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Real Estate Deal Watch: Italian retailer subleases from French restaurant

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Five-story townhouse off Madison Avenue to house first U.S. outpost for Milan-based menswear retailer Tincati; spot had been slated as new home of La Goulue.

High-end Italian menswear retailer Tincati is making its U.S. debut in the Big Apple. The Milan-based company recently signed a 14-year lease at 20 E. 63rd St., between Fifth and Madison avenues. The lease includes all 6,000 square feet of retail space in the five-story townhouse, nearly 1,100 square feet of which are on the ground floor. Asking rent, including taxes, was \$800,000 a year. That price translates to a blended rent of \$133 per square foot for the building.

Tincati is expected to officially open for business in March but it may have a soft opening in early December, ahead of the holidays. The retailer is subleasing the building from French restaurant La Goulue. The eatery had operated nearby on Madison Avenue for more than three decades, but closed in 2009 with the intent to reopen at the East 63rd Street spot. However, La Goulue had trouble securing a liquor license and decided to sublease the space to Tincati.

The proximity to Madison Avenue was a key factor in the deal.

“[Tincati] certainly wanted to be close to Madison Avenue because that’s where their clientele shops and eats and lives,” says Marianne Thorsén, the Sierra Realty Corp. broker who represented La Goulue. “They could get the same amount of space [on Madison] but not for this kind of money.”

Laura Pomerantz and **Dan Harroch** of **PBS Real Estate** represented Tincati in negotiations. The owner of the building is Albert Wu.