

## Persistence pays off for “Ingenious Deal” nominee David Ash

*Broker sets record with Zara’s Soho retail deal, earns a REBNY nod in the process*

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By [Rich Bockmann](#)

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*David Ash with 503 Broadway and Zara’s new Soho flagship store*

If the real estate your client wants doesn’t exist, go out and make it.

That’s what David Ash, founder of the boutique investment-sales brokerage Prince Realty Advisors, did when he helped fast-fashion giant Zara carve out a retail condo for a new Soho flagship at 503 Broadway last year.

The \$248.2 million transaction not only set a record for the neighborhood at [\\$20,588 per square foot](#), but also earned the broker a nomination for one of the Real Estate Board of New York’s coveted Most Ingenious Deal of the Year Awards.

*The Real Deal* reviewed submissions for a behind-the-scenes look at how the 2015 REBNY nominees struck their deals.

In his submission to the “sales” category, entitled “Persistence to a Record – The Saga of the ZARA Soho Flagship,” [Ash](#) describes the challenges in finding a huge flagship space for Zara in the neighborhood.

Ash first reached out to Zara in late 2011, not long after the retailer's parent company, the Spanish conglomerate Inditex, paid [\\$324 million](#) to buy a retail condo for a Zara flagship store at 666 Fifth Avenue – one of the priciest retail-condo deals ever in the city.

Ash took the company to 503 Broadway, where he had previously pitched owner HSR Corporation on a potential 49-year master lease with another client. That deal had fallen apart.

Zara loved the space, but there were two big problems: 25,000 square feet were leased to Old Navy through 2018; and, more importantly, [Inditex wanted to buy](#) but HSR had no intention to sell. It was, Ash wrote in the submission, “a stalemate.”

Ash thought back to the 666 Fifth deal, where Inditex bought the National Basketball Association out of its retail lease to make the space available. He was convinced that if the deal worked on Fifth Avenue, it could work in Soho.

One of the key parts of the deal was to make sure HSR was comfortable with Zara's plan to build a flagship on the ground floor of the building, where the landlord's executive offices occupy the floors above.

The two sides negotiated a deal that would split Old Navy's 25,000 square feet on the ground floor. Zara would take roughly 15,000 square feet and HSR would recapture the remaining 10,000 square feet.

Zara, owned by billionaire Amancio Ortega, would claim additional space above and below to create a 3-story, 47,000 square-foot flagship that Inditex chairman Pablo Isla said “will undoubtedly be a global benchmark.” The flagship store opened Thursday.

REBNY will announce the award winners Tuesday, April 12 during a ceremony at 101 Park Avenue.

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