

DOWNTOWN LONG BEACH *Snapshot*



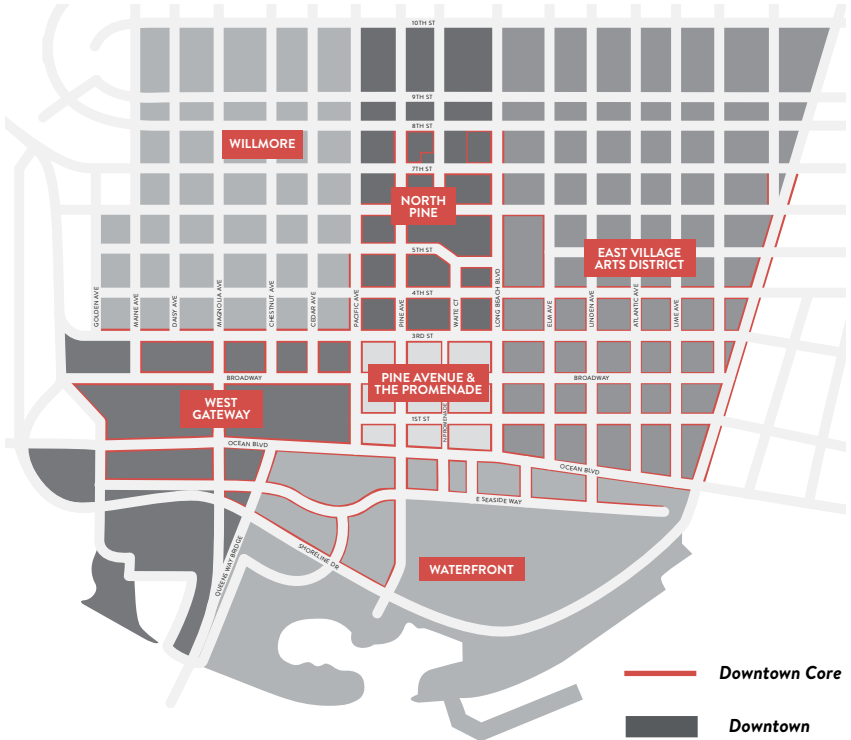


ABOUT DLBA

Downtown Long Beach’s (DTLB) first Business Improvement District (BID) was the Downtown Parking Improvement Area (DPIA) established in 1973 by business owners, while the second BID, the Property-Based Improvement District (PBID) was established in 1998 by commercial property owners and expanded to residential property owners in 2013. The Downtown Long Beach Alliance (DLBA) manages both of these BIDs, which has resulted in a more connected, safer and vibrant Downtown. The DLBA is a non-profit community-based organization whose mission is to cultivate, preserve and promote a healthy, safe and prosperous Downtown. By balancing the interests of residents and businesses, the DLBA creates tangible progress by way of vested interest and solidified partnerships across local, municipal and commercial lines.

DOWNTOWN: Identified as the area outlined by the DPIA boundaries shown in the map to the right.

DOWNTOWN CORE: Identified as the area outlined by the PBID boundaries shown in the map to the right.



SOURCES & METHODOLOGY

DOWNTOWN RESIDENT & INTERCEPT SURVEY

The 2016 Downtown Long Beach Resident & Intercept Survey was an in-person based questionnaire developed in partnership with California State University, Long Beach’s Office of Economic Research and implemented by S. Groner Associates, a nationally recognized firm with extensive background in public policy and applied psychology. The survey ran from November 7 – December 9, 2016. A sample of 1,129 randomly intercepted residents, workers, and visitors was collected.

DLBA PEDESTRIAN COUNTS

Data for the following locations was recorded from July 1 – September 30, 2017. Recording and counting was conducted by DLBA’s automated pedestrian counter system. For further information regarding pedestrian counts, please contact DLBA’s Economic Development Department.

COMMERCIAL RETAIL DATA ANALYSIS

Information regarding the depth and breadth of Downtown’s retail market is pulled from Co-Star, a leading provider of commercial real estate information, analytics, and online market places.

