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REBNY Research

Manhattan Retail Report

Second Half 2025

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Summary

Manhattan's retail rally showed no signs of slowing in the second half of 2025. In the most competitive corridors, asking rents are rising and tenants are snaring prime storefronts as quickly as they pop up. These neighborhoods are benefitting from broad-based retail demand for prime locations driven by international luxury brands, expanding local retailers and new-to-market brands.

Limited storefront availability in top neighborhoods (SoHo, Madison Avenue and the Flatiron District) has pushed retailers into NoHo and NoLita, Union Square and Madison Park. Tenants requiring larger footprints have turned to Chelsea, Hudson Square and Tribeca. Finally, sustained return to office, coupled with a robust pipeline of office to residential conversions, continues to boost activity among food & beverage, apparel, health clubs and home goods stores in multiple Midtown locations.

In these areas, retailers are also investing heavily in store buildouts and design. Over the last two years, more than 70 luxury apparel and accessories flagships and boutiques have opened along Madison Avenue between 57th and 86th Street alone. In other areas, upscale gyms and full-service restaurants are sparing no expense, raising the bar for competitors.

In contrast, lagging corridors - including several highly visible shopping/entertainment districts such as Upper Fifth Avenue and Times Square - lack this depth and breadth of demand. Activity is sporadic and comes from one or two sectors. Retailers with flexibility on location have more options and lower rents in a few corridors with more slack. Most brands are still converging in higher-demand areas, though.

Despite these geographical gaps in activity, brokers, owners and retailers remain optimistic about the outlook for 2026. They continue to monitor macroeconomic trends, as well as federal policy changes, but seem to have become more accustomed to volatility. A new Mayoral Administration adds some uncertainty. Nevertheless, considering the level of demand and retailers demonstrated ability to overcome multiple challenges in recent years, Manhattan's retail rally appears likely to continue and spread across more corridors in 2026.

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Key Takeaways

ROBUST ACTIVITY IN MANY CORRIDORS

Demand for storefronts in Manhattan remains broad-based. International luxury brands, well-established local retailers and new-to-market businesses are all fueling demand. Many of the largest leases of the last six months came from expanding New York City retailers like Convene (CHG), Equinox and multiple restaurant operators. Tenants are clearly drawn to the value proposition of a Manhattan storefront. A few are even basing office locations here or buying their own retail property. Availability has fallen, with few quality options remaining in SoHo, Madison Avenue, the Flatiron District, Lower Fifth Avenue and the West Village.

RENT AVERAGES REFLECT QUALITY DEPLETION & MARKET DICHOTOMY

Average asking rent increased from a year ago in only a few areas. In the most competitive corridors, retailers have depleted availability, leaving behind vacancies that have lingered on the market – in some cases due to the size or layout of the storefront. Effective rent is rising in high-profile locations as owners lower concessions. Retailers can still find tenant improvement allowances and flat rent in lagging corridors.

OTHER AREAS STILL LAG

DDemand is inconsistent in other neighborhoods. Corridors like the Financial District, Herald Square, Times Square and Upper Fifth Avenue have seen some recent lease commitments (particularly along 34th Street), but availability is still elevated. Leasing in these corridors is sporadic and one sector (often food & beverage or apparel) accounts for most of the activity.

FOOD & BEVERAGE, FITNESS & WELLNESS & FASHION ACTIVE

A mix of experienced full-service restaurants, cafes/bakeries and fast casual concepts put food & beverage (F&B) at the front of the pack in the last six months. Luxury apparel and accessories were active. Fitness and wellness accounted for many of the largest leases. Fitness and F&B are also benefitting from widespread amenity upgrades in the office sector.

POSITIVE OUTLOOK FOR 2026

Shifts in federal policies and spending have not yet had quite the negative impact on consumer spending and retail leasing that some economists and pundits predicted. Considering the level of sustained demand and tight storefront supply, market participants expect competition for space to be steady in 2026. At the same time, they remain mindful of potential challenges looming in the background.

Corridor Trends

FOMO in SoHo

Elevated uncertainty kept several retailers on the sidelines in the first half of 2025. Some of these brands are now back in the market, finding fewer storefronts and facing higher rent. A few of these tenants feel as though they missed the chance to secure their best option – particularly in SoHo and Madison Avenue, where competition is as heated as it has been in years. At this time two years ago, Madison Avenue had 35 storefronts available, and as of December that count had dropped to 13. SoHo now has only a handful of quality options being marketed.

Tenants are taking storefronts in these neighborhoods as soon as they hit the market, kicking off a game of musical chairs. In SoHo, Abercrombie & Fitch snared the former Lululemon space at 520 Broadway after the athleisure brand moved to 524 Broadway. On Madison Avenue, Akris relocated from 831 Madison to 835 Madison following its acquisition of the four storefronts between 831 and 837 Madison. Kujten recently opened its first U.S. brick-and-mortar at 831 Madison. Jacob Cohen leased the former Michael Kors location at 792 Madison, after the brand moved to a smaller boutique at 667 Madison.

Securing the ideal location before someone else does has heightened importance for retailers that are relaunching and refreshing their brands. Some tenants are moving just a block or two away to start with a blank slate. Lululemon's new store, intended to be the blueprint for its future locations, stresses "connection" and "sensory engagement." It will also be the hub for Lululemon's New York City community, providing a place to spotlight new product launches, local brand ambassadors and neighborhood guides.

Tight conditions in the Flatiron District are pushing brands to Union Square, Madison Park and NoMad. Availability in smaller corridors like the West Village, Lower Fifth Avenue and NoHo are also negligible. Each of these neighborhoods ended 2025 with fewer than five storefronts being marketed.

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Corridor Trends

MEATPACKING DISTRICT EXPANDS LUXURY OFFERINGS

Luxury brands have widened their search to neighborhoods such as the Meatpacking District. In November, Baccarat's new store opened at 33 9th Avenue. Foot traffic in the Meatpacking District has been robust (it bills itself as the city's first "pedestrian-priority" neighborhood). In June, the Meatpacking District Management Association celebrated the opening of the 14th Street Promenade, which replaced parking with public seating, extensive landscaping and plazas. While Baccarat's opening is encouraging and foot traffic has increased, some sections of the District still have extensive vacancies.

BIG BLOCK RETAILERS GROW IN CHELSEA & HUDSON SQUARE

A few retailers looking for larger footprints are targeting Westside neighborhoods like Chelsea and Hudson Square where converted warehouses, such as the newly renovated Terminal Warehouse, offer some of the largest retail spaces in Manhattan. Columbia Property, L&L and Cannon Hill spent an estimated $2 billion on renovations that started in 2022. Convene Hospitality Group (CHG) leased 50,000 sf and plans to open the Mallory, a three-level upscale event venue and luxury fitness provider Equinox leased 50,000 sf. Hudson Square's retail market has also been more active with Google's ongoing office expansion and the continued movement of Disney subsidiaries to its new headquarters at 7 Hudson Square, have boosted retail activity at nearby buildings. In September, Chelsea Piers took nearly 50,000 sf at the base of 200 Varick Street for its fourth fitness club. Sustainable furniture store From the Source leased just under 6,000 sf of space for a showroom at 315 Hudson Square nearby.

LAGGING AREAS LACK BROAD-BASED DEMAND

Among the 16 corridors tracked in this report, four of them (Financial District, Herald Square, Times Square and Upper Fifth Avenue) account for 60% of the available storefronts and most of the availability over 10,000 sf. Retailers are slow to commit to storefronts in these neighborhoods. Leasing has been inconsistent and often concentrated in one or two sectors. Times Square, for example, has yet to see the return of dry goods and apparel. Activity among immersive and entertainment concepts like Monopoly Experience was a positive step, but the opening of some attractions has been delayed. Financing and buildout for these venues is challenging, especially in comparison to fast casual and tourist/novelty stores. The Times Square Bid notes that foot traffic this November (222,241 pedestrians) was on par with a year ago and rose by 18% from two years ago.

Upper Fifth Avenue is also seeing strong foot traffic, but some storefronts are sitting on the market for a long time. Similar to Times Square, many of the options being marketed on Upper Fifth Avenue are highly unique and would entail substantial commitments from the retailer. In contrast to Times Square, though, other options on Upper Fifth Avenue are due to relocations to new flagships by the likes of House of Dior and Dolce & Gabbana. Momentum in Westside neighborhoods like Chelsea, Hudson Square and the West Village contrasts with sporadic activity in traditional corridors like Times Square and Upper Fifth - some retailers are pursuing more than exposure, they are looking for a neighborhood vibe and curated settings that align with their brand.

Sector Details

FOOD & BEVERAGE LEAD THE PACK

The food and beverage sector has been perhaps the most consistent consumer of space since the start of the retail recovery in 2022, fueled by full-service restaurants, national fast casual chains, and newcomers to the City.

F&B has moved into almost every neighborhood and often kickstarts retail activity in lagging areas. In Midtown, this growth has tracked with return to office. Fast casual chains and full-service restaurants initially congregated around Grand Central. They eventually filled extensive vacancies on Lexington Avenue. More recently, F&B has pushed into sections of Murray Hill and NoMad, as well as Lexington and Third Avenue below 40th Street.

Amit Upadhyay, known locally for his Indian restaurants like Farzi NYC in Tribeca (78 Leonard Street), leased 17,000 sf at 622 Third Avenue (Grand Central Plaza). Farzi, which means fake in Hindu and Urdu, underscores the restaurant's use of illusion and artistry by deploying a mix of science and technology they call "molecular gastronomy." Patrons can see cooking techniques like spherification, eat dishes prepared tableside using phosphorus paper or drink cocktails made with centrifuges behind the bar. The building is adjacent to the massive office-to-residential conversion of the former Pfizer headquarters into 1,600 units.

Other expanding food and hospitality groups incorporate extensive bar and entertainment components. STK leased 12,000 sf at 412 West 15th Street in the Meatpacking District for its fourth Manhattan location. STK is part of Denver-based One Group Hospitality Inc (which includes Benihana & Kona Grill). It provides venues with extensive bars, lounges, and entertainment. Of note, the restaurant is at the base of 412 West 15th (413 West 14th), a 140,000 sf office building completed in 2018 by Rockpoint, hotel developer Highgate and Meilman Family Real Estate.

Sector Details

FITNESS & WELLNESS

Like the F&B sector, the fitness & wellness sector in New York City is an incredibly diverse ecosystem that has evolved in the post-Covid recovery. Perhaps no brand better represents the rise of luxury fitness in Manhattan than Equinox. The Equinox hotel and club at 33 Hudson Yards opened in 2019. In November, Japanese investment firm Mori Trust bought a 49% stake in the hotel and adjoining office building at 35 HY for $541 million. Equinox's newest club will be at the Terminal Warehouse.

A new wave of fitness/wellness brands focus on mental and social health. Immersive sauna & ice bath provider Othership offers what it calls communal, guided and immersive rituals intended to provide members emotional release. The Toronto-based company recently leased 14,000 sf in the Upper East Side.

A mix of new startups and established fitness brands are featuring health AI. They integrate smart devices to gather medical grade data and provide personalized training. For example, Swedish-based Neko Health is a preventive health care provider that offers its clients AI-powered full body scans and medical consultations. Founded by Daniel Ek, the founder of Spotify, and industrial engineer Hjalmar Nilsonne, the startup secured $260 million in funding in early 2025 and is currently launching locations in Manhattan.

In September, Spanish fitness provider Bam Labs leased 11,300 sf at 150 Fifth Avenue in the Flatiron District. Known for its tech-integrated fitness approach focusing on SCM (Strength, Cardio & Mobility), its studios use high-speed cameras and biomechanics. The studio will be below Mastercard's new Tech HQ. Finally, this summer Life Time Fitness signed a 20-year lease for a 52,000 sf NYC innovation lab at 10 Bryant Park. The facility, expected to open in 2027, will feature boutique fitness studios, co-working space and a co-ed spa with saunas and cold plunges. It will also offer integration with its LT Digital app offering hyper-personalized programming, a nutrition and recovery concierge service.

Sector Details

NEW APPAREL BRANDS "DO IT BIG" ON MADISON & SOHO

New-to-market brands remained prevalent in the apparel sector, with many focused-on SoHo and Madison Avenue. French cashmere brand Kujten opened its first New York City store at 831 Madison Avenue in September. In an interview on Fashion Network's CEO Carole Benaroya discussed the brand's decision to open a NYC location. "We took our time before launching in New York… We decided to stick to our plan and not let customs barriers hold us back. And to do it big, so as not to regret anything."

Despite extensive challenges, brands are taking on the lengthy, risky and costly process of finding space and then building it out. And rather than missing out by trying to cut corners, they are choosing to "do it big." This all-in but also deliberate approach also suggests why this retail rally has not yet reached the frenetic and, at times, irrational exuberance of 2016. Following extensive research, retailers are picking their spots. They are also testing the waters through online sales – 20% of Kujten's online sales are in the U.S.

