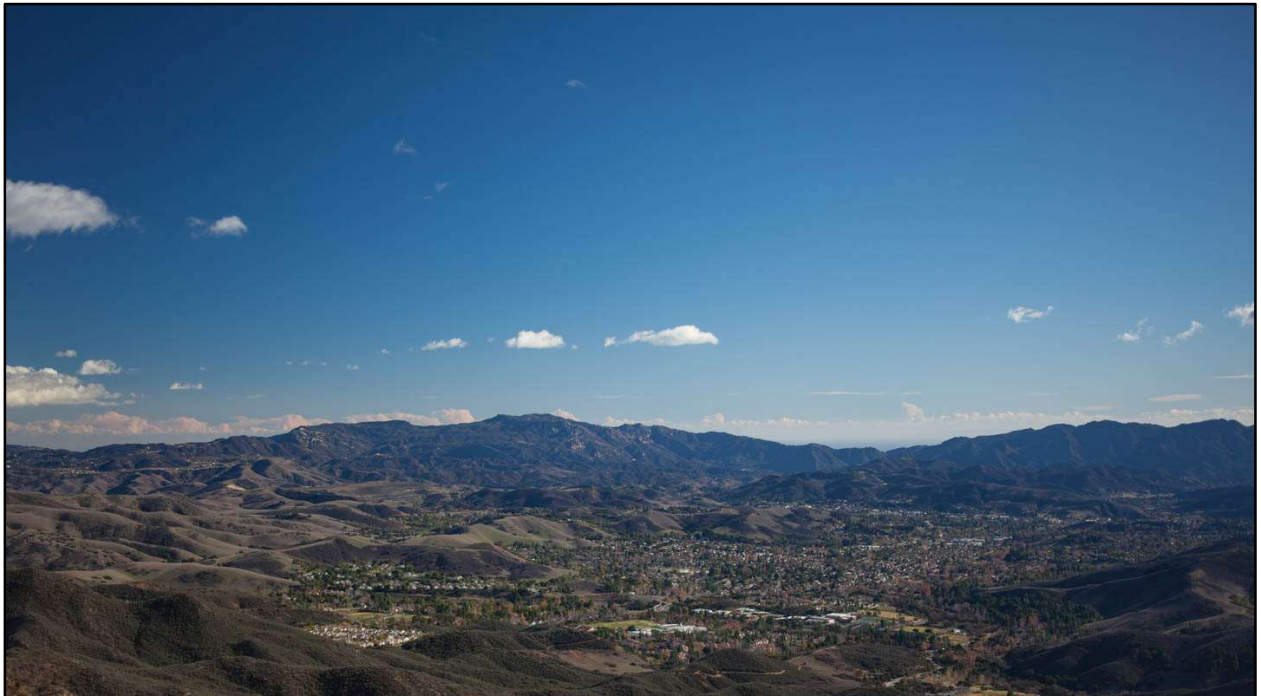




AGOURA VILLAGE MARKET ASSESSMENT



Prepared for:
City of Agoura Hills, California

March 16, 2021

PREPARED BY:



T H E N A T E L S O N D A L E G R O U P , I N C .
YORBA LINDA, CA • www.natelsondale.com
O: 714.692.9596 • F: 714.692.9597

Contents

- Introduction.....1**
- Summary of Demand Projections.....2**
- I. Retail/food service.....4**
 - Retail analysis assumptions 4
 - Agoura Hills’ overall competitiveness within region 6
 - Differences in key aspects of demographic composition (age, income), Agoura Hills and surrounding communities 6
 - Projected growth in households, Agoura Hills and region, SCAG 9
 - Retail leakage model for Agoura Hills and the larger 4-cities region of Agoura Hills, Calabasas, Thousand Oaks, and Westlake Village 9
 - Projected growth in incomes 11
 - Projected growth in tourism as source of retail/food services demand 11
 - Competitive locations in surrounding region for lifestyle/experiential centers and regional malls 11
 - Overview of retail rental rates, occupancy, etc. for local area and region 13
 - Issue of aging regional malls in surrounding region 13
 - Summary, retail development positioning for Agoura Village 14
- II. Office/R&D industrial.....15**
 - Existing City employment and major firms applicable to this category 15
 - Projected growth in employment in region, per SCAG by city, for overall employment to 2045 16
 - Commuting patterns within Agoura Hills 17
 - Competitive locations in surrounding region 18
 - Overview of rental rates, occupancy, etc. 18
 - Employment by industry and projected growth in employment, Emsi..... 19
 - Comparison and evaluation of SCAG and Emsi projections 21
 - Summary of office/industrial development positioning for Agoura Hills and Agoura Village 22
- III. Hotel.....24**
 - Current overall competitiveness of Agoura Hills and surrounding communities 24
 - Hotel development pipeline for Ventura County and Los Angeles [County] North..... 25
 - Visitation activity trends and projections..... 27
 - Summary of hotel market conditions in relation to Agoura Hills..... 30
- Appendices31**

Cover Photo Credits: “IMG_0074” by dangerismycat – Own work. Licensed under CC BY-NC-ND 4.0 via Flickr.com – <https://flic.kr/p/Qu6U8r>

Introduction

This report summarizes an investigation of three non-residential land use types potentially appropriate for the Agoura Village Specific Plan area:

- Retail/food service
- Office/R&D
- Hotel

Although residential uses of the type anticipated for Agoura Village are likely to drive near-term development opportunities in the Specific Plan area, they are not specifically evaluated in this report since market demand for housing is assumed to be strong and has been validated by the previous work completed by Kosmont Companies. The feasibility of specific housing projects will depend on the financial feasibility of allowed densities, site-specific development costs, etc. (which will be evaluated in a forthcoming pro forma analysis).

The analysis is based on public and proprietary data compiled for this purpose, previous research related to Agoura Village, including work by Kosmont Companies in 2019/2020, the Agoura Village Specific Plan prepared in 2008, the results of 2019/2020 workshops and other inputs reviewing the Specific Plan conditions, proposed Agoura Village development projects submitted for review to the City, and recent discussions with staff at RRM Design Group regarding various planning challenges and opportunities within the Specific Plan area and that their internal review of original land-use allocations.

The onset of Covid-19 has both influenced development momentum at the Village and provided an opportunity to reevaluate market and strategic direction relative to potential Specific Plan updates. In that regard, this analysis recognizes the need to maintain a long-term perspective on development options at Agoura Village, along with the fact that the City's strategic direction and ongoing involvement will play a key role in the Plan area's successful development.

Summary of Demand Projections

The following table summarizes area programming for Agoura Village for the four land uses of retail, office/industrial, hotel, and residential from three standpoints:

1. Development capacity defined by the 2008 Specific Plan
2. Development capacity under consideration for the 2020 AVSP Update being prepared by RRM Design Group (Scenario 1)
3. Preliminary demand projections prepared by The Natelson Dale Group, Inc. (TNDG), given as a range of square footage expected to be achievable within the project over the next 10-15 years, as discussed in this report

The table includes comments pertaining to each of the land uses, and the following general comments are also applicable to these land uses in relation Agoura Village:

- The Village is assumed to embody the concept of mixed uses occurring in synergistic relationships to one another, so that the presence of one enhances the appeal of the other, to tenants and clientele (local and visitors) and ultimately to initial developers. This concept is relevant to both new development and to the integration of new development with existing development within the Village planning area.
- To achieve this interrelationship of uses, the location of individual projects can be coordinated, and the scale of individual uses occurring within each project area, and overall, is also an important consideration. For example, “lifestyle center” retail and food services businesses will tend to work best when they are either physically together or perceived to be part of a “zone” of such activity.
- Agoura Village could capture tourist shoppers, and the fact that some of these will be traveling through there between the 101 and Malibu suggests that development of some of the Village area for recreational purposes could include parking that would be accessible to visitors taking advantage of shopping as well as recreational opportunities.

DEMAND PROJECTIONS SUMMARY TABLE

Land Use	2008 Specific Plan	2020 AVSP Update (Scenario 1)	TNDG Demand Projection (preliminary)	Comments (2)
Retail (square feet)	506,548	290,908	150,000 – 250,000	Focus on “lifestyle” tenants and also smaller spaces oriented to serving immediate convenience needs of area residents and workers, although these two types of tenants would not necessarily be neighboring
Office/industrial (SF)			75,000 – 125,000	Any industrial is assumed to be in business park format in conjunction with office development
Hotel (SF) (1)	70,000	70,000	60,000 – 120,000	Assumes up to two hotels, most likely in phases (100 rooms each @ 600/SF per room)
Non-residential total	576,548	360,908	310,000 – 570,000	
Residential (units)	293	454	500+	Market demand assumed to be strong; actual development opportunities will depend on financial feasibility of allowed densities, etc.

Notes:

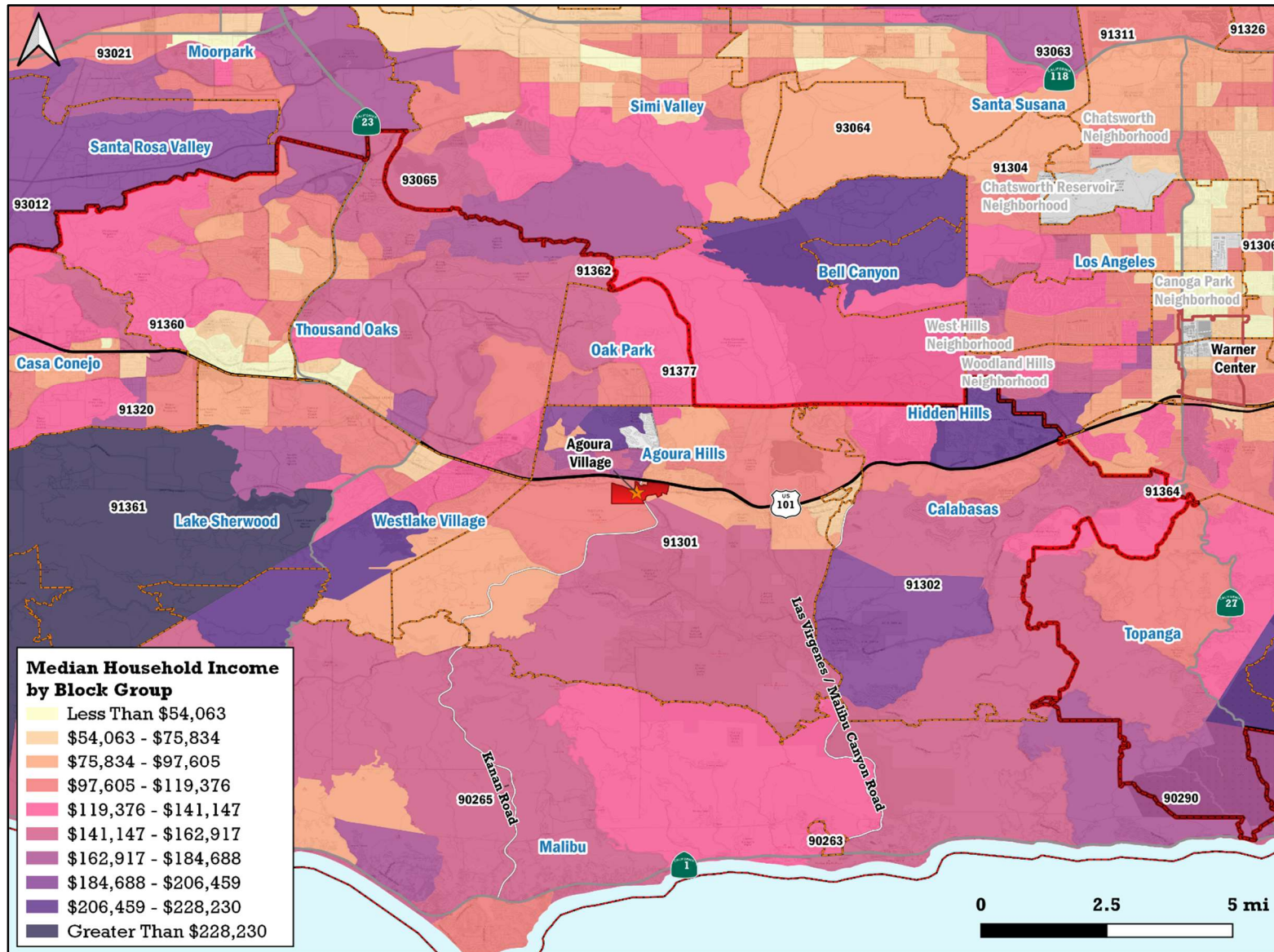
- Existing Specific Plan anticipates one hotel (in project zone A South) with 100-120 guest rooms (approximately 70,000 square feet).
- Additional narrative on the potential market “positioning” of each land use within the AVSP is provided at the end of the Retail, Office/Industrial and Hotel chapters of the report.
- Square footages and dwelling unit counts shown on the table are for incremental development (i.e., they do not include existing development in the plan area).

I. Retail/food service

Retail analysis assumptions

The working assumption applied to the analysis of retail potential for Agoura Village, based in part on previous research, is that the Village could primarily be a location for specialty retail, including entertainment, unique goods, and other “destination” establishments, including restaurants. As such, the market area reviewed for this potential focused on the communities adjacent to Agoura Hills along the 101 corridor, as shown on Figure I-1, with the application of data at a variety of geographic scales including ZIP codes and Census-area boundaries.

FIGURE I-1. ANALYSIS REGION, SHOWING ALSO DISTRIBUTION OF MEDIAN HOUSEHOLD INCOME LEVELS



Source: U.S. Census Bureau, 2019: ACS 5-Year Estimates; TNDG.

AGOURA VILLAGE MARKET ASSESSMENT

The Natelson Dale Group Inc.

Agoura Hills’ overall competitiveness within region

Differences in key aspects of demographic composition (age, income), Agoura Hills and surrounding communities

Table I-1 compares population and income data for Agoura Hills with Calabasas, Thousand Oaks, and the two counties. Income data for the three cities contrast sharply with the two counties, with all three having considerably higher incomes. (The geographic pattern of median household income levels, by Census Block Group, is shown on the Figure I-1 map.) Agoura Hills’ numbers are in the middle of the range represented by the two other cities. Labor force participation rates are essentially identical for all of the areas.