CITY OF LONG BEACH: DEPARTMENT OF ECONOMIC DEVELOPMENT

All retail sales related data is acquired through DLBA’s partnership with the City of Long Beach’s Office of Economic Development. Downtown retail sales data is provided on a quarterly and annual basis.

LOOKING TO INVEST IN DTLB?

Visit DTLBbusiness.com for more economic resources, or email economicdevelopment@dlba.org

Next DTLB Snapshot:
RESIDENTIAL MARKET REPORT
 Publishes January 15, 2018



RETAIL MARKET REPORT - Q3 2017

**DOWNTOWN
LONG BEACH
ALLIANCE**

RETAIL MARKET UPDATE

Overall indicators for the Downtown's retail market remain positive. While occupancy rates dipped slightly, the increase rental rates and lease transactions suggest growing demand. Mixed-use developments like the Current, the Edison, and renovated spaces at The Streets, formerly City Place, have attracted a number of new and unique concepts such as Table 301, Poki Cat, and Thickshake Factory. Although occupancy rates have dipped below 90%, demand for retail spaces continues to remain strong with year-to-date net absorption of 21,193. Suggesting that occupancy rates will bounce back in the next quarter. Average rental rates picked up from \$2.10/SF from Q3 2016 to \$2.50/SF this quarter.

by the numbers

NUMBER OF BUILDINGS	240
TOTAL INVENTORY	2,842,018
TOTAL OCCUPANCY	88%
Q3 NET ABSORPTION	-4,240
YTD NET ABSORPTION	21,193
DIRECT AVG. ASKING RENT	\$2.51
12-MONTH RENT DELTA	22%
TOTAL UNDER CONSTRUCTION	16,505
PLANNED	135,678

Looking at future growth, current construction of several mixed-use developments are expected to add approximately 16,500 SF new retail space to market within the next two years. Moreover, looking further down the pipeline an additional 135,678 SF of retail space is planned for through additional mixed-used residential development and the Civic Center Project over the next five years.

In Q3, thirty-five (35) businesses applied for a business license in the Downtown area. Of those, seventeen (17) were for retail establishments including jewelry stores, cafes, restaurants, and seasonal goods. This is a slight decrease from the previous quarter, where 19 of the 52 business licenses applied were for ground floor retail businesses.

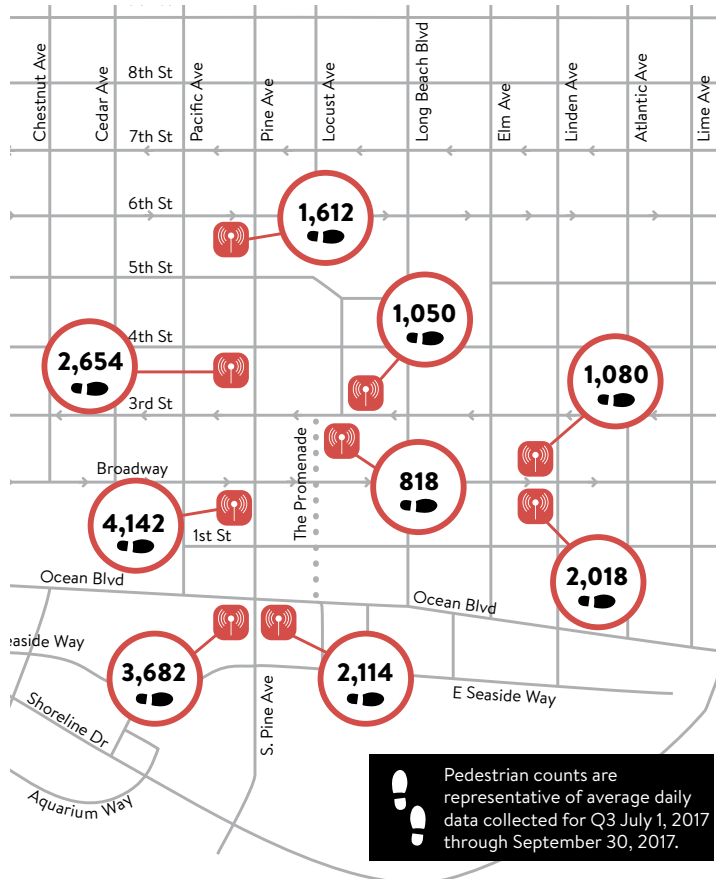
	RENT	INVENTORY	OCCUPANCY RATE
EL SEGUNDO	\$3.14	1.2M	98%
DTLA	\$3.07	14.9M	94%
DTLB	\$2.44	2.8M	88%
ORANGE COUNTY	\$2.70	143.5M	96%
TORRANCE	\$2.34	13.4M	97%
LONG BEACH	\$2.21	18.7M	96%
SAN PEDRO	\$2.17	2.3M	94%

