

CRAIN'S

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REPORT

Musty Streets Now Hot Strips

Influx of restaurants, shops spawns buzz

By CARA S. TRAGER



From Ninth Avenue in Manhattan's Hell's Kitchen to remotest Van Brunt Street in Brooklyn's Red Hook and Vernon Boulevard in Queens, half a dozen formerly forgotten streets are becoming urban destinations, boasting a growing crop of trendy eateries and boutiques. "Fashion follows food," says **Faith Hope Consolo, Chairman of Prudential Douglas Elliman's Retail Leasing and Sales Division**. "These are the [two] that add the sparkle that creates the buzz and excitement."

Becoming a true successor to Brooklyn's Smith Street or Manhattan's meatpacking district is a difficult feat. It requires daring entrepreneurs seizing the opportunities of cheap rents and an underserved market, as well as landlords hungry enough to take chances on unproven operators.

Seeds of coolness in Greenpoint

Local residents are opening their own stores along Franklin

By CARA S. TRAGER

Tommy Cole and Roy Caires knew not only that they wanted to open a clothing store together but also where - on Franklin Street in the Greenpoint section of Brooklyn.

"We were coming here at night for performance venues, had friends in the neighborhood and knew it was an up-and-coming street," says Mr. Cole. Since opening hipster apparel boutique Alter five years ago, the duo has added another, for women, across the street.

The nearly half-mile stretch of Franklin running one block east of the East River and one block west of bustling Manhattan Avenue is emerging from its postindustrial slumber. Scattered among a mix of townhouses, warehouses, production studios and bodegas are the seedlings of coolness - trendy restaurants, lounge bars, funky clothing stores, a wine shop, a highbrow bookseller and a record store.



FRANKLIN STREET

Parameters: Freeman Street to Calver Street

Length: Half a mile

Restaurants: 6

Many debuts

In the past 12 months, the area has welcomed at least three women's clothing stores - Julia James Boutique, Old Hollywood and Pip-Squeak Chapeau Etc. - as well as Veronica People's Club, a coffee and dessert place by day and bar by night.



TRENDY MERCHANTS: Mike Hewitt and his wife, Marietta, own clothing store Petit Boudoir.

In many cases, the mostly twenty- and thirtysomething store owners are local residents who patronized area shops before opening their own. "I want to be here because of the neighborhood's mom-and-pop feel," says Greenpoint resident Mike Hewitt, who along with his wife, Marietta, owns Petit Boudoir, which sells vintage clothes and his wife's designs.

Mr. Hewitt now wants to open a restaurant on the street. "The rents allow us to be entrepreneurial," he says.

But with more than 10,000 housing units slated for development along the waterfront by the end of the decade, it's anybody's guess how long retail space will remain. In the past five years, rents have jumped more than 40%, to as

much as \$50 per square foot, according to Mark Lively, vice president of sales at Massey Knakal Realty Services in Brooklyn.

Christina Zill, 59, a registered nurse who has lived in Greenpoint for 35 years, says Franklin Street's transformation appeals to her 26-year-old daughter. She says her daughter is thrilled to live in a place that doesn't elicit a dismissive "Oh" when people hear she's from Greenpoint.

A stylish dining mecca on DeKalb

Ambitious eateries take forgotten street to cutting edge

By PATRICK EGAN

For years, DeKalb Avenue in the Fort Greene section of Brooklyn was not the sort of strip people went out of their way to get to. It offered the usual mix of bodegas and nail salons but as for eateries offering such exotica as ribs basted in monkey gland sauce, there were none - until the late 1990s.

That's when a number of entrepreneurs spotted an opportunity in the confluence of improving demographics, proximity to the Brooklyn Academy of Music and cheap rents.

Among the first was Mark Henegan, who opened his South African-influenced restaurant Madiba in 1999. "The neighborhood was a little rough," he says.

Madiba was soon joined by French bistro Chez Oskar and soul-food-driven Two Steps Down, and six years ago by iCi - an eatery owner Catherine Salliard describes as "French Brooklyn" and one that The New York Times blessed with a starred review.

Those establishments laid the foundation for a stylish dining mecca that is home to about 16 spots serving everything from Mediterranean to Japanese and Indian food.

Ironically, the success achieved by DeKalb's pioneers is making it ever harder for their successors. At Madiba, for example, Mr. Henegan is paying a monthly rent of \$6,500 today, more than double the \$3,000 he paid a decade ago.

To help one another weather such financial headwinds, several business owners recently formed the DeKalb Avenue Merchants Association. It has negotiated hefty discounts on trash removal and exterminators.

Strength in numbers

"We had to come together drastically," says Mr. Henegan.



