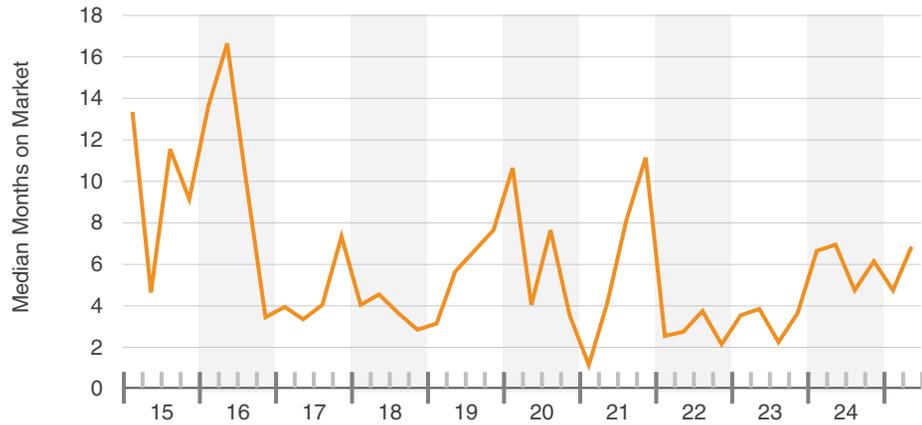
## Net Absorption



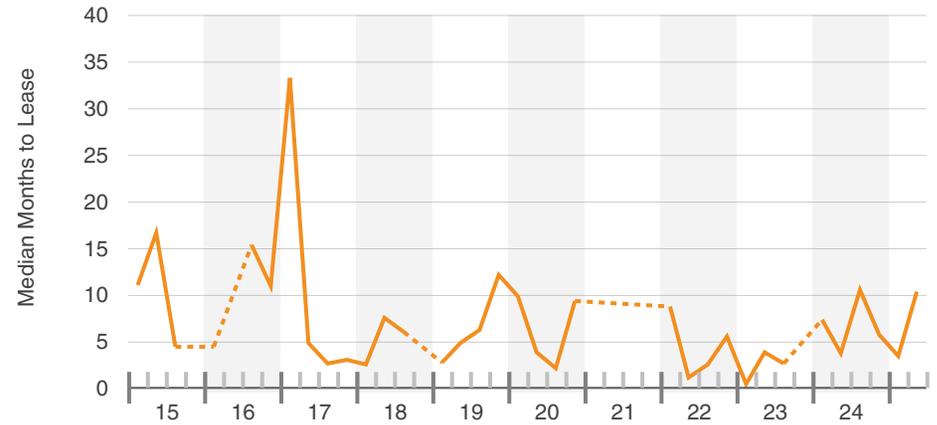
## Leasing Activity



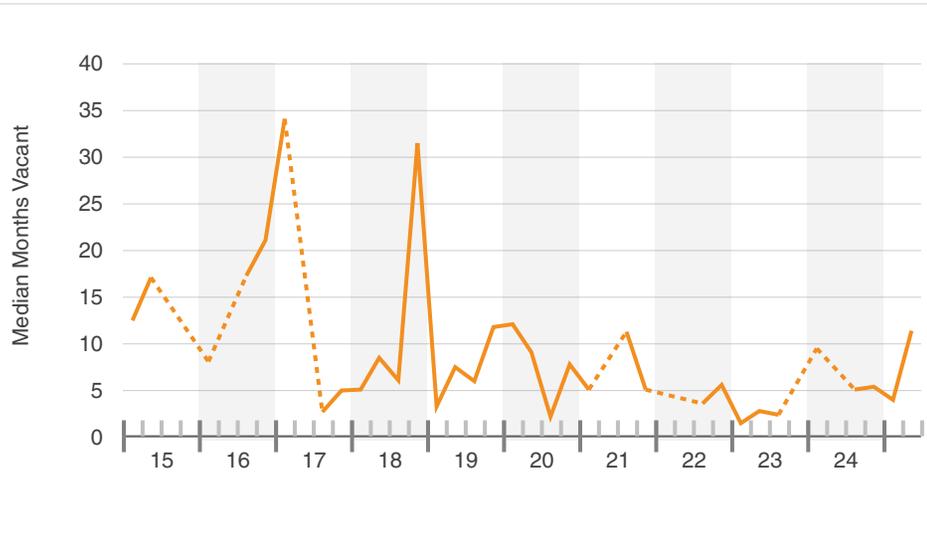
## Months On Market



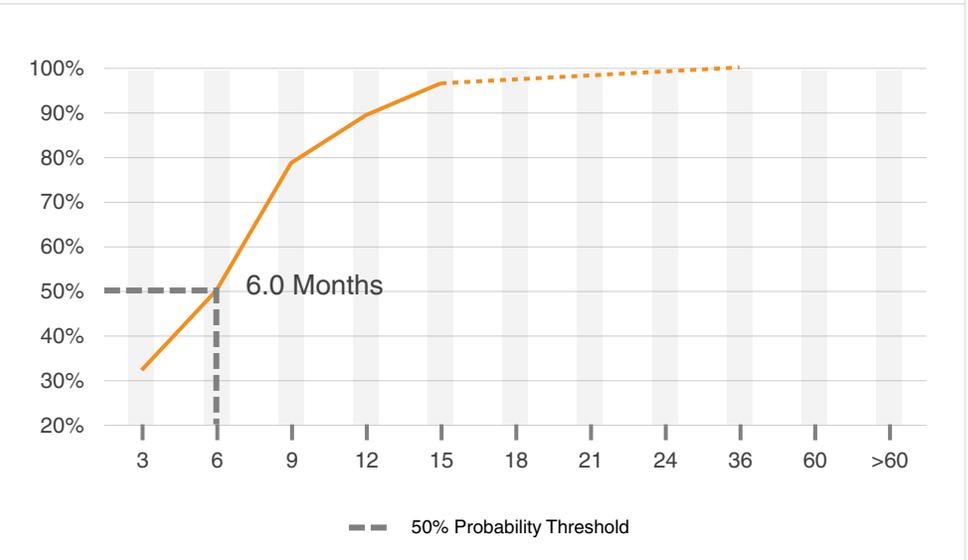
## Months To Lease



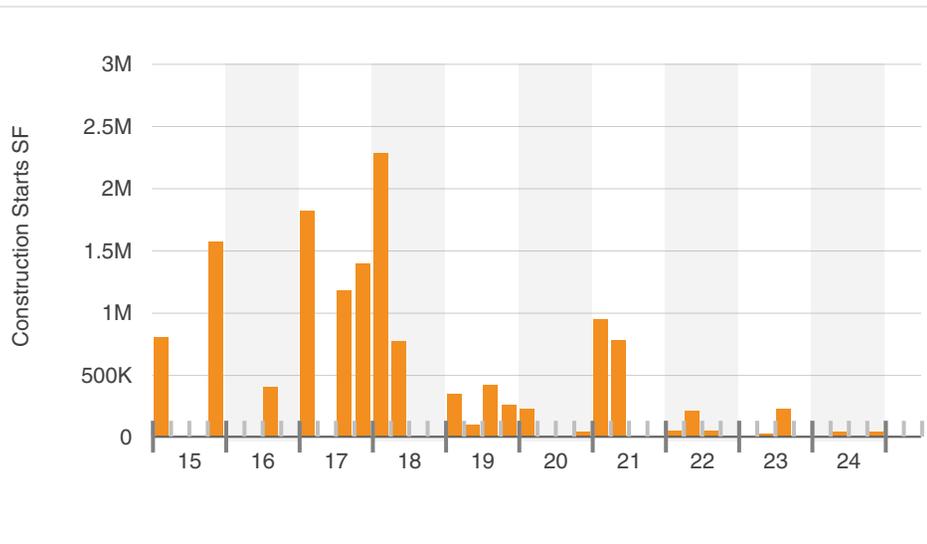
## Months Vacant



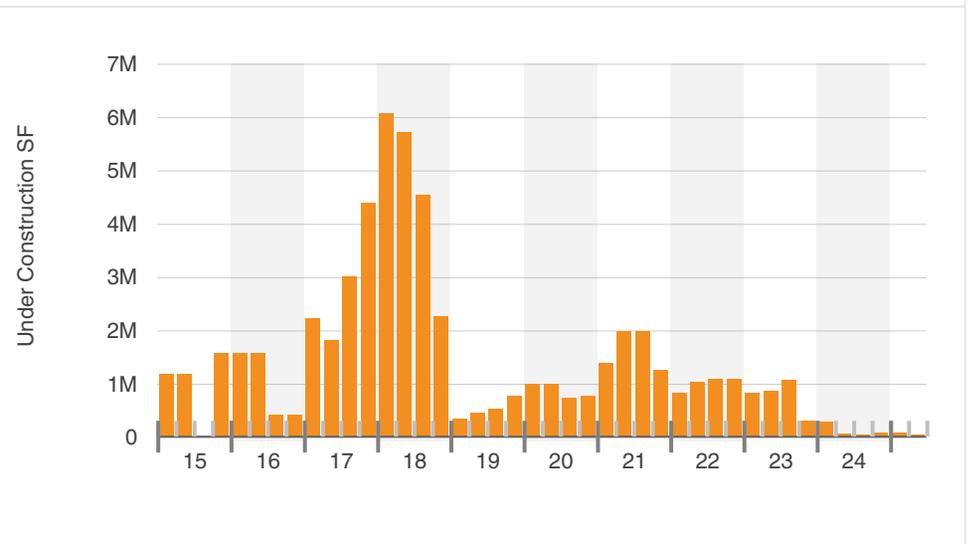
## Probability Of Leasing In Months



## Construction Starts

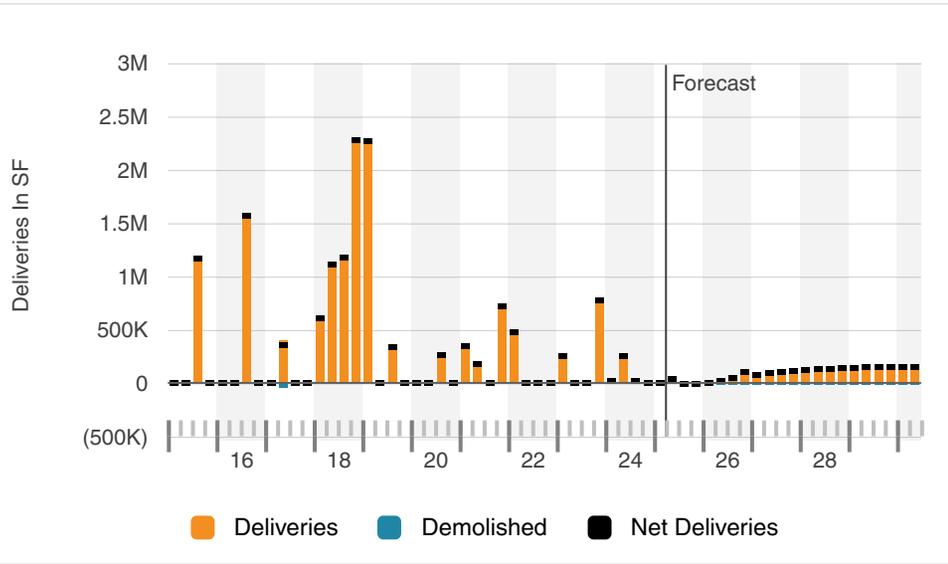


## Under Construction

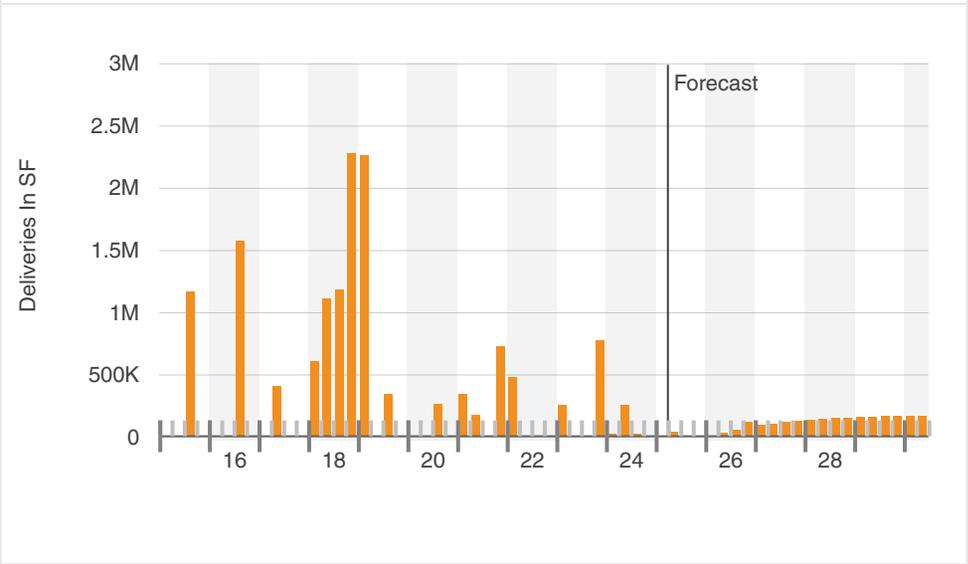


# Search Analytics

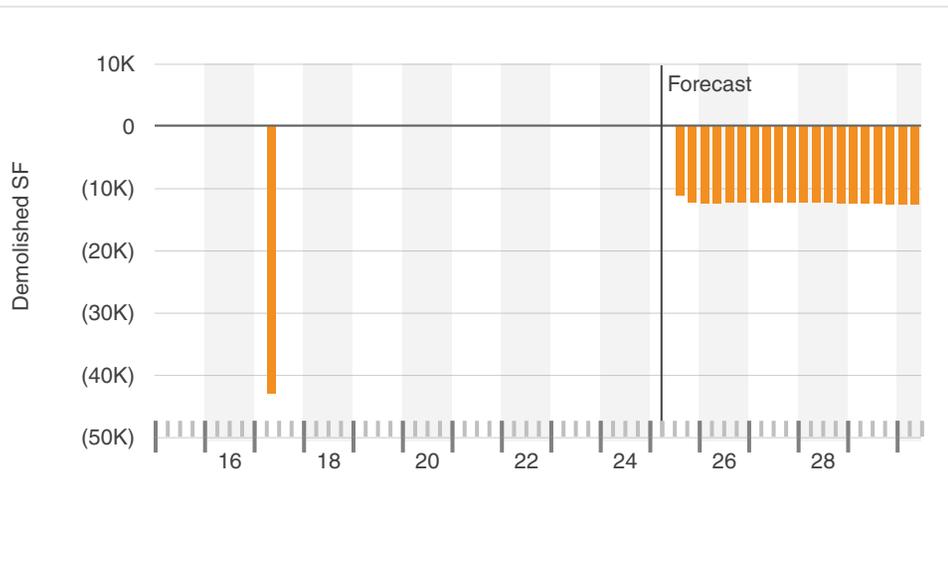
## Deliveries & Demolitions



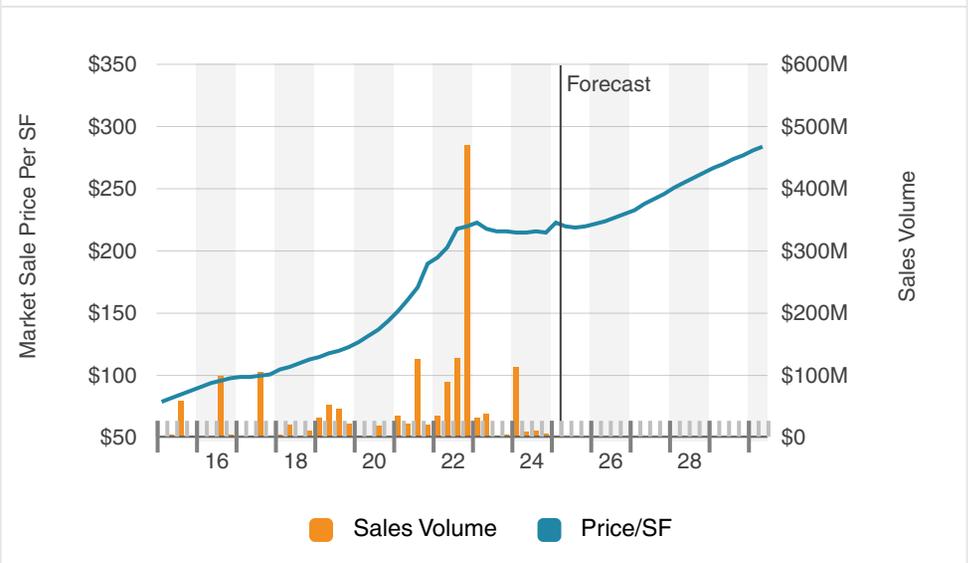
## Deliveries



## Demolitions

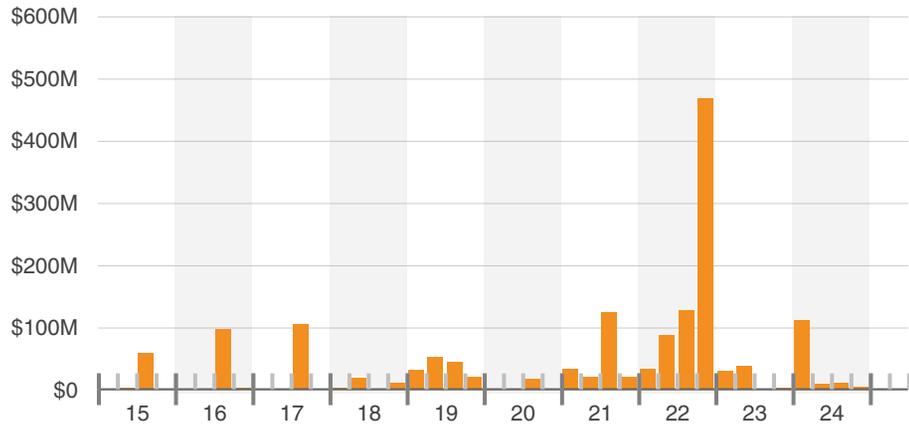


## Sales Volume & Market Sale Price Per SF

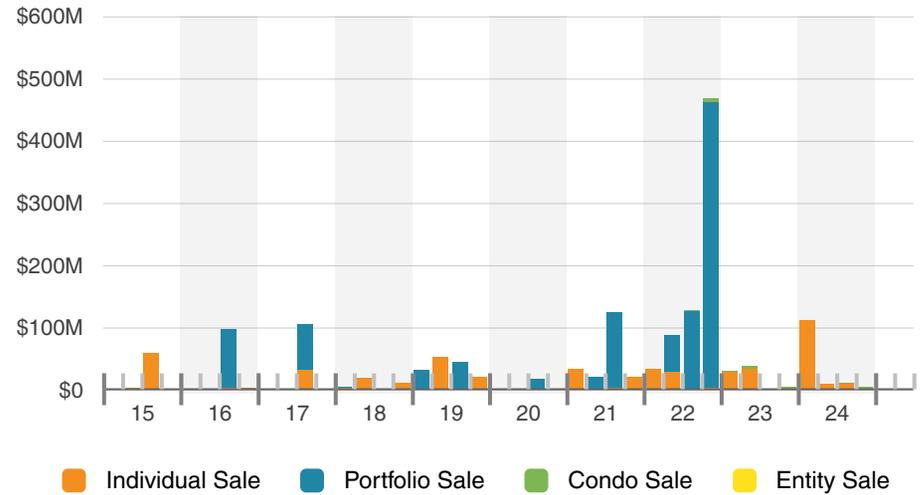


# Search Analytics

## Sales Volume



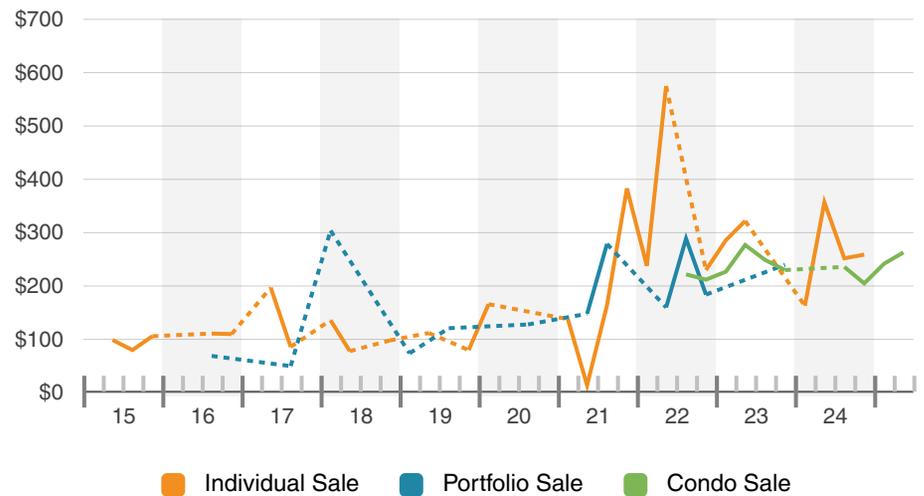
## Sales Volume By Transaction Type



## Sale Price Per SF

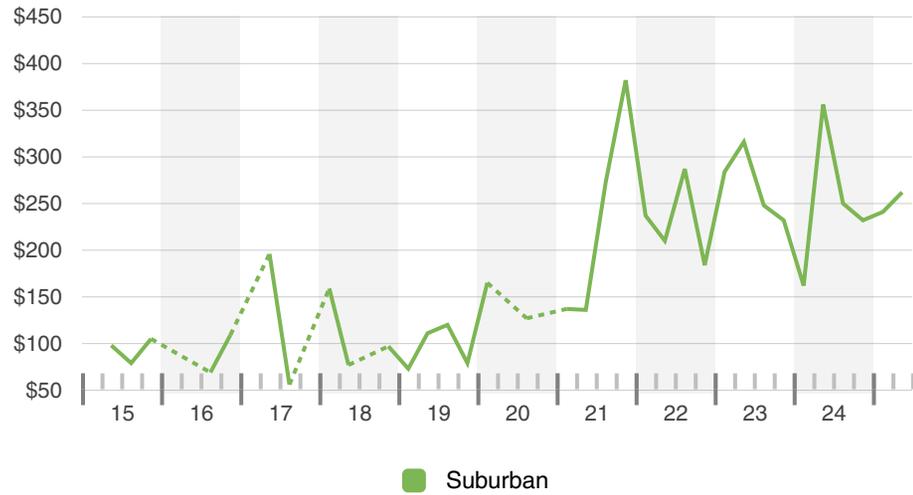


## Sale Price Per SF By Transaction Type

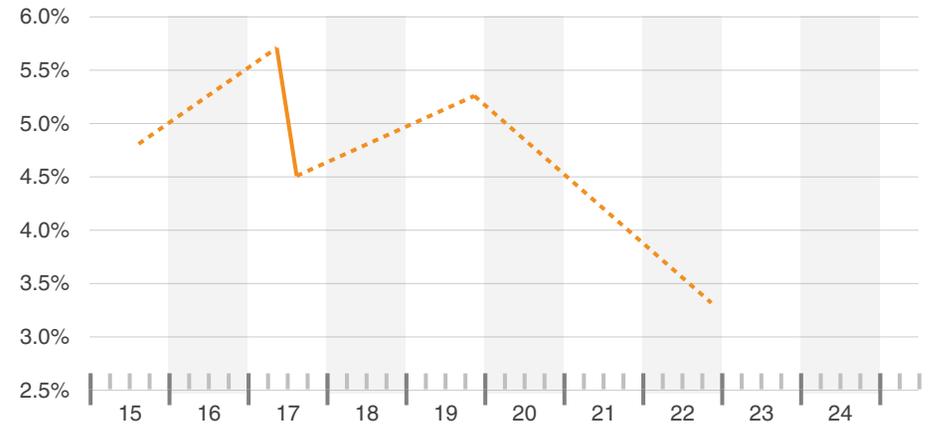


