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The Risks And Rewards Of Renovations

By Faith Hope Consolo, The Retail Group, Douglas Elliman



At first glance, the news was stunning: J&R, the Park Row electronics and music store that has supplied New Yorkers with computers, speakers, DVDs and even a smattering of vinyl records, was closing its doors after 43 years.

Except unlike other local legends such as Loehmann's that have closed forever, J&R is shuttering for a year-long renovation that will "adapt to technology retailing and real estate trends," owners Joe and Rachelle Friedman said in a statement. Their goal is to "rebuild this location into what we hope will be an unprecedented retailing concept and social mecca."

Whew. Probably.

J&R isn't the only iconic retailer closing its doors for an extended period for a complete remodel. *Cartier*, too, has shuttered its legendary 1905 townhouse at 653 Fifth Avenue for two years as it recreates itself. Among the plans created by architecture firm *Beyer Blinder Belle* (a specialist in historic preservation) and interior designer Thierry W. Despont, according to published reports, are a complete redevelopment of the first floor retail space, an expansion of the penthouse to turn it into an event space, and the installation of an open staircase to connect the four retail floors. The selling space will more than double from two levels totaling 8,600 square feet to 21,500 square feet on four floors.

Both retailers are focusing incorporating the latest technology, *Cartier* in terms of HVAC, lighting and audiovisual systems. J&R has shared fewer (as in no) details, but given the nature of its merchandise, I'd be surprised if spectacular displays and the latest in media were not involved.

Unlike J&R, however, *Cartier* has opened a "temporary" location a few blocks north at the 767 Fifth Avenue (aka the GM building), also home to one of the busiest *Apple* stores in the world. The new shop is no bare-bones pop-up. It is the former "Early Show" studio, offering 8,000 square feet of selling space, making it the largest one in the chain. It will be outfitted comparably to the previous location, featuring 22-foot ceilings and displays created by its worldwide designer.

Why go to all this expense? The retailer wrote clients that its aim was to maintain the customer service for which *Cartier* is rightly famed. Operating the townhouse while it was under construction would have been unappealing, to say the least, to its affluent shoppers, who have every right to expect comfortable browsing and no dust on items that can cost six, seven or even eight figures. But this new spectacular space also keeps the brand easily available and top of mind those shoppers, who have literally

dozens of options on Fifth and Madison Avenues for fine jewelry, watches and accessories.

In retail, absence does not make the heart grow fonder. It makes the heart look elsewhere.

That's a risk J&R is taking, particularly in the electronics sector, where brick-and-mortar find it increasingly difficult to compete (*Apple* notwithstanding). And J&R's website remains open for business, working with *Amazon.com*. But cutting back its footprint (eliminating its classical music section, among other moves) a few months ago certainly will do nothing to quell speculation that we'll see a radically different retailer, one likely without music or video, when – or if – it reopens.

For now, I'm taking the Friedmans at their word that we'll see a completely re-envisioned J&R, one that will attract customers in droves, much as they flock to buy the latest *Apple* products in-store. Regardless, it likely will be smaller than the city block it occupied before. And then I'll be fascinated to see what happens with the leftover space – my team and I will be more than happy to help fill it!

Uptown, perhaps the "temporary" *Cartier* store isn't so temporary after all. *Cartier* North America President Emmanuel Perin has said that once the 653 Fifth renovation is complete, the company could opt to remain at both locations. Another possibility is that the GM could be turned over to another brand from *Cartier* owner *Compagnie Richemont*, such as *Giampiero Bodino*, *Purdy*, *Piaget* or *Ralph Lauren Jewelry and Watches*. There's a lot of very high-end residential space being built close to Central Park (including the *Nordstrom* Tower at 217 West 57th Street, so there's your other retail anchor), and the city continues to draw ever more, and ever more affluent, tourists, particularly to that world-renowned location.

Two very different retailers, taking the same step in two very different ways. The story will keep us speculating for the next year.

Happy Shopping!

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