

Quarterly Economic Report

Q2 2026

by the Garment District Alliance

OFFICE

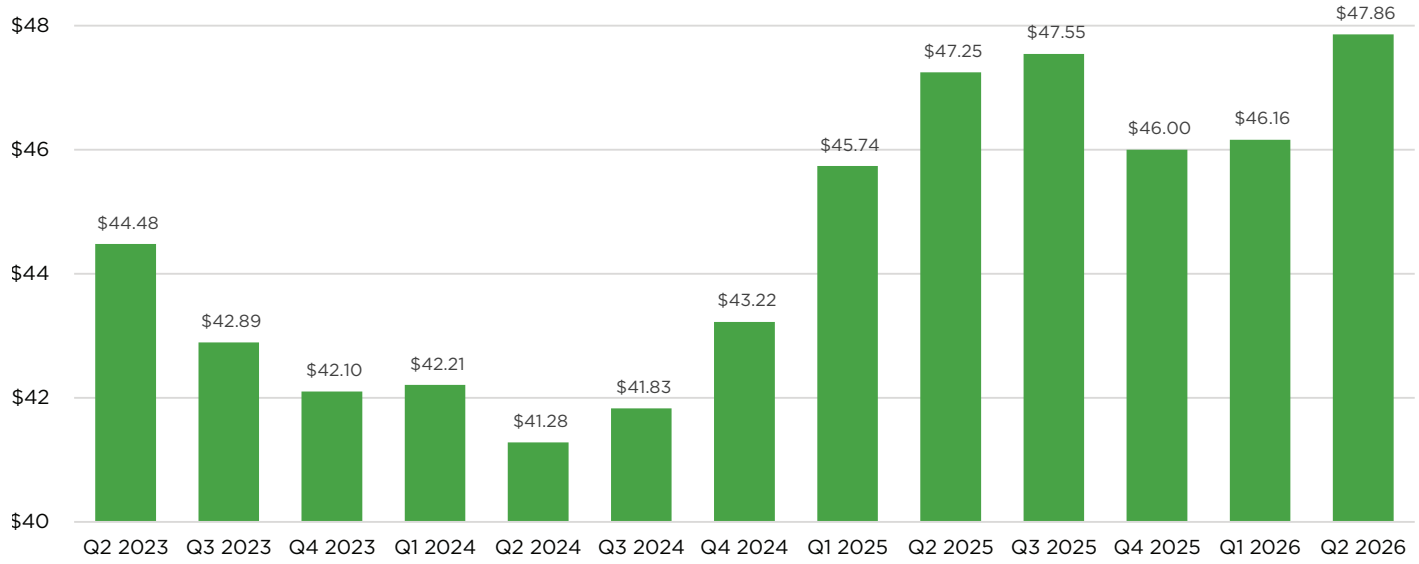
KEY INSIGHTS

Q2 2026 saw 529,000 SQFT of office space leased in the district. Availability rates dropped for the fifth consecutive quarter to 13.1%, just 1.7% above the broader Midtown office availability rate of 12.0% per CoStar. In Q2 2025, this difference was 2.4%. This shrinking gap is a positive sign that, as class A space fills up across Midtown, more prospective lessees are looking to the Garment District's class B and C spaces as viable alternatives. Cushman & Wakefield, Colliers, and Avison Young all expect this demand to continue in coming quarters, which would mean more office leases in the district as supply increasingly tightens.

The GDA is cautious about how this leasing translates into actual economic activity. The majority of firms have settled into a hybrid work schedule. This is reflected in Monday and Friday pedestrian volumes sitting at 88% of Tuesday, Wednesday, and Thursday pedestrian volumes - an average loss of 70,000 pedestrians per remote day. During a GDA survey of district tenants, a majority of firms were identified as hybrid or remote, only using their office space for meetings, mail, and storage. Considering the Garment District is the densest commercial district in the country, this change in work patterns has a profound impact on retail mix and survival.

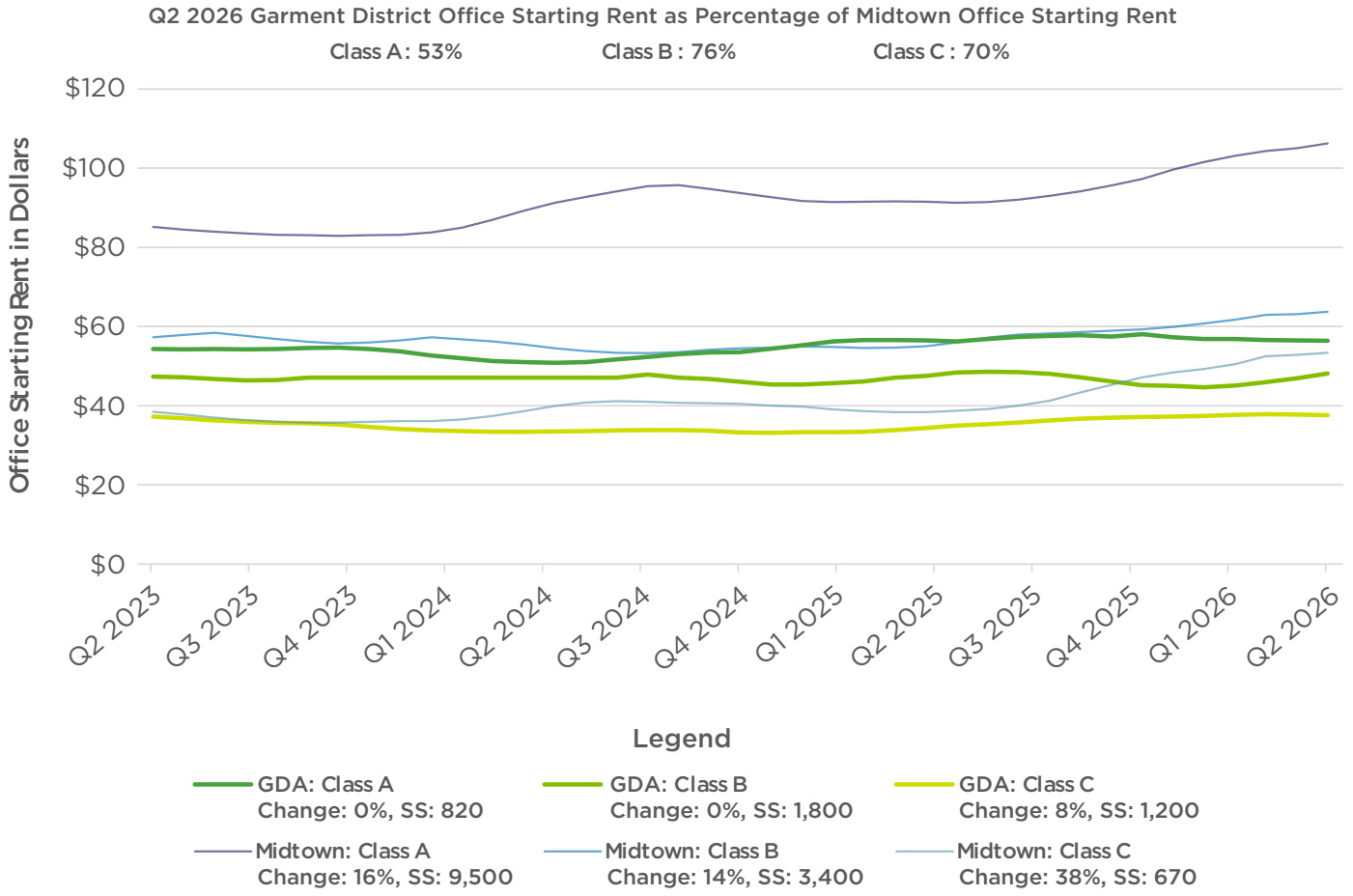
Several large leases were signed in Q2 according to CoStar and CompStak. NYC Alliance, the apparel company behind brands like Juicy Couture and Frye, signed a long-term 50,000 SQFT lease at 1441 Broadway. Decor Global, a design firm, leased 7,000 SQFT at 231 West 39th Street. Content creation platform Spotter signed a 17,000 SQFT lease at 25 West 39th Street. Serino Coyne relocated from 1275 Sixth Ave to a 17,000 SQFT space in 1450 Broadway, signing a 11 year lease. The Schubert Organization expanded their space in 520 Eighth Ave with 14,500 SQFT of new space.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF

