

New Retail Capital and Neighborhood Change: Boutiques and Gentrification in New York City

Sharon Zukin*

Brooklyn College and the City University Graduate Center

Valerie Trujillo, Peter Frase, Danielle Jackson, Tim Recuber, and Abraham Walker

Graduate students pursuing in the PhD Program in Sociology at City University of New York

Since the 1970s, certain types of upscale restaurants, cafés, and stores have emerged as highly visible signs of gentrification in cities all over the world. Taking Harlem and Williamsburg as field sites, we explore the role of these new stores and services (“boutiques”) as agents of change in New York City through data on changing composition of retail and services, interviews with new store owners, and discursive analysis of print media. Since the 1990s, the share of boutiques, including those owned by small local chains, has dramatically increased, while the share of corporate capital (large chain stores) has increased somewhat, and the share of traditional local stores and services has greatly declined. The media, state, and quasi-public organizations all value boutiques, which they see as symbols and agents of revitalization. Meanwhile, new retail investors—many, in Harlem, from the new black middle class—are actively changing the social class and ethnic character of the neighborhoods. Despite owners’ responsiveness to community identity and racial solidarity, “boutiquing” calls attention to displacement of local retail stores and services on which long-term, lower class residents rely and to the state’s failure to take responsibility for their retention, especially in a time of economic crisis.

At least since the 1970s, certain types of restaurants, cafés, and stores have emerged as highly visible signs of gentrification in cities around the world. Although the archetypal quiche-serving “fern bars” of the early years have long since yielded to wine bars and designer clothing boutiques, these stylish commercial spaces still embody, serve, and represent a powerful discourse of neighborhood change. On the most basic level, the new consumption spaces supply the material needs of more affluent residents and newcomers (Bridge and Dowling, 2001). But they also supply their less tangible needs for social and cultural capital (Zukin, 1991; Patch, 2008). New stores, cafés, and bars become hang-outs for both bohemians and gentrifiers or places for social networking among stroller-pushing parents and underemployed artists and writers (Zukin, 1995, pp. 153–156; Lloyd, 2006). Moreover, the aesthetics of their offerings and atmosphere reinforce a sense of the neighborhood’s creative cultural distinction (Florida, 2002; Zukin and Kosta, 2004). Whatever be their specific form, though, “boutiques” contrast with older stores catering to a poorer, more traditional, and less mobile clientele.

*Correspondence should be addressed to Sharon Zukin, PhD Program in Sociology, City University Graduate Center, 365 Fifth Avenue, New York 10016; szukin@gc.cuny.edu.

City & Community 8:1 March 2009

© American Sociological Association, 1430 K Street NW, Washington, DC 20005

As a vivid image of “commercial” gentrification, boutiques can easily become a stalking horse for long-term residents’ fears of displacement. In U.S. cities, low-income Black and Latino residents identify upscale consumption spaces with “white” interests, and although they may appreciate better goods and services that new stores make available, they resent the implication that white newcomers are responsible for the improvements (Freeman, 2006). A changing retail landscape can also have other negative effects. The arrival of chain stores in areas that had previously depended on small, individually owned shops disrupts social bonds, as long-term residents must decide between shopping at the corner bodega—whose owner may offer credit—or switching to a well-stocked but impersonal supermarket. Residents may not even face a choice if old stores are unable to pay rising rents and disappear when their lease ends, or if the stores are replaced by new “luxury” condos. Some old stores and bars manage to shift gears, upgrade their merchandise and ambiance, and attract a new clientele. But in the process, they risk losing their old customers (Lloyd, 2006).

Long-term residents often feel uncomfortable when the ethnic ownership and character of local stores changes, creating a different sense of place. Men and women who are used to congregating on the street to play dominos or chat may be pushed out of their space by social pressure and more vigilant policing, which increases their resentment of the new, privatized public space that sidewalk cafés establish (Jackson, 2005; Freeman, 2006). But new restaurants and stores please residents who would like better shopping opportunities, whether they are mainstream consumers who prefer Starbucks or self-proclaimed cultural cognoscenti who go out of their way to patronize quirky cafés. Mainstream stores can even stabilize low-income areas by encouraging more middle-class professionals and corporate executives to move in. Needless to say, the arrival of big chain stores in racial ghettos that have long been underserved with quality goods benefits all residents.

These observations suggest that the commercial gentrification of urban areas involves complex issues of social class, cultural capital, and race that go beyond individual cities and neighborhoods. But besides responding to a different consumer base, changes in the retail landscape reflect structural changes in the retail industry: the disappearance of small, mom-and-pop stores; the expansion of large chains like Wal-Mart, Whole Foods, and Starbucks (Zukin, 2004; Fishman, 2006); and changing corporate views of the commercial viability of the inner city (Porter, 1995). The increase in boutiques especially reflects a strategic shift in consumer industries toward niche marketing and customized goods, which may be even more intense in urban areas where residents are recognized style setters.

“Boutiquing” is, then, part of a broad dynamic of postindustrial change and urban revitalization that may benefit certain residents while deepening economic and social polarization and place low- and middle-income neighborhoods at risk (Smith, 2002; Booza, Cutsinger, and Galster, 2006). It enhances the quality of life of the new urban middle class, including the new black middle class (Taylor, 2002; also see Hyra, 2006; Pattillo, 2007), while making the poor of every ethnic group feel insecure. Boutiques “mark” an area as safe for commercial investment that will upgrade services and raise rents. Moreover, by institutionalizing the consumption practices of more affluent and highly educated men and women *in place of* stores that serve the poor, it challenges the “right to the city” of low-income residents (Lefebvre, 1991, 1996).

Despite three decades of studying residential gentrification, only now are researchers and community groups starting to wonder how commercial gentrification may play into broader dynamics of social inequality (e.g., Deener, 2007). But unlike residential gentrification, the disappearance of traditional, local stores, and their replacement by chain stores and boutiques, has not been recognized as a social problem. Indeed, because most low-income neighborhoods have historically suffered from retail disinvestment, the opening of new stores is generally greeted with approval. The lifestyle pages of local media give prominent coverage to the opening of new art galleries, restaurants, and designer clothing boutiques, while occasionally noting the passing of a beloved local store. Most elected officials and community development groups praise new stores and restaurants as signs of capital reinvestment, enabling them to proclaim an urban “renaissance” or at least to hope for a new period of growth.

To consider these issues concretely, we examine the relation between commercial upgrading and residential redevelopment in two gentrifying areas of New York City, beginning with a systematic survey of changes in their retail landscape. We ask a series of exploratory questions: What is happening to the retail landscape in the current period of inner city reinvestment? How do such changes begin? What kinds of investors open stores, and become retail entrepreneurs, in areas on the brink of redevelopment? How do stores—aided by the lifestyle media—create a new sense of place that encourages additional investment? It is important to consider what role the state plays in these processes. Few cities have laws that protect mom-and-pop stores’ survival, but state agencies can shape a new retail landscape with economic development policies, zoning changes, and policing strategies.

