

Economic Quarterly Report



1st Quarter 2022



OFFICE

KEY INSIGHTS

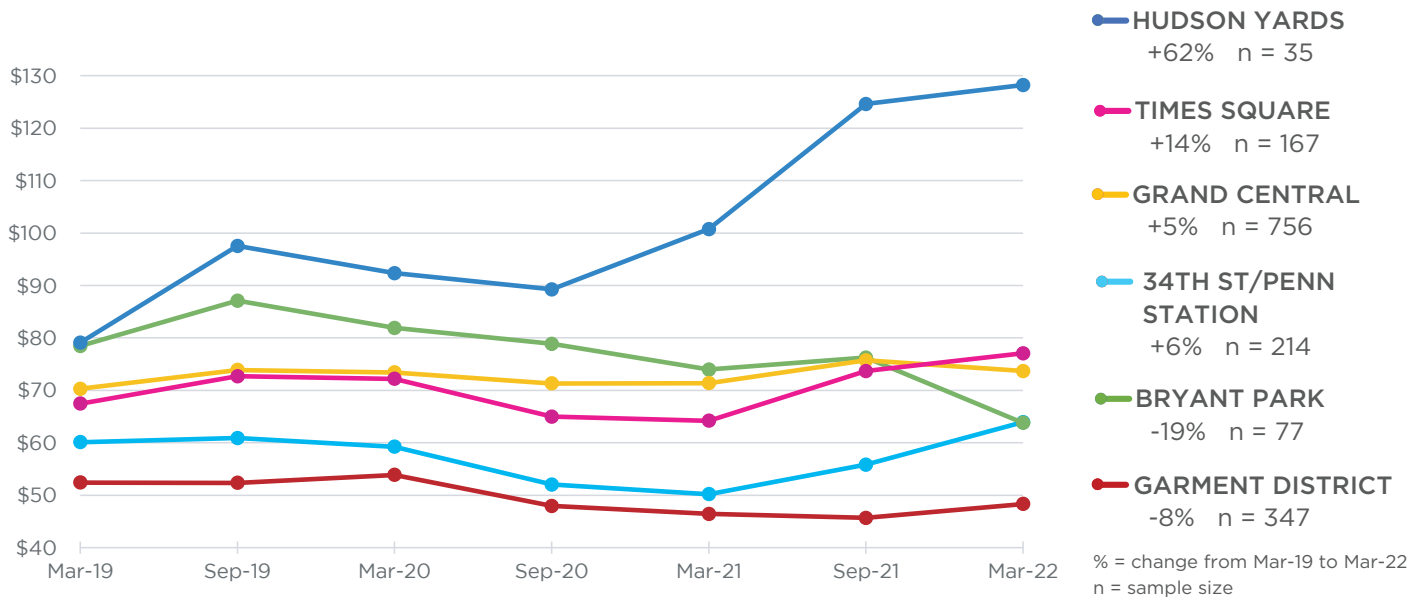
- » The data presented here are based on a sample of leasing activity. Given the impact of the pandemic on leasing activity, averages are more easily impacted by outliers than usual. Additionally, some reports suggest that spaces on the higher end of the market are being leased at a faster rate than other spaces, which would also impact the averages. Location, amenities, size, age, and quality of the space and building all impact prices.
- » According to a survey by the Partnership for New York City, 38% of Manhattan office workers were at the workplace on an average weekday in April 2022. Only 8% were in the office five days a week. 78% of employers anticipated having a hybrid work model moving forward.
- » Examples of recent office leases in the Garment District include:
 - » Crown Castle
24,151 SF - 1359 Broadway
 - » ADP
18,500 SF - 530 Seventh Ave
 - » Triton Construction
12,015 SF - 550 Seventh Ave
 - » Northwell Health
6,412 SF - 1410 Broadway

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



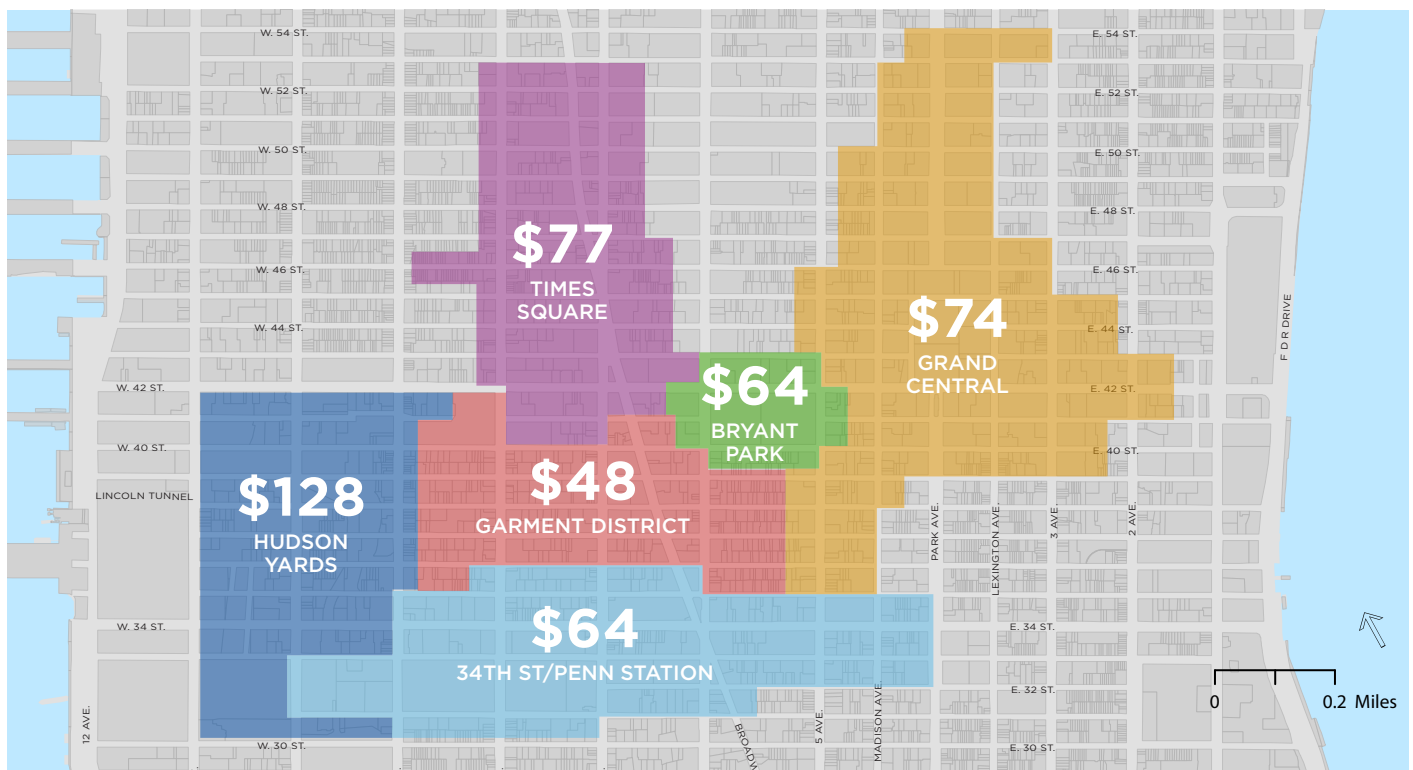
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



