

R

**RETAIL
REPORT**

REBNY[®]
REAL ESTATE BOARD OF NEW YORK

SPRING 2004

John E. Zuccotti, Chairperson
Steven Spinola, President

TABLE OF CONTENTS

Executive Summary	2
Market Profile	
Manhattan	3
East Side	4
West Side	5
Midtown	6
Midtown South	7
Downtown	8
Upper Manhattan	9
Statistical Spotlight	
Summary	10
Average	11 - 12
Median	13 - 14
Range	15 - 16
Market Area Definitions	17
Major Leases	18
Selected Market Data	19
Acknowledgements	20

EXECUTIVE SUMMARY

The Retail Market showed significant improvement compared to a year ago. Manhattan average asking rents rose 10%, to \$97 psf. Available space declined 19%, or more than 2.7 million square feet.

In the major retail corridors, average asking rent for ground floor space increased 32%, to \$284 per square foot.

The 57th Street corridor (5th Ave. to Park) saw the average asking rents rise 55%, to \$850 from a year ago.

The 5th Avenue corridor (49th to 59th) average asking rents increased 11%, to \$717 compared to Spring 2003.

The upper end of the Madison Avenue asking rent range reached \$850, a 17% increase in this indicator from a year ago.

Similar improvements occurred throughout the major market areas (see chart below):

From Spring 03 to Spring 04		
Market Areas	Asking Rent	Available Space
East Side	+21%	+2.8%
West Side	+7%	-20%
Midtown	+12%	-16%
Midtown South	+7%	-16%
Downtown	+2%	-35%
Upper Manhattan	-3.8%	-33%

MARKET PROFILE

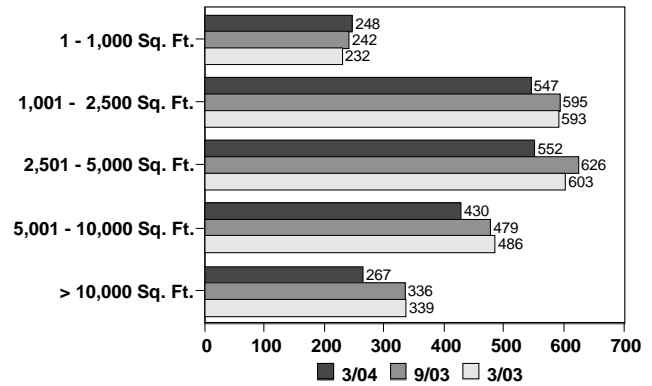
MANHATTAN

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

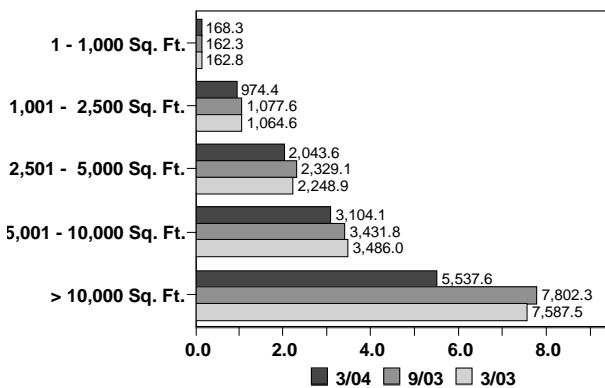
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	2,044	2,278	2,253
SF:	11,828,218	14,803,303	14,549,940
Average Asking Rent PSF:	\$97	\$92	\$88
Average Store SF:	5,787	6,498	6,458

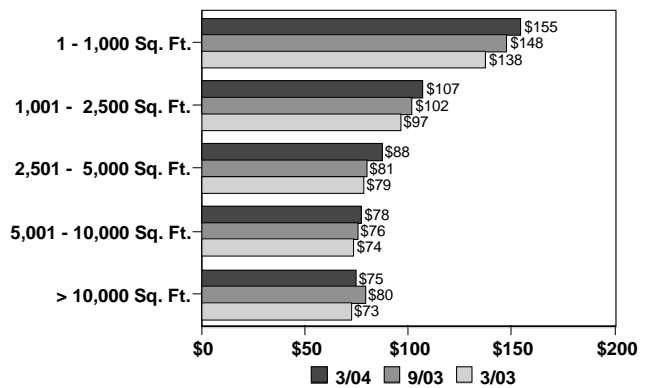
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

