

Economic Quarterly Report

2nd Quarter 2024



KEY INSIGHTS

- » The data presented here are based on a limited sample of leasing activity as reported to CompStak. Averages may be influenced by sample size and outliers. In addition, location, amenities, size, age, and quality of the space and building all impact prices.
- » According to Kastle Systems, NYC office occupancy hovered around 60% in Q2. NYC was above the national average for the highest occupied day of the week, Tuesday, but was often the least during the lowest occupied day of the week, Friday. Austin (74.0%) is at the top, with San Jose (47.9%) at the bottom of return to in office work.
- » CBRE and Cushman & Wakefield report Midtown South Q2 2024 saw a significant increase in leasing activity from Q1 2024, which saw a downturn in renewal activity. Leasing activity has now beat the five-year average for the third consecutive quarter.
- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.

Recent office leases in the Garment District include:

National Associates of Scholars 2,500 SF 13 W 36th St	Lantern Community Service Inc. 10,000 SF 575 8th Ave
KIND Inc. 13,4955 SF 252-258 W 37th St	Grata 15,158 SF 1410 Broadway

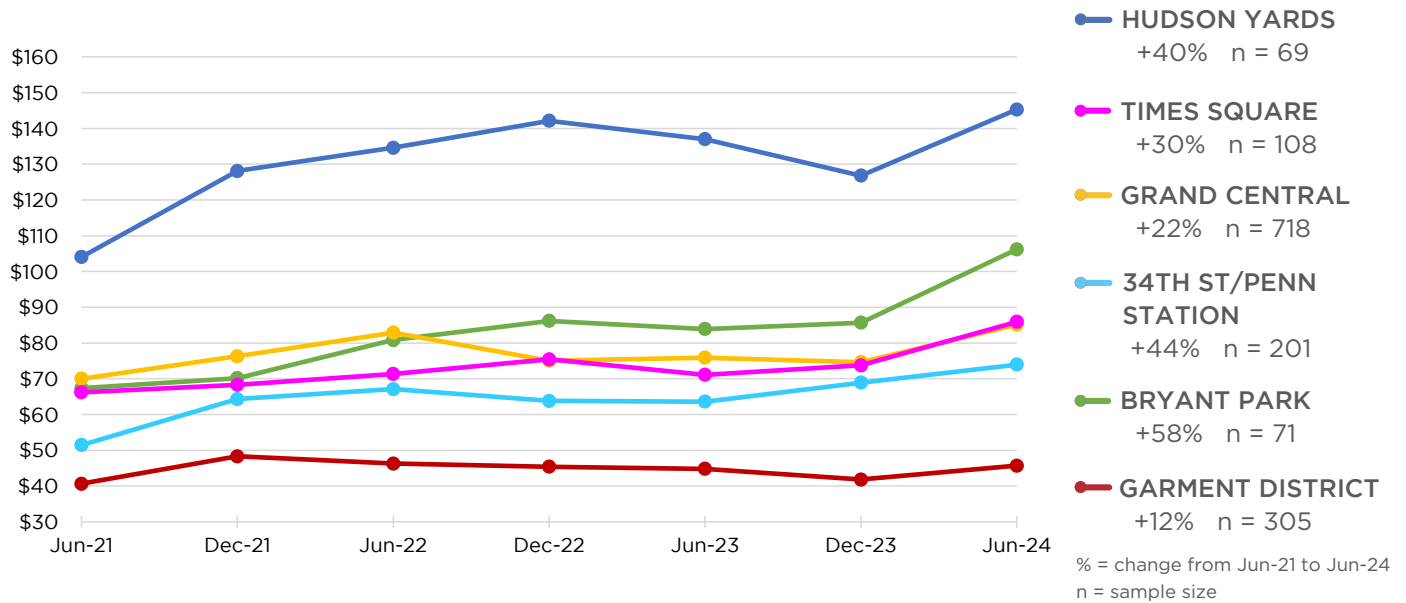
* Kastle System data does not include all offices in the region, thus occupancy rate may differ from market average.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



