

Quarterly Economic Report

Q4
2025

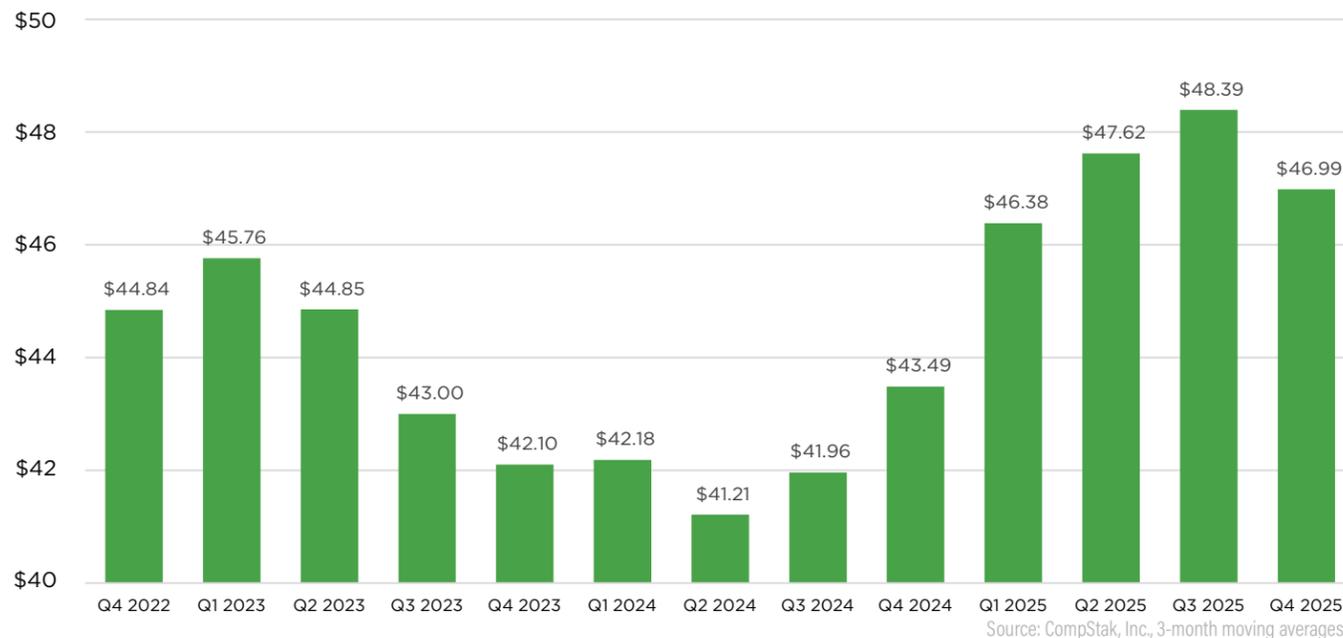
KEY INSIGHTS

New York City office space is back! NYC EDC, CoStar, the NYC Comptroller’s office, and Colliers all agree: a boom in office leasing is signaling a return to pre-pandemic levels of demand. 2023’s concerns about a “doom loop”—a diminished tax base limiting city services, further diminishing the tax base—have now switched to optimism around a potential “boom loop.”

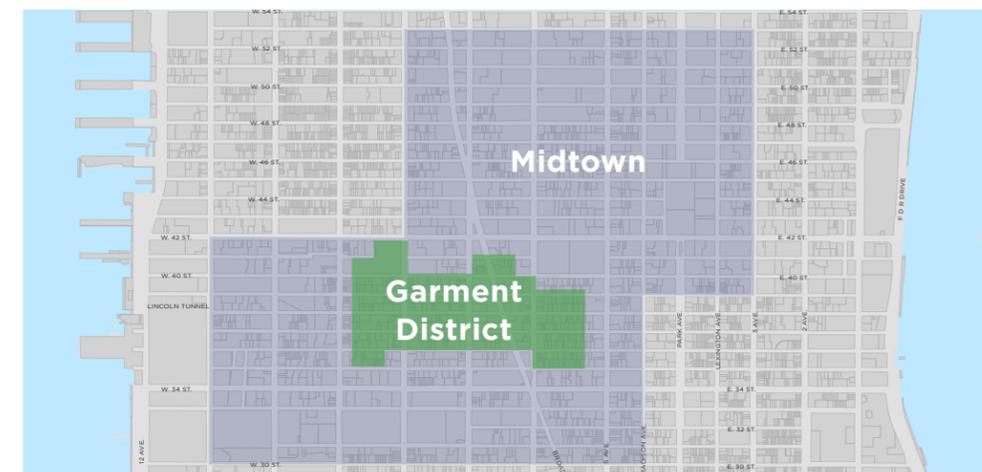
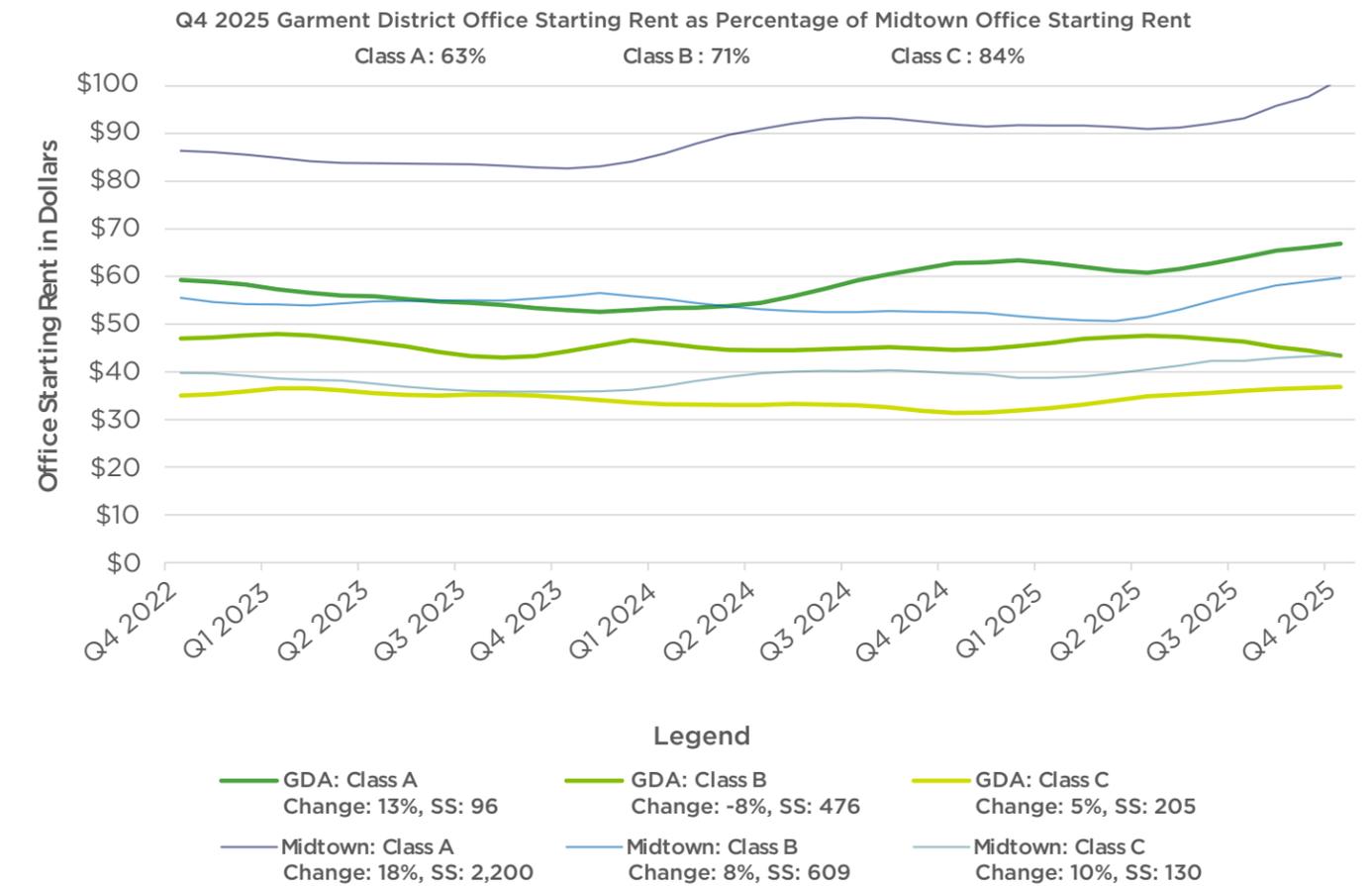
“New York City has been leading the office recovery nationwide since 2024: Office leasing reached 33.9 million square feet in the first three quarters of 2025, the highest since 2019, and both Midtown and Midtown South office leasing have fully recovered to pre-pandemic levels. Citywide office vacancy has now declined for four out of the past six quarters, falling from 15.6% in Q1 2024 to 14.7% in Q3 2025. The New York City metro area leads all national metros in net office absorption over the past six quarters, meaning more square feet were leased than vacated here compared to all other metros.” -page 9, EDC 2025 State of the Economy

