



Flatiron/23rd Street Partnership Business Improvement District releases annual report

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New York, NY The Flatiron/23rd Street Partnership Business Improvement District (BID) has issued the seventh annual Flatiron: Where Then Meets Now report showcasing the development and growth of the commercial and residential sectors in the district.

Subtitled “Resilient Retail in the Flatiron District,” this year’s report comprehensively describes the district’s 2017 vital statistics, and highlights the strength of the district’s retail sector despite the difficult environment for retail across the city. The report is among a suite of publications from the BID that focuses on the real estate market in the neighborhood. The report is available at <http://www.flatirondistrict.nyc/about-the-bid/reports-and-data>.

“As this report clearly demonstrates, Flatiron is a dynamic neighborhood with an irresistible mix of commercial and residential sectors,” said Jennifer Brown, the Flatiron/23rd Street Partnership’s Executive Director. “Despite the challenging environment for brick-and-mortar retail across the country and New York City, we are excited to report that the retail landscape in the Flatiron District continues to thrive, and a wide variety of innovative retailers are continuing to set up shop in the neighborhood.”

Bordered by 21st and 28th Sts. and Sixth and Third Aves., the BID boundaries cover about 21.6 million s/f of commercial space and house approximately 4,200 commercial tenants and 570 ground-floor businesses. Since the establishment of the BID—one of 74 in the city—in 2006, Flatiron has undergone a dramatic transformation into a safe, clean, and desirable neighborhood sought out by all types of people, businesses, industries, and interests.

While many neighborhoods have seen widespread brick-and-mortar store closures due to changing economic forces, Flatiron’s retail sector has continued to thrive over the past year. One sign of the neighborhood’s continued growth, is that retailers are increasingly deciding to make their New York City debuts in Flatiron. In 2017, British lifestyle brand The White Company and kitchen and bath manufacturer Kohler each opened flagship stores in the district.

Other retailers, seeking new ways to engage customers, have opened innovative concept stores in Flatiron, following the lead of neighborhood destination Eataly, a pioneer in experiential retail that opened in 2010. In late 2016 menswear brand Todd Snyder and Fujifilm’s Wonder Photo Shop each opened experiential stores in the district.

Among the retail findings in the new report:

The retail availability rate is 5.6%, one of the lowest in Manhattan.

There are over 570 ground floor businesses in the district—36.1% are national, and 63.9% are locally-owned independent businesses.

The Fifth Avenue Corridor along the southern edge of the district has transformed in recent years with the addition of major tenants like The White Company, Bandier, and Fujifilm's Wonder Photo Shop.

Average asking rents along the Fifth Avenue Corridor have risen 18% since spring 2016 to \$456 per square foot, which is by far the largest increase of any Manhattan retail corridor, and one of only two retail corridors to see an increase since 2016.

Dubbed "The Fitness District," Flatiron is home to 47 fitness gyms and studios, a 15.8% increase since 2014. Fitness retailer Alo Yoga will soon call Flatiron home, joining Athleta, Equinox, Sweaty Betty, and AKT NoMad. The fitness and wellness categories represent more than 1 out of every 10—or 10.3%—of all ground-floor businesses in the district.

Flatiron is now home to more than 230 restaurants, bars, and quick and casual food establishments, representing 4 out of every 10—or 42.2%—of Flatiron's ground-floor businesses. So far in 2017, 28 restaurants have opened in the district, with another seven on the horizon. Restaurant growth has been particularly significant along 23rd St., where there has been an in-flux of new quick and casual dining options.

Flatiron is a destination for tourists and local visitors alike. Currently, there are 3,874 hotel rooms in and around the District. Another 1,800 hotel rooms are in development.

Among other findings in the new report:

The average price per square foot for Class A and B office space in the Flatiron District was \$71.84 in 2Q 2017.

Average asking rents in the district in 2Q 2017 were 7.1% higher than the Class A & B Manhattan-wide average of \$67.11 per square foot.

Demand for office space in the district remained high in 2017 with tenants from the technology, advertising, media, and information (TAMI) sectors accounting for 49.1% of office space lease signings.

Companies that moved their headquarters to Flatiron in 2017 include BDG Media, S'well, Magnetic, Wyng, and 24 Seven. Meanwhile, AEG Live, Blue Apron, Creative Circle, KSH Capital, and AdRoll signed new leases in the district.

The Flatiron neighborhood's estimated residential population is 252,658. The population is projected to rise by 1.93% to 257,535 by 2022, and there are currently 247 residential units planned or under construction within BID boundaries.

Major planned and active residential development projects will continue to yield significant change on the horizon. Among them are: 39 West 23rd Street; 34 West 21st Street; 122-130 East 23rd Street; 139 East 23rd Street; and 150-154 East 23rd Street.

In 2016, ridership from Flatiron's seven subway stations was 46.3 million, or 2.64% of the city's total ridership.

NYC Bike Share has 13 stations with an average of 500 docking spaces in and around the district. In the month of July, a total of 97,277 bike share trips originated and ended within BID boundaries, and rides within the district account for 6.1% of New York City's total bike share trips.

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