



# THE REAL ESTATE BOARD OF NEW YORK

---

MANHATTAN RETAIL REPORT | SPRING 2017



**REBNY**<sup>®</sup>  
REAL ESTATE BOARD OF NEW YORK

## EXECUTIVE SUMMARY

The Manhattan retail leasing market is pushing back against the national retail slowdown. Landlords have become more responsive to the changing retail landscape, positioning their properties in order to entice retailers back into the market. Flexible, creative deal structures, and adjusted asking rents with increased concessions have prompted interest of retailers who have been surveying opportunities while the market has undergone a natural correction.

Our Manhattan Retail Report Advisory Group noted that increased interest from retailers has spread throughout Manhattan, showing that there is confidence in Manhattan retail overall. Interest has not been limited to a few corridors, nor has it been concentrated where new residential development is occurring. This activity throughout Manhattan—among amenable landlords, the borough's strong retail market fundamentals, more diversity among food tenants, trends among e-commerce retailers opening brick and mortar stores, and continued international retailer interest—have shown that the Manhattan retail environment is dynamic and should not be included with the pessimistic conjectures about e-commerce's effect on the future of brick and mortar retailing and struggling suburban shopping centers.

**As the market's natural correction continues, average asking rents per square foot (psf) for ground floor retail space declined year-over-year in 14 of the 17 high profile corridors that the REBNY Manhattan Retail Report surveys bi-annually.**

The two corridors that fared best in spring 2017 compared to spring 2016, were the Flatiron Fifth Avenue corridor (Fifth Avenue between 14th and 23rd Streets) and the Lower Manhattan corridor (Broadway between Battery Park to Chambers Street). The ground floor retail average asking rent rose 18 percent to \$456 psf year-over-year in the Flatiron Fifth Avenue corridor. The average psf asking rent in the Lower Manhattan Broadway corridor increased 11 percent to \$362.

Rent declines recorded in 2016 along the SoHo corridor (Broadway between Houston Street and Broome Street) provoked interest from retailers. The ground floor average psf asking rent on the corridor leveled off to \$812 in spring 2017, one percent less than spring 2016.

