

## Jersey's new retail corridor chiseled out of Gold Coast

By LINDA BARR

A rash of retailers has carved a whole new corridor along the foot of Jersey's Palisades Cliffs in a phenomena driven by a housing boom that continues unabated along the Garden State's aptly named Gold Coast.

"In New Jersey, retail corridors are highway driven. Apart from Newport, all the malls are along Routes 4 and 17. But because of the high concentration of residences, the Gold Coast is becoming more and more of a retail corridor in its own right, even though it's not along a highway," said Chuck Lan-yard, principal and director of brokerage services at the Goldstein Group, one of the leading retail firms in the state.

"It's just far enough away from the major malls and, by its natural design of having water all due east, you have more of a downtown feel in Ridgewood, Englewood, Weehawken, all along the riverfront. Put that together with the speciality shops, supermarkets and restaurants that you now have all along the coast, and people tend to stay and shop within their

neighborhood." What's helping turn this 12-mile stretch of luxury condos with Manhattan views into a retail corridor, however, is its growing attraction to those who live on the other side of the Cliffs and have been looking down on the unprecedented development the waterfront has witnessed in the last 10 years.

Jerry Putterman, senior vice president of retail services at Grubb & Ellis in New Jersey, said, "The Targets Pathmarks, A&P, books stores, Bed Bath and Beyond — they all took positions along the Gold Coast hoping to do business not only with the new residents, but with anyone who didn't want to fight the traffic on Route 17 or Route 4. That and picking up some license plates from New York City. They were all hoping to garner some of that business."

Those early pioneers have since been joined by the likes of Whole Foods, The Gap, Anne Taylor, Aeropostale and a host of upscale stores all attracting high-earning clientele. Literally thousands of homes have been built along the once blighted coastline and there has been no let-up in construction despite a national cooling in the market.

At 200-acres stretching from Weehawken through Guttenberg to West New York, Port Imperial is the largest of the waterfront communities. Built alongside a mass-transportation system that includes a brand new ferry terminal that whisks residents to Manhattan in minutes and a lightrail that can take them from one end of the Gold Coast to the other, Port

Imperial will comprise nearly 5,000 homes once the whole development is complete. Construction is also underway on its retail component, The Riverwalk — 130,000 s/f of luxury retail being leased by Cushman & Wakefield where top name stores and restaurants are lining up for a coveted spot and more than willing to pay top dollar for it.

John Luongo, senior director of retail and land development at Cushman & Wakefield in New Jersey, said, "The Gold Coast boom is exactly that with regard to retail values. There's only one gold coast, only one prime market area and that area is not expanding. It's in a concentrated area and the vacancy rate is minimal and, therefore, the demand is still there and when supply is less than demand, then prices go up and that's what's happened."

While at \$45 to \$50 psf the prices are not quite on a par with Manhattan, according to Luongo, there's been a major spike in the last 2-3 years with rents rising from the low \$30s psf to, in some rare cases, \$100 psf for a coveted spot, such as Hoboken's Wahsington Avenue.

"The chains covet waterfront property," said Luongo, who noted that Starbucks — one of the most profitable chains in the US right now — is paying \$50 psf throughout Bergen County. Financial stores such as Fidelity and cell phone firms are

also prolific along the waterfront.

While the brokers are watching the national picture very closely, Luongo said there seems to be no hint of a bump in the road for the Gold Coast. "You have the demographics and high income per capita, so if construction slows, that's going to effect the building supply costs and those prices will come down. But I don't see anything coming along yet to slow retail and the vacancy rates prove that."

Indeed, vacancy is under 5% and developers apparently can't get their retail up fast enough. Cushman is handling 120,000 s/f of upscale space at the \$1 billion Centuria mixed use development in Fort Lee and, along the river in Jersey City, developer Peter Mocco is including 36,000 s/f of retail at his Liberty Harbor.

"We believe there will be tremendous interest from retail providers who recognize the unusual opportunities available at Liberty Harbor, a prime location in the city's vibrant downtown district and thousands of residents within our own community as well as those coming from the surrounding neighborhood."

The surrounding neighborhood boasts some of the most luxurious new condos in the tri-state area, including Trump Plaza which has quickly made its mark on the Hudson River waterfront with more than 200 sales in the first five months.

Metro Homes, LLC, is developing the enclave in partnership with The Trump Organization. Dean S. Geibel, principal of Hoboken-based Metro Homes, said the flurry of condo sales reflects a confident and bullish economy. "It also provides evidence that, if you offer the urban sophistication of a world-class residence that combines dramatic living spaces, premier service, incomparable amenities and exceptional views — all associated with the Trump name — buyers will respond enthusiastically," he added.

The condos are being built into a signature 55-story building with a second 50-story building planned to be developed at a later date making them the tallest residential buildings in New Jersey. The new residents will have their pick of the high end restaurants and supermarkets that now pepper Jersey City waterfront as well as retailers catering to every whim, from the Experience Spa to the Legends ha studio, with Target, Pier 1, Bed, Bath

and Beyond and everything in between now a Jersey City staple.

In Edgewater, Levin Management is seeking "high profile tenants" for the 61,000 s/f of retail it is leasing at National Resources' mixed-use Edgewater Square development.

Bob Carson, vice president of property management at Levin, noted that, with average household income in Edgewater at more than \$90,000, that stretch of the Gold Coast has already attracted its share of quality retailers.

"Because of the very good demographics that have come with the residential development, we are seeing a lot of demand from retailers to be located here," said Carson, who listed Anne Taylor, Talbots, Chicco and Cold Water Creek among the newcomers. "We're also seeing a trend towards much better restaurants."

Fleming's Steakhouse has opened at City Place along with the Pan-Asian eatery, Baumgarts, which also has locations in Englewood and Ridgewood. PF Chang's has its own pad site at Port Imperial and Frank's Waterside Restaurant, Arthur's Landing and The Charhouse all cater to an upscale crowd. In Hoboken, the mile-square city has built a reputation for some of the finest restaurants in the state and the main Washington Avenue commands rents some of the highest rents in the state ranging from \$65-\$100 psf.

Wholefoods and Kings supermarkets have been a major hit and now the coast is gearing up to welcome its first Trader Joe's, set to open in the old movie theater at the Marketplace shopping center on River Road in Edgewater.

Chuck Lanyard showed the space to Trader Joe's four years ago and, at that time, they turned it down. "They didn't think there was enough residential development to support it back then," said Lanyard.

"Today, they're going to the exact same building to cater to the high-income customers that now live along the waterfront."

But nothing surprises Lanyard now. After 30 years in the business, he has witnessed a complete about face in the retail landscape. "What has happened in the last 15 years is that New Jersey has worked hard at improving the infrastructure of its highways and accessibility to retail markets.

"There was a recognition that, with its strong demographics, it was a highly desirable area for regional and national retailers who began to realize that, with its high income ratio, it was a good place to do business."

Roads were widened, circles removed and signage stepped up to create some of the most lucrative retail corridors in the nation along Routes 17 and 4 to Paramus, Rt. 46 in Passaic, Rt. 22 to Bridgewater and Rt. 1 to Woodbridge where some of the richest malls in the nation operate.

Now, it seems, the Gold Coast is poised to be added to that prestigious list. ■