

2019-2020  
EDITION

# AT THE CENTER OF WHAT'S NEXT

**FOR MANHATTAN RETAIL**  
Major Markets Report

*New York City is America.  
With its blend of global  
commerce, international diversity  
and culture, entertainment and  
tourism, this city sets the bar  
for all American markets and  
generates the pulse for the United  
States economy.*

AT THE  
CENTER OF  
**WHAT'S  
NEXT**



# TABLE OF CONTENTS

*Click number to jump to section*

**1**

**Retail in Manhattan:  
Connecting the Old  
with the New**

**4**

**Retail Challenges  
in Manhattan**

**2**

**Market Dynamics  
in Manhattan**

**5**

**Interconnected  
Submarkets**

**3**

**Manhattan's Multiple  
Retail Drivers**

**6**

**The Future of Retail  
in Manhattan**

## Introduction

Retail has always been about keeping up with the latest trends; however, today's market has undergone unprecedented reformations at a remarkable pace. Evolving customer preferences on where and how to shop make it challenging for many landlords and retailers to adapt. Moreover, the internet and eCommerce enhancements continue to capture consumers' attention. Existing retailers are faced with the challenge of retooling in order to regain foot traffic; perhaps even take a page out of their neighbor's playbook with Instagram-worthy spaces featuring experiential designs and attractions. Meanwhile, online-exclusive retailers are debating whether to begin their foray into physical store space with a pop-up destination, or just play it safe and stay on the e-commerce-only road.

Disruptive shifts have been felt throughout New York for both landlords and their retail tenants. Once lucrative luxury shopping destinations, retailers have been battling to attract shoppers and keep afloat. Secondary areas are being reintroduced as less-costly alternatives and shorter-term lease options are all the rage. Even the once thriving high market corridors are now reassessing what works and trying to stay ahead of evolving consumer demand.

An expanding population and booming tourism industry, coupled with paradigm-shifting retail trends, has guided the sector through significant difficulties, and will continue to uncover What's Next for Manhattan retail.



