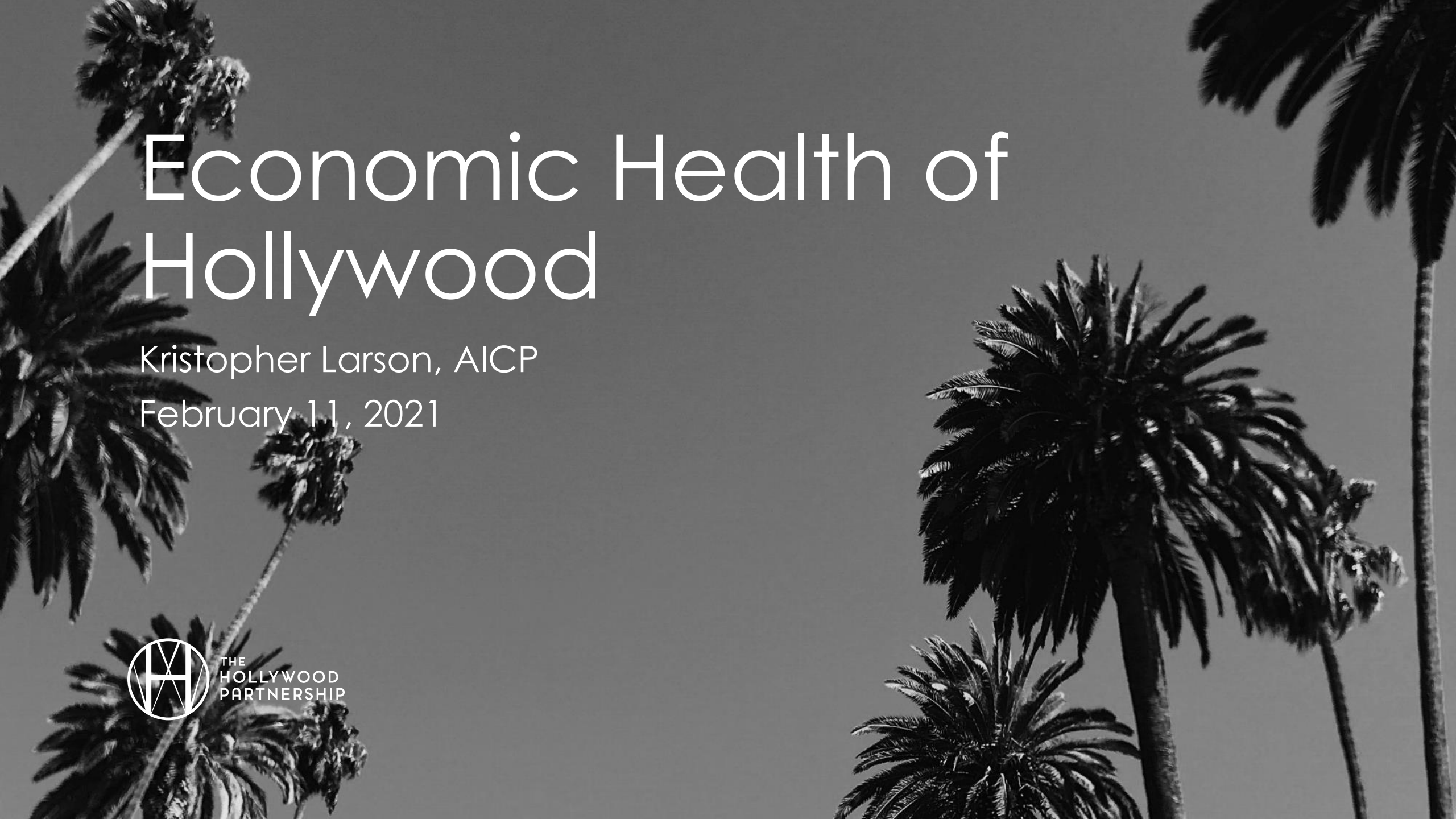

Economic Health of Hollywood

Kristopher Larson, AICP

February 11, 2021

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2020 in Two

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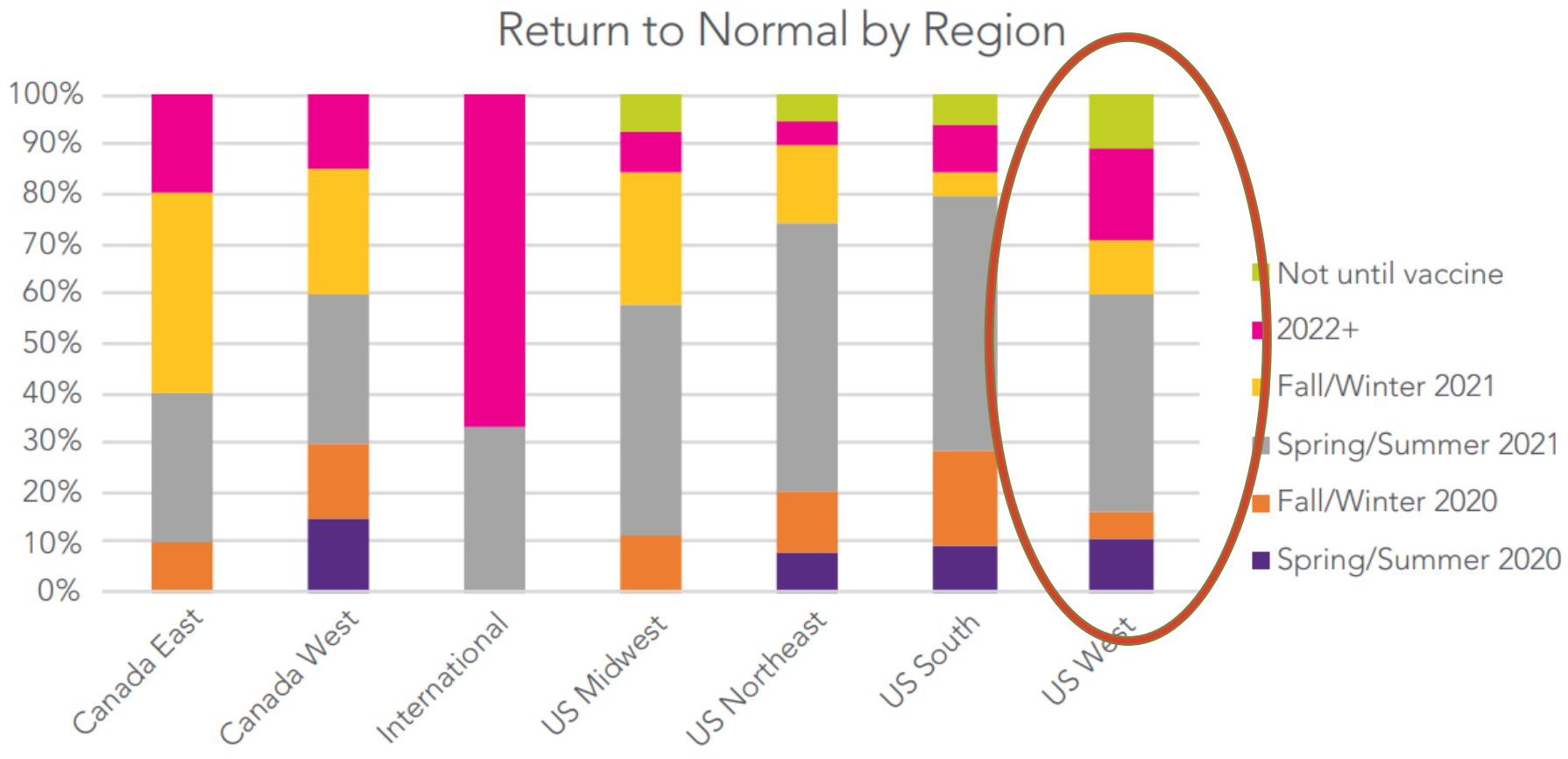
Return to Normal Timeline

Question: When do you estimate your district did or will get back to normal, or at least as close to normal as possible in COVID?

