Demographic Marketing Report

February 2024

Researched for:



New. Better. Best.

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Site Location:

City of Menifee Riverside County, California

Researched and prepared by:



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DEMOGRAPHIC ANALYSIS REPORT ON THE CITY OF MENIFEE, RIVERSIDE COUNTY, CALIFORNIA

Purpose:

Derrigo Studies examined updated demographic characteristics for the City of Menifee. Existing and future demographic statistics, retail uses, and residential activity were researched in detail to determine specific estimates. The study area under review can be viewed on page 8, Vicinity Map. For accuracy and visual aid, please see full size illustrations referenced throughout this report and included in this analysis, pages 8 through 11.

SUMMARY OF FINDINGS

Updated for the City of Menifee's Economic Development Department, this study analyzes two trade areas: Menifee City Limits and a 5-Mile Radius around the intersection of Interstate 215 and Newport Road in southwestern Riverside County. Many changes have occurred in the region with many more to come. The City of Menifee is focusing on diversifying the amenities within the city and is targeting uses such as entertainment/nightlife, lifestyle centers/shopping, office (medical, professional), hospitality, diverse-unique eatery options, and mortgage paying jobs to the region. Key results of our research are listed below:

Menifee Town Center is mix-use master plan with approximately 1,000 residential units completed by Lennar and William Lyon Homes. Menifee Town Center also includes three retail centers <u>Town Center Marketplace</u> featuring, but not limited to, Aldi, Petsmart, Party City Tokyo House Ramen & Sushi, Buffalo Wild Wings, Krispy Kreme Donuts, and most recently Diaso. Second, <u>Center Pointe Shopping Center</u> includes the existing Sprouts Farmers Market, Olive Garden along with one additional pad space for a land lease, office use or retail. The Krikorian Entertainment Complex consisting of a 16-lane bowling alley and 14 in-service movie screens, sports bar, arcade, and laser tag are now under redesign. The third shopping center in Menifee Town Center is <u>Menifee Plaza</u> featuring Starbucks, Chronic Tacos, Poke Bowl, Dave's Hot Chicken and many more. This "Urban Village" center also includes a recently completed Fairfield Inn and Suites, Menifee's Justice Center, two future extended stay hotels, and a potential 70,000 square foot City Hall.

<u>Countryside Marketplace</u>, at Interstate 215 and Newport Road and ranked top 10% in nation for performance, is Menifee's stellar mega lifestyle center with a regional pull featuring ten high-preforming national retailers such as Lowe's, Target, Kohl's, Best Buy, Staples, Home Goods, Famous Footwear, Lane Bryant, TJ Maxx, Michaels, Petco, Tilly's, Ulta Beauty, Mattress Firm, Boot Barn, Burlington, and many more!

<u>Menifee Lakes Plaza</u>, also located at Interstate 215 and Newport Road, has Hampton Inn & Suites and a new sit-down restaurant coming soon joining Barons Market, LA fitness, Kahoots Pet Store, Raising Canes, Waba Grill, Pieology, Sola Salon, In The City Beauty Supply and several others!

Several future planned retailers in Menifee include a proposed Grocery Outlet, EOS Fitness, The Learning Experience and more at <u>Newport Pointe</u>, Newport Road and Evans Road. In addition, Stater Bros and McDonald's have leases signed to locate in <u>McCall Square</u>, NWC McCall Boulevard and Menifee Road. Pads currently under construction at McCall Square will feature Chipotle, Starbucks, Baskin Robins, Sakura Nail Salon, and 7-Eleven. Fitwell Health is under city review to locate a 35,000 square foot building in a mix-use project at Interstate 215 and Garbani Road. Additional hospitality services proposed include another two hotels: Holiday Inn & Suites with 98 rooms and Home2Suites with 106 rooms. Both under

city review and along Interstate 215 at Newport Road and Scott Road. Other fast-food retailers recently opened in Menifee include Popeyes at Newport Road / west of Bradley Road, Chick-fil-A (<u>in Newport Town Square</u>), along with a Burger King which is under city review at Interstate 215 and McCall Boulevard.