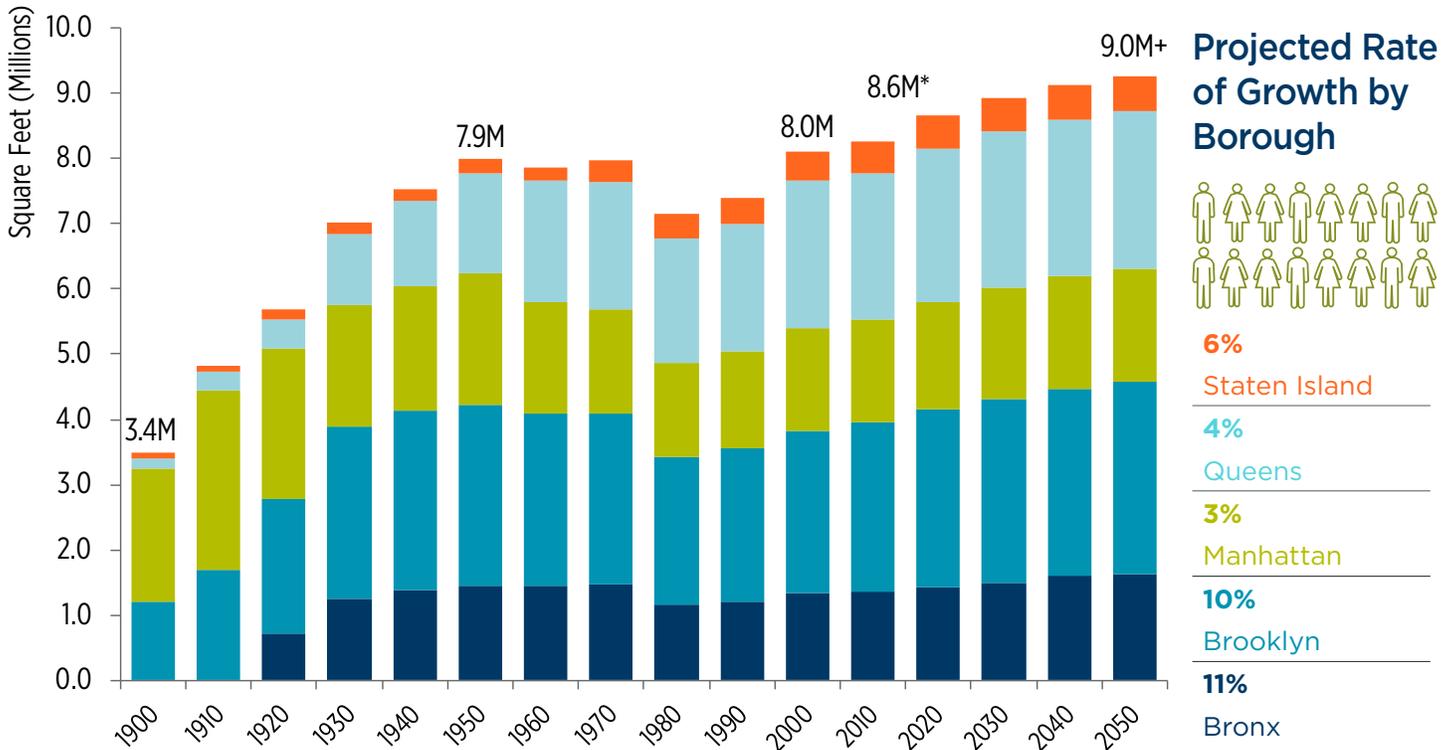




# RETAIL IN MANHATTAN: CONNECTING THE OLD WITH THE NEW

## Manhattan/NYC Population Projection

There will be a projected 1.69M additional new residents in NYC by 2040

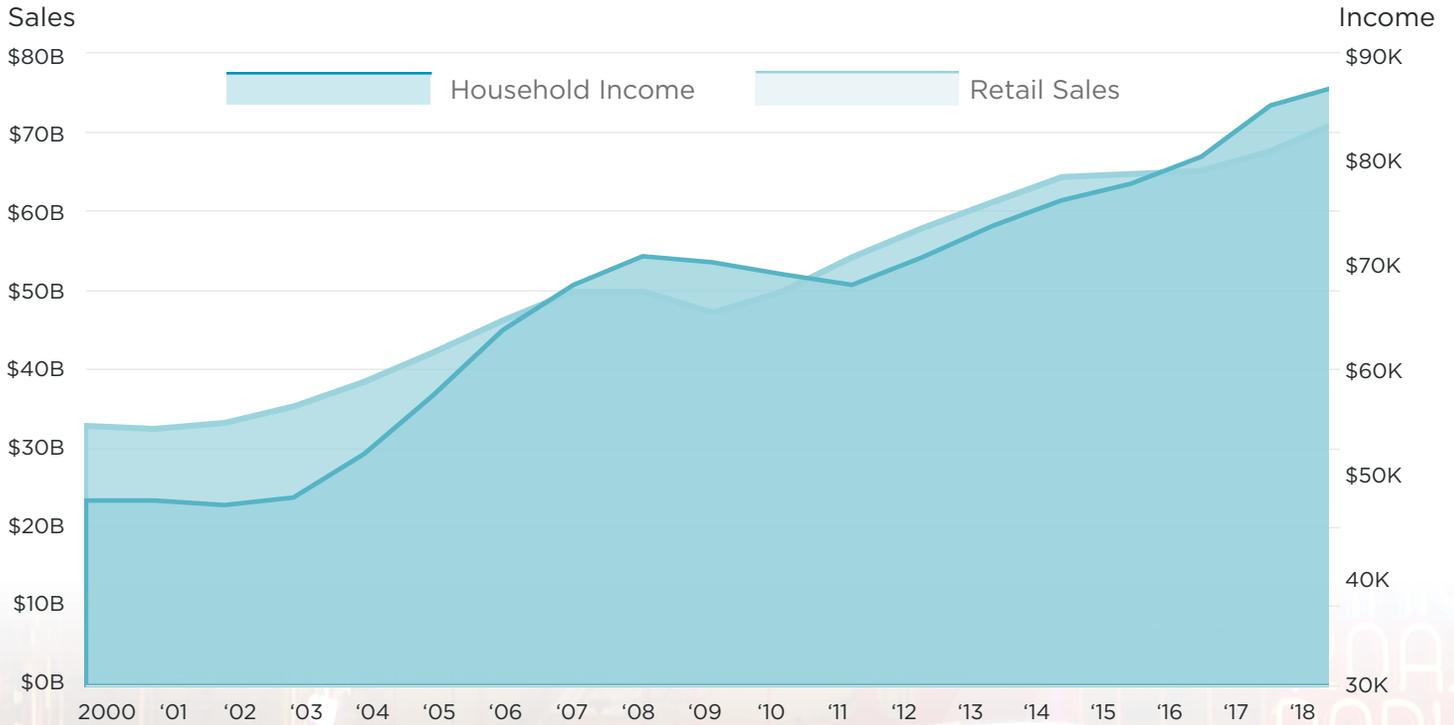


\*2017  
Source: OneNYC 2050

The population in Manhattan, currently at 1.63 million residents, has incentivized a diverse array of retailers to move into this New York City borough. New York City’s 8.4 million inhabitants fuel the demand for a variety of goods and services, allowing retailers the opportunity to evolve simultaneously with the demands of new residents. Manhattan continues to have a significant impact on the world’s economy, technology, tourism, and commerce, securing its place as the most important place for retailers in the United States.

There is no shortage of shopping in Manhattan’s 23 square miles. With hundreds of stores and brands, Manhattan is a mecca for shopping diversity at every level. New, old, pop-up, and experiential stores forge on as the growing population favors eclectic store options. With a population density of 70,826 people per square mile, Manhattan is the most densely populated county in the United States of America. During the week, the number of commuters increases the Manhattan daytime population to more than 3.9 million people.

# Retail Sales in Billions vs. Household Income



# 2 MARKET DYNAMICS IN MANHATTAN

## Vibrant Tourism & Job Growth

Tourism, a critical driver of retail activity, remains strong. A record 65.2 million tourists visited New York City in 2018, up 3.8% from 61.8 million travelers the prior year, and on pace to draw a record 67 million visitors by year-end 2019.

New York City had solid job and earnings growth through midyear 2019, with more than 90,000 jobs added. Manhattan accounted for 52% of job gains in New York City. However, job growth in the retail trade sector has slowed dramatically over the past four years as retailers reevaluate strategy. New York City unemployment closed 2018 at 4.1%, the lowest citywide level since the 1970s, but still higher than the national unemployment rate.

The leisure and hospitality sector grew the fastest at 50%, accounting for one fifth of citywide job gains, with restaurants comprising two-thirds of the gains in this sector.

*Manhattan's Times Square is the #1 attraction globally, where 350,000 people pass through daily—greater than the attendance of both United States Disney parks.*

Source: disneynews.com

*A record 65.2 million riders on the 12 subway lines passed through Manhattan's Times Square in 2018 and that number is expected to increase for 2019. International visitors spent more than \$16 billion in Manhattan this year*

Source: statistica.com

## DEMOGRAPHIC HIGHLIGHTS—2018



**DOMESTIC**  
**79.2%**

Number of Domestic Visitors to NYC  
**51.6 Million**



**INTERNATIONAL**  
**28.8%**

Number of International Visitors to NYC  
**13.5 Million**



Tourists Spent **\$44 Billion** in New York City in 2018

**NYC POPULATION**  
**8.5 MILLION**



**NUMBER OF HOUSEHOLDS**  
**IN MANHATTAN**

**813,287**



**AVERAGE HOUSEHOLD**  
**INCOME IN MANHATTAN**

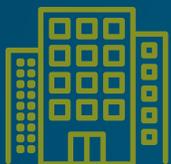
**\$143,353**

**NYC LABOR FORCE**  
**4.55 MILLION**



**UNEMPLOYMENT RATE**  
**4.1%**

**NY STATE GDP ESTIMATE**  
**\$1.5 TRILLION**



**MANHATTAN**  
**HOTEL ROOMS**  
**98,961**



**NEW HOTEL ROOMS**  
**COMING ONLINE IN 2019**  
**6,400**

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*“The impact of rapidly advancing consumer technology is forcing us as an industry to rethink more than our approach to physical stores. It is redefining the way we live; and we are privileged to be at the forefront of some of the newest global trends here in New York City.”*

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Michael Azarian, Senior Director  
Manhattan Retail Services at Cushman & Wakefield

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*“New York City remains the number one Gateway City in the world, and is more of a magnet for talent than ever before. With a vast and highly diverse economy, new retail opportunities—such as Hudson Yards, the Financial District, and Brooklyn’s Williamsburg—will continue to evolve with dynamic live/work/play/shop environments. We expect retail innovation to continue in a positive direction as the dynamics of supply and demand continue to work through the macro retail environment.”*

