

Economic Quarterly Report



4th Quarter 2021



OFFICE

KEY INSIGHTS

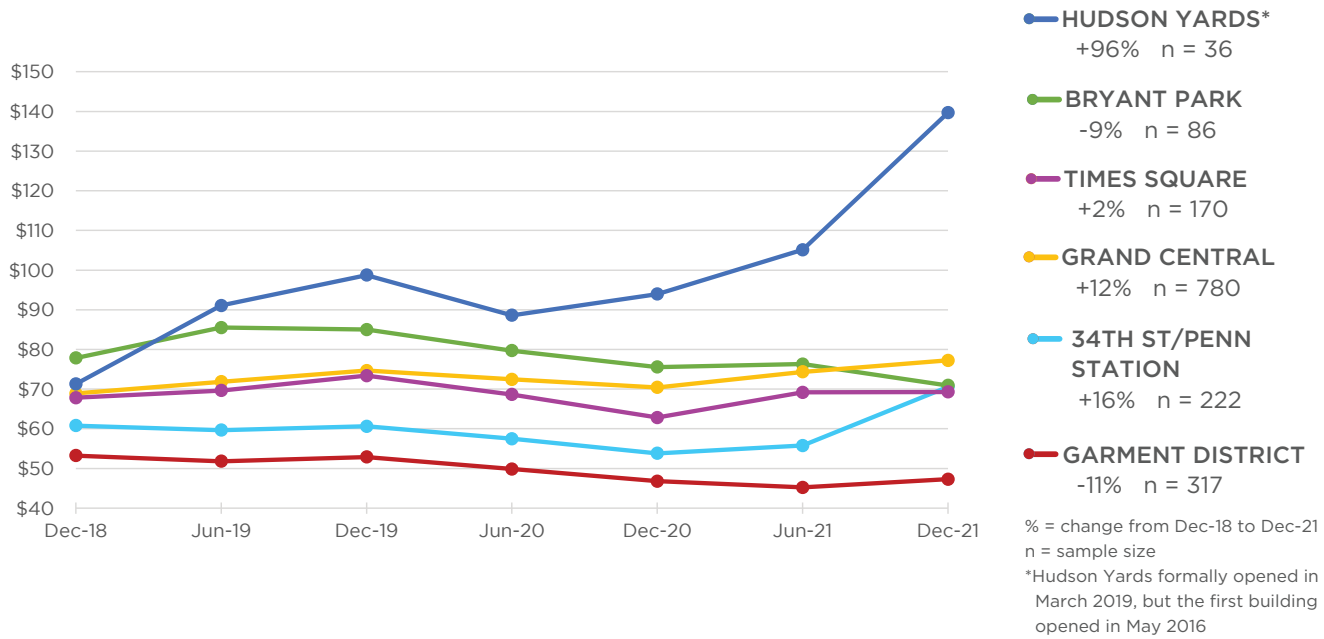
- » The data presented here are based on a sample of leasing activity. Given the impact of the pandemic on leasing activity, averages are more easily impacted by outliers than usual. Additionally, some reports suggest that spaces on the higher end of the market are being leased at a faster rate than other spaces, which would also impact the averages. Location, amenities, size, age, and quality of the space and building all impact prices. Further market indicators are available on page 6.
- » According to Kastle Systems, keycard data showed a 35% office access rate in NYC in early December. As the Omicron COVID variant escalated in the city, the rate fell to 10%.
- » Examples of recent office leases in the Garment District include:
 - » Cognitiv.ai
12,046 SF - 25 W 39th St
 - » JW Player
12,044 SF - 530 Seventh Ave
 - » Mancini Duffy
15,196 SF - 520 Eighth Ave
 - » Spivak Lipton LLP
9,750 SF - 1040 Sixth Ave
 - » Jomboy Corp
6,792 SF - 48 W 37th St

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



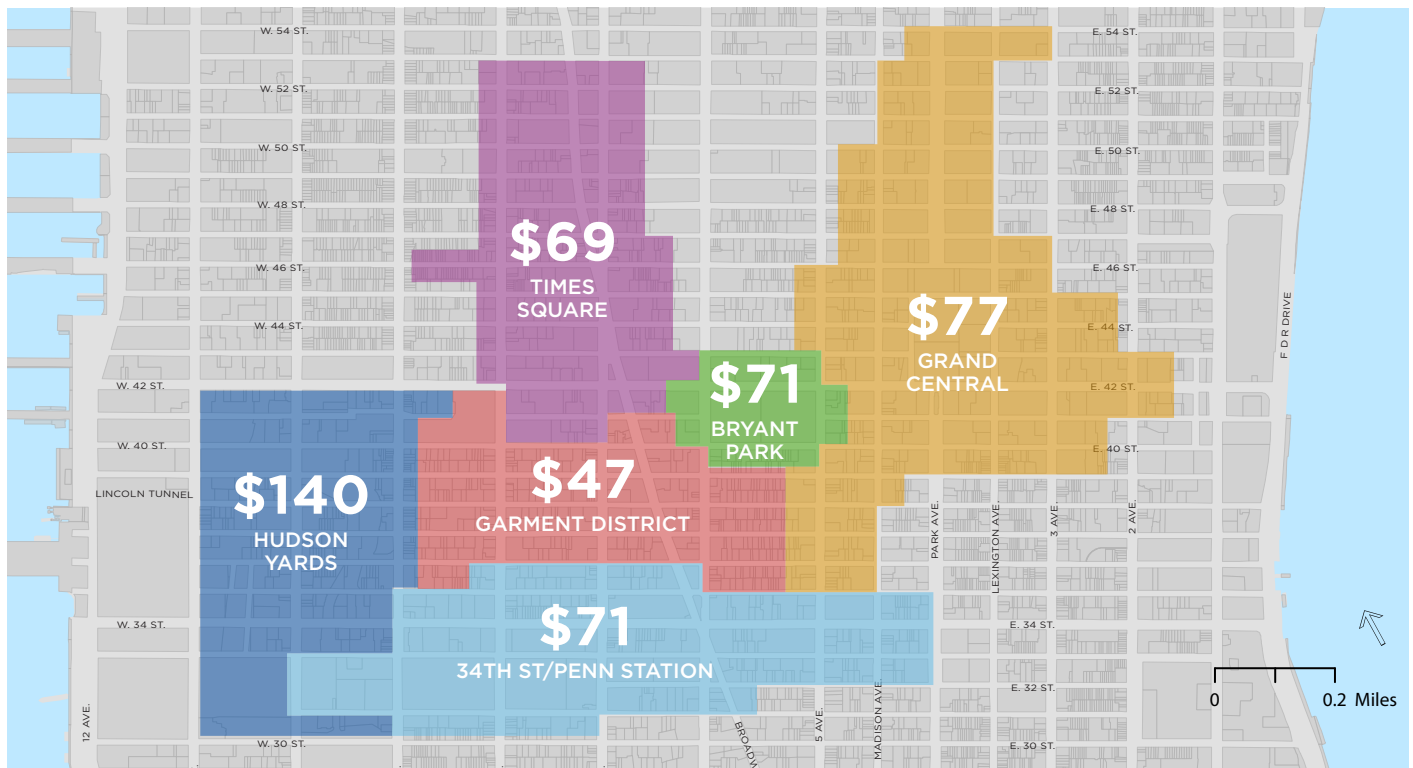
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