COMPARISON OF REGIONAL BENCHMARKS

PEDESTRIAN COUNT

In August 2016, DLBA launched its automated pedestrian counter system in DTLB that provides 24/7 pedestrian counts, and offers existing and potential Downtown businesses greater data support for strategic site selection.

AN AVERAGE OF **17,815 DAILY PEDESTRIANS** WALKED THROUGHOUT THE CORE OF DOWNTOWN IN Q3. PEAK TRAFFIC DURING THE WEEK WAS EXPERIENCED ON SATURDAYS WITH AN AVERAGE OF **22,734** DURING 5PM - 11PM TIME PERIOD. THIS HIGH TRAFFICKED TIMEFRAME IS DUE IN LARGE PART TO THE WEEKEND DINNER CROWD AND LIVELY BAR SCENE.



During Q3 Downtown experienced **1.6 MILLION PEDESTRIANS** throughout the Downtown core, a 33% increase from Q2, with the highest visitor count experienced during July of 617,852 total visitors. Downtown experiences peak pedestrian traffic during the summer months in large part due to industry conferences held at the Long Beach Convention Center, summer vacationers, and a number of summer attractions.



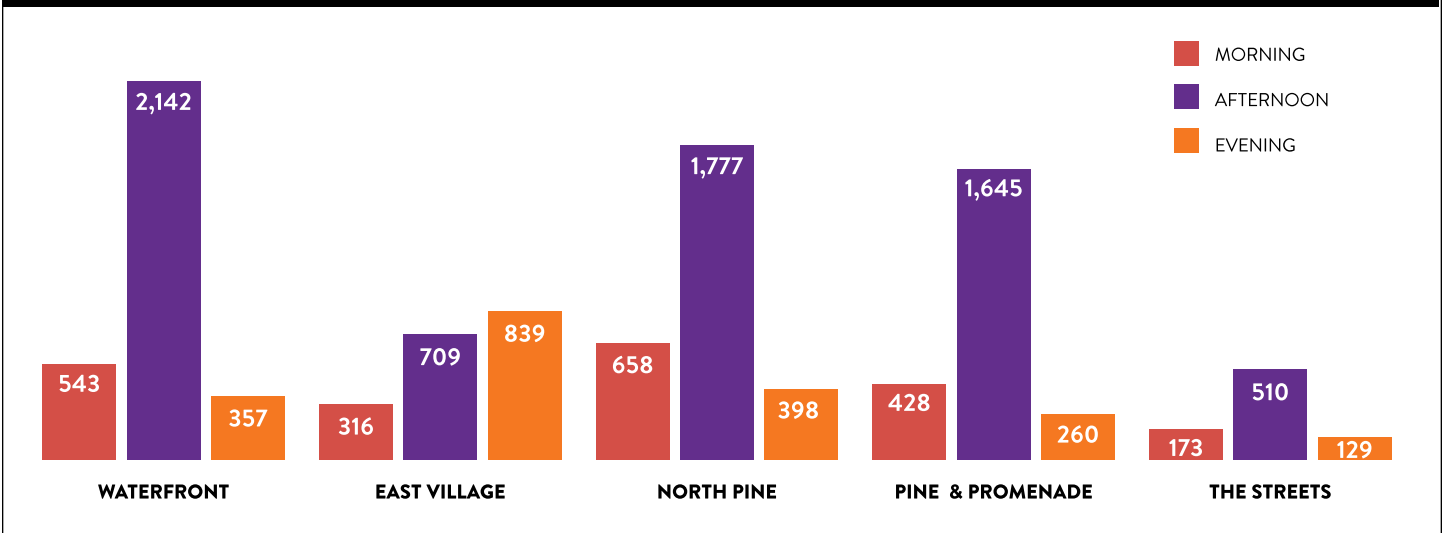
PED TRAFFIC TRENDS

