

Economic Quarterly Report



1st Quarter 2023



KEY INSIGHTS

- » The data presented here are based on a limited sample of leasing activity as reported to ComptStak. Due to the impact of the pandemic, averages are more easily influenced by sample size and outliers than usual.
- » According to Kastle Systems, NYC office occupancy has hovered between 55-58% in Q1, with NYC rates fluctuating above and below the national average. Austin (77.7%) remains at the top, with San Jose (46.3%) at the bottom.
- » Location, amenities, size, age, and quality of the space and building all impact prices.
- » CBRE reports Midtown Q1 2023 leasing activity as 2% down from Q4 2022. Times Square South and Times Square West both saw lackluster leasing. However, the general slowdown has become more stable than the Q4 2022.
- » Anecdotal reports from individual owners indicate that rents may differ significantly from what is included here.

Recent office leases in the Garment District include:

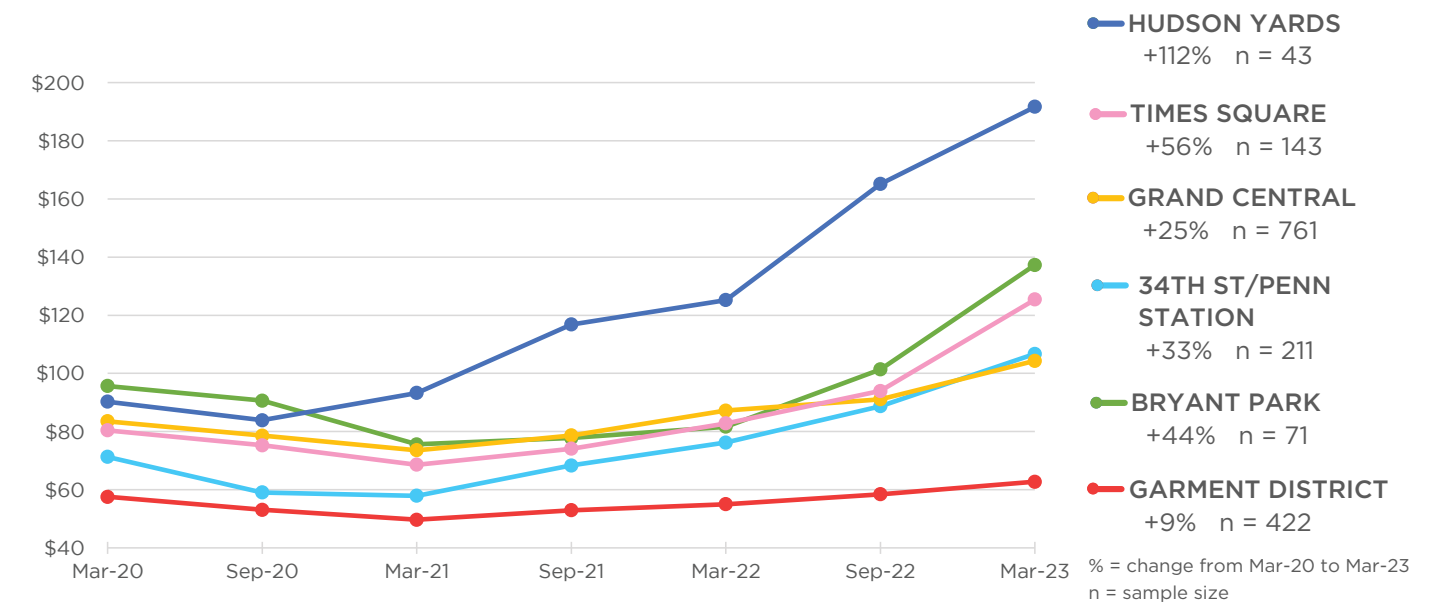
PT of the City 3,500 SF 575 W 8th Avenue	Jordache 47,000 SF 1385 Broadway
NYLO Aesthetics 13,500 SF 1450 Broadway	Evolutionary Apparel 1,600 SF 231 W 39th Street

