Hollywood Partnership Q4 2022 Market Report

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THE
HOLLYWOOD
PARTNERSHIP

MARKET REPORT

Fourth Quarter Performance, 2022

Scroll Down

Hollywood continues to show signs of recovery as we head into a new year. In 2022, the Hollywood Entertainment District (HED) welcomed an average daytime population of 45,000. Total visitor numbers inched back up near pre-pandemic levels, with nearly 28 million people coming to the iconic destination. Although the office market remains fickle, Hollywood's office vacancy rate is down 7.4% year-over-year, 1% lower than the City of Los Angeles. The average residential asking rent per unit in the HED is nearly $600 more monthly than in the greater Hollywood area. Subsequently, the vacancy rate in the HED is slightly higher than the rest of the neighborhood. Meanwhile, hotel occupancy rates are up 13% compared to Q4 2021, resulting in a 29% increase in room revenue.

Please enjoy the following Market Report for Q4 2022. We look forward to a great 2023 in Hollywood!

AT A GLANCE

MARKET DATA

WORK

Greater Hollywood

3.9 MILLION SF

Office Projects Planned or Under Construction

HED

2.6 MILLION SF

Office Projects Planned or Under Construction

LIVE

Greater Hollywood

60

Residential Projects Planned or Under Construction

HED

25

Residential Projects Planned or Under Construction

VISIT

Greater Hollywood

73%
Hotel Occupancy

13%
Over Q4 2021

RETAIL

Greater Hollywood

800,000 SF
Retail Space Planned or Under Construction

HED

500,000 SF
Retail Space Planned or Under Construction

DAYTIME POPULATION

72%
Daytime Workers

45,000

28%
Residents

Q4 FEATURES

A DREAM Acquisition

In Q4 2022, Hyatt Hotels & Resorts acquired the DREAM Hollywood, expanding their unique lifestyle hotel offerings and quickly growing brand portfolio focused on dining and nightlife experiences. Dream Hotel Group properties are known for their vibrant dining and nightlife options, including hotspot restaurants, lavish entertainment venues, and exclusive nightclubs built on strategic collaborations with innovative and award-winning industry leaders. The acquisition will extend Hyatt's brand footprint in key markets, including Hollywood.

New Owner at 6922

In November 2022, Harbor Associates purchased the 205,522 SF, 12-story, Class-A office building at 6922 Hollywood Blvd. from Hudson Pacific Properties for $96 million, or about $467 PSF.

Commonly known as the "Trailer Park" building, the newly renovated space is the new home of the Hollywood Partnership. In addition, fellow tenant Hum Nutrition renewed their lease for 39 more months.

Fender To Stay

True to Hollywood's roots in arts and entertainment, Fender headquarters renewed their lease at Kilroy's Columbia Square (1575 Gower St.) for 49 more months.