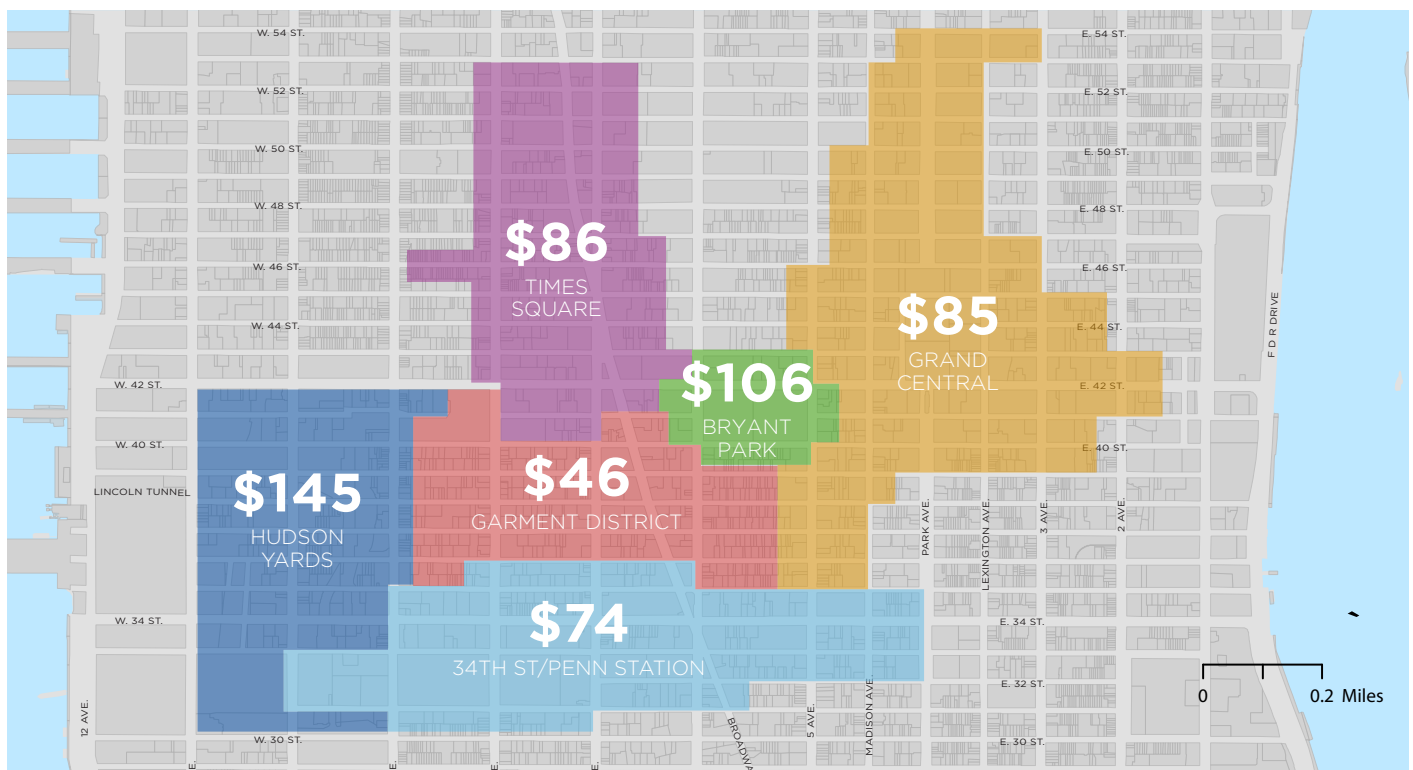
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



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

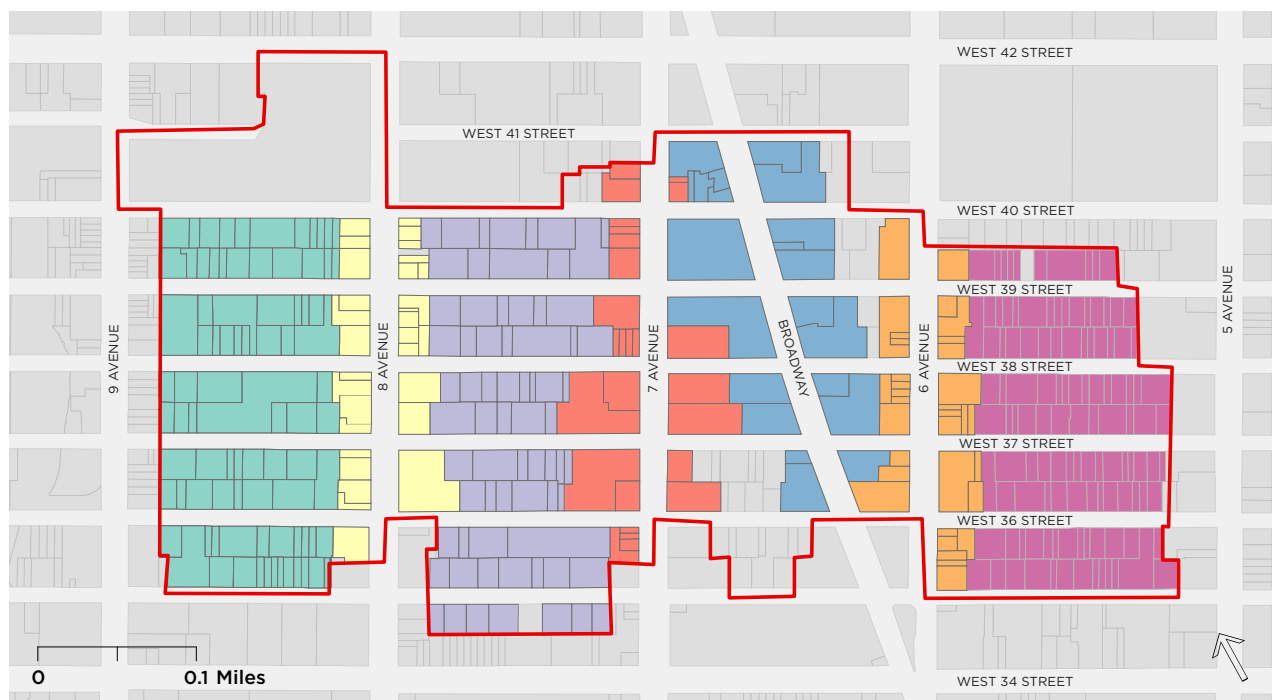
AVERAGE STARTING OFFICE RENTS PER SF, JUNE 2024



