



FLATIRON
NOMAD

Q1 2024 Economic Report

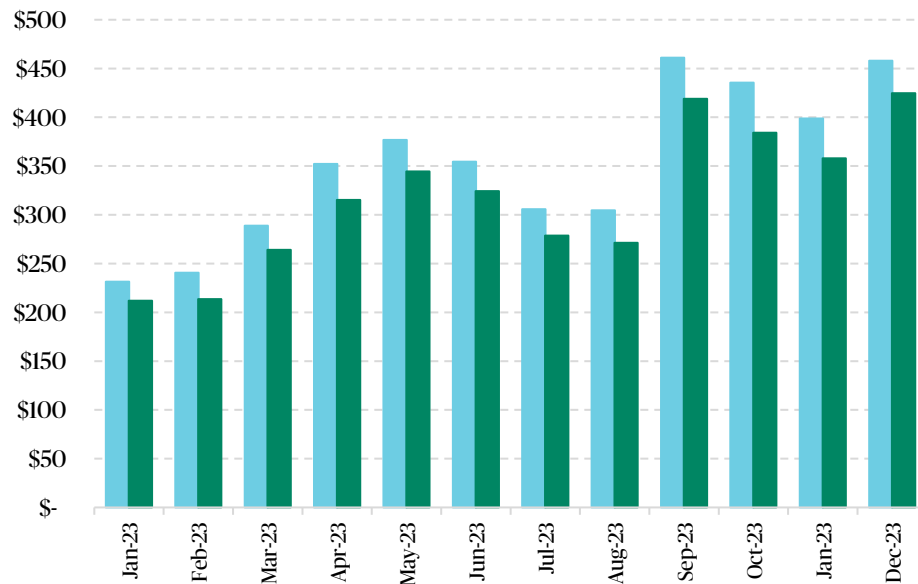
District Hospitality

*Source: CoStar

The hospitality industry is booming in Flatiron and NoMad with six luxury hotels having opened in recent years. The Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR) have consistently outpaced Manhattan-wide averages over the last year. In October 2023, area hotel ADR peaked \$51.40 higher than other areas in Manhattan.

AVERAGE DAILY RATE (ADR)

Flatiron NoMad Manhattan



January 2023	\$231	\$212
February 2023	\$241	\$214
March 2023	\$289	\$264
April 2023	\$352	\$315
May 2023	\$377	\$344
June 2023	\$354	\$324
July 2023	\$306	\$279
August 2023	\$305	\$271
September 2023	\$461	\$419
October 2023	\$435	\$384
January 2023	\$399	\$358
December 2023	\$458	\$425

STRONG HOLIDAY SEASON FOR NEIGHBORHOOD HOSPITALITY

+66%

Flatiron & NoMad ADR since 2021

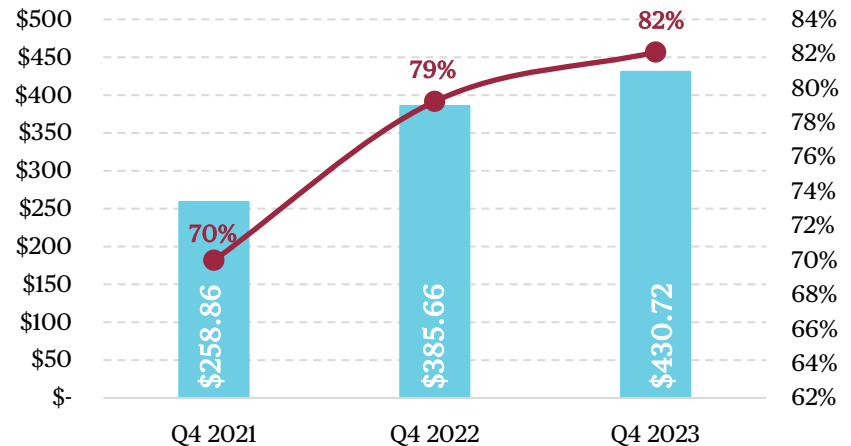
Flatiron and NoMad's hospitality sector enjoyed a strong holiday season, with the average ADR topping \$430 in Q4 2023. ADR

and occupancy rates both climbed over the past three years indicating a robust post-pandemic recovery.

