MARKETBEAT MANHATTAN
RETAIL Q3 2026



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$115,800 Median HH Income	▲	▲
0.1% Population Growth	▲	▼
4.2% Unemployment Rate*	▼	▲

Source: BLS, BOC, Moody's Analytics

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6% GDP Growth	▼	▲
1.5% Consumer Spending Growth	▼	▲
1.0% Retail Sales Growth	▼	—

Source: BEA, Census Bureau

ECONOMY: TOURISM AND SPENDING SUPPORT RETAIL LEASING DESPITE ELEVATED COSTS

Manhattan's retail leasing maintained its positive trajectory in Q3 2026, buoyed by rising incomes, a strengthening labor market, robust tourism spending, and consumer sentiment that has outpaced the national average over the past year. Unemployment eased by 40 basis points (bps) quarter-over-quarter (QOQ) to 4.2%, matching the national rate and undercutting the New York City metro area's 4.7%. The 2026 FIFA World Cup generated $2.0 billion in citywide economic impact and lifted international Visa card spending in Manhattan by 12.0% year-over-year (YOY). Fit-out costs for New York City in-line spaces rose 7.0% YOY to $181 per square foot (psf), making concessions a key component of lease negotiations. Although the Fed's recent and expected rate hikes may raise tenant financing costs, retailers' bullish outlook on Manhattan should support leasing activity through year-end.

SUPPLY & DEMAND: FLATIRON/UNION SQUARE AVAILABILITY RATE NEARLY HALVES YOY

Manhattan's retail availability rate fell to a historic low of 9.8% in Q3 2026, down 60 bps QOQ and 2.7% YOY. Scarce space tempered activity, with transaction volume reaching roughly 3.0 million square feet (msf) year-to-date (YTD)—4.9% below the same period in 2025. Even so, a diverse set of retailers inked a total of 151 leases within the borough's 12 prime corridors, reflecting resilient demand amid a supply-strained market.

Flatiron/Union Square West posted the sharpest YOY availability decline, falling from 14.5% to 7.6% as Bath & Body Works and American Eagle absorbed prime Fifth Avenue opportunities. Upper Fifth Avenue followed, with availability dropping 440 bps to 13.0%. Meanwhile, Lower Madison Avenue compressed 410 bps to 8.8% as strong first-half 2026 luxury demand pushed third-quarter activity north of East 72nd Street, where availability stood at 2.2%. The Upper East and West Sides also drew strong interest, landing two of the quarter's largest deals: T.J. Maxx (28,837 square feet [sf]) and Crunch Fitness (28,100 sf). Herald Square/West 34th Street's 5.1% decline overstated demand as more storefronts were removed from the market than leased.

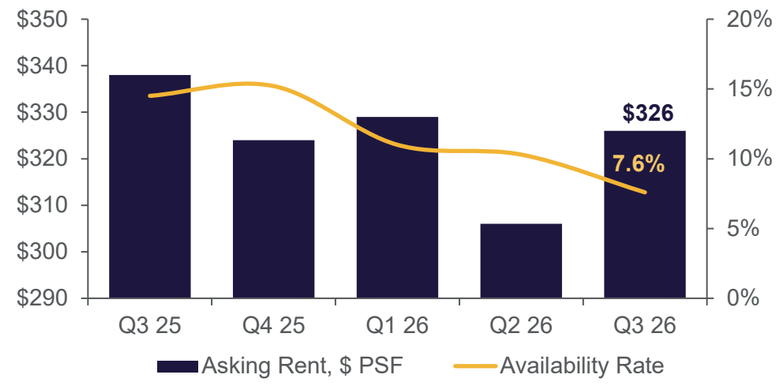
Food and beverage (F&B) tenants captured the largest share of deals, accounting for 39.7% of those signed YTD. Quick-service and café concepts made up most F&B deals, with smaller footprints favoring residential neighborhoods like Greenwich Village. Larger restaurants clustered in Midtown, including Corner Table Restaurant Group's two-concept lease for The Smith and Parla in Times Square and An'nam in Murray Hill. Apparel and accessories followed at 21.2%, concentrated in SoHo and Madison Avenue. Gentle Monster (28,500 sf) in NoLita and MAC (5,325 sf) in SoHo underscored brands' continued appetite for flagships in and around the world-renowned shopping district.

