

THE REAL ESTATE BOARD OF NEW YORK

RETAIL REPORT

FALL 2006



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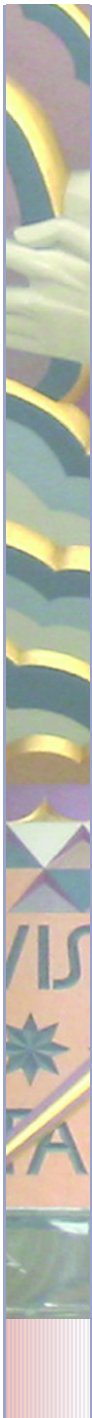


TABLE OF CONTENTS

Executive Summary	3
Market Profile	
Manhattan	4
East Side	5
West Side	6
Midtown	7
Midtown South	8
Downtown	9
Upper Manhattan	10
Spotlight on Selected Major Retail Corridors	
Summary	11
Market Area	
Major Retail Corridors	12
Selected Market Data	13
Market Area Definitions	14
Acknowledgements	15

EXECUTIVE SUMMARY

- The average asking rent per square foot (psf) for all Manhattan retail space rose 4% from last year to \$106.
- Three areas with the largest increase in average asking rent psf compared to last year were: the Westside with a 14% increase to \$122; Downtown with a 8.2% rise to \$92 and Midtown's \$137, a 7% increase.
- The median asking rent psf for ground floor space in the major Manhattan corridors increased 12.5% to \$225; the average was \$297, a dollar increase from last year.
- In the selected market areas, the median asking rent psf for ground floor space increased 15.4% in Midtown South to \$300; and up 11.1% on the Westside to \$250.
- In the selected major retail corridors, the ground floor median asking rent was up 26% on Madison to \$1000, 28% in Flatiron area (Fifth Avenue) to \$263, 42% on Seventh in Midtown to \$479, and 50% on West 42nd Street to \$300.
- Midtown ground floor median asking rent was the highest of the selected market areas at \$475, a 5.6% increase from last year.
- Noteworthy increases in the average asking rent for ground floor space in the selected major retail corridors were: 15% to \$100 on 125th Street, 26% to \$288 on Broadway in SoHo, 28% to \$160 on Broadway in Lower Manhattan.
- Fifth Avenue in Midtown had the highest average asking rent psf for ground floor space at \$1035, a 27% increase from last year.

MANHATTAN

Summary All Available Square Feet*		9/30/06	9/30/05
Average Asking Rent PSF		\$106	\$102
Number of Stores		3,040	2,376
Total Square Feet		16,269,994	12,842,558

Average Asking Rents by Store Size		9/06	9/05
1 - 1,000 Sq. Ft.		\$159	\$148
1,001 - 2,500 Sq. Ft.		\$105	\$112
2,501 - 5,000 Sq. Ft.		\$95	\$89
5,001 - 10,000 Sq. Ft.		\$94	\$88
>10,000 Sq. Ft.		\$86	\$82

Total Number of Stores by Store Size		9/06	9/05
1 - 1,000 Sq. Ft.		413	307
1,001 - 2,500 Sq. Ft.		881	649
2,501 - 5,000 Sq. Ft.		818	685
5,001 - 10,000 Sq. Ft.		581	465
>10,000 Sq. Ft.		347	270

Available Space by Store Size (thousands)		9/06	9/05
1 - 1,000 Sq. Ft.		272	203
1,001 - 2,500 Sq. Ft.		1,569	1,140
2,501 - 5,000 Sq. Ft.		3,053	2,521
5,001 - 10,000 Sq. Ft.		4,201	3,329
>10,000 Sq. Ft.		7,176	5,650

*Ground Floor, Lower Level, Upper Level, Mezzanine

EAST SIDE

Summary All Available Square Feet*	9/30/06	9/30/05
Average Asking Rent PSF	\$161	\$186
Number of Stores	253	188
Total Square Feet	868,334	720,480

Average Asking Rents by Store Size	\$0 \$50 \$100 \$150 \$200 \$250	
1 - 1,000 Sq. Ft.	\$207	\$205
1,001 - 2,500 Sq. Ft.	\$146	\$202
2,501 - 5,000 Sq. Ft.	\$144	\$160
5,001 - 10,000 Sq. Ft.	\$165	\$172
>10,000 Sq. Ft.	\$148	\$172