Hospitality continues to be an important component of Flatiron and NoMad's economy and investment and growth in the sector is vital to the success of the district.

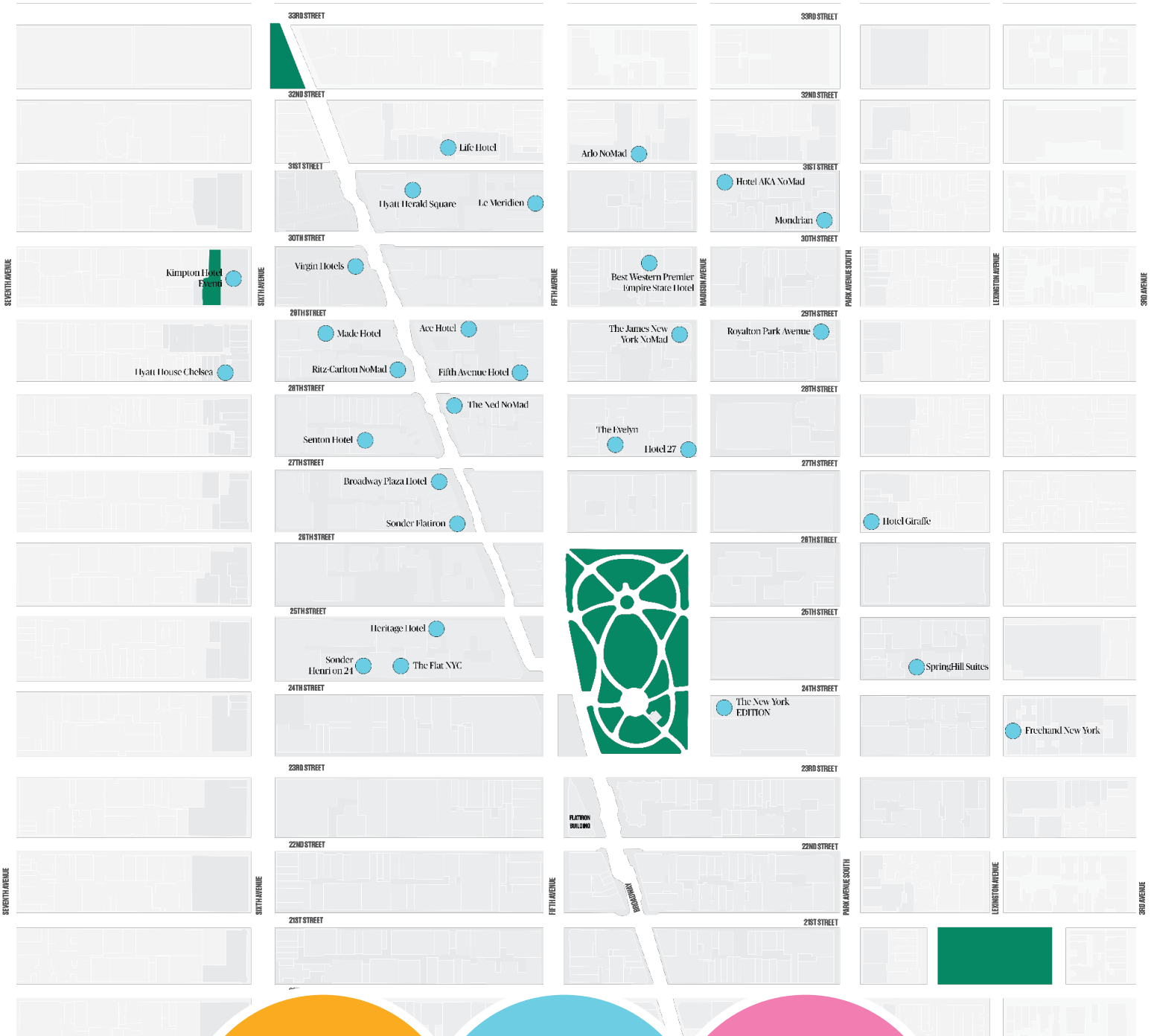
SUBMARKET PERFORMANCE

Average ADR Occupancy Rate



* CoStar presents hospitality information including ADR, RevPAR, and Occupancy Rates by submarkets to protect the information of individual hotels. Flatiron & NoMad span two CoStar submarkets, Chelsea and Gramercy, and data shown in this report reflects these two submarkets.

