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A MADISON STROLL

A Walk Down Madison Ave

By AMANDA MARSH



A slew of new deals to hit **Madison Avenue** affirm its position as one of the world's **leading luxury districts**, even in trying times. What makes it unique versus similar markets is that it not only has a worldwide client base, but an **extremely strong local one**, says **Matthew Bauer**, president of the Madison Avenue Business Improvement District, which covers the avenue and adjacent side streets from E. 57th to E. 86th. Here, he stands in front of the **J. Crew Men's Shop**, which opened this week. In the first half of '10, he says, **19 new retailers** signed deals on Madison, with **12 stores** now under construction, including **Bar Italia** at 768 and **Frey Wille** (the Austrian jeweler, not the whale) at 727. This has been paired with an uptick in hospitality activity, including the re-openings of the **Surrey Hotel** and **Mark Hotel**.



There's a tremendous sense of service Madison Avenue brands deliver—**red carpet treatment**, if you will—**attracting visitors** to the neighborhood, Matthew says. He also credits the magnetism of the neighborhood to the BID's initiatives, which introduce Madison Avenue to visitors and locals on a more **personalized** and **charitable scale**. Its programs include April's **Platinum Jewels in Bloom** event, which focused on 30 of Madison's jewelry stores and raised money for the **Playground Partners** of the **Central Park Conservancy** (above); May's **Madison Avenue Gallery Walk**, which featured 60 of the area's galleries and raised money for **The Fund for Public Schools**; and the annual **Miracle on Madison Avenue** holiday event, which brings shoppers and merchants together to help **The Children's Aid Society**. The BID also partners with Tokyo's **Marunouchi District**, Japan's own Madison Avenue.



When you think of Madison Avenue, **retail** invariably pops into your mind, so we took a walking tour of the neighborhood with Prudential Douglas Elliman's queen of retail, **Faith Hope Consolo**. Madison Avenue's retail market was **not immune** to the recession, she tells us—last year, it saw the **highest vacancies** it's seen in a decade. But the holes have been filled in, and we're now seeing the **lowest availability in 18 months**, at under **5%**. We snapped this of Faith, left, in **Longchamp's** new store at 713 Madison, one of the many luxury retailers who've made deals in the down market—and Faith, who's been involved in at least **20** Madison Avenue transactions this year, says there's been a deal signed on **every single block** from E. 52nd St. to E. 72nd St., including **Kimaya** and **Devi Kroell** at 717, and **ToyWatch** at 509.



Madison Avenue is no longer just about the luxury retailer or jewelry store—deals are getting done whether you're a **mom-and-pop** or an **international boutique**. Above, Faith stands in front of the soon-to-be **DeLaneau** store at 681 Madison—its watches start at **\$500k (!)**, she notes. But don't think of Madison Avenue as **unaffordable**—it also has plenty of more cost-conscious options, like **Ann Taylor's** flagship store at 645, **Crate & Barrel** at 650, and **UGG Australia**, which recently signed a lease at 600. And when there's availability, there's plenty of interest—retailers were particularly intrigued by the retail component of the mixed-use **Carlton House**, which was purchased for **\$170M** earlier this year. It's now home to **Judith Leiber**, Bond No. 9, John Lobb, Aaron Basha, Robert Talbott, Leggiadro, and **Christofle Pavillon**.

Madison Avenue Catwalk		
New Fashion Arrivals 1H'10		
Alexis Bittar	Jewelry	1100 Madison
Brunello Cucinelli	Fashion & Accessories	683 Madison
Gem Galleries	Jewelry & Antiques	40 East 58th
Girard-Perregaux	Timepieces	701 Madison
Hermès Madison for Men	Fashion & Accessories	690 Madison
Ildikó Gál	Shoes	790 Madison
J. Crew Bridal	Bridal	769 Madison
Lederer	Leather Goods	625 Madison
Monnalisa	Children's Apparel	1088 Madison
Sartoriani	Fashion Accessories	595 Madison
Track & Field	Athletic Apparel	997 Madison

In a particular testament to Madison Avenue, Longchamp is not leasing its space—it instead **purchased the entire building**, once home to **Waterford Crystal**, for **over \$40M**. Retailers realize this as a street where **brands can be made**, Faith says. Just look at some of the designers calling Madison Avenue home: **Roberto Cavalli** has a flagship at 711, **Sonia Rykiel** operates a boutique at 849, and **Michael Kors** opened not one, but *two* stores, at 974 and 667. And many international retailers like DeLaneau, Oriane Collins, Frey Wille, Hublot, and **Vacheron Constantin** have chosen the street for their **first US locations**. If Madison Avenue can be summed up in one word, it would be "**resilient**," says Faith's partner **Joe Aquino**.



ToyWatch's space, in particular, had remained vacant for **over a year** before the Italian retailer signed the lease—but everyone and "their dog, cat, and **parakeet**" called to look at the space, says Kensico Properties EVP **Alan Zimmerman**, whose firm owns **350 Madison** and **509 Madison** (above). There was particular interest from **European tenants**, he notes. And retail's not the only sector garnering attention, but office space as well. **Pre-built space** under 5k SF is snapped up quickly by tenants like **money managers** and **hedge funds**, while larger units—like the **17.5k SF** availability at 350—are **harder to move**, he says. The firm's last batch of three pre-builts at 509 were **closed within a month**, and Kensico plans to develop more.



Despite larger units not moving as fast, Kensico Properties is **cautiously optimistic** about the market, Alan says—with **emphasis** on optimistic. If it didn't have faith in the market, it wouldn't be transforming the **400k SF** 350 Madison, which was built in 1922. The owner is replacing the building's brick with a new **aluminum and glass facade**, and is **enlarging the lobby**, which will include a **30-foot waterfall** (above). The renovations were designed by Moed de Armas & Shannon's **Dan Shannon**, and will be completed in November. Madison Avenue is gradually reinventing itself from the old brick facades to a **more modern look**, and Kensico is following that trend, he says.