Other brands adopt a more basic approach focused less on lavish settings and more on service. In SoHo, Extreme Cashmere, an Amsterdam-based retailer that sells unisex cashmere clothing, recently opened its first North American flagship at 152 Mercer Street in SoHo. Instead of a "merchandise-forward" approach, the store displays only a few samples on racks and shelves. Patrons are encouraged to interact with store staff who help them discover the right outfit.

Sector Details

OFFICE AMENITIES RACE BOOSTS F&B AND FITNESS

Whether it is Extreme Cashmere abandoning a “merchandise-forward” design, or Life Time Fitness offering hyper-personalized programming, retailers have a heightened appreciation for the importance of hospitality and personalization following Covid. Manhattan’s best-in-class office buildings are also adopting this philosophy. Following Covid, many property owners have partnered with employer’s campaigns to bring their teams back into the office by designing workplaces that ease the transition from remote work, while also enhancing productivity.

Food & beverage, fitness and cutting-edge conference facilities are just table stakes. Tenant experience programs offer events that enhance company culture and community. The office market’s drive to upgrade amenities benefit F&B and fitness retailers. Some property owners with a global or citywide footprint offer a branded suite of services and amenities, not unlike a luxury retailer, hotel, or fitness club. Top employers with campus-like facilities, such as Amazon, Bloomberg, and Google offer their employees access to free fitness and dining services that emphasize wellness and longevity. Others outsource tenant amenities to specialized building services firms like Convene (CHG), which now has 18 locations in New York City. The hospitality company notes that demand for its event space has increased by 165% over the last two years.

As much as office buildings and retail flagships adopt new technology and add amenities, both are ultimately seeking to revive a fundamental retail principle: stellar hospitality and service are essential to increasing dwell time.

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What's Behind the Numbers?

NATIONAL ECONOMY COOLED IN 2H 2025

Manhattan's improving retail fundamentals contrast with increasingly shaky conditions in the wider U.S. economy. Economists have described the U.S. economy as "sloggy" and "wobbly" in recent months, particularly as labor market growth has decelerated. According to the Bureau of Labor Statistics, The U.S. created only 113,000 jobs in the second half of 2025, the weakest job growth since 2020.[1]

Anemic job growth may partially explain why consumers have been so pessimistic throughout 2025. The Conference Board Index fell for the fifth consecutive month in November, dropping to 89.1. The expectations index has been below 80 (generally a recession indicator) for 11 consecutive months. Auto and mortgage loan delinquencies and defaults have been increasing, suggesting that household credit is stressed. Mortgage foreclosure proceedings posted their 8th straight monthly increase in October and were up by 20% year-on-year.

HIGHER INCOME HOUSEHOLDS PROPPING UP SPENDING

And yet, consumers somehow spent more this holiday season than last. According to data from Visa and Mastercard through mid-December, holiday spending rose by 4% year-on-year. Aggregate totals can be misleading though. Shoppers increased their online spending and shifted purchases to heavily discounted items like electronics.

Lower-income households started to rein in discretionary spending more than a year ago. McDonald's sales fell for the first time since Q2 2020 in Q2 2025. Additionally, some upper-middle-class households have been reducing luxury expenditures - spurring a 2% global decline in luxury retail sales (the first such decrease since 2010). Higher-income households continue to outspend middle and lower-income households, propping up retail sales in 2025. A report from Bank of America found that in November the top third of households by income increased their spending by 2.6% year-on-year, compared to a scant 0.6% jump among lower-income households.[2]

1 Zahn, M. (2025, December 17). *U.S. economy flashes warning signs in new data, some analysts say*. ABC News.

2 Bank of America Institute. (2025, December 10). *Consumer Checkpoint: Merry but measured.*

What's Behind the Numbers?

MANHATTAN BUCKS NATIONAL TRENDS

New York City follows some, but not all, of the national trends. Regional employment growth has been anemic and concentrated in the health care sector. New York City felt the impact of declining foreign tourism, but domestic tourists have filled much of the gap caused by Canadian, Chinese and European visitors. New York City estimates tourism will total 64.7 million in 2025, up marginally from 64.5 million in 2024. In comparison, tourism, hotel occupancy and restaurant sales in other top U.S. cities like Washington, D.C. have fallen slightly in 2025.

Additionally, despite cooling job growth, household incomes in New York City are up by 2.0% from a year ago (based on data through September), a minor improvement from the 1.9% increase in the first nine months of 2024. Sales tax revenue jumped by 4.9% year-over-year through September. According to Open Table, diners in restaurants exceeded 2024 totals by 11% in late 2025.

In most cities, retail follows rooftops. Retail sales depend primarily on population growth, employment, household income and consumer sentiment. These are also core demand drivers in much of New York City, but Manhattan's demographics depart a bit from most cities. Nearly 80% of New York City residents do not own a car, 83% do not have a child and 60% do not have a mortgage. More importantly, Manhattan benefits from other sources of retail demand in Manhattan (daytime commuters and tourism.)

Ultimately, macroeconomic challenges and policy shifts have negatively impacted retail in some neighborhoods in New York City, but they have not yet depressed retail demand and consumer spending, particularly in the prime corridors included in this report. Additionally, demand for retail space benefits from some tailwinds, as a few tenants that postponed leasing decisions in the first half of the year are now encountering tighter availability and higher rents in the most desirable corridors. As a result, their sense of urgency has increased compared to earlier in the year.

Looking Forward

EXOGENOUS PROBLEMS OVERBLOWN?

Manhattan's retail rally is likely to push forward in 2026. Supply is tightening in most corridors, and demand is coming from multiple sectors. The most dire forecasts of negative impact from shifts in federal policy (immigration, spending and tariffs) did not come to fruition. It suggests that fears of tariffs and impact on strapped consumers may be exaggerated. Or it may just mean that the full weight of tariff increases has not yet been unleashed. Some retail company executives (at Abercrombie, Kohl's, Williams-Sonoma and Under Armour) have warned that the end of holiday discounts, combined with the drawdown of inventory stockpiles will make price increases even sharper in early 2026. Income tax reductions and larger refunds are expected to boost household spending next year, though.

While external threats have dissipated a bit, it creates space for more local concerns to creep back into the discussion. Capital market concerns (building debt maturities, high interest rates and stricter lending standards) continue to prevent some leases from moving forward. Escalating expectations from retail consumers, particularly luxury shoppers, combined with the high cost of materials and labor in New York City means that many retail brands will have "to go big" to be competitive.

Luxury retail remains in a good position financially to fund extensive buildouts, however, many luxury brands raised discounts extensively during 2025 as foot traffic slowed. The Financial Times reported that as much as 40% of luxury goods were sold at discounts, the highest level in a decade.

Small family-owned retailers as well as key service retailers like child care struggle to compete and are less likely to have the ability to fund extensive buildouts. Additionally, they have less room for reduced profit margins, particularly as labor and material costs remain so elevated. It remains to be seen when those costs will become too steep. In most corridors the average asking rent is still reasonable compared to the 2016 peak - across all 16 corridors in this report, the average rent is 32% below its peak level in the last 10 years.

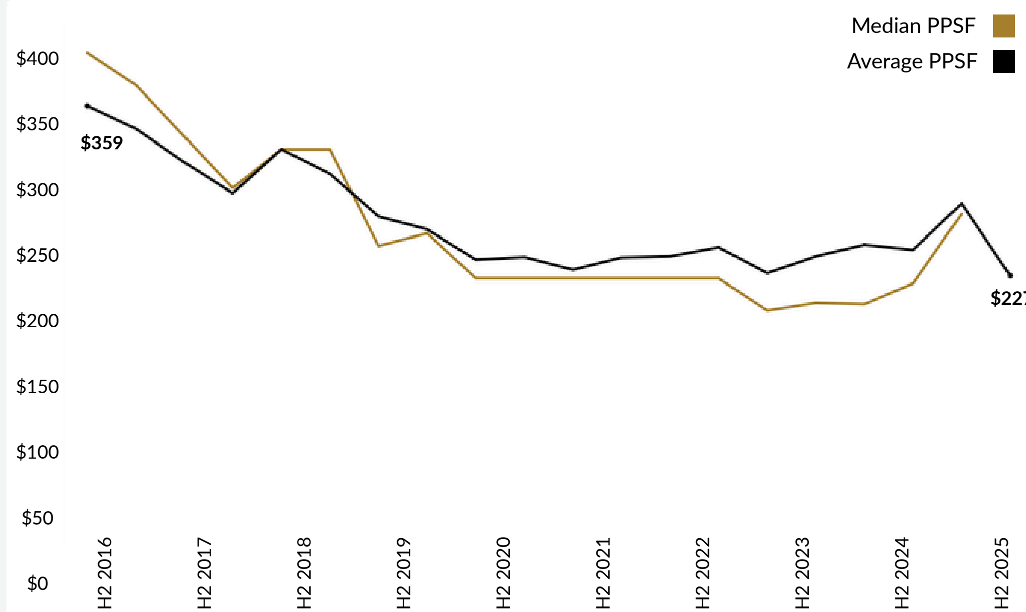
Upper West Side: Broadway
(72nd Street – 86th Street)

Storefront availability fell slightly from 12 in 1H 2025 to 9 in 2H 2025. The corridor still offers a relatively high number of options, including many smaller condo-base storefronts such as those at The Astor.

Service retailers remain in demand, highlighted by Japanese-influenced salon MASA.KANAI opening a second location at 2109 Broadway after outgrowing its Columbus Circle space. The corridor is also seeing growth in childcare facilities, with early education provider Vivvi opening its 12th NYC location in January 2026. Playgarden Prep is adding a fourth location at 601 Amsterdam.

F&B account for most recent activity, with openings from Georgian restaurant and wine bar Saperavi and Dough Doughnuts' seventh NYC location. Finally, Cold Stone Creamery leased 2301 Broadway.

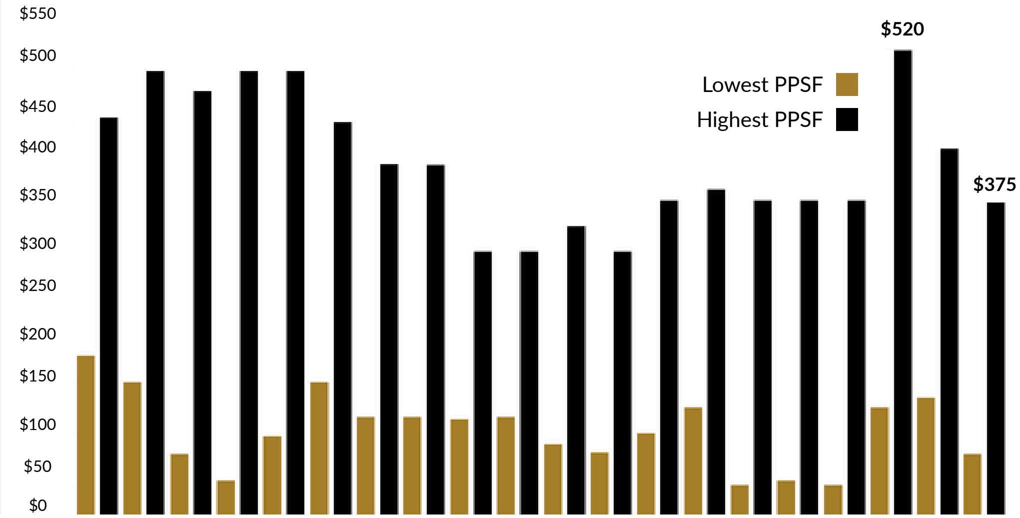
Average asking rent fell from $283 in 1H 2025 to $227 in 2H 2025, a 20% decrease from six months ago and 8% from year-on-year. This is the lowest average rent in the last 10 years, and is 33.4% below the peak of $341 in that period.



Leases/Openings

Retailer	Address	Sector
Dough	*133 West 72nd*	*Bakery*
Masa.Kanai	*2109 Broadway (74th)*	*Salon*
Cold Stone Creamery	*2301 Broadway*	*Ice Cream*
Saperavi	410 Amsterdam (80th)	*Restaurant*
Playgarden Prep	*601 Amsterdam*	*Early learning*
Vivvi	*666 West End Avenue*	*Early learning*

*Italicized are new leases, non-italicized are openings



Columbus Circle: Columbus Avenue
(66th Street – 79th Street)

Storefront availability remained tight in this corridor with only 6 spaces on the market. This corridor benefits from nearby residential neighborhoods and activity driven by The Lincoln Center, with limited availability below 79th Street and more availability above 80th.

Following trends across many corridors, F&B is in growth mode with Polanco Social, a Mexican kosher restaurant, opening at 476 Columbus Avenue in November and Blank Street Coffee leasing the former Andy's Deli space at 418 Columbus Avenue.