Flatiron & NoMad Hotels



82%
occupancy
Q4 2023

6
hotels
opened
since 2021

5,000+
room keys

Office Leasing

*Source: CoStar

97 tenants signed leases in Flatiron and NoMad this quarter, totaling 500,951 SF. Availability rates for Class A office space reached a high in Q1 2024. The challenges of evolving work patterns and a recent increase in Class A supply in Flatiron and NoMad continues to impact direct and sublease availabilities across the district. Of the 97 total leases signed in Q1 2024, fourteen exceeded 10,000 SF. Some lessees include eBay, Rebecca and Aaron Schools, and DXL Big + Tall.

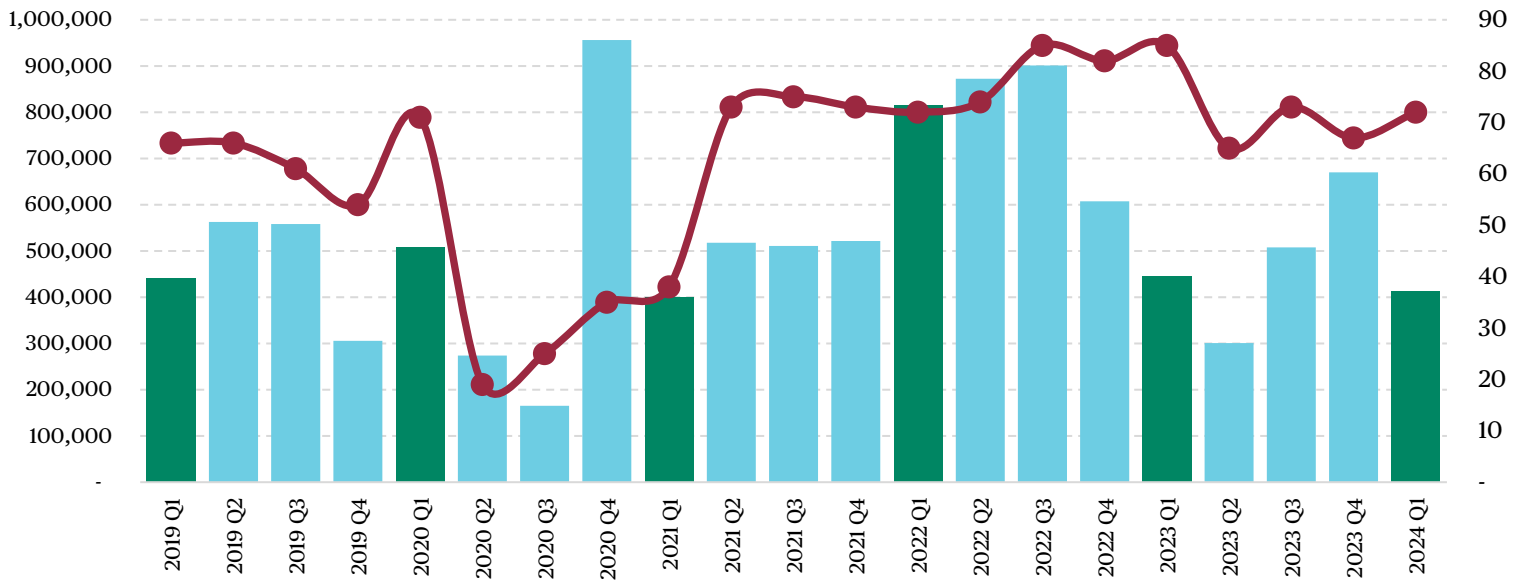
The number of Class A and B commercial leases (72) have rebounded since their lowest point in Q2 2020 when only 19 were signed. The number of Class A and Class B office leases signed in Q1 is on par with pre-2020 levels.