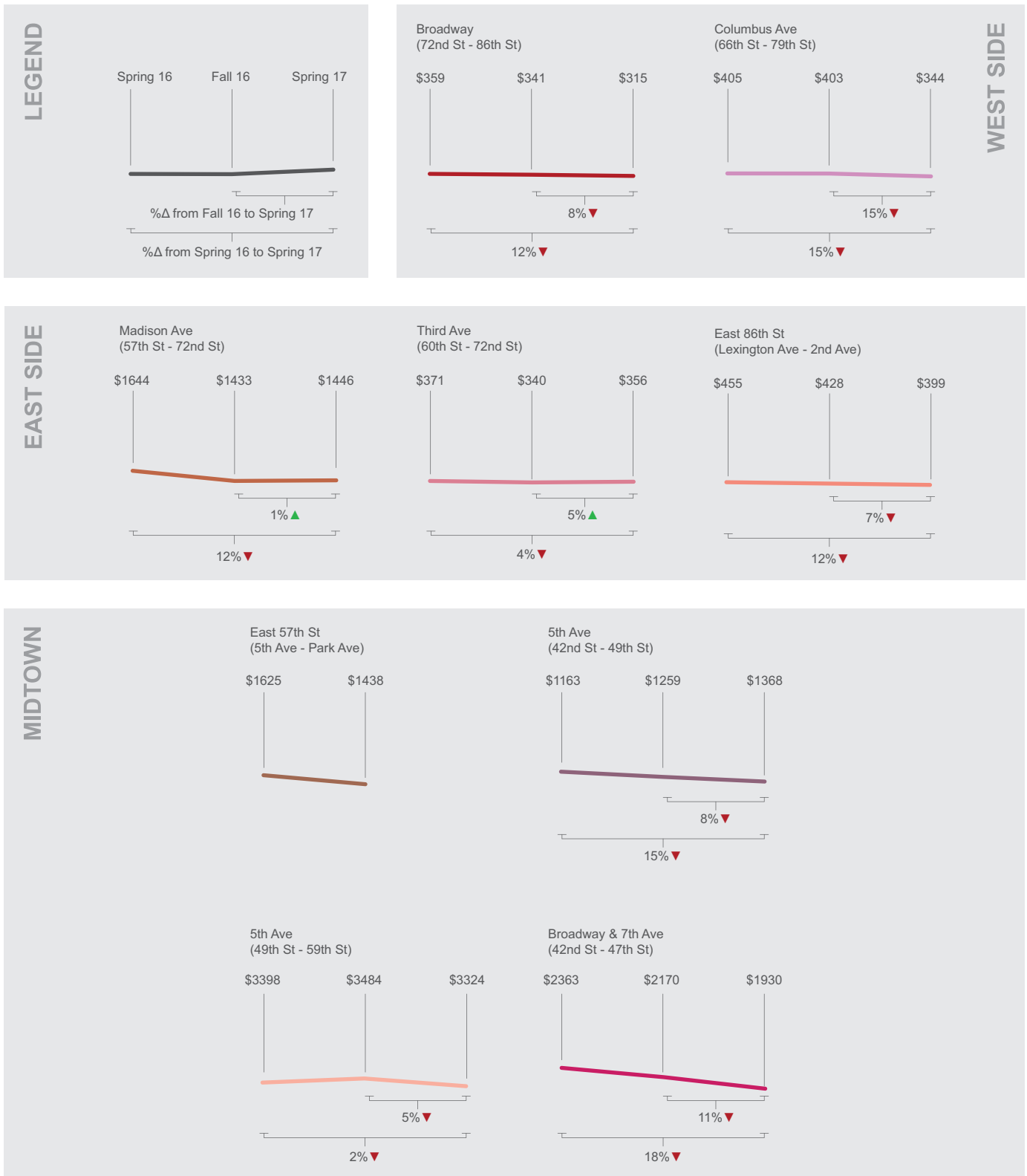
The average psf asking rent in Midtown on Fifth Avenue, between 49th Street and 59th Street, was stable compared to last year dropping by only two percent year-over-year to \$3,324.

In contrast, the surplus of available retail spaces on Madison Avenue, between 57th Street and 72nd Street, has been more difficult to absorb and the average retail asking rents on the corridor fell 12 percent year-over-year to \$1,446 psf.

