



AUGUST 27, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - RETAIL

## Lee NYC's Brooklyn "Dream Team" Markets Williamsburg Warehouse

**Lee & Associates NYC LLC** ("Lee NYC") Managing Director/Principal **Garry Steinberg**, Director **Jaime Schultz** and Managing Principal **Peter Levitan** hold the exclusive agency for **152 Grand Street**, located between Berry Street and Bedford Avenue in Williamsburg. This former warehouse has 3,500 square feet on the ground floor with 20-foot ceiling heights, 3,500 square feet on the lower level with 12-foot ceiling heights, a 3,500-square-foot rooftop and 40 feet of frontage. Neighbors include such popular local staples as Le Cycleist, Iona, Bird, Maison Premier Oyster Bar and Williamsburg Cinemas.

"This is a very authentic Williamsburg raw and industrial-style space," says Mr. Steinberg. "It should work well with many retailers planning to brand or rebrand in Williamsburg."

Such neighborhood expertise has been instrumental in establishing Lee NYC's strong Williamsburg presence. The Brooklyn team, which also includes Managing Principal **Peter Braus** and Associate Director **JP Sutro**, is currently marketing retail space at 92 North 6th Street, 76 North 4th Street, the upcoming Pod Hotel at 626 Driggs Avenue, 247 Bedford Avenue, 174 North 11th Street, 296 Bedford Avenue, 132 Bedford Avenue and 137 Grand Street. Recent leases include Sweetgreen, Parm, Umami, Le Cycleist by Radegast, Babel Fair and What? Watch's first international flagship store. Overall, they currently represent over 20 properties in Williamsburg alone, containing over 200,000 square feet.

Possession is second quarter 2015. Asking rent is available upon request.

AUGUST 19, 2014 - LEE &amp; ASSOCIATES NYC IN THE NEWS - Deal Watch By Daniel Geiger

## Blink finds much to like in growing downtown

The affordable gym chain takes 20,000 square feet spread over three floors at the base of a new residential tower on Nassau Street, while a Canadian language school takes the fourth and fifth floors.



111-113 Nassau St.

Photo: CoStar Group Inc.

The 168 rental apartments in the new 30-story downtown residential tower called the Lara, which hit the market late last year, had all found takers by June. Now, the roughly 30,000 square feet of retail and commercial space at the base of the building, which is located at 111-113 Nassau St., has been snapped up as well.

Blink Fitness, the affordable gym chain launched by high-end fitness brand Equinox, has leased 19,322 square feet at the property, including 1,538 square feet of ground floor retail that it will use as a dedicated entrance to the building's entire second and third floors, where the new tenant will build a gym.

The International Language School of Canada is leasing the two floors above Blink Fitness, which together comprise 11,845 square feet. Asking rent for the office space at the property was \$40 per square foot. Blink Fitness committed to its space for 15 years, and the International Language School of Canada signed a 10-year lease.

**Henry Goldfarb** and **Stanley Lindenfeld**, brokers at **Lee & Associates**, marketed the office space and represented the developers of the building, Ann Nassau Realty, in the two deals. Mr. Goldfarb said that Blink Fitness was drawn to the location because it saw the opportunity in having a facility in the fast-growing residential community in that part of downtown. In addition to 111-113 Nassau St.'s 168 new units, the neighboring property 5 Beekman St. is being converted into a hotel in a project that will also include the construction of a brand new condo tower at 115 Nassau St., adjoining that building.

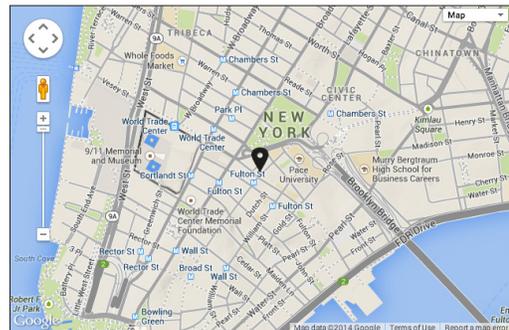
"Blink Fitness saw this as a changing area where it will have the chance to add significantly to its membership," Mr. Goldfarb said.

For the International Language School of Canada, which provides language tutoring services, one of the big draws was the area's improved transit, Mr. Goldfarb said—namely its close proximity to the new Fulton Street Transit Center, which is just two blocks away.

Mr. Goldfarb and Mr. Lindenfeld previously leased out the property's only other commercial space, a 3,192-square-foot ground-floor retail storefront, which the two filled with the restaurant Da Claudio Ristorante Salumeria last year.

"This building is emblematic of what has made downtown such a thriving neighborhood," Mr. Goldfarb said. "It now has the right mix residential, retail and office space."

Jeffrey Roseman and Marc Frankel, brokers at Newmark Grubb Knight Frank, represented Blink Fitness in its deal. The International Language School of Canada was represented by John Pavone of DTZ.



AUGUST 7, 2014 - **LEE & ASSOCIATES NYC IN THE NEWS** - By Daniel Geiger

## Hustler Club may be reborn as office condos

A preliminary deal to buy the block-long erotic-entertainment spot along the West Side Highway has been reached. Buyers want to erect a roughly 240,000-square-foot office and studio building geared to (a different segment of) the entertainment industry.

Larry Flynt's Hustler Club may soon have its last dance. Developers Jack Guttman and Steve Schwartz have reached a preliminary deal to buy out the block-long erotic entertainment spot along 12th Avenue between West 51st and West 52nd streets. The pair is planning to erect an eight-story building on the site.

"We've reached a deal in the last three weeks to buy them out," said **Alan Weisman**, a leasing and sales broker at **Lee & Associates**, who is representing Mr. Guttman and Mr. Schwartz in the effort to acquire the land to build the property and also fill it with tenants.



The Hustler Club at 630 W. 52nd St. may be turned into office condos. *Photo: CoStar Group Inc.*

The developers envision a roughly 240,000-square-foot office and studio building geared to the entertainment industry including television and film production tenants. **Mr. Weisman** said that several would-be tenants from that sector are considering the new development, which would be one of the few properties in the city tailor-made for such users to rise in recent years.

Space in the project will be sold as office condominiums, **Mr. Weisman** said. That makes it more attractive to production tenants than for-rent offices because of the significant capital they must spend to outfit studio space and related facilities. In a conventional rental agreement, that investment is at stake when their lease expires if the landlord raises their rent and they have to relocate.

"These tenants have to make a significant investment in building their studios and they don't want to be in the position where they have a landlord who, in a few years, can raise their rents," **Mr. Weisman** said. "It's a unique idea to build this type of state-of-the-art studio space where you can own it and protect your investment."

To build the property, which will fill the entire block between West 51st and West 52nd streets, along 12th Avenue and stretch 200 feet from the avenue, Mr. Guttman and Mr. Schwartz have entered into several agreements to buy out existing landlords who own property in the building's footprint. They will exercise those acquisition rights, **Mr. Weisman** said, as soon as they secure an anchor buyer for one of the office condo units in the project. **Mr. Weisman** said the developers are willing to start construction if they can presell at least 35,000 square feet of its space.

Mr. Guttman has experience building new office condo space. He was one of the developers of the Chelsea Arts Tower, an office condo building on West 25th Street that was finished in 2006. That project sold out to a host of tenants in a string of sales that demonstrated that businesses in several industries saw the virtues of owning instead of renting.

"If anyone has the ability to do a project like this it's Jack Guttman," said Michael Rudder, a broker who specializes in office condo sales and is an expert in that market. "It seemed like a daring move to build the Chelsea Arts Tower but that was a huge success."

The Hustler Club appears to have motivation to cash out. According to reports, the strip club was found to owe \$2.1 million in back taxes. **Mr. Weisman** said that several prospective buyers in the new studio building, which will carry the address 630 W. 52nd St., were relieved the Hustler Club was leaving.

"Many weren't interested in buying space in the building if the club was going to be next door," **Mr. Weisman** said.

# REAL ESTATE WEEKLY

AUGUST 6, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - In Print: WHO'S NEWS Section, Page B4

**Franklin Pimentel**, 30, has joined **Lee & Associates NYC** as an associate. In his new position, he will focus on office tenant representation.

Before pursuing his passion for real estate, Mr. Pimentel worked as a financial advisor for JP Morgan Chase. Immediately before joining Lee NYC, he managed all aspects of leasing for The Avalon and coordinated the redevelopment of this 110-unit property.



Mr. Pimentel holds a degree in business management and marketing from The State University of New York at Westchester.

## DEAL SHEET: Retail Leases

|                |   |
|----------------|---|
| ADDRESS        | <b>50 West 23rd Street</b>  |
| SIZE           | 5,523   |
| TENANT / REP   | <b>Data Vision / Robert Kunikoff,<br/>Lee &amp; Associates</b>  |
| LANDLORD / REP | Two Trees Management / n/a  |
| NOTES          | The electronics retailer signed a 10.5-year lease.<br>The reported asking rent was \$250 per square foot. |

JULY 24, 2014 - LEE & ASSOCIATES NYC IN THE NEWS

## Three Big Restaurant Trends

In today's gastro-enthusiastic culture, a good restaurant can **make or break a building**—or even an entire neighborhood. (Ever heard of Cronuts? The people trying to walk down the sidewalk past Dominique Ansel Bakery on Spring Street have.) That's why we're thrill to host our first-ever NYC Restaurant Development Summit to bring landlords, restaurateurs, and brokers together. To prep, here are three of the biggest trends.

- 1) Disconnect between landlords and celebri-chefs
- 2) Pop-ups make for perfect test kitchens
- 3) Restaurateurs find their voice in new submarkets



Some landlords have become unrealistic about their demands from restaurant tenants, especially because landlords want **big-name chefs** for their new buildings, says Lee & Associates' **Peter Braus**, who's speaking at our event. They'll seek a **Mario Batali**-level name and then offer nothing but **six months of free rent** while asking for \$100/SF, he says, but these chefs have choices. Twenty years ago, the choice was Midtown, SoHo, or Tribeca. Now, it's **NYC**, Chicago, Dallas, Vegas, Orlando, and so on. And the landlords in other cities are **building out** chefs' spaces and delivering **sweetheart leases**. Want the great tenant? **Be competitive**, Peter tells us. He reps a few high-profile restaurants close to deals in the **WTC** retail and says Westfield has made the deals it needs to get destination restaurateurs.

(EXCERPT)

JULY 23, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - LEASE BEAT By Gus Delaporte

LEASE BEAT

## Original Zesty's Pizzeria Returns to UES



1670 Third Avenue. (PropertyShark)

Original Zesty's Pizzeria has signed a 15-year lease for a 2,300-square-foot space at 1670 Third Avenue, between 93rd and 94th Streets, on the Upper East Side.

