

THE
HOLLYWOOD
PARTNERSHIP

MARKET REPORT

Fourth Quarter Performance, 2023

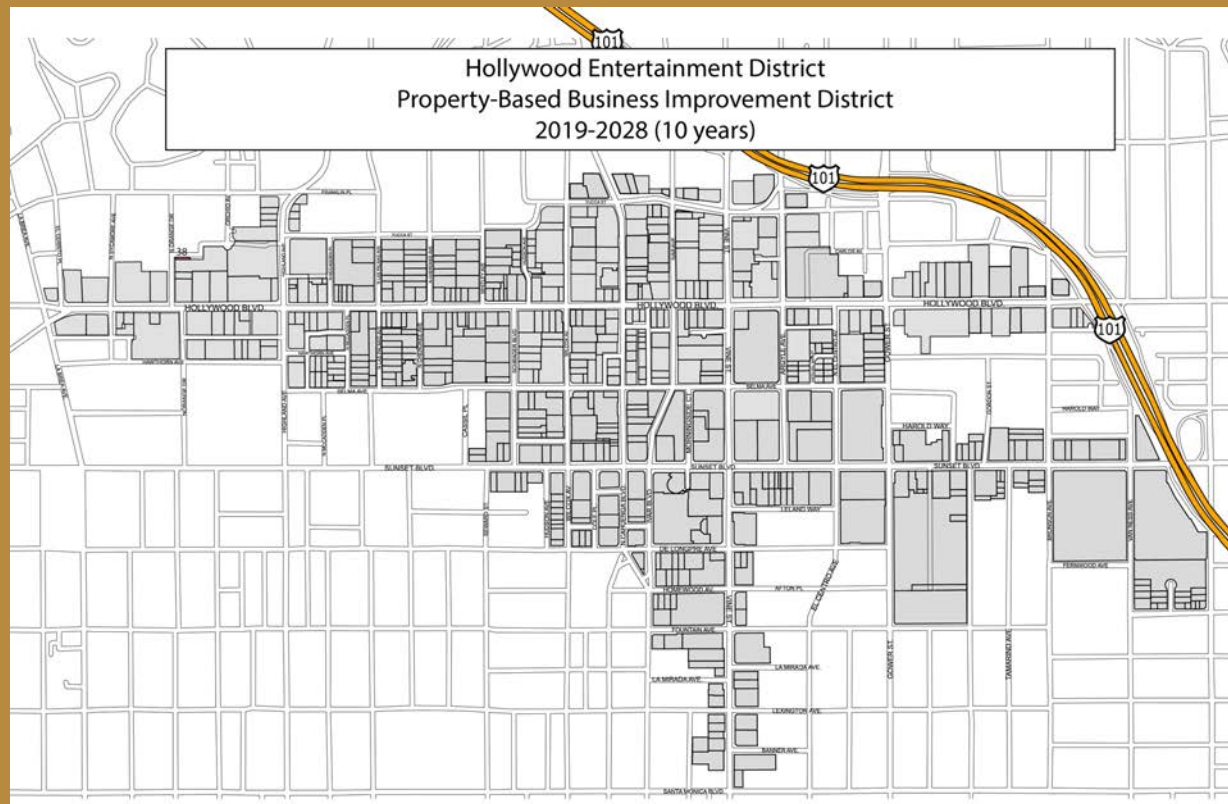


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The Hollywood Entertainment District



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

From exciting opportunities to daunting challenges, our beloved Hollywood endured a rollercoaster of events in 2023. On the one hand, the neighborhood was bustling with excitement, welcoming dozens of movie premieres, Broadway shows, live concerts (including one on Hollywood Blvd.), 25 new businesses, and 38 million visitors. On the other, Hollywood faced obstacles such as crime, homelessness, vandalism, and a devastating industry strike. As we barreled through the year, we experienced the impacts of these highs and lows in the public realm, local economy, real estate market, and more. All the while, Hollywood's community stayed strong and showed resilience, consistently making gains toward recovery from the pandemic.

The entertainment industry's 5-month standstill hit our community hard, halting the growth of the residential, office, tourism, and retail markets. Throughout the year, we saw a gradual increase in residential and office leasing rents and falling vacancy rates. However, in Q4 2023, office rents decreased by 8%, and employee trips to the district sagged by 6%. Moreover, retail rents per square foot (PSF) fell below the citywide average by \$1, and storefront vacancies increased to a total of 10.3%, 4% higher than the citywide average.

Despite the setbacks, Hollywood continued on a path of recovery. Residential vacancy rates remained steady from last quarter, with the annual average vacancy rate continuing to decrease since 2020, indicating the continued demand for residential offerings.

Currently, visits to the district by employees are at 87% of their pre-pandemic total. Annual district visits have reached 83% of pre-pandemic levels, and more businesses opened than closed. Private investment continues to flow into the community, and large-scale developments are moving through the pipeline. Major office tenants like Kim Kardashian's SKIMS headquarters have committed to the neighborhood, and game-changing revitalizations like Netflix's remodel of the Egyptian Theatre will, without a doubt, serve to bolster Hollywood's ever-growing residential population and attract millions from around the world, boosting the local economy along the way.

Meanwhile, The Hollywood Partnership (THP) is leading the charge to create a modern, welcoming, and accessible public environment to complement these new developments and businesses.

The launch of the Hollywood Partnership Community Dispatch Center (HPCDC) in Q1 2023 was a significant milestone in the development of a brighter and friendlier pedestrian experience. Our incredible cleaning, safety, and hospitality ambassadors completed over 289,000 interactions in just 12 months, demonstrating an average response time of 11 minutes and a compliance rate of 86%.

The HPCDC also served as a community hub, bringing together city and county representatives, along with social service and security partners, to collaborate on ways to ensure the safety and well-being of the community. This hard work and dedication resulted in the granting of more than \$3 million in public funds to our 501(c)(3) affiliate, Hollywood Partnership Community Trust, to improve Hollywood's cleanliness, beautification, and public facilities.

Although Hollywood still has a long way to go, our community remains headstrong and prepared to tackle the obstacles ahead with fervor. We hope our Q4 2023 Market Report inspires you to join us on this journey.



Kathleen Rawson
President & CEO

Q4 AT A GLANCE

HED VISITS

38 Million
Annual Visits
2023

104K
Avg. # of People in
HED Per Day

HED Annual Recovery Rates - All Visits (Residents, Tourists, Employees):
2023 Compared to Pre-Pandemic Average (2017-2019)

HED	Walk of Fame	90028 Zip Code	Greater Hollywood
83% Recovered	81% Recovered	92% Recovered	93% Recovered

HED DEMOS

Residents

Average Income: \$81K
Median Income: \$55K
Population: 31,469
Pop. Density: 22,318 / Sq. Mi.

Employees

Average Income: \$85K
Median Income: \$56K
Population: 35,227
Pop. Density: 24,984 / Sq. Mi.

Visitors

Average Income: \$112K
Median Income: \$72K
Vis. Density: 55,040 / Sq. Mi.

