



## Urban Umbrella raises \$6.5m venture debt funding round

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New York, NY Urban Umbrella, a scaffolding design alternative, has raised \$6.5 million in venture debt. The round was led by New York-based Anthos Properties, a commercial and residential real estate developer and property management company.

Paul Anagnostopoulos, principal and director of acquisitions for Anthos, will join Urban Umbrella's advisory board. Over a dozen past investors, mainly New York City-based real estate owners and developers also participated in the round. Billy Gilbane of Gilbane Building Co. has joined the advisory board.

With the completion of this funding round, Urban Umbrella has raised a total of \$26 million in debt and equity. As of December 2021, the company's scaffolding was installed at 100 sites throughout the city.

The new capital infusion will allow Urban Umbrella to continue to ramp up fabrication of its flagship product—a white, cross-bracing-free sidewalk shed composed of high-strength steel, translucent plastic panels, LED lighting, and arching struts that combine the strength of a highway bridge and the beauty of a work of art.

“The close of this entirely debt-based funding round is an important milestone for us,” said Benjamin Krall, Urban Umbrella's founder and CEO. “It speaks to the maturation of our brand and evolution as a company. Not only do we provide a unique, in-demand product, but we can be trusted to continue on our rapid growth trajectory and achieve the level of profitability needed to satisfy the terms of this type of financing.”

Demand for Urban Umbrella's products as an alternative to unsightly traditional scaffolding shows no signs of abating. Collectively, the city's building owners spend \$500 million dollars per year to install or maintain scaffolding, making New York the world's largest market for scaffolding products. At any given time, 10,000 sidewalk sheds are installed across the city to protect pedestrians from masonry and other debris that may fall from buildings in need of repair.

Urban Umbrella achieved profitability in October 2021.

Urban Umbrella's clients are some of the city's largest developers, building owners, and general contractors, including Savanna Fund, Sciame Construction, Gilbane Building Company, The Feil Organization, GFP Real Estate, Lendlease Group, Saks Fifth Avenue, RXR, The Palace Hotel, The

Peninsula Hotel, The Plaza Hotel, RFR, and Hines.

The pandemic has shifted the balance of power, prompting landlords to roll out the red carpet for surviving retail and restaurant tenants. Urban Umbrella is between three and five times more expensive than traditional scaffolding, but the company continues to gain traction, despite its higher price.

Urban Umbrella also plans to use the new funds to make key hires in early 2022, to continue to expand the company's product lines, and to grow its geographic footprint in markets like Boston, Connecticut, and Chicago.

The company is the only one in the scaffolding industry that offers free maintenance, seven days a week, 24 hours per day.

Illustrating property owners' preference for Urban Umbrella over traditional scaffolding, a significant driver of demand for the company's products in 2021 were "swap-outs," which is when Urban Umbrella is hired to install its scaffolding to replace legacy, traditional scaffolding.

Examples include:

**The Palace Hotel:** Ownership contracted Urban Umbrella to replace the traditional scaffolding that surrounded this historic structure on Madison Avenue, and to add to the existing job by installing Urban Umbrella scaffolding in the hotel's main courtyard. Preserving the aesthetic appeal of the courtyard was important to the hotel's owners as it is a popular venue for weddings, movie and photo shoots, and as an amenity for hotel guests.

**Saks Fifth Avenue:** Ownership contracted Urban Umbrella to swap-out the traditional scaffolding installed at the department store's iconic Fifth Avenue entrance. The location is known for its extravagant façade holiday light show and the building's owners did not want to risk having traditional green scaffolding detract from enjoyment of this beloved annual attraction.

Urban Umbrella will use a portion of its new capital to expand its new modular structure division, Canopies. Urban Umbrella's sidewalk shed can and has been used as an event or retail canopy, which each combine various elements of the company's aforementioned kit of parts. Current and past clients, including Uber, Chanel, Apple, The RealReal, Bank of America, Northwell Health, IMG, New York Fashion Week, and multiple restaurants and schools, have leveraged non-traditional uses for Urban Umbrella product.

The Canopies product allows clients to add heaters, fans, speakers, pedestrian tracking/count, hand sanitizer dispensers, custom signage, branding, color, and lighting, and stairs/decking for pedestrian socializing.

Examples include:

In September 2021, Spring Studios hired Urban Umbrella to install its event canopy to provide shelter, shade, and branding for their client, international modeling agency IMG, during a nine-day New York Fashion Week's event. Another notable client for Urban Umbrella event canopy is Bank of America's Bryant Park Winter Village Skating Rink.

Chanel and Apple have used both Urban Umbrella's retail canopy to great effect. The retail canopy has become a tool for stores to not only control occupancy for COVID-related reasons, but also for anti-theft and customer service purposes. With staffing continuing to be an issue, retailers are limiting store occupancy for that reason also. The retail canopy product, a line management tool, allows customers to queue outside in comfort until it is their turn to enter, while protecting them from the elements.

"We've been wowed by Urban Umbrella's product over the years," said Anagnostopoulos of Anthos. "Now as investors and members of the company's advisory board, we can't wait to see the company build on its success as it makes continued inroads in the New York City market, and creates new beachheads in other North American cities."

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