

# Economic Quarterly Report



2nd Quarter 2022



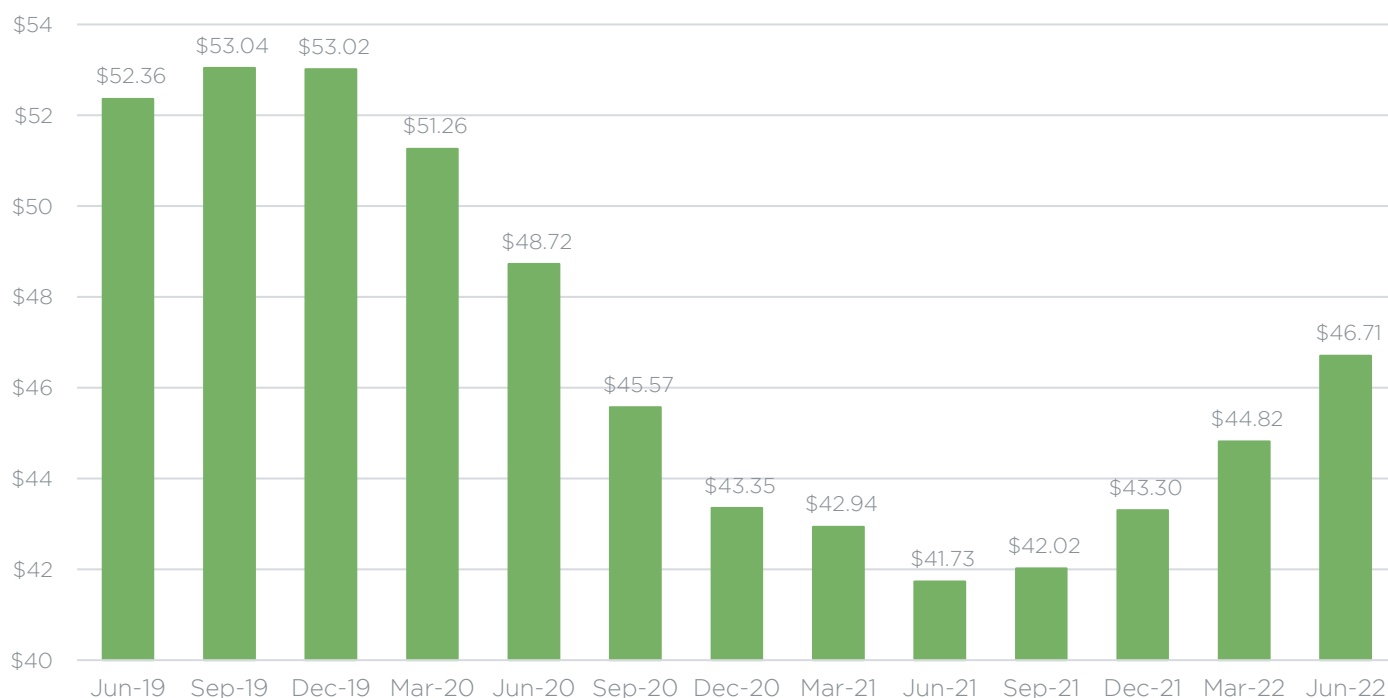


# OFFICE

## KEY INSIGHTS

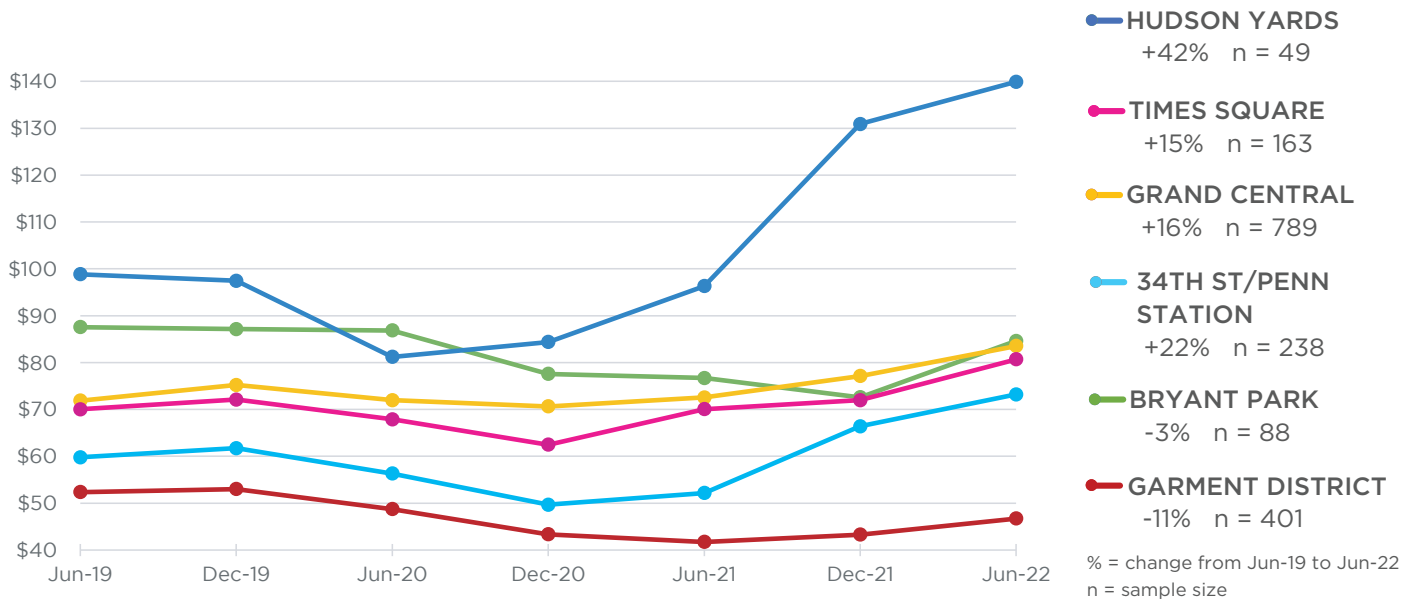
- » The data presented here are based on a sample of leasing activity. Given the impact of the pandemic on leasing activity, averages are more easily impacted by outliers than usual. Additionally, some reports suggest that spaces on the higher end of the market are being leased at a faster rate than other spaces, which would also impact the averages. Location, amenities, size, age, and quality of the space and building all impact prices.
- » According to Kastle Systems, in June NYC office occupancy topped 40% for the first time since March 2020. NYC office occupancy rates are virtually identical to Los Angeles, Chicago, and Washington, DC. Nationally, office occupancy rates hit 44% in June led by Austin (60%) with San Francisco (31%) at the bottom.
- » Examples of recent office leases in the Garment District include:
  - » General Vision Services  
13,600 SF - 520 Eighth Ave
  - » Calzedonia  
10,492 SF - 1359 Broadway
  - » Leviathan Capital  
4,465 SF - 21 W 38th St
  - » Map360co  
3,750 SF - 225 W 35th St

## GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



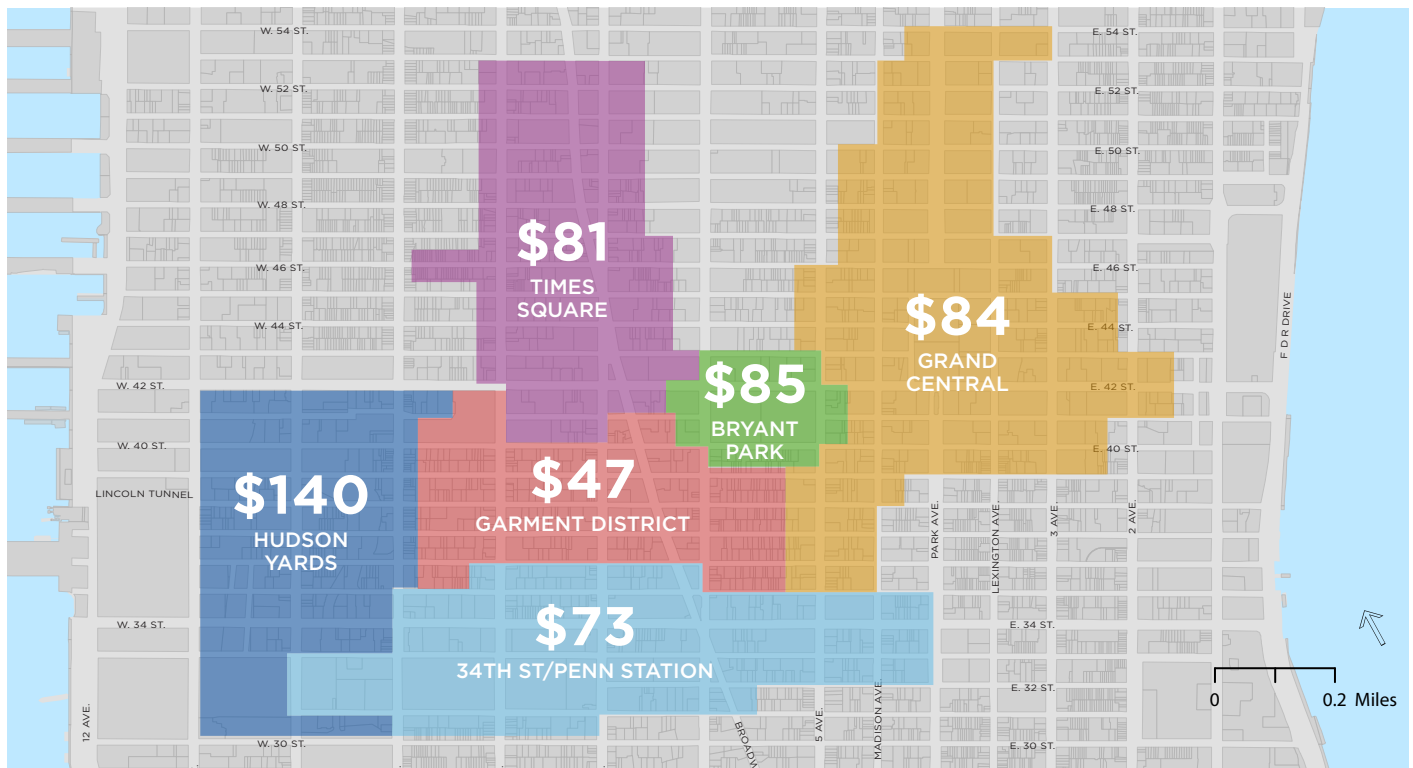
Source: CompStak, Inc., 3-month moving averages

