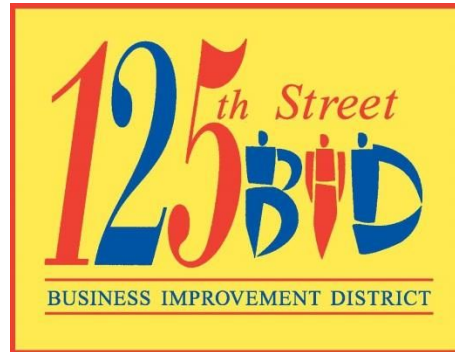


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125th Street BID

Retail Market Report

July 2015

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1.0 Introduction

The 125th Street Business Improvement District (BID) has played an integral role in the development of the retail environment on 125th Street and in Harlem.

- In addition to providing clean and safe services, the BID has been very successful in delivering marketing programs that promote 125th Street to the neighborhood and the city.
- The BID has also been instrumental in creating a strategic plan for the area and attracting new retailers to the district.
- These accomplishments have been achieved by working closely with property owners and the various stakeholders within the community as well as the city administration.

The BID would like to expand the kind of information that it provides to both internal and external stakeholders through updated information on the area and neighboring regions.

Urban Marketing Collaborative was hired by the 125th Street Business Improvement District (BID) to assist in providing an update to its 2007 report and a “State of 125th Street” document (see Appendix) for the BID’s annual general meeting.



Where updated data is available, comparisons in the demographic change in the region is illustrated. In addition, this report provides a comparison of several adjacent regions as well as Community Districts that cover 125th Street, in order to better understand the immediate residential population as well as visitors and shoppers of 125th Street businesses.

The core methodology used in providing the information in this report includes:

- A review of regional and community demographic information,
- A review of regional expenditure data,
- A retail audit of 125th Street businesses in May 2015, and
- A high-level review of pedestrian traffic data on 125th Street collected and published by the 125th Street BID.

Note: 125th Street BID boundaries are on 125th Street between Morningside Avenue and Fifth Avenue.

2.0 Executive Summary

Consumer Demand – Demographics

Seven different regions in New York were analyzed in order to understand the demographic makeup of Harlem and potential target markets for 125th street.

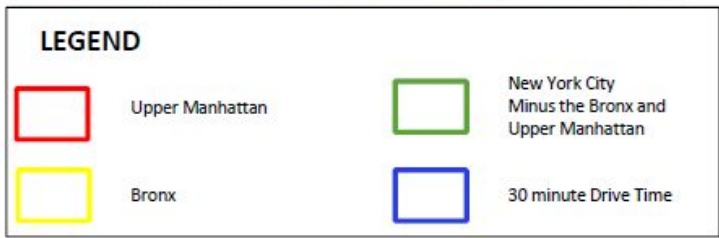
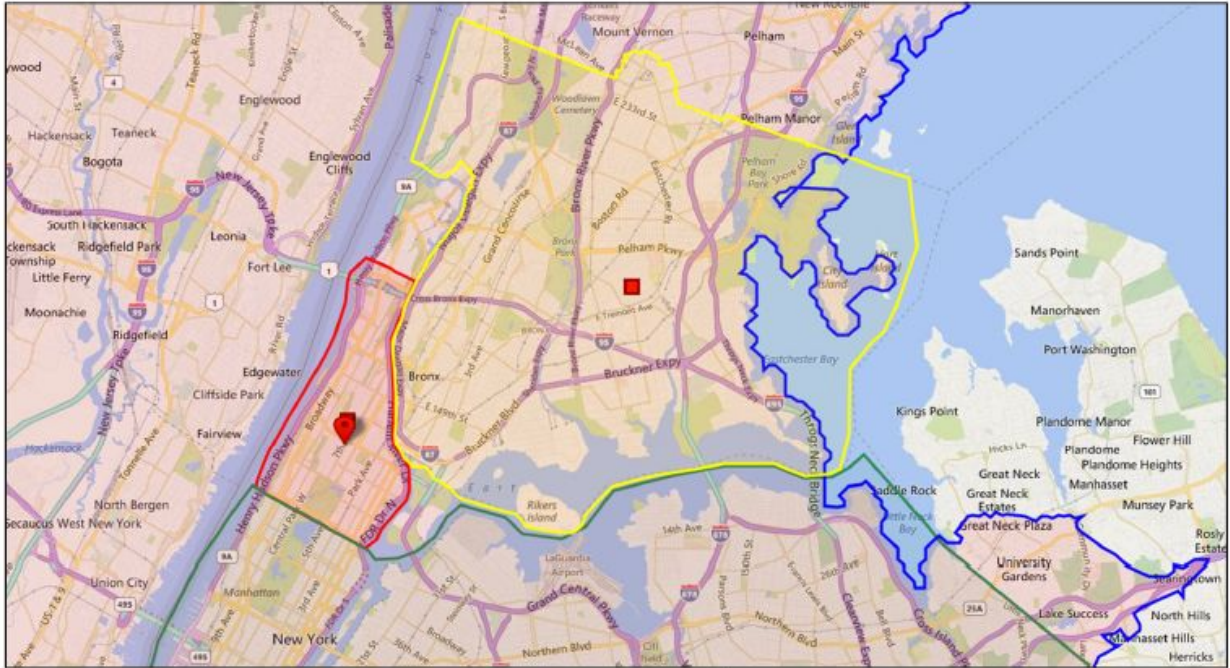
Four main regions compared in this report are:

1. Upper Manhattan: Manhattan borough, north of 95th Street
2. Bronx
3. NYC: New York City
4. Outer rim: 30 minute drive time from 125th Street and Adam Clayton Powell Boulevard

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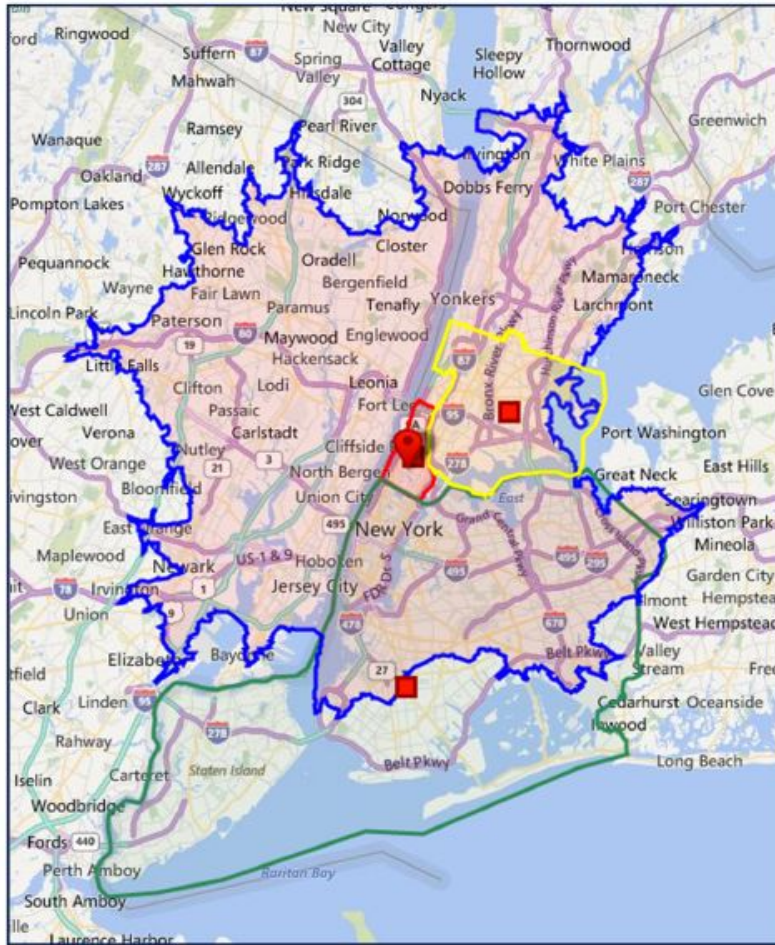
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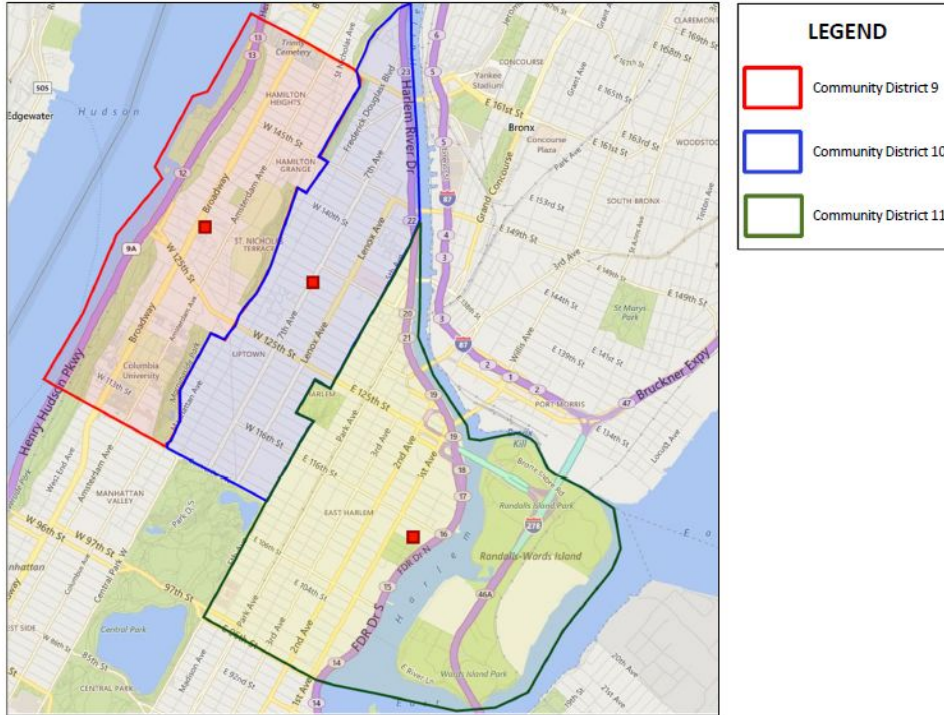


