



DOWNTOWN LONG BEACH

Q4 SNAPSHOT: 2021

RESIDENTIAL MARKET REPORT



Photo by: Jose Cordon

ABOUT

Downtown Long Beach's (DTLB) first Business Improvement District (BID) was the Downtown Parking & Business Improvement Area (PBIA) 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 BIDs, which has resulted in a more connected, safer, and vibrant DTLB. The DLBA is a non-profit community-based organization whose mission is to cultivate, preserve, and promote a healthy, safe, and prosperous Downtown for all. By balancing the interests of residents, as well as businesses, the DLBA creates tangible progress by way of vested interest and solidified partnerships across local, municipal, and commercial lines.



Property Based Improvement District (PBID) & Downtown core boundary



Downtown Parking Business Improvement Area (PBIA)



DESIGN WORK AND PREPERATION BY:

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Long Beach State University

COMMUNICATIONS

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Director of Communications



Photo by: Holland Partner Group

SOURCES AND METHODOLOGY

ANNUAL DOWNTOWN BUSINESS SURVEY

DLBA contracts with ISA Group to perform annual market research on the business environment in Downtown Long Beach. The most recent survey results are from Q1 2021, taken via phone. DLBA is currently conducting its 2022 survey and will have results published in the 2022 Economic Profile.

DTLB VISTOR COUNTS

Data measuring visitor, resident, and employer traffic in Downtown was collected through Placer.Ai, a contracted software company aggregating mobile location data. Data used in the report was collected from January 1, 2018 through December 31, 2021.

DTLB PARKING COUNTS

Data measuring street parking occupancy was gathered from LAZ Parking, a contracted software company that measures transaction-level parking data for municipalities and place management organizations. Data used in the report was collected from September 1, 2019 through December 31, 2021.

HOUSING AND DEMOGRAPHICS

Data measuring housing and resident demographic characteristics was collected from the American Community Survey 2015-2019 5-year data set.

COMMERCIAL RETAIL DATA ANALYSIS

Information regarding the depth and breadth of Downtown's retail market is collected from CoStar, a leading provider of commercial real estate information, analytics, and online marketplaces. CoStar data is comprehensive but may not capture the full real estate market. Additional development data was provided via the City of Long Beach Development Services Department.

LOOKING TO INVEST IN DTLB?

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

The DLBA 2022 Economic Profile publishes April 15



Photo by: Jose Cordon

RESIDENTIAL MARKET UPDATE

As 2021 came to a close, Downtown residential market activity has continued to build on momentum that began earlier in the year. The beginning of the COVID-19 pandemic caused stagnation in the residential market, with little to no growth in rents and large increases in concessions for units. Remote work, decreased consumer spending, and general risk-averse economic behavior contributed to lower demand for residential units in dense urban areas, causing vacancies to increase during 2020. In 2021, the gradual return to baseline economic activity renewed interest in the multifamily market, in addition to over 500 new units coming online in Downtown Long Beach (Shoreline Gateway & Volta on Pine). Market rents have resumed their pre-pandemic trajectories, and occupancy rates increased to approximately 94%, which is around the same level seen in 2019.

By the Numbers

Number of Buildings	504
Total Inventory (Units)	10,664
Total Occupancy (%)	94.0%
Avg. Mo. Rental Rate/Unit (\$)	\$2,105
Avg. Rental Rate/SF (\$/SF)	\$2.89
Avg. SF/Unit (SF)	756
Concessions Rate	1.0%
12 Mo. Deliveries (Units)	586

In addition to increases in occupancy and healthy rent growth, the Downtown residential market remains as one of the most affordable areas of coastal Southern California. Similar to Downtown, other benchmark markets experienced increased occupancy and positive rent growth.

Regional Benchmarks

	Occupancy	Avg. SF	\$/SF	12-Mo. Rent Change
Costa Mesa	98.2%	829	\$2.84	15.1%
El Segundo	97.4%	798	\$2.57	3.6%
Fullerton	98.9%	802	\$2.53	12.0%
Long Beach	96.9%	755	\$2.35	6.0%
Belmont Shore (Long Beach)	98.1%	620	\$2.67	1.0%
Downtown Long Beach	94.0%	756	\$2.89	7.1%
Santa Ana	98.2%	826	\$2.51	13.3%
San Pedro	96.3%	809	\$2.37	5.7%
Downtown Santa Monica	94.7%	779	\$4.00	6.7%
Downtown Los Angeles	93.3%	824	\$3.13	10.7%

Source: CoStar 2021



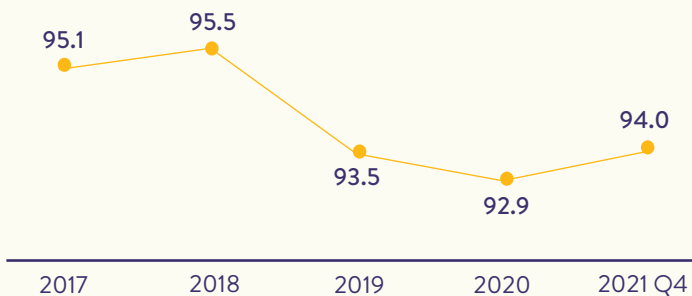
Photo by: Jose Cordon

MARKET TRENDS

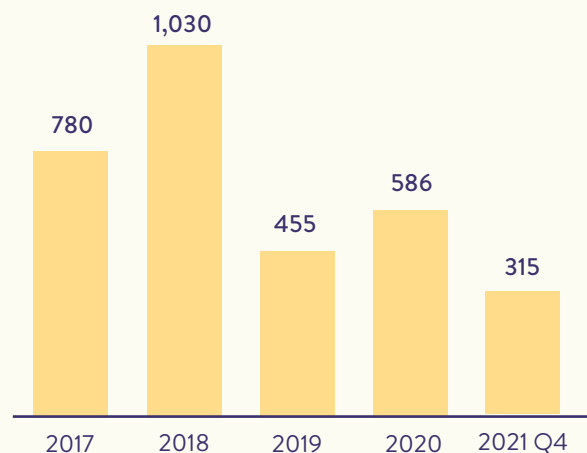
The visualizations below illustrate the 5-year trend for occupancy, rent per square foot, vacancy rate, and units under construction. While quarter-to-quarter comparisons can show varying positive and negative fluctuations, historical trends offer a more holistic view and highlight continued growth in Downtown.

