

# Economic Quarterly Report

1st Quarter 2025



# OFFICE

## 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 has hovered around 67.5% in Q1. Based on Placer.ai data published in March, New York and Miami continued to lead in return-to-office numbers, with visits down just 11.4% and 17.3%, respectively, compared to March 2019.
- » CBRE reports in Q1 2025 Midtown has seen the strongest recovery among major Manhattan markets with financial services sector driving leasing activity for the 18th consecutive quarter.
- » While Cushman & Wakefield reports that Midtown registered an increase in new leasing in Q1 2025, a notable 44.8% increase from Q1 2024 last year and closely aligning with pre-pandemic numbers, Colliers and CBRE both report leasing having decreased since Q4 2024 by 14%.
- » According to all three reports, while Manhattan overall asking rents have declined, Midtown's asking rents have increased with positive absorption.

### Recent office leases in the Garment District include:

Grata  
15,158 SF  
1410 Broadway

ExpandedED Schools  
10,500 SF  
218 W 40th St

Custora  
15,300 SF  
530 7th Ave

Rockella  
16,243 SF  
520 8th Ave

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

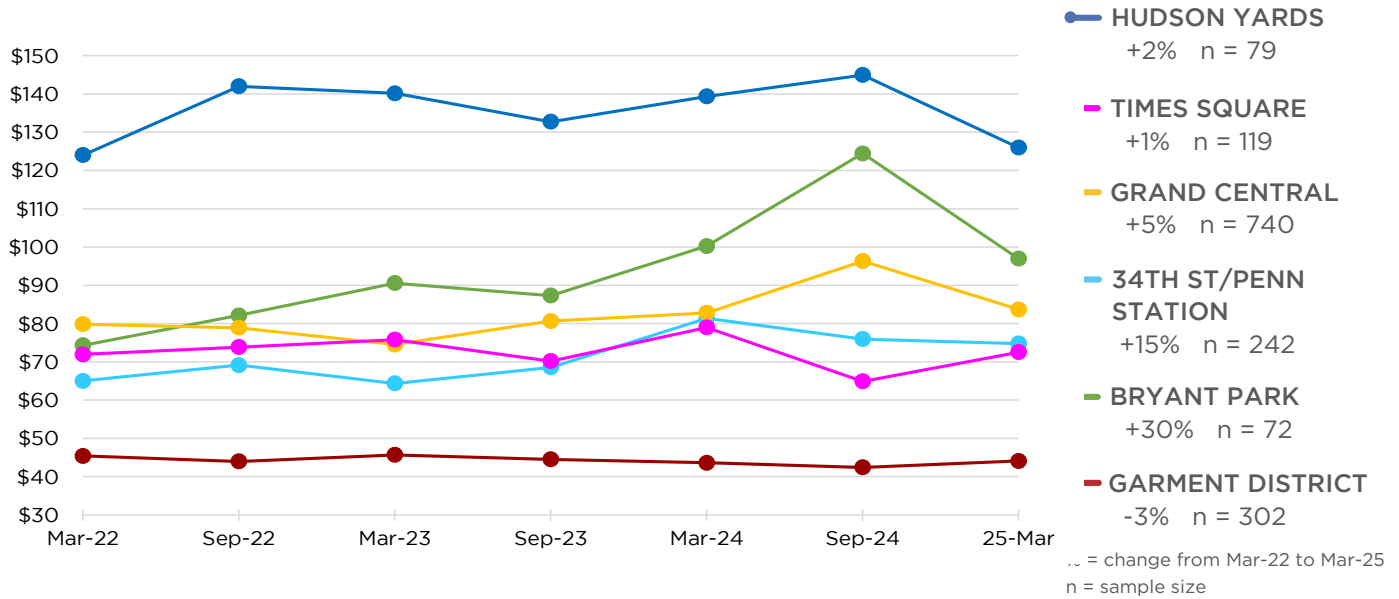
## GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