DEKALB AVENUE

Parameters: Cumberland Street to Vanderbilt Avenue

Length: 4 blocks

Restaurants: About 16



SQUID INK PASTA, ANYONE? Heather and Thira Rajamani are among the new restauranteurs on DeKalb Avenue.

Merchants' numbers are still growing. This summer, Heather and Thira Rajamani opened Dino, an Italian spot offering items like squid ink pasta (\$16). It's just one site in a marketplace chockablock with options running from Italian eatery Roman's pork braciolo (\$16) to the Brooklyn Public House's basic bangers and mash (811).

At this point, the sheer volume and range of restaurants has created what area resident Cindy McBennet calls "a more discerning customer."

"[Restauranteurs] have to aspire to high-quality food," says Ms. McBennet, who calls iCi her favorite. "It's really about substance over style."

Overcoming isolation

Red Hook's Van Brunt Street benefits from a small-town vibe and a Fairway

By PATRICK EGAN

When Derek Dominy and Denise Carbonell bought their live-work building on Van Brunt Street three years ago, they knew the Red Hook location would pose a challenge for their crafts business, Metal and Thread.

With the nearest subway nearly a mile away, they saw their isolation as both a blessing and a curse. "We loved the quiet, and the industrial and small-town vibe," says Mr. Dominy, who also knew their store needed customers.

Fortunately, their move came shortly after the opening four blocks away of the 52,000-square-foot, fiber-trendy Fairway Market, which was soon drawing thousands of people down Van Brunt Street every day.

Four years ago, the mostly industrial area that is also home to one of the city's largest housing projects got its first upscale restaurant, the Good Fork. Patrons still queue up on the front sidewalk for a table and a chance to dine on the Ekes of its braised Berkshire pork belly with cannellini beans, grilled escarole and arugula-walnut pesto (\$22).



VAN BRUNT STREET
Parameters Verona Street to Beard Street
Length 9 blocks
Restaurants and bars About 10



NOT BUTTONED-DOWN: Derek Dominy and Denise Carbonell opened Metal and Thread three years ago.

Rents are right

Cheap rents continue to entice entrepreneurs. Neil Dolgin of real estate broker Kalmon Dolgin says retail rents range from \$20 to \$25 per square foot, virtually unchanged from five years ago.

Even at those prices, routine consumer businesses can struggle because of the low population density. Mr. Dominy, for example, says that Metal and Thread racks up 80% of its sales of items such as its chain-mail bracelet (\$245) on weekends, when more people are making their Fairway run.

With a growing reputation as one of the city's most illogical and original retail strips, Van Brunt is now thriving almost because of its isolation. Merchants and restaurateurs rely on people to hunt for something special.

"People have to search out the beautiful," says Sandy Corbin, who this month will open her gallery and live-music space, Small New York, on Van Brunt.

Wave of eateries hits downtown backwater

Local families are boosting business along a cobblestoned Front Street block

By ALEC APPELBAUM

Next month, upscale beer bar Keg No. 229 will open in the last available storefront on a reconstructed block-long stretch of buildings on either side of Front Street in Manhattan.

It comes just six years after the same ownership group opened one of the first of a new wave of bars and eateries, wine bar Bin No. 220, across the street.

In those years, the narrow cobblestone street, running north from Peck Slip up to the Brooklyn Bridge, has established itself as downtown's newest restaurant row.

One by one, new businesses have bloomed in old storefronts. Today, 1-year-old Foxy & Winston sells screen-printed "undies" (\$12), five blocks from the 18-month-old Lobster Pound, where outdoor benches are filled on sunny days with patrons tucking into its renowned lobster rolls (\$15).

This year, Botta di Vino, specializing in Italian wines, opened its doors. Inside, Jeff and Triciann Botta guide customers through the racks, pointing out vintages like Lacrima di Morro d'Alba (\$18).

"Weekends weren't busy two or three years ago," says Calli Lerner, a partner in the two bars. She notes that while most of the bars' patrons used to be Wall Street types, today "a good percentage" are local people.

Downtown's increasingly residential character has helped not just to boost businesses on Front Street but also to give them deeper roots in the community.

In the saddle

Sherry Delamarter, who founded Tortilla Flats in the West Village in the early 1980s, moved her family downtown in 1998 and last year opened boisterously quirky Cowgirl Sea-Horse, an outpost of her West Village spot Cowgirl Hall of Fame, at the northern end of Front Street.

She is betting she can draw enough of a key demographic - "kids eating chicken baskets while the parents have margaritas" - to thrive. "There are kids on every floor of the building where I live," she says.

Even better, she points out that she is getting the customers she needs while paying a fraction of the rent that she pays in the Village.

Cheap rents also helped persuade Robert LaValva to open a shop on Front Street.



