

THE REAL ESTATE BOARD OF NEW YORK

# RETAIL REPORT

**SPRING 2010**



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REAL ESTATE BOARD OF NEW YORK



## EXECUTIVE SUMMARY

Average asking rents have started to increase in most of the retail corridors surveyed in our Spring 2010 report. This increase reflects the nascent nation economic recovery and improving local market conditions as well. In March, the most recent data available, national retail sales were up 7.6% over last year and 1.6% month on month. New York City retail employment in March was up 1.4% year on year. Similarly, April's consumer confidence index was at its highest since September 2008.

The uptick in average asking rents is another sign that retail market is improving. However, according to most economists, the recovery has been predicted to be slow but steady as consumers continue to reduce their high levels of debt.

Equally encouraging, our Advisory Group reports that there has been a pick-up in leasing velocity over the past six months. Inventory within prime corridors is diminishing due to this increasing demand. Fifth Avenue, East 57th Street and Times Square have been pointed out by our group as areas with an inventory squeeze and the previously quiet Madison Avenue corridor has shown a burst of activity, resulting in the absorption of a substantial amount of the available space. Further, the return of large transactions (major retailers leasing high rent locations for a lengthy term) such as Uniqlo on Fifth Avenue and Aeropostale and Disney in Times Square is another sign of growing confidence in the market.

As you review the asking price (average, median, range) information in the retail corridors we surveyed, you will notice that some corridors lack current information or seem to have information that is not reflective of the specific sub-market. These corridors generally have either no reported availabilities or the one or two stores are not representative of the space generally found in the area.

Also, you may notice that there are locations where there is a large range in ground floor asking rents. Our Advisory Group noted in these instances that the highest priced space in such corridors was found within a small section of the corridor while the average asking rent for available ground floor space at the edges of the boundary was markedly lower. In short, in some of the corridors we report on there is a premium for space located within a more select area of the retail street. Two examples of this in the Spring 2010 report are Bleecker Street and 125th Street.

We hope these observations about the report, about the local market and about the national economy provide a valuable complement to your review and analysis of our retail market report.



## AVERAGE ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS AVAILABLE GROUND FLOOR SPACE ONLY

	Spring	Fall	Spring	% Change	% Change
	2010	2009	2009	From Fall	From Spring
				2009	2009
<b>EASTSIDE</b>					
Madison Ave: 57 - 72 St	\$960	\$919	\$979	5%	-2%
Third Ave: 60 - 72 St	\$267	\$261	\$275	2%	-3%
East 86 St: Lexington Ave - 2nd Ave	\$325	\$363	\$400	-10%	-19%
<b>WESTSIDE</b>					
Broadway: 72 - 86 St	\$291	\$285	\$293	2%	-1%
Columbus Ave: 66 - 79 St	\$243	\$229	\$257	6%	-5%
<b>MIDTOWN</b>					
East 57 St: 5 Ave - Park Ave	N/A	\$600	\$900	0%	0%
Fifth Ave: 42 - 49 St	\$425	\$457	\$615	-7%	-31%
Fifth Ave: 49 - 59 St	\$2,300	\$2,050	\$1,631	12%	41%
Broadway & 7 Ave: 42 - 47 St	\$1,400	\$821	\$941	71%	49%
<b>MIDTOWN SOUTH</b>					
<b>Flatiron</b>					
Fifth Ave: 14 - 23 St	\$285	\$255	\$285	12%	0%
<b>Herald Square</b>					
West 34 St: 5 - 7 Ave	\$500	\$421	\$508	19%	-2%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14 St: 9 - 10 Ave	\$375	\$375	\$417	0%	-10%
<b>Financial District</b>					
Broadway: Battery Park - Chambers St	\$135	\$189	\$251	-29%	-46%
<b>SoHo</b>					
Broadway: Houston - Broome St	\$563	\$483	\$452	16%	24%
<b>West Village</b>					
Bleeker St: 7 Ave South - Hudson St	\$456	\$352	\$528	30%	-14%
<b>UPPER MANHATTAN</b>					
<b>Harlem</b>					
125th St. (River to River)	\$127	\$116	\$119	9%	6%



