

REBNY Research

Manhattan Retail Report

First Half 2024



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Summary

Active but Uneven Market – Tenants and Landlords Are Being Selective

Storefront demand was strong but uneven during the first half of 2024. Leasing moved at different speeds, though, depending on location, size, and sector.

In prime corridors such as SoHo and Madison Avenue, for example, activity moderated due to tightening availability. On the other hand, the Upper West Side and Upper East Side, as well as Midtown East, Grand Central, and Lower Fifth Avenue have all attracted more retailers. Other corridors still lag despite ample availability.

Demand is strong for smaller and mid-sized storefronts; larger ones are taking longer to lease. Food and beverage, as well as apparel, accounted for much of the activity. A healthy mix of local entrepreneurs and new-to-market retailers are driving demand.

More landlords are holding ground on lease terms, but rents remain 20% to 30% below pre-pandemic levels.



Key Takeaways

Demand is Strong, but Uneven

Leasing volume has fallen slightly due to reduced availability, but demand remains strong. Storefronts have tightened sharply in the most sought-after corridors. In turn, retailers have pushed to other areas, such as the Upper West Side or to Midtown East and Grand Central.

Pockets of Tepid Leasing Remain

Even as activity intensified in some neighborhoods, it lagged elsewhere. Downtown, Times Square and Herald Square, Upper Fifth Avenue, and Harlem had some notable leases this year, but longer-term commitments, particularly for larger blocks of space, have been more sporadic.

Rental Rate Growth Continues

Availability has dropped in many corridors and prime storefronts are receiving multiple offers. Consequently, owners can be more selective, be firm on rent, and pull back on concessions, particularly tenant improvements. Nevertheless, as of mid-year 2024, none of the 17 corridors have returned to their pre-Covid rent peaks.

Food and Beverage and Apparel Dominating Activity

Food and beverage (F&B) remained the most active sector across Manhattan. This wide-ranging sector includes coffee shops, bakeries, bagel shops, as well as quick service restaurants (QSRs), fast-casual, and full-service restaurants. Food halls and even some subway system retail have become more active as return to office gains traction. More apparel and accessories brands are coming off the sidelines as they witness reduced availability and sustained foot traffic.

Despite Challenges, Optimism for Second Half of 2024

Retailers face extensive challenges – retail theft, street vendors, delays in permitting, inspection, and licensing, staffing shortages and lending restraints and costs – just to name a few. Buildout costs and timelines impede openings. On the other hand, tourism appears to be poised for a record year. Visa spending on retail in Times Square alone totaled \$191 million for the first quarter of 2024, up 32% from last year, and was driven primarily by domestic visitors. The City of Yes zoning text amendments to update space uses and encourage growth in select industries underscores the mayor’s awareness that retail is critical to the city’s economy, quality of life, and vibrancy.



Corridor Activity

During the last 18 months, SoHo and Madison Avenue’s remarkable retail rally captured much of the attention. Luxury retailers continued to deplete space options in these corridors during the last six months. Leasing activity has gained momentum in other areas like Grand Central and Midtown East (largely due to improved return to office trends) as well as residential neighborhoods on the Upper West Side and Upper East Side (as retailers find options beyond tighter high streets.)

Tourism and Return to Office Boost Midtown and Grand Central Activity

Leasing in Grand Central, Midtown East, and Lower Fifth Avenue started to recover more than a year ago. At that time, tourism was clearly rebounding but return to office trends were still inconsistent. With return-to-office slowly but steadily gaining momentum in the last 12 months, more of the retail vacancies around Grand Central and Midtown have been filled.

The strongest pockets of activity in Rockefeller Center and surrounding Grand Central have enjoyed strong traffic from both resurgent tourism as well as return to office momentum. Rockefeller Center has almost no storefronts left to lease. Other locations like the Penn District and Avenue of the Americas are more dependent on the office market and daytime commuters. Excluding the very top-tier A+ office buildings, foot traffic outside of peak workdays (Tuesday through Thursday) is still below its pre-Covid levels.

F&B accounted for most of the leasing. Angelina Bakery recently signed a lease at 45th Street and Lexington Avenue. The bakery was forced to shut down several locations during the pandemic, but it is now expanding. Founded by Korean baker Tony Park, Angelina Bakery is known for its viral “burn cakes.” The bakery drew attention on Instagram for its dessert vending machines that are restocked daily with 100 different desserts. Apparel stores have been more active on Lower Fifth Avenue for the last several quarters. Grand Central has attracted some interest from apparel as well. Shirtmaker Charles Tyrwhitt leased space in Grand Central Terminal.

Wide Array of Retailers Fueling Uptown Activity

Residential neighborhoods like the Upper West Side and the Upper East Side have enjoyed a flurry of new leases. Activity has come from several sources. Although a few of the first tenants that jumped into the market in late 2021 and 2022 have already closed, some of these vacancies were leased in the last six months. Other retailers with stores in high street locations like SoHo or Madison Avenue are now expanding and gaining exposure right in their customers’ backyards.

Upper West Side activity is also distinctive in terms of the diversity of sectors targeting this dense and affluent housing market. Leasing in most corridors has depended largely on F&B or apparel. On the Upper West Side, demand from everything from fitness and wellness to comedy clubs has supplemented those core sectors.

Excluding activity among cannabis dispensaries, this diversity of new stores matches what was there previously. At 2273-2279 Broadway (82nd and Broadway) for example, Wells Fargo and Spear Physical Therapy will replace Santander Bank and Nexa Fitness. Spear Physical Therapy has three other Upper West Side locations. The other recent lease (Grape Stomper Cannabis House) is a departure from the former Mattress Firm.

Health and wellness firms are also active on the Upper West Side. Acupuncture studio WTHN inked a 3,700 square foot lease at 69 West 71st Street. This will be the holistic wellness brand’s third New York City location. The space formerly housed Drybar, which closed in April 2023. Later this summer, New York Comedy Club will open its fourth location at 236 West 78th, taking the venue previously occupied by Stand Up NY (which moved to Times Square.) The club has housed comedy shows since the 1980s.

A new set of restaurants is coming to the Upper West Side. Some are operated by experienced restaurateurs, while others are new to Manhattan. Salt & Straw leased 2,300 square feet at 360 Amsterdam Avenue. This will be the first New York City location for the Portland, Oregon-based ice cream shop. The team

Corridor Activity

behind East Village Thai restaurant Soothr leased 6,200 square feet at 35 West 64th Street, Picholine last occupied the storefront in 2015. Finally, Moshe's Falafel, which has operated a food truck in Midtown since the early 1980s, is opening a storefront at 142 West 83rd.

The Upper East Side also captured several notable leases in the last six months. The former Lenox Hill Food Emporium at East 69th Street and Third Avenue, which closed just over a year ago, has two new tenants: Whole Foods and Five Below. Whole Foods plans to lease about 23,000 square feet for a grab-and-go grocery store concept called Market Daily Shop. Discount retailer Five Below leased the remaining 13,000 square feet. Just down the street, Warby Parker leased the former DNTL Bar at 1187 Third Avenue. This will be its second Upper East Side location

F&B continues to drive most of the leasing on Third and Second Avenues. This includes some smaller bakeries and QSRs that leased more than a year ago but have yet to open their doors. TAIM and Mia's Bakery (at 1571 Third and 1573 Third Avenue, the former Wankel's Hardware Store) signed leases more than year ago, but are both still under construction. Just a few blocks north on Third Avenue (between 92nd and 93rd) Angelina Bakery recently leased 1649 Third Avenue. At the corner of 96th and Madison Avenue, Daily Provisions is expected to open in the next few months – providing local residents and Mt. Sinai employees and patients another dining option. The former tenant, 3 Guys restaurant, closed after 33 years in 2023.

Also on the Upper East Side, Chick-fil-A is debuting its first ever pick-up only restaurant at 79th Street and Second Avenue. The local owner-operator of the new concept also owns the Chick-fil-A on Third Avenue and 86th Street. Finally, Bliss + Lex, Manhattan's first Black woman-owned dispensary, opened in March at 128 East 86th. The dispensary was opened in collaboration with Housing Works CAURD Community Initiative. The program provides access to capital, operational training on dispensary management, technology, staffing, and compliance, as well as real estate acquisition assistance.

Options Dwindle in SoHo and Madison Avenue

SoHo and Madison Avenue are two corridors that have unquestionably been on a roll. Activity moderated slightly in recent months due to reduced availability. In SoHo, apparel and accessories brands snared some of the few remaining larger storefronts. GU, Uniqlo's sister-brand, signed a long-term lease for the 23,000 square foot space at 578 Broadway. GU had previously been using the former Forever 21 location as a pop-up store. Anthropologie took a 8,000 square foot lease at 420 West Broadway and will be returning to SoHo for the first time since 2016. Swedish apparel firm TOTEME leased 7,700 square feet at 49 Mercer Street.

Luxury accessory firms are also active. German luggage manufacturer Rimowa signed a 7,800 square foot lease at 148 Mercer Street. Grown Brilliance leased 4,200 square feet on Greene Street - this will be the first brick and mortar store for the lab-grown carbon-neutral diamond retailer.

Madison Avenue had another 30% reduction in the number of available storefronts during the last six months. More than two-thirds of the remaining storefronts are north of 65th Street. With much of the space below 65th Street leased, activity on Madison Avenue has moved uptown. International luxury apparel and accessories brands continue to dominate activity. Italian women's fashion brand Peserico leased 783 Madison. Colombian apparel brand Johanna Ortiz Zona Franco opened at 799 Madison. Finally, Sauer, a jewelry brand from Brazil, leased 800 Madison. Franco and Sauer are both making their debut in the U.S. through New York City.

Other corridors like the West Village, NoHo, NoMad, and NoLita are also maintaining steady leasing. In NoMad, luxury bed manufacturer Hästens signed a 4,700 square foot lease for its fifth Manhattan location at 132 Madison Avenue. Chelsea and Tribeca, often overlooked, secured some of the larger recent retail leases. In Chelsea, fitness boutique Fuze House (7,000 square feet) and big and tall clothier Destination XL (10,000 square feet) signed leases.

Corridor Activity

Pockets of Tepid Activity Still Exist

On the flip side, other corridors are still lagging. Tenants continue to evaluate options along Upper Fifth Avenue, in Times Square, and the Meatpacking District, but larger long-term leases are few and far between.

F&B tenants accounted for most of the leasing activity in Herald Square and Times Square. The Times Square Alliance noted that year-to-date in 2024, 44% of retail storefront openings were F&B. In Herald Square, Ghirardelli Chocolate's 2,500 square foot lease was one of the largest recent leases. Similarly, in Times Square, one of the top leases was from Japanese donut chain I'm Donut? The Japanese donut chain leased 5,700 square feet at 154 West 54th Street – not a small space for a donut shop, but a small space for Times Square. Success stories amongst novelty retailers such as the Fantastic World of the Portuguese Sardine and MINISO have not slowed, both signing 10-year leases in Times Square. The Chinese retailer opened an additional pop-up storefront in the neighborhood after the success of their flagship location at 5 Times Square.

Rent in Times Square is still discounted from its pre-Covid levels, but foot traffic has nearly fully recovered, and that is apparent well into the evening hours. In turn, business hours extend four or five hours longer in Times Square than in office-dependent districts. Staffing, security, and build-out costs, particularly for larger multi-level stores, is a key consideration, though.

Already an obstacle to openings before the pandemic, ballooning buildout timelines and costs have intensified in the last two years. The former Grand Ole Opry City Stage at 1604 Broadway closed in 2018 after being open for less than a year. At the time, a company contact attributed the closure to “underperforming revenue expectations” and the fact that “the venue has taken longer to ramp up its operations than initially anticipated.” This summer a three-story Latin

entertainment complex, 1604, will open. The lease was signed in fall 2022. The club owners have invested nearly 18 months and \$4 million in modernizing each floor, building out the three-story space with different venues, including multiple dance floors, restaurants, an all-day-café, and a private club.

Similarly, Downtown has had its success stories of late – at 150 Broadway, Miniso continued its New York City expansion. The Chinese discount retailer leased the 5,000 square foot storefront on the corner of Broadway and Liberty Street. This will be its fifth location in New York City. Other Downtown leases and openings of note include Club Studio fitness center, Mercer Labs Museum of Art & Technology (21 Dey Street), and doggie daycare and boarding facility, Bark Street, at 80 Maiden Lane. In its first quarter report the Downtown Alliance noted that approximately two-thirds of the 16 new retailers that opened year-to-date were F&B. Broadway still has a fair number of larger vacancies to lease.

Whether it is Broadway on the Upper West Side, Broadway below Chambers Street, 59th and Lexington, or Times Square, there are still some pockets of vacancy across the city. This includes some long-standing vacancies that existed prior to the pandemic. Recent closures of pharmacies and banks add larger corner vacancies along corridors.

Lengthy buildout times sometimes heighten the sense that streets are lined with vacancies. Some of these vacant storefront have actually been leased, but as referenced above, opening can take eight months to more than a year due to delays in build outs, financing, staffing, or permitting. The Mermaid Inn for example, which has been in the works for more than a year, is expected to open by the end of summer. The Upper West Side seafood restaurant, which had been open for 15 years prior to closing in 2022, took over the former Chase Bank at 336 Columbus Avenue, the buildout of the former bank has delayed re-opening.

Corridor Activity

Tenant	Industry	Market	Notes
Destination XL	Apparel	Chelsea	Relocated from 703 Avenue of Americas to a corner location.
Fuze House	Health Club	Chelsea	First NYC location for the Miami-based fitness boutique.
Le Labo	Cosmetics/Perfume	Columbus Avenue	Former site of Marine Layer.
Sephora	Cosmetics	Downtown	LVMH brand opening a Harlem store as well.
The Pilecki Institute	Research Institute	Downtown	First U.S. location - former site of 9/11 Tribute Center.
MoMath	Museum	Flatiron	Temporary space.
Vuori	Apparel	Flatiron	Third NYC location - former site of Allbirds.
HF Food Halls	F&B	Grand Central	One of several leases to rejuvenate the former Urbanspaces.
WatchHouse	Coffee Shop	Grand Central	First new retail lease at Chrysler Building, second location for WatchHouse.
Fitness Factory	Health Club	Harlem	First NYC location.
Maison Goyard	Luxury Accessories	Madison Avenue	Relocation from 20 E 63rd Street, will also use property for corporate offices.
Westside Market NYC	Grocery	Midtown East	Family-owned grocer which started in 1977.
GU	Apparel	NoLita	Former site of Forever 21.
Avra Group	F&B	Penn Plaza/Herald Square	A 20-year lease, and its fourth NYC restaurant.
Arc'teryx	Apparel	Plaza District	Former site of Aritzia.
Ferrari	Auto Showroom	SoHo	The luxury automaker signed an office lease nearby.
I'm Donut?	Bakery/Café	Times Square	First location outside of Japan.
Fred Astaire Dance Studio	School	Upper East Side	
Popup Bagels	Bakery/Café	Upper East Side	Second location.
Skims Body	Apparel	Upper Fifth Avenue	20,000 square foot former Versace Space.
WTHN	Health Care	Upper West Side	Third NYC location.
Grape Stomper Cannabish House	CBD Dispensary	Upper West Side	First location.
Treasures Bakery	Bakery/Café	Upper West Side	10-year lease.
Wegman's	Grocery	Upper West Side	Second NYC location, former site of Bed Bath & Beyond.
Continuum Club	Health Club	West Village	25,000 square foot lease.

