

Revolving retail in the Hamptons

While The East Hampton Market Is Strong, Southampton Has A Dozen-Plus Storefront Vacancies And Transactions Have Been Practically Nonexistent

Edward Williams | June 3, 2019

Hamptons retail — once a hive of ultra-luxe deals — has been one of the least active sectors of the Hamptons' commercial market.

Sag Harbor, Amagansett and Bridgehampton saw little turnover this season. And in Southampton, the deals are practically nonexistent, with the exception of a handful of restaurants.

In mid-May, The Real Deal counted roughly 15 vacancies on Southampton's Main Street and Jobs Lane alone.

Preppy clothing retailer Vineyard Vines, for example, closed its 1,512-square-foot store at 54 Jobs Lane in January after nine years.

Read the full story, "An inside look at the Hamptons' new hotspots this summer" [here](#)

But landlords — who have been called out by some for exorbitant rents in the past — are now responding with discounts. Retail asking rents in Southampton were around \$110 per square foot earlier this year, brokers say. Now they've fallen to \$85 a square foot on Main Street and as low as \$50 a square foot on Jobs Lane.

In addition to Vineyard Vines, others that have closed include 57 Main Street (formerly Rose Jewelers), 42 Jobs Lane (formerly swimwear store Vilebrequin), 46 Jobs Lane (formerly women's clothing shop Twist) and 50 Jobs Lane (formerly M.E.N.U., on the market for \$3.4 million with Douglas Elliman). Meanwhile, Brooks Brothers consolidated its store, reducing its size to about 3,800 square feet from over 6,000 at 50 Main Street.

"Southampton has had a high vacancy rate for several years," said Tony Cerio of Brown Harris Stevens. "On the other hand, East Hampton's Main Street, which in my opinion is comparable to Rodeo Drive, a vacancy there lasts a couple weeks at best."

But he noted that retailers pay premiums for pop-up shops.

"Some of these prices they are asking are through the roof," he noted. "You are looking at \$75,000 to \$100,000 for an entry-level pop-up, depending where it's at."

But many of these retailers are part of large corporations and are less concerned with running profitable East End stores than having their brand associated with the Hamptons, sources said.

And despite being late in the game, there were still deals happening into mid-May. "Retailers don't do the expensive buildouts here anymore necessarily," said Town & Country retail broker Hal Zwick. "They bring in some nice tables and racks."

"[They] have these professional crews that come in and work for a week straight. The major retail chains have



groups that can do that," he said. "The independents, with the seasonality of the business out here, they make the store look nice but they don't spend a fortune."

Still, big brands have become more tentative. Part of Southampton's problem is its size.

While landlords have lowered rents in both East Hampton and Southampton, the latter had few short-term leases and more stores to fill. "You have to remember they also have a lot more stores," Zwick said. "Main Street is large. They have Jobs Lane, Nugent and Hamptons roads."

Elsewhere on the East End, deals are trickling in.

In Montauk and Westhampton, for example, there's a smattering of boutique fashion and homeware stores opening.

And in Sag Harbor, Harbor Books, which opened in 2014 in the old BookHampton space, is jumping to a nearby location. Landlord Ted Seiter has leased the bookstore space to White's Apothecary, a boutique pharmacy with locations in East Hampton, Southampton and Williamsburg.

"It was the bookshop owner's decision to leave," said Zwick, who handled the deal. "She had an under-market rent. [Seiter] was good to her. She wasn't forced to leave. Her lease was up, and she decided to go."

Also in Sag, Manhattan Skyline Management signed two new leases on Main Street with lifestyle store Sunny and resort wear brand WildSide.

Frances Valentine — the design brand launched by Kate and Andy Spade and Elyce Arons — is adding a second retail pop-up location on Main Street.

Over in East Hampton, the latest arrival is Room & Board, which is opening a 4,000-square-foot pop-up store at 51 Newtown Lane.

And while Fifth Avenue retailers are not storming Southampton this season, there are some new nightlife openings.

Zach Erdem is rebranding the inn portion of the old Maison Vivienne at 75 Main, which was home to his nightclub AM. The space will reopen as Harpoon House — a nod to the village's nautical roots. Erdem is reopening AM at the adjacent 136 Main to a more exclusive crowd (those willing to drop thousands of dollars on bottle service).

Meanwhile, the Hedge Club will replace the old 1 Oak at 125 Tuckahoe Lane. Hollywood producer and Southampton landlord Michael Tadross has leased the building with the right to buy it — and spent more than \$1 million renovating the space.

More broadly, Southampton Village Mayor Michael Irving said any fears of retail apocalypse in his town are overblown.

"It's a general trend, and every year, for as long as I can remember, people go, 'Oh my God, all the stores are closed,'" Irving told the website 27 East in January. "And when spring comes, all the stores get filled again."

Still, while brokers may be signing some deals, "turnover is minuscule at best," said BHS' Cerio. "Nobody is making a killing in the commercial market out here," he said.