

RETAIL

Barneys looks to rectify business issues with possible bankruptcy filing

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Exterior of Barneys New York flagship. Image credit: Barneys

By STAFF REPORTS

Department store chain Barneys New York is reportedly looking for options to help save its business, including a bankruptcy filing.

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A source speaking with *Reuters* revealed that Barneys is working law firm Kirkland & Ellis LLP to explore possible solutions. The retailer has been struggling as consumer habits have greatly shifted and bricks-and-mortar spaces see higher rents.

Barneys and bankruptcy

While filing for bankruptcy is in the mix for Barneys, it is also looking into other options. One of the retailer's biggest stresses is the exceptionally high rent for its flagship store on Madison Avenue in New York.

"At Barneys New York, our customers remain our top priority and we are committed to providing them the excellent services, products and experiences they have come to expect," Barneys said in a statement to *Reuters*. "We continue to work closely with all of our business partners to achieve the goals we've set together and maximize value.

"To that end, our board and management are actively evaluating opportunities to strengthen our balance sheet and ensure the sustainable, long-term growth and success of our business," the retailer said.



Chanel windows at Barneys. Image credit: Barneys

Before news of the department store's possible bankruptcy filing broke, Barneys revealed it is investing in future New Jersey mall American Dream for its only flagship in the state.

Set to open later this year, American Dream will be located in the Meadowlands Complex and host luxury retailers such as Saks Fifth Avenue and Herms in addition to a variety of theme parks. Barneys' location in the complex will act as its New Jersey flagship, complete with its iconic Freds at Barneys restaurant ([see story](#)).

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