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## Inside Fifth Avenue's luxury land rush: Why 2026 will be a defining year

Fifth Avenue sits at the centre of a sweeping reform. The world-famous shopping corridor is simultaneously due to undergo a historic redesign, seeing record-low retail availability, and yet still attracting billions in luxury brand investments.



Fifth Avenue, New York. Credits: Unsplash.

**By Rachel Douglass**

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High-end retail competition is heating up, and with urban transformation reshaping some of the world's central shopping districts, strategic opportunities and market dynamics are rapidly shifting. New York's prestigious Fifth Avenue is particularly in a state of flux. The famed shopping street is currently experiencing a unique merging of a 400 million dollar redesign, record-low retail availability, and high-end investment. 2026 may be a defining year for brands looking to secure prime positioning in New York City's most competitive real estate corridor.

Despite uncertainty surrounding the future of one of Fifth Avenue's landmark tenants, the shopping destination remains a global luxury benchmark and a key strategic location for brands looking to establish solid flagship foundations. This year, however, many are rethinking their approach to the avenue, with high-end investments persisting despite retail sector scepticism, heightened by the bankruptcy of Saks Global.

Yet, the fact remains, locating on Fifth Avenue comes with prestigious ties. "If a brand wants to have a certain stature, then they have to have a position on Fifth because it's a reputation thing," Charlie Koniver, partner at Odyssey Real Estate Advisors, told FashionUnited in an interview. "A consumer sees you there, or goes to your website and sees you're located on Fifth Avenue, then it strengthens your position as a brand."

## **The renaissance of Fifth Avenue: From infrastructure to investment**

At the centre of Fifth Avenue's resurgence is the city's 400 million dollar 'Future of Fifth' public-private partnership, which targets the area from Bryant Park to Central Park. Announced by former mayor Eric Adams and launched in partnership with multiple organisations, the project intends to redefine the avenue as a pedestrian-focused corridor. Scheduled to break ground in 2028, the plan includes doubling sidewalk widths, adding 20,000 square feet of planters, and introducing public seating, among other enhancements. Traffic lanes will be reduced from five to three, streamlining infrastructure while emphasising the pedestrian experience.



Drawing of 'Future of Fifth' project plans. Credits: New York City Economic Development Corporation / NYC Gov.

The redesign reflects a broader trend among luxury retail of integrating urban planning with brand identity. Michael Shvo, developer and owner of multiple Fifth Avenue properties, explained to CRE Daily: “Retail is what made Fifth Avenue famous. With a redesigned streetscape, the luxury experience won’t stop at the store doors, it will begin the moment shoppers set foot on the avenue.”

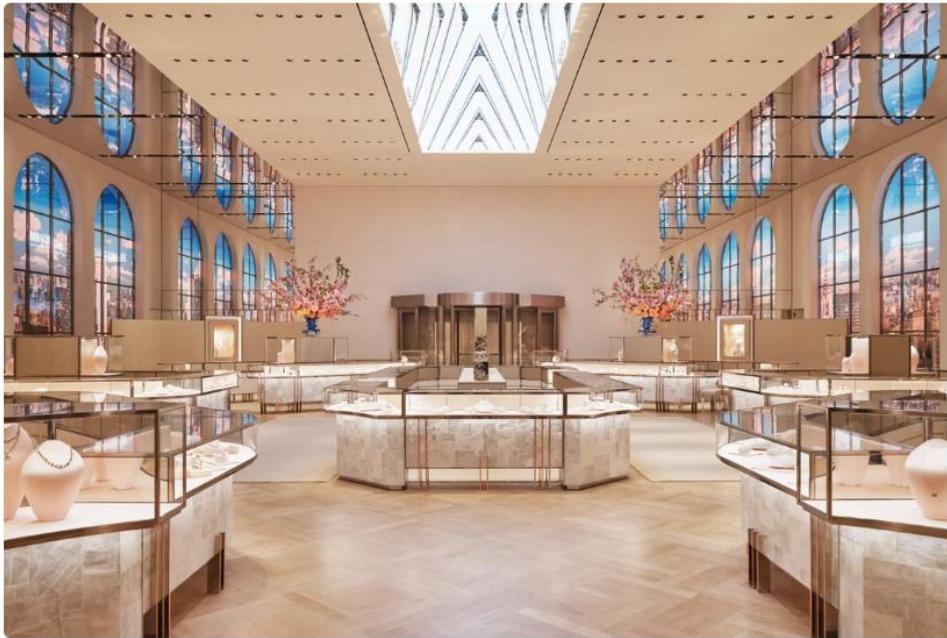
Luxury retailers are not waiting till 2028 to invest, however. Over the past two years, luxury giants have injected nearly four billion dollars in Fifth Avenue properties. Gucci parent Kering forked out almost one billion dollars for 711 to 715 Fifth Avenue; Rolex is constructing a 250 million dollar 30-storey flagship; and Prada Group has acquired multiple buildings. In addition, Louis Vuitton, Swarovski, and Chanel have all upgraded or opened flagship stores. These investments display long-term confidence in Fifth Avenue, despite ongoing uncertainty in the department store sector.