The popular neighborhood pizzeria called nearby 1693 Third Avenue home for over 30 years before shuttering last spring.

Asking rent for the space was \$110 per square foot, according to a press release announcing the deal. Brad Schwarz and JP Sutro of Lee & Associates represented both the tenant and the landlord, R&D 1670 LLC, in the lease.

"When Zesty's lost their lease, area residents lost their go-to pizzeria," said Mr. Schwarz, a senior managing director, in a prepared statement. "A lot of people, including the tenant, will be happy to see this staple return to the neighborhood."

Mr. Schwarz could not immediately be reached for further comment.

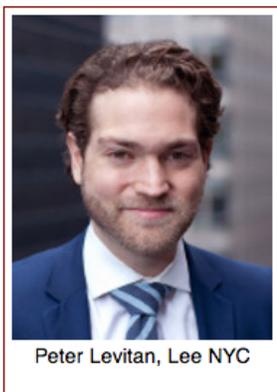
JULY 21, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - FOR THE RECORD - In Print on Page 21

## **RETAIL**

DataVision signed a 10-year lease for 5,500 square feet at 50 W. 23rd St. in the Flatiron district. The computer and consumer electronics retailer will relocate its flagship store from Fifth Avenue and 39th Street to the 13-story Jewelcor Building. The tenant was represented by Robert Kunikoff of Lee & Associates. The landlord, Two Trees Management, was represented in-house by Elizabeth Bueno and Dan Conlon. The asking rent was \$250 per square foot.

JULY 15 - 28, 2014 - LEE &amp; ASSOCIATES NYC IN THE NEWS

## Lee & Associates NYC's Levitan markets 50 Withers Street in Williamsburg



Peter Levitan, Lee NYC

**Brooklyn, NY** Lee & Associates NYC LLC managing principal Peter Levitan holds the exclusive agency for a 2,800 s/f retail space at 50 Withers Street, located on the corner of Meeker Avenue in Williamsburg. The space, which is owned by Patoma Partners, comprises 2,000 s/f on the ground floor with 15-foot ceilings, a 900 s/f basement and an 800 s/f roof deck. "This space in the heart of Williamsburg has exciting potential for many different uses, but a restaurant would really make sense because of the possibility of a 1,200-square-foot unenclosed sidewalk café," said Levitan. "Moreover, it is equidistant from

two L train stops, and there are more than 50 new residential developments within a half mile radius." Levitan is a key member of the team responsible for making Lee NYC one of the largest retail brokerages in Williamsburg. The Brooklyn team, which also comprises managing principal Peter Braus, managing director/principal Garry Steinberg, associate director Jaime Schultz and associate director JP Sutro, is currently marketing retail space at the upcoming Pod Hotel at 626 Driggs Avenue, 294-296 Bedford Avenue, 132 Bedford Avenue, 247 Bedford Avenue, 92 North 6th Street, 76 North 4th Street and 137 Grand Street. Their recent leases include Umami, Sweetgreen, Parm and Radegast Hall & Biergarten. Overall, they have already closed 30 deals in Brooklyn, comprising 100,000 s/f within the past year, and currently holds 17 exclusive agencies in Williamsburg, alone, containing over 200,000 s/f.

JULY 17, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS

## Lee NYC's Weisman Awarded Exclusive Agency For New Far West Side Project



**Lee & Associates NYC LLC** ("Lee NYC") Executive Managing Director Alan Weisman holds the exclusive agency for an approximately 200,000-square-foot office condominium with retail, television studio and events space at 630 West 52nd Street, also known as 700 12th Avenue. Currently in the design stage, the project is helmed

by the developers and designers behind the stunning Chelsea Arts Tower, Chelsea Development Group and Kossar + Garry Architects, respectively.

Located between West 51st and 52nd Streets, the ground floor will have approximately 35,000 square feet of retail space with 20-foot ceilings and frontage along Twelfth Avenue. Plans for the second and third floors include column-free television studios with 30-foot ceilings, support space and offices. The fourth through seventh floors are slated for offices with 15-foot ceilings and unencumbered views of the Hudson River.

"As the Far West Side heats up, this will set the standard for new development in the area," says Weisman. "Setting up shop in this innovative development would be the ideal opportunity for a television network, an automobile showroom, a fashion designer and businesses in a variety of industries that want to make a statement in a rapidly rising neighborhood."

The building is anticipated for completion in the first quarter of 2016.

JULY 15, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - By Tobias Salinger

ON THE MARKET

## Chelsea Arts Tower Developer Taps Lee & Associates for New Office Condo



630 West 52nd Street. (Lee & Associates)

Luxury commercial condo developer **Jack Guttman** is working through the design stages of an office condo in a Far West Side lot that's at **630 West 52nd Street** and **700 12th Avenue**, the property's leasing agents, Lee & Associates, announced today.

The eight-floor, 200,000-square-foot structure by the **Chelsea Arts Tower** owner and **Kossar + Garry Architects** will feature ground-floor retail, space for television studios on the second

and third floor and offices up to a terraced seventh floor, which will be topped off with an event space, said **Lee & Associates'** exclusive broker for the site, **Alan Weisman**.

"As the Far West Side heats up, this will set the standard for new development in the area," said Mr. Weisman in a prepared statement. "Setting up shop in this innovative development would be the ideal opportunity for a television network, an automobile showroom, a fashion designer and businesses in a variety of industries that want to make a statement in a rapidly rising neighborhood."

Representatives for Lee & Associates declined to state asking rents on the building slated for the first part of 2016, but Mr. Guttman's company, **Chelsea Development Group**, priced floors at their previous project at 545 West 25th Street at rates varying from \$1,600 per square foot to \$2,800 per square foot earlier this year.



The project is also listed at 700 12th Avenue. (Lee & Associates)



## OFFICE

*Lease and sales charts reflect deals closed or announced from June 30 to July 4.*

**ADDRESS** 50 West 23rd Street

**SQ. FEET** 5,523

**TENANT** DataVision

**LANDLORD** Two Trees Management

**BROKERS** Robert Kunikoff of Lee & Associates represented the tenant. The asking rent was \$250 per square foot.

JULY 1, 2014 - LEE &amp; ASSOCIATES NYC IN THE NEWS - By Mathew Katz

## DataVision Computer Shop Moving to Smaller Location After 21 Years

CHELSEA — One of the city's oldest computer shops is moving to a smaller spot in the Big Apple's new tech hub.

DataVision Computer Video, which opened near Grand Central Terminal more than 21 years ago, will soon move to a new location at 50 W. 23rd St. — on the border of Chelsea and Flatiron, home to dozens of the city's startups.

The new location is one of three smaller stores the company hopes to open around the city after it left behind its massive 35,000-square-foot Fifth Avenue home earlier this year, a representative said.

DataVision's new 5,323-square-foot space on the ground floor of the Jewelcor Building, which dates back to 1925, has been renovated with technology upgrades and a glassy facade by the Two Trees Management Company, according to Lee & Associates, which brokered the deal.

DataVision sells a variety of consumer tech products and more specialized computer parts, and the store offers same-day delivery for New Yorkers. While the new shop is much smaller than the company's current home on Fifth Avenue, a spokeswoman for Lee & Associates said it was more high tech. Customers will be able to browse both items in the store and a full catalogue of more than 50,000 products on tablets lining the shop.

"DataVision was a pioneer in consumer electronics and its original location was great decades ago when there was a concentration of computer retailers near Grand Central," said Robert Kunikoff of Lee & Associates, who represented DataVision in the deal.

"But Flatiron is the right area for this retailer's base today, with a healthy mix of upscale residential and commercial populations, plenty of tourists and easy access to transportation."

The computer store signed a 10-and-a-half-year lease, with an asking rent of \$250 per square foot, according to Lee & Associates.

The broker did not have details on the additional locations DataVision hopes to open.



A rendering of the new DataVision store on West 23rd Street.

JUNE 30, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - By Gus Delaporte

LEASE BEAT

## DataVision Inks Flagship Retail Lease at Two Trees' 50 West 23rd Street

Computer and consumer electronics retailer **DataVision** has signed a 10-year, 5,523-square-foot flagship retail lease at Two Trees Management's **50 West 23rd Street**, the landlord announced today.

The tenant will relocate to the property, also known as the Jewelcor Building, from Fifth Avenue and 39th Street and is expected to offer same day delivery in New York City for 40,000 items.



Retail rendering for 50 West 23rd Street. (Two Trees)

“The Jewelcor Building has its own growing tech community in the heart of Silicon Alley. We are thrilled to welcome DataVision to the building – offering same-day delivery, DataVision will be a tremendous resource for residents, workers and tourists in this bustling retail and tech corridor,” said Dan Conlon, the director of leasing for Two Trees Management, in a prepared statement.

**Robert Kunikoff**, an executive managing director and principal of **Lee & Associates** represented the tenant in the lease. Asking rent for the space was \$250 per square foot.

Two Trees acquired the 13-story building in 2010 and has repositioned the building with new storefront windows and modernized interiors. As previously reported, baby products company Skip Hop signed an eight-year, 19,000-square-foot lease at the building earlier this month. Asking rent for the space was \$70 per square foot.

# REAL ESTATE WEEKLY

JUNE 18, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - In Print on Page A1 & A3

## REBNY honors city's leading retail dealmakers



CBRE's Richard Hodos was celebrated as the city's most ingenious retail dealmaker at the annual REBNY awards last week. Ripoc's Peter Ripka won the Most Significant Retail Deal of the Year. Pictured above l-r: Thomas Sow, Durst Organization; Peter Braus, Lee & Associates NYC, chair of REBNY's Retail Committee; Richard B. Hodos; Peter Ripka; Rob Nager, Rob Nager LIJC; and Bradley Kaufman, Esq. of Pryor Cashman LLP. For the full story, see Page A3.

## *Durst LOL as Kids move into Front St.*

Lee & Associates NYC associate director JP Sutro has arranged a 10-year lease for luxury children's clothing store L.O.L Kids at 216 Front Street, near the South Street Seaport.

Sutro, who worked on the deal with Lee NYC managing principal Peter Braus and senior managing director and principal Brad Schwarz, represented the owner of the 1,075 s/f, The Durst Organization.

"L.O.L. Kids will be a terrific addition to the Front Street community," said Robert Becker of The Durst Organization. "Lee NYC has done a great job helping to revitalize Front Street and we look forward to working with them to make the neighborhood more dynamic, vibrant and exciting."

"The L.O.L Kids lease is the most recent example of Front Street's triumphant

comeback from the devastation of Hurricane Sandy," added Sutro.

