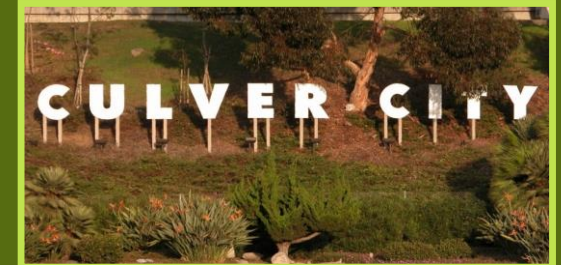


Culver CITY



9735 WASHINGTON BLVD - CULVER CITY, CA RETAIL MARKET ANALYSIS

CITY OF CULVER CITY
OCTOBER 2018



CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 1

Overview of Greater Los Angeles Area

Culver City is located in the Log-Angeles-Long Beach, CA Combined Statistical Area, Also known as the "Greater Los Angeles Area". This area encompasses five counties and is home to over 18 million people. Since 2000 the Los Angeles CSA has grown at a rate of 0.8% to 0.9% annually seeing an absolute growth of roughly 130,000 to 160,000 people per year.

From 2000 to 2010 this growth primarily occurred in the outlying suburban counties of Riverside and San Bernardino, however since 2010 a greater share of growth has occurred in Los Angeles County and more specifically, in the more urban cities such as Los Angeles.

When looking at Culver City, growth was extremely slow from 2000-2010 with the city only adding 7 people per year. However, this number has increased to over 100 per year from 2010-2017.

With strong job growth, a pleasant climate, and improving lifestyle offerings in many areas of Los Angeles County, cities such as Culver City should continue to see positive growth as people continue seeking strong urban environments with job proximity and walkability.



COUNTY	LAND AREA		POPULATION		ANNUAL GROWTH		ANNUAL % GROWTH	
	SQ MILES	% GREATER LA	2016	% GREATER LA	2000-10	2010-16	2000-10	2010-16
Los Angeles County	4,058	12.0%	10,057,155	54.5%	23,892	59,780	0.3%	0.6%
Orange County	791	2.3%	3,132,211	17.0%	11,924	33,337	0.4%	1.1%
Riverside County	7,206	21.2%	2,323,892	12.6%	56,408	42,886	3.7%	2.0%
San Bernardino County	20,052	59.1%	2,106,751	11.4%	29,585	20,293	1.7%	1.0%
Ventura County	1,843	5.4%	843,110	4.6%	5,588	6,806	0.7%	0.8%
Greater Los Angeles Area	33,949	100%	18,463,119	100%	127,397	163,101	0.8%	0.9%

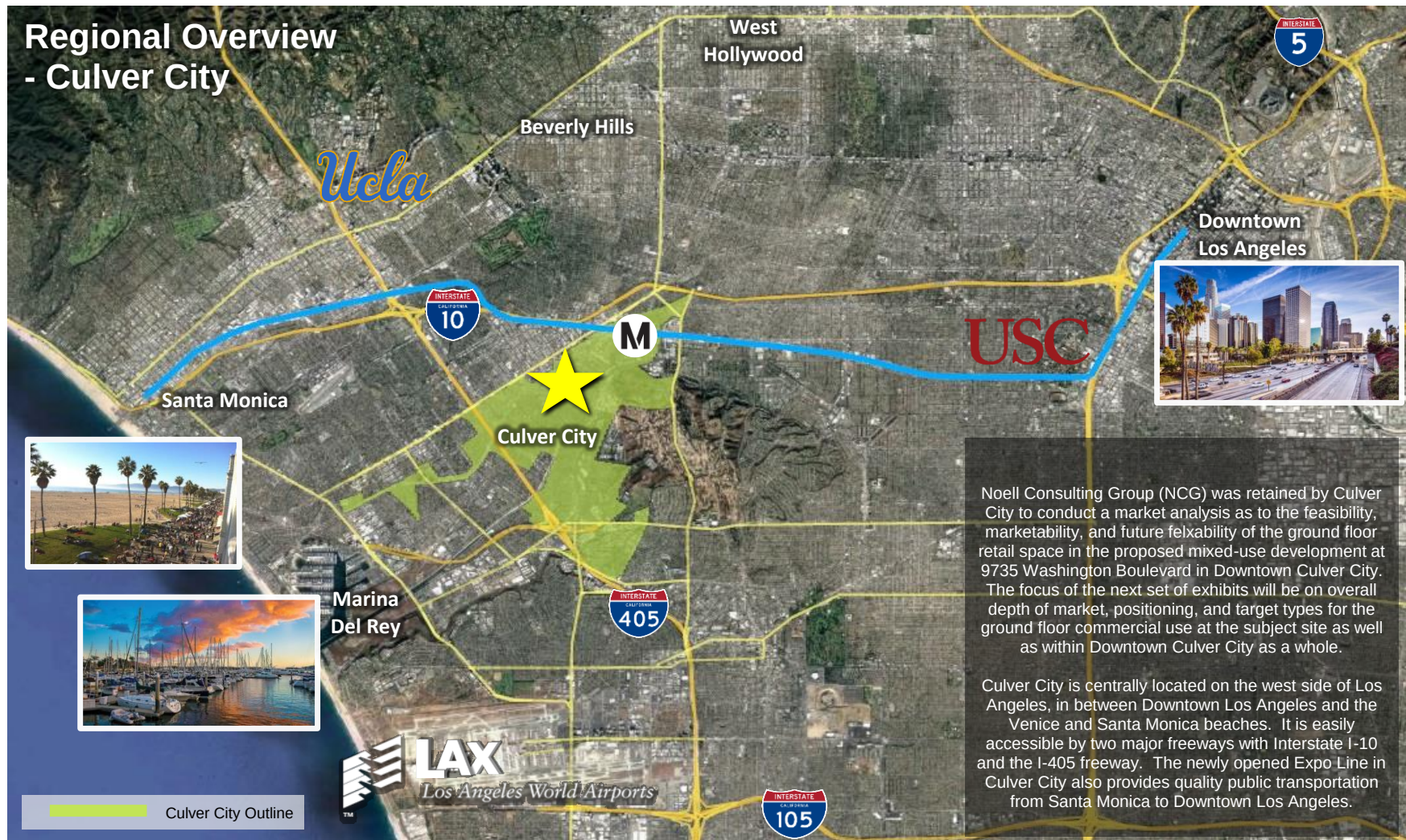
City Comparison	SQ MILES	% GREATER LA	2016	% GREATER LA	2000-10	2010-17	2000-10	2010-17
Beverly Hills	5.70	0.02%	34,627	0.2%	33	104	0.1%	0.3%
Culver City	5.16	0.02%	39,395	0.2%	7	102	0.0%	0.3%
Los Angeles	468.64	1.38%	3,918,872	21.2%	9,780	25,250	0.3%	0.7%
Santa Monica	8.41	0.02%	92,247	0.5%	565	502	0.7%	0.6%

SOURCE: Noell Consulting Group, U.S. Census Bureau



CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

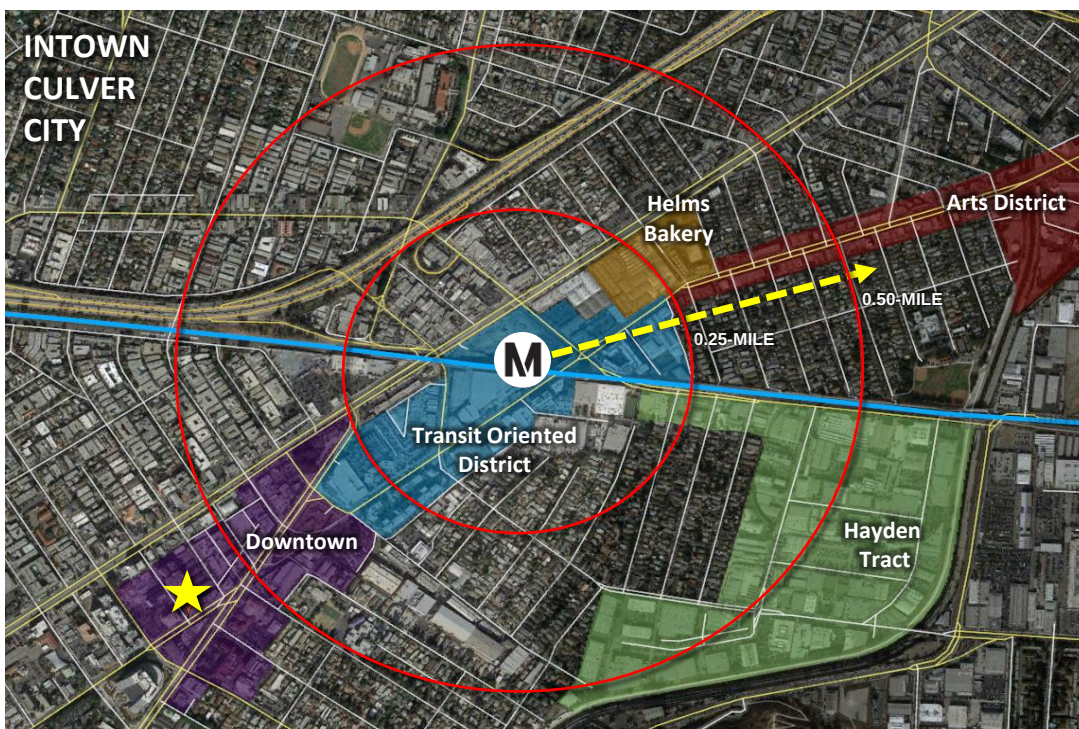
Exhibit 2 Regional Overview



SOURCE: Noell Consulting Group, Google Earth



Exhibit 3
Intown Culver City Overview



Culver City is home to several unique and growing neighborhoods including Downtown, the Transit Oriented District, the Helms Bakery District, Hayden Tract and the Art's District. The subject site is located in the heart of Downtown, a truly walkable district with a mix of employment, restaurants, retail and entertainment options. Downtown is home to the historic Culver Hotel, Sony Pictures Entertainment, The Culver Studios, Kirk Douglas and Arclight Theaters, and the Southern California Medical Center. Starting in the early 2000's, Downtown become a vibrant dining district attracting renowned chefs and serving up everything from farm to table options to ramen. That said, many restaurants failed and turnover has been high. Still, the future looks bright for Downtown with the addition of the Culver Steps development with 45,000 SF of retail space and 75,000 SF of office space that has recently been leased by Amazon.

Transit Oriented District: The Culver City Expo Line has helped the TOD emerged as a leading destination for the City. The new developments of the Platform, 8777 & 8888 Washington Blvd and Ivy Station will continue to make this area attractive.

Helms Bakery: Once a large industrial bakery, the renovated buildings are now home to retail shops, restaurants and furniture / design showrooms.

Hayden Tract: Collection of creative office buildings located in a once industrial area. The area is known for its internationally-acclaimed architecture and has attracted a number of tech companies over recent years.

Arts District: Includes a number of boutiques, design retailers, art galleries and restaurants. It is also home to a variety of companies including advertising, interior design, and architecture.

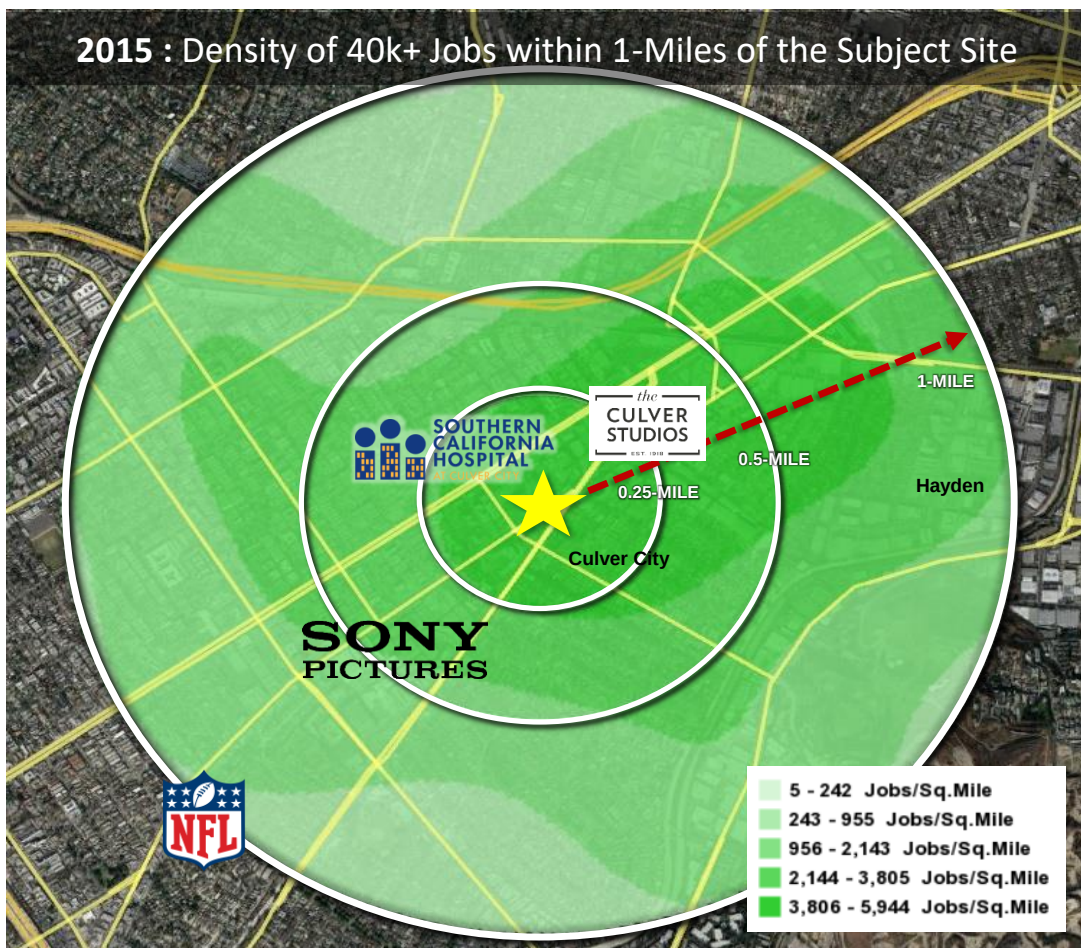
SOURCE: Noell Consulting Group, Google Earth, Culver City, CoStar



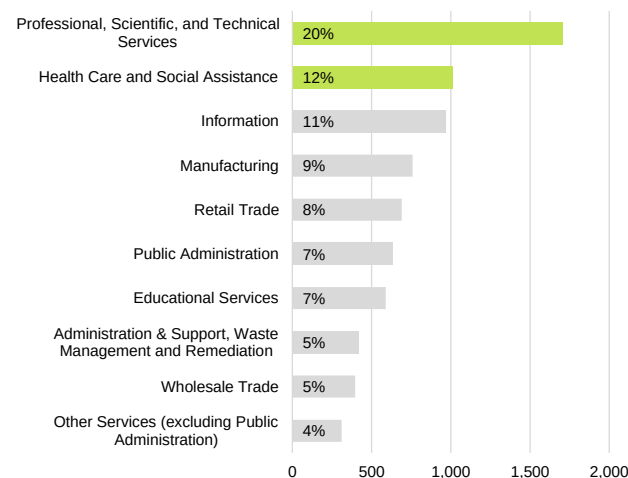
CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 4

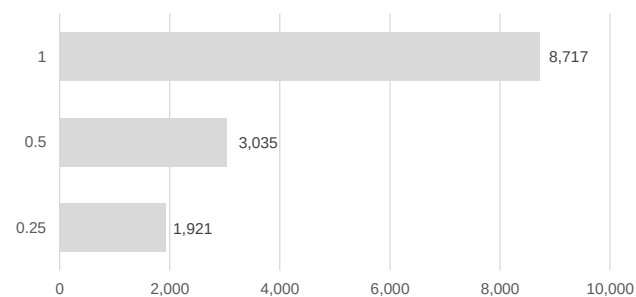
Proximity and Connection of the Subject Site to Jobs Paying \$40,000+