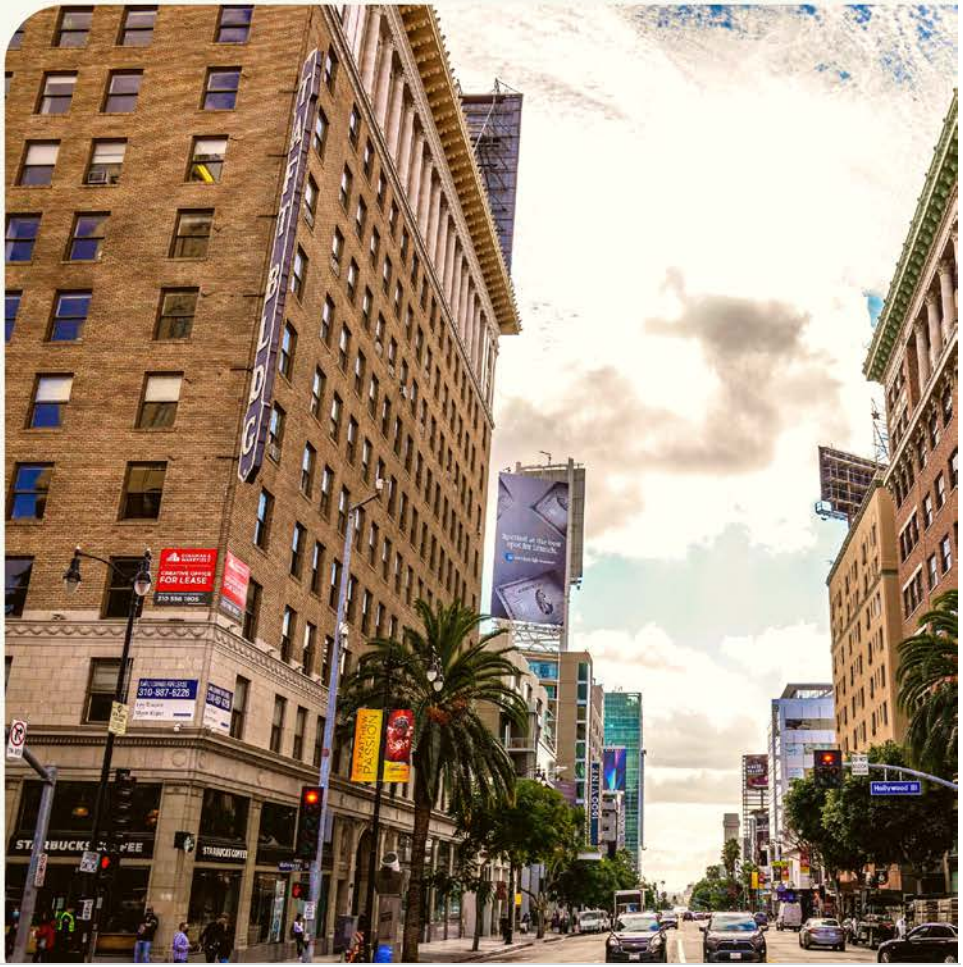
Tesla Diner & Drive-In

Tesla acquired the site at 7001 Santa Monica Blvd. in the Hollywood Media District to develop it into a 2-story restaurant, drive-in theatre, and fast-charging station.

The proposed location will feature two movie screens visible from the parking lot and a rooftop outdoor seating area. The bottom floor will house the kitchen, bar, and dining area. The second-story rooftop area will also feature a bar, table seating, and theater-style seating. Visitors waiting in their cars can also experience a Sonic-style carhop food delivery service.

Working in Hollywood

Scroll Down



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, healthcare, personal and professional services, retail, and hospitality. The diversity of employment translates directly to the diversity of the workforce, which is always on display throughout the neighborhood.

