



GREAT STREETS
GREAT BUSINESS

2016

Market Summary

CD 12

Reseda 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 presents a retail and restaurant leakage assessment for the one (1) mile area, and in Table 2.2 for the three (3) mile ring area. 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.

For the retail segment in this corridor, within the three (3) mile ring, there was leakage in only one (1) category - Specialty Foods @ \$14 million. Expenditures by people residing beyond the three (3) mile ring was \$609 million. For the food and drink group there was no leakage, and the imported number was \$78 million. Similar trends occurred in the five (5) mile ring, with the Specialty Food leakage growing to \$56 million. The total retail expenditures by people residing beyond the

Retail & Restaurant Leakage (cont.)

five (5) mile ring was \$3 billion. The comparable food and drink amount was \$128 million.

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) spaces that are available for lease along the corridor. This data was obtained from CoStar reports.

Table 1

Population and Selected Demographic Characteristics for Reseda Blvd. Corridor
(base address = 9100 Reseda Blvd.)

	2016 (yr. 1)	2019 (yr. 3)	2021 (yr.5)	2025 (yr.10)
Population				
One (1) Mile	41,147	41,910	42,419	43,437
Three (3) Miles	236,951	247,860	255,132	269,677
Five (5) Miles	593,653	605,873	614,020	630,314
Households				
One (1) Mile	12,503	12,677	12,793	13,025
Three (3) Miles	79,364	80,527	81,303	82,854
Five (5) Miles	199,610	203,215	205,619	210,426
Average Household Income				
One (1) Mile	\$63,577	\$67,244	\$69,689	\$74,579
Three (3) Miles	\$80,250	\$85,144	\$88,406	\$94,931
Five (5) Miles	\$86,222	\$91,145	\$94,427	\$100,991
Per Capita Income				
One (1) Mile	\$19,993	\$20,996	\$21,664	\$23,001
Three (3) Miles	\$27,391	\$28,873	\$29,861	\$31,837
Five (5) Miles	\$29,444	\$31,011	\$32,055	\$34,144
Median Disposable Income (2016)				
Three (3) Miles	\$50,064			
Five (5) Miles	\$50,165			
Employed Population 16+ By Industry (2016)				
One (1) Mile				
Construction	6.9%			
Finance/Insurance/Real Estate	8.3%			
Manufacturing	8.5%			
Retail Trade	10.6%			
Services	53.6%			
Information	4.1%			
Other	8.0%			
Total	100.0%			
Three (3) Miles				
Construction	7.0%			
Finance/Insurance/Real Estate	8.2%			
Manufacturing	7.5%			
Retail Trade	11.7%			
Services	53.7%			
Information	3.9%			
Other	8.0%			
Total	100.0%			
Five (5) Miles				
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%			
Total	100.0%			

Sources: STDB, Appraisal Specialty Report; and, VEDC

Table 2.1 - Three (3) Mile Ring

Retail and Restaurant Leakage for Reseda Blvd. Corridor Using Estimated 2016 Data
(base address = 9100 Reseda Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
Furniture and Home Furnishings					
Furniture	\$53,545,657	\$55,059,869	(\$1,514,212)	0.0%	52
Home Furnishing	\$43,916,504	\$80,539,688	(\$36,623,184)	0.0%	67
Electronic and Appliance Stores	\$162,023,075	\$198,547,430	(\$36,524,355)	0.0%	162
Food and Beverage Stores					
Grocery	\$495,608,119	\$698,624,123	(\$203,016,004)	0.0%	105
Specialty Foods	\$53,383,827	\$39,040,196	\$14,343,631	26.9%	53
Beer, Wine & Liquor	\$29,042,806	\$60,613,596	(\$31,570,790)	0.0%	54
Health and Personal Care Products	\$190,740,786	\$403,679,115	(\$212,938,329)	0.0%	182
Clothing & Clothing Accessory Stores					
Clothing	\$151,471,258	\$191,192,758	(\$39,721,500)	0.0%	184
Shoe	\$22,529,582	\$33,693,833	(\$11,164,251)	0.0%	36
Jewelry, Luggage & Leather Goods	\$34,808,114	\$39,789,894	(\$4,981,780)	0.0%	63
Sporting Goods	\$74,609,947	\$83,699,458	(\$9,089,511)	0.0%	85
Book, Periodical & Music	\$12,326,446	\$24,584,231	(\$12,257,785)	0.0%	30
General Merchandise Stores	\$460,759,685	\$639,967,351	(\$179,207,666)	0.0%	56
Florists	\$5,788,908	\$8,952,140	(\$3,163,232)	0.0%	33
Used Merchandise	\$10,806,742	\$5,768,271	\$5,038,471	0.0%	15
Total Retail Trade	\$2,949,146,566	\$3,558,401,331	(\$609,254,765)	0.0%	1786
Food Service and Drinking Places					
Full Service Restaurants	\$183,530,130	\$214,682,885	(\$31,152,755)	0.0%	418
Limited-Service Restaurants	\$130,065,039	\$172,321,158	(\$42,256,119)	0.0%	226
Specialty Food Services	\$7,091,525	\$8,583,592	(\$1,492,067)	0.0%	36
Drinking Places - Alcoholic Beverages	\$5,996,501	\$9,395,917	(\$3,399,416)	0.0%	14
Total Food and Drink	\$326,683,194	\$404,983,552	(\$78,300,358)	0.0%	693

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

Table 2.2 - Five (5) Mile Ring

Retail and Restaurant Leakage for Reseda Blvd. Corridor Using Estimated 2016 Data
(base address = 9100 Reseda Blvd.)

