

# MANNI<sup>TM</sup> REPORT

| THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE |



PROVIDING UNIQUE SOLUTIONS TO MAKE BUSINESSES BETTER

## Grassi & Co.

(CLOCKWISE FROM LEFT FRONT) ROBERT BREWER, STEPHEN MANNHAUPT, CARL OLIVERI,  
WILLIAM FISCHER, RONALD EAGAR, GERI GREGOR AND LOUIS GRASSI

## Food, Glorious Food!

By Faith Hope Consolo, The Retail Group, Douglas Elliman



New Yorkers never eat at home, right? We all eat at the world's most amazing restaurants every day of the week, so there's no need for supermarket expansion.

I beg to differ—and so do food merchants, which are opening units all over the city. From *Whole Foods* to local markets, we're seeing an expansion of supermarkets, grocers and prepared food vendors all seeking to cash in on time-pressed consumers who still want the benefits and comforts of eating (if not necessarily cooking) at home.

*Whole Foods'* grand borough debut in Brooklyn the week before Christmas was accompanied by the announcement that it will open a unit geared toward daytime office workers near Bryant Park. The new location at 1095 Avenue of the Americas joins previously announced sites in Harlem, the Upper East Side and Williamsburg. In August *Aldi Supermarkets* opened its first unit in Brooklyn in Sheepshead Bay.

Meanwhile, *Fairway* is coming downtown, opening a Tribeca location this fall just a block from *Whole Foods*, and was the first retail anchor announced for Hudson Yards on the West Side.

Other stores are in a growth mode, too. *Food Bazaar* has opened a huge supermarket at 42-02 Northern Boulevard in one of the city's fastest growing neighborhoods, Long Island City. *Starbucks* (yes, they're still expanding) is coming to Williamsburg at 405-409 Union Avenue, and at press time chief rival *Dunkin' Donuts* was scheduled for a January opening at 525 Myrtle Avenue. Meanwhile, *Urban Market* has come to 11 Broadway in South Williamsburg, and *Bed-Stuy Fresh and Local* brings fresh and affordable groceries to 210 Patchen Avenue. Maple syrup maker *Black Bear Sugarworks* came from Vermont to open its first full retail store at 374 Fifth Avenue in Park Slope for the holidays. It will reopen in April as a lunch counter!

Why all the interest in new food markets? Largely it's a response to demand: the city's population is increasing, and in fact is on track to add more than 1 million residents by 2040, according to the Center for Urban Real Estate at Columbia University. That will require new housing—and more markets to feed all of these new New Yorkers.

Already, we're seeing new residential districts in areas that previously been office or industrial—or even somewhat desolate. The development of Hudson Yards will create an entirely new neighborhood on the far West Side, with residential, hotels and office space, whose users will need groceries or prepared foods. Waterfront areas such as Gowanus and Long Island City, too, are seeing housing development, and residents need convenient shopping.

We're all working harder and longer than ever, which means we don't necessarily have the time or energy to cook, even as cost-conscious consumers are realizing the costs of dining out, or ordering restaurant takeout on a regular basis, both to their wallets and their waistlines. That's why supermarkets, grocers and even drug stores now offer fully prepared meals that we need only pop in the oven or microwave.

In addition, consumers themselves are looking to eat healthier—one reason why we're seeing organic and fresh markets such as *Whole Foods* and *Trader Joe's* growing around the country, not just New York City. We want fresh, top quality ingredients at the best possible prices.

And even though options exist to order groceries on line, many shoppers prefer to choose meats and produce themselves. The supermarket and grocer remain experiential, a benefit to retail landlords everywhere!

It's important to note that many of these new retailers are replacing shuttered or obsolete stores—both *Food Bazaar* and *Aldi* replaced closed *Pathmark* units. But expect more growth in this sector, particularly with local government help. The New York City Economic Development Corp. (NYCEDC) and the New York City Department of Small Business Services recently expanded the NYC Business Acceleration Program to serve supermarkets and grocers offering a full array of food products. Established in 2010, the program helps supermarkets navigate the approval process, allowing the stores to open faster. In fact, the previously mentioned *Food Bazaar* in Long Island City was the first supermarket to benefit from the program. *Food Bazaar* also is a part of the Food Retail Expansion to Support Health (FRESH) program launched by the NYCEDC and City Council in 2009.

Both of these programs should continue to encourage supermarket development in the city for some time to come, bringing fresh food, and new jobs to New York. After all, we can't eat out all the time!

Happy Dining and Happy Shopping!

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