Responses: 216



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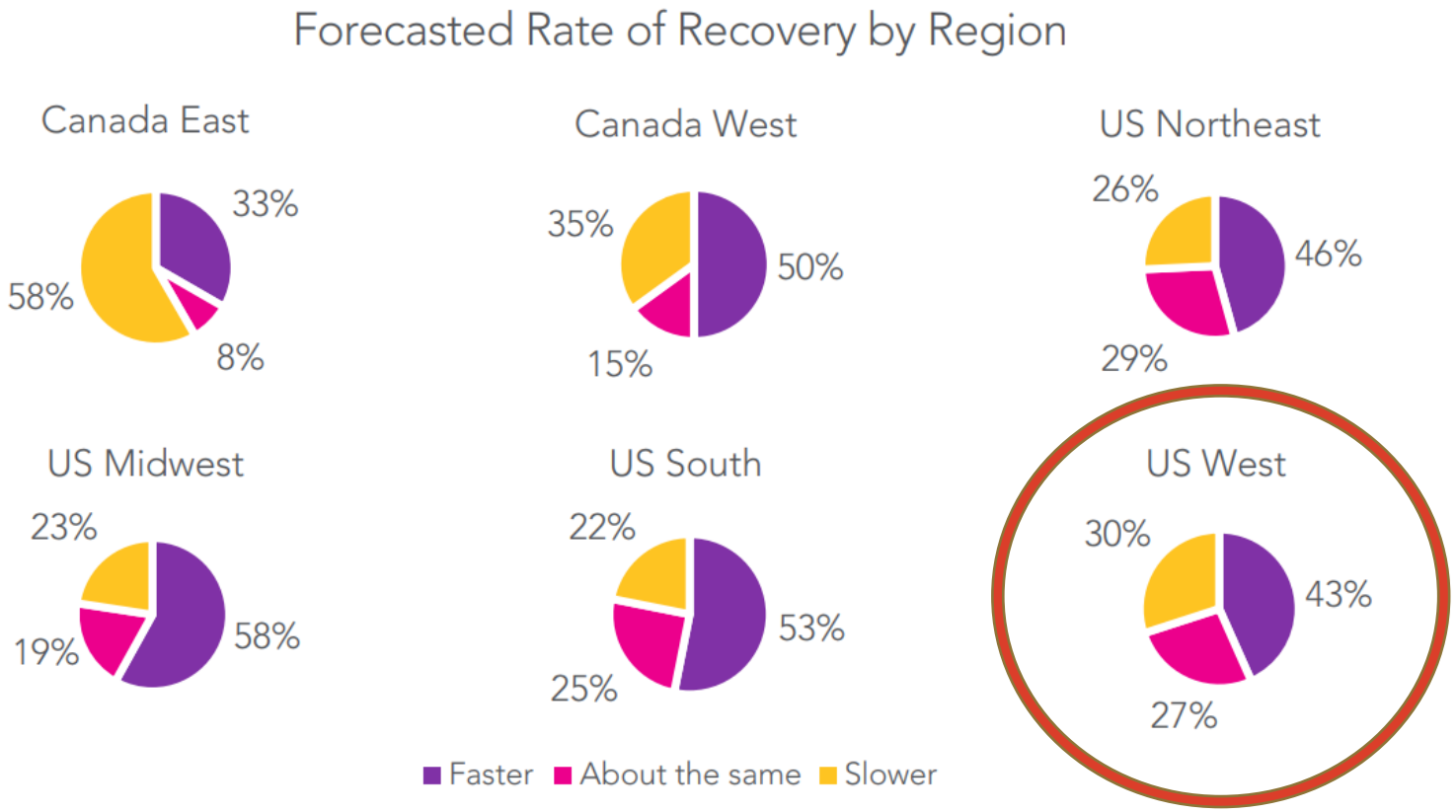
Pace of District Recovery

Question: Compared to your city as a whole, do you believe economic activity in downtown/district will bounce back at a faster rate, slower rate, or about the same?

Responses: 226



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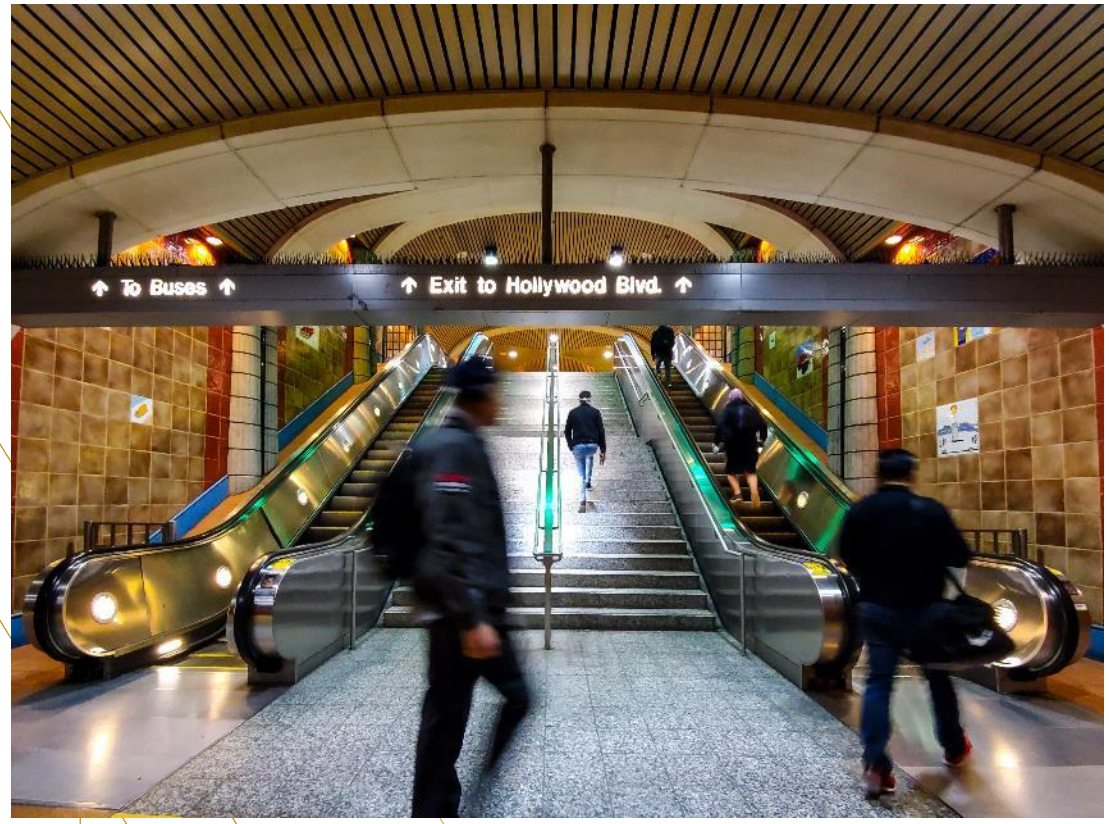
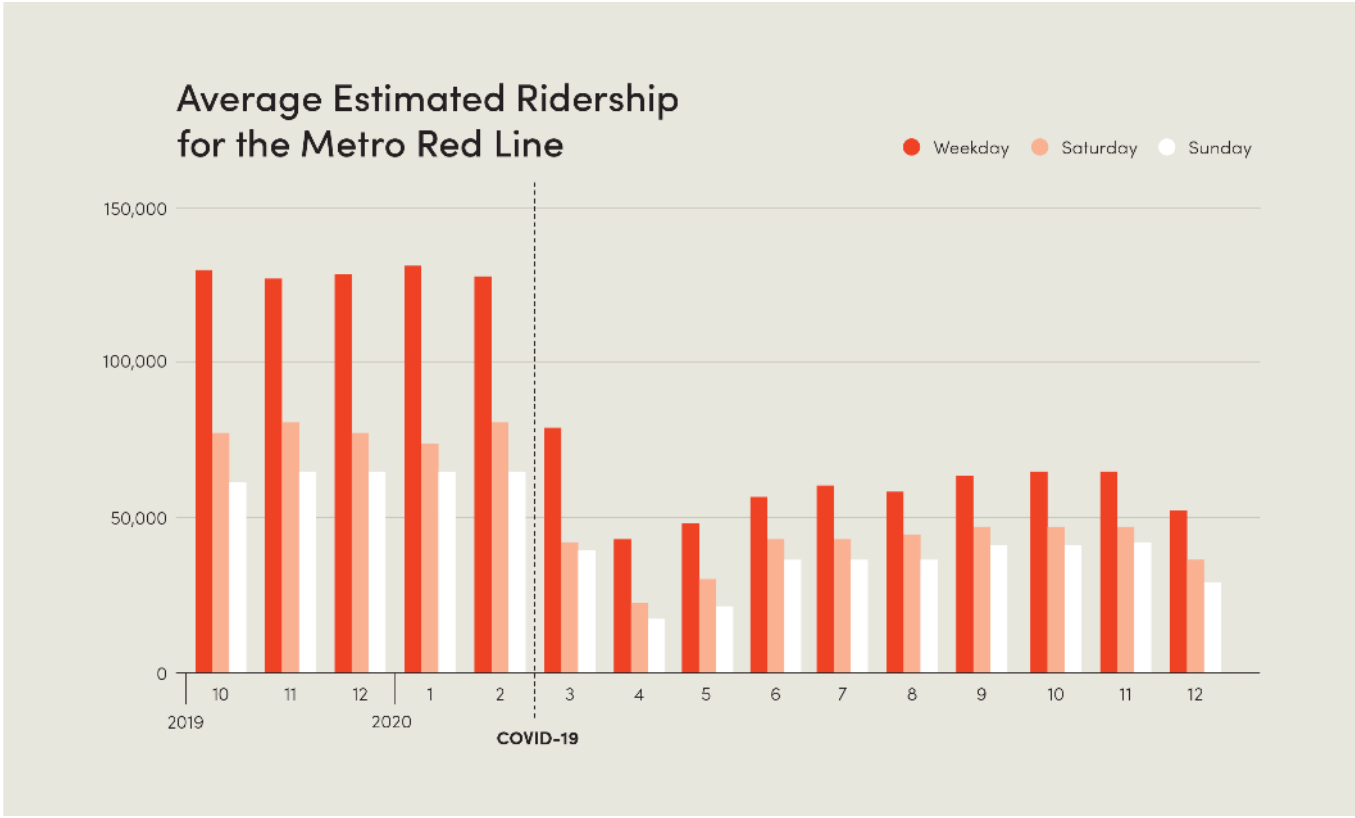
Mobility





