

Economic Quarterly Report

3rd Quarter 2024



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 hovered around 64% in Q3, up 4% from Q2. In August, NYC followed the national trend, dropping to an average 54% due to workers taking time off. Historically, office occupancy rebounds following the Labor Day holiday. Austin (74.6%) is at the top, with San Jose (47.9%) at the bottom of return to in office work.*
- » CBRE reports Midtown South Q3 2024 saw a continued increase in leasing activity from Q2 2024. Leasing activity has sustained a strong performance, well above the five-year average. While activity has increased or remained steady for the past three quarters, average rent continues to fluctuate.

- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.

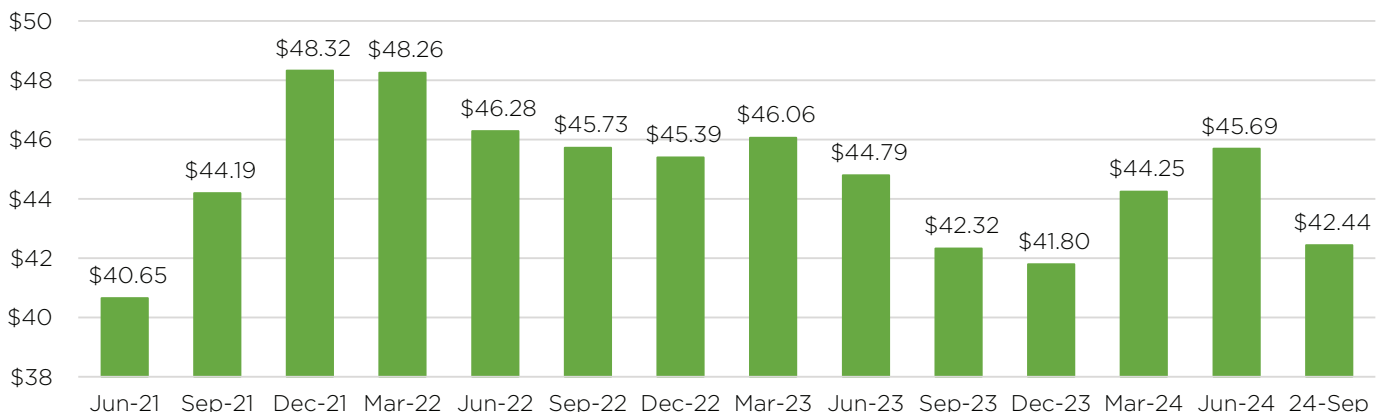
Recent office leases in the Garment District include:

Jay Suites 11,200 SF 8 W 38th St	Murray Hill Wine Storage 10,000 SF 124 W 36th St
Tin Drum, Inc 14,000 SF 25 W 39th St	CitizenM 12,500 SF 25 W 39th St



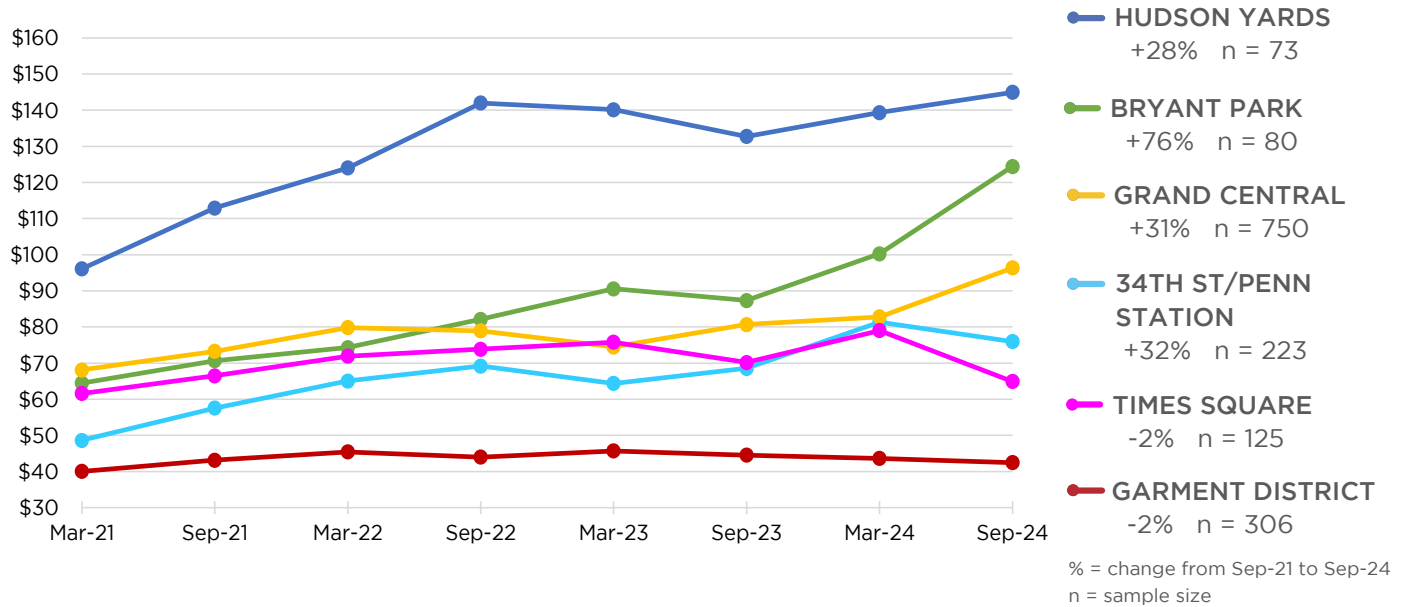
* Kastle System data does not include all offices in the region, thus occupancy rates may differ from market average.

