

COMMERCIAL REAL ESTATE

RETAIL SPECIAL

Let the good Times roll

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Tourists, business people and shoppers are continuing to crowd Times Square to the tune of over 40 million visitors last year.

All those feet on the street are filling shops with buyers eager to enjoy the experience available to them all day and well into the evening. Many of the stores stay open well past midnight, as after-theater crowds seem just as eager to take a look and buy goods before and after their shows and dinners.

"Times Square goes 18 hours a day — except for the 3 to 8 a.m. time slot," said Cory Zelnik, president and CEO of Zelnik & Co.

Times Square has developed into a great retail corridor, said Faith Hope Consolo, chairman of retail for Prudential Douglas Elliman. "It was once souvenirs and fast food. Now it is fast fashion and family food," she said.

A recent Real Estate Board of New York survey found asking rents of \$1,300 to \$2,000 a foot becoming common.

Consolo noted that even at today's aggressive rents, because of the numbers of sales, "you can make 10 times that in returns."

Consolo is currently working on a deal for a new American family dining restaurant. Michael Glanzberg, principal of Sinvin Real Estate, is also seeking space for a new restaurant concept in Times Square.

"My luxury retailers will now consider selling in Times Square where before they would only look in the major luxury corridors," Glanzberg said. "Now, Times Square can accommodate aspirational luxury and not have it seem ridiculous to their real estate committee. Everyone understands it has tremendous footfall and global exposure on a scale that few parts of New York can compete with."

Karen Bellantoni, executive vice president of Robert K. Futterman & Associates is representing the retail in the new office tower at 11 Times Square at 42nd Street and Eighth Avenue. She is seeing the trade area expanding to Ninth Avenue where she is working with retailers trying to find a spot to open in Hell's Kitchen. "Retailers are trickling in there and its super busy with affordable eating," she said.

American Apparel is already open at 610 Ninth Ave. between W. 43rd and W. 44th streets. Rents are much more reasonable there and on other outlying streets.

Fossil recently expanded at 1585 Broadway because they had "done so well there," said Amira Yunis, executive vice president and principal of Newmark Knight Frank Retail who represented the retailer along with colleague Jared Lack.

Along W. 42nd Street nearer Sixth Avenue, Zelnik represents 130 W. 42nd St., known as the Bush Tower, where that area of the street is starting to take shape.

To its west, the Knickerbocker Hotel at 1466 Broadway is undergoing a renovation by DiamondRock and Highgate while its adjacent empty lot is being redeveloped, likely also into a new hotel or annex.

To the east of Bush Tower, Blackstone is developing three-story glass retail boxes by the base of 1095 Ave. of the Americas that will tie into the Bryant Park area.

The landmarked Bush Tower is also getting permission to blow out the second floor to create a 23-foot ceiling, Zelnik said, creating a retail box of about 30,000 square-feet.

On the other side of the Bow-Tie, on West 43rd and 44th streets between Seventh and Eighth avenues, Africa-Israel is redeveloping the historic former New York Times headquarters into the Times Building. Blackstone just bought the offices above Africa-Israel's 244,000 square feet of retail.

Retailers already include the Bowlmor Lanes and Discovery Times Square which features rotating blockbuster exhibits like the current "Harry Potter" exhibition. Soon a 28,000 square foot Daffy's will open along with Adventure Entertainment's relocated Jekyll & Hyde restaurant in 23,000 square feet.

"We have the iconic location, big windows and Times Square is the heartbeat of the city," said Laurie Golub, general counsel and managing director of business affairs for Africa-Israel USA.

Among the locations available around Times Square are the former ESPN Zone's 45,000 square feet at 4 Times Square (see page 37), and a divisible 55,000 square feet at the newly built 11 Times Square.

There is still about 37,000 square-feet in three spaces at 1540 Broadway, next to where Forever 21 has been doing gangbuster business, and at 1604 Broadway where the 20,978 square-foot former Spotlight space is controlled by a venture of SL Green Realty Trust and Jeff Sutton. That venture is also buying the 15,000 square-foot I. Miller Shoe Building at 1552 Broadway on the northeast corner of 46th Street where TGI Friday will close and a new "concept" will emerge.