The graphs below illustrate pedestrian traffic trends for the period beginning July 1, 2017 and ending September 30, 2017.

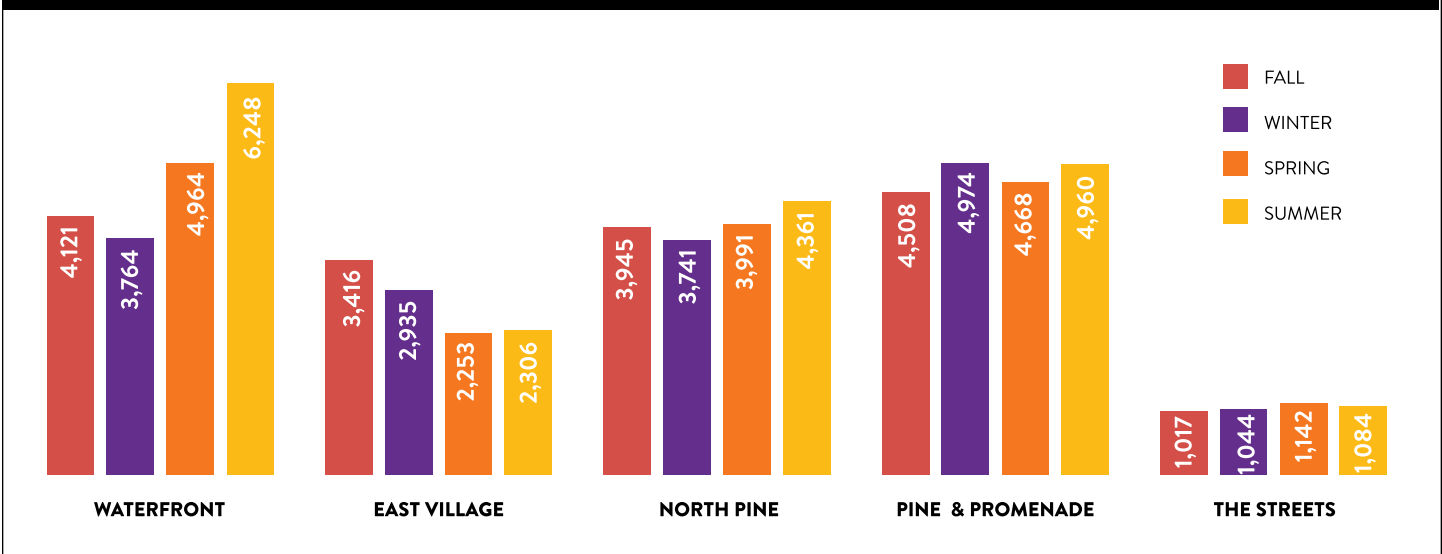
Throughout much of the Downtown, high trafficked periods occurred during the 12PM – 5PM time frame. This was especially true for the Waterfront area which experienced an average of 2,142 pedestrians during Q3. The Waterfront area is home to the Long Beach Convention Center, the Pike Outlets and Shoreline Village. The area is a hub for a plethora of shopping options and dining services.

Similarly, throughout much of the Downtown, pedestrian traffic was highest during the summer months, in large part due to the influx of visitors and tourist during this time of year. The only area that didn't experience the same 12PM – 5PM high traffic period was the East Village neighborhood. While the East Village is home to a number of shopping and dining options, its limited number of commercial office buildings means the neighborhood and shops aren't able to capitalize on the thousands of downtown office workers like the other neighborhoods.

