



GREAT STREETS
GREAT BUSINESS

2016

Market Summary

CD 5
Westwood 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, and Table 2.2 for the three (3) 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.

For the retail segment in this corridor, within the three (3) mile ring, there was considerable leakage, an estimated \$488 million (9%). Leakage occurred in seven (7) of the 15 categories measured. In the food and drink category, there was leakage in three (3) of the four categories measured. Collectively, however expenditures by people residing beyond the three (3) mile ring spent \$46 million more in the area than did residents. In the five (5) mile ring, the total retail trade leakage amount was \$1.6 million (12%). With food and drink, overall no leakage occurred, however

Retail & Restaurant Leakage (cont.)

there was leakage in two (2) of the four (4) measured sub-categories – Limited-Specialty and Specialty Food Services (under 5% so technically not considered leakage).

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 for lease along the corridor in December 2016. This information was obtained from CoStar.

Table 1

Population and Selected Demographic Characteristics for Westwood Blvd. Corridor
(base address = 1000 Westwood Blvd.)

	2016 (yr. 1)	2019 (yr. 3)	2021 (yr.5)	2025 (yr.10)
Population				
One (1) Mile	48,844	49,707	50,282	51,432
Three (3) Miles	212,082	216,533	219,500	225,434
Five (5) Miles	563,472	575,469	583,467	599,463
Households				
One (1) Mile	17,554	17,850	18,048	18,443
Three (3) Miles	94,159	95,897	97,055	99,372
Five (5) Miles	114,756	117,027	118,541	121,569
Average Household Income				
One (1) Mile	\$113,629	\$119,622	\$123,618	\$131,609
Three (3) Miles	\$133,459	\$140,713	\$145,549	\$155,221
Five (5) Miles	\$123,810	\$130,750	\$135,376	\$144,629
Per Capita Income				
One (1) Mile	\$42,926	\$45,021	\$46,417	\$49,210
Three (3) Miles	\$59,780	\$62,823	\$64,852	\$68,910
Five (5) Miles	\$57,817	\$60,845	\$62,864	\$66,902
Median Disposable Income (2016)				
Three (3) Miles	\$66,548			
Five (5) Miles	\$62,456			
Employed Population 16+ By Industry (2016)				
One (1) Mile				
Construction	0.7%			
Finance/Insurance/Real Estate	7.9%			
Manufacturing	3.0%			
Retail Trade	5.9%			
Services	71.2%			
Information	5.8%			
Other	5.5%			
Total	100.0%			
Three (3) Miles				
Construction	1.6%			
Finance/Insurance/Real Estate	9.7%			
Manufacturing	4.7%			
Retail Trade	5.9%			
Services	63.8%			
Information	7.9%			
Other	6.4%			
Total	100.0%			
Five (5) Miles				
Construction	2.2%			
Finance/Insurance/Real Estate	8.6%			
Manufacturing	4.6%			
Retail Trade	6.9%			
Services	61.6%			
Information	9.7%			
Other	6.4%			
Total	100.0%			

Sources: STDB, Appraisal Specialty Report; and, VEDC

Table 2.1 - Three (3) Mile Ring

Retail and Restaurant Leakage for Westwood Blvd. Corridor Using Estimated 2016 Data
(base address = 1000 Westwood 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	\$104,603,689	\$85,218,792	\$19,384,897	18.5%	53
Home Furnishing	\$82,787,342	\$69,270,842	\$13,516,500	16.3%	70
Electronic and Appliance Stores	\$297,015,175	\$358,721,575	(\$61,706,400)	0.0%	220
Food and Beverage Stores					
Grocery	\$894,668,358	\$735,052,710	\$159,615,648	17.8%	74
Specialty Foods	\$96,098,794	\$47,251,176	\$48,847,618	50.8%	60
Beer, Wine & Liquor	\$54,572,910	\$38,178,464	\$16,394,446	30.0%	25
Health and Personal Care Products	\$346,971,299	\$437,169,534	(\$90,198,235)	0.0%	212
Clothing & Clothing Accessory Stores					
Clothing	\$282,979,895	\$511,903,182	(\$228,923,287)	0.0%	488
Shoe	\$40,795,816	\$51,846,611	(\$11,050,795)	0.0%	55
Jewelry, Luggage & Leather Goods	\$67,984,581	\$181,462,549	(\$113,477,968)	0.0%	168
Sporting Goods	\$136,463,766	\$154,769,314	(\$18,305,548)	0.0%	114
Book, Periodical & Music	\$23,333,467	\$36,287,588	(\$12,954,121)	0.0%	36
General Merchandise Stores	\$850,242,859	\$701,565,865	\$148,676,994	17.5%	47
Florists	\$10,705,615	\$15,420,204	(\$4,714,589)	0.0%	61
Used Merchandise	\$20,311,650	\$15,708,869	\$4,602,781	22.7%	55
Total Retail Trade	\$5,419,862,669	\$4,932,194,359	\$487,668,310	9.0%	2,312
Food Service and Drinking Places					
Full Service Restaurants	\$349,914,262	\$486,275,832	(\$136,361,570)	0.0%	706
Limited-Service Restaurants	\$244,177,818	\$158,577,763	\$85,600,055	35.1%	234
Specialty Food Services	\$13,509,274	\$9,510,911	\$3,998,363	29.6%	24
Drinking Places - Alcoholic Beverages	\$11,957,622	\$11,292,563	\$665,059	5.6%	22
Total Food and Drink	\$619,558,976	\$665,657,069	(\$46,098,093)	0.0%	987

