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# ASSESSING STOREFRONT VACANCY IN NYC

## 24 Neighborhood Case Studies

Handwritten menu on chalkboard:  
\*Braised Salsapara  
\*Mashed Potatoes  
\*Baked Potatoes  
\*Turnip Potatoes  
\*Braised Salsapara  
\*Mashed Potatoes  
\*Baked Potatoes  
\*Turnip Potatoes

Handwritten menu on chalkboard:  
ARTISTIC APERTIVOS  
SOUTHERN SIPPING



# Overview: DCP's study of recent trends finds that storefront vacancy may not be a citywide problem and is concentrated in certain neighborhoods.

Neighborhood shopping corridors are essential to urban life. They offer goods and services for residents and workers, a vibrant and walkable street environment that reduces the need for cars, and entrepreneurship opportunities for small businesses.

**Recently, news media, communities, and elected officials have expressed concerns about a proliferation of vacant storefronts, especially in high-profile areas of Manhattan.<sup>1</sup>**

Frequently, these accounts cite rising rents that are unaffordable to existing or prospective businesses. Further, many have expressed concerns about the changing character of neighborhood retail and mounting pressure on independent or “mom and pop” businesses. While there is much debate about what is causing vacancy, there has been little data available to evaluate the issue.

**The NYC Department of City Planning (DCP) undertook this study in order to develop a data-driven understanding of retail and storefront uses and how they may be changing.** To place local conditions in context, DCP assessed the evolving retail landscape nationally and citywide. DCP then conducted case studies of major retail corridors in 24 neighborhoods throughout the five boroughs, analyzing granular data on storefront uses and interviewing experts on local conditions.\* While this study does not provide a comprehensive assessment of citywide conditions, it provides a snapshot of conditions in a variety of neighborhoods.

**Although the study did identify neighborhoods challenged by high vacancy rates, this condition was not universal.** The study found a wide range of conditions, with retail corridors subject to multiple cross-currents that influence retail mix and vacancy



*Broadway in Kingsbridge, the Bronx*

conditions in varied and complex ways. These include the rise of e-commerce, demographic shifts, real estate market trends, local building stock, and other conditions that may vary from street to street.

Many individual storefront businesses have conveyed concerns about a changing retail environment, and about the challenges and uncertainty they face, including factors such as shifting consumer habits, taxes, rents, and complex business and land use regulations. However, this study finds that there is no single dominant trend in retail in New York City – all these factors have different effects in corridors across the city.

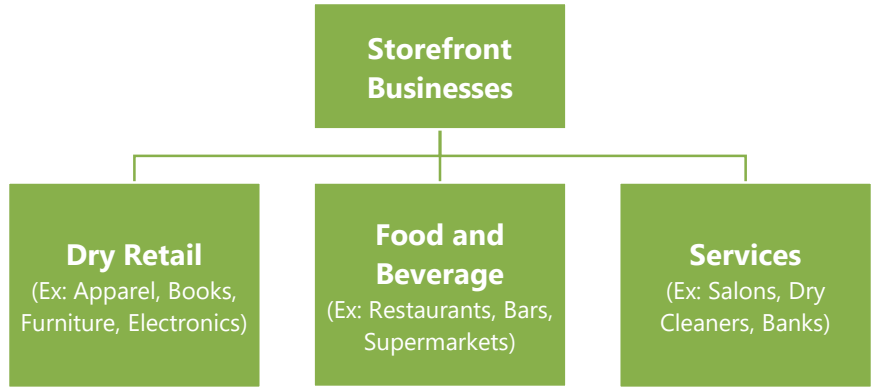
**These findings suggest that any public interventions to address vacancy should be carefully considered and nuanced.**

They should recognize the diversity of New York City's neighborhoods, support the needs of businesses and communities, and provide adequate flexibility for corridors to evolve as conditions change.

# A fine-grained approach to analyzing storefront business trends.

## Defining Storefront Businesses

The three major categories of storefront uses in this study are:

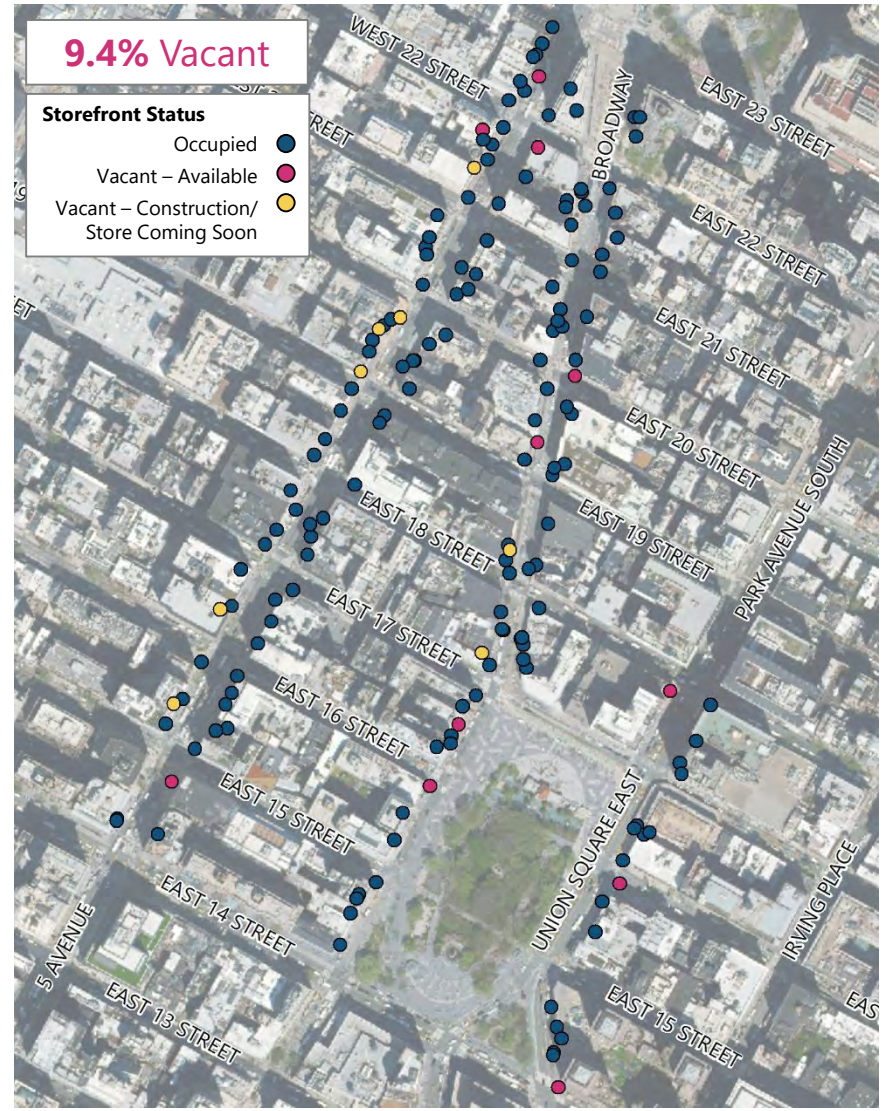


## Data on Neighborhood Storefront Uses from Live XYZ<sup>2</sup>

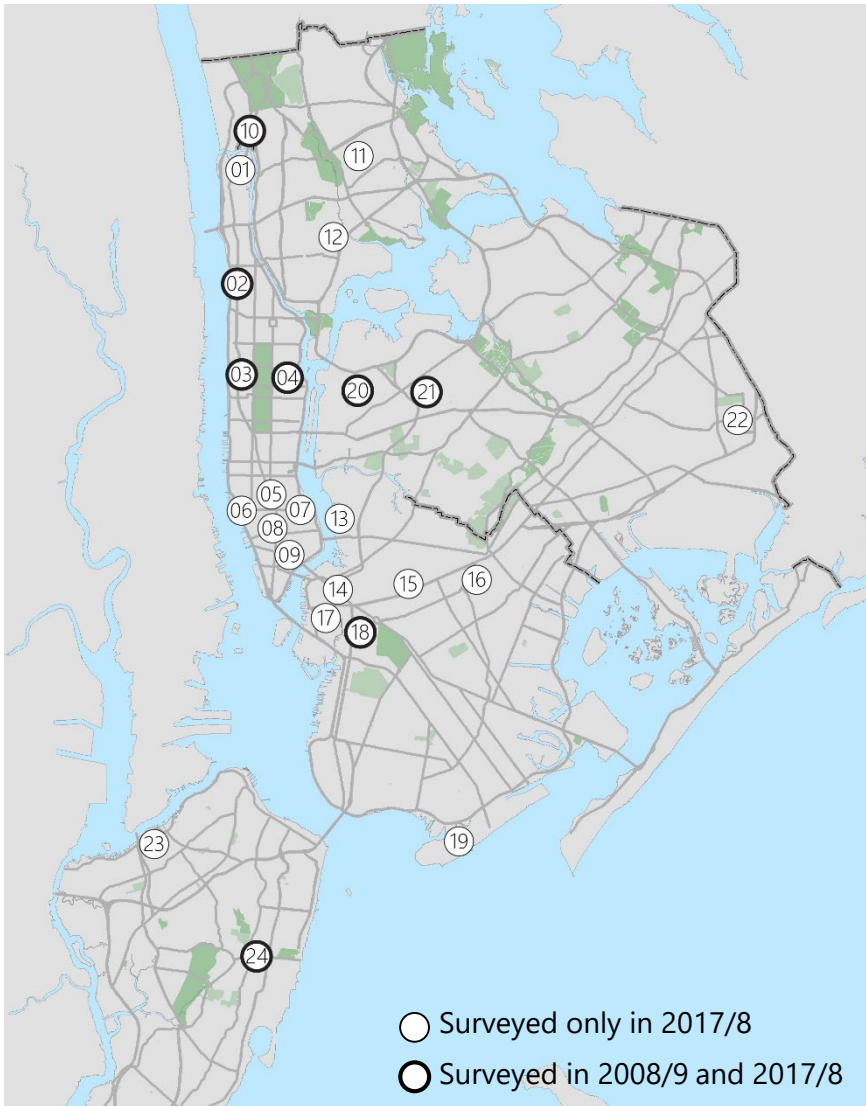
DCP analyzed 10,000 storefronts across 24 study areas using proprietary data from Live XYZ, a technology company that has mapped every ground floor use in New York City and updates this information on an ongoing basis. DCP cross-referenced this data with field visits.

## Additional Data Sources

DCP also analyzed third-party data, including demographic, land use, and real estate market data; interviewed 14 real estate experts (including brokers, developers, and an academic) and six local business associations; and attended two retail industry conferences. (See acknowledgements in Appendix B.)



# Case studies of retail corridors in 24 neighborhoods across the five boroughs to capture diverse conditions.



**DCP analyzed corridors in 24 neighborhoods representing a cross-section of conditions, including demographics, transit access, density, and observed vacancy.** The study focused on continuous, pedestrian-oriented corridors and excluded shopping malls or auto-oriented corridors. In eight of these neighborhoods, DCP was able to compare data from 2017/8 to data from surveys conducted by DCP in 2008/9, allowing for comparison of change over time.<sup>3</sup> (See Appendix A for detailed maps.)

- |   |  |
|---|--|
| <p><b><u>Manhattan</u></b><br/> <b>01. Inwood</b> – Broadway, Dyckman St, 207<sup>th</sup> St<br/> <b>02. Hamilton Heights</b> – Broadway*<br/> <b>03. Upper West Side</b> – Broadway, Amsterdam Ave, Columbus Ave*<br/> <b>04. Upper East Side</b> – 1<sup>st</sup> Ave, 2<sup>nd</sup> Ave, 3<sup>rd</sup> Ave, Lexington Ave*<br/> <b>05. Flatiron/Union Square</b> – 5<sup>th</sup> Ave, Broadway, Park Ave, Union Square West<br/> <b>06. West 14<sup>th</sup> Street</b><br/> <b>07. East 14<sup>th</sup> Street</b><br/> <b>08. SoHo/NoHo</b> – Broadway, Broome St, Lafayette St, Mulberry St, Prince St, Spring St, West Broadway, Houston St<br/> <b>09. Canal Street</b></p> <p><b><u>Bronx</u></b><br/> <b>10. Kingsbridge</b> – Broadway, 231<sup>st</sup> St*<br/> <b>11. Morris Park</b> – Morris Park Ave<br/> <b>12. Longwood</b> – Southern Blvd, Westchester Ave</p> | <p><b><u>Brooklyn</u></b><br/> <b>13. Williamsburg</b> – Bedford Ave, Grand St<br/> <b>14. Fulton Mall</b><br/> <b>15. Bed-Stuy</b> – Fulton St<br/> <b>16. Brownsville</b> – Pitkin Ave<br/> <b>17. Cobble Hill</b> – Smith St, Court St<br/> <b>18. Park Slope</b> – 5<sup>th</sup> Ave, 7<sup>th</sup> Ave*<br/> <b>19. Coney Island</b> – Mermaid Ave</p> <p><b><u>Queens</u></b><br/> <b>20. Astoria</b> – Steinway St, Broadway, 30<sup>th</sup> Ave*<br/> <b>21. Jackson Heights</b> – Roosevelt Ave, 37<sup>th</sup> Ave, Junction Blvd*<br/> <b>22. Laurelton</b> – Merrick Blvd</p> <p><b><u>Staten Island</u></b><br/> <b>23. Port Richmond</b> – Port Richmond Ave<br/> <b>24. New Dorp</b> – New Dorp Ln*</p> |
|---|--|

# Summary of findings

## #1 The retail industry is changing rapidly across New York City and the country.

### The retail industry is evolving rapidly as technology, the economy, and consumer preferences shift.

- The Internet is changing how Americans shop, with the most significant shift to e-commerce in dry goods spending.
- While e-commerce spending is increasing nationwide, so is brick-and-mortar spending.
- The number of dry retail jobs in New York City and the share of dry retail stores on corridors DCP studied has declined in recent years, but food and beverage and services are growing.
- New York City may be less affected by these shifts than other parts of the U.S. because many of its retail corridors were already more heavily comprised of food and beverage and services than dry goods.

### The supply of storefront space and market trends in New York City are also changing rapidly.

- A significant amount of newly constructed storefront space, as well as the emergence of new neighborhood shopping destinations (such as Williamsburg), may be increasing competition between spaces and retail corridors for tenants.
- A rent bubble and a surge in high-priced property sales in Manhattan and some of Brooklyn's more established corridors may have encouraged retention of vacant space in anticipation of unrealistic rents – although asking rents and vacancy rates now appear to be declining in many areas.
- In contrast, in many corridors DCP studied farther from Manhattan, there was little evidence of warehousing of space for high rents.

## #2 Vacancy rates are volatile, vary from neighborhood to neighborhood and street to street, and cannot be explained by any single factor.

### Vacancy rates vary across retail corridors and over time.

- Even the most vibrant corridors have some short-term vacancy due to natural churn as businesses close, leases are signed, or space is constructed. Long-term vacancy is more of a concern.
- Many industry experts cite 5-10% vacancy as more or less characteristic of a "healthy" corridor.
- Data did not indicate a pervasive vacancy problem across the city, but did identify a number of high-vacancy corridors. In the corridors studied, vacancy rates ranged from 5.1% to 25.9%, with an average of 11.6%; they fluctuated by anywhere from 0.8% to 8.0% over the course of nine months.

### There has not been a large increase in vacant storefronts in the eight neighborhoods surveyed by DCP in 2008/9.\*

- Between 2008/9 and 2017/8, the average storefront vacancy rate in these areas increased modestly from 7.6% to 9.0%, although it decreased in three neighborhoods.
- It is possible that vacancy increased more dramatically in other corridors for which historic data was not available.

### While vacancy is often attributed to high rents, many other factors influence local vacancy conditions, such as:

- Industrywide shifts in retail.
- Ability to attract shoppers and competition between corridors.
- Condition of building stock and perception of neighborhood.
- Regulations such as zoning and landmark designations.
- Redevelopment plans for properties.

### #3 Vacancy is concentrated only in certain neighborhoods and is influenced by local and citywide market forces and spending patterns.

Recognizing every neighborhood is different, DCP categorized the retail corridors in 24 case study neighborhoods into four typologies based on common themes and vacancy conditions.

#### Hot Corridors (Medium/High Vacancy)

- These are more established or rapidly changing Manhattan and Brooklyn corridors where rents have increased notably in recent years.
- Some owners kept spaces vacant while seeking high rents; in many cases, they had promised certain rent levels and a “credit tenant”\* to their lenders in order to secure favorable loan terms. Many other owners did not hold out given ongoing costs that must be covered by rents.
- A market adjustment may be occurring. High asking rents are proving unattainable and a large supply of vacant property has increased competition for tenants. Many owners are now settling for lower rents and providing other concessions.