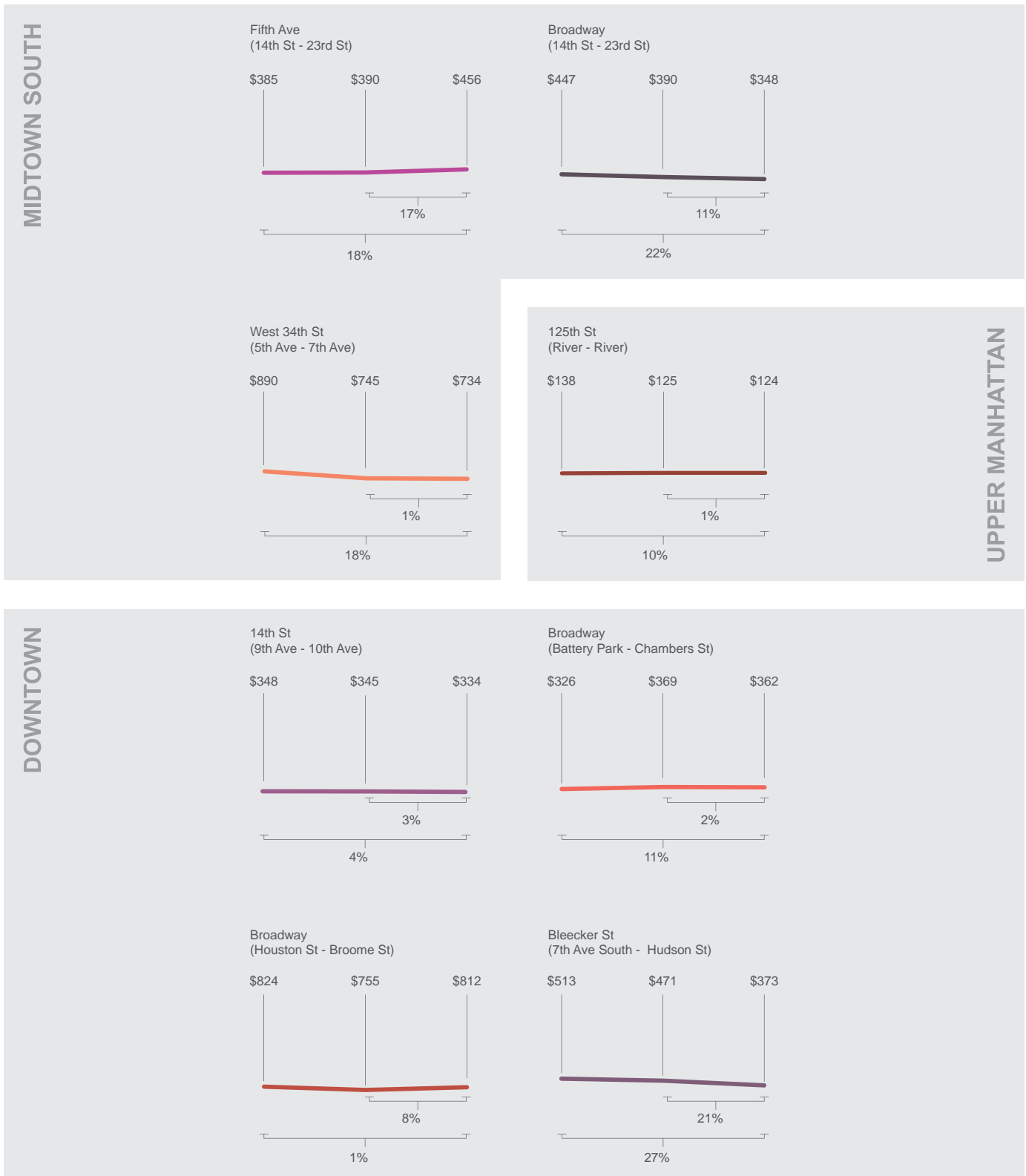
We must reiterate that the rents quoted in this report are asking rents for available retail spaces. The physical components and location of a retail space factor greatly into its rental value. Attributes such as street/avenue frontage, ceiling height, and presence of below and above grade space can affect value. Consequently, in corridors with low availability, a high quality retail space coming to market can increase the average and median asking rents greatly. Also, in smaller corridors, a lack of available spaces may lead, in some cases, to adjacent blocks becoming of greater interest to retailers.

Accordingly, we have provided information about the retail rent range as well as asking rent information from six months and 12 months ago to provide a rich statistical context in order to evaluate current market conditions. In addition, we would like to note that the surveyed corridors in this report represent the top tier retail corridors in New York City. Rents on adjoining side streets may lease for considerably less than the locations we are profiling. Lastly, as we have learned in the 17 years that we have been preparing this report, retail brokers active in the market are an invaluable source of information and trends that cannot be fully captured by the numbers in our report. We attempt to provide an overview of the market at a particular point in time that is based on the available listings of our Manhattan Retail Report Advisory Group and the REBNY Retail Committee members, which include all the major retail brokers and owners in Manhattan.