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

Table 2.2 - Five (5) Mile Ring

Retail and Restaurant Leakage for Westwood Blvd. Corridor Using Estimated 2016 Data
(base address = 1000 Westwood 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	\$262,281,785	\$302,300,892	(\$40,019,107)	0.0%	213
Home Furnishing	\$208,314,129	\$256,809,199	(\$48,495,070)	0.0%	237
Electronic and Appliance Stores	\$752,041,239	\$857,710,142	(\$105,668,903)	0.0%	484
Food and Beverage Stores					
Grocery	\$2,288,663,083	\$1,688,585,695	\$600,077,388	26.2%	203
Specialty Foods	\$246,115,938	\$130,232,872	\$115,883,066	47.1%	157
Beer, Wine & Liquor	\$138,806,560	\$102,217,171	\$36,589,389	26.4%	227
Health and Personal Care Products	\$878,326,011	\$1,048,171,557	(\$169,845,546)	0.0%	540
Clothing & Clothing Accessory Stores					
Clothing	\$721,503,091	\$1,293,649,371	(\$572,146,280)	0.0%	1226
Shoe	\$104,888,692	\$142,495,348	(\$37,606,656)	0.0%	132
Jewelry, Luggage & Leather Goods	\$170,475,992	\$344,990,525	(\$174,514,533)	0.0%	317
Sporting Goods	\$346,788,897	\$329,975,547	\$16,813,350	4.8%	289
Book, Periodical & Music	\$59,119,679	\$98,062,230	(\$38,942,551)	0.0%	109
General Merchandise Stores	\$2,161,143,057	\$1,349,016,234	\$812,126,823	37.6%	140
Florists	\$26,636,964	\$41,032,679	(\$14,395,715)	0.0%	153
Used Merchandise	\$51,473,500	\$61,150,318	(\$9,676,818)	0.0%	207
Total Retail Trade	\$13,722,252,386	\$12,116,712,100	\$1,605,540,286	11.7%	6,073
Food Service and Drinking Places					
Full Service Restaurants	\$890,687,090	\$1,254,400,677	(\$363,713,587)	0.0%	1822
Limited-Service Restaurants	\$622,336,426	\$448,647,649	\$173,688,777	27.9%	607
Specialty Food Services	\$34,296,479	\$33,562,950	\$733,529	2.1%	81
Drinking Places - Alcoholic Beverages	\$30,682,760	\$88,592,228	(\$57,909,468)	0.0%	95
Total Food and Drink	\$1,578,002,755	\$1,825,203,505	(\$247,200,750)	0.0%	2,605

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
901-945 Westwood Blvd.	918	\$5.00	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	1,396	\$4.50	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	3,634	\$4.25	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	1,795	\$3.50-\$6.00	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	2,806	\$3.50-\$6.00	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	1,279	\$3.50-\$6.00	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
	1,120	\$3.50-\$6.00	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
1099 Westwood Blvd.	4,555	\$4.65	Triple Net	Beitler Commercial Realty Services	Suzanne Laff	310-447-7212
1122-1126 Westwood Blvd.	2,062	\$4.25	Triple Net	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
1000-1010 Westwood Blvd.	3,070	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
1056-1058 Westwood Blvd.	1,592	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
	5,759	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
	4,350	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
1060-1062 Westwood Blvd.	200-2,087	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
	1,165	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770
1090 Westwood Blvd.	7,000	Withheld	Withheld	Savills Studley	Bryan Norcott	213-553-3862
	7,000	Withheld	Withheld	Savills Studley	Bryan Norcott	
1116-1118 Westwood Blvd.	4,741	Withheld	Withheld	Robert K. Futterman & Assc., LLC	Robert Cohen	310-593-0770

