Quarterly Economic Report: Q3 2025

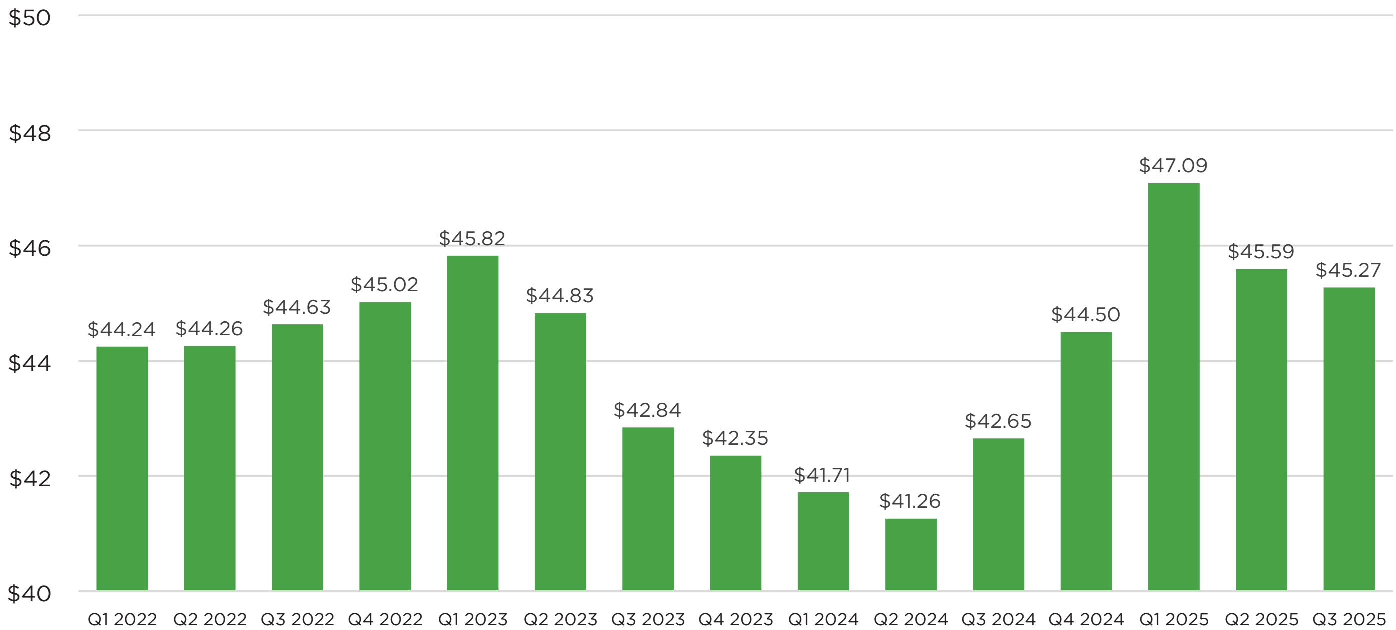
THE GARMENT DISTRICT ALLIANCE

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 Colliers, Midtown office availability has decreased consistently over the past 6 quarters, reaching 13.1% in Q3 2025, the lowest amount since 2020.
- Garment District class A office starting rents remained at 40% below that of the Midtown market. Class C Garment District offices performed better, with prices staying around 10% below the Midtown office market in Q3 2025.
- WeWork's signed a 259,000 sqft expansion at 1440 Broadway, committing to a total 559,562 sqft of space for $69/sqft through 2029.
- Cushman Wakefield noted class A office leasing hit a historic high in Q3 2025, reaffirming the "flight to quality" seen across Midtown's office market that has left class C buildings struggling to find tenants.
- CBRE's Q3 Midtown office report shows continued post-pandemic recovery across all metrics, with decreased vacancy, increased asking rent, and increased net absorbtion approaching 2019 levels.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF

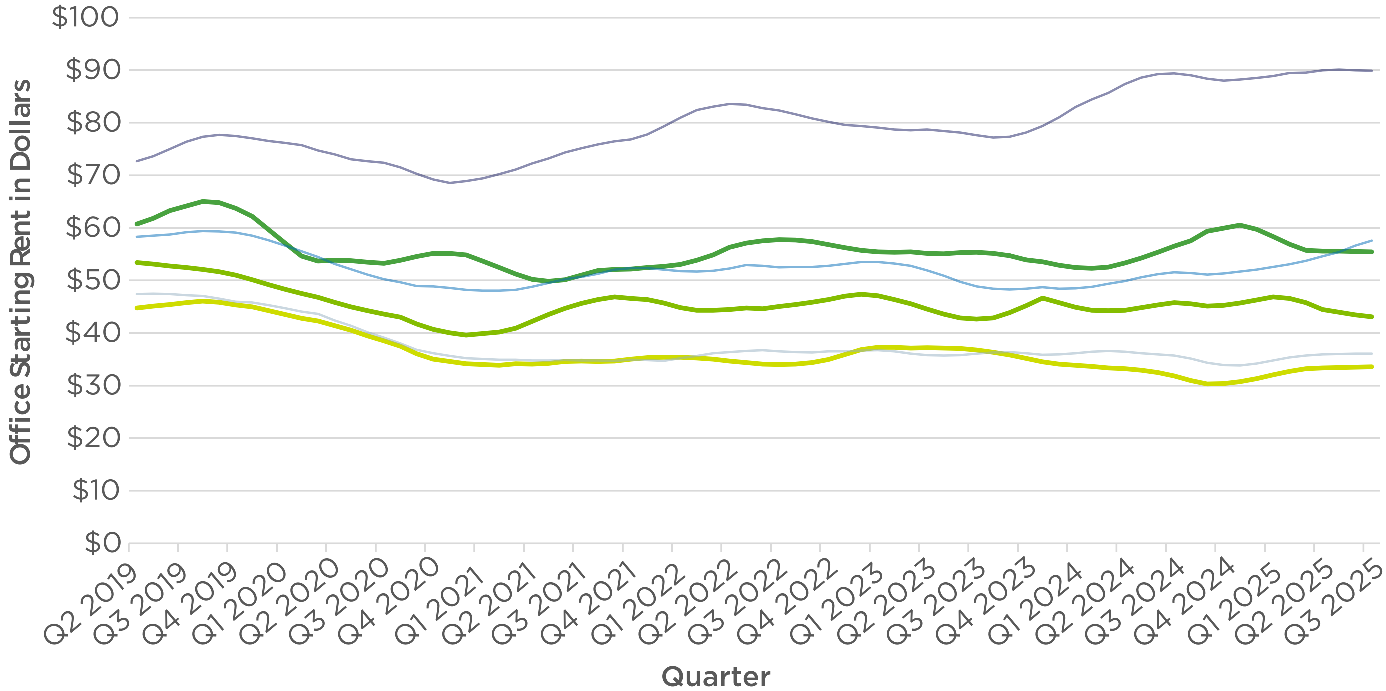


Source: CompStak, Inc., 3-month moving averages

GDA VS MIDTOWN STARTING OFFICE RENTS BY BUILDING CLASS

Q3 2025 Garment District Office Starting Rent as Percentage of Midtown Office Starting Rent

Class A: 62% Class B : 75% Class C : 93%



Legend (sample size)

GDA: Class A
Change: -4%, SS: 111

GDA: Class B
Change: -4%, SS: 346

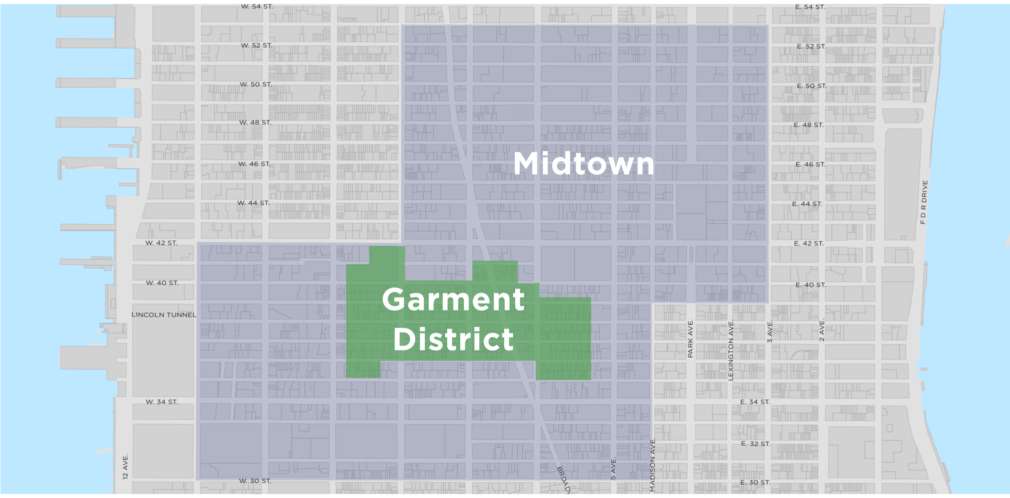
GDA: Class C
Change: -1%, SS: 142

Midtown: Class A
Change: 9%, SS: 2,100

Midtown: Class B
Change: 10%, SS: 1,000

Midtown: Class C
Change: -1%, SS: 235

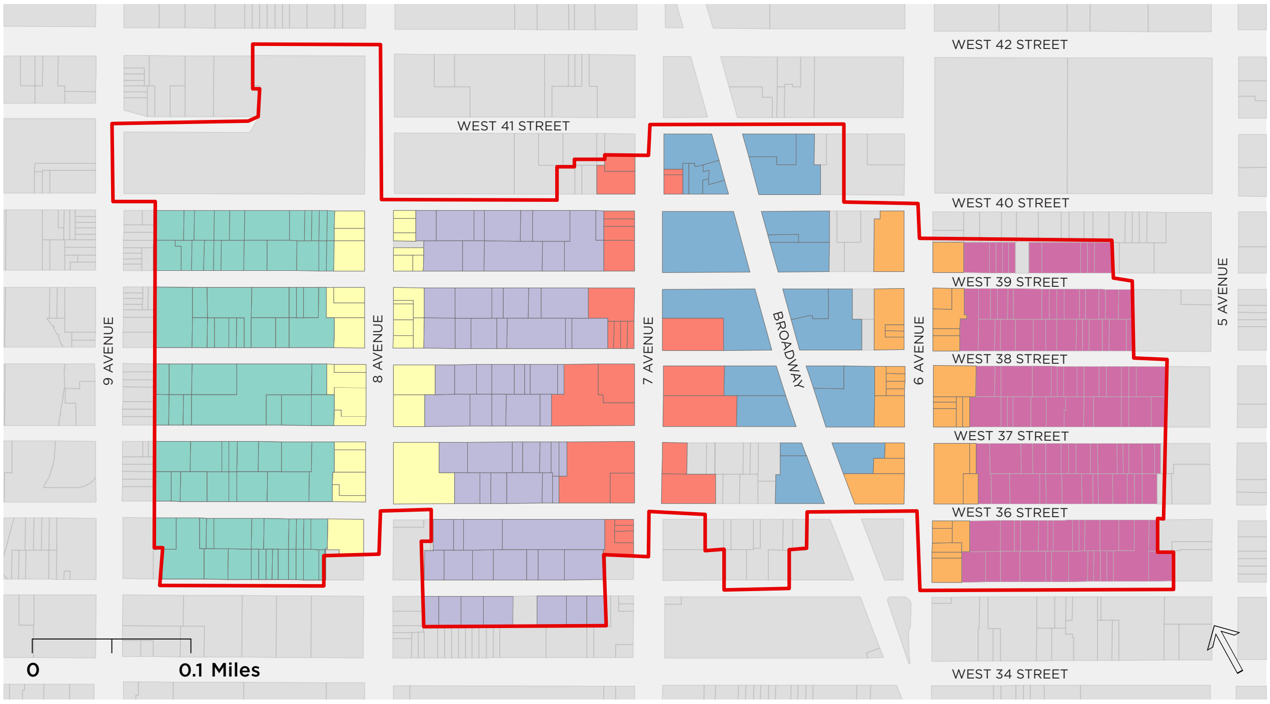
Source: CompStak, Inc., 3-month moving averages
Change is measured as the percent change from Q3 2022 to Q3 2025
SS represents the total lease sample size for each class and geography



