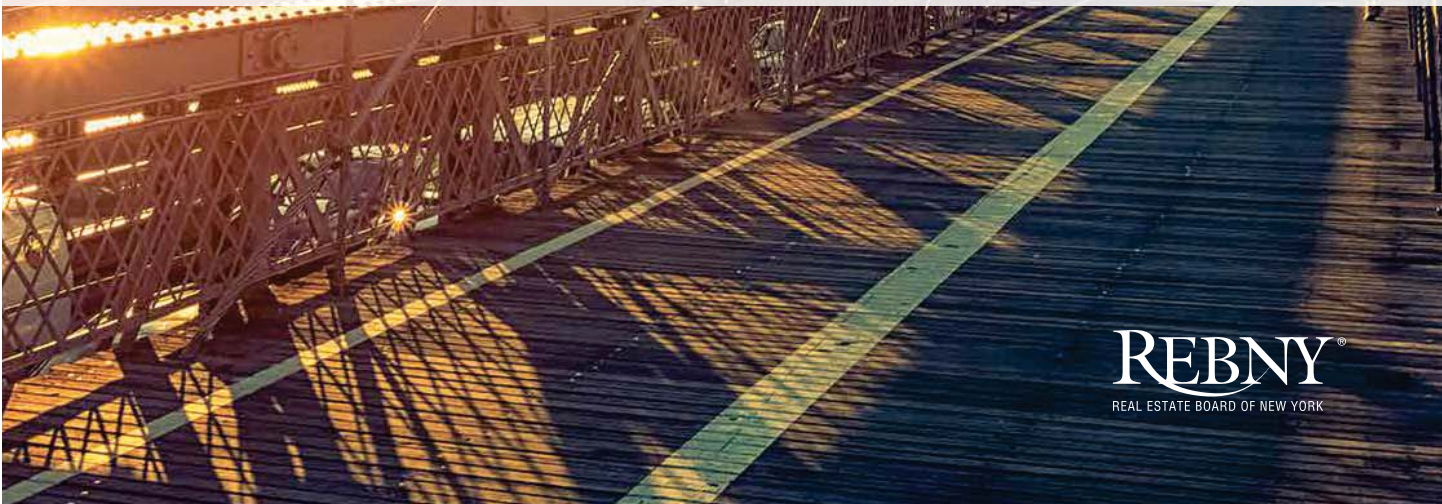




# THE REAL ESTATE BOARD OF NEW YORK

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BROOKLYN RETAIL REPORT | WINTER 2017



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

## EXECUTIVE SUMMARY

In winter 2018, average asking rents for available ground floor retail spaces increased in 8 of the 15 surveyed Brooklyn corridors analyzed in the Real Estate Board of New York's (REBNY) Brooklyn Retail Report, when compared to winter 2017. Decreases in ground floor retail average asking rents were recorded in seven corridors.

Overall, the retail landscape in Brooklyn has remained strong in areas where new residential and commercial properties are being developed. Declines in average asking rents have occurred mostly in more mature neighborhoods where landlords are still learning how to position their retail space in a competitive environment. Some corridors' retail identities are also transitioning and the average asking rent statistics reflect that. Despite attractive neighborhood attributes and the trendy status that a quieter corridor may provide, boutiques and national brands have been more interested in space where there is significant foot traffic from dense residential and commercial developments.

Flatbush Avenue in Prospect Heights, between 5th Avenue and Grand Army Plaza, saw a 30 percent increase in the average asking rent for ground floor retail space in winter 2018 compared to the winter of 2017. The new average asking rent of \$132 per square foot of ground retail space is a result of increased foot traffic in the area generated by new high-density residential projects, popular restaurants, and a strong office leasing market. Our Brooklyn Retail Advisory Group reported that the area has been gaining attention from major national brands looking for exposure on the rapidly developing corridor.

The average retail asking rents for ground floor space in the flourishing Dumbo cross streets tracked in our report grew 13 percent in winter 2018 when compared to winter 2017. The \$143 average asking rent per square foot reflects a growth in development for a wide variety of uses. The opening of Pier 5 in Brooklyn Bridge Park has created a surge of foot traffic during times when activity in the newly-converted office buildings has been lower.

New residential developments are coming to market throughout the neighborhood and residents will benefit from the opening of Dumbo Market, the neighborhood's first grocery store, at 66 Front Street.

Franklin Street in Greenpoint, between Meserole Avenue and Commercial Street, experienced a 36 percent decline in its average retail asking rent in the winter of 2018 when compared to the winter of 2017. This sharp decrease to \$57 per square foot was not indicative of falling demand along the corridor. The current supply of spaces on the market is not in the condition, or of the type, that a large retailer would be interested in paying prime rent for. Many of these spaces have very little frontage, need substantial buildouts, or are located on the periphery of the corridor.

Average retail asking rents on 7th Avenue in Park Slope, between Union Street and 9th Street, fell 11 percent to \$114 per square foot. Our Brooklyn Retail Report Advisory group noted that some of this decline can be attributed to a natural correction in rents. Previously, some landlords held ambitious expectations following a few high-priced lease signings for larger stores in prime locations. They have now started to back off from their higher asking rents and activity has increased.