# Search Analytics

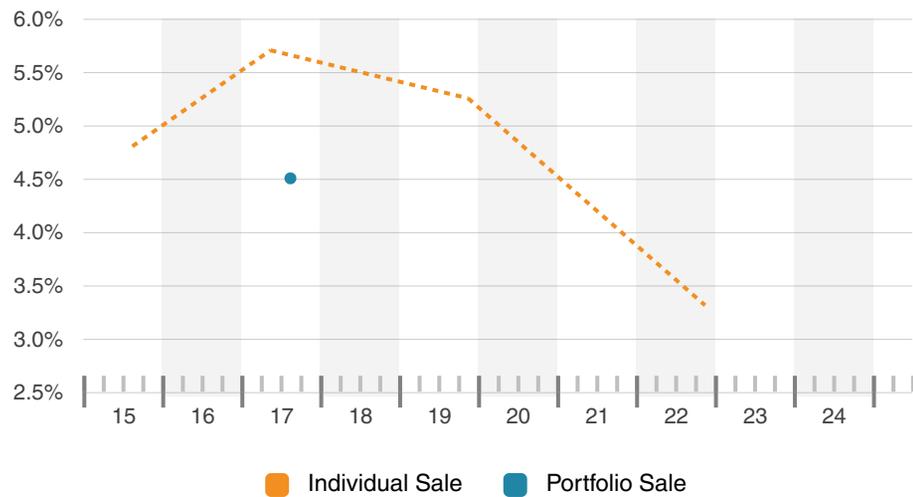
## Sale Price Per SF By Location Type



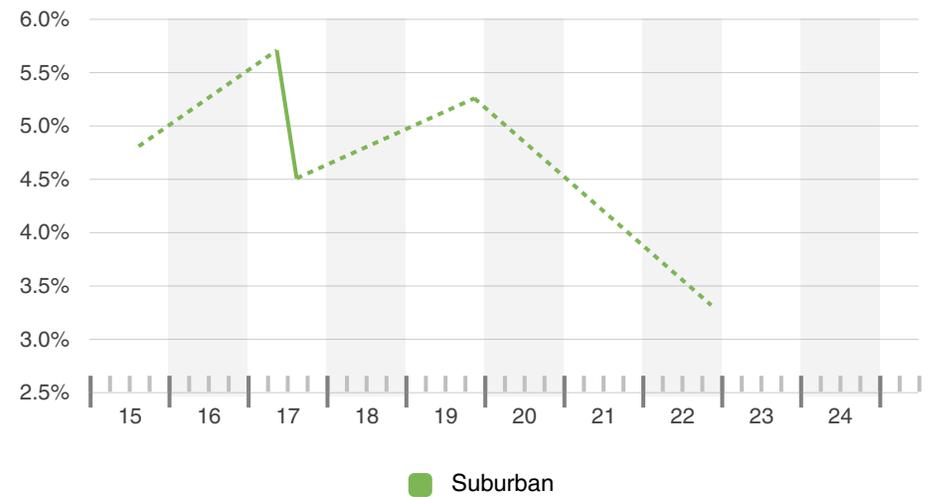
## Cap Rate



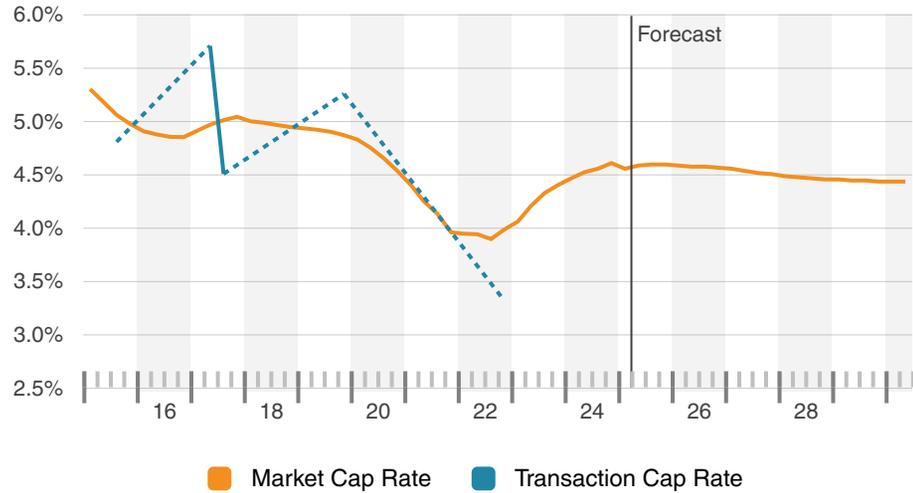
## Cap Rate By Transaction Type



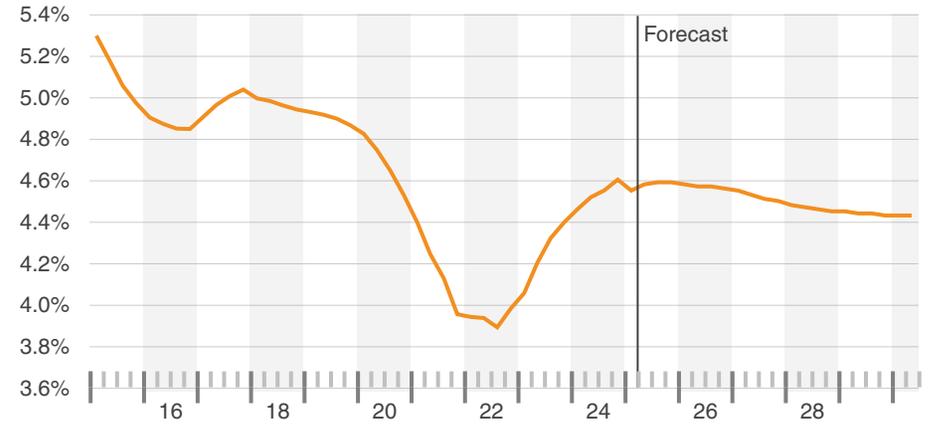
## Cap Rate By Location Type



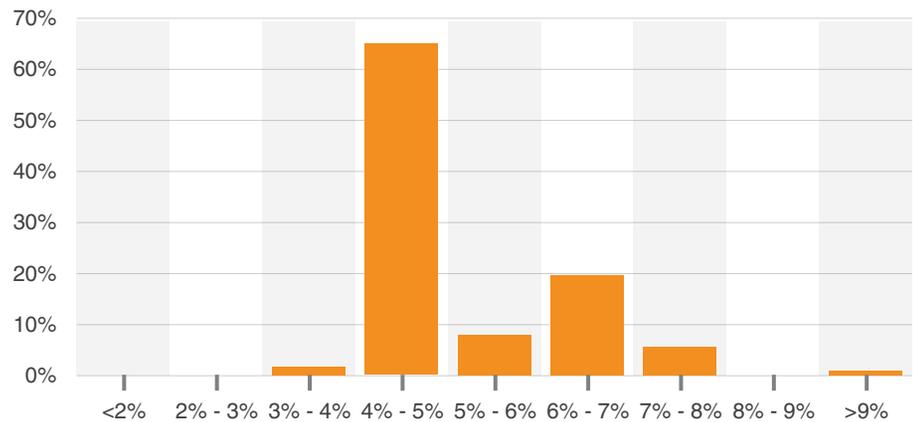
## Market Cap Rate & Transaction Cap Rate



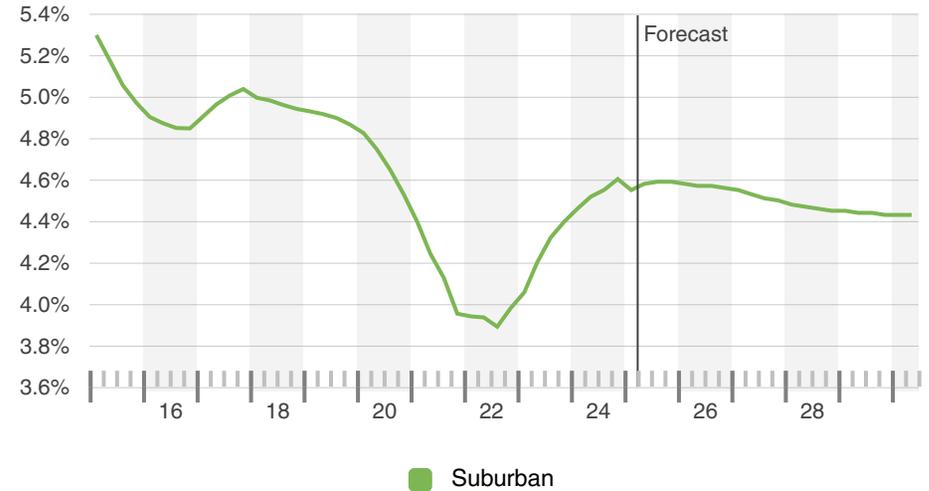
## Market Cap Rate



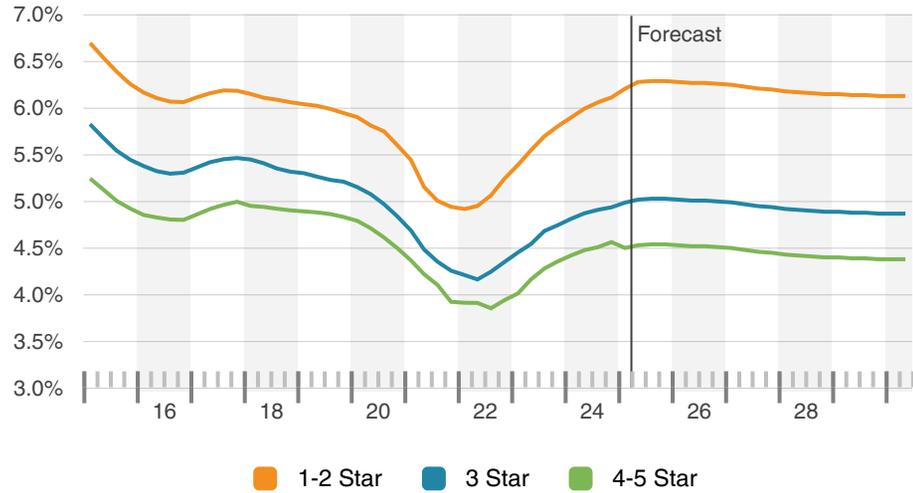
## Market Cap Rate Distribution



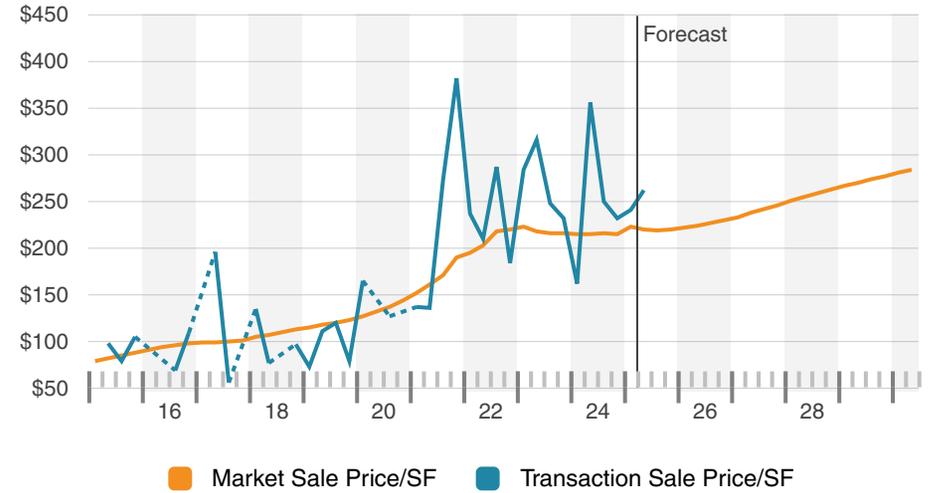
## Market Cap Rate By Location Type



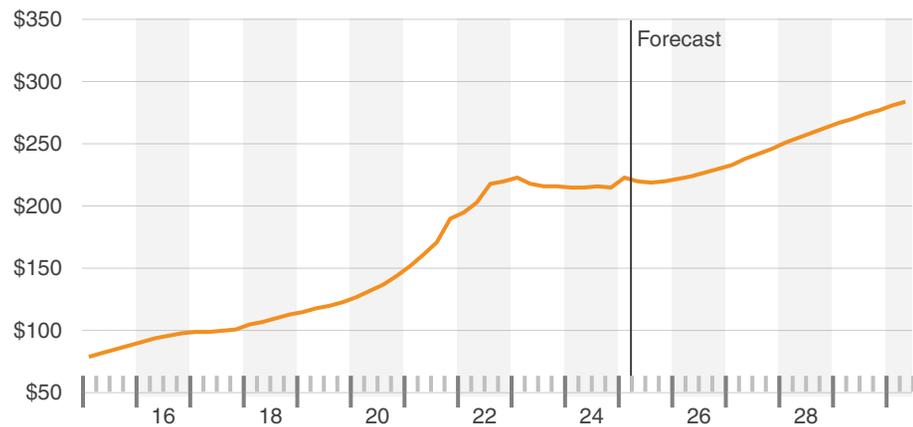
## Market Cap Rate By Star Rating



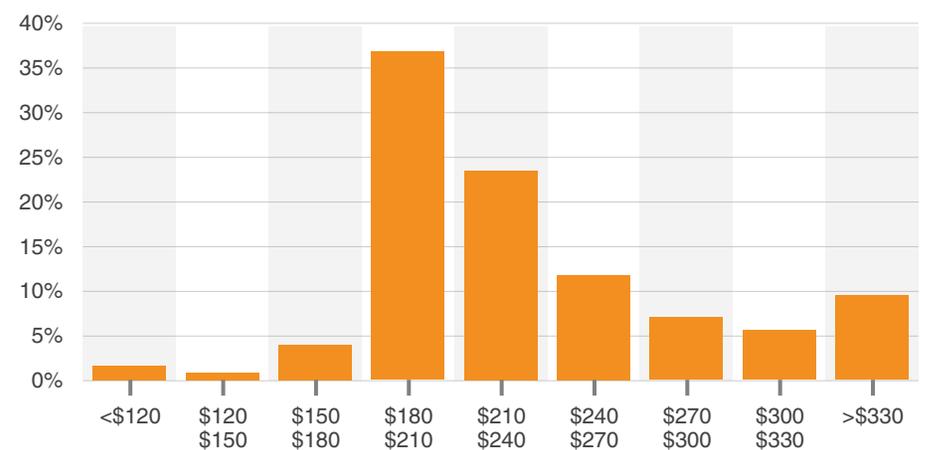
## Market Sale Price & Transaction Sale Price Per SF



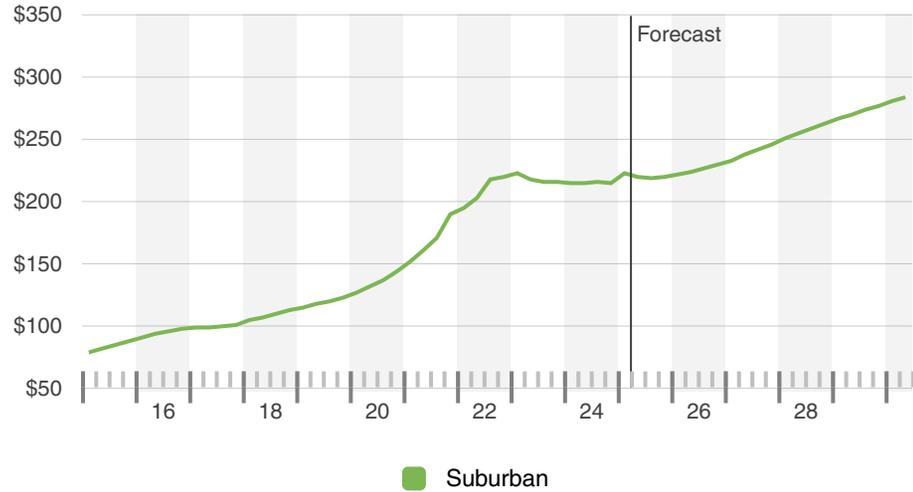
## Market Sale Price Per SF



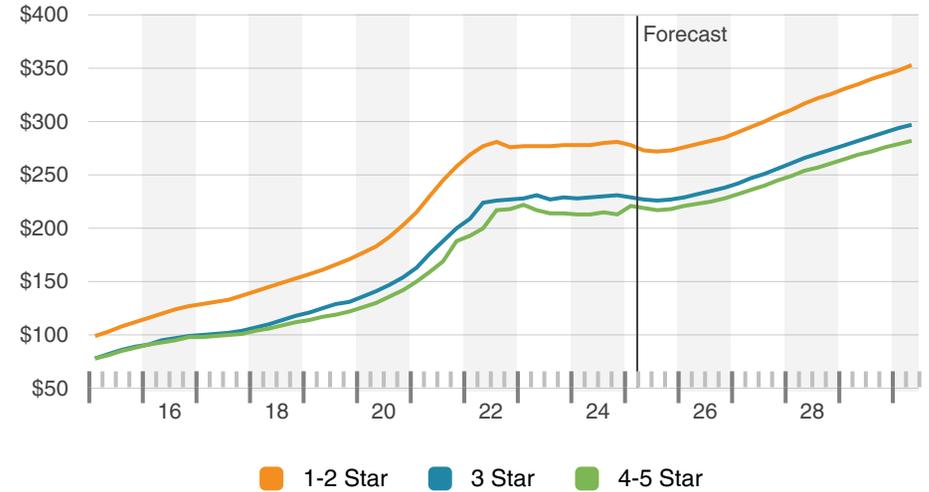
## Market Sale Price Per SF Distribution



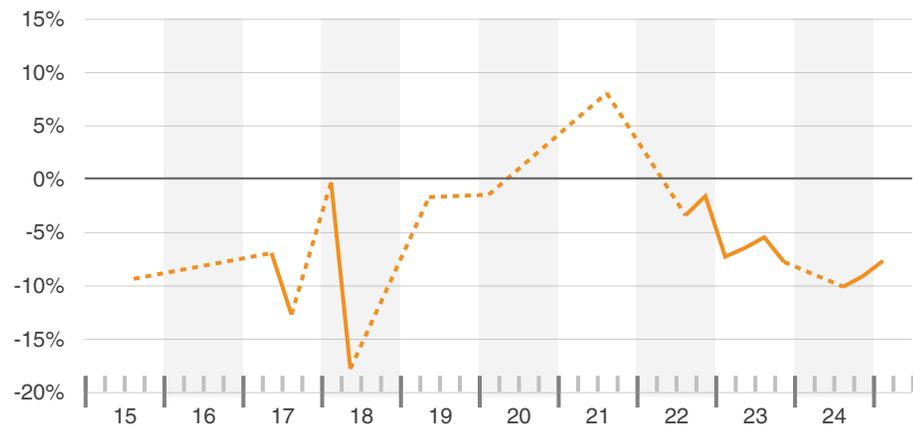
## Market Sale Price Per SF By Location Type



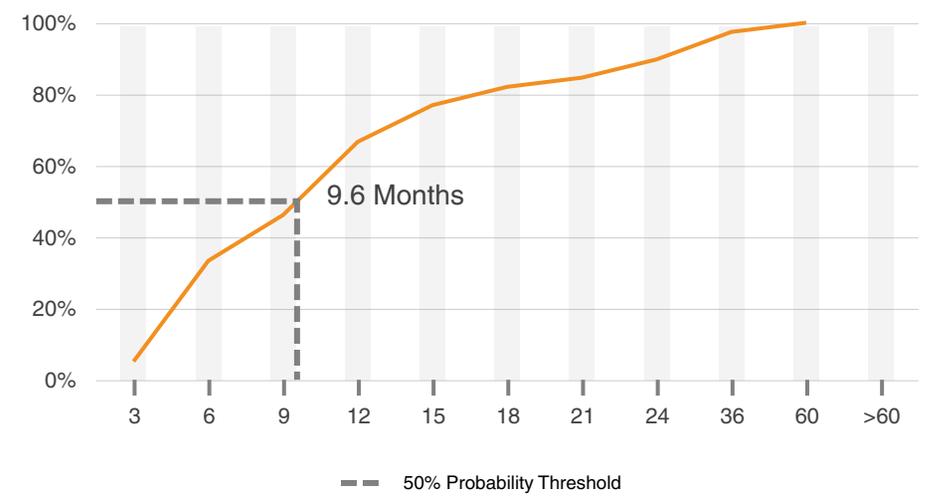
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