OFFICE

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Sep 2023 ($/SF)	Sep 2024 ($/SF)	Sep 2025 ($/SF)	2-yr. Change
8th-9th Ave Side Streets	6	$34.65	$36.19	$36.61	+5.6%
Eighth Avenue	15	$35.95	$35.83	$33.50	-6.8%
7th-8th Ave Side Streets	45	$32.85	$34.73	$37.44	+13.9%
Seventh Avenue	32	$43.36	$48.27	$50.78	+17.1%
Broadway	56	$48.71	$50.27	$56.91	+16.8%
Sixth Avenue	18	$63.74	$60.80	$55.79	-12.5%
5th-6th Ave Side Streets	29	$40.30	$38.55	$34.87	-13.5%
District Average	**215**	**$43.47**	**$42.01**	**$50.10**	**+15.2%**



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

People enjoying lemonade from Renegade Lemonade

RETAIL

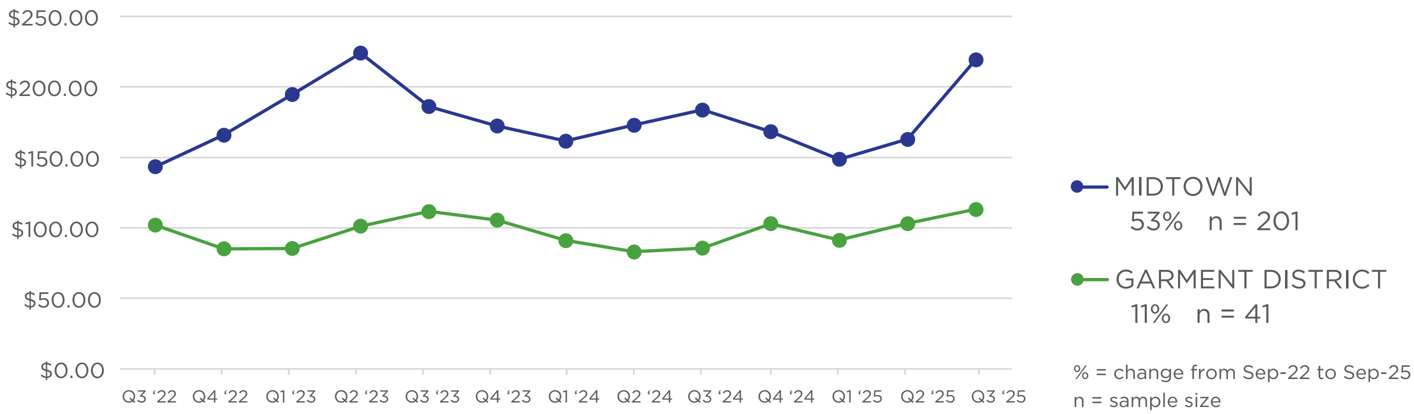
KEY INSIGHTS

- Garment District retail starting rents remain significantly below pre-pandemic levels.
- Colliers and Cushman Wakefield claim Midtown retail rents increased in Q3, which is reflected in an increase in starting retail rents for the Garment District, up 19% since 2024.
- Overall street retail vacancy has returned to pre-pandemic levels as coffee shops, grab-and-go restaurants, and sit-down restaurants move into the neighborhood, taking over former apparal retailers' spaces.
- According to JLL, Manhattan's prime retail submarkets reached a historic low availability rate of 14.2% while starting asking rents increased around 6% from 2024.
- Retail data can be impacted by outliers and sample size. These can vary greatly from avenues to side streets, and based on business type, building class, lease duration, and more.

