



The Garment District: Looking forward to a busy fall leasing season

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Change is underway in the Garment District, the diverse neighborhood that encompasses 5th to 9th Aves. between 33rd and 42nd Sts. Much attention has been paid to that fact in recent months as the Fashion Center Business Improvement District announced plans to rename the neighborhood to reflect its evolution. From the perspective of Adams & Co., the revitalization of this district has been especially striking between Fifth and Sixth Aves. Many new fashion and office tenants are moving into the neighborhood, as well as new retail stores, restaurants, hotels and even residential developments. They are drawn to the district's excellent Midtown location in the Transit Triangle – Grand Central Station, Penn Station and the Port Authority. While the resident population is on the rise, the location near major transportation is always attractive to firms and their employees.

Just how much things are booming in the district is revealed in the BID's 2011 economic profile, released this spring. Employment is on the rise with over 4,000 jobs added to the district in the past five years, led by hotels, restaurants and film, visual arts and photo studios. That increase brings the total number of jobs in the district to 77,000. Jobs in the district are split nearly evenly between fashion jobs and non-fashion related jobs.

Meanwhile, more people keep moving to the district – the resident population has increased by 26.7% since 2000. As companies seek to improve work/life balance for their employees, demand for office space near residential areas is on the rise, and the growing residential community in and around the Garment District is making it an appealing option. Meanwhile, the Hudson Yards development will bring thousands of new residents to the nearby area. This project combined with the extension of the No. 7 subway line has Midtown West set to be the next hot residential neighborhood.

The district's hospitality industry is also booming. There are currently 24 hotels operating in the district, and another five are slated to open in the neighborhood this year alone, including a Holiday Inn on Eighth Ave. and a Holiday Inn Express on West 48th St. Another five slated to open in the longer term. The restaurant scene is on the upswing, as well. Italian eatery Casa Nonna opened last year on West 38th St. as the retail tenant of a new residential building, and the Beer Authority opened recently on W. 40th St.

Meanwhile, Adams & Co. and other landlords have played their part in the revitalization by renovating class B and class C buildings on the side streets, bringing them up to date with all the modern amenities and conveniences that class A buildings are traditionally known for. We are investing millions of dollars to renovate lobbies, facades and office spaces. Buildings that undergo renovations are quickly in high demand from top-tier tenants in the fashion, media and professional services industries, allowing us to keep vacancy rates low.

For companies looking to take advantage of all the Garment District has to offer, working with a local

brokerage is very advantageous. Adams & Co.'s deep knowledge of the district means we can offer clients long-term landlord relationships, which can help tenants find the ideal space and negotiate a better lease. Our market knowledge allows us to guide tenants to stable landlords with strong financial health. We also advise clients on industry-specific locations that places them nearby like-minded companies. Specialty buildings, which place businesses of the same industry in one building, have proven successful at creating destination buildings for industries, benefiting both small and large companies.

Adams & Co. is looking forward to a busy fall leasing season in the Garment District, and we expect that momentum to continue for an even busier 2013. The district, along with all of New York's neighborhoods, is consistently changing and evolving. Real estate is about relationships, and Adams & Co. is a local brokerage that knows the landlords and real estate community on a local level. With 100 years of experience, we have always and will continue to play a critical role in the district's value-driven commercial real estate market.

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