Source: CompStak, Inc., 3-month moving averages

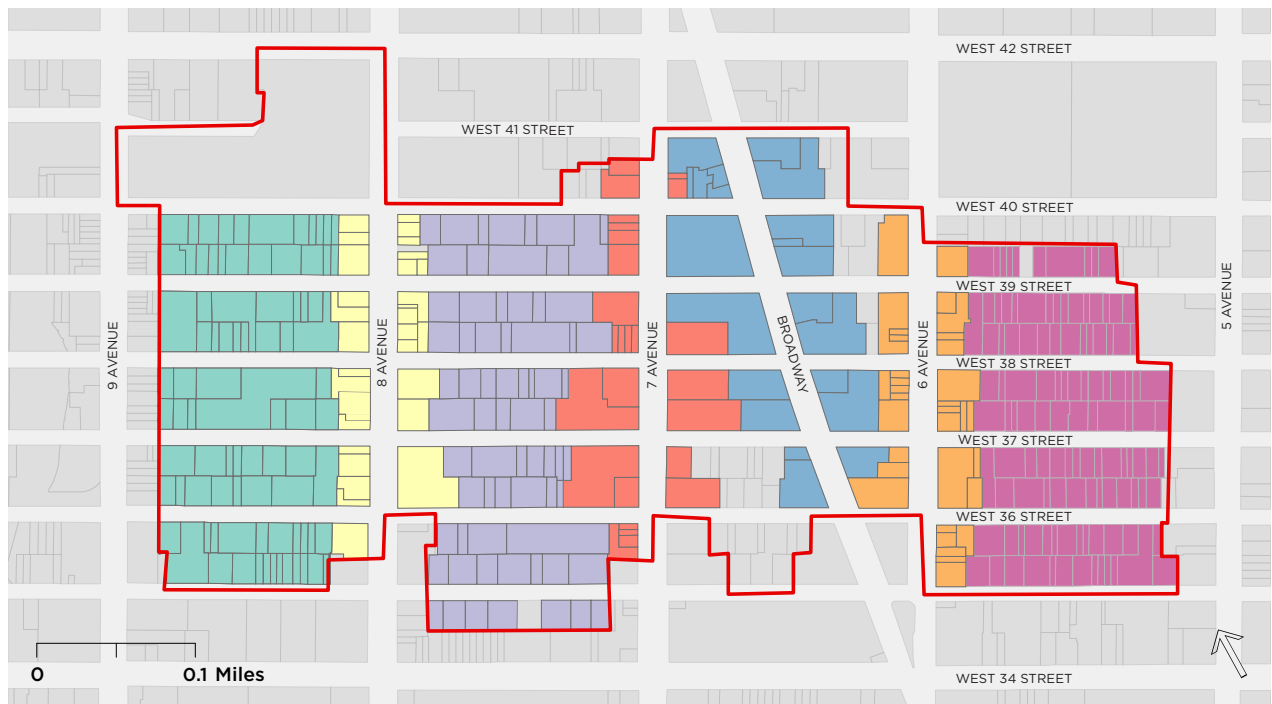
AVERAGE STARTING OFFICE RENTS PER SF, DECEMBER 2021



Actual BID boundaries vary slightly from neighborhood boundaries shown. Source: CompStak, Inc.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Dec. 2019 (\$/SF)	Dec. 2020 (\$/SF)	Dec. 2021 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	9	\$44.51	\$43.27	\$38.83	-13%
 Eighth Avenue	4	\$43.50	\$36.98	\$37.84	-13%
 7th-8th Ave Side Streets	23	\$47.50	\$31.72	\$38.14	-20%
 Seventh Avenue	27	\$52.00	\$50.90	\$50.69	-3%
 Broadway	53	\$59.56	\$56.30	\$52.35	-12%
 Sixth Avenue	9	\$68.67	\$52.08	\$51.44	-25%
 5th-6th Ave Side Streets	18	\$48.27	\$40.88	\$47.15	-2%
 District Average	143	\$53.95	\$47.76	\$47.78	-11%

