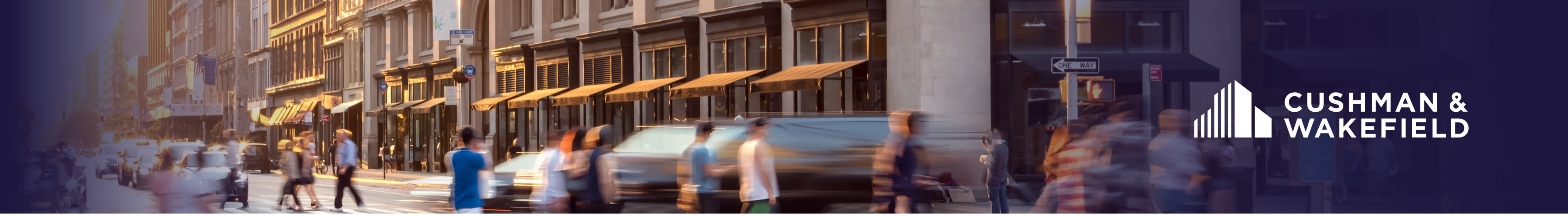


MARKETBEAT MANHATTAN

RETAIL Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
$113,800 Median HH Income	▲	▲
0% Population Growth	—	▼
4.6% Unemployment Rate	▲	▲

Source: BLS, BOC, Moody's Analytics

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.2% GDP Growth	▲	▲
2.1% Consumer Spending Growth	▼	▲
1.5% Retail Sales Growth	▼	▲

Source: BEA, Census Bureau

ECONOMY: MANHATTAN'S ECONOMIC BACKDROP REMAINS FAVORABLE FOR RETAIL LEASING

Economic and tourism fundamentals remained supportive of retail leasing, with median household income rising 3.3% year-over-year (YOY) to $113,800. Total employment reached nearly 4.9 million positions through May, with leisure and hospitality up 16,200 jobs to its highest level since November 2025. Manhattan's unemployment rate held at 4.6%, below the NYC metro's 5.3% but above the national average of 4.2%. While the full impact of the FIFA World Cup on tourism and spending has yet to be seen, June visitation across the borough increased 6.5% YOY and Times Square foot traffic rose 12.0% from 2024 levels. According to the NYC Hospitality Alliance, 63.0% of local restaurants and bars reported higher sales during the tournament, reinforcing retailer confidence in Manhattan's premier corridors.

SUPPLY & DEMAND: AVAILABILITY CONTINUES TO TIGHTEN

Manhattan's retail leasing market in Q2 2026 was defined by resilient demand amid historically limited supply. Availability across premier corridors fell to 10.4%, the lowest rate on record and a sharp improvement from the pandemic-era peak of 27.8% in Q1 2021. Even as supply tightened and buildout costs remained elevated, leasing activity held steady, with volume reaching 2.2 million square feet (msf) in the first half of the year, down just 1.8% from 2025. The modest decline appears more reflective of limited available space than any meaningful pullback in demand.

Availability on Upper Fifth Avenue and Lower Madison Avenue each contracted 5.8% YOY to 11.6% and 9.4%, respectively, the sharpest depletion among Manhattan corridors. David Yurman's 24,270-square-foot (-sf) lease at 685 Fifth Avenue, spanning three former storefronts, was among the quarter's most notable transactions. Upper Madison Avenue, newly tracked in 2026, closed with a market-low availability rate of 2.2%, further contributing to Manhattan's tightening conditions. SoHo's availability fell to its lowest level since 2012 and declined 20.8% from its Q1 2021 peak, with no long-term sublease opportunities this quarter. The Upper West Side posted only a modest 0.6% YOY increase in availability, while Lower Fifth Avenue inflated 5.5% following the introduction of two new availabilities at 522 Fifth Avenue.