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF

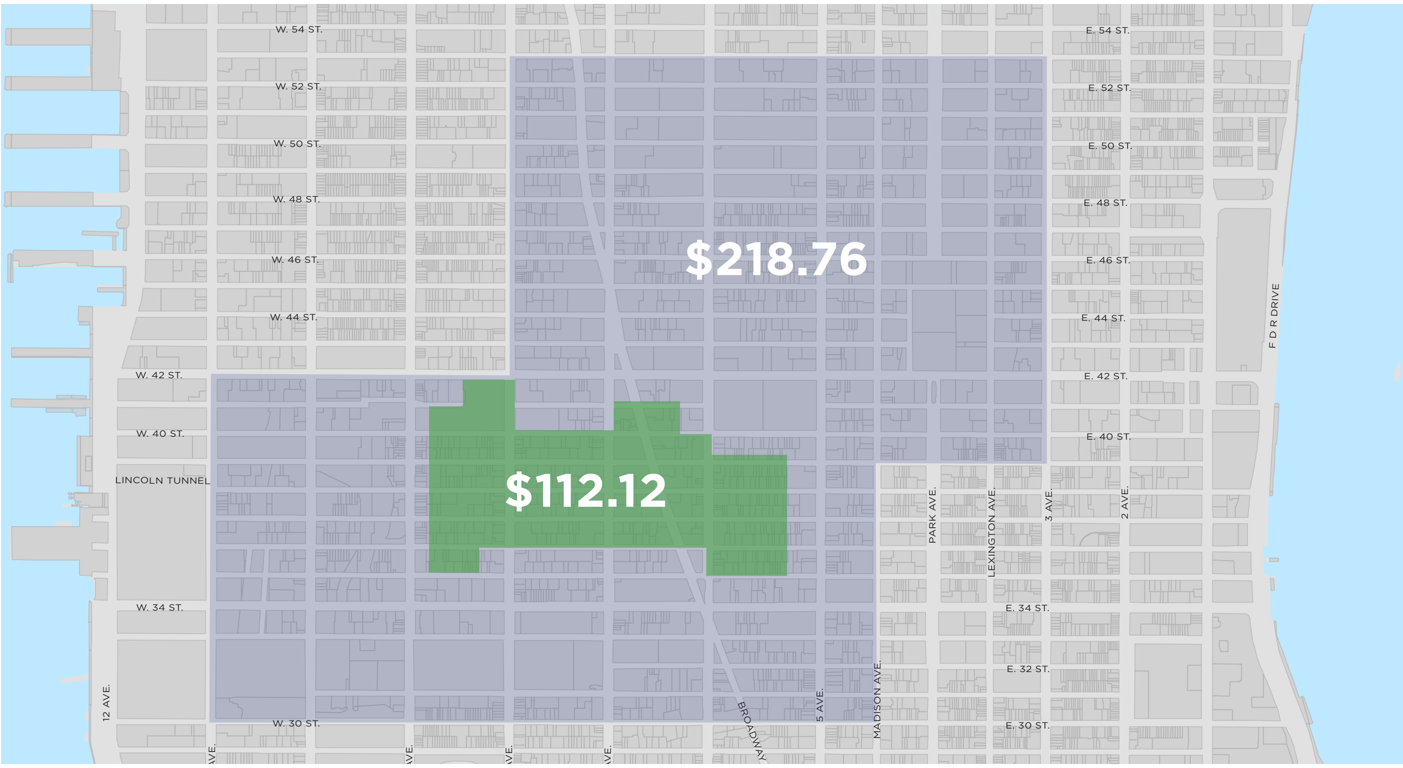
Source: CompStak, Inc., 3-month moving averages

MIDTOWN VS GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, SEPTEMBER 2025



Source: CompStak, Inc.