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. Our 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-run 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

## EXECUTIVE SUMMARY (CONT.)

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.

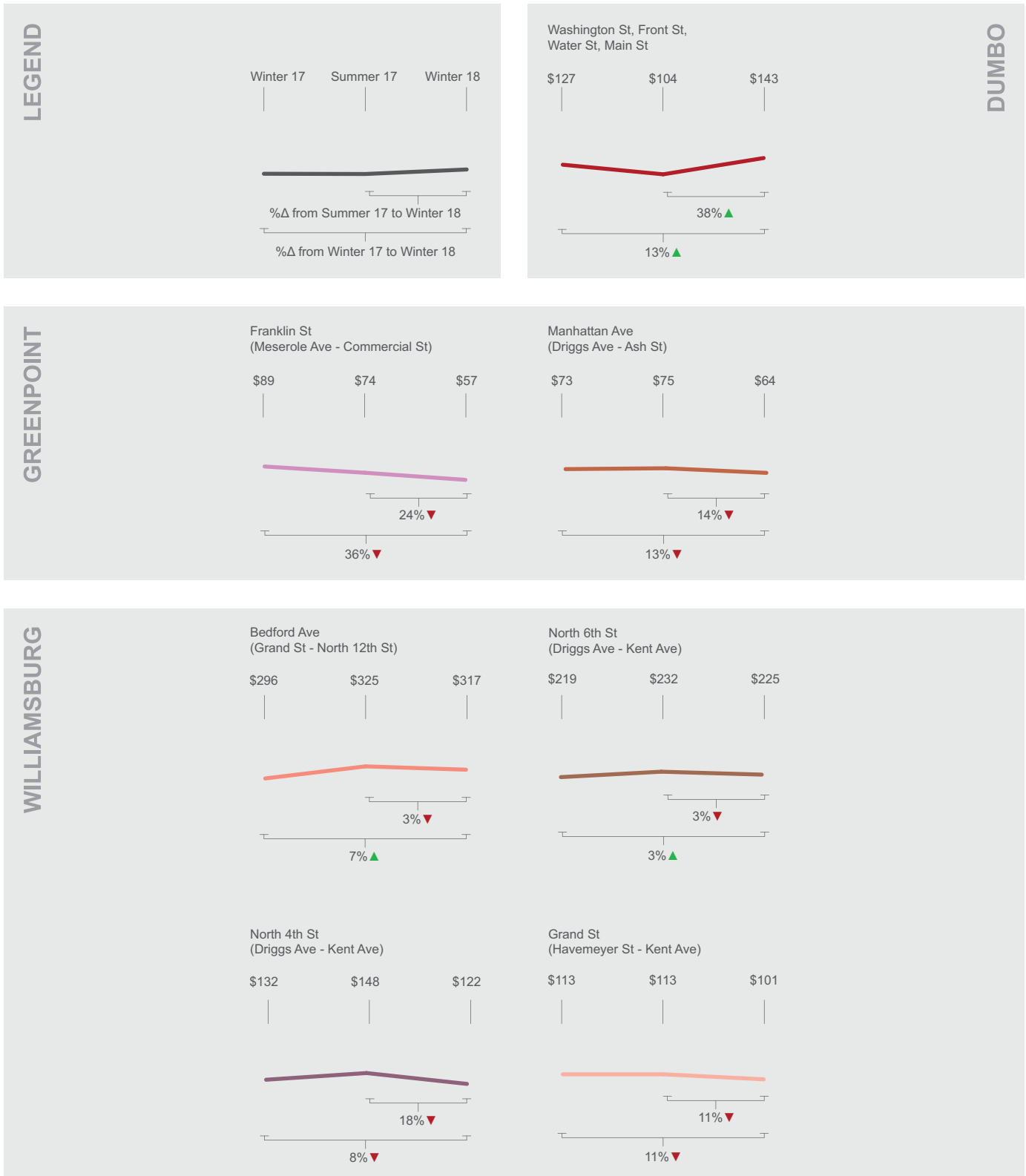
Our report provides an overview of the market at a particular point in time that is based on the available listings of our Brooklyn Retail Advisory Group in addition to our Commercial Brokerage Brooklyn Committee and Retail Committee members.

