



THE REAL ESTATE BOARD OF NEW YORK

RETAIL REPORT SPRING 2015

REBNY Stay On Top
of New York.

The Manhattan retail leasing market saw continued interest in store space through the first quarter of 2015. The stable market conditions have led owners and perspective tenants to see the market with more clarity and have provided a better definition of a spaces' value. The Spring 2015 REBNY Retail Report showed ground floor asking rents increasing in all but one of the corridors surveyed, year over year. The market remains active though with both major domestically based and international brands doing deals and looking for space in the city despite the recent rise of the dollar.

The average ground floor asking rent for New York's traditionally most expensive corridor, 5th Avenue between 49th and 59th Streets, increased a modest 4 percent from the Spring 2014 Retail Report to \$3,683. Asking rents on the ground floor in Times Square between 42nd and 47th were similarly stable when compared to last spring. The average asking rent in bowtie area increased less than 1 percent to \$2,413 per square foot. Asking rents on the ground on Madison Avenue were steady as well with the average asking rent per square foot increasing by three percent compared to last spring to \$1700.

The average asking rent of ground floor retail space on East 86th between Lexington and 2nd Ave has continued to ascend this spring to \$456 per square foot. This corridor has undergone a successful retail transformation and still has potential for further growth, according to our Advisory Group. Residential development before the recession helped spark the growth in the area and now new luxury buildings at 60 East 86th and 147-151 East 86th are looking to increase the area's desirability. Retail in the corridor will benefit from the growing number of residents as these buildings are to have larger units more conducive to growing families. Furthermore, the corridor is the main route between museum row and the Lexington line, resulting in constant foot traffic even when the residents of the area are at work and school.

Ground floor average asking rents in Meatpacking District on 14th street between 9th and 10th Avenue increased 10 percent over Spring 2014 to \$372 per square foot. Rents along this particular corridor have remained robust despite several other corridors in this immediate area gaining appeal. The popularity of Chelsea Market and The High Line has led to more foot traffic in the area. Foot traffic from nearby offices that are home to a large segment of the city's burgeoning tech industry has the same impact. This is good for the area in general, but leads to an increased supply of retail space having a tempering effect on individual corridors.

The economic circumstances that support retail activity in the city are very strong. The April release of the University of Michigan Consumer Sentiment Index, a longstanding respected survey intended to convey the propensity of consumers to spend, shows consumers are upbeat. The April release shows the measure is at its second highest level since the end of recession. Consumer sentiment levels this high have not been reached since 2007. Local job growth is also supporting retail the retail sector. New York City private employment has grown 3 percent in the 12 months since March 2014, and construction employment has grown close to 14 percent during the period. In terms of international consumer demand, the city has never had more international visitors. The city had 12.2 million international visitors last year, eclipsing last year's record by 1.3 million visitors. Furthermore, recent data released from PKF Consulting shows the flow of tourists to NYC has continued into 2015. According to their March survey the average occupancy rate of hotels in the city is 2.1% greater than in March 2014.

We must reiterate that the rents quoted in the report are asking rents. Also, please note that the physical components of a retail space factor greatly into its rental value. Attributes such as street/avenue frontage, ceiling height, presence of below and above grade space can affect value as well as locational factors. Consequently, in corridors with fewer availabilities, a high quality space coming to market can increase the average and median asking rents greatly. Also, in smaller corridors, a lack of available space may lead its adjacent blocks becoming of interest to retailers. Accordingly, we have provided information about the rent range as well as asking rent information from six months and 12 months ago to provide a rich statistical context to evaluate the current market conditions. In addition, we would like to note that the surveyed corridors in the report represent the top tier retail corridors in the city and that rents on adjoining side streets may lease for considerably less than the locations we are profiling. Lastly, as we have learned in the decade or more that we have been preparing this report, retail brokers active in the market are an invaluable source of information and trends that cannot be fully captured completely by the numbers in our report. We attempt to provide an overview of the market at a particular point in time that is based on the available listings of our Advisory Group and the REBNY Retail Committee members which include all the major retail brokers and owners in Manhattan.