Residential activity in Menifee is substantial with roughly 11,037 units in the development pipeline. Since January 2023, the city's population has increased by an estimated 2,655 people (a 2.3% increase). With approximately 1,179 units currently under construction, Derrigo Studies projects another 2,232 units will be completed by 1Q2026. <u>A 6.5% increase in population in 2 years to 126,872 residents in the City of Menifee.</u>



Listed below are demographic estimates for both regions analyzed in this report:

DEMOGRAPHIC CHARACTERISTICS TRADE AREA BOUNDARIES ON AERIAL ILLUSTRATIONS - PAGES 10 & 11							
TIMBLANCE BOONDAINES ON ALKINE TEL	MENIFEE CITY LIMITS	5-MILE RADIUS FROM 215 AND NEWPORT ROAD					
JANUARY 2023 POPULATION	116,472	155,199					
JANUARY 2024 UPDATED POPULATION	119,127	161,162					
JANUARY 2026 PROJECTED POPULATION	126,872	177,540					
TOTAL POPULATION AT BUILD OUT OF ALL ACTIVE RESIDENTIAL UNITS	157,426	247,259					
AVERAGE PERSONS PER HOUSEHOLD (2024)**	3.47	3.47					
AVERAGE HOUSEHOLD I NCOME (2024)**	\$98,204	\$100,059					
MEDIAN HOUSEHOLD I NCOME (2024)**	\$89,277	\$90,963					
MEDIAN VALUE OF HOUSING (2024)**	\$582,600	\$601,501					

For details on how we arrive at our estimates, please reference Chapter III, page 12.

** Average Persons Per Household, Income and Home Value estimates do not include Sectors 12, 13, 14, 15, 16 and 23 (Sun City Community). Derrigo Studies estimates are weighted per Sector. The above ** numbers represent accurate current and future population projections in the city region outside of Sun City. When Sun City Sectors are included the A.P.P.H. is 3.09, see page 13.

City of Menifee:

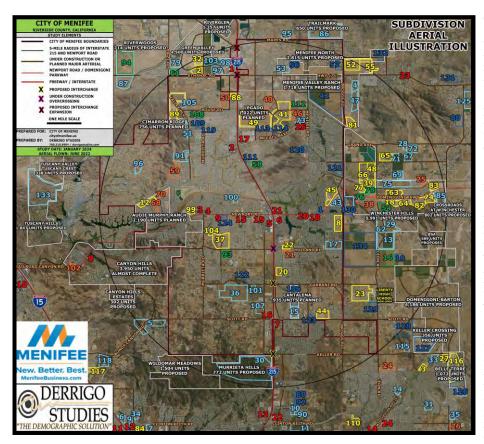
The City of Menifee is located along Interstate 215 just north of the City of Murrieta (see city limits map, page 9). Incorporated in 2008, Menifee has grown to a current population of 119,127. Over the last several decades, Menifee became a region covered with quality master planned communities and residential tentative tract maps. Today, the city has approximately 11,037 units in some phase of development within 6 approved specific plans and 52 residential tract maps. Menifee's area affordability and its



proximity to employment centers in San Diego, Orange, Riverside and Los Angeles counties make it an attractive location for families looking for a high quality of life region in Southern California.

AVERAGE DAILY TRAFFIC COUNT / BOTH DIRECTIONS								
Location	Count	Date						
Interstate 215 @ Newport Road	113,000	2021						
Newport Road @ Interstate 215	85,109	2024						
McCall Boulevard @ Interstate 215	32,952	2024						
Scott Road @ Interstate 215	49,428	2024						
Source: Caltrans and City of Menifee								

Primary routes in Menifee are Interstate 215 and Newport Road. Scott Road and McCall Boulevard are also main east/west thoroughfares. Average daily traffic counts on these key arteries are listed here: Several key factors contributing to Newport Road's high traffic volume include its central location within Menifee, its major retail centers currently in operation, Mt. San Jacinto Community College, the state's fastest growing community college, and its ability to connect travelers to Interstate 15 / Lake Elsinore via Railroad Canyon Road on the west and the Hemet / San Jacinto Valley via Domenigoni Parkway on the east. New attractions in Menifee include the \$95 million Menifee Justice Center which is almost completed and a recently opened 5,000-person stadium for regional tournaments, large events and concerts at the Mt. Jacinto College.



To determine the existing and future potential of the City of Menifee, two areas are analyzed in this report including the city's limits (highlighted on this aerial in "red") and a 5-Mile Radius from Interstate 215 and Newport Road (5-Mile Radius). The 5-Mile Radius includes the City of Menifee, a portion of Murrieta, Canvon Lake. Wildomar, Perris and a segment of the surrounding unincorporated **Riverside County** containing major growth just east of Menifee's city

boundary. This region is believed to be the primary trade area that will service future anchor retailers. Boundaries of the 5-Mile Radius are generally Mapes Road on the north, Canyon Lake on the west, one mile south of Keller Road and Winchester Road Highway (79) on the east; see full size aerial on page 11. This large region was surveyed to ensure all area statistics were accounted for in our calculations and to supply a complete visual aid when reviewing the existing and proposed anchor retail base.