Supported, then, by the media and the state, boutiques may open a discursive space that works in favor of residential gentrification and against the interests of long-term, low-income residents. The “constructed multicultural urbanity” (Hackworth and Rekers, 2005, p. 232) of upscale, cosmopolitan restaurants and shops may complement neoliberal strategies of growth expressed by city governments’ support for new, market-rate housing, Business Improvement and Tax Increment Financing districts, and Quality of Life policing. The rhetoric of growth that favors developing “24/7” shopping and entertainment zones may well accept both commercial and residential displacement—to the detriment of the poor and of ethnic minorities.¹

The recent real estate boom in most neighborhoods of New York City offers good sites to study the boutiquing process. A large global financial sector, high housing costs, and extreme inequalities of wealth and income already support residential gentrification throughout Manhattan and many areas of Brooklyn. With rising commercial rents, small, locally owned stores are replaced by chains ranging from pricey designer labels on Madison Avenue to nearly universal Blockbuster video outlets, Starbucks cafés, H&M clothing stores, and branches of Chase Manhattan Bank. Almost every day, it seems, small grocery and hardware stores are morphing into cafés and ethnic social clubs into trendy restaurants. These changes are less limited by social geography than ever before. The high price of land has pushed private developers to look more closely at neighborhoods they used to ignore, especially since lower crime rates have made these formerly marginal areas safer. Low-income neighborhoods with long histories of disinvestment, like Harlem in upper Manhattan and Williamsburg in northern Brooklyn, have become prime targets of both commercial and residential redevelopment because they are within quick

commuting distance from midtown and lower Manhattan. We cannot claim Harlem and Williamsburg are typical of all gentrifying neighborhoods. But we believe that they are emblematic of large-scale social, economic, and demographic changes in the inner city today, especially in the largest, most “global” cities.

TWO PATHS TO GENTRIFICATION

Nowhere has the debate over neighborhood change been sharper than in Harlem, the “capital of black America.” Both a test case of, and a challenge to, gentrification, Harlem for the past few years has experienced a startling rise in property values and an equally dramatic—although less pervasive—increase in big chain stores as well as in elegant restaurants, shops, and cafés. For nearly all of the media and many residents and community groups, new investment in housing and shopping means that Harlem is “coming back.” This optimism contrasts with the false hopes for reinvestment in the 1980s, when the city government could not even sell houses in Harlem that had been taken for tax arrears for \$1 each. At that point, banks would not make loans to finance the necessary renovations, and the nationwide crack epidemic was at its peak.

Since the 1990s, however, a panoply of state agencies—led by the New York City government, the Harlem Community Development Corporation (a subsidiary of New York State’s Empire State Development Corporation), and the Upper Manhattan Empowerment Zone (UMEZ) established by the U.S. Congress in 1994—has supported commercial investment through a series of coordinated policies and interrelated organizations. The key source of funding for new business development is UMEZ’s bankroll of \$300 million, contributed in equal parts by the city, state, and federal governments.² While UMEZ grants loans to new retail stores, the 125th Street Business Improvement District (BID)—a private association of commercial property owners with public functions—pays for security and cleaning services in Central Harlem’s major shopping corridor, arranges meetings for business owners to discuss common issues, and promotes the area. The former Republican governor of New York State, George Pataki, who left office in 2007, proved himself an eager ally of new business development, as he hoped both to make an entrepreneurial imprint on Harlem’s longstanding image of welfare dependency and to counter the Democratic Party’s historic hold there. Besides partnering with the city and federal governments to provide funds for the empowerment zone, New York State subsidizes a 48-square-block Banking Development District so that banks will open branches in Harlem and invest money in local projects.

For its part, aside from helping to fund the empowerment zone, the city government rezoned the avenues in Harlem in the early 2000s to permit the construction of high-rise apartment houses with retail stores on the ground floor while maintaining the domestic scale of the side streets, where handsome brownstone houses are eagerly sought by gentrifiers despite high sale prices. The city government also encouraged new residential construction with “inclusionary” zoning—permitting higher and denser buildings, as well as offering tax reductions and abatements if private real estate developers would include some “affordable” apartments in their market-rate residential projects. Moreover, the city government has stated its support for redeveloping 125th Street as a 24-hour destination with retail and entertainment facilities.³

State aid for new business development in Harlem is supplemented by help from the Urban Enterprise Initiative of the Clinton Foundation, founded in 2002 after former

president Bill Clinton left the White House and established an office on 125th Street (see Figure 1A). Although the Clinton Foundation does not provide a lot of money, it helps to advance a new entrepreneurial model and supplies consultants who work for free with a small number of selected new business owners. Bill Clinton’s name and presence in Harlem also help to mobilize public attention and support.

The cumulative effect of these policies has been dramatic. Although Central Harlem’s population is still predominantly African American and poor, new residents are ethnically more diverse, often come from outside New York City, and tend to have professional degrees or work in creative industries and the arts. Articles in the *New York Times* and other major media paint the collective attractions of the area—historic home restorations, restaurants, and boutiques—as a new Harlem Renaissance, referring to the artistic and literary heyday of the 1920s. Property development professionals have been keen to join the hallelujah chorus: “Harlem has finally been recognized as being in

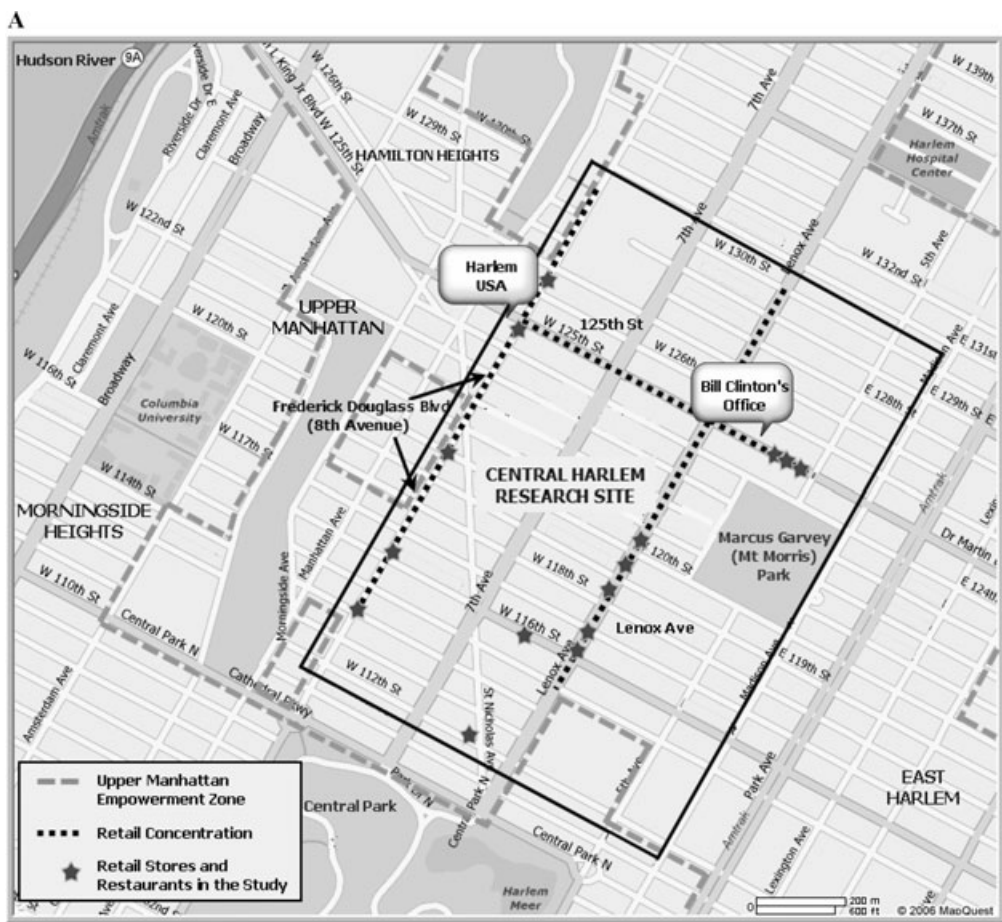


FIG. 1. (A) Central Harlem, showing retail concentrations. (B) Williamsburg Northside, showing retail concentrations.