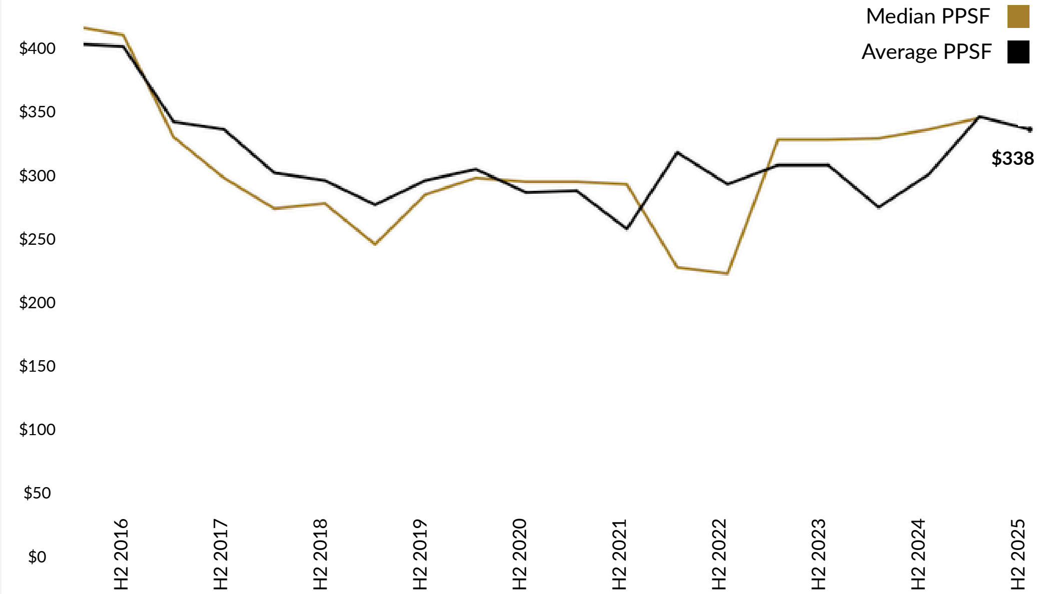
Storefronts below 66th Street cater to more office workers and tourists. The Stockholm-based preventive health startup Neko Health leased half of the space available at 1880 Broadway.

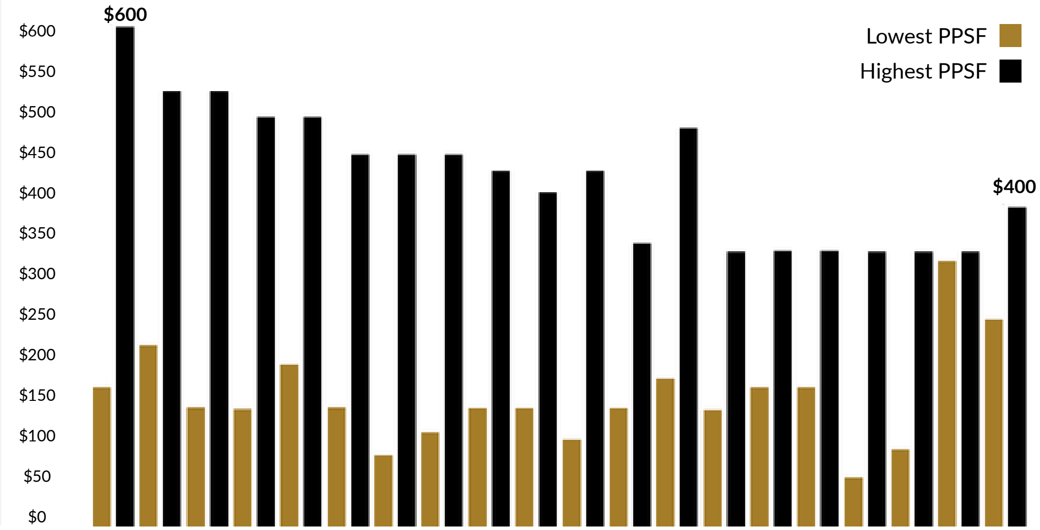
Average asking rent fell from $348 in 1H 2025 to $338 in 2H 2025, a 3% decrease from six months ago and from the peak average rent within the last 10 years.

Leases/Openings

Retailer	Address	Sector
Neko Health	*1880 Broadway*	*Health clinic*
Blank Street	*418 Columbus*	*Coffee*
Polanco Social	476 Columbus	Restaurant

*Italicized are new leases, non-italicized are openings





Upper East Side: East 86th Street
(Lexington Ave - Second Ave)

Availability remains very limited with only a handful of storefronts being marketed. H&M's closure in mid-January at 150 E 86th Street will bring a rare larger space to this corridor.

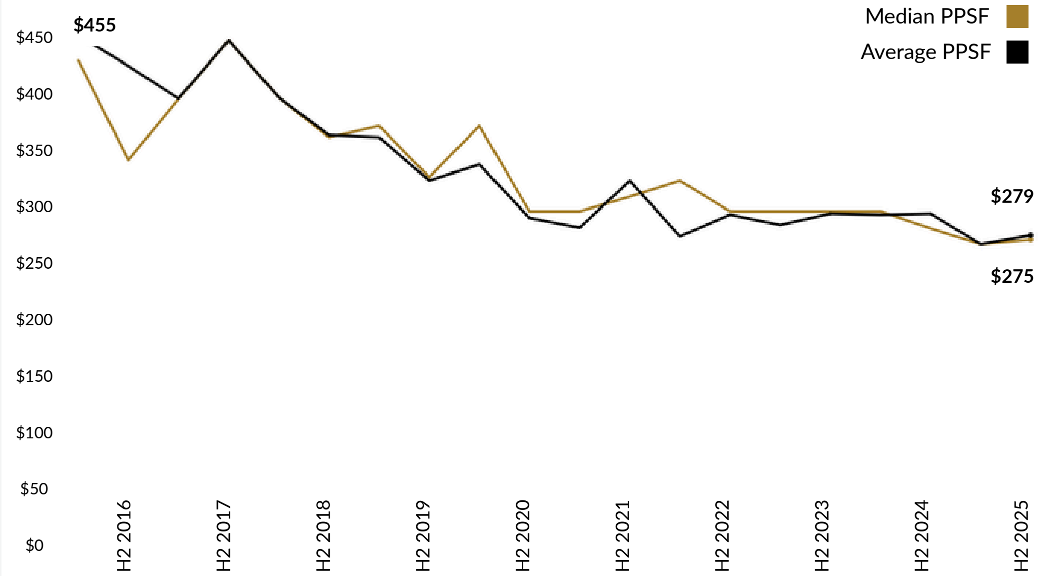
Recent luxury condo and multifamily development has added new retail opportunities, including at The Colorado, which will be the second Manhattan location for Othership. The Toronto-based immersive sauna and ice bath provider leased 13,500 sf, with a 2027 opening expected. Korean beauty brand Sukoshi leased 3,000 SF at the base of the Gotham (1542 Third Avenue) for its first Manhattan location. Other notable openings include home goods Big Night's third NYC location and The Fashion Squad School's second after-school and day-camp site at 1656 Third Avenue.

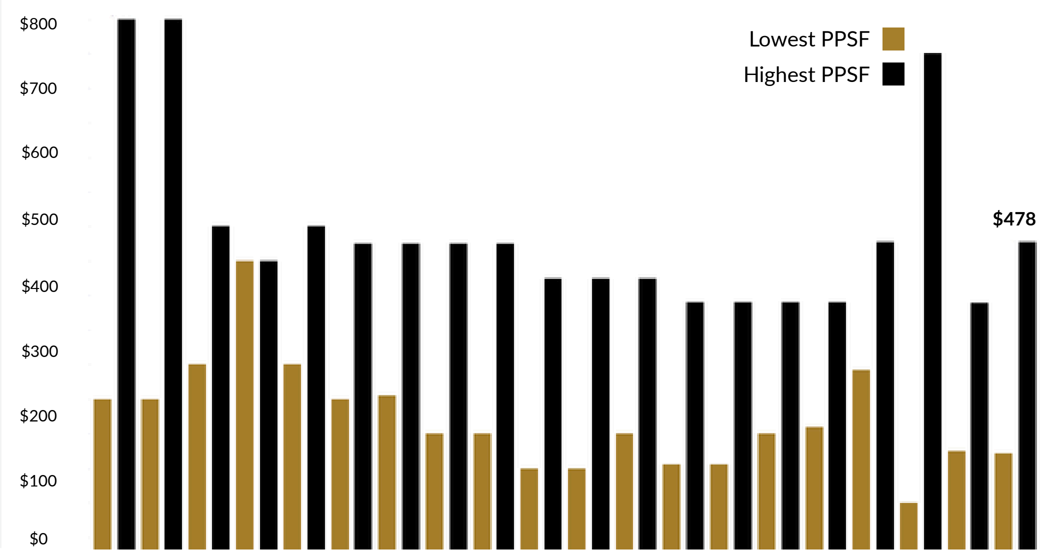
Average asking rent rose from $275 to $279, a 1% increase from six months ago, but fell by 6% year-on-year. Average asking rent is 39% below the peak mark of $455 attained in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Big Night	1015 Lexington Avenue	Home goods
Salt & Straw	*255 East 77th Street*	*Ice Cream*
El Taco	*1542 Second Avenue*	*Fast casual*
Othership	*201 E 86th Street*	*Health club*
Sukoshi	1542 Third Avenue	Cosmetics
Astrid & Miyu	*1134 Madison Avenue*	*Jewelry*
The Fashion Squad School	*1656 Third Avenue*	*After-school/Day Camp*

*Italicized are new leases, non-italicized are openings





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Upper East Side: Madison Avenue
(57th Street - 72nd Street)

Madison Avenue remains a top choice for luxury brands. With limited options below 72nd Street, retailers continue to push to Upper Madison as well as some nearby side streets. There were only 13 storefronts being marketed during 2H 2025, a decrease from 26 in 1H 2025.

The last two years have brought scores of new flagships and boutiques opening their doors. Madison Avenue alone has accounted for 78 store openings, including 16 during the second half of 2025.[3]

Each opening seems to raise the bar for standards of design, hospitality and service. In August, House of Dior opened its renovated four-level boutique at the corner of 57th and Madison Avenue. In addition to men’s and women’s fashion, jewelry and fragrances, the store houses the first U.S. Dior Spa and Tea Salon. Dior Maison, a boutique for home decor and lifestyle items located at 23 E 57th, is adjacent to the flagship. Crafted by Dior’s boutique designer Peter Marino to resemble a well-appointed townhouse, the interior features exclusive NYC-themed artist pieces.

Native New Yorker Thom Browne last had a Madison Avenue store in 2006. This July he returned to Madison with two locations - a 1,700 sf men and women’s ready-to-wear store at 19 E 72nd Street, and a smaller boutique featuring leather goods at 898 Madison Avenue.

3 *Total provided by Madison Avenue BID, based on 57th to 86th Street, does not include pop-ups or any storefronts that opened and closed.*

Upper East Side: Madison Avenue
(57th Street - 72nd Street)

A handful of new leases were signed as retailers quickly absorbed options generated by relocations. Italian luxury denim brand Jacob Cohën leased the vacated Michael Kors store at 792 Madison for its first U.S. location. French luxury fragrance brand Initio Parfums Privés leased space at 784 Madison Avenue, just steps from its sister brand Parfum de Marly's newest store at 796 Madison Avenue, which opened earlier this year.

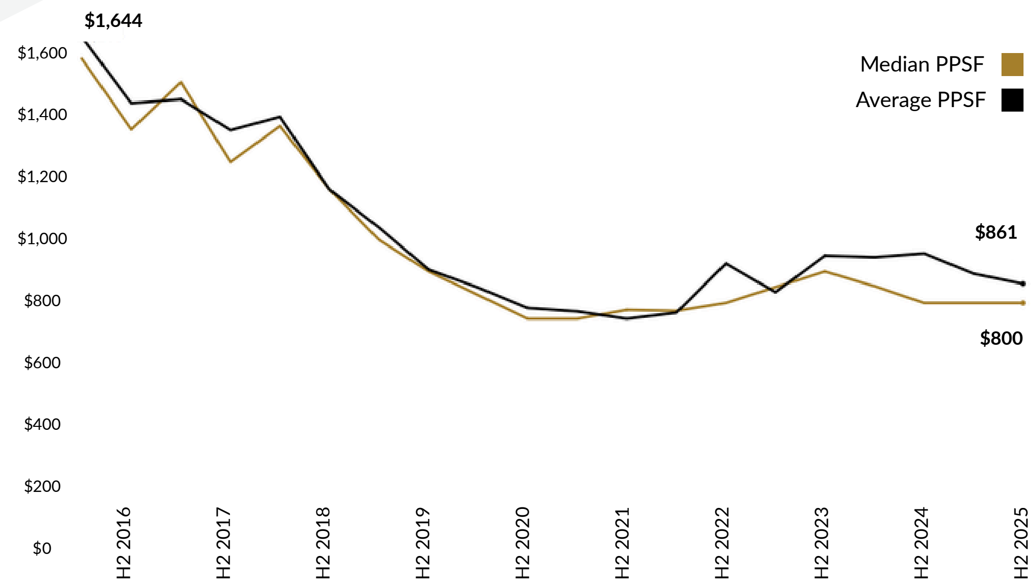
Madison Avenue's resurgent retail market is also drawing brands to surrounding office buildings. Makeup by Mario signed a full floor, 15,930 sf office lease for its global headquarters at 575 Madison Avenue.

