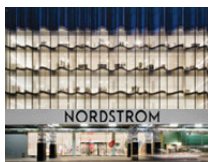


WWD

Fashion. Beauty. Business.



Lower Expectations
Nordstrom had a tough holiday season.
Page 3



Sustainable Shoes
Brands are turning to these new materials to create fresh footwear.
Page 11



Intellectual Charm
Blake Abbie joins the cast of "Bling Empire: New York."
Page 21



Super Surreal

Colm Dillane showed up to codesign the Louis Vuitton fall menswear collection with a 500-page book of ideas – and wound up contributing a camouflage face print coat that had plenty of commercial mileage. The creative director of KidSuper said the opportunity has propelled him into the big leagues. “I’m that guy that I used to look at and be like, ‘How the f-k did he get there?’” he said. *For more, and more on menswear, see pages 4 to 9.*

PHOTOGRAPH BY GIOVANNI GIANNONI

BUSINESS

Retail Renewal Seen On Madison Avenue

● A retail renewal is underway on New York’s Madison Avenue, which, after a pandemic-induced slump that lowered rents, is seeing new luxury stores and restaurants open.

BY DAVID MOIN

Madison Avenue has turned a corner. Though the former Barneys New York flagship site remains vacant and empty storefronts still pockmark the avenue, the optics are changing. The latest report from the Madison Avenue Business Improvement District paints a picture of renewal, listing several newcomers to the avenue in the past year, more on their way, and a swirl of renovations, expansions and relocations by luxury brands and retailers already present.

According to the report, there were 29 shop openings along Madison Avenue between 57th and 86th streets in the

CONTINUED ON PAGE 16

FASHION

Party Fetes Fashion Prize Coming to L.A.

● Founder Tania Fares outlines her vision for Fashion Trust U.S.

BY BOOTH MOORE

Paula Abdul, stylists Elizabeth Stewart, B. Åkerlund and Maryam Malakpour, Gela Nash Taylor and John Taylor, Jonathan Simkhai and more crammed the rooftop bar of The Edition Hotel in West Hollywood Wednesday night to toast a new young designer prize that will bring even more fashion clout to L.A. this spring.

Fashion Trust U.S. is the brainchild of Tania Fares, who has assembled a buzzy board of advisers for the contest, including Kate Hudson and Miranda Kerr, stylists Karla Welch and Law Roach, LB Media founder and former InStyle editor Laura Brown, Harper’s Bazaar editor in chief Samira Nasr, Academy Award winning costume designer Arianne Phillips and designer/TV personality Tan France.

Fares and friends hosted a cocktail party to raise awareness for the Fashion Trust U.S., which is accepting entries until Monday. The group will announce 15 finalists in February, and winners during a star-studded event at Goya Studios on March 21 in L.A., joining the newly announced Green Carpet Fashion Awards

CONTINUED ON PAGE 18

Retail Renewal Seen On Madison Avenue

CONTINUED FROM PAGE 1

second half of 2022, including Hermès, Irene Neuwirth, Zadig & Voltaire and Kirna Zabête, and just this month, Versace opened. Almost as many businesses are under development.

"We're in a period where you are seeing the fruits of reinvestment on Madison Avenue, as the pandemic recedes," Matthew Bauer, president of the Madison Avenue Business Improvement District, said in an interview.

"The first new business to open in 2023 was the stunning new Versace flagship at 747 Madison Avenue, at the corner of East 65th Street. It's part of a roster of 28 businesses, including four restaurants, that are under development on Madison Avenue as of the start of the new year.

"There was this sense of turmoil where folks were questioning where the city, the world and retail were headed, first with the Great Recession, then the churning of the pandemic," added Bauer. "We lost quite a few stores. Leases concluded and people said they were going to hold off on renewing. Some stores closed because of the pandemic. But now we are reaching a point of stability and seeing brands plant their flags. People have a better sense of the new normal. So what you are seeing is a combination of retailers that have already been here investing in new spaces, and retailers coming to the avenue for the first time."

"The recovery is definitely coming. Availability has peaked and rents are beginning to rise," said Gene Spiegelman, vice chairman and principal, Ripco Real Estate.

"It's pretty amazing how the velocity of dealmaking has increased since mid-2022, after a COVID-19 lull set in," said Joel Isaacs, founder of Isaacs and Company, a commercial real estate brokerage specializing in fashion and high profile brands.

"We started to see deal velocity in October 2021 and then continuing over the course of 2022, with a lot of absorption of space," Isaacs said. "Though it still looks from the outside like a lot of vacancy, you are seeing more brands put up signs," Isaacs said, citing among other developments, Richmond taking space at 645 Madison, at

60th Street, previously occupied by Ann Taylor, for its IWC Schaffhausen and Peter Millar brands, which are relocating from the 50s on Madison.

