



THE REAL ESTATE BOARD OF NEW YORK

BROOKLYN RETAIL REPORT | WINTER 2020



EXECUTIVE SUMMARY

In winter 2020, average asking rents for ground floor retail spaces decreased in 9 of the 12 Brooklyn corridors analyzed by the Real Estate Board of New York (REBNY) when compared to the winter of 2019. Overall, major Brooklyn retail corridors continue to observe stabilizing rents from peak levels as owners are better positioning their spaces to meet tenant expectations. Historical trends reflect the changing identities of certain retail corridors in areas experiencing increased density from residential, commercial, and mixed-use developments.

WILLIAMSBURG

Three of the five Williamsburg retail corridors surveyed witnessed declines in asking rents during the winter of 2020. Along Bedford Avenue, between Grand and North 8th Street, average asking rents declined to \$276 per square foot (psf), a 14% decline year-over-year. The decline in asking rents is attributed to a substantial increase in the number of available listings, as newer availability is set at asking rents below historical averages given the level of availability and the continued uncertainty about the future plans for the L train. Average asking rents along Grand Street, between Marcy Avenue and Kent Avenue, fell to \$87 psf. Similarly to Bedford Avenue South, there is a significant increase in the amount of listings in which most of the new availability is located past Bedford Avenue where rents tend to be lower. On North 4th Street, between Driggs Avenue and Kent Avenue, average asking rents fell 31% year-over-year to \$135 psf. North 4th street consistently has minimal availability.

GREENPOINT

Average asking rents on Franklin Street, between Meserole Street and Commercial Street, and Manhattan Avenue, between Driggs Avenue and Kent Avenue remained flat at \$69 psf and \$70 psf, respectively, when compared to the winter of 2019. Greenpoint continues to observe an abundance of new development from the Greenpoint Landing mega-development to renovations of older buildings with under 10 units. Retailers are capitalizing to shifting demographics and rehabbed storefronts by offering new restaurant concepts and creative dry/service uses. Deal making is occurring at a steadier pace with average asking rents 20% below the ask.

PARK SLOPE

In Park Slope, average asking rents along 7th Avenue, between Union Street and 9th Street, fell to \$99 psf, a 15% decline year-over-year. Most of the current availability is comprised of several large spaces with the capability of splitting into smaller spaces. These owners are keeping asking rents high leading to longer time on the market. Even though asking rents on 7th Avenue remain high, deal making has occurred by negotiating lower rents. On 5th Avenue, between Union Street and 9th Street, average asking rents rose to \$99 psf, a 15% increase year-over-year. 5th Avenue is in a transitional state with the continued trend of availability being recent restaurant closures due to spikes in property taxes and rent.

“The vacancy rates on both 5th and 7th Avenues in Park Slope have remained stable since the summer months with equal amounts absorption and new inventory being added to the market. Closed leases continue to be written at discounts ranging from 10% to 15% off asking rents.” – **Jeffery Kessler, LEVITAN**

EXECUTIVE SUMMARY (CONT.)

DOWNTOWN BROOKLYN

In Downtown Brooklyn's Fulton Street area, between Boerum Place and Flatbush Avenue, average asking rents rose to \$296 psf, a 13% increase year-over-year. Activity along the corridor is stable with recent short-term deals causing a decrease in the amount of available spaces. Fulton Street remains a strong corridor with low vacancy with a boosted demand for retail space. Tishman Speyer's new Wheeler Development, new home to the Whittle School, is increasing foot traffic and activity. On Court Street, between Atlantic Avenue and Pierrepont Street, average asking rents fell to \$157 psf, a 5% decline year-over-year.

DUMBO

Average asking rents in Dumbo, along Washington Street, Front Street, Jay Street, Washington Street, and Main Street, fell to \$60 psf, a 40% decline year-over-year. Dumbo is a seasonal market characterized by low availability, causing asking rents to be volatile dependent on seasonality. Interest for retail space will continue to rise as new mixed-use developments will cause neighborhood density to increase. Current tenants consist of food and service uses, particularly in fitness and wellness.

