



## REPORT TO CITY COUNCIL

**To:** Honorable Mayor and Members of the City Council

**From:** Jason Simpson, City Manager

**Prepared by:** Damaris Abraham, Community Development Director

**Date:** October 8, 2024

**Subject:** Lake Elsinore Carwash Market Analysis and Findings

### **Recommendation**

Receive and File the Lake Elsinore Carwash Market Analysis Report and Adopt the Report's Findings that the City of Lake Elsinore is oversaturated with carwash businesses.

### **Background**

At the May 14, 2024 City Council meeting, Council Member Magee requested that staff prepare a carwash saturation study detailing the number and the location of existing operating carwashes, approved carwashes that are yet to be constructed (including their status), and any proposed applications or pre-applications that are in process. The purpose of the requested study is to give City staff and the City Council a tool when reviewing entitlement applications for carwashes. The City staff contracted with The Natelson Dale Group, Inc. (TNDG) to better understand the current market and short and long-term demands.

### **Discussion**

Findings from the analysis provides a citywide framework for anticipating the need for new carwash businesses over the next 11 years (through 2035). The analysis considers the existing inventory of carwashes in Lake Elsinore and the larger South Riverside County (SRC) market area for comparison, and also quantified carwash projects currently planned/approved, or under construction in the market area. Tables 1 and 2 below depict existing and known carwashes within Lake Elsinore and the SRC region.

City	Car Washes	Population	Sq Miles	CW per SQ Mile
Lake Elsinore	18	71,452	41.69	2.32
Murrieta	22	109,177	33.61	1.53
Perris	15	79,311	31.50	2.10
Wildomar	6	36,327	23.67	3.95
Other	49	237,985	104.80	3.95
Totals	110	534,252	235	2.14

*Prepared by City of Lake Elsinore*

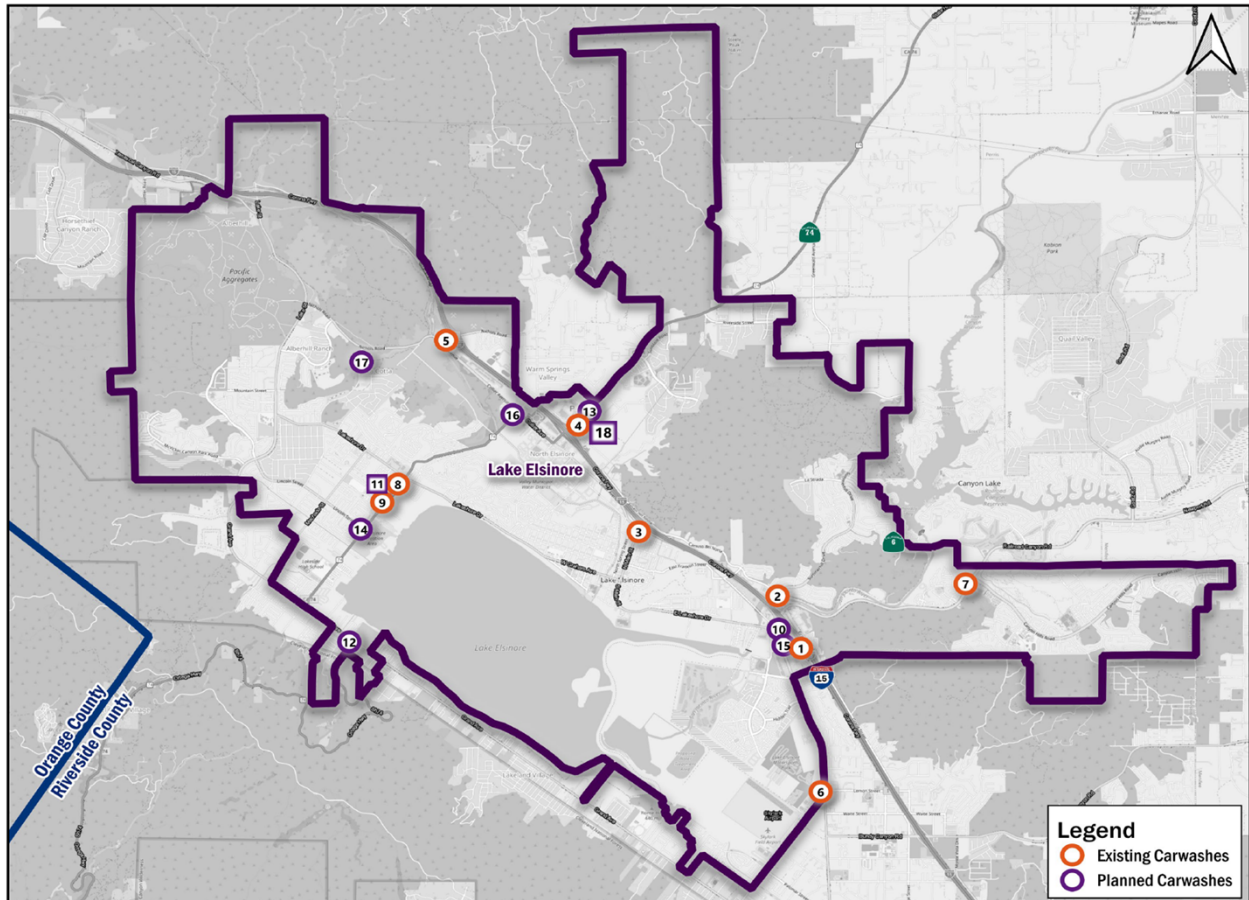
## Lake Elsinore Carwash Market Analysis and Findings