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

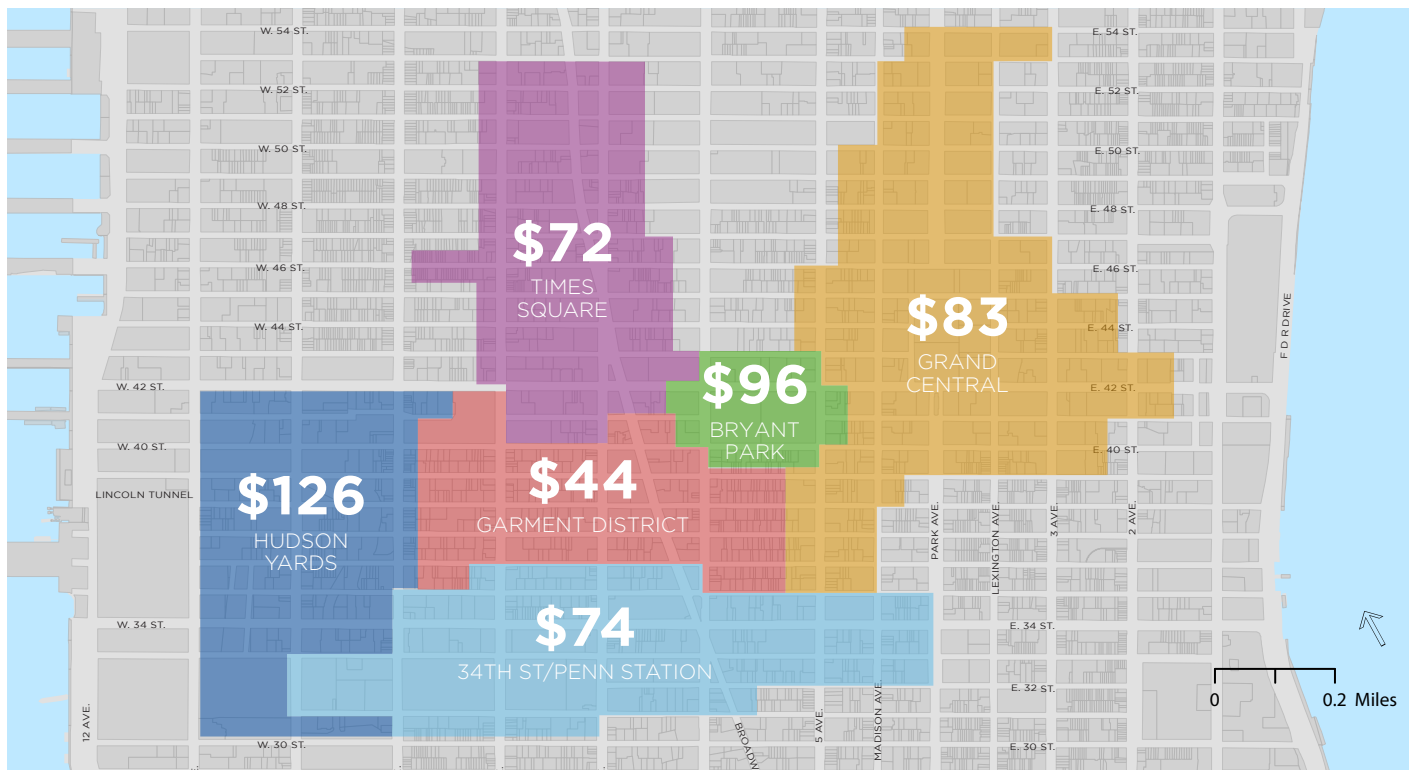


## AVERAGE STARTING OFFICE RENTS PER SF



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

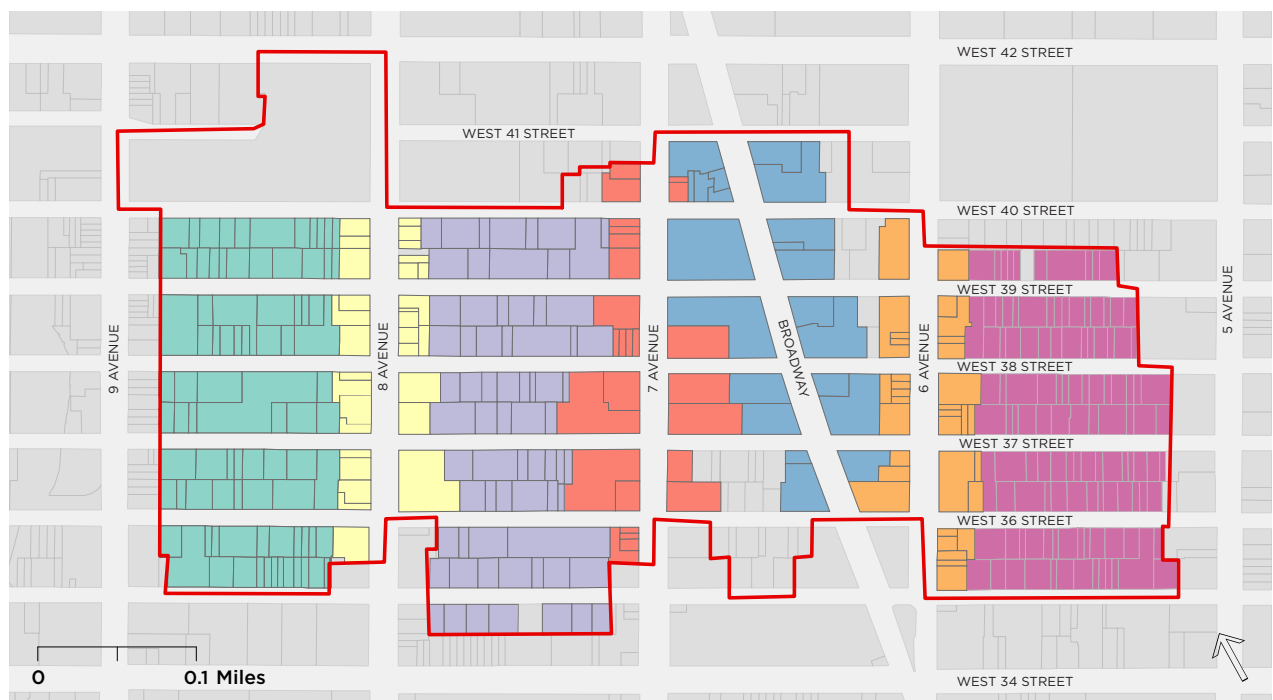
## AVERAGE STARTING OFFICE RENTS PER SF, MARCH 2025