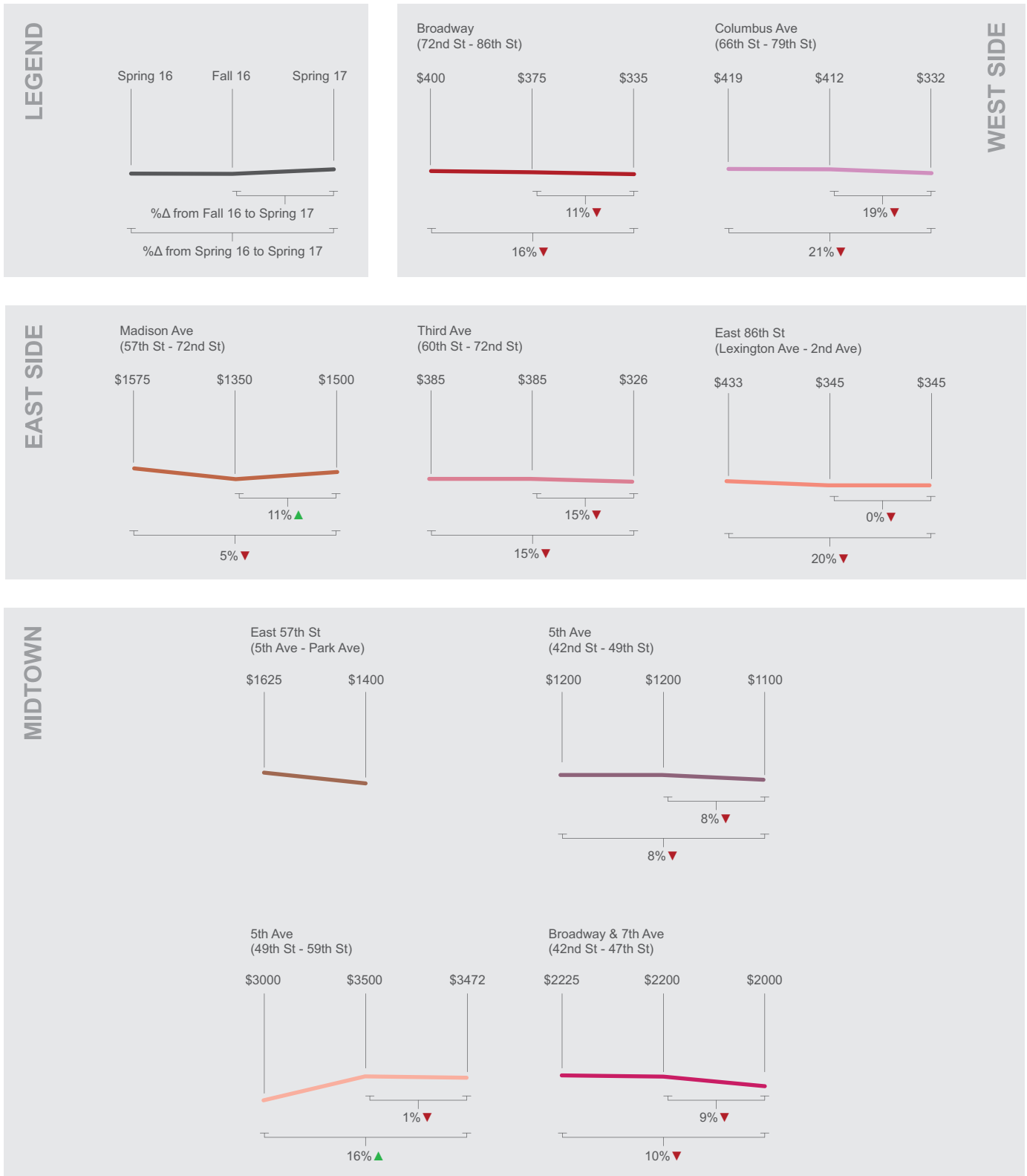
## AVERAGE ASKING RENT PSF - GROUND FLOOR RETAIL