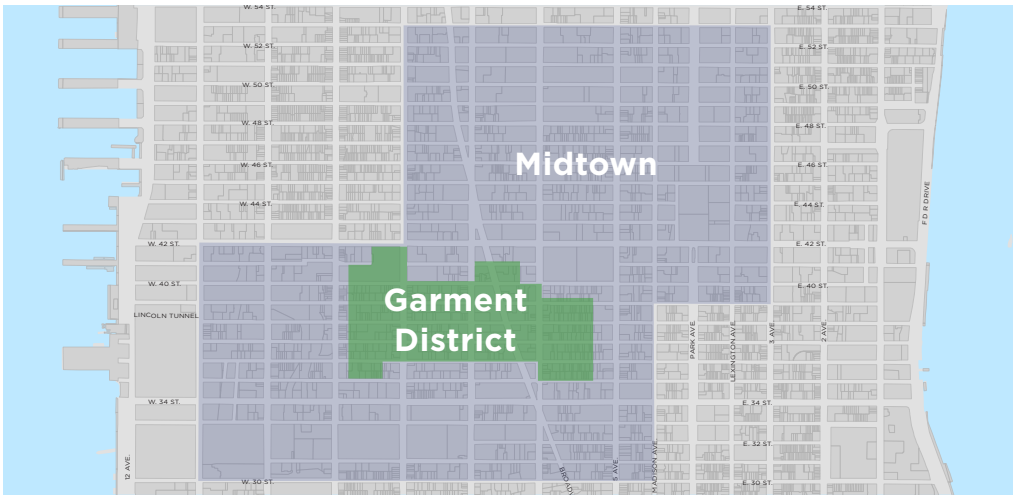


Source: CompStak, Inc., 3-month moving averages

GDA VS MIDTOWN STARTING OFFICE RENTS BY BUILDING CLASS



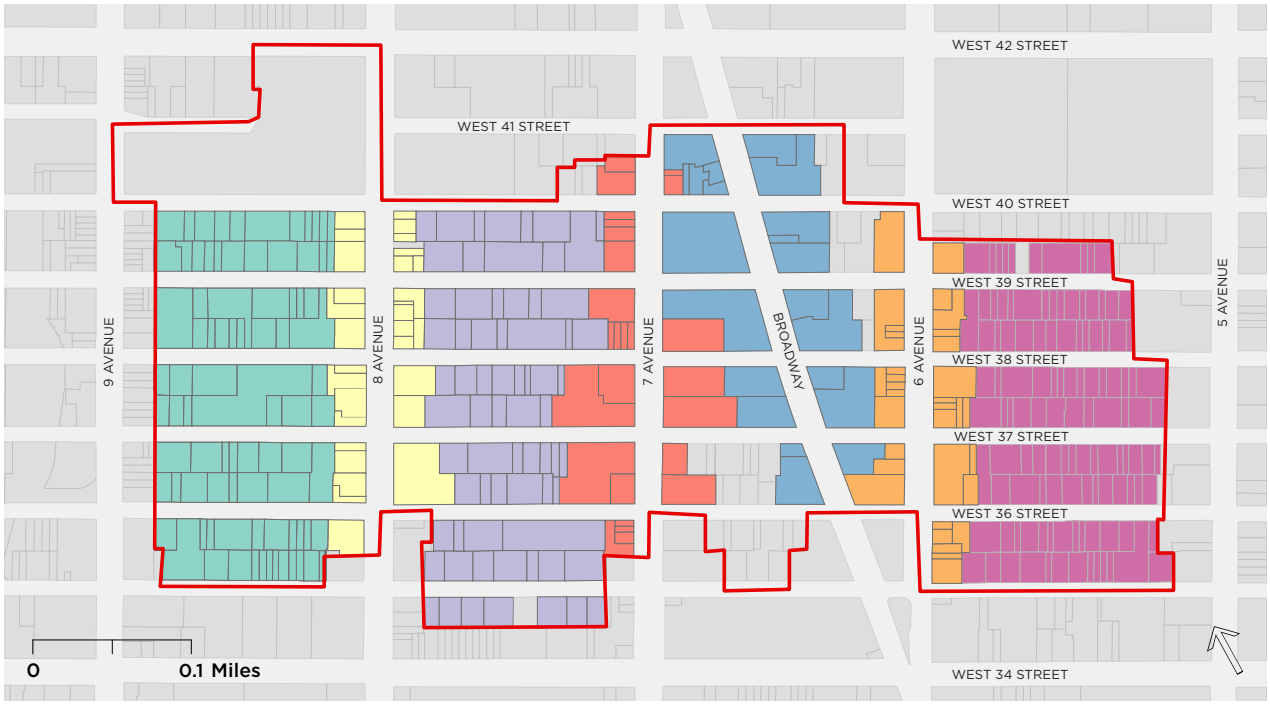
Source: CompStak, Inc., 3-month moving averages
Change is measured as the percent change from Q2 2025 to Q2 2026
SS represents the total lease sample size for each class and geography



OFFICE

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Jun 2024 ($/SF)	Jun 2025 ($/SF)	Jun 2026 ($/SF)	2-yr. Change
8th-9th Ave Side Streets	54	$35.35	$37.69	$37.83	+4.2%
Eighth Avenue	41	$35.50	$33.58	$42.49	+19.6%
7th-8th Ave Side Streets	123	$33.84	$37.84	$37.43	+10.6%
Seventh Avenue	75	$49.07	$52.32	$57.88	+17.9%
Broadway	204	$48.36	$55.83	$51.40	+6.3%
Sixth Avenue	61	$64.63	$57.69	$63.16	-2.3%
5th-6th Ave Side Streets	76	$45.79	$36.96	$43.75	-4.4%
District Average	**714**	**$41.28**	**$47.24**	**$46.34**	**+12.2%**



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



People walking along Runway Routine, the GDA's Urban Garden asphalt mural designed by Cazorla + Saleme

RETAIL

KEY INSIGHTS

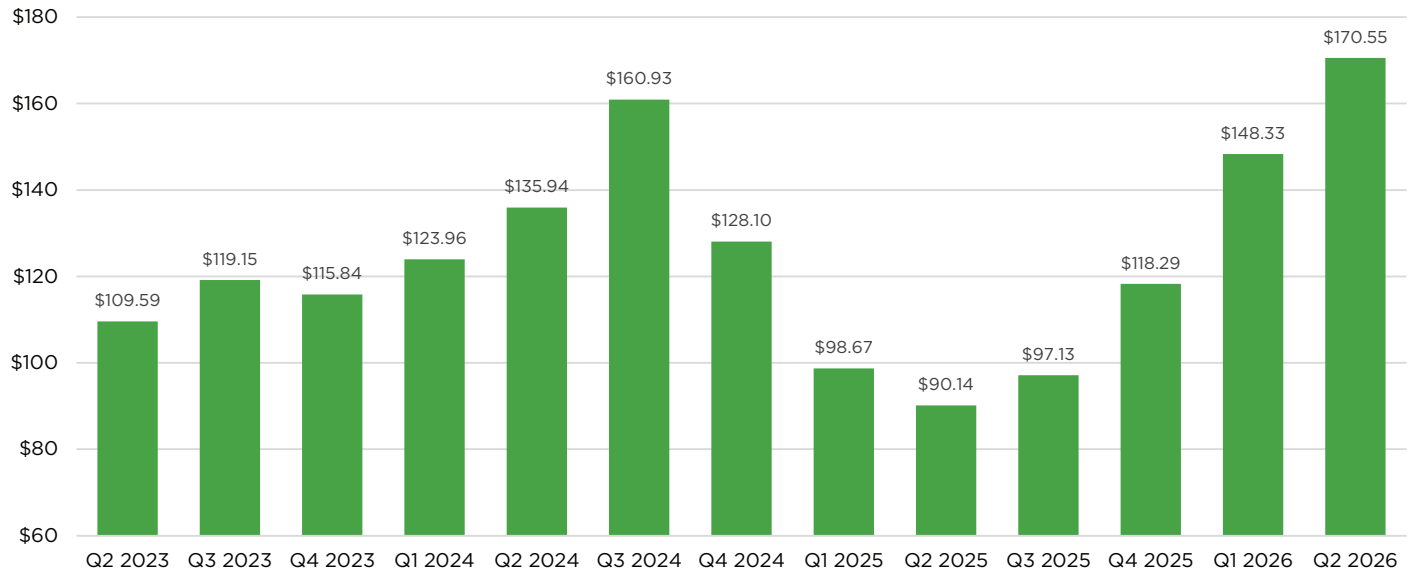
Q2 saw continued retail leasing momentum with 41 overall availabilities, down by 13 compared to Q2 2025. The Manhattan-wide tightening of the prime retail market to a record low of 11.9%, per JLL, drove average starting rents up. This boon was especially felt in the district, with new retail leases being signed above past starting rent rates.

The majority of new leases were by tourist-oriented restaurants. Pizza and bagel restaurants represent 33% of the new leases signed, continuing the shift of ground floor retail from fashion towards tourism; there are now 11 bagel restaurants and 23 pizza restaurants in the district.