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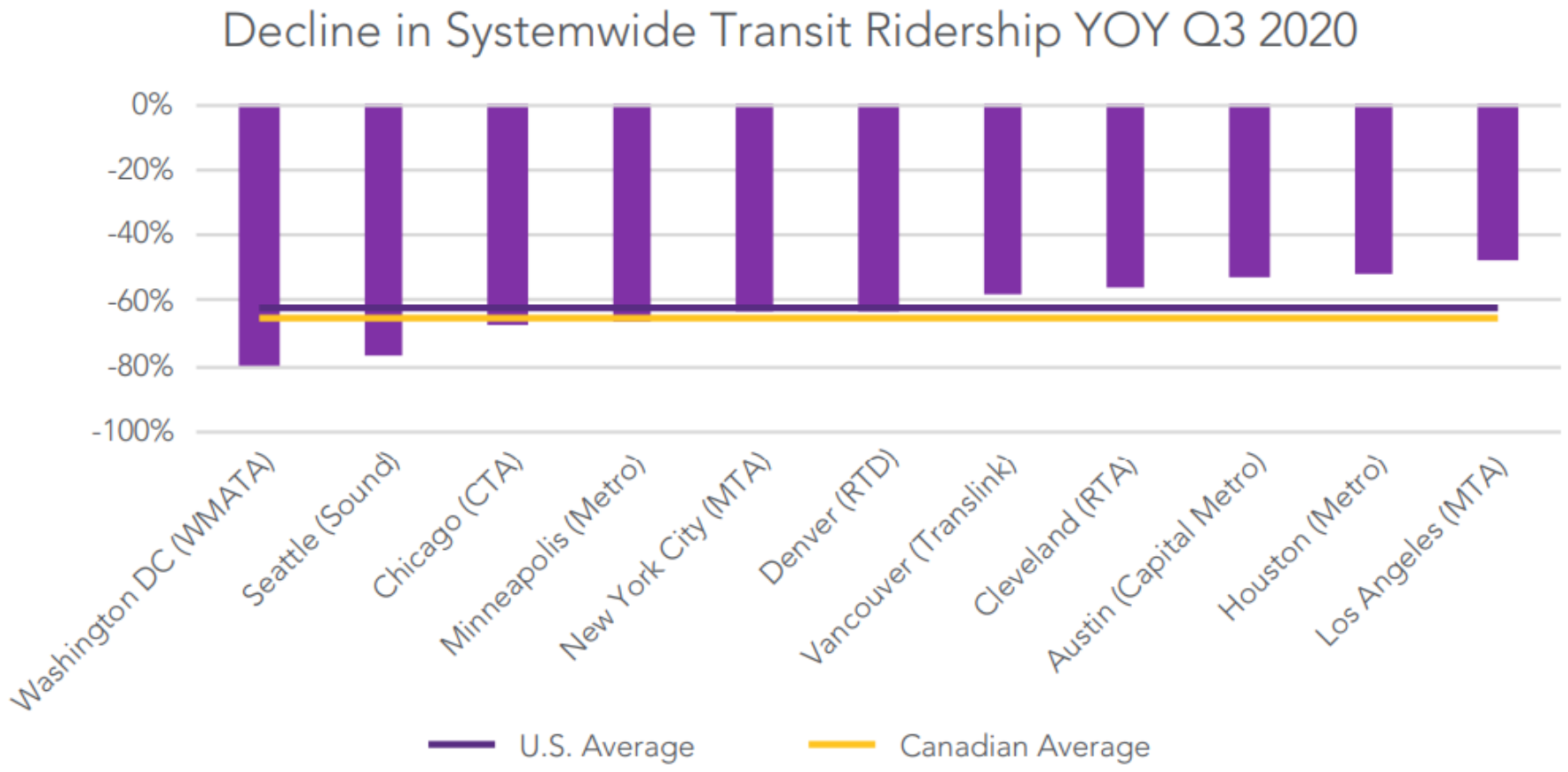
Mobility



Source: APTA Public Transportation Ridership Report

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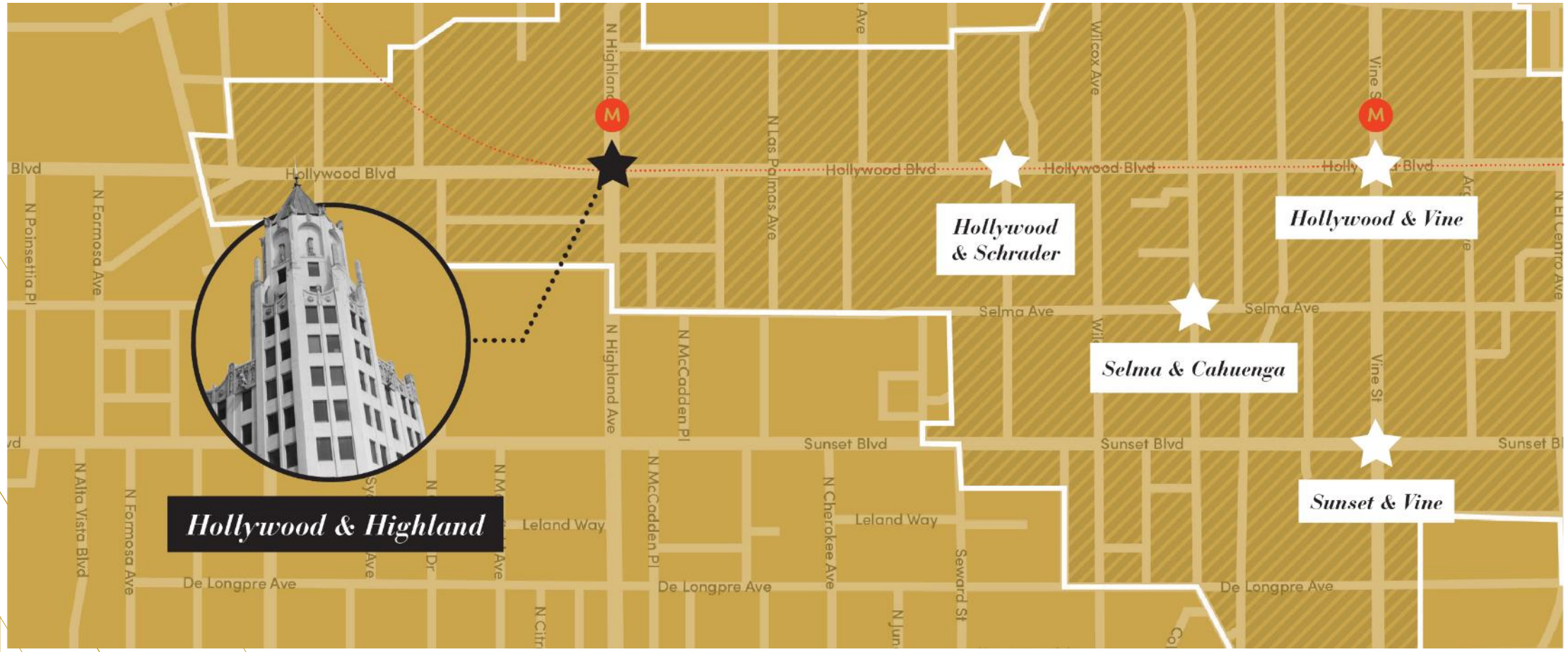
Mobility



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Mobility

PEDESTRIAN COUNTS			
LOCATION	DAILY AVG	PEAK COUNT	QoQ%
Hollywood & Highland	7,603	17,672	-4.38%
Hollywood & Vine	4,575	6,924	-7%
Hollywood & Schrader	2,997	11,114	-10.30%
Sunset & Vine	1,187	5,017	-7.34%
Selma & Cahuenga	864	2,815	-10.28%

