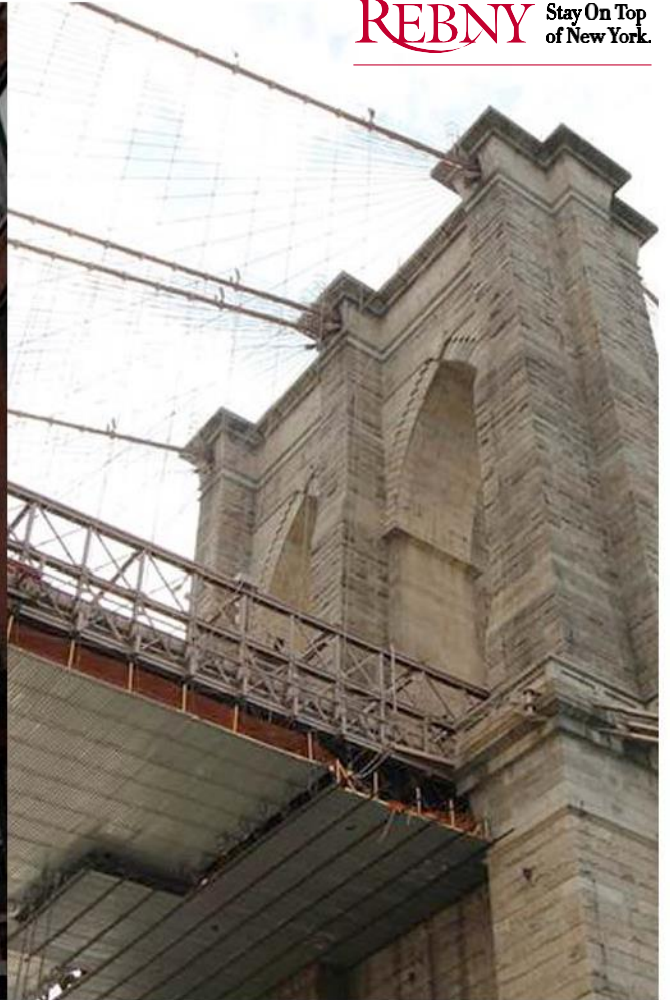




THE REAL ESTATE BOARD OF NEW YORK

BROOKLYN RETAIL REPORT FIRST QUARTER / WINTER 2016

REBNY Stay On Top
of New York



The Real Estate Board of New York's (REBNY) Brooklyn Retail Report, a joint effort by REBNY's Brooklyn and Retail Committees, presents a snapshot of several major retail corridors in the borough. Our goal is to provide a useful and reliable guide, based on actual ground floor retail asking rent information, towards a better understanding of the Brooklyn retail leasing landscape. This second release of REBNY's bi-annual report for the First Quarter / Winter 2016 commences documentation of trends in retail asking rents for the 15 corridors surveyed in the borough.

In Winter 2016, average asking rents in Brooklyn remained strong from the last report, which surveyed rents in the Third Quarter / Summer 2015. North Brooklyn average asking rents all had small increases, with negligible decline on Grand Street, between Havemeyer Street and Kent Avenue. The biggest increase in North Brooklyn was on North 6th Street, between Driggs Avenue and Kent Avenue, where a few of the new availabilities pushed the average asking rent up 4.8 percent to \$218 per square foot for ground floor space in Winter 2016. Bedford Avenue, between Grand Avenue and North 12th Street, maintained the highest average asking rent for ground floor retail space in Brooklyn at \$361 per square foot, a 3.9 percent increase from Summer 2015.

The rise of prices along Montague Street, between Hicks Street and Cadman Plaza, in Brooklyn Heights demonstrated how average asking rents can change dramatically in a corridor when there is little availability. During Winter 2016, our sample size only enlarged with one more availability in the corridor from Summer 2016, but the average asking rent jumped over 25 percent to \$188 per square foot. Our advisory group agreed that while this change was the result of a small sample size, the uptick was representative of this corridor's value and not indicative of a major market shift.

Cobble Hill asking rents on both Court and Smith Streets, between Atlantic Avenue and Carroll Street, increased from Summer 2015 to Winter 2016, with the average asking rent increasing 7.8 percent to \$175 per square foot on Court Street, and 15.1 percent to \$139 per square foot on Smith Street. Further to the south, both corridors in Park Slope also reported increases. The average asking rent on 7th Avenue, between Union Street and 9th Street, reached \$96 per square foot, up 11.4 percent from the previous report, while the average asking rent on 5th Avenue, also between Union Street and 9th Street, increased almost five percent \$85 per square foot.

Although this report shows changes in average asking rents in most of the corridors, we must stress that a change between two consecutive periods does not necessarily indicate a change in the market. Such short term fluctuations may only be the result of spaces coming on or off the market. However, should we build enough historical data we may be able to identify long run trends that suggest a gradual market shift.

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.

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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 little 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, in some cases, to its adjacent blocks becoming of greater interest to retailers. This is especially relevant in Brooklyn where neighborhoods have been in constant flux with a variety of landlord profiles—some who are capable of making the investment to improve the quality of their space and others less inclined to do so.