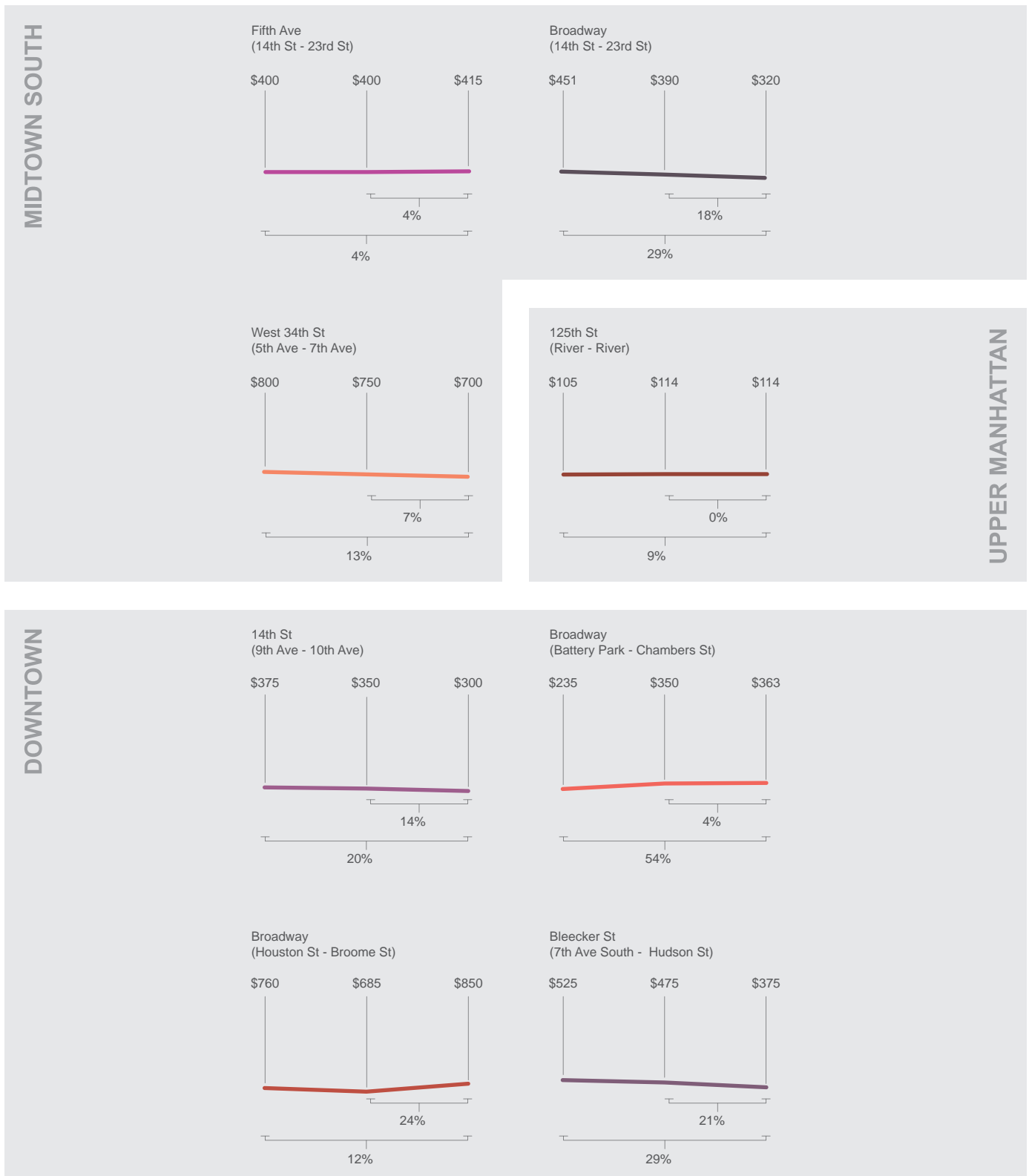
## AVERAGE ASKING RENT PSF - GROUND FLOOR RETAIL



