

Real Estate Journal

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To navigate the tricky real estate currents, bring an experienced pilot onboard

ap Retail



By Andrew
Pittel

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An empty storefront can be a sign of trouble, or it can signal a great opportunity waiting to be seized. It can warn of the deterioration of a neighborhood, or it can indicate impending vibrant renewal.

To use a nautical metaphor, think of it as a lighthouse. Both a landlord looking to fill space and a retailer seeking the right spot to do business must heed the warning of unseen shoals and shifting cross-currents, while also being prepared to follow the channel markers that lead to a secure berth. It helps to have the guidance of somebody who knows the waters — in other words, an experienced pilot.

That's where people like me come in. In forming a new brokerage and strategic advisory services firm specializing in retail, I took advantage of more than a dozen years of immersion in the retail real estate market in New York, across the country and internationally.

While attending the Fashion Institute of Technology I was fortunate

to earn internships with Calvin Klein and Mary McFadden. I developed a comprehension of the role fashion trends play in contemporary commercial life. I rose through the ranks at Donna Karan, then broadened my experience by getting into shopping center leasing. My finishing school was Garrick-Aug Worldwide Associates.

The result of all this varied experience is a deep understanding of the overall market and many sub-markets, from casinos and airports to shopping strips and high-rise blocks. I represent both landlords and retailers, and there's no conflict because the only goal is to make the perfect match: to install the right store in the right location so all can prosper from the deal.

It helps to be able to see the big picture, to understand developments in the economy. The effects of record oil prices and the ongoing war on the marketplace must be assessed. It's useful to know, when making commitments, that the higher cost of gasoline has not deterred Americans from shopping and spending. Indeed, retail sales are up about 5% from a year ago. And New Yorkers, much less dependent on cars to get around than others, should be reasonably insulated against any downturn from that quarter.

There's no guarantee, of course, that some event won't produce an adverse effect on economic conditions in the future. But there seems

to be no reason to assume that now is not a good time to go ahead and sign leases.

From the landlord's perspective, it's not simply a question of disposing of available space to whoever shows up at his door. The goal must be to find the highest and best use. My job as pilot is to advise him on how best to enhance the underlying value of his property, whether it's a residential tower, an office building or a string of taxpayers. What would be the best use of his space? A national or regional chain? A prestigious boutique? Can or should the space be divided? What amenities should he offer? What's the going rent for comparable spaces? How long should the lease run?

For the retailer there are many other questions, based on a detailed assessment of demographics, neighborhood trends, traffic generators, co-tenants, among other factors. What's the best area to be in for that particular business? What's the foot traffic count for a given location? Can potential customers reach you easily? Who are the neighbors? Are there developments planned or underway that will make a location increasingly desirable? How can an affordable rent be locked in for as long as possible?

The experienced real estate guide can help shape long-term planning that will increase the

value of a brand. The goal is to position a property so it is perceived as a quality place to be.

The power of association between a location and the right use for that location — where the whole is bigger than the individual components — should not be underestimated. But making the right match so that both parties succeed over the long term is not a simple business.

It takes an expert who knows the streets and districts of the city, who is aware of economic prospects, who understands the makings of a fashion brand how the "bones" go together to form a complete "body" and the needs of a neighborhood. And that same someone has to have a firm grasp on real estate deal-making fundamentals. It's not just me at Pittel. We're a growing roster of top people who bring their own specialized knowledge to a demanding task.

In a commercial environment that is cutthroat, or maybe the better term is shark-infested, a retail real estate pro is vital in helping merchants and landlords avoid the rocks that leave so many shipwrecked on the shore of good intentions.

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