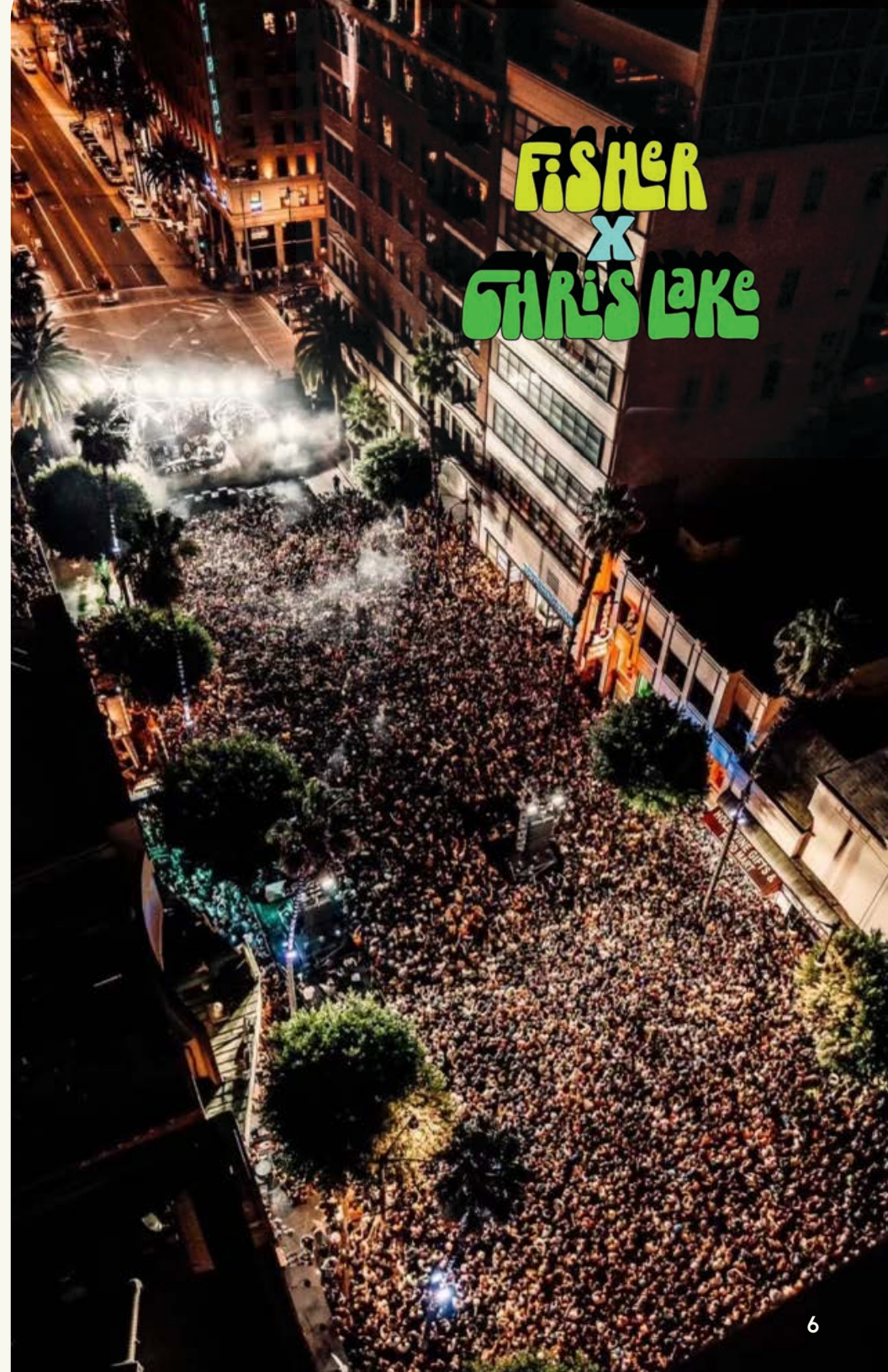
Q4 TOP STORIES

THP Update: FISHER X CHRIS LAKE

Hollywood was dancing in the streets in Q4, as THP partnered with local production company Framework, owners of Sound Nightclub, to host an epic EDM concert featuring international artists Chris Lake and FISHER on Hollywood Blvd. on October 21st.

The event successfully drew 12,000 attendees to Hollywood and received over 94 million media impressions worldwide.

We are grateful for the support of CD13, LAPD, LAFD, LADOT, and many other City Departments for ensuring a smooth and safe concert for all.



Q4 TOP STORIES

THP Update: THE PARTNERSHIP HOSTS ANNUAL MEETING

On Thursday, November 16, THP hosted our Annual All Property Owners Meeting + Brunch, with over 200 district stakeholders attending to learn about The Partnership's work in 2023 and to hear from key elected officials Senator Maria Elena Durazo, Assemblymember Rick Chavez Zbur, and Councilmember Hugo Soto-Martínez.

The meeting concluded with the swearing-in of the 2024 Board of Directors and the election of Chase Gordon from Gordon California Properties as the Board Chair.

[Click Here to View the Annual Mtg. Presentation.](#)



This Just In: EGYPTIAN THEATRE REOPENS

Hollywood's 100-year-old Egyptian Theatre reopened on November 9, 2023 after a \$60 million renovation from Netflix, who purchased the property in 2020.

The Egyptian, which hosted Hollywood's first-ever movie premiere in 1922, will screen classic movies on the weekends, programmed by American Cinemateque, the non-profit which previously owned the theater. Netflix is now using the lavish location to host premieres, events, and weekday screenings.



Q4 TOP STORIES

THP Update: THP Launches Camera Network

In December, THP's Board of Directors approved the launch of the SafeCity Connect Hollywood Camera Network, an innovative platform that strives to enhance public safety in Hollywood by fostering collaboration between the public and private sectors. The platform leverages cutting-edge network video technology and a comprehensive program development methodology to establish a large-scale camera network focused on the public realm. THP will partner with private property owners across the district to gain access to numerous private security cameras directed toward public rights-of-way. Camera feeds are then consolidated onto a single platform. By providing easy access to a fleet of cameras, we can monitor crucial public safety concerns on our streets and enable public safety partners to access footage upon request.

[Click Here to Learn More.](#)

This Just In: Bristol Farms Commits to HW

The Modera Hollywood mixed-use development by Mill Creek Residential will be offering a major retail draw for residents and employees, alike. Brokered by Kennedy Wilson Brokerage, Bristol Farms has inked a 15-year lease for 23,211 SF at the upscale Hollywood apartment community located at 6220 Selma Ave. The ground-floor space will be Bristol Farms' 14th location in Southern California.