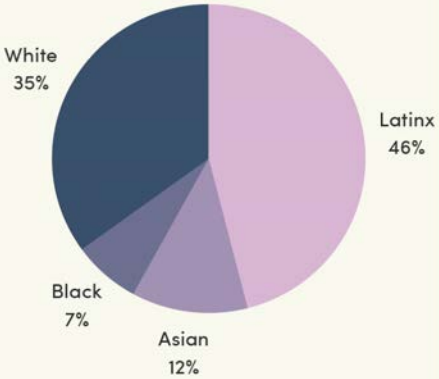
WORKFORCE DATA

Employment

31,064

Employees in the HED

Race + Ethnicity



Income

$70,000

Average Employee Income

Employee Visits

5 Million

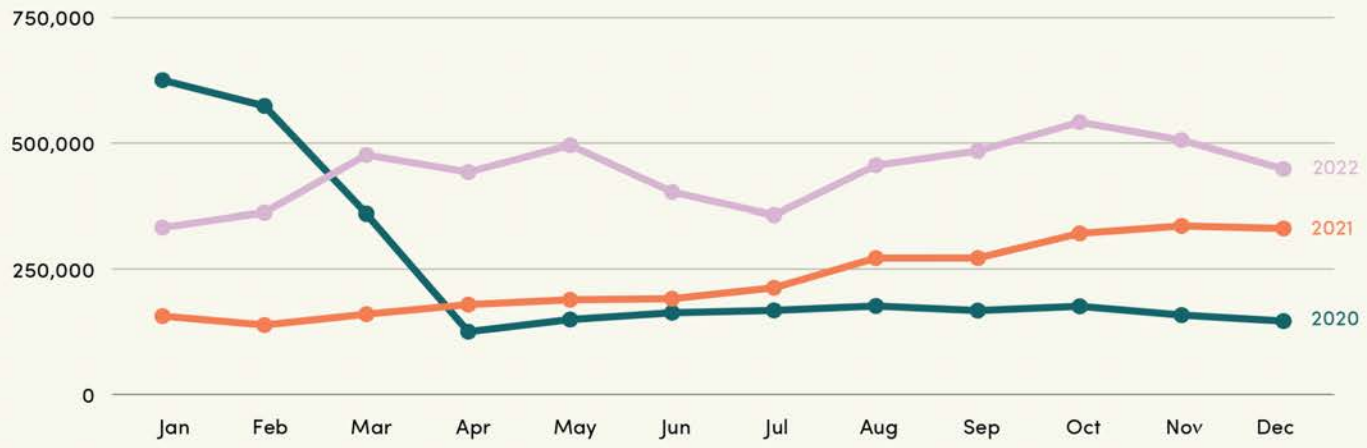
Annual Visits to HED By Employees

Diverse Employment Base

16%	13%	12%	10%	8%	8%	7%	5%
Professional, Scientific & Technical Services	Information	Accommodation & Food Services	Arts, Entertainment, Recreation	Retail	Health Care & Social Assistance	Finance, Insurance & Real Estate	Edu. Services

2020-2022 HED Monthly Employee Visits

Employee Visits continue to recover following the pandemic. Q4 2022 employee visits were on par with 2017 figures but have yet to return to 2018 or 2019 levels.



OFFICE MARKET CONDITIONS

HOLLYWOOD OFFICE

5M SF	$4.63	$3.76	$4.88	$4.03
Hollywood Office Inventory	Hollywood Average Monthly Asking Rent PSF	L.A. Average Monthly Asking Rent PSF	Hollywood Class-A Average Monthly Asking Rent PSF	L.A. Class-A Average Monthly Asking Rent PSF

Greater Hollywood Office Market: Q4 2022		
Overall Asking Rents (per SF/monthly)	$4.63	• Down 0.2% from Q3 2022 • Down 3.1% from Q4 2021 • Compared to $3.76 Citywide
Class-A Asking Rents (per SF/monthly)	$4.88	• Down 0.2% from Q3 2022 • Down 0.6% from Q4 2021 • Compared to $4.03 Citywide
YTC Absorption (SF)	317,481	• Up 4.2% from Q3 2022 • Up 515% from Q4 2021
Overall Vacancy Rate	21.1%	• Down 0.5% from Q3 2022 • Down 7.3% from Q4 2021 • Compared to 22.4 % Citywide
YTD Leasing Activity (SF)	280,067	• Up 16.1% from Q3 2022 • Up 83% from Q4 2021

COMING SOON

OFFICE DEVELOPMENT

Greater Hollywood

2 Projects Under Construction

5 Projects Entitled

12 Projects Seeking Entitlement

HED

2 Projects Under Construction

2 Projects Entitled

5 Projects Seeking Entitlement

CLICK HERE TO VIEW UPCOMING OFFICE PROJECTS

Living in Hollywood

Scroll Down

Few places carry the same immediate name recognition or intrigue as Hollywood. The neighborhood attracts 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 walkable scale 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 renter-occupied, has a median age of 36.5, is upwardly mobile, with 52% having a Bachelor's Degree or higher, and with an average household income of $55.00. Hollywood residents are more likely to take transit or walk to work compared to citywide averages. As a result, there is high demand for living in Hollywood, particularly in the HED.

The average rental rate per unit in the HED is $2,858 (compared to $2,248 in Greater Hollywood), and the average price per square foot is $3.70 (compared to $3.12 in Greater Hollywood). Both areas have relatively low residential vacancy rates (5% in Hollywood, 8% in the HED). To meet demand, there are currently 60 residential projects planned, or under construction in Hollywood, with 25 of those within the HED. Of the residential projects planned or under construction, 22% of the units in Greater Hollywood are affordable, and 15% of the units in the HED are affordable.

POPULATION DENSITY

21,506
Hollywood
Population Density
(Per Square Mile)

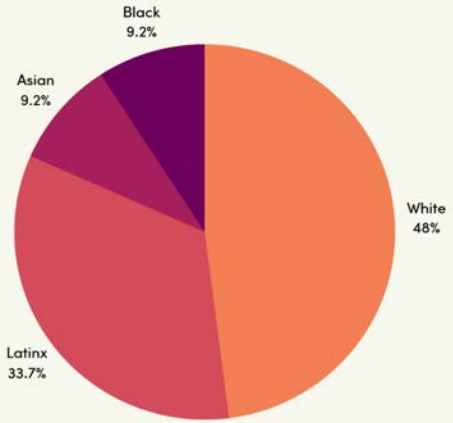
8,323
L.A.
Population Density
(Per Square Mile)