RETAIL VACANCIES

1.1370 BROADWAY
100 - 21,496
KASSIN SABBAGH REALTY

2. 1372 BROADWAY
1,779 - 5,000
JLL

3. 1375 BROADWAY
900 - 10,026
KASSIN SABBAGH REALTY

4. 1407 BROADWAY
4,473 - 6,710
JLL

5. 1411 BROADWAY
681 - 1,439
JLL

6. 1435 BROADWAY
1,400
SOLIL MANAGEMENT

7. 1440 BROADWAY
24,784
CUSHMAN WAKEFIELD

8. 520 8TH AVE
1,798
GFP REAL ESTATE

9. 554 8TH AVE
2,560 - 27,644
RETAIL BY MONA

10. 601 8TH AVE
400 - 8,500
TRISTATECR

11. 625 8TH AVE
196 - 27,875
JRT REALTY & CUSHMAN WAKEFIELD

12. 481 7TH AVE
600
KASSIN SABBAGH REALTY

13. 501 7TH AVE
1,114 - 8,218
RIPCO REALESTATE

14. 525 7TH AVE
1,600
OLMSTEAD PROPERTIES

15. 526 7TH AVE
2,000
GINDI REALTY ADVISORS

16. 566 7TH AVE
13,000 SF
PLATINUM PROPERTIES

17. 980 6TH AVE
870
MASONRE

18. 1001 6TH AVE
936
ABS PARTNERS

19. 1040 6TH AVE
2,255
NEWMARK

20. 207 W 40TH ST
9,600
KASSIN SABBAGH REALTY

21. 16 W 39TH ST
3,015
LEE & ASSOCIATES

22. 43 W 39TH ST
2,000
EXP COMMERCIAL

23. 8 W 38TH ST
490 - 1,772
OKADA & CO

24. 13 W 38TH ST
1,000 - 2,850
BESEN PARTNERS

25. 57 W 38TH ST
100-9600
OKADA & CO

26. 203 W 38TH ST
2,500
REQCE

27. 228 W 38TH ST
1,800
RTL

28. 256 W 38TH ST
6,439
KASSIN SABBAGH REALTY

29. 325 W 38TH ST
3,620
FALCON PROPERTIES

30. 16 W 37TH ST
1,450
JBA COMMERCIAL REAL ESTATE

31. 102 W 37TH ST
1,000
KASSIN SABBAGH REALTY

32. 131 W 37TH ST
1,300
KASSIN SABBAGH REALTY

33. 209 W 37TH ST
3,076
RTL

34. 241 W 37TH ST
1,400
LIBERTY STAR MANAGEMENT

35. 313 W 37TH ST
4,080
KASSIN SABBAGH REALTY

36. 336 W 37TH ST
1,300 - 6,000
REQCE

37. 20 W 36TH ST
6,894
CBRE

38. 25 W 36TH ST
6,226
KASSIN SABBAGH REALTY

39. 28 W 36TH ST
1,809
RESOLUTION REAL ESTATE PARTNERS

40. 149 W 36TH ST
2,100
LEE & ASSOCIATES

41. 229 W 36TH ST
9,243
LEE & ASSOCIATES

42. 242 W 36TH ST
2,600 - 3,500
KASSIN SABBAGH REALTY

43. 241 W 36TH ST
6,646
CORCORAN

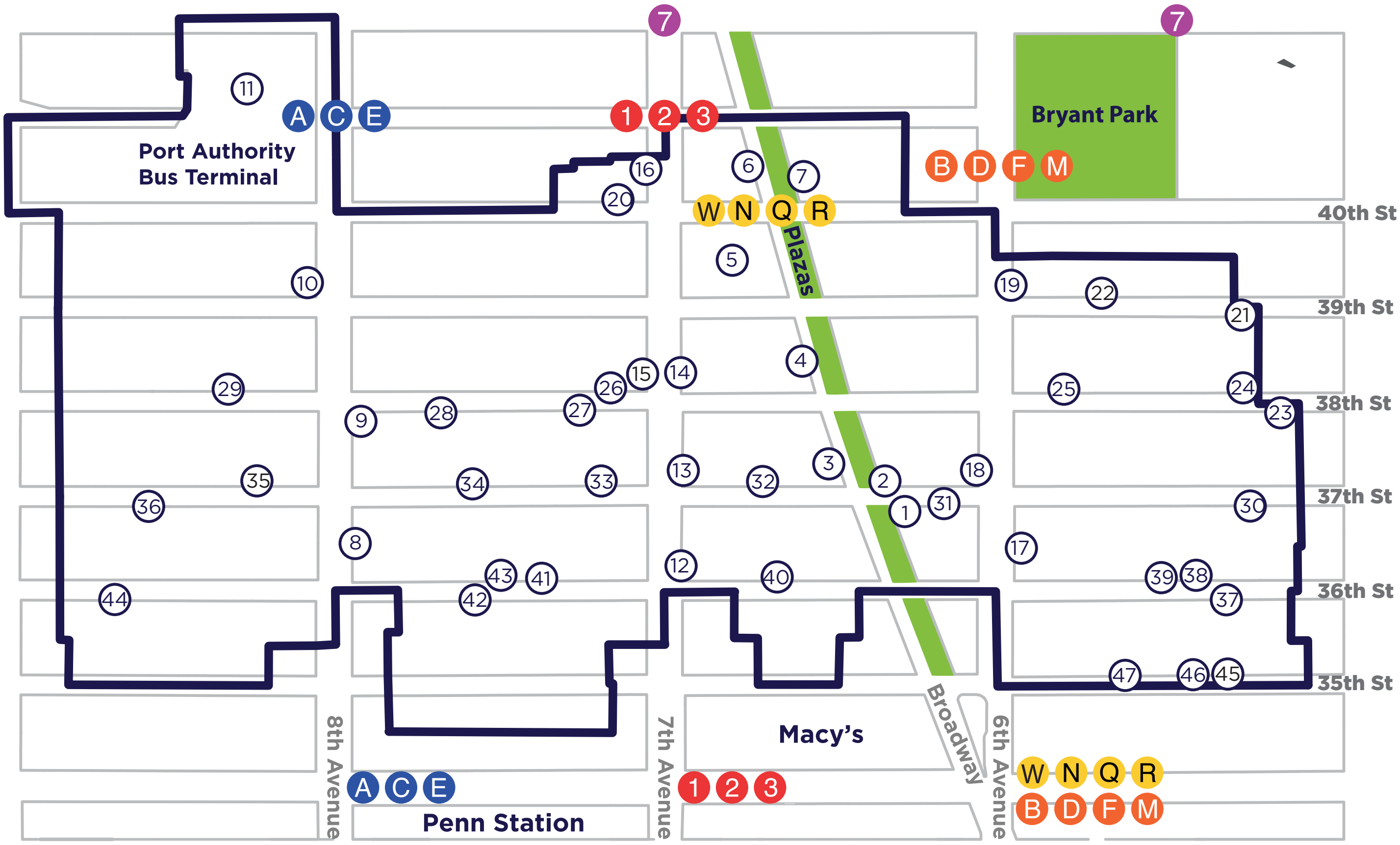
44. 348 W 36TH ST
2,300
BONAPART PROPERTY MANAGEMENT

