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## **Commercial Property/Greenwich, Conn.; The Changing Face of a Renowned Shopping Street**

By ELEANOR CHARLES

FOR generations, Greenwich Avenue, the shopping hub of this upscale town, was a place where clerks in the local stores knew their regular customers by name, size and personal taste. Now, though, much of that has changed, as in recent years many of the independent stores have been replaced by large national chains.

Many of the drapery shops, drugstores, shoe stores, dress shops and stationery stores that used to occupy the 180 retail spaces that line the four-block avenue have given way to Saks Fifth Avenue, Baccarat, The Gap and Gap Kids, Banana Republic, Henry Lehr, The Limited, Sam Goody, Pier I, Laura Ashley, The Door Store, Starbucks, Best & Company, J. Crew and Restoration Hardware, among others.

New retail construction on the avenue, the first in decades, was unveiled earlier this month when Richards, a 27,000-square-foot men's and women's clothing store opened at a cost that the owner, Jack Mitchell, said was between \$20 and \$30 million. And within the next few weeks, after more than \$1 million worth of renovations are completed, an Art Deco-style Tiffany's is scheduled to open on two floors of a building where Ralph Lauren closed after terminating its agreement with a licensee.

The metamorphosis from hometown downtown to glitzy international street mall has been driven by a local economy that doesn't flinch in down times and in good times like these can rocket.

Rising retail rents -- which chains can afford but most small stores cannot -- and the increasing cost of property are prime reasons for the change, brokers and developers say. "When you have very expensive real estate," said James Cummings, owner of Aberdeen Properties, a Greenwich real estate company, "people invest in those properties that will support the rents necessary to justify the investments."

Average annual retail rents, which were \$10 to \$20 a square foot in the 80's, jumped to between \$50 and \$60 a square foot in the 90's and are rising to from \$75 to \$100 a square foot today.

Retail property sales have been similarly airborne. D. W. Rogers' department store, founded in 1897, remained a tenant when its building was sold by the owner, Terry Baxendale, for \$2 million in 1983. But after Mr. Cummings purchased the building for \$8.2 million in 1997, the retail space was leased to Restoration Hardware for 15 years. Now the building is on the market again, with an asking price of \$21 million.

The increase in price includes the value added to the 35,767-square-foot structure when it was gutted and rebuilt for Restoration Hardware. Aberdeen Properties paid for a new facade, floors, mechanical systems, elevator and structural changes that opened up the selling floor. Mr. Cummings declined to

disclose the cost.

Restoration Hardware, which has a total of 12,000 square feet, spent upward of \$1 million on the interior, according to local brokers who say that its rent is \$75 a square foot for the selling floor and about \$25 a square foot for the basement storage space. Mr. Cummings and Restoration Hardware declined to discuss the rent or the cost of the interior work.

THREE upper stories of the building formerly held 21 rundown apartments that were renovated by Mr. Cummings as luxury studios, one- and two-bedroom units. The apartments, ranging from 600 to 1,200 square feet, were fully rented by last November for from \$1,900 to \$3,700 a month, and there is a waiting list for vacancies.

John T. Goodkind, of the Greenwich office of Newmark & Company Real Estate of Manhattan, was the broker for the Rogers sale, and he continues to handle the marketing of the building.

Richards, on the site of a former gas station, was designed by the New Haven architect Herbert Newman in an open, airy style with a series of clerestory windows maximizing natural light and drawing the eye up to a skylighted atrium. A pedestrian entry faces Greenwich Avenue, and a second entrance faces a 68-car parking lot at the rear. A 130-car garage was constructed under the building.

"Greenwich," Mr. Newman said, "is a model of how small cities and towns can reinvent themselves. When you shop along a street you are a citizen on your own turf. Shopping malls developed within towns and cities turn their backs on the community."

Richards' interior, designed by Jay Fitzpatrick, principal of Fitzpatrick Design Group of New York, is dominated by a 10-foot-wide staircase that splits to right and left as it reaches the second floor. The walls and floors are finished in rich woods and inlays, complemented by areas of neutral-colored carpeting.

Richards, as well as Mitchell's of Westport, are run by eight members of the Mitchell family. Originally, Richards was the name of a store across Greenwich Avenue from the new Richards. It was opened in 1949 by Richard Schlesinger, who sold it in 1956 to Edward Schachter, who sold it to the Mitchells in 1995. "We wanted a store in Greenwich," said Jack Mitchell, "and the synergy between Richards and Mitchell's was enormous."

In-store boutiques are dedicated to Armani, Zegna, Hermes, and Piana, and the rest of the establishment features clothes from Prada, Brioni, Escada, Calvin Klein, Ralph Lauren, Dolce & Gabbana, Badgley Mishka and other high-end designers.

The emphasis on retailing on the avenue was given a boost through a zoning change in the mid-80's that has come into play because of the recent rapid turnover. "When leases expire and tenants move out," said Marshall Heaven, of M. H. Heaven Real Estate, "the ground floor must go to retail. No offices -- no stockbrokers, insurance companies, or travel agencies may take the space. Banks are allowed, but no drive-up windows."

A property that will be affected by the requirement that space be used for retail purposes is the three-floor, 18,000-square-foot former home of the American Institute for Foreign Studies. Mr. Heaven said that the ground floor is available for retail at an annual rent of \$75 a square foot. The two upper floors are available as offices at \$60 a square foot annually.

AFTER 30 years on the avenue, the institute, which places American students in European colleges and universities and provides European au pairs for American families, has moved to larger and cheaper quarters in Stamford.

Next door, Mr. Heaven said, Gourmet Galley, a popular spot for takeout lunches and specialty foods over the last 20 years, could not afford a hike in annual rent from \$40 to \$75 a square foot and must vacate its 2,500-square-foot store by the end of November.

Cherry & Webb, a 12-year-old moderately priced women's clothing store on two floors, has also moved out. "With 6,250 square feet, it's the largest retail space available on the avenue," said Tom Torelli, a broker for the Allied Property Group. The rear faces a 270-car parking lot, a precious asset in parking-poor downtown Greenwich. Asking annual rent is \$60 a square foot.

Many restaurants have come and gone, but the Da Vinci Ristorante has remained on the avenue since 1967. Lisa Vitiello, the owner, bought the building in 1986 for \$2 million. "Realtors are urging me to sell," she said, "but this is my children's legacy."

Celebrity retailers attracted to the avenue include Tommy Hilfiger's wife, Susie, who opened a Best & Company children's store in 1997 and enlarged it a year later. She owns an additional Best's in Nantucket, Mass.. Last April a women's sportswear store called Gabby's, named for Donna Karan's daughter Gabrielle, opened. Along with a Gabby's in Westport and in Great Neck, N.Y., it is owned by Mark Karan, Donna Karan's former husband.

In recent months the smaller spaces have been filling up with specialty shops, including Kate Spade, Kynnsens and April Cornell. A 60-seat bistro called Bleu opened in a former laundromat at the lower end of the avenue on the same night that Richards opened. "We had 50 dinner reservations for people going to the Richards party," said Jody Pennette, the manager and an owner.

"What's happened," Mr. Torelli said, "is that all parts of the avenue are now considered prime, whereas five years ago there was more of a spectrum of rents."

The lower end of the avenue, closer to the railroad and I-95, was considered less desirable than the middle and upper end, he said. Richards, by locating at the upper edge of the lower end, boosted the area's prestige over a three-year development and construction period. Today the last old food and service stores are gone, replaced by antique and specialty shops.

"There is no inexpensive space on the avenue any longer," said Mr. Torelli. "The choices are expensive or very expensive."