Corridor Activity

Most Landlords and Retailers Maintain Careful Approach

Delays in store openings are a serious problem. Rushing the decision to lease a space can be costly, though. For the most part, retailers remain very deliberate in their store selections, carefully considering which corridors, which side of the street, and which co-tenancy will work best. They will pay top dollar for a prime location that offers ideal foot traffic, audience, and co-tenancy, but most are not throwing caution to the wind.

There is a limit in most corridors to how large of a space and investment most retailers are willing to absorb. Larger storefronts are generally taking longer to lease, particularly if landlords demand a lengthy lease commitment. A careful approach for both landlord and tenant is critical considering the high cost and time associated with building out and setting up a store. Increased borrowing costs and stricter lending requirements do not help matters. But the payoff for getting it right is high.



Sector Details

Food and Beverage and Apparel Account Driving Activity

Food and Beverage Continues to Thrive

The wide-ranging F&B category has been the most consistent consumer of retail space across Manhattan. Well-funded restaurant groups, some with backing from celebrities or private equity, continue to fuel expansion by full-service restaurants, QSRs, fast-casual, and bakery or café concepts. Avra Group signed another lease for a 20,000 square foot restaurant at Vornado's Penn District – its fourth restaurant in Manhattan. Located at 390 Ninth Avenue, the restaurant will have a 150-seat outdoor café. London's JKS Restaurants announced plans for its first New York City and U.S. outpost to be located at 1245 Broadway in NoMad. The London-based group is known for Michelin-starred eateries like Gymkhana and Kitchen Table.

Avra Group and JKS Restaurants will occupy significant footprints. Most F&B leases are still from often bite-sized QSRs, bakeries, and cafes. The market has seen a recent flurry of bagel and bakery shops. In May, PopUp Bagels opened its second Manhattan location at West 76th Street and Columbus Avenue. A month later they opened at 1457 Third Avenue. The owner started the business in Westport, Connecticut in 2021 and hopes to expand to about 25 shops in the region by the end of 2025. Somewhat controversially and possibly beneficial for social media buzz, the shop has a three-bagel minimum order.

The bagel and bakery space is very crowded these days. Other expanding brands include Bagel Point (787 Lexington); Kossar's (270 West End Ave); Whitestone-based, Utopia Bagels (34th Street and Lexington); as well as traditional bakeries, Posh Bakery (315 W 39th Street); Salswee (180 Fifth Avenue). Gluten-free bakery and bagel shop, Modern Bread & Bagel, which started on the Upper West Side, continues its expansion. It recently leased a storefront at 399 Park Avenue. Holey Cream Donuts recently opened at 1460 Lexington (95th & Lexington) Each of

these brands has their unique methods; some of the newer ones have actively incorporated social media to boost foot traffic and brand awareness.

Others have well-established histories. New York bagel brand H&H announced earlier this year that it plans to re-open shops in New York City as well as in 10 cities around the U.S. The Manhattan stores will likely be in Penn Station and Kips Bay. The bagel shop, featured on Seinfeld, was open for more than 40 years at 80th and Broadway until it closed in 2011.

Food Hall Evolution, Green Shoots in Spots for Subway Retail

Like QSRs, increased activity among food halls is due to improved return to office indicators. HF Food Halls signed two leases to take over and redevelop Urbanspace's food halls. One of the first locations they will tackle is the Urbanspace at 570 Lexington Avenue. This food hall, which opened in 2018, is relatively new. At that time the office market was still thriving, and a Midtown food hall seemed like a sure winner.

By 2019 the region had nearly 50 different food halls (including those in Queens and Brooklyn.) Food halls, like co-working centers, will need to carefully consider what will and won't work in 2025. This Urbanspace may benefit from the completion of Waldorf Condos, potential updates to surrounding hotels, as well as JP Morgan's new headquarters, which recently topped out and is scheduled to open in 2025, housing 14,000 employees. It remains to be seen if the office building will feature its own luxury dining program, like several other new office buildings around the city. This influx of new residents and office workers will likely have elevated expectations for the cuisine and experience that the vendors offer.

Return to office momentum is inducing some retailers to venture back below the street, into the subway system's retail concourses and plazas. The strongest pockets of demand are limited to transit hubs. The MTA recently announced openings and leases from four new restaurants such as Melba's (a James Beard Finalist) and Naya. The new Grand Central Madison stop, run by the LIRR,

Sector Details

will have 32 new stores, starting with Tracks Raw Bar & Grill which won the competitive bid for the first restaurant at Grand Central Madison.

Some below-grade subway retail has opened. Earlier this year, See No Evil Pizza opened on the concourse level of the train station at 50th and Broadway. The space was previously occupied by a Dunkin'. The owner is a hospitality professional who has two other subway outposts – Nothing Really Matters (a bar that opened two years ago) and Tiny Dancer Coffee. Raising Cane's, which has already opened five restaurants across Manhattan, including its more than 8,000 square foot store in Times Square, recently opened a new location at Penn Station at 1 Pennsylvania Plaza Concourse. These green shoots aside, a recent story in Crain's estimated that 80% of the retail spaces throughout the transit system remain vacant.

Apparel's Footprint – Condensed, But Still Critical

F&B accounts for the most leases, but apparel retailers are increasingly active. They absorb much larger storefronts than the typical QSR, bakery, or café. Larger leases help to offset a nationwide trend of smaller footprints that is exacerbated by a pullback among banks and pharmacies. In a recent report, JLL found that 69% of leases in the first quarter of 2024 were for small spaces. While larger than many F&B tenants, apparel firms are generally taking smaller spaces than they did pre-Covid, with fewer flagship leases among fast fashion.

Manhattan retail's sector is now about two years into the recovery, and some apparel retailers that were tentative are now entering the market. Successful store launches and steady foot traffic along Lower Fifth has enticed other brands to jump into the Midtown market around Grand Central. Hesitancy among apparel brands particularly fast fashion and mass market brands is understandable. Pre-Covid many of these brands had multiple stores along the same corridor.

In addition to new apparel entrants, the market continues to see more established brands test out new lines and concepts, sometimes in smaller stores near their flagship. Well-known retailers such as Ann Taylor are geared back up and ready to roll with retail growth.



Sector Details

Health and Social Wellness Fill Big Spaces and Offer Wide-Ranging Services

Health and wellness tenants have been active over the last couple of years. Traditional gyms also generally absorb larger blocks of space, sometimes with configurations that might be tough to lease to other retailers. Some of the largest and most luxurious clubs signed 20-year-plus leases, bucking the short-term lease trend. A recent New York Times article featured details on the largest gyms like Equinox (average of 43,000 square feet) and new entrants such as Life Time (54,000 square feet.) The expanse of these locations, and the proximity of some to transit hubs, makes them ideal for additional services like childcare or office space.

More basic traditional gyms like Planet Fitness and Illinois-based fitness company, Fitness Factory, are generally in the 20,000 square foot range. Fitness Factory already has locations in Westchester and suburban New Jersey and is opening its first Manhattan location in Harlem.

Many of the recent leases have come from boutique wellness health clubs that feature the latest fitness techniques and equipment as well as exclusive and distinctive settings and amenities focused on social wellness. In Greenwich Village, Continuum Club recently signed a 25,000 square foot lease for its first Manhattan location at 666 Greenwich (previously a Crunch Fitness, then a David Barton Gym). Scheduled to open this summer, the club describes itself as a “wellness social club” featuring a hyperbaric chamber, IV-therapy station, infrared bed, and vertical cold plunges. Each new member will receive a full biometric scan with AI-generated wellness and fitness recommendations.

Fuze House, which has studios in Miami Beach and Sunset Harbour, is opening its first New York City location in Chelsea this summer. The pilates studio, which bills itself as a “boutique experience from start to finish”, uses infrared heated mats and BALA equipment. Fuze House joins the list of other luxury boutique experiences like Bathhouse and TMPL that have expanded in Manhattan and Brooklyn in the last several quarters. Canadian bathhouse Othership’s spa and icehouse, its first in Manhattan, is scheduled to open this summer in Flatiron. Othership has invested extensively in unique social spaces, the bathhouse will offer smaller four-person ice baths as well as a social commons with amphitheater style seating.

Grocery Stores Continue to Expand

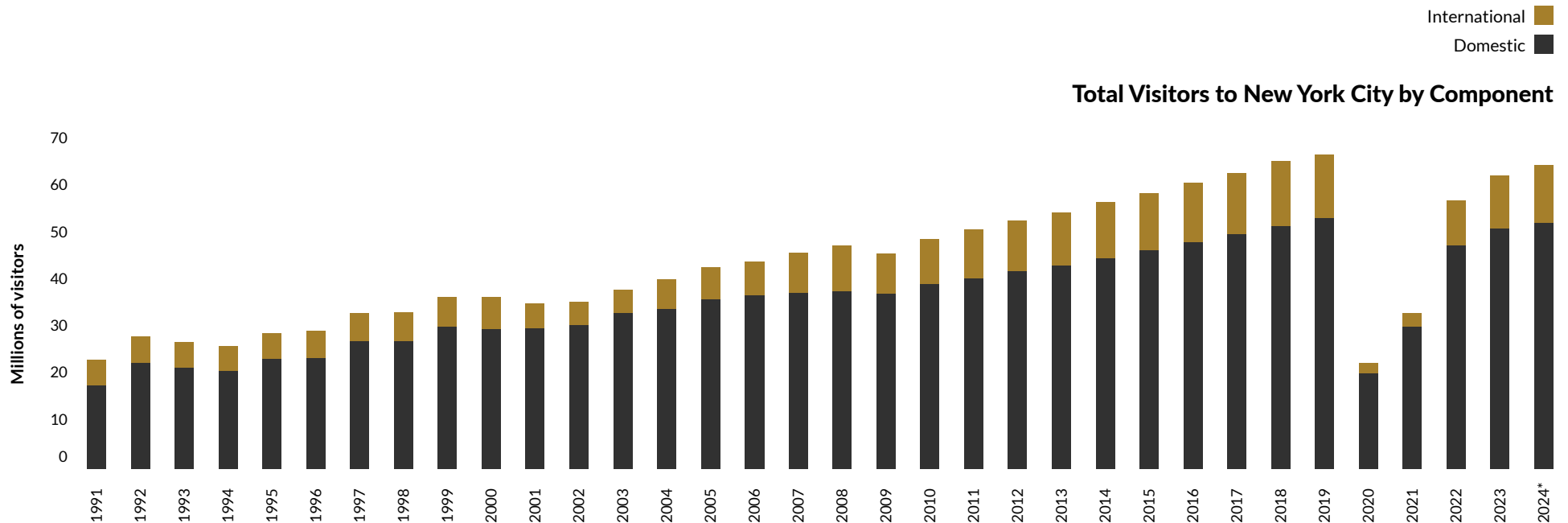
Finally, grocery stores are giving a boost to the market and absorbing significant vacancies. An updated state of the art grocery buildout can be very costly (exceeding one million) and operating margins are often very low. Some of the largest recent grocery store openings come from operators who are new to Manhattan, but certainly not to this challenging sector. HMart has had a long record of success in suburban New York and New Jersey but steered clear of Manhattan for years. The Korean supermarket debuted in Queens in 1982 and had more than 100 stores nationally before opening its first Manhattan location. HMart opened its second Manhattan store in a former Rite Aid at 210 Amsterdam Avenue (69th Street and 70th Street) in early June. Following its successful launch in Astor Place, Wegman’s chose the Upper West Side for its second Manhattan store, taking 1930 Broadway. The 60,000 square foot store formerly housed Bed Bath & Beyond. Both of Wegman’s locations in Manhattan are among the smallest among their 110 locations nationally. Similarly, Hmart’s largest stores across the country exceed 150,000 square feet.

What's Behind The Numbers

The economy remains quite strong and job growth continues to exceed expectations. During May, the U.S. economy added 272,000 jobs, beating the consensus forecast. Retail spending is starting to show some signs of moderation, particularly among lower and middle-income consumers as inflationary pressures still linger. In May, the U.S. Census Bureau data reported that first quarter retail sales volume fell 1.3% year-on-year. Economic forecaster Stephanie Pomboy recently described consumers as “spent up and lent up.” In the luxury spending category, some forecasters are calling for a slight decline in 2024. Some luxury names will take a pause on creating new brands, and high prices will push some luxury shoppers away.

Tourism and Return to Office Suggest Room for Further Growth in Retail

Strong tourism in New York City has generally kept retail sales elevated, even when domestic retail sales may be under pressure. Based on numbers through 2023, domestic tourism (50.6 million) is just 5% below its pre-recession levels. International tourism reached 11.6 million in 2023, a 23% spike from 2022, but still 14% below 2019. Lagging international tourism (particularly Chinese visitation) is the key reason that tourism fell short of projections in 2023.



Sources: New York City Tourism + Conventions; OSC analysis

*New York City Tourism + Conventions forecast

What's Behind The Numbers

In its most recent Global Travel Trends Report American Express found that New York City ranked as the top city for sports travel, with 30% of respondents saying they are planning a trip due to a sporting event. While many of these visitors will attend an established sporting event like baseball or American football, New York City is an ideal place for other emergent sports to gain exposure. Although it was held in Nassau County, the recent 2024 Cricket World Cup tournament is a prime example of the advantages of basing an event in New York City. Anderson Economic Group estimated that the net economic impact of the India vs. Pakistan match was \$78 million.

With New York City tourism still more than 10% below its pre-recession peak, there is room for additional growth in its retail sector. New York City appears to be poised for record tourism in 2025. Volume fell a bit short of projections in 2023, but 2024 seems to be on track to hit new high levels, possibly even exceeding 70 million for the first time.

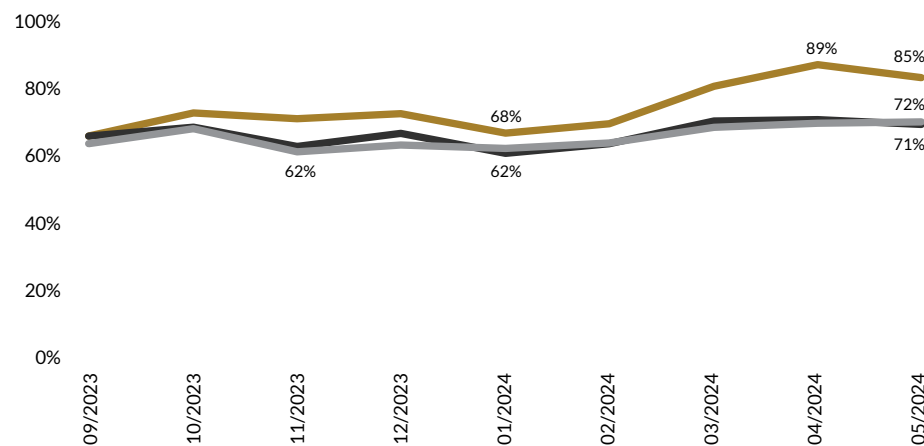
Return to Office Slowly Improves

In addition to tourism and sporting events, the steady gains in return to office have clearly boosted retail leasing in central business districts like Grand Central and Midtown East. The continued expansion among fast casual and QSRs is attributable almost entirely due to office sector gains. Based on mobile device data from Placer.ai, REBNY's analysis of 350 office buildings across Manhattan found that building visitation during May 2024 averaged 74% across all classes, with a slightly higher average of 76% in Midtown. The very top-tier buildings (A+ buildings) averaged 86%. Tuesday through Thursday continue to register much higher building visitation. Mondays and Fridays are 28% and 48%, respectively, below mid-week visitation levels.