Q4 - 62% reduction from pre-pandemic norms

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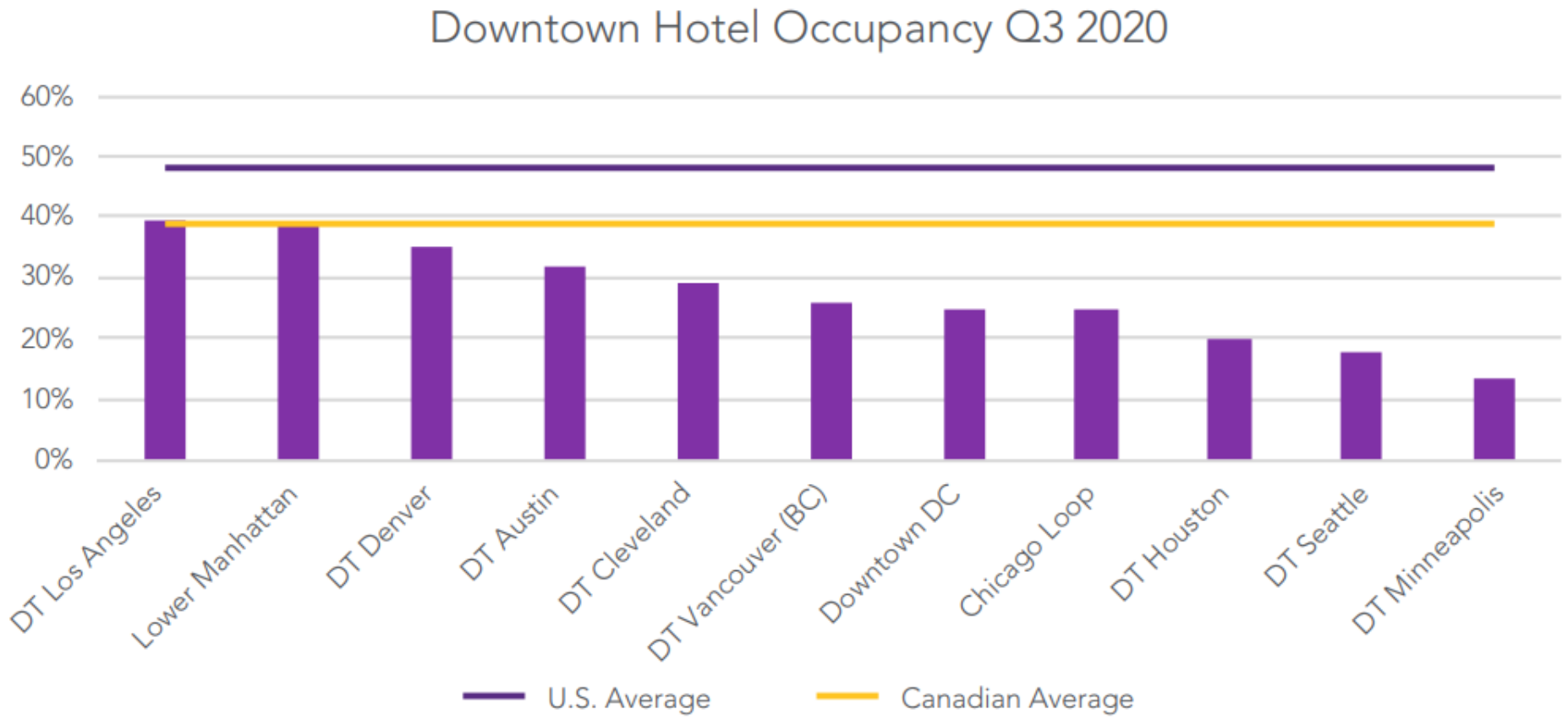
Tourism

TABLE 5: LAX AIR TRAVEL

Passenger Travel Totals	Q4 2019	Q3 2020	**Q4 2020**	QoQ %	YoY %
Domestic	15,317,071	4,317,372	5,098,849	+18.10%	-66.71%
International	6,087,758	662,950	1,003,955	+51.44%	-83.51%
TOTAL	21,404,829	4,980,322	6,102,804	+22.54%	-71.49%

Source: Los Angeles World Airports (LAWA) Traffic Comparison (TCOM)

Tourism



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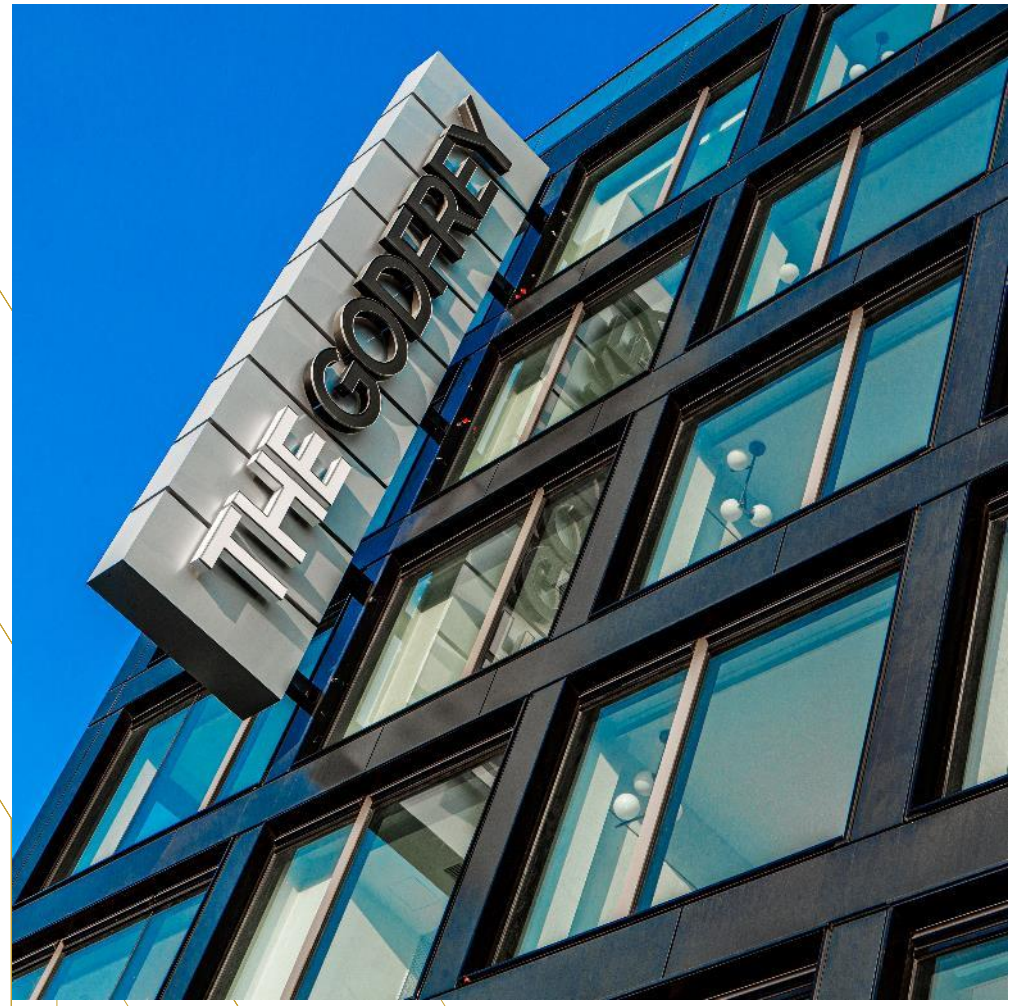
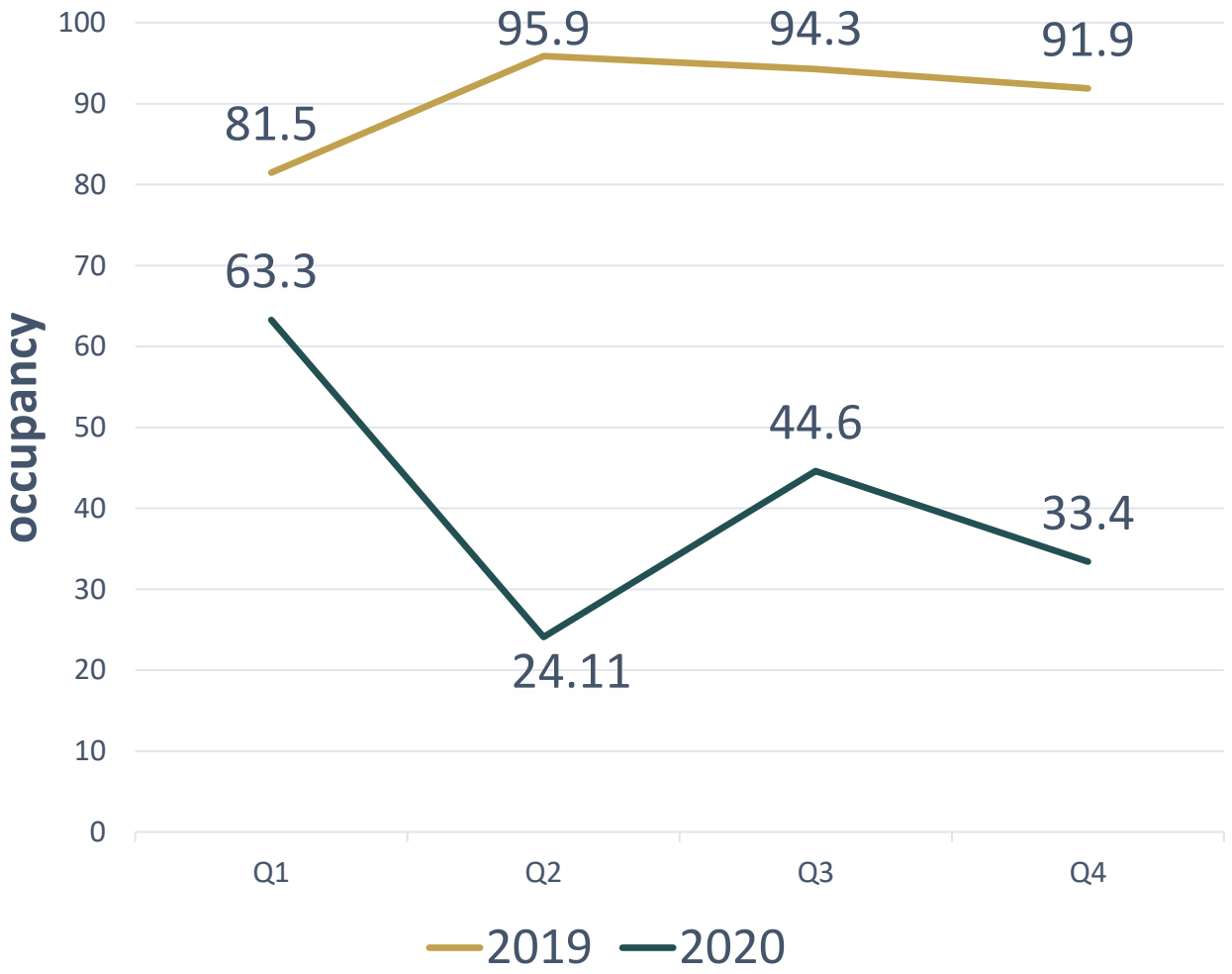
Hotels / Tourism





