



POST FOCUS ON COMMERCIAL REAL ESTATE

NYC eateries biting the dust

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REALTY CHECK

THE eerie death toll of large, high-profile restaurants this year is likely to grow larger: Angelo & Maxie's steakhouse at 233 Park Avenue South and its sister eatery, Maxie's Grill. Landlord Orda Management "expects to have the space back in about 60 days," an insider told us.

An Angelo & Maxie's manager said it was news to him, and the owners couldn't immediately be reached. But Orda is said to be already deciding on how to market the eateries' combined nearly 10,000 square feet.

This year has already seen the closings of Tabla, Matsugen, Japonais, Montenapo, and, most buzzed about, the abrupt shutterings of Convivio and Alto, high-end Italians owned by **Chris Cannon**. All were big (more than 200 seats including bars and lounges). Most were helmed by big-name owners or chefs, and/or occupied prime locations.

"I wouldn't identify a theme to it, because all the closings happened for completely different rea-

sons," said JDF Realty's **Leslie Siben**, a prominent restaurant broker.

Nor do the closings indicate a crisis: more places continue to open than to close, and there probably are more seats than ever.

Even so, the tightly clustered closings of so many highly visible places has restaurant and real estate insiders buzzing. "All of a sudden, there's a lot of spaces on the market," said a well-known chef owner who's been offered several but didn't want to be identified.

Among general theories being floated, Cushman & Wakefield's **Gene Spiegelman** said, "There's not room for every single concept and there's repetition within concepts."

Independent broker **Steven Kamali**, who specializes in restaurant-lease sales, said the closings reflected that "fine-dining is toppling" in favor of more casual concepts including eatery-club hybrids.

"The big ones have double-edged swords," said BR Guest President **Stephen Hanson**. "When the economy's great, you can do very well. When it's not, the expense of running such a large operation can eat you up very quickly."

But sheer size has never deterred Hanson — and sources told us he's already "onto" the former Japonais space at 111 E. 18th St. "The deal isn't done, but it looks likely," one said. Hanson declined to comment. Ironically as well, the building is also owned by Orda, Angelo & Maxie's landlord.

The shuttered places indeed fell to different causes. **Danny Meyer** said last fall that Americanized-Indian Tabla sim-

ply ran out of steam after 10 years and was too big for its specialized cuisine.

Jean-Georges Vongerichten's very Japanese Matsugen — which served the best soba noodles in town — was on a Church Street corner that saw little traffic. A bland design that "looked like where you went to do yoga," as Kamali called it, didn't help.

Japonais "never drew the necessary crowds," a different broker said, in a market saturated with jumbo, lavishly decorated Asian-esque eateries.

Montenapo, which flopped under two different ownerships, occupied a sunken space in the New York Times building — "no matter what anyone says, not a destination for dining," Siben observed.

But no closings in memory generated as much mystification and buzz as the shutterings of Convivio and Alto, which seemed to be running at full tilt even after Cannon's recent split with former partners, including both restaurants' uber-chef, **Michael White**.

Only a month ago, Cannon announced the hiring of two new chefs and new menus to come soon. The closing came out of the blue. The next day, furniture and fixtures were being wheeled out of Midtown's Alto for auction. Landlord Tishman Speyer is evaluating options for the difficult, two-level space set back far from the East 53rd Street sidewalk.

Cannon's been unreachable. Brokers and restaurateurs dismissed suggestions the closings were due to a lawsuit over tips and wages — "dozens and dozens of places got sued



THE LAST CALL: Alto, the high-end Italian eatery owned by Chris Cannon that closed suddenly a month ago, was located on East 53rd Street, between Fifth and Madison avenues. Its two-level space seated more than 200 people. J. Scott Wynn

and none of them closed," one industry player noted. Some characterized the situation as "bizarre," "cloak-and-dagger" and "something very dark."

Of course, plenty of new restaurants are coming. Cushman & Wakefield's **Brad Mendelson** sees lots of activity in Midtown. But, "It's kind of funny," he said, "We're seeing tenants out of Florida and other parts of the country, not local."

Prudential Douglas Elliman's **Faith Hope Consolo** said landlords want

chain "Fig & Olive types." "Every time I get a space that's fit for a restaurant, the landlord calls and says, 'I don't want a typical restaurant — I want Pret a Manger,'" she said. "Or, 'Bring me another Olive Garden.'"

Many upcoming serious restaurants will be in hotels or other projects where restaurateurs forged joint ventures with landlords who pay for buildouts. **Danny Meyer's**

North End Grill, for instance, with former Tabla chef **Floyd Cardoz** at the helm, is part of a Goldman Sachs hotel conversion project next to the firm's new headquarters.

"I don't know how much business there is in Battery Park City," one broker snarked. "But at least **Lloyd Blankfein** will have a good place for lunch."

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