

Q2 SNAPSHOT OFFICE

2022



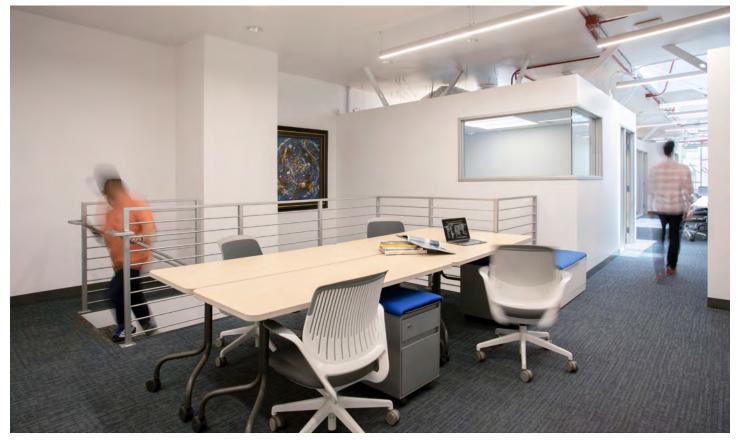
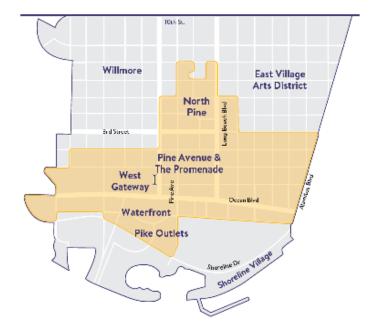


Photo by: BLANKSPACES

ABOUT

Downtown Long Beach's (DTLB) first Business Improvement District (BID) was the Downtown Parking Based 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)





SOURCES AND METHODOLOGY

EMPLOYER DATA

Data regarding the labor market and jobs numbers was collected from the Bureau of Labor Statistics via the City of Long Beach Economic Insights Dashboard. Real-time office occupancy data was collected from Kastle Systems, and planned office-usage was sourced from DLBA's 2022 Downtown Business Survey.

DTLB PARKING COUNTS

Street parking occupancy was gathered from LAZ Parking, a contracted company that manages parking and data for municipalities and place management organizations. Data used in the report was collected from April 2019 through June 2022.

DTLB VISITOR COUNTS

Visitor activity in Downtown was collected from Placer.ai, a contracted software company leveraging mobile location data to provide insights on activity in the area. Data used in the report was collected from January 2019 through May 2022.

COMMERCIAL OFFICE DATA ANALYSIS

Information regarding the depth and breadth of Downtown's office 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 retail sales data was provided by the City of Long Beach.

LOOKING TO INVEST IN DTLB?

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

The DLBA's 2022 Q3 Retail Snapshot publishes October 15.





OFFICE MARKET UPDATE

As Q2 2022 came to a close, the commercial office market in Downtown Long Beach continued to feel the economic changes and market pressures from the COVID-19 pandemic. Total vacancy rose to a 20-year high of 22.4%, continuing the trend that began in Q1 2020. The Downtown market also experienced negative quarterly and year-to-date net absorption. Net absorption is the sum of the total spaces leased or constructed minus any spaces vacated or demolished. With no new office construction and no spaces demolished, a net decrease in space indicates that more office space was vacated than leased.

The main driver of elevated vacancies stems from the three Class A office properties in Downtown -- Landmark Square (111 W Ocean Blvd), One World Trade Center, and Shoreline Square Tower (301 E Ocean). These properties combine for nearly a third of total Downtown office space, going from an average occupancy of 74% in Q2 2021 to 66% in Q2 2022. On the other hand, Class B occupancy remained static over the past year while Class C increased 6% to 89% in 2022.