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Hotels / Tourism

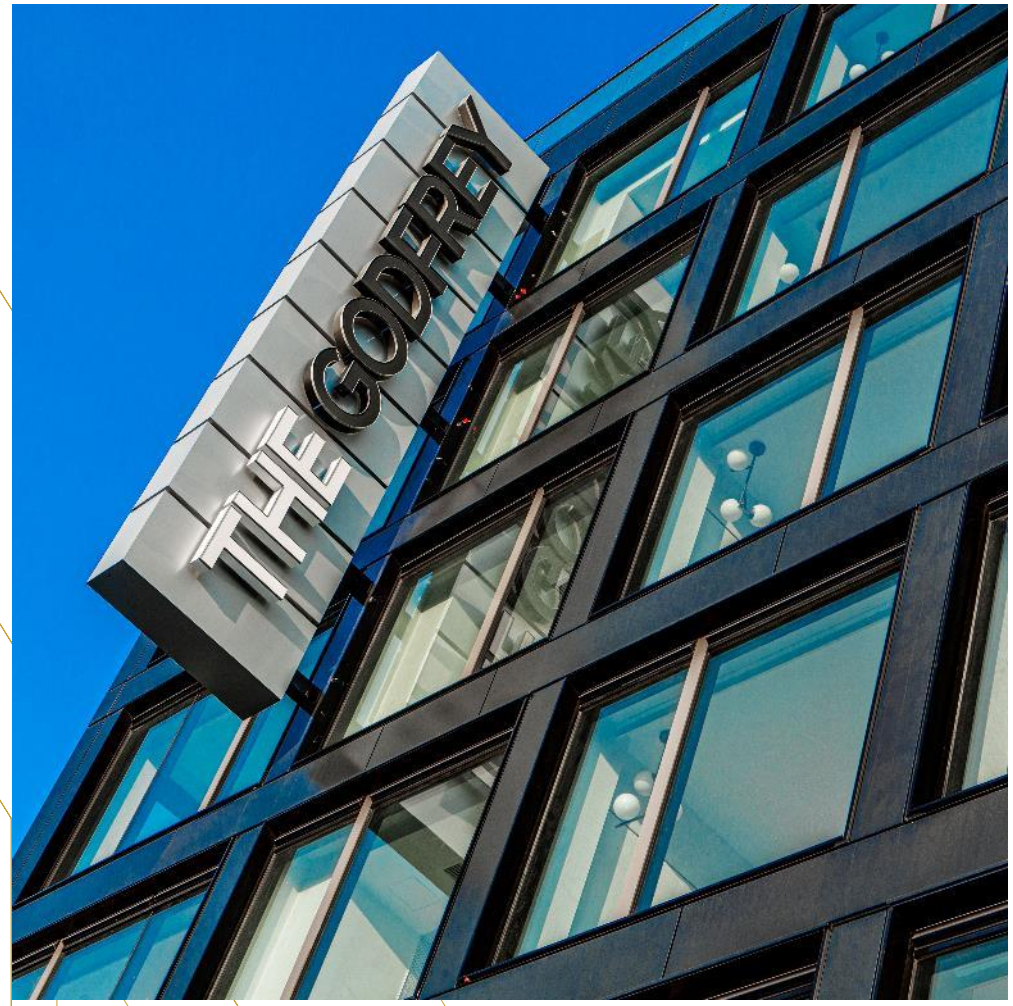

TABLE 4: HOTEL PROPERTIES AND ROOM INVENTORY

	Q4 HED	**Q4** Hollywood
Hotel Properties	29	64
Hotel Room Inventory	2,660	5,422

Hotels / Tourism

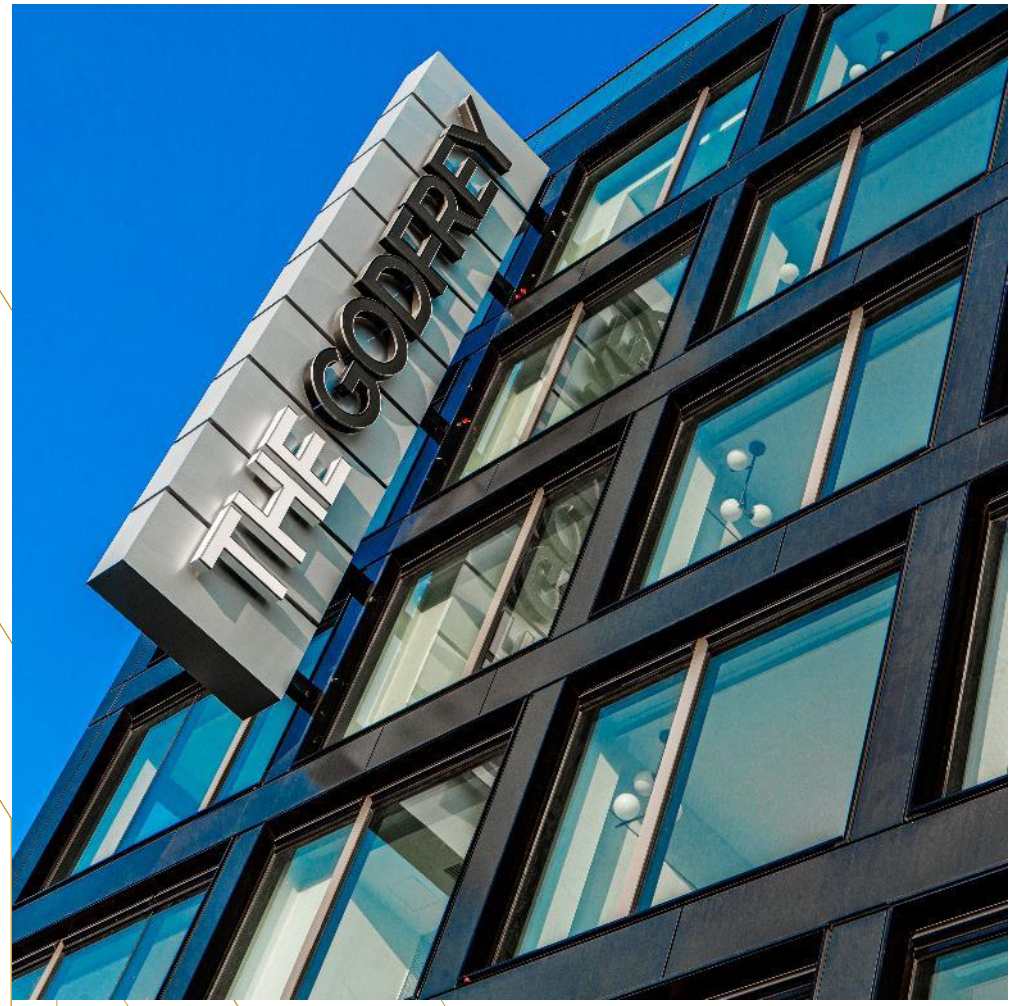

TABLE 3: PIPELINE HOTEL ROOMS

	HED # of projects	HED # of rooms	HOLLYWOOD # of projects	HOLLYWOOD # of rooms
Under Construction	5	820	5	820
Entitled	5	1,014	5	1,014
Proposed	6	681	7	705
TOTAL	**16**	**2,515**	**17**	**2,539**

Source: The Hollywood Partnership, Zone Information and Map Access System (ZIMAS)