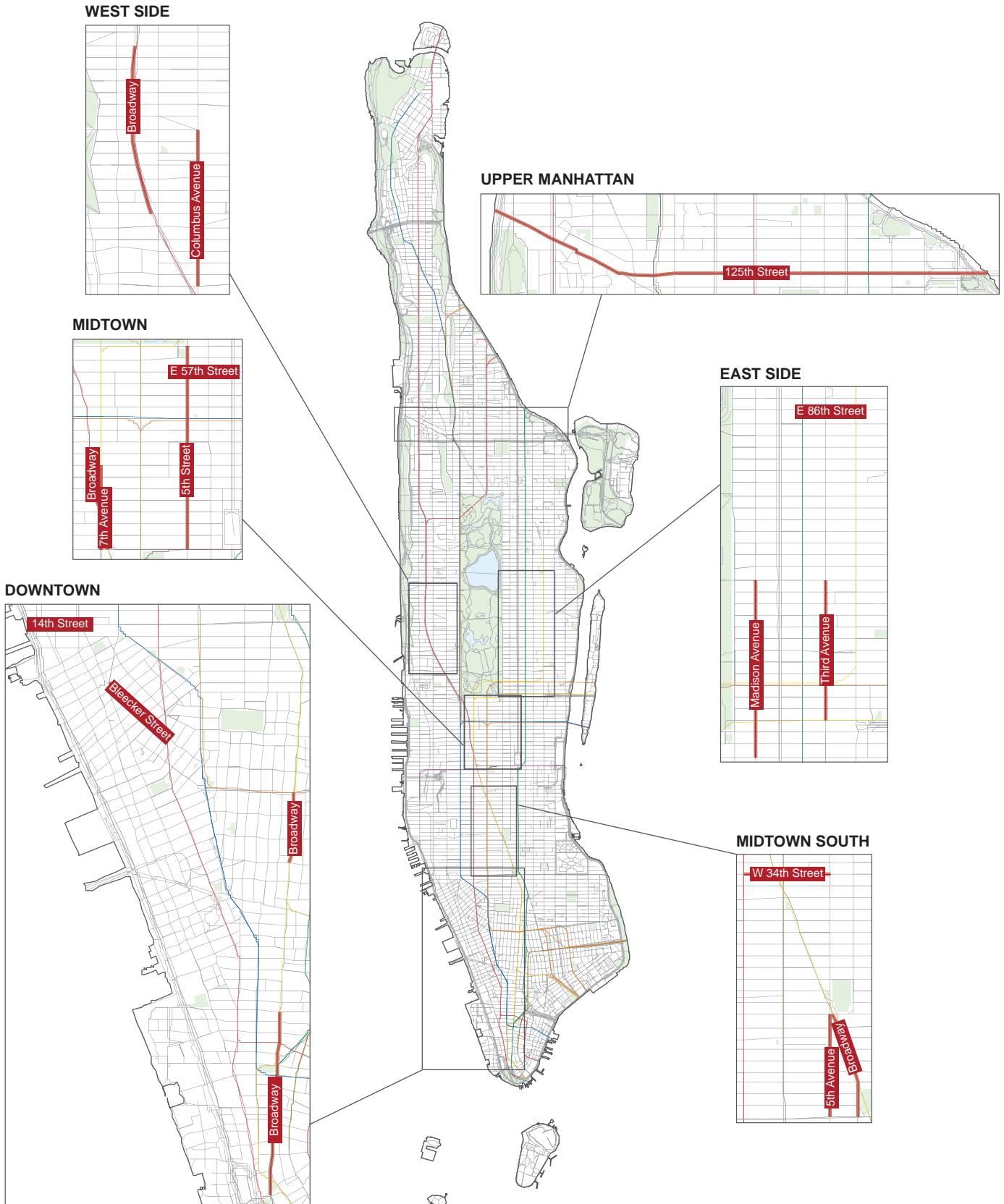
## MEDIAN ASKING RENT PSF - GROUND FLOOR RETAIL