In addition, we would like to note that the surveyed corridors in the report represent the top tier retail corridors in Brooklyn 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 during which we have been preparing the Manhattan Retail 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. Our report provides an overview of the market at a particular point in time that is based on the available listings of our Brooklyn Advisory Group in addition to the REBNY Retail Committee and Brooklyn Commercial Committee members.

Cover Photo Credit: Ali Ruth Davis

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AVERAGE GROUND FLOOR RENT PSF

	Winter 2016	Summer 2015	% Change
Greenpoint			
Franklin St (Meserole Ave - Commercial St)	\$63	\$63	0%
Manhattan Ave (Driggs Ave - Ash St)	\$65	\$65	0%
Williamsburg			
Bedford Ave (Grand St - North 12 St)	\$361	\$347	4%
North 6 St (Driggs Ave - Kent Ave)	\$218	\$208	5%
North 4 St (Driggs Ave - Kent Ave)	\$157	\$153	2%
Grand St (Havemeyer St - Kent Ave)	\$109	\$110	-1%
DUMBO			
Washington St, Front St, Water St, Main St	\$112	\$107	5%
Brooklyn Heights			
Montague St (Hicks St - Cadman Plaza)	\$188	\$150	26%
Downtown			
Fulton Mall (Boerum Pl - Flatbush Ave)	\$301	\$287	5%
Prospect Heights			
Flatbush Ave (5th Ave - Grand Army Plaza)	\$102	\$102	0%
Cobble Hill			
Court St (Atlantic Ave - Carroll St)	\$175	\$162	8%
Smith St (Atlantic Ave - Carroll St)	\$139	\$121	15%
Park Slope			
7th Ave (Union St - 9th St)	\$96	\$86	11%
5th Ave (Union St - 9th St)	\$85	\$81	5%
Bay Ridge			
86th St (4th Ave - Fort Hamilton Pkwy)	\$85	\$77	11%

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MEDIAN GROUND FLOOR RENT PSF

	Winter 2016	Summer 2015	% Change
Greenpoint			
Franklin St (Meserole Ave - Commercial St)	\$63	\$60	5%
Manhattan Ave (Driggs Ave - Ash St)	\$60	\$60	0%
Williamsburg			
Bedford Ave (Grand St - North 12 St)	\$400	\$350	14%
North 6 St (Driggs Ave - Kent Ave)	\$193	\$188	3%
North 4 St (Driggs Ave - Kent Ave)	\$150	\$150	0%
Grand St (Havemeyer St - Kent Ave)	\$105	\$110	-5%
DUMBO			
Washington St, Front St, Water St, Main St	\$100	\$100	0%
Brooklyn Heights			
Montague St (Hicks St - Cadman Plaza)	\$188	\$150	26%
Downtown			
Fulton Mall (Boerum Pl - Flatbush Ave)	\$313	\$300	4%
Prospect Heights			
Flatbush Ave (5th Ave - Grand Army Plaza)	\$102	\$102	0%
Cobble Hill			
Court St (Atlantic Ave - Carroll St)	\$175	\$155	13%
Smith St (Atlantic Ave - Carroll St)	\$125	\$118	6%
Park Slope			
7th Ave (Union St - 9th St)	\$88	\$75	17%
5th Ave (Union St - 9th St)	\$77	\$74	5%
Bay Ridge			
86th St (4th Ave - Fort Hamilton Pkwy)	\$69	\$65	6%

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RANGE OF GROUND FLOOR RENTS PSF

	Winter 2016			Summer 2015		
Greenpoint						
Franklin St (Meserole Ave - Commercial St)	\$35	–	\$89	\$35	–	\$89
Manhattan Ave (Driggs Ave - Ash St)	\$45	–	\$96	\$45	–	\$100
Williamsburg						
Bedford Ave (Grand St - North 12 St)	\$200	–	\$500	\$200	–	\$500
North 6 St (Driggs Ave - Kent Ave)	\$125	–	\$350	\$97	–	\$300
North 4 St (Driggs Ave - Kent Ave)	\$150	–	\$175	\$140	–	\$175
Grand St (Havenmeyer St - Kent Ave)	\$90	–	\$125	\$90	–	\$125
DUMBO						
Washington St, Front St, Water St, Main St	\$75	–	\$150	\$85	–	\$150
Brooklyn Heights						
Montague St (Hicks St - Cadman Plaza)	\$176	–	\$200	\$150	–	\$150
Downtown						
Fulton Mall (Boerum Pl - Flatbush Ave)	\$230	–	\$350	\$147	–	\$450
Prospect Heights						
Flatbush Ave (5th Ave - Grand Army Plaza)	\$62	–	\$150	\$62	–	\$150
Cobble Hill						
Court St (Atlantic Ave - Carroll St)	\$130	–	\$225	\$100	–	\$225
Smith St (Atlantic Ave - Carroll St)	\$89	–	\$188	\$72	–	\$187
Park Slope						
7th Ave (Union St - 9th St)	\$40	–	\$183	\$40	–	\$169
5th Ave (Union St - 9th St)	\$31	–	\$156	\$31	–	\$156
Bay Ridge						
86th St (4th Ave - Fort Hamilton Pkwy)	\$57	–	\$150	\$57	–	\$137

CORRIDOR MAPS – NORTH BROOKLYN



CORRIDOR MAPS – CENTRAL AND SOUTH BROOKLYN



ACKNOWLEDGEMENTS

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