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

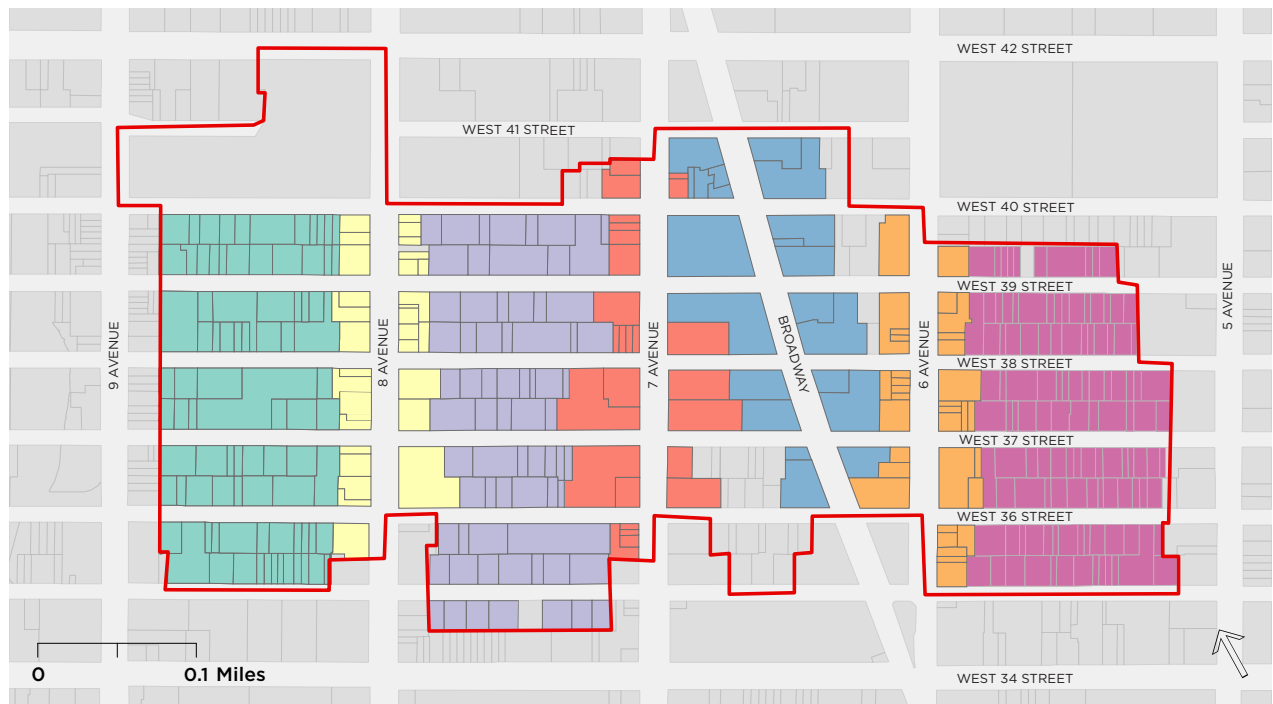
AVERAGE STARTING OFFICE RENTS PER SF, MARCH 2022



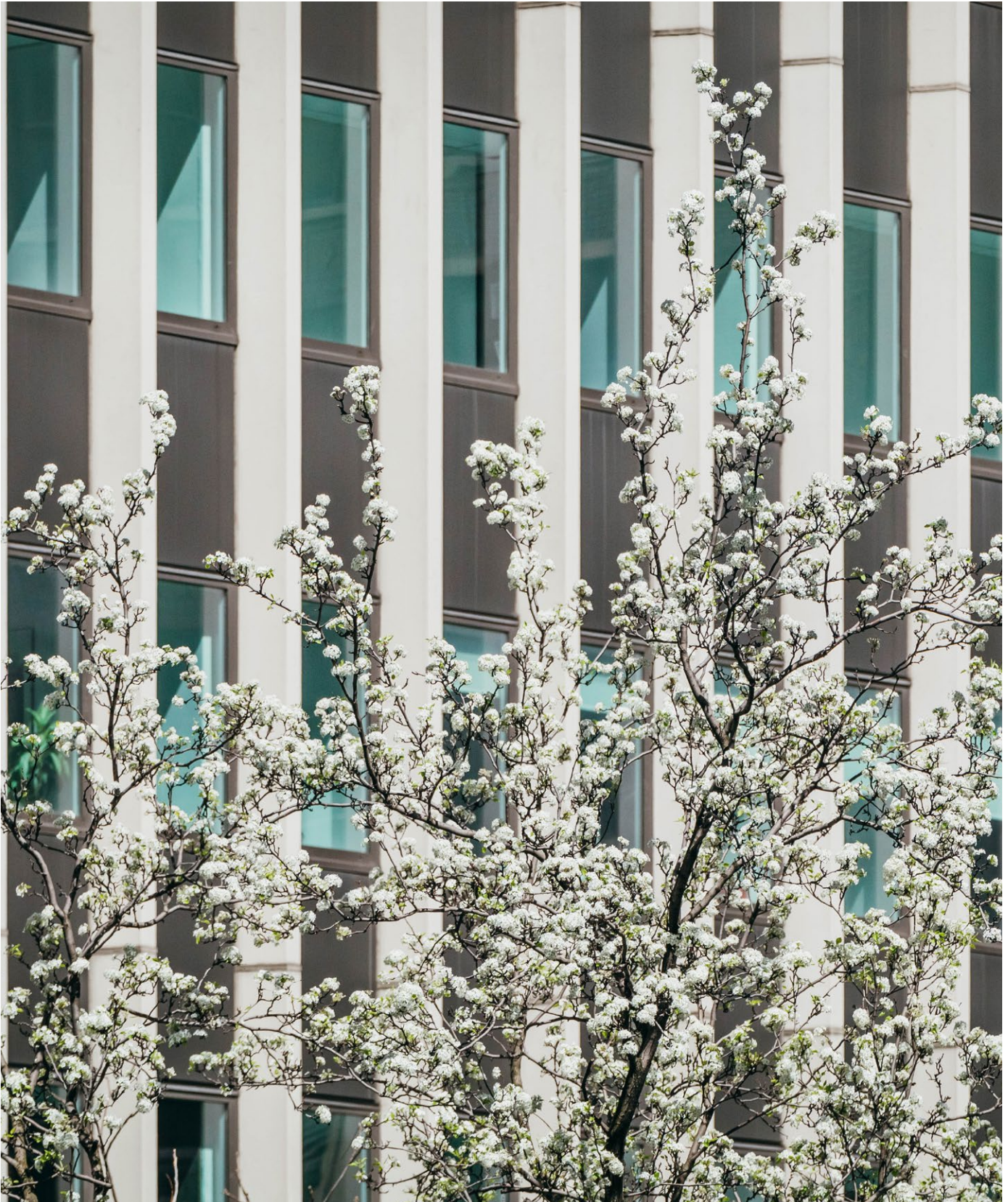
Actual BID boundaries vary slightly from neighborhood boundaries shown. Source: CompStak, Inc.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Mar. 2020 (\$/SF)	Mar. 2021 (\$/SF)	Mar. 2022 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	4	\$44.74	\$41.03	\$38.87	-13%
 Eighth Avenue	3	\$40.69	\$37.24	\$37.82	-7%
 7th-8th Ave Side Streets	18	\$43.73	\$31.05	\$34.84	-20%
 Seventh Avenue	21	\$52.13	\$50.15	\$41.87	-20%
 Broadway	52	\$59.66	\$54.74	\$57.50	-4%
 Sixth Avenue	14	\$61.21	\$43.98	\$51.10	-17%
 5th-6th Ave Side Streets	16	\$47.09	\$37.01	\$44.08	-6%
 District Average	128	\$53.87	\$46.42	\$48.33	-10%