"Between The Durst Organization's commitment to revitalizing Front Street and our tenant's attraction to the area's authenticity, this cobble-stoned corridor is now thriving so strongly that there are only two availabilities left out of 22 stores."

In addition to 216 Front Street, Lee NYC represents The Durst Organization in its new development at 625 West 57th Street, comprising 45,000 s/f of retail space on the ground floor of the 709-unit luxury residential building. They were also awarded exclusive agency for The Durst Organization at 136 West 44th Street, which will encompass a built-to-suit 13,000 s/f restaurant space between Broadway and Sixth Avenue in Times Square.

## Record rent in W'burg

Managing director and principal Garry Steinberg of Lee & Associates NYC has arranged a 10-year lease for the first international flagship location for What? Watch at 106 North 6th Street in Williamsburg.

The rent for the 2,500 s/f store is approximately \$150 psf, a new record for the block in the heart of Williamsburg. Neighbors will include Urban Outfitters, Gant, Tobe's Estate, American Apparel, Sandro Williamsburg and A&G Merch.

Andrew Clemens of Ripco represented the landlord, K&C IV LLC. The store is expected to open in late August or September 2014 to coincide with the launch of the debut collection of design-forward watches.

"What? Watch's decision to open its very first retail store here serves as testimony to the meteoric rise of Brooklyn retail and Williamsburg in particular," said Steinberg.

"This location gives it access to an audience and reputation it couldn't achieve anywhere else."

"Opening in Williamsburg is an excellent opportunity for What? to position itself among the leading trendsetters of New York," added Sami Salmenkivi, marketing director of What? Watch. "Brooklyn has emerged as the center of artistic and creative culture, and this is the exact audience that we are trying to reach."

The Lee NYC Brooklyn team is currently marketing retail space at the upcoming Pod Hotel at 626 Driggs Avenue, 294-296 Bedford Avenue and 137 Grand Street.

## RECENT SALE

**\$37.5 million**

231-243 East 94th Street (between  
Second and Third Avenues)  
Manhattan

An investor has bought this four-story parking garage, which is operated as a GMC garage. The 80,000-square-foot structure in Yorkville was built originally as a Macy's warehouse in the 1920s.

Buyer: 94th Property L.L.C.

Seller: 231 East 94th Street L.L.C.

**Broker:** Sidney Rosenthal, Lee & Associates NYC

JUNE 12, 2014 - LEE & ASSOCIATES NYC IN THE NEWS

**Bisnow's First Brooklyn Special Edition**

## Retail is hoppin' like Showtime on the L train.



Retail is going **vertical in Williamsburg**, thanks to a lack of large spaces and the rent relief tenants gain from leasing second and third floors, says Lee & Associates NYC's **Peter Levitan** (right), whom we snapped with L&A NYC president **Jim Wacht** at this week's REBNY retail awards at Club 101. Peter, **Garry Steinberg**, **Peter Braus**, and **JP Sutro** are marketing 92 N 6th St, 110 N 6th, 112 N 6th, and 132 Bedford—each of them 9,000 to 12k SF and **two or three floors**. Peter tells us both boutiques and single-tenant flagships are taking tours. The only retailers that have gone multilevel in Billyburg so far are Whole Foods, Duane Reade, and Urban Outfitters. (As the heights climb, may we suggest a boutique oxygen tank dealer?)



Peter's team, comprised of Garry Steinberg and **Jamie Schultz**, collectively represent 17 listings in Williamsburg, including the 14k SF of retail in the recently announced **pod hotel** going up at **626 Driggs** (rendered above). It'll be part of the newly commercialized **Driggs Avenue corridor**, home to one of the only **two L Train entrances** in the neighborhood. Property owners there have begun to realize the value of their ground floors, he says. Adjacent to 626 Driggs, L&A has placed Parm, Umami Burger, and **Sweetgreen** in the North 4th Street portion of the 247 Bedford project across from Whole Foods, NY Sports Club, Joe Fresh, and WeWork



National retailers are trying new formats in Williamsburg, too, Peter tells us, such as Gant Rugger's **coffee bar inside a store** at North 6th and Berry. (Next up, Starbucks is expected to open a Starbucks inside a Starbucks.) Urban Outfitters' **Space Ninety 8** (North 6th between Berry and Wythe) includes local designers' wares on the first floor and LA bar-and-restaurant concept **The Gorbals on the rooftop**, plus art exhibits and events.

JUNE 11, 2014 - LEE & ASSOCIATES NYC IN THE NEWS

## NYC's Most Important Retail Deals



Ripco Real Estate's **Andrew Mandell** will take over REBNY retail committee chairmanship in the fall from Lee & Associate's **Peter Braus**, whose two-year term is coming to an end. (Something tells us we won't find Eric Cantor in a photo like this.) Despite the run-up in NYC rental rates, retail deals are **not easy to close**, Peter says. Any **weakness** in the market during the downturn was immediately exploited by tenants who'd been sitting on the sideline during the heady pre-crash days, so there was never much vacancy to speak of, he says. And now high rents are making for **cautious tenants**. It's not unusual for a retail deal to take a year to put together, he tells us—or even much longer, as for each of last night's winners.

# REAL ESTATE WEEKLY

JUNE 11, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - NEW DEVELOPMENT: RETAIL SALES & LEASING - Page B5



The Pod Hotel is set to open in 2016

## *Lee lands Brooklyn Pod assignment*

Lee & Associates NYC's Brooklyn retail sales and leasing team has been awarded the exclusive agency for the new Pod Hotel in Williamsburg.

Peter Braus, Peter Levitan, Garry Steinberg and JP Sutro are marketing the retail space at the under construction hotel.

Featuring more than 12,800 s/f of divisible grade level space, the retail will include 175 feet of frontage along North 4th Street and 25 feet on Driggs Avenue.

The 254-room, 71,000 s/f hotel is being developed by owners CB Developers, Waterbridge Capital and Ironstate Development, and

is set to be operated by BD Hotels.

Designed by Garrison Architects, it is being built with cutting-edge modular construction systems and is anticipated for completion in 2016. "Driggs Avenue is the next up and coming retail corridor in Williamsburg, and the Pod Hotel will make it an international destination," said Braus. "The amount of flexible space that we are marketing, along with an incredible street presence and proximity to public transportation, makes this an ideal location for restaurants, fashion and so much more."

In addition to the retail space at the soon-to-be built Pod Hotel, the team is currently marketing space at 132 Bedford Avenue, 247 Bedford Avenue, 365 Grand Street, 92 North 6th Street, 76 North 4th Street (with Jaime Schultz) and 44 Withers Street.

Among the recent leases the group has arranged in Williamsburg are Parm, Radegast, Sweetgreen and Umami. Overall, the Lee NYC has already closed 30 deals in Brooklyn, comprising 100,000 s/f within the past year, and currently holds 17 exclusive agencies in Williamsburg containing over 200,000 s/f.

# MIANN REPORT™

JUNE/JULY 2014

THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE

## A Toast To Lee NYC's Garry Steinberg: Arranges 10-Year Lease For Insignia Brewing Co. At 364 Grand Street

Managing Director and Principal Garry Steinberg of Lee & Associates NYC LLC ("Lee NYC") has arranged a 10-year lease for craft brewery Insignia Brewing Company at 364 Grand Street in Williamsburg, with a five-year option to renew.

Steinberg exclusively represented the owner of the 2,200-squarefoot space at the corner of Grand Street and Marcy Avenue. Neighboring businesses include bespoke menswear label Brooklyn Tailors, eco-friendly boutique Kitsch, gaming retailer Twenty Sided Store and Williamsburg Movement & Arts Center.

In addition to 364 Grand Street, Steinberg represents several other significant properties in Williamsburg, including 76 North Fourth Street (with Jaime Schultz), 247 Bedford Avenue, 92 North 6th Street and 132 Bedford Avenue (with Peter Braus, Peter Levitan and J.P. Sutro). Overall, the Lee NYC Brooklyn team has closed 30 deals comprising 100,000 square feet in the past year and currently holds 17 exclusive agencies containing over 200,000 square feet.

The tenant was represented by the Maz Group and is expected to take occupancy in early fall 2014.

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LAWRENCE ROSS, CHRISTEN TORTELLI AND JOSH GOLDFLAM

# MIANN REPORT™

JUNE/JULY 2014

THE PEOPLE BEHIND THE DEALS IN THE NY REAL ESTATE SCENE

## Lee NYC Marketing Corner Retail Space in Ridgewood

The New York office of Lee & Associates NYC LLC (“Lee NYC”), a privately-held national commercial real estate firm, holds the exclusive agency on a 2,500-square-foot ground floor corner space at 58-23 Myrtle Avenue (corner of Forest Avenue) in Ridgewood.

Managing Director and Principal Garry Steinberg is marketing the former home of Domino’s Men’s Shop, which has a full 2,500-square-foot basement, 40 feet of frontage on Myrtle Avenue and 55 feet of frontage on Forest Avenue. Surrounding retailers include TD Bank, Bank of America, Ridgewood Savings Bank, Rite Aid, Duane Reade and Joyce Leslie.

“This is a central location in a hot neighborhood, and national retailers are eager to establish a presence,” said Steinberg. “A bank, restaurant, or fashion company would fit right in and find a hip young audience.”

Asking rent is \$75 per square foot.

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LAWRENCE ROSS, CHRISTEN TORTELLI AND JOSH GOLDFLAM

JUNE 6, 2014 - LEE &amp; ASSOCIATES IN THE NEWS

## Retail rents skyrocket in Williamsburg

What Watch leased 2,500 square feet on North Sixth Street for about \$150 per square foot, more than double what some spots in the neighborhood were fetching last year.



What Watch will be opening a store at 106 N. 6th St., where it will pay a record \$150 per square foot.

Photo by CoStar Group Inc..

Retail rents have shot up in Williamsburg, where the neighborhood's one time collection of coffee shops, thrift stores and boutiques is giving way to national retailers who want to tap its increasingly wealthy demographic and image as the center of Brooklyn cool.

A new watch store called What Watch just leased a 2,500 square foot space at 106 N. Sixth St. for about \$150 per square foot, a new record on that block, which is considered one of the main shopping thoroughfares in the area.

According to Peter Levitan, a broker with Lee & Associates who has done several retail deals in the area and helped arrange the transaction for What Watch along with colleague Garry Steinberg, the rent is dramatically higher than comparable leases of just a few months ago. The clothing store GANT Rugger signed a lease last year just a few doors down at 115 N. Sixth St. for \$110 per square foot. And the clothing store Sandro signed a deal for around \$70 per square foot last year at 65 N. Sixth Ave., Mr. Levitan said.

Now, Mr. Levitan is handling the leasing for three spaces on the block that are asking for rents at roughly \$175 per square foot.

