



Bronx RETAIL LEASING

Q1 | MARKET REPORT | 2022

Q1 Takeaways

- Availability continues to increase, as signs of fallout from the eviction moratorium begin.
- Despite a rising availability rate, asking prices continue to increase, signaling those owners are bullish about their ability to re-lease vacancies.

SUMMARY

Supermarkets, like the industrial sector, proved pandemic-resilient, as it remains a rarity to see supermarket space availability in the Bronx, because many large grocery chains are still seeking to add stores, not move or reduce locations.

However, the largest space to come on the market in 2022 has been the Stop & Shop on Eastchester Road. The 63,000 square-foot building was remodeled, and the company held a grand reopening last August, yet inexplicably, the space is now back on the market, and you cannot ignore such a sizeable property in the usually quiet Morris Park submarket.

Most of the retail space made available during Q1 is like spaces leased last quarter – spaces smaller than 5,000 square feet and often attached to larger mixed-use buildings. The sole outlier is 38,000 square feet of third-floor space now available at the Bronx Terminal Market, which is temporarily home to the Hip Hop Museum until this cultural center’s permanent home (on E. 150th St. in Mott Haven) is operational.

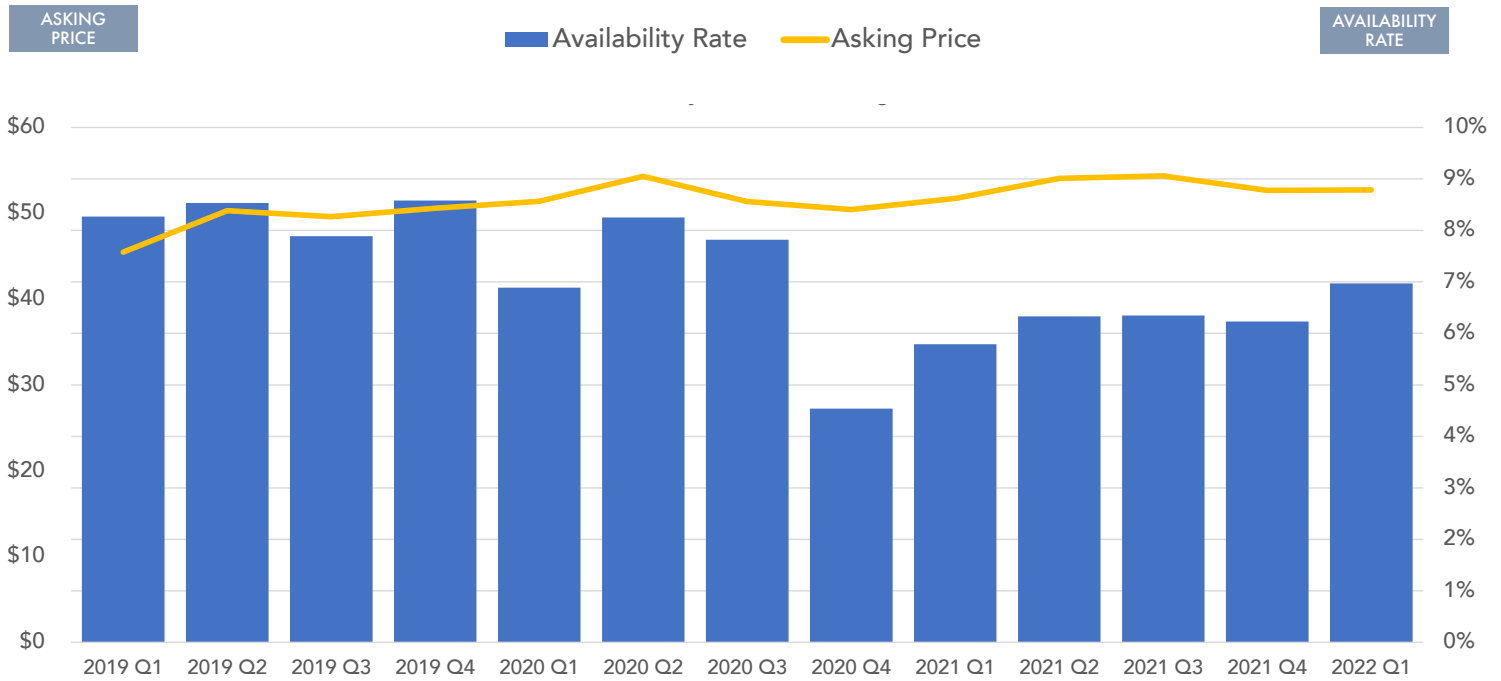
What started in 2019 with the expanded decriminalization of recreational use of cannabis, and further accelerated by the recent passage of New York’s Marijuana Regulation and Taxation Act (MRTA), which legalized cannabis for adults 21 years of age or older, companies seeking to capitalize on these new selling opportunities are jockeying for position in this potentially lucrative (and newly legal) field. RM Friedland Associate Broker, Mia Abdou, brokered a deal for tenant Big Apple Cannabis at 4685 Manhattan College Parkway with an expected April 2022 opening, making this the Bronx’s fourth cannabis dispensary.