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

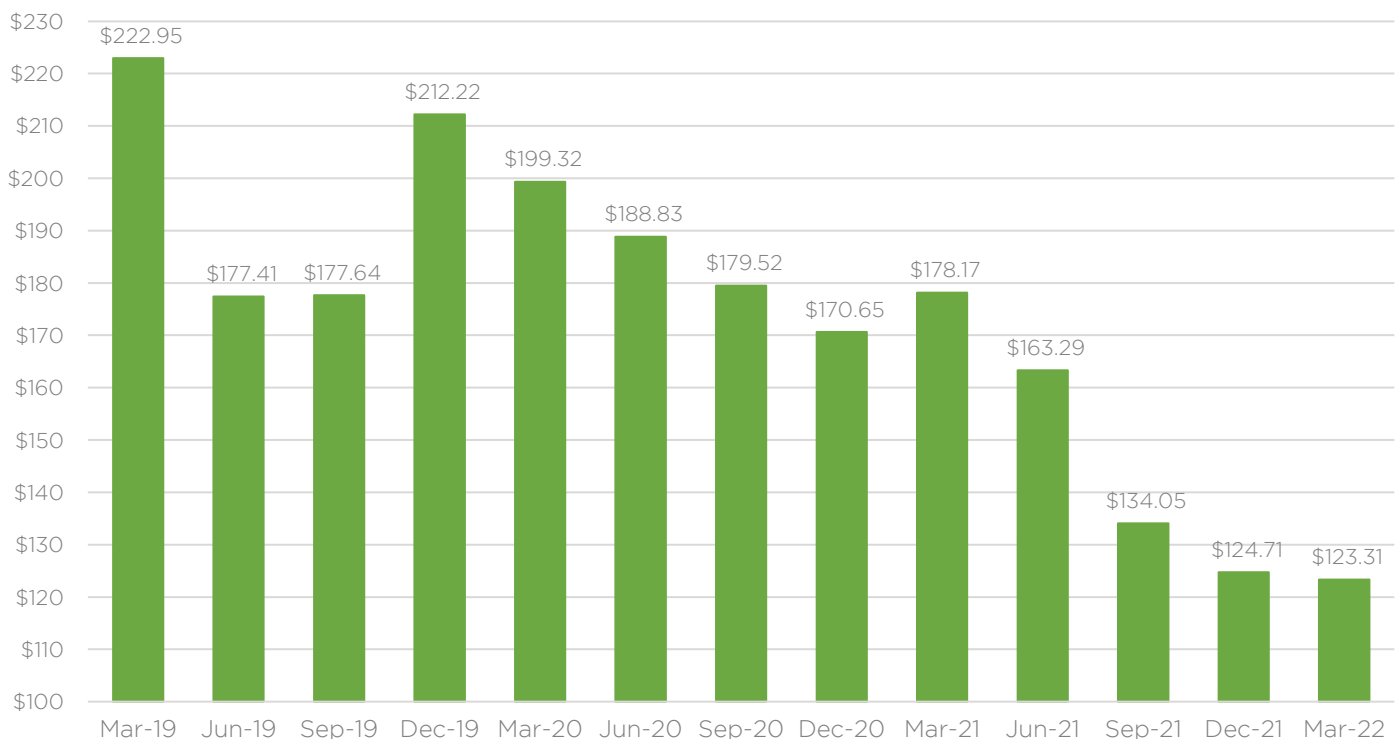


RETAIL

KEY INSIGHTS

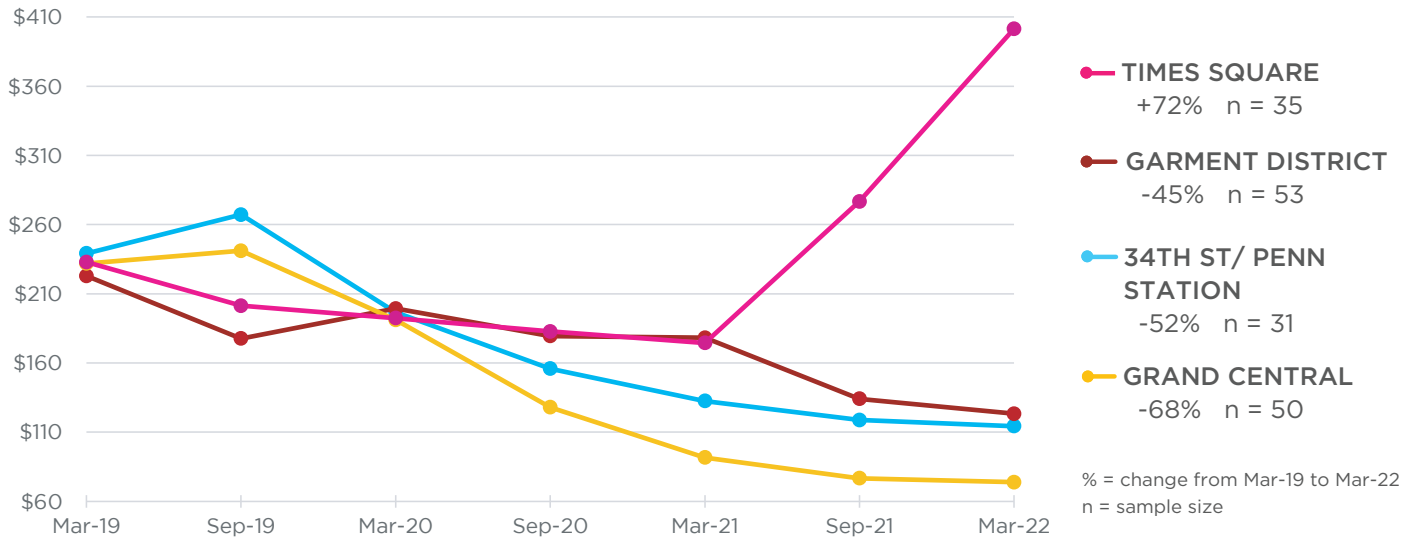
- » While Garment District retail rents remain significantly below pre-pandemic levels, overall Manhattan rents have recovered to roughly the same level of three years ago and are up 51% from one year ago.
- » In the outer boroughs, retail rents are down 9% from three years ago and down 5% from one year ago.
- » As with office tracking, retail data have been more impacted by outliers. This is particularly noticeable in Times Square, where a \$623 lease skewed the average upward.
- » Some recent retail openings in the Garment District include:
 - » Sei Less
515 Seventh Ave
 - » Ten Thousand Coffee
1410 Broadway
 - » Mochinut
1001 Sixth Ave
 - » Maman
114 W 41st St
 - » Peppercorn Station
66 W 39th St
 - » The Dean
214 W 39th St

