

REAL ESTATE WEEKLY

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Zelnik's Sephora lease stirs up the senses

Sephora, a global leader offering the finest in fragrance, cosmetics and skin care products, has committed to 12,000 s/f of prime retail space at 5 Times Square on West 42nd Street. The world-famous retailer plans to open a spectacular multi-story flagship store in the space by summer 2009. The store will also boast a dramatic undulating sign with animations and unusual shapes, all in Sephora's sophisticated brand colors.

Jeffrey Gansberg, the COO of AVR Realty Company LLC, the owner of 5 Times Square, worked tirelessly with Cory Zelnik, president of Zelnik & Company Real Estate in negotiating the multi-faceted transaction. Virginia Pittarelli and Chris DeCrosta of Madison Retail Group acted on behalf of Sephora.

"Sephora is recognized around the world as a leader in beauty products and is exactly the type of high-end retailer we wanted to attract," said Mr. Gansberg. "We are delighted Sephora has joined our tenant roster. The retailer's decision to open its flagship store at the base of 5 Times Square speaks not only to the allure of Times Square, but also to its strong commitment to New York City."

"The space offered Sephora the added visibility that comes with being situated at the 'crossroads' of the world," added Mr. Zelnik. "Located in one of the most highly-trafficked neighborhoods in Manhattan, the multi-level store will serve as Sephora's international flagship and provide the brand with amazing exposure."

AVR Realty acquired 5 Times Square in early 2007 and subsequently negotiated a mutually-beneficial lease termination with the existing lease holder of the retail space. This allowed the ownership to market the highly-coveted location to a wide range of attractive national and international retailers. AVR Realty and Zelnik & Co. were extremely selective in the type of tenant they wanted to anchor the base of the trophy property.

Sephora was an intriguing prospect due to its high-profile national and international image and outstanding reputation. After working closely with Sephora representatives, State officials and design experts, a new, bold vision for the retail space was created that integrates the dynamic image of Times Square and Sephora. The space will house product lines not found in any other Sephora store in the world as well as a dramatic exterior. ■