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

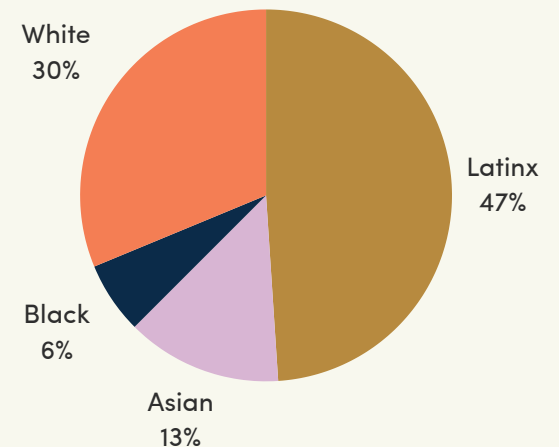
5 Million

Annual Employee
Visits to HED

\$85K

Average Employee
Income In HED

Employee Race + Ethnicity



Working Continued

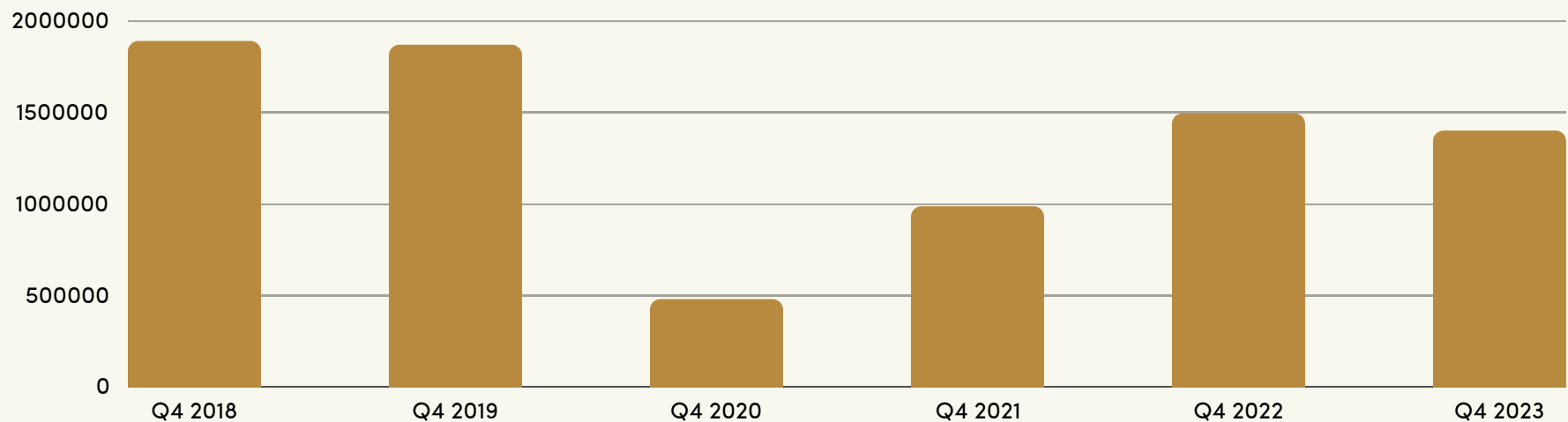


Diverse Employment Base



Q4 HED Employee Visits 2018-2023

While annual employee visits are up, Q4 2023 employee numbers indicate a YoY decrease of -6%. This could be due to a rise in hybrid work schedules, employee vacations during the winter holidays, and the impact of the writer's and actor's strikes taking place in Hollywood.

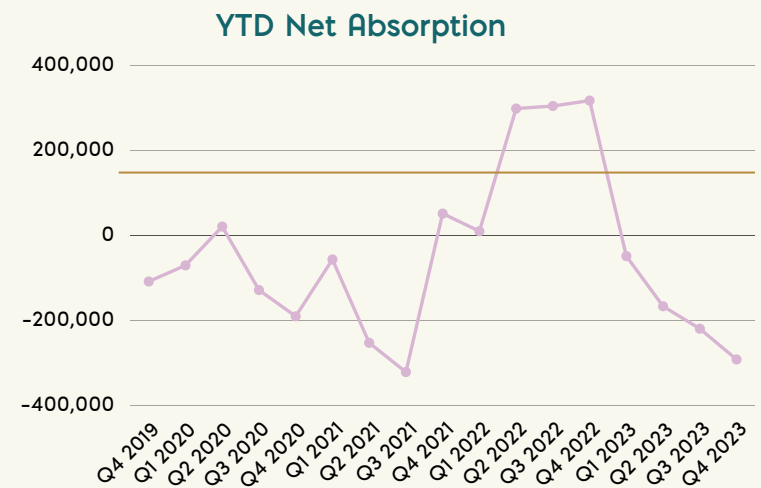


Hollywood Office Market

In Q4, Hollywood saw 47,314 SF of leasing activity, bringing the total year-to-date leasing activity to 322,800 SF. A noted rise in Q4 vacancy rates and a decrease in asking rents (both overall and Class A) in Hollywood and the rest of the region could be attributed to companies reducing their office space to accommodate hybrid employment and the after-effects of the entertainment industry strikes. The strike had a profound effect on the information sector in Greater LA, leading to a reduction of 24,300 jobs in 2023. This is the first quarter in recent years where the Class A rent was lower than the overall rent. However, Hollywood's Class A office vacancy rate of 18% continues to remain lower than the overall vacancy rate in the district (25%). Additionally, being a competitive destination matters, as Hollywood's Class A vacancy rate is 8% lower than Greater LA's 26% Class A vacancy rate.



Greater Hollywood Office Market: Q4 2023		
Overall Asking Rents (PSF/monthly)	\$4.45	<ul style="list-style-type: none"> -8% from Q3 2023 -4% from Q4 2022 Compared to \$3.48 Citywide
Class A Asking Rents (PSF/monthly)	\$4.43	<ul style="list-style-type: none"> -8% from Q3 2023 -13% from Q4 2022 Compared to \$3.69 Citywide
Overall Vacancy Rate	25%	<ul style="list-style-type: none"> +1.4% from Q3 2023 +4% from Q4 2022 Compared to 24% Citywide
Class A Vacancy Rate	18%	<ul style="list-style-type: none"> 0% from Q3 2023 +3.5% from Q4 2022 Compared to 26% Citywide



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

Development Highlight: UPDATES FROM ECHELON

Echelon and BARDAS Investment Group are proceeding with their eight-part development project in the Greater Hollywood region. The project involves constructing site-specific "villages" that will provide high-tech creative office environments for the creative, media, and entertainment sectors.

While the construction of their village at 6344 Fountain Ave. is underway, two additional projects at 1200 Cahuenga Blvd. and 5901 Santa Monica Blvd. have received approvals from the City Planning Commission to move forward. The next step is to obtain final approvals from the City Council.



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

94%

Renter Occupied
In HED

22,478

Population Density
(per square mile)

