

Bronx RETAIL LEASING Q2 | MARKET REPORT | 2022

Q2 Takeaways

- The Bronx retail market continues to show signs of recovery with the availability rate dropping nearly 2% since its high in Q2 of 2020 of 8.25%.
- Asking prices in the Fordham Road submarket, The Bronx's quintessential retail corridor, crept up above \$100 per square foot again, a positive sign for the market.

SUMMARY

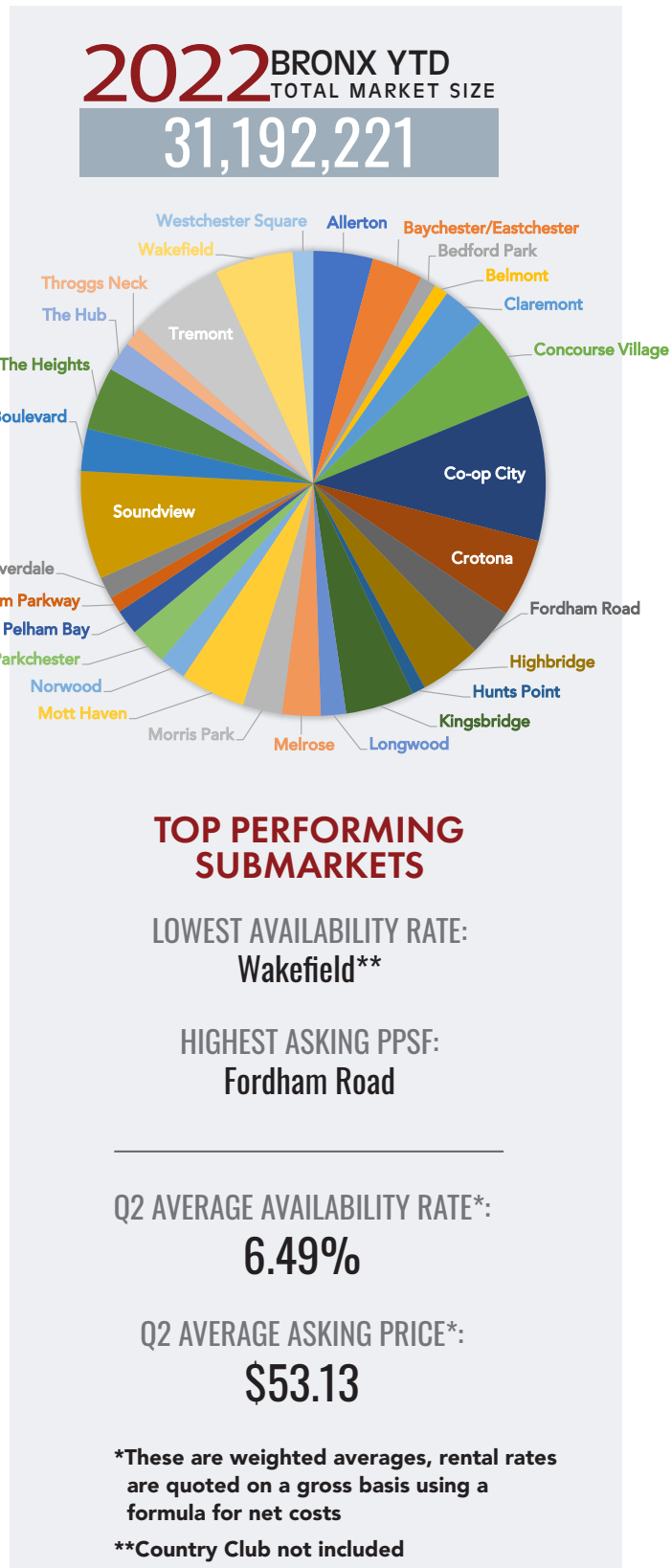
With several enormous malls located all over New York City and throughout the region, it is sometimes easy to forget The Mall at Bay Plaza is one of the largest malls located in the biggest city in the nation with approximately two-million square feet of prime retail space. 40 years after Prestige Properties constructed The Mall (under its original Bay Plaza Shopping Center name), this massive development has been anchored by nationally known retailers such as Macy's, Staples, Old Navy and JCPenney. In fact, Bay Plaza is the inaugural Bronx location for several of the one hundred specialty stores, food sellers, and restaurants.

Remarkably, The Mall's continued vibrancy is happening within a county well-known for its lower median income levels (as opposed to some nearby boroughs), which has historically, impacted the attraction of retail tenants who are seeking a more affluent customer base.