## ACKNOWLEDGEMENTS

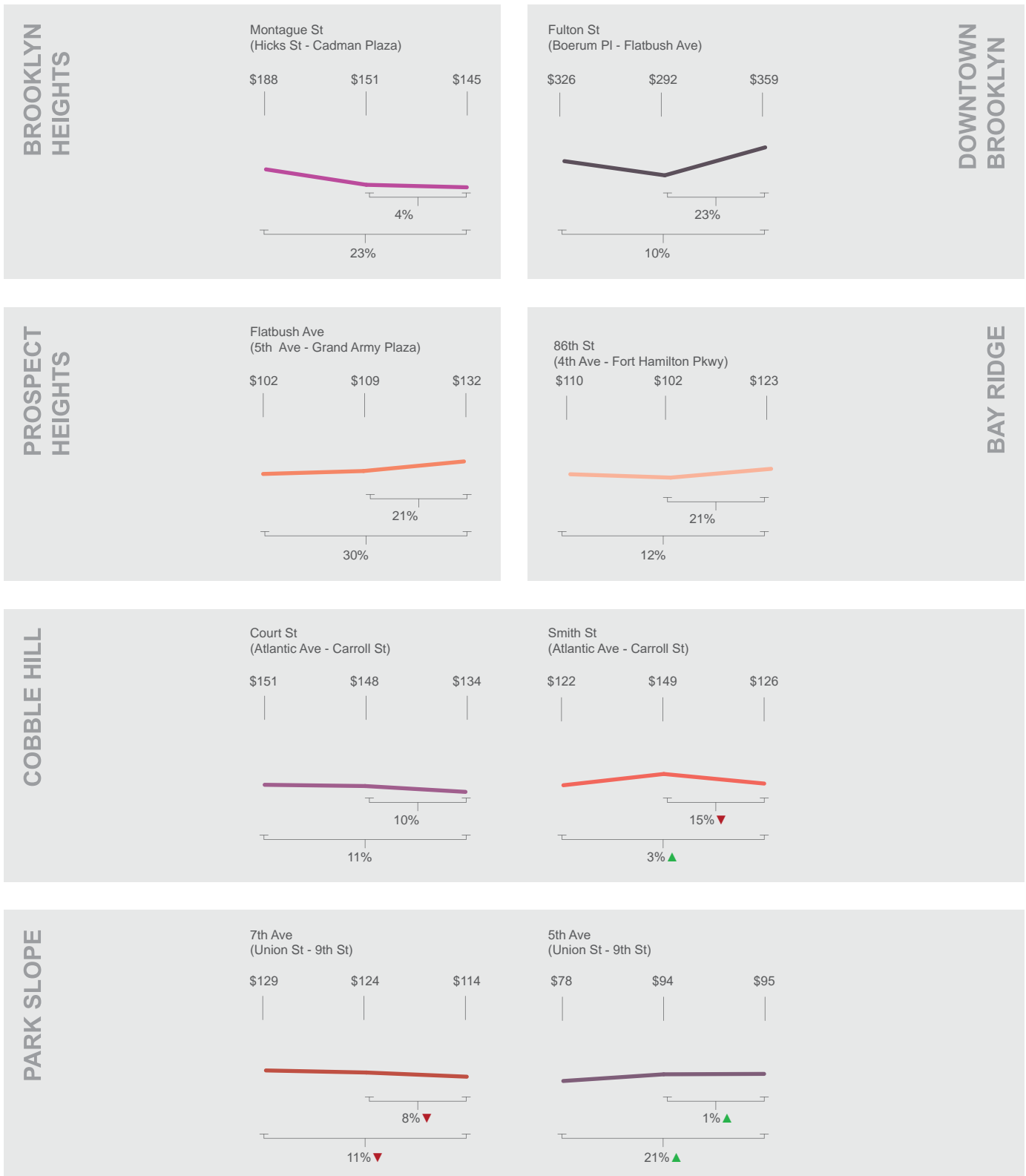
The REBNY Brooklyn Retail Report Advisory Group Includes:

Robin Abrams, Eastern Consolidated  
Diana Boutross, Cushman & Wakefield  
Mitzi Flexer, Cushman & Wakefield  
Peter Levitan, LEVITAN  
Ryan Tucker, Cushman & Wakefield  
Curtis Woodside, Eastern Consolidated

