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RETAIL REPORT

REBNY[®]
REAL ESTATE BOARD OF NEW YORK

FALL 2003

Burton P. Resnick, Chairperson

Steven Spinola, President

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EXECUTIVE SUMMARY

The primary retail locations saw asking price increases over last twelve months.

- Manhattan average asking rents psf rose to \$92, an 8.2% increase over the average asking rent a year ago.
- The East Side recorded the largest increase as average asking rents rose to \$143 a 28.8% increase over the average asking rent a year ago.
- Midtown average asking rent also showed a sizeable rise to \$121, a 10% increase over the average asking rent a year ago.
- The West Side and Midtown South average asking rents also showed increases from a year ago of 7% and 4.2%, respectively.

The premier retail corridors saw significant increases in average asking rent for ground floor space over the past year.

- The average ground floor asking rent for all the spotlighted retail corridors rose 35% to \$275 from \$204.
- Madison Avenue between 57th and 67th Streets saw the average ground floor space asking rent increase 39.3%, rising to \$684 from \$491.
- 57th Street between 5th and Park saw a 23.3% increase in average ground floor asking rent, as rents rose to \$678 from \$550.
- Fifth Avenue, between 48th and 59th Streets saw a 22.6% increase in average asking rent for ground floor space, as rents rose to \$650 from \$530.

MARKET PROFILE

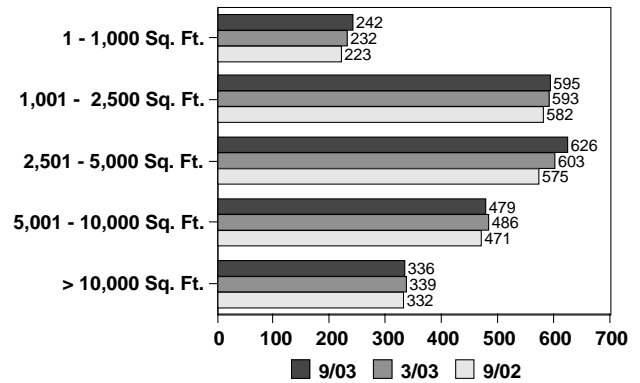
MANHATTAN

ALL SPACE

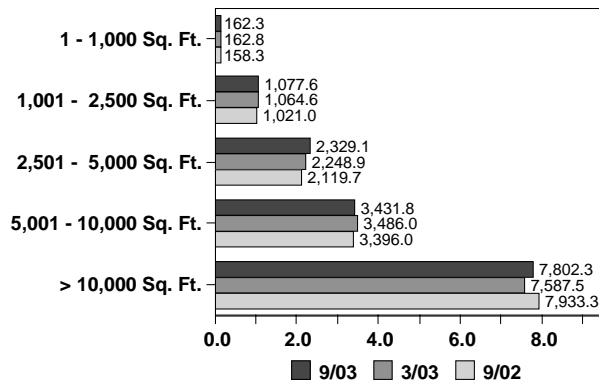
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	2,278	2,253	2,183
SF:	14,803,303	14,549,940	14,628,600
Average Asking Rent PSF:	\$92	\$88	\$85
Average Store SF:	6,498	6,458	6,701

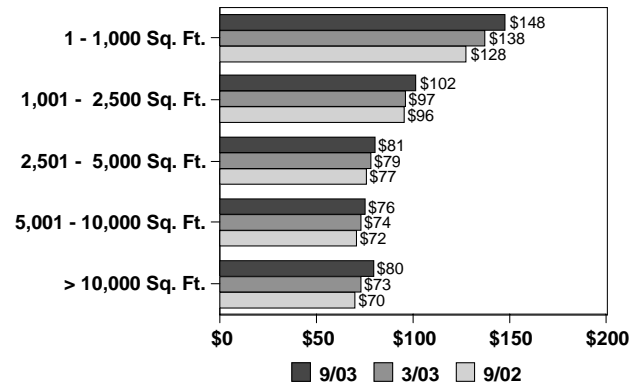
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