AVERAGE ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Spring 2015	Fall 2014	Spring 2014	% Change from Fall 2014	% Change from Spring 2014
EASTSIDE					
Madison Ave: 57 th – 72 nd St	\$1,700	\$1,709	\$1,643	-1%	3%
Third Ave: 60 th – 72 nd St	\$363	\$266	\$261	36%	39%
East 86 th Street: Lexington Ave – 2 nd Ave	\$456	\$423	\$384	8%	19%
WESTSIDE					
Broadway: 72 nd – 86 th St	\$390	\$377	\$284	3%	37%
Columbus Ave: 66 th – 79 th St	\$447	\$347	\$360	29%	24%
MIDTOWN					
East 57 Street: 5 th Ave – Park Ave	\$1,600	\$1,250	\$1,000	28%	60%
Fifth Ave: 42 nd – 49 th St	\$1,200	\$1,095	\$1,029	10%	17%
Fifth Ave: 49 th – 59 th St	\$3,683	\$3,420	\$3,550	8%	4%
Broadway & 7 th Ave: 42 nd – 47 th St	\$2,413	\$2,317	\$2,407	4%	0%
MIDTOWN SOUTH					
Flatiron					
Fifth Ave: 14 th – 23 rd St	\$403	\$403	\$388	0%	4%
Broadway: 14 th – 23 rd St	\$435	\$359	\$392	21%	11%
Herald Square					
West 34 th St: 5 th – 7 th Ave	\$1,000	\$891	\$883	12%	13%
DOWNTOWN					
Meatpacking					
14 th St: 9 th – 10 th Ave	\$372	\$339	\$339	10%	10%
Financial District					
Broadway: Battery Park – Chambers St	\$234	\$265	\$226	-12%	4%
SoHo					
Broadway: Houston – Broome St	\$977	\$830	\$890	18%	10%
West Village					
Bleaker St: 7 th Ave South – Houston St	\$481	\$484	\$524	-1%	-8%
UPPER MANHATTAN					
Harlem					
125 th St (River to River)	\$141	\$130	\$117	9%	21%

*Statistics reflect availabilities on 4/1/15

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MEDIAN ASKING RENT: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Spring 2015	Fall 2014	Spring 2014	% Change from Fall 2014	% Change from Spring 2014
EASTSIDE					
Madison Ave: 57 th – 72 nd St	\$1,837	\$1,500	\$1,650	22%	11%
Third Ave: 60 th – 72 nd St	\$350	\$258	\$250	36%	40%
East 86 th Street: Lexington Ave – 2 nd Ave	\$475	\$318	\$355	49%	34%
WESTSIDE					
Broadway: 72 nd – 86 th St	\$400	\$323	\$368	24%	9%
Columbus Ave: 66 th – 79 th St	\$488	\$329	\$333	48%	46%
MIDTOWN					
East 57 th Street: 5 th Ave – Park Ave	\$1,600	\$1,250	\$1,000	28%	60%
Fifth Ave: 42 nd – 49 th St	\$1,200	\$1,100	\$1,000	9%	20%
Fifth Ave: 49 th – 59 th St	\$3,750	\$3,500	\$3,600	7%	4%
Broadway & 7 th Ave: 42 nd – 47 th St	\$2,225	\$2,225	\$2,350	0%	-5%
MIDTOWN SOUTH					
Flatiron					
Fifth Ave: 14 th – 23 rd St	\$395	\$400	\$393	-1%	1%
Broadway: 14 th – 23 rd St	\$400	\$350	\$447	14%	-11%
Herald Square					
West 34 th St: 5 th – 7 th Ave	\$1,000	\$827	\$1,000	21%	0%
DOWNTOWN					
Meatpacking					
14 th St: 9 th – 10 th Ave	\$325	\$325	\$325	0%	0%
Financial District					
Broadway: Battery Park – Chambers St	\$175	\$194	\$171	-10%	2%
SoHo					
Broadway: Houston – Broome St	\$950	\$819	\$864	16%	10%
West Village					
Bleaker St: 7 th Ave South – Houston St	\$488	\$488	\$550	0%	-11%
UPPER MANHATTAN					
Harlem					
125 th St (River to River)	\$125	\$116	\$100	8%	25%

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ASKING RENT RANGE: SELECTED MAJOR RETAIL CORRIDORS Available Ground Floor Space Only