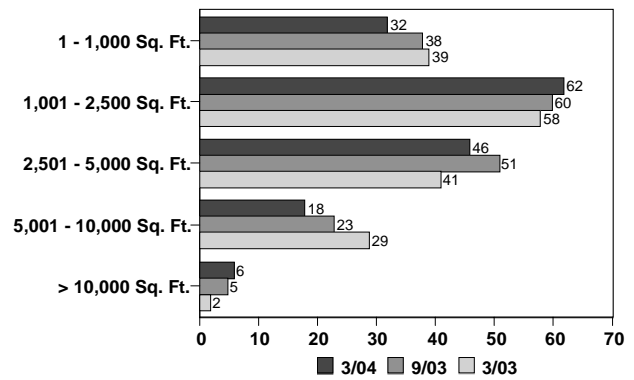
EAST SIDE

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

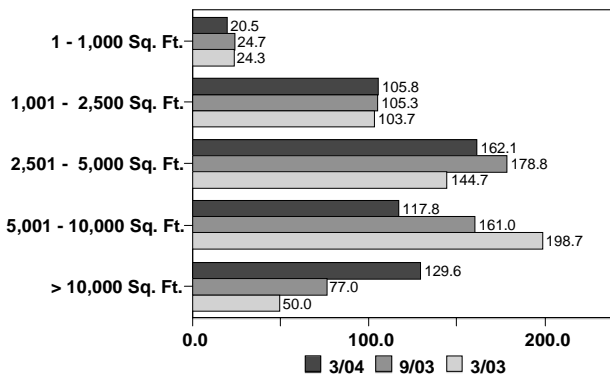
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	164	177	169
SF:	536,001	547,028	521,572
Average Asking Rent PSF:	\$155	\$143	\$128
Average Store SF:	3,268	3,091	3,188

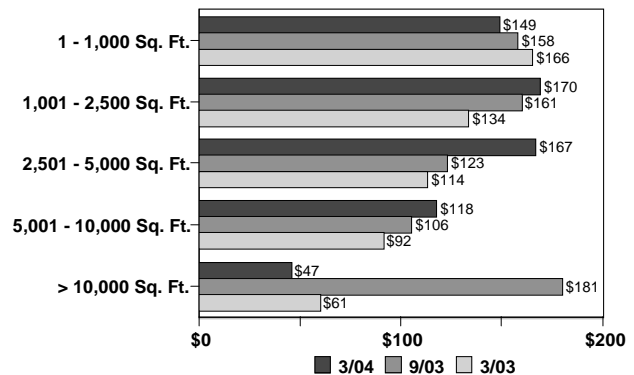
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

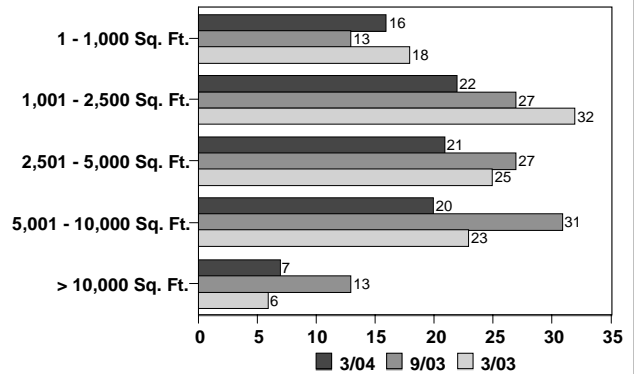
WEST SIDE

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

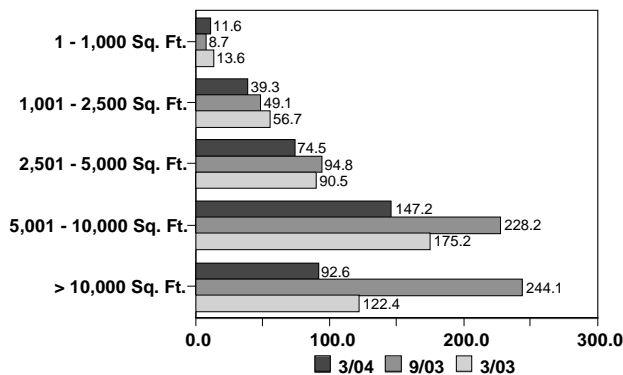
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	86	111	104
SF:	365,360	625,063	458,669
Average Asking Rent PSF:	\$111	\$107	\$104
Average Store SF:	4,248	5,631	4,410