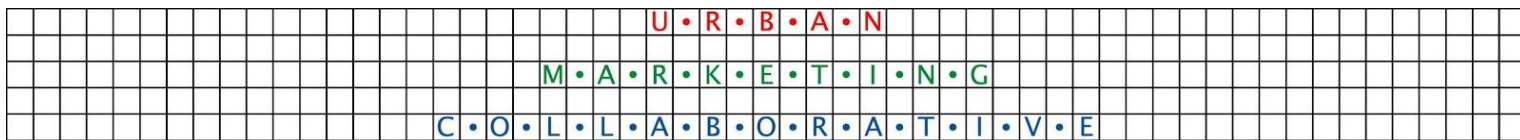
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In addition, three community districts, which fall within Upper Manhattan were analyzed. Demographic data on Community Districts 9, 10, and 11 are provided in this report.





The following are the findings:

Demographics

- Upper Manhattan has a population of 620,000 people.
 - The three Community Districts 9–11 account for over one-half (58%) of the population in Upper Manhattan, with a near-even split across the three districts.
- Upper Manhattan (0.5%) has a lower annual projected growth rate for the next five years, compared to NYC (0.7%).
 - Community District 10 will experience a high annual growth rate of 0.8%.
- The Outer Rim has a slightly higher male (48.8%) population than Upper Manhattan (47.2%).
- Upper Manhattan has a significantly greater mid-high income population, earning on average \$70,000 per household.
 - The Outer Rim has a greater proportion of high-income residents.
 - The average household income in the three community districts is \$61,000, lower than that of Upper Manhattan (\$70,000).
- Hispanic/Latino and Black/African-American residents make up the majority of the population in Community Districts 9–11
 - The presence of Hispanic/Latino residents has increased significantly in District 10.
 - The presence of Black/African American residents has increased significantly in Districts 9 and 11.
 - There has also been an increase in the proportion of the White population in Districts 9 and 10.



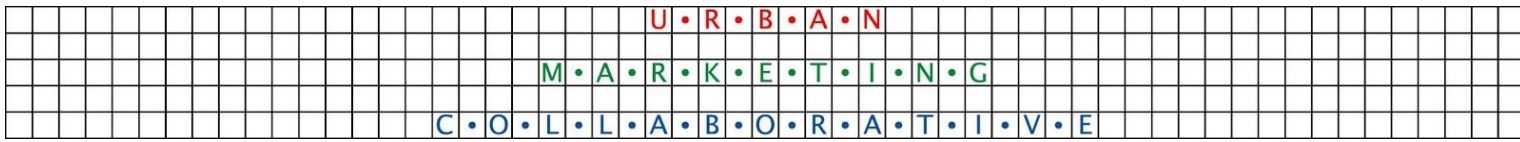
Consumer Demand – Retail Expenditure

Retail expenditure for 29 different categories covering Retail Merchandise, Convenience, and Eating and Drinking places were analyzed. The findings include:

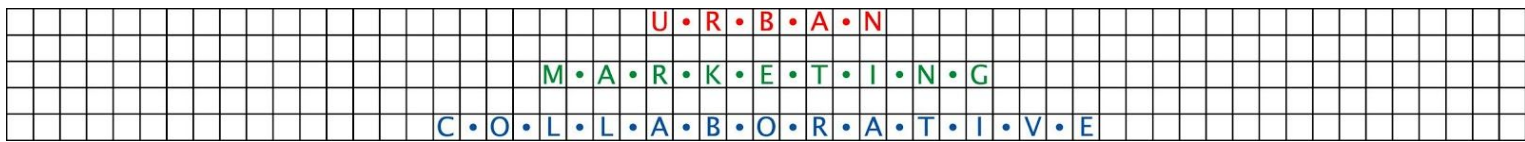
- Per capita expenditures are generally lower for Upper Manhattan residents, compared to the rest of NYC and the Outer Rim and in many cases higher than the Bronx.
- On average, residents in the Upper Manhattan area spend less on retail merchandise (\$4,945), than residents of NYC and the Outer Rim, but more than Bronx residents.
- There is a relatively high per capita spend in New York in general on Eating and Drinking places. Upper Manhattan spends \$1,549 per capita on restaurants, fast food places, etc. The rest of NYC and the Outer Rim spend 7% to 9% more on Eating and Drinking than Upper Manhattan residents.

Retail Supply

- A retail audit was conducted in May 2015 of accessible retail spaces found on the ground floor of 125th Street. The boundaries of the audit ran from 12th Avenue to 2nd Avenue on 125th Street
- 125th Street was divided into three main retail districts that follow the boundaries of the three Community Districts (9,10,11)
 - **Central** district: covers the BID boundaries starting at Morningside Avenue and extends to Madison Avenue.
 - **West** district: between Morningside Avenue and Twelfth Avenue.
 - **East** district: between Madison Avenue and Second Avenue.
- Based on the audit, there are 432 retail spaces making up 760,100 square feet of occupied retail space on 125th Street.
- Including vacant spaces, a total of 491 retail spaces account for an estimated 850,000 square feet of available retail space
- In an audit conducted in 2007 the total square footage was an estimated 890,000 square feet. Lower square footage is typical in redevelopment and demolition areas, especially areas undergoing revitalization.
- Vacancy rates are normal at 11% of total available space; this is typical for business districts that are in transition from small mom-and-pop stores to larger, main-stream retail stores.
- Retail merchandise accounts for the largest (40%) use of retail space, similar to 2007.
 - However, space allocated to retail merchandise businesses now accounts for one-half of the space in the *Central* District compared to 32% or less in the *West* and *East* districts.
- Convenience stores account for 12% of total retail, slightly lower than what was seen in 2007. A future Whole Foods will be located at 100 W. 125th Street and is counted in this audit.
- Eating and Drinking accounts for 17% of total square footage, which has risen from 12% in 2007



- Eating and Drinking places in the *West* district are smaller in size and more fast-food oriented compared to the *Central* district which has a significant number of sit-down restaurants.
- The *Central* district has less space allocated to services (e.g., barber, spa, banking) as it accounts for only 16% of the total square footage compared to 27% in the *West* district.
- The *Central District* is the heartbeat of Harlem consisting of a number of national retail brands, services and cultural elements. It accounts for over half a million square feet of space and accounts for 61% of the *total* retail space on 125th Street.
 - Eating and Drinking Places has grown to 18% of total retail space and is visible through upgraded restaurant spaces including Corner Social, Red Lobster, Sylvia's, Chez Lucienne, and national chains like Buffalo Wild Wings and Olive Garden who plans to open in the district.
 - This district is also home to several cultural and historical attractions (e.g. the Apollo Theatre, Magic Johnson Theatre, etc.).
- The *West* district provides 128,600 square feet of retail space, which accounts for 24% of the *total* retail space in Harlem. The *West* district provides mainly neighborhood and service-oriented retail for residents.
 - The Columbia University Manhattanville project is underway near the western edge of the district.
- The *East* district has 201,800 square feet of retail space which accounts for 24% of the total retail space on 125th Street:
 - The *East* district is the focus of several future mixed-use projects.
 - It has seen a significant increase in Convenience and Grocery stores, which account for one-quarter of its total retail space with Pathmark representing the largest business.