	Spring 2015	Fall 2014	Spring 2014
EASTSIDE			
Madison Ave: 57 th – 72 nd St	\$1,177 - \$2,000	\$1,500 - \$2,200	\$1,200 - \$2,200
Third Ave: 60 th – 72 nd St	\$300 - \$425	\$163 - \$377	\$158 - \$400
East 86 th Street: Lexington Ave – 2 nd Ave	\$275 - \$600	\$255 - \$800	\$275 - \$550
WESTSIDE			
Broadway: 72 nd – 86 th St	\$225 - \$650	\$221 - \$650	\$200 - \$400
Columbus Ave: 66 th – 79 th St	\$300 - \$600	\$150 - \$500	\$226 - \$650
MIDTOWN			
East 57 th Street: 5 th Ave – Park Ave	\$1,600 - \$1,600	\$1,000 - \$1,500	\$1,000 - \$1,000
Fifth Ave: 42 nd – 49 th St	\$1,200 - \$1,200	\$575 - \$1,500	\$575 - \$1,500
Fifth Ave: 49 th – 59 th St	\$3,500 - \$3,800	\$2,700 - \$4,000	\$3,150 - \$3,900
Broadway & 7 th Ave: 42 nd – 47 th St	\$2,200 - \$3,000	\$2,000 - \$3,000	\$1,800 - \$3,000
MIDTOWN SOUTH			
Flatiron			
Fifth Ave: 14 th – 23 rd St	\$325 - \$503	\$325 - \$500	\$300 - \$500
Broadway: 14 th – 23 rd St	\$400 - \$505	\$225 - \$471	\$275 - \$453
Herald Square			
West 34 th St: 5 th – 7 th Ave	\$800 - \$1,200	\$492 - \$1,500	\$550 - \$1,100
DOWNTOWN			
Meatpacking			
14 th St: 9 th – 10 th Ave	\$300 - \$600	\$275 - \$450	\$300 - \$450
Financial District			
Broadway: Battery Park – Chambers St	\$115 - \$500	\$128 - \$500	\$128 - \$500
SoHo			
Broadway: Houston – Broome St	\$425 - \$1,583	\$425 - \$1,583	\$720 - \$1,200
West Village			
Bleaker St: 7 th Ave South – Houston St	\$375 - \$600	\$375 - \$600	\$375 - \$700
UPPER MANHATTAN			
Harlem			
125 th St (River to River)	\$75 - \$300	\$72 - \$300	\$70 - \$300

*Statistics reflect availabilities on 4/1/15

AVERAGE ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

All Available Space (Ground Floor, Lower Level, Upper Level, Mezzanine)

	Spring 2015	Fall 2014	Spring 2014	% Change from Fall 2014	% Change from Spring 2014
MANHATTAN	\$153	\$149	\$139	3%	10%
EASTSIDE	\$188	\$170	\$189	11%	-1%
60 th St to 96 th St, Fifth Ave to the East River					
WESTSIDE	\$144	\$144	\$145	0%	-1%
60 th St to 116 th St, West of Morningside Park					
MIDTOWN	\$191	\$198	\$190	-4%	1%
35 th Street to 59 th Street					
MIDTOWN SOUTH	\$145	\$152	\$136	-5%	7%
15 th Street to 34 th Street					
DOWNTOWN	\$143	\$135	\$130	6%	10%
South of 14 th Street					
UPPER MANHATTAN	\$72	\$70	\$65	3%	11%
97 th St and higher, 5 th Ave to the East River;					
116 th St and higher, West of Morningside Park					

*Statistics reflect availabilities on 4/1/15

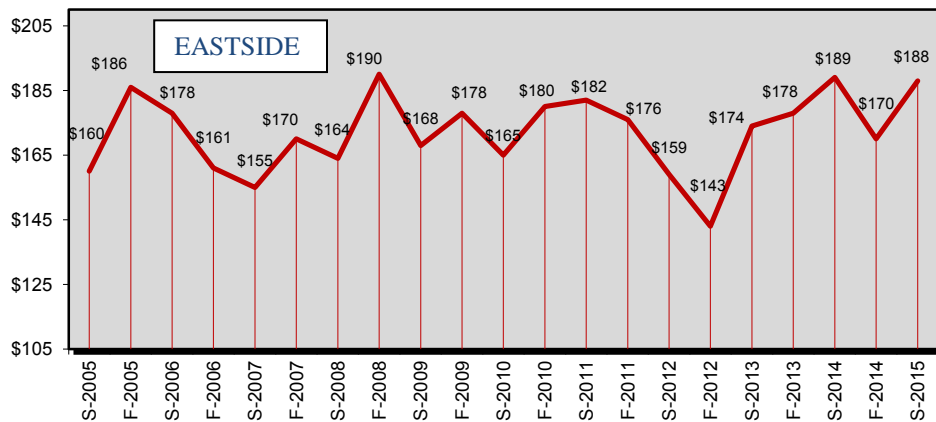
MEDIAN ASKING RENT: MAJOR RETAIL NEIGHBORHOODS