**Note: Retroactive changes in the classification of commercial real estate data may cause small variations in historic metrics.*

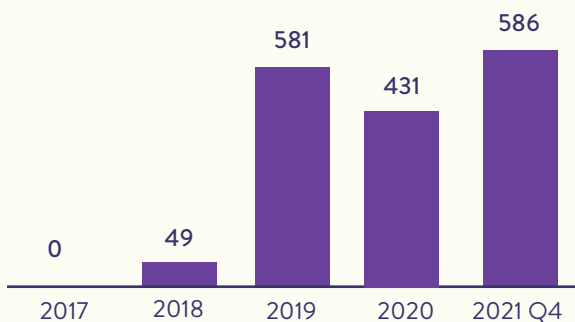
Occupancy



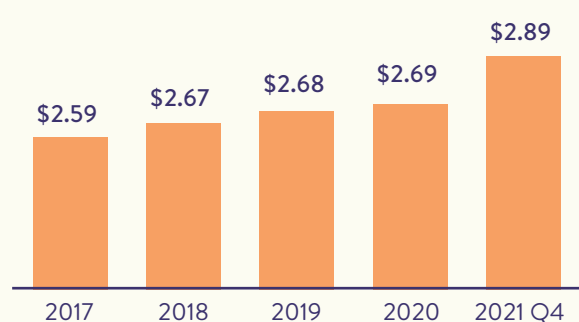
Units Under Construction



Deliveries*

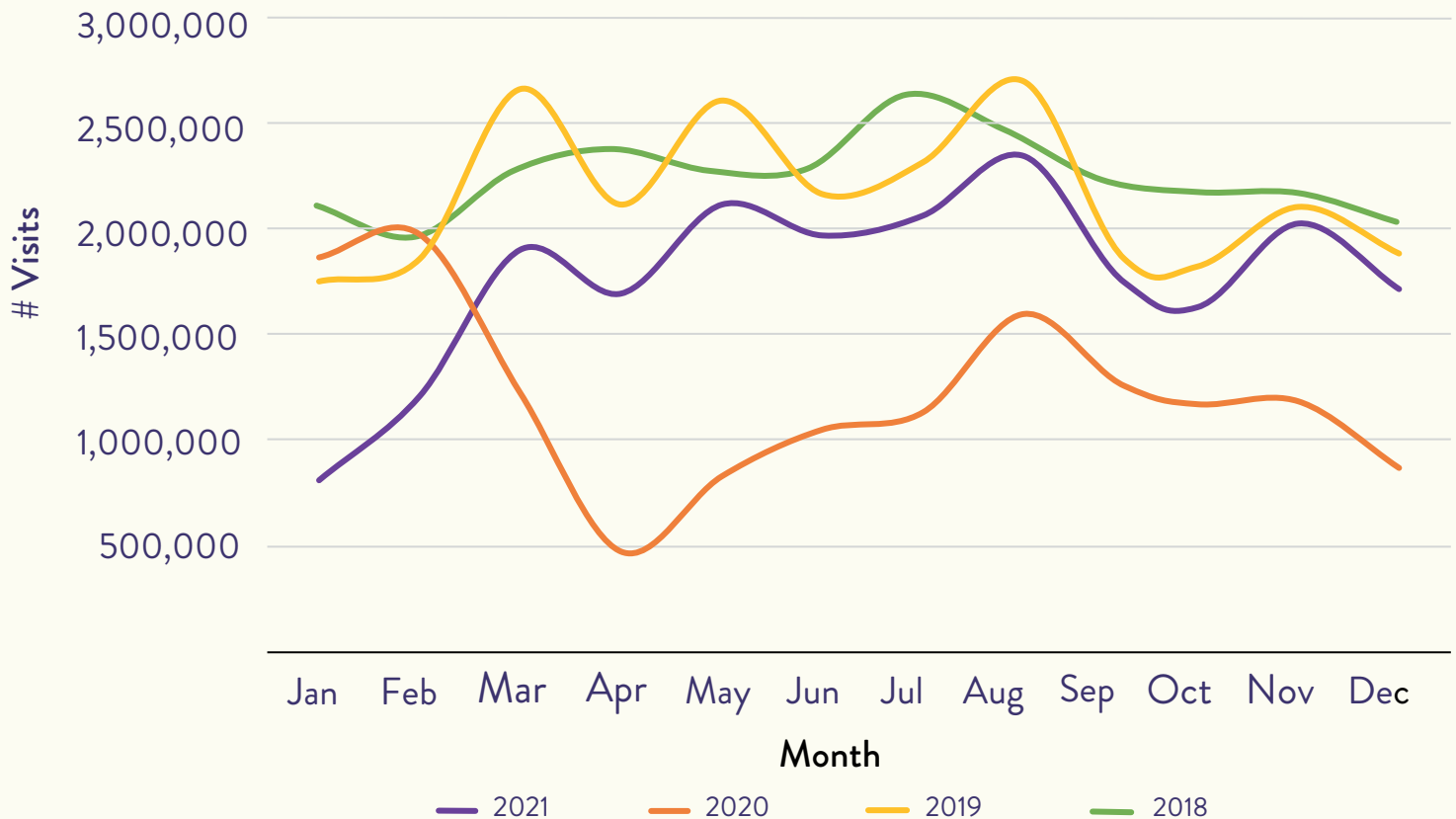


Rent Per SF*



VISITOR COUNT AND TRENDS

There were 5.58 million total visitors to Downtown Long Beach in 2021, which is approximately 50% greater than 2020 visitor numbers and only 11% lower than 2019's pre-pandemic visitor count of 6.22 million. Total visits to the area trended upward over the course of 2021, decreasing slightly in Q3 due to concerns over the Delta COVID-19 variant. By December 2021, weekly visits equaled that of December 2019, supporting the steady, incremental return to pre-pandemic visitor economic activity.



Source: Placer.ai

PARKING OCCUPANCY AND TRENDS

Unlike pedestrian traffic, on-street parking transactions in Downtown have yet to approach any pre-pandemic measures. There were over 600,000 less parking transactions in FY 2021 (Sep-tember 2020 – October 2021) than FY 2020 or FY 2019, while the average duration of stay doubled to 90 mins. De-creased transactions coupled with increased stay duration may be indicative