Total Number of Stores by Store Size	0 30 60 90	
1 - 1,000 Sq. Ft.	56	36
1,001 - 2,500 Sq. Ft.	84	71
2,501 - 5,000 Sq. Ft.	77	54
5,001 - 10,000 Sq. Ft.	21	15
>10,000 Sq. Ft.	15	12

Available Space by Store Size (thousands)	0 50 100 150 200 250 300 350	
1 - 1,000 Sq. Ft.	34	21
1,001 - 2,500 Sq. Ft.	143	123
2,501 - 5,000 Sq. Ft.	280	186
5,001 - 10,000 Sq. Ft.	149	96
>10,000 Sq. Ft.	262	294

*Ground Floor, Lower Level, Upper Level, Mezzanine

WESTSIDE

Summary All Available Square Feet*		9/30/06	9/30/05
	Average Asking Rent PSF	\$122	\$107
	Number of Stores	175	112
	Total Square Feet	947,963	539,108

Average Asking Rents by Store Size	Rent (\$/Sq. Ft.)	
	9/06	9/05
1 - 1,000 Sq. Ft.	\$157	\$122
1,001 - 2,500 Sq. Ft.	\$123	\$119
2,501 - 5,000 Sq. Ft.	\$110	\$114
5,001 - 10,000 Sq. Ft.	\$108	\$84
>10,000 Sq. Ft.	\$93	\$68

Total Number of Stores by Store Size	Number of Stores	
	9/06	9/05
1 - 1,000 Sq. Ft.	39	28
1,001 - 2,500 Sq. Ft.	45	31
2,501 - 5,000 Sq. Ft.	49	22
5,001 - 10,000 Sq. Ft.	23	19
>10,000 Sq. Ft.	19	12

Available Space by Store Size (thousands)	Square Feet (thousands)	
	9/06	9/05
1 - 1,000 Sq. Ft.	27	20
1,001 - 2,500 Sq. Ft.	88	55
2,501 - 5,000 Sq. Ft.	181	77
5,001 - 10,000 Sq. Ft.	172	143
>10,000 Sq. Ft.	480	244

*Ground Floor, Lower Level, Upper Level, Mezzanine

MIDTOWN

Summary All Available Square Feet*		9/30/06	9/30/05
	Average Asking Rent PSF	\$137	\$128
	Number of Stores	750	610
	Total Square Feet	4,132,159	3,229,552

Average Asking Rents by Store Size	Rent (\$/Sq. Ft.)	
	9/06	9/05
1 - 1,000 Sq. Ft.	\$185	\$158
1,001 - 2,500 Sq. Ft.	\$136	\$150
2,501 - 5,000 Sq. Ft.	\$127	\$111
5,001 - 10,000 Sq. Ft.	\$126	\$113
>10,000 Sq. Ft.	\$126	\$106

Total Number of Stores by Store Size	Number of Stores	
	9/06	9/05
1 - 1,000 Sq. Ft.	98	75
1,001 - 2,500 Sq. Ft.	212	174
2,501 - 5,000 Sq. Ft.	188	158
5,001 - 10,000 Sq. Ft.	162	128
>10,000 Sq. Ft.	90	75

Available Space by Store Size (thousands)	Square Feet (thousands)	
	9/06	9/05
1 - 1,000 Sq. Ft.	65	49
1,001 - 2,500 Sq. Ft.	371	299
2,501 - 5,000 Sq. Ft.	705	588
5,001 - 10,000 Sq. Ft.	1,155	939
>10,000 Sq. Ft.	1,836	1,356

*Ground Floor, Lower Level, Upper Level, Mezzanine

MIDTOWN SOUTH

Summary All Available Square Feet*	9/30/06	9/30/05	
	Average Asking Rent PSF	\$85	\$82
	Number of Stores	459	375
	Total Square Feet	2,800,617	2,296,607

Average Asking Rents by Store Size	Rent (\$/Sq. Ft.)	
	9/06	9/05
1 - 1,000 Sq. Ft.	\$147	\$148
1,001 - 2,500 Sq. Ft.	\$89	\$91
2,501 - 5,000 Sq. Ft.	\$80	\$76
5,001 - 10,000 Sq. Ft.	\$86	\$69
>10,000 Sq. Ft.	\$59	\$68