FRONT STREET
Parameters Beekman Street to Frankfort Street
Length 2 blocks
Restaurants 12



RIDING A WAVE: Sherry Delamarter moved her family downtown and opened Cowgirl Sea-Horse on Front Street.

Mr. LaValva showcases local farmers, chefs and tastemakers at the New Amsterdam Market, a weekly open-air market he co-founded under the FDR Drive one block east. He uses his Front Street storefront as an administrative base and to build business connections in the area.

"There's a European feel to the street, with familiar faces all the time," Mr. LaValva says.

In yet another sign of connectedness, he notes, local merchants recently staged a fundraiser for the local public

school.

"Come in on a Sunday," says Diane Honeywell, who manages Kiwi restaurant/bar Nelson Blue. "I've got kids everywhere."

A bit of Manhattan in Queens

By CARA S. TRAGER

Until recently, when residents of Long Island City, Queens, were asked where they would go to shop or eat, most would reply, 'Anywhere but here.'

"There used to be only two to three choices of restaurants, but two or three years ago, when the weekends came, we suddenly realized we weren't going to go into the city anymore because we had everything here," says Michael Fine, an advertising copywriter who moved to LIC 13 years ago.



By "here," he and many of his neighbors mean just one thing, Vernon Boulevard, a thoroughfare sprouting

into a restaurant row. Wedged among the strip's bodegas, black-car limo companies and somber warehouses are some 20 eateries, including a French bistro, an Italian ristorante and a Cuban steakhouse - not to mention artsy coffeehouses, lounge bars and edgy clothing stores.

"With the lounges and the sit-down eating places, Vernon offers the [facsimile] of what you see in Manhattan," says Alfonso Hallomon, first vice president of Massey Knakal Realty Services.

To a large extent, Vernon's transformation mirrors changes taking place on a wide swath of East River shoreline just to the west. There, a forest of swank residential high-rises has taken root. All told, these developments have added nearly 6,000 housing units over the last five years and attracted a growing number of young professionals and families - and providers of the services those LIC arrivistes require.

"The area was turning out to be a beautiful neighborhood with all the luxury residential developments," says Paolo Bardone, who along with three partners opened Testaccio Ristorante on Vernon Boulevard last year.

But with success have come rent rises - to as much as \$45 per square foot today from \$35 five years ago, according to Noel Caban, a vice president at CB Richard Ellis.

VERNON BOULEVARD
Parameters Borden Avenue to 46th Avenue
Length 8 blocks
Restaurants 20

A spiffier recipe for Hell's Kitchen strip

By ALEC ABBELBAUM

Once infamous as the stomping grounds for the murderous Westies gang, a strip of Ninth Avenue north of West 44th Street today has become famous for its wide range of cuisines and the vibrancy of its nightlife.

One of the first to help in that metamorphosis was Robert Guarino. He and his partners opened a white-tablecloth bistro called Marseilles on the avenue at West 44th Street in 2001, beckoning a new crowd - investment bankers and media types working over in Times Square.

The formula proved so successful that last year the partners, including landlord Simon Oren, were able to open their fourth spot on the block, a posh surf bar called Reunion.



NINTH AVENUE
Parameters West 44th Street to West 57th Street
Length 13 blocks
Restaurants More than 100

“Ninth Avenue is thriving,” said Mr. Guarino. In the past 10 years, the storefronts of Hell’s Kitchen have increasingly gone upscale, with eateries like Chinese-sandwich outpost Xie Xie drawing ever bigger nighttime crowds.

Meanwhile, rents above West 50th Street have more than kept pace, rising to \$115 to \$150 per square foot today from \$60 to \$110 per square foot just four years ago, according to Josh Strauss, managing director of retail broker Robert K. Futterman & Associates.

Among the new faces on the avenue are the pretheater fave Nizza, which offers Italian takes on French cooking; Five Napkin Burger, an offshoot of the Upper West Side’s Nice Matin, and Two Boots Pizza, whose founder, Phil Hartman, commissioned local artist Little Annie to decorate the shop’s walls when he opened it two years ago.

“There are still a lot of broke theater people here,” he says.

Increasingly though, there are also a lot of well-off locals - residents in the veritable forest of high rises that have opened west of Ninth in recent years.

“You get higher-quality places as a function of growth in population,” says developer Larry Silverstein, who completed his two-building 1359-unit Silver Towers on West 42nd Street, between 10th and 11th avenues, last year. Mr. Silverstein notes that, together with residents at his earlier 921-unit River Place, “5,000 people now live on that block.”

Other developers have also opened towers in the area. But despite the influx, Ninth Avenue’s small-scale character has been preserved by its narrow storefronts, which don’t allow for big chains.