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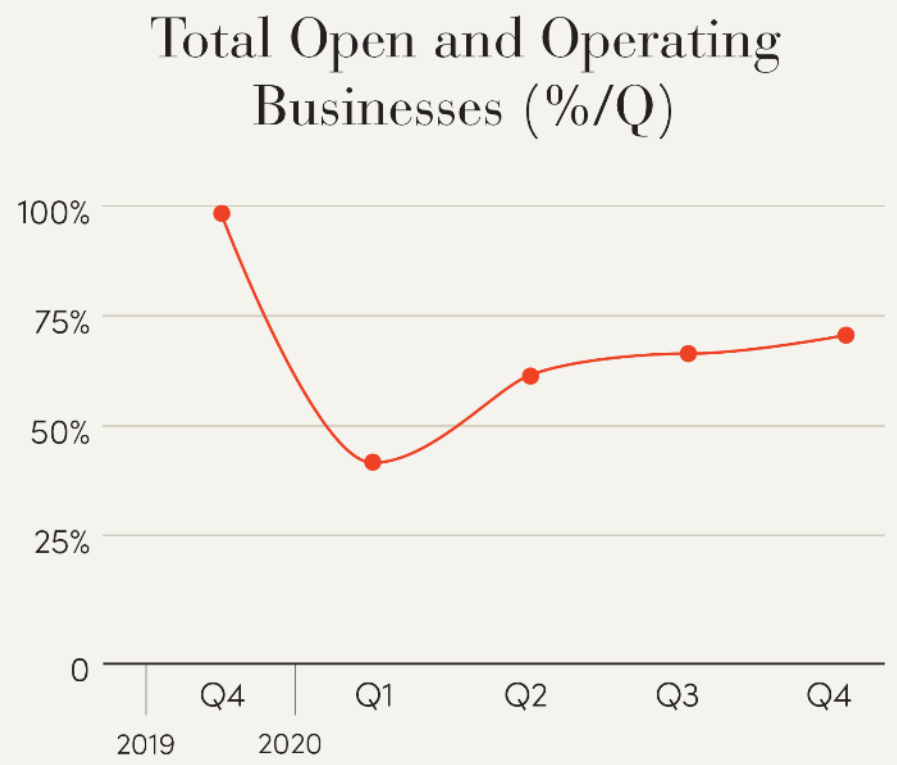
Retail

646

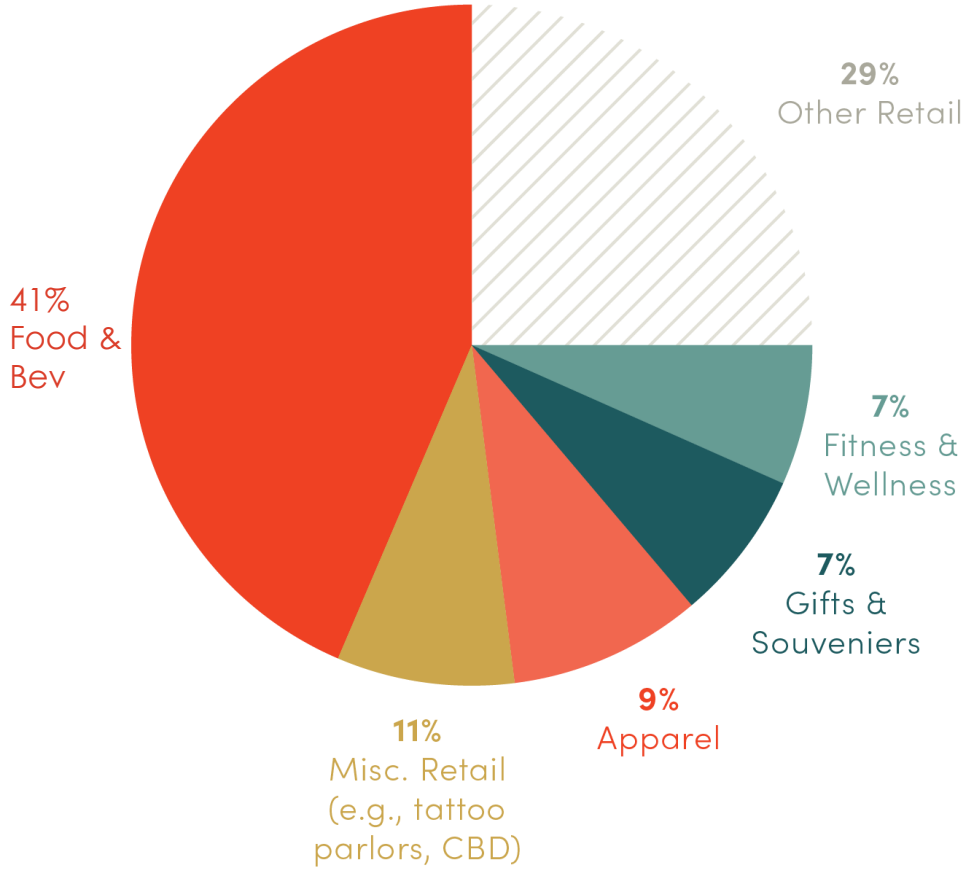
Occupied or Available Retail Spaces in the HED (14% are Currently Vacant)



THE HOLLYWOOD PARTNERSHIP

Retail

Top % of Open Businesses by Retail Type



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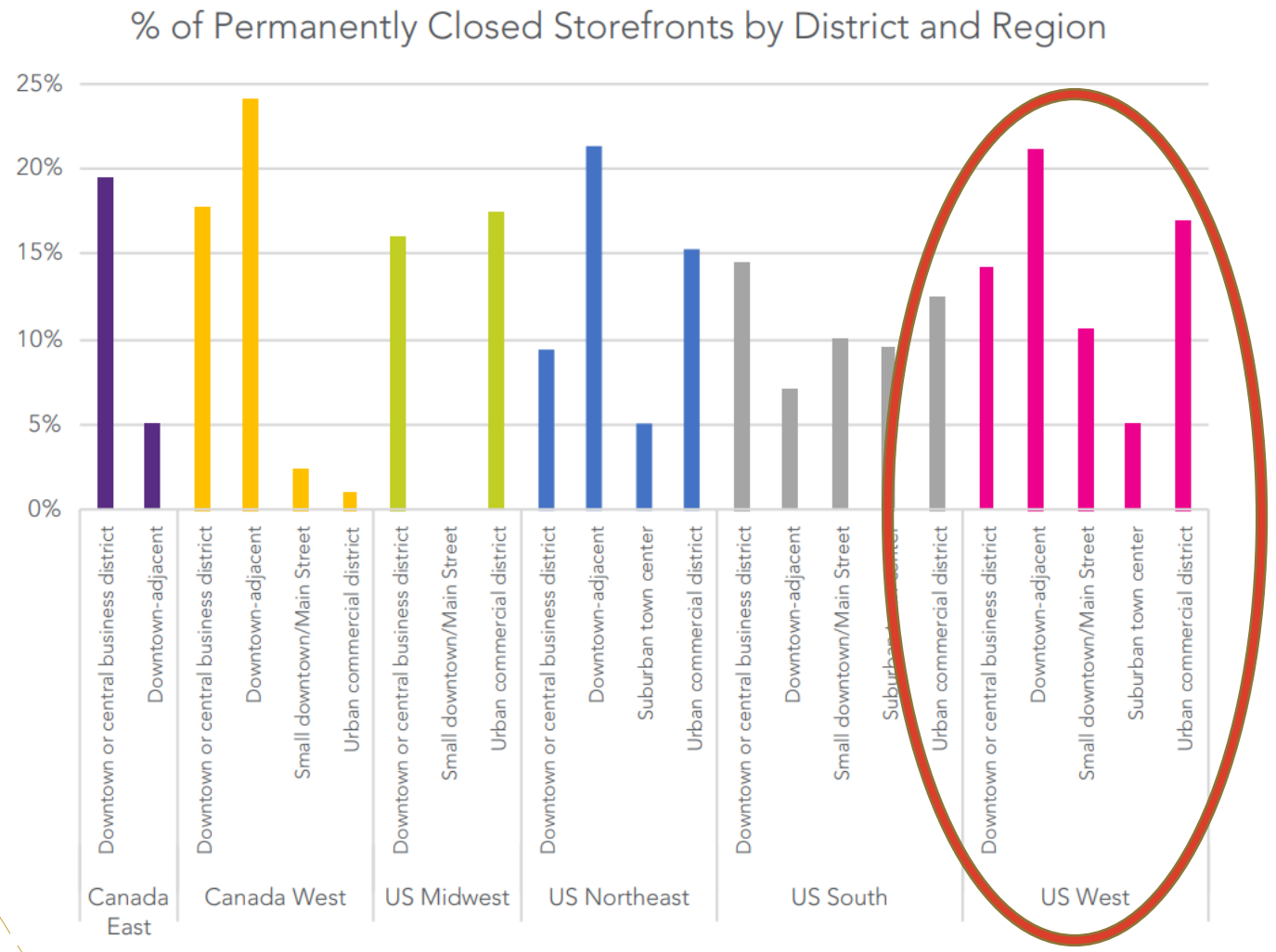
Est. of Permanently Closed Storefronts

Question: What percentage of storefront businesses do you estimate will close permanently in your district?

Responses: 198



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Retail

43

businesses permanently closed during the COVID-19 pandemic. 21 of these were food and beverage retail.

