

## Report: Hotel boom driving growth in NoMad

BY DAN ORLANDO

The Flatiron has been just aces since 2009, says a report released this week by CBRE.

The Manhattan Retail Market-View for third quarter 2015 credited the opening of the Ace Hotel at 20 West 29th Street in 2009 as the spark that lit the retail fuse in NoMad.

"I clearly think the addition of hotels has helped to re-gentrify the marketplace. It certainly helps bring new retail to the market," David LaPierre, vice chairman of the global retail services team at CBRE, told *Real Estate Weekly* while discussing the report.

"That, along with the addition of residential and restaurants, have all positively impacted the marketplace," said LaPierre, pointing to the trendy hotels' ability to drive foot traffic below the traditional retail hotspots of Midtown.

"The hotels in the NoMad area – the northern part of our district – have led to a marked increase in the number of visitors staying in and around the neighborhood," said Flatiron Partnership executive director Jennifer Brown in concurrence with the report.

"This growth in hotels, coupled with the neighborhood's strong and ever-growing commercial base and burgeoning residential population, has certainly spurred retail in the area."

"We look forward to seeing where this upward trajectory takes us in terms of continued retail growth," she added.

Hotel growth in the area includes the 168-key NoMad Hotel on 28th Street and Broadway; the rebranded 160-key Evelyn Hotel at 7 East 27th Street; and the most recent to break ground, Sir Richard Branson's Virgin Hotel, which will take up much of Broadway between 29th and 30th streets when it is completed in 2018.

The large hotel will include 465 rooms, 30,000 s/f. of amenities and 90,000 s/f of retail on the ground floor. Its presence promises to play a monumental role in the continued transformation of NoMad's retail landscape.

The infusion of trendy hotels has drawn enough attention to the area to generate a 5.04 percent raise in asking retail rents for the Fifth Avenue corridor between 14 and 23rd Streets over the past 12 months.

The Broadway side of that stretch registered a nearly 4 percent rise over the last quarter alone.

"One of the largest contributors has been Eataly," continued LaPierre who labeled the marketplace/eatery as possibly "the greatest draw" in the neighborhood because of its consistent ability to attract both tourists and locals (approximately 100,000 per day).

"It completely changed the traffic patterns

of the market. It has rejuvenated the market north of 23rd street. I think the hotel activity will help grow the retail from Eataly, North to the hotels."

Over the past year, new retail and hotel development has grown throughout the area. Last month NoMad welcomed its newest addition, former Waldorf-Astoria executive chef John

Doherty's multilevel restaurant, Black Barn, on 26th Street.

Looking ahead, Italian café Pulia inked a deal at 1153 Broadway for 4,200 s/f, along with gluten-free hot spot The Little Beet, which took 2,600 s/f, at 1140 Broadway. Meanwhile, Italian luxury brand Poliform is slated to open an 11,000 s/f store next summer at 112 Madison Avenue, joining the array of furniture designers along the avenue.



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