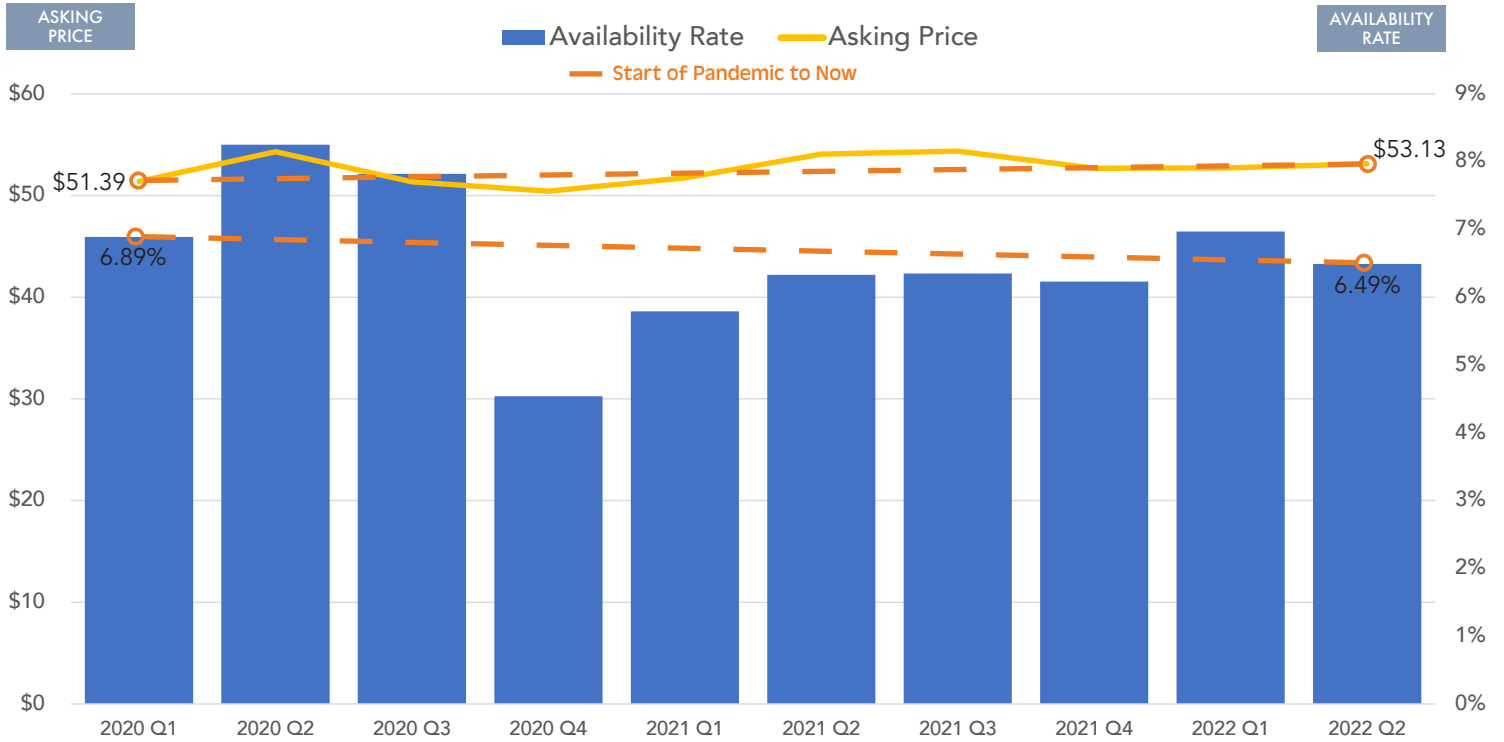
Two of Q2's largest deals were within the Co-op City submarket, as the previously highlighted Mall at Bay Plaza added two new tenants. Global sportswear competitors Nike and Adidas are coming to Bronx County, as Nike signed a lease for just over 13,000 square feet along Bartow Avenue and Adidas signed on for almost 11,000 square feet nearby. However, household appliance store At Home made the biggest splash of the quarter, just up the road from The Mall at Bay Plaza, taking 135,000 square feet at 300 Baychester Avenue by replacing K-Mart, which declared last year the company was closing stores nationwide. According to USA Today (April 2022), there are now only three K-Mart locations open in the entire U.S. market – Westwood, New Jersey; Bridgehampton, Long Island; and Miami, Florida. At Home signed a nine-year lease after the space was on the market for just over 11 months.

Countywide, asking prices continued to creep up slowly in what has been an extremely sluggish rebound from the ongoing pandemic. Q2's asking price of \$53.13 represents the highest price per square foot since restaurants made their grand return in the middle of 2021. Smaller submarkets like Belmont, Bedford Park, and Pelham Parkway continue to experience wild pricing fluctuations due to extremely small availability.

