

THE  
HOLLYWOOD  
PARTNERSHIP

# MARKET REPORT

Third Quarter Performance, 2023



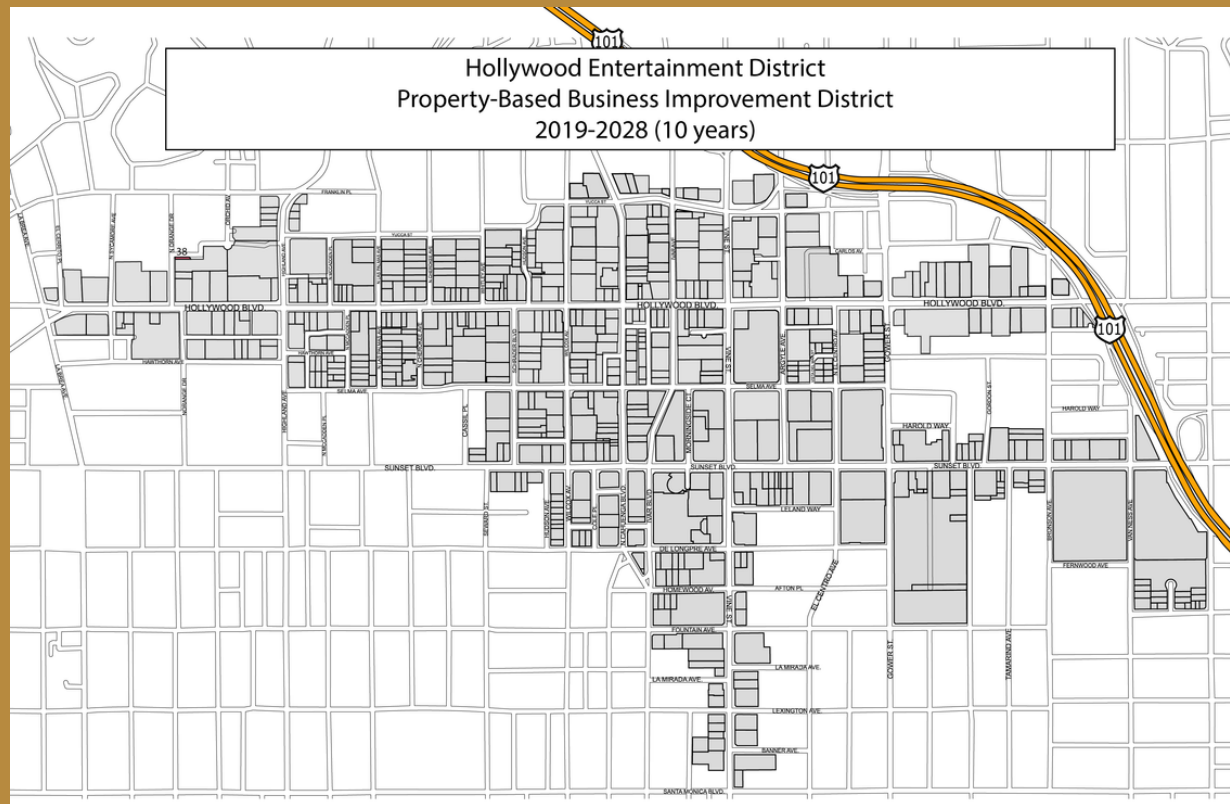
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# The Hollywood Entertainment District



The Hollywood Partnership (THP) is a non-profit organization that manages the public realm within the Hollywood Entertainment District (HED), which is a Property Based Business Improvement District (PBID). Simply, this means that the organization is funded by property owners within the district to provide enhanced services to promote the cleanliness, safety, beautification, and economic vitality of our neighborhood.

# Executive Summary

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Amidst cloudless skies and sunny days, a shadow descended over the Hollywood community this summer as the prolonged writers and actors strike significantly impacted the industry that is so crucial to the health and vitality of our destination. It is on a rare occasion that you walk the streets of Hollywood without seeing those familiar yellow signs pointing the way to a production site nearby. We are hopeful that our neighbors working in film and television will reach an equitable agreement so they can soon get back to work, and we are eagerly looking forward to a prosperous end to 2023.

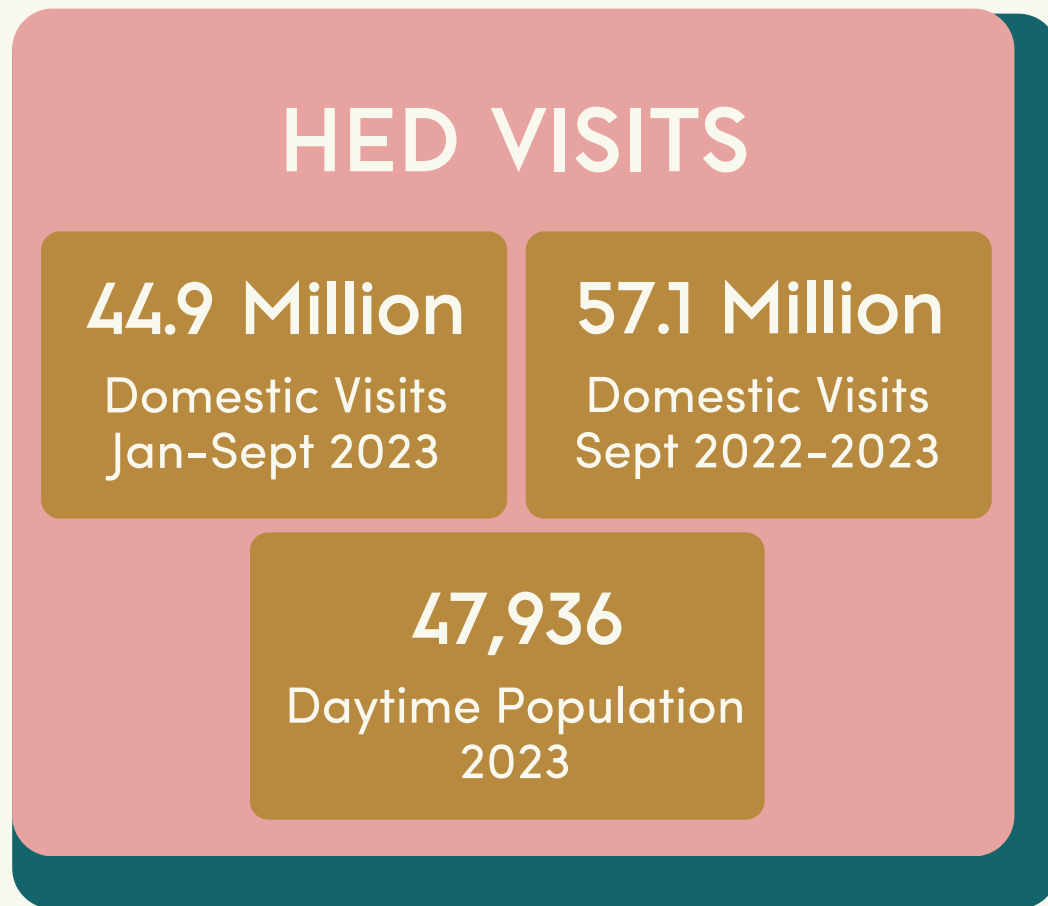
This moment in Hollywood has left an indelible mark on us, proving that there is very little business in our City of Angels, without show business. The production industry is a vital contributor to our local economy and provides employment opportunities for hundreds of thousands of talented Angelenos. As always, the show must go on. We were thrilled by the Governor's decision to extend the state's \$330 million Film and TV Tax Credit program in July. And, in Hollywood, local development like the expansion at Sunset & Gower Studios is adding one million SF of new studio space in the neighborhood, while the much anticipated grand re-opening of the historic Egyptian Theater by Netflix will continue the celebratory tradition of premiering new film and television projects on Hollywood Blvd. this November.