3.0 Conclusions

Harlem’s 125th Street has been experiencing significant change and growth over the past decade. It is moving from a local and residential neighborhood to a core destination in New York City, boasting national retailers and brands in addition to its local shops. Harlem’s unique history and cultural heritage and its newer dining experiences are an important aspect of the attraction for visitors and tourists to the area as well.

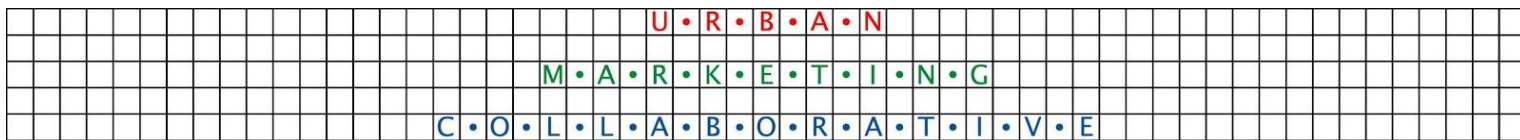
In addition, there are several new developments, retail, educational, and residential that will spur the growth of the neighborhood. This includes ongoing major development projects by Columbia University as well as other office and residential projects. As retail growth is fed by office and residential density, this bodes well for businesses along 125th Street.

During this transition, it continues to be important to maintain a solid foundation for the existing and incoming businesses. This includes providing a safe and secure environment, visible signage, clean streets, etc.

Understanding who the target market(s) is for businesses on 125th Street is integral to marketing to them. The more the target markets are understood, the better the retail and services can continue to serve the existing and changing residential, office, and visitor populations.

Lastly, in a time when businesses are facing stiff competition from local and international e-commerce based retailers it is important to remember that consumers are still looking for unique experiences. With Harlem’s unique position as a centre of African-American culture and history, businesses along 125th Street have the ability to provide an exclusive experience and highlight niche products, thereby creating a unique proposition to visit Harlem.

With the pace of transformation only expected to accelerate, Harlem, and the businesses on 125th Street, are poised for more growth as the customer base and retailer base continues to strengthen.



4.0 Consumer Demand

In order to understand the demographic breakdown of Harlem and adjacent regions, this report reviewed four specific areas:

1. Upper Manhattan: Manhattan borough, north of 95th Street
2. Bronx
3. NYC: New York City
4. Outer rim: 30 min. drive time from 125th Street and Adam Clayton Powell Blvd.

The regions defined above are exclusive of one another so there is no overlap in the data provided within each area.

The 125th Street BID falls within Upper Manhattan. In addition to Upper Manhattan, residents, visitors and office workers in the other three areas are potential target markets for retail and service-oriented businesses located on 125th Street and in Harlem.

A review of the salient findings of the trade areas reveals the following information¹.

Population Characteristics and Demographics

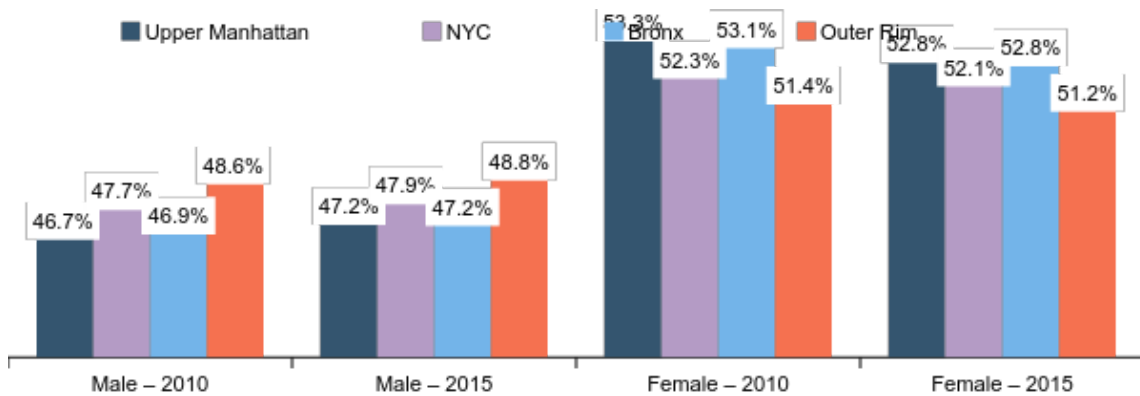
Population Growth

	Upper Manhattan	Bronx	NYC	Outer Rim
2020 (Projected)	633,958	1,482,683	6,674,456	2,649,752
2015 (Estimate)	619,766	1,434,729	6,437,964	2,571,407
2010 Census	604,711	1,385,108	6,174,876	2,487,939
Projected Annual Growth Rate (2015–2020)	0.45%	0.66%	0.72%	0.60%

- The population of Upper Manhattan is considerably smaller compared to the other trade areas and is 43% of the population of the Bronx.
- The projected annual growth rate is under 1% for all trade areas given that the area is already densely populated. Upper Manhattan has a lower growth rate with 0.45% per annum expected over the next five years, compared to a lower growth rate of 0.60% in the Outer Rim and a high of 0.72% seen in the rest of NYC.
- However, Upper Manhattan is expected to add more than 14,000 new residents during that time with the Bronx adding more than 40,000.

Gender Over Time

¹ Claritas / Nielsen; U.S Census Bureau (2000 & 2010 Census)



Estimated for 2015

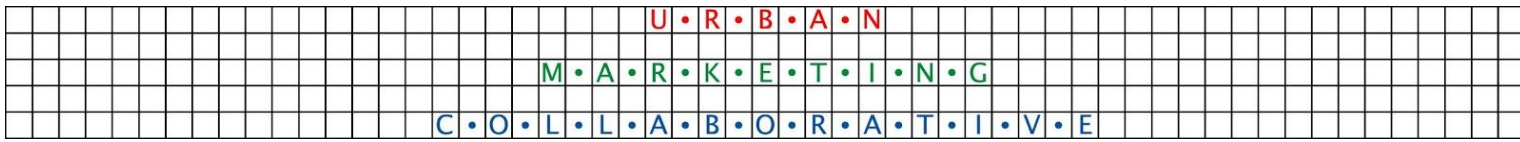
- The Outer Rim (48.8%) area and NYC (47.9%) have a higher male population than the Upper Manhattan region or the Bronx (47.2%).

Household Income

	Upper Manhattan	Bronx	NYC	Outer Rim
Under \$15,000	22.3%	26.1%	14.3%	12.4%
\$15,000 to \$24,999	12.3%	14.4%	9.9%	9.3%
\$25,000 to \$34,999	9.8%	11.3%	8.5%	8.7%
\$35,000 to \$49,999	11.9%	13.5%	11.3%	10.8%
\$50,000 to \$74,999	14.8%	14.5%	16.0%	15.9%
\$75,000 to \$99,999	9.1%	8.7%	11.3%	11.4%
\$100,000+	20.0%	11.5%	28.9%	31.4%
Average	\$69,847	\$48,216	\$89,299	\$91,707
Median	\$42,205	\$33,381	\$59,569	\$63,736

Estimated for 2015

- Residents are earning middle to upper incomes in Upper Manhattan.
 - Nearly 30% of the Upper Manhattan’s population falls into the upper income category earning \$75,000 with more than 20% earning over \$100,000.
- The average household income in Upper Manhattan (\$69,847) is higher than the Bronx (\$48,216) but lower than the Outer Rim where the average household earns \$91,707.
- There is a very high percentage of households with incomes of \$100,000 or more in the Outer Rim (31.4%) and the Rest of NYC (28.9%).

