

	YoY Chg	12-Mo. Forecast
<b>\$76,400</b> Median HH Income	▲	▲
<b>-0.1%</b> Population Growth	▲	▲
<b>12.6%</b> Unemployment Rate	▲	▼

Source: BLS (Economic Indicators are representative of specific county or MSA.)

### U.S. ECONOMIC INDICATORS Q1 2021

	YoY Chg	12-Mo. Forecast
<b>0.2%</b> GDP Growth	▼	▲
<b>-1.6%</b> Consumer Spending Growth	▼	▲
<b>11.8%</b> Retail Sales Growth	▲	▲

Source: BLS, BOC, Census Bureau

### ECONOMY: National Hope Signals Local Recovery

Following a year of challenges for retailers and restaurants, including thousands of closures and a recorded 67,100 retail sector jobs lost since March 2020, recent national glimmers of hope have inspired optimism towards the New York City economy. Vaccine eligibility expanded for New Yorkers throughout the first quarter of 2021, offering reassurance for some to resume shopping and dining activities. In March, the Biden Administration passed the American Rescue Plan with financial relief allocated directly to New York City, and additional stimulus payments for qualifying individuals to encourage the return of an even stronger city. Pandemic-related travel restraints continued to impact the city's typically strong tourism sector, but extended vaccine rollout is expected to spark an increase in domestic visitors during the warmer months.

### DEMAND: Availability Rises Despite Leasing Uptick

New retail space coming to the market continued to push availability rates upwards in many of Manhattan's submarkets during the first quarter of 2021. While leasing momentum has had an uptick since the height of the pandemic last year, the quantity of storefronts becoming available outpaced this activity in markets such as SoHo—where availability has risen 7.0 percentage points over the past year to 29.8%. Madison Avenue (57th to 72nd Streets) and Herald Square/West 34th Street recorded the highest availability rates among the Manhattan submarkets at 40.3% and 30.5%, respectively, both with no leases signed during the first quarter of 2021. On Upper Fifth Avenue (49th to 60th Streets), no additional spaces became available and Spanish fashion brand Mango announced plans to sublease the former Ralph Lauren space at 711 Fifth Avenue, both contributing to the decline in availability year-over-year (YOY) to 20.3%.

Among the largest transactions of the first quarter were two leases signed by Summit CityMD for new locations in Flatiron at 18 West 18th Street, and on the Upper West Side near Columbus Circle at 1865 Broadway, where Target also opened last fall. Set to take over nearly 20,000 square feet (sf) next year at 217 Broadway, CVS announced plans to open on the corner of Vesey Street. Trader Joe's signed for its first Upper Manhattan location, leasing 28,000 sf at 121 West 125th Street, where it will also join Target at the upcoming Urban League Empowerment Center building. Leases by food & beverage tenants dominated the retail landscape with new locations of both fast-casual chains, such as Just Salad, Smashburger, and Sonic, and full-service restaurants, including La Pecora Bianca and Delmonico's Steak House, committing to space in Manhattan.

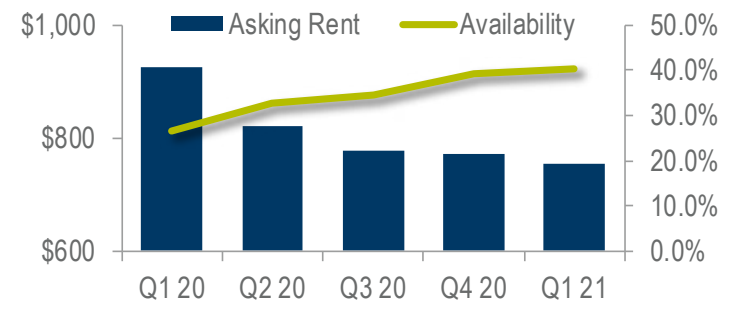
### PRICING: Downward Rent Pressure Continues

Each of the Manhattan submarkets recorded a decline in average asking rents YOY during the first quarter of 2021. Over the past year, lower rents for newly available spaces, coupled with adjustments to storefronts already being marketed, sent asking rents down by an average of \$98.00 psf. However, downward pressure on rents is a trend that also pre-dates the pandemic market, with average asking rents down nearly 50% from the first quarter of 2016 in markets such as Lower Fifth Avenue (42nd to 49th Streets), Madison Avenue, and SoHo. In Herald Square/West 34th Street, the average asking rent is down nearly \$100.00 psf since this time last year but increased slightly since the fourth quarter of 2020, due in part to four new storefronts becoming available, including Victoria's Secret's space at 2 Herald Square. Nearby in Flatiron/Union Square West, asking rents have fallen by 17.6% YOY to \$286.00 psf as availability grew to nearly 30.0%.

**FLATIRON/UNION SQUARE WEST**  
ASKING RENT / OVERALL AVAILABILITY RATE



**MADISON AVENUE (EAST 57TH - 72ND STREETS)**  
ASKING RENT / OVERALL AVAILABILITY RATE



## MARKET STATISTICS

SUBMARKET	Q1 2020 ASKING RENT	Q1 2021 ASKING RENT	% CHANGE YOY	Q1 2020 AVAILABILITY RATE	Q1 2021 AVAILABILITY RATE	% POINT CHANGE YOY
Fifth Avenue (42nd-49th Streets)	\$749	\$631	-15.8%	18.5%	27.8%	9.3%
Fifth Avenue (49th-60th Streets)	\$2,613	\$2,389	-8.6%	23.5%	20.3%	-3.2%
Fifth Avenue (49th-60th Streets) Direct space only	\$2,843	\$2,733	-3.9%	11.8%	11.6%	-0.2%
Madison Avenue (East 57th-East 72nd Streets)	\$927	\$754	-18.7%	26.6%	40.3%	13.7%
SoHo (Broadway to West Broadway)	\$350	\$279	-20.3%	22.8%	29.8%	7.0%
Third Avenue (East 57th Street-East 79th Street)	\$228	\$204	-10.5%	16.7%	23.1%	6.4%
Times Square Bow Tie (Broadway and Seventh, 42nd-49th Streets)	\$1,941	\$1,728	-11.0%	35.3%	31.4%	-3.9%
Upper West Side (Broadway and Columbus Avenue)	\$308	\$274	-11.0%	13.8%	20.8%	7.0%
Flatiron/Union Square West (Fifth, Broadway)	\$347	\$286	-17.6%	18.9%	29.0%	10.1%
Meatpacking	\$371	\$342	-7.8%	22.0%	29.3%	7.3%
Herald Square/West 34th Street (Fifth Avenue-Seventh Avenue)	\$497	\$401	-19.3%	25.0%	30.5%	5.5%
Lower Manhattan (Broadway, Wall, and Fulton Streets)	\$383	\$356	-7.0%	19.8%	25.1%	5.3%

\*Rental rates reflect gross asking \$PSF/Year

## KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	SF	TYPE
725 Fifth Avenue	Plaza	Gucci	48,667	Renewal
258 Eighth Avenue	Chelsea	Target	29,000	New Lease
711 Fifth Avenue	Plaza	Mango	28,335	Sublease

## KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
761 Seventh Avenue	Midtown West	The Riese Organization / Delshah Capital	23,500	\$24,269,625/\$1,033
30 Warren Street*	Tribeca	Cape Advisors, Inc. / K Property Group	3,086	\$12,000,000/\$3,889
33 West 47th Street	Grand Central	H.W.Y. Partners, LLC / Ephraim Shamayev	7,924	\$9,500,000/\$1,199

\*Retail Condo

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