

Economic Quarterly Report

2nd 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, which tracks employee access swipes in office buildings to determine attendance, NYC office occupancy has reached an average of 68.1% in Q2.
- » Based on Placer.ai foot traffic data published in June, Manhattan has reached a 76% return to office recovery since the pandemic. New Uprr's return to office rate has been influenced by the financial sector which has stricter office work requirements than many other industries.
- » CBRE reports that the demand for Midtown office space maintained its momentum in Q2 2025.
- » Year to date through June 2025, Midtown leasing activity demonstrated a 12% improvement over last year with a tightening of the office supply overall.
- » Midtown has seen the strongest and most consistent demand among major Manhattan submarkets, with an emphasis on desire for high quality space in "better buildings."

Recent office leases in the Garment District include:

Style Theory
14,634 SF
1441 Broadway

Gilbane Building
Company
25,261 SF
1411 Broadway

Cyera
22,563 SF
1375 Broadway

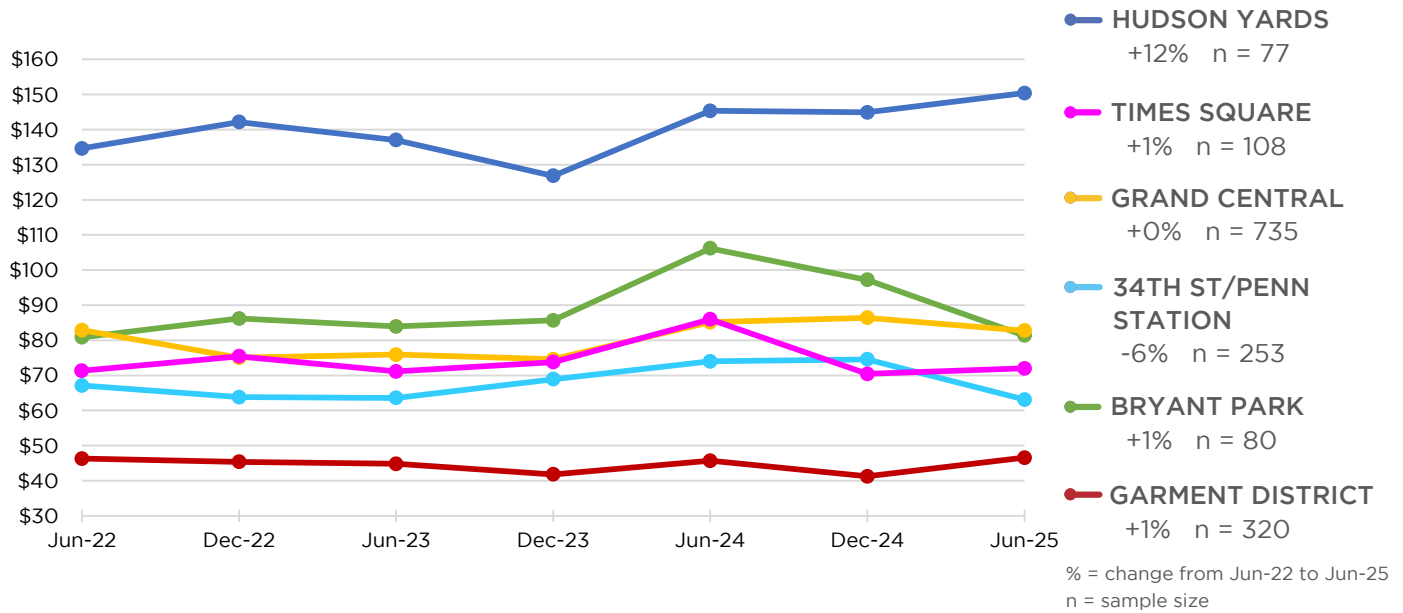
* Kastle System data does not include all offices in the region, thus occupancy rate may differ from market average.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



