

TheWWDList

N.Y. Retail Rent Hikes

Percentage increase in average asking rents* for Manhattan retail corridors.

Retail rents in Manhattan continue to climb. Fueled by increasing demand for retail goods, prices on Madison Avenue rose from an average of \$701 in the spring to an estimated \$760 this fall, according to the Real Estate Board of New York. The highest on the list is 125th Street in Harlem, reflecting the revitalization of that neighborhood as a major shopping thoroughfare. Average rents on Seventh Avenue rose by about 40 percent since the spring, while on 42nd Street, rents are up by about \$70 in just a year.

1



34TH STREET: BETWEEN FIFTH AND SEVENTH AVENUES

81.2 percent; fall 2004 asking price: \$290; fall 2003: \$160

The most desirable area is on the north side of 34th Street between Fifth and Sixth Avenues, where Zara, Ann Taylor Loft and Victoria's Secret are located. But big deals are being made farther west. Warehouse of Shoes, for example, opened a 7,700-square-foot store at Penn Plaza near the new Kmart between Seventh and Eighth Avenues.

2



42ND STREET: BETWEEN SIXTH AVENUE AND EIGHTH AVENUES

60 percent; fall 2004 asking price: \$240; fall 2003: \$150

The city's plan to clean up 42nd Street began with restoring the theaters. When the Walt Disney Co. signed up for the New Amsterdam project, it got the ball rolling and marked the first in a string of entertainment and retail projects that now include Madame Tussauds, the New Victoria Theater for children and retailers such as Gap, Sanrio's Hello Kitty store and Quiksilver.

3



125TH STREET: RIVER TO RIVER

40 percent; fall 2004 asking price: \$70; fall 2003: \$50

Harlem's 125th Street has been undergoing a renaissance, attracting retailers such as MAC, H&M and Starbucks. The Children's Place has 10 units on 125th Street and the Marriott is doing a project on the corner of 125th and Park with retail. Harlem U.S.A. was a symbol of the neighborhood's resurgence when it opened in 2000 with Old Navy and the Magic Johnson Theaters. Former president Bill Clinton gave the area a psychological boost when he opened his office on the thoroughfare.

4



SEVENTH AVENUE: BETWEEN 42ND AND 47TH STREETS

26.9 percent; fall 2004 asking price: \$330; fall 2003: \$260

Seventh Avenue in the Times Square district doesn't command the rents of its Broadway neighbor, which has higher pedestrian counts, but it is nonetheless teeming with tourists. Retailers include R.A.G., Sunglass Hut and Perfumania, and supersized restaurants such as Bubba-Gump Shrimp and Paramount Cafe. At the new 5 Times Square, where Champs and the Times Square Brewery opened, the Red Lobster eatery has quickly become the top producer in the chain.

5



BROADWAY: BETWEEN 42ND AND 47TH STREETS

17.9 percent; fall 2004 asking price: \$460; fall 2003: \$390

A recent deal that will put Fleet Bank at 1515 Broadway set a record for the stretch between 42nd and 47th Streets in Times Square. The bank will reportedly pay \$500 a square foot. An available space on the same block reportedly has a \$550 price tag. Stores like ESPN Zone, Planet Hollywood, Toys 'R' Us and Foot Locker benefit from Times Square's seven-day-a-week business, its 12 million square feet of office space and its hotels.