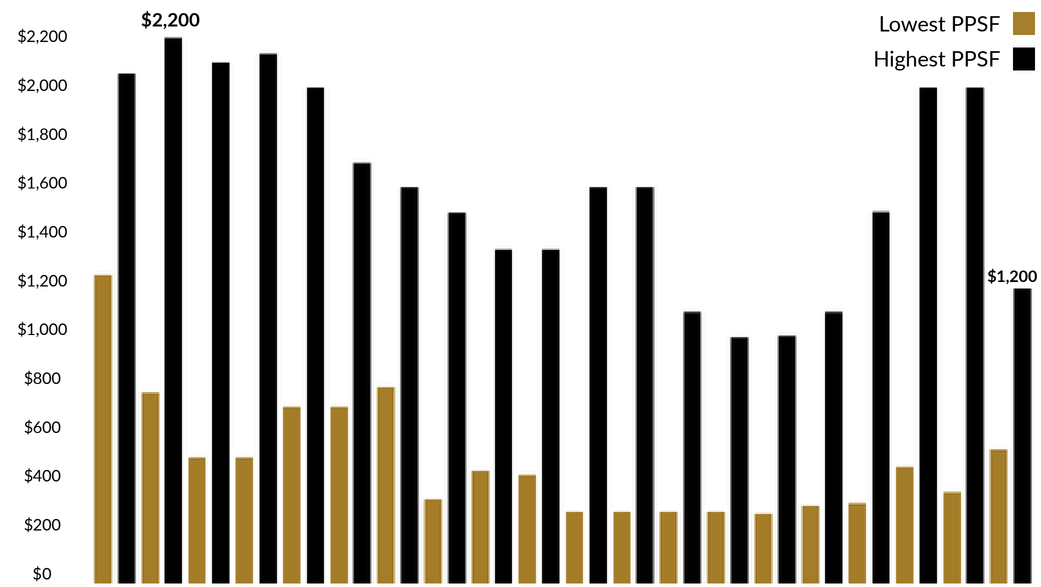
Average asking rent fell from $893 to $861 in the 2H 2025, a 4% decrease from six months ago and 10% year-on-year. Rent is 48% below the peak of $1,644 reached in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Messika	727 Madison Ave	Jewelry
Frank & Eileen	753 Madison Ave	Apparel & Accessories
Akris	772 Madison Ave	Apparel ^
Initio Parfums Privés	*784 Madison Ave*	*Fragrance*
Jacob Cohën	*792 Madison Ave*	*Apparel*
Thom Browne	19 E 72nd & 898 Madison	Apparel & Accessories

*Italicized are new leases, non-italicized are openings
^Property acquisition



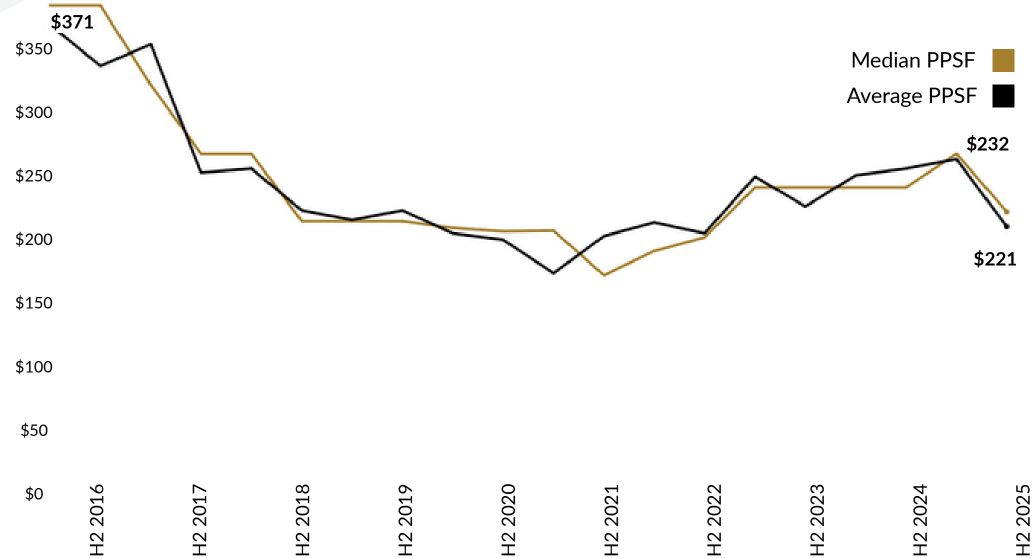


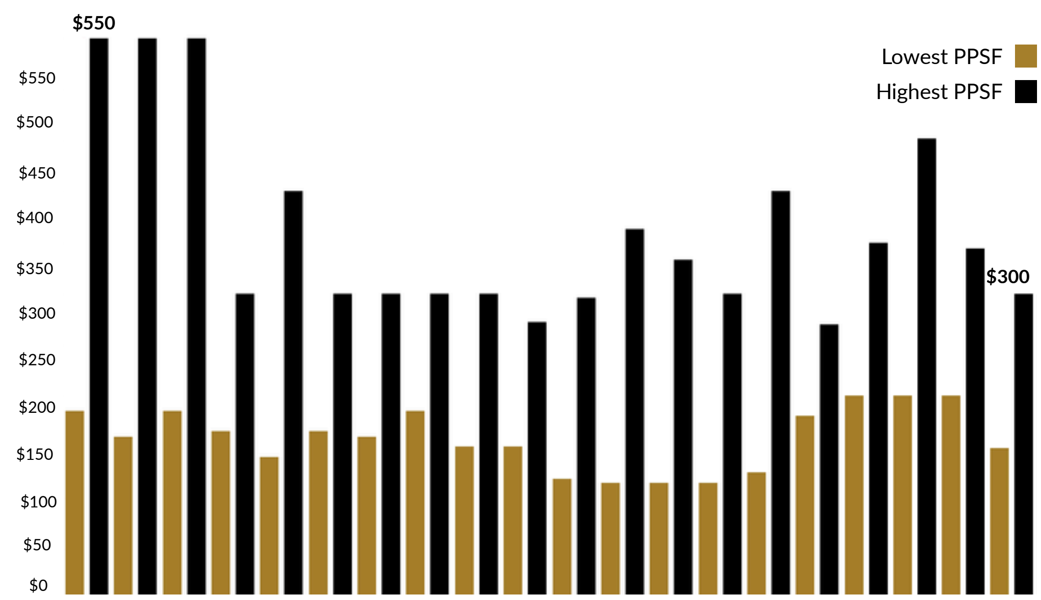
Third Avenue
(60th Street - 72nd Street)

Retail along Third Avenue remains relatively tight thanks to demand from a diverse array of brands There were eight storefronts actively marketed in 2H 2025, unchanged from the first half of the year. Several vacancies on Third Avenue have low visibility with several obscured by nearly two blocks of uninterrupted scaffolding.

Demand is strong for fitness, dining and services. Laboratorio del Gelato leased 1,200 sf at 1026 Third Avenue. Italian restaurant MAMO leased 7,000 sf at the Lipstick Building at 885 Third Avenue and Utopia Bagels signed a lease for its fourth location at 875 Third Avenue. Midtown can be a good location for new fast casual concepts looking for exposure, such as Madras Dosa, a South Indian restaurant that opened its fourth Manhattan location in November at 829 Third Avenue.

Average asking rent declined from $271 to $221. Some of the remaining options have been on the market for an extended period. Rent dropped by 18% from six months ago and 16% year-on-year. Rent is 40% below the peak of $371 in 1H 2016.





Leases/Openings

Retailer	Address	Sector
Figs	1187 Third Avenue	Apparel
Laboratorio del Gelato	*1026 3rd Avenue*	*Cafe-gelato*
Mamo	*885 3rd Avenue*	*Restaurant*
Utopia Bagels	*875 3rd Avenue*	*Bakery/cafe*
Madras Dosa	829 3rd Avenue	Fast casual

*Italicized are new leases, non-italicized are openings

Lower Fifth Avenue
(42nd Street - 49th Street)

Availability remains very limited on this seven-block section of Fifth Avenue with only five storefronts being marketed during 2H 2025. Apparel and sportswear brands from Adidas and Puma, to Hoka and Urban Outfitters have opened multi-level locations. Brands on Lower Fifth Avenue benefit from local attractions and foot traffic from Midtown's resurgent office market. Employees started to move into JPMorgan Chase's headquarters at 270 Park Avenue in August. In July, BXP broke ground on the 46-story, 930,000 sf office tower at 343 Madison. Extell's building at 570 Fifth Avenue will eventually add 700,000 SF to the heart of this corridor.

A few of the availabilities are located within properties under development, including a small remaining space at 520 Fifth Avenue. Private members-only club Moss opened at the building in November.

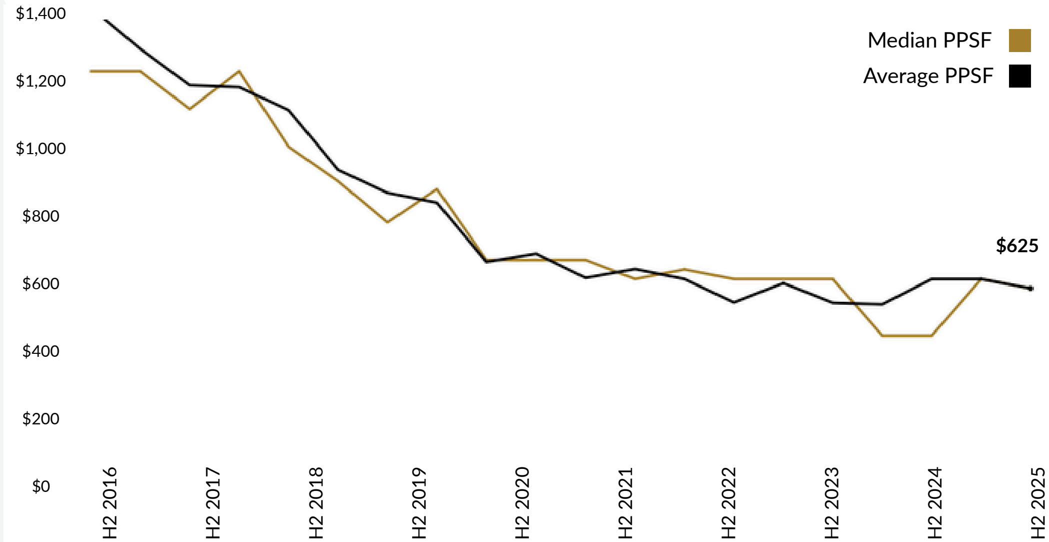
Relocation within the corridor has prompted some short-lived vacancies. Uniqlo brand GU is poised to open in the former North Face location at 510 Fifth Avenue and North Face opened its larger flagship at 511 Fifth this Fall.

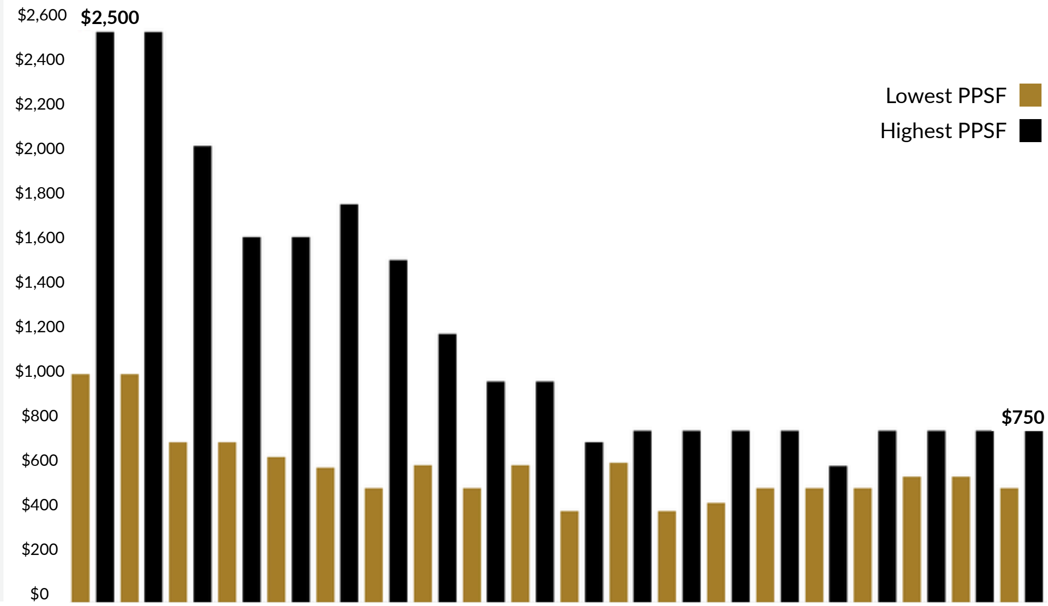
Average asking rent fell from $650 to $625, down by 4% from six months ago and a year ago. Rent is 54% below the all-time peak of $1,368 in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Moss	520 5th Avenue	Private club
North Face	511 5th Avenue	Apparel