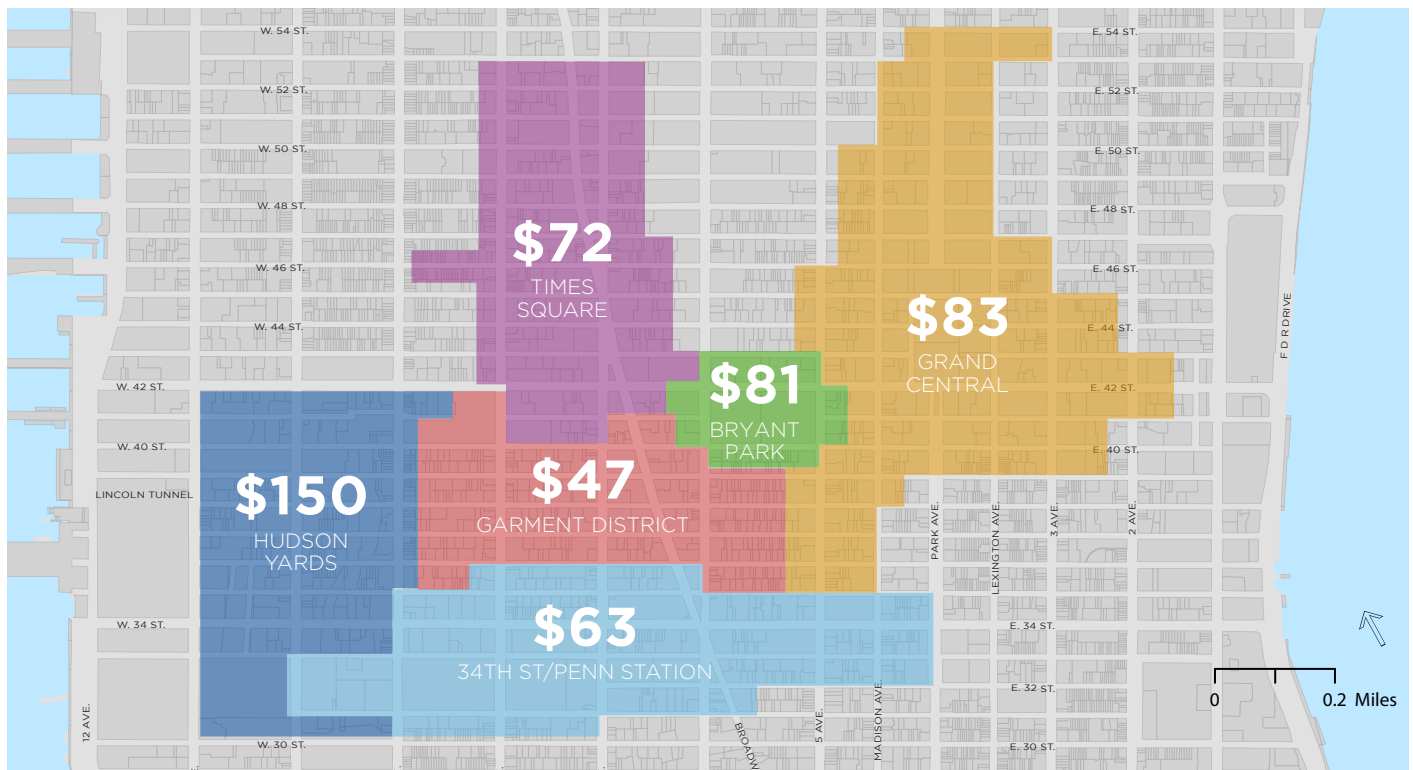
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



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

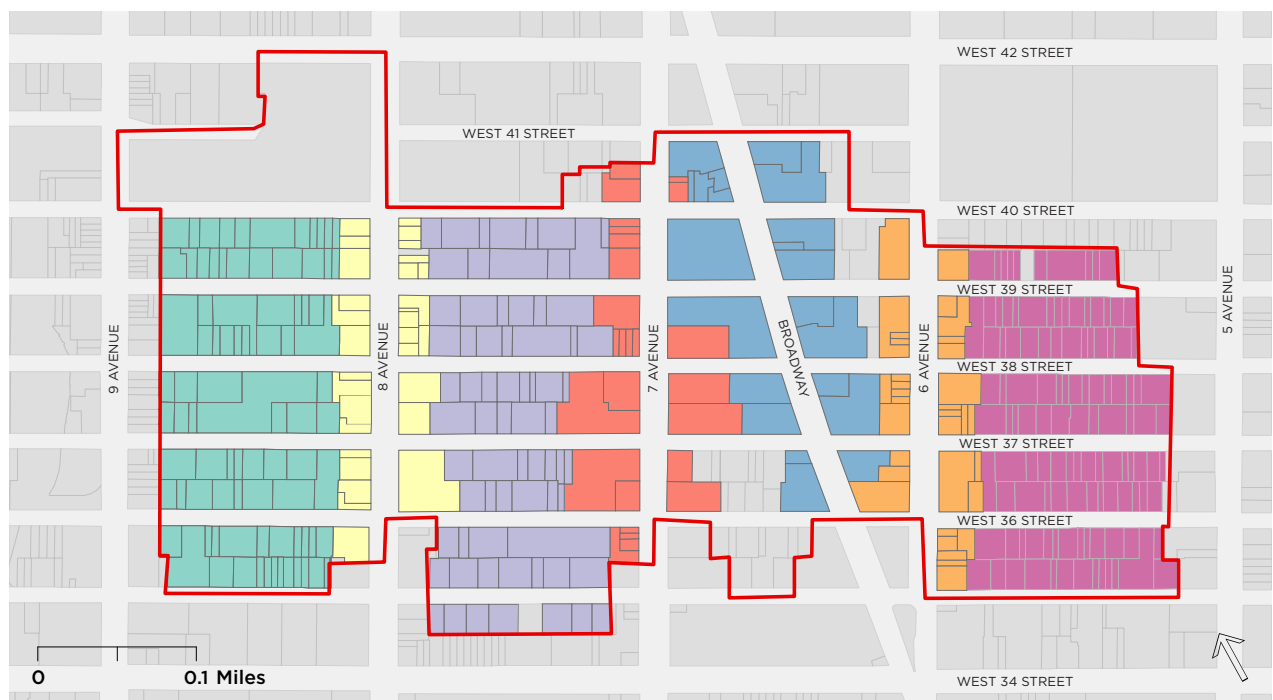
AVERAGE STARTING OFFICE RENTS PER SF, JUNE 2025