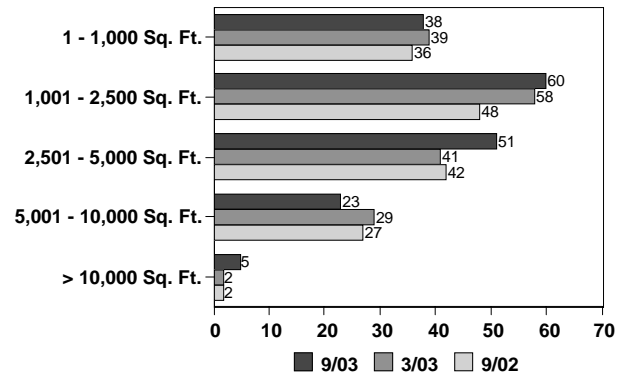
EAST SIDE

ALL SPACE

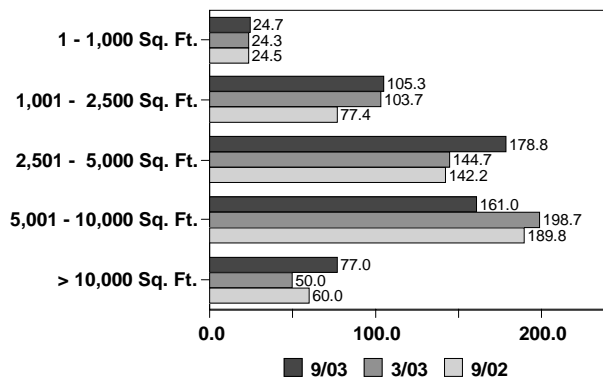
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	177	169	155
SF:	547,028	521,572	494,084
Average Asking Rent PSF:	\$143	\$128	\$111
Average Store SF:	3,091	3,188	2,906

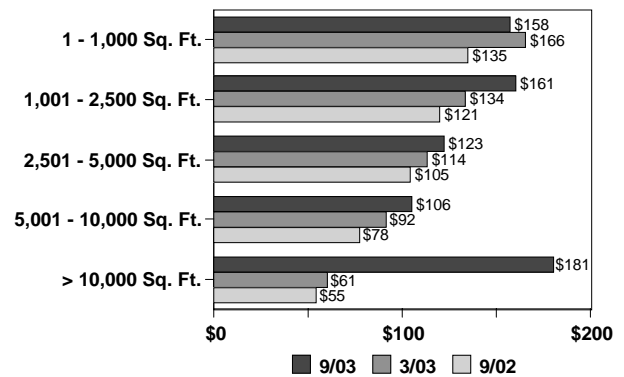
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

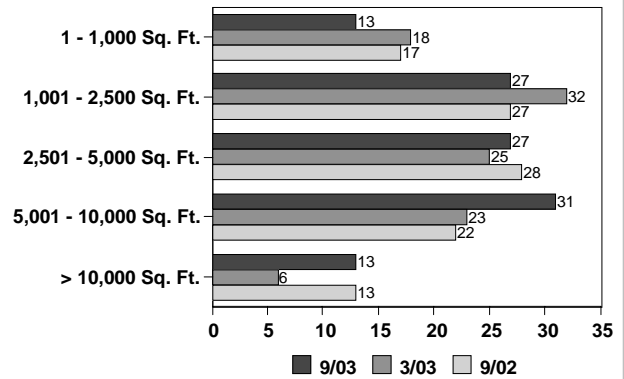
WEST SIDE

ALL SPACE

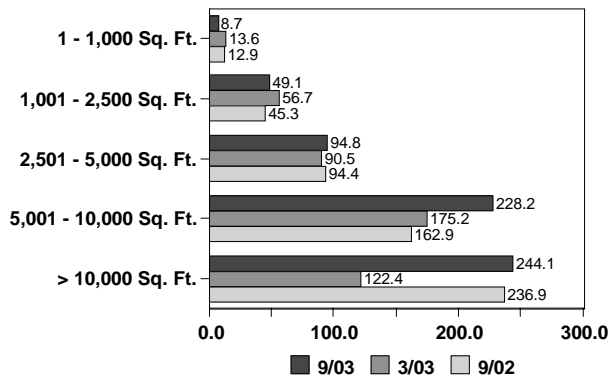
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	111	104	107
SF:	625,063	458,669	552,649
Average Asking Rent PSF:	\$107	\$104	\$100
Average Store SF:	5,631	4,410	5,165