Perhaps missing their favorite shows and stars, visitors flocked to Hollywood this summer to stroll the Walk of Fame, pose awkwardly with costumed characters and wax figures, and experience all the entertainment, dining, and rooftop options Hollywood has to offer. The neighborhood welcomed more than 15 million visitors in Q3, totaling 44.9 million visitors YTD.

Summer Fridays have always been a somewhat "optional" work day in Los Angeles, and 2023 did not disappoint. The majority of employees in Hollywood are now working from home at least two days a week. In-office trips are most popular on Wednesdays and Thursdays, while Fridays, well... you may want to pick another day for that meeting. Office vacancy rates were up slightly in Q3, while Class A office continues to be most popular when it comes to new leasing opportunities.

Despite our intense challenges, Hollywood is moving forward. There is no doubt that we have much more work to do, and the tasks ahead will not be easy. But, together, we will carry on. Please enjoy the following Market Report for Q3 2023.

# Q3 AT A GLANCE



## HED DEMOS

### Residents

Average Income: \$80K  
Median Income: \$55K  
Population: 31,469  
Pop. Density: 22,478 / Sq. Mi.

### Employees

Average Income: \$74K  
Median Income: \$49K  
Population: 35,227

### Visitors

Average Income: \$103K  
Median Income: \$66K

# Q3 TOP STORIES

## HP Update: HOLLYWOOD ON STRIKE

Throughout Q2 and Q3, the ongoing labor strikes in Hollywood had a widespread impact on both resident's livelihoods and the local economy. In July, striking members of the Writers Guild of America (WGA) were joined by members of SAG/AFTRA, practically bringing all production to a halt, affecting the film and television industry workers in Los Angeles and beyond. Late July saw thousands of hotel workers initiate a series of rolling strikes to demand better working conditions. And, in August, 11,000 LA City Workers walked off the job for a day in an effort to force the City to address its long-term staffing shortages. Finally, in early October, the WGA reached a tentative agreement with studio executives, resulting in the writer returning to work.



## HP Update: SELMA ENCAMPMENT CLEANUP

In August, a major encampment on Selma Ave. between Schrader St. and Las Palmas Ave. was successfully cleaned up by Mayor Karen Bass, County Supervisor Lindsey Horvath, City Councilmember Hugo Soto-Martínez, and the LAPD. Their efforts resulted in over 60 individuals in need being provided with interim housing.

After the initial cleanup, our Hollywood Partnership Ambassador Teams took action, thoroughly cleaning the sidewalk, streets, and Selma Park. Furthermore, we collaborated with Selma Ave. Elementary school to install planters on the sidewalk, which helps to maintain the area's cleanliness.



# Q3 TOP STORIES

## HP Update: CHIEF MOORE VISITS HOLLYWOOD

On Friday, September 29, The Hollywood Partnership welcomed LAPD Chief Michel Moore to our Community Dispatch Center. Chief Moore sat with a small group of board members, Captain Craig Heredia and officers from the LAPD Hollywood Division, and THP staff to engage in an important conversation about public safety in Hollywood. The Chief emphasized the significance of community collaboration in addressing crime-related issues. He acknowledged the role of programs such as THP's Dispatch Center and the clean, safe, and hospitality services it provides, which have significantly reduced the number of non-emergency calls to LAPD, thus enabling beat officers to focus on more significant crimes.



## HP UPDATE: WALK OF DAMES GETS A MAKEOVER

The iconic Walk of Dames art program, originally installed on utility boxes along Hollywood Blvd. in 2018, has been restored showcasing 35 extraordinary women who have made an indelible mark on on the entertainment industry.

Each of the 15 utility boxes in the program were sanded and repainted. The original artist made minor updates to the artwork and new wraps have been printed on a specialized material resistant to stickers, tape, and graffiti.



# Working in Hollywood

At its heart, Hollywood is a mecca for creativity and storytelling. Buoyed by a robust entertainment production ecosystem and brandishing a priceless name representing a neighborhood and an industry, Hollywood combines the best of laid-back Southern California culture with dedicated work, creative energy, and drive. While the community is home to a substantial share of entertainment production jobs consistent with its global brand, Hollywood features a diverse employment base. Other major employment clusters include information and technology firms, healthcare, personal and professional services, and abundant retail and food & beverage industry jobs. That diversity of employment translates directly to the diversity of the workforce, which is always on display throughout the neighborhood.

47,936

Daytime Population  
In HED

35,227

Employees In HED

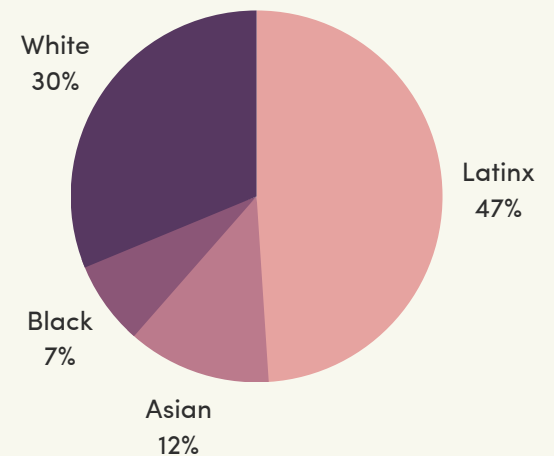
5 Million

Annual Employee  
Visits to HED

\$72,000

Average Employee  
Income In HED

## Employee Race + Ethnicity





# Working Continued

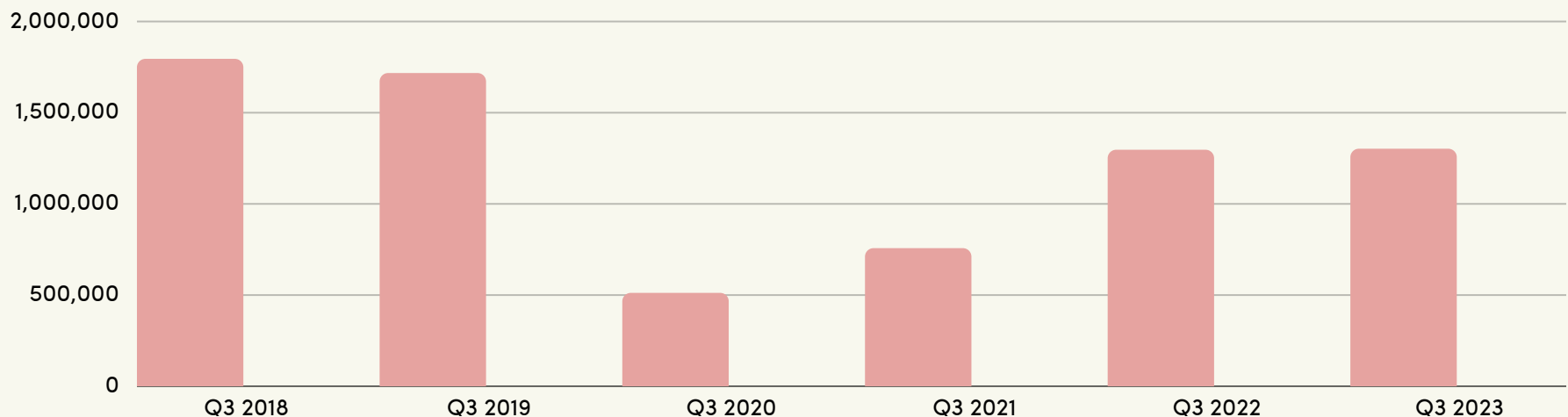


## Diverse Employment Base



## Q3 HED Employee Visits 2018-2023

The HED received 1.3 million employee visits during Q3, increasing slightly over Q2 figures. Hollywood continues to inch toward Q3 pre-pandemic levels, which averaged 1.62 million annually. However, national trends indicate that while employees are returning to their workplaces, they are opting to work in-office fewer days a week, which could ultimately impact the growth of annual employee visits in the long-term.