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



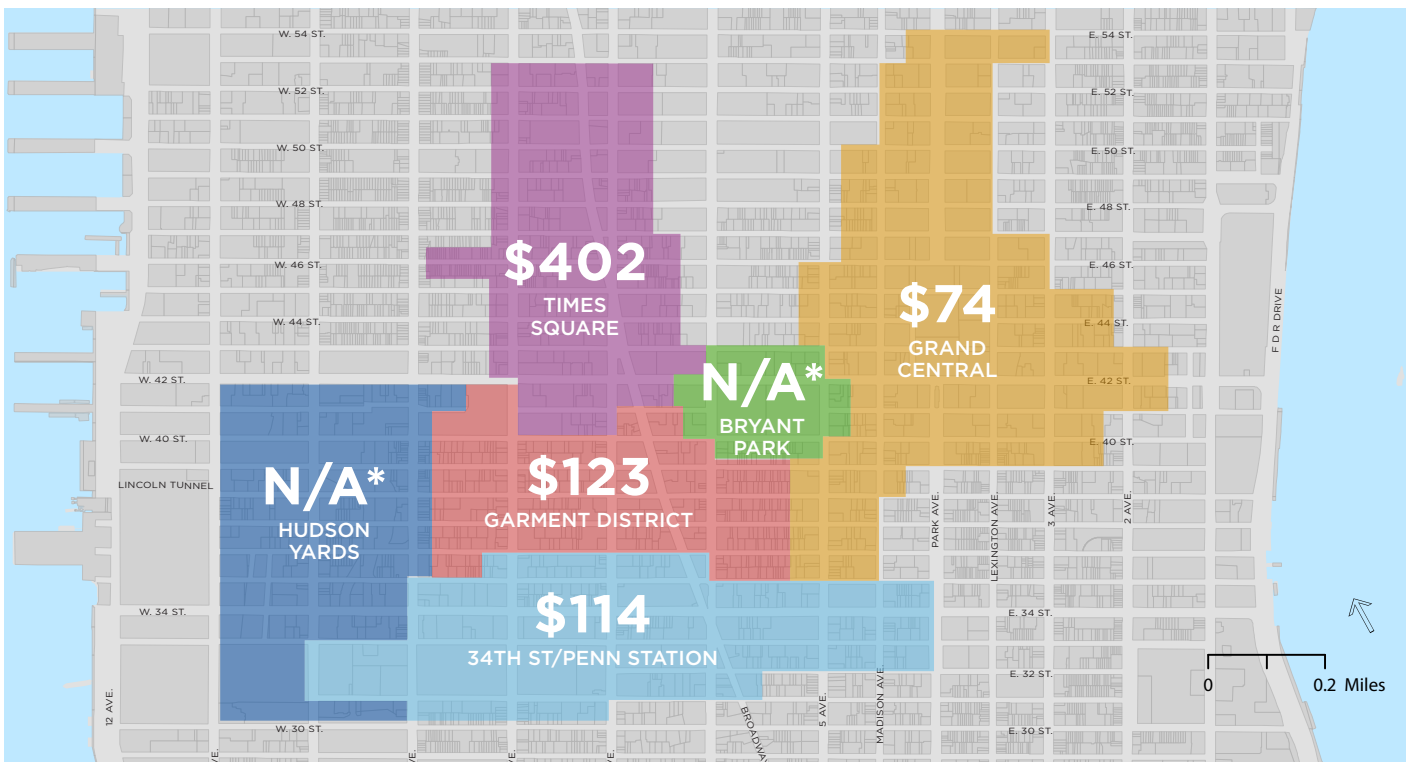
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, MARCH 2022



*Sample sizes in Hudson Yards and Bryant Park were too small to be analyzed
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. 1420 BROADWAY 2,400 SF KASSIN SABBAGH REALTY	29. 21 W 35TH ST 2,000 SF PD PROPERTIES	44. 49 W 37TH ST 3,500 - 8,300 SF SAMCO PROPERTIES
2. 980 - 990 SIXTH AVE 525 - 1,687 SF MASONRE	16. 1435 BROADWAY 1,100 - 3,500 SF SOLIL MANAGEMENT	30. 29 W 35TH ST 3,900 - 8,200 SF UNITED GROUP	45. 148 W 37TH ST 2,500 SF ADAMS & COMPANY
3. 989 SIXTH AVE 4,500 SF KASSIN SABBAGH REALTY	17. 1440 BROADWAY 1,745 - 16,760 SF CUSHMAN & WAKEFIELD	31. 35 W 35TH ST 2,500 - 6,000 SF PD PROPERTIES	46. 240 W 37TH ST 1,434 SF KASSIN SABBAGH REALTY
4. 1001 SIXTH AVE 354 - 4,250 SF ABS PARTNERS REAL ESTATE	18. 488 SEVENTH AVE 300 - 1,500 SF ABH REALTY CORP.	32. 41 W 35TH ST 2,000 SF PD PROPERTIES	47. 252-258 W 37TH ST 600 SF MJ PROPERTY GROUP
5. 1008 SIXTH AVE 800 - 2,150 SF JTRE	19. 498 SEVENTH AVE 2,047 SF GEORGE COMFORT & SONS	33. 253 W 35TH ST 800 - 2,700 ADAMS & COMPANY	48. 334 W 37TH ST 700 SF TRI STATE COMMERCIAL
6. 1015 SIXTH AVE 800 SF METROPOLITAN PROPERTY GROUP	20. 500 SEVENTH AVE 3,095 SF WINICK REALTY GROUP	34. 261 W 35TH ST 4,000 SF H. JUSTIN REALTY SERVICES	49. 336-342 W 37TH ST 2,800 SF IGS REALTY CO.
7. 1021-1039 SIXTH AVE 1,875 - 2,557 SF NEWMARK	21. 501 SEVENTH AVE 1,571 - 1,998 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	35. 315 W 35TH ST 6,900 SF KASSIN SABBAGH REALTY	50. 8 W 38TH ST 2,700 SF ABS PARTNERS REAL ESTATE
8. 1359 BROADWAY 3,187 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	22. 525 SEVENTH AVE 2,250 - 5,443 SF JLL	36. 36 W 36TH ST 2,000 SF MJ PROPERTY GROUP	51. 18 W 38TH ST 1,500 - 2,200 SF THE HELLER ORGANIZATION
9. 1372 BROADWAY 500 - 2,532 SF JLL	23. 526 SEVENTH AVE 2,950 SF MJ PROPERTY GROUP	37. 132-138 W 36TH ST 1,611 SF KAUFMAN ORGANIZATION	52. 38 W 38TH ST 2,100 SF MICHAEL BENJI
10. 1375 BROADWAY 1,050 - 5,600 SF CUSHMAN & WAKEFIELD	24. 530 SEVENTH AVE 2,100 SF SAVITT PARTNERS/CBRE	38. 142-148 W 36TH ST 2,298 SF CUSHMAN & WAKEFIELD	53. 39-41 W 38TH ST 2,548 SF MJ PROPERTY GROUP
11. 1384 BROADWAY 866 SF WINICK REALTY GROUP	25. 557 EIGHTH AVE 900 SF DRESSLER GROUP	39. 149 W 36TH ST 3,400 SF NEWMARK	54. 42 W 38TH ST 256 SF E REALTY INTERNATIONAL GROUP
12. 1400 BROADWAY 1,591 SF RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST	26. 584 EIGHTH AVE 1,000 - 1,700 SF ISA REALTY GROUP	40. 152 W 36TH ST 1,365 - 1,935 SF SIDO NEW YORK REAL ESTATE	55. 55 W 38TH ST 700 - 1,400 SF MURRO REALTY
13. 1407 BROADWAY 1,43 - 10,627 SF JLL	27. 601 EIGHTH AVE 383 - 7,512 SF KASSIN SABBAGH REALTY	41. 229 W 36TH ST 5,183 - 20,132 SF R.E. PERRY COMPANY	56. 57 W 38TH ST 1,000 - 4,000 SF JUYI, INC./CORBETT & DULLEA
14. 1412 BROADWAY 1,785 - 4,616 SF CUSHMAN & WAKEFIELD	28. 619 EIGHTH AVE (PORT AUTHORITY BUS TERMINAL) 196 - 4,504 SF JRT REALTY GROUP	42. 256-258 W 36TH ST 3,000 SF LEE & ASSOCIATES	57. 203-205 W 38TH ST 2,500 - 5,000 SF KASSIN SABBAGH REALTY
		43. 40 W 37TH ST 2,100 SF PARK RIDGE INTERNATIONAL	58. 228 W 38TH ST 1,800 - 2,000 SF WINICK REALTY GROUP

