

Profimex Market Review Update – August 31, 2020

Will Retailers Come Back To 'Fashion Hotspot' New York City After The Pandemic?



According to some opinions, New York City resembles a ghost town, as office and stores continue to be closed, and tourists are generally absent due to the pandemic. There have been several larger retailers who have already closed their shops permanently, such as JC Penney, Neiman Marcus, Victoria's Secret and Gap. Several other retailers have chosen to reopen stores in other states, but Manhattan stores remain closed. Rob McGovern, CEO at Precise Target said that "56% of the retail channel capacity is at risk," but that "every time, there were skeptics who claimed New York would never reclaim its glory. Despite all the challenges ahead, New York City remains unparalleled as an international center of culture and business, and will once again draw visitors from around the world."

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Manhattan's Office Leasing Activity, Availability Rate Up While Asking Rent Declines

According to a new study, published by Colliers International, office leasing activity in Manhattan has increased and square foot prices have decreased. 2.39 million square foot of office space was newly rental or renewed in Manhattan in the month of July. This is five-times the size of June – 420,000 square foot. The availability rate, over the same time frame, rose from 10.6% in June to 11% in July. Further, average asking prices per square foot were \$79.32 in June, which continues to be above the July 2019 rate of \$78.40. Specifically, Midtown Manhattan presented the largest leasing activity, and highest availability rate and asking rent.

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