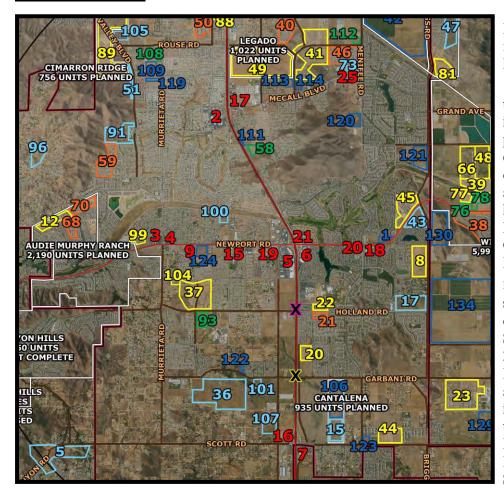
Existing Demographics:

The aerial on page 10, snapshot here, breaks down the study area into Sectors. Existing demographic statistics are outlined for each Sector including population, number of housing units, average persons per household, median household income and median value of housing. By breaking down Menifee's City Limits and the 5-Mile Radius, Derrigo Studies can provide the most accurate demographic numbers possible including median value of housing estimates ranging from \$582,600 to \$601,501 for the



trade areas. For a detailed breakdown of figures used in each trade area, see Chapter III, beginning on page 12.

Menifee's Retail:



Major anchor retailer locations are highlighted with "red" numbers on this aerial illustration, full size page 11. Menifee's existing retail and commercial areas are primarily located along Newport Road. Countryside Marketplace, number 5, is a successful lifestyle center located at the **SWC** of Interstate 215 and Newport Road. A "powerful" anchor retail line-up is in operation at this center including Lowe's, Target, Kohl's, Best Buy, Staples, Home

Goods, Famous Footwear, Lane Bryant, TJ Maxx, Michaels, Petco, Tilly's, Ulta Beauty, Bushfire Kitchen Grill, Mattress Firm, Boot Barn, Burlington and many more! At number 6, a community shopping center includes Ralphs, Ross, Dollar Tree, Auto Zone, Savage Cheff Bar & Grill, Michi's Tacos, and Living Spaces Furniture. Other existing anchor grocery facilities within the City of Menifee include three Stater Bros at numbers 3, 18 and 2, and one Vons, also at number 2, serving the Sun City and Heritage Lake Communities, along with a Barons Market at number 21 (please reference above aerial). Co-anchor retailers with Barons Market include LA Fitness, Kahoots Pet Store, Chevron Gas and Lube, Sola Salon, In The City Beauty Supply, an array of popular national food retailers with a planned Hampton Inn & Suites and sit-down restaurant to complete the center.

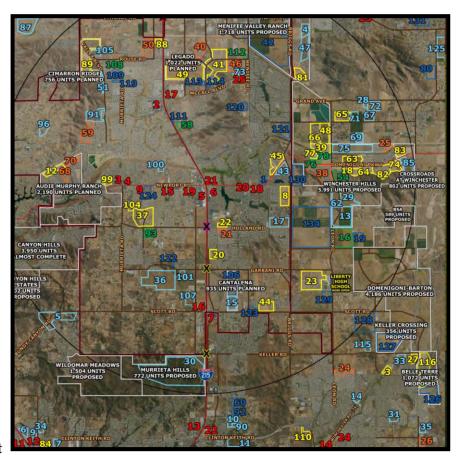
At the heart of Menifee, Menifee Town Center has three shopping areas at number 19. With an impressive retail line-up, featured anchor retailers include Aldi, Sprouts, Petsmart, Party City and many more. A Krikorian Entertainment Complex is under redesign with retail permit pulled to start re-construction.

Newport Pointe is a planned retail center at number 9. Grocery Outlet, a child development center and EOS Fitness will anchor this center. In addition, at numbers 16 and 17, Walmart owns land and is working on submitting plans for a new prototype along Interstate 215 at Scott

Road and McCall Boulevard. It is important to note, at number 25, Stater Bros has a signed lease to locate in a planned neighborhood shopping center, "McCall Square", with pads under construction to include Chipotle, Starbucks, Sakura Nail Salon, Baskin Robins, and 7-Eleven. Overall, a total of 25 existing or proposed centers are located within the study area. A detailed listing of anchor tenants in each center is outlined on the aerial's legend.