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

### GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	March 2023 (\$/SF)	March 2024 (\$/SF)	March 2025 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	9	\$32.50	\$34.42	\$36.78	+12.43%
 Eighth Avenue	8	\$34.72	\$39.62	\$40.52	+16.7%
 7th-8th Ave Side Streets	43	\$36.89	\$32.12	\$43.81	+18.4%
 Seventh Avenue	27	\$43.44	\$44.92	\$49.55	+13.4%
 Broadway	54	\$50.44	\$43.22	\$61.96	+20.1%
 Sixth Avenue	19	\$55.50	\$53.82	\$51.90	-5.9%
 5th-6th Ave Side Streets	27	\$34.99	\$36.31	\$32.17	-5.8%
 <b>District Average</b>	<b>207</b>	<b>\$45.67</b>	<b>\$43.63</b>	<b>\$46.11</b>	<b>+0.9%</b>



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



### KEY INSIGHTS

- » Garment District retail rents remain significantly below pre-pandemic levels.
- » According to CBRE Manhattan's retail market has been enhanced by fine arts and entertainment tenants. Their reports show Manhattan's retail market starting off strong in 2025 and in a better condition than a year ago.
- » 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 Q1 of 2024 due to high value leases. However, averages declined in the following quarter.
- » For the last 6 months, retail rents in the District have decreased, but are higher than Q1 numbers during the past 2 years. Rents vary depending on location, amenities, size, age, and quality of the space and building.
- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.

#### Recent retail leases in the Garment District include:

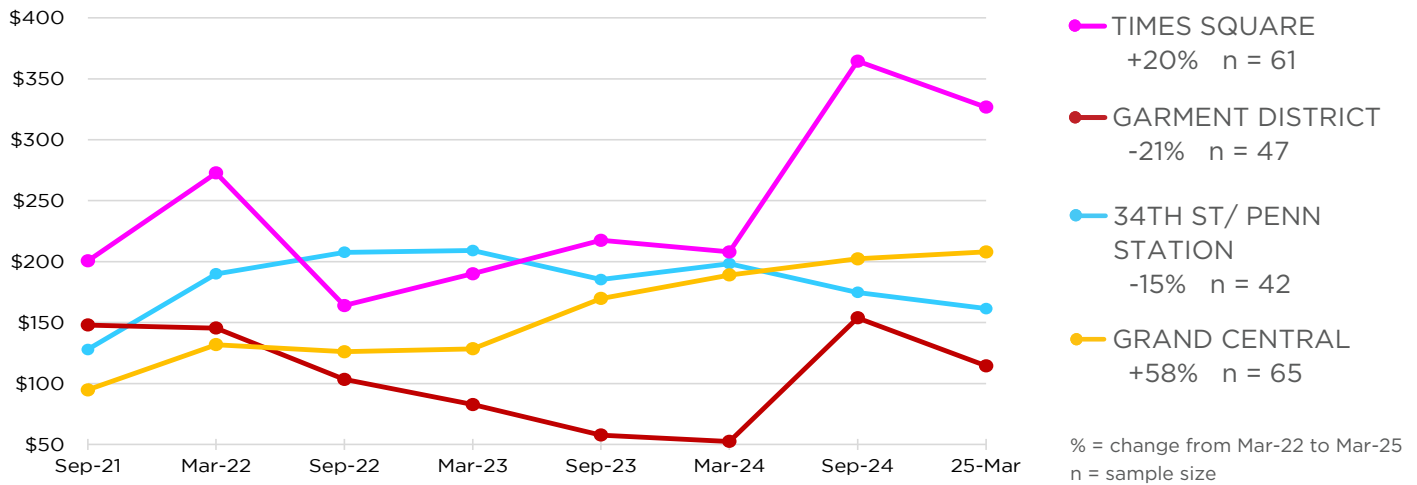
Chubby Skewers 1407 Broadway	21 Pilates NYC 242 W 38th St
Chatti 570 8th Ave	New York Tile Factory 1024 6th Ave

### GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



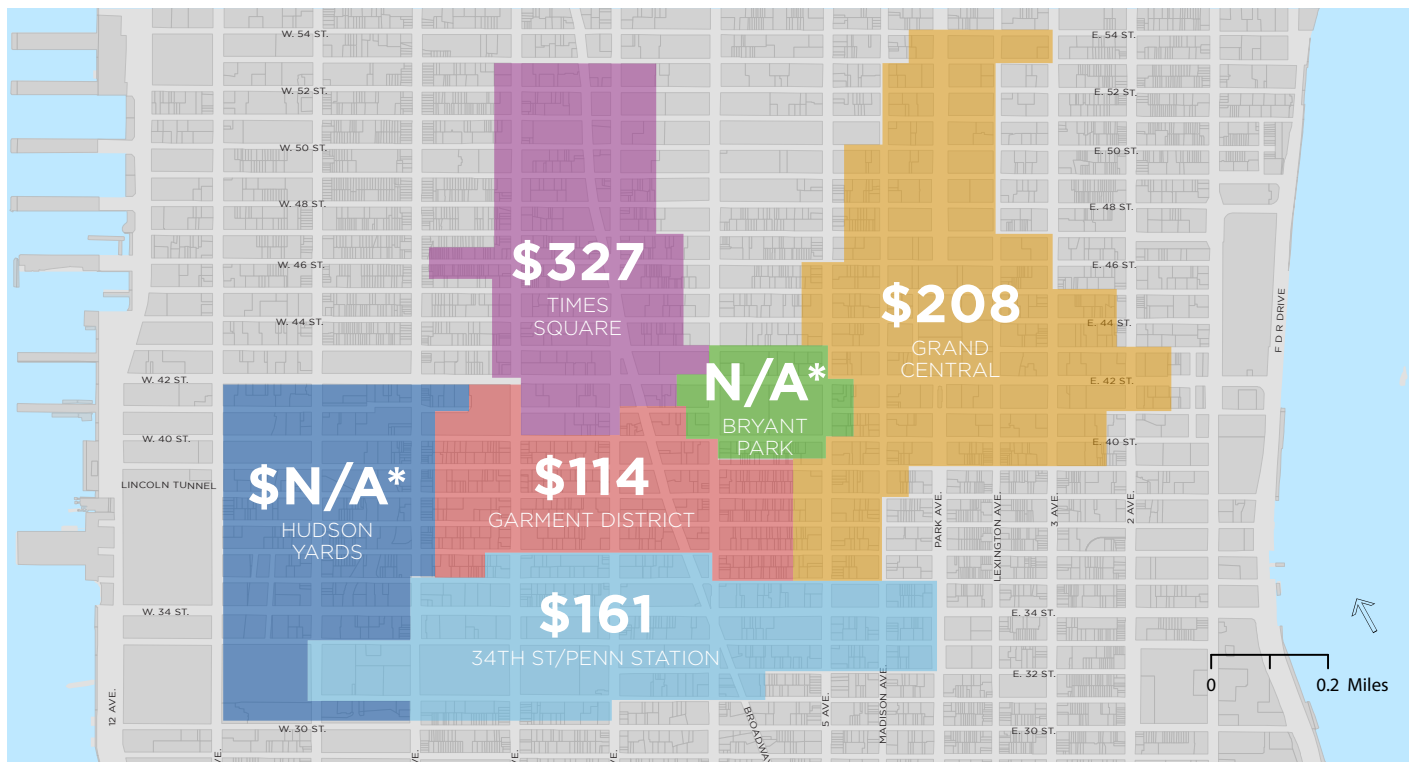
Source: CompStak, Inc., 3-month moving averages

