

# MANN REPORT™

October, 2013

---

## THE ARTICLES

### FAITH ON RETAIL

## The Mega Malls!

BY FAITH HOPE CONSOLO, CHAIRMAN, THE RETAIL GROUP, DOUGLAS ELLIMAN



Who says New York City isn't a city of shopping centers? Granted, we can't do the typical model of a one- or two-level building with multiple anchors and vast parking fields (that's in the land-rich suburbs), but we already have several very successful projects, and coming years will soon see many, many more.

Take, for example, *The Shops at Columbus Circle*, probably better known for its location at Time Warner Center – I don't know a single Upper West Side resident who hasn't shopped at the Whole Foods, the Sephora and more there at least once. The *Trump Tower's* retail continues to evolve over the years. *Manhattan Mall* is perfectly located for commuters, and is home to the first JC Penney in the borough.

In the boroughs, *Queens Center* is one of the most productive shopping centers in the country – and its owner Macerich Co. last year acquired *Kings Plaza* in Brooklyn, with sales per square foot well over the national average. Big box retailers also have their outposts: *Gateway Center* offers the big box retail (including Target and Home Depot) that our suburban friends have taken for granted for years in Brooklyn, while *Bronx Terminal Market* and *East River Plaza* fulfill the same needs in the Bronx and Manhattan.

*Staten Island Mall*, not surprisingly, is the more traditional suburban model – and very successful. There are several other open-air projects in the suburban style in the borough as well.

But in a city of more than 8 million residents and 54 million tourists, and the greatest streetfront retail in the world, that's still not enough. Despite being home to all of the major brands in the world, New York City is still grossly understored compared with the rest of the country. The United States has 23 square feet of retail space per capita according to most indices. By world standards, that's a lot, and many would argue that it's actually too much. New York City, however, is about half that, largely due to congestion, older neighborhoods, and the difficulties of urban development. That's clearly not enough, and now that our local economy is now even better than before the downturn, it's not surprising that more retail centers are on the way. Some of the projects I'm looking forward to – and my clients are considering spaces at – include:

**Manhattan:**

The remaking of the retail at the World Financial Center, *Brookfield Place* is well on its way to creating a new luxury headquarters in the city. International brands that have already agreed to occupy this dramatic new site are *Burberry*, *Calypso St. Barth*, *Equinox*, *Salvatore Ferragamo*, *Hermès* and *Michael Kors*.

It's particularly thrilling to see the rebuilding of the *World Trade Center* and the retail is no exception. Once again Westfield will be overseeing the shopping center, scheduled for a 2015 debut. Leasing reportedly is going well, with names including *Tory Burch*, *Apple*, *Abercrombie & Fitch* and, yes, *Michael Kors*, reportedly on board. The Howard Hughes Corp. just closed the old *Pier 17* so it can be rebuilt into a stunning retail destination by 2015.

Waterfront areas a bit north are also seeing development with *Hudson Yards* announcing *Fairway* as its first anchor, and *SuperPier* signing *Opening Ceremony* as its first permanent tenant (in 2015). Expect more news in the coming months.

**Bronx:**

Opening next year, *The Mall at Bay Plaza* will be the first enclosed fashion center built in New York City in nearly 40 years, anchored by *Macy's* and *JC Penney* in a true suburban model (yes, that means parking). The *Throggs Neck Shopping Center* will feature big boxes including *Target*. *Broadway Plaza* will be anchored by *Burlington Coat Factory* when it opens next year. *Riverdale Crossing* will replace a former factory with a retail complex including *BJ's Wholesale Club* in 2014.

**Brooklyn:**

The second phase of *Gateway Center*, scheduled to open next year, will be anchored by *JC Penney* (not, alas, the long-rumored *Wal-Mart*). The second phase of the sometimes controversial *City Point* project on the site of the old *Albee Square Mall* will house more than 600,000 square feet of retail joining *Century 21* and *Armani Exchange*.

**Queens:**

Already home to the new *Shops at Sky View Center*, Flushing may see a huge redevelopment at *Willets Point*, near *CitiField* to include housing, retail, a hotel and convention center.

**Staten Island:**

The biggest news in this borough is *Empire Outlets* near the Staten Island Ferry Terminal. Scheduled for a 2016 debut, the 350,000-square-foot center will have some 80 stores, and a major tourist attraction – the *New York Wheel*, a huge Ferris wheel reminiscent of the *London Eye*. *Lighthouse Point*, also planned for the Staten Island Ferry area, will feature waterfront shops, dining, a hotel and residences.

That's more development than most areas see in a generation, and nearly all will be open in less than two years. Unleash the leasing!

*Faith Hope Consolo*

*Chairman*

*The Retail Group*

*Prudential Douglas Elliman Real Estate*

*575 Madison Avenue, 3<sup>rd</sup> Floor*

*New York, New York 10022*

*Tel: 212-418-2020*

*faith@faithconsolo.com / fconsolo@elliman.com*

*www.faith-consolo.com / www.elliman.com*