



**DOWNTOWN  
LONG BEACH  
ALLIANCE**



**DOWNTOWN LONG BEACH**

**Q3 SNAPSHOT: 2021**

**RETAIL MARKET REPORT**





Jose Cardon

## 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)**





*"bark!bark!Daycare & Grooming" Jose Cordon*

## 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.

### DTLB PEDESTRIAN COUNTS (PLACER)

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 September 1, 2019 through September 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 September 31, 2021.

## 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.

## CITY OF LONG BEACH: DEPARTMENT OF ECONOMIC DEVELOPMENT

Data regarding retail sales in Downtown was provided by DLBA's partners at the City of Long Beach Department of Economic Development. Data used in the report was collected from July 2019 through June 2021.

## LOOKING TO INVEST IN DTLB?

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

The Q4 Residential Market Report publishes on January 15.

## RETAIL MARKET UPDATE

Downtown retail rents had been rising over the past consecutive five years before the onset of the COVID-19 pandemic. Rental rates hit their lowest levels since the beginning of pandemic at the end of 2020 and early 2021, but since then Downtown rates have slowly begun to rebound. At the end of Q3 2021, rents had grown just under 1% over the course of 12 months. During Q4 2020 and Q1 2021, ground-floor retail occupancy reached its lowest levels since 2016, dropping to 93%. As of Q3 2021, occupancy has increased to nearly 95%, comparable to pre-pandemic rates. There is currently more than 50,000 SF of new retail space under construction in Downtown, all of which is part of mixed-use developments or adaptive reuse projects. Projects include more than 11,000 SF of space at the renovated Ocean Center Building and 25,000 SF of new retail as part of the Broadway Block multi-family development.

### BY THE NUMBERS

Number of Properties	239
Total Inventory (SF)	2,468,333
Total Occupancy (%)	94.7%
Q3' 21 Net Absorption (SF)	31,765
YTD Net Absorption (SF)	8,215
Direct Avg Asking Rent (\$/SF)	\$2.62
12-Month Rent Delta (%)	0.77%
Total Under Construction (SF)	50,291
Planned (SF)	82,940

CoStar 2021 & DLBA Internal Records



"Churriño Gourmet Dessert" Jose Cordon

### REGIONAL BENCHMARKS

	Rent (\$/SF)	Inventory (SF)	Occupancy Rate (%)
Costa Mesa	\$3.24	9.4M	97.9%
San Pedro	\$2.27	2.4M	97.6%
El Segundo	\$3.48	1.3M	96.5%
Santa Ana	\$2.30	12M	95.1%
Downtown Long Beach	\$2.62	2.5M	94.7%
Downtown Los Angeles	\$2.74	17M	93.8%
Belmont Shore Long Beach	\$4.27	633K	93.4%
Fullerton	\$2.38	6.7M	93.2%
Downtown Santa Monica	\$6.16	2.5M	86.2%