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

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	June 2023 (\$/SF)	June 2024 (\$/SF)	June 2025 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	7	\$34.15	\$34.52	\$36.54	+7.0%
 Eighth Avenue	10	\$36.36	\$34.05	\$41.23	+13.4%
 7th-8th Ave Side Streets	53	\$34.22	\$34.80	\$40.02	+17.0%
 Seventh Avenue	29	\$42.64	\$44.82	\$50.60	+18.7%
 Broadway	55	\$49.17	\$45.48	\$45.74	-7.0%
 Sixth Avenue	19	\$54.57	\$59.18	\$57.34	+5.1%
 5th-6th Ave Side Streets	32	\$35.74	\$40.46	\$33.54	-0.1%
 District Average	215	\$45.21	\$41.22	\$46.82	+3.6%



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

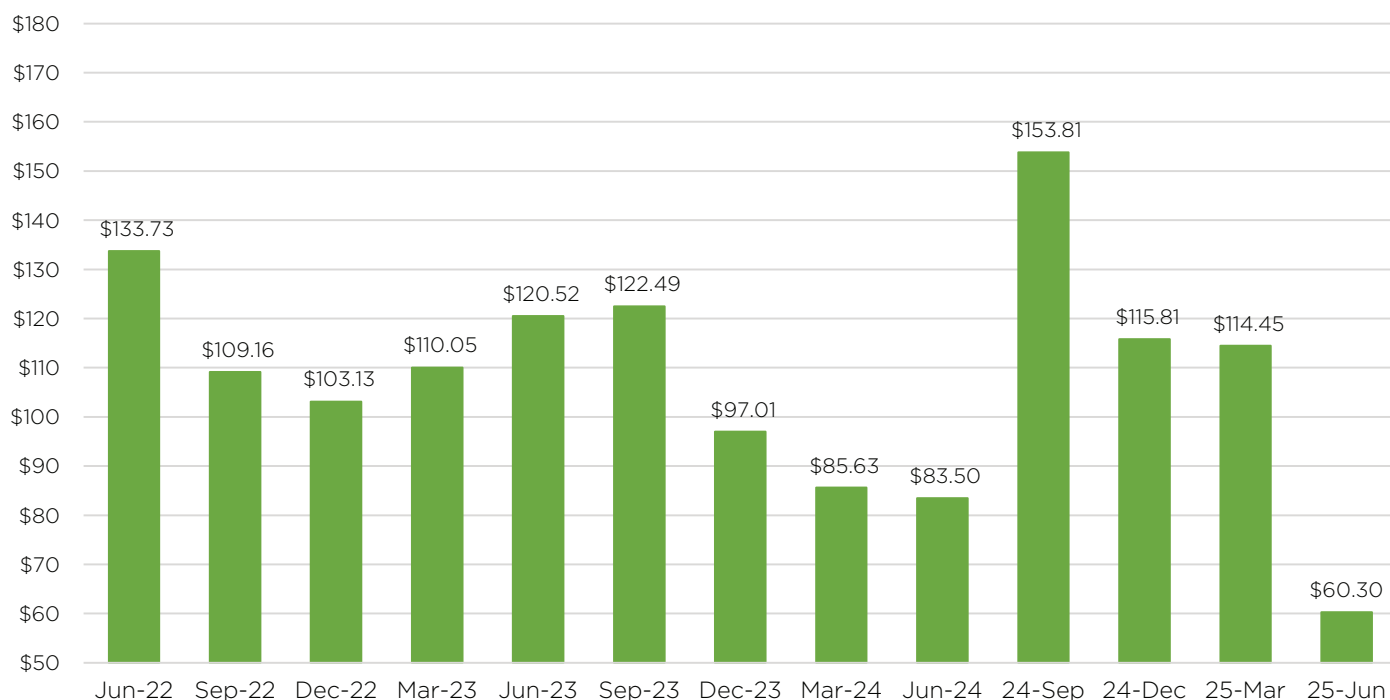
KEY INSIGHTS

- » According to CBRE Manhattan’s retail market sustained momentum in Q2 2025, largely propelled by apparel and food & beverage deals. New to market retailers accounted for 18% of the quarterly leasing volume.
- » CBRE’s calculation of Manhattan’s rolling four-quarter aggregate leasing velocity, which measures total leasing (renewals and new leases), indicated a 4% quarter-over-quarter increase and a 32% year-over-year improvement.
- » As with office data, a sudden and pronounced uptick in retail metrics within a single quarter usually reflects the impact of high value lease outliers on a small data sample size.
- » Location, amenities, size, age, an quality of the space and building all impact rents, resulting in rent variability within the same area.
- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.