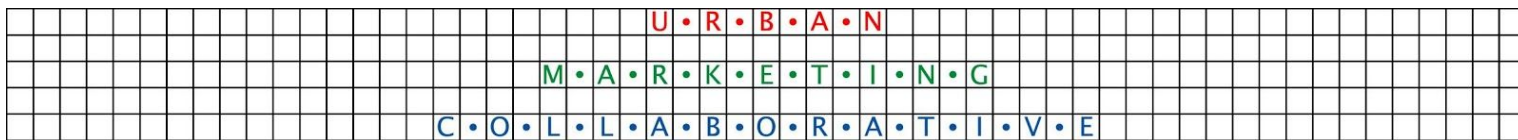


Transportation to Work

	Upper Manhattan	Bronx	NYC	Outer Rim
Public Transportation	68.7%	59.4%	54.0%	23.5%
Walked	11.4%	7.8%	10.4%	5.4%
Drove Alone	8.0%	22.8%	24.0%	57.3%
Worked at Home	6.2%	3.1%	4.0%	3.3%
Car Pooled	3.0%	5.3%	4.8%	8.6%

Estimated for 2015 for Workers 16+ years of age

- Public transportation is the most used method of transportation to get to work for over two-thirds of residents in the Upper Manhattan area.
- Walking is the second most popular means of getting to work in the Upper Manhattan area compared to driving in the Bronx, NYC, and Outer Rim areas.



Harlem Community Demographics – Community Districts 9, 10 and 11

Harlem, located in Upper Manhattan, consists of 3 main community districts, 9, 10 and 11. To gain a deeper understanding of the immediate residential population near 125th Street in Harlem, demographics of the 3 community districts are analysed below.

Population Size

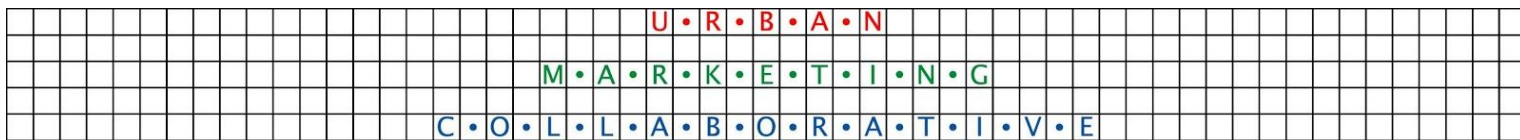
	District 9	District 10	District 11	Total
2020 (Projected)	114,374	126,111	127,979	368,464
2015 (Estimate)	112,274	121,187	124,408	357,869
2010 Census	110,193	115,723	120,511	346,427
Projected Annual Growth Rate (2015–2020)	0.37%	0.81%	0.57%	0.59%

- A total of 368,464 people live in Community Districts 9, 10 and 11.
- The three community districts are estimated to grow at 0.59% each year over the next five years.
- District 10 will see the most growth with a compound annual growth rate of 0.81%.

Age Profile

	District 9		District 10		District 11		Total	
	2005	2015	2005	2015	2005	2015	2005	2015
Less than 15	19%	14%	23%	18%	23%	17%	22%	17%
Age 15 to 24	17%	18%	13%	13%	14%	15%	15%	15%
Age 25 to 34	17%	21%	14%	18%	15%	19%	16%	20%
Age 35 to 44	16%	13%	16%	14%	16%	13%	16%	13%
Age 45 to 54	12%	12%	13%	15%	12%	13%	12%	13%
Age 55 to 64	8%	10%	9%	11%	8%	10%	8%	10%
65+	11%	12%	12%	11%	12%	13%	11%	12%

- Overall there has been a decline in the 15 and younger age group and 35–44 age group since 2005 in all 3 districts.
- There has been an increase in all other age groups, with the 25–34 segment seeing a marked increase from 16% to 20% of the population.



Household Income

	District 9	District 10	District 11	Total
Average Household Income Estimated for 2015	\$65,468	\$61,372	\$57,122	\$61,085

- The average household income in District 9 is the highest at \$65,468.

Education

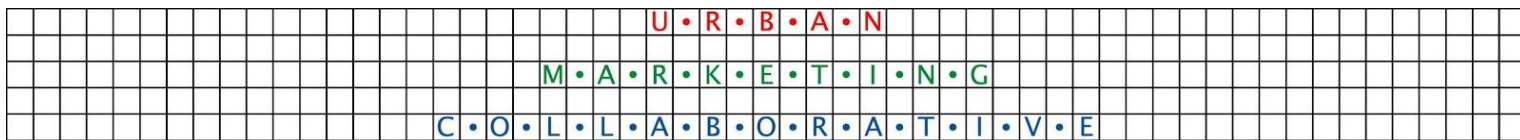
	District 9	District 10	District 11	Total
High school or less	41.4%	42.5%	54.0%	46.2%
Some college/Associate degree	18.6%	23.4%	18.1%	20.1%
Bachelor's Degree	18.7%	19.4%	15.8%	17.9%
Professional Degree (Masters and higher)	21.2%	14.8%	12.1%	15.8%

- Nearly one-half of the population have a high-school degree or less.
 - 22% of the population have a high-school degree.
- 38% of the population have a post-secondary degree (e.g. Bachelor's, Master's etc.)

Household Size

	District 9		District 10		District 11		Total	
	2005	2015	2005	2015	2005	2015	2005	2015
1–2 person	62.8	63.0%	67.%	67.6%	63.8%	64.1%	64.9%	65.0%
3–5 person	31.5%	31.5%	28.7%	28.7%	31.2%	31.0%	30.4%	30.3%
6 or more	5.7%	5.5%	3.7%	3.7%	5.0%	4.9%	4.7%	4.7%
<i>Est. Avg. Household Size</i>		2.46		2.25		2.39		2.36

- The average household size is greatest in District 9 with 2.46 persons per household.
- In the three community districts, nearly two-thirds of households are comprised of 1–2 person households and slightly under one-third is comprised of 3–5 person households.



Ethnic Profile

Change in Ethnicity	District 9		District 10		District 11		Total	
	2005	2015	2005	2015	2005	2015	2005	2015
Hispanic or Latino	43%	45%	17%	25%	53%	49%	38%	40%
White	21%	22%	8%	11%	15%	12%	15%	15%
Black or African American	13%	24%	60%	59%	12%	30%	28%	37%
Other	23%	9%	15%	5%	20%	9%	19%	8%

- The three community districts have a high percentage of Hispanic/Latino.
- There is a higher concentration of Hispanic/Latino residents in Community Districts 9 and 11, although it has been declining slightly since 2005 in District 11.
- African-Americans make up the second highest community in Harlem, with a marked increase from 28% to 37% of the population.

Employment

Over one-half (51%) of the 16+ age population in Community districts 9, 10, and 11 are employed, with only 7% unemployed. However, 42% of the population are not in the labor force.

2015 Est. Civ. Employed Pop 16+ by Occupation

Type of Employment	% of Total
Professional, Management, Business	35.0%
Maintenance, transportation construction, admin. support, production related	33.3%
Healthcare, science related	14.8%
Food services, arts, entertainment, etc.	13.2%
Other	3.7%

- Over one-third of the residents are working in professional, management, or business related professions.
- One-third of the population is working in blue-collar professions or administrative support in offices.



Population Characteristics and Demographics Conclusions

- The demographic fabric of 125th Street has largely remained the same since 2010.
- Where there is change however, is mainly through a decrease in children and an increase in young adults (25–34 years old) and the African-American community.
- The change in demographics requires tailoring the retail environments and services to meet the growing segments' needs in order to continue to attract them to live and shop in the area.



Retail Expenditure

Expenditure on Key Retail Categories (per capita annual expenditure)

Retail expenditure for the three main retail categories² Retail Merchandise, Convenience, and Eating and Drinking services are provided below:

	Upper Manhattan	Bronx	NYC	Outer Rim
Retail Merchandise	\$4,945	\$3,893	\$5,669	\$5,740
Convenience and Grocery	\$2,863	\$2,413	\$3,052	\$3,054
Eating and Drinking	\$1,549	\$1,161	\$1,693	\$1,669

- Per capita expenditures are generally lower for Upper Manhattan residents compared to the rest of NYC and the Outer Rim but higher than the Bronx.
- On average, residents in the Upper Manhattan area spend \$4,945 on retail merchandise, which is lower than the average spent by residents elsewhere in NYC and the Outer Rim, but higher than the spend by Bronx residents.
- The rest of NYC and the Outer Rim residents spend 7% to 9% more than the Upper Manhattan residents.