#### Underperforming Corridors (Medium/High Vacancy)

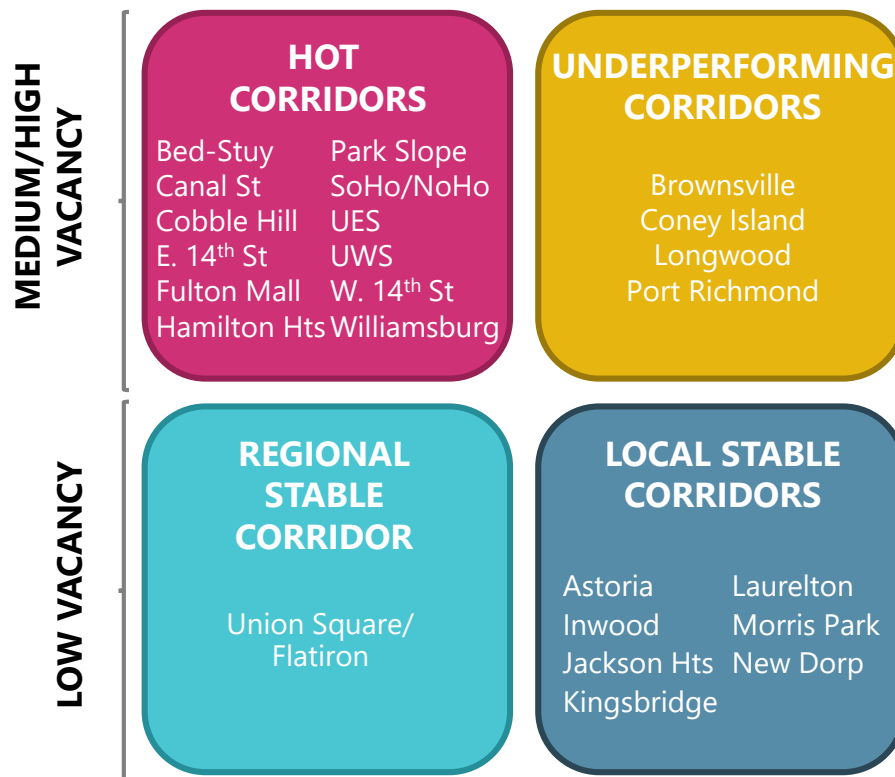
- These are areas characterized by long-term historic disinvestment where storefronts may be difficult to tenant due to poor conditions or negative perceptions of the neighborhood.
- These corridors have greater difficulty attracting spending, with a lack of anchor tenants to draw in shoppers and nearby residents that tend to drive to malls in other neighborhoods.

#### Regional Stable Corridor (Low Vacancy)

- This includes just one corridor: Union Square/Flatiron, with a unique combination of assets that attract spending, and stable market conditions compared to many other Manhattan areas.

#### Local Stable Corridors (Low Vacancy)

- These are corridors farther from Manhattan with robust and relatively stable local customer bases.
- There is no evidence of a rent bubble similar to that observed in Hot Corridors.



## Takeaway #1

The retail industry is changing rapidly across New York City and the country.

# The retail industry and storefront uses are changing rapidly in New York City, due to a mix of industry-wide and local factors.

**The retail industry has always evolved as technology and consumer preferences change.** For example, the *New York Times* described Sears Roebuck as the “Amazon of its day.” Founded in the 1880s, Sears was a true disruptor that used the newly expanded U.S. Postal Service to reach new rural markets. Sears dominated the retail industry for over a century, but declared bankruptcy in 2018, losing out to nimbler competitors.

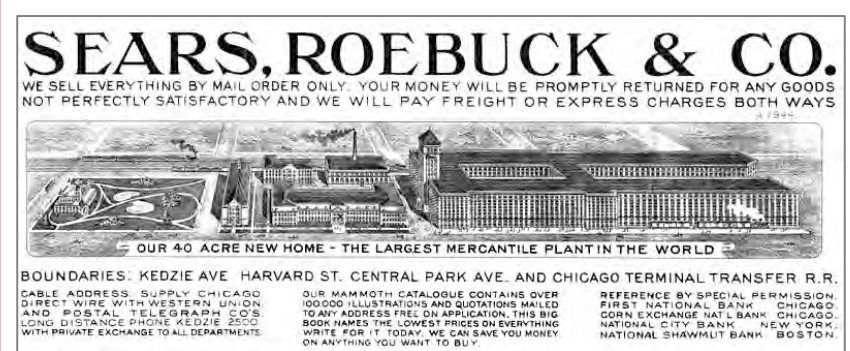
## Today, the retail industry is shifting rapidly.

- E-commerce has transformed how Americans shop, with the most significant shift towards online shopping in dry retail. Likely reflecting this, employment in dry retail and the presence of dry retail stores appear to be in decline in New York City.
- Food and beverage and personal care, which are the most difficult to substitute for online, are the most rapidly growing storefront uses in New York City. However, other places in the U.S. may be more affected by this shift, given that the city’s retail corridors have long had a significant presence of food and beverage and services.
- New retail models are emerging, such as “omni-channel” brands that offer both online and offline shopping options, and “experiential” retail that offers in-person experiences that cannot be easily substituted for online.

## New York City real estate development trends are also changing the storefront landscape.

- Vacancy could be a function of significant growth in storefront space supply. In New York City, approximately 40 million square feet (SF) of new storefront space has been constructed since 2010. New retail destinations have also emerged, potentially increasing competition between corridors.

## Innovation in Retail



*Sears was a true retail innovator that disrupted the industry in the 1880s by offering mail-order sales to even the most remote areas of the U.S.*



*Today, new retail models are increasingly focusing on in-person experiences: this Apple store serves as a showroom, technical support center, and classroom.*

- In more established corridors in Manhattan and Brooklyn, the real estate market has experienced dramatic swings. High asking rents out of line with market realities may have encouraged higher vacancy, though there are signs that this is readjusting in some areas.

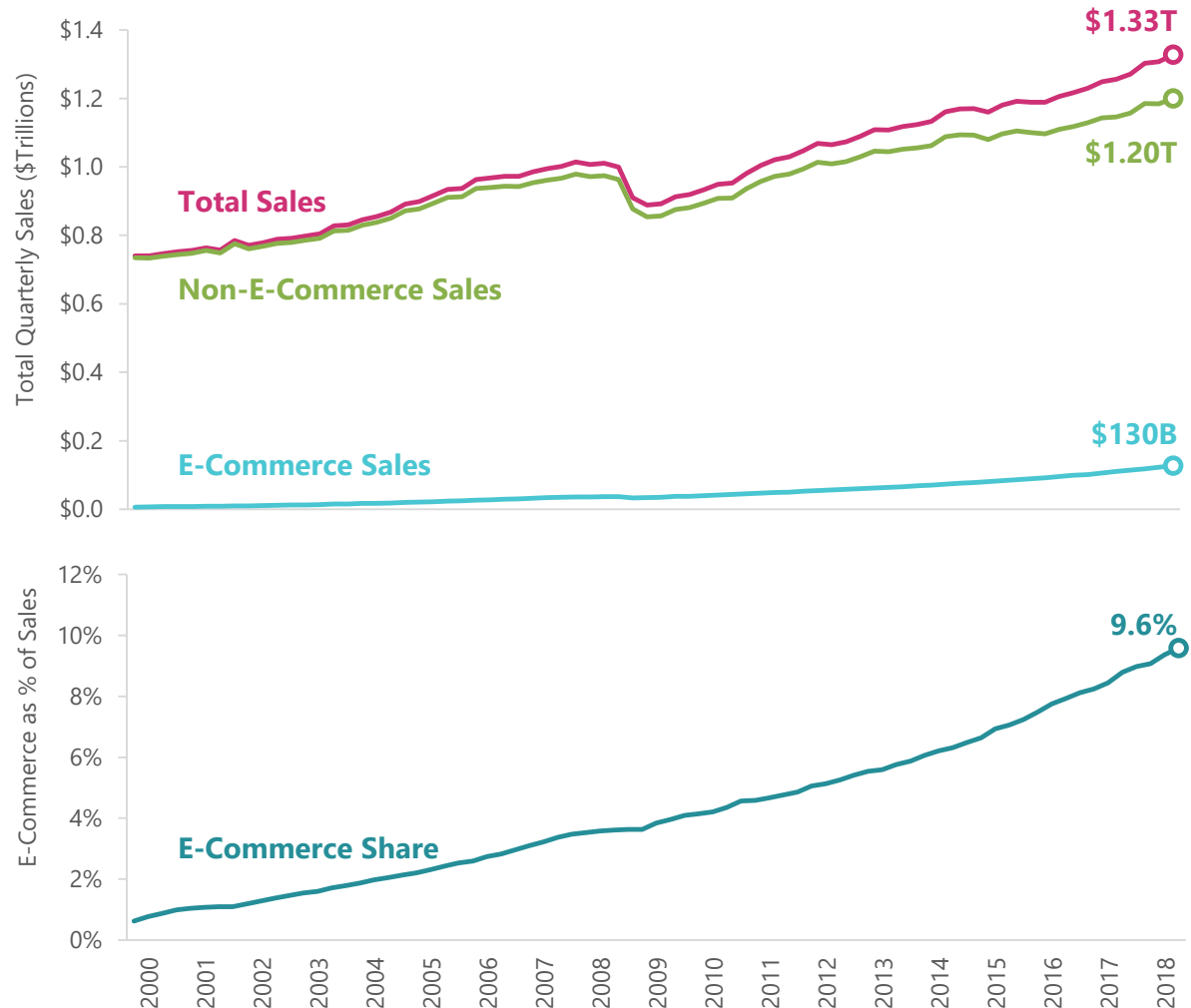


# Nationwide, e-commerce spending is growing rapidly – as is brick-and-mortar retail spending.

**Online shopping is growing rapidly, and e-commerce constituted 9.6% of total U.S. retail sales in 2018.** A joint report by PwC and the Urban Land Institute suggested that there is a limit to e-commerce's potential market share given that people will continue to shop for certain goods in person and given the cost of shipping. The report predicted that e-commerce's share of total spending will level off at 15-20%.

**However, nationally, both online and offline spending have been increasing, and the shift to online shopping has been more dramatic in particular sectors.** Products with the highest share of online purchases include music/videos, books, computer hardware/software, toys/hobbies/games, and office supplies.

Quarterly U.S. Retail Sales (Adjusted), 1Q2000-2Q2018

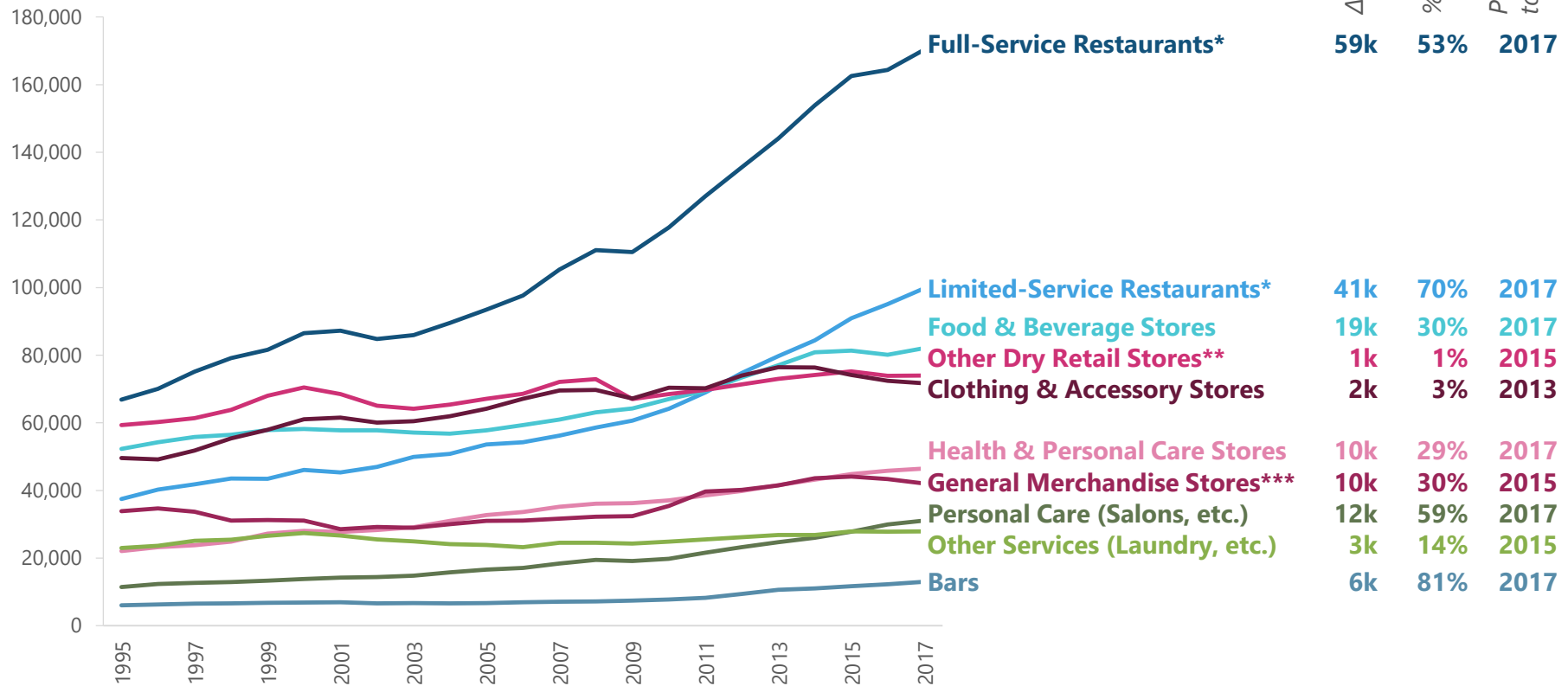


# Storefront uses are evolving rapidly, with food and beverage and services leading storefront employment growth in New York City.

Likely reflecting impacts of changing consumer preferences and e-commerce, growth in **food and beverage**, especially **restaurants**, has outpaced other storefront types. **Services** have also grown significantly, led by personal care.

Many types of **dry retail** have experienced a slight decline within the last several years, most notably in clothing and accessory stores.

Private, Payroll Employment in Storefront Sectors in NYC, 1995-2017



\*In Full-Service Restaurants, food is served to a customer's table. In Limited-Service restaurants, customers pay before eating. (Both may offer carry-out.) \*\*Other Dry Retail Stores include dry retail other than Clothing & Accessory, Health & Personal Care, and General Merchandise – such as Electronics and Appliances, Building Materials and Garden Supply, and Furniture and Home Furnishing Stores. \*\*\*General Merchandise Stores sell a large variety of goods and include department stores and dollar stores. Source: NYS Dept. of Labor, Bureau of Labor Statistics. *Quarterly Census of Employment and Wages*, 1995-2017. (Single files, annual averages.)

# Within the geographies DCP surveyed in 2008/9, the share of dry retail in storefronts has declined.

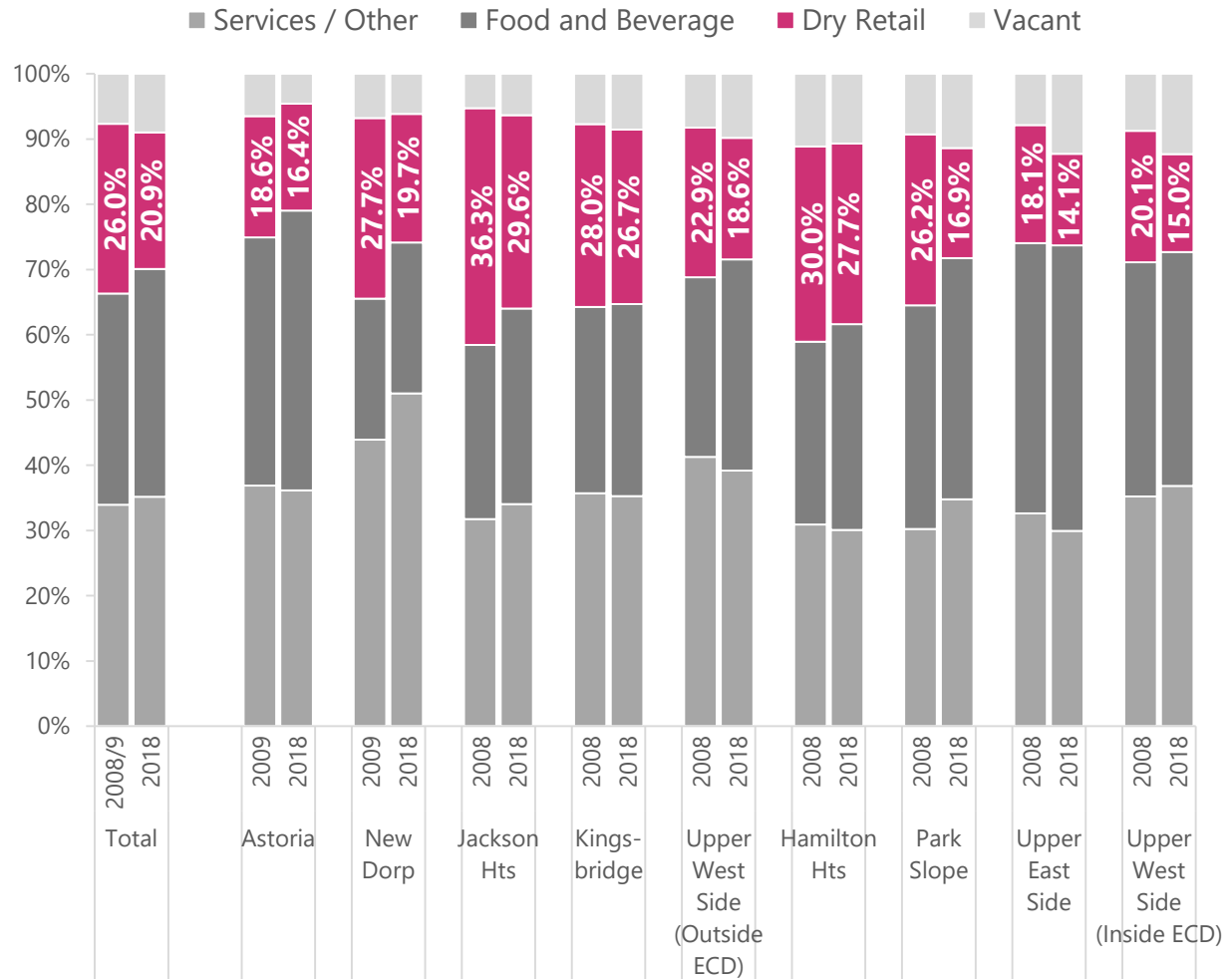
**In line with citywide trends, the share of dry retail businesses has declined in each of the eight geographies that DCP surveyed in 2008/9.**

Reflecting that each corridor has its own market dynamics, the degree of decline varied substantially: dry retail's share decreased by 8.0% in New Dorp, but by only 1.3% in Kingsbridge.