### AVERAGE STARTING RETAIL RENTS PER SF



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

### AVERAGE STARTING RETAIL RENTS PER SF, MARCH 2025



# RETAIL VACANCIES

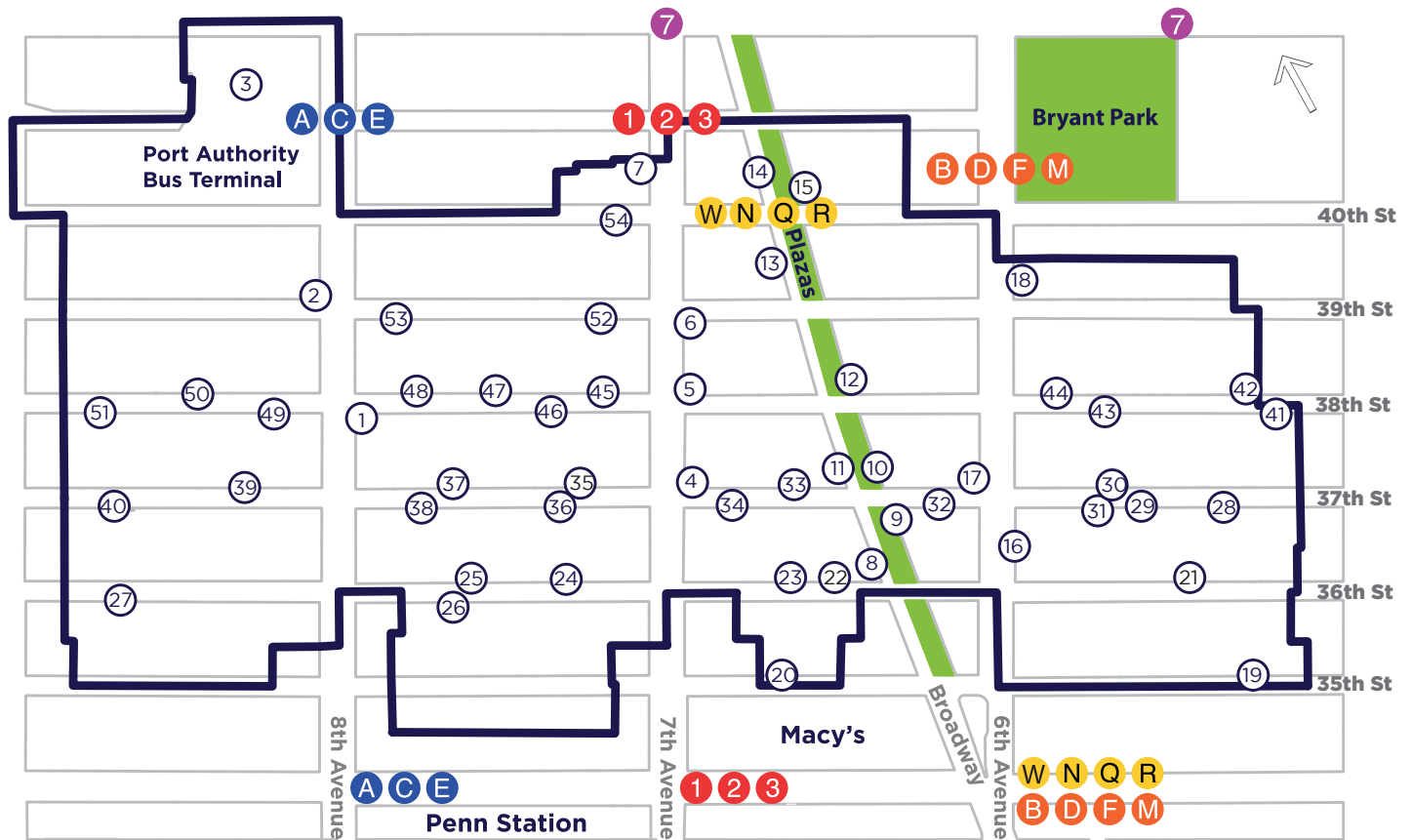
## THE **GARMENT DISTRICT** ALLIANCE

1.554 8TH AVE., RETAIL BY MONA, 600 - 13,800 SF	15.1440 BROADWAY, CUSHMAN WAKEFIELD & RIPCO REAL ESTATE & EMPIRE STATE REALTY TRUST, 16,760 - 24,784 SF	29.36 W 37TH ST., EVAN ROBERS CO., 3,000 SF	43.42 W 38TH ST., E REALTY INTERNATIONAL CORP, 2,569 SF
2.601 8TH AVE., TRISTATE CR, 400 SF	16.980 6TH AVE., MASONRE, 870 SF	30.37 W 37TH ST., KOEPEL ROSEN, 3,803 SF	44.57 W 38TH ST., NEWMARK & LEE & ASSOCI- ATES, 5,540 SF
3.625-649 8TH AVE. (PORT AUTHORITY BUS TERMINAL), JRT REALTY, 196 - 4,504 SF	17.1001 6TH AVE., ABS PARTNERS, 1,063 - 5,312 SF	31.40 W 37TH ST., OKADA & CO., 2,200 SF	45.203-205 W 38TH ST., REQCE, 2,009 - 4,018 SF
4.501 7TH AVE., RIPCO REAL ESTATE & EMPIRE STATE REALTY TRUST, 1,114 - 8,218 SF	18.1040 6TH AVE., NEWMARK, 5,085 SF	32.102 W 37TH ST., KASSIN SABBAGH REALTY, 1,000 SF	46.228 W 38TH ST., WINICK, 1,800 SF
5.525 7TH AVE., OLMSTEAD PROPERTIES, 1,600 SF	19.29 W 35TH ST., COLLIERS, 1,568 SF	33.131 W 37TH ST., KASSIN SABBAGH REALTY, 1,300 SF	47.243 W 38TH ST., OXFORD PROPERTIES, 1,000 SF
6.535 7TH AVE., JLL, 4,473 - 6,710 SF	20.147 W 35TH ST., SIDO REAL ESTATE, 1,998 SF	34.148 W 37TH ST., ADAMS & CO., 2,500 SF	48.257-261 W 38TH ST., KASSIN SABBAGH REALTY, 5,250 SF
7.566 7TH AVE., PLATINUM PROPERTIES, 13,000 SF	21.25 W 36TH ST., KASSIN SABBAGH REALTY, 6,226 SF	35.209 W 37TH ST., WINICK, 3,076 SF	49.306 W 38TH ST., GREENFIELD REAL ESTATE, 2,350 SF
8.1359 BROADWAY, RIPCO REAL ESTATE & EMPIRE STATE REALTY TRUST, 1,187 SF	22.125 W 36TH ST., SIDO REAL ESTATE, 1,365 SF	36.218 W 37TH ST., REQCE, 3,000 SF	50.325 W 38TH ST., SIDO REAL ESTATE, 3,620 SF
9.1370 BROADWAY, KASSIN SABBAGH REALTY, 20,496 SF	23.141 W 36TH ST., LEE & ASSOCIATES, 8,500 SF	37.241 W 37TH ST., KASSIN SABBAGH REALTY, 6,491 SF	51.344 W 38TH ST., CURRENT REAL ESTATE, 2,000 SF
10.1372 BROADWAY, JLL, 1,779 - 6,161 SF	24.223 W 36TH ST., SLH GROUP, 1,584 SF	38.252 W 37TH ST., REQCE, 600 SF	52.214 W 39TH ST., LEE & ASSOCIATES, 2,518 SF
11.1375 BROADWAY, KASSIN SABBAGH REALTY, 6,050 SF	25.241 W 36TH ST., CORCORAN GROUP, 6,646 SF	39.321 W 37TH ST., KASSIN SABBAGH REALTY, 4,080 SF	53.260 W 39TH ST., KASSIN SABBAGH REALTY, 4,400 SF
12.1400 BROADWAY, RIPCO REAL ESTATE, 1,394 - 1,591 SF	26.242B W 36TH ST., KASSIN SABBAGH REALTY, 21,500 SF	40.342 W 37TH ST., REQCE, 3,500 SF	54.202 W 40TH ST., OKADA & CO., 2,850 SF
13.1411 BROADWAY, JLL, 850 - 1,439 SF	27.348 W 36TH ST., BONAPART PROPERTY MANAGEMENT, 1,900 SF	41.8 W 38TH ST., KASSIN SABBAGH REALTY, 5,912 SF	
14.1435 BROADWAY, SOLIL MANAGEMENT, 1,400 SF	28.20 W 37TH ST., WINICK, 10,250 SF	42.13 W 38TH ST., BESEN PARTNERS, 2,850 SF	



