

NEW YORK RETAIL LEASING ACTIVITY

The Faith Report

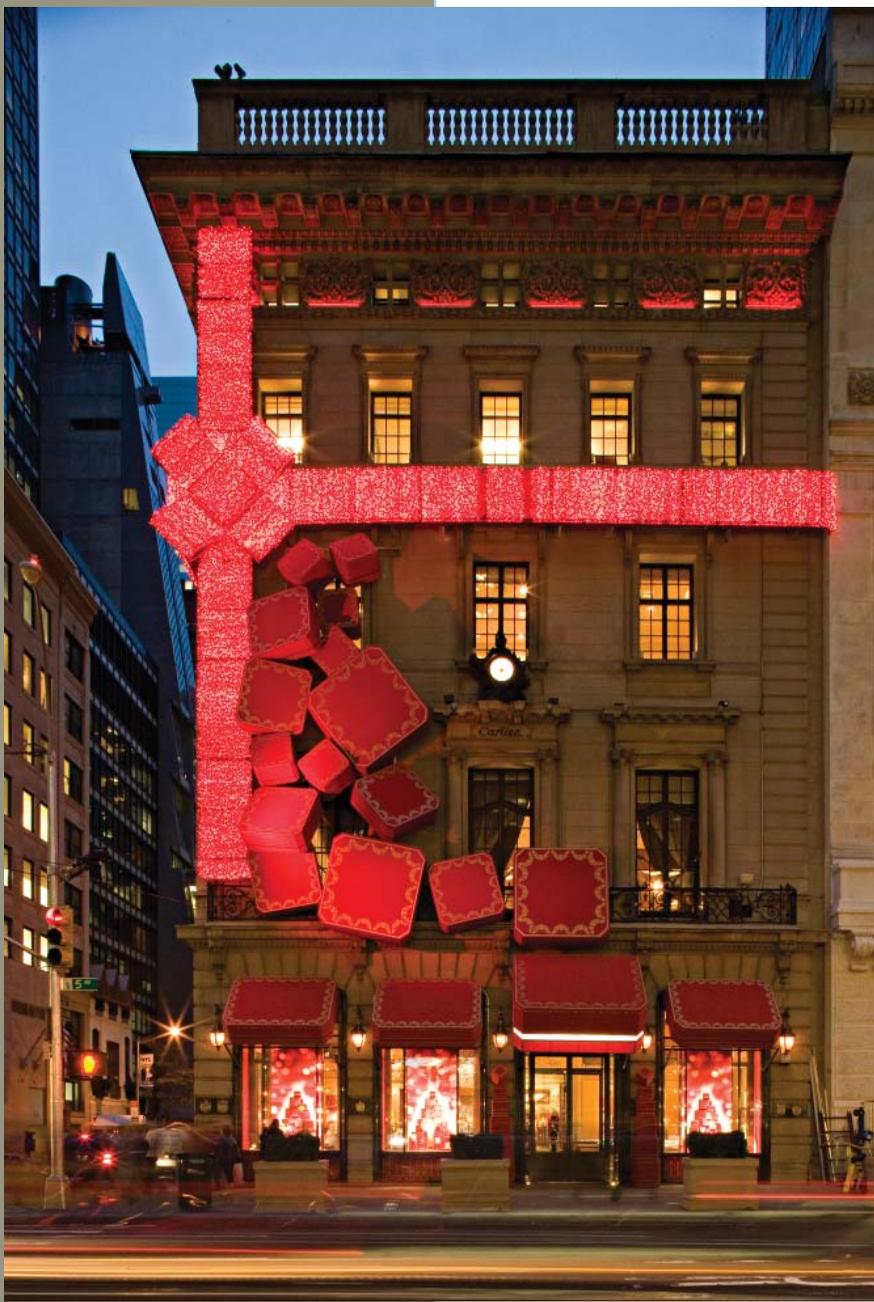
WINTER 2006

NEW YORK CITY POISED FOR THE HAPPIEST OF HOLIDAYS

Faith Hope Consolo



This holiday season, shoppers will be feeling very merry – and so will the retailers! A spectacular rollout of new stores will line New York City’s most popular shopping streets and consumers are expected to spend at least seven percent more than last year. Predications call for an increase in splurging on anything cashmere, watches, flat screen televisions and all things luxury. In fact, luxury items have traditionally been big sellers and this year will be no exception! Although apparel has long been the preferred gift, in recent years its popularity has faded. However this year you can expect to see a big bounce back in this category. Of course, gift cards continue to be the present of choice that keeps growing in numbers.