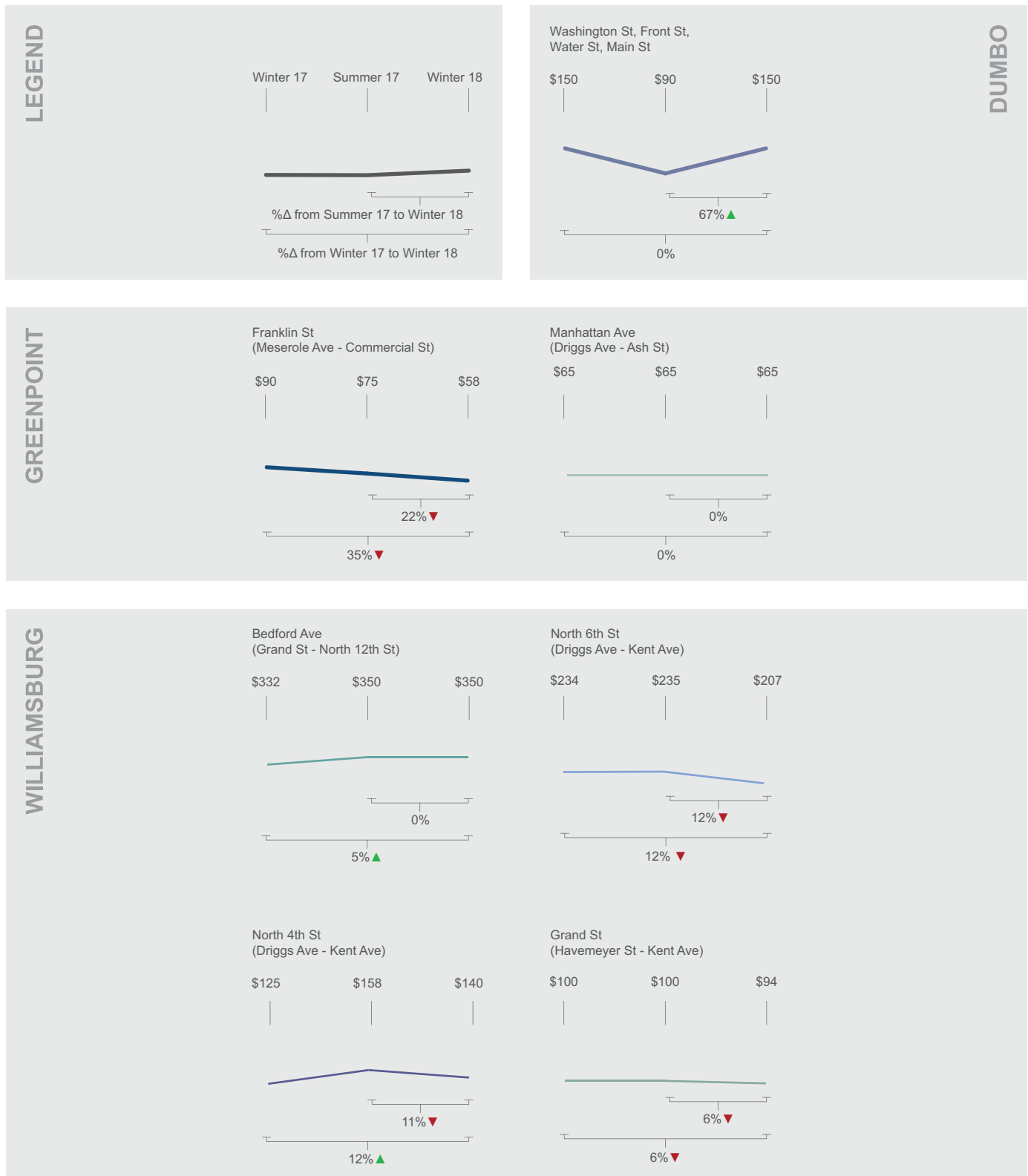
## AVERAGE ASKING RENT PSF - GROUND FLOOR RETAIL



