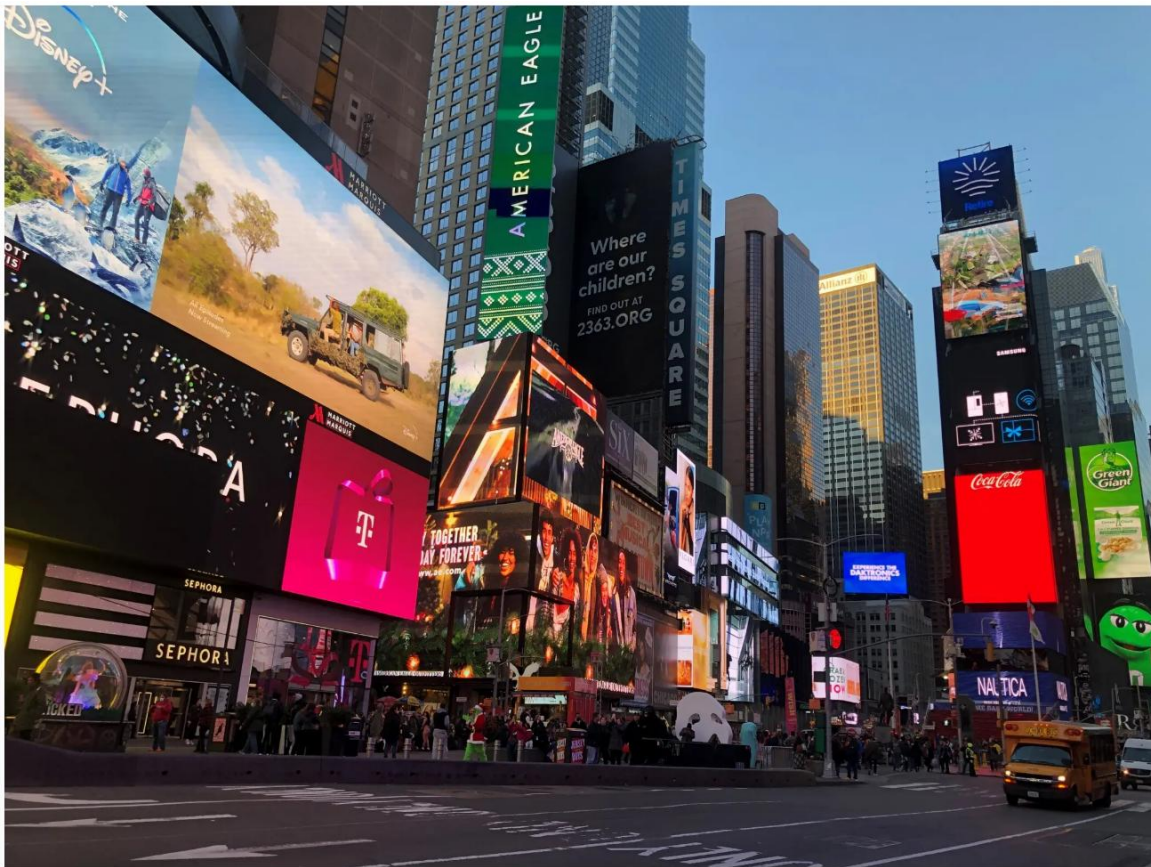


## Times Square and Fifth Avenue, Manhattan's most expensive retail corridors, lag in recovery

Districts among four combined making up 60% of New York borough's available storefronts



Times Square has trailed Manhattan's overall retail recovery, studies found. (Andria Cheng/CoStar)

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Manhattan's Times Square and the iconic Fifth Avenue stretch south of Central Park may have seen a return of tourist traffic, but the corridors — New York's most expensive — were found to be trailing in the city's overall retail rebound.

Times Square and the upper Fifth Avenue span between 49th and 59th streets are among four Manhattan districts that combined represented 60% of the available storefronts and most of the availability of spaces over 10,000 square feet in the second half of last year. That's according to the most recent biannual study tracking 16 Manhattan shopping corridors from industry trade group the Real Estate Board of New York, or REBNY.

This comes as Manhattan's "retail rally showed no signs of slowing" in the second half of last year as asking rents "are rising and tenants are snaring prime storefronts as quickly as they pop up" in neighborhoods such as SoHo and the luxury shopping corridor of Madison Avenue a block east of Central Park, the study found.

Retailers are slow to commit to storefronts in areas such as Times Square and upper Fifth Avenue as leasing has been "inconsistent" and often concentrated in one or two sectors, REBNY said. Times Square, for example, has yet to see the return of dry goods and apparel tenants while financing and buildout costs have delayed the opening of some immersive and entertainment attractions.

"Despite steady foot traffic and some leases from food and beverage and novelty stores, Times Square retail remains in transition," REBNY said in the study. "Retailers seeking larger and mid-sized storefronts can still find quite a few options, with 15 storefronts being actively marketed in Times Square. ... Activity in Times Square has fallen short of the brisk competition seen in other in shopping districts."

#### Times Square asking rents decline

The average asking rent in the tourist and entertainment hub declined by 4.4% to \$1,850 in the second half from the first half and is 22% below the peak level of \$2,363 reached in the first half of 2016, according to the study.

A separate JLL study recently also found the Times Square retail corridor is lagging, even as Manhattan's retail availability rate has hit a new record low.

The 10-block stretch along Fifth Avenue south of Central Park, like Times Square, is also "seeing strong foot traffic, but some storefronts are sitting on the market for a long time," REBNY said. The association added that many of the options being marketed in the stretch "are highly unique and would entail substantial commitments from the retailer."

While the average asking rent in the high-profile span rose about 4% to \$2,550 in the second half from the first half, the level is 27% below the peak mark of \$3,484 reached in the second half of 2016, the study found.

Among the top-performing Manhattan corridors, SoHo's average asking rent jumped 17% to \$726 in the second half from the first half while its median rent of \$750 has recovered to just 12% below the all-time peak from the first half of 2016.

SoHo now has "only a handful of quality options being marketed," REBNY found. SoHo is one of the in-demand corridors where "tenants are taking storefronts ... as soon as they hit the market, kicking off a game of musical chairs."

The Madison Avenue stretch between 57th and 72nd streets also is in demand and "remains a top choice for luxury brands" as there were only 13 storefronts being marketed in the second half of 2025, about half of the number being advertised in the first half of the year. Madison Avenue counted 78 store openings in the past two years, including 16 during the second half of 2025, the REBNY study found.

"High-profile areas like upper Madison and SoHo now often have leases out above their asking rents with several backup offers," said Robin Abrams, a Compass vice chairman at Compass, in a statement.

Speaking of demand on Madison Avenue, Italian luxury knitwear brand Falconeri recently signed a 10-year lease spanning about 2,400 square feet for a new two-level flagship opening this summer at 764 Madison Ave., a spokesperson for Gabriel Paisner at Odyssey Retail Advisors, who advised Falconeri in the transaction, told CoStar News in an email Friday.