of the paradigm shift in consumer behavior – more people are choosing to do routine spending online, with less frequent, longer visits reserved for experience-based activities such as dining out or personal care services.

YEARLY AVG. ON-STREET PARKING TRANSACTIONS & DURATION

Fiscal Year	Transactions	Avg.Duration of Stay (Hrs)
2019	1,167,883	0.61
2020	1,688,577	0.64
2021	1,015,743	1.31

Source: LAZ Parking

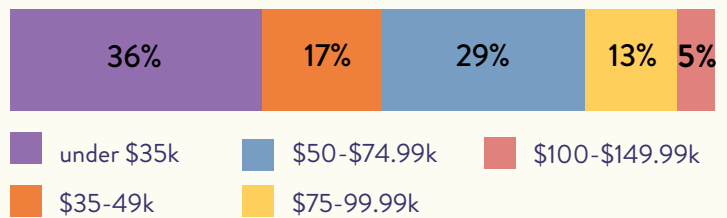
DOWNTOWN RESIDENT DEMOGRAPHIC DATA

Recent updates to available demographic data support Downtown's reputation as a diverse socioeconomic community. Median household incomes are stratified across the entire earning spectrum, with the average annual income around \$50,000. Likewise, Downtown residents are highly educated, with nearly 80% of the population obtaining at least an associate degree. Downtown is a relatively young population compared to other areas of Long Beach such as Bixby Knolls, with most residents between 25 and 34.

Demographic Highlights

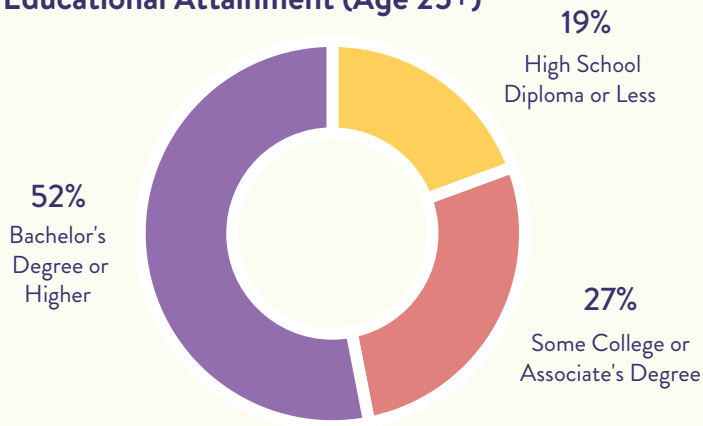
Total Resident Population	29,755
Median Age	40
Average Household Income	\$50,318

Median Household Income Distribution



Source: American Community Survey 2015-2019

Educational Attainment (Age 25+)