Total Number of Stores by Store Size	Number of Stores	
	9/06	9/05
1 - 1,000 Sq. Ft.	27	30
1,001 - 2,500 Sq. Ft.	113	75
2,501 - 5,000 Sq. Ft.	130	113
5,001 - 10,000 Sq. Ft.	128	104
>10,000 Sq. Ft.	61	53

Available Space by Store Size (thousands)	Available Space (thousands)	
	9/06	9/05
1 - 1,000 Sq. Ft.	18	21
1,001 - 2,500 Sq. Ft.	217	136
2,501 - 5,000 Sq. Ft.	502	423
5,001 - 10,000 Sq. Ft.	969	754
>10,000 Sq. Ft.	1,095	962

*Ground Floor, Lower Level, Upper Level, Mezzanine

DOWNTOWN

Summary All Available Square Feet*		9/30/06	9/30/05
Average Asking Rent PSF		\$92	\$85
Number of Stores		1,114	920
Total Square Feet		5,642,163	4,968,517

Average Asking Rents by Store Size		9/06	9/05
1 - 1,000 Sq. Ft.		\$148	\$151
1,001 - 2,500 Sq. Ft.		\$94	\$77
2,501 - 5,000 Sq. Ft.		\$78	\$73
5,001 - 10,000 Sq. Ft.		\$77	\$81
>10,000 Sq. Ft.		\$79	\$71

Total Number of Stores by Store Size		9/06	9/05
1 - 1,000 Sq. Ft.		153	113
1,001 - 2,500 Sq. Ft.		333	254
2,501 - 5,000 Sq. Ft.		312	283
5,001 - 10,000 Sq. Ft.		200	172
>10,000 Sq. Ft.		116	98

Available Space by Store Size (thousands)		9/06	9/05
1 - 1,000 Sq. Ft.		100	73
1,001 - 2,500 Sq. Ft.		594	455
2,501 - 5,000 Sq. Ft.		1,156	1,047
5,001 - 10,000 Sq. Ft.		1,433	1,214
>10,000 Sq. Ft.		2,360	2,181

*Ground Floor, Lower Level, Upper Level, Mezzanine

UPPER MANHATTAN

Summary All Available Square Feet*		9/30/06	9/30/05
	Average Asking Rent PSF		\$50
Number of Stores		289	171
Total Square Feet		1,878,758	1,088,294

