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REBNY releases Spring 2010 Retail Report

New York, NY The Real Estate Board of New York (REBNY) released the Spring 2010 Retail Report and the outlook is promising. The local retail market has continued to show steady improvement with average asking rents for ground floor retail space in Manhattan's retail corridors increasing between 2% and 71% since fall 2009.

According to the spring 2010 report, retail rents were up in a number of Manhattan geographic areas surveyed, with increases of 3% in Midtown South and 16% in Upper Manhattan compared to spring 2009.

In Midtown on Broadway and 7th Ave. between 42nd and 47th Sts., average asking rents increased 71% to \$1,400 per s/f and in the West Village on Bleecker St. between 7th Ave. South and Hudson St., rents increased 30% to \$456 per s/f. In SoHo on Broadway between Houston and Broome Sts., rents increased 16% to \$563 per s/f. In Herald Sq. on West 34th St. between 5th and 7th Aves., asking rents increased 19% to \$500 per s/f. The report includes asking rent comparisons from fall 2009 and spring 2009 for the 16 retail corridors throughout Manhattan.

Nationally, there are signs of recovery as well. In March, the most recent data available, retail sales were up 7.6% over last year and 1.6% month on month. April's consumer confidence index was at its highest since September 2008, and on the job front, New York City retail employment in March was up 1.4% year on year.

"Asking rents are on the rise throughout Manhattan and the overall picture, nationally and locally is encouraging," said REBNY president Steven Spinola. "Maintaining this pace will depend on sustaining this momentum and the prudent actions of government at all levels not to dampen this economic resurgence"

REBNY's Retail Advisory Group-made up of the city's leading retail brokers-is reporting a pick-up in leasing velocity over the past six months. Inventory within prime corridors is diminishing due to this increasing demand. East 57th St., Times Sq., and the once quiet Madison Ave. have been identified as areas with an inventory squeeze. The return of large transactions, with major retailers leasing high rent locations for a lengthy term, such as Uniqlo on Fifth Ave. and Aeropostale and Disney in Times Square is another sign of growing market confidence.

Other report highlights:

Manhattan Geographic Areas:

- * Downtown average asking rents increased seven percent compared to last year to \$101 psf, while West Side asking rents increased 10% to \$128 per s/f.
- * Upper Manhattan, however, had the sharpest rise in asking rents compared to last year increasing 16% to \$60 per s/f.
- * Declines in average asking rents were reported on the East Side (2%), and Midtown (11%).

Primary Retail Corridors:

- * Compared to fall of 2009, asking retail rents for ground floor space on Broadway and 7th Ave. between 42nd and 47th Sts. increased 71% to \$1,400 per s/f from a high of \$821 per s/f.
- * Average asking rents for that same space increased 49% from a high of \$941 per s/f last spring.
- * Midtown asking rents on 5th Ave. 49th and 59th Sts. were up 41% on the year to \$2,300 per s/f from a high last year of \$1,631 per s/f.

The REBNY Retail Report is issued twice a year in the spring and fall. Findings are reviewed by an advisory group that distills and analyzes the data. The report provides comprehensive information about available retail space and asking rents in Manhattan from a broad cross section of the city's top real estate firms. The report presents all available data on retail space by geographic area and focuses on the ground floor space on the major retail streets. It provides an objective and reliable source for discerning market trends.

About The Real Estate Board of New York

The Real Estate Board of New York is the city's leading real estate trade association with 12,000 members. REBNY represents major commercial and residential property owners and builders, brokers and managers, banks, financial service companies, utilities, attorneys, architects, contractors and other individuals and institutions professionally interested in the City's real estate. REBNY is involved in crucial municipal matters including tax policy, city planning and zoning, rental conditions, land use policy, building codes and legislation. In addition, REBNY publishes reports providing indicators of market prices for both the residential and commercial sectors.