



INDUSTRIAL DEMAND AND OPPORTUNITY ANALYSIS - UPDATE

City of Menifee
Menifee, California
October 2020

CONTACT INFORMATION

This market analysis was prepared by Meyers Research, a market research and consulting firm specializing in the real estate industry. It has been commissioned by City of Menifee.

Tim Sullivan, Senior Managing Principal, reviewed all recommendations and conclusions. Shaun McCutcheon served as Project Director and oversaw the industrial aspects of the study. Follow-up questions should be directed to Tim Sullivan at (858) 381-4381 or tsullivan@meyersllc.com.

OBJECTIVE

The objective of this analysis is to assess the market-based opportunity for additional industrial uses in the City of Menifee. The scope of this assignment includes a demand analysis, commentary on existing and planned industrial uses, market trends as well as economic and demographic indicators. The data used in this report was collected in September, 2020.

LIMITING CONDITIONS

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

Note: *This report was completed during the ongoing global health crisis created by the COVID-19 (coronavirus) outbreak, the duration and consequences of which are still largely unknown. Our research and conclusions are based upon the best information available to us at the time of publication.*

Market projections and the majority of data points utilized within this study were determined prior to the outbreak, and the likelihood of achieving these projections will be increasingly challenging the longer the disruption extends.

While prospects for the housing and commercial markets through the remainder of 2020 and beyond have become clouded by the pandemic, we believe this has the full attention of the federal government to help minimize both the markets' health and economic impact. The likely prospect for continued low interest rates, and generally positive housing supply conditions that prevailed in the region before this setback to our local markets should lead to a positive recovery as more clarity is realized.

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Key Findings

Industrial Demand and Opportunity Analysis, Menifee, California

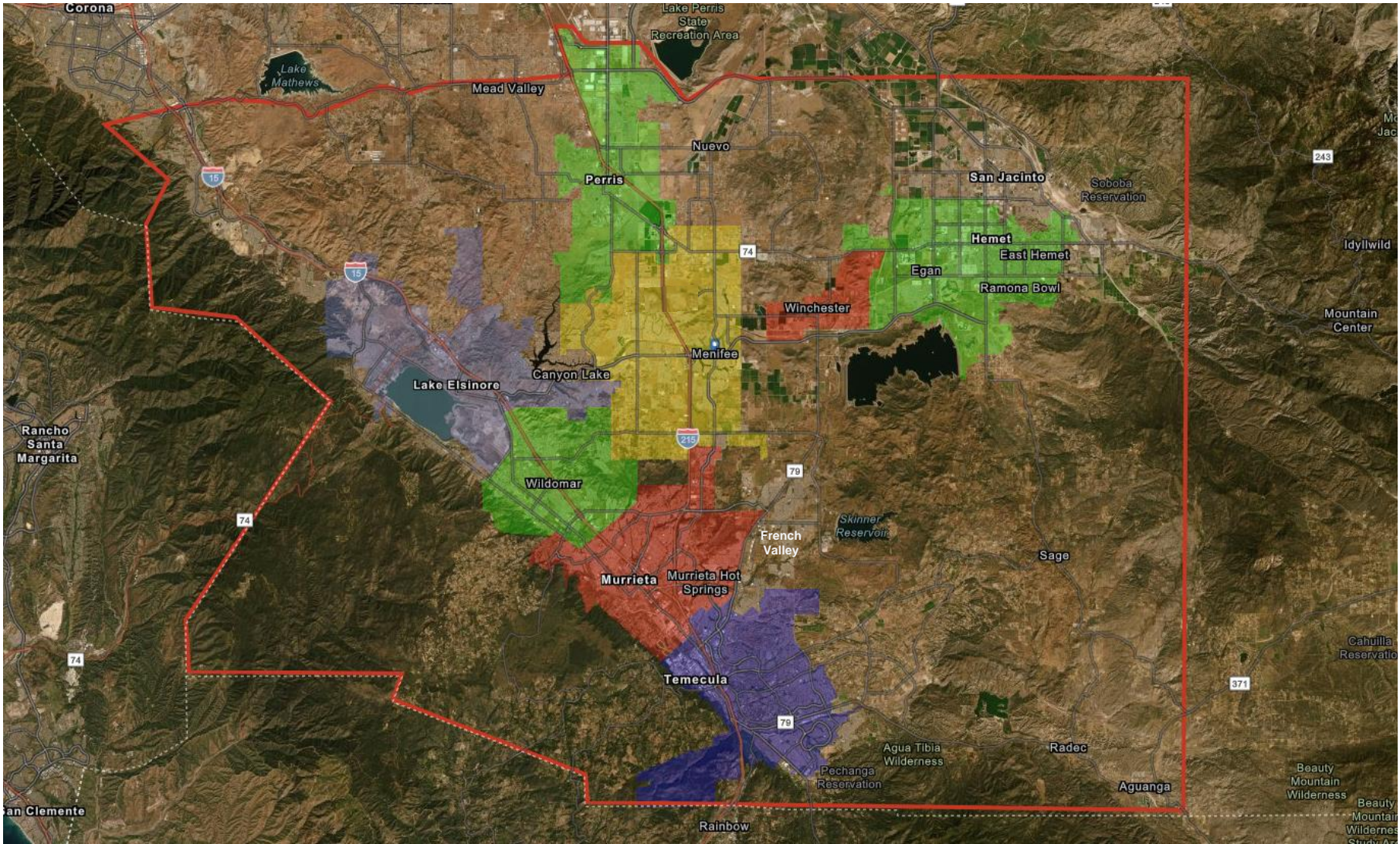
Based on our research, including site visits, industrial market trends, supply-demand factors and conversations with local industrial brokers, Menifee offers a strong demand opportunity for warehouse/ distribution and manufacturing uses, as well as flex/showroom space. Factors that drive this opportunity include: household and employment growth; tight industrial market conditions; lack of supply, and proven success in terms of lease-up activity in new development locally. Key conclusions from the industrial demand analysis are as follows:

- **Industrial market conditions are strong in the Inland Empire in general and are very favorable in the South Riverside submarket.** South Riverside has higher average lease rates (\$1.01 per square foot) than the overall market and lower vacancies (3.6%), indicating this is a relatively strong and underserved industrial market. Further, net absorption has exceeded new deliveries for seven out of the past ten years. During 2011 through 2015, virtually no new industrial space was delivered in South Riverside while the market absorbed over 2.1 million square feet of space. The past four years returned to more “normal” levels of deliveries and absorption, with one million square feet of new deliveries and 777,000 square feet of positive net absorption. The vacancy rate for Logistics (warehouse/ distribution) space is relatively low at 3.4% and lease rates are also relatively high at \$0.96 per square foot, indicating building owners are holding firm on lease rates for the limited amount of available space—**new industrial space in Menifee can be delivered and leased at lower lease rates than this overall average, indicating an opportunity for developers and a good value for tenants.**
- **Industrial lease rates in the local area range from as low as \$0.60-\$0.65 per square foot per month for large industrial space (over 100,000 square feet), to \$0.75-\$0.79 per square foot per month for new mid-sized space (+/-50,000 square feet), to \$1.00-\$1.10 per square foot for smaller showroom spaces (under 10,000 square feet).** Occupancy rates are relatively high in Menifee and surrounding areas, with the 72,800 square foot Commerce Pointe II building 100% preleased prior to completion in 2018, and 129,000 square feet of flex/ showroom space at Classic Pacific Business Park (in Perris) is 95.2% leased. See the Appendix for industrial building profiles.
- **The Moreno Valley/ Perris submarket located directly north of Menifee has been a fast growing industrial hub, and the fact that Perris is restricting additional warehouse/ distribution developments (and Menifee is the next closest city to Perris) indicates there is an opportunity to capture additional logistics demand in Menifee going forward.** The Moreno Valley/ Perris submarket is nearly four times larger than South Riverside in terms of industrial inventory, with very strong development activity of late—over 7.1 million square feet of positive net absorption and 5.1 million square feet of deliveries over the past 12 months. **Menifee is located directly south of Perris, which represents an opportunity to capture a portion of this demand.**
- **There is currently +/-540,000 square feet of unmet demand for industrial development in Menifee, and it is projected to grow by an average of 580,000 square feet annually.** Our industrial demand analysis is based on job growth projections by industry for the Riverside County industrial market, then refined by applying low and high capture (%) estimates for the appropriate submarkets, and ultimately for the City of Menifee. **The industrial space demanded in our model in Menifee is 5.81 million square feet over the next ten years, or 581,600 square feet annually.** Further, local industrial brokers we interviewed suggested that Menifee could absorb +/-400,000 square feet per year. This annual industrial space demanded represents a lost opportunity for each year that space is not delivered to meet this demand—industrial tenants may locate in other cities where space is available. It is possible that several logistics facilities could exist in clusters near freeway exits in Menifee—this type of co-location occurs in Perris, just north of Menifee (see page 17). There are currently 14 developments in the planning stages in Menifee comprising 4.1 million square feet (see Appendix), which could be absorbed in the next decade years depending on use. This space could be absorbed faster in larger warehouse/ logistics buildings, or slower in smaller showroom buildings.

- **We estimate approximately 60% of industrial space demanded for warehouse/ distribution, 30% for manufacturing and 10% for flex/ showroom space.** Our interviews with local industrial brokers indicated that while there is demand for industrial spaces in all three types, the largest segment of demand is in the warehouse/ distribution space, followed by manufacturing space. In reality, these uses are actually one-in-the-same in many instances since firms often have some manufacturing (assembly) production as well as product storage (warehousing) within the same building. Additionally, this is average annual demand, and it is likely that there will be far more demand in some years, followed by little activity in other years. The table below translates our estimated space demanded into these three industrial building types:

Year	Logistics (400,000 - 1M SF Bldgs) 60% Capture	Manufacturing (50,000 - 400,000 SF Bldgs) 30% Capture	Flex/ Showroom (5,000 - 50,000 SF Bldgs) 10% Capture	TOTAL
2020	325,923	162,962	54,321	543,205
2021	370,723	185,362	61,787	617,872
2022	340,128	170,064	56,688	566,880
2023	345,158	172,579	57,526	575,264
2024	345,776	172,888	57,629	576,293
2025	344,494	172,247	57,416	574,157
2026	349,000	174,500	58,167	581,666
2027	351,131	175,565	58,522	585,218
2028	356,497	178,248	59,416	594,161
2029	360,888	180,444	60,148	601,480
AVERAGE:	348,972	174,486	58,162	581,620
TOTAL:	3,489,718	1,744,859	581,620	5,816,196

The South Riverside County submarket is bounded by Orange County to the west, San Diego County to the south, the San Bernardino National Forest to the east and Cajalco Road/ Ramona Expressway to the north (red border). The submarket includes the cities of Hemet, Lake Elsinore, Menifee, Murrieta, Perris, Temecula, Wildomar and French Valley CDP and Winchester CDP (Census Designated Place).



INDUSTRIAL DEMAND SUMMARY

Key Findings

Our demand model supports the amount of industrial space planned in Menifee currently, and demand will continue over the next decade. Our industrial demand analysis is based on job growth projections by industry for the Riverside County industrial market, then refined by applying low and high capture (%) estimates for the appropriate submarkets, and ultimately for the City of Menifee. The tables below represent realistic demand (average of low and high capture %) for industrial space annually over the next ten years. **The industrial space demanded in our model in Menifee is 5.81 million square feet over the next ten years, or 581,600 square feet annually.** This annual industrial space demanded represents a lost opportunity for each year that space is not delivered to meet this demand—industrial tenants may locate in other cities where space is available.

MEYERS Realistic Buildout for the CITY OF MENIFEE - Industrial Size and Demand (SF) Capture Rates				
Year	Estimated Annual Capture: SOUTH RIVERSIDE & MORENO VALLEY/ PERRIS (%)		Estimated Annual Capture: CITY OF MENIFEE (%)	
	Low	High	Low	High
2020	40.0%	50.0%	10.0%	20.0%
2021	40.0%	50.0%	10.0%	20.0%
2022	40.0%	50.0%	10.0%	20.0%
2023	40.0%	50.0%	10.0%	20.0%
2024	40.0%	50.0%	10.0%	20.0%
2025	40.0%	50.0%	10.0%	20.0%
2026	40.0%	50.0%	10.0%	20.0%
2027	40.0%	50.0%	10.0%	20.0%
2028	40.0%	50.0%	10.0%	20.0%
2029	40.0%	50.0%	10.0%	20.0%

For Perspective - ESRI Employee Data

Estimated Industrial-Oriented Employees in South Riverside County	36,968
Estimated Industrial-Oriented Employees residing in Menifee	11,009
Industrial-Oriented Employees residing in Menifee (% of South Riverside County)	29.8%
Estimated Industrial-Oriented Employees working in Menifee	1,897
Industrial-Oriented Employees in Menifee (% of South Riverside County)	5.1%

Assumptions/ Rationale:

Submarket:	The total market share of inventory in South Riverside County and Moreno Valley/ Perris equates to 44.2% of the total industrial inventory in Riverside County. South Riverside's regional location can accommodate industrial warehouse and distribution uses in an acceptable commute time (1.5 - 2 hours to the shipping ports in Los Angeles, Long Beach and San Diego). Freeway traffic levels are lower than areas to the north (Corona, Riverside, Moreno Valley). We estimate that South Riverside and Perris/ Moreno Valley can continue to capture a large portion of demand, at approximately 40% to 50% of county demand.
Subject:	There are an estimated 36,900 employees in industrial-oriented industries in South Riverside County, an area that includes Menifee, Lake Elsinore, Murrieta, Perris, Hemet, Wildomar and surrounding areas. A total of 1,897 of these employees are based in Menifee, which accounts for 5.1% of all industrial oriented employees. However, there are 11,000 industrial oriented employees that reside in Menifee, which represents 29.8% of these employees in the county, indicating that industrial space in Menifee is significantly underbuilt . We estimate demand for additional industrial space in Menifee would equate to a "fair share" market capture of 10% to 20% of the South Riverside and Moreno Valley/ Perris demand, which is higher than the current share but reasonable since this is a growing area and an underserved industrial market. For perspective, areas such as Temecula are largely built out in terms of industrial sites and the city of Perris is limiting their industrial development going forward. Menifee offers a viable location for industrial uses, with a growing population and workforce base, freeway access, and well located land for development. Further, local brokers report significantly higher demand (up to 400,000 square feet per year) and leasing activity/ development interest has been strong at Commerce Pointe industrial park, which preleased a 72,000 square foot building in 2018.

MEYERS Realistic Buildout for the MENIFEE (SUBJECT) - Industrial Size and Demand (SF)			
Year	Riverside County Industrial Market Demand (SF)	South Riverside & Moreno Valley/ Perris Demand (SF)	Total Industrial Demand (SF) MENIFEE
2020	7,760,075	3,492,034	543,205
2021	8,826,740	3,972,033	617,872
2022	8,098,290	3,644,230	566,880
2023	8,218,055	3,698,125	575,264
2024	8,232,760	3,704,742	576,293
2025	8,202,245	3,691,010	574,157
2026	8,309,515	3,739,282	581,666
2027	8,360,260	3,762,117	585,218
2028	8,488,015	3,819,607	594,161
2029	8,592,565	3,866,654	601,480
AVERAGE:	8,308,852	3,738,983	581,620
TOTAL:	83,088,520	37,389,834	5,816,196

For Perspective - CoStar Market Data

South Riverside & Moreno Valley/ Perris submarket share of Riverside County	44.2%
Average Annual Deliveries in Inland Empire (1982 - 2019)	14,673,684
Average Annual Absorption in Inland Empire (2008 - 2019)	14,504,544
Average Annual Deliveries in Inland Empire (2008 - 2019)	15,754,362
Average Annual Absorption in Inland Empire (2015 - 2019)	22,706,990
Average Annual Deliveries in Inland Empire (2015 - 2019)	23,070,346
Average Annual Absorption in Inland Empire (2020P - 2024P)	16,123,594
Average Annual Deliveries in Inland Empire (2020P - 2024P)	17,754,303
Average Annual Absorption in South Riverside & MV/P (2008 - 2019)	4,428,627
Average Annual Deliveries in South Riverside & MV/P (2008 - 2019)	4,446,874
Average Annual Absorption in South Riverside & MV/P (2015 - 2019)	5,651,217
Average Annual Deliveries in South Riverside & MV/P (2015 - 2019)	6,296,291
Average Annual Absorption in South Riverside & MV/P (2020P - 2024P)	5,098,842
Average Annual Deliveries in South Riverside & MV/P (2020P - 2024P)	4,976,823
Industrial Absorption in Riverside County (Last 12 Months)	9,637,733
Industrial Inventory Growth in Riverside County (Last 12 Months)	9,300,000
Industrial Under Construction in Riverside County (Last 12 Months)	5,873,000
Industrial Absorption in South Riverside & MV/P submarkets (Last 12 Mo.)	7,239,014
Industrial Inventory Growth in South Riverside & MV/P submarkets (Last 12 Mo.)	5,293,000
Industrial Under Construction in South Riverside & MV/P submarkets (Last 12 Mo.)	3,808,000

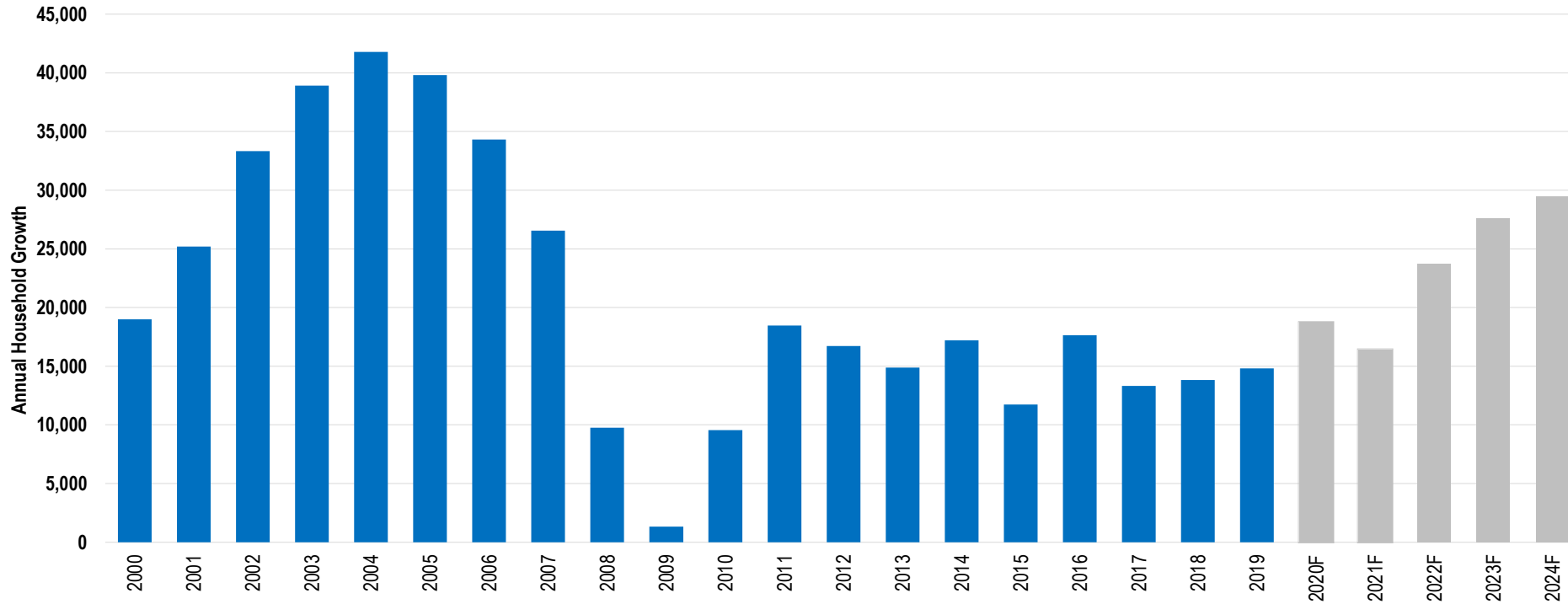
Source: Meyers Research, Woods & Poole, CoStar

Demographic Overview

Industrial Demand and Opportunity Analysis, Menifee, California



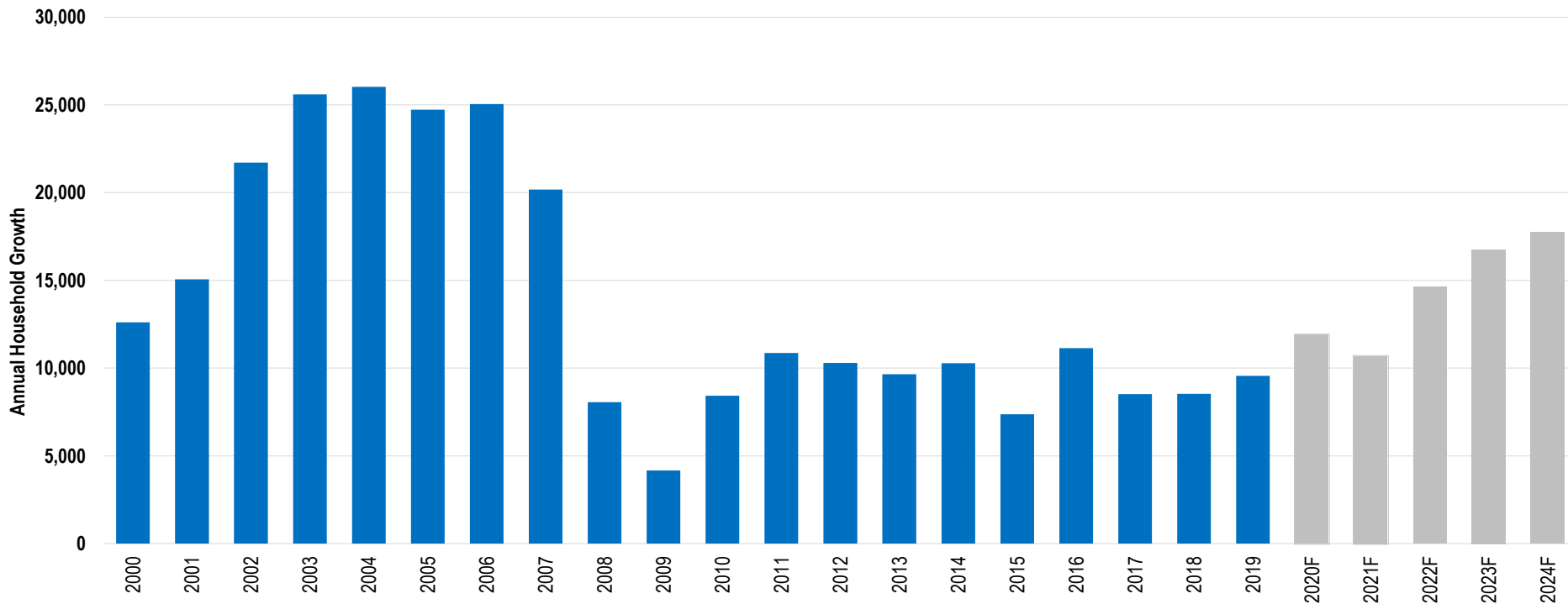
From 2011 through 2019, the number of new households added to Riverside and San Bernardino Counties averaged 15,400 annually, an improvement over 2008-2010 but less than half of the growth that occurred in the mid 2000s. Household growth increased to 14,799 in 2019, a 1.0% increase over 2018—the growth is largely driven by housing affordability and job growth in the region. Growth is projected to increase over the next five years, reaching 1.8% annual growth by 2023.



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

Riverside-San Bernardino-Ontario, CA Metropolitan Statistical Area - Ten Year History											Moody's Analytics Five-Year Forecast				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
Total Households	1,304,673	1,323,141	1,339,866	1,354,752	1,371,956	1,383,677	1,401,305	1,414,631	1,428,457	1,443,256	1,461,986	1,478,414	1,502,154	1,529,747	1,559,223
Prior Year Change	9,547	18,468	16,725	14,885	17,204	11,721	17,628	13,325	13,827	14,799	18,730	16,428	23,740	27,594	29,475
Annual % Change	0.7%	1.4%	1.3%	1.1%	1.3%	0.9%	1.3%	1.0%	1.0%	1.0%	1.3%	1.1%	1.6%	1.8%	1.9%

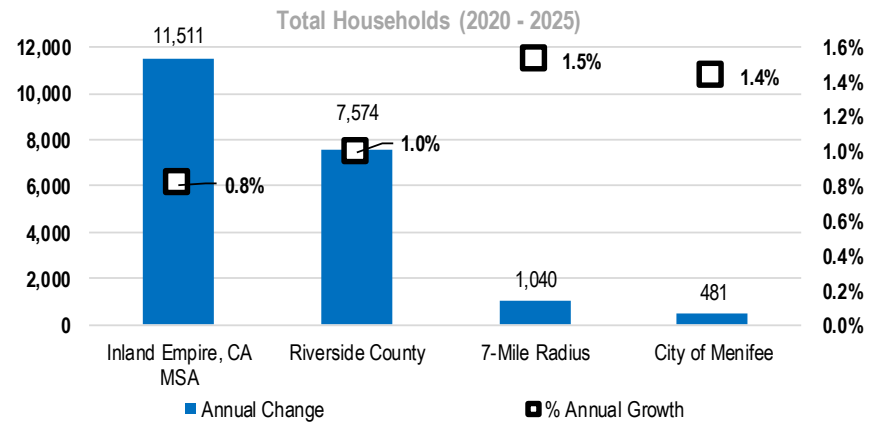
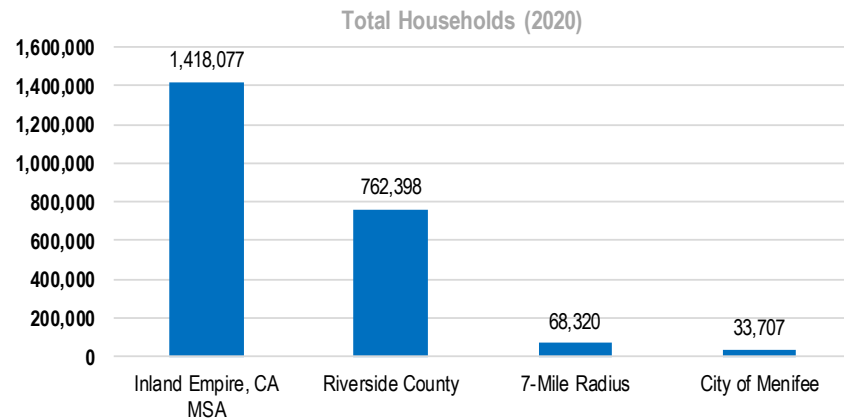
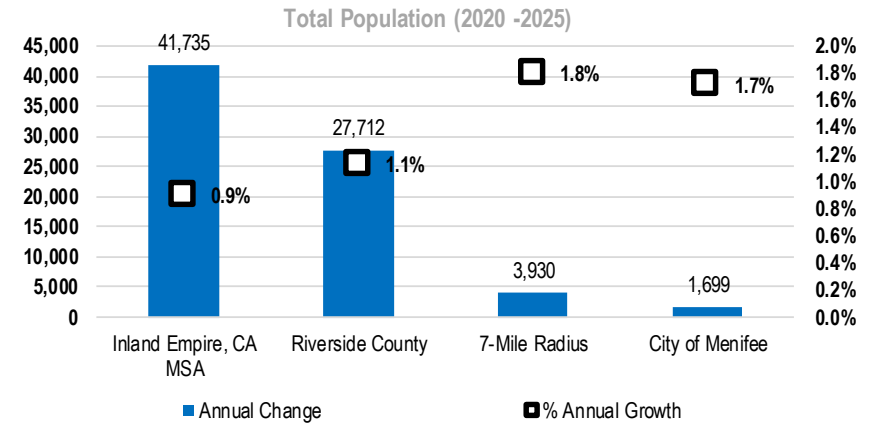
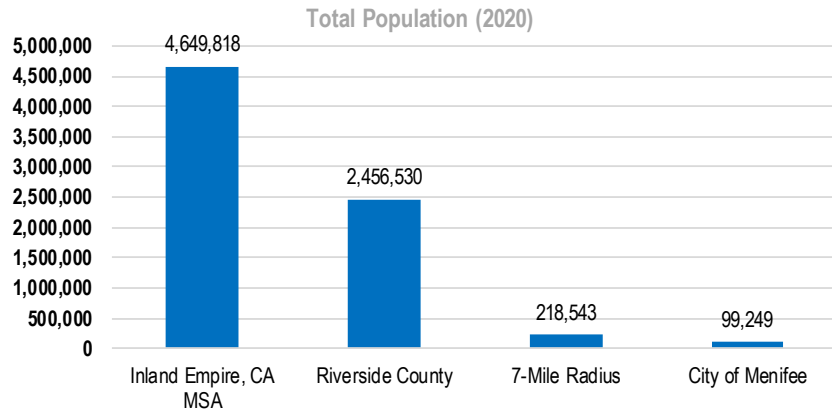
Household growth in Riverside County is relatively steady at +/-9,500 new households per year. Growth is projected to increase to +/-11,880 new households in 2020 (1.5% annual growth) and is expected to average 14,300 new households annually over the next five years (1.8% growth).