RENTAL RATES AT-A-GLANCE



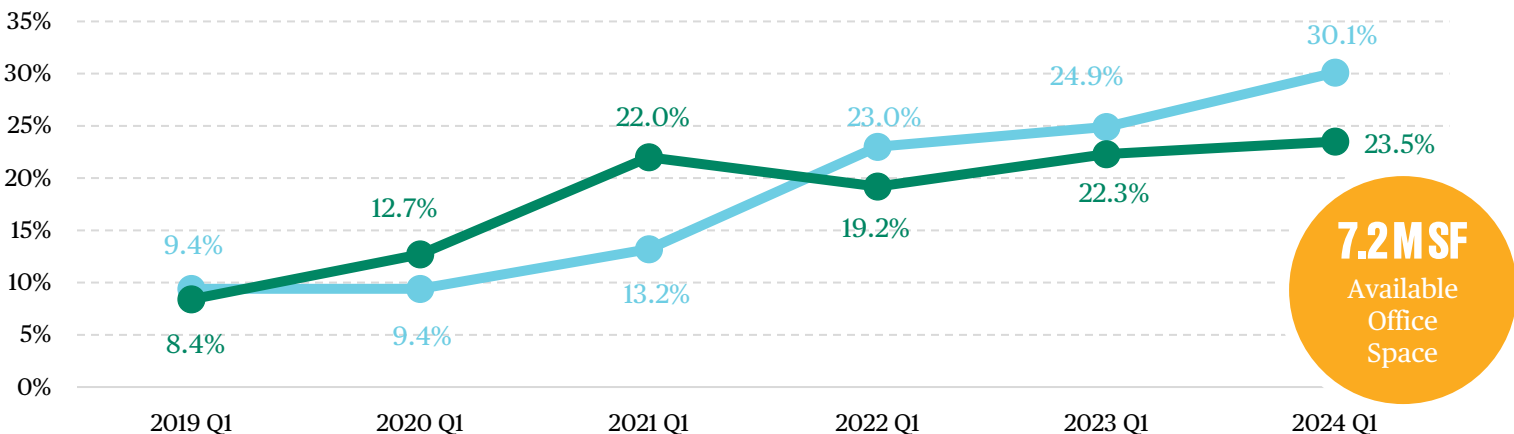
CLASS A AND B LEASES (2019 - 2024)

Leased SF Q1 Leased SF # of Signed Leases



CLASS A AND B AVAILABILITY (2019 - 2024)