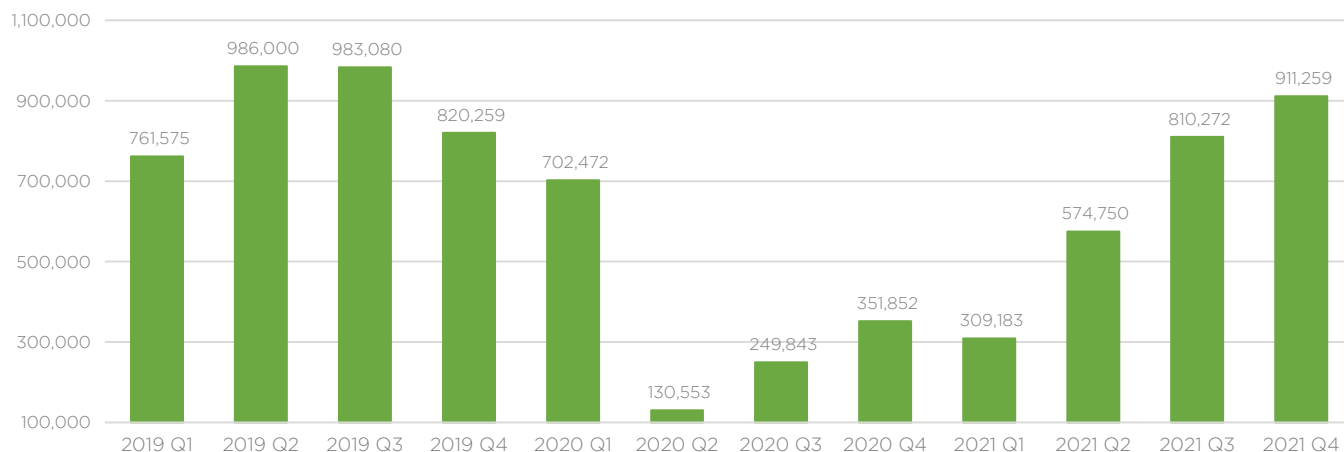


Source: CompStak, Inc., 3-month moving averages

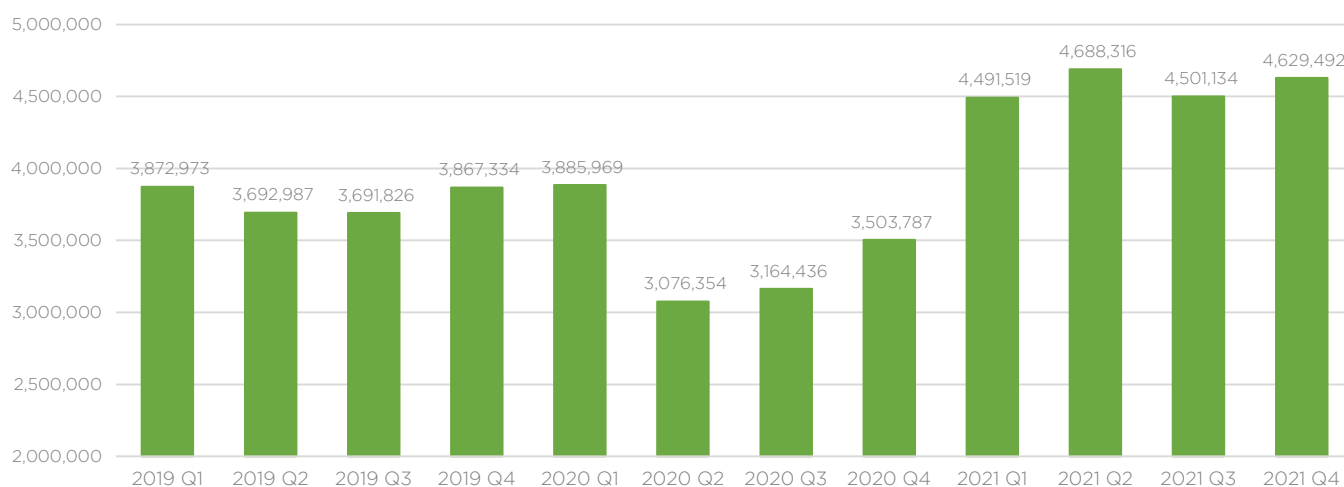


OFFICE

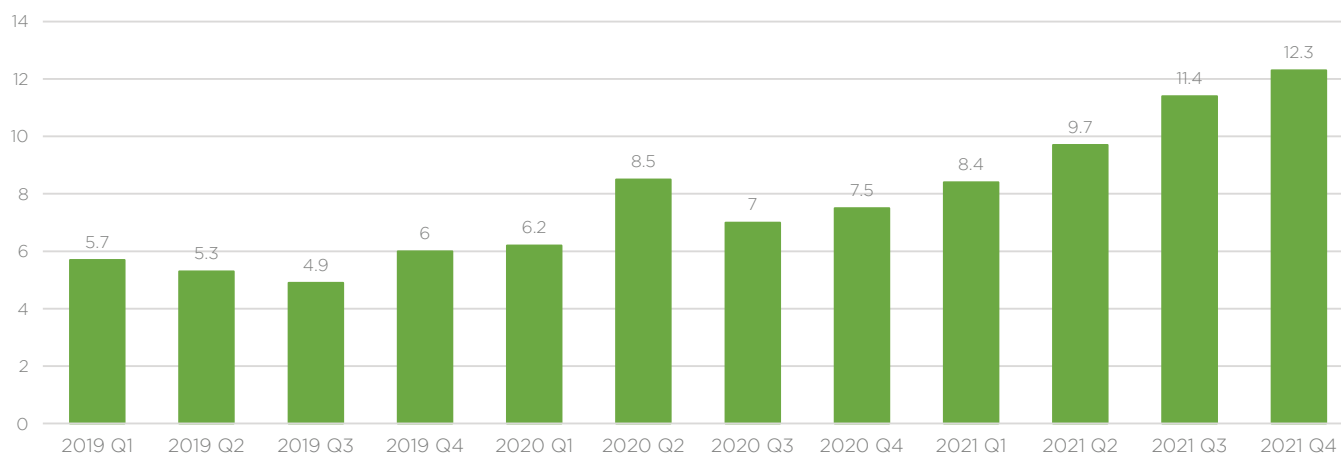
GARMENT DISTRICT TOTAL SQUARE FOOTAGE OF LEASING ACTIVITY



GARMENT DISTRICT VACANT OFFICE SQUARE FOOTAGE



GARMENT DISTRICT OFFICE AVERAGE MONTHS ON MARKET

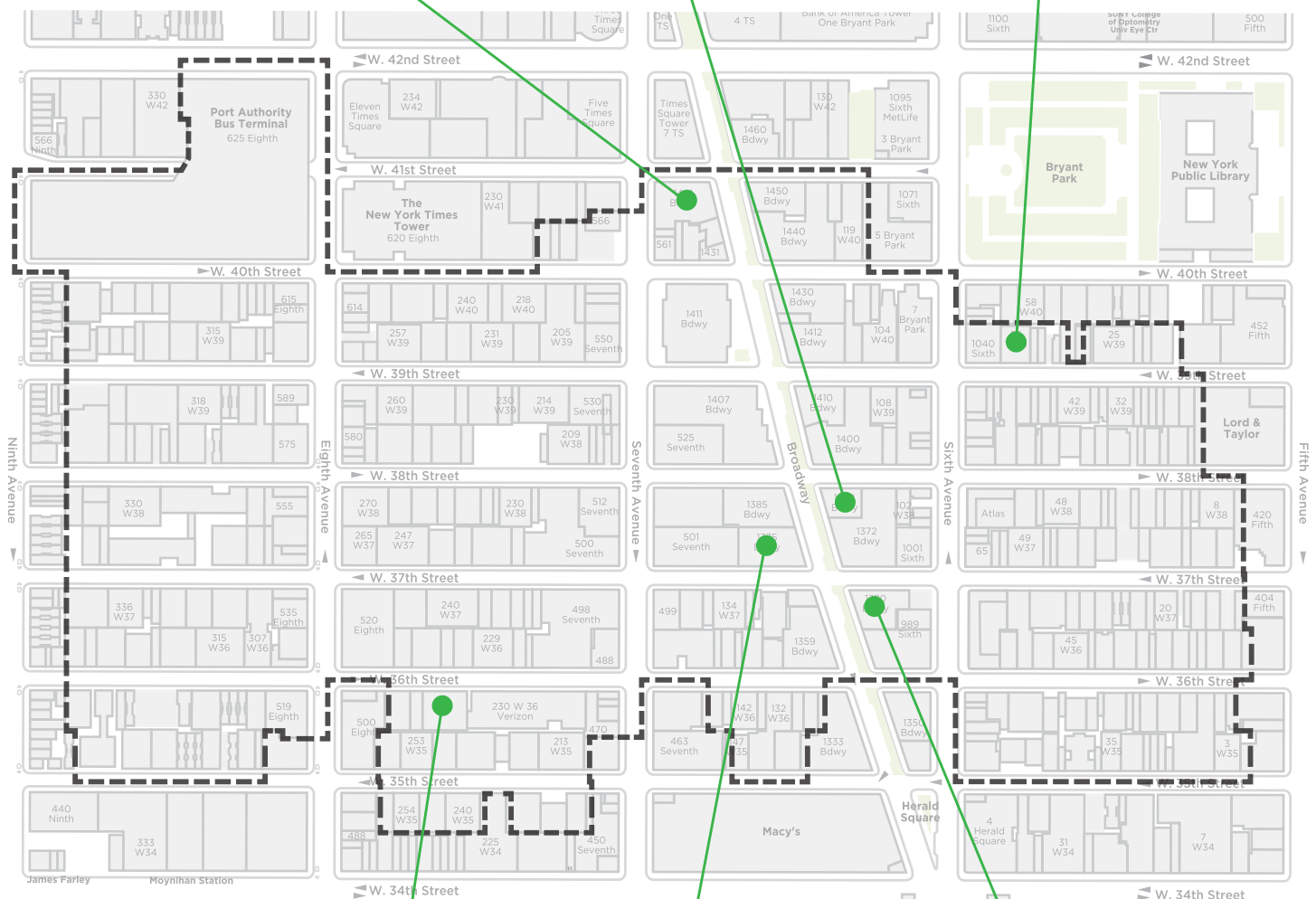


Source: CoStar

OFFICE

BEST PLACES TO WORK

Six Garment District companies were named to Crain's 2021 Best Places to Work in New York City. The companies include Digital Remedy, Pariveda, ManhattanTechSupport.com, JRM Construction Management, Anchin, and Pragma. Crain's publishes the Best Places to Work list annually, and the 2021 edition focused on how companies responded to Covid-19.