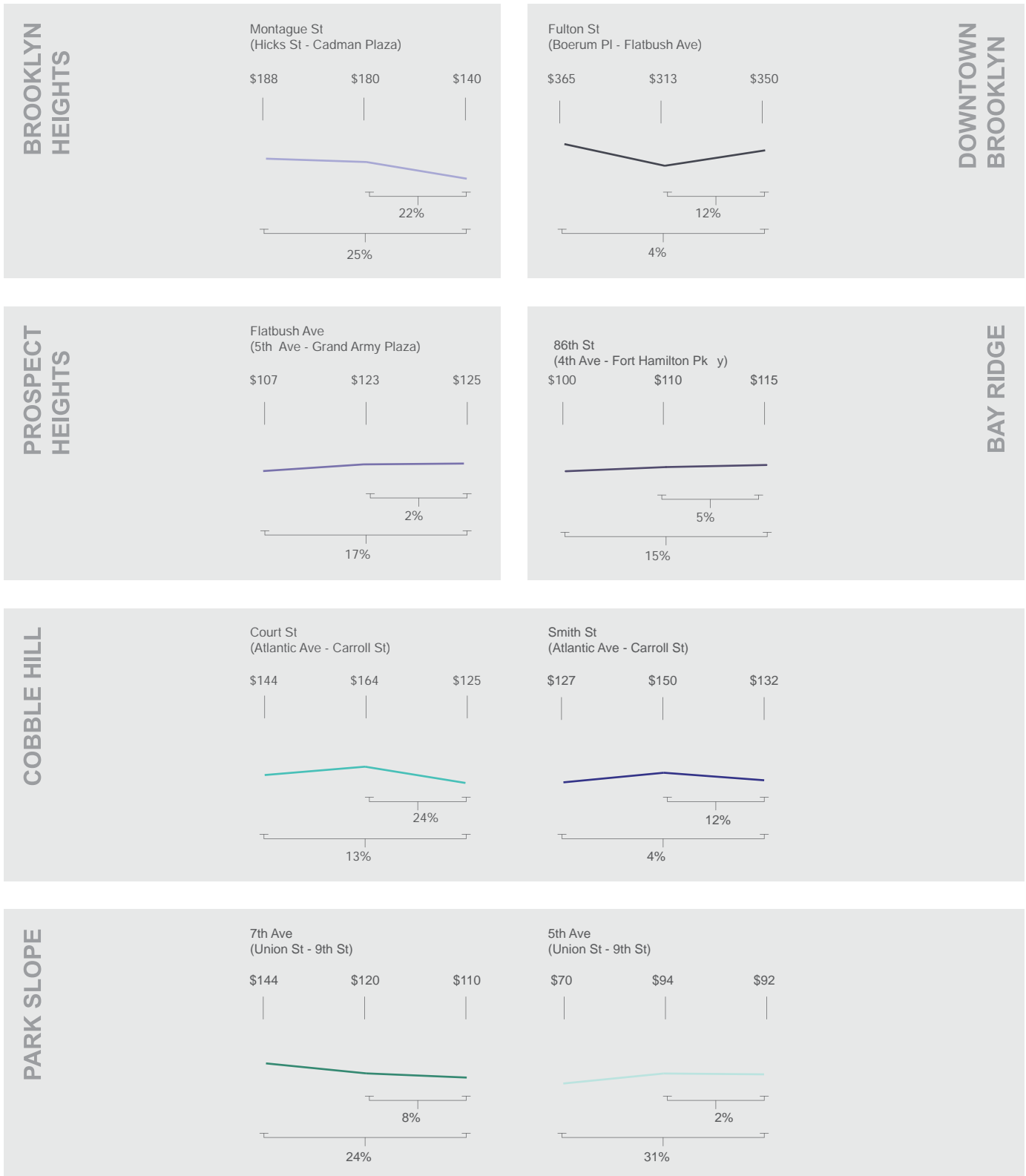
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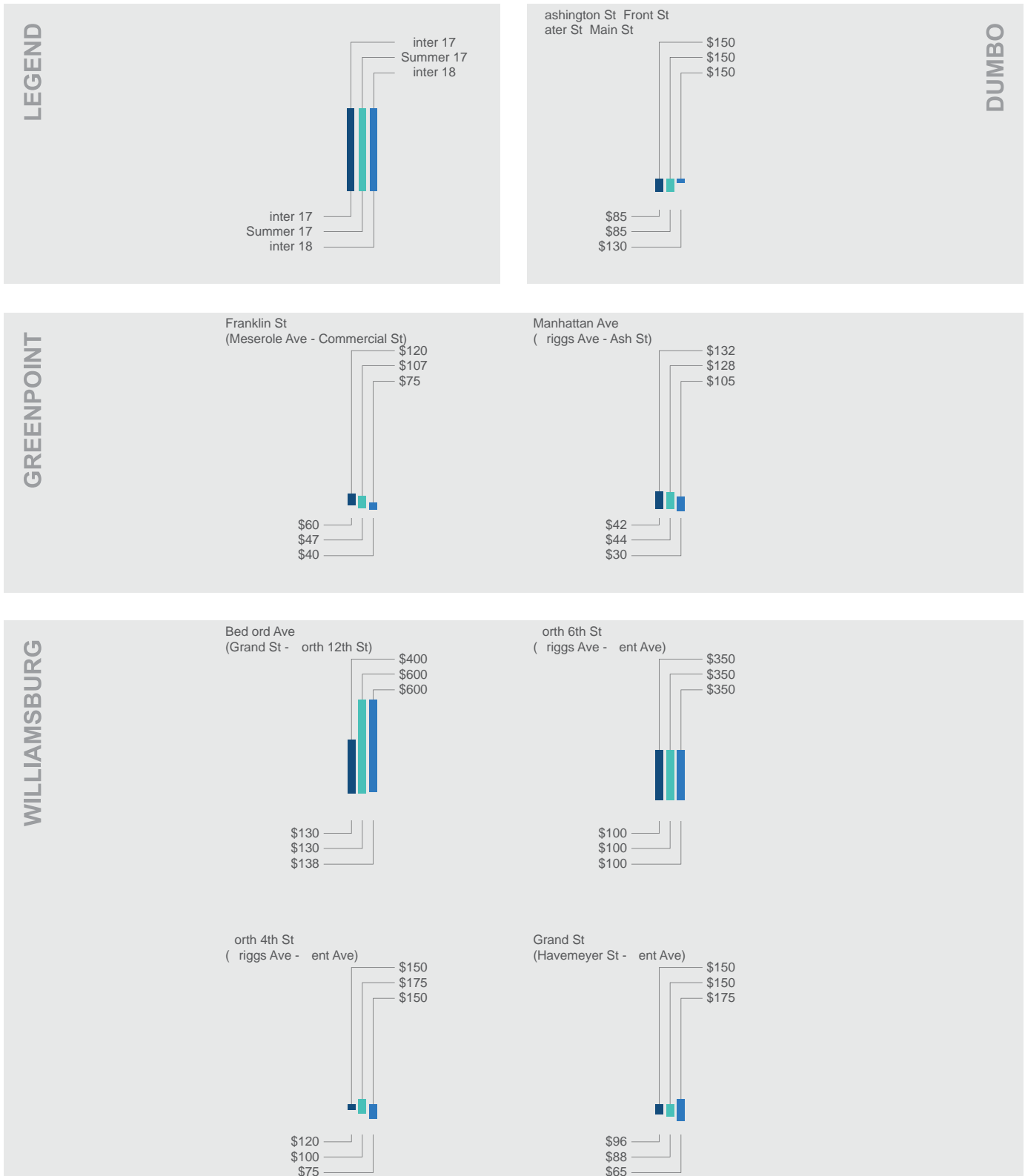
## MEDIAN ASKING RENT PSF - GROUND FLOOR RETAIL