Class A Class B



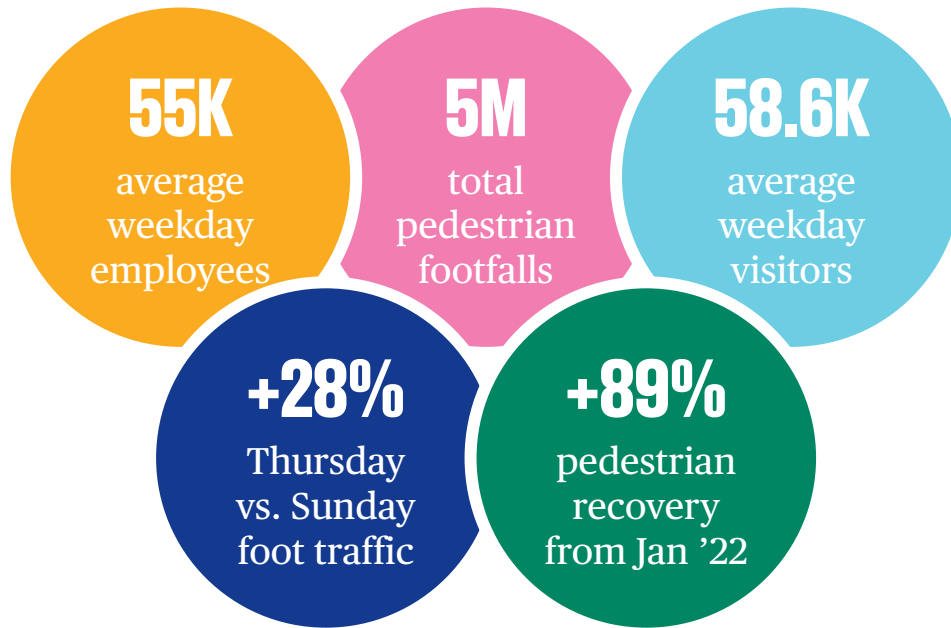
7.2MSF
Available Office Space

Q1 2024 Mobility

*Source: Placer.ai & Springboard

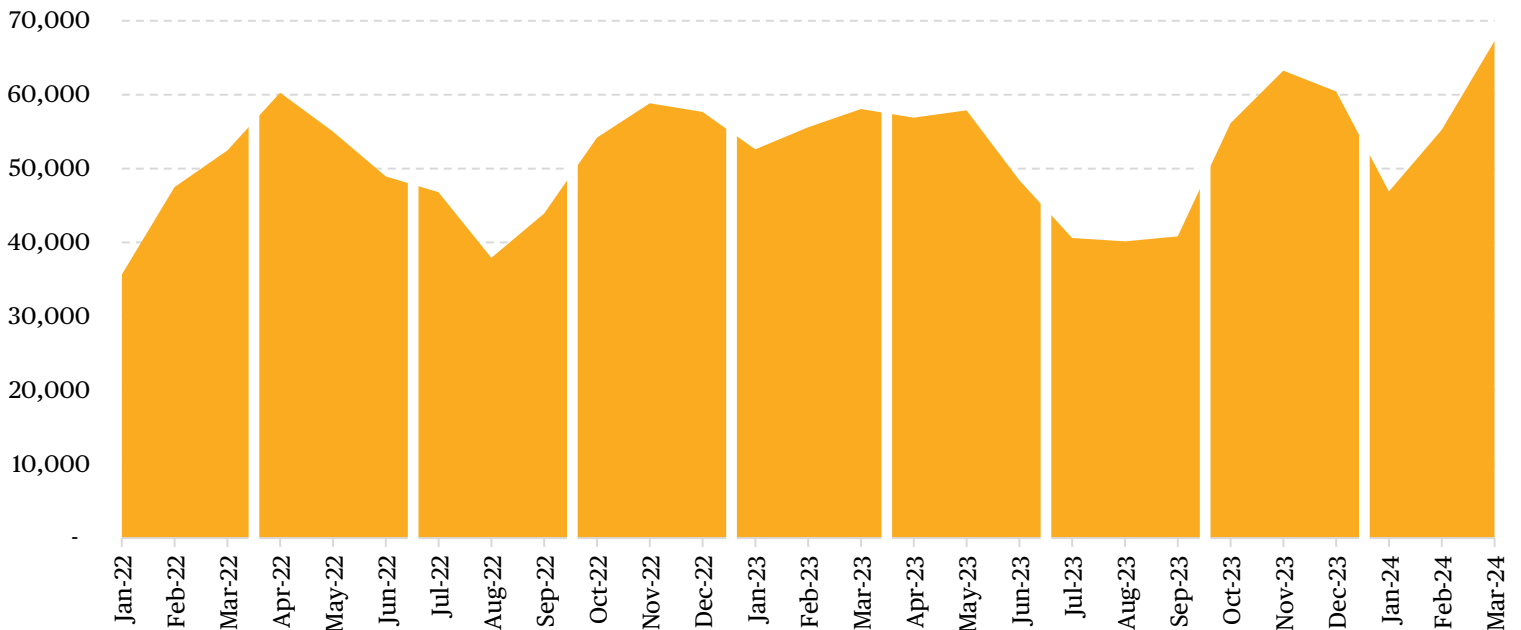
FOOT TRAFFIC CONTINUES UPWARD

Transit use and pedestrian counts indicate a bustling Flatiron and NoMad. Q1 2024 data reflects that the district continues to be popular and desirable for New Yorkers and tourists alike.