## MEDIAN ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS AVAILABLE GROUND FLOOR SPACE ONLY

	Spring 2010	Fall 2009	Spring 2009	% Change From Fall 2009	% Change From Spring 2009
<b>EASTSIDE</b>					
Madison Ave: 57 - 72 St	\$900	\$875	\$1,000	3%	-10%
Third Ave: 60 - 72 St	\$250	\$260	\$250	-4%	0%
East 86 St: Lexington Ave - 2nd Ave	\$400	\$375	\$400	7%	0%
<b>WESTSIDE</b>					
Broadway: 72 - 86 St	\$298	\$263	\$300	13%	-1%
Columbus Ave: 66 - 79 St	\$240	\$245	\$271	-2%	-11%
<b>MIDTOWN</b>					
East 57 St: 5 Ave - Park Ave	N/A	\$600	\$600	0%	0%
Fifth Ave: 42 - 49 St	\$350	\$450	\$506	-22%	-31%
Fifth Ave: 49 - 59 St	\$2,300	\$2,100	\$1,561	10%	47%
Broadway & 7 Ave: 42 - 47 St	\$1,400	\$593	\$1,000	136%	40%
<b>MIDTOWN SOUTH</b>					
<b>Flatiron</b>					
Fifth Ave: 14 - 23 St	\$300	\$250	\$250	20%	20%
<b>Herald Square</b>					
West 34 St: 5 - 7 Ave	\$500	\$500	\$500	0%	0%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14 St: 9 - 10 Ave	\$375	\$400	\$400	-6%	-6%
<b>Financial District</b>					
Broadway: Battery Park - Chambers St	\$125	\$150	\$200	-17%	-38%
<b>SoHo</b>					
Broadway: Houston - Broome St	\$563	\$438	\$480	28%	17%
<b>West Village</b>					
Bleeker St: 7 Ave South - Hudson St	\$500	\$295	\$525	69%	-5%
<b>UPPER MANHATTAN</b>					
<b>Harlem</b>					
125th St. (River to River)	\$125	\$112	\$100	12%	25%



## ASKING RENT RANGE: SELECTED MAJOR RETAIL CORRIDORS AVAILABLE GROUND FLOOR SPACE ONLY

	Spring 2010	Fall 2009	Spring 2009
<b>EASTSIDE</b>			
Madison Ave: 57 - 72 St	\$800 - \$1,250	\$530 - \$1,500	\$700 - \$1,200
Third Ave: 60 - 72 St	\$250 - \$300	\$150 - \$347	\$200 - \$400
East 86 St: Lexington Ave - 2nd Ave	\$176 - \$400	\$275 - \$450	\$400 - \$400
<b>WESTSIDE</b>			
Broadway: 72 - 86 St	\$208 - \$371	\$200 - \$400	\$236 - \$325
Columbus Ave: 66 - 79 St	\$200 - \$290	\$127 - \$300	\$162 - \$325
<b>MIDTOWN</b>			
East 57 St: 5 Ave - Park Ave	0 - 0	\$400 - \$800	\$600 - \$1,500
Fifth Ave: 42 - 49 St	\$325 - \$600	\$300 - \$600	\$432 - \$1,333
Fifth Ave: 49 - 59 St	\$2,100 - \$2,500	\$1,500 - \$2,500	\$1,200 - \$2,200
Broadway & 7 Ave: 42 - 47 St	\$1,400 - \$1,400	\$550 - \$1,400	\$622 - \$1,200
<b>MIDTOWN SOUTH</b>			
<b>Flatiron</b>			
Fifth Ave: 14 - 23 St	\$200 - \$350	\$200 - \$325	\$200 - \$400
<b>Herald Square</b>			
West 34 St: 5 - 7 Ave	\$500 - \$500	\$202 - \$595	\$475 - \$550
<b>DOWNTOWN</b>			
<b>Meatpacking</b>			
14 St: 9 - 10 Ave	\$350 - \$400	\$300 - \$400	\$400 - \$450
<b>Financial District</b>			
Broadway: Battery Park - Chambers St	\$75 - \$225	\$100 - \$320	\$100 - \$400
<b>SoHo</b>			
Broadway: Houston - Broome St	\$475 - \$650	\$243 - \$1,000	\$333 - \$550
<b>West Village</b>			
Bleeker St: 7 Ave South - Hudson St	\$250 - \$550	\$81 - \$667	\$393 - \$667
<b>UPPER MANHATTAN</b>			
<b>Harlem</b>			
125th St. (River to River)	\$90 - \$170	\$35 - \$200	\$75 - \$200



