



**GREAT STREETS**  
**GREAT BUSINESS**

2016

Market Summary

CD 13

Hollywood Blvd

## Introduction

The **Great Streets Initiative** was launched for the purpose of re-imagining neighborhood centers throughout the City of Los Angeles, one street at a time. The streets initially selected, and those that will be subsequently included, are geographic corridors along the street, and not the entirety of the thoroughfare. Critical to the Initiative is the phrase *re-imagining neighborhood centers*. The program intent is not to merely to work with stakeholders to rent or sell available real estate; rather, to take the existing environment, add some new elements where viable, ultimately creating more engaging and successful places where residents and visitors congregate – *neighborhood centers*. To this end retail outlets, and food/beverage establishments are paramount, with clusters of nodes/hubs created that include 5-7 varied businesses whose attraction appeal is greater than any one business could generate on its' own.

## Great Business

The purpose of the subject component of the **Great Streets Great Businesses** element of the **Great Streets Initiative** is an assessment whereby the market potential for retail outlets and food/beverage establishments is measured. This is a statistical analysis, with 2010 census numbers as a data base, 2016 data estimated, and 2019, 2021, and 2026 data projected.

The principal markets for *neighborhood* centers are residents. For purposes of this market analysis these primary markets have been defined as people who reside within one (1), three (3) and five (5) mile rings of approximately the center block of the street corridor being studied.

Market assessments for retail and food/beverage outlets can cover a range of depths, from surface level population and demographic statistics to full blown analyses that not only measure demand and supply, but include an array of factors that could enhance the attraction appeal of an area or property for a specific tenant type. The analysis contained herein has sufficient depth to paint broad swatches, but not enough information to seal the deal with a particular tenant. The later will happen during the new business recruitment phase of the project, and by providing one-on-one consulting assistance to existing businesses that have the potential to be part of a *neighborhood* center node/hub.

This assessment is based primarily on data obtained from the leader in commercial real estate demographics, STDB.com (Site To Do Business). Through this site a member has access to:

- *ersi*
- *ArcGIS*
- *DatabaseUSA*
- Plus two (2) custom applications – *Express Center and Commercial Search*

## Express Search

Express Search has been used to create the reports that form the base of this market assessment. The reports include:

- **Appraisal Specialty Report**
  - Demographic and Income Profile
  - Market Profile
  - Tapestry
  
- **Retail Specialty Report**
  - Demographic and Income Profile
  - Housing Profile
  - Retail Marketplace
  - Tapestry
  
- **Restaurant Specialty Report** (*statistical data not used in assessment*)
  - Demographic and Income Profile
  - Restaurant Market Potential
  - Retail Marketplace
  - Tapestry

## Data Collection

For each report this information was obtained:

- A block along the subject *Great Street* that represented approximately the center was selected. This block was given an address.
- Data was collected for one (1), three (3) and five (5) mile rings from this central block.
- Created from this approach are nine (9) reports, three (3) for each of the aforementioned subjects – Appraisal, Retail and Restaurant. These reports are found in appendices sections 2-10, respectively.

## Population & Demographics

Key data was extracted from the reports and is presented in summary form in Tables 1 and 2, located in appendix section 1. Table 1 presents 2010 census data population, estimates for 2016, and projections for 2019, 2021 and 2026. The same type of information is presented for households and income. Median disposable income is shown for 2016, for three (3) mile and five (5) mile rings. Employed population for those 16+ is also shown for 2016, by industry.

## Retail & Restaurant Leakage

Table 2.1 is a retail and restaurant leakage assessment for the three (3) mile ring, and Table 2.2 for the five (5) mile ring areas. Shown is the relationship between estimated 2016 expenditures (demand) by residents of the designated area, and corresponding sales (supply) by businesses located therein. Text references to these statistics are mostly in a historical context (were or was versus are or is) because this report is written near the end of the estimate period (2016). [Note – a deviation of 5% one way or the other is not considered leakage/oversupply. This type of analysis is based on the premise that the nearby residents represent the greatest potential for expenditures at local retail and food/beverage outlets, and their money is the easiest to capture with the right kind of projects – in this case neighborhood nodes/hubs that will be created and/or enhanced along Great Streets. At a glance one can see in Table 2 those categories where there is leakage, and the dollar/percentage amount. Contrarily, the data also shows the dollar amount of expenditures made by residents beyond the designated rings.