The average daily pedestrian counts on the Flatiron Public Plazas reached 67K in March, the highest recorded since the onset of the pandemic. As in previous quarters, peak volumes tend to be midweek. Case in point, total pedestrian counts on Q1 Thursdays totaled 836,116 compared to 652,478 on Sundays.

AVERAGE DAILY PEDESTRIAN COUNTS – FLATIRON PUBLIC PLAZAS (2022 – 2024)



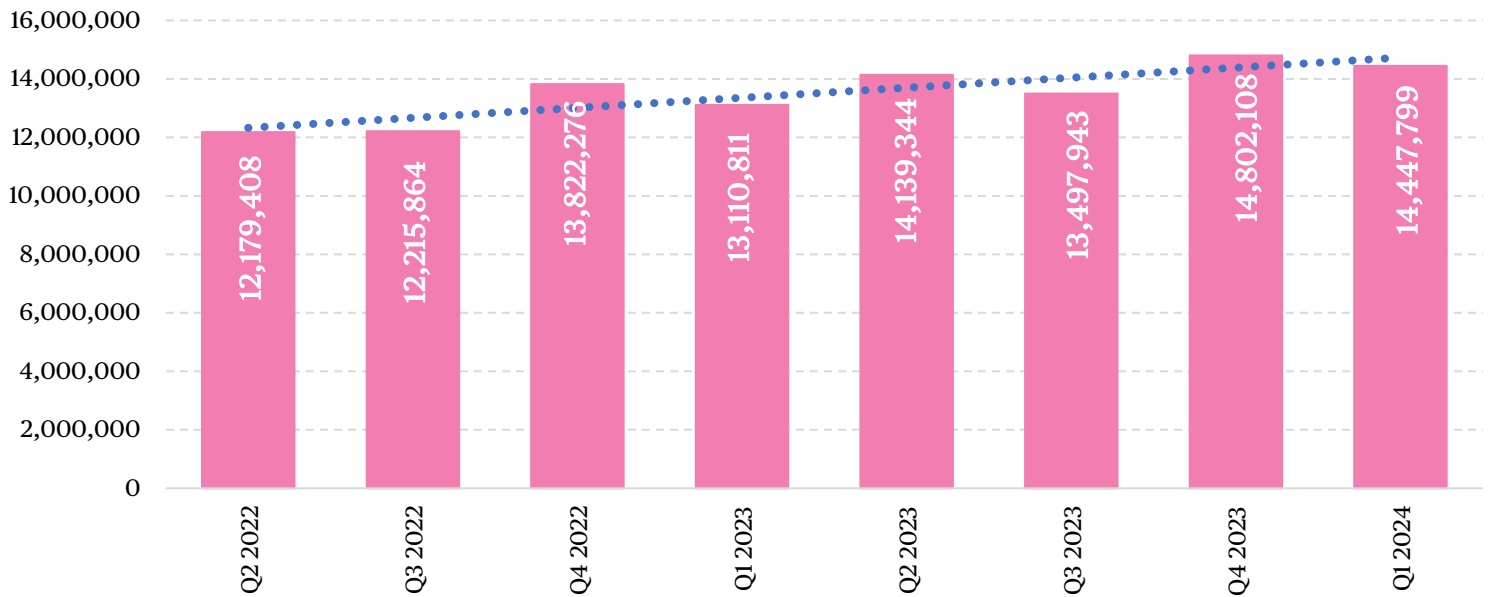
Q1 2024 Mobility

*Source: MTA

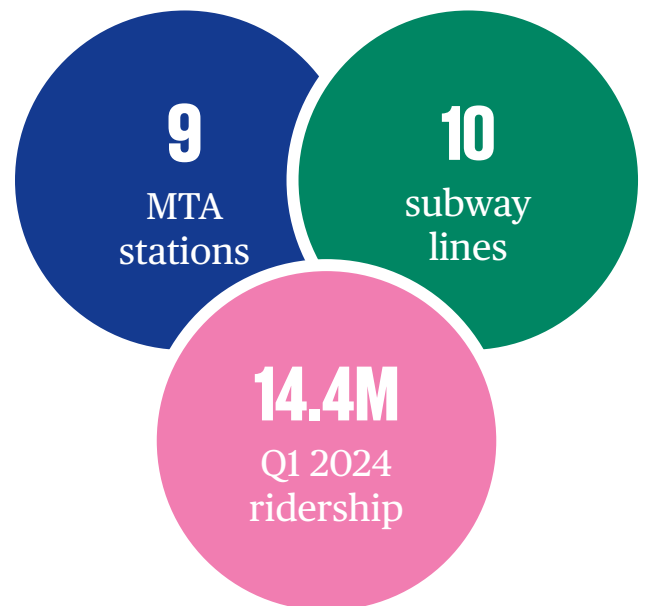
SUBWAY RIDERSHIP

Flatiron and NoMad subway ridership continues to climb with an average of 160,000 daily users in Q1 2024. The nine subway stations serving the district has seen a 19% increase since Q2 2022. The district is also well-served by MTA buses and PATH trains at 23rd and 33rd Streets.

FLATIRON AND NOMAD SUBWAY RIDERSHIP (2022 - 2024)