A June 2026 retail vacancy report from the Comptroller found that even with post-pandemic retail recovery, vacancy rates are still higher than pre-pandemic levels. Arts, cultural, and fashion businesses had some of the highest vacancy rates. Restaurants faced similarly high levels of closure and vacancy, but also saw the highest volume of new openings. These macro-trends are strongly reflected in retail churn across the district.

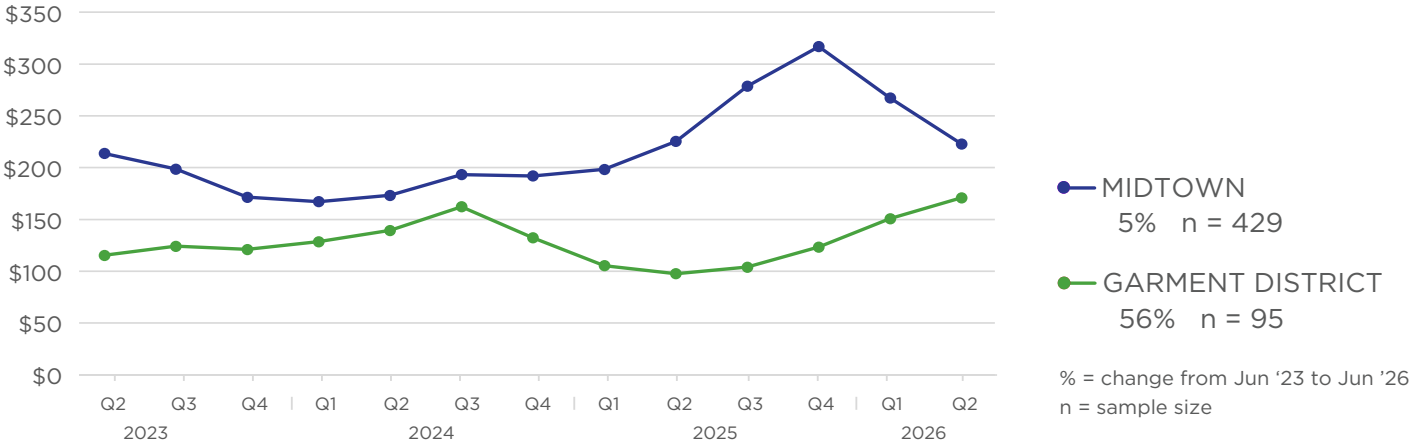
Retail sales across the district continue to excel. In June 2026, overall sales were up 16% compared to Q2 2025 across a sample of 48 hotel, food, and retail chains in the district, largely due to a 5.2% increase in overall customers year over year, per CenterCheck. This number is expected to increase for July, reflecting the boom in tourism around the World Cup.

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



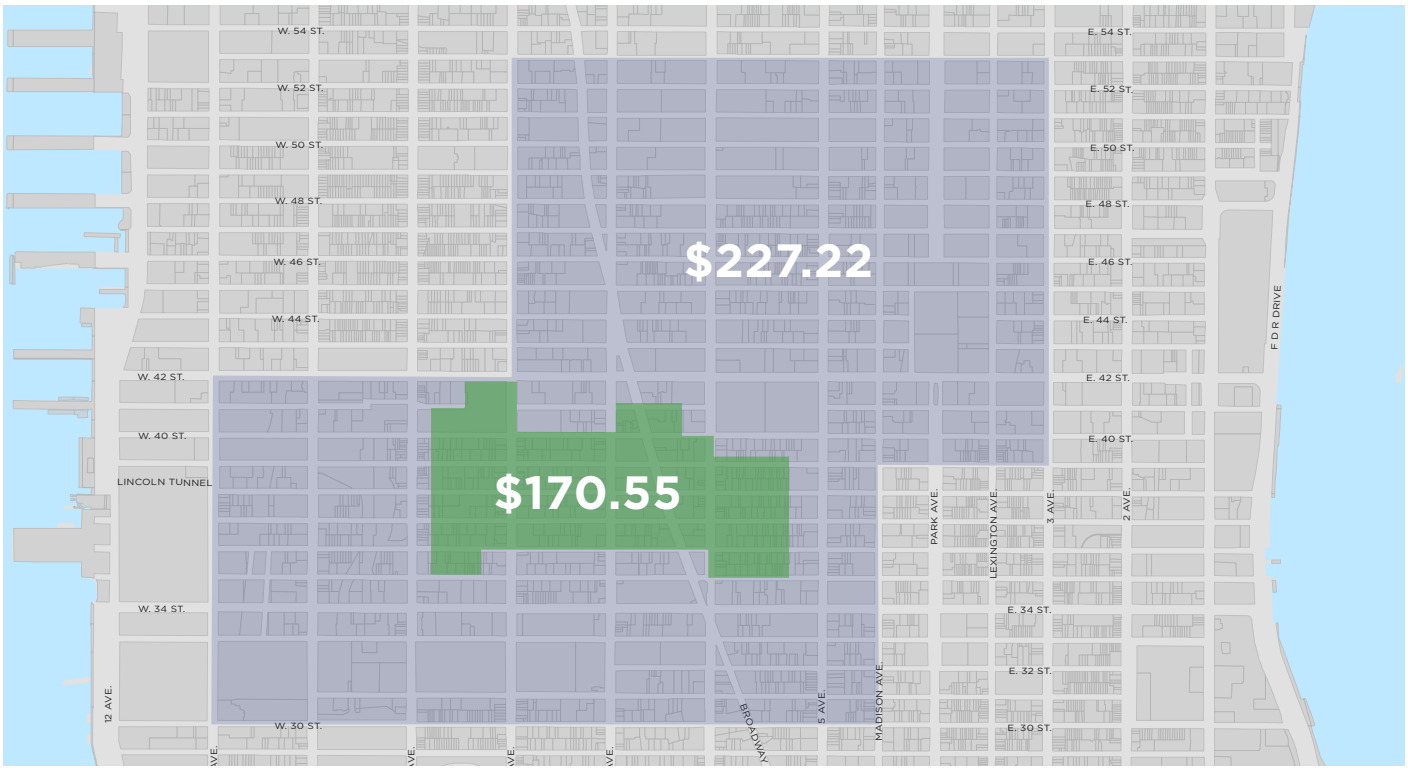
Source: CompStak, Inc., 3-month moving averages

MIDTOWN VS GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



Source: CompStak, Inc., 3-month moving averages
Outlier leases over $1,000/SQFT were removed for comparison

AVERAGE STARTING RETAIL RENTS PER SF, JUNE 2026



Source: CompStak, Inc.

RETAIL AVAILABILITIES

1. 485 SEVENTH AVENUE
600 SF
KSR

2. 501 SEVENTH AVENUE
4,585 SF
RIPCO REAL ESTATE

3. 515 SEVENTH AVENUE
17,460 SF
RTL

4. 526 SEVENTH AVENUE
880 SF
KSR

5. 560 SEVENTH AVENUE
734 - 9,934 SF
JLL

6. 601 EIGHTH AVENUE
2,421 - 19,501 SF
MRG

7. 625 EIGHTH AVENUE
1,116 - 9,431 SF
CBRE/JRT/CUSHMAN & WAKEFIELD

8. 1372 BROADWAY
1,779 - 6,161 SF
JLL

9. 1375 BROADWAY
2,080 SF
KSR

10. 1407 BROADWAY
1,231 - 10,627 SF
JLL

11. 1411 BROADWAY
681 - 1,439 SF
JLL

12. 1435 BROADWAY
1,400 SF
SOLIL MANAGEMENT

13. 224 WEST 35TH STREET
1,250 SF
BULLARO PROPERTIES

14. 254 WEST 35TH STREET
2,000 - 5,500 SF
MOD

15. 25 WEST 36TH STREET
6,226 SF
KSR

16. 28 WEST 36TH STREET
1,809 SF
KSR

17. 124 WEST 36TH STREET
1,000 - 2,200 SF
METROPOLITAN PROPERTY GROUP

18. 241 WEST 36TH STREET
6,646 SF
CORCORAN

19. 314 WEST 36TH STREET
981 SF
VIEW RESIDENTIAL, LLC

20. 348 WEST 36TH STREET
2,300 SF
ELEGRAN CAPITAL & ADVISORY

21. 16 WEST 37TH STREET
1,450 SF
JBA COMMERCIAL REAL ESTATE

22. 34 WEST 37TH STREET
1,000 SF
OKADA & CO

23. 36 WEST 37TH STREET
4,500 SF
EVAN ROBERTS CO.

