

With a new Saks, Neiman Marcus and Nordstrom on the way, Manhattan becomes a magnet for deluxe department stores

Manhattan's new superrich class is about to get its own places to shop.

Three high-end department stores — a Saks Fifth Avenue, a Neiman Marcus and a Nordstrom — will open in Manhattan in the next few years just as the island's transformation to a members-only club for rich people is almost complete.

"Brokers used to look out for a Starbucks or a Whole Foods because that meant a shift in the demographics of a neighborhood," said Leonard Steinberg, president of brokerage Urban Compass. "Now we're looking out for Saks and Neiman Marcus. It's a whole new world."

Nordstrom plans to open a mammoth 285,000-square-foot location spanning seven floors of a new residential building at 225 W. 57th St. on "Billionaires' Row." Neiman Marcus has signed on for a 250,000-square-foot store in a new retail complex at Hudson Yards on the far West Side, and Saks has inked a deal for an 85,000-square-foot store at Brookfield Place, a retail complex in Battery Park City across from the World Trade Center.

These stores will be one-stop-shop upmarket metropolises for the uber-rich, selling designer apparel, shoes, jewelry and maybe even Boeing jets — yes, a personal plane once appeared in the pages of Neiman Marcus' Christmas catalog.

In addition, Neiman Marcus, which also owns Bergdorf Goodman, is giving Bergdorf's Fifth Ave. flagship a pricey facelift.

Deals of this scale are big financial commitments, but those bets are probably secure: They coincide with historically high levels of residential construction geared toward the world's wealthiest buyers, with new-development condos slated for completion in the next few years averaging more than \$16 million a pop.



[Mark Bonifacio/New York Daily News](#) **Brookfield Place will be the home of a new Saks Fifth Avenue.**

And experts say the luxury-property boom will continue, with residential construction spending expected to rise by 60% this year — though it will create 22% more units.

New-development marketing firm Corcoran Sunshine projects that nearly 7,000 new luxury condo units, priced at \$2,300 a square foot or above, will debut between now and 2016. Those new super-luxe units will be filled with potential Neiman Marcus customers.

Indeed, retailers are betting that New York City could soon surpass London and as the primary city for the global elite.

New York already has luxury department stores, such as Henri Bendel, Bergdorf and Barneys, but experts say Manhattan is still dramatically underserved by retail considering its population and tourist traffic. That's especially the case outside of the high-profile Midtown Fifth Avenue corridor, in areas such as lower Manhattan and the far West Side.

“Asia still has the largest proportion of the world's luxury-brand outlets, but growth is slowing. Many CEOs of global luxury brands are pointing to North America as the most important market for growth over the next five years,” said James Lawson, a director at luxury-brand specialist Ledbury Research.

A lot of that growth will come from an increase in the number of Asian tourists visiting the U.S., Lawson said, many of whom see New York as a top destination.



Mark Bonifacio/New York Daily News Brookfield Place is close to the World Trade Center site.

“Retail definitely follows where capital is being invested globally,” said Paddy Dring, head of international residential sales for global brokerage Knight Frank Residential. “These stores are following their clientele.”

It’s about space as well as wealth. The recent flurry of construction has created opportunities for the big-box retailers, who need at least 80,000 square feet, experts said. There are plenty of large spaces in Manhattan, but not all of them are zoned for use by a department store and few are in class A locations.

But when they get the space, it pays off for retailers: New York City stores typically make more per square foot than stores in other U.S. cities.

“Nothing touches this city in terms of opportunity for revenue generation,” said Kenneth Himmel of the Related Companies, the builder of Neiman Marcus’ Hudson Yards store.

A spokesman for Nordstrom said executives spent more than 30 years seeking the perfect location for the chain’s first Manhattan store.

“For us, expanding into Manhattan has really been about finding the right real estate,” he said. “The growth of the Upper West Side along with the growth along 57th St. absolutely influenced our decision, including the ongoing development of residential properties in the surrounding area.”