RETAIL

KEY INSIGHTS

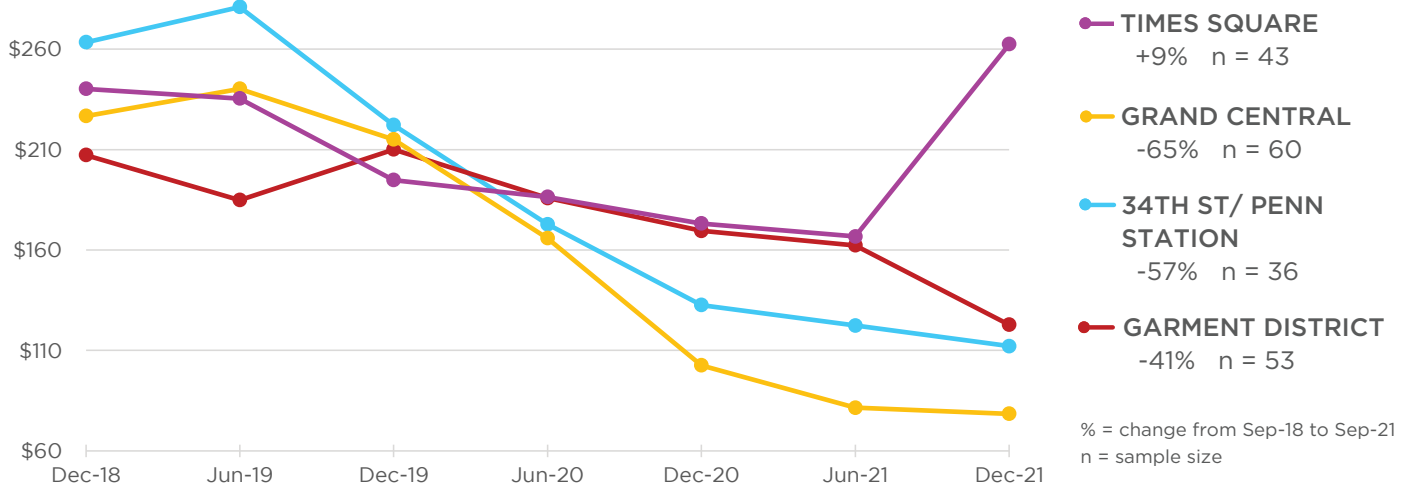
- » While Garment District retail rents remain far below pre-pandemic levels, overall Manhattan rents have recovered to just 4% below the average of three years ago and up 33% from one year ago.
- » In the outer boroughs, retail rents are up 8% from three years ago, but they are down 28% since March 2020.
- » As with office tracking, retail data have been more impacted by outliers. This is particularly noticable with Times Square.
- » Some recent retail openings in the Garment District include:
 - » The Parlour Room
70 W 36th St
 - » Naya
1400 Broadway
 - » AweSum DimSum
612 Eighth Ave
 - » Café China
59 W 37th St
 - » Handcraft Burgers & Brew
110 W 40th St
 - » Wendy's
616 Eighth Ave