By the Numbers

Total Inventory (SF)	4,916,127
Total Vacancy (%)	22.4%
Q2 2022 Net Absorption (SF)	-45,696
YTD Net Absorption (SF)	-84,905
Direct Average Asking Rent (\$/SF)	\$2.56
12-Month Rent Delta (%)	3.64%
Total Under Construction (SF)	0
Total Pre-Lease	0

Photo by: Stephanie Perez, Studio LBP

Despite rising vacancies, Downtown office rents grew by 3.6% in the past 12 months while remaining one of the most competitively priced office markets in Southern California. In addition, current large scale office buildings renovations (180 E Ocean, 200 Pine) and newly opened community work space (Shaun Lumachi Innovation Center) point to market adaptations in response to changing office

REGIONAL BENCHMARKS

	Rent	12-Mo. Rent Change	Occupancy Rate
TORR Torrance	\$2.91	1.0%	85.9%
IR Irvine	\$2.69	-1.8%	85.6%
ES El Seguno	\$3.79	-6.0%	82.8%
DTLA Downtown Los Angeles	\$3.15	-0.9%	82.6%
LB Long Beach	\$2.55	3.7%	82.3%
DSM Downtown Santa Monica	\$5.44	-0.2%	81.2%
SP San Pedro	\$2.70	11.1%	79.9%
DTLB Downtown Long Beach	\$2.56	3.6%	77.6%



BENCHMARK OCCUPANCY VERUS ASKING RENT



Source: CoStar 2022



Photo by: Candice Wong, Studio LBP

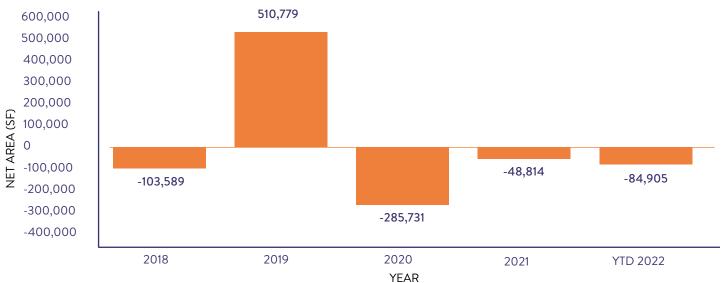




MARKET TRENDS

Photo by: Stephanie Perez, Studio LBP

The graphs below visualize 5-year trends for total net absorption, average asking rate, total vacancy rate, and leasing activity. Despite any positive or negative changes to metrics in the short run, providing a 5-year depiction of data creates a more well-rounded, reliable illustration of real estate trends in the Downtown Long Beach commercial office market.