AVERAGE PEDESTRIAN ACTIVITY BY TIME OF DAY



AVERAGE PEDESTRIAN ACTIVITY BY SEASON



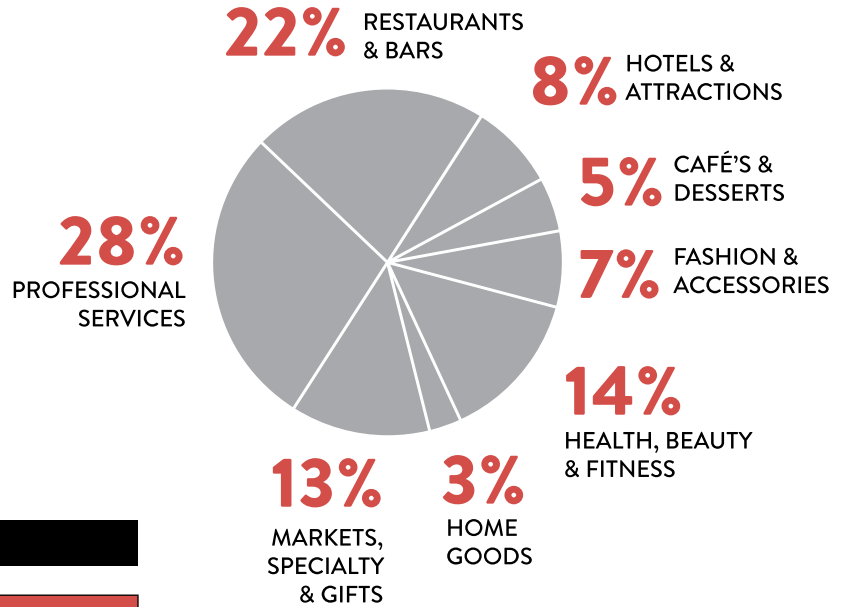
Source: DLBA Pedestrian Counts



RETAIL MARKET MIX

With over 650 ground floor retail businesses, the Downtown area has become a destination for consumers seeking a holistic shopping experience. Ground floor retail is largely comprised of professional services, restaurants and quick food, health, beauty and fitness categories.

Downtown has capitalized on the improving economic conditions, as a number of new shopping and dining options have opened in recent years. Since 2012, over 180 dining and retail options have opened including national brands like the Gap, Nike, and Guess, plus regional favorites like Beer Belly, Bo Beau's, Dog Haus, and Beachwood.



DTLB GROSS SALES RECEIPTS

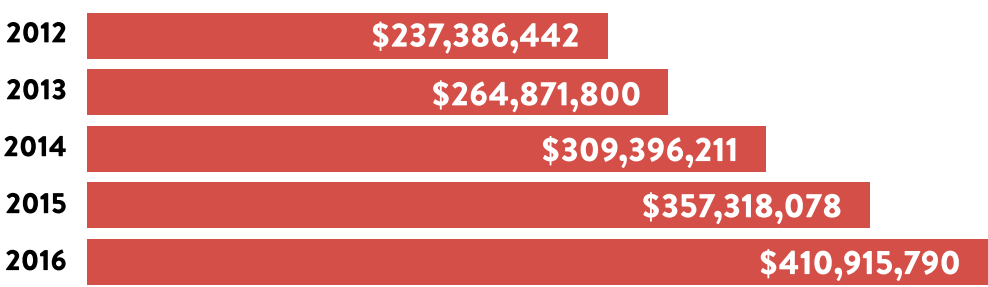
INDUSTRY	2015	2016	PERCENT CHANGE
APPAREL / FASHION	\$78.1M	\$164.4M	110%
FURNITURE / HOME GOODS	\$21.5M	\$21.3M	-1%
RECREATION	\$4.7M	\$5.1M	7%
PERSONAL SERVICES	\$9.1M	\$9.7M	7%
SPECIALITY STORES	\$13.7M	\$14.8M	8%
RESTAURANTS	\$214.8M	\$245.3M	14%
BUSINESS TO BUSINESS	\$787.2M	\$819.9M	4%