24. 48 WEST 37TH STREET
291 - 2,318 SF
ADAMS & COMPANY

25. 209 WEST 37TH STREET
3,076 SF
RTL

26. 225 WEST 37TH STREET
7,650 SF
OLMSTEAD PROPERTIES

27. 237 WEST 37TH STREET
4,000 SF
KSR

28. 321 WEST 37TH STREET
4,080 SF
KSR

29. 323 WEST 37TH STREET
5,000 SF
KSR

30. 325 WEST 37TH STREET
5,000 - 10,000 SF
MRG

31. 13 WEST 38TH STREET
1,850 SF
BESEN PARTNERS

32. 57 WEST 38TH STREET
9,470 SF
RIPCO REAL ESTATE

33. 57 WEST 38TH STREET
5,540 SF
NEWMARK

34. 203 WEST 38TH STREET
2,500 SF
REQCE

35. 228 WEST 38TH STREET
9,800 SF
RTL

36. 325 WEST 38TH STREET
3,620 SF
FALCON PROPERTIES

37. 344 WEST 38TH STREET
2,000 - 4,500 SF
CURRENT REAL ESTATE

38. 21 WEST 39TH STREET
2,500 SF
PANTHEON REALTY

39. 43 WEST 39TH STREET
7,127 SF
EXP COMMERCIAL

40. 214 WEST 39TH STREET
4,935 SF
NEWMARK

41. 269 WEST 39TH STREET
800 SF
OKADA & CO

RECENTLY LEASED!

1407 BROADWAY
TO BECOME TURBO TAX

570 EIGHTH AVENUE
TO BECOME LITTLE ITALY PIZZA

247 WEST 37TH STREET
TO REMAIN LAUREN TRIMMING

43 WEST 39TH STREET
TO BECOME SUSHI BLOOM

270 WEST 39TH STREET
TO BECOME TACOS DEL BARRIO

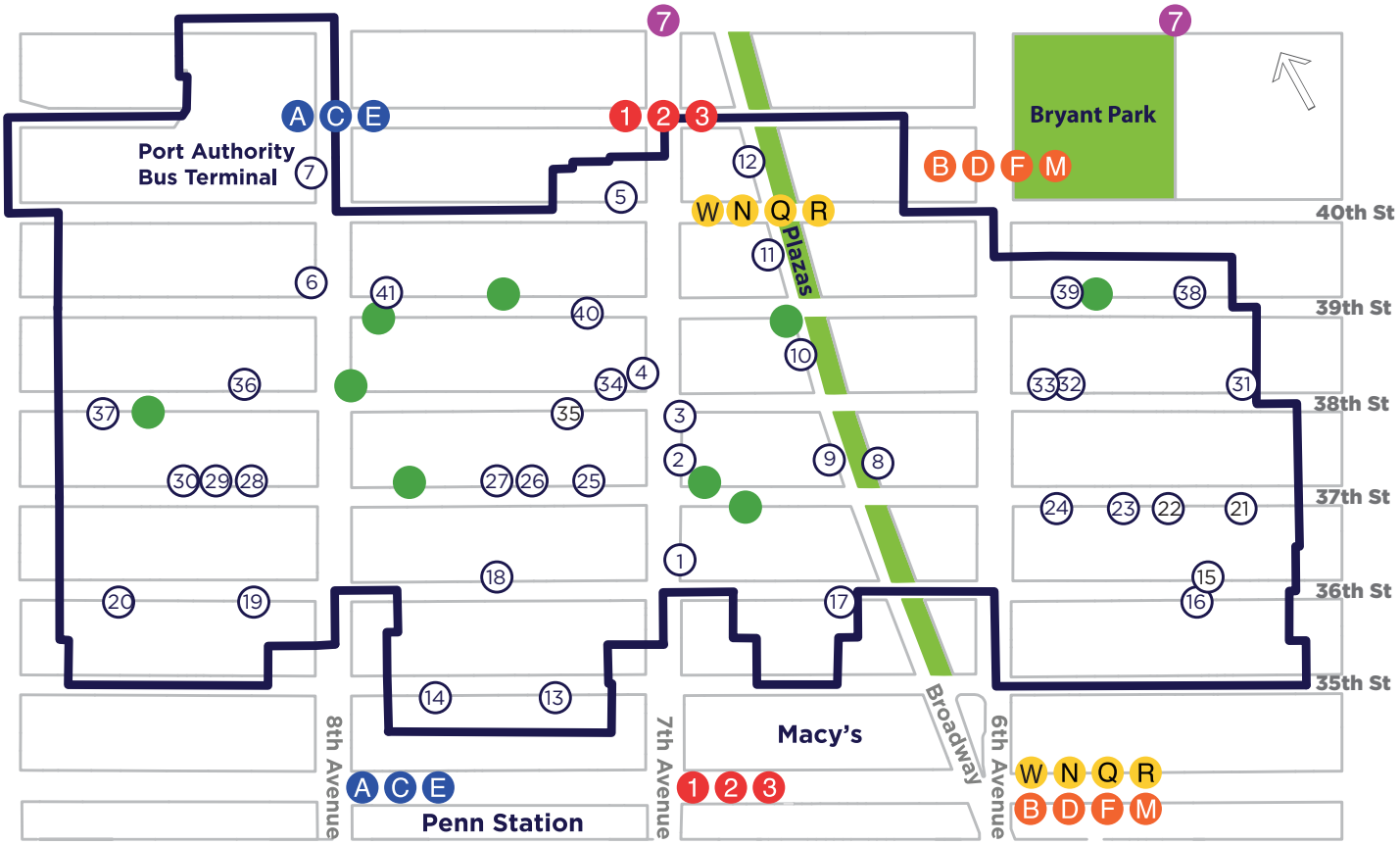
501 SEVENTH AVENUE
TO BECOME H&K BEAUTY AND RAPPONGI SUSHI

330 WEST 38TH STREET
TO BECOME ANDREW ROMER PHOTOGRAPHY

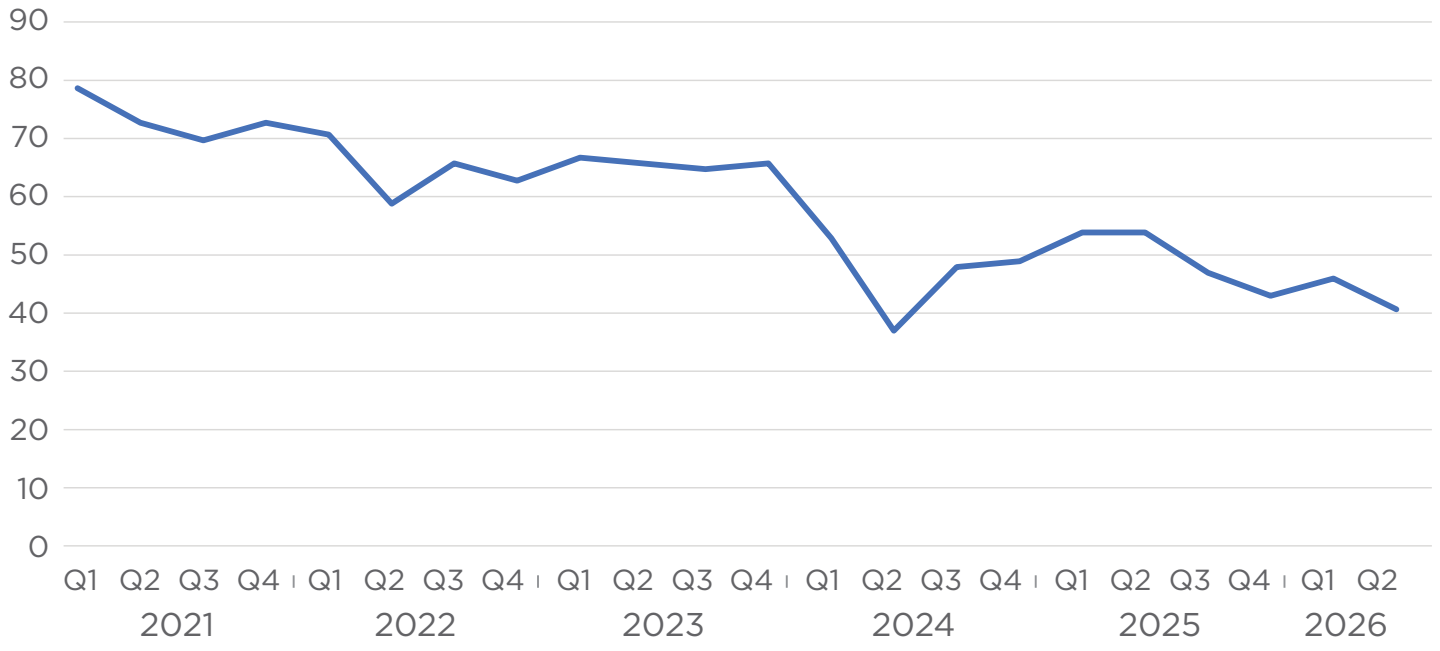
231 WEST 39TH STREET
TO BECOME SCHMEARABLE

144 WEST 37TH STREET
TO BECOME MAYER'S BAGELS

Source: CoStar



GDA GROUND FLOOR RETAIL AVAILABILITIES, 2021 - 2026



HOTELS

KEY INSIGHTS

Hotels within the district continue to have the highest occupancy rates and most affordable average daily rate of any hotel subdistrict in Manhattan. Across all submarkets, prices and subsequent revenue jumped due to summer tourism and special events like the Knicks Championship and World Cup. This led to an 11% spike in June 2026 hotel revenue compared to 2025, making up for slight decreases in revenue in March, April, and May. With America 250, the World Cup finals, and a generally positive outlook on New York tourism per NYC Tourism + Conventions, June's gains are expected to continue through Q3.

