

THE REAL ESTATE BOARD OF NEW YORK

RETAIL REPORT

FALL 2013



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CHAIRMAN**

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REAL ESTATE BOARD OF NEW YORK

EXECUTIVE SUMMARY

The leasing market for Manhattan retail space has maintained its strength, bolstered by strong demand and additional retail spaces coming on the market in new mixed use developments. Asking rents in the highest priced corridors have remained at or near their record highs. Fifth Avenue between 49th and 59th once again achieved the highest average ground floor asking rent; the \$3,170 per square foot figure was an increase of 18 percent from last fall and 4 percent from this spring. Average ground floor asking rents on Broadway and 7th Avenue between 42nd and 47th Street have increased 17 percent from last fall and are unchanged from the spring at \$2,175.

Other destination corridors have seen average ground floor asking rents increase over the last twelve months. Average ground floor asking rents in SoHo on Broadway between Houston and Broome have reached \$762 per square foot, an increase of 2 percent from last spring but up 41 percent from last fall. Herald Square, along 34th Street between 5th and 7th Avenues had a 2 percent increase since last spring and a 41 percent increase since last fall.

Our advisory group has noticed areas where boutique, one of kind stores have created a neighborhood buzz. This attractiveness has developed competition for these spaces by more established retailers. These established retailers are attempting to benefit from the neighborhood's appeal. Consequently the increasing demand and competition for available retail spaces in these emerging corridors are pushing asking rents upward. Another observation from our advisory group was that high profile retailers have begun to explore new and traditionally less expensive alternative locations. However, the recent steep rise in average ground floor asking rent for these areas have pushed these retailers back to their traditional corridors with comparable asking rents where foot traffic and co-tenancy benefits are well known, long established, and likely sure to continue into the future. As a result emerging locations are losing the benefit that high profile tenants would bring to their corridor whose appeal and average ground floor asking rent is on the rise.

New residential developments along the 57th Street corridor will provide the market with new, large, modern retail spaces, enhancing the appeal of this section of 57th Street. Our advisory group expects that the new interest along this corridor will provide a vital link to the customer on 57th Street east of 5th Avenue.

It must be stated that the rents quoted in the report are asking rents. Also, please note that the physical components of a retail space factor greatly into its rental value. Attributes such as street/avenue frontage, ceiling height, presence of below and above grade space can affect value as much as locational factors. Consequently, in corridors with fewer availabilities, a high quality space coming to market can increase the average and median asking rents greatly. Accordingly, we have provided information about the rent range as well as asking rent information from six months and 12 months ago to provide a rich statistical context to evaluate the current market conditions.

Furthermore, we'd like to note that the surveyed corridors in the report represent the top tier retail corridors in the city and that rents on adjoining side streets or secondary parts of top tier locations may lease for considerably less than the locations we are profiling. Lastly, as we have learned in the decade or more 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 completely 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 Advisory Group and the REBNY Retail Committee members which include all the major retail brokers and owners in Manhattan.



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

	Fall	Spring	Fall	% Change	% Change
	2013	2013	2012	From Spring	From Fall
				2013	2012
EASTSIDE					
Madison Ave: 57 - 72 St	\$1,380	\$1,325	\$973	4%	42%
Third Ave: 60 - 72 St	\$249	\$275	\$266	-9%	-6%
East 86 St: Lexington Ave - 2nd Ave	\$442	\$550	\$450	-20%	-2%
WESTSIDE					
Broadway: 72 - 86 St	\$434	\$297	\$314	46%	38%
Columbus Ave: 66 - 79 St	\$319	\$367	\$318	-13%	0%
MiDTo WN					
East 57 St: 5 Ave - Park Ave	\$885	\$768	\$884	15%	0%
Fifth Ave: 42 - 49 St	\$1,072	\$1,092	\$1,021	-2%	5%
Fifth Ave: 49 - 59 St	\$3,170	\$3,052	\$2,690	4%	18%
Broadway & 7 Ave: 42 - 47 St	\$2,175	\$2,175	\$1,833	0%	17%
MiDTo WN So UTH					
Flatiron					
Fifth Ave: 14 - 23 St	\$329	\$413	\$350	-20%	-6%
Broadway: 14 - 23 St	\$400	\$322	\$273	24%	47%
Herald Square					
West 34 St: 5 - 7 Ave	\$738	\$724	\$683	2%	8%
Do WNTo WN					
Meatpacking					
14 St: 9 - 10 Ave	\$356	\$356	\$325	0%	10%
Financial District					
Broadway: Battery Park - Chambers St	\$257	\$232	\$152	11%	69%
SoHo					
Broadway: Houston - Broome St	\$762	\$750	\$542	2%	41%
West Village					
Bleeker St: 7 Ave South - Hudson St	\$417	\$540	\$458	-23%	-9%
UPPER MANHATTAN					
Harlem					
125th St. (River to River)	\$110	\$123	\$145	-11%	-24%