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS PER SF



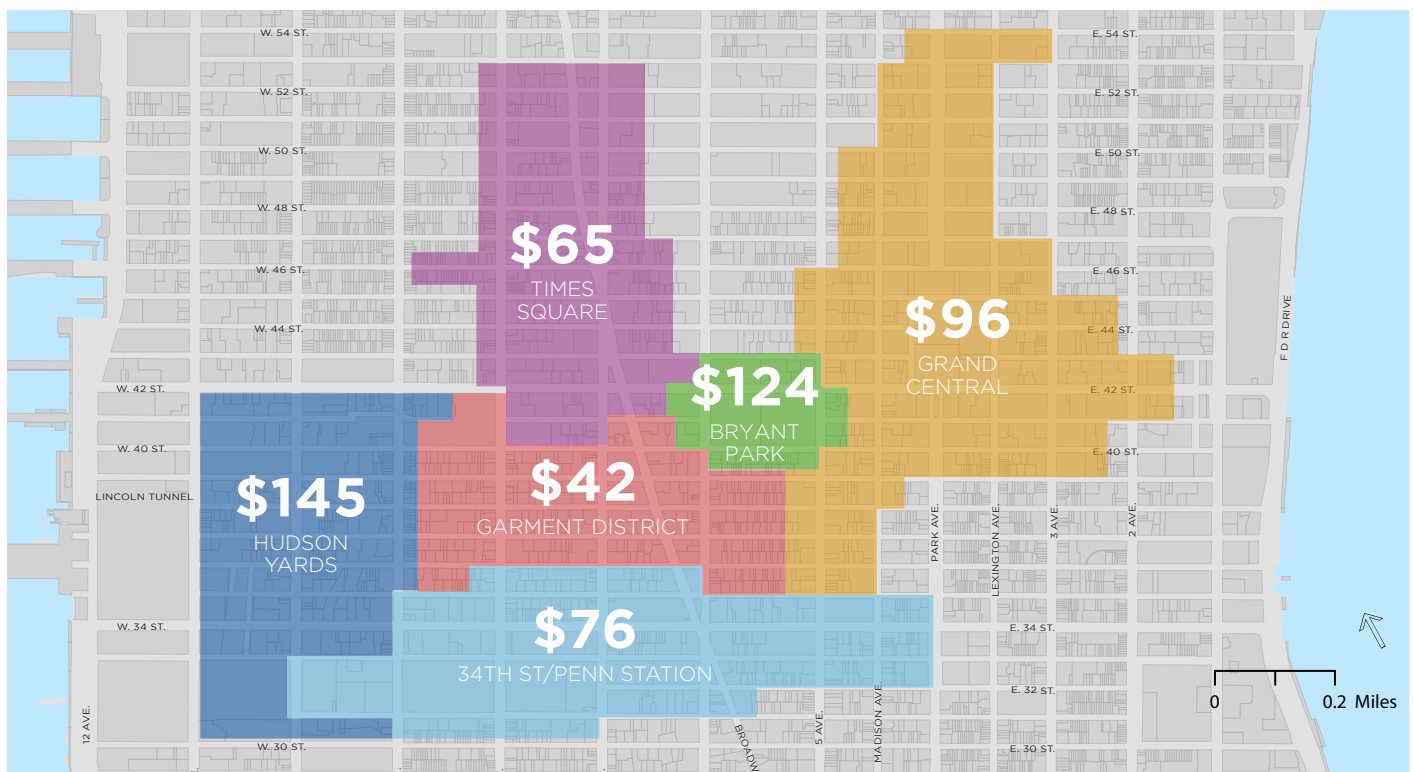
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING OFFICE RENTS PER SF



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

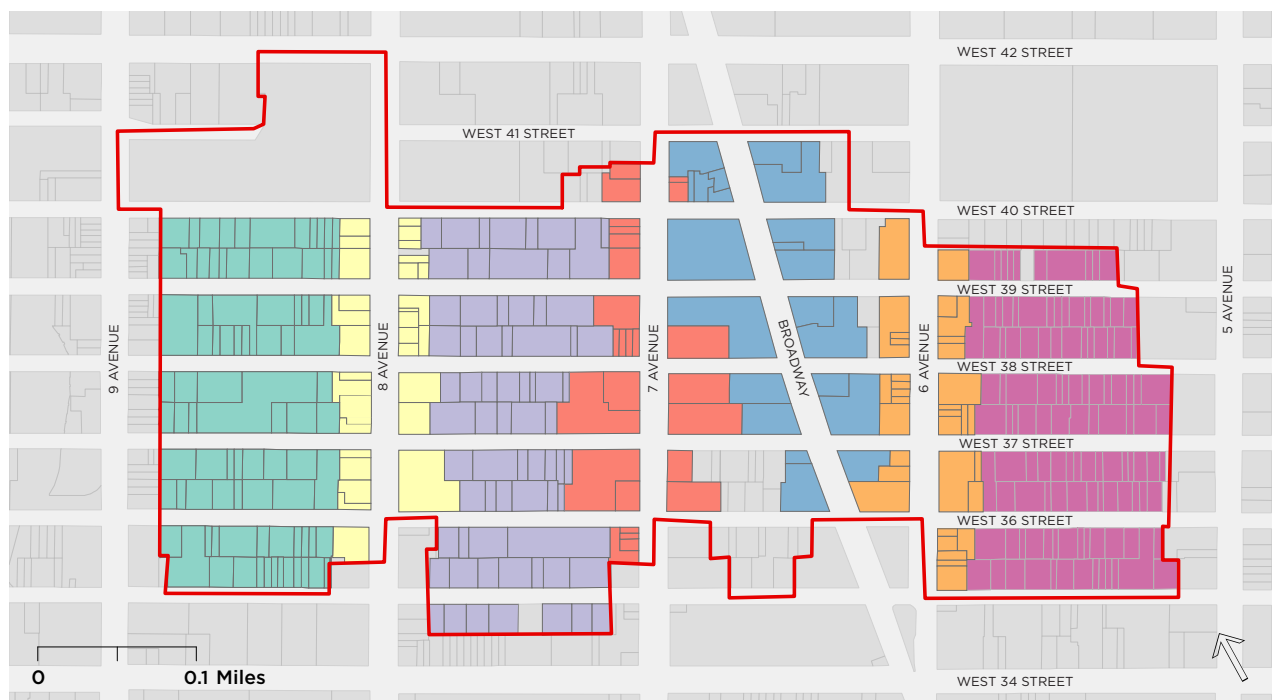
AVERAGE STARTING OFFICE RENTS PER SF, SEPTEMBER 2024



