

RETAIL

Farfetch refutes report that it is buying Barneys

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Farfetch denies it is shopping for Barneys. Image credit: Barneys New York

By STAFF REPORTS

Ecommerce group Farfetch is denying a report that it is purchasing department store chain Barneys New York.

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On Aug. 26, *The New York Post* ran a [story](#) that claimed Farfetch was in talks to buy Barneys, which is looking for a seller following Chapter 11 filings. In a statement, Farfetch has said that it is not acquiring the struggling retailer.

"The story is incorrect Farfetch is not acquiring Barneys New York," Farfetch said in a statement.

Sale speculation

On Aug. 6, Barneys filed for Chapter 11 bankruptcy in an effort to reorganize its business for a sale.

Amid the ongoing sale process, Barneys has secured \$218 million in additional capital, which it says will help it meet its financial obligations when combined with its operating cash flow. As part of the bankruptcy proceedings, Barneys will be closing a number of stores and reevaluating its leases, while online channels will all remain operational ([see story](#)).

The New York Post quoted anonymous sources that said that Farfetch's talks with Barneys began before it filed for Chapter 11, and that the negotiations are "heating up."



Exterior of Barneys New York flagship. Image credit: Barneys

According to the report, Farfetch convinced Barneys' landlord to lower the rent for its Madison Avenue store in exchange for giving back part of the building to the owner. This would involve reducing the 10-story store's size by 40 percent.

Barneys' rent doubled this year, which was a factor that drove the retailer towards its bankruptcy filing.

"Like many in our industry, Barneys New York's financial position has been dramatically impacted by the challenging retail environment and rent structures that are excessively high relative to market demand," said Daniella Vitale, CEO of Barneys, in a statement at the time of the filing.

Per *The New York Post*, the Farfetch deal would save the Madison Avenue store in New York and the retailer's Beverly Hills, CA location, reducing Barneys' footprint even further than anticipated. Barneys had planned to save five of its bricks-and-mortar stores.

If Farfetch did acquire Barneys, it would not be its first bricks-and-mortar retailer. In 2015, it acquired London retailer Browns as part of its omnichannel strategy.

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