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Alan Schmerzler, Vice Chairman  
Manhattan Retail Services at Cushman & Wakefield



# 3 / MANHATTAN'S MULTIPLE RETAIL DRIVERS

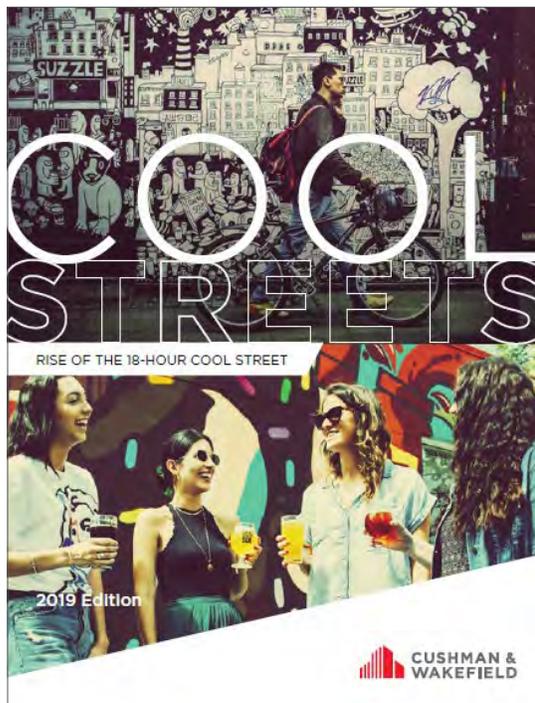
## Manhattan Cool Streets Continue to Emerge

As a steady stream of New Yorkers and tourists that gravitate to areas with new residential and hotel development, below-average streets have unwittingly been transformed into prime live/work/play destinations. Since land is scarce in Manhattan, New Yorkers fall into underserved corridors that have gone under the radar, and migrate there. In return, these streets turn “cool” and rejuvenate the areas of Manhattan that were once undesirable.

Neighborhoods and certain streets that have progressed include: Greenwich Village’s Bleecker Street, Harlem’s East and West 125th Street, and The Lower East Side’s Bowery. Neither passing fads nor hipster neighborhoods, these areas have had increases in population and median family income, essentially causing a rise in urban living and gentrification.

This year, mega-retail has arrived in the Lower East Side with a new development—Essex Crossing. This project includes residential, commercial, green space, and the 150,000-square foot (-sf) Market Line marketplace that includes 100 locally sourced food, art, and fashion vendors.

Let’s face it, affordability is the driver. Millennials move in, the demographic changes, the neighborhood evolves, and the area becomes a hot spot. Foot traffic booms and a new dynamic of retail follows. This is typical in Manhattan and certainly with many ‘cool’ streets around the United States.



[CLICK HERE TO VIEW THE  
COOL STREETS  
REPORT](#)





MANHATTAN  
MULTIPLE RETAIL DRIVERS



## Manhattan Millennials

New York City has always been a top destination for young professionals to live and work, with the millennial generation proving no different. The ideologies of convenience, flexibility, and uniqueness that this consumer group values so highly are part of what makes life in Manhattan so desirable. Millennials are drawn to the “cool-factor” of the city and its reputation for world-class experiences, shopping and dining.

While many tenants are attracted to New York for the world-class financial institutions, the thriving tech market which

has spread across Manhattan, particularly Midtown South, has also drawn this generation. From Facebook to Spotify, Datadog to Indeed, companies are hiring urban-dwelling millennials and drawing young talent to Manhattan.

Millennials highly prioritize proximity to jobs and entertainment when choosing a place to live. At the forefront of public transportation, New York City is accessible by subway and bus, in addition to being bikeable and walkable. Some of the most popular neighborhoods for this generation to live include the Financial District (FiDi), Murray Hill/Kips Bay, East Village, and the Lower East Side.

### 20-39

**AGE GROUP** make up 37.1% of Manhattan’s population

### 600,000+

**MILLENNIALS** in Manhattan, with more than 3 million in the Greater NYC area

### 59% OF MILLENNIALS

look for physical store presence when buying online

### \$1.4 TRILLION

purchasing power by 2020

## MILLENNIALS

**ARE TREND-FOCUSED, DIGITALLY NATIVE, AND PREFER TO SPEND ON EXPERIENCES**

# MANHATTAN MULTIPLE RETAIL DRIVERS

## Rise of the Pop-up Shop

Pop-up stores have become a staple in the Manhattan retail scene over the past few years. Many landlords have grown more flexible in entertaining these short-term leases, allowing brands to test the marketplace and provide customers with new experiences. Ranging from a single day to one year, these pop-up stores bring exclusive collaborations from established brands and eCommerce tenants into physical stores.

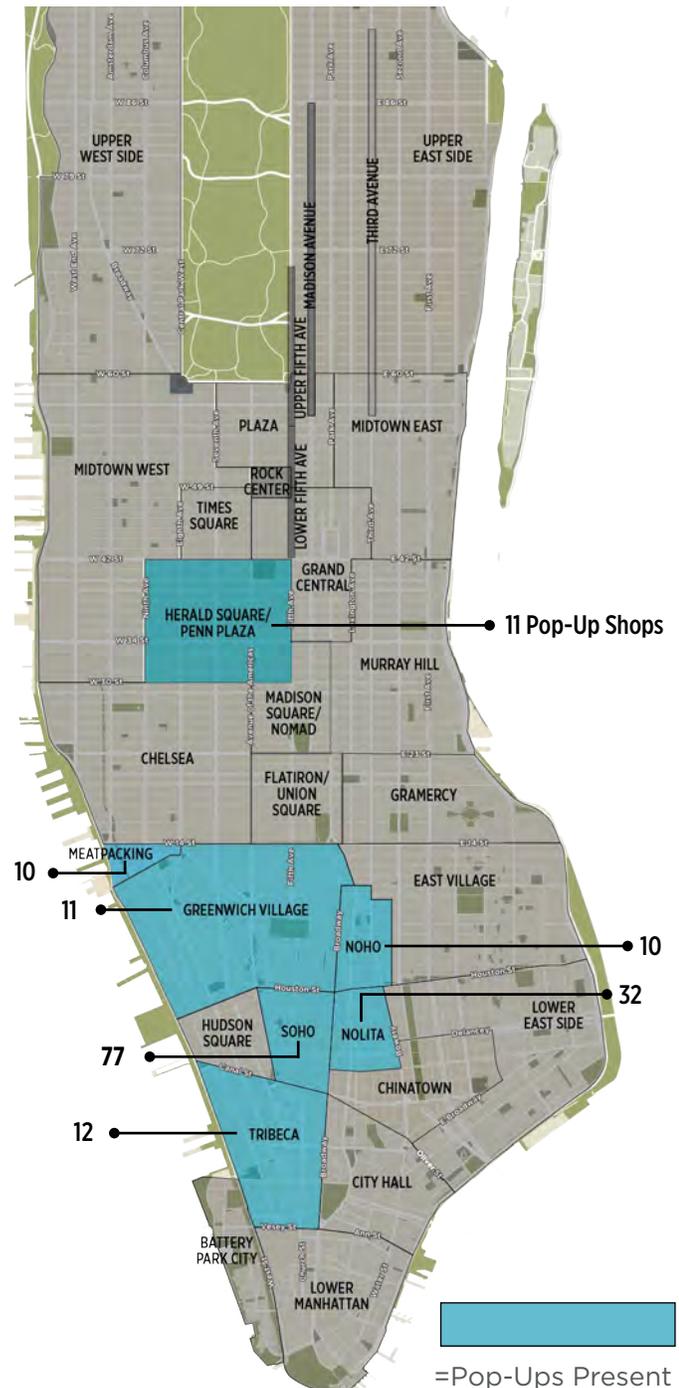
These shops are appearing across the city; certain neighborhoods are known to attract higher volumes of short-term tenants because of their established shopping districts, high pedestrian traffic and trend-savvy reputation. With nearly 80 pop-up stores opening during the past year, SoHo is the most popular destination for these short-term stores, with a range of luxury apparel to experience-driven installations constantly rotating throughout the neighborhood. To the east, Nolita hosted over 30 pop-ups with a focus on streetwear and accessories.