Data for the Upper West Side was separated into two subareas that fall inside and outside the Enhanced Commercial District (ECD), a zoning district mapped in 2012 that places limitations on street frontages of ground-floor commercial uses. The decline in the share of dry retail uses was greater within the ECD, although determining whether zoning influenced this trend would require further study.

**Store Type by Retail Corridor, 2008/9 and 2018** (% of ground floor storefronts)

*(Data reflect subsets of study areas analyzed elsewhere reflecting smaller geographies surveyed in 2008/9.)*



# Brick-and-mortar storefronts will continue to be in demand for many uses – though dry retail’s footprint may shrink.

**Brick-and-mortar storefronts are unlikely to become obsolete, as many business models – old and new – rely on them:**

## *“E-Commerce Proof” Experiential Offerings*

- Food and beverage and services (ex: salons, gyms) provide experiences that cannot be substituted for online.

## *Omni-Channel: Online and In-Store Offerings*

- There are goods that customers want to feel and try, but are convenient to purchase online or have delivered (ex: apparel, groceries). Some stores are increasingly serving mostly as showrooms (ex: furniture stores, Apple stores).
- “Digital natives,” brands that originated online, are creating brick-and-mortar stores (ex: Warby Parker, Allbirds).

## *Brand Promotion*

- Many brands are seeking a continued street presence, even if sales are increasingly online (ex: new Nike flagship store).
- Promotional spaces, sometimes pop-ups, offer unique in-person experiences (ex: Casper mattress “dreamery” in SoHo, Samsung “digital playground” in the Meatpacking District).

## *Other New Models*

- Many other innovative storefront uses have emerged that reflect consumer demand for experiences outside of the home such as bookstore cafes and Spacious, which turns restaurants into coworking spaces during daytime hours.

The presence of dry retail on corridors has declined as other types of uses are evolving and growing. The ultimate impacts of these trends on vacancy levels are not yet known.



*Madewell clothing store in Flatiron encouraging shoppers to “Shop Our Site, IRL [In Real Life].”*



*Grocery stores such as Whole Foods offer both online and in-store shopping options.*

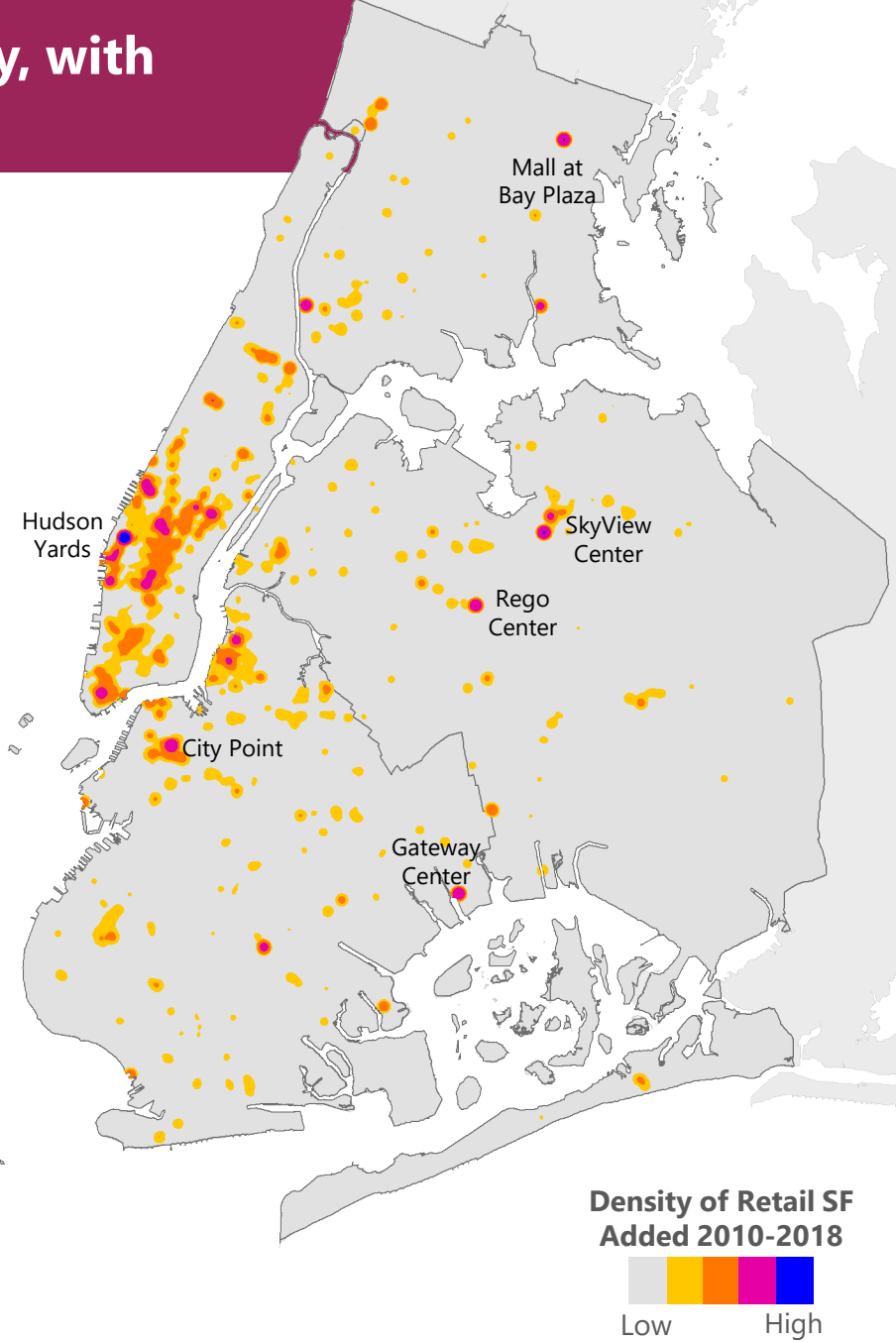
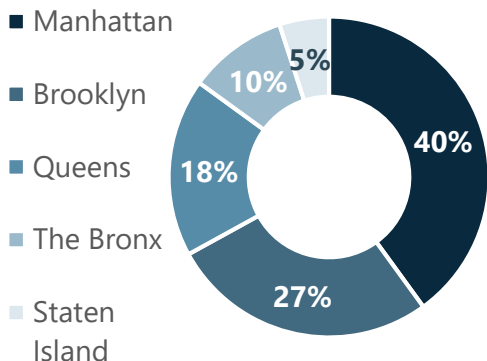
# Storefront space has grown significantly, with potential implications for vacancy.

**The storefront landscape may be in flux not just because of demand-side shifts, but also supply-side changes.**

Approximately 40 million SF of new retail space was built in New York City between 2010 and 2018, mostly in Manhattan and Brooklyn. (This figure does not take into account the amount of retail space removed from the inventory during this time, for which data was not available.) Because this was a period of rapid growth in population, jobs, and visitors, it is not clear whether construction of new retail space led to an “oversupply” of space.

Further, new retail destinations have emerged, including entire neighborhoods (Williamsburg) and shopping centers (Gateway Center, City Point, SkyView Center).

### Distribution of Retail SF Added 2010-2018



Source: NYC Department of City Planning, MapPLUTO 10v1 and 18v1.1. (Sum of retail area on blocks where total retail area increased and any lot on block was built or altered in 2005 or later.)

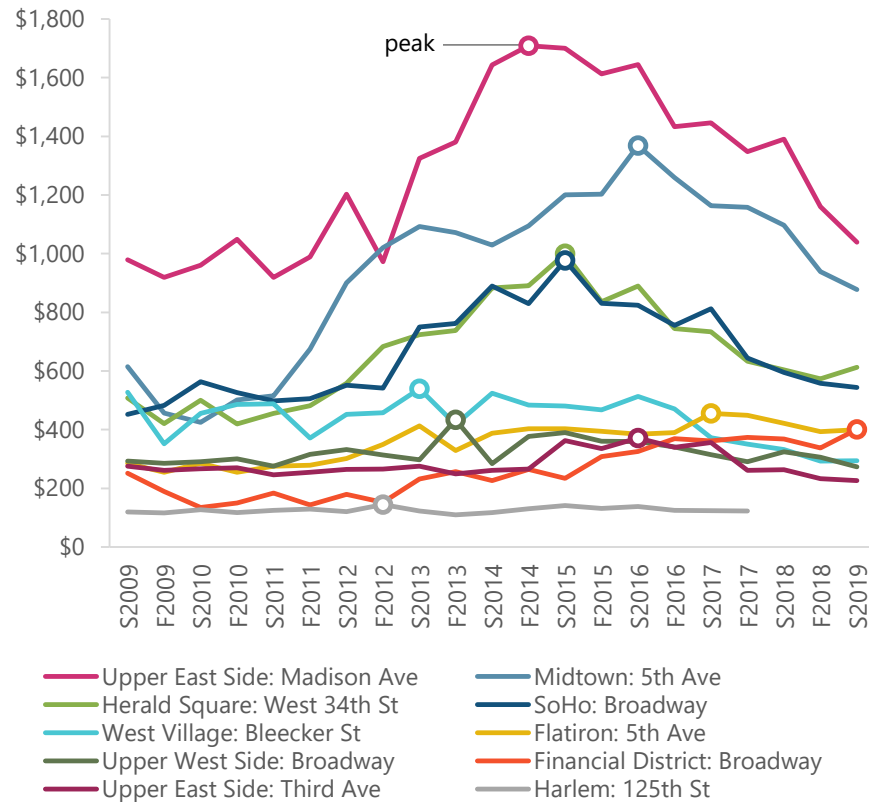
# Some corridors in Manhattan and Brooklyn experienced a rent bubble; rents were more stable farther from Manhattan.

**In many of the more established retail corridors in Manhattan and Brooklyn, asking rents rose post-Recession.** However, there is evidence that a rent bubble has burst. In many markets, asking rents peaked and then declined in the past several years, suggesting that peak asking rents were generally unattainable.

**While reliable data was not available for much of the Bronx, Queens, Staten Island, and eastern and southern Brooklyn, interviews suggested rents in these areas farther from Manhattan have been less volatile post-Recession.**

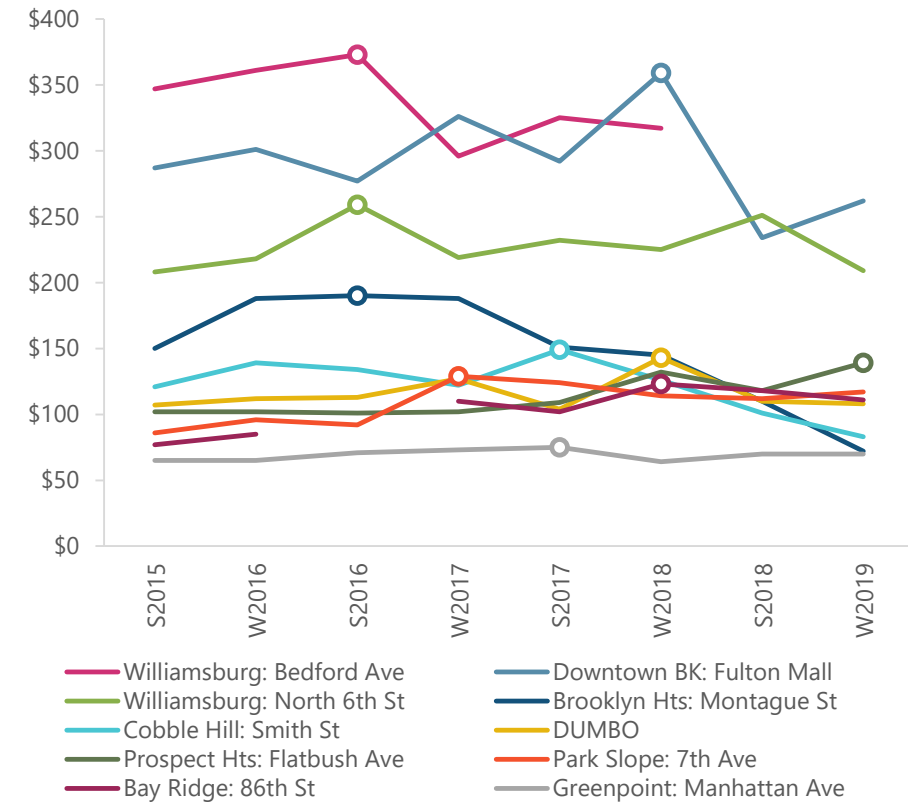
## Retail Asking Rents in Selected Manhattan Corridors (\$/SF)

Spring (S) and Fall (F) 2009-2019



## Retail Asking Rents in Selected Brooklyn Corridors (\$/SF)

Summer (S) and Winter (W) 2015-2019



Source: Real Estate Board of New York (REBNY), Manhattan Retail Market Reports, 2009-2019 and Brooklyn Retail Market Reports, 2015-2019. (Average ground floor asking rents. Data for Brooklyn before Summer 2015, as well as for consistent geographies on 125th St, 86th St, and Bedford Ave during some time periods, was not available.)

## Takeaway #2

Vacancy rates are volatile, vary from neighborhood to neighborhood and street to street, and cannot be explained by any single factor.

# Defining vacancy rate: vacant ground-floor spaces for which there is no evidence of an active lease.

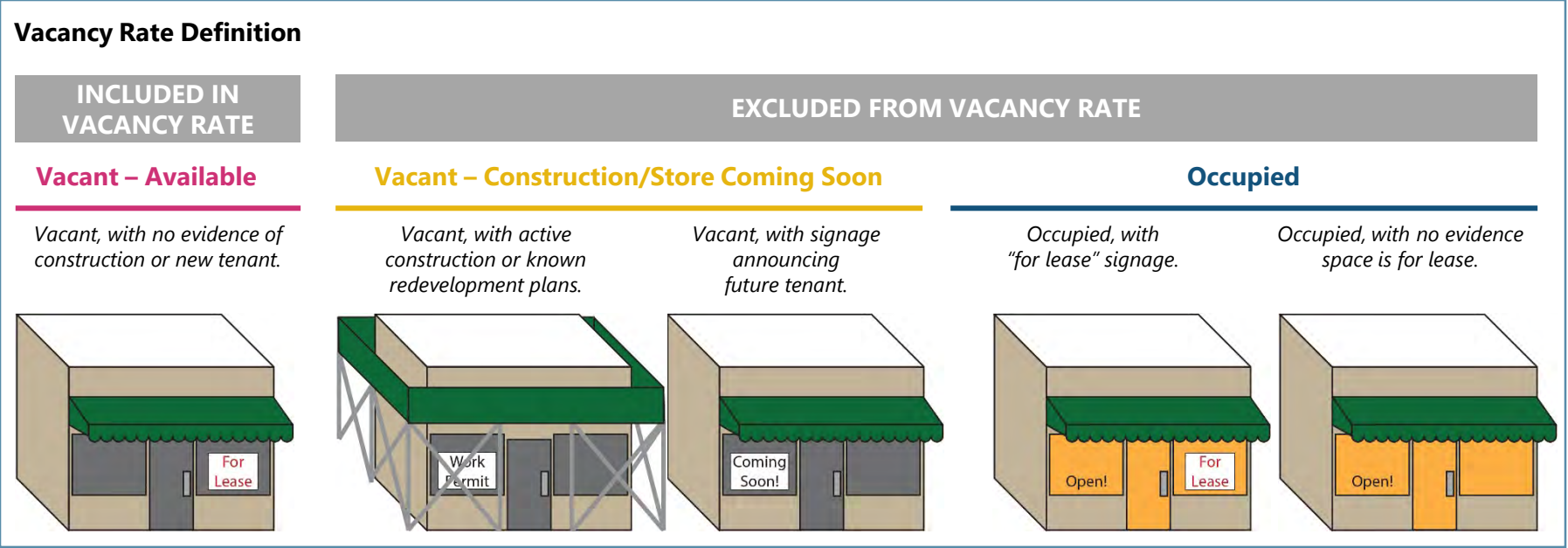
### A storefront may be vacant for many different reasons:

- Recent business closure.
- Space leased but not yet occupied.
- Redevelopment planned or under way.
- Weak demand for the space given its quality and/or location.
- Owner seeking high rents or a certain type of tenant.

