

REAL ESTATE WEEKLY

Serving America's #1 Market

November 16, 2011

Gilded rents at new Carlton House retail

BY LINDA O'FLANAGAN

Extell is getting set to start work on a development that will create a new superblock of luxury retail space on Madison Avenue.

With it will come gilt-edged pricing of \$1,500 psf, according to reports. And every square foot is worth it, say some of the city's top retail brokers.

"This is a premier corner across from Barney's," said Prudential Douglas Elliman retail chairman Faith Hope Consolo. "It does not get any better than that on Madison Avenue."

Extell, in a partnership with Angelo, Gordon & Co., is shovel ready for Carlton House, its luxury condominium at 680 Madison Avenue that will have a total of 68 luxury apartments and a private townhouse.

However, it is the 32,000 s/f of retail space at the base of the 17-story building that has been turning most heads.

"Our goal is to create Manhattan's ultimate luxury shopping experience," stated Extell president Gary Barnett, who said that Isaacs and Company has been appointed as exclusive leasing agent for the

Carlton House retail space.

Situated between Barneys to its south and Hermés to its north, Carlton House's retail will feature 363 ft of wrap-around frontage, including the entire Madison Avenue westerly blockfront spanning 61st to 62nd Streets.

Extell, which purchased the former Helmsley Carlton House hotel property with Angelo Gordon & Co. last year, is planning to locate the building's residential entrance on East 61st Street. It will also be gutting the first three floors of the building to create two levels of pristine store space with higher ceiling heights.

As part of the redevelopment plan, the building's existing exterior facade will undergo a masonry restoration; styled awnings of varying colors will allow for tenant differentiation; and all new storefronts will feature enlarged glass display windows and doors.

The property, which is in a historic district, received

unanimous approval for its redevelopment plan from the city's Landmarks Preservation Commission in July.

According to Joel Isaacs, store spaces will be partitioned as needed and two-level units will be available. The stores are expected to be ready for delivery to retailers for tenant improvements by late 2012.

According to the *New York Post*, the first floor will have an asking price of \$1,500 psf. The second floor will be priced at \$350 psf.

The Madison Avenue corridor between 57th and 72nd streets has been attracting interest from big name fashion retailers with asking rents rising by four percent and eight percent, respectively, according to the latest report from the Real Estate Board of New York.

Retailers Tory Burch and Bottega Veneta recently made the move to Madison an area expected to continue to perform well despite tough economic times.

"Tourists continue to visit New York City, and particularly areas such as Fifth Avenue, a world-renowned shopping destination. Even

streets has been attracting interest from big name fashion retailers with asking rents rising by four percent and eight percent, respectively, according to the latest report from the Real Estate Board of New York.

Retailers Tory Burch and Bottega Veneta recently made the move to Madison an area expected to continue to perform well despite tough economic times.

"Tourists continue to visit New York City, and particularly areas such as Fifth Avenue, a world-renowned shopping destination. Even



GARY BARNETT