Of the 300+ pop-up stores that have taken over Manhattan over the past year, 40% of those are considered “shop within a shop” or collaborations with brands already leasing the space. Fenty, Rihanna’s new LVMH label, popped up in June at luxury multi-brand boutique The Webster in SoHo, marking the first time the garments were available in the U.S. aside from online sales. Shoewear brand Aerosoles debuted its first pop-up store, located in Grand Central Terminal, to promote its #ShowUp campaign featuring women from all walks of life and what they believe in. Customers were encouraged to try on the brand’s core 20 styles, with all orders to be fulfilled through eCommerce. Whether it is an established brand seeking to grasp a wider customer base, or new label coming to the market, this style of pop-up stores can help raise awareness and boost sales.

The remaining 60% of pop-up stores in Manhattan are located within their own storefronts, ranging from boutiques to museum-like installations. Many online retailers are using this shorter-term approach to establish their physical store presence—from Revolve to Shopbop, ThirdLove to Brooklinen, a pop-up allows customers to connect with the brand in real life. In addition to their product offerings, it is typical for a pop-up to host various events such as influencer panel discussions, on-site customization services or styling events to entice shoppers to visit the store. If a long-term presence in New York is desired, this pop-up method can pave the way.

# 300+

Pop-ups from  
November 2018 to  
November 2019



## Experiential Retail

According to headlines about New York City retail, it's all about the "experience" in this day and age. While to an extent this saying has been overused, the principal remains true. Consumers like to engage with products and services on a deeper level and there has been no shortage of this opportunity over the past few years.

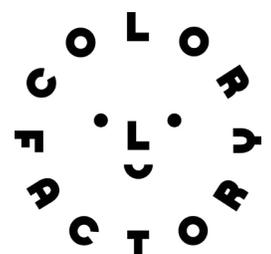
With the rise of social media among millennial and Gen Z (ages 7-22) consumers, the importance of making a space visually pleasing or "instagrammable" is a factor that trend forward retailers are more than familiar with. Creating unique and immersive representations of their brand can help spread awareness online, and encourage interaction with products and services. Short-term installations such as the Rose Mansion, Candytopia, Museum of Pizza, and Friends—"The One with the Pop Up" have allowed visitors to explore curated installations designed to be social media-friendly.

Established brands looking to connect with the modern New Yorker also have shifted away from traditional store concepts to those that encourage

the interaction of its visitors. Recently, Polaroid opened a SoHo pop-up store allowing guests to transform images from their cell phones into polaroid prints using the brand's new Lab device. Similarly, online subscription retailer Fabletics opened its first physical store in Manhattan during 2019, a pop-up featuring an Instagram-friendly boxing ring for shoppers to put their athletic apparel to action. While product sales remain a focus, these stores are also focused on familiarizing consumers with the brand and its offerings.

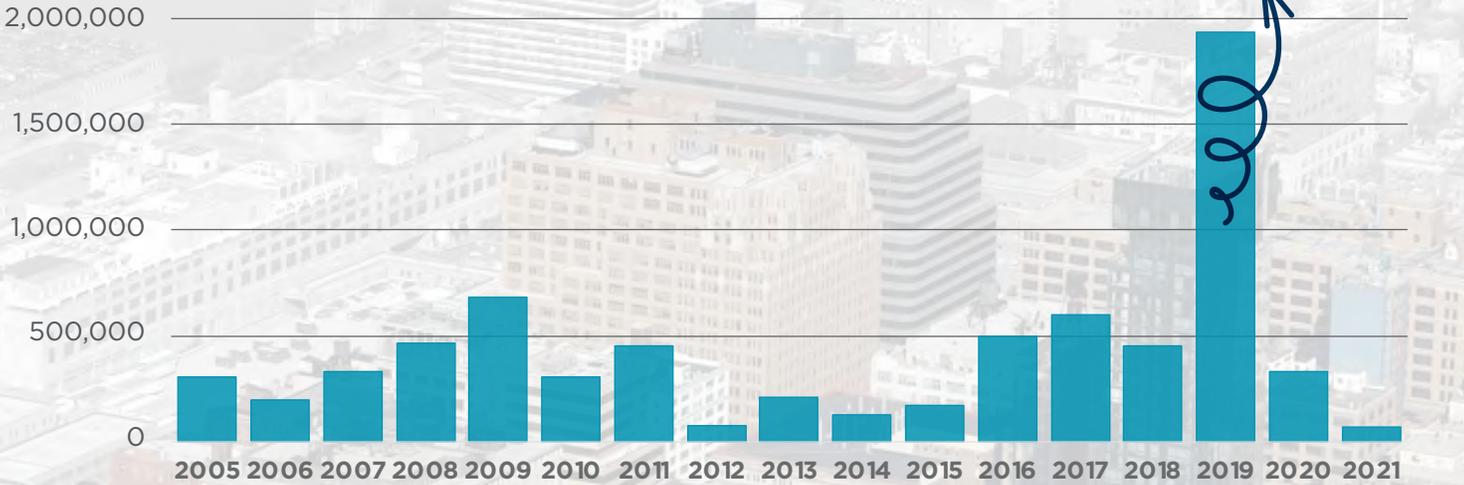
Interactive retail has also expanded in more permanent ways, with concepts such as Five Iron Golf and Lucky Strike. Set to make its debut in the NoMad neighborhood is Swingers: The Crazy Golf Club, a UK-based indoor golf experience with multiple courses, cocktail bars and clubhouse with two locations in London. Open now on Fifth Avenue in the Flatiron district is family experience toy store CAMP, where children are encouraged to interact with various exhibits and workshops. These immersive concepts draw customers to involve themselves in activities beyond eating and shopping, therefore extending their time and investment.