Daytime commuters are critical to retail, but they are also essential to public safety and quality of life in central business districts. Recent headlines have blamed growing big box retail and pharmacy closures almost entirely on retail shrinkage and theft. Retail shrinkage remains a fundamental safety and financial

A+ ■ A/A- ■ B/C ■

Monthly visitation Rate



problem for retailers across New York City, but it is not the single cause of closures among pharmacies. Pharmacies, like some apparel brands, threw caution to wind in prior years. More recently, ecommerce pharmaceutical options and reduced prescription compensation have eroded margins. CVS announced plans to close 900 stores in 2021 (well before retail theft was so widespread.) Additionally, based on a recent investor update from CVS, merchandise losses from theft as well as fraud and damage fell from 3.5% to 2.5%. In late June, Walgreens announced plans to close a significant percentage of its 8,700 national stores.

Luxury Brands See Long-Term Value in New York City

Luxury brands have been essential to the rebound in New York City's retail sector. Luxury retailers like Gucci, Prada, LVMH and others already signaled their confidence when they spent millions in lavish flagship buildouts. More recently they have spent extensively on property purchases, headlined by Kering's \$963

What's Behind The Numbers

million purchase of 717 Fifth Avenue. In January, Kering, the parent company for Gucci and Yves Saint Laurent paid \$8,374 per square foot for the 115,000 square foot retail portion of the building on the Southeast corner of 56th and Fifth Avenue. This came on the heels of Prada's \$835 million buying spree in late 2023 for 720 and 724 Fifth Avenue. Finally, in mid-June an entity affiliated with Michael Bloomberg paid \$560 million for 980 Madison Avenue. The art gallery, office, and retail building is nearly 90% leased to Bloomberg Philanthropies.

Smaller acquisitions of retail condos underscore that investors see value in prime retail and mixed-use assets. As has occurred in prior cycles, out-of-market investors are banking on the long-term value proposition and current discount of a Manhattan asset. Palm Beach, Florida based TZ Capital bought the retail base at 680 Madison Avenue for \$180 million (\$5,294 per square foot for 34,000 square feet of retail currently leased to six luxury retailers.)

Retail transactions are occurring in areas beyond Madison and Fifth Avenue. Hennick & Company, based in Toronto paid \$153 million for the retail condo at 401 East 60th Street (the future home of Home Depot.) Finally, two retail condos located at 112-114 Hudson Street in Tribeca sold for \$5.27 million. The 6,558 square foot property sold at a fraction of Fifth Avenue and Home Depot but still fetched just over \$800 per square foot.

These retail investment sales are a boost considering how much office market sales have tumbled, totaling \$4 billion in 2023. During the last four quarters office investment sales volume totaled just under \$5 billion, down from \$6 billion in the prior four quarters. In contrast the average four-quarter investment volume from 2014 to 2019 was \$20 billion. Most office properties currently changing hands are selling at a steep discount from the peak of the market. The retail sector went through a similarly brutal adjustment in values pre-pandemic.

Positive Outlook for Balance of 2024

Despite continued challenges, over the last two years the retail sector has been a bright spot in New York City's commercial real estate sector. There is no reason to expect this to change in the short term. As always, however, this should not be taken for granted.

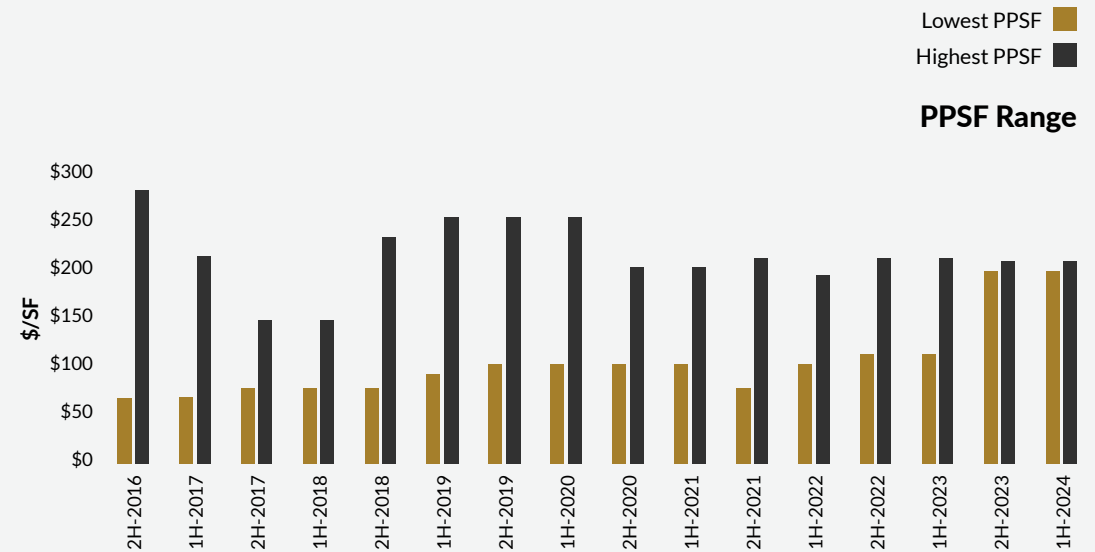
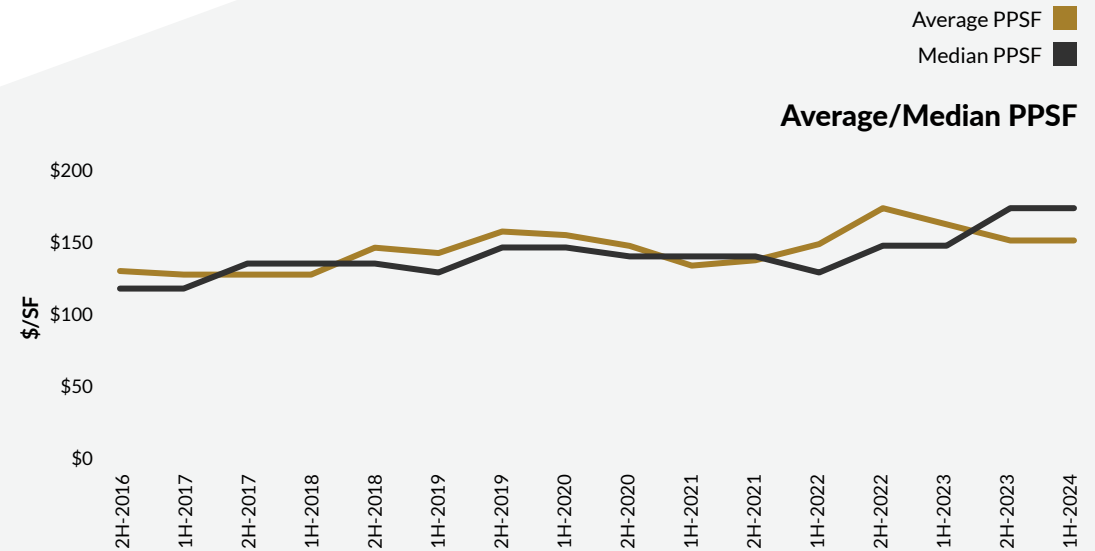
As noted previously, tourism and return-to-office still have room for improvement, providing additional fuel for foot traffic. Moreover, office attendance will likely improve or at least maintain its healthier 2024 levels. These two sources bring a larger audience to existing businesses and will drive further interest in taking what storefronts remain for those who wanted to wait things out.

But there are also legislative changes that will hopefully respond to a long-standing need for flexibility, particularly in terms of leasing larger retail spaces. The retail sector has demonstrated remarkable resiliency and adaptability – figuring out how to embrace ecommerce and social media and then survive Covid. The recently adopted City of Yes: Economic Opportunity plan includes efforts to update zoning and City ordinances that often get in the way of filling vacant storefronts and building vibrant, activated streetscapes. Most property and store owners are likely unaware of zoning and use restrictions, until they go to lease space to a tenant that they discover is not permitted on the second floor, for example. Or many discover at the final hour that public assembly restrictions prevent them from using the space as hoped. Recent actions in the City of Yes zoning text amendment will help provide clarity and offset some of these obstacles.

125th Street (Fifth Avenue - Morningside Avenue)

- Average asking PPSF:**
 \$145, unchanged from second half of 2023, but down 6.5% year-over-year.
- Median asking PPSF:**
 \$165, unchanged from second half of 2023, but down by 2.9% year-over-year.
- Lowest asking PPSF:**
 \$100, unchanged from second half of 2023, but down by 9.1% year-over-year.
- Highest asking PPSF:**
 \$195, unchanged from second half of 2023, and a 6.4% decrease year-over-year.
- Average asking PPSF all-time low:**
 123% increase from \$65 in second half of 2004.
- Average asking PPSF all-time high:**
 down by 12% from \$165 in first half of 2022.

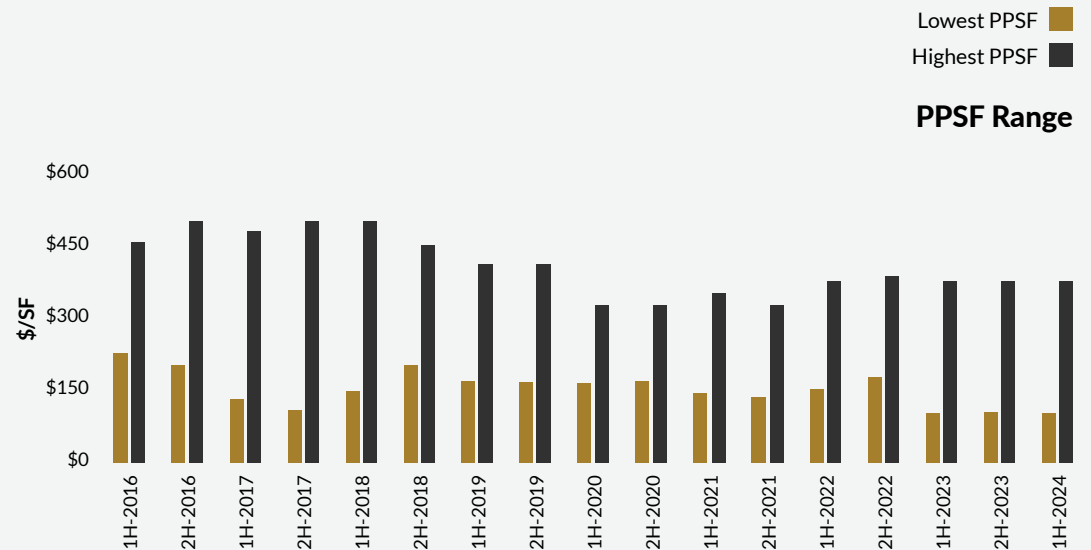
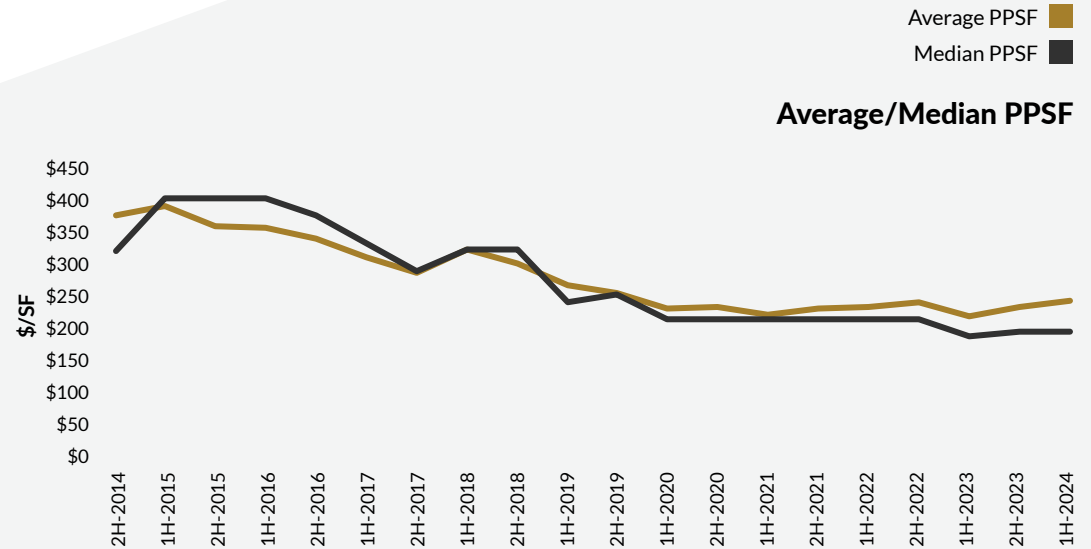
First half 2024 data is based on 11 availabilities.



Broadway (72nd Street - 86th Street)

- Average asking PPSF:**
 \$251, a 3.7% increase from second half of 2023, and a 9.6% jump year-over-year.
- Median asking PPSF:**
 \$205, a 0.5% decrease from second half of 2023, but a 2.5% increase year-over-year.
- Lowest asking PPSF:**
 \$100, a 4.8% decrease from second half of 2023, but unchanged year-over-year.
- Highest asking PPSF:**
 \$375, unchanged from second half of 2023 and year-over-year.
- Average asking PPSF all-time low:**
 48% increase from \$170 in first half of 2002.
- Average asking PPSF all-time high:**
 42% decline from \$434 in second half of 2013.