In June, the New York State Comptroller released a report on the state of the hotel industry in NYC. The report heralded NYC hotels as the highest ranking market in the nation in terms of occupancy, room rate, and RevPAR. It also noted the shift from international tourists towards domestic tourists, who tend to spend less, which hampers the broader tourism industry. Still, tighter wallets mean more tourists driven towards the district's budget hotel options.

The report also looked at leisure versus business travel, finding that leisure travel has reached pre-pandemic levels in 2026, while business travel is still down, largely due to remote work and virtual meetings. This finding is similarly positive for district hotels, which cater to cost-conscious leisure travelers.



GDA's native planings on Broadway, curated by Design Wild

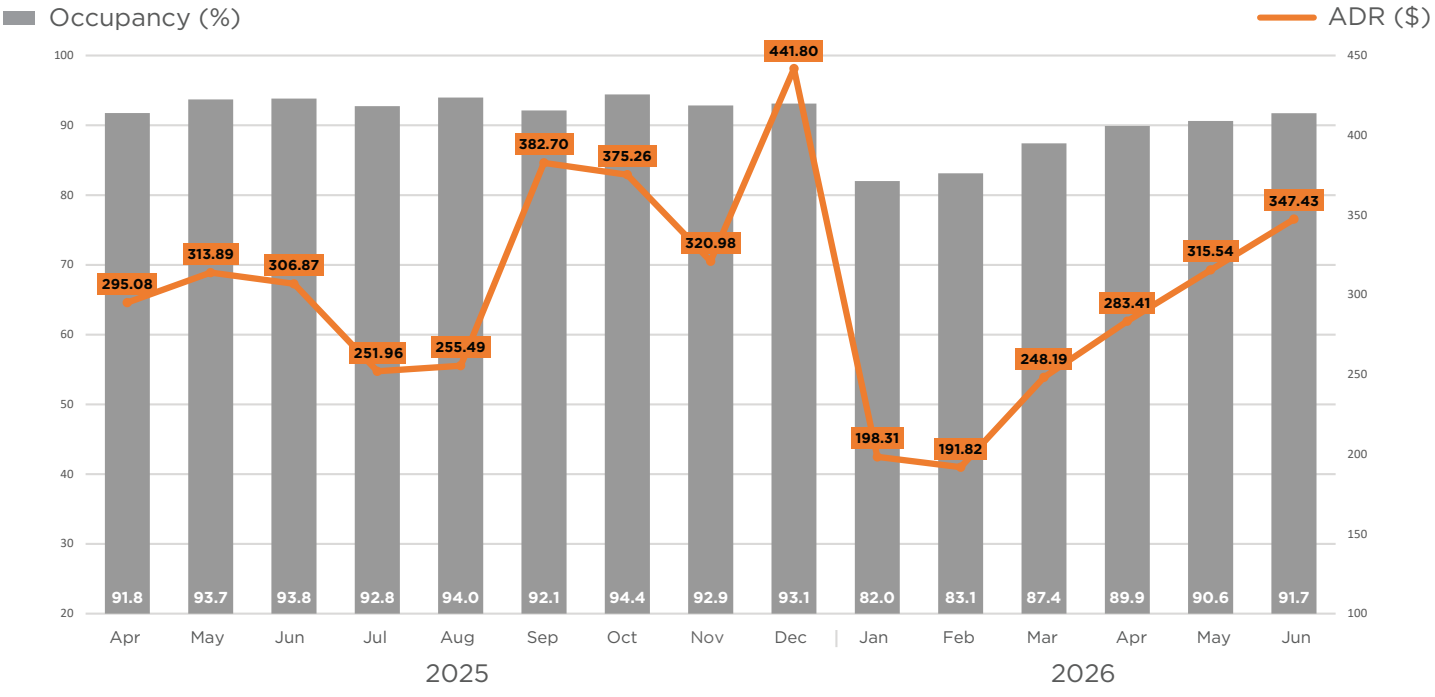
REVPAR, OCCUPANCY, & ADR COMPARISON, JUNE 2025 & 2026

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Jun 2025	Jun 2026	Pct. Change	Jun 2025	Jun 2026	Jun 2025	Jun 2026
Garment District (Zip 10018)	$288	$318	+10.7%	93.8%	91.7%	$307	$347
Midtown South*	$292	$331	+13.6%	91.1%	89.4%	$320	$371
Midtown East	$322	$376	+16.6%	85.9%	83.2%	$375	$451
Midtown West/Times Square*	$318	$359	+12.8%	88.9%	86.7%	$359	$414
Financial District	$306	$363	+18.5%	89.4%	89.7%	$343	$404
Uptown	$384	$440	+14.6%	81.9%	80.5%	$469	$548
Village/Soho/Tribeca	$338	$409	+21.0%	88.8%	88.6%	$381	$462

* Neighborhoods include portions of the Garment District

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2025-2026



Source: STR

Pedestrian Counts

KEY INSIGHTS

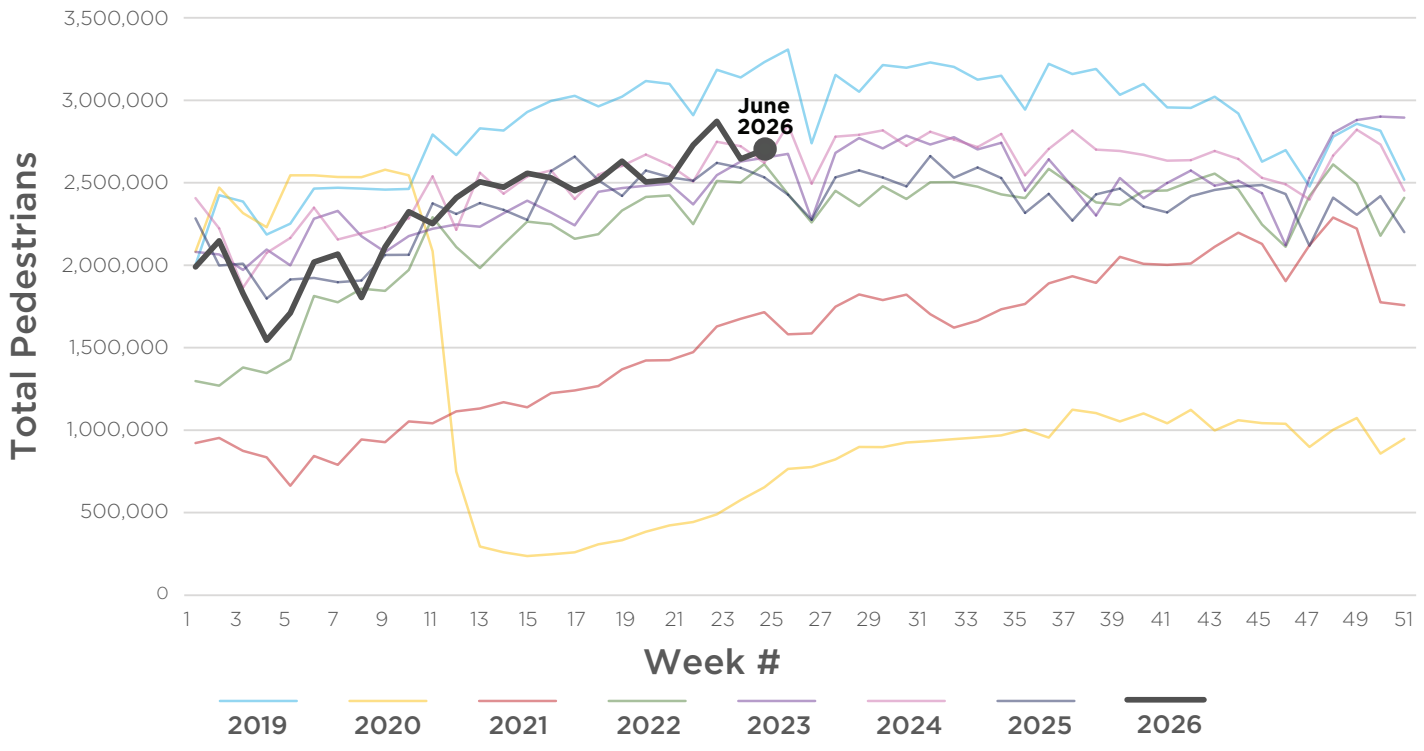
Q2 saw a boom of pedestrian activity with the Knicks championship (Knicks in Five!), World Cup, and America250 bringing new fans, tourists, and revelers to the district. Thanks to these celebrations, the district saw 1.6 million more pedestrians in Q2 2026 than Q2 2025 - a 3% increase.