"The interest from retailers is snowballing," Mr. Levitan said. "I think there has been interest for many years now but the tenants are starting to sign leases and pay real numbers."

As rents rise on prime shopping corridors like North Sixth and North Seventh streets and Bedford Avenue, retailers are considering a wider swath of the neighborhood. Mr. Levitan said he has seen interest for a space he is marketing at 50 Withers St., south of McCarren Park right next to the Brooklyn-Queens Expressway. That space is about 2,000 square feet but comes with extras, such as 1,200 square feet of outdoor space, an 800-square-foot roof deck and the rights to erect a huge billboard that faces the highly-trafficked BQE.

"That billboard is seen by 70 million people a year," Mr. Levitan said, noting that it can only be used to advertise for the tenant who occupies the retail space. "There's definitely a lot of retailers who are interested in this location and the ability to project their brand and presence so prominently."

The space is at the base of a new residential building that was built by the firm Patoma. Mr. Levitan said he is asking \$120 per square foot for the space.

Several big retailers have settled in Williamsburg in recent months. Last year, Whole Foods reached a deal to open a store on Bedford Avenue and North Fourth Street. And J.Crew is opening on Wythe Avenue.

Rumors continue to circulate that Apple is close to signing a deal - or secretly already has - in Williamsburg as well, a lease that brokers say would take the area's surging retail market to the next level. Apple is said to be considering a building owned by the Salvation Army on North Seventh Street and Bedford Avenue and also a large retail building owned by Red Sky Capital between North Third and Fourth streets on Bedford Avenue.

JUNE 4, 2014 - LEE & ASSOCIATES IN THE NEWS - By Mark Maurer

## Retailers sought at Williamsburg's new Pod Hotel

*Ground-floor space at upcoming 254-room site can be divided into 3 units*



*Rendering of 626 Driggs Avenue (Inset: Peter Braus)*

The owners of the upcoming Pod Hotel in Williamsburg are seeking tenants for a 12,800-square-foot ground-floor retail space, according to a spokesperson for commercial brokerage Lee & Associates. CB Developers, Waterbridge Capital and Iron-state Development plan to open the 71,000-square-foot, five-story hotel at 626 Driggs Avenue by 2016. BD Hotels will operate the hotel, which is slated to hold 254 rooms.

The retail space, which can be divided into as many as three individual units, offers 175 feet of frontage on North 4th Street and 25 feet along Driggs Avenue. Lee & Associates brokers Garry Steinberg, Peter Braus, JP Sutro and Peter Levitan were hired to market the retail. They are targeting restaurants, home furnishings, and fashion tenants, the spokesperson said.

Asking rent for the space has not yet been set. But retail along Driggs Avenue commands rents as high as \$175 per square foot, the brokers told The Real Deal.

Jim Garrison of Garrison Architects envisioned a modular-construction design involving prefabricated 10-foot-by-30-foot components. Construction is expected to begin January 2015.

The other Pod hotels in the city are located at 230 East 51st Street and 145 East 39th Street in Midtown Manhattan. The first Pod hotel, on 51st Street, opened in 2007.

Williamsburg hotels in the pipeline include a 182-room structure at 55 Wythe Avenue and a 52-unit one at 437 Metropolitan Avenue.

MARCH 26, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - RETAIL

## Lee & Associates NYC Names Jaime Schultz Director Of Retail

**Jaime Schultz** has joined the New York office of **Lee & Associates Commercial Real Estate Services**, a privately held national commercial real estate firm, as director of retail. Schultz has more than seven years of experience and specializes in Brooklyn commercial leasing.



"Jaime's keen understanding of the Brooklyn landscape will be a great addition to the firm," says Lee NYC President James Wacht. "Not only is she a long-time Williamsburg resident, she's quite talented when it comes to creating the right retail mix for her diverse client portfolio."

Prior to joining Lee NYC, Schultz served as a senior retail leasing associate at GFI Capital and sales associate at Douglas Elliman. She has negotiated a variety of transactions throughout downtown Brooklyn and the Fort Green area, including Smashburger, Sunny Bagel, private hair studio Salon 718, DNA Footwear and the Beth Israel Medical Center.

In addition, she was responsible for leasing 20,000 square feet of retail at 144 North 8th Street, best known as the Finger building for its sleek design.

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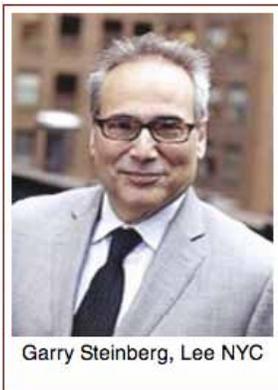
MARCH 25 - APRIL 7, 2014 - LEE & ASSOCIATES NYC IN THE NEWS

## **Lee NYC chosen to market 2,200 s/f storefront at 364 Grand Street**

**New York, NY** The New York office of Lee & Associates NYC LLC (Lee NYC), a privately-held national commercial real estate firm, is marketing a new, 2,200 s/f storefront at 364 Grand St. (corner of Marcy Ave.) in Williamsburg, containing 1,100 s/f of ground floor space with a full basement, 12-ft. ceilings and 70 ft. of frontage. Managing director and principal Garry Steinberg holds exclusive agency for the space. Neighbors include bespoke menswear label Brooklyn Tailors, gaming retailer Twenty Sided Store, Williamsburg Movement and Arts Center, and recording studio The Wave Lab.

“This space offers an immediate connection to a customer base as creative and upwardly mobile as their neighborhood,” said Steinberg.

## New York City Retail

**Steinberg of Lee NYC leases 1,000 s/f to Suarte**

Garry Steinberg, Lee NYC

**New York, NY** The N.Y. office of Lee & Associates Commercial Real Estate Services (Lee NYC) has closed on a lease transaction on behalf of Suarte Shoes at 818 Third Ave., on the corner of 50th St. Suarte, a South Korean purveyor of handmade men's shoes, inked a 10-year lease for 1,000 s/f on the ground floor of the Af- finia 50 Hotel. Garry Steinberg, a managing director and principal of Lee NYC, represented Suarte. Eric Gelber of CBRE represented the landlord.

The retailer agreed to the asking rent of \$207 per s/f.

Suarte, whose products range from \$500 to \$1,000, is keen to expand beyond its native South Korea. The footwear manufacturer and retailer currently operates nine stores domestically and is opening locations throughout Europe and Asia. In addition, it has acquired more factory space to support its expansion plans. The 818 Third Ave. location is the company's first in the U.S.

"Choosing the right location is especially critical when a business is looking to break into the New York market for the first time," said Steinberg. "We explored countless locations throughout the city, but I feel confident that we made the right choice with this space. The corner of 50th and 3rd is at the heart of Midtown East and offers tremendous exposure to retail and office markets as well as a sizeable residential population. Suarte is in a great position to launch its U.S. business."

The footwear firm has ambitious plans for its U.S. expansion. As Suarte's exclusive representative, Steinberg is already exploring options for additional space, including a second store for Suarte's soon-to-be released handmade men's suiting line. Ultimately, Suarte hopes to open an additional four to five stores across the country, including a Beverly Hills location.

Suarte will move into its Manhattan location on April 1st.

MARCH 19, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - Profile By Sarah Trefethen

## Peter Braus' rite of passage takes him back to his roots



Peter Braus

Peter Braus first learned about real estate through a kind of osmosis.

He grew up in Larchmont NY, but his father ran the real estate firm J.R. Braus & Company on 53rd Street and Madison Avenue.

"I was a business-minded kid. I was the kid who would do a lemonade stand, or mow lawns for money," Braus, now a managing principal of Lee NYC, recalled.

"I would go to the city a lot, and my dad's office, and when you do that as a kid, you sort of absorb things."

By the time the younger Braus decided to join the business himself, however, his father's cousin had taken over the company, by then known as Sierra Realty.

The cousin's partner, Jim Wacht, had risen up through the firm. Braus, in his late 20's, had no experience in real estate — at least, not as an adult.

"I told them I wanted to join the company, and they said, 'That's nice, but we don't want you. You don't know anything,'" Braus said.

He did have some business experience outside the real estate world. His first job out of college was in advertising with Jordan McGrath Case & Taylor. He earned an MBA from Columbia before going to work for Poland Spring, helping to introduce the concept of bottled water to restaurant owners and managers. Along the way he, he made some contacts and learned a few things about the way restaurants run.

This knowledge came in handy when — passed over by Sierra — he went to work for New Spectrum Realty Services, a company that had spun off from the storied retail brokerage, Garrick Aug.

Braus had early success leasing spaces in Nolita, and estimates he did about a dozen deals in the now-trendy neighborhood before most people had heard its name.

"People said, 'Where is Nolita? What is Nolita?'" he said. "Everyone else was focused on doing deals on Madison Avenue and Fifth Avenue. I was a kid getting started in the business, and you have to sort of go where the other people aren't."

Another early deal was a 30,000 s/f commissary for Danny Meyer, the restaurateur, on the West Side. This early experience taught him a lesson that he still passes on to everyone who works with him today, he said. A good broker understands a client's business well enough to know what kind of

space they need.

"Anyone likes to talk to someone who relates to their business," he said. "That was something I learned. If you can speak their language, they know you're not going to waste their time. Part of becoming a good broker is learning what's going to be the appropriate space for a client."

This insight is part of Braus' larger philosophy: brokers need to be more than middlemen.

"We're a cost center in the deal — we add cost to the deal for the client," he said. "If you can't add value to a deal as a broker, then you have no business being in that deal."

Braus stayed at New Spectrum long enough to see the firm bought out by Newmark Grubb Knight Frank. He left product marketing for real estate in part because he preferred working in smaller companies, he said, and he went to back to Wacht, who was then running Sierra on his own. "I said, basically, 'Do you want me now?'" Braus said, "and he said yes."

Today, Braus and Wacht head up a full-service real estate firm that employs 50 people in brokerage alone. Sierra joined with Lee & Associates in 2011, giving the firm a national platform. The firm is making a strong play in the outer boroughs, and has a noteworthy presence in the booming retail market in Williamsburg, Brooklyn.

Braus lives in Tribeca with his wife, Kaija Braus, and their school-aged sons, Henry and Nate. He serves on Manhattan Community Board One and is on the board of the Downtown Alliance.

As a senior executive, Braus is focused on expanding Lee NYC's business, and they plan to continue hiring new staff. But he still devotes about half his time to deals, he said, providing leadership and guidance to as many projects as he can.

One of his favorite deals closed in 2012, when Lee NYC sold 202 Fifth Avenue, known as the Commodore Criterion Building, for \$40 million to Poreclanosa, a Spanish tile company.

