

DOWNTOWN LONG BEACH *Snapshot*



RESIDENTIAL MARKET REPORT - Q4 2016



DOWNTOWN LONG BEACH ALLIANCE

Recognizing that a municipality can't do it all is where a Business Improvement District (BID) plays a role above what a city provides: from coordinating events to simply picking up litter. Downtown Long Beach's (DTLB) first 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 organization whose mission is to cultivate, preserve and promote a healthy, safe and prosperous Downtown. It provides a plethora of services to Downtown stakeholders and is funded by tenants and commercial and residential property owners of the Business Improvement Districts.

DOWNTOWN is identified as the area outlined by the DPIA boundaries shown in the map to the right.

DOWNTOWN CORE is identified as the area outlined by the PBID boundaries shown in the map to the right.



SOURCES & METHODOLOGY

RESIDENTIAL SURVEY

The 2016 Downtown Long Beach Resident 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 7th – December 9th, 2016. A sample of 829 completed surveys were collected. Full survey results will be published in DLBA's 2017 Economic Profile.

DLBA PEDESTRIAN COUNTS

Data for the following locations (149 Linden, 333 Pine, 441 E Broadway, 585 Pine, and Ocean Center – Ocean & Pine) are based on recordings taken from Oct. 1

through Dec 29, 2016. Data for the following locations (135 Pine, 210 E 3rd, Studio One Eleven, and the Loop) are based on recordings taken from date of installation, Oct. 15 through Dec 29, 2016. Recording and counting was conducted by DLBA's automated pedestrian counter system. A request can be made to DLBA's Economic Development Department for an in-depth report of pedestrian counts at a specific sensor or throughout the entire Downtown at a cost.

MULTI-FAMILY APARTMENT DATA ANALYSIS

Information regarding the depth and breadth of Downtown Long Beach's multi-family apartment market is pulled from Co-Star, a leading provider of commercial real estate information, analytics and online market places.

DEVELOPMENT MAP

Information regarding the Downtown Residential Development Map was provided by the City of Long Beach's Development Services Department.

LOOKING TO INVEST IN DTLB?

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

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Look for DLBA's Annual **ECONOMIC PROFILE** to be published April 19th



RESIDENTIAL MARKET UPDATE

DTLB saw sustained strength with another quarter of strong growth. From Q1 2016 to Q4 2016 rental rates per square foot (SF) have increased by 7% from \$2.12 to \$2.26. Overall, rent per SF have increased by 26% since 2012 from \$1.80/SF to \$2.26. With an increase in rates occupancy has remained relatively stable at 94%, a 2% decrease since Q1 2016 at 96%. This decrease in occupancy is in part due to the recent openings of The Current in Q2 and The Edison in Q3. The Current and The Edison are currently at 77% and 27% occupancy, respectively.

by the numbers

NUMBER OF BUILDINGS	458
TOTAL INVENTORY	9,861 units
TOTAL OCCUPANCY	94%
AVG. RENTAL RATE / UNIT	\$1,583
AVG. SF	737
AVG. RENTAL RATE / SF	\$2.26
CONCESSIONS	0.8%
12 MONTH DELIVERIES	429

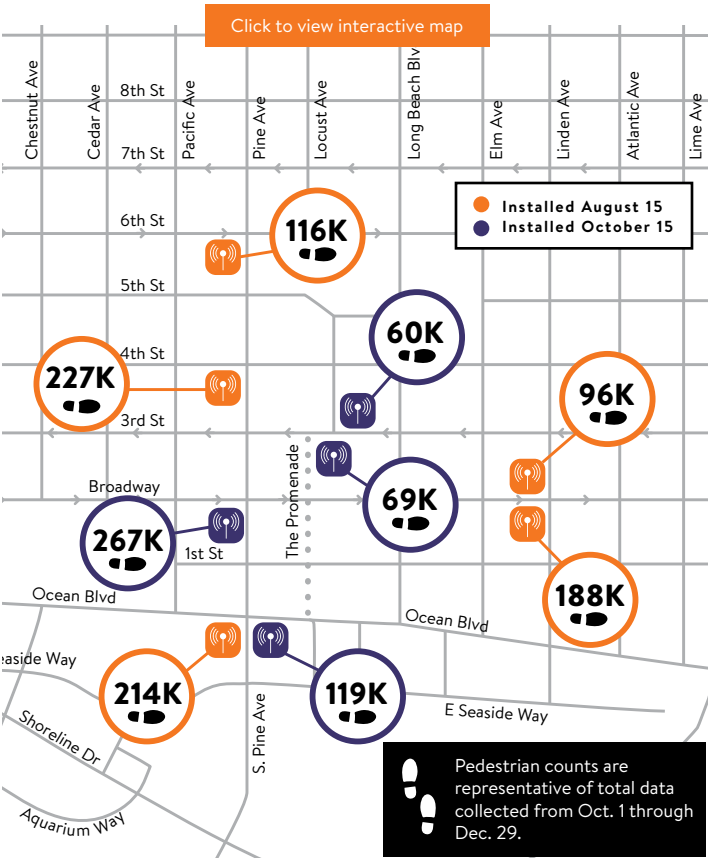
Excitement for Downtown continues to grow as developers broke ground on several projects equating to 786 units this year, and 1,893 entitled/proposed units are in the pipeline. In total, Downtown is poised to see approximately 2,600 units come online over the next five years. However, the majority of that development is expected to be in the rental market with only 310 units expected to serve the condominium or townhome space.