*Italicized are new leases, non-italicized are openings





Upper Fifth Avenue
(49th Street - 59th Street)

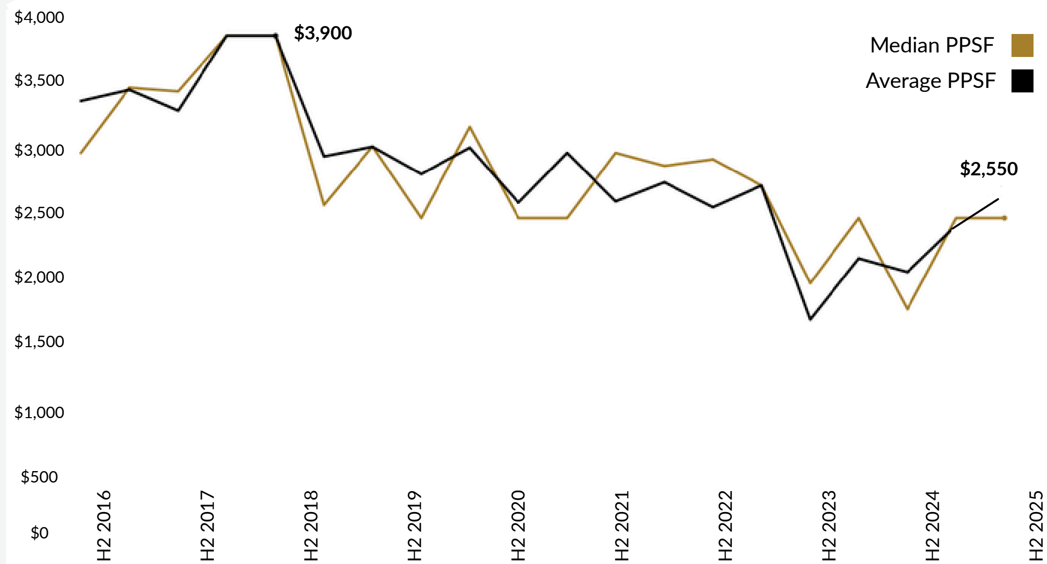
This 10-block stretch of Upper Fifth Avenue has 11 storefronts being actively marketed, up from the first half of the year.

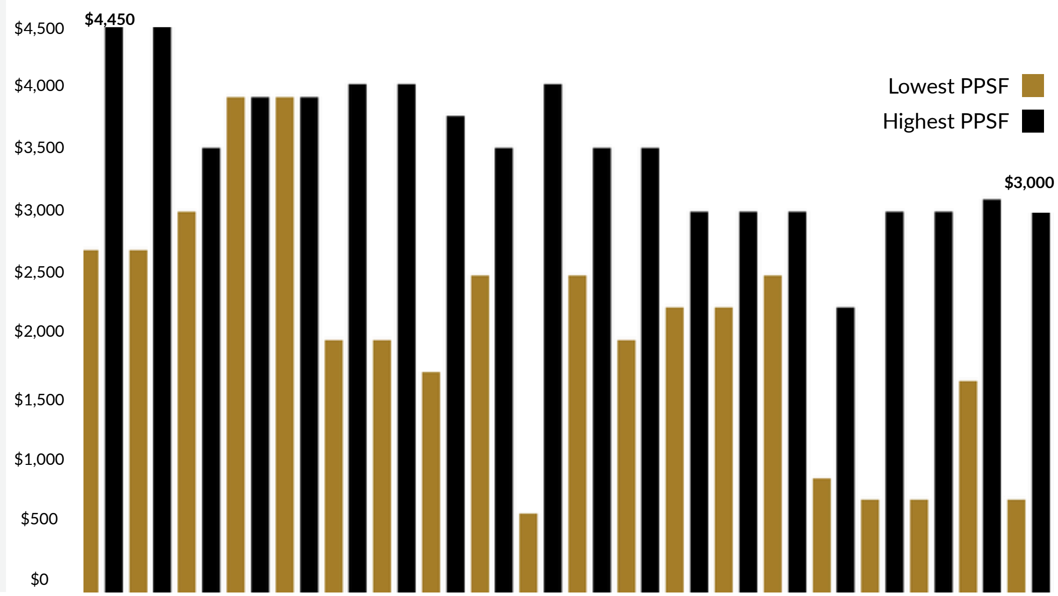
Available storefronts several multi-level spaces that have remained on the market for some time, such as 697–703 Fifth Avenue. Options have expanded due to new flagship buildouts and consolidation from major building acquisitions. Hublot's former flagship at 745 Fifth Avenue remains available and the LVMH brand moved to its new 645 Fifth Avenue flagship in April.

Many of the available storefronts will require extensive planning and substantial commitments. With Dior's return to its renovated flagship at 57th & Madison, the 14,000 sf space at 767 Fifth Avenue is once again available. Moncler's 22,000 sf flagship, the brand's largest globally, is scheduled to open early next year.

New leases on Upper Fifth Avenue have been sporadic, but investment sales have been sustained. Around the corner from 767 Fifth Avenue, Avi Hiaeve acquired 5 East 59th for $26.7 million.

Average asking rent rose slightly (by 4%) from $2,444 to $2,550 but is 27% below the peak mark of $3,484 reached in 2H 2016.





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Times Square: Broadway and Seventh Ave
(42nd Street - 47th Street)

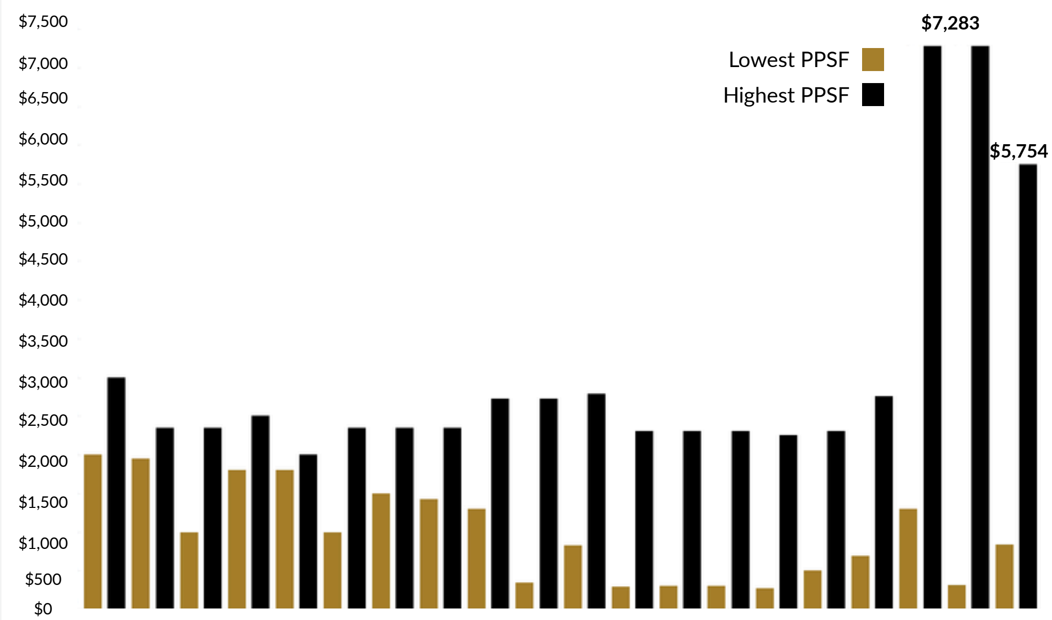
Despite steady foot traffic and some leases from food & beverage and novelty stores, Times Square retail remains in transition. Retailers seeking larger and mid-sized storefronts can still find quite a few options, with 15 storefronts being actively marketed in Times Square. Some locations, like the storefront at 20 Times Square have been vacant for several years. Central Park Coffeehouse opened a pop-up in December and Upscale Korean steakhouse Gui added Hwaro, a 22-seat chefs counter in October.

Activity in Times Square has fallen short of the brisk competition seen in other in shopping districts. Activity continues to come from F&B or novelty shops with a few experiential retail. In July, “tm:rw” an immersive retail store featuring curated futuristic tech gadgets and accessories opened in the Candler Building. Of note, residential development and office conversions such as 5 Times Square may hold some promise for retail diversification - but largely on the edges of the corridor. Aldi signed a 25,000 sf lease at The Ellery in August and plans to open in 2026.

Average asking rent declined by 4% from $1,936 to $1,850 and is 22% below the peak level of $2,363 reached in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Popmart	Broadway	Toy store
Central Perk Coffeehouse	20 Times Square	Themed cafe
Aldi	312 West 43rd	Grocery
tm:rw	220 West 42nd	Tech
Hwaro	776 Eighth Avenue	Restaurant



Herald Square: West 34th Street
(Fifth Ave - Seventh Ave)

Herald Square (34th Street) has the most available storefronts among the corridors in this report, ending 2025 with 25 storefronts being marketed. The corridor shows signs of gaining momentum, successfully securing some of the largest apparel leases in the last several quarters. This trend continued in the 2H 2025 as Zara signed a 18,000 sf renewal and expansion at 31 West 34th Street. This summer, financial trading app Moomoo leased 2,500 sf at the same building as Old Navy's new location. (Herald Towers) on the corner of 33rd Street.

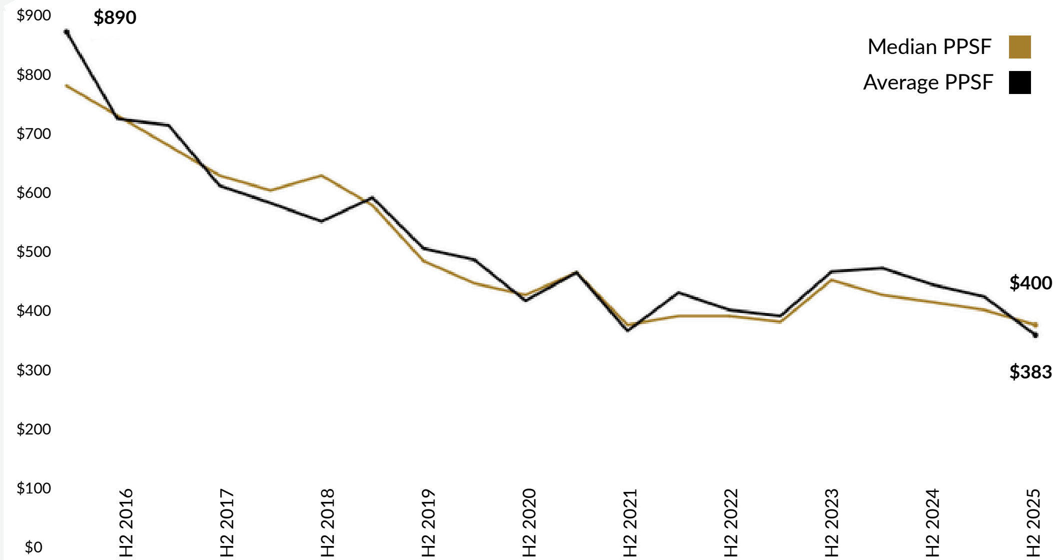
Leasing along 34th has been sporadic. Some nearby side streets are more active. This includes storefronts on Fifth Avenue below 40th Street. Koreatown, for example, just two blocks south of 34th, has almost no vacancies. Gatcha, a Japanese-themed arcades has leased space at 313 Fifth Avenue and is slatted to open in 2026.

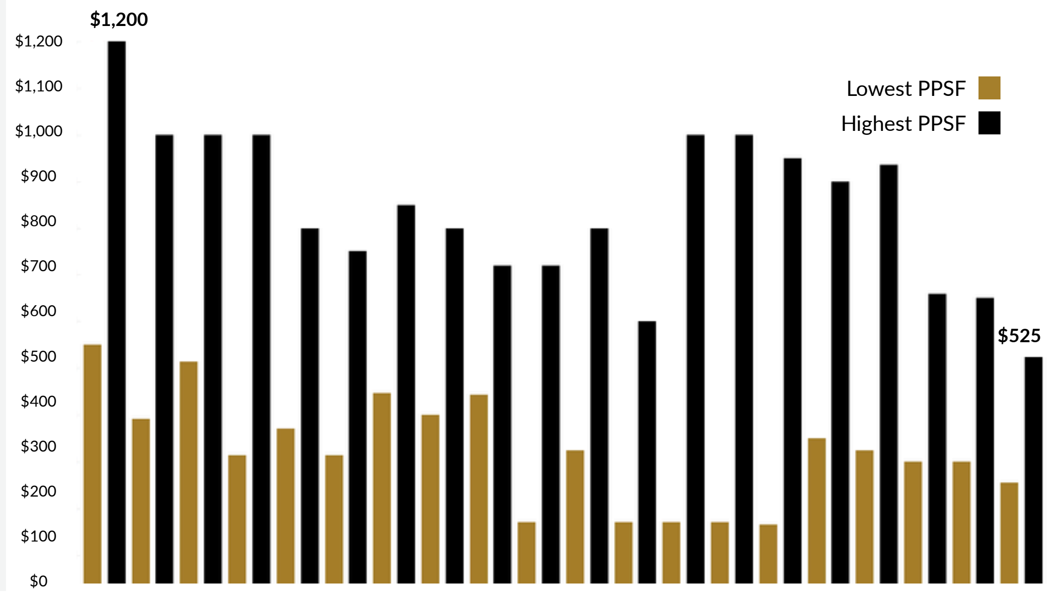
Average asking rent fell from $447 to $383, down by 14% from six months ago and the lowest average rent in the last 10 years. Rent is 57% below the all-time peak of $890 attained in the same period.