# RETAIL VACANCIES

THE **GARMENT DISTRICT** ALLIANCE



HeyTea, 1407 Broadway, New York, NY 10018

# HOTEL DEVELOPMENT

THE **GARMENT DISTRICT** ALLIANCE

## KEY INSIGHTS

- » There are 53 hotels in the Garment District, representing 24,208 rooms, or 19% of Midtown's supply. This is an all-time high room count.
- » Two new hotels are opening, one slated to open in mid 2025 and the other still under construction, with 373 new rooms to be added to the district.
- » While tourism has seen the affects of larger economic uncertainty, the district remained strong in Q1 2025. Occupancy rates averaged 86.1%, peaking at 90.7% in March. For comparison, the average occupancy rate in Q1 2019 was 90.6%.
- » New York City continues to see stronger demand for corporate travel.
- » Occupancy rates were higher than Q1 2019. Given the expanded number of hotels in the District, Q1 2025 continued to demonstrate increased hotel demand. A comparison of Q1 of each year shows 901,640 stays in 2025, 861,723 stays in 2024, 829,556 stays in 2023, 596,852 stays in 2022, and 324,301 stays in 2021.
- » International travel to the U.S. is now expected to drop 5% according to research firm Tourism Economics, though earlier forecasts had anticipated 9% growth this year
- » The decline is smaller than might have been expected because New York may benefit from domestic travel.



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



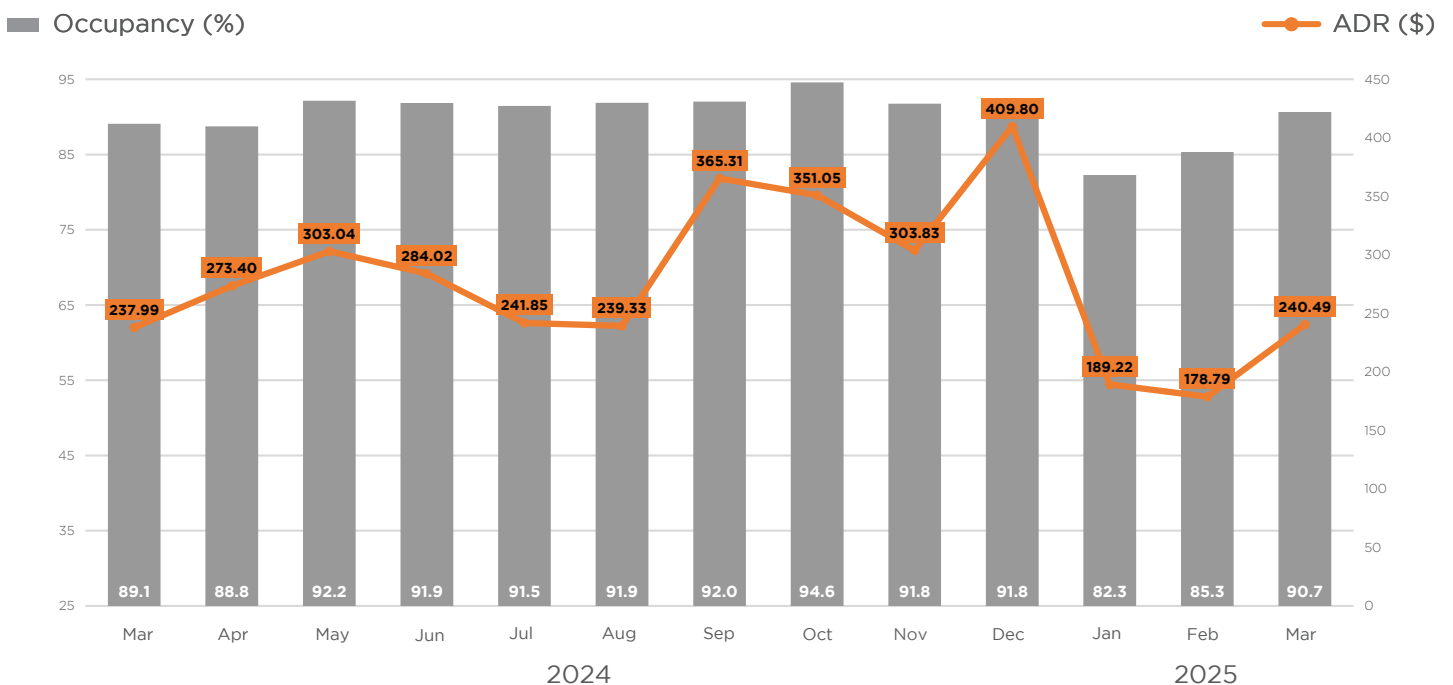
## REVPAR, OCCUPANCY, & ADR COMPARISON, MARCH 2024 & 2025