On many retail corridors, the “availability rate” tends to be higher than the vacancy rate because occupied spaces may actually be on the market. There may also be active leases on spaces that appear to be vacant.

Vacancy rates in this study include “Vacant – Available” spaces – visibly vacant ground-floor spaces on major corridors for which there is no evidence of an active lease, according to Live XYZ data. This excludes vacant storefronts with signage indicating a business coming soon and storefronts under construction or part of a major known property assemblage for which the owner has redevelopment plans. It also excludes storefronts on side streets.

Vacancy rates are calculated as a percentage of storefronts (rather than square footage or street frontage).



\*Fulton Mall and Canal Street both contained significant assemblages of small properties for which the owner had known large-scale development plans. These were categorized as “Vacant – Construction/Store Coming Soon.”



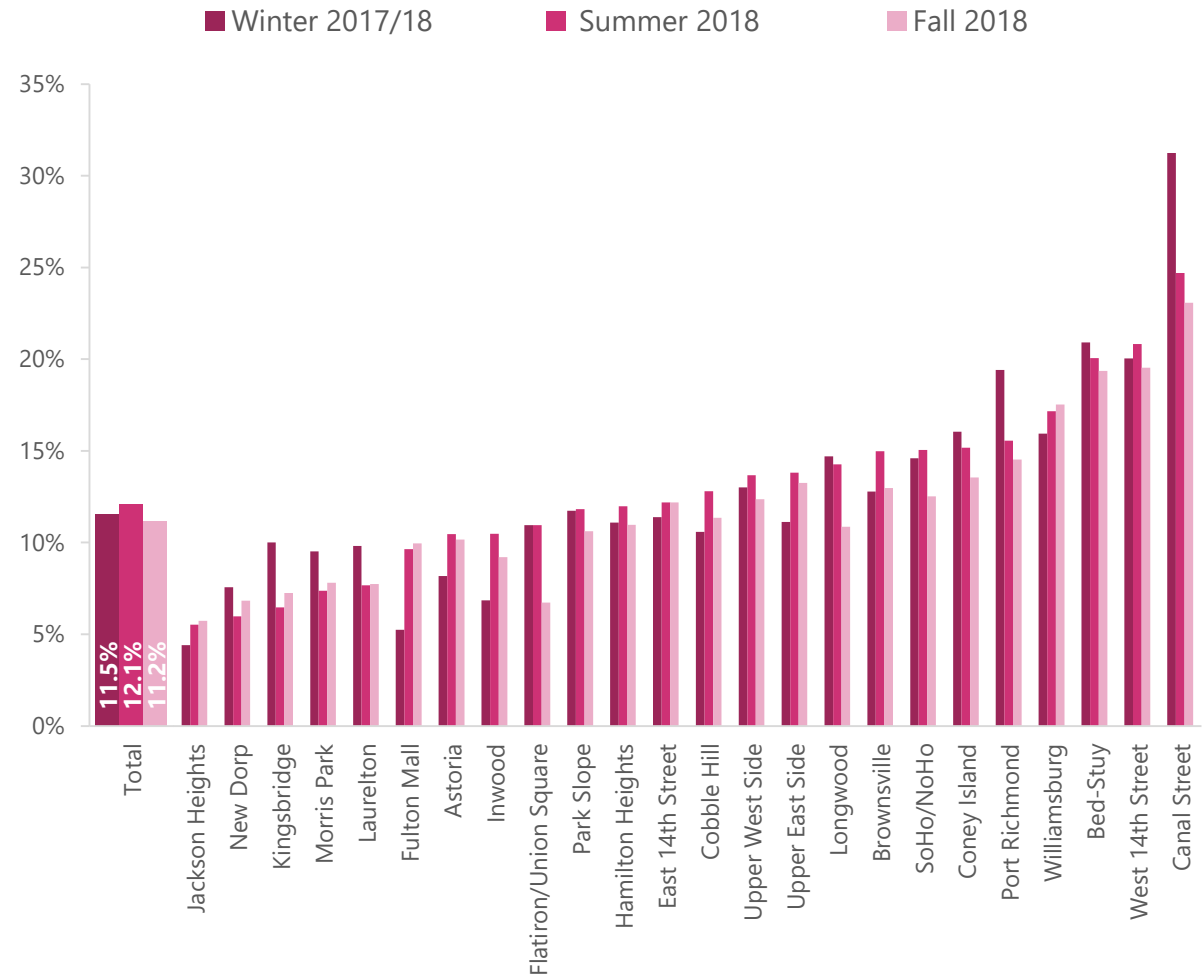
# Storefront vacancy rates vary across neighborhoods and can fluctuate dramatically over the course of a single year.

**Vacancy rates fluctuate as properties are leased, vacated, created, or taken off the market for redevelopment.**

Analysis of Live XYZ data for three different points in time over nine months found that on individual retail corridors, the swing in vacancy ranged from 0.8% to 8.0%.

All corridors experience some degree of turnover and change in businesses, and short-term vacancy in some storefronts is common even on the healthiest of corridors. Widespread, long-term vacancy is a greater cause for concern.

**Storefront Vacancy Rate, Winter 2017/8, Summer 2018, Fall 2018**  
(Vacant – Available)



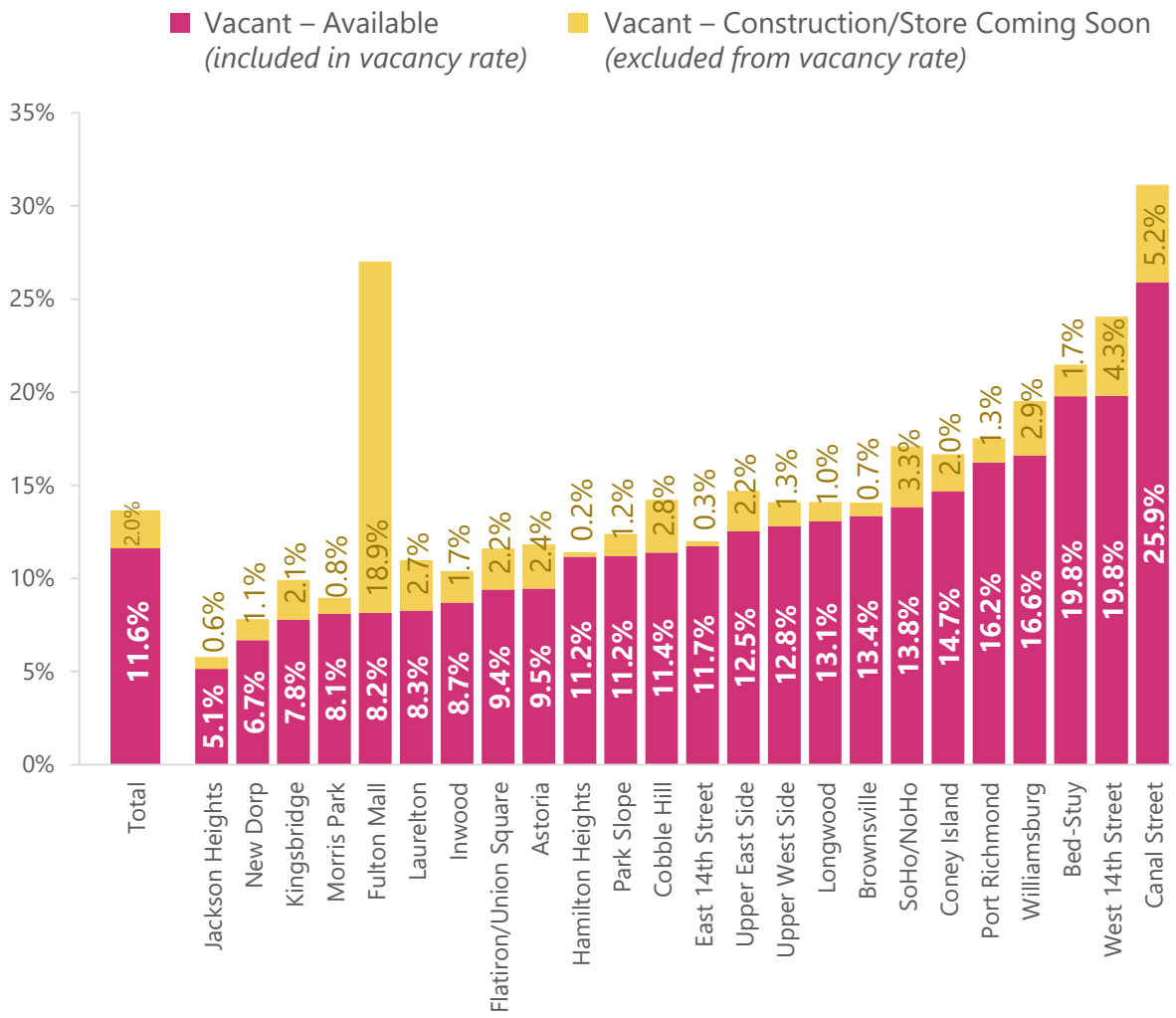
# Storefront vacancy does not appear to be a citywide problem, and demographic and economic trends in higher-vacancy neighborhoods vary.

Based on an average of three points in time over nine months, the average vacancy rate across corridors studied was **11.6%** – slightly above the industry standard of 5-10% for a “healthy” retail vacancy rate. Given how widely vacancy rates can fluctuate, a vacancy rate just one or two points above the 10% threshold is not necessarily cause for alarm.

High vacancy is not a citywide problem, but certain corridors have a significant amount of vacancy. Vacancy rates ranged from 5.1% to 25.9%, with the highest rates in the Canal Street, West 14<sup>th</sup> Street, Bedford-Stuyvesant, Williamsburg, and Port Richmond study areas. Demographic and market trends vary significantly across these neighborhoods, indicating there is no single explanation of vacancy.

Fulton Mall and Canal Street had a significant number of small vacant properties making up larger assemblages categorized as “Vacant – Construction” in yellow. These areas were two of the smallest geographies studied, so these assemblages comprised a large percentage of their storefronts. While these properties can contribute to a feeling of blight, they are also an indication of active investment.

Storefront Vacancy Rate, Nine Month Average 2017/8



# Vacancy rates have not increased significantly in the past 10 years within the corridors surveyed in 2008/9.

**The average vacancy rate across these corridors increased from 7.6% to 9.0% between 2008-2018 – however, it actually declined in Astoria, New Dorp, and Hamilton Heights.**

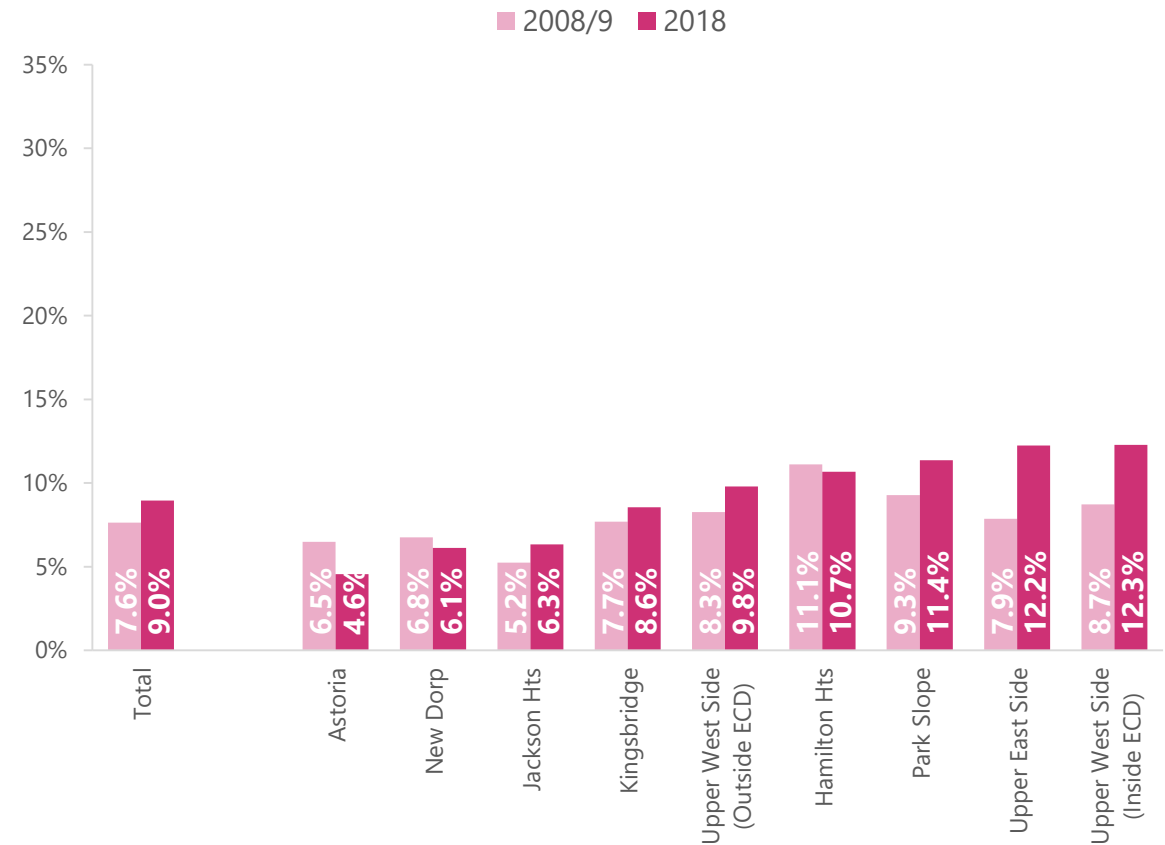
The only corridors in which vacancy increased by more than 3% were the Upper West Side (+3.6%) inside the Enhanced Commercial District (ECD), and the Upper East Side (+4.3%). While the overall trend is an uptick in vacancy, these shifts are within the range of typical fluctuation in a single year and should not be interpreted to be evidence of a major citywide problem.

Vacancy on the Upper West Side is higher and increased more significantly within the ECD, which limits lengths of commercial frontages, compared to outside of it. While further study would be required to determine specific impacts of the ECD, this suggests that, at the very least, it has not kept the vacancy rate lower than that in nearby areas.

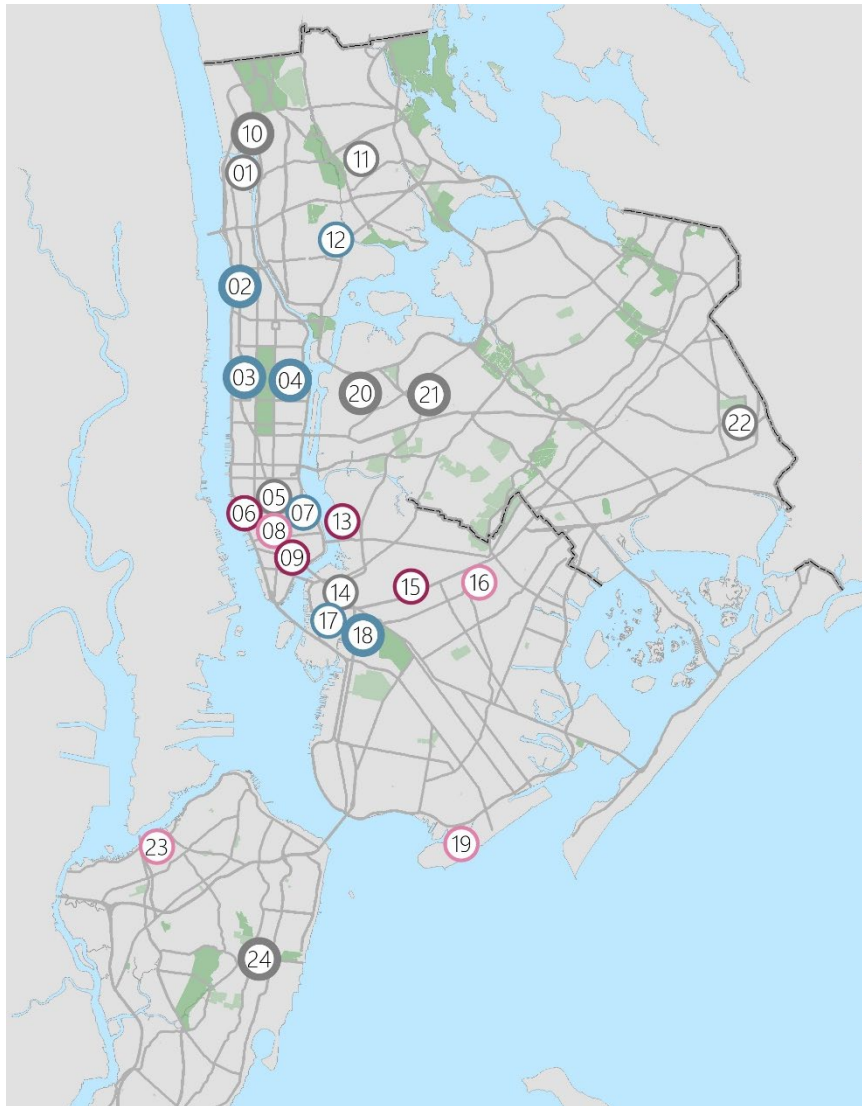
These corridors were selected for study in 2008/9 because they were perceived to be vibrant at the time. It is possible that vacancy has increased more significantly in other parts of the city.