Hollywood Blvd. is unique among the Great Streets being studied for two (2) reasons:

- Tourism attraction
- Offices along the boulevard and immediately adjacent.

For this reason, it would be expected that supply would outpace demand in almost all retail, and food/beverage categories. While this is true for a number of retail

## Retail & Restaurant Leakage (cont.)

sub-categories, overall, in the three (3) mile ring demand outpaced supply by \$704 million. The reverse was true for food and drink, with supply exceeding demand by \$432 million. A similar condition occurred in the five (5) mile ring, with retail leakage at \$1.5 billion, and in the food and beverage classification, supply being \$731 million greater than demand.

While this data shows the statistical relationship between demand (estimated expenditures by residents within one (1) mile and three (3) mile rings) and supply (estimated gross revenue by businesses located within the same rings) there is not, nor is there intended to be, a value comparison. This requires knowing the environment (existing and planned) of the primary commercial corridor(s) that transcend each of rings. This is the subject of the recruitment process, which is another component of the Great Streets Great Businesses program.

The STRD reports used in this analysis contain considerably more information than is summarized here. Consequently, they are considered critical components of the market assessments, not merely data sources from which statistics are extracted.

## Retail Space Availability

Table 3 presents a list of the retail (including restaurant) properties available for lease along the corridor in December 2016. This information was obtained from CoStar.

# Table 1

Population and Selected Demographic Characteristics for Hollywood Blvd. Corridor  
(base address = 6600 Hollywood Blvd.)

	2016 (yr. 1)	2019 (yr. 3)	2021 (yr.5)	2025 (yr.10)
<b>Population</b>				
One (1) Mile	55,561	57,459	58,725	61,256
Three (3) Miles	341,346	348,650	353,519	363,257
Five (5) Miles	942,559	962,288	975,440	1,001,745
<b>Households</b>				
One (1) Mile	30,640	31,601	32,242	33,524
Three (3) Miles	160,586	163,668	165,722	169,831
Five (5) Miles	398,133	405,488	410,392	420,199
<b>Average Household Income</b>				
One (1) Mile	\$67,424	\$71,289	\$73,865	\$79,018
Three (3) Miles	\$82,160	\$86,722	\$89,763	\$95,845
Five (5) Miles	\$79,493	\$83,847	\$86,750	\$92,556
<b>Per Capita Income</b>				
One (1) Mile	\$38,074	\$40,030	\$41,334	\$43,942
Three (3) Miles	\$39,389	\$41,425	\$42,783	\$45,498
Five (5) Miles	\$34,228	\$35,969	\$37,130	\$39,452
<b>Median Disposable Income (2016)</b>				
Three (3) Miles	\$42,130			
Five (5) Miles	\$40,884			
<b>Employed Population 16+ By Industry (2016)</b>				
One (1) Mile				
Construction	2.0%			
Finance/Insurance/Real Estate	5.4%			
Manufacturing	3.8%			
Retail Trade	8.1%			
Services	61.8%			
Transportation/Utilities	13.4%			
Other	5.5%			
<b>Total</b>	<b>100.0%</b>			
<b>Three (3) Miles</b>				
Construction	3.4%			
Finance/Insurance/Real Estate	5.8%			
Manufacturing	4.6%			
Retail Trade	8.8%			
Services	60.1%			
Transportation/Utilities	10.7%			
Other	6.6%			
<b>Total</b>	<b>100.0%</b>			
<b>Five (5) Miles</b>				
Construction	6.5%			
Finance/Insurance/Real Estate	4.3%			
Manufacturing	9.9%			
Retail Trade	10.6%			
Services	52.6%			
Transportation/Utilities	7.2%			
Other	8.9%			
<b>Total</b>	<b>100.0%</b>			