Employment w/in 1 Miles - Top 10 Industry Sectors



Total Employment by Distance from Subject Site

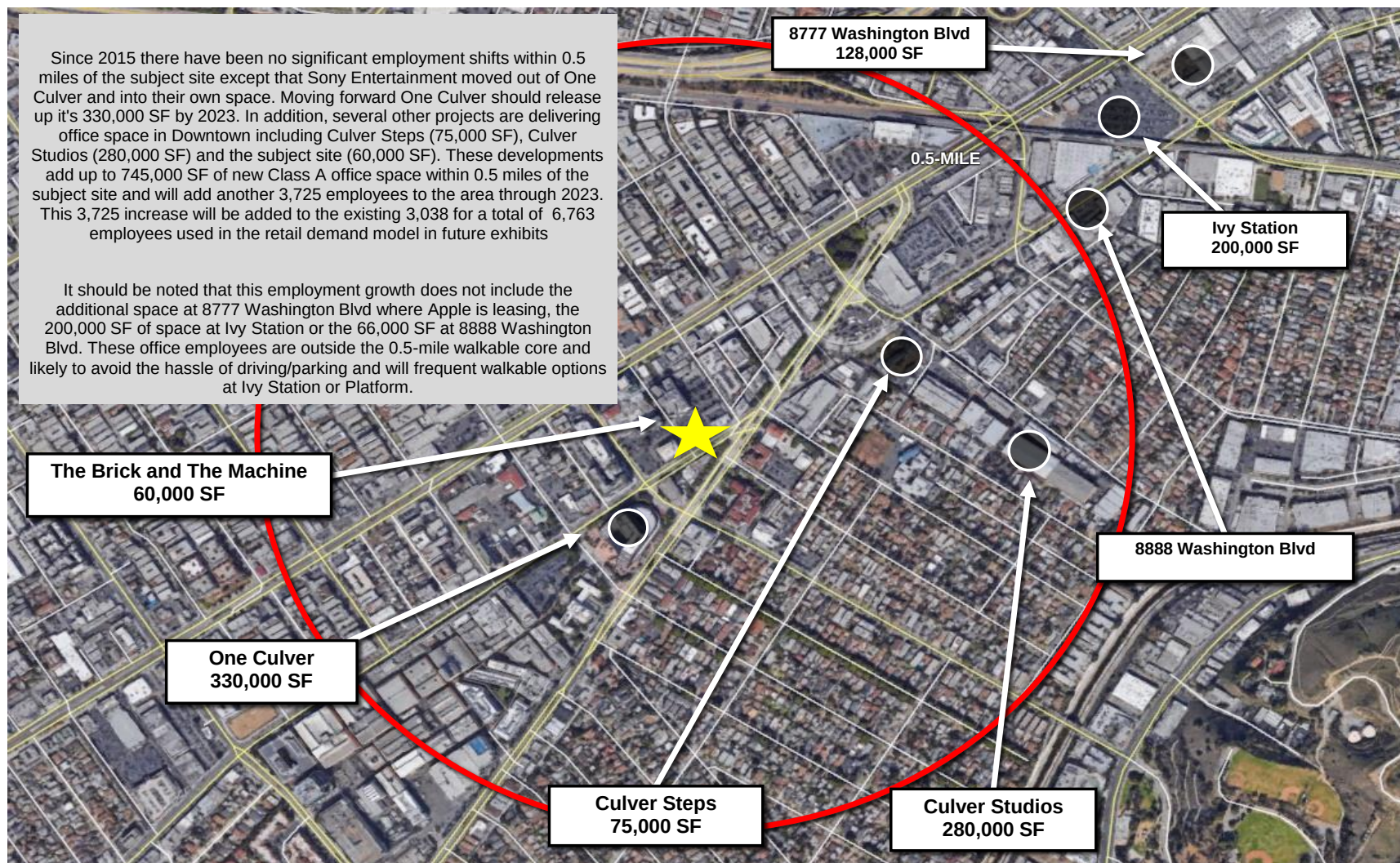


The above map shows the concentration of jobs earning above \$40,000 annually within a 1-mile radius of the subject site. These jobs are heavily concentrated in Professional/Technical Services and Health Care. In addition, Apple plans on occupying 128,000 SF in 2019 near the Expro Line Station and Amazon plans to occupied 75,000 SF at Culver Steps and 280,000 SF at Culver Studios in 2019-2020. The retail at the subject site will benefit from the daytime population from these employers as well as those being added at the subject site.

SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

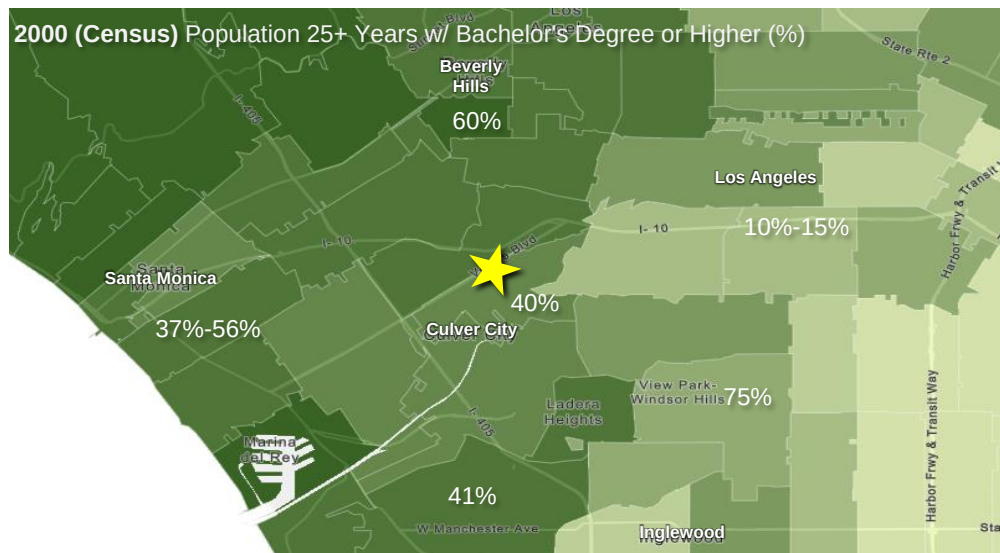
Exhibit 5 Future Employment Growth



Source: NCG, SocialExplorer, U.S. Census Data

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

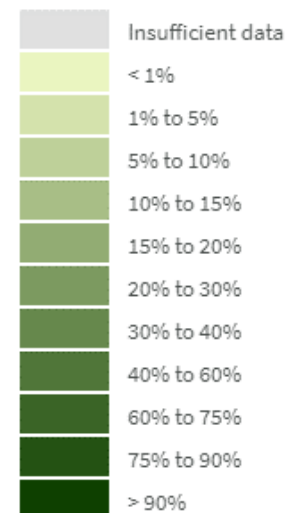
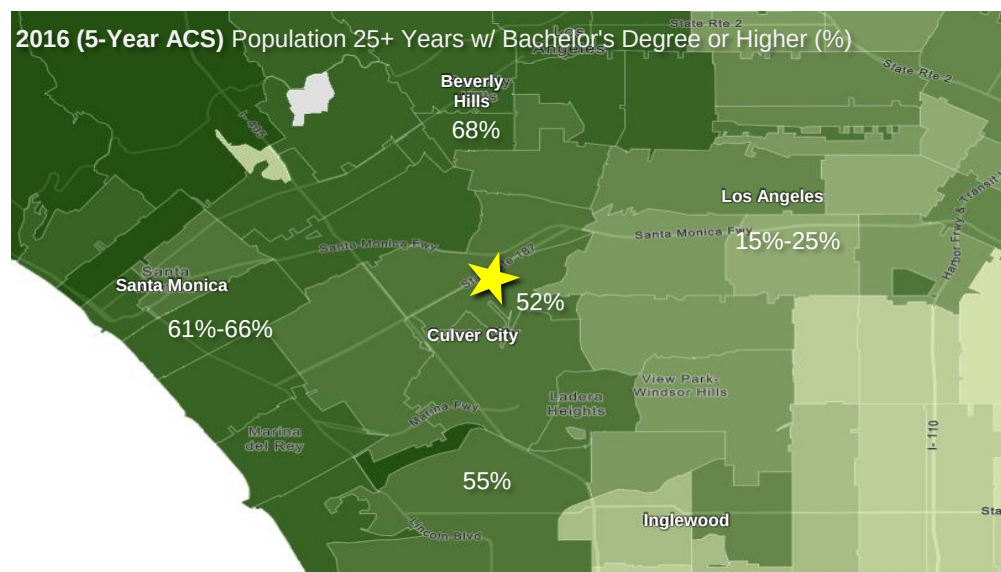
Exhibit 6 Educational Attainment Trends Near the Subject Site



In 2000 40% of the population in and around Culver City had a bachelor's degree or higher and as of 2016 this percentage had increased to 52%. This 52% of people with bachelor's degrees or higher far exceeds the county's 30% concentration.

Areas to the north and west also show higher percentages and growing. While areas to the east have lower educational attainment, the attainment levels are increasing proportionally.

Households with higher educational attainment have high income potential and are strong indicators of neighborhood stability and retail expenditure potential.

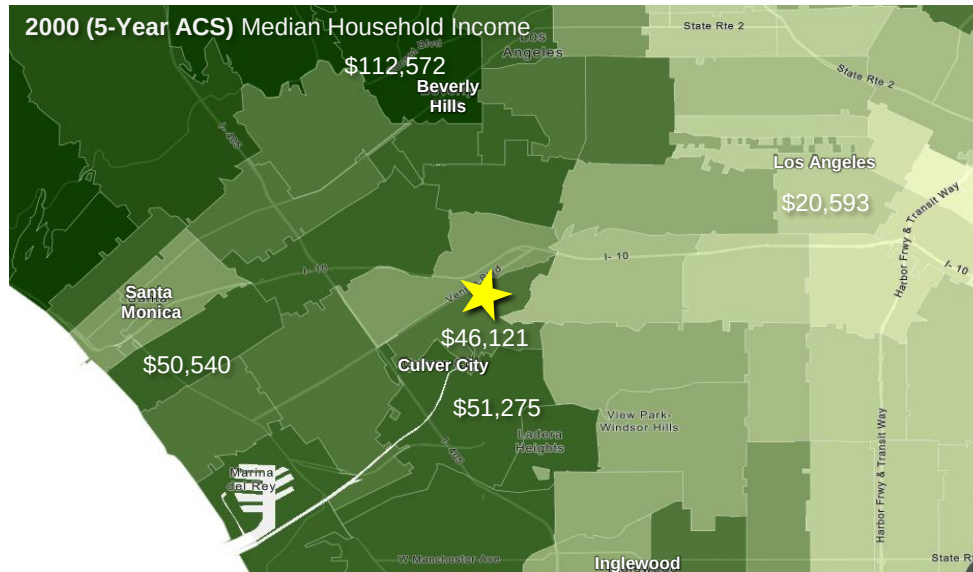


Source: NCG, SocialExplorer, U.S. Census Data

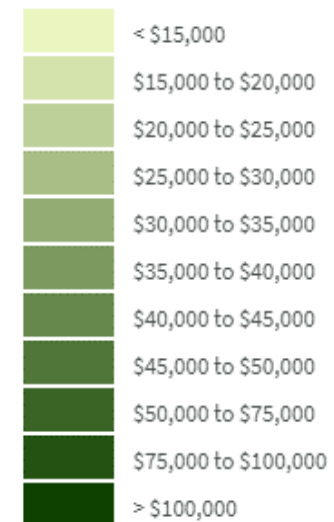
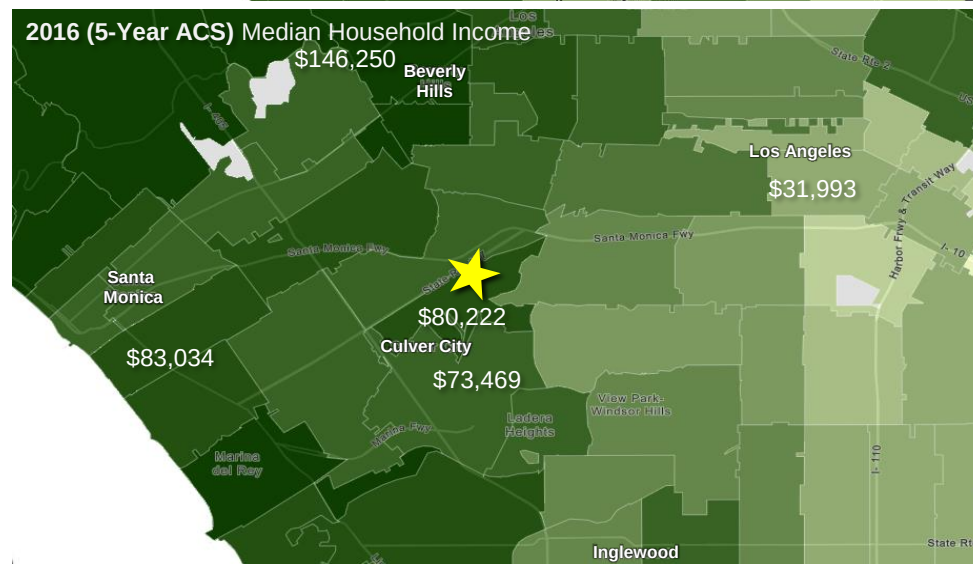


CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 7
Change in Median Incomes Near the Subject Site



As educational attainment has increased so have median incomes. Since 2010, just after the recession, median incomes near the subject site have increased from around \$46,121 to over \$80,000, a 74% escalation (9.6% CAGR). This rate has outpaced the county's median income growth over the same time period of 37% (5.4% CAGR).

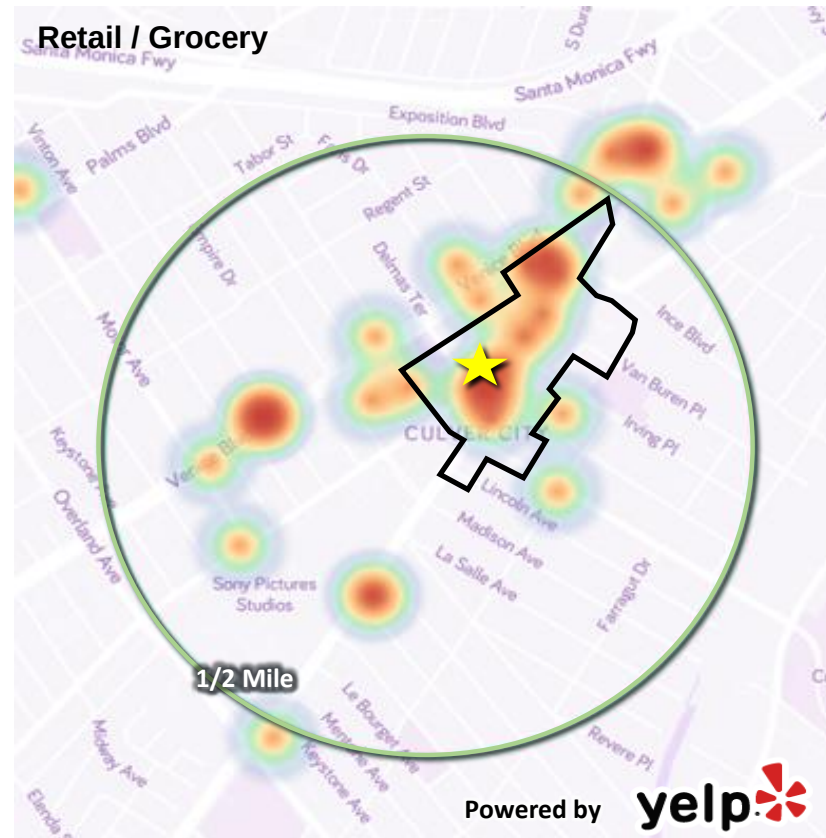
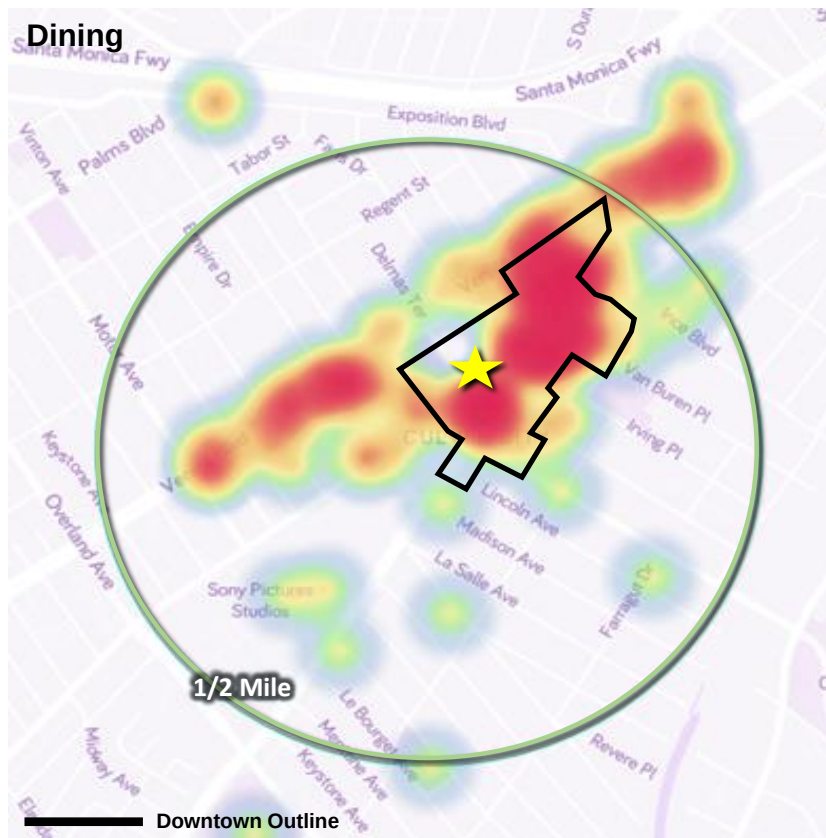


