



# THE REAL ESTATE BOARD OF NEW YORK

---

## RETAIL REPORT FALL 2015

**REBNY** Stay On Top  
of New York.

---

The Manhattan retail leasing market finally saw some softening of ground floor asking rents in its premier corridors in the fall of 2015. The Fall 2015 REBNY Retail Report showed ground floor asking rents increasing in only 10 of 17 corridors surveyed, year over year. The upside of the break in rent increases though, according to our Retail Advisory Group, is that more deals are getting done and retailers are coming back to the market. While the average asking rent in a majority of the corridors increased compared to last year, the increases were more modest compared to previous reports. Although the number of asking rent decreases in corridors were greater than in any of our recent reports, none of the decreases in asking rent were more than 6 percent.

The most notable decrease was in the Madison Avenue between 57th-72nd corridor. The average asking rent in the corridor fell 6 percent from \$1,700 psf for ground floor space in Spring 2015 to \$1,613 in Fall 2015. According to our brokers this corridor is symbolic of current trends. The decrease in the average asking rent is not due to overall weakness or less interest in the corridor, but instead is due to the amount of supply available in the corridor and landlords becoming more realistic in setting an asking rent. Broadway on the Upper West Side is another example of a corridor where a lot of space came to the market leading to a softening of asking rents while the neighborhood fundamentals have not changed. The average asking rent for ground floor retail space on Broadway between 72th and 86th decreased four percent year on year to \$361 psf. In fact, there was an increase in supply in all of the corridors where rents fell except for one.

The corridors with more strength continue to be where there is an increase in residential development and a resurgence of neighborhood vitality. The financial district is one of these corridors. The area has undergone a lot of change recently with infrastructure upgrades such as the Fulton Transportation Hub, new shopping areas and dining options around the World Trade Center and the addition of Brookfield Place. The transformation of the office tenancy in the area to more TAMI tenants has led to more people mingling in the area after work. Ground floor retail asking rents along the Broadway Financial District corridor increased 16 percent from last fall to an average of \$308 psf. A similar transformation is happening in Midtown South with residential development and new office tenants. This is especially true in the Broadway Flatiron District between 14th and 23rd where the average asking rent increased 42 percent to \$510 psf of ground space from last fall.

We must reiterate that the rents quoted in the report are asking rents. Also, please note that the physical components of a retail space factor greatly into its rental value. Attributes such as street/avenue frontage, ceiling height, presence of below and above grade space can affect value as well as locational factors. Consequently, in corridors with little availability, a high quality space coming to market can increase the average and median asking rents greatly. Also, in smaller corridors, a lack of available space may lead, in some cases, its adjacent blocks becoming of interest to retailers. Accordingly, we have provided information about the rent range as well as asking rent information from six months and 12 months ago to provide a rich statistical context to evaluate the current market conditions. In addition, we would like to note that the surveyed corridors in the report represent the top tier retail corridors in the city and that rents on adjoining side streets may lease for considerably less than the locations we are profiling. Lastly, as we have learned in the decade or more that we have been preparing this report, retail brokers active in the market are an invaluable source of information and trends that cannot be fully captured completely by the numbers in our report. We attempt to provide an overview of the market at a particular point in time that is based on the available listings of our Advisory Group and the REBNY Retail Committee members which include all the major retail brokers and owners in Manhattan.