TABLE I-1. SELECTED POPULATION AND DEMOGRAPHIC CHARACTERISTICS: AGOURA HILLS, NEIGHBORING CITIES ON THE 101, AND COUNTIES, 2019

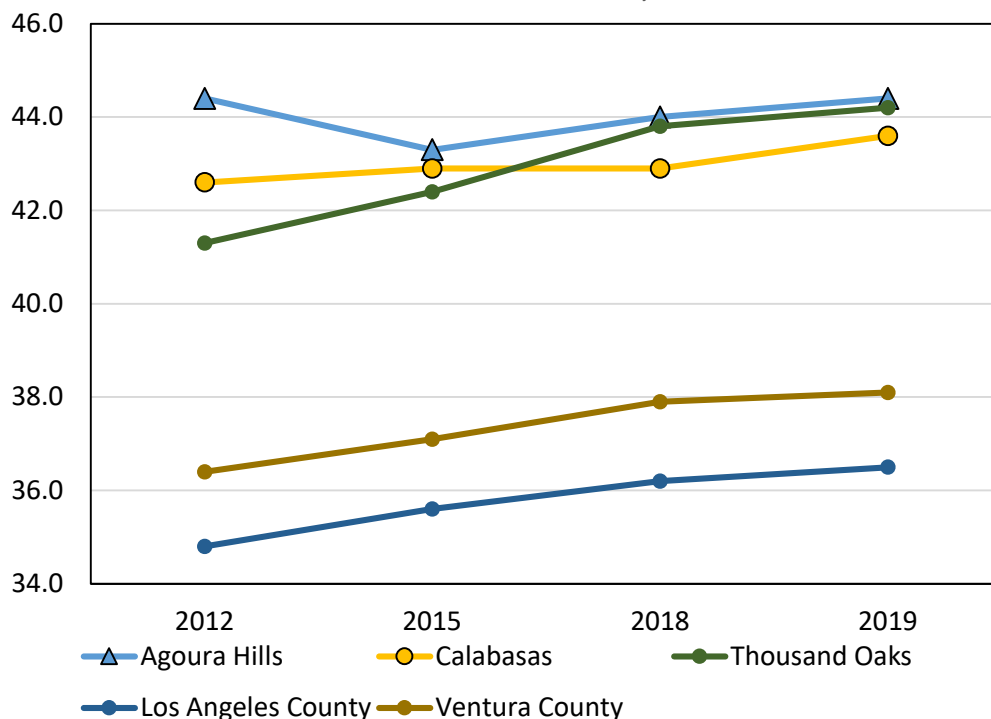
Place	Population	Median Household Income	Per Capita Income	Labor force participation ⁽¹⁾
Agoura Hills	20,533	\$122,998	\$62,814	64.2%
Calabasas	23,988	\$125,814	\$74,961	65.8%
Thousand Oaks	127,873	\$109,378	\$53,061	64.2%
Los Angeles County	10,081,570	\$68,044	\$34,156	64.7%
Ventura County	847,263	\$88,131	\$38,595	65.6%

1. Percent of population 16 years and over in the labor force.

Source: Census ACS 2015-2019 5-Year Estimates Data Profiles.

Figure I-2 shows changes in median age of the population for the three cities and two counties. All three cities have higher median ages than either of the counties, with Agoura Hills edging out Thousand Oaks for the highest median age by 2019. Retailers take age data into account when considering the desirability of a location, but Agoura Hills, Calabasas, and Thousand Oaks would appear to be essentially indistinguishable in this regard. Another retailing issue is whether a trend of increasing age is occurring in a community, and this does not seem to be occurring in Agoura Hills in a way materially different from the other places, according to the Census data source.

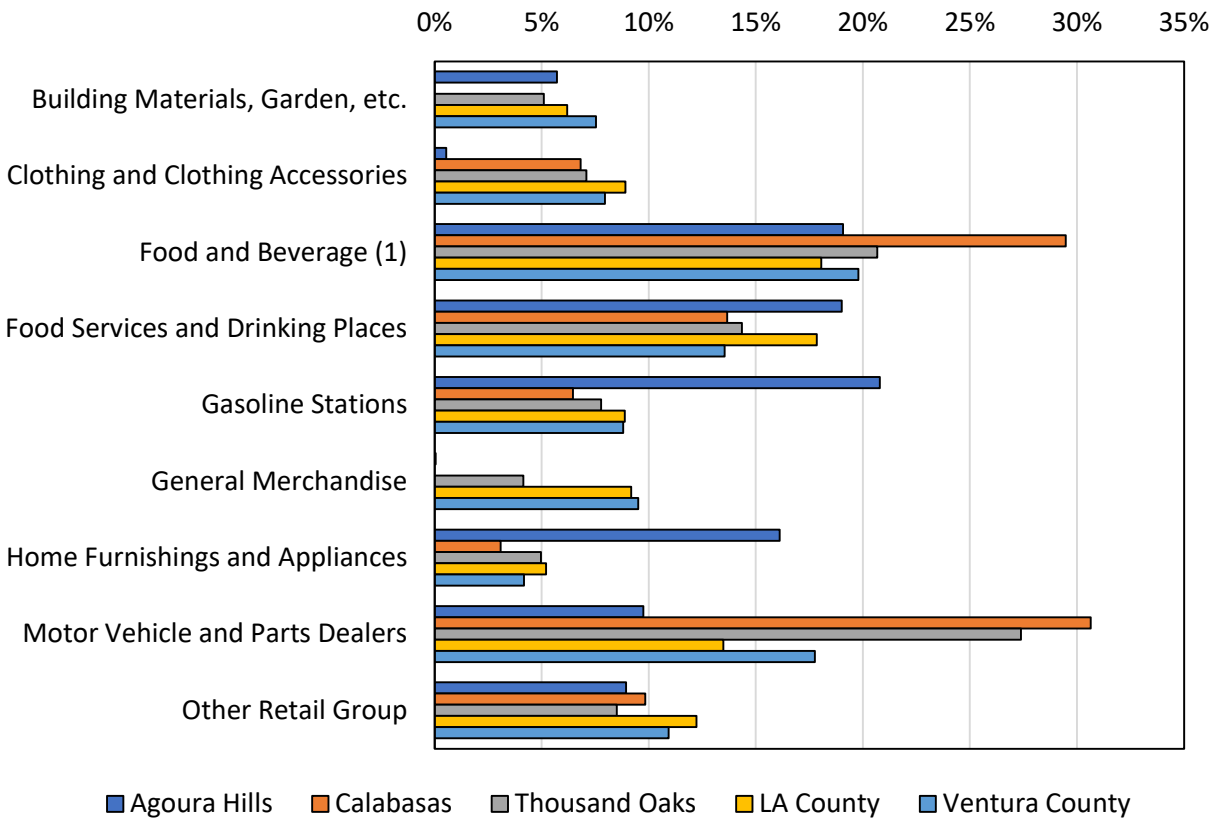
FIGURE I-2. CHANGES IN MEDIAN AGE, 2012-2019



Source: Census 2015-2019 ACS 5-Year Estimates Data Profiles; TNDG.

Figure I-3 shows taxable sales in Agoura Hills in comparison with Thousand Oaks, Calabasas and the two counties. The data show that Agoura Hills, compared to the other places, has fewer sales in Clothing, Motor Vehicles, and General Merchandise (which includes “regional-mall-goods”), while sales are relatively strong in Gasoline and Home Furnishings (primarily due to the presence of stores such as those in the Agoura Design Center and Reeds Furniture, located on the north side of the 101 across from Agoura Village).

FIGURE I-3. AGOURA HILLS, NEIGHBORING COMMUNITIES ON THE 101, AND LOS ANGELES AND VENTURA COUNTIES: TRANSACTIONS BY CATEGORY AS % OF TOTAL RETAIL/FOOD, 2019



1. Expanded to include nontaxable sales.

Source: California Department of Tax and Fee Administration (CDTFA), Taxable Sales - Cities by Type of Business, through second quarter of 2020. <https://www.cdtfa.ca.gov/legal/legislative-research.htm#reports>.

Taxable sales data combined with population estimates indicate (Table I-2) that Agoura Hills is overall (by this indicator) a strong retail/food services location compared to Los Angeles and Ventura Counties. Total sales per capita are noticeably higher in Thousand Oaks, which is in keeping with the larger size of that community and its regional shopping centers, which Agoura Hills lacks. Agoura Hills leads both neighboring cities in food services sales per capita. This could be attributable at least in part to the fact that Agoura Hills has more hotel rooms than either of the other neighboring cities.

TABLE I-2. RETAIL/FOOD SERVICES SALES PER CAPITA, 2019 ⁽¹⁾

	Agoura Hills	Calabasas	Thousand Oaks	LA County	Ventura County
Total Retail and Food Services per capita	\$18,043	\$18,907	\$20,312	\$12,244	\$12,812
Food Services per capita	\$3,432	\$2,584	\$2,915	\$2,510	\$2,020

1. Adjusted for non-taxable grocery but not for inflation.

Source: CDTFA, CA DOR Population Estimates; TNDG.

Projected growth in households, Agoura Hills and region, SCAG

Table I-3 shows the projected growth in households, in Agoura Hills, Calabasas, and Thousand Oaks. These changes represent a roughly 2% increase for Agoura Hills and Calabasas, and 4% for Thousand Oaks, over the 10-year period.

TABLE I-3. PROJECTED GROWTH IN HOUSEHOLDS

Jurisdiction	Population		Households				
	2016	2045	2016	2020 ⁽¹⁾	Est. 2030	Difference 2020-30	2045
Agoura Hills	21,000	22,400	7,400	7,383	7,641	258	7,900
Calabasas	24,200	24,900	8,800	8,918	9,041	123	9,300
Thousand Oaks	129,500	144,700	46,000	46,372	48,559	2,187	51,300
Total for 3 cities	174,700	192,000	62,200	62,673	65,241	2,568	68,500

1. California Dept. of Finance estimates. Otherwise, figures reflect linear rate of change.

Source: SCAG, <https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=TaxSalesAllCities>, TNDG.

Retail leakage model for Agoura Hills and the larger 4-cities region of Agoura Hills, Calabasas, Thousand Oaks, and Westlake Village

TNDG prepared a retail leakage model that simultaneously addresses two conditions relative to the local retail/food-service market: 1) that retail leakage is occurring in the 4-cities region of Agoura Hills, Calabasas, Thousand Oaks, and Westlake Village, and in Agoura Hills specifically, and 2) increasing numbers of households in these areas over time, although occurring at modest levels, will also generate new demand for retail goods and food services. From the standpoint of retail leakage, the model estimates: 1) retail and food service sales that are currently not being captured within either Agoura Hills or the 4-cities region of Agoura Hills, Calabasas, Thousand Oaks, and Westlake Village, and 2) how much additional retail/food-service space could be theoretically accommodated within these two areas if at least a portion of existing leakage could be recaptured. The dual effects of new households and the result of recapturing a certain proportion of existing leakage are combined within the model to estimate the potential for expanded retail/food services space in the analysis area.

The objective of an analysis of this type is not to demonstrate that such recapture of retail leakage is feasible within the current market – other factors are at play in the market supply/demand situation including the distribution of different types of retail facilities, in this case particularly regional malls and lifestyle centers, within the cities surrounding Agoura Hills – but to illustrate the scale of retail development potential *if* some degree of leakage recapture were to occur (in combination with household growth). Embodied in this approach is the notion that this recapture would generally require favorable market conditions to emerge, which might include, for example, the transition of existing, aging regional centers of diminishing productivity to other uses.

To assess household growth, the model uses the most recent SCAG projections in combination with current population/household estimates by the California Department of Finance. Existing retail sales are taken from California Department of Tax and Fee Administration databases. In the model, sales per household for Los Angeles and Ventura Counties combined constitute the benchmark figures which are then compared to per-household sales in the four cities. The difference represents the extent of sales leakage, or surplus in certain retail categories. Recapture of retail leakage is simulated in the model

using both a 100% recapture rate and a 50% rate. The model addresses sales for 10 categories of retail businesses or tenant types, as shown below:

- Motor Vehicle and Parts Dealers - *Auto Parts Category only*¹
- Home Furnishings and Appliance Stores
- Building Materials and Garden Equipment and Supplies Dealers
- Food and Beverage Stores
- Gasoline Stations
- Clothing and Clothing Accessories Stores
- General Merchandise Stores
- Food Services and Drinking Places
- Other Retail Group
- Services Businesses Space @ 10% of Total

The estimated sales increases, resulting from both recapture of current leakage and growth in number of households, are then translated to estimates of space demand, based on industry-standard sales per square foot factors for the different retail types.

Generalized results of the model are summarized on Table I-4 below, for both the 50% and 100% theoretical recapture rates. The complete model (showing a 50% recapture mode) is shown in Appendix A. Note that the table results indicate the *total* new space requirements at the different years shown, and all figures reflect an initial increase resulting from recapture of leakage (showing up in 2025 in the model tables, and constituting almost all of the new-space demand in that year), although in practice this might not occur by 2025 but phase-in over any or all of the later years. The results should also be understood to represent potential space increases that could occur throughout the city or cities, not in a single or even a few new projects.

**TABLE I-4. RESULTS OF RETAIL LEAKAGE/FUTURE-DEMAND MODEL,
AT TWO THEORETICAL LEVELS OF LEAKAGE RECAPTURE**

	Year	Theoretical recapture mode at:	Agoura Hills	Agoura Hills, Calabasas, Thousand Oaks, and Westlake Village combined
Total shopping center space needed, by:	2025	50%	313,000	1,568,000
		100%	615,000	2,989,000
	2030	50%	328,000	1,751,000
		100%	636,000	3,204,000
	2035	50%	344,000	1,939,000
		100%	657,000	3,424,000
	2045	50%	360,000	2,130,000
		100%	678,000	3,649,000

Source: CDTFA, CA DOR Population Estimates; TNDG.

¹ Because the model is focused on ultimately deriving an estimate of retail space demand, automobile sales are ignored (as well as gasoline sales from the standpoint of space requirements); also, food and beverage store sales are not all taxable, but gross sales are estimated in order to account for space needs. For these reasons, the results of the model are not directly translatable to fiscal effects.

