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## COMMERCIAL REAL ESTATE

### Eat, pay, love: Restaurants foot the bill to open up in NYC

BY LOIS WEISS

Asking rents remain the hot topic as owners push their limits and retailers balk — but just a little.

“That’s the story all over town,” said Faith Hope Consolo, chairman of Douglas Elliman Retail. “Things have to come down; they can’t just drive the numbers like they have.”

David Firestein, managing partner of SCG Retail agreed: “The rents are just brutal. They have just ratcheted up really high — even Brooklyn is high. There is lots of space out there but a lot of owners are sitting with their space. It impacts the whole market.”

Retailers are doing deals, but every deal is getting scrutiny at the highest levels of the organization, noted Richard Hodos, vice chairman of CBRE. “There is a level of caution that we didn’t see two or three years ago,” he said. “There are no bargains out there.”

The price points are worrying retailers no matter what they sell. Firestein says, “The restaurant guys are all complaining about the rents.”

That’s one reason why Kim Mogull, CEO of Mogull Realty, just completed a deal for chef Geoffrey Zakarian to bring his cuisine to the nation’s capital, at the new Trump International Hotel, Washington DC.



“It’s difficult to secure a prime location at affordable rents in New York,” said Mogull, “but there are plenty of sophisticated palates and visitors in other world-class cities. My restaurant clients, like Zakarian, are spreading their cuisines to locales where fine dining experiences are just as appreciated. So while New York will always be a target market for us, we look at new deals every day and everywhere.”

“Food is fashion now,” said Consolo, who is working on deals with restaurateurs for several of her spaces, which take a long time because of their many requirements.

Francis Greenburger, founder of Time Equities, is trying to attract an upscale eatery for a two-level space at his new tower at 50 West St., near both Brookfield



Place and the World Trade Center. “[Downtown] is like fairy dust and is spectacular.

“Here you will be looking out over the canopy of trees on West Street and the landscaped plaza and it will be a very serene feeling,” said Greenburger. “We are looking for a very high-quality restaurateur and would rather take a little less and not compromise on the quality.”

The asking rent is \$95 a foot, he said, for the first floor of 1,189 square feet with 20 foot ceilings; there is 9,371 square feet on the second floor.

In Midtown, the Four Seasons restaurant, long a staple within the Seagram Building, may now need to relocate as building owner, RFR Holding, has announced it will renovate the landmark space and likely seek higher rents.

Meantime, luxury restaurateurs are being courted by Steve Roth, chairman of Vornado Realty Trust, for the nearby 280 Park Ave. that is co-owned with SL Green Realty Corp., and likely by David Levinson of L&L Holdings, which is redeveloping 425 Park Ave.

One spot where Joanne Podell, vice chairman of Cushman & Wakefield believes the new owners will get their asking rents is at the southwest corner of Fifth Avenue and 57th Street at 730 Fifth Ave., known as the Crown Building, which just changed hands for \$1.775 billion. “It is among the only locations in the world that are so world-class that its value will be more than simply the real estate,” explained Podell.

“It’s the perfect location.”

There are also a half a dozen of the most luxurious and tallest residential skyscrapers in the world being developed nearby that will bring many resident and part-time resident shoppers to the area.

“What is going on with 57th is extraordinary and it may be a chance to move [the better] retail west,” Podell said.