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

GARMENT DISTRICT AVERAGE STARTING OFFICE RENTS BY LOCATION

	Sample Size	Sept 2022 (\$/SF)	Sept 2023 (\$/SF)	Sept 2024 (\$/SF)	2-yr. Change
 8th-9th Ave Side Streets	9	\$33.10	\$34.83	\$32.27	-2.6%
 Eighth Avenue	9	\$33.59	\$33.36	\$33.94	+1.0%
 7th-8th Ave Side Streets	34	\$35.31	\$33.69	\$31.86	-10.8%
 Seventh Avenue	19	\$45.88	\$45.11	\$50.23	+8.7%
 Broadway	55	\$57.21	\$57.01	\$45.43	-25.9%
 Sixth Avenue	18	\$54.60	\$52.49	\$50.67	-7.8%
 5th-6th Ave Side Streets	21	\$36.96	\$35.05	\$37.76	+2.1%
 District Average	165	\$42.38	\$41.65	\$40.31	-5.1%



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

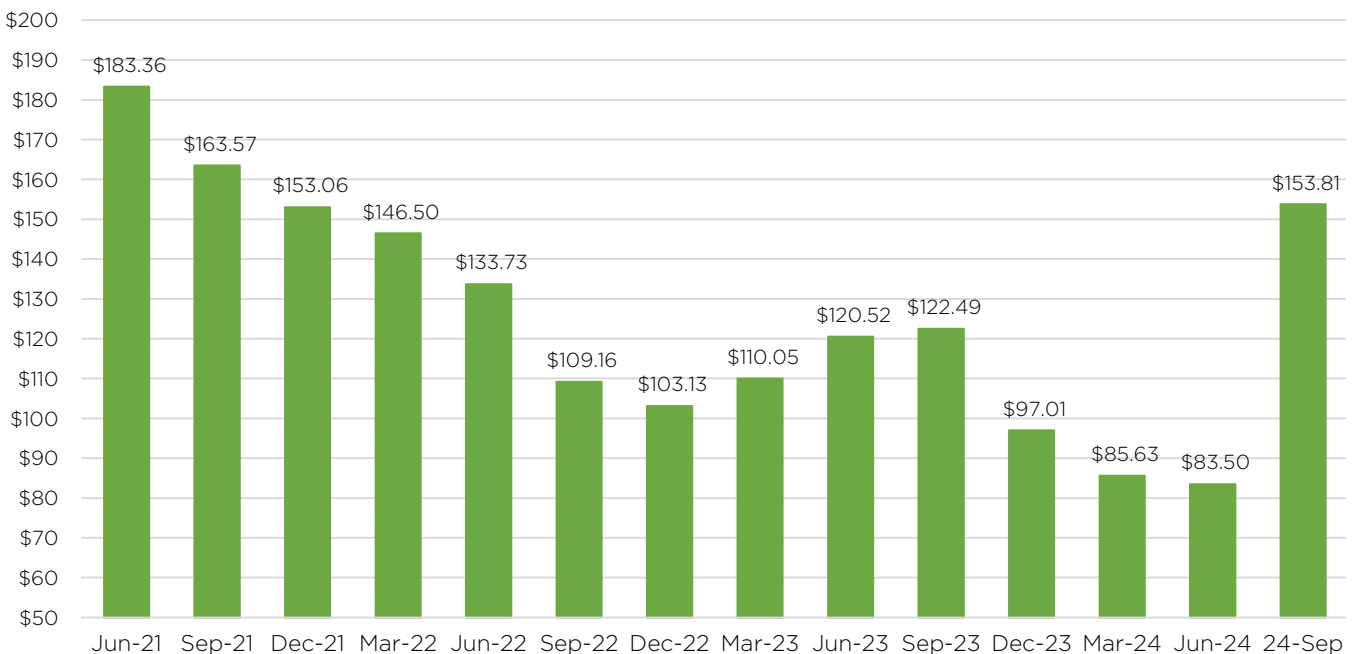
KEY INSIGHTS

- » Garment District retail rents remain significantly below pre-pandemic levels. Overall Manhattan rents are down 49% from three years ago, and have fluctuated.
- » As with offices, retail data can be easily impacted by outliers and sample size, especially noticeable in quarters that experience high value leases.
- » Anecdotal reports from individual owners indicate that rents may differ from what is included here.
- » There has been a significant decrease in retail vacancies since the pandemic.
- » For the last 6 months, retail rents in the District have slowly and steadily decreased, but vary depending on location, amenities, size, age, and quality of the space and building.
- » Due to an outlying large lease, September’s average shows a dramatic spike in rent.