The building is only 15,000 s/f, but provided a unique branding opportunity on the building's signage overlooking Madison Square Park.

By the time Lee started marketing the building, Braus said, other brokerages had tried and failed to find a buyer at the desired price.

"You had to find the needle in the haystack," he said. "That was a great deal for us. I love it when I can work on something that people have not been successful at and sort of prove to myself that I can do it."

# REAL ESTATE WEEKLY

MARCH 12, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - In Print on Page A12 - RETAIL

## Beer hall to open second Brooklyn spot

Lee & Associates has closed on a lease with the Radegast Hall & Biergarten at 292 Bedford in Brooklyn.

Garry Steinberg, a managing director and principal of Lee NYC, represented the landlord. Roni Dotan of Corcoran represented the tenant.

Radegast Hall & Biergarten, a Williamsburg dining institution, inked a 10-year lease for 1,500 s/f. The owners agreed to the asking rent of \$200 s/f, as there was consider-

able interest in the property from both local and national businesses.

“Radegast understands the value of the neighborhood and of the space — the owners share the same values and vision for the neighborhood as the landlord. It was a natural fit,” explained Steinberg.

The owners of the Austro-Hungarian restaurant and beer hall already have a 9,000 s/f location at 113 North Third Street in Williamsburg.

MARCH 12, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - In Print on Page A15

## David Waltuck bringing new eatery to Flatiron



PETER BRAUS

Lee & Associates has arranged a long-term lease at 43 East 20th Street, for Chanterelle alumni David Waltuck and George Stinson.

The tenant was represented by Lee NYC's Peter Braus, managing principal, and Richard Kave, managing director. The landlord, 20th Street Realty LLC, was self-represented.

“David Waltuck and his business partner George Stinson, a former GM at Chanterelle, have long and successful track records in owning and operating four-star restaurants,” said Braus.

“They were the consummate professionals throughout the negotiations and a pleasure to work with.”

The approximately 2,000 s/f, 50-seat restaurant, formerly occupied by Veritas Restaurant, will feature a seasonal, French-influenced menu in an urbane, relaxed environment. the restaurant will be called élan. Added Kave, “When David Waltuck opened Chanterelle in 1979, it helped put Soho on the map and, over the years, accrued numerous accolades, including two four-star reviews from the New York Times and four James Beard Foundation awards.

“I can only anticipate the great response élan will receive in this gourmet-centric neighborhood.”



Veritas restaurant previously occupied the space

MARCH 12, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - In Print on Page A13

## Restaurant Row space available

Lee & Associates is marketing a multi-level restaurant space at 334 West 46th Street, between Eighth and Ninth Avenues, containing 4,000 s/f of grade-level space, 3,000 s/f in the lower level and 500 s/f of outdoor space.

Garry Steinberg and JP Sutro hold the exclusive agency for the Restaurant Row space, which offers three working fireplaces, several built-out bathrooms and four stairways.

The former home of O'Flaherty's Ale House, 334 West 46th Street is close to Broadway theaters, public transportation and is in the heart of a mixed-use neighborhood with major residential development.

"This is quintessential dining space for the city," said Steinberg. "There is endless potential for a customer-base here."



334 West 46th Street

MARCH 11, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - In Print on Page 26 - By Al Barbarino

## Modern Medicine: How Fundamental Health Care Changes are Reshaping the Medical Real Estate Game

Several months ago, I unearthed a clock radio from an old box of belongings and set it up in my bathroom so I could rock out to some tunes as I showered before work.

At times, I was slightly amused by the segues of deejay banter, but the in-your-face commercials slinging everything from car insurance to pet food were less charming.

An ad about a cancer survivor who had achieved her dream of having children after receiving the best, most convenient care at a particular outpatient cancer treatment facility at first struck a chord, but by the fifth or sixth iteration, it admittedly grew tiresome, and I retired that particular station altogether.

"I hear advertisements on radio and TV for every city hospital," said one leading commercial real estate executive who focuses on the health care industry. "Hospitals never before used social media, television, radio and newspapers anywhere near the extent that they do now."

The increased prevalence of such ads is no coincidence, as hospitals and other health care groups compete for market share, medical professionals and patients. All the while, health care provider costs are increasing, as the Feds grapple with skyrocketing health care costs and, due to the Affordable Care Act, have substantially decreased Medicaid and Medicare reimbursements to hospitals.

As a result, hospitals are pushing to become more specialized and efficient, which is evident as new, and often state-of-the-art, ambulatory care and outpatient clinics spring up across New York City. The private practice all but disappears as individual doctors bogged down by new paperwork join group practices.

And hospital groups scramble for the millions of people now required to be insured under the ACA.

The city is now home to one of the largest not-for-profit health systems in the country, most recently exemplified by the Mount Sinai and Continuum merger, which will combine Mount Sinai's academic specializations with Continuum's community hospitals. Such mergers will expand the capabilities and specializations necessary to survive in an increasingly competitive market.

"It's the tip of the iceberg," said Michael Berne, who as managing director heads Lee & Associates' senior housing arm. "I think we are going to see more and more mergers and consolidations, and it wouldn't surprise me if hospitals on Long Island and northern New Jersey start to merge with those in Manhattan."

In addition, the number of seniors older than 65 is expected to at least double over the next two decades, as developers once far removed from the health care sector consider the value in this growing segment of the population, which will turn a billion-dollar industry into a trillion-dollar one.

"Owners of real estate in every major city in the country that historically have only been in the industrial and commercial retail areas are seriously considering senior housing and ambulatory, medical and surgery centers," said Mr. Berne, who in the last nine months was approached by four major national players looking to move into the space.

Leasing space in office buildings for specialized treatment centers becomes a go-to option when there is a lack of space, and that part of the equation is picking up as well.

FEBRUARY 20, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - By Lauren Elkies Schram

FOOD & DRINK

## David Waltuck Eatery Coming to Old Veritas Space



43 East 20th Street

The former home of **Veritas Restaurant** in the Flatiron area is set to become a French-influenced restaurant called **élan**, showcasing former **Chanterelle** chef and owner **David Waltuck**.

Mr. Waltuck and his business partner, **George Stinson**, a former general manager at Chanterelle, closed on a 10-year deal for 2,000 square at the 50-seat restaurant space at **43 East 20th Street** between Broadway and Park Avenue

South. The new restaurant is expected to open in May.

"When David Waltuck opened Chanterelle in 1979, it helped put Soho on the map and, over the years, accrued numerous accolades, including two four-star reviews from the New York Times and four James Beard Foundation awards," **Lee NYC's Richard Kave**, who along with **Peter Braus** represented the tenant, said in a statement. "I can only anticipate the great response élan will receive in this gourmet-centric neighborhood." The landlord, **20th Street Realty LLC**, represented itself.

Tribeca's French-inspired Chanterelle closed in 2009.

The 43 East 20th Street deal was off-market and Lee NYC declined to provide the rent.

FEBRUARY 18, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - By Lauren Elkies Schram

**VACANT VILLAGE**

## Series of High-Profile Retail Closures in Village Points To Momentarily Stark Reality



Shuttered location of Pet Central, at 237 Bleecker Street (credit: Lauren Elkies Schram)

In the world of real estate, as in life, perception is in the eye of the beholder.

The retail market in the West Village and Greenwich Village is no exception, as neighborhood staples close due to rising rents, leaving spaces vacant and landlords searching for high-rent-paying tenants.

While neighbors may find the shuttered shops to be eyesores and longtime retail tenants may find the skyrocketing rents unfair, many brokers leasing those spaces are saying it's due to a hot market and the changing nature of the neighborhood.

Among the visibly closed shops on a recent stroll through the West Village and Greenwich Village were Food Emporium at 475 Avenue of the Americas, Bien Cuit Bakery at 35 Christopher Street, Leyla at 84 Seventh Avenue South, Centro Vinoteca at 74 Seventh Avenue South, Mexicana Mama Centro at 47 East 12th Street, Bleecker Street Records at 239 Bleecker Street, Pet Central at 237 Bleecker Street, Slide at 174 Bleecker Street and Crazy Fantasy Tattoo at 333 Avenue of the Americas.

Cara Rosenbloom, a real estate salesperson specializing exclusively in retail for City Connections, said that excluding the Food Emporium, which closed after 50 years at the location once the parent company went out of business, the issue is "pricing." She added, "I think the smaller guys are kind of priced out of the market."

As old tenants leave, rents are jacked up, and landlords are holding out for the highest-paying users.

"I know some are vacant because the landlords are asking for too much rent," said Jeffrey D. Roseman, an executive vice president at Newmark Grubb Knight Frank Retail. And that, he said, is because "that market is very healthy."

A big hit to the area—and one seen as particularly emblematic of the Village's declining quirkiness—was last month's closure of Gray's Papaya at 402 Avenue of the Americas, at Eighth Street, after more than 30 years in business. Owner Nicholas Gray reportedly said it was due to the monthly increase in rent to \$50,000 from \$30,000 upon lease renewal. Liquiteria, serving cold-pressed juices, will open in the vacated corner spot this summer.

And about a year ago, the beloved Barnes & Noble, at 396 Avenue of the Americas, was pushed out of the prominent, highly trafficked corner across from Gray's Papaya due to "a huge rent hike," in the words of assistant manager Donald Kemp. The bookstore is slated to become a TD Bank next year.

Some of the excitement in the West Village retail market can be attributed to the "Marc Jacobs Effect."

Most recently, Marc Jacobs' beauty store opened at 385 Bleecker Street last August, bringing the upscale designer's Bleecker Street store count to five.

Peter Braus, a managing principal at Lee & Associates NYC, said that Marc Jacobs led the transformation of Bleecker Street into a great fashion corridor. Six or seven major brands followed suit by opening shops on a street that was once synonymous with downtown bohemianism.

"There has been a halo effect on surrounding blocks, though they don't command the rents or cachet that Bleecker does," Mr. Braus said.

Mr. Roseman put the taking rents on Bleecker Street at \$350 to \$400 per square foot. (No concrete data was available for the area, as the notable big commercial real estate firms that produce data reports do not track retail in the West Village/Greenwich Village.)

He described the retail transformation as "good and bad for the neighborhood."

Residents are not necessarily happy about the influx of tourists and the change in retail makeup, but those tourists have driven business to the restaurants. Another facet is that as prices rise, so do landlords' unrealistic rent expectations.

James Famularo, the director of retail leasing at Eastern Consolidated, said that Chipotle will be opening in two months where Segafredo Zanetti Espresso was at 504 Avenue of the Americas. He said that Superstorm Sandy was just the excuse Segafredo needed to close. With a new tenant came higher rents.

"We signed Segafredo at \$31 a foot and Chipotle around \$35 or \$36," Mr. Famularo said.