Projected growth in incomes

According to data from the Bureau of Economic Analysis, personal incomes in Los Angeles County increased by 1.6% in 2018 and 2.9% in 2019, in real (inflation-adjusted) dollars. In “normal” years (unaffected by the pandemic), we could expect an annual income growth of approximately 2%, although this does not translate directly to an increase in retail demand on an annual basis, because as incomes increase the percent of income spent on consumer goods declines.

Projected growth in tourism as source of retail/food services demand

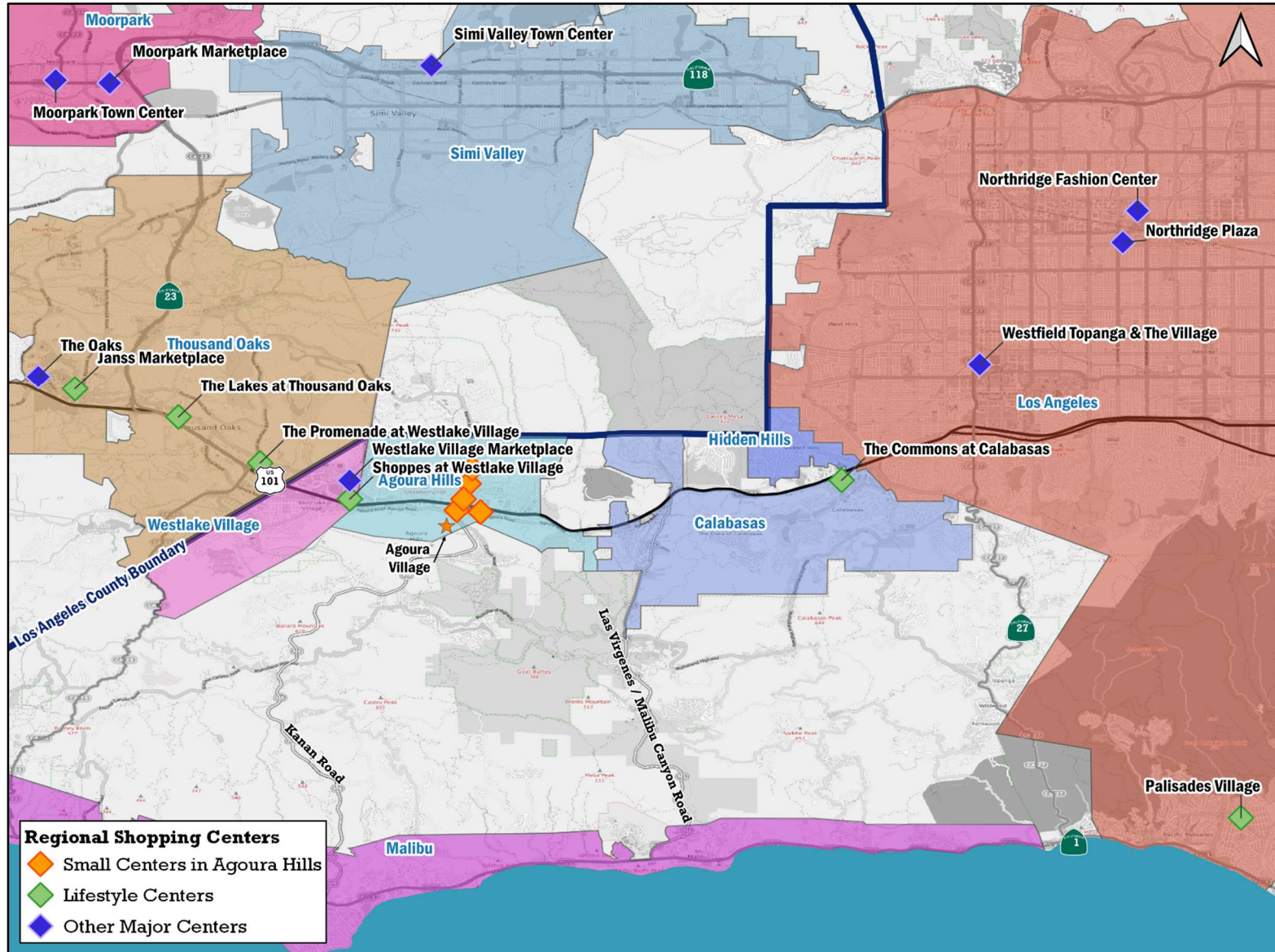
As discussed elsewhere in this document, the post-pandemic growth in visitation in the Agoura Hills area (after 2024, according to the data source) is expected to be on the order of 3% annually. This could result in an increase in restaurant demand as well as for a range of shopper goods, especially in the specialty retail categories. (According to data from Visit California, visitors in Ventura County can account for 30% of restaurant sales there.)²

Competitive locations in surrounding region for lifestyle/experiential centers and regional malls

Notable lifestyle shopping centers in the Agoura Hills region include those shown on Figure I-4 below. The map also shows the location of other major shopping centers in the surrounding communities.

² Dean Runyan Associates, Inc. *California Travel Impacts, 2010-2019p*. April 2020. Visit California.

FIGURE I-4. LIFESTYLE/ENTERTAINMENT CENTERS AND REGIONAL SHOPPING CENTERS



Source: USGS GNIS; U.S. Census Bureau, 2019; TNDG.

AGOURA VILLAGE MARKET ASSESSMENT

The Natelson Dale Group Inc.

Overview of retail rental rates, occupancy, etc. for local area and region

In keeping with the variety of retail space that exists in the Agoura Hills area, lease rates vary widely, as shown in Table I-5 below:

TABLE I-5. RANGE OF CURRENT ANNUAL RETAIL LEASING RATES

Place	Annual Lease Rates ³
Agoura Hills	\$15.60 – \$33.00
Calabasas	\$21.00 – \$63.00
Thousand Oaks	\$18.00 – \$45.60

Source: Various real estate listings.

The higher end of the rate range is clearly indicative of one or more premium shopping centers in the area, while the lower end confirms the presence of lesser-quality spaces. For Los Angeles and Ventura Counties, Covid-19 effects as of the 2nd quarter of 2020 have curtailed retail leasing activity by 2/3 and ¾, respectively, compared to one year ago, according to NAI Capital (*2Q 2020 Retail Market Outlook* reports). While vacancy rates have increased, average total vacancy ranges from only 5% to 7% across the two market areas Los Angeles County and Ventura County, and two submarkets of Los Angeles North and East Ventura County, with average rents across these four areas ranging from \$25 to \$35 per square foot per year (same source).

Issue of aging regional malls in surrounding region

The regional centers shown on Figure I-4 vary in age and other characteristics, and also vary in the extent of updating/revitalizing they have received over the years. The presence of these malls has a major influence on the substantial retail leakage in Agoura Hills. Regardless of the current status of the surrounding regional shopping centers, regional centers in general are particularly vulnerable to changes in the retail industry due to trends of increasing online shopping, and the expanded choices to consumers represented by this, as well as pandemic-driven trends that favor outdoor shopping experiences (which also affect malls differently according to their current physical configurations). An important aspect of a regional center's draw is based on its presence and mix of retailers and restaurants, so a loss of tenants, particularly those with the greatest appeal to consumers, can lead to a cascading decline. Many major shopping malls across the country are undergoing varying levels of redevelopment/revitalization, including in some cases replacement of retail activities with residential, office, and other uses.

Tenants have been traditionally attracted to malls because of the potential of being “discovered” by shoppers whose primary focus could be on one or more department stores. In this age of the ubiquitousness of information, about consumer choices as well as many other things, mall locations are less advantageous.

³ Triple Net (NNN) leases – tenant pays for property taxes, insurance, and maintenance costs in addition to the base rent.

Summary, retail development positioning for Agoura Village

The City of Agoura Hills has an advantageous location along the 101 corridor for accessing both residential markets and travelers on the 101 including tourists. Expansion of retail and food service activity could occur there based on the following factors:

- Leveraging existing strengths in retail development such as home furnishings and (to a lesser extent) restaurants.
- Adopting the best characteristics of attractive existing lifestyle centers in neighboring cities when planning new development areas.
- Recapture of existing retail leakage, in the city and surrounding region, which occurs in most retail categories with the exception of home furnishings and gasoline.
- projected growth in number of households in the city and surrounding region.
- Projected growth in tourism following post-pandemic recovery.
- Repurposing of existing regional malls in the surrounding region. To the extent traditional mall tenants become dissatisfied with aging regional centers, certain of these tenants may become recruitable to Agoura Hills and Agoura Village.

All of these opportunities should fit within the themes and other concepts planned for Agoura Village, which would be additionally attractive because of the mixed-use elements planned that would add employment and residential uses to the mix, expanding the market and adding activity to the location.

II. Office/R&D industrial

Existing City employment and major firms applicable to this category

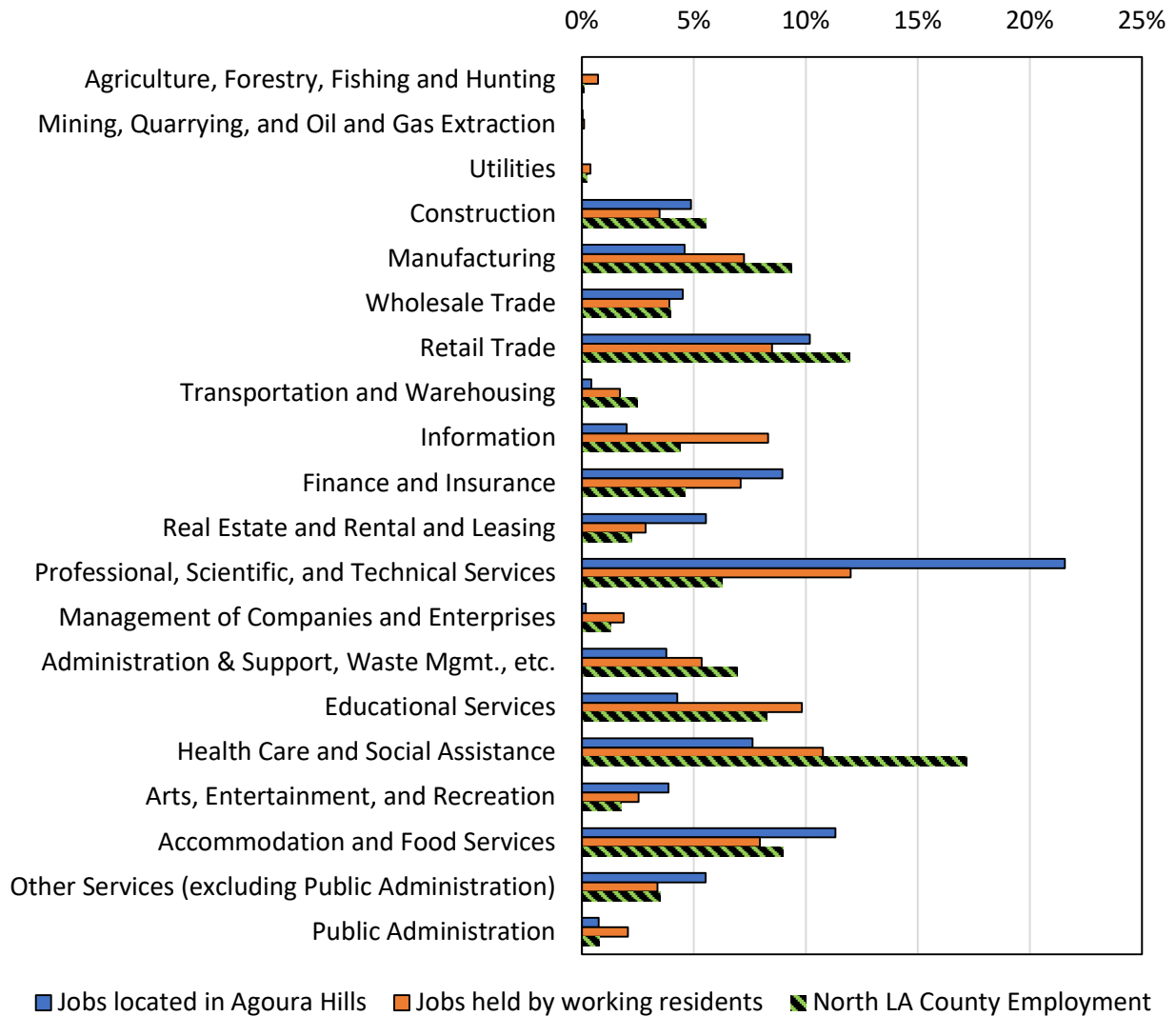
As discussed in additional detail in a later section, cross-commuting is prevalent in Agoura Hills, with only a small percentage of the resident workforce holding jobs based in the community. Most resident workers are commuting outward to other cities to work, and most jobs available in the city are held by in-commuters. Jobs based in the city outnumber the resident workforce, 9,740 to 8,480,⁴ although the difference is not great. Figure II-2 shows the percent of jobs based in Agoura Hills, by sector, and the percent of jobs held by resident workers in the city within these same sectors. An additional bar within the graph shows the percentage of employment for a reference area, in this case northern Los Angeles County, which includes Agoura Hills and would be reflective of the general economic structure of the overall region.

The figure shows that Agoura Hills has a notable strength in the Professional, Scientific, and Technical Services sector, in terms of both the resident workforce and especially in the presence of local jobs. Other high-value sectors in which the community leads North Los Angeles County are Finance and Insurance, and Real Estate. The most noticeable lagging sectors compared to North LA are Health Care, and (for local jobs but not the local workforce) Information. Mismatches in sectors between the availability of jobs in Agoura Hills and the Agoura workforce include Information (511 more resident workers than jobs), Professional, Scientific, and Professional Services (1,082 more jobs than resident workers), Transportation and Warehousing (103 more resident workers than jobs), Educational Services (419 more resident workers than jobs), and Public Administration (101 more resident workers than jobs).

High-profile corporate presences in Agoura Hills include software companies of Nuance and Motor Vehicle Software Corporation.

⁴ Data from Census OnTheMap, 2017 (most recent available).