THE GARMENT DISTRICT ALLIANCE

59. 252 W 38TH ST
3,690 SF
TAMAR EQUITIES
CORP./WAY2WIN

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. 32 W 39TH ST
7,575 SF
RUDDER PROPERTY GROUP

66. 230 W 39TH ST
4,500 SF
THE ASTON GROUP

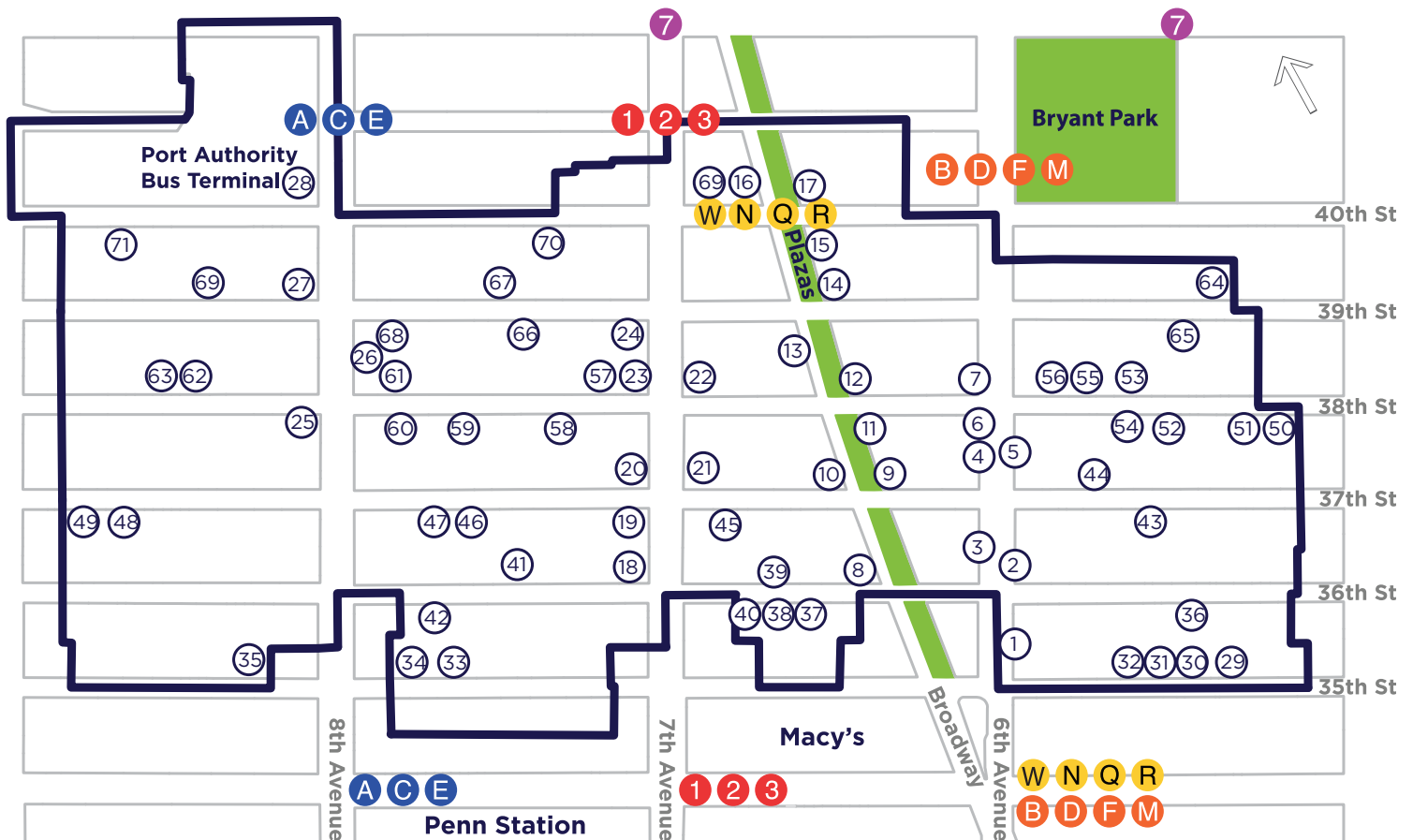
67. 231-249 W 39TH ST
1,444 - 2,640 SF
ADAMS & COMPANY

68. 270-276 W 39TH ST
1,500 SF
LEE & ASSOCIATES

69. 147 W 40TH ST
1,975 - 2,100 SF
COMPASS

70. 218-232 W 40TH ST
5,192 - 10,316 SF
SAVITT PARTNERS

71. 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 were temporarily closed have brought the District to an all-time high of rooms.
- » Four additional hotels are currently under construction, and are expected to add 675 rooms to the District.
- » A visitor surge in late 2021 was dampened by the rise of the Omicron variant, but March saw very strong visitor numbers, finishing just behind December 2021 as the second best month for hotels since March 2020.
- » Average revenue per available room (RevPAR) for Garment District area hotels was up 179% in March over the year prior, and up 147% from March 2020 when the pandemic began in NYC.
- » 596,852 guests stayed in the District in Q1 of 2022, up from 329,689 in Q1 2021 and down just 2.6% from 612,751 in Q1 2020.
- » The Garment District continues to have the highest hotel occupancy rates of the Manhattan business districts, likely driven by lower average prices than other neighborhoods.



Margaritaville Resort. Photo courtesy of Margaritaville Resort.