36.5

Median Residential Age
In HED

54%

Bachelors Degree
or Higher In HED

1.67

Avg. Household Size
In HED

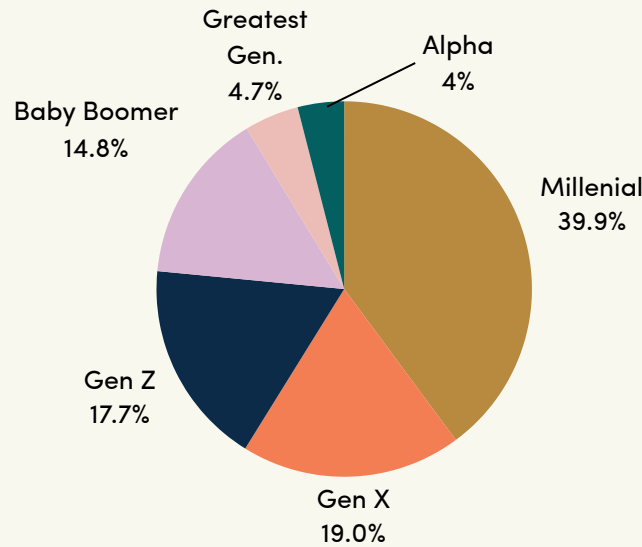


LIVING CONTINUED

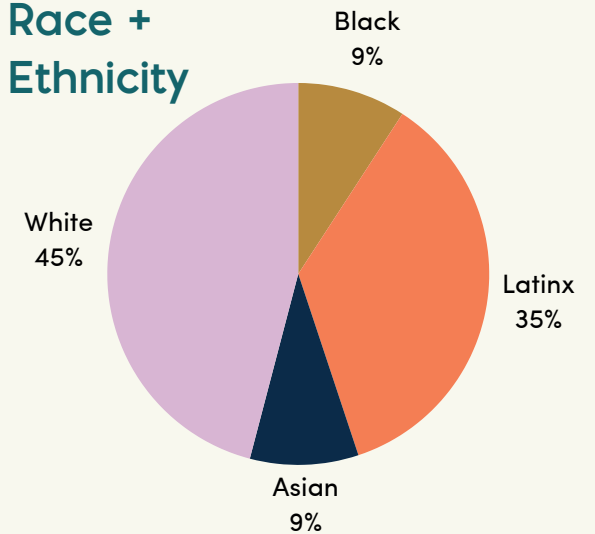
Greater Hollywood Generations

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

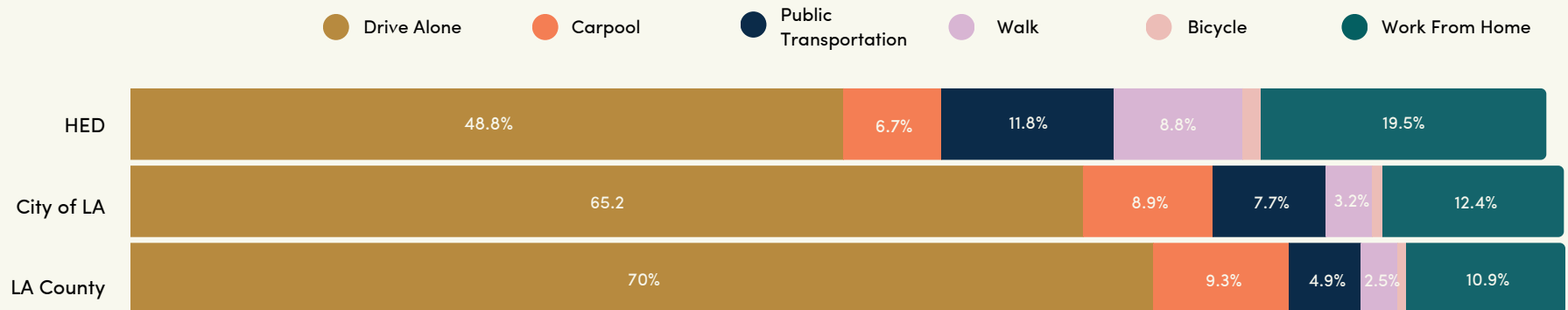
It is worth noting that figures indicate that residents desire to remain in their current homes for the next five years.



Race + Ethnicity

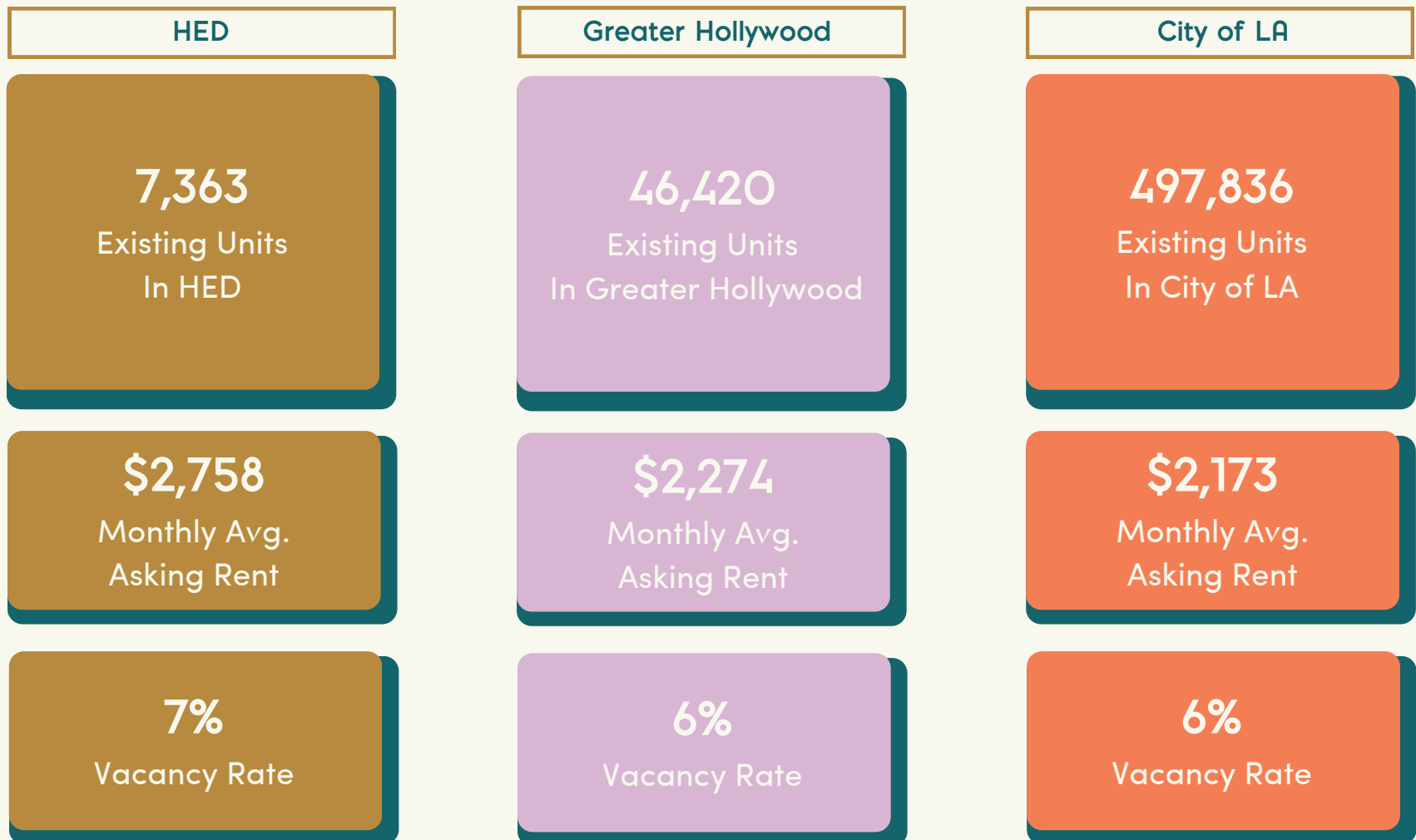


Resident Commute



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.



