



REBNY holds Commercial Crossfire Seminar on March 18th

April 21, 2014 - New York City

The Real Estate Board of New York's (REBNY) Commercial Crossfire Seminar on March 18th revealed that the city's restaurant market is tougher than ever, but the city remains the place to be for restaurateurs looking to establish credibility.

The panel, entitled, "The Art of Making a Restaurant Deal in N.Y.C.," identified the latest trends in restaurant real estate and what it takes to stand out and succeed in the industry. Joanne Podell, vice chairman for Cushman & Wakefield, and Jeffrey Roseman, executive VP for Newmark Grubb Knight Frank Retail, moderated the discussion. Panelists included: Mark Birnbaum of Catch, La Cenita, and Lexington Brass; John DeLucie of The Lion, Crown, and Bill's Food & Drink; Stephen Starr of Buddakan, Morimoto, and Caffè Storico; Michael Weinstein of Bryant Park Grill, Clyde Frazier's, and El Rio Grande; and Ed Hogan, national director of leasing for Brookfield Office Properties.

Starr made a big splash when he first came to New York City by opening up both Buddakan and Morimoto at the same time, although his projects that followed haven't been as ambitious. "It's a more daunting task to open up new places now because of the extremely high rents," he said. "Young entrepreneurs with brilliant ideas are going to have a hard time in this market and it's a shame - only the strong will survive."

Weinstein is wary about pursuing anything else in the city unless there is an unusual opportunity. "The risk-to-reward ratio doesn't measure up anymore, and it's hard to have confidence in taking on the escalating rents for new projects," he said. "But once in a while restaurateurs come up with an idea that rings so true in the market. The key is securing a large response right from the start instead of having to build up your customer base slowly."

The panelists spoke of promise for those who can capture the public's attention, which requires the right combination of a restaurant's concept, design, and the restaurateur's ability to understand the pulse of the city. "The restaurant business now is so fast, and the younger generation has no interest in sitting in one restaurant for 20 years. New concepts and the ability to attract a high level of interest are necessary, and you can choose to either expand on one concept that can be replicated worldwide or do something creative, passionate and original," said Birnbaum.

Another major component in a restaurant's success is value. "Value is key when putting together new restaurant and menu concepts. Customers have to feel that the quality of the food, service and the overall experience is worthy of how much they are paying," said DeLucie.

As the discussion continued, the panelists identified New York City as the only place where some dining concepts can actually come to fruition. "People aspire to replicate projects like Hudson Eats and Gotham West Market, but they don't have the same pool of culinary talent and can't achieve the same volume of fast-casual dining anywhere outside of New York City," said Hogan.

The panel concluded with questions from the packed audience and identified industry trends such

as healthier dining, multi-level dining, and the migration of restaurants to Downtown Manhattan, specifically the Financial District due to high rents in other areas of Manhattan, most notably around the Bowery.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540