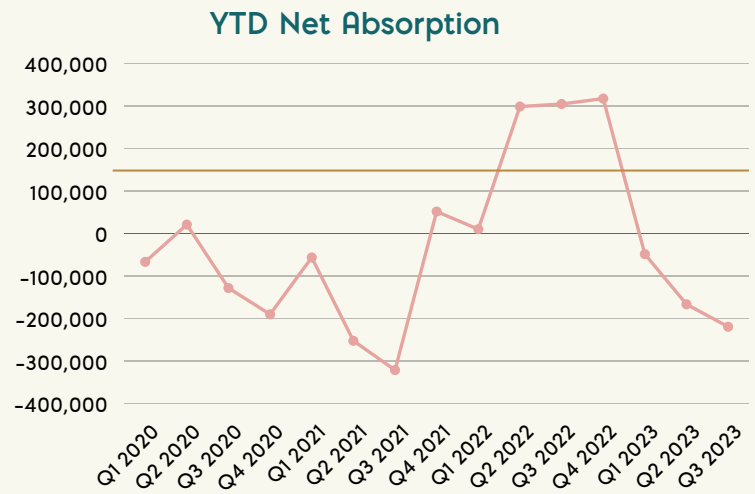


# Hollywood Office Market

In Q3 2023, there was 66,953 SF of office leasing activity in Hollywood, bringing the year-to-date total to 251,458 SF. Office vacancy rates saw a modest 0.8% increase from the previous quarter and a 2.3% increase from the prior year. Class A office average asking rents increased to \$5.15 PSF, over a dollar more than the citywide average. Additionally, in contrast to the citywide vacancy rate of 24%, the vacancy rate for Class A office space in Hollywood remains relatively low at 18%, reflecting the trend of "flight to quality." Businesses are looking for trophy spaces while reducing their footprints or "trading up" while "pairing down."

<b>4.9M SF</b>	<b>\$4.82</b>	<b>\$3.76</b>	<b>\$5.15</b>	<b>\$4.04</b>
Hollywood Office Inventory	Hollywood Overall Avg. Monthly Asking Rent PSF	L.A. Overall Avg. Monthly Asking Rent PSF	Hollywood Class A Avg. Monthly Asking Rent PSF	L.A. Class A Avg. Monthly Asking Rent PSF

Greater Hollywood Office Market: Q2 2023		
<b>Overall Asking Rents (PSF/monthly)</b>	\$4.82	<ul style="list-style-type: none"> <li>+2.1% from Q2 2023</li> <li>+3.9% from Q3 2022</li> <li>Compared to \$3.76 Citywide</li> </ul>
<b>Class A Asking Rents (PSF/monthly)</b>	\$5.15	<ul style="list-style-type: none"> <li>+12.% from Q2 2023</li> <li>+4.9% from Q3 2022</li> <li>Compared to \$4.04 Citywide</li> </ul>
<b>Overall Vacancy Rate</b>	23.9%	<ul style="list-style-type: none"> <li>+0.8% from Q2 2023</li> <li>+2.3% from Q3 2022</li> <li>Compared to 23.5% Citywide</li> </ul>



# OFFICE DEVELOPMENT

Gr. Hollywood  
+ HED

2  
Projects  
Under Construction

6  
Projects  
Entitled

1,418,571  
Total SF Entitled or  
Under Construction

15  
Projects  
Proposed

HED

2  
Projects  
Under Construction

3  
Projects  
Entitled

1,325,524  
Total SF Entitled or  
Under Construction

5  
Projects  
Proposed

## OFFICE TRENDS: OFFICE AS A DESTINATION, NOT A REQUIREMENT

As we gradually move towards a post-pandemic world, many companies are redefining their approach to office space. With the rise of remote work, the return to office is no longer seen as a strict requirement but rather a destination that employees will work from, likely for an abbreviated schedule of 2-3 days per week. This shift has led to a renewed focus on creating dynamic and engaging office environments that offer employees a sense of community and collaboration, as well as the tools and resources they need to do their best work. In Hollywood, proposed office developments such as 6000 Hollywood Blvd., are set to provide elegant open space options, mixed-use amenities, iconic views, and modern Class A office experiences to cater to employee needs.



Source: The Hollywood Partnership

# Living in Hollywood

Few places carry the same immediate name recognition or intrigue as Hollywood, attracting a diverse mix of people from all over the globe to live and work in the world's creative capital. With its central location, modern amenities, and reputation as the "most walkable neighborhood" in Los Angeles, Hollywood has its own unique character that appeals to modern-day creatives.

The Hollywood population is primarily renters, has a median age of 36.5, and is upwardly mobile, with 54% having a bachelor's degree or higher and with a median household income of \$55,000. Hollywood residents are more likely to take transit, walk or work from home compared to citywide averages. As a result, there is high demand for living in Hollywood, particularly in the HED.

**\$55,053**

Median Household  
Income In HED

**31,469**

Residential Population  
In HED

**22,478**

Population Density  
(per square mile)

**94%**

Renter Occupied  
In HED

**36.5**

Median Residential Age  
In HED

**54%**

Bachelors Degree  
or Higher In HED

**1.67**

Avg. Household Size  
In HED



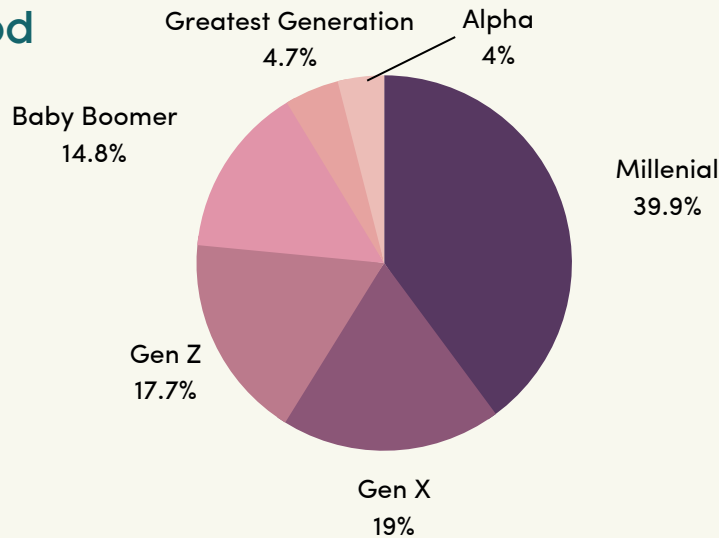


# LIVING CONTINUED

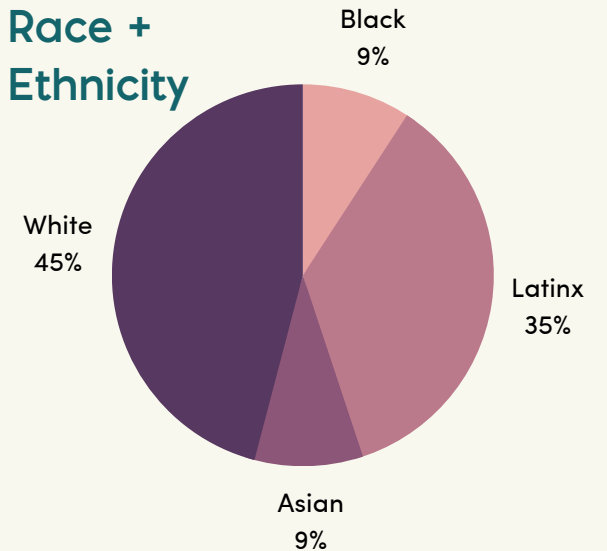
## Greater Hollywood Generations

Hollywood's residential population includes a diverse mix of people from all age groups and generations, with millennials being the most well-represented group.

