

RETAIL

Trump's midtown Manhattan base causes problems for luxury retail

November 17, 2016



Trump Tower in Midtown Manhattan

By STAFF REPORTS

The extra security measures put in place around Trump Tower on New York's Fifth Avenue are hurting business for its neighboring retailers.

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Storefronts in close proximity to President-elect Donald Trump's home, including Tiffany & Co. and Gucci, have seen decreased foot traffic as barricades deter shoppers and worsen congestion on the already busy thoroughfare in Midtown Manhattan. Going into the holiday season, if this heightened security continues, it may be detrimental to businesses' bottom lines.

Traffic jam

Following the election on Nov. 8, protestors took to the streets of New York, with many focusing their attention outside Mr. Trump's residence. This protestor presence led many to avoid this area's businesses.

In an interview with the [New York Post](#), the director of an art gallery positioned across from the tower noted that the stores were empty this past Saturday, as the protestor presence was strong.

Barricades along the street caused Tiffany to cancel its holiday window reveal. While the store remains in business with normal hours, its sales are expected to take a hit this year, according to [CNBC](#).

In addition to the imposing presence of the metal blockades, security personnel have also been on heightened alert. Individuals headed to the luxury stores around the tower are the only ones getting through to the sidewalk, but this means potential shoppers enduring questioning by police before they are allowed to pass.

In a meeting with reporters following a discussion with the president-elect, New York Mayor Bill DeBlasio said, "I will not tell you that Gucci and Tiffany are my central concerns in life, but I will say the traffic situation is a very real problem."

In addition to being Mr. Trump's home, the tower has also served as his center of operations as he puts together his staff.

This potential for retail disruption is not apt to go away when Mr. Trump moves into the White House, as he is expected to return to his Fifth Avenue home from time to time. The Secret Service's preference would be to close down the entire block when he is in town, a request that has so far been rejected by New York officials.

Upper Fifth Avenue rental prices have dropped due to advancements in digital shopping, but it still holds its place as the most expensive stretch in retail with its prices more than two times higher than others around the world.

Cushman & Wakefield released a new report that shows Hong Kong's Causeway Bay is right behind Fifth Avenue in terms of most expensive retail road, but with the popularity of ecommerce and more retailers putting more stock into online, sales have dropped ([see story](#)).

With sky high rents, retailers count on the fourth quarter's holiday push to help afford their leases.

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