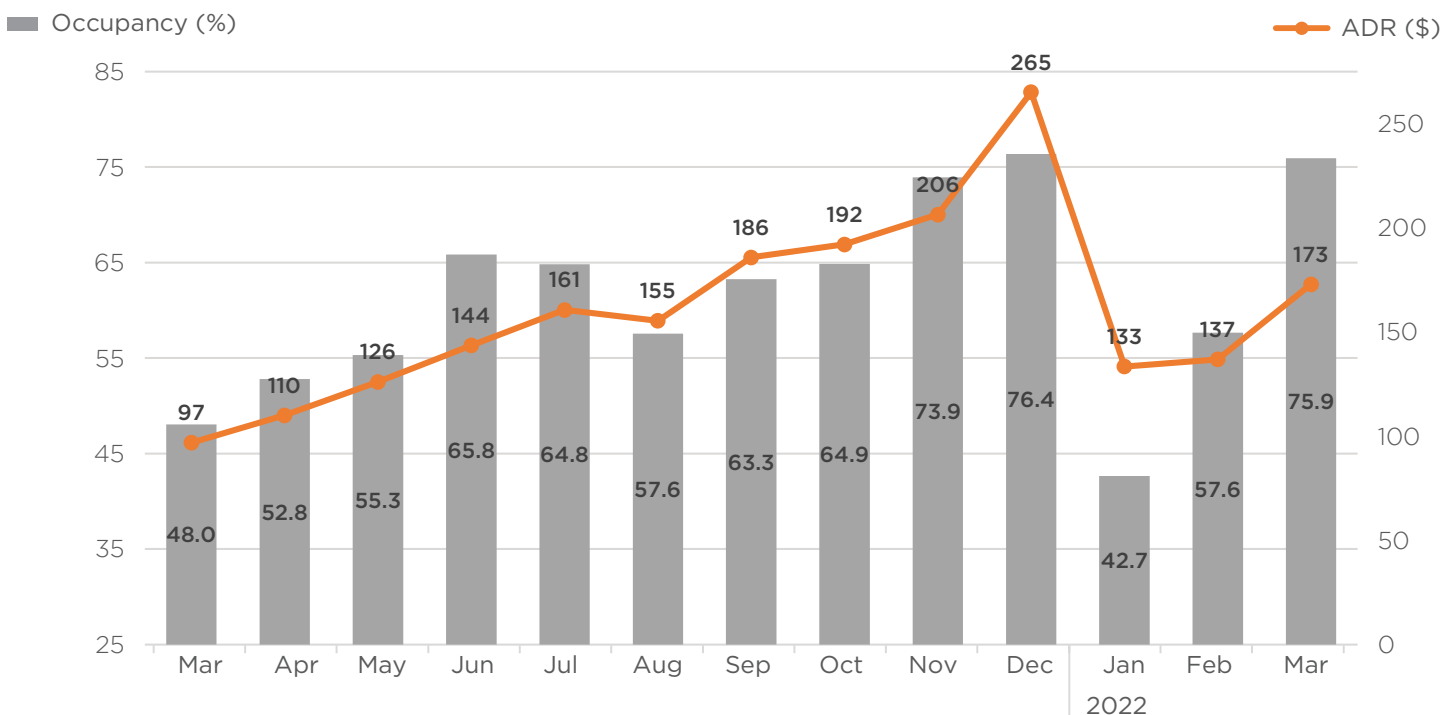
REVPAR, OCCUPANCY, & ADR COMPARISON, MARCH 2021 & 2022

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Mar 2022	Mar 2021	Pct. Change	Mar 2022	Mar 2021	Mar 2022	Mar 2021
Garment District	\$131	\$47	+179%	75.9%	48.0%	\$173	\$97
Midtown South*	\$138	\$50	+174%	73.1%	45.6%	\$189	\$110
Midtown East	\$172	\$52	+231%	65.1%	35.8%	\$265	\$146
Midtown West/Times Square*	\$156	\$48	+227%	67.5%	34.9%	\$232	\$137
Financial District	\$138	\$56	+146%	66.1%	43.3%	\$209	\$129
Uptown	\$221	\$108	+105%	57.6%	45.7%	\$384	\$236
Village/SoHo/Tribeca	\$205	\$67	+205%	76.3%	46.9%	\$269	\$143

*Garment District data is included in this area

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2021-2022



PEDESTRIAN COUNTS

KEY INSIGHTS

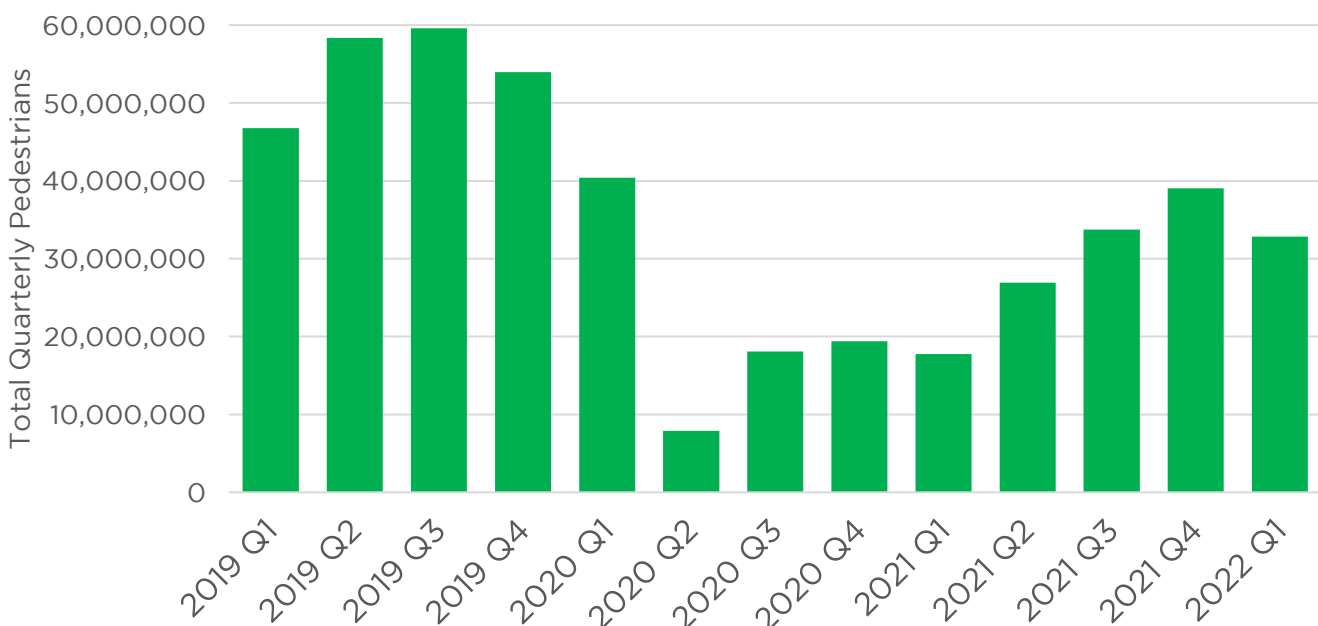
Pedestrian volumes grew steadily through 2021 until mid-December when the rise of the Omicron COVID variant caused another downturn. By February counts began rising again, spurred by an increase in office workers and tourism. In March counts averaged nearly 80% of the corresponding time period in 2019.

MONTHLY PEDESTRIAN VOLUMES SINCE MARCH 2021

	Total Count	Change from 2020	Change from 2019
March 2022	15.0 million	+72%	-25%
January 2022	7.8 million	-45%	-43%
November 2021	12.2 million	+106%	-22%
September 2021	13.5 million	+76%	-41%
July 2021	10.4 million	+100%	-44%
May 2021	8.1 million	+246%	-55%
March 2021	7.7 million	-11%	-56%