The main benefactor of this recovery has been Trophy and Class A office space that attract large corporations seeking premium space. While the Garment District has 50% of Midtown Manhattan’s Class C office space, and thus has benefited less from this recovery, it has still seen improvement across all metrics. Office availability and vacancy rates both decreased in Q4 2025, while market asking rents increased consistently in 2024 and 2025, according to CoStar.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



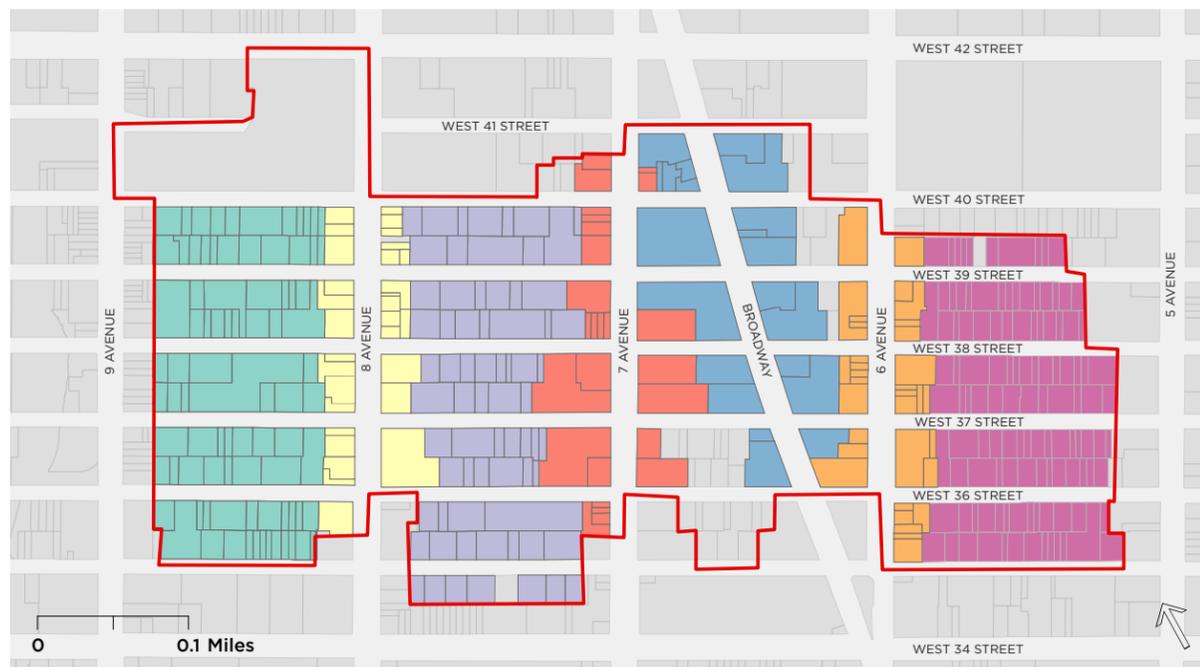
GDA VS MIDTOWN STARTING OFFICE RENTS BY BUILDING CLASS



OFFICE

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Dec 2023 (\$/SF)	Dec 2024 (\$/SF)	Dec 2025 (\$/SF)	2-yr. Change
8th-9th Ave Side Streets	74	\$34.34	\$36.81	\$36.62	+6.6%
Eighth Avenue	55	\$36.44	\$36.07	\$36.18	-0.7%
7th-8th Ave Side Streets	130	\$32.41	\$36.21	\$36.14	+11.5%
Seventh Avenue	83	\$44.93	\$48.36	\$51.12	+13.8%
Broadway	210	\$45.66	\$53.42	\$55.31	+21.1%
Sixth Avenue	65	\$78.63	\$61.36	\$55.86	-29.0%
5th-6th Ave Side Streets	74	\$46.15	\$32.13	\$41.55	-10.0%
District Average	777	\$42.10	\$43.49	\$46.99	+11.6%



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



Assortment of pastries at Salswee, a new Korean bakery at 1407 Broadway

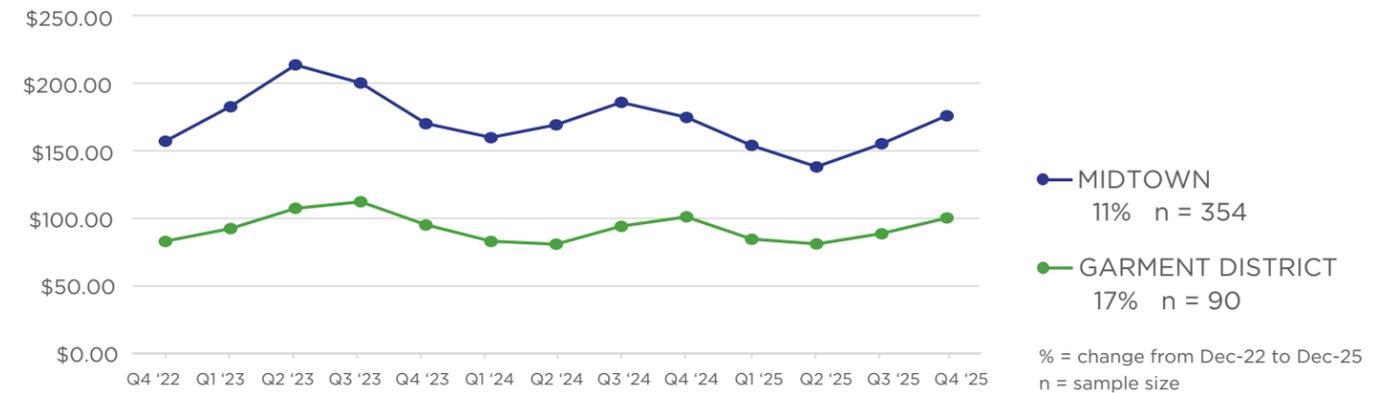
KEY INSIGHTS

In Q4 2025, Garment District starting retail rents rose, up 11% over the past three years. When compared with the broader Midtown Market, the district's rents were 43% below average, making the neighborhood a competitive and affordable place to do business. Despite this, the neighborhood experienced high rates of turnover as a dozen garment stores, retailers, and small restaurants closed their doors in Q4. Tariffs, chain store bankruptcy, economic uncertainty, and e-commerce have all contributed to this decline.