Source: www.MapQuest.com

B

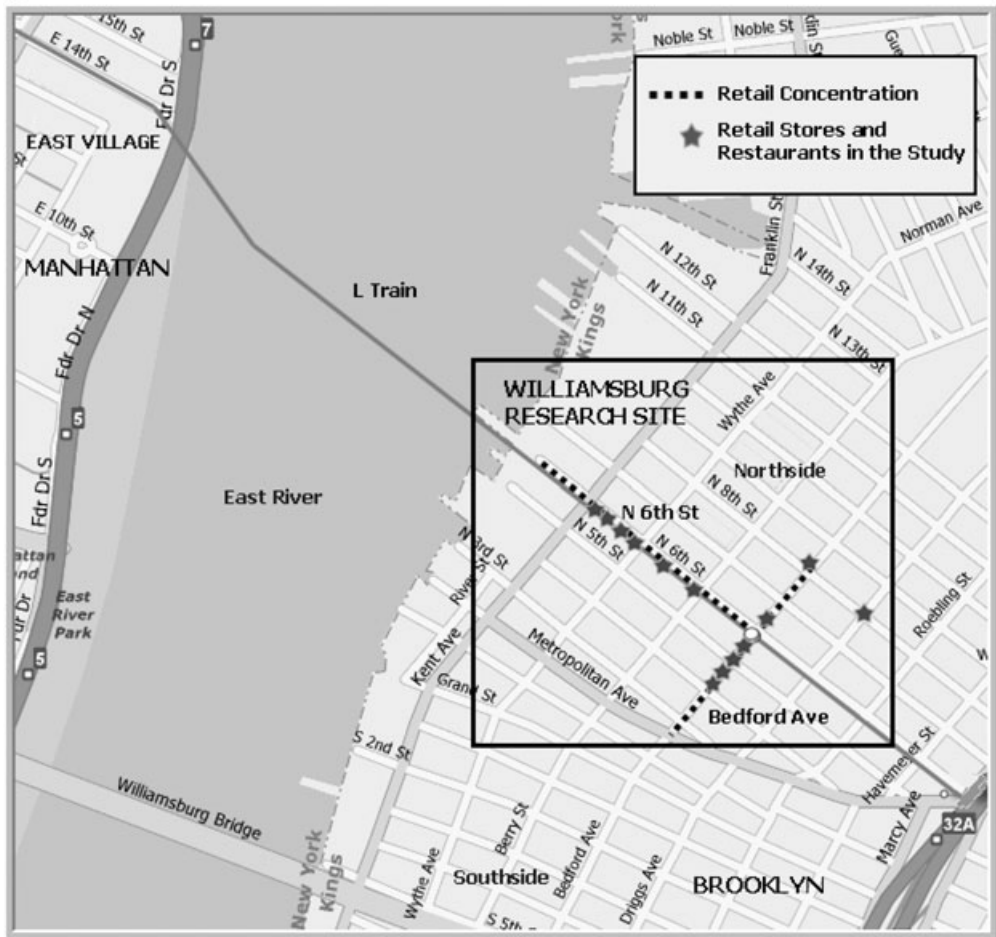


FIG. 1. Continued

Source: www.MapQuest.com

Manhattan,' the chairman of global brokerage at CB Richard Ellis," a transnational commercial real estate broker, exults. Pursuing this thought to its logical conclusion, a developer of new residential condos whose "penthouse [was sold] to an international lawyer for \$2.4 million" estimates that nearby apartments built by a competitor "might command \$1,000 a square foot" (Stoler, 2006).

In view of the state's prominent role in fostering upscale housing construction, the boutiqueing of Harlem seems to reflect a specific kind of state-sponsored redevelopment: oriented toward the new middle class and tourists, and dovetailing with residential gentrification. This is joined, however, by state sponsorship of a more universal type of consumption in the UMEZ-funded Harlem USA. This shopping complex, which opened in 2000 and jump-started commercial reinvestment in the area, offers a nine-screen AMC Magic Johnson movie theater and branches of HMV Record Stores, Old Navy, Modell's

Sporting Goods, and a Disney Store (now closed), in addition to Hue-Man Books, a spacious, black-owned independent bookstore and café (see Figure 1A).

By contrast, the absence of state intervention on the Northside of Williamsburg, in Brooklyn, illustrates what happens in market-led gentrification. With a predominantly Polish and Latino population, and many derelict warehouses and factories, the Northside in the 1980s became an artists' destination. But, like Harlem, the area has in the past few years experienced an explosion of boutiques and bars and a lot of media attention. On the Northside, however, new consumption spaces are geared to a hipper aesthetic and draw a younger, whiter crowd. Although Harlem's boutiques are spread out across a fairly large area, retail spaces on the Northside are concentrated in fewer locations—mainly around the subway station at North 6th Street and Bedford Avenue, a destination dubbed by New York media “the epicenter of cool” (see Figure 1B).⁴

Unlike in Harlem, which has had a history of failed urban renewal since the early 1960s, the state did not try to intervene in Williamsburg's economy except by its absence. From the abandonment of the city's port in 1960 and the shutdown of the Brooklyn Navy Yard in 1966, through the fiscal crisis of the city government in 1975, Williamsburg suffered continual capital disinvestment, factory shutdowns, and withdrawal of public services. The area's gradual emergence during the 1990s as a neighborhood of artists and indie rock bands was accomplished without state subsidies or special zoning designations. Indeed, illegal practices like underground loft parties that were raided by the police and artists living in industrial lofts not certified for residential use drew official discouragement.

Nevertheless, its proximity to Manhattan and the growing reputation of its new performance spaces, art galleries, cafés, and bars gave Williamsburg an appeal that led to residential gentrification. From the late 1990s, raw space in loft buildings has been converted to condos, rents have dramatically risen, and since a rezoning of the East River waterfront against residents' protests in 2005, new 20- to 40-story apartment houses have begun to be built with city and state subsidies. Although the developers of luxury housing along the waterfront accepted inclusionary zoning, which obligates them to offer a portion of the apartments at below-market rents in return for the right to erect larger buildings, the scale and density of new residential construction suggests that there will be a continuous inflow of residents able and willing to pay up to \$2 million dollars to buy an apartment. Housing problems are even more severe “upland,” away from the waterfront, where most developers have not accepted inclusionary zoning.