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

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	June 2022 (\$/SF)	June 2023 (\$/SF)	June 2024 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	10	\$32.66	\$34.15	\$34.52	+5.7%
 Eighth Avenue	6	\$34.53	\$36.36	\$34.05	-1.4%
 7th-8th Ave Side Streets	34	\$37.13	\$34.22	\$34.80	-6.3%
 Seventh Avenue	18	\$43.60	\$42.64	\$44.82	+2.8%
 Broadway	53	\$55.96	\$49.17	\$45.48	-18.7%
 Sixth Avenue	14	\$54.34	\$54.57	\$59.18	+8.9%
 5th-6th Ave Side Streets	19	\$37.79	\$35.74	\$40.46	+7.1%
 District Average	181	\$46.28	\$44.79	\$45.69	-1.3%



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

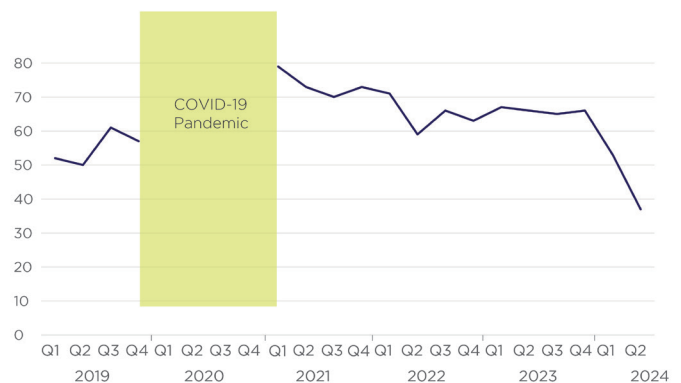
KEY INSIGHTS

- » Garment District retail rents remain significantly below pre-pandemic levels. Overall Manhattan rents are down 49% from three years ago, and have fluctuated.
- » As with offices, retail data can be easily impacted by outliers and sample size, especially noticeable in quarters that experience high value leases.
- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.
- » For the last 6 months, retail rents in the District have slowly and steadily decreased, but vary depending on location, amenities, size, age, and quality of the space and building.
- » There has been a significant decrease in retail vacancies since the pandemic.

Recent retail leases in the Garment District include:

