

# **NEWS**

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**From:** Real Estate Board of New York (REBNY)

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### **REBNY REPORT: FUELED BY TOURIST TRAFFIC RENTS RISE IN KEY NYC RETAIL CORRIDORS**

#### **Times Square Sees Asking Price of \$1700 PSF with Limited Available Space**

**NEW YORK, November 8, 2010:** As tourists continue to make New York City their number one destination, asking rents for retail spaces in the city's hot spots are rising in certain corridors according to The Real Estate Board of New York's (REBNY) Fall 2010 Retail Report.

According to the report, since Spring 2010, retail asking rents climbed 21 percent to \$1700 psf in the Times Square corridor defined by **Broadway and 7<sup>th</sup> Avenue** between 42<sup>nd</sup> and 47<sup>th</sup> streets.

Other popular tourist destinations that are showing a steady growth in retail rents compared to the Fall 2009 include the West Village on **Bleecker Street** between 7<sup>th</sup> Avenue South and Hudson Street where rents increased 38 percent over 2009 to \$486 psf. SoHo on **Broadway** between Houston and Broome streets, showed a rent increase of nine percent to \$526 psf. **Fifth Avenue** from 49<sup>th</sup> to 59<sup>th</sup> streets and 42<sup>nd</sup> to 49<sup>th</sup> streets, showed 15 percent and 10 percent increases respectively, including the deal which is said to be the largest retail lease in Manhattan: the 90,000 square foot Uniqlo at 666 Fifth Avenue.

As the report suggests, the growth in these retail corridors indicates that stores are more optimistic that the economic recovery will continue and that their stores will be profitable in these tourist hot spots.

"Asking rents that are lower than they were during the high point in our economy a few years ago are giving retailers the opportunity to locate in corridors that they wouldn't otherwise be able to break into and many seem to be taking advantage of this," said REBNY President Steven Spinola. "As a result of these opportunities in premier retail areas, the retail space market has become

competitive again and average rents are rising. This is the trend that we hope will eventually spread into other city neighborhoods.”

REBNY’s Retail Advisory Group – made up of the city’s leading retail brokers – reported that certain retailers were leading the charge and investing in these high-traffic retail corridors including H&M and Zara. These stores opened new locations on 42<sup>nd</sup> Street and due to their strength in the market, drove other stores to the area creating energy and co-tenancy for the stores Guess, Urban Outfitters and Syms/Files. These transactions show a strong signal of optimism in the retail brokerage community.

**Other report highlights:**

- The average asking price per square foot in Manhattan rose four percent from Spring 2010 to \$118 psf.
- Compared to Fall of 2009, asking retail rents for ground floor space on Madison Avenue between 57th and 72nd streets increased 14 percent to \$1,049 psf.
- On the Westside, average asking rents for ground floor space on Broadway between 72nd and 86th streets increased 10 percent from Fall 2009 and seven percent from last spring.

Full Fall Report available for the media upon request.

**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.