COBBLE HILL

In Cobble Hill, average asking rents on Smith Street, between Atlantic Avenue and Carroll Street, rose to \$95 psf, a 34% year-over-year increase. Likewise, on Court Street, between Atlantic Avenue and Carroll Street, average asking rents rose to \$120 psf, a 22% year-over-year increase. Heavy construction and rehabilitation of spaces is occurring on Court Street and Smith Street. Current availability is a mixture between less desirable brownstone retail spaces and newly rehabbed spaces hitting the market. Recent leasing activity has occurred from a mix of national and local tenants including Malin & Goetz, UPPAbaby, Bond Veterinary, and White Noise Coffee Company.

PROSPECT HEIGHTS

In Prospect Heights' Flatbush Avenue, between 5th Avenue and Grand Army Plaza, average asking rents declined 4% year-over-year to \$120 psf. Flatbush Avenue is an attractive corridor for prospective retail tenants given its proximity to the Barclays Center, Atlantic Terminal, and the LIRR. With an influx of new tech start-ups and creative companies, the commercial appeal of the corridor continues to rapidly increase.

"Prospect Heights continues to show steady and healthy movement along the retail corridor of Flatbush Avenue. New office tenants alongside large residential; developments have led to higher density and more interest from national retailers who want to capitalize on this boom!" – **Mitzi Flexer, Cushman & Wakefield**

ABOUT REBNY'S BROOKLYN RETAIL REPORT

The REBNY Brooklyn Retail Report—a joint effort by REBNY's Commercial Brokerage Brooklyn and Retail Committees—presents a snapshot of major retail corridors in the borough. REBNY's goal is to provide a useful and reliable guide, based on actual ground floor retail asking rent information, to garner a better understanding of the Brooklyn retail leasing landscape.

Although this report shows changes—positively and negatively—in average asking rents in most of the corridors analyzed, we must stress that a change between two consecutive periods does not necessarily indicate a change in the market. Such short-term fluctuations may only be the result of spaces coming on or off the market. However, as we build historical data, we can identify long-term trends that suggest a gradual market shift. The median rent information, the range of rent information, and this analysis of the data should help readers receive a comprehensive and accurate picture of the market in these selected corridors.

We must reiterate that the rents quoted in this report are asking rents. Physical components of a retail space factor greatly into its rental value. Attributes such as the lineal amount of street/avenue frontage, ceiling height, presence of below grade and mezzanine and second floor space, and locational factors such as proximity to a subway entrance, can affect value. Consequently, in corridors with little availability, a high-quality space coming to market can increase the average and median asking rents greatly.

In smaller corridors, a lack of available space may lead, in some cases, to its adjacent blocks becoming of greater interest to retailers. This is especially relevant in Brooklyn where neighborhoods have been in constant flux with a variety of landlord profiles—some who are capable of making investments to improve the quality of their space and others less inclined to do so.

The surveyed corridors in this report represent the top tier retail corridors in Brooklyn. Rents on adjoining side streets may lease for considerably less than the locations we are profiling.

This report provides an overview of the market at a particular point in time that is based on the available listings of REBNY's Brooklyn Retail Advisory Group in addition to the Commercial Brokerage Brooklyn Committee and Retail Committee members.

