

As seen in...

REAL ESTATE WEEKLY

Wednesday June 8, 2011

Steven Spinola
REBNY President

The best retail transactions of 2010 will be celebrated June 14 during the Retail Committee's Most Ingenious Deal of the Year Awards from 5:30 to 7:30 pm at the 101 Club.

The culmination of these exceptional deals follows the recent release of REBNY's Spring Retail Report which had some beneficial news of the market, which continues its recovery from the recession.

Some of the city's prime shopping corridors are noting increases in asking rents for available retail space, while others are experiencing a plateau.

Lower Manhattan has attracted significant interest from retailers. The Broadway corridor from Battery Park to Chambers Street in the Financial District saw a 23-percent increase in asking rents to \$184 per square foot, compared to Fall 2010 numbers, and a 36-percent surge compared to Spring 2010.

This surge is attributed to the visible progress of office construction at the World Trade Center site and the planned opening of the 9/11 memorial later this year.

Lower Manhattan is capturing both national and international attention as a result of the progress at the World Trade Center site. A rise in asking rents for retail space shows that retailers are looking to capitalize on the increase of pedestrian traffic expected there in years to come.

Retail areas below 14th Street saw an increase of 4 percent overall with asking rents per square foot for all space (ground floor and other), averaging \$103 per square foot.

The Spring Retail Report compiles data provided by a broad cross section of the city's leading retail brokers. According to REBNY's advisory group, steady growth in tourism is a result of the depreciating value of the dollar has been a boom to New York City's major retail corridors. "Visitors from around the world have been a vital aspect of our improving economy," notes the executive summary.

Increased tourism has also had an impact on the high-end shopping corridors, such as Fifth Avenue and Madison, have limited available space.

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On Fifth Avenue, between 42nd and 49th streets, asking rents increased three percent compared to Fall 2010 and 21-percent compared to Spring 2010 to \$515 per square foot.

Uptown on East 86th Street between Lexington and Second avenues, average asking rents for ground floor space increased 14-percent compared to Fall 2010 and two percent compared to Spring 2010 to \$333 per square foot.

On the Westside, Columbus Avenue between 66th and 79th streets, asking rents jumped eleven percent compared to Fall 2010, and five percent compared to Spring 2010 to \$255 per square foot.

Other retail corridors did not fare as well. A lack of availability in the high-end retail corridors like Madison Avenue and Fifth Avenue between 49th and 59th streets has led to average asking rents leveling off.

On Fifth Avenue, between 49th and 59th streets, asking rents were down 5 percent compared to Fall 2010 and 2 percent compared to Spring 2010 to \$2,250 per square foot. Asking rents in the Madison Avenue corridor decreased to \$919 per square foot for ground floor space, 12-percent off from last Fall and four percent off from Spring 2010.

REBNY conducts another Retail Report in the Fall.

On June 14, three top deals will be honored. For Manhattan, two awards will be given out, one for the most creative retail deal and one for the retail deal of the year which most significantly benefits the Manhattan retail market. The third award is given for the most important and creative retail deal in the other boroughs.

For more information, visit www.REBNY.com.