Leases/Openings

Retailer	Address	Sector
Moomoo	Herald Towers	Fintech
Zara	*31 West 34th Street*	*Apparel*

*Italicized are new leases, non-italicized are openings





Flatiron: Fifth Avenue
(14th Street - 23rd Street)

Demand in the Flatiron District remains strong, driven by a diverse base of residents, office workers, and tourists, with eight storefronts actively being marketed.

This corridor is popular with new-to-market brands as well as retailers relaunching their product lines. PacSun is making its first major U.S. retail expansion in 20 years. Pura Vida signed a 7,500 lease at 100 Fifth Avenue for their flagship location. Similarly, Nespresso's three-level 14,000 sf store at 85 Fifth Avenue, which opened in November, is its largest store globally.

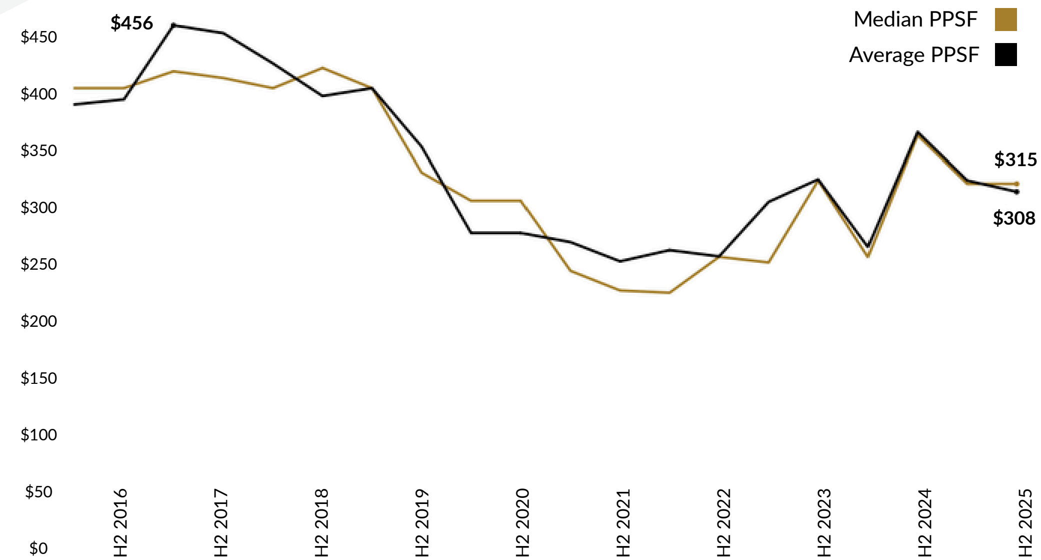
The Madrid-based fitness studio Bam Labs is entering the U.S. market with a 11,231 sf lease at 150 Fifth Avenue and luxury luggage brand MCM signed a lease at 245 Fifth Avenue. Aritzia's new 22,500 sf store opened at 115 Fifth Avenue in November.

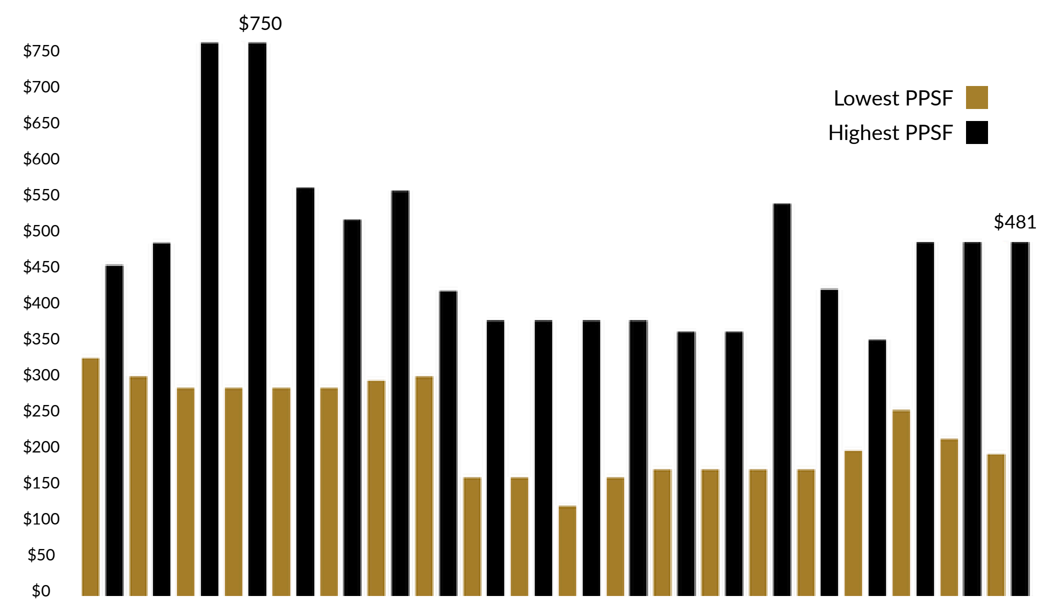
Average asking rent inched down by 3% from $318 to $308, and 15% year-on-year. Rent is 33% below the all-time peak of $456 in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Nespresso	*85 Fifth Avenue*	*Luxury coffee/appliance*
Pura Vida	*100 Fifth Ave*	*Fast casual*
Aritzia	115 Fifth Avenue	Apparel
Bam Labs	*150 Fifth Avenue*	*Fitness*
Reformation	122 Fifth Avenue	Apparel
PacSun	136 Fifth Avenue	Apparel

*Italicized are new leases, non-italicized are openings





Flatiron: Broadway
(14th Street - 23rd Street)

Broadway in the Flatiron District attracts a wide array of retailers, including many new-to-market brands, drawn to its proximity to Union Square Park, and the neighborhood's eclectic and energetic vibe. Storefront availability is even more limited than Fifth Avenue, with only 5 storefronts actively marketed.

Uniqlo leased the former Petco at 860 Broadway and workwear company Carhartt opened its first ever Manhattan 5,000 sf store in October, which will feature more womenswear.

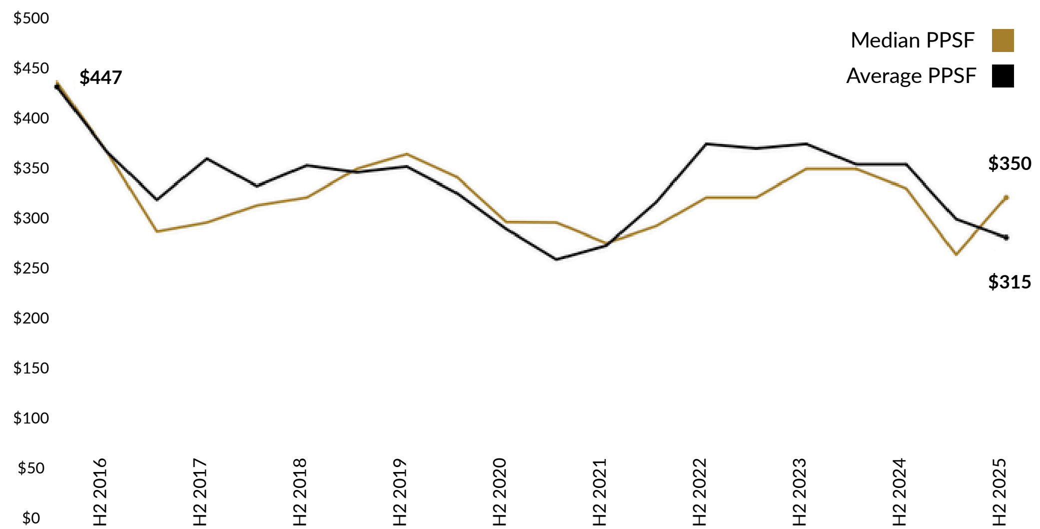
Nearby Union Square and NoMad remain active as well. West Coast doughnut shop, Voodoo Doughnut leased its first NYC location, a 2,800 sf storefront at 41 Union Square West.

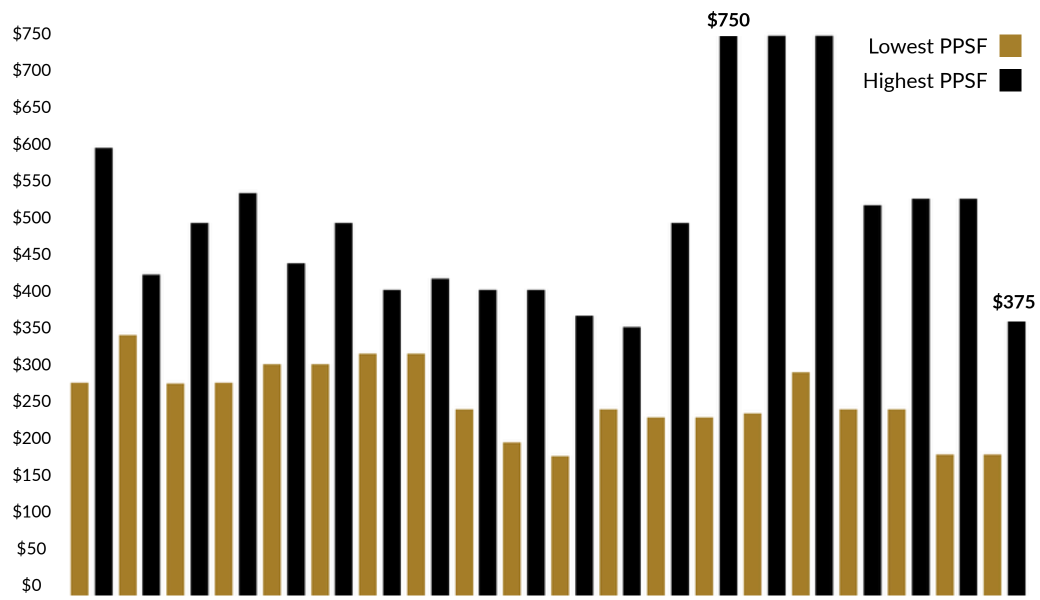
Average asking rent fell by 5% from $331 to $315 - a 17% year-on-year decrease. Rent is 30% below the all-time peak of $447 in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Uniqlo	860 Broadway	Apparel
Carhartt	936 Broadway	Apparel
Voodoo Doughnut	41 Union Square West	Doughnut shop

*Italicized are new leases, non-italicized are openings





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Meatpacking
(14th Street - 10th Avenue)

In the early part of Manhattan's retail recovery, the Meatpacking District lagged other corridors. This neighborhood has garnered more attention in 2025 thanks to significant leases and openings from luxury brands like Baccarat. Nevertheless, the Meatpacking District still has extensive vacancies on 14th Street, as well as nearby Washington Street.

Already drawing extensive foot traffic thanks to popular attractions like the Whitney Museum, the High Line, exciting new hotels, the addition of Little Island and the opening of the Disney HQ have boosted the neighborhood's activity.

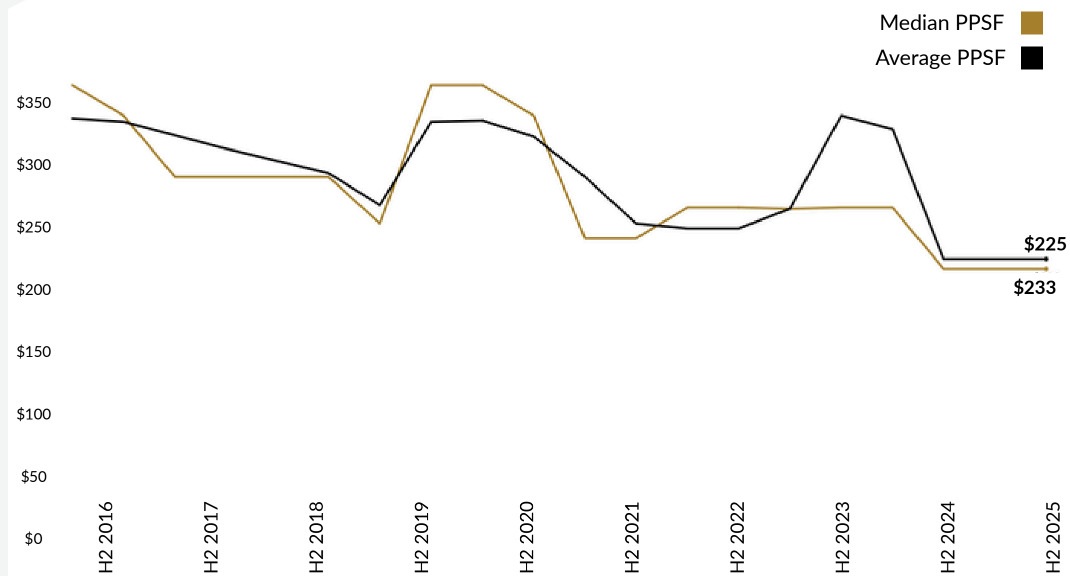
Baccarat's opening in November adds to the neighborhood's roster of distinctive luxury retail. Nevertheless, 14th Street (as well as nearby Washington Street) have quite a few availabilities remaining.