### Trending Tenants



# MANHATTAN MULTIPLE RETAIL DRIVERS

## Manhattan Retail Construction



Sources: Cushman & Wakefield Research, CoStar

Manhattan has undergone a bulk of new retail construction since 2016 from the height of its last cycle in 2009. At that time, new retail construction was being developed in Upper Manhattan’s Harlem. The 500,000-sf East River Plaza paved the way for other prospective retailers looking to venture into a new urban shopping area. Afterwards, construction slowed until 2014 when the renovations at Brookfield Place (formerly known as the World Financial Center) added another 250,000 sf of prime renovated retail space and restaurants in a mall-like atmosphere. More recently, Lower Manhattan’s retail construction surged with the completion of the Fulton Transit Center on Broadway, the \$1.7 billion redevelopment of the South Street Seaport/Pier 17, and the Westfield World Trade Center.

## Top New Retail Projects

### More Construction=More Retail!

#### The Shops at Hudson Yards

New for 2019 in Midtown, the highly anticipated Hudson Yards mixed-use commercial, residential, hotel and retail development has bolstered consumer spending on the far west side of Manhattan. Housing 1.0 million square feet (msf) of retail space, Hudson Yards is set to draw over 20 million annual visitors. At a cost of \$25.0B, it is anchored by a 350,000-sf Neiman Marcus department store, 100 shops and 25 restaurants. Additional transportation via the expansion of the No. 7 train affords this development ease of access.

#### COMPLETION

Q1 19

#### Nordstrom Flagship

Situated at West 57th Street in Columbus Circle, this highly anticipated 7-story, 320,000-sf department store opened its doors at the base of the luxury residential Central Park Tower. Extell Development’s supertall skyscraper on “Billionaire’s Row” is the second-tallest tower in the United States, boasting Central Park views and anchored by the new Nordstrom in the base, earning the nickname Nordstrom Tower.

Q4 19

#### Essex Crossing

Situated in Midtown South’s Lower East Side, this billion dollar, six-acre site encompasses nine properties, seven of which have either opened or are still under construction, affordable housing, residential condos, a food market, the Market Line beer hall, gallery space, a Regal cinema, a bowling alley, public park, senior living residences, and commercial office space. The final building, 121 Stanton Street, is not expected to open until 2024 and will be mixed-use, featuring condos and additional retail.

Q2 24

# Manhattan Food Halls

## Dining options galore

Millennials and tourist dollars feed Manhattan’s thriving culinary scene. Food and beverage remain the driving force for local retail. The international composition of the market creates an ideal testing ground for new food concepts that cater to a diverse population. Food halls are riding that wave and allow consumers to interact with food and with the physical space in different ways depending on the seating, setup and social events. Food halls are multisensory experiences of taste, smell, sound and texture that allow customers to have unique experiences around food and in communal dining environments.

As such, food halls serve as key amenities within some of Manhattan’s largest new mixed-use developments. They are also being used to revitalize dated and/or more traditional retail projects. Any area in Manhattan with high foot traffic is witnessing the growth of the food hall concept. Older food hall concepts, including the Plaza Hotel Food Hall, Chelsea Market, and Turnstyle Underground Market, have set the pace for newer eateries of kiosks and stalls. New halls in Manhattan include 8SIA, with Asian inspired street food, and The Essex Market at the Essex Crossing development, housing dozens of international tastes.

With the rapidly growing popularity of food halls, there has been some concern about overbuilding in Manhattan. For the most part, food halls in the county are thriving and positively impacting the bottom line of many developments. While they compete with traditional restaurant concepts, food halls give restaurateurs an overall cheaper operating model, requiring significantly less in start-up capital. For that reason, they are not a fad. They represent a new operating model that provides users with lower costs and, if set up and located correctly, significantly higher levels of foot traffic.



Manhattan F&B leases increased **21.1% YOY**

## Food Hall Commitments 2019

		DELIVERY
<a href="#"><u>K Food Gallery</u></a>	Korean Food Hall leased 22,927 sf at 218 West 40th Street	2020
<a href="#"><u>Urbanspace</u></a>	Expanding brand leased 15,000 sf at 135 West 50th Street	Summer 2020
<a href="#"><u>Urbanspace</u></a>	Expanding brand leased 11,134 sf at 152 West 52nd Street	Q1 20
<a href="#"><u>The Deco</u></a>	A garment district, art deco inspired food hall leased 8,000 sf at 231 West 39th Street	Q3 19

450

Food Halls in the U.S. by year-end 2020

# 4 RETAIL CHALLENGES MANHATTAN

## eCommerce Online And in the Bricks-and- Mortar Store

eCommerce flourished over the past decade, increasing its share of retail sales, which are slated to comprise almost 15% of all sales by 2020. eCommerce is also a contributor to reduced store-traffic and several retailer big-box chain bankruptcies. An additional factor is the spending habits and preferences of millennials, who are not enticed by traditional retail stores. They demand convenience and a fair price, and if they are out shopping, a unique, in-store experience is always a plus. In order to draw them away from the comfort and flexibility online shopping provides, bricks-and-mortar stores must offer something that cannot be attained online—a compelling and unique environment.

