

Beverly Hills, West Hollywood Luxury Retail Bounces Back Post-Shutdown

After vacancies hit Rodeo and Melrose amid the pandemic, some of L.A.'s premier shopping areas are seeing a resurgence: "A waiting list of people to come in at \$100,000-a-month rent."

BY KIRSTEN CHUBA SEPTEMBER 25, 2021 8:00AM



The expanded Moncler store. COURTESY OF BRAND

"I had a space on Melrose Place where we had five offers," says commercial real estate broker Jay Luchs. "I honestly don't even remember having that *before* COVID."

A year ago, L.A.'s top shopping streets in Beverly Hills and West Hollywood were hit hard by the pandemic, with dozens of vacancies as tourism and in-person retail sputtered. Now, heading into fall, Luchs has seen quite a turnaround: "I'm pleasantly surprised with how tenants and landlords have been back trying to get deals done."

In West Hollywood, which on Sept. 10 issued a vaccine mandate for restaurants, bars, gyms and beauty businesses, Vrai, Des Kohan, Re/Done and Fleur du Mal are among the new tenants, and Robertson Boulevard is bustling in a way it hasn't in years, according to Luchs. And despite the surge of delta variant cases that leaves the future uncertain, "our real estate is pretty valuable," says West Hollywood Chamber of Commerce CEO Genevieve Morrill. "You'll have a big bar close and have a waiting list of people to come in at \$100,000-a-month rent."



Shoppers outside Gucci on Rodeo Drive. JILL CONNELLY/BLOOMBERG VIA GETTY IMAGES

Beverly Hills is seeing a similar surge, and "Rodeo is as strong as it's ever been," says Luchs. After the iconic street was dotted with "for lease" signs in 2020, now there's little vacancy. Onitsuka Tiger opened a flagship on Rodeo in the spring, Moncler added a second floor, and Chanel's double-lot renovation is underway. Plus, Canon Drive has thrived with the expansion of outdoor dining to its Restaurant Row.

Todd Johnson, president and CEO of the Beverly Hills Chamber of Commerce, says the city has 25 to 30 new businesses that have just opened or signed leases. And for those tenants that have been able to survive the past 18 months, "I'm hearing a lot of places saying, 'We're up over 2019,' " he says. While some empty spaces are seeing big tenant competition, others are still waiting to be filled, meaning deals are available to "take advantage of some really good opportunities going into some places where two, three years ago, it probably would have been more money," Johnson adds. One thing threatening the comeback, though, is the L.A. County eviction moratorium, which includes commercial tenants and is set to end Sept. 30.

"You will start to see some vacancy again" as a result, Luchs says, but "so many brands are coming back to do deals that I don't see any major holes in the market where it's a real economic concern."