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



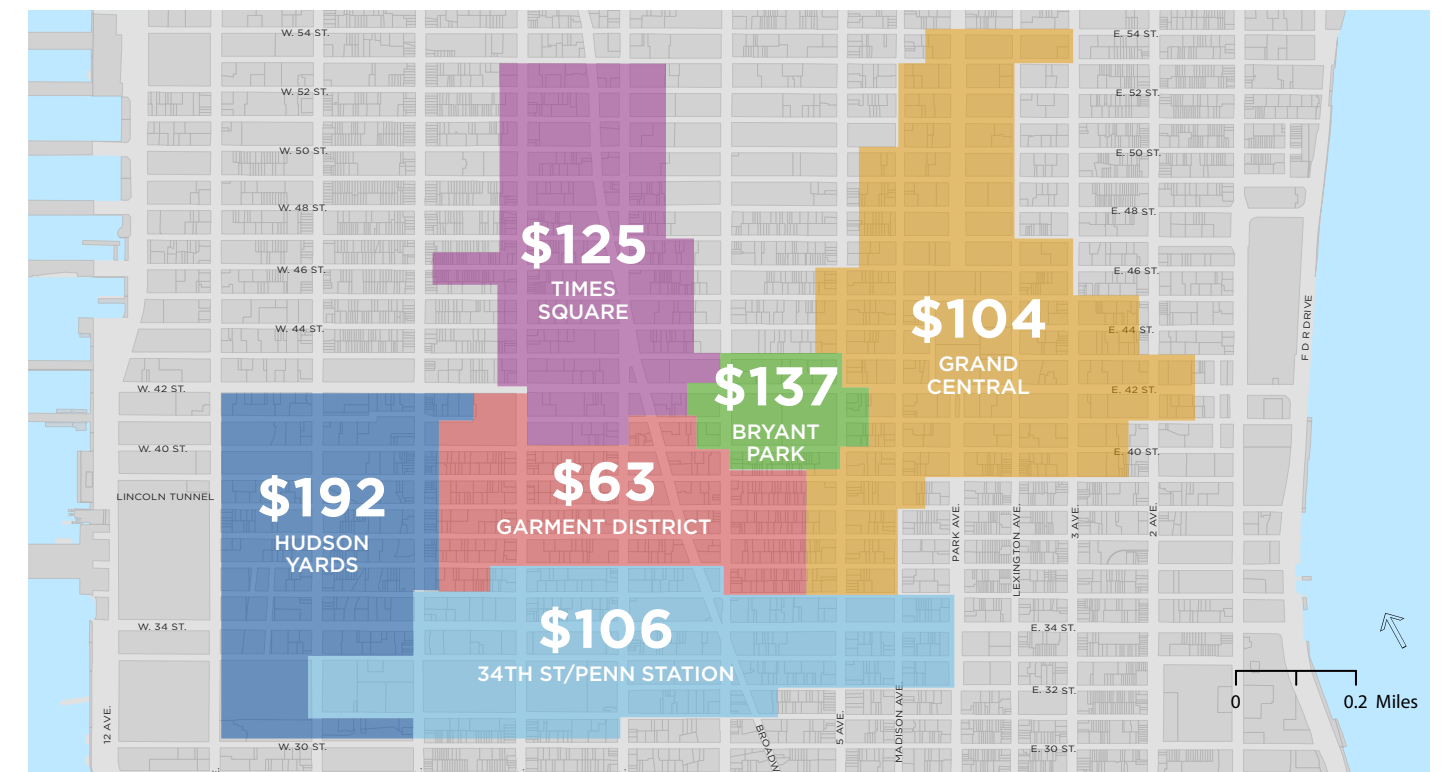
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



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

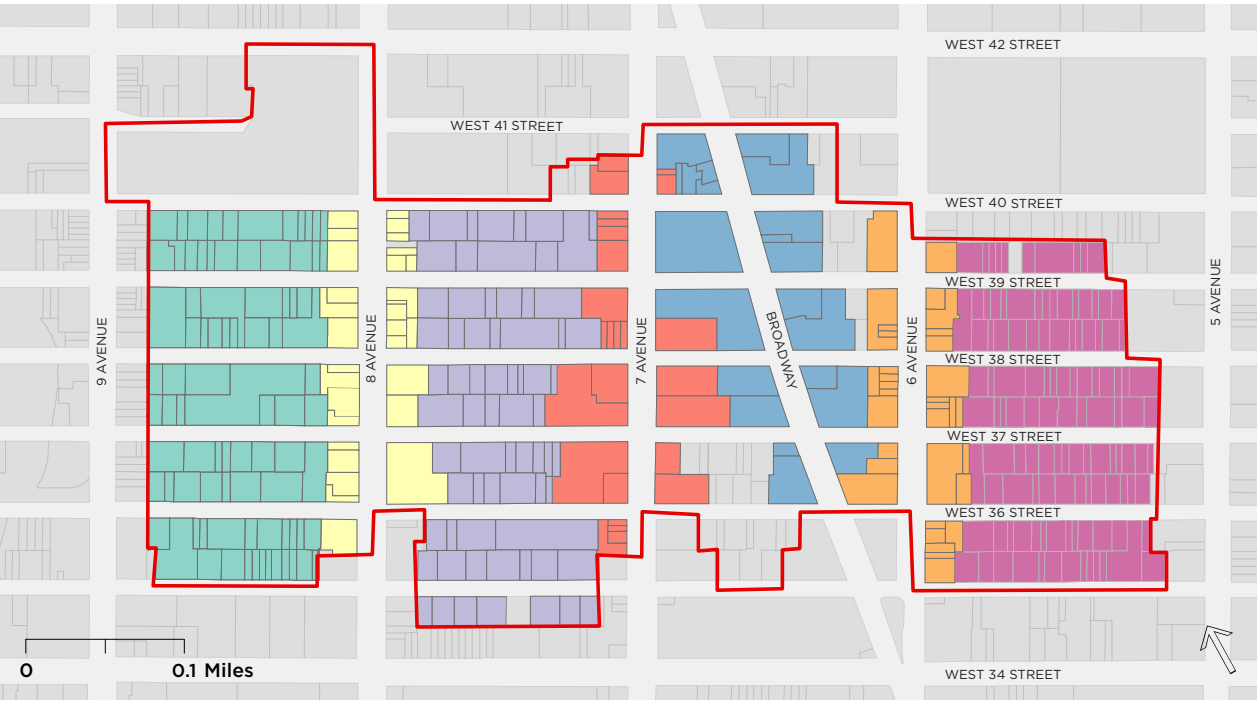
AVERAGE STARTING OFFICE RENTS PER SF, MARCH 2023



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

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	March 2021 (\$/SF)	March 2022 (\$/SF)	March 2023 (\$/SF)	2-yr. Change
8th-9th Ave Side Streets	29	\$40.34	\$47.08	\$49.74	+18.9%
Eighth Avenue	14	\$48.91	\$47.12	\$50.92	+3.9%
7th-8th Ave Side Streets	33	\$41.10	\$44.10	\$49.77	+17.4%
Seventh Avenue	31	\$50.86	\$49.70	\$52.55	+3.2%
Broadway	79	\$59.32	\$63.45	\$66.94	+11.4%
Sixth Avenue	25	\$55.23	\$69.69	\$75.29	+26.6%
5th-6th Ave Side Streets	21	\$41.04	\$51.57	\$51.17	+19.8%
District Average	232	\$49.66	\$55.00	\$62.73	+20.8%



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



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 can be easily impacted by outliers and sample size. This is noticeable in Times Square, which saw an uptick in retail metrics during Q2 of 2022 due to high value leases. However, averages declined in the following 2 quarters.
- » For the last 6 months, retail rents in the District have remained stable, but vary depending on location, amenities, size, age, and quality of the space and building.
- » Anecdotal reports from individual owners indicate that rents may differ significantly from what is included here.