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



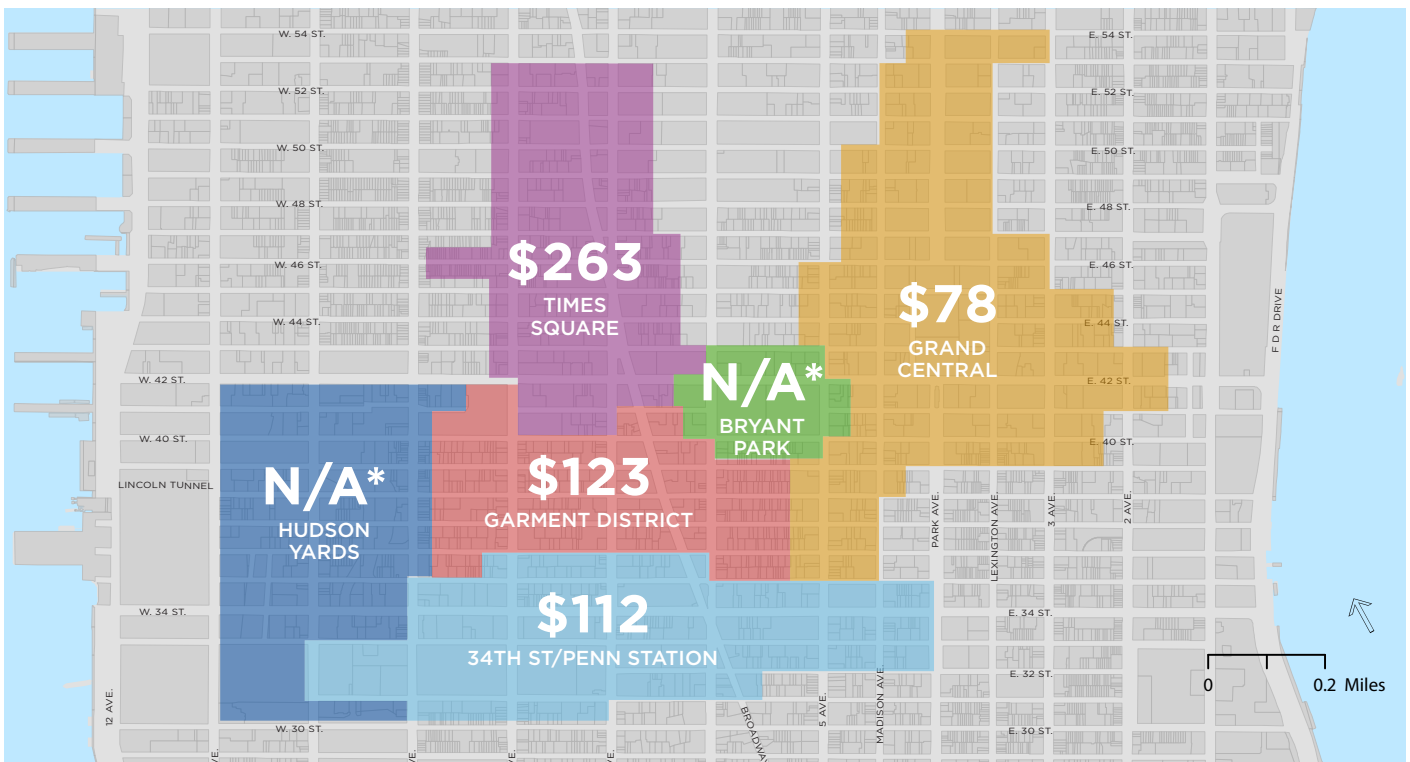
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF



Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF, DECEMBER 2021



Actual BID boundaries vary slightly from neighborhood boundaries shown. Source: CompStak, Inc.

