

NEWS

FOR IMMEDIATE RELEASE

From: Real Estate Board of New York (REBNY)

Contact: Cara Gentile, Frank Marino
The Marino Organization
(212) 889-0808
cara@themarino.org

REPORT: MANHATTAN RETAIL ASKING RENTS RISE IN SOME PRIME SHOPPING CORRIDORS

Retail rents in TriBeCa, Herald Square and Upper West Side see notable increases

Overall Manhattan retail asking rents down 3% to \$129 psf

NEW YORK, Nov. 5, 2008: Retail asking rents for ground floor space along some of Manhattan's prime shopping corridors have risen notably compared to last year, while others are seeing declines, according to a report released today by The Real Estate Board of New York (REBNY).

The report found the biggest percentage increases in average asking rents for ground floor space in TriBeCa on Hudson Street Street from Chambers to Canal streets, where asking rents increased 60 percent to \$120 per square foot. Herald Square average retail rents jumped 38 percent on West 34th Street between 5th Avenue and 7th Avenue to \$643 per square foot, and on the Upper West Side on Broadway between 72nd Street and 86th Street average asking rents climbed 17 percent to \$309 per square foot.

REBNY's report, the most comprehensive assessment of retail asking rents in Manhattan, found that overall Manhattan average asking rents for all available retail space are down three percent to \$129 per square foot compared to the same time last year.

"The report demonstrates mixed results, with some prime shopping corridors showing strong increases in asking rents and others experiencing declines," said Steven Spinola, REBNY President. "The advisory group, made up of some of the city's leading retail brokers, notes that while the retail market has slowed in the last few months, tenants are still leasing space and deals continue to be made."

"Further, the increases in asking rents in prime areas like TriBeCa, Herald Square and the Upper West Side, demonstrates that retailers still want to be in Manhattan. Despite the turmoil in the marketplace, asking prices for prime retail space in Manhattan's most recognizable shopping areas have not been impacted."

Prime shopping corridors that saw declines in asking prices compared to last year include: Flatiron on Fifth Avenue between 14th and 23rd streets where asking rents were down

seven percent to \$276 per square foot, and on the East Side on Third Avenue between 60th and 72nd streets where asking rents were down six percent to \$287 per square foot. Also, in Midtown on Broadway and 7th Avenue between 42nd and 47th streets asking rents for ground floor space were down three percent to \$775 per square foot.

However, the report found that East Side retail space (ground floor and other) had asking rents increase 11 percent to \$190 per square foot from a year ago, and Midtown South overall reported a six percent increase to \$111 per square foot compared to last year.

Mr. Spinola added, "The analysis of asking rents for retail space in this report is based on availabilities as of September 30 and may not reflect the turmoil in the financial markets in October. However, asking prices for retail space do not fluctuate like stock prices and we do not anticipate any dramatic shifts over the next few months."

He continued, "Asking rents in the prime retail corridors continue to show that the market is strong despite the nationwide downturn. In fact, in the five new corridors that this report began tracking in the spring, the average asking rents for available ground floor space on 86th Street, Columbus Avenue and the Meatpacking District are up compared to our initial analysis of the area. While Manhattan asking rents are slightly down overall, clearly the prime shopping districts remain coveted locations for retailers."

###

About the REBNY Retail Report

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.

The Real Estate Board of New York is the city's leading real estate trade association with more than 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.