



LA's Hot Retail District

Pockets of
Retail Highlight
Opportunities

By Tom Gilmore

Driving through LA's retail district for the first time, most visitors would never guess that some of the hottest boutique retailers in the world call this area their home. Every day a steady stream of celebrities and fashionistas fill the trendy shops and restaurants that are scattered across the area's several successful pockets of retail development.

The LA retail district runs from La Brea Avenue to Robertson and encompasses the cross streets of Melrose Avenue, Beverly Boulevard, and Third Street. Today, the street front retail is a mix of eclectic shops that range from vintage clothing to fine home furnishings in a gritty urban backdrop.

Looking more broadly at the shopping district, a few important developments occurred over time that set the stage for the area's success.

LA's retail roots originated in the early 1980s when a variety of boutiques began opening along Melrose Avenue. For example, while many are familiar with the Johnny Rockets chain, few outside of LA may realize that its

first restaurant opened on Melrose in the mid-1980s. Today's retail shops range from Kicks Los Angeles, a store dedicated to edgy urban athletic wear, and Slow, with hipper H&M style apparel, to Voom by Joy Han, which is featured in most of the top style magazines, and Notorious, which stocks some of LA's best women's apparel collections. Noteworthy restaurants include Koi, The Ivy, Taste, comme Ça and 8 oz. The Avenue also is home to The Groundling and Improv theaters.

At the same time that Melrose was emerging in the 1980s, Taubman opened the 880,000 square foot Beverly Center, which brought substantial new retail to the area — and anchored the western edge of the emerging shopping hub. Today the center is anchored by Bloomingdales and Macy's and is home to trendy national tenants such as Club Monaco, DKNY, H&M and Hugo Boss.

Although the area is well located and has excellent regional access, the area's mature built-out character has made new development rare. In fact, only one major commercial project has been developed here in the last dozen years — The Grove.

Capitalizing on the notoriety of LA's historic Farmers Market and, perhaps, the only readily developable parcel able to accommodate a large-scale development in the corridor, Caruso Affiliated took the orchard and nursery behind Farmers Market and created a 575,000 square foot upscale, open air lifestyle center that complemented Beverly Center's merchandising with names such as Nordstrom, American Girl Place, Crate & Barrel, Pacific Theaters, Apple, Tommy Bahama, J.Crew, and Lucky Brand Jeans. Restaurants range from well established formats such as Cheesecake Factory and Maggiano's Little Italy to specialty offerings like Wood Ranch BBQ & Grill and The Whispers Lounge. The Grove also boasts an active filming schedule.

While little new development has come to this part of LA due to the lack of available sites, re-investment is ongoing as storefronts change hands and new retail concepts are introduced.

The ingredients that continue to fuel this area are a solid residential base. A cursory drive through the area

The diverse array of retail and restaurants make this corridor a special place.

reveals very established, upscale neighborhoods like the ones south of Melrose and east of Highland. From a statistical standpoint, these affluent patterns come through in the profile of area residents — showing 41,000 households with an average household income of \$88,600 within a 1½ mile radius.

Beyond this residential base, the area also has significant daytime employment from the area's 2.3 million sq. ft. of office inventory. While the majority of office space is smaller scale, major tenants in the area include CBS (515,000 sq. ft.), the Writers Guild of America (90,000 sq. ft.), and offices for Cedar Sinai Medical Center.

The final ingredient that you can not forget is the diverse array of retail and restaurants that make this corridor a special place. For LA, be it the enclosed Beverly Center with its upscale shops, the open-air Grove with its mix of national and regional tenants, the Farmers Market that is home to unique foods and restaurants, or the wide array of cutting-edge vendors along the strand that have come to define the LA-style and attract celebrities daily — LA offers a residents and visitors a one-of-a kind mixing place.

Tom Gilmore (tom.gilmore@madisonmarquette.com) is SVP, Investments in our Los Angeles office. **P**



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SEVERAL KEY RETAIL CONCENTRATIONS DOMINATE THE LA MARKET

Beverly Center

Built in 1982 and renovated in 2001, Beverly Center is located between Beverly Blvd and anchors the western edge of the Third Street shopping district. The 880,000 sq. ft. center is anchored by Bloomingdale's and Macy's and includes a number of trendy national retailers.



Melrose Shopping District

Since the early 1980s Melrose Avenue has been the location of numerous specialty boutiques for LA's "hip." The retail is mainly urban storefronts with an eclectic mix of apparel, home furnishings, cafés, and restaurants.



Beverly Blvd Shopping District

The eastern part of Beverly Blvd is much like Melrose in its eclectic mix of boutiques. Stores like K Bond and Naked feature European collections. Other shops include Erewhon, an upscale health food store and Fifi & Romeo, a canine/human boutique for two- and four-legged clients.



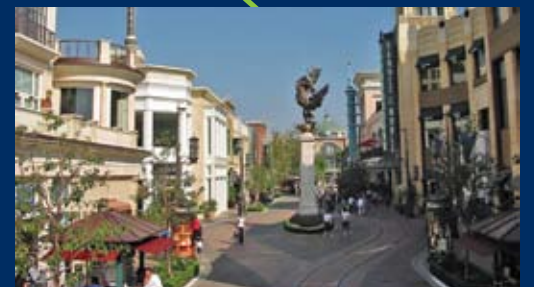
Third Street Shopping District

Lined with antique shops and boutiques, Third Street shoppers experience stores such as Aero & Co, which showcases local designers, Polka Dots & Moonbeams, which offers vintage and cutting edge fashion, Zippers, an old time general store, and Douglas Fir, a high end shop targeted to the GQ subscriber.



Farmers Market

An LA landmark for nearly 100 years, Farmers Market offers patrons a mix of 183,000 sq. ft. of shopping. Besides traditional meats, produce and bread, the market offers national retail options such as Johnny Rockets, Pinkberry, Cost Plus World Market, Bath & Body Works and Sur La Table.



The Grove

The Grove, opened in 2002, is located adjacent to the historic Farmers Market. This acclaimed project helped to re-establish the area by bringing in 575,000 sq. ft. of new retail and entertainment.

Source: Madison Marquette Market Research