Source: NCG, SocialExplorer, U.S. Census Data

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 8 Intown Culver City Dining Heatmap

The heat maps below show the location and relative density of restaurants and retail offerings reviewed by Yelp users around the subject site and Downtown Culver City. The colors represent the total number of establishments in each area, with higher concentrations highlighted in red. Downtown is home to a strong number of dining establishments including full-service restaurants and fast casual restaurants. These establishments are mostly located along Washington Blvd, Culver Blvd, and Main Street. In terms of dry goods, including retail options are more limited. Downtown is home to a Trader Joes and several smaller retailers including a gift shop, bookstore and men's clothing store.



SOURCE: Noell Consulting Group, Yelp

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 9 Assessment of the Subject Site



Strengths

- Located in Downtown Culver City core w/ employment, dining and entertainment access
- 3,035 employees within 0.5 of the subject site and another 3,725 estimated over the next 5 years
- A built-in demand driver with 60,000 SF of Class A office space above the retail.
- High visibility and Washington Blvd address
- Close to demand drivers of One Culver, Kirk Douglas Theater and Southern CA Hospital
- National tenant presence with Starbucks and Equinox
- Strong onsite parking ratios
- Proximate Class-A multifamily density

Challenges

- Similar to overall Downtown challenges, perception of limited parking, lack of market efforts to boost tourism and dining scene.
- Competition from new/recent developments outside of Downtown core including Platform, Helms and Ivy Station.
- Subject site lacks critical mass / anchor retail tenant.
- Heavy traffic / congestion and Washington / Culver intersection.
- Only modest income levels in local trade area.

Opportunities

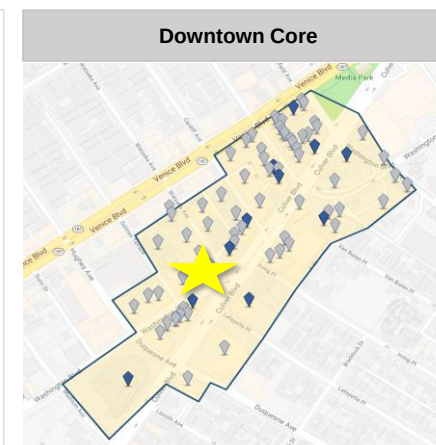
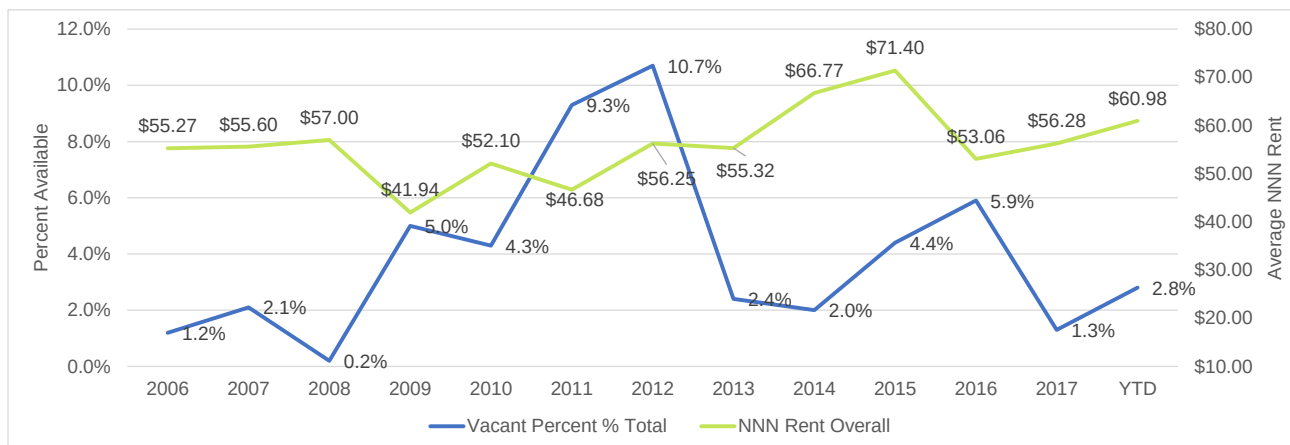
- Provide a tailored offering of food and beverage and service driven concepts for the local demand generators and growing destination dining scene.
- Leverage modern space design, tenant improvement allowances, and strong parking ratios as a benefit to older space to Downtown.
- Market adjacency to Equinox and Starbucks, along with Kirk Douglas Theater and daytime population for demonstrated foot traffic.

SOURCE: Noell Consulting Group, Google Earth, CoStar

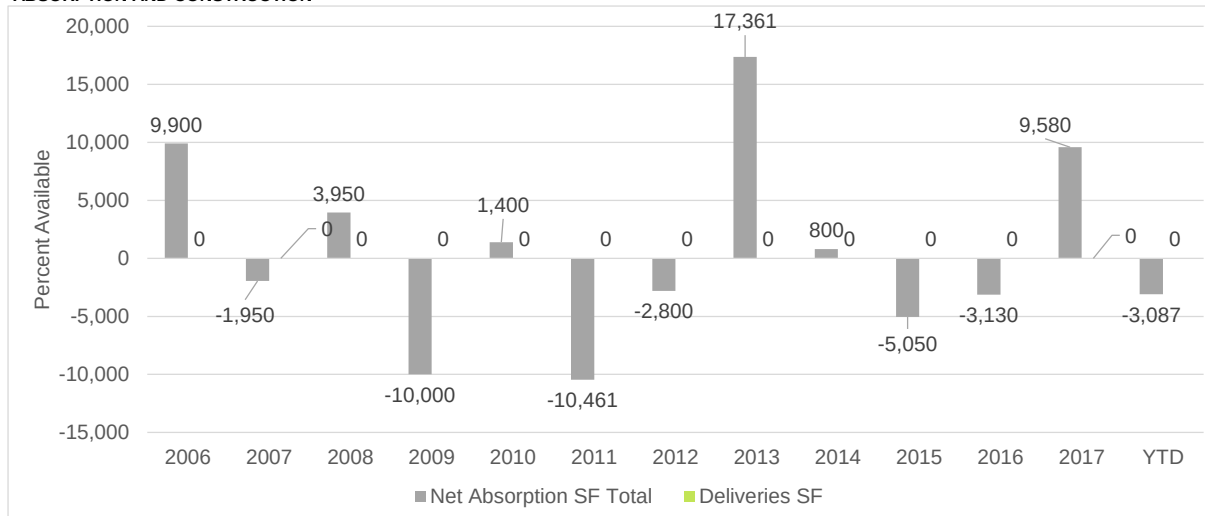
CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 10 Local Retail Market Trends, Downtown Core

RETAIL AVAILABILITY AND RENTAL RATE TRENDS



ABSORPTION AND CONSTRUCTION



The local Downtown retail market has been relatively strong following disruption during the post-recession recovery. The amount of vacant space has dropped considerably from 10.7% to 2.8%, a result of two strong years of positive absorption, and no new deliveries since 2006. The result of this declining vacancy trend is a strong increase in rental rates, with triple net rents climbing from the post recession trough of low \$40s, to the current average of nearly \$61/SF.

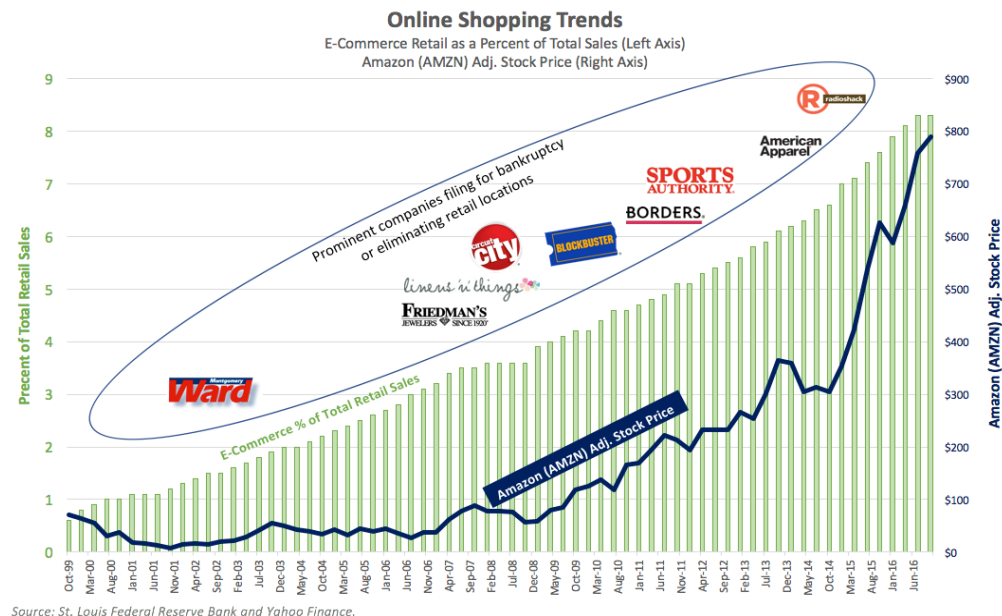
While no new space has "delivered", it should be noted that 50,000 SF was converted from office to retail at the base of One Culver (Nearly all of which is now leased), 42,000 SF is under construction at Culver Steps, and the proposed addition of the subject site's 13,000 SF may come online in the near-term. These new/substantial renovation spaces are leasing non-anchor spaces for triple net rates of \$60-90, an average premium of approximately 20-30% over the existing market average which includes a historic/aging building stock.

SOURCE: Costar

CITY OF CULVER CITY - 9735 WASHINGTON BLVD

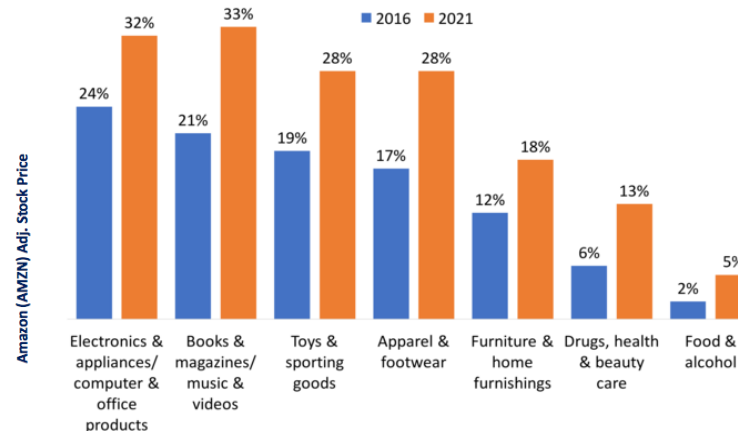
RETAIL MARKET ANALYSIS

Exhibit 11 Evolution of Brick and Mortar Retail



US E-Commerce Retail Sales By Product Category

Percent of total retail sales in each category



BI INTELLIGENCE

The increase in e-commerce sales has already had a dramatic effect on brick and mortar retail even though e-commerce only represents 8-9% of total retail sales, and all industry projections forecast this trend to continue. That said, it impacts certain products and store categories far greater than others, and therefore isn't just a doom and gloom story for brick and mortar, but a call to evolution. In deed, for thousands of years humans have always demonstrated a social desire for a walkable core for the purchase of goods, but also for the experience and interaction - components that e-commerce cannot replace. Food and beverage stores and establishments as well as service industry businesses are far less impacted by the e-commerce increase, and as such are becoming a larger percentage of the physical landscape. Other than certain luxury dry goods, these are also the industries whose performance metrics can justify the higher rents required by new construction in urban environments. For conventional dry good retailers trying to remain competitive in the market place a greater emphasis needs to be placed on an integrated "omni-channel" approach to sales, as well as a greater focus on more targeted customer service and speed/efficiency of getting goods to consumers - often through enhanced technology.



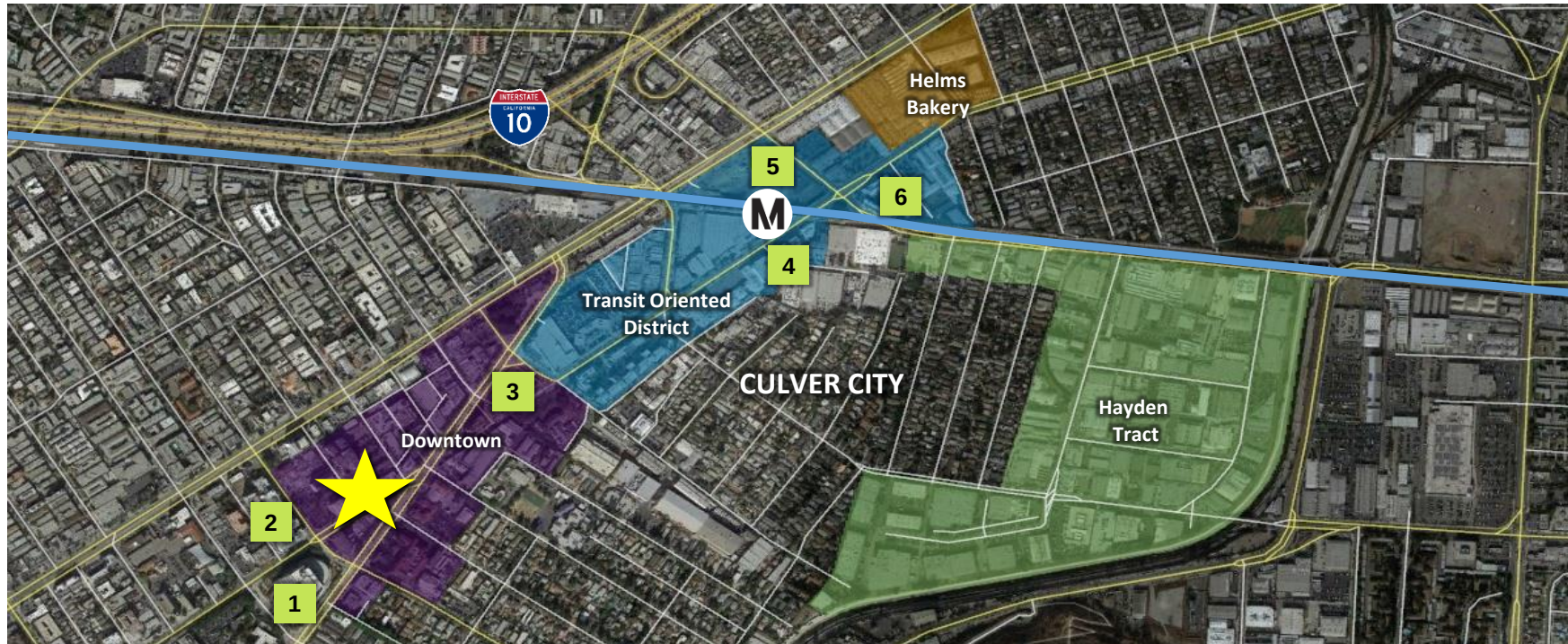
SOURCE: Noell Consulting Group, St. Louis Fed, Yahoo Finance, Kantar Retail, ICSC Envision 2020

New Age Retail Tenant Examples Remaining Competitive Through Omni-channel/Innovation



CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 12
Competitive Retail Comp Map



	Center Name	Year Built / Reno.	Project Type	Gross Leasable Retail Area	Vacancy %	Avg. Rates (Non-Dining)	Avg. Rates (Only Dining)	Pass-Thr. (taxes, Ins.)	% Dry Goods	% Dining /Food	%Service /Fitness
1	One Culver	2017	Ground floor under office	49,576	3.3%	\$63	\$63	\$18	0%	39%	61%
2	Harlow	2016	Ground floor under apt. units	11,047	20.4%	\$63	\$63	\$12	0%	87%	13%
3	Culver Steps	2019	Ground floor under office	42,333	TBD	\$78	\$88	\$15	25%	50%	25%
4	Platform	2016	Ground floor under office	44,367	12.5%	\$68	\$85	N/A	49%	38%	12%
5	Ivy Station	2019	Mixed-use office, retail, apt.	50,508	TBD	\$83	\$97	\$18	43%	34%	24%
6	Access	2016	Ground floor under apt. units	30,987	0.0%	\$63	\$63	\$15	0%	61%	39%
Summary/Average		2017		228,818	9.1%	\$69	\$76	\$16	24%	45%	31%

* Platform is estimated and gross leasable area has potential for retail or office users.