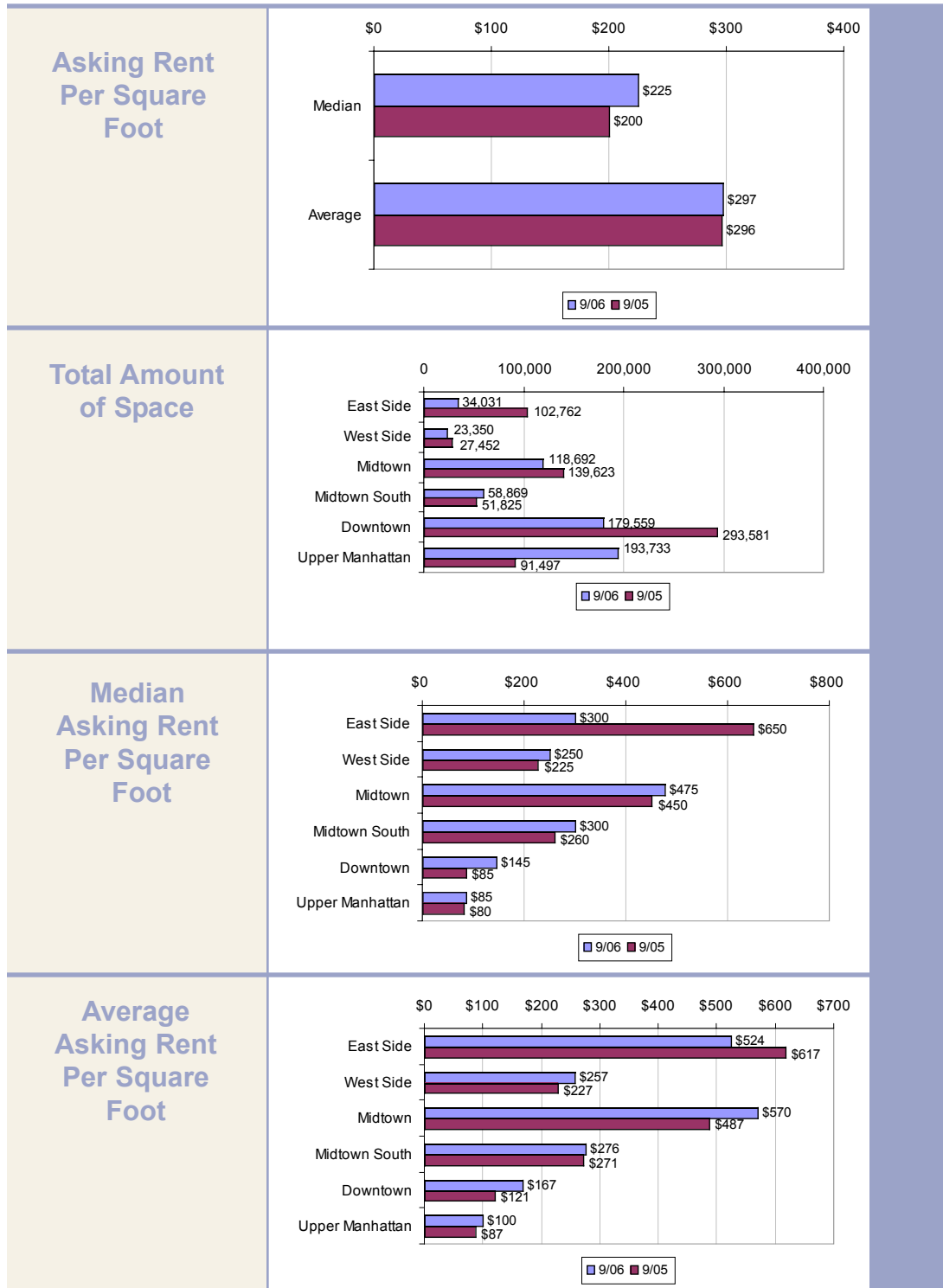
Average Asking Rents by Store Size		9/06	9/05
	1 - 1,000 Sq. Ft.		\$76
1,001 - 2,500 Sq. Ft.		\$50	\$49
2,501 - 5,000 Sq. Ft.		\$45	\$54
5,001 - 10,000 Sq. Ft.		\$41	\$38
>10,000 Sq. Ft.		\$41	\$36

Total Number of Stores by Store Size		9/06	9/05
	1 - 1,000 Sq. Ft.		40
1,001 - 2,500 Sq. Ft.		94	44
2,501 - 5,000 Sq. Ft.		62	55
5,001 - 10,000 Sq. Ft.		47	27
>10,000 Sq. Ft.		46	20

Available Space by Store Size (thousands)		9/06	9/05
	1 - 1,000 Sq. Ft.		28
1,001 - 2,500 Sq. Ft.		156	72
2,501 - 5,000 Sq. Ft.		229	200
5,001 - 10,000 Sq. Ft.		323	184
>10,000 Sq. Ft.		1,143	613