## Storefront Vacancy Rate, 2008/9 and 2018 (Vacant – Available)

*(Data reflect subsets of study areas analyzed elsewhere reflecting smaller geographies surveyed in 2008/9. 2018 vacancy rates may not be consistent with those shown elsewhere.)*



# There is no clear geographic pattern for vacancy rates – a deeper dive into local trends is needed to understand vacancy conditions.



## Storefront Vacancy Rate, Nine Month Average 2017/8 (% of ground floor storefronts)

- 5-10%
- Surveyed only in 2017/8
- 11-13%
- Surveyed in 2008/9 and 2017/8
- 14-16%
- 17%+

### Manhattan

- 01. Inwood** – Broadway, Dyckman St, 207<sup>th</sup> St
- 02. Hamilton Heights** – Broadway\*
- 03. Upper West Side** – Broadway, Amsterdam Ave, Columbus Ave\*
- 04. Upper East Side** – 1<sup>st</sup> Ave, 2<sup>nd</sup> Ave, 3<sup>rd</sup> Ave, Lexington Ave\*
- 05. Flatiron/Union Square** – 5<sup>th</sup> Ave, Broadway, Park Ave, Union Square West
- 06. West 14<sup>th</sup> Street**
- 07. East 14<sup>th</sup> Street**
- 08. SoHo/NoHo** – Broadway, Broome St, Lafayette St, Mulberry St, Prince St, Spring St, West Broadway, Houston St
- 09. Canal Street**

### Bronx

- 10. Kingsbridge** – Broadway, 231<sup>st</sup> St\*
- 11. Morris Park** – Morris Park Ave
- 12. Longwood** – Southern Blvd, Westchester Ave

### Brooklyn

- 13. Williamsburg** – Bedford Ave, Grand St
- 14. Fulton Mall**
- 15. Bed-Stuy** – Fulton St
- 16. Brownsville** – Pitkin Ave
- 17. Cobble Hill** – Smith St, Court St
- 18. Park Slope** – 5<sup>th</sup> Ave, 7<sup>th</sup> Ave\*
- 19. Coney Island** – Mermaid Ave

### Queens

- 20. Astoria** – Steinway St, Broadway, 30<sup>th</sup> Ave\*
- 21. Jackson Heights** – Roosevelt Ave, 37<sup>th</sup> Ave, Junction Blvd\*
- 22. Laurelton** – Merrick Blvd

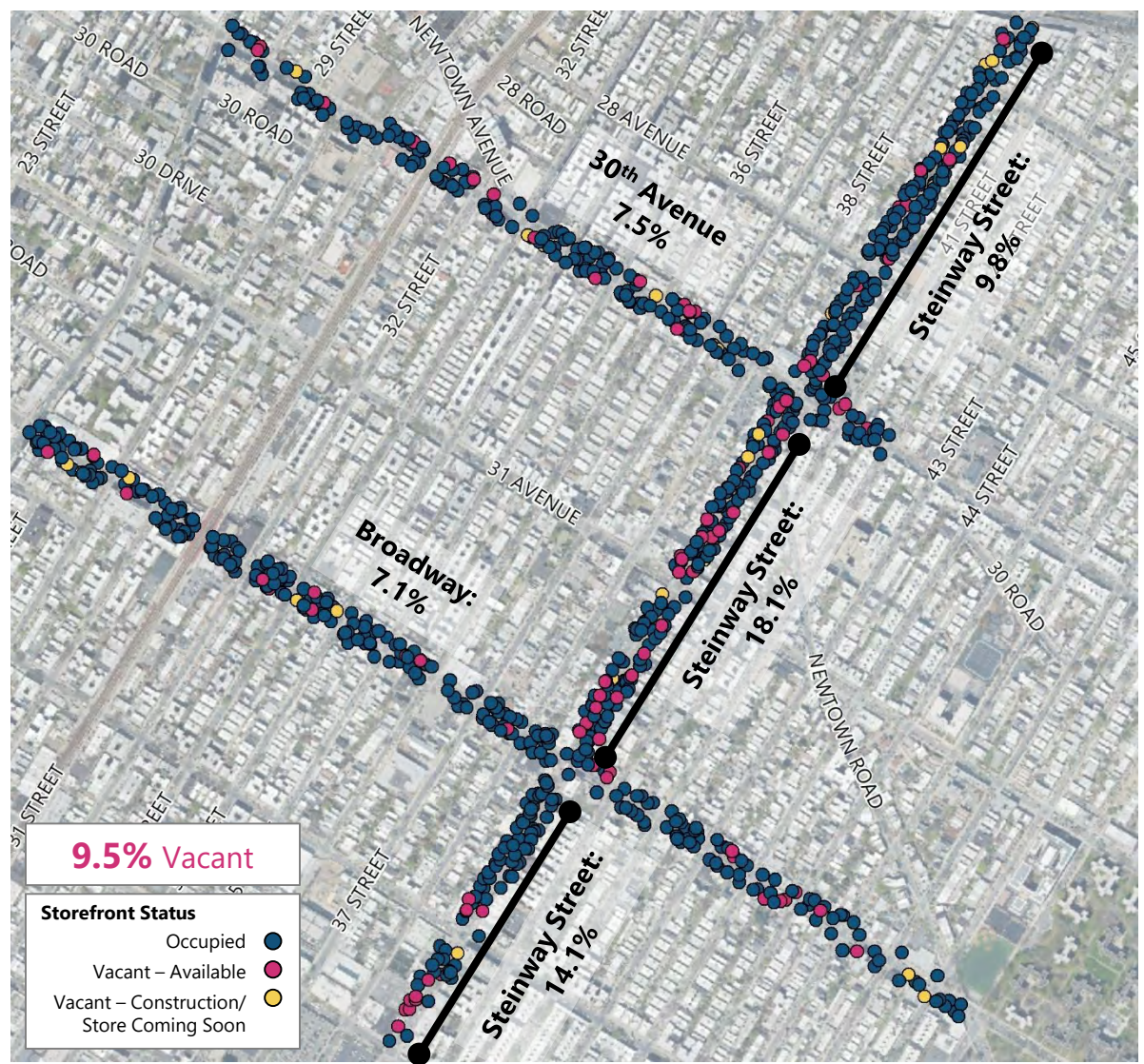
### Staten Island

- 23. Port Richmond** – Port Richmond Ave
- 24. New Dorp** – New Dorp Ln\*

# Case Study | In Astoria, vacancy varies significantly street to street, for reasons specific to the area.

**Astoria's overall 9.5% vacancy rate does not capture different conditions from street to street.**

- Data showed portions of Steinway Street with up to 18.1% vacancy. Historically known as "the city's largest department store," the street used to be dominated by dry retail, whose presence has declined here and citywide. The two blocks of Steinway Street with the highest vacancy rates also have a number of narrow storefronts that may be difficult to combine given that major alterations would trigger off-street parking requirements in zoning that would be difficult to meet.
- Meanwhile, 30<sup>th</sup> Ave, with a 7.5% vacancy rate, has become a restaurant corridor, with businesses following one another, increasing foot traffic.

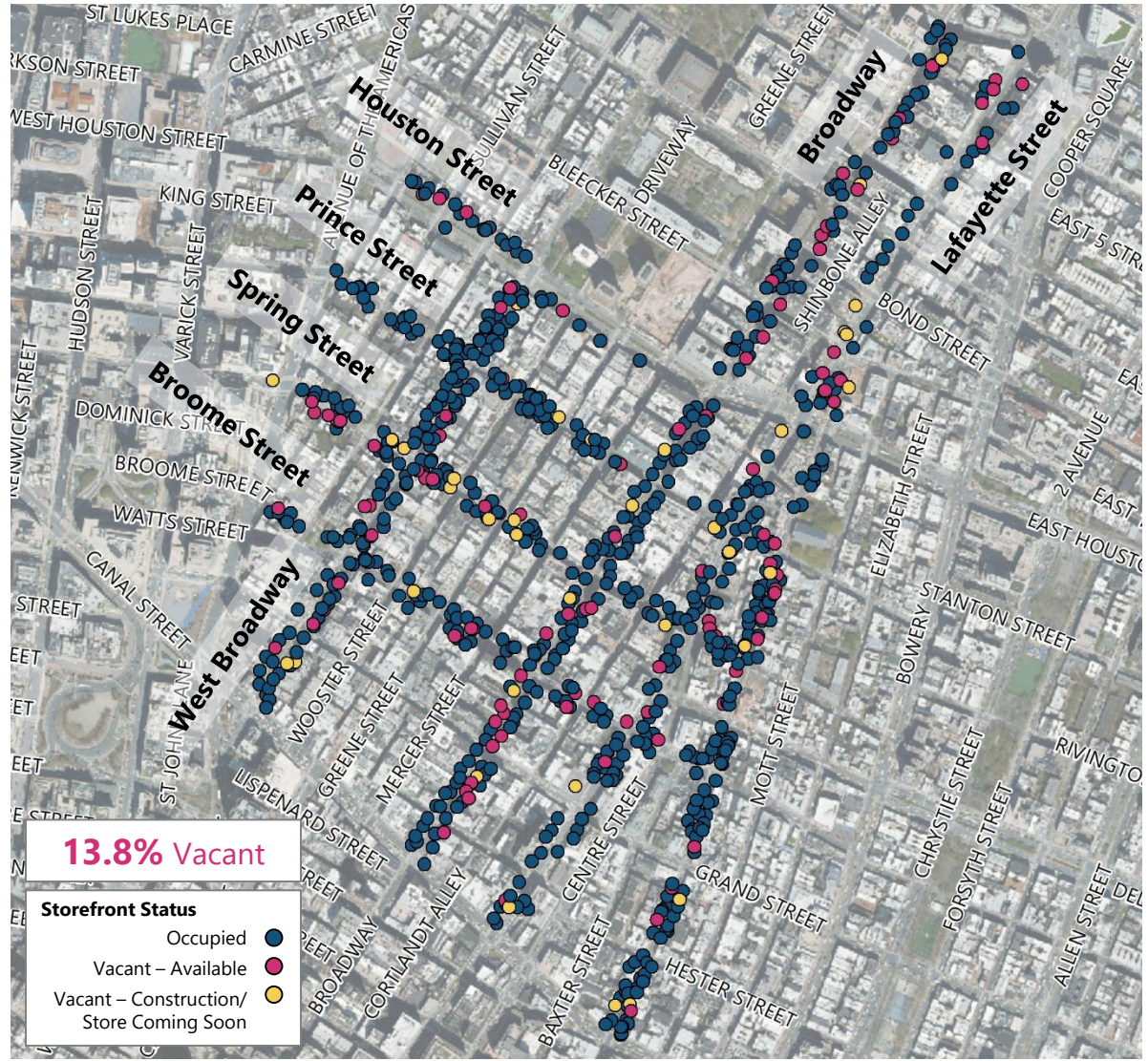


# Case Study |

# In SoHo/NoHo, high vacancy is due to a unique confluence of factors that go beyond rents.

**A unique set of market, physical, and regulatory factors has likely led to the high 13.8% vacancy rate in SoHo/NoHo. However, a market adjustment may be occurring, which could put downward pressure on vacancy levels.**

- Post-Recession, rents rose rapidly. On Broadway in SoHo, asking rents more than doubled from \$452/SF to \$977/SF between 2009 and 2015. This may reflect expectations shaped by “flagship” retail stores, which may pay higher rents than warranted by sales revenues.
- However, asking rents on Broadway have declined to \$544/SF in 2019, perhaps because peak asking rents were attainable for very few spaces.
- A dense supply of space along both major and side streets means that there is a great deal of space to fill.
- Zoning restricts retail uses and sizes, with particular limitations on food and beverage uses (the fastest-growing storefront type citywide), which could serve shoppers, residents, and workers.
- While the area is characterized by many large-footprint loft buildings, historic district regulations complicate subdivisions that could create smaller, easier to lease spaces.



# Case Study | Brownsville had approximately the same vacancy rate as SoHo/NoHo, but for very different reasons.

**Vacancy rates in Brownsville and SoHo/NoHo were about equal: 13.4% and 13.8% respectively. Yet high vacancy levels in these two areas are likely due to very different causes.**

Brownsville is characterized by a weaker retail market and long-term disinvestment, in contrast to SoHo/NoHo, where soaring rents contributed to higher vacancy.

- There is an absence of major anchor stores to draw in shoppers, and a lack of subway access cuts the area off from potential customers in other neighborhoods.

- Lack of access to capital makes it difficult for some storefront owners to make improvements to their spaces, some of which are aging and in disrepair.
- Retailers may have negative perceptions of the neighborhood and choose not to locate there, potentially leading to a lack of services for which there is strong demand. For example, Brownsville residents have long called for a sit-down restaurant. For the first time in decades, one finally opened in 2017: the Brownsville Community Culinary Center, which also trains local residents to become chefs.



Source: Live XYZ (Fall 2018). Total vacancy is the average of Winter 2017/18, Summer 2018, and Fall 2018.

# Case Study | On Canal St, vacancy may be due in part to redevelopment and restrictive regulations.

Canal Street had the highest vacancy rate among all retail corridors studied; however, a relatively small number of vacant storefronts contributed to this number because this is the smallest geography studied.

A single block with mostly unoccupied properties demonstrates how redevelopment, building stock characteristics, and regulatory constraints can all contribute to high vacancy. On the south side of Canal Street between Broadway and Church Street, if a large assemblage categorized as “Vacant – Construction/Store Coming Soon” is included in the vacancy rate, total vacancy is 81%.\* As of late 2018, this block included:

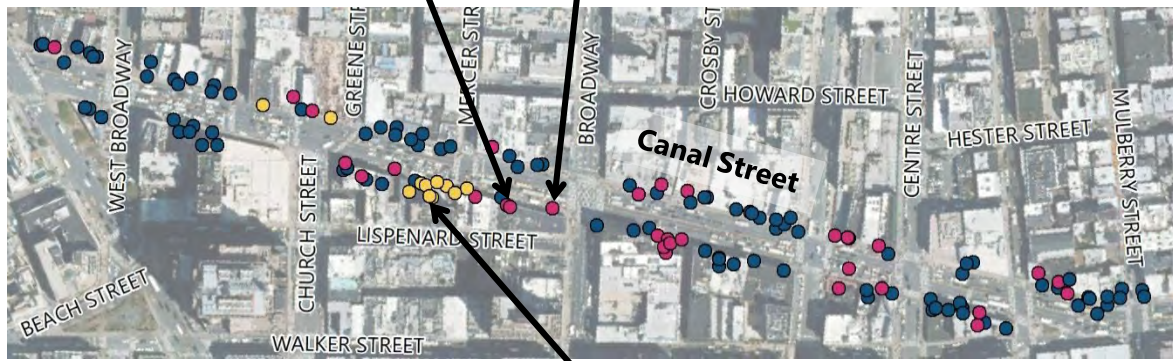
- One vacant, recently improved storefront for lease.
- One difficult-to-fill, long-vacant historic bank building with two stories of retail space totaling 20,000 SF. Zoning limits retail uses to 10,000 SF per zoning lot, and historic district regulations make it difficult to subdivide space.
- 10 vacant storefronts slated for redevelopment, including the assemblage described above.



Recently improved property for lease.



Long-vacant, two-story, 20,000 SF historic property.



25.9% Vacant

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/Store Coming Soon ●



Vacant storefronts part of a large assemblage slated for redevelopment.

\*As discussed, this study does not include “Vacant – Construction/Store Coming Soon” in the vacancy rate. Sources: Vacancy rate: Live XYZ. (Average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018. Top image source: DCP. Bottom image source: LiveXYZ.