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

Riverside, CA County - Ten Year History											Moody's Analytics Five-Year Forecast				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020F	2021F	2022F	2023F	2024F
Total Households	690,719	701,579	711,875	721,521	731,791	739,157	750,297	758,815	767,344	776,895	788,777	799,451	814,086	830,836	848,566
Prior Year Change	8,428	10,861	10,296	9,645	10,271	7,365	11,140	8,518	8,529	9,551	11,882	10,674	14,635	16,750	17,730
Annual % Change	1.2%	1.6%	1.5%	1.4%	1.4%	1.0%	1.5%	1.1%	1.1%	1.2%	1.5%	1.4%	1.8%	2.1%	2.1%

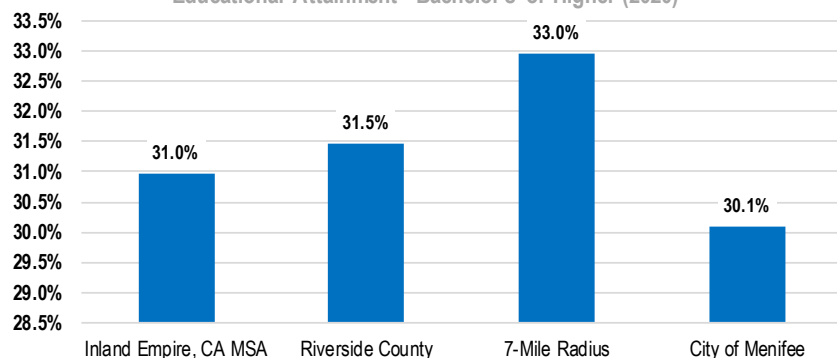
The City of Menifee is poised for greater household growth than Riverside County, with 1.7% annual growth. A total of 7,574 new households are expected in Riverside County annually, and 481 new households within a Menifee annually (though this may be understated). The Department of Finance has recorded growth rates between 2.4% to 3.0% annually for the City.



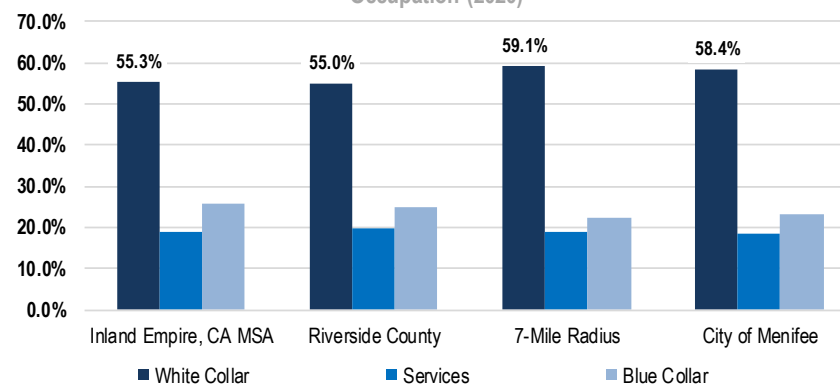
Source: ESRI

Approximately 30% of Menifee residents have a Bachelor's degree, and is predominately 58% while collar and 23% blue collar jobs as of 2019. However, a total of 10,485 residents are employed in industrial-oriented jobs that reside in Menifee (orange border), yet there are only 1,897 industrial employees at businesses based in Menifee (see the following page)—thus **a vast majority of industrial employees (82%) are employed in industrial jobs outside of Menifee.** This represents an opportunity to capture this workforce in additional industrial developments within Menifee.

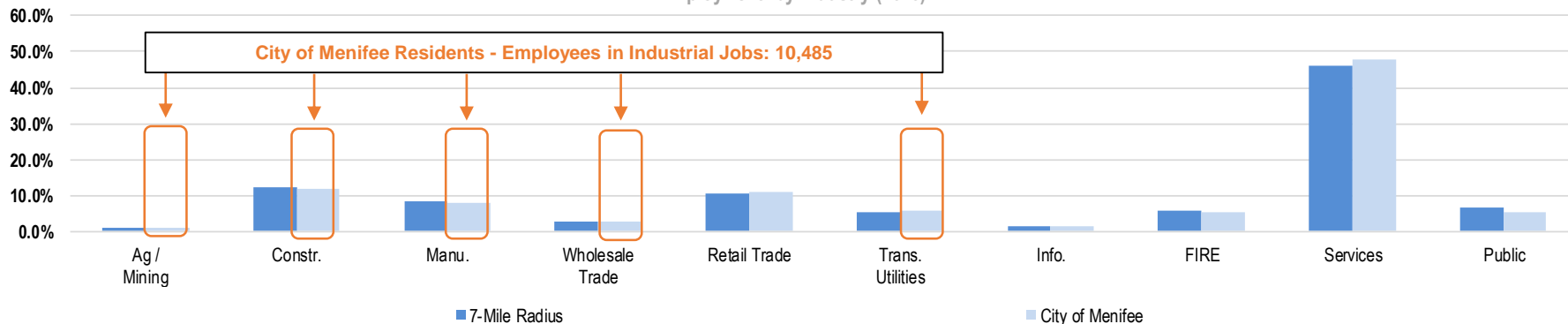
Educational Attainment - Bachelor's or Higher (2020)



Occupation (2020)



Employment by Industry (2020)



The number of businesses and employees by industry in South Riverside are detailed in the table below. Industrial oriented jobs are highlighted in light orange (but not necessarily located in industrial buildings entirely). There are approximately 1,897 industrial oriented employees in Menifee, or 15.0% of all jobs in the city. This also equates to 5.1% of industrial oriented jobs in South Riverside County. Temecula has the largest share of industrial oriented employees (11,567 jobs), followed by Murrieta (5,354 jobs). Given the favorable characteristics of Menifee (a large growing population base, land availability and freeway proximity), it is likely that Menifee could support a greater number of industrial oriented jobs if additional industrial space existed to support those jobs, coupled with the fact that Menifee has the only community college campus locally with industrial support programs.

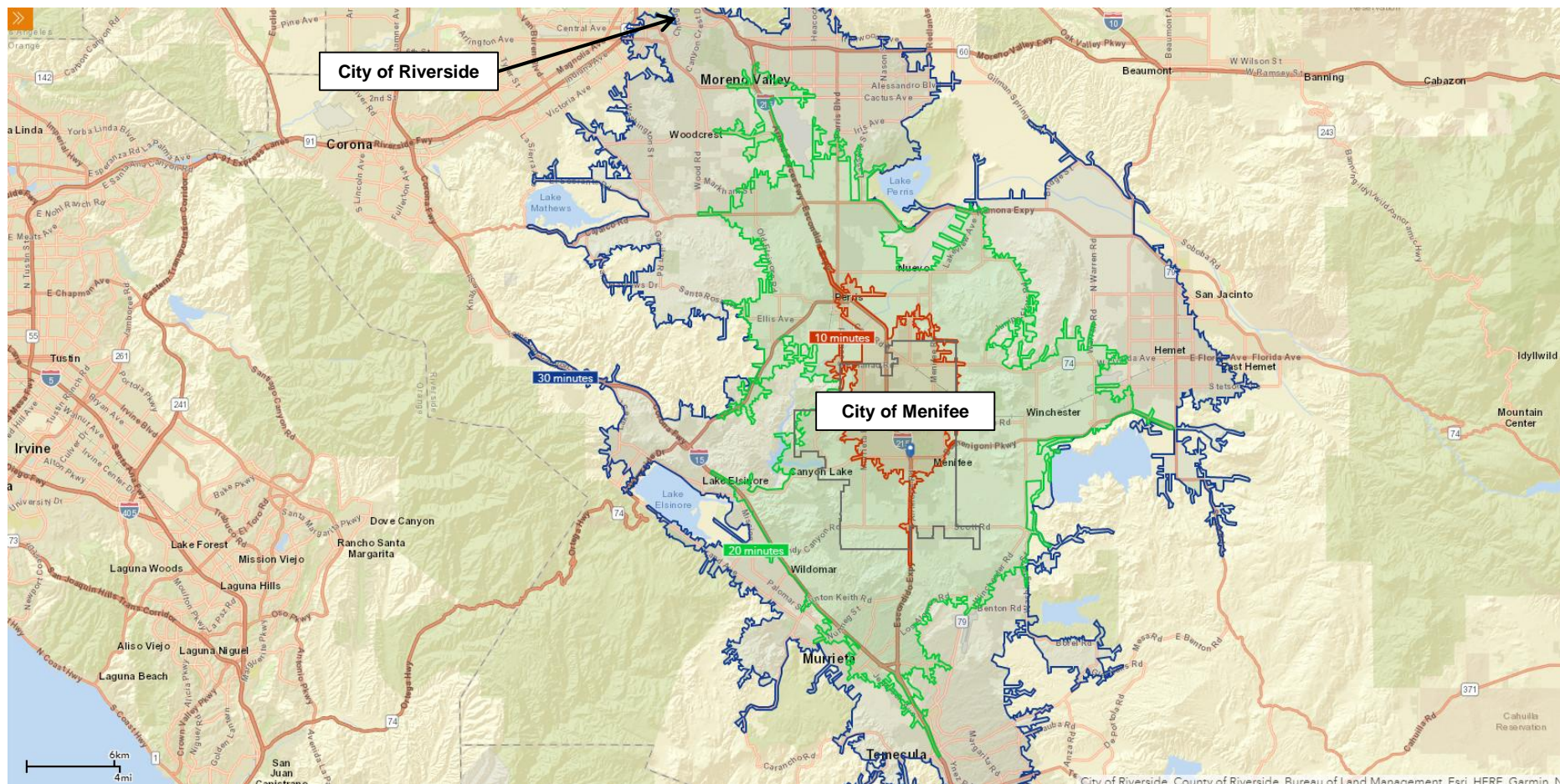
	Riverside Co.	South Riverside Co.	Hemet	Lake Elsinore	Menifee	Murrieta	Perris	Temecula	Wildomar	Winchester	Other
Total Businesses:	67,683	20,976	2,183	1,777	1,431	3,725	1,275	5,767	678	41	4,099
Total Employees:	659,644	182,103	21,804	13,262	12,677	29,269	17,555	49,392	4,263	201	33,680
Total Residential Population:	2,447,782	873,623	105,118	67,464	96,407	113,264	78,788	112,628	36,939	2,959	260,056
Employee/Residential Population Ratio (per 100 Residents)	27	21	21	20	13	26	22	44	12	7	
Total Employees:											
Agriculture & Mining	11,864	3,441	175	122	261	690	177	701	102	15	1,198
Construction	37,840	10,747	447	1,001	740	2,174	1,063	2,227	271	7	2,817
Manufacturing	40,714	11,959	864	719	449	1,435	837	4,828	282	7	2,538
Transportation	11,553	2,118	181	115	131	273	296	445	97	6	574
Communication	4,231	976	120	57	71	112	101	382	11	0	122
Utility	3,966	1,551	141	193	12	21	606	192	38	0	348
Wholesale Trade	28,971	6,176	217	333	233	649	374	2,792	47	15	1,516
Retail Trade Summary											
Home Improvement	182,124	56,137	6,564	4,865	4,457	7,675	8,443	16,811	1,078	40	6,204
General Merchandise Stores	12,173	3,861	301	357	337	698	391	972	54	5	746
Food Stores	19,443	6,182	1,205	543	578	1,167	482	2,030	6	0	1,711
Auto Dealers, Gas Stations, Auto Aftermarket	22,048	6,774	841	695	547	737	677	1,667	291	0	1,319
Apparel & Accessory Stores	18,948	5,422	922	500	275	709	430	2,055	84	15	432
Furniture & Home Furnishings	7,370	2,038	88	276	140	160	69	1,063	6	0	236
Eating & Drinking Places	8,186	2,010	111	272	169	484	147	575	43	0	209
Miscellaneous Retail	64,524	19,226	2,302	1,593	1,888	2,772	1,413	6,313	542	16	2,387
Finance, Insurance, Real Estate Summary	29,432	10,625	794	629	523	948	4,834	2,136	52	4	705
Banks, Savings & Lending Institutions	39,423	12,189	1,398	632	613	2,735	356	4,562	195	9	1,689
Securities Brokers	9,541	3,219	357	176	166	1,159	124	942	53	0	242
Insurance Carriers & Agents	3,083	960	97	41	61	250	6	392	16	0	97
Real Estate, Holding, Other Investment Offices	5,600	1,426	235	98	69	318	64	453	15	0	174
Services Summary	21,199	6,583	709	317	317	1,008	162	2,775	111	9	1,175
Hotels & Lodging	258,499	71,711	10,584	4,917	5,604	12,861	4,553	15,814	2,068	102	15,208
Automotive Services	15,293	1,647	135	239	80	122	25	501	0	2	543
Motion Pictures & Amusements	12,020	3,536	447	457	168	662	296	933	94	2	477
Health Services	30,920	9,915	420	606	306	1,919	277	1,044	87	5	5,251
Legal Services	56,891	15,223	4,289	458	1,362	4,038	888	2,945	484	5	754
Education Institutions & Libraries	5,191	1,006	80	14	24	177	9	442	0	0	260
Other Services	48,926	15,286	2,247	1,670	1,587	1,801	1,186	2,886	507	80	3,322
Government	89,258	25,097	2,966	1,473	2,077	4,142	1,872	7,063	896	8	4,600
Unclassified Establishments	38,947	4,591	1,086	270	72	513	729	511	62	0	1,348
Industrial Oriented Employees	152	506	27	38	34	131	20	127	12	0	117
Total Employment	139,139	36,968	2,145	2,540	1,897	5,354	3,454	11,567	848	50	9,113
% of Industrial Oriented Employees	21.1%	20.3%	9.8%	19.2%	15.0%	18.3%	19.7%	23.4%	19.9%	24.9%	27.1%
% of Industrial Oriented Employees by So. Riverside City	--	100.0%	5.8%	6.9%	5.1%	14.5%	9.3%	31.3%	2.3%	0.1%	24.7%

Source: ESRI

Location Overview

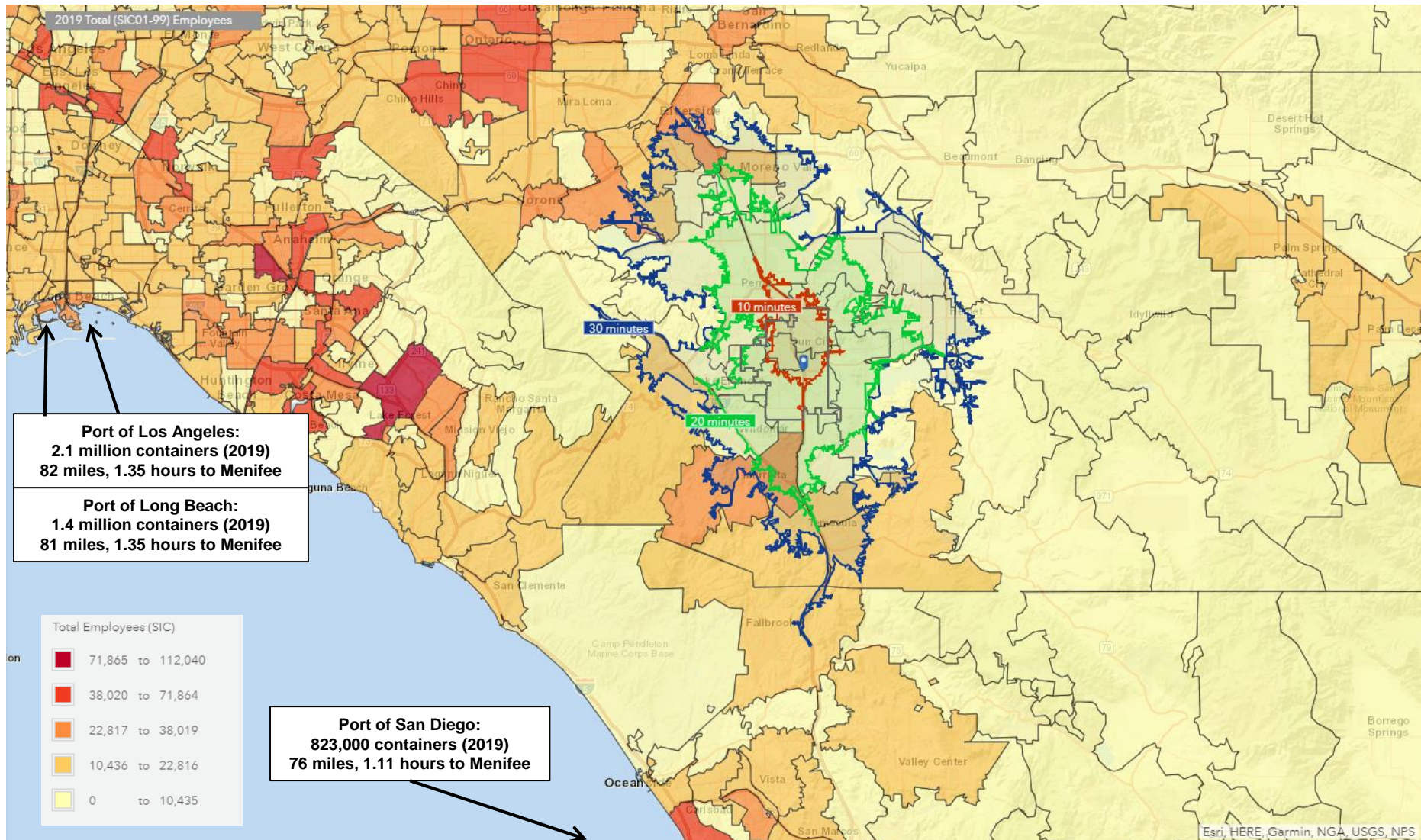
Industrial Demand and Opportunity Analysis, Menifee, California

Menifee is located in South Riverside County, within a 10 minute drive to Perris, a 20 minute drive to Murrieta and Moreno Valley and a 30 minute drive to Temecula and Riverside. This drive time origin is from the intersection of I-215 and Newport Road, which we consider the approximate center of Menifee.



Source: ESRI

Menifee is proximate to major shipping ports at Los Angeles, Long Beach and San Diego. The distance from Menifee to these three ports is less than 100 miles and less than a 90 minute drive (excluding traffic). This represents a reasonable commute for warehouse/ distribution users to locate in Menifee, as the next best alternative to the mature and clustering industrial submarkets of Moreno Valley and Perris to the north.



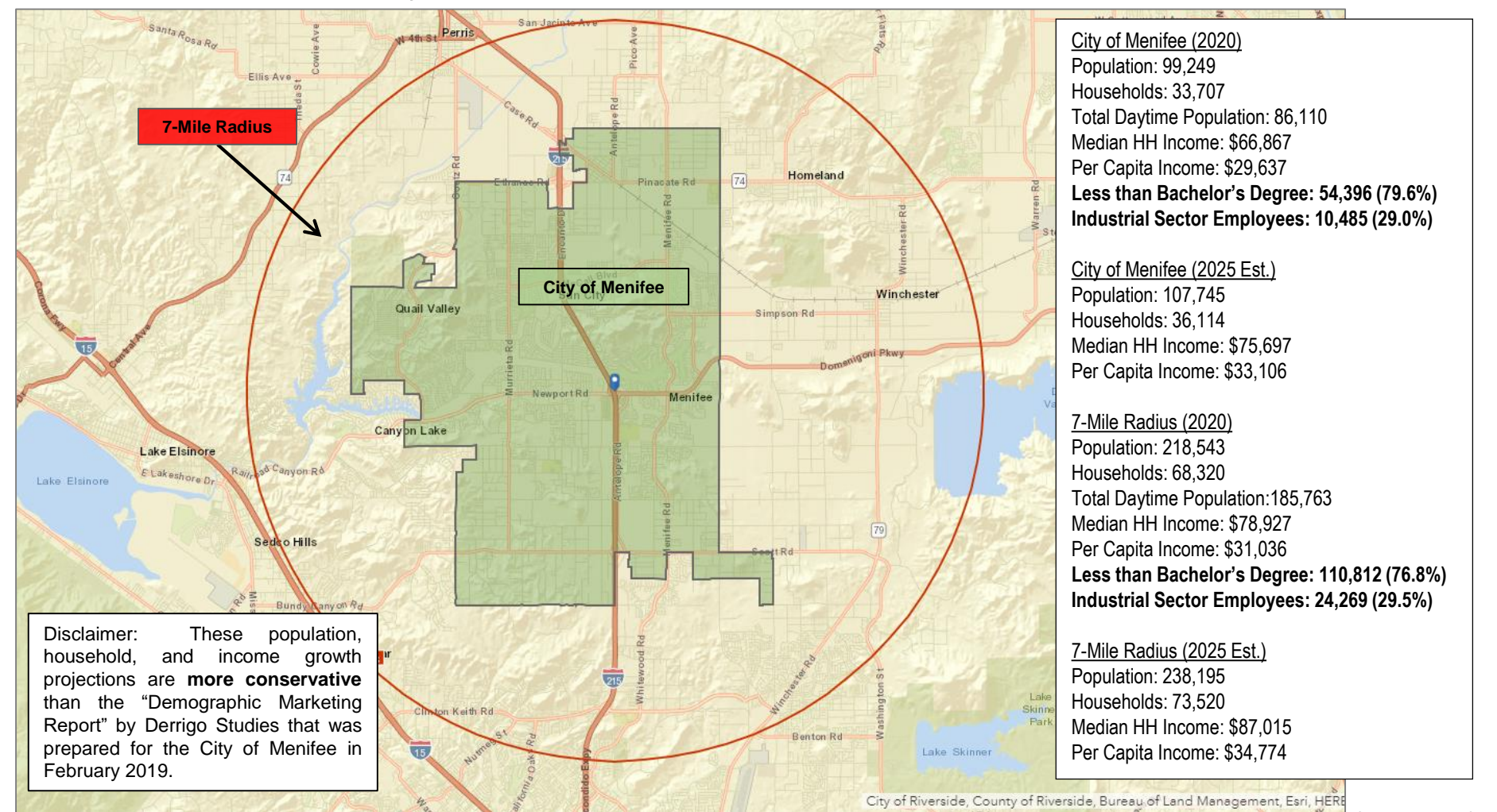
WAREHOUSE & DISTRIBUTION FACILITIES NORTH OF MENIFEE

Location Overview



Perris and Moreno Valley are a major logistics hub with over 50 warehouse and distribution facilities for several Fortune 500 companies. These companies are clustered along I-215 freeway exit roads, most notably Ramona Expressway and Alessandro Road. Some of the largest retailers in the United States are located here—Amazon, Lowe's, Home Depot, Wayfair, UPS and Ross have multiple locations here and the area is home to Walgreens, P&G, General Mills, Ralphs and Pepsi among others. Menifee's Ethanac Road freeway exit is located eight miles south of the logistics hub at Ramona Expressway—the fact that Perris is restricting additional warehouse/ distribution developments (and Menifee is the next closest city to Perris) indicates there is an opportunity to capture additional logistics and fulfillment demand in Menifee going forward.

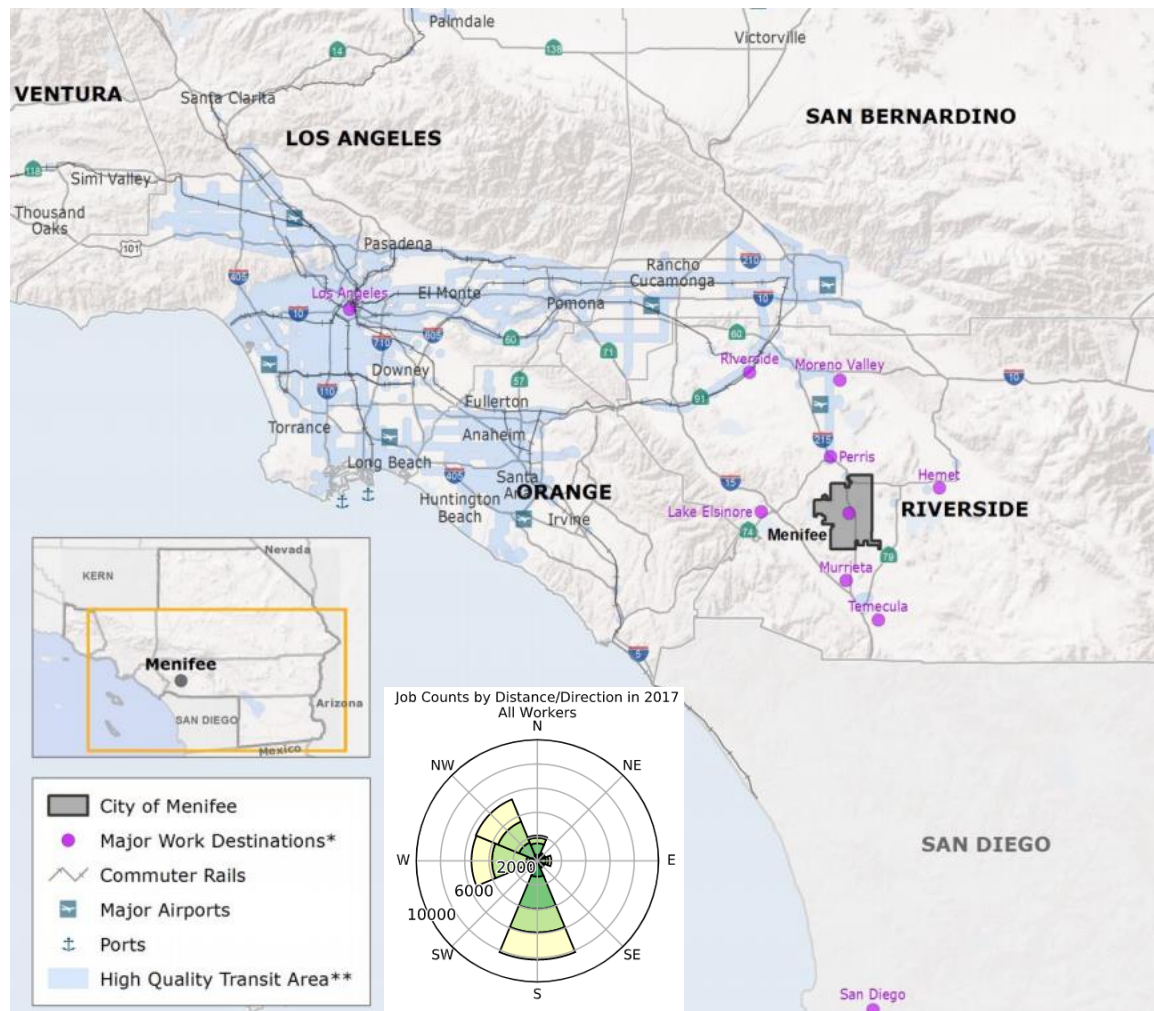
Population and income growth is projected in Menifee and surrounding areas, which will drive demand for additional industrial uses. The city of Menifee boundary (the **green** shaded area) and a seven-mile radius from the approximate center of Menifee, which we have defined as the intersection of Interstate 215 and Newport Road (see the **red** circle) are shown below. The City is projected to increase by 2,407 households (a 7.1% increase) and household income is projected to increase by 13.2% over the next five years, from \$66,867 to \$75,697. The seven-mile radius is projected to increase by 5,200 households (an 7.6% increase) and household income is projected to increase by 10.2% over the next five years, from \$78,927 to \$87,015. There are a total of 10,485 residents in Menifee with industrial-oriented jobs, and 24,200 residents in the seven-mile radius with industrial jobs.