In their place, grab-and-go chain restaurants have opened. Three new leases for this type of use were signed in Q4 2025, continuing a longer trend of restaurant growth in the neighborhood. **Springbone Kitchen** is coming to 1400 Broadway, **Bondi Sushi** is coming to 350 West 37th Street, and **Jersey Mikes** is coming to 612 8th Ave.

However, the district is still struggling when compared with Midtown as a whole. Cushman & Wakefield announced that overall retail availability rates hit a 10-year low across Manhattan. The Garment District has not seen similar growth, despite recovering well from pandemic-related vacancy. Retail vacancy hit 17.6% in Q4 2025 according to CoStar, the highest on record. These vacancies are distributed across the district, as shown on page eight and nine. The discrepancy between the high retail vacancy rate and a decrease in retail vacancy tracked by the Alliance can be attributed to upper-floor retail leases which the Alliance does not track.

MIDTOWN VS GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



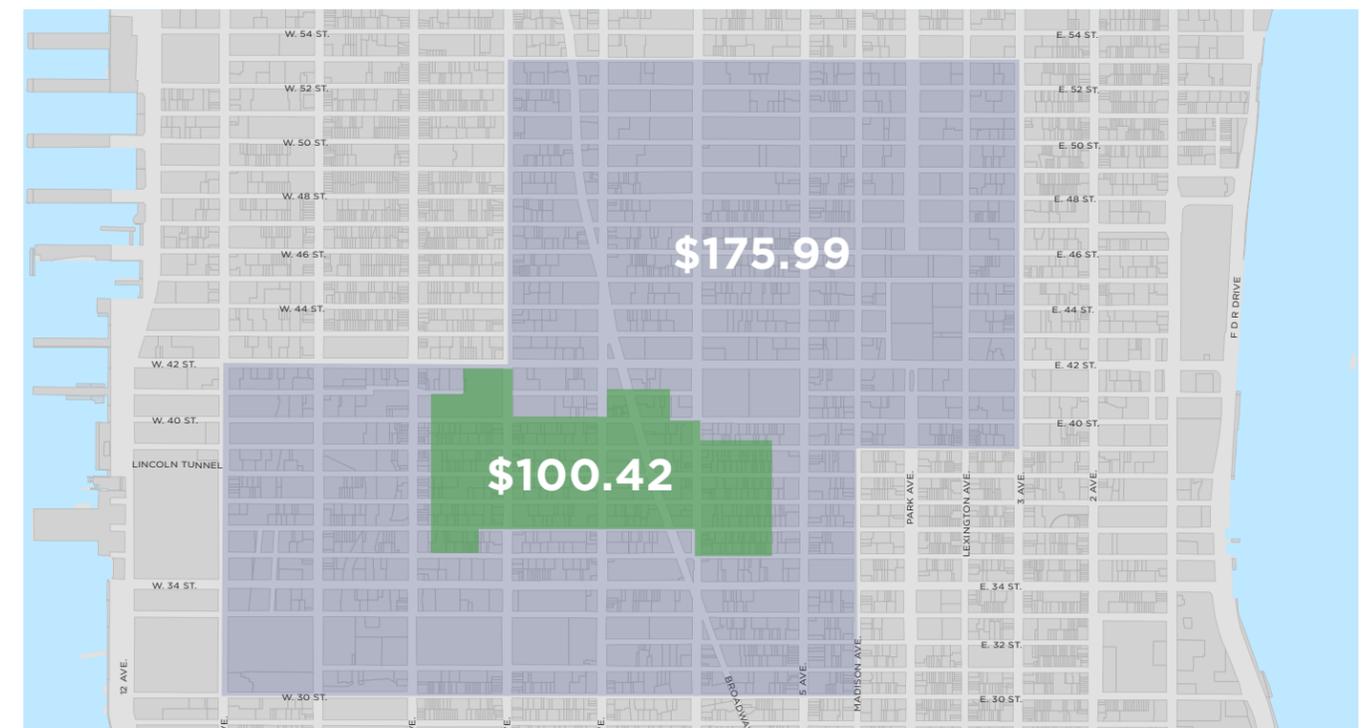
Source: CompStak, Inc., 3-month moving averages

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



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

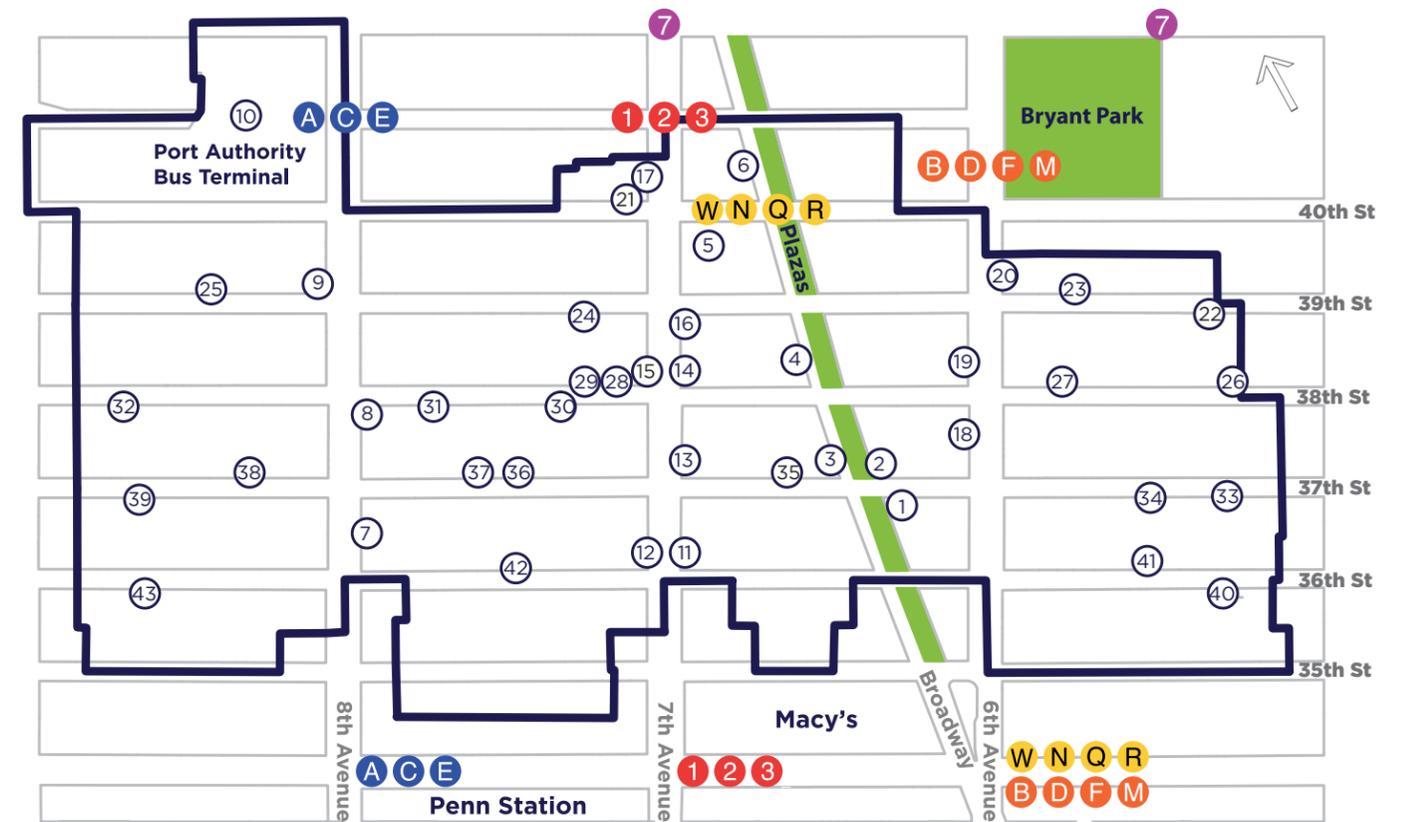
AVERAGE STARTING RETAIL RENTS PER SF, DECEMBER 2025