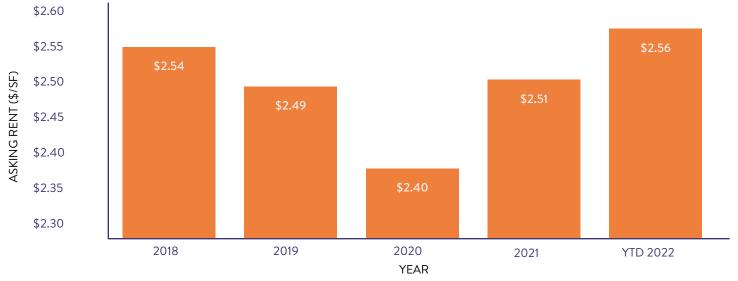


TOTAL NET ABSORPTION

Source: CoStar 2022

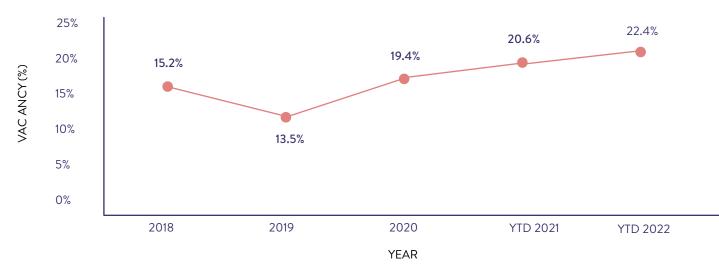


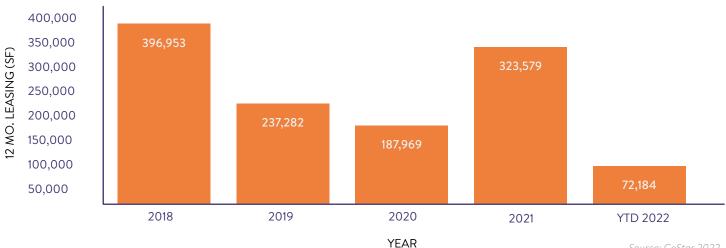
ASKING RENT





Source: Placer.Ai 2022





HISTORICAL LEASING ACTIVITY

Source: CoStar 2022





Photo by: Candice Wong, Studio LBP

MEASURING ACTIVITY DOWNTOWN

Visitor Counts

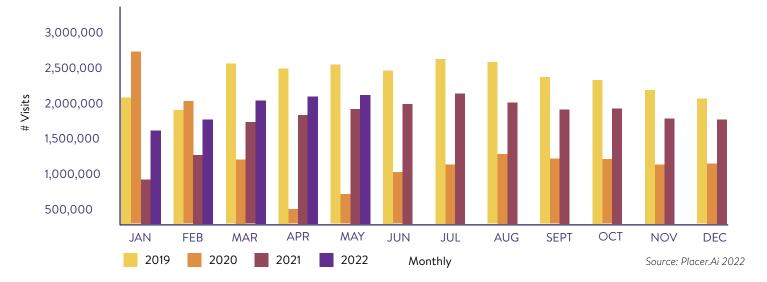
Visitor activity in Downtown Long Beach has consistently increased towards pre-pandemic levels, with May 2022 visits topping just over two million. This was only 12% lower than May 2019 visits, and nearly triple May 2020 visits. With pandemic restrictions on business removed and the revival of in-person events like Taste of Downtown and Long Beach Pride, Summer 2022 visitor activity is expected to continue its growth trend.

Street Parking Occupancy

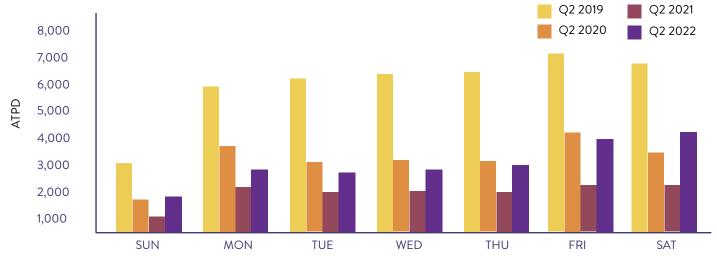
Although Downtown visitor activity shows signs of growth, on-street parking activity continues to remain consistent with 2020 and 2021 levels. In Q2 2019, there was an average of approximately 6,000 parking transactions per day, peaking on Friday. Q2 2022 had an average of 3,000 daily transactions also peaking on the weekend.



MONTHLY VISITS TO DTLB, JAN '19 TO MAY '22







DAY OF THE WEEK

Source: LAZ Parking



Photo by: BLANKSPACES



OFFICE VITALITY IS DOWNTOWN VITALITY: THE IMPORTANCE OF DAYTIME WORKERS

The key to any functioning urban center is community. Community can be expressed in many ways -- networks of relationships between neighbors, shared public spaces (physical or otherwise), and coordinated actions amongst organizations and interest groups. A healthy community is an evolving intersection of values and needs, one where exchange and activity ultimately benefits everyone else.

Community can also be found through more formal ties, such as the exchange of goods and services that serves as the basis of an area's economy. Downtown Long Beach's urban density makes it particularly advantageous- an efficient, diverse physical network where multiple parties can come together to build relationships and engage in activity. Like a natural ecosystem, each point of activity in Downtown adapts to rely on one another for a functioning system.



Photo by: Romana Vera

The relationship between Downtown office workers and Downtown retailers illustrates what can happen when one segment of the population changes its behavior. Before COVID-19, Downtown Long Beach had a consistent presence of daytime workers who commuted to offices in the area. This population stimulated the retail economy, with workers spending disposable income on meals, personal services, and retail shopping throughout the day. Spending and activity still peaked on weekends and nights, but steady activity during slower daytime hours bolstered revenues and generated a healthy amount of foot traffic.

