



FLATIRON  
NOMAD

# Q2 2023 Economic Report



# Local Economy Stabilizes & Thrives

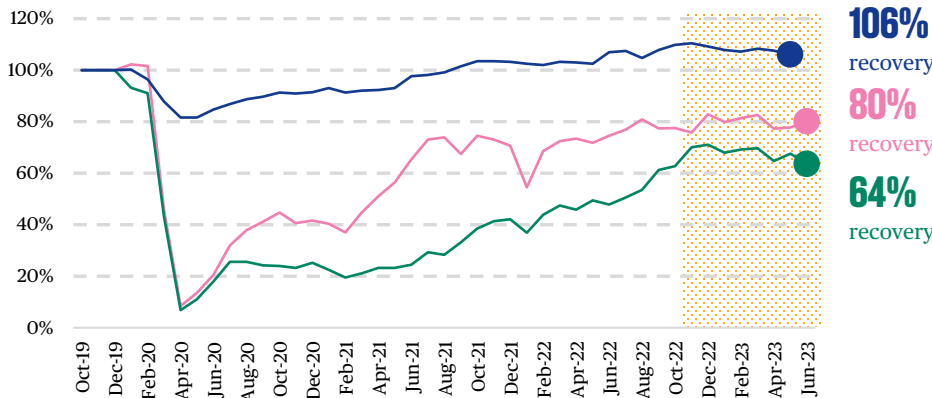
## EMERGING & EVOLVING “NEW NORMAL” LOOKING UP

An evolving "new normal" is developing citywide as it recovers from economic disturbances starting in 2020. While some 9-to-5 office districts struggle to regain foot traffic and attract business, Flatiron and NoMad are ahead of the recovery curve. Visitor and shopping foot traffic fluctuates between 75% to 85% recovery. Employee foot traffic stabilized between 65% and 70%, well above the citywide average of 49%.

Flatiron and NoMad’s local economy is thriving and the public realm is bustling. Dozens of new businesses have opened since 2022 with ground floor retail vacancies dropping below 10%. Flatiron is one of the fastest commercial submarkets to rebound citywide and across the country with spending across major economic sectors nearly reaching or outpacing 2019 levels ([Commercial Observer](#), [Chain Store Age](#), [Replica](#)). As a result, there are very few retail spaces available on signature commercial corridors such as Fifth Avenue and Broadway ([REBNY](#)).

### FOOT TRAFFIC RECOVERY (2019 – 2023)

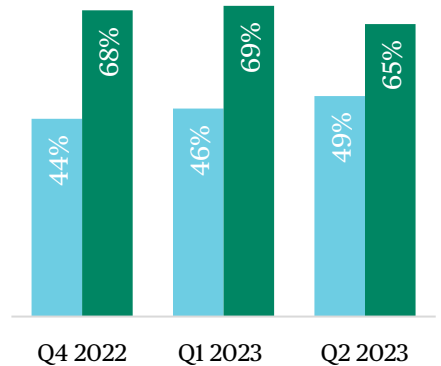
Visitors / Shoppers Full-Time Employees (weekdays) Residents



\*Source: Placer.ai

### RETURN-TO-OFFICE (RTO)

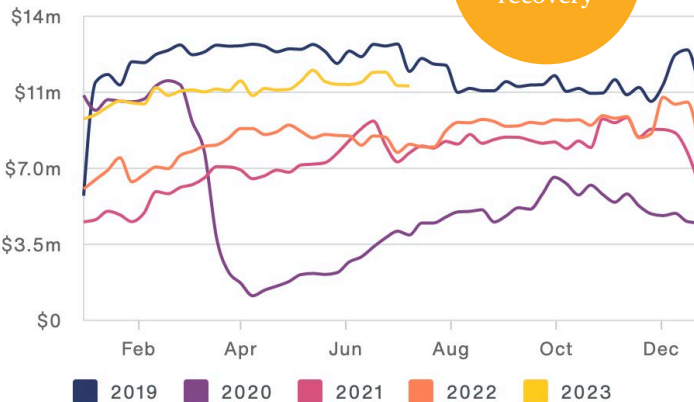
Citywide (Kastle)  
Flatiron NoMad (Placer.ai)