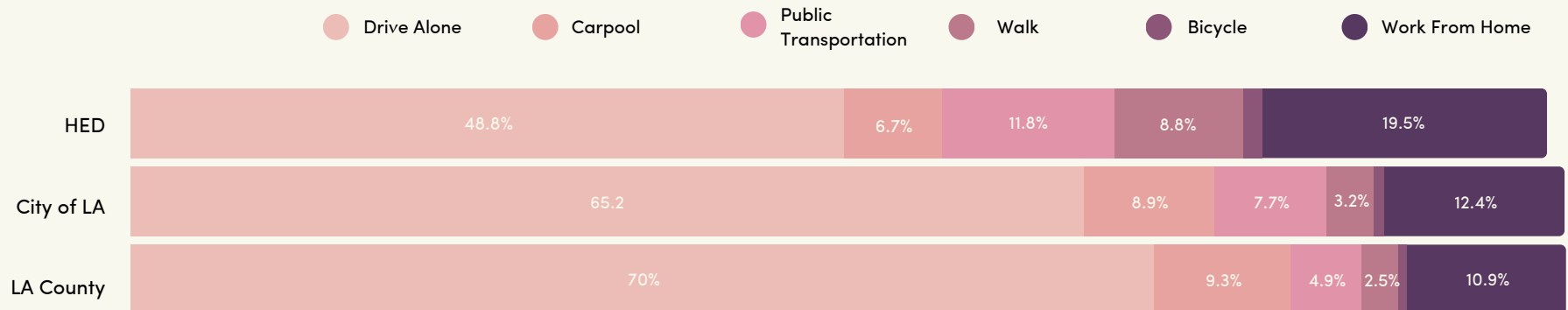
It is worth noting that figures indicate that residents desire to remain in their current homes for the next five years.



## Race + Ethnicity

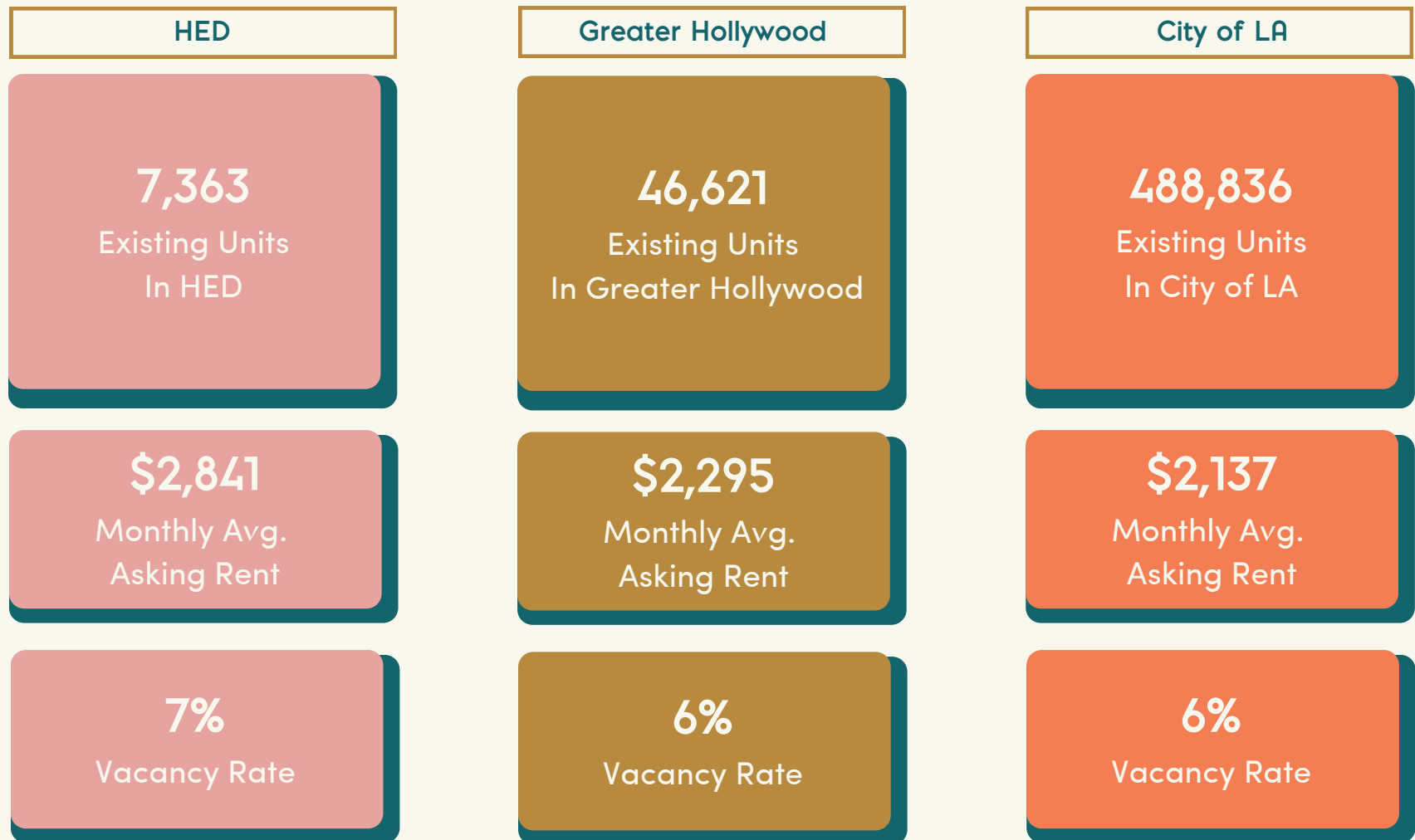


## Resident Commute



# Multifamily Market Conditions

While both the HED and Greater Hollywood boast higher monthly rents than the citywide average, they also exhibit slightly higher vacancy rates.



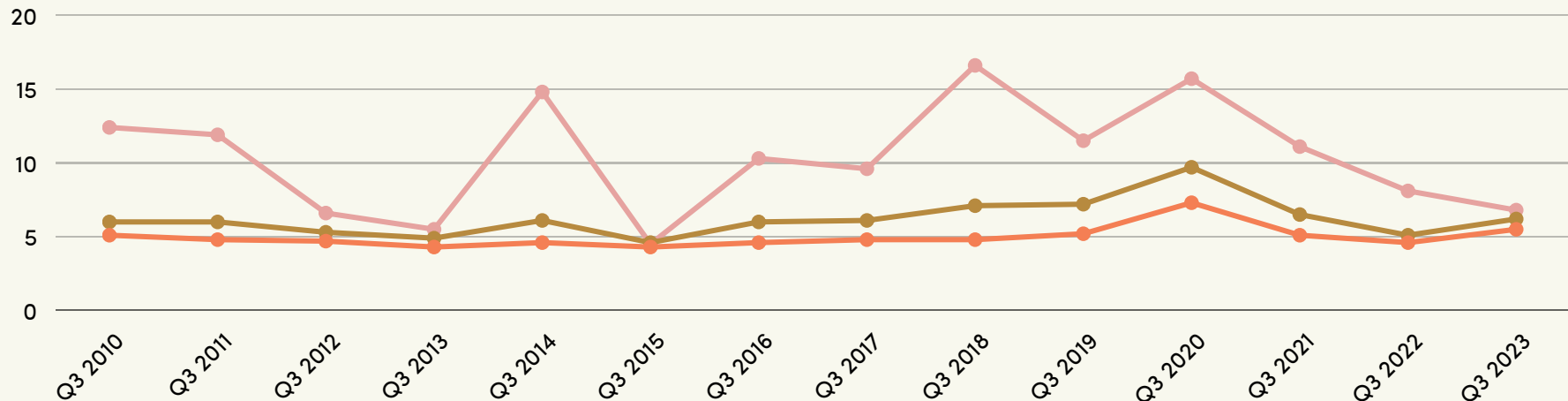
# MULTIFAMILY MARKET CONTINUED

	HED	Greater Hollywood	City of LA	LA County
Total Residential Inventory (Units)	7,363	46,261	488,836	1.3 Million
Avg. Residential Vacancy Rate (%)	6.8%	6.2%	5.5%	4.5%
Avg. Asking Rent PSF/Monthly	\$3.66	\$3.16	\$2.98	\$2.76
Avg. Asking Rental Rate Per Unit	\$2,841	\$2,295	\$2,197	\$2,137
Cap Rate (YTD)	5.5%	5.56%	5.08%	4.46%