**Table 1:** Carwashes within Lake Elsinore and surrounding region

	Lake Elsinore		SRC Region	
	Count	Share	Count	Share
<b>Existing Carwashes</b>	<b>9</b>	<b>50.0%</b>	<b>83</b>	<b>75.5%</b>
Full-Service	2	22.2%	10	12.0%
Quick-Service	1	11.1%	21.5	25.9%
Self-Service	2	22.2%	9.5	11.4%
Gas Station (CW)	4	44.4%	42	50.6%
<b>Planned Carwashes</b>	<b>9</b>	<b>50.0%</b>	<b>27</b>	<b>24.5%</b>
Full-Service	0	0.0%	0	0.0%
Quick-Service	2	22.2%	11	40.7%
Self-Service	0	0.0%	0	0.0%
Gas Station (CW)	7	77.8%	16	59.3%
<b>Existing &amp; Planned Carwashes</b>	<b>18</b>		<b>110</b>	

**Table 2:** Existing and known planned carwashes by type within Lake Elsinore and SRC region

**FIGURE 1. EXISTING AND PLANNED CARWASH BUSINESSES WITHIN LAKE EL SINORE**



## Lake Elsinore Carwash Market Analysis and Findings

As of 2024, the City has 9 existing and 9 potential (under construction, entitled, or application in process) carwash businesses. Based on the population and future population demand analysis, the Report finds a total demand for 12 carwashes in 2030 and 13 carwashes in 2035. Based on the demand analysis and assuming the potential businesses are built, the Report finds that the City is oversaturated by 6 carwashes through 2030 and by 5 carwashes through 2035.

Year	Demand for TOTAL carwashes, applying regional ratio of households per carwash as of 2030, compared to supply	Lake Elsinore	SRC Region
2024	Total demand as of 2024	10.9	100.4
	<i>Less number of carwashes, 2024</i>	(9.0)	(83.0)
	Net demand shortfall	1.9	17.4
2030	Total demand as of 2030	12.2	110.0
	<i>Less carwash supply under the assumption that 2030 supply is equal to currently known existing plus planned/under constr.</i>	(18.0)	(110.0)
	Net demand shortfall	-5.8	0.0
2035	Total demand as of 2035	13.2	118.0
	Additional new-carwash capacity beyond 2030 assumed supply	(4.8)	8.0

**Table 3:** Estimates of current and future carwash demand

In addition to the carwash supply/demand analysis, the analysis also evaluated potential demand for new convenience markets/gas stations through 2035, finding these uses are also oversupplied in the City.

### **Fiscal Impact**

No direct additional fiscal impact.

### **Attachments**

Attachment 1 – TNDG Carwash Market Analysis dated 09.13.2024

Attachment 2 – Lake Elsinore and Surrounding Cities Car Wash Analysis

Attachment 3 – Listing of Carwash Facilities by Application Status - August 30, 2024

Community Development