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REAL ESTATE WEEKLY

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Retailers taking advantage of all that New York has to offer

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REAL ESTATE BOARD OF NEW YORK

Mirroring the slow improvement in the city's economy, the Manhattan retail leasing market showed modest improvement.

A steady stream of tourist traffic has led to a rise in asking rents in several key corridors in Manhattan popular with visitors.

The Real Estate Board of New York's Fall 2010 Retail Report shows that, since Spring 2010, the average asking rent per square foot for retail space in Manhattan rose 4% to \$118 from the spring 2010.

In one of our most popular tourist destinations, retail asking rents climbed 21% to \$1,700 psf in the Times Square corridor, defined by Broadway and 7th Avenue between 42nd and 47th streets.

Stores that cater to neighborhood residents have not experienced the kind of resurgence that major retail corridors have. As a result, beyond the popular and well-know shopping corridors highlighted in our report, our retail report advisory group points out that vacancies persist and rents have remained flat in many smaller, local shopping areas.

This bi-annual Retail Report is a comprehensive, data-driven analysis of asking rents for available retail space in Manhattan. Based on available listings from the city's leading brokerage firms, the report provides asking rent information for space in six geographic neighborhoods and spotlights ground floor

asking rents in 16 key retail corridors.

Other popular tourist destinations showing a steady growth in retail asking rents compared to the Fall 2009 include a 38% increase over 2009

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to \$486 psf in the West Village on Bleecker Street between 7th Avenue South and Hudson Street. SoHo on Broadway between Houston and Broome streets, showed a rent increase of 9% to \$526 psf. Fifth Avenue from 49th to 59th streets and 42nd to 49th streets, showed a 15% and 10% increase respectively.

The growth in asking rents in these retail corridors are the result of a number of factors. When asking rents came down after a high point a few years ago, many retailer took advantage to move to specific corridors they would not have been able to before.

As a result of these opportunities the retail space market has become competitive again and average asking rents have begun to move upward.

A retail trend that has improved demand

is the emergence of “Fast Fashion,” such as H&M, Uniqlo, and Forever 21. These value retailers are coming into the New York market and taking advantage of the trend toward less expensive, but fashion forward apparel.

Finally, with an improving economy, locally and nationally, retailers are more optimistic that the recovery will continue and profitability will rise in these tourist hot spots.

New York will continue to be a desirable destination for retail tenants, large and small, boutique or big box.

The great recession has created hardship and casualties. However, for stores that have survived the recession, New York offers the rare opportunity now to find space below what a tenant would have expected to pay or in a neighborhood that would have been outside their price range a few short years ago.

Other Fall 2010 Retail Report highlights:

Compared to Fall of 2009, asking retail rents for ground floor space on Madison Avenue between 57th and 72nd streets- increased 14% to \$1,049 psf.

On the Westside, average asking rents for ground floor space on Broadway between 72nd and 86th streets increased 10% from Fall 2009 and 7% from last spring.

In other REBNY news:

Get the latest on leases at the next Commercial “Crossfire” from 6 to 7:30 p.m. on Thursday, Nov. 18, 2010 in the Mendik Center of REBNY, 570 Lexington Ave. The event is for REBNY



Members only and seating is limited.

The Commercial Brokerage Division presents “The NYC Leasing Market: Where Do We Go From Here” with Thomas Bow, senior vice president, The Durst Organization; Peter Brindley, senior director, Tishman Speyer; Rob Lowe, executive vice president, Cushman & Wakefield, Inc.; Duncan McCuaig, vice president of leasing, Brookfield Properties Corp.; Ken Ruderman, executive managing director, Studley; with moderator Paul Myers, executive vice president, CB Richard Ellis, Inc. Registration online only at www.REBNY.com

Don't miss the real estate industry's most anticipated event of the year, REBNY's 115th annual Banquet on Thursday, Jan. 20, 2011 at the New York Hilton. More than 2,000 of the industry's leading professionals will attend to honor six great New Yorkers. You don't want to be left out.

REBNY encourages those wishing to attend to purchase tickets early. For more information, visit REBNY.com or contact the Banquet Department at 212-532-3100.