## LOCAL SPENDING

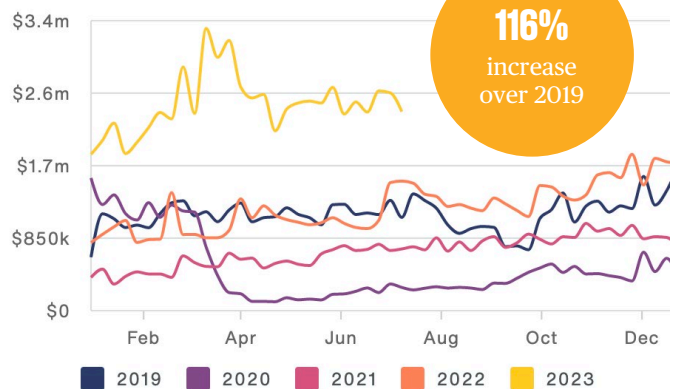
### RESTAURANTS & BARS

90%  
recovery



### ENTERTAINMENT & RECREATION

116%  
increase  
over 2019



\*Source: Replica; Tracts: 56, 58, 68, 72, 74, 76

# Local Economy Stabilizes & Thrives

## QUINTESSENTIAL MIXED – USE NEIGHBORHOODS

Flatiron and NoMad’s mixed-use nature has aided in its ability to adapt to changes over the last few years. As residential and tourism markets grow, the neighborhood’s weekly visitation curve is flattening ([Q2 2023 Mobility Report](#)), advancing Flatiron and NoMad as a quintessential 24/7, mixed-use neighborhood.

### RESIDENTIAL

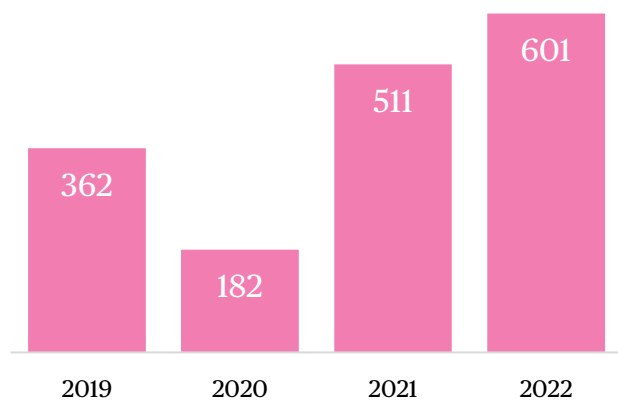
The neighborhood’s residential population has grown 7-10% since 2019. 7 new high-end residential buildings (580 units) opened, primarily in NoMad. Nearly 1,300 apartments have sold, well outpacing 2019 sales volumes in 2021 (+41%) and 2022 (+66%).

#### NEW RESIDENTIAL PROPERTIES, SINCE 2020

- 126 Madison Avenue (199 units) - Madison House
- 30 East 29<sup>th</sup> Street (123 units) - Rose Hill
- 202 East 23<sup>rd</sup> Street (108 units)
- 7-9 East 30<sup>th</sup> Street (54 units)
- 39 West 23<sup>rd</sup> Street (44 units) - Flatiron House
- 30 East 31<sup>st</sup> Steet (42 units)
- 128 East 28<sup>th</sup> Street (10 units)
- Coming Soon: 260-262 Fifth Avenue (41 units)