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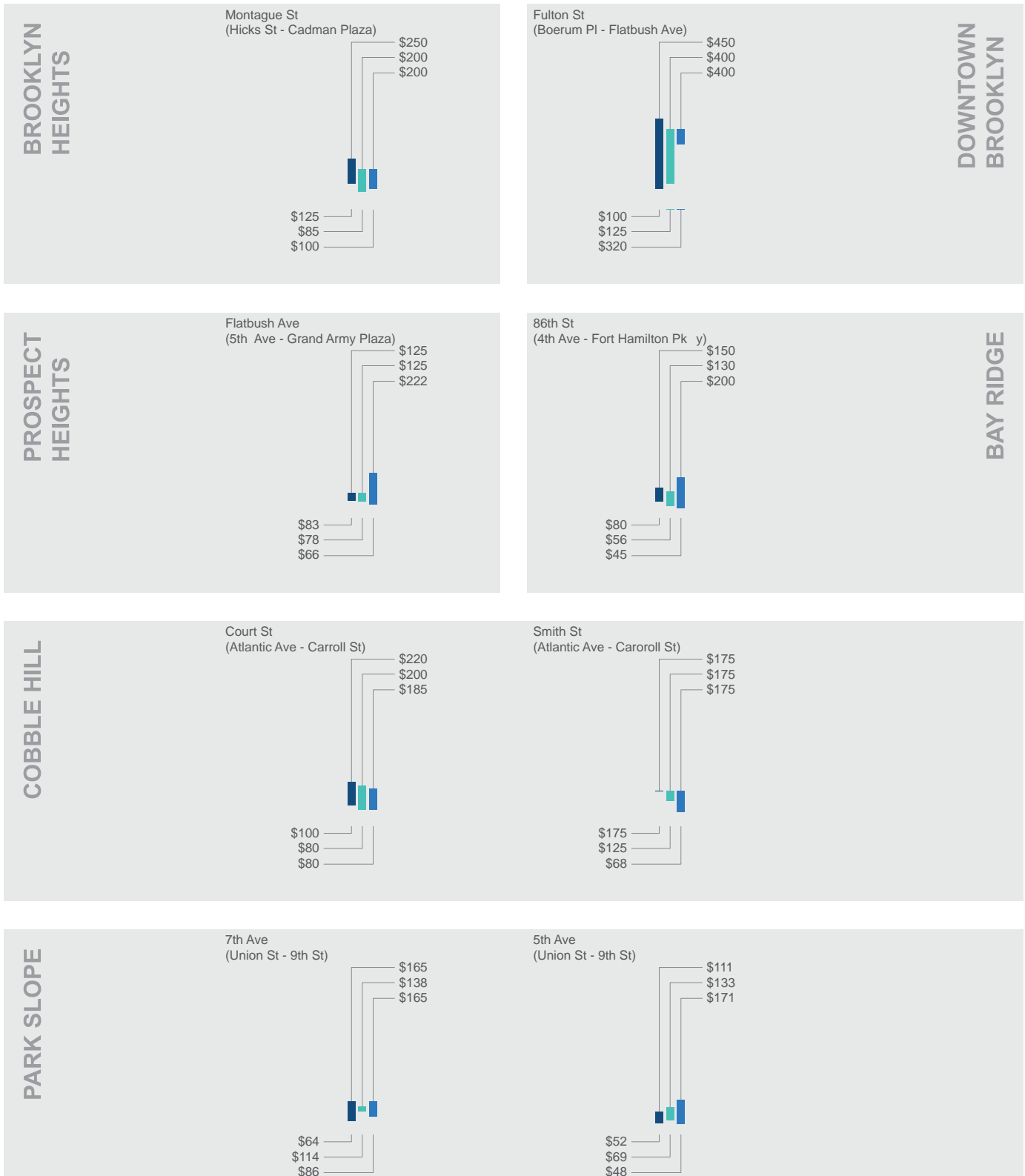