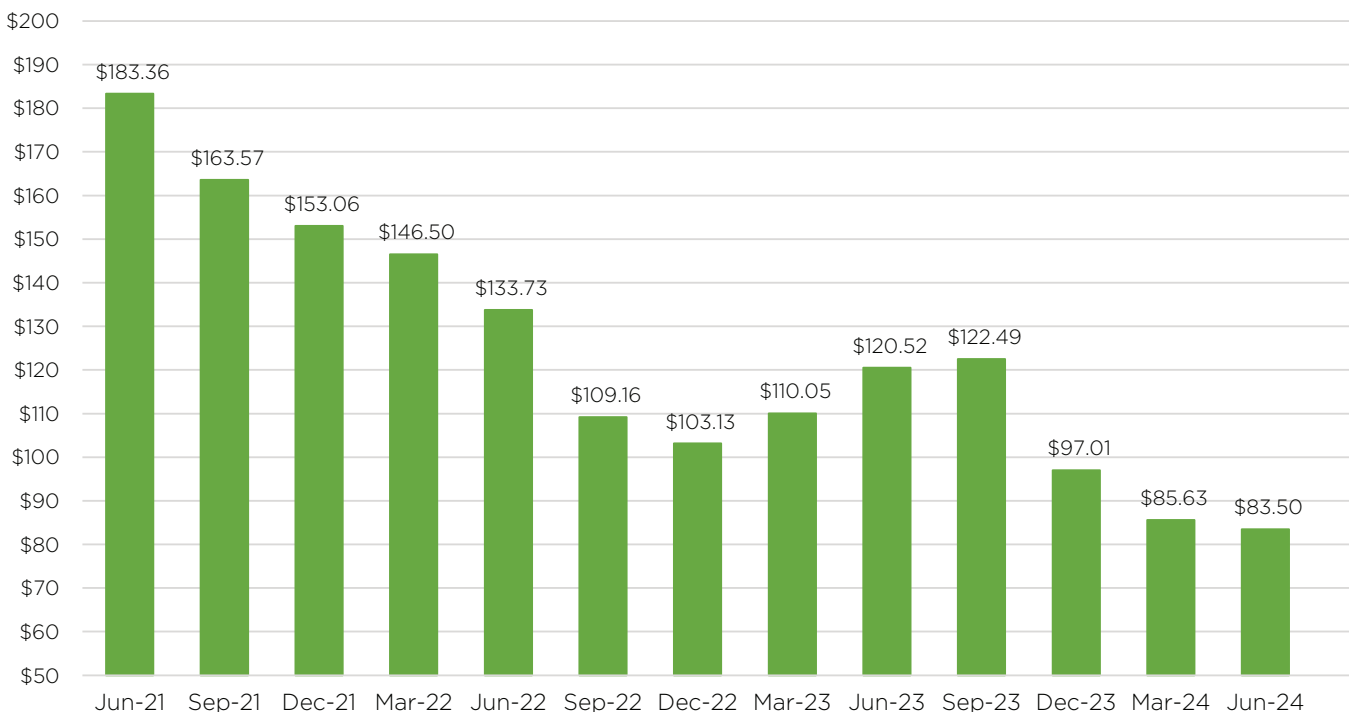
Enaura Bridal 247 W 37th St	Posh Pop Bakeshop 315 W 39th St
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Number of Retail Vacancies from 2019 - 2024