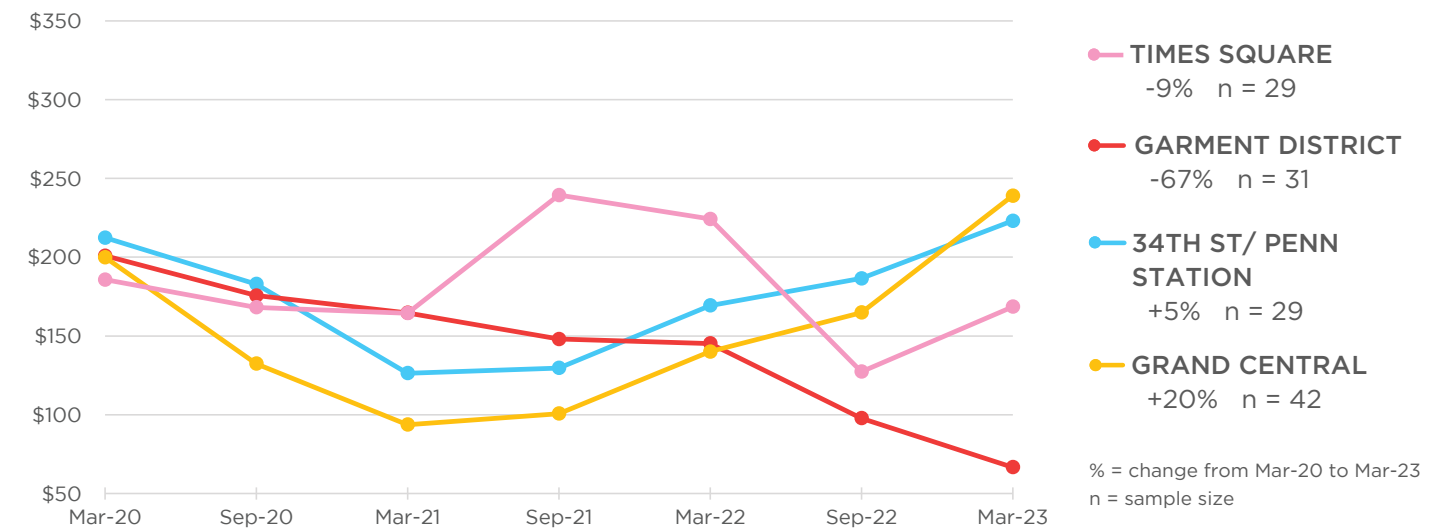
Recent retail leases in the Garment District include:

Italian Trattoria
530 7th Avenue

Barney Brown
1410 Broadway

Bites of Xian
555 8th Avenue

AVERAGE STARTING RETAIL RENTS PER SF



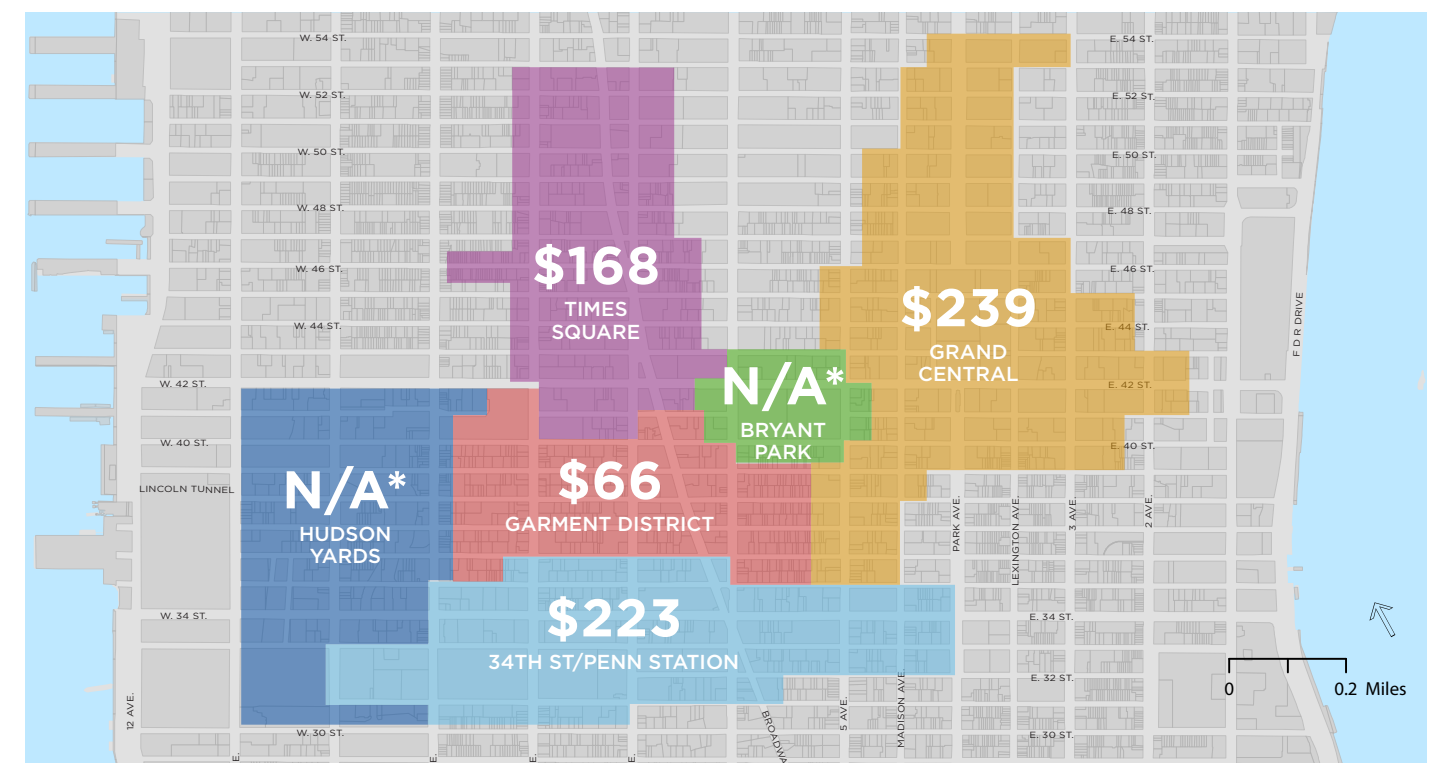
Source: CompStak, Inc., 3-month moving averages