A breakdown of the per capita expenditure of 29 detailed categories that fall under Retail Merchandise, Convenience and Grocery, and Eating and Drinking is provided in the following table.

² Retail Merchandise includes clothing, shoe, jewelry, sporting goods, music, furniture stores, etc.
 Convenience Merchandise includes supermarkets, beer/wine/liquor, convenience, pharmacies, cosmetics, etc.
 Eating and Drinking services includes full and limited service restaurants and drinking places.

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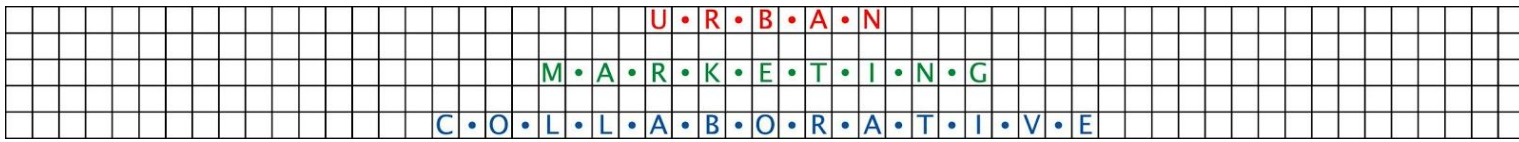
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Per capita estimated retail expenditure in 2015 (select categories)

	Upper Manhattan	Bronx	NYC	Outer Rim
Retail Merchandise	\$4,945	\$3,893	\$5,669	\$5,740
Men's Clothing Stores	\$22	\$17	\$23	\$23
Women's Clothing Stores	\$95	\$77	\$102	\$101
Family Clothing Stores	\$227	\$190	\$245	\$245
Children's Clothing Stores	\$23	\$23	\$25	\$26
Shoe Stores	\$64	\$56	\$67	\$39
Jewelry Stores	\$264	\$159	\$319	\$316
Other Clothing and Clothing Accessory Stores	\$55	\$44	\$59	\$59
Sporting Goods	\$128	\$101	\$143	\$144
Hobby, Toys, Games Store	\$67	\$52	\$77	\$77
Music Stores	\$6	\$4	\$6	\$6
Book and Periodical Stores	\$38	\$21	\$38	\$37
Furniture Stores	\$157	\$115	\$185	\$187
Home Furnishings Stores	\$133	\$97	\$157	\$160
Electronics and Appliances Stores	\$221	\$161	\$244	\$244
Department Stores	\$796	\$670	\$866	\$868
Other General Merchandise	\$1,049	\$884	\$1,128	\$1,130
Building Material and Garden Equipment Stores	\$1,237	\$948	\$1,563	\$1,656
Miscellaneous Store Retailers	\$362	\$274	\$420	\$422
Convenience	\$2,863	\$2,413	\$3,052	\$3,054
Supermarket/Grocery Stores	\$1,317	\$1,153	\$1,397	\$1,399
Specialty Food Stores	\$166	\$146	\$175	\$175
Beer, Wine, Liquor Stores	\$542	\$418	\$569	\$565
Convenience Stores	\$81	\$71	\$88	\$87
Pharmacies and Drug Stores	\$631	\$521	\$687	\$691
Cosmetics, Beauty Supplies, and Perfume Stores	\$55	\$45	\$59	\$60
Other Health Care Stores	\$71	\$59	\$77	\$77
Eating and Drinking	\$1,549	\$1,161	\$1,693	\$1,669
Full-service Restaurant	\$789	\$586	\$863	\$850
Limited-service Restaurants/Cafés	\$691	\$525	\$755	\$745
Drinking Places	\$69	\$50	\$75	\$73

Residents in Upper Manhattan and the Bronx have similar spending habits when it comes to Family Clothing Stores, Shoe Stores, and Department Stores. They spend a slightly higher proportion of their retail merchandise dollars in these categories than residents of the rest of NYC and the Outer Rim.



However residents of Upper Manhattan, the rest of NYC, and the Outer Rim spend similarly in most all other categories. For example, on average 18.7% of their expenditure from the convenience category is on Beer, Wine and Liquor stores, while Bronx residents spend slightly less (17.3%).

Retail Expenditure Conclusions

- The expenditure per category in Upper Manhattan, while slightly lower than the rest of Manhattan, is still on par.
- Given that these residents are generally in proximity to 125th Street they should be the primary target for businesses to tap into.
- Secondary targets would include residents in the Bronx for specific categories that have a high spend such as Supermarket or Grocery Stores. The new Whole Foods store can help to attract many of the higher-income residents in both areas to 125th Street.
- Providing a safe and appealing environment for shoppers will continue to be important in order to attract non-Harlem residents to shop on 125th Street.

5.0 Retail Supply

Retail Audit

A retail audit was conducted by Urban Marketing Collaborative in May 2015 of accessible retail spaces found on the ground floor, but included major retail that was identifiable and accessible on upper and basement level retail spaces along 125th Street. The boundaries of the audit are 12th Avenue to 2nd Avenue. It also included major retail sectors within two blocks north and south of 125th Street.

The audit identified the name of the business, type of business, estimated square footage, and location. Businesses are grouped under five major headings: Retail Merchandise, Convenience, Eating and Drinking, Services, and Other categories.

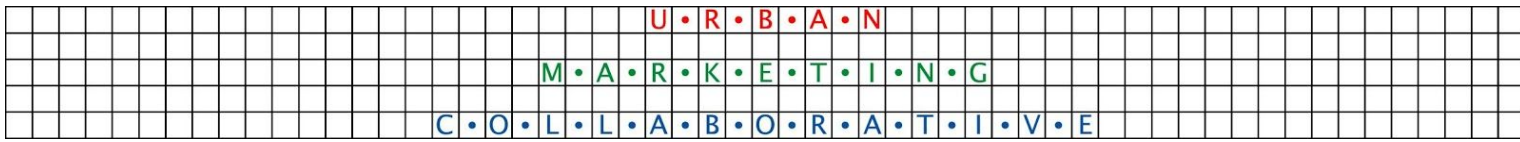
125th Street is divided into three main retail districts:

1. Central district – between Morningside Avenue and Madison Avenue
2. West district – between Morningside Avenue and Twelfth Avenue
3. East district – between Madison Avenue and Second Avenue

These Districts approximate the community district boundaries for the City of New York (Community Districts 9, 10, and 11).