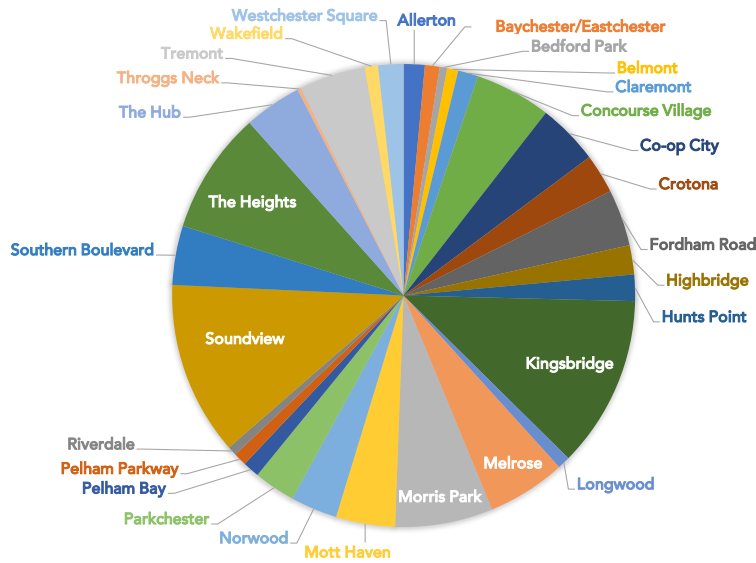
On Fordham Road, availability decreased steeply, but the real news of that submarket was Blink Fitness's headline-grabbing lease of 2 West Fordham Road in the old CityMD space. Meanwhile, on the eastern front of Fordham Road, the 25,000 square foot Modell's Sporting Goods is currently on the market as the largest block of space in the Bronx's busiest shopping hub. Boasting a basement sales floor space and 75 feet of frontage, this space is steps from the Jerome Avenue 4 train. Big blocks of retail space, like Modell's, rarely become available in the Bronx, but with an asking price eclipsing the \$100 mark, landlords will search for national tenants capable of drawing the strip's considerable foot traffic towards their storefronts.