All Available Space (Ground Floor, Lower Level, Upper Level, Mezzanine)

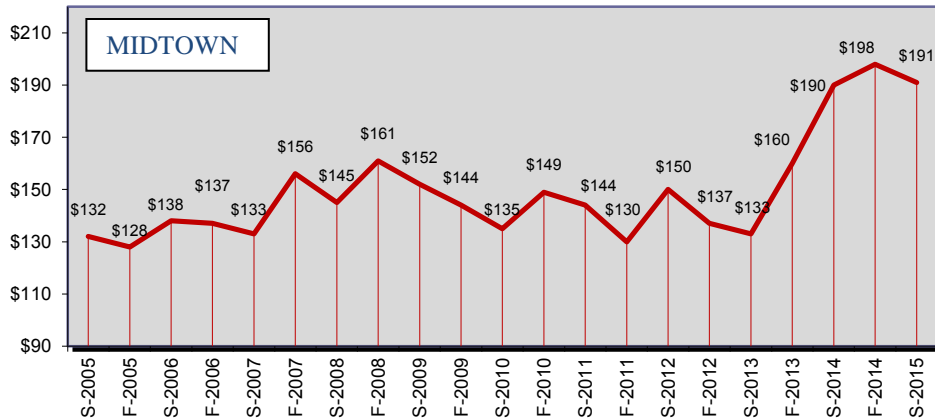
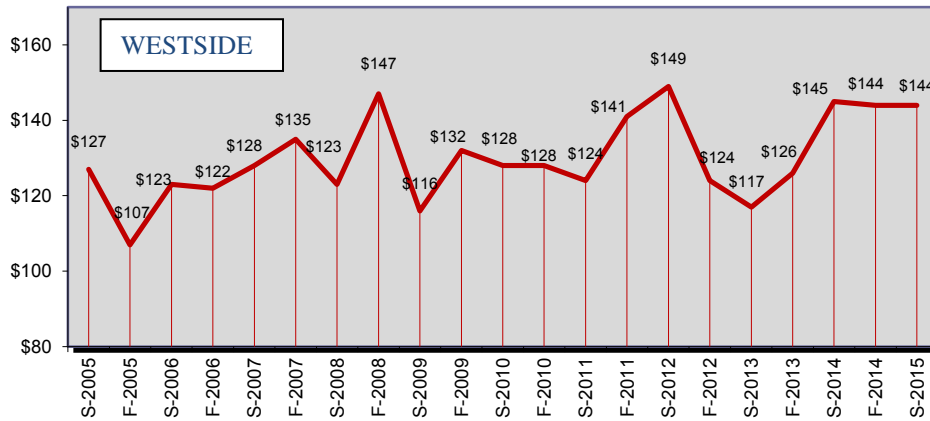
	Spring 2015	Fall 2014	Spring 2014	% Change from Fall 2014	% Change from Spring 2014
MANHATTAN	\$107	\$104	\$96	3%	11%
EASTSIDE	\$123	\$124	\$125	-1%	-2%
60 th St to 96 th St, Fifth Ave to the East River					
WESTSIDE	\$120	\$123	\$118	-2%	2%
60 th St to 116 th St, West of Morningside Park					
MIDTOWN	\$121	\$104	\$100	16%	21%
35 th Street to 59 th Street					
MIDTOWN SOUTH	\$110	\$118	\$103	-7%	7%
15 th Street to 34 th Street					
DOWNTOWN	\$115	\$110	\$103	5%	12%
South of 14 th Street					
UPPER MANHATTAN	\$60	\$60	\$59	0%	2%
97 th St and higher, 5 th Ave to the East River;					
116 th St and higher, West of Morningside Park					