Recent retail leases in the Garment District include:

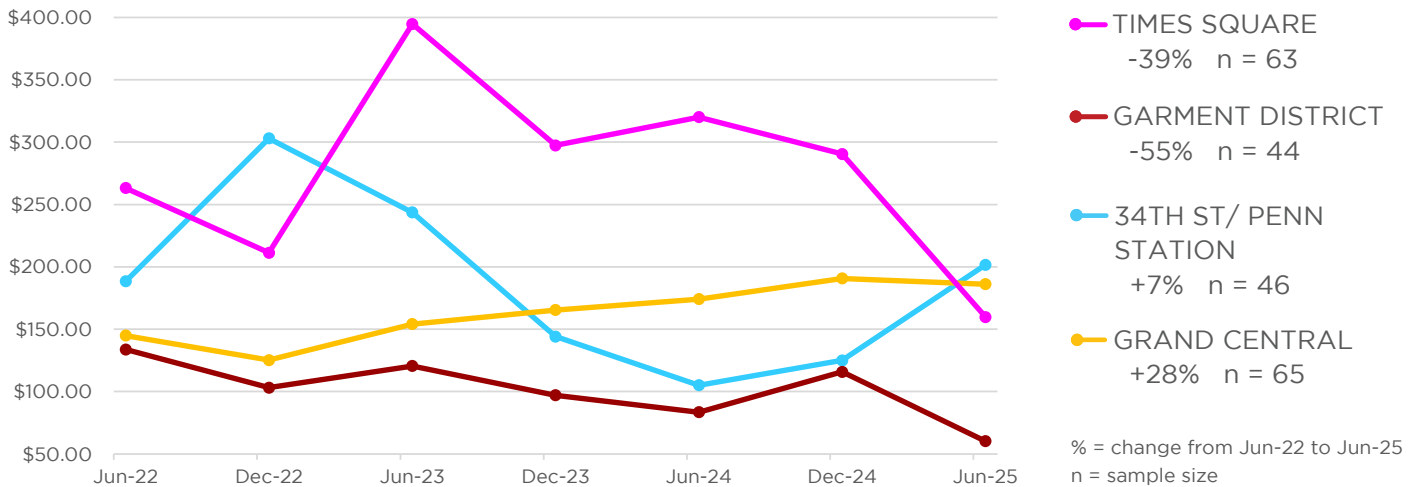
Crab House Times Square 22,927 SF 218 W 40th St	GS Blow Dry Bar 2,200 SF 40 W 37th St
Unlimited Technology 1,486 SF 315-321 W 39th St	520 Henny 4,000 SF 520 8th Ave

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



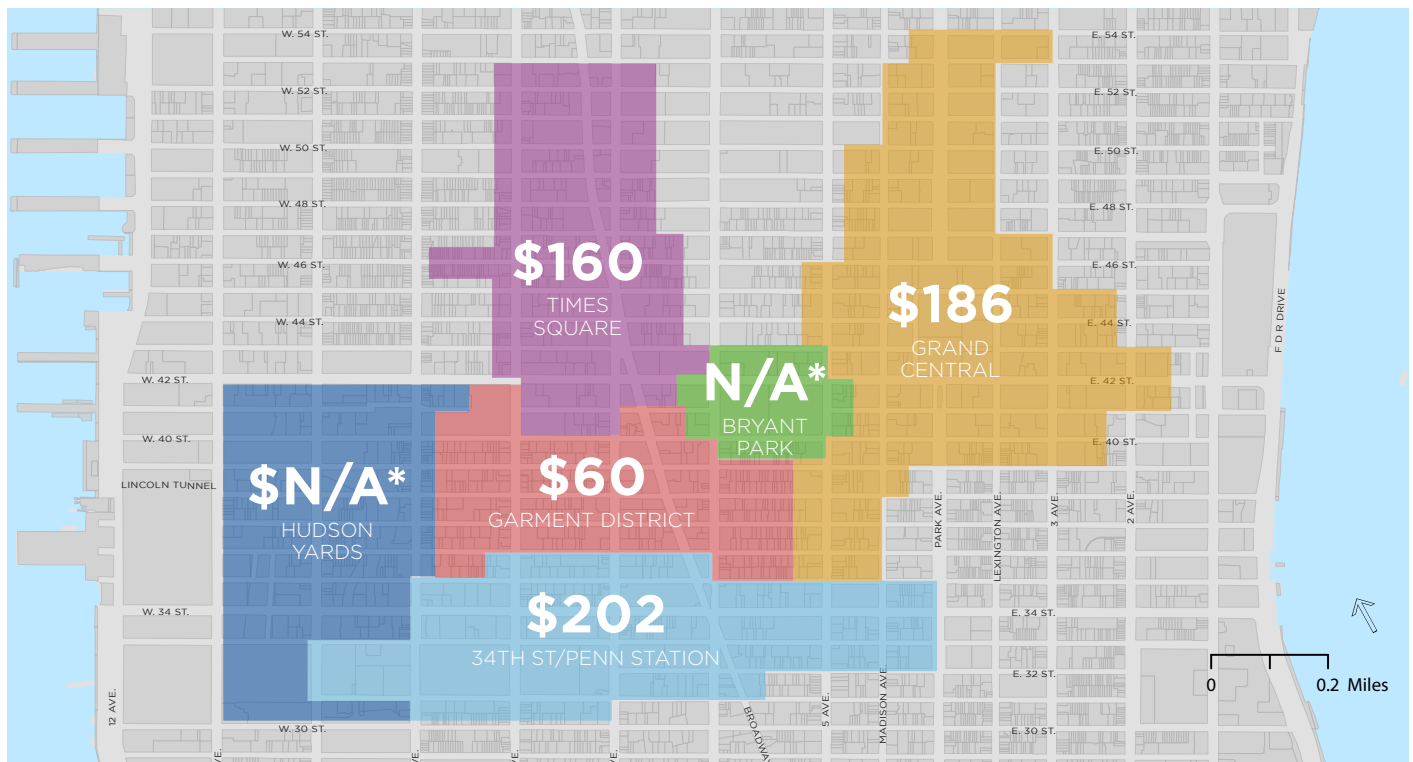
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, JUNE 2025