In the wake of the large-scale shift to remote-work, the Downtown daytime worker population has decreased roughly 40% from 2019 levels. The resulting decrease has correlated with lower gross retail sales in the area, as businesses experience lower rates of consistent daytime visits.

In response, many property owners and office brokers are adapting their business models to encourage workers to utilize Downtown office space. Larger renovations such as the 180 E Ocean building aim to make existing space more attractive for larger office tenants, with an emphasis on state-of-the-art facilities and larger meeting spaces. Alternatively, new coworking space like the Shaun Lumachi Innovation Center aim to encourage local micro-enterprise and a sense of community through open facilities and public-private partnerships between the City, Long Beach City College, and BLANKSPACES co-working company. Through new spaces that better suit the needs of the modern office environment, brokers, owners and tenants are bolstering the daytime vitality of the larger Downtown community.



DTLB GROSS RETAIL SALES AND EMPLOYEE VISITS - Q1 '19 TO Q4 '21



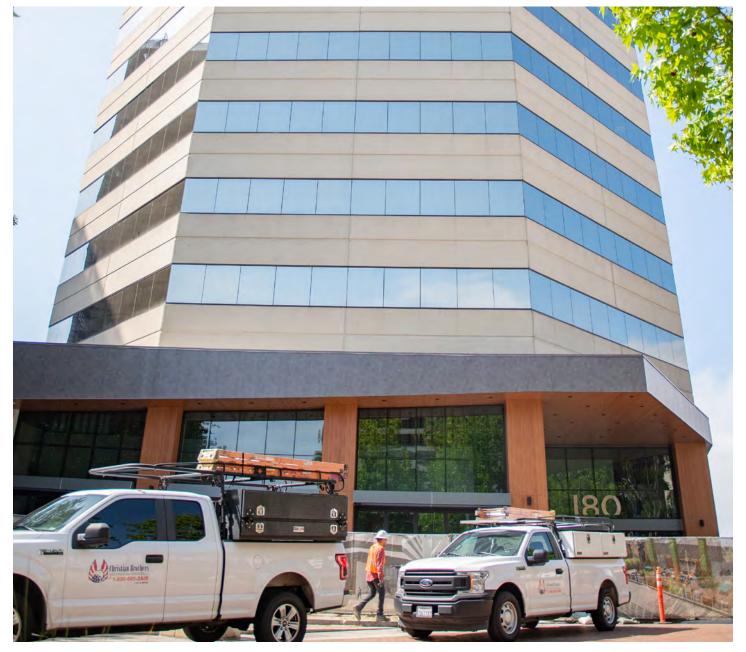


Photo by: Stephanie Perez, Studio LBP

OFFICE WORKFORCE TRENDS

Kastle Systems Office Occupancy

Kastle Systems is a prominent office property security company operating around the globe. By using aggregated keycard swipein/swipe-out data on office properties, Kastle can provide an estimate of overall office occupancy for the Los Angeles Metro area. In June 2022, office utilization sat at 42% occupancy, which was an increase from 25% in June 2021 but still vastly below prepandemic levels of 98%.

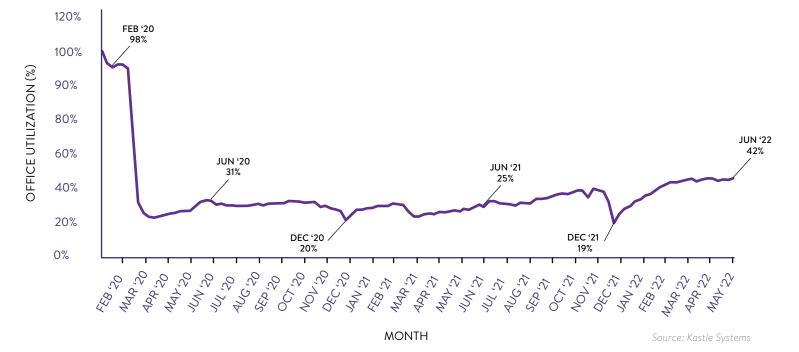
Long Beach Labor Force Participation

Labor force participation is defined by the number of people 16 or older actively employed or looking for work. Labor participation

in Long Beach has remained at approximately 230,000 since Q1 2020, compared to a pre-pandemic levels around 245,000.