The largest deal of the quarter was in the Heights submarket, where Planet Fitness found a new home on 2070 Jerome Avenue. Across the Bronx, asking prices have remained steady with little-to-no fluctuation in availability and/or asking price since the end of 2021. Along Fordham Road, the leasing of high-priced, large blocks of retail real estate in the fourth quarter of 2021 lowered this quarter’s average asking price to a sub \$90 number that is unsustainable if first-floor retail space from Webster Avenue to the University Heights Bridge is available soon. You can apply a similar analysis when reviewing asking prices in the Hub, where the true asking price on main corridors remains closer to the \$100 mark than the current \$80 average.

Finally, while availability rose slightly across the board, the lifting of the eviction moratorium later this year combined with the spring and summer selling season will present a prime opportunity for many landlords to raise asking prices for newer tenants.



AVAILABILITY RATE AND ASKING PRICE TRENDS



HIGHEST AVAILABILITY RATE:
Morris Park

LOWEST AVAILABILITY RATE:
Wakefield

HIGHEST ASKING PPSF:
Fordham Road

LOWEST ASKING PPSF:
Allerton

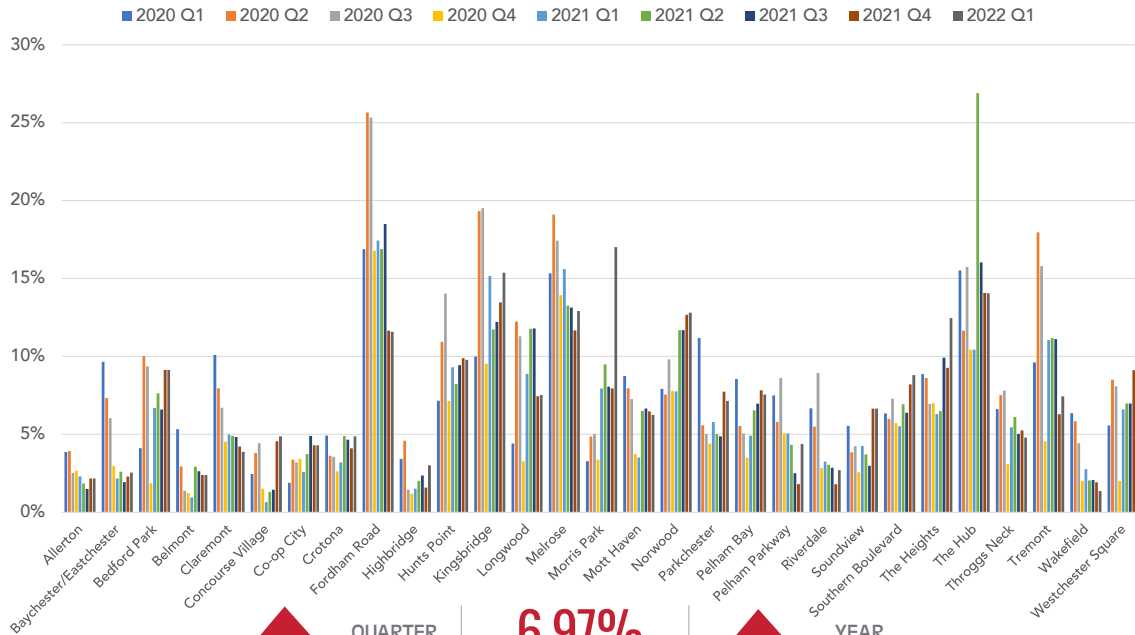
MOST AVAILABLE SF:
Kingsbridge

LEAST AVAILABLE SF:
