



Union label

The former Virgin Megastore in Union Square will have Nordstrom Rack and Best Buy as its new tenants.



NORDSTROM

POST FOCUS ON COMMERCIAL REAL ESTATE

Virgin suitors for Union Sq.

BETWEEN THE BRICKS on the Circuit City space now being controlled by the bankruptcy court. Last fall, Related signed a lease of the space with Nordstrom Rack. The deal was announced in early March.

As The Post reported in early March.



STANIS

TWIN DEALS IN UNION SQ.

Nordstrom and Best Buy are in

By LOIS WEISS

In two significant deals that will bolster the off-price Union Square shopping district, Nordstrom Rack and Best Buy are coming to Related Cos.' One Union Square South at 14th Street.

Nordstrom signed a deal for a 32,136-square-foot store that includes an approximately 1,000-square-foot street-level lobby leading into the entire lower level of the space formerly occupied by a Virgin Megastore.

Best Buy, meanwhile, will occupy 46,000 square feet primarily on the second floor — space that was previously occupied by the liquidated Circuit City chain.

The deals come after months of speculation around the fate of the Virgin Megastore and Circuit City spaces, both of which became empty after the retailers shut down.

Real estate sources earlier this year said several retailers had eyed the space, including drug-store chain CVS.

Retail titan Wal-Mart was said to have also sniffed around Union Square for its first-ever store in New York City.

That Nordstrom Rack signed a deal to move into the old Virgin Megastore store marks an about-face for the retailer.

The Post reported last fall that Nordstrom Rack had signed a term sheet for the space, but negotiations "hit a skid" when the economy tanked.

However, senior execs from Related and Nordstrom kept the dialogue going over the winter and eventually "got comfortable," said Webber Hudson of Related.

Stephen Stephanou and Ginny Pittarelli at Madison Retail Group represented Nordstrom. Peter Ripka of Ripco Real Estate brought in Best Buy, which signed a new lease with Related.

Jeff Winick, Steven E. Baker and Lori Shabtai of Winick Realty acted as brokers for Related.

Another 23,000 square feet of the Virgin store's ground level is now under negotiation, Hudson said. Area ground-floor rents are gravitating toward the \$500-a-square-foot range, but both lower-level and second-floor space would be severely discounted.

"The leasing of the retail space at One Union Square South will ensure that the retail blocks surrounding the park remain as popular as ever," Jennifer Falk of the Union Square Business Improvement District said in a statement.

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