



Westchester retailers ring in season with creativity

BY RYAN DEFFENBAUGH

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On Dec. 20, with just four days before the recognized end of the holiday shopping crunch, Mount Kisco's PORCH Home+Gifts has planned "guys' late night shopping."

An event flyer from PORCH – a new store at 153 E. Main St. – promises "manly refreshments," complimentary gift wrapping and the assurance that "Gentlemen, you can do better."

"We're encouraging all the guys who maybe have put their shopping off to the very end to come in and we'll help them find the right gift," said Suzanne Grant, a co-owner of the store.

PORCH is just one of the thousands of retailers across the country – and in Westchester County – getting creative to bring in customers during what is expected to be a record-setting holiday shopping season.

With unemployment at its lowest point since 1969, there are indicators shoppers will spend more this year on gifts than usual. A survey from the National Retail Federation trade group found the average consumer expects to drop about \$1,007 on holiday gifts and related purchases. The research firm eMarketer predicted in November that total holiday sales would cross the trillion-dollar mark for the first time ever.

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The Skyline New Rochelle building, at 40 Memorial Highway downtown. Photo by Ryan Deffenbaugh.

Downtown New Rochelle apartment tower sells for \$259 million

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A 40-story apartment tower at 40 Memorial Highway in New Rochelle has changed hands for \$259 million, more than doubling the county's previous top 2018 sale price.

The Virginia-based Harbor Group International announced Dec. 5 that it has acquired the apartment tower near the city's

train station, with partner Azure Partners LLC. The seller, DSF Group, bought the 588-unit apartment tower in 2013 for \$210 million.

Formerly called Halstead New Rochelle Metro North, Harbor Group has rebranded the apartments as Skyline New Rochelle. The tower was built in 2007 by AvalonBay Communities and features about 8,000 square feet of ground-floor retail space and a parking garage. The

apartments are 95.6 percent occupied as of the sale, according to Harbor Group International. They include a mix of studios and one, two and three bedrooms.

The building is less than a quarter-mile from New Rochelle's Metro-North train station and across the street from the New Rochelle Public Library.

The New Rochelle Industrial Development Agency approved

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the property for a 30-year payment in lieu of taxes agreement in 2004, and therefore had to sign off on the sale. The agency voted to approve the sale, along with a mortgage recording tax exception totaling \$361,000, at its October meeting. The IDA also collected about \$1.2 million in transaction and

application fees.

The purchase marks the first in Westchester for Harbor Group International, which is headquartered in Norfolk. The company has been expanding its New York metro investments, according to its press release, which now total \$1.5 billion in office, retail, industrial and multifamily properties as well as debt

investments. By the company's count, its global assets total more than \$8 billion.

"This property continues HGI's strategy of acquiring Class A assets in top-tier markets with great demographics and strong employment drivers," said T. Richard Litton Jr., president of HGI. "New Rochelle is a New York City metro commuter hub with easy access to multiple

forms of transportation. The property has been maintained to a high standard and has a wide assortment of quality amenities."

HGI said it would spend \$5.5 million on interior upgrades to about 375 apartments, including improved cabinets, appliances, lighting, doors and smart thermostats.

The Boston-based seller, DSF Group, still owns an

apartment tower a block over in New Rochelle. The company bought La Rochelle, a 25-story building with 412 market-rate apartments at 255 Huguenot St., for \$148.5 million in 2016.

The sale marks the second downtown apartment building DSF has offloaded in Westchester in as many years. In 2017, DSF sold its Halstead White Plains Metro-

North apartment building for \$35 million. The 124-unit tower at 34 S. Lexington Ave. in White Plains was rebranded as "The Metro" by its new owner, Ginsburg Development Cos.

DSF also made a big buy in Westchester. In March it bought the 300-unit Talleyrand apartment complex in Tarrytown for \$91 million.

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Amazon certainly will soak up its fair share of those sales. The online retail giant said Cyber Monday was the "single-biggest shopping day" in its history, though it did not release revenue data.

An NRF survey following Thanksgiving weekend estimated that the majority of shoppers, about 89 million people, shopped both online and in stores, a number up nearly 40 percent from last year.

