



## **Holley Drakeford - Harlem's retail renaissance is blooming with an increase in sales and new developments**

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When the real estate market was booming in New York, the modern-day Harlem renaissance seemed inevitable. The construction of a massive office tower and retail spaces on 125th St. brought great promise. New modern luxury residential condominiums seemed to rise up on each corner in Harlem.

Over the last three years the Vornado project and several other hotel, office and mixed-use projects along the historic 125th St. corridor have been put on hold.

Last year, Harlem's residential boom softened with slower sales and some residential condominiums going rental, but today there are solid signs the tide is turning and Harlem is coming back. Harlem is still part of Manhattan and will be developed. Those of us who operate real estate businesses in Harlem are starting to see some good signs of movement.

This year, many Harlem condominiums report an increase in sales, especially those in the SOHA neighborhood, along the bustling Frederick Douglass Blvd. from 111th St., north to 125th where many new condominiums, restaurants and retail establishments are flourishing. A branch of the hip boutique W Hotel, Aloft, opened last year. This more affordable cousin of the famous hotel chain is located on Frederick Douglas Boulevard/8th Ave. at the corner of West 124th St.

Hall of Fame football star Emmitt Smith and a group of investors proposed building an \$80 million 200-room luxury hotel and retail project in Harlem to be built on what is now an empty lot on the corner of 125th and Lenox Ave. The City awarded \$19.8 million in federal tax exempt financing to help pay for this project, but late last year Smith said he has secured funding from other sources and expects to begin construction soon.

Also there are many new developments that are destined to turn 125th St. into a tourist area. The additional entertainment attractions will entice tourists on the tour buses which are already routed through 125th St. They include:

- \* A proposed American Jazz Museum across the street from the Apollo Theater
- \* An African Marketplace currently being constructed on the land surrounding the State Office Building
- \* The famed Apollo Theater plans to develop the vacant lot adjoining the theater into a retail spaces with a restaurant

At Giscombe Realty, we get calls every day from downtown brokers bargain hunting commercial/retail properties for their clients who are looking to purchase properties on 125th St. and the rest of Harlem in this down market. For those who can acquire financing, there are many excellent Harlem commercial properties for sale or lease. Retail rates on 125th St. are now between \$90 and \$120 a s/f.

The opening of the Costco at East River Plaza added great value to the neighborhood. A pickup in

tourist activity on 125th is spurring retailers along Harlem's famed main corridor and has boosted retailer's bottom lines. Large chains including Target, Marshalls, Old Navy and H&M and others are holding tight.

Last year Giscombe Realty completed a 2,400 s/f. Wendy's lease at 79 East 125th St. between Park and Madison Ave. where the asking rent was about \$90 a s/f. Last year, Applebee's opened on 125th Street and was followed by Just Salads.

Some smaller retail shops on 125th have relocated to side streets and newer retail stretches further uptown and other retail corridors have already benefited from these businesses relocating. The areas around 135th and 145th Sts. have added services such as banks and pharmacies, and smaller boutiques have filled in the side streets.

125th St. will always remain an exciting place to do business. Last year, the City passed the 125th Street rezoning plan which paves the way for mixed-use development that is expected to produce more than one million s/f of office space and more than 7,000 jobs. The plan has also mandated that buildings over a certain size include arts and entertainment uses for residents of the Harlem community and the entire city to enjoy.

Giscombe Realty which owns the Lee Building, located at the corner of 125th and Park Ave., has also seen an increase in demand for office space. At the historic building there are only two floors still vacant out of 12 stories. New and prospective tenants looking to leave neighborhoods like SOHO and Midtown are moving their offices and employees to Harlem where rent is now around \$36 a s/f.

The Lee Building, which just completed a \$4 million renovation with its modern lobby, and upgrades that include flat screen televisions in the elevators, is attracting new tenants that include Stadium Red, a high end music recording studio which was nominated for more than 15 Grammy Awards, and won four, and Greenstein Milbauer Law Firm, which relocated from Midtown. Harlem is hot!

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