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Retail

10

Retail Grand Openings in 2020

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Retail

THE HOLLYWOOD PARTNERSHIP

Retail

THE HOLLYWOOD PARTNERSHIP

Retail

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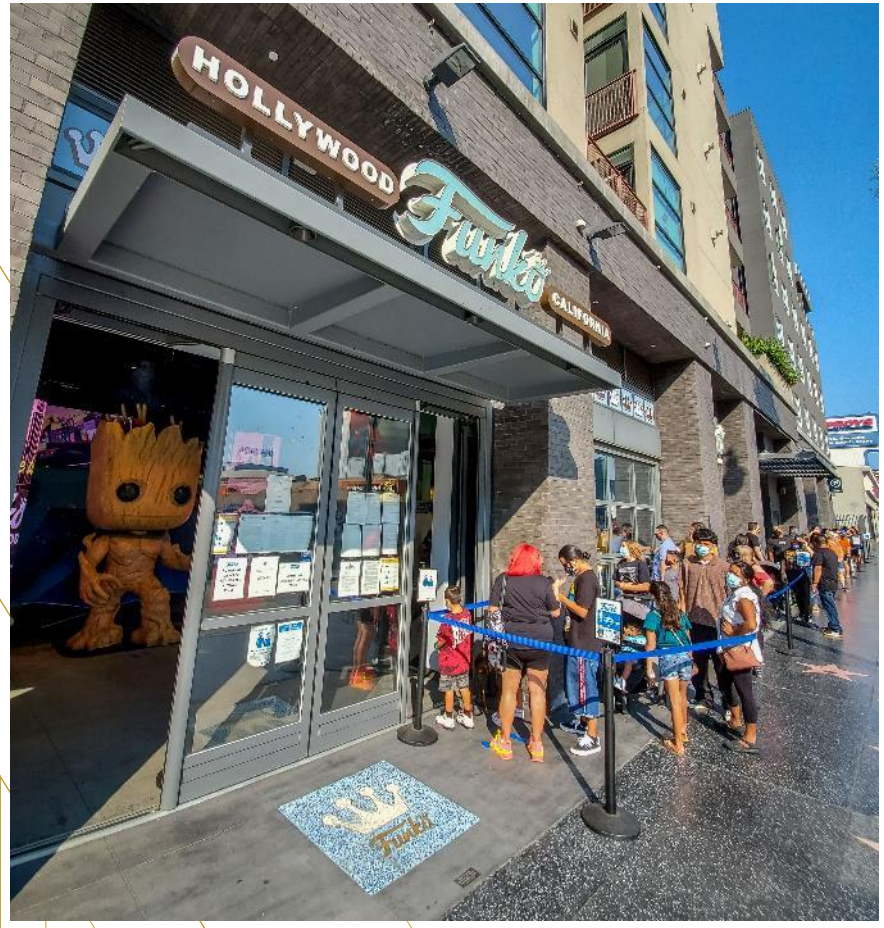
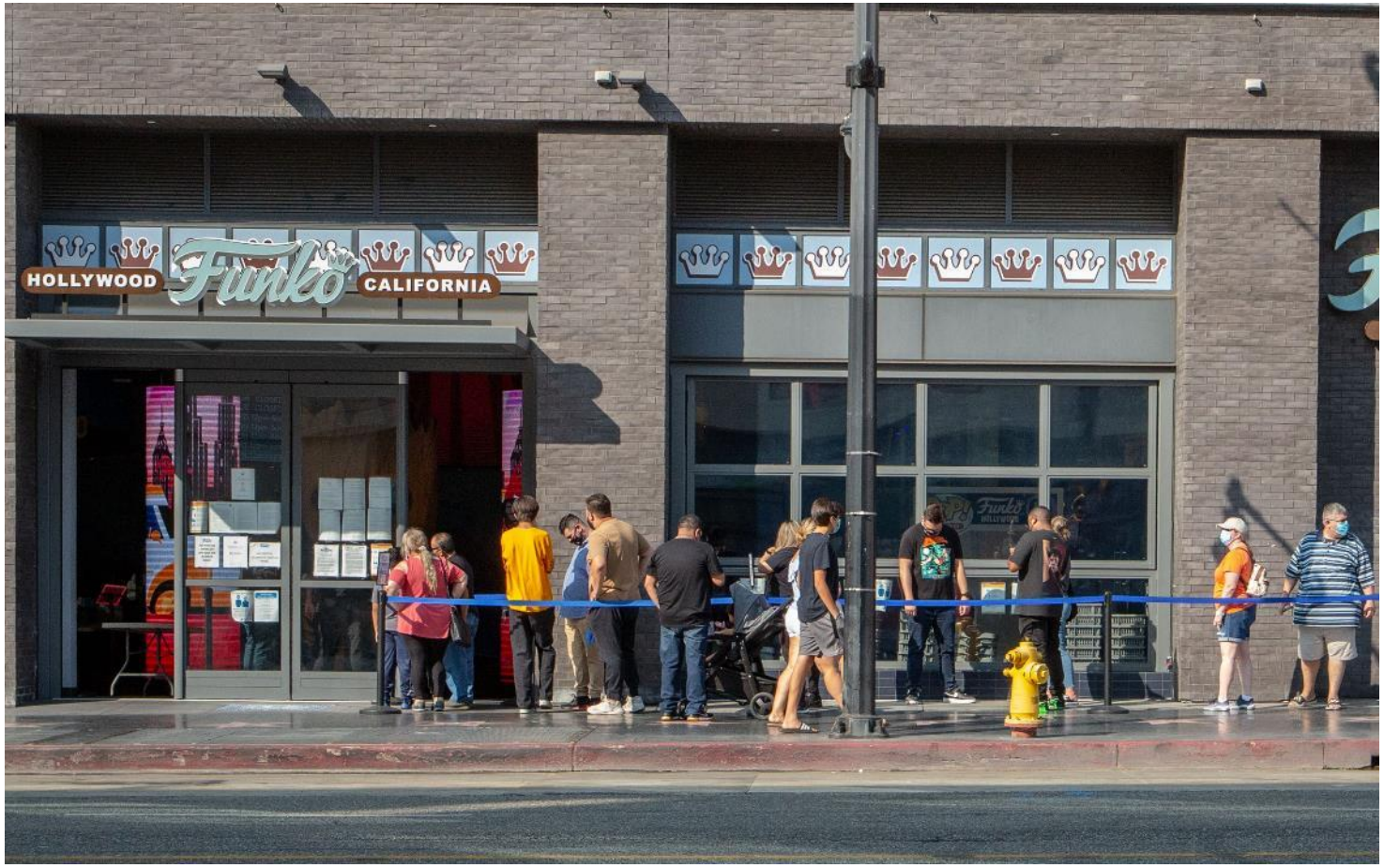
Retail





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Office

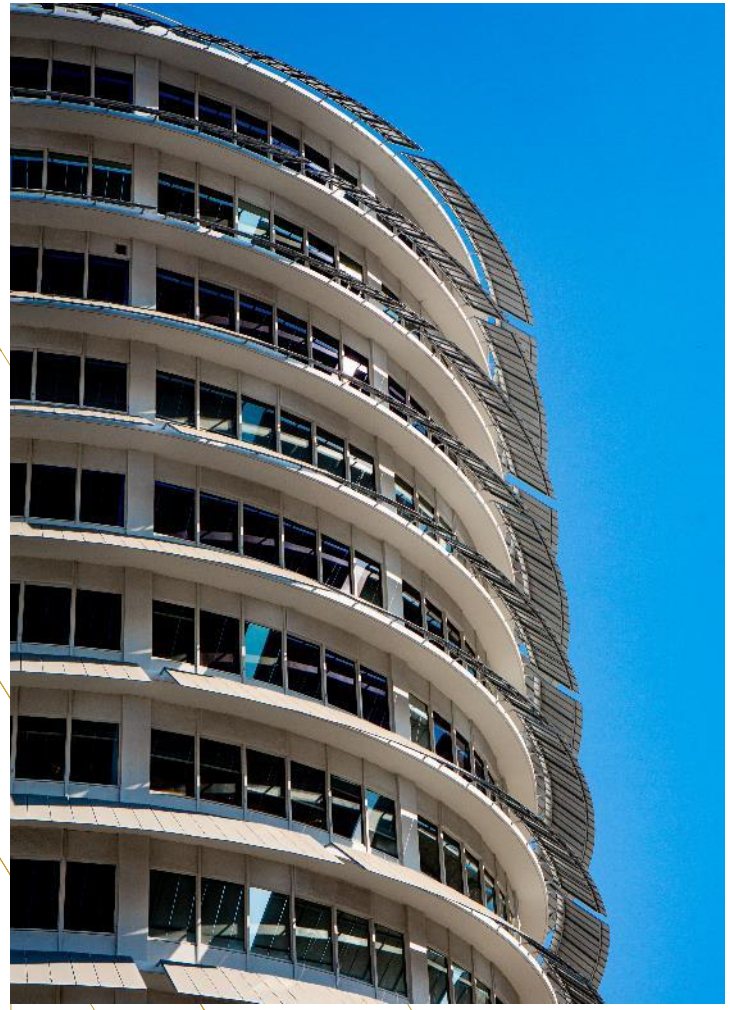

TABLE 1: OFFICE SPACE MARKET AND DEVELOPMENT INSIGHTS

	Hollywood Q4 2019	Hollywood Q3 2020	Hollywood **Q4 2020**	QoQ Change	YoY Change
Overall Asking Rents (per SF)	$4.54	$4.56	$4.77	+$0.21	+$0.23
Class A Asking Rents (per SF)	$4.77	$4.66	$4.80	+$0.14	+$0.03
Inventory (SF)	4,453,027	4,369,143	4,497,868	+128,725	+44,841
2020 YTD Absorption	8,806	-141,425	-190,285	-48,860	-199,091
Overall Vacant Space (SF)	631,943	773,368	950,953	+177,585	+319,010
Overall Vacancy Rates	14%	17.7%	21.1%	+3.44%	+6.94%
2020 YTD Leasing Activity (SF)	346,129	101,499	108,735	+7,236	-237,394