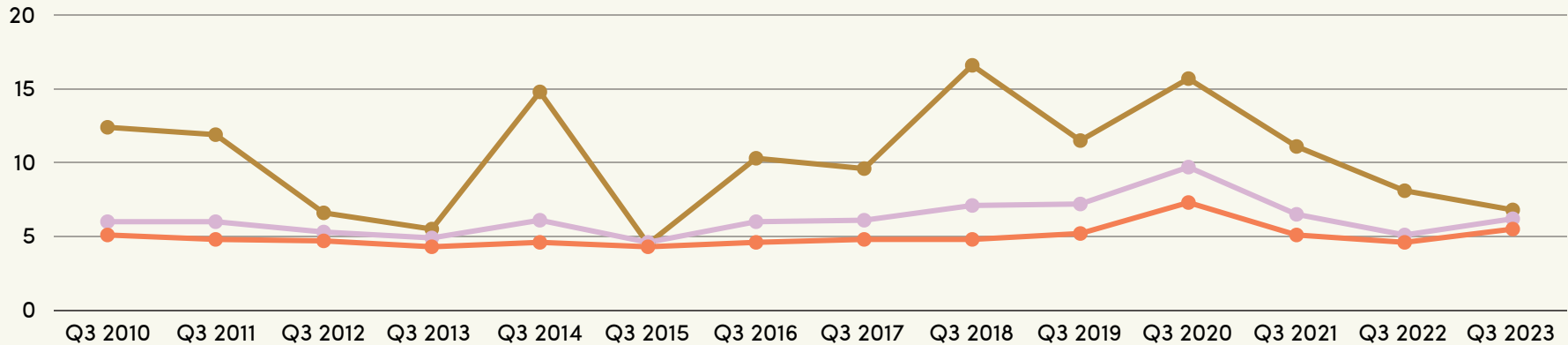
MULTIFAMILY MARKET CONTINUED

	HED	Greater Hollywood	City of LA	LA County
Total Residential Inventory (Units)	7,363	46,260	497,836	1.3 Million
Avg. Residential Vacancy Rate (%)	6.8%	6.4%	5.7%	4.8%
Avg. Asking Rent PSF/Monthly	\$3.55	\$3.12	\$2.94	\$2.75
Avg. Asking Rental Rate Per Unit	\$2,758	\$2,274	\$2,173	\$2,130
Cap Rate (YTD)	4.37%	4.65%	4.75%	4.74%

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. When analyzing the vacancy rates over the years, it was found that 2023 has marked the lowest vacancy rate since 2015.

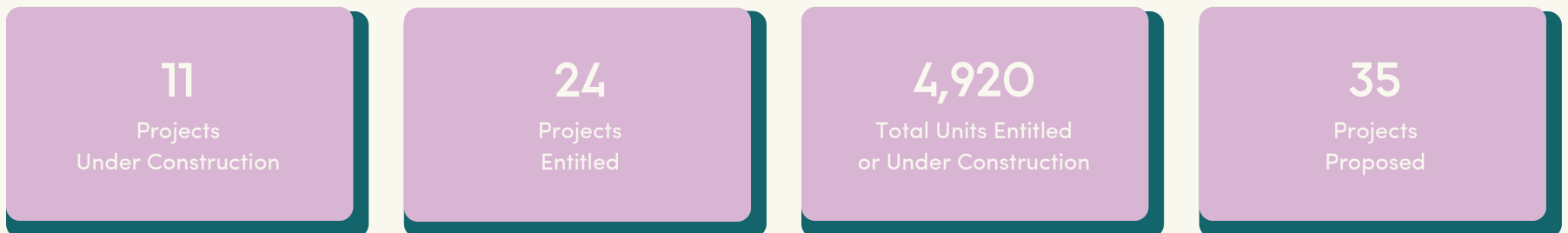
- HED
- Gr. Hollywood
- City of LA



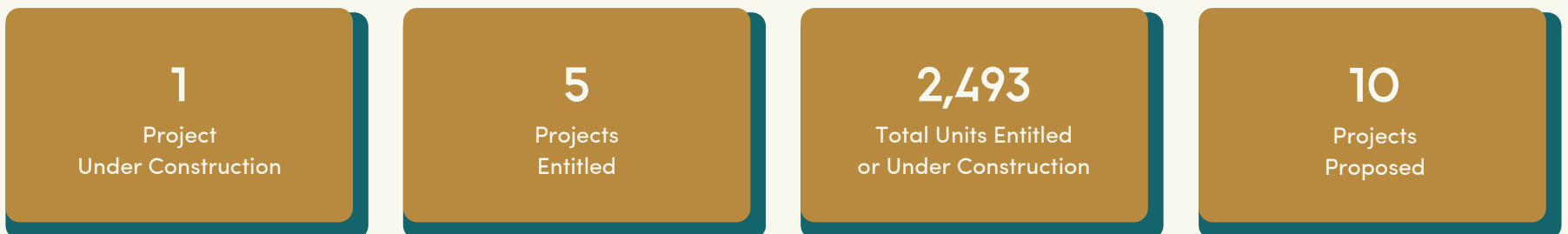
Hollywood Residential Development

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

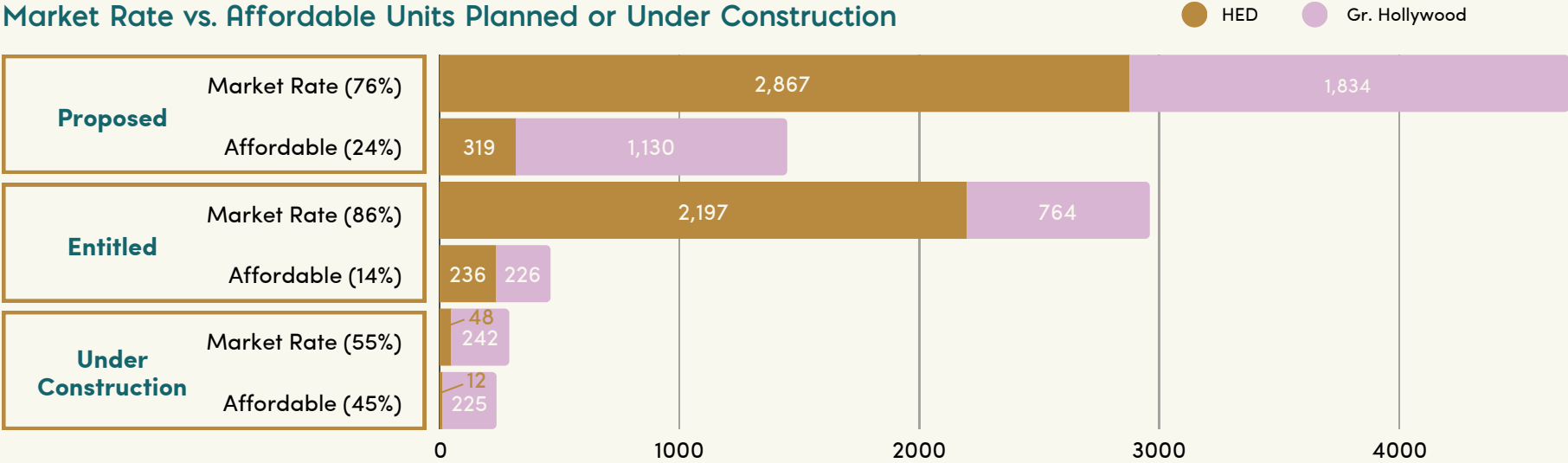


HED



RESIDENTIAL DEVELOPMENT CONTINUED

Market Rate vs. Affordable Units Planned or Under Construction



Development Highlight: 6800 Sunset Blvd.

In December, Galaxy Commercial Holdings submitted an application to the City to seek approval for a mixed-use complex at 6800 Sunset Blvd., just outside HED boundaries. The project will consist of two buildings, including a 42-story tower with 298 residential units, 115 hotel rooms, and ground-floor commercial space, and a 12-story building that will offer 80 units of affordable housing for seniors priced at the very low-income level.



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.