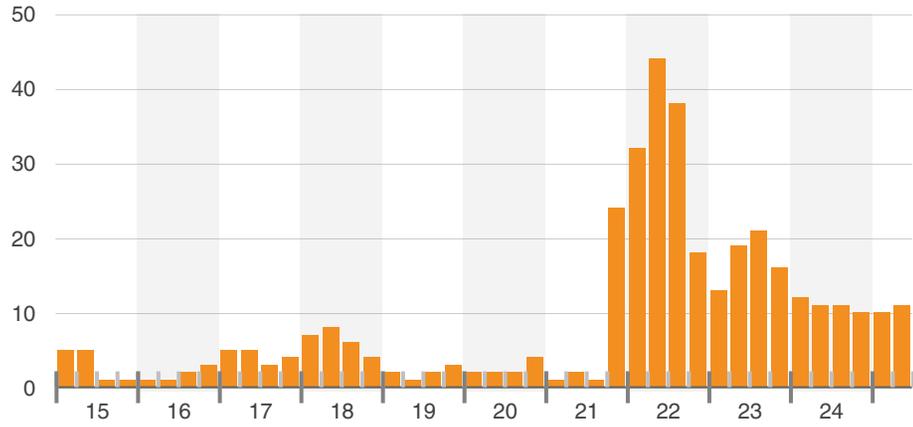


## Probability Of Selling In Months

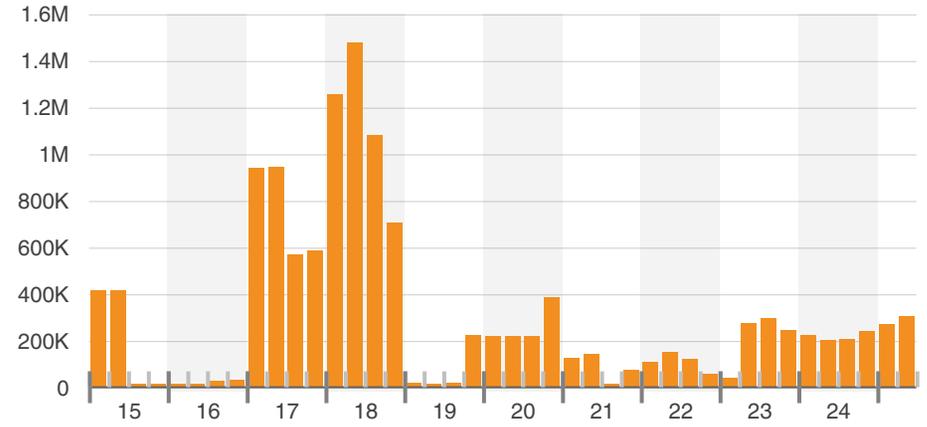


# Search Analytics

## For Sale Total Listings



## For Sale Total SF



## For Sale Asking Price Per SF

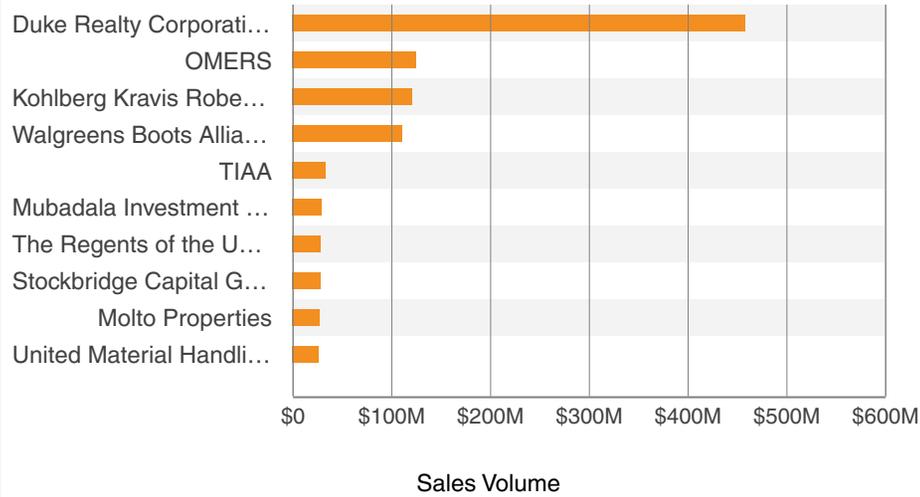


## Top Buyers

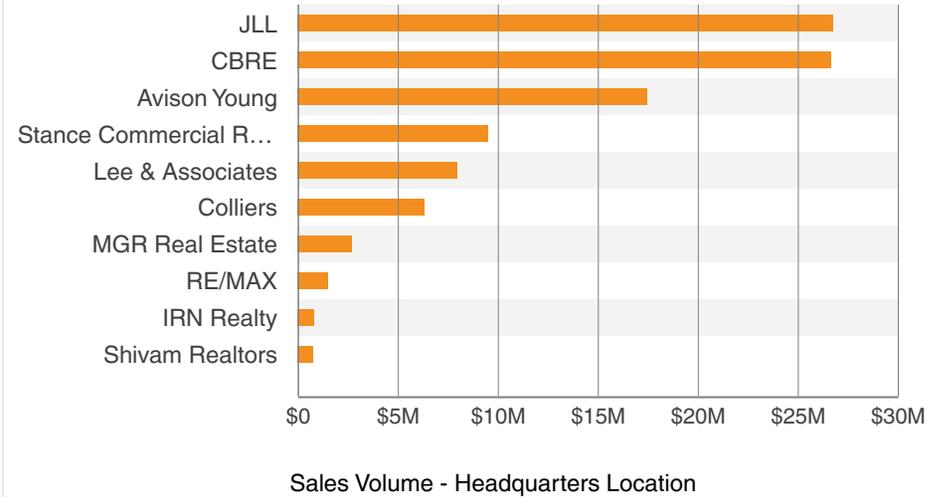


# Search Analytics

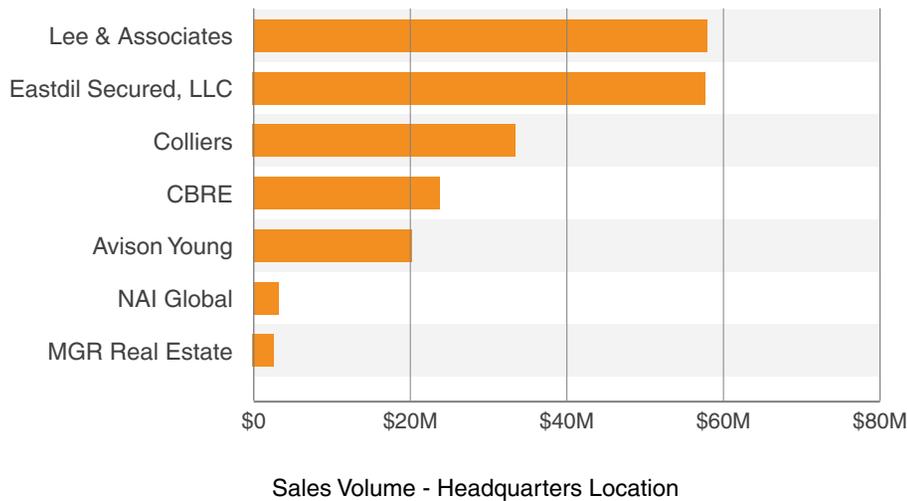
## Top Sellers



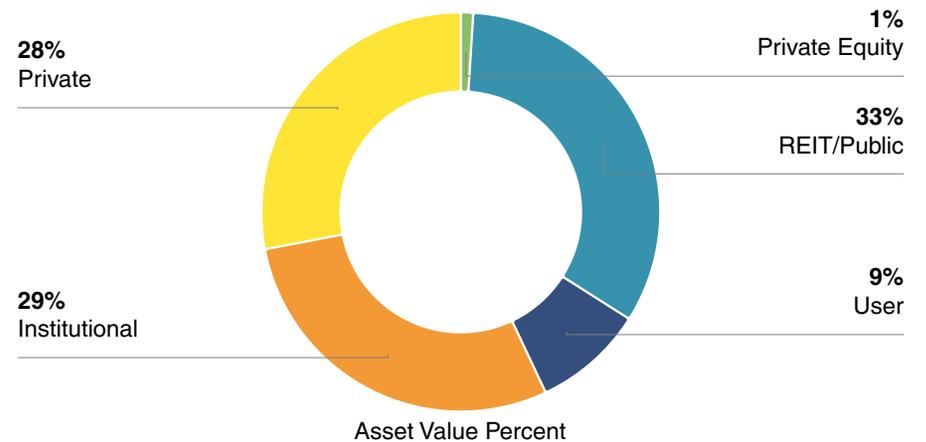
## Top Buyer Brokers



## Top Seller Brokers

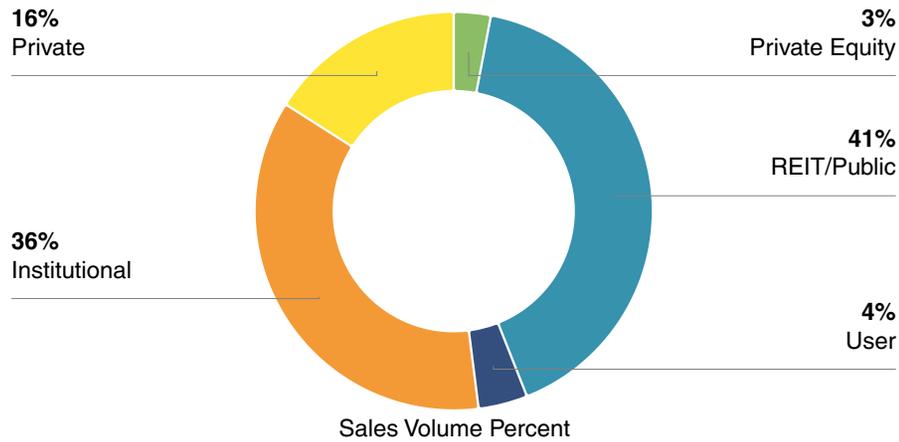


## Asset Value By Owner Type

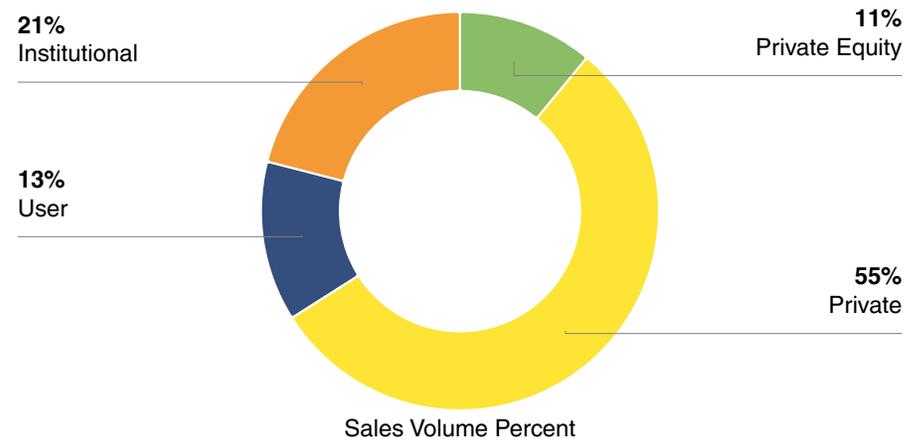


# Search Analytics

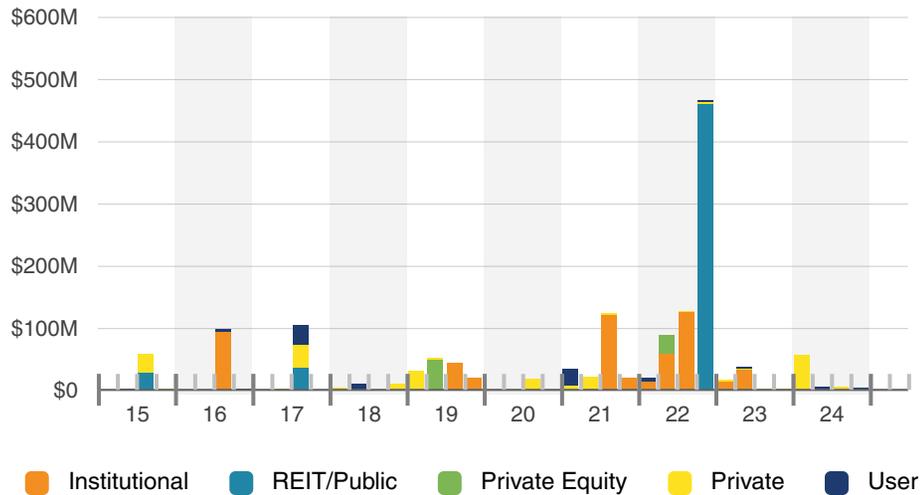
## Sales By Buyer Type



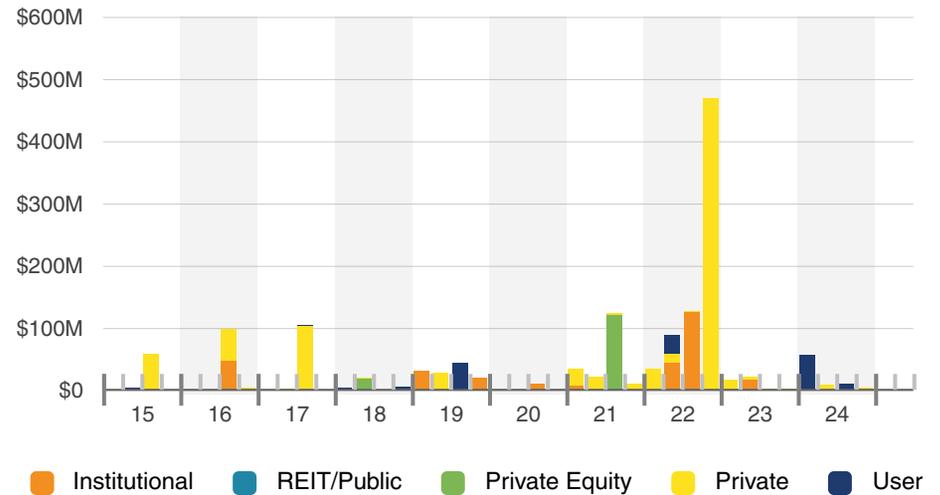
## Sales By Seller Type



## Sales Volume By Buyer Type

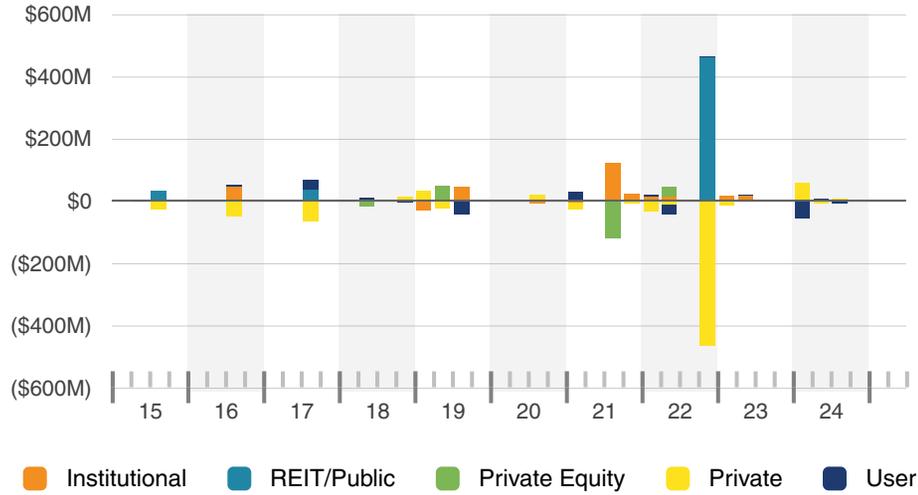


## Sales Volume By Seller Type

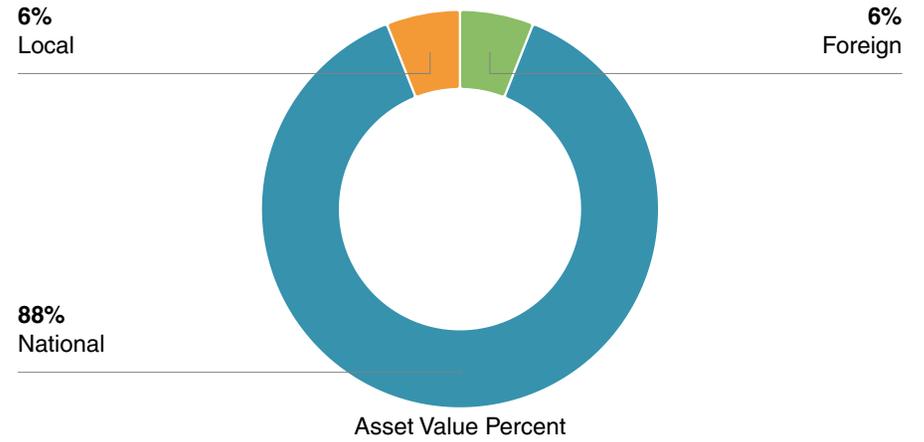


# Search Analytics

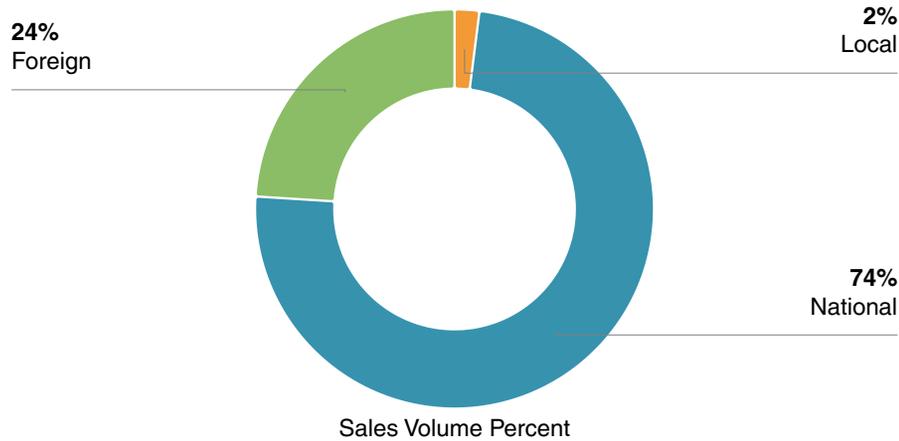
## Net Buying & Selling By Owner Type



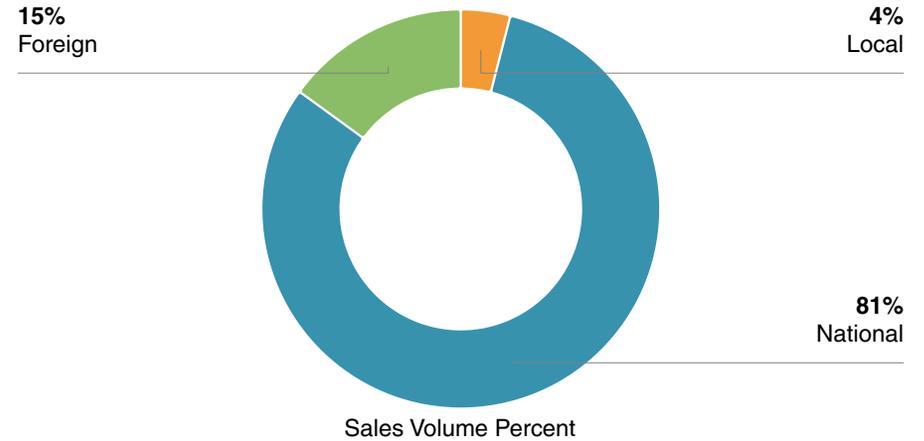
## Asset Value By Owner Origin



## Sales Volume By Buyer Origin

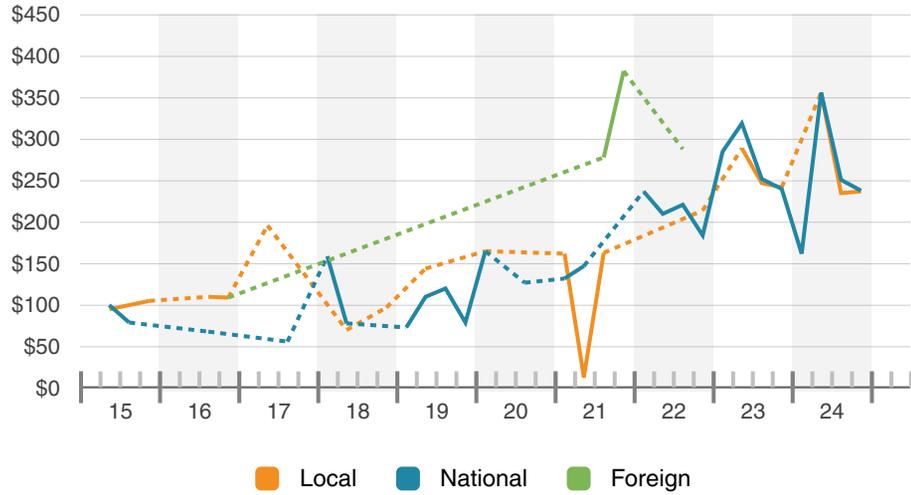


## Sales Volume By Seller Origin

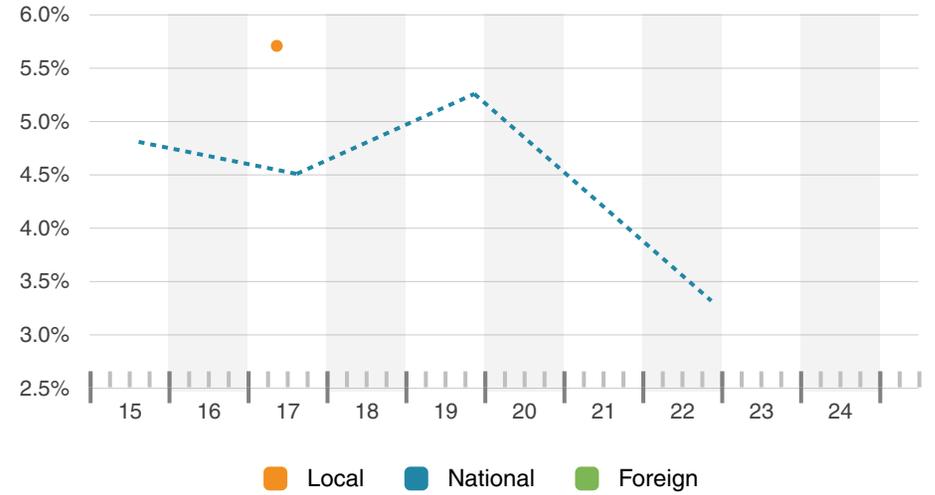


# Search Analytics

## Average Price Per SF By Buyer Origin



## Average Cap Rate By Buyer Origin



## Report Criteria

---

- 139 Properties / 31 Spaces
- City: Moreno Valley, CA
- Property Type: Industrial

