

NEWS

FOR IMMEDIATE RELEASE

From: Real Estate Board of New York (REBNY)

Contact: Richard Mulieri, Nicole Hyland
The Marino Organization
(212) 889-0808
richard@themarino.org, nicole@themarino.org

MANHATTAN RETAIL HOTTER THAN EVER AS ASKING RENTS CLIMB 26%, ACCORDING TO REBNY REPORT

**Rents more than double on Broadway between 42nd and 47th streets,;
Record shattered on Fifth Avenue as asking rent hits \$1,250 psf**

NEW YORK, December 12, 2007 – Prime retail space in Manhattan continues to fetch top dollar as average asking rents climbed 26 percent to \$133 per square foot (psf) compared to last year, according to The Real Estate Board of New York's (REBNY's) Fall Retail Report released today.

The Broadway shopping corridor between 42nd and 47th streets led the retail rent price surge, with average asking rents soaring 106 percent to \$797 psf compared to last year. The report also found that Manhattan's famed Fifth Avenue shopping corridor between 49th and 59th streets hit a new record of \$1,250 psf, and had the highest average ground floor asking price of all major retail corridors surveyed.

"The Times Square/Broadway shopping corridor is again taking center stage with a more than 100-percent increase in asking rents," said Steven Spinola, REBNY President. "Rising tourism, a weak U.S. dollar compared to foreign currency, and the overall eagerness of European retailers to establish a presence in New York have all contributed to the rising asking rents for retail space in that area and throughout the borough."

"Every neighborhood surveyed in the report showed an increase in asking rents for retail space compared to last year, which demonstrates the overall health of the market," he continued. "In addition, the surge in new development also factored into rising asking rents as retail space that won't be available for another two years is being put on the market. This is a strong indication of continuing retail market growth and the strength of the city's economy."

REBNY's report, the most comprehensive assessment of retail asking rents in Manhattan, found that Downtown average asking rents crossed the \$100 a foot mark for the first time for this neighborhood overall, with asking rents rising 18 percent to \$109 psf for available space south of 14th Street.

The Madison Avenue corridor between 57th and 72nd streets had the second highest average ground floor price, just behind the Fifth Avenue corridor, with an average asking rent of \$1,108 psf, up 22 percent over last year.

The second highest percentage increase for a selected retail corridor was Broadway from Battery Park to Chambers Street, where average asking rents surged 88 percent to \$301 psf. Other major retail corridors that saw huge surges in average asking rents were Broadway between Houston and Broome streets where rents were up 74 percent to \$501 psf, followed by 34th Street between Fifth Avenue and 7th Avenue, which surged 57 percent to \$464, and 42nd Street between 6th Avenue and 8th Avenue, where average asking rents were up 55 percent to \$488 psf.

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.

###