Recent retail leases in the Garment District include:

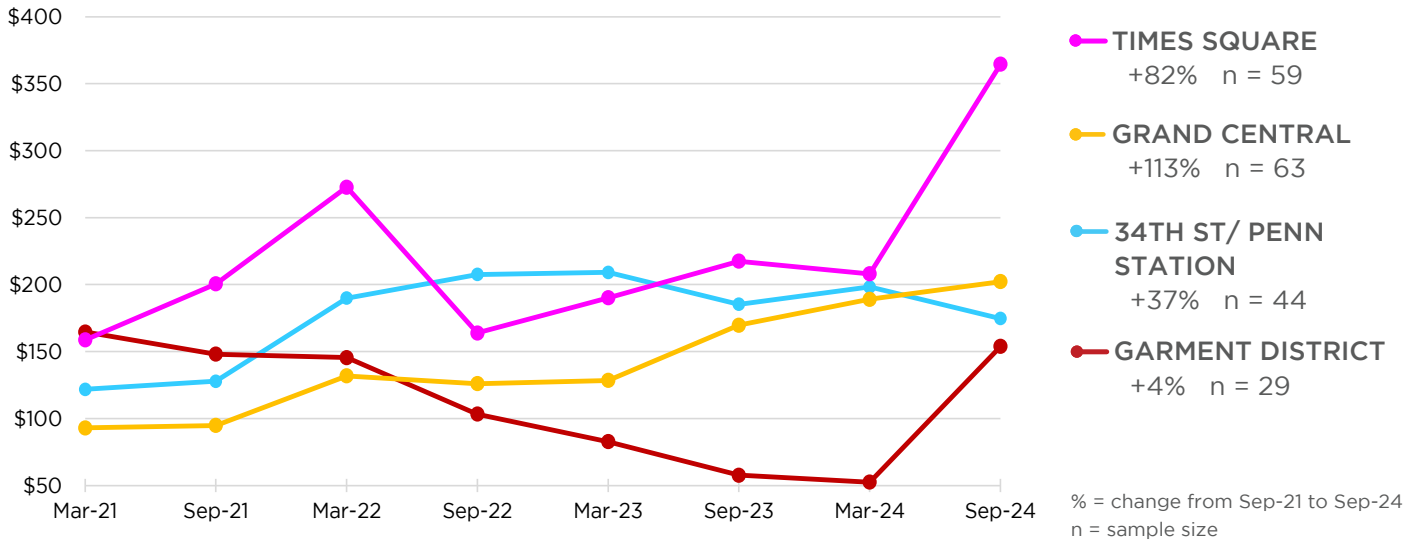
KPOT Korean BBQ & Hot Pot 10,000 SF 310 W 38th St	East Coast Trimming Corp 10,000 SF 575 8th Ave
Kappa Chakka Kandahari 8,700 SF 252-258 W 37th St	Star Ride Kids, Inc 14,268 SF 1407 Broadway

GARMENT DISTRICT AVERAGE STARTING RETAIL RENTS PER SF



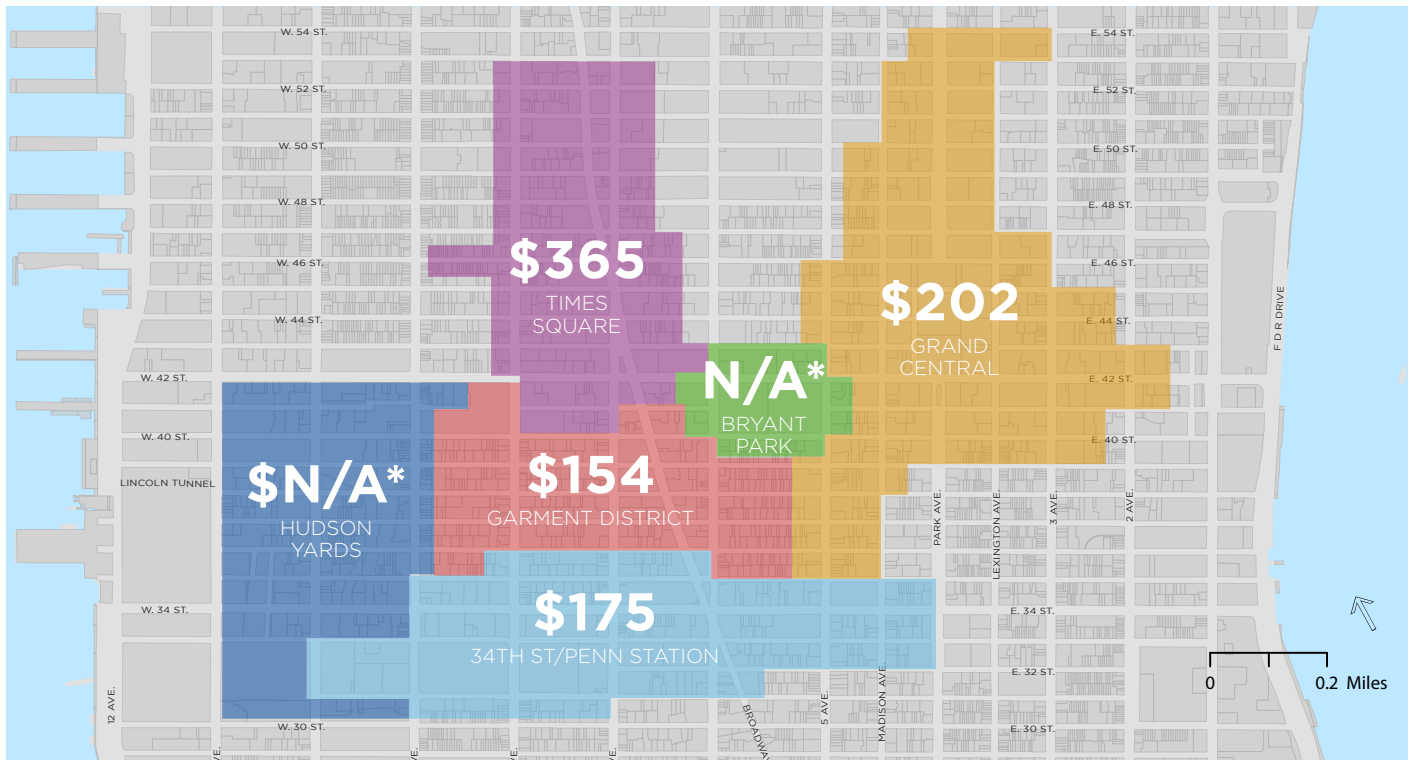
Source: CompStak, Inc., 3-month moving averages