To help draw those customers to their stores, villages and towns are offering free parking, while malls are adding pop-up stores and events. In a first-ever collaboration, Jefferson Valley Mall is hosting a pop-up from Peekskill Brewery, including beers on draft.

At The Westchester in White Plains, dogs donning holiday sweaters trotted past Gucci and Tiffany and Co. for the mall's pet photo night with Santa on Dec. 9. The mall has hosted pet photo night twice each holiday season for nearly a decade, but the event continues to grow in popularity, according to Paula E. Kelliher, The Westchester's director of marketing. This year even featured the mall's first pet pig photo.

In general, Kelliher said, "business has been thriving. It has really been probably the best-ever second and third quarter this year for us. Traffic and sales are trending upwards and it's been very brisk since Black Friday."

The promise of a holiday boost comes following another year of bleak headlines for the national retail market. Famous brands such as Sears, Toys "R" Us and JCPenney all announced mass closings. More than 146 million square feet of retail space has closed,

or will close, in the U.S. this year as of December, according to CoStar data cited by CNBC. That's up from 105 million square feet in 2017.

But a recent report showed positive signs for Westchester County's market. Bronxville-based

Admiral Real Estate Services Corp. reported in November on "suburban strength" for retail in both Westchester and Fairfield counties.

Westchester's market, the report found, is near its top performance in the past six years, with average asking

rents approaching \$29 per square foot and a vacancy rate below 4 percent. Vacancies hovered around 6 percent as recently as 2013. That year, average asking rents were just under \$27, according to the report.

"Just speaking to retail-

ers, they are happier," said Jonathan Gordon, Admiral Real Estate's president and CEO. "That means the sales are there. We're seeing great national tenants, but we're also seeing retail mom-and-pops coming up with creative new concepts."

Westchester has a population just shy of 1 million and average income levels 50 percent higher than the national average, above even Manhattan, according to the report.

"I think retailers are starting to see just how much buying power there is when you compare Westchester to New York City," Gordon said. "Yes, New York City obviously has more density, but Westchester has the sheer income-buying power, paired with the fact that rents are cheaper."

Beth White, a vice president at Harrison-based RM Friedland, also cited Westchester's strong demographics as the main draw for retailers.

"All of the mixed-use construction in White Plains, New Rochelle and Yonkers will only improve the demographics from a density perspective," she said.

Businesses that provide products or services hard to buy online are growing — including food, fitness, urgent care medicine and experiential retail, such as escape rooms or paint bars. But apparel retailers have opened with increasing frequency in the county as well. Gordon points to Harry's a Rothmans Project as an example. The boutique men's clothing store opened in the retail space below his company's Bronxville office in 2016.

"People are looking for a slightly more personal experience or, even more, a curated experience," Gordon said. "Something where they can

talk to an expert in whatever it is they are purchasing."

That description could include PORCH, which Grant opened with her business partner Jen Gerken in October. Gerken is an interior decorator, while Grant's background is in marketing and branding. The store's mix of items include work from local artisans and its original UVO line — for unique, vintage and original. The line includes items found at estate sales and antique shops and then improved or refinished, often referred to as upcycling.

"Every person that walks in the door says 'We needed a store like this,'" Grant said. "I think there's only so much you can buy on the internet. You need to be able to touch things, see them with your own eyes."

After searching in Mount Kisco and surrounding towns, the partners found the East Main location, right on the street's intersection with Green Street. The space offers a nice splash of sunlight and good visibility from the road, Grant said. A Mount Kisco resident, Grant said the improving state of the village's real estate market encouraged her and Gerken to open.

"We were watching the downtown area and noticed a little bit of a boom," Grant said. She said the village has adopted friendlier business practices and made working with various departments easier.

PORCH may be on to something with its last-minute guy's night. Mastercard's SpendingPulse, which tracks national retail sales, predicts shoppers in the country will spend more than \$60 billion on retail purchases during the final weekend before Christmas. That's 50 percent more than a decade ago — and 19 percent more than just five years ago.