## **EXHIBIT C – RETAIL MARKET**

# Search Analytics

INVENTORY SF

**8.2M** +0%

Prior Period 8.2M

UNDER CONSTRUCTION SF

**3.6K** -27.8%

Prior Period 5K

12 MO NET ABSORPTION SF

**(23.9K)** +66.6%

Prior Period (71.4K)

VACANCY RATE

**9.9%** +0.3%

Prior Period 9.6%

MARKET ASKING RENT/SF

**\$2.18** +2.5%

Prior Period \$2.13

MARKET SALE PRICE/SF

**\$282** +1.6%

Prior Period \$277

MARKET CAP RATE

**6.3%** +0.1%

Prior Period 6.2%

## Key Metrics

Availability	
Vacant SF	817K ↓
Sublet SF	4.5K ↑
Availability Rate	9.8% ↑
Available SF Total	809K ↑
Available Asking Rent/SF	\$1.75 ↑
Occupancy Rate	90.1% ↑
Percent Leased Rate	91.0% ↑

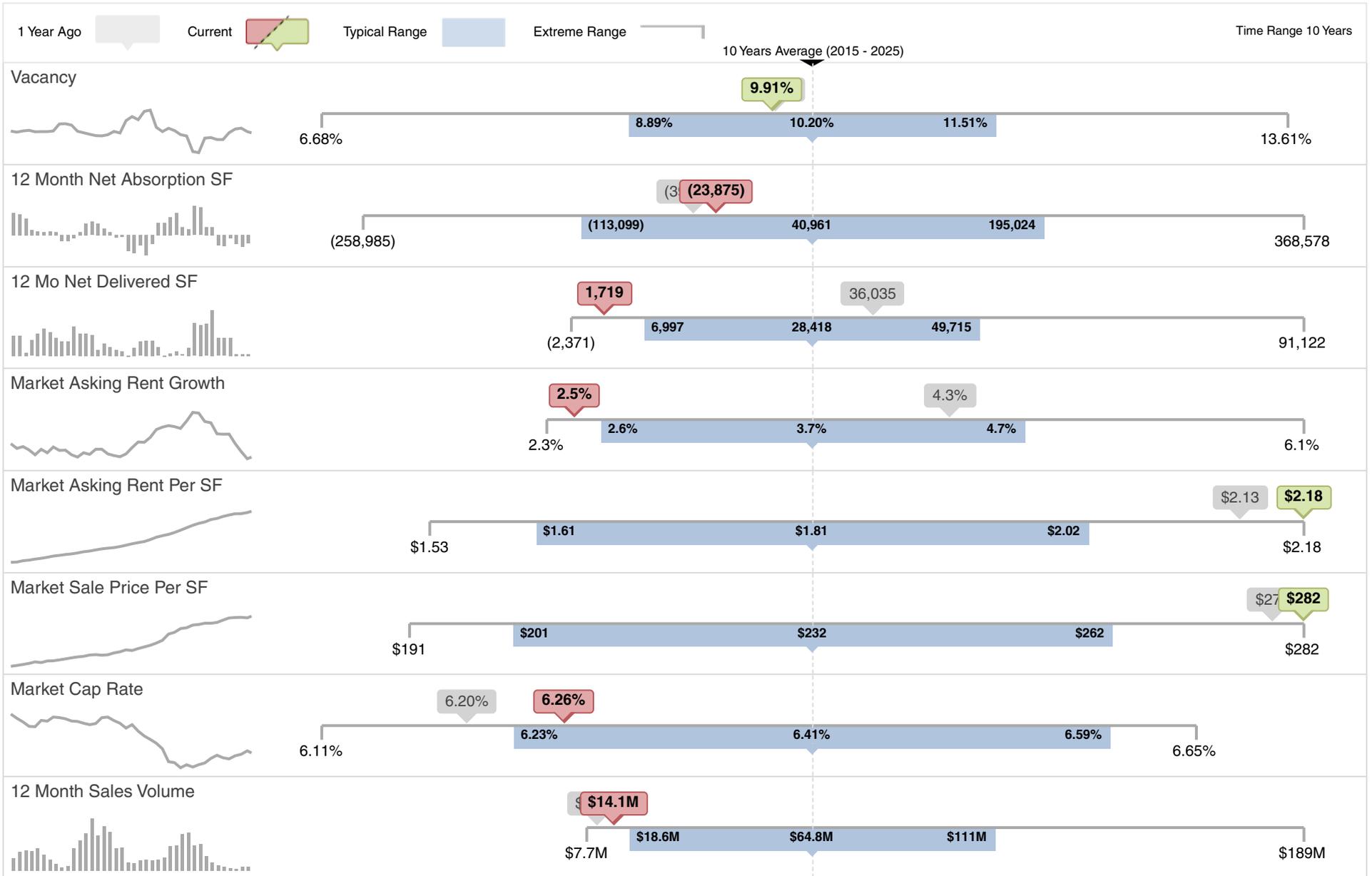
Inventory	
Existing Buildings	536 ↑
Under Construction Avg SF	3.6K ↑
12 Mo Demolished SF	714 ↓
12 Mo Occupancy % at Delivery	100.0% ↓
12 Mo Construction Starts SF	1.1K ↓
12 Mo Delivered SF	2.4K ↓
12 Mo Avg Delivered SF	1.9K ↓

Sales Past Year	
Asking Price Per SF	\$337 ↑
Sale to Asking Price Differential	-5.8% ↑
Sales Volume	\$13.8M ↑
Properties Sold	26 ↑
Months to Sale	5.4 ↓
For Sale Listings	18 ↑
Total For Sale SF	217K ↑

Demand	
12 Mo Net Absorp % of Inventory	-0.3% ↑
12 Mo Leased SF	181K ↑
Months on Market	9.9 ↓
Months to Lease	14.2 ↑
Months Vacant	23.7 ↑
24 Mo Lease Renewal Rate	54.9%
Population Growth 5 Yrs	5.0%