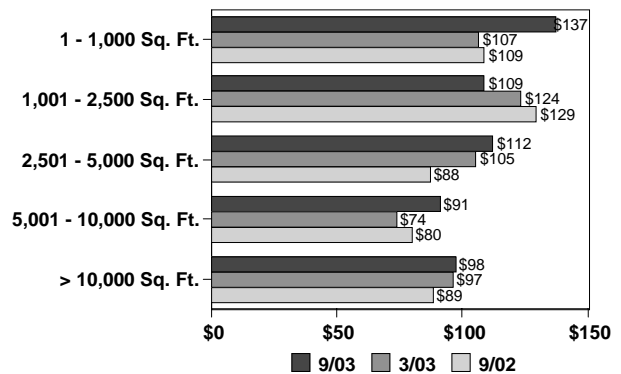
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

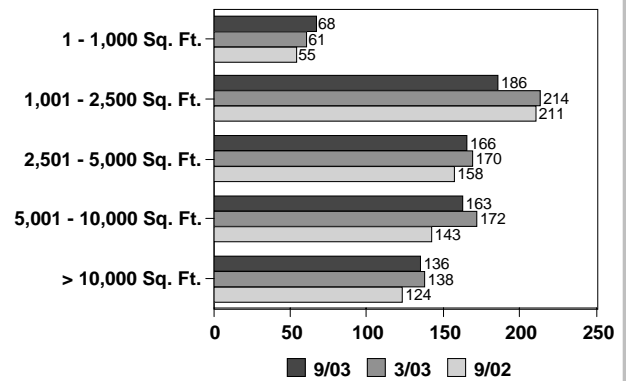
M I D T O W N

ALL SPACE

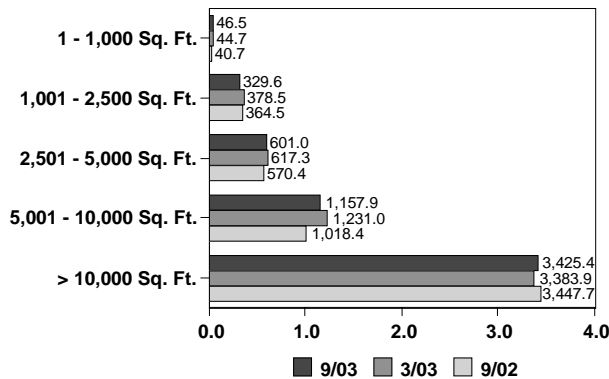
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	719	755	691
SF:	5,560,724	5,654,983	5,441,938
Average Asking Rent PSF:	\$121	\$112	\$110
Average Store SF:	7,734	7,490	7,875

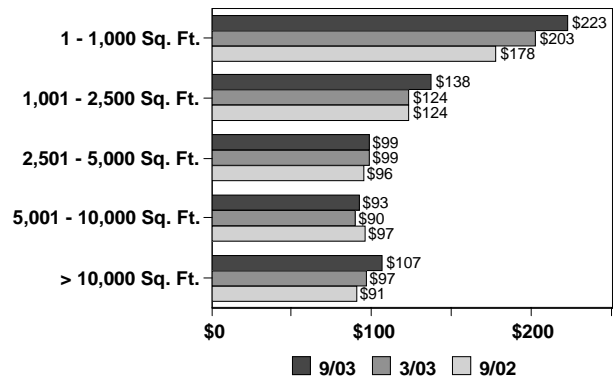
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