*Statistics reflect availabilities on 4/1/15

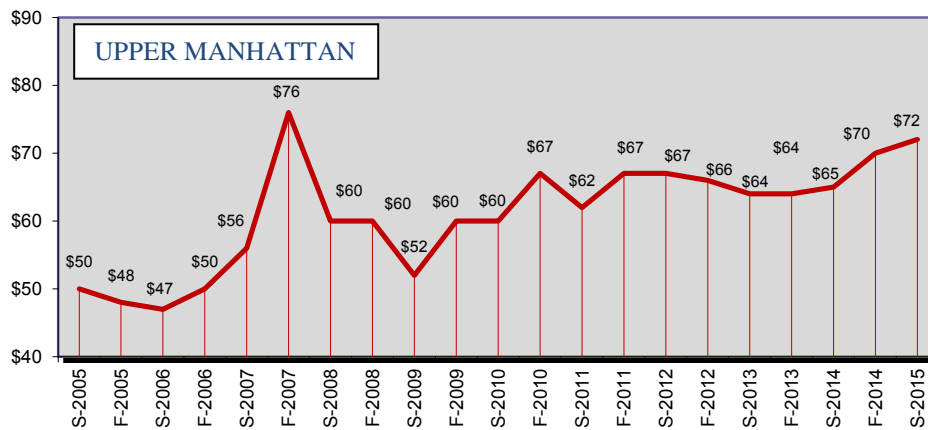
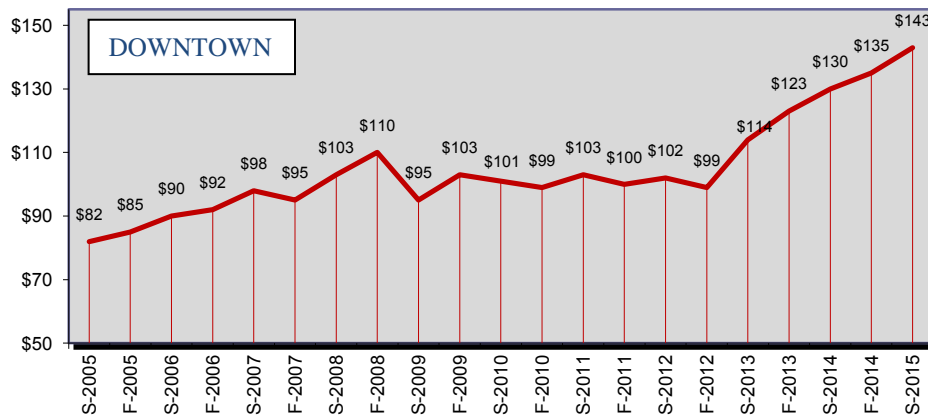
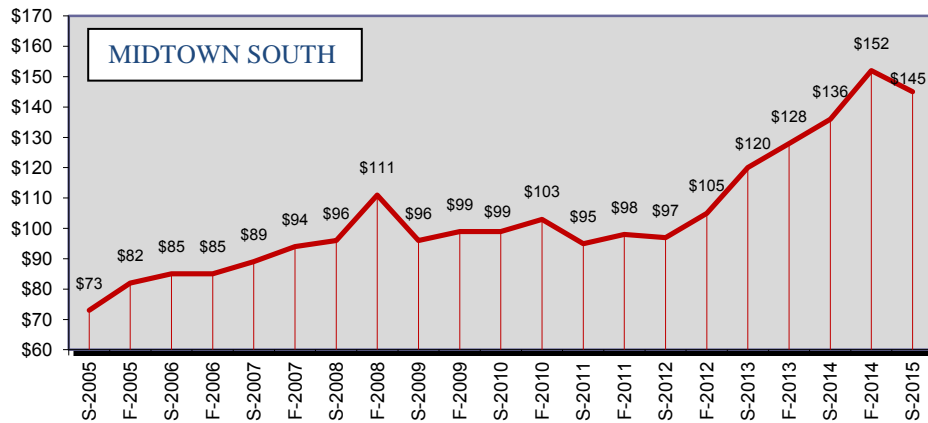
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The Retail Report provides objective, comprehensive information about asking rents and market trends in Manhattan.

Issued twice a year – Spring and Fall – the report is a project of the REBNY Retail Committee.

The report presents retail space information by geographical area and focuses on the asking rent of the ground floor space on the major retail streets.