CoStar 2021



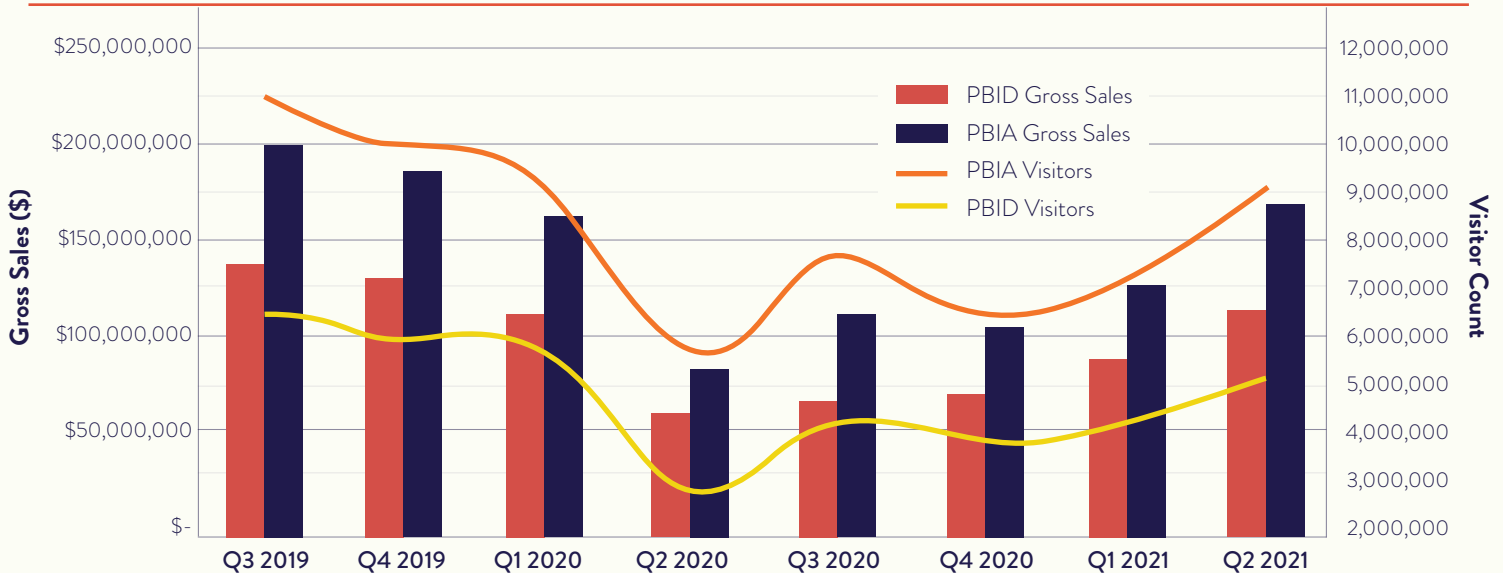
## RETAIL MARKET MIX

Following the beginning of the COVID-19 pandemic, significantly decreased sales and traffic to in-person retailers, restaurants, and services was one of the most observable changes to Downtown. However, the gradual reopening of the economy has allowed for sales to rebound from early 2020. Charted below are gross retail sales for the two BID areas DLBA manages, with recorded visitor traffic to those areas. Since bottoming out in Q2 2020, retail sales have grown an average of 20% every quarter since, accompanied by an increase in visitor traffic.