Kickerland Design will be coming to 493 Avenue of the Americas, said Jay Gilbert, a director at Newmark Grubb Knight Frank Retail who is leasing the space at 498 Avenue of the Americas, which was most recently home to a 16 Handles.

Regarding the list of closures Commercial Observer recently noted, Adelaide Polsinelli, a broker who heads the retail sales division at Eastern Consolidated, said: "Most were old leases that have turned. There is a big disconnect between last rent and the current ask. The market will find its equilibrium."

Those closures are deceptive, one broker insinuated.

Steve Rappaport, a senior managing director at Sinvin, who is co-leasing 277 Bleecker Street, said via email that there will be two new tenants at the property: Studio Manhattan, an accessories gallery, and Kryolan, a professional makeup maker.

"So while seemingly there are many empty stores, they are all spoken for," he said. "As a broker who specializes in Bleecker Street in that vicinity, I am constantly deluged by tenants seeking space on the block. My only issue is that there is really none available."

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FEBRUARY 4, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS

## **Lee NYC Reps 292 Bedford LLC In The Expansion Of Williamsburg Institution**

*Radegast Hall & Biergarten leases 1,500sf in Williamsburg*

The **New York offices of Lee & Associates Commercial Real Estate Services**, a privately-held national commercial real estate firm has closed a lease transaction on behalf of 292 Bedford LLC at its Bedford Avenue property in Brooklyn. Radegast Hall & Biergarten, a Williamsburg dining institution, inked a 10-year lease for 1,500 square feet. The owners agreed to the asking rent of \$200 per square foot, as there was considerable interest in the property from both local and national businesses. Garry Steinberg, a managing director and principal of Lee NYC, represented the landlord. Roni Dotan of Corcoran represented the tenant.

"Radegast understands the value of the neighborhood and of the space—the owners share the same values and vision for the neighborhood as the landlord. It was a natural fit," explained **Mr. Steinberg**.

Having a 9,000-square-foot location at 113 North Third Street in Williamsburg, the owners of the beloved Austro-Hungarian restaurant and beer hall decided to open a second, as yet unannounced new restaurant concept, a few blocks away on the corner of Bedford Avenue and Grand Street. The current Radegast combines an impressive assortment of imported beers (22 drafts on tap and at least 58 beers by the bottle) with the expert culinary skills of Michelin-star rated executive chef Eric Francou for a unique experience.

In selecting a tenant, maintaining the authenticity of the neighborhood was paramount. When Radegast moves into the new space on June 1, 2015, it will be joining neighborhood stalwart, Maison Premiere Oyster Bar at 298 Bedford Ave. Despite considerable interest from national retailers, the landlord felt that Radegast fit best within the existing fabric of the community.

### **About Lee & Associates NYC**

The New York office of Lee & Associates provides a full array of corporate advisory and commercial real estate services, including office and retail brokerage, sales and investments, and project and property management. The firm has more than 40 real estate professionals in its 600 Madison Avenue headquarters office. Additional information is available at [www.leeassociatesnyc.com](http://www.leeassociatesnyc.com).

### **About Lee & Associates**

Lee & Associates Commercial Real Estate Services was founded in 1979 in Los Angeles and has since grown to include over 800 real estate professionals in 51 offices in the US. Each office is investor-owned. Lee & Associates total annual transaction volume of \$7 billion makes it the fourth largest brokerage by volume in the US.

# REAL ESTATE WEEKLY

MARCH 12, 2014 - LEE & ASSOCIATES, NYC IN THE NEWS - Page A7

## *DC eatery coming to Williamsburg*

Sweetgreen is coming to 160 North Fourth Street, between Bedford and Driggs Avenue in Williamsburg, Brooklyn. The Lee NYC team of Peter Braus, Peter Levitan, Garry Steinberg, and JP Sutro represented the landlord, a joint venture between RedSky Management and Waterbridge Capital, in the the 10-year lease for the popular DC eatery's new 2,943 s/f space. Jacqueline Klinger of SCG Retail represented the tenant. Asking rent for the retail space was \$100 per square foot. Sweetgreen

joins Umami Burger and Parm Restaurant in the 30,000 s/f retail project on Bedford Avenue, directly across from the soon-to-open Whole Foods.

"This location is a real coup for a fast-growing restaurant chain with such a loyal health-conscious following," said Braus. "It places the organic eatery, best known for its farm-to-table fare, in the heart of one of the hottest retail neighborhoods in Brooklyn."



Peter Braus

MARCH 26, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - By Cortney O'Brien

## NYC Restaurant Owners Walk Away from \$100,000 Due to City's Stifling Regulations



New York City restaurateur Robert Malta planned to open a new location for his wine bar Bocca di Bacco on Columbus Avenue. But, after suffering through a string of unnecessary regulations, he is walking away.

Here are just a few of the ridiculous rules the city imposed on Malta and his restaurant:

The Landmarks Preservation Commission tied construction up in knots at 294 Columbus Ave., while Dept. of Buildings

rules required them to install sprinklers throughout the whole building, even though the café would only take up 800 square feet on the ground floor.

After the sprinkler installation, came the need to provide handicapped access under federal rules. Unsurprisingly, the Baltas ran out of patience:

“We had to give up because we didn’t know how long it would take,” he said — and lost four months’ rent of \$26,000 per month, plus all the money the Maltas had put out for legal and design fees.

Malta’s decision to leave his lease forces him to forfeit more than \$100,000 in rent security.

Mayor Bill de Blasio has made life even more complicated for these restaurant owners after signing into law a paid sick leave bill, legislation which requires employers to pay their workers whether they’re sick or not.

These burdensome policies aren’t only driving businesses away – they’re also preventing others from arriving.

Peter Braus, chairman of REBNY’s retail committee and managing principal of retail brokerage Lee & Associates, said, “At the end of the day, these policies are preventing a lot of people from coming to New York — people who have multiple locations around the world.”

Among them: British superstar chef Jamie Oliver, who has dozens of eateries in London. “We’ve reached out to him to come to New York, but he’s afraid,” Braus said.

No, New Yorkers aren’t likely to go hungry anytime soon – thousands of eateries line the Big Apple streets. But, perhaps Walker Malloy broker Rafe Evans isn’t exaggerating when he defines restaurateurs’ souring relationship with the city as, “clear and ominous proof that the increasingly business-unfriendly environment in the city is reaching a breaking point.”

FEBRUARY 5, 2014 - **LEE & ASSOCIATES NYC** IN THE NEWS - By Lauren Elkies Schram

## Are Winter Storms Disrupting Real Estate Business in NYC?



Another winter storm bears down on the Northeast (credit: Andrew Burton/Getty Images)

It has been just brutal outside, a mess of snow, sleet, rain, ice and slush requiring acrobatic skills to jump from snow mound to snow mound.

While surfaces are icy, subway service has been interrupted, states of emergency have been declared and people are cold, has the wintry mix impacted the business of real estate in New York City?

*Commercial Observer* checked in with some real estate folks to find out.

**Peter Braus**, managing principal at **Lee & Associates NYC**

I don't think winter has affected the market for real estate, but it's certainly taken a toll on people's bottom lines, as maintenance and repair costs have far exceeded those in a typical year. Retail sales are also very negatively impacted, and there may be some store failures that result, which will impact cash flow.

Faith Hope Consolo, retail broker at Douglas Elliman

Some visitors may have been delayed in site visits, but overall business is getting done as usual. Technology today allows you to communicate instantaneously, regardless of the weather.

James Famularo, senior director at Eastern Consolidated

The winter snow storms definitely slow everything down. Clients cancel meetings. They're not as enthusiastic about space when it's dark and dreary out. This is why we look forward to the springtime!

Peter Turchin, executive vice president of the agency group at CBRE

We're finding the market as active over the last couple of cold months as it's been. What happens is it does have an impact for touring of space. To the extent that people can't commute in, you can't have space tours.

A lot of people are in the office. We're a little more casually dressed than usual. Me personally today, I had three space tours scheduled and they all happened. On a tour, all that happens is people show up in boots instead of shoes.

David Von Spreckelsen, president of Toll Brothers City Living

There is still so much more demand than supply in the condo market—and our building are so appealing to people—that we are not seeing people cancel appointments due to weather unless conditions are so bad that it is dangerous to be walking or driving.

Joseph Harbert, president of the eastern region for Colliers International

The weather is actually making people more productive. The dealmakers work from home, don't have to travel and they are just as effective on a one- or two-day weather situation. For those who absolutely need to be in the office it is so much worse because of travel delays.

**Updated:** This story has been edited to include remarks from Joseph Harbert, president of the eastern region for Colliers International.

FEBRUARY 11, 2014 - LEE &amp; ASSOCIATES NYC IN THE NEWS - By Joe Anuta

## Real Estate Deal Watch

**Tenant**  
Suarte Shoes

**Tenant brokerage firm**  
Lee & Associates Commercial  
Real Estate Services

**Tenant broker(s)**  
Garry Steinberg

**Square feet**  
1,000 sq ft.

**Asking rent**  
\$207 per sq ft.

**Type of Deal**  
Lease

**Industry**  
Retail Real Estate

**Lease length**  
10 years

**Neighborhood**  
Plaza District

**Landlord**  
Denihan Hospitality Group

**Landlord brokerage firm**  
CBRE Group Inc.

**Landlord broker(s)**  
Eric Gelber and Joseph  
Hudson

### Korean shoe firm steps into NY market

Suarte Shoes, the 3-year-old, high-end outfit in the midst of a global expansion, is now shopping around for a larger space to launch its handmade men's suit line.



818 Third Ave.

*Photo: CoStar Group Inc.*

An high-end South Korean shoe store in the midst of a global expansion has stepped into the U.S. market, signing a 10-year lease for ground-floor space at the Affinia 50 hotel at 818 Third Ave. In the deal, Suarte Shoes took 1,000 square feet on the corner of East 50th Street, where it plans to open its first stateside shop on April 1. The corner is close to both residential and office buildings chockablock with the firm's target clientele—people willing to drop up to \$1,000 for Suarte's custom footwear.

Garry Steinberg, principal at the New York Office of Lee & Associates Commercial Real Estate Services, said the location fit perfectly with Suarte's strategy for establishing a foothold in the ultra-competitive New York City market.

"We determined rather quickly that this location was going to be the first Suarte," said Mr. Steinberg, who represented the tenant.

Founded just three years ago, the men's handmade footwear firm already boasts nine stores in South Korea. In addition to the mid-town east location, where the firm paid the \$207 per square foot asking rent, the company hopes to open another store to launch its handmade men's suit line. Mr. Steinberg has already been scouring locations as the firm's exclusive representative, and he hopes its next location will be a sizable step up size-wise, to between 2,500 and 5,000 square feet.