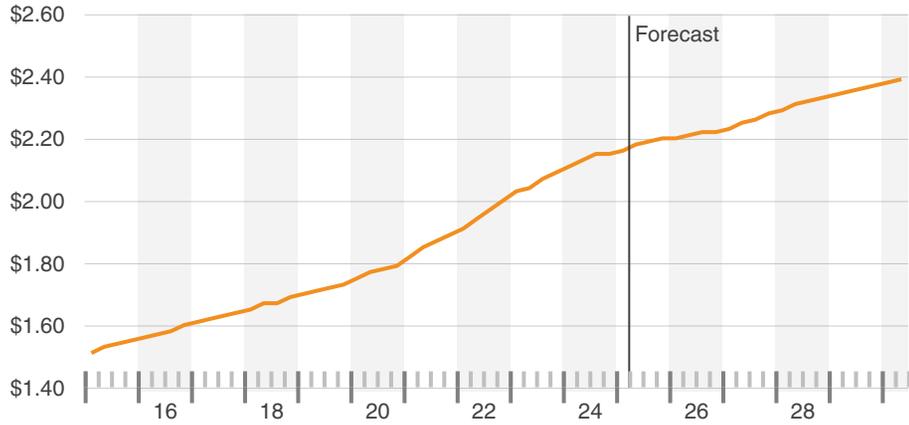
# Search Analytics

## Key Performance Indicators



# Search Analytics

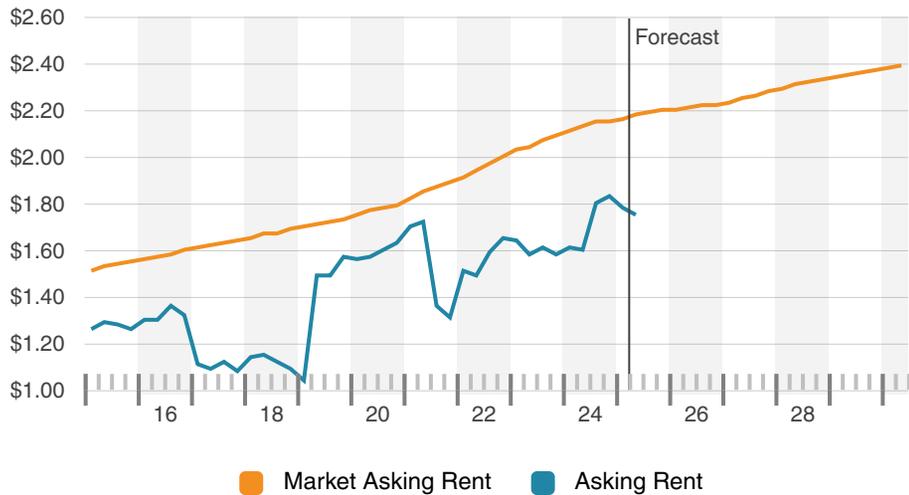
## Market Asking Rent Per SF



## Market Asking Rent Growth (YOY)



## Market Asking Rent & Asking Rent Per SF

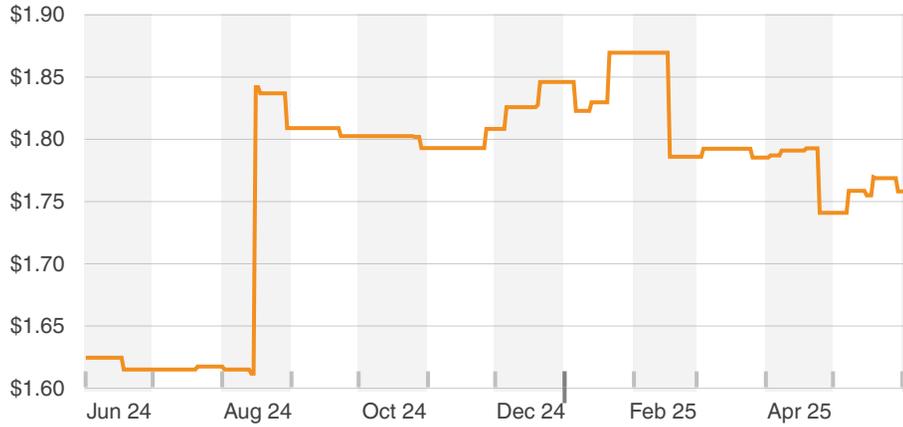


## Asking Rent Per SF

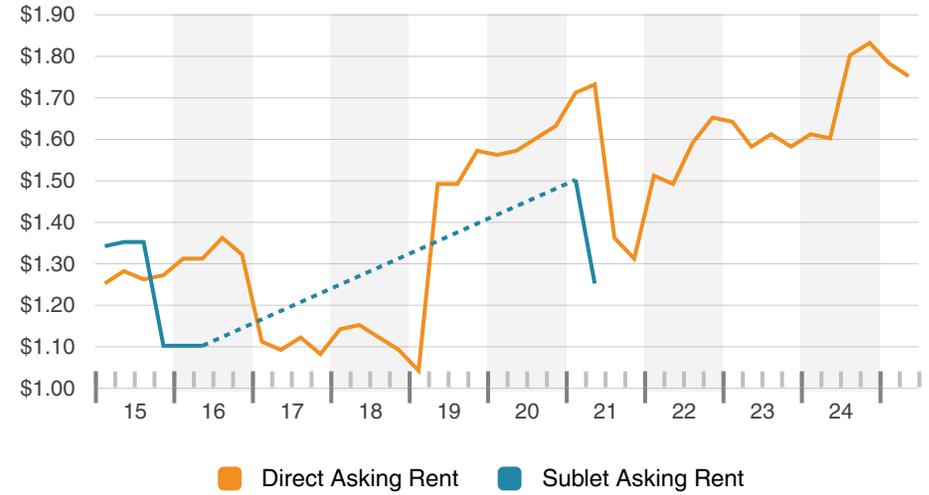


# Search Analytics

## Daily Asking Rent Per SF



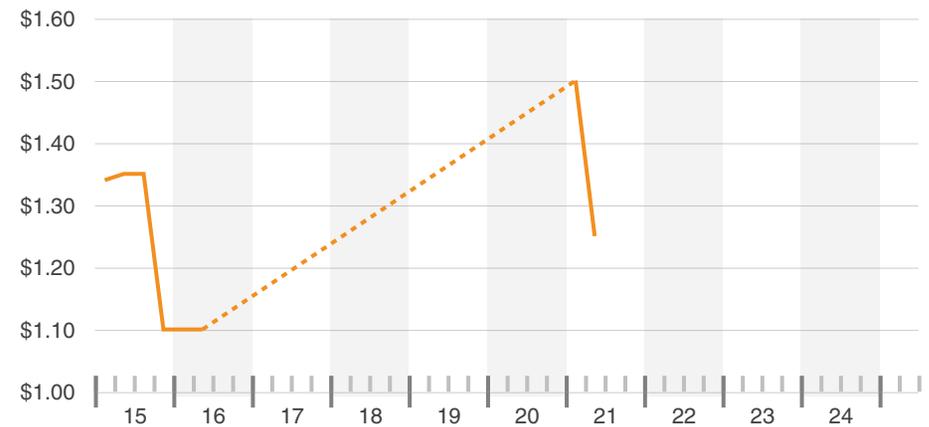
## Direct & Sublet Rent Per SF



## Direct Rent Per SF

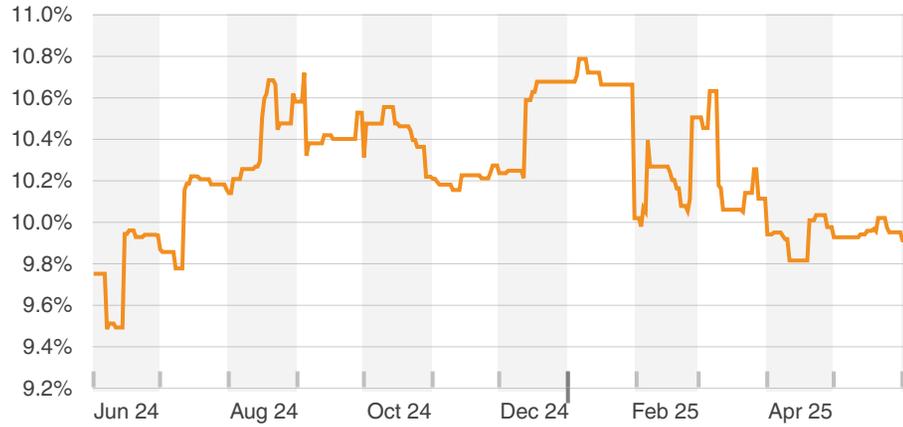


## Sublet Rent Per SF

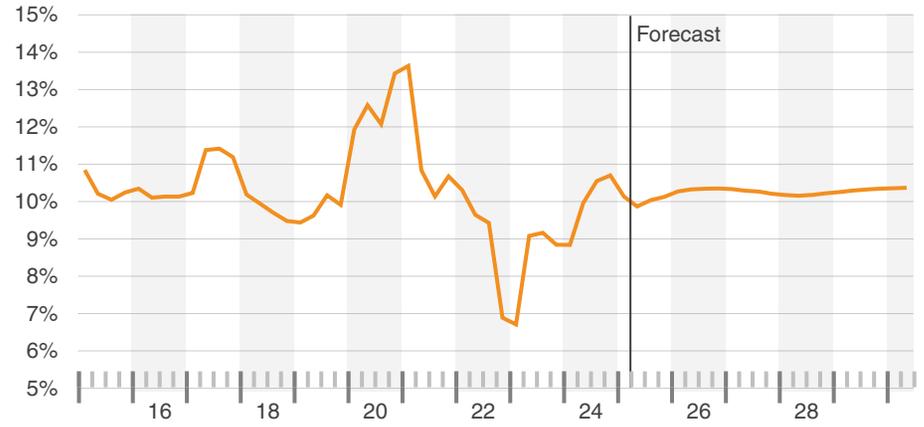


# Search Analytics

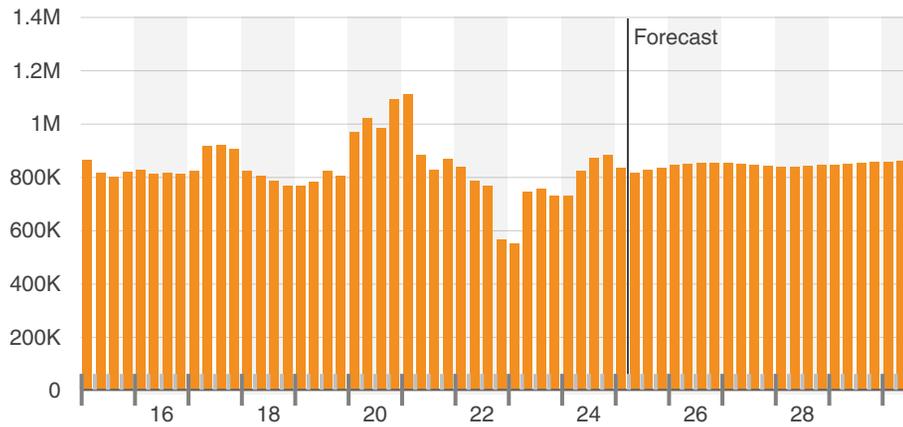
### Daily Vacancy Rate



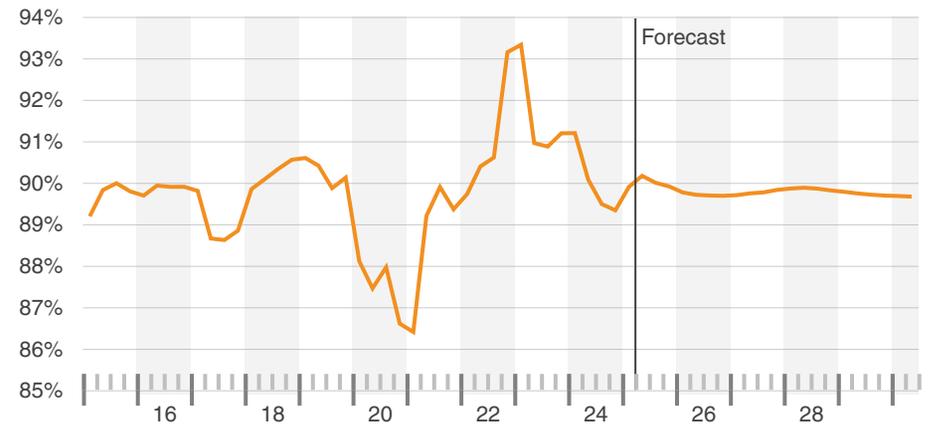
### Vacancy Rate



### Vacant SF



### Occupancy Rate



# Search Analytics

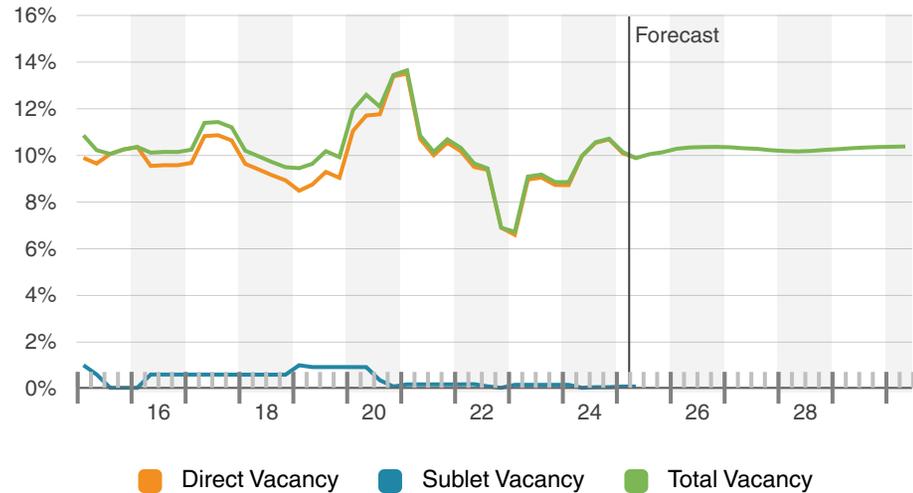
## Sublet Vacancy Rate



## Direct Vacancy Rate



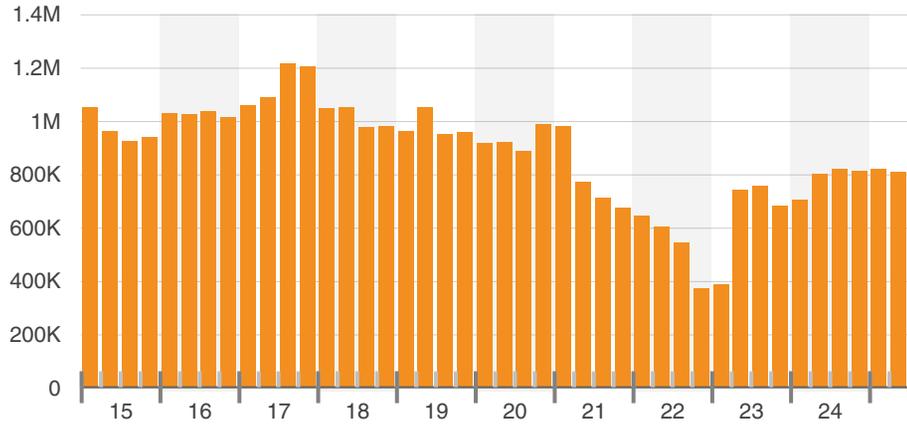
## Direct, Sublet & Total Vacancy Rate



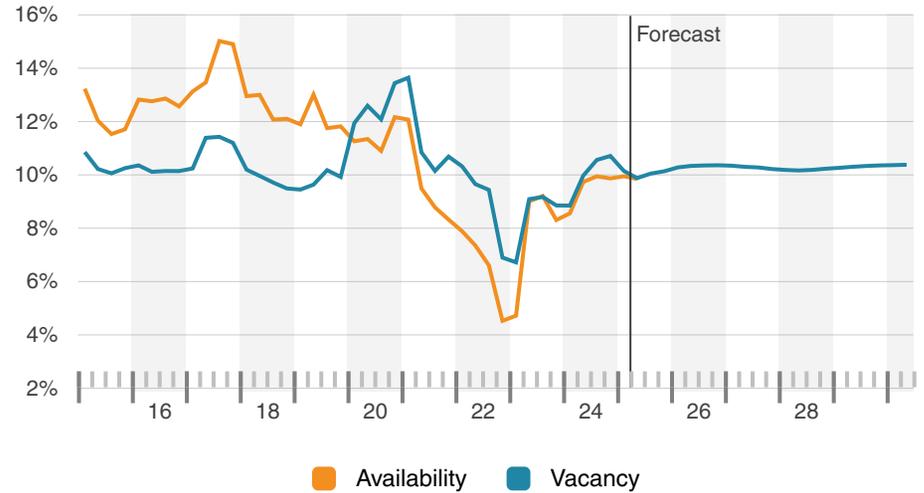
## Availability Rate



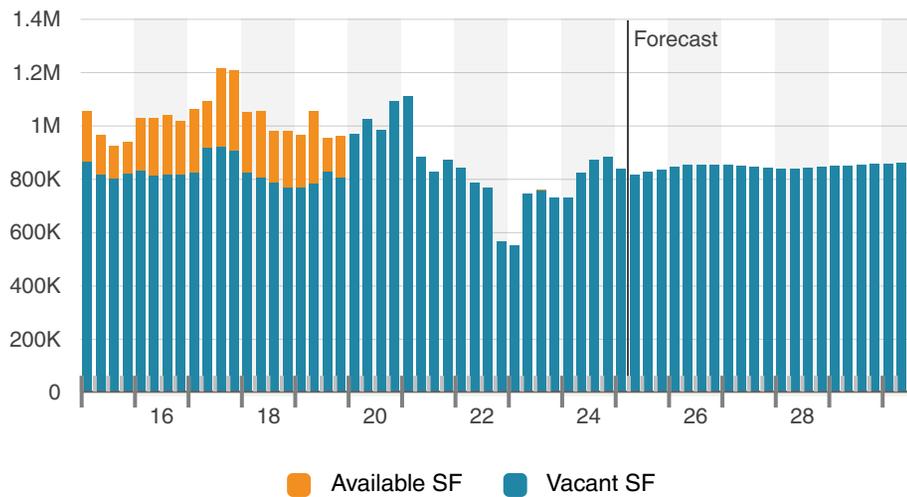
## Available SF



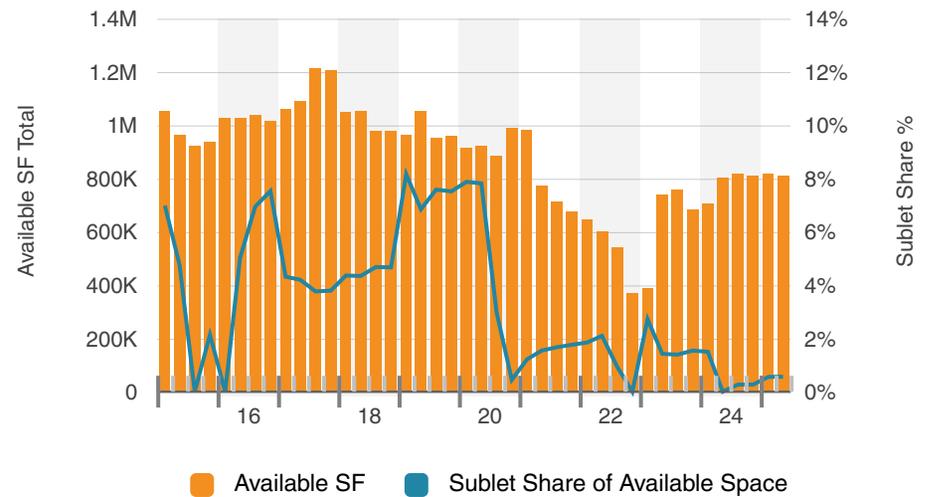
## Availability & Vacancy Rate



## Available & Vacant SF

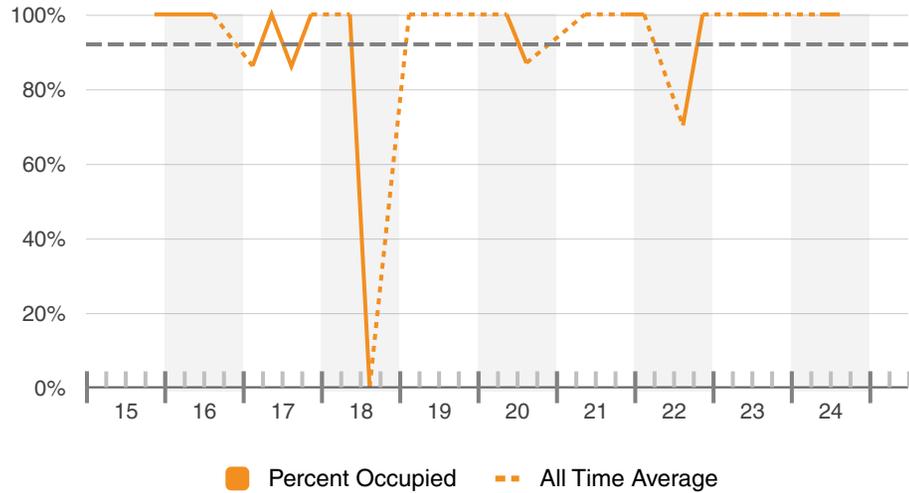


## Available SF Total & Sublet Share %

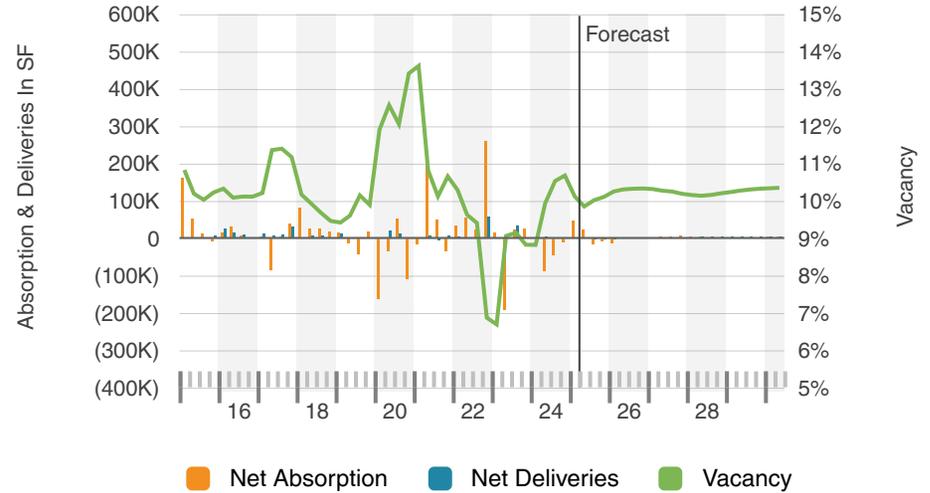


# Search Analytics

## Occupancy At Delivery



## Net Absorption, Net Deliveries & Vacancy



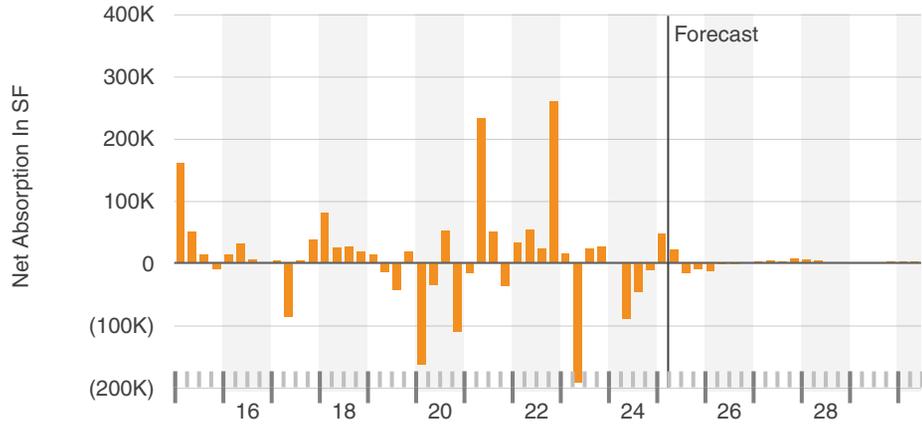
## Vacancy & Market Asking Rent Per SF



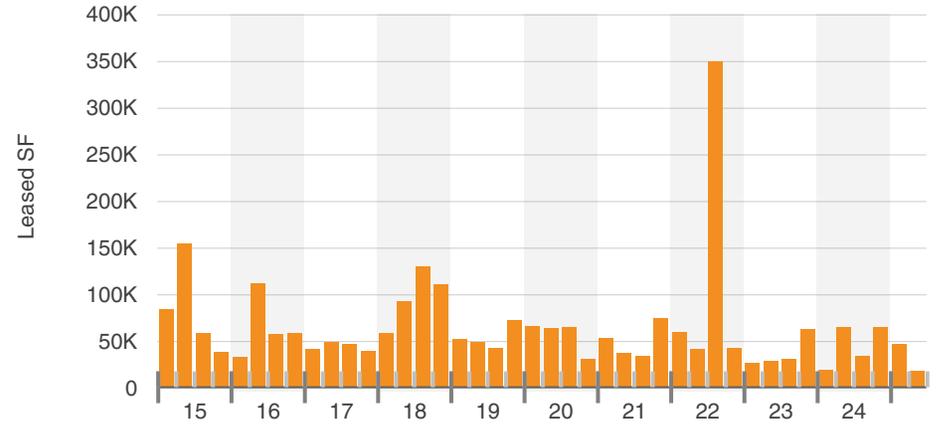
## Occupancy & Market Asking Rent Per SF