225
California
Population Density
(Per Square Mile)

HED Population

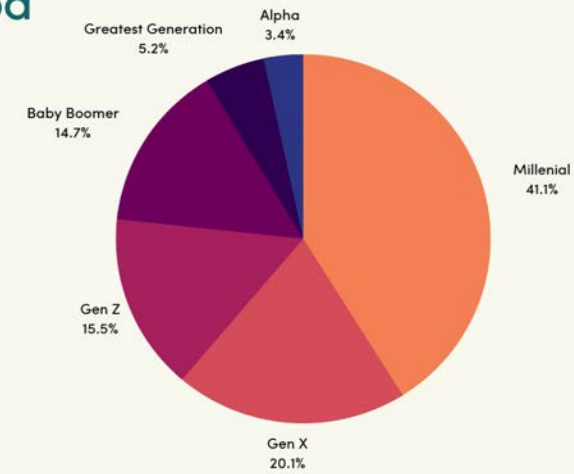
30,125 Residential Population	36.5 Median Age	$55,000 Average Annual Household Income	52% Bachelor's Degree or Higher	83% Diversity Index	94% Renter Occupied
14% Population Growth Since 2010	73% White Collar Jobs	67% Uptown Individuals (ESRI Tapestry Segment)	37% Own a Pet	1.7 Average Household Size	63% Never Married

Greater Hollywood Race + Ethnicity



Greater Hollywood Generations

Residents of Hollywood represent all ages, projecting population increases from 35-84. Figures indicate that people plan on staying put over the next five years.



MULTIFAMILY CONDITIONS

Greater Hollywood

45,000 Units

$2,248/Month Avg. Asking Rent

5% Vacancy Rate

HED

7,000 Units

$2,858/Month Avg. Asking Rent

8% Vacancy Rate

City of LA

1.2 Million Units

$2,091/Month Avg. Asking Rent

3.8% Vacancy Rate

Residential Market Data

Q4 2022	HED		Greater Hollywood	
Total Residential Inventory (Units)	7,077	• Up 270 Units from Q4 2021	45,342	• Up 416 Units from Q4 2021
Average Residential Vacancy Rate	7.7%	• Down 0.3% from Q3 2022	5.1%	• Down 0.1% from Q3 2022
Average Asking Rate Per Square Foot	$3.70	• Down 1.6% from Q3 2022 • Up 0.5% from Q4 2021	$3.12	• Down 0.01% from Q3 2022 • Up 1.6% from Q4 2021
Average Asking Rental Rate Per Unit	$2,858	• Down 1.6% from Q3 2022	$2,248	• Down 0.004% from Q3 2022
Cap Rate (YTD)	3.5%	• Down 0.1% from Q3 2022	3.8%	• 0% change from Q3 2022
Quarterly Absorption	0.3%	• Up 18 Units from Q3 2022	0.1%	• Down 39 Units from Q3 2022

MOBILITY

Resident Commute

Greater Hollywood

95
Walk Score

67
Transit Score

80
Bike Score

City of LA

69
Walk Score

53
Transit Score

59
Bike Score

"Central Hollywood is the most walkable neighborhood in Los Angeles. Central Hollywood has good public transportation and is very bikeable. Daily errands do not require a car in Central Hollywood. People in Central Hollywood can walk to an average of 14 restaurants, bars and coffee shops in 5 minutes"

Walk Score, Redfin, October 2022

COMING SOON

RETAIL DEVELOPMENT

Greater Hollywood

15 Projects Under Construction

17 Projects Entitled

28 Projects Seeking Entitlement

HED

4 Projects Under Construction

9 Projects Entitled

10 Projects Seeking Entitlement

HED
Gr. Hollywood
Seeking Entitlement
13 Projects
15 Projects
Entitled
9 Projects
8 Projects
Under Construction
3 Projects
12 Projects
0
200
400
600
800
1,000
1,200
1,400
1,600
1,800
2,000
2,200
2,400
2,600
2,800
3,000
3,200
3,400
3,600
3,800
4,000
4,200
4,400
4,600
Total Residential Units (#)

Affordable Housing

In Hollywood, there are **9,841** residential units planned or under construction and **55%** or **5,388** are in the HED.

Of the residential projects planned or under construction, **21.7%** of the units in Greater Hollywood are affordable, and **15%** of the units in the HED are affordable.