Source: Cushman & Wakefield, Los Angeles Office Report, Quarter Four 2020

+3.4%

Increase in Hollywood Office Space Vacancy Quarter Over Quarter

Office

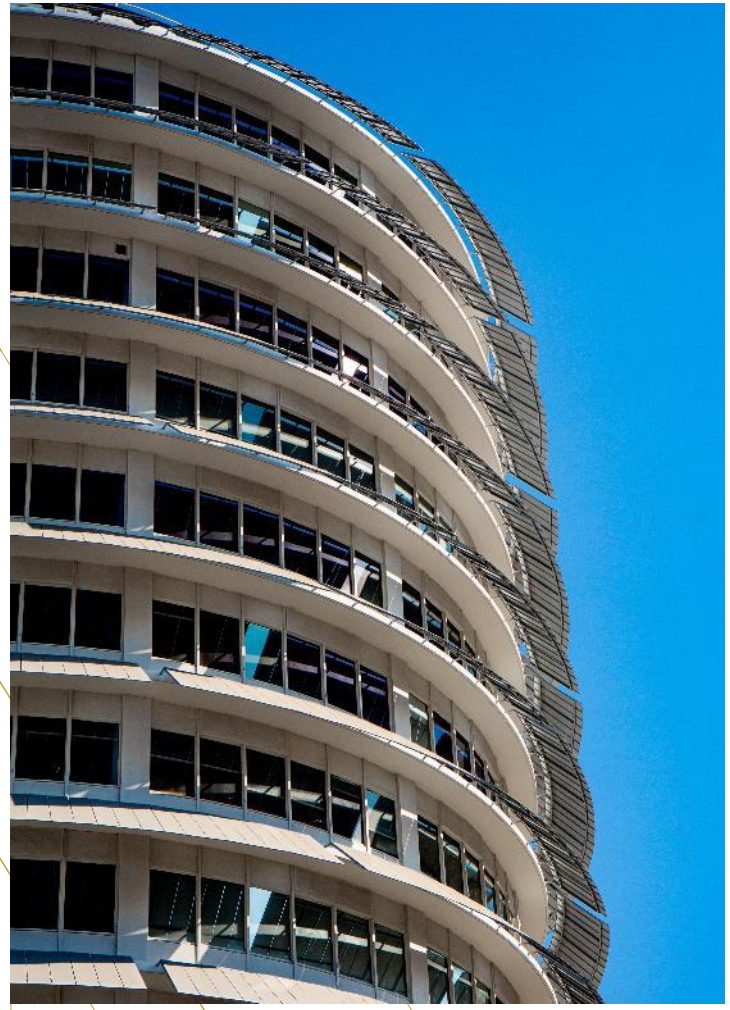

TABLE 2: PIPELINE OFFICE SQUARE FEET

	HED # of projects	HED SF	HOLLYWOOD # of projects	HOLLYWOOD SF
Under Construction	1	335,509 sf	1	335,509 sf
Entitled	-	-	1	95,000 sf
Proposed	5	1,512,444 sf	6	1,648,444 sf
TOTAL	**6**	**1,847,953 sf**	**8**	**2,078,953 sf**

Source: The Hollywood Partnership, Zone Information and Map Access System (ZIMAS)

"a vote of confidence not only in Hollywood's staying power as a creative industry hotspot but also in the desire of those working and staffing the industry to continue to collaborate in person, especially in creative office buildings, once they are able to do so." – Feb 5, *Bisnow*

Residential

RESIDENTIAL HOUSING MARKET	Q4 HED	Q4 Hollywood	QoQ Change
Total Residential Inventory (Units)	5,543	16,010	-
Avg. Residential Vacancy Rate (%)	-	10.70%	+0.80%
Avg. Price per Square Foot	-	$2.87	$0
Avg. Rental Rate for One-Bedroom	-	$2,132	+$21
Cap Rate	-	4.3%	-0.3%
Quarterly Absorption	-	51	-2

Sources: CoStar, Hollywood Multi-Family Housing Report - Quarter Four 2020, Yardi Matrix, MySidewalk

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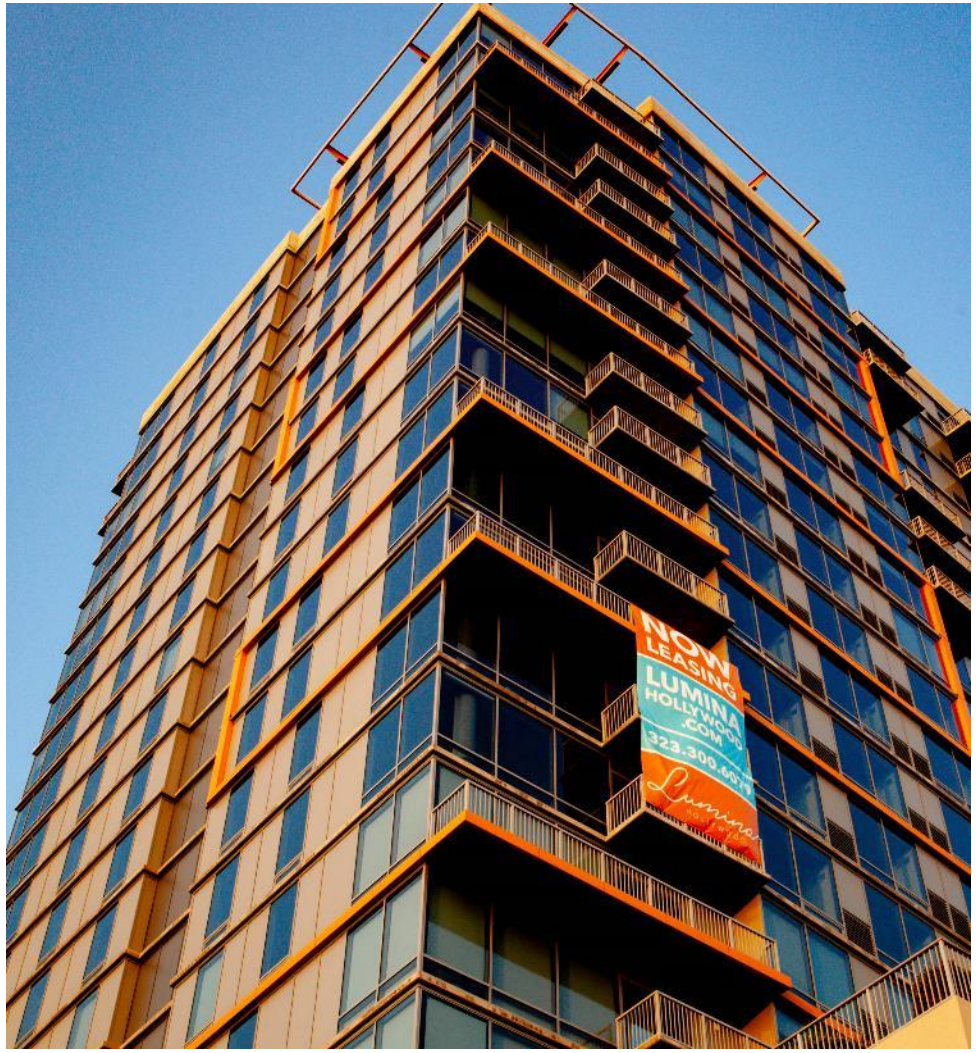
Residential

60%

Nearly 60% increase in Greater Hollywood housing stock if all Q4 2020 under construction, entitled, and seeking entitlement projects are built.

14%

14% of pipeline housing units are affordable.



PIPELINE HOUSING UNITS	**Q4** HED	**Q4** Hollywood
Under Construction		
Market Rate	654	2,054
Affordable	81	322
% Affordable	11%	14%
TOTAL	**735**	**2,376**
Entitled		
Market Rate	2,018	3,311
Affordable	191	435
% Affordable	9%	12%
TOTAL	**2,209**	**3,746**
Seeking Entitlement		
Market Rate	1,912	2,738
Affordable	341	448
% Affordable	15%	14%
TOTAL	**2,253**	**3,186**
MASTER TOTAL	**5,197**	**9,308**

Source: The HP, Zone Information and Map Access System (ZIMAS)

2021 in Two

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