45. 23-25 W 35TH ST
1,500
PD PROPERTIES

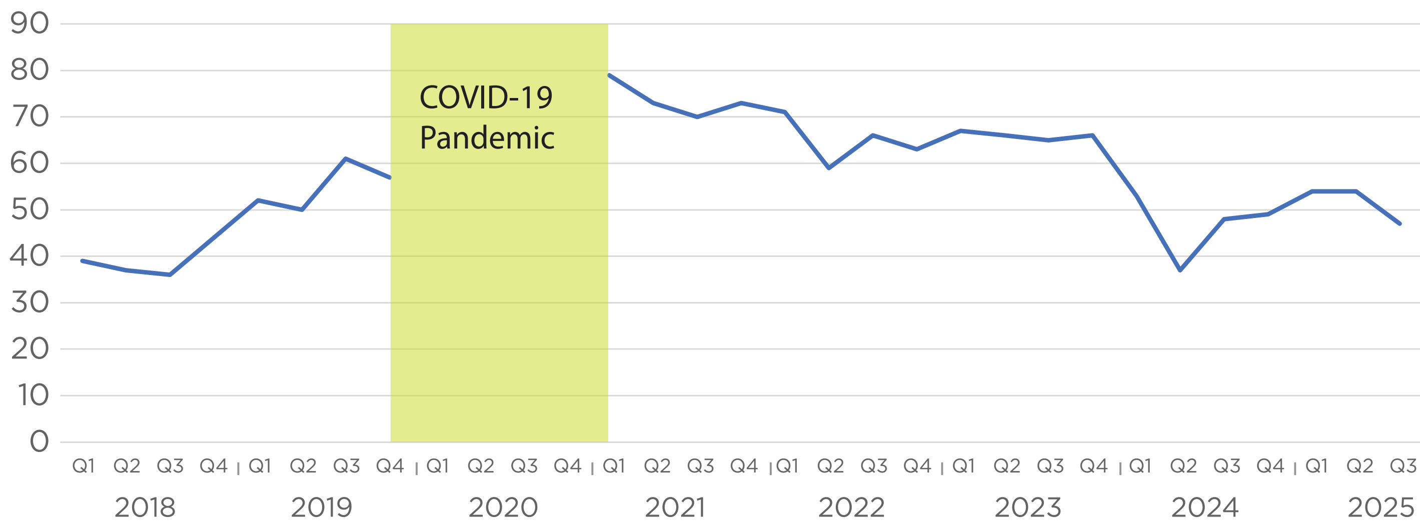
46. 29 W 35TH ST
1,568
COLLIERS

47. 41 W 35TH ST
1,500
PD PROPERTIES


People walking past Steve Tobin's "New York Roots" along Broadway



Number of Retail Vacancies from 2018 - 2025



HOTEL DEVELOPMENT

KEY INSIGHTS

- There are 53 hotels in the Garment District, representing 12,220 rooms, or 17% of Midtown's supply.
- Three new hotels are under construction at 58 W 39th Street, 36 W 38th Street, and 515 7th Ave, which will add 628 rooms once completed.
- Occupancy, average daily rate, and revenue per available room are all up year over year, with revenue at its highest since the pandemic.
- In Q3, the Garment District saw 994,609 hotel stays, up 1.2% from 2024, generating $293,654,381 in revenue
- Garment District hotel occupancies remain strong at 92%, the same as 2019 occupancy rates for the same time period and notably higher than any other hotel market in Manhattan. RevPAR and ADR are up 4.6% compared to previous years.
- NYC Tourism + Conventions adjusted their 2025 international tourism projection, anticipating 2 million fewer tourists than initially expected, largely due to changes in federal policy that impact international tourism. These changes have not affected Garment District hotels to date.

Steve Tobin's "New York Roots" looking north towards Times Square

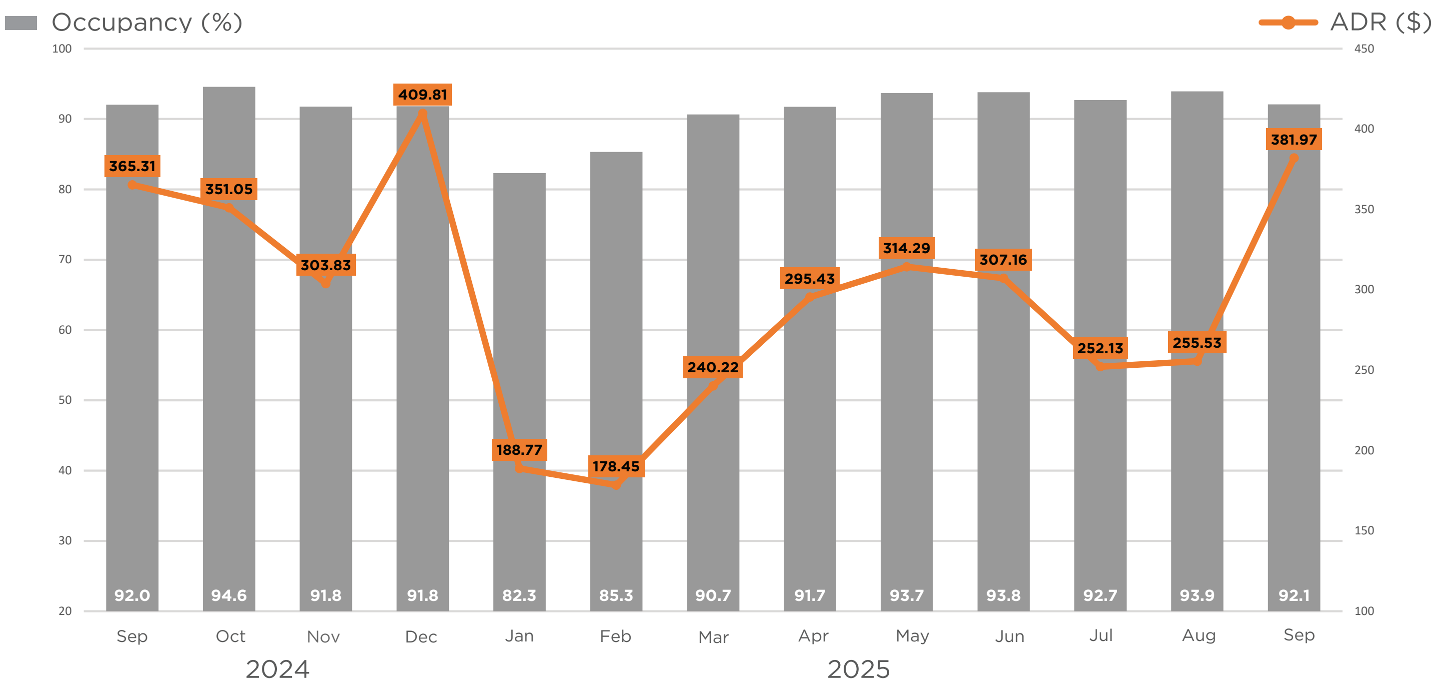
REVPAR, OCCUPANCY, & ADR COMPARISON, SEPTEMBER 2024 & 2025

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Sep 2024	Sep 2025	Pct. Change	Sep 2024	Sep 2025	Sep 2024	Sep 2025
Garment District	$336	$352	+4.6%	92.0%	92.1%	$365	$382
Midtown South*	$350	$370	+5.5%	89.3%	83.9%	$392	$414
Midtown East	$441	$492	+11.7%	84.9%	83.0%	$519	$593
Midtown West/Times Square*	$387	$403	+4.2%	88.1%	87.7%	$439	$460
Financial District	$360	$378	+4.7%	88.8%	87.8%	$406	$430
Uptown	$485	$512	+5.7%	81.5%	80.9%	$595	$633
Village/SoHo/Tribeca	$422	$454	+7.8%	88.4%	89.3%	$477	$509