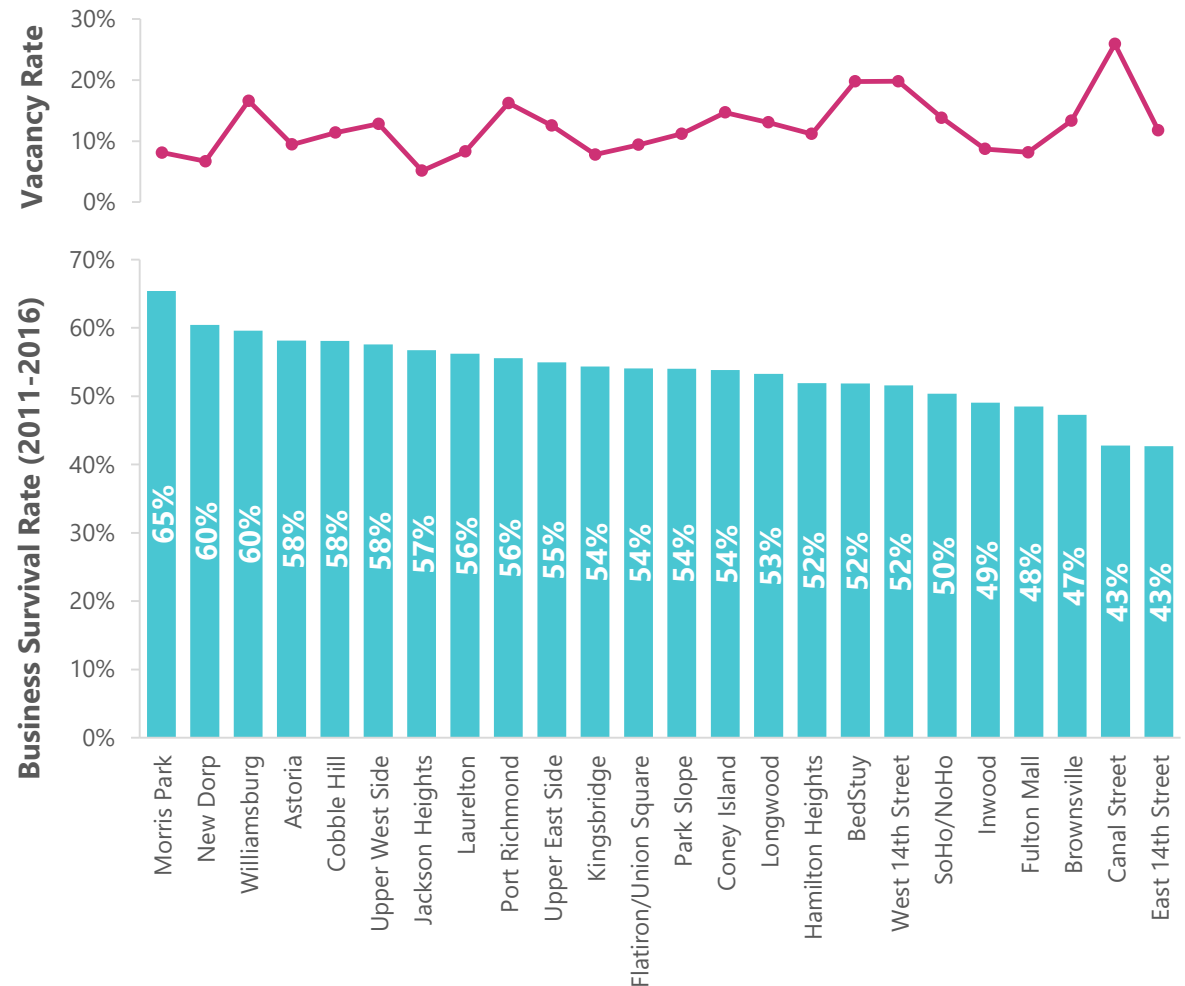
# Storefront vacancy is not necessarily an indicator of business displacement, and small businesses face many challenges beyond rents.

**High vacancy in a neighborhood is often described as evidence that businesses are going out of business. However, DCP's analysis of business survival rates did not find strong evidence of this trend.** DCP calculated business survival rates by analyzing the share of storefront businesses located in each corridor in 2011 that continued to be located there in 2016. The analysis did not find a strong correlation between business survival rate and vacancy.

**Business closures are often attributed to high rents, but asking rents in neighborhoods with the lowest business survival rates varied tremendously.** This ranged from \$155/SF on East 14<sup>th</sup> Street to \$30/SF in Brownsville to \$262/SF on Fulton Mall. Lack of strong correlation between rents and business closures is likely due to the fact that businesses face numerous challenges beyond rents, including:

- Changing consumer preferences and industry-wide shifts in retail.
- Competition between retail corridors.
- Rising commercial property taxes (often passed on to tenants) and other costs.
- Complying with complex regulations, including zoning, building code, and others.

Storefront Vacancy Rate vs. Storefront Business Survival Rate (2011-2016)



### Takeaway #3

Vacancy is concentrated only in certain neighborhoods and is influenced by local and citywide market forces and spending patterns.

# While every corridor has its own story, the 24 case study corridors generally fell into four categories reflecting different storefront trends.

**DCP analyzed a variety of data for each case study corridor, but no single variable was a reliable indicator of vacancy.** This included household income, demographic change, and residential and employment density.

**DCP was able to place the 24 different case study neighborhoods into four different categories broadly based on common themes and vacancy conditions.**

Medium/high vacancy areas include Hot Corridors, where rising rents and an influx of investment may have encouraged some owners to keep spaces vacant, at least in the short term. Medium/high vacancy areas also include Underperforming Corridors characterized by historic disinvestment and difficulty attracting spending.

Low-vacancy areas include Regional and Local Stable Corridors, which have solid customer bases and have experienced relatively little market fluctuation.

**However, every neighborhood has its own story.** While these categories help explain dynamics in the case study neighborhoods, they may not explain trends across every neighborhood in the city.

MEDIUM/HIGH  
VACANCY

## HOT CORRIDORS

*Established or changing Manhattan/Brooklyn corridors that experienced a market bubble and uptick in vacancy.*

Bed-Stuy	Park Slope
Canal St	SoHo/NoHo
Cobble Hill	UES
E. 14 <sup>th</sup> St	UWS
Fulton Mall	W. 14 <sup>th</sup> St
Hamilton Hts	Williamsburg

## UNDERPERFORMING CORRIDORS

*Corridors where historic disinvestment and difficulty attracting spending contribute to vacancy.*

Brownsville  
Coney Island  
Longwood  
Port Richmond

LOW VACANCY

## REGIONAL STABLE CORRIDORS

*A robust, uniquely positioned corridor that did not experience a rent bubble.*

Union Square/Flatiron

## LOCAL STABLE CORRIDORS

*Corridors farther from Manhattan where the real estate market has not undergone dramatic fluctuations.*

Astoria	Laurelton
Inwood	Morris Park
Jackson Hts	New Dorp
Kingsbridge	

# HOT CORRIDORS

(MEDIUM/HIGH VACANCY)

## Established or changing Manhattan/Brooklyn corridors that experienced a market bubble and uptick in vacancy.

- Bed-Stuy (19.8%)
- Canal St (25.9%)
- Cobble Hill (11.4%)
- E. 14<sup>th</sup> St (11.7%)
- Fulton Mall (8.2%)
- Hamilton Hts (11.2%)
- Park Slope (11.2%)
- SoHo/NoHo (13.8%)
- UES (12.5%)
- UWS (12.8%)
- W. 14<sup>th</sup> St (19.8%)
- Williamsburg (16.6%)

**Hot Corridors are established or emerging corridors in parts of Manhattan and Brooklyn with medium to high vacancy.** This includes corridors with vacancy rates from 11.2-26.9%, with the exception of Fulton Mall's vacancy rate of 8.2%.\* In Hot Corridors, expectations of high rents caused an influx of investment post-Recession, encouraging some – but not all – property owners to keep spaces vacant, at least in the short-term. Brokers active for many decades have suggested that the market will adjust and vacancy and rents will decline, having previously observed similar market cycles.

- Post-Recession, properties were purchased at high prices, encouraged by rising rents and low interest rates.
- Some property owners opted to keep spaces vacant while seeking high rents, or waiting for rents in rapidly developing markets such as Downtown Brooklyn or Bedford-Stuyvesant to "mature."
- Many lenders require minimum rent levels and/or credit tenants (typically national chain stores) for favorable lending terms, giving owners no choice but to hold out.\*\*
- In marquee locations such as SoHo, high asking rents may have been driven by anticipation of flagship tenants, who often pay higher rents than is justified by sales revenues alone.

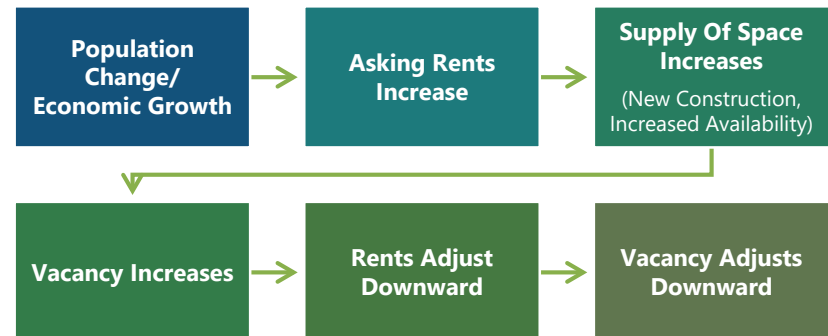


Bond Street, SoHo



Bedford Avenue, Williamsburg

### Market Cycle Described by Some Experts



\*As discussed, vacancy rates in this study do not include major assemblages slated for redevelopment. On Fulton Mall, including one large assemblage in the vacancy calculation leads to a vacancy rate of 27.1%. On Canal Street, including one large assemblage leads to a vacancy rate of 31.1%. These significant assemblages are evidence of the market fluctuations and rapid investment found in other Hot Corridors that have led to vacancy, at least in the short term. \*\*For a better understanding, these issues may merit further research. Image source: Live XYZ.

- Investors with large portfolios less sensitive to financial impacts of vacancy may have been more likely to warehouse space.\*
- However, many other owners did not elect to hold spaces vacant in pursuit of high rents – smaller owners in particular need rents to cover costs such as taxes and mortgages.

**Evidence of a decline in asking rents suggests a market adjustment may be occurring.**

- Property owners in many Hot Corridors are realizing that high rent expectations were unachievable for most properties. Given a large supply of vacant space, tenants have gained negotiating leverage, and owners are increasingly competing for tenants.
- Asking rents are declining. For example, on Third Avenue on the Upper East Side, they declined from a peak of \$371/SF in 2016 to \$226/SF in 2019. On Smith Street in Cobble Hill, they declined from a peak of \$149/SF in 2017 to \$83/SF in 2019. Interviews suggested many owners are settling for rents lower than asking rents.
- Owners are also offering increasingly complex leases favorable to tenants, such as free rent, tenant improvements, or short-term leases with the option to renew. There is anecdotal evidence that some owners are showing lenders the guaranteed rent on paper even if concessions make the effective rent much lower.
- E-commerce may be decreasing the pool of traditional dry retail tenants, leading owners to focus on food and beverage and service tenants. Many owners are also finding new ways to fill space, such as leasing to pop-up stores.

**Given rapidly changing conditions, future vacancy levels remain to be seen.** While the market forces that increased vacancy in Hot Corridors may be adjusting, there are other factors – such as the rise of e-commerce or the significant supply of new storefront space citywide – whose long-term effects are not yet known.

**Bleecker St: Revival of a High-Vacancy, High-Rent Corridor**



*In the early 2000s, Bleecker Street in Greenwich Village became a hub for high-end stores such as Marc Jacobs and Michael Kors. In recent years, many of these stores closed, potentially due to lack of foot traffic and impacts of e-commerce. Ongoing vacancy was attributed to unaffordable asking rents, and according to a 2017 study, the vacancy rate reached 18%.*

*However, asking rents have declined by 42% since their 2014 peak – from \$504/SF to \$294/SF in 2019 – and the corridor is being revived with an innovative new tenanting strategy. In 2018, Brookfield Properties purchased seven vacant storefronts on Bleecker Street and tenanted them with a curated mix of “digital native” brands, such as Lingua Franca, a purveyor of embroidered cashmere sweaters, and Slightly Alabama, a leather accessories label.*

*The street has begun to regain its former vibrancy. This photo shows Bonberi Bodega, a health food market that originated from a blog located at 384 Bleecker Street, formerly home to Michael Kors and part of Brookfield’s new portfolio.*

\*For a better understanding, these issues may merit further research. Sources: New York State Senator Brad Hoylman, “Bleaker on Bleecker: A Snapshot of High-Rent Blight in Greenwich Village and Chelsea,” May 2017.; Nelson, Karin, “The Return of Bleecker Street,” *The New York Times*, December 4, 2018.; REBNY, Manhattan Retail Market Reports, 2009-2019 and Brooklyn Retail Market Reports, 2015-2019. Image source: DCP.

# UNDERPERFORMING CORRIDORS

(MEDIUM/HIGH VACANCY)

Corridors where historic disinvestment and difficulty attracting spending contribute to vacancy.

- Brownsville (13.4%)
- Coney Island (15.7%)
- Longwood (13.1%)
- Port Richmond (16.2%)

**Underperforming Corridors are markets characterized by historic disinvestment with medium to high vacancy for very different reasons from those in Hot Corridors.**

Common challenges include:

- Building stock in disrepair and difficult to tenant due to historic disinvestment and building owners lacking capital to make improvements.
- Negative perceptions of safety or character that may discourage businesses from moving in.
- Difficulty marketing space. (A search of commercial real estate listings found relatively few listings for these areas, despite a significant supply of space.)
- Limitations on the ability of the corridor to attract spending, due to a lack of anchor tenants to draw in shoppers, lack of public transit access, and/or nearby residents that tend to drive to malls in other neighborhoods.
- In newer development (often rent-regulated housing), retail space that is designed as an afterthought, with issues such as low ceilings and narrow column spacing.

In Brownsville and Longwood, local experts observed that community facility and social service uses were outpacing dry retail because they generate higher rents and are seen as lower risk because they are frequently government-supported.

**New York City is constantly evolving, and the dynamics contributing to high vacancy in Underperforming Corridors could certainly change.** For example, brokers active in Coney Island expressed optimism that new residential development in the pipeline could attract new spending that would help to revitalize the neighborhood's retail corridors.



Pitkin Avenue, Brownsville



Port Richmond Avenue, Port Richmond

# REGIONAL STABLE CORRIDOR

(LOW VACANCY)

A robust, uniquely positioned corridor that did not experience a rent bubble.

Union Square/Flatiron (9.4%)



Union Square South



5th Avenue, Flatiron

The sole Regional Stable Corridor covered in the study is Union Square/Flatiron, which is characterized by a relatively low vacancy rate, unique assets that attract spending, and less volatility compared to other corridors in Manhattan – including the adjacent corridors of East and West 14<sup>th</sup> Streets.

This unique combination of assets includes:

- Major transportation hub.
- 24/7 neighborhood with workers, residents, students, institutions, and tourists.
- Strong brand and character.
- Anchors such as the Greenmarket, Whole Foods, and Trader Joe's.
- Many full-service and limited-service restaurant options.
- Two vibrant parks bookending the area: Union Square and Madison Square.
- Relatively flexible zoning, without storefront use limitations seen in some other neighborhoods, enabling a variety of uses that can respond to market shifts.

Compared to other high-end Manhattan corridors, real estate market conditions were also relatively stable. Rents did not increase as dramatically, and fewer properties changed hands, potentially because many properties are owned by long-term, legacy owners.

**Union Square/Flatiron demonstrates that while volatile rents have caused an increase in vacancy in many areas of Manhattan, each retail corridor is unique and there are often exceptions to every trend.**

# LOCAL STABLE CORRIDORS

(LOW VACANCY)

Local corridors farther from Manhattan where the real estate market has not undergone dramatic fluctuations.

Astoria (9.5%)  
Inwood (8.7%)  
Jackson Hts (5.1%)  
Kingsbridge (7.8%)  
Laurelton (8.3%)

Morris Park (8.1%)  
New Dorp (6.7%)

**Local Stable Corridors are low-vacancy corridors that serve a stable, local customer base and where real estate values stayed relatively consistent post-Recession.**

Assets include:

- Nearby residential density and/or transit-access that brings in shoppers.
- Nearby residents with disposable income that frequent the corridor – including local residents and, in some corridors, workers and visitors.
- In some cases, a unique identity or offerings. For example, New Dorp is one of the few walkable retail corridors in Staten Island, and Jackson Heights is a vibrant and culturally diverse neighborhood.

Local Stable Corridors were also relatively insulated from the influx of investment and rapid rent increases that occurred in many parts of Manhattan and some areas of Brooklyn.

**Local Stable Corridors demonstrate that storefront vacancy is not a pervasive citywide problem.**



37<sup>th</sup> Avenue, Jackson Heights



New Dorp Lane, New Dorp



# Conclusion: policy implications and further study

## Policy Implications

**While this study supports the premise that concerning high-vacancy conditions exist on some retail corridors, this condition was far from universal, and it is unclear to what extent this is a temporary condition or a more persistent phenomenon.** The variation in conditions of different corridors suggests a need for policies that are adequately flexible so that they do not constrain the ability of corridors to adapt and evolve.

Considerations for flexibility include:

- The retail industry is changing. Some changes are a continuation of prior trends, while others reflect emerging trends or fluctuations.
- E-commerce may be a factor in the decline of dry retail businesses on many corridors. However, the growth of food and beverage and services is a continuation of a longstanding trend, and innovative new models are growing. Regardless of the extent to which growing sectors will offset a decline in dry retail, these shifts have varied implications for the composition of individual corridors.
- Consumer preferences can shift: New Yorkers are spending more on food and beverage, fitness, and services today, but this may change in the future.
- There is evidence that a rent bubble has burst in some high-vacancy, high-rent markets and that the market is correcting.
- Trends vary significantly across corridors – each has a different composition of establishments, customers, and competition.
- Zoning and other regulations can be used to prevent individual properties from disrupting local economies of scale, but regulations that fall out of step with the economy or are highly

prescriptive, such as those in SoHo, may make it more difficult to lease spaces, contributing to vacancy.