RESIDENT COMMUTE PATTERNS TO EMPLOYMENT

Location Overview

The majority of Menifee residents commute to other parts of Southern California. Over 90% of Menifee residents commute to areas outside of the Menifee city limits, most notably to Temecula (9.4%), San Diego County (7.2%), and Murrieta (6.3%). These commuting patterns are important to consider for the industrial demand opportunity in Menifee, since the majority of the workforce is spending the majority of their time away from the city.



Top 10 Places Where Menifee Residents Commute to Work: 2016

	Local Jurisdiction	Number of Commuters	Percent of Total Commuters
1.	Temecula	2,398	9.4 %
2.	Menifee	2,354	9.2 %
3.	San Diego County	1,840	7.2 %
4.	Murrieta	1,596	6.3 %
5.	Riverside	1,311	5.2 %
6.	Perris	815	3.2 %
7.	Los Angeles	792	3.1 %
8.	Lake Elsinore	716	2.8 %
9.	Hemet	647	2.5 %
10.	Moreno Valley	632	2.5 %
	All Other Destinations	12,351	48.5 %

Note: Orange County accounts for approximately 2,800 commuters that live in Menifee, or 11% of total commuters.

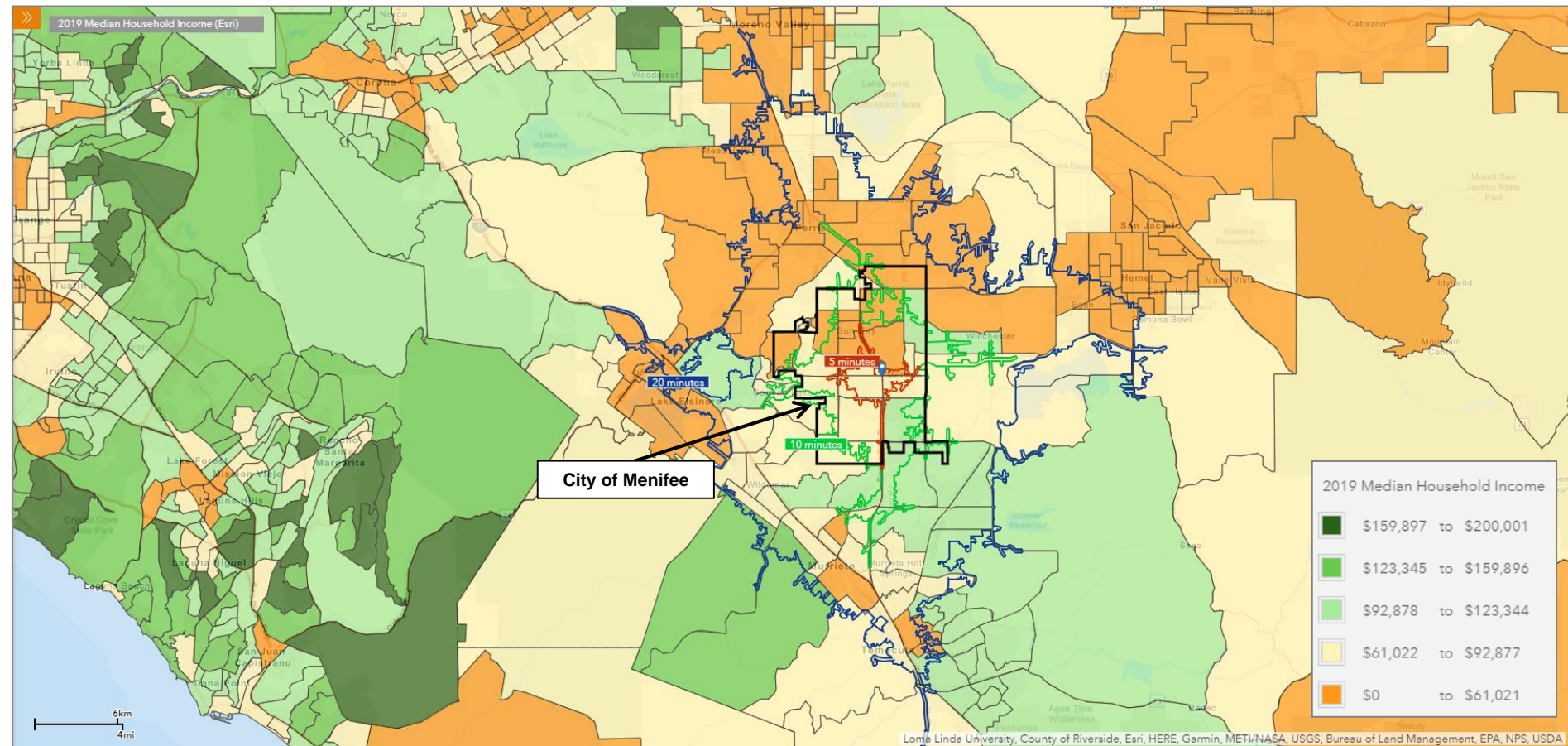
Jobs by Distance - Home Census Block to Work Census Block

	2017	
	Count	Share
Total Private Primary Jobs	24,600	100.0%
Less than 10 miles	4,425	18.0%
10 to 24 miles	6,023	24.5%
25 to 50 miles	7,583	30.8%
Greater than 50 miles	6,569	26.7%

MEDIAN HOUSEHOLD INCOME HEAT MAP

Location Overview

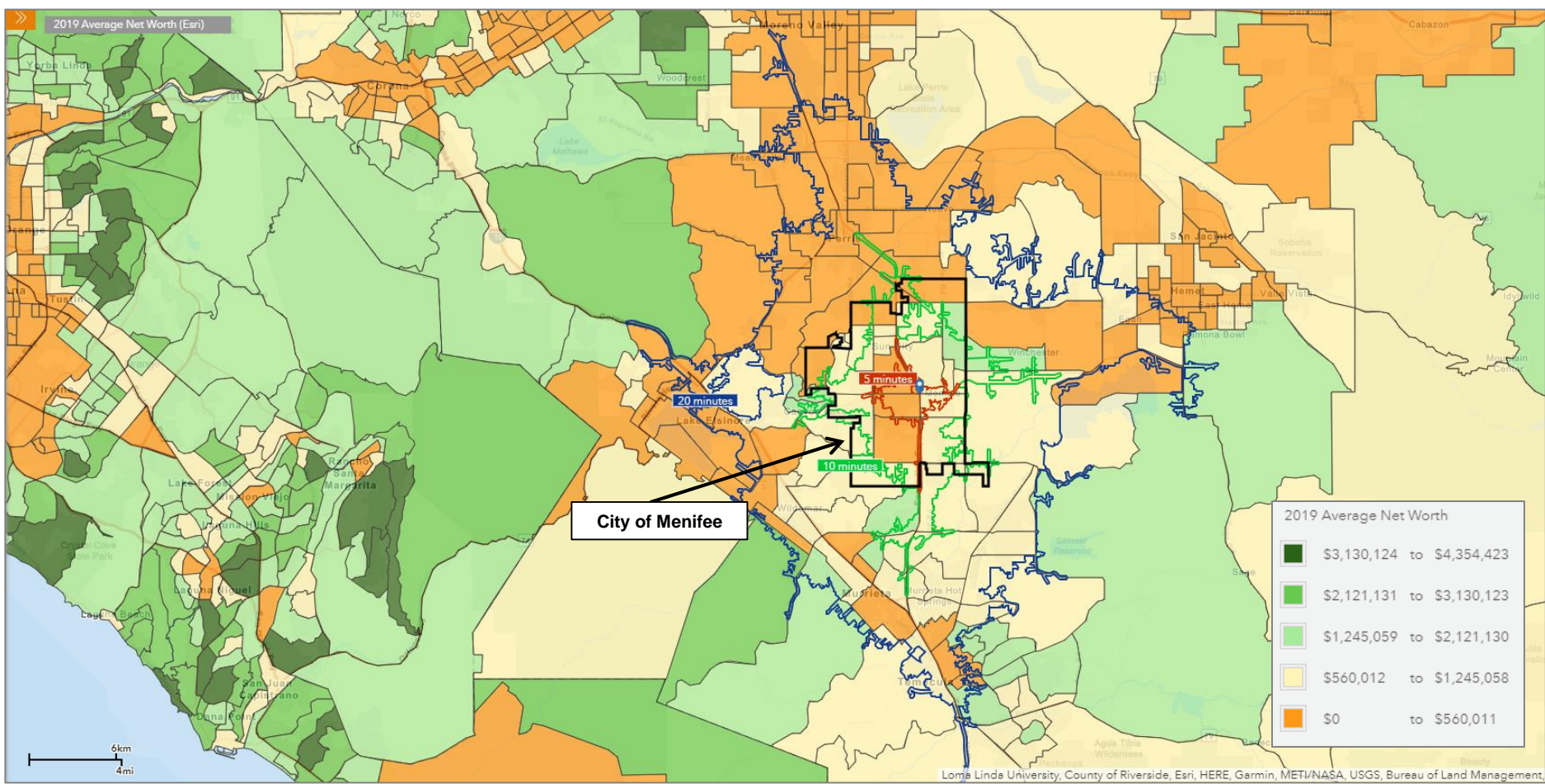
Menifee's median household incomes vary depending on location within Menifee. Median incomes are relatively low (in orange) along the western portion of Menifee. The majority of Menifee has median household income in the \$61,022 to \$92,877 range, but it is interesting to note that southern portions of Menifee and surrounding areas have median incomes that range from \$92,878 to \$123,344 (in light green). These are incomes that are well above the Riverside County median income of \$66,131 and U.S. median income of \$62,856, indicating disposable income for retail goods and services.



NET WORTH HEAT MAP

Location Overview

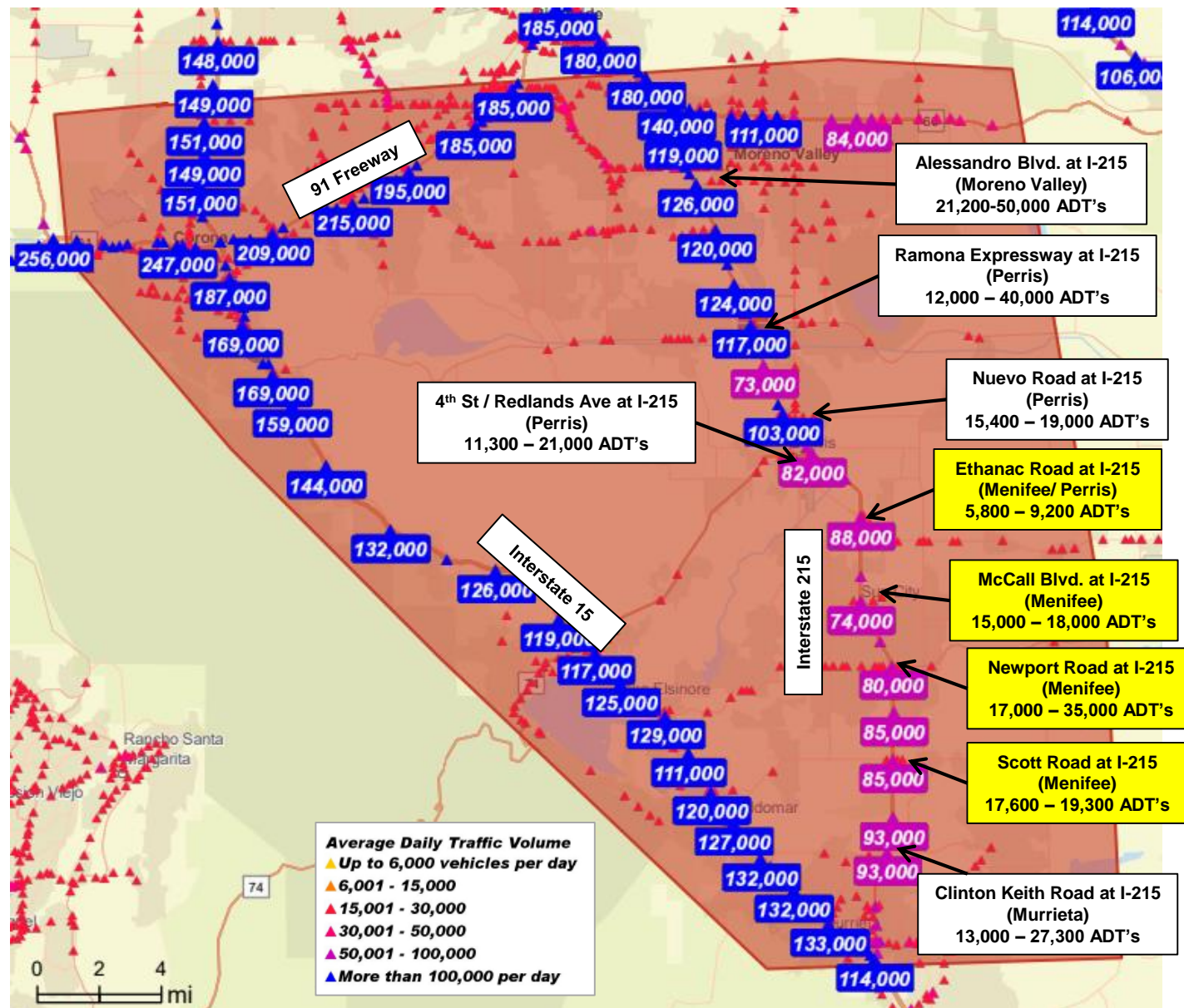
Net worth levels are mixed in Menifee and surrounding areas. This map illustrates 2019 average net worth by zip code in the region. Eastern areas of Menifee have moderate net worth levels (in tan), while areas north of Menifee and west of I-215 have low net worth levels (in orange). Areas to the south of Menifee and the western edge of Menifee have slightly higher average net worth levels (in light green).



AVERAGE DAILY VEHICLE TRAFFIC – I-15, I-215 AND 91 FREEWAYS

Location Overview

The I-215 freeway at Menifee has lower traffic levels than other sections of freeways in South Riverside County and surrounding areas. The map to the right depicts the Average Daily Traffic levels (ADT's) for the major freeways surrounding Menifee. Freeway traffic levels are lightest in Menifee, with 74,000 to 88,000 ADT's, significantly less than areas to the north and west such as Corona (256,000 ADT's) and Riverside (185,000 ADT's). The traffic data suggests that portions of Interstate 215 near Menifee—while congested at peak commute times—actually have lower traffic levels than areas to the north and could support more commerce vehicles and thus support more industrial development without impacting these freeways as significantly as other parts of the region. See the following page for maps that detail the ADT's at the four Menifee freeway exits and surrounding surface streets.

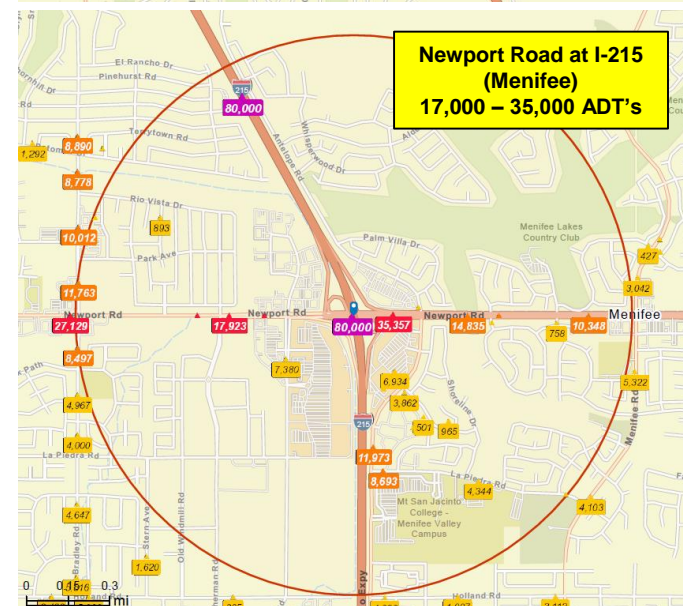
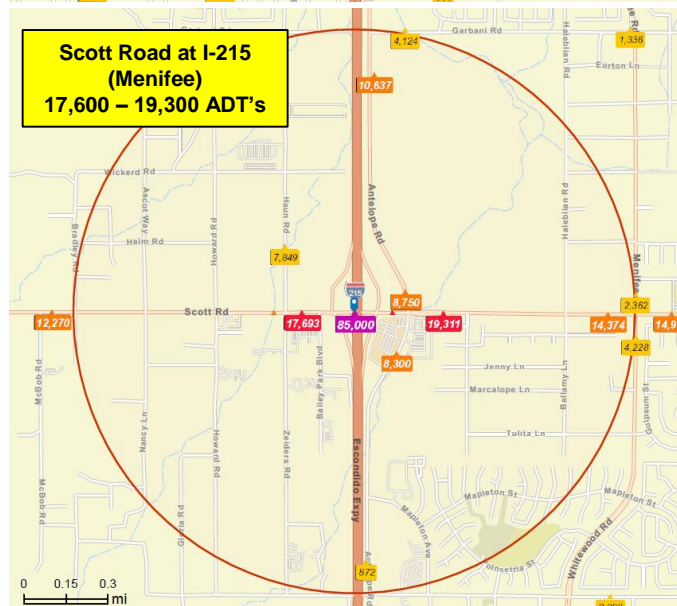
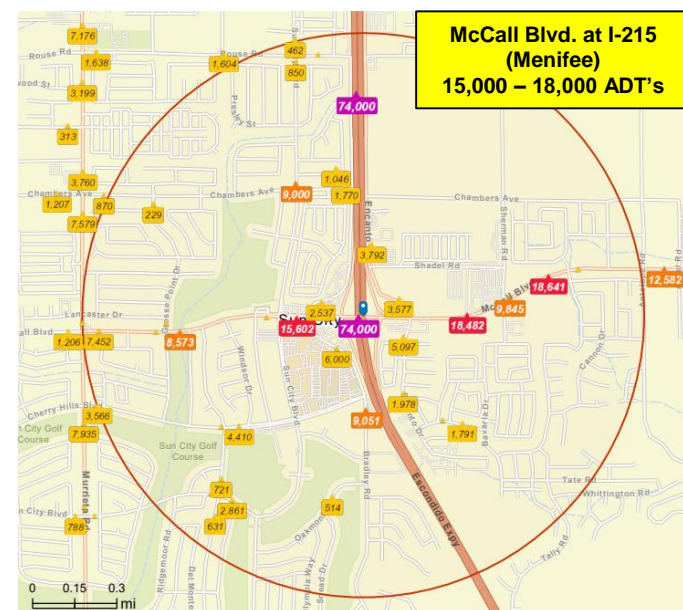
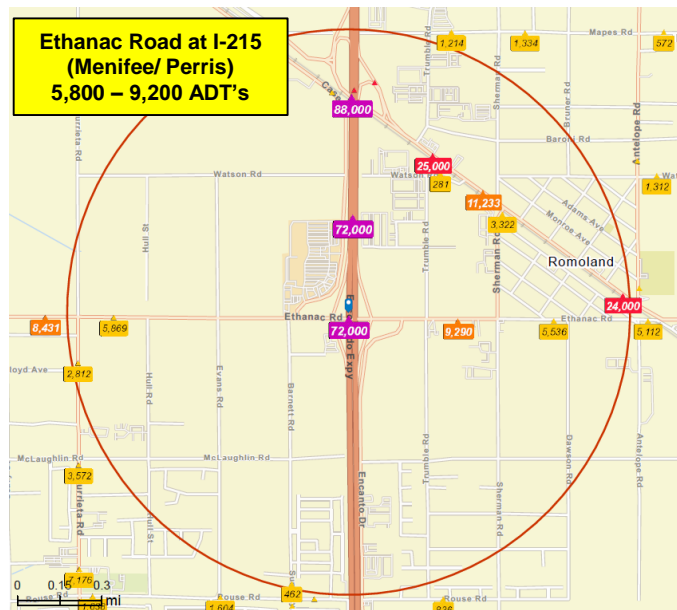
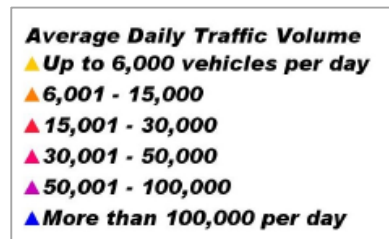


AVERAGE DAILY VEHICLE TRAFFIC – MENIFEE FREEWAY EXITS

Location Overview

Menifee offers four freeway exits and surface streets that can support traffic levels similar to other South Riverside County locations that have a strong industrial base. The surface streets that intersect the 215 freeway have relatively strong traffic levels ranging from 15,000 to 35,000 ADT's (with the exception of Ethanac Road that has lower traffic levels. These surface streets are multilane roads with signalized intersections that can support the large trucking vehicles associated with industrial buildings.

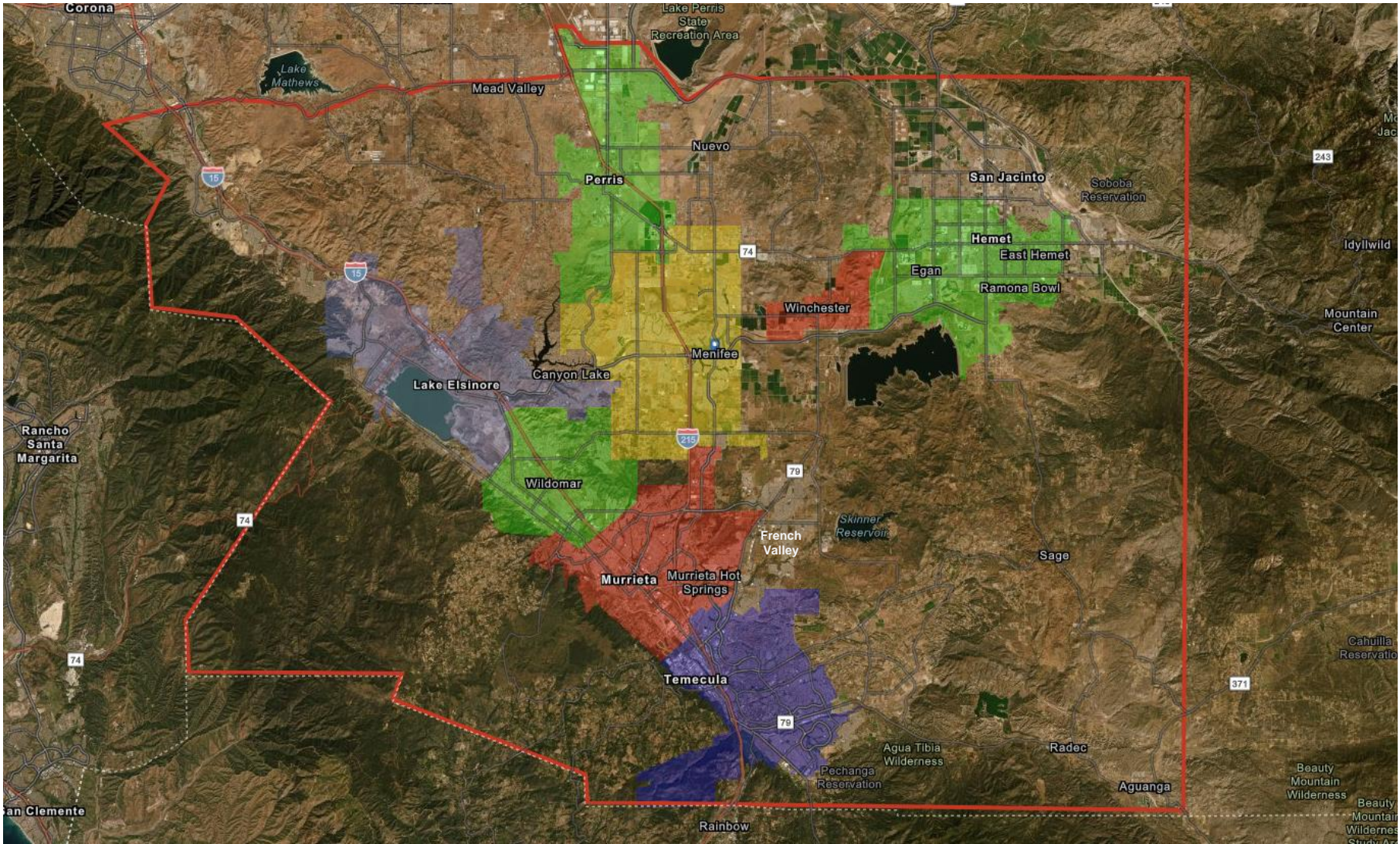
Note: Industrial zoning is identified in the Menifee General Plan along Ethanac Road, South of Scott Road and north of Scott Road, not at Newport Road or McCall Blvd.



