



Nordstrom Rack, Best Buy ready to shake up Union Square **Page 10**

# MONEY

## Retail rebound in Union Square

**Nordstrom Rack,  
Best Buy take over  
for Virgin, Circuit City**

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Union Square won't feel so empty for much longer.

Most of the hulking shell where the Virgin Megastore and Circuit City used to be will soon house a Nordstrom Rack and Best Buy.

The Rack, Nordstrom's sister discount store, will take the 32,000 square feet on the lower level of the Virgin space with 30 feet of storefront space facing Broadway. Best Buy will move into the 46,000-square-foot Circuit City space on 14th Street.

That leaves about 23,000 square feet on the ground level of the former Virgin store. Deals for



Union Square retail space was vacated earlier this year. (JEFFERSON SIEGEL)

that space are nearly done with two other retailers, according to Webber Hudson, an executive vice president at Related, which controls the property.

"We got [the Rack] done, Best

Buy done, and will announce within two weeks deals for the remainder of the space," Hudson said yesterday.

The Virgin store cleared out at the end of May, and following

bankruptcy, Circuit City shuttered all its stores this spring.

Terms of the leases were not disclosed, but given the real estate climate, Nordstrom and Best Buy likely secured beneficial deals. Asking rents from 14th Street and below were \$95 a square foot per month in the spring, down 8 percent from last year, according to a report from the Real Estate Board of New York.

Hudson would only say: "We have a signed lease. So I think everyone wins."

This is Nordstrom's first foray into Manhattan. The company has been looking for about 10 years for the right place to land its upscale store.

The Rack fits in better in Union Square, said Brooke White, a Nordstrom spokeswoman.

The Rack is set to open next spring, and Best Buy is scheduled to open by the end of the year.