Downtown Resident Population Pyramid

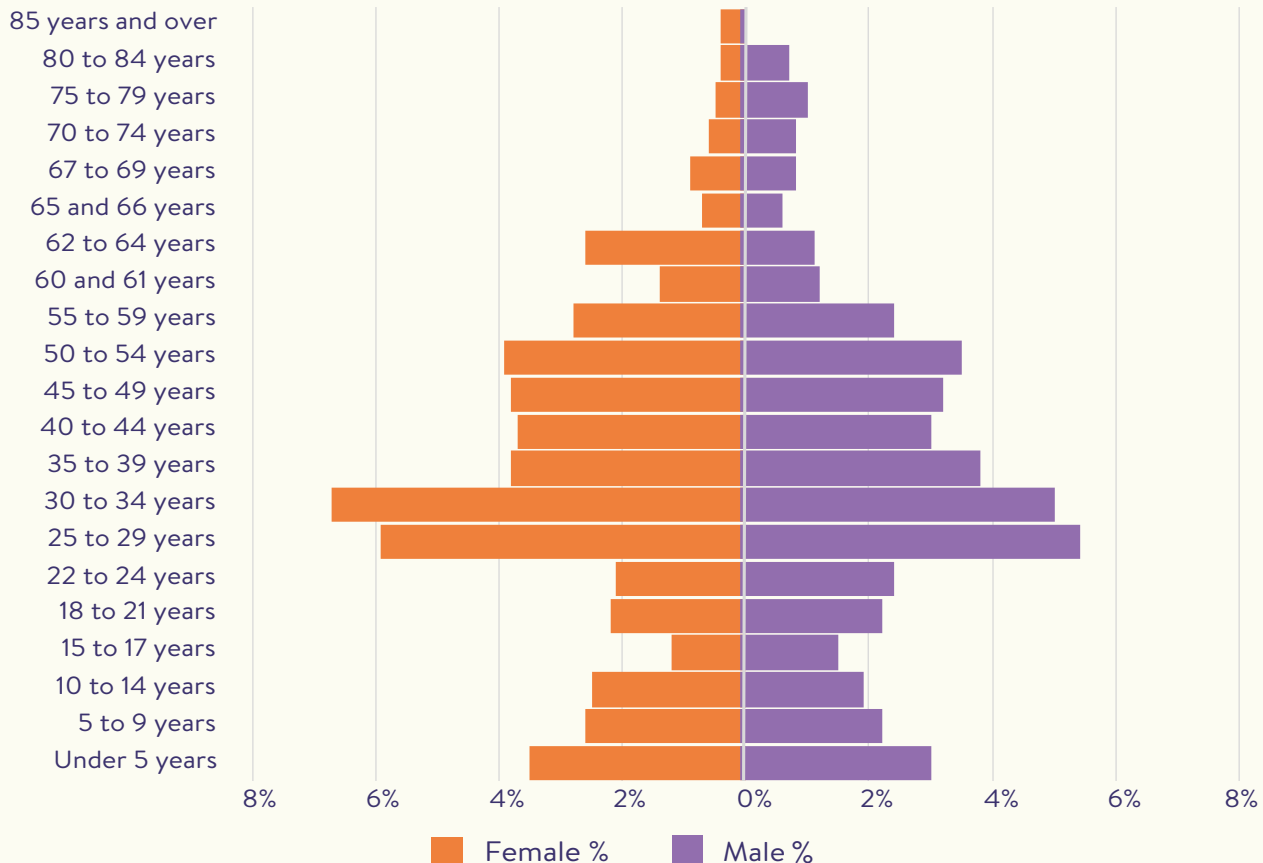




Photo by: DLBA Internal Database

DOWNTOWN HOUSING MIX

Market Mix

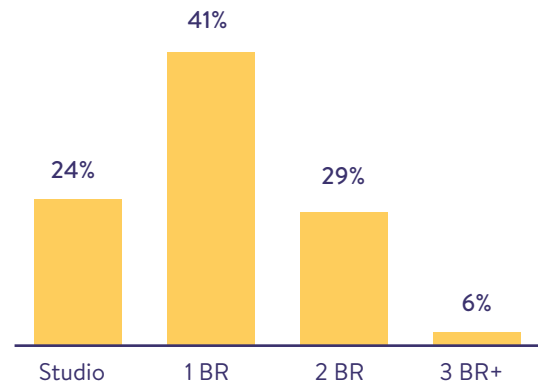
The Downtown market is heavily skewed towards rental units, which comprises approximately 80% of renter and owner-occupied housing stock. This is similar to the entire City of Long Beach, which has a 3:2 ratio of rental versus owner-based units.

Market Mix	Renter Occupied	Owner Occupied
Downtown Long Beach	11,439 (79.7%)	2,909 (20.3%)
City of Long Beach	100,354 (60.2%)	66,459 (39.8%)

Source: American Community Survey 2015-2019

Unit Composition

The majority of Downtown units are either studio or one-bedroom, tailoring to single professionals, retirees, and empty nesters. It should also be noted that the proportion of two and three-bedroom units has increased in recent years, possibly responding to an increased demand for family units.

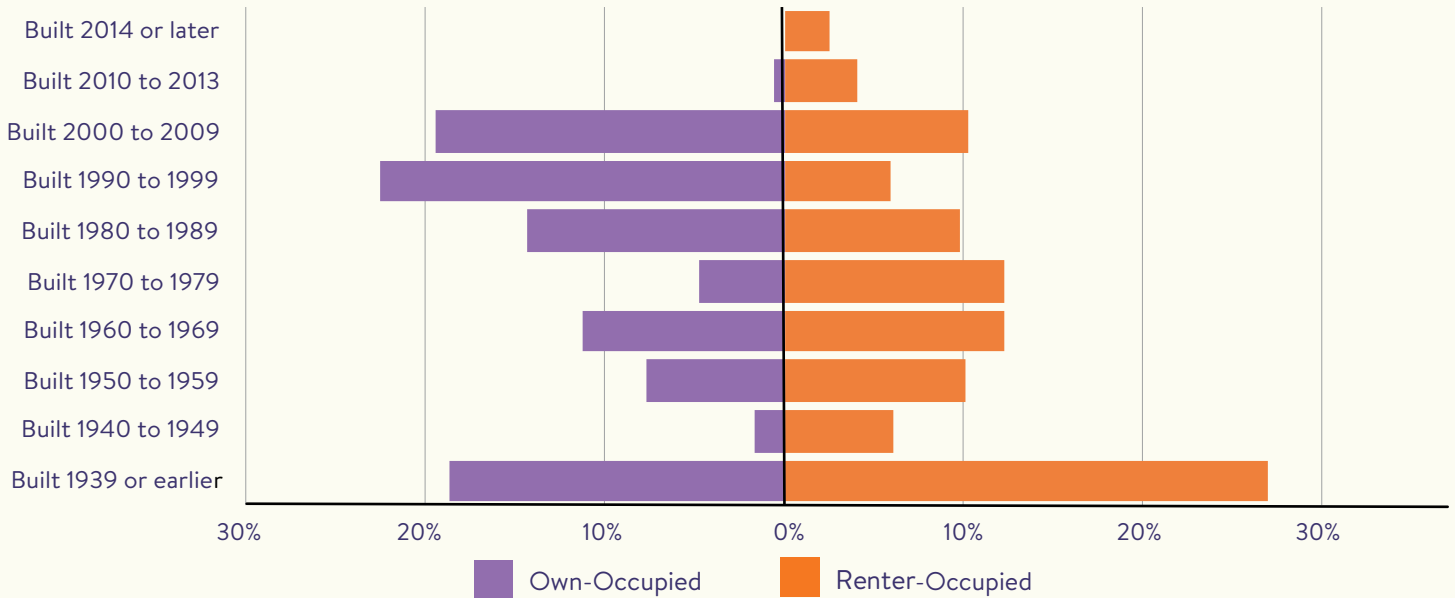


Source: American Community Survey 2015-2019

Age of Housing Stock

Generally, downtown housing stock skews towards units built before 1990. The majority of owner-based units are located along Ocean Blvd and were built around 2000, as opposed to most mid-century renter-occupied units.