Carolina Herrera is unveiling a bridal salon, at 954 Madison Avenue. French luxury linens shop **Yves Delorme** is coming to 985 Madison Avenue, in the Carlyle Hotel and just a short walk from **Michal Negrin**, home of Israeli jewels, at 971 Madison. **AS Parker**, fine menswear, is moving up the Avenue to 1021 Madison. **Margaret O'Leary** will bring her timeless knitwear to 1100 Madison Avenue. Expecting mothers rejoice: **Destination Maternity**, a newly formed company from the owners of Motherhood Maternity, A Pea in the Pod and Mimi Maternity, will debut at 575 Madison Avenue, offering designer clothing and will even include the luxurious **Edamame Maternity Spa** for pampered moms-to-be. Also on Madison, Princess **Marie-Chantal** of Greece opened her first children's boutique at 1192. Israeli jeweler **Vivid** is becoming neighbor to Nello at 698 Madison Avenue. **Sermoneta**, Italian luxury accessories, made its way to 609 Madison Avenue with its U.S. flagship store. French fashion company **Tricots Saint-James** plans to join the Golden Mile's elite roster of retailers, at 1045 Madison Avenue. Prestigious antique dealer **Mallett** is expanding next door to its current gallery at 927 Madison Avenue. Nestled in the Hotel Plaza Athenee, French designer **Loulou de la Falaise Collection** will open its doors for business at 64th and Madison Avenue.

On *Fifth Avenue*, **Oxford Clothing** is relocating from East 57th Street to 56th and Fifth, next door to Beverly Feldman. **Apple Computer** will join the GM Building lineup, neighboring FAO Schwartz. **Blanc de Chine** will unveil a spectacular combination of Chinese tradition and modern styling at 673 Fifth Avenue. **Sergio Rossi** will bring Italian luxury accessories to 700, perfectly positioned in the Peninsula Hotel.

Consumer faith is rising, according to the latest economic optimism survey by *Investor's Business Daily*. Reports show sales increased in October, despite worries of higher interest rates and fuel prices – a sign of good things to come.

So, before you set out to deck the halls, take a look at the wonderful new stores to grace New York City's streets:

On *Madison Avenue*, **Lockes Diamantaires** will create a breathtaking jewel box at 683 Madison Avenue. **Graff** jewelers will open a diamond emporium in a townhouse at 61st Street, just steps away from Madison.

In *Rockefeller Center*, **Eddie Bauer** opened a pop up "down boutique" in Rockefeller Plaza, on the concourse level, just in time for the chilly temperatures, and **Anthropologie** will take over the former Nautica space in bustling Rockefeller Center.

The *Upper East Side* will be the site of a bouncing new **Giggle** baby boutique, at the northeast corner of 74th Street and Lexington Avenue. **Big Drop Men** -- for our metro-dressing males -- opens at 1325 Third Avenue. **Steve Madden**, 1503 Third Avenue, is expanding his footwear empire and back on top, set for even more to open. **American Apparel** is continuing to wrap the city in cotton at 1090 Third Avenue.

In *Midtown*, exquisite Swiss jeweler **Ginkgo** opened a boutique at 344 East 59th Street. Another cupcake contender, **Crumbs Bake Shop**, is continuing its New York City expansion at 1114 Sixth Avenue, near Bryant Park.



Union Square will be enhanced with **Poggenpohl**, modern cabinets and fixtures, at 270 Park Avenue South, and **Max Brenner Chocolate**, at 841 Broadway.