Belmont

Rental rates are quoted on a gross basis using a formula for net costs*

OVERALL AVAILABILITY RATE and ASKING PRICE 2019-2022 QTR OVER QTR

2020 to 2022 YTD AVAILABILITY RATE BY SUBMARKET



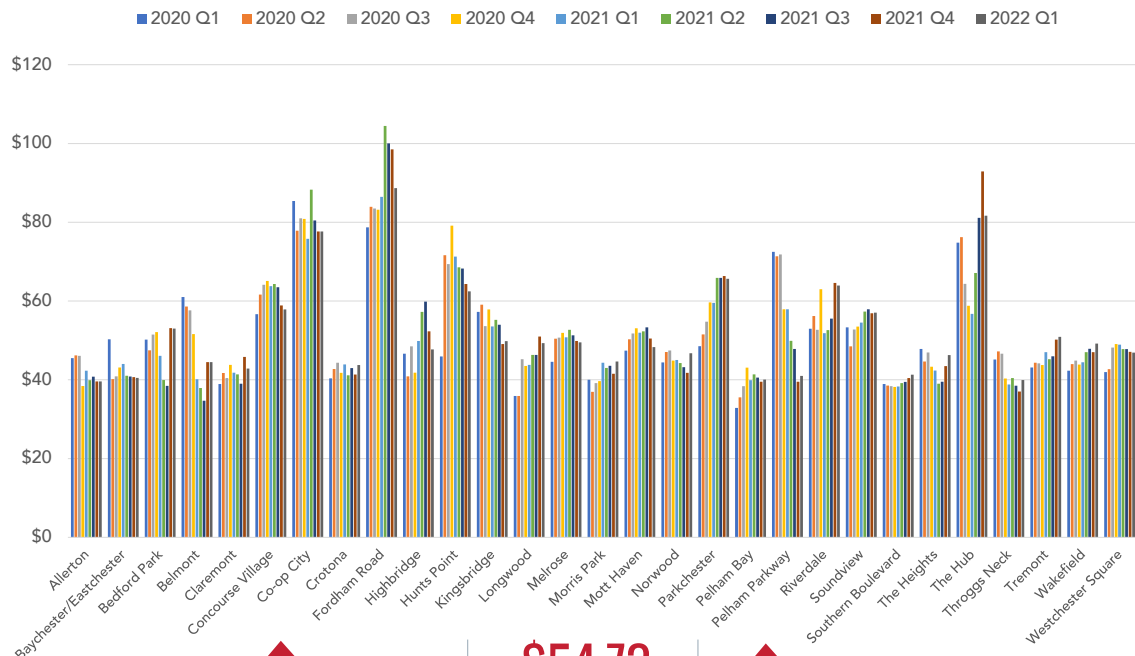
QUARTER OVER QUARTER INCREASE

6.97%
Q1 BRONX OVERALL AVAILABILITY RATE



YEAR OVER YEAR INCREASE

2020 to 2022 YTD ASKING PRICE BY SUBMARKET



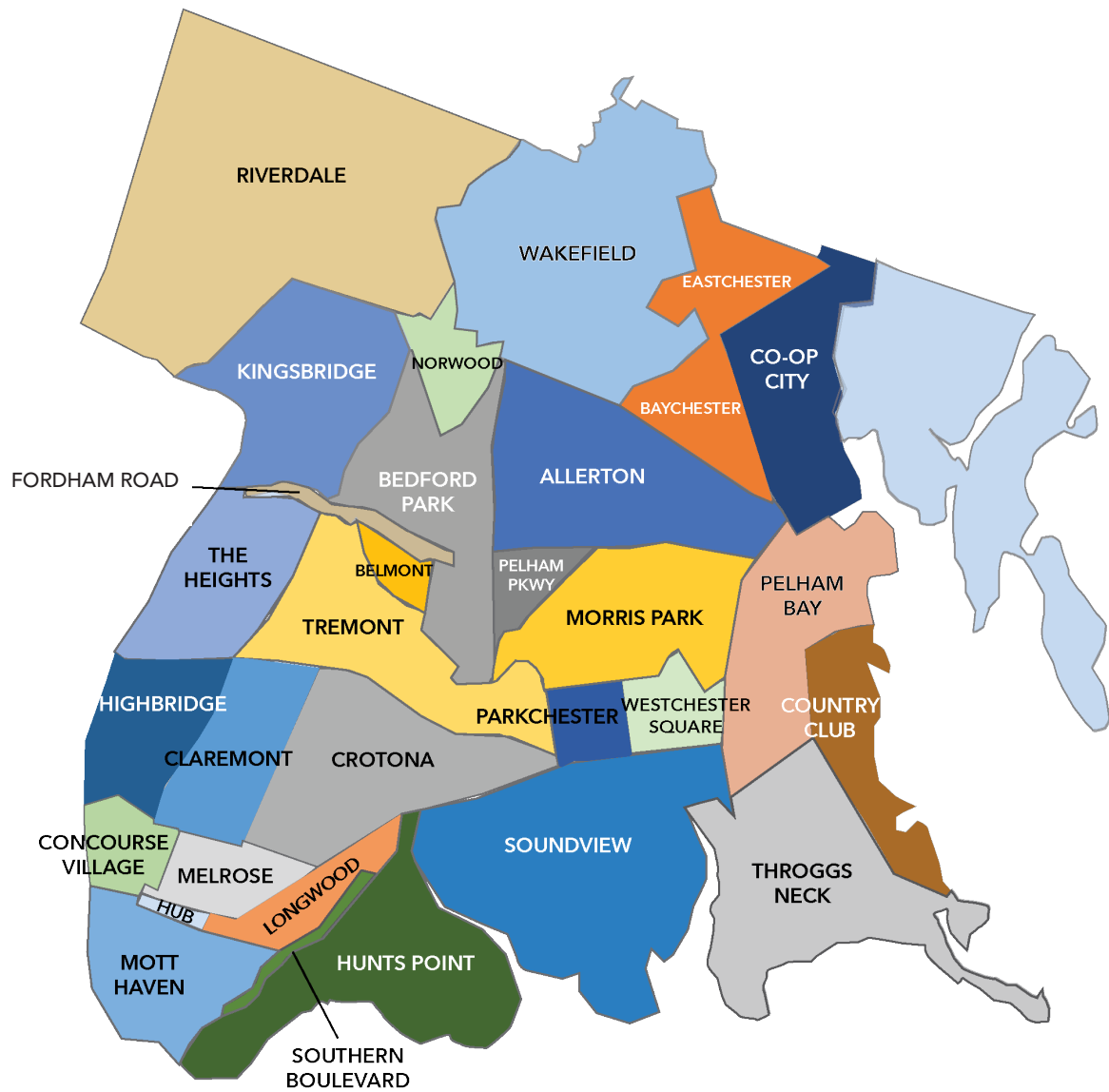
QUARTER OVER QUARTER INCREASE

\$54.73
Q1 BRONX AVERAGE ASKING PRICE



YEAR OVER YEAR INCREASE

Rental rates are quoted on a gross basis using a formula for net costs*



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