

# REAL ESTATE WEEKLY

Vol. 54, No. 3 • 64 pages in 3 sections

WEDNESDAY, SEPTEMBER 19, 2007

\$1.75

## RETAIL

# Raising of retail bar creates high-end building boom

BY MICHELE MEDAGLIA, PRESIDENT AND CEO, ACC CONSTRUCTION

A walk down just about any street in Manhattan – and increasingly in the other boroughs as well – speaks volumes about the healthy state of New York's retail market. Moreover, nearby business districts, particularly in the affluent suburbs, are also thriving. Vacancies are at a minimum and more of the tenants are high-end merchants catering to an ever more sophisticated consumer base.

For ACC, this has meant a marked increase in luxury retail build-outs over the past year, with more slated in every part of the city. From the design perspective, the result has been a diverse mix of interior trends that encompasses everything from classic finishes to ultra modern materials.

That said, these diverse styles are in complete alignment in their purpose, which is to provide customers with an environment and atmosphere reflective of the dollar amounts they are willing to spend.

For example, ACC recently completed a 6,800 s/f build-out for Commerce Bank on the ground floor of Paramount Plaza near Times Square – a Class-AAA building. Given its prominent location and exclusive ad-



dress, this branch required the use of exceptionally high-end finishes including wood paneling, stone floors and granite teller stations. The project comprises ACC's eighth Commerce Bank in the greater New York Metropolitan area, and in each case this same standard was required and met.

This being a luxury market, the livelihood of neighboring merchants depends especially on their ability to deliver a quality shopping experience. Given the prevalence of renovations, some stores even require extensive alterations while remaining fully functional.

In White Plains, for example, ACC recently completed several major contracts including a build-out for E-Trade and a multi-phased project with Tiffany's in the posh Westchester Mall. The Tiffany's project was especially complex, as this was an operational retail store, therefore the project was completed in two phases.

Phase one entailed the construction of a temporary partition down middle

of store with a major renovation occurring on one side while store continued to operate as usual on the other. For phase two, Tiffany's moved to the phase one side of the partition and demolition began on the previous retail space.

Tremendous synchronization with Tiffany's staff was required, as was precise coordination of materials so that the two phases would merge seamlessly upon completion. Before construction was even begun, millwork showcases and furniture were both underway. The lighting was laid out so that when the millwork was delivered three months later, it would fit perfectly in place and each component of the lighting aligned. It was essential that light coves be created with perfect elevations to match up with the showcases below. The intricately detailed ceiling required careful calculations as well.

Electricity was another major consideration, as the wiring had to be upgraded during both phases without disrupting power on the operational side. Additional improvements in-

cluded the installation of a new HVAC system and new floors across both sections. The contract was completed two weeks ahead of schedule.

The luxury retail market in White Plains is not an anomaly. The entire New York City metro area is moving in a similar direction, though different locales are at different stages in the process. In particular, lower Manhattan has been exceptionally active,

*"The livelihood of neighboring merchants depends especially on their ability to deliver a quality shopping experience."*

moving progressively downtown from SoHo to Tribeca and, more recently, the Financial District. In fact, ACC is currently working on a jewel of a project on Wall Street.

Many circumstances are currently driving the demand for luxury goods and services in New York and surrounding areas, includ-

ing well-heeled consumers from Wall Street.

Ultimately, it translates into a retail building boom with high volume and superb finishes defining major trends across the board. Clearly, this attention to quality is the hallmark of a robust retail market, which we look forward to participating in for some time. ■

