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LOIS WEISS

REAL ESTATE BETWEEN THE BRICKS

Gildo Zegna gets luxurious flagship store inside Crown Building

By Lois Weiss

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Ermenegildo Zegna CEO Gildo Zegna has reasons to smile after his luxury retailer inked a deal for a new flagship store in the Crown Building.
Photo: Lois Weiss; Getty Images

Men's luxury retailer Ermenegildo Zegna has inked a \$150 million deal to open a new flagship in the Crown Building at 730 Fifth Ave.

The 116-year-old Milan-based brand will open in a 9,000-square-foot duplex on the West 57th Street side of the building, right next to Bulgari. The new store on Billionaire's Row will have 1,500 square feet on the ground and another 7,500 square feet on the second floor.

Sources said the founder's namesake great-grandson, Chief Executive Ermenegildo "Gildo" Zegna, negotiated the pact directly with retail co-owner and deal maestro Jeff Sutton.

The co-owner of the building's retail, which sits at the most expensive corner in the world, is Sandeep Mathrani's General Growth Properties. Last year, Sutton negotiated a new deal with Bulgari at a record \$5,500 per square foot for the corner spot.

The asking rent for the 15-year deal was about \$4,000 per square foot, based on the ground floor rent, and totals \$150 million over the lease.

"Fifty Shades of Grey" star Jamie Dornan modeled the company's couture line for the spring-summer of 2014.

Last year, after seeing the Meatpacking District was not turning ultra luxe, Zegna sold a property at 771 Washington St. for \$71 million. We hear Ivan Hakimian and Eli Scharf of HPMY worked on that deal.

The upstairs and 730 Fifth its gilded crown will be separately owned by Michael Shvo and Vladislav Doronin — and is slated to become one of his Aman hotels plus 23 ultra-luxury condominiums.

Submissions have been vetted for the 2015 Real Estate Board of New York's Most Ingenious Deal of the Year Awards, and we have the scoop on all 16.

There are five sales and nine leases but just two in finance — so under the rules, without three in the category, the finance deals will be judged in another category.

The sales deals are: the purchase by Zara of a portion of 503 Broadway for its Soho flagship by David E. Ash of Prince Realty Advisors; MCNY's newly built condominium at 459 E. 149 St. in the South Bronx by Stephen Riker of Cushman & Wakefield; the sale of 164 Eleventh Ave. by Drunell Levinson of Halstead Property; the land swap involving the city, Memorial Sloan Kettering Cancer Center and Hunter College at 525 East 73rd St. by Justin DiMare, Mark Weiss and Howard Kessler of Newmark Grubb Knight Frank; and the sale of 1865 Broadway by Helen Hwang of C&W.

Lease deals include Assured Guaranty's relocation to 1633 Broadway and 31 W. 52nd St. by Robert Martin of JLL; the National Basketball Players Association move to 1133 Sixth Ave. by Arthur J. Mirante II and Martin Cottingham of Avison Young; the Empire Outlets deal at 55 Richmond Terrace in Staten Island by Michael Brais of Douglas Elliman Commercial; the Church of Saint Luke in the Fields at 487 Hudson St. by Paul G. Wolf of Denham Wolf Real Estate Services; the New York Stem Cell Foundation to 619 W. 54th St. by Stephen B. Siegel and Gary Kamenetsky of CBRE; the KCG consolidation to 300 Vesey St. by Derek Trulson of JLL; Skadden Arps' move to Manhattan West at 400 W. 33rd St. by Bruce Mosler of C&W; MetLife's lease at its former home at 200 Park Ave. by Bruce Mosler of C&W; LinkedIn at The Empire State Building by Lauren Crowley Corrinet, Gregory Tosko and Sacha Zarba of CBRE.

The two financing deals are a permanent financing for 387 Park Ave. South by Andrew J. Singer and Kathleen McSharry of The Singer & Bassuk Organization; and one for the EmblemHealth Building at 101 Pennsylvania Ave. in Brooklyn by Alan Goodkin of The Ackman-Ziff Real Estate Group.

The winners will be announced at the Sales Brokers Committee's 72nd Annual Deal of the Year cocktail party on the evening of April 12.

Musician and entrepreneur Sean "Diddy" Combs may have sold it and moved on a while back, but a slender Park Avenue mini-tower is now poised for a sale and possible redevelopment.

At 12 stories, the property at 809 Park Ave. is sandwiched between two other apartment buildings on Park between East 74th and 75th streets.

David Schechtman heads a team of Meridian Capital brokers who, along with Alexa Lambert of Stribling & Associates, are representing sellers Aion Partners to offer the chance to reinvent the property at pricing expected to exceed \$30 million.

The current three 5,000- to 6,000-square-foot multilevel rentals garner as much as \$45,000 per month.

The seller has permission to reconfigure those into five units with higher ceilings. These could later be sold as condos for \$3,500 a square foot.

As it is close to Lenox Hill Hospital and First Avenue's Hospital Row, it could also be turned into an exclusive medical building to serve patients needing augmentation or lifting procedures that may also require an overnight stay.

Combs bought the building in 1999 for \$12 million and sold it in 2004 for \$14.3 million. It was renovated in 2006.

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