## RANGE OF ASKING RENTS PSF - GROUND FLOOR RETAIL

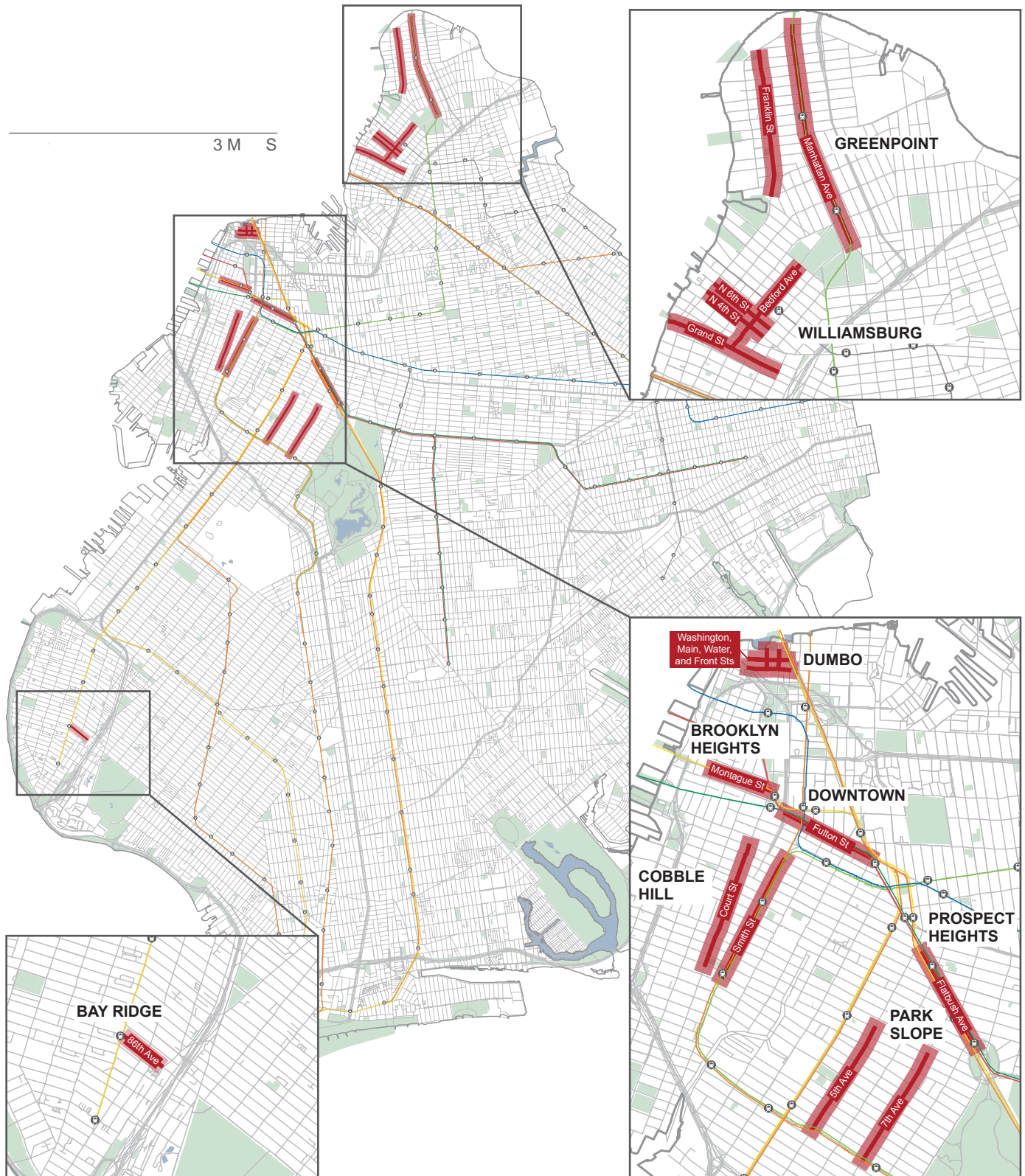




## RANGE OF ASKING RENTS PSF - GROUND FLOOR RETAIL



## CORRIDOR MAPS



## APPENDIX

### AVERAGE ASKING RENT PSF – GROUND FLOOR RETAIL

	Winter 18	Summer 17	Winter 17	% Change Summer 17	% Change Winter 17
<b>Greenpoint</b>					
Franklin St (Meserole Ave - Commercial St)	\$57	\$74	\$89	-24%	-36%
Manhattan Ave (Driggs Ave - Ash St)	\$64	\$75	\$73	-14%	-13%
<b>Williamsburg</b>					
Bedford Ave (Grand St - North 12 St)	\$317	\$325	\$296	-3%	7%
North 6 St (Driggs Ave - Kent Ave)	\$225	\$232	\$219	-3%	3%
North 4 St (Driggs Ave - Kent Ave)	\$122	\$148	\$132	-18%	-8%
Grand St (Havemeyer St - Kent Ave)	\$101	\$113	\$113	-11%	-11%
<b>DUMBO</b>					
Washington St, Front St, Water St, Main St	\$143	\$104	\$127	38%	13%
<b>Brooklyn Heights</b>					
Montague St (Hicks St - Cadman Plaza)	\$145	\$151	\$188	-4%	-23%
<b>Downtown Brooklyn</b>					
Fulton St (Boerum Pl - Flatbush Ave)	\$359	\$292	\$326	23%	10%
<b>Prospect Heights</b>					
Flatbush Ave (5th Ave - Grand Army Plaza)	\$132	\$109	\$102	21%	30%
<b>Cobble Hill</b>					
Court St (Atlantic Ave - Carroll St)	\$134	\$148	\$151	-10%	-11%
Smith St (Atlantic Ave - Carroll St)	\$126	\$149	\$122	-15%	3%
<b>Park Slope</b>					
7th Ave (Union St - 9th St)	\$114	\$124	\$129	-8%	-11%
5th Ave (Union St - 9th St)	\$95	\$94	\$78	1%	21%
<b>Bay Ridge</b>					
86th St (4th Ave - Fort Hamilton Pkwy)	\$123	\$102	\$110	21%	12%