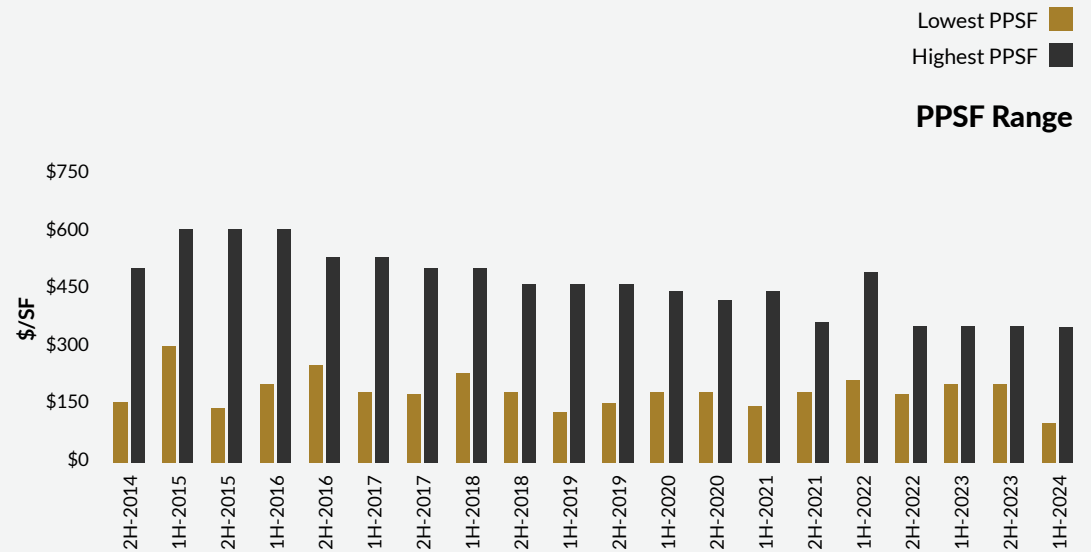
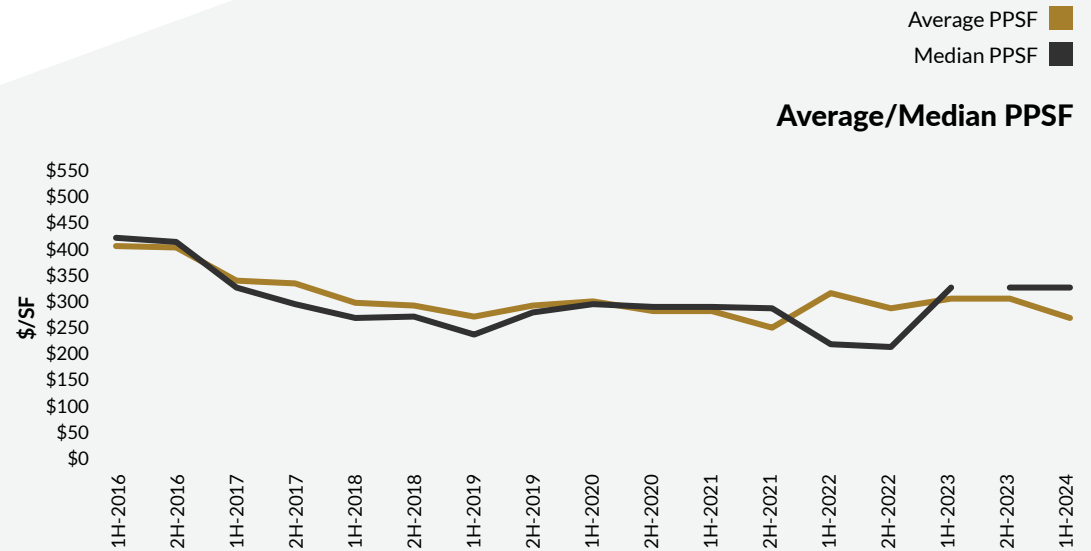
First half 2024 data is based on 18 availabilities.



Columbus Avenue (66th Street – 79th Street)

- **Average asking PPSF:**
\$277, a 10.6% decrease from second half of 2023, and year-over-year.
- **Median asking PPSF:**
\$331, up 0.3% year-over-year.
- **Lowest asking PPSF:**
\$100, a 50% decrease year-over-year.
- **Highest asking PPSF:**
\$350, a 0.3% decrease year-over-year.
- **Average asking PPSF all-time low:**
21% increase from \$229 in second half of 2010.
- **Average asking PPSF all-time high:**
38% decline from \$447 in first half of 2015.

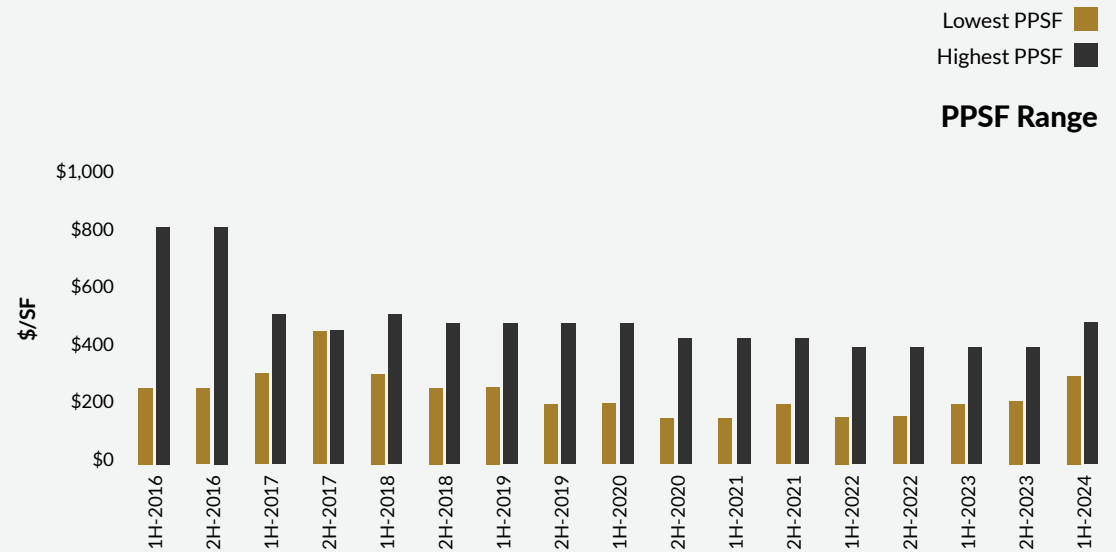
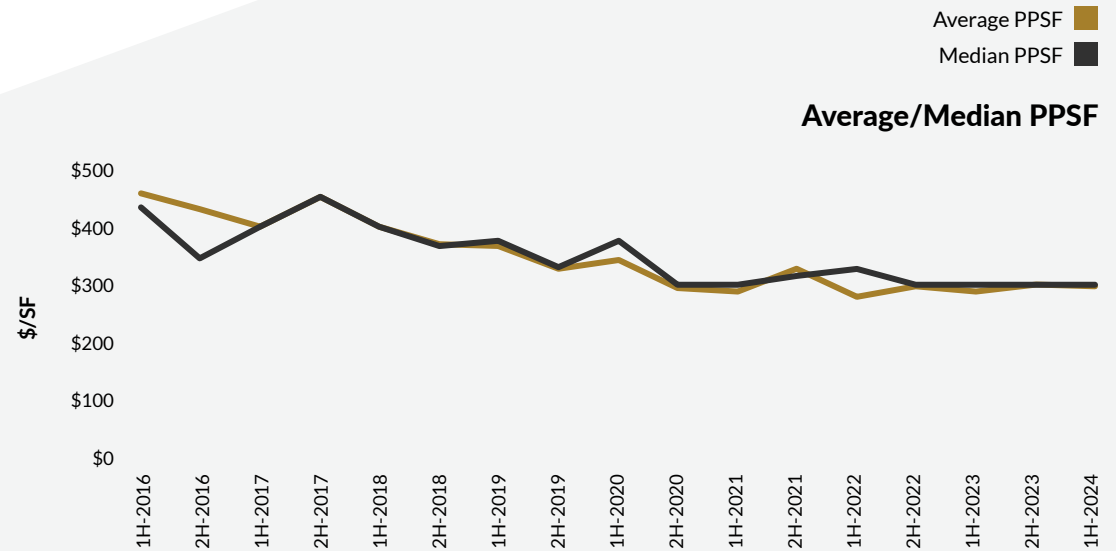
First half 2024 data is based on six availabilities.



East 86th Street (Lexington Avenue – Second Avenue)

- Average asking PPSF:**
 \$297, a 0.3% decrease from second half of 2023, but a 3.1% year-over-year increase.
- Median asking PPSF:**
 \$300, unchanged from second half of 2023 and year-over-year.
- Lowest asking PPSF:**
 \$292, a 39% increase from second half of 2023, and a 46% jump year-over-year.
- Highest asking PPSF:**
 \$478, up by 22.6% from second half of 2023 and year-over-year.
- Average asking PPSF all-time low:**
 1% increase from \$293 in second half of 2010.
- Average asking PPSF all-time high:**
 46% decline from \$550 in first half of 2013.

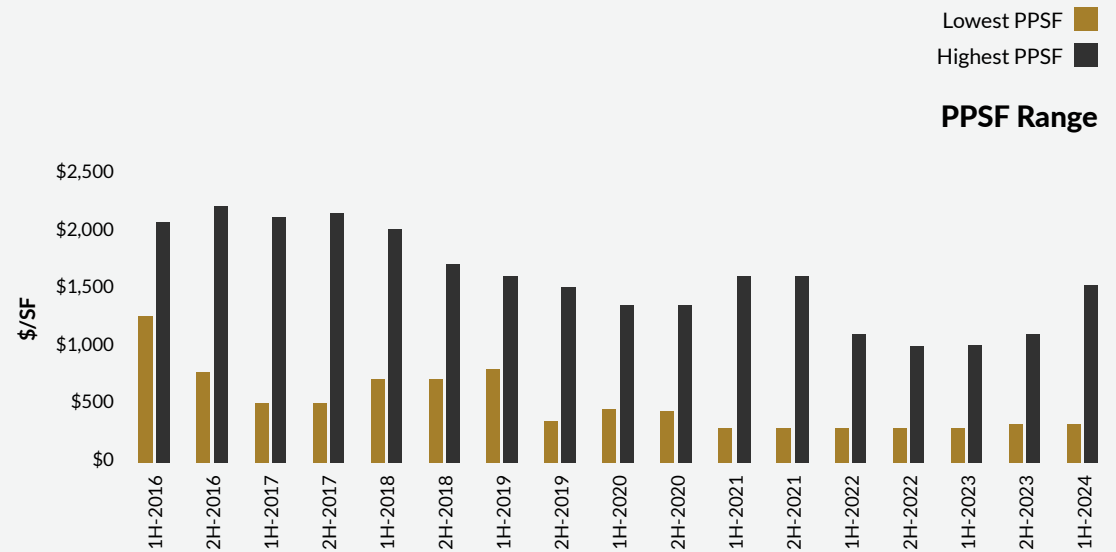
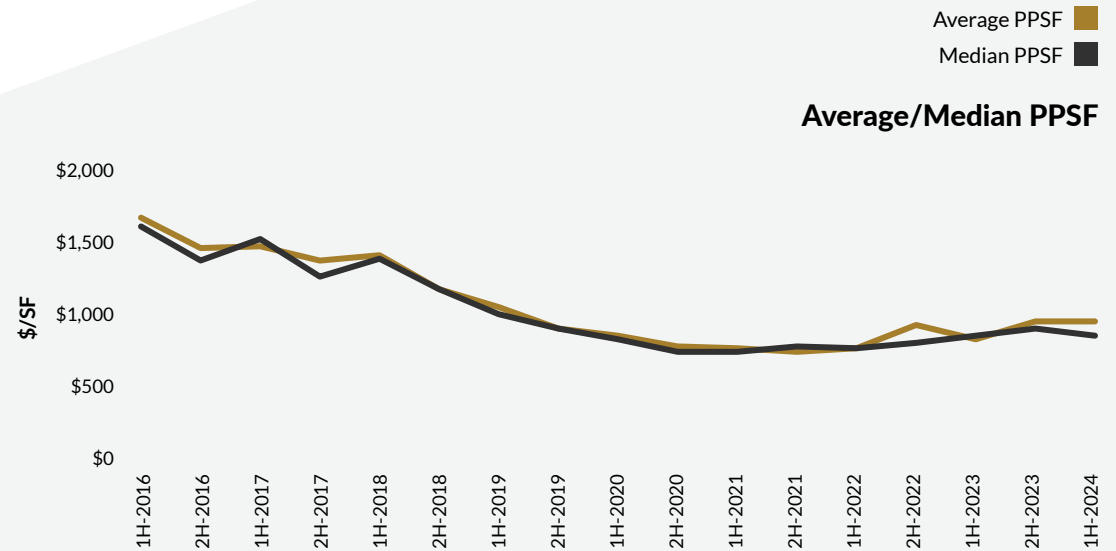
First half 2024 data is based on five availabilities.



Madison Avenue (57th Street – 72nd Street)

- Average asking PPSF:**
 \$945, a 0.5% dip from second half of 2023, but a 13.3% year-over-year spike.
- Median asking PPSF:**
 \$853, a 5.2% decrease from second half of 2023, but a 0.4% increase year-over-year.
- Lowest asking PPSF:**
 \$334, up by 2.8% from second half of 2023, and 13.8% year-over-year.
- Highest asking PPSF:**
 \$1,503 a 36.6% spike from second half of 2023, and 49.6% year-over-year.
- Average asking PPSF all-time low:**
 92% increase from \$491 in second half of 2002.
- Average asking PPSF all-time high:**
 45% decline from \$1,709 in second half of 2014.

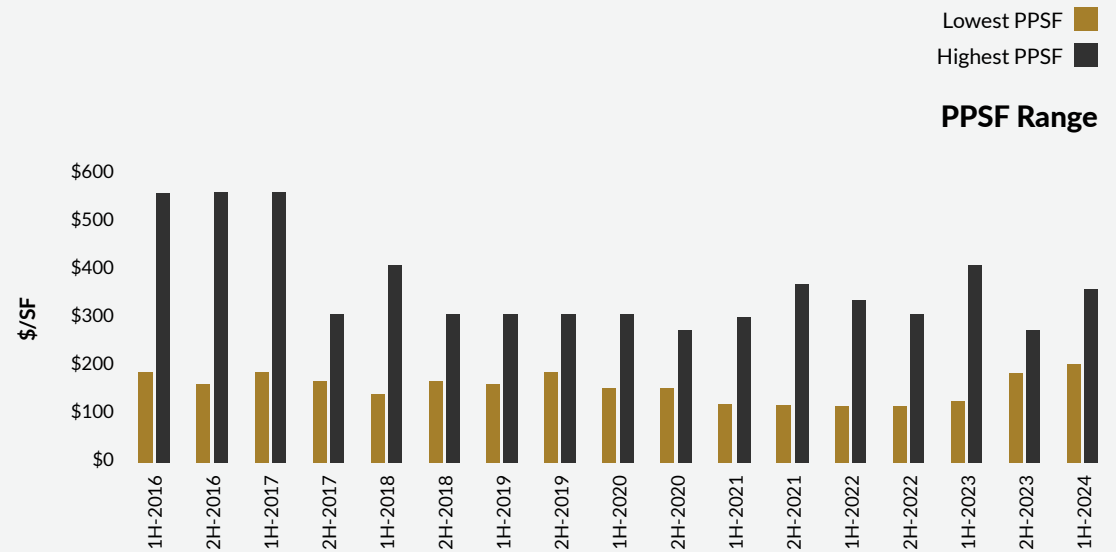
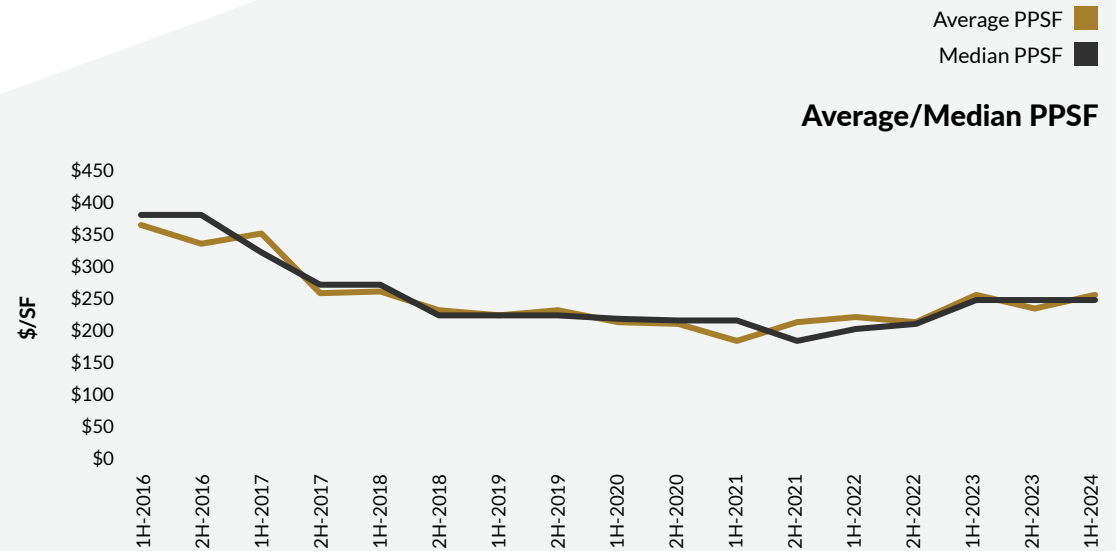
First half 2024 data is based on 20 availabilities.