Source: Springboard

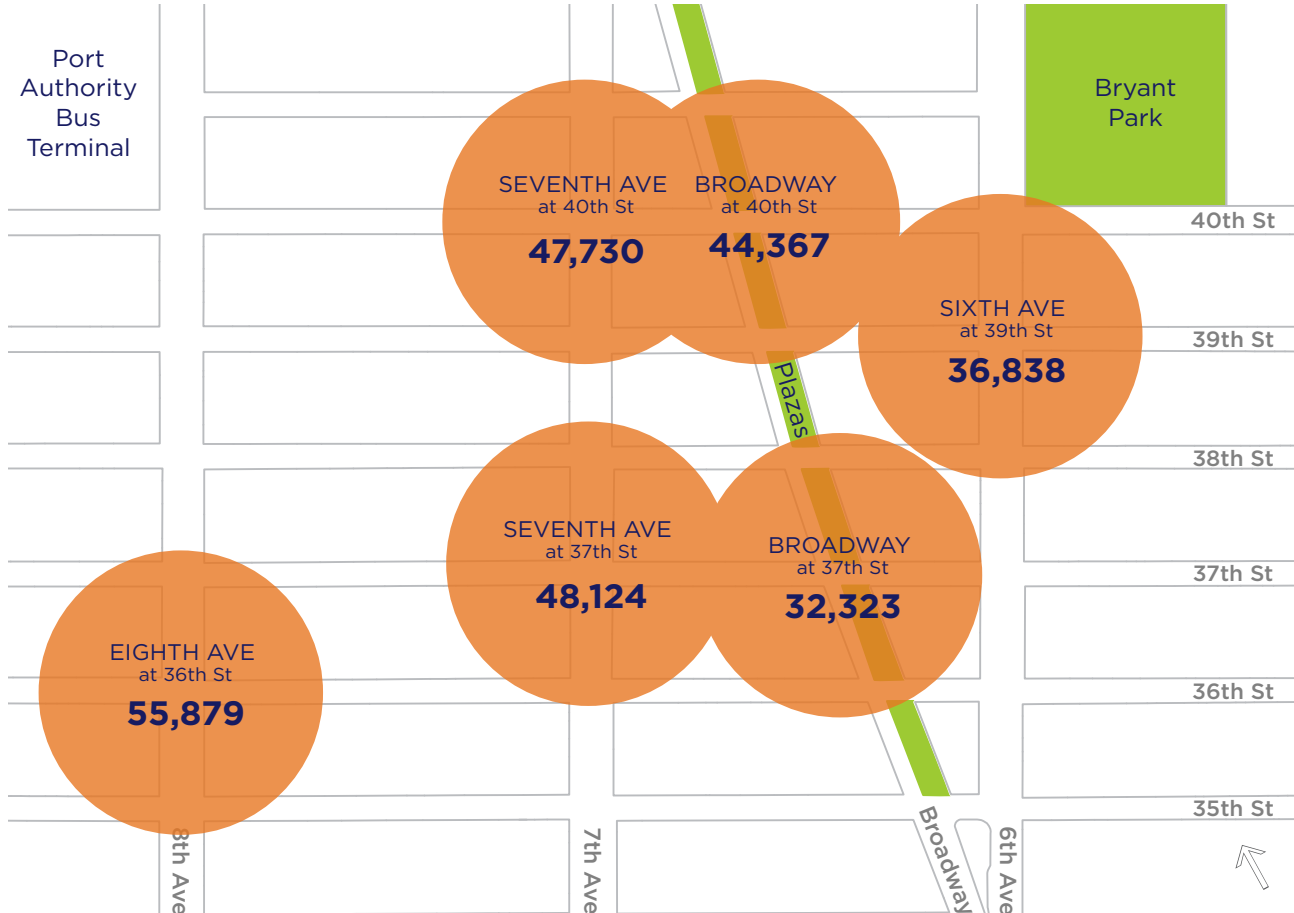
TOTAL QUARTERLY PEDESTRIAN VOLUMES, 2019 - 2022



Source: Springboard



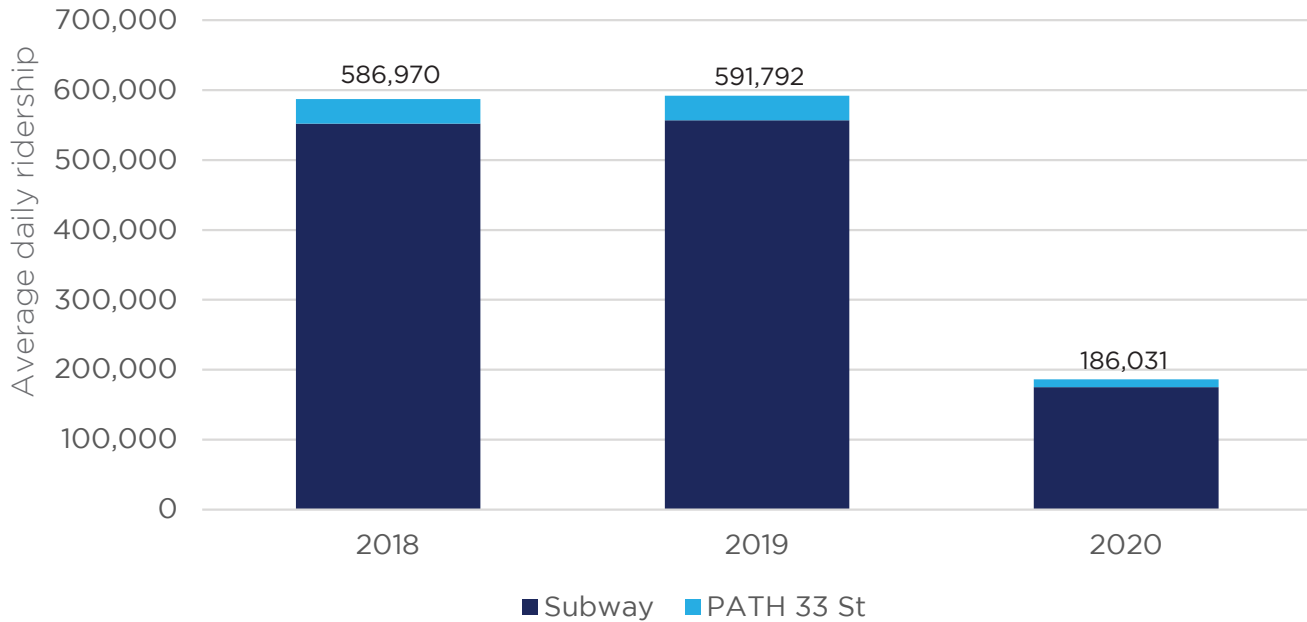
WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, JAN - MAR 2022