## APPENDIX

### MEDIAN ASKING RENT PSF – GROUND FLOOR RETAIL

	Winter 18	Summer 17	Winter 17	% Change Summer 17	% Change Winter 17
<b>Greenpoint</b>					
Franklin St (Meserole Ave - Commercial St)	\$58	\$75	\$90	-22%	-35%
Manhattan Ave (Driggs Ave - Ash St)	\$65	\$65	\$65	0%	0%
<b>Williamsburg</b>					
Bedford Ave (Grand St - North 12 St)	\$350	\$350	\$332	0%	5%
North 6 St (Driggs Ave - Kent Ave)	\$207	\$235	\$234	-12%	-12%
North 4 St (Driggs Ave - Kent Ave)	\$140	\$158	\$125	-11%	12%
Grand St (Havemeyer St - Kent Ave)	\$94	\$100	\$100	-6%	-6%
<b>DUMBO</b>					
Washington St, Front St, Water St, Main St	\$150	\$90	\$150	67%	0%
<b>Brooklyn Heights</b>					
Montague St (Hicks St - Cadman Plaza)	\$140	\$180	\$188	-22%	-25%
<b>Downtown Brooklyn</b>					
Fulton St (Boerum Pl - Flatbush Ave)	\$350	\$313	\$365	12%	-4%
<b>Prospect Heights</b>					
Flatbush Ave (5th Ave - Grand Army Plaza)	\$125	\$123	\$107	2%	17%
<b>Cobble Hill</b>					
Court St (Atlantic Ave - Carroll St)	\$125	\$164	\$144	-24%	-13%
Smith St (Atlantic Ave - Carroll St)	\$132	\$150	\$127	-12%	4%
<b>Park Slope</b>					
7th Ave (Union St - 9th St)	\$110	\$120	\$144	-8%	-24%
5th Ave (Union St - 9th St)	\$92	\$94	\$70	-2%	31%
<b>Bay Ridge</b>					
86th St (4th Ave - Fort Hamilton Pkwy)	\$115	\$110	\$100	5%	15%

## APPENDIX

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

	Winter 18			Summer 17			Winter 17		
<b>Greenpoint</b>									
Franklin St (Meserole Ave - Commercial St)	\$40	-	\$75	\$47	-	\$107	\$60	-	\$120
Manhattan Ave (Driggs Ave - Ash St)	\$30	-	\$105	\$44	-	\$128	\$42	-	\$132
<b>Williamsburg</b>									
Bedford Ave (Grand St - North 12 St)	\$138	-	\$600	\$130	-	\$600	\$130	-	\$400
North 6 St (Driggs Ave - Kent Ave)	\$100	-	\$350	\$100	-	\$350	\$100	-	\$350
North 4 St (Driggs Ave - Kent Ave)	\$75	-	\$150	\$100	-	\$175	\$120	-	\$150
Grand St (Havemeyer St - Kent Ave)	\$65	-	\$175	\$88	-	\$150	\$96	-	\$150
<b>DUMBO</b>									
Washington St, Main St, Water St, Front St	\$130	-	\$150	\$85	-	\$150	\$85	-	\$150
<b>Brooklyn Heights</b>									
Montague St (Hicks St - Cadman Plaza)	\$100	-	\$200	\$85	-	\$200	\$125	-	\$250
<b>Downtown Brooklyn</b>									
Fulton St (Boerum Pl - Flatbush Ave)	\$320	-	\$400	\$125	-	\$400	\$100	-	\$450
<b>Prospect Heights</b>									
Flatbush Ave (5th Ave - Grand Army Plaza)	\$66	-	\$222	\$78	-	\$125	\$83	-	\$125
<b>Cobble Hill</b>									
Court St (Atlantic Ave - Carroll St)	\$80	-	\$185	\$80	-	\$200	\$100	-	\$220
Smith St (Atlantic Ave - Carroll St)	\$68	-	\$175	\$125	-	\$175	\$175	-	\$175
<b>Park Slope</b>									
7th Ave (Union St - 9th St)	\$86	-	\$165	\$114	-	\$138	\$64	-	\$165
5th Ave (Union St - 9th St)	\$48	-	\$171	\$69	-	\$133	\$52	-	\$111
<b>Bay Ridge</b>									
86th St (4th Ave - Fort Hamilton Pkwy)	\$45	-	\$200	\$56	-	\$130	\$80	-	\$150