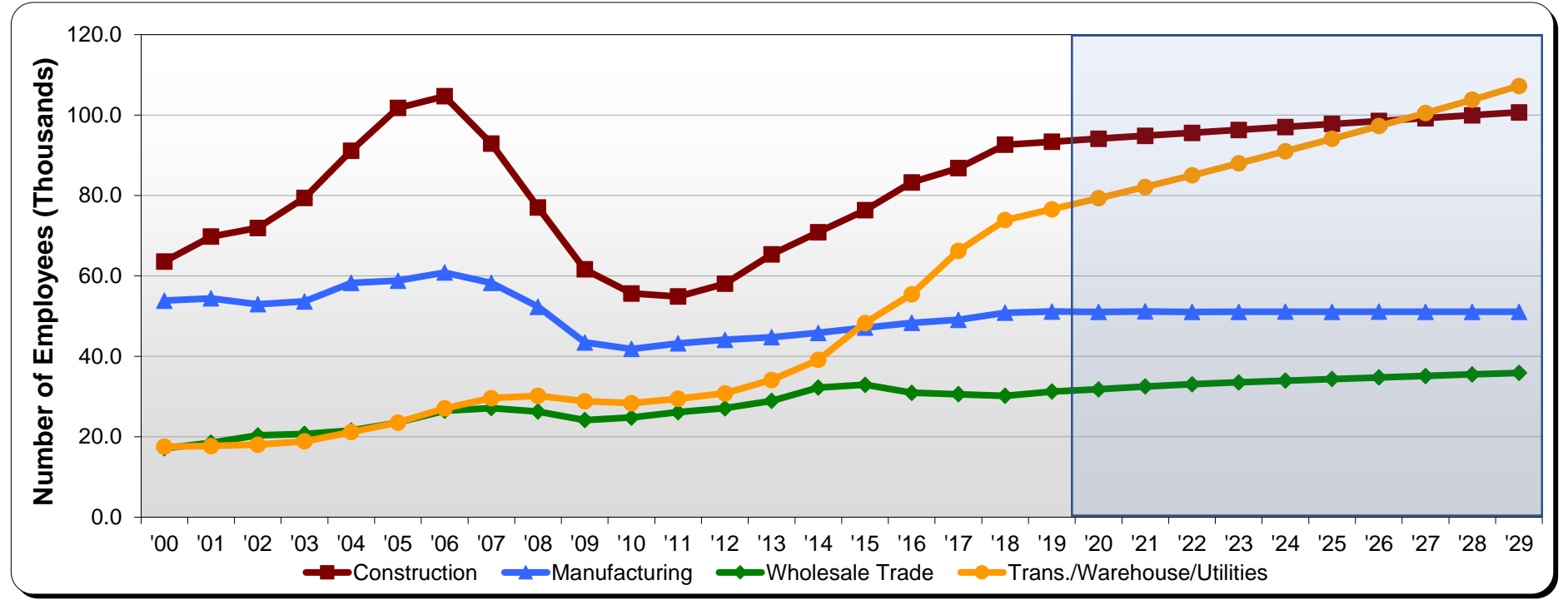
Industrial Demand Analysis

Industrial Demand and Opportunity Analysis, Menifee, California

The South Riverside County submarket is bounded by Orange County to the west, San Diego County to the south, the San Bernardino National Forest to the east and Cajalco Road/ Ramona Expressway to the north (red border). The submarket includes the cities of Hemet, Lake Elsinore, Menifee, Murrieta, Perris, Temecula, Wildomar and French Valley CDP and Winchester CDP (Census Designated Place).



Construction jobs lead Riverside County, with the strongest job growth in the Transportation, Warehouse & Utilities sector. The Construction industry represents the largest industrial-oriented employment base in Riverside County, with approximately 93,000 jobs, while growth in the Transportation/ Warehouse/ Utilities sector has grown significantly in recent years, averaging 14.1% annual growth since 2013. In total, jobs in industrial oriented fields total 252,000 jobs as of 2019 (the latest data available), a net increase of 91,900 jobs since 2001 (3.0% annual average increase). Going forward, Woods & Poole projects a net increase of 65,000 industrial jobs through 2029 (a 1.8% annual increase).



	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24	'25	'26	'27	'28	'29
Construction	63.60	69.79	71.93	79.43	91.16	101.79	104.72	92.91	77.06	61.64	55.66	54.89	58.06	65.34	70.88	76.34	83.27	86.83	92.64	93.39	94.13	94.87	95.61	96.34	97.07	97.80	98.53	99.26	99.98	100.70
Manufacturing	53.87	54.44	52.98	53.65	58.28	58.85	60.84	58.27	52.32	43.46	41.83	43.24	44.12	44.75	45.83	47.15	48.33	49.10	50.84	51.14	51.06	51.17	51.04	51.06	51.10	51.09	51.10	51.08	51.08	51.08
Wholesale Trade	17.14	18.51	20.32	20.72	21.52	23.51	26.46	27.14	26.28	24.14	24.77	26.09	27.08	28.93	32.23	32.94	30.92	30.58	30.18	31.25	31.78	32.51	33.05	33.52	33.95	34.36	34.75	35.13	35.50	35.86
Trans./Warehouse/Utilities	17.54	17.69	18.01	18.84	21.15	23.51	27.07	29.60	30.17	28.83	28.34	29.43	30.80	34.13	39.12	48.29	55.45	66.26	73.90	76.59	79.34	82.16	85.05	88.00	91.03	94.12	97.29	100.54	103.86	107.26
% Change Construction	-	9.7%	3.1%	10.4%	14.8%	11.7%	2.9%	-11.3%	-17.1%	-20.0%	-9.7%	-1.4%	5.8%	12.5%	8.5%	7.7%	9.1%	4.3%	6.7%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.7%	0.7%
% Change Manufacturing	-	1.1%	-2.7%	1.3%	8.6%	1.0%	3.4%	-4.2%	-10.2%	-16.9%	-3.7%	3.4%	2.0%	1.4%	2.4%	2.9%	2.5%	1.6%	3.5%	0.6%	-0.2%	0.2%	-0.2%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change Wholesale Trade	-	8.0%	9.8%	1.9%	3.9%	9.3%	12.6%	2.6%	-3.2%	-8.2%	2.6%	5.3%	3.8%	6.8%	11.4%	2.2%	-6.1%	-1.1%	-1.3%	3.5%	1.7%	2.3%	1.7%	1.4%	1.3%	1.2%	1.1%	1.1%	1.1%	1.0%
% Trans./Warehouse/Utilities	-	0.9%	1.8%	4.6%	12.3%	11.1%	15.1%	9.4%	1.9%	-4.4%	-1.7%	3.9%	4.6%	10.8%	14.6%	23.4%	14.8%	19.5%	11.5%	3.6%	3.6%	3.6%	3.5%	3.5%	3.4%	3.4%	3.4%	3.3%	3.3%	3.3%

Our employment-based demand model, below, considers employment growth projections in the Riverside County in the near term and current employment by industry, and translates this growth into additional supportable industrial space. By the end of 2020, our employment-based demand model yields supportable space of approximately 543,205 square feet of industrial space demanded annually in Menifee.

Industry	2019			2020			2019 to 2020	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	93,386	25%	23,347	94,129	25%	23,532	186	315,775
Manufacturing	51,142	95%	48,585	51,057	95%	48,504	(81)	(137,275)
Wholesale Trade	31,248	90%	28,123	31,784	90%	28,606	482	820,080
Retail Trade	121,543	25%	30,386	123,167	25%	30,792	406	690,200
Transportation/ Distribution/ Utilities	76,589	95%	72,760	79,341	95%	75,374	2,614	4,444,480
Non-Traditional Industrial Users								
Finance Activities	37,568	5%	1,878	38,728	5%	1,936	58	98,600
Information	9,170	10%	917	9,193	10%	919	2	3,910
Professional/Business Services	188,687	5%	9,434	192,906	5%	9,645	211	358,615
Education/Health Services	140,237	5%	7,012	145,476	5%	7,274	262	445,315
Leisure/Hospitality	116,051	5%	5,803	119,518	5%	5,976	173	294,695
Other Services	72,856	10%	7,286	74,250	10%	7,425	139	236,980
Government	139,639	10%	13,964	140,749	10%	14,075	111	188,700
Total	1,078,116	32%	249,494	1,100,298	32%	254,058	4,565	7,760,075
Annual Average								7,760,075
Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)								40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)								3,104,030 - 3,880,038
Estimated Annual Capture: CITY OF MENIFEE (%) 5/								10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)								310,403 - 776,007
Annual Average (SF):								543,205

Notes:

1/ Per Woods and Poole Economics, Inc.

2/ Meyers Research Estimate

3/ Per Woods and Poole Economics, Inc.

4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.

5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

By 2021, our employment-based demand model yields supportable space of approximately 617,872 square feet of industrial space demanded annually in Menifee.

Industry	2020			2021			2020 to 2021	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	94,129	25%	23,532	94,868	25%	23,717	185	314,075
Manufacturing	51,057	95%	48,504	51,167	95%	48,609	105	177,650
Wholesale Trade	31,784	90%	28,606	32,507	90%	29,256	651	1,106,190
Retail Trade	123,167	25%	30,792	125,435	25%	31,359	567	963,900
Transportation/ Distribution/ Utilities	79,341	95%	75,374	82,159	95%	78,051	2,677	4,551,070
Non-Traditional Industrial Users								
Finance Activities	38,728	5%	1,936	40,146	5%	2,007	71	120,530
Information	9,193	10%	919	9,216	10%	922	2	3,910
Professional/Business Services	192,906	5%	9,645	197,814	5%	9,891	245	417,180
Education/Health Services	145,476	5%	7,274	150,900	5%	7,545	271	461,040
Leisure/Hospitality	119,518	5%	5,976	122,877	5%	6,144	168	285,515
Other Services	74,250	10%	7,425	75,649	10%	7,565	140	237,830
Government	140,749	10%	14,075	141,854	10%	14,185	111	187,850
Total	1,100,298	32%	254,058	1,124,592	32%	259,251	5,192	8,826,740
Annual Average								8,826,740

Notes:

- 1/ Per Woods and Poole Economics, Inc.
- 2/ Meyers Research Estimate
- 3/ Per Woods and Poole Economics, Inc.
- 4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.
- 5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)		40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)		3,530,696 - 4,413,370
Estimated Annual Capture: CITY OF MENIFEE (%) 5/		10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)		353,070 - 882,674
Annual Average (SF):		617,872

By 2022, our employment-based demand model yields supportable space of approximately 566,880 square feet of industrial space demanded annually in Menifee.

Industry	2021			2022			2021 to 2022	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	94,868	25%	23,717	95,606	25%	23,902	185	313,650
Manufacturing	51,167	95%	48,609	51,042	95%	48,490	(119)	(201,875)
Wholesale Trade	32,507	90%	29,256	33,047	90%	29,742	486	826,200
Retail Trade	125,435	25%	31,359	127,180	25%	31,795	436	741,625
Transportation/ Distribution/ Utilities	82,159	95%	78,051	85,045	95%	80,793	2,742	4,660,890
Non-Traditional Industrial Users								
Finance Activities	40,146	5%	2,007	41,451	5%	2,073	65	110,925
Information	9,216	10%	922	9,240	10%	924	2	4,080
Professional/Business Services	197,814	5%	9,891	203,199	5%	10,160	269	457,725
Education/Health Services	150,900	5%	7,545	156,521	5%	7,826	281	477,785
Leisure/Hospitality	122,877	5%	6,144	126,196	5%	6,310	166	282,115
Other Services	75,649	10%	7,565	77,052	10%	7,705	140	238,510
Government	141,854	10%	14,185	142,952	10%	14,295	110	186,660
Total Annual Average	1,124,592	32%	259,251	1,148,531	32%	264,014	4,764	8,098,290 8,098,290
Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)								40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)								3,239,316 - 4,049,145

Notes:

1/ Per Woods and Poole Economics, Inc.

2/ Meyers Research Estimate

3/ Per Woods and Poole Economics, Inc.

4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.

5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Estimated Annual Capture: CITY OF MENIFEE (%) 5/	10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)	323,932 - 809,829
Annual Average (SF):	566,880

By 2023, our employment-based demand model yields supportable space of approximately 575,264 square feet of industrial space demanded annually in Menifee.

Industry	2022			2023			2022 to 2023	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	95,606	25%	23,902	96,341	25%	24,085	184	312,375
Manufacturing	51,042	95%	48,490	51,063	95%	48,510	20	33,915
Wholesale Trade	33,047	90%	29,742	33,516	90%	30,164	422	717,570
Retail Trade	127,180	25%	31,795	128,679	25%	32,170	375	637,075
Transportation/ Distribution/ Utilities	85,045	95%	80,793	88,000	95%	83,600	2,807	4,772,325
Non-Traditional Industrial Users								
Finance Activities	41,451	5%	2,073	42,700	5%	2,135	62	106,165
Information	9,240	10%	924	9,264	10%	926	2	4,080
Professional/Business Services	203,199	5%	10,160	208,151	5%	10,408	248	420,920
Education/Health Services	156,521	5%	7,826	162,338	5%	8,117	291	494,445
Leisure/Hospitality	126,196	5%	6,310	129,659	5%	6,483	173	294,355
Other Services	77,052	10%	7,705	78,459	10%	7,846	141	239,190
Government	142,952	10%	14,295	144,044	10%	14,404	109	185,640
Total	1,148,531	32%	264,014	1,172,214	32%	268,848	4,834	8,218,055
Annual Average								8,218,055

Notes:

- 1/ Per Woods and Poole Economics, Inc.
- 2/ Meyers Research Estimate
- 3/ Per Woods and Poole Economics, Inc.
- 4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.
- 5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)		40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)		3,287,222 - 4,109,028
Estimated Annual Capture: CITY OF MENIFEE (%) 5/		10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)		328,722 - 821,806
Annual Average (SF):		575,264

By 2024, our employment-based demand model yields supportable space of approximately 576,293 square feet of industrial space demanded annually in Menifee.

Industry	2023			2024			2023 to 2024	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	96,341	25%	24,085	97,073	25%	24,268	183	311,100
Manufacturing	51,063	95%	48,510	51,104	95%	48,549	39	66,215
Wholesale Trade	33,516	90%	30,164	33,949	90%	30,554	390	662,490
Retail Trade	128,679	25%	32,170	130,018	25%	32,505	335	569,075
Transportation/ Distribution/ Utilities	88,000	95%	83,600	91,025	95%	86,474	2,874	4,885,375
Non-Traditional Industrial Users								
Finance Activities	42,700	5%	2,135	43,903	5%	2,195	60	102,255
Information	9,264	10%	926	9,289	10%	929	3	4,250
Professional/Business Services	208,151	5%	10,408	212,873	5%	10,644	236	401,370
Education/Health Services	162,338	5%	8,117	168,356	5%	8,418	301	511,530
Leisure/Hospitality	129,659	5%	6,483	133,121	5%	6,656	173	294,270
Other Services	78,459	10%	7,846	79,870	10%	7,987	141	239,870
Government	144,044	10%	14,404	145,132	10%	14,513	109	184,960
Total Annual Average	1,172,214	32%	268,848	1,195,713	32%	273,691	4,843	8,232,760 8,232,760
Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)								40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)								3,293,104 - 4,116,380
Estimated Annual Capture: CITY OF MENIFEE (%) 5/								10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)								329,310 - 823,276
Annual Average (SF):								576,293

Notes:

1/ Per Woods and Poole Economics, Inc.

2/ Meyers Research Estimate

3/ Per Woods and Poole Economics, Inc.

4/ Assumes 1,700 square feet per employee for traditional of industrial users
and 1,700 square feet per employee for non-traditional Industrial users.

5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

By 2025, our employment-based demand model yields supportable space of approximately 574,157 square feet of industrial space demanded annually in Menifee.

Industry	2024			2025			2024 to 2025	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	97,073	25%	24,268	97,804	25%	24,451	183	310,675
Manufacturing	51,104	95%	48,549	51,092	95%	48,537	(11)	(19,380)
Wholesale Trade	33,949	90%	30,554	34,356	90%	30,920	366	622,710
Retail Trade	130,018	25%	32,505	131,227	25%	32,807	302	513,825
Transportation/ Distribution/ Utilities	91,025	95%	86,474	94,123	95%	89,417	2,943	5,003,270
Non-Traditional Industrial Users								
Finance Activities	43,903	5%	2,195	45,058	5%	2,253	58	98,175
Information	9,289	10%	929	9,314	10%	931	3	4,250
Professional/Business Services	212,873	5%	10,644	217,791	5%	10,890	246	418,030
Education/Health Services	168,356	5%	8,418	174,583	5%	8,729	311	529,295
Leisure/Hospitality	133,121	5%	6,656	136,618	5%	6,831	175	297,245
Other Services	79,870	10%	7,987	81,285	10%	8,129	142	240,550
Government	145,132	10%	14,513	146,212	10%	14,621	108	183,600
Total	1,195,713	32%	273,691	1,219,463	32%	278,516	4,825	8,202,245
Annual Average								8,202,245
Notes:								
1/ Per Woods and Poole Economics, Inc.								
2/ Meyers Research Estimate								
3/ Per Woods and Poole Economics, Inc.								
4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.								
5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory								
Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%) 40.0% - 50.0%								
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF) 3,280,898 - 4,101,123								
Estimated Annual Capture: CITY OF MENIFEE (%) 5/ 10.0% - 20.0%								
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF) 328,090 - 820,225								
Annual Average (SF): 574,157								

By 2026, our employment-based demand model yields supportable space of approximately 581,666 square feet of industrial space demanded annually in Menifee.

Industry	2025			2026			2025 to 2026	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	97,804	25%	24,451	98,532	25%	24,633	182	309,400
Manufacturing	51,092	95%	48,537	51,096	95%	48,541	4	6,460
Wholesale Trade	34,356	90%	30,920	34,747	90%	31,272	352	598,230
Retail Trade	131,227	25%	32,807	132,334	25%	33,084	277	470,475
Transportation/ Distribution/ Utilities	94,123	95%	89,417	97,294	95%	92,429	3,012	5,121,165
Non-Traditional Industrial Users								
Finance Activities	45,058	5%	2,253	46,164	5%	2,308	55	94,010
Information	9,314	10%	931	9,340	10%	934	3	4,420
Professional/Business Services	217,791	5%	10,890	222,868	5%	11,143	254	431,545
Education/Health Services	174,583	5%	8,729	181,018	5%	9,051	322	546,975
Leisure/Hospitality	136,618	5%	6,831	140,177	5%	7,009	178	302,515
Other Services	81,285	10%	8,129	82,705	10%	8,271	142	241,400
Government	146,212	10%	14,621	147,288	10%	14,729	108	182,920
Total Annual Average	1,219,463	32%	278,516	1,243,563	32%	283,404	4,888	8,309,515 8,309,515

Notes:

- 1/ Per Woods and Poole Economics, Inc.
- 2/ Meyers Research Estimate
- 3/ Per Woods and Poole Economics, Inc.
- 4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.
- 5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)		40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)		3,323,806 - 4,154,758
Estimated Annual Capture: CITY OF MENIFEE (%) 5/		10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)		332,381 - 830,952
Annual Average (SF):		581,666

By 2027, our employment-based demand model yields supportable space of approximately 585,218 square feet of industrial space demanded annually in Menifee.

Industry	2026			2027			2026 to 2027	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	98,532	25%	24,633	99,258	25%	24,815	182	308,550
Manufacturing	51,096	95%	48,541	51,078	95%	48,524	(17)	(29,070)
Wholesale Trade	34,747	90%	31,272	35,127	90%	31,614	342	581,400
Retail Trade	132,334	25%	33,084	133,358	25%	33,340	256	435,200
Transportation/ Distribution/ Utilities	97,294	95%	92,429	100,539	95%	95,512	3,083	5,240,675
Non-Traditional Industrial Users								
Finance Activities	46,164	5%	2,308	47,221	5%	2,361	53	89,845
Information	9,340	10%	934	9,366	10%	937	3	4,420
Professional/Business Services	222,868	5%	11,143	227,984	5%	11,399	256	434,860
Education/Health Services	181,018	5%	9,051	187,661	5%	9,383	332	564,655
Leisure/Hospitality	140,177	5%	7,009	143,772	5%	7,189	180	305,575
Other Services	82,705	10%	8,271	84,128	10%	8,413	142	241,910
Government	147,288	10%	14,729	148,360	10%	14,836	107	182,240
Total	1,243,563	32%	283,404	1,267,852	32%	288,322	4,918	8,360,260
Annual Average								8,360,260
Notes:								
1/ Per Woods and Poole Economics, Inc.								
2/ Meyers Research Estimate								
3/ Per Woods and Poole Economics, Inc.								
4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.								
5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory								

Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)		40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)		3,344,104 - 4,180,130
Estimated Annual Capture: CITY OF MENIFEE (%) 5/		10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)		334,410 - 836,026
Annual Average (SF):		585,218

By 2028, our employment-based demand model yields supportable space of approximately 594,161 square feet of industrial space demanded annually in Menifee.

Industry	2027			2028			2027 to 2028	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	99,258	25%	24,815	99,982	25%	24,996	181	307,700
Manufacturing	51,078	95%	48,524	51,082	95%	48,528	4	6,460
Wholesale Trade	35,127	90%	31,614	35,497	90%	31,947	333	566,100
Retail Trade	133,358	25%	33,340	134,314	25%	33,579	239	406,300
Transportation/ Distribution/ Utilities	100,539	95%	95,512	103,861	95%	98,668	3,156	5,365,030
Non-Traditional Industrial Users								
Finance Activities	47,221	5%	2,361	48,231	5%	2,412	51	85,850
Information	9,366	10%	937	9,393	10%	939	3	4,590
Professional/Business Services	227,984	5%	11,399	233,043	5%	11,652	253	430,015
Education/Health Services	187,661	5%	9,383	194,514	5%	9,726	343	582,505
Leisure/Hospitality	143,772	5%	7,189	147,411	5%	7,371	182	309,315
Other Services	84,128	10%	8,413	85,556	10%	8,556	143	242,760
Government	148,360	10%	14,836	149,427	10%	14,943	107	181,390
Total Annual Average	1,267,852	32%	288,322	1,292,311	32%	293,315	4,993	8,488,015 8,488,015

Notes:

- 1/ Per Woods and Poole Economics, Inc.
- 2/ Meyers Research Estimate
- 3/ Per Woods and Poole Economics, Inc.
- 4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.
- 5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)		40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)		3,395,206 - 4,244,008
Estimated Annual Capture: CITY OF MENIFEE (%) 5/		10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)		339,521 - 848,802
Annual Average (SF):		594,161

By 2029, our employment-based demand model yields supportable space of approximately 601,480 square feet of industrial space demanded annually in Menifee.

Industry	2028			2029			2028 to 2029	
	Total Employment 1/	Occupied in Industrial Buildings 2/	No. Employed in Industrial Buildings	Total Employment 3/	Occupied in Industrial Buildings	No. Employed in Industrial Buildings	Total Emp. Growth in Industrial Buildings	New Industrial Space Needed 4/
Traditional Industrial Users								
Construction	99,982	25%	24,996	100,704	25%	25,176	181	306,850
Manufacturing	51,082	95%	48,528	51,082	95%	48,528	0	0
Wholesale Trade	35,497	90%	31,947	35,861	90%	32,275	328	556,920
Retail Trade	134,314	25%	33,579	135,215	25%	33,804	225	382,925
Transportation/ Distribution/ Utilities	103,861	95%	98,668	107,260	95%	101,897	3,229	5,489,385
Non-Traditional Industrial Users								
Finance Activities	48,231	5%	2,412	49,192	5%	2,460	48	81,685
Information	9,393	10%	939	9,420	10%	942	3	4,590
Professional/Business Services	233,043	5%	11,652	238,129	5%	11,906	254	432,310
Education/Health Services	194,514	5%	9,726	201,576	5%	10,079	353	600,270
Leisure/Hospitality	147,411	5%	7,371	151,101	5%	7,555	185	313,650
Other Services	85,556	10%	8,556	86,988	10%	8,699	143	243,440
Government	149,427	10%	14,943	150,489	10%	15,049	106	180,540
Total	1,292,311	32%	293,315	1,317,017	32%	298,369	5,054	8,592,565
Annual Average								8,592,565
Estimated Annual Capture: SO RIVERSIDE & MORENO VALLEY/ PERRIS (%)								40.0% - 50.0%
Est. Annual Industrial Space Absorption: SO RIVERSIDE & MV/P (SF)								3,437,026 - 4,296,283
Estimated Annual Capture: CITY OF MENIFEE (%) 5/								10.0% - 20.0%
Est. Annual Industrial Space Absorption: CITY OF MENIFEE (SF)								343,703 - 859,257
Annual Average (SF):								601,480

Notes:

1/ Per Woods and Poole Economics, Inc.

2/ Meyers Research Estimate

3/ Per Woods and Poole Economics, Inc.

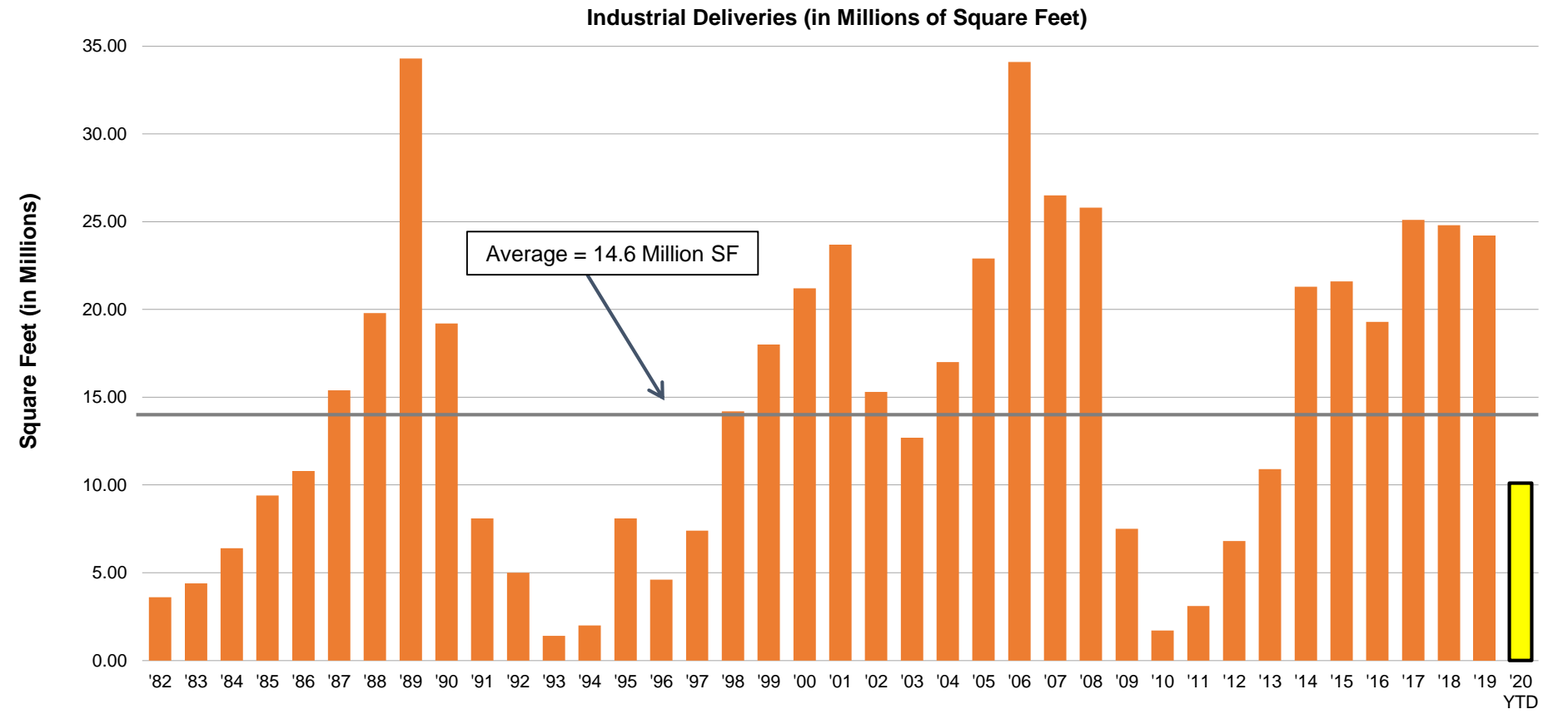
4/ Assumes 1,700 square feet per employee for traditional of industrial users and 1,700 square feet per employee for non-traditional Industrial users.

