



GREAT STREETS
GREAT BUSINESS

2016

Market Summary

CD 6

Van Nuys Blvd
(Van Nuys)

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 three (3) mile, 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.

Within the three (3) mile ring, supply exceeds demand by \$1.9 million. This is skewed to a large extent by the auto dealerships that line Van Nuys Blvd. to the south. The food and drink situation was the same to a much lesser degree, with supply \$27 million in excess of demand. Within the five (5) mile ring there are eight (8) retail categories where demand is greater than supply. The retail trade total however reported a demand deficit of \$938. Contrarily, the food and drink experience was reversed, with demand exceeding supply by \$106 million. Much of

Retail & Restaurant Leakage (cont.)

this attributed to the employees of dealerships located along Van Nuys Blvd.

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) space available along the corridor in December 2016. This data was obtained from CoStar.

Table 1

Population and Selected Demographic Characteristics for Van Nuy Blvd. Corridor
(base address = 6200 Van Nuys Blvd.)

	2016 (yr. 1)	2019 (yr. 3)	2021 (yr.5)	2025 (yr.10)
Population				
One (1) Mile	45,193	45,867	46,316	47,214
Three (3) Miles	293,445	299,432	303,423	311,405
Five (5) Miles	712,869	727,331	736,973	756,256
Households				
One (1) Mile	15,297	15,478	15,598	15,839
Three (3) Miles	105,598	107,493	108,757	111,284
Five (5) Miles	241,638	245,984	248,881	254,675
Average Household Income				
One (1) Mile	\$63,240	\$67,115	\$69,699	\$74,866
Three (3) Miles	\$78,321	\$83,023	\$86,157	\$92,426
Five (5) Miles	\$82,666	\$87,405	\$90,564	\$96,882
Per Capita Income				
One (1) Mile	\$21,634	\$22,879	\$23,709	\$25,369
Three (3) Miles	\$28,592	\$30,205	\$31,281	\$33,432
Five (5) Miles	\$28,389	\$29,923	\$30,946	\$32,992
Median Disposable Income (2016)				
Three (3) Miles	\$52,104			
Five (5) Miles	\$50,972			
Employed Population 16+ By Industry (2016)				
One (1) Mile				
Construction	9.4%			
Finance/Insurance/Real Estate	4.0%			
Manufacturing	8.5%			
Retail Trade	9.5%			
Services	55.5%			
Other	13.1%			
Total	100.0%			
Three (3) Miles				
Construction	7.2%			
Finance/Insurance/Real Estate	6.2%			
Manufacturing	7.2%			
Retail Trade	10.0%			
Services	55.1%			
Other	14.3%			
Total	100.0%			
Five (5) Miles				
Construction	7.2%			
Finance/Insurance/Real Estate	6.3%			
Manufacturing	8.0%			
Retail Trade	10.3%			
Services	54.1%			
Other	14.1%			
Total	100.0%			

Sources: STDB, Appraisal Specialty Report, 6200 Van Nuys Blvd., Van Nuys, CA 91401; and, VEDC

Table 2.1 - Three (3) Mile Ring

Retail and Restaurant Leakage for Van Nuys Blvd. Corridor Using Estimated 2016 Data
(base address = 6200 Van Nuys 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	\$66,363,894	\$85,693,369	(\$19,329,475)	0.0%	58
Home Furnishing	\$52,846,728	\$81,566,149	(\$28,719,421)	0.0%	73
Electronic and Appliance Stores	\$196,937,533	\$358,022,775	(\$161,085,242)	0.0%	183
Food and Beverage Stores					
Grocery	\$625,676,105	\$587,018,298	\$38,657,807	6.2%	102
Specialty Foods	\$67,552,671	\$52,914,678	\$14,637,993	21.7%	84
Beer, Wine & Liquor	\$36,414,443	\$38,815,214	(\$2,400,771)	0.0%	53
Health and Personal Care Products	\$231,214,985	\$379,008,970	(\$147,793,985)	0.0%	186
Clothing & Clothing Accessory Stores					
Clothing	\$193,163,606	\$198,564,606	(\$5,401,000)	0.0%	231
Shoe	\$29,397,888	\$34,311,354	(\$4,913,466)	0.0%	39
Jewelry, Luggage & Leather Goods	\$42,512,254	\$45,920,645	(\$3,408,391)	0.0%	71
Sporting Goods	\$91,432,624	\$109,317,108	(\$17,884,484)	0.0%	91
Book, Periodical & Music	\$15,611,008	\$22,370,170	(\$6,759,162)	0.0%	30
General Merchandise Stores	\$577,320,144	\$667,588,011	(\$90,267,867)	0.0%	77
Florists	\$6,418,529	\$10,473,920	(\$4,055,391)	0.0%	39
Used Merchandise	\$13,490,235	\$22,436,115	(\$8,945,880)	0.0%	43
Total Retail Trade	\$3,616,498,521	\$5,505,043,772	(\$1,888,545,251)	0.0%	2945
Food Service and Drinking Places					
Full Service Restaurants	\$97,849,567	\$70,658,541	\$27,191,026	27.8%	143
Limited-Service Restaurants	\$68,969,901	\$51,566,310	\$17,403,591	25.2%	73
Specialty Food Services	\$3,845,721	\$5,276,260	(\$1,430,539)	0.0%	6
Drinking Places - Alcoholic Beverages	\$3,183,711	\$1,901,663	\$1,282,048	40.3%	8
Total Food and Drink	\$413,360,419	\$440,664,991	(\$27,304,572)	0.0%	821