Sources: STDB, Appraisal Specialty Report; and, VEDC

## Table 2.1 - Three (3) Mile Ring

Retail and Restaurant Leakage for Hollywood Blvd. Corridor Using Estimated 2016 Data  
(base address = 6600 Hollywood Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
<b>Furniture and Home Furnishings</b>					
Furniture	\$106,794,036	\$146,406,543	(\$39,612,507)	0.0%	147
Home Furnishing	\$82,967,675	\$70,970,950	\$11,996,725	14.5%	79
Electronic and Appliance Stores	\$305,381,510	\$325,317,837	(\$19,936,327)	0.0%	182
<b>Food and Beverage Stores</b>					
Grocery	\$972,800,723	\$770,149,815	\$202,650,908	20.8%	161
Specialty Foods	\$104,871,335	\$97,739,549	\$7,131,786	6.8%	96
Beer, Wine & Liquor	\$57,796,108	\$168,754,380	(\$110,958,272)	0.0%	75
Health and Personal Care Products	\$356,485,281	\$503,718,273	(\$147,232,992)	0.0%	256
<b>Clothing &amp; Clothing Accessory Stores</b>					
Clothing	\$304,664,597	\$527,833,430	(\$223,168,833)	0.0%	612
Shoe	\$45,718,936	\$58,098,306	(\$12,379,370)	0.0%	75
Jewelry, Luggage & Leather Goods	\$67,806,049	\$68,673,687	(\$86,638)	0.0%	107
Sporting Goods	\$140,851,970	\$105,106,705	\$35,745,265	25.4%	126
Book, Periodical & Music	\$24,757,040	\$92,243,341	(\$67,486,301)	0.0%	79
General Merchandise Stores	\$905,375,406	\$385,786,422	\$519,588,984	57.4%	92
Florists	\$9,777,830	\$14,089,132	(\$4,311,302)	0.0%	67
Used Merchandise	\$21,265,293	\$33,505,456	(\$12,240,163)	0.0%	140
<b>Total Retail Trade</b>	<b>\$5,633,607,847</b>	<b>\$4,929,750,053</b>	<b>\$703,857,794</b>	<b>12.5%</b>	<b>3078</b>
<b>Food Service and Drinking Places</b>					
Full Service Restaurants	\$369,799,532	\$697,151,916	(\$327,352,384)	0.0%	1157
Limited-Service Restaurants	\$260,261,356	\$282,256,382	(\$21,995,026)	0.0%	367
Specialty Food Services	\$13,840,316	\$9,862,996	\$3,977,320	28.7%	38
Drinking Places - Alcoholic Beverages	\$13,133,969	\$99,785,967	(\$86,651,998)	0.0%	110
<b>Total Food and Drink</b>	<b>\$657,035,173</b>	<b>\$1,089,057,262</b>	<b>(\$432,022,089)</b>	<b>0.0%</b>	<b>1673</b>

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report; and, VEDC



## Table 2.2 - Five (5) Mile Ring

Retail and Restaurant Leakage for Hollywood Blvd. Corridor Using Estimated 2016 Data  
(base address = 6600 Hollywood Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
<b>Furniture and Home Furnishings</b>					
Furniture	\$254,999,539	\$293,324,458	(\$38,324,919)	0.0%	289
Home Furnishing	\$199,740,896	\$210,969,796	(\$11,228,900)	0.0%	229
Electronic and Appliance Stores	\$737,541,964	\$791,390,121	(\$53,848,157)	0.0%	489
<b>Food and Beverage Stores</b>					
Grocery	\$2,350,963,722	\$1,883,619,398	\$467,344,324	19.9%	441
Specialty Foods	\$253,587,178	\$191,354,038	\$62,233,140	24.5%	254
Beer, Wine & Liquor	\$138,614,453	\$266,592,201	(\$127,977,748)	0.0%	196
Health and Personal Care Products	\$864,512,671	\$1,211,642,589	(\$347,129,918)	0.0%	742
<b>Clothing &amp; Clothing Accessory Stores</b>					
Clothing	\$732,212,251	\$1,158,032,956	(\$425,820,705)	0.0%	1447
Shoe	\$110,482,091	\$133,673,204	(\$23,191,113)	0.0%	155
Jewelry, Luggage & Leather Goods	\$161,806,063	\$298,986,037	(\$137,179,974)	0.0%	353
Sporting Goods	\$339,990,040	\$249,833,739	\$90,156,301	26.5%	350
Book, Periodical & Music	\$59,187,254	\$151,925,980	(\$92,738,726)	0.0%	172
General Merchandise Stores	\$2,180,223,916	\$1,022,310,295	\$1,157,913,621	53.1%	267
Florists	\$23,896,659	\$38,528,452	(\$14,631,793)	0.0%	186
Used Merchandise	\$51,016,356	\$65,599,722	(\$14,583,366)	0.0%	281
<b>Total Retail Trade</b>	<b>\$13,590,454,714</b>	<b>\$12,065,302,431</b>	<b>\$1,525,152,283</b>	<b>11.2%</b>	<b>7956</b>
<b>Food Service and Drinking Places</b>					
Full Service Restaurants	\$884,841,577	\$1,463,897,675	(\$579,056,098)	0.0%	2715
Limited-Service Restaurants	\$624,158,061	\$636,877,809	(\$12,719,748)	0.0%	874
Specialty Food Services	\$33,393,684	\$35,653,715	(\$2,260,031)	0.0%	104
Drinking Places - Alcoholic Beverages	\$30,958,297	\$168,550,172	(\$137,591,875)	0.0%	190
<b>Total Food and Drink</b>	<b>\$1,573,351,619</b>	<b>\$2,304,979,370</b>	<b>(\$731,627,751)</b>	<b>0.0%</b>	<b>3884</b>

