



Tiffany, Hermes Lead Luxury Downtown

By [ELIOT BROWN](#), Special to the Sun | October 8, 2007

When Tiffany & Co. opens its new downtown store at 37 Wall St., its signature blue boxes with white ribbons will join a growing mix of high-end shopping bags sprouting along the area's narrow streets.

Together with the trademark orange bags from the recently opened Hermès store, the infusion of new color portends a transformation of retail in the historic financial district, where high-end jewelers and clothiers burgeon amid a changing downtown.

The elaborate ribbon cutting planned for Wednesday — a breakfast at Tiffany's termed a "Founding Ceremony" in the invitation — seemed almost unthinkable a few years ago, when middle-end retailers and office space filled the street levels of Wall Street.

Now, a host of new luxury apartments are adding another element to the once single-use downtown area, allowing for stores such as Hermès and Tiffany to rely on a more steady flow of foot traffic than the previous population — primarily office workers and tourists — allowed for.

"Where I see the stars aligned is the residential conversions of these fabulous buildings downtown," a vice president at Tiffany, Beth Canavan, said. "There's always been a strength of the business community — you now have residential, and you have tourists on top of that."

Tiffany's location, at the base of a luxury apartment building formerly occupied by JPMorgan, is exemplary of the broader trend, as the hot housing market has propelled numerous conversions of office space since 2001.

A walk down Wall Street easily verifies this trend, as the majority of buildings between the New York Stock Exchange and the East River seem to fly colorful banners advertising luxury residences above.

The population downtown has exploded in recent years, with the Alliance for Downtown New York estimating the number of people living south of Chambers Street as 44,686 in 2007, up from 22,961 in 2000.

With numerous conversions and new buildings under construction, thousands more are expected to descend upon the area in coming years.

By and large, the residents tend to be far wealthier than the average New Yorker, as the Alliance estimates the median household income as \$165,000, compared with about \$45,000 for the five boroughs.

"Three years ago, the market down here was not so great," a vice president at the Alliance, Nicole LaRusso, said.

But as downtown has undergone a rebirth in the past six years, retailers are gradually warming to the new environment, creating a shopping district around the Stock Exchange, she said.

"There's something to be said if you're on Wall Street or Broad Street," she said.

In opening a location at 15 Broad St. earlier this year, Hermès was viewed as testing the waters for the high-end market, and with its apparent success, real estate experts say others will feel free to follow its lead.

"It's always the first one that makes the plunge, and it's the others that follow along," the president of Skyline Developers, which owns 37 Wall St., Orin Wilf, said. "You got to give Hermès a lot of credit."

Just next to Tiffany store, Mr. Wilf said he is negotiating a lease with European clothier Brioni, and he said he has received inquiries from numerous high-end apparel retailers.

The chairman of the retail arm of brokerage Prudential Douglas Elliman, Faith Hope Consolo, said countless other clothing stores, shoe stores, and others catering to the luxury market are negotiating leases or eyeing moves to the Wall Street and Broad Street area.

"The financial district has always had a lot of retail, nothing very, very high end, but they've always had the density," Ms. Consolo said. "Now, with the high end residential, you have a different customer."

Also driving the success of the Wall Street area is the void created by the loss of the retail space at the World Trade Center, which was once viewed as one of the more successful locations in the city.

"The reason they didn't really fill in before is you had the World Trade Center, with 500,000 square feet of retail with really big names," Ms. Consolo said.