## AVERAGE STARTING OFFICE RENTS PER SF



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

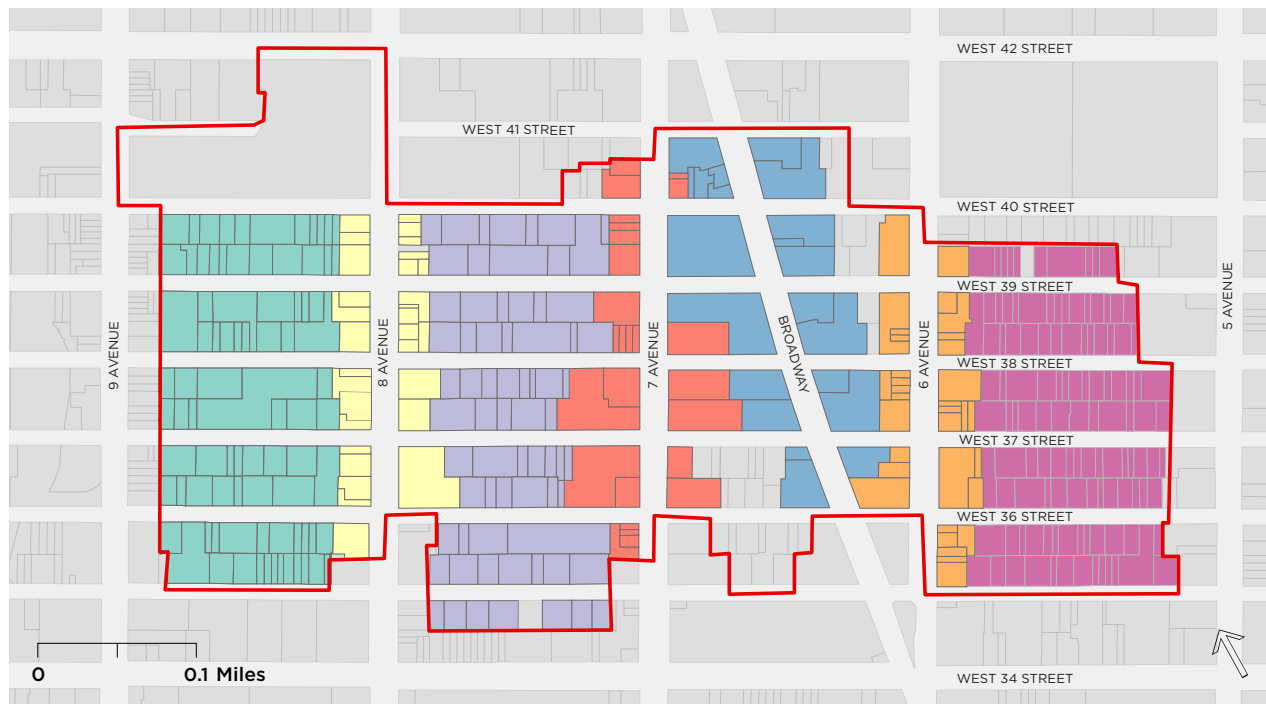
## AVERAGE STARTING OFFICE RENTS PER SF, JUNE 2022



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

## GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	June 2020 (\$/SF)	June 2021 (\$/SF)	June 2022 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	26	\$40.58	\$33.88	\$34.36	-15%
 Eighth Avenue	4	\$38.83	\$36.97	\$36.26	-7%
 7th-8th Ave Side Streets	39	\$39.73	\$33.11	\$34.93	-12%
 Seventh Avenue	27	\$51.22	\$47.29	\$43.80	-14%
 Broadway	68	\$55.14	\$48.35	\$61.06	11%
 Sixth Avenue	14	\$56.98	\$44.32	\$51.30	-17%
 5th-6th Ave Side Streets	16	\$47.64	\$36.95	\$37.97	-20%
 District Average	194	\$48.72	\$41.73	\$46.71	-4%



