

NYC Streetscape Risk Protocol

April 2026 Intelligence Briefing

Ground-floor retail underwriting intelligence for NYC institutional operators. The signals in this briefing are not available through brokers, occupancy data, or conventional underwriting.

SYSTEM HISTORY

**20 Years Direct Operator
& Neighborhood Observation**

MANAGED EVENT
PORTFOLIO

\$4.2M

LIVE TRACKING

**40+ Active Venues
(Manhattan · Brooklyn · Bronx ·
Queens)**

TERMINAL DEFINITION:

"Maturity Wall" – The cohort of leases signed during the 2021–2022 distressed-market window now coming up for renewal at 2026 market rates. The tenants signed terms reflecting their distressed business reality. They are renewing into a market where rent expectations have caught up but operator revenue has not.

R2R AVERAGE

17.1% ↑ **18.0%**

The breach. 18.0% – at the Default Red Zone threshold. Twelve venues already above 18%. Five above 20%. The trajectory the Protocol modeled in Issue 001 is no longer trajectory. It is the current cohort condition.

PLATFORM DEPENDENCY

37% ↑ **40%**

40%. Three points above the critical threshold, sustained second consecutive month. Eleven venues above 45%. The escrow review directive from March is no longer a recommendation. It is overdue.

QUIET VACANCY RATE

16% ↑ **18%**

+2 from March. ~18% of N=40 means seven operators are paying rent on structurally failing businesses today. Q4 2026 is no longer a forecast window. It is a spreadsheet.

TUESDAY TEST

19% ↑ **20%**

Slight spring lift, finally. Below the 22-25% spring norm. Six venues remain below the 8% critical floor – count unchanged.

WATCH LIST COUNT

14 ↑ **17**

Three new entries – two Queens (Astoria, Jackson Heights), one Mott Haven escalation. Queens borough map on Page 4 is operational.

The R2R breach was a 90-day forecast in January. It is the current cohort condition in April. If you have lease renewals in development corridors this quarter, the negotiation has changed. You are no longer pricing risk. You are managing it.

R2R AVERAGE

18.0%

DEFAULT RED ZONE: >18% | THE COHORT IS NOW AT THE THRESHOLD

Observed: 18.0% across N=40. Up from 17.1% in March. Fourth consecutive monthly increase. Twelve venues above the threshold individually. Five above 20%.

Implication: No renewal in a development corridor can be priced to 2025 conventions. The cohort 12-month survival probability at this level is under 40% absent revenue recovery.

WHY INVISIBLE: Revenue per cover is not in any standard rent roll. Cover counts can be pulled from OpenTable. Revenue per cover requires P&L disclosure or direct operator data.

TUESDAY TEST COMPOSITE

20%

HEALTHY RANGE: >30% | CRITICAL FLOOR: <8%

Observed: 20% average. Six venues at or below 8% – count unchanged from February and March. Slight spring lift present.

Implication: The healthy range is 22-25% by April; the cohort remains 2-5 points below. Tenants sustained below 15% across Q1 should be reclassified independent of weekend revenue.

WHY INVISIBLE: Mid-week daytime occupancy is not tracked by any industry data source. Requires field observation on a specific day and time window.

PLATFORM DEPENDENCY INDEX

40%

ABOVE THRESHOLD: 35% | PD >35% + R2R >15%: 78% DEFAULT RATE

Observed: 40%. Sustained second-month breach. Eleven venues above 45%. April confirms what March established.

Implication: With R2R simultaneously above 15% cohort-wide, the 78% modeled default rate within 9 months now applies to over a third of tracked tenants.

WHY INVISIBLE: Not in lease applications. Not in financial statements. Visible only through revenue source analysis or digital footprint.

QUIET VACANCY RATE

18%

Q3 2025 BASELINE: 8% | +10 PTS IN THREE QUARTERS

Observed: 18%. +2 from March. The signal that was 8% three quarters ago is now 18%. Seven operators are paying rent on structural failures today.

Implication: None of these tenants have missed payment. None will appear in a rent roll as risk. Re-tenanting capacity and TI write-down planning need to be active now.

WHY INVISIBLE: Not tracked by any industry dataset. Requires physical corridor observation. No public or private data source contains this read.

Corridors ranked by urgency. R2R Stress Test at 20% revenue compression – the Protocol's 2026 base case.

