

Gary Barnett's diamond contacts help developer realize International Gem Tower vision

A look at Turkish investor's bazaar-like gemstone mall inside Midtown building

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A rendering of the space on the ground floor of the International Gem Tower

More than 80 percent of space at New York City's first shopping center dedicated to precious gems — a three-story space carved out of Extell Development's International Gem Tower — has been leased in the three months since a Turkish investor acquired the property, *The Real Deal* has learned.

The retail condominium, which includes the ground floor of Extell's Diamond District project at 50 West 47th Street, in Midtown, will be ready for both the public and wholesalers to peruse gems by the first quarter of 2014, said Mehmet Gulay, vice president at Istanbul-based Gulaylar Group.

Gulaylar bought the 16,000-square-foot space in March; while terms are not public, the New York Post pegged the sale at around \$6,000 per square foot at the time.

The project consists of 115- to 360-foot spaces where retailers and wholesalers alike can ply their wares in an upscale, secure environment (think iris scanners and software that recognizes aberrant behavior via surveillance camera). Spaces run \$6,000 to \$30,000 a month, according to Gulay, depending on the level of street visibility they offer and if they are positioned in a corner.

The idea is to update the Diamond District's spirit of selling and bring it under one roof where customers of every stripe will be comfortable. Gulaylar is shooting for something approaching Bergdorf Goodman's, but a little more practical, said a representative for the Turkish company.

"Every New Yorker can come in off the street," she said.

The spaces are customizable but share elements, much like stalls in an upmarket bazaar, according to renderings from Turkish architect Tahir Demircioglu, who designed the interiors.

Skidmore, Owings and Merrill designed the 34-story gem tower, where Antwerp-based diamond wholesaler Eurostar and the Gemological Institute of America have already purchased office condos, as previously reported.

In the past, the Diamond District has been intimidating for some consumers, Gulay said. "[That] does not reflect the quality of the product," he said. Consumers will also be comforted by how the purveyors in the mall will offer refunds — something Diamond District vendors notoriously avoid at the moment, Gulay said.

Confirmed tenants include Korea's Jangmi Jewelry, Israel's Avi & Company and Manhattan-based Kent Jewelry, but Gulay said household names in the gem industry have signed as well, though he is not yet at liberty to disclose those names.

The Gulaylar Group owns offices, malls and resorts around the world, and exports gems, gold and silver to 55 countries, so the 16,000-square-foot space is a "prestige project," for the firm, Gulay, a fourth generation executive in the company, told *TRD*.

Though planned since 2006, the International Gem Tower struggled to get off the ground, amid concerns that, by mid-2009, when construction finally began, the project was too risky. The tower finally [secured a construction loan](#) last year at this time, though Barnett, a former diamond dealer himself, had said [he would proceed](#) with the ballsy venture whether or not he got the loan.

Tenants finally began buying up the condos, which have asking prices around \$1,000 per square foot, in December 2012.

And though Barnett was reportedly considering putting a restaurant in the Gulaylar space, the signed leases are evidence that his original vision of a thriving diamond market in Manhattan to rival those in Europe and Asia, such as Antwerp's diamond quarter, was not so impractical after all.

For developer and importer Gulaylar, the development is a perfect synergy with Barnett and his partner, Joe Lipton.

"[Lipton] got on a plane to Istanbul," Gulay said, "and I [immediately] got on a plane to Istanbul."