The firm recently acquired new factory space to support its world-wide expansion, a drive that includes more stores in America, Europe and Asia.

Eric Gelber and Joseph Hudson of CBRE Group Inc. represented the landlord, Denihan Hospitality Group.

# THE REAL DEAL

MARCH 3, 2014 – LEE & ASSOCIATES NYC IN THE NEWS – By Adam Pincus

## Chetrit Group pays \$32M for Penn Plaza development site

*City approves plans to demolish two low-rise commercial buildings*

The Chetrit Group snapped up two adjacent properties across the street from Madison Square Garden in the heart of the Penn Plaza commercial district in January for \$31.5 million and today won approval from the city to demolish them.



The Chetrit Group, headed by brothers Joseph and Meyer Chetrit, in partnership with Brooklyn-based Cornell Realty Management, bought the adjacent buildings 245 and 247 West 34th Street from the Cohen family of the Brooklyn-based retailer Conway Stores, on Jan. 9, city records show. On the same day, the larger Conway store chain was sold to National Stores, Women's Wear Daily reported.

Chetrit paid \$15.7 million for each of the properties, which are located between Seventh and Eighth avenues, city records show. At the same time, the development firm borrowed \$22 million from an affiliate of Midtown-based financial firm Fortress Investment Group.

The area is a major shopping destination for price-conscious New Yorkers, brokers said, which is helping to drive up asking rents. From the spring of 2012 to the spring of 2013, retail asking rents on 34th Street rose 30 percent to \$724 per square foot on the ground floor, from \$558 per foot, figures from the Real Estate Board of New York show.

"I think it has just turned into probably the most concentrated shopping strip in the city in terms of value-oriented shoppers," Peter Braus, an executive vice president at commercial firm Lee & Associates said. He was not involved with the transaction.

"Even though the rents have gotten pretty astronomical there over the past couple years, the area has the numbers — the sales numbers — to back up the high rents," Braus said.

Conway's tenant Transworld in September inked leases with Conway covering each building, but surrendered those leases on Jan. 9 back to Conway, which agreed to terminate the leases early, city records show.

The Chetrit Group filed demolition plans with the city's Department of Buildings to tear down the one- and three-story structures. The plans were approved today, the agency's online records show. A 25,080-square-foot building can be constructed at the site, data from PropertyShark shows.

Richard Cohen, speaking for the Cohen family, declined to comment. The Chetrit Group, Cornell and Fortress did not immediately respond to a request for comment.

Fortress is tied to another Chetrit property in the neighborhood. In 2011, the lender took title to 541-545 West 37th Street and 540-544 West 38th Street in the Hudson Yards neighborhood, after foreclosing on developer Baruch Singer. Then in September 2012, Fortress sold the site to the Chetrit Group for \$26.5 million.

Last week, the Chetrit Group filed plans to demolish four buildings that make up that site, where it has rights to build a large tower with up to 373,275 square feet, depending on how it taps into development incentives.

# Brooklyn Daily Eagle

MARCH 5, 2014 – LEE & ASSOCIATES NYC IN THE NEWS – By Lore Croghan

## Time Is On My Side: Bedford Avenue building bought for peanuts sold for \$6 million 37 years later



He's the Six Million Dollar Man – the real-life version.

(Raise your hand if you watched that 1970s television series.)

Williamsburg landlord George Wanat was paid a whopping \$6 million last May for his majestic though graffiti-covered building on the corner of Bedford Avenue and Grand Street, city Finance Department records reveal.

Stifle your envy, if possible. Wanat had bought 292 Bedford Ave. for \$22,600 at a city auction in 1976. The deed was signed by David Dinkins – who was the City Clerk at the time, not the Mayor.

The new owner of the five-story white brick property with 20 apartments plus storefronts is 292 Bedford LLC, whose managing member is Joseph Banda.

Garry Steinberg of real estate brokerage Lee & Associates just served as the landlord's rep in a lease for 1,500 square feet of retail space there. The rent is \$200 per square foot per year, with a 10-year lease term and an option for a five-year lease extension after that, Steinberg said.

Corcoran's Roni Dotan represented the tenant in the deal.

Incoming tenant Ivan Kohut plans to build a restaurant that Grubstreet.com says will be Brooklyn's first Flemish “gastro-brasserie.” Kohut is the owner of Radegast Hall & Biergarten on nearby N. 3rd Street.

The city Buildings Department issued permits in January to “renovate existing commercial space for a new tenant” on the first floor and cellar and do mechanical and plumbing work.

There are two other storefronts available, one of them 500 square feet, the other 1,000 square feet, which are being offered separately or combined into one space.

MARCH 24, 2014 - LEE & ASSOCIATES NYC IN THE NEWS - By Steve Cuzzo

REAL ESTATE REALTY CHECK

## City restaurants struggle to navigate pesky rules

The owners of a planned tiny new wine bar on Columbus Avenue have walked away from their lease, forfeiting more than \$100,000 in rent security, because they say city agencies made it impossible to open the place. ...

Although horror stories abound, it isn't as if city rules have scared restaurateurs away. There are more places to eat than ever. Most appear to be thriving despite all the regulatory obstacles.

Operators from penny-counting immigrants to giant global companies somehow manage to navigate the treacherous alphabet soup of the DOB, DOH, LPC and FDNY — plus community boards that hold great sway over the State Liquor Authority's decisions whether to grant liquor licenses.

Even so, the fate of the planned Bocca di Bacco on Columbus Avenue is clearly a cautionary tale.

Malta needed LPC approval for facade changes because the building is within a historic district. He said the panel "didn't really object" to what he needed to do but, "they make you go back a dozen times." (LPC didn't get back to us for comment).

The need to install sprinklers, and to provide handicapped access under federal rules, which he said clashed with LPC rules, were the final straw: "We had to give up because we didn't know how long it would take," he said — and lost four months' rent of \$26,000 per month, plus all the money the Malts had put out for legal and design fees.

The REBNY session participants were guarded in their language when we spoke to them on Monday. Birnbaum — co-founder of EMM Group (Catch, The General, La Cenita) — said his company, which employs 1,200 people in New York, up from 400 in 2006, has spent "hundreds of thousands of dollars" on expeditors and consultants to help his restaurants and clubs avoid problems with city agencies.

His places have operated largely trouble-free.

But he worries about companies new in town not knowing the ropes: "I fear that nobody [starting out now] will get to this point [where EMM Group is], whether because of high rents or community boards that make it almost impossible to open with a liquor license."

The DOH "can letter-grade you to death" if an owner isn't equipped to deal with it. But Birnbaum emphasized that rising rents were easily the biggest challenge.

"Eight years ago, it was almost free to be in the Meatpacking District," Birnbaum said — but EMM could

only afford to open mammoth Catch in 2012 by putting it on the second, third and fourth floors.

Ark Restaurants (Bryant Park Grill, Canyon Road) CEO Weinstein noted that he has fewer restaurants in the city than he did 10 years ago, but many more than in Las Vegas and elsewhere. He called city regulations "an annoyance, but not enough to sway me on a business deal. That would take larger, market forces" such as rising rent.

He also criticized minimum-wage hikes and the new city requirement for six days of paid sick leave for an employee "whether a person is sick or not."

DeLucie, the celebrity chef of Crown Group Hospitality, in which he's a partner, said landmarks and DOB issues "can be frustrating, but you have a plan, you follow the rules and move along. There's a time frame and a budget, and you have to know going in what you're facing."

All three of DeLucie's restaurants — The Lion, Crown and Bill's Food & Drink — are in "very old buildings." But he has no hard feelings against the LPC, which a few years ago made him remove plastic ivy from the facade of The Lion and replace it with real ivy.

He welcomed DOH rule changes — announced last week — by which the agency yielded to complaints by thousands of restaurateurs by reducing fines and simplifying "violations" rules to make them more understandable and less subject to interpretation.

DeLucie said the changes might do away with "conflicting" rules that confused owners and inspectors alike.

But Peter Braus, chairman of REBNY's retail committee and managing principal of retail brokerage Lee & Associates, said, "At the end of the day, these policies are preventing a lot of people from coming to New York — people who have multiple locations around the world."

Among them: British superstar chef Jamie Oliver, who has dozens of eateries in London. "We've reached out to him to come to New York, but he's afraid," Braus said.

"There are other cities where you don't have to go through 20 levels of bureaucracy to open a restaurant," Braus added.

Still, Birnbaum said that despite its challenges and "a few gray hairs, New York is the greatest city in which to be in business. It isn't seasonal. It's constantly growing and not recession-proof, but recession-resistant, especially if you're good at what you do."

(Excerpt)

MARCH 25, 2014 - **LEE & ASSOCIATES NYC IN THE NEWS** - By John Jordan | New York

## Lee & Associates Appoints Director of Retail



Says Lee & Associates president Wacht, "Jaime's understanding of Brooklyn will be a great addition."

NEW YORK CITY—In an apparent effort to boost its Brooklyn presence, **Lee & Associates Commercial Real Estate Services** has hired Brooklyn expert **Jaime Schultz**—formerly of GFI Capital and Douglas Elliman—as a director of retail.

Schultz, a resident of Williamsburg, previously served as a senior retail leasing associate at GFI Capital and as a sales associate at Douglas Elliman. She has negotiated a variety of transactions throughout downtown Brooklyn and the Fort Green area, including deals with Smashburger, Sunny Bagel, private hair studio Salon 718, DNA Footwear and the Beth Israel Medical Center. In

addition, she was responsible for leasing 20,000 square feet of retail at the Finger building at 144 North 8th St.

"Jaime's keen understanding of the Brooklyn landscape will be a great addition to the firm," says Lee & Associates president **James Wacht**. "Not only is she a long-time Williamsburg resident, she's quite talented when it comes to creating the right retail mix for her diverse client portfolio."

The New York office of Lee & Associates, and its affiliated company **Sierra Real Estate LLC**, provide corporate advisory and commercial real estate services, including office and retail brokerage, sales and investments, and project and property management. Together, the firms have more than 85 real estate professionals at its 600 Madison Ave. headquarters office.

## Temporarily Forever

None of this is to suggest that pop-up or temporary retail will supplant traditional approaches to leasing. Even in urban areas known for astronomical rents, the pop-up retail phenomenon is ancillary to the business of making longer-term deals, says broker Peter Braus, managing principal of Lee & Associates NYC. “Most brokers will tell you this is basically a service they provide for their tenants, and even with a brand like Nike, it is a use of last resort,” he said. “From a landlord’s standpoint, this is found money. But I can’t think of any landlord that considers pop-up retail to be part of its overall strategic plan for a property.”

