



# Flatiron: Where Then Meets Now

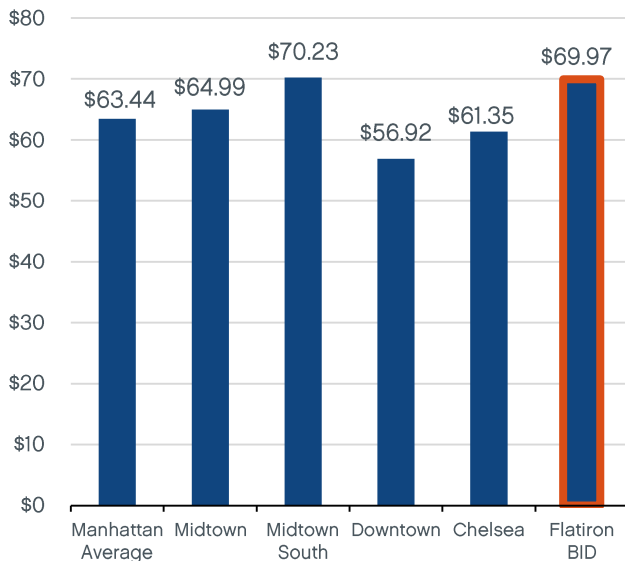
## Flatiron District Market Snapshot/Q2 2018

Demand for office and retail space in the Flatiron District remains high in the second quarter (Q2) of 2018. Businesses in the district have set a high bar for creative office design, and hotel developments opened several restaurants and bars that have attracted visitors and locals alike. Fast-casual restaurants continued to sign leases in the neighborhood.

### MARKET OVERVIEW

In Q2 2018, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 4.0%, a slight decrease from 4.1% in Q1 2018. The Q2 2018 vacancy rate is down from the Flatiron District's 5-year average vacancy rate of 5.5%, but an increase from the 3.9% vacancy rate one year ago in Q2 2017. The graph to the right illustrates vacancy rates in the Flatiron District compared to other Manhattan districts. Overall, the Flatiron District continues to have historically low vacancy rates.

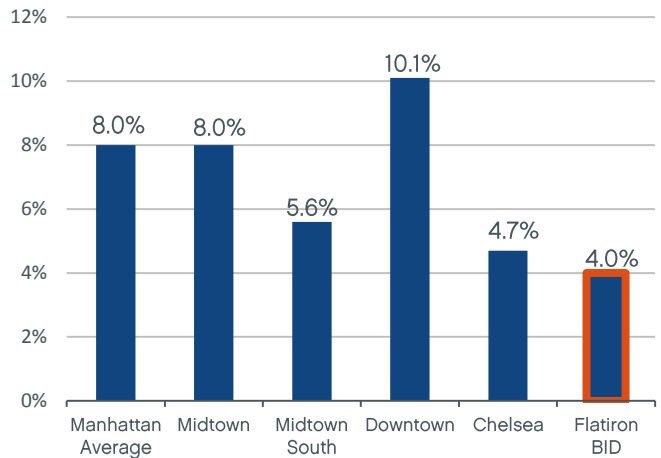
During Q2 2018, asking rents for Class A & B spaces averaged \$69.97/SF, an increase from \$67.49/SF in Q1 2018, but a decrease from \$71.84/SF one year ago in Q2 2017. However, average asking rents in Q2 2018 were higher than the Class A & B Manhattan-wide average of \$63.44/SF. The comparative graph is below.



Source: CoStar

### COMMERCIAL OFFICE MARKET

Q2 Commercial Vacancy Rates - Class A & B



Source: CoStar

### Leaders in Office Design

Multiple companies in the BID have focused on developing creative work spaces that are designed to be as comfortable as working from home. Two office lease signings from Q3 2017 have garnered praise for their interior design. Signed in October 2017, Edrington Americas undertook a nine-month design process enlisting architecture and design firm Gensler for their 26,000-square foot space at 27 West 23<sup>rd</sup> Street. The new office features hand-selected furniture and art, themed meeting rooms, two kitchens, and a full cocktail bar. The Skimm signed a lease at 50 West 23<sup>rd</sup> Street, also in October 2017, to quadruple its office size. The Skimm's new headquarters have been labeled one of the trendiest offices in the country with a lively, sophisticated, and highly functional space. The Skimm turned to its employees to design the office, which features communal spaces, themed meeting rooms, and a bright color scheme.