	HED	Hollywood
Under Construction		
Market Rate	263	1,252
Affordable	233	364
% Affordable	47%	22.5%
TOTAL	**766**	**1,616**
Entitled		
Market Rate	1,973	3,546
Affordable	206	480
% Affordable	9.5%	11.9%
TOTAL	**2,179**	**4,026**
Seeking Entitlement		
Market Rate	2,346	2,908
Affordable	367	1,291
% Affordable	13.5%	30.7%
TOTAL	2,713	4,199
% AFFORDABLE TOTAL	**15%**	**21.7%**

CLICK HERE TO VIEW UPCOMING RESIDENTIAL PROJECTS

Visiting Hollywood

Scroll Down

For decades, Hollywood has brought joy to so many through the magic of its bedrock roots in entertainment. Hollywood has, and always will offer an escape to another world. The neighborhood's unique blend of creativity and commerce continues to deliver one-of-a-kind experiences for 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.

Greater Hollywood

68.5 Million
Annual # of Visitors (Pre-Pandemic)

58.9 Million
Annual # of Visitors (2022)

4.5 Hours
Average Stay (2022)

HED

36.5 Million
Annual # of Visitors (Pre-Pandemic)

27.9 Million
Annual # of Visitors (2022)

3.5 Hours
Average Stay (2022)

Walk of Fame

10 Million
Annual # of Visitors (Pre-Pandemic)

6.3 Million
Annual # of Visitors (2022)

1 Hour
Average Stay (2022)

HED VISITOR DATA

Visitation Trends 2020-2022

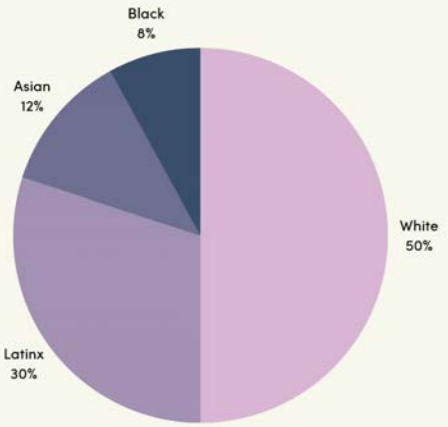
27.9 Million

Annual # of Visitors (2022)