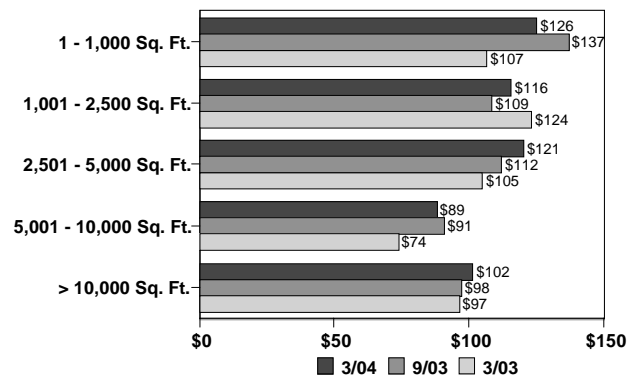
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

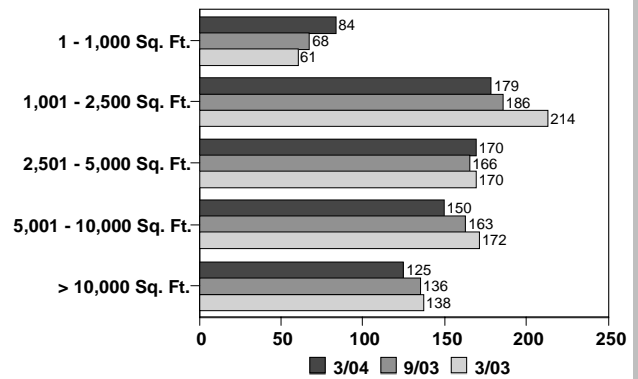
M I D T O W N

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

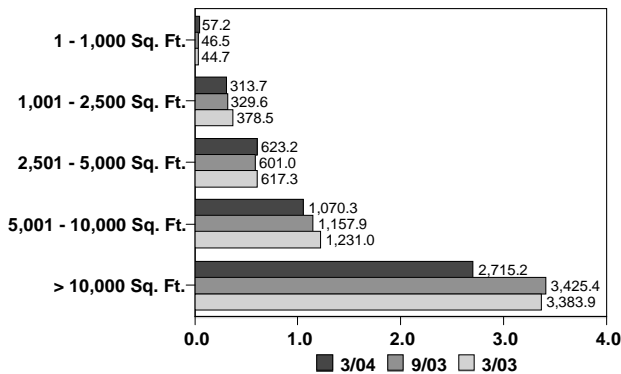
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	708	719	755
SF:	4,779,844	5,560,724	5,654,983
Average Asking Rent PSF:	\$125	\$121	\$112
Average Store SF:	6,751	7,734	7,490

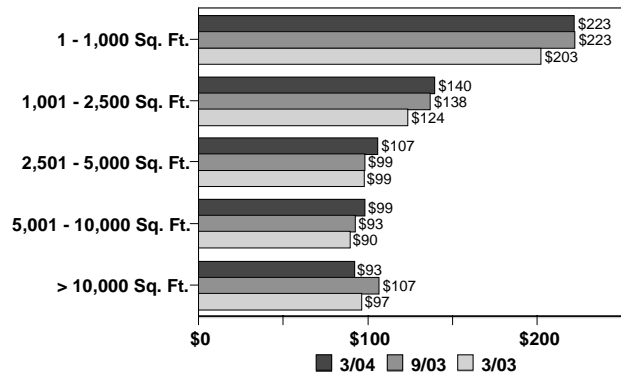
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