5/ Reflects estimated capture rate of the South Riverside & Moreno Valley/ Perris capture of industrial inventory

Industrial Market Trends

Industrial Demand and Opportunity Analysis, Menifee, California

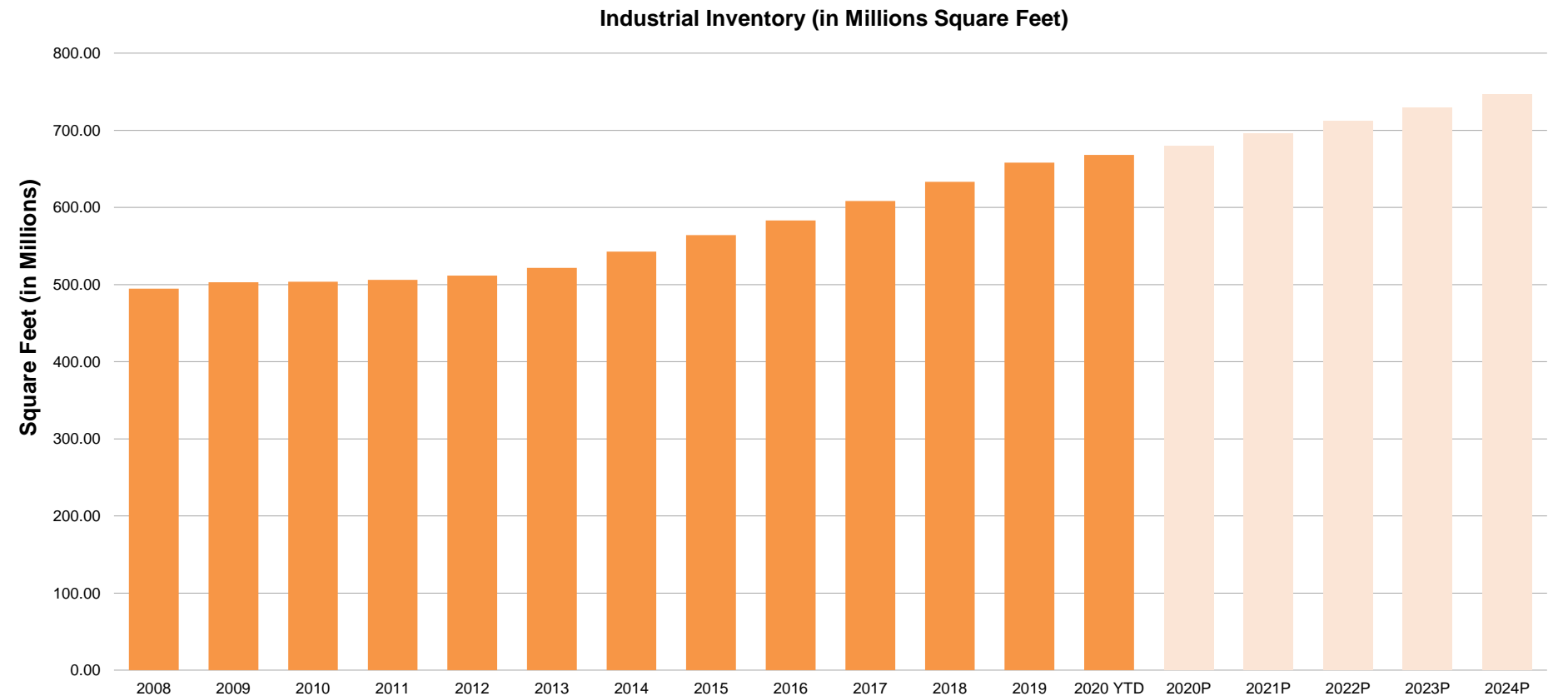
New industrial deliveries in the Inland Empire have averaged approximately 14.6 million square feet annually over the past 38 years. Deliveries often occur in cycles where deliveries were remarkably high (late 1980's and mid-2000's in particular). Recent years are above the long term average, with six consecutive years averaging over 20 million square feet annually. The increase in industrial deliveries is driven by a number of factors including greater industrial land supply, lower land costs and lower lease rates than coastal markets, as well as an increase in e-commerce activity and the need for more warehouse and distribution space for consumer goods.



Deliveries	'82	'83	'84	'85	'86	'87	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	'16	'17	'18	'19	'20 YTD
Total Deliveries (Mil. SF)	3.60	4.40	6.40	9.40	10.80	15.40	19.80	34.30	19.20	8.10	5.00	1.40	2.00	8.10	4.60	7.40	14.20	18.00	21.20	23.70	15.30	12.70	17.00	22.90	34.10	26.50	25.80	7.50	1.70	3.10	6.80	10.90	21.30	21.60	19.30	25.10	24.80	24.20	10.10
% Change	--	22%	45%	47%	15%	43%	29%	73%	-44%	-58%	-38%	-72%	43%	305%	-43%	61%	92%	27%	18%	12%	-35%	-17%	34%	35%	49%	-22%	-3%	-71%	-77%	82%	119%	60%	95%	1%	-11%	0%	-1%	-2%	--

Source: CoStar

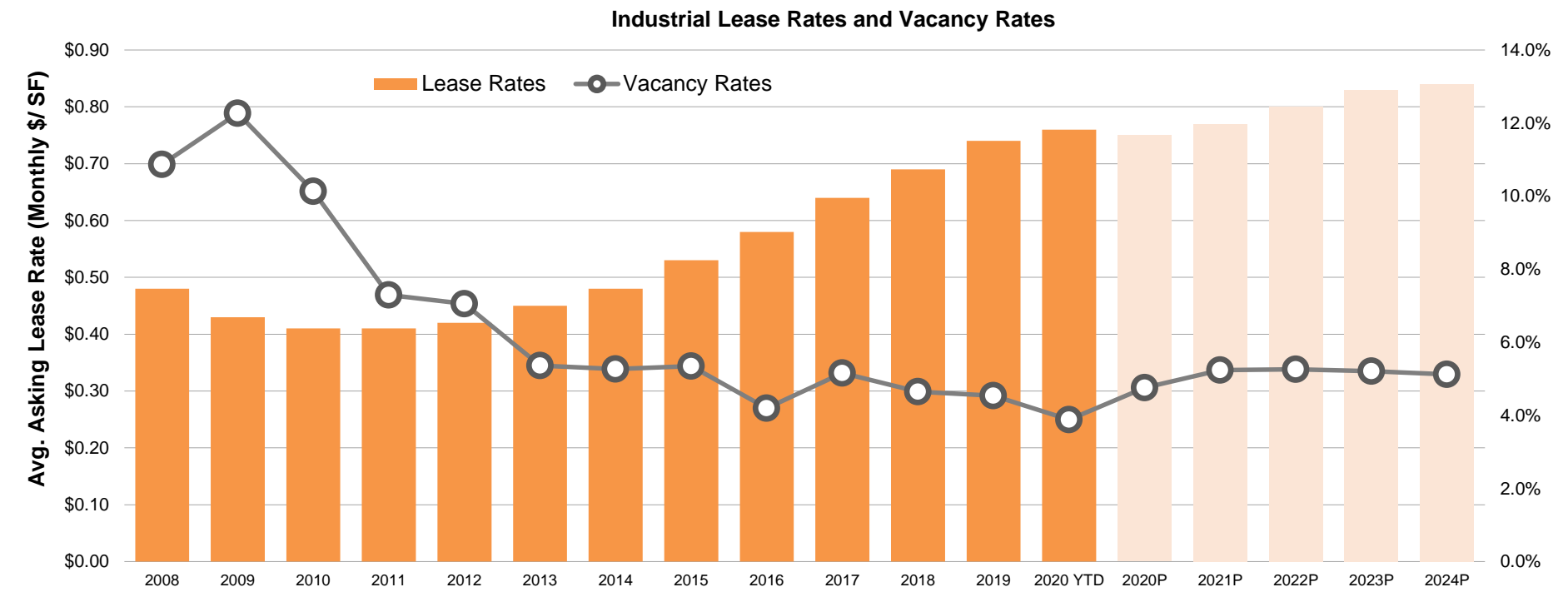
Similar to new deliveries, industrial inventory in the Inland Empire has been increasing over the five years, with 23 million square feet of increased inventory annually, on average. This year is projected to close with an increase of 21.3 million square feet, which is lower than the five year average but higher than the long term average over the past ten years of 14.8 million.



Inventory	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Total Inventory (SF)	494,638,485	503,095,714	503,663,474	505,989,600	511,759,552	521,748,062	542,765,896	564,013,963	583,047,092	608,244,818	633,097,995	658,117,628	668,190,041	679,462,558	695,613,861	711,686,194	729,432,293	746,889,142
Inventory Change	--	8,457,229	567,760	2,326,126	5,769,952	9,988,510	21,017,834	21,248,067	19,033,129	25,197,726	24,853,177	25,019,633	10,072,413	21,344,930	16,151,303	16,072,333	17,746,099	17,456,849
% Change	--	1.7%	0.1%	0.5%	1.1%	2.0%	4.0%	3.9%	3.4%	4.3%	4.1%	4.0%	1.5%	1.7%	2.4%	2.3%	2.5%	2.4%

Source: CoStar

Average industrial lease rates have increased to record highs, while vacancies decreased to the lowest level in a decade. Industrial lease rates average \$0.76 per square foot per month currently, marking nine consecutive years of rent growth. The vacancy rate has trended downward, from 12.3% in 2009 to 3.9% in the most recent quarter, which represents a supply-constrained industrial market.



Lease Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Lease Rate (\$/ SF/ l	\$0.48	\$0.43	\$0.41	\$0.41	\$0.42	\$0.45	\$0.48	\$0.53	\$0.58	\$0.64	\$0.69	\$0.74	\$0.76	\$0.75	\$0.77	\$0.80	\$0.83	\$0.84
Lease Rate Change	--	(\$0.05)	(\$0.02)	\$0.00	\$0.01	\$0.03	\$0.03	\$0.05	\$0.05	\$0.06	\$0.05	\$0.05	\$0.02	(\$0.01)	\$0.02	\$0.03	\$0.03	\$0.01
% Change	--	-10.4%	-4.7%	0.0%	2.4%	7.1%	6.7%	10.4%	9.4%	10.3%	7.8%	7.2%	2.7%	-1.3%	2.7%	3.9%	3.7%	1.2%

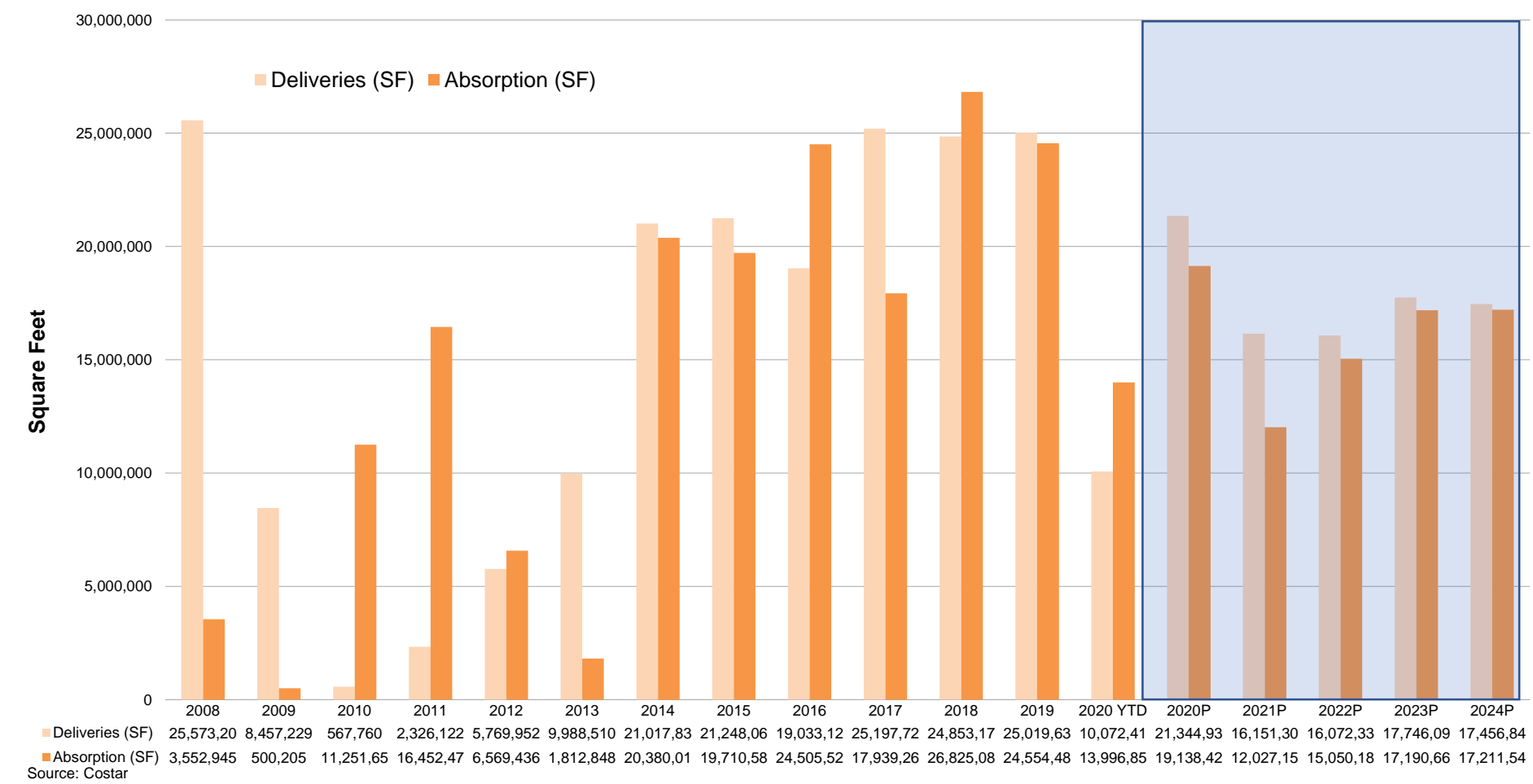
Vacancy Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Vacancy Rate	10.9%	12.3%	10.1%	7.3%	7.1%	5.4%	5.3%	5.3%	4.2%	5.2%	4.6%	4.5%	3.9%	4.8%	5.2%	5.3%	5.2%	5.1%
Vac. Rate Change	--	1.4%	-2.1%	-2.8%	-0.2%	-1.7%	-0.1%	0.1%	-1.1%	1.0%	-0.5%	-0.1%	-0.7%	0.9%	0.5%	0.0%	-0.1%	-0.1%
% Change	--	12.9%	-17.4%	-28.0%	-3.3%	-24.0%	-1.7%	1.4%	-21.5%	22.9%	-10.0%	-2.3%	-14.4%	22.5%	10.2%	0.5%	-1.0%	-1.7%

INLAND EMPIRE INDUSTRIAL DELIVERIES VERSUS ABSORPTION

Industrial Market Trends

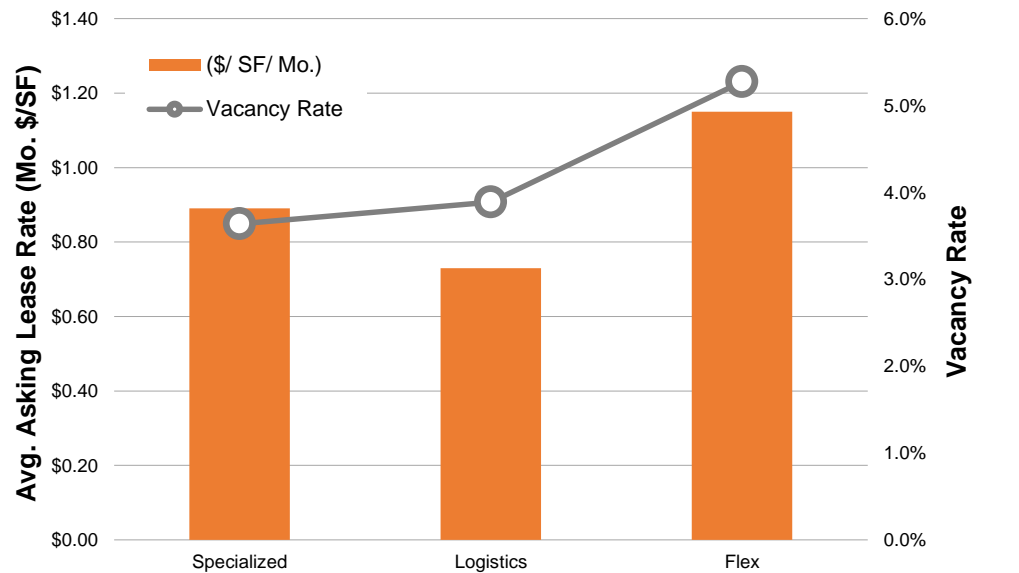
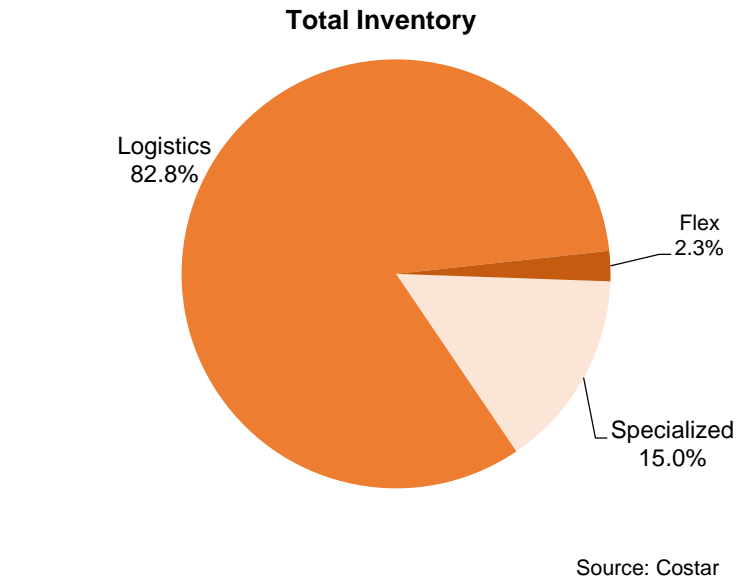


Inland Empire industrial market absorption has kept up with deliveries over the past six years. The Inland Empire industrial market was overbuilt during 2008 and 2009, with 34 million square feet delivered and just 4 million square feet absorbed. Since then, the market has had a slow and steady recovery, with 183 million square feet absorbed versus 165 million square feet of new deliveries from 2010 through 2020 to-date. Virtually all of the newer industrial inventory has been absorbed and industrial deliveries can increase based on increased demand—CoStar projects higher levels of deliveries through 2020 and positive net absorption going forward, with approximately 80 million square feet of positive net absorption and 88 million square feet of deliveries during these years (combined).



The Inland Empire industrial market is dominated by Logistics (Warehouse/ Distribution) space, comprising 82.8% of total inventory. Flex (R&D) space achieves the highest lease rates but also has a higher vacancy rate than other industrial building classes. Logistics buildings dominate the industrial market in terms of absorption, deliveries, and product under construction, with +/-20 million square feet in all three categories.

Type	Total SF	Vacant SF	Vacancy Rate	Absorption (SF) 2019	Deliveries (SF) 2019	Under Construction (SF)	Asking Rent (\$/ SF/ Mo.)
Specialized	99,995,467	3,637,908	3.6%	590,228	786,078	804,843	\$0.89
Logistics	552,991,457	21,508,482	3.9%	24,223,120	24,152,901	19,788,026	\$0.73
Flex	15,203,117	801,627	5.3%	(128,784)	(3,400)	0	\$1.15
TOTAL:	668,190,041	25,948,017	3.9%	24,684,564	24,935,579	20,592,869	\$0.76



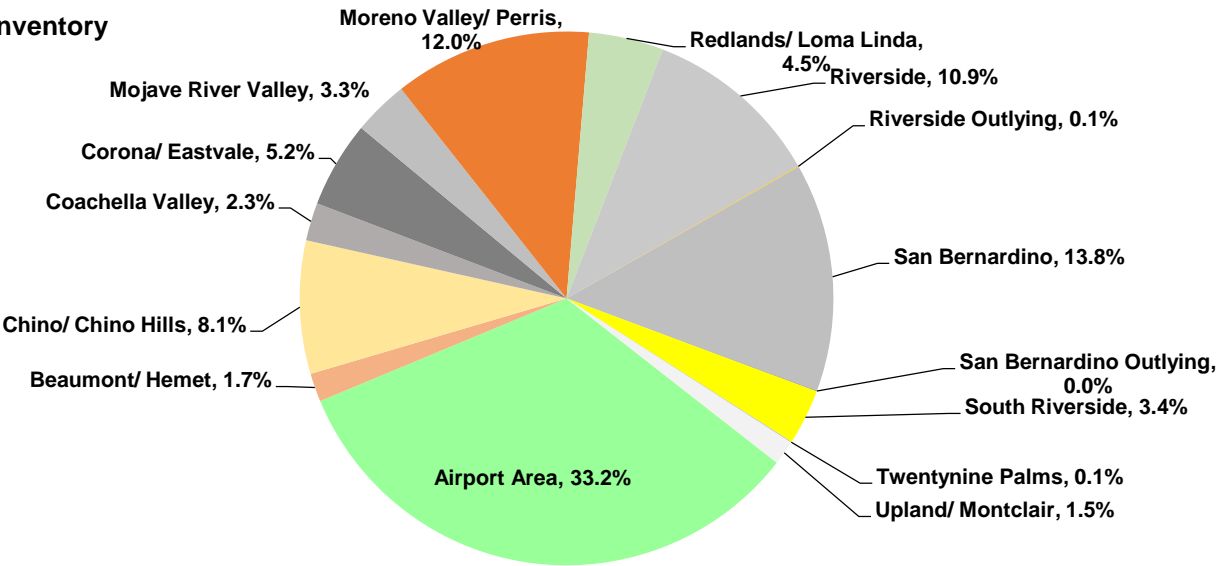
The South Riverside submarket comprises a small segment (3.4%) of the Inland Empire MSA industrial market overall, while the Moreno Valley/ Perris submarket comprises 12.27% of the market.

South Riverside has higher average lease rates (\$1.01 per square foot) than the overall market and lower vacancies (3.6%), indicating this is a relatively strong industrial submarket with pent-up demand for more space. Net absorption, deliveries and space under construction are all positive in South Riverside, albeit at relatively low levels (less than 140,000 square feet in each).

Additionally, some industrial tenants may locate in industrial markets such as San Bernardino and Moreno Valley/ Perris, where larger industrial buildings are located, as clustering is a valued opportunity. For perspective, the Moreno Valley/ Perris submarket is nearly four times larger than South Riverside in terms of industrial inventory, with very strong development activity of late—over 7.1 million square feet of positive net absorption and 5.1 million square feet of deliveries over the past 12 months. Menifee is located directly south of Perris, and represents an opportunity to capture a portion of this demand.