### AVERAGE ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Fall 2015	Spring 2015	Fall 2014	% Change from Spring 2015	% Change from Fall 2014
<b>EASTSIDE</b>					
Madison Ave: 57 <sup>th</sup> – 72 <sup>nd</sup> St	\$1,613	\$1,700	\$1,709	-5%	-6%
Third Ave: 60 <sup>th</sup> – 72 <sup>nd</sup> St	\$335	\$363	\$266	-8%	26%
East 86 <sup>th</sup> Street: Lexington Ave – 2 <sup>nd</sup> Ave	\$430	\$456	\$423	-6%	2%
<b>WESTSIDE</b>					
Broadway: 72 <sup>nd</sup> – 86 <sup>th</sup> St	\$361	\$390	\$377	-7%	-4%
Columbus Ave: 66 <sup>th</sup> – 79 <sup>th</sup> St	\$375	\$447	\$347	-16%	8%
<b>MIDTOWN</b>					
East 57 Street: 5 <sup>th</sup> Ave – Park Ave	\$1,600	\$1,600	\$1,250	0%	28%
Fifth Ave: 42 <sup>nd</sup> – 49 <sup>th</sup> St	\$1,203	\$1,200	\$1,095	0%	10%
Fifth Ave: 49 <sup>th</sup> – 59 <sup>th</sup> St	\$3,397	\$3,683	\$3,420	-8%	-1%
Broadway & 7 <sup>th</sup> Ave: 42 <sup>nd</sup> – 47 <sup>th</sup> St	\$2,390	\$2,413	\$2,317	-1%	3%
<b>MIDTOWN SOUTH</b>					
<b>Flatiron</b>					
Fifth Ave: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$394	\$403	\$403	-2%	-2%
Broadway: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$510	\$435	\$359	17%	42%
<b>Herald Square</b>					
West 34 <sup>th</sup> St: 5 <sup>th</sup> – 7 <sup>th</sup> Ave	\$836	\$1,000	\$891	-16%	-6%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14 <sup>th</sup> St: 9 <sup>th</sup> – 10 <sup>th</sup> Ave	\$372	\$372	\$339	0%	10%
<b>Financial District</b>					
Broadway: Battery Park – Chambers St	\$308	\$234	\$265	32%	16%
<b>SoHo</b>					
Broadway: Houston – Broome St	\$831	\$977	\$830	-15%	0%
<b>West Village</b>					
Bleecker St: 7 <sup>th</sup> Ave South – Houston St	\$468	\$481	\$484	-3%	-3%
<b>UPPER MANHATTAN</b>					
<b>Harlem</b>					
125 <sup>th</sup> St (River to River)	\$132	\$141	\$130	-6%	2%

\*Statistics reflect availabilities on 10/15/15

### MEDIAN ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Fall 2015	Spring 2015	Fall 2014	% Change from Spring 2015	% Change from Fall 2014
<b>EASTSIDE</b>					
Madison Ave: 57 <sup>th</sup> – 72 <sup>nd</sup> St	\$1,728	\$1,837	\$1,500	-6%	15%
Third Ave: 60 <sup>th</sup> – 72 <sup>nd</sup> St	\$325	\$350	\$258	-7%	26%
East 86 <sup>th</sup> Street: Lexington Ave – 2 <sup>nd</sup> Ave	\$375	\$475	\$318	-21%	18%
<b>WESTSIDE</b>					
Broadway: 72 <sup>nd</sup> – 86 <sup>th</sup> St	\$400	\$400	\$323	0%	24%
Columbus Ave: 66 <sup>th</sup> – 79 <sup>th</sup> St	\$350	\$488	\$329	-28%	6%
<b>MIDTOWN</b>					
East 57 <sup>th</sup> Street: 5 <sup>th</sup> Ave – Park Ave	\$1,600	\$1,600	\$1,250	0%	28%
Fifth Ave: 42 <sup>nd</sup> – 49 <sup>th</sup> St	\$1,225	\$1,200	\$1,100	2%	11%
Fifth Ave: 49 <sup>th</sup> – 59 <sup>th</sup> St	\$3,397	\$3,750	\$3,500	-9%	-3%
Broadway & 7 <sup>th</sup> Ave: 42 <sup>nd</sup> – 47 <sup>th</sup> St	\$2,350	\$2,225	\$2,225	6%	6%
<b>MIDTOWN SOUTH</b>					
<b>Flatiron</b>					
Fifth Ave: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$400	\$395	\$400	1%	0%
Broadway: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$486	\$400	\$350	21%	39%
<b>Herald Square</b>					
West 34 <sup>th</sup> St: 5 <sup>th</sup> – 7 <sup>th</sup> Ave	\$700	\$1,000	\$827	-30%	-15%
<b>DOWNTOWN</b>					
<b>Meatpacking</b>					
14 <sup>th</sup> St: 9 <sup>th</sup> – 10 <sup>th</sup> Ave	\$325	\$325	\$325	0%	0%
<b>Financial District</b>					
Broadway: Battery Park – Chambers St	\$275	\$175	\$194	57%	42%
<b>SoHo</b>					
Broadway: Houston – Broome St	\$750	\$950	\$819	-21%	-8%
<b>West Village</b>					
Bleecker St: 7 <sup>th</sup> Ave South – Houston St	\$500	\$488	\$488	3%	2%
<b>UPPER MANHATTAN</b>					
<b>Harlem</b>					
125 <sup>th</sup> St (River to River)	\$135	\$125	\$116	8%	16%