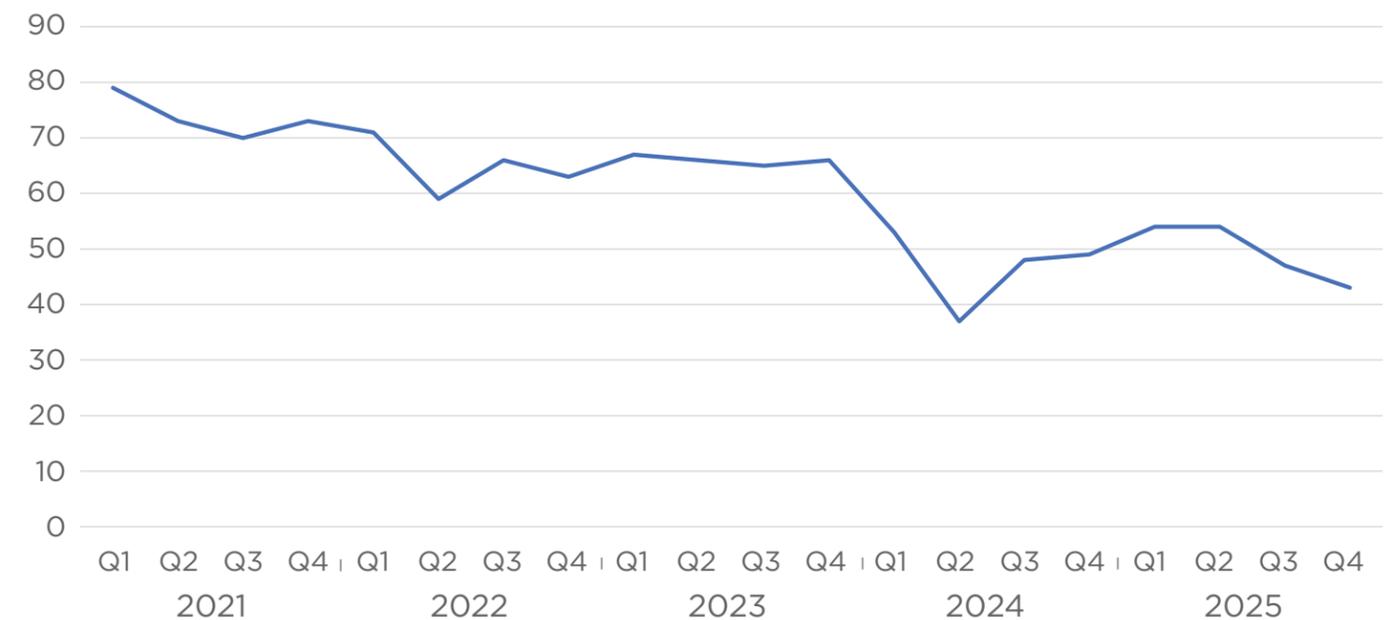
Source: CompStak, Inc.

RETAIL VACANCIES

1. 1370 BROADWAY 7,774 - 12,722 SF KASSIN SABBAGH REALTY	13. 501 SEVENTH AVENUE 1,114 - 8,218 SF RIPCO REAL ESTATE	25. 323 WEST 39TH STREET 2,500 - 5,672 SF ART STATE	37. 241 WEST 37TH STREET 1,220 - 3,970 SF KASSIN SABBAGH REALTY
2. 1372 BROADWAY 1,779 - 6,161 SF JLL	14. 525 SEVENTH AVENUE 1,600 SF OLMSTEAD PROPERTIES	26. 13 WEST 38TH STREET 2,850 SF BESEN PARTNERS	38. 321 WEST 37TH STREET 4,080 SF KASSIN SABBAGH REALTY
3. 1375 BROADWAY 3,000 SF KASSIN SABBAGH REALTY	15. 526 SEVENTH AVENUE 440 - 880 SF GINDI REALTY ADVISORS	27. 57 WEST 38TH STREET 5,540 SF NEWMARK	39. 336 WEST 37TH STREET 3,500 SF REQCE
4. 1407 BROADWAY 1,306 - 10,627 SF JLL	16. 535 SEVENTH AVENUE 4,473 - 6,710 SF JLL	28. 203 WEST 38TH STREET 2,500 - 7,500 SF REQCE	40. 20 WEST 36TH STREET 6,894 SF CBRE
5. 1411 BROADWAY 681 - 1,439 SF JLL	17. 566 SEVENTH AVENUE 6,500 SF PLATINUM PROPERTIES	29. 209 WEST 38TH STREET 3,076 SF RTL REAL ESTATE	41. 25 WEST 36TH STREET 902 - 3,400 SF KASSIN SABBAGH REALTY
6. 1435 BROADWAY 1,400 SF SOLIL MANAGEMENT	18. 1013 SIXTH AVENUE 1,103 SF ADAMS & COMPANY	30. 228 WEST 38TH STREET 9,800 SF RTL REAL ESTATE	42. 241 WEST 36TH STREET 6,646 SF CORCORAN
7. 520 EIGHTH AVENUE 1,798 SF GFP REAL ESTATE	19. 1025 SIXTH AVENUE 3,656 SF RESOLUTION REAL ESTATE	31. 256 WEST 38TH STREET 727 - 2,967 SF KASSIN SABBAGH REALTY	43. 348 WEST 36TH STREET 2,300 SF ELEGAN CAPITAL & ADVISORY
8. 554 EIGHTH AVENUE 2,560 - 27,644 SF RETAIL BY MONA	20. 1040 SIXTH AVENUE 2,255 SF NEWMARK	32. 344 WEST 38TH STREET 2,000 SF CURRENT RE	
9. 601 EIGHTH AVENUE 8,100 SF TRISTATE CR	21. 207 WEST 40TH STREET 600 - 6,000 SF KASSIN SABBAGH REALTY	33. 16 WEST 37TH STREET 1,450 SF JBA REAL ESTATE	
10. 625 EIGHTH AVENUE 196 - 27,875 SF JRT REALTY	22. 18 WEST 39TH STREET 3,500 SF LEE & ASSOCIATES	34. 36 WEST 37TH STREET 4,000 SF MERIDIAN CAPITAL GROUP	
11. 485 SEVENTH AVENUE 600 SF KASSIN SABBAGH REALTY	23. 43 WEST 39TH STREET 506 - 4,000 SF EXP COMMERCIAL	35. 131 WEST 37TH STREET 400 - 900 SF KASSIN SABBAGH REALTY	
12. 488 SEVENTH AVENUE 1,600 SF INTERNATIONAL PROMISE REALTY	24. 214 WEST 39TH STREET 4,935 SF NEWMARK	36. 237 WEST 37TH STREET 4,000 SF KASSIN SABBAGH REALTY	



GDA GROUND FLOOR RETAIL VACANCIES, 2021 - 2025



A crowded Eighth Avenue during rush hour

KEY INSIGHTS

Hotel performance continued to improve in 2025 with a consistent year-over-year increase in revenue per available room, occupancy, and average daily rate. These gains reflect the affordability and prime location of the Garment District’s 53 hotels and 12,220 rooms.

The district’s hotels performed exceptionally well in Q4 2025, hosting 988,577 stays and generating \$375,671,000 in revenue, up 6.5% from Q4 2024. This growth defied negative tourism projections for 2025. New York City Tourism + Conventions predicted two million fewer visitors than anticipated for 2025, while the Partnership for New York City found that luxury hotels—of which there are few in the district—outperformed all other hotels in 2025.

