



Staff Report Details (With Text)

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Title: Receive and File an Update on Culver City Commercial Vacancy Rates.

Sponsors:

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Attachments:

Date	Ver.	Action By	Action	Result
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Receive and File an Update on Culver City Commercial Vacancy Rates.

Meeting Date: October 9, 2024

Contact Person/Dept: Luis Gonzalez, Economic and Cultural Development
Elaine Warner, Economic and Cultural Development

Phone Number: (310) 253-5708
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Fiscal Impact: Yes No **General Fund:** Yes No

Public Hearing: **Action Item:** **Attachments:**

Public Notification: GovDelivery (10/7/2024)

Department Approval: Jesse Mays, Assistant City Manager (10/03/2024)

Commercial vacancy remains at high levels as work from home trends continue to be utilized throughout several sectors in Culver City. At this time, Culver City is experiencing a commercial vacancy rate of 22.6% across 97 properties and comprising 1,749,626 square feet. The majority of availability is located within the Fox Hills/Culver Point area accounting for 26% of the total vacancy. Additional availability in the City includes Hayden Tract at 22%; Jefferson Corridor (between Overland Avenue and City Boundary to the East) at 11%; Mid-Washington Boulevard (between 405 Freeway and Downtown) at 9% and the Arts District at 13%. Conversely, retail vacancy rates remain low at 3.4%.

CoStar reports that vacancies have increased steadily since Q3 2022 which is not unexpected given the duration of the Covid 19 pandemic stay at home requirements, organizational restructuring, and work-from-home policies.

Neighboring cities are also experiencing similar levels of commercial/office availability including Santa Monica (20.3%) West Hollywood (14.5%), Beverly Hills (18.3%). CoStar projects that vacancies will increase and plateau at 23% until 2029. As a result of the increased availability, price per square footage has also decreased from \$56 per square foot to \$52.

Although the City continues to experience above normal vacancy rates, sales tax generally has returned to pre-pandemic levels throughout geographic areas and districts. HDL reports sales tax trends remain consistent, with most major industries performing at similar levels compared to Q3 2023.