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, MARCH 2023



*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

THE **GARMENT DISTRICT** ALLIANCE

1. 980 - 990 SIXTH AVE
466 - 1,687 SF
MASONRE

2. 1001 SIXTH AVE
843 - 4,249 SF
ABS PARTNERS REAL ESTATE

3. 1010 SIXTH AVE
1,050 - 1,100 SF
JTRE

4. 1015 SIXTH AVE
750 SF
MERIDIAN CAPITAL GROUP

5. 1021 - 1039 SIXTH AVE
1,051 SF
NEWMARK

6. 1040 SIXTH AVE
2,255 SF
JLL/ CBRE

7. 1359 BROADWAY
3,187 SF
RIPCO REAL ESTATE

8. 1369 BROADWAY
4,449 SF
MILLENNIUM REALTY GROUP

9. 1370 BROADWAY
1,000 SF
CBRE/ SAVITT PARTNERS LLC

10. 1372 BROADWAY
500 - 2,182 SF
JLL

11. 1375 BROADWAY
1,050 SF
CUSHMAN & WAKEFIELD

12. 1400 BROADWAY
1,591 SF
RIPCO REAL ESTATE/EMPIRE
STATE REALTY TRUST

13. 1407 BROADWAY
446 - 4,473 SF
JLL

14. 1411 BROADWAY
850 - 1,439 SF
CUSHMAN & WAKEFIELD/ CBRE

15. 1412 BROADWAY
1,785 - 4,616 SF
LEE & ASSOCIATES

16. 1435 BROADWAY
3,500 SF
SOLIL MANAGEMENT

17. 1440 BROADWAY
1,745 - 16,760 SF
CBRE/ JLL

19. 488 SEVENTH AVE
300 - 1,500 SF
ABH REALTY CORP.

20. 498 SEVENTH AVE
1,770 SF
GEORGE COMFORT & SONS

21. 501 SEVENTH AVE
805 - 2,048 SF
CBRE

22. 525 SEVENTH AVE
2,250 - 5,443 SF
JLL

23. 526 SEVENTH AVE
2,950 SF
MJ PROPERTY GROUP

24. 566 SEVENTH AVE
6,500 SF
PLATINUM PROPERTIES

25. 554-568 EIGHTH AVE
600 - 12,500 SF
THE EXPANSION GROUP INC

26. 584 EIGHTH AVE
1,000 - 1,700 SF
ISA REALTY GROUP

27. 601 EIGHTH AVE
383 - 7,512 SF
KASSIN SABBAGH REALTY

28. 619-649 EIGHTH AVE (PORT
AUTHORITY BUS TERMINAL)
196 - 4,504 SF
JRT REALTY GROUP

29. 23 W 35TH ST
6,915 SF
PD PROPERTIES

30. 25 W 35TH ST
7,966 SF
PD PROPERTIES

31. 29 W 35TH ST
3,900 - 8,200 SF
UNITED GROUP

32. 35 W 35TH ST
2,500 - 6,000 SF
PD PROPERTIES

33. 41 W 35TH ST
2,000 SF
PD PROPERTIES

34. 213 W 35TH ST
3,900 SF
JUSTIN MANAGEMENT

35. 237 W 35TH ST
2,535 SF
SOMERSET MANAGEMENT LTD

36. 253 W 35TH ST
800 - 2,700 SF
ADAMS & COMPANY

37. 3-5 W 36TH ST
1,000 - 3,600 SF
CUSHMAN & WAKEFIELD

38. 20 W 36TH ST
2,744 - 6,894 SF
CBRE

39. 35 W 36TH ST
1,921 - 2,264 SF
RUDDER PROPERTY GROUP

40. 43-51 W 36TH ST
2,500 - 13,000 SF
INTREPID REAL ESTATE

41. 229W 36TH ST
5,680 - 9,243 SF
JLL

42. 241W 36TH ST
2,602 - 7,507 SF
KERA & GRAUBARD ESQS

43. 255 W 36TH ST
3,500 SF
FREDDY SROUR INC

44. 256-258 W 36TH ST
3,000 SF
WINDSOR MANAGEMENT

45. 260 W 36TH ST
9,500 SF
LEE & ASSOCIATES

46. 356-360 W 36TH ST
700 SF
LEE & ASSOCIATES

47. 39-43 W 37TH ST
2,791 - 6,000 SF
WALTER & SAMUELS INC

48. 148 W 37TH ST
2,500 SF
ADAMS & COMPANY

49. 226 W 37TH ST
5,600 SF
DOUGLAS ELLIMAN

50. 232-234 W 37TH ST
1,800 SF
45 WEST 37TH STREET REALTY
CORP

51. 252-258 W 37TH ST
600 SF
MJ PROPERTY GROUP

52. 350 W 37TH ST
800 - 3,000 SF
WINICK REALTY GROUP

53. 38 W 38TH ST
1,000 SF
MICHEAL BENJI

54. 39-41 W 38TH ST
2,548 SF
MJ PROPERTY GROUP/ELO
REALTY CORP

55. 42 W 38TH ST
256 SF
E REALTY INTERNATIONAL
GROUP

56. 57 W 38TH ST
1,000 - 4,000 SF
JUYI, INC./CORBETT & DULLEA

57. 203-205 W 38TH ST
2,500 - 5,000 SF
LEE, JOHN S (INDIVIDUAL)