Source: Noell Consulting Group, CoStar

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 13 Competitive Retail Center: One Culver



Retail Overview	
Retail Developed	1986 (Reno. 2017)
Owner:	LBA Realty
Total SF Offered:	49,576
Est. Vacancy:	3.3%

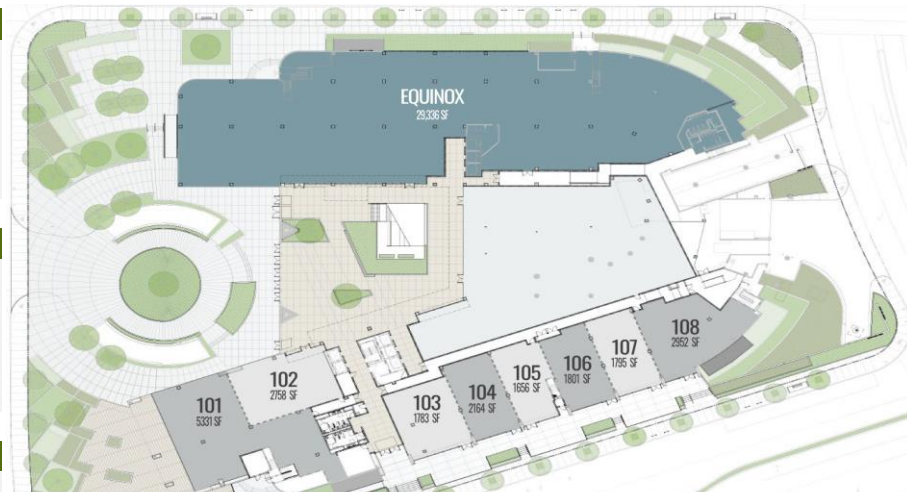
Est. Retail SF Allocation (Occ'd)	
Anchor	0
Dining/Food	18,584
Dry Goods	0
Service	29,336
Total Occupied SF:	47,920

Lease Rate Details	
Lease Rates - Int. (NNN)	\$60 - \$66 / SF
Pass-Through (taxes, Ins.)	\$18 / SF
TI's (Smaller tenants)	\$25 - \$50 / SF
TI's (Restaurant space)	\$75 - \$100 / SF
Term	-

Mix of Tenants (Occ'd)	
Dry Goods	0%
Restaurants/Food	39%
Service	61%
Entertainment	0%

Anchors / Key Retailers	
Equinox (29,336) should open in October 2018. Other tenants are planned to include coffee shop, pizza restaurant and taqueria	

Area	
Parking : Shared w/ office buildings.	1,175 total spaces
Other: Retail leasing took roughly 1.5 years to reach over 90% leased.	



Newly renovated office building near Downtown Culver City. The building offers 343,000 SF of Class A office space, in addition to nearly 50,000 SF of new retail space. The building was once owned by Sony but sold shortly after the recession to LBA. The redesign team involved the development team from Platform. There is only 1 space left to lease according to the leasing broker.

Source: Noell Consulting Group, CoStar, Main&Main

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 14 Competitive Retail Center: Harlow



Retail Overview	
Retail Developed	2016
Developer:	NMA Properties
Total SF Offered:	11,047
Est. Vacancy:	20.4%

Est. Retail SF Allocation (Occ'd)	
Anchor	0
Dining/Food	7,687
Dry Goods	0
Service	1,101
Total Occupied SF:	8,788

Lease Rate Details	
Lease Rates - Int. (NNN)	\$60-\$65 / SF
Pass-Through (taxes, Ins.)	\$12 / SF
TI's (Smaller tenants)	-
TI's (Restaurant space)	-
Term	-

Mix of Tenants (Occ'd)	
Dry Goods	0%
Restaurants/Food	87%
Service	13%
Entertainment	0%

Anchors / Key Retailers	
La Pain Quotidien, Luna Grill, Burger Lounge	

Area	
Parking : 48 visitor spaces on site, over 1,500 spaces within 5 blocks of site	



Harlow is a 131 unit Class A apartment community with 12,500 SF of retail space. Located in a central location near Downtown Culver City, the One Culver office building, Sony Pictures, and Southern CA Hospital. The retail provides mostly fast-casual dining options. There is only 1 retail space available.

Source: Noell Consulting Group, CoStar, Kennedy Wilson

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 15 Competitive Retail Center: Culver Steps



Retail Overview	
Retail Developed	2019
Developer:	Hackman Capital
Total SF Offered:	42,333
Est. Vacancy:	N/A

Est. Retail SF Allocation (TBD)	
Anchor	0
Dining/Food	21,270
Dry Goods	10,532
Service	10,532
Total Occupied SF:	42,333

Lease Rate Details	
Retail Rates (NNN)	\$72 - \$96 / SF
Restaurant Rates (NNN)	\$84 - \$120 / SF
Pass-Through (taxes, Ins.)	\$15 / SF
Est. TI's (Smaller tenants)	\$30 - \$60 / SF
Est. TI's (Restaurant space)	\$75 - \$100 / SF

Mix of Tenants (TBD)	
Dry Goods	25%
Restaurants/Food	50%
Service	25%
Entertainment	0%

Anchors / Key Retailers	
TBD - There are several Letters of Intent. With roughly 21,000 SF of restaurant space, the remaining spaces will be dry goods or services	

Area	
Parking : 290 total retail spaces. 100 are retail spaces	



Development is currently under construction and planned to include 42,000 SF of retail and 70,000 SF of office space above the retail. The site is located in the heart of Downtown Culver City between Culver Studio, Trader Joe's and Arclight Theater. This development will be a strong addition to the Downtown market and has already leased all the office space to Amazon.

Source: Noell Consulting Group, CoStar, Kennedy Wilson

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 16 Competitive Retail Center: The Platform



Retail Overview	
Retail Developed	2016
Developer:	Runyon Group
Total SF Offered:	44,367
Est. Vacancy:	12.5%

* Available space could be office / retail

Est. Retail SF Allocation (Occ'd)	
Anchor	0
Dining/Food	15,150
Dry Goods	19,454
Service	4,838
Total Occupied SF:	39,442

Estimated Lease Rate Details	
Retail Rates (NNN)	\$60-\$75 / SF
Restaurant Rates (NNN)	\$70-\$125 / SF
Pass-Through (taxes, Ins.)	-
TI's (Smaller tenants)	\$25-\$50 / SF
TI's (Restaurant space)	\$100+ / SF

Mix of Tenants (Occ'd)	
Dry Goods	49%
Restaurants/Food	38%
Service	12%
Entertainment	0%

Anchors / Key Retailers	
Major attractions are unique retailers and dining options. The recent addition of Brooklyn's Roberta's has been a success.	

Area	
Parking : Self parking structure 342 spaces. Valet parking structure 77 spaces	



Platform is a collection of retail, restaurant and creative office spaces across 5 buildings. The project's developers chose unique retail concepts, and chef-driven restaurants that are new to the L.A. market. In addition to the full time line of tenants, there are pop-up shops and events offered throughout the year. There are several spaces available that could be used for retail or creative office space.

Source: Noell Consulting Group, CoStar, Runyon Group (The Bird Store is included in total square footage and is listed on the development website)

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 17 Competitive Retail Center: Ivy Station



Retail Overview	
Retail Developed	2019
Developer:	Lowe Enterprises
Total SF Offered:	50,508
Est. Vacancy:	27.7%

Est. Retail SF Allocation (TBD)	
Anchor	0
Dining/Food	17,000
Dry Goods	21,508
Service	12,000
Total Occupied SF:	50,508

Lease Rate Details	
Retail Rates (NNN)	\$75 - \$90 / SF
Restaurant Rates (NNN)	\$84 - \$102 / SF
Pass-Through (taxes, Ins.)	\$18
TI's (Smaller tenants)	\$30 - \$60 / SF
TI's (Restaurant space)	\$75 - \$100 /SF

Source: Noell Consulting Group, CoStar, CBRE

Mix of Tenants (TBD)	
Dry Goods	43%
Restaurants/Food	34%
Service	24%
Entertainment	0%

* Est. by leasing team

Anchors / Key Retailers	
As of 10/3/18 there are 15 Letters of Intent. Majority of these are for Food and Beverage.	

Area	
Parking : 1,550 total spaces - shared with all land uses. 4 / 1,000 SF	



Future development that is currently under construction and adjacent to the Metro Expo Line of Culver City. Development will include 207,000 SF of creative office, 47,000 SF of ground floor retail, 200 rental apartments, 148 room hotel and over 2 acres of open/green space. In addition the hotel will include another 1,000 SF bar/lounge and 3,500 SF full service restaurant. The development has no signed leases but has 15 letters of intent.

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 18 Competitive Retail Center: Access



Retail Overview	
Retail Developed	2016
Developer:	Greystar
Total SF Offered:	30,987
Est. Vacancy:	0.0%

Est. Retail SF Allocation (Occ'd)	
Anchor	0
Dining/Food	18,994
Dry Goods	0
Service	11,993
Total Occupied SF:	30,987

Estimated Lease Rate Details	
Lease Rates - Int. (NNN)	\$60-\$65 / SF
Pass-Through (taxes, Ins.)	\$15 / SF
TI's (Smaller tenants)	-
TI's (Restaurant space)	-
Term	-

Mix of Tenants (Occ'd)	
Dry Goods	0%
Restaurants/Food	61%
Service	39%
Entertainment	0%

Anchors / Key Retailers	
Co-opportunity Market, Bank of the West, Orange Theory, Yoga (opening soon)	

Area	
Parking : 123 retail parking spaces	

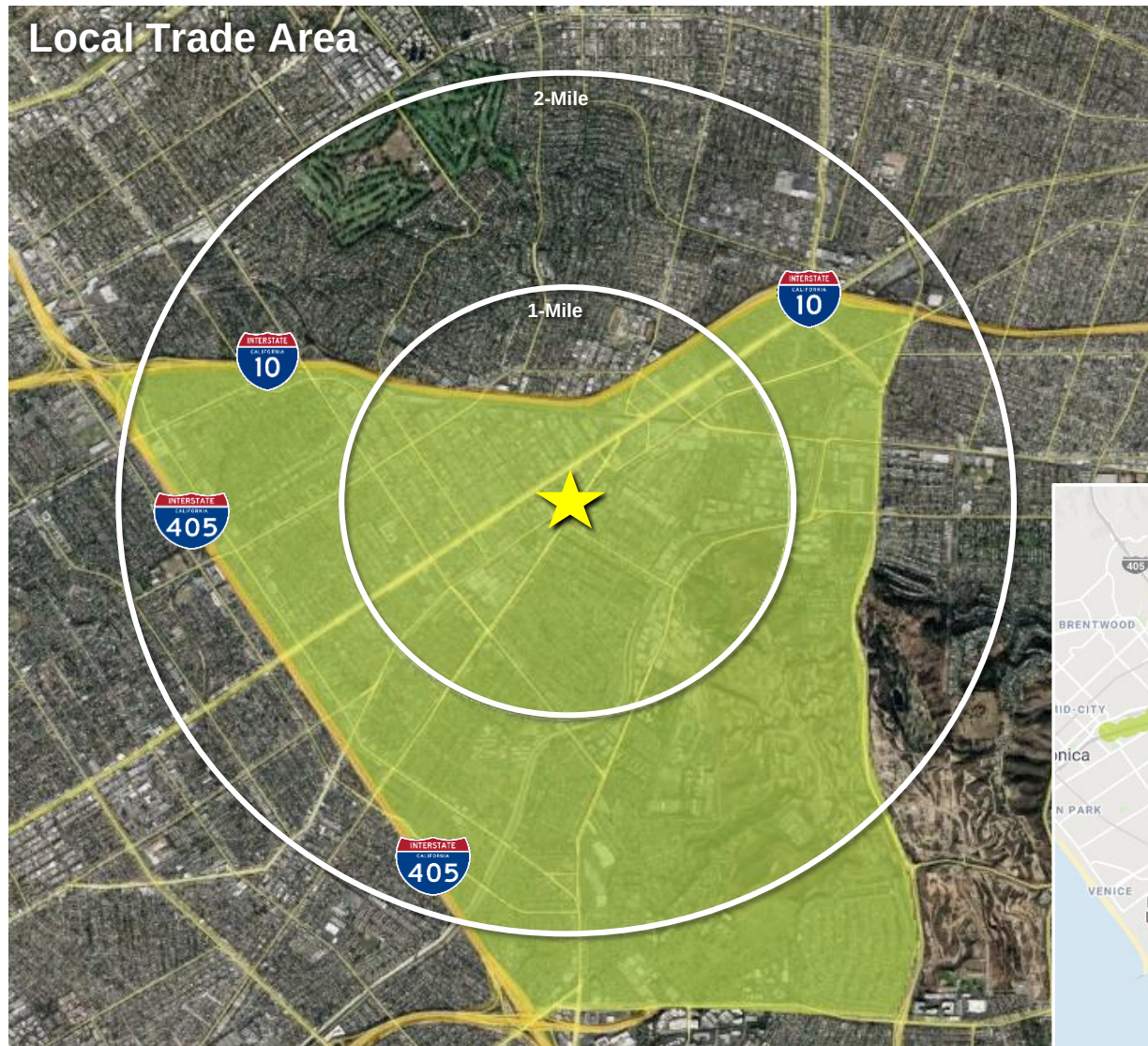


Access is a 115 unit Class A apartment development including 31,240 SF of retail space. It is located across the street from the Metro Expo Line and Platform development. A yoga studio is currently building out the last remaining space. Parking could be problematic with fitness classes occurring at the same time at the yoga studio and Orangetheory. The development currently has no available retail space remaining.