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





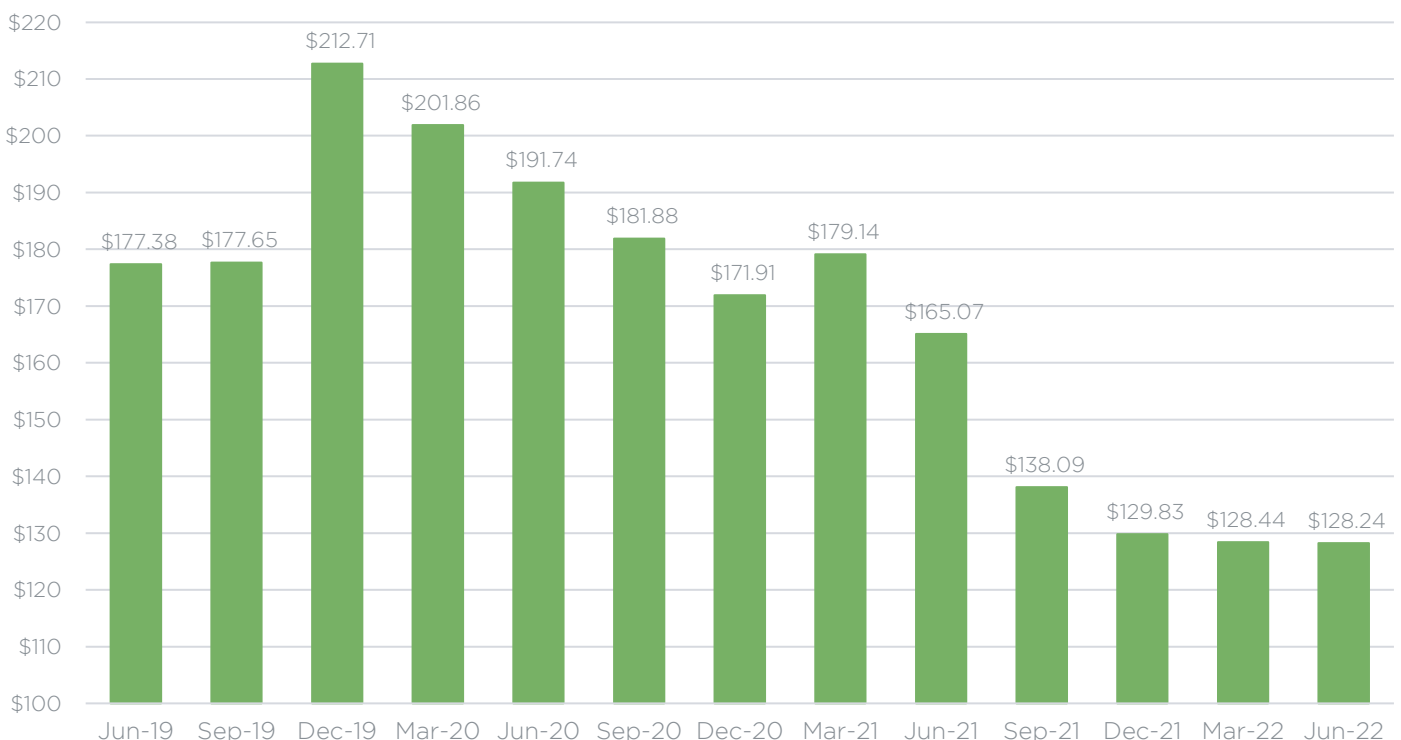


# RETAIL

## KEY INSIGHTS

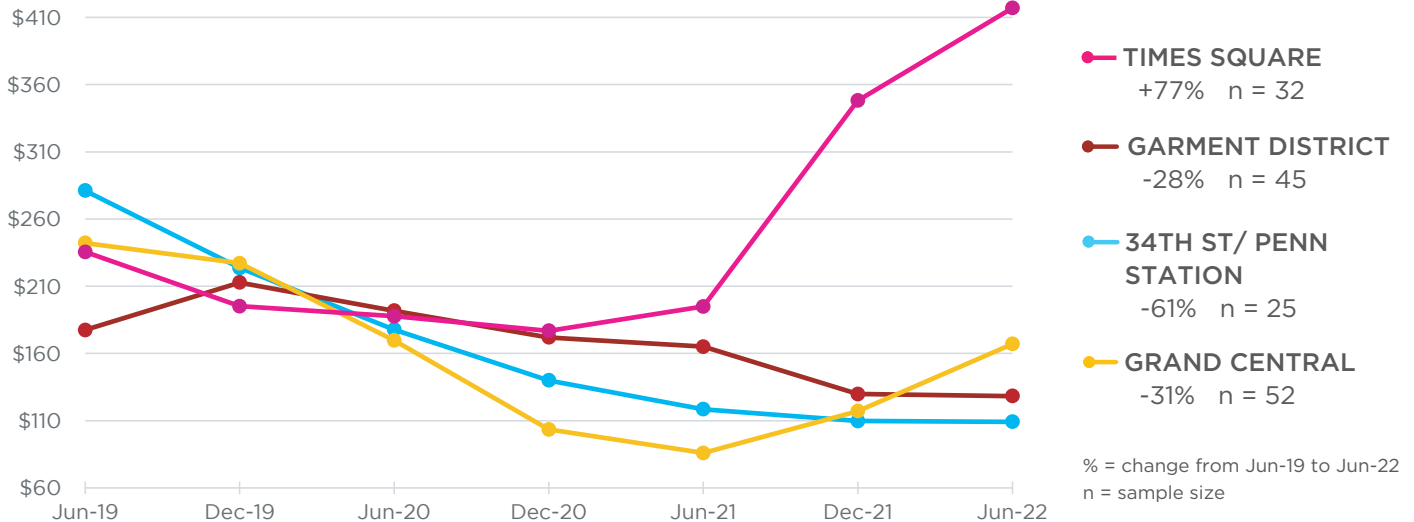
- » Garment District retail rents remain significantly below 2019 levels. Overall Manhattan rents are down 11% from three years ago, but have increased 42% in the past year.
- » In the outer boroughs, retail rents are up 31% from three years ago and 46% from one year ago as remote working may have strengthened retail in residential neighborhoods.
- » As with offices, retail data have been more impacted by outliers. This is particularly noticeable in Times Square, where a few recent high value leases have been signed.
- » Some recent retail openings in the Garment District include:
  - » ER Hot Pot  
11 W 36th St
  - » Bagel Market  
264 W 40th St
  - » About Time Coffee  
1450 Broadway
  - » Ipanema  
3 W 36th St
  - » Dim Sum Sam  
240 W 40th St
  - » Berlina Cafe  
600 Eighth Ave

## GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



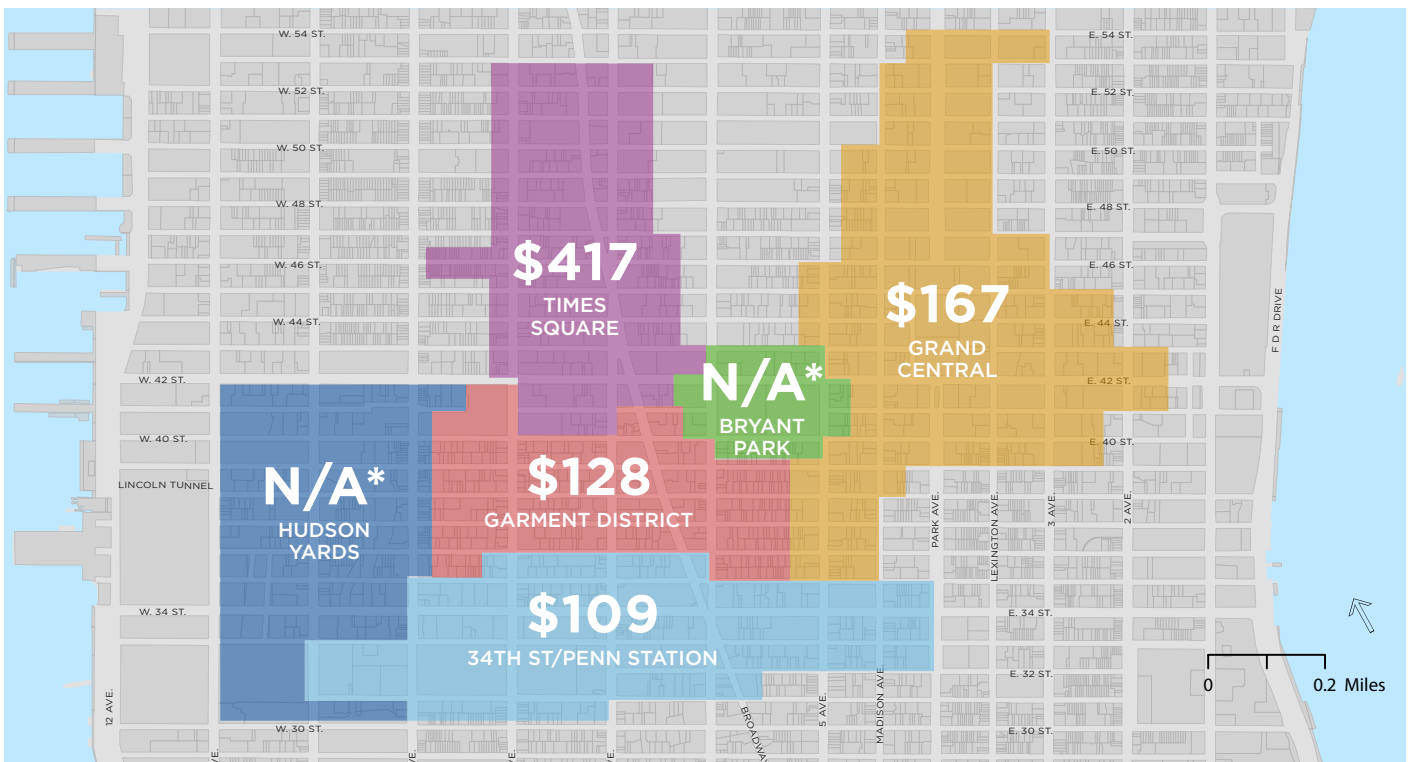
Source: CompStak, Inc., 3-month moving averages

