



Flatiron Quarterly Market Snapshot

Q1 2021

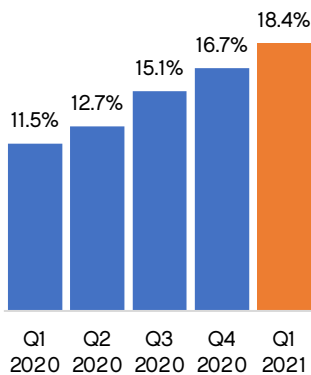
Flatiron & NoMad Lead Midtown South Commercial Leasing

Flatiron/NoMad's commercial office leasing **increased 63%** this quarter, leading the Midtown South Market. Notable signings included Beam Suntory's 12.5-year lease for **99,556 SF** at 11 Madison Avenue and meal-kit delivery company Freshly's 15-year deal for **92,306 SF** at 63 Madison Avenue ([Colliers](#)). This increase mirrors findings from VTS which noted a **57% increase** in new requests from companies seeking office space in NYC this year compared with the average from July / November ([Bloomberg](#)).

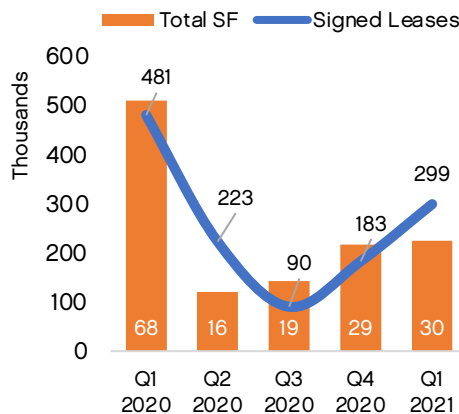
Despite some positive indicators, leasing volume is down **38%** year-over-year. The availability rate **increased 1.7%** from last quarter with an additional **400K SF** becoming available on the market. Sublet space remained around **25%** of total available square footage.

Commercial A & B Office Space

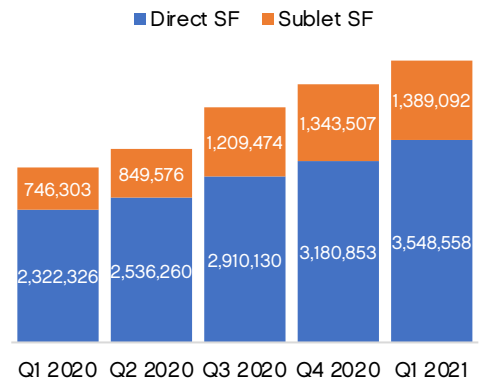
Availability Rate



Leasing Volume (SF)



Direct vs. Sublet Space (SF)



Return to Office Projections

Large employers currently expect their workforce to return to the office by fall 2021 ([LaSalle Network](#)) and commercial property owners are introducing new amenities and competitive pricing attract and retain their tenants ([WSJ](#)). With returns on the horizon, Flatiron & NoMad are seeing **more frequent and larger lease signings** from its low in Q3 2020 including tenants from afar and those doubling down to stay in the district with larger footprints.

Relocating to NYC: Beam Suntory, the world's third largest producer of distilled beverages, is relocating its global headquarters from Chicago to Manhattan, bringing 11 Madison to full occupancy ([Commercial Property Executive](#)).

