

MONTAGUE STREET RETAIL GAP ANALYSIS

BROOKLYN HEIGHTS | NEW YORK

Prepared by:
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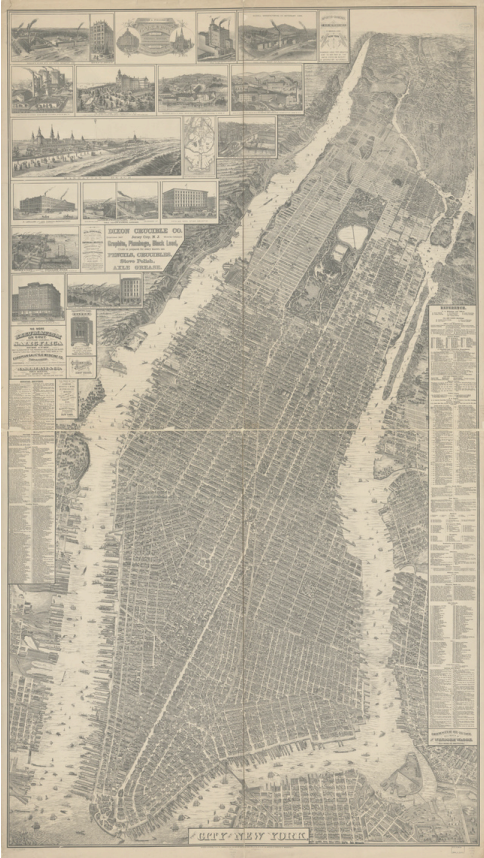
DISCLOSURES

This Gap Analysis has been prepared by Robert Hebron Realty DBA Hebron Realty to highlight current leasing challenges and opportunities based on market conditions. While the information is believed to be reliable, no warranty is made as to its accuracy or completeness. Recipients should perform their own due diligence and consult appropriate advisors.

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RENTAL COMPARABLES (PSF)

Address	SF	Date	Rent	Tenant
116 Montague Street	2,000	6/1/24	\$ 118.00	Golf V2
146 Montague Street	1,600	3/15/24	\$ 105.00	Cohens
128 Montague Street	1,350	12/30/22	\$ 80.00	Fred Astaire
110 Montague Street	1,900	12/2/22	\$ 115.00	Heights Laser
125 Montague Street	2,346	Q3 2024	\$ 115.00	City Chemist
Averages	1,839		\$ 106.60	



Retail Demand Outlook

Montague Street
Ring: 0.25 mile radius

Prepared by Esri
Latitude: 40.69467
Longitude: -73.99421

- (1) **Apparel Products and Services** includes shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.
- (2) **Membership Fees for Clubs** includes membership fees for social, recreational, and health clubs.
- (3) **Audio** includes satellite radio service, radios, stereos, sound components, equipment and accessories, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, musical instruments and accessories, and rental and repair of musical instruments.
- (4) **Toys and Games** includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, online entertainment and games, and stamp and coin collecting.
- (5) **Recreational Vehicles & Fees** includes docking and landing fees for boats and planes, payments on boats, trailers, campers and RVs, rental of boats, trailers, campers and RVs, and camp fees.
- (6) **Sports/Recreation/Exercise Equipment** includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.
- (7) **Photo Equipment and Supplies** includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.
- (8) **Reading** includes digital book readers, books, magazine and newspaper subscriptions, and single copies of magazines and newspapers.
- (9) **Catered Affairs** includes expenses associated with live entertainment and rental of party supplies.
- (10) **Snacks and Other Food at Home** includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fats and oils, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips and other snacks, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.

Food	\$387,551,882	\$442,649,780	\$55,097,898
Food at Home	\$246,935,218	\$282,018,380	\$35,083,162
Bakery and Cereal Products	\$31,655,841	\$36,150,495	\$4,494,654
Meats, Poultry, Fish, and Eggs	\$52,995,575	\$60,528,880	\$7,533,305
Dairy Products	\$23,234,187	\$26,532,549	\$3,298,362
Fruits and Vegetables	\$51,011,586	\$58,258,665	\$7,247,079
Snacks and Other Food at Home (10)	\$88,038,029	\$100,547,790	\$12,509,761
Food Away from Home	\$140,616,665	\$160,631,400	\$20,014,735
Alcoholic Beverages	\$25,484,604	\$29,111,921	\$3,627,317

11201 DOWNTOWN BROOKLYN

Population Trends and Key Indicators

185 Montague St, Brooklyn, New York, 11201
Walk time of 10 minutes

35,588	17,811	1.88	36.1	\$172,362	\$1,252,732	156	57	59
Population	Households	Avg Size Household	Median Age	Median Household Income	Median Home Value	Wealth Index	Housing Affordability	Diversity Index

MARKET OVERVIEW

SUMMARY

This report does NOT include a traditional demographic survey. Retail spending based on psychographic data includes spending patterns, households, and population growth.