58. 228 W 38TH ST
1,800 - 2,000 SF
WINICK REALTY GROUP

59. 243-245 W 38TH ST
1,000 SF
KASSIN SABBAGH REALTY

60. 306 W 38TH ST
6,000 SF
GREENFIELD REAL ESTATE

61. 325 W 38TH ST
4,650 SF
FALCON PROPERTIES

62. 330 W 38TH ST
4,500 SF
EJMB COMMERCIAL LLC

63. 15 W 39TH ST
6,200 SF
OKADA & COMPANY

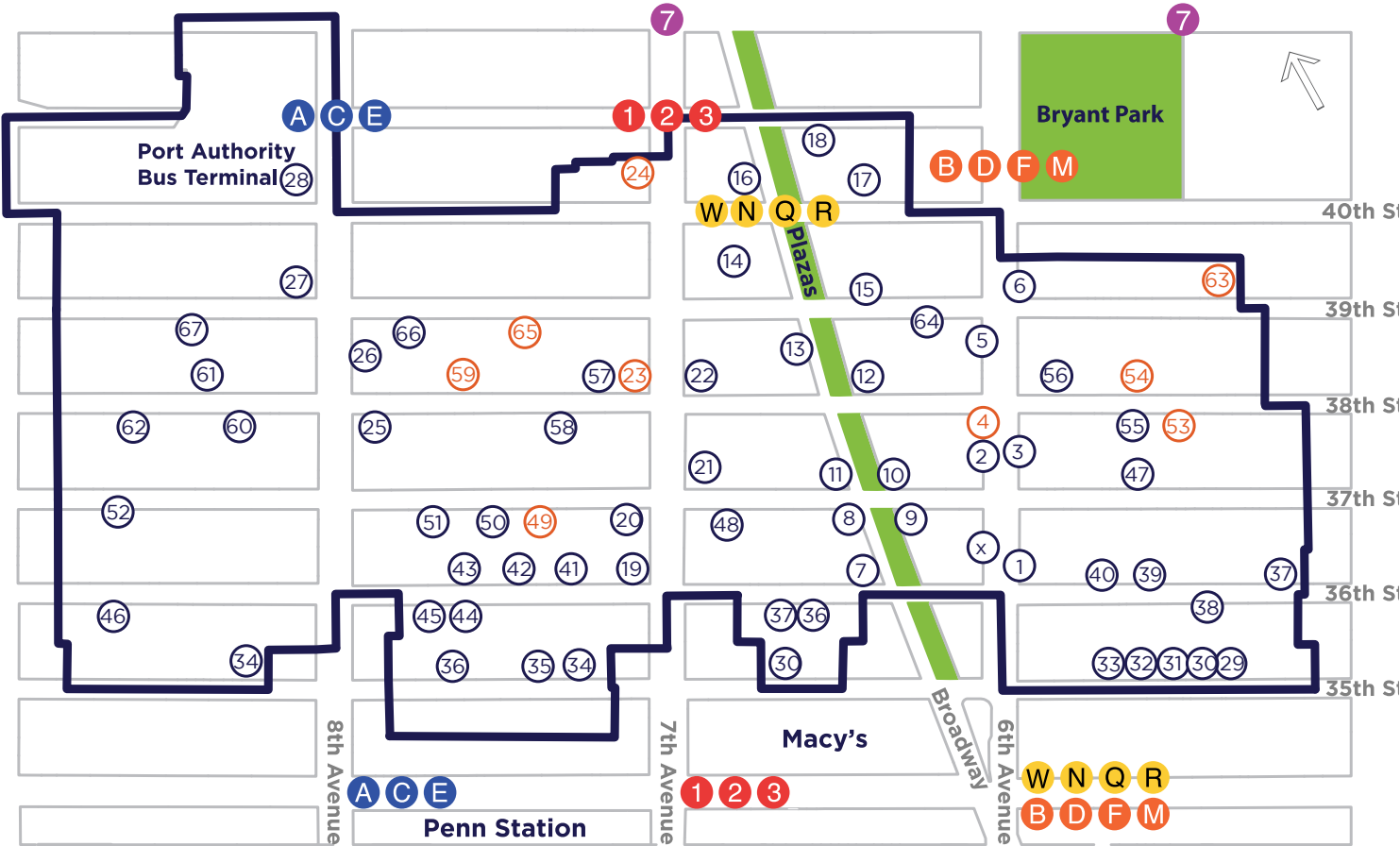
64. 108 W 39TH ST
778 - 2,916 SF
JOSEPH P. DAY REALTY CORP.