The Knicks games, specifically, brought a surge in foot traffic to the district. Each of the games on Wednesday, June 3rd, Friday, June 5th, and Saturday, June 13th brought an additional 40,000 people. The largest increases were seen at 8th Ave and W 36th (+14,000 people) and 7th Ave and W 40th (+9,000 people). The game on Wednesday, June 10th doubled the surge, bringing in 80,000 people.

The World Cup has not brought similar foot traffic, likely because the influx of soccer fans was offset by office workers staying home to avoid game day disruptions. World Cup game days showed no significant deviation from similar days in prior years, with only a slight uptick in foot traffic after the games, likely due to fans leaving nearby bars.

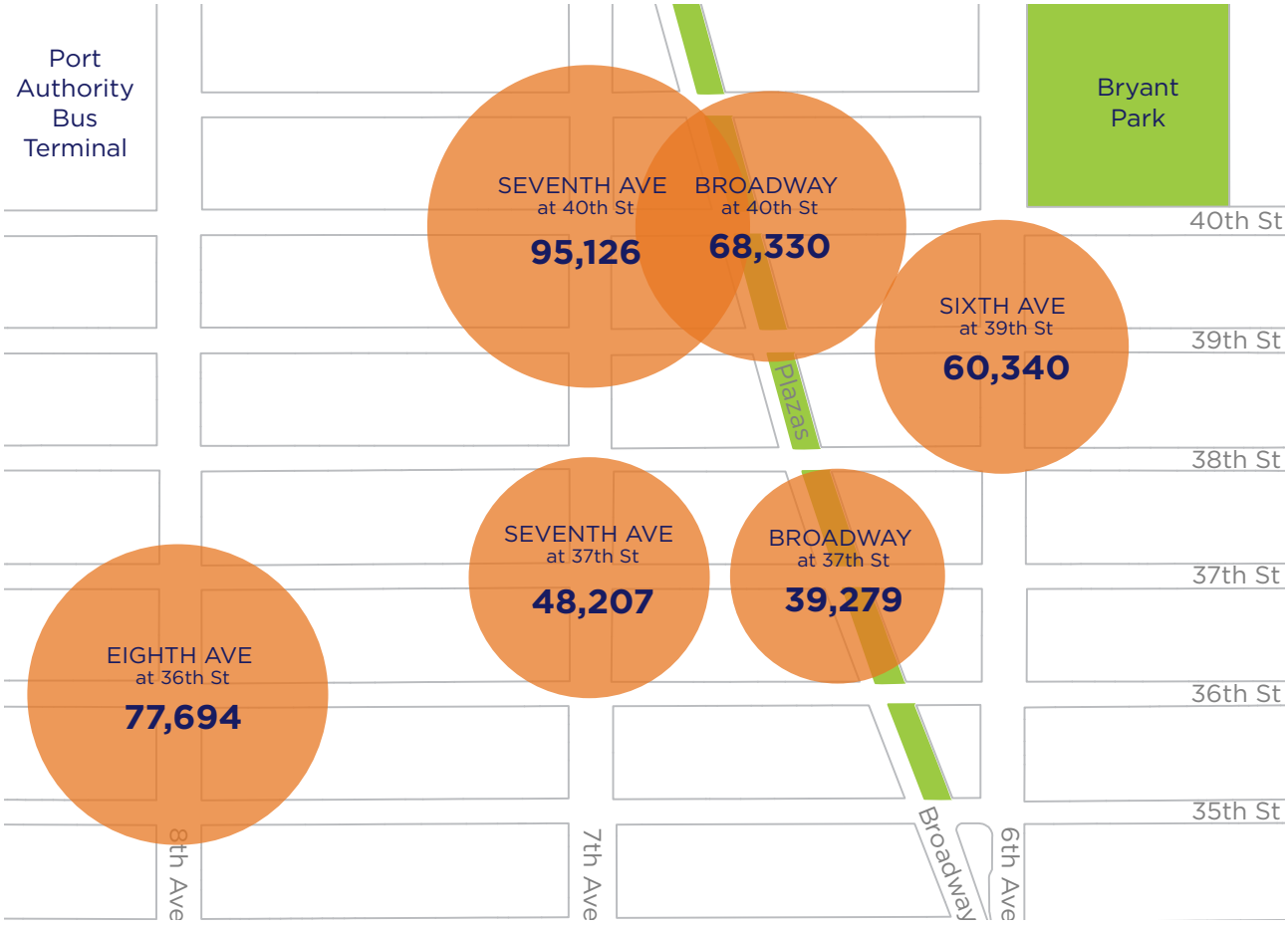
The role of tourism as an important economic driver in the district is underscored by steadily growing weekend foot traffic; the share of Q2 weekend foot traffic grew from 18% in 2017 to 24% in 2026. This is consistent with return-to-office trends and hotel occupancy, and is reflected in increasingly tourist-driven ground floor retail. Souvenir shops, pizza and bagel restaurants, and international chains have all increased in number across the district driven by this growth in tourism.

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, APR - JUN 2026



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



People enjoying the GDA's Broadway Squeeze free summer lemonade on the Broadway Plaza

Crime and Safety

KEY INSIGHTS

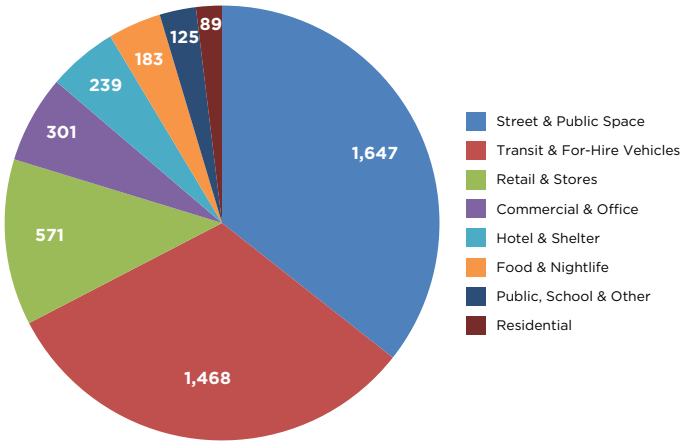
The Garment District has seen a dramatic drop in crime and quality of life concerns this summer as policing and foot traffic across Midtown for the World Cup deterred potential offenders. GDA security staff have also been hard at work directing tourists, with 13,000 directions given out by GDA staff in Q2 2026.

Looking at crime in Midtown South, the top 7 major crimes are down 10.5% year to date, outpacing the citywide decease of 6.5%. Notably, robbery and burglary are down 29% and 42% year to date compared to 2025, respectively. These improvements come even despite a spike in robberies and felony assaults in June 2026, likely related to the Knicks championship and World Cup.

Looking at NYPD complaint data, shown below, we can see how these decreasing trends in crime have changed following the pandemic. The most concerning felonies — grand larceny, dangerous drugs, felony assault, and robbery — have all decreased in the last two years following post-pandemic increases. The rise in overall dangerous drug complaints, however, is of concern.

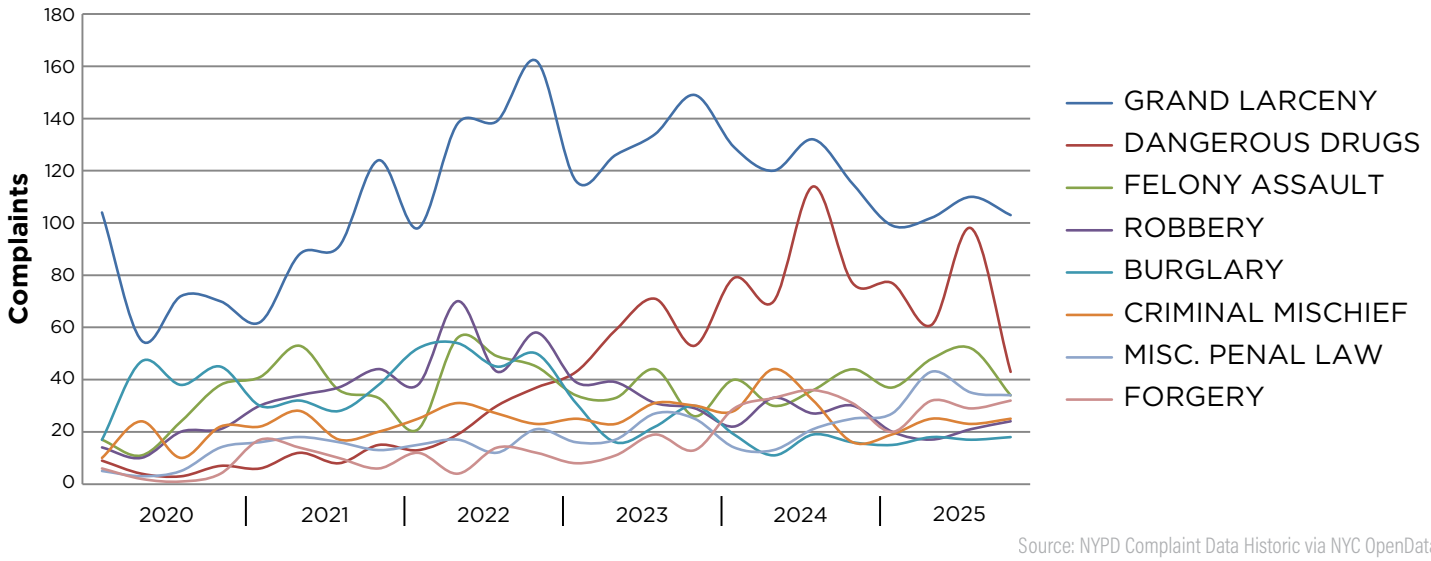
Most of these complaints transpire in private buildings or transportation, as the pie chart to the right demonstrates. Only 35% of complaints happen in the public realm where GDA and NYPD staff are stationed. An equal share of crimes are committed in the transit, and in buildings across the district, outside the jurisdiction of GDA security staff.

