

RETAIL

Fifth Avenue holds its title as most expensive retail street

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New York's Fifth Avenue near Rockefeller Center and Saks

By BRIELLE JAEKEL

Upper Fifth Avenue rental prices have dropped due to advancements in digital shopping, but it still holds its place as the most expensive stretch in retail with its prices more than two times higher than others around the world.

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Cushman & Wakefield released a new report that shows Hong Kong's Causeway Bay is right behind Fifth Avenue in terms of most expensive retail road, but with the popularity of ecommerce and more retailers putting more stock into online, sales have dropped.

"Retailers are facing technological advances head on, with more and more brands opting to offer online sales alongside, not instead of, a physical presence," said Justin Taylor, head of retail for EMEA at **Cushman & Wakefield's**. "They are also raising the customer experience bar with leading examples including Primark's new store in Madrid and Apple's refitted store on Regent Street in London.

"Demand is strong for the right space in the right location and the lack of supply along the majority of Europe's main thoroughfares is seeing rents rise further and expanding the boundaries of well-established streets," he said. "This is exemplified by growth seen in some of London's premier streets including Bond Street and Oxford Street."

The annual **Main Streets Across the World report** tracks 462 of the top retail streets around the globe.

Luxury retail real estate

While rent on Fifth Avenue in New York has dropped, more than 36 percent of all streets included in the study showed rental gains. This is the first time since the financial crisis that Fifth Avenue has seen a decrease in rent, which shows just how prolific digital has become in just over the past year.



Cartier Fifth Avenue Mansion

Paris' Avenue des Champs lysés, London's New Bond Street and Tokyo's Ginza concluded the top five most expensive retail streets. Champs lysés sees an average rent of \$1,368 per square foot, making it the third most expensive.

New Bond Street is fourth at \$1,283 and Ginza is fifth with \$1,249 per square foot. Seoul's Myeongdong made the biggest move out of all locations, jumping up to number eight from nine, with no others moving upwards.



Fendi Bond Street store

While Ginza, Montepoleone in Italy, Pitt Street Mall in Australia all saw increases in rental prices; it was not enough for them to move up in the rankings. Five of the most expensive high streets in the EMEA region are all located in the French capital.

Fifth Avenue standards

Retail locations on Fifth Avenue are continuing to provide the most exclusive and innovative experiences, as well as products in the luxury world.

For instance, department store chain Saks Fifth Avenue recently hosted a botanical beauty blowout in its flagship store to usher in spring.

Establishing a tradition, the retailer's Glam Gardens campaign came back for the second year, this time playing off the theme of "The Secret Garden." Presented by Mastercard, the multichannel effort saw the launch of a dedicated magalog, store window displays and a special high tea ([see more](#)).

French jeweler Cartier recently prepared consumers for the reopening of its flagship store on New York's Fifth Avenue.

Also, Cartier began renovations of the 653 Fifth Avenue maison in 2014, choosing to open a temporary storefront further up the New York high street to ensure there was no lapse in service for locals and travelers alike. The flagship's renovations are now complete, and Cartier set out to spur awareness of the store's design and services before its grand reopening in September ([see more](#)).

"Retailers continue to be cautious in their store expansion across the region due to concerns including continued global economic instability, and we see this continuing well into 2017," said Theodore Knipping, head of retail for Asia Pacific at Cushman & Wakefield's. "When expansion does happen, the focus is typically on quality over quantity.

"All in all, despite the cautious outlook across the region, major international and regional retailers will have to eye overseas growth, as their respective domestic markets reach saturation point and investors demand results," he said.

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