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

66. 270 - 276 W 39TH ST
500 SF
LEE & ASSOCIATES

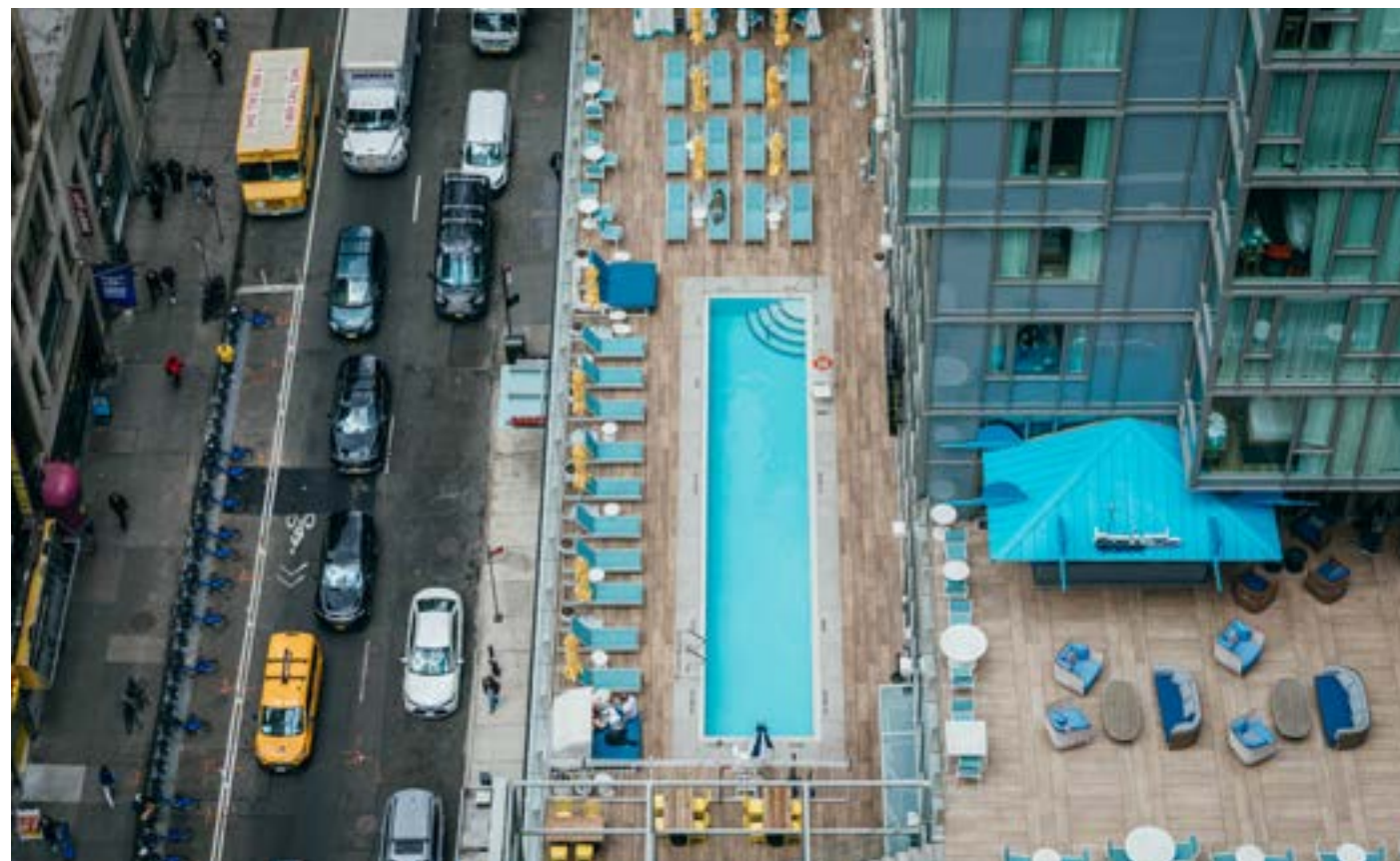
67. 318 W 39TH ST
9,800 SF
GFP REAL ESTATE LLC

* NO GROUND FLOOR RETAILS



KEY INSIGHTS

- » There are 54 hotels in the Garment District, representing 12,400 rooms and 22% of Midtown’s supply. New hotels and the reopening of those temporarily closed have brought the District to an all-time high room count.
- » Construction has been completed for the hotel on 317-319 W 35th St and will open shortly, adding 166 new rooms.
- » Three additional hotels are currently under construction, and are expected to add 509 rooms to the District.
- » Tourism continued to increase in Q1 2023. Occupancy rates averaged 79.3%, peaking at 85.4% in March. For comparison, the average occupancy rate in Q1 2019 was 86.1%.
- » Occupancy rates were slightly lower than Q1 2019, though given the expanded number of hotels in the District, Q1 2023 had more hotel demand, with 829,556 stays. In Q1 ‘22 there were 604,730 stays, in Q1 ‘21 341,261 stays, in Q1 ‘20 604,730 stays, and in Q1 ‘19 659,087 stays.
- » Hotel occupancy for the city overall reached 82% of pre-pandemic levels by the end of March, maintaining the highest rates of any major market in the country, with room rates higher than any other US market outside of Hawaii and the Florida Keys.
- » By 2024 New York is expected to exceed 2019 numbers.