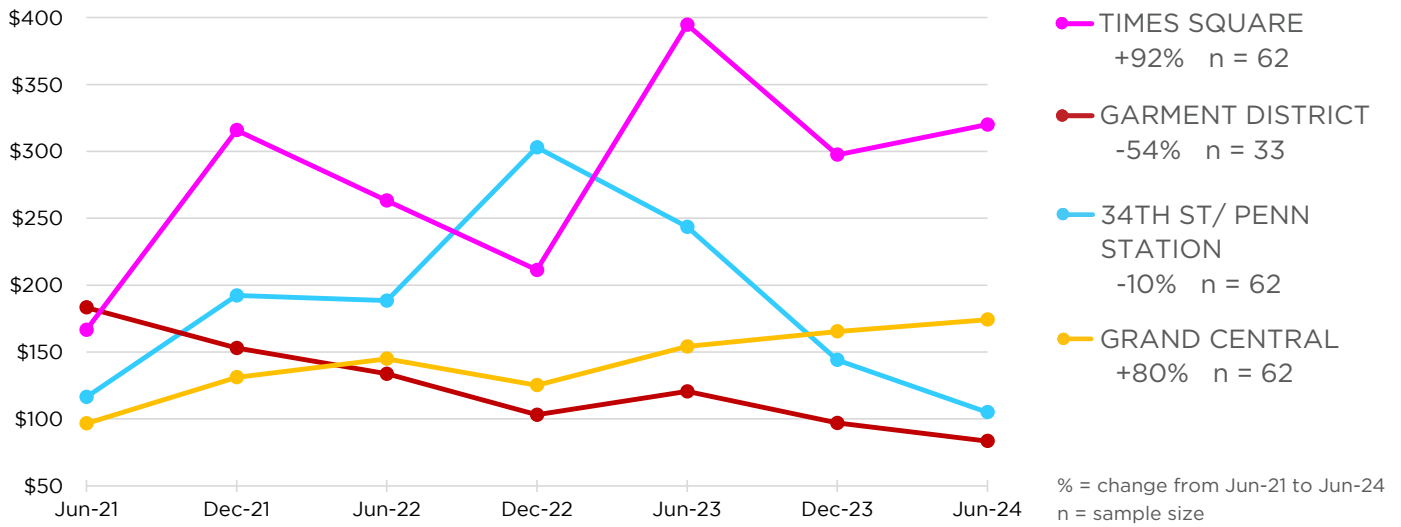
Source: CoStar, Inc

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



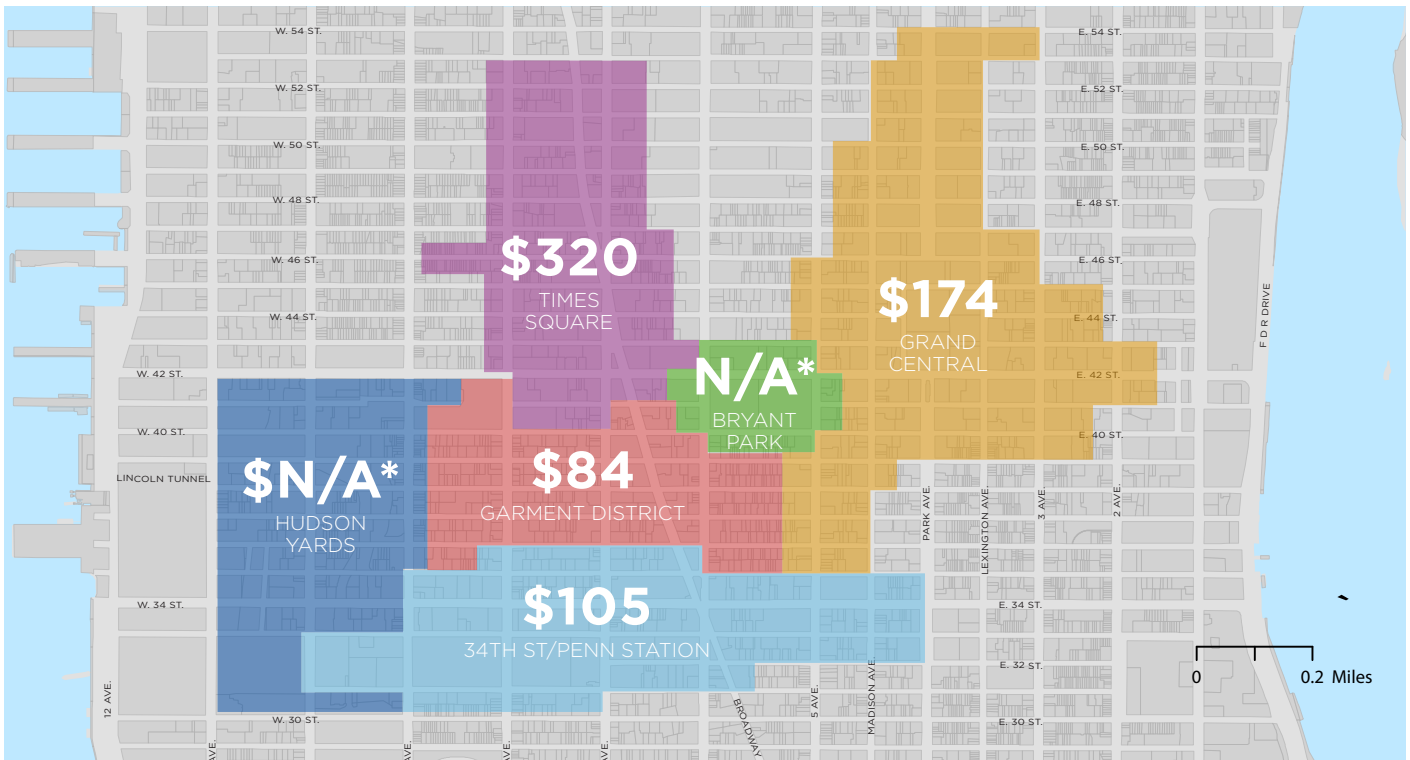
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, JUNE 2024