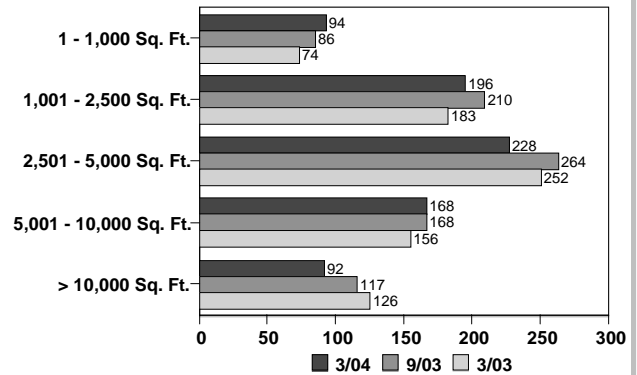
MIDTOWN SOUTH

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

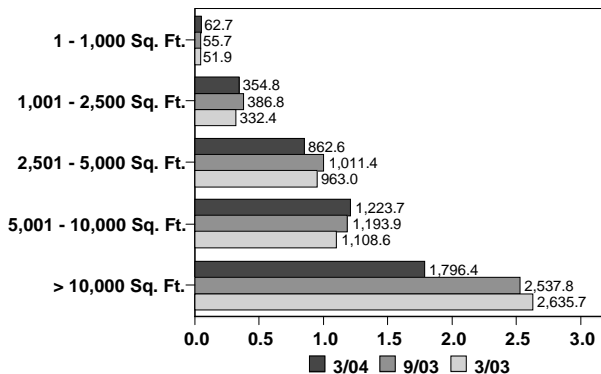
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	778	845	791
SF:	4,300,418	5,185,830	5,091,709
Average Asking Rent PSF:	\$75	\$74	\$70
Average Store SF:	5,528	6,137	6,437

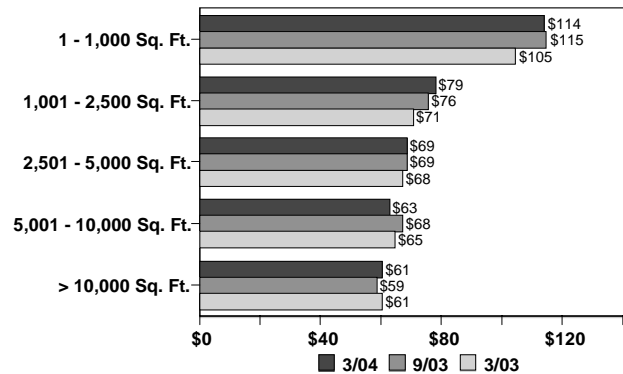
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

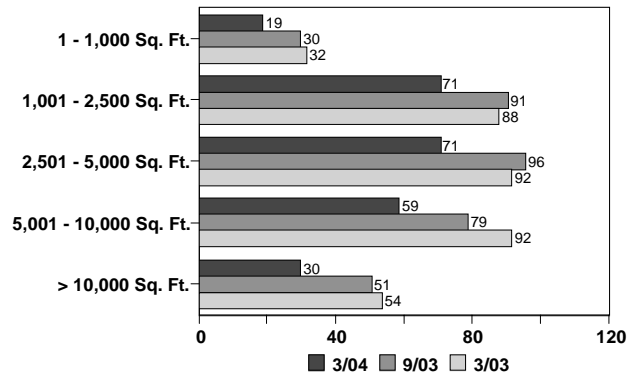
DOWNTOWN

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

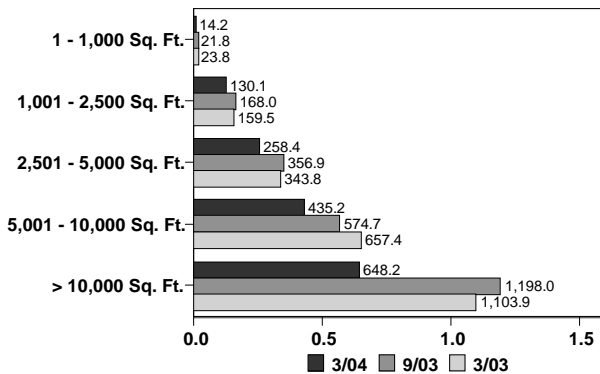
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	250	347	358
SF:	1,486,299	2,319,714	2,288,655
Average Asking Rent PSF:	\$59	\$58	\$58
Average Store SF:	5,945	6,685	6,393

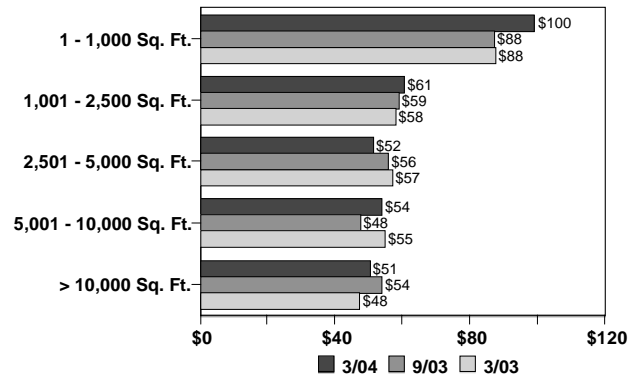
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