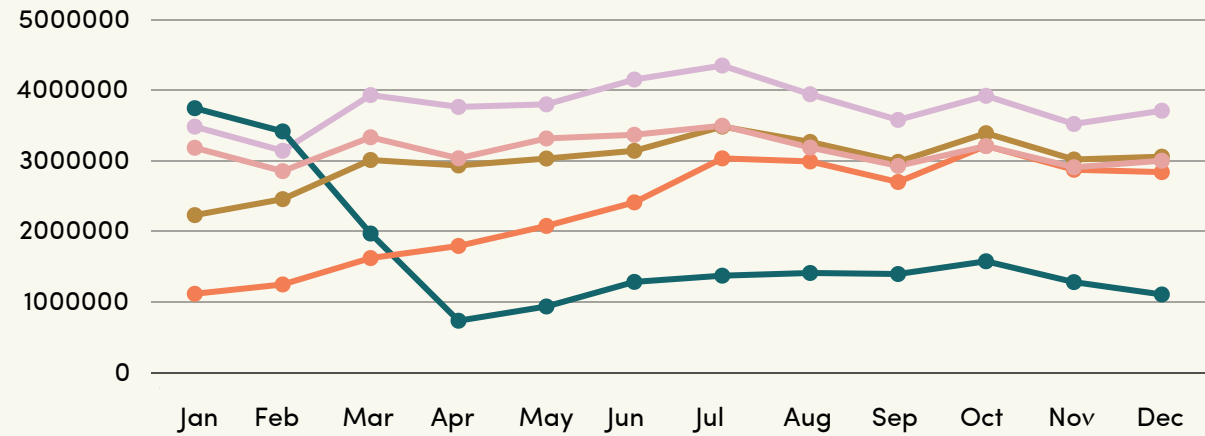


VISITING CONTINUED

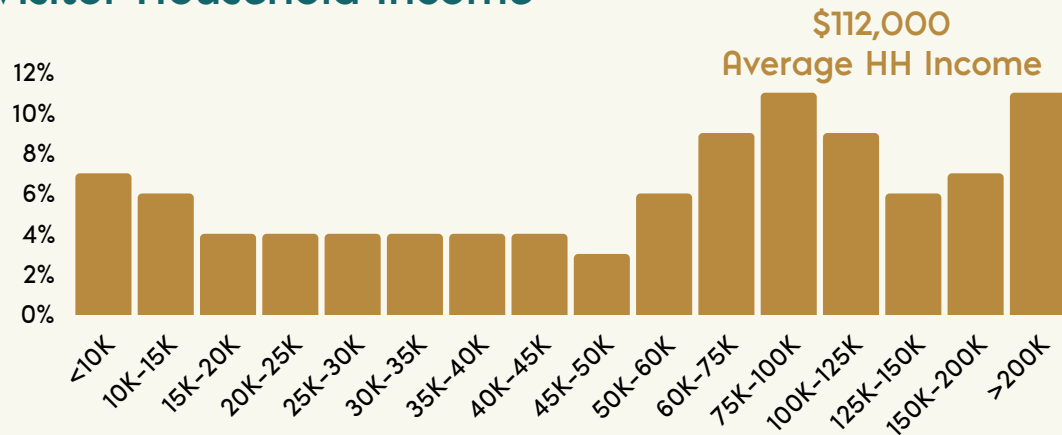


HED Monthly Visits Over Time

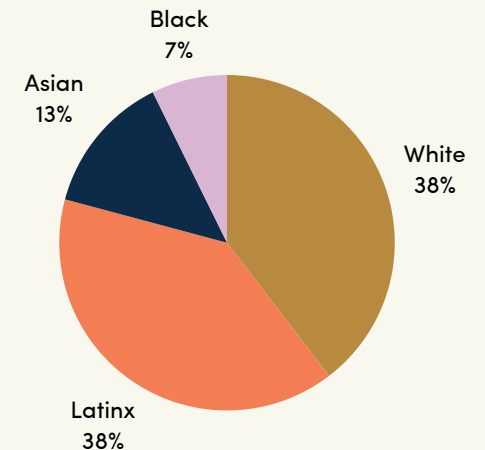
HED Total Annual Visits	
2019	45.3M
2020	20.2M
2021	27.9M
2022	36.5M
2023	38M