ACKNOWLEDGEMENTS

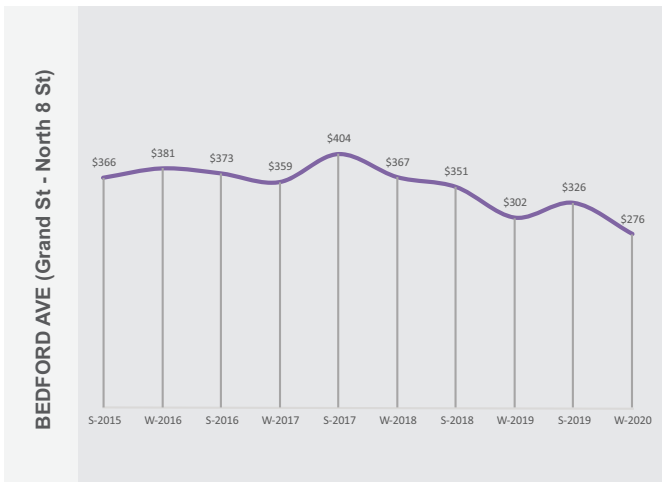
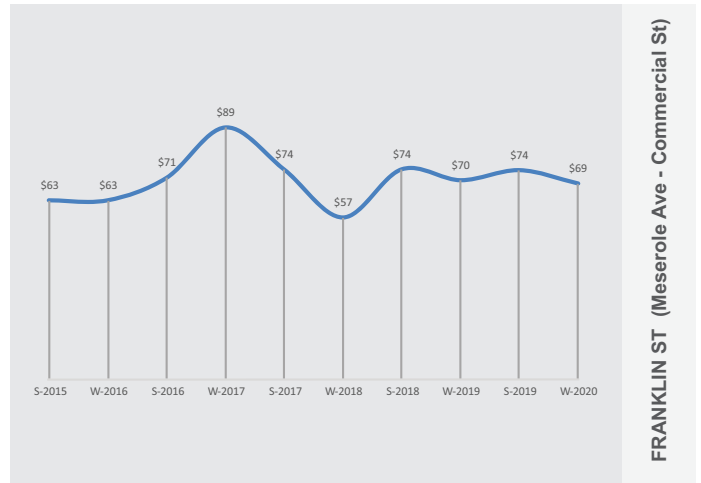
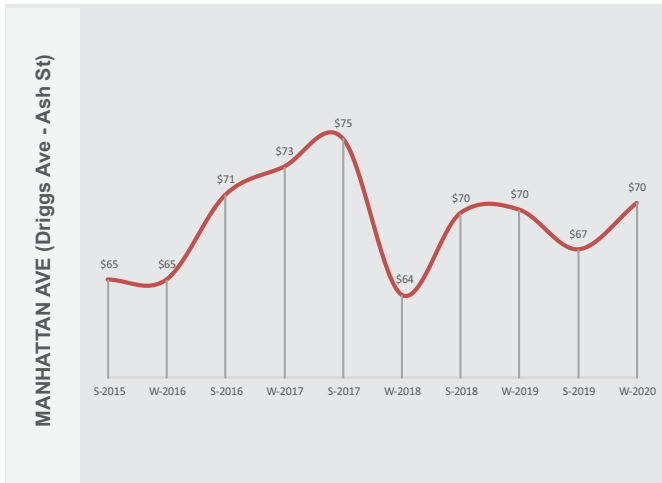
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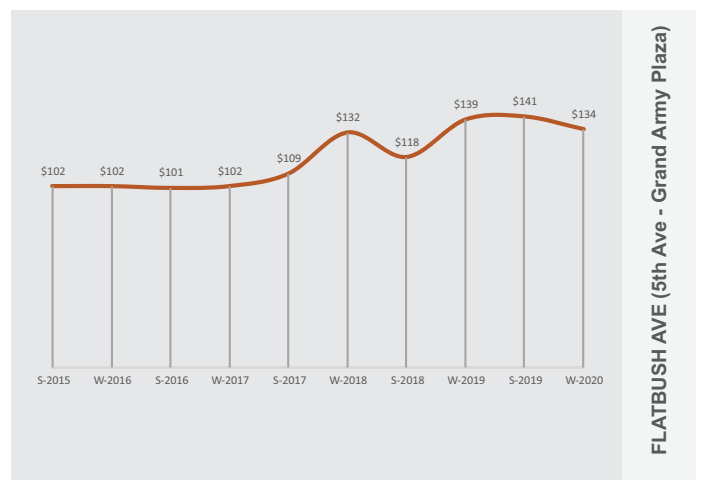
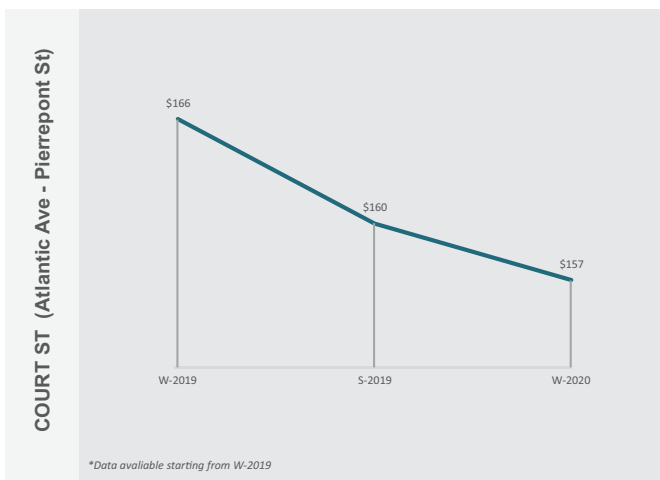