*Garment District data is included in this area

Source: STR

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



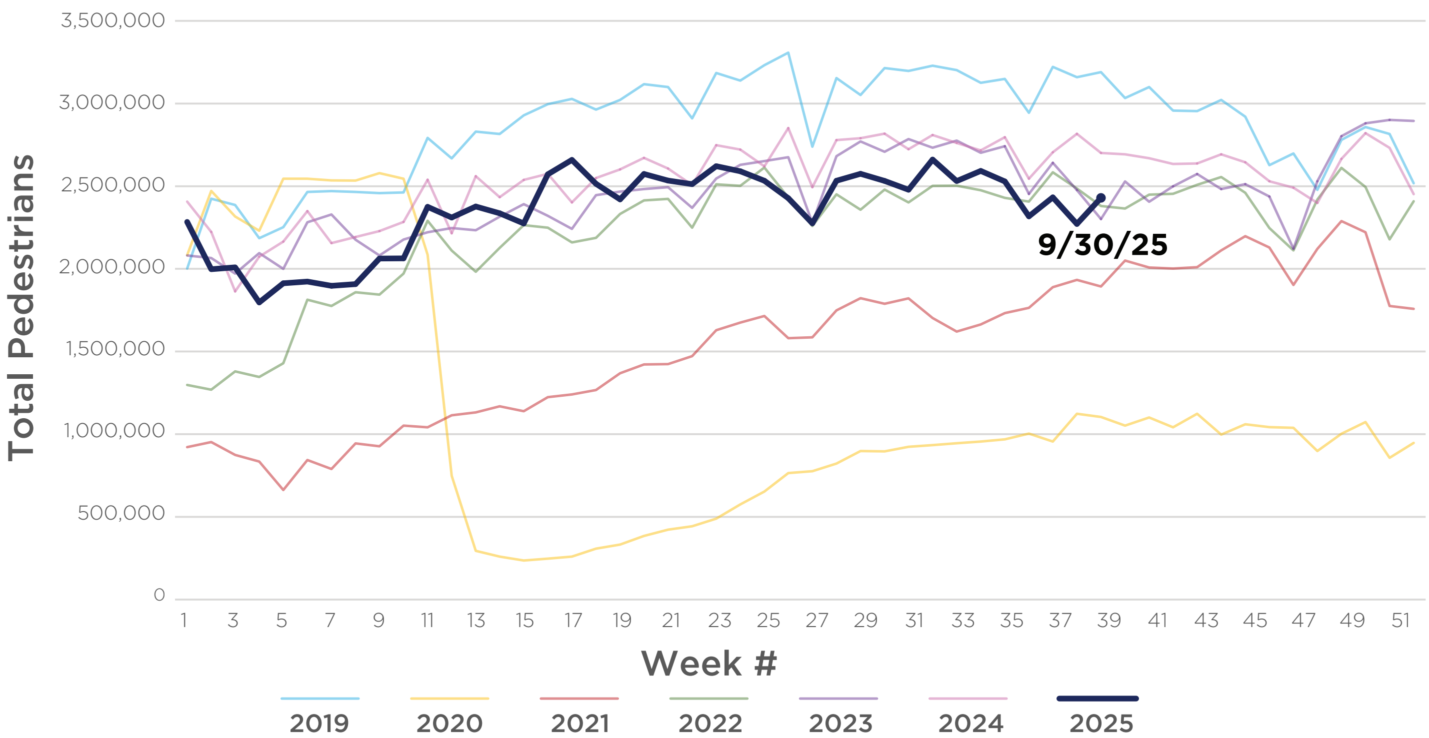
Source: STR

Pedestrian Counts

KEY INSIGHTS

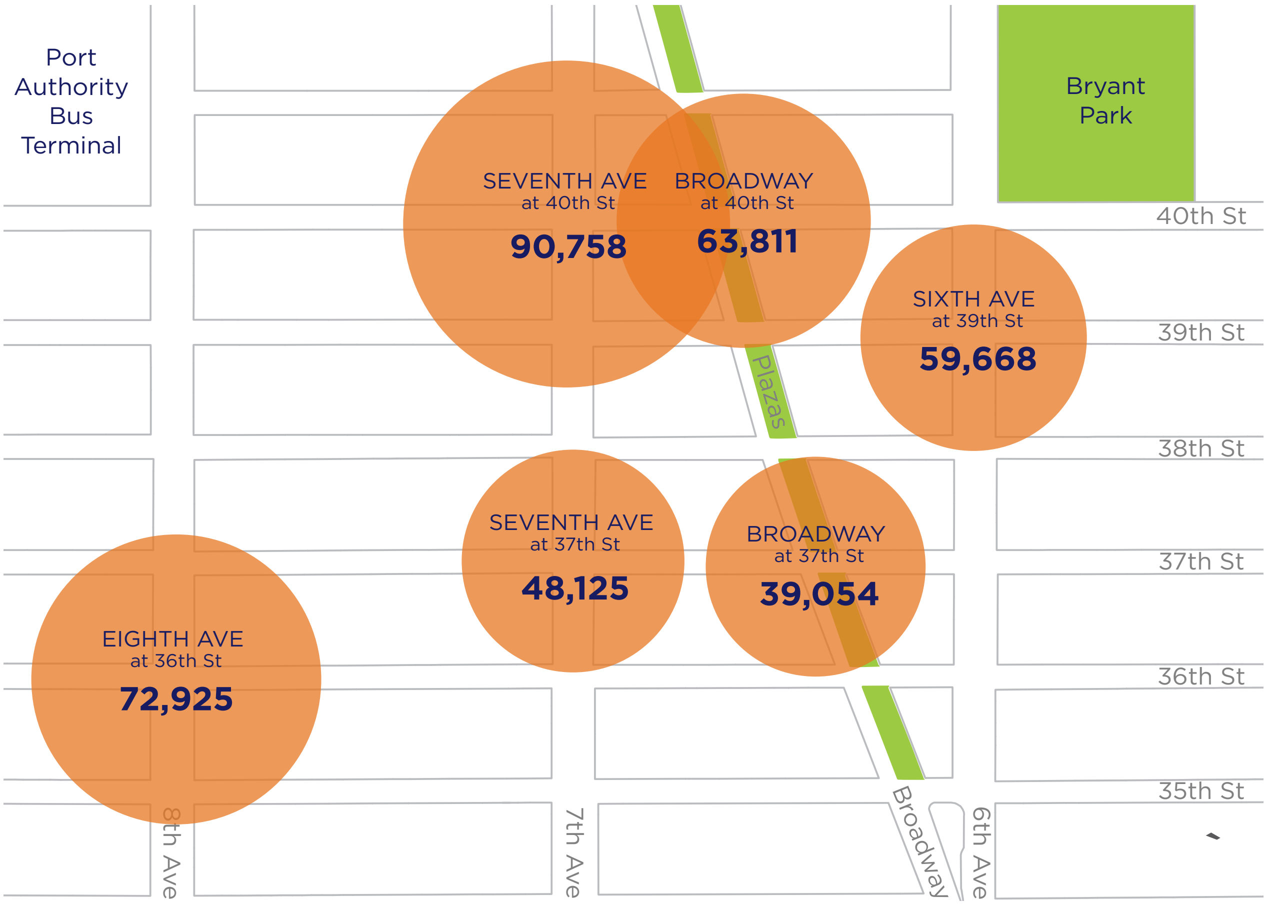
- Pedestrian counts for Q3 have remained around 80% of 2019 volumes, but are relatively stable compared to 2024. These numbers reflect a simultaneous dip in international tourism and an increase in office visits.
- Placer.ai claims that office visits in Manhattan have finally surpassesd pre-pandemic levels thanks to return to office mandates.
- New York City Tourism + Conventions has reduced its forecast for international tourists by 17%, or around 2 million fewer tourists than previously anticipated.
- Increased pedestrian counts reflect the role of congestion pricing in reducing vehicular traffic in Midtown, while increasing subway, bus, and LIRR ridership between 8-12% compared to 2024 volumes.

WEEKLY TOTAL PEDESTRIAN COUNTS, YEAR OVER YEAR



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

WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, JUL - SEP 2025



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

The Meetles performing on Broadway as part of the Garment District's Broadway Rythym program

Employment

KEY INSIGHTS

- For the first time since the pandemic in 2020, total employment has risen above 2019 numbers by 1.4%.
- The fastest growing sectors have become Information and Hospitality, growing 8% and 5% from 2023 to 2024, respectively. This reflects the growing number of hotels and information technology firms siting businesses within the district.
- Manufacturing jobs continued to decline in 2024, down 77.9% from 2000, 25.8% from 2019, and 5.2% from 2023.
- The one-year, 0.9% decline in professional and business services reflects a flight to quality as firms seek out high-quality office space in newer buildings.
- The district remains a dense economic powerhouse, home to 3.5% of all jobs in New York City, despite being only 0.05% of the city's landmass.