\*Statistics reflect availabilities on 10/15/15



### ASKING RENT RANGE: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Fall 2015	Spring 2015	Fall 2014
<b>EASTSIDE</b>			
Madison Ave: 57 <sup>th</sup> – 72 <sup>nd</sup> St	\$1,000 - \$2,273	\$1,500 - \$2,200	\$1,200 - \$2,200
Third Ave: 60 <sup>th</sup> – 72 <sup>nd</sup> St	\$187 - \$425	\$163 - \$377	\$158 - \$400
East 86 <sup>th</sup> Street: Lexington Ave – 2 <sup>nd</sup> Ave	\$250 - \$650	\$255 - \$800	\$275 - \$550
<b>WESTSIDE</b>			
Broadway: 72 <sup>nd</sup> – 86 <sup>th</sup> St	\$193 - \$650	\$221 - \$650	\$200 - \$400
Columbus Ave: 66 <sup>th</sup> – 79 <sup>th</sup> St	\$137 - \$600	\$150 - \$500	\$226 - \$650
<b>MIDTOWN</b>			
East 57 <sup>th</sup> Street: 5 <sup>th</sup> Ave – Park Ave	\$1,500 - \$1,700	\$1,000 - \$1,500	\$1,000 - \$1,000
Fifth Ave: 42 <sup>nd</sup> – 49 <sup>th</sup> St	\$1,000 - \$1,500	\$575 - \$1,500	\$575 - \$1,500
Fifth Ave: 49 <sup>th</sup> – 59 <sup>th</sup> St	\$3,093 - \$3,700	\$2,700 - \$4,000	\$3,150 - \$3,900
Broadway & 7 <sup>th</sup> Ave: 42 <sup>nd</sup> – 47 <sup>th</sup> St	\$2,000 - \$3,000	\$2,000 - \$3,000	\$1,800 - \$3,000
<b>MIDTOWN SOUTH</b>			
<b>Flatiron</b>			
Fifth Ave: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$325 - \$500	\$325 - \$500	\$300 - \$500
Broadway: 14 <sup>th</sup> – 23 <sup>rd</sup> St	\$417 - \$650	\$225 - \$471	\$275 - \$453
<b>Herald Square</b>			
West 34 <sup>th</sup> St: 5 <sup>th</sup> – 7 <sup>th</sup> Ave	\$550 - \$1,100	\$492 - \$1,500	\$550 - \$1,100
<b>DOWNTOWN</b>			
<b>Meatpacking</b>			
14 <sup>th</sup> St: 9 <sup>th</sup> – 10 <sup>th</sup> Ave	\$300 - \$600	\$275 - \$450	\$300 - \$450
<b>Financial District</b>			
Broadway: Battery Park – Chambers St	\$115 - \$500	\$128 - \$500	\$128 - \$500
<b>SoHo</b>			
Broadway: Houston – Broome St	\$425 - \$1,583	\$425 - \$1,583	\$720 - \$1,200
<b>West Village</b>			
Bleecker St: 7 <sup>th</sup> Ave South – Houston St	\$325 - \$550	\$375 - \$600	\$375 - \$700
<b>UPPER MANHATTAN</b>			
<b>Harlem</b>			
125 <sup>th</sup> St (River to River)	\$75 - \$225	\$72 - \$300	\$70 - \$300