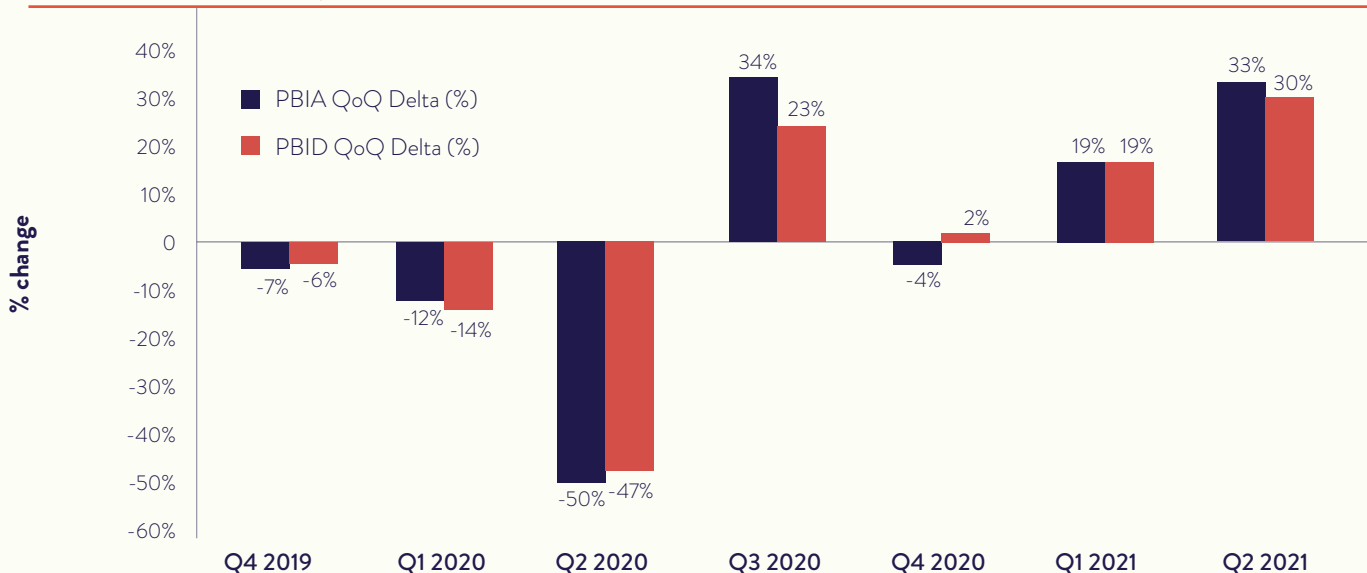
"Pharmacy Boardshop" Jose Cardon

### PBIA, PBID QUARTERLY RETAIL SALES & VISITOR TRAFFIC - 2019 TO 2021



City of Long Beach Economic Development Department, Placer.Ai

### % CHANGE GROSS SALES, QUARTER-OVER-QUARTER (QoQ) - 2019 TO 2021



City of Long Beach Economic Development Department



## TENANT MIX ANALYSIS

Downtown Long Beach enjoys a vibrant mix of retail businesses, from specialty tattoo shops to plant nurseries. Stratifying retail space and uses by Downtown neighborhoods reveal different submarket conditions across the area. The highest retail rents are found in the Waterfront, which features the Pike Outlets shopping center and Shoreline Village. Conversely, North Pine has the lowest rents in Downtown, which makes it an ideal location for early stage concepts and budding businesses. Restaurants make up the largest retail type for all Downtown neighborhoods, with personal service businesses prominent in residential areas like East Village and North Pine.

### GROUND FLOOR TENANT MIX BY NEIGHBORHOOD

	East Village	North Pine	Pine & Promenade	City Place	Waterfront	West Gateway
Total Inventory (SF)	913,772	447,092	289,276	368,623	446,482	99,379
Percent Leased	98.1%	88.2%	94.0%	100.0%	90.5%	78%
Average Rent (\$/SF)	\$2.91	\$1.75	\$2.37	\$3.03	\$3.50	\$2.33
Average Daily Visits Q3 '21	18,121	4,334	9,877	3,897	35,753	8,394

CoStar 2021

### GROUND FLOOR TENANT MIX BY NEIGHBORHOOD

	East Village	North Pine	Pine & Promenade	City Place	Waterfront	West Gateway
Attractions/Entertainment	4%	3%	4%	2%	7%	4%
Personal Services	30%	33%	13%	33%	6%	11%
Professional Services	7%	7%	14%	4%	9%	29%
Restaurants	31%	26%	49%	44%	40%	43%
Shopping	21%	21%	14%	15%	33%	7%
Hotels and Lodging	3%	3%	1%	0%	3%	4%
Miscellaneous*	5%	7%	4%	2%	2%	4%

\*category includes specialty/variety stores, general merchandise, and non-store retailers