Retail Categories (selected)	Demand [A] (potential sales)	Supply [B] (reported sales)	Leakage Amt. [C] ([A] - [B])	Leakage % ([C]/[A])	Number of Businesses
Furniture and Home Furnishings					
Furniture	\$141,996,287	\$156,725,457	(\$14,729,170)	0.0%	123
Home Furnishing	\$115,619,003	\$169,392,521	(\$53,773,518)	0.0%	159
Electronic and Appliance Stores	\$423,450,498	\$784,651,494	(\$361,200,996)	0.0%	426
Food and Beverage Stores					
Grocery	\$1,291,670,515	\$1,375,280,249	(\$83,609,734)	0.0%	210
Specialty Foods	\$139,051,152	\$82,492,813	\$56,558,339	40.7%	125
Beer, Wine & Liquor	\$76,090,824	\$109,200,013	(\$33,109,189)	0.0%	105
Health and Personal Care Products	\$498,431,925	\$915,153,859	(\$416,721,934)	0.0%	389
Clothing & Clothing Accessory Stores					
Clothing	\$397,606,433	\$610,752,710	(\$213,146,277)	0.0%	441
Shoe	\$58,935,075	\$93,255,208	(\$34,320,133)	0.0%	94
Jewelry, Luggage & Leather Goods	\$92,228,346	\$120,227,297	(\$27,998,951)	0.0%	137
Sporting Goods	\$195,282,080	\$229,829,604	(\$34,547,524)	0.0%	212
Book, Periodical & Music	\$32,335,887	\$50,866,852	(\$18,530,965)	0.0%	69
General Merchandise Stores	\$1,207,054,498	\$1,690,142,101	(\$483,087,603)	0.0%	154
Florists	\$15,226,411	\$15,689,575	(\$463,164)	0.0%	66
Used Merchandise	\$28,348,777	\$18,297,676	\$10,051,101	0.0%	60
Total Retail Trade	\$7,721,856,410	\$10,834,561,822	(\$3,112,705,412)	0.0%	4382
Food Service and Drinking Places					
Full Service Restaurants	\$482,263,205	\$511,825,494	(\$29,562,289)	0.0%	958
Limited-Service Restaurants	\$341,098,666	\$418,914,029	(\$77,815,363)	0.0%	552
Specialty Food Services	\$18,681,365	\$31,253,778	(\$12,572,413)	0.0%	71
Drinking Places - Alcoholic Beverages	\$15,751,272	\$24,479,276	(\$8,728,004)	0.0%	34
Total Food and Drink	\$857,794,508	\$986,472,577	(\$128,678,069)	0.0%	1615

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
8932 Reseda Blvd.	320	\$1.48	Full Service	Gribin Properties	Rob Fullarton	818-225-0097
8935-8943 Reseda Blvd.	2,500	\$1.95	Triple Net	Gribin Properties	Ed Korbel	818-501-7243
8949 Reseda Blvd.	1,050	\$2.00	Full Service	David Moradzadeh	David Moradzadeh	310-471-8184
	600	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	225	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	450	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	350	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	200	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	560	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	900	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	300	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
	900	\$1.35-\$1.80	Modified Gross	David Moradzadeh	David Moradzadeh	310-471-8184
9017 Reseda Blvd.	700	\$1.79	Modified Gross	Paley Commercial Real Estate	Howard Bass	818-343-3000
9100 Reseda Blvd.	5,500	\$2.15	Triple Net	David Moradzadeh	David Moradzadeh	310-471-8184
	1,700	\$2.50	Triple Net	David Moradzadeh	David Moradzadeh	310-471-8184
	2,700	\$2.25	Triple Net	David Moradzadeh	David Moradzadeh	310-471-8184
9310-9320 Reseda Blvd.	1,300	\$1.95	Electricity	Paley Commercial Real Estate	Richard Paley	818-343-3000
9003 Reseda Blvd.	1,864	Withheld	Withheld	Lee & Associates	Scott Romick	818-933-0305
	500-1,000	Withheld	Withheld	Property Pros	Robert Tounian	818-951-3533
9100 Reseda Blvd.	26,000	Withheld	Withheld	David Moradzadeh	David Moradzadeh	310-471-8184
9335 Reseda Blvd.	1,500-5,150	Withheld	Withheld	Centers Business Management	Jason Ehrenpreis	310-575-1517