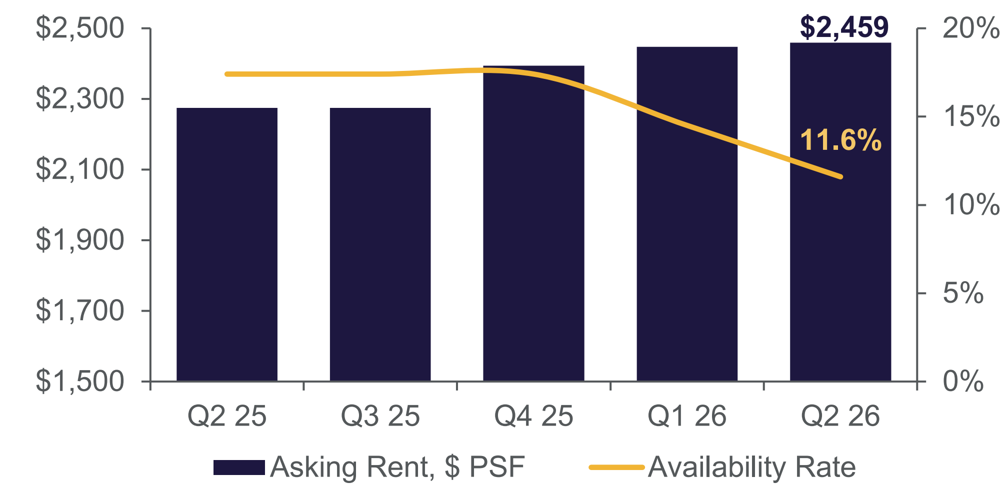
Food and beverage stood as Manhattan's most active tenant category, accounting for 39.4% of year-to-date (YTD) leasing volume. Independent operators favored dense residential neighborhoods, while acclaimed fine-dining concepts such as L'Artusi and Catch Hospitality secured spaces in Midtown. Apparel and accessories captured the second-largest share of leasing activity at 21.0%, with SoHo leading all submarkets with 22 signed leases. The quarter's largest transaction was Urban Outfitters' renewal at 620 Broadway in NoHo. Address prestige remained a key driver of demand, as Broadway, Fifth Avenue, and Madison Avenue collectively accounted for 40.2% of the industry's disclosed YTD leasing volume.

PRICING: ASKING RENTS RISE IN PRIME SUBMARKETS

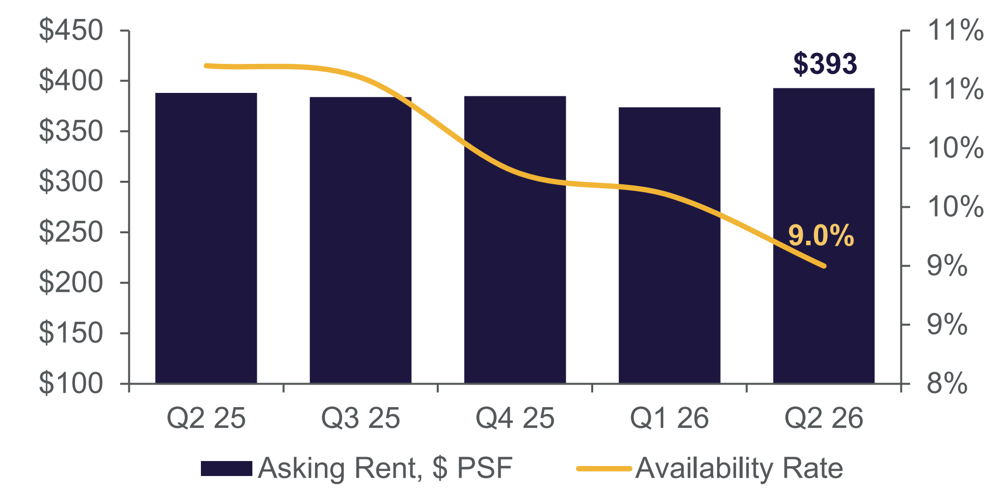
Average asking rents across Manhattan continued to climb, with eight of 12 corridors posting annual gains and contributing to a 1.1% YOY increase in the overall average to $710 per square foot (psf). Third Avenue and Meatpacking recorded the strongest growth, up 10.6% and 10.3% YOY to $281 and $321 psf, respectively; Meatpacking's increase was supported by Gucci's newly marketed storefront and the absorption of spaces that previously carried below-average asking rents during the first half of 2026. Upper Fifth Avenue posted a notable 8.1% YOY gain as landlords held firm on asking rents. Times Square and Lower Manhattan posted the steepest declines, falling 10.0% and 13.2% YOY, amid weaker demand. Still, Ulta Beauty's 25,600-sf lease, the quarter's largest new transaction, reaffirmed retailer confidence in the Bowtie. Meanwhile, Flatiron/Union Square rents declined 10.5% YOY, reflecting the leasing of quality space rather than weakening tenant demand.