Margaritaville, 560 Seventh Avenue, New York, NY 10018

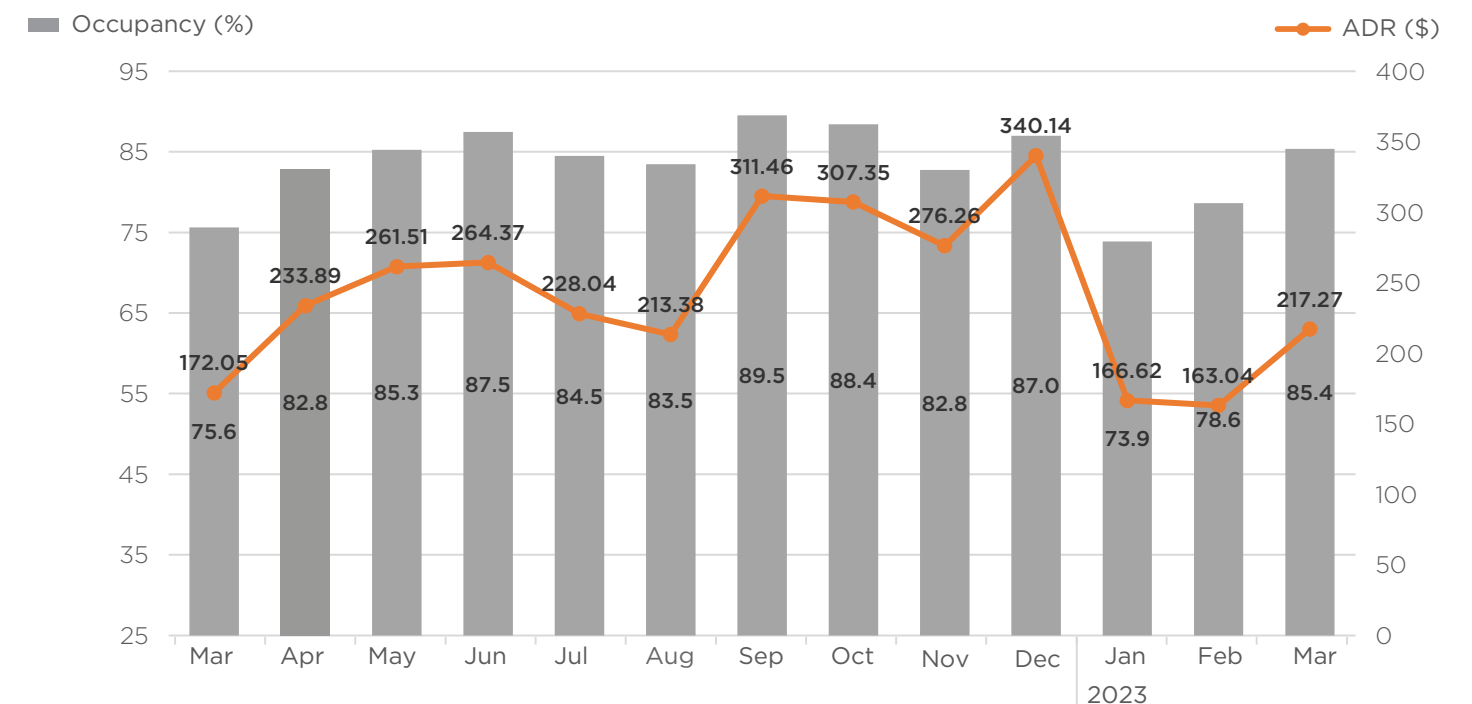
REVPAR, OCCUPANCY, & ADR COMPARISON, MARCH 2022 & 2023

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Mar 2022	Mar 2023	Pct. Change	Mar 2022	Mar 2023	Mar 2022	Mar 2023
Garment District	\$130	\$186	+12.9%	75.6%	85.4%	\$172	\$217
Midtown South*	\$135	\$188	+39.1%	72.6%	81.7%	\$186	\$230
Midtown East	\$168	\$238	+41.1%	63.3%	78.5%	\$266	\$303
Midtown West/Times Square*	\$154	\$216	+40.6%	67.2%	79.4%	\$229	\$272
Financial District	\$139	\$182	+30.9%	67.4%	76.3%	\$207	\$239
Uptown	\$209	\$225	+7.9%	62.4%	73.2%	\$335	\$308
Village/SoHo/Tribeca	\$187	\$213	+14.3%	75.1%	79.8%	\$249	\$268

*Garment District data is included in this area

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2021-2023



Source: STR

PEDESTRIAN COUNTS

KEY INSIGHTS

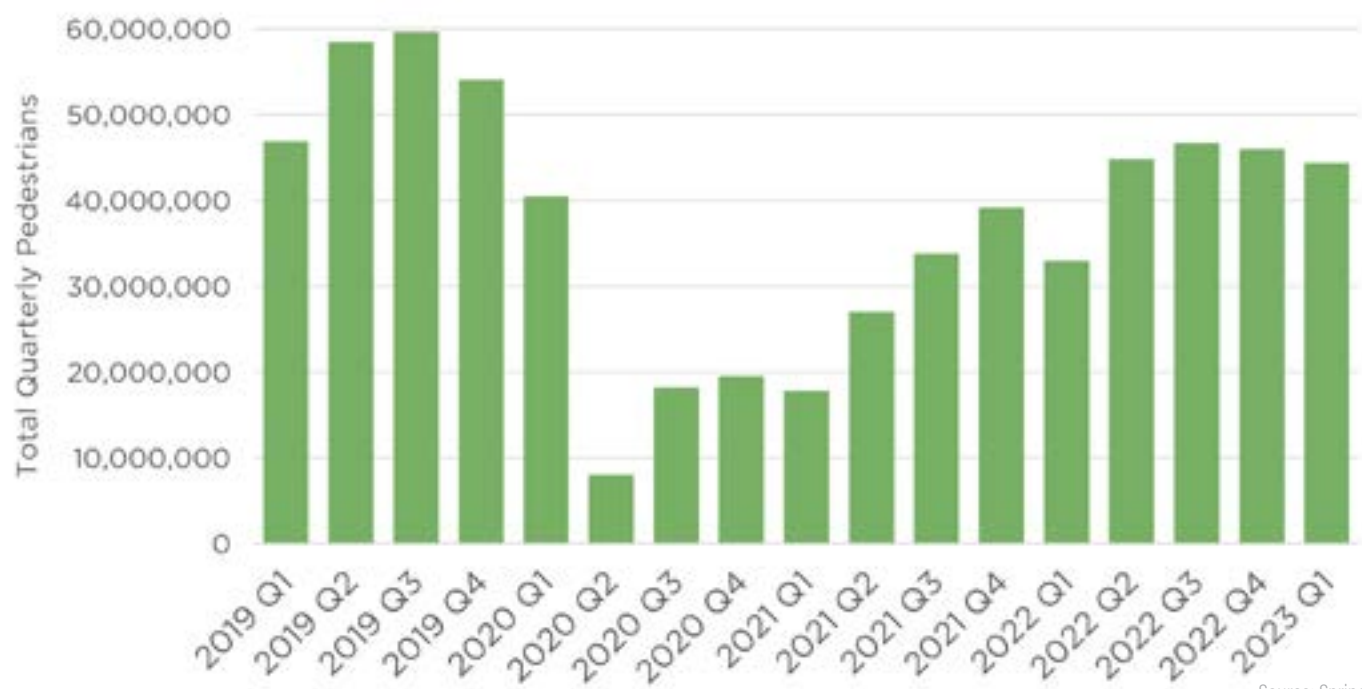
Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 90% of 2019. According to the Partnership for NYC, on average, 9% of Manhattan office workers are in the office 5 days a week, 15% are in 4 days, 35% are in 3 days, and 10% are fully remote. The NYC subway and regional railroads are averaging 65% of 2019 ridership on weekdays, but significantly higher on weekends, with Times Sq-42nd St Station having the highest ridership rates in the city.