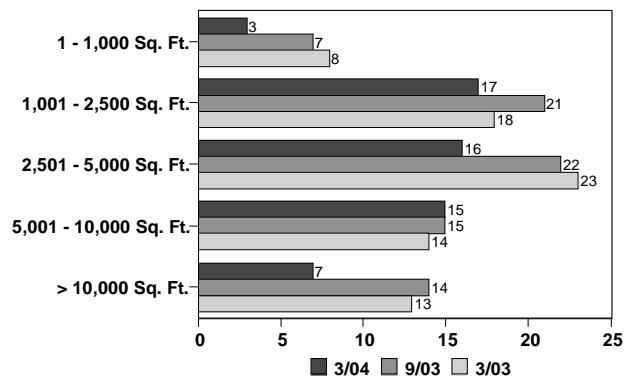
UPPER MANHATTAN

ALL AVAILABLE SPACE
(GROUND FLOOR, LOWER LEVEL, UPPER LEVEL, MEZZANINE)

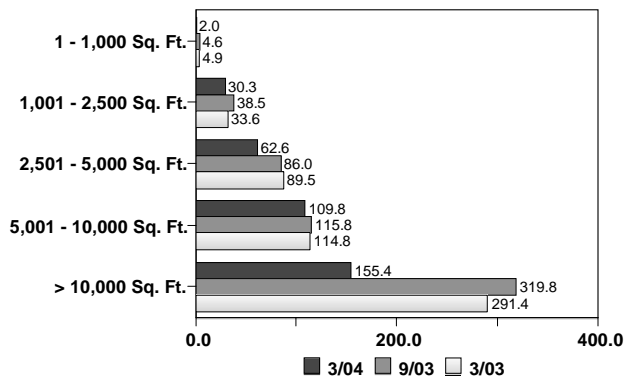
Availability Summary

	3/31/04	9/30/03	3/31/03
# of Stores:	58	79	76
SF:	360,296	564,944	534,352
Average Asking Rent PSF:	\$51	\$50	\$53
Average Store SF:	6,212	7,151	7,031

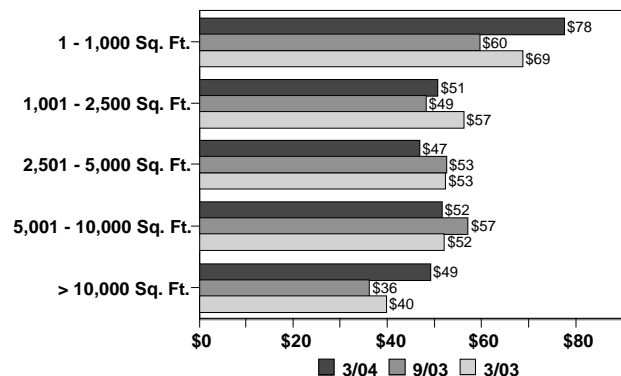
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size