In light of these conclusions, policies affecting retail corridors or the businesses that occupy storefronts should:

- Account for the diverse range of businesses and corridors in New York City's many neighborhoods.
- Maintain flexibility for corridors to adapt as economic trends, consumer preferences, and demographics change.
- Consider the existing regulations that storefront businesses say create challenges and increase costs. Overly inflexible or prescriptive policies could increase vacancy in the future and cause corridors to lose business to competing locations.

## Further Study

**Many factors influence storefront use trends, and monitoring conditions can aid the development of effective policies.**

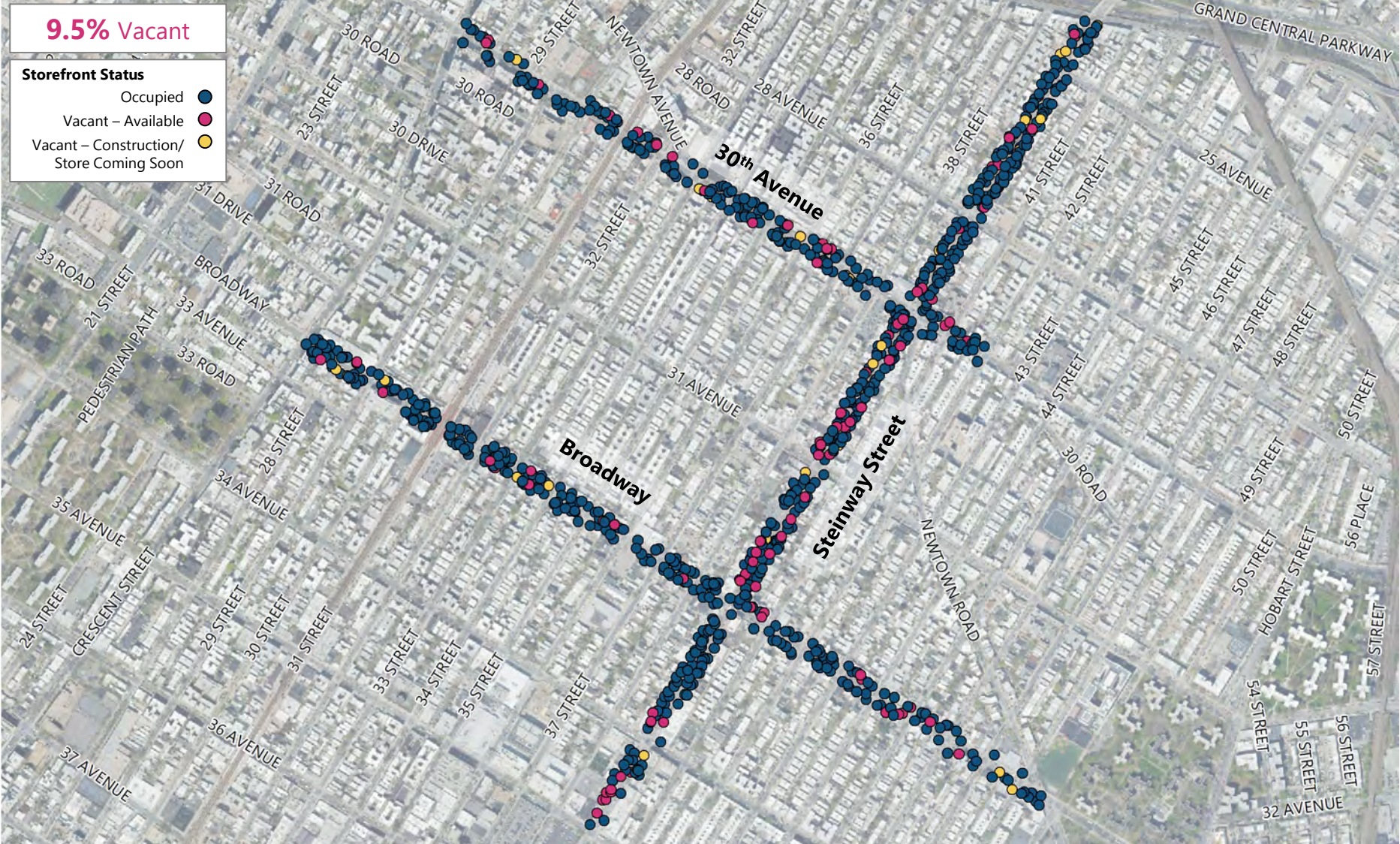
Technological advances may help increase the availability of data on storefront conditions, which has historically required costly and labor-intensive field work. Additional research on lending practices, the tax implications of vacancy for different types of property owners, and local consumer spending patterns could all shed more light on current dynamics. Further, storefront businesses face many challenges that could be better understood. Some challenges businesses have cited are rising cost of space and taxes; complexity of regulations such as zoning, building code, and permitting requirements; and lack of access to financing. This business environment can make it more difficult for businesses to survive and to plan long-term. Further information on these challenges can aid efforts to better support small business.

# Appendix A

## Storefront Vacancy Maps

# Astoria, Queens

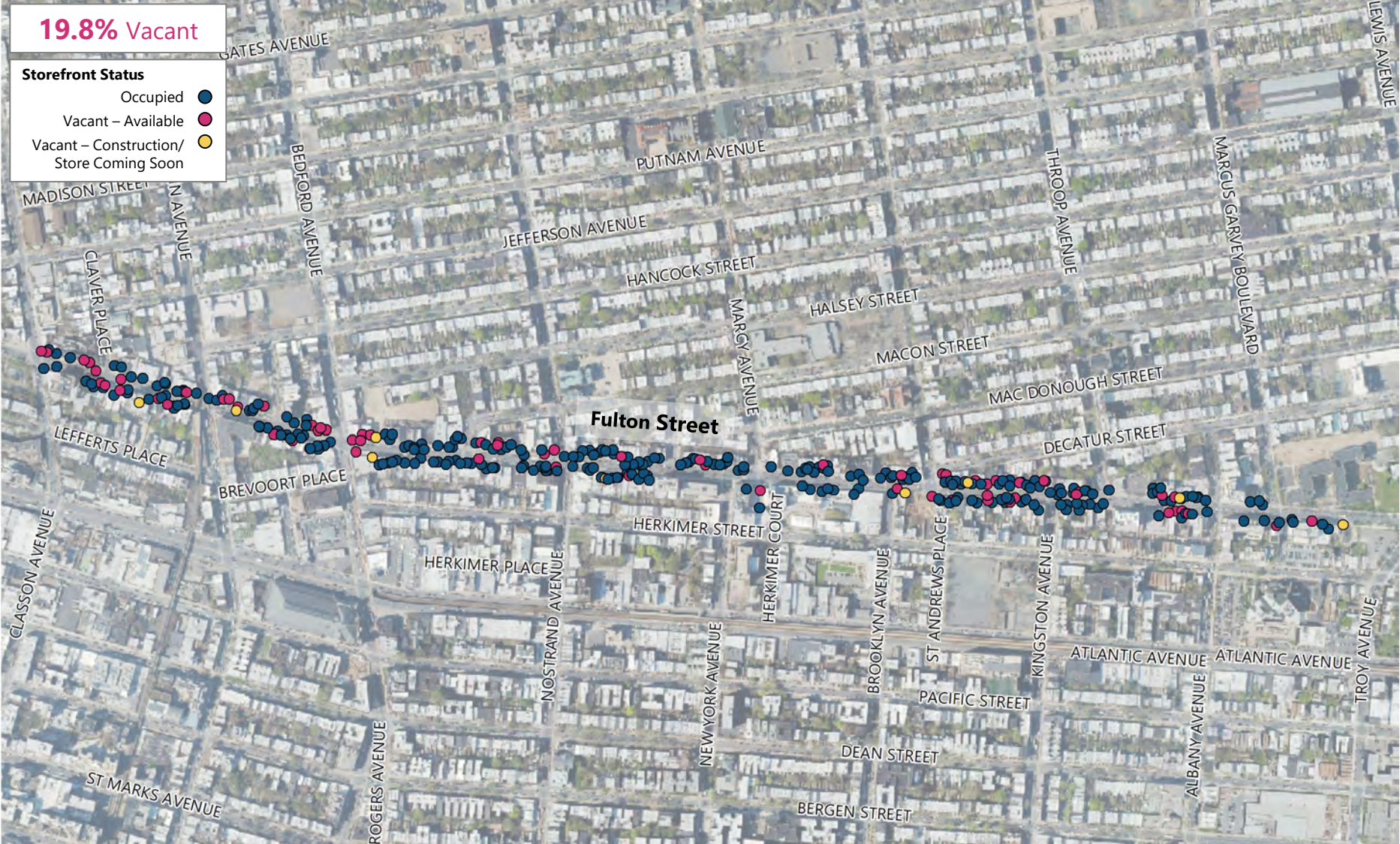
## Steinway Street, Broadway, 30th Avenue



Sources: Vacant rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Bedford-Stuyvesant, Brooklyn

## Fulton Street



# Brownsville, Brooklyn

## Pitkin Avenue



**13.4% Vacant**

- Storefront Status**
- Occupied ●
  - Vacant – Available ●
  - Vacant – Construction/Store Coming Soon ●

● Occupied

● Vacant – Available

● Vacant – Construction/Store Coming Soon

Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Canal Street, Manhattan

## Canal Street



# Cobble Hill, Brooklyn

## Smith Street, Court Street

**11.4% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Coney Island, Brooklyn

## Mermaid Avenue

**14.7% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●





# East 14<sup>th</sup> Street, Manhattan

## East 14<sup>th</sup> Street



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Flatiron / Union Square, Manhattan

5<sup>th</sup> Avenue, Broadway, Park Avenue, Union Square West

**9.4% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●



# Fulton Mall, Brooklyn

## Fulton Street



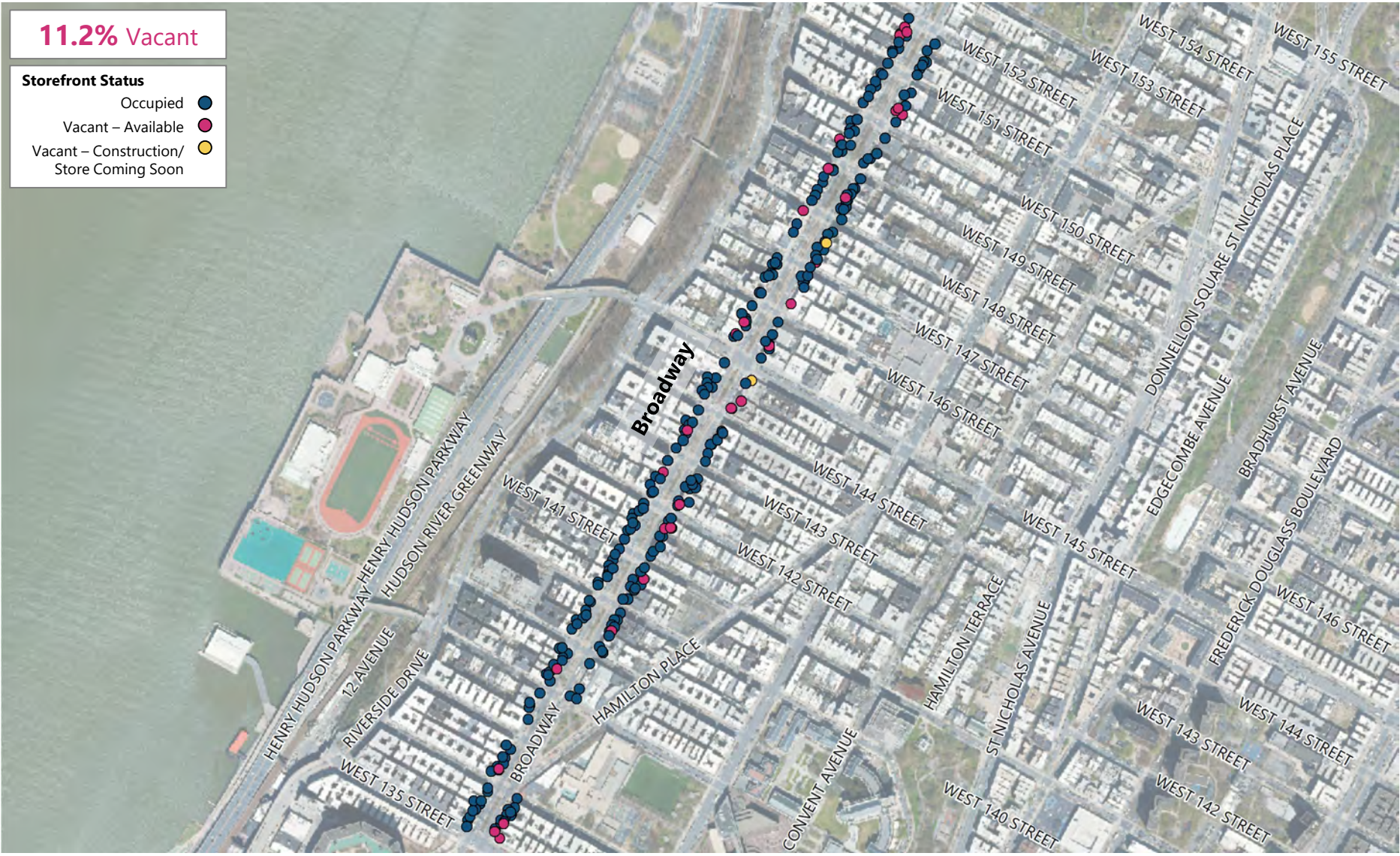
# Hamilton Heights, Manhattan

## Broadway

**11.2% Vacant**

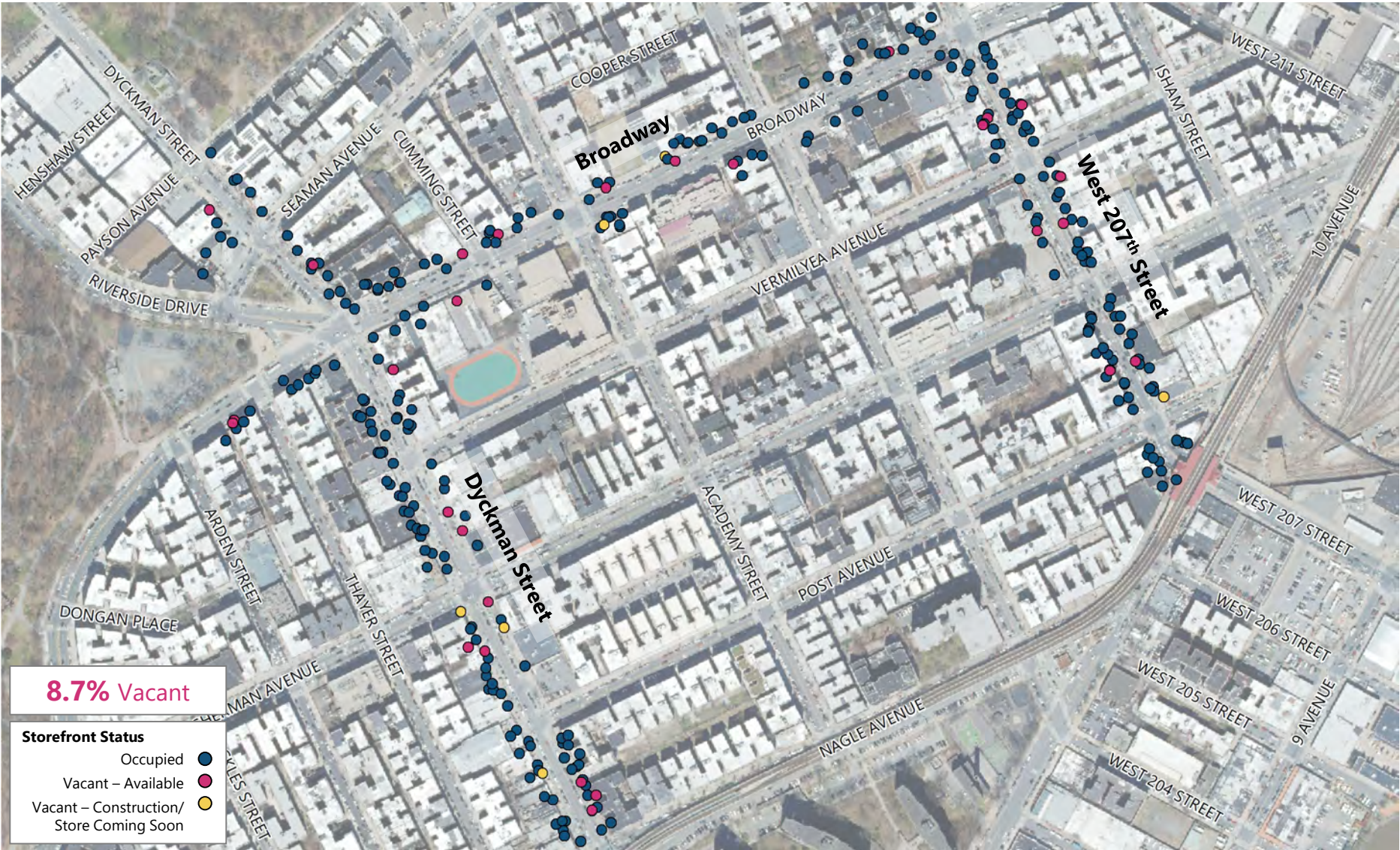
**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●