## AVERAGE STARTING RETAIL RENTS PER SF



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

## AVERAGE STARTING RETAIL RENTS PER SF, JUNE 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. 980 - 990 SIXTH AVE  
525 - 1,687 SF  
MASONRE

2. 989 SIXTH AVE  
4,500 SF  
KASSIN SABBAGH REALTY

3. 1001 SIXTH AVE  
354 - 4,250 SF  
ABS PARTNERS REAL ESTATE

4. 1008 SIXTH AVE  
800 - 2,150 SF  
JTRE

5. 1015 SIXTH AVE  
800 SF  
METROPOLITAN PROPERTY GROUP

6. 1021-1039 SIXTH AVE  
1,875 - 2,557 SF  
NEWMARK

7. 1372 BROADWAY  
571 - 2,532 SF  
JLL

8. 1375 BROADWAY  
1,050 - 5,600 SF  
CUSHMAN & WAKEFIELD

9. 1400 BROADWAY  
1,591 SF  
RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST

10. 1407 BROADWAY  
1,43 - 10,627 SF  
JLL

11. 1412 BROADWAY  
1,785 - 4,616 SF  
CUSHMAN & WAKEFIELD

12. 1420 BROADWAY  
2,400 SF  
KASSIN SABBAGH REALTY

13. 1435 BROADWAY  
1,100 - 3,500 SF  
SOLIL MANAGEMENT

14. 1440 BROADWAY  
1,745 - 16,760 SF  
CUSHMAN & WAKEFIELD

15. 488 SEVENTH AVE  
300 - 1,500 SF  
ABH REALTY CORP.