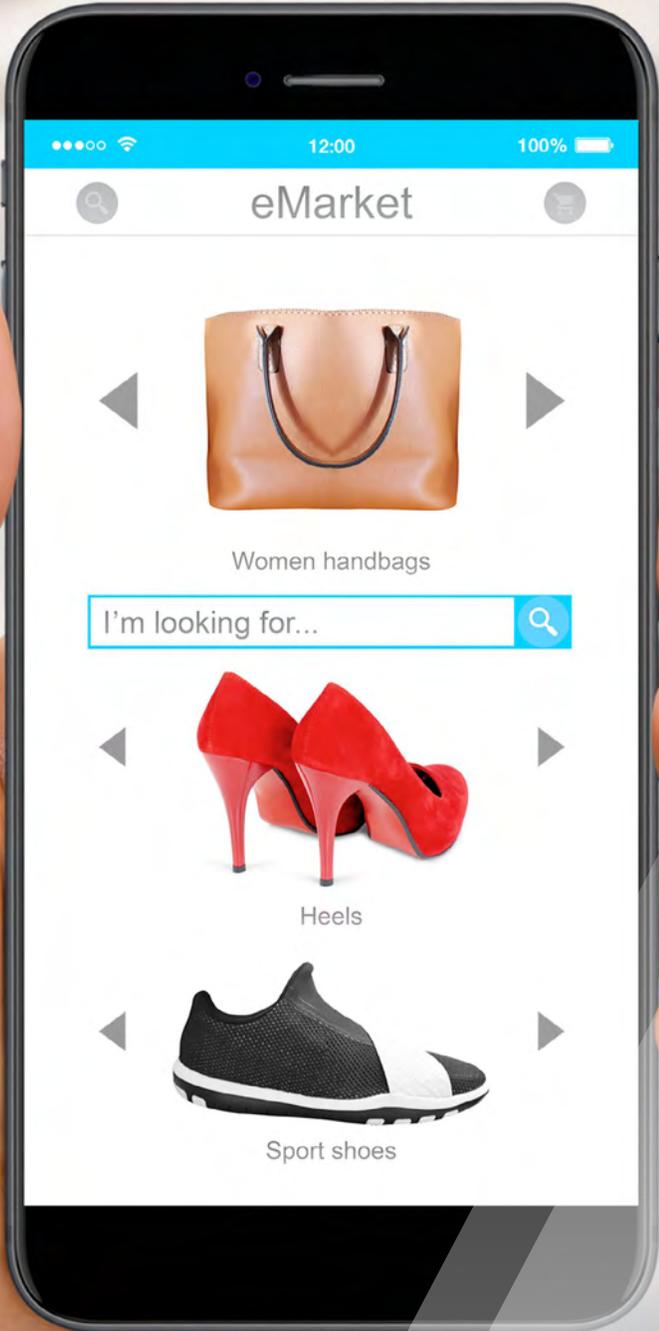
Retailers in Manhattan have learned how to adapt and connect the offline storefront with an online presence. Many are reinventing their business models, embracing modern technology to incentivize and retain customers, through such features as ads for online coupon codes, free shipping, and bulk discounts.

Destination retail is one of the only defenses bricks-and-mortar stores have against their online counterparts. Midtown South's SoHo submarket is Manhattan's main pop-up target destination, where stores create a physical experience that captures the shopper's attention, including "Instagramable" pop-up shops and interactive displays which cannot occur online.

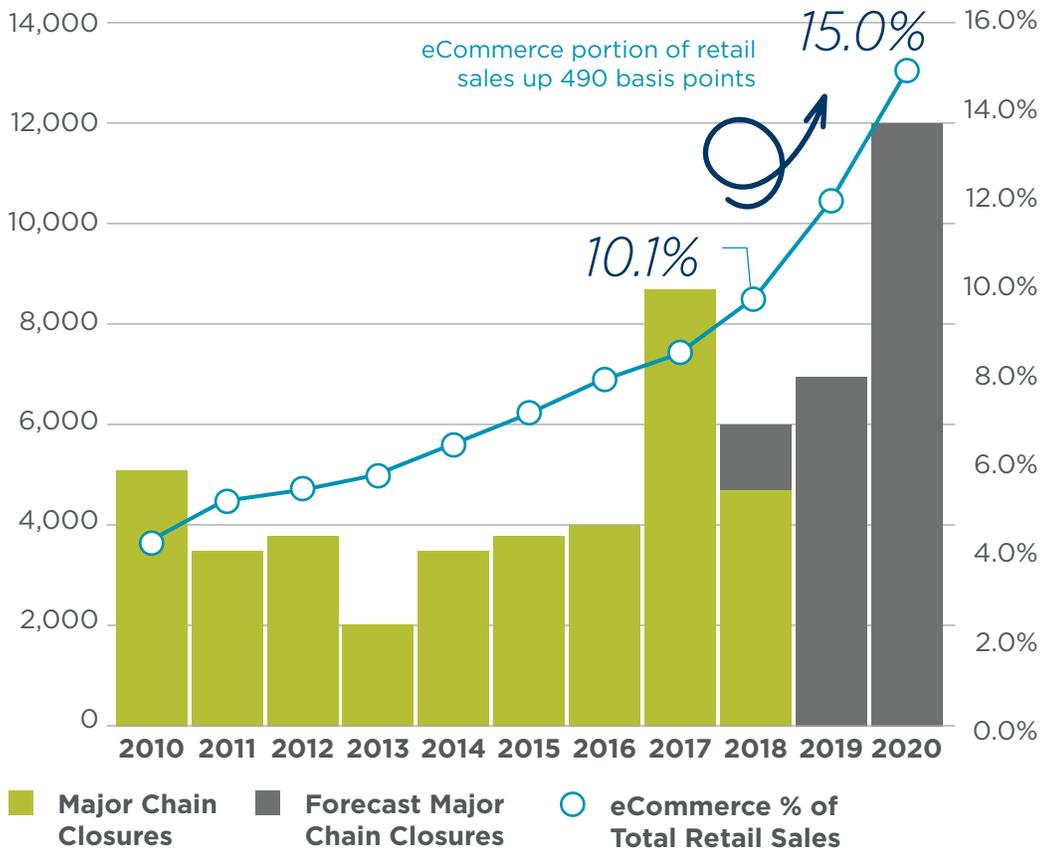
Stand-alone bricks-and-mortar storefronts create direct "retail touchpoints" with customers. Entering their favorite store to browse and shop affirm their brand awareness and loyalty. New physical stores that subscribe to short-term leases can also be part of online retailers' fulfillment strategy. Online brands prefer a Manhattan location to start, as it comes equipped with the density, consumer-buyer power, and diverse customer base that can support the creation of physical stores. Many new developments that are proposed or under construction actively pursue online brands because they are the most in demand. The pop-up trend will continue to accelerate as more online brands test the waters as they move into new, untapped retail concepts.