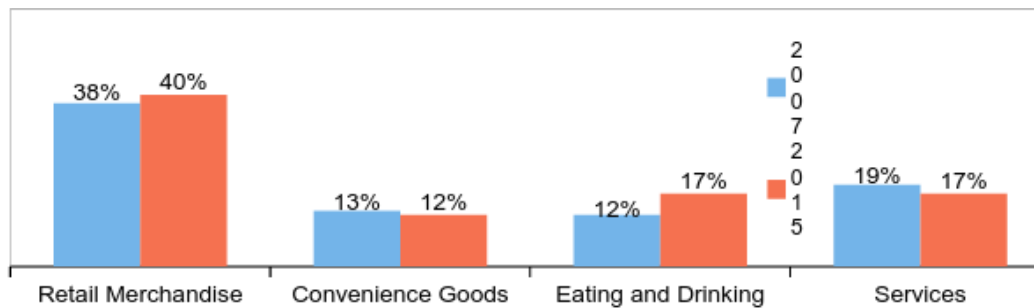


Overview



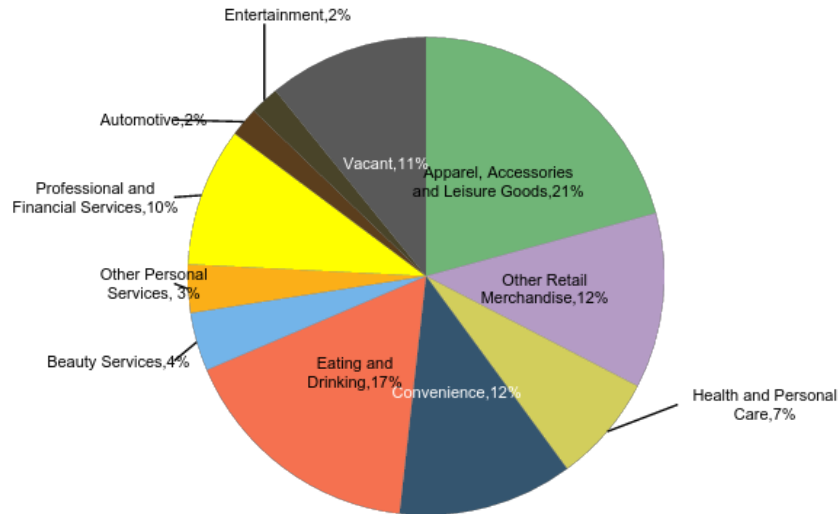
- There are 432 retail spaces making up 760,100 square feet of occupied retail space.
- Including vacant spaces, a total of 491 retail spaces account for an estimated 850,000 square feet of available retail space
- In an audit conducted in 2007 the total square footage was an estimated 890,000 square feet.
- Vacancy rates are normal at 11% of total available space; this is typical for business districts that are in-transition from small mom-and-pop stores to larger, main-stream retail stores.
- Several vacant lots continue to exist in parts of East and West Harlem.
- Retail merchandise accounts for the largest (40%) use of retail space and this is relatively similar to the usage for retail in 2007.

Total 125th Street (all 3 districts) 2015 – Percentage of Retail Space by Key Categories

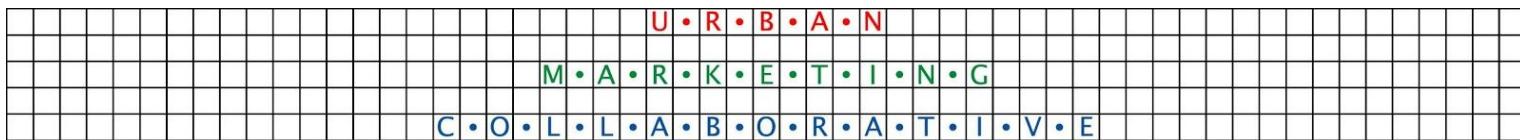


- Apparel, Accessories and Leisure goods account for 21% of the total square footage which is typical for most downtown streets.
- Health and Personal Care stores account for the second largest usage of 7% of total retail space.

Total 125th Street 2015 – Retail Space by Detailed Categories



- Eating and Drinking accounts for 17% of total square footage, which has significantly increased from 12% in 2007.
 - There are a number of restaurants that are providing a high quality environment for daytime and night life visitors and attracting residents and visitors such as the renovated Red Rooster Harlem.
- Convenience stores, including grocery, smaller grocer/convenience stores and specialty food and alcohol stores account for 12% of total retail, slightly lower than what was seen in 2007. This includes the future Whole Foods which will be located at 100 W. 125th Street. Pathmark, the largest grocery store in the area is also present.
- Services make up 17% of the total retail space but nearly one-fifth of the number of businesses in the area.
 - Beauty service providers such as hair and nail salons have decreased slightly since 2007, but still make up over one-third of businesses in the service sector.
- Venues that provide visitors and residents with culture and entertainment include the Apollo Theatre, the Magic Johnson Theatre, and the National Black Theatre. These entertainment venues will be integral to keeping the culture of Harlem alive and highlighting it to new residents and visitors.



New developments Continue to Increase Harlem’s Attractiveness to Retailers

- There is 5% to 7% less retail space in Harlem as a result of new developments or renovations being undertaken in all three districts: Central, East, and West.
- Notable amongst the developments, will bring increased pedestrian traffic and vibrancy to the area are the following developments:

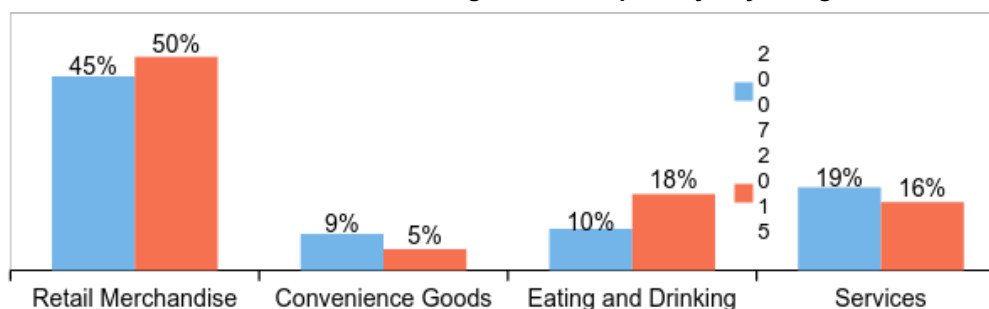
Development Project	Expected Uses	Estimated Opening	Location
Columbia University Manhattanville Campus	A 17-acre redevelopment is to include new retail (as well as educational, cultural and community use)	Fall 2016	Intersection of 125 th /129 th Street to Broadway
Wharton Realty Project Development	Expected retailers include: <ul style="list-style-type: none"> • Whole Foods (grocery) • Raymour & Flanigan (furniture) 	2016	100 West 125 th Street

- Other developments underway also include individual store sites under renovation, residential/office projects, and the development of 244 East 125th Street by the Church of Scientology.

District Analysis – Central

- The Central district is bound by St. Nicholas Avenue to the west and Madison Avenue to the east.
- The Central District is the retail heartbeat of Harlem consisting of a number of national retail brands and services and cultural elements.
 - The District has seen a consolidation of retail spaces as smaller units are renovated to make way for national brands that require larger retail spaces.
 - The area is also home to major redevelopment projects like the 100 West 125th Street development, which will be home to a much anticipated Whole Foods store.
 - Retail merchandise now accounts for (50%) of the space compared to 45% previously; it is also much higher than the West and East districts, which have 32% or less of the total square footage in retail merchandise

Central District 2015 – Percentage of Retail Space by Key Categories



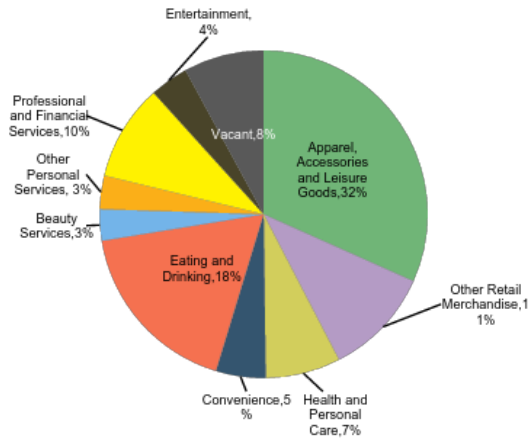
- The Central district has less space allocated to services such as personal services (e.g., barber, spa) or professional services (e.g., TD bank, check cashing, etc.) as it accounts for only 16% of the total square footage compared to 27% in the West district.
- Eating and Drinking services has proportionally grown from 10% to 18% of total retail space and is visibly notable through renovated and upgraded restaurant spaces including Corner Social, Red Lobster, Sylvia’s, and Chez Lucienne with many more national chains like Buffalo Wild Wings and Olive Garden planning to open in the district.
- This district is also home to the core Entertainment elements that add to the culture and history of Harlem including the Apollo Theatre, the Magic Johnson Theatre, and the National Black Theatre.

U • R • B • A • N

M • A • R • K • E • T • I • N • G

C • O • L • L • A • B • O • R • A • T • I • V • E

Central District 2015 – Retail Space by Detailed Categories

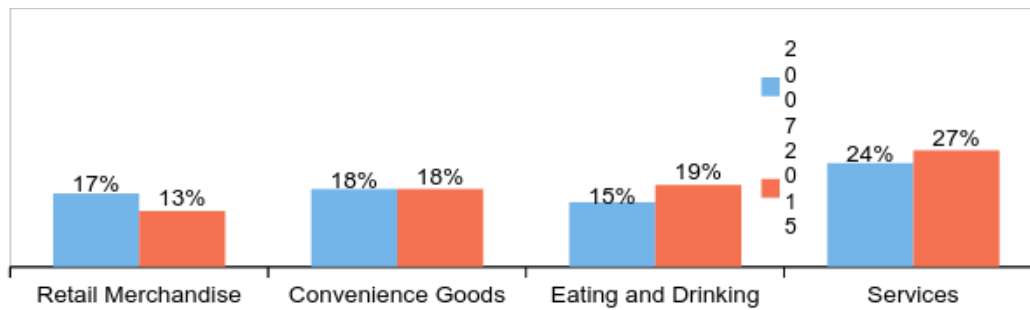


District Analysis – West

The West district provides neighborhood and service-oriented retail for residents.