RETAIL VACANCIES

1. 966 SIXTH AVE 1,800 SF NEWMARK KNIGHT FRANK	15. 1412 BROADWAY 1,785 - 4,616 SF CUSHMAN & WAKEFIELD	30. 584 EIGHTH AVE 1,000 - 1,700 SF ISA REALTY GROUP	45. 40 W 37TH ST 2,100 SF PARK RIDGE INTERNATIONAL
2. 980 - 990 SIXTH AVE 525 - 1,687 SF MASONRE	16. 1420 BROADWAY 2,400 SF KASSIN SABBAGH REALTY	31. 601 EIGHTH AVE 383 - 7,512 SF KASSIN SABBAGH REALTY	46. 44 W 37TH ST 1,000 - 2,450 SF KASSIN SABBAGH REALTY
3. 989 SIXTH AVE 4,500 SF KASSIN SABBAGH REALTY	17. 1435 BROADWAY 1,100 - 3,500 SF SOLIL MANAGEMENT	32. 619 EIGHTH AVE (PORT AUTHORITY BUS TERMINAL) 196 - 4,400 SF JRT REALTY GROUP	47. 148 W 37TH ST 2,500 SF ADAMS & COMPANY
4. 1001 SIXTH AVE 354 - 4,250 SF ABS PARTNERS REAL ESTATE	18. 1440 BROADWAY 1,745 - 16,760 SF CUSHMAN & WAKEFIELD	33. 21 W 35TH ST 2,000 SF PD PROPERTIES	48. 237 W 37TH ST 3,575 SF MJ PROPERTY GROUP
5. 1008 SIXTH AVE 800 - 2,150 SF JTRE	19. 1441 BROADWAY 700 - 5,000 SF JLL	34. 29 W 35TH ST 3,900 - 8,200 SF UNITED GROUP	49. 240 W 37TH ST 1,434 SF KASSIN SABBAGH REALTY
6. 1015 SIXTH AVE 800 SF METROPOLITAN PROPERTY GROUP	20. 1450 BROADWAY 700 SF REAL ASSET ADVISORS	35. 35 W 35TH ST 2,500 - 6,000 SF PD PROPERTIES	50. 252-258 W 37TH ST 600 SF MJ PROPERTY GROUP
7. 1021-1039 SIXTH AVE 1,875 - 2,557 SF NEWMARK	21. 488 SEVENTH AVE 300 - 1,500 SF ABH REALTY CORP.	36. 41 W 35TH ST 2,000 SF PD PROPERTIES	51. 336-342 W 37TH ST 6,600 SF IGS REALTY CO.
8. 1359 BROADWAY 3,187 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	22. 498 SEVENTH AVE 2,047 SF GEORGE COMFORT & SONS	37. 253 W 35TH ST 800 - 2,700 ADAMS & COMPANY	52. 8 W 38TH ST 2,700 SF ABS PARTNERS REAL ESTATE
9. 1372 BROADWAY 500 - 2,532 SF JLL	23. 500 SEVENTH AVE 3,095 SF WINICK REALTY GROUP	38. 261 W 35TH ST 4,000 SF H. JUSTIN REALTY SERVICES	53. 18 W 38TH ST 1,500 - 2,200 SF THE HELLER ORGANIZATION
10. 1375 BROADWAY 1,050 - 5,600 SF CUSHMAN & WAKEFIELD	24. 501 SEVENTH AVE 1,571 - 1,998 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	39. 132-138 W 36TH ST 1,611 SF KAUFMAN ORGANIZATION	54. 38 W 38TH ST 2,100 SF MICHAEL BENJI
11. 1384 BROADWAY 866 - 875 SF WINICK REALTY GROUP	25. 525 SEVENTH AVE 2,250 - 5,443 SF JLL	40. 142-148 W 36TH ST 2,298 SF CUSHMAN & WAKEFIELD	55. 57 W 38TH ST 1,000 - 4,000 SF JUYI, INC./CORBETT & DULLEA
12. 1400 BROADWAY 1,591 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	26. 526 SEVENTH AVE 2,950 SF MJ PROPERTY GROUP	41. 149 W 36TH ST 3,100 SF NEWMARK	56. 203-205 W 38TH ST 2,500 - 5,000 SF KASSIN SABBAGH REALTY
13. 1407 BROADWAY 1,773 - 2,921 SF JLL	27. 530 SEVENTH AVE 2,100 SF SAVITT PARTNERS/CBRE	42. 152 W 36TH ST 1,365 - 1,935SF SIDO NEW YORK REAL ESTATE	57. 228 W 38TH ST 1,800 - 2,000 SF WINICK REALTY GROUP
14. 1410 BROADWAY 1,052 SF JLL	28. 525 EIGHTH AVE 1,100 SF JLL	43. 229 W 36TH ST 5,183 - 20,132 SF R.E. PERRY COMPANY	58. 242-244 W 38TH ST 2,500 SF RESOLUTION REAL ESTATE
	29. 557 EIGHTH AVE 900 SF DRESSLER GROUP	44. 256-258 W 36TH ST 3,000 SF LEE & ASSOCIATES	59. 252 W 38TH ST 3,690 SF TAMAR EQUITIES CORP./WAY2WIN

THE GARMENT DISTRICT ALLIANCE

60. 270 W 38TH ST
600 - 12,500 SF
CBRE

61. 273 W 38TH ST
1,250 SF
TOWER BROKERAGE

62. 325 W 38TH ST
2,843 SF
FALCON PROPERTIES

63. 331 W 38TH ST
950 SF
MERIDIAN CAPITAL GROUP

64. 15 W 39TH ST
6,200 SF
OKADA & COMPANY

65. 230 W 39TH ST
4,500 SF
THE ASTON GROUP

66. 231-249 W 39TH ST
1,444 - 2,640 SF
ADAMS & COMPANY

67. 234 W 39TH ST
3,479 SF
CUSHMAN & WAKEFIELD

68. 270-276 W 39TH ST
500 - 2,500 SF
LEE & ASSOCIATES

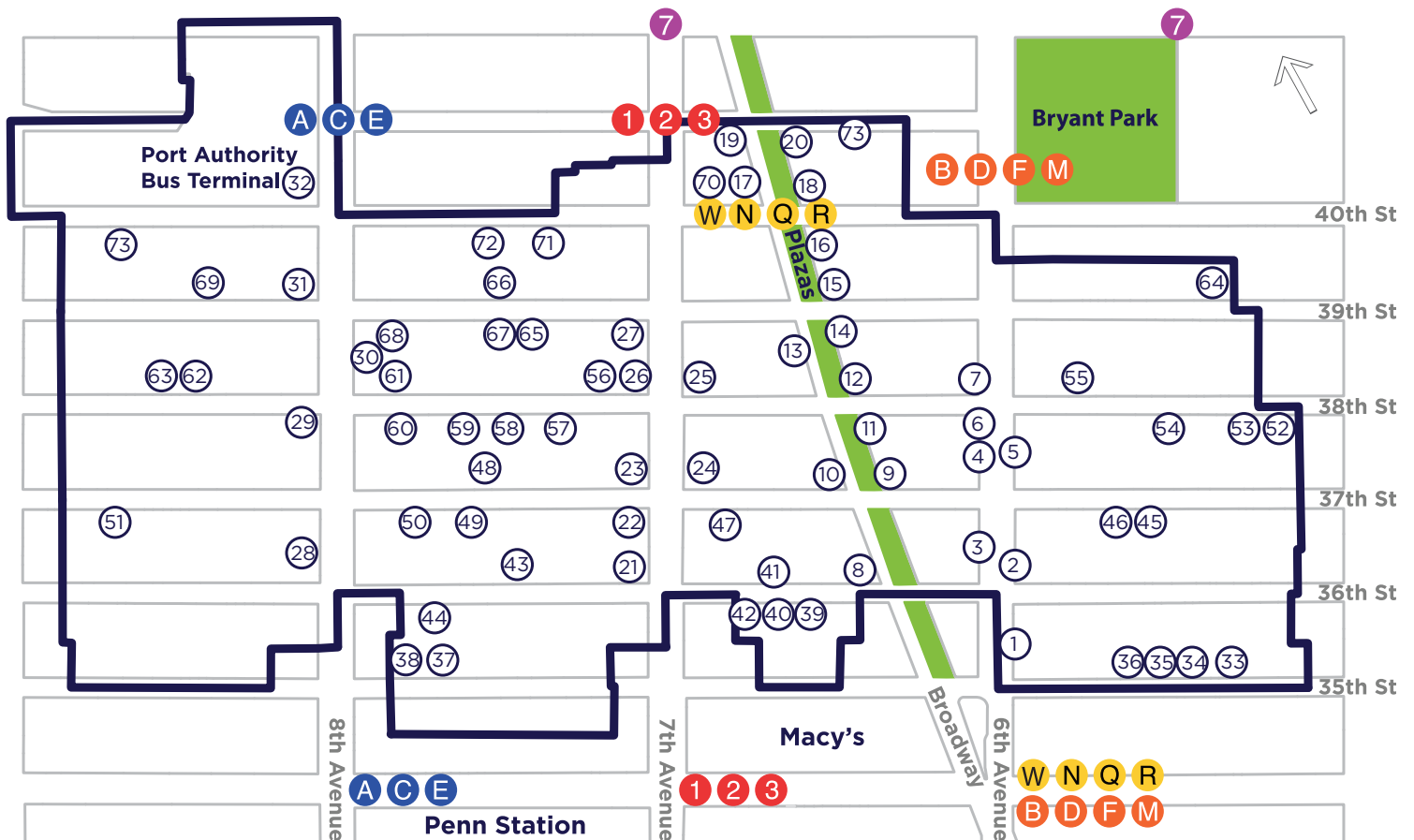
69. 315-321 W 39TH ST
550 SF
HANDLER REAL ESTATE
SERVICES