## AVERAGE ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

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

	Spring 2010	Fall 2008	Spring 2009	% Change From Fall 2009	% Change From Spring 2009
<b>MANHATTAN</b>	\$113	\$117	\$115	-3%	-1%
<b>EASTSIDE</b> 60th Street to 96th Street, Fifth Avenue to the East River	\$165	\$178	\$168	-7%	-2%
<b>WESTSIDE</b> 60th Street to 116th Street, West of Morningside Park	\$128	\$132	\$116	-3%	10%
<b>MIDTOWN</b> 35th Street to 59th Street	\$135	\$144	\$152	-6%	-11%
<b>MIDTOWN SOUTH</b> 15th Street to 34th Street	\$99	\$99	\$96	0%	3%
<b>DOWNTOWN</b> South of 14th Street	\$101	\$103	\$95	-2%	7%
<b>UPPER MANHATTAN</b> 97th Street and higher, Fifth Avenue to the East River; 116th Street and higher, West of Morningside Park	\$60	\$60	\$52	0%	16%



# RETAIL REPORT

SPRING 2010

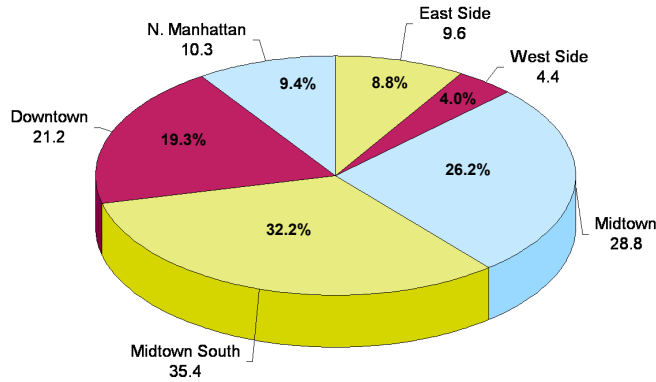
## MEDIAN ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

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

	Spring 2010	Fall 2009	Spring 2009	% Change From Fall 2009	% Change From Spring 2009
<b>MANHATTAN</b>	\$85	\$85	\$83	0%	2%
<b>EASTSIDE</b> 60th Street to 96th Street, Fifth Avenue to the East River	\$120	\$124	\$125	-3%	-4%
<b>WESTSIDE</b> 60th Street to 116th Street, West of Morningside Park	\$104	\$105	\$88	-1%	18%
<b>MIDTOWN</b> 35th Street to 59th Street	\$93	\$90	\$100	3%	-7%
<b>MIDTOWN SOUTH</b> 15th Street to 34th Street	\$80	\$78	\$70	2%	14%
<b>DOWNTOWN</b> South of 14th Street	\$82	\$84	\$80	-3%	2%
<b>UPPER MANHATTAN</b> 97th Street and higher, Fifth Avenue to the East River; 116th Street and higher, West of Morningside Park	\$52	\$50	\$45	3%	15%