**WeWork**  
 15 West 27th Street  
 10 years, 11,800 SF  
 New

**Dailymotion**  
 50 West 23rd Street  
 3.5 years, 21,650 SF  
 New

**Fenwick & West**  
 902 Broadway  
 10 years, 36,300 SF  
 New

**Diply USA**  
 49 West 23rd Street  
 5 years, 5,500 SF  
 New

**LEASES**

**RETAIL MARKET**

Inventory of available retail spaces in the district, which are tracked and published monthly by the BID, remained low in Q2 2018. There was a decrease in available retail spaces from Q1 2018 as several listings, including 257 Park Avenue South, 34 West 22nd Street, and 115 East 23rd Street were taken off the market. The graphs below show changes to the retail availability rate over the past six months, as well as how the Flatiron District compared to other neighborhoods.

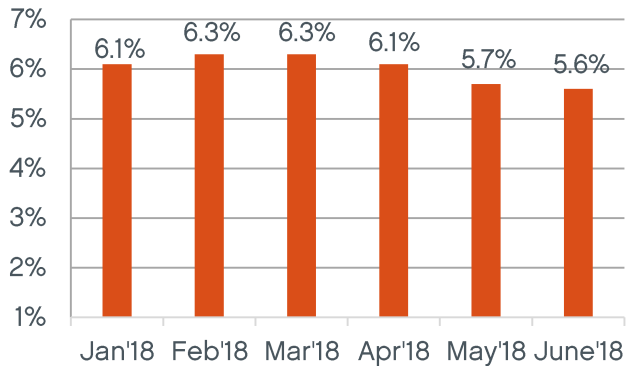
**Hotel Developments Promote Business Growth**

Hotels in the district have increasingly developed popular restaurant and bar venues. The Freehand Hotel, newly completed in Q1 2018, opened two businesses in Q2 2018. 18 stories above street level is Broken Shaker, a 2,500-square-foot rooftop bar and lounge with a tropical décor and menu that attracts lines of excited visitors. On the ground floor, an all-day café, Smile To Go, offers healthy Mediterranean fare with a rotating menu. Built in 1903, The Evelyn hotel began construction of several ground floor dining opportunities. The first of three dining ventures to come to The Evelyn is Leonelli Taberna, a Roman-inspired trattoria that opened its doors in Q2 2018. A classic Italian bakery and a fine dining restaurant are slated to open this summer and fall, respectively.

**Flatiron Food Haven**

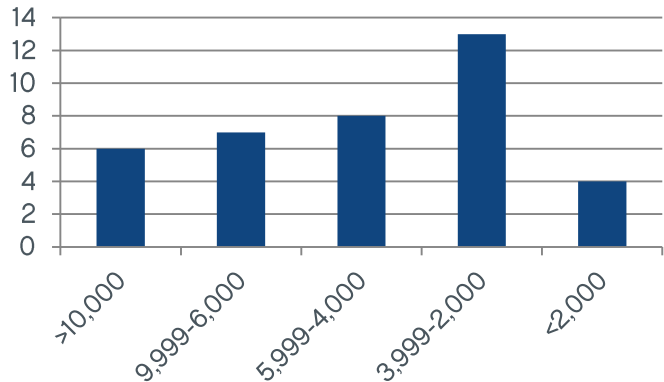
The Flatiron neighborhood continued its development as a major food destination. During Q2 2018, several restaurants announced plans to move into the neighborhood. Chick-fil-A, the sought-after fried chicken chain, signed a lease at 700 Sixth Avenue in April. Blue Bottle Coffee, a café roasting responsibly-sourced beans, will perk up in the district at 257 Park Avenue South. Touted as the city's first virtual food hall, Sous Vide Kitchen, opened its doors in June offering five different food concepts including the space's previous tenant, BONMi, at 119 East 23rd Street.

**Flatiron District Marketed Available Retail Space Q1 2018 – Q2 2018**



Source: Flatiron BID Retail Opportunities Maps

**Flatiron District Marketed Available Retail Space by Square Footage**



Sources: July 2018 Flatiron BID Retail Opportunities Map



York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's businesses, residents, and visitors; by spearheading area improvement projects; and by marketing the diverse business and retail options in this vibrant and historic neighborhood.

The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New