



## THE COMMERCIAL OBSERVER

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### New York's Neighborhoods Owe Retail A Lot

So many of city's changes for the better have been tied to restaurants, shops

Over the past year I've noticed a remarkable increase in the number of mothers pushing baby carriages along Third Avenue in Murray Hill. (On Bedford Avenue in Williamsburg, I see more fathers.) Anyway, in the mid-1970s, the only things getting pushed in Murray Hill were drugs and hookers. Ten years ago, there were actually meatpackers in the meatpacking district. I won't even mention Harlem or Times Square. I can go on and on. Neighborhoods throughout the entire city have been reconditioned, at least in part, by the vast amount of residential and commercial development, both large and small, that has taken place over the past decade. From my perspective, I believe that the retail, entertainment and restaurant sectors were prime catalysts for much of this growth and change.

This is a story we've seen before. In the late 1970s, we all took taxis—the blind leading the blind, if you will—to the cool, out-of-the-way restaurants of Soho to experience a lifestyle that none of us had ever really been exposed to before. Not too long after, trendy boutiques started

to pop up next to those restaurants. The steady rise in press and notoriety increased pedestrian traffic, which in turn led to the rebirth of a neighborhood, a phenomenon that's not exclusive to Soho. Choose your neighborhood: Hell's Kitchen, Bushwick, the Lower East Side, Dumbo in Brooklyn. Restaurants come first; boutiques come second; and commercial and residential conversion and development come third. It's rarely the other way around.

The buzzword used to define this metamorphosis is "gentrification," a term associated with neighborhood disintegration. I have always disliked the reference. I prefer the word "regeneration," because that's what really happens. The beauty of the city lies in part with its incredible public-transportation infrastructure. Whole neighborhoods were established and transformed at the turn of the century, as New York-

ers were able to transverse the city, beginning with a bus or subway ride a block or two from where they lived or worked. This vast infrastructure continues to this day to make our existing neighborhoods grow, modernize and change for the better.



**Benjamin Fox**  
Guest Columnist

Retail, of course, has and will always continue to play a vital role in this ongoing process of regeneration. Block after block, street-level commerce and retail has livened up the streets of many neighborhoods and produced new and vital pedestrian traffic patterns. Retail is the lifeblood of all of these neighborhoods. No retail, no people. No people,

no street life. No street life, no city.

Another example is the far West Side of Manhattan. Tenth and 11th avenues are witnessing an unprecedented amount of residential development, as is the stretch along West Street. Once again, retail, restaur-

ants and entertainment are playing a crucial role in making those entire neighborhoods viable and popular. Want to go bowling? Go to the corner of 42nd Street and 12th Avenue. Such venues create street activity where none existed before, and as

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we all know, the quality and diversity of New York's street life is really the name of the game.

Recently, I read a story about a bar owner in Queens who is being forced to close after 40 years because the landlord wants to double the rent. While indeed sad to see—and I'm not being dismissive or insensitive—this sort of thing has been going on since Peter Stuyvesant walked around the city looking

for a better-tasting slice of pizza. There is always a new generation of better-educated and better-financed entrepreneurs vying for choice retail spots. As long as there are tenants willing and able to afford market rent, you've got a classic supply-and-demand situation that's no different today than it was in the 1600s. Peter Minuit had the foresight to pay \$24 for the island of Manhattan, which four centuries later has turned into \$24 per square foot in some areas, and then \$240 per square foot and so on.

When you consider the sheer amount of retail space in New York City, the overall vacancy rate is pretty low. Retail in New York has fared much better than in other major U.S. cities. Eight million of us walk the famed streets of New York, and we do so because of its stores and restaurants, which in turn make these streets exciting and vibrant year after year, century after century.

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