Parallel to new capital investment in housing, the media promote Harlem and Williamsburg for their lifestyle image: gracious living uptown in Harlem's case and cool cultural consumption in Williamsburg. Typically, the *New York Times* depicts “a new Harlem gentry in search of its latte,” noting how “pale mist curl[s] from pastel-hued scoops of gelato in porcelain bowls” at Settepani, a sidewalk café on Lenox Avenue. Meanwhile, the *Washington Post* recommends Williamsburg as “a Brooklyn neighborhood [where you can] trawl . . . its cool-cat shops, soak . . . in the indie-rock scene and walk . . . the gallery- and café-lined streets” (Leland, 2003; Barger, 2005). This sort of coverage has created a discursive space that draws curious consumers and prospective residents to both areas, men and women who are willing to overlook continued gaps in public and private services in favor of the image—and to some degree the reality—of a desired lifestyle.

Despite their divergent paths to gentrification, these two neighborhoods appear remarkably alike today (see Table 1). In Harlem, though, city, state, and federal programs

TABLE 1. Two Paths to Gentrification: Harlem and Williamsburg

Central Harlem: Led by State	Williamsburg Northside: Led by Market
Historic brownstone houses	Industrial lofts
African American population	Latino and Polish population
Disinvestment after racial conflicts (1960–1980)	Disinvestment after closure of port (1960) and city’s fiscal crisis (1975)
Gradual rehabilitation of brownstone houses (1980s)	Artists move in, illegal loft residences, performance spaces (1980s)
Auction of municipally owned land (1980s)	
Heavy involvement by community development corporations (1980s)	Art galleries, cafés, restaurants (1990s)
125th Street Business Improvement District (1993)	
UMEZ empowerment zone (1994)	
First sidewalk café (2001)	Destination media coverage: “Epicenter of cool”
Clinton Foundation (2002)	
Destination media coverage: “New Harlem Renaissance”	
Rezoning (2003)	Rezoning of waterfront (2005)

provided loans to new businesses in conjunction with rezoning decisions that occurred largely *before* a significant degree of redevelopment had taken place. By contrast, government intervention—mainly in the form of waterfront rezoning—happened *after* Williamsburg was already riding a wave of new private investment. But whether the



Vegan Café, Northside, Williamsburg



Weekend brunch, Italian Café, Central Harlem

state has attempted to jump-start redevelopment, as in Harlem, or to expand existing redevelopment, as in Williamsburg, boutiques play an important role as symbols of, and catalysts for, change.

To make a preliminary exploration of the connections between state intervention, media discourse, and new retail development, we followed three research strategies. We did a discourse analysis of representations of neighborhood change in Harlem and Williamsburg in newspapers, magazines, and websites from 1980 to 2006, examined changes over the same period in commercial occupancy of the neighborhoods' major shopping streets, and conducted interviews with a small sample of new retail business owners and managers: nine in Central Harlem and 15 in Northside Williamsburg. Because it was harder to get interviews with new store owners in Harlem—which may reflect their being overloaded with requests for interviews from the media or their sensitivity to the racial and class politics of boutiquing there—we supplemented our Harlem interviews with material on six more stores that were featured in the media.⁵

RETAIL LANDSCAPES IN TRANSITION

Indicative of the differences between market- and state-led redevelopment, the two neighborhoods show contrasting patterns of retail growth in their main commercial corridors.

During the past 25 years, the number of stores around the L train station at North 6th Street and Bedford Avenue, in Williamsburg, gradually doubled, while the number of stores on 125th Street, Frederick Douglass Boulevard, and Lenox Avenue in Harlem was halved (see Figure 2). This contrast appears to be typical of retail patterns in each

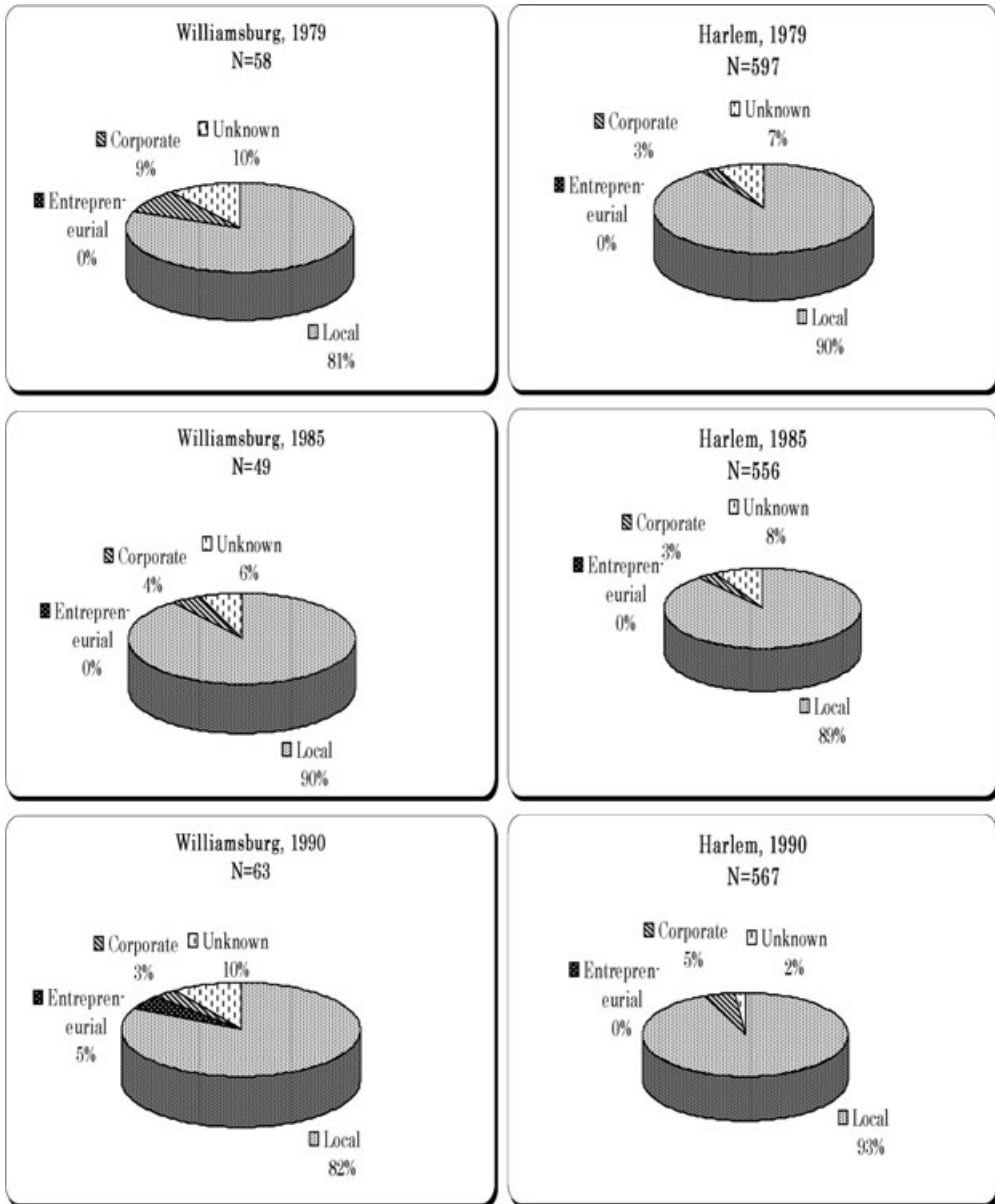


FIG. 2. Scale of Retail Capital in Central Harlem and Williamsburg Northside, 1979–2006.