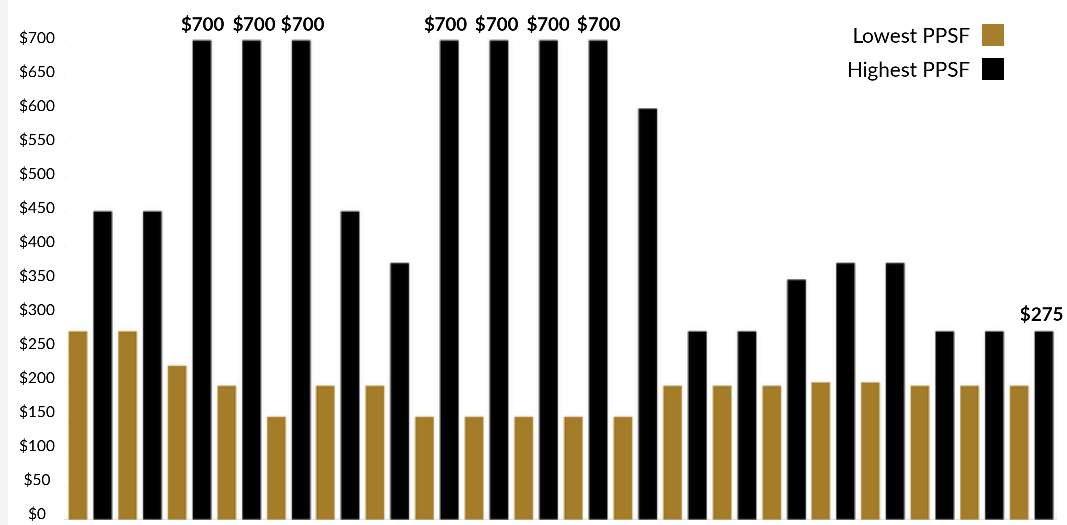
Average asking rent was unchanged, remaining at $233, and ranging from $195 to $275. Average rent is still down significantly (33%) from the pre-pandemic peak of $348 in 1H 2016.

Leases/Openings

Retailer	Address	Sector
Baccarat	33 9th Ave	Home goods
ID Hot Yoga	*410 West 14th Street*	*Fitness*

*Italicized are new leases, non-italicized are openings





West Village: Bleecker Street
(Seventh Ave - Hudson Street)

The West Village's storefront inventory is almost fully leased, with only three smaller storefronts being marketed. Leasing activity has been very limited and with very few turnovers, the tenant roster along Bleecker Street has been stable.

This neighborhood remains popular with brands seeking a more exclusive or boutique setting with an electric mix of restaurants and chic fashion. Bombas, the digitally-native sock and apparel company, opened its first physical retail store at 345 Bleecker and California-based Mother Denim leased the corner of Bleecker Street & Bank Street for its first New York City location.

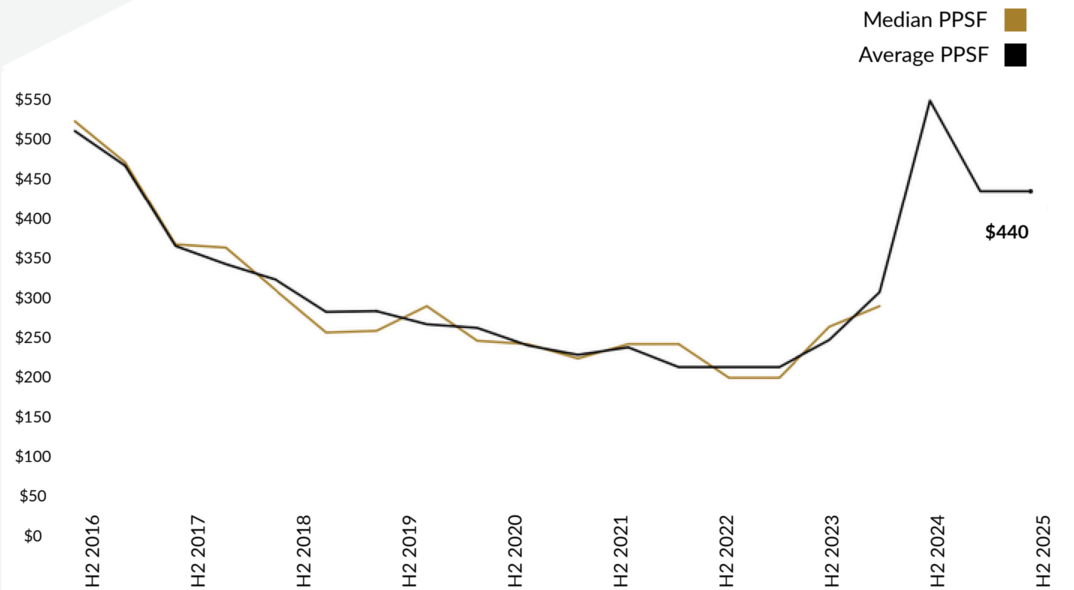
Retailers are finding a few more options on nearby streets. In October, Flynn McGarry's third NYC restaurant, Cove opened at 258 W. Houston Street.

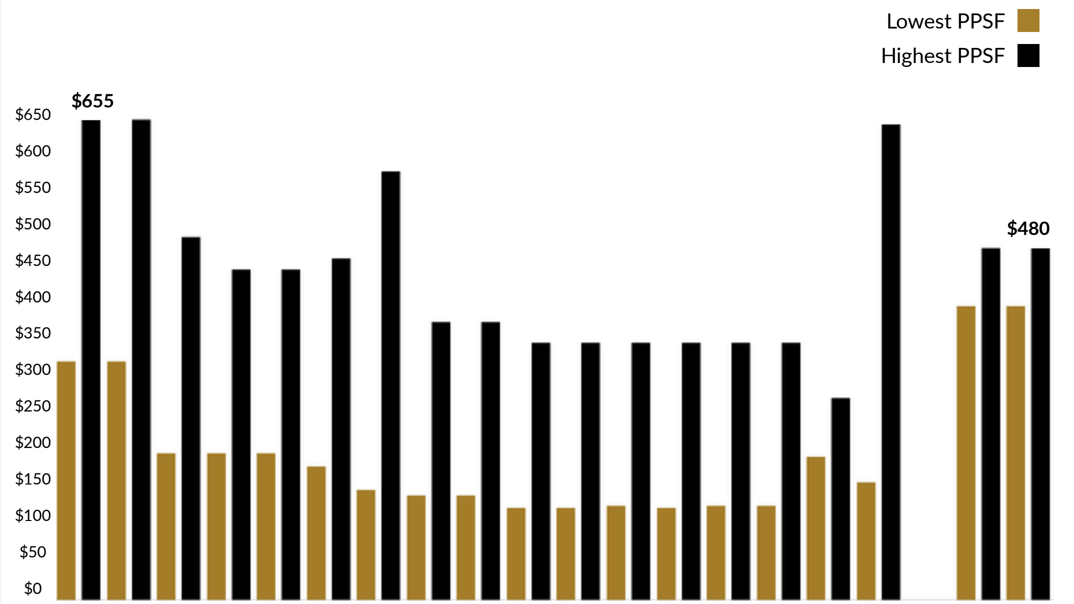
Average asking rent rose by 3.3% from $426 to $440 , but fell by 20% from H2 2024, which was the most recent peak.

Leases/Openings

Retailer	Address	Sector
Bombas	345 Bleecker St	Apparel
Cove	258 West Houston Street	Restaurant
Mother Denim	*415 Bleecker Street*	*Apparel*

*Italicized are new leases, non-italicized are openings





SoHo: Broadway
(Houston Street - Broome Street)

Apparel and accessories brands continue to covet a location in SoHo. Many fast fashion and new innovative brands are opting for options along Broadway. Broadway now has only a handful of storefronts being actively marketed. Larger apparel leases include Abercrombie & Fitch at 524 Broadway and Calzedonia at 501 Broadway.

Availability is even more limited and rents are higher on many of SoHo's side streets, where international luxury brands looking for a more exclusive setting. In July, designer Antonio Marras opened his first store with 700 sf at 121 Wooster Street.

While luxury apparel and accessories brands have dominated activity other sectors are drawn to the shopping destination. Grown Brilliance's first NYC location debuted at 121 Greene Street in October. The store which took more than 18 months to design and build out features a chandelier made with 1,500 cut lab-grown diamonds. The chandelier was the winning design in a contest at New York's Fashion Institute of Technology. While the brand has 13 other locations nationally, the owner of Grown Brilliance wanted a NYC flagship due its expertise in design and creativity.

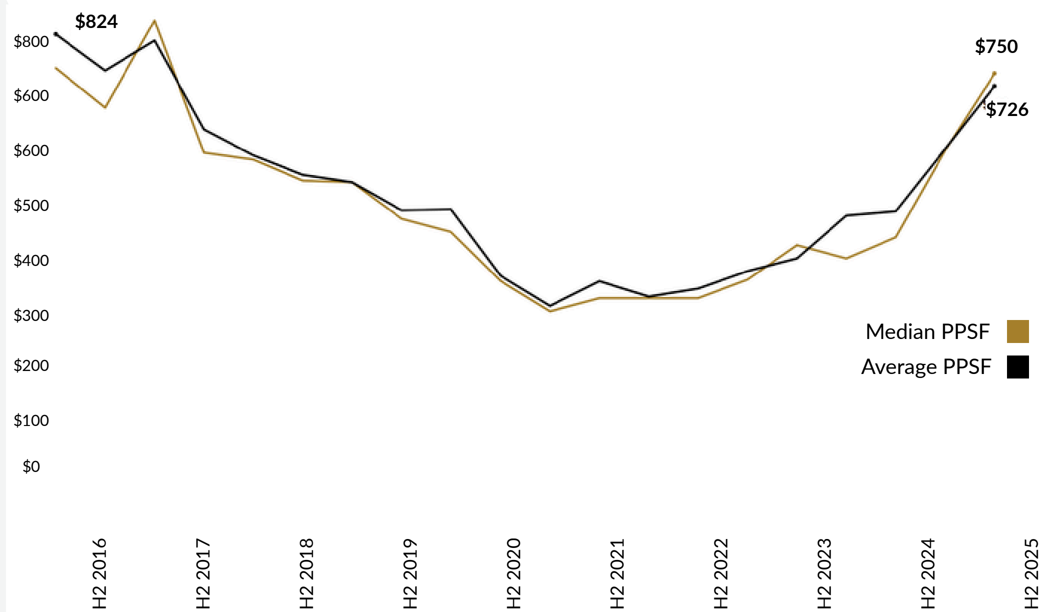
The Ring Concierge store opened its first fully owned and operated location at 435 W Broadway. Finally, Canadian travel and lifestyle brand Monos opened its first New York City location at 120 Mercer Street. Monos is the first North American luggage to achieve B Corp Certification, designating the company's commitment to sustainability and transparency.

SoHo: Broadway
(Houston Street - Broome Street)

Retailers continue to acquire properties in SoHo. Ingka investments paid $213 million for the former Nike location at 529 Broadway. IKEA's parent company will occupy the entire five-and-a-half store building, and plans its first SOHO store on the two lower floors and back office space on the upper floors.

NIKE (which has been at the former Prescott House Hotel since 2016) said it plans to look for another SoHo location after closing in 2026. As 2025 came to a close, Aflalo acquired 65-67 Greene Street for $31.75 million (nearly $1,500 sf) and intends to build out a flagship store at the properties. The storefront is currently occupied by Norrøna.

