



NEWS

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From: Real Estate Board of New York (REBNY)

Contact: Cara Marino
The Marino Organization Inc.
(212) 889-0808 x 25

EAST SIDE, SOHO HOT RETAIL DESTINATIONS

ASKING RENTS FOR MAJOR RETAIL CORRIDORS SEE SIGNIFICANT BOOST

***--Demand for tourist hot spots in Meatpacking District and
125th Street Corridor Remain Strong--***

NEW YORK, NY, Nov. 17, 2005 – Retail rents on major corridors increased by as much as 32% compared to last year, according to The Real Estate Board of New York's (REBNY) Fall Retail Report.

The Third Avenue corridor between 60th and 72nd streets led the way with asking rents for ground floor space surging by 32% to \$248 per-square-foot compared to last year. Retail rents for major Downtown corridors such as Broadway between Houston and Broome streets in SoHo jumped 27% to \$228 per square foot. On Hudson Street between Chambers and Canal in TriBeCa, retail rents climbed 21% to \$68 per-square-foot since last year.

In Lower Manhattan, retail rents for the Broadway corridor between Battery Park and Chambers Street jumped 12% to \$125 per square foot.

REBNY's report surveys asking rents for available retail space and encompasses the period from March 2005 through September 2005.

"Retail rents are a good indicator of the health of our city's economy. When demand for retail space translates to rising asking rents, we know that retailers want to be in New York. The current report shows that in the last six months, there has been continued demand for retail shops in SoHo, the Meatpacking District and the 125th Street corridor, which are all tourist destinations," said Steven Spinola, REBNY President. "In addition, in the last five years since we have been compiling this report, more than 50 retailers have established a flagship store in Manhattan, including Whole Foods, The Home Depot, American Eagle Outfitters and many

others, leasing almost a half million square feet of space, and clearly demonstrating the bounce-back the retail market has made since 9/11," he added.

The city's best known retail corridor, Fifth Avenue between 49th and 59th streets, had retail rents that were up 15% to \$817 per-square-foot compared to last year. While the 125th Street corridor retail rents increased 13%.

Overall, for ground floor space in selected retail corridors, average asking rents increased 22% to \$296, while median asking rents per-square-foot increased 14% to \$200. Average asking rent for all retail space in Manhattan (ground floor and other) rose 5% to \$102 per square foot.

Robin Abrams, executive vice president of The Lansco Corporation and co-chair of REBNY's retail committee commented on the retail market noting, "We continue to see a strong demand among banks for prime corner locations throughout Manhattan, which has drastically driven up rents for these intersections. However, we've also seen that as the corners get snatched up, the boost in asking rents is not spilling over to adjacent mid-block stores."

The report also recorded the following findings:

Market area asking rents, which surveys all available space (ground floor and other) continued to show improvement:

- The East Side climbed 26% to an average asking rent of \$186 for all space.
- Downtown average asking rent rose 16% to \$85 per-square-foot for all space.
- Average asking rents in Midtown South increased 5% to \$82 per-square-foot for all space.
- On the East Side stores with less than 1,000 square feet saw a 31% increase in average asking rent to \$205 per square foot.
- Stores Downtown (South of 14th St) with less than 1,000 square feet saw their average asking rents rise to \$151 per square feet for all space, an increase of 27%.

About the REBNY Retail Report

The REBNY Retail Report is issued twice a year in the spring and fall by the REBNY Stores Committee. 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.

Space information has been provided on a confidential basis by REBNY member firms including: Abrams Realty Corp, CBRE Retail Services NY Tri-State Region, Cushman & Wakefield, GVA Williams, Murray Hill Properties, Newmark Retail, PBS Realty Advisors, LLC, Robert K. Futterman & Associates, LLC, Rose Associates, Inc., Rudin Management, Sinvin Realty, Staubach Retail Services, The Lansco Corp., Walker, Malloy & Co., LLC.

About REBNY

As the oldest and most influential real estate trade association in New York City, The Real Estate Board of New York 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.