Source: Cole's Reverse Telephone Directories, Manhattan and Brooklyn, 1979–2000; first-hand observations, October 2006. We begin in 1979 because a 1980 directory was not available, and we end in 2006 to include the most recent changes. For boundaries of study area, see Note 5.

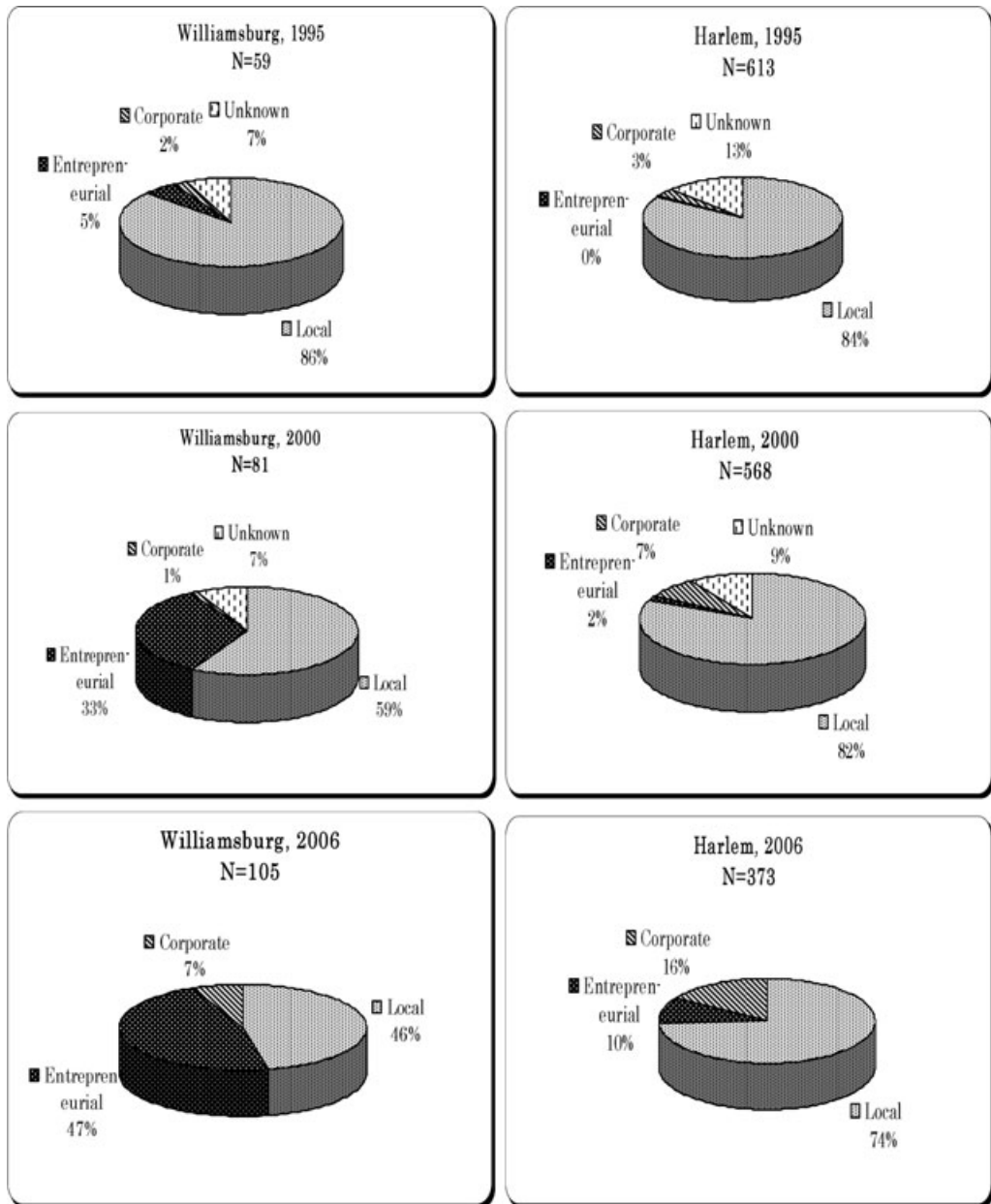


FIG. 2. Continued

neighborhood in general (<http://censtats.census.gov>), with Williamsburg attracting new retail entrepreneurs after artists moved in and Harlem lagging until the state began to provide financing. By 2006, the drastic decrease in the number of stores in Harlem reflected the large number of buildings demolished, or awaiting demolition, prior to new construction. Because most sites of new construction in Williamsburg are old warehouses

or empty lots not in retail use, redevelopment there has not decreased the number of stores.

Despite these contrasts, Harlem and Williamsburg show a remarkable similarity in the kinds of stores that are growing or fading: strong growth in “new entrepreneurial” retail capital (boutiques); a notable increase in “corporate” retail capital (chain stores), especially in Harlem; and deep decline in old, “local” retail stores. We used a combination of structural and aesthetic criteria to define these three categories: scale of ownership; quality of products and atmosphere; and type of promotion. The first category, new entrepreneurial capital, refers to small local chains or individually owned stores, with a recognizably hip, chic, or trendy atmosphere, offering innovative or value-added products (e.g., designer furniture or clothing, gourmet food) and enjoying a buzz factor in promotion, including heavy press coverage and online presence. The second category, corporate capital, is identified with publicly traded, franchised, or large local or translocal chains with considerable market share in New York City (e.g., Old Navy, HMV, Popeye’s, Duane Reade drugstores). The third type, local capital, refers to individually owned small businesses that served long-term residents prior to recent redevelopment (e.g., 8th Avenue Deli, Billy Jean’s Hair Braiding, Warshawsky Meat Market).

In both Harlem and Williamsburg, new entrepreneurial retail capital—boutiques, trendy restaurants, and cafés—has experienced an impressive increase in its share of the commercial mix. Although neither neighborhood had any of this kind of retail space in 1979, 10 percent of storefronts in Central Harlem fit this category by 2006 and an astounding 47 percent on the Northside. In Williamsburg, growth in new entrepreneurial retail activity surged after 1995, with an increase in “creative” residents and an accompanying increase in media reviews of the area’s new restaurants, art galleries, and bars. In Harlem, though, new entrepreneurial retail activity didn’t begin to grow until state funding came on-stream in 2001. Certainly, this kind of retail activity has increased in general because it provides cultural means of social distinction for new urban middle classes (Featherstone, 1991; Zukin and Kosta, 2004). But why did it increase so much in Harlem and Williamsburg?