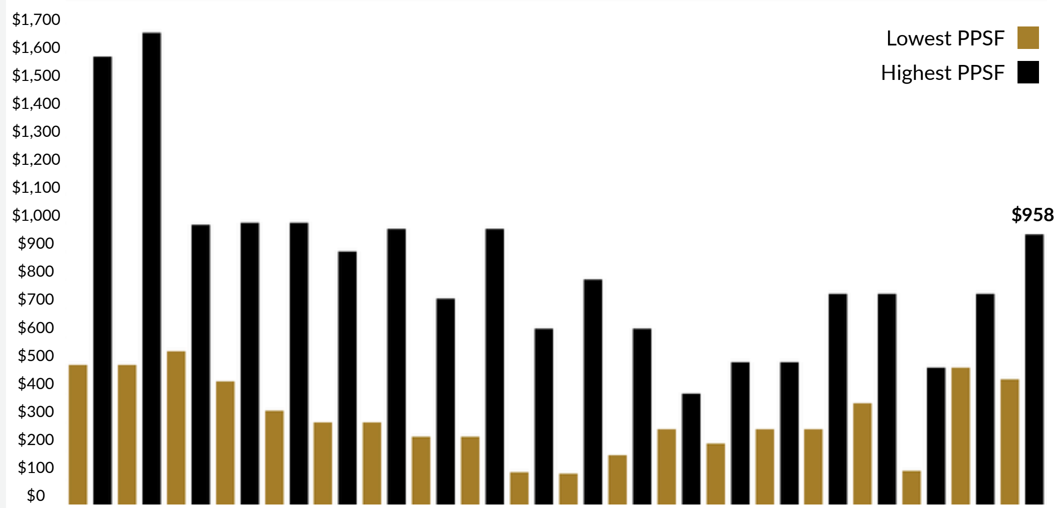
Average asking rent jumped by 20% to $726. Rent is only 12% below the all-time peak of $824 in 1H 2016.



Leases/Openings

Retailer	Address	Sector
Antonio Marras	121 Wooster Street	Apparel
Ring Concierge	435 W Broadway	Jewelry
Lululemon	*Broadway*	*Apparel*
Aflalo	56 Greene Street	Apparel
Grown Brilliance	121 Greene Street	Jeweler
Monos	120 Mercer Street	Luggage
Rails	13 Prince Street	Apparel

*Italicized are new leases, non-italicized are openings



Financial District: Broadway
(Battery Park - Chambers Street)

The Financial District has secured some notable retail leases and openings over the last year. There are still 17 storefronts being marketed as of 2H 2025.

Some anticipated openings have experienced delays. The Golden Mall, a successful Chinese food emporium from Flushing, is expected to open in early 2026 at 47 Broadway and will have 18 different food vendors. Popup Bagels at Greenwich & Reade, now anticipates an early 2026 opening.

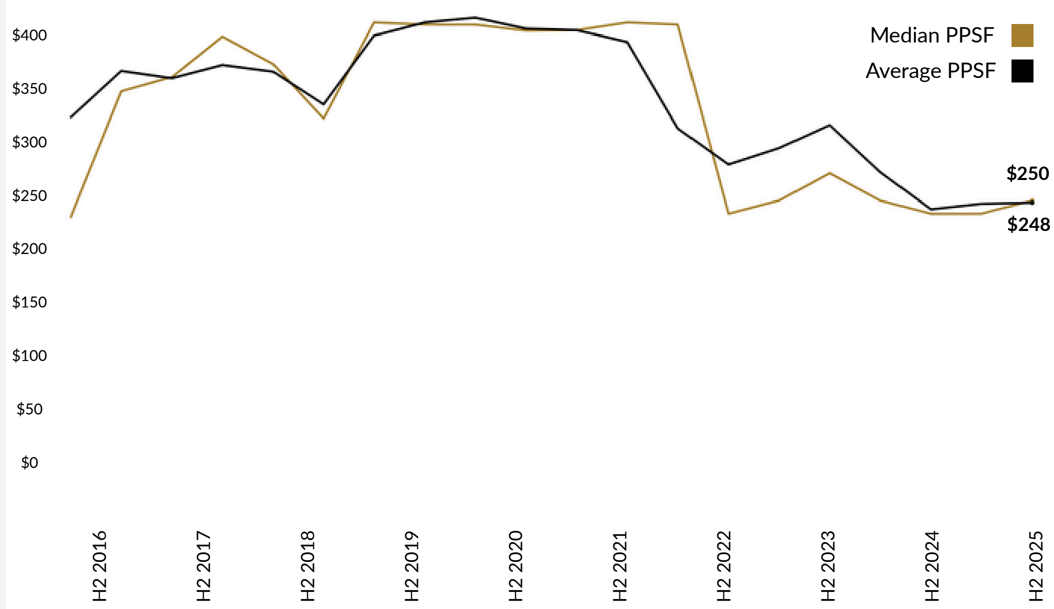
Recent openings cater to both residents and office workers. Lower Manhattan is hoping that its office buildings will maintain momentum as office space in Midtown tightens. Barcade opened at 10 Cortland Street, taking a portion of the former Century 21 space. Socceroof opened its doors at 28 Liberty Street in September. Finally, the first legal cannabis dispensary, LeFlora Cannabis, opened in September.

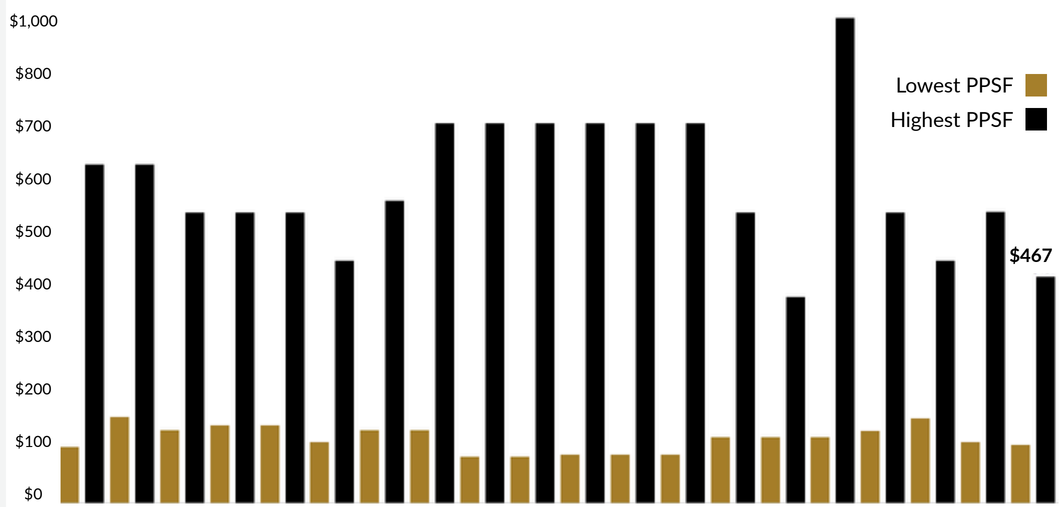
Asking rent inched up by 1% from $247 to $248, and up by 2% year-on-year. Asking rent is down by 41% from the most recent peak of $417 in 1H 2020.

Leases/Openings

Retailer	Address	Sector
Barcade	10 Cortlandt Street	Bar/arcade
Socceroof	28 Liberty Street	Indoor soccer
LeFlora Cannabis	111 Fulton Street	Cannabis
Matchaful	*Independence Plaza*	*Coffee/tea*

*Italicized are new leases, non-italicized are openings





Appendix

Average Asking Rent PPSF

Corridor	H2 2025	H1 2025	H2 2024	H1 2024	H2 2023	H1 2023	Δ H2 2025	ΔH1 2025
Harlem (125th)	$135	$138	$140	$145	$145	$155	-2.2%	-3.6%
Upper West Side (Broadway)	$227	$283	$247	$251	$242	$229	-19.8%	-8.1%
Columbus Avenue (66th - 77th)	$338	$348	$303	$277	$310	$310	-2.9%	11.6%
Upper East Side (86th: Lexington to Second Ave)	$279	$275	$298	$297	$298	$288	3.0%	-6.4%
Madison Avenue (57th - 72nd)	$861	$893	$957	$945	$950	$834	-3.6%	-10.0%
Third Avenue (60th - 72nd)	$221	$271	$264	$259	$236	$258	-18.5%	-16.3%
East 57th (Fifth Ave - Park Ave)	N/A	N/A	N/A	N/A	N/A	$313	N/A	N/A
Lower Fifth Avenue (42nd - 49th)	$625	$650	$650	$583	$587	$639	-3.8%	-3.8%
Upper Fifth Avenue (49th - 59th)	$2,550	$2,444	$2,085	$2,190	$1,721	$2,750	4.3%	22.3%
Times Square (Broadway and Seventh: 42nd - 27th)	$1,850	$1,936	$2,034	$1,955	$1,359	$1,050	-4.4%	-9.0%
Herald Square (34th: Fifth Ave - Seventh Ave)	$383	$447	$467	$495	$489	$415	-14.3%	-18.0%
Flatiron (Fifth Ave: 14th - 23rd)	$308	$318	$361	$259	$319	$299	-3.1%	-14.7%
Flatiron (Broadway: 14th - 23rd)	$315	$331	$379	$379	$397	$393	-4.8%	-16.9%
Meatpacking (14th: Ninth - Tenth Ave)	$233	$233	$233	$339	$350	$274	0.0%	0.0%
West Village (Bleecker: Seventh Avenue - Hudson)	$440	$426	$550	$317	$259	$226	0.0%	-20.0%
Soho (Houston - Broome)	$726	$621	$489	$481	$400	$376	16.9%	48.5%
Financial District (Broadway - Chambers)	$248	$247	$242	$276	$319	$298	0.4%	2.5%

Appendix

Median Asking Rent PPSF

Corridor	H2 2025	H1 2025	H2 2024	H1 2024	H2 2023	H1 2023	Δ H2 2025	Δ H1 2025
Harlem (125th)	$150	$155	$160	$165	$165	$142	-3.2%	-6.3%
Upper West Side (Broadway)	N/A	$275	$221	$205	$206	$200	N/A	N/A
Columbus Avenue (66th - 77th)	N/A	$347	$338	$331	$330	$330	N/A	N/A
Upper East Side (86th: Lexington to Second Ave)	$275	$271	$285	$300	$300	$300	1.5%	-3.5%
Madison Avenue (57th - 72nd)	$800	$800	$800	$853	$900	$850	0.0%	0.0%
Third Avenue (60th - 72nd)	$232	$275	$250	$250	$250	$250	-15.6%	-7.2%
East 57th (Fifth Ave - Park Ave)	N/A	N/A	N/A	N/A	N/A	$ 214	N/A	N/A
Lower Fifth Avenue (42nd - 49th)	$625	$650	$500	$500	$650	$650	-3.8%	25.0%
Upper Fifth Avenue (49th - 59th)	$2,500	$2,500	$1,800	$2,500	$2,000	N/A	0.0%	38.9%
Times Square (Broadway and Seventh: 42nd - 27th)	$1,361	$1,416	$1,478	$1,922	$1,350	N/A	-3.9%	-7.9%
Herald Square (34th: Fifth Ave - Seventh Ave)	$400	$425	$438	$450	$475	$405	-5.9%	-8.7%
Flatiron (Fifth Ave: 14th - 23rd)	$315	$315	$358	$250	$318	$245	0.0%	-12.0%
Flatiron (Broadway: 14th - 23rd)	$350	$300	$358	$375	$375	$350	16.7%	-2.2%
Meatpacking (14th: Ninth - Tenth Ave)	$225	$225	$225	$275	$275	$274	0.0%	0.0%
West Village (Bleecker: Seventh Avenue - Hudson)	N/A	N/A	N/A	$300	$275	$213	N/A	N/A
Soho (Houston - Broome)	$750	$604	$440	$400	$425	$360	24.2%	70.5%
Financial District (Broadway - Chambers)	$250	$238	$238	$250	$275	$250	5.0%	5.0%

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Methodology

The Real Estate Board of New York's (REBNY) bi-annual Manhattan Retail Report is a joint effort by the REBNY Manhattan Retail Advisory Group and the REBNY team. The report provides a particular point in time snapshot of major retail corridors in the borough based on available ground-floor retail asking rent information. All data is sourced from the respective firms of each REBNY Manhattan Retail Advisory Group member.

REBNY's bi-annual Manhattan Retail Report includes the average price per square foot, median price per square, the lowest price per square foot and highest price per square foot for each of the 17 retail corridors tracked.

Key Terms

Asking Rent – Represents the annual dollar amount the lessor is asking in order to lease their retail space.

Availability – Direct ground-floor retail space that is actively marketed or off-market; includes spaces for immediate and future occupancy which are not necessarily vacant. Does not include below or above ground-floor retail space, spaces with frontage on side streets or subleases.

PPSF – The price per square foot is calculated by dividing the annual asking rent by the ground-floor square footage.

Average PPSF – The average price per square foot is calculated using the price per square foot that represents the straight-line average for all direct, ground-floor availabilities within a particular corridor frontage. The Average PPSF provides values that are not skewed by high or low outlier prices.

Median PPSF – The median price per square foot is calculated using the price per square foot that represents the midpoint PPSF for all direct, ground-floor availabilities within a particular corridor frontage. Half of the prices Fall either below or above this value.

Lowest PPSF – The lowest price per square foot recorded for all direct, ground-floor availabilities within a particular corridor frontage.

Highest PPSF – The highest price per square foot recorded for all direct, ground-floor availabilities within a particular corridor frontage.

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Colliers International
Cushman & Wakefield
Empire State Realty Trust
Newmark
Ripco Real Estate