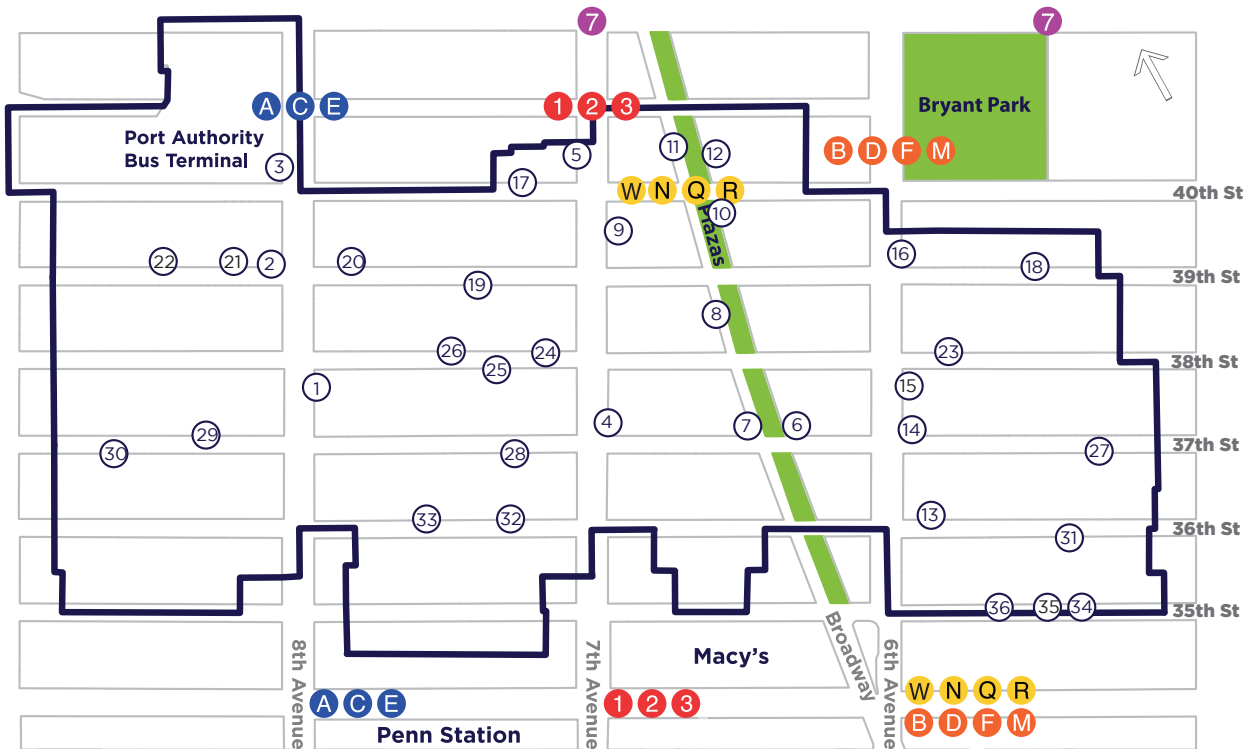


*Sample sizes in Hudson Yards and Bryant Park were too small to be analyzed
Actual BID boundaries vary slightly from neighborhood boundaries shown. Source: CompStak, Inc.