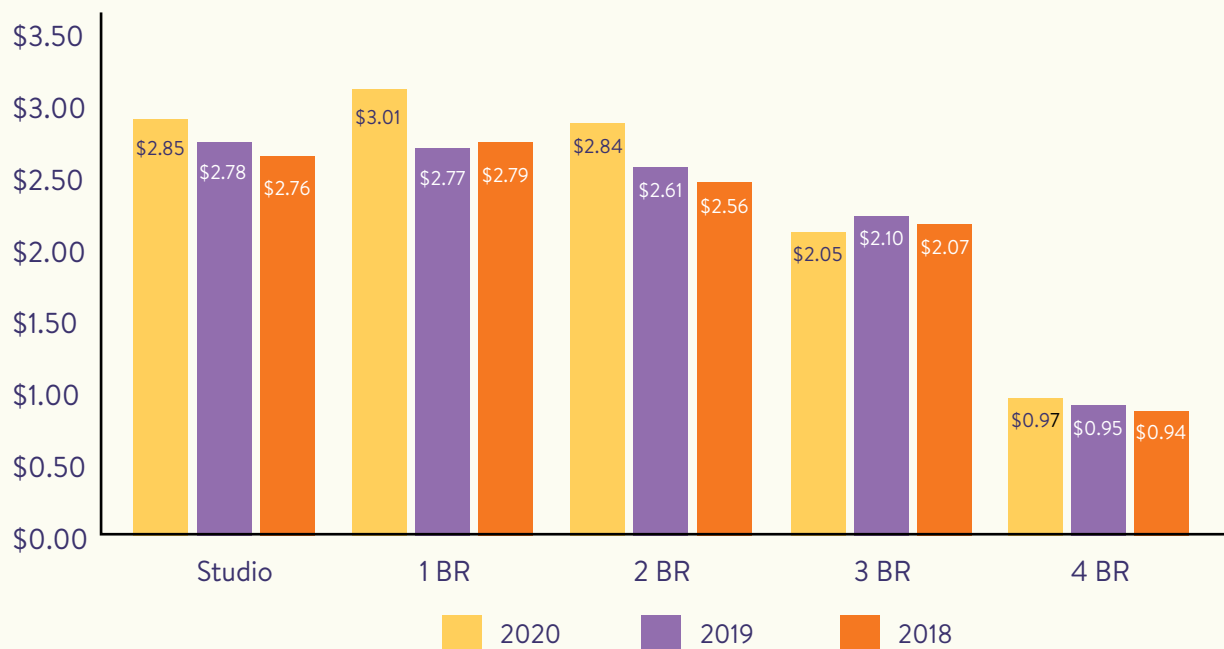
Age of Housing Stock - Owner v Renter Occupied



Source: American Community Survey 2015-2019

Rates Per SF Per Unit

Studio and one-bedroom units comprise the largest residential market share, and they also command the highest rents per square foot in the area. The majority of four-bedroom units are below-market affordable housing.



Source: CoStar 2021

PAST, PRESENT, FUTURE: ADAPTIVE REUSE IN DTLB



Ocean Center Building circa 1929, located far left

Image by: CoStar

IN A DENSE URBAN ENVIRONMENT like Downtown Long Beach, available space to develop mixed-use real estate projects can be difficult to come by. Many larger parcels are already in the process of redevelopment, which can limit opportunities for developers looking to add residential units or ground-floor retail to the area. Additionally, a majority of existing Downtown properties are aging buildings over 50 years old, featuring stunning historic architecture.

Met with limited land-use opportunities and an abundance of underutilized historic buildings, many developers have turned to the adaptive reuse strategy of real estate development. Adaptive reuse aims to preserve and feature historic buildings with cultural significance to the area while also striving to meet the current needs of residents and consumers, ultimately creating a more enriching place experience for all potential users. Downtown Long Beach is no stranger to historic buildings, with striking architecture located in every area neighborhood. Ranging from Victorian-style single-family homes in Willmore to mid-century pastel apart-

ments in East Village, there are numerous opportunities to enrich and revive existing properties for the next era of Downtown.

A prime example of adaptive reuse in Downtown is Ocean Center located at 110 W Ocean. Built in the Spanish Revival style in 1929, Ocean Center served as an office building with ground-floor retail serving the historic Pike amusement zone along the Pacific Coast. Usage of the building declined as the coastal area redeveloped and Long Beach's economy evolved, and it sat largely vacant for many years. Beginning in 2018, plans emerged to convert the building into approximately 80 units of much-needed rental housing, along with public spaces, restaurants, and boutiques on the ground floor. Once completed, Ocean Center will balance classic architecture with contemporary use and amenities, setting the standard for future adaptive reuse projects in Downtown.