Visitor Household Income



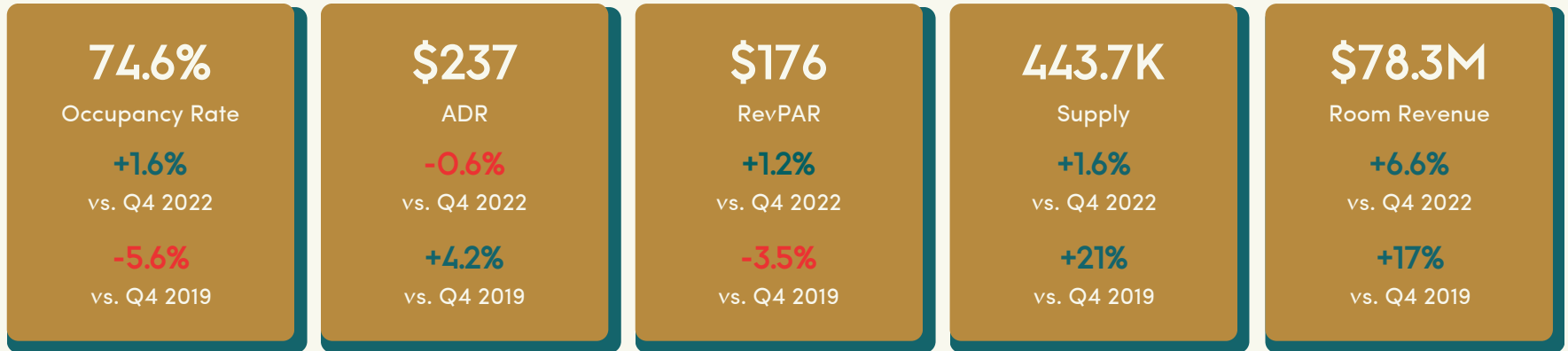
Visitor Race + Ethnicity



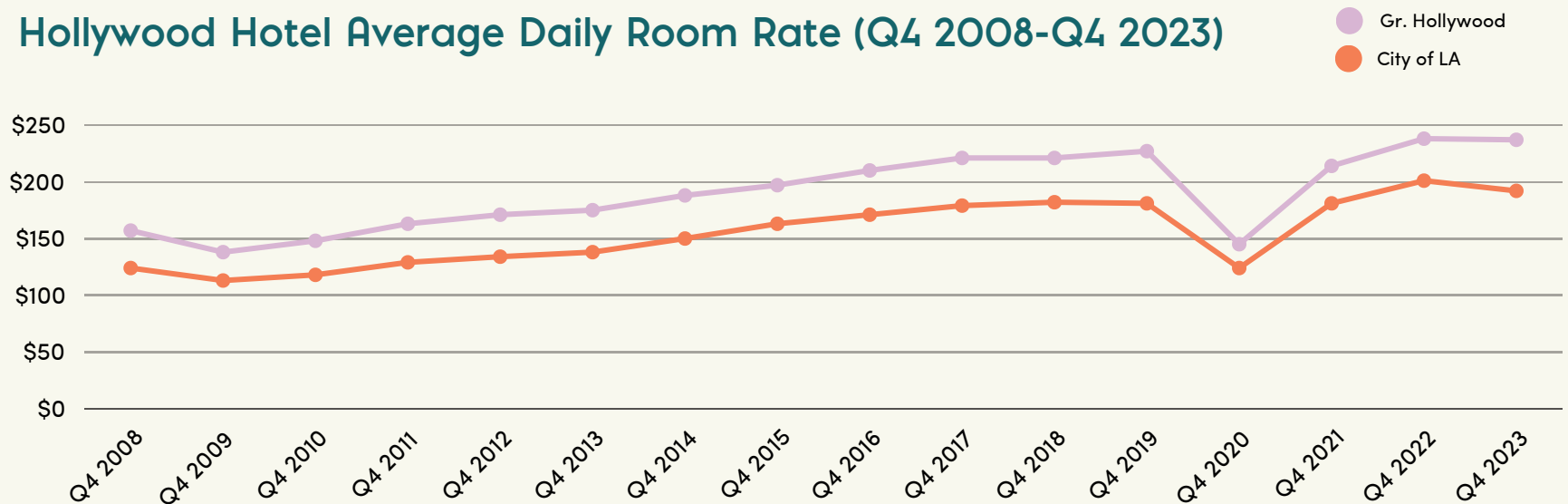
Source: Placer.ai

Hotel Market Conditions

The daily room rates for hotels in Hollywood continue to increase over time and are consistently higher than the citywide averages. In Q4, the hotel occupancy rate in Hollywood decreased by 8.4% from Q3, but still managed to maintain a 1% increase from the previous year. October was the busiest month for hotels in Q4, which coincides with popular events such as Halloween that attract a high number of visitors.

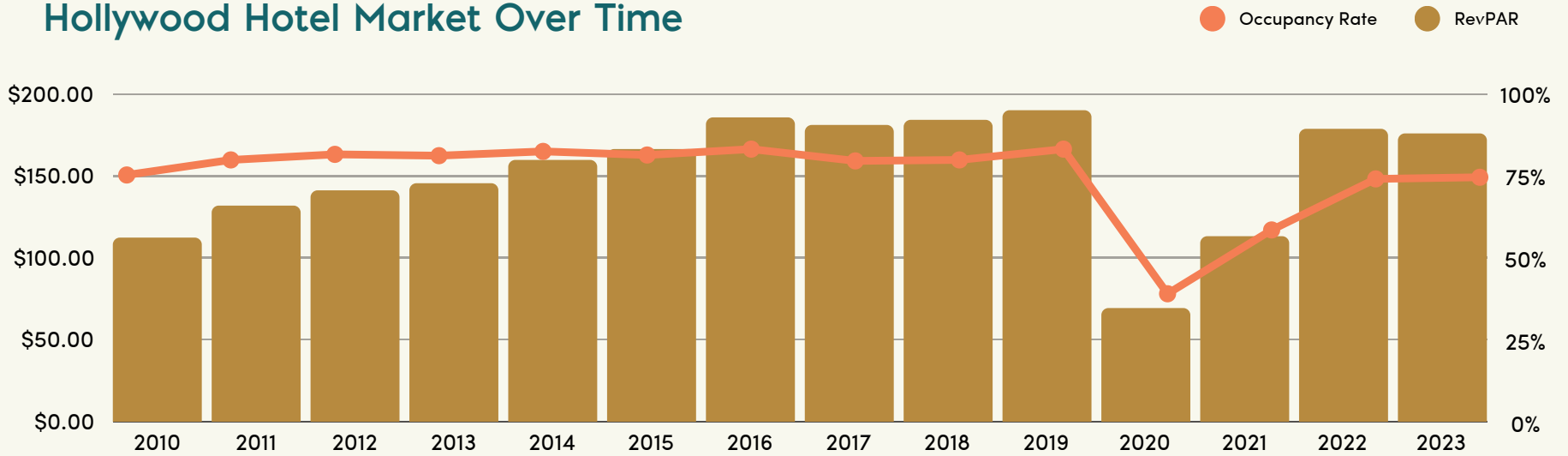


Hollywood Hotel Average Daily Room Rate (Q4 2008-Q4 2023)

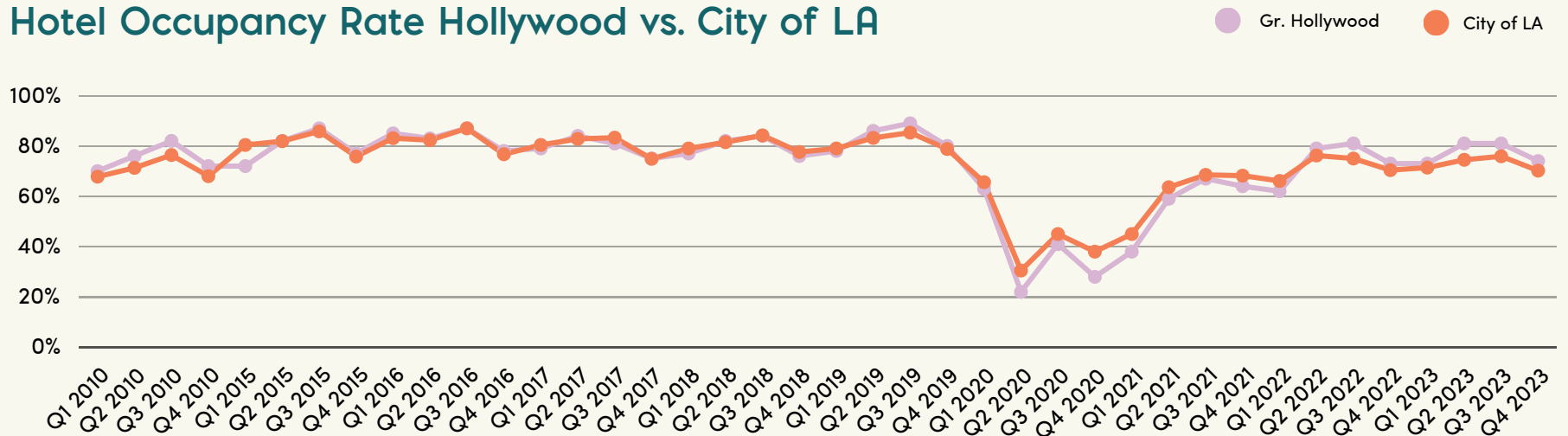


HOTEL MARKET CONTINUED

Hollywood Hotel Market Over Time



Hotel Occupancy Rate Hollywood vs. City of LA



Hollywood Hotel Development

There are currently 14 hotel projects underway or approved in Greater Hollywood, which will offer a combined total of around 1,550 hotel rooms. Among these, 11 projects are exclusively hotels, while the remaining 3 are mixed-use developments. The HED region accounts for 79% of these projects. Due to market conditions, some projects are stalled. However, existing hotels are re-investing, including W Hollywood pouring \$50 million into improvements.

Greater Hollywood + HED



HED



Top Travel Trends

DOMESTIC TRAVELERS

According to the 2023 State of the American Traveler 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 23% YoY increase in international travel to LAX, which saw 20 million visitors in 2023.