NEW RETAIL ENTREPRENEURS

New retail entrepreneurs may be drawn to a neighborhood with a changing population and more disposable income: they seize an “economic” opportunity. Also, they may belong to the new population and share their needs: they represent the interests of a “cultural” community. New retail entrepreneurs may also be, in a sense, “social” entrepreneurs. By opening new places of sociability where new residents feel comfortable, they help to create the emerging geographical community (Lloyd, 2006; Patch, 2008). “We didn’t [just] open a shop in the neighborhood,” says the owner of the L Café, a hip hangout and central node of new commerce in Williamsburg during the 1990s. “We helped the neighborhood to open” (Ketterer, 2002).

New store owners in both Harlem and Williamsburg show all three of these motives. This is especially true in the early years of each neighborhood’s revitalization, when some residents’ local experience inspires them to open a store. “I realized early on that the neighborhood was on the brink of change,” says a store owner in Williamsburg, “and I

knew one thing we were lacking was a good wine store.” Another says, “There were a lot of people interested in film, but the neighborhood lacked a good video store.” Two Williamsburg mothers with young children opened a children’s clothing store when they “realized there were tons of babies being pushed around in strollers” but “also realized how difficult it is to get anything practical for babies in Williamsburg.”

Many of Williamsburg’s new retail entrepreneurs were recent art school and college graduates. Sharing aesthetic tastes with other new residents, they were able to tap into the emerging market for cool cafés, bars featuring indie bands, trendy ethnic restaurants, and vintage clothes, even before the population “tipped.” We note that most new retail entrepreneurs in the early years were in fact new residents: seven of the eight store owners whom we interviewed in Williamsburg, who opened their business between 1991 and 2003, lived there at the time. But the local identity of new store owners weakened after the location became successful, rents rose, and more experienced retailers moved in, often opening branch stores. Among more recent new retail entrepreneurs, who opened their business in Williamsburg between 2004 and 2006, only two of seven owners live there. “A lot of these newer stores have no connection to the neighborhood,” the manager of a hip clothing store that opened in 2001 says. “We represent the real Brooklyn.”⁶

In Harlem, a discourse of “giving back” to the community predominates. An executive of a new retail store spoke with pride of his relationship with community institutions such as local churches and the Harlem Hospital. “We stand firmly behind empowering our communities,” he says. On a more personal level, the Ethiopian co-owner of Settepani, the café on Lenox Avenue, says, “Every day I feel I make changes in people’s lives in small ways . . . be it advice, be it guidance, be it mentorship—just introducing something new to people” (Higgins, 2006).

But despite this discourse of “giving back” to the community—promoted by local politicians and community organizations, state agencies, and the media—fewer than half of new retail entrepreneurs live in Harlem. To counter criticism on this sensitive point (Keegan, 2000; Gill, 2006), new store owners assert, whenever possible, that they have roots in the neighborhood. (This point never comes up in Williamsburg, with its different racial politics.) Since many of the new entrepreneurial retail businesses in Harlem feature Afrocentric names or products that are marketed specifically to consumers of African ethnicity, choosing a Harlem location makes sense for symbolic reasons. But funding from UMEZ and the Clinton Foundation is equally compelling. One-third of the 15 businesses we studied in Harlem have UMEZ loans. Three of them also received help from the Clinton Foundation, and another has a loan from the U.S. Small Business Administration. In some cases, the availability of UMEZ loans persuaded entrepreneurs to move their business to Harlem from other parts of the metropolitan area.

Even more educated, on average, than new store owners in Williamsburg, many of Harlem’s new retail entrepreneurs have college, law, and graduate business degrees. The pattern of loans that we observed suggests that UMEZ exercises a “preference” for the Black middle class—because, unlike some lending institutions, the state agency holds potential loan applicants to fairly rigorous business standards that demand a high degree of self-financing and a history of financial stability. As in Williamsburg, some new retail entrepreneurs live in Harlem and speak of directly experiencing, as consumers, the lack of upscale amenities. Others say that they saw a good opportunity to set up shop in an area with a growing number of middle class and professional residents (like themselves), especially since commercial rents are still lower there than in adjacent areas on the Upper

East and Upper West Sides. Again as in Williamsburg, more recent new entrepreneurial retail owners in Harlem tend not to live there.

Although all the owners whom we interviewed in Williamsburg are white, most new retail entrepreneurs in Harlem are Black—that is, of African descent. In contrast, though, to the owners of many old local stores, Harlem’s new store owners are a cosmopolitan mix. Some come from Africa and the Caribbean or from other parts of North America. Among the latter, some are not Black. But new retail entrepreneurs do not come from the same non-Black ethnic groups who owned stores in Harlem in the past; they are neither Jews, who had a large retail presence in Harlem from the early 1900s to the 1960s, nor Koreans, who opened greengrocer and dry cleaning shops there, as elsewhere in the city, during the 1980s. New non-Black retail entrepreneurs in our sample are Indian, Japanese, and French—representing a new multicultural mix, mainly but not entirely “of color.”

If the aesthetics of new entrepreneurial retail in Williamsburg are hip—“alternative,” “ethnic” (usually Asian), or “thrift shop chic”—Harlem’s aesthetics suggest a different sort of cosmopolitanism. Five of the 15 new entrepreneurial retail businesses that we studied offer Afrocentric products or have an Afrocentric theme. The remaining 10 include a French-Moroccan restaurant whose chef cooks the cuisine of “native Harlemites who derive from various countries and places” (<http://starchefs.com>, March 26, 2003), designer clothing boutiques, and stores selling upscale products like caviar, wine, and flowers.

CHAIN STORES

Although historically the share of corporate retail capital in each neighborhood—exemplified by chain stores—has been small, it has increased more rapidly in Harlem than in Williamsburg. The combination of “Blockbuster video outlets, Starbucks cafés, H&M clothing stores, and branches of Chase Manhattan Bank” mentioned earlier really can be found within a single block on 125th Street—although not yet in Williamsburg. This may reflect Harlem’s larger and denser population, as well as Williamsburg’s perceived resistance, as a neighborhood of hipsters, to most chain stores. It also speaks to the small size of stores in Williamsburg, a situation that should change when the new apartment towers are built on the waterfront.

The re-entry of corporate retail capital into Harlem also corresponds to the availability of state funding, for the empowerment zone has strategic reasons to fund chain stores. Big Retail evens the playing field between Harlem and more established middle class Manhattan neighborhoods—making the area more attractive to private real estate developers and affluent migrants while serving the needs of low-income, long-term residents. And, from a chain’s point of view, if one branch store fails to break even, the loss can be spread across the chain.

PRESSURES ON OLD, LOCAL STORES

New boutiques and chains have not completely eliminated the local capital of small, individually owned Polish butcher shops and travel agencies in Williamsburg or dollar stores, take-out food shops, and check-cashing facilities in Harlem. These kinds of stores still occupy nearly half of all retail space on the Northside and almost three-quarters of retail

space in Central Harlem. Some of these stores may not be threatened by rent increases or imminent eviction. In Harlem, moreover, there are still enough low-income residents to provide a considerable market. But the share of local retail capital is indisputably in decline. Between 1979 and 2006, it diminished from 81 to 46 percent of all retail space in Williamsburg and from 90 to 74 percent in Harlem.