City of Long Beach Financial Management Department



"The Beach House" Jose Cardon



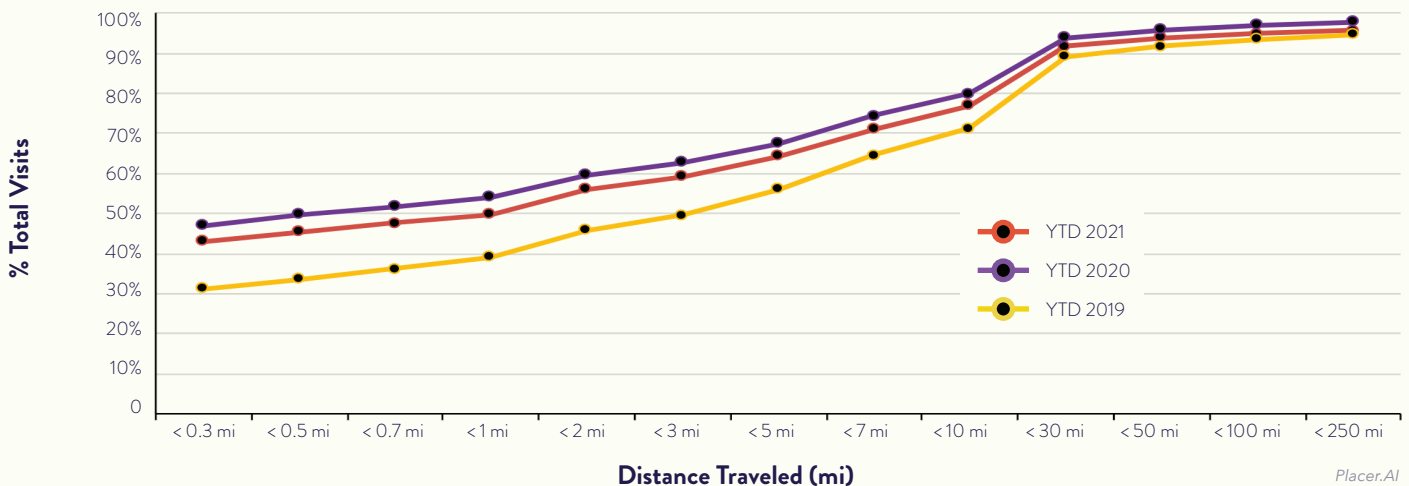
## PEDESTRIAN COUNT AND TRENDS

Pedestrian traffic and flow of visitors to Downtown Long Beach is a vital component of a healthy retail market. Visits to Downtown have been increasing since the beginning of the pandemic in early 2020, with a small dip in traffic likely due to the rise of the more contagious Delta-variant and resulting public health measures. The distance traveled to Downtown by visitors has also decreased since the beginning of the pandemic, creating a more localized user base. In 2021, half of all Downtown visitors traveled less than 1 mile from their home address, compared to 39% in 2019.