FIGURE II-1. AGOURA HILLS ECONOMIC STRUCTURE AND THE “WORKFORCE ECONOMY”



Source: U.S. Census Bureau. 2020. LEHD Origin-Destination Employment Statistics, accessed 11/25/2020 at <https://onthemap.ces.census.gov>; TNDG.

Projected growth in employment in region, per SCAG by city, for overall employment to 2045

According to the latest SCAG projections, summarized on Table II-1, employment will increase more in Agoura Hills and Thousand Oaks than households, through 2045, with the opposite condition in Calabasas. The more than 4,000 projected additional jobs by 2030 in the three cities are expected to mostly land in Thousand Oaks. Job growth is expected to continue through at least 2045, with another 6,000 jobs added to the 3-city area.

The process of forecasting population and employment growth involves many factors, but we must assume that capacity for development and some relationship between new households and additional jobs are both key factors. With Agoura Village, Agoura Hills is proactively adding to its capacity for both additional jobs and population.

TABLE II-1. PROJECTED GROWTH IN EMPLOYMENT, SCAG

Employment					
Jurisdiction	2016	Est. 2020	Est. 2030	Difference 2020-30	2045
Agoura Hills	13,600	13,834	14,421	586	15,300
Calabasas	20,500	20,541	20,645	103	20,800
Thousand Oaks	70,100	71,466	74,879	3,414	80,000
Total for 3 cities	104,200	105,841	109,945	4,103	116,100

Note: Straight-line interpolations for 2020, 2030 estimates.

Source: SCAG; TNDG.

Commuting patterns within Agoura Hills

The pattern of cross commuting and Agoura Hills is summarized on Table II-2. The table shows that while jobs in the city and workers in the city are relatively balanced in terms of aggregate numbers, only about 6% of the resident workers actually work in Agoura Hills.⁵

TABLE II-2. COMMUTING PATTERNS, AGOURA HILLS

	Total jobs/ resident workers	Out- commuters	Work and live in city	In- commuters
Jobs located in Agoura Hills	9,736		501	9,235
Workers residing in Agoura Hills	8,484	7,983	501	

Source: U.S. Census Bureau. 2020. LEHD Origin-Destination Employment Statistics, accessed 11/25/2020 at <https://onthemap.ces.census.gov> (OTM); TNDG.

Major destinations for out-commuters are listed below (places that receive 1% or more of the out-commuting workers, which together account for less than 60% of the total).⁶ Not surprisingly, Los Angeles (city) is the single largest destination, followed by Thousand Oaks.

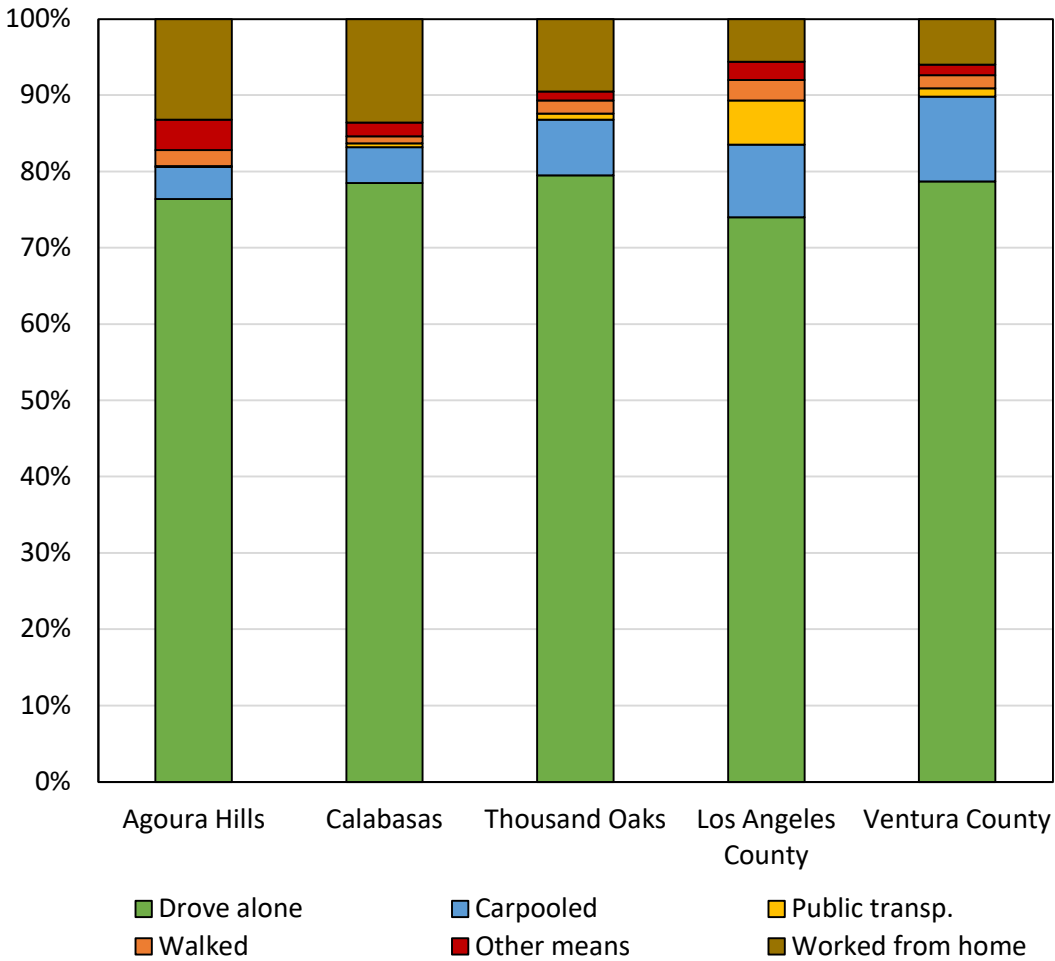
Destination	Number	Percent
Los Angeles	2,634	27.1%
Thousand Oaks	1,080	11.1%
Simi Valley	640	6.6%
Oak Park	239	2.5%
Camarillo	235	2.4%
Moorpark	233	2.4%
Oxnard	188	1.9%
Santa Clarita	163	1.7%
Calabasas	150	1.5%
Ventura	116	1.2%

⁵ This data source is subject to a certain amount of error, and may overstate the out-commuting numbers.

⁶ Source: Census OTM.

Methods of commuting to work for the three cities and two counties are summarized in Figure II-2 below. The most noticeable differences are: 1) Agoura Hills, along with Calabasas and to a lesser extent Thousand Oaks, have a much higher percentage of people working from home than either of the two counties. Public transportation, along with carpooling, is much more prevalent in Los Angeles County, which is to be expected, but carpooling is most prevalent in Ventura County, while relatively insignificant in Agoura Hills and Calabasas.

FIGURE II-2. METHODS OF COMMUTING TO WORK



Source: U.S. Census Bureau, 2018: ACS 5-Year Estimates; TNDG.

Competitive locations in surrounding region

Business parks that would be competitive to Agoura Village sites are found in all the neighboring cities (with selected examples): Calabasas (Calabasas Tech Center), Westlake (Executive Center Westlake), Thousand Oaks, Camarillo (Camarillo Corporate Plaza), and Moorpark.

Overview of rental rates, occupancy, etc.

The wide range of office rental rates in the Agoura Hills area, as shown in Table II-3 below, reflect both a range of building quality and types of buildings available in the area's business parks.

TABLE II-3. RANGE OF CURRENT ANNUAL OFFICE LEASING RATES

Place	Annual Lease Rates ⁷
Agoura Hills	\$18.60 – \$45.00
Calabasas	\$18.00 – \$44.40
Thousand Oaks	\$16.20 – \$47.40

Source: Various real estate listings.

According to one of the major brokerage houses,⁸ Covid-19 effects as of the 3rd quarter 2020 have curtailed office leasing activity within the Greater Los Angeles area to approximately half of what it was pre-Covid. Office vacancy rates for this quarter are somewhat higher than the previous quarter in the San Fernando Valley and Ventura County office submarket (the two locations are treated as one by this source), at 14.5%, while average rental rates were down slightly, to \$30.70 per square foot per year.

Agoura Hills has seen some recent losses of major office tenants, freeing up existing space that will also need to be absorbed and therefore affect near-term future demand to some extent.

Employment by industry and projected growth in employment, Emsi

Two sources of employment data were used in this report to estimate employment growth within the Agoura Hills region. Southern California Association of Government (SCAG) total employment projections for the three cities of Agoura Hills, Calabasas, and Thousand Oaks was one source, as discussed above.

The second source was employment projections by industry, by ZIP Code, from Emsi. The Emsi proprietary data, obtained by TNDG for this analysis, provide additional perspective on potential employment growth in the analysis region and also detailed industry-level data at finer levels of geography, in this case ZIP Codes, than would be available from published government sources.⁹ Figures were compiled for 9 ZIP Code areas surrounding Agoura Hills (see Figure II-1, above).

Table II-4 shows Emsi employment estimates and projections for 2010 through 2030, by industry, for the 9-ZIP-Code area. Industries with the strongest growth rates include Transportation and Utilities, Education and Health Services, and Leisure and Hospitality, with lesser levels of growth in Construction and Information. Industries with noticeable employment losses include Manufacturing (all periods), and Wholesale Trade and Retail Trade (as of and beyond 2020).

The potential for an industry sector to grow within a region is affected by many conditions, one of which is the extent to which the industry already has a oversized presence (generally measured in terms of number of employees) in that region. The commonly used indicator for this is the Location Quotient (LQ), which compares the proportion of an industry’s employment within a region to its proportion within a reference area, generally the nation, thus revealing a region’s apparent competitive advantage

⁷ Modified Gross and Full-Service Gross leases – tenants pay either a proportional share of other costs associated with the property such as property taxes, utilities, insurance, and maintenance in addition to the base rent (Modified Gross), or tenant pays the base rent, and the landlord pays for property taxes, insurance, and maintenance costs (Full-Service Gross).

⁸ From *Colliers Los Angeles Office Market 3Q 2020*.

⁹ Emsi analytical systems produce estimates of employment by detailed industry sector, for relatively small areas, some of which would otherwise be suppressed for the sake of confidentiality by official government sources.

or disadvantage across the spectrum of industry sectors. LQ values were included in the Emsi database for the analysis region and these indicated relatively high values (1.3 to 1.8, where the value of 1 indicates a region is “even” with the nation with respect to the sector’s concentration there) for the sectors of Information, Finance, Professional and Business Services, and Leisure and Hospitality. Manufacturing, projected to lose employment in the region, also has a relatively low LQ value. Within the context of this report, LQ levels can help gauge the potential to recruit or otherwise encourage growth of an industry sector’s employment, regardless of what employment projections indicate. Thus, for example, while employment in Professional and Business Services is projected to grow at a relatively modest rate according to this particular Emsi database, the sector’s high LQ value suggests it might be possible to exceed these projected levels.

TABLE II-4. PROJECTED EMPLOYMENT GROWTH BY INDUSTRY FOR AGOURA HILLS REGION, EMSI 9-ZIP-CODE AREA

Industries	2010	2015	2020	2025	2030
Natural Resources & Mining	1,807	1,849	1,803	1,836	1,870
Construction	6,850	8,004	9,183	9,670	9,968
Manufacturing	7,984	7,561	6,499	6,034	5,700
Wholesale Trade	5,151	5,655	5,002	4,738	4,532
Retail Trade	14,881	16,510	15,960	15,689	15,500
Transportation & Utilities	1,174	1,957	3,516	4,343	4,833
Information	4,773	5,022	5,803	6,174	6,383
Financial Activities	39,939	38,960	40,277	40,788	41,175
Professional & Business Services	41,405	43,973	47,778	50,166	51,491
Educational & Health Services	20,721	25,630	27,864	30,883	32,933
Leisure & Hospitality	19,738	23,716	26,297	28,384	29,664
Other Services	14,474	12,582	12,889	13,155	13,386
Government	8,774	9,160	8,718	8,754	8,757
Total	187,671	200,579	211,589	220,613	226,192

Source: Data from Emsi, defined area by ZIP Code by TNDG, employment by industry compilations by TNDG.

In Table II-5, projected employment growth by industry for 2020 to 2030 (preceding Table II-4) was reinterpreted into theoretical demand for office, industrial, and “other” space, over the same 10-year period. According to this analysis of the Emsi projections, 1.7 million square feet of office space would be required in the region (plus additional amounts to reflect normal vacancy levels).

Based on current inventories as of the end of 2019,¹⁰ there were 1,446,160 sq. ft. of retail space and 2,289,089 sq. ft. of office space in Agoura Hills. Industrial space was 3,165,978 sq. ft. collectively for Agoura Hills and Westlake Village.

¹⁰ Retail and Office data provided by CoStar, 2019 as summarized in the Agoura Village Specific Plan, September 2019 prepared by Kosmont Companies. Industrial data provided by CoStar and Lee & Associates, 2019.