High demand for affordable Midtown hotels is expected to fill up new supply currently under construction. Three new hotels at 58 W 39th Street, 36 W 38th Street, and 515 7th Ave, are expected to add 628 rooms once completed.

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

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Dec 2024	Dec 2025	Pct. Change	Dec 2024	Dec 2025	Sep 2024	Sep 2025
Garment District	\$246	\$261	+6.0%	90.0%	91.2%	\$273	\$286
Midtown South*	\$382	\$410	+7.2%	90.3%	90.4%	\$424	\$453
Midtown East	\$472	\$538	+13.9%	87.0%	88.0%	\$543	\$612
Midtown West/Times Square*	\$458	\$495	+8.2%	90.0%	91.6%	\$509	\$541
Financial District	\$354	\$390	+10.0%	86.3%	89.2%	\$410	\$436
Uptown	\$503	\$528	+5.1%	83.2%	81.7%	\$604	\$646
Village/SoHo/Tribeca	\$400	\$421	+5.4%	87%	85.6%	\$459	\$492

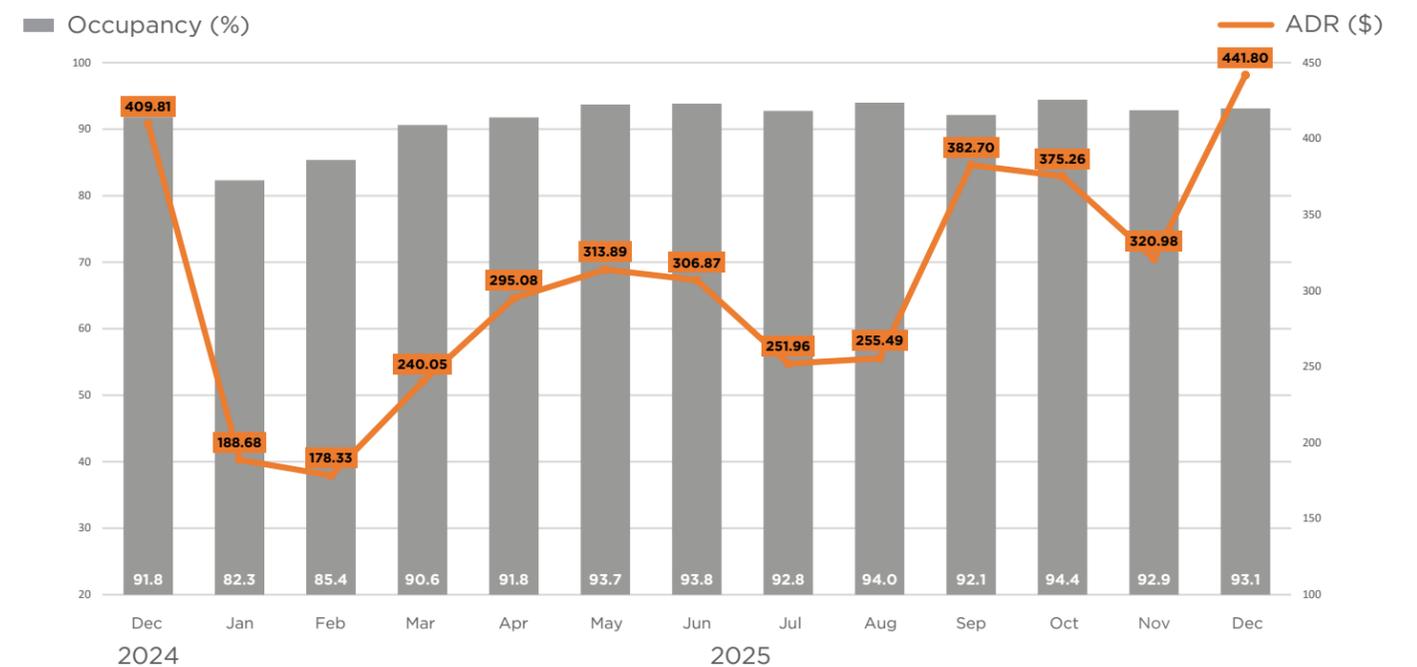
* Neighborhoods include portions of the Garment District

Source: STR



Inside Everyday, a new grab-and-go concept from the owners of Cho Dong Gol

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



Source: STR

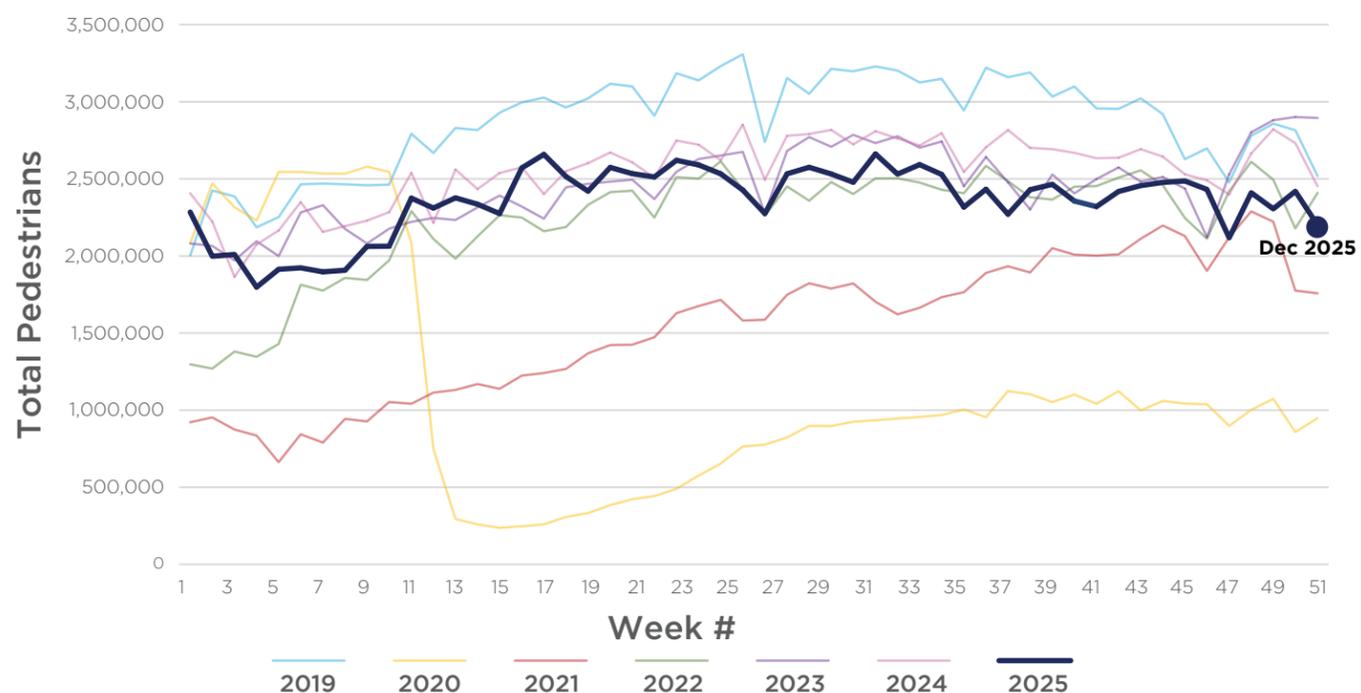
KEY INSIGHTS

Pedestrian counts for Q4 2025 are 85% of 2019 volumes and 90% of 2024 volumes. However, the Alliance believes these numbers to be an underestimate. Pedestrian data were collected from mounted Springboard cameras at key intersections across the District. Camera outages in Q4 2025 caused by extreme weather, scaffolding at key intersections, and technical issues have all suppressed counts.

