



COMMERCIAL REAL ESTATE

Strong survivors

Retail market sorts the men from the boys

By LOIS WEISS

RETAILERS remain cautious but also continue to sign deals. Local and foreign tenants are taking the opportunity to get a foot in the city door while some of the national chains have paused to figure out their game plans. Getting financing to build out stores has become an issue for some, while others that are well capitalized are sloughing off those worries.

Kim Mogull, CEO of Mogull Realty, said her tenants, especially the restaurants like the One Restaurant Group which among others has Bagatelle, STK steakhouse and Tenjune, are forging ahead seeking locations because they are self-sufficient when it comes to financing.

"There may be fewer tenants but the ones out there are the stronger tenants,"

Tenants that are moving in are making great deals.
Caitlin Thorne



said Mogull. "Many are very careful and looking for more contributions from the owners as a viable way to overcome the tightening of capital. It keeps the face rents up and that's helpful to the owners."

At the same time, brokers like Faith Hope Consolo say it's a "more reasonable" market. "Everybody is less anxious," said Consolo, the Chairman of the retail division of Prudential Douglas

Elliman. "The owners are being more cooperative, and the tenants know they are in a good negotiating place and everyone knows there are deals to be made."

Similarly, Darrell Rubens, managing director of Winick Realty Group, says he's seeing a change of gears with some tenants being super-aggressive now that the banks aren't competing for the choice corners. "We're starting to see the drug stores heating up again, and phone stores like AT&T and their competitors," Rubens said.

But some tenants are taking a "wait and see" attitude. Benjamin Fox, president of Winick Realty Group, said: "They aren't doing poorly but many think rents are coming down and are going to stand on the sidelines until they do or they don't — and the rents themselves are not going down. One thing that's for certain, all of the hot streets are hot."