

# 2013 Commercial Market Report

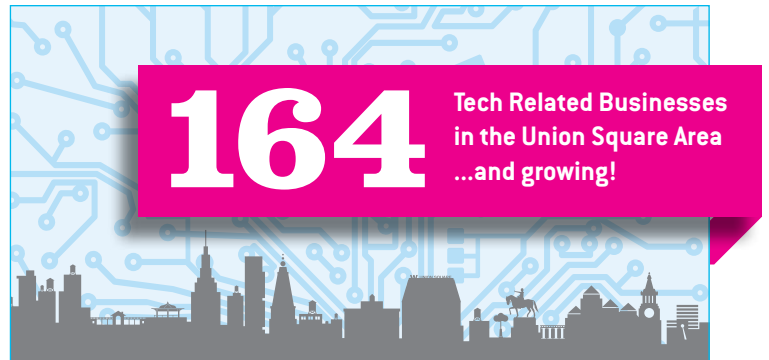


**Union Square** is at the vibrant heart of New York City, a dynamic center of food, fashion, culture and cutting-edge businesses. Home to the City's first and largest Greenmarket, a beautiful historic park, hundreds of the best restaurants and retailers, and a thriving residential base, the Union Square district has earned its reputation as Manhattan's ultimate neighborhood destination. Thanks to new and growing tech companies, the local commercial office market is stronger than ever with an exceptionally low 2.6% vacancy. The ease with which people

collaborate in neighborhood restaurants, cafes, co-working and open spaces is the very definition of Union Square. For these reasons and more, pedestrian counts are the highest since we began recording – an astounding 349,311 on a Greenmarket weekday. Retailers are responding to the neighborhood growth with 68 new ground floor businesses in the district, keeping the retail vacancy at a low 2.8%. Additionally, two new hotels opened this Spring, nearly doubling the number of rooms in the neighborhood, truly making Union Square the place to be.

## Tech Makes Its Mark on Real Estate

**Technology** and creative services businesses continue to grow and concentrate in Union Square, with tech-related firms signing some of the largest office leases in 2012. Spotify signed a lease for 63,285 square feet on the east side of 6th Avenue and 18th Street – an expansion from the 11,000 square feet the company previously occupied in Google's building. And at one of the area's most notable technology buildings, 100-104 Fifth Avenue, which is now 98% occupied, Yelp HQ expanded their space another 29,505 square feet, and Knewton signed a lease for 16,000 square feet. Ash Zandieh,



director of the TechStarter report for ABS Partners says, "Based on rental rates, the Union Square and Soho submarkets of Midtown South have been driving commercial office real estate leasing activity in 2012. Additionally, the Union Square submarket had the lowest vacancy in Class B commercial office real estate with nearly 2.6% vacancy." According to CBRE, the Union Square commercial office market has seen average rental rates increase by over ten percent to \$54.12 per square foot. USP estimates at least 630,000 square feet in the neighborhood is dedicated to technology companies, over 164 businesses employing nearly 3,000 people. The growing demand and popularity of co-working spaces, incubators and accelerators in the neighborhood like Wix Lounge, Paragraph, Nest, Ingk Labs, Prehype, and General Assembly provide many startups with the ability to enter the New York City real estate market. As reported in Northeast Real Estate News, "Midtown South's Silicon Alley has emerged as the East Coast hot spot for tech and social media tenants that are drawn to the city's media and financial agglomerations and talent pool."

### New and Expanded Office Tenants

#### TECH

- BirchBox
- Bitly
- CarryQuote
- Centric Digital
- eBay
- Essence Digital
- FirstMark Capital
- Fjord Digital Marketing
- Knewton Inc.
- Law360
- Lbi
- Yelp
- LivingSocial
- Pique
- Outbrain
- Spotify
- Stamped Headquarters

- Taboola
- TechSpace
- Toda! Cell Headquarters

#### OTHER

- Cosnova
- DeAgostini Publishing
- Fort Street Studio
- MC2 Model Management
- NYU Administrative Offices
- NY Sports Med
- Springs Global
- Timberland Showroom
- Urban Space Management

#### HOTELS

- Hyatt Union Square
- The Jade Hotel

# Hotel Capacity Doubles in Union Square

**Union Square** has experienced explosive growth in the hospitality market with new and restyled hotel rooms, bringing nearly 400 new jobs to the neighborhood. Hotel rooms doubled, with the opening of the 113-room art deco styled Jade Hotel on West 13th Street and the 178-room Hyatt Union Square on 4th Avenue, just south of Union Square Park. Local restaurateurs renowned for Tocqueville and 15 East restaurants created three unique culinary adventures within the Hyatt Union Square: The Fourth, Singl and Botequim. The Jade Hotel also features an exciting new restaurant, Grape & Vine, owned and operated by the noted restaurateur of Buddha Bar and Frederick's. In addition to the new hotels, the W New York-Union Square recently reinvigorated their Park Avenue South location. The hotel has just put final touches on a \$15-million gut renovation with the completion of The Living Room, the popular lounge adjacent to the hotel lobby. The cutting-edge, new aesthetic can be seen in all of the hotel's