**TABLE II-5. PROJECTED EMPLOYMENT GROWTH FOR NINE ZIP CODES IN THE ANALYSIS REGION (EMSI DATA)
REINTERPRETED AS THEORETICAL DEMAND BY LAND-USE TYPE**

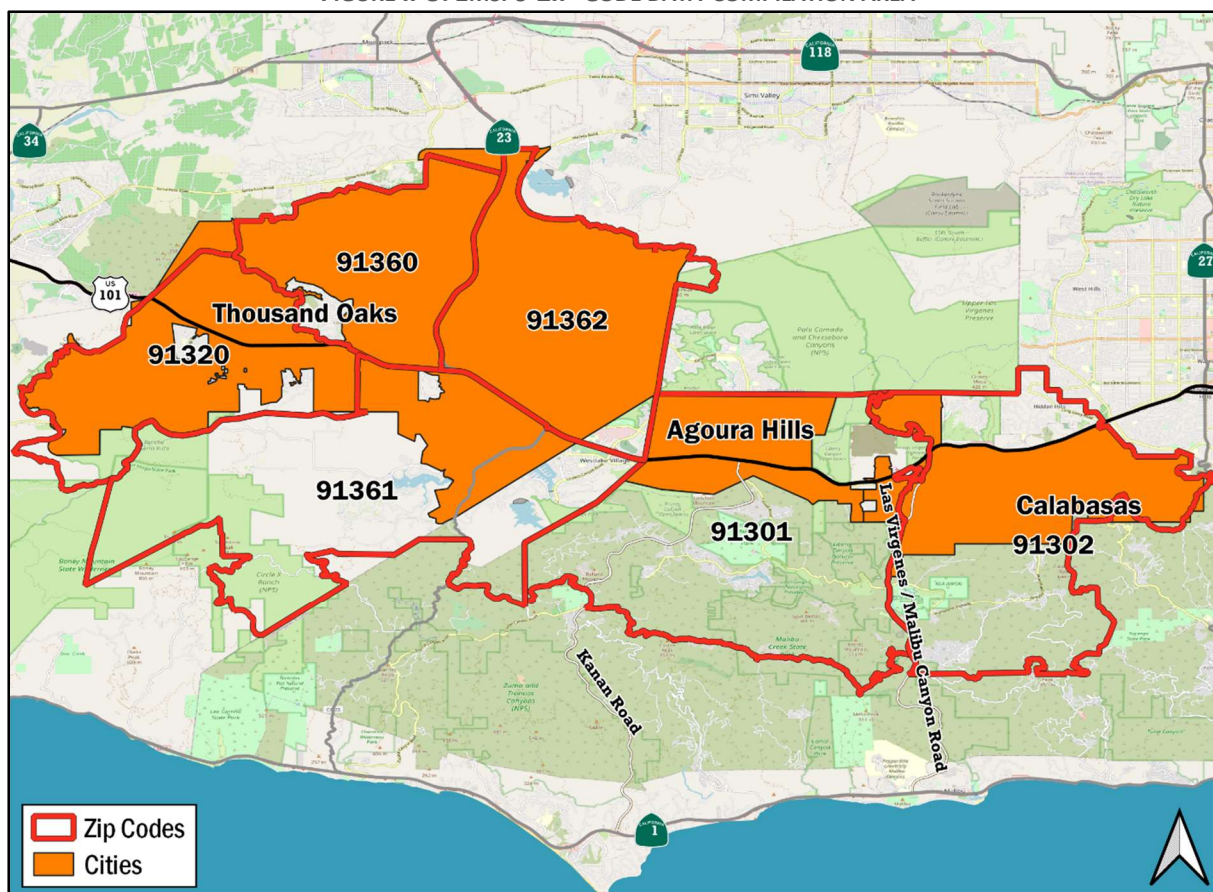
Land Use	2020 Employment	Employment Change: 2020-2030	Average Employees/Sq. Ft. Factor	10-year space demand (SF)
Office	102,208	8,656	200	1,731,294
Industrial	33,546	857	900	771,747
Other (retail, field offices, etc.)	74,733	5,019	400	2,007,739
Total	210,488	14,533		4,510,780

Source: Emsi proprietary employment by industry data by ZIP Code; TNDG.

Comparison and evaluation of SCAG and Emsi projections

Using Southern California Association of Government (SCAG) Employment Projections for the three cities of Agoura Hills, Calabasas, and Thousand Oaks (as discussed above), the percent change in employment within this region between 2020 and 2030 is estimated to be 3.9% (2030 figures were not supplied by SCAG and therefore estimated by TNDG). Emsi figures were compiled for the 9-ZIP code area (as discussed above) and, for a more direct comparison with the SCAG data, for Zip Codes 91301, 91302, 91320, 91360, 91361, and 91362 (see Figure II-3 below), which encompass and extend beyond these three cities. The 6-ZIP-Code area totals for 2020 and 2030, for all industry sectors, indicate total employment is expected to grow by 6.5% over this period.

FIGURE II-3. EMSI 6-ZIP-CODE DATA-COMPILATION AREA



Source: U.S. Census Bureau, 2019; TNDG.

Summary of office/industrial development positioning for Agoura Hills and Agoura Village

Expansion of office and other business park space could occur in Agoura Hills based on the following factors:

- The high proportion of resident workers working from home implies a potential need for co-working space, as well as the possibility of considering a strategy of attracting additional “footloose” workers or business owners.
- The officially projected distribution of future workers along the 101 corridor could shift among cities as capacity is developed. Agoura Hills, with its central location along the corridor, would seem to be an inherently more desirable location for employers, if capacity were available to accommodate them.
- Agoura Hills could market to prospective employers based on the inherent strengths of the current local economy, including strongly represented industry types as noted in preceding sections and major employers already located there.

Agoura Hills also has attractive development locations, especially embodied in Agoura Village, with its scenic landscape as a backdrop and planned retail and residential uses that would help create a more vibrant mixed-use environment than would be expected in a typical business park.

III. Hotel

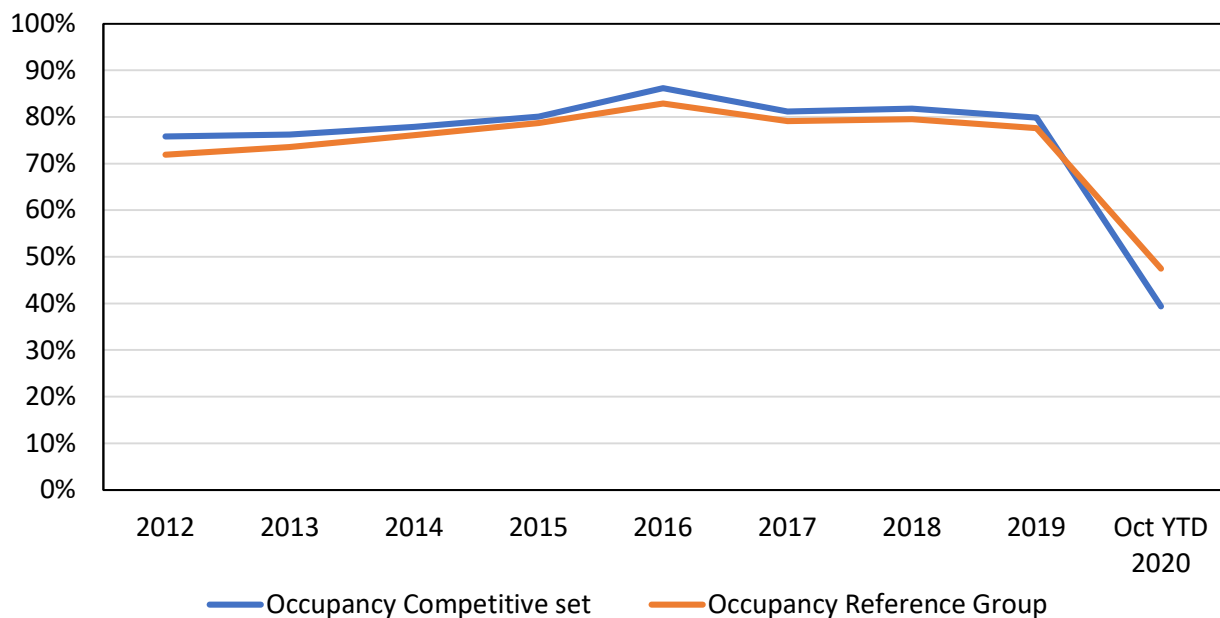
Current overall competitiveness of Agoura Hills and surrounding communities

Hotel market conditions for the Agoura Hills area were analyzed through acquisition of proprietary data from Smith Travel Research (STR), custom-configured for the area. In keeping with STR’s protocols for such data, market conditions summarized for seven hotels in Agoura Hills and Westlake Village (the “competitive set” in this report) were compared with a larger reference area (“reference group”) of 33 hotels (including the seven) in an area extending from Malibu to Simi Valley, and Calabasas to Newbury Park. Tables representative of the STR data are provided in Appendix B.

Conditions for these two areas are summarized in Figure III-1 and Figure III-2, showing changes in occupancy and average daily rate (ADR), annually for 2012 through October 2020, which captures the severity of the pandemic-induced drop in hotel activity. For the figures through 2019 however, both the competitive set and the reference group were achieving both reasonable occupancy levels and steady increases in ADR, with the Agoura/Westlake competitive set having the most favorable of the two sets of figures, throughout.

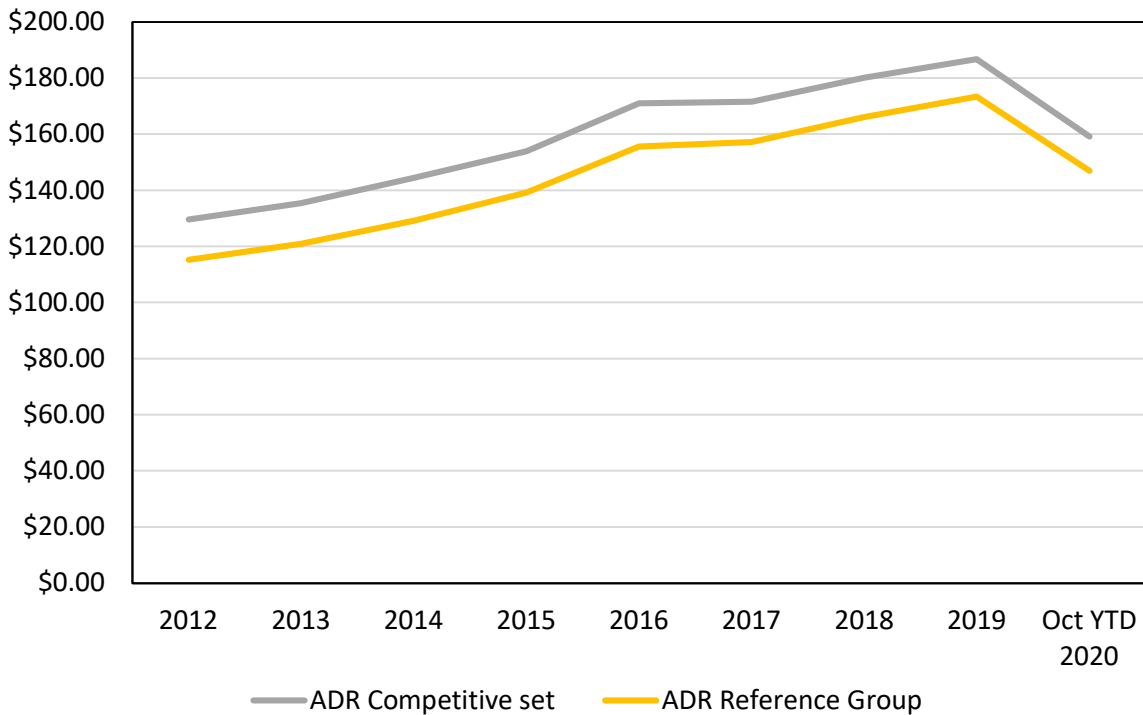
These observations require one important caveat, however. Of the 1,142 rooms in the competitive set, 225, in two separate hotels, were added in July of 2020 (Courtyard by Marriott Thousand Oaks Agoura Hills and TownePlace Suites by Marriott Thousand Oaks Agoura Hills); so their potential influence on the performance of the entire set would not be reflected in the reported figures. (New hotels generate some level of demand independent of the usual anticipatable market trends driving demand, by virtue of brand marketing, so it is likewise not possible to make direct adjustments to occupancy, etc. based on their insertion into the market.)

FIGURE III-1. CHANGES IN HOTEL OCCUPANCY



Source: STR, TNDG.

FIGURE III-2. CHANGES IN AVERAGE DAILY RATE (ADR)

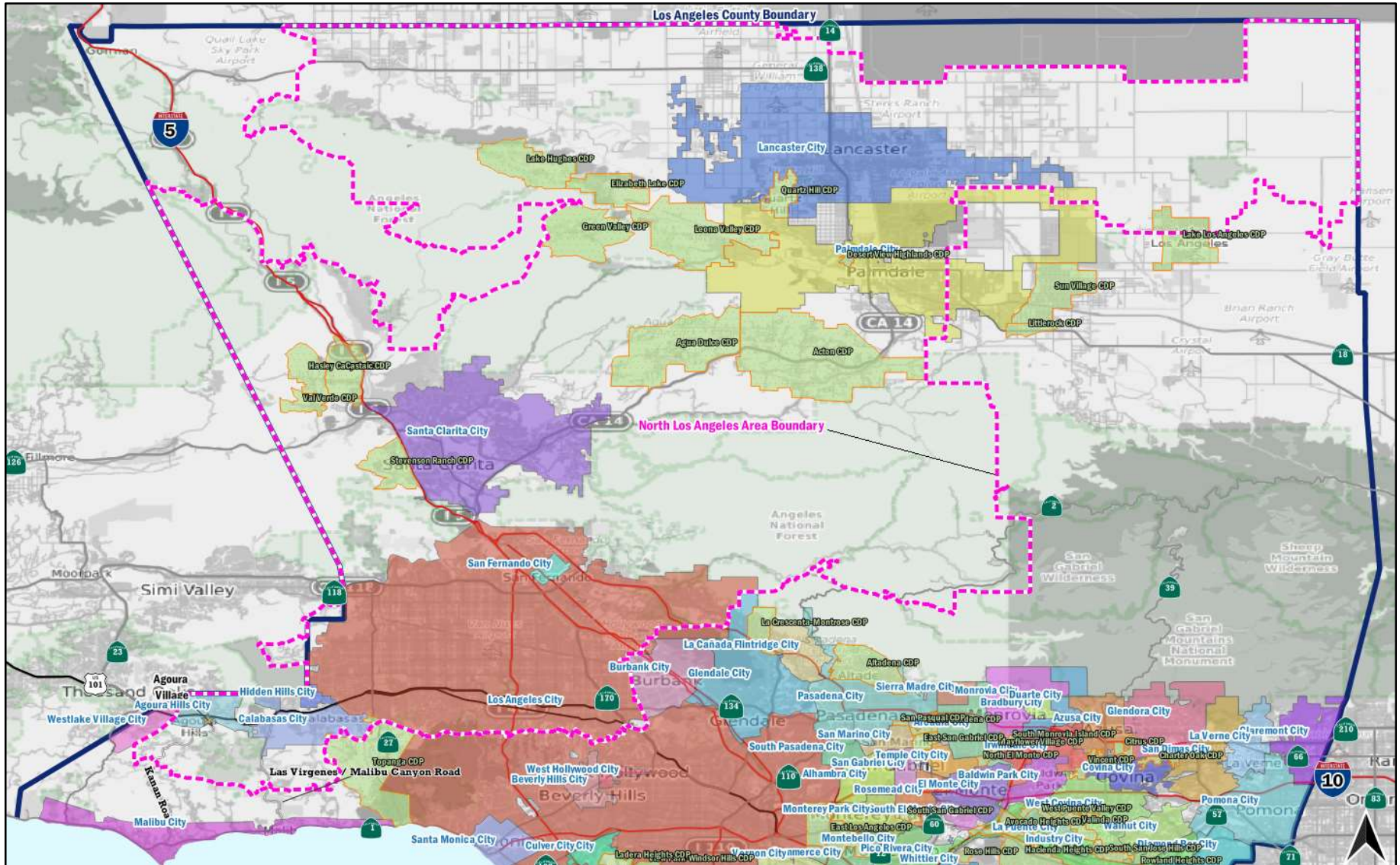


Source: STR, TNDG.