Source: Noell Consulting Group, CoStar, Kennedy Wilson

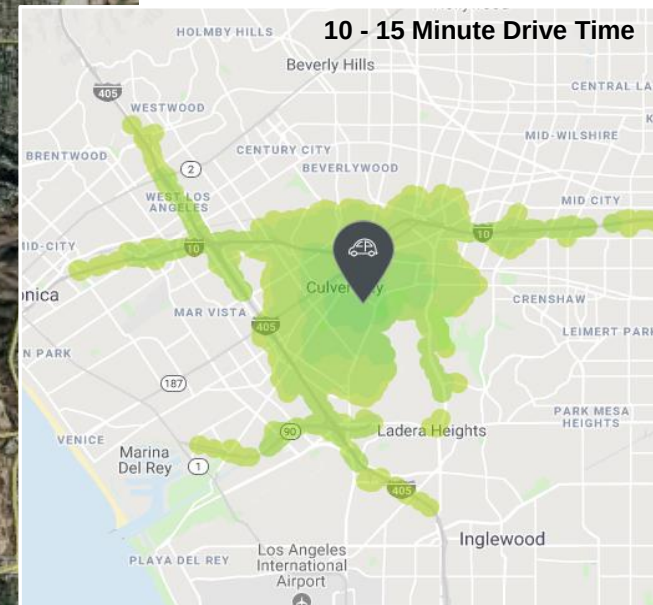
CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 19 Estimating the Local Trade Area



After interviewing proprietors and retail brokers in Culver City and surrounding areas, we researched a local retail trade area approximately 1-2 miles in radius from the project site (10-15 minute drive during typical weekday rush hour times).

Then, adjusting for competitive retail and natural market boundaries such as the Interstates (I-10 & I-405) and defining roadways, the resulting local trade area can be seen on the image to the left and subsequent exhibits

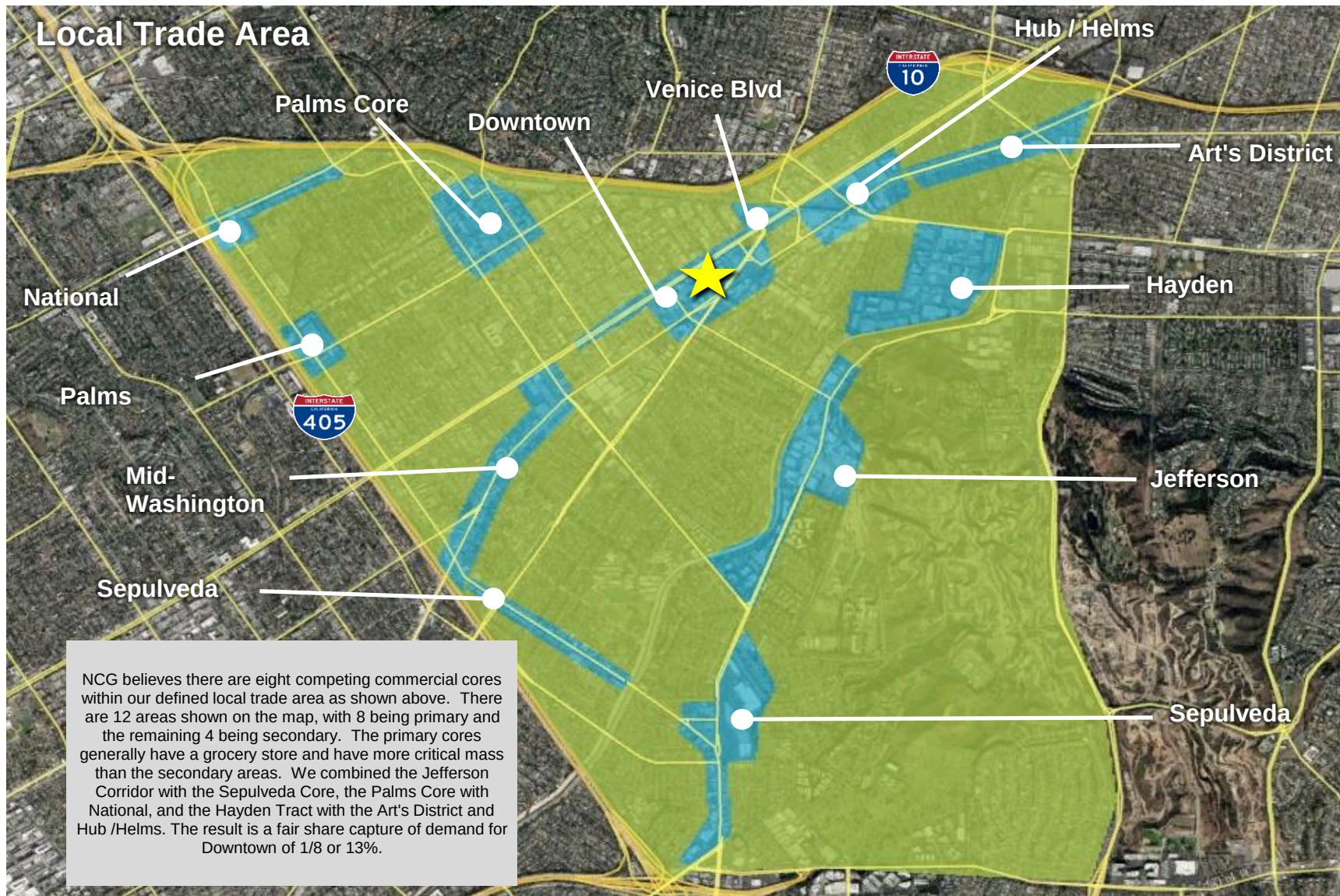


SOURCE: Noell Consulting Group, Google Earth, Trulia

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 20

Existing and Planned Competing Commercial Cores Within the Local Trade Area

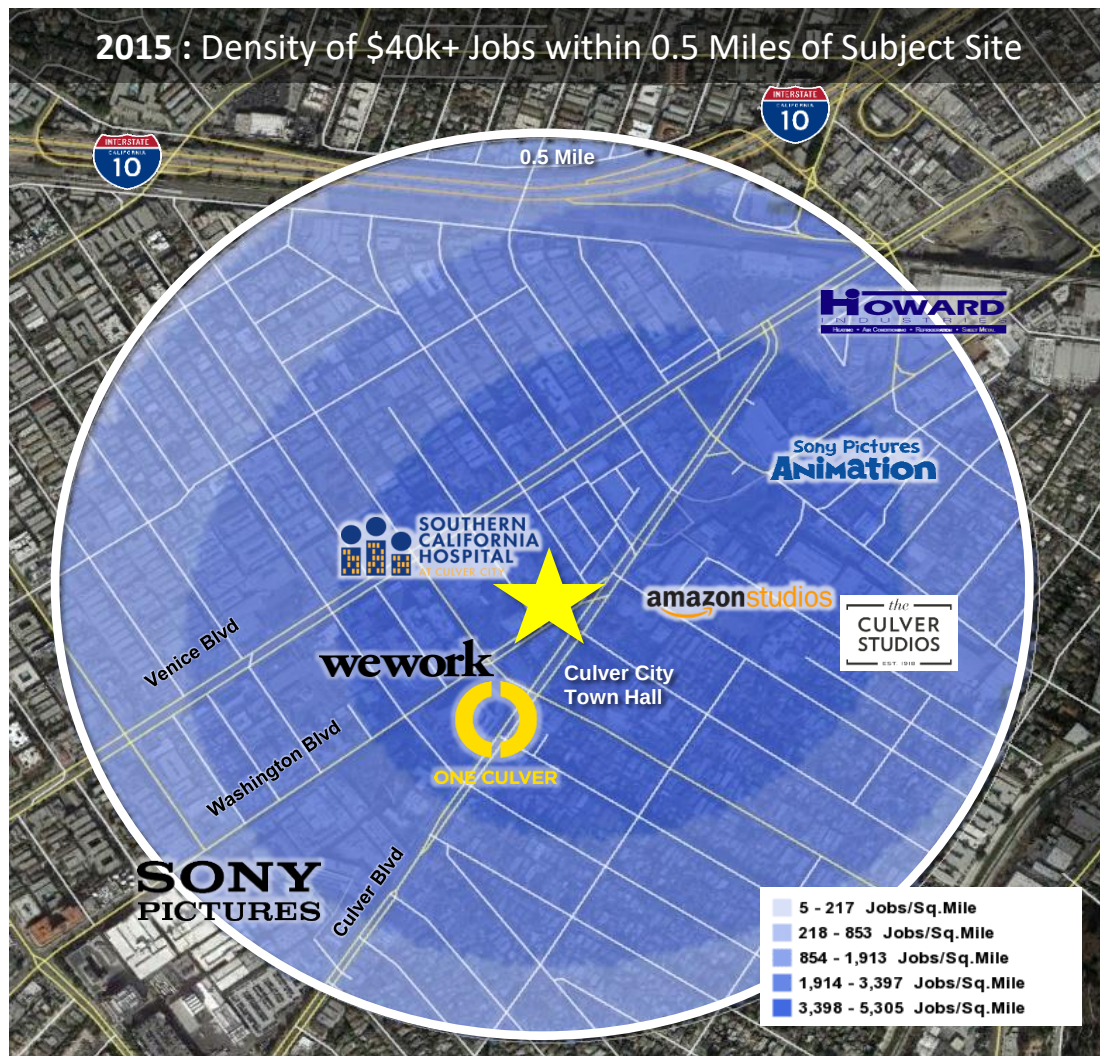


SOURCE: Noell Consulting Group, Google Earth

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 21

Local Jobs within 1/2-Mile from Subject Site

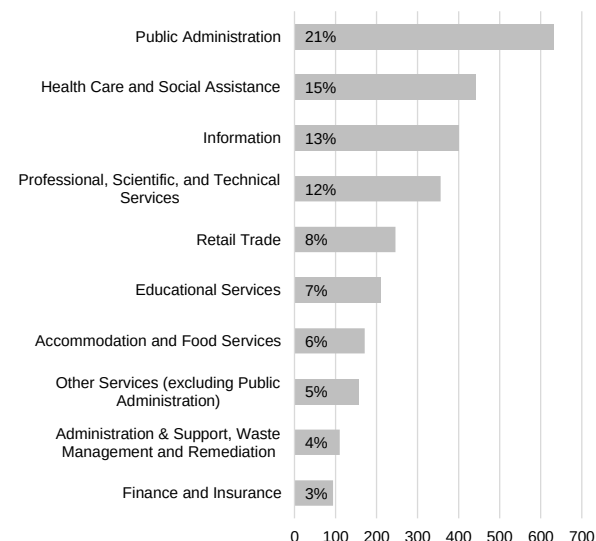


SOURCE: Noell Consulting Group, Google Maps, US Census, OntheMap

The map to the left shows the concentration of jobs earning above \$40,000 annually within 1/2 mile of the subject site. Within this area, there are 3,038 jobs earning above \$40,000 per year. The subject site's Downtown location provides close proximity to Culver City's largest employers. As seen in previous exhibits, there is an additional 745,000 square feet of office space and estimated 3,725 employees that will be added to this area over the next 5 years. These employees will be at offices in several developments including Culver Steps, Culver Studios, Brick and the Machine and One Culver.

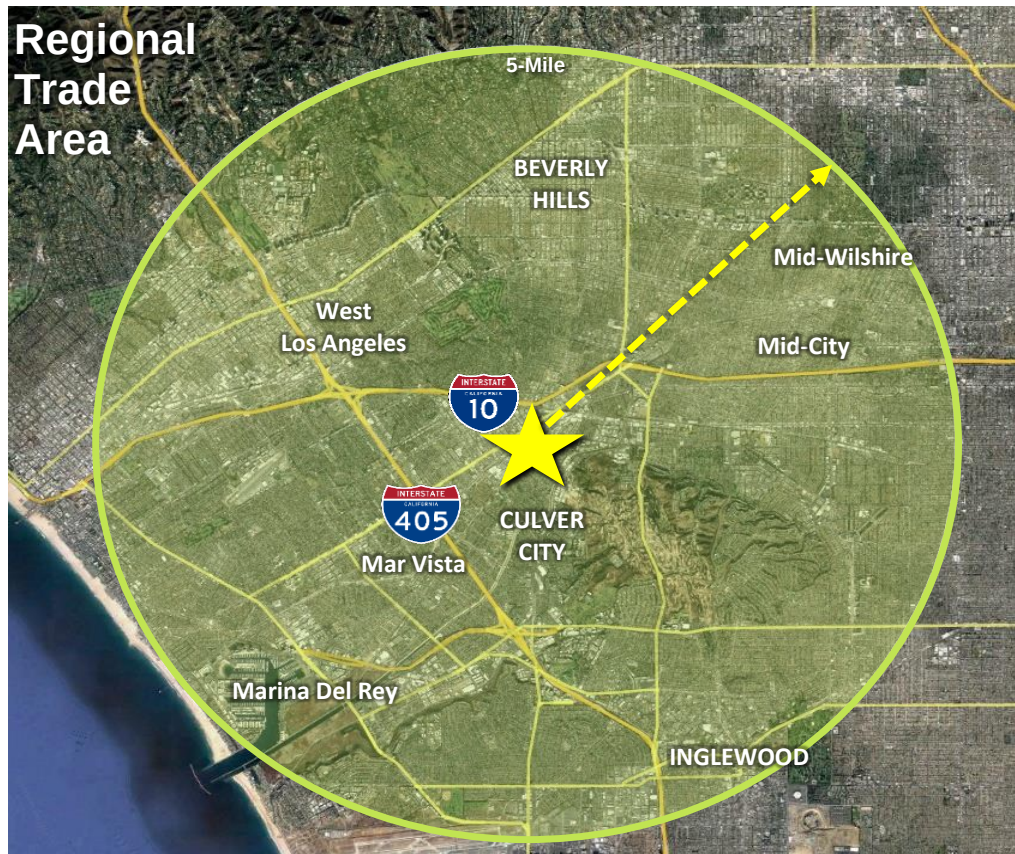
These employees will be a strong source of demand, especially in terms of services (dry cleaners, banks, fitness center, etc.) and dining establishment for lunches and happy hours.

Employment w/in Local Trade Area - Top 10 Industry Sectors

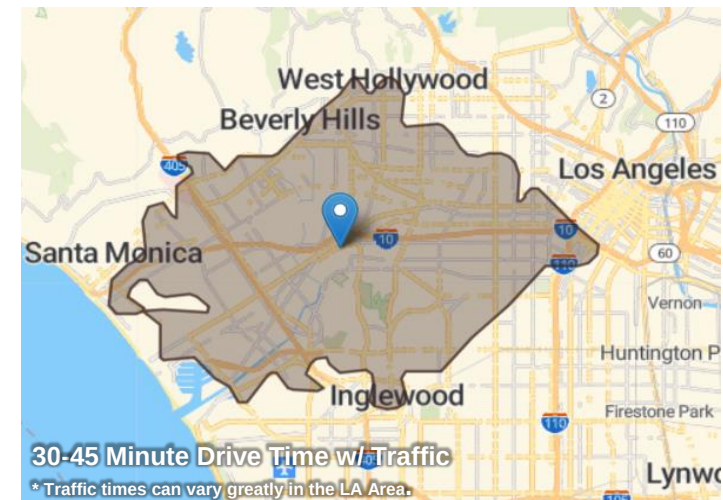


CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 22 Regional Trade Area Definition



After interviewing proprietors, developers and retail brokers in the Culver City core, we defined a regional trade area that is as large as a 30-45 minute drive time with traffic on prime weekend nights (patrons from parts of West Los Angeles, Marina Del Rey and Beverly Hills), but more of a local 20-25 minute drive time during weeknights. To keep consistency with standard retail practices we utilized a 5-mile radius which is approximately 20% larger than just a 20-25 minute drive time. Additionally this audience was then cut to just those aged 25-65 and earning \$50k+, the reported demographic of the majority of the destination diners/shoppers.