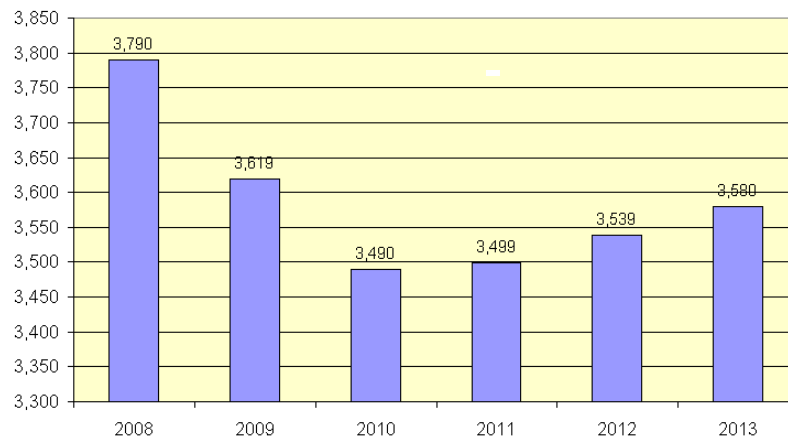
## SELECTED MARKET DATA

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



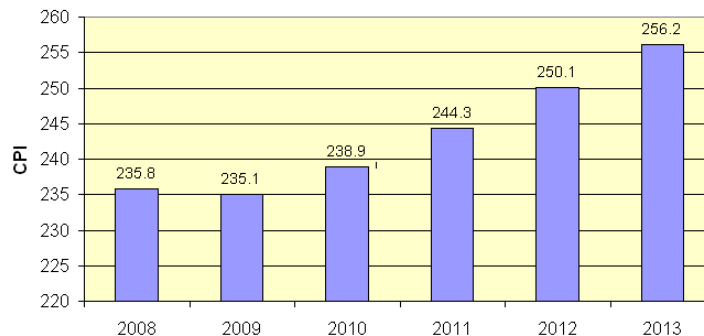
### Forecast of New York City Economic Indicators