We cannot know all the reasons for local retail capital's decline. Since it is notoriously difficult to trace small stores that have disappeared, we cannot even estimate how many have been forced to close by rent rises, evictions, seizure of their buildings by eminent domain, or just competition from better or more interesting merchants. Between 2003 and 2005, according to an "economic summit meeting" on Small Business in Crisis organized by the Harlem Business Alliance, 55 small businesses in Harlem were forced to shut down (*Harlem Business Alliance Newsletter*, Fall, 2005). A marketing consultant who maps businesses in Harlem says "50 percent of the businesses . . . changed" between 1987 and 2005 (Maurrasse, 2006, p. 116). But small businesses always suffer from a "lack of affordable commercial space, limited access to capital and the lack of comprehensive marketing, tourism and technology strategies," as the vice-president of the Harlem Business Alliance says. In Williamsburg, moreover, the old Polish store owners have lost co-ethnic customers as they age or move away. Like the residents, some store owners are chased out of the neighborhood by higher rents, while others who are lucky enough to own their modest buildings sell them at current market values and retire.⁷

According to a recent survey, rents on Bedford Avenue rose by 224 percent between 2003 and 2007, while rents on nearby Graham Avenue, in mainly Latino and Italian East Williamsburg, increased by 158 percent (Community Development Studio, 2007). In only one interview on the Northside did we hear about an unbearable rent rise, and that store relocated to a less busy street in the same area—a pattern suggested by Freeman and Braconi (2004) in their study of residential gentrification. Other store owners told us that their rent has been rising rapidly during the past few years, but they find their situation reasonable. "Our landlord's all right," says a video store owner. "He's not trying to kick us out like some of the other folks around here."

Yet store owners and employees often speak anecdotally about higher rents causing commercial displacement. "This morning I went to the dry cleaner across the street from my house and the owner told me that her landlord had increased the rent overnight from \$2500 to \$6000 a month and she has to close down," a Williamsburg boutique owner told us. "She's been there for 20 years." "This whole area is getting expensive," the video store owner adds. "The neighborhood is changing a lot," a salesperson in another store says, relating higher residential rents to further change in the retail landscape. "There is a shift from mostly single college students [bohemians] to young couples with babies [gentrifiers]. This has a lot to do with rents, for sure."

Higher rents may not only bring more expensive boutiques but also other kinds of non-local retail capital that subtly alter the emerging sense of place. Some recently opened shops and restaurants in Williamsburg look like boutiques but are really branches of small, local chains that are already located in other gentrified areas of the city or in areas with similar demographics—young hipsters—in other regions of the country. By the same token, an "alternative" urban clothing store that opened on the Northside in 2001 now operates branches in Manhattan as well as in other gentrified areas of Brooklyn. Higher rents, at any rate, discourage both start-ups and expansions by most small entrepreneurs. "How is anyone going to pay \$10,000 to \$20,000 a month?" the chef-owner of a restaurant

in Harlem says. “The only people who can go into that space is a bank or a Rite Aid. But that doesn’t make a neighborhood” (Chesler, 2006).

A local sense of place is also altered by increasing numbers of non-local shoppers, especially tourists. According to the owner of a cosmetics store in Harlem, the store draws local residents but has “a long-standing national consumer base that travels from all over to visit our flagship store. It seems that everyone who has come from out of town to see *The Color Purple* [on Broadway] especially makes a trip to our store!” The owner of a designer clothing boutique says, “Most of the traffic comes from outside the community. We get people from as far away as Germany and Japan. . . . [A write-up in] *Vogue* brought in a lot of tourists.” In Williamsburg, a boutique owner tells us, “Weekdays [the customers] are more locals, but weekends here it’s full of tourists visiting. . . . Mostly the tourists are international. There are a lot of Japanese tourists; I guess there is a section on Williamsburg in their guidebooks.” A salesperson in a music store adds, “During the weekends, there are a lot of people I don’t recognize.”

CONCLUSION

Visitors and residents get a very different sense of Harlem and Williamsburg today than they would have had 25 years ago, though many of the old buildings and stores remain. New shops, cafés, and restaurants are visible public space; they embody the social and economic transactions, and reproduce the culture, that creates a new sense of place. As the owner of the L Café implies, retail space “opens” a neighborhood. If a large portion of stores and cafés represent new, cosmopolitan entrepreneurs rather than old, local retail capital, visitors, residents, and, most important, the media see the neighborhood as changing. When a caviar emporium or designer clothing boutique opens in Harlem, it reverses expectations: the distinction, so to speak, is news.

Despite differences between state- and market-led gentrification—contrasting the steps that government took to “jump-start” gentrification in Harlem and to “expand” gentrification in Williamsburg—processes of commercial gentrification are alike. The first “pioneers” are individually owned boutiques, often started by new local residents. When population density is greater and available stores are larger, more boutiques arrive and chain stores open, bidding up rents above the level many of the pioneers can afford.

These social dynamics cannot be separated from complex issues of social class, cultural capital, and race, and the challenges they pose to both identity and community formation. Boutiques tend to support the interests of more affluent and more mobile residents. In current conditions of globalization, they provide a material base for new kinds of cosmopolitanism that ignore old expressions of ethnic homogeneity and contrast with cultural forms, including consumption spaces, which embody low-status identities. They also signal to private developers and state agencies that a neighborhood is ready for larger investments and grander redevelopment; these risk disrupting local social life and may alienate and displace long-term residents.

For all these reasons, it is urgent to change public policy that fails to protect long-term, local shops while fostering the growth of new retail clusters. Although, in the last analysis, rents rather than consumer goods and services determine who lives in a neighborhood, the right to the city passes through the right to shop there.

Acknowledgments

The authors would like to thank Xiangming Chen, Tony Orum, and the journal's anonymous reviewers for their helpful comments, as well as other members of the initial research team: Babette Audant, Bahar Aykan, Aneta Kostrzewa, Yvonne Liu, and Soniya Munshi.

Notes

¹ Displacement is a tricky issue because the term is ideologically loaded and direct evidence is hard to find. Residents may move from one part of a district to another or may “naturally” be replaced by households with higher incomes (Freeman and Braconi, 2004; Freeman, 2006). Landlords may replace commercial tenants with others paying higher rents while the tenants' business or economic sector declines (on manufacturing tenants displaced—or replaced—by loft residents, see Zukin, 1982).

² Of the initial \$300 million, \$250 million was allocated to Harlem and \$50 million to the Bronx.

³ Inclusionary zoning offers a bonus to developers—permitting them to build to a larger Floor Area Ratio—if they permanently reserve a certain percentage of the floor space for units that are rent-stabilized (with fixed annual rent increases) and rented to low-income households (who earn 80 percent or less of the “Area Median Income”) and moderate-income households (who earn 125 percent or less of the AMI). In return for including the “affordable” units, developers who began construction before the law expired also receive 421A property tax exemptions for 10–15 years.