Hotel development pipeline for Ventura County and Los Angeles [County] North

Information on “pipeline” hotels, which consists of expansions and additions including proposed projects as well as those under construction, was also obtained from STR (details in Appendix B). On the basis of data availability in accordance with STR protocols, figures were obtained for Ventura County and for North Los Angeles County (Los Angeles North, in STR nomenclature, the approximate area of which (based on a compilation of ZIP Codes) is shown on Figure III-3).

FIGURE III-3. LOS ANGELES NORTH (NORTH LOS ANGELES COUNTY AREA)



Source: U.S. Census Bureau, 2019; TNDG.

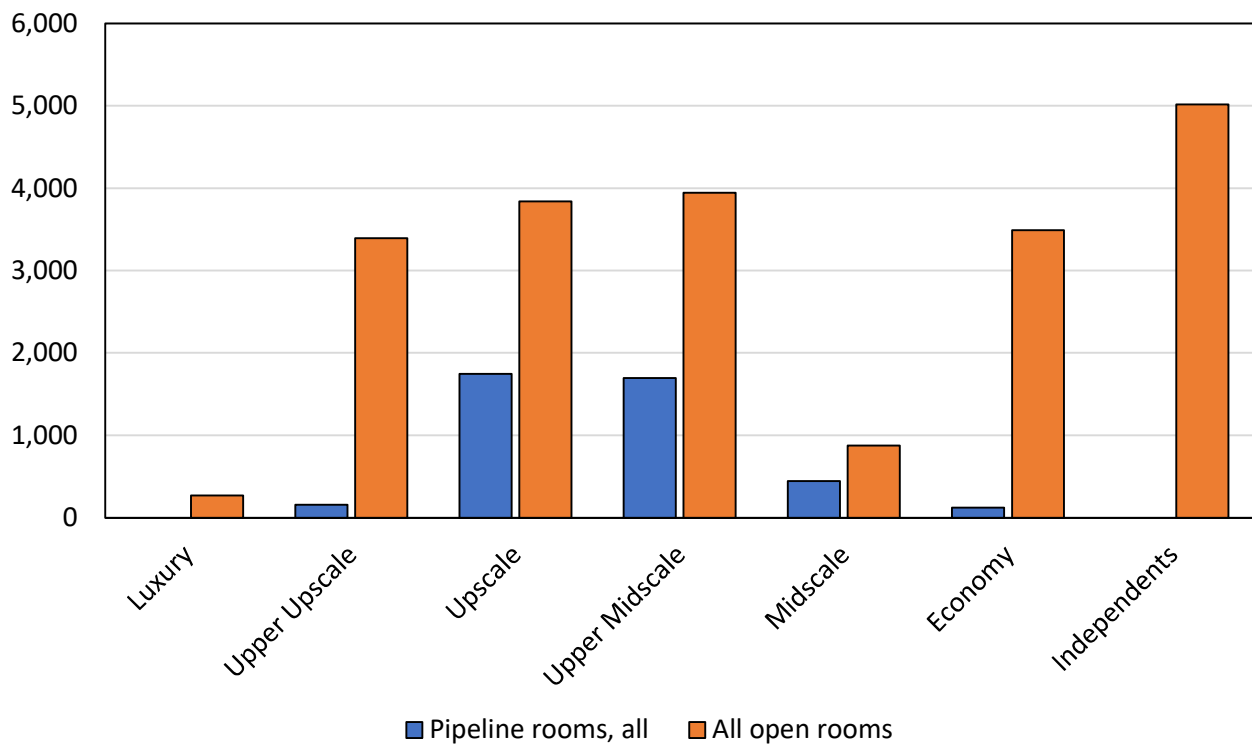
AGOURA VILLAGE MARKET ASSESSMENT

The Natelson Dale Group Inc.

Figure III-4 shows the distribution of pipeline hotel rooms in relation to the existing open hotel rooms in the combined area of Ventura County and Los Angeles North, according to the hotel classification type based on price level (type segmentation is by STR). The data show that few hotels are anticipated for the upper and lower ends of the price scale. For both areas, pipeline rooms are 18-19% of the existing total. Of the two areas, Ventura County represents 40% of the total hotel rooms now in use.

The "Independent" category is the largest (for the two areas combined and also for both areas individually), and no hotels are planned for this group according to STR. We can speculate that this group, lacking the organizational scale of the branded hotels, may be the most vulnerable to Covid-related effects. It is also possible that some of the planned hotels may be further postponed or withdrawn because of Covid-19.

FIGURE III-4. DISTRIBUTION OF ALL ROOMS AND "PIPELINE" HOTEL ROOMS BY TYPE, VENTURA COUNTY AND LOS ANGELES NORTH COMBINED, 2020



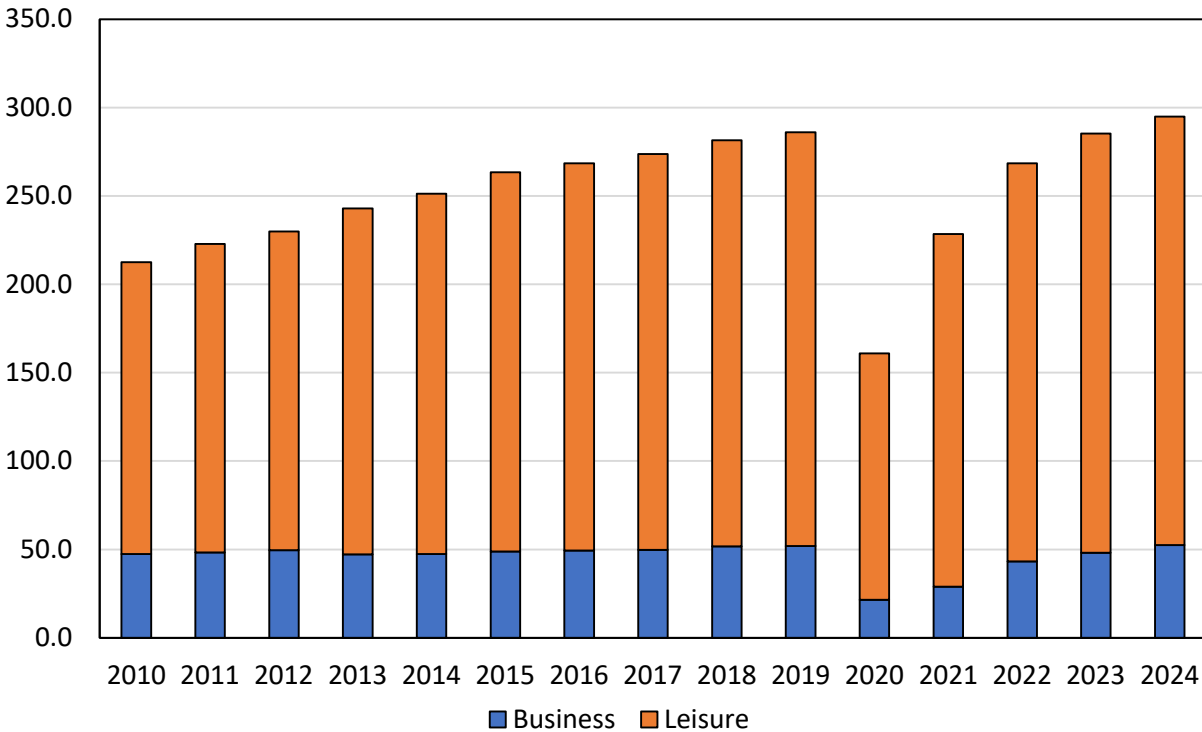
Source: STR, TNDG.

Visitation activity trends and projections

Figure III-5 shows trends in visitation activity in millions of annual person trips, by leisure and business traveler, to California for 2010 through 2019, the anticipated low point for 2020, and the projected recovery in visitation through 2024, according to Visit California. The compound annual growth rate for person trips for the five-year historic period from 2014 through 2019 is 2.6%. The projection figures anticipate a 4-year recovery period, with the projected 2024 visitation number increasing by 3.1% from the 2019 figure.

If the “normalized” annual rate of visitation increase were 3%, this would theoretically create demand for 33 new hotel rooms within the Agoura Hills/Westlake Village area’s competitive set of seven hotels, or 171 in five years.

FIGURE III-5. TRENDS IN VISITATION ACTIVITY (MILLIONS OF ANNUAL PERSON TRIPS) AND PROJECTED RECOVERY FROM PANDEMIC THROUGH 2024



Source: Visit California, providing data cited as originating from Tourism Economics, DKSA, TNS Global (domestic), CIC Research; TNDG.

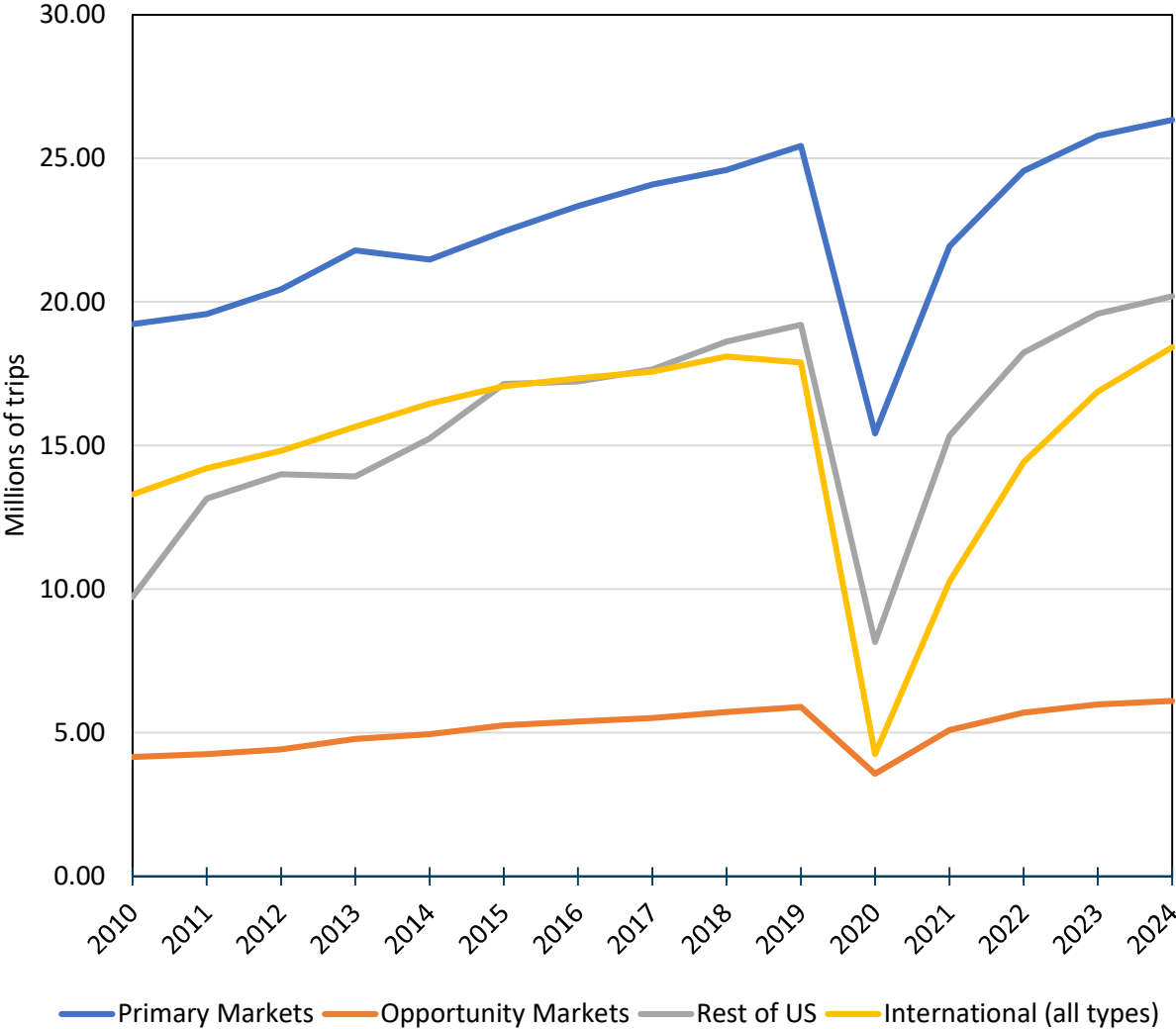
Figure III-6 provides two different types of additional detail concerning trends and projections for travel to California. The chart shows visitations by broad categories of travelers’ origins (and excludes travelers from within California), indicating both the trends/projections by visitor-origin type, and the relative contribution each market segment makes to the total. The Primary and Opportunity markets for which data are reported in the chart are defined below. The other 41 states are the “Rest of the US.”

Primary Markets	Opportunity Markets
Arizona	Texas
Nevada	New York
Oregon	Illinois
Washington	
Utah	
Colorado	

The relative importance of these different market segments is made clear in the figure, with one exception: travelers from within California (not shown on the chart) are 77% of the total (for many of the years including 2019 and projected for 2024), leaving just 23% for the Primary, Opportunity, and

Rest of the US segments. Of these three, the six Primary Market states are clearly the most important. International travelers and the Rest of the US contribute approximately equally to the number of California trips, with the Rest of the US segment projected to contribute more than International travelers to the recovery, by 2024.

