



## A hard sell for Newark: Residents want services, but stores are slow to open

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By **Sarah Portlock / The Star-Ledger**



Eliot Caroom/The Star-Ledger

Richardson Lofts, located two blocks from the Prudential Center in downtown Newark, has a lot to offer tenants but real estate professionals complain the neighborhood lacks supporting amenities.

The future of Newark's downtown residential market faces a chicken-and-egg conundrum: Homeowners are reluctant to move in or stay long until there are more amenities, but retailers are cautious about opening locations and don't want to be the first ones to move into a new area.

"Newark's center city was never built for residential living -- it's designed like lower Manhattan," said Frank Giantomasi, a real estate attorney with Genova, Burns and Giantomasi in Newark.

The solution will be to create a district like the

Ironbound, with a mix of retail, restaurants and residential developments, real estate experts concluded at a Newark Regional Business Partnership panel discussion yesterday.

"You've got to build with the right mix," Giantomasi said. "You can't just put up a residential building anymore, you've got to be able to be supported by the structures around it."

"Newark doesn't have it yet -- a place to buy toilet tissue, a quart of milk," he added.

The new buildings -- and thousands of units -- going up in Newark have plenty to woo potential tenants. Two blocks from the Prudential Center is Richardson Lofts, a converted jewelry factory with a mix of market-rate and affordable units and a gym, rooftop garden and environmentally friendly components.

When the upscale Eleven80 opened in 2006 on Raymond Boulevard near Penn Station, tenants were enamored with its views of New York, 24-hour concierge service, a bowling alley and gourmet kitchens. And Teachers Village, a mixed-use project in the Central Ward with housing for teachers, retail space and three charter

schools, is set to break ground this year, Mayor Cory Booker said this week.

But because the projects aren't concentrated in the same way as other urban centers, it means they haven't spurred the type of retail that would in turn encourage more investment in the area, said Barbara Kauffman, executive vice president of the partnership.

"You can get (residents) in the first couple of years. The question is, can you keep them?" said Samer Hanini, principal at Hanini Group, a real estate development company in Newark. "Residents will only stay if there are great amenities around them."

The catch is retailers are cautious about how they spend money.

The dynamics of demographics, safety, and whether other businesses will come plays a greater role in decision-making, said Kate Coburn, who is a partner at HR&A Advisors, a real estate consulting firm, and specializes in retail and restaurant development.

"Incentives are going to be a very big part of that equation," she said. "The economic incentives and deals have to be very compelling."

For retail to be successful, it has to be clustered, she said. Creating a district like SoHo in Manhattan that can be publicized to garner buzz will help, she said.

"By creating the buzz, you create the demand," she told the audience.

*Sarah Portlock: (973) 392-5994 or [sportlock@starledger.com](mailto:sportlock@starledger.com)*

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