Across Manhattan, NYC DOT observed foot traffic at 90% of pre-pandemic levels. In Midtown South's retail corridors, observed counts reached 128% of pre-pandemic levels, according to the Partnership for New York City. These counts align with a known increase in the Garment District's ground floor retail leases, office attendance above pre-pandemic levels, record-high transit ridership, and an increase in hotel occupancy.

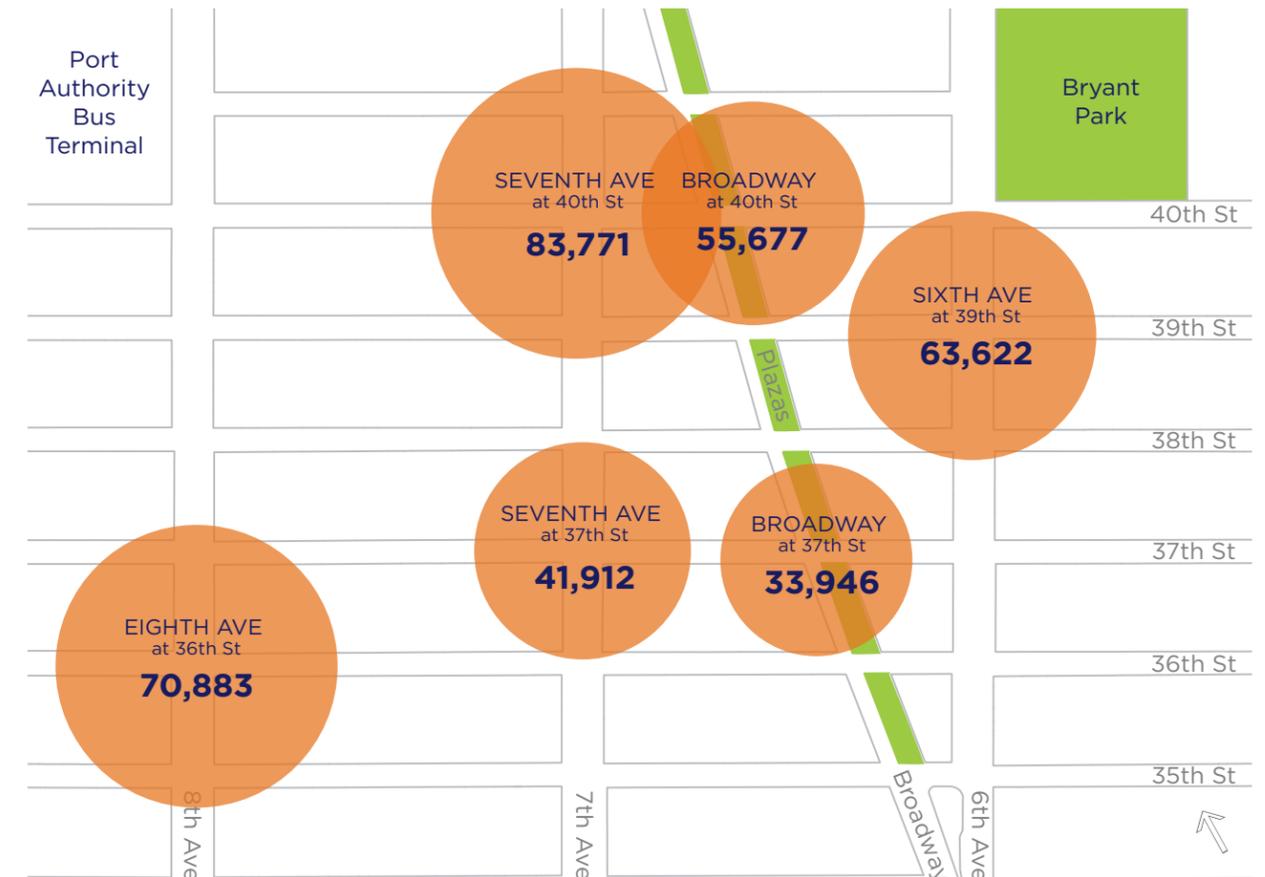
The only metric suggesting lower pedestrian counts is a 7% year-over-year decline in travelers to NYC metro airports. This reflects a 24% decline in visitors from Canada, and an increase in domestic tourism in Q4 2025 per the NYC Comptroller's Office. The New York City Tourism + Conventions echoed these claims, observing a 5% weakening in international tourism, equal to 2.3 million fewer visitors than anticipated in 2025. These decreases did not seem to impact Garment District hotels as occupancy increased by 1.3% year-over-year.