**New York City Employment (in thousands)**



Source: NYC Office of Management & Budget

**New York City CPI (1982-1984=100)**

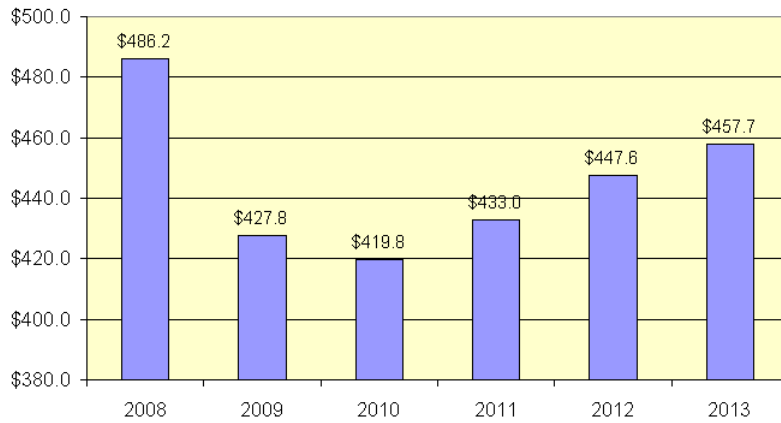


Source: NYC Office of Management & Budget



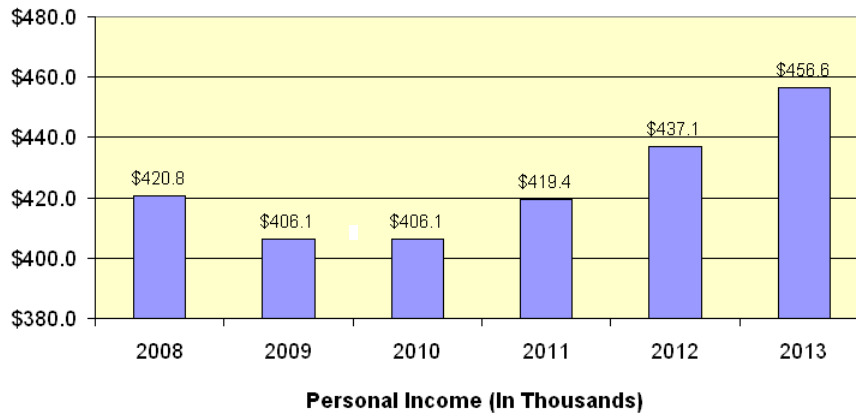
## SELECTED MARKET DATA

**New York City Real Gross City Product (billions)**



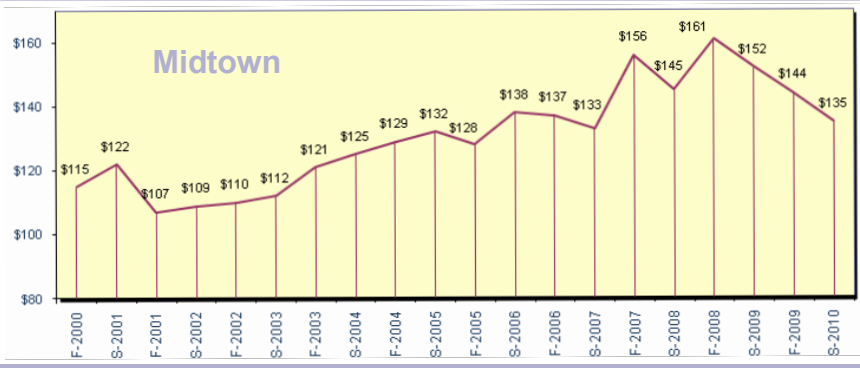
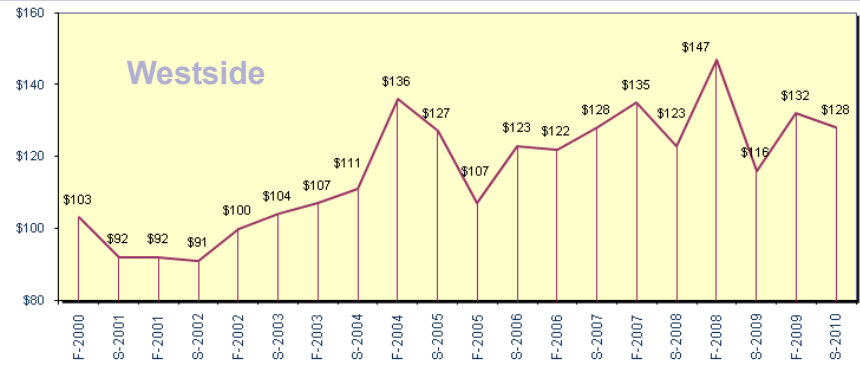
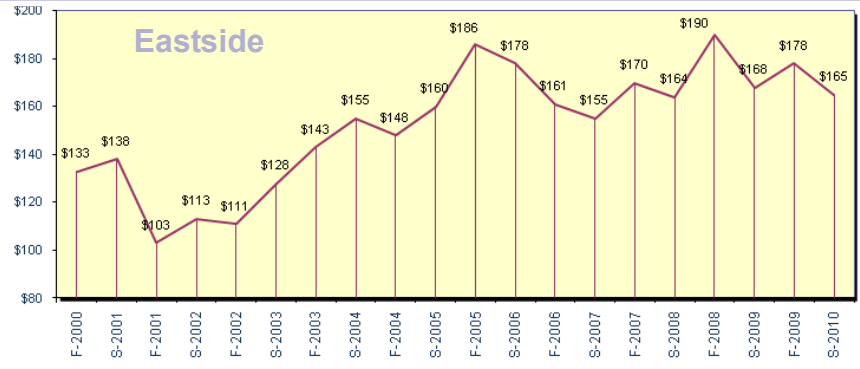
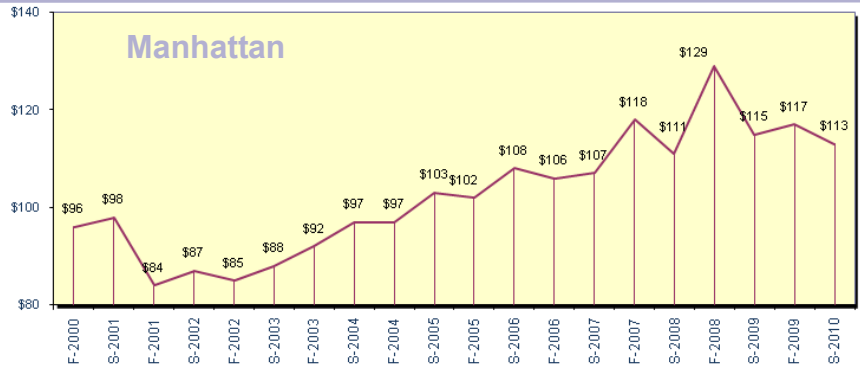
Source: NYC Office of Management & Budget