**Total: 580 Units**

#### APARTMENT SALES VOLUME



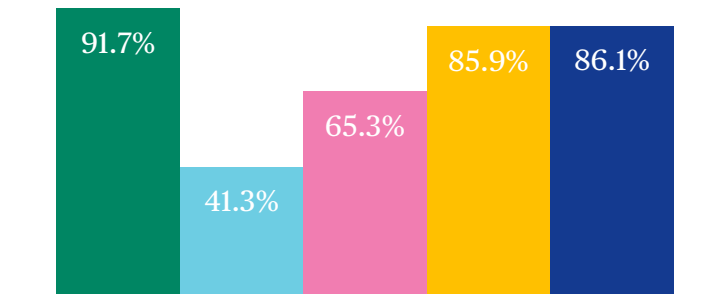
\*Source: StreetEasy

### TOURISM

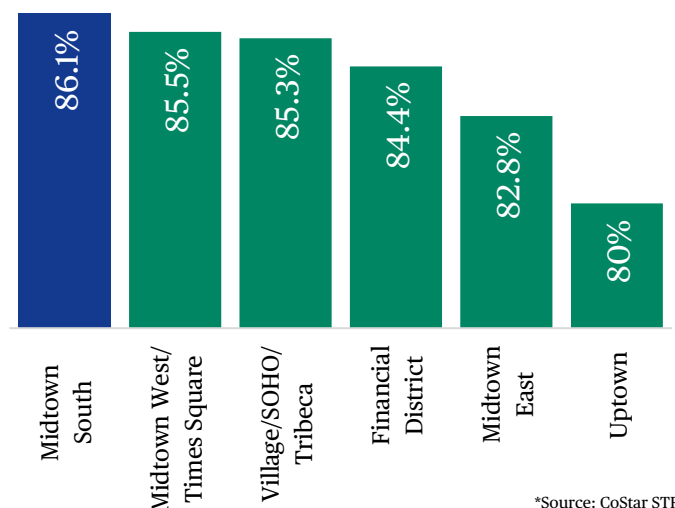
Tourism continues to expand with the addition of five new hotels (1,236 rooms) since 2022, totaling 31 in and around Flatiron and NoMad. Room occupancy rates have nearly rebounded to 2019 levels which is outpacing other Manhattan neighborhoods.

#### JUNE OCCUPANCY RATES (%)

2019 2020 2021 2022 2023



#### JUNE OCCUPANCY RATES, BY NEIGHBORHOOD (%)



\*Source: CoStar STR

# NoMad's Transformation

## NOMAD MEETS LUXURY HOSPITALITY

NoMad, the neighborhood north of Madison Park, has boomed as a luxury hospitality hotspot in recent years and is home to over 25 hotels. In 2022, the hospitality sector grew 25% with the addition of five new luxury hotels equipped with high-end designs and Michelin-starred chefs ([The Real Deal](#)). The team behind Soho House opened The Ned NoMad, where they “tread the line between hotel and members club” ([Condé Nast Traveler](#)). The Ritz-Carlton New York features Zaytinya and Nubeluz by Michelin-starred chef José Andrés’ along with rooms ranging from \$1,000 to five figures per night ([Ritz-Carlton](#)). The latest opening, Hotel AKA NoMad, is cited as “NYC’s newest ultra-luxury experience” ([REW](#)). Hotels in NoMad helped increase average daily rates district-wide this quarter to \$290.50 per night, surpassing 2019 levels.

NoMad’s luxury dining is expanding alongside new hospitality developments. Eight trendy restaurants and cocktail bars opened in 2022, complimenting the 90+ restaurants and bars already in the neighborhood ([Guest of a Guest](#)). Luxury retailers and services are also following suit as Equinox, Ambition, GlossLab, and Venchi opened to meet the needs of the expanding market as reflected by neighborhood spending data.

### NOMAD HOTEL OPENINGS SINCE 2022

- Hotel AKA NoMad (194 rooms)
- The Ritz-Carlton New York (250 rooms)
- The Ned NoMad (167 rooms)
- Le Méridien New York, Fifth Avenue (165 rooms)
- Virgin Hotels NYC (460 rooms)
- Coming Soon: The Fifth Avenue Hotel (153 rooms)



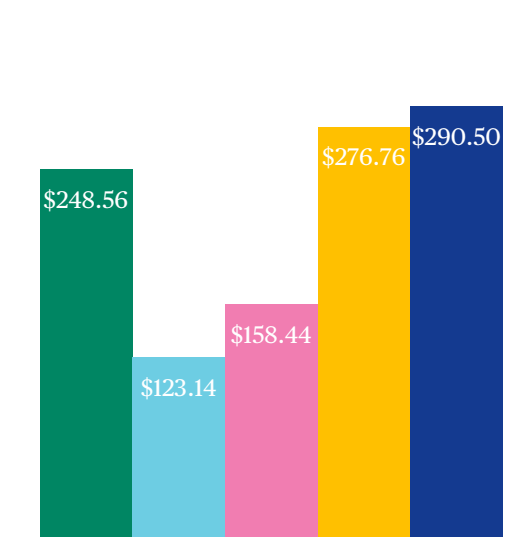
### NOMAD DINING OPENINGS SINCE 2022

- Cecconi's (1170 Broadway)
- Everdene (1227 Broadway)
- Maialino (30 East 30th Street)
- Koloman (16 West 29th Street)
- Zaytinya (1185 Broadway)
- Nubeluz (25 West 28th Street)
- The Ivory Peacock (38 West 26th Street)
- Apotheke NoMad (9 West 26th Street)