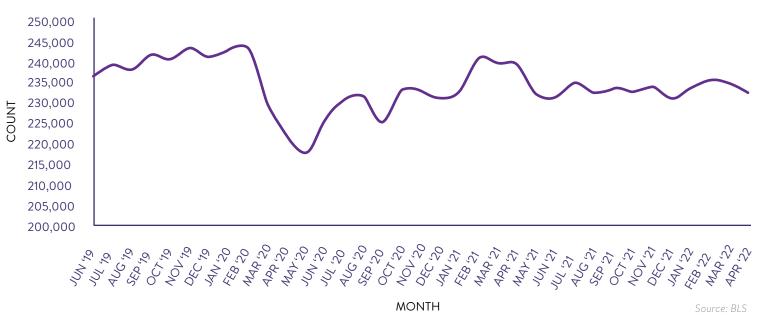
DTLB ISA Return to Work Survey Data

DLBA's 2022 survey of Downtown businesses revealed that 71% of surveyed office sector employers are planning to maintain their current amount of leased space in the coming year, compared to 16% saying they planned to decrease space. Although employers may choose to maintain leased space, many may still impose a hybrid work schedule allowing employees to work remotely.



WEEKLY OFFICE OCCUPANCY - LOS ANGELES METRO MARKET, FEB '20 TO JUN '22

LONG BEACH LABOR FORCE, JUN '19 TO APR '22



EXPECTED CHANGE IN OFFICE SPACE IN 2022



Source: Annual Downtown Business Survey 2022



OFFICE MARKET SURVEY Q4

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
Landmark Square	111 W Ocean Blvd	\$3.25	463,123	244,127	53%	218,996	211,496	2,500	1991	-
One World Trade Center	1 World Trade Ctr	\$3.04	574,981	394,844	69%	180,137	158,707	21,045	1989	-
Shoreline Square Tower	301 E Ocean Blvd	\$2.27	389,492	308,596	79%	80,896	59,810	21,086	1988	-
Total/Average		\$2.91	1,427,596	947,567	66%	480,029	435,398	44,631	1989	-
211 E Ocean Blvd	211 OCEAN	\$3.10	114,355	98,016	86%	16,339	11,238	5,101	1982	2000
200 Oceangate	Molina Center 1	\$-	230,632	230,632	100%	-	-	-	1983	
300 Oceangate	Molina Center 2	\$-	230,631	189,744	82%	40,887	-	40,887	1983	-
400 Oceangate	Union Bank Building	\$1.95	157,683	123,275	78%	34,408	34,408	-	1975	1990
100 W Broadway	The Hubb - Creative	\$2.91	210,428	150,724	72%	59,704	48,025	-	1985	2017
249 E Ocean Blvd	International City Bank	\$2.24	112,215	86,322	77%	25,893	25,893	-	1981	1992
180 E Ocean Blvd	The 180 Ocean Building	\$-	212,639	63,292	30%	149,347	149,347	-	1984	2022
330 Golden Shore	Catalina Landing 3	\$2.95	98,666	59,570	60%	39,096	39,096	-	1985	-
401 E Ocean Blvd	-	\$1.85	134,773	68,155	51%	66,618	66,618	-	1983	1996
320 Golden Shore	Catalina Landing 2	\$2.95	53,832	39,099	73%	14,733	14,733	-	1985	-
444 W Ocean Blvd	444 W Ocean Building	\$2.43	186,439	123,911	66%	62,528	48,886	11,842	1967	-
555 E Ocean Blvd	"555"	\$2.05	138,592	86,545	62%	52,047	52,047	-	1968	2002
100 Oceangate	Oceangate Tower	\$2.54	228,484	169,052	74%	59,432	57,182	-	1971	-
340 Golden Shore	-	\$2.95	56,270	37,094	66%	19,176	19,176	-	1985	-
150 Long Beach Blvd	Bank of America	\$2.01	49,436	39,296	79%	10,140	10,140	-	1981	-
200 Pine Ave	-	\$2.37	65,909	55,422	84%	10,487	5,530	4,957	1968	2022
999 Atlantic Ave	-	\$-	19,474	19,474	100%	-	-	-	1990	-
310 Golden Shore	Catalina Landing 1	\$2.95	63,736	31,917	50%	31,819	31,819	-	1985	-
132 Linden Ave	-	\$2.65	85,494	85,494	100%	-	-	-	1928	-
604 Pine Ave	Press Telegram Building	\$-	70,110	70,110	100%	-	-	-	-	2013
650 Pine Ave	Meeker-Baker Bldg	\$-	120,000	120,000	100%	-	-	-	2014	_
Total/Average	-	\$1.80	2,639,798	1,947,144	74%	692,654	614,138	62,787	1979	2006
-	2216-218 The Promenade N	\$-	22,500	22,500	100%	-	-	-	1937	-
The Loft Bldg	130 Pine Ave	\$1.95	26,333	24,933	95%	1,400	1,400	_	1923	2000
L'Opera Building	115 Pine Ave	\$1.75	67,000	50,318	75%	16,682	16,682	_	1906	1989
The Arts Bldg	230-236 E 3rd St	\$-	30,000	30,000	100%	-	-	_	1930	2012
Sevilla/Design Science	136-140 Pine Ave	\$1.80	24,000	12,763	53%	11,237	11,237	_	1995	-
Pacific Tower	235-247 E Broadway	\$-	106,754	106,754	100%	-	-	-	1923	2002
Sea Spray Gardens	333 W Broadway	\$2.75	33,000	30,280	92%	2,720	2,720	_	1983	-
F&M Tower	320 Pine Ave	\$2.20	52,000	43,920	84%	8,080	8,080	-	1923	1988
Total/Average		\$1.31	361,587	321,468	89%	40,119	40,119	_	1961	2004

