



LOS ANGELES | RETAIL

Exclusive

Low Vacancy Brings National Retailers To DTLA

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LOS ANGELES—The retail vacancy rate in Downtown Los Angeles fell more than 51% at the end of 2016, thanks to the focus from national and international retailers.

PRINT REPRINTS



Carol Schatz is the president and CEO of the DCBID.

LOS ANGELES—The retail vacancy rate in Downtown Los Angeles plummeted more than 51% at the end of 2016 to 4%, according to the fourth quarter report from the **Downtown Central Business Improvement District**. Rental rates are following suit. In the fourth quarter, average rents were \$2.64 per square foot, a 2.7% increase year-over-year. The activity make the retail sector one of the most active asset classes in Downtown Los Angeles. To find out more about the activity in the retail sector and where the market is headed, we sat down with **Carol Schatz**, president of the DCBID, for an exclusive interview.

GlobeSt.com: *The decrease in retail vacancy in 2016 was impressive. What drove down the retail vacancy last year?*

Carol Schatz: You are correct in that there has been an impressive number of new restaurants, bars, fashion, and retail outlets that have opened in the last year. There is now a national and international focus on DTLA and retail growth reflects this interest. In addition to new local retailers and food purveyors, we continue to see a growing influx of national chains making a home in Downtown including Whole Foods, Petco, Footaction, Burlington, and Nordstrom Rack, which is coming soon to FigAt7th. These are complemented by hip, boutique retailers like Pocket Square Clothing, Please Do Not Enter, Acne Studios, and many, many, more.

GlobeSt.com: *What retail trends are you expecting to see in DTLA in 2017?*

Schatz: With the retail market being so tied to the overall economy, it is a difficult market to predict. But Downtown’s Renaissance has been extremely resilient, so we anticipate retail to remain strong and in growth mode. And with the superior quality and type of retail spaces that will be delivering, we expect to see more national chains and world brands opening in downtown. With a “weekday population” of 500,000 workers, residents and visitors, a growing, affluent residential population, and almost 19 million visitors per year, DTLA provides the density of shoppers that retailers are seeking, as well as plenty of opportunities to create “signature” locations.

GlobeSt.com: *Daily needs retail is dominating the L.A. retail market. Is that also true in DTLA? What types of retailers are most prevalent there?*

Schatz: Daily needs retail was a dominating part of the retail scene in the earlier stages of the Renaissance, as there was a dearth of it to serve the early residents. Now that the residential community is growing beyond critical mass, we are starting to see more higher-end and specialty retail such as Shinola, BNKR, Aesop, and COS, which is opening soon at 8th and Broadway.

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