

# REAL ESTATE WEEKLY

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## 34th Street district still on upswing

In releasing its ninth annual Retail Census Report, the Retail Services Department of the 34th Street Partnership points to several new trends that indicate the still-growing desirability of the 34th Street District for retailing.

"When we started this census in 1995," says Lisa Rosenthal, Associate Director for Retail Services, "our audience wasn't yet sold on the viability of the district. They used to ask 'Why open a store here?' Retailers' most common question now is, 'Whose lease can I buy?'"

While vacancies in the district are down by 50%, according to the census, inquiries about space from committed retailers continue to increase steadily. And there are still significant opportunities, especially for the types of establishments still under-represented, such as table-cloth restaurants.

Among the factors Rosenthal points to as important indications that the district is still maturing are the replacement of relatively small, low-performing local establishments with major chains and the willingness of national retailers to settle west of Seventh Avenue.

As examples of the former, she notes that American Eagle Outfitters has replaced a local independent and that several new jewelry stores have opened, including nationals like Zales.

And while Staples has vacated its One Penn Plaza location, now occupied by brand-name-shoe discounter Famous Footwear, the office supply giant has a new location at 35th Street and Eighth Avenue, one of its four district stores. Even farther west, the Zagat-rated steakhouse, Uncle Jack's, opened on Ninth Avenue

between 34th and 35th Streets.

The Partnership's annual census is compiled using a database of every retailer in the district - 547 at last count, up from 543 in 2003. But numbers alone do not tell the entire story, according to Rosenthal.

The newly-reopened Express is a consolidation of Express and Express Men in one location. The former Express Men store has been taken by Lane Bryant, bringing another strong national into the district. She adds that the surge in residential development over the past 18 months will almost certainly add

fuel to the district's westward growth. In late 2003, a rental building with 168 units opened and is now fully occupied. A new mixed use project (residential and commercial)

stretching from 31st to 32nd Street between Sixth and Seventh Avenues is currently under construction.

Dan Pisark, Director of Retail Services, says, "The retail community clearly recognizes that 34th Street is a very hot neighborhood and a great place to do business.

"In addition to its location at the city's main transportation hub, 34th Street in recent years has seen dramatic growth in office workers, the residential community, and the volume of visitors."

The census is just one of several tools and services provided free of charge by the Partnership's Retail Services Department to retailers, commercial real estate brokers, and developers.

Retailers are classified by category and type, showing the number of each kind of establishment, its percentage of the category, and percentage of the total number stores, giving prospects the means to assess the scope and nature of the

competition.

The data also enables the Partnership to verify and quantify empirical evidence of trends and opportunities in the district.

Daniel A. Biederman, President of the Partnership, explains, "Take eating and drinking establishments, for example. We know that there are some 150,000 daytime office workers, 3,000 hotel rooms, and thousands of daily visitors in the district. We also know that there are 159 places in the district where people can eat.

"But the census tells us that, from Park Avenue to Tenth Avenue, only 28 of these are full-menu, table service, bar/ restaurant establishments."

This information, he says, serves not only to indicate where the Partnership needs to direct its attention, but also as an important recruiting tool.

Rosenthal concurs, pointing out that the district is growing rapidly west of Eighth Avenue. "At 450 West 33rd Street alone, you have the Daily News, WNEW/Ch.13 and Associated Press," she says.

"That's an enormous number of people working for 24-hour-a-day businesses, with few quality eating establishments in the vicinity; so it's a tremendous opportunity for enterprising owners of table-cloth restaurants."

Biederman says, "While it's true that we no longer need to persuade people of the district's vitality and value, we do not believe it has achieved its full potential.

He adds, "We continue to work every day on every aspect of the 34th Street District's improvement, to make it the number one neighborhood in the city."

Copies of the 34th Street Partnership's 2004 Retail Census Report are available by calling 212-719-3434. ■

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LISA ROSENTHAL,  
34TH ST. PARTNERSHIP