● = adaptive reuse project

Downtown

- | | | | |
|--|---|---|--|
| <p>1 Shoreline Gateway
777 E Ocean Blvd
315 Units
Total Retail Space: 6,700 SF
Completed, Est. 2021</p> | <p>7 Locust Long Beach Apartments
1112 Locust Avenue
97 Units
Total Retail Space: -
Under Construction, Est. 2021</p> | <p>13 Fifth & Pacific
507 Pacific Ave.
157 Units
Total Retail Space: 7,200 SF
Under Plan Check, Est. 2023</p> | <p>19 Armory Adaptive Reuse
854 East 7th Street
58 Units
Total Retail Space: -
Under Plan Check</p> |
| <p>2 Volta on Pine
635 Pine Ave
271 Units
Total Retail Space: 1,400 SF
Completed, Est. 2021</p> | <p>8 Aster
125 Long Beach Blvd.
218 Units
Total Retail Space: 7,292 SF
Under Construction, Est. 2024</p> | <p>14 Civic Center: Mid-Block Project
321 West Ocean Blvd
580 Units
Total Retail Space: 40,000 SF
Under Plan Check, Est. 2023</p> | <p>20 636 Locust Avenue
108 Units
Total Retail Space: -
Pending Entitlement</p> |
| <p>3 495 The Promenade N
20 Units
Total Retail Space: 4,604 SF
Under Construction, Est. 2022</p> | <p>9 Broadstone Promenade
127 E. Broadway
189 Units
Total Retail Space: 10,000 SF
Under Construction, Est. 2023</p> | <p>15 Mixed Use Project
1105 Long Beach Boulevard
120 Units
Total Retail Space: 6,000 SF
Under Plan Check, Est. 2024</p> | <p>21 Chase Bank Building Adaptive Reuse
401 E. Ocean Blvd
257 Units
Total Retail Space: -
Pending Entitlement</p> |
| <p>4 The Broadway Block
200-256 Long Beach Blvd.
432 Units
Total Retail Space: 25,065 SF
Under Construction, Est. 2022</p> | <p>10 Residences at Linden
135 Linden Ave.
82 Units
Total Retail Space: 4,091 SF
Under Plan Check, Est. 2022</p> | <p>16 Westside Gateway
600 W Broadway
752 Units
Total Retail Space: 3,500 SF
Under Plan Check, Est. 2024</p> | <p>22 711 Pine Avenue
24 Units
Total Retail Space: 2,549 SF
Pending Entitlement</p> |
| <p>5 437 E. 5th Street
18 Units
Total Retail Space: 542 SF
Under Construction, Est. 2022</p> | <p>11 825 E. 7th Street
27 Units
Total Retail Space: -
Under Plan Check, Est. 2022</p> | <p>17 Third + Pacific
131 W. 3rd Street
345 Units
Total Retail Space: 14,437 SF
Under Plan Check, Est. 2024</p> | <p>23 937 Pine Avenue
69 Units
Total Retail Space: -
Pending Entitlement</p> |
| <p>6 Magnolia and Broadway
500 W Broadway
142 Units
Total Retail Space: 142 SF
Under Construction, Est. 2022</p> | <p>12 320 Alamitos Avenue
77 Units
Total Retail Space: -
Under Plan Check, Est. 2023</p> | <p>18 Senior Living Facility
810 Pine Avenue
78 Units
Total Retail Space: 32,637 SF
Pending Entitlement, Est. 2023</p> | <p>24 Varden Hotel Adaptive Reuse
335 Pacific Avenue
35 Units
Total Retail Space: -
Pending Entitlement</p> |

Source: City of Long Beach Development Services 2021

RESIDENTIAL MARKET SURVEY Q4

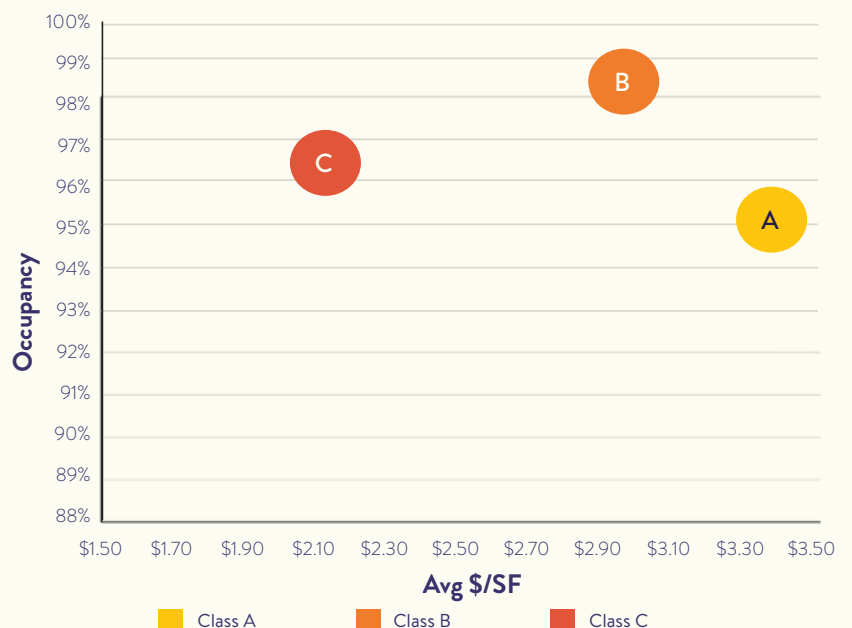
BUILT SINCE 2000	Property Address	Property Name	Year Built	Occupancy (%)	Average Weighted Rent	# of Units	# of Studios	# of 1 Bedrooms	# of 2 Bedrooms	# of 3 Bedrooms
	404 Pine Ave	Griffis Pine Avenue	2003	96.9	\$3.28	220	0	15	343	0
	40 Cedar Walk	Camden Harbor View	2003	98.1	\$3.26	547	0	0	16	0
	225 Long Beach Blvd	210 Third Lofts	2008	-	\$2.81	104	0	0	127	0
	421 W Broadway	IMT Gallery 421	2010	99.3	\$2.86	291	9	0	6	0
	431 E 6th St	Bella Mare 6th Street Lofts	2015	82.3	\$2.85	30	0	9	9	0
	137 W 6th St	Tech Coast Lofts	2016	97.8	-	11	30	0	44	0
	707 E Ocean Blvd	The Current	2016	96.9	\$3.48	223	48	30	52	0
	100 Long Beach Blvd	The Edison	2016	95.8	\$3.30	156	29	48	50	0
	245 W Broadway	AMLI Park Broadway	2019	96.8	\$3.70	222	46	29	30	0
	442 W Ocean Blvd	442 Residences	2019	92.0	\$3.54	94	0	46	21	0
	434 E 4th St	The Linden	2019	97.6	\$3.30	49	34	0	80	0
	150 W Ocean Blvd	Oceanaire	2019	98.1	\$3.23	216	23	34	21	8
	207 Seaside Way	The Crest	2020	100.0	\$3.60	112	31	23	67	0
	230 W 3rd St	The Pacific	2020	96.7	\$3.17	163	6	31	14	0
	101 Alamitos Ave	The Alamitos	2020	86.2	\$3.44	136	0	6	0	0
	495 The Promenade N	CityPlace	2020 (pre-lease)	97.8	-	20	93	0	66	0
	635 Pine Ave	Volta on Pine	2021	58.7	\$3.46	271		93		18
	777 E Ocean Blvd	Shoreline Gateway	2021	25.1	\$4.29	315		17		0