Retail Spending Analysis - Brooklyn Heights

Consumer spending data are derived from the 2021 and 2022 Consumer Expenditure Surveys, published by the Bureau of Labor Statistics. This data indicates that local demand for food and retail is currently being adequately met, particularly for dine-in restaurants. Notably, "away-from-home food" does not rank among the top ten retail spending categories, suggesting limited additional demand for new restaurant entries based solely on local consumer spending.

Retail Rent Comparisons

- Atlantic Avenue corridor: ~\$60 PSF (per square foot)
- Smith Street corridor: ~\$110 PSF, roughly comparable to Montague Street
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Local Interpretation

While the data suggests there is little unmet restaurant demand among local residents, it's important to consider the area's transient population. Brooklyn Heights sees a significant influx of daytime office workers (~84,000 in ZIP codes 11201 and 11217) and school students (~9,000 within a 0.5-mile radius). This transient population creates sustained demand for quick-service restaurant (QSR) options that cater to breakfast and lunch crowds.

Case Study: 141 Montague Street

Hebron Realty leased the retail space at 141 Montague Street, where the current ownership estimates that 40-50% of weekday business comes from nearby students. Non-national tenants offering affordable, high-quality options tend to outperform larger chains in this environment.

Summary

With 51% job growth over the past decade and a high concentration of affluent private school students within walking distance, affordable, fast, and takeaway-focused food options are likely to remain in strong demand. However, data from the Bureau of Labor Statistics indicates that current spending patterns do not support additional high-end, sit-down restaurant concepts at this time.

Sources: Downtown Brooklyn Partnership, Apartments.com, Wikipedia, Department of Labor, Bureau of Labor Statistics, Hebron Realty.

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RETAIL DEMAND BY INDUSTRY

WHAT IS A NAICS CODE?

A NAICS code (North American Industry Classification System code) is a six-digit number used to classify businesses by their industry type for the purposes of collecting, analyzing, and reporting economic data. It's commonly used by government agencies, lenders, and researchers to identify and compare companies within the same sector.

445: This subsector encompasses establishments primarily engaged in retailing food and beverages. These stores often require specialized equipment like refrigerators and freezers, and may have staff trained in food handling and sanitation.

Subgroup 4451: This group includes establishments that primarily engage in retailing food products, including both supermarkets and convenience stores. It also includes vending machine operators.

Subgroup 4523: This group includes establishments that primarily engage in retailing food products, including both supermarkets and convenience stores. It also includes vending machine operators.



NAICS Code	Industry Summary	Spending Potential Index	Average Spent	Total
44-45, 722	Retail Trade, Food Services & Drinking Places	200	\$60,025.60	\$442,028,542
44-45	Retail Trade	196	\$50,345.21	\$370,742,113
722	Food Services & Drinking Places	220	\$9,680.40	\$71,286,429