**New York City Gross Personal Income**

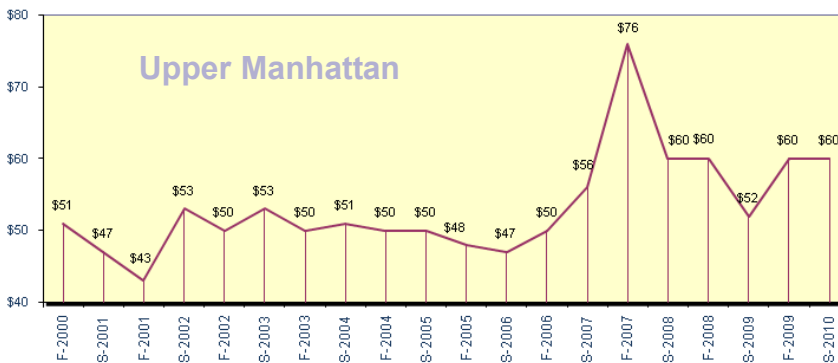
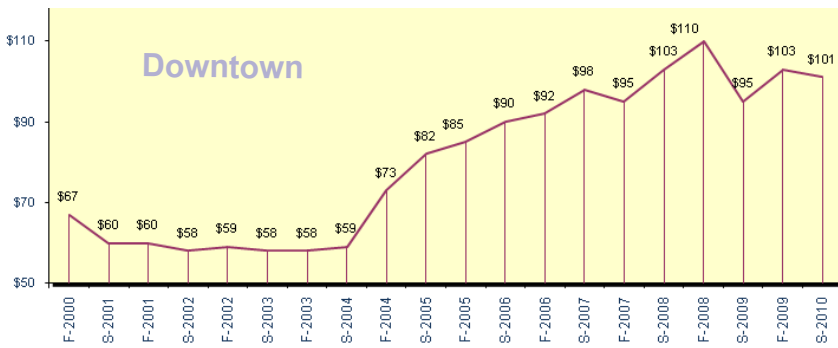
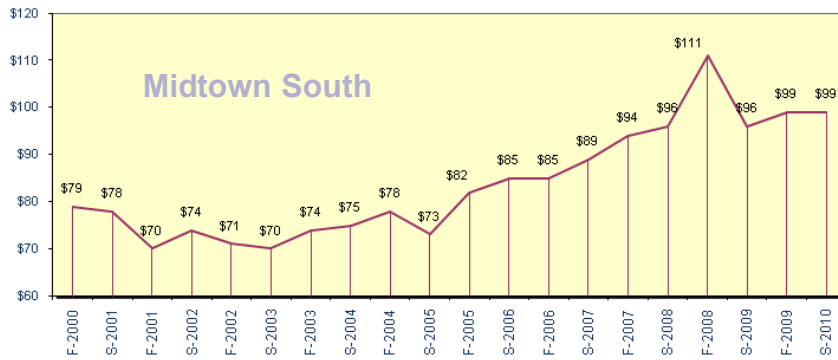


Source: NYC Office of Management & Budget

## AVERAGE RETAIL ASKING RENTS PSF



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## ACKNOWLEDGEMENTS

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**T**he Retail Report provides objective, comprehensive information about asking rents and market trends in Manhattan.

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

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