



The final quarter of 2018 witnessed significant retail, commercial, and residential developments in Flatiron. A large number of businesses opened their doors, particularly within the fast-casual dining sector. Companies continue to sign leases for commercial headquarters, and the neighborhood remains popular with co-working space providers. Lastly, the redevelopment of several major buildings are underway.

New Businesses in Q4 2018

Angel Thrift Shop	Retail	48 West 22nd Street
Dance Teacher's Network	Dance Studio	1 East 28th Street
David's Bridal	Retail	45 West 25th Street
Deciem	Beauty	1134 Broadway
Forward	Health	1153 Broadway
Kung Fu Tea + TKK Fried Chicken	Food	115 East 23rd Street
Memo Shish Kebab	Food	100 West 23rd Street
ROLLN	Food	38 East 23rd Street
Seven Grams Caffé	Food	76 Madison Avenue
Silver Mirror Bar	Beauty	10 West 22nd Street
Taïm	Food	64 West 22nd Street
Undercote	Restaurant / Bar	16 W 22nd Street
WTHN	Beauty	20 West 22nd Street
Zola	Retail	168 Fifth Avenue



Taïm, 64 West 22nd Street



Deciem, 1134 Broadway

Fast Casual Dining Growth Continues

The Flatiron District's 23rd Street corridor has been referred to as "Fast-Casual Row" due to the presence of numerous fast-casual restaurants. In Q4 2018, this trend continued with the opening of several new dining spots along 23rd Street, including Kung Fu Tea + TKK Fried Chicken, ROLLN Sushi, Skewr Kebab Kitchen, and Memo Shish Kebab. The recent 23rd Street openings, in addition to falafel joint Taïm's opening on 22nd Street, highlight the growth of Asian and Mediterranean cuisine throughout the neighborhood. New restaurants commonly cite Flatiron's residential community and large number of employees from nearby tech companies as major reasons why they expanded into the district.

The Transformation of 22nd Street

During Q4 2018, 22nd Street experienced a wave of new business openings in the Flatiron District's southwest corner between Fifth and Sixth Avenues. Flatiron's **health and wellness** sector welcomed acupuncture studio WTHN, and next door, at 20 West 22nd Street, facial studio Silver Mirror Bar opened. Both businesses signed adjacent leases with the intention of complementing one another. Angel Thrift Shop's proceeds benefit local charities and add to the street's **retail** presence. In 2017, Korean steakhouse Cote debuted and in Q4 2018 the restaurant opened its long-awaited subterranean speakeasy, Undercote.

Commercial Leases

Knotel

27 West 23rd Street
51,000 SF
Coworking Space

Consolidated Carpet

16 West 22nd Street
10 years, 13,000 SF
Manufacturing

SeatGeek

902 Broadway
72,800 SF
Tech

BlinkFitness

386 Park Avenue South
13,000 SF
Service

Knotel

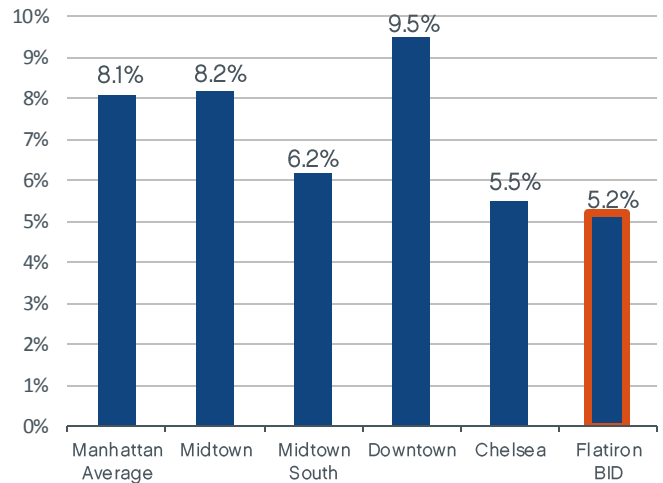
155 Fifth Avenue
10,400 SF
Coworking Space

Commercial Office Market

In Q4 2018, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 5.2%, an increase from 4.7% in Q3 2018. The Q3 2018 vacancy rate is up from the Flatiron District's 5-year average vacancy rate of 4.9%, and an increase from the 4.1% vacancy rate one year ago in Q4 2017. The graph to the right illustrates vacancy rates in the Flatiron District compared to other Manhattan districts.

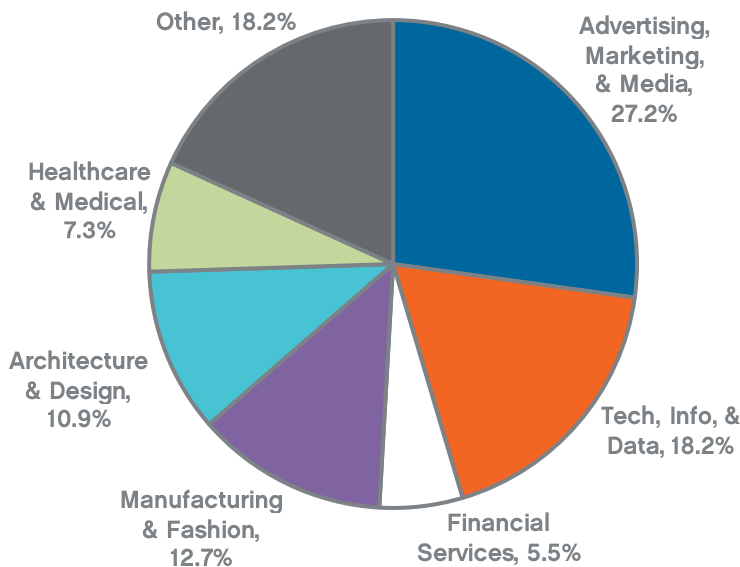
During Q4 2018, asking rents for Class A & B spaces averaged \$66.96/SF, an increase from \$65.80/SF in Q3 2018, and a decrease from \$70.06/SF one year ago in Q4 2017. Average asking rents in Q4 2018 were higher than the Class A & B Manhattan-wide average of \$62.27/SF.

Q4 Commercial Vacancy Rates - Class A & B



Source: CoStar

2018 Lease Signings by Industry Use



Sources: Flatiron Where Then Meets Now Report 2018

Commercial & Residential Building Development

Commercial and residential building projects have made great progress in Q4 2018. The dual-tower condominium development expected to contain 44 homes at 39 West 23rd Street celebrated the start of construction in October. Issac & Stern Architects revealed the rendering for an 18-story building under construction at 25 West 24th Street, previously occupied by Le Semana hotel. SL Green Realty Corp. outlined plans for the redevelopment of its office tower at One Madison Avenue. Demolition and construction expected to begin in 2020 or 2021. The project will expand the building's rentable square footage with an additional 18 column-free floors. Facebook is confirmed to be in talks to lease the renovated office space.

Sources: New York YIMBY, The Real Deal

Commercial Building Transactions

- **160 Fifth Avenue** – RFR Holdings closed the sale of 160 Fifth Avenue to The Simons Foundation. The office portion of the 150,000-square-foot space was purchased for \$185 million.
- **28 West 22nd Street** – The longtime Van Alen Institute building was acquired by Akelius Real Estate Management for \$31.5 million. The firm plans to move into the building in 2021.



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The Flatiron Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the Flatiron area's reputation as one of the city's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment, spearheading public improvement projects, and marketing diverse business and retail options.