



# THE REAL ESTATE BOARD OF NEW YORK

INAUGURAL BROOKLYN RETAIL REPORT THIRD QUARTER 2015

**REBNY** Stay On Top  
of New York.



Here is the inaugural REBNY Brooklyn Retail Report. The report, a joint effort of REBNY's Brooklyn and Retail Committees, is intended as a snapshot of several major retail corridors in the borough and as a guide based on actual asking rent information towards a better understanding of the Brooklyn Retail Leasing landscape.

The report analyzes 15 retail corridors in 10 neighborhoods from Greenpoint in the north to Bay Ridge in the south. The data used in this report is provided by REBNY retail brokers from both committees and consists of their available listings in the Third Quarter 2015. We intend to produce this report twice a year with our next report scheduled for the Second Quarter 2016. The report focuses on ground floor asking rents and reports an average, median, and ranges for asking ground floor space in the corridors. By providing a number of key market indicators brokers, owners and tenants will have a more thorough understanding of the retail market in these areas.

The report recognizes the emergence of the Brooklyn real estate market in general and the ever-growing interest in Brooklyn from a broad spectrum of tenants from national retailers to thriving local merchants. Without reliable information on the Brooklyn retail leasing market though these groups may be reluctant to go forward with deals and expand their brand. We think our data-driven asking rent report will be a useful tool for the continuing growth of Brooklyn.

According to our Brooklyn Retail Advisory Group, the Brooklyn corridors are changing fundamentally. Socio-economic changes in the borough's neighborhoods are changing the types of goods and services that are in demand. Rezoning in many neighborhoods is changing the residential and commercial density of these areas. Also, there is a mix of professional real estate landlords looking to maximize their properties' value and long-time leverage free mom and pop owners looking for a constant return without having to invest in their properties or provide capital for tenant build outs. All these factors can lead to great variation in rents between properties that are only a few doors down from each other.

Here is an overview about the preparation of our report. Once summary statistics are calculated for each corridor our Brooklyn Retail Advisory Committee, composed of some of the leading retail brokers in Brooklyn (list attached), reviews the statistics. As we have learned over the years preparing our Manhattan retail report, each corridor has its nuances and changing conditions which impact asking rents. For instance, neighborhoods with new residential development and large ground floor retail space are different than established neighborhoods with smaller spaces and ownership content to

continue to manage the property as it has done for decades. In all these different circumstances we rely heavily on the asking rent information we have received and make sure that the retail information is a true representation of asking rents for that corridor.

Some of the highlights of the report are the average asking rent for ground floor space on Bedford Ave. between Grand Street and North 12 Street at \$347 psf. The Bedford Avenue corridor has changed tremendously through its several phases of development and now has the highest average asking rent of any Brooklyn corridor. The re-emergence of Downtown Brooklyn as both a place to live and work has made Fulton Mall and increasingly attractive place for retailers which has pushed asking rents up to \$287 psf. The highest average asking rent in a corridor south of Downtown was on Court Street between Atlantic Ave and Carroll Street. The average asking rent for ground floor space there was \$162 psf.

Also, we remind the users of our report 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 less availability, 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. In future reports, we will provide 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 some of the top tier retail corridors in the borough 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.

Cover Photo Credit: Ali Ruth Davis

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### ASKING RENT PSF: SELECTED RETAIL CORRIDORS Available Ground Floor Space Only

	Average	Median	Range psf	
			Low	High
<b>Greenpoint</b>				
Franklin St (Meserole Ave - Commercial St)	\$63	\$60	\$35	\$89
Manhattan Ave (Driggs Ave - Ash St)	\$65	\$60	\$45	\$100
<b>Williamsburg</b>				
Bedford Ave (Grand St - North 12 St)	\$347	\$350	\$200	\$500
North 6 St (Driggs Ave - Kent Ave)	\$208	\$188	\$97	\$300
North 4 St (Driggs Ave - Kent Ave)	\$153	\$150	\$140	\$175
Grand St (Havemayer St - Kent Ave)	\$110	\$110	\$90	\$125
<b>DUMBO</b>				
Washington St, Front St, Water St, Main St	\$107	\$100	\$85	\$150
<b>Brooklyn Heights</b>				
Montague St (Hicks St - Cadman Plaza)	\$150	\$150	\$150	\$150
<b>Downtown</b>				
Fulton Mall (Boerum Pl - Flatbush Ave)	\$287	\$300	\$147	\$450
<b>Prospect Heights</b>				
Flatbush Ave (5th Ave - Grand Army Plaza)	\$102	\$102	\$62	\$150
<b>Cobble Hill</b>				
Court St (Atlantic Ave - Carroll St)	\$162	\$155	\$100	\$225
Smith St (Atlantic Ave - Carroll St)	\$121	\$118	\$72	\$187
<b>Park Slope</b>				
7th Ave (Union St - 9th St)	\$86	\$75	\$40	\$169
5th Ave (Union St - 9th St)	\$81	\$74	\$31	\$156
<b>Bay Ridge</b>				
86th St (4th Ave - Fort Hamilton Pkwy)	\$77	\$65	\$57	\$137

### ACKNOWLEDGEMENTS

**The REBNY Brooklyn Retail Report Advisory Group Includes:**

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