## Net Absorption



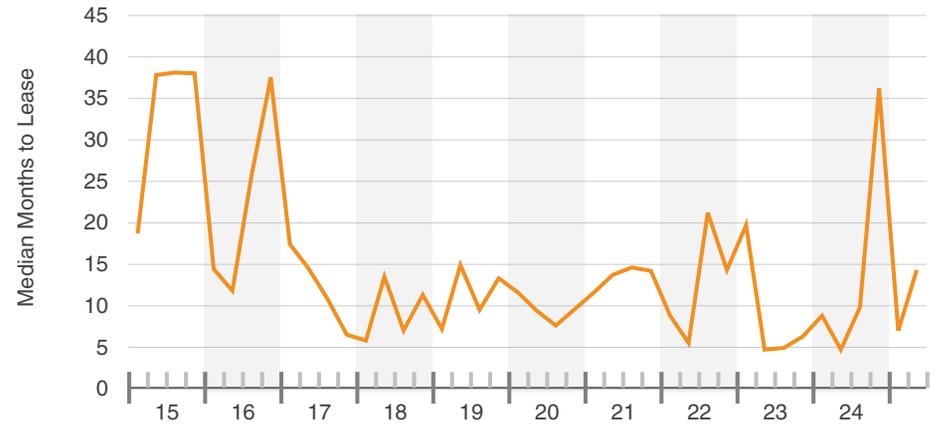
## Leasing Activity



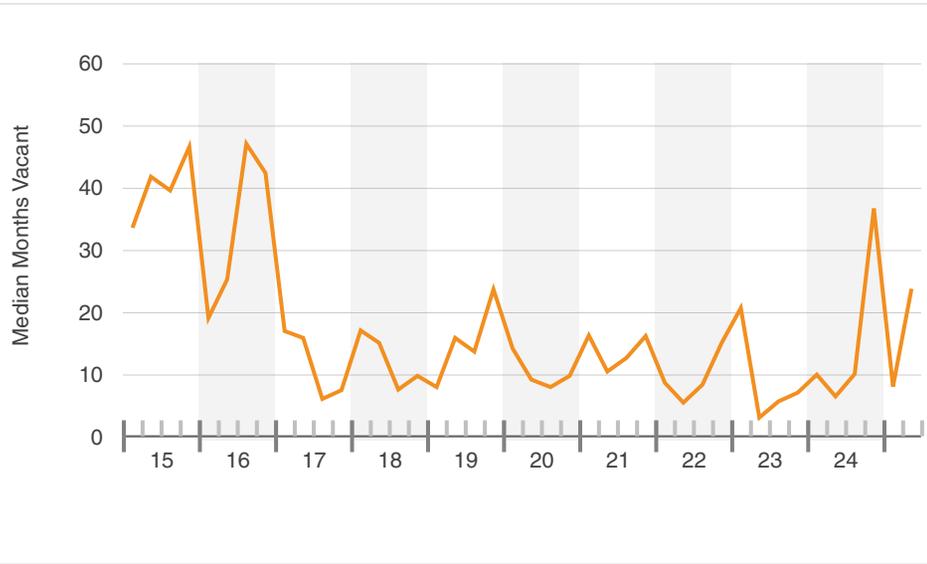
## Months On Market



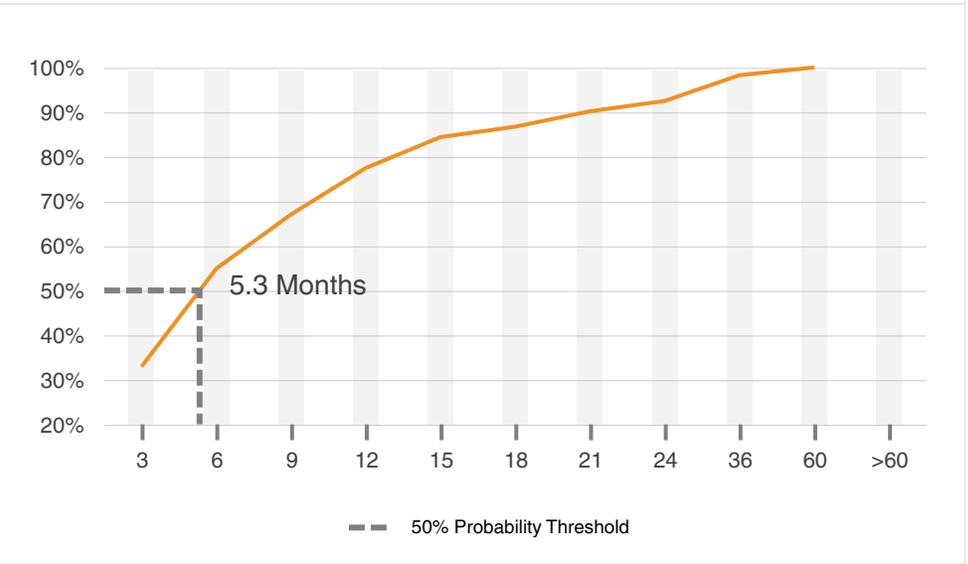
## Months To Lease



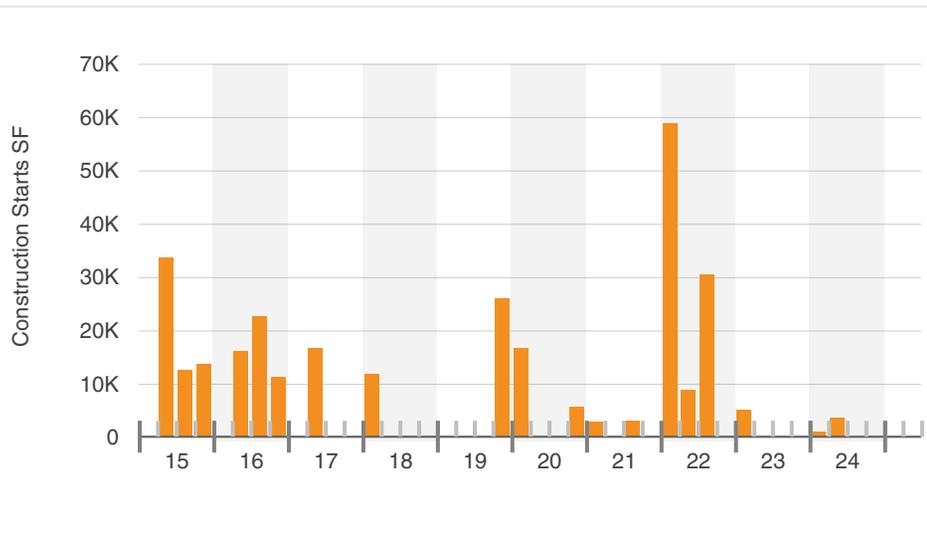
## Months Vacant



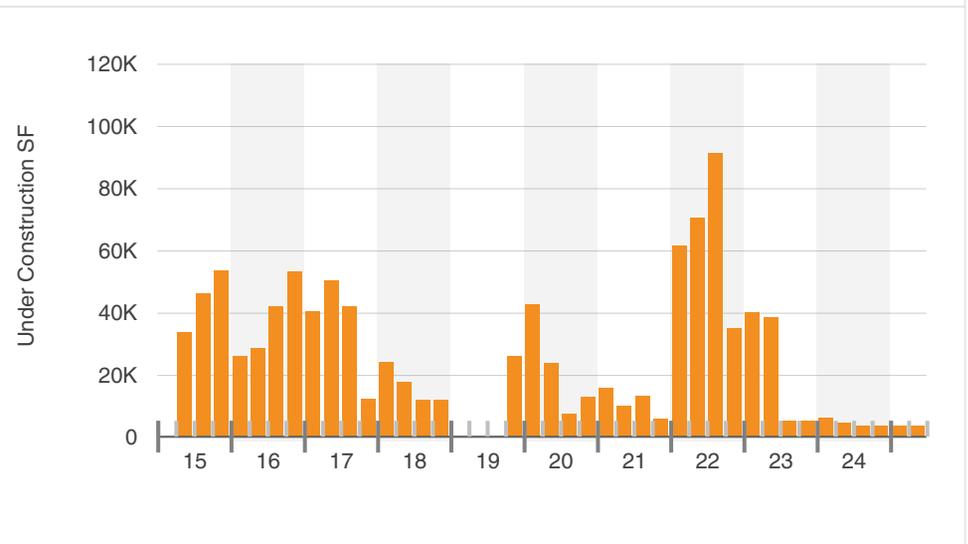
## Probability Of Leasing In Months



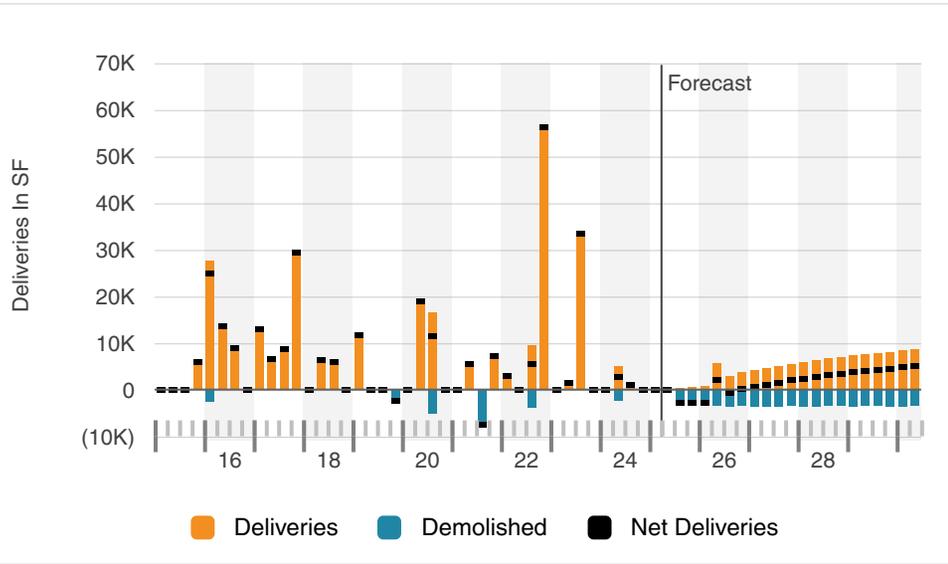
## Construction Starts



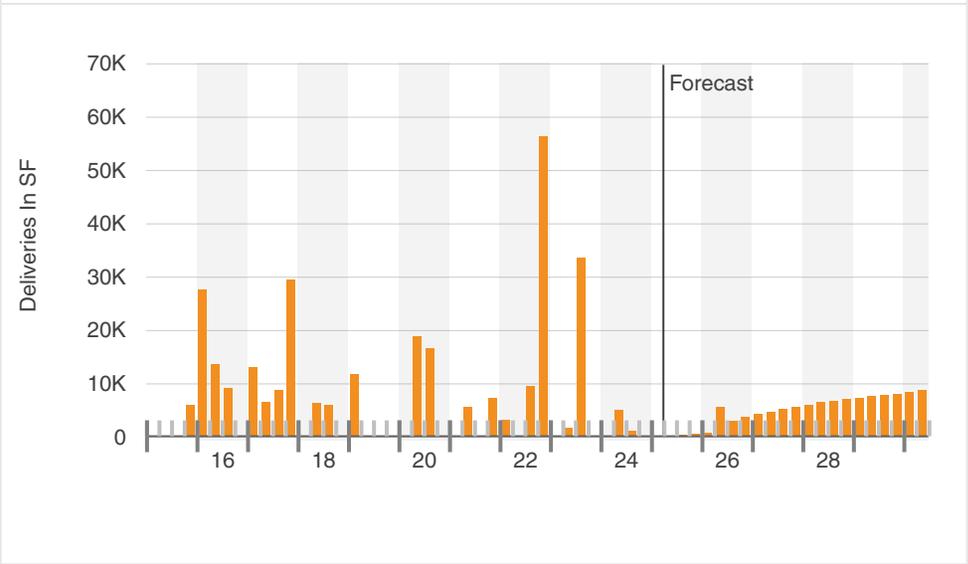
## Under Construction



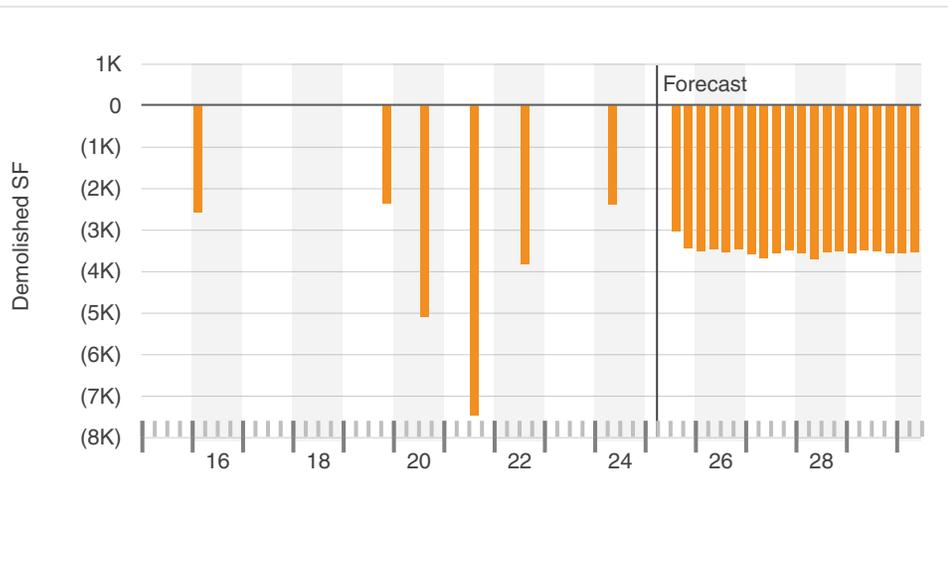
## Deliveries & Demolitions



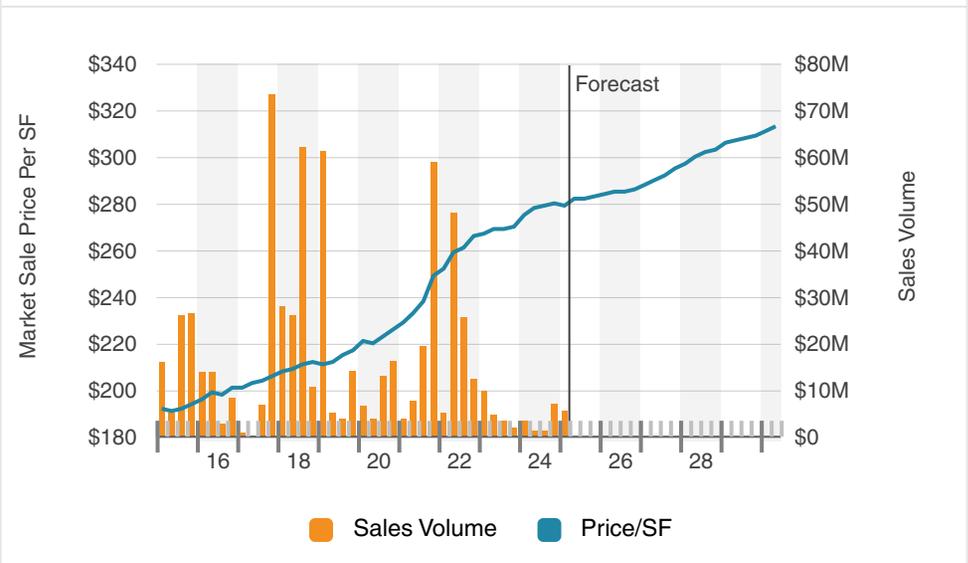
## Deliveries



## Demolitions

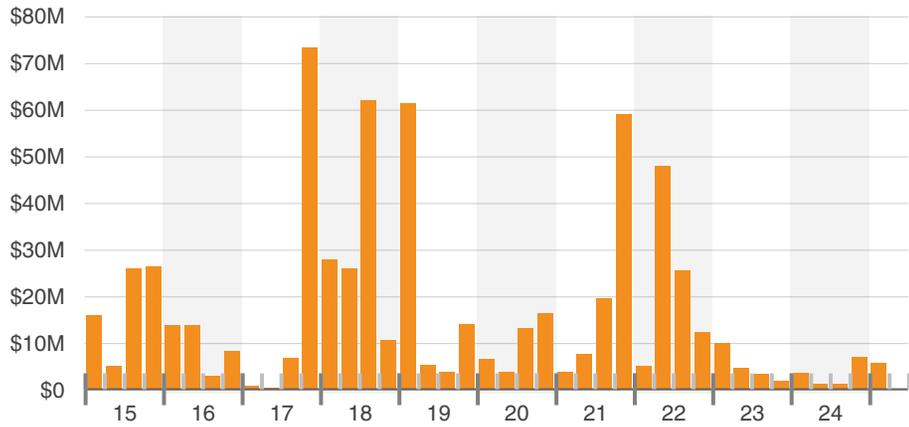


## Sales Volume & Market Sale Price Per SF

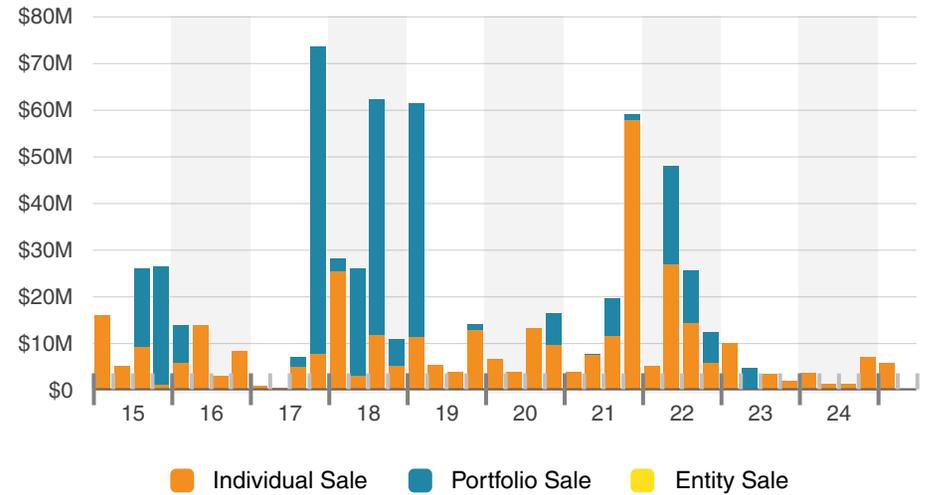


# Search Analytics

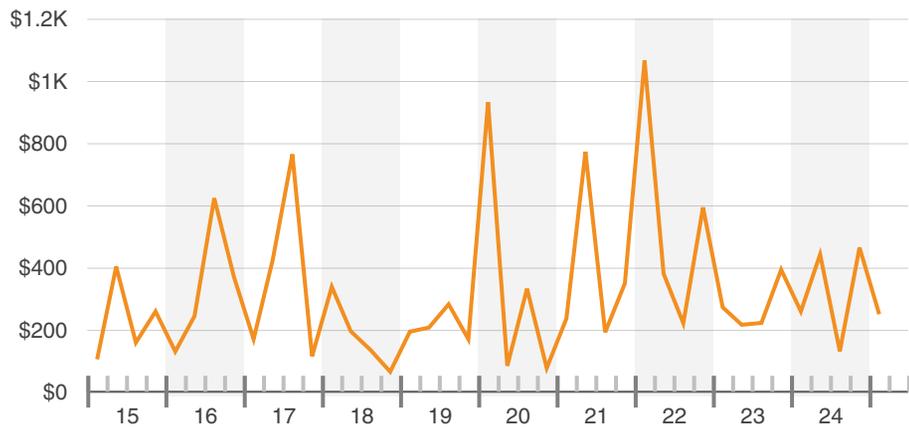
## Sales Volume



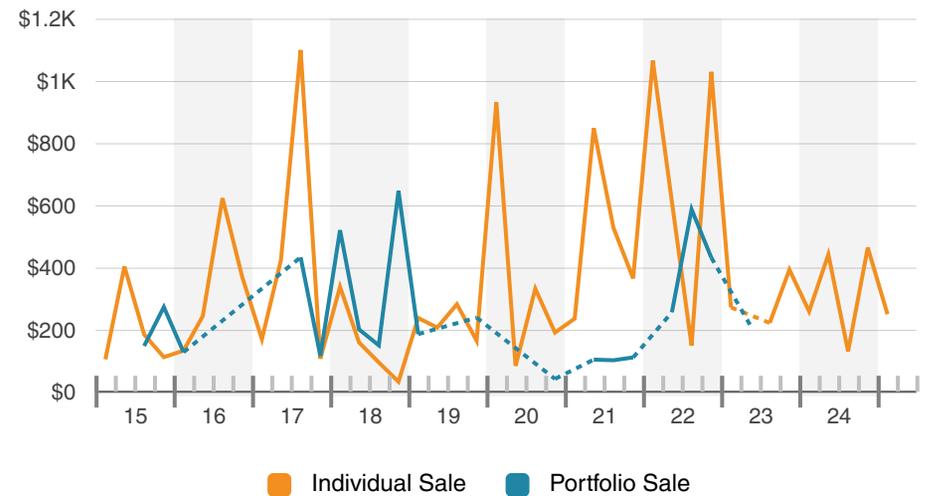
## Sales Volume By Transaction Type



## Sale Price Per SF

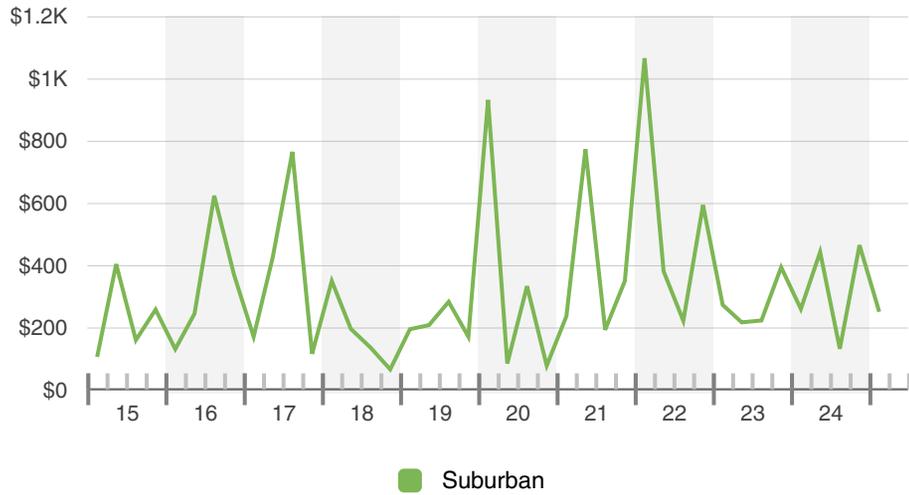


## Sale Price Per SF By Transaction Type

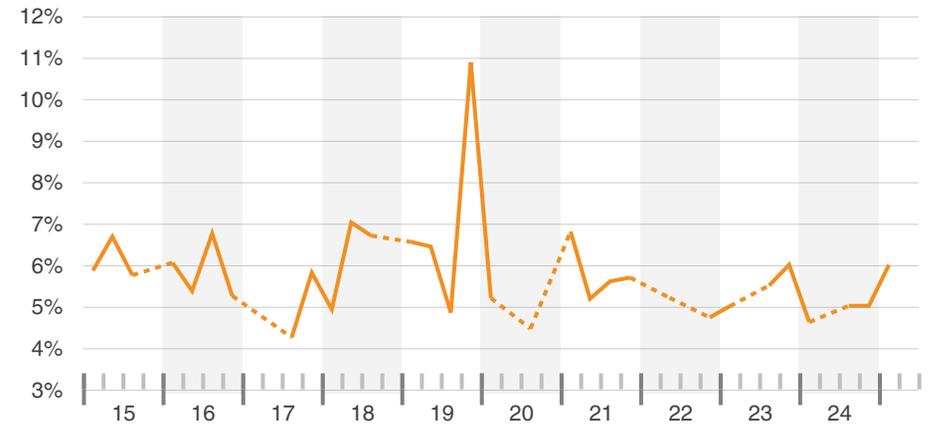


# Search Analytics

## Sale Price Per SF By Location Type



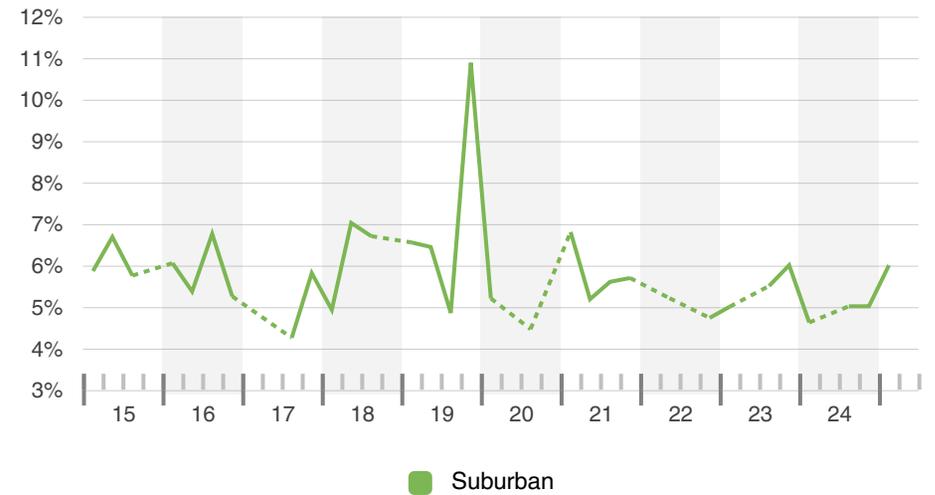
## Cap Rate



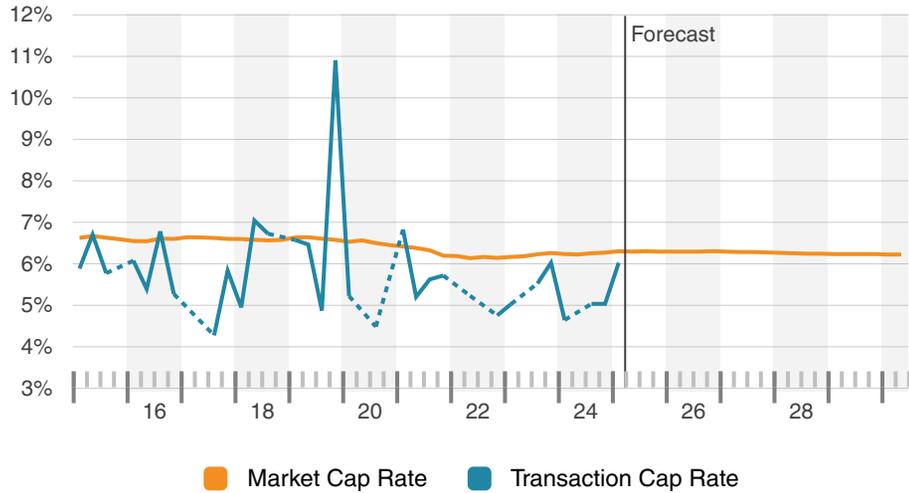
## Cap Rate By Transaction Type



## Cap Rate By Location Type



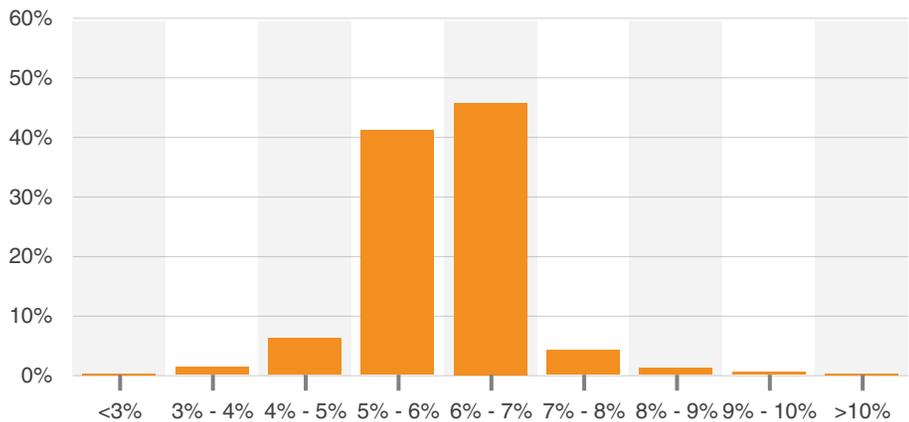
## Market Cap Rate & Transaction Cap Rate



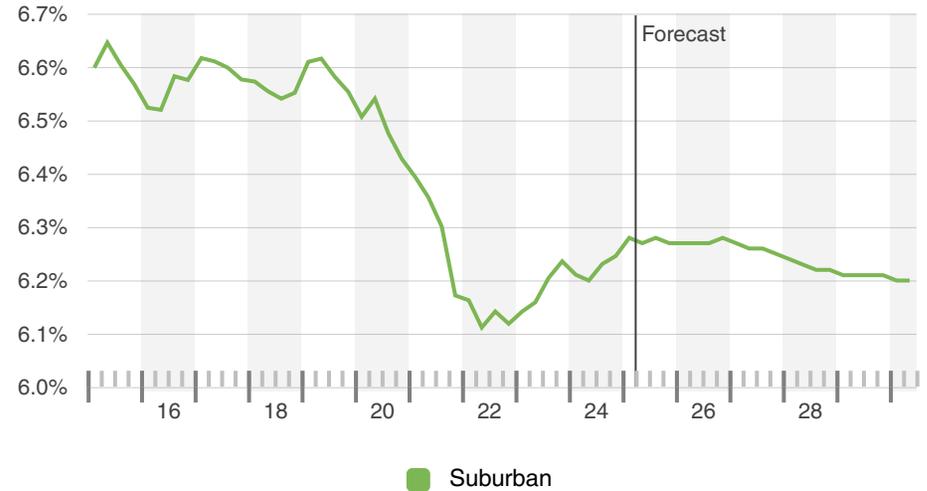
## Market Cap Rate



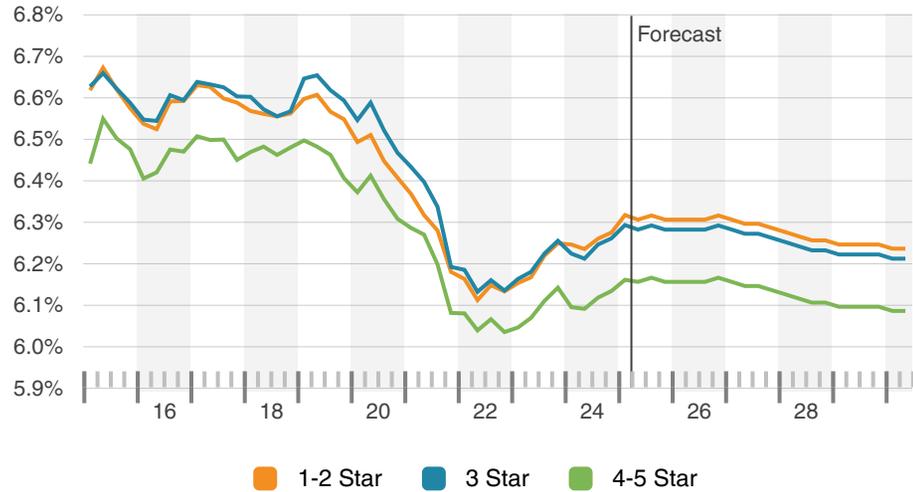
## Market Cap Rate Distribution



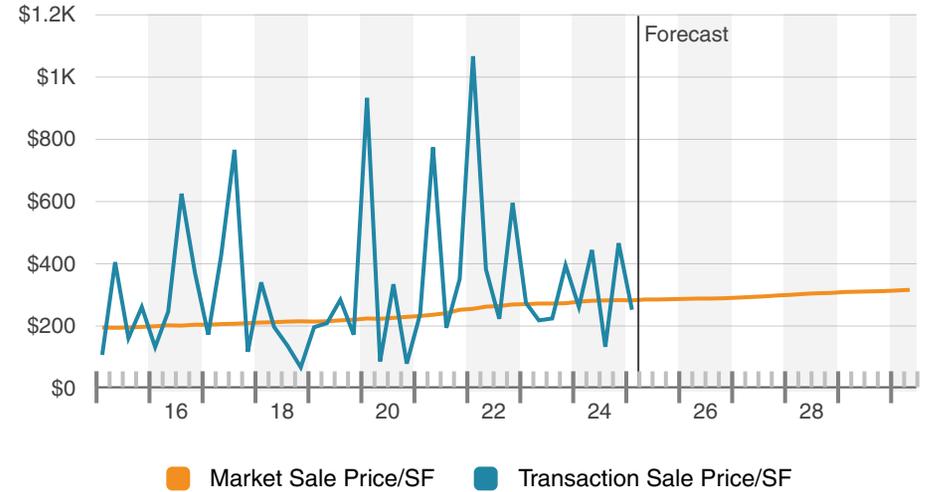
## Market Cap Rate By Location Type



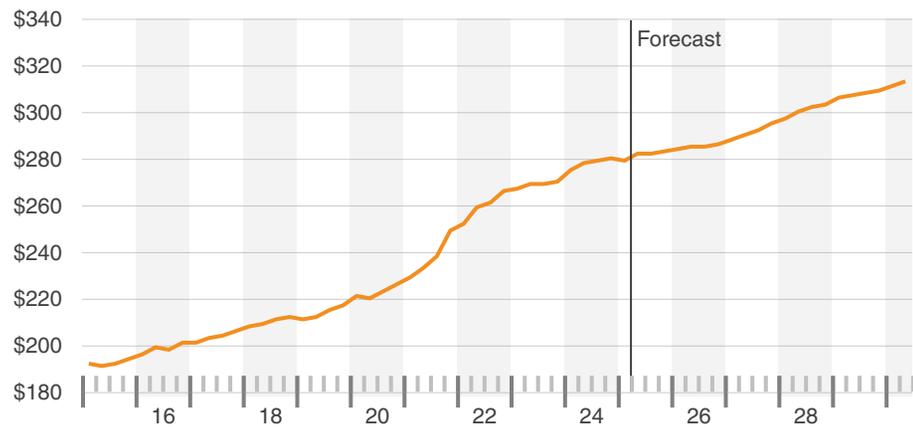
## Market Cap Rate By Star Rating



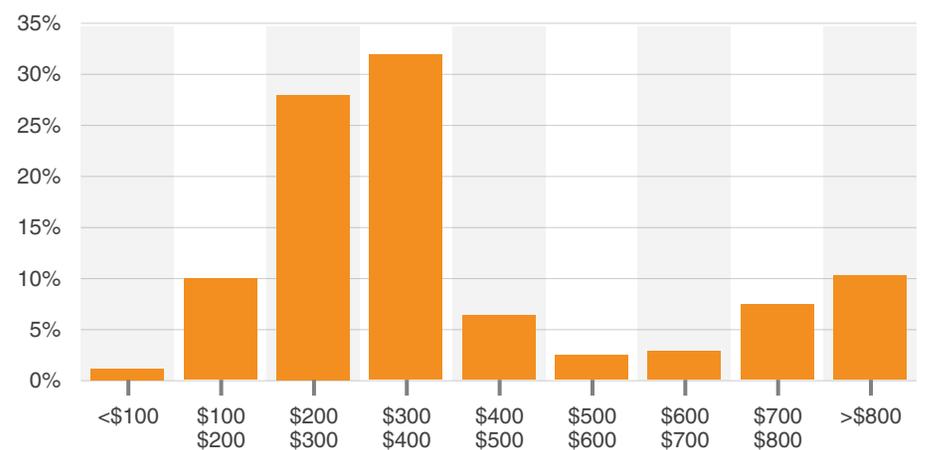
## Market Sale Price & Transaction Sale Price Per SF