# Inwood, Manhattan

## Broadway, Dyckman Street, West 207<sup>th</sup> Street



**8.7% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/Store Coming Soon ●

Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Jackson Heights, Queens

## Roosevelt Avenue, 37<sup>th</sup> Avenue, Junction Boulevard



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Kingsbridge, Bronx

## Broadway, 231<sup>st</sup> Street



**7.8% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/Store Coming Soon ●

Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Laurelton, Queens

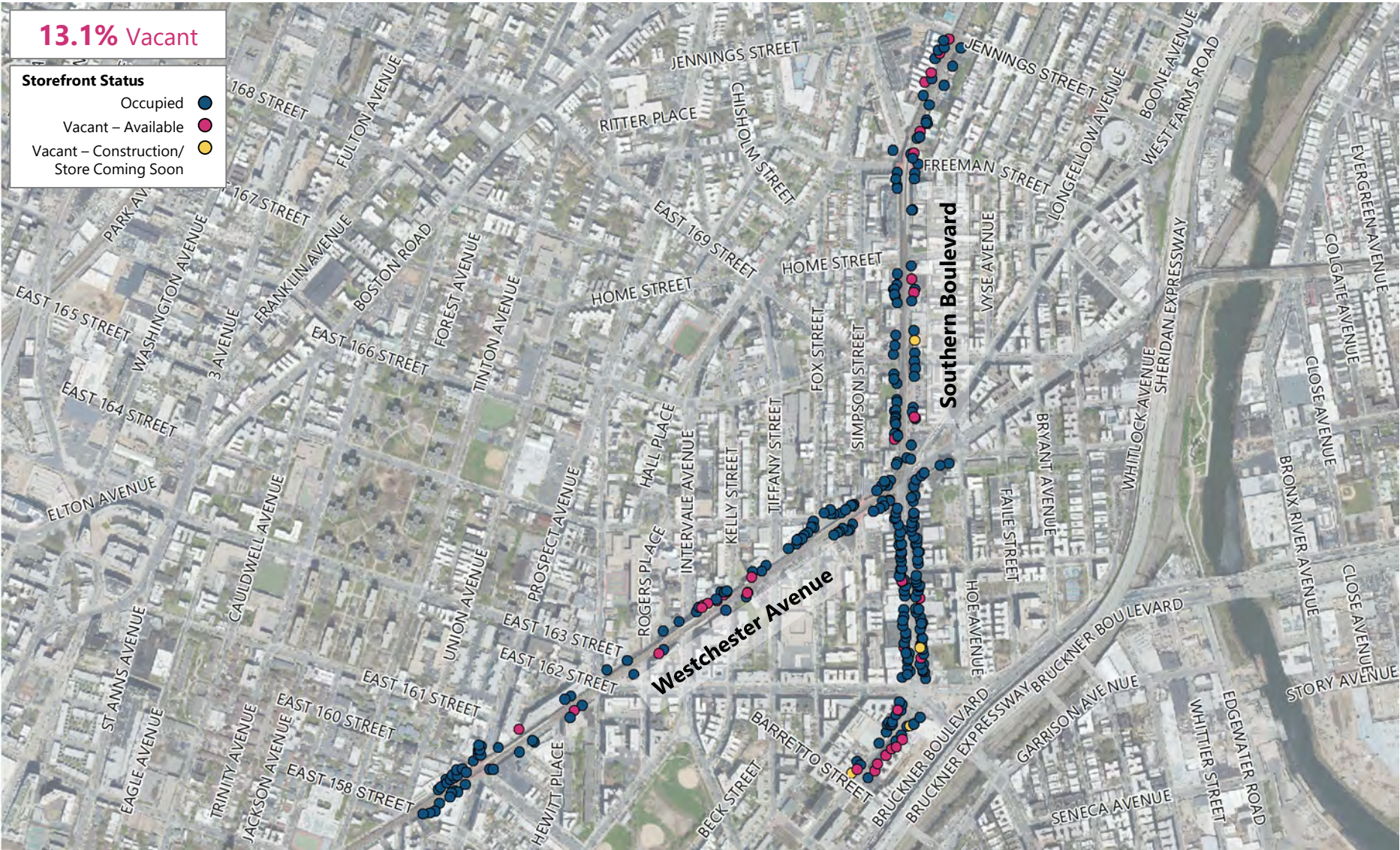
## Merrick Boulevard





# Longwood, Bronx

## Southern Boulevard, Westchester Avenue



**13.1% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●

Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Morris Park, Bronx

## Morris Park Avenue



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# New Dorp, Staten Island

## New Dorp Lane



Sources: Vacancy rate: Live XYZ. (Vacant - Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Park Slope, Brooklyn

## 5th Avenue, 7th Avenue

**11.2% Vacant**

**Storefront Status**

- Occupied (Blue dot)
- Vacant – Available (Red dot)
- Vacant – Construction/Store Coming Soon (Yellow dot)



# Port Richmond, Staten Island

## Port Richmond Avenue

**16.2% Vacant**

**Storefront Status**

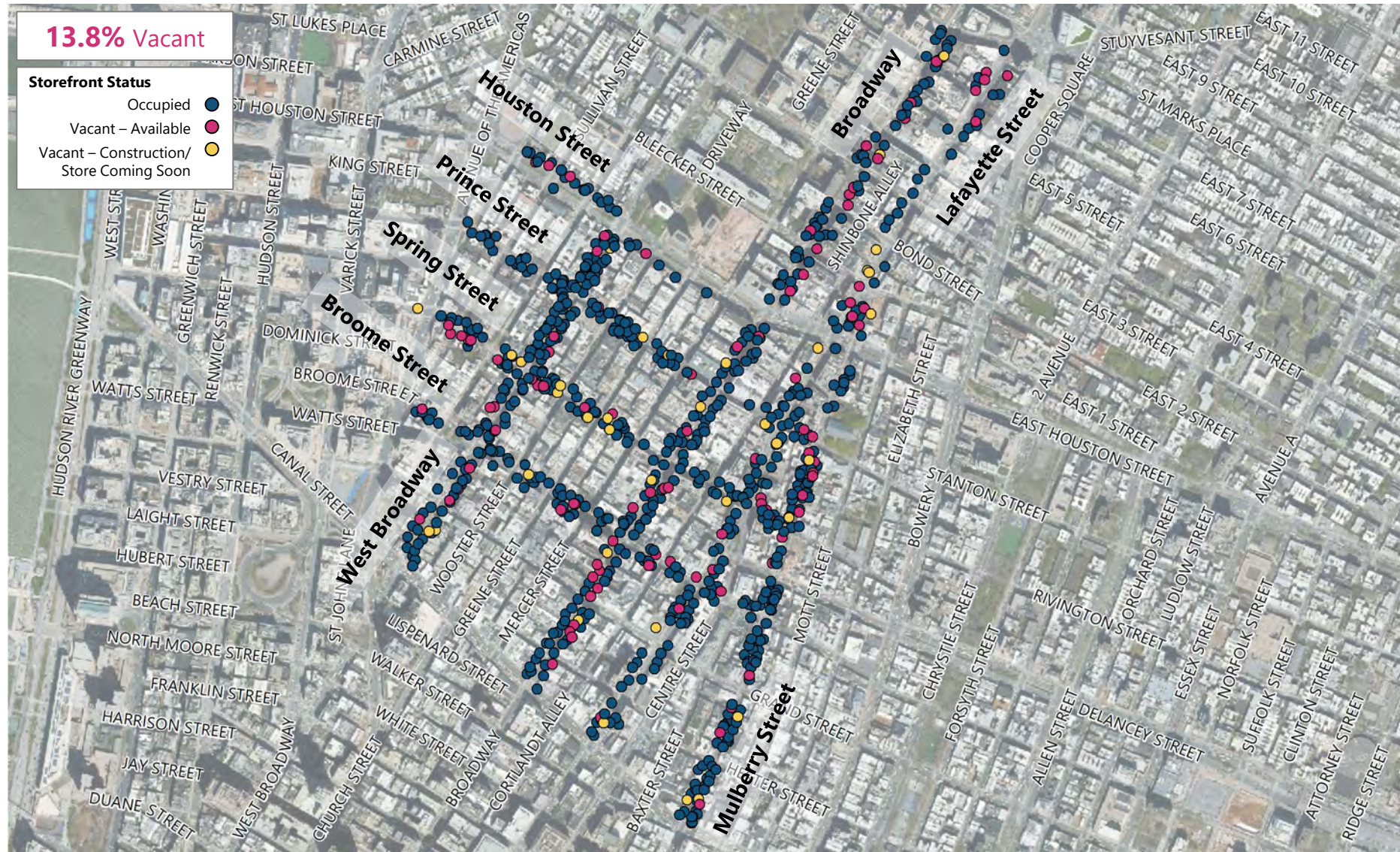
- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# SoHo / NoHo, Manhattan

Broadway, Broome Street, Lafayette Street, Mulberry Street, Prince Street, Spring Street, West Broadway, Houston Street



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.) Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Upper East Side, Manhattan

1<sup>st</sup> Avenue, 2<sup>nd</sup> Avenue, 3<sup>rd</sup> Avenue, Lexington Avenue, East 86<sup>th</sup> Street



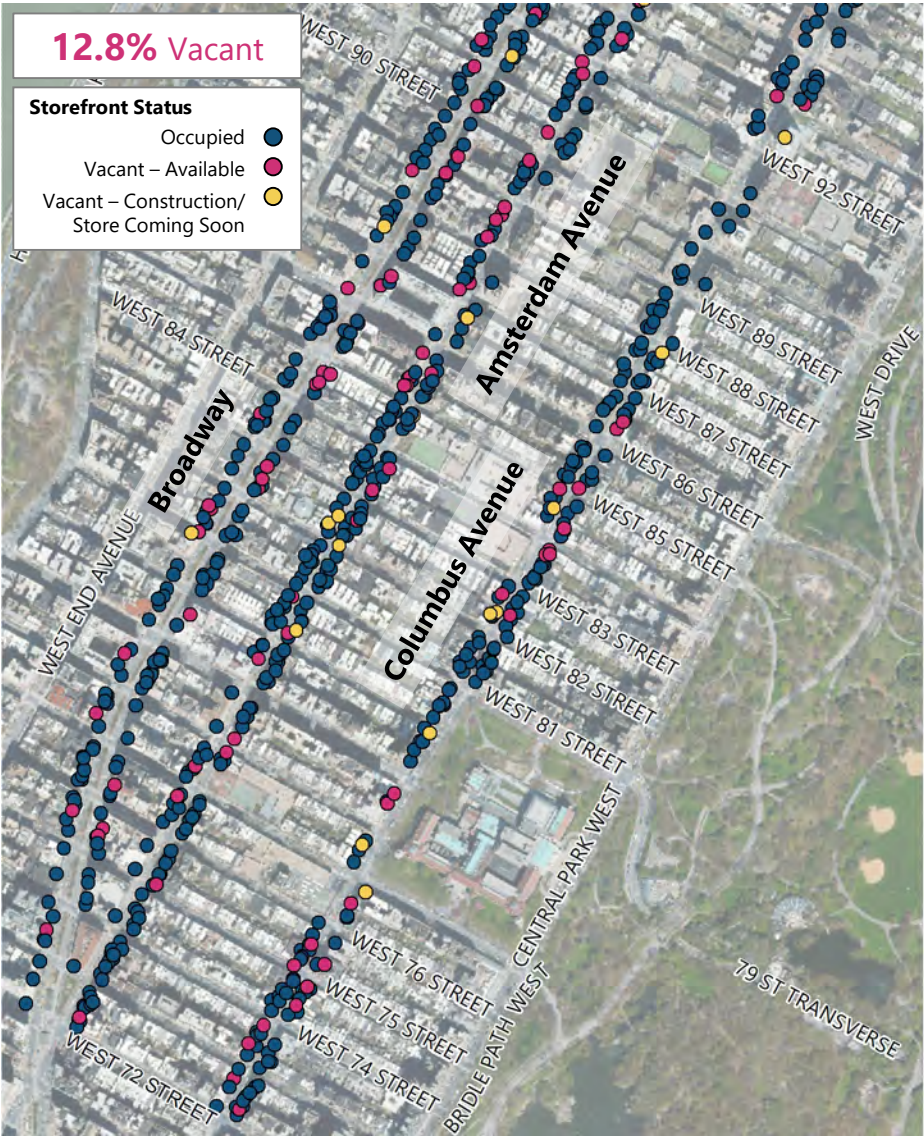
**12.5% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/Store Coming Soon ●

# Upper West Side, Manhattan

## Broadway, Amsterdam Avenue, Columbus Avenue



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.



# West 14<sup>th</sup> Street, Manhattan

## West 14<sup>th</sup> Street



Sources: Vacancy rate: Live XYZ. (Vacant - Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

# Williamsburg, Brooklyn

## Bedford Avenue, Grand Street

**16.6% Vacant**

**Storefront Status**

- Occupied ●
- Vacant – Available ●
- Vacant – Construction/  
Store Coming Soon ●



Sources: Vacancy rate: Live XYZ. (Vacant – Available ground floor storefronts, average of Winter 2017/18, Summer 2018, Fall 2018 data vintages.)  
 Mapped storefronts: Live XYZ. (Fall 2018 data vintage.) Aerial imagery: DOITT, 2018.

## **Appendix B**

### Acknowledgments and Endnotes

# Acknowledgments

## NYC DEPARTMENT OF CITY PLANNING

### Leadership

Marisa Lago, Director  
Anita Laremont, Executive Director  
Howard Slatkin, Executive Director for Strategic Planning  
Jennifer Gravel, Director, Housing, Economic & Infrastructure Planning  
Barry Dinerstein, Deputy Director, Housing, Economic & Infrastructure Planning

### Project Team: Housing, Economic & Infrastructure Planning

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## PARTNER AGENCIES

### NYC Department of Small Business Services

Michael Blaise Backer, Deputy Commissioner,  
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Kethia Joseph, Director, Neighborhood Planning  
Andrew Marcus, Senior Project Manager

### NYC Economic Development Corporation

Adam Meagher, Vice President, Development  
Akanksha Raina, Assistant Vice President,  
Development

## CONFERENCES

Bisnow: Future of Retail (October 2018)  
ICSC/Baruch College: The Changing Landscape for  
Retail (October 2018)

## INTERVIEWS

### Real Estate Professionals and Experts

Robin Abrams, Compass  
Thomas Donovan, B6 Real Estate Advisors  
Aron Gooblar, Washington Square Partners  
Tim King, CPEX  
James Lola, Smith Hanten  
Anthony Mameli, Bronx CRE  
Peter McGuire, Smith Hanten  
Roger Pine, Urban Builders Collaborative LLC  
John Pitera, Cassandra Properties  
Joanne Podell, Cushman and Wakefield  
Lisa Rosenthal, Compass  
Peter Schubert, Terra CRG  
Steven A. Soutendijk, Cushman and Wakefield  
Aric Trakhtenberg, RKF  
Benjamin Waller, ABS Partners  
Curtis Woodside, Compass

Joseph Vitacco  
Yildiray Yildirim, Steven L. Newman Real Estate  
Institute, Baruch College

### Business Associations

Robert Byrnes, East Midtown Partnership/NYC BID  
Association  
Mark Caserta, Park Slope Fifth Avenue BID/NYC BID  
Association  
Jennifer Falk, Union Square Partnership  
Niles French, Staten Island Economic Development  
Corporation  
Daniel Murphy, Pitkin Avenue BID  
Retail Committee, Real Estate Board of New York  
(REBNY)  
May Yu, Downtown Brooklyn Partnership

1. There have been numerous articles and reports raising alarms about vacancy in U.S. cities and in New York City. Some of these include:
  - Kilgannon, Corey, "This Space Available," *The New York Times*, September 6, 2018.
  - Helmore, Edward, "New York's vanishing shops and storefronts: 'It's not Amazon, it's rent,'" *The Guardian*, December 24, 2017.
  - New York State Senator Brad Hoylman, "Bleaker on Bleecker: A Snapshot of High-Rent Blight in Greenwich Village and Chelsea," May 2017.
  - Thomson, Derek, "How Manhattan Became a Rich Ghost Town," *Citylab*, October 15, 2018.
2. Live XYZ is a technology company that has built a unique, frequently updated database and map of all storefronts and points-of-interest in New York City. For the past few years, its on-the-ground mapping team has been walking the streets of New York, photographing, mapping, and classifying every place on every block. Its mappers, civic partners, and signal processing from machine learning, all work together to keep the map "live" as an up-to-date, exhaustive index of places and spaces (operating, vacant, under construction) in New York City. The data used in this report were collected during the winter of 2017/18, summer 2018, and fall 2018. Vacancy rates reflect an average of vacancy rates at these three points in time; maps of storefronts are based on fall 2018 data.
3. In 2008 and 2009, DCP conducted storefront surveys on a selection of local retail corridors, including eight corridors analyzed in this report: Hamilton Heights, Upper West Side, Upper East Side, Kingsbridge, Park Slope, Astoria, Jackson Heights, and New Dorp. The purpose of these surveys was to identify the characteristics of local, successful commercial streets in order to preserve them. To do so, DCP's Housing, Economic and Infrastructure Planning Division (HEIP) worked with the agency's borough offices to pick several streets in each borough that fit this description.