



Amira Yunis - The market for space in Manhattan's SoHo neighborhood is stronger than ever

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It's as if the downturn never happened. The market for space in SoHo, New York's iconic shopping neighborhood, is stronger than ever. As evidence, new luxury retailers have planted their flags in SoHo, 'SoHo South' is attracting fresh tenants and the chances of finding a space on Broadway in SoHo for the 2011 holiday season are slim. The herd mentality of retailers has hit this area in full force over the past few months and interest in prime SoHo spaces is unprecedented.

Gucci and LVMH have both signed leases for their brands on Mercer St. between Prince and Houston Sts., with Balenciaga and YSL taking space at 148 and 149 Mercer St., respectively. Other recent additions to SoHo, also known as downtown's Madison Ave., include Journelle, Mackage, Helmut Lang, Alexander Wang, James Perse and Zadig & Voltaire, to name a few. Many of the blocks adjacent to Broadway in SoHo are ideal for luxury because they are distanced enough from Broadway's mass-market brands, but only steps away from one of the city's busiest thoroughfares. Furthermore, Spring and Prince Sts., formerly the go-to destination for luxury fashion in SoHo, are seeing rents that are double to triple those on Mercer, Greene and other north-south running streets in SoHo.

Another recently burgeoning area is SoHo below Broome St. Ever since Nordstrom announced its intentions on West Broadway in late 2010 and Alexander Wang took the corner of Broome and Mercer Sts., other retailers consider it a viable area as well. Over the last few years, the highest density of availabilities in SoHo was between Broome and Canal Sts. This area, likely due to its relative affordability, has drawn a variety of retailers for their first New York City stores. Broadway took the lead with new stores from big brands like Topshop, Aldo, Lululemon and Madewell. New stores on or south of Broome St. in the rest of SoHo include: 3x1 Denim, an incredible store/workshop/factory for denim lovers; Isabel Marant and Jerome Dreyfuss in a large corner space with massive frontage; designer Henrik Vibskov in a small boutique; and furniture store Baltus in approximately 10,000 s/f.

Saving the busiest for last, Broadway from Broome to Houston Sts. is teeming with tourists and New Yorkers, and this crowd is here to shop! This mobbed stretch of retail does not have a vacant store, and most of the availabilities are slated for 2012 possession. The few spaces that offer immediate availabilities have month-to-month tenants in place-demand for space here is simply too great for any availability to sit vacant for longer than it takes an owner to perform renovation work.

Broadway's retail success isn't just post-recession news. Broadway in SoHo has been an obviously viable area with major national retailers such as Aldo, H&M and Victoria's Secret operating multiple stores-practically within sight of each other-in the same market. This success has led exciting new retailers like Who A.U., Gap 1969, American Eagle, Converse and Aritzia to open stunning flagships.

After a few post-downturn deals were signed, retailers did not want to be left without a space while their competitors took prominent locations. There was also a lingering feeling that rents were at a low, which quickly evaporated once retailers discovered that demand outpaced supply as they were bidding against one another for the same spaces.

Simply put, SoHo is one of New York City's most viable options for retailers. The ambiance and traffic signifying national and international tenants are crowding the streets. SoHo has a built-in cool factor that we never tire of, with its fabulous restaurants, galleries, amazing retail concept stores and beautiful architecture. Every successful brand wants in on this iconic market. So let it be known-the rush is on for SoHo retail!

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