



Hudson Yards Discloses New Round of Retailers in the Mix

November 30, 2016

By David Moin

The 1 million-square-foot retail and restaurant complex is nearly 60 percent leased.

NEW YORK — The Shops & Restaurants at Hudson Yards, making progress attracting retailers, said Wednesday that AG Jeans by Adriano Goldschmied, Aritzia, Athleta, Banana Republic, The Body Shop, Kiehl's, Jo Malone, MAC, NYX, Origins, Sephora and Urban Decay will all be part of the mix.

In addition, a group of luxury watch brands will be housed in the 1 million-square-foot retail and restaurant complex, including a 6,000-square-foot Watches of Switzerland showroom, the retailer's first unit in the U.S., selling a range of brands and products including Rolex.

The latest round of tenants was disclosed by Related Companies, developer of the 28-acre, \$25 billion mixed-used Hudson Yards development on the west side of Manhattan, situated between 30th and 34th Streets and 10th and 12th Avenues.

Hudson Yards said Wednesday that the retail and restaurant complex is nearly 60 percent leased, through its various levels will have 20 blocks of shopping and dining, and will open in fall 2018. It's seen operating with a total of about 100 stores and restaurants.

As previously reported, Neiman Marcus, H&M, Zara, Coach and Stuart Weitzman will have stores in The Shops & Restaurants. It will be Neiman's first store in New York City.

The adjacent five-acre public square and gardens is also expected to be completed in fall 2018.

"The west side of Manhattan is one of the most under-served retail communities in the city, and our aspiration is to assemble a collection of retailers and restaurants befitting

the new neighborhood and the city,” said Kenneth A. Himmel, president and chief executive officer of Related Urban, the mixed-use division of Related Companies.

In an interview with WWD earlier this year, Himmel said, “The Cartiers, the Van Cleefs, the Pradas, the Hermèses of the world, luxury watch brands — those are the kind of tenants we are in dialogue with. I can’t tell you who exactly. Don’t forget, Neiman’s is going to deliver an enormous assortment of luxury,” Himmel said. “I’m not sure what they will say, but I absolutely believe they will do \$200 million a year out of the box. That’s my projection.”

He’s also forecasting high productivity for the specialty stores. “At third-year stabilized numbers, we’re looking at more than \$2,000 a square foot on average. The ground level, which will have a lot of luxury, will be off the charts — \$4,000 a foot.”

Hudson Yards won’t be all luxury, though the category will occupy 20 percent of the retail space, including Neiman’s.

“There will be a democratic mix,” Himmel said earlier. “Should we have a Nike? An Under Armour? And deliver the sports category? Yup. We haven’t made deals with all of them yet, but that’s part of the tenant mix you hope to bring.”

Rents on the first retail level will run from \$400 to \$750 a square foot, with smaller retailers like jewelers paying higher rents. The upper levels are in the \$200-a-square-foot range. Generally, Hudson Yards is signing seven- to 15-year leases, so there won’t be too many long-term leases limiting the ability to attract new retail concepts, and too many leases expiring simultaneously, creating pressure to re-tenant.

Hudson Yards’ retail center will be arranged into districts segmenting major categories, such as beauty, to make the shopping easier. Among its other features — a five-story atrium, and a glass wall the size of an acre created by James Carpenter that will reflect the city’s skyline. Levels one through four will house retailers, many opening shops on the west side for the first time.

More than a dozen specialty restaurants and food concepts will occupy levels four, five and six. The dining concepts, being created by chefs Thomas Keller and Costas Spiliadis of Milos, will have outdoor seating along a tree-lined terrace designed by Thomas Woltz of Nelson Byrd Woltz Landscape Architects. There will also be a restaurant by Spanish chef José Andrés, European-style cafes for quick, casual bites, and Neiman’s, which will occupy the top three floors (five, six and seven) will have a restaurant as well.

The retail-restaurant complex is being designed by Elkus Manfredi Architects, with inspiration drawn from the West Side’s industrial past and with steel and dark woods referencing the rail yards that once dominated the area and High Line. Stone floors and exposed support structures will lend a “rough-hewn, urban elegance,” Related said.

The complex will be connected to two commercial office towers — 10 and 30 Hudson Yards — and have entrances off 10th Avenue and the Hudson Yards plaza. Ten Hudson Yards, which houses headquarters for Coach Inc., L'Oréal USA, the Boston Consulting Group, German software engineering firm SAP, VaynerMedia, Intersection and Sidewalk Labs, opened last May.

The buildings 30 Hudson Yards — which will be occupied by KKR, Wells Fargo Securities, Time Warner, CNN, HBO, Turner Broadcasting, Warner Bros. and DNB Bank — and 35 Hudson Yards, a mixed-use tower, are scheduled to open in 2019.

Hudson Yards, the largest private real estate development in the nation's history, will include about 4,000 residences; 14 acres of public open space; a new 750-seat public school, and an Equinox branded luxury hotel.