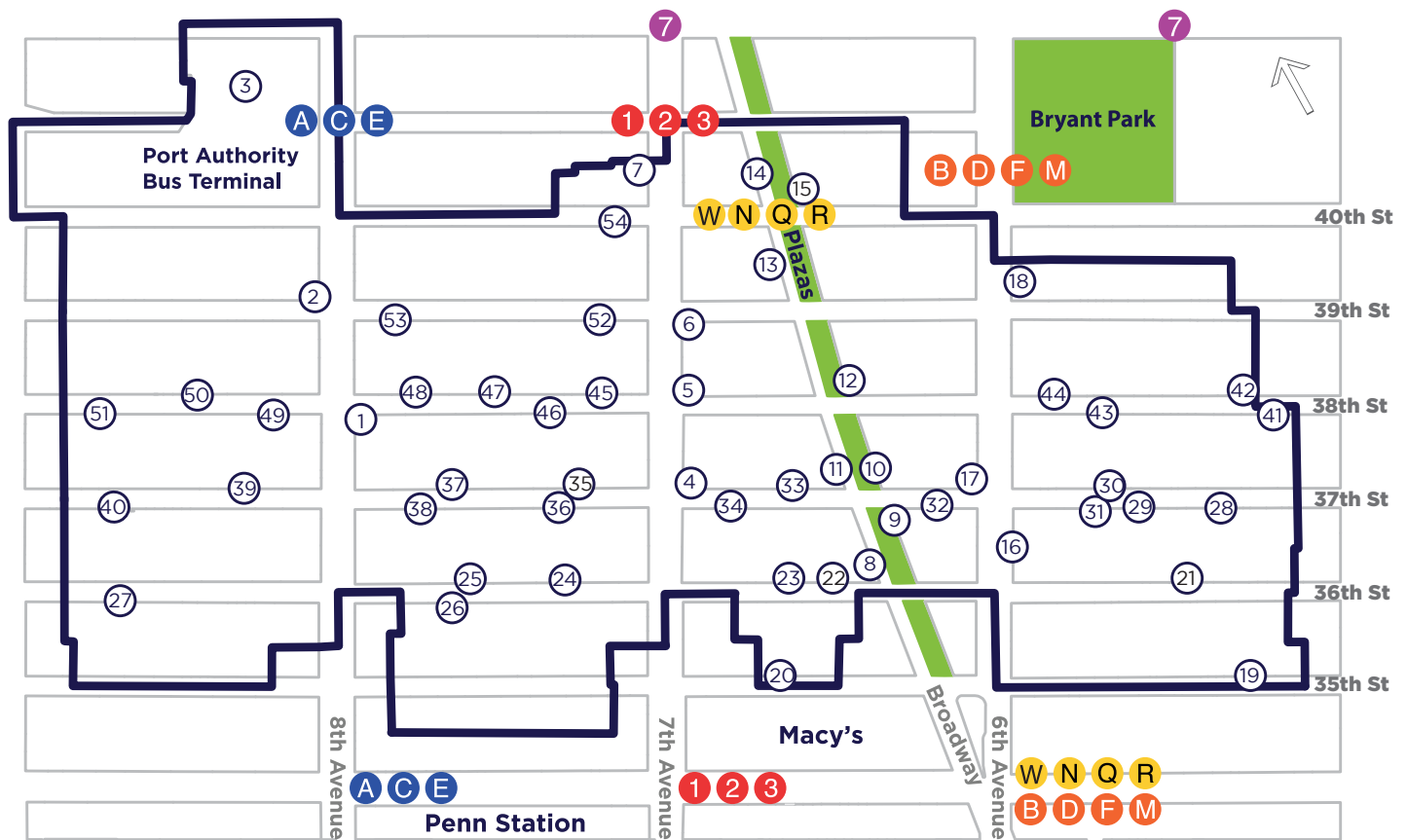
RETAIL VACANCIES

THE **GARMENT DISTRICT** ALLIANCE

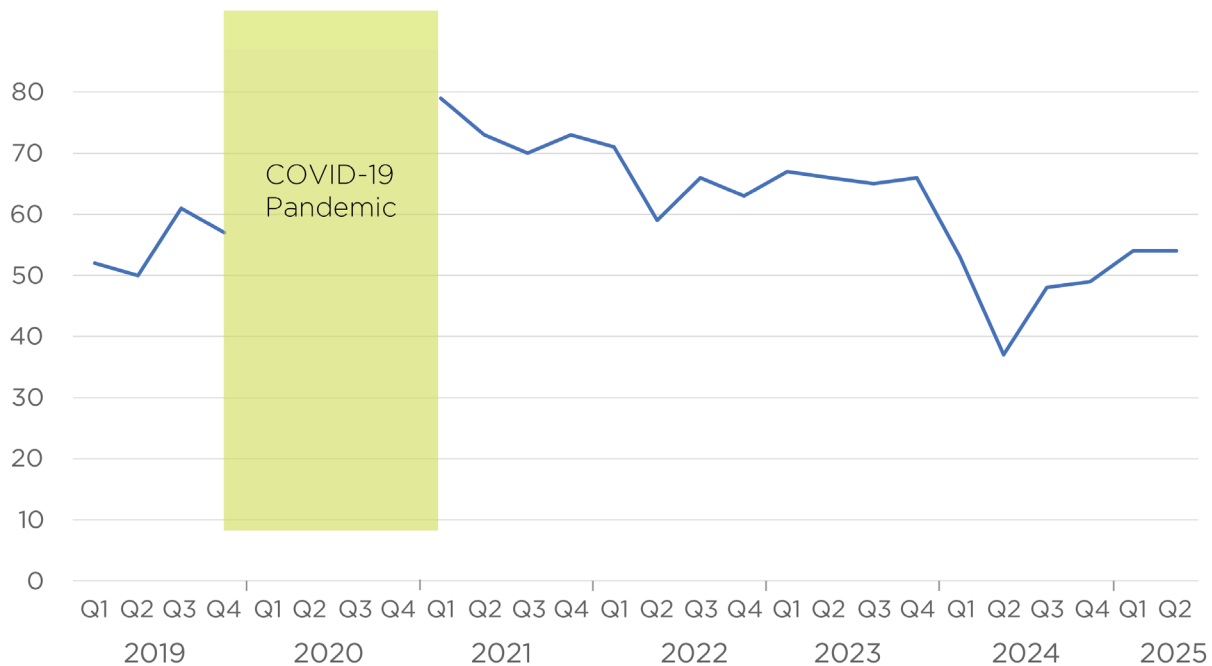
1.554 8TH AVE., RETAIL BY MONA, 600 - 13,800 SF	15.1440 BROADWAY, CUSHMAN WAKEFIELD & RIPCO REAL ESTATE & EMPIRE STATE REALTY TRUST, 16,760 - 24,784 SF	29.36 W 37TH ST., EVAN ROBERS CO., 3,000 SF	43.42 W 38TH ST., E REALTY INTERNATIONAL CORP, 2,569 SF
2.601 8TH AVE., TRISTATE CR, 400 SF	16.980 6TH AVE., 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



Number of Retail Vacancies from 2019 - 2025



Source: CoStar

HOTEL DEVELOPMENT

THE **GARMENT DISTRICT** ALLIANCE

KEY INSIGHTS

- » There are 53 hotels in the Garment District, representing 11,835 rooms, or 17% of Midtown's supply. This is an all-time high room count.
- » Two new hotels are in development, both still under construction, with 373 new rooms to be added to the district.
- » While tourism has seen the affects of larger economic uncertainty, district hotel performance remained strong in Q2 2025. Occupancy rates averaged 93.1%, peaking at 93.8% in June. For comparison, the average occupancy rate in Q2 2019 was 90.5%.
- » New York City continues to see stronger demand for corporate travel.
- » Q2 2025 continued to demonstrate increased hotel demand. A comparison of Q2 of each year shows 985,642 stays in 2025, 954,835 stays in 2024, 937,689 stays in 2023, 881,765 stays in 2022, and 523,068 stays in 2021.
- » International travel to the U.S. is now expected to drop 8.2% according to research by Tourism Economics, though earlier forecasts had anticipated a 9.4% decline this year.
- » The decline is smaller than might have been expected because of an uptick in UK, China, Japan, and Mexico travel.