"Prime Madison between 57th and 72nd streets doesn't have a lot of good space left," said Isaacs. "Now we are seeing deals being struck between 65th and 72nd where there has been a good bit of vacancy, and between 72nd and 79th streets you have two very well-known multibrand stores that took space, Kirna Zabête and Elyse Walker." Kirna Zabête is open while Elyse Walker will soon open.

Barneys' closure left an opening for multibrand stores, Isaacs said. He suggested that 625 Madison, between 58th and 59th streets and formerly known as the Revlon Building, could be redeveloped with permanent retailing, as could the former Barneys site.

Underway is the Giorgio Armani flagship at 760 Madison on the Surrey Hotel, which closed during the pandemic but announced a plan to reopen.

On the food and entertainment front, 5 Hertford Street, a private club and restaurant in London, is opening a branch at 828 Madison, the luxury condo tower between East 69th and East 70th streets formerly known as the Westbury Hotel. Also, Serafina is expanding at the corner of 79th Street and Madison, and other restaurant additions are in the works.

"Restaurants is what's been missing the most on Madison," said Bauer. "It's getting better."

"People are feeling comfortable going forward and have a better understanding of what space needs they have and how they want to operate a store," Bauer said.

The return of retail on Madison – essentially a mix of big and small fashion brands, skin care, galleries, and food and beverage – can be attributed to several factors. Landlords cut asking rents roughly in half from six years ago, though in recent months rents have been creeping up again. The Real Estate Board of New York pegged 2016 asking rents along prime Madison real estate as more than \$1,600 a square foot on average. They declined steadily to around \$800 as of last year.

Cushman & Wakefield pegged average



Zadig & Voltaire, among the newcomers along Madison Avenue.



Paige on Madison Avenue.

rents at \$742 as of the third quarter of 2021, but said they increased to \$773 as of the third quarter of 2022.

According to Isaacs, "We are seeing asking rents at around \$1,000 a foot once again. In 2015-2016 we saw deals in the \$1,500 a foot range. Unfortunately, those rents weren't sustainable. After that peak period, we saw a big drop, to \$800 in 2018, and some deals around \$500 per square foot in 2020 and 2021. Now with the absorption of space and less supply, landlords are trying to push it again, asking \$950 and \$1,000 between 57th and 65th streets."

In addition, people are returning to their homes and offices in the city after leaving for the suburbs due to the pandemic; tourism is picking up, except from China; there is acknowledgement through the industry that the stay-at-home lifestyle is shifting back to one where people want to get out, interact and spend more of their

discretionary dollars at physical stores, and less online where the rate of sales gains is slowing. However, spending on experiences, like restaurants and travel, is on the rise, while spending on material goods has been softening recently.

According to data prepared by Placer.ai, the number of visitors to Madison Avenue between 57th and 86th streets increased 6.67 percent year-over-year in December. Store vacancy rates continue to decrease as well, falling 10 percent since the summer. Currently, the vacancy rate within the Madison Avenue BID (including the avenue and adjacent side streets) is approximately 12.8 percent, as of Jan. 4, down from 14.2 percent as of Aug. 23.

A stroll along Madison can be deceiving. While many of the prime retail blocks have one or more storefronts that appear vacant or boarded up, some have signed leases and some are under construction. For example, 667 Madison appears vacant, but according to media reports, it's where Michael Kors is going in.

"There are still some blocks where you see two vacancies, some with zero. It's a mix, some blocks have more vacancies, some blocks fewer," said Bauer. From 72nd to 79th streets, space has been filling up. "On that stretch you see the fewest vacancies," Bauer said, noting it's an eclectic stretch including hotels, smaller storefronts, the Frick museum, restaurants and nearby schools.

"The thing missing most have been restaurants. It's getting better," Bauer noted, noting that Serafina is expanding, Caviar Kaspia will open at the Mark Hotel at 992 Madison on the corner of East 77th Street.

Some stores have shifted their hours from 10 a.m. to 6 p.m., to 11 a.m. to 7 p.m., because of outdoor dining emerging during the pandemic, and because of stepped-up police presence. "The efforts of the 19th Police Precinct have been tremendous. People are feeling safer," Bauer said. Isabel Marant announced 11 a.m. to 7 p.m. when it opened, and Wolford is open till 7 p.m. at 609 Madison.

"Time and again, we hear from stores opening on the Avenue how much their client base is centered here in our ▶



Inside Kirna Zabête on Madison Avenue.



community. Our loyal, local clients are joining an increasing visitor population, as tourism continues to grow," said Bauer. Madison Avenue businesses are also anticipating that the Long Island Railroad link to Grand Central Terminal will spur additional pedestrian traffic to the East Side.

Also of note is Richemont's significant re-investment on Madison Avenue with A. Lange & Sohne, IWC, Jaeger-LeCoultre, Panerai and Peter Millar building new flagships within the district. The new stores will join other Richemont brands already on Madison Avenue including Buccellati, Chloé and Montblanc.

