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Press Release

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IMMEDIATE

MTA to Lease Two Brand New Spaces in Grand Central Terminal

Spaces in Vanderbilt Hall and Above Grand Central Market Continues 15 Year Run of Dramatically Increasing Revenue from Retail Leasing

For 15 years, the value of the real estate in Grand Central Terminal has soared nearly four-fold, and now, as the building prepares to turn 100 years old, the MTA has created two large new spaces to lease for the first time ever. The spaces are envisioned for sit-down restaurants.

One new space, consisting of up to 12,300 square feet, includes the west side of Vanderbilt Hall, the former main waiting room, on 42nd Street. It is backed by a former beauty salon and has another entrance leading to the passageway that connects to the New York City Subway's 42nd Street Shuttle (S). The other site, consisting of 4,700 square feet, is an undeveloped area above the Grand Central Market with a balcony overlooking the eastern end of the market. Neither location has ever been offered for leasing to a permanent tenant.

The re-emergence of the Terminal as an increasingly popular retail destination and transportation hub has been mirrored by an increase in leasing revenue to the MTA. In 1994, before the renovation, the MTA earned \$7 million in rent for retail space at Grand Central. By 2002, rental income reached \$15 million from an array of 100 retail tenants. By 2011 the MTA nearly double the rent again, to \$27 million.

"Grand Central will always be the greatest train station in the United States and the crown jewel of the MTA's transportation network," said MTA Chairman Joseph J. Lhota. "It's a focal point for the economic and social life of the region and a superb setting for the daily business of moving people. At the same time, over the past 15 years, it's also been transformed into one of the world's most well-known destinations for shopping and dining. These latest additions will only heighten its reputation."

"The built-in traffic at Grand Central makes these spectacular sites for food-service businesses," said Nancy Marshall, MTA's Director of Grand Central Terminal Development. "Vanderbilt Hall is visually stunning, and a restaurant above the vibrant Grand Central Market promises to have tremendous cachet."

Unique locations such as these have helped other popular Grand Central destinations to thrive, including the world famous Oyster Bar, which is tucked away in the lower level, and the trendy lounge Campbell Apartment, which occupies a secluded area accessible only from Vanderbilt Avenue.

The new restaurants, which will be available for 2013 openings, will benefit from increased foot traffic during the Terminal's centennial year, which kicks off in February. Centennial activities are planned throughout the Terminal and in Vanderbilt Hall all year long.

At Grand Central and throughout the transit system, whenever a retail space managed by the MTA becomes available, it is put out to bid on the open market pursuant to New York State law. Last year, Grand Central welcomed the country's largest Apple store and an outpost for shoes and fashion designer Vince Camuto. Shake Shack is slated to open soon.

"As the MTA strives to make every dollar count, we are looking to achieve the maximum economic return we can from each property that we control," said Jeff Rosen, MTA Director of Real Estate. "The success we've had at Grand Central mirrors our efforts elsewhere, and shows the way forward for all our properties, large and small."

Over the past five years, some 45 retail leases in Grand Central have expired and been replaced by new leases. "Even in these lean economic times, each and every time we've had a lease expire, the bids have been above what the previous tenant was paying," Marshall said.

With 750,000 visitors per day, Grand Central Terminal is the second most-visited place in New York City after Times Square. It is the heart and hub of MTA Metro-North Railroad, the nation's busiest commuter railroad, which maintains the Terminal and operates 650 trains to and from it each day serving more than 200,000 passengers. MTA New York City Transit's adjoining subway complex is the second busiest in the New York City subway system, with five lines serving a combined average of 288,700 riders per day.