In *Tribeca*, yet another **American Apparel** brings more trendy tees to the ultra chic, at 140 West Broadway.

In *Soho*, **Suss Design** from Los Angeles will bring the knitting lifestyle front and center at 281 Lafayette Street. **Galleria illy**, 382 West Broadway, features an art library, Italian café and all things coffee. **Todd Oldham** will offer funky furnishings at 73 Wooster. Versatile Spanish designer **Agatha Ruiz de la Prada** is gracing 135 Wooster. 85 Prince Street will be home to the new home design and chic parchment boutique **Company C at Kate's Paperie**. British lifestyle brand **Ben Sherman** has finally found a U.S. flagship at 96 Spring Street, joining John Varvatos, MAC, Quiksilver, American Apparel, Burton and Banana Republic. **Nicole Miller** opened at 77 Greene Street, focusing on bridal, and neighboring **AG Adriano Goldschmied**, number 111, adjacent to Anna Sui, and **Passion Books of Beverly Hills**, number 107. Japanese megabrand **Uniqlo@Vice** now has a pop up store at 252 Lafayette Street. Punk clothes for the fashion-forward will be available at **Project 234** at 234 Mulberry Street. Modern Russian designer Alexandre Plokhov is debuting **Cloak** boutique at 10 Greene Street. **Beauty Parlour** at 888 Broadway is positioned inside ABC Home, tending to tresses. **Forever 21** brings youthful style to 568 Broadway. **Tiny Living**, 125 East 7th Street, between 1st and Avenue A, features stylish home fashion and organization ideas for our city dwellers in tiny spaces, but with big design ideas. **Disco Lemonade** at 430 Hudson offers, cool, non-traditional kids clothes and has free parenting classes. **Hable Construction** showcases signature bags and home accessories, at 117 Perry Street.

The *West Village* will welcome **Emerge NYC** to 65 Bleecker Street, with creations by the hottest new designers.

With all of these new options, shoppers are bound to find that "perfect little something" for that "special someone."

While out, consumers may want to con-

sider grabbing a bite at one of the city's newest restaurants. Here are some of the more exciting dining options:

Barca 18, formerly Park Avalon restaurant, at 225 Park Avenue South, has transformed into a Spanish restaurant. This spring, a branch of the famed **Mr. Chow** will open in the former Pace premises in Tribeca, at 121 Hudson Street. **La Carne Grill** is a kosher steakhouse that will also offer kosher sushi, at 340 Lexington Avenue. Gray Kunz, star chef and proprietor of Cafe Gray at Time Warner Center, will bring a new dining experience to the former site of Aquavit restaurant, best known for its stone



waterfall, when it debuts at 13-15 West 54th Street. Fast growing sandwich company **Starwich** is opening its fourth and fifth restaurants this month, at West 38th Street and Sixth Avenue and East 84th Street and Lexington, offering its menu of hip ingredients. Now open is **Diner**, 44 Ninth Avenue,

evoking urban American eateries of the 1930s and 1940s. Sergio and Mario Riva of Candela and Marc Packer of Tao, Rue 57, Avra and Balzano own the retro eatery. Patrons can delight in burgers, shakes, fried chicken and apple pie. Enhancing the hotel restaurant boom, **Soda Shop** is now open within the Cosmopolitan Hotel -- 125 Chambers Street -- by Crag Bero and Linda Donahue, featuring old-time candy and soda fountain style drinks, handmade chocolates and diner food. Within the New York Palace Hotel, the shoes of the famous Le Cirque 2000 have remained empty,