49% Increase in Visits from 2020-2022

18% Increase in Visits from 2021-2022

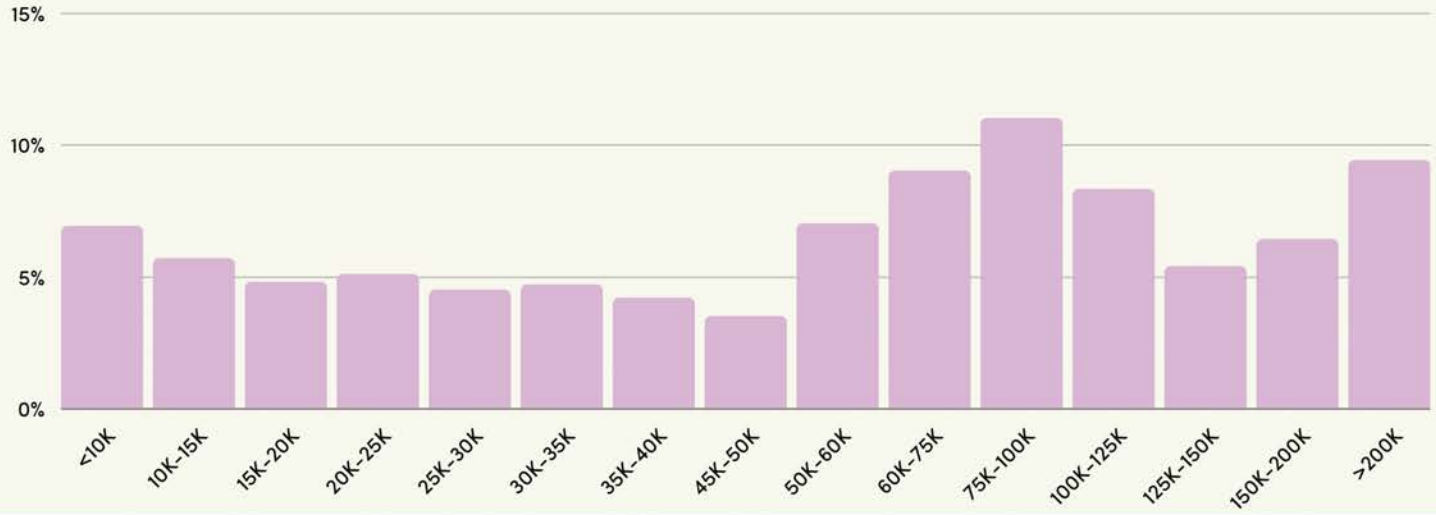
Race + Ethnicity



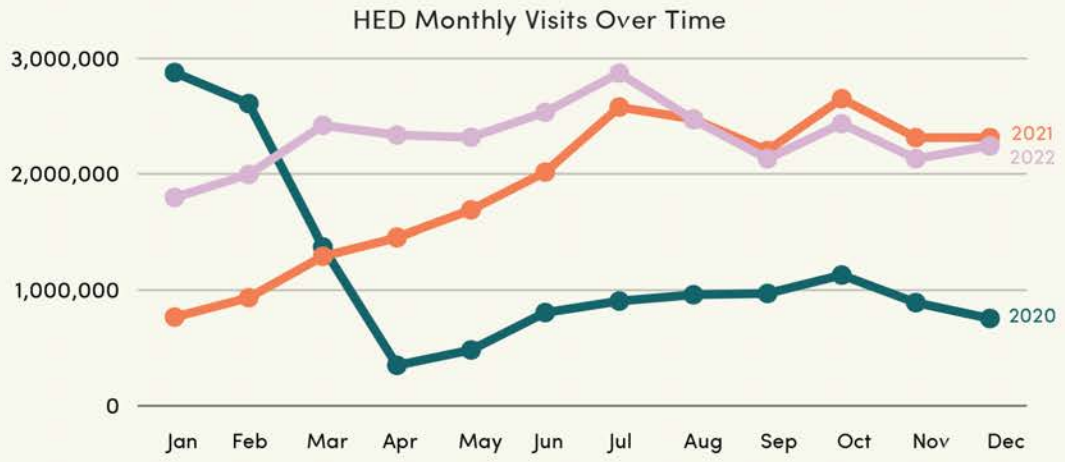
2022 HED Visitor Household Income

$94,000

Average Household Income



HED Total Annual Visits	
2017	36.2M
2018	37.4M
2019	35.8M
2020	14.1M
2021	22.7M
2022	27.9M



Hollywood Hotels

Q4 2022	73% Occupancy Rate	$238 ADR	$174 RevPAR	436.9K Supply	319K Room Nights	$76M Room Revenue
vs Q4 2021	+13%	+11%	+26%	+2%	+16%	+29%