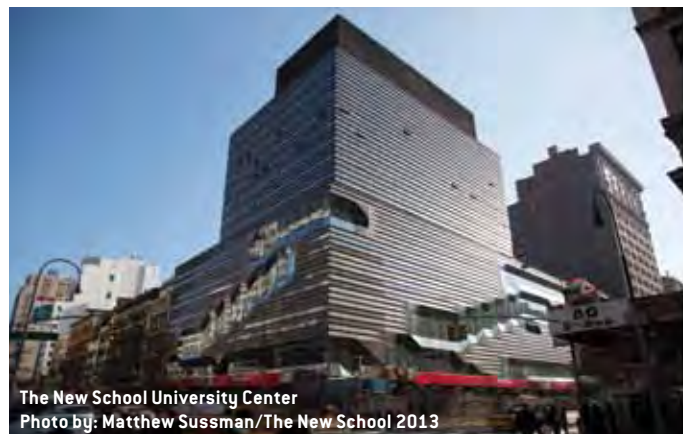


Restyled Room at the W New York-Union Square

270 renovated guest rooms, the famous nightlife venue Liliu, and at Olives, the hotel's popular Todd English restaurant.

# A Neighborhood Anchored in Education

**Longtime neighborhood anchor** and a leading progressive university in New York City, The New School is getting ready to open its University Center to student residents this August and the academic and community spaces in January 2014. This stunning achievement was described as "a celebration of the cosmopolitan city" by New York Times architecture critic Nicolai Ouroussoff in his review. Additional educational opportunities are coming to the area with the construction of a new middle and high school at 10 East 15th Street. This new facility, which will have a 720 seat capacity, will house the Clinton School for Writers and Artists (M260), a middle school formerly located nearby, and a new high school yet to be named. These new and



The New School University Center  
Photo by: Matthew Sussman/The New School 2013

## Top Lease Transactions In 2012

Business Name	Size (sq. ft)	Address
NYU Administration	125,000	105 East 17th Street
Burlington Coat Factory	92,602	4 Union Square South
Spotify	63,285	620 Sixth Avenue
eBay	35,000	625 Sixth Avenue
Yelp	29,505	100-104 Fifth Avenue
LBI	26,000	11 West 19th Street
Outbrain	25,000	39 West 13th Street
TechSpace	20,000	41 East 11th Street
Knewton Inc.	16,000	100-104 Fifth Avenue
FirstMark Capital	10,600	100-104 Fifth Avenue

expanded institutions support the district's growth and vitality, in addition to creating hundreds of new employment opportunities. New York University has also expanded their administrative offices within the district by taking 125,000 square feet on East 17th Street, making it the top lease transaction of 2012. Along with the district's educational partners, the neighborhood continues to be supported by Con Edison, Beth Israel Medical Center, and other prominent businesses such as Danny Meyer's distinguished Union Square Hospitality Group, Whole Foods Market Union Square, Barnes & Noble, and many more.

# New to Union Square in 2012–2013



## SHOP, DINE & MORE IN UNION SQUARE

### New Eateries

<b>A</b> 7-Eleven	<b>O</b> Famous Ben's Pizza of Soho	<b>CC</b> Panera Bread
<b>B</b> Ainsworth Park	<b>P</b> Feast	<b>DD</b> Pink Tea Cup
<b>C</b> Alison Eighteen	<b>Q</b> Glaze Teriyaki Grill	<b>EE</b> Potbelly Sandwich Shop
<b>D</b> Bait & Hook Seafood Shack	<b>R</b> Headless Horseman	<b>FF</b> Pret a Manger
<b>E</b> Barn Joo	<b>S</b> Hu Kitchen	<b>GG</b> Rosewood
<b>F</b> Bedford Cheese Shop	<b>T</b> Ichabod's	<b>HH</b> Sahara Citi
<b>G</b> Bei Jing	<b>U</b> Jack's Burgers and Sushi	<b>II</b> Starbucks
<b>H</b> Beyond Sushi	<b>V</b> Jeepney Filipino Gastropub	<b>JJ</b> Strip House Grill
<b>I</b> Bishops & Barons	<b>W</b> Joe's Pizza	<b>KK</b> Subway
<b>J</b> Breads Bakery	<b>X</b> Joey Pepperoni's Pizza	<b>LL</b> Taboonette
<b>K</b> Chubby Mary's	<b>Y</b> La Maison du Croque Monsieur	<b>MM</b> The Belfry
<b>L</b> County	<b>Z</b> Le Midi Bistro	<b>NN</b> The Royal
<b>M</b> Ducks Eatery	<b>AA</b> Madman Espresso	<b>OO</b> The Stand Restaurant & Comedy Club
<b>N</b> East 12th Osteria	<b>BB</b> Ootoya	<b>PP</b> Vic & Anthony's