but now **Gilt** will fill them with a 62-seat restaurant. Designed by Patrick Jouin by English chef Paul Liebrandt, the hotels' larger dining room, to be called **Madison Room**, will be used for breakfast and private parties, at 455 Madison Avenue. The famous **Le Cirque** (now minus the "2000" from the name) will open in early 2006 in the Bloomberg building, 1 Beacon Court, featuring a main dining room, a wine bar, a lounge and private dining on two levels. **Thor** by Kurt Gutenbrunner just opened in the Rivington Hotel, 107 Rivington Street at Ludlow, and features Austrian food and more. Gordon Ramsay is set to open a restaurant and cafe in the Rihga Royal hotel, at 151 West 54th Street. **L'Atelier de Joel Robuchon** at the Four Seasons is a copy of the Paris restaurant and will replace the Fifty Seven Fifth Seven in the Four Seasons Hotel, 57 East 57th Street. **Bistro Du Vent**, at 411 West 42nd Street, is a new creation by partners Joseph and Lidia Bastianich, Mario Batali and Dave Pasternack, with Chef Laurent Gras making the masterpieces. **The Carlyle Restaurant**, 35 East 76th Street, is getting a revamp and a brand new menu with Jimmy Sakatos as its executive chef.



Fatty Crab is open at 643 Hudson Street, at Horatio, serving Malaysian food. Fred Twomey has turned his Monkey Royale into a tapas bar called **Bar Carrera**, at 175 Second Avenue. **Megu** at Trump World Tower will have an ice Buddha and a large menu when it opens at 845 United Nations Plaza.

After a long day of holiday shopping, New York City's many visitors will need a place to rest their heads. Due to the increasing tourism and business travel influx, the hotel recovery that started last year remains on the upswing. Not only are new lodgings planned for development, but formidable facelifts are also being performed on old favorites. Either way, hotels are spending an exorbitant amount on luring guests.

As the hotel business is roaring, money is surging in and owners are putting cash towards upgrades that were delayed during the downturn. Money is being poured into innovations that hopefully will set these hotels apart from the competition and please the luxury consumer. U.S. hotels spent a record \$4.1 billion in upgrades in 2005, up 37 percent from last year. Trends include high-end amenities such as flat screen TVs, pillow-top beds, spa bath products and wireless internet, more rooms and new brands, more boutique hotels featuring sleek contemporary designs, room renovations and upgrades, and healthy, more gourmet

breakfasts.

Sir Norman Foster, one of the world's greatest architects and designer of Hearst Corporation's new tower at Eighth Avenue and 57th Street, has a new development in sight. His next project is the new residential and hotel project that RFR Holding will create at the site of the former YMCA building, at 610 Lexington Avenue at 53rd Street. Upon completion, the towers will be a magnificent spectacle of 50 stories or more. Booming Chelsea will also have much needed new hotel space. A parking lot at 121-125 West 26th Street, between Sixth and Seventh, will be transformed into a new hotel that can be built up to 64,760 square feet. **The New Yorker Hotel** near Penn Station, just launched a \$40 million renovation to redo furnishings, add 79 rooms and bring it up a few notches toward a more luxurious property. Even the hotel's Tick Tock Diner and La Vigna Ristorante are receiving a redo. The historic landmark **Hotel Algonquin**, famous for its Oak Room lounge, is getting new owners and will continue on as hotel at 59 West 44th Street. Predictions say it will be restored to its former grandeur. Ferrado US bought the 100-room Avalon Hotel, 16 East 32nd Street, and will rename it **Vincci Avalon Hotel**. Gemini Real Estate Advisors purchased the 46-room **Howard Johnson**, at the corner of Forsyth Street and Houston Street. The Financial District will have a budget hotel known as **7-9 Rector Place**, located at 50 Trinity Place, and at 99 Washington Street at Rector Place, a 38-story hotel will rise. By the end of 2005, **The Mark Hotel** at 77th, between Madison and Fifth Avenues, will be sold and many hope that it will remain a hotel.

So deck the malls, don your gay apparel and hit New York City's fabulous shopping scene. No matter what holiday you celebrate, with all of the new boutiques, restaurants and hotels popping up, it's bound to be a joyous holiday season!

FAITH HOPE CONSOLO
CHAIRMAN, RETAIL SALES & LEASING DIVISION
PRUDENTIAL DOUGLAS ELLIMAN REAL ESTATE

575 Madison Ave, 3rd Floor
New York, NY 10022
Tel: 212.418.2020 / Fax: 212.418.2005
fconsole@elliman.com
www.faith-consolo.com