16. 498 SEVENTH AVE  
2,047 SF  
GEORGE COMFORT & SONS

17. 500 SEVENTH AVE  
3,095 SF  
WINICK REALTY GROUP

18. 501 SEVENTH AVE  
1,571 - 1,998 SF  
RIPCO REAL ESTATE/EMPIRE STATE REALTY TRUST

19. 525 SEVENTH AVE  
2,250 - 5,443 SF  
JLL

20. 557 EIGHTH AVE  
900 SF  
DRESSLER GROUP

21. 584 EIGHTH AVE  
1,000 - 1,700 SF  
ISA REALTY GROUP

22. 601 EIGHTH AVE  
383 - 7,512 SF  
KASSIN SABBAGH REALTY

23. 619 EIGHTH AVE (PORT AUTHORITY BUS TERMINAL)  
196 - 4,504 SF  
JRT REALTY GROUP

24. 21 W 35TH ST  
2,000 SF  
PD PROPERTIES

25. 29 W 35TH ST  
3,900 - 8,200 SF  
UNITED GROUP

26. 35 W 35TH ST  
2,500 - 6,000 SF  
PD PROPERTIES

27. 41 W 35TH ST  
2,000 SF  
PD PROPERTIES

28. 253 W 35TH ST  
800 - 2,700  
ADAMS & COMPANY

29. 261 W 35TH ST  
4,000 SF  
H. JUSTIN REALTY SERVICES

30. 315 W 35TH ST  
6,900 SF  
KASSIN SABBAGH REALTY

31. 11 W 36TH ST  
2,300 SF  
KENJI KORA

32. 132-138 W 36TH ST  
1,611 SF  
KAUFMAN ORGANIZATION

33. 142-148 W 36TH ST  
2,298 SF  
CUSHMAN & WAKEFIELD

34. 229 W 36TH ST  
5,183 - 20,132 SF  
R.E. PERRY COMPANY

35. 256-258 W 36TH ST  
3,000 SF  
LEE & ASSOCIATES

36. 18 W 37TH ST  
500 SF  
DOUGLAS WAGNER

37. 49 W 37TH ST  
3,500 - 8,300 SF  
SAMCO PROPERTIES

38. 148 W 37TH ST  
2,500 SF  
ADAMS & COMPANY

39. 240 W 37TH ST  
1,434 SF  
KASSIN SABBAGH REALTY

40. 252-258 W 37TH ST  
600 SF  
MJ PROPERTY GROUP

41. 38 W 38TH ST  
2,100 SF  
MICHAEL BENJI

42. 39-41 W 38TH ST  
2,548 SF  
MJ PROPERTY GROUP

43. 42 W 38TH ST  
256 SF  
E REALTY INTERNATIONAL GROUP

44. 57 W 38TH ST  
1,000 - 4,000 SF  
JUYI, INC./CORBETT & DULLEA

45. 109 W 38TH ST  
300 - 3,000 SF  
GOLDCO REALTY

46. 203-205 W 38TH ST  
2,500 - 5,000 SF  
KASSIN SABBAGH REALTY

47. 228 W 38TH ST  
1,800 - 2,000 SF  
WINICK REALTY GROUP

48. 252 W 38TH ST  
3,690 SF  
TAMAR EQUITIES CORP./WAY2WIN

49. 270 W 38TH ST  
600 - 12,500 SF  
CBRE

50. 325 W 38TH ST  
4,650 SF  
FALCON PROPERTIES

51. 331 W 38TH ST  
950 SF  
MERIDIAN CAPITAL GROUP

52. 15 W 39TH ST  
6,200 SF  
OKADA & COMPANY

53. 32 W 39TH ST  
7,351 SF  
RUDDER PROPERTY GROUP

54. 230 W 39TH ST  
4,500 SF  
THE ASTON GROUP

55. 231-249 W 39TH ST  
1,444 - 2,640 SF  
ADAMS & COMPANY

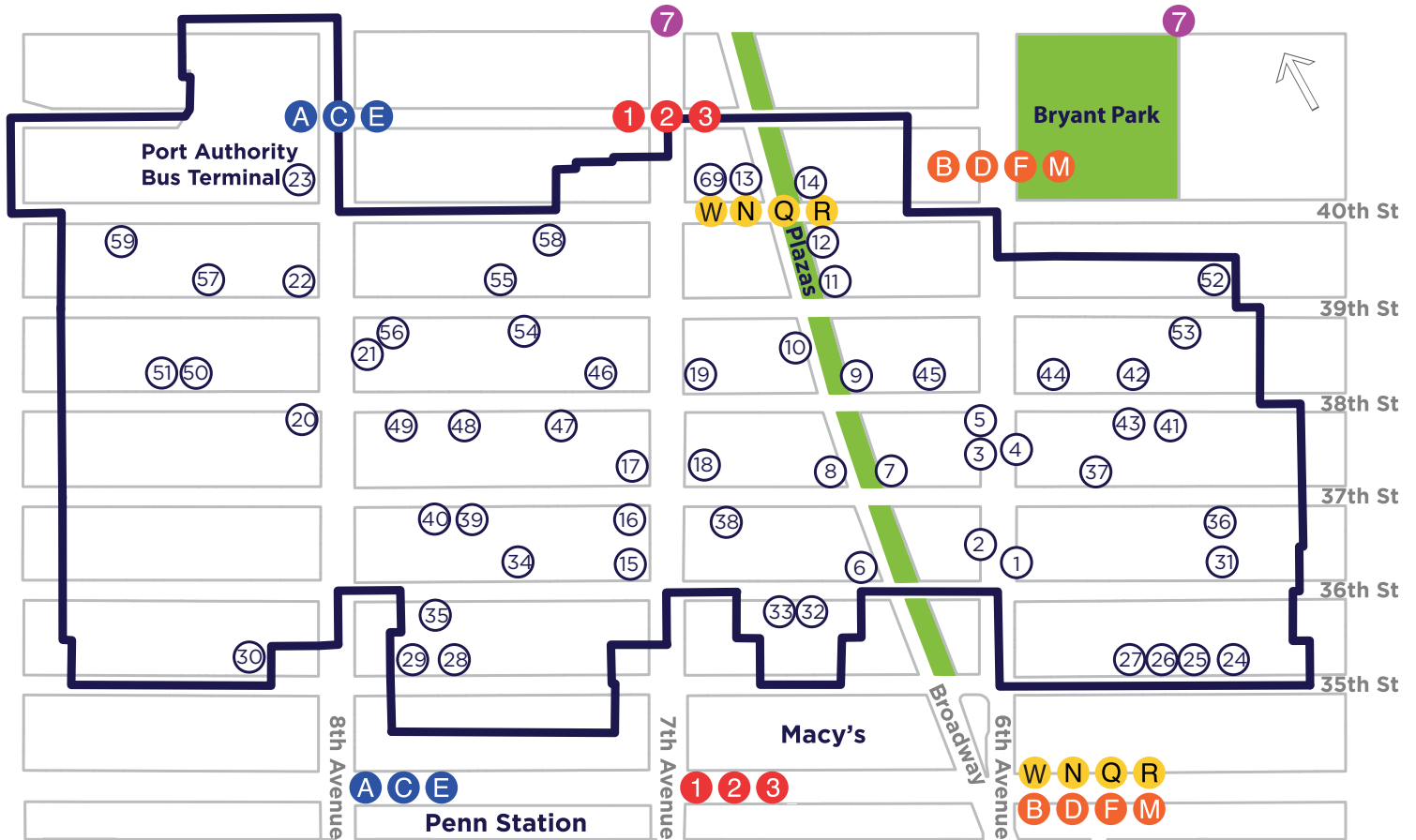
56. 270-276 W 39TH ST  
1,500 SF  
LEE & ASSOCIATES

57. 147 W 40TH ST  
1,975 - 2,100 SF  
COMPASS

58. 218-232 W 40TH ST  
5,192 - 10,316 SF  
SAVITT PARTNERS

59. 334-340 W 40TH ST  
4,000 SF  
KMC HOSPITALITY

## THE GARMENT DISTRICT ALLIANCE



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 room count.
- » Four additional hotels are currently under construction, and are expected to add 675 rooms to the District.
- » Tourism surged in Q2 2022. Occupancy rates averaged 85.2%, peaking at 87.4% in June. For comparison, the average occupancy rate in Q2 2019 was 90.6%.
- » Though occupancy rates were lower than Q2 2019, given the expanded number of hotels in the District, Q2 2022 saw the most hotel demand of any quarter ever, with 882,209 stays. There were 519,537 stays in Q2 2021, 500,361 in Q2 2020, and 747,919 in Q2 2019.
- » Hotel occupancy for the city overall rebounded to 87% of pre-pandemic levels by the end of June, the highest of any major market in the country, with room rates higher than any other US market outside of Hawaii and the Florida Keys.