Downtown retail continues to experience sustained growth and strong demand from consumers. Retail sales within Downtown have increased by 73% since 2012 from approximately \$237M to \$410M. Particularly, demand for apparel, restaurants, and specialty stores have grown considerably. Retail sales for apparel stores grew from approximately \$78M to \$164M from 2015 to 2016, due in large part to the attractiveness of the Pike Outlets as a place to get quality clothing at a discount. As new production of housing comes online in 2018 and 2019, there is likely to be a spike in consumer spending for home goods and furniture. Home Good retailers like Restoration Hardware, Caravana Furniture, and Metropolitan Design will be key staples for future new residents.

Downtown is comprised of several key retail corridors including the East Village, North Pine, Pine Ave & Promenade, The Streets, and the Waterfront. These areas make up more than 77% of all available retail in Downtown. The Waterfront and The Streets, command the highest rents at an average of \$4.00/SF and an average percent leased of 92%.



OVERALL DOWNTOWN RETAIL SALES





TENANT MIX ANALYSIS

**DOWNTOWN
LONG BEACH
ALLIANCE**

BOUNDARIES



EAST VILLAGE



NORTH PINE



PINE & PROM



THE STREETS



WATER FRONT



STATISTICS

TOTAL INVENTORY SF
798,287

2016 GROSS SALES RECEIPTS
\$98,591,678

PERCENT LEASED
98%

AVERAGE RENT PER SF
\$1.79

TOTAL INVENTORY SF
224,514

2016 GROSS SALES RECEIPTS
\$16,020,177

PERCENT LEASED
89%

AVERAGE RENT PER SF
\$2.95

TOTAL INVENTORY SF
312,826

2016 GROSS SALES RECEIPTS
\$97,780,804

PERCENT LEASED
90%

AVERAGE RENT PER SF
\$2.81

TOTAL INVENTORY SF
352,190

2016 GROSS SALES RECEIPTS
\$21,623,696

PERCENT LEASED
91%

AVERAGE RENT PER SF
\$3.44

TOTAL INVENTORY SF
527,249

2016 GROSS SALES RECEIPTS
\$148,963,179

PERCENT LEASED
92%

AVERAGE RENT PER SF
\$4.56

TENANT MIX

PROFESSIONAL SERVICES	37%	30%	18%	7%	17%
FASHION & ACCESSORIES	6%	9%	10%	23%	10%
HEALTH, BEAUTY, & FITNESS	19%	19%	6%	20%	3%
SPECIALTY & GIFTS	6%	-	6%	-	18%
ATTRACTIONS	-	-	-	3%	17%
HOME GOODS	4%	4%	-	7%	1%
CAFÉ'S & DESSERTS	-	4%	11%	3%	7%
RESTAURANTS	14%	22%	36%	37%	26%
BREWERIES & BARS	-	-	10%	-	-
MARKETS	7%	11%	4%	-	-



DEMOGRAPHICS & RESIDENT SURVEY

Downtown demographics have steadily shifted over the last five years with an increase in the Downtown population, educational attainment and average household incomes. Of the roughly 10,000 residents within the Downtown core, 50% of residents have a bachelor's degree or higher and have an average household income above \$71,100.

DLBA's annual resident and pedestrian intercept survey provided insight into the desires and needs of Downtown residents. Downtown is comprised of a population with strong advocates and big fans of their neighborhood, but equally dedicated to calling for better shopping options. Groceries, household items, and electronics dominated what residents feel their community needs.

