

Corner the market

Banks set sights on prime locations

AFTER three years of seemingly non-stop deal making, banks are slowing down their quest for corner branches. Yet while overall appetites have declined in Manhattan, brokers say, some are still expanding aggressively both there and in the boroughs.

"The banks have done a job on capturing almost every and any viable retail corner," noted Victor M. Menkin, president of Menkin Realty Services.

Similar to previous corner drug store wars, in the process, the banks have driven up rents.

"Every landlord on any corner believes he will get a bank and \$200 to \$300 and upwards a foot," said Menkin. "It's an epidemic. Everyone wants to feel he's getting what the market will provide, and they are cannibalizing the world."

Says William S. Macklowe, president of Macklowe Properties, "If it were up to me I'd rent to banks all day long, but that's not the case [as we want a good mix of retailers] so we all take credit risk all day long."

The more leisurely pace is expected to similarly reduce prices on the spaces.

"It's a less aggressive campaign to expand," said David LaPierre, executive vice president of CB Richard Ellis. "The appetite and levels they would go to get a site has dropped."

The Fleet/Bank of America combo is targeting its choices, he says, while HSBC interest has dropped to a trickle. Citibank is deal-making on a handful of sites while Washington Mutual and Wachovia have slowed.

"We look for the right



North Fork recently landed this 42nd Street property. Michael Sofronski

deals, and not looking to spend stupid money," said Jeffrey Roseman executive vice president of Newmark Knight Frank Retail who represents Commerce in Manhattan.

Meanwhile, North Fork, represented by Kim Mogull, Chairman of Mogull Realty, is still aggressively expanding. For instance, the bank, which has had a slightly off-corner branch on the northwest side of 57th Street and Avenue of the Americas, leaped the Avenue to the more prominent eastern corner when Staples moved out, more than doubling its size to 11,000 square feet.

North Fork has also leased the southwest corner of Second Avenue at 220 E. 42nd and is about to sign on another prime West Side availability, she said.

"We are really rolling — locking up the best corners in Manhattan," said Mogull.

Downtown, Sovereign Bank is moving into the new 51-story Rockrose residential building at 2 Gold Street in a lease secured by Winick Realty.

The broker for Sovereign Bank was Howard Tedman of Andover Realty while Darrell Rubens and Angellina De Richie of Winick represented the building.

Lois Weiss