

MAY 15, 2019 - HSP REAL ESTATE GROUP IN THE NEWS - DEALS & DEALMAKERS - RETAIL

## Garment District getting its groove back



**Ira Fishman**, partner at **HSP Real Estate Group**, owns and manages several Garment District buildings, including 242 West 38th Street, 347 West 36th Street and 45 West 34th Street, believes that if you are getting in, you better do it now.



242 West 38th Street

“We had been fighting with the city since they introduced the zoning in 1987 with this idea that they could preserve manufacturing jobs. It didn’t work and it became a hot political issue. Now those zoning restrictions are gone and change is happening slowly, but it is going to intensify and quicken and we will see more institutional buyers who have a lot of money come in and treat the property like commodities.”

Like O’Toole, Fishman sees the Hudson Yards as a major influencer in the district. “We have always said the Garment District is the gateway to the Hudson Yards – you have to walk right through here to get there – and we are going to see a massive rise in foot traffic. Already we are seeing huge

changes to retail and, as the office population continues to change from factory to office, we will see more restaurants and stores that service those tenants and pedestrians as opposed to paper box and trimming stores.”

He also believes New York has an obligation to the garment industry that remains and can continue to successfully operate with landlords happy to reconfigure their spaces and make way for new office tenants.

HSP has been working quietly to position its own portfolio for the new Garment District. He said, “Looking forward, institutional owners will start coming in and exiting owners who have hesitated to invest money in their buildings to bring them up to the quality office people want. We have done it at 242 [West 38th] where we renovated the lobby and turned the old freight elevator into a passenger elevator and started to open up floors for office use. We replaced a label company that moved to Texas – he can run his business from anywhere – with a media and a tech company.”



IRA FISHMAN

At 251 West 30th, Gerard Nocera and Michael Reid, managing partners of HSP, have attracted a slew of TAMI tenants since gutting the building and earning a Silver LEED Certification.

Fishman added, “Renovating lobbies, relocating fire exits and combining passenger and freight elevators can take two years and you can spend a half a million on a lobby alone. Then you’ve got the bathrooms, plumbing, wall repairs offices, electrics... We did it so that we would be ready when the market turned, and now we are going to see where we go. The pace of the change is something that you can only guess at, but I would bet anything I have it will change.”

(EXCERPT)