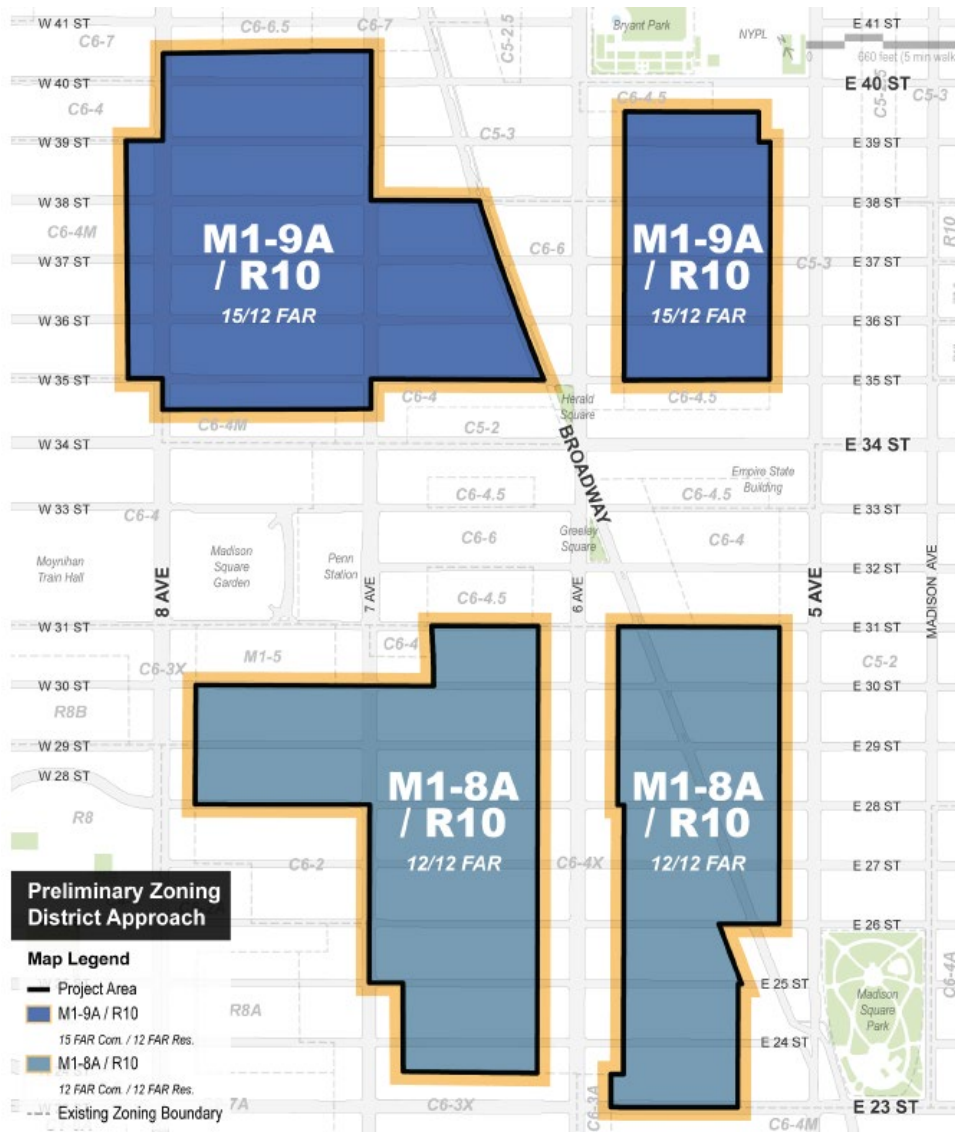


MTA Subway Station	Q1 2024 Station Ridership
23 rd St (1)	784,505
28 th St (1)	732,594
23 rd St (6)	1,400,522
28 th St (6)	1,129,221
33 rd St (6)	1,521,325
23 rd St (F, M)	1,309,670
34 th St-Herald Sq (B, D, F, M, N, Q, R, W)	5,772,524
28 th St (R, W)	709,065
23 rd St (R, W)	1,088,373



MSMX Plan

MIDTOWN SOUTH MIXED-USE PLAN DRAFT RECOMMENDATIONS



Source: Department of City Planning

The Department of City Planning (DCP) released zoning recommendations for the Midtown South Mixed Use (MSMX) Plan, which seeks to foster vibrant neighborhoods across 42 blocks of Midtown South.

DCP proposes rezoning four areas, currently zoned for manufacturing, as mixed-use districts that allow for housing, commercial, manufacturing, and community facility uses. These changes could result in the development of 4,000 new housing units (including a requirement for income-restricted housing ranging from 790 - 1,140 units) with more housing possible with changes in State law.

There are nine proposed development sites in Flatiron and NoMad in DCP's scoping materials. With the proposed changes, 1,443 additional dwelling units may be built in the district including up to 435 affordable units. These changes would also result in an additional 140K SF of retail space and a net loss of 18.5K SF of office space. Commercial-to-residential conversion, not explored in detail in the Scope, would provide even more housing units.

+140K SF
new retail
space

DCP's scoping meeting will provide an opportunity for public input and recommendations on which items should be included in agency analysis. This meeting will be held on **Thursday, April 18**. Learn more about MSMX at <https://www.midtownsouthplan.nyc/>

+1,443
