

SHOPPING CENTERS

By David Drakborg, Prudential MLBKaye International Realty

70s and 80s of Madison Avenue have their own idiosyncracies and can be more profitable

Madison Avenue has a reputation for excellence. The image adheres strongest from the IBM building on 57th St. to Ralph Laurent's Polo building on 72nd St. However, little is known about Madison Ave. in the upper echelons of 72nd to 96th St. The 70s and 80s of Madison have their own idiosyncrasies and are generally more profitable considering the lower rent.

Many retailers on Madison consider the 60s to be oversaturated and definitely overpriced. European companies choosing a high profile loca-

tion in New York look at the 60s, unaware of the Madison Ave. attitude. To attain the prestige of Madison, profitability is sacrificed. Asking prices on Madison Ave. have risen to \$400 to \$600 per s/f. Many a retailer in the 60s regards it fortunate today if they're only in the hole for a \$100,000 for the year.

Italian companies are a prime example. They attain national tax incentives to invest abroad. We find Fratelli Rosetti, Martina Rinaldi, Versace and many more in the 60s. However, the more astute and money conscious Italian

retailers and designers opt for the 70s - such as Martine Midali, Intermix and Missoni.

Missoni and Intermix opened large locations on 76th and Madison Ave. just last fall. Issey Miyaki, Vera Wang, Morgenthal Fredrics, Givenchy are others that know why. There has been a huge influx of new stores in the 70s the last 12 months. We have seen an anomaly of rents skyrocket continuously to as much as \$400 per s/f in this area. Old Time and Kaplan's on 75th St. reduced its size in half to capitalize on increased rents. Their spaces were just rented the

last month. The Whitney museum has successfully rented all four stores on 74th St. The 70s is, unbeknownst to most, becoming another Madison Ave. of the 60s.

The Madison tenants (Mads) are remnants of the old money of America - some of the most prestigious names of the century. However, it is critical for a retailer to understand that the nouveau rich in the area have a certain level of sophistication. This sophistication comes with high demands on quality and a high resilience, if not a complete inelasticity, to economic fluctuations.

The Mads will inadvertently boycott a store if they do not like the quality of the product. The African stone art store, previously located in the corner of 80th and Madison, experienced this and sold out last fall, within six months of opening, to the clothing store A. Gold E. The Original Leather store on 83rd and Madison has felt similar pressure. The quality of their goods and presentation just does not cut it on Madison Ave.

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See, the Mads have moved uptown which is much unheeded by retailers. The old Madison of the 50s and 60s won't be found until you first encounter smaller stores in the mid 70s, such as Issey Miyake, Vera Wang, Shen, Old Time and Maison du Chocolate. From there on you start finding that the 70s is alive and rents make business profitable.

Now the 80s is the next area to be discovered. The Mads proliferate the area and so do the hundred of thousands tourists visiting the Metropolitan Museum and the Museum Mile.

In the 80s you will find Lobel's Meat Market and Greenberg's Bakery in the same location on the same block for the last 35 years. Here the rents are more reasonable. The Mads of the old days proliferate the area, privacy is highly coveted and the avoidance of amicable "tourists" and the commercial chaos of Madison in the 60s disappears.

The Mads live all the way to 96th St. sheltered partly from the traffic by the Museum Mile. This is the neighborhood the Mads prefer. The smaller stores such as the Madison Market on the southeast corner of 83rd St. and Madison has the quality they demand. The Madison Market allows you to shop from a limited, but exceptional range of the most colorful and ripest fruits and vegetables daily hand-picked. I dare you to find anything but the ultimate vegetable there.

Franceska, a new store in the corner of 81st and Madison Ave., just opened up last month. The darling owner Karen Young is now running the second Franceska store from Worth Ave. in Palm Beach. Her success on one of the most exciting blocks in the 80s has struck awe in her.

Worth Ave. is seasonal and
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80% of your profit is made within four months of business, while Madison Ave. has business 12 months a year from the Mads and tourists flocking to New York.

Young has added a personal touch to her new store and has an unparalleled focus on service which is much appreciated by the Mads. Her unique French swimwear, clothing and underwear is a line that has been lacking in the 80s and is much appreciated by the Mads. The Mads are price inelastic and when they shop, time and quality is of essence. How come the Prince of Dubai specifically shopped at this location only last week of August? Francesca is discovering this to their delight.

I dare you to venture to the 80s. And if you do, Francesca is a must visit.

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