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Mar 2024	Mar 2025	Pct. Change	Mar 2024	Mar 2025	Mar 2024	Mar 2025
Garment District	\$212	\$218	+2.8%	89.1%	90.7%	\$238	\$240
Midtown South*	\$216	\$221	+2.3%	85.1%	86.5%	\$253	\$255
Midtown East	\$247	\$264	+6.9%	81.0%	79.8%	\$305	\$331
Midtown West/Times Square*	\$243	\$246	+1.3%	84.6%	83.8%	\$287	\$293
Financial District	\$214	\$216	+1.0%	85.0%	82.0%	\$252	\$264
Uptown	\$269	\$277	+2.9%	75.0%	75.9%	\$359	\$365
Village/SoHo/Tribeca	\$245	\$249	+1.5%	84.3%	82.0%	\$291	\$304

\*Garment District data is included in this area

Source: STR

## OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2024-2025



Source: STR



# PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE

## KEY INSIGHTS

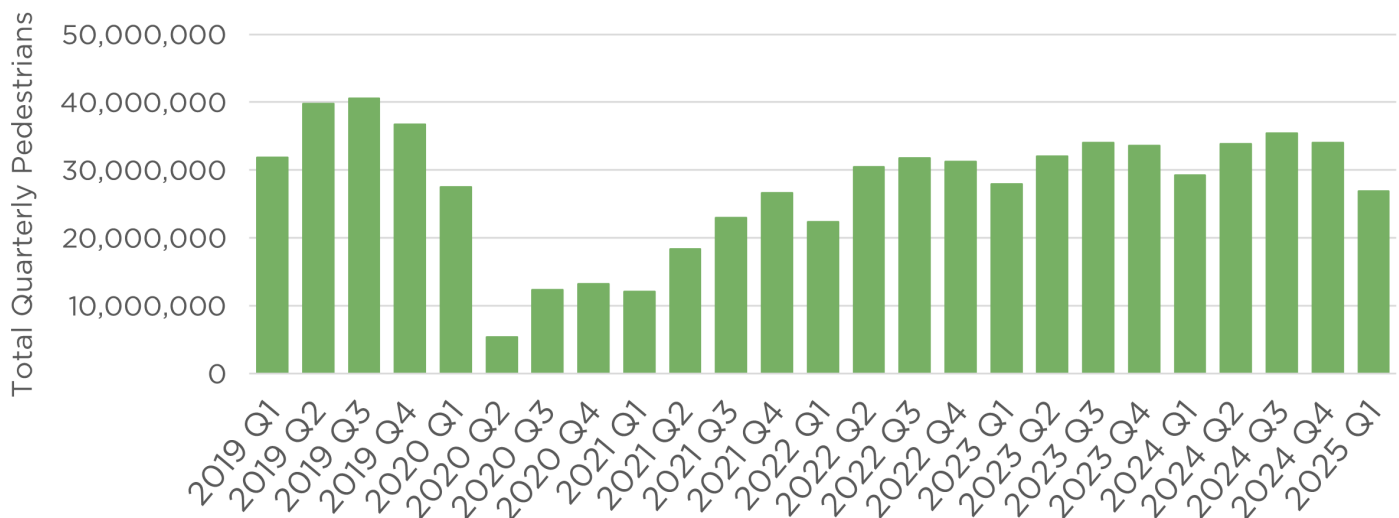
Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 85% of 2019. According to a March 2025 Partnership for NYC survey, on average, 10% of Manhattan office workers are in the office 5 days a week, 30% are in 3 days, and 8% are fully remote. On an average weekday, 57% of Manhattan office workers are in the workplace, equating to 76% of pre-pandemic conditions. 1 in 4 employers plan to increase office attendance requirements. 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. According to a March NYCEDC Economic Snapshot, subway ridership has increased 4.2% from a year ago, and bus ridership has increased 7.8% over the past year.