70. 147 W 40TH ST
1,975 - 2,100 SF
COMPASS

71. 218-232 W 40TH ST
5,192 - 10,316 SF
SAVITT PARTNERS

72. 240 W 40TH ST
2,700 SF
KASSIN SABBAGH REALTY

73. 334-340 W 40TH ST
4,000 SF
KMC HOSPITALITY



Source: CoStar

HOTELS

KEY INSIGHTS

- » There are 53 hotels in the Garment District representing 12,104 rooms. The opening of new hotels and reopening of those that temporarily closed have brought the District to an all-time high of available rooms.
- » Four additional hotels are currently under construction, expected to add 675 rooms to the neighborhood, including what will be the District's eighth largest hotel, the H Hotel W39.
- » A holiday visitor surge in November and December saw the neighborhood hit its highest revenue numbers since December 2019.
- » Average revenue per available room (RevPAR) for Garment District area hotels was up 408% in December over the year prior, but down 21.4% from December 2019. The surge of the Omicron variant in mid-December likely prevented an even more robust recovery.
- » 2.2 million guests stayed in Garment District hotels in 2021, up from 1.4 million in 2020, but down from 3 million in 2019.
- » Hotels brought nearly 750,000 visitors to the neighborhood in Q4 2021, down just 11% from Q4 2019.



Renderings of the under construction H Hotel W39 from Peter Poon Architects. The 29-story hotel will cantilever over the adjacent 13-story Refinery Hotel.

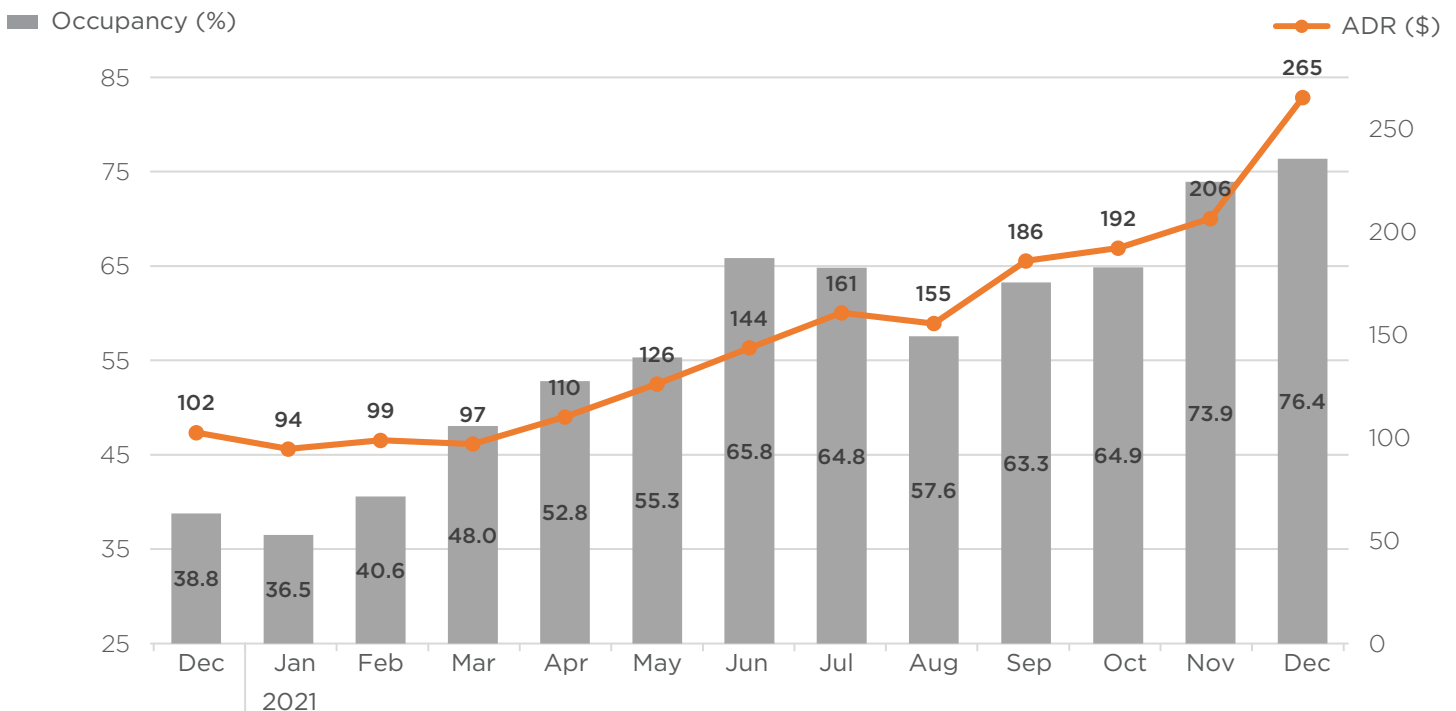
REVPAR, OCCUPANCY, & ADR COMPARISON, DECEMBER 2020 & 2021