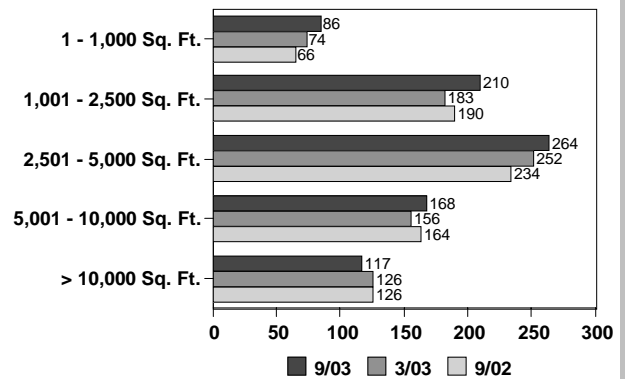
MIDTOWN SOUTH

ALL SPACE

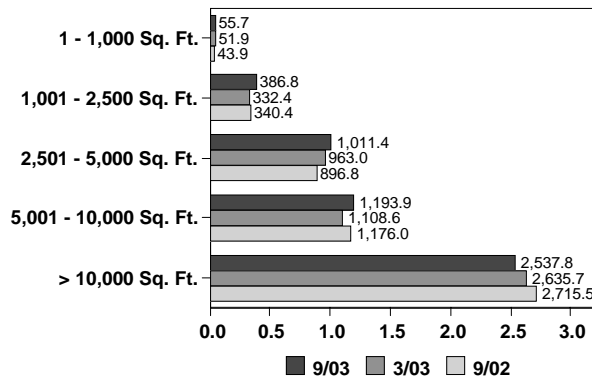
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	845	791	780
SF:	5,185,830	5,091,709	5,172,809
Average Asking Rent PSF:	\$74	\$70	\$71
Average Store SF:	6,137	6,437	6,632

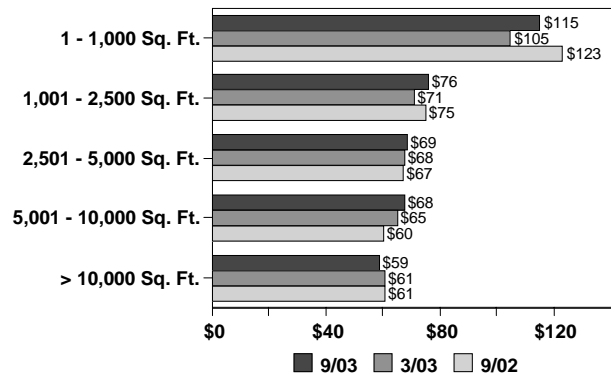
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

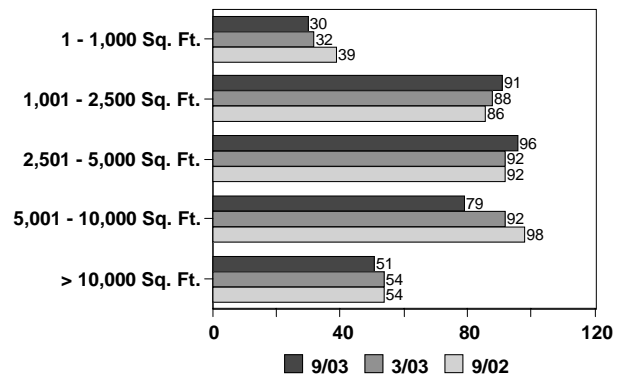
DOWNTOWN

ALL SPACE

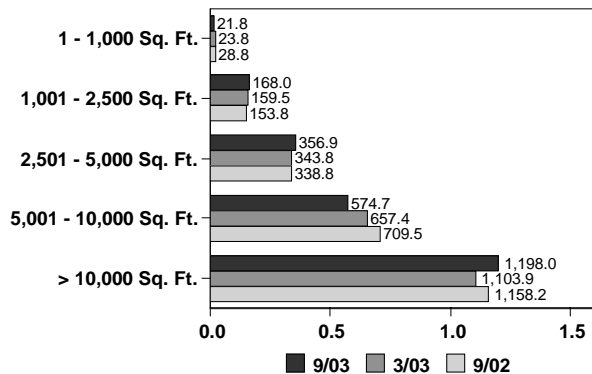
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	347	358	369
SF:	2,319,714	2,288,655	2,389,302
Average Asking Rent PSF:	\$58	\$58	\$59
Average Store SF:	6,685	6,393	6,475

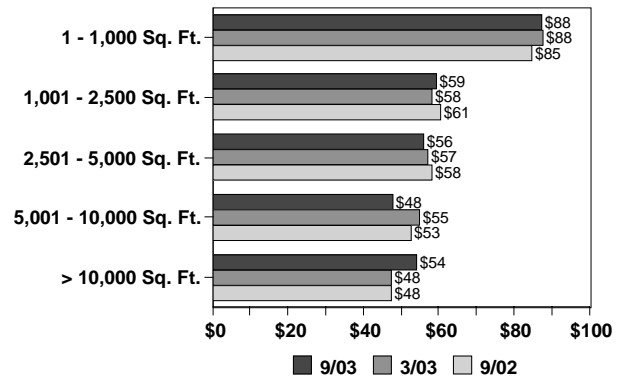
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size