Residential Activity:

Once again, this aerial is utilized. This time to display residential activity including 134 tentative tract maps and 22 specific plans active in the study area, full size on page 11. Thirty-six communities currently have an impressive 2,206 units under construction. Audie Murphy Ranch is wrapping up its 2,190 units. Many more developments are under construction in the City of Menifee including Adler Ranch with 327 condominiums underway at number 20. JPI **Companies Development** Group has started its project "Del Oro North" at



number 22 with 238 apartments (an additional 100 senior units are also planned). Selling three home collections, Lennar is well underway on Quartz Ranch at number 37 featuring 314 single family units (100 homes already completed). Banner Park by Pulte Homes will have 256 homes upon completion at number 45 (all homes are sold out with Banner Park South coming soon at number 43). Home prices range from \$559,000 to \$642,000. Just east of Menifee's city limits is the Winchester Hills Master Plan. Winchester Hills now has ten communities accounting for an impressive 2,627 units. National home builders are very active in Winchester Hills buying finished lots at a rapid rate.

Three more specific plans in Menifee are moving forward including Cantalena by Richland Communities (935 units), Cimarron Ridge by Pulte Homes (756 units) and Legado by Newport Pacific Land Company (1,022 units with Lennar grading phase 1)

All residential activity in the study area represents roughly 42,282 units (11,037 in Menifee City Limits and 24,812 are in the 5-Mile Radius). To get an idea of projected build out rates, see chart on the following page (details on each residential project are in Chapter IV, page 19).

Breakdown of Residential Unit Build Out							
			2 Year	2026	Other	Total	Total Population
	2024	2 Year Unit	Pop. %	Projected	Active	Pop. %	at Build Out of
Trade Area	Population	Build Out	Increase	Population	Units	Increase	All Active Units
Menifee City							
Limits	119,127	2,232	6.5%	126,872	8,805	32%	157,426
5-Mile Radius	161,162	4,720	10%	177,540	20,092	53%	247,259

Methodology:

The three items listed below outline details on how we arrive at our estimates:

(1) DEMOGRAPHIC AERIAL ILLUSTRATION:

<u>DEMOGRAPHIC DATA</u> - Broken down by Sectors, this data consists of estimated updates on population, number of housing units, average persons per household, median household income and finally median value of housing. All this data is estimated and gathered in several different ways depending on the area that is being studied. For details on how Derrigo Studies arrives at these figures in this study, please reference "Basis of Estimates" at the end of this report.

(2) SUBDIVISION ACTIVITY AERIAL ILLUSTRATION:

<u>RESIDENTIAL SUBDIVISION ACTIVITY</u> - This information is gathered from the respective planning departments. In addition, Derrigo Studies called approximately 75% - 95% of the residential developers with active subdivisions within the subject area. The purpose of this data is to forecast how many more people will be living in the area in the future. The Subdivision Activity Illustration, page 11 attached, shows all active residential developments with a status of Design Plan Check to Recently Built. To define the status, look at the color of tape with which the subdivision is outlined. The status and respective border color are defined on the "Legend" located on the Subdivision Activity Aerial Illustration. In addition, a number is outlined in each subdivision. To review more data on each subdivision, simply match the number with its appropriate tag also located on the Subdivision Activity Aerial Illustration.

Specific Plans on this illustration are outlined in white and labeled. Specific Plans are large residential developments. The residential units in these developments are broken down into several categories and are listed in the Specific Plan section of this report. Retail competition and major road extensions are listed on both aerial illustrations outlined above.

(3) TRADE AREA ANALYSIS AND SUBDIVISION ACTIVITY LISTING:

<u>RESULTS OF STUDY</u> - This section ties together all the data on the Demographic Aerial Illustration and the Subdivision Activity Aerial Illustration to produce concrete existing and future population figures for Menifee's City Limits and a 5-Mile Radius. On the "Existing Demographic Chart", beginning on page 12, data is displayed on the Demographic Aerial Illustration, page 10. This analysis calculates an updated population estimate for each trade area. Also calculated per area is the number of existing housing units. With respect to average persons per household, median household income and median value of housing, this analysis outlines averages for each trade area. To define which area is being analyzed, reference the boxed area at the top of the chart.