MULTI-FAMILY HOUSING	CURRENT MARKET MIX		EXPECTED MARKET MIX	
RENTABLE APARTMENTS	9,861	77%	12,151	79%
FOR SALE UNITS	2,896	23%	3,206	21%
TOTAL UNITS	12,757		15,357	

TRAFFIC DRIVES RETAIL

DLBA launched its automated pedestrian counter system in DTLB in mid-August. In October, four more sensors came online, two along Pine Ave and two more on the Promenade. The program provides 24/7 pedestrian counts, and offers existing and potential Downtown businesses greater data support for strategic planning with regards to site selection. DLBA plans to install a total of fifteen (15) sensors at eight (8) locations throughout the core of DTLB.

AN AVERAGE OF **15,087 DAILY** PEDESTRIANS WALKED THROUGHOUT THE CORE OF DOWNTOWN IN Q4. PEAK TRAFFIC WAS GENERALLY EXPERIENCED ON SATURDAY WITH AN AVERAGE OF **19,354 PEDESTRIANS**.

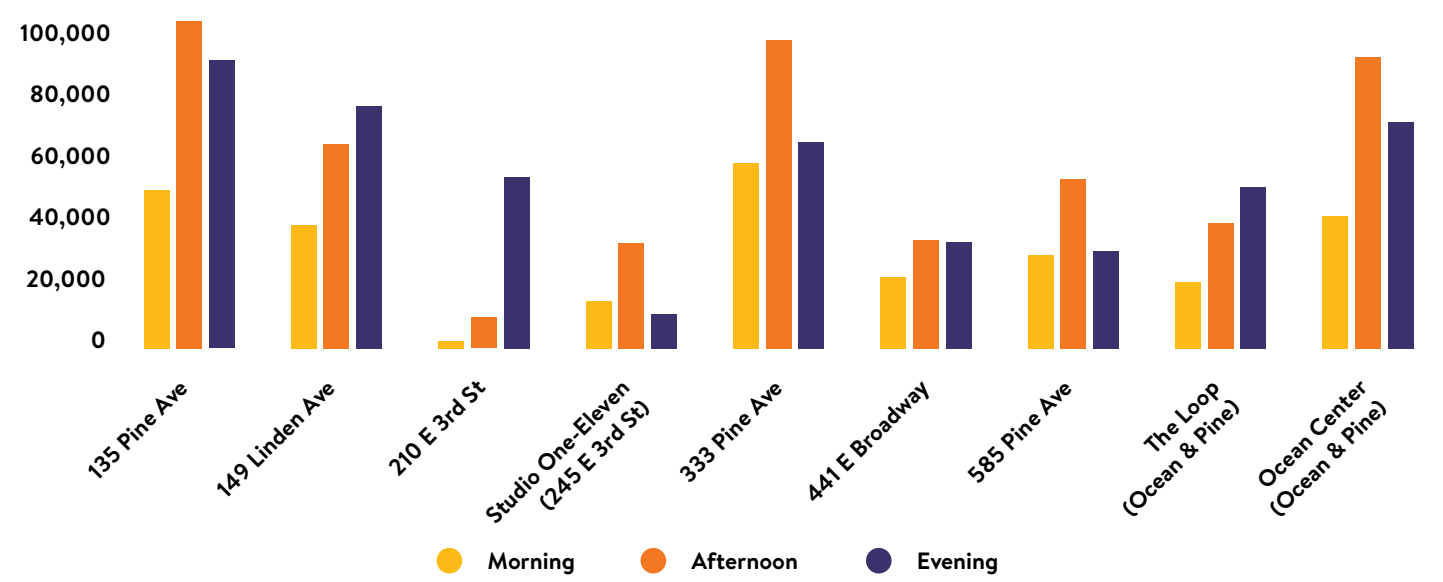


During Q4 DTLB experienced **1.3 million pedestrians** throughout the Downtown, with the highest pedestrians count experienced during November with 500,431 total pedestrians. This can likely