AVERAGE STARTING RETAIL RENTS PER SF



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

AVERAGE STARTING RETAIL RENTS PER SF, SEPTEMBER 2024

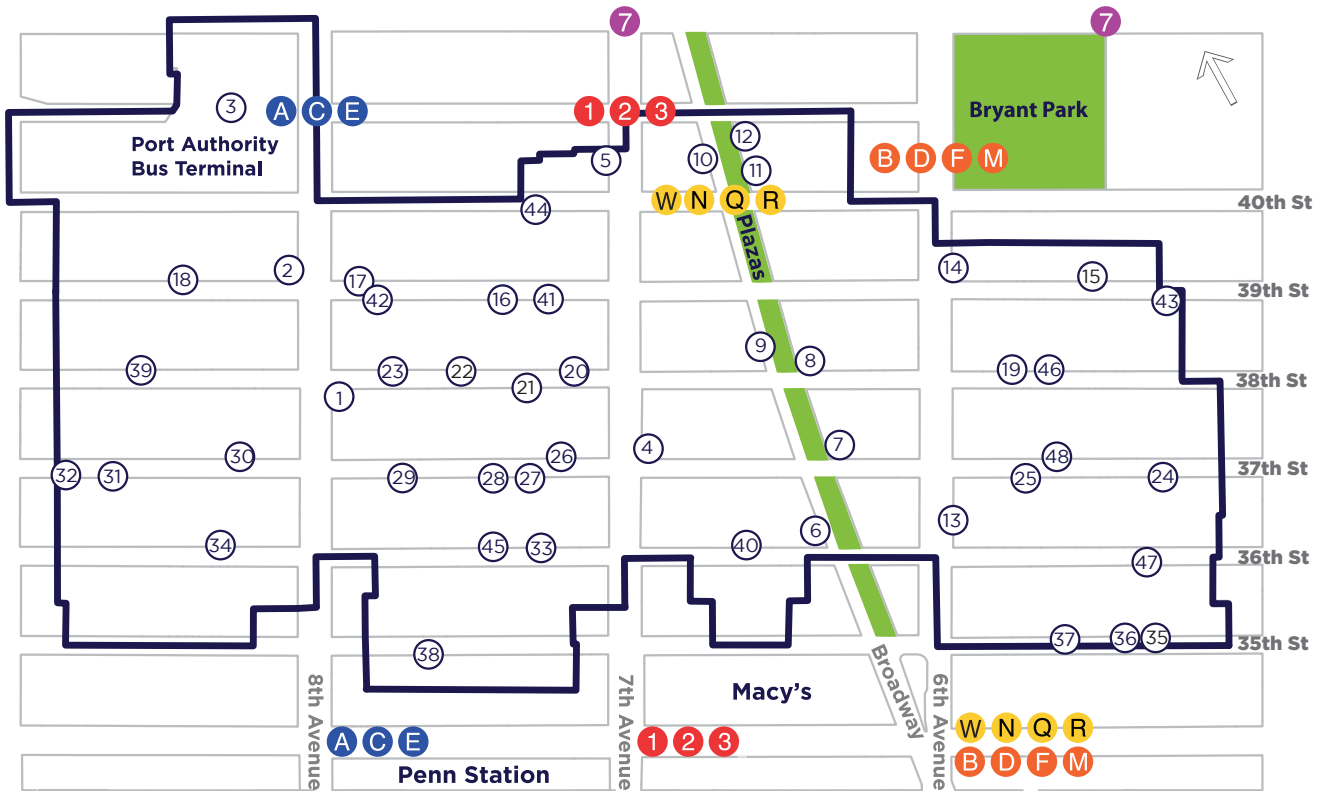


*Sample sizes in Hudson Yards and Bryant Park were too small to be analyzed
Actual BID boundaries vary slightly from neighborhood boundaries shown. Source: CompStak, Inc.