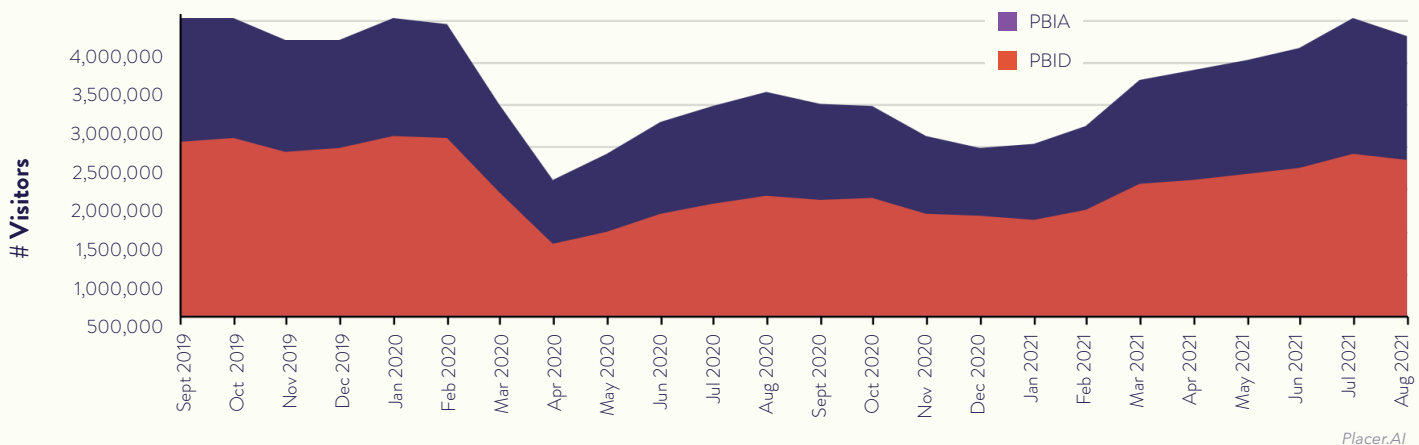


Jose Cardon

## CUMULATIVE DISTANCE TRAVELED TO DTLB - YTD '19, '20, '21



## MONTHLY PBIA & PBID VISITS - SEP '19 TO AUG '21

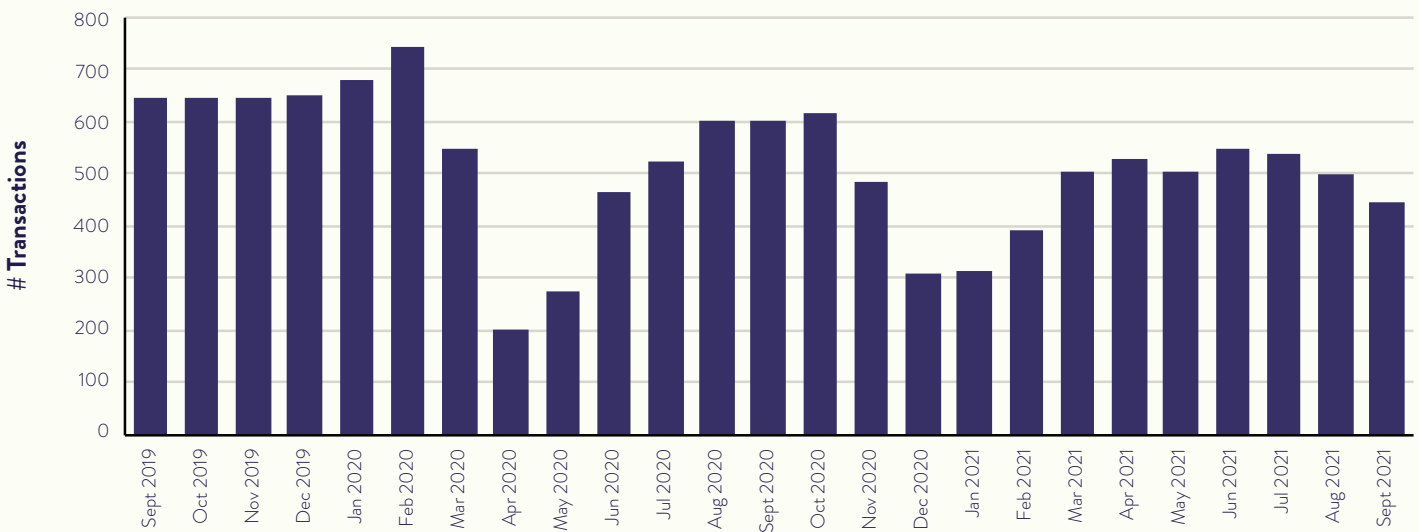




## PARKING OCCUPANCY AND TRENDS

On-street parking has recovered somewhat from the pandemic but has not reached the corresponding growth observed in retail sales or visitor traffic. Daily transactions fell drastically and rebounded to near-2019 levels from April to November 2020 but have since struggled to grow back. As of September 2021, average daily parking transactions were 30% lower than September 2019 and 26% lower than September 2020.

### MONTHLY AVG. ON-STREET PARKING TRANSACTIONS PER DAY - SEP '19 TO SEP '21



LAZ Parking



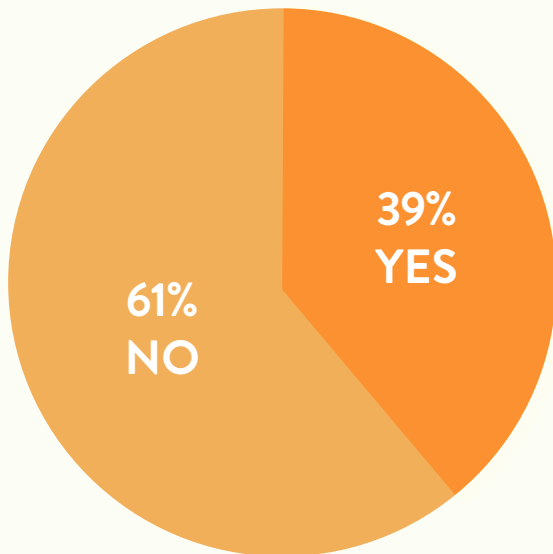
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## ANNUAL DOWNTOWN BUSINESS SURVEY

Every year, DLBA conducts a survey of all Downtown businesses with assistance from the marketing company ISA. The survey captures all aspects of business operations in Downtown, including recording sentiments about the future of the business economy. Similar to visitor data on Downtown, the ISA survey revealed that retailers are committed to the local area and are generally hopeful about rebounding from the pandemic. A majority of ground-floor businesses reported having their sole location in Downtown Long Beach, and 53% of those with multiple locations have their headquarters in Long Beach. Furthermore, 47% of ground-floor businesses said they planned on increasing employees over the coming year, with another 48% hoping to maintain similar staffing levels.

