



**One quality a broker must have to stay successful - creativity
- James Famularo**

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As we near year end and take a look at how the leasing market shifted throughout 2024, it's important to note yet another trend that has come to an end – the smoke shop trend. Brokers have always worked on assignments for convenience stores, gift shops, grab 'n go shops alike, but it wasn't until 2020 when those tenant uses were dropping off and smoke shops were on the rise. These business owners had high budgets, minimum requirements, and money to spend. Landlords were accepting of this use as we were facilitating tons of deals for them, leasing spaces quickly and efficiently – until people began to question the legitimacy of this use. The smoke shop tenants were running illegal businesses, and their rapid growth gained the attention of the city. The trend had a quick downfall and out of 1,400 smoke shops throughout the city, 60% of them were getting shut down.

The fall of smoke shops put our landlords in a tough situation where so many of their tenants were handing keys back and getting evicted from their spaces, ultimately giving us a glut of inventory to deal with. As brokers were now tasked with re-marketing the spaces we previously leased to smoke shop tenants, it was our responsibility to figure out a way to repurpose them as fast as possible. There is one very important quality a broker must have to stay successful in this business – creativity. It's in times like this, when it requires a creative mind in order to transact and do business in this city.

Our clients trusted us to secure leases with new and reliable tenants, and we used the influx of listings we put back on the market to our advantage. We widened our search and leased former smoke shops to a variety of different tenant uses; we leased a 450 s/f space at 200 East 116th St. to a pizza shop tenant eager to open in East Harlem, closed a deal in another small space in the heart of West Village to a new cafe called Walkers Espresso, and even turned a 1,000 s/f former E-cigarette store into a Mexican restaurant at 221 East 23rd St.

Now that the illegal smoke shop trend seems to be behind us and most of the shops have closed or are on the way to closing, we are able to broaden our network and make room for newer tenant uses. I believe that the smoke shop downfall happened at a perfect time, as we're seeing quick service restaurants' on the rise. Quick service restaurants that gain overnight fame from social media are rolling out all throughout New York City and Brooklyn, making it easier for us to flip over former smoke shops that went out of business. New York City brokers will continue to see trends come and go, and I believe creativity is the most important key to success in this dynamic market.

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