CLASS C

CLASS A

CLASS B



OFFICE LISTINGS



LANDMARK SQUARE 111 W OCEAN BLVD CBRE

- Built in 1991, Landmark Square is one of the newest and largest office buildings in Downtown.
- On-site retail and restaurants in the core of the Pine Ave entertainment district.
- Located directly adjacent to bus and light rail, as well as the brand new Lincoln Park and Civic Center



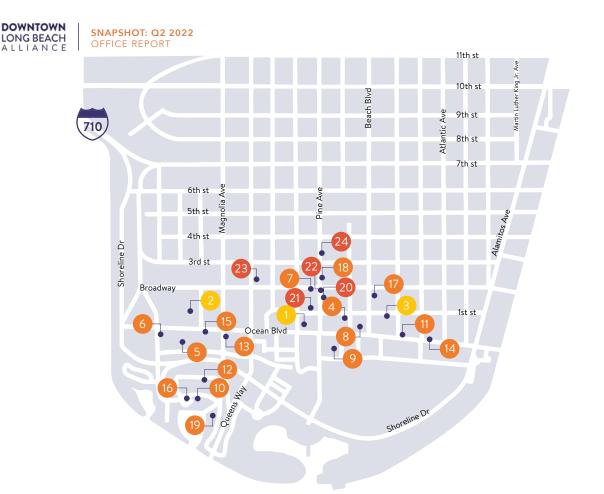
555 E OCEAN BLVD

Lee & Associates

- Built in 1968 and rennovated in 2002, located in East Village Arts District with ocean views.
- On-site retail, banking, and food service, including one the best steakhouses in Long Beach "555".
- Within walking distance of Shoreline Village, Convention Center, and Alamitos Beach.