- The largest employment sector in the district remains Professional and Business Services, with 54,200 jobs in 2024.
- Future employment numbers are expected to fluctuate as residential conversions reshape commercial availability within the district.
- Employment data for zip code 10018, which is mostly congruent with the boundaries of the Garment District, is provided annually by the New York State Department of Labor and is made available each Fall for the prior year.

EMPLOYEES IN CORE INDUSTRIES FOR ZIP CODE 10018, 2000 - 2024

Sector	2000	2019	2020	2023	2024	1-yr Change	Since 2019	Since 2000	% of total NYC Sector Jobs
Natural Resources, Mining and Construction	2,157	6,143	5,220	5,398	**5,529**	2.4%	-10.0%	156.3%	4.0%
Manufacturing	17,079	5,078	3,383	3,975	**3,770**	-5.2%	-25.8%	-77.9%	6.9%
Apparel Manufacturing	17,079	4,145	2,769	2,937	2,784	-5.2%	-32.8%	-83.7%	39.2%
Trade, Transportation, and Utilities	26,691	25,200	20,710	22,182	**22,124**	-0.3%	-12.2%	-17.1%	3.6%
Apparel Sales	14,388	11,915	9,262	10,375	10,406	0.3%	-12.7%	-27.7%	45.8%
Information	-	9,796	10,289	12,458	**13,460**	8.0%	37.4%	-	6.2%
Financial Activities	6,362	11,893	10,959	10,263	**10,283**	0.2%	-13.5%	61.6%	2.1%
Professional and Business Services	18,224	52,915	48,049	54,699	**54,231**	-0.9%	2.5%	197.6%	7.2%
Education and Health Services	5,439	10,749	10,769	16,374	**15,748**	-3.8%	46.5%	189.5%	1.3%
Leisure and Hospitality	2,209	11,629	6,194	10,676	**11,205**	5.0%	-3.6%	407.2%	2.5%
Other Services	1,587	7,411	5,929	6,053	**6,168**	1.9%	-16.8%	288.7%	4.1%
Government	-	-	1,432	1,400	**1,458**	4.1%	-	-	0.3%
Total Employment	89,267	141,091	121,771	142,556	143,050	0.3%	1.4%	60.2%	3.5%

Source: New York State Department of Labor

THE GARMENT DISTRICT ALLIANCE

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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**

Front: Dressing the Roots by Steve Tobin and B Michael
Back: Summer Lemonade on the Broadway Plazas
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

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