COMING SOON

HOTEL DEVELOPMENT

Greater Hollywood

2 Projects Under Construction

7 Projects Entitled

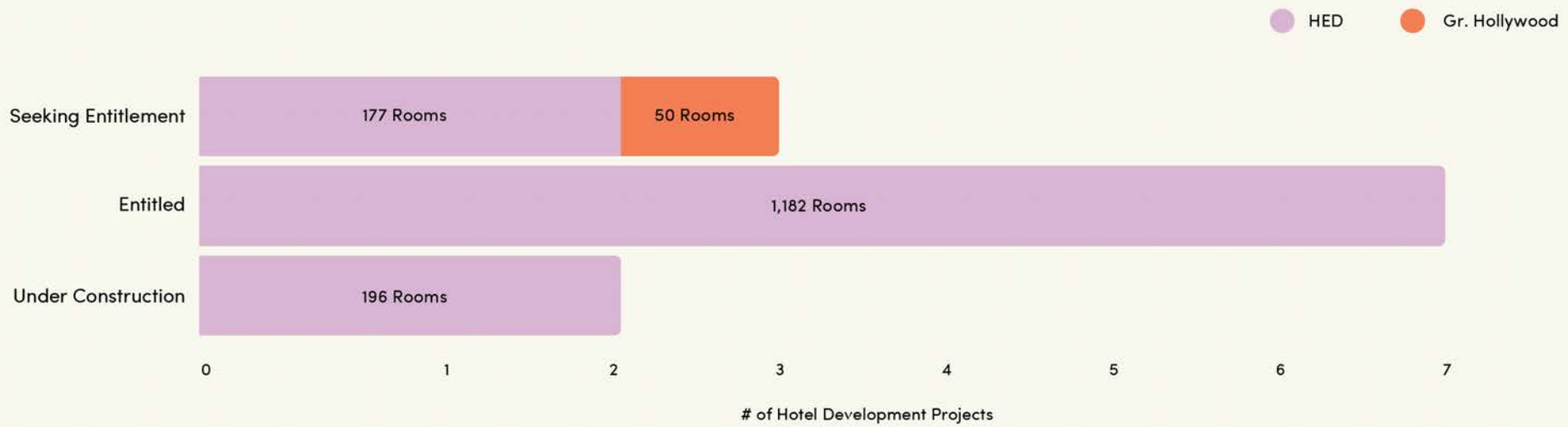
3 Projects Seeking Entitlement

HED

2 Projects Under Construction

7 Projects Entitled

2 Projects Seeking Entitlement



CLICK HERE TO VIEW UPCOMING HOTEL PROJECTS

Shop Hollywood

Scroll Down

The retail market is an essential part of the vibrancy of Hollywood. The neighborhood has an inventory of 6.8 million SF of retail space, with half of that (3.3 million SF) located in HED. Within the HED, there is approximately 400K SF of available retail space and average asking rent of $46.87 PSF annually. While both Hollywood and the HED have higher retail vacancy rates when compared to the City of LA's rate of 6.0%, their average rents PSF are higher than the citywide average. Furthermore, as mixed-use development projects continue to spring up in Hollywood, they bring with them a significant future retail presence, with 806K SF of that in the HED.

HOLLYWOOD RETAIL

6.8M SF	3.3M SF	7.9%	8%	$46.79	$46.87
Hollywood Retail Inventory	HED Retail Inventory	Hollywood Retail Vacancy Rate	HED Retail Vacancy Rate	Hollywood Retail Rent PSF	HED Retail Rent PSF

HED Retail

	# of Businesses	% of Total Businesses
Open	476	64%
Closed	106	14%
Vacant	68	22%

New Restaurant Coming Soon! Jemma, by Top Chef Alum Jackson Kalb (1717 Vine St.)

Hollywood Blvd. Retail

265
Total # of Businesses on Hollywood Blvd.

70%
Ground Floor Retail Occupancy Rate

30%
Ground Floor Retail Closed or Vacant

Coming Soon!
Taco Bell Cantina (6741 Hollywood Blvd.)