Third Avenue (60th Street – 72nd Street)

- Average asking PPSF:**
 \$259, up by 9.7% from second half of 2023, and by 0.4% year-over-year.
- Median asking PPSF:**
 \$250, unchanged from second half of 2023 and year-over-year.
- Lowest asking PPSF:**
 \$200, up by 11.1% from second half of 2023, and 60% year-over-year.
- Highest asking PPSF:**
 \$350, a 29.6% increase from second half of 2023, but a 12.5% decrease year-over-year.
- Average asking PPSF all-time low:**
 42% increase from \$182 in first half of 2002.
- Average asking PPSF all-time high:**
 30% decline from \$371 in first half of 2016.

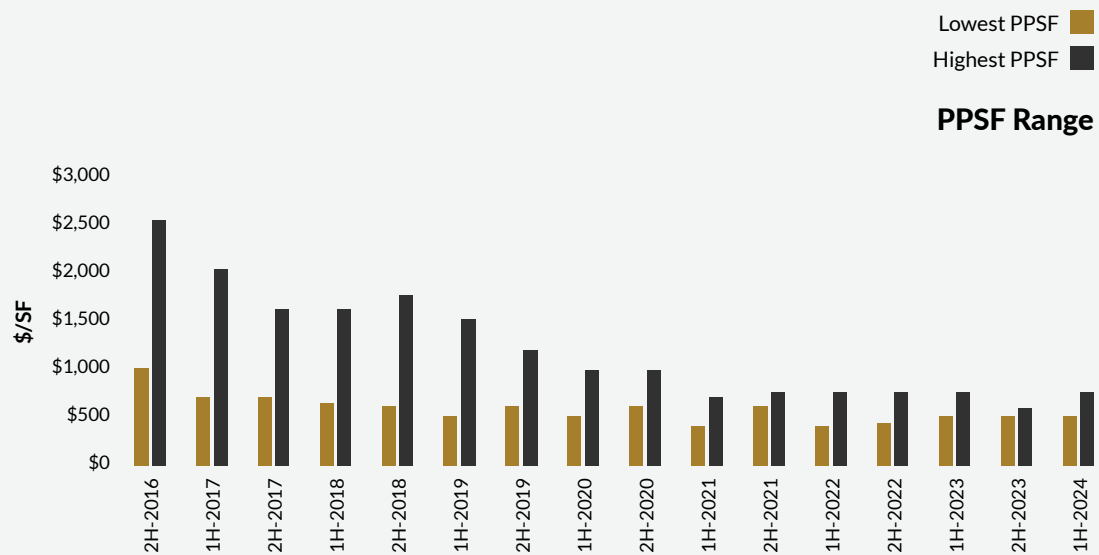
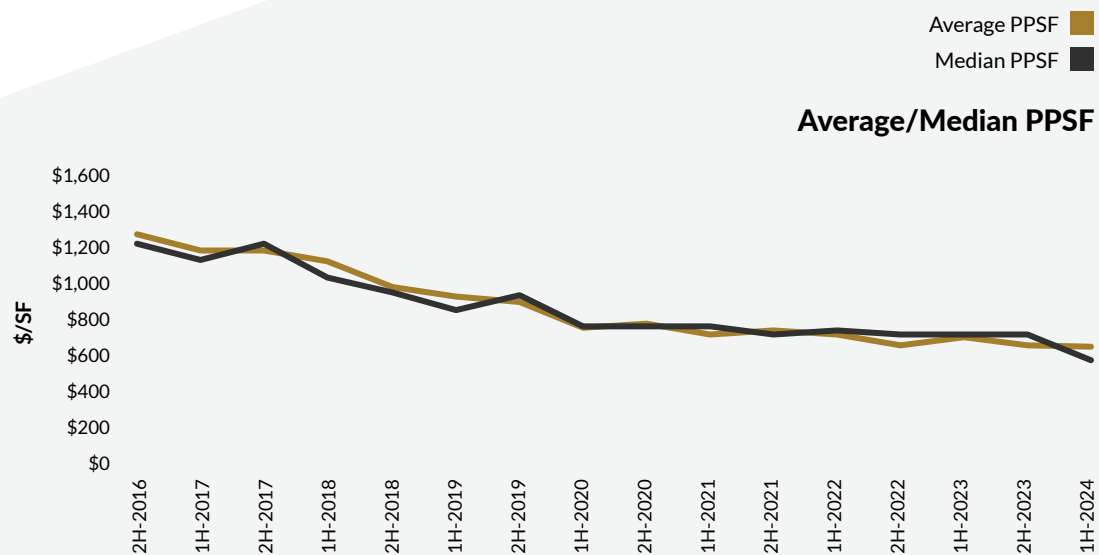
First half 2024 data is based on 10 availabilities.



Fifth Avenue (42nd Street - 49th Street)

- Average asking PPSF:**
 \$583, inching down by 0.7% from second half of 2023, and 8.8% year-over-year.
- Median asking PPSF:**
 \$500, down by 14.8% from second half of 2023, and 23.1% year-over-year.
- Lowest asking PPSF:**
 \$500, unchanged from second half of 2023 as well as year-over-year.
- Highest asking PPSF:**
 \$750, up by 25.6% from second half of 2023, but unchanged year-over-year.
- Average asking PPSF all-time low:**
 38% increase from \$425 in first half of 2010.
- Average asking PPSF all-time high:**
 57% decline from \$1,368 in first half of 2016.

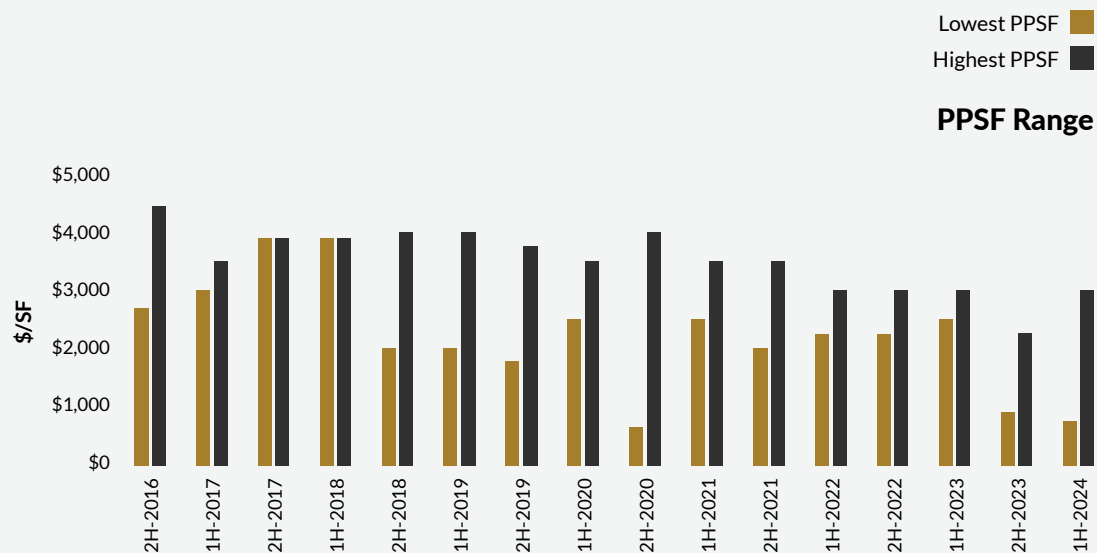
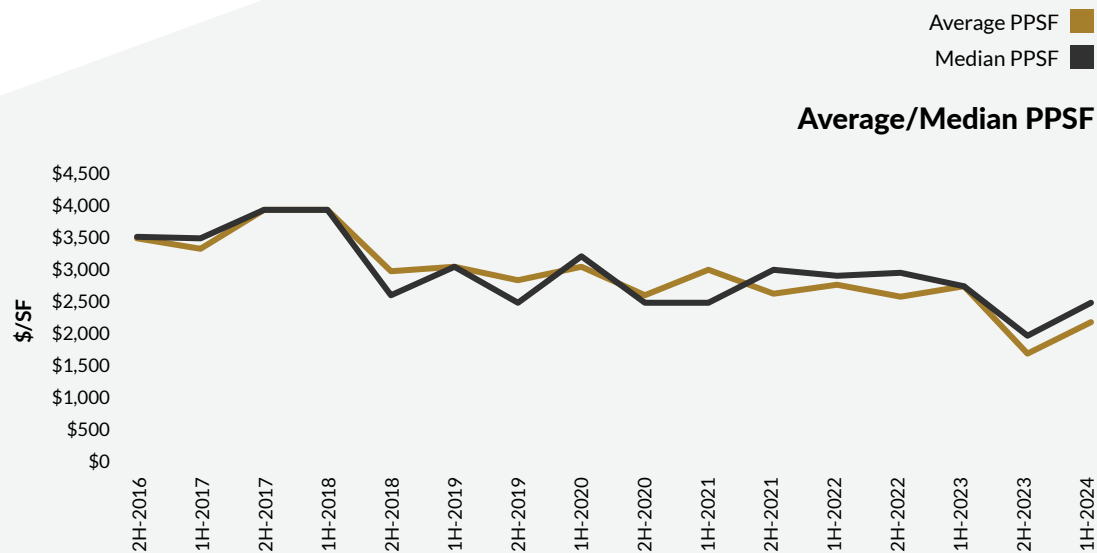
First half 2024 data is based on four availabilities.



Fifth Avenue (49th Street - 59th Street)

- Average asking PPSF:**
 \$2,190, a 27.3% jump from second half of 2023, but down by 23.4% year-over-year.
- Median asking PPSF:**
 \$2,500, up by 25% from second half of 2023, and down by 9.1% year-over-year.
- Lowest asking PPSF:**
 \$750, down by 18% from second half of 2023, and 70% year-over-year.
- Highest asking PPSF:**
 \$3,000, up by 33.3% from second half of 2023, but unchanged year-over-year.
- Average asking PPSF all-time low:**
 423% increase from \$329 in first half of 2002.
- Average asking PPSF all-time high:**
 56% decline from \$3,900 in second half of 2017 and first half of 2018.

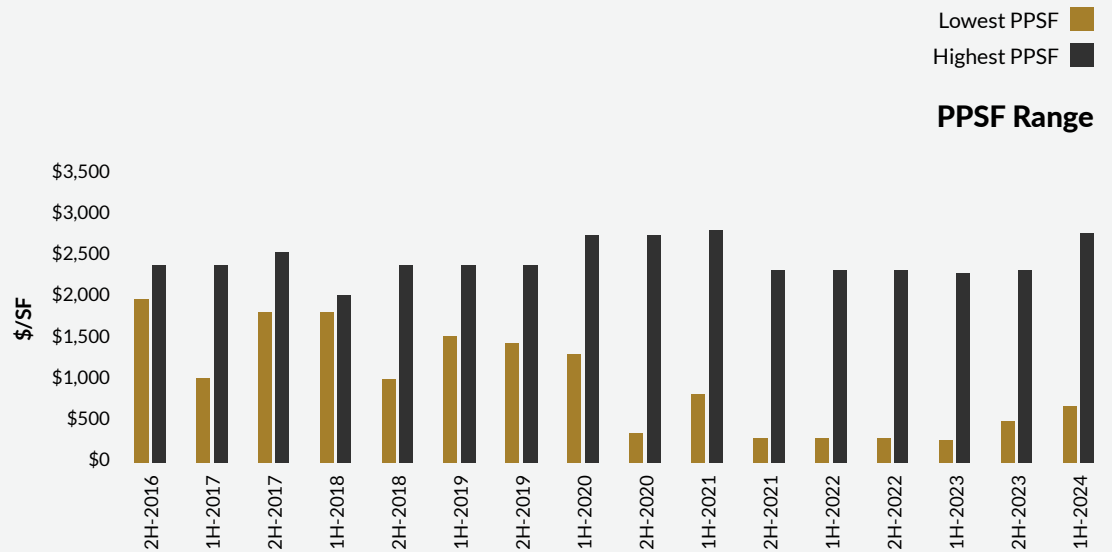
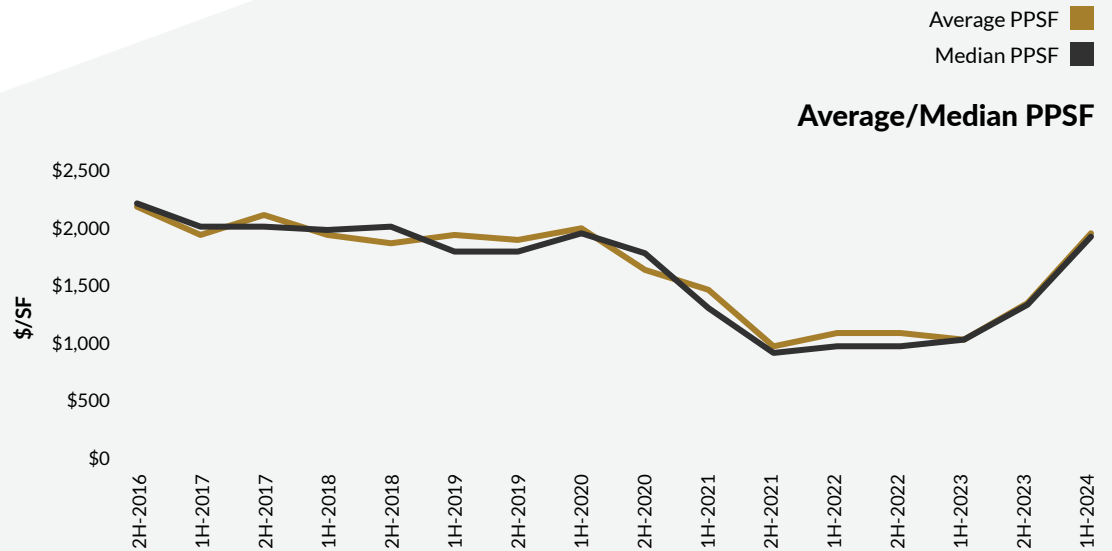
First half 2024 data is based on eight availabilities.



