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Movers and shakers say retail is moving Downtown

By Janel Bladow

Build Hermes and they will come.

That sentiment served as a theme for a symposium to real estate biggies and other Downtown movers and shakers held Wednesday, Feb. 8, at **Claremont Preparatory School on Broad St.** Hermes, a French leather and handbag store, is slated to open at 15 Broad St. later this year and is seen as a sign that more upscale retail may be coming to the Wall St. area.

More than 250 people gathered to discuss transforming Lower Manhattan into a thriving urban district, while sampling "a taste of Downtown" buffet presented by local caterers and restaurants. The goal was to sell the area as a "new" commercial and residential neighborhood.

The general consensus of those attending was that the Financial District is booming and poised to be the next Tribeca.

The panel was moderated by New York Post Real Estate Columnist Lois Weiss. She kicked off the discussion by describing the area as the fastest growing residential community in New York City, suggesting that retail and cultural sectors will pick up too.

The panelists chimed along – Downtown is a great place for families with schools, places and programs for children, and the supporting stores and shops to keep them fed, clothed and entertained. A lack of supermarkets though seemed to upset moderator Weiss who repeated her lament throughout the discussion.

"Some 2,000 new families with children move into the area every year," said Barbara Boisi, President of Parents League of New York. "The need is ongoing for schools. Claremont is the first new one."

Claremont Preparatory School opened its doors in September and plans to grow to include grades K through 12. It is the first private school to open Downtown in 50

years. Currently, there are 11 schools Downtown, in all four types – traditional, progressive, secular and church-sponsored. There is no single sex school.

[The panel was held last week before it was widely known that Mayor Bloomberg did not include two Downtown school projects in his capital budget and the subject did not come up during the discussion Wednesday.]

While panelists agreed Downtown does have a few parks and playgrounds for little children to play in, after school activities and places for teens was quickly glossed over, with Boisi saying that today's New York teenager stays home during the week doing homework.

Cultural venues were also touched on, and it was noted that Downtown has many museums, the South Street Seaport and the River-to-River Festival in the summer. Special mention went to the new 31,000 square foot home of the Museum of American Finance, opening mid-summer at 48 Wall St. under the banner of the Smithsonian Institute.

Panelists concurred that whether renting or buying, Downtown is a good deal.

“The type of renters is changing, said Orin Wilf, president of Skyline Developers. “We’re seeing more families. The area is less expensive than other parts of city, \$40 to \$45 a square foot compared to \$60 to \$65 Uptown.”

Pam Liebman, Chief Executive Officer of Corcoran, Sunshine and Citi Habitats, had a similar thread – great deals are bringing home buyers south. “Downtown buyers have great transportation, the best gyms, and other amenities in their buildings,” she said. “There are good deals; 80 John St. is going for \$900 a square foot versus \$1300 elsewhere. And, Cipriani’s is huge for Downtown” referring to the luxury Cipriani Club Residences at 55 Wall St. “It’s now a neighborhood of choice. When buying into these buildings, you can expect every amenity – parking, driving ranges, terraces, screening rooms.”

The panelists quickly got into a chicken-egg debate when the topic turned to attracting more commercial tenants to existing office buildings and rebuilding the World Trade Center site.

Panelists Barry Gosin, Chief Executive Officer of Newmark Knight Frank and Kent Swig, Co-Chairman of Terra Holdings, took opposite sides.

“It takes a leap of faith,” said Swig. “Build it and they will come.”

Likening the Financial District to Times Square in the '80s after its half-billion dollar renovation, Swig said even though the area had been cleaned up for months, it took “The Lion King” to bring New Yorkers into the district. “Downtown’s ‘Lion King’ will be Hermes. When it opens people will get the wake up call. Reality is so far ahead of perception. It takes awhile for the average person to figure it out,” Swig continued.

But Gosin added that a certain amount of job growth is necessary to revitalize area. “It’s very expensive to build,” he said. “The sooner Downtown develops a cultural mass to be a truly 24/7 environment, Downtown will be better off.”

“Commercial property destroyed or lost in 9/11 needs to be replaced to keep city vibrant,” countered Swig. “The residential market is strong, retail is there. We need to bring in jobs. Downtown buildings are declining, aging. New office buildings are needed to attract quality tenants.”

But Gosin disagreed. He didn’t think more buildings need to be built. “Seven World Trade Center hasn’t been filled. Lower the price. For a price, they will come.”

Swig, however, took issue with that. “We need to fill the World Trade Center property. It’s now a 16-acre hole. Nobody wants to look at it [from their office]. It needs to be filled. Larry Silverstein tried to build. But nobody backed him up.”