\*Statistics reflect availabilities on 10/15/15

### AVERAGE ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

All Available Space (Ground Floor, Lower Level, Upper Level, Mezzanine)

	Fall 2015	Spring 2015	Fall 2014	% Change from Spring 2015	% Change from Fall 2014
<b>MANHATTAN</b>	\$156	\$153	\$149	2%	5%
<b>EASTSIDE</b>	\$220	\$188	\$17	17%	29%
60 <sup>th</sup> St to 96 <sup>th</sup> St, Fifth Ave to the East River					
<b>WESTSIDE</b>	\$140	\$144	\$144	-3%	-3%
60 <sup>th</sup> St to 116 <sup>th</sup> St, West of Morningside Park					
<b>MIDTOWN</b>	\$208	\$191	\$198	9%	5%
35 <sup>th</sup> Street to 59 <sup>th</sup> Street					
<b>MIDTOWN SOUTH</b>	\$153	\$145	\$152	6%	1%
15 <sup>th</sup> Street to 34 <sup>th</sup> Street					
<b>DOWNTOWN</b>	\$151	\$143	\$135	6%	12%
South of 14 <sup>th</sup> Street					
<b>UPPER MANHATTAN</b>	\$73	\$72	\$70	1%	4%
97 <sup>th</sup> St and higher, 5 <sup>th</sup> Ave to the East River;					
116 <sup>th</sup> St and higher, West of Morningside Park					

\*Statistics reflect availabilities on 10/15/15

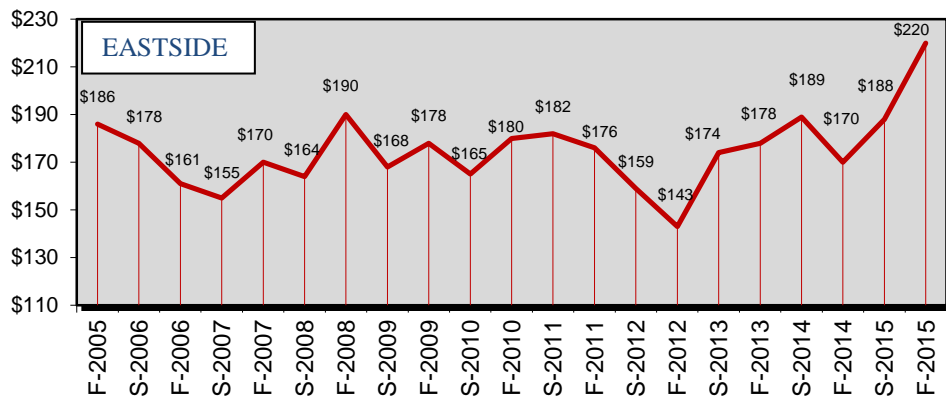
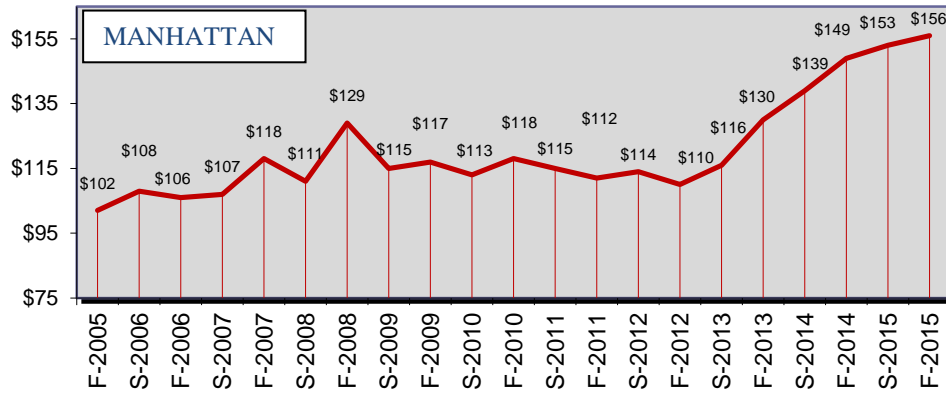
### MEDIAN ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