KPOT Korean BBQ & Hot Pot, 310 W 38th St, New York, NY 10018

HOTEL DEVELOPMENT

THE **GARMENT DISTRICT** ALLIANCE

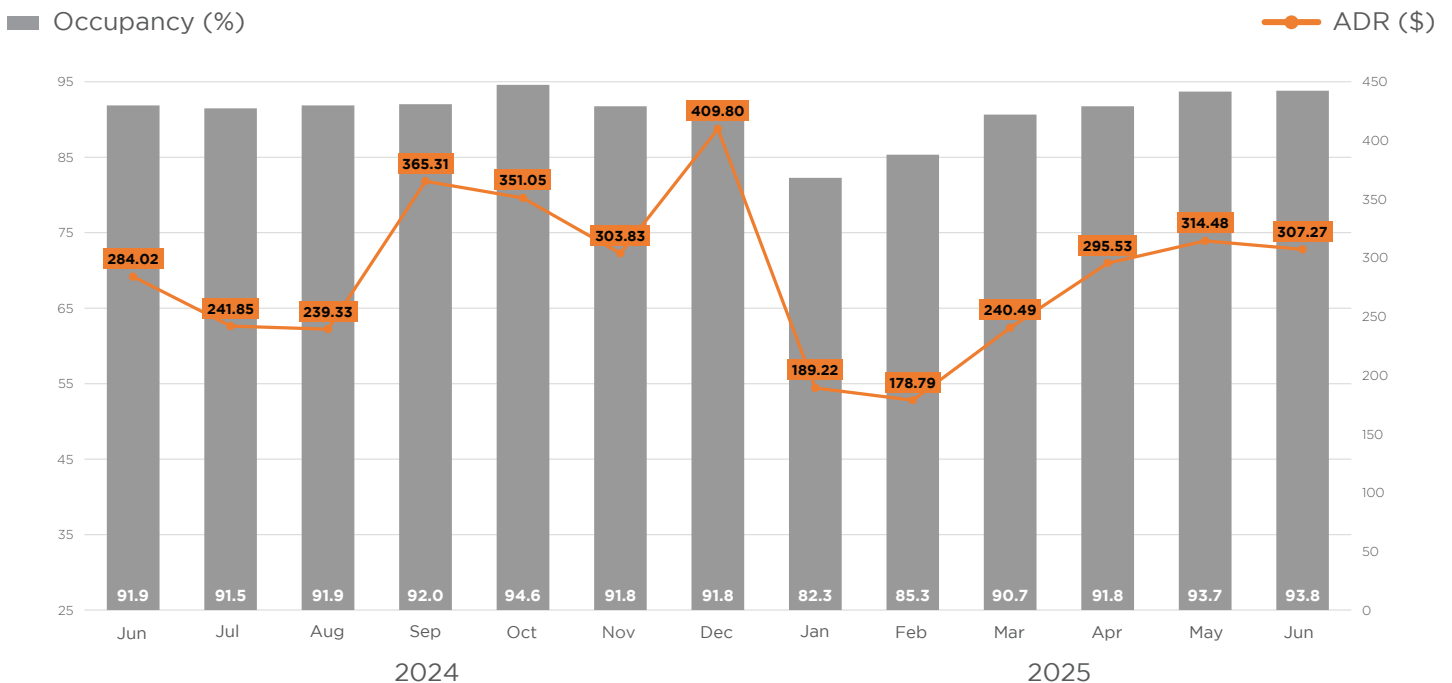
REVPAR, OCCUPANCY, & ADR COMPARISON, JUNE 2024 & 2025

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Jun 2024	Jun 2025	Pct. Change	Jun 2024	Jun 2025	Jun 2024	Jun 2025
Garment District	\$261	\$288	+10.5%	91.9%	93.8%	\$284	\$307
Midtown South*	\$269	\$292	+8.7%	89.1%	90.7%	\$301	\$332
Midtown East	\$297	\$324	+9.1%	85.0%	86.0%	\$350	\$377
Midtown West/Times Square*	\$296	\$321	+8.5%	88.2%	89.1%	\$336	\$361
Financial District	\$278	\$303	+9.2%	88.5%	89.7%	\$314	\$339
Uptown	\$361	\$377	+4.5%	82.0%	82.1%	\$440	\$459
Village/SoHo/Tribeca	\$318	\$336	+5.6%	88.1%	88.7%	\$361	\$379

*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

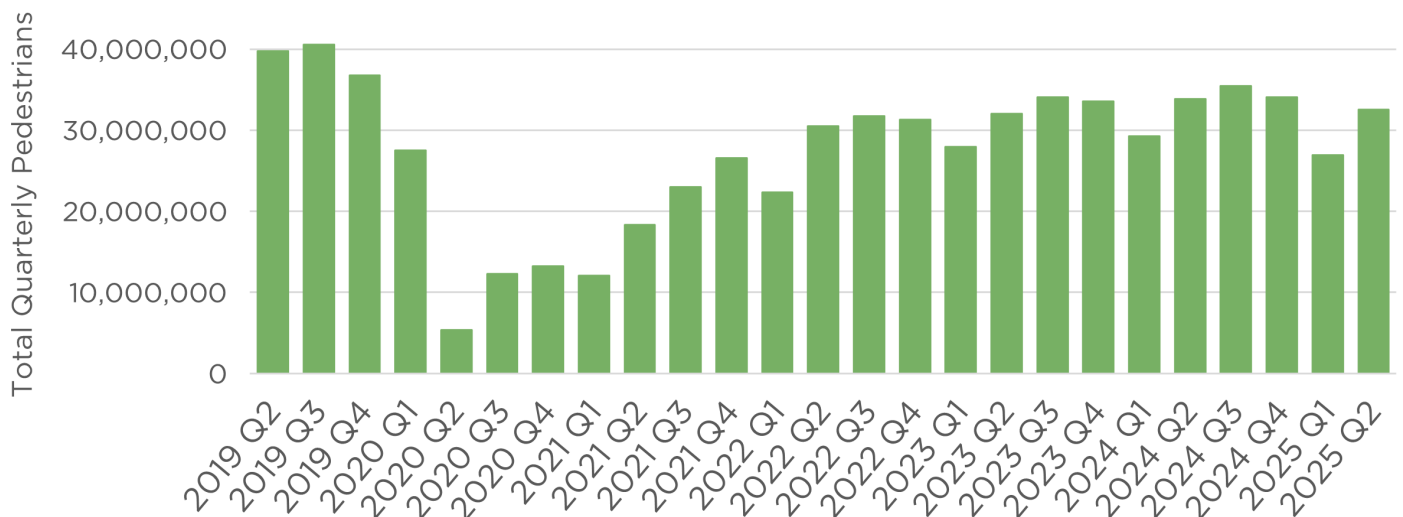
The NYS Comptroller's Subway Recovery Tracker indicates that overall subway ridership in the city reached 75.6% of 2019 levels by June 2025. Within the district the busiest station continues to be Times Sq - 42nd Street/Port Authority Bus Terminal, which averages 77% of its pre pandemic ridership. Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 82% of 2019. According to Placer.Ai data from a Lee & Associates Q2 2025 Market Report, return to office recovery rates have gone from 70% in June 2024 to 76% in June of 2025. Due to congestion pricing, MTA recorded the highest daily average subway ridership since 2019, at 3,649,954 riders. According to a July NYCEDC Economic Snapshot, subway ridership has increased 10% from a year ago, and bus ridership has increased 14% over the past year.