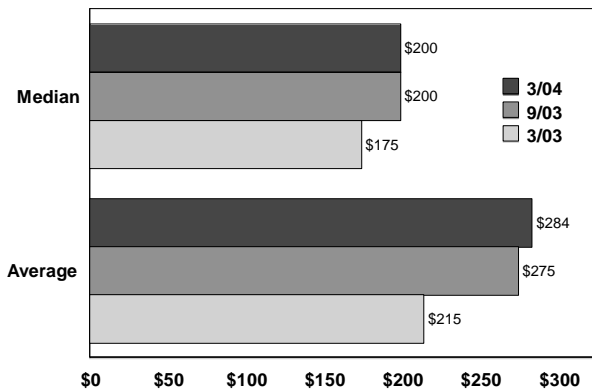


STATISTICAL SPOTLIGHT

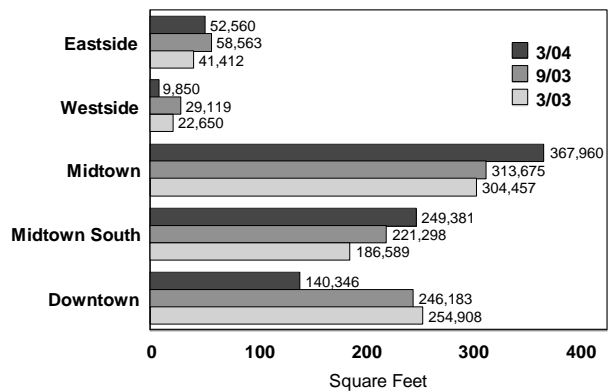
S U M M A R Y

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

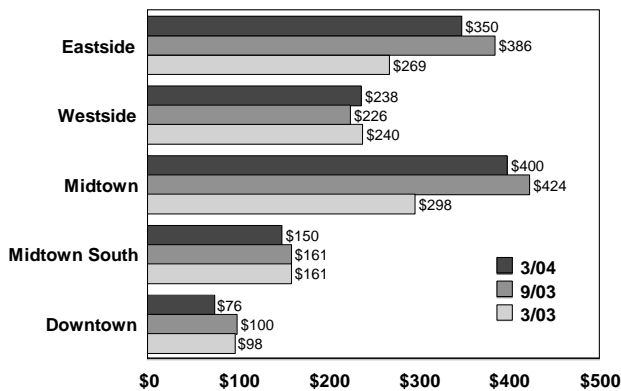
Asking Rent PSF



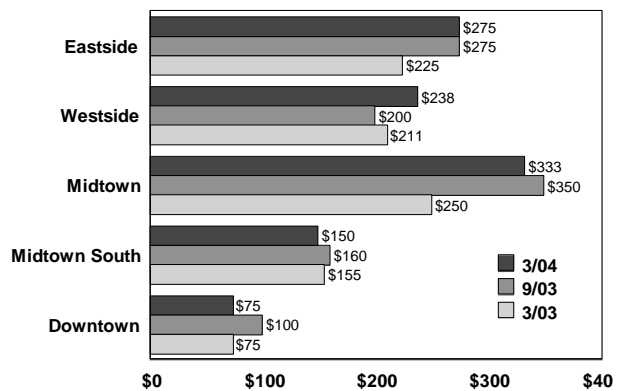
Total Amount of Space



Average Asking Rent PSF



Median Asking Rent PSF



STATISTICAL SPOTLIGHT

Average

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	1,604	\$193	2,154	\$226	1,779	\$200
Madison Ave.						
57 th - 67 th St.	1,537	\$701	1,371	\$684	1,421	\$676
West Side						
Broadway						
72 nd -86 th St.	1,407	\$238	2,647	\$226	2,059	\$240
Midtown						
34 th St.						
5 th -7 th Ave.	3,953	\$262	3,356	\$164	3,841	\$143
5 th Ave.						
49 th - 59 th St.	1,933	\$717	3,751	\$650	3,921	\$646
57 th St.						
5 th -Park Ave.	1,748	\$850	1,932	\$678	2,295	\$549
Times Square						
Broadway						
42 nd -47 th St.	3,671	\$398	3,822	\$395	4,036	\$324
7 th Ave.						
42 nd -47 th St.	6,809	\$271	4,575	\$267	4,147	\$208
42 nd St.						
6 th - 8 th Ave.	7,561	\$169	7,136	\$158	7,509	\$167

STATISTICAL SPOTLIGHT

Average

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron 5 th Ave. 14 th - 23 rd St.	2,926	\$137	3,312	\$156	3,986	\$157
SoHo						
Broadway Houston- Broome St.	6,535	\$162	6,875	\$167	7,693	\$165
Downtown						
Broadway Battery Park- Chambers St.	4,957	\$87	6,763	\$109	6,865	\$112
TriBeCa						
Hudson St. Chamber St.- Canal St.	2,375	\$54	2,977	\$57	2,837	\$60

STATISTICAL SPOTLIGHT

Median

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	1,063	\$165	1,200	\$215	820	\$150
Madison Ave.						
57 th - 67 th St.	1,325	\$727	1,325	\$700	1,200	\$700
West Side						
Broadway						
72 nd -86 th St.	950	\$238	2,619	\$200	1,500	\$211
Midtown						
34 th St.						
5 th -7 th Ave.	3,768	\$300	2,500	\$150	3,750	\$135
5 th Ave.						
49 th - 59 th St.	1,995	\$700	2,200	\$650	3,274	\$675
57 th St.						
5 th -Park Ave.	1,950	\$850	2,090	\$675	2,295	\$549
Times Square						
Broadway						
42 nd -47 th St.	2,000	\$400	2,000	\$350	2,000	\$327
7 th Ave.						
42 nd -47 th St.	6,000	\$250	4,000	\$275	3,575	\$175
42 nd St.						
6 th - 8 th Ave.	5,984	\$164	5,584	\$166	5,968	\$151

STATISTICAL SPOTLIGHT

Median

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron						
5 th Ave.						
14 th - 23 rd St.	2,540	\$144	2,500	\$157	2,500	\$150
SoHo						
Broadway						
Houston-						
Broome St.	5,000	\$155	6,000	\$168	7,500	\$168
Downtown						
Broadway						
Battery Park-						
Chambers St.	4,250	\$75	4,000	\$100	4,000	\$81
TriBeCa						
Hudson St.						
Chambers St.-						
Canal St.	2,400	\$40	2,490	\$60	2,219	\$48