COMPLAINT LOCATIONS, 2025

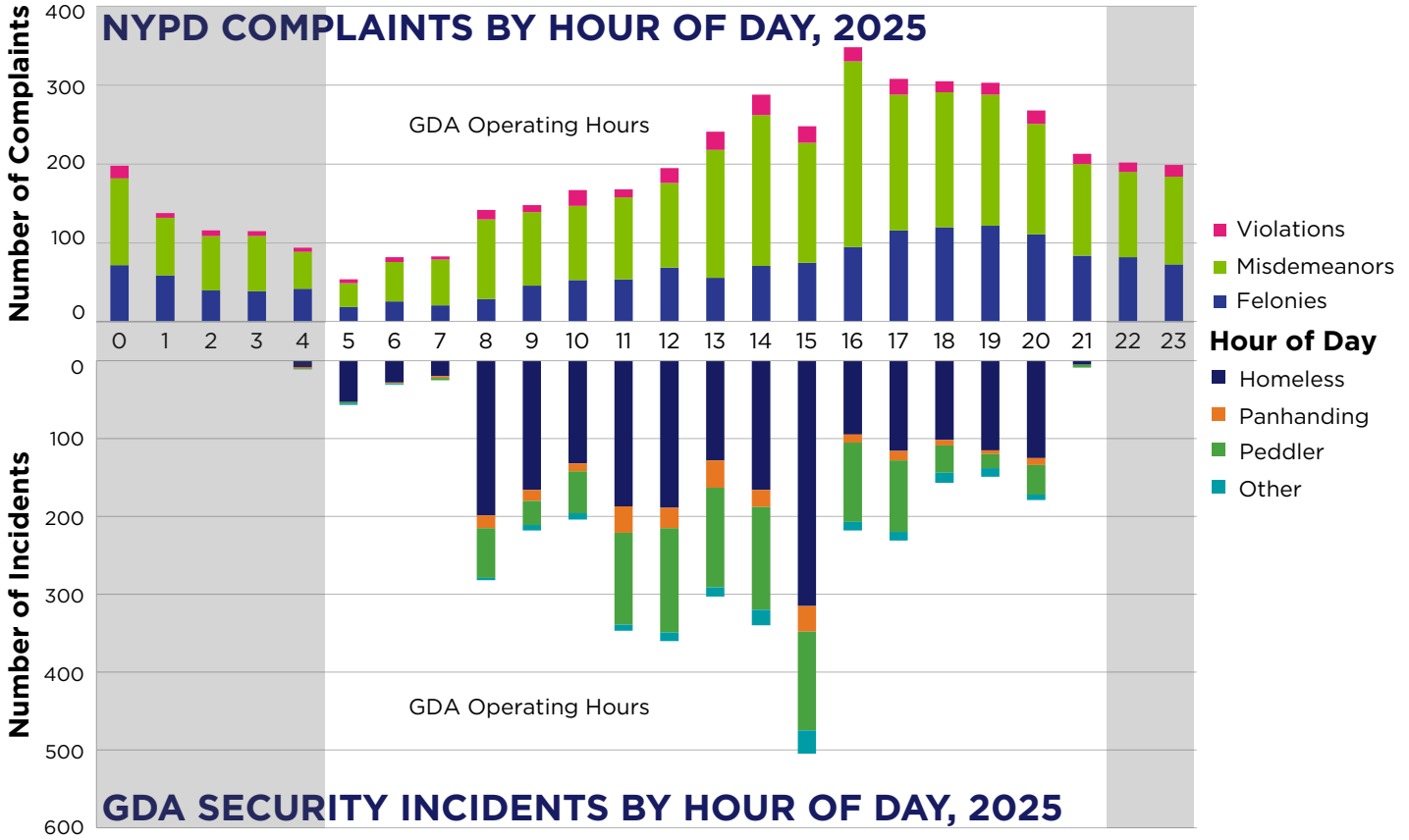


Source: NYPD Complaint Data Historic via NYC OpenData

TOP FELONY COMPLAINT TYPES, 2020 - 2025



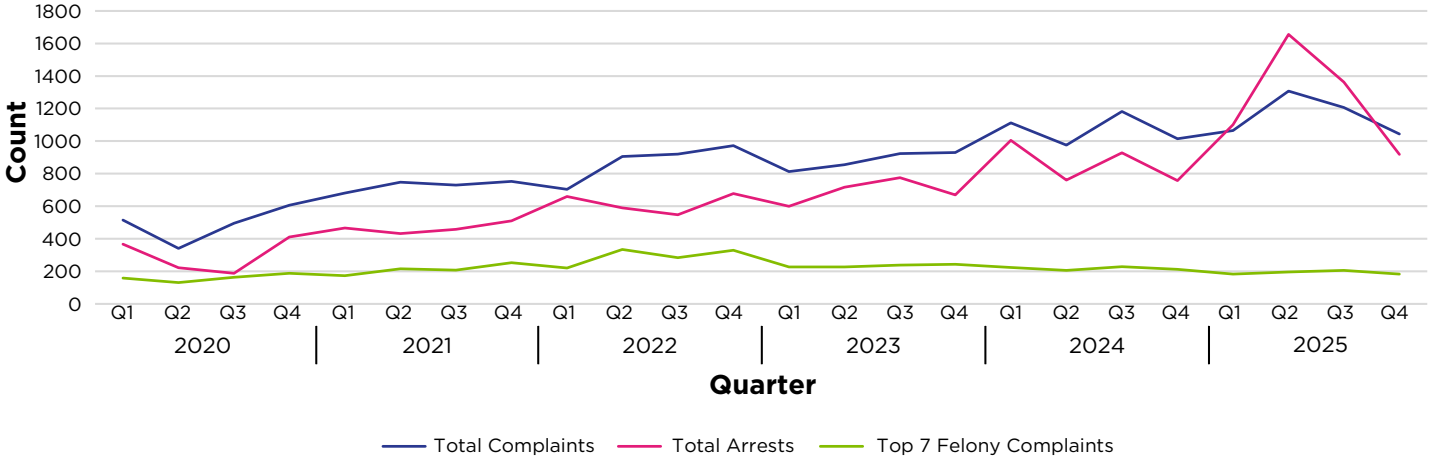
Source: NYPD Complaint Data Historic via NYC OpenData



Source: NYPD Complaint Data Historic & GDA DeviceMagic Incident Data

The chart above tracks the volume of NYPD crime complaints and incidents addressed by GDA security staff by hour for the year of 2025. Most complaints happen between 2:00 PM - 8:00 PM, when GDA staff are available to offer assistance and support. In most cases, GDA staff address non-criminal behavior like peddling, panhandling, blocking egress, or public disturbances, and report criminal behavior to NYPD.