RETAIL VACANCIES

THE **GARMENT DISTRICT** ALLIANCE

Garment District Retail Vacancies October 2024



1. 554-568 8TH AVE
600-12,500 SF
RETAIL BY MONA

2. 601 8TH AVE
8,100 SF
TRISTATE CR

3. 619-649 8TH AVE
196 - 4,504 SF
JRT REALTY GROUP, CUSHMAN & WAKEFIELD

4. 501 7TH AVE
2,891 - 8,218 SF
RIPCO REAL ESTATE, EMPIRE STATE

5. 566 7TH AVE
6,500 SF
PLATINUM PROPERTIES LLC

6. 1359 BROADWAY
1,187 SF
RIPCO REAL ESTATE

7. 1372 BROADWAY
571-2,532 SF
JLL

8. 1400 BROADWAY
2,985 SF
RIPCO REAL ESTATE

9. 1407 BROADWAY
1,306-10,627 SF
JLL

10. 1435 BROADWAY
1,400-3,500 SF
SOLIL MANAGEMENT LLC

11. 1440 BROADWAY
24,784 SF
CUSHMAN & WAKEFIELD

12. 1450 BROADWAY
850-1,300 SF
KASSIN SABBAGH REALTY

13. 980-990 AVENUE OF THE AMERICAS
870 SF
MASONRE

14. 1040 AVENUE OF THE AMERICAS
2,255 SF
NEWMARK

15. 25 W 39TH ST
12,361 SF
OKADA & CO

16. 234 W 39TH ST
1,987 SF
NEWMARK

17. 269 W 39TH ST
800-1,250 SF
OKADA & COMPANY

18. 333 W 39TH ST
3,350 SF
NEWMARK

19. 57 W 38TH ST
1,000-4,000 SF
JUYI, INC.

20. 203-205 W 38TH ST
2,500-5,000 SF
REQCE

21. 228 W 38TH ST
9,800 SF
WINICK REALTY GROUP LLC

22. 243-245 W 38TH ST
1,000 SF
OXFORD PROPERTY GROUP

23. 257-261 W 38TH ST
5,250 SF
KASSIN SABBAGH REALTY

24. 20 W 37TH ST
10,250 SF
WINICK REALTY GROUP LLC

25. 44 W 37TH ST
3,450 SF
KASSIN SABBAGH REALTY

26. 209 W 37TH ST
3,076 SF
WINICK REALTY GROUP

27. 218 W 37TH ST
3,000 SF
RECQE

RETAIL VACANCIES

THE **GARMENT DISTRICT** ALLIANCE

28. 230 W 37TH ST
1,400 SF
RECQE

29. 252 W 37TH ST
8,400 SF
KASSIN SABBAGH REALTY

30. 321 W 37TH ST
4,080 SF
KASSIN SABBAGH REALTY

31. 336-342 W 37TH ST
700-7,000 SF
REQCE

32. 350 W 37TH ST
800-3,800 SF
NEWMARK

33. 223 W 36TH ST
1,584 SF
SLH GROUP INC

34. 315 W 36TH ST
7,176 SF
WINICK REALTY GROUP

35. 23-25 W 35TH ST
2,192 SF
PD PROPERTIES NYC

36. 29 W 35TH ST
1,568 SF
COLLIERS

37. 41 W 35TH ST
1,700-1,900 SF
PD PROPERTIES NYC

38. 248 W 35TH ST
3,800 SF
TRISTATE CR

39. 335 W 38TH ST
2,413-4,938 SF
SOTHEBYS

40. 141 W 36TH ST
3,200-5,300 SF
LEE & ASSOCIATES

41. 214 W 39TH ST
4,200 SF
LEE & ASSOCIATES

42. 270 W 39TH ST
2,400 SF
LEE & ASSOCIATES

43. 16-18 W 39TH ST
3,015 SF
LEE & ASSOCIATES

44. 218 W 40TH ST
10,500-13,000 SF
SWIFT RETAIL ADVISORS

45. 229 W 36TH ST
9,243 SF
LEE & ASSOCIATES

46. 49 W 38TH ST
3,804 SF
J3K REAL ESTATE

47. 20 WEST 36TH ST
4,483 SF
KOEPEL ROSEN

48. 37 W 37TH ST
3,803 SF
KOEPEL ROSEN



HOTEL DEVELOPMENT

THE **GARMENT DISTRICT** ALLIANCE

KEY INSIGHTS

- » There are 45 hotels in the Garment District, representing 10,842 rooms and 19% of Midtown's supply. This is an all-time high room count.
- » Tourism continued to increase in Q3 2024. Occupancy rates averaged 91.7%, peaking at 91.9% in September. For comparison, the average rate in Q3 2019 was 92.5%.
- » Hotel occupancy for the city overall reached 97% of pre-pandemic levels by the end of September 2024, maintaining the highest rates of any major market in the country.
- » International travel to the U.S. is now at 98% of pre-pandemic levels, signaling the ongoing continued growth in hospitality.
- » Occupancy rates match those of Q3 2019. Given the expanded number of hotels in the District, Q3 2024 continued to demonstrate increased hotel demand, now significantly higher than before the pandemic. A comparison of Q3 of each year shows 981,869 stays in 2024, 965,227 stays in 2023, 897,710 stays in 2022, 593,461 stays in 2021, and 261,214 stays in 2020.
- » 61.8 million travelers visited New York City in 2024, or 93% of 2019 levels; NYC Tourism + Conventions projects visitation will increase 4% to 64.5 million in 2024 before reaching a new record high of over 68 million in 2025.