be attributed to the holiday season shopping and travel, with visitors and residents taking advantage of establishments located in the East Village, the Pike Outlets, and Shoreline Village.

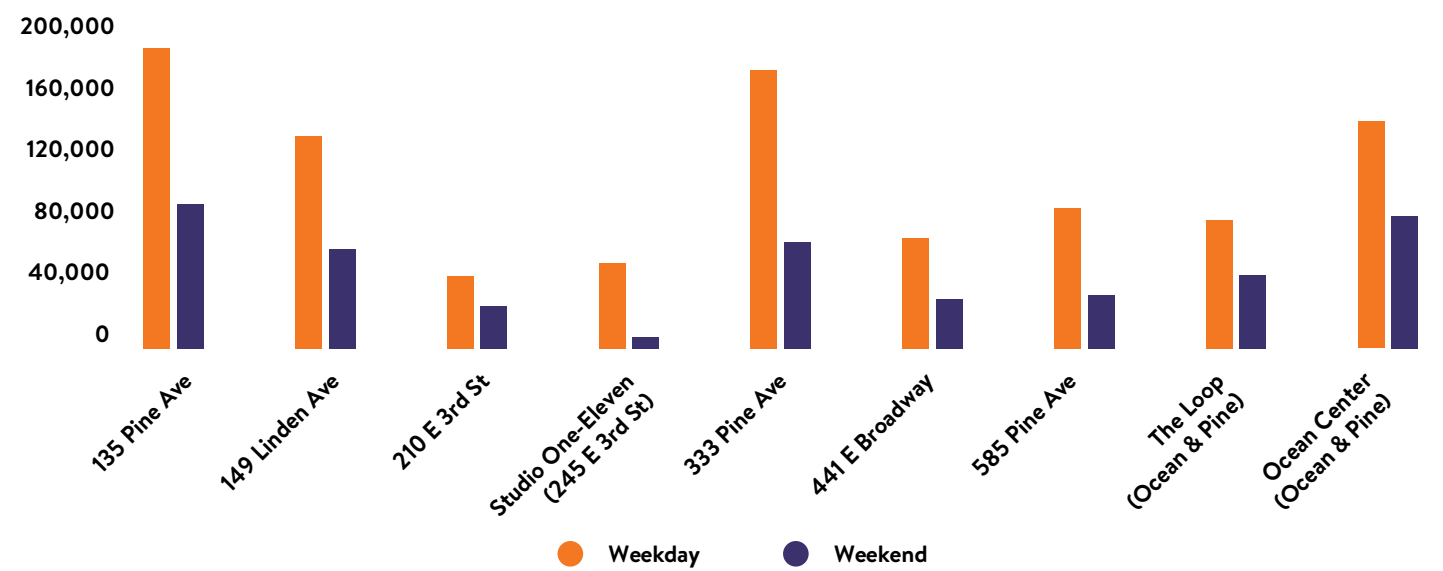


The graphs below illustrate pedestrian traffic trends for the period from Oct. 1 to Dec. 29, 2016. *Click graphs below to view interactive maps.*

TOTAL PEDESTRIAN ACTIVITY



TOTAL PEDESTRIAN ACTIVITY BY WEEKDAY/WEEKEND



Source: DLBA Pedestrian Counts



RESIDENTIAL SPACE FEATURE

HIGHLIGHTING RESIDENTIAL SPACES

The last decade of investment delivered transformational changes to the Downtown skyline, and those skyscrapers and towers have contributed considerable vibrancy at the human scale. The economy is stronger than it has been in years, and local planners, developers, and investors have shown up in full force. Residential growth since the implementation of the City's Downtown plan, in 2012, has outpaced any in the city's history.

I was amazed to see how much Downtown had grown in just the few years.

