

THE REAL ESTATE BOARD OF NEW YORK

# RETAIL REPORT

**SPRING 2008**



**STEPHEN M. ROSS,  
CHAIRPERSON**

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PRESIDENT**

## EXECUTIVE SUMMARY

Over the last year, the number of major retail corridors attracting high profile tenants has been increasing, according to our Advisory Group. Retailer's interest in these locations continues despite our softening economy. To reflect this dynamic retail market—a market that has benefited from our city's population growth, from the continuing surge in tourism and from the weak dollar—we have added five new corridors to our list of Selected Major Retail Corridors. These new areas are: 86th Street on the Upper East Side; Columbus Avenue on the Upper West Side; Fifth Avenue south of 49th Street in Midtown; Bleecker Street in the West Village and 14th Street in the Meatpacking District both in Midtown South.

According to our Advisory Group, owners remain optimistic that the favorable market for retail leasing will continue as demonstrated by the rise in asking rents for all retail space in Manhattan. In our selected major retail corridors, we still see high asking rents and a competitive market. Though the volume of activity is strong, tenants appear to be taking a longer time to make a decision and to complete deals.

Average asking rents continue to rise on Harlem's 125th Street, the largest retail corridor in our report. This major commercial street extends from East Harlem through Central Harlem to West Harlem, generally from the East River to the Hudson. Along such a long continuous, corridor there will be variations in ground floor rent. One strong pocket of activity is the stretch west of Lenox Avenue where the highest asking rents are clustered. According, we encourage our readers to pay particular attention to the range of asking rents. Here are highlights from our Spring 2008 report:

- The average asking rent per square foot (psf) for all Manhattan retail space was up 3% to \$111 compared to a year ago.
- In Midtown, the average asking rent was up 9% to \$145; in Midtown South, the average asking rent was up 8% to \$96, compared to last year. The East Side had the highest average asking rent of the major areas at \$164, a 6% increase since last spring.
- The Fifth Avenue (49th-59th) corridor had the highest average asking rent of \$1,958, with virtually no prime locations immediately available.
- The Madison Avenue corridor had the next highest average asking rent of \$1,066, with some stores asking more than \$1500 for ground floor space.
- The average asking rents per square foot for ground floor space for the new corridors in the report are:

86th Street . . . . .	\$450
Columbus Avenue . . . . .	\$268
5th Avenue . . . . .	\$704
(42nd-49th Streets)	
Meatpacking . . . . .	\$462
Bleecker Street . . . . .	\$397



## ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS

AVAILABLE GROUND FLOOR SPACE ONLY

	Average		Median		Range	
	3/08	3/07	3/08	3/07	3/08	3/07
<b>EASTSIDE</b>						
Madison Ave: 57 - 72 St	\$1,066	\$1,158	\$1,121	\$1,098	\$600 - \$1,538	\$1,000 - \$1,667
Third Ave: 60 - 72 St	\$329	\$218	\$342	\$220	\$300 - \$350	\$175 - \$300
East 86 St: Lexington Ave - 2nd Ave	\$450	n/a	\$450	n/a	\$400 - \$500	n/a
<b>WESTSIDE</b>						
Broadway: 72 - 86 St	\$384	\$313	\$325	\$327	\$325 - \$620	\$168 - \$400
Columbus Ave: 66 - 79 St	\$268	n/a	\$288	n/a	\$150 - \$348	n/a
<b>MIDTOWN</b>						
East 57 St: 5 Ave - Park Ave	n/a	\$675	n/a	\$675	n/a	\$675
Fifth Ave: 42 - 49 St	\$704	n/a	\$455	n/a	\$325 - \$1,333	n/a
Fifth Ave: 49 - 59 St	\$1,958	\$932	\$1,958	\$750	\$1,915 - \$2,000	\$600 - \$1,500
Broadway & 7 Ave: 42 - 47 St	\$809	\$840	\$809	\$840	\$618 - \$1,000	\$551 - \$1,000
<b>MIDTOWN SOUTH</b>						
<b>Flatiron</b>						
Fifth Ave: 14 - 23 St	\$401	\$267	\$400	\$274	\$300 - \$556	\$214 - \$300
<b>Herald Square</b>						
West 34 St: 5 - 7 Ave	\$656	\$496	\$672	\$477	\$450 - \$830	\$225 - \$845
<b>Meatpacking</b>						
14 St: 9 - 10 Ave	\$462	n/a	\$467	n/a	\$320 - \$600	n/a
<b>DOWNTOWN</b>						
<b>Financial District</b>						
Broadway: Battery Park - Chambers St	\$198	\$177	\$225	\$200	\$75 - \$400	\$100 - \$226
<b>SoHo</b>						
Broadway: Houston - Broome St	\$424	\$321	\$421	\$347	\$275 - \$600	\$213 - \$375
<b>TriBeCa</b>						
Hudson St.: Chamber St. - Canal St	\$113	\$137	\$115	\$95	\$98 - \$125	\$71 - \$404
<b>West Village</b>						
Bleeker St: 7 Ave South - Hudson St	\$397	n/a	\$332	n/a	\$265 - \$600	n/a
<b>UPPER MANHATTAN</b>						
<b>Harlem</b>						
125th St. (River to River)	\$107	\$103	\$92	\$84	\$40 - \$220	\$35 - \$260



## ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

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

	Average		Median	
	3/08	3/07	3/08	3/07
<b>MANHATTAN</b>	\$111	\$107	\$77	\$84
<b>EASTSIDE</b>	\$164	\$155	\$125	\$120
60th Street to 96th Street, Fifth Avenue to the East River				
<b>STSIDE</b>	\$123	\$128	\$100	\$106
60th Street to 116th Street, West of Morningside Park				
<b>MIDTOWN</b>	\$145	\$133	\$83	\$100
35th Street to 59th Street				
<b>MIDTOWN SOUTH</b>	\$96	\$89	\$76	\$81
15th Street to 34th Street				
<b>DOWNTOWN</b>	\$103	\$98	\$80	\$76
South of 14th Street				
<b>UPPER MANHATTAN</b>	\$60	\$56	\$47	\$50
97th Street and higher, Fifth Avenue to the East River;				
116th Street and higher, West of Morningside Park				

## ACKNOWLEDGEMENTS

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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.