PRICING: ASKING RENTS EDGE HIGHER AS LANDLORDS GAIN LEVERAGE

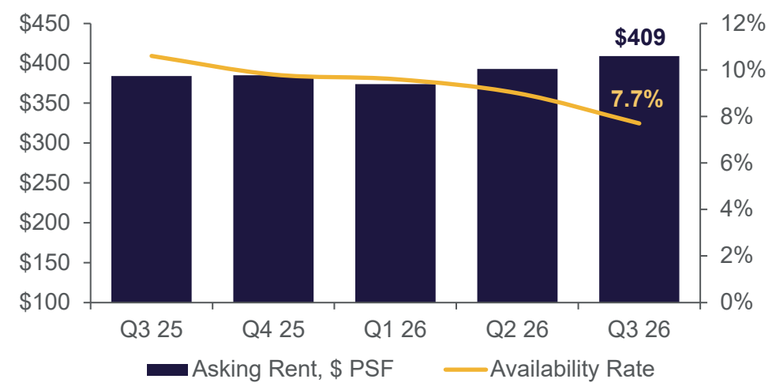
In Q3 2026, the average ground floor asking rent rose 2.9% QOQ and 5.2% YOY to $730 psf. Gains were broad, with nine of 12 corridors up QOQ. Upper Fifth Avenue posted the strongest annual growth, up 15.5% to $2,627 psf, as long-term commitments from David Yurman, Meta, and UGG tightened supply while two new above-market availabilities at 655 and 681 Fifth Avenue lifted both the submarket and Manhattan averages. Third Avenue and the Upper West Side also outperformed, rising 13.8% and 12.6%—while Times Square, Herald Square/West 34th Street, and Lower Manhattan trailed amid softer demand.

SoHo, Third Avenue, and the Upper West Side led five-year rent growth since Q3 2021, rising 47.1%, 35.1%, and 25.6%, respectively. Proximity to dense, affluent residential populations pushed availability into the single digits across all three corridors (7.7%, 6.3%, and 8.2%), allowing new-to-market listings to command premium asking rates. With space dwindling across the borough, landlords are holding asking rents steady or nudging them higher on new listings, a trend likely to continue through year-end.

FLATIRON / UNION SQUARE ASKING RENT / OVERALL AVAILABILITY RATE



SOHO ASKING RENT / OVERALL AVAILABILITY RATE



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MARKET STATISTICS

SUBMARKET	Q3 2025 ASKING RENT	Q3 2026 ASKING RENT*	% CHANGE YOY	Q3 2025 AVAILABILITY RATE	Q3 2026 AVAILABILITY RATE	% POINT CHANGE YOY
Fifth Avenue (42nd-49th Streets)	$620	$647	4.4%	9.3%	13.0%	3.7%
Fifth Avenue (49th -60th Streets)	$2,275	$2,627	15.5%	17.4%	13.0%	-4.4%
Madison Avenue (East 57th-East 72nd Streets)	$869	$889	2.3%	12.9%	8.8%	-4.1%
**Madison Avenue (East 72nd-East 86th Streets)	N/A	$753	N/A	N/A	2.2%	N/A
SoHo (Broadway to West Broadway)	$384	$409	6.5%	10.6%	7.7%	-2.9%
Third Avenue (East 57th-East 79th Streets)	$247	$281	13.8%	7.5%	6.3%	-1.2%
Times Square Bow Tie (Broadway and Seventh, 42nd-49th Streets)	$1,610	$1,492	-7.3%	15.8%	17.5%	1.7%
Upper West Side (Broadway and Columbus Avenue)	$301	$339	12.6%	8.2%	8.2%	-
Flatiron/Union Square West (Fifth, Broadway)	$338	$326	-3.6%	14.5%	7.6%	-6.9%
Meatpacking	$289	$324	12.1%	19.3%	16.0%	-3.3%
Herald Square/West 34th Street (Fifth Avenue-Seventh Avenue)	$478	$462	-3.3%	32.2%	27.1%	-5.1%
Lower Manhattan (Broadway, Wall, and Fulton Streets)	$224	$213	-4.9%	17.3%	19.0%	1.7%

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

***Upper Madison Avenue (East 72nd-East 86th Streets) reporting began in Q1 2026, historical figures not available*

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
150 East 86th Street	Upper East Side	T.J. Maxx	28,837	New Lease
295 Lafayette Street	NoLita	Gentle Monster	28,500	New Lease
32 Old Slip	Lower Manhattan	5 Iron Golf	28,288	New Lease
2182 Broadway	Upper West Side	Crunch Fitness	28,100	New Lease
210 East 86th Street	Upper East Side	Happier Grocer	20,500	New Lease
582 Seventh Avenue	Times Square	Corner Table Restaurants	17,000	New Lease
19 Union Square West	Flatiron / Union Square	Bank of America	16,309	New Lease
620 Fifth Avenue	Rockefeller Center	UGG	13,297	New Lease
452 Fifth Avenue	Grand Central	BankUnited	13,097	New Lease
292 Madison Avenue	Grand Central	Mad Under	10,951	New Lease

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
675 Hudson Street	Greenwich Village	Aurora Capital Associates, David Ellis Real Estate LP / Caprice Restaurants	29,300	$100.0M / $3,413
69-71 Greene Street	SoHo	JSRE Acquisitions / Acadia Realty Trust	32,950	$60.0M / $1,821
841 Madison Avenue	Upper East Side	JSRE Acquisitions, Status Capital / RFR Realty	18,877	$57.0M / $3,020

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