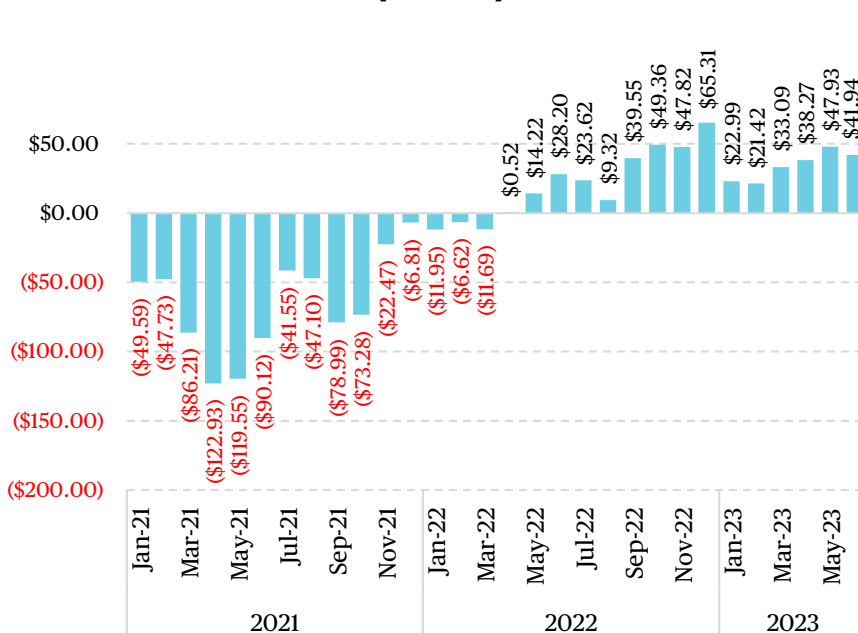
+ 32 restaurants & bars

### HOTEL AVERAGE DAILY RATE, JUNE (\$)

2019 2020 2021 2022 2023



### HOTEL AVERAGE DAILY RATE (VS. 2019)



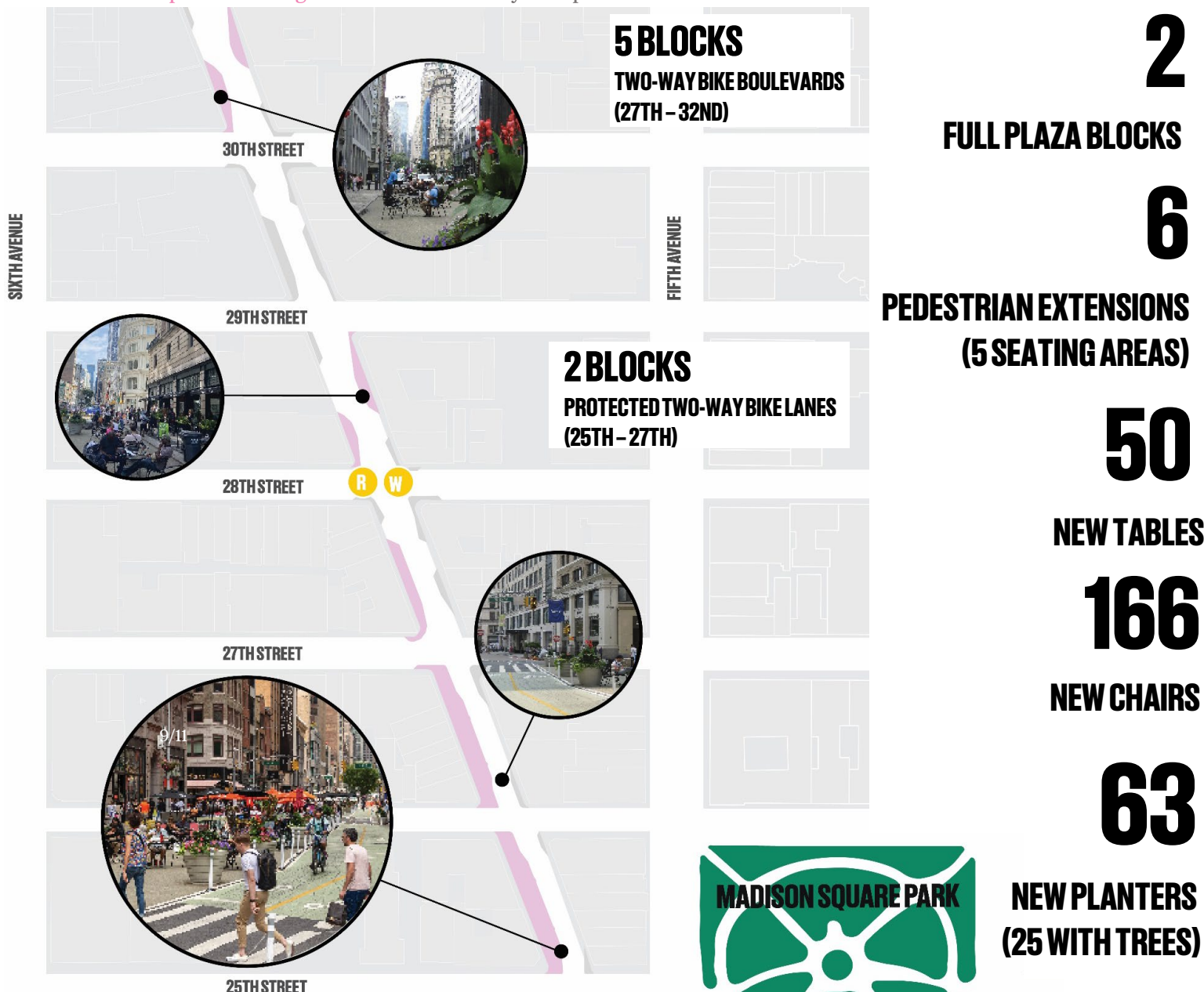
# Broadway Vision Streetscape Enhancements

