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This Shopping Destination Has the Priciest Rents

By Krystina Gustafson

E-commerce be damned.

Although the Web is stealing a larger chunk of consumer spending each year, a new report by global real estate advisor Cushman & Wakefield found that during the 12 months to September, prime retail rents around the globe rose by an average 2.4 percent compared to the same period last year.

The list was dominated by gateway cities, with four New York City spots landing in the top 10. One of these Manhattan locales overtook last year's champion—Hong Kong's Causeway Bay—as the priciest shopping destination. According to the report, luxury locations were the main drivers behind growth in the U.S., where rents posted 10.6 percent growth.

On the other end of the spectrum, although Hong Kong's rental prices remained high, they faced headwinds due to slower tourism growth and a decline in retail spending. These factors contributed to a 4.8 percent drop in the region's rents.

Despite weakness there and in some other spots around the globe, 277 of the 330 locations surveyed either saw rents rise or remain unchanged from the prior year.

"This is all happening in the context of the increased growth of online retailing, mobile retailing, e-commerce—they're all growing together," said Gene Spiegelman, vice chairman of retail services for Cushman & Wakefield's international retail group. "No one's talking about the death of brick-and-mortar anymore."