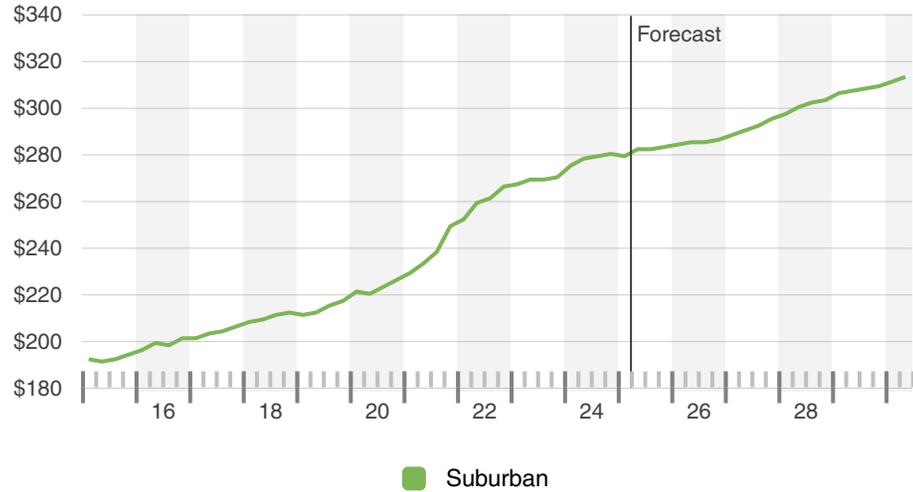
## Market Sale Price Per SF



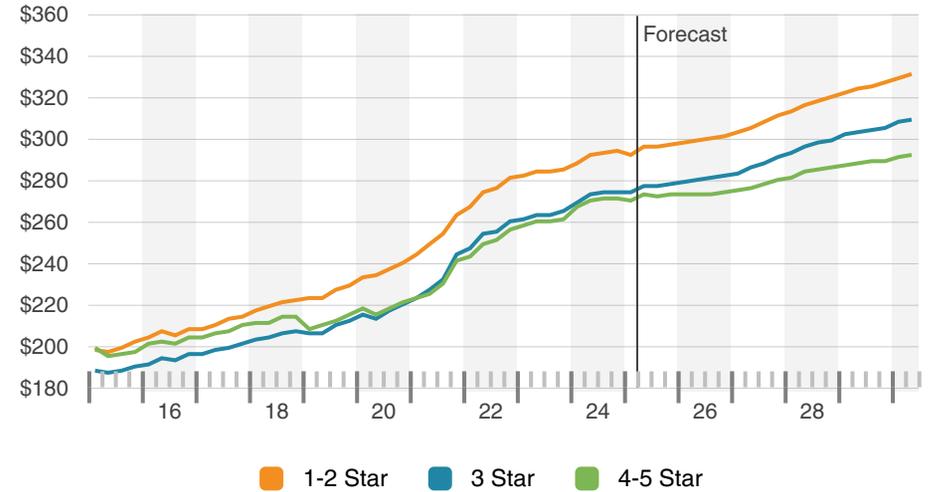
## Market Sale Price Per SF Distribution



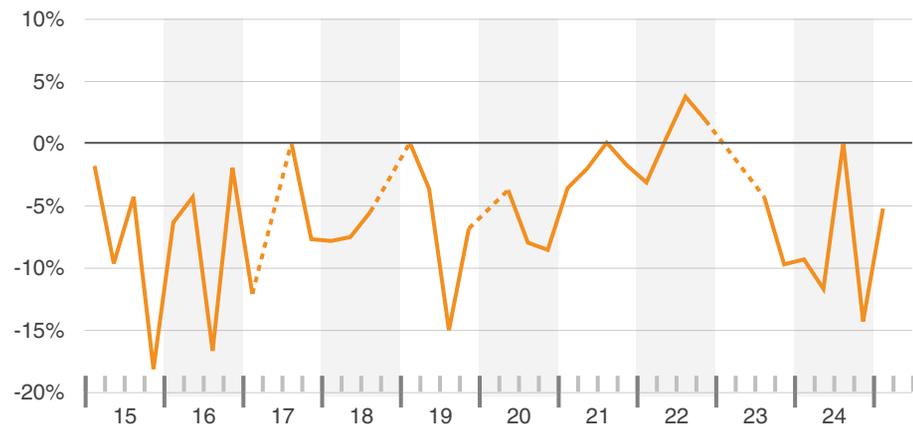
## Market Sale Price Per SF By Location Type



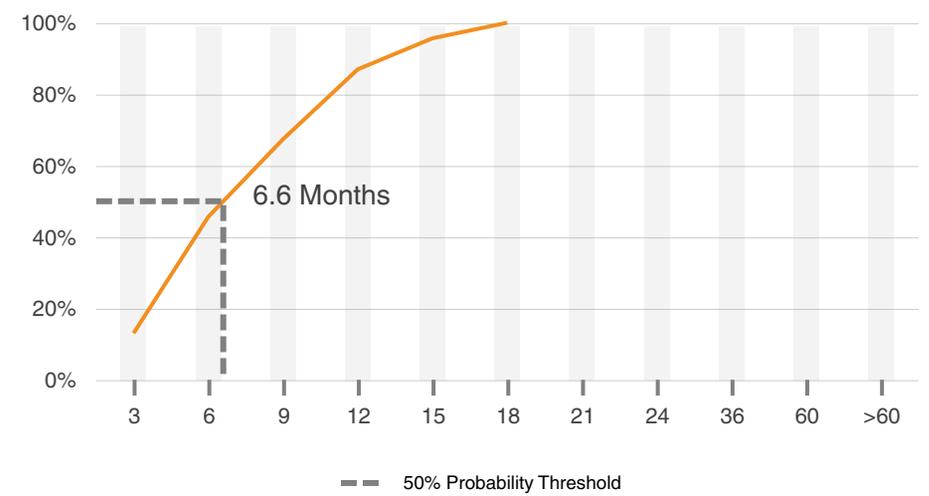
## Market Sale Price Per SF By Star Rating