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report; and, VEDC

## Table 3

Retail Space Listed As Available for Rent on December 21, 2016

Address	Space (SF)	Asking Rent/SF/Month	Lease Type	Leasing Agent	Contact	Telephone
6332-6344 Hollywood Blvd.	6,700	\$3.50	Triple Net	Denley Investment and Management	Justin Rubel	323-463-4100
	644	\$9.01	Triple Net	Denley Investment and Management	Justin Rubel	323-463-4100
	6,700	\$3.50	Triple Net	Denley Investment and Management	Justin Rubel	323-463-4100
6363 Hollywood Blvd.	4,816	\$4.00	Triple Net	RE/MAX Commercial & Investment	Jorge L. Yamzon	213-817-1000
	6,834	\$4.00	Triple Net	RE/MAX Commercial & Investment	Jorge L. Yamzon	213-817-1000
6523-6529 Hollywood Blvd.	3,050	\$4.50	Triple Net	BRC Advisors	Megumi Hosogai	213-272-0961
	3,122	\$4.00	Triple Net	BRC Advisors	Megumi Hosogai	213-272-0961
6658-6660mHollywood Blvd.	2,400	\$4.50	Triple Net	HR Property Group	Eli Mashiachi	310-229-9850
6675 Hollywood Blvd.	13,060	\$3.50	Triple Net	NAI Capital	Marty Shelton	310-440-8500
6756-6762 Hollywood Blvd.	2,250	\$6.00	Triple Net	HR Property Group	Eli Mashiachi	310-229-9850
7021 Hollywood Blvd.	13,382	\$3.75	Modified Gross	Newmark Grubb Knight Frank	Brad Feld	213-596-2266
	23,716	\$3.75	Modified Gross	Newmark Grubb Knight Frank	Brad Feld	213-596-2266
6377-6379 Hollywood Blvd.	5,900	Withheld	Withheld	illi Commercial Real Estate	Greg Offsay	818-501-2212
6401 Hollywood Blvd.	2,400	Withheld	Withheld	Black Equities Group, Ltd.		
6608 Hollywood Blvd.	5,900	Withheld	Withheld	JLL	Nicole Mihalka	213-239-6076
	7,200	Withheld	Withheld	JLL	Nicole Mihalka	213-239-6076
6611-6637 Hollywood Blvd.	4,020	Withheld	Withheld	Lincoln Property Company	Ian Gilbert	213-5428242
6759-6637 Hollywood Blvd.	720	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	672	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	3,802	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	212	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	432	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	320	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	475	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	407	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	490	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	611	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
	8,700	Withheld	Withheld	Denley Investment and Management	Justin Rubel	323-463-4100
6801 Hollywood Blvd.	2,500-30,000	Withheld	Withheld	CIM Group LP	Maya Shemesh	323-860-1768
	522	Withheld	Withheld	BRC Advisors	Marcus o'Bryant	213-226-8700
	1,525	Withheld	Withheld	BRC Advisors	Megumi Hosogai	213-272-0961