**\$7.16B**  
spent globally  
on Amazon  
Prime day  
2019



## eCommerce Acceleration Impact on Store Closures



## What's Really Happening? It's Not Just About eCommerce

### Convergence of Four Factors

**1** ACCELERATION OF  
NEW COMMERCE

**2** OVER-RETAILED  
MARKETPLACE

**3** RACE-TO-THE-BOTTOM  
DISCOUNTING

**4** SHIFTING CONSUMER  
PATTERNS  
Millennials' Spending Habits



## Re-energizing Empty Storefronts

The “retail apocalypse” makes a good press headline, but that’s not really what is happening. In 2018, the pace of new store openings is outdistancing store closings. While some chains and retail sectors are being hit harder than others, the overall trend nationally is more positive. Manhattan is seeing many of those same dynamics where retail is always in a state of change. Stores are constantly innovating, focusing on flexibility and adaptability to capture customers. Sometimes ideas work and sometimes they do not. Nothing can remain in a static state if retail is to survive.

Empty storefronts are more common in Manhattan for many reasons. Retailers are learning to adapt to online competition and to changing neighborhood characteristics. Several chains are closing larger spaces and opening smaller retail footprints in the same areas. Besides lowering costs, that allows stores to tailor the shopping experience for the local area as well as to quickly change and customize the store experience. Some retailers are even using these concepts as another leg in last-mile logistics.

Rents also play a factor in empty storefronts along some of Manhattan’s top shopping streets. Stores there saw rents doubled or tripled in the last 10 years. Over the last 24 months, rents stagnated as landlords’ expectations stayed at one level and many tenants’ ability to cover operating expenses and make a profit were lower.

Another way owners are re-energizing retail space to build foot traffic is by repurposing it to other, complementary uses. In some centers, the total amount of retail square feet may be reduced and replaced with entertainment, office and even some residential space to create an atmosphere in which people want to come, stay and spend money. Owners are trying to provide an alternative environment to online shopping where people can gather and interact. In Manhattan, we see that in the development of more outdoor and community space within new projects in the urban core, like Brickell City Centre and Manhattan Central, and in suburban locations in South Dade and in Coral Gables. It is one of the reasons food halls took off in the county, and a proven and profitable concept that works in Manhattan.

# 5 INTERCONNECTED SUBMARKETS





## 2019 Retail Asking Rents

NEIGHBORHOOD	LOW	HIGH	AVERAGE
LOWER FIFTH AVENUE	\$500	\$1,300	\$840
UPPER FIFTH AVENUE	\$1,400	\$4,000	\$2,697
MADISON AVENUE	\$500	\$1,800	\$937
SOHO	\$115	\$1,300	\$359
THIRD AVENUE	\$100	\$450	\$235
TIMES SQUARE BOWTIE	\$1,500	\$2,800	\$2,044
UPPER WEST SIDE	\$190	\$782	\$334
FLATIRON/UNION SQUARE WEST	\$282	\$600	\$355
MEATPACKING	\$150	\$700	\$363
HERALD SQUARE/WEST 34TH STREET	\$240	\$1,000	\$564
LOWER MANHATTAN	\$175	\$625	\$359

## LOWER FIFTH AVENUE

The stretch of Fifth Avenue from 42nd to 49th Street, often referred to as Lower Fifth Avenue, falls into the Grand Central submarket of Midtown Manhattan. Local residents, employees, and tourists travel down Fifth Avenue on their way to Grand Central Station and Bryant Park, finding themselves in a major urban retail shopping corridor. Moving south on Fifth Avenue, below Saks Fifth Avenue at 49th Street, the dynamic of the retail stores shifts from upscale designer names to more trend-casual and fast-fashion shops, including H&M, Zara, lululemon, and Urban Outfitters.

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## UPPER FIFTH AVENUE

The upper stretch of Fifth Avenue, between 49th and 60th Streets, has always been regarded as Manhattan's globally-known ultimate luxury shopping destination. Both local residents and tourists are attracted to this area for its high-end, name brand designers, and upscale retail boutiques. This corridor falls within the Plaza district of Midtown Manhattan, which begins with the illustrious, internationally-recognized Fifth Avenue. The lavish stores located on this prestigious Avenue include Tiffany & Co., Louis Vuitton, Harry Winston, Bulgari, Prada, and Gucci. However, a new dynamic has recently transpired here, as athletic wear retailers such as Under Armour and Nike are slated to expand and have opened new flagships on Upper Fifth Avenue.

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## MADISON AVENUE

The Madison Avenue corridor from East 57th Street to East 72nd Street is considered New York City's luxury submarket, home to top jewelry and haute couture fashion retailers and exclusive international jewelers. This Midtown shopping corridor continues to be the preferred scene for global retailers searching for elite upscale locations where prominence is assured. Madison Avenue is fueled by brand recognition high-end boutiques searching for the most successful upscale location.

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## SOHO

SoHo, which stands for "South of Houston," was once famous as a destination for artists and galleries. Today, SoHo is one of New York City's most coveted shopping destinations. It is the center of the Cast Iron Historic district and has the largest population of cast iron buildings in the world. Retailers leverage SoHo's distinctive storefronts, hip vibe, and pedestrian-friendly environment to elevate merchandise sales and establish unique, highly stylized stores. As a result, many of the world's most recognized retail brands see this Midtown South submarket as the ideal showcase. High-end designers such as Prada, Gucci, Chanel, and Dolce & Gabbana, coexist with fast fashion stores including Zara, H&M, and Forever 21, creating an eclectic shopping experience for foreign and domestic visitors alike. The main shopping block, Broadway, is home to retailers including Under Armour, Bloomingdales, Nike, G-Star Raw, and Muji. Over the past few years, SoHo has become the premier neighborhood for pop-up stores in New York City. Many landlords are accepting shorter lease terms for innovative, first-time tenants eager to test their brand in a physical store.



## THIRD AVENUE

The Upper East Side of Manhattan is known as one of New York City's most affluent neighborhoods. Third Avenue is the main shopping avenue of the Upper East Side and houses an abundance of home-related retailers and home décor stores including Ethan Allen, Home Depot, and Gracious Home. The surrounding Upper East Side submarket includes fine residential towers, top-tier private and public schools, luxury hotels, and many of the best hospitals in the United States. Strong neighborhood retailers along Second Avenue anchor this neighborhood as well, and the largely residential Upper East Side population also attracts beauty spas, medical tenants, and a surplus of health clubs. Further west, Lexington Avenue is home to Bloomingdales and Hunter College, fueling area foot traffic. With the new Second Avenue subway now serving the Upper East Side, north of East 59th Street, more tourists and shoppers are finding their way to stores along Second, Third, and Lexington Avenues.