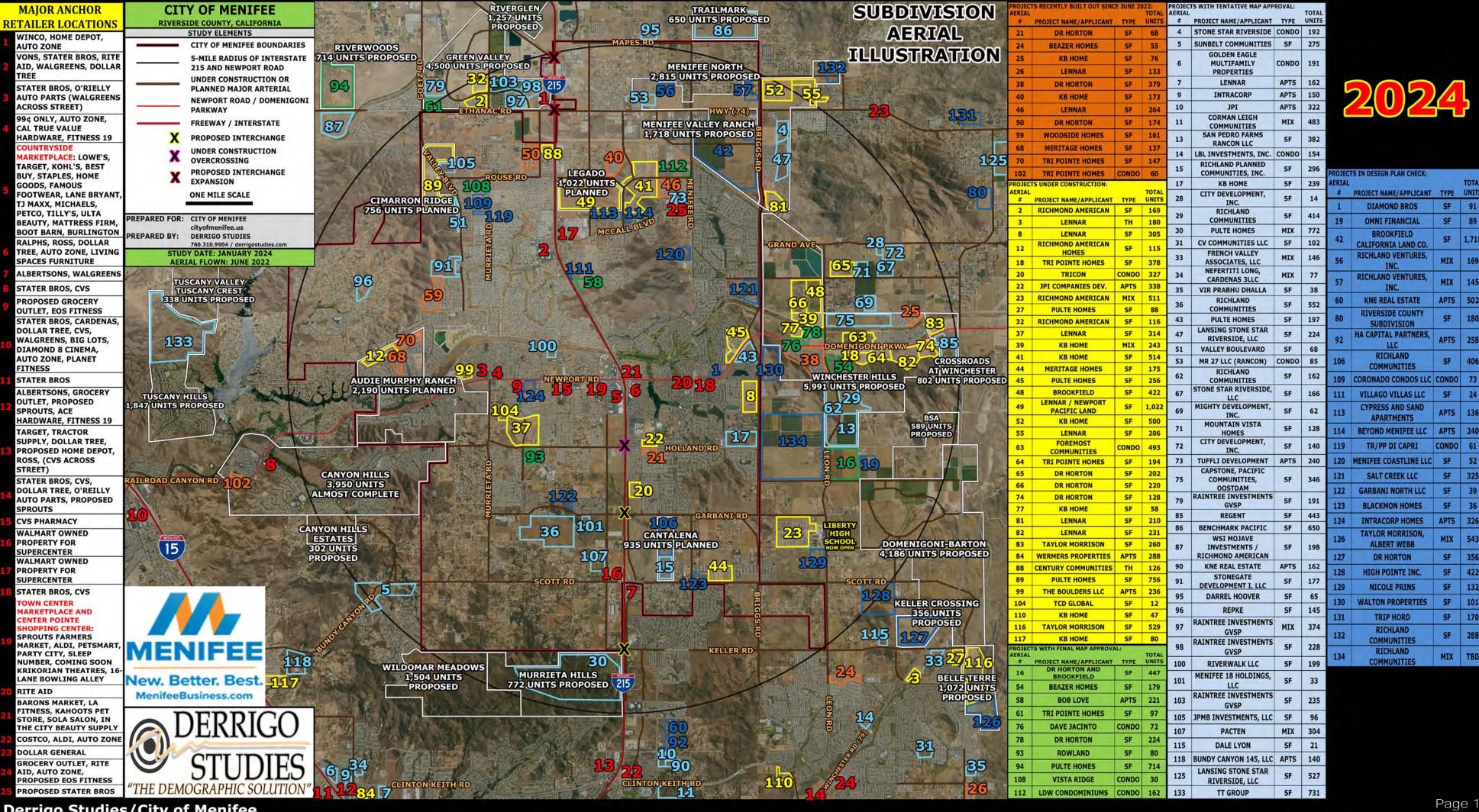
The next chart is the "Future Population Chart". On each area, Menifee City Limits and a 5-Mile Radius, there is both an "Existing Demographic Chart" and a "Future Population

Chart". The two tie together in the following manner - Column 5 on the Existing Demographic Chart provides an updated estimated population number for the subject area. By taking this number over to Column 4 on the Future Population Chart, we can now move forward in defining further population growth.

The Future Population Chart essentially breaks down the data displayed on the Subdivision Activity Illustration. By calculating the number of dwelling units that fall within each area, we can determine how many units will be built.

To understand what type of units are used to arrive at future population estimates, please reference the "Basis of Estimates" at the end of this report, page 30. We have found that this calculation must be tailored to the city or region that is under analysis.

The final section of this report is called the "Subdivision Activity Listing", page 19. Basically, this section gives details on residential subdivisions that are outlined on the Subdivision Activity Aerial Illustration. Please note, the subdivisions in this report have aerial location numbers, so easy reference is made to the specific location on the Subdivision Activity Aerial Illustration. As mentioned earlier, Derrigo Studies called most residential developers active in the subject area. The details of these conversations are found in this section and are often helpful in understanding the potential growth outlined in this study.



Derrigo Studies/City of Menifee

1,718

MIX

APTS 502

APTS 258

APTS 240

APTS 326

SF 356

SF 132

SF 170

MIX TBD

288

422

RICHLAND

RICHLAND

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