## MEDIAN ASKING RENT PSF - GROUND FLOOR RETAIL



## CORRIDOR MAPS



## APPENDIX

### AVERAGE ASKING RENT PSF – GROUND FLOOR RETAIL

	Spring 17	Fall 16	Spring 16	% Fall 16	% Spring 16
<b>EAST SIDE</b>					
East 86th St (Lexington Ave - 2nd Ave)	\$399	\$428	\$455	-7%	-12%
Madison Ave (57th St - 72nd St)	\$1,446	\$1,433	\$1,644	1%	-12%
Third Ave (60th St - 72nd St)	\$356	\$340	\$371	5%	-4%
<b>WEST SIDE</b>					
Broadway (72nd St - 86th St)	\$315	\$341	\$359	-8%	-12%
Columbus Ave (66th St - 79th St)	\$344	\$403	\$405	-15%	-15%
<b>MIDTOWN</b>					
East 57th St (5th Ave - Park Ave)	NA	\$1,438	\$1,625	NA	NA
5th Ave (49th St - 59th St)	\$3,324	\$3,484	\$3,398	-5%	-2%
5th Ave (42th St - 49th St)	\$1,163	\$1,259	\$1,368	-8%	-15%
Broadway & 7th Ave (42nd St - 47th St)	\$1,930	\$2,170	\$2,363	-11%	-18%
<b>MIDTOWN SOUTH</b>					
<b>Herald Square</b>					
West 34th St (5th Ave - 7th Ave)	\$734	\$745	\$890	-1%	-18%
<b>Flatiron</b>					
5th Ave (14th St - 23rd St)	\$456	\$390	\$385	17%	18%
Broadway (14th St - 23rd St)	\$348	\$390	\$447	-11%	-22%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14th St (9th Ave - 10th Ave)	\$334	\$345	\$348	-3%	-4%
<b>West Village</b>					
Bleecker St (7th Ave South - Hudson St)	\$373	\$471	\$513	-21%	-27%
<b>SoHo</b>					
Broadway (Houston St - Broome St)	\$812	\$755	\$824	8%	-1%
<b>Lower Manhattan</b>					
Broadway (Battery Park - Chambers St)	\$362	\$369	\$326	-2%	11%
<b>UPPER MANHATTAN</b>					
Harlem					
125th St. (River - River)	\$124	\$125	\$138	-1%	-10%

\* NA denotes minimal availability for evaluation

\*\* Statistics reflect availabilities on 5/8/17



## APPENDIX

### MEDIAN ASKING RENT PSF – GROUND FLOOR RETAIL

	Spring 17	Fall 16	Spring 16	% Fall 16	% Spring 16
<b>EAST SIDE</b>					
East 86th St (Lexington Ave - 2nd Ave)	\$345	\$345	\$433	0%	-20%
Madison Ave (57th St - 72nd St)	\$1,500	\$1,350	\$1,575	11%	-5%
Third Ave (60th St - 72nd St)	\$326	\$385	\$385	-15%	-15%
<b>WEST SIDE</b>					
Broadway (72nd St - 86th St)	\$335	\$375	\$400	-11%	-16%
Columbus Ave (66th St - 79th St)	\$332	\$412	\$419	-19%	-21%
<b>MIDTOWN</b>					
East 57th St (5th Ave - Park Ave)	NA	\$1,400	\$1,625	NA	NA
5th Ave (49th St - 59th St)	\$3,472	\$3,500	\$3,000	-1%	16%
5th Ave (42th St - 49th St)	\$1,100	\$1,200	\$1,200	-8%	-8%
Broadway & 7th Ave (42nd St - 47th St)	\$2,000	\$2,200	\$2,225	-9%	-10%
<b>MIDTOWN SOUTH</b>					
<b>Herald Square</b>					
West 34th St (5th Ave - 7th Ave)	\$700	\$750	\$800	-7%	-13%
<b>Flatiron</b>					
5th Ave (14th St - 23rd St)	\$415	\$400	\$400	4%	4%
Broadway (14th St - 23rd St)	\$320	\$390	\$451	-18%	-29%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14th St (9th Ave - 10th Ave)	\$300	\$350	\$375	-14%	-20%
<b>West Village</b>					
Bleecker St (7th Ave South - Hudson St)	\$375	\$475	\$525	-21%	-29%
<b>SoHo</b>					
Broadway (Houston St - Broome St)	\$850	\$685	\$760	24%	12%
<b>Lower Manhattan</b>					
Broadway (Battery Park - Chambers St)	\$363	\$350	\$235	4%	54%
<b>UPPER MANHATTAN</b>					
<b>Harlem</b>					
125th St. (River - River)	\$114	\$114	\$105	0%	9%