FIGURE III-6. ANNUAL DOMESTIC LEISURE TRIPS TO CALIFORNIA (IN MILLIONS, VISITORS FROM OUTSIDE CALIFORNIA), INCLUDING INTERNATIONAL VISITORS



Source: Tourism Economics, CIC Research, OTTI, through Visit California; TNDG.

Visit California documents also show projections of visitation activity and hotel performance through 2023.¹¹ The data summarize the current pandemic-related downturn in activity and the projected pattern of recovery, through 2023 for hotels in California overall and in the California tourism regions (defined by Visit California) of Central Coast and Gateway Regions (Gateway Regions includes Los Angeles, Orange County, San Diego, and the San Francisco Bay Area; the Central Coast includes the counties of Monterey, San Benito, San Luis Obispo, Santa Barbara, and Ventura). Table III-1 shows that

¹¹ California Regional Lodging Forecast 9-30-20, incorporating data from STR and Tourism Economics.

the Central Coast region, which includes Ventura County, is expected to outperform all other regions combined as well as California and the Gateway regions (which includes Los Angeles County), in growth of both room demand and room revenue.

TABLE III-1. PROJECTED CALIFORNIA HOTEL POST-PANDEMIC CONDITIONS BY REGION

	Conditions in 2023 as % of 2019	
	Room demand	Room revenue
California	99.9%	95%
Gateway Regions	99.1%	92%
All Other Regions	101.6%	103%
Central Coast	102.6%	106%

Source: Source: STR, Tourism Economics, through Visit California; TNDG.

Summary of hotel market conditions in relation to Agoura Hills

Additional hotel development could occur in Agoura Hills by virtue of the following:

- Market conditions in recent years (pre-Covid) have generally been favorable, and while recent additional hotel development in Agoura Hills might be adding to the competitive pressure there, the new development also attests to the attractiveness of the area for this type of use.
- While Agoura Hills might not be traditionally thought of as a tourism destination place, the Conejo Valley has numerous visitor attractions and a separate tourism-marketing arm, the Conejo Valley Tourism Improvement District, to promote this. The District’s 2019 report¹² showed a substantial increase in visitation inquiries and actions at their website, compared to the previous year.
- Visit California projects an increase in tourism activity for California (post-Covid), in keeping with past trends, at a higher rate than is typically represented in population and employment projections for the state and its subregions. These projections are especially favorable for the Central Coast tourism region, which includes Agoura Hills’ neighboring Ventura County.

The leisure traveler segment is projected to increase at a higher rate than business travelers, which is favorable to Agoura Hills given the tourism attractions in the area, including Malibu, which in itself should be sufficiently attractive to draw out-of-state visitors, and the fact that Agoura Village is on a pathway from the 101 to Malibu.

¹² Visit Conejo Valley Annual Report 2019.

Appendices

Appendix A – Retail Leakage Model Tables

Appendix B – STR Data Tables

Table A-1
Households and Income - 2019
Agoura Hills Region and 2-County Area

Variable	Agoura	Calabasas	Thousand Oaks	Westlake Village	Combined Cities	2-County Total
Households	7,383	8,918	46,372	3,227	65,900	3,646,834
Median Household Income	\$122,998	\$125,814	\$109,378	\$140,850	\$114,669	\$69,565
Aggregate Household Income (\$000s)	\$908,094	\$1,122,009	\$5,072,077	\$454,523	\$7,556,703	\$253,692,620

Sources: DOF; ACS; TNDG.

Table A-2
Taxable Sales - 2019
Agoura Hills Region and 2-County Area

Retail Category	Agoura	Calabasas	Thousand Oaks	Westlake Village	Combined Cities	2-County Total
Motor Vehicle and Parts Dealers	\$36,130,607	\$140,093,519	\$700,029,010	\$857,601	\$877,110,737	\$21,166,116,608
Home Furnishings and Appliance Stores	59,699,152	14,081,203	127,099,270	5,783,935	206,663,560	7,828,804,329
Building Mtrl. and Garden Equip. and Supplies Dealers	21,188,645	0	130,249,670	13,979,336	165,417,651	9,637,929,809
Food and Beverage Stores	20,186,043	38,495,972	151,057,248	9,364,742	219,104,005	7,960,024,651
Gasoline Stations	77,036,159	29,526,810	198,890,533	0	305,453,502	13,588,519,212
Clothing and Clothing Accessories Stores	2,022,822	31,191,287	181,304,287	21,475,007	235,993,403	13,527,570,940
General Merchandise Stores	162,164	0	105,758,561	143,545,914	249,466,639	14,096,313,448
Food Services and Drinking Places	70,472,868	62,469,564	366,924,548	58,413,645	558,280,625	26,784,410,815
Other Retail Group	33,127,256	44,992,433	217,662,521	51,910,061	347,692,271	18,551,187,306
Total Retail and Food Services	\$320,025,716	\$360,850,788	\$2,178,975,648	\$305,330,241	\$3,165,182,393	\$133,140,877,118

Sources: California Department of Tax and Fee Administration (CDTFA)

Table A-3
Existing Retail Sales Leakage Estimates
City of Agoura Hills vs. 2-County Benchmark

50%

Retail Category	Sales per \$1,000 in Household Income		Agoura Existing Leakage per \$1,000 in HH Income	Leakage Recapture Factor	Future Projection Factor
	Agoura	2-County Total			
Motor Vehicle and Parts Dealers	\$40	\$83	\$44	50%	\$62
Home Furnishings and Appliance Stores	\$66	\$31	\$0	50%	\$66
Building Mtrl. and Garden Equip. and Supplies Dealers	\$23	\$38	\$15	50%	\$31
Food and Beverage Stores	\$22	\$31	\$9	50%	\$27
Gasoline Stations	\$85	\$54	\$0	50%	\$85
Clothing and Clothing Accessories Stores	\$2	\$53	\$51	50%	\$28
General Merchandise Stores	\$0	\$56	\$55	50%	\$28
Food Services and Drinking Places	\$78	\$106	\$28	50%	\$92
Other Retail Group	\$36	\$73	\$37	50%	\$55
Total Retail and Food Services	\$352	\$525			

Sources: CDTFA; DOF; TNDG.

Table A-4
Projected Growth in Retail Demand
City of Agoura Hills
2019-2045
In 2019 Constant Dollars

	2019	2025	2030	2035	2045
Agoura Households by Year	7,383	7,509	7,637	7,767	7,900
New Household Income in \$000s (cumulative over 2019 base)	N/A	15,496	31,257	47,287	63,590
Future Demand Growth by Category (cumulative)					
Motor Vehicle and Parts Dealers	19,816,816	20,771,539	21,742,554	22,730,138	23,734,576
Home Furnishings and Appliance Stores	0	1,018,745	2,054,874	3,108,684	4,180,477
Building Mtrl. and Garden Equip. and Supplies Dealers	6,655,191	7,130,336	7,613,589	8,105,089	8,604,976
Food and Beverage Stores	4,153,456	4,568,801	4,991,233	5,420,875	5,857,848
Gasoline Stations	0	1,314,594	2,651,622	4,011,465	5,394,514
Clothing and Clothing Accessories Stores	23,199,599	23,630,011	24,067,767	24,512,994	24,965,818
General Merchandise Stores	25,147,837	25,579,743	26,019,019	26,465,792	26,920,188
Food Services and Drinking Places	12,701,045	14,120,377	15,563,931	17,032,118	18,525,359
Other Retail Group	16,638,414	17,487,648	18,351,373	19,229,837	20,123,292
Total Retail and Food Services	108,312,358	115,621,793	123,055,962	130,616,991	138,307,047
Future New Demand (cumulative from 2019 base) by Category with Adjustments					
Motor Vehicle and Parts Dealers - <i>Auto Parts Category</i> ¹	1,882,598	1,973,296	2,065,543	2,159,363	2,254,785
Home Furnishings and Appliance Stores	0	1,018,745	2,054,874	3,108,684	4,180,477
Building Mtrl. and Garden Equip. and Supplies Dealers	6,655,191	7,130,336	7,613,589	8,105,089	8,604,976
Food and Beverage Stores (<i>Total Sales</i>) ²	12,460,369	13,706,403	14,973,700	16,262,624	17,573,543
Gasoline Stations	0	1,314,594	2,651,622	4,011,465	5,394,514
Clothing and Clothing Accessories Stores	23,199,599	23,630,011	24,067,767	24,512,994	24,965,818
General Merchandise Stores	25,147,837	25,579,743	26,019,019	26,465,792	26,920,188
Food Services and Drinking Places	12,701,045	14,120,377	15,563,931	17,032,118	18,525,359
Other Retail Group	16,638,414	17,487,648	18,351,373	19,229,837	20,123,292
Total Retail and Food Services	98,685,052	105,961,153	113,361,417	120,887,965	128,542,951

Sources: TNDG; DOF; SCAG.

Notes: 1. Auto parts are assumed to account for 9.5% of total category sales (based on statewide taxable sales data).

2. Taxable Food and Beverage Stores sales multiplied by a factor of 3.0 to estimate total sales.

Table A-5
Sales per Square Foot Support Factors
in 2019 Constant Dollars

Retail Category	
Motor Vehicle and Parts Dealers - <i>Auto Parts Category</i>	\$250
Home Furnishings and Appliance Stores	\$500
Building Mtrl. and Garden Equip. and Supplies Dealers	\$375
Food and Beverage Stores	\$500
Gasoline Stations	N/A
Clothing and Clothing Accessories Stores	\$325
General Merchandise Stores	\$300
Food Services and Drinking Places	\$500
Other Retail Group	\$450

Sources: BizMiner; TNDG.

Table A-6
New Supportable Retail Space as of Year:
City of Agoura Hills
2019-2040

	2019	2025	2030	2035	2045
Retail Category					
Motor Vehicle and Parts Dealers - <i>Auto Parts Category</i>	7,530	7,893	8,262	8,637	9,019
Home Furnishings and Appliance Stores	0	2,037	4,110	6,217	8,361
Building Mtrl. and Garden Equip. and Supplies Dealers	17,747	19,014	20,303	21,614	22,947
Food and Beverage Stores	24,921	27,413	29,947	32,525	35,147
Gasoline Stations	N/A	N/A	N/A	N/A	N/A
Clothing and Clothing Accessories Stores	71,383	72,708	74,055	75,425	76,818
General Merchandise Stores	83,826	85,266	86,730	88,219	89,734
Food Services and Drinking Places	25,402	28,241	31,128	34,064	37,051
Other Retail Group	36,974	38,861	40,781	42,733	44,718
Services Space @ 10% of Total	29,754	31,270	32,813	34,382	35,977
Grand Total	297,538	312,704	328,128	343,816	359,772

Source: TNDG.

Table A-7
Existing Retail Sales Leakage Estimates
4-City Area vs. 2-County Benchmark

50%

Retail Category	Sales per \$1,000 in Household Income		4-City Existing Leakage per \$1,000 in HH Income	Leakage Recapture Factor	Future Projection Factor
	4-City Area	2-County Total			
Motor Vehicle and Parts Dealers	\$116	\$83	\$0	50%	\$116
Home Furnishings and Appliance Stores	\$27	\$31	\$4	50%	\$29
Building Mtrl. and Garden Equip. and Supplies Dealers	\$22	\$38	\$16	50%	\$30
Food and Beverage Stores	\$29	\$31	\$2	50%	\$30
Gasoline Stations	\$40	\$54	\$13	50%	\$47
Clothing and Clothing Accessories Stores	\$31	\$53	\$22	50%	\$42
General Merchandise Stores	\$33	\$56	\$23	50%	\$44
Food Services and Drinking Places	\$74	\$106	\$32	50%	\$90
Other Retail Group	\$46	\$73	\$27	50%	\$60
Total Retail and Food Services	\$419	\$525			

Sources: CDTFA; ESRI; TNDG.

Table A-8
Projected Growth in Retail Demand
4-City Area
2019-2045
In 2019 Constant Dollars

	2019	2025	2030	2035	2045
4-City Households by Year	65,900	67,372	68,879	70,421	72,000
New Household Income in \$000s (cumulative over 2019 base)	N/A	168,784	341,560	518,426	699,482
Future Demand Growth by Category (cumulative)					
Motor Vehicle and Parts Dealers	0	19,590,816	39,645,048	60,174,013	81,189,309
Home Furnishings and Appliance Stores	13,265,915	18,178,178	23,206,638	28,354,135	33,623,575
Building Mtrl. and Garden Equip. and Supplies Dealers	60,832,941	65,886,389	71,059,376	76,354,820	81,775,712
Food and Beverage Stores	9,000,013	14,094,858	19,310,221	24,649,045	30,114,345
Gasoline Stations	49,652,815	57,584,336	65,703,476	74,014,816	82,523,051
Clothing and Clothing Accessories Stores	83,475,136	90,610,666	97,914,984	105,392,214	113,046,579
General Merchandise Stores	85,209,041	92,684,231	100,336,246	108,169,402	116,188,125
Food Services and Drinking Places	119,771,251	134,915,963	150,418,919	166,288,869	182,534,778
Other Retail Group	102,444,546	112,498,633	122,790,547	133,326,096	144,111,232
Total Retail and Food Services	523,651,659	606,044,071	690,385,456	776,723,410	865,106,708
Future New Demand (cumulative from 2019 base) by Category with Adjustments					
Motor Vehicle and Parts Dealers - <i>Auto Parts Category</i> ¹	0	1,861,128	3,766,280	5,716,531	7,712,984
Home Furnishings and Appliance Stores	13,265,915	18,178,178	23,206,638	28,354,135	33,623,575
Building Mtrl. and Garden Equip. and Supplies Dealers	60,832,941	65,886,389	71,059,376	76,354,820	81,775,712
Food and Beverage Stores (<i>Total Sales</i>) ²	27,000,038	42,284,575	57,930,664	73,947,135	90,343,035
Gasoline Stations	49,652,815	57,584,336	65,703,476	74,014,816	82,523,051
Clothing and Clothing Accessories Stores	83,475,136	90,610,666	97,914,984	105,392,214	113,046,579
General Merchandise Stores	85,209,041	92,684,231	100,336,246	108,169,402	116,188,125
Food Services and Drinking Places	119,771,251	134,915,963	150,418,919	166,288,869	182,534,778
Other Retail Group	102,444,546	112,498,633	122,790,547	133,326,096	144,111,232
Total Retail and Food Services	541,651,685	616,504,099	693,127,130	771,564,017	851,859,073

Sources: TNDG; DOF; SCAG.