All Available Space (Ground Floor, Lower Level, Upper Level, Mezzanine)

	Fall 2015	Spring 2015	Fall 2014	% Change from Spring 2015	% Change from Fall 2014
<b>MANHATTAN</b>	\$112	\$107	\$104	5%	8%
<b>EASTSIDE</b>	\$140	\$123	\$124	14%	13%
60 <sup>th</sup> St to 96 <sup>th</sup> St, Fifth Ave to the East River					
<b>WESTSIDE</b>	\$113	\$120	\$123	-6%	-8%
60 <sup>th</sup> St to 116 <sup>th</sup> St, West of Morningside Park					
<b>MIDTOWN</b>	\$135	\$121	\$104	12%	30%
35 <sup>th</sup> Street to 59 <sup>th</sup> Street					
<b>MIDTOWN SOUTH</b>	\$116	\$110	\$118	5%	-2%
15 <sup>th</sup> Street to 34 <sup>th</sup> Street					
<b>DOWNTOWN</b>	\$120	\$115	\$110	4%	9%
South of 14 <sup>th</sup> Street					
<b>UPPER MANHATTAN</b>	\$65	\$60	\$60	8%	8%
97 <sup>th</sup> St and higher, 5 <sup>th</sup> Ave to the East River;					
116 <sup>th</sup> St and higher, West of Morningside Park					

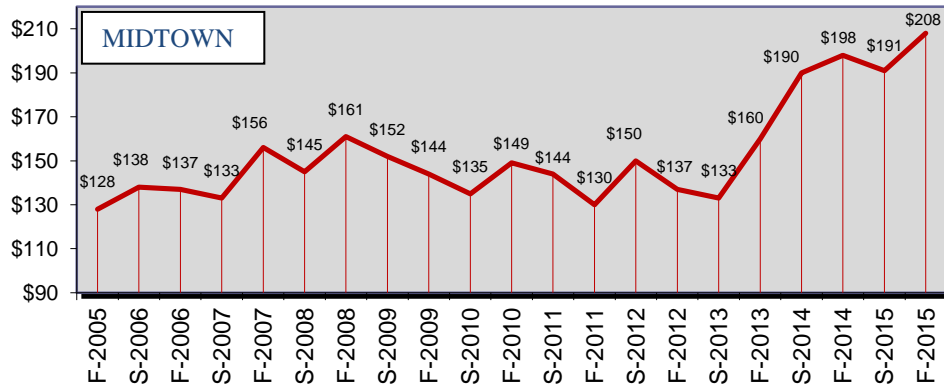
\*Statistics reflect availabilities on 10/15/15