new
housing
units

City of Yes & M-CORE

CITY OF YES FOR ECONOMIC OPPORTUNITY APPROVED BY CITY PLANNING COMMISSION

On March 6, the City Planning Commission approved the text amendment for the [City of Yes for Economic Opportunity](#). The City of Yes for Economic Opportunity has four central goals, shown below. The next step is for City Council to review the amendment and vote on whether to approve the City of Yes for Economic Opportunity as they did in 2023 for [City of Yes for Carbon Neutrality](#).

CITY OF YES FOR ECONOMIC OPPORTUNITY GOALS

Make it easier for businesses to find space and grow by lifting barriers to ease access to customers.

Boost growing industries by reducing obstacles for new types of businesses.

Enable more business-friendly streetscapes by delivering active, safe, and walkable streets for businesses and residents.

Create new opportunities for businesses to open by establishing new zoning tools to boost job growth and business expansion.

M-CORE ELIGIBILITY REQUIREMENTS

MANHATTAN
south of
59th street

Built before
2000

75% OF AV
minimum
investment

SECOND ROUND OF M-CORE CLOSES APRIL 15TH

Manhattan Commercial Revitalization ([M-CORE](#)) is a joint effort of New York City Economic Development Corporation ([NYCEDC](#)) and the New York City Industrial Development Agency ([NYCIDA](#)). M-CORE incentivizes owners of commercial buildings to pursue renovations and investments in their properties that will improve the quality of Manhattan's office stock. The initial round of M-CORE resulted in two awardees: WSA Waterfront LLC at 175 Water Street and HPS Investment Realtors at 850 Third Avenue. Please see M-CORE round two requirements at left.

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