(EXCERPT)

# THE COMMERCIAL OBSERVER

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APRIL 17, 2014 – LEE & ASSOCIATES NYC IN THE NEWS – By Lauren Elkies Schram

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## Fresh & Co. Nesting Where Chirping Chicken Flew the Coop on UES



**Fresh & Co.** has taken a space on the Upper East Side that **Chirping Chicken** vacated not too long ago.

The healthy quick-serve offerings chain signed a 15-year lease for 1,200 square feet at **1260 Lexington Avenue** at 85th Street, marking the eatery's 10th location in Manhattan. Fresh & Co. is commencing work on the space in 30 days, according to **Lee & Associates NYC's Brad Schwarz**, who represented the tenant and landlords **Jason and Ryan Sorkin** of White Plains-based **Sierra Assets Group**, in the deal.

The asking rent was \$500 per foot, Mr. Schwarz said of the March 21 transaction.

"Clearly Fresh & Co. is a leader in health-oriented quick-service restaurants that source local farms," Mr. Schwarz said in a prepared statement. "And because this is an area known for its affluent residential base and concentration of top-rated schools, it's an ideal neighborhood for an organization committed to great food and sustainable practices."

At the end of last year following the expiration of its lease, Chirping Chicken moved out. It opened at **1560 Second Avenue** at 81st Street about two months ago. Mr. Schwarz represented the landlord in this deal.



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APRIL 22-MAY 5, 2014 – LEE & ASSOCIATES NYC IN THE NEWS

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## **Bulow of Lee NYC arranges 2,800 s/f retail lease to DeeDaa; Birnbaum and Cohen of NGKF represent tenant**



**Manhattan, NY** The New York office of Lee & Associates NYC LLC (Lee NYC), a privately-held national commercial real estate firm, has arranged a new location for DeeDaa at 668 Sixth Ave., between 20th and 21st Sts. Lee NYC managing director Harris Bulow exclusively represented the landlord for the 2,800 s/f multi-level space, which was formerly occupied by BBQe's Smoke Shack. The new store will be DeeDaa's third area location.



"This retail market has become very tight, so we had a choice of tenants," said Bulow. "But DeeDaa is a terrific addition to the neighborhood, full of healthy and delicious fast-dining options, like Pret A Manger, Hale & Hearty and Tres Carnes."

The tenant was represented by Ben Birnbaum, managing director, and Michael Cohen, associate, Newmark Grubb Knight Frank.

In addition to the ground level space at the building, Bulow is representing a 1,000 s/f office space on the fourth floor.

He said, "Now that the ground floor has been leased to a great tenant, we are fairly certain our last space in the building will lease up quickly, too."

# THE COMMERCIAL OBSERVER

MAY 7, 2014 – LEE & ASSOCIATES NYC IN THE NEWS – By Al Barbarino – In Print on page 28

## Lee & Associates' Harlem Shakers

*Henry Goldfarb and Stanley Lindenfeld are ushering in a new renaissance uptown, but aim to keep the neighborhood's identity intact.*

A few weeks ago, Stanley Lindenfeld got a call from a woman looking to open a salon in Harlem using the bulk of her life savings.

The story was all too familiar. She was looking for a small space—300 square foot in this case—on a tight budget, with aspirations for a more lucrative future. But she wasn't fully aware of the bumps along the road that could potentially break her.



"It's a hand-holding process," Mr. Lindenfeld said. "This is her first foray into business and over the course of several conversations I've explained the process and the pitfalls."

It's not the type of deal that's going to bring Mr. Lindenfeld and fellow Lee & Associates broker Henry Goldfarb big money. But it is the kind of deal that earned the born and bred New Yorkers the trust of a Harlem neighborhood that was initially not so keen on their presence and led to dozens of transactions throughout the neighborhood.

"We've made a lot of great friends up there," Mr. Goldfarb said. "We need every single tenant, whether it's a \$35-a-foot tenant or a \$500 tenant."

The two forged their real estate partnership about 15 years ago when they were brokers at Bernstein Real Estate, later teaming up at Grubb & Ellis before joining Lee & Associates in 2011, where they continue to represent both landlords and tenants.

Their deals range in scope from the mom and pop Harlem deals to prime spaces across Manhattan—including the leasing out and repositioning of 32,000 square feet of retail at the Crowne Plaza Hotel in Times Square while still at Grubb & Ellis.

Their entry into the Harlem market began seven years ago as exclusive agents for AIMCO, a real estate investment trust that had begun scooping up properties in that market at the time. Many of AIMCO's newly acquired buildings were housing "illegal" tenants—meaning that they had taken leases over from friends or relatives—and Messrs. Lindenfeld and Goldfarb were assigned the task of helping the landlord cut new leases with the tenants.

"Can you imagine? Two funky white guys going up to a tough area and going into these stores and introducing ourselves," Mr. Goldfarb said. "It took a lot of effort, but after about three or four months we started to earn trust."

Working on the premise that no deal is too big or too small, the brokers said they dedicate the same time and effort to first-time business owners as they would to top-paying clients (even if they are making little to no money on the smaller deals). And they always shoot straight.

"You'll go out of business and you're going to lose your security deposit," Mr. Goldfarb recently told a prospective first-time business owner who simply didn't have enough money. "This is hard money and savings and you don't want to take that money away from them."

It's easy to relate, they said. Mr. Goldfarb grew up on Rivington Street on the Lower East Side back when people sat on their stoops for entertainment, when you knew everyone in the neighborhood by name, and before the cramped, railroad-style tenements stretching from South to 15th Streets were razed and turned into projects.

"I watched neighborhoods being destroyed and people being displaced so I was simpatico with people in Harlem who felt developers were there to destroy their neighborhood," he said.

On the other hand, Mr. Lindenfeld is the son of two concentration camp survivors who fled Europe and eventually settled in central Brooklyn and later in Queens, which he said "obviously shaped my thinking about people and life."

"In many ways we come from similar backgrounds, with no silver spoons in our mouths," he said, as the brokers began to complete one another's sentences, as they often seem to do.

"We laugh all the time. We have a very peculiar sense of humor," Mr. Goldfarb said. "We trust each other implicitly."

"We've never ever had an argument about commission splits," Mr. Lindenfeld said.

"Not once," the other chimed in.

Among the brokers' pinnacle achievements was their work at the Crowne Plaza Hotel in Times Square, where they leased and repositioned 32,000 square feet. They first suggested that ownership shorten the Broadway entrance and create a 1,000-square-foot retail space. They leased it out, renegotiated the Hershey's lease, combined two

spaces to create the Phantom of Broadway souvenir shop and also put a New York Sports Club into the building.

Today they exclusively handle AIMCO's Manhattan properties and the Friedman family's retail and development portfolio, including 111 Nassau Street, 185 Columbus Avenue, 345 West 42nd Street and 120 West 23rd Street.

They recently represented landlord 52/54 CSQ Realty in Muji's 8,000-square-foot lease at 52 Cooper Square in the East Village, and they represented landlord Ann/Nassau Realty and tenant Da Claudio Ristorante and Salumeria in a 3,800-square-foot deal at 111 Nassau Street.

In Harlem, the brokers have cut leases for about 30 stores that stretch across 15 buildings, including the mom and pops Keur Sohkna Restaurant, Just Lorraine's Place and El Caribe.

The 125th Street thoroughfare thrives today thanks in part to the roots the brokers helped plant there years ago. Most recently, they brought baby clothing shop Carter's to 215 West 125th Street, and they are marketing one remaining space there, another at 55 West 125th Street, and a 4,826-square-foot space at Strivers Gardens at 300 West 125th.

Activity is also moving east along 125<sup>th</sup> Street as retail tries to keep pace with gentrification and a surge in local residential development, with Waterbridge Capital, Artimus Construction and Archstone among those planning considerable mixed-use developments on the eastern side of the street.

"East 125th Street is the most talked about area in terms of the development that's coming in," Mr. Lindenfeld said.

The two brokers are adamant that they will continue to fill existing retail gaps both along 125th Street and throughout Harlem by working with the people who helped pave the way to more lucrative deals while maintaining their honesty and integrity and giving good advice.

Admittedly, in some cases it's hard say no to a deal. For instance, Mr. Goldfarb predicts the ultimate demise of the retail juice trend. "That's a trend that's going to die," he said. "But I can't say to someone with three stores and financial backing: 'I don't know if this is going to work.'"

He also acknowledged that some business ideas are destined for success, whether or not they might seem just a little bit crazy at first. He recalled a chance encounter with Colonel Sanders (of KFC fame) early on in his career, when the fast food giant first began establishing franchises throughout the city.

"I said, 'nobody is going to buy fried chicken in New York City!'"

# THE REAL DEAL

MAY 8, 2014 – LEE & ASSOCIATES NYC IN THE NEWS – BY JULIE STRICKLAND

## Jacob Toll's Lebowski leasing ground-floor retail space

*Dividable Williamsburg spread asking between \$125 and \$150 per square foot*



A divisible 18,000-square-foot retail spread at the base of the under-construction Lebowski, an 83-unit luxury rental on North 4th Street in Williamsburg, is now up for grabs.

The new construction has approximately 3,200 square feet on the corner of Berry Street, 2,800 square feet on the corner of Wythe Avenue and 12,000 square feet in the middle, Garry Steinberg

and Jaime Schultz of Lee & Associates, who is exclusively marketing the spread, told *The Real Deal*. Asking rents range between \$125 and \$150 per square foot, and tenants can expect to start moving in by late fall.

“We’re open-minded about the breakdown,” Steinberg said of how the parcels will ultimately be divvied up. “We actually have offers on the division of the space on Wythe, and we’re working on getting offers for the whole space. It depends on the tenant and how much space they want, and we care about who they are because we want to create a great block.”

McNally Jackson Books is the first tenant to ink a lease there, signing on for a 3,600-square-foot store earlier this year. Several restaurants have also reportedly expressed interest, though Steinberg declined to disclose names until negotiations are finalized.

The spread is located across the street from the planned Williamsburg Whole Foods, and is also near the future site of WeWork and a New York Sports Club. Space is also leased to Umami Burger and Sweetgreen, and J.Crew just took 6,000 square feet at 234-235 Wythe Avenue.

Jacob Toll, son of real estate mogul Robert Toll, picked up the 76 North 4th Street site in 2010 in conjunction with Cayuga Capital Management. The partnership paid about \$17 million for it, previously owned by developer Fifth Square partners, who paid \$27 million in 2007 and planned to build 83 condominium units. The project stalled in pre-sell during the downturn, and Toll switched gears and turned the development into a rental. The apartments are to hit the market by June, as *The Real Deal* previously reported.