



2007 numbers continue to rise, projecting a profitable 2008

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This year's retail scene once again exceeded all expectations, breaking records set during 2006 and introducing even more trends. Manhattan shopaholics were presented with more options in more neighborhoods, proving that there is no limit to New York's shopping landscape. This holiday season welcomed new trends and exciting results, setting the stage for 2008.

A look at the gift that keeps on giving-the gift card-underscores the strength in the retail market this season. During the last week of December, retail sales were up by some 14%, 7% higher than the same week last year. Some prognosticators say that retail in November and December was up almost 4% over 2006. I predict that this increase will soar even higher as revenues from gift cards continue to pour in. Traditionally, only 25% of gift card revenue is reported during the week following Christmas and more than two-thirds of cards will be redeemed by the end of January.

New York City continues to stand head and shoulders above the rest of the country in retail, boasting the highest overall average rent per s/f. A recent survey of the world's most expensive retail corridors of 2007 again hailed New York's Fifth Ave. between Rockefeller Center and Central Park as the priciest. Along the luxury walk, rents have nearly doubled since 2003, now fetching \$1,800 per s/f. This gilded street is home to the most high-profile designers, and continues to welcome more.

Part of the reason Manhattan can command such high rents is the number of the consumers that flood the streets each day-residents, workers and tourists, both national and international. With 250 retail districts, a retailer can have a store in almost every neighborhood without cannibalizing its business. Most of the retailers who are already here have multiple locations for that reason, and because sales per s/f far exceeds anywhere else. On the great retail streets of the city, cash registers are running all day, seven days a week

From Zara and Mango to CB2 and Muji, foreign retailers have increased their presence in Manhattan, just in time to reap benefits from heightened consumer confidence, reported at the beginning of 2008. Whether purveying haute couture or ready-to-wear, European and Asian stores alike are finding willing shoppers in Manhattan. Parisian apparel company Diab'less has its first east coast store at 1138 Third Ave. Sarar will open at 375 Madison just down the street from Italy's La Camiceria, which recently launched at number 509. Yoga-focused sportswear shop Lululemon Athletica debuted at One Union Sq. West. Korres, cosmetics from Greece, brought a flagship to 110 Wooster St. Spanish retailer MNG by Mango has joined the fast fashion race at 561 Broadway. A showcase of Belgian designers can be found at Le Sous Sol, newly unveiled at 137 Rivington St. The most important international news comes from Great Britain-Topshop Soho will open at 478 Broadway, nestled among established retailers Bloomingdales, Uniqlo, Prada, cheap-chic H&M and Forever 21.

Last year, retailers adopted new tactics and renovated their stores, appealing to the wide range of

consumers that walk past their doors on a daily basis. With the holiday season coming to an end, look for January retail numbers to reflect the many successes of 2007. Here's to a prosperous 2008, filled with new and exciting retail trends.

Happy New Year and Happy Shopping!

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