*Ground Floor, Lower Level, Upper Level, Mezzanine

SUMMARY OF SELECTED RETAIL CORRIDORS
AVAILABLE GROUND FLOOR SPACE ONLY





ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS

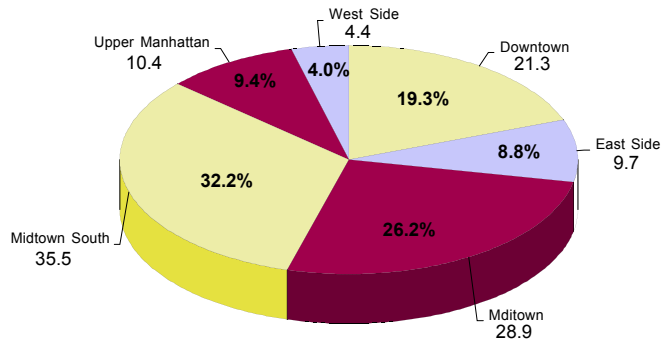
AVAILABLE GROUND FLOOR SPACE ONLY

	Median		Average		Range	
	9/06	9/05	9/06	9/05	9/06	9/05
EASTSIDE						
Third Ave: 60th - 72nd St.	\$250	\$250	\$255	\$248	\$179 - \$350	\$200 - \$300
Madison Ave.: 57th - 72nd St.	\$1,000	\$794	\$909	\$823	\$561 - \$1,200	\$475 - \$1,111
WESTSIDE						
Broadway: 72nd - 86th St.	\$250	\$225	\$257	\$227	\$185 - \$375	\$140 - \$300
MIDTOWN						
Fifth Ave.: 49th - 59th St.	\$900	\$800	\$1,035	\$817	\$600 - \$1,712	\$600 - \$1,050
57th St.: 5th - Park Ave.	\$400	\$579	\$598	\$615	\$400 - \$993	\$320 - \$1,000
Times Square						
Broadway: 42nd St. - 47th St.	\$300	\$325	\$386	\$432	\$125 - \$750	\$200 - \$800
7th Ave.: 42nd - 47th St.	\$479	\$338	\$461	\$338	\$200 - \$793	\$275 - \$400
42nd St.: 6th - 8th Ave.	\$300	\$200	\$314	\$175	\$205 - \$400	\$100 - \$225
MIDTOWN SOUTH						
34th St.: 5th - 7th Ave.	\$300	\$331	\$296	\$297	\$120 - \$450	\$120 - \$400
Flatiron						
Fifth Ave.: 14th - 23rd St.	\$263	\$205	\$252	\$205	\$175 - \$300	\$150 - \$260
DOWNTOWN						
Broadway: Battery Park-Chambers St.	\$148	\$75	\$160	\$125	\$70 - \$364	\$50 - \$325
SoHo						
Broadway: Houston - Broome St.	\$300	\$224	\$288	\$228	\$199 - \$375	\$150 - \$333
TriBeCa						
Hudson St.: Chamber St. - Canal St.	\$55	\$66	\$66	\$68	\$20 - \$125	\$27 - \$100
UPPER MANHATTAN						
125th St. (River to River)	\$85	\$80	\$100	\$87	\$35 - \$208	\$45 - \$140

SELECTED MARKET DATA

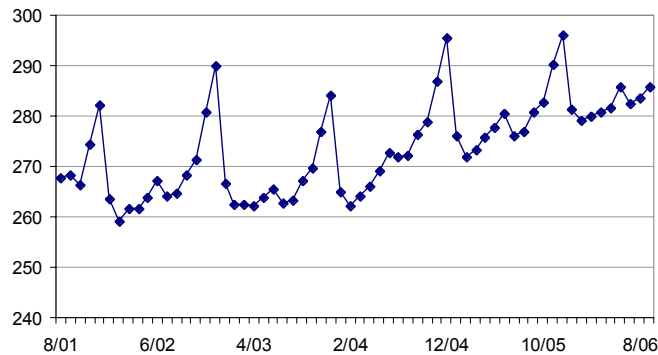
Manhattan Retail Square Feet by Area (millions of square feet)

Source: New York City Department of Finance/REBNY



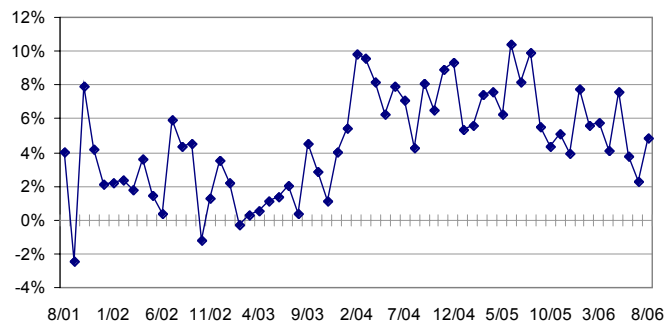
New York City Retail Employment

Source: NYS Department of Labor



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

Source: U.S. Census Bureau



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

Source: NYC Office of Management & Budget



MARKET AREA DEFINITIONS

East Side

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

West Side

60th Street to 116th Street, West of Morningside Park

Downtown

South Of 14th Street

Midtown

35th Street to 59th Street

Midtown South

15th Street to 34th Street

Upper Manhattan

97th Street and higher, Fifth Avenue to the East River;
116th Street and higher, West of Morningside Park

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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 information by geographical area and focuses on the asking rent of the ground floor space on the major retail streets.