* Statistics reflect availabilities on 10/1/13



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

	Fall	Spring	Fall	% Change	% Change
	2013	2013	2012	From Spring	From Fall
				2013	2012
EASTSIDE					
Madison Ave: 57 - 72 St	\$1,300	\$1,286	\$900	1%	44%
Third Ave: 60 - 72 St	\$250	\$250	\$262	0%	-5%
East 86 St: Lexington Ave - 2nd Ave	\$575	\$475	\$475	-39%	-26%
WESTSIDE					
Broadway: 72 - 86 St	\$425	\$300	\$313	42%	36%
Columbus Ave: 66 - 79 St	\$329	\$367	\$300	-10%	10%
MIDToWN					
East 57 St: 5 Ave - Park Ave	\$885	\$768	\$884	15%	0%
Fifth Ave: 42 - 49 St	\$1,077	\$1,127	\$1,100	-4%	-2%
Fifth Ave: 49 - 59 St	\$3,200	\$3,000	\$3,000	7%	7%
Broadway & 7 Ave: 42 - 47 St	\$2,000	\$2,175	\$2,000	-8%	0%
MIDToWN SoUTH					
Flatiron					
Fifth Ave: 14 - 23 St	\$300	\$400	\$375	-25%	-20%
Broadway: 14 - 23 St	\$400	\$265	\$273	51%	47%
Herald Square					
West 34 St: 5 - 7 Ave	\$650	\$673	\$660	-3%	-2%
DoWNToWN					
Meatpacking					
14 St: 9 - 10 Ave	\$325	\$350	\$325	-7%	0%
Financial District					
Broadway: Battery Park - Chambers St	\$188	\$188	\$143	0%	31%
SoHo					
Broadway: Houston - Broome St	\$875	\$800	\$455	-7%	0%
West Village					
Bleeker St: 7 Ave South - Hudson St	\$364	\$602	\$917	-40%	-13%
UPPER MANHATTAN					
Harlem					
125th St. (River to River)	\$105	\$118	\$128	-11%	-18%

* Statistics reflect availabilities on 10/1/13



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

	Fall 2013	Spring 2013	Fall 2012
EASTSIDE			
Madison Ave: 57 - 72 St	\$700 - \$2,000	\$950 - \$1,736	\$800 - \$1,400
Third Ave: 60 - 72 St	\$154 - \$325	\$200 - \$400	\$175 - \$429
East 86 St: Lexington Ave - 2nd Ave	\$350 - \$625	\$400 - \$650	\$350 - \$500
WESTSIDE			
Broadway: 72 - 86 St	\$385 - \$500	\$225 - \$400	\$225 - \$450
Columbus Ave: 66 - 79 St	\$250 - \$400	\$327 - \$406	\$250 - \$405
MIDTo WN			
East 57 St: 5 Ave - Park Ave	\$885 - \$885	\$650 - \$885	\$884 - \$884
Fifth Ave: 42 - 49 St	\$575 - \$1,750	\$575 - \$1,750	\$600 - \$1,405
Fifth Ave: 49 - 59 St	\$2,500 - \$3,500	\$2,560 - \$3,500	\$1,250 - \$3,500
Broadway & 7 Ave: 42 - 47 St	\$1,800 - \$2,750	\$1,500 - \$2,700	\$1,500 - \$2,000
MIDTo WN SoUTH			
Flatiron			
Fifth Ave: 14 - 23 St	\$250 - \$500	\$350 - \$500	\$250 - \$400
Broadway: 14 - 23 St	\$400 - \$400	\$200 - \$500	\$273 - \$273
Herald Square			
West 34 St: 5 - 7 Ave	\$550 - \$1,100	\$493 - \$1,100	\$493 - \$1,000
Do WNTo WN			
Meatpacking			
14 St: 9 - 10 Ave	\$325 - \$450	\$250 - \$500	\$250 - \$400
Financial District			
Broadway: Battery Park - Chambers St	\$125 - \$500	\$100 - \$500	\$75 - \$350
SoHo			
Broadway: Houston - Broome St	\$600 - \$1,200	\$463 - \$950	\$350 - \$750
West Village			
Bleeker St: 7 Ave South - Hudson St	\$300 - \$696	\$300 - \$700	\$250 - \$720
UPPER MANHATTAN			
Harlem			
125th St. (River to River)	\$80 - \$160	\$72 - \$235	\$100 - \$220