[NYC DOT's Broadway Vision](#) program, envisioned to extend from Columbus Circle to Union Square (including through the heart of NoMad and Flatiron), offers a variety of block types like fully pedestrianized public plazas, shared streets with seating areas and 5MPH speed limits, and enhanced design elements featuring bike lanes, greenery, and other traffic-calming elements.

This quarter, following an announcement from NYC Mayor Eric Adams and DOT Commissioner Ydanis Rodriguez, Broadway from 25th Street to 32nd Street was transformed with two new plaza blocks from 25th Street to 27th Street, five blocks of shared streets with public seating areas and outdoor dining, and a two-way bike connection throughout ([Flatiron NoMad Partnership](#)). These enhancements increase public seating, calms traffic, and fosters a safe, inviting corridor for walking, dining, and bicycling.

## BROADWAY VISION (25TH – 31ST STREET)

New Public Space & Seating New Pedestrian Safety Bump-Outs



# Broadway Vision Economic Impact

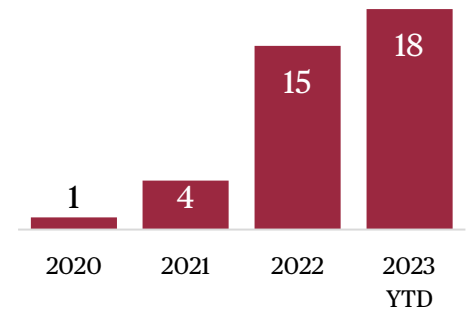
Broadway, from 25th to 31st Streets, has prospered economically amidst major public realm upgrades. Over 30 new ground floor businesses have opened recently, primarily in the food and beverage industry. The Ned NoMad, The Ritz-Carlton New York, and Virgin Hotels NYC opened in 2022, attracting a new dynamism to the corridor. In June, pedestrian counts along this stretch of Broadway outpaced 2019 levels ([Q2 2023 Mobility Report](#)).