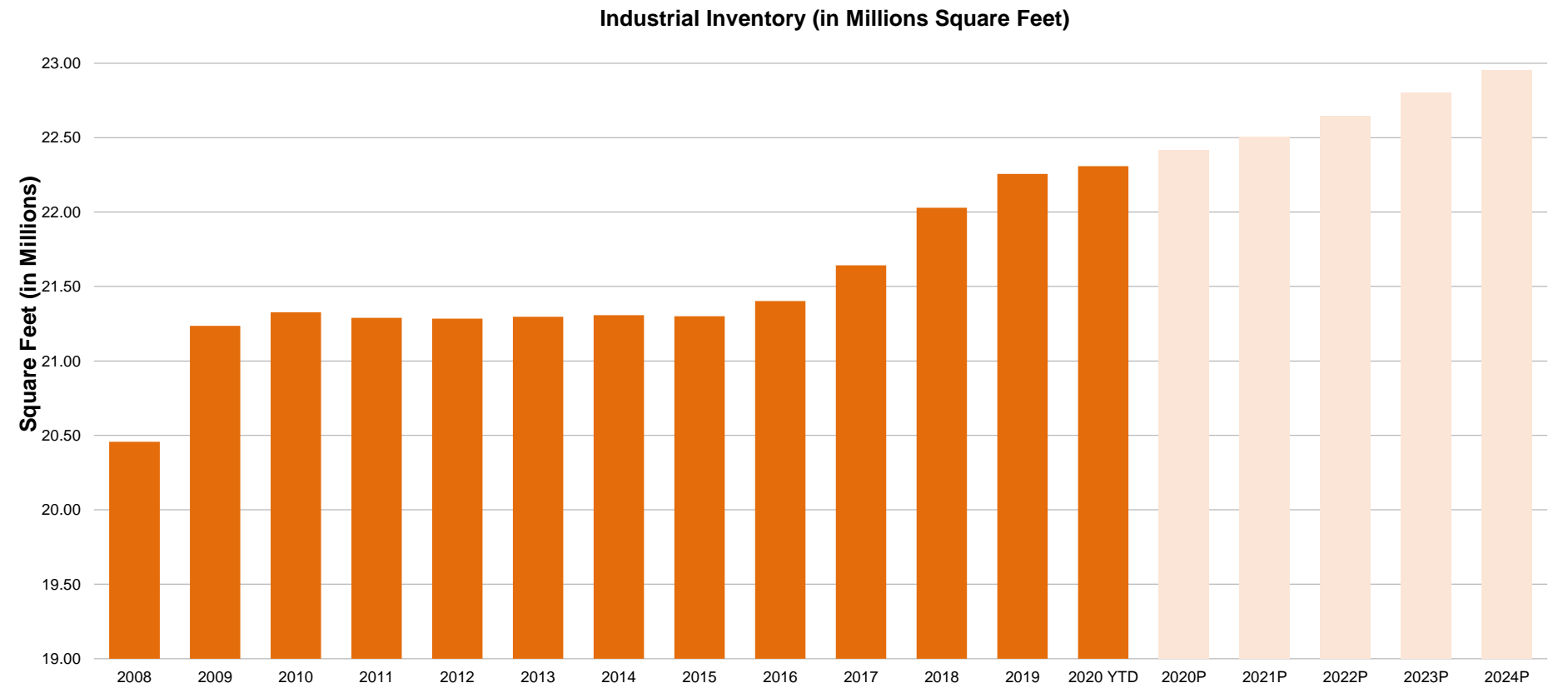
Submarket	Total SF	Vacant SF	Vacancy Rate	Last 12 Months Net Absorption (SF)	Last 12 Months Deliveries (SF)	Under Construction (SF)	Avg. Asking Rent (\$/ SF/ Mo.)
Airport Area	220,771,000	7,359,349	3.3%	3,629,830	4,112,000	8,556,000	\$0.79
Beaumont/ Hemet	11,378,000	293,779	2.6%	2,462,826	2,575,000	0	\$0.71
Chino/ Chino Hills	53,779,000	698,918	1.3%	651,351	781,000	783,000	\$0.80
Coachella Valley	15,620,000	522,871	3.3%	89,562	44,000	0	\$1.15
Corona/ Eastvale	34,925,000	1,836,177	5.3%	687,424	951,000	626,000	\$0.87
Mojave River Valley	22,153,000	932,464	4.2%	459,824	168,000	24,000	\$0.74
Moreno Valley/ Perris	81,955,000	3,969,842	4.8%	7,152,405	5,169,000	3,670,000	\$0.62
Redlands/ Loma Linda	29,434,000	1,622,207	5.5%	(1,411,252)	155,000	155,000	\$0.63
Riverside	72,574,000	2,666,034	3.7%	(857,906)	437,000	1,439,000	\$0.76
Riverside Outlying	377,000	24,220	6.4%	16,813	0	0	\$0.80
San Bernardino	92,479,000	4,765,156	5.2%	6,486,483	5,757,000	5,054,000	\$0.66
San Bernardino Outlying	226,000	0	0.0%	15,991	0	0	\$0.94
South Riverside	22,309,000	806,189	3.6%	86,609	124,000	138,000	\$1.01
Twentynine Palms	388,000	20,255	5.2%	(12,206)	0	0	\$1.07
Upland/ Montclair	9,822,000	430,556	4.4%	248,554	365,000	149,000	\$0.99
TOTAL:	668,190,000	25,948,017	3.9%	19,706,308	20,638,000	20,594,000	\$0.76

Total Inventory



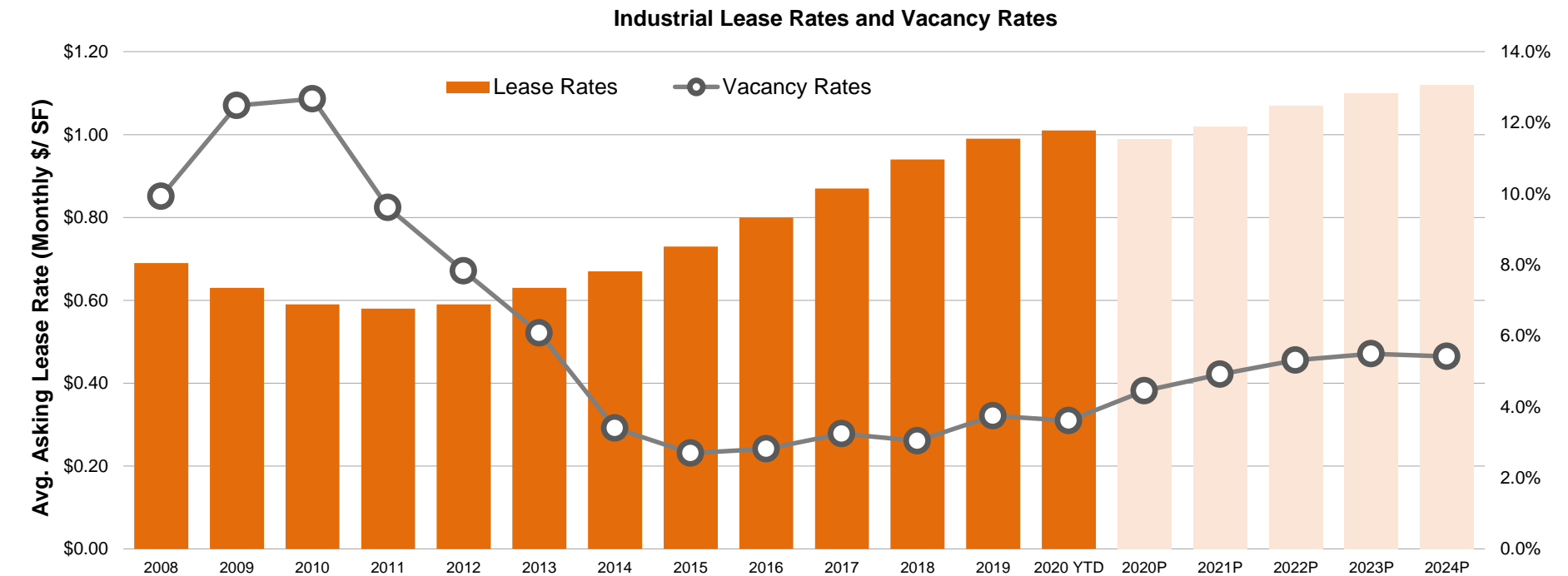
Source: Costar

South Riverside had significant gains in inventory in 2009 with over 779,000 square feet added to the industrial market, followed by more modest gains ranging from negative net inventory to 386,000 square feet annually over the past decade. After virtually no growth from 2011 through 2015, South Riverside rebounded with an increase of one million square feet from 2016 through 2020 to-date.



Inventory	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Total Inventory (SF)	20,456,144	21,235,479	21,327,141	21,288,857	21,284,857	21,296,223	21,306,635	21,300,537	21,401,799	21,642,466	22,028,783	22,255,548	22,308,807	22,417,873	22,505,451	22,645,215	22,799,488	22,951,253
Inventory Change	--	779,335	91,662	-38,284	-4,000	11,366	10,412	-6,098	101,262	240,667	386,317	226,765	53,259	162,325	87,578	139,764	154,273	151,765
% Change	--	3.8%	0.4%	-0.2%	0.0%	0.1%	0.0%	0.0%	0.5%	1.1%	1.8%	1.0%	0.2%	0.5%	0.4%	0.6%	0.7%	0.7%

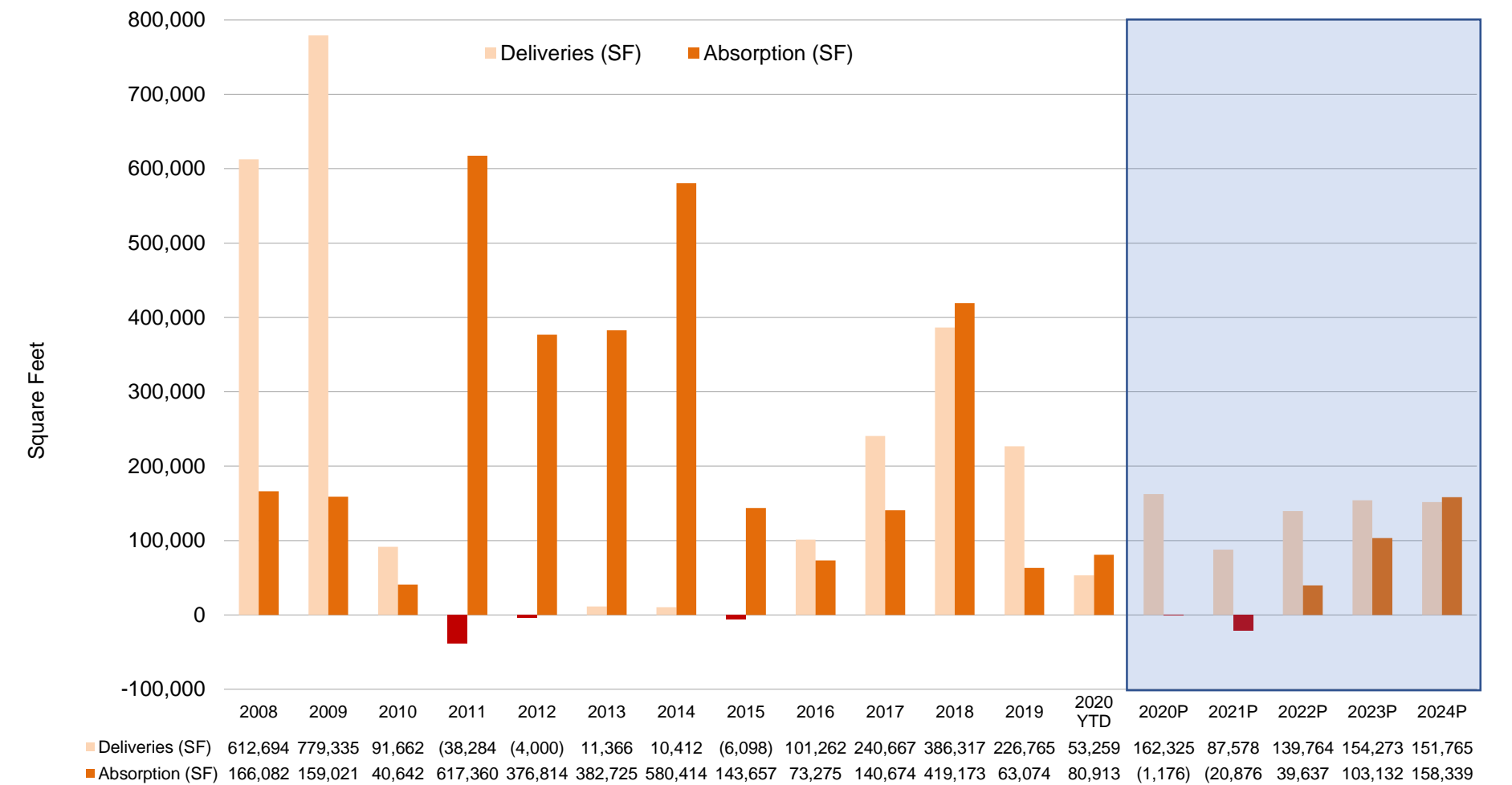
South Riverside industrial lease rates are increasing, while vacancy is increasing slightly but remains very low. South Riverside lease rates have improved from an average of \$0.58 per square foot in 2011 to \$1.01 per square foot currently, the highest level on record. The vacancy rate decreased from 12.7% in 2010 to 3.6% in the most recent quarter—the fact that there has been upward pressure on rents indicates a strong opportunity for additional industrial development in South Riverside.



Lease Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Lease Rate (\$/ SF/ Mo.)	\$0.69	\$0.63	\$0.59	\$0.58	\$0.59	\$0.63	\$0.67	\$0.73	\$0.80	\$0.87	\$0.94	\$0.99	\$1.01	\$0.99	\$1.02	\$1.07	\$1.10	\$1.12
Lease Rate Change	--	(\$0.06)	(\$0.04)	(\$0.01)	\$0.01	\$0.04	\$0.04	\$0.06	\$0.07	\$0.07	\$0.07	\$0.05	\$0.02	(\$0.02)	\$0.03	\$0.05	\$0.03	\$0.02
% Change	--	-8.7%	-6.3%	-1.7%	1.7%	6.8%	6.3%	9.0%	9.6%	8.7%	8.0%	5.3%	2.0%	-2.0%	3.0%	4.9%	2.8%	1.8%

Vacancy Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Vacancy Rate	9.9%	12.5%	12.7%	9.6%	7.8%	6.1%	3.4%	2.7%	2.8%	3.2%	3.0%	3.7%	3.6%	4.4%	4.9%	5.3%	5.5%	5.4%
Vac. Rate Change	--	2.6%	0.2%	-3.1%	-1.8%	-1.7%	-2.7%	-0.7%	0.1%	0.4%	-0.2%	0.7%	-0.1%	0.8%	0.5%	0.4%	0.2%	-0.1%
% Change	--	25.8%	1.5%	-24.1%	-18.6%	-22.3%	-44.1%	-20.7%	4.4%	15.4%	-6.3%	23.2%	-3.5%	23.1%	10.5%	8.2%	3.4%	-1.4%

Net absorption has exceeded new deliveries for seven out of the past ten years. During 2011 through 2015, virtually no new industrial space was delivered in South Riverside while the market absorbed over 2.1 million square feet of space. The past four years returned to more “normal” levels of deliveries and absorption, with one million square feet of new deliveries and 777,000 square feet of positive net absorption.

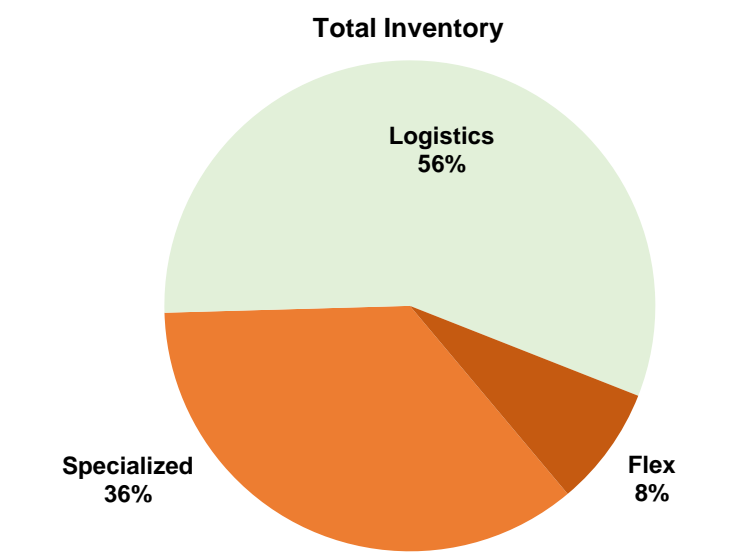


Source: Costar

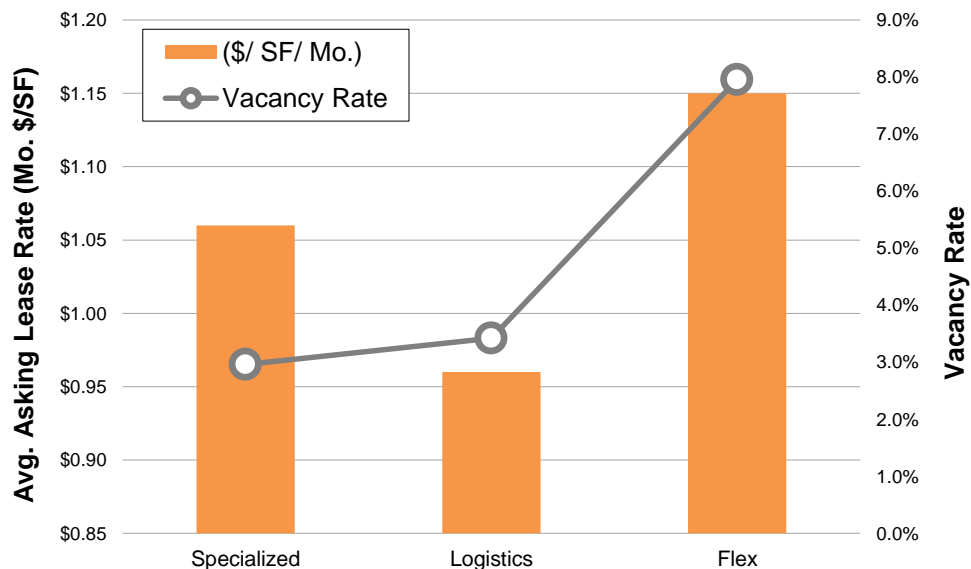
Source: CoStar

South Riverside includes a mix of Logistics space (56%) followed by Specialized space (36%). It is worth noting that there is a much larger mix (%) of Specialized and Flex space in South Riverside than in the Inland Empire overall. Flex space has the highest lease rates and also has a relatively high vacancy rate of 8.0%. Logistics space dominates the market in terms of positive net absorption, deliveries and space under construction. The vacancy rate for Logistics space is relatively low at 3.4% and lease rates are also relatively high at \$0.96 per square foot, indicating building owners are holding firm on lease rates for the limited amount of available space—for perspective, there are six submarkets in the Inland Empire with over 1 million square feet of available space in each, and all have significantly lower average lease rates in the \$0.60 to \$0.70 per square foot range. **At an average of 1,700 square feet per employee, there are an estimated 12,600 employees working in industrial buildings in South Riverside County, and 7,100 of these employees in Logistics buildings.**

Type	Total SF	Vacant SF	Vacancy Rate	Absorption (SF) 2019	Deliveries (SF) 2019	Under Construction (SF)	Asking Rent (\$/ SF/ Mo.)
Specialized	7,956,364	235,305	3.0%	(134,468)	11,952	0	\$1.06
Logistics	12,586,342	430,421	3.4%	276,107	214,813	137,591	\$0.96
Flex	1,766,101	140,463	8.0%	(78,565)	0	0	\$1.15
TOTAL:	22,308,807	806,189	3.6%	63,074	226,765	137,591	\$1.01

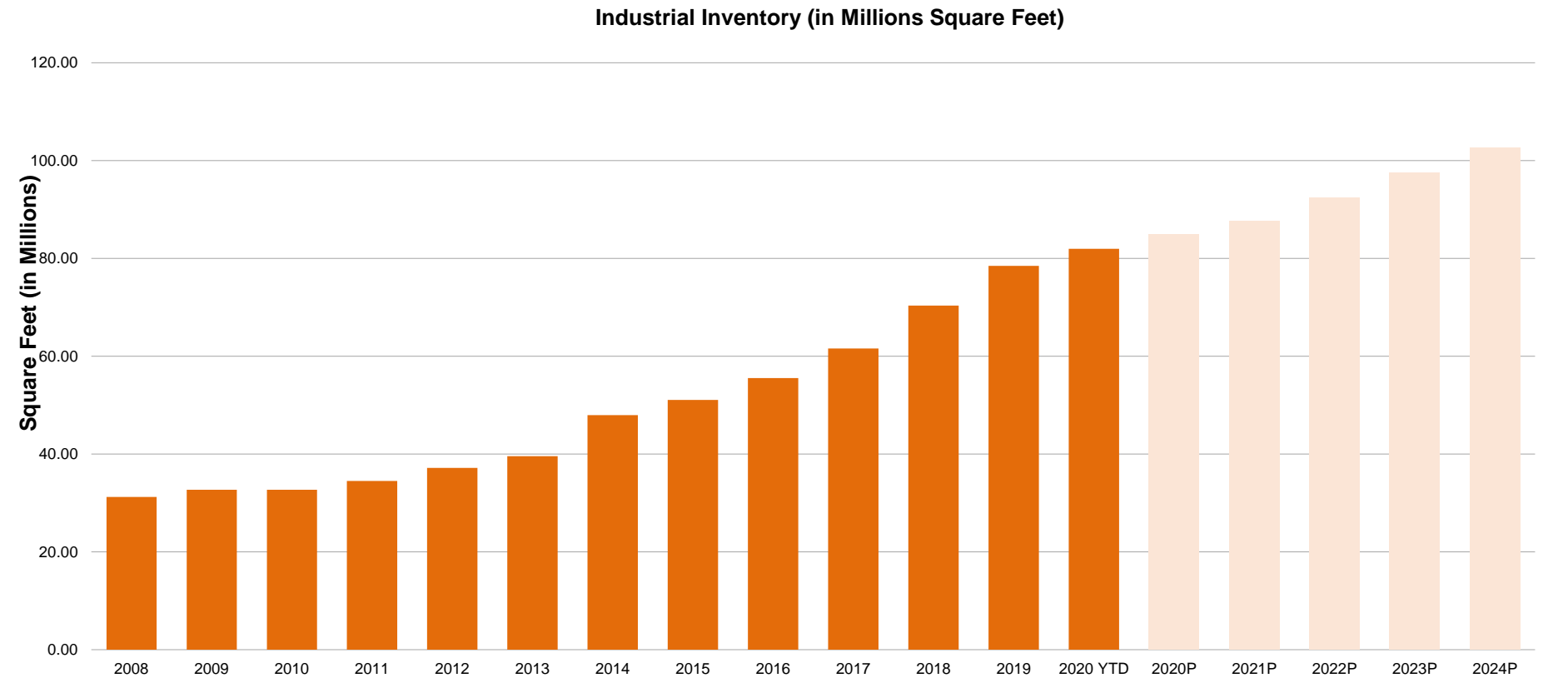


Source: Costar



Source: Costar

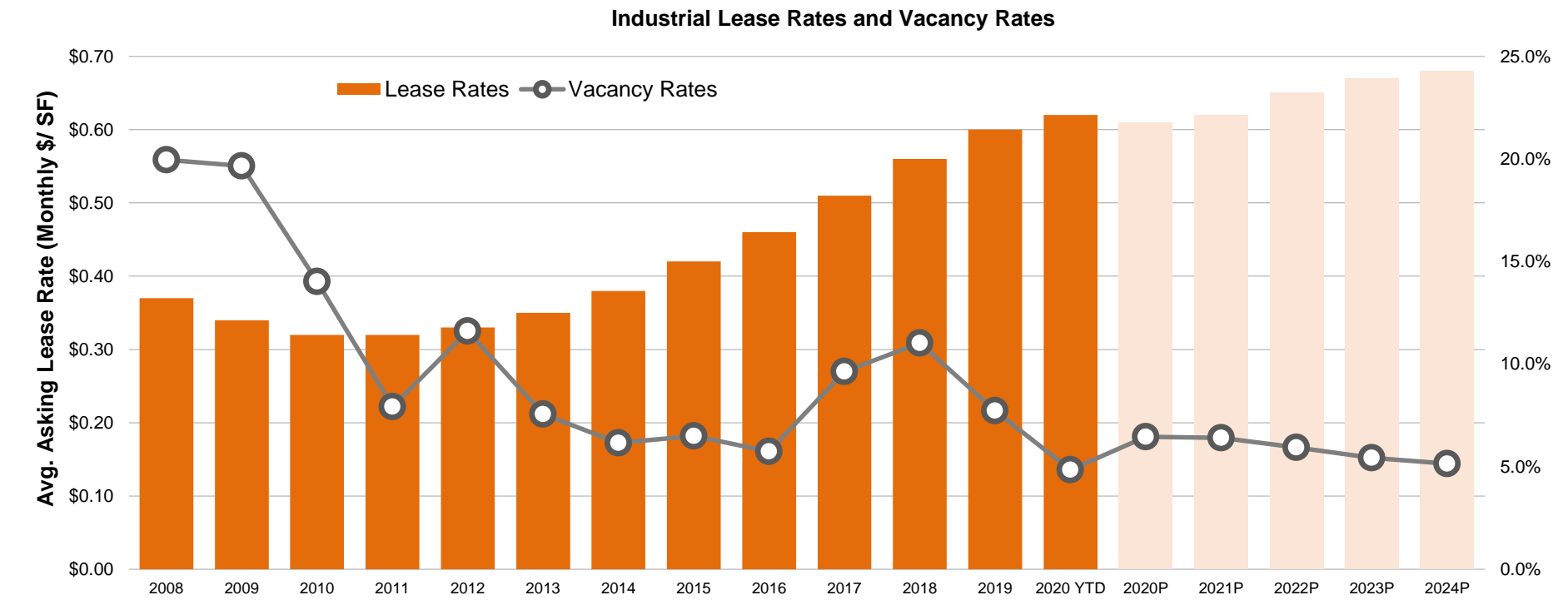
Moreno Valley/ Perris had significant gains in inventory over the past decade. After limited growth in inventory from 2008 through 2010, Moreno Valley/ Perris rebounded with an increase of 42.3 million square feet from 2014 through 2020 to-date, an increase of over 6 million square feet annually, on average.



Inventory	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Total Inventory (SF)	31,222,163	32,717,948	32,717,948	34,518,055	37,207,728	39,555,693	47,974,950	51,105,104	55,532,755	61,582,762	70,388,819	78,507,490	81,955,252	84,875,901	87,626,247	92,350,262	97,565,798	102,695,899
Inventory Change	--	1,495,785	0	1,800,107	2,689,673	2,347,965	8,419,257	3,130,154	4,427,651	6,050,007	8,806,057	8,118,671	3,447,762	6,368,411	2,750,346	4,724,015	5,215,536	5,130,101
% Change	--	4.8%	0.0%	5.5%	7.8%	6.3%	21.3%	6.5%	8.7%	10.9%	14.3%	11.5%	4.4%	3.6%	3.2%	5.4%	5.6%	5.3%

Source: CoStar

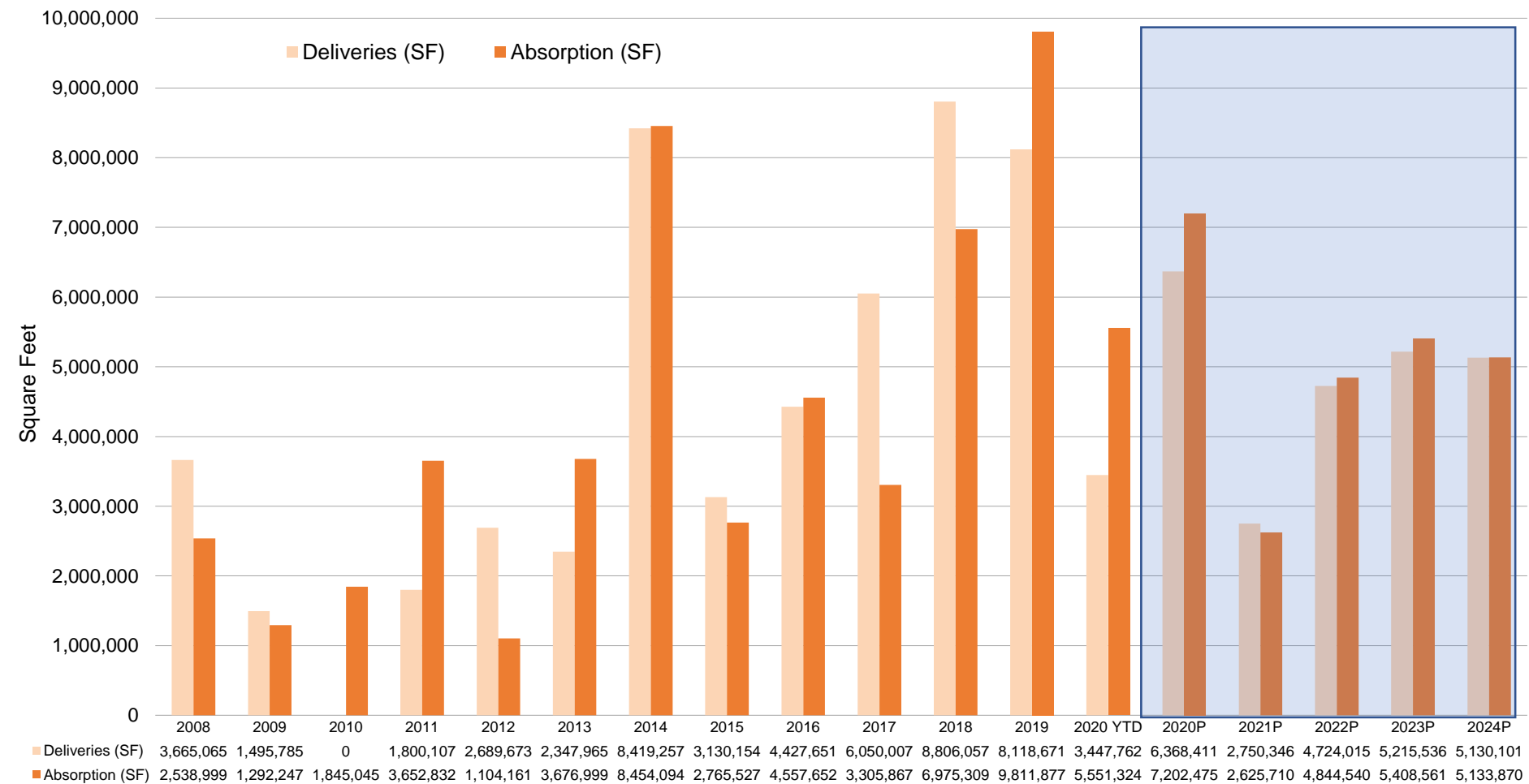
Moreno Valley/ Perris industrial lease rates are increasing, while vacancy is increasing is at all time lows. Moreno Valley/ Perris lease rates have nearly doubled over the past decade, from an average of \$0.32 per square foot in 2011 to \$0.62 per square foot currently, the highest level on record. The vacancy rate decreased from 20.0% in 2008 to 4.8% in the most recent quarter. Like South Riverside, the fact that there has been upward pressure on rents indicates a strong opportunity for additional industrial development in Moreno Valley/ Perris.