AVAILABILITY RATE AND ASKING PRICE TRENDS



TOTAL AVAILABILITY BY SQUARE FEET



HIGHEST AVAILABILITY RATE:
Kingsbridge

LOWEST AVAILABILITY RATE:
Wakefield

HIGHEST ASKING PPSF:
Fordham Road

LOWEST ASKING PPSF:
Throggs Neck

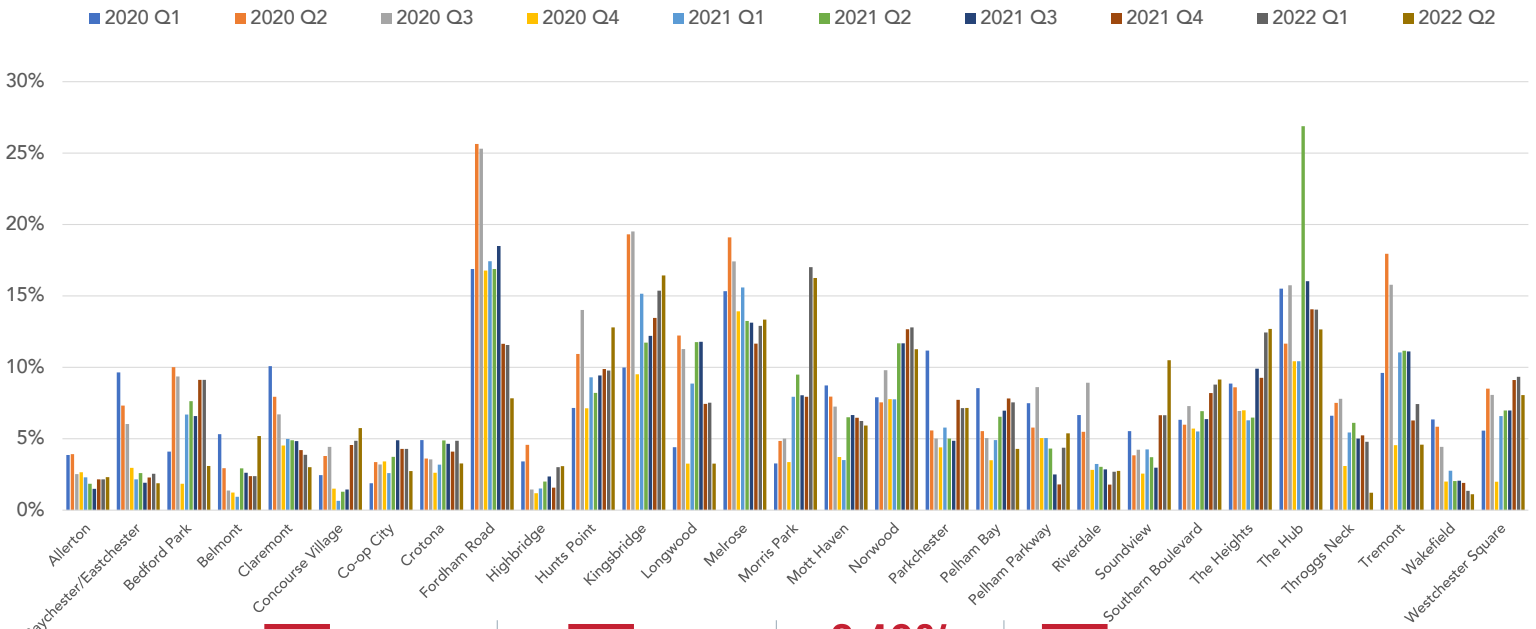
MOST AVAILABLE SF:
Soundview

LEAST AVAILABLE SF:
Throggs Neck

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

OVERALL AVAILABILITY RATE and ASKING PRICE 2020-2022 QTR OVER QTR

2020 to 2022 YTD AVAILABILITY RATE BY SUBMARKET



DECREASE SINCE Q1 2020 (start of pandemic)



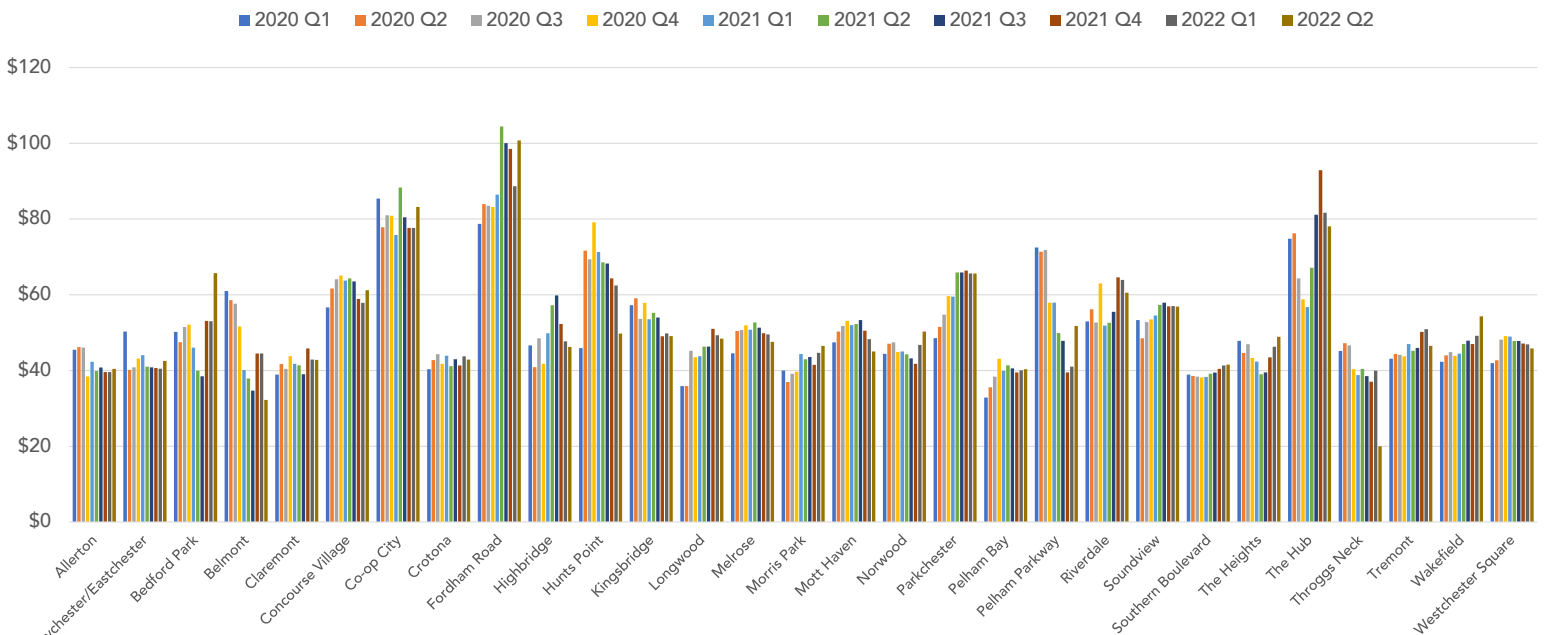
QUARTER OVER QUARTER DECREASE

6.49%
Q2 BRONX OVERALL AVAILABILITY RATE



YEAR OVER YEAR DECREASE

2020 to 2022 YTD ASKING PRICE BY SUBMARKET



DECREASE SINCE Q1 2020 (start of pandemic)