STATISTICAL SPOTLIGHT

Range

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	320 - 5,800	\$145 - \$300	320 - 6,460	\$145 - \$325	270 - 5,500	\$130 - \$315
Madison Ave.						
57 th - 67 th St.	495 - 4,000	\$480 - \$850	385 - 4,000	\$480 - \$779	495 - 4,000	\$600 - \$727
West Side						
Broadway						
72 nd -86 th St.	500 - 3,300	\$175 - \$300	400 - 6,000	\$150 - \$350	400 - 4,050	\$150 - \$333
Midtown						
34 th St.						
5 th -7 th Ave.	820 - 7,500	\$122 - \$400	2,500 - 5,069	\$143 - \$200	2,500 - 5,362	\$100 - \$200
5 th Ave.						
49 th - 59 th St.	800 - 3,000	\$333 - \$1,100	500 - 20,000	\$325 - \$925	1,689 - 10,425	\$333 - \$900
57 th St.						
5 th -Park Ave.	500 - 2,410	\$700 - \$1,000	500 - 2,500	\$618 - \$750	2,180 - 2,410	\$500 - \$598
Times Square						
Broadway						
42 nd -47 th St.	325 - 12,800	\$150 - \$800	670 - 11,000	\$250 - \$600	670 - 11,000	\$100 - \$597
7 th Ave.						
42 nd -47 th St.	1,900 - 15,169	\$200 - \$400	2,000 - 9,241	\$250 - \$275	1,000 - 9,241	\$140 - \$275
42 nd St.						
6 th - 8 th Ave.	1,400 - 32,000	\$65 - \$290	1,400 - 32,000	\$65 - \$284	1,400 - 32,000	\$65 - \$284

STATISTICAL SPOTLIGHT

Range

AVAILABLE GROUND FLOOR SPACE ONLY ON SELECTED MAJOR RETAIL CORRIDORS

	Spring 2004		Fall 2003		Spring 2003	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron						
5 th Ave.						
14 th - 23 rd St.	1,400 - 6,000	\$92 - \$225	1,400 -10,000	\$100 - \$225	1,400 -10,000	\$61 - \$267
SoHo						
Broadway						
Houston-						
Broome St.	1,400 -25,000	\$105 - \$230	1,500 -25,000	\$100 - \$225	2,500 -25,000	\$130 - \$210
Downtown						
Broadway						
Battery Park-						
Chambers St.	985 -12,600	\$24 - \$175	800 -39,412	\$24 - \$275	800 -39,412	\$24 - \$280
TriBeCa						
Hudson St.						
Chamber St.-						
Canal St.	800 - 4,500	\$35 - \$100	800 - 7,500	\$35 - \$100	800 - 7,500	\$35 - \$101

MARKET AREA DEFINITIONS

East Side

60th Street to 96th Street, Fifth Avenue to the East River

West Side

60th Street to 110th Street, Hudson River to west of Fifth Avenue

Midtown

31st Street to 59th Street

Midtown South

Canal Street to 30th Street

Downtown

South of Canal Street

Upper Manhattan

97th Street and higher, Fifth Avenue to the East River;
111th Street and higher, west of Fifth Avenue to the Hudson River

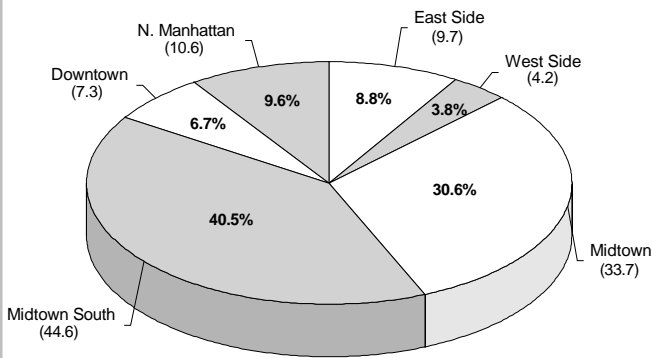
SELECTED MARKET DATA

**Major Leases
 Shops at Columbus Circle**

Year	Tenant	Square Footage
2002		
December	Stuart Weitzman	1,800
December	Tourneau	1,200
2003		
January	Equinox	31,000
January	Sephora	4,300
January	Thomas Pink	1,800
March	4You	9,581
March	Whole Foods	60,000
April	Borders, Inc.	26,000
April	Bose Corp.	1,000
April	Morgenthal Frederics	400
May	Coach Inc.	5,200
December	Benetton Kids	1,000
December	Sisley	2,200
2004		
February	Blair Delmonico	800