Broadway & Seventh Avenue (42nd Street - 47th Street)

- Average asking PPSF:**
 \$1,955, a 43.9% spike from second half of 2023, and 99.5% year-over-year.
- Median asking PPSF:**
 \$1,922, a 47.6% increase from second half of 2023, and 94.3% year-over-year.
- Lowest asking PPSF:**
 \$687, up by 37.4% from second half of 2023, and 129% year-over-year.
- Highest asking PPSF:**
 \$2,756, up by 19.8% from second half of 2023, and 22.5% year-over-year.
- Average asking PPSF all-time low:**
 75% increase from \$775 in second half of 2008.
- Average asking PPSF all-time high:**
 44% decline from \$2,413 in first half of 2015.

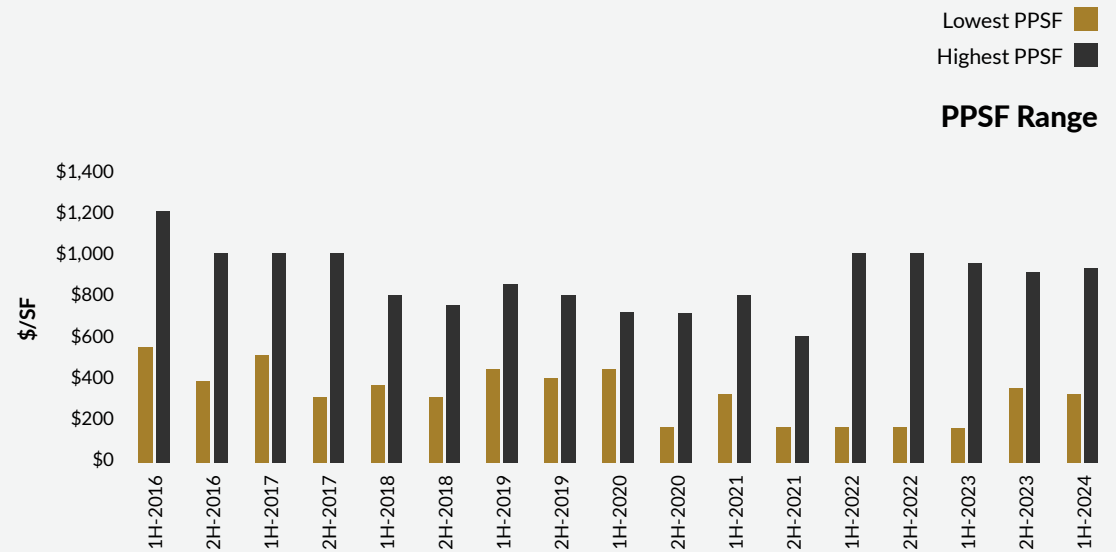
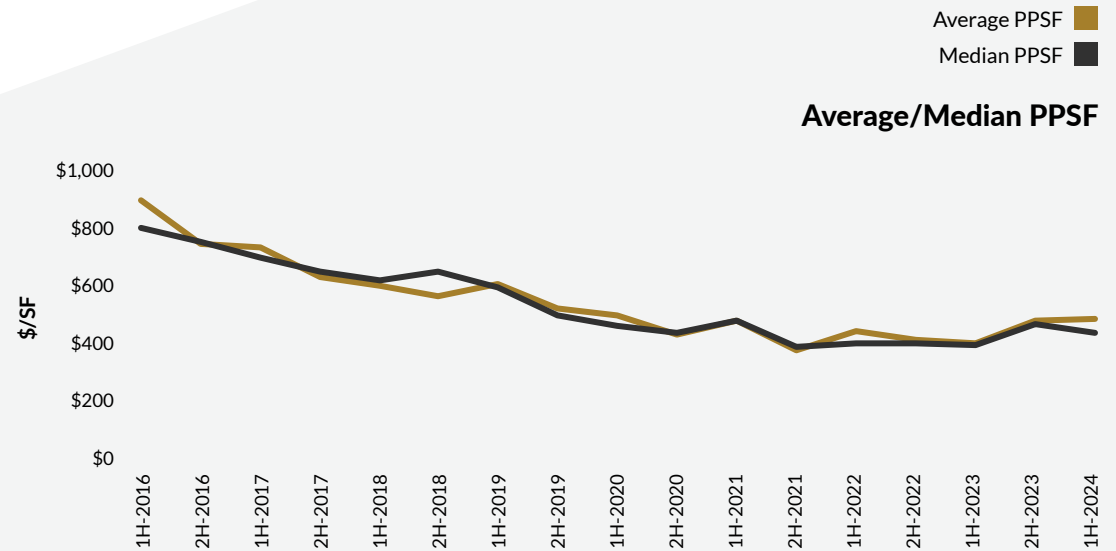
First half 2024 data is based on seven availabilities.



West 34th Street (Fifth Avenue - Seventh Avenue)

- Average asking PPSF:**
 \$495, a 3.7% decrease from second half of 2023, but a 13.5% increase year-over-year.
- Median asking PPSF:**
 \$400, down by 15.8% from second half of 2023, and 1.2% year-over-year.
- Lowest asking PPSF:**
 \$325, down by 7.1% from second half of 2023, but up by 91.2% year-over-year.
- Highest asking PPSF:**
 \$936, up by 4.0% from second half of 2023, but down by 6.4% year-over-year.
- Average asking PPSF all-time low:**
 337% increase from \$112 in second half of 2002.
- Average asking PPSF all-time high:**
 51% decline from \$1,000 in first half of 2015.

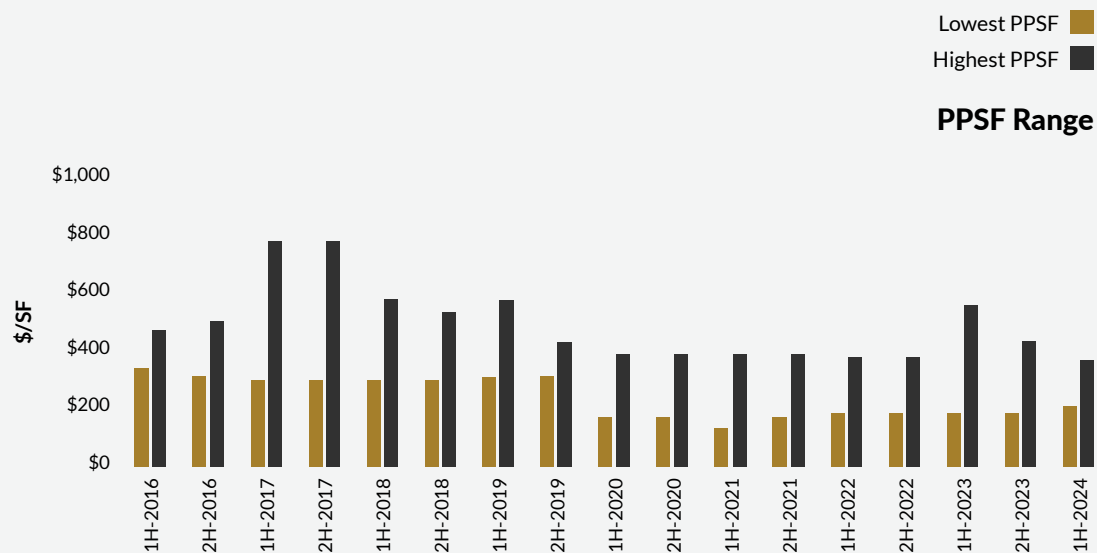
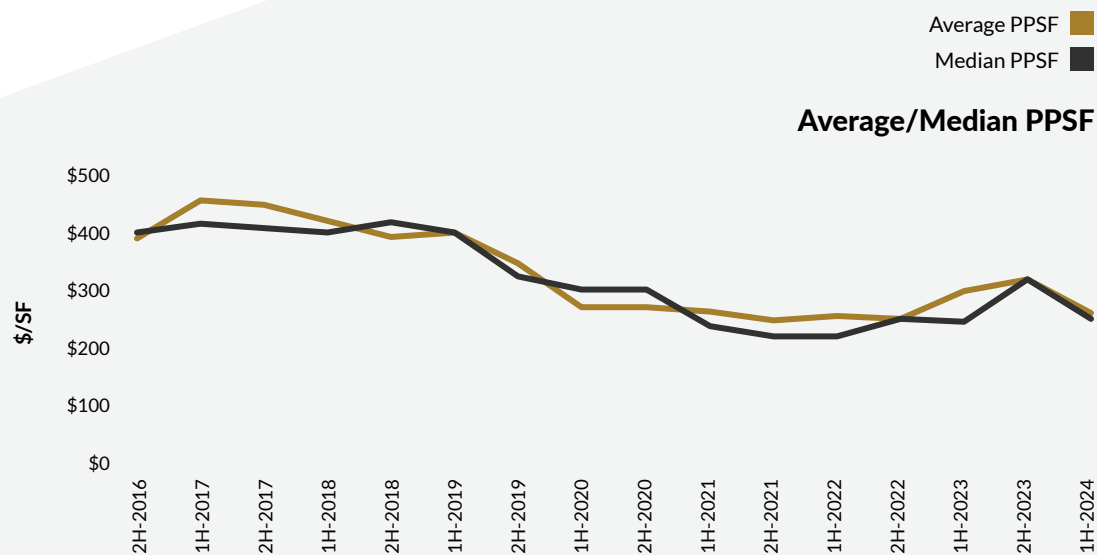
First half 2024 data is based on 14 availabilities.



Fifth Avenue (14th Street - 23rd Street)

- Average asking PPSF:**
 \$369, a 15.7% jump from second half of 2023, and a 23.4% increase year-over-year.
- Median asking PPSF:**
 \$400, a 25.8% increase from second half of 2023, and a 63.3% increase year-over-year.
- Lowest asking PPSF:**
 \$315, up by 80% from second half of 2023, as well as year-on-year.
- Highest asking PPSF:**
 \$415, down by 0.5% from second half of 2023, and by 22.1% year-over-year.
- Average asking PPSF all-time low:**
 133% increase from \$137 in first half of 2004.
- Average asking PPSF all-time high:**
 30% decline from \$456 in first half of 2017.

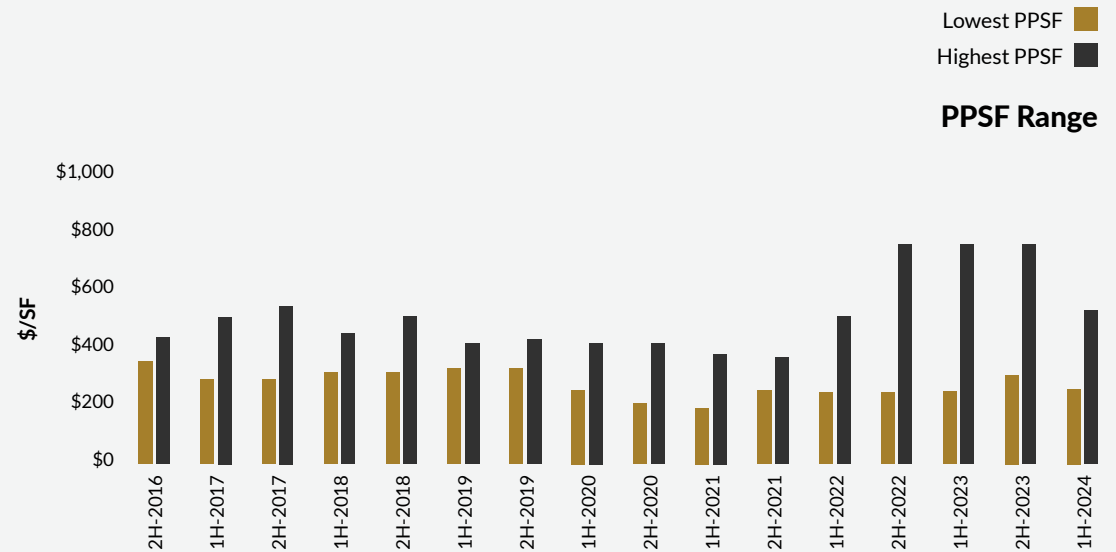
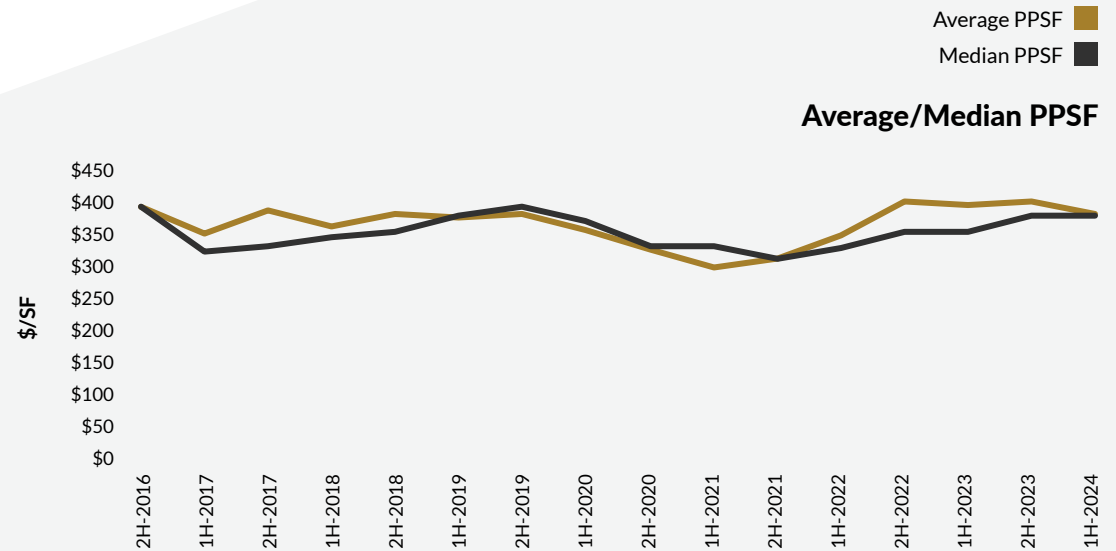
First half 2024 data is based on five availabilities.



Broadway (14th Street - 23rd Street)

- Average asking PPSF:**
 \$379, down by 4.3% from second half of 2023, but a 3.6% decrease year-over-year.
- Median asking PPSF:**
 \$375, unchanged from second half of 2023, but up by 7.1% year-over-year.
- Lowest asking PPSF:**
 \$250, down by 16.7% from second half of 2023, but up by 2% year-over-year.
- Highest asking PPSF:**
 \$523, down by 30.3% from second half of 2023 and year-over-year.
- Average asking PPSF all-time low:**
 37% increase from \$215 in first half of 2012.
- Average asking PPSF all-time high:**
 57% decline from \$510 in second half of 2015.

