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THE NEW FILLMORE

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DANIEL BARMAN

TRANSFORMATION

Real estate broker David Fishbein is remaking Fillmore Street

SPECIAL REPORT | BY CHRIS BARNETT

FILLMORE STREET LOST ITS INNOCENCE in 2008 when fashionmeister Ralph Lauren moved his signature line of classic men's and women's apparel into an elegant emporium on Fillmore that once housed a Goodwill store. The street would never be the same.

Two years later, a 23-year-old newly minted commercial real estate broker named David Fishbein packed his car, moved out of his parents' home in Lafayette, drove down to Los Angeles and struck out on his own, not knowing a soul in L.A. He started dialing his cell phone, calling anyone who might rent retail space.

Since then Fishbein has become the architect of a radical transformation of upper Fillmore Street from a jumble of locally owned and largely loved mom and pop shops to arguably the hottest neighborhood shopping street in America.

Already he has brought 10 new fashion and beauty stores to the street by targeting expanding companies eager to open here before they become subject to the city's limits on chain stores. And he has more in the works. Edgy designers, manufacturers and retailers of mostly women's fashionwear throughout the U.S. and Europe are lined up to get an address on Fillmore's four choicest blocks — from Clay Street south to Bush.

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The Race for Space on Fillmore

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But there's no space available, which has only made the fashion houses hungrier.

The price of entry went up this summer when Fishbein and Pam Mendelsohn, a veteran leasing broker with Collier's International's San Francisco office who has been working the Fillmore for more than a decade, informally joined forces to beckon another fashion giant. They persuaded New York-based Rag & Bone, an 11-year-old clothing company known for a style it calls "effortless cool," to pony up six figures in cash to buy out the owner of the coffee shop and laundromat at Fillmore and California, which boasts 2,400 square feet and the best location on the boulevard.

A couple of weeks later, the owners of the furniture store Design Within Reach reportedly pocketed a quarter million dollars to turn over their lease at 1913 Fillmore. The winning tenant, after a battle, is Ella Moss, a self-described purveyor of "fun, flirty, whimsical apparel for women and children."

A fashion feeding frenzy

THE RACE FOR SPACE ON Fillmore Street has become a feeding frenzy for fashion brands and leasing brokers and a windfall for landlords and troubled tenants looking for an exit strategy. But for many neighborhood stalwarts, local residents and sentimentalists who prized the street's small-town feeling and folksiness, the transformation is an unfortunate loss of neighborhood-serving businesses that have made the area such an attractive place to live.

For Fishbein, the transformation of Fillmore from a street of small-time stores



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— DAVID FISHBEIN
real estate broker and developer

into a must-be destination for the hippest fashion designers has become a mission.

Son of a real estate broker dad and a fashion savvy "lifestyle brand designer" mom, Fishbein traveled widely with his family growing up and graduated from the University of Denver. "It was the only college I knew of with a real estate undergraduate degree," he says. He graduated in 2008 — "in the middle of the economic meltdown, the worst possible time to look for a job." He landed one, though, with an East Bay commercial real estate brokerage and went to work trying to lease retail space in downtown Napa. Thwarted and frustrated, he tossed in the towel after two years and

moved to Los Angeles, where he now co-owns the Runyon Group, a commercial leasing brokerage and developer. But a part of his mind stayed in the Bay Area.

"As a kid, I remember Sacramento Street and Sue Fisher King and going shopping on Fillmore with my mother and walking into Filamento," he says. So three years ago, when he got wind that Kiehl's was moving from its classic corner space at Fillmore and Washington down to the former corner grocery at Fillmore and Pine, Fishbein immediately thought of L.A. designer and entrepreneur Nevena Borissova.

Borissova had done some urban retail pioneering in New York's SoHo district and is credited with helping turn L.A.'s

Robertson Blvd. on the edge of Beverly Hills into a mix of sophisticated shops and restaurants. She had also launched a collection of stylish women's boutiques called Curve that was grabbing headlines in fashion magazines and websites.