Lease Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Lease Rate (\$/ SF/ Mo.)	\$0.37	\$0.34	\$0.32	\$0.32	\$0.33	\$0.35	\$0.38	\$0.42	\$0.46	\$0.51	\$0.56	\$0.60	\$0.62	\$0.61	\$0.62	\$0.65	\$0.67	\$0.68
Lease Rate Change	--	(\$0.03)	(\$0.02)	\$0.00	\$0.01	\$0.02	\$0.03	\$0.04	\$0.04	\$0.05	\$0.05	\$0.04	\$0.02	(\$0.01)	\$0.01	\$0.03	\$0.02	\$0.01
% Change	--	-8.1%	-5.9%	0.0%	3.1%	6.1%	8.6%	10.5%	9.5%	10.9%	9.8%	7.1%	3.3%	-1.6%	1.6%	4.8%	3.1%	1.5%

Vacancy Rates	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 YTD	2020P	2021P	2022P	2023P	2024P
Vacancy Rate	20.0%	19.7%	14.0%	7.9%	11.6%	7.6%	6.2%	6.5%	5.7%	9.6%	11.0%	7.7%	4.8%	6.5%	6.4%	5.9%	5.4%	5.2%
Vac. Rate Change	--	-0.3%	-5.6%	-6.1%	3.7%	-4.0%	-1.4%	0.3%	-0.8%	3.9%	1.4%	-3.3%	-2.9%	1.6%	-0.1%	-0.5%	-0.5%	-0.3%
% Change	--	-1.5%	-28.7%	-43.5%	46.5%	-34.9%	-18.5%	5.5%	-11.6%	67.7%	14.5%	-29.9%	-37.4%	33.4%	-0.9%	-7.1%	-8.7%	-5.1%

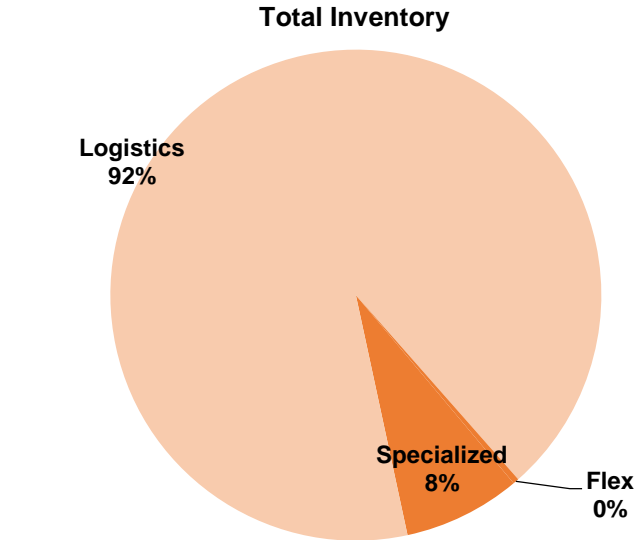
Net absorption has exceeded new deliveries for seven out of the past 11 years in Moreno Valley/ Perris. The past three and a half years have seen a surge of absorption and delivery activity, with 25.6 million square feet of positive net absorption and 26.4 million square feet of new deliveries during this time.



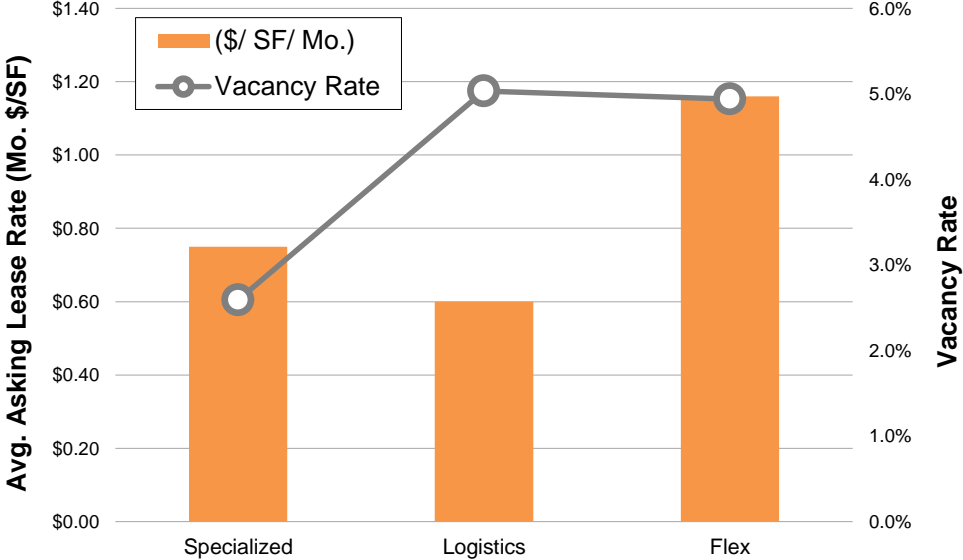
Source: CoStar

Moreno Valley/ Perris is dominated by Logistics space (92%). Logistics space dominates the market in terms of positive net absorption, deliveries and space under construction as well. The vacancy rate for Logistics space is at 5.0% and the average lease rate is \$0.60 per square foot, indicating this submarket is where companies locate for large buildings at relatively low lease rates. **At an average of 1,700 square feet employees, there are an estimated 45,800 employees working in industrial buildings in Moreno Valley/ Perris, and 42,000 of these employees in Logistics buildings.**

Type	Total SF	Vacant SF	Vacancy Rate	Absorption (SF) 2019	Deliveries (SF) 2019	Under Construction (SF)	Asking Rent (\$/ SF/ Mo.)
Specialized	6,338,592	164,160	2.6%	498,821	428,511	91,987	\$0.75
Logistics	75,298,071	3,789,943	5.0%	9,332,069	7,693,560	3,578,034	\$0.60
Flex	318,589	15,739	4.9%	(19,013)	(3,400)	0	\$1.16
TOTAL:	81,955,252	3,969,842	4.8%	9,811,877	8,118,671	3,670,021	\$0.62

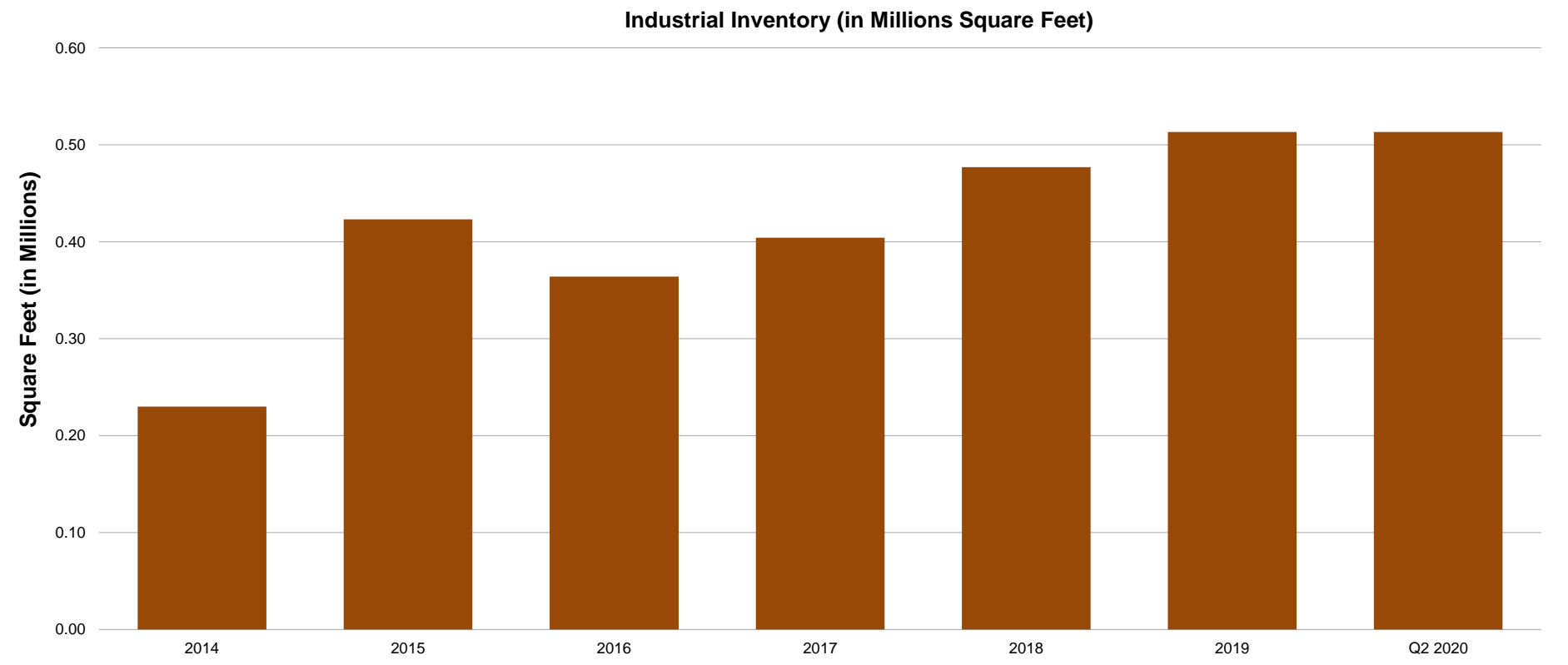


Source: Costar



Source: Costar

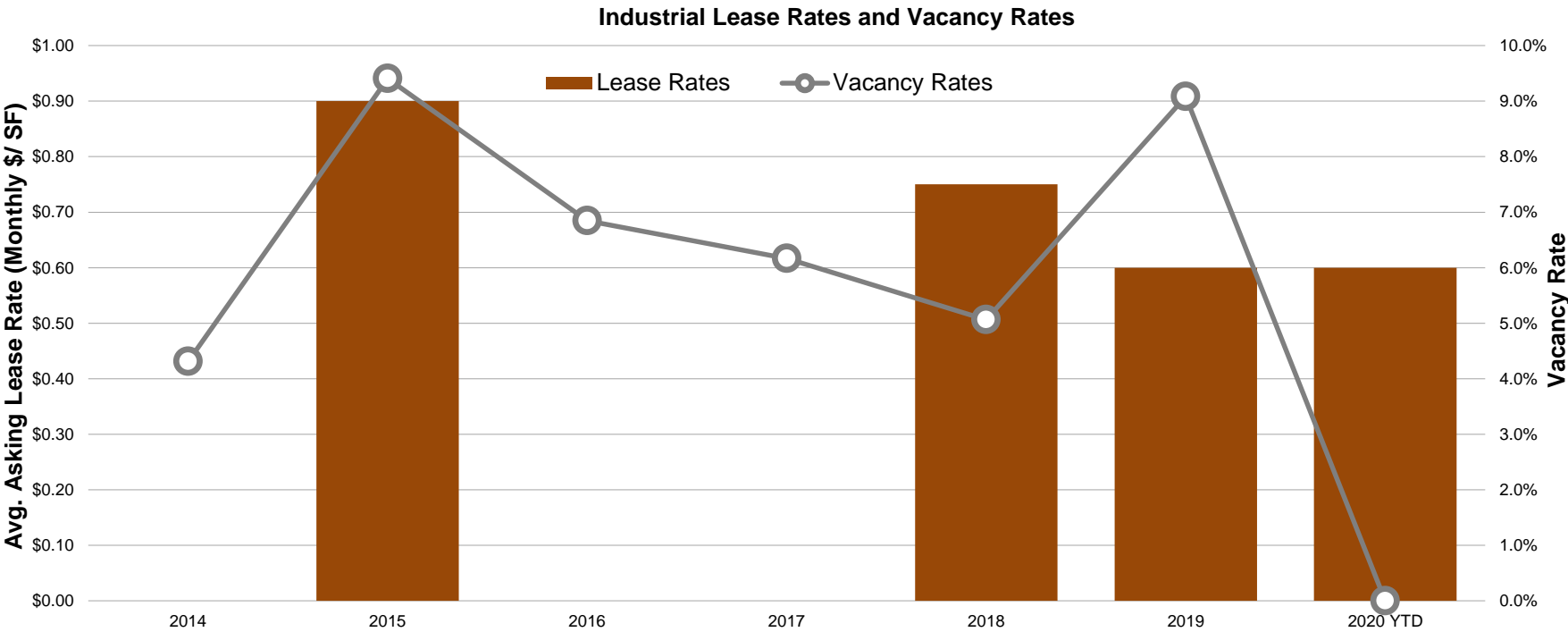
Menifee has just over 500,000 industrial square feet as of early 2020. The notable gains in inventory occurred in 2018, when the first building of the Commerce Pointe business park was complete.



Inventory	2014	2015	2016	2017	2018	2019	2020 YTD
Total Inventory (SF)	229,968	422,960	363,975	404,015	476,850	513,036	513,036
Inventory Change	--	192,992	-58,985	40,040	72,835	36,186	0
% Change	--	83.9%	-13.9%	11.0%	18.0%	7.6%	0.0%

Source: Voit Real Estate Services

Lease rates average \$0.60 per square foot and there is currently no vacant space among industrial inventory in Menifee. It is important to note that these lease rates may include older buildings and are not indicative of lease rates for newly constructed buildings.

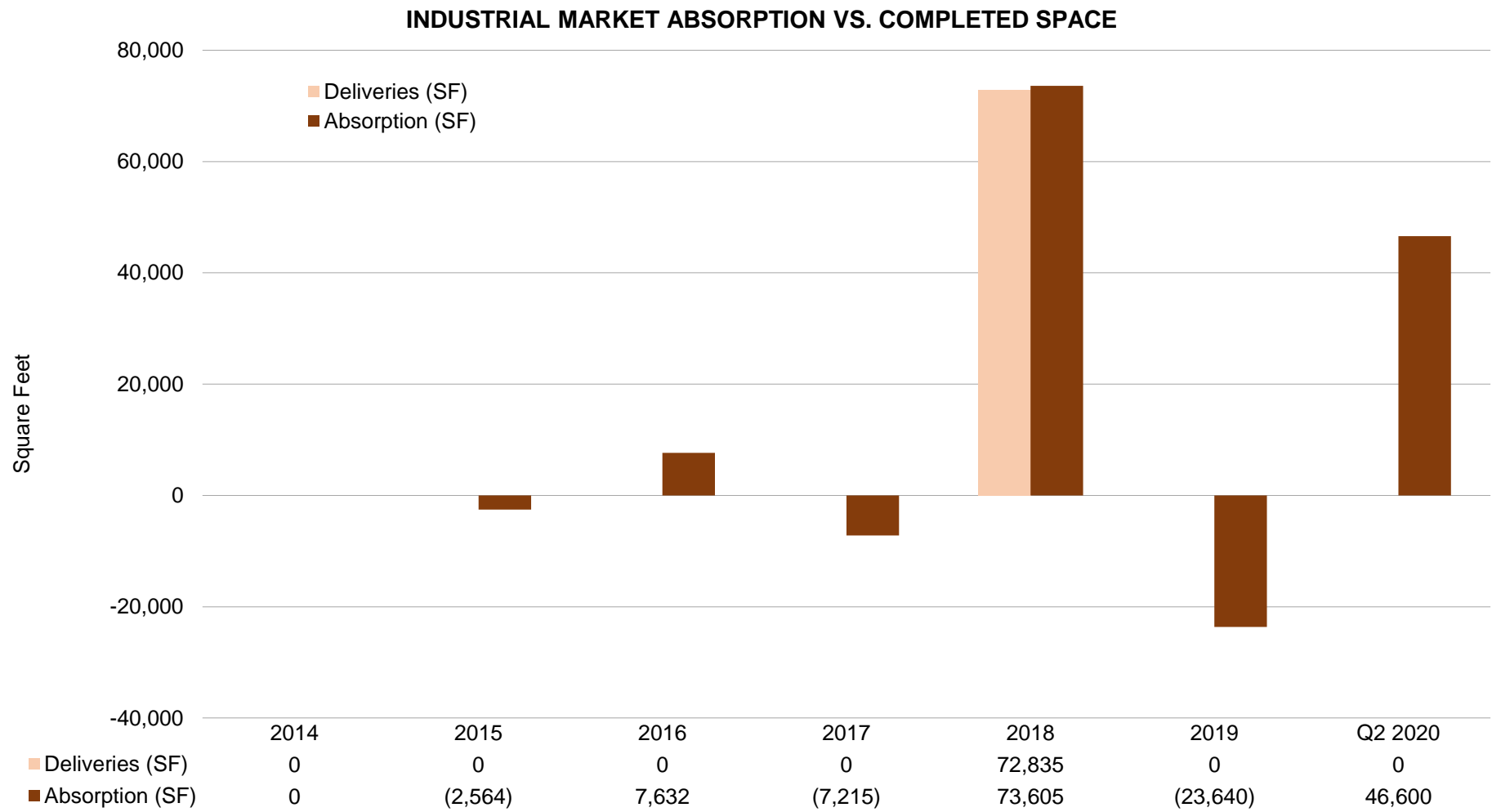


Lease Rates	2014	2015	2016	2017	2018	2019	2020 YTD
Lease Rate (\$/ SF/ Mo.)	--	\$0.90	\$0.00	--	\$0.75	\$0.60	\$0.60

Vacancy Rates	2014	2015	2016	2017	2018	2019	2020 YTD
Vacancy Rate	4.3%	9.4%	6.8%	6.2%	5.1%	9.1%	0.0%
Vac. Rate Change	--	5.1%	-2.6%	-0.7%	-1.1%	4.0%	-9.1%
% Change	--	118.1%	-27.2%	-9.9%	-17.9%	79.4%	-100.0%

Source: Voit Real Estate Services

Net absorption is positive in Menifee in 2020 to-date, with no new deliveries over the past year and a half. This data indicates there is limited supply of new industrial space in Menifee, as well as pent-up demand.



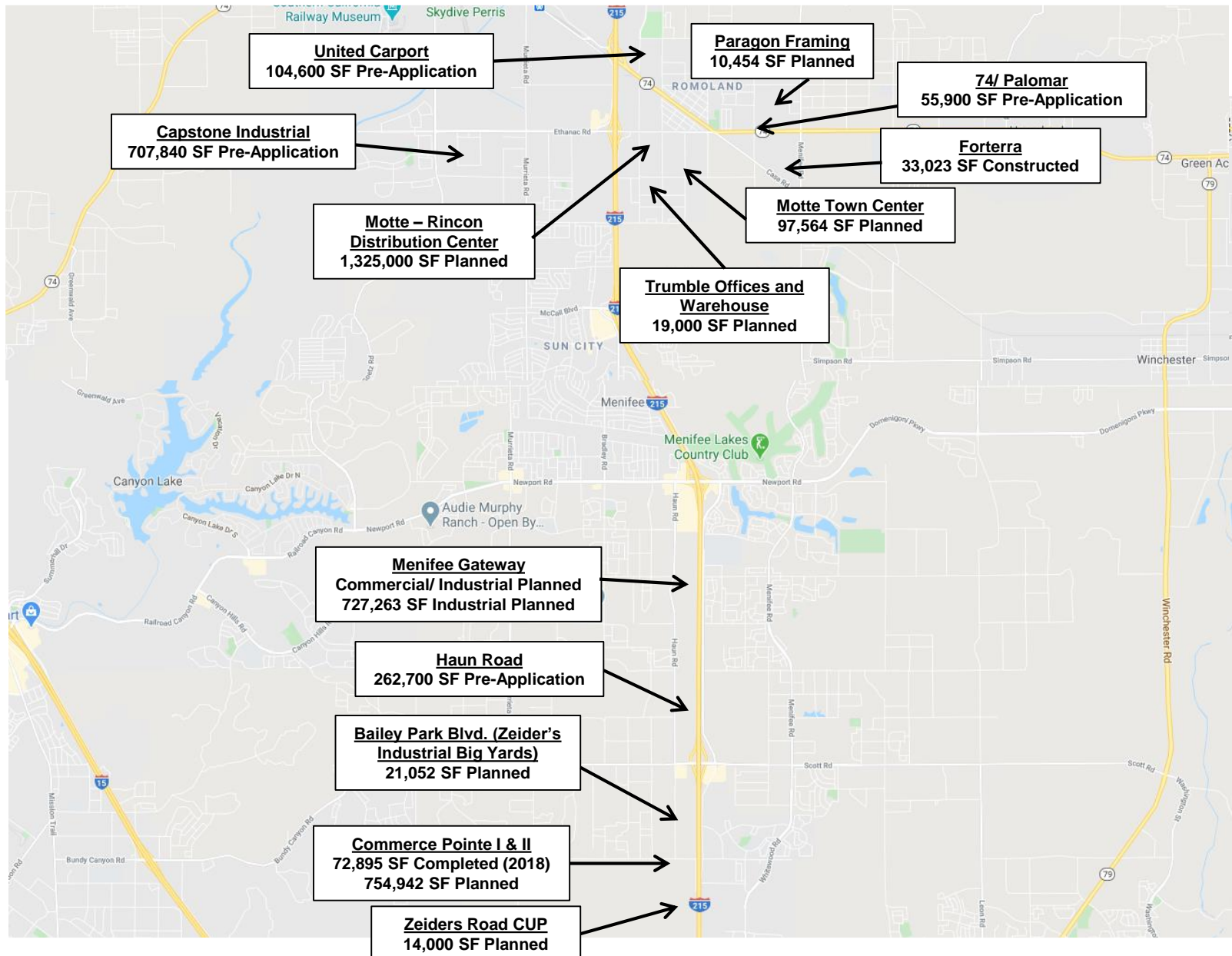
Source: Voit Real Estate Services

Appendix

Industrial Demand and Opportunity Analysis, Menifee, California

PLANNED AND PROPOSED INDUSTRIAL DEVELOPMENTS IN MENIFEE MAP

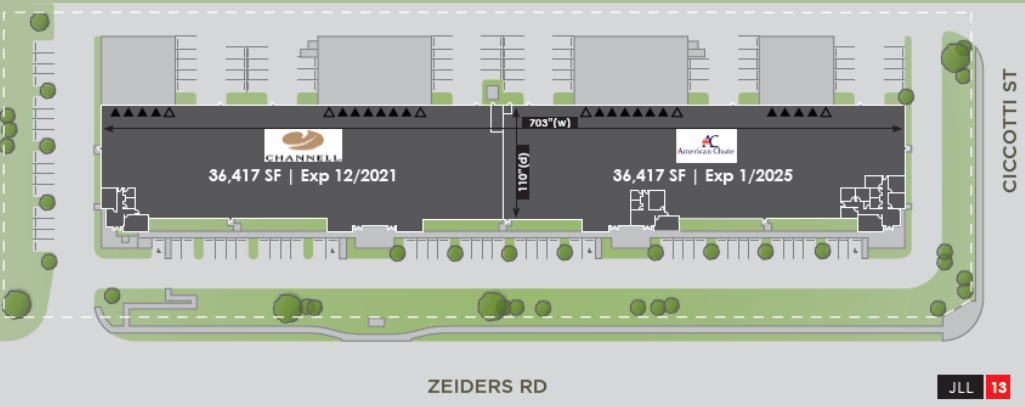
Appendix



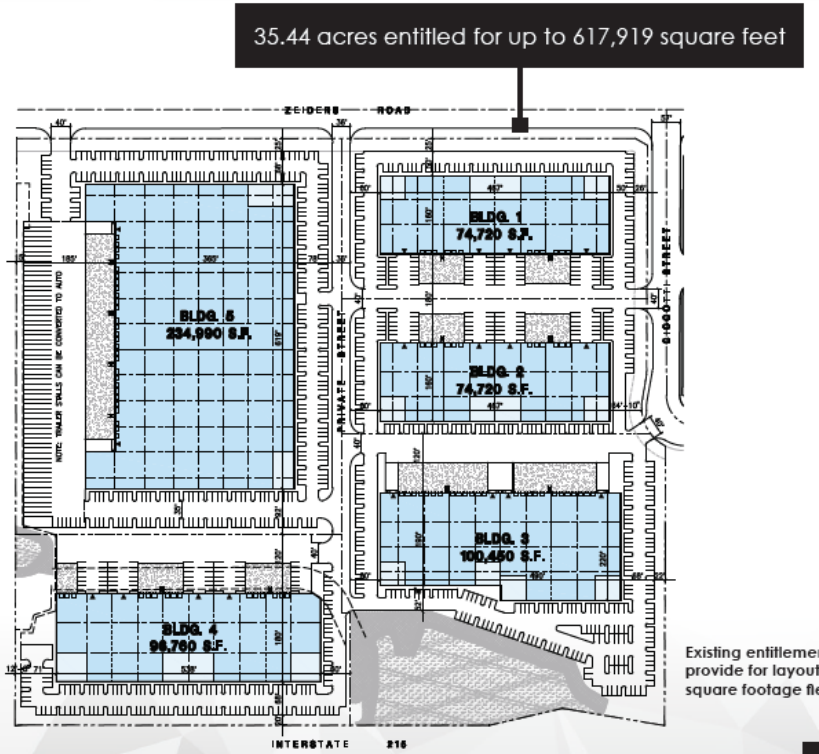
Commerce Pointe I & II is a 46-acre industrial park development planned for 827,000 square feet and located on Zeiders Road in Menifee. Currently the project includes a 72,835 square foot building on a 5.23 acre site at 33380 Zeiders Road that was built in 2018 and was **100% preleased upon completion**. The concrete tilt up building includes 6,500 square feet of office buildout, 24-foot warehouse clearance, 20 dock-high loading doors, 6 grade level doors, and 109 parking spaces. Tenants include Chute Systems (manufacturing and installation of trash and linen chutes) and Channell Commercial, a designer and manufacturer of telecommunications equipment. Signed lease rates are \$0.75 and \$0.79 per square foot per month as of November 2018. In total, Commerce Pointe is entitled for an additional 600,000 square feet of industrial development, and the next phase calls for an 84,312 square foot building. Broker representatives report that the building is ready to pull permits, but lenders are “on pause” due to the current COVID pandemic—the pause is expected to last one or two months, with the building expected for completion next year. See the following page for images of site plans for the existing and planned buildings.