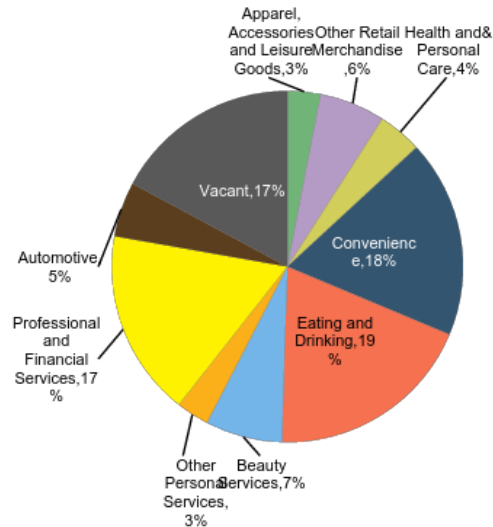
- The West district is bound by 12th Avenue to the west and St. Nicholas to the east
- There is 128,600 square feet of retail space in the East District which accounts for 15% of the total retail space on 125th Street.
- While the percent of retail merchandise space has decreased from 2007 (17%) to 2015 (13%), it is offset by the increase in Eating and Drinking (19%) places as well as a slight rise in Services (27%).

West District – Percentage of Retail Space by Key Categories



- Of the retail space used by services are Beauty Services such as hair dressers and a considerable number of Financial Services such as banks (e.g., Chase Bank, City National Bank, etc.).
- Eating and Drinking places have more smaller and fast-food-oriented places compared to the Central district, which has a significant number of sit-down restaurants.
- The district is also home to a greater number of automotive spaces including automotive repair services.

West District 2015 – Retail Space by Detailed Categories



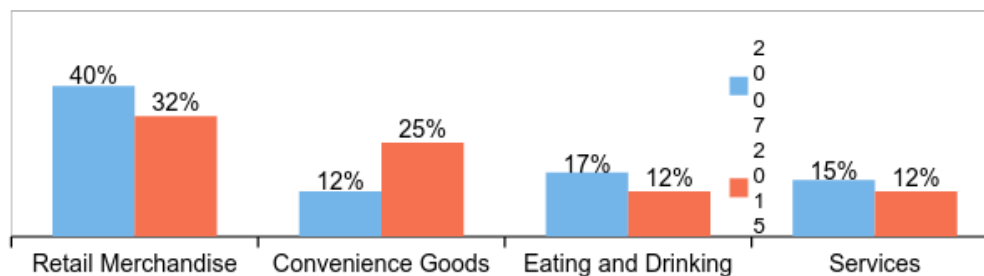
- There is no natural flow to the retail in the area as it goes from small to larger retail blocks and single to double-loaded retail. Double loaded retail streets tend to be stronger than single loaded streets.
 - West of Morningside Avenue, the retail is only located on one-side of the street. Large housing complexes and some green spaces line the opposite side. The residential area on the opposite site also informs the type of retail that is located there such as the Key Food grocery store.
 - Retail blocks become larger west of Amsterdam Avenue and double-loaded retail streets start again just east of Broadway.
- The Columbia University Manhattanville project is underway in this district further to the West.
- The Whole Foods store anticipated at 100 West 125th Street marks the start of the West district boundary and would serve both the West and Central districts.

District Analysis – East

The East district provides neighborhood and service-oriented retail for residents.

- The East district is bound by Madison Avenue to the west and First Avenue to the east.
- There is 201,800 square feet of retail space, which accounts for 24% of the total retail space on 125th Street.
- The skyline of the East district is dominated by the MTA on Park Avenue and there are several vacant lots in the area.
- The neighborhood around Lexington Avenue and Martin Luther King Jr. Boulevard has newer format retail and is also a local and public hub as it is served by the subway station as well as Pathmark, which has been there since 1999.
- The East district has less space allocated to services, both personal services (e.g., hair salons) as well as professional services (e.g., banks) as it only accounts for 12% of the retail space in the district.
- Retail merchandise space has decreased from 2007 (40%) to 2015 (32%), largely due to a higher vacancy and more redevelopment zones in the area.
- The decrease in retail merchandise is also offset by a significant increase in Convenience and Grocery stores, which account for one-quarter of the total retail space. Pathmark is the largest provider in this area.
- Eating and Drinking spaces have also decreased to 12% of total retail space.
 - Established Eating and Drinking retailers are moving into renovated spaces and locations in the Central district.

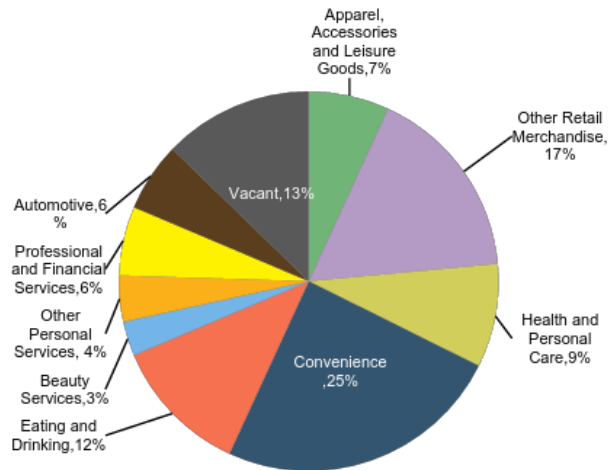
East District – Percentage of Retail Space by Key Categories



- The East district is still in transition, as it is home to several methadone clinics and is a drop off point for men from the homeless shelter on Ward’s Island (123rd to 126th Street on Lexington Avenue).³
- The area is a focus for many new mixed-use projects.
- The area is also home to clean and attractive retail spaces such as a mall, which houses the Children’s Place, Payless Shoe Source, Bank of America, Petland Discounts and more. This particular plaza is situated directly across from Pathmark.

³ <https://www.dnainfo.com/new-york/20150527/central-harlem/former-obama-adviser-aims-clean-up-methadone-clinics-harlem>

East District 2015 – Retail Space by Detailed Categories



Current planned and potential projects in the East district include the following:⁴

- 1800 Park Avenue: 32-story residential towers (650 apartments including 70 affordable housing) by the Continuum Company
- 81 East 125th Street: Corn Exchange Building – being redeveloped into an office building with ground floor retail.
- 1801, 1815 Park Avenue and 110 East 125th Street: Waterbridge Capital potential for a retail and residential complex.
- 69 East 125th Street: Greystone – 75-unit project with retail.
- Forest City Ratner and Blumenfed Companies: planned residential towers above East River Plaza Retail Complex.
- Third Avenue and East 121st Street: HAP Investments – 120,000 sq. ft. mixed-use project.
- 142-96 East 125th Street: Pathmark – to Extell Development in 2014.

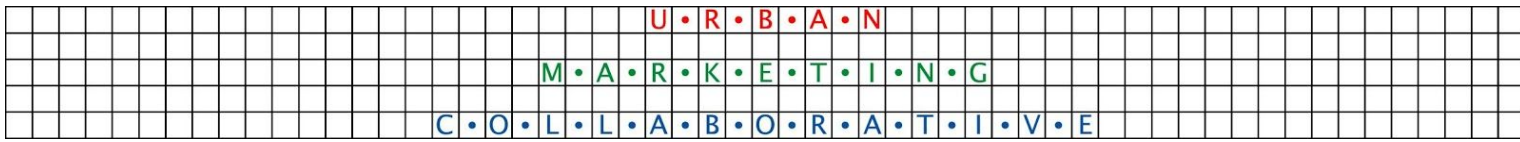
⁴ <http://nyrej.com/82925>

Breakdown of Retail Space by Detailed Categories – Total, Central, East and West districts