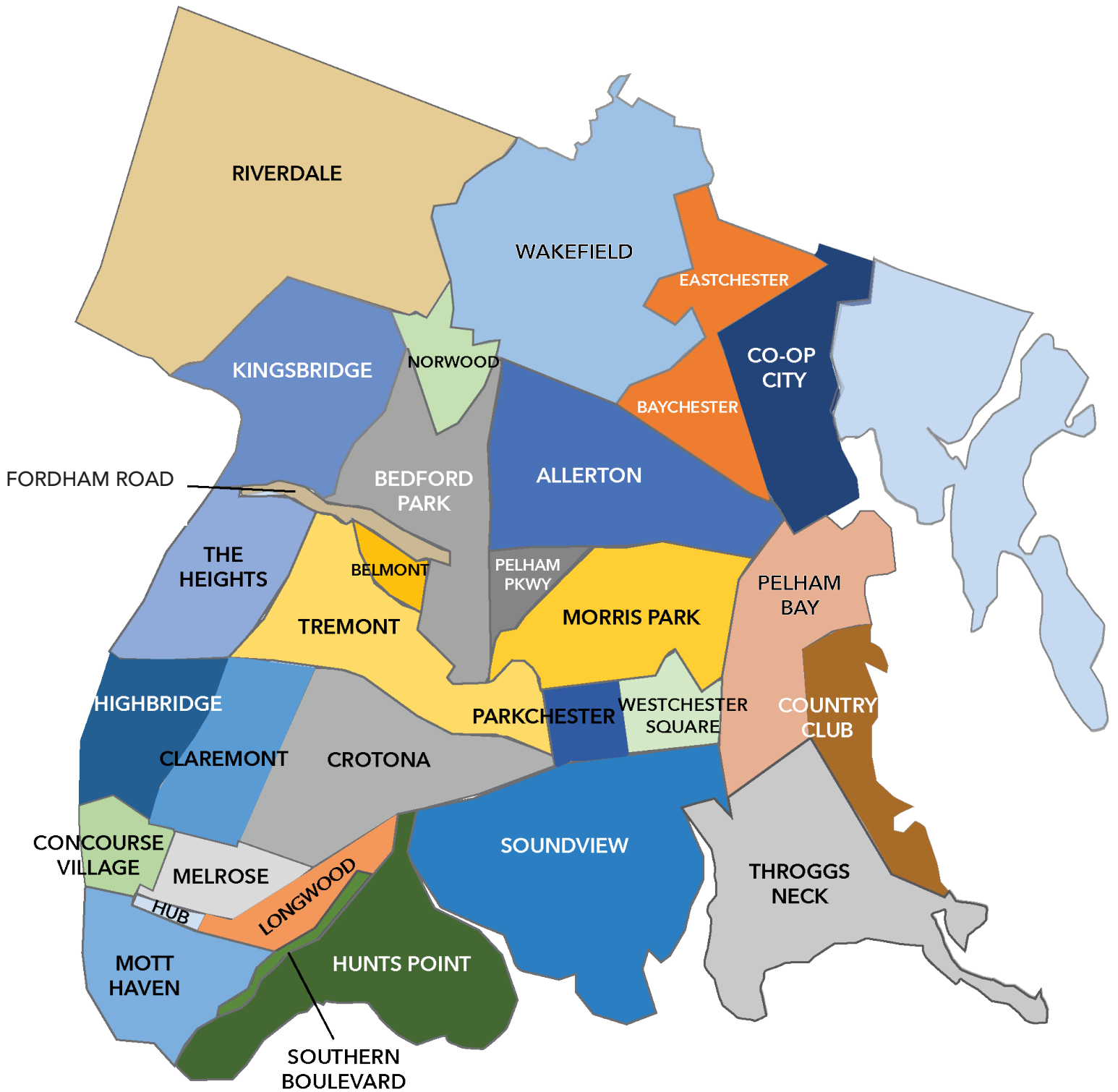
QUARTER OVER QUARTER DECREASE

\$53.13
Q2 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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