

Why Do So Many Storefronts In Trendy Neighborhoods Sit Vacant?

by [Lauren Evans](#) in [News](#) on May 13, 2015 3:02 pm



([Stefan Georgi / Flickr](#))

It's a lament familiar to everyone who has ever lost a favorite bar, coffee shop or restaurant. One day it's there, the regulars assembled in their expected spots sipping coffee/slamming down beers, and the next it's gone, a "For Lease" sign in the hastily papered-over windows. The empty cups are still scattered across the counter, the trash can still overflowing from yesterday's crop of customers. "Well," you think, punching "new favorite dive bar" into Google, "maybe something cool will move in!" Then you wait. And wait. And wait. Years pass, you watch your children graduate from high school, begin careers, and have their own kids. You grow old and eventually die. Still, the space stands vacant. WHY?

I wish there was an easy answer for you, but there isn't one. The real answer is unsatisfying and complicated, and moreover, there isn't just one of them. But Christopher Havens, the vice president of commercial real estate at [AptsAndLofts.com](#), has a few explanations.

For starters, the city's reputation for pricey real estate tends to give owners the impression they can demand more money than they actually should. "A lot of people are looking for big numbers now, because of what they're hearing," Havens said, meaning that their asking price is often untenably high as a result. Seventh Avenue in Park Slope has had [a noticeably high number of vacancies](#) thanks to owners

who have controlled their spaces for 30 or 40 years. "They have no mortgage on the buildings, they're not in a rush. They don't have any debt pressure to lease the space," he said. High paying tenants, like banks and Chipotles and Rag and Bone stores are equipped with brokers that move "glacially"—as in, two or three years. Nobody seems to be in any hurry.

Another equally unsatisfying answer is "ownership behavior." In many cases, building owners are not the sleek corporate grifters we often imagine them to be. Perhaps finding tenants for their space is simply not their number one priority. Perhaps they don't live in the city. Perhaps there are one thousand other tiny hiccups stalling the whole process. For example: "We were trying to rent a space by some Italians—*real* Italians—who communicated with email because they made mistakes in English on the phone. That slowed it down," Havens said. "The nature of the ownership sometimes really slows things down."

Oftentimes, rental spaces are also left in crummy condition by the previous tenant, making them unappealing for potential new lessees. "Owners don't want to do any work, they want the tenants to do everything," Havens said. Cleaning and basic upkeep are fairly straightforward, but ambiguities about water service, electrical service and keeping the building up to code are cumbersome, and many tenants don't want to deal with a lazy owner. "If you're a person who runs three dress shops or three restaurants, you don't have time for this shit. How do you deal with that?" he said. And if the physical structure is in bad shape, well...prepare to wait.

But OK, I said to Havens. If you have a vacant property, what sort of money-hating monster doesn't put in the effort to fix the thing up? I'm no financial advisor but **SOME MONEY IS BETTER THAN NO MONEY.**

Havens sighed. "Maybe they own 50 properties. Maybe they're mentally ill. I don't know," he said. "It's not a logical business. It's not. People have their motivations."

Often, there's a mismatch between tenant expectations and what owners are willing to offer, and vice versa. Or perhaps you have a building, like one on Plymouth Street in DUMBO, which is jointly owned by *16 cousins*. "You can have a situation where...one says 'let's spend 20 grand to fix it up' and the other one says 'no, I don't want to do that,'" Havens said.

And oh, you wanted to open a restaurant? "Contrary to what everyone thinks, there aren't hundreds of people running around Brooklyn looking to spend two million dollars to create a restaurant," Havens said.

It's for good reason that tenants are not willing to jump into bed with the first appealing space they look at. "There's so much risk involved. Even though we have this buoyant economy, supposedly, do any of us feel secure?" he said. And like finding a new apartment, locating the optimal amount of space for the free-range carrot juice bar of your dreams is extremely hard—everyone else looking to open a 600-foot juice bar wants that space, too.

In the end, Havens said, the whole process boils down to to the total, utter chaos that governs the universe and NYC's real estate market.

"Logic does not apply to this business," he said. "Logic is not really usable here."

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Landlords that let their property sit vacant for more than a year should be forced to lower their rent demands every six months until they sign a tenant, and after two more years if it's still empty the city should commandeer the space for homeless shelters. In my neighborhood, there are (among others) two large commercial spaces on Broadway that have sat empty for over twenty years.

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Are you serious? Why stop there? If anyone has any money in a savings account that's collecting 0.0000001% in interest and that person has no short term needs for that cash, let the government commandeer that savings and give it to the homeless in need as a loan.

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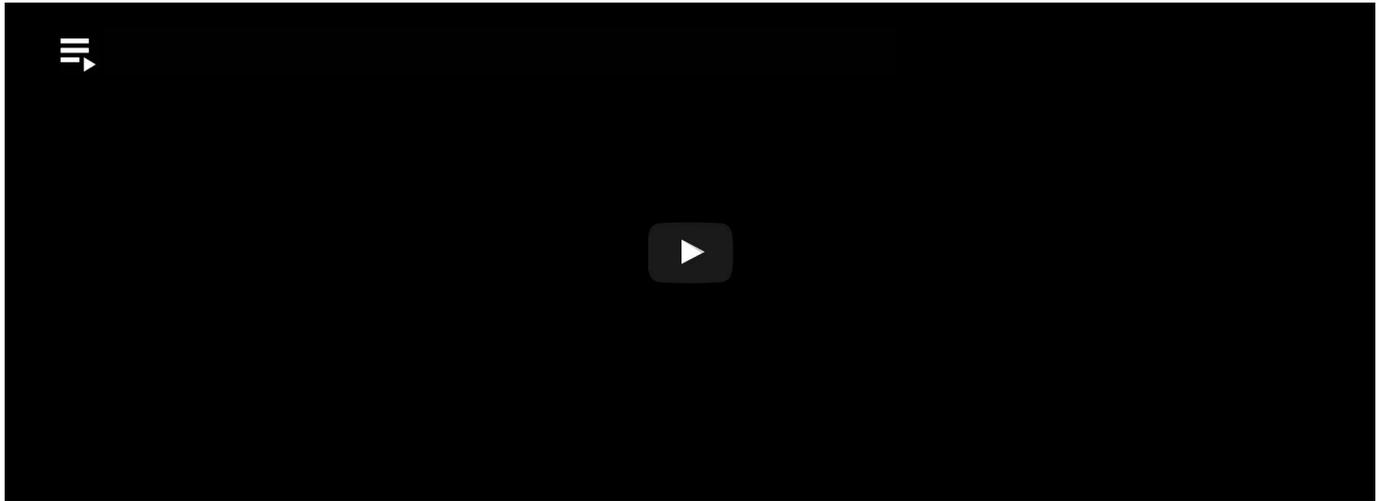
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