## NEW GROUND FLOOR BUSINESSES

New 2022 New 2023 Existing Hospitality Retail Opportunities



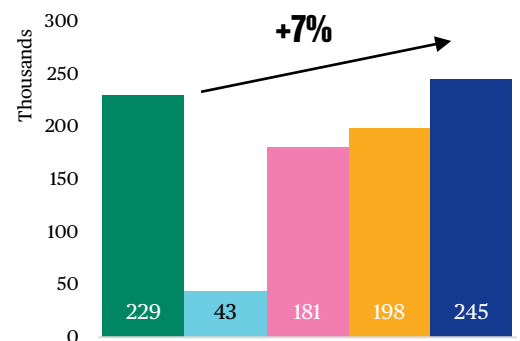
## NEW GROUND FLOOR BUSINESSES ALONG BROADWAY (25TH - 31ST)



**245,000+**  
VISITS PER DAY

## JUNE FOOT TRAFFIC (2019 - 2023)

2019 2020 2021 2022 2023





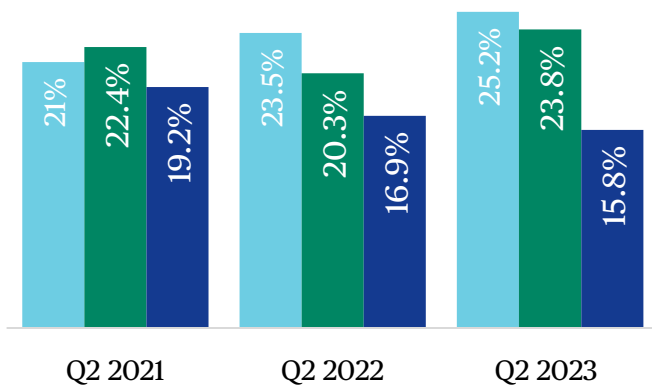
# Office Market

Office availability rates rose this quarter citywide and Flatiron and NoMad’s availability reached 23% in Q2. Available sublease space remained consistent in Flatiron and NoMad but reached an all-time high in June citywide.

## COMMERCIAL OFFICE SPACE

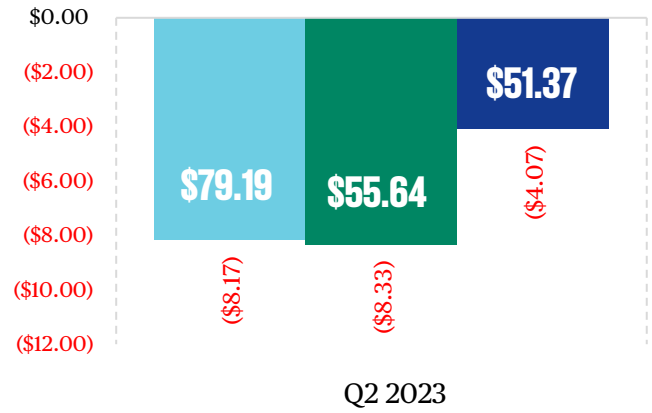
### AVAILABILITY RATE

Class A Class B Class C



### PRICE (\$ / SF) – COMPARED TO 2019

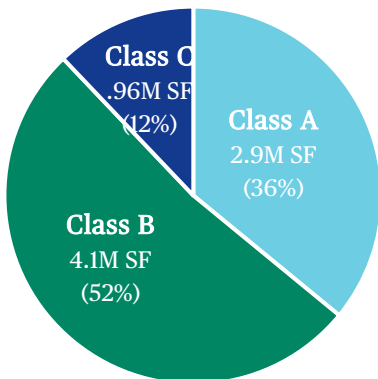
Class A Class B Class C



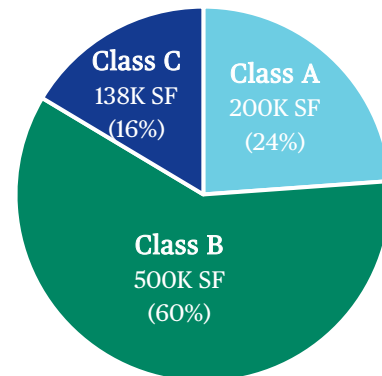
## OFFICE OPPORTUNITIES ABOUND IN TENANT'S MARKET

Despite the “flight-to-quality” narrative, Class B office space comprised of 60% of Flatiron and NoMad leases YTD. Through Q2, these leases were signed at a 13% discount compared to 2019 (-\$8.33/SF). With nearly eight million square feet of available Class A, B, and C office space, there are numerous opportunities to join the diverse and accomplished roster of companies who call Flatiron and NoMad home.

### OFFICE INVENTORY (AVAILABLE)



### 2023 LEASING - YTD



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