## Multifamily Residential Vacancy Rates (2010-2023)

While multifamily residential vacancy rates in the HED are higher than Greater Hollywood and Los Angeles, they often spike in correlation with an increase in deliveries. According to the latest report, HED vacancy rates have remained stable at 6-9% since Q4 of 2021. However, when analyzing the vacancy rates for Q3 over the years, it was found that 2023 has marked the lowest vacancy rate since 2015.

- HED
- Gr. Hollywood
- City of LA



# Hollywood Residential Development

Greater Hollywood has 34 residential projects under construction or entitled, 41% of which are located in the HED. The HED boundaries contain 54% (2,769) of the approximately 5,171 residential units under construction or entitled in Greater Hollywood, reflecting the district's high density and population growth. Within the HED, 9% (261) of the total residential units planned will be affordable, while 12% (637) will be designated for affordable housing in the Greater Hollywood area.

## Greater Hollywood + HED



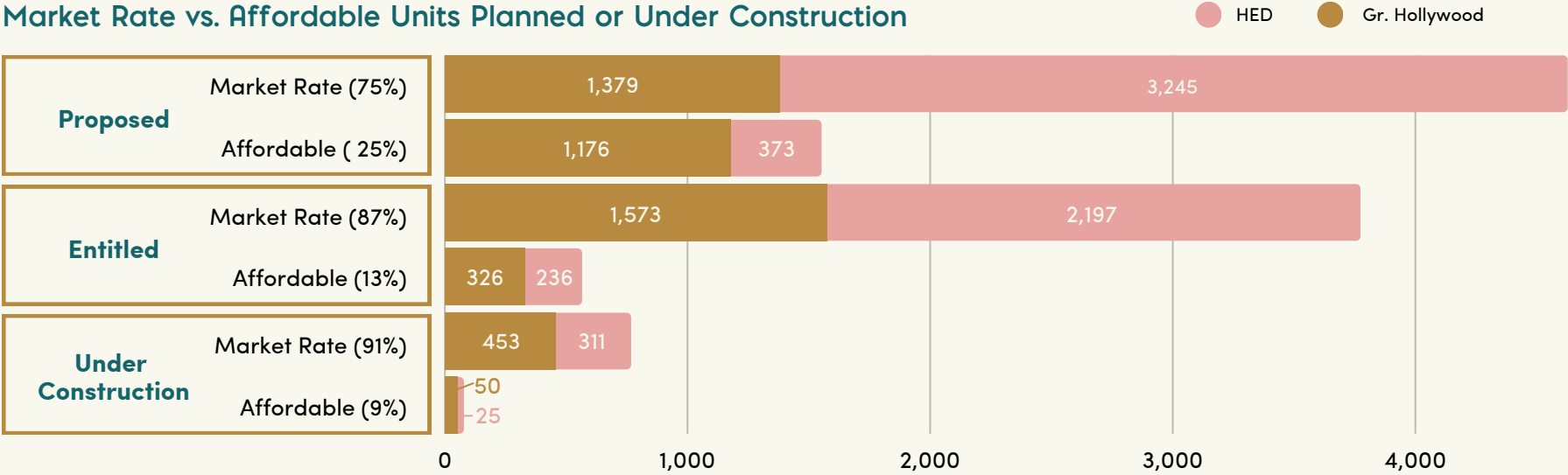
## HED





# RESIDENTIAL DEVELOPMENT CONTINUED

Market Rate vs. Affordable Units Planned or Under Construction



## Development Highlight: 1201 Gower Street

**Address:** 1201 Gower St.  
**Developer:** California Landmark Group  
**Architect:** PK Architecture  
**Total SF:** 216,259 SF

This proposed project will expand a 1940s apartment complex near Sunset Gower Studios, adding a total of 180,055 SF. The project plans to build a new 8-story building with 108 units of 1BR, 2BR, and 3BRs by demolishing 28 existing apartments. However, a 2-story, 44-unit apartment building at 36,104 SF will be retained. The architectural plan for the new building shows a Mediterranean-style structure with a tiered roofline that will provide ample space for courtyards and terrace decks. The project will feature 90 units at market rate and 18 affordable units.



Source: The Hollywood Partnership

# Visiting Hollywood

For decades, Hollywood has brought joy to so many through the magic of its bedrock roots in entertainment. The neighborhood's unique blend of creativity and commerce continues to offer one-of-a-kind experiences for both visitors and residents. While constantly on the cutting edge, Hollywood retains a timeless glamour that permeates our hotels, restaurants, and attractions. Those who visit Hollywood hail from nearby California cities and faraway countries, as this neighborhood's many hotels and entertainment destinations appeal to all walks of life.



The number of visits to the HED has steadily increased each year following the pandemic. From January to September 2023, the district welcomed over 44.9 million domestic visitors, almost as many as the yearly average before the pandemic. Looking at the total number of visits in the previous 12 months (Sept 2022–Sept 2023), which amounts to 57 million, it is highly probable that the HED's visitation will recover with a rate of over 100%, surpassing pre-pandemic levels.