### DOES YOUR BUSINESS HAVE MULTIPLE LOCATIONS?



**53%**

of Downtown Retail Businesses with multiple locations have their headquarters located in Long Beach.

### EXPECTED CHANGE IN EMPLOYEE SIZE 2021



## FEATURE

### DLBA INTRODUCES NEW ECONOMIC RECOVERY GRANT



"The B Room" Jose Cardon

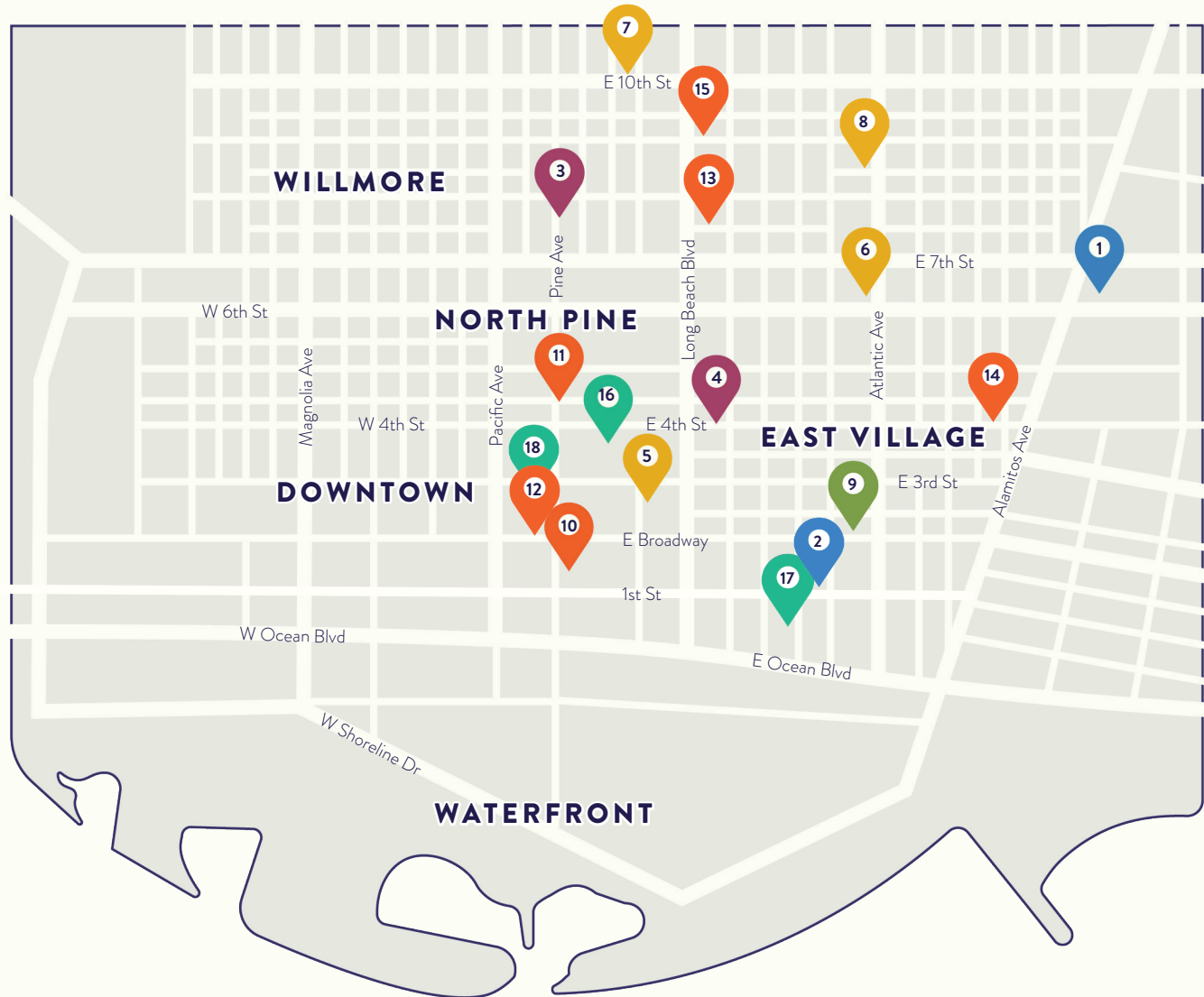
**IN Q2 2021**, at least 16 Downtown businesses received some financial relief, thanks to DLBA's new Personal Care Services and Health & Wellness Grant. Unlike previous grants which were open to all businesses, this economic recovery grant was designed specifically to help businesses that were completely shut down during the COVID-19 pandemic due to public health orders. There was \$90,000 in grant money available. Applications were reviewed on a first-come, first-serve basis. "It's been a roller coaster, to say the least: a really scary time," said grant recipient Cody Ramirez, who owns and operates Americano Barber Co. in Downtown's East Village. "We closed three different times. This grant is helping a lot." Austin Metoyer, Economic Development and Policy Manager for DLBA, explained grant eligibility conditions: "To be eligible for this grant, potential recipients had to be operating a Downtown business with a storefront," he said. "Also, they had to show proof they had been closed down and for how long. Finally, they had to have been in business prior to March 20, 2020. We were trying to focus on existing businesses that have been here for a while." Outer Limits Tattoo, located on what used to be the western edge of The Pike amusement park, is the