* Statistics reflect availabilities on 10/1/13



AVERAGE ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

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

	Fall 2013	Spring 2013	Fall 2012	% Change From Spring 2013	% Change From Fall 2012
MANHATTAN	\$130	\$116	\$110	12%	18%
EASTSIDE 60th Street to 96th Street, Fifth Avenue to the East River	\$178	\$174	\$143	2%	24%
WESTSIDE 60th Street to 116th Street, West of Morningside Park	\$126	\$117	\$124	8%	2%
MIDTOWN 35th Street to 59th Street	\$160	\$133	\$137	20%	17%
MIDTOWN SOUTH 15th Street to 34th Street	\$128	\$120	\$105	7%	22%
DOWNTOWN South of 14th Street	\$123	\$114	\$99	8%	24%
UPPER MANHATTAN 97th Street and higher, Fifth Avenue to the East River; 116th Street and higher, West of Morningside Park	\$64	\$64	\$66	0%	-3%

* Statistics reflect availabilities on 10/1/13



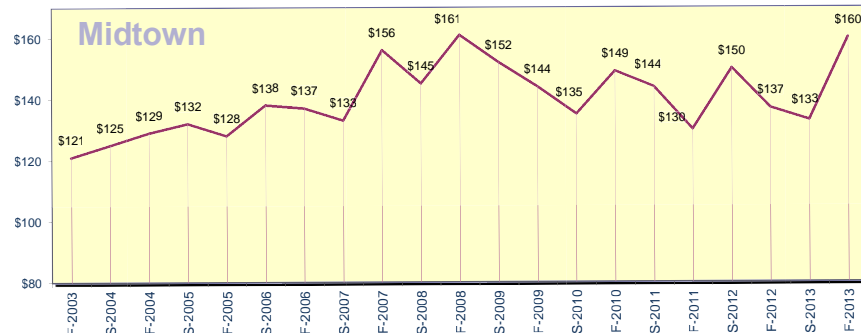
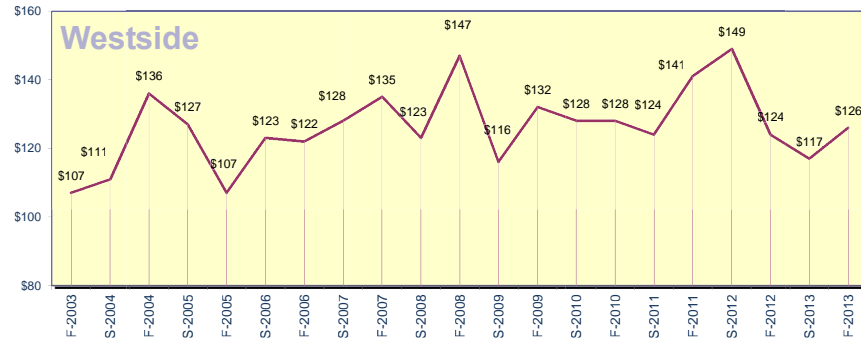
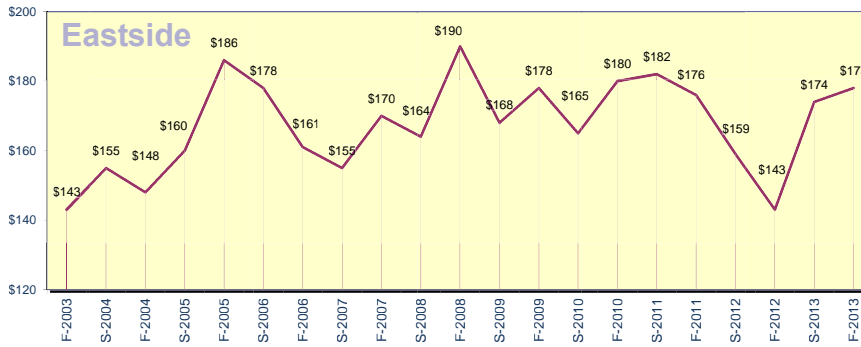
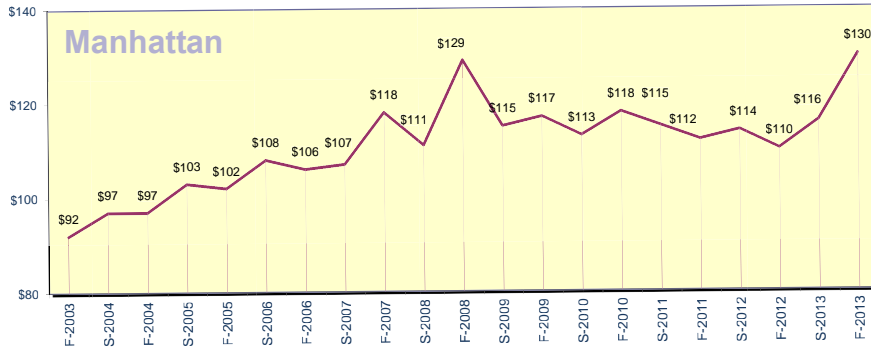
MEDIAN ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