Downtown Long Beach Office Vacancy Map

Class A

Class B



Class C



RESIDENTIAL MARKET SURVEY Q2

Property Address	Property Name	Year Built	Occupancy (%)	Average Weighted Rent	# of Units	# of Studios	# of 1 Bedrooms	# of 2 Bedrooms	# of 3 Bedrooms
40 Cedar Walk	Camden Harbor View	2003	98.9	\$-	547	0	204	343	0
626 Locust Ave	-	2003	98.8	\$-	5	0	5	0	0
404 Pine Ave	Griffis Pine Avenue	2003	100	\$-	221	15	138	68	0
250 W Seaside Way	250 West Seaside Way	2003	100	\$-	-	-	-	-	-
225 Long Beach Blvd	210 Third Lofts	2008	100	\$4.50	104	0	62	42	0
421 W Broadway	IMT Gallery 421	2010	97.4	\$2.73	291	0	164	127	0
433 Pine Ave	Newberry Building	2014	100	\$-	28	0	0	0	0
431 E 6th St	Bella Mare 6th Street	2015	83.2	\$-	30	9	15	6	0
100 Long Beach Blvd	The Edison	2016	96.0	\$5.00	156	48	56	52	0
707 E Ocean Blvd	The Current	2016	99.1	\$4.50	223	30	149	44	0
137 W 6th St	Tech Coast Lofts	2016	97.8	\$-	10	0	1	9	0
434 E 4th St	The Linden	2019	90.0	\$3.00	49	0	30	19	0
245 W Broadway	AMLI Park Broadway	2019	93.0	\$-	222	29	143	50	0
150 W Ocean Blvd	Oceanaire	2019	99.1	\$-	216	34	94	80	8
442 W Ocean Blvd	442 Residences	2019	94.7	\$-	94	46	18	30	0
101 Alamitos Ave	The Alamitos	2020	89.0	\$2.75	136	6	116	14	0
230 W 3rd St	The Pacific	2020	87.8	\$-	163	31	65	67	0
207 Seaside Way	The Crest	2020	100	\$-	112	23	68	21	0
777 E Ocean Blvd	Shoreline Gateway	2021	61.1	\$3.76	315	17	174	124	0
635 Pine Ave	Volta on Pine	2021	81.2	\$2.40	271	154	33	66	18
495 The Promenade N	Promenade 495 N	2022	51.1	\$3.50	20	0	0	0	0

BUILT SINCE 2000

Source: CoStar 2022



RESIDENTIAL LISTINGS



CoStar

PROMENADE 495 N -495 THE PROMENADE NORTH

Kennedy-Wilson Properties

- Located in Mosaic outdoor shopping center along the Promenade
- Mix of 1 to 3-bedroom units averaging nearly 1,000 SF
- Within walking distance of transit, parking garages, and fitness center





THE CREST - 207 E SEASIDE WAY

BJ Property Management

- Completed in 2020, featuring a decorated elevated walkway along Seaside Way
- Located directly next to Convention Center and Pike Shopping Outletsand Pike Shopping Outlets
- Fitness Center, Rooftop Pool, and on-site restaurant & wine bar