PROPERTIES BY CLASS: ALL DOWNTOWN RESIDENTIAL BUILDINGS

	Avg Age	Avg Rent/Unit	Avg \$/SF	Occupancy
Class A	7	\$3,047	\$3.46	95.2%
Class B	60	\$2,477	\$2.90	98.3%
Class C	86	\$1,280	\$2.15	96.5%
Overall	51	\$2,268	\$3.00	96.7%

*excludes unclassified properties

OCCUPANCY V. RENT: ALL DOWNTOWN RESIDENTIAL PROPERTIES



Source: CoStar 2021

RESIDENTIAL LISTINGS

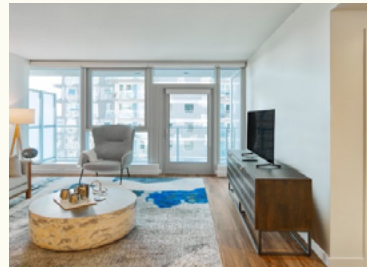


CoStar

SHORELINE GATEWAY

Kennedy-Wilson Properties

- Ocean view frontage, last in the city for new construction.
- Certified LEED Silver
- 5-10 mins from every bar and restaurant in DTLB



CoStar



CoStar

BELLA MARE 6TH STREET LOFTS

BJ Property Management

- Open loft unit with vaulted ceilings and walk-in closets.
- Central location in Downtown Core
- Roof Terrace and fitness center



CoStar



CoStar

OCEANAIRE

Greystar Property Management

- Mix of market-rate and affordable units
- Lounge, outdoor grill, and roof terrace
- Costal views at the heart of Downtown Long Beach



CoStar

OFFICE MARKET SURVEY Q4

CLASS A CLASS B CLASS C

	Property Name	Property Address	Average Weighted Rent (\$/SF)	RBA (SF)	Total Occupied (SF)	% Occupied	Total Available Space (SF)	Direct Available Space (SF)	Sublet Available Space (SF)	Year Built	Year Renovated
1	Landmark Square	111 W Ocean Blvd	\$2.91	464,406	277,799	60%	186,607	179,107	2,500	1991	-
2	One World Trade Center	1 World Trade Ctr	\$2.89	574,981	428,867	75%	146,111	143,157	1,957	1989	2017
3	Shoreline Square Tower	301 E Ocean Blvd	\$2.32	396,927	396,927	86%	57,344	29,165	28,179	1988	-
	Total/Average		\$2.71	1,436,314	1,046,249	73%	390,065	351,429	32,636	1989	2000
4	211 OCEAN	211 E Ocean Blvd	\$3.02	114,355	109,463	96%	4892	4892	0	1982	2000
	Molina Center 1	200 Oceangate	-	230,632	230,632	100%	-	-	-	1983	-
5	Molina Center 2	300 Oceangate	-	230,631	189,744	82%	40887	0	40887	1983	-
6	Union Bank Bldg	400 Oceangate	\$1.95	157,683	121,381	77%	36302	36302	0	1975	1990
7	The Hubb - Creative	100 W Broadway	\$2.90	210,428	156,599	74%	53829	39878	2272	1985	2017
8	249 Ocean (FKA International City Bank)	249 E Ocean Blvd	\$2.17	112,215	86,322	77%	25893	25893	0	1981	2017
9	The 180 Ocean Bldg	180 E Ocean Blvd	-	212,639	59,501	28%	153138	153138	0	1984	2022
10	Catalina Landing 3	330 Golden Shore	\$2.65	98,666	63,067	64%	35599	32599	3000	1984	-
11		401 E Ocean Blvd	\$1.85	134,773	68,155	51%	66618	66618	0	1983	1996
12	Catalina Landing 2	320 Golden Shore	\$2.65	53,832	39,075	73%	14757	14757	0	1984	-
13	444 W Ocean Bldg	444 W Ocean Blvd	\$2.40	186,439	125,845	67%	60594	46952	11842	1967	-
14	"555"	555 E Ocean Blvd	\$1.85	138,592	107,434	78%	31158	31158	0	1968	2002
15	Oceangate Tower	100 Oceangate	\$2.46	228,484	189,570	83%	38914	36664	0	1971	-
16	Catalina Landing 4	340 Golden Shore	\$2.69	56,270	40,664	72%	15606	15606	0	1984	-
17	Bank of America	150 Long Beach Blvd	\$2.01	49,436	39,296	79%	10140	10140	0	1981	-
18		200 Pine Ave	\$2.39	65,909	56,024	85%	9885	6709	3176	1968	2009
19	Catalina Landing 1	310 Golden Shore	\$2.65	63,736	32,847	52%	30889	30889	0	1984	-
20	Press Telegram Bldg	604 Pine Ave	-	70,110	70,110	100%	-	-	-	1926	2013
21	Meeker-Baker Bldg	650 Pine Ave	-	120,000	120,000	100%	-	-	-	2014	-
	Total/Average		\$2.40		1,905,729	76%	629,101	552,195	61,177	1978	2006
22		216-218 The Promenade N	\$1.97	20,081	17,784	89%	2419	2419	0	1937	-
23	The Loft Bldg	130 Pine Ave	\$1.95	23,933	16,433	91%	2400	2400	0	1923	2000
24	L'Opera Building	115 Pine Ave	\$1.67	54,765	54,765	82%	12235	12235	0	1906	1989
25	The Arts Bldg	230-236 E 3rd St	\$2.49	30,000	28,445	100%	-	-	0	1930	2012
26	Sevilla/Design Science	136-140 Pine Ave	\$1.80	7,145	12,763	30%	16855	16855	0	1995	-
27	Pacific Tower	235-247 E Broadway	\$1.38	98,525	98,525	92%	8229	8229	0	1923	2002
28	Sea Spray Gardens	333 W Broadway	-	32,130	33,000	97%	870	870	0	1983	-
29	F&M Tower	320 Pine Ave	\$2.20	43,920	43,920	84%	8080	8080	0	1923	1988
	Total/Average		\$1.92	310,499	305,635	83%	51,088	51,088	0	1940	1998