RETAIL VACANCIES

THE GARMENT DISTRICT ALLIANCE

Garment District Retail Vacancies July 2024



1.554-568 8TH AVE
600 - 12,500 SF
RETAIL BY MONA

10.1430 BROADWAY
11,674 SF
LOOPNET

19.234 W 39TH ST
1,987 SF
NEWMARK

28.226 W 37TH ST
5,600 SF
MERIDIAN CAPITAL GROUP

2.601 8TH AVE
8,100 SF
TRISTATE CR

11.1435 BROADWAY
1,400 - 3,500 SF
SOLIL MANAGEMENT LLC

20.269 W 39TH ST
800 - 1,250 SF
OKADA & COMPANY

29.325 W 37TH ST
7,300 SF
KASSIN SABBAGH REALTY

3.619-649 8TH AVE
196 - 4,504 SF
JRT REALTY GROUP,
CUSHMAN & WAKEFIELD

12.1440 BROADWAY
24,784 SF
CUSHMAN & WAKEFIELD

21.307 W 39TH ST
4,000 SF
LOOPNET

30.336-342 W 37TH ST
1,300 - 2,500 SF
REQCE

4.501 7TH AVE
2,891 - 8,218 SF
RIPCO REAL ESTATE

13.980 6TH AVE
870 SF
MASONRE

22.333 W 39TH ST
3,350 SF
NEWMARK

31.34 W 36TH ST
1,975 SF
ANGO PROPERTY &
MANAGEMENT

5.566 7TH AVE
6,500 SF
PLATINUM PROPERTIES LLC

14.1000 6TH AVE
1,400 SF
INTREPID REAL ESTATE
GROUP, LLC

23.57 W 38TH ST
1,000 - 4,000 SF
JUYI, INC.

32.223 W 36TH ST
1,584 SF
SLH GROUP INC

6.1372 BROADWAY
571 - 2,532 SF
JLL

15.1016 6TH AVE
JTRE

24.203-205 W 38TH ST
2,500 - 5,000 SF
REQCE

33.241 W 36TH ST
2,602 - 10,109 SF
LOOPNET

7.375 BROADWAY
1,050 SF
CUSHMAN & WAKEFIELD

16.1040 6TH AVE
2,255 SF
NEWMARK

25.228 W 38TH ST
9,800 SF
WINICK REALTY GROUP LLC

34.23 W 35TH ST
474 - 3,356 SF
PD PROPERTIES NYC

8.1407 BROADWAY
1,773 - 12,370 SF
JLL

17.211 W 40TH ST
JANE YU (917-797-6369)

26.243-245 W 38TH ST
1,000 SF
KASSIN SABBAGH REALTY

35.29 W 35TH ST
1,568 SF
COLLIERS

9.1411 BROADWAY
JLL & HINES

18.23 W 39TH ST
2,500 SF
CAPITAL REAL ESTATE
ADVISORS INC

27.20 W 37TH ST
10,250 SF
WINICK REALTY GROUP LLC

36.41 W 35TH ST
1,700 - 1,900 SF
PD PROPERTIES NYC

HOTEL DEVELOPMENT

THE **GARMENT DISTRICT** ALLIANCE

KEY INSIGHTS

- » There are 45 hotels in the Garment District, representing 10,842 rooms and 19% of Midtown's supply. This is an all-time high room count.
- » Tourism continued to increase in Q2 2024. Occupancy rates averaged 91%, peaking at 92.1% in May. These rates surpass Q2 2019 numbers when the average occupancy rate was 90.5%.
- » Hotel occupancy for the city overall reached 97% of pre-pandemic levels by the end of May 2024, maintaining the highest rates of any major market in the country.
- » International travel to the U.S. is now at 98% of pre-pandemic levels, signaling the ongoing continued growth.
- » Occupancy rates were higher than Q2 2019. Given the expanded number of hotels in the District, Q2 2024 continued to demonstrate increased hotel demand, now significantly higher than previous years since the start of the pandemic. A comparison of Q2 of each year shows 954,835 stays in 2024, 937,689 stays in 2023, 881,765 stays in 2022, 523,068 stays in 2021, and 294,603 stays in 2020.
- » 61.8 million travelers visited New York City in 2023, or 93% of 2019 levels; NYC Tourism + Conventions projects visitation will increase 4% to 64.5 million in 2024 before reaching a new record high of over 68 million in 2025.



W 37th and 8th Ave, New York, NY 10018

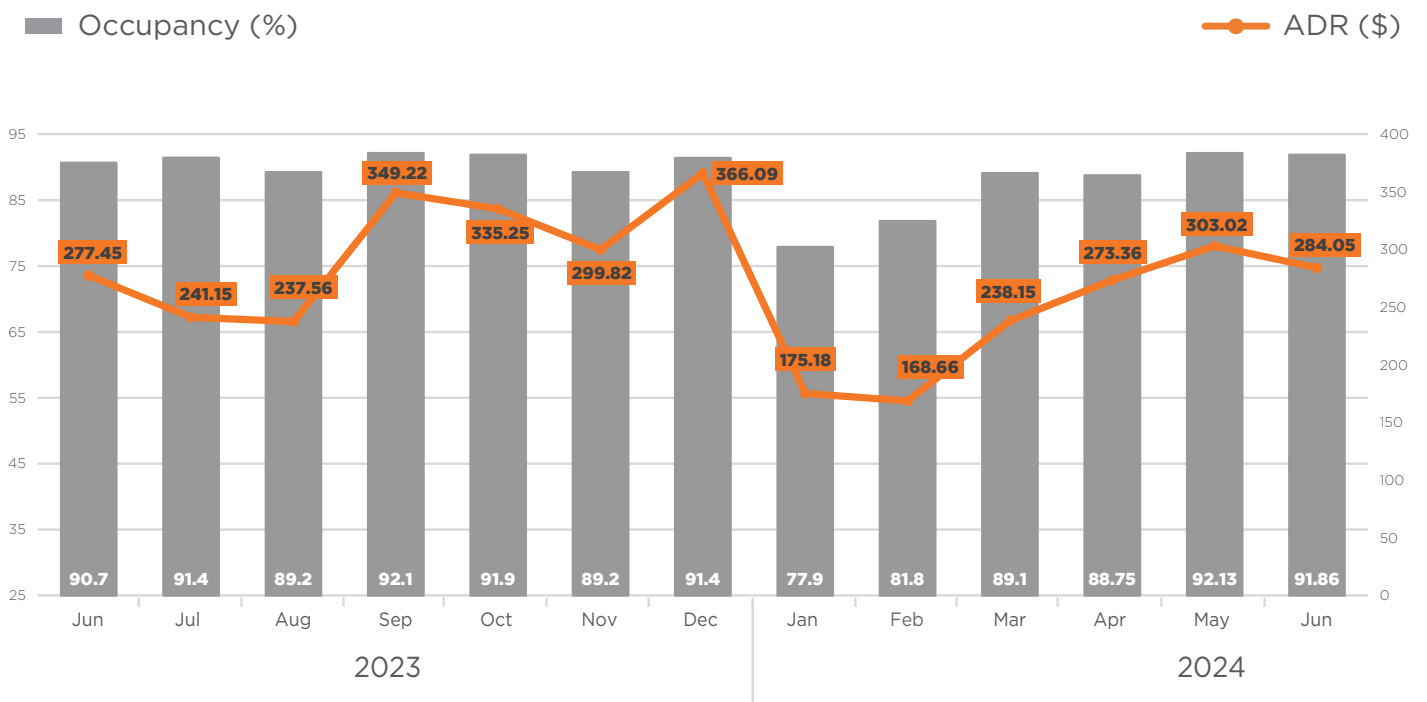
REVPAR, OCCUPANCY, & ADR COMPARISON, JUNE 2023 & 2024