MARKET PROFILE

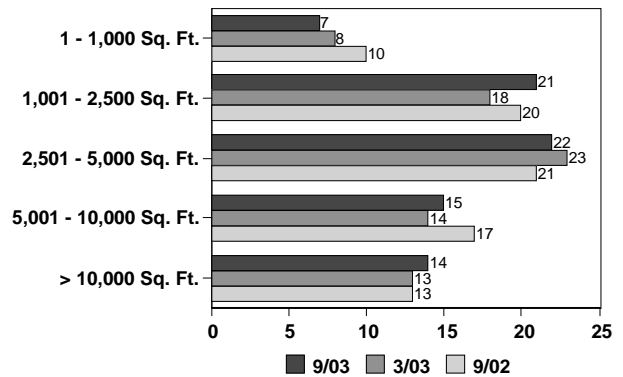
UPPER MANHATTAN

ALL SPACE

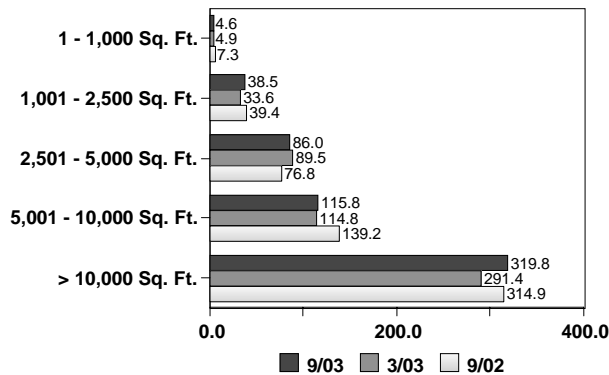
Availability Summary

	9/30/03	3/31/03	9/30/02
# of Stores:	79	76	81
SF:	564,944	534,352	577,811
Average Asking Rent PSF:	\$50	\$53	\$50
Average Store SF:	7,151	7,031	7,134

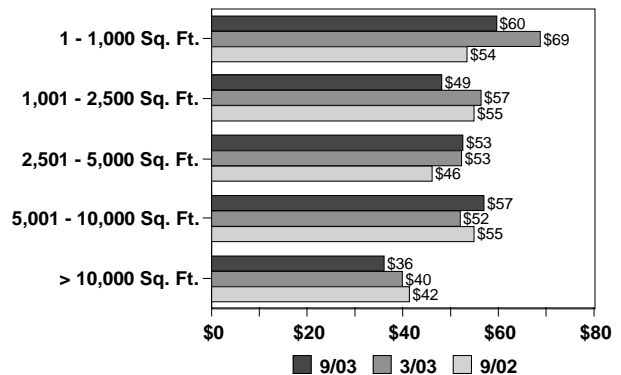
Total Number of Stores by Store Size



Available Space by Store Size (in 000's)