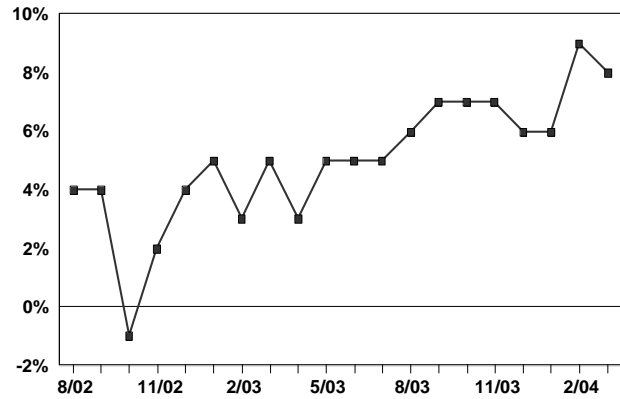
SELECTED MARKET DATA

**Manhattan Retail Square Feet by Area
(millions of square feet)**



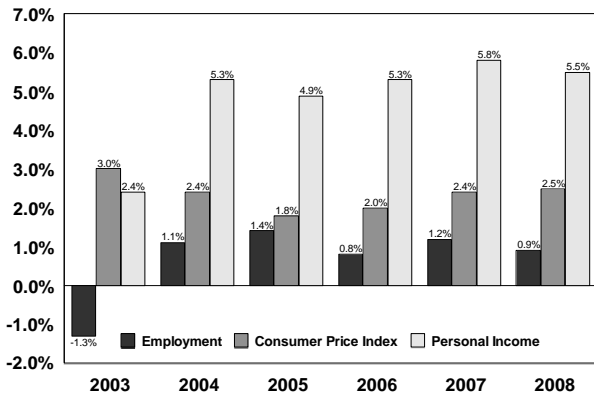
Source: New York City Department of Finance/REBNY

**U.S. Monthly Retail Sales
(12 month percent change)**



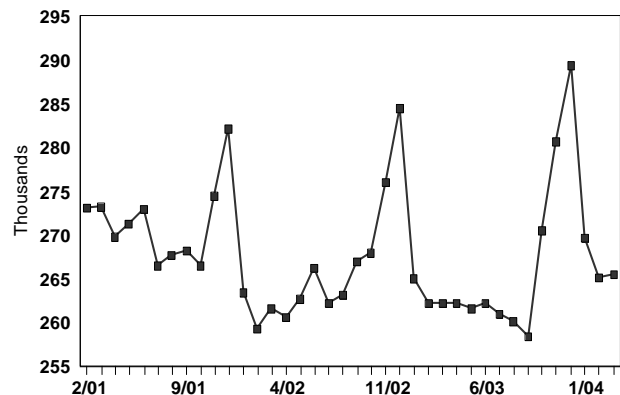
Source: U.S. Census Bureau

**Forecast of New York City Economic Indicators
(percent change from prior year)**



Source: NYC Office of Management & Budget

New York City Retail Employment



Source: NYS Department of Labor

ACKNOWLEDGEMENTS

REBNY would like to thank the following firms for providing information for this report.

Abrams Realty Corp	☛	Robert K. Futterman & Associates, LLC
CBRE Retail Services NY Tri-State Region		Rockrose Development Corp.
Madison HGCD, LLC	☛	Rose Associates, Inc.
Massey Knakal		Silverstein Properties, Inc.
Murray Hill Properties		Staubach Retail Services
Newmark New Spectrum Retail, LLC	☛	The Lansco Corp.
PBS Realty	☛	Walker, Malloy & Co., Inc.
		Winick Realty Group

REBNY would like to thank our Advisory Group whose guidance and talent has enhanced the review and analysis of the market information.

Larry Abrams	☛	Fred Posniak
Robin Abrams		Alan Victor
Ben Fox		Chase Welles
David Green	☛	

The Retail Report provides objective, comprehensive information about available space, asking rents and market trends in Manhattan.

Issued twice a year—Spring and Fall—the report is a project of the REBNY Stores Committee.

The report presents retail space by geographical area and focuses on the ground floor space on the major retail streets.