

Gap settles Midtown rent dispute with Axel Stawski (TRD)

Retailer had owed \$530K at billionaire developer's 1212 Sixth Avenue

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By [Sasha Jones](#) | Research By [Kevin Sun](#)

Following a [battle over unpaid rent](#) at its Midtown Manhattan location, Gap has reached a settlement with the landlord.

The apparel brand had withheld \$530,334 in charges — including water and snow removal fees — incurred by its 1212 Sixth Avenue store, according to a complaint filed in the Southern District of New York by the landlord, an LLC registered to under-the-radar real estate mogul [Axel Stawski](#) of Manhattan-based [Stawski Partners](#).

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- [Payment Gap: Landlord sues retail giant for withholding rent at Midtown location](#)
- [Landlords increasingly turn to lawsuits against nonpaying retailers](#)
- [Inside the hardball legal tactics retail landlords are using against tenants](#)

In its response to the lawsuit, Gap used the “frustration of purpose” defense, saying the pandemic had made the lease untenable and forced it to lay off employees at the location.

As a result, Gap argued that it should receive a refund and that the lease be terminated or modified.

Instead, the case was settled Feb. 2, according to newly available court records. Terms were not released.

Neither attorneys for Gap nor the landlord responded to requests for comment.

Stawski was described by a 2016 Bloomberg News [story](#) as a billionaire developer who owns six Manhattan buildings, including the 30-story 565 Fifth Avenue. Stawski, a 70-year-old son of Holocaust survivors, is known for boutique, aesthetics-oriented commercial and residential [buildings](#), according to the story.

Gap has also been involved in lawsuits with some of its other landlords, including [Simon Property Group](#) and [Brookfield Property Partners](#).

The pandemic has triggered [thousands of rent disputes](#) between retailers and their landlords. Stores, many of which have been shut down for periods of time, typically argue that their leases are void.

However, few cases have been decided, leaving landlords and retailers to determine what to do in the meantime.