| RANK | CORRIDOR | STATUS | R2R / PD | R2R @ 20% COMP. | CAPITAL GUIDANCE | BASIS |
|------|--|-----------------------|------------------|-----------------|-------------------------|---|
| 1 | Bruckner / Port Morris South Bronx | HIGH FRAGILITY | R2R 22% PD 53% | 27.5% | DO NOT DEPLOY | Default proceedings active. R2R 4 pts above threshold. No off-peak base across corridor. |
| 2 | Mott Haven / Third Ave South Bronx | HIGH FRAGILITY | R2R 22% PD 49% | 27.5% | REDUCE EXPOSURE | Two March default notices proceeding. Plant-Based and Ghost Kitchen entries now in active default. |
| 3 | Jackson Heights / Roosevelt Queens (NEW) | WATCH | R2R 17% PD 51% | 21.3% | CONDITIONAL ONLY | Borough entry. Two venture-backed launches pulling PD average above 50%. Acquisition Decay clock running. |
| 4 | Astoria / Steinway St Queens | WATCH | R2R 15% PD 32% | 18.8% | CONDITIONAL ONLY | Established Greek anchor operators showing Durable profiles. Newer concepts elevating PD. First-mover recruitment window. |
| 5 | Williamsburg / Bedford Brooklyn | STABLE ANCHOR | R2R 10% PD 19% | 12.5% | PRIORITY ZONE | Holds below threshold even at 30% compression. Strong off-peak base. Active vacancies for Durable recruitment. |

DO NOT DEPLOY: South Bronx Bruckner & Mott Haven. Default proceedings active. Queens Jackson Heights breaches Default at 20% compression.

PRIORITY ZONE: Williamsburg / Bedford uncompressible at 30%. Astoria / Steinway: Greek anchor recruitment window – first-mover.

What was stated in March. What April confirmed. What it cost.

| FLAGGED | OBSERVED | FINANCIAL CONSEQUENCE |
|---|--|--|
| <p>March: Cohort R2R 17.1%, +0.9 per month consistent. April expected to breach 18%.</p> | <p>April: 18.0% confirmed. Twelve venues above 18% individually. Five above 20%. The breach landed on the modeled date.</p> | <p>At 18.0% cohort, 12-month survival probability under 40%. Across N=40 at avg occupancy cost \$280K/yr: ~\$11.2M in cohort-level lease exposure now operating below threshold.</p> |
| <p>March: Mott Haven two lease default notices issued. Average corridor R2R 21%. Escrow insufficient.</p> | <p>April: Plant-Based default proceeding. Ghost Kitchen vacated. Both Watch List carryovers from Issue 002 are now realized.</p> | <p>\$520K landlord loss across two units. TI write-downs and vacancy windows projected 6-9 months absent rent reset.</p> |
| <p>March: PD breached 35%. Eight venues above 40%. Threshold crossed for first time in tracked history.</p> | <p>April: 40% sustained. Eleven venues above 45%. The breach is structural, not seasonal.</p> | <p>At 78% observed default rate for PD >35% + R2R >15%: cohort exposure at risk now spans 14+ venues. Estimated cohort exposure: \$3.9M.</p> |

3 OF 3 MARCH FLAGS CONFIRMED OR ESCALATED // Q1 TRACKED EXPOSURE TOTAL: \$4.7M // YTD PROTOCOL ACCURACY: 9 OF 9

HIGH-RISK OPERATORS: DIAGNOSTIC CLASSIFICATION

WATCH LIST: 17 ▲ FROM 14

| OPERATOR TYPE | NEIGHBORHOOD | DIAGNOSTIC CAUSE | KEY METRICS | DEFAULT WINDOW | SURVIVAL PROB. |
|--------------------------------|-------------------------|--|--------------------------|----------------|----------------|
| Venture-Backed Plant-Based | Mott Haven, SBx | Terminal Platform Dep. (default active) | R2R 23% PD 73% | 0-2 months | < 16% |
| Ghost Kitchen / Physical Front | South Bronx | Terminal Platform Dep. (vacated April) | R2R 26% PD 88% | VACATED | — |
| Concept Brunch Operator | Jackson Heights, Queens | Acquisition Decay (NEW Queens entry) | R2R 17% PD 51% TT 9% | 8-12 months | < 16% |
| Venture-Backed Wellness | Steinway, Astoria | PD + Tuesday Test Failure (NEW Queens entry) | R2R 16% PD 47% TT 7% | 9-12 months | < 16% |
| Weekend Brunch Concept | FDB, Harlem | Tuesday Test Failure (persistent) | TT 4% R2R 18% | 9-14 months | 62% |

\$2.0M+ estimated exposure on current Watch List // 3 entries in active default proceedings // Durable Index avg survival: 94%

VENTURE-BACKED PLANT-BASED CONCEPT, MOTT HAVEN – DEFAULT 7 MONTHS POST-PROTOCOL FLAG

WHAT THE LEASE FILE SHOWED

– Opened Q4 2024. 2,400 SF in Mott Haven development corridor.

– \$3.2M Series Seed at opening. Press coverage in business and food media.

– Active social media. Growing follower base through Q2 2025.

– Rent current through February 2026. No payment issues at lender's last review.

– Operator self-reported 23% YoY cover growth at Q3 2025 check-in.

– No disclosure of delivery revenue share or off-peak traffic data.