### AVERAGE RETAIL ASKING RENTS PSF





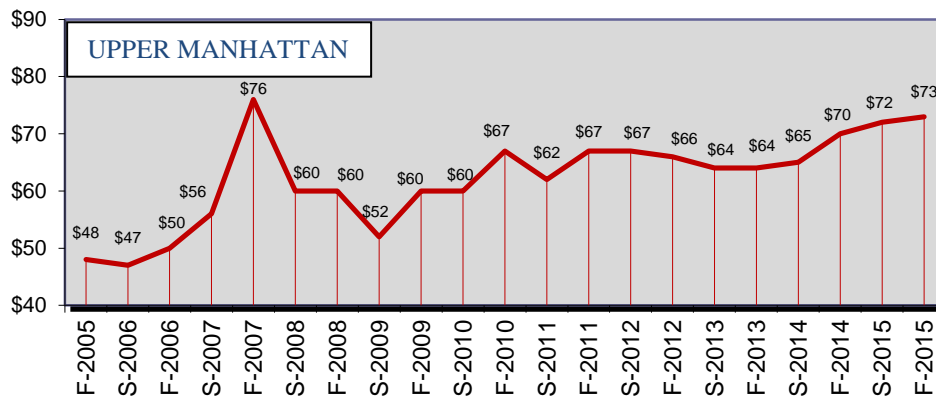
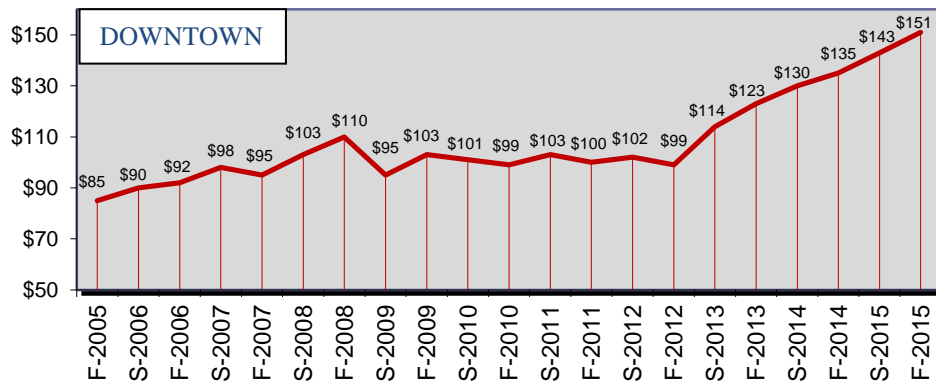
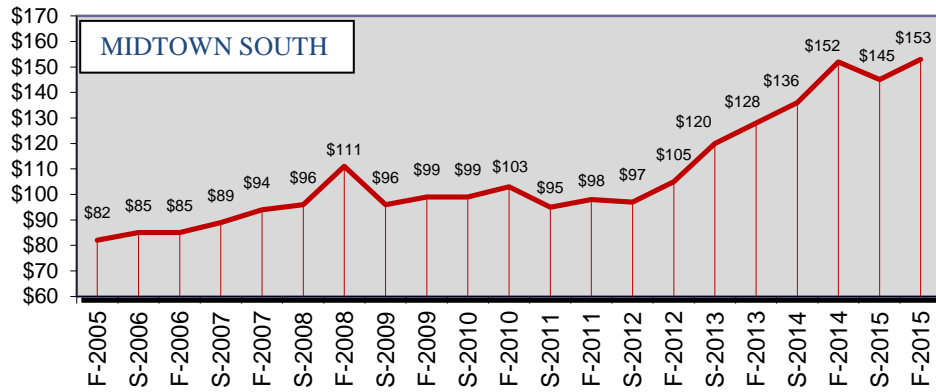
### AVERAGE RETAIL ASKING RENTS PSF



# THE REAL ESTATE BOARD OF NEW YORK

## RETAIL REPORT FALL 2015

### AVERAGE RETAIL ASKING RENTS PSF



### ACKNOWLEDGEMENTS

#### **The REBNY Retail Report Advisory Group includes:**

Robin Abrams, The Lansco Corporation  
Karen Bellantoni, RKF  
Benjamin Fox, Cushman & Wakefield  
Andrew Goldberg, CBRE  
David Green, Cushman & Wakefield  
Andrew Mandell, Ripco Real Estate Corporation  
Joanne Podell, Cushman & Wakefield  
Fred Posniak, Empire State Realty Trust  
Jeffrey Roseman, Newmark Grubb Knight Frank  
Craig Slosberg, Jones Lang Lasalle  
Alan Victor, The Lansco Corporation

#### **REBNY would like to thank the following firms for their assistance in preparing the report:**

CBRE  
Cushman & Wakefield  
Empire State Realty Trust  
Jones Lang Lasalle  
The Lansco Corporation  
Newmark Grubb Knight Frank  
Ripco Real Estate Corporation  
RKF

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.