Asking Rents by Store Size

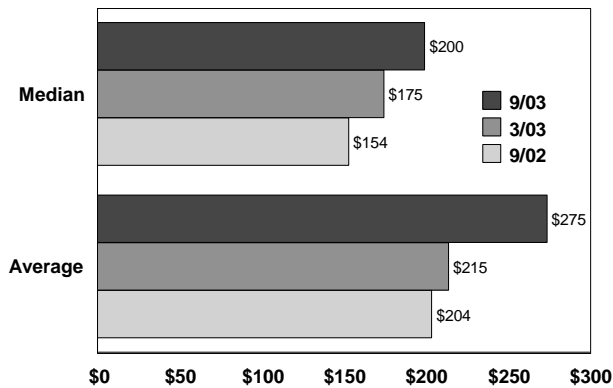


STATISTICAL SPOTLIGHT

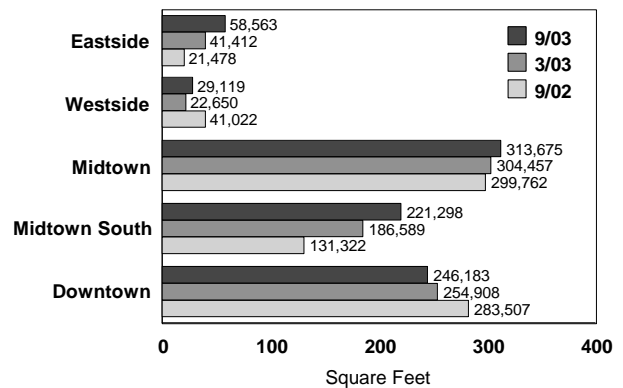
SUMMARY

GROUND FLOOR SPACE ONLY

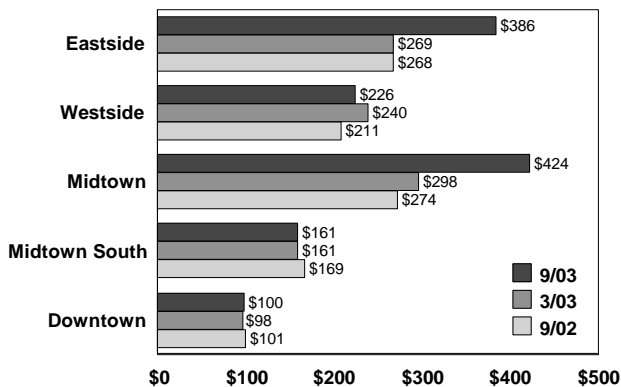
Asking Rent PSF



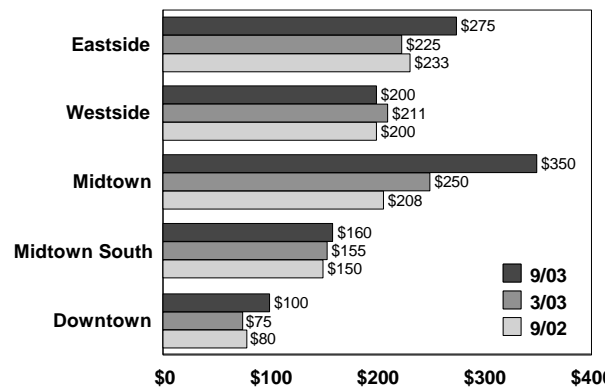
Total Amount of Space



Average Asking Rent PSF



Median Asking Rent PSF



STATISTICAL SPOTLIGHT

	Average					
	Ground Floor Space Only					
	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	2,154	\$226	1,779	\$200	1,191	\$192
Madison Ave.						
57 th - 67 th St.	1,371	\$684	1,421	\$676	1,270	\$491
West Side						
Broadway						
72 nd -86 th St.	2,647	\$226	2,059	\$240	2,735	\$211
Midtown						
34 th St.						
5 th -7 th Ave.	3,356	\$164	3,841	\$143	3,498	\$112
5 th Ave.						
48 th - 59 th St.	3,751	\$650	3,921	\$646	3,837	\$530
57 th St.						
5 th -Park Ave.	1,932	\$678	2,295	\$549	3,603	\$550
Times Square						
Broadway						
42 nd -47 th St.	3,822	\$395	4,036	\$324	4,045	\$304
7 th Ave.						
42 nd -47 th St.	4,575	\$267	4,147	\$208	3,632	\$202
42 nd St.						
6 th - 8 th Ave.	7,136	\$158	7,509	\$167	6,469	\$165

STATISTICAL SPOTLIGHT

	Average					
	Ground Floor Space Only					
	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron						
5 th Ave.						
14 th - 23 rd St.	3,312	\$156	3,986	\$157	3,458	\$195
SoHo						
Broadway						
Houston-						
Broome St.	6,875	\$167	7,693	\$165	7,157	\$152
Downtown						
Broadway						
Battery Park-						
Chambers St.	6,763	\$109	6,865	\$112	6,825	\$121
TriBeCa						
Hudson St.						
Chamber St.-						
Canal St.	2,977	\$57	2,837	\$60	4,070	\$61