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Dec 2021	Dec 2020	Pct. Change	Dec 2021	Dec 2020	Dec 2021	Dec 2020
Garment District	\$203	\$40	+408%	76.4%	38.8%	\$265	\$102
Midtown South*	\$203	\$38	+434%	74.2%	34.1%	\$274	\$112
Midtown East	\$256	\$26	+885%	71.8%	19.1%	\$356	\$148
Midtown West/Times Square*	\$244	\$40	+510%	70.3%	27.0%	\$347	\$147
Financial District	\$207	\$39	+431%	75.3%	32.8%	\$275	\$120
Uptown	\$356	\$77	+362%	66.5%	34.9%	\$535	\$220
Village/SoHo/Tribeca	\$255	\$45	+467%	72.0%	32.8%	\$354	\$136

*Garment District data is included in this area

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2020-2021



PEDESTRIAN COUNTS

KEY INSIGHTS

Pedestrian counts grew steadily throughout 2021, with the holiday season bringing a surge in activity that peaked in the last week of November when the District saw 86% of its pre-COVID pedestrian volume. The rise of the Omicron COVID variant in the city in mid-December prevented the recovery from being even more robust.

MONTHLY PEDESTRIAN VOLUMES SINCE DECEMBER 2020

	Total Count	Change from 2020	Change from 2019
December 2021	14.9 million	+110%	-22%
October 2021	11.9 million	+89%	-33%
August 2021	10.0 million	+79%	-47%
June 2021	11.9 million	+148%	-48%
April 2021	7.0 million	+367%	-60%
February 2021	4.8 million	-68%	-67%
December 2020	7.1 million	N/A	-63%

Source: Springboard

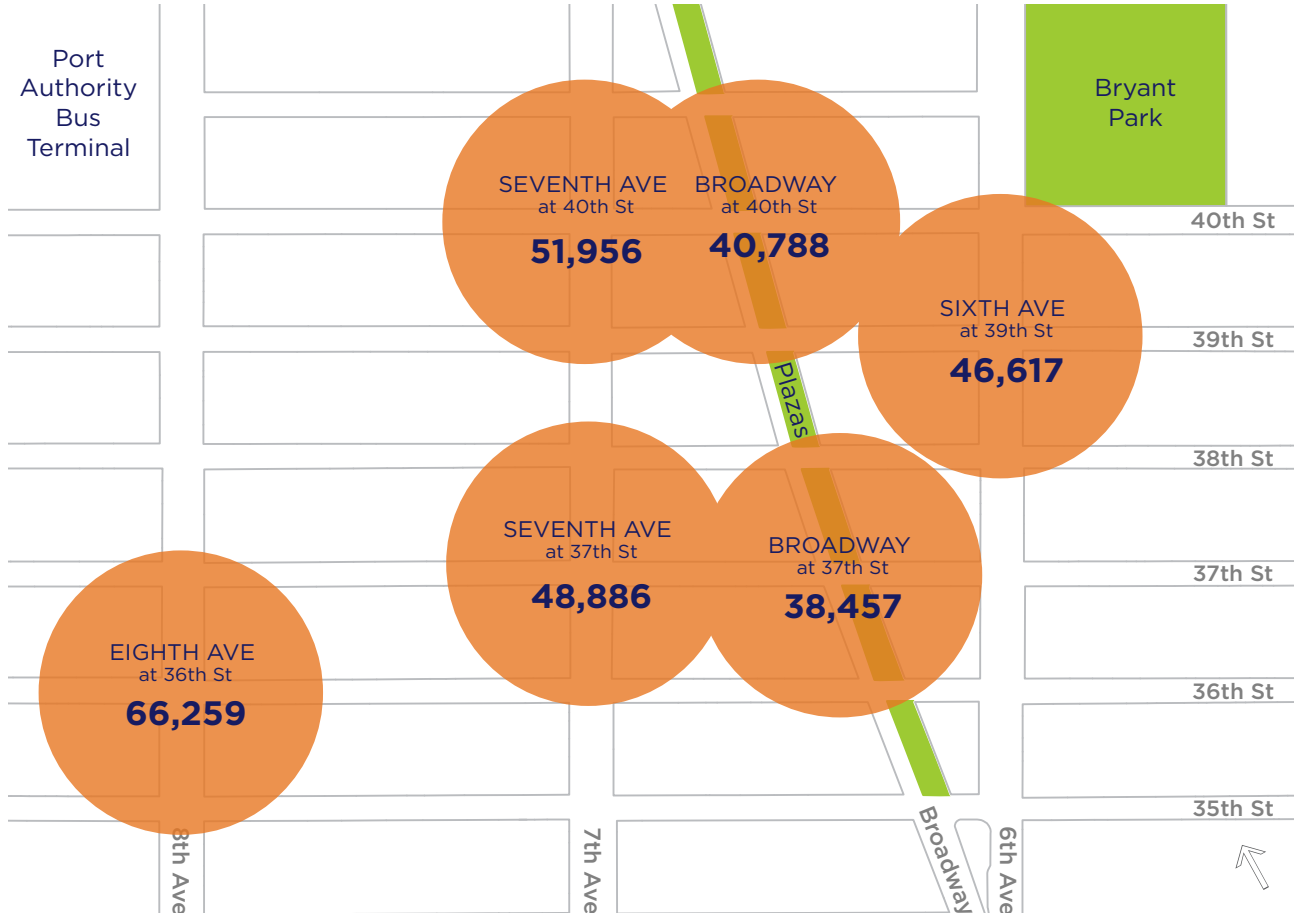
TOTAL QUARTERLY PEDESTRIAN VOLUMES, 2019 - 2021



Source: Springboard



WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, OCT - DEC 2021



Source: Springboard. Intersection count values are weighted to account for the difference in number of counters per location.



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#GarmentDistrict



We are the Garment District Alliance

We serve New York's storied Garment District, in the heart of Midtown Manhattan. Working in partnership with local building owners and businesses, we improve the quality of life and economic vitality in this authentic New York neighborhood. The Garment District Alliance is a not-for-profit corporation, established in 1993.

For more information on all that's happening in the Garment District, visit [garmentdistrict.nyc](https://www.garmentdistrict.nyc)

Cover and Back: "Passage" on the Broadway Plazas
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

Published February 2022