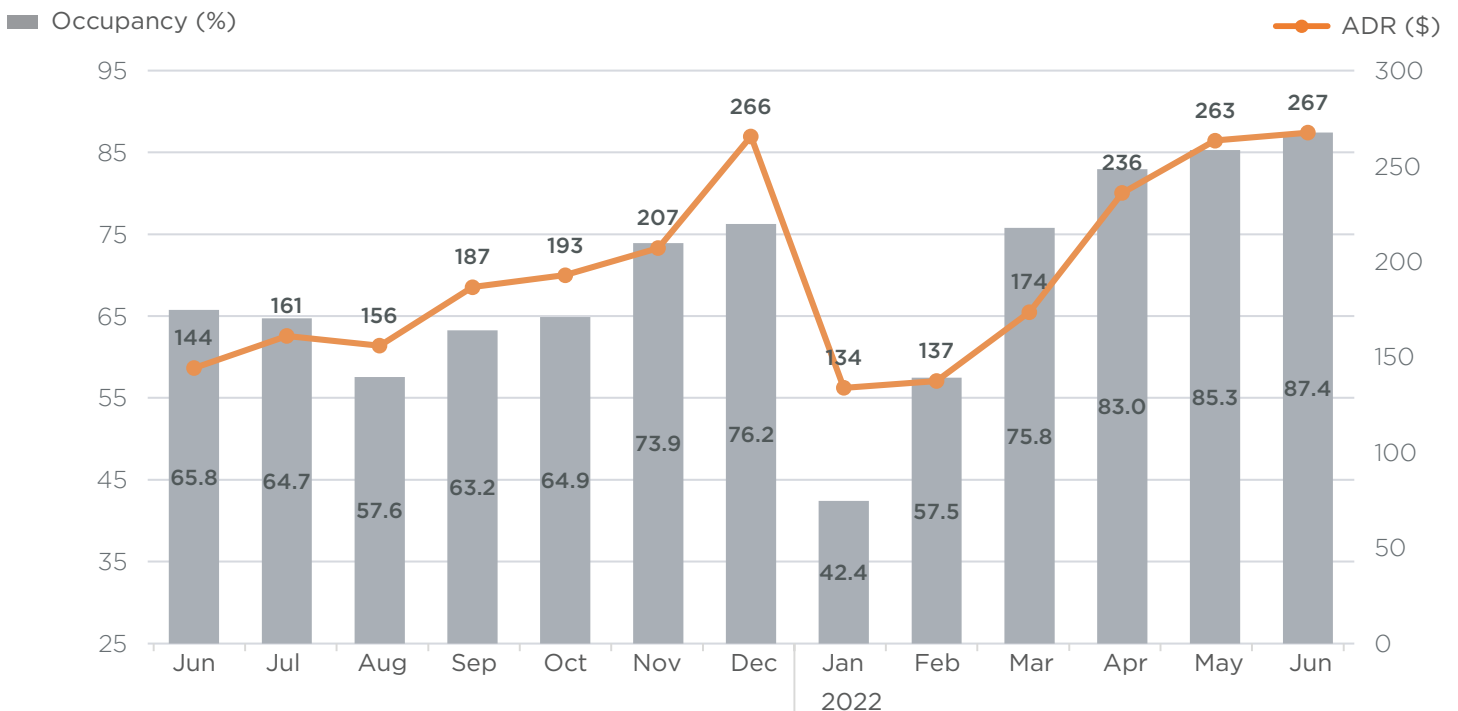
## REVPAR, OCCUPANCY, & ADR COMPARISON, JUNE 2021 & JUNE 2022

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Jun 2022	Jun 2021	Pct. Change	Jun 2022	Jun 2021	Jun 2022	Jun 2021
<b>Garment District</b>	<b>\$234</b>	<b>\$95</b>	<b>+146%</b>	<b>87.4%</b>	<b>65.8%</b>	<b>\$267</b>	<b>\$144</b>
Midtown South*	\$241	\$104	+132%	85.9%	65.4%	\$281	\$158
Midtown East	\$283	\$105	+170%	81.7%	51.0%	\$346	\$206
Midtown West/Times Square*	\$267	\$107	+150%	82.7%	53.8%	\$323	\$199
Financial District	\$236	\$115	+105%	82.9%	64.8%	\$285	\$178
Uptown	\$349	\$223	+57%	78.1%	57.6%	\$448	\$387
Village/SoHo/Tribeca	\$334	\$168	+99%	85.1%	63.8%	\$392	\$263

\*Garment District data is included in this area

Source: STR

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



Source: STR

# PEDESTRIAN COUNTS

## KEY INSIGHTS

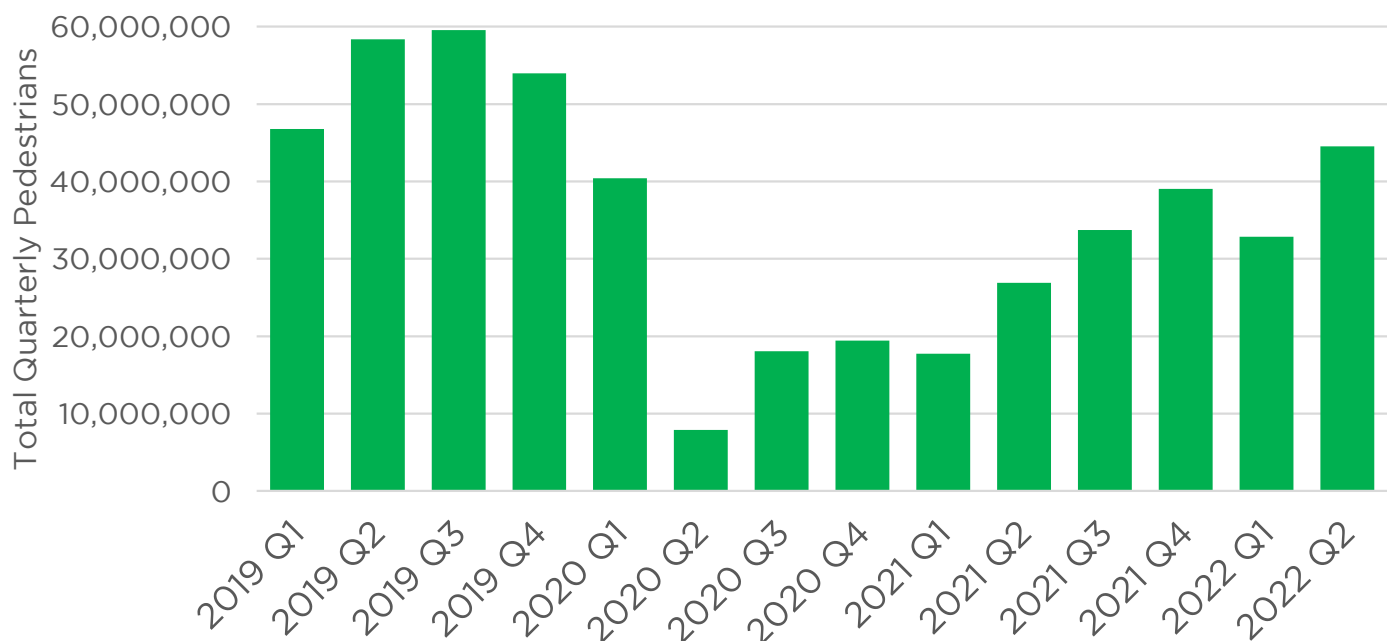
Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 77% of 2019. The NYC subway and regional railroads are averaging just under 60% of 2019 ridership on weekdays, but significantly higher on weekends, as leisure travel and tourism have rebounded more robustly than office commuting.