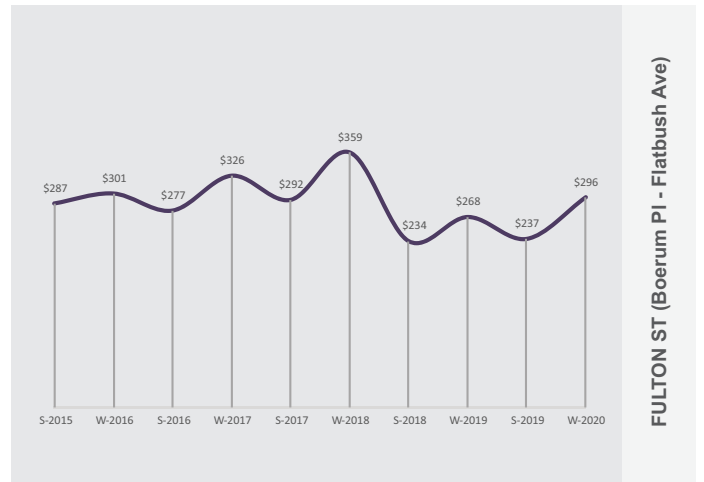
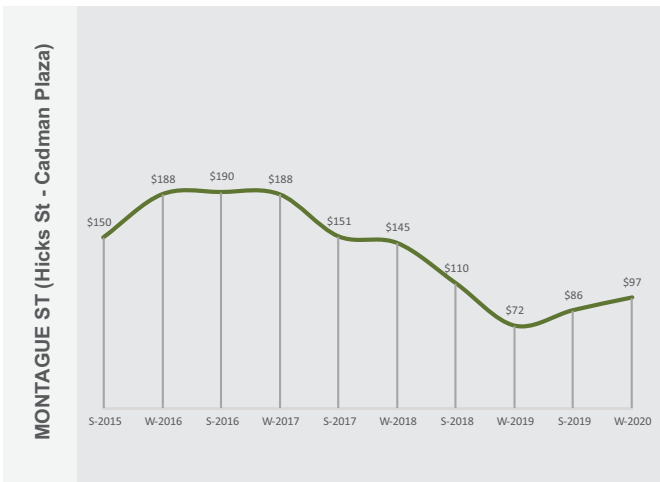
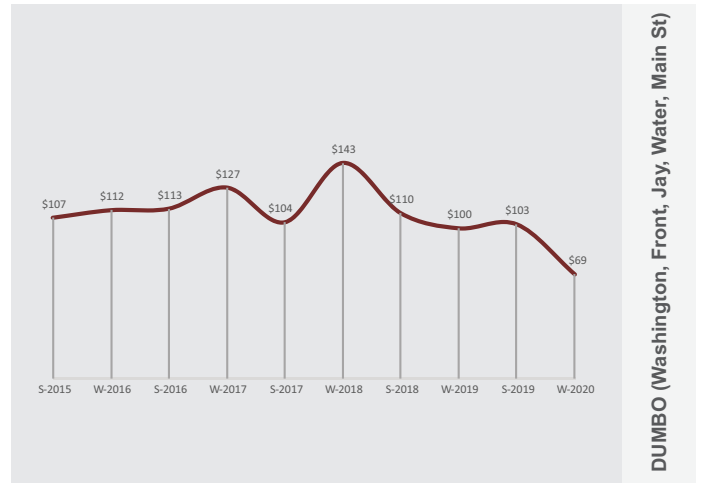
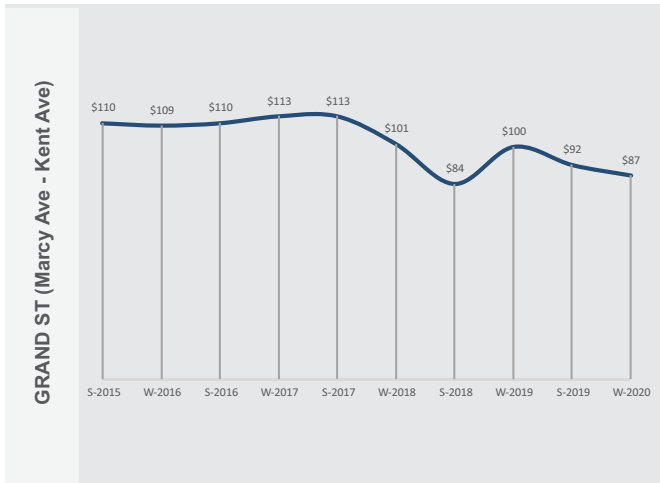
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Compass
Cushman & Wakefield
LEVITAN