Underwriting Conclusion: TIER-1 DEVELOPMENT TENANT / GROWTH PROFILE

WHAT THE PROTOCOL SAW (FEBRUARY 2026 FLAG)

| | | |
|---------------|-------------|---|
| R2R | 21% | 3 pts above Default Red Zone at flag |
| TUESDAY TEST | 6% | Below critical floor – destination only |
| PLATFORM DEP. | 68% | Terminal – no in-store loyalty base |
| LOCAL REPEAT | 9% | Discovery traffic, no neighborhood base |
| CHECK SIZE | -14% | Hollow Dining Room – covers stable, revenue not |

Underwriting Conclusion: HIGH-RISK / DEFAULT WITHIN 6-9 MONTHS

Default proceeding April 2026. Approximately 7 months post-flag, 18 months post-opening. Estimated landlord loss: \$440K-\$580K. The Series Seed funded the launch. It did not fund the second year.

RAISE ESCROW

- Any tenant in Bruckner / Port Morris or Mott Haven with R2R above 16%: increase to 9 months immediately. Renewal discussions only after escrow is in place.
- Any tenant with Platform Dependency above 40% in any tracked corridor: escrow review this month. The cohort breached 35% in March and 40% in April.
- Any tenant who breaches Default Red Zone on the 20% R2R Stress Test (Page 4): escrow review before any modification, extension, or renewal.

DO NOT RENEW

- Any operator at R2R above 18% without documented 10%+ revenue recovery in trailing 90 days. The cohort average is now at this level. The threshold is no longer aspirational.
- Any operator with Tuesday Test below 8% whose primary revenue source is platform delivery. Both signals failing simultaneously is the 78% default rate cohort.

AUDIT THIS WEEK

- Run the R2R Stress Test on every lease in your portfolio. The Protocol's 2026 base case is 20% per-cover compression. Know which tenants breach Default at that scenario.
- Visit your highest-risk Mott Haven, Bruckner, or Jackson Heights tenant on a Tuesday between 1 and 4pm. Direct observation supersedes any reservation system data.

TARGET FOR REPLACEMENT

- Williamsburg / Bedford Ave continues to clear. Active vacancies in a Stable Anchor corridor with growing residential density. Recruit Durable Index operators (Page 9) before concept-driven tenants take the spaces.
- Astoria / Steinway: Greek anchor operators showing Durable profiles. First-mover Queens recruitment window. The corridor is not yet priced in.

STOP DOING

- Pricing renewals to 2025 conventions. The Maturity Wall is the active dynamic. The cohort signed at distressed-2021 terms cannot service 2026-rate renewals.
- Waiting for missed payment as the action trigger. Quiet Vacancy is at 18%. By the time payment fails, your TI is gone.

A tactical leasing guide. Not a concept. Not a benchmark. A screen.

FORMAT

- Counter-service, café, or neighborhood dining. Not fine dining, not nightlife.
- Multi-daypart preferred – opens before 11am, operates past 8pm.
- Physical footprint under 2,500 SF. No concept-scale build-out dependency.
- The operator is the brand. No parent company, no franchise layer.

REVENUE BEHAVIOR (require disclosure)

- R2R below 12% at time of lease execution.
- Platform Dependency below 20% of gross revenue.
- Tuesday Test above 30% at execution (verify by walking the space).
- Off-peak revenue (Tue-Thu, 11am-4pm) at least 25% of weekly gross.

OPERATING HISTORY

- 3+ years at current or comparable prior location.
- Local repeat rate above 50% of weekly customers.
- Revenue stable or growing through at least two market compression events.

HOW TO SCREEN

1. Walk the space on a Tuesday between 1-4pm before the lease conversation.
2. Request 12 months of gross revenue broken out by channel (in-store vs. delivery vs. catering).
3. Ask for average check size trend over last four quarters.

RED FLAGS – DO NOT SIGN

- × More than 30% of revenue from a single delivery platform.
- × PR agency engaged before or at opening.

- × Venture-backed with investor-driven unit economics.
- × No demonstrable Tuesday afternoon traffic at prior location.
- × Concept launched within 18 months of proposed lease execution.

Durable operators: 94% 12-month survival vs. 16% for High Risk. Average re-leasing cost avoided per default prevented: \$380K.

THIS WEEK

- Run the R2R Stress Test (Page 4) across every lease. 20% compression is the 2026 base case.
- Review escrow on every tenant above 40% Platform Dependency. The cohort breached.
- Walk one Queens corridor tenant – Astoria or Jackson Heights – Tuesday afternoon.

THIS MONTH

- Implement quarterly revenue disclosure as a renewal precondition for tenants in HIGH FRAGILITY corridors.
- Initiate Durable Index recruitment for LES post-closure vacancies. The Q2 window is open.
- Build TI write-down provisions for projected Q4 2026 closures across the Quiet Vacancy cohort.

THIS QUARTER

- Convert R2R Stress Test from one-time exercise to standing rent-roll metric. Update quarterly.
- Add the four Protocol signals to standard new-lease disclosure requirements.
- Establish corridor-level escrow scaling: Stable 3 mo, Watch 6 mo, High Fragility 9 mo.

NEXT MONTH (ISSUE 005):

THE Q1 QUARTERLY CORRIDOR FRAGILITY INDEX – Q1 2026 in retrospect; signal-to-default conversion rates. // BROOKLYN DEEP DIVE – Williamsburg, Cobble Hill, Carroll Gardens, Park Slope mapped at the corridor level.

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