NAICS Code	Industry Subsector & Group	Index	Average Spending	Total
441	Motor Vehicle & Parts Dealers	184	\$5,703.73	\$42,002,288
4411	Automobile Dealers	191	\$4,934.68	\$36,338,954
4412	Other Motor Vehicle Dealers	118	\$292.87	\$2,156,707
4413	Auto Parts, Accessories & Tire Stores	178	\$476.19	\$3,506,628
442	Furniture and Home Furnishings Stores	191	\$2,101.99	\$15,479,068
4421	Furniture Stores	197	\$1,411.57	\$10,394,825
4422	Home Furnishings Stores	182	\$690.42	\$5,084,243
443, 4431	Electronics and Appliance Stores	216	\$693.29	\$5,105,388
444	Bldg Material & Garden Equipment & Supplies Dealers	162	\$2,478.19	\$18,249,412
4441	Building Material and Supplies Dealers	161	\$2,238.21	\$16,482,162
4442	Lawn and Garden Equipment and Supplies Stores	170	\$239.99	\$1,767,250
445	Food and Beverage Stores	209	\$11,819.85	\$87,041,399
4451	Grocery Stores	208	\$11,020.60	\$81,155,694
4452	Specialty Food Stores	214	\$379.47	\$2,794,443
4453	Beer, Wine, and Liquor Stores	221	\$419.78	\$3,091,263
446, 4461	Health and Personal Care Stores	187	\$1,477.80	\$10,882,542
447, 4471	Gasoline Stations	188	\$6,815.79	\$50,191,474
448	Clothing and Clothing Accessories Stores	214	\$2,580.52	\$19,002,984
4481	Clothing Stores	213	\$2,049.91	\$15,095,535
4482	Shoe Stores	218	\$491.26	\$3,617,668
4483	Jewelry, Luggage, and Leather Goods Stores	214	\$39.35	\$289,781
451	Sporting Goods, Hobby, Musical Inst., and Book Stores	199	\$938.63	\$6,912,055
4511	Sporting Goods, Hobby, and Musical Inst Stores	196	\$743.02	\$5,471,609
4512	Book Stores and News Dealers	213	\$195.61	\$1,440,446
452	General Merchandise Stores	203	\$8,950.56	\$65,911,891
4522	Department Stores	217	\$835.86	\$6,155,303
4523	Merch. Stores, incl. Warehouse Clubs, Supercenters	202	\$8,114.69	\$59,756,587
453	Miscellaneous Store Retailers	189	\$1,134.74	\$8,356,218
4531	Florists	165	\$50.57	\$372,395
4532	Office Supplies, Stationery, and Gift Stores	209	\$201.00	\$1,480,172
4533	Used Merchandise Stores	180	\$145.26	\$1,069,667
4539	Other Miscellaneous Store Retailers	188	\$737.91	\$5,433,983
454	Nonstore Retailers	201	\$5,650.11	\$41,607,394
4541	Electronic Shopping and Mail-Order Houses	202	\$4,880.54	\$35,940,323
4542	Vending Machine Operators	200	\$79.22	\$583,412
4543	Direct Selling Establishments	196	\$690.34	\$5,083,659
722	Food Services & Drinking Places	220	\$9,680.40	\$71,286,429
7223	Special Food Services	223	\$35.08	\$258,347
7224	Drinking Places (Alcoholic Beverages)	242	\$255.16	\$1,879,024
7225	Restaurants and Other Eating Places	220	\$9,390.15	\$69,149,059

OUR TEAM

ROBERT HEBRON SIOR, PRINCIPAL BROKER

Robert began his real estate career in the 1990s in Marin County, California. A technology pioneer, he used early computers to create listing brochures for clients and colleagues. With over a decade of membership in SIOR, Robert brings unparalleled experience to the industry. As an expert in transaction management, Robert specializes in closing complex, multi-year transactions. His extensive consulting background has equipped him to represent Landlords in transactions with high-profile clients such as DMV, NYPD, GSA, WCB, and Starbucks.

ROB HEBRON CCIM, SIOR

Rob is a data-driven CRE expert with 17 years of experience in leasing. Combining market insights, area analytics, and cutting-edge technology, he brings a forward-thinking approach to CRE strategy. As an early adopter of AI applications in commercial real estate, Rob integrates big data into decision-making, empowering landlords with precision-driven insights. He closely tracks evolving work-from-home (WFH) and hybrid trends, ensuring landlords position their properties effectively in the shifting office landscape.



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BIG DATA. BIG REACH.

At Hebron Realty, we leverage the same cutting-edge tools as the largest brokerage houses to ensure your property stands out. Your asset deserves more than a line on a list—we bring a personal, hands-on approach to every listing. As a boutique, dedicated team, the principal broker is directly involved in every aspect of your property's market presence, ensuring your building is always in the hands of qualified decision makers.

Our marketing efforts include direct physical mail with professionally designed postcards, social media engagement on platforms like Instagram, SEO-powered websites, email blasts to brokers and past clients, a vast referral network, direct tenant outreach, and partnerships with nationwide groups like **CCIM** and **SIOR**. We use trusted data sources such as **ARGIS**, **Moody's CRE REIS**, **Placer.AI**, **Pictometry**, **CREPI**, **CoStar**, and our vast network of owners and brokers to provide real, non-public market insights. We cross-list our properties on platforms like CREXI, CoStar, TenSource, OfficeSpace.com, 42Floors, and more.

We have built a pervasive reputation in the industry as dealmakers. Brokers, tenants, and landlords alike recognize our proactive presence and relentless commitment to driving results. Our 5-year exclusive representation of SL Green confirms the value we bring to Landlords.

Let us take the burden off your leasing team by presenting streamlined tenant profiles and accurate market information to help secure favorable deals. Declutter your inbox and schedule by allowing us to qualify and catalog potential tenants on your behalf.