SOURCE: Noell Consulting Group, Walkscore.com, Oalley.net

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 23

Existing and Planned Competing Commercial Cores Within the Regional Trade Area



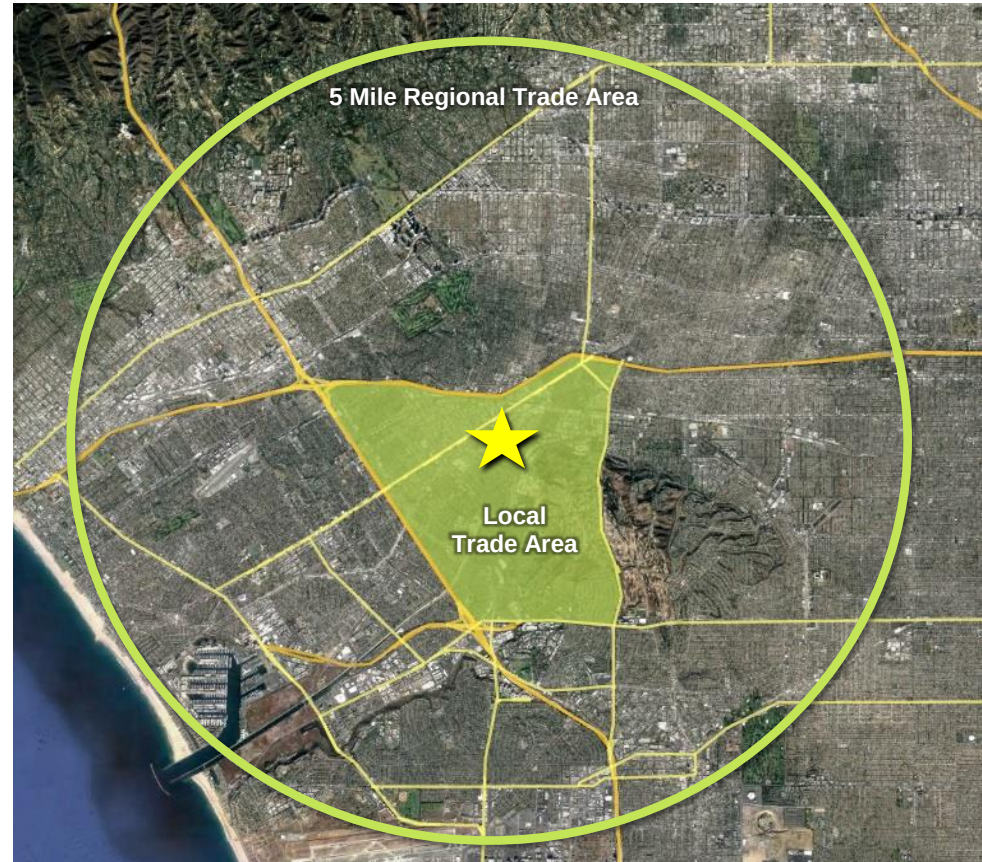
SOURCE: Noell Consulting Group, Google Earth, Yelp

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 24 Demographic Statistics for Trade Areas

POPULATION	Local Trade Area	Regional Trade Area
2023 Projection	80,738	894,492
2018 Estimate	77,065	867,904
2010 Census	74,599	833,432
Growth 2018-2023	4.77%	3.06%
Growth 2010-2018	3.31%	4.14%
Average Age	40.65	40.29
POPULATION BY RACE	Local Trade Area	Regional Trade Area
White	40,281	454,566
Black	7,069	141,090
Am. Indian & Alaskan	482	4,940
Asian	16,637	107,551
Hawaiian & Pacific Island	186	1,457
Other	12,410	109,642
HOUSEHOLDS	Local Trade Area	Regional Trade Area
2018 Avg Household Income	\$102,453	\$113,608
2018 Med Household Income	\$76,807	\$73,747
2023 Projection	36,730	388,117
2018 Estimate	35,059	376,021
2010 Census	33,866	360,437
Growth 2018 - 2023	4.77%	3.22%
Growth 2010 - 2018	3.52%	4.32%
Owner Occupied	11,351	132,633
Renter Occupied	23,708	243,388
HOUSING	Local Trade Area	Regional Trade Area
Median Home Value	\$801,471	\$871,492
Average Household Size	2.17	2.24
HOUSEHOLDS BY INCOME (2018)	Local Trade Area	Regional Trade Area
<\$25,000	5,370	70,507
\$25,000 - \$50,000	5,740	27,112
\$50,000 - \$75,000	6,023	38,913
\$75,000 - \$100,000	4,995	5,388
\$100,000 - \$125,000	3,859	42,121
\$125,000 - \$150,000	2,648	34,250
\$150,000 - \$200,000	2,792	54,741
\$200,000+	3,632	54,491

SOURCE: Noell Consulting Group, CoStar, US Census



The demographic fundamentals near the subject property are moderately strong, reinforcing the area's ability to support a high volume and broad range of retail offerings. A highly dense and growing population of high-income households nearby will continue to provide a compelling proposition to prospective retailers and restaurants.

As shown to the left, households within 1-mile radius of the subject site are of mixed income levels with a median annual HH income of \$79,0807. It should be noted that of 12,931 households within the local trade area or, 37% earn \$100,000+ per year. These figures are within the range of many of the region's desirable retailers / restaurants, and will likely continue to improve with strong forecasted population growth of 4.77%.

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 25
Matrix of Retail Demand Sources For the Subject Site

	Existing Local Population	Future Local Population Growth 2018 - 2023	Evening & Weekend Destination Shoppers/ Diners (Includes growth to 2023)	Local Employees (Includes growth to 2023)	Hotel / Tourists (Includes growth to 2023)
					
Description	A local trade area population of 77,065 with a median household income of \$76,807. Currently in single-family homes and rental developments throughout the trade area which is mostly Culver City/Palms.	Primarily in new construction Class A Multifamily units being added to the trade area as well as natural growth. Estimated at approximately 3,673 residents over the next five years and with est. HH incomes of \$125,000.	Approx. 460,775 people age 25 - 65 with HH incomes of \$50k+ from throughout the region to visit the new "hot spots". Including people from Beverly Hills, Marina Del Ray, Mid-Wilshire, Century City and West Los Angeles.	6,560 employees earning \$40K+ working within 0.50 mile of the subject site, shopping/dining during their commute or on lunch breaks. Also includes an estimated 3,725 employees added at One Culver, Amazon offices and the subject site.	Approximately 74,350 guest room nights per year at Culver Hotel and the new hotel at Ivy Station. In addition there are an estimated 24,000 Sony Tours given per year.
Expenditure Categories	All	All	Destination type retailers, restaurants (mostly full service but some limited as well), drinking establishments.	Full and limited service restaurants and drinking establishments both during commute, lunchtime, and happy hour/dinner, along with some retail shopping (mostly grocery or convenience).	Grocery stores, specialty food stores, health/personal care, office supplies, full-service restaurants, limited-service eating places and drinking places are typically frequented by hotel guests.
Estimated Mix of Total Demand	44%	3%	28%	19%	6%
Estimated Mix of Rest./Bar Demand	32%	2%	42%	18%	5%
Estimated Mix of Retail (Dry goods) Demand	55%	4%	14%	21%	6%

SOURCE: Noell Consulting Group

CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 26

Estimated Retail Demand from the Local Trade Area Today

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non- Regional Ctrs ²	Sales in Non- Reg Ctrs	% Local Sales ²	Local Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Dwnt Core ³	Dwnt Core Capture SF	Mix By Store Categories
	2018 Population	77,065	Median HH Income \$76,807							
Furniture and Home Furnishings	\$33,058,402	\$429	35%	\$11,348,750	78%	\$8,797,808			4,328	4%
Furniture Stores	\$18,746,105	\$243	30%	\$5,623,831.50	75%	\$4,217,874	\$218	13%	2,511	
Home Furnishing Stores	\$14,312,296	\$186	40%	\$5,724,918	80%	\$4,579,935	\$328	13%	1,817	
Electronics & Appliance Stores	\$32,242,295	\$418	20%	\$6,448,459	20%	\$1,289,692	\$518	13%	324	0%
Bldg Mats., Garden Equip & Supply	\$90,732,650	\$1,177	30%	\$27,219,795	82%	\$22,426,062	\$454		12,704	10%
Bldg Materials & Supply Stores	\$79,895,553	\$1,037	30%	\$23,968,666	80%	\$19,174,933	\$218	13%	11,414	
Lawn & Garden Equipment	\$10,837,097	\$141	30%	\$3,251,129	100%	\$3,251,129	\$328	13%	1,290	
Food & Beverage Stores	\$205,821,549	\$2,671	94%	\$194,441,746	81%	\$157,241,847			33,457	27%
Grocery Stores	\$182,604,772	\$2,369	95%	\$173,474,533	80%	\$138,779,627	\$637	13%	28,322	
Specialty Food Stores	\$5,443,622	\$71	75%	\$4,082,717	80%	\$3,266,173	\$270	13%	1,571	
Beer, Wine & Liquor Stores	\$17,773,154	\$231	95%	\$16,884,496	90%	\$15,196,047	\$554	13%	3,563	
Health & Personal Care	\$86,500,274	\$1,122	90%	\$77,850,247	80%	\$62,280,197	\$641	13%	12,627	10%
Clothing & Clothing Accessories	\$89,151,970	\$1,157	20%	\$17,706,282	60%	\$10,623,769			3,441	3%
Clothing Stores	\$62,676,072	\$813	20%	\$12,535,214	60%	\$7,521,129	\$402	13%	2,433	
Shoe Stores	\$12,445,002	\$161	20%	\$2,489,000	60%	\$1,493,400	\$287	13%	676	
Jewelry, Luggage & Leather Goods	\$13,410,335	\$174	20%	\$2,682,067	60%	\$1,609,240	\$631	13%	331	
Sporting Gds, Hobby, Book & Music	\$27,135,339	\$352	22%	\$5,933,032	60%	\$3,559,819			1,781	1%
Sporting Goods, Hobby, Musical Ins	\$22,075,699	\$286	20%	\$4,415,140	60%	\$2,649,084	\$254	13%	1,359	
Book & Music Stores	\$5,059,640	\$66	30%	\$1,517,892	60%	\$910,735	\$280	13%	423	
Miscellaneous Store Retailers	\$33,334,126	\$433	57%	\$19,064,235	87%	\$16,575,523			8,508	7%
Florists	\$1,562,775	\$20	100%	\$1,562,775	100%	\$1,562,775	\$316	13%	642	
Office Supplies, Stationery & Gifts	\$8,859,562	\$115	30%	\$2,657,869	95%	\$2,524,975	\$283	13%	1,161	
Used Merchandise Stores	\$6,775,395	\$88	100%	\$6,775,395	95%	\$6,436,625	\$283	13%	2,959	
Other Miscellaneous Store Retailers	\$16,136,393	\$209	50%	\$8,068,197	75%	\$6,051,147	\$210	13%	3,746	
Food Service & Drinking Places	\$215,298,989	\$2,794	91%	\$196,402,950	63%	\$123,540,429			45,521	37%
Full-Service Restaurants	\$102,941,758	\$1,336	90%	\$92,647,582	60%	\$55,588,549	\$431	13%	16,759	
Limited-Service Eating Places	\$86,018,629	\$1,116	90%	\$77,416,766	65%	\$50,320,898	\$279	13%	23,481	
Special Food Services	\$18,278,208	\$237	100%	\$18,278,208	70%	\$12,794,746	\$400	13%	4,158	
Drinking Places	\$8,060,394	\$105	100%	\$8,060,394	60%	\$4,836,236	\$560	13%	1,123	
TOTAL	\$813,275,594	\$10,553	68%	\$556,415,496	73%	\$406,335,146			122,690	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 27

Estimated Retail Demand from the New Population Growth in the Trade Area 2018 - 2023

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non-Regional Ctrs ²	Sales in Non-Reg Ctrs	% Local Sales ²	Local Sales in Non-Reg Ctrs	Demand Beyond Local Trade Area ³	Capture Rate of Dwnt Core ³	Dwnt Core Capture	Mix By Store Categories
2018 - 2023 Population Growth:		3,673	Median HH Income \$125k Est.							
Furniture and Home Furnishings	\$2,564,217.22	\$698	35%	\$880,280	78%	\$682,413	\$682,413		336	4%
Furniture Stores	\$1,454,065.60	\$396	30%	\$436,219.68	75%	\$327,164.76	\$327,165	13%	195	
Home Furnishing Stores	\$1,110,152	\$302	40%	\$444,061	80%	\$355,248	\$355,248	13%	141	
Electronics & Appliance Stores	\$2,500,915	\$681	20%	\$500,183	20%	\$100,037	\$100,037	13%	25	0%
Bldg Mats., Garden Equip & Supply	\$7,037,794	\$1,916	30%	\$2,111,338	82%	\$1,739,506	\$1,739,506		985	10%
Bldg Materials & Supply Stores	\$6,197,201	\$1,687	30%	\$1,859,160	80%	\$1,487,328	\$1,487,328	13%	885	
Lawn & Garden Equipment	\$840,593	\$229	30%	\$252,178	100%	\$252,178	\$252,178	13%	100	
Food & Beverage Stores	\$15,964,812	\$4,347	94%	\$15,082,123	81%	\$12,196,665	\$12,196,665		2,595	27%
Grocery Stores	\$14,163,973	\$3,856	95%	\$13,455,774	80%	\$10,764,619	\$10,764,619	13%	2,197	
Specialty Food Stores	\$422,242	\$115	75%	\$316,681	80%	\$253,345	\$253,345	13%	122	
Beer, Wine & Liquor Stores	\$1,378,597	\$375	95%	\$1,309,668	90%	\$1,178,701	\$1,178,701	13%	276	
Health & Personal Care	\$6,709,504	\$1,827	90%	\$6,038,554	80%	\$4,830,843	\$4,830,843	13%	979	10%
Clothing & Clothing Accessories	\$6,915,187	\$1,883	20%	\$1,373,410	60%	\$824,046	\$824,046		267	3%
Clothing Stores	\$4,861,550	\$1,324	20%	\$972,310	60%	\$583,386	\$583,386	13%	189	
Shoe Stores	\$965,312	\$263	20%	\$193,062	60%	\$115,837	\$115,837	13%	52	
Jewelry, Luggage & Leather Goods	\$1,040,190	\$283	20%	\$208,038	60%	\$124,823	\$124,823	13%	26	
Sporting Gds, Hobby, Book & Music	\$2,104,787	\$573	22%	\$460,203	60%	\$276,122	\$276,122		138	1%
Sporting Goods, Hobby, Musical Inst	\$1,712,330	\$466	20%	\$342,466	60%	\$205,480	\$205,480	13%	105	
Book & Music Stores	\$392,457	\$107	30%	\$117,737	60%	\$70,642	\$70,642	13%	33	
Miscellaneous Store Retailers	\$2,585,604	\$704	57%	\$1,478,742	87%	\$1,285,702	\$1,285,702		660	7%
Florists	\$121,219	\$33	100%	\$121,219	100%	\$121,219	\$121,219	13%	50	
Office Supplies, Stationery & Gifts	\$687,203	\$187	30%	\$206,161	95%	\$195,853	\$195,853	13%	90	
Used Merchandise Stores	\$525,542	\$143	100%	\$525,542	95%	\$499,265	\$499,265	13%	230	
Other Miscellaneous Store Retailers	\$1,251,640	\$341	50%	\$625,820	75%	\$469,365	\$469,365	13%	291	
Food Service & Drinking Places	\$16,699,941.38	\$4,547	91%	\$15,234,246	63%	\$9,582,571	\$9,582,571		3,531	37%
Full-Service Restaurants	\$7,984,809	\$2,174	90%	\$7,186,328	60%	\$4,311,797	\$4,311,797	13%	1,300	
Limited-Service Eating Places	\$6,672,145	\$1,817	90%	\$6,004,930	65%	\$3,903,205	\$3,903,205	13%	1,821	
Special Food Services	\$1,417,773	\$386	100%	\$1,417,773	70%	\$992,441	\$992,441	13%	323	
Drinking Places	\$625,215	\$170	100%	\$625,215	60%	\$375,129	\$375,129	13%	87	
TOTAL	\$63,082,761	\$17,175	68%	\$43,159,079	73%	\$31,517,905	\$31,517,905		9,517	

1 Based on data obtained from Claritas.

2 Estimates via NCG based on ICSC data. Excludes shopping at local establishments outside the area while on destination trips/vacations/near workplace.