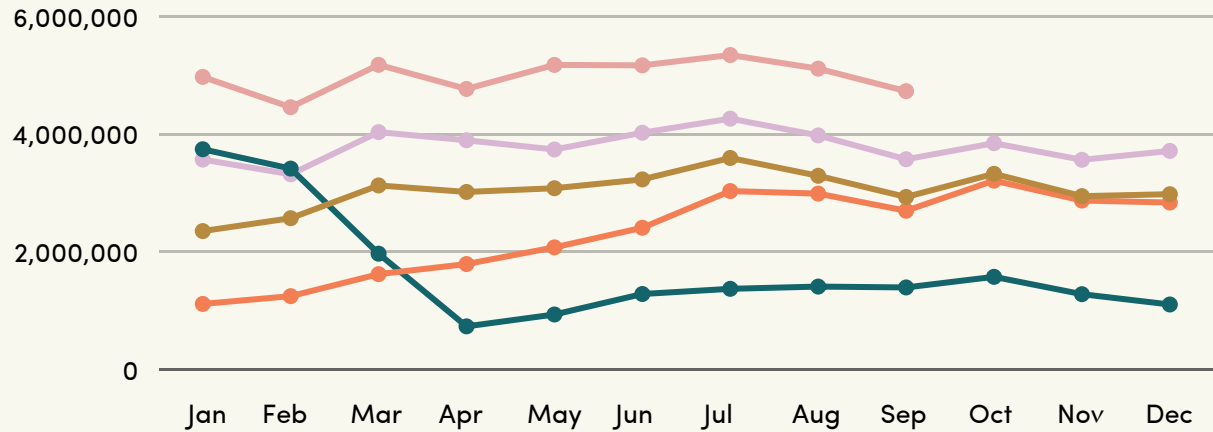


# VISITING CONTINUED

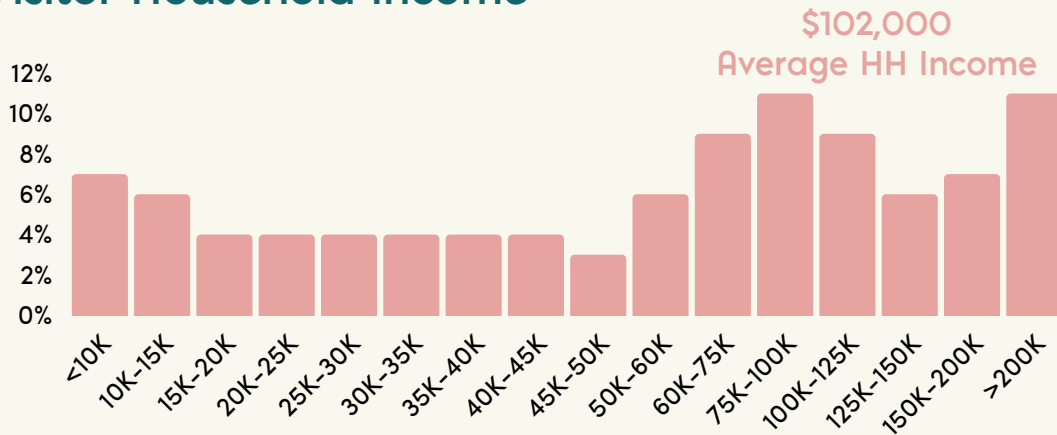


### HED Monthly Visits Over Time

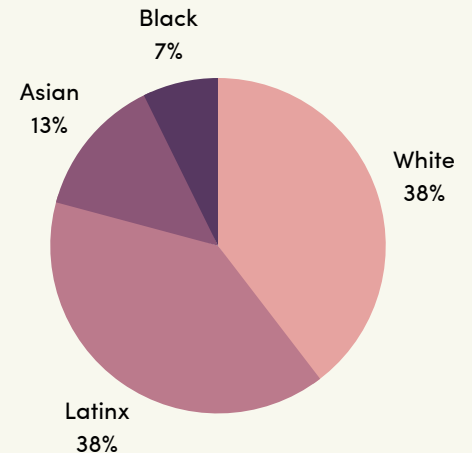
HED Total Annual Visits	
2019	45.3M
2020	20.2M (Covid Hits)
2021	27.9M (61% Recovery)
2022	36.5M (80% Recovery)
Jan-Sept 2023	44.9M (99% Recovery)



## Visitor Household Income



## Visitor Race + Ethnicity



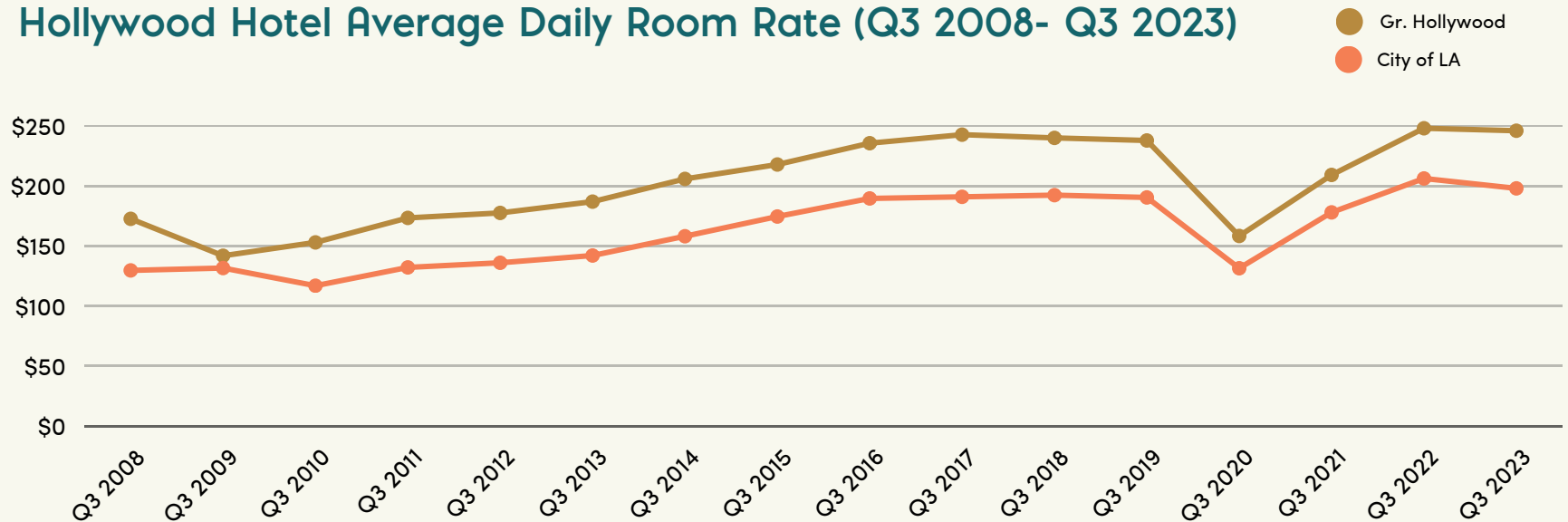
Source: Placer.ai

# Hotel Market Conditions

Over time, the average daily room rate for hotels in Hollywood has steadily increased and consistently remains higher than the citywide averages. The hotel occupancy rate in Hollywood saw a slight positive change in Q3 2023, with a 1% increase from the previous quarter and staying consistent year over year.



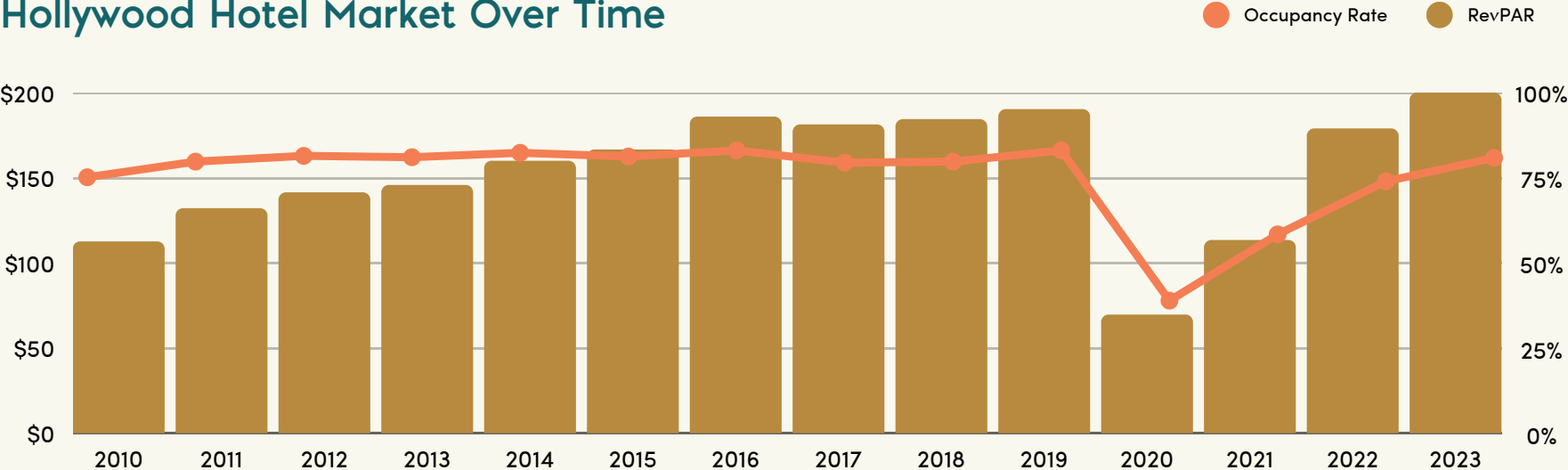
Hollywood Hotel Average Daily Room Rate (Q3 2008- Q3 2023)