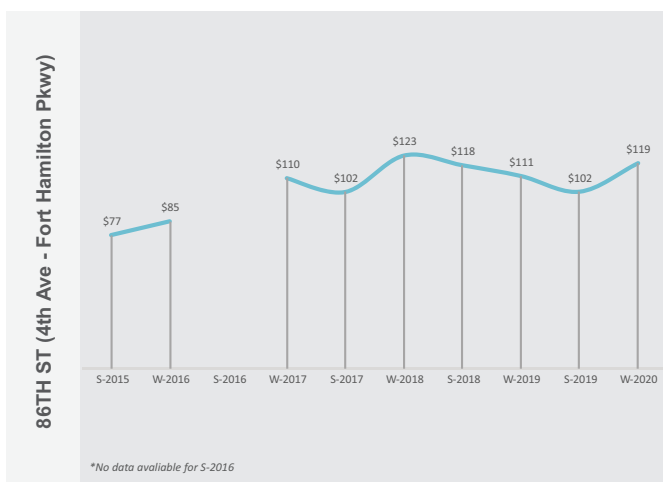
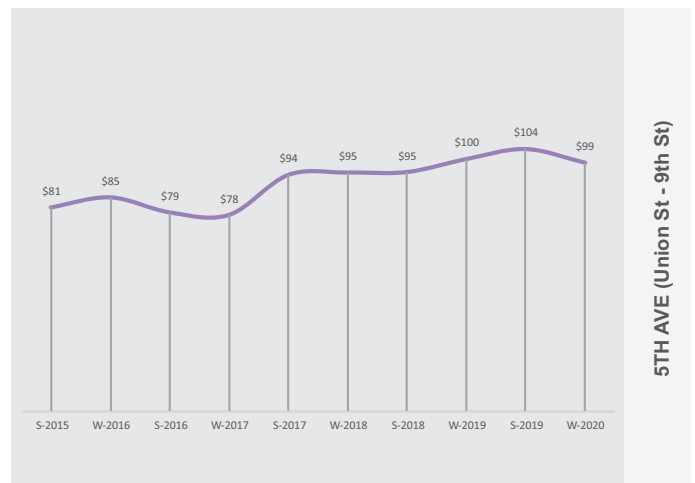
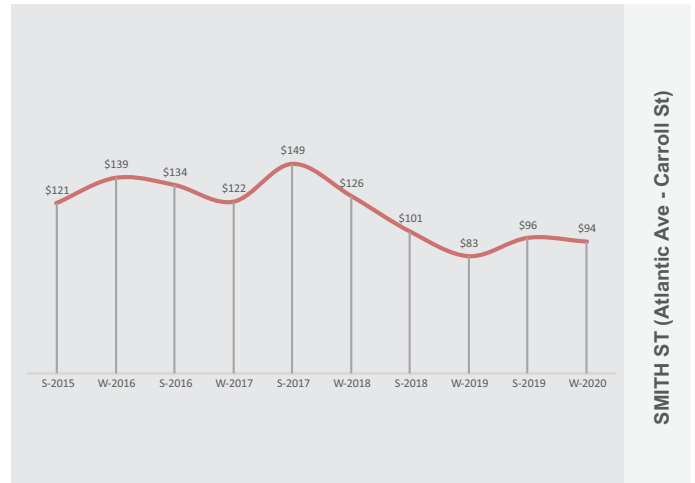
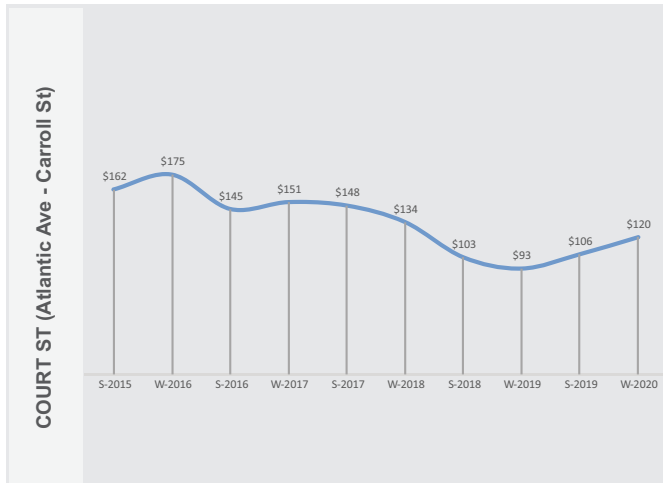
AVERAGE ASKING RENT PSF - GROUND FLOOR RETAIL



