

Hermès Takes New Approach Downtown

Maker of the Birkin and Kelly handbags is headed downtown.

By **Sharon Edelson** on January 17, 2017



 Hermès

Laid-back luxury is coming to the Meatpacking District.

With the revelation Thursday that it had signed a lease for a three-level, 10,000-square-foot store at 46-48 Gansevoort Street slated to bow in spring 2019, **Hermès** Paris Inc. president and chief executive officer Robert Chavez said he expects the store to attract other upscale retailers to the neighborhood.

“You can almost predict what’s going to happen,” Chavez said, adding, “The names of some really special brands are in the air. The whole neighborhood is a work-in-progress.”

Caudalie, the skin-care brand infused with vine and grape extracts and with spas in Bordeaux, Lisbon, Bilbao, Paris and Toronto, among other cities, has reportedly inked a lease to open a sap in the Meatpacking District.

Hermès’ Gansevoort Street unit will represent a new retail concept with new technology features and a casual vibe that matches the neighborhood’s younger, tech-obsessed residents. “The store will have much more of a downtown feel,” Chavez said. “It’s not as formal a presentation as you’d see uptown at the **Hermès** flagship on Madison Avenue. We have a lot of work to do so it fits the neighborhood.”

A roof-top terrace will provide a setting for events. “When you look up, you can see straight up Ninth Avenue. It’s a beautiful view,” said Chavez, who’s counting on attracting “lots of existing customers. Our hope is to also bring in a lot of first-time customers.”

The Meatpacking District is “a dynamic part of the city that continues to become more vibrant and energetic,” Chavez added. “We’ve been spending time down there. The Meatpacking District has gone through several phases. That’s why initially, we were just watching it for a while.

“Little by little, the area started to take shape in a meaningful way,” Chavez added. “Before it was a fast bar scene and now it’s more of a restaurant scene. The real game-changer was the 2015 opening of **the Whitney** [Museum of American Art at 99 Gansevoort Street]. The Whitney has completely transformed the neighborhood and brought in significantly more people and traffic. We decided we wanted to be at the forefront of this evolution.”

Chavez also pointed to the guesthouse and 80,000-square-foot RH gallery, which will open on Ninth Avenue in the former Patis’ restaurant. Keith McNally has said he’s planning to reopen the restaurant on Gansevoort Street in the former Gansevoort Market at 353 West 14th Street. There’s also stalwart SoHo House, which continues to anchor the area, **Apple** and **Sephora**.

The Meatpacking District has gone through several phases since Jeffrey Kalinsky in 1999 opened Jeffrey New York at far west end of 14th Street, spurring the transformation from a gritty wholesale meat packagers to a destination for designers such as **Alexander McQueen** and Stella McCartney.

Louis Vuitton, Cartier and McQueen, were reported to be eying the Meatpacking District — the latter, who moved to Madison Avenue, for the second time. Those brands never materialized, but the neighborhood captured the imagination of technology-enabled concepts such as Samsung 837’s digital playground and Intersect by Lexus, a lounge-gallery-event-space-restaurant, slated to open mid-year. Google operates a large office in the Meatpacking District, and Alibaba, which leases a portion of 860 Washington Street, recently expanded its offices to 30,000 square feet.

Chavez said Hermès’ Gansevoort Street offering will skew toward categories such as fragrance, scarves, enamel bracelets and silver jewelry that appeal to younger consumers. For example, enamel Click-H bracelets retail for \$600 to \$990; hinged bracelets, \$440 to \$750; women’s silk twill scarves, \$395; men’s silk heavy twill ties, \$180, and men’s contemporary ties, \$305.

“We’ll carry all categories,” Chavez said. “It’s just how way we’ll present them. The assortment will represent woman and men will be re equally.”

Asked if Hermès will be sold at **Neiman Marcus** planned for Hudson Yards, Chavez said, “We sell them only fragrance, tabletop and watches. You don’t see our scarves or ties at **Neiman Marcus**. [Neiman’s] will certainly help the West Side and make the Meatpacking District a very important link between midtown and downtown. The High Line will straddle Hudson Yards and the Meatpacking District. All people who start at Hudson Yards, will end up in the Meatpacking District and vice versa.”

With volatility seen in several markets across the world, the company hopes Manhattan provides some level of certainty. Revenues at Hermes International increased 9.9 percent in the three months ended Sept. 30 to 1.26 billion euros, or \$1.4 billion at average exchange rates for the period. At constant exchange rates, the improvement was 8.8 percent, versus consensus expectations of 7 percent. Hermès maintained a cautious outlook for the full year, forecasting sales growth at 8 percent.

Declining to give a volume projection, Chavez said only that he expects the Meatpacking District store to do “significant volume. New York is our largest market. There’s international visitors going into **the Whitney** Museum. We call the location that magical mix of traffic — tourist, locals and business people.”

Joel Isaacs & Company brokered the deal.