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, OCT - DEC 2025



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



Pedestrians watch the "Dressing the Roots" fashion show on Broadway

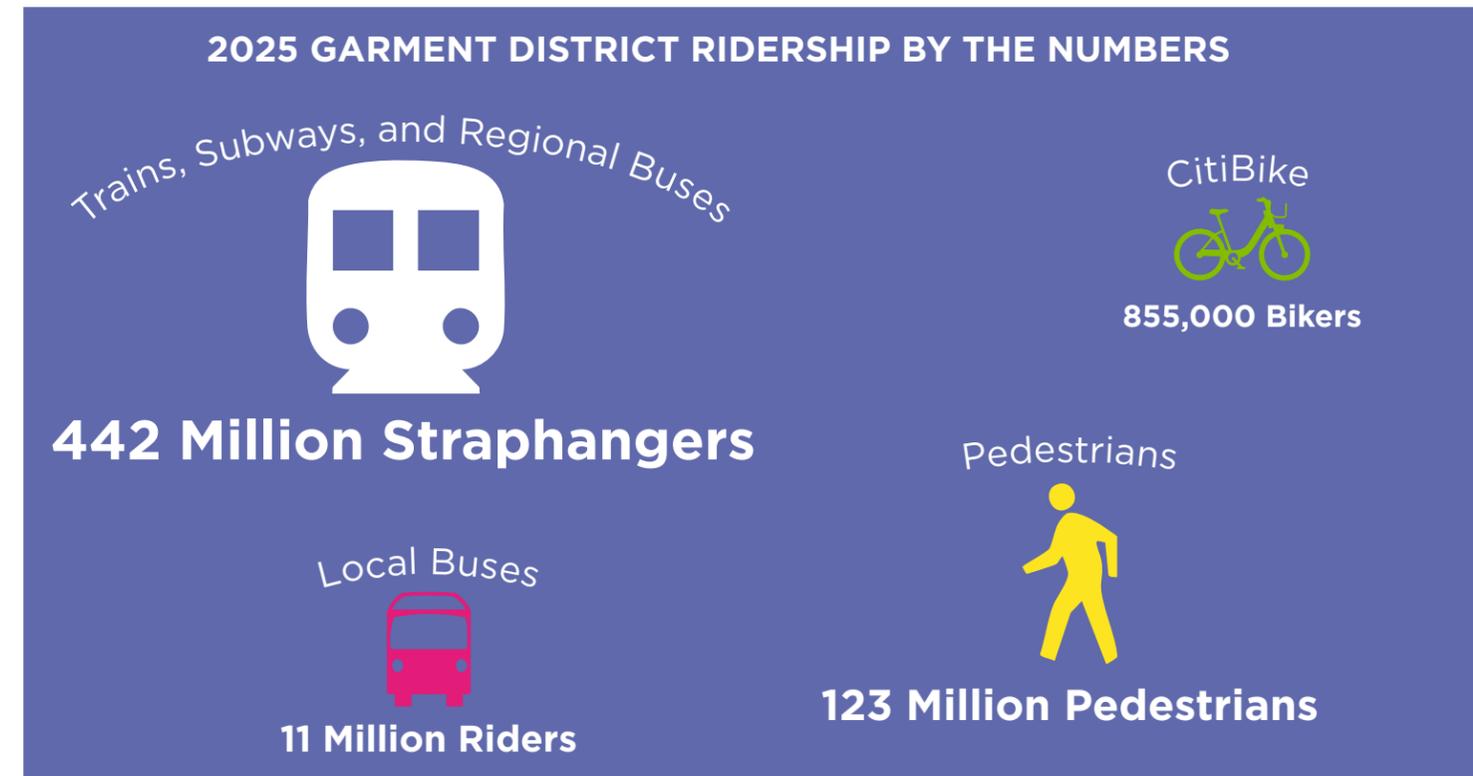
KEY INSIGHTS

- » Post-pandemic mobility recovery has continued to improve steadily across all modalities except pedestrian counts.
- » The 7% drop in pedestrian counts reflects a decrease in international tourism, and camera outages under counting pedestrians at some intersections.
- » Subway and bus usage are both up from 2020, but still remain around 75% of 2019 levels. Collectively these forms of local transit brought 139,000,000 people to the Garment District in 2025.
- » Port Authority Bus Terminal, Penn Station, and Moynihan Train Hall continue to collectively facilitate around 860,000 daily trips, amounting to 313,900,000 trips in 2025.
- » CitiBike usage across the district continues to grow, up 75% compared to pre-pandemic usage.
- » The Garment District is well served by bikes lanes on 6th, 7th, and 8th Avenues, Broadway, and West 40th, 39th, and 38th Streets. All but two of these are protected, offering safe space for bikers to commute, deliver, and recreate.
- » The Alliance will begin tracking vehicle and bicycle counts at key intersections to better understand bike lane use and the impact of congestion pricing on the neighborhood.
- » Pedestrian data was collected from Garment District Springboard cameras which undercount pedestrians due to scaffolding, weather, or other obstructions. Subway and bus data were collected from NYS Open Data MTA hourly ridership, and represent an undercount due to fare evaders. CitiBike Data was collected from system trip data. Regional hubs like PABT and Penn Station use unofficial annual ridership estimates released by these organizations.

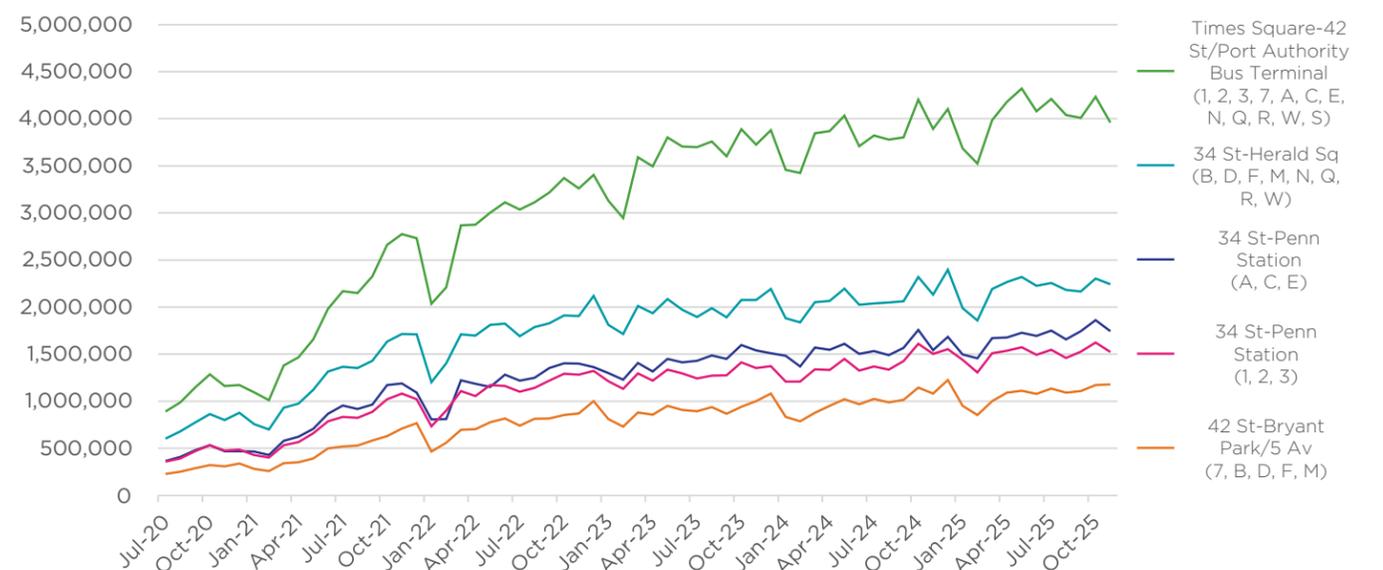
GARMENT DISTRICT MOBILITY RIDERSHIP, 2019 - 2025

Mobility Modality	2019	2020	2021	2022	2023	2024	2025	1 Year Change	2019 Change	2020 Change
Pedestrians	140,000,000	59,000,000	79,000,000	115,000,000	127,000,000	132,000,000	123,000,000	-7%	-17%	108%
Subway Stations	171,000,000	55,000,000	63,000,000	93,000,000	110,000,000	118,000,000	128,000,000	8%	-25%	133%
Bus Routes	15,500,000	7,500,000	8,000,000	9,500,000	10,500,000	10,800,000	11,000,000	2%	-29%	47%
CitiBike	489,000	273,000	455,000	634,000	657,000	825,000	855,000	4%	75%	213%

