

METRO

De Blasio eyes vacancy tax for greedy landlords seeking top-dollar

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An empty storefront at 467 West Broadway.

William Farrington

Give that mom and pop a shop — or else!

As a growing number of vacant storefronts dot the city, Mayor Bill de Blasio on Friday said he wants to penalize landlords who leave the shopfronts sitting empty.

"I am very interested in fighting for a vacancy fee or a vacancy tax that would penalize landlords who leave their storefronts vacant for long periods of time in neighborhoods because they are looking for some top-dollar rent but they blight neighborhoods by doing it," he said on WNYC. "That is something we could get done through Albany."

A number of recent studies have found retail corridors in prosperous Manhattan neighborhoods are struggling with double-digit vacancy rates, from 27 percent on Amsterdam Avenue on the Upper West Side to 20 percent on a stretch of Broadway in Soho. Five percent or less is generally considered "healthy."

"It's the opposite of what you would expect. There's a real-estate boom going on for the last 20 years. Why does it look like a ghost town? Tribeca, Soho — these wonderfully overpriced, beautiful properties sitting over empty spaces for years," said Louis Puopolo, exec at Douglas Elliman Commercial.

The borough's overall vacancy rates doubled from 2.1 percent to 4.2 percent between 2012 and 2017, according to a City Council report published in December. The report blamed landlords charging skyrocketing rents right as brick-and-mortar retailers are struggling with growing online competition.

"Many landlords prefer to wait for area rents to increase before committing their real estate to long-term leases with relatively fixed terms," the paper from the Economic Development Committee claims.

"If these landlords have deep pockets and large property portfolios, it may make more financial sense to claim a tax loss on vacant property than to rent at a non-optimal value."

Locals say the abandoned storefronts are an eyesore.

"I feel like the empty stores inspire more vandalism and more people to loiter in the area, it looks so abandoned," said Steven Ortega, 24, a teacher from Greenwich Village. "The area is being gentrified, and with that comes higher prices of rent. They keep pushing out the old tenants. Landlords should either be fined or have a penalty."

Bill de Blasio
Dennis A. Clark

Residents say they thought it was bad when the chain stores moved in — but no stores is worse. "This neighborhood is just so blah. First it was cute little self-own shops, then it turned into Burberry, Coach and Juicy, and now these stores sit empty. Even my kids even notice," said Allison Smith, 38, an architect who has lived in the West Village for 12 years.

"I think the store owners should be fined, these are residential buildings — it doesn't feel nice for neighborhood and pulls the neighborhood down."

When reached for details on exactly how such a penalty would work, the mayor's office said it was still in the planning phases.

But it's not the first time it has been proposed — Manhattan Borough President Gale Brewer has already been pushing for such a tax since last year, when her office studied the entirety of Broadway and found 188 empty storefronts — with the most in Morningside Heights.

She also supports a plan being considered by the City Council to require property owners with empty commercial spaces to register in an official database so the city can keep track of vacancies.

"We need to know what we are dealing with," she told The Post on Friday.

But Puopolo says the vacancies are a two-way street — store owners have unrealistic expectations, too.

"It's almost unreasonable on both sides — tenant wants concessions, tenants wants to not put guarantees down," he said.

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