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## TIMES SQUARE BOWTIE

Times Square, often referred to as the "Crossroads of the World," is appropriately nicknamed because of its position in the intersection where Broadway and Seventh Avenue intersect at West 45th Street running from West 42nd Street to West 47th Street, and is also known as the "Bow Tie". This Prime Midtown location offers unparalleled retail exposure and signage opportunities, as it is the most highly trafficked location in New York City. Times Square, an iconic world landmark emblematic of New York City, is also frequently referred to as the "Theatre District," as it is home to many of Manhattan's Broadway theatres hosting the world's most renowned musicals and plays. With its mix of name-brand stores, restaurants, and live entertainment venues, this corridor attracts millions of visitors and tourists each year. An astonishing 350,000 people walk through Times Square every day. And below ground, there are 12 subway lines servicing more than 65 million riders annually.

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## UPPER WEST SIDE

The Upper West Side of Manhattan is a lively, well-established, and affluent residential neighborhood just steps away from Central Park. Geographically, it is located between Central Park West to Riverside Drive east to west, and from West 96th to West 60th streets, north to south. Within those boundaries, there are two prominent shopping blocks including Columbus and Amsterdam avenues. The Upper West Side is home to several colleges, universities, and private schools. Additionally, there are several major cultural institutions such as Lincoln Center for the Performing Arts, and the world famous Museum of Natural History. It is home to many fine restaurants, dozens of boutique shops, and numerous corporate headquarters—all served by major subway and bus lines. Tech giant, Apple, recently constructed its signature glass cube in the heart of the shopping corridor on Broadway at West 67th Street near Lincoln Center. At the southern portion of the Upper West Side lies Lincoln Square. This small two-block area bounded by West 68th Street to the north, West 66th Street to the south, Columbus Avenue to the east, and Amsterdam Avenue to the west, and is home to several new residential towers, gyms, multiplex theaters, and storefronts which possess key retail exposure.



## **FLATIRON/UNION SQUARE WEST**

The Flatiron district, in Midtown South, spans the portion of Fifth Avenue between 14th and 23rd Streets, Broadway from East 17th Street to East 23rd Street, and Union Square West from East 14th to East 17th Streets, and is home to a variety of retailers, including apparel, home-furnishing stores, gyms, and restaurants. Originally known as the Toy District, the Flatiron/Union Square district was named for its iconic landmark, The Flatiron Building at 175 Fifth Avenue. Situated on 23rd Street between Fifth Avenue and Broadway, the Flatiron Building is one of New York City's most recognizable and photographed office buildings. Union Square Park anchors the center of this Midtown South submarket providing a home for farmer's markets, street games, and a meeting place for students at nearby New York University and the New School. Flatiron is fueled by affluent area residents, proximity to the New School and Union Square Park, and by this neighborhood's high desirability within the growing tech and new media industries which seek to secure trendy office space.

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## **MEATPACKING**

The Meatpacking district was originally home to butcher shops and meatpacking plants, and over the past few decades has evolved into one of the most popular tourist destinations for shopping and dining. Its borders run from Gansevoort Street, north to West 16th Street, Hudson to West Streets. Once considered among the grittiest of Manhattan's neighborhoods, this submarket now welcomes graphic designers, fashion design houses, museums, hotels, luxury boutiques, and several of Manhattan's finest restaurants and trendy night clubs. This Midtown South neighborhood has evolved into a high-end shopping destination driven by the success of the revitalized High Line Park (which attracts five million tourists annually), the massive Chelsea Market complex, and the new Whitney Museum, repositioning this submarket as a 24/7 entertainment district.

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## **HERALD SQUARE/WEST 34TH STREET**

The Herald Square/West 34th Street (Fifth Avenue-Seventh Avenue) retail corridor falls into the Herald Square/Penn Plaza submarket of Midtown Manhattan. It houses two of the most iconic landmarks in New York City— Macy's Department Store and the Empire State Building at 350 Fifth Avenue. West 34th Street is a shopping destination for daytime workers and tourists, and is also populated by commuters traveling to Penn Station at Seventh Avenue. This stretch of retail is the home to many flagship stores of mainstream retailers, including Sephora, Footlocker, Gap, and Victoria's Secret. Last year, Herald Square added two prominent names to its tenant roster—Midtown's first Target department store and e-commerce giant Amazon's second brick-and-mortar bookstore in Manhattan.

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## **LOWER MANHATTAN**

Lower Manhattan, located south of Vesey Street, is often referred to as "Downtown" or "The Financial District", or "FIDI", and has transformed from a 9-to-5 work locality into a new and vibrant residential neighborhood, shopping, and tourist destination. Lower Manhattan has rapidly changed into a globally-recognized business location with robust energy. The expanded hotel and residential population, combined with continued retail leasing opportunities at the Westfield/World Trade Center development and Brookfield Place has created an exciting "buzz" in Lower Manhattan's retail leasing scene.



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# 6 / THE FUTURE OF RETAIL IN MANHATTAN

## Manhattan is a 24-hour market and does not stand still.

So, what does this mean looking forward into the third decade of the 21st century?

We will cater to consumers and witness new concepts emerge as we push through retail challenges. The city legislature will attempt to regulate increasing ground floor vacancies while the retail market is working to correct itself over time. But it is not always about the rents. We are in the middle of the most dynamic, evolving retail environment:

consumer demand is significant, landlords are eager, and new retail tenants seek their next store space in between this changing retail landscape.

Manhattan is truly a gateway between domestic and international retailers, and they all blend together. It is where trends are set, not followed. While the exact future may not be known, Manhattan's relevance will continue to place New York City at the forefront, and remains dominant in tourism and commerce, continuing upward as the most important city for retailers in the United States.

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*“This is not the retail apocalypse. We are not experiencing the ‘death of retail’. The death of homogenous, mid-price point commodity mega chains perhaps, but not the death of retail.”*

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*Garrick Brown  
Vice President, Retail Intelligence  
Cushman & Wakefield*





# WHAT'S NEXT IN RETAIL

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Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value by putting ideas into action for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with 48,000 employees in approximately 400 offices and 70 countries. In 2017, the firm had revenue of \$6.9 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit [www.cushmanwakefield.com](http://www.cushmanwakefield.com) or follow [@CushWake](https://twitter.com/CushWake) on Twitter.

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