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UNDER CONSTRUCTION: 935 MADISON AVENUE



Joel Isaacs (left) of Isaacs and Co. and Ariel Schuster of RKF in the soon-to-be-built 935 Madison Avenue which will be below 10 high-end condos. The space is being outfitted for luxury retail brands (although so far no leases have been signed). There is also a strong circumstantial case that Apple is constructing a new location across the street.



BY BRADY DALE

What's not immediately apparent about 935 Madison Avenue, between East 74th and East 75th Streets, is that it's an entirely new building—except for the 1876 facade.

Daniel E. Straus bought the building in 2010, then worked with developers to have the entire internal structure broken down to the ground. The building at 935 Madison Avenue has since been completely rebuilt inside, both to accommodate high-end retail on the ground floor and 10 luxury condominium units above. The team even dug a foot and half into the ground to create higher ceilings in the retail space's lower levels.

"We have created space that doesn't exist anywhere else on Madison," Mr. Straus, a health care entrepreneur and real estate investor, said. With 18-foot ceilings and entrances at grade on the ground floor, the building's developers believe the space to be a standout location in the area.

The building's reconstruction also enabled the team to design internal supports to give the most open view possible as customers walk in from the street. The first columns sit back 32 feet from the entrance, giving customers a deep, unobstructed view into the store. The corner space also includes a set of south-facing bay windows, offering additional sunlight deeper into the store.

The large space is ripe for the picking for a retailer, with 7,200 square feet on the ground floor and another 7,100 square feet on the lower level.

Externally, the 100 linear feet of Madison Avenue is broken up into four distinct entryways. "On Madison Avenue, where the facades are really uniform, we have an opportunity to showcase unique awnings," said Ariel Schuster, an executive vice president at RKF and one of the brokers for the space, where construction is largely complete. The leasing team emphasized that the entrances will enable high traffic for the brands.

And they control almost the entire block, with one exception: the building's neighbor to the north is the Marcel Breuer building, built for the Whitney Museum of American Art in 1966. With the Whitney moving Downtown now, the Metropolitan Museum of Art has leased the Breuer for an eight-year term, with the museum to reopen in 2016 as an additional site for the Met's contemporary art collection.

The question is: Will the Met drive a higher level of attendance at this new location than the Whitney was previously able to command? The Whitney drew 496,655 visitors in 2014 before it closed in October, according to a spokeswoman. The Met attracts 6.2 million people per year between The Cloisters in Washington Heights' Fort Tyron Park and the museum's main location at East 82nd Street and Fifth Avenue. The

Breuer building is a half-mile walk from the Met.

It would be surprising if 935 Madison's new neighbor didn't drive increased foot traffic.

The New York Daily News has made a strong circumstantial case that Apple is constructing its next retail location in the city, at 940 Madison Avenue, right across the street from 935 Madison Avenue, though Apple has not confirmed. Apple stores are by far the most profitable per square foot of any retailer, according to *Forbes*. The rest of the block is largely art galleries and fashion stores.

Mr. Straus has made the unusual move of bringing on a second firm to represent the retail space for potential tenants. Mr. Schuster and Jackie Totolo of RKF have joined with Joel Isaacs and Josh Lewin of Isaacs and Co. to market the space, a move that reflects the magnitude of the assignment.

The ground-floor space is separated into sections, with a corner space that occupies 1,949 square feet at an asking rent of \$1,200 per square foot and the remainder at \$1,000 per square foot, though the division of the space is flexible. Though the use of the lower level is optional, its specially designed high ceilings were fitted with retail in mind. All 7,100 square feet of the lower level space have an asking rent of \$50 per square foot.

A representative for Mr. Straus said the retail space could be made available to tenants in 30 days.