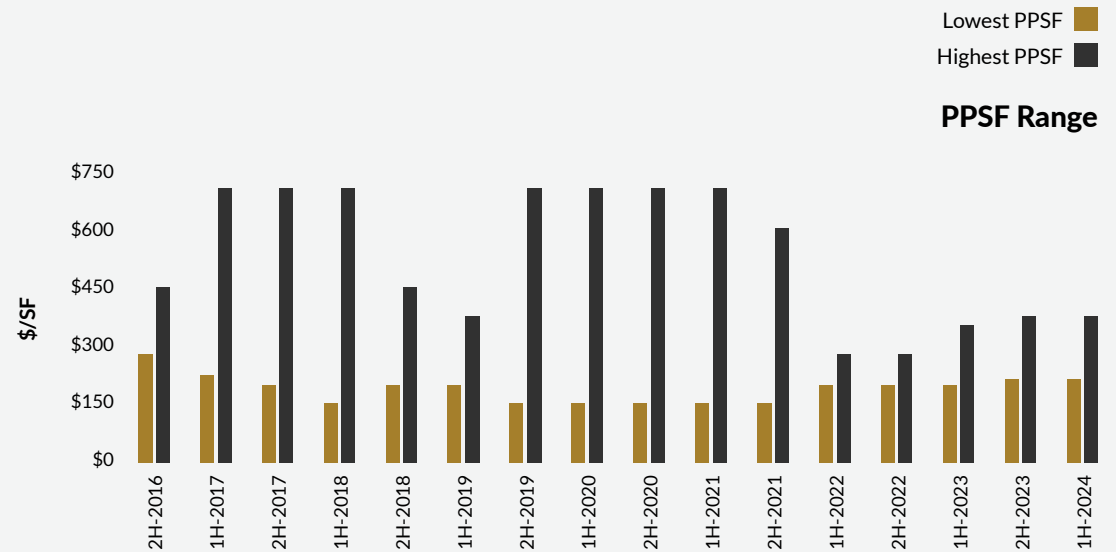
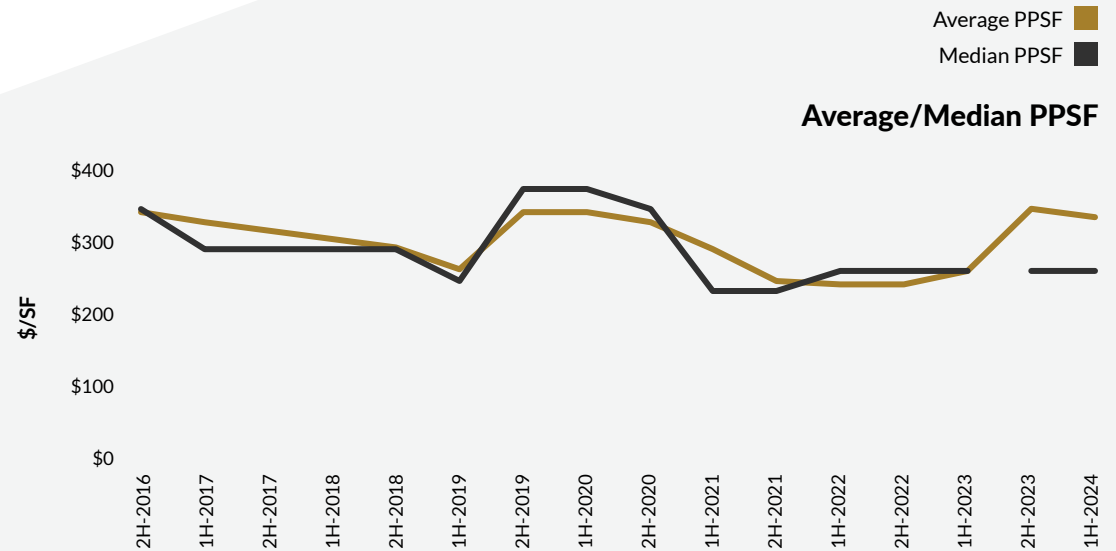
First half 2024 data is based on nine availabilities.



14th Street (Ninth Avenue - 10th Avenue)

- **Average asking PPSF:**
\$339, down by 3.1% from second half of 2023, but up by 23.7% year-over-year.
- **Median asking PPSF:**
\$275, up by 0.4% year-over-year.
- **Lowest asking PPSF:**
\$150, down by 23.1% year-over-year
- **Highest asking PPSF:**
\$759, up by 116% year-over-year
- **Average asking PPSF all-time low:**
24% increase from \$274 in second half of 2023.
- **Average asking PPSF all-time high:**
27% decline from \$462 in first half of 2008.

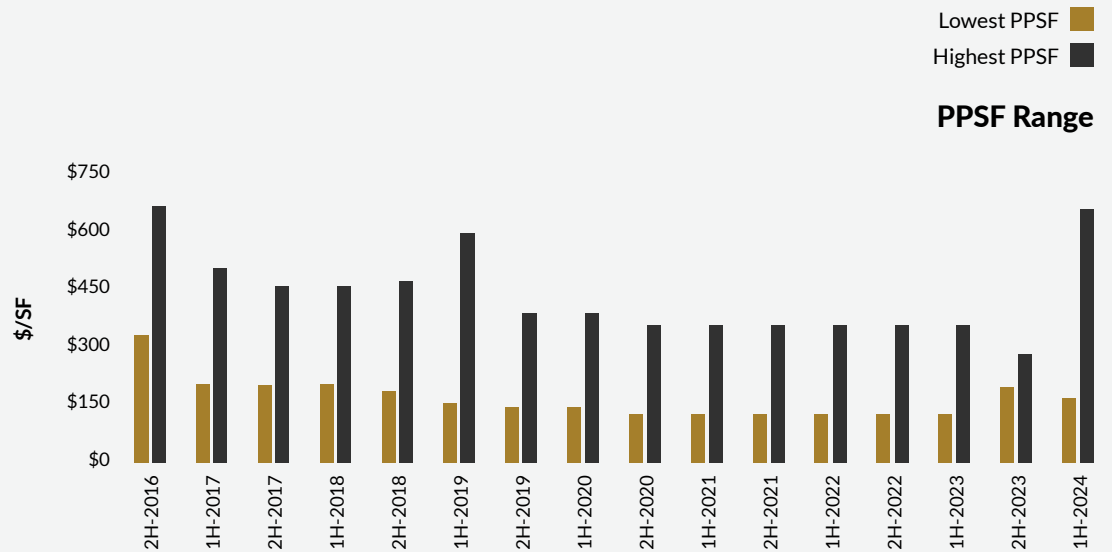
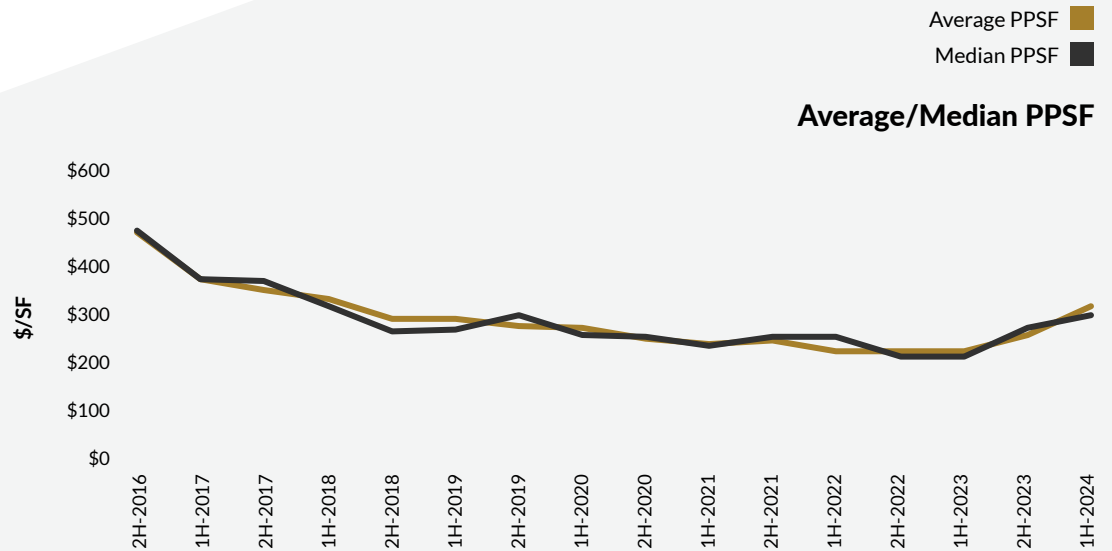
First half 2024 data is based on eight availabilities.



Bleecker Street (Seventh Avenue South - Hudson Street)

- Average asking PPSF:**
 \$317, up by 22.4% from second half of 2023, and 40% year-over-year.
- Median asking PPSF:**
 \$300, up by 9.1% from second half of 2023, and 41% year-over-year.
- Lowest asking PPSF:**
 \$160, down by 13.1% from second half of 2023 and year-over-year.
- Highest asking PPSF:**
 \$648, up by 138% from second half of 2023 and year-over-year.
- Average asking PPSF all-time low:**
 40% increase from \$226 in second half of 2023.
- Average asking PPSF all-time high:**
 41% decline from \$540 in first half of 2013.

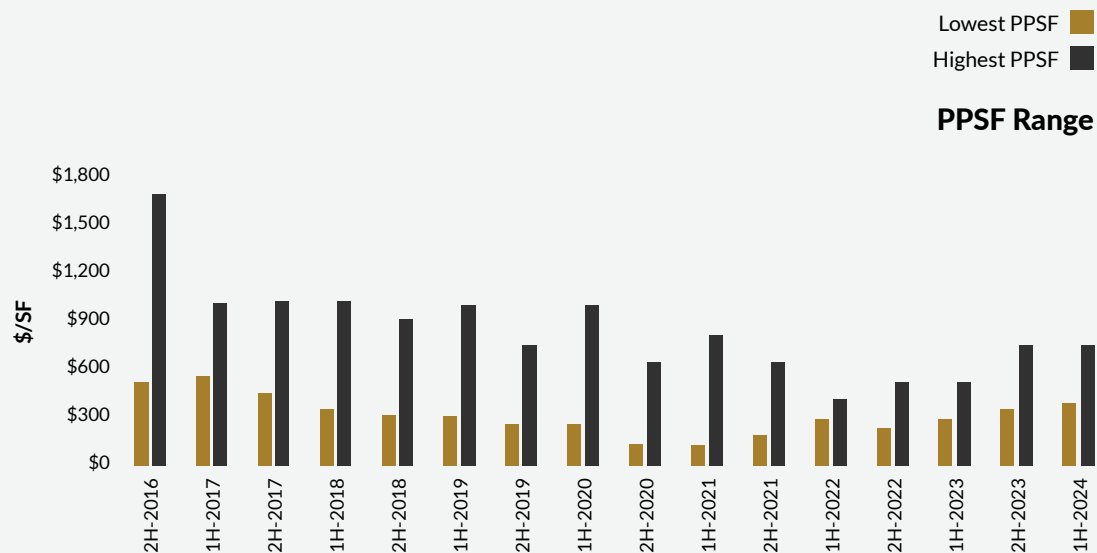
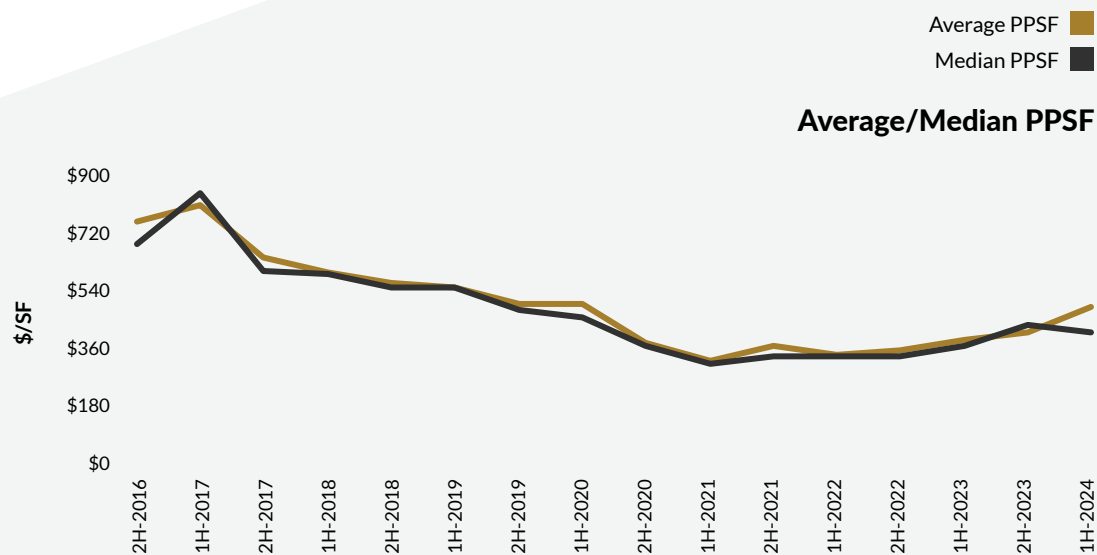
First half 2024 data is based on six availabilities.



Broadway (Houston Street - Broome Street)

- Average asking PPSF:**
 \$481, a 20.3% increase from second half of 2023, and a 27.9% increase year-over-year.
- Median asking PPSF:**
 \$400, down by 5.9% from second half of 2023, but up by 11.1% year-over-year.
- Lowest asking PPSF:**
 \$367, a 33.5% increase from second half of 2023 and year-over-year.
- Highest asking PPSF:**
 \$750, unchanged from second half of 2023, but a 47.1% increase year-over-year.
- Average asking PPSF all-time low:**
 76% increase from \$125 in first half of 2002.
- Average asking PPSF all-time high:**
 26% decline from \$977 in first half of 2015.

