

Main Street rents suffer biggest fall in 24 years

Written by Reuters

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LONDON: More than half the world's most expensive shopping streets have seen prime rents slump in 2009, marking the biggest fall in retail rents in 24 years, data from real estate advisor Cushman & Wakefield showed on Tuesday, Sept 22, according to Reuters.

New York's Fifth Avenue remained the world's most expensive street, though prime rents dropped 8.1 percent to \$1,700 per square foot per year, Cushman & Wakefield said.

It was followed by Hong Kong's Causeway Bay with a 15.1 percent fall to US\$1,525 per square foot per year, while rents in Paris' Avenue des Champs Elysees were static at US\$1,009, the survey of 274 main streets across 60 countries showed.

Cushman & Wakefield's global head of retail, John Strachan, said the past year was one of the most difficult for the sector, with consumer spending and retail sales down in many markets.

"The good news, however, is that the worst is almost certainly now behind us," Strachan said in a statement, adding the annual survey's findings represented the biggest global fall in retail rents in its 24-year history.

"There will undoubtedly be some markets which will continue to be affected over the next year but we expect to see a greater number move back into positive territory," he said.

By region, the average rent across Europe was US\$235 per square foot per year, followed by Asia Pacific at US\$234 and the Americas at US\$193. On average, rents fell 15.1 percent in Asia Pacific and 5.8 percent across Europe, but rose 0.3 percent in the Americas.

Globally, the biggest fall in rents was in Mumbai, with the Colaba Causeway down 63.5 percent. Europe's biggest faller was Bucharest's Calea Victoriei, down 48.1 percent.

On the upside, in Sao Paulo, Brazil, prime rents rose 111 percent at the Alameda Lorena. In Europe, the biggest gainer was Bordeaux's Rue St Catherine, up 17.6 percent.

The average rent across the 274 main street locations was US\$213 per square foot. - Reuters