QUARTERLY CRIME TRENDS, GARMENT DISTRICT, 2020-2025



Source: NYPD Complaint Data Historic & NYPD Arrests Data (Historic)

Homelessness

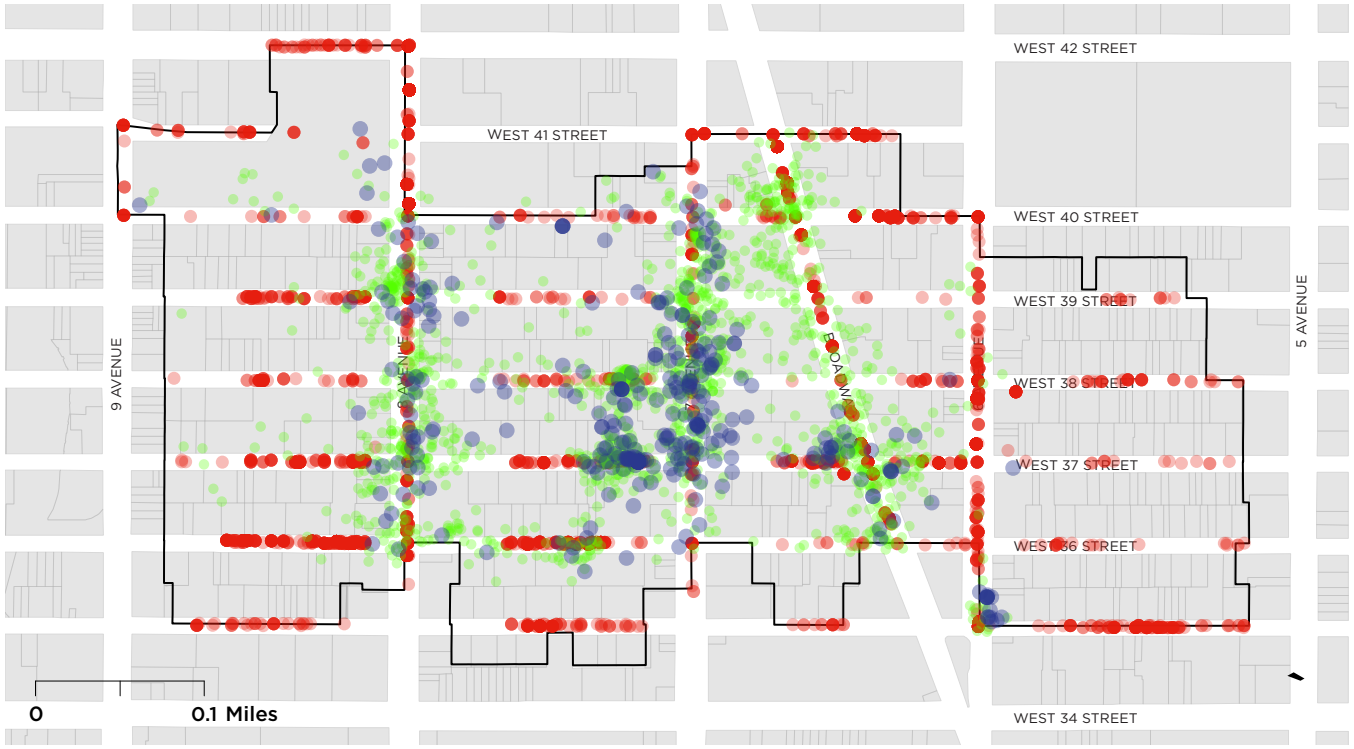
KEY INSIGHTS

Following the pandemic, the Garment District saw a pronounced uptick in street homelessness that fueled an in-depth review of how the GDA works to address homelessness. Now, the GDA takes a client-based approach, with two dedicated Social Service Outreach Officers and two full time Neighborhood Navigators from The Bridge, all trained in working with vulnerable clients. This approach has been effective at reaching the district's most service resistant and chronically challenged individuals. In 2026, through these programs, the GDA has played a central role in connecting seven clients with shelter or housing, and actively worked with 30 other clients to address their needs to build pathways to housing.

The GDA also works to mindfully address co-occurring challenges many homeless individuals face, like addiction and mental illness. In 2026, by working closely with social service organizations and city agencies like NYPD, Department of Homeless Services, and Health + Hospitals, GDA staff has addressed 986 homelessness incidents to date.

The map below demonstrates what this outreach looked like for 2025. The public and the GDA refer homeless individuals to homeless services through 311 (in red). The GDA also directs Security Staff to deescalate and engage individuals (in green), and directs Social Service Outreach Officers to engage with known individuals to build trust and connect them with housing (in blue).

HOMELESS REPORTS AND GDA RESPONSES, 2025



Source: 311 Service Requests from 2020 to Present, GDA DeviceMagic Incident Data, GDA Outreach Ginkgo Data

Addiction

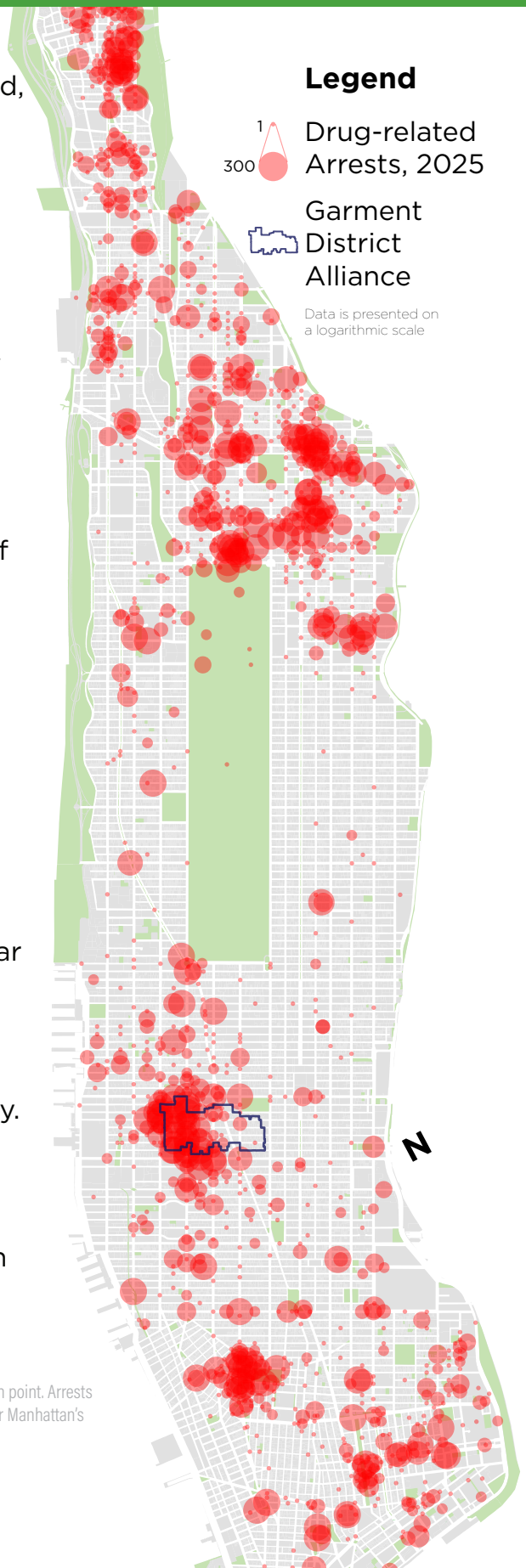
KEY INSIGHTS

Since the pandemic, and especially from 2025 onward, there has been a pronounced uptick in drug-related challenges in the district (see Top Felony Complaint types, 2020 - 2025, page 14). Possession, sale, and public use all have increased, the sum of which outnumbers drug-related arrests anywhere else in Manhattan. Most of these challenges are centered on Eighth Avenue and portions of Seventh given their proximity to harm-reduction sites like GMHC, West Midtown Medical Group, and Positive Health Project/ Housing Works.

To address this challenge, the GDA works with OASAS, harm reduction sites, FDNY, and NYC Health + Hospitals to provide life-saving support to people in crisis in the public realm. Contracted outreach staff from The Bridge also work with clients to ensure they can access and commit to harm reduction. Additionally, in 2024, through a concerted effort with NYPD and Manhattan District Attorney Alvin Bragg, the Special Narcotics Prosecutor assumed management of all drug-related cases for Midtown South. This switch helps prosecute repeat offenders while promoting diversion programs for users.

The scale and severity of drug-related challenges within the district, especially in contrast to the rest of Manhattan, demonstrates a clear crisis. Sellers target people struggling with addiction by selling near harm-reduction facilities. Other sellers target people inside Midtown's transportation hubs. Users form community around public use, often gathering on side-streets to use together. Some users pass out on sidewalks, others overdose, and sometimes pass away. Others can enter drug-induced psychosis and attack pedestrians. This behavior poses clear threats to the self and others, demanding action.

The GDA will continue working with partners through the Midtown Community Improvement Coalition to address drug-related challenges within the neighborhood.



Source: NYPD Arrests Data (Historic). Data is displayed on a logarithmic scale from 1 to 300 incidents per intersection point. Arrests represent the site of arrest, not the site of the crime. Around 35% of all arrests are geolocated to the police station for Manhattan's various precincts.

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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: People walking along the GDA's Urban Garden Summer Installation on Broadway
Back: Dingoneck Street Band performing as part of the GDA's Broadway Rhythm Concert Series on the Broadway Plaza
Photos by Alexandre Ayer (@diversitypics) unless otherwise noted

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