### New Retailers

<b>A</b> BlueMercury
<b>B</b> Burlington Coat Factory
<b>C</b> Closet Dash
<b>D</b> Dr. Marten's
<b>E</b> Décor Gallery and Framing
<b>F</b> Duane Reade
<b>G</b> Fort Street Studio
<b>H</b> Nature's First Pharmacy
<b>I</b> Second Time Around
<b>J</b> Sperry Top-Sider
<b>K</b> Tumi
<b>L</b> Utrecht Art Supplies
<b>M</b> Zumiez

### New Services

<b>A</b> Brush
<b>B</b> City MD
<b>C</b> Comfort Nail
<b>D</b> Hyatt Union Square
<b>E</b> Jade Hotel Greenwich Village
<b>F</b> James Corbett Studio
<b>G</b> Pure Barre Studio
<b>H</b> Revolve
<b>I</b> Spoiled Diva Nail Spa
<b>J</b> Synergy Fitness
<b>K</b> TD Bank
<b>L</b> The Pilates Boutique

# Facts About Union Square

## Thriving Residential Community

- Union Square is home to more than **70,000** residents with more than **278,000** people living within a one mile radius.
- **94%** of Union Square's residents age 25 and over have some college education or an associate's degree, and **84%** have completed college or hold an advanced degree.
- The average household income in the Union Square area is **\$160,300**.

## High Traffic Neighborhood

- Daily pedestrian volumes have increased dramatically since we began keeping records – **349,311** pedestrians walking through Union Square on a Greenmarket weekday and **306,672** pedestrians on a Greenmarket Saturday.

## Residential Overview

	Union Square	Manhattan	NYC
Total Population	74,653	1,601,948	8,244,910
Housing Units	43,280	846,177	3,371,062
Median Rent	\$1,790	\$1,403	\$1,183
Median Sales Price	\$786,250	\$835,000	\$491,109
Percentage Owner Occupied	24.4%	21.9%	31.0%
Rental Vacancy Rate	1.63%	1.69%	2.0%
Median Household Income	\$97,100	\$67,204	\$51,270

## Major Transportation Center

- The 14th Street/Union Square subway station is one of the busiest transportation hubs in New York City.
- In 2012, the Union Square subway station ranked as the **4th busiest station** on weekdays and the **2nd busiest station** on weekends.
- Annual ridership at the Union Square subway station is **34.6 million**.



The Union Square Partnership works to ensure the community's continued growth and success by providing public safety, sanitation, economic development, and marketing services, and by investing in the beautification of Union Square Park. For more information, visit [unionsquarenyc.org](http://unionsquarenyc.org)

## True Urban Village

- Union Square is one of the most diverse neighborhoods in New York City, priding itself in its balance of residential, office, retail and leisure components.
- More than **12,000** businesses are located within a half-mile radius of Union Square, employing over **150,000** people.

## Commercial Overview

	Union Square	Midtown South
Total Office Inventory (sq. ft.)	11.4 million	74.5 million
Vacant	2.4%	5%
Available (with sublease space)	2.6%	8.6%
Average Asking Rent	\$54.12	\$55.14

### District Overview

Number of Retail Establishments	892
Number of New Retail Establishments	68
Vacancy Rate (Core)	2.8%
Vacancy Rate (1/2 mile)	5.12%

### Top Sectors by Number of Firms (1/2 mile radius)

Retail	2,125
Business Services	1,774
Health Services	1,526
Finance	840
Personal Services	834
Restaurants/Bars	782
Real Estate	541
Arts/Media/Recreation	478
Manufacturing	450
Social Services	315

### Top Firms by Number of Employees (1/2 mile radius)

Con Edison	4,100
Beth Israel Medical Center	4,000
J. Crew	3,800
The New School	3,023
Tory Burch	1,800
NYU Administration	1,400
NYU Hospital for Joint Disease	1,343
Barnes & Noble	900
New York Eye & Ear Infirmary	800
Port Authority of NY/NJ	600

All information current as of April 2013. Sources: CBRE, Nielson, Buchbinder & Warren, ABS, JGSC Group, Dun & Bradstreet, US Census 2010, The Real Deal and the Union Square Partnership.

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