



Consolo of Douglas Elliman: Expects serious deal-making

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What are your expectations for the ICSC NY conference this year?

The new, larger venue at the Javits Center will allow more exhibitors, more interaction and larger more informative displays - with perfect timing, as N.Y.C., the Northeast and the U.S. have never been busier. I expect serious deal-making with some of the most prominent landlords in the business talking to some of the busiest, most exciting retailers in the world. The months after should see major announcements from all of the above.

Are investors finding the types of properties that they want right now? Are tenants happy with the sites available to them?

Tenants are definitely happy, though they may suffer from sticker shock in N.Y.C. We have three major retail centers under construction in Manhattan alone, outlet development in Staten Island, and major growth in the Bronx, Queens and Brooklyn. There are opportunities. But they also come at a cost, particularly in Manhattan. Fortunately, if Manhattan's major streets are pricey, side streets and

the boroughs are ready and waiting. Investors also are seeing high prices - there simply is so much money chasing the buildings that are available.

In the current economic climate, what kinds of deals are out there and who is the typical buyer? Consumer?

Is there a typical buyer today? We're seeing REIT consolidation (AmREIT/Edens), private companies buying smaller malls, and even corporate spinoffs. Retail is a favored sector right now, and everyone wants a piece of the action!

In N.Y.C., the consumer is everyone - residents, daytime office workers and the 54 million-plus tourists from around the world. Our world-famous retail streets have something for everyone, from the most luxurious brand names to fast fashion. And quite often, that's the same shopper, who pairs an H&M tee with an Armani suit!

How does your company use social media? Has social media been a beneficial tool in generating more business?

We have a significant presence corporately - we all use Facebook, Twitter, Pinterest, Instagram, etc., to get the word out. But I'm still a huge believer in getting out on the street and meeting people, but social media does allow us to update our clients on activity.

Which segments of the retail market are delivering the highest returns for investors?

The A+++ malls always return well - they cater to a customer with disposable income. On the other hand, grocery-anchored retail is the most consistent - shoppers are in the centers weekly because it's necessity retail. There are very few if any A+++ malls trading right now - they're all safely in the hands of the REITs or major investors who are running them directly (think South Coast Plaza or NorthPark).

What trends are you seeing in leasing?

Pop-ups remain important, particularly as e-tailers test brick-and-mortar. It's a great way for them to learn the ins and outs of physical locations, and to test neighborhoods and streets for permanent sites.

What challenges can the retail market in New York anticipate in 2015?

Right now, it's finding affordable spaces. When Fifth Avenue is asking \$3,500 per square foot, you know a city is pricey. That isn't stopping entrepreneurship - they're opening in the Lower East Side, Brooklyn, etc. But we have to make sure that the barriers to entry aren't so high that it stifles new opportunities. That's where creativity, brains - and a really good broker - help a lot!

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