Notes: 1. Auto parts are assumed to account for 9.5% of total category sales (based on statewide taxable sales data).

2. Taxable Food and Beverage Stores sales multiplied by a factor of 3.0 to estimate total sales.

Table A-9
New Supportable Retail Space as of Year:
4-City Area
2019-2040

	2019	2025	2030	2035	2045
Retail Category					
Motor Vehicle and Parts Dealers - <i>Auto Parts Category</i>	0	7,445	15,065	22,866	30,852
Home Furnishings and Appliance Stores	26,532	36,356	46,413	56,708	67,247
Building Mtrl. and Garden Equip. and Supplies Dealers	162,221	175,697	189,492	203,613	218,069
Food and Beverage Stores	54,000	84,569	115,861	147,894	180,686
Gasoline Stations	N/A	N/A	N/A	N/A	N/A
Clothing and Clothing Accessories Stores	256,847	278,802	301,277	324,284	347,836
General Merchandise Stores	284,030	308,947	334,454	360,565	387,294
Food Services and Drinking Places	239,543	269,832	300,838	332,578	365,070
Other Retail Group	227,655	249,997	272,868	296,280	320,247
Services Space @ 10% of Total	138,981	156,849	175,141	193,865	213,033
Grand Total	1,389,808	1,568,495	1,751,409	1,938,653	2,130,333

Source: TNDG.

Table B-1**Supply Summary**

Location: Los Angeles North, CA submarket

Hotels	Historic Supply						Pipeline Projects			
	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	In Constr.	Final Planning	Planning	Unconfirmed
Luxury										
Upper Upscale	8	8	8	8	8	7				
Upscale	15	15	16	16	18	18	7	1	1	
Upper Midscale	22	22	22	23	23	24	4	5	3	
Midscale	6	6	6	5	4	4		2		
Economy	29	30	28	28	27	26				
Independent	56	55	56	56	57	57				
Total	136	136	136	136	137	136	11	8	4	-

Rooms	Historic Supply						Pipeline Projects			
	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	In Constr.	Final Planning	Planning	Unconfirmed
Luxury										
Upper Upscale	2,574	2,582	2,582	2,594	2,594	2,133				
Upscale	1,818	1,818	1,941	1,941	2,110	2,145	695	149	105	
Upper Midscale	2,217	2,217	2,215	2,308	2,283	2,379	464	531	335	
Midscale	488	486	486	366	315	315		82		
Economy	2,513	2,562	2,460	2,318	2,194	2,166				
Independent	3,057	3,010	3,067	3,083	3,141	3,007				
Total	12,667	12,675	12,751	12,610	12,637	12,145	1,159	762	440	-

All STR Pipeline Reports are publications of STR, Inc. and STR Global, Ltd., and are intended solely for use by paid subscribers. Reproduction or distribution of STR Pipeline Reports, in whole or part, without written permission is prohibited and subject to legal action. If you have received this report and are NOT a subscriber to STR Pipeline Reports, please contact us immediately.

Source: 2020 STR, Inc. / STR Global, Ltd. trading as "STR".

Table B-2

Supply Summary

Location: Ventura County, CA county

Hotels	Historic Supply						Pipeline Projects			
	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	In Constr.	Final Planning	Planning	Unconfirmed
Luxury	1	1	1	1	1	1				
Upper Upscale	3	3	3	3	3	3		1		
Upscale	11	11	11	11	11	11	1	3	2	
Upper Midscale	15	14	14	14	14	15	1	1	1	
Midscale	8	8	8	8	8	7		1		
Economy	12	13	13	13	13	14			1	
Independent	35	35	34	34	34	35				
Total	85	85	84	84	84	86	2	6	4	-

Rooms	Historic Supply						Pipeline Projects			
	Oct-15	Oct-16	Oct-17	Oct-18	Oct-19	Oct-20	In Constr.	Final Planning	Planning	Unconfirmed
Luxury	269	269	269	269	269	269				
Upper Upscale	798	798	798	799	799	799		155		
Upscale	1,713	1,713	1,693	1,693	1,693	1,693	128	384	286	
Upper Midscale	1,523	1,417	1,395	1,395	1,435	1,565	123	120	120	
Midscale	620	620	620	620	620	562		88		
Economy	1,257	1,292	1,296	1,298	1,298	1,356			122	
Independent	1,935	1,998	1,913	1,914	1,914	2,009				
Total	8,115	8,107	7,984	7,988	8,028	8,253	251	747	528	-

All STR Pipeline Reports are publications of STR, Inc. and STR Global, Ltd., and are intended solely for use by paid subscribers. Reproduction or distribution of STR Pipeline Reports, in whole or part, without written permission is prohibited and subject to legal action. If you have received this report and are NOT a subscriber to STR Pipeline Reports, please contact us immediately.

Source: 2020 STR, Inc. / STR Global, Ltd. trading as "STR".

Table B-3

Annual Totals

Group 1: CA Area Selected Zip Codes 91301, 91361 Group 2: CA Area Selected Zip Codes - 90263, 90265, 91301, 91302, 91361, 91362, 91302, 91320, 91360, 93065

Annual Totals																		
Year	Occupancy (%)		ADR (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenues		Occ Index #	ADR Index #	RevPAR Index #	Sup % Share %	Dem % Share %	Rev % Share %
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2						
2012	75.8	71.9	129.66	115.23	98.28	82.82	328,955	1,332,340	249,341	957,589	32,328,465	110,347,040	105.5	112.5	118.7	24.7	26.0	29.3
2013	76.2	73.5	135.35	120.95	103.10	88.91	328,865	1,318,969	250,518	969,595	33,906,629	117,272,844	103.6	111.9	116.0	24.9	25.8	28.9
2014	77.8	76.1	144.39	129.14	112.41	98.25	329,171	1,324,161	256,256	1,007,373	37,001,463	130,097,020	102.3	111.8	114.4	24.9	25.4	28.4
2015	80.1	78.6	153.89	139.14	123.20	109.44	329,230	1,322,550	263,564	1,040,182	40,559,800	144,735,730	101.8	110.6	112.6	24.9	25.3	28.0
2016	86.2	82.9	170.98	155.54	147.37	128.99	329,230	1,321,727	283,770	1,096,129	48,518,118	170,490,622	103.9	109.9	114.2	24.9	25.9	28.5
2017	81.2	79.1	171.58	157.18	139.26	124.30	329,230	1,329,302	267,211	1,051,214	45,849,122	165,232,666	102.6	109.2	112.0	24.8	25.4	27.7
2018	81.8	79.5	180.04	166.07	147.20	132.05	329,414	1,330,662	269,321	1,058,020	48,489,739	175,707,683	102.8	108.4	111.5	24.8	25.5	27.6
2019	79.8	77.6	186.80	173.46	149.10	134.57	329,595	1,310,076	263,089	1,016,366	49,144,061	176,303,057	102.9	107.7	110.8	25.2	25.9	27.9

Percent Change for Annual Totals																		
Year	Occupancy (%)		ADR (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenues		Occ Index #	ADR Index #	RevPAR Index #	Sup % Share %	Dem % Share %	Rev % Share %
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2						
2013	0.5	2.3	4.4	5.0	4.9	7.4	-0.0	-1.0	0.5	1.3	4.9	6.3	-1.7	-0.5	-2.3	1.0	-0.8	-1.3
2014	2.2	3.5	6.7	6.8	9.0	10.5	0.1	0.4	2.3	3.9	9.1	10.9	-1.2	-0.1	-1.3	-0.3	-1.5	-1.6
2015	2.8	3.4	6.6	7.7	9.6	11.4	0.0	-0.1	2.9	3.3	9.6	11.3	-0.5	-1.1	-1.6	0.1	-0.4	-1.5
2016	7.7	5.4	11.1	11.8	19.6	17.9	0.0	-0.1	7.7	5.4	19.6	17.8	2.1	-0.6	1.5	0.1	2.2	1.6
2017	-5.8	-4.6	0.4	1.1	-5.5	-3.6	0.0	0.6	-5.8	-4.1	-5.5	-3.1	-1.2	-0.7	-1.9	-0.6	-1.8	-2.5
2018	0.7	0.5	4.9	5.7	5.7	6.2	0.1	0.1	0.8	0.6	5.8	6.3	0.2	-0.7	-0.5	-0.0	0.1	-0.5
2019	-2.4	-2.4	3.8	4.5	1.3	1.9	0.1	-1.5	-2.3	-3.9	1.3	0.3	0.1	-0.7	-0.6	1.6	1.7	1.0

This STR Report is a publication of STR, LLC and STR Global, Ltd., CoStar Group companies, and is intended solely for use by paid subscribers. The information in the STR Report is provided on an "as is" and "as available" basis and should not be construed as investment, tax, accounting or legal advice. Reproduction or distribution of this STR Report, in whole or part, without written permission is prohibited and subject to legal action. If you have received this report and are NOT a subscriber to this STR Report, please contact us immediately.

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc.

Table B-4

Year to Date Totals

Group 1: CA Area Selected Zip Codes 91301, 91361 Group 2: CA Area Selected Zip Codes - 90263, 90265, 91301, 91302, 91361, 91362, 91302, 91320, 91360, 93065

Year to Date Totals																		
Year	Occupancy (%)		ADR (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenues		Occ Index #	ADR Index #	RevPAR Index #	Sup % Share %	Dem % Share %	Rev % Share %
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2						
2012	77.7	73.6	130.29	115.83	101.24	85.24	273,994	1,109,690	212,904	816,621	27,738,799	94,588,894	105.6	112.5	118.8	24.7	26.1	29.3
2013	77.9	74.5	135.36	121.44	105.47	90.47	273,904	1,097,722	213,417	817,791	28,887,389	99,314,556	104.6	111.5	116.6	25.0	26.1	29.1
2014	80.1	77.7	144.61	129.68	115.77	100.74	274,149	1,102,853	219,474	856,723	31,737,518	111,103,021	103.1	111.5	114.9	24.9	25.6	28.6
2015	80.7	79.8	155.02	139.68	125.13	111.40	274,208	1,101,547	221,328	878,537	34,311,216	122,713,481	101.2	111.0	112.3	24.9	25.2	28.0
2016	89.2	85.2	172.93	157.45	154.24	134.19	274,208	1,100,846	244,570	938,217	42,292,527	147,726,570	104.7	109.8	114.9	24.9	26.1	28.6
2017	81.6	79.6	172.56	157.74	140.82	125.56	274,208	1,106,042	223,769	880,403	38,613,837	138,874,670	102.5	109.4	112.2	24.8	25.4	27.8
2018	82.6	79.8	177.31	165.40	146.48	131.91	274,331	1,112,610	226,625	887,311	40,183,670	146,760,802	103.6	107.2	111.0	24.7	25.5	27.4
2019	82.8	79.6	188.28	175.47	155.89	139.70	274,512	1,089,988	227,295	867,752	42,794,848	152,266,425	104.0	107.3	111.6	25.2	26.2	28.1
2020	39.4	47.5	159.11	146.92	62.68	69.75	304,329	1,082,153	119,884	513,721	19,074,747	75,477,507	83.0	108.3	89.9	28.1	23.3	25.3

Percent Change for Year to Date Totals																		
Year	Occupancy (%)		ADR (\$)		RevPAR (\$)		Room Supply		Room Demand		Room Revenues		Occ Index #	ADR Index #	RevPAR Index #	Sup % Share %	Dem % Share %	Rev % Share %
	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2	Group 1	Group 2						
2013	0.3	1.2	3.9	4.8	4.2	6.1	-0.0	-1.1	0.2	0.1	4.1	5.0	-0.9	-0.9	-1.9	1.1	0.1	-0.8
2014	2.7	4.3	6.8	6.8	9.8	11.3	0.1	0.5	2.8	4.8	9.9	11.9	-1.5	0.0	-1.4	-0.4	-1.8	-1.8
2015	0.8	2.7	7.2	7.7	8.1	10.6	0.0	-0.1	0.8	2.5	8.1	10.5	-1.8	-0.5	-2.3	0.1	-1.7	-2.1
2016	10.5	6.9	11.5	12.7	23.3	20.5	0.0	-0.1	10.5	6.8	23.3	20.4	3.4	-1.0	2.3	0.1	3.5	2.4
2017	-8.5	-6.6	-0.2	0.2	-8.7	-6.4	0.0	0.5	-8.5	-6.2	-8.7	-6.0	-2.0	-0.4	-2.4	-0.5	-2.5	-2.9
2018	1.2	0.2	2.8	4.9	4.0	5.1	0.0	0.6	1.3	0.8	4.1	5.7	1.0	-2.0	-1.0	-0.5	0.5	-1.5
2019	0.2	-0.2	6.2	6.1	6.4	5.9	0.1	-2.0	0.3	-2.2	6.5	3.8	0.4	0.1	0.5	2.1	2.6	2.6
2020	-52.4	-40.4	-15.5	-16.3	-59.8	-50.1	10.9	-0.7	-47.3	-40.8	-55.4	-50.4	-20.2	0.9	-19.5	11.7	-10.9	-10.1

This STR Report is a publication of STR, LLC and STR Global, Ltd., CoStar Group companies, and is intended solely for use by paid subscribers. The information in the STR Report is provided on an "as is" and "as available" basis and should not be construed as investment, tax, accounting or legal advice. Reproduction or distribution of this STR Report, in whole or part, without written permission is prohibited and subject to legal action. If you have received this report and are NOT a subscriber to this STR Report, please contact us immediately.

Source: 2020 STR, LLC / STR Global, Ltd. trading as "STR". © CoStar Realty Information, Inc.