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APPENDIX

AVERAGE ASKING RENT PSF – GROUND FLOOR RETAIL

	Winter 20	Summer 19	Winter 19	% Change Summer 19	% Change Winter 19
Greenpoint					
Franklin St (Meserole Ave - Commercial St)	\$69	\$74	\$70	-6%	-1%
Manhattan Ave (Driggs Ave - Ash St)	\$70	\$67	\$70	5%	1%
Williamsburg					
Bedford Ave (North 8th St - North 12th St)	\$153	\$153	\$147	0%	4%
Bedford Ave (Grand - North 8th St)	\$276	\$326	\$319	-15%	-14%
North 6 St (Driggs Ave - Kent Ave)	\$237	\$246	\$209	-3%	14%
North 4 St (Driggs Ave - Kent Ave)	\$135	\$161	\$196	-16%	-31%
Grand St (Havemeyer St - Kent Ave)	\$87	\$92	\$100	-5%	-13%
DUMBO					
Washington St, Main St, Water St, Front St, Jay St	\$69	\$103	\$108	-32%	-36%
Brooklyn Heights					
Montague St (Hicks St - Cadman Plaza)	\$97	\$86	\$72	13%	35%
Downtown Brooklyn					
Fulton St (Boerum Pl - Flatbush Ave)	\$296	\$237	\$262	25%	13%
Court St (Atlantic Ave - Pierrepont St)	\$157	\$160	\$166	-2%	-5%
Prospect Heights					
Flatbush Ave (5th Ave - Grand Army Plaza)	\$134	\$141	\$139	-5%	-4%
Cobble Hill					
Court St (Atlantic Ave - Carroll St)	\$120	\$96	\$96	14%	25%
Smith St (Atlantic Ave - Carroll St)	\$94	\$83	\$83	-3%	13%
Park Slope					
7th Ave (Union St - 9th St)	\$99	\$86	\$117	16%	-15%
5th Ave (Union St - 9th St)	\$99	\$104	\$95	-5%	4%
Bay Ridge					
86th St (4th Ave - Fort Hamilton Pkwy)	\$119	\$102	\$111	16%	7%