	DOWNTOWN	DOWNTOWN CORE	
HOUSEHOLDS	13,155	9,828	
AVG HOUSEHOLD INCOME	\$56,678	\$71,169	
MEDIAN AGE	35	40	
POPULATION BY AGE	Under 18	20%	12%
	19-24	10%	8%
	25-34	20%	23%
	35-44	17%	19%
	45-54	15%	17%
	55-64	11%	12%
	65-74	6%	9%
EDUCATIONAL ATTAINMENT (AGE 25+)	High School Diploma or Less	39%	23%
	Some College or Associates Degree	29%	28%
	Bachelor's Degree or Higher	33%	50%

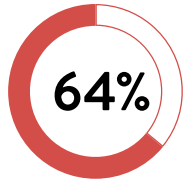
REPORTED MONTHLY SPENDING BEHAVIOR

	RESIDENT	WORKER	VISITOR	TOTAL
RETAIL	\$100	\$118	\$56	\$274
SERVICE	\$73	\$25	\$1	\$99
RESTAURANT	\$292	\$189	\$13	\$494
ENTERTAINMENT	\$53	\$110	\$82	\$245
TOTAL	\$518	\$442	\$152	

MIDDLE INCOME EARNER

\$323 AVG SPEND INSIDE DTLB
 + \$183 AVG SPEND OUTSIDE DTLB

\$505 AVG MONTHLY RETAIL SPEND

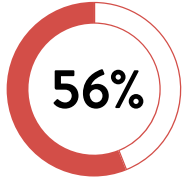


OF AVG MONTHLY RETAIL SPEND IS SPENT INSIDE DTLB

HIGH INCOME EARNER

\$366 AVG SPEND INSIDE DTLB
 + \$287 AVG SPEND OUTSIDE DTLB

\$653 AVG MONTHLY RETAIL SPEND



OF AVG MONTHLY RETAIL SPEND IS SPENT INSIDE DTLB



66% DTLB RESIDENTS HAVE A DESIRE FOR RETAIL OPTIONS THAT ALLOW FOR THE PURCHASE OF GENERAL HOUSE GOODS SUCH AS TARGET, COSTCO

55% DTLB RESIDENTS HAVE A DESIRE FOR RETAIL OPTIONS THAT MEET THEIR PURCHASING NEEDS FOR ELECTRONIC GOODS SUCH AS BESTBUY, TARGET

Source: Downtown 2016 Resident & Pedestrian Intercept Survey & US Census Bureau - American Community Survey



RETAIL SPOTLIGHT



DECADENT ROW

Just a few blocks north of the Downtown core, along Pine Ave., are a group of small shops dedicated to satisfying your cravings for the sweet and savory. Their sole purpose is to allow you to indulge your sweet tooth and provide a bit more decadence to your life. Perhaps that's why we call this strip of North Pine, Decadent Row. Each shop caters to a different desire, but you'll find yourself pining after every one of these sinfully delicious treats once you're in the area.

First stop is **Pump'd Nutrition SoCal**, a juice bar that focuses on delivering hand-picked, organic and raw ingredients to its customers in smoothie forms (their best seller being the "Green Beast") or even acai bowls. Owner Stacy Elliot opened the shop off Pine Ave. because of its walkability, culture and support of small businesses. According to Elliot, Pump'd is one of the few places that keeps all their drinks and bowls natural, making it the nutrition shop for any lifestyle.



Up a little bit on the east side is the famous **Pie Bar**. Owned by Long Beach local, Laurie Gray, it's been flourishing since it sold its first slice of Key Lime a little over a year ago. At the Pie Bar, you have a spread of over 50 types of pies, including handheld pies, pot pies, hot and cold, jars, and even a flight of pie shots. The combinations seem limitless and so do the flavors.



Just a couple shops down is **Romeo Chocolates**, where Master Chocolatier Romeo Garcia creates square-after-square of chocolate inspired by different flavors from around the world. But, he also serves desserts and drinks, which he pairs with sweets from other Long Beach businesses. While still relatively new, Romeo Chocolates hasn't shied away from being active in the community and hosts a number of events such as Wine tastings, music nights and even art displays.

Head a little north at Pine and 5th, you'll find **Crepe Crafters**, who've quickly become a fan-favorite. Their menu is sweet, savory and everything in between. This spot will satisfy any craving you have throughout the day. The owner, Priscilla Bianchi, chose Pine Ave. to be close to the coast and reinforce the impact a small family-run shop can have on a community, which reflects the happiness her customers have when they leave. Their best sellers are the "Nutella CC" and "Turkey Pesto."