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Jun 2023	Jun 2024	Pct. Change	Jun 2023	Jun 2024	Jun 2023	Jun 2024
Garment District	\$252	\$261	+3.7%	90.7%	91.9%	\$277	\$284
Midtown South*	\$250	\$269	+7.7%	86.2%	89.1%	\$289	\$302
Midtown East	\$284	\$296	+4.1%	83.1%	85.2%	\$342	\$347
Midtown West/Times Square*	\$284	\$295	+4.0%	85.4%	88.0%	\$333	\$336
Financial District	\$254	\$279	+10.1%	85.5%	88.8%	\$297	\$315
Uptown	\$334	\$360	+8.0%	79.8%	82.1%	\$418	\$439
Village/SoHo/Tribeca	\$291	\$316	+8.7%	85.5%	88.8%	\$340	\$356

*Garment District data is included in this area

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2023-2024



Source: STR

PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE

KEY INSIGHTS

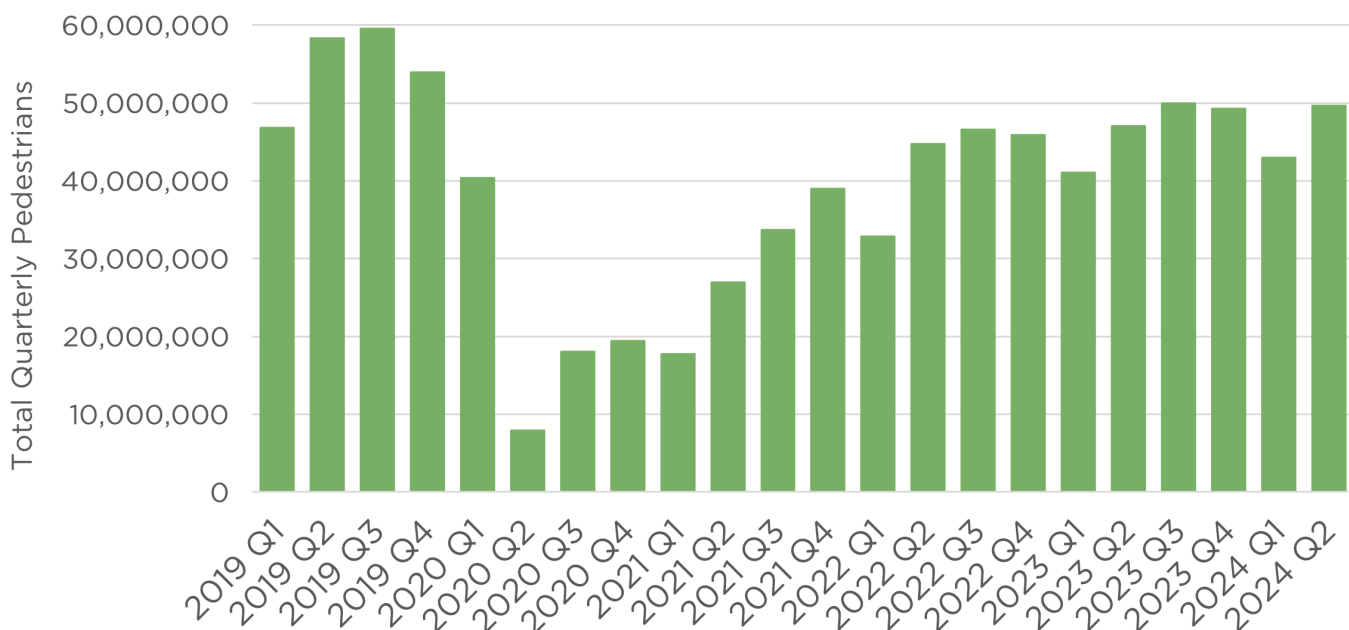
Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 90% of 2019. According to a May 2024 Partnership for NYC survey, on average, 11% of Manhattan office workers are in the office 5 days a week, 38% are in 3 days, and 7% are fully remote. On an average weekday, 56% of Manhattan office workers are in the workplace. This equates to 72% of pre-pandemic attendance and has plateaued. 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 GD PEDESTRIAN VOLUMES SINCE JUNE 2023

	Total Count	Change from 2020	Change from 2019
June 2024	19.8 million	+313%	-14%
April 2024	14.6 million	+873%	-17%
February 2023	13 million	-13%	-10%
December 2023	16.9 million	+138%	-12%
October 2023	14.7 million	+133%	-17%
August 2023	20.2 million	+261%	+8%
June 2023	16.9 million	+294%	-17%

Source: Springboard

TOTAL QUARTERLY GD PEDESTRIAN VOLUMES FROM 2019 TO 2024



Source: Springboard

PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE



WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, APR - JUN 2024



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)

Front: Broadway Plaza
Back: New Start New Hope by Xin Song
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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