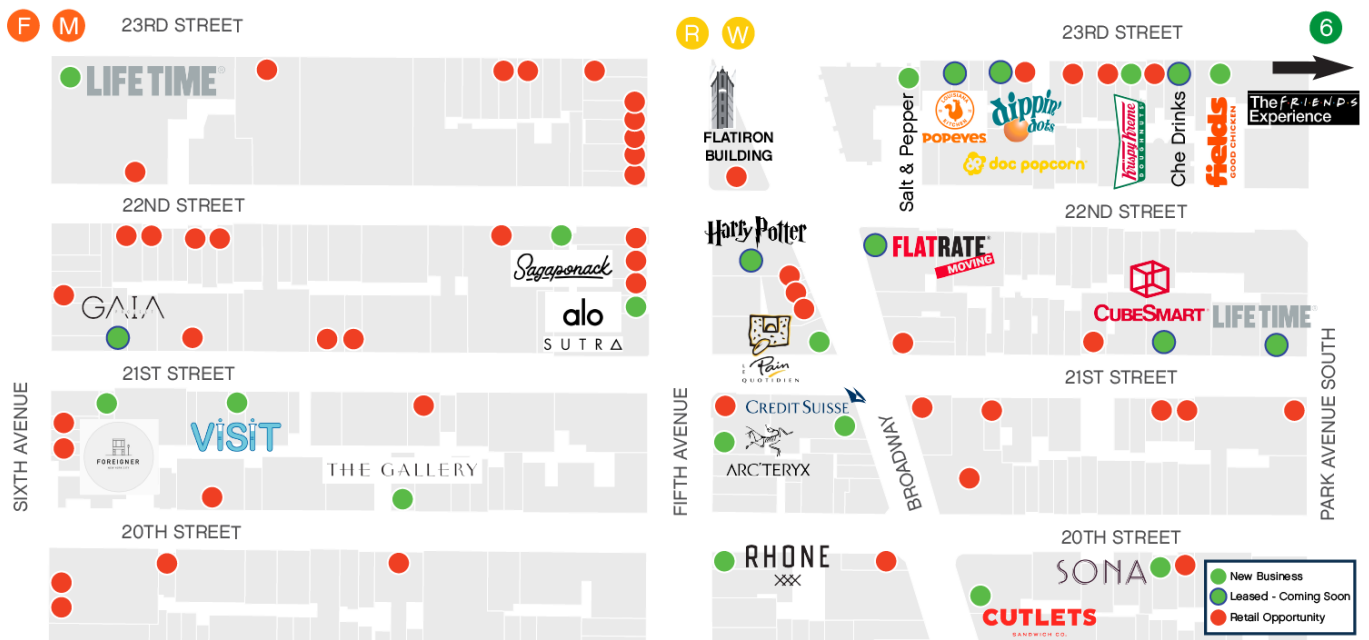
Relocating within Flatiron/NoMad: Even Financial signed a lease for **11,935 SF** at Two Tree's 50 West 23rd Street, upgrading their space and acquiring new amenities for their employees ([Commercial Observer](#)). Freshly also relocated within the neighborhood from 115 East 23rd Street to its new space at 63 Madison Avenue, more than quadrupling its office footprint and gaining access to ground floor retail including Whole Foods ([The Real Deal](#)).

Flatiron Ripe for a Rebound – Retail Leasing Increases

With increased foot traffic and the potential return of office employees on the near-term horizon, Flatiron and NoMad has seen many new tenants secure prime retail locations in the heart of the district. **Ground floor retail vacancy rates have declined** with experiential retail destinations Harry Potter New York (935 Broadway) and The FRIENDS Experience New York (130 East 23rd Street) drawing attention to the area.

National food and beverage retailers are leading the way along the 23rd Street corridor including Popeyes, Dippin' Dots, Doc Popcorn, Krispy Kreme, and Fields Good Chicken ([Commercial Observer](#)) while major clothing retailers Alo Yoga, Arc'teryx, and Rhone have opened recently along Fifth Avenue. Smaller local businesses, both retail and food and beverage, have secured space in the district including celebrity Priyanka Chopra's latest venture, SONA ([Food & Wine](#)), and THE GALLERY a concept by Michelin-starred chef Hiroki Odo ([Surface Magazine](#)).

Retail Leasing & Activity Below 23rd Street



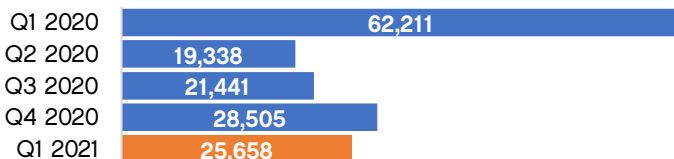
Pedestrian Traffic Rises

Pedestrian volumes reached **50%** of pre-pandemic levels as spring began at the end of Q1 ([Q1 2021 Pedestrian Report](#)). The quarterly average dipped most likely due to below-average temperatures and various snowstorms in February.



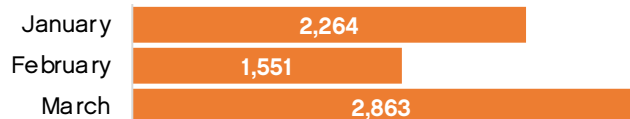
Daily Pedestrian Counts

Flatiron Public Plazas



Daily Citi Bike Trips

Beginning or Ending in Flatiron



Sources: Citi Bike, CoStar, Springboard