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report, 6200 Van Nuys Blvd., Van Nuys, CA 91401; and, VEDC

Table 2.2 - Five (5) Mile Ring

Retail and Restaurant Leakage for Van Nuys Blvd. Corridor Using Estimated 2016 Data
(base address = 6200 Van Nuys 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	\$162,574,572	\$140,892,003	\$21,682,569	13.3%	110
Home Furnishing	\$130,963,275	\$166,532,110	(\$35,568,835)	0.0%	142
Electronic and Appliance Stores	\$483,305,934	\$491,642,208	(\$8,336,274)	0.0%	316
Food and Beverage Stores					
Grocery	\$1,499,421,441	\$1,349,313,076	\$150,108,365	10.0%	237
Specialty Foods	\$161,656,983	\$115,419,001	\$46,237,982	28.6%	156
Beer, Wine & Liquor	\$87,814,922	\$103,773,232	(\$15,958,310)	0.0%	127
Health and Personal Care Products	\$566,704,935	\$786,397,644	(\$219,692,709)	0.0%	356
Clothing & Clothing Accessory Stores					
Clothing	\$463,461,418	\$327,667,266	\$135,794,152	29.3%	431
Shoe	\$69,594,730	\$64,343,668	\$5,251,062	7.5%	72
Jewelry, Luggage & Leather Goods	\$105,271,508	\$88,207,389	\$17,064,119	16.2%	130
Sporting Goods	\$224,392,756	\$186,450,327	\$37,942,429	16.9%	196
Book, Periodical & Music	\$37,696,452	\$46,830,421	(\$9,133,969)	0.0%	65
General Merchandise Stores	\$1,394,979,010	\$1,006,838,436	\$388,140,574	27.8%	141
Florists	\$16,488,856	\$19,017,812	(\$2,528,956)	0.0%	87
Used Merchandise	\$32,774,878	\$33,361,336	(\$586,458)	0.0%	81
Total Retail Trade	\$8,836,674,697	\$9,775,246,468	(\$938,571,771)	0.0%	4220
Food Service and Drinking Places					
Full Service Restaurants	\$560,062,469	\$464,049,792	\$96,012,677	17.1%	1047
Limited-Service Restaurants	\$396,261,852	\$368,528,332	\$27,733,520	7.0%	497
Specialty Food Services	\$21,396,741	\$26,997,610	(\$5,600,869)	0.0%	67
Drinking Places - Alcoholic Beverages	\$18,699,601	\$30,763,943	(\$12,064,342)	0.0%	67
Total Food and Drink	\$996,420,663	\$890,339,677	\$106,080,986	10.6%	1663

Sources: STDB, Retail Specialty Report and Restaurant Specialty Report, 6200 Van Nuys Blvd., Van Nuys, CA 91401; 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
6161 Van Nuys Blvd.	2,500	\$1.90	Modified Gross	Paley Commercial Real Estate	Richard Paley	818-343-3000
6200 Van Nuys Blvd.	13,305	\$2.00	Full Service	GSA LA Federal Branch	Shawn McCoy	213-453-3768
6201-6203 Van Nuys Blvd.	1,850	\$2.27	Modified Gross	Litchfield Asset Management, Inc.	Howard Herron	818-781-0255
	500	\$2.05	Modified Gross	Litchfield Asset Management, Inc.	Howard Herron	818-781-0255
6310-6318 Van Nuys Blvd.	2,000	\$2.00	Modified Gross	Centers Business Management	David Levcovitch	818-380-9966
	2,000	\$2.00	Modified Gross	Centers Business Management	David Levcovitch	818-380-9966
	2,000	\$2.00	Modified Gross	Centers Business Management	David Levcovitch	818-380-9966
6315 Van Nuys Blvd.	775	\$2.35	Modified Gross	illi Commercial Real Estate	Todd Nathanson	818-501-2212
	1,200	\$2.35	Modified Gross	illi Commercial Real Estate	Todd Nathanson	818-501-2212
	325-750	\$2.35	Modified Gross	illi Commercial Real Estate	Todd Nathanson	818-501-2212
6320 Van Nuys Blvd.	750	\$1.75	Full Service	Sunrise Management	Bruce Abrams	818-788-9905
	760	\$1.65	Full Service	Sunrise Management	Bruce Abrams	818-788-9905
6403 Van Nuys Blvd.	2,250	\$3.50	Triple Net	Centers Business Management	Dave O'Connell	818-380-9966
6309 Van Nuys Blvd.	80-400	Withheld	Withheld	Greenfield Management	Matt Dardashti	310-597-3662
	75-900	Withheld	Withheld	Greenfield Management	Stella Lee	310-597-3662