Most Desired U.S. Destinations:

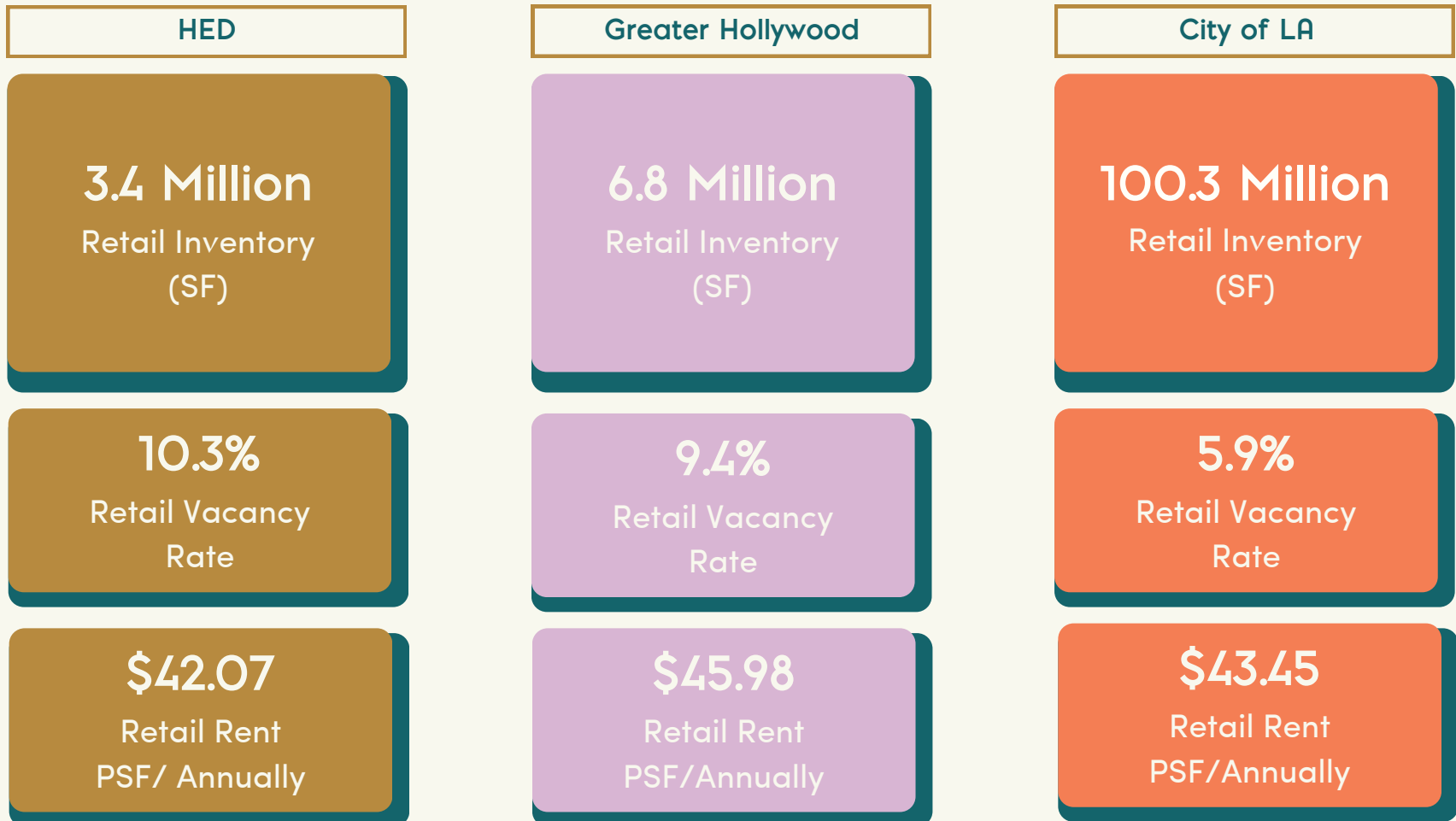
1. New York
2. Los Angeles
3. Las Vegas
4. Miami
5. San Francisco

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 approximately 450,000 square feet of available retail space with an average asking rent of \$42.07 per square foot in Q4. Although the HED has experienced higher retail vacancy rates than both Greater Hollywood and the City of LA throughout 2023, district rents PSF dropped below both areas this quarter. Meanwhile, eight new business opened and two pop-up concepts filled storefronts on and around Hollywood Blvd.



RETAIL CONTINUED

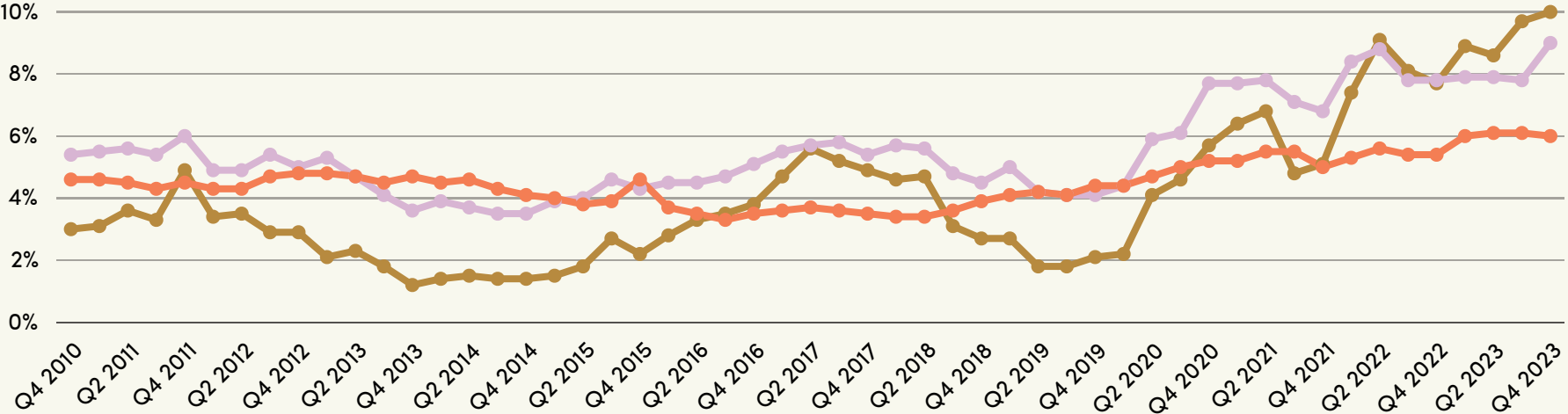


New HED Businesses - Q4	
Jemma Hollywood - 1717 Vine St.	Best Fckn Hot Chicken - 6268 Sunset Blvd.
Cabo Wabo Cantina - 6922 Hollywood Blvd.	The Socialé - 6201 Hollywood Blvd.
Wetzel's Pretzels - 6801 Hollywood Blvd.	Skewer - 6328 Hollywood Blvd.
BTS Pizza - 6655 Hollywood Blvd.	Third Wave Hollywood Church - 6675 Hollywood Blvd.
Only in Hollywood Gift Shop - 6550 Hollywood Blvd.	

Retail Vacancy Rates Over Time (2010-2023)

The Q4 retail vacancy rate in the HED increased slightly from Q3 by 0.7%, while Greater Hollywood's rate increased by 1.2%. 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 Q4 2023.

- HED
- Gr. Hollywood
- City of LA



Source: CoStar Group, The Hollywood Partnership

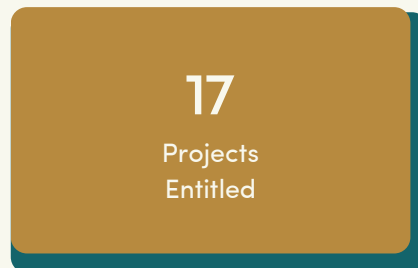
Hollywood Retail Development

Mixed-use development is the gold standard in Hollywood. Currently, 59 projects proposed, entitled, or under construction include a retail component. In the HED, this equates to 146K SF of retail via the mixed-use projects entitled or under construction.

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.

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