## MONTHLY GD PEDESTRIAN VOLUMES SINCE MARCH 2024

	Total Count	Change from 2024	Change from 2019
March 2025	11.2 million	-5.4%	-15.3%
January 2025	8.1 million	-5.6%	-10.1%
November 2024	12.7 million	+5.6%	13.2%
September 2024	10.8 million	+9.1%	-31.2%
July 2024	10.8 million	+4.2%	-10.5%
May 2024	10.4 million	+5.5%	-14.5%
March 2024	11.8 million	+7.9%	-10.5%

Source: Springboard

## TOTAL QUARTERLY GD PEDESTRIAN VOLUMES FROM 2019 TO 2025



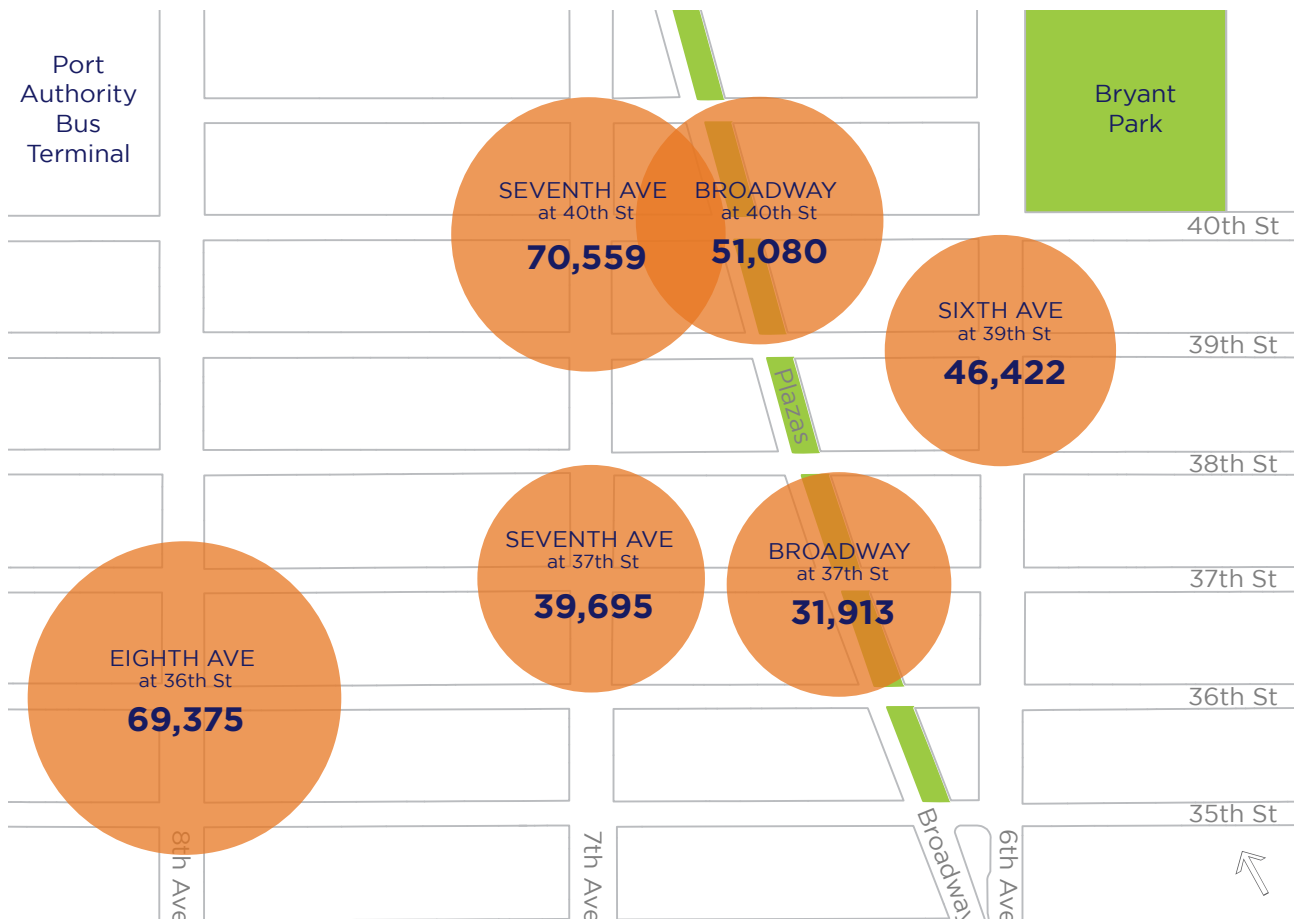
Source: Springboard

# PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE



## WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, JAN - MAR 2025



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)

Front: Steel Roots by Steve Tobin  
Back: Steel Roots by Steve Tobin  
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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