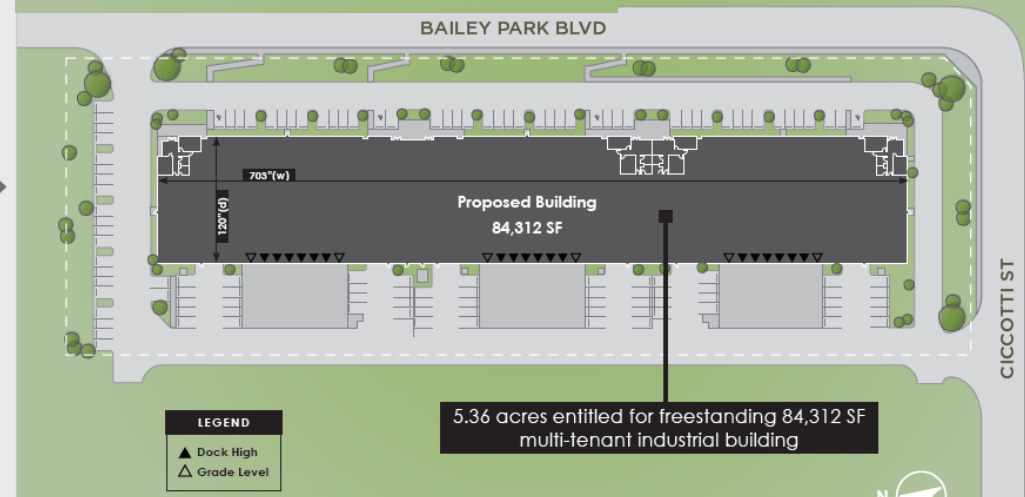
33380 Zeiders Road - Existing Building



Commerce Pointe I - Potential Site Plan



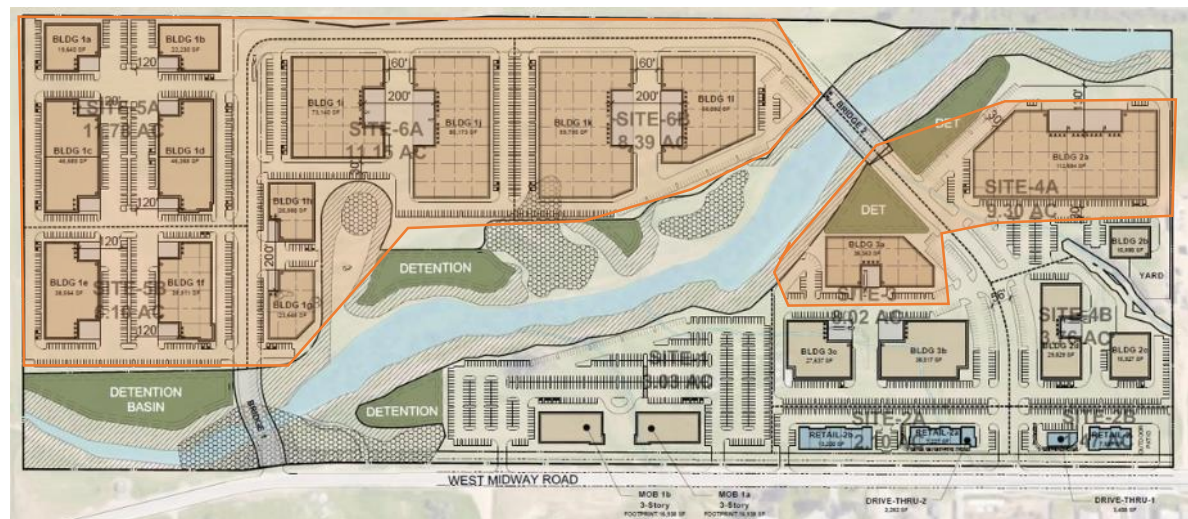
Commerce Pointe II - Approved Site Plan



INDUSTRIAL PROJECT PROFILE: MENIFEE GATEWAY

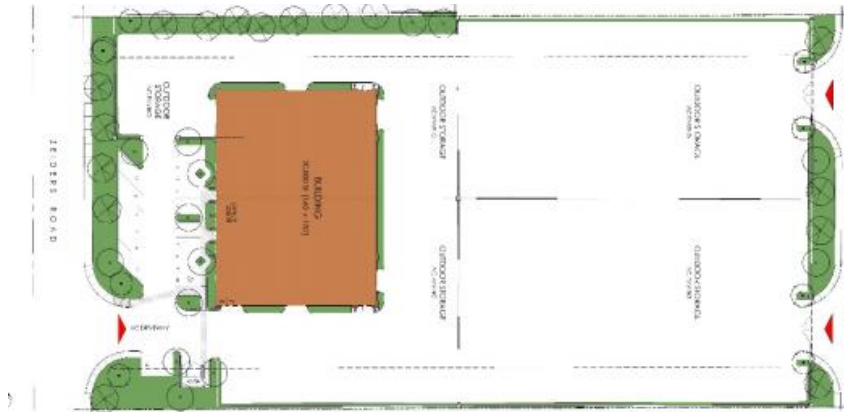
Industrial Project Profiles

Menifee Gateway is a proposed business park on 96 acres at Haun Road and south of Holland Road, just west of I-215. The development is calls for light industrial, office, medical office and retail uses, as well as a possible auto park scenario. The industrial portion (in orange below) comprises 14 buildings and a total of 727,263 industrial square feet in the non-auto park scenario. The project is in the Planning Application/ Pre-Application Review process, per City of Menifee planning department records.



PROJECT DATA:													
SITE	SITE AREA (SF)	SITE AREA (ACRE)	BLDG.	BUILDING FOOTPRINT	BLDG AREA (SF)	GROSS F.A.R.	GROSS coverage	PARKING PROVIDED	PARKING RATIO	REQ. ACC. STALLS	DOCK-HIGH DOORS	POTENTIALLY RATED	GRADE-LEVEL DOORS
1	349,710	8.03	MOB-1a	16,938	50,814	0.29	29.1%	601	@1.97/1000 SF	12			
			MOB-1b	16,938	50,814								
2a	91,572	2.10	RETAIL-2a	7,227	22,709	.25	24.8%	95	@4.18/1000 SF	4			
			DT-2	2,282									
2b	64,342	1.48	RETAIL-2	7,687	11,095	.17	17.2%	58	@5.23/1000 SF	3			
			DT-1	3,408									
			3a	38,363	38,363			76	@1.98/1000 SF	4	4		2
3	349,725	8.03	3b	38,517	38,517		29.9%	133	@3.45/1000 SF	5	4		1
			3c	27,637	27,637			56	@2.03/1000 SF	3	4		1
4a	405,377	9.31	2a	112,684	112,684		30.55%	178	@1.58/1000 SF	6	14		2
			2b	10,890	10,890			44	@4.04/1000 SF	2			1
4b	163,881	3.76	2c	15,927	15,927		27.9%	49	@3.08/1000 SF	2			1
			2d	29,829	29,829			70	@2.35/1000 SF	3	4		2
			1a	19,640	19,640			48	@2.44/1000 SF	2	3		1
5a	513,426	11.79	1b	22,230	22,230		26.3%	35	@1.57/1000 SF	2	3		1
			1c	46,685	46,685			107	@2.29/1000 SF	5	6		2
			1d	46,368	46,368			104	@2.24/1000 SF	5	6		2
5b	266,136	6.11	1e	38,564	38,564		29.1%	132	@3.42/1000 SF	5	8		2
			1f	38,911	38,911			126	@3.24/1000 SF	5	6		2
			1g	23,648	23,648			35	@1.48/1000 SF	2	2		1
6a	485,711	11.15	1h	20,980	20,980		21.4%	21	@1/1000 SF	1	2		1
			1i	73,140	73,140			93	@1.27/1000 SF	4	6	1	2
			1j	80,173	80,173			136	@1.7/1000 SF	5	10	1	2
			1k	99,795	99,795		45.3%	120	@1.2/1000 SF	5	10	1	2
6b	385,834	8.40	1l	66,082	66,082			74	@1.12/1000 SF	3	10	1	2
TOTAL	3,055,714	918.873		917,743	985,495	.32	30.0%	2,391	@2.43/1000 SF	89	108	4	32

Zeider's Industrial Big Yards is a proposed 20,000 square foot building at 33325 Zeiders Road in Menifee. The building is planned for two 10,000 square foot spaces with a 24-foot clear height. Asking lease rates are \$1.00 per square foot per month (NNN). The leasing agent cited there was tenant interest prior to COVID-19 but currently development timing is unknown.



ID#	Project Reference	Name	Approved By	Status	Description	Planned Industrial SF
8	CUP 2019-013	33325 Bailey Park Blvd.	In progress		<p>Conditional Use Permit No. 2019-013 proposes to construct a two (2) story 21,052 square foot warehouse building on a 4.26-acre project site encompassing two (2) parcels. Parcel A proposes 16,400 square feet of warehouse space and 1,914 square feet of storage space on the first floor. The warehouse building will include a demising wall and 2,738 square feet of office space on the second floor. The project also proposes an eight (8') foot perimeter masonry wall on the north and south property lines (PL) and the masonry wall will be set back 27 feet from the front (west) property line (PL) located on Zeiders Road to allow screening. At this time the business uses are undetermined, but the site will have one building split by the demising wall to allow for double occupancy. The project also proposes AC paving for both parcels with a total of 30 parking spaces and three points of access. One point of access will be on Zeiders Road, and two points of access on the northern and southern side of the second lot from Bailey Park Drive. The second parcel will be used for outside storage. The access behind the building to gain entry to the second parcel will include gated access, stair access, pedestrian access, and a 28-foot-wide access ramp located on the north side of the property.</p> <p>The project site is located southerly of Scott Road, northerly of Keller Road, westerly of Bailey Park Boulevard, and easterly of Zeiders Road. More specifically, the project is located at 33325 Bailey Park Blvd., in the City of Menifee (APNs 384-180-036 & 384-180-020).</p>	21,052
53	PP 2009-006 (PP 22280 and PP 21452) PP 2016-126 /PDS-CP	Commerce Pointe (PacTen)	City	U/C	<p>85. The proposed project is for the development of two light industrial parks totaling ±827,777 square-feet of building floor area within 51 individual buildings plus a total of 1,362 parking spaces (Attachment 5 – Project Plans). The buildings range in size from ±5,475 square-feet to ±36,360 square-feet and would accommodate research and development uses, warehouse uses, and associated office uses. Specifically, each development is proposed as follows:</p> <ol style="list-style-type: none"> 1. Commerce Pointe I - ±617,919 square-feet of floor area within 33 buildings, plus 1,035 parking spaces; and 2. Commerce Pointe II - ±209,858 square-feet of floor area within 18 buildings, plus 327 parking spaces. <p>The buildings are both single story and two stories of concrete tilt-up construction. Landscaping will surround the perimeter of each development and will surround each building. Landscaping also acts as a buffer between the Commerce Pointe I development and the I-215 Freeway.</p> <p>Commerce Pointe I includes the conservation and enhancement of an open space area for an existing riparian/riverine habitat. The habitat feature is sited on the eastern boundary of the site, adjacent to I-215 freeway.</p> <p>The site plan shows one entry drive to each project site along Zeiders Road and one entry drive each along Ciccotti Street. Commerce Pointe II will also have an entry drive along Bailey Park Boulevard. The proposed project also includes the installation of new utilities and road improvements.</p> <p>Planning Application No. 2016-126 (Minor Revision) hereby approves a revision to Commerce Pointe II, originally approved under Plot Plan No. 2009-006 (PP 22280) and subsequently revised under Plot Plan No. 2011-023. The project will be revised as follows: a) The total number of buildings for the project will be reduced from eighteen (18) buildings totaling 209,858 square feet to two (2) buildings totaling 157,147 square feet.</p> <ol style="list-style-type: none"> i. Building No. 1 totals 72,835 square feet. ii. Building No. 2 will total 84,312 square feet. <p>b) The total number of parking stalls will be reduced from 327 parking spaces to 231 parking spaces. The project site is located south of Scott Road, north of Keller Road, east of Zeiders Road and west of Bailey Park Boulevard. APN 384-180-044.</p>	754,942
81	PP 2011-093, EOT 2015-012	Motte Town Center	Approved	C/E	<p>Planning Case No. 2011-093 (Plot Plan) is a proposal to permit the construction of four industrial buildings totaling 97,564 square feet on the 6.71 gross acre subject parcel of land. The project will be dedicating 0.21 acre of right-of-way resulting in a 6.50 net acre development site. The applicant is proposing the division of the buildings into 35 individual condominium units. The applicant has not identified specific tenants for the individual units or for the separate buildings. The site plan delineates that Building A will consist of seven units, Building B will have eight units, Building C is comprised of nine units and Building D is proposed for eleven units.</p> <p>The industrial buildings are proposed to be one-story with a maximum height of 28 feet. The individual units will have pedestrian/employee access through the front with service entrances at the rear. Access from the rear will be provided by both man doors and overhead rolling doors. The building shall be protected with a fire sprinkler system. The balance of the site will contain a four trash enclosures, landscaped areas, parking areas and drive aisles. The site plan also delineates four precast concrete picnic tables. Their locations are at the southern end of Buildings A and C and the northern end of Buildings B and D.</p>	97,564
95	PP 2019-055/ 2011-003	Trumble Offices and warehouse	Approved	U/F	<p>Revised Plot Plan No. 2019-055 is hereby approved to construct a 2-story office/warehouse building and outdoor equipment on a 5.01-acre project site located at 26277 Antelope Road, Menifee, CA in Riverside County, CA.</p> <p>The office/warehouse building totals 19,000 square feet with the first floor being 15,000 square feet and the second floor being 4,000 square feet. Vehicular access, circulation, frontage improvements and landscaping are consistent with the previous plot plan.</p> <p>The project site will provide sixty-four (64) parking spaces, including three (3) accessible spaces, four (4) bike stalls, three (3) vehicle charging stations, and six (6) clean air van pool parking stalls. Fourteen (14) employee parking spaces will be located on the north side of the building and eight (8) spaces on the south side of the building.</p> <p>A covered vehicle wash rack will be located on the rear portion of the site. There will be thirty (30) covered equipment parking and charging stalls located on the western portion of the site. The Project will provide ten (10) truck parking spaces including three (3) that are designated charging stalls. The trash enclosure is located on the south side of the building behind the property gate. Two (2) equipment fueling pump stations are proposed for the rear of the lot behind the main building, and a propane tank is proposed near the trash enclosure.</p>	19,000

ID#	Project Reference	Name	Approved By	Status	Description	Planned Industrial SF
105	2016-078 CUP	Zeiders Rd. CUP	Built	Built	<p>Conditional Use Permit No. 2016-078 proposes the development of a 14,000 square foot (sq. ft.) warehouse and office facility with a gravel yard on a 3.86 net acre site (4.26 gross). In addition to the gravel yard, outdoor storage is proposed to the north and west of the warehouse building. The warehouse and office building is existing and was permitted by the County in 2005 as a "private garage." A six (6) foot tall block wall is proposed along the west boundary of the site and an eight (8) foot tall block wall is proposed along the north, east, and south boundaries. The site proposes two (automatic) gated entrances off of Zeiders Road.</p> <p>The site is bounded as follows: vacant land to the north (entitled for shopping center under Plot Plan No. 22946), vacant land to the south, Zeiders Road to the west, and a contractor's storage yards to the east. The project site APNs are 384-180-035 and -036.</p> <p>The project site is currently used for outdoor storage. The entire site has been disturbed as a result of current outdoor storage use. Potential impacts of the project will be analyzed in compliance with the requirements of the California Environmental Quality Act (CEQA).</p> <p>Related Cases: Plot Plan No. 21141 (processed at County, but not approved).</p>	14,000
119	CUP 2016-263	Forterra	Approved	Built	<p>Conditional Use Permit No. 2016-263 proposes a revision to the previous County-approved Plot Plan No. 10557, by constructing a new 12,323 metal building addition which will enclose new pipe manufacturing equipment. The new building will be constructed adjacent to the existing metal building facility and will comprise a single connected building enclosing all new equipment. The exterior of the existing building will be refurbished to match the new addition construction.</p> <p>In addition, the existing block storage areas will be used to store pipe products. While the application does not make reference to expanded storage areas, the proposed site plan does show expansion of storage areas beyond what was previously approve under PP 10557 and PP 10557S1, particularly within the northerly edge of the project site.</p> <p>The Conditional Use Permit is required, because the new metal building addition will exceed the 50' height limit allowed under the Medium Manufacturing (M-M) zone. The building is proposed to be 59'-4" tall.</p> <p>The project site is located at the northwest corner of the intersection of Matthews Road and Palomar Road (APN 331-220-022 through -025, -037, and -040).</p>	12,323
150	PAR 2018-317	Menifee Gateway	City		<p>Planning Application Pre-Application Review No. 2018-317 proposes the preliminary review of a 72.54-acre mixed use development. The project includes two options (herein referred to as Scheme 3A and 3B):</p> <p>Scheme 3A – Light Industrial, Office, Medical Office, Retail & Auto Park</p> <p>Scheme 3B – Light Industrial, Office, Medical Office, & Retail</p>	727,263
152	CUP 2018-126	Paragon Framing	In Progress		<p>Planning Application Conditional Use Permit No. 2018-126 proposes the construction of a 5,454 sq. ft. office building and a 5,000 sq. ft. workshop/storage building for the operation of a wood truss company on two (2) parcels, totaling 3.76. The project proposes 26 parking stalls, two (2) driveways off Watson Road and proposes that the existing chain link fencing located along the northern, southern and eastern property lines remain in place.</p> <p>The project site is located within the City of Menifee at the intersection of Watson Road and Highway 74. The project site APNs are 329-240-037 and 329-240-039.</p>	10,454
153	CUP 2018-199	Forterra	City	C/F	<p>Revised Conditional Use Permit No. 2018-199 is hereby approved for a revision to the previous City-approved CUP 2016-263. The revision includes the construction of a new 16,500 sq. ft. metal building with an attached 3,125 sq. ft. shed roof overhang within the existing manufacturing and storage area in the eastern portion of the project site (east of Palomar Road). The new building will have a height of 47'-3" and will be used for the fabrication of concrete water quality boxes. The project also includes three (3) traveling cranes to assist in the assembly and movement of materials and concrete. Concrete batching equipment will be installed and will include a precast concrete mixer with sand and aggregate material bins and a cement silo for the storage of raw cement. The material storage bins and cement silo will be 19 and 48 feet high, respectively. This concrete batching equipment will replace the delivery of ready-mix concrete from local suppliers.</p> <p>A new 4,200 sq. ft. metal building addition will be added to an existing 3,800 sq. ft. metal storage building to provide weatherproof storage of the materials and equipment. The previously mentioned concrete batching equipment will be partially screened from Matthew Road by the proposed 4,200 sq. ft. building, and will also be screened by the existing 6-foot-tall perimeter block wall and landscaping.</p> <p>The project also includes the addition of a storage yard on 3.4 acres on the west side of Palomar Road. Products will be manufactured on the east side of Palomar Road and then delivered to the storage yard for temporary storage of the products until they are delivered to a job site.</p> <p>New six-foot-tall decorative block walls will be constructed along the west side of Palomar Road, north side of Mathews Road (west of Palomar Road), the easterly portion of the north property line, and the southerly portion of the west property line to screen the new 3.4-acre storage area. Tubular steel fencing will be installed along the remainder of the north and west property lines of the storage yard. The project also includes landscaping surrounding the storage yard.</p>	20,700

PLANNED AND PROPOSED INDUSTRIAL DEVELOPMENTS IN MENIFEE

Appendix

ID#	Project Reference	Name	Approved By	Status	Description	Planned Industrial SF																								
	PR20-0198	74/ Palomar	Pre-Application		Proposes the pre-application review of a 3,922 square foot gas station with C-store, and car wash with 6 warehouse buildings ranging in size from 6,000 sf to 12,100 sf on a 5.70 acre site. The property is located within BP Business Park zone. (APN: 331-220-042).	55,900																								
	PR20-0160	Haun Road	Pre-Application		Proposes the pre-application review of an industrial development consisting of four (4) warehouse buildings with office space, totaling 262,701 square feet at a 17-acre vacant site off Haun Road in the Economic Development Corridor – Southern Gateway (EDC-SG). A proposed building breakdown is described below. No specific tenants have been confirmed for the project at this time. However, the project would accommodate a mixture of light industrial and light manufacturing, as well as a small retail component. The applicant is proposing two (2) full-access driveways along Haun Road and the project provides 650 parking spaces (22 accessible spaces). <table><tr><td></td><td>Office SF</td><td>Warehouse SF</td><td>Total SF</td></tr><tr><td>Building A:8,000</td><td>42,141</td><td>50,141</td><td></td></tr><tr><td>Building B:6,000</td><td>82,400</td><td>88,400</td><td></td></tr><tr><td>Building C:6,000</td><td>68,880</td><td>74,880</td><td></td></tr><tr><td>Building D:7,000</td><td>74,880</td><td>49,280</td><td></td></tr><tr><td>TOTAL:</td><td>27,000</td><td>235,701</td><td>262,701</td></tr></table>		Office SF	Warehouse SF	Total SF	Building A:8,000	42,141	50,141		Building B:6,000	82,400	88,400		Building C:6,000	68,880	74,880		Building D:7,000	74,880	49,280		TOTAL:	27,000	235,701	262,701	262,701
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	PR20-0178	United Carport	Pre-Application		Proposes the pre-application review of a 53,500 square foot warehouse and manufacturing building for the storage of pre-fabricated metal building components inclusive of a 2,400 square foot office and a 51,100 manufacturing and warehousing building. The proposal also includes 52 parking spaces disbursed to the north, south and west of the building. Proposed operations include anywhere between 25-75 employees and the proposed hours of operation are from Monday through Friday from 8am-5pm. Limited numbers of customers will actually visit the site as approximately 95% of transactions are completed online.	104,600																								
	PR20-0088	Capstone Industrial	Pre-Application		Proposes the preliminary review for the development of a 707,840 square foot Warehouse/Industrial Building with 694,400 square feet of warehouse space and 13,440 square feet of office space. The building will be developed on seven (7) parcels with a combined area of 33.94 acres. The project site is located north of McLaughlin Road, on the south side of Kuffel Road, the east side of Wheat Street and west side of Byers Road (APNs: 330-190-002, 003, 004, 005, 010, 011, and 012). Separate office space is provided at all four (4) corners of the building. A total of 118 loading docks is proposed located on the north and south sides of the building. The project will provide a total of 317 parking stalls and 293 trailer stalls for the overall site. There will be two (2) points of access on Byers Road and two (2) points of access on Wheat Street.	707,840																								
	2019-005	Motte Rancon Distribution Center	Pre-Application		Proposes to construct two (2) concrete tilt-up buildings. Building 1 would total 312,983 square feet (sq. ft.) and include 307,583 sq. ft. of warehouse space and 5,400 sq. ft. of office space. Building 1 would have a structural height of 32 feet and include 277 parking spaces including 12 accessible spaces, as well as truck bays. Building 2 would total 1,012,080 sq. ft. and include 999,360 sq. ft. of warehouse space and 12,720 sq. ft. of office space. Building 2 would have a structural height of 40 feet and include 569 parking spaces including 16 accessible spaces, as well as truck bays. Sliding gate access will be provided at northwest and northeast corners of Building 2 and a proposed security guard house with motorized swing gates located on the southerly side of Building 2.	1,325,063																								
Source: City of Menifee Planning Department						TOTAL: 4,133,402																								

COMPANY EXPERIENCE

Appendix

Meyers Research is a nation-wide research firm guiding real estate investors throughout the country. Our highly educated and experienced consulting staff believes in providing the highest quality service possible to our clients, which means completing the exact analysis they need. Based in Costa Mesa, CA and Washington, DC, we are home to over 140 experts in 10 industries across the country.

Our company offers a unique research tool known as Zonda that offers an edge to our research with easy access real-time data at a local level across the United States. Our local Zonda database provides our team with a history of new and resale housing information, maps, comprehensive data, and many other metrics we use in our analyses to begin the reporting process with greater accuracy -- quickly, accurately and cost-effectively -- with on the ground and in person research. Zonda provides access to over 275 metrics influencing the housing industry including monthly and annual historical trends, future projections and real-time narrative reported by seasoned analysts across the country.

Our senior executive team are thought leaders that individually have more than 30 years of experience in housing and real estate research. With our advisory services, we have navigated builders through different housing cycles and have a deep understanding of local markets. Our consulting team has a broad range of housing expertise and experience spanning the country including consumer research, feasibility studies, portfolio valuation, business planning, and custom research designed to make better decisions related to any real estate investment.

Zonda and Our Research

- Competitive Analysis throughout the Country
- Exclusive Access to our Research & Consulting Executives
- Metro Analysis & Housing Trends
- Apartment Analysis & Forecast
- Exclusive Client Events
- Presentations & Webinars
- Proprietary Surveys

Advisory

- For-Sale, Apartment, Commercial & Mixed Use
- Resort & International Development
- Strategic Direction & Planning
- Home Builder Operations Assessment
- Demand Analysis
- Consumer Research & Focus Groups
- Custom Economic Analysis & Forecasting
- Litigation Support & Expert Witness
- Financial Modeling
- Project & Product Positioning

Consumer and Product Strategy

- Consumer and Product Insights
- Tactical and Marketing Strategies
- Product Design Advisory
- Custom Consumer Research
- Customer Shop Research

Metrostudy, a Hanley Wood company, is the leading provider of primary and secondary market information to the housing and related industries nationwide. In addition to providing information, the company is recognized for its consulting expertise on development, marketing, and economic issues, and is a key source of research studies evaluating the marketability of residential and commercial real estate projects. Builders, developers, financial institutions, manufacturers, retailers, telecommunications providers, government entities, and numerous, adjacent industries rely on Metrostudy's research, expertise, and intelligence to support strategic business decisions at the local, regional, and national market level.

When you partner with Metrostudy, we guarantee that you will know your market. Our research offers the most complete, accurate, and useful information available. And we not only provide the information – we can analyze what it means and help you apply it to your business.

Our research.

Metrostudy maintains the nation's most comprehensive database of housing market information, using hundreds of dedicated field researchers and investing millions of dollars annually. Our researchers drive the streets of every platted new home subdivision, inspect every home site, and record primary data on housing activity every 90 days to deliver the most accurate market data on active and future construction in the industry. Our core research is complemented by strategic third-party data that we rigorously cleanse and distill to improve accuracy and relevancy. We gather deeds, tax assessor's records, demographics, as well as robust economic data that provide insight into local market health and the national economy. When our clients make decisions, they have confidence knowing their teams are utilizing the most complete and accurate information available.

Our analysis.

Metrostudy's consulting team provides strategic decision support and comprehensive due diligence services for a variety of business scenarios. Clients engage Metrostudy on a local, regional, and national basis. Our in-market and national strategists are recognized experts in identifying the market forces and ecosystem pitfalls your investments or projects will face. Using our research, marketing, and sales expertise, we will deliver a highly personalized service with clear and relevant analysis from the best data available. We immerse ourselves in your marketplace and will be attentive to your particular needs. We are here to help you understand how to minimize risk and maximize profits for your business, so you can make decisions with confidence.

Our consulting team has completed thousands of residential and commercial studies for homebuilders, developers, lenders, Wall Street opportunity funds, retailers, utilities, and government agencies across the country, including 18 of the top 20 national residential homebuilders. We produce everything from quick preliminary analyses to fully documented studies customized to your needs. For a complete list of major residential study types offered, please visit our Consulting Information at our website www.metrostudy.com.

Thank you!

This analysis was prepared by Meyers Research, LLC.