RETAIL MARKET SURVEY Q4

Property Name	Property Address	Retail Type	Total Available Space (SF)	Smallest Available Space (SF)	Average Weighted Rent (\$/SF)
Third & Pine	700 E Broadway	Standalone Retail	3,200	3,200	\$3.00
	301 Pine Ave	Standalone Retail	5,066	5,066	\$2.50
	327-333 Pine Ave	Standalone Retail	7,500	3,500	\$1.25
	199 The Promenade N	Standalone Retail	10,447	10,447	\$2.69
	108 W 3rd St	Standalone Retail	1,723	1,723	-
	433-449 E Broadway	Standalone Retail	483	483	-
	236-254 Pine Ave	Standalone Retail	3,500	3,500	-
	820-834 E 4th St	Standalone Retail	921	921	-
	636 Locust Ave	Standalone Retail	15,351	15,351	-
	421 Pacific Ave	Standalone Retail	23,000		-
Pine Square	335-343 Pine Ave	Standalone Retail	14,500	23,000	-
	745 Pine Ave	Standalone Retail	3,640	3,550	-
	245 Pine Ave	Retail (Shopping Mall)	13,021	3,640	\$3.26
The Pike Outlets	71 Aquarium Way	Retail (Shopping Mall)	29,766	1,294	-
	61 S Pine Ave	Retail (Shopping Mall)	16,711	11,522	-
The Pike Outlets	95 S Pine Ave	Retail (Shopping Mall)	835	1,464	\$3.00
The Linden	434 E 4th St	Multi-Family	2,522	835	\$3.00
The Alamitos	101 Alamitos Ave	Multi-Family	2,549	2,522	\$2.75
IMT Gallery 421	421 W Broadway	Multi-Family	1,837	2,549	\$2.50
The Edison	100 Long Beach Blvd	Multi-Family	2,112	1,837	\$5.00
210 Third Lofts	225 Long Beach Blvd	Multi-Family	3,520	2,112	\$4.50
Shoreline Gateway	777 E Ocean Blvd	Multi-Family	6,617	900	\$3.76
Volta on Pine	635 Pine Ave	Multi-Family	1,305	2,038	\$2.40
The Lafayette	500-540 E Broadway	Multi-Family	3,000	1,305	\$2.25
AMLI Park Broadway	245 W Broadway	Multi-Family	5,974	2,000	-
Camden Harbor View	40 Cedar Walk	Multi-Family	4,663	1,415	-
The Crest	207 Seaside Way	Multi-Family	-	1,535	-

RETAIL MARKET LISTINGS HIGHLIGHT



CoStar

108 W 3RD ST THIRD & PINE

District Reality Group

- 1,723 SF of restaurant space with Type 41 alcohol license
- Central location in Downtown Core
- Vibrant neighborhood nightlife and resident community

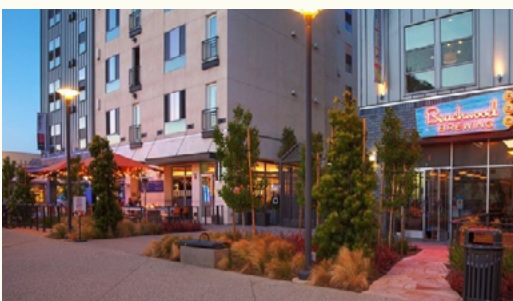


CoStar

225 LONG BEACH BLVD 210 THIRD LOFTS

William Morris Commerical

- 3,520 SF across three sites, can be combined
- Customer parking and full-height glass
- Full patio space for retail or food service



CoStar