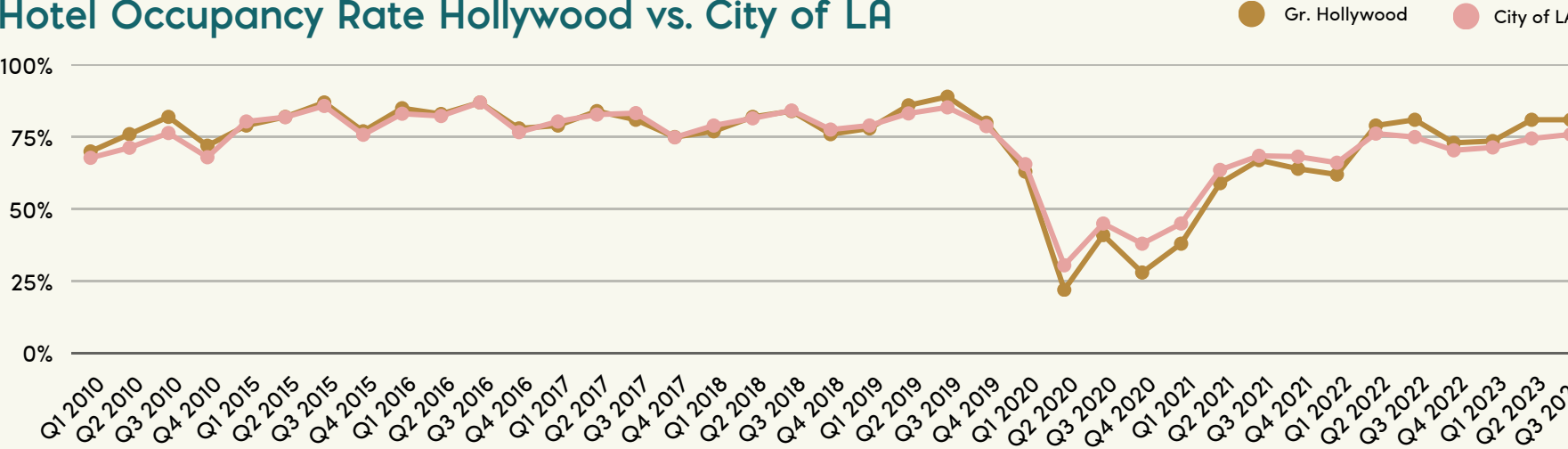


# HOTEL MARKET CONTINUED

## Hollywood Hotel Market Over Time



## Hotel Occupancy Rate Hollywood vs. City of LA



Source: LATCB, STR

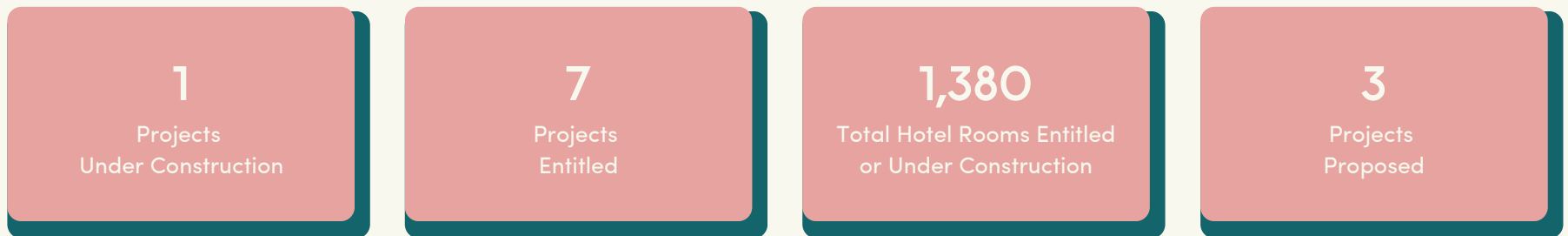
# Hollywood Hotel Development

There are currently 15 hotel projects underway or approved in Greater Hollywood, which will offer a combined total of around 1,724 hotel rooms. Among these, 12 projects are exclusively hotels, while the remaining 3 are mixed-use developments. The HED region accounts for 9 of these projects, including Citizen M, The Hyatt Hotel Nue, and Ivar Gardens. Additionally, Level Hollywood's 36 suites are expected to open in Fall 2023, as part of the SMB Hollywood development located on Santa Monica Blvd.

## Greater Hollywood + HED



## HED



# Top Travel Trends

## DOMESTIC TRAVELERS

According to The 2023 State of American Survey via LA Travel & Convention Bureau (LATCB), there is currently strong consumer interest in travel, despite varying financial challenges. Domestic travelers have specific motivations when choosing when and where to invest their money. Here are some top domestic travel trends for 2023 and beyond.

### Travel Motivation:

1. Relaxation
2. Visit Friends & Fam
3. Escaping Daily Life Stress
4. Self-Care
5. Enjoying the Outdoors
6. Exploration

### Trip Types:

1. Family Trips
2. Romantic Getaways
3. Girlfriend Trips
4. Solo Trips

### Trip Activities - LA:

1. Dining
2. Shopping
3. Sightseeing
4. Amusement Parks
5. Beach/Waterfront
6. Art Gallery/Museum
7. Nightlife

### Domestic Markets - HWD:

1. New York City
2. San Francisco
3. San Diego
4. Riverside
5. Phoenix

## INTERNATIONAL TRAVELERS

Los Angeles continues to be a popular destination around the globe, ranking as the #2 most desired U.S. city to visit by international travelers. This is evidenced by a significant increase in international travel to LAX which saw a 24% YoY increase in Q3 alone.

