

Related's Union Square retail bonanza

By Jason Turcotte

Validating the value-driven market and the success of Union Square, Nordstrom Rack — the Seattle-based retailer's off-price division — has snatched space at Related's One Union Square South.

The 32,136 s/f deal — exclusively reported by REW on June 17 — marked the second of two “market driven” deals at the site; the 46,000 s/f lease by Best Buy in the space vacated by Circuit City last year.

The site will house the first Manhattan location for Nordstrom Rack, which has been waiting for the right time to enter the New York market. “My dia-

logue is constant,” said Webber Hudson, executive vice president of Related, who brokered the two deals.

“Nordstrom's been combing Manhattan for years — both full line and off-price.” The lease, in

the works for more than a year — before the market turned sour — shows that discounted retail arms are still seizing the opportunities of a soft market.

Nordstrom Rack offers goods

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from its Nordstrom store and Web site at 50-60% off their original prices.

“The luxury category has contracted quite a bit and I don't see that changing any time soon,” Hudson noted.

At One Union Square South, on 14th Street between Broadway and Fourth Ave., Nordstrom will occupy the lower level of the former Virgin Megastore in space that includes 30 feet of frontage.

The deals pick up on the momentum that Union Square's retailers have gained recently: the neighborhood has experienced nearly a 60% up-tick in foot traffic over

the past five years. With 12,000 businesses within a half-mile radius and its Green Market, Union Square continues to attract students, tourists and affluent shoppers.

“In addition to the jobs that Nordstrom, as well as Best Buy, will bring to the area, 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,” said Jennifer Falk, executive director of the Union Square Partnership.

Related has a long history of investment in the neighborhood, including the redevelopment of the Century Building and the W Union Square Hotel, along with

recent developments like The Sierra and One Union Square South. And Related's president, Jeff Blau, serves on the Union Square Partnership's board of directors.

“We're thrilled that we were able to bring these deals to fruition in what people are calling the worst time of our lives,” Hudson said.

Related has 23,500 s/f of retail space left to fill at One Union Square South, its 22-story luxury residential tower that features five levels of retail space.

According to Hudson, negotiations are well underway to secure two new tenants to fill that remaining space.