



The first quarter of 2019 ushered in a wave of new businesses including new dining establishments and major fitness studio announcements. Technology, Advertising, Marketing, and Information (TAMI) companies continue to sign commercial leases in the neighborhood. A hotel conversion with a restaurant and two rooftop bars is underway, and a new residential building was completed.

New Businesses in Q1 2019

areppas (coming soon)	Food	115 East 23rd Street
CAVA	Food	678 Sixth Avenue
Gold Bear	Bar	377 Park Ave South
Le Tea (coming soon)	Beauty	1134 Broadway
Made by We	Community Space	902 Broadway
Noda	Food	6 W 28th Street
OsteoStrong	Fitness	22 E 21st Street
Precision Run (coming soon)	Fitness	12 West 21st Street
Rodos	Food	39 West 24th Street
Rumble Treading (coming soon)	Fitness	49 West 23rd Street
Summer Salt (coming soon)	Food	30 East 23rd Street
Tia Clinic	Health	30 East 23rd Street
Xiang Xiang Noodles	Food	110 East 23rd Street
Wine & Spirits Market	Retail	676 Sixth Avenue



Noda, 6 West 28th Street



CAVA, 678 Sixth Avenue

Running-Focused Studios Coming to the Neighborhood

With over 50 studios and gyms in and around the neighborhood, the Flatiron District is a **fitness hotspot**. In response to the growing popularity of cardio-focused workouts and running clubs, fitness companies are opening studios solely dedicated to running. Rumble, the boxing-inspired group fitness company, announced the opening of its first ever treading location. Rumble Treading will debut this summer at 49 West 23rd Street to offer HIIT group treadmill workouts. Equinox is expanding its portfolio with a treadmill-focused facility called Precision Run, based on Equinox's most popular workout class. The studio is set to open this spring at 12 West 21st Street.

Wellness & Beauty Are Social Media Savvy

The influx of **wellness and beauty** brands opening in the neighborhood have found success cultivating relationships with target audiences through social media. Acupuncture studio WTHN strategically leverages social media to educate consumers on acupuncture and demystify common misconceptions. L'Occitane's Flatiron flagship at 160 Fifth Avenue features the brand's first Beauty Lounge – a space designed to be a hashtag hit and a means to experience the brand's skincare products. Woman's health clinic, Tia, touts a picture-worthy aesthetic with a glass-lined hallway designated as the office's "internet-selfie wall," instagrammable exam rooms, and curated art to enhance client experiences.

Commercial Leases

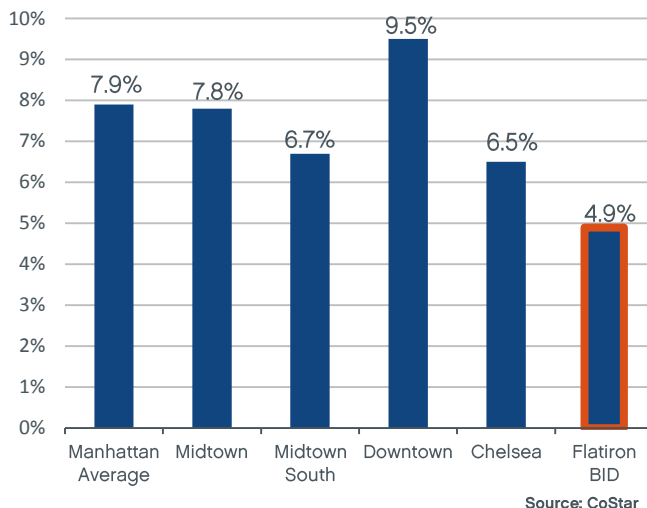
LINA 245 Fifth Avenue 13,100 SF Medical	Amenity Analytics 381 Park Avenue S, 6,900 SF Tech	Recount Media 12 W 21st Street 5,275 SF Media	William Lea Tag 381 Park Avenue S. 14,000 SF Marketing	Betterment Holdings 27-33 W 23rd Street 51,000 SF Finance
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Commercial Office Market

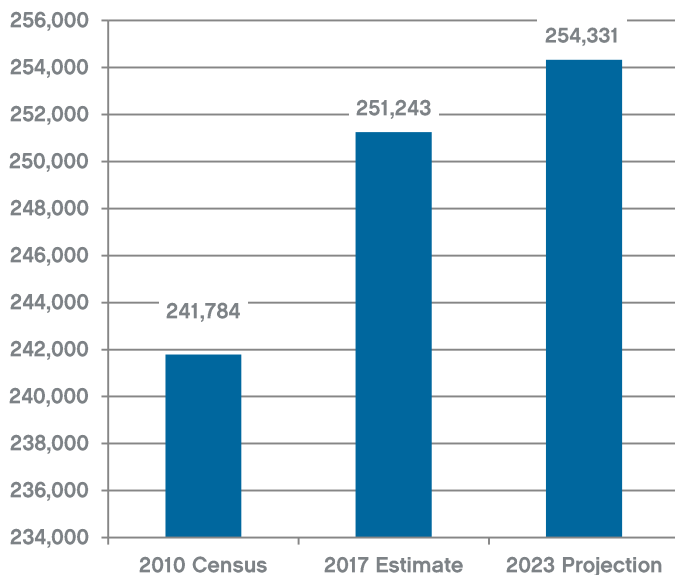
In Q1 2019, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 4.9%, a decrease from 5.2% in Q4 2018. The Q1 2019 vacancy rate is up from the Flatiron District's 5-year average vacancy rate of 4.7%, and an increase from the 4.1% vacancy rate one year ago in Q1 2018. The graph to the right illustrates vacancy rates in the Flatiron District compared to other Manhattan districts.

During Q1 2019, asking rents for Class A & B spaces averaged \$67.36/SF, an increase from \$66.96/SF in Q4 2018, and a near match of \$67.49/SF one year ago in Q1 2018. Average asking rents in Q1 2019 were higher than the Class A & B Manhattan-wide average of \$62.63/SF.

Q1 Commercial Vacancy Rates - Class A & B



Flatiron District Population Growth



Sources: Flatiron Where Then Meets Now Report 2018

Commercial & Residential Building Development

A hotel conversion is underway for 250 Fifth Avenue, an upcoming 23-story building designed by Perkins Eastman. The 104,00 SF complex will add 188 hotel rooms to the district. The hotel will feature a café/restaurant, a library, an outdoor terrace and bar on the ninth floor, and two rooftop bars on the northern and southern edges of the 23rd floor. Toll Brothers City Living's 133-unit, two towered condominium project was completed featuring 26,600 commercial square feet on the ground-floor. Developer SL Green released new renderings of the redevelopment of One Madison with designs calling for 18 column-free floors, private tenant terraces at the top of the building, and upgraded lobby and retail space.

Sources: New York YIMBY, City Realty

Commercial Building Transactions

- **212 Fifth Avenue** – Madison Equities sold the ground-floor retail space of the condominium project at 212 Fifth Avenue. The retail portion was purchased by an international investor for \$26.5 million.
- **41 East 21st Street**– The Zucker Organization sold its parking garage to a self-storage developer, Georgia-based Mequity Companies, for \$32.3 million.



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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.