Koniver noted that such investments extend the luxury brand experience beyond store walls, increasing dwell time and sales opportunities. “If you give people the opportunity to slow down, then you should see an increased revenue potential for brands. If you widen sidewalks, add landscaping, make it a bit more enjoyable to walk, you will deter people from wanting to get out of that experience. Increasing dwell time should increase revenue.”

## **Scarcity and leasing pressure across Fifth Avenue and beyond**

Scarcity is another defining force on Fifth Avenue, yet isn’t reserved to this street alone. According to a January 2026 report by real estate firm JLL, retail availability across Manhattan’s top corridors dropped to 13.7 percent in Q4 2025, the lowest since 2017. Fifth Avenue is among the most competitive markets, with demand ahead of supply. SoHo and Upper Madison Avenue, meanwhile, reported availability rates below 10 percent, while prime corridor rents rose 6.7 percent in 2025 to 584 dollars per square foot.

This scarcity is intensifying competition among luxury brands, yet it is a far cry from the vastly different environment seen between 2017 and 2020, when Fifth Avenue was navigating a prolonged period of uncertainty, dubbed the “retail apocalypse” by the CRE Daily. During this period, on the back of a sharp rise in e-commerce reliance, store closures from brands like Ralph Lauren and Versace threw doubt into the sector. Rents peaked in 2017 but later shifted as digital and pandemic disruptions took hold, pushing retailers to blend online operations with in-person experiences.



'The Landmark' New York flagship on 57th Street and Fifth Avenue. Credits: Tiffany & Co.

Now, in contrast, we are entering what Koniver describes as a “land rush” effect, unseen in a decade. “We’re in a moment in time where there is some availability and movement. So brands have an opportunity to really position themselves in the right way. If you wait too long, you might find rents will continue to increase as a result of there being less availability,” he noted.

Indeed, despite luxury groups continuing to report declining revenues, many citing economic uncertainty and tariffs as central to impact, luxury retail expansion does continue. According to JLL, newly opened luxury retail square footage increased by 65.1 percent in the first half of 2025, with 59 percent of new stores opened between 2024 and 2025 located at street level instead of malls. Fifth Avenue, along with Madison Avenue and SoHo, led as the US’ top urban districts for luxury openings.

In response, an approach that has been adopted broadly sees brands spread out their presence across New York, leveraging the qualities of each area. Van Cleef & Arpels, for example, maintains a location on Madison Avenue, offering a slower-paced, curated experience for select clientele compared with the high-footfall environment of its Fifth Avenue location. This strategy reflects the wider dynamics of Manhattan’s luxury market, defined by supply-demand imbalances, which are expected to persist into 2026, particularly among top-tier submarkets where new inventory is limited.

Patrick Smith, vice chairman of JLL, elaborated: “Retailers that succeed will be those who plan earlier, move decisively when the right space becomes available and align real estate

decisions with long-term brand strategy, ensuring that their physical footprint reinforces visibility, customer experience and growth objectives rather than reacting to short-term market pressures.”

## Department store fallout

A significant shock to the Fifth Avenue ecosystem arrived in January 2026, when Saks Global, the parent company of Saks Fifth Avenue, Bergdorf Goodman, and Neiman Marcus, filed for Chapter 11 bankruptcy following a debt-heavy merger. While the retail group has confirmed the closure of the majority of its off-price division, the future of its Saks Fifth Avenue flagship still remains uncertain, adding another level of disruption.



Saks Fifth Avenue SNL anniversary window Credits: Saks Fifth Avenue

If the department store closes, brands occupying its floors may lose co-tenancy advantages and be forced to relocate to street-level flagships or rethink sales strategies, potentially impacting competition for prime real estate. “All of the brands will likely need to come out on the street, so there will be an impact as a result of that,” Koniver notes.

Despite the uncertainty, Koniver maintains that Saks Fifth Avenue remains commercially important to brands, with many luxury labels still recording good business at the site. Its decline, however, presents both opportunities and challenges, particularly when it comes to lease negotiations. When sharing advice, Koniver said: “Utilise this moment with the department store issue to position yourself before there’s too much scarcity in the market.”

## Category dynamics

Beyond department stores, the brands driving Fifth Avenue's resurgence elsewhere are also shifting, hinting at a future identity-shift for the street itself. High jewellery labels are dominating, operating small-footprint, high-revenue spaces, Koniver notes. This element of the avenue's reputation is known among larger flagship brands like Cartier and Harry Winston.

Heritage fashion, like Prada and Moncler, meanwhile, are less prominent but still notable players, while emerging lifestyle and athleisure brands are poised to enter the avenue on the back of increasing demand for wellbeing-centric concepts and performance-focused apparel. According to Koniver, many of these companies have achieved sufficient revenue in smaller markets over recent years, putting them in a position to potentially compete for high-rent locations, another factor that could raise competition.

For those then looking to enter or expand on Fifth Avenue in 2026, timing is everything. Koniver advises brands to move while premium space still exists, before rents potentially escalate further; align store design and street-level interaction with broader marketing elements; and leverage growth in categories like athleisure and high jewellery. Koniver concludes: "Take advantage where you can. If the brand is performing well, then no better time to continue on the growth cycle path that they're on."



The North Face, Fifth Avenue, New York Credits: Courtesy The North Face