MONTHLY GD PEDESTRIAN VOLUMES SINCE JUNE 2024

	Total Count	Year Over Year Change	Change from 2019
June 2025	12.7 million	-6%	-19%
April 2025	9.8 million	-1%	-16%
February 2024	7.6 million	-14%	-20%
December 2024	10.7 million	-7%	-2%
October 2024	10.6 million	+9%	-11%
August 2024	13.8 million	+1%	+8%
June 2024	13.4 million	+5%	-15%

Source: Springboard

TOTAL QUARTERLY GD PEDESTRIAN VOLUMES FROM 2019 TO 2025



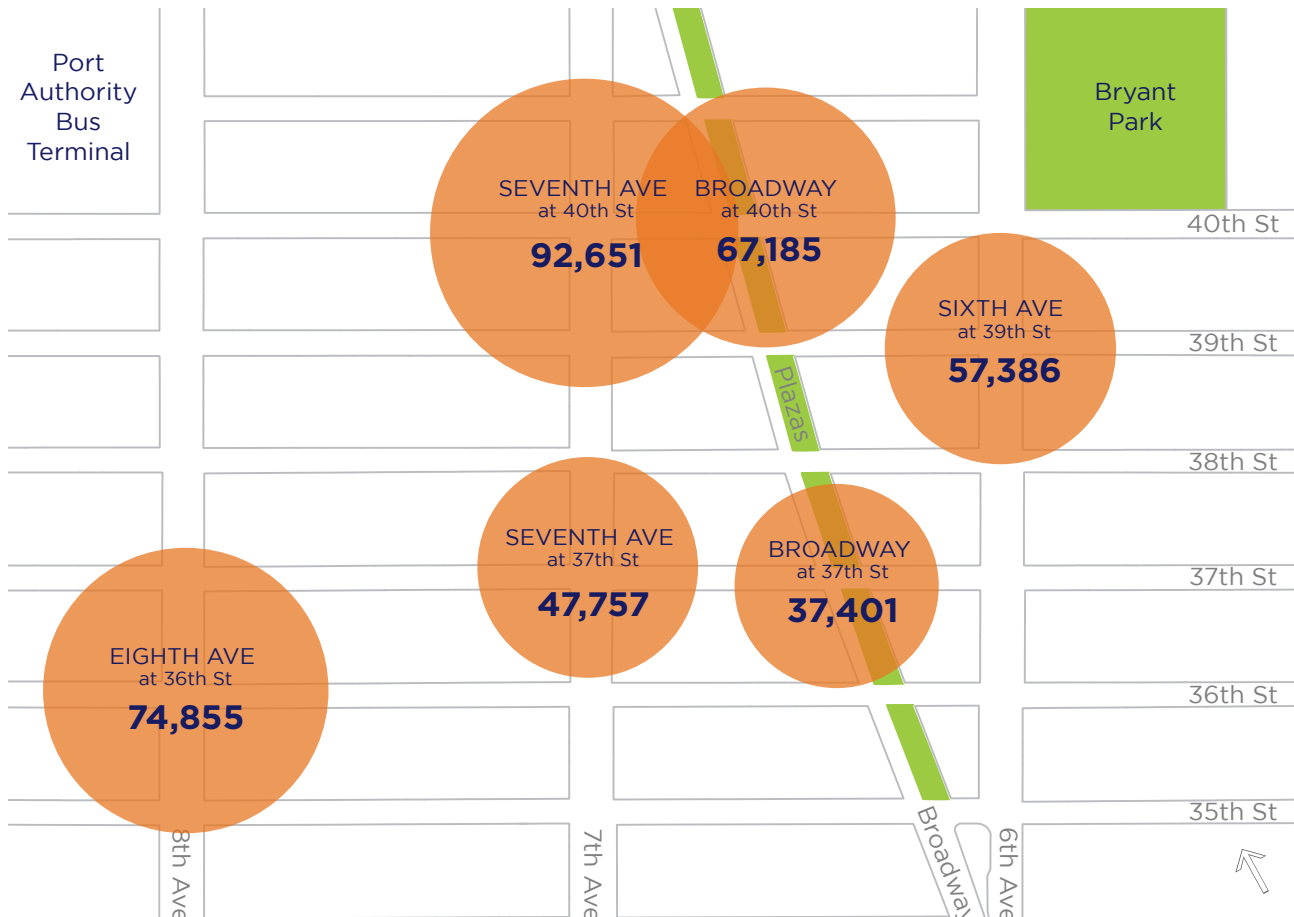
Source: Springboard

PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE



WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, APR - JUNE 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: Broadway Squeeze
Back: GDA "Mother Tree" in Art Window by Denise Ofelia Mangen
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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