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From: Real Estate Board of New York (REBNY)

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REBNY RETAIL REPORT: MANHATTAN RETAIL CORRIDORS AVERAGE ASKING RENTS ON THE RISE

As rents increase, signs point to a slow and steady retail market recovery

NEW YORK, May 20, 2010: 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 percent since fall 2009.

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

In Midtown on **Broadway and 7th Avenue** between 42nd and 47th streets, average asking rents increased 71 percent to \$1,400 per square foot (psf) and in the West Village on **Bleecker Street** between 7th Avenue South and Hudson Street, rents increased 30 percent to \$456 psf. In SoHo on **Broadway** between Houston and Broome streets, rents increased 16 percent to \$563 psf. In Herald Square on **West 34th Street** between 5th and 7th avenues, asking rents increased 19 percent to \$500 psf. 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 Street, Times Square, and the once quiet Madison Avenue 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 Avenue 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 ten percent to \$128 psf.
- **Upper Manhattan**, however, had the sharpest rise in asking rents compared to last year increasing 16 percent to \$60 psf.
- Declines in average asking rents were reported on the **East Side** (two percent), and **Midtown** (11 percent).

Primary Retail Corridors:

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

Full Spring Report available upon request. Please contact Christi Mueller at 212-889-0808.

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.

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.