"In the '90s, when I started working on Madison Avenue, rents were approaching \$350 a foot. That was the high," said Ripco's Spiegelman, "I watched the market go up 500 percent to peak rents in 2016 with deals up to \$1,500 to \$1,600 at peak. In 2007, at 690 Madison Avenue, a new lease for an Hermès men's store was signed at \$1,675 a foot, one of the highest rents I recall on Madison."

Currently, Spiegelman added, the expectation for rents on Madison Avenue expectation is from \$600 to \$800 between 57th and 72nd streets. "The goal now is to get back to \$1,000 plus."

"Madison Avenue is going through a cycle now from the start of 2020 when there was probably over 20 percent availability rate which includes vacancies and stores operating but on the market, and then COVID-19 arrived and eliminated that retail apocalypse narrative by proving that e-com and brick-and-mortar work together," Spiegelman said. "COVID-19 accelerated the integration of both channels. So Madison is now regaining its footing, but a lot of luxury leasing moved to other parts of Manhattan," slowing some leasing on Madison. "Now you have a great luxury mix in SoHo, particularly on Greene Street, at Brookfield Place, in the Meatpacking District and Hudson Yards," Spiegelman said.

Years ago, luxury in Manhattan was confined to Madison and Fifth Avenue and 57th Street.

"There is a flight to quality, deal terms are attractive for tenants, Fifth Avenue is more expensive, and the Upper East Side is the most affluent-dense community there is. And those fundamentals don't go away," said Spiegelman.

After a pandemic-induced slump, Madison Avenue is poised for a comeback. Rents – now significantly lower than before the pandemic – are slowly creeping back up, and new luxury players and restaurants are opening in the Upper East Side zone.

Here, a list of openings or soon-to-be openings on New York's Madison Avenue. ■

New Madison Avenue Stores Since Q2 2022

A.P.C. pop-up, fashion and accessories, 1157 Madison

Achille Salvagni Atelier home decor, 817 Madison

Baobab Collection home decor, 1015 Madison

Dr. Barbara Sturm skin care and wellness, 1006 Madison

Fusalp skiwear fashion and accessories, 625 Madison

Irene Neuwirth jewelry, 937 Madison

Ivar Jewelry, 29 East 73rd Street

John Elliott fashion and accessories, 853 Madison

Kirna Zabête, 943 Madison

Kiton, 692 Madison

L'Objet home decor, 950 Madison

Luxembourg + Co. art galleries, 595 Madison

Paige fashion, 958 Madison

Ring Concierge jewelry, 946 Madison

Sid Mashburn and Ann Mashburn fashion and accessories, 926 Madison

Spruth Magers art galleries, 22 East 80th Street

Stefano Ricci fashion and accessories, 926 Madison

The Invisible Collection home decor, 24 East 64th Street

Tulipan Gallery of the Reka Darida Foundation art gallery, 1065 Madison

Reopened, Relocated Or Expanded

45RPM Studio fashion and accessories, 22 East 65nd Street

Alison Lou jewelry, 994 Madison, in the Mark Hotel

Altuzarra, 959 Madison

Anine Bing fashion and accessories, 801 Madison

Asprey fashion and accessories, home décor, 678 Madison

Hermès Madison Maison, 706 Madison

Isabel Marant, 677 Madison

Reinstein Ross Goldsmiths jewelry, 21 East 67th Street

Versace, 747 Madison

Wolford, 609 Madison

Zadig & Voltaire, 845 Madison

Under Development Or Soon to Arrive

A. Lange & Söhne watches, 709 Madison

Anne Fontaine fashion and accessories, 723 Madison

Casa Tua restaurant, 20 East 76 Street

Collezione New York fine wines and spirits, 786 Madison

Elyse Walker fashion and accessories, 926 Madison

Frette home decor, 806 Madison

Giorgio Armani, 760 Madison

Ippolita jewelry, 719 Madison

IWC watches, 645 Madison

Jaeger-LeCoultre watches, 727 Madison

Giorgio Armani, 760 Madison

John Lobb shoes, 698-700 Madison

Kaspia restaurant, 992 Madison, in the Mark Hotel

Lalique home decor, 21 East 63rd Street

Lanvin fashion and accessories, 855 Madison

LGDR art gallery, 19 East 64th Street

Michael Kors, 667 Madison

Myconian House restaurant, 25 East 83rd Street

Panerai fashion and accessories, 711 Madison

Pat Saling Jewel Collection, 28 East 72nd Street

Paul Morelli jewelry, 725 Madison

Peter Millar fashion and accessories, 645 Madison

Robin Birley Dining Club, 850 Madison

Serafina restaurant expansion, 1022 Madison

The Surrey Hotel, 20 East 76th Street

Valentino, 654 Madison, the former Calvin Klein store

Vhernier jewelry, 994 Madison

White Cube art gallery, 1002 Madison