⁴ Those who know New York City will note that we are concentrating on those parts of Harlem and Williamsburg—Central Harlem and the Northside—that have experienced the most boutiqueing, as well as the most dramatic increases in property values and recent new construction. Other parts of Harlem and Williamsburg, especially East Harlem and the Southside, have their own redevelopment stories.

⁵ For media coverage, we did an online Lexis-Nexis search for articles on Harlem and Williamsburg from 1980 to 2006, categorized them, and read the most substantive, focusing on the *New York Times*, *New York* magazine, and similar mainstream media that track urban lifestyle consumption. We also tracked changes in the image of each neighborhood in both mainstream and alternative media including blogs and websites for community development corporations and city government agencies, comparing discourse in these media with public policy changes. Some of us attended meetings at the 125th Street BID and spoke with officials of local organizations in Harlem, and all of us did observations on both research sites. For semi-structured interviews with new store owners and employees, we created a convenience sample radiating outward from the “epicenter of cool” at North 6th Street and Bedford Avenue, in Williamsburg (including Bedford Avenue between North 8th Street and Metropolitan Avenue, and North 6th Street between Bedford Avenue and the East River), and representing three retail concentrations in Central Harlem: Frederick Douglass Boulevard (8th Avenue) from 114th Street to 130th Street; Lenox Avenue from 115th Street to 130th Street; and 125th Street from 5th Avenue to Frederick Douglass Boulevard. Interview questions focused on owners' histories, financing, and locational decisions; stores' clientele; entrepreneurial networking and support; and owners' perceptions of future neighborhood development. We checked information obtained in the interviews with all the articles about these businesses that we could find online as well as with their websites. Finally, for the historical survey of commercial occupancy, we tracked changes in local businesses every five years in the Cole's Reverse Telephone Directories from 1979 to 2000 and carried out a foot survey on all four research sites in October 2006.

⁶ These and other statements are taken from the interviews we conducted with store owners and employees on our four research sites from April to September 2006. To respect their anonymity, we have referred to interview subjects, stores, and community organizations by general descriptors. However, if store owners are quoted by name in the media, we have not changed the identifying information.

⁷ Since Poland joined the European Union, the number of Polish immigrants has also declined.

References

- Barger, J. 2005. "No, Not That Williamsburg," *Washington Post* (November 30).
- Booza, J. C., Cutsinger, J., and Galster, G. 2006. *Where Did They Go? The Decline of Middle-Income Neighborhoods in Metropolitan America*. Washington, DC: Brookings Institution.
- Bridge, G., and Dowling, R. 2001. "Microgeographies of Retail and Gentrification," *Australian Geographer* 32(1), 93–107.
- Chesler, C. 2006. "Harlem is Rising, but Where to Eat?" *New York Times* (April 26).
- Community Development Studio, Edward J. Bloustein School of Planning and Public Policy, Rutgers University. 2007. Presentation at New York Community Council, May, available at <http://manciple.rutgers.edu/academics/studios/>.
- Deener, A. 2007. "Commerce as the Structure and Symbol of Neighborhood Life: Reshaping the Meaning of Community in Venice, California," *City & Community* 6(4), 291–314.
- Featherstone, M. 1991. *Consumer Culture and Post modernism*. London: Sage.
- Fishman, C. 2006. *The Wal-Mart Effect*. New York: Penguin.
- Florida, R. 2002. *The Rise of the Creative Class*. New York: Basic Books.
- Freeman, L. 2006. *There Goes the 'Hood: Views of Gentrification From the Ground Up*. Philadelphia, PA: Temple University Press.
- Freeman, L., and Braconi, F. 2004. "Gentrification and Displacement: New York City in the 1990s," *Journal of the American Planning Association* 70(1), 39–52.
- Gill, J. F. 2006. "Paint It White," *New York Times* (July 30).
- Hackworth, J., and Rekers, J. 2005. "Ethnic Packaging and Gentrification: The Case of Four Neighborhoods in Toronto," *Urban Affairs Review* 41 (2), 211–236.
- Higgins, C., Jr. 2006. "Vision," *New York Times* (May 10).
- Hyra, D. S. 2006. "Racial Uplift? Intra-Racial Class Conflict and the Economic Revitalization of Harlem and Bronzeville," *City & Community* 5(1), 71–92.
- Jackson, J. L., Jr. 2005. *Real Black: Adventures in Racial Sincerity*. Chicago: University of Chicago Press.
- Keegan, P. 2000. "Who Owns Harlem?" *Inc. magazine* (August), available at <http://www.inc.com/magazine/20000801/19764.html>.
- Ketterer, J. 2002. "L Café," *11211 Magazine* 3(1, September–October), available at www.11211magazine.com.
- Lefebvre, H. 1991. *The Production of Space*, D. Nicholson-Smith (trans.) Oxford and Cambridge, MA: Blackwell.
- Lefebvre, H. 1996. *Writing on Cities: Henri Lefebvre*, E. Kofman and E. Lebas (eds.). Oxford and Cambridge, MA: Blackwell.
- Leland, J. 2003. "A New Harlem Gentry in Search of Its Latte," *New York Times* (August 7).
- Lloyd, R. 2006. *Neo-Bohemia: Art and Commerce in the Post-Industrial City*. New York: Routledge.
- Maurrasse, D. J. 2006. *Listening to Harlem: Gentrification, Community and Business*. New York: Routledge.
- Patch, J. 2008. "Ladies and Gentrification: New Stores, Residents, and Relationships in Neighborhood Change," in J. DeSena (ed.), *Gender in an Urban World, Research in Urban Sociology*, vol. 9, pp. 103–126. Amsterdam: Elsevier, JAI Press.
- Pattillo, M. 2007. *Black on the Block: The Politics of Race and Class in the City*. Chicago: University of Chicago Press.
- Porter, M. 1995. "The Competitive Advantage of the Inner City," *Harvard Business Review* 73(3), 55–71.
- Smith, N. 2002. "New Globalism, New Urbanism: Gentrification as Global Urban Strategy," *Antipode* 34(3), 427–450.
- Stoler, M. 2006. "Harlem Staging Its Latest Renaissance," *New York Sun* (September 14).
- Taylor, M. M. 2002. *Harlem Between Heaven and Hell*. Minneapolis, MN: University of Minnesota Press.
- Zukin, S. 1982. *Loft Living: Culture and Capital in Urban Change*. Baltimore, MD: Johns Hopkins University Press.
- Zukin, S. 1991. *Landscapes of Power: From Detroit to Disney World*. Berkeley and Los Angeles: University of California Press.
- Zukin, S. 1995. *The Cultures of Cities*. Oxford and Cambridge, MA: Blackwell.
- Zukin, S. 2004. *Point of Purchase: How Shopping Changed American Culture*. New York and London: Routledge.
- Zukin, S. 2008. "Consuming Authenticity: From Outposts of Difference to Means of Exclusion," *Cultural Studies* 22(5), 724–748.
- Zukin, S., and Kosta, E. 2004. "Bourdieu Off-Broadway: Managing Distinction on a Shopping Block in the East Village," *City and Community* 3(2), 101–114.

Copyright of *City & Community* is the property of Blackwell Publishing Limited and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.