Near the end of the strip, a shop on the corner of 6th Street catches your eye. Illuminated by light its black and grey interior showcases their delectable goodies. **Saints and Sinners Bakeshop**, still in its first month of a soft opening, has solidified its spot in Downtown. The store ran by Traci Delatorre and her son, delivers amazing coffee and sweet pastries. Their spread is immense, ensuring there is always something different for you to try.



At the end of Decadent Row is a welcoming, counter-style shop that takes you on a trip to New Orleans. That's probably because the owner, Sandra, is a Baton Rouge native who's owned **Mabel's Pralines** for the past 11 years. Named after her mother, Mabel's thrives because there's no other place like it. It's simple, only selling pecan pralines and banana puddin', but there's something in her recipes that keeps everyone coming back for more. She even crafts sugar-free pralines for those who still want a taste of the South with a little less sweetness.

In all, there are six shops that make up Decadent Row, each showcasing the devilishly good and divine experience North Pine can provide. They're all different, but they hit that sweet spot just right.

WELCOME TO THE NEIGHBORHOOD



- 14 R BAR
106 W 3rd Street
Pine Ave
- 15 SEVEN HILLS MEDITERRANEAN
275 E 3rd Street
The Streets
- 16 SUBHANNAHONG ROYAL THAI CUISINE
421 W Broadway
West Gateway
- 17 TABLE 301
301 N Waite Ct
The Streets
- 18 THE CARVERY
201 Pine Ave
Pine Ave
- 19 WATERS EDGE WINERY
217 Pine Ave
Pine Ave

RETAIL

- 20 FIND YOUR FEET
419-A Shoreline Village Dr
Waterfront
- 21 GLOBAL CANDLE OF LB
419-B Shoreline Village Dr
Waterfront
- 22 ISTANBUL HOME
419-E Shoreline Village Dr
Waterfront
- 23 LUCCA & NICO KIDS BOUTIQUE
408 E 1st Street, ste 102
East Village
- 24 THE RAVEN & THE WOLVES
212 The Promenade N
The Promenade

PERSONAL SERVICE

- 1 TOUCH
585 Pine Ave
North Pine

RESTAURANT

- 2 1, 2, 3, PHO
210 E 3rd Street
The Streets
- 3 BURGERIM
295 E 3rd Street
The Streets
- 4 CHIPOTLE
245 Pine Ave
Pine Ave
- 5 DICKEY'S BARBEQUE PIT
421 W Broadway
West Gateway

- 6 FOUNDATION SANDWICH
160 The Promenade N
The Promenade
- 7 GU RAMEN
108 W 3rd Street
Pine Ave
- 8 LB TACO COMPANY
67 Linden Ave
East Village
- 9 PARTY MONKEY
265 E 3rd Street
The Streets
- 10 PIZZA PRESS
301 E Ocean Blvd
East Village
- 11 PLANT JUNKIE
440 Pine Ave
North Pine
- 12 POKI CAT
707 E Ocean Blvd
East Village
- 13 POKI CAT
325 The Promenade N
The Streets

SWEETS & DESSERT

- 25 LONG BEACH CREAMERY
222 E Broadway
The Promenade
- 26 THE THICKSHAKE FACTORY
335 The Promenade N
The Streets

FUTURE OF DOWNTOWN RETAIL

Needless to say, 2018 is shaping up to be a year of rapid growth for Downtown Long Beach with an ever-increasing demand for new housing and demand for unique retail concepts continues to grow. Over the next 6 to 8 months, Downtown can expect to see some 26 new retail options and growing. While the majority of new retail options will be dining related concepts located at The Streets or in the Pine Ave & Promenade area, nonetheless new retail is expected across all areas in Downtown.

Downtown will be home to some new and interesting restaurant concepts like Long Beach Taco Company, a gourmet taco establishment to be located at the corner of 1st Street & Linden, and Long Beach's second ramen shop Gu Ramen, a Laguna Beach-based restaurant that provides a unique blend of traditional ramen dishes and tapas. Downtown will also see some familiar name brands like Chipotle and Dickey's Barbeque Pit settling here.