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

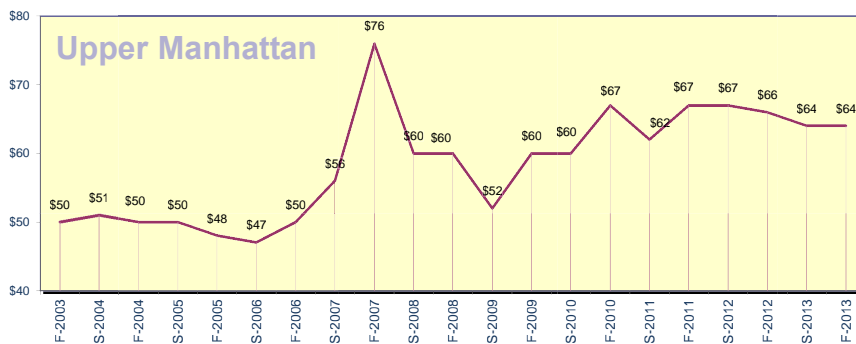
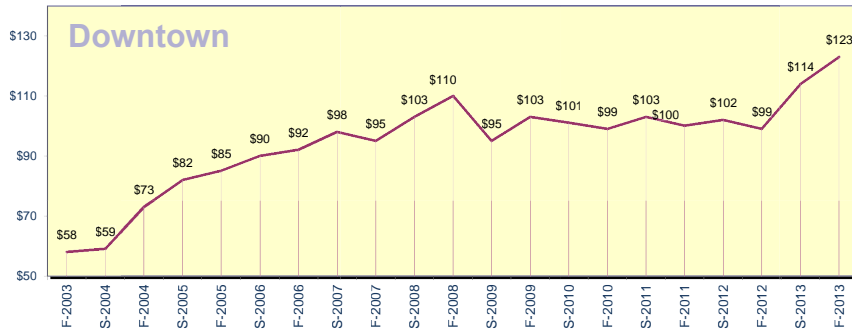
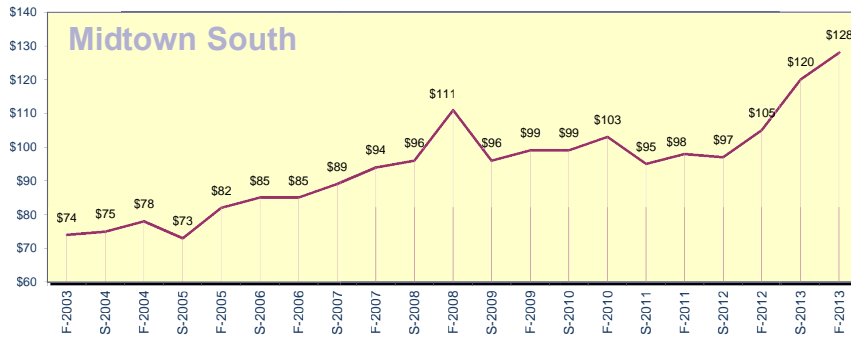
	Fall 2013	Spring 2013	Fall 2012	% Change From Spring 2013	% Change From Fall 2012
MANHATTAN	\$93	\$84	\$77	11%	21%
EASTSIDE 60th Street to 96th Street, Fifth Avenue to the East River	\$114	\$120	\$108	-5%	6%
WESTSIDE 60th Street to 116th Street, West of Morningside Park	\$98	\$96	\$110	2%	-11%
MIDTOWN 35th Street to 59th Street	\$100	\$85	\$88	18%	14%
MIDTOWN SOUTH 15th Street to 34th Street	\$100	\$88	\$75	14%	33%
DOWNTOWN South of 14th Street	\$98	\$91	\$78	8%	26%
UPPER MANHATTAN 97th Street and higher, Fifth Avenue to the East River; 116th Street and higher, West of Morningside Park	\$56	\$55	\$55	2%	2%

* Statistics reflect availabilities on 10/1/13

AVERAGE RETAIL ASKING RENTS PSF



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The 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.