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## NY Real Estate Commercial

### **On Bleecker, Money Talks Ever Louder**

By **CRAIG KARMIN**

The West Village's main commercial thoroughfare is about to get drenched by another wave of retail gentrification.

Signaling the end of a period when more retailers were closing than opening, several high-end fashion and accessories stores are sprouting up along the popular Bleecker Street corridor. Bleecker, along with a few nearby streets, make up the heart of this historically Bohemian neighborhood that in recent years has emerged as a new Gold Coast for designer boutiques.



Photo: Christophe Agou for The Wall Street Journal

A gaggle gathers inside a Bleecker Street boutique.



"We've had our eye on Bleecker Street for four years, but when the economy was booming it was impossible to get a space there," says Peter Hsia, an owner of women's boutique Pinky Otto, which is opening a store on the strip in the next few weeks. The appeal, he says, is that the street attracts the "fashion forward" customer his store targets.

Other retailers that recently signed new leases and are open or expect to be operating soon include: menswear shop Freemans Sporting Club, French retailer A.P.C. and a bookstore from fashion designer Marc Jacobs—his fifth shop on this stretch of Bleecker. Molly's Cupcakes and Echelon Cycles have also closed on deals.

Even the William Gottlieb estate—the area's largest private landlord and one with a reputation for letting leases expire and stores remain vacant for an extended time—is aggressively courting new tenants. It recently hired brokers Ripco Real Estate and [CB Richard Ellis](#). Spokeswoman Lin-Hua Wu says the estate "has signed a number of new commercial and residential leases in the past several months."

Not everyone, of course, welcomes the influx of retailers. The makeover of Bleecker's once sleepy stretch of antique shops, pet stores and dry cleaners began when Marc Jacobs arrived in 2001. Even before the area's newest retailers open their doors, they are already generating angst among long-time West Village residents.

"I hear more complaints about gentrification than about the boarded-up stores in the neighborhood," says Kim Herzinger, owner of Left Bank Books, who decided to relocate his shop to Eight Avenue from West 4th Street off Bleecker after his lease expired in January.



Christophe Agou for The Wall Street Journal

A farewell note is posted on window of a vacant store next to Leo Design on Bleecker.



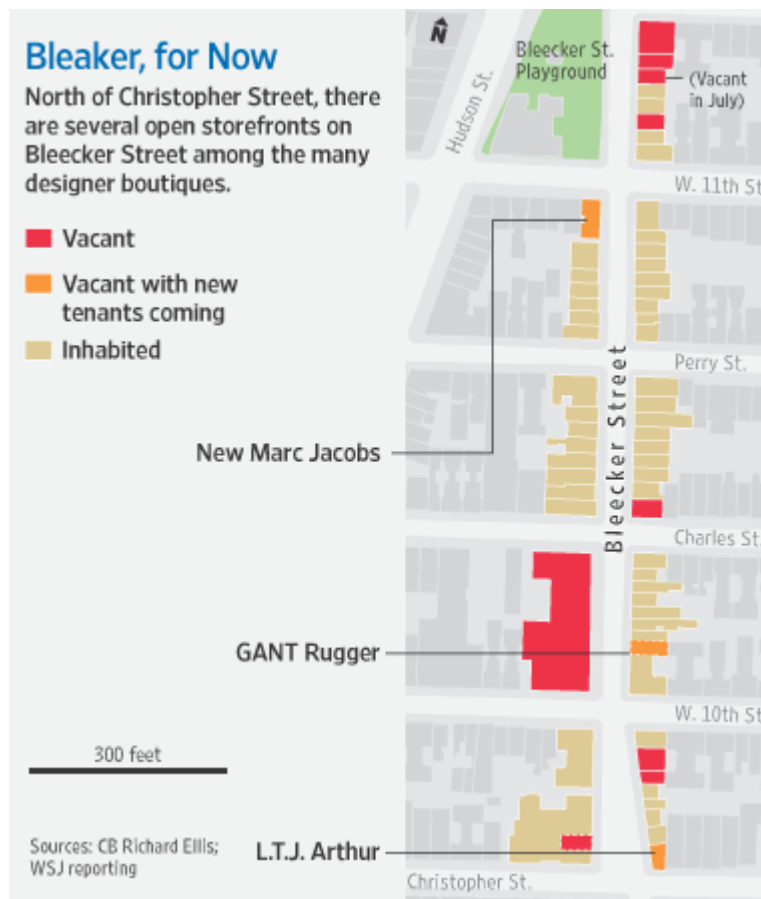
When the lease for a Laundromat or deli expires and is handed off to a fashion accessory shop, residents complain their quality of life suffers. "Everybody misses the services," says Marilyn Dorato, a local resident who presides over the Greenwich Village Block Association. "You can't get a pair of shoes repaired around here anymore."

Miguel Jeronimo, an owner of Alfama, a popular Portuguese restaurant on Hudson, closed last year after his landlord wanted to raise his monthly rent to \$25,000 from \$16,000, he says. "The price he asked was ridiculous," says Mr. Jeronimo, who is looking for a new downtown location.

Lease prices that range between \$350 and \$500 a square foot for prime Bleeker Street locations, according to CB Richard Ellis's Susan Kurland. High-end designers are among the few types of retailers that can afford those prices—and that are able to fit their wares comfortably in the tiny boutiques that can be as small as 450 square feet.

Bleeker's fashion retailers, which include Ralph Lauren, Lulu Guinness, Tommy Hilfiger and Brunello Cucinelli, often worry less about turning a profit in the Village than about being seen by tourists and other shoppers, brokers say.

"They are in that location to promote the brand," says **Faith Hope Consolo**, a broker and retail specialist for **Prudential Douglas Elliman**. "It's like taking a full-page ad every day."



The area's landlords seem just as impervious to market stress. Many of them have little mortgage debt, or even own their buildings outright. Without pressure

to pay down debt, many landlords are content to let their property sit vacant for months or longer. "They can hold out, seemingly indefinitely, for higher-paying tenants," says Andrew Berman, executive director of the Greenwich Village Society for Historic Preservation.

The result has been an eyesore for one of New York's most historic neighborhoods. Stretches of Hudson Street, in particular, now look like a depressed part of town during New York's financial nadir in the mid-1970s. Shuttered shops and restaurants with blacked-out windows, boarded-up doors and walls marred by graffiti.

For all the flurry of new activity, however, the neighborhood may be changing less than it would first appear. A Some of the vacancies have occurred as a number of proprietors have secured new locations, sometimes with more space, in other parts of the Village. The Italian restaurant Da Andrea, which lost its lease on Hudson in December 2008, has resurfaced on West 13th Street.

Biography Bookshop, which enjoyed the corner location of Bleecker Street and West 11th Street since 1984, was turned out in favor of the new Marc Jacobs book store. But it has found a new home on Bleecker, just west of Seventh Avenue, with about 240 additional square feet of space.