former home of Bert Grimm's World-Famous Tattoo, which opened in 1927, and is the oldest continuously-run tattoo parlor in the United States. It is owned and operated by Kari Barba, a world-renowned tattoo artist who has been honing her craft for 42 years. "Our first reopening last year was short," she said. "We were shut down again, 10 days later. We were shut down for almost 11 months during the past year. "During the closures," Barba continued, "we artists had to fend for ourselves. The grant money will be a huge help, covering a big chunk of back rent and bills." DLBA hopes that its range of grant programs will serve as critical lifelines for small businesses at a pivotal moment, helping them rebuild and mobilize for future success in a diverse and vibrant Downtown Long Beach. Metoyer added: "Like restaurants, these small businesses, about 150 in DTLB, were hit especially hard by the impact of shutdowns due to public health measures to slow the spread of COVID-19. Though they still face a lengthy recovery, DLBA remains committed to working with our community to revitalize local businesses and providers through a variety of tools, including grants, programs, and educational resources."



## WELCOME TO THE NEIGHBORHOOD

DLBA is excited to welcome new businesses and entrepreneurs to Downtown this year. Be on the lookout for these new establishments coming to the area!



### HEALTH & WELLNESS

- 1** Noel's Teeth Whitening  
638 Alamos Ave
- 2** Wildflower Beauty + Brows  
429 East 1st St

### RETAIL

- 3** Vida Plant Shop  
748 Pine Ave
- 4** Ethikli  
325 E 4th St

### PROFESSIONAL SERVICES

- 5** Scholars Collective  
236 E 3rd St
- 6** Studio Long Beach  
629 Atlantic Ave
- 7** A Pup's Dream Dog Grooming  
219 E 10th St
- 8** Into the Mystic  
853 Atlantic Ave

### HOTELS

- 9** Hotel Metropolitan  
505 East Broadway

### RESTAURANTS & CAFE'S

- 10** JP23 BBQ & Smokehouse  
110 East Broadway
- 11** Daily Dose  
440 Pine Ave
- 12** Secret Tiki Bar  
209 Pine Ave
- 13** Torisho USA  
730 Long Beach Blvd
- 14** Sugar Siren Confections  
422 Olive Ave
- 15** In the Kitchen  
900 Long Beach Blvd

### RECREATION & ENTERTAINMENT

- 16** Birdies N Brews  
90 East 4th St
- 17** Cone 11 Studio  
408 E 1st St
- 18** Bad Axe Throwing  
245 Pine Ave