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

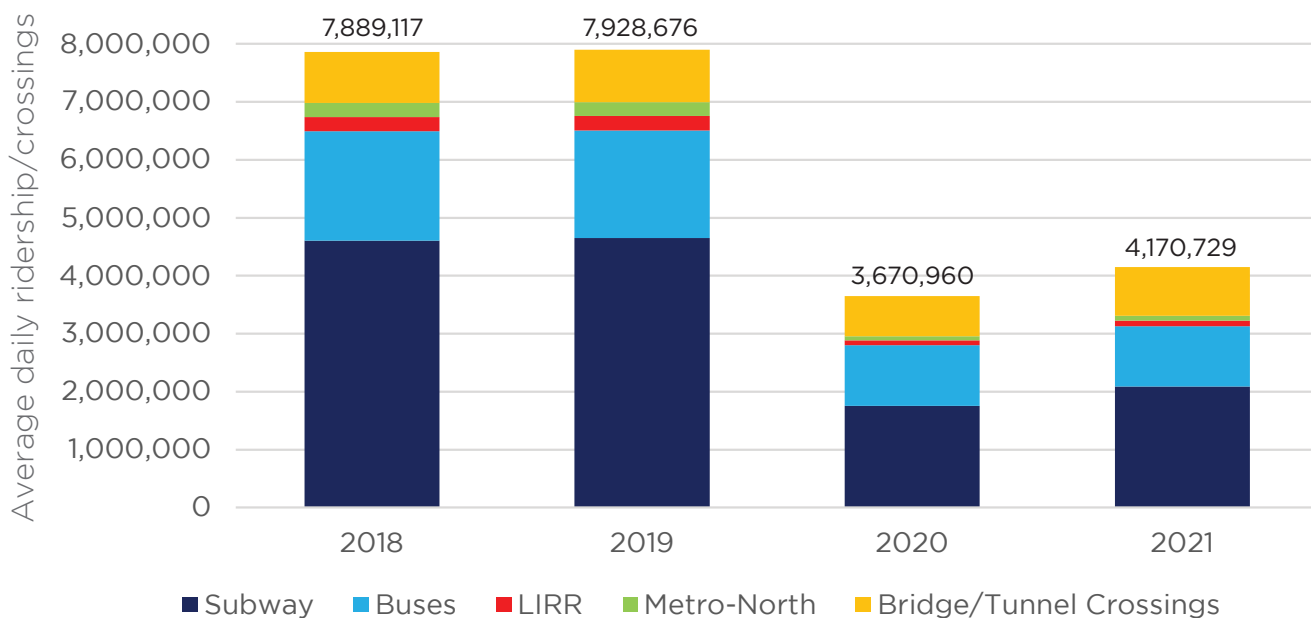
TRANSPORTATION

AVERAGE DAILY SUBWAY AND PATH RIDERSHIP AT GARMENT DISTRICT AREA STATIONS, 2018 - 2020



Source: MTA and Port Authority
Station ridership data for 2021 is not yet available
Subway stations used are Times Square/Port Authority, 34th Street-Penn Station (7th and 8th Avenues), and Bryant Park

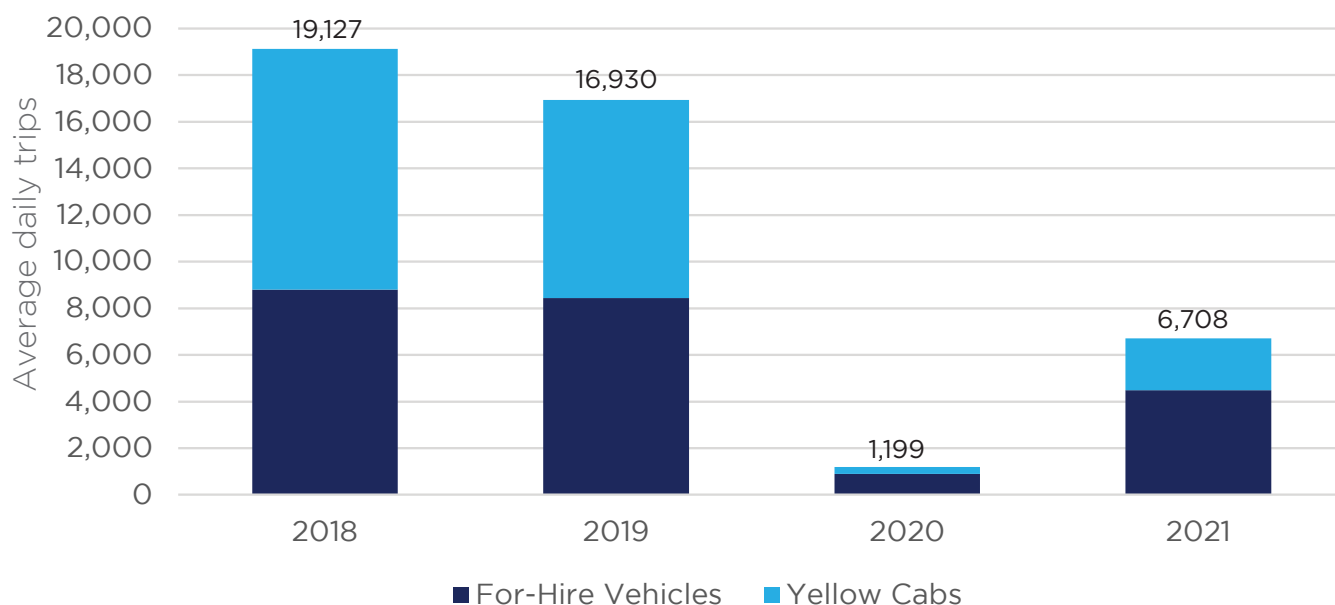
AVERAGE DAILY CITYWIDE MTA TRANSIT RIDERSHIP AND BRIDGE AND TUNNEL CROSSINGS, 2018 - 2021



Source: MTA

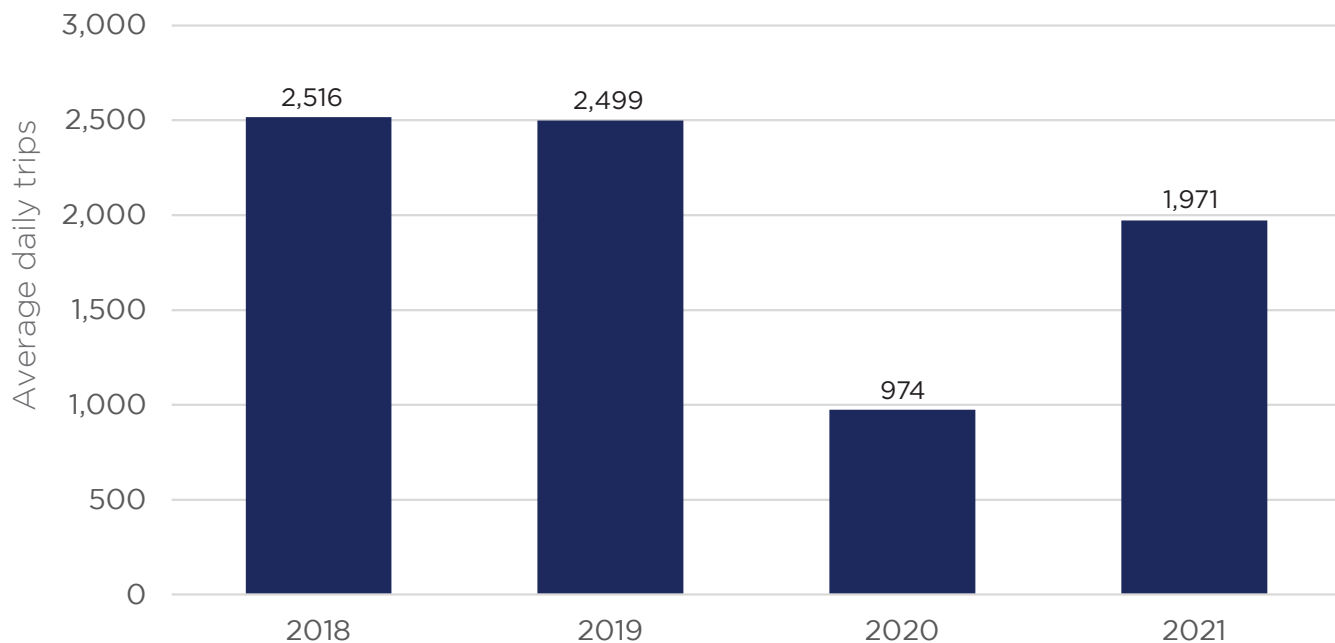
TRANSPORTATION

AVERAGE DAILY FOR-HIRE VEHICLE TRIPS STARTING OR ENDING IN GARMENT DISTRICT, MONTH OF MAY, 2018 - 2021



Source: NYC Open Data

AVERAGE DAILY CITIBIKE TRIPS STARTING OR ENDING IN GARMENT DISTRICT, MONTH OF MAY, 2018 - 2021



Source: CitiBike



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: "Here" by Santi Flores on the Broadway Plazas
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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