Numbers rounded to three significant figures



MONTHLY SUBWAY STATION RIDERSHIP, 2020 - 2025



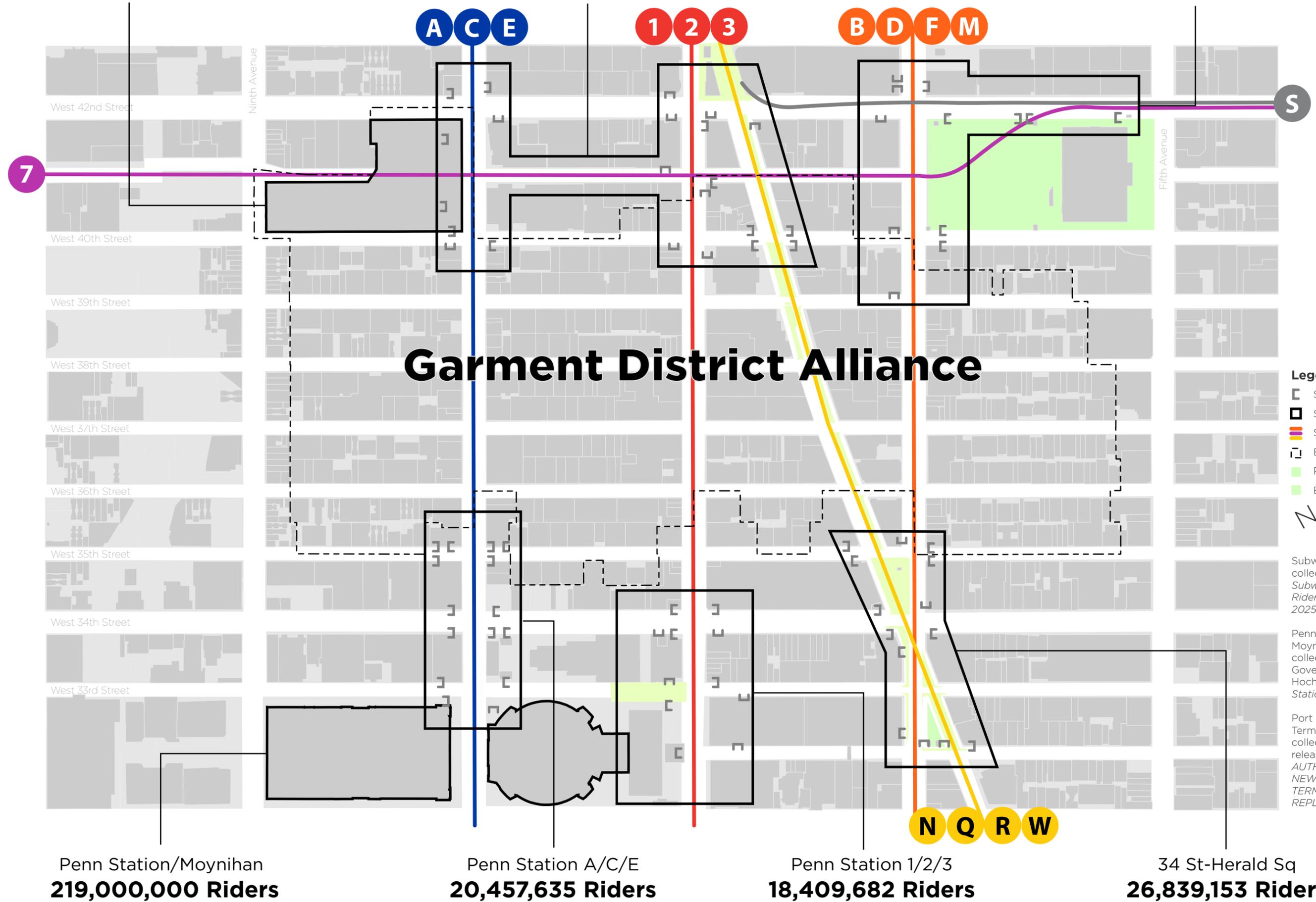
Source: MTA Hourly ridership

Garment District Transit Ridership, 2025

Port Authority Bus Terminal
94,900,000 Riders

Times Square-42 St
48,998,097 Riders

Bryant Park/5th Av
13,296,858 Riders



Legend

- Subway Entrance
- Station Footprint
- Subway Line
- BID Boundary
- Park or Plaza
- Building Footprint

300 feet

Subway ridership collected from MTA Subway Hourly Ridership Beginning 2025;

Penn Station and Moynihan ridership collected from Governor Kathy Hochul's A New Penn Station;

Port Authority Bus Terminal ridership collected from press release PORT AUTHORITY UNVEILS NEW PLAN FOR BUS TERMINAL REPLACEMENT

2025 Bus Total: 11,234,689

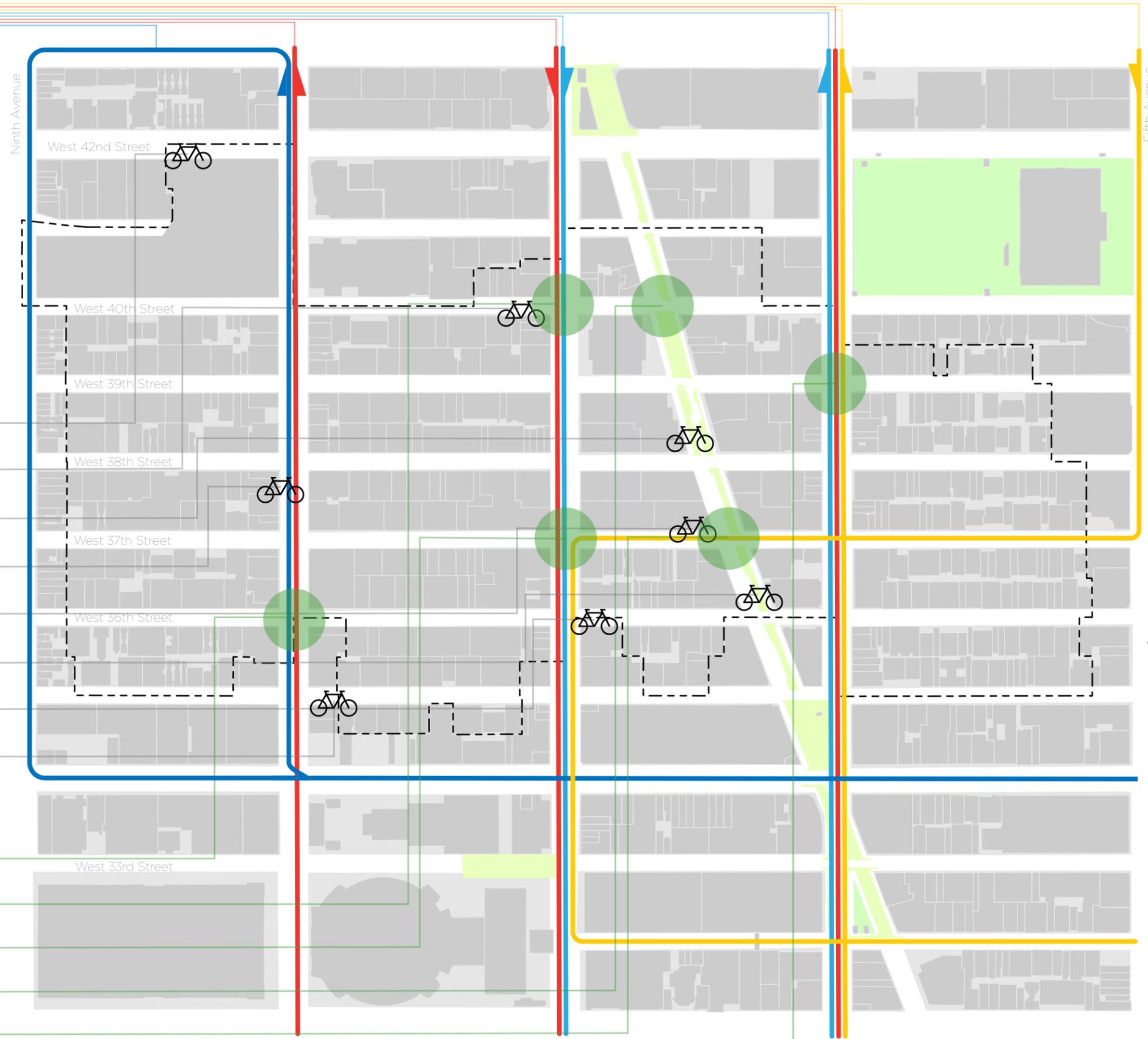
- 690,894 Riders M55
- 2,059,339 Riders M5
- 2,908,705 Riders Q32
- 3,183,748 Riders M7
- 571,283 Riders M20
- 1,820,720 Riders M34A+

2025 CitiBike Total: 855,787

- 120,488 Bikers 8 Ave & 42 St
- 96,794 Bikers 7 Ave & 40 St
- 131,620 Bikers Bway & 38 St
- 207,944 Bikers 8 Ave & 38 St
- 84,620 Bikers Bway & 37 St
- 51,257 Bikers Bway & 36 St
- 87,656 Bikers 7 Ave & 36 St
- 75,408 Bikers 8 Ave & 35 St

2025 Ped Total: 123,285,041

- 25,647,536 Peds 8 Ave & 36 St
- 29,871,579 Peds 7 Ave & 40 St
- 15,202,020 Peds 7 Ave & 37 St
- 20,288,695 Peds Bway & 40 St
- 12,244,919 Peds Bway & 37 St
- 20,030,292 Peds 6 Ave & 39 St



Legend

- Pedestrian Counter
- 🚲 CitiBike Dock
- Bus Line
- BID Boundary
- Park or Plaza
- Building Footprint

N 300 feet

Bus ridership collected from *MTA Bus Hourly Ridership: Beginning 2025*;

Pedestrian counts collected through MRI OnLocation cameras. Numbers are under counted due to offline cameras and view obstructions;

CitiBike ridership collected from *2025 CitiBike Tripdata*.



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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: A Busy 8th Avenue
Back: "Dressing the Roots" by Steve Tobin and B Michael
Photos by Alexandre Ayer unless otherwise noted

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