## MONTHLY PEDESTRIAN VOLUMES SINCE JUNE 2021

	Total Count	Change from 2020	Change from 2019
June 2022	18.1 million	+277%	-21%
April 2022	12.9 million	+760%	-26%
February 2022	10.1 million	-33%	-30%
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%

Source: Springboard

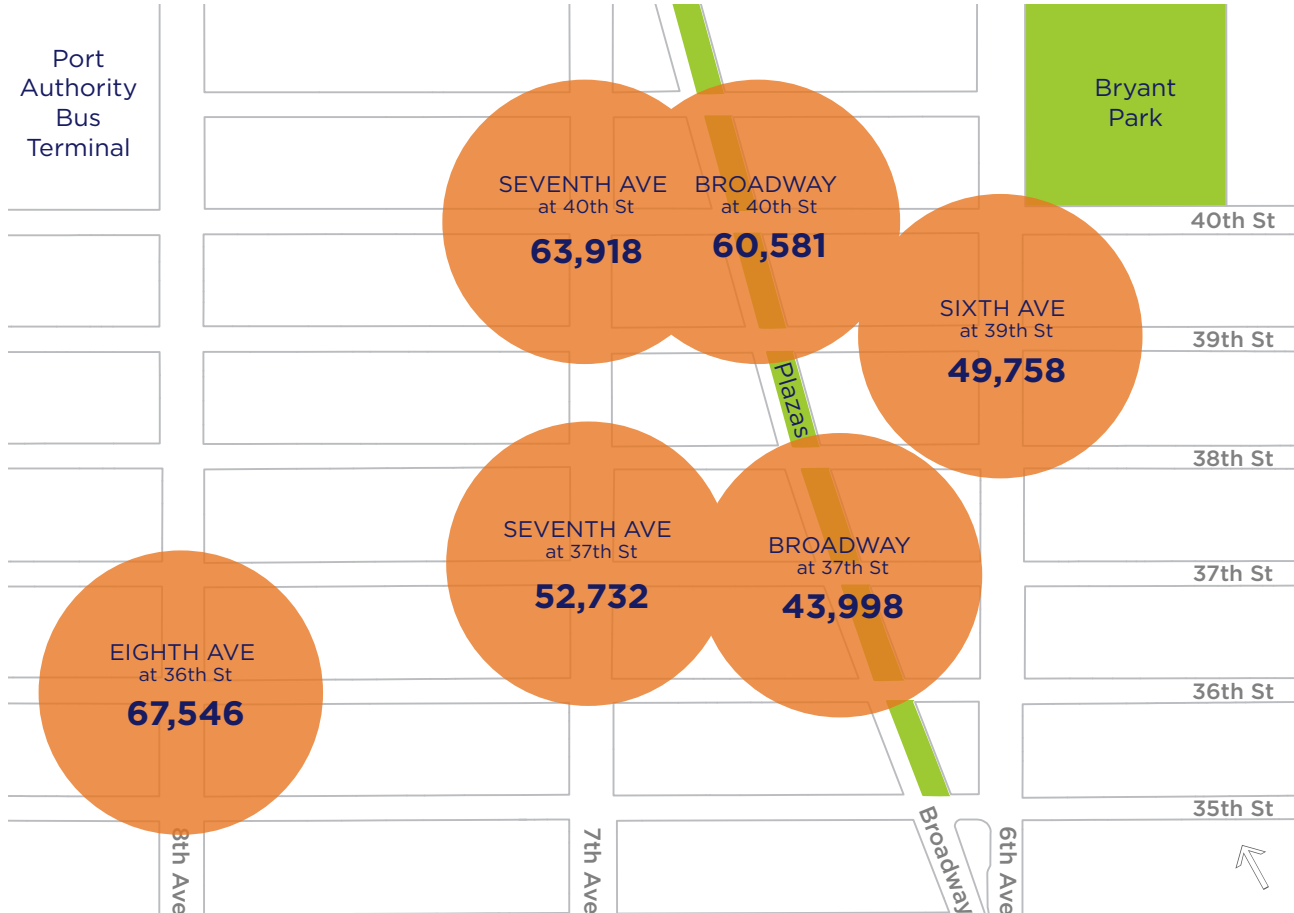
## TOTAL QUARTERLY PEDESTRIAN VOLUMES, 2019 - 2022



Source: Springboard



## WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, APR - JUN 2022



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





## **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: Broadway

Back: G Wyll performing at Broadway Rhythm

Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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