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

HOTEL DEVELOPMENT

THE GARMENT DISTRICT ALLIANCE

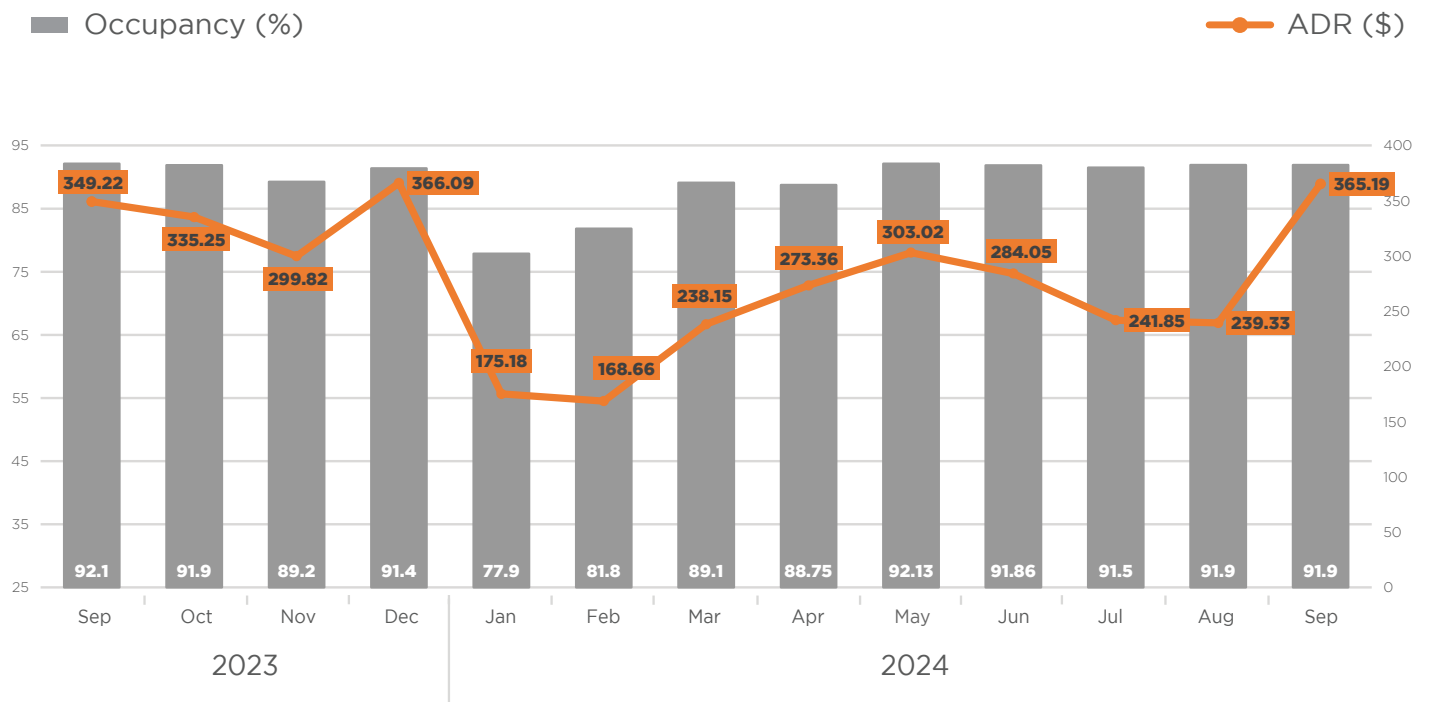
REVPAR, OCCUPANCY, & ADR COMPARISON, JUNE 2023 & 2024

	Revenue Per Available Room (RevPAR)			Occupancy		Average Daily Rate (ADR)	
	Sep 2023	Sep 2024	Pct. Change	Sep 2023	Sep 2024	Sep 2023	Sep 2024
Garment District	\$321	\$334	+4.3%	92.1%	91.9%	\$349	\$365
Midtown South*	\$331	\$349	+5.2%	89.7%	89.2%	\$369	\$391
Midtown East	\$428	\$442	+3.3%	86.6%	84.6%	\$494	\$522
Midtown West/Times Square*	\$361	\$388	+7.5%	86.3%	88.3%	\$418	\$440
Financial District	\$337	\$362	+7.5%	89.8%	89.0%	\$375	\$407
Uptown	\$466	\$482	+3.4%	83.4%	81.6%	\$558	\$591
Village/SoHo/Tribeca	\$388	\$411	+5.8%	87.8%	87.1%	\$442	\$473

*Garment District data is included in this area

Source: STR

OCCUPANCY & AVERAGE DAILY RATE IN GARMENT DISTRICT, 2023-2024



Source: STR

KEY INSIGHTS

- » The COVID-19 pandemic drove a loss of nearly 18,000 jobs in the District in 2020. Although not recovered, total employment saw a 16% gain between 2020 and 2023.
- » There were large gains in leisure and hospitality, consistent with the overall trend of increased tourism in New York City.
- » The employment data show continued loss of Financial Services employment since the pandemic with a drop of -1.3% from 2022 to 2023.
- » The data show significant gains this year in Education and Health Services (+25.8%) and in Leisure & Hospitality (+13.8%).
- » The largest employment sector in the neighborhood remains Professional and Business Services, with over 50,000 jobs.
- » The decline of Manufacturing employment, exacerbated by the pandemic, has reduced the industry’s foothold in the district to under 3% of total employment.
- » Employment data for ZIP Code 10018 is provided by the New York State Department of Labor and is made available each fall for the prior year.