MONTHLY PEDESTRIAN VOLUMES SINCE MARCH 2022

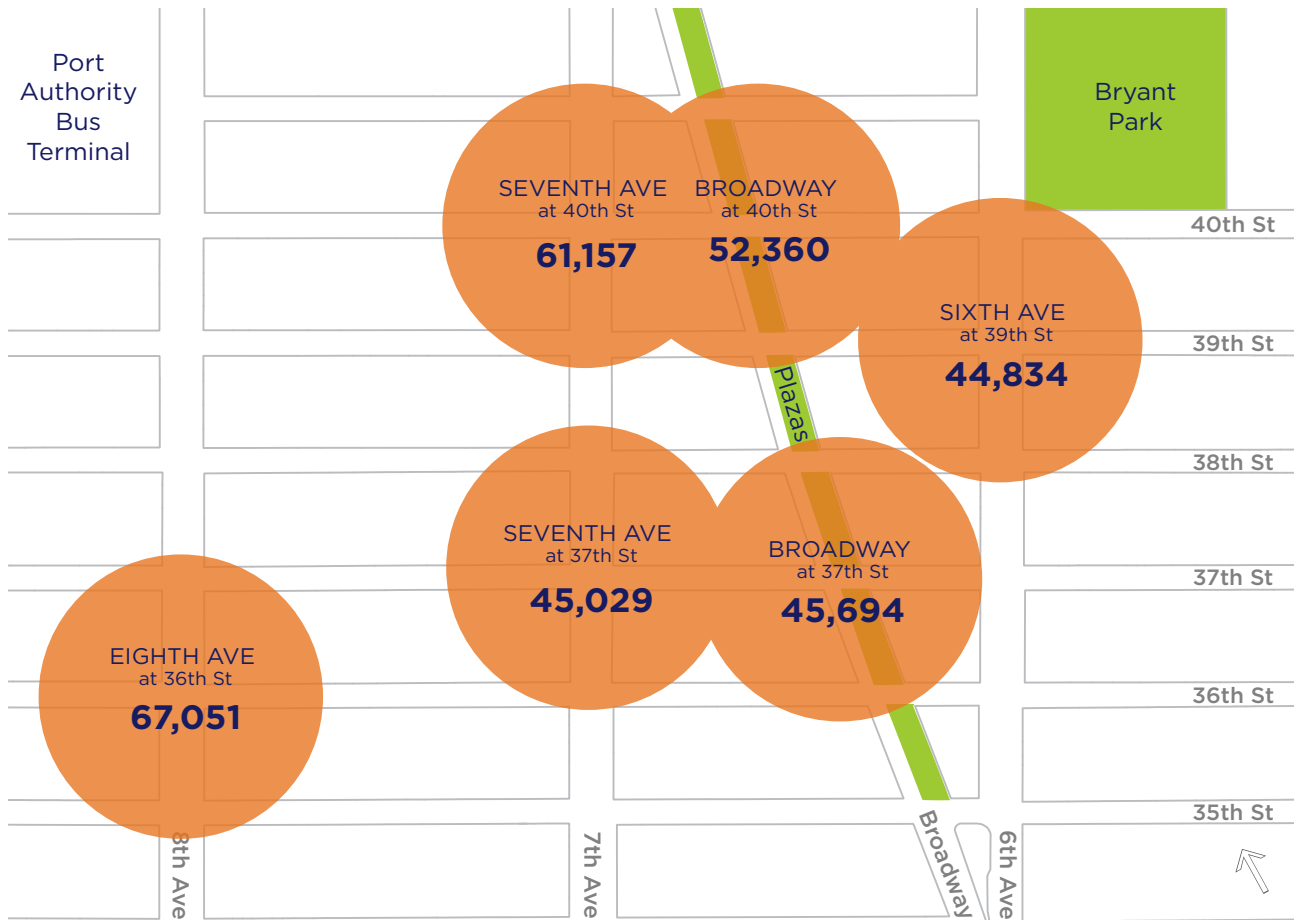
	Total Count	Change from 2020	Change from 2019
March 2023	19.3 million	+122%	-0.03%
January 2023	12.1 million	-14%	-0.1%
November 2022	17.3 million	+193%	+10%
September 2022	14.5 million	+88%	-37%
July 2022	14 million	+169%	-24%
May 2022	13.7 million	+496%	-23%
March 2022	15 million	+72%	-25%

Source: Springboard

TOTAL QUARTERLY PEDESTRIAN VOLUMES, 2019 - 2023



WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, JAN - MAR 2023





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)

Back: Aerial of 1/2/3 subway entrance
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

Published May 2023