3 Based on a fair share capture analysis of competing cores within local trade area.

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 28

Estimated Retail Demand from Additional Non-Local Sources

Evening & Weekend Destination Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Per Capita	% in Non- Regional Ctrs ²	Sales in Non- Reg Ctrs	% Dest. Sales ²	Dest. Sales in Non-Reg Ctrs	Est. Sales/ SF	Capture Rate of Dwnt Core ³	Dwnt Core Capture
		460,775	*Population 25 - 65 w/ HH Incomes \$50k+, living in regional trade area. From Claritas, Inc.						
Home Furnishing Stores	\$139,267,565	\$302	40%	\$55,707,026	20%	\$11,141,405	\$328	5.8%	1,973
Specialty Food Stores	\$52,969,836	\$115	75%	\$39,727,377	20%	\$7,945,475	\$270	5.8%	1,706
Clothing Stores	\$609,877,263	\$1,324	20%	\$121,975,453	40%	\$48,790,181	\$402	5.8%	7,043
Shoe Stores	\$121,097,630	\$263	20%	\$24,219,526	40%	\$9,687,810	\$287	5.8%	1,958
Office Supplies, Stationery & Gifts	\$86,209,063	\$187	30%	\$25,862,719	5%	\$1,293,136	\$283	5.8%	265
Used Merchandise Stores	\$65,928,818	\$143	100%	\$65,928,818	5%	\$3,296,441	\$283	5.8%	676
Other Miscellaneous Store Retailers	\$157,017,166	\$341	50%	\$78,508,583	25%	\$19,627,146	\$210	5.8%	5,421
Full-Service Restaurants	\$1,001,687,496	\$2,174	90%	\$901,518,746	35%	\$315,531,561	\$431	5.8%	42,442
Limited-Service Restaurants	\$837,014,898	\$1,817	90%	\$753,313,408	10%	\$75,331,341	\$279	5.8%	15,683
Drinking Places	\$78,432,660	\$170	100%	\$78,432,660	25%	\$19,608,165	\$560	5.8%	2,031
TOTAL									79,196

Local Employee Demand

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Est. Sales/ SF	Capture Rate of Dwnt Core ⁴	Dwnt Core Capture
	*6,763 minus those who also live in the trade area.		6,560	*Local Employees earning \$40K+, working in walkable Downtown trade area. Retail exp. same as existing population.
Grocery Stores	\$5,971,931	\$637	75%	\$7,031
Specialty Food Stores	\$905,295	\$270	75%	\$2,513
Beer, Wine & Liquor Stores	\$1,089,372	\$554	75%	\$1,474
Health & Personal Care	\$2,073,126	\$641	75%	\$2,425
Clothing Stores	\$1,146,707	\$402	75%	\$2,140
Shoe Stores	\$850,977	\$287	75%	\$2,224
Jewelry, Luggage & Leather Goods	\$1,013,931	\$631	75%	\$1,204
Sporting Goods, Hobby, Musical Inst.	\$823,819	\$254	75%	\$2,437
Florists	\$1,089,372	\$316	75%	\$2,582
Office Supplies, Stationery & Gifts	\$2,082,179	\$283	75%	\$5,522
Full-Service Restaurants	\$3,913,893	\$431	75%	\$6,808
Limited-Service Eating Places	\$4,149,270	\$279	75%	\$11,170
Drinking Places	\$3,922,946	\$400	75%	\$7,356
TOTAL				54,886

1. Based on data obtained from Claritas/ICSC.
2. Estimates via NCG based on ICSC data.
3. Assumes Downtown Core is 1 of 17-18 primary destinations for shoppers within the Regional Trade Area.
4. Assumes Downtown Core gets 3 out of 4 employee retail trips given its walkability versus the hassle of getting in cars.

SOURCE: Noell Consulting Group, ICSC, Claritas



CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 29

Estimated Retail Demand from Additional Non-Local Sources

Tourists (Est. based on room nights plus Sony tours)

Store Type (Excl. General Merch. & Gas)	Demand Potential ¹	Est. Sales/ SF	Capture Rate of Dwnt Core ²	Dwnt Core Capture
		98,351	Annual Room Night Guests + Sony tour visitor estimate	
Grocery Stores	\$973,178	\$637	50%	764
Specialty Food Stores	\$590,103	\$270	50%	1,092
Beer, Wine & Liquor Stores	\$710,091	\$554	50%	640
Health & Personal Care	\$675,668	\$641	50%	527
Clothing Stores	\$747,464	\$402	50%	930
Shoe Stores	\$554,697	\$287	50%	966
Jewelry, Luggage & Leather Goods	\$660,915	\$631	50%	523
Sporting Goods, Hobby, Musical Inst.	\$134,248	\$254	50%	265
Florists	\$177,523	\$316	50%	281
Office Supplies, Stationery & Gifts	\$1,357,237	\$283	50%	2,400
Full-Service Restaurants	\$2,551,212	\$431	50%	2,958
Limited-Service Eating Places	\$676,160	\$279	50%	1,213
Drinking Places	\$2,557,113	\$400	50%	3,196
TOTAL	\$12,365,608			15,756



1. Based on data obtained from BLS for travelers.
2. Assumes capture of half of hotel guests / visitor spending.

SOURCE: Noell Consulting Group, ICSC, Claritas

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 30

Summary of Estimated Retail Demand (By Source) and Supply By Store Type for Downtown Core Through 2023

Store Type (Excl. General Merch. & Gas)	Existing Population in Local Trade Area	New Population Growth in Local Trade Area (2018 - 2023)	Evening & Weekend Regional Destination	Local Employees	Tourists	Combined Demand From All Sources	Est. Existing Downtown Core Supply	Downtown Net Retail Demand
Furniture and Home Furnishings	4,328	336	1,973	0	0	6,636		6,636
Furniture Stores	2,511	195	0	0	0	2,705	0	2,705
Home Furnishing Stores	1,817	141	1,973	0	0	3,931	0	3,931
Electronics & Appliance Stores	324	25	0	0	0	349	0	349
Bldg Mats., Garden Equip & Supply	12,704	985	0	0	0	13,689		13,689
Bldg Materials & Supply Stores	11,414	885	0	0	0	12,299	0	12,299
Lawn & Garden Equipment	1,290	100	0	0	0	1,390	0	1,390
Food & Beverage Stores	33,457	2,595	1,706	11,018	2,496	51,272	9,138	42,134
Grocery Stores	28,322	2,197	0	7,031	764	38,314	9,138	29,176
Specialty Food Stores	1,571	122	1,706	2,513	1,092	7,004	0	7,004
Beer, Wine & Liquor Stores	3,563	276	0	1,474	640	5,954	0	5,954
Health & Personal Care	12,627	979	0	2,425	527	16,558	1,101	15,457
Clothing & Clothing Accessories	3,441	267	9,001	5,569	2,420	20,697	4,771	15,926
Clothing Stores	2,433	189	7,043	2,140	930	12,736	4,771	7,965
Shoe Stores	676	52	1,958	2,224	966	5,877	0	5,877
Jewelry, Luggage & Leather Goods	331	26	0	1,204	523	2,085	0	2,085
Sporting Gds, Hobby, Book & Music	1,781	138	0	2,437	265	4,622	2,650	1,972
Sporting Goods, Hobby, Musical Inst	1,359	105	0	2,437	265	4,166	0	4,166
Book & Music Stores	423	33	0	0	0	456	2,650	-2,194
Miscellaneous Store Retailers	8,508	660	6,362	8,104	2,680	26,314	4,475	21,839
Florists	642	50	0	2,582	281	3,555	0	3,555
Office Supplies, Stationery & Gifts	1,161	90	265	5,522	2,400	9,438	4,475	4,963
Used Merchandise Stores	2,959	230	676	0	0	3,864	0	3,864
Other Miscellaneous Store Retailers	3,746	291	5,421	0	0	9,457	0	9,457
Food Service & Drinking Places	45,521	3,531	60,155	25,333	7,368	141,908	107,209	34,699
Full-Service Restaurants	16,759	1,300	42,442	6,808	2,958	70,266	57,877	12,389
Limited-Service Eating Places	23,481	1,821	15,683	11,170	1,213	53,368	45,156	8,212
Special Food Services	4,158	323	0	0	0	4,481	0	4,481
Drinking Places	1,123	87	2,031	7,356	3,196	13,793	4,176	9,617
TOTAL	122,690	9,517	79,196	54,886	15,756	282,046	129,344	152,702

SOURCE: Noell Consulting Group, Claritas, Inc.



CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 31

Small Service-Oriented Office & Retail Space Demand, 2018-2023 (Based on 2016 Data)

Industry Code	Industry Code Description	County Firms Less Than 19 Emps	County Wide SF	County Wide Approx. SF Per Capita	Local Firms Less Than 19 Emps	Approx. SF Per Capita	Potential Unmet Demand	Avg. Tenant Size	Est. Demand By SF	Downtown Capture Rate	Existing / Known Downtown Supply	Net Downtown Demand
Typical Office Users										315,442 9%	7,000	26,176
531	Real Estate	15,882	14,083,475	1.86	322	3.45	0	2,500	0		2,500	0
532	Rental and Leasing Services	1,747	2,508,188	0.33	25	0.19	15,575	2,250	15,575		0	0
523	Securities, Financial Investments	3,268	2,174,813	0.29	26	0.12	17,708	2,500	17,708		0	0
524	Insurance Carriers and Related Act.	4,802	4,862,025	0.64	40	0.31	35,762	3,500	35,762		2,500	1,076
5414	Specialized Design Services	2,210	1,708,963	0.11	67	0.46	0	2,500	0		0	0
6115	Technical and Trade Schools	286	463,750	0.06	3	0.02	4,112	3,500	4,112		0	0
6116	Other Schools and Instruction	2,124	3,414,425	0.45	35	0.41	4,594	3,500	4,594		0	0
6211	Office of Physicians	10,992	11,027,363	1.46	78	0.60	93,011	2,000	93,011		0	13,952
6212	Office of Dentists	5,950	6,907,950	0.91	60	0.56	38,496	2,000	38,496		0	5,774
6213	Office of Other Health Practitioners	4,808	4,373,075	0.58	73	0.58	0	2,000	0		2,000	0
6214	Outpatient Care Centers	1,273	2,999,063	0.40	8	0.07	35,826	2,000	35,826		0	5,374
6215	Medical and Diagnostic Laboratories	632	850,238	0.11	6	0.02	9,566	2,500	9,566		0	0
6216	Home Health Care Services	1,326	2,882,863	0.38	12	0.00	41,335	2,500	41,335		0	0
8122	Death Care Services	199	360,150	0.05	3	0.00	5,164	2,000	5,164		0	0
52231	Mortgage and Non Mortgage Loan	532	374,238	0.05	1	0.00	4,928	2,000	4,928		0	0
54111	Offices of Lawyers	7,659	7,229,513	0.24	90	0.56	0	2,500	0		0	0
54194	Veterinary Services	577	1,254,225	0.17	12	0.18	0	2,000	0		0	0
541211	Offices of CPAs	2,426	2,361,363	0.16	21	0.13	3,191	2,500	3,191		0	0
541213	Tax Preparation Services	1,134	1,244,600	0.16	14	0.13	4,195	2,000	4,195		0	0
541380	Testing Laboratories	180	345,625	0.05	2	0.03	1,981	2,000	1,981		0	0
541519	Computer Related Services	340	244,475	0.03	9	0.07	0	2,000	0		0	0
Typical Retail Users										287,224 17%	53,313	9,558
5172	Wireless Telecommunication Carriers	442	2,187,900	0.29	7	0.32	0	1,500	0		0	0
6244	Child Day Care Facilities	1,783	7,742,700	1.02	34	0.82	22,365	4,900	22,365		0	0
8123	Dry Cleaning and Laundry Services	1,333	3,419,775	0.45	16	0.40	5,383	1,500	5,383		0	0
52211	Commercial Banking	1,966	11,669,850	1.54	17	0.81	79,798	3,000	79,798		10,607	0
52212	Savings Institutions	109	414,225	0.05	2	0.08	0	3,000	0		0	0
52213	Credit Unions	306	1,445,175	0.19	4	0.00	20,721	3,000	20,721		0	0
71394	Fitness and Other Rec. Centers	939	4,461,750	0.77	7	0.13	68,989	4,000	68,989		31,836	9,558
81211	Hair, Nail, and Skin Care Services	3,246	8,632,125	1.14	34	0.73	45,018	1,500	45,018		5,500	0
81219	Other Personal Services	1,650	5,127,975	0.68	15	0.26	44,950	1,500	44,950		5,370	0
Total, Office and Retail Users			116,771,850	14.61	1,043	11.43	602,665		602,665	13%	60,313	35,734

SOURCE: Noell Consulting Group, US Census for Los Angeles County and ZIP Codes 90034, 90230, 90232



CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 32

Summary of Recommended Commercial Uses at the Subject Site By Store/Tenant Type

Store Type	Downtown Net Unmet Demand	Users Capable of Supporting New Construction Rents	New Construction Supply in Downtown Core	Potential Subject Site Capture	Potential Subject Site SF	Lease Rate Range	Est. Lease Rate (NNN)	Justification / Comments on Demand at Subject Site	Potential Tenant Examples
Retail Store Types								There is positive demand for 1-2 specialty food stores such as a candy or cheese store. There is also demand for 1 craft beer or wine store. There is positive demand for 1 clothing store and 1 shoe store. With the large Equinox fitness center nearby, we envision fitness / active lifestyle focused retailers. There is strong demand for food and beverage at the subject site including 1 full service restaurant, 2-3 fast casual eating places and 2-3 drinking places (smoothie, ice cream, coffee). Strong demand for physicians and dentists offices, the hospital adjacency increases capture rate. Limited demand for fitness with newly delivered offerings in the market. Room for 1 fitness studio (cycle, barre, etc.)	
Furniture Stores	2,705	-	<u>One Culver</u> 	-	-	-	-		
Home Furnishing Stores	3,931	-		-	-	-	-		
Bldg Materials & Supply Stores	12,299	-		-	-	-	-		
Grocery Stores	29,176	-		-	-	-	-		
Specialty Food Stores	7,004	7,004	49,576 SF	33%	2,311	\$65-\$75	\$66		
Beer, Wine & Liquor Stores	5,954	5,954	1 Space left to lease (1,656 SF)	33%	1,965	\$75-\$85	\$75		
Health & Personal Care	15,457	-	-	-	-	-	-		
Clothing Stores	7,965	7,965	<u>Culver Steps</u>	33%	2,628	\$65-\$75	\$66		
Shoe Stores	5,877	5,877		33%	1,939	\$65-\$75	\$66		
Jewelry, Luggage & Leather Goods	2,085	-	42,333 SF	-	-	-	-		
Sporting Goods, Hobby, Musical Inst	4,166	-		-	-	-	-		
Florists	3,555	-		-	-	-	-		
Office Supplies, Stationery & Gifts	4,963	-		-	-	-	-		
Used Merchandise Stores	3,864	-	<u>Subject Site</u>	-	-	-	-		
Other Miscellaneous Store Retailers	9,457	-		-	-	-	-		
TOTAL RETAIL	118,002	26,799	13,000 SF	-	8,844	\$65-\$100	\$68		
Full-Service Restaurants	12,389	12,389		33%	4,089	\$65-\$75	\$66		
Limited-Service Eating Places	8,212	8,212		50%	4,106	\$75-\$85	\$75		
Special Food Services	4,481	-		-	-	-	-		
Drinking Places	9,617	9,617	-	3,173	\$90-\$100	\$90			
TOTAL RESTAURANT	34,699	30,218	The subject site has the potential of capturing 33%-50% of demand based on number of competing developments in Downtown.	-	11,368	\$65-\$100	\$76		
<u>Local Service/Office Space</u>				-	-	-	-		
Insurance Carriers and Related Act.	1,076	-		-	-	-	-		
Office of Physicians	13,952	13,952		50%	6,976	*\$58-\$63	\$60		
Office of Dentists	5,774	5,774	50%	2,887	*\$58-\$63	\$60			
Outpatient Care Centers	5,374	-	-	-	-	-			
Fitness and Other Rec. Centers	9,558	9,558	33%	3,154	\$60-\$70	\$60			
TOTAL SERVICE	35,734	29,284		13,017		\$60			
TOTAL W/O RESTAURANT	153,736	56,083	56,989	21,861		\$63			
TOTAL COMBINED	188,435	86,301	56,989	33,229		\$68			

We believe there is demand in the marketplace for over 33,000 SF of uses at the subject site (over 2.5x their proposed).