Fishbein had pitched her relentlessly to open a Curve in Napa, but she continually shot him down. He didn't give up.

"I called and said, 'I don't know if you've ever thought of expanding to San Francisco, but there is this cool corner space on Fillmore.'" She cut him off mid-spiel. "Everyone tells me San Francisco is too conservative," she said. "I'm not conservative."

But Fishbein didn't let up, walking the

delicate line between tenacious and obnoxious. "This can be an incredible retail and fashion destination," he stressed. "I think it's risky but untapped. You have sophisticated, worldly people up here. It's Soho, it's Robertson, it's Venice Boulevard, it's old town Pasadena before their discovery. Fillmore is ready for a renaissance."

Borissova flew up, toured the street, liked what she saw and took a flyer on the 1,500 square foot space at Fillmore and Washington. And she gave Fishbein the ultimate thank you gift: a list of women's wear designers who were burning up the runways in New York, Paris, Milan and Munich. These were labels that had either branched out into retailing or wanted to shed the shackles of department store selling where they had to fight for attention from shoppers and sales clerks.

Fishbein nailed down his second lease when he cold-called New York Apothecary and sold the company on taking over 600 square feet for Le Labo, a high-end fragrance company, at 2238 Fillmore, sandwiched between Athleta and Via Veneto.

Fishbein's third deal in three months was a coup, leasing the space at 2326 Fillmore to Peruvian Connection, which sells mostly women's fashions imported from Peru.

Another big hit for Fishbein came from yet another of Borissova's suggestions when he wooed Alice + Olivia to take over the corner spot at Fillmore and Clay. "This was a hot national brand with only three or four stores," he says, "and a name someone would recognize if they were shopping at Bloomingdale's."

The international angle

FISHBEIN HAD AN ACE UP HIS SLEEVE: The city's chain store ordinance limits companies to 11 stores operating in the U.S., but locations outside the country don't count. The young, soft-spoken broker has played this angle to perfection, lassoing international women's fashion and cosmetic brands expanding into the U.S. and selling them on Fillmore as the hot new locale.

His trophies include boutiques for Aesop, Joie, Sandro and NARS Cosmetics, among others. The French-based Cotec, Dutch-owned Scotch & Soda and

German-owned Oska have also opened on Fillmore, although Oska opened under another name — its address, 2130 — when locations it had leased but not yet opened were included and pushed it over the 11 store limit.

These days Fishbein and other leasing agents working the street haven't had to sell Fillmore. Everybody wants in. Just a whisper of a possible vacancy on the four choice blocks triggers multiple offers for a lease. Landlords have such a strong upper hand there is little haggling over lease terms.

For example, Maje, a Paris-based designer line and a corporate sibling to the French-based Sandro, is reportedly pushing hard to take over the space just left vacant by Pure Beauty at 2124 Fillmore. Even though there is a Maje "on virtually every other street corner in Paris," says another Fillmore merchant who recently returned from a buying trip, it has fewer than 11 retail stores in America.

Ironically, Fishbein, who brokered the recently opened Sandro store, isn't repping Maje and won't say who is. He's got another

client angling for the space, and others are lining up as well.

There are only a limited number of storefronts on the four most desirable blocks of Fillmore. Traffic is not as strong north of Clay Street. And a leasing broker who knows the territory predicts that fashion forward brands will not move south of Bush.

"When they built that full block of apartments (on the east side of Fillmore between Bush and Sutter), retailing was an afterthought. Designers want to build a store that expresses their brand and they aren't going to move into a space with low ceilings and no aesthetic or character," he says. "And forget what's on the west side of the street."

Even Fishbein, who obviously has canvassed the boulevard looking for converts, admits: "There are plenty of great tenants on Fillmore with no interest in leaving. And there are landlords who have had the opportunity to replace them when the lease is up with a tenant who might have paid more for the space — and the landlord has renewed them. It's wonderful."