COMING SOON

RESIDENTIAL DEVELOPMENT

Greater Hollywood

19 Projects Under Construction

29 Projects Entitled

44 Projects Seeking Entitlement

HED

7 Projects Under Construction

18 Projects Entitled

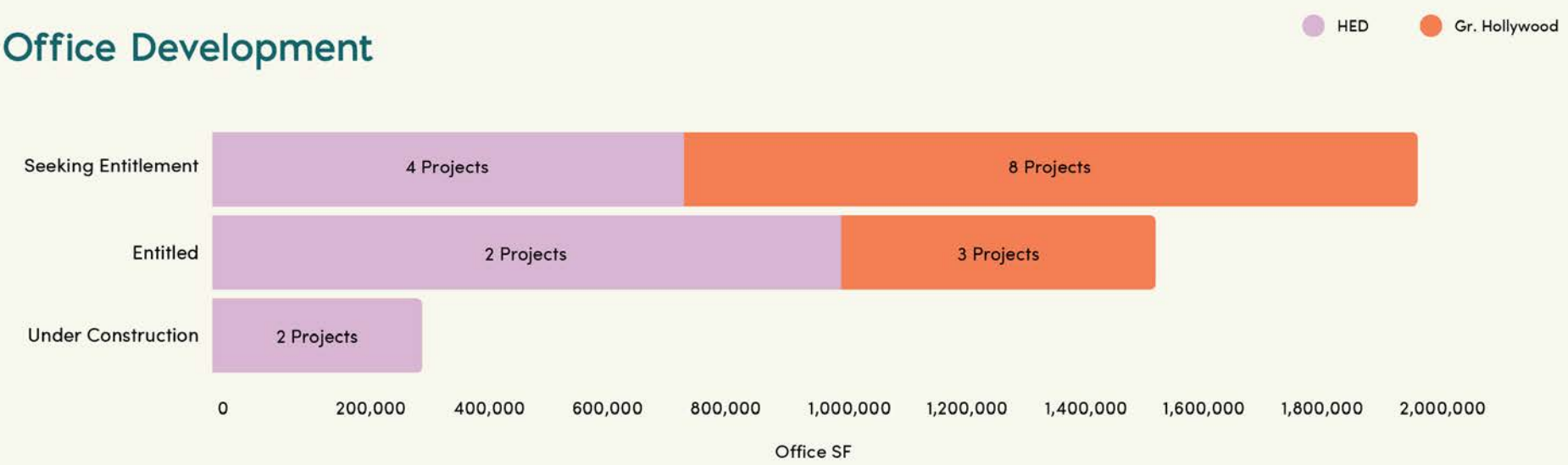
24 Projects Seeking Entitlement

CLICK HERE TO VISIT THE HOLLYWOODPARTNERSHIP.COM BUSINESS DIRECTORY

Hollywood Development

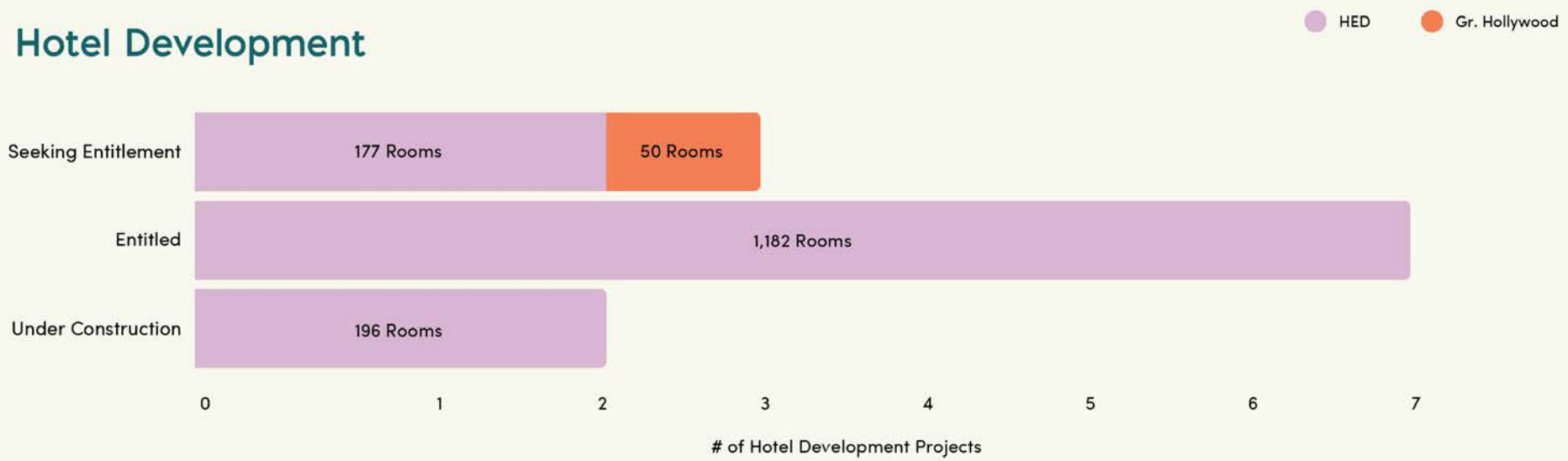
Scroll Down

Office Development



Residential Development

Hotel Development



Retail Development

CLICK HERE TO VIEW DEVELOPMENT MATRIX

CLICK HERE TO VIEW ALL UPCOMING DEVELOPMENT PROJECTS

Data Sources

Scroll Down

Working Hollywood

- Office Development Tracking: Q4 2022, SF of office development by project status and district, The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Worker Population: ESRI Community Analyst, 2022.
- Worker Visitation: Placer.ai.
- Office Market: Cushman & Wakefield.

Living in Hollywood

- Residential Population Statistics: US Census/ACS 5-year estimates via ESRI Community Analyst. Hollywood Census Tracts 1901.01, 1901.02, 1902.01, 1902.021907.01, 1908.01, 1908.02, 1909.02, 1910, as defined by the International Downtown Association's "Value of Downtown" geographic area of Hollywood.
- Residential Development Tracking: Q3 2022, Number of Projects and Number of Units (By District and Status), The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Multifamily Market Conditions: CoStar Group, The Hollywood Partnership.

Mobility

- Means of Transportation to Work: US Census Data, ACS 2020 5-Year Estimates, Table S0801.
- WalkScore, Redfin, Accessed January 2023.

Visiting Hollywood

- Hotel Development Tracking: Q4 2022, Number of Hotel Projects by Status and District, The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Placer.ai. Demographic Statistics by Visits.

Shop Hollywood

- Retail Development Tracking: Q4 2022. The Hollywood Partnership, ZIMAS, Urbanize LA.
- Retail Market: Costar Group.
- Block By Block, The Hollywood Partnership.

Development

- Office Development Tracking: Q4, 2022. SF of office development by Project Status and District, The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Hotel Development Tracking: Q4, 2022. Number of Hotel Projects by Status and District, The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Residential Development Tracking: Q4, 2022. Number of Projects and Number of Units by District and Status, The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.
- Retail Development Tracking: Q4, 2022. The Hollywood Partnership, City of Los Angeles, ZIMAS, Urbanize LA.