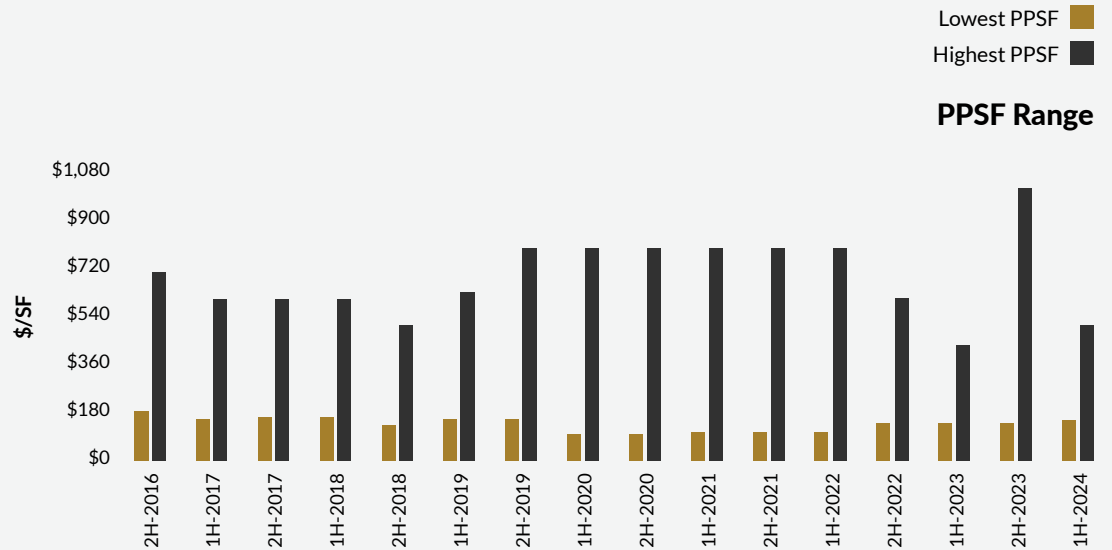
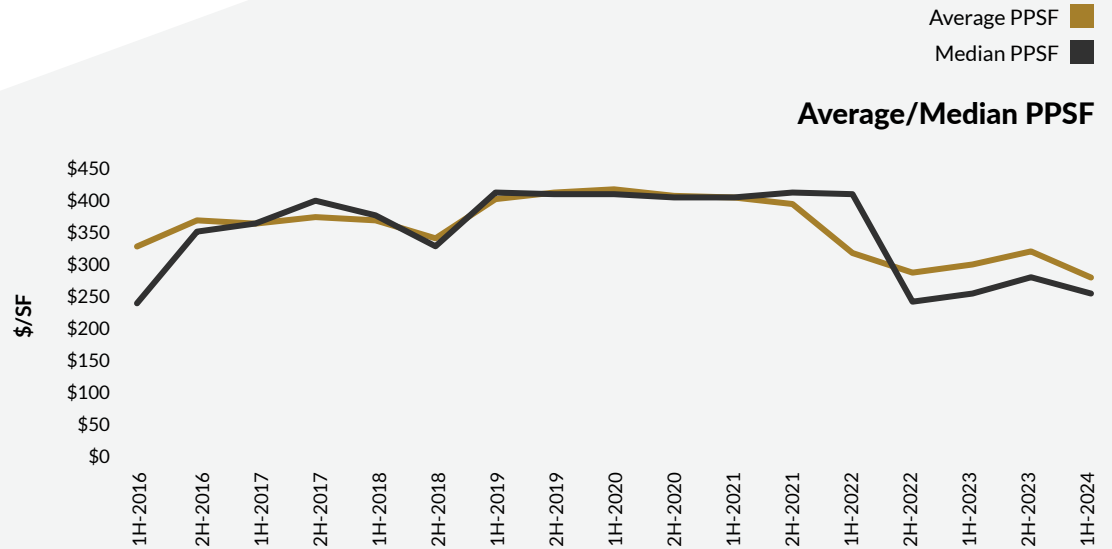
First half 2024 data is based on 10 availabilities.



Broadway (Battery Park – Chambers Street)

- Average asking PPSF:**
 \$276, a 14% decrease from second half of 2023, and by 7% year-over-year.
- Median asking PPSF:**
 \$250, down by 9.1% from second half of 2023, but up year-over-year.
- Lowest asking PPSF:**
 \$149, up by 13% from second half of 2023 and year-over-year.
- Highest asking PPSF:**
 \$600, down by 40.2% from second half of 2023, and by 41.2% year-over-year.
- Average asking PPSF all-time low:**
 229% increase from \$85 in first half of 2001.
- Average asking PPSF all-time high:**
 33% decline from \$417 in first half of 2020.

First half 2024 data is based on 19 availabilities.



Appendix

Average Asking Rent PPSF

Corridor	1H-2024	2H-2023	1H-2023	2H-2022	1H-2022	2H-2021	%Δ 2H-2023	%Δ 1H-2023
125th Street (Fifth Avenue - Morningside Avenue)	\$145	\$145	\$155	\$165	\$143	\$133	0.0%	-6.5%
Broadway (72nd Street - 86th Street)	\$251	\$242	\$229	\$249	\$241	\$241	3.7%	9.6%
Columbus Avenue (66th Street - 79th Street)	\$277	\$310	\$310	\$295	\$320	\$260	-10.6%	-10.6%
East 86th Street (Lexington Avenue - Second Avenue)	\$297	\$298	\$288	\$297	\$278	\$327	-0.3%	3.1%
Madison Avenue (57th Street - 72nd Street)	\$945	\$950	\$834	\$695	\$769	\$750	-0.5%	13.3%
Third Avenue (60th Street - 72nd Street)	\$259	\$236	\$258	\$216	\$224	\$214	9.7%	0.4%
East 57th Street (Fifth Avenue - Park Avenue)	N/A	N/A	\$313	\$279	N/A	N/A	N/A	-100.0%
Fifth Avenue (42nd Street - 49th Street)	\$583	\$587	\$639	\$588	\$650	\$676	-0.7%	-8.8%
Fifth Avenue (49th Street - 59th Street)	\$2,190	\$1,721	\$2,750	\$2,583	\$2,775	\$2,628	27.3%	-20.4%
Broadway & 7th Avenue (42nd Street - 47th Street)	\$1,955	\$1,359	\$980	\$990	\$1,112	\$998	43.9%	99.5%
West 34th Street (Fifth Avenue - Seventh Avenue)	\$471	\$489	\$415	\$445	\$454	\$390	1.2%	19.3%
Fifth Avenue (14th Street - 23rd Street)	\$369	\$319	\$299	\$250	\$256	\$246	15.7%	23.4%
Broadway (14th Street - 23rd Street)	\$379	\$396	\$393	\$397	\$346	\$308	-4.3%	-3.6%
14th Street (Ninth Avenue - 10th Avenue)	\$339	\$350	\$274	\$258	\$258	\$262	-3.1%	23.7%
Bleecker Street (Seventh Avenue South - Hudson Street)	\$317	\$259	\$226	\$226	\$226	\$250	22.4%	40.3%
Broadway (Houston Street - Broome Street)	\$481	\$400	\$376	\$343	\$328	\$357	20.3%	27.9%
Broadway (Battery Park - Chambers Street)	\$280	\$319	\$298	\$283	\$316	\$395	-12.2%	-6.0%

Limited Availabilities and withheld rent may cause sharp fluctuations in rent averages between reporting periods.
 Report covers the first half of the year (January through June).

Appendix

Median Asking Rent PPSF

Corridor	1H-2024	2H-2023	1H-2023	2H-2022	1H-2022	2H-2021	%Δ 2H-2023	%Δ 1H-2023
125th Street (Fifth Avenue - Morningside Avenue)	\$165	\$165	\$170	\$175	\$142	\$125	0.0%	-2.9%
Broadway (72nd Street - 86th Street)	\$205	\$206	\$200	\$250	\$225	\$240	-0.5%	2.5%
Columbus Avenue (66th Street - 79th Street)	\$331	N/A	\$330	\$240	\$225	\$230	N/A	0.3%
East 86th Street (Lexington Avenue - Second Avenue)	\$300	\$300	\$300	\$350	\$300	\$327	0.0%	0.0%
Madison Avenue (57th Street - 72nd Street)	\$853	\$900	\$850	\$795	\$800	\$775	-5.2%	0.4%
Third Avenue (60th Street - 72nd Street)	\$250	\$250	\$250	\$209	\$213	\$203	0.0%	0.0%
East 57th Street (Fifth Avenue - Park Avenue)	N/A	N/A	\$214	\$233	N/A	N/A	N/A	-100.0%
Fifth Avenue (42nd Street - 49th Street)	\$500	\$587	\$650	\$650	\$650	\$675	-14.8%	-23.1%
Fifth Avenue (49th Street - 59th Street)	\$2,500	\$2,000	\$2,750	\$2,950	\$2,950	\$2,900	25.0%	-9.1%
Broadway & 7th Avenue (42nd Street - 47th Street)	\$1,992	\$1,350	\$1,025	\$1,000	\$1,000	\$942	47.6%	94.3%
West 34th Street (Fifth Avenue - Seventh Avenue)	\$400	\$475	\$405	\$415	\$415	\$400	-15.8%	-1.2%
Fifth Avenue (14th Street - 23rd Street)	\$400	\$318	\$245	\$250	\$218	\$220	25.8%	63.3%
Broadway (14th Street - 23rd Street)	\$375	\$375	\$350	\$330	\$350	\$325	0.0%	7.1%
14th Street (Ninth Avenue - 10th Avenue)	\$275	N/A	\$274	\$275	\$275	\$250	N/A	0.4%
Bleecker Street (Seventh Avenue South - Hudson Street)	\$300	\$275	\$213	\$213	\$213	\$254	9.1%	40.8%
Broadway (Houston Street - Broome Street)	\$400	\$425	\$360	\$325	\$325	\$325	-5.9%	11.1%
Broadway (Battery Park - Chambers Street)	\$250	\$275	\$250	\$250	\$238	\$411	-9.1%	0.0%

Limited Availabilities and withheld rent may cause sharp fluctuations in rent averages between reporting periods.
 Report covers the first half of the year (January through June).

Appendix

Asking Rent PPSF Range

Corridor	1H-2024 Low	1H-2024 High	2H-2023 Low	2H-2023 High	1H-2023 Low	1H-2023 High	2H-2022 Low	2H-2022 High	1H-2022 Low	1H-2022 High
125th Street (Fifth Avenue - Morningside Avenue)	\$100	\$195	\$100	\$195	\$105	\$205	\$110	\$208	\$101	\$190
Broadway (72nd Street - 86th Street)	\$100	\$375	\$105	\$375	\$100	\$375	\$175	\$385	\$150	\$375
Columbus Avenue (66th Street - 79th Street)	\$100	\$350	N/A	N/A	\$200	\$351	\$175	\$350	\$210	\$488
East 86th Street (Lexington Avenue - Second Avenue)	\$292	\$478	\$210	\$390	\$200	\$390	\$155	\$390	\$155	\$390
Madison Avenue (57th Street - 72nd Street)	\$334	\$1,503	\$325	\$1,100	\$295	\$1,005	\$300	\$1,000	\$300	\$1,100
Third Avenue (60th Street - 72nd Street)	\$200	\$350	\$180	\$270	\$125	\$400	\$115	\$300	\$115	\$333
East 57th Street (Fifth Avenue - Park Avenue)	N/A	N/A	N/A	N/A	\$150	\$604	\$150	\$610	N/A	N/A
Fifth Avenue (42nd Street - 49th Street)	\$500	\$750	\$500	\$597	\$500	\$750	\$436	\$750	\$400	\$750
Fifth Avenue (49th Street - 59th Street)	\$750	\$3,000	\$915	\$2,250	\$2,500	\$3,000	\$2,250	\$3,000	\$2,250	\$3,000
Broadway & 7th Avenue (42nd Street - 47th Street)	\$687	\$2,756	\$500	\$2,300	\$300	\$2,250	\$300	\$2,300	\$300	\$2,300
West 34th Street (Fifth Avenue - Seventh Avenue)	\$325	\$936	\$350	\$900	\$170	\$1,000	\$171	\$1,000	\$171	\$1,000
Fifth Avenue (14th Street - 23rd Street)	\$315	\$415	\$175	\$417	\$175	\$533	\$175	\$360	\$175	\$458
Broadway (14th Street - 23rd Street)	\$250	\$523	\$300	\$750	\$245	\$750	\$240	\$750	\$240	\$500
14th Street (Ninth Avenue - 10th Avenue)	\$150	\$759	N/A	N/A	\$195	\$350	\$195	\$275	\$195	\$275
Bleecker Street (Seventh Avenue South - Hudson Street)	\$160	\$195	\$195	\$275	\$128	\$350	\$128	\$350	\$128	\$350
Broadway (Houston Street - Broome Street)	\$367	\$750	\$275	\$750	\$275	\$510	\$225	\$510	\$275	\$400
Broadway (Battery Park - Chambers Street)	\$149	\$600	\$135	\$1,003	\$135	\$425	\$135	\$600	\$100	\$785

Limited Availabilities and withheld rent may cause sharp fluctuations in rent averages between reporting periods.
 Report covers the first half of the year (January through June).

Appendix

Average Asking Rent PPSF – Min/Max

Corridor	Min		Max	
125th Street (Fifth Avenue - Morningside Avenue)	S-2004	\$65	F-2022	\$165
Broadway (72nd Street - 86th Street)	S-2002	\$170	F-2013	\$434
Columbus Avenue (66th Street - 79th Street)	F-2010	\$229	S-2015	\$447
East 86th Street (Lexington Avenue - Second Avenue)	F-2010	\$293	S-2013	\$550
Madison Avenue (57th Street - 72nd Street)	F-2002	\$491	F-2014	\$1,709
Third Avenue (60th Street - 72nd Street)	S-2002	\$182	S-2016	\$371
East 57th Street (Fifth Avenue - Park Avenue)	S-2002	\$425	S-2016	\$1,625
Fifth Avenue (42nd Street - 49th Street)	S-2010	\$425	S-2016	\$1,368
Fifth Avenue (49th Street - 59th Street)	S-2002	\$329	F-2017/S-2018	\$3,900
Broadway & 7th Avenue (42nd Street - 47th Street)	F-2008	\$775	S-2015	\$2,413
West 34th Street (Fifth Avenue - Seventh Avenue)	F-2002	\$112	S-2015	\$1,000
Fifth Avenue (14th Street - 23rd Street)	S-2004	\$137	S-2017	\$456
Broadway (14th Street - 23rd Street)	S-2012	\$215	F-2015	\$510
14th Street (Ninth Avenue - 10th Avenue)	S-2023	\$274	S-2008	\$462
Bleecker Street (Seventh Avenue South - Hudson Street)	S-2023	\$226	S-2013	\$540
Broadway (Houston Street - Broome Street)	S-2002	\$125	S-2015	\$977
Broadway (Battery Park - Chambers Street)	S-2001	\$85	S-2020	\$417

Report covers the first half of the year (January through June).

Methodology

The Real Estate Board of New York’s (REBNY) bi-annual Manhattan Retail Report is a joint effort by the REBNY Manhattan Retail Advisory Group and the REBNY team. The report provides a particular point in time snapshot of major retail corridors in the borough based on available ground-floor retail asking rent information. All data is sourced from the respective firms of each REBNY Manhattan Retail Advisory Group member.

REBNY’s bi-annual Manhattan Retail Report includes the average price per square foot, median price per square, the lowest price per square foot and highest price per square foot for each of the 17 retail corridors tracked.

Key Terms

Asking Rent – Represents the annual dollar amount the lessor is asking in order to lease their retail space.

Availability – Direct ground-floor retail space that is actively marketed or off-market; includes spaces for immediate and future occupancy which are not necessarily vacant. Does not include below or above ground-floor retail space, spaces with frontage on side streets or subleases.

PPSF – The price per square foot is calculated by dividing the annual asking rent by the ground-floor square footage.

Average PPSF – The average price per square foot is calculated using the price per square foot that represents the straight-line average for all direct, ground-floor availabilities within a particular corridor frontage. The Average PPSF provides values that are not skewed by high or low outlier prices.

Median PPSF – The median price per square foot is calculated using the price per square foot that represents the midpoint PPSF for all direct, ground-floor availabilities within a particular corridor frontage. Half of the prices fall either below or above this value.

Lowest PPSF – The lowest price per square foot recorded for all direct, ground-floor availabilities within a particular corridor frontage.

Highest PPSF – The highest price per square foot recorded for all direct, ground-floor availabilities within a particular corridor frontage.

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