RETAIL MARKET SURVEY Q4

	ET SURVEY Q4 Property	Retail Type	Year Built	RBA	Total Available Space (SF)	Smallest Available Space (SF)	Average Weighted Rent (\$/SF)
Property Property Name Address							
	327-333 Pine Ave	Standalone Retail	1922	7,500	7,500	3,500	\$1.25
3 Office Lofts	120 E 3rd St	Storefront Retail/Office	1924	2,500	2,500	200	\$-
e Lafayette	500-540 E Broadway	Mixed-Use	1928	194,760	3,000	2,000	\$2.00
e Broadlind	145-153 Linden Ave	Mixed-Use	1928	14,768	2,056	2,056	\$3.79
iird & Pine	108 W 3rd St	Standalone Retail	1930	19,745	2,419	2,419	\$4.00
	335-343 Pine Ave	Storefront Retail/Office	1930	20,860	4,200	4,200	\$1.50
	226 Atlantic Ave	Storefront Retail/Office	1933	3,229	850	850	\$2.25
	700 E Broadway	Standalone Retail	1937	6,351	3,200	3,200	\$3.00
artake Collective	456 Elm Ave	Standalone Retail	1942	25,129	4,400	200	\$11.74
55"	555 E Ocean Blvd	Office Building	1968	138,592	52,047	771	\$2.05
ceangate Tower	100 Oceangate St	Office Building	1971	228,484	59,432	100	\$2.54
ank of America	150 Long Beach Blvd	Office Building	1981	49,436	10,140	450	\$2.01
e 180 Ocean Building	180 E Ocean Blvd	Office Building	1984	212,639	149,347	2,300	\$-
8	330 Golden Shore	Office Building	1984	98,666	39,096	1,450	\$2.95
	340 Golden Shore	Office Building	1984	56,270	19,176	1,299	\$2.95
e Hubb - Creative	100 W Broadway	Office Building	1985	210,428	59,704	694	\$2.91
noreline Square Tower	301 E Ocean Blvd	Office Building	1988	389,492	80,896	521	\$2.27
ndmark Square	111 W Ocean Blvd	Office Building	1991	463,123	218,996	100	\$3.25
ne Square	245 Pine Ave	Storefront Retail/Office	1992	93,389	5,100	2,200	\$-
	225-310 E 3rd St	Retail in Shopping Center	2002	83,561	16,370	16,370	\$-
osaic Bldg. F	307-309 The Promenade N	Retail in Shopping Center	2002	3,752	1,127	482	\$-
osaic Bldg. E	350 The Promenade N	Retail in Shopping Center	2002	14,081	3,661	1,034	\$-
0	71 Aquarium Way	Standalone Retail	2003	49,766	29,766	11,522	\$3.50
osaic Bldg. D	145-195 E 4th St	Retail in Shopping Center	2003	15,802	3,948	1,739	\$-
amden Harbor View	40 Cedar Walk	Mixed-Use	2003	611,781	4,663	1,535	\$-
osaic Bldg. P	470-480 Pine Ave	Retail in Shopping Center	2003	9,868	2,654	1,000	\$-
ne Pike Outlets	61 S Pine Ave	Retail in Shopping Center	2003	106,274	16,711	1,464	\$-
osaic Bldg. J	500-590 Pine Ave	Retail in Shopping Center	2004	24,511	12,400	12,400	\$-
e Pike Outlets	95 S Pine Ave	Retail in Shopping Center	2004	74,042	835	835	\$-
0 Third Lofts	225 Long Beach Blvd	Mixed-Use	2008	94,240	3,520	900	\$4.50
	199 The Promenade N	Restaurant	2008	10,447	10,447	10,447	\$2.69
NT Gallery 421	421 W Broadway	Mixed-Use	2010	289,247	3,404	1,567	\$2.73
e Edison	100 Long Beach Blvd	Mixed-Use	2016	114,000	2,112	2,112	\$5.00
e Current	707 E Ocean Blvd	Mixed-Use	2016	225,000	2,485	2,485	\$4.50
ne Linden	434 E 4th St	Mixed-Use	2019	49,000	2,522	2,522	\$3.00
MLI Park Broadway	245 W Broadway	Mixed-Use	2019	260,804	5,974	1,415	\$3.00
ne Alamitos	101 Alamitos Ave	Mixed-Use	2020	129,927	2,549	2,549	\$2.75
tyPlace	495 The Promenade N	Mixed-Use	2020	20,000	5,621	5,621	\$3.50
,	635 Pine Ave	Mixed-Use	2021	285,415	1,305		\$2.40
olta on Pine							

Source: CoStar 2022



RETAIL MARKET LISTINGS HIGHLIGHT



CoStar

PARTAKE COLLECTIVE 456 ELM ST

Coldwell Banker Commercial

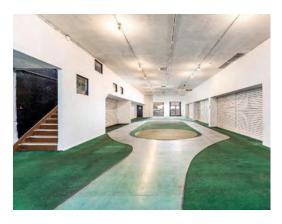
- Built in 1946 and finishing rennovation in 2022/23. Ghost kitchen spaces on top levels with retail spaces on the ground floor.
- Flexible kitchen types and commitment terms with commercial ground floor spaces as small as 200 SF.
- Advising and vetted vendors available to tenants to help businesses grow.



335-343 PINE AVE

Coldwell Banker Commercial

- Built in 1930 along historic Pine Avenue.
 4,200 SF available along high foot traffic area.
- Within walking distance of the Promenade and Mosaic Shopping Center.





CoStar





A product by ASI Communications Vannica Svay, Sr. Designer Cover by Nina Walker, Designer

A Long Beach State University Department

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