**- Emron Walker,
Resident at 6th @ Pine**

The desire and need for residential development has been met with tangible progress as major real estate developments, which include the 17-story Current tower at Ocean and Alamitos, The Edison, Pacific Court Lofts and the Lofts at 6th all came online in the past year.

The growth isn't showing any signs of slowing either; Downtown is expected to see 2,600 new residential units come online over the next five years. The seven-story Oceanaire has broken ground and will rise near the busy intersection of

Ocean and Pine Avenues. When completed, the building will feature 216 studio, one-, two- and three-bedroom units, in addition to a pool terrace, a fitness center and a clubhouse. This development will increase foot traffic and better connect our downtown core to the waterfront.



Photo by Larry Duncan

Aiming to bring Long Beach's college community to the Downtown corridor, the property at Broadway and Long Beach Blvd will break ground this year to be developed into Broadway Block. Broadway Block has partnered with Cal State Long Beach's graduate school of fine arts and will provide affordable housing

I wanted to live on the waterfront, but with a Downtown vibe that other beach cities are missing.

**- Scott Harper
Resident at The Current**

for students and educators, as well as creative office space, and an adjacent "academia court" for student galleries, performing arts, receptions and other university-related activities.

We envision the Broadway Block as the heartbeat of the city, a place that brings together unique pieces to create a one-of-a-kind culture and spirit.

**- Cliff Ratkovich
Ratkovich Properties, President**

These recent investments are a further testimony to Downtown's proposition as a value-add location within the region, and are signs that opportunities will only continue to improve for existing and future residents who enjoy the unique lifestyle that only Downtown Long Beach can offer. We're right up there with the development frenzy that DTLA is experiencing; with frequent skyline changes and more waterfront homes available at attractive prices, DTLB is preparing for its moment in the sun as these developments grab hold.





RESIDENT SURVEY

This past November, the DLBA in partnership with SGA launched its second major survey of Downtown residents. Over 829 surveys were completed with answers covering basic demographics, attitudes about Downtown, and retail behaviors and preferences. Below are some highlights of those findings:

DOWNTOWN RESIDENT DEMOGRAPHICS



DOWNTOWN RESIDENT ATTITUDES AND BELIEFS



DOING BUSINESS...

DTLB saw **31 NEW BUSINESS** licenses registered in the Q4. Overall, approximately **1,588 BUSINESSES** in DTLB.

BIZPORT
The City of Long Beach launched its new online business portal, BizPort, on Wednesday, October 5th. Visit the link below for more information.
<http://bizport.longbeach.gov/>

DEVELOPMENT MAP

**DOWNTOWN
LONG BEACH
ALLIANCE**



CURRENT ENTITLED RESIDENTIAL PROPERTIES

- | | | |
|---|--|---|
| 1 CIVIC CENTER
580 units | 9 442 WEST OCEAN BLVD
95 units | 17 125 LINDEN AVE
44 units |
| 2 507 PACIFIC AVE
134 units | 10 207 SEASIDE WAY
117 units | 18 SECURITY PACIFIC NATIONAL BANK BUILDING
118 units |
| 3 BROADWAY/MAGNOLIA
141 units | 11 434 E 4TH STREET
49 units | 19 495 PROMENADE NORTH
20 units |
| 4 OCEANAIRE
216 units | 12 1ST & ALAMITOS
136 units | 20 437 E 5TH STREET
18 units |
| 5 PARC BROADWAY
222 units | 13 227 ELM AVENUE
20 units | 21 200 W OCEAN BLVD
94 units |
| 6 OCEAN CENTER BUILDING
74 units | 14 137 W 6TH STREET
10 units | 22 635 PINE AVE
142 units |
| 7 SHORELINE GATEWAY
315 units | 15 230 W 3RD STREET
163 units | 23 810 PINE AVE
64 units |
| 8 300 ALAMITOS AVE
77 units | 16 825 E 7TH STREET
19 units | 24 927 LONG BEACH BLVD
100 units |

- 25** **PACIFIC LOFTS**
36 units

RECENTLY AWARDED RDA SITES

- 26** **3RD & PACIFIC**
325 units
Potential Investment: \$128M
- 27** **BROADWAY & THE PROMENADE**
132 units
Potential Investment: \$52.7M
- 28** **BROADWAY & LONG BEACH BLVD**
166 units
Potential Investment: \$61.7M
- 29** **BROADWAY BLOCK SITES A & B**
375 units
Potential Investment: \$140M