	TOTAL				CENTRAL				EAST			
	Number of Stores	% of Total	Square Footage	% of Total	Number of Stores	% of Total	Square Footage	% of Total	Number of Stores	% of Total	Square Footage	% of Total
Retail Merchandise												
Clothing and Accessories	61	12.4%	159,500	18.8%	51	19.2%	146,900	28.3%	7	6.3%	10,100	5.0%
Jewelry, Leather and Luggage	9	1.8%	7,300	0.9%	6	2.4%	4,500	0.9%	2	1.8%	1,600	0.8%
Appliances and Electronics	17	3.5%	15,900	1.9%	14	5.3%	14,100	2.7%	2	1.8%	1,000	0.5%
Health and Personal Care	32	6.5%	61,000	7.2%	17	6.4%	38,200	7.4%	10	9.0%	17,100	8.6%
Home Furnishings	15	3.1%	41,400	4.9%	8	3.0%	25,300	4.9%	6	5.4%	14,600	7.3%
Home Improvement	5	1.0%	7,400	0.9%	0	0.0%	-	0.0%	3	2.7%	4,700	2.3%
General Merchandise	13	2.6%	32,100	3.8%	7	2.6%	16,200	3.1%	4	3.6%	13,500	6.6%
Leisure	5	1.0%	14,800	1.7%	4	1.5%	13,000	2.5%	1	0.9%	1,800	0.9%
Total Retail Merchandise	157	32.0%	339,400	40.1%	107	40.4%	258,200	49.8%	35	31.5%	64,400	31.5%
Convenience Goods												
Grocery	15	3.1%	49,500	5.8%	7	2.6%	8,800	1.7%	2	1.8%	30,800	15.4%
Convenience/Grocery	40	8.1%	41,900	4.9%	12	4.5%	14,000	2.7%	16	14.4%	15,900	7.8%
Specialty Food and Alcohol	7	1.4%	7,100	0.8%	4	1.5%	2,800	0.5%	2	1.8%	3,300	1.6%
Total Convenience Goods	62	12.6%	98,500	11.5%	23	8.6%	25,600	4.9%	20	18.0%	50,000	24.8%
Eating and Drinking												
Café	14	2.9%	13,700	1.6%	7	2.6%	7,000	1.3%	3	2.7%	3,500	1.7%
Fast Food	42	8.6%	44,800	5.3%	18	6.8%	18,800	3.6%	14	12.6%	16,800	8.2%
Restaurant	33	6.7%	82,500	9.7%	24	9.1%	66,600	12.8%	3	2.7%	3,700	1.8%
Total Eating and Drinking	89	18.1%	141,000	16.6%	49	18.5%	92,400	17.7%	20	18.0%	24,000	11.8%
Services												
Personal services - Beauty	43	8.8%	30,400	3.6%	23	8.7%	16,200	3.1%	7	6.3%	5,000	2.4%
Professional Services	32	6.5%	36,100	4.2%	15	5.7%	19,500	3.8%	4	3.6%	5,200	2.5%
Other Personal Services	16	3.3%	28,700	3.4%	7	2.6%	17,100	3.3%	4	3.6%	7,200	3.5%
Financial	20	4.1%	47,000	5.5%	12	4.5%	29,600	5.7%	3	2.8%	7,200	3.5%
Total Service	111	22.6%	142,200	16.7%	57	21.5%	82,400	15.9%	18	16.3%	24,600	12.2%
Other												
Automotive	9	1.8%	19,000	2.2%	0	0.0%	-	0.0%	5	4.5%	12,200	6.0%
Entertainment	4	0.8%	20,000	2.4%	4	1.5%	20,000	3.8%	0	0.0%	-	0.0%
Total Other	13	2.6%	39,000	4.6%	4	1.5%	20,000	3.8%	5	4.5%	12,200	6.0%
Vacant	59	12.0%	89,900	10.5%	25	9.5%	41,000	7.9%	13	11.7%	26,600	13.0%
	491	100.0%	850,000	100.0%	265	100.0%	519,600	100.0%	111	100.0%	201,800	100.0%

Retail Supply Conclusions

- As a result of the flurry of activity around new developments and highly coveted retailers entering the marketplace, 125th Street is poised to continue to experience strong growth in its retail core as other branded retailers seek to co-locate.
- When comparing the three districts on 125th Street, there is a general upgrade occurring in both the Central and West districts. While the East district is also affected by the changes, generally it will continue to offer more neighborhood-oriented services.
 - There has been significant growth in the quality of restaurants that are found in Harlem, which will attract businesses as well as residents and visitors of Upper Manhattan, the Bronx and northern New Jersey.
 - The noticeable difference amongst retail units today is that existing retailers have moved into larger spaces and/or retailers have merged retail spaces that were once divided into smaller units. This speaks to a general



upgrade in retail spaces and the need for more such units as businesses look for newer facilities to attract consumers.

- 125th Street also provides a number of health & beauty stores, which cater to a diversified racial and ethnic market. It has the ability to stand out as a unique destination for niche beauty and/or health products as a result.

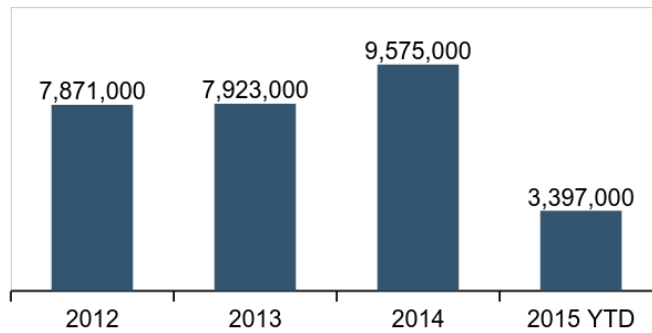
6.0 Pedestrian Traffic

The pedestrian traffic on 125th Street has been on the rise over the past few years. In 2014 pedestrian traffic was 20% higher than 2013 based on traffic counted at 125th Street and Frederick Douglass Boulevard.

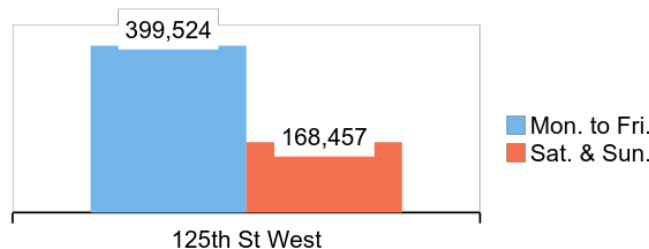
Pedestrian traffic will be higher in locations where typical design and urban planning standards are met. On 125th Street this includes shorter walkable retail corridors and double-loaded retail especially in the Central District. It would also include sufficient cross-walks, safer streets, and proper signage.

With more than 9.5 million pedestrians counted at 125th Street BID's key intersections, 125th is one of the most vital areas in America. Pedestrian counts are an important measure for retailers. Not surprisingly, retailers are eyeing 125th Street as they seek areas to locate and grow because so many people are available.

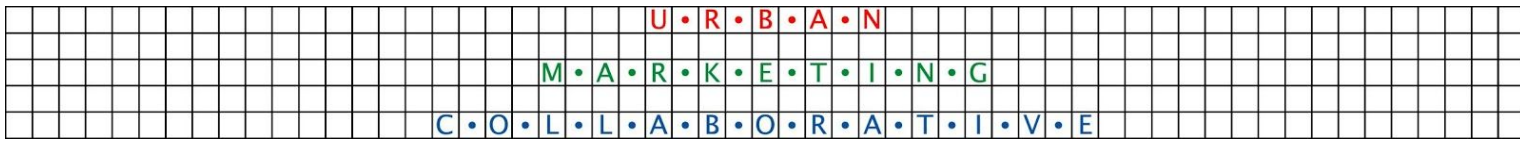
Annual Pedestrian Counts⁵



May 2015 Pedestrian Counts –7am to 7pm



⁵ Springboard



7.0 Education Influence

Columbia University is a major influencer in the region, with its main campus located in Upper Manhattan. The University owns and operates several buildings from 109th Street to north of 165th Street. It is also building a new complex in Harlem which will further increase densification of the area.

Over the last ten years, Columbia University has seen its student population grow by 25% with a total of nearly 30,000 students registered at the university.

Columbia University - Fall headcount enrollment by school⁶

	2004	2014
Undergraduate schools	7,082	8,559
Morningside graduate & professional schools	11,795	14,578
Medical centre graduate schools	3,239	4,355
Continuing education and global programs	1,697	2,378
Total	23,813	29,870

Includes all full-time, part-time, degree and non-degree seeking students

⁶ Source: Columbia University - Student Information Systems