STATISTICAL SPOTLIGHT

Median

Ground Floor Space Only

	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	1,200	\$215	820	\$150	900	\$187
Madison Ave.						
57 th - 67 th St.	1,325	\$700	1,200	\$700	1,100	\$523
West Side						
Broadway						
72 nd -86 th St.	2,619	\$200	1,500	\$211	2,200	\$200
Midtown						
34 th St.						
5 th -7 th Ave.	2,500	\$150	3,750	\$135	2,813	\$99
5 th Ave.						
48 th - 59 th St.	2,200	\$650	3,274	\$675	2,420	\$413
57 th St.						
5 th -Park Ave.	2,090	\$675	2,295	\$549	2,410	\$575
Times Square						
Broadway						
42 nd -47 th St.	2,000	\$350	2,000	\$327	1,590	\$300
7 th Ave.						
42 nd -47 th St.	4,000	\$275	3,575	\$175	3,575	\$175
42 nd St.						
6 th - 8 th Ave.	5,584	\$166	5,968	\$151	4,189	\$175

STATISTICAL SPOTLIGHT

Median

Ground Floor Space Only

	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron						
5 th Ave.						
14 th - 23 rd St.	2,500	\$157	2,500	\$150	2,500	\$200
SoHo						
Broadway						
Houston-						
Broome St.	6,000	\$168	7,500	\$168	6,050	\$150
Downtown						
Broadway						
Battery Park-						
Chambers St.	4,000	\$100	4,000	\$81	4,000	\$103
TriBeCa						
Hudson St.						
Chambers St.-						
Canal St.	2,490	\$60	2,219	\$48	3,854	\$60

STATISTICAL SPOTLIGHT

Range

Ground Floor Space Only

	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
East Side						
Third Ave.						
60 th - 72 th St.	320 - 6,460	\$145 - \$325	270 - 5,500	\$130 - \$315	270 - 3,809	\$95 - \$315
Madison Ave.						
57 th - 67 th St.	385 - 4,000	\$480 - \$779	495 - 4,000	\$600 - \$727	495 - 3,300	\$310 - \$727
West Side						
Broadway						
72 nd -86 th St.	400 - 6,000	\$150 - \$350	400 - 4,050	\$150 - \$333	900 - 6,500	\$95 - \$348
Midtown						
34 th St.						
5 th -7 th Ave.	2,500 - 5,069	\$143 - \$200	2,500 - 5,362	\$100 - \$200	2,500 - 5,362	\$60 - \$200
5 th Ave.						
48 th - 59 th St.	500 -20,000	\$325 - \$925	1,689 -10,425	\$333 - \$900	1,689 -20,000	\$333 - \$1,113
57 th St.						
5 th -Park Ave.	500 - 2,500	\$618 - \$750	2,180 - 2,410	\$500 - \$598	2,000 - 6,400	\$475 - \$600
Times Square						
Broadway						
42 nd -47 th St.	670 -11,000	\$250 - \$600	670 -11,000	\$100 - \$597	320 -21,000	\$60 - \$500
7 th Ave.						
42 nd -47 th St.	2,000 - 9,241	\$250 - \$275	1,000 - 9,241	\$140 - \$275	1,000 - 8,000	\$65 - \$280
42 nd St.						
6 th - 8 th Ave.	1,400 -32,000	\$65 - \$284	1,400 -32,000	\$65 - \$284	1,400 -32,000	\$65 - \$284

STATISTICAL SPOTLIGHT

Range

Ground Floor Space Only

	Fall 2003		Spring 2003		Fall 2002	
	Store Size	Asking Rent	Store Size	Asking Rent	Store Size	Asking Rent
Midtown South						
Flatiron						
5 th Ave.						
14 th - 23 rd St.	1,400 -10,000	\$100 - \$225	1,400 -10,000	\$61 - \$267	500 -10,000	\$25 - \$309
SoHo						
Broadway						
Houston-						
Broome St.	1,500 -25,000	\$100 - \$225	2,500 -25,000	\$130 - \$210	1,700 -25,000	\$37 - \$150
Downtown						
Broadway						
Battery Park-						
Chambers St.	800 -39,412	\$24 - \$275	800 -39,412	\$24 - \$280	800 -39,412	\$24 - \$280
TriBeCa						
Hudson St.						
Chamber St.-						
Canal St.	800 - 7,500	\$35 - \$100	800 - 7,500	\$35 - \$101	800 - 7,500	\$35 - \$100