\* NA denotes minimal availability for evaluation

\*\* Statistics reflect availabilities on 5/8/17

## APPENDIX

### RANGE OF ASKING RENTS PSF – GROUND FLOOR RETAIL

	Spring 17			Fall 16			Spring 16		
<b>EAST SIDE</b>									
East 86th St (Lexington Ave - 2nd Ave)	\$250	–	\$655	\$250	–	\$800	\$250	–	\$800
Madison Ave (57th St - 72nd St)	\$520	–	\$2,100	\$780	–	\$2,200	\$1,250	–	\$2,058
Third Ave (60th St - 72nd St)	\$85	–	\$1,084	\$160	–	\$550	\$185	–	\$550
<b>WEST SIDE</b>									
Broadway (72nd St - 86th St)	\$130	–	\$480	\$200	–	\$500	\$225	–	\$455
Columbus Ave (66th St - 79th St)	\$178	–	\$528	\$247	–	\$528	\$200	–	\$600
<b>MIDTOWN</b>									
East 57th St (5th Ave - Park Ave)	NA	–	NA	\$1,200	–	\$1,750	\$1,500	–	\$1,750
5th Ave (49th St - 59th St)	\$3,000	–	\$3,500	\$2,700	–	\$4,450	\$2,700	–	\$4,450
5th Ave (42th St - 49th St)	\$700	–	\$2,000	\$1,000	–	\$2,500	\$1,000	–	\$2,500
Broadway & 7th Ave (42nd St - 47th St)	\$1,000	–	\$2,350	\$1,950	–	\$2,350	\$2,000	–	\$3,000
<b>MIDTOWN SOUTH</b>									
<b>Herald Square</b>									
West 34th St (5th Ave - 7th Ave)	\$514	–	\$1,000	\$391	–	\$1,000	\$550	–	\$1,200
<b>Flatiron</b>									
5th Ave (14th St - 23rd St)	\$285	–	\$750	\$300	–	\$480	\$325	–	\$450
Broadway (14th St - 23rd St)	\$285	–	\$500	\$350	–	\$430	\$286	–	\$600
<b>DOWNTOWN</b>									
<b>Meatpacking</b>									
14th St (9th Ave - 10th Ave)	\$225	–	\$700	\$275	–	\$450	\$275	–	\$450
<b>West Village</b>									
Bleecker St (7th Ave South - Hudson St)	\$200	–	\$495	\$325	–	\$655	\$325	–	\$655
<b>SoHo</b>									
Broadway (Houston St - Broome St)	\$550	–	\$993	\$500	–	\$1,667	\$500	–	\$1,583
<b>Lower Manhattan</b>									
Broadway (Battery Park - Chambers St)	\$150	–	\$600	\$178	–	\$700	\$115	–	\$700
<b>UPPER MANHATTAN</b>									
<b>Harlem</b>									
125th St. (River - River)	\$67	–	\$210	\$65	–	\$279	\$70	–	\$390

\* NA denotes minimal availability for evaluation

\*\* Statistics reflect availabilities on 5/8/17

## ACKNOWLEDGEMENTS

**The REBNY Manhattan Retail Report Advisory Group includes:**

Robin Abrams, The Lansco Corporation (soon to be at Eastern Consolidated)  
Karen Bellantoni, RKF  
Benjamin Fox, SCG Retail  
Andrew Goldberg, CBRE  
David A. Green, Colliers International  
Andrew Mandell, Ripco Real Estate Corporation  
Joanne Podell, Cushman & Wakefield  
Fred Posniak, Empire State Realty Trust  
Jeffrey Roseman, Newmark Grubb Knight Frank  
Craig Slosberg, Jones Lang LaSalle  
Alan Victor, The Lansco Corporation

**REBNY would like to thank the following firms for their assistance in preparing the report:**

Brookfield Property Group  
Buchbinder & Warren Realty Group  
CBRE  
Colliers International  
Crown Retail Services  
Cushman & Wakefield  
Eastern Consolidated  
Empire State Realty Trust  
Jack Resnick & Sons  
Jones Lang LaSalle  
The Lansco Corporation  
Newmark Grubb Knight Frank  
Ripco Real Estate Corporation  
RKF  
Rose Associates  
SCG Retail  
Sholom & Zuckerbrot Realty  
Sinvin Real Estate  
Walker Malloy