EMPLOYEES IN CORE GDA INDUSTRIES — ZIP CODE 10018, 2000 - 2023

	2000	2020	2021	2022	2023	1-yr. Change	Since 2000
Natural Resources, Mining and Construction	2,157	5,220	4,917	5,320	5,398	1.5%	150.3%
Manufacturing	17,079	3,383	3,438	3,877	3,975	2.5%	-76.7%
Trade, Transportation, and Utilities	26,691	20,710	21,547	22,095	22,182	0.4%	-16.9%
Information	-	10,289	10,220	12,399	12,458	0.5%	-
Financial Services	6,362	10,959	10,416	10,394	10,263	-1.3%	61.3%
Professional and Business Services*	18,224	48,049	50,465	53,815	54,699	1.6%	200.1%
Education and Health Services	5,439	10,769	10,731	13,017	16,374	25.8%	201.0%
Leisure and Hospitality	2,209	6,194	6,430	9,378	10,676	13.8%	383.3%
Other Services	1,587	5,929	5,462	5,958	6,053	1.6%	281.4%
Government	-	1,432	1,418	1,383	1,400	1.2%	-
Total Employment	89,267	123,203	125,376	138,063	142,556	3.3%	59.7%

PEDESTRIAN COUNTS

THE **GARMENT DISTRICT** ALLIANCE

KEY INSIGHTS

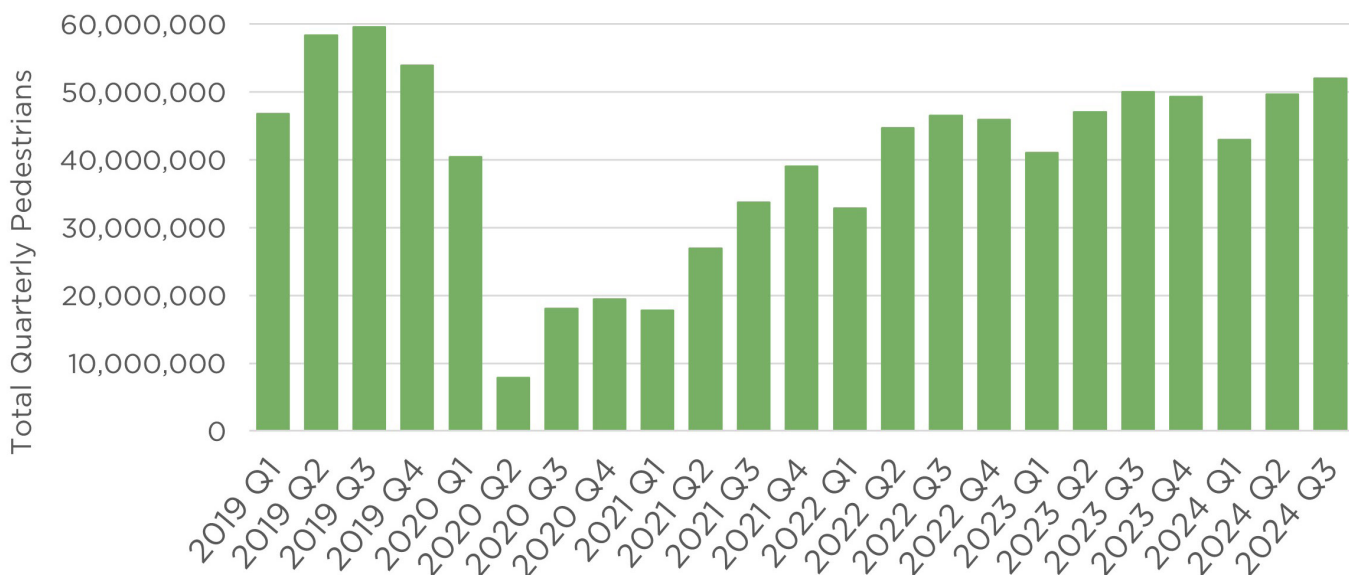
Pedestrian volumes have stabilized into a pattern that resembles the seasonal trend seen prior to COVID-19, with counts averaging roughly 90% of 2019. According to a May 2024 Partnership for NYC survey, on average, 11% of Manhattan office workers are in the office 5 days a week, 38% are in 3 days, and 7% are fully remote. On an average weekday, 56% of Manhattan office workers are in the workplace. This equates to 72% of pre-pandemic attendance and has plateaued. 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.

MONTHLY GD PEDESTRIAN VOLUMES SINCE JUNE 2023

	Total Count	Change from 2020	Change from 2019
July 2024	15.9 million	+206%	-14%
August 2024	20.3 million	+263%	+9%
September 2024	15.8 million	+105%	-31%

Source: Springboard

TOTAL QUARTERLY GD PEDESTRIAN VOLUMES FROM 2019 TO 2024



Source: Springboard

PEDESTRIAN COUNTS



WEIGHTED WEEKDAY AVERAGE PEDESTRIAN COUNTS, JUL - SEPT 2024



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: Garment District Summer Soiree
Back: Shaved Portions by Chakaia Booker
Photos by Alexandre Ayer/Diversity Pictures unless otherwise noted

Published November 2024