MARKET AREA DEFINITIONS

East Side

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

West Side

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

Midtown

31st Street to 59th Street

Midtown South

Canal Street to 30th Street

Downtown

South of Canal Street

Upper Manhattan

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

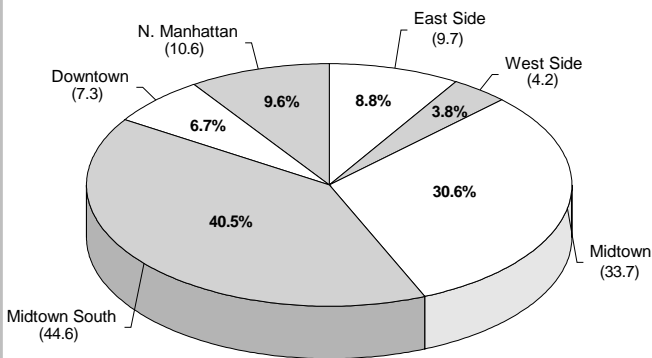
SELECTED MARKET DATA

Major Leases

Tenant	Street Address	Square Footage
Home Depot	28-40 West 23rd St	108,000
Wachovia	540 Madison Avenue	30,703
The Guitar Center	25 West 14th St	30,000
Borders, Inc.	The Shops @ Columbus Circle	26,000
Forever 21	50 West 34th St	25,000
The Container Store	625 Sixth Avenue	24,000
Cipriani USA	200 Fifth Avenue	22,000
Washington Mutual	101 Park Avenue	21,000
Chase Bank	60 East 42nd St	18,683
Troy	Chelsea's Terminal Warehouse	17,300
Mexx	19 Union Square West	16,500
Capital Grille	Chrysler Building	14,896
Washington Mutual	623 Fifth Avenue	14,486
MessageLabs	512 Seventh Avenue	14,000
Strawberry's	Empire State Building	12,000
Zeytinz Market PLace	24 West 40th St	11,500
Zeytuna	53 Park Place	9,700

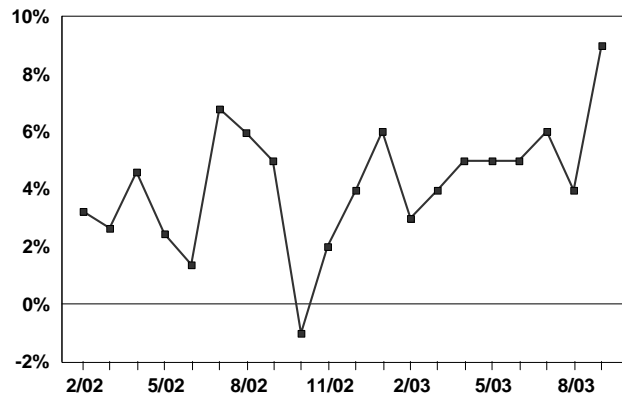
SELECTED MARKET DATA

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



Source: New York City Department of Finance/REBNY

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



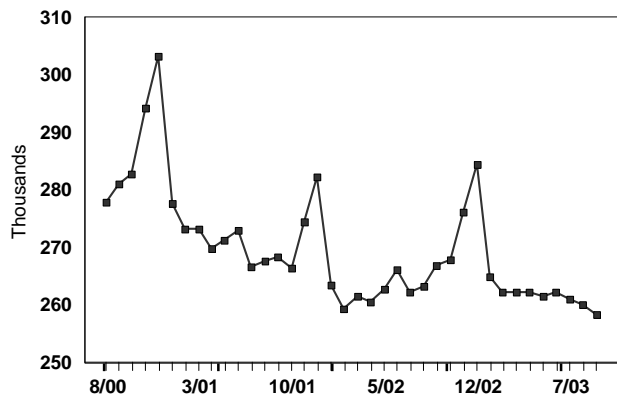
Source: U.S. Census Bureau

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



Source: NYC Office of Management & Budget

New York City Retail Employment



Source: NYS Department of Labor

ACKNOWLEDGEMENTS

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

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CBRE Retail Services NY Tri-State Region		Ripco Real Estate Corp.
GVA Williams	☛	Robert K. Futterman & Associates, LLC
Madison HGCD, LLC		Rockrose Development Corp.
Massey Knakal	☛	The Lansco Corp.
Menkin Realty Services	☛	Walker, Malloy & Co., Inc.
Murray Hill Properties		Winick Realty Group
Newmark New Spectrum Retail, LLC	☛	

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

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Robin Abrams		Alan Victor
Ben Fox		Chase Welles
David Green	☛	

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

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

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