### Most Desired U.S. Destinations:

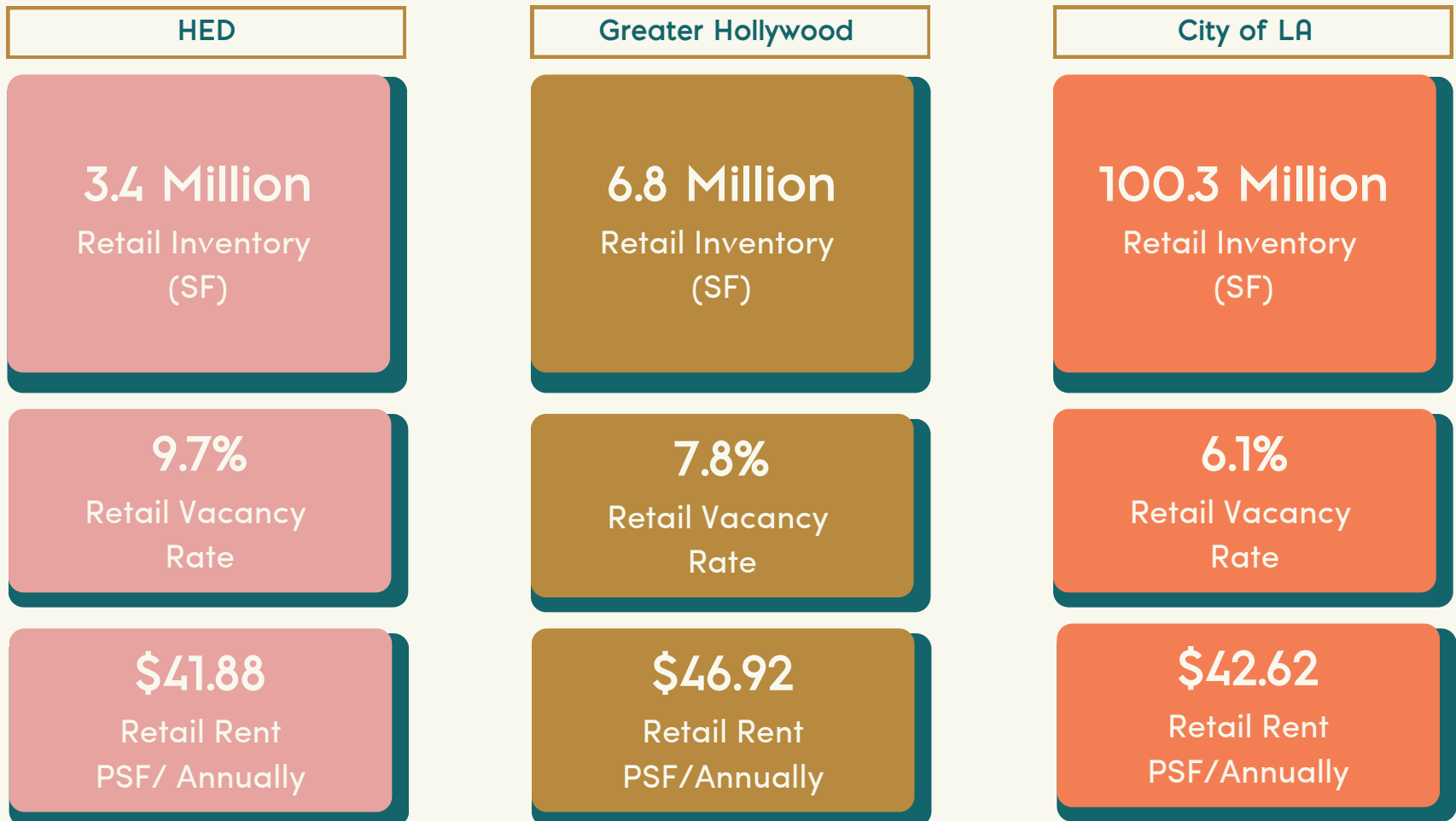
1. New York
2. Los Angeles
3. Las Vegas
4. Miami
5. San Francisco

### Top International Markets - LA County:

1. China
2. United Kingdom
3. Australia
4. France
5. South Korea

# Retail in Hollywood

Hollywood's retail market plays a crucial role in the vibrancy of the neighborhood. It offers a vast inventory of 6.8 million SF of retail space, with half of it (3.4 million SF) located in the HED. Currently, The HED has around 505K SF of available retail space, with an average asking rent of \$56.18 per SF annually. Although both Hollywood and the HED have higher retail vacancy rates when compared to LA's rate of 6%, their average rents PSF are higher than the citywide average of \$38.84 per SF. Furthermore, mixed-use development projects are continuously emerging, bringing a significant future retail presence totaling 496,099 SF entitled or under construction in Hollywood, with 43% (211,624 SF) of that within the HED.



# RETAIL CONTINUED

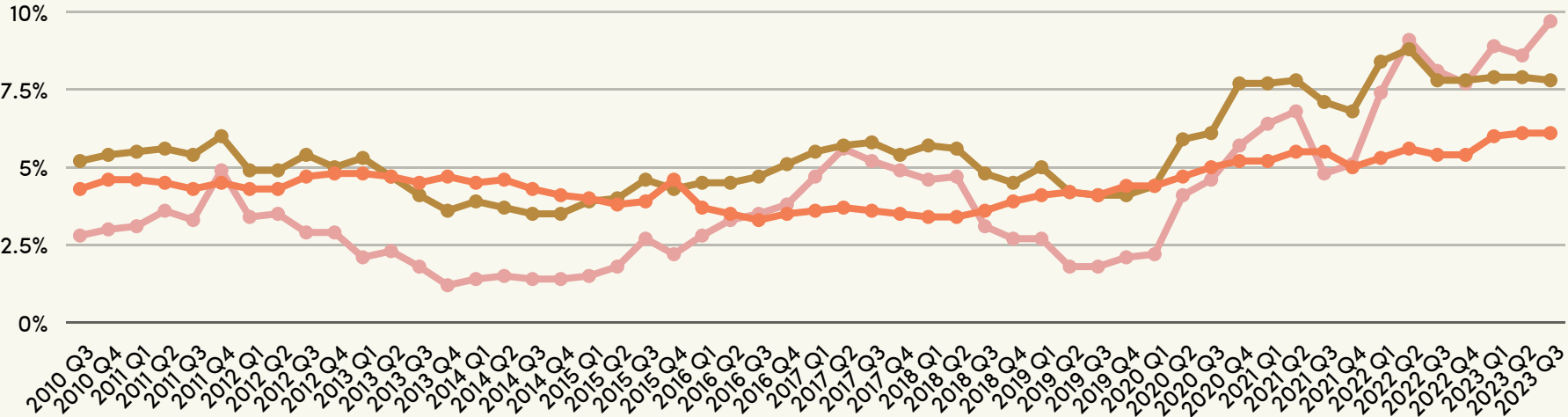


New HED Businesses - Q3	
RDEN Bar & Restaurant - 6280 Hollywood Blvd.	Waku Waku - 1511 Cahuenga Ave.
UKA Restaurant at Japan House - Ovation Hollywood	Hookah Headz - 6547 Sunset Blvd.
Ugo Cafe - 6933 Hollywood Blvd.	Dogdrop: Dog Daycare - 1724 Highland Ave.
MGD (Meat, Grille, Drink) - 1777 Ivar Ave.	Shirley Brasserie - Hollywood Roosevelt Hotel

## Retail Vacancy Rates Over Time (2010-2023)

The Q3 2023 retail vacancy rate in the HED increased slightly from Q2 to 10%. The Greater Hollywood rate is 8%. Mirroring Greater Hollywood’s trajectory, the HED’s retail vacancy rate rose between Q2 2020 to Q2 2021, decreased from Q3-Q4 2021, and then increased again from Q1 2022 to the Q3 2023.

- HED
- Gr. Hollywood
- City of LA

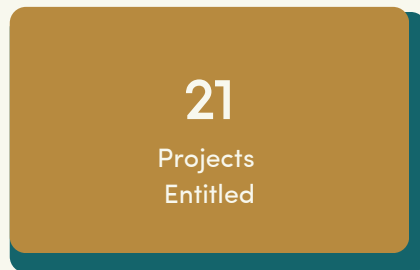


Source: CoStar Group, The Hollywood Partnership

# Hollywood Retail Development

Mixed-use development is a golden standard in Hollywood. Right now, 59 projects proposed, entitled, or under construction include a retail component. In the HED, this equates to 496K SF of retail.

## Greater Hollywood + HED



## HED



# Upcoming Development



The Hollywood Partnership tracks upcoming development regularly to keep you apprised of the latest projects planned or under construction in the HED and Greater Hollywood. Explore our Development Map, or check out our Development Matrix for a quick glimpse.

[Click Here  
To Explore Our  
Development Map](#)

[Click Here  
To View Our  
Development Matrix](#)

[Click Here  
To View Our  
Virtual Economic  
Development Tour](#)

\*The Hollywood Partnership tracks development projects that are proposed, fully entitled, and under construction. Information included here reflects the status of each project as of the current quarter, and The Hollywood Partnership makes no representations as to the likelihood of completion for any individual project in light of market conditions.



THE  
HOLLYWOOD  
PARTNERSHIP

# MARKET REPORT

Third Quarter Performance, 2023

**The Hollywood Partnership**  
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