Over the past five years, SoHo and Third Avenue recorded the strongest rent appreciation, up 43.4% and 41.9%, respectively—nearly double the pace of other corridors. With availability at record lows, market fundamentals are expected to support continued upwards pressure on rents, although elevated construction costs may lead tenants to pursue more generous concession packages.

UPPER FIFTH AVENUE ASKING RENT / OVERALL AVAILABILITY RATE



FLATIRON / UNION SQUARE WEST ASKING RENT / OVERALL AVAILABILITY RATE



MARKET STATISTICS

SUBMARKET	Q2 2025 ASKING RENT	Q2 2026 ASKING RENT*	% CHANGE YOY	Q2 2025 AVAILABILITY RATE	Q2 2026 AVAILABILITY RATE	% POINT CHANGE YOY
Fifth Avenue (42nd-49th Streets)	$620	$647	4.4%	9.3%	14.8%	5.5%
Fifth Avenue (49th -60th Streets)	$2,275	$2,459	8.1%	17.4%	11.6%	-5.8%
Madison Avenue (East 57th-East 72nd Streets)	$878	$883	0.6%	15.2%	9.4%	-5.8%
**Madison Avenue (East 72nd-East 86th Streets)	-	$743	N/A	-	2.2%	N/A
SoHo (Broadway to West Broadway)	$388	$393	1.3%	10.7%	9.0%	-1.7%
Third Avenue (East 57th-East 79th Streets)	$254	$281	10.6%	7.9%	7.5%	-0.4%
Times Square Bow Tie (Broadway and Seventh, 42nd-49th Streets)	$1,656	$1,490	-10.0%	17.5%	15.8%	-1.7%
Upper West Side (Broadway and Columbus Avenue)	$306	$321	4.9%	7.9%	8.5%	0.6%
Flatiron/Union Square West (Fifth, Broadway)	$342	$306	-10.5%	13.1%	10.3%	-2.8%
Meatpacking	$291	$321	10.3%	22.0%	17.3%	-4.7%
Herald Square/West 34th Street (Fifth Avenue-Seventh Avenue)	$481	$470	-2.3%	33.9%	30.5%	-3.4%
Lower Manhattan (Broadway, Wall, and Fulton Streets)	$234	$203	-13.2%	17.3%	15.6%	-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 Q2 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1551 Broadway	Times Square	Ulta Beauty	25,600	New Lease
628 Broadway	NoHo	Urban Outfitters	25,565	Renewal*
210 East 86th Street	Upper East Side	Happier Grocer	24,401	New Lease
685 Fifth Avenue	Plaza	David Yurman	24,270	New Lease
234 West 42nd Street	Times Square	House of Spells	20,335	New Lease
836 Broadway	Flatiron / Union Square	The Magical Candy Cottage	18,750	New Lease
2250 Broadway	Upper West Side	The Dorm	16,176	New Lease
373 Park Avenue South	Park Avenue South	Stout NYC	13,810	New Lease
23 West 18th Street	Flatiron / Union Square	CB2	12,152	New Lease
942 Third Avenue	Midtown East	Avocado Green Mattress	12,036	New Lease

Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / $ PSF
403-415 Avenue of the Americas	Greenwich Village	Samco Properties / Midwood Investment & Development, John Usdan	18,564	$41.0M / $2,209
1511 Third Avenue	Upper East Side	Nuveen JV Union Investment / Stockbridge Capital Group	17,491	$46.1M / $2,637
240 & 244 Bowery	NoLita	Anton Mayer, 236 Bowery LLC / Building Equity Management	13,649	$48.0 M / $3,517

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