

SUNDAY, NOVEMBER 9, 2008

MELTDOWN SCORCHES

Bust for booming 86th St. in Bay Ridge

BY LORE CROGHAN
DAILY NEWS STAFF WRITER

NIKO PANTELIDIS' tenant flew the coop without even saying goodbye.

The owner of Pop's Subs was all paid up on his rent and had spent \$40,000 to build a small Bay Ridge, Brooklyn, sandwich shop. But with business slowed to a trickle, he walked away from the 86th St. storefront with no advance warning.

"I can't do this any more," he said when a property manager from Pantelidis' real estate firm caught up with him.

It's a scene being played out all over the city: Once-thriving commercial districts in every borough are peppered with soaped-over windows, empty sidewalks and stressed-out shopkeepers. As unemployment rises and the stock market sinks, cash registers have gone silent at small businesses all over the city.

Five months later, the Bay Ridge storefront still sports a forlorn "For Lease" sign in the window. It's one of nearly 40 retail spaces that are vacant or available for rent on 86th St. or nearby Fourth and Fifth Aves., the Daily News found.

In other once-bustling commercial districts, the shuttered storefronts that mark an entrepreneur's dashed dreams have become commonplace. Real estate database CoStar lists more than 20 buildings in Flushing, Queens, with space for rent. The spectrum runs from shoebox-sized shops to the 50,000-square-foot place Old Navy is vacating on Roosevelt Ave.

"This really don't know how long it's going to last or how bad it will get," said Louis Macari of Exit Realty Lewis & Murphy, which owns and manages buildings in Flushing, Queens.

"The stock market — one day it's up, the next day it's down," he said. "What's the average person to think?"



Five months after becoming vacant, 86th St. storefront (above) remains on the market as shops like Golden Art Jewelry (right) struggle. Photo by Jesse Ward

It has taken Macari a year to fill two Main St. storefronts — at much lower rents than the landlord was asking. An adjacent space remains empty.

He's had to work out a late payment plan for one Flushing tenant's rent. Others are routinely paying 15 or 30 days late.

All over the city, penny-pinching New Yorkers are spending less at delis, pizzerias and family restaurants, sparking a chain reaction. Failing restaurants mean tumbling sales for food distributors in Hunts Point, the Bronx; Maspeth, Queens; and Canarsie, Brooklyn. That's hurt demand for ware-

house and refrigeration space that the distributors use, said John Maltz of real estate broker Greiner-Maltz.

With \$1.75 kebabs and \$4.50 Italian sausage sandwiches at his food cart on 38th Ave. in Flushing, vendor Matthew Rosenzweig may be the only type of food business that's doing well these days. He does a brisk business with office cleaners and doctors alike.

"The building cleaners at Queens Crossing say the restaura-

nts there are too expensive — they come to me instead," said Rosenzweig.

Desperate to cut costs, entrepreneurs of all sorts have gotten \$2.7 million in matching grants this year from the city's Department of Small Business Services to train their workers to become more efficient. The state is giving the agency \$500,000 to expand the training program.

"I know we're in for a rough ride," Small Business Services Commissioner Rob Walsh said. Banks now consider small businesses so risky that they won't lend money to would-be buyers of small buildings with vacant storefronts — even in tony Park Slope, said broker Ken Freeman of Massey Knakal Realty Services.

He slashed the price of 383 Seventh Ave., a property he's marketing — but he can't sell it.

One of its retail spaces has been empty since last summer, when a chocolate shop called The Chocolate Girl was evicted, he said.

In Bay Ridge, where mom-and-pop mingles with big retailers like Century 21, Circuit City and Gap, Pantelidis gets 35 to 50 calls a week about Pan Brothers Associates' vacant storefronts.

But most callers aren't deal-worthy, he said. They want to open fruit stands, small grocery stores, restaurants, clothing boutiques or cell phone stores — with no prior experience. Or they don't have the money for a security deposit of three to four months' rent.

The merchants who have managed to stay open are barely hanging on. A sign for a 70% closeout sale dangles from the awning outside Spring Valley

Gift Shop on 86th St. It's going out of business.

World of Pets, on 86th St., has a sign on the front door offering puppies for Christmas layaway. At Golden Art Fine Jewelers, a diamond engagement ring and diamond-studded wedding band that were \$1,350 for both are now on sale for \$500. Yet some customers of the Fifth Ave. store are wistfully window-shopping rather than spending.

"People would rather buy food than jewelry," said owner Gus Maalouf.

This is the worst year Maalouf has ever had — and he's been in business for 30 years. His neighbors are hurting too.

"They come and tell me, 'I didn't make a single sale today,'" he said.

lcroghan@nydailynews.com