LEASE RATE DETAILS: These rates assume the subject site is able to office market rate TI's (\$30-\$60/SF for smaller tenants, \$75/SF for limited-service, \$100/SF for full-service restaurants) and pass throughs \$15 - \$18 / SF). * Office rates have been converted to NNN rates, assuming \$12 pass throughs.

SOURCE: Noell Consulting Group



CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Exhibit 33

NCG Review of Subject Site Proposed Retail Space for Long-Term Flexibility

Location in Market

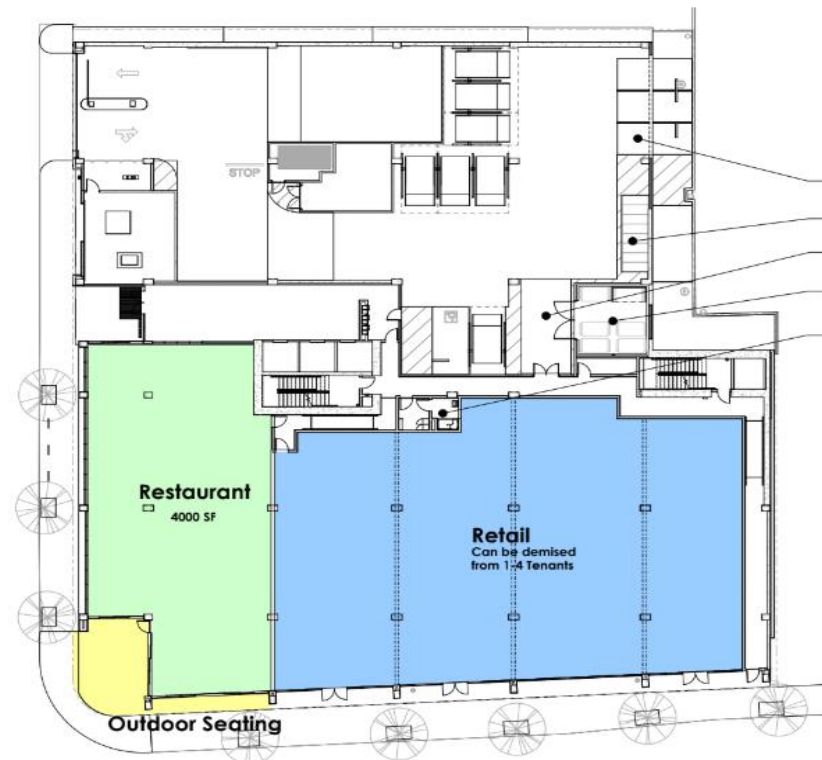
- Hard corner intersection
- Adjacent to two major daytime demand generators (One Culver and Hosp.) plus offices above
- Adjacent to evening demand generator - Kirk Douglas Theatre
- Washington Blvd. address and visibility
- Adjacent retailers including national tenant with strong traffic - Starbucks
- Near high-density affluent multifamily
- Near retail anchor - Equinox

Space Configuration

- Good depths of 65'-70'
- Flexible, wide column free spans 25'
- Façade elements allowing for multiple division options
- Clear ceiling height dimensions of 15'
- Rear service corridor with separate loading zone and direct access to trash room
- Potential for future integration into office lobby
- Potential for direct/covered access from 13 adjacent parking spaces
- Minimal to no grade separation with sidewalk
- Ideally vent stack in place near stairs w/clean-outs and insulation (scrubber if code req.)
- Developer should plan for two 1,500 gallon grease traps
- Developer should install an 800 amp 3 phase panel

Applicant Leasing Plan

- Tenant imp. allowance competitive in market (\$30-60 for small tenants, \$75-100 for rest.)
- Strong parking ratios, even at forecasted peak demand, particularly on weekends
- Local market and product knowledge
- Building valet for optimal parking management
- Applicant / City should work to establish dedicated short-term spaces for ride share / delivery



We believe the subject site represents a strong location for a variety of tenancing options today and in the future: limited-service restaurants for daytime population and/or post work-out; full-service restaurants for nearby Class-A apartment dwellers and theatre goers; other nationals looking for cotenancy (adjacent) with Starbucks; fitness/wellness oriented retailers/service providers given Equinox proximity as well as office and multifamily density nearby; medical related services/office given hospital proximity; service oriented office uses given office amenities above, as well as other local population servicing businesses given high visibility and ease of access/parking in established/known commercial core.

The only commercial tenant options that we believe may have difficulty succeeding in this space are conventional dry-good retailers. This has more to do with the retail market evolution, ability for these tenants to pay new construction rents and build-out costs, and lack of critical mass (only 13,000 SF in this development), then any specific aspect of the design/applicant plan considering the site constraints.

SOURCE: Noell Consulting Group

CITY OF CULVER CITY - 9735 WASHINGTON BLVD

RETAIL MARKET ANALYSIS

Exhibit 34

Ensuring Tenant Quality and Success

In addition to positive supply/demand fundamentals for a targeted business at the subject site, the following parameters should be considered by the development team to ensure long-term success and stability of any potential tenant:

Financial Stability/Creditworthiness

- Either a strong rating with an established agency (S&P, Moody's, etc), or a letter of credit/pre-paid rent
- Build-out costs plus up to one year of operating budget in the bank, or letter of credit/pre-paid rent
- Demonstrated track record of sales performance at comparable location
- Grand opening and first 6-month marketing budget

Similar Business Experience

- Demonstrated track record of sales performance selling similar products/services
- Vendor/supplier relationships established
- Support network in industry associations
- Background in hiring comparable sales teams/support staff

Local Market Knowledge/Relationships

- Ideally established client base before opening, either from name recognition or pre-marketing
- Connections with major demand drivers in area - large employers, hotel GMs, apartment managers, etc.
- Market analysis on targeted consumers and their concentration in local area
- Research on existing competitors strengths/weaknesses
- Understanding of local zoning/licensing restrictions/allowances

Unique Concept/Omni-Channel

- SWOT (strengths, weaknesses, opportunities, threats) analysis on product/service in competitive market area
- Identified USP (Unique selling propositions) versus local competitors
- Multiple points of sale: in store, online, gift cards, delivery, catering, etc.
- An integrated seamless experience for consumers across multiple touchpoints

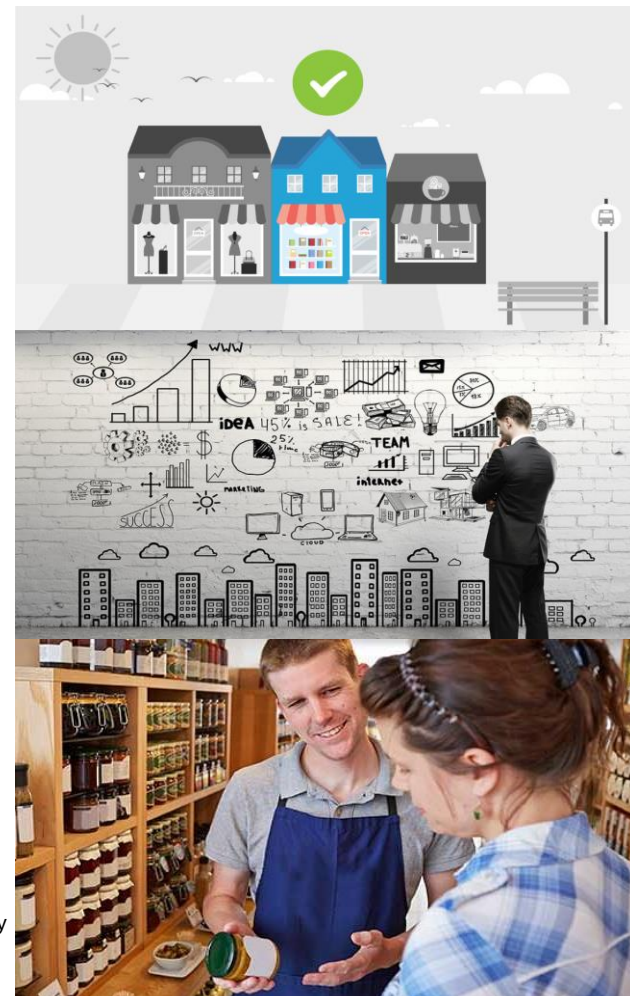
Customer Service/Experience Strategy

- Training and retraining of all team members
- Unique approach to set apart from competition
- Escorting customers to the product
- Multiple points of communication with customer pre, during, and post sale
- Customer satisfaction/exit surveys

Marketing Strategy

- Targeting all audience groups - local population, regional destination audiences, tourists, employees, drive/walk-by
- Multiple channels - in-store, print, online, radio/tv, events, merchandise

SOURCE: Noell Consulting Group



Appendix

CITY OF CULVER CITY - 9735 WASHINGTON BLVD RETAIL MARKET ANALYSIS

Appendix 1 Notes on Exhibits

- Exhibit 1: Overview of Greater Los Angeles and Culver City's growth. Culver witnessed very little growth 2000-2010, but more considerable post 2010.
- Exhibit 2: Highlights City's central location in LA.
- Exhibit 3: Identifies Downtown and adjacent commercial nodes within Culver City.
- Exhibit 4: Shows employment concentration for those earning \$40k+. Data from 2015 as most current by Bureau of Labor Statistics.
- Exhibit 5: Discusses future employment growth within ½-mile walkable area from the subject site. Focuses on walkable area as retail in a Downtown environment has a significantly greater likelihood of attracting those on foot versus if they need to get in/out of car and park.
- Exhibit 6 & 7: Highlighting demographic changes from 2000 – 2016. Median incomes in core of Culver City have increased at a rate of nearly double those of the county.
- Exhibit 8: Heat map of existing restaurants and retail stores. Scale shows how much more prevalent dining establishments are than retailers in Downtown today, as well as competition from Venice corridor.
- Exhibit 9: Our assessment of the subject site's strengths, challenges, and opportunities relative to new development of ground floor retail space.
- Exhibit 10: Historic review of retail rates, vacancy, and absorption trends. Generally a lack of new deliveries/construction combined with a recovering economy post-recession has resulted in declining vacancy rates and thus higher rental rates. Years with negative absorption numbers indicate retail tenants moving out without being immediately replaced – highest in 2009 and 2011.
- Exhibit 11: Overview of brick and mortar retail trends as a result of increasing e-commerce. While e-commerce only represents 8-9% of total retail sales, it is dramatically growing and already impacting the brick and mortar retail establishments. That said, it is more impactful on certain product/store categories, with food and alcohol being the least impacted. Successful new-age retailers are having to incorporate omnichannel sales approaches, focus on customer service/experiences, and/or use technology to innovate.
- Exhibit 12: A summary of newer retail developments within/adjacent to Downtown that the subject site would compete with.
- Exhibit 13-18: Details on each competitive center. In the case of Culver Steps and Ivy Station no leases have been signed yet so tenants cannot be disclosed.
- Exhibit 19: Our defined local trade area following interviews with local brokers and store/restaurant proprietors. Based on a 10-15 minute drive time during typical weekday rush hour, but factoring in mental and physical barriers in the market such as I-10 and I-405. The local trade area is defined as the area in which the majority of your daily convenience driven expenditures come from. These expenditures are in all store categories, and tend to be more frequent visits, but are more commodity goods – grocery, pharmacy, basic socks/underwear, that you would not drive out of your way to purchase.
- Exhibit 20: Existing competitive commercial cores within the local trade area. A total of 12, but 4 do not contain grocery store anchors and/or are less than 100,000 SF and as such have been merged with adjacent cores resulting in 8 truly competitive cores. Downtown's fair share would be 1 out of 8, or 13%.
- Exhibit 21: A relook at existing jobs within the ½-mile walkable area, plus jobs being added in the new construction office developments. Total will be 6,763, though an estimated 3% will also live in this area (based on US Census/BLS figures) and therefore are counted in our local trade area. Net additional daytime employee demand source of 6,560.
- Exhibit 22: Our defined regional trade area following interviews with local brokers and store/restaurant proprietors. Based on a combination of a 30-45 minute rush hour distance during weekends, and a 20-25 minute rush hour distance on weeknights. The population within this trade area is then adjusted to just those earning \$50k+ and age 25-65 to derive prime destination retail shoppers/diners used in the demand analysis. The regional trade area is defined as the area in which the majority of your destination driven expenditures come from. These expenditures are in most store categories, but tend to be less frequent – more often on nights and weekends, and more specialty goods/experiences – that you would go out of your way, and even pass commodity offerings in order to get to.
- Exhibit 23: Existing competitive commercial cores within the regional trade area. A total of 31, but only 12 are true destination cores, and 3 of them function as double cores for a total of 18 competitive cores. Downtown's fair share would be 1 out of 18, or 5.8%.
- Exhibit 24: A summary of key demographic traits for the local and regional trade areas.
- Exhibit 25: A summary of each of the demand sources to be used in the demand model. Four primary sources, but the local trade area is separated into existing and future growth given significant income growth of newer residents. Each source includes estimated growth through 2023.
- Exhibit 26-29: Retail demand models for each source listed on Exhibit 25. Each starts with the annual retail sales/demand potential by store category (using only the categories that source is likely to support), and then applies cuts based on the percentages of those sales likely to occur in non-regional centers and/or locally. The sales are then converted into square feet using ICSC (International Council of Shopping Centers) standards by store category, and a capture for Downtown is applied. Each end in the potential retail square feet the Downtown core can support.
- Exhibit 30: Summaries the supportable square footage of demand by store category in Downtown from each of the demand sources. Total combined demand is 282,046 SF minus the existing 129,344 SF in Downtown today, equaling a positive unmet demand potential of 152,702 SF. This demand is positive across all store categories except for book and music stores, however it is likely that the one existing book store in Downtown (The Ripped Bodice) is functioning as a more regional draw, and/or has very low rent, and thus a unique exception to these averages.
- Exhibit 31: A demand model for service-oriented office and retail that tends to also occupy ground floor commercial space – those with less than 19 employees. This model uses demonstrated per capita supported square footages by service type in Los Angeles County, and applies the ratios to the Culver City local zip code areas net the existing establishments within those zip codes. A Downtown capture rate (the same used in the regional trade area analysis) is then applied and existing space within Downtown is deducted to come to net Downtown demand of 35,734 SF.
- Exhibit 32: The total estimated net demand for retail SF in Downtown (152,702 from Ex. 30) is then combined with the total estimated net demand for service-oriented retail SF in Downtown (35,734 from Ex. 31) for a total Downtown Net Unmet Demand of 188,435 (slight rounding). We then focus on just those store/service categories that are typically more capable of supporting new construction rent levels (Specialty Food Services, Beer, Wine & Liquor, Clothing/Shoe Stores, Full-Service Restaurants, Limited-Service Eating Places, Drinking Places, Office of Physicians/Dentists, and Fitness and Other Recreation Centers) which equate to 86,301 SF (46% of total unmet demand). We then note the amount of new construction supply coming into the Downtown Core (most of One Culver has already been included in the existing Downtown supply given signed leases, so only one space remains for this new construction supply) from One Culver (1,656), Culver Steps (42,333) and the subject site (13,000) for a total of 56,989 SF – less than the total demand number of 86,301 SF. We then apply an estimated capture for the subject site ranging from 33-50% of the Unmet Downtown Demand in New Construction Supportable Categories. 33% represents a fair share capture of 1 in 3 competing centers, whereas the 50% recognizes a fair share advantage over the competitors for medical related and limited-service eating places given the subject site's proximity to the hospital and daytime employment. The result is an estimated supportable retail/restaurant/service combined demand for the subject site of 33,229 SF (over 2.5x the applicant's proposed space). This demand is broken out by store/service category but includes potential for up to 8,844 SF of retail stores, 11,368 SF of restaurants, and 13,017 SF of service providers. Typical new construction retail lease rate ranges are provided by category as well as an estimate as to what the subject site might charge resulting in a range of \$60-90/SF with a blended rate of \$63-68/SF depending on how much of the space is leased to restaurants who cap typically pay higher rates – particularly those serving alcohol.
- Exhibit 33: A summary of our review of the subject site's proposed retail space for long-term flexibility. We believe the space has been designed to maximize future flexibility to the fullest extent.
- Exhibit 34: A review of standard industry practices in ensuring tenant quality and success that all landlords in Downtown should be using.

SOURCE: Noell Consulting Group