APPENDIX

MEDIAN ASKING RENT PSF – GROUND FLOOR RETAIL

	Winter 20	Summer 19	Winter 19	% Change Summer 19	% Change Winter 19
Greenpoint					
Franklin St (Meserole Ave - Commercial St)	\$70	\$74	\$62	-5%	13%
Manhattan Ave (Driggs Ave - Ash St)	\$65	\$75	\$70	-13%	-7%
Williamsburg					
Bedford Ave (North 8th St - North 12th St)	\$145	\$138	\$141	5%	3%
Bedford Ave (Grand - North 8th St)	\$282	\$300	\$300	-6%	-6%
North 6 St (Driggs Ave - Kent Ave)	\$250	\$263	\$215	-5%	16%
North 4 St (Driggs Ave - Kent Ave)	\$128	\$175	\$167	-27%	-24%
Grand St (Havemeyer St - Kent Ave)	\$84	\$90	\$90	-7%	-6%
DUMBO					
Washington St, Main St, Water St, Front St, Jay St	\$60	\$98	\$100	-38%	-40%
Brooklyn Heights					
Montague St (Hicks St - Cadman Plaza)	\$86	\$80	\$70	8%	23%
Downtown Brooklyn					
Fulton St (Boerum Pl - Flatbush Ave)	\$330	\$250	\$250	32%	32%
Court St (Atlantic Ave - Pierrepont St)	\$158	\$154	\$150	3%	5%
Prospect Heights					
Flatbush Ave (5th Ave - Grand Army Plaza)	\$120	\$138	\$125	-13%	-4%
Cobble Hill					
Court St (Atlantic Ave - Carroll St)	\$120	\$91	\$98	32%	22%
Smith St (Atlantic Ave - Carroll St)	\$95	\$95	\$71	0%	34%
Park Slope					
7th Ave (Union St - 9th St)	\$98	\$89	\$115	11%	-15%
5th Ave (Union St - 9th St)	\$99	\$100	\$86	-1%	15%
Bay Ridge					
86th St (4th Ave - Fort Hamilton Pkwy)	\$130	\$109	\$115	19%	13%

APPENDIX

RANGE OF ASKING RENTS PSF – GROUND FLOOR RETAIL

	Winter 20			Summer 19			Winter 19		
Greenpoint									
Franklin St (Meserole Ave - Commercial St)	\$23	–	\$120	\$40	–	\$115	\$45	–	\$115
Manhattan Ave (Driggs Ave - Ash St)	\$35	–	\$130	\$20	–	\$109	\$36	–	\$125
Williamsburg									
Bedford Ave (North 8th St - North 12th St)	\$120	–	\$200	\$120	–	\$200	\$106	–	\$200
Bedford Ave (Grand - North 8th St)	\$82	–	\$500	\$195	–	\$500	\$210	–	\$500
North 6 St (Driggs Ave - Kent Ave)	\$133	–	\$300	\$143	–	\$300	\$55	–	\$350
North 4 St (Driggs Ave - Kent Ave)	\$45	–	\$260	\$70	–	\$258	\$120	–	\$300
Grand St (Havemeyer St - Kent Ave)	\$40	–	\$137	\$60	–	\$144	\$65	–	\$175
DUMBO									
Washington St, Main St, Water St, Front St, Jay St	\$37	–	\$140	\$47	–	\$143	\$70	–	\$150
Brooklyn Heights									
Montague St (Hicks St - Cadman Plaza)	\$65	–	\$150	\$66	–	\$133	\$40	–	\$108
Downtown Brooklyn									
Fulton St (Boerum Pl - Flatbush Ave)	\$200	–	\$375	\$63	–	\$375	\$100	–	\$375
Court St (Atlantic Ave - Pierrepont St)	\$113	–	\$217	\$117	–	\$235	\$120	–	\$234
Prospect Heights									
Flatbush Ave (5th Ave - Grand Army Plaza)	\$86	–	\$226	\$72	–	\$226	\$71	–	\$226
Cobble Hill									
Court St (Atlantic Ave - Carroll St)	\$48	–	\$210	\$55	–	\$185	\$55	–	\$125
Smith St (Atlantic Ave - Carroll St)	\$55	–	\$160	\$46	–	\$160	\$46	–	\$150
Park Slope									
7th Ave (Union St - 9th St)	\$83	–	\$120	\$87	–	\$120	\$110	–	\$128
5th Ave (Union St - 9th St)	\$74	–	\$125	\$60	–	\$125	\$85	–	\$110
Bay Ridge									
86th St (4th Ave - Fort Hamilton Pkwy)	\$55	–	\$150	\$47	–	\$133	\$45	–	\$200

CORRIDOR MAPS