## Sale To Asking Price Differential

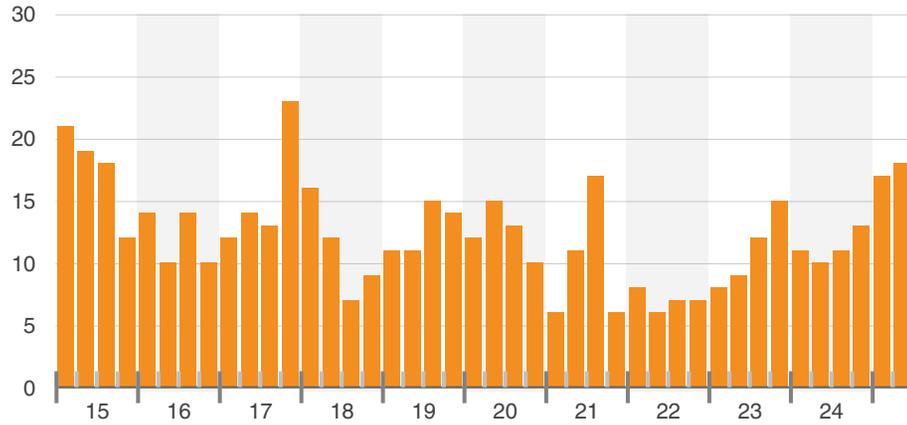


## Probability Of Selling In Months

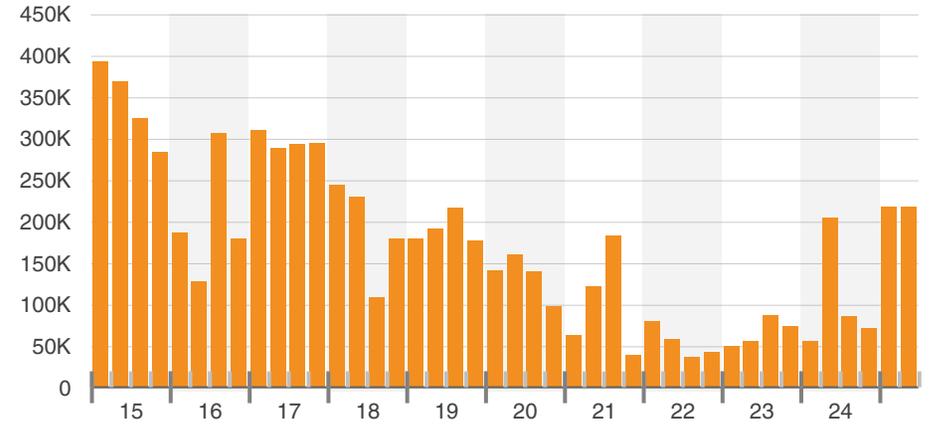


# Search Analytics

## For Sale Total Listings



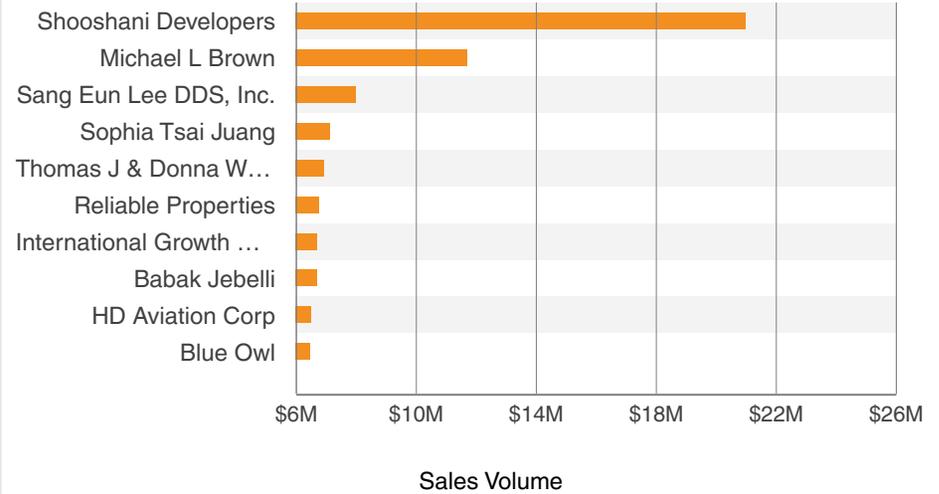
## For Sale Total SF



## For Sale Asking Price Per SF

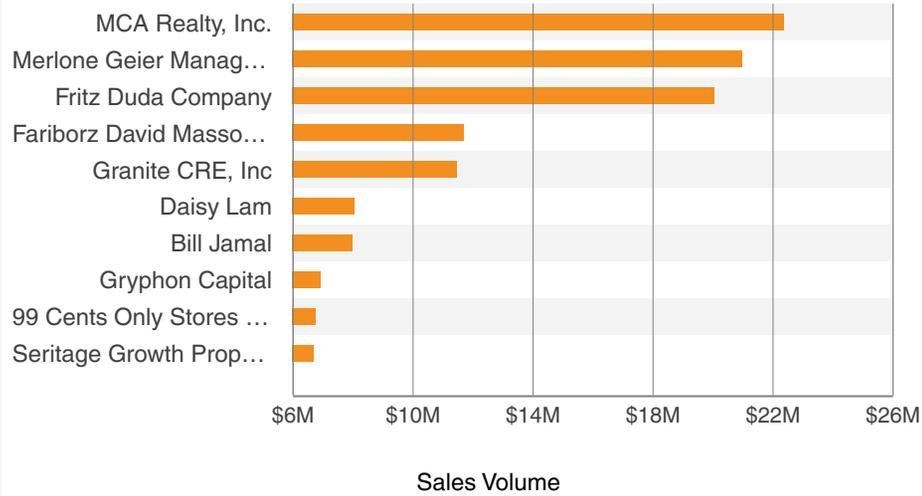


## Top Buyers



# Search Analytics

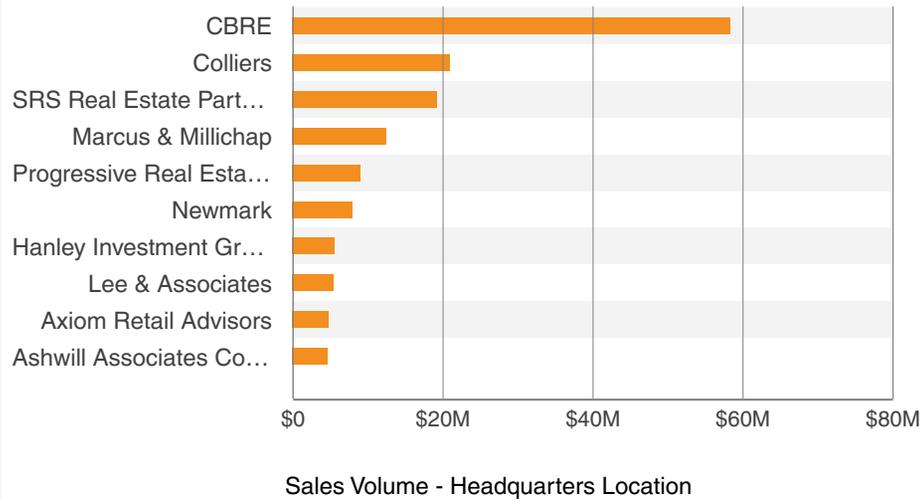
## Top Sellers



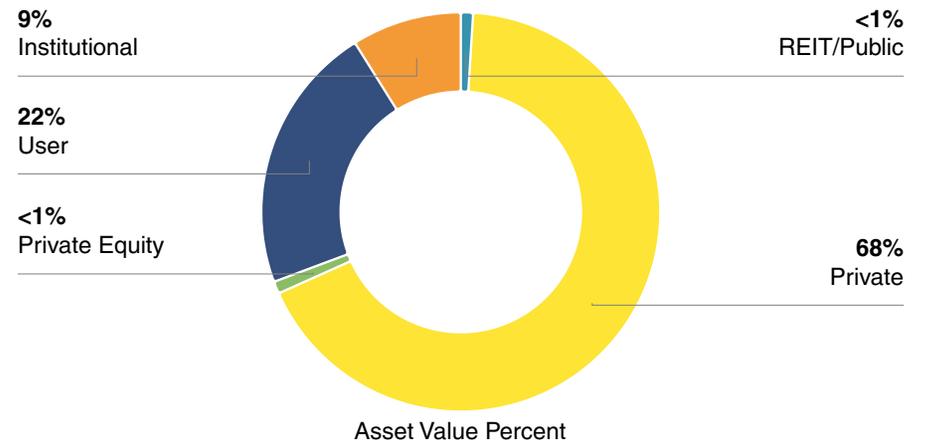
## Top Buyer Brokers



## Top Seller Brokers

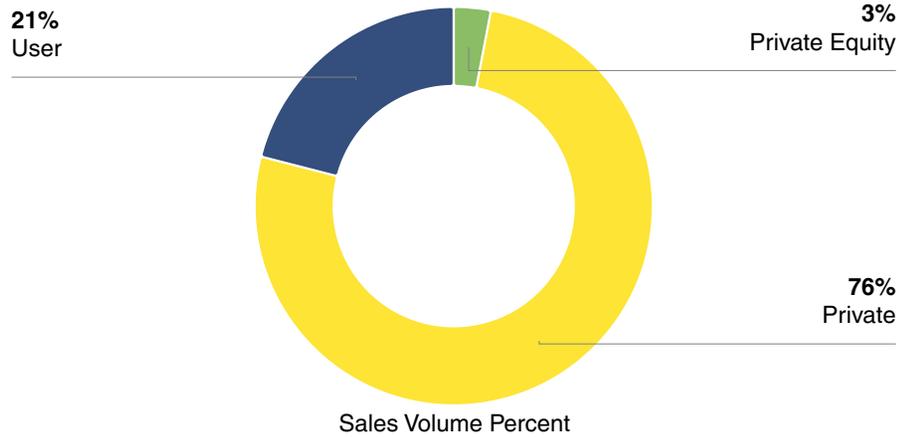


## Asset Value By Owner Type

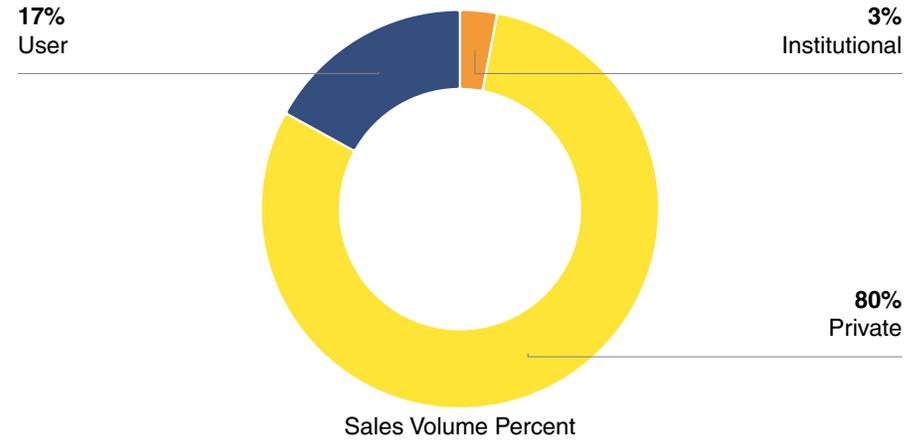


# Search Analytics

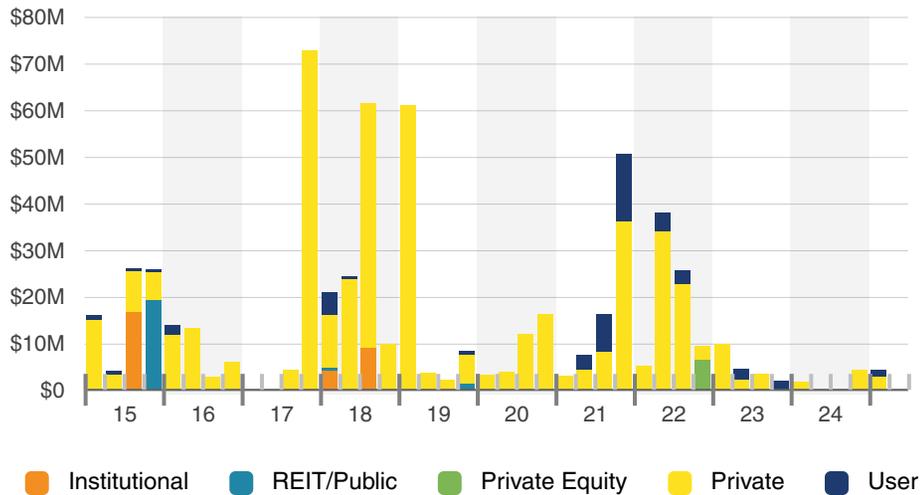
## Sales By Buyer Type



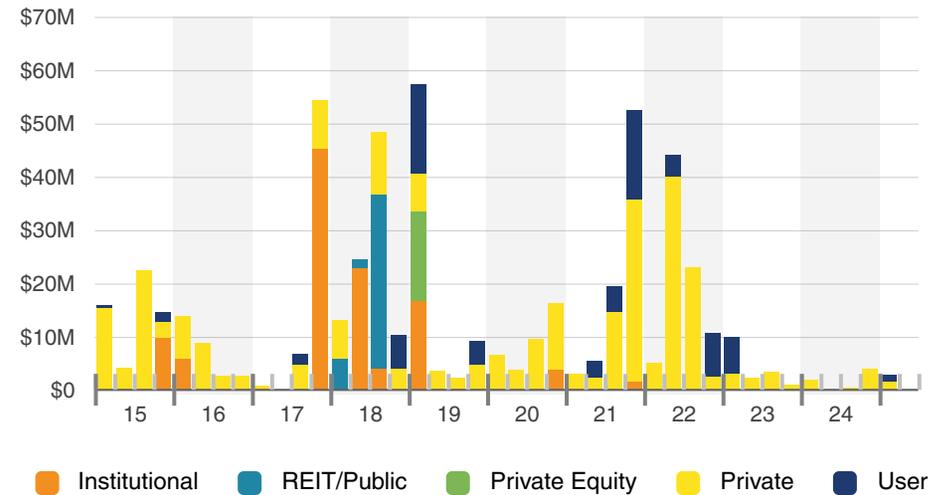
## Sales By Seller Type



## Sales Volume By Buyer Type

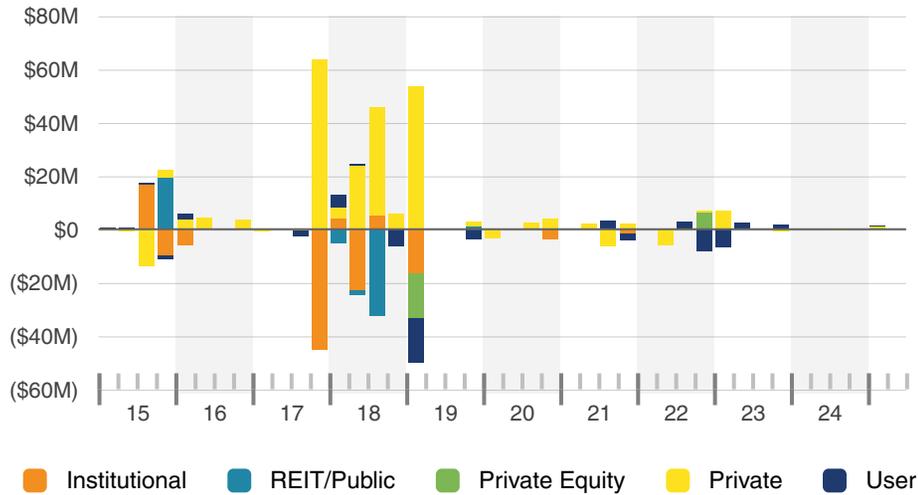


## Sales Volume By Seller Type

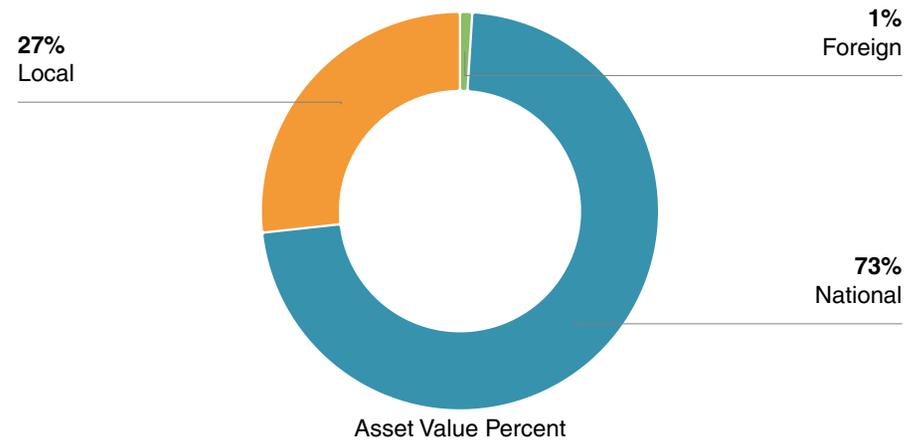


# Search Analytics

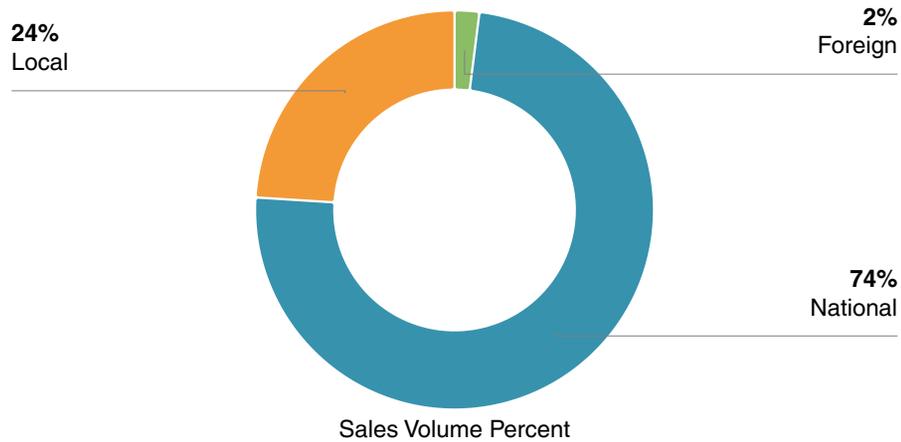
## Net Buying & Selling By Owner Type



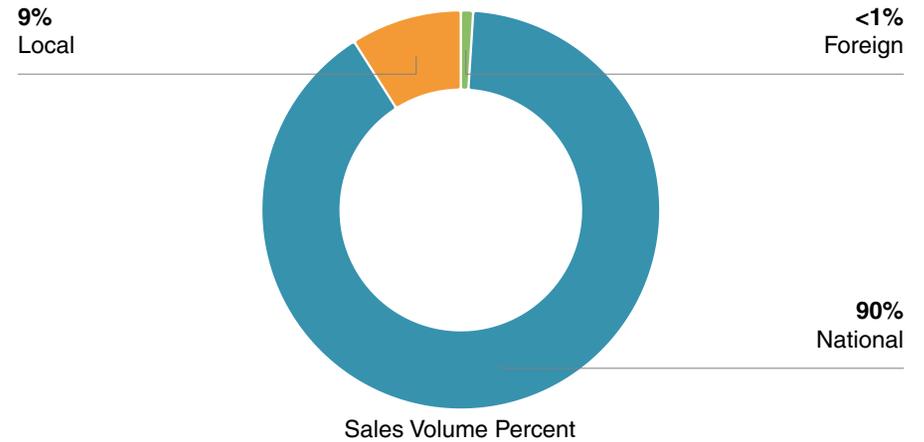
## Asset Value By Owner Origin



## Sales Volume By Buyer Origin

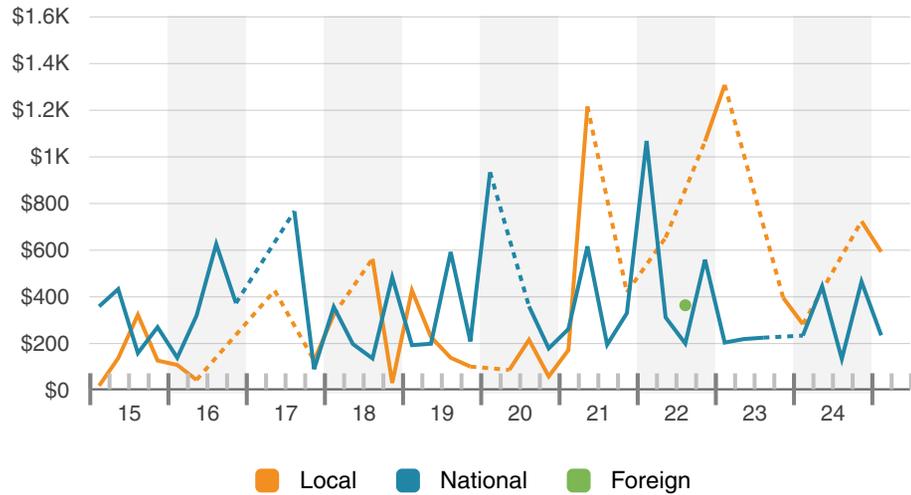


## Sales Volume By Seller Origin

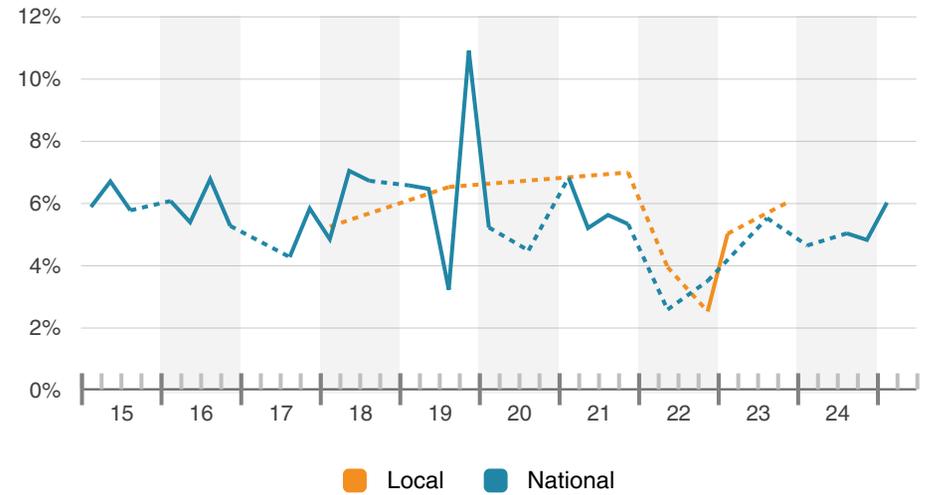


# Search Analytics

## Average Price Per SF By Buyer Origin



## Average Cap Rate By Buyer Origin



## Report Criteria

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

## **EXHIBIT D – SALES TAX REVENUES**

# CITY OF MORENO VALLEY

## SALES TAX UPDATE

### 4Q 2024 (OCTOBER - DECEMBER)



#### MORENO VALLEY

TOTAL: \$ 9,905,632

-3.2%

4Q2024



-1.1%

COUNTY



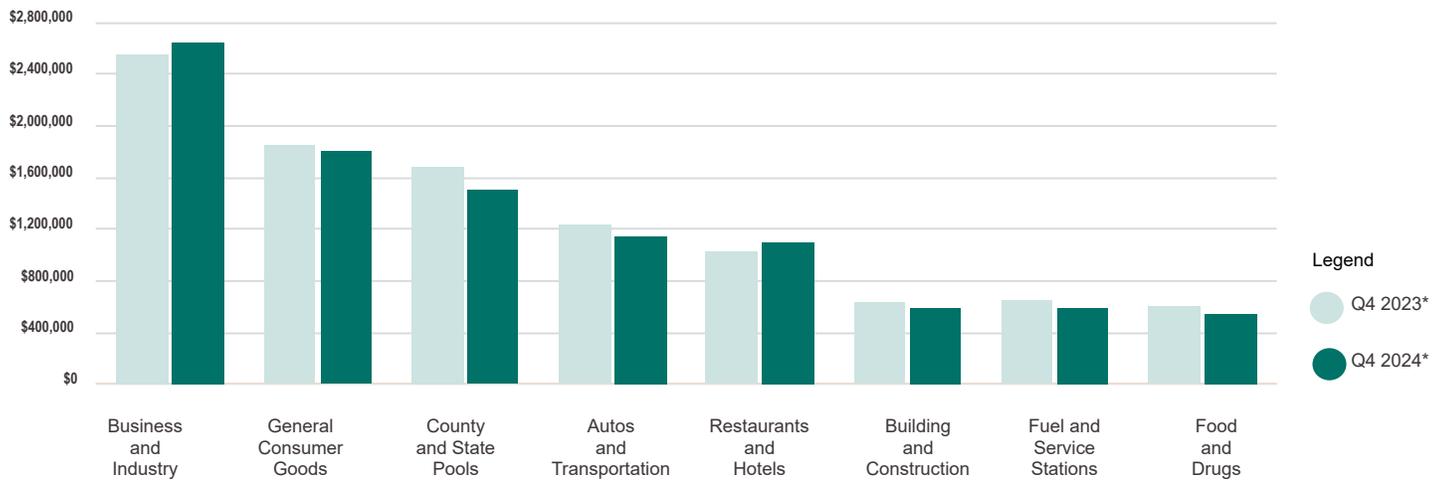
-1.1%

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 October through December were 20.1% below the fourth sales period in 2023. Excluding missing payments and other reporting issues, receipts for this period were down 3.2%.

New car sales remained in their slump as sales dropped nearly 9% this period. Lower fuel prices further cut receipts as gas stations adjusted to the global price of crude oil and the slowly dropping demand for fossil fuels as the size of the electric vehicle fleet grows. Meanwhile, the food/drug group's sales reflect the second consecutive decline in total cannabis sales. Fewer cannabis outlets remain open but are impacted by the lower pricing available from illegal growers.

High interest rates and the high cost of materials continue to impact the construction sector. Fewer new projects

are being launched as developers hope for a better ROI picture.

The bright spots this quarter were found in two groups. The first was the business/industry which saw results from existing businesses dip slightly, but a tax allocation of nearly \$137,000 from a one-time sale of equipment boosted receipts. The second came from the restaurant group. While sales varied from venue to venue, collectively the group posted a solid gain that was well above the statewide average. Several recently opened dining venues have been well received and are adding to the tax base for the first time.

Net of aberrations, taxable sales for all of Riverside County declined 1.0% over the comparable period while those of the Southern California region were down 1.2%.



#### TOP 25 PRODUCERS

- 7 Eleven
- Amazon Fulfillment Center ONT6
- Amazon MFA
- Car Pros Kia
- Costco
- Decker Brand
- Deckers Outdoor
- Food 4 Less
- Harbor Freight Tools
- Home Depot
- Korber Supply Chain
- Lowe's
- 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
- Walmart Supercenter



**STATEWIDE RESULTS**

California’s local one cent sales and use tax receipts during the months of October through December were 1.1% lower than the same quarter one year ago after adjusting for accounting anomalies. The fourth quarter is notably the highest sales tax generating period of the year but exhibited diminished year-over-year returns as consumers struggled with tariff concerns and pulling back on discretionary spending.

For the past eight quarters - two calendar years - statewide results have declined; led mostly by autos-transportation and building-construction suppressed activity due to the sustained high interest rate environment. Specifically, this quarter, as new and used car returns pulled back, only leasing activity improved likely representing buyers willingness to wait for more advantageous economic conditions before committing to long term obligations. Furthermore, building-construction drops spanned multiple categories including building materials, plumbing/electrical and contractors as property owners delay repairs and improvements until they’re more comfortable tapping available equity.

During this holiday shopping period, brick-and-mortar general retailers slumped 2.4%, further hindered by lower gas prices. Recent closures by merchants selling variety/ low priced items and weaker returns from department stores were most impactful. As consumers appeared more interested in value/discounted items vs higher priced/ luxury goods, overall statewide receipts revealed growth from online retailers by way of local returns through fulfillment centers and allocations via each county’s use tax pool demonstrating a desire to spend, just more through different vendors which shifted local tax distributions.

Fuel and service stations experienced a drop of 14% largely due to the decreased price of global crude oil. While this dynamic hurt the sector results, it did allow for more disposable income to be spent in other areas and does not appear to be changing in the near term.

Revenue from restaurants sustained a modest gain of 1.3%, with only a waning from fine dining establishments – consistent with spending trends in other sectors. As eateries try and balance higher menu prices and demand, a ‘return to office’ call by businesses could inspire future increased foot traffic for many venues in metropolitan centers.

The fourth quarter also marks the end of the calendar year. As expected 2024 was 1.2% lower than 2023 with most sectors taking a hit. Only restaurants, business-industry and allocations via the county use tax pools improved.

With national tariff discussions happening at the federal level, consumers start 2025 wondering if higher priced goods and difficult decisions are on the horizon. Also, the Federal Reserve Board hasn’t signified any relief by way of lower interest rates leaving only minimal growth expectations to come. The theme of the current economic outlook is uncertainty.

SALES TAX RATE BREAKDOWN		8.75%
State General Fund		3.9375%
City/County General Fund (Bradley-Burns)		1.0000%
Moreno Valley Measure U (MORE)		1.0000%
County Public Safety (Prop 172)		0.5000%
County Realignment (Mental Health/Welfare/Public Safety)		1.5625%
Countywide Transportation Fund		0.2500%
Riverside County Transportation Commission (RCTC) (RCTC)		0.5000%
<b>Tax Rate Effective April 01, 2025</b>		<b>8.7500%</b>

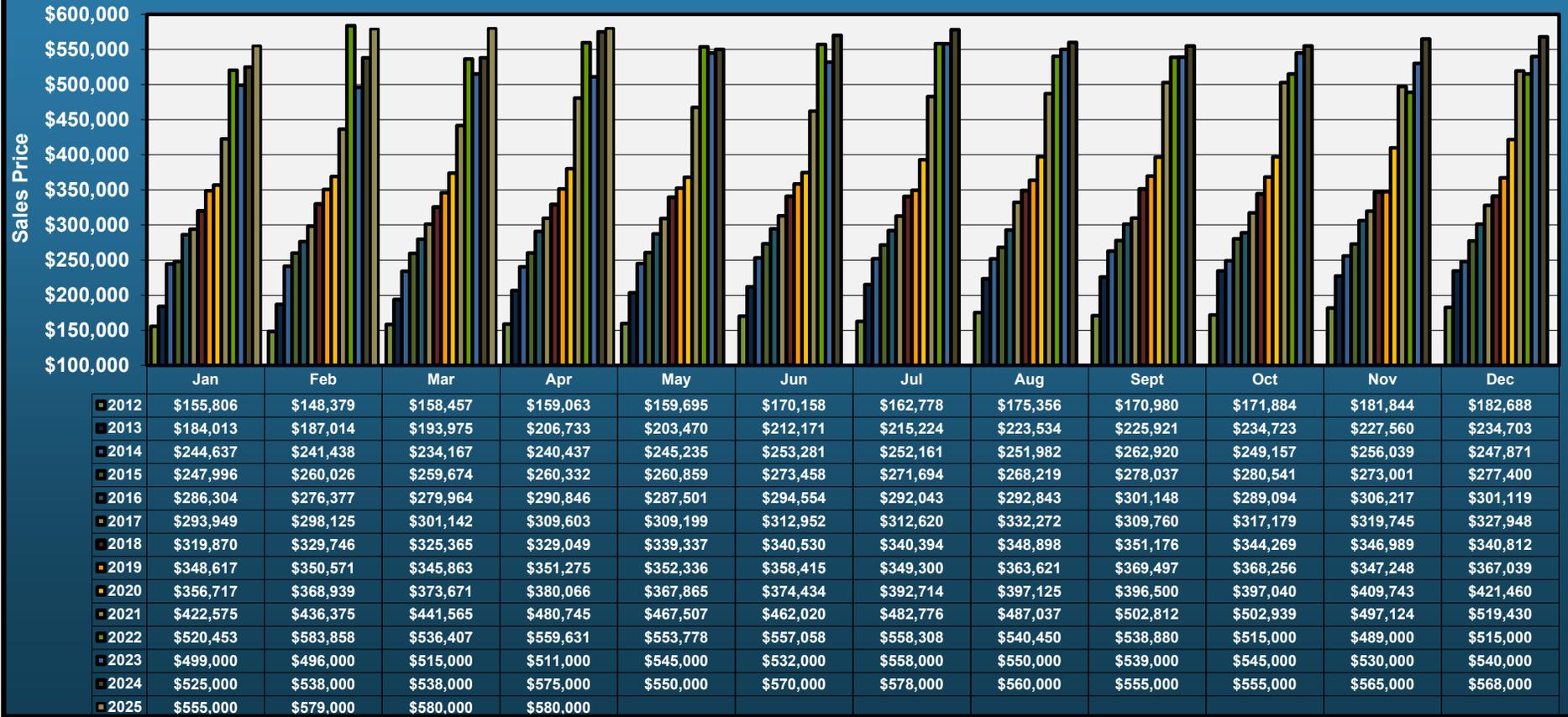
TOP NON-CONFIDENTIAL BUSINESS TYPES					
Moreno Valley Business Type	Q4 '24*	Change	County Change	HdL State Change	
New Motor Vehicle Dealers	856.0	-8.8% ↓	0.4% ↑	-2.2% ↓	
Service Stations	587.2	-9.2% ↓	-13.5% ↓	-13.0% ↓	
Quick-Service Restaurants	555.2	6.4% ↑	3.4% ↑	1.6% ↑	
Building Materials	437.8	-6.6% ↓	-3.6% ↓	-3.4% ↓	
Casual Dining	406.1	8.5% ↑	2.4% ↑	1.9% ↑	
Grocery Stores	299.9	-4.7% ↓	-1.8% ↓	-1.0% ↓	
Family Apparel	242.4	-1.6% ↓	1.5% ↑	1.3% ↑	
Department Stores	167.6	-3.0% ↓	-3.7% ↓	-7.1% ↓	
Automotive Supply Stores	115.3	1.4% ↑	0.7% ↑	1.0% ↑	
Fast-Casual Restaurants	113.3	5.0% ↑	3.0% ↑	1.5% ↑	

*\*Allocation aberrations have been adjusted to reflect sales activity* *\*In thousands of dollars*

## **EXHIBIT E – RESALE HOUSING MARKET**

## Moreno Valley Residential Sales Appreciation

**Single Family Median Home Price  
2012 thru 2025**



source: California Association of Realtors