

The past year was filled with tremendous economic growth and investment in the Union Square neighborhood. Development projects progressed, new eateries, retailers, and services made Union Square their home, industry leaders expanded their offices, and local institutions and businesses began preparations for the 2019 L train closure. Many are taking advantage of the area's vibrant culture, central location, historic beauty, and diverse commercial mix.

For more than four decades, the Union Square Partnership (USP) has been committed to the district's success, working diligently to attract investment by marketing the area's unique offerings and creating partnerships that enliven the streetscape and beautify Union Square Park. As our efforts expand and the neighborhood's commercial mix evolves, we're excited about the district's evolution and achievements in the years ahead.

## Investing in Union Square's Future



Tishman's 110 East 16th Street is one of nine new developments planned.

Over \$450 million has been invested over the past several years into the Union Square - 14th Street neighborhood, driving new retail, commercial, and residential developments, and bringing additional workforce and healthcare services to the community.

One of the district's highest-profile new developments is the forthcoming 21-story Union Square Tech Training Center poised to rise at 124 East 14th Street. The new center will expand tech training and career development for neighborhood residents that are currently underrepresented in the tech economy. On the east side of the district, Mount Sinai Beth Israel is set to build a new facility on Second Avenue between 13th and 14th Streets. The 70-bed hospital will stand adjacent to the existing New York Eye and Ear Infirmary, which will continue to see patients during construction. Other projects, including Tishman's mixed-used development at 110 East 16th Street, are also undergoing the City's land use review process and are expected to break ground in late 2018. Construction at the Tech Training Center and 110 East 16th Street coincides with the completion of work at 44 Union Square East's Tammany Hall, which opens its doors at year's end.

On the west side, two projects are expected to transform the intersection of 14th Street and 6th Avenue. In late 2016, real estate developer Extell purchased four adjacent buildings at the northeast corner. Long-term tenants have begun to find new homes in the district, including eyewear shop Moscot, which moved to a new storefront at 6th Avenue and 16th Street. While Extell has yet to announce their plans for the site, industry insiders estimate the four lots could collectively accommodate over 126,000 SF of new

### LARGEST DEVELOPMENT PROJECTS

| Project                     | Type                   | Est. Completion |
|-----------------------------|------------------------|-----------------|
| 21 East 12th Street         | Residential/Retail     | Q4 2018         |
| 44 Union Square East        | Retail/Commercial      | Q4 2018         |
| 110 East 16th Street        | Residential/Commercial | Q4 2020         |
| Mount Sinai Beth Israel     | Healthcare             | 2022            |
| NYCEDC Tech Training Center | Civic/Commercial       | Q4 2020         |

residential units. Across the street, developer Gemini Rosemont has requested permission to build a 13-floor, 45-unit condo project at 101 West 14th Street. If green-lighted, the project would open in 2020.

Commercial corridors along 14th Street, Union Square East, and Broadway are primed for further transformation as several sites are on the market, including 33-35 West 14th Street and 34 Union Square East. Recent transactions include the \$39.5 million sale of a landmarked building at 14-16 East 16th Street and ABC Carpet & Home's \$133 million sale of four floors in 888 Broadway, which will be converted into commercial office space.

Redevelopments in the pipeline will bring an estimated 70,000 SF of new ground-floor retail to the district, creating an exciting opportunity for established businesses looking to expand or new eateries, shops, and fitness boutiques hoping to gain a foothold in the district. Retail businesses may also benefit from increased foot traffic resulting from the 15-month closure of the L train, which is expected to add 50,000 pedestrians along the 14th Street that would otherwise travel underground.



Mt. Sinai Beth Israel's new hospital on 2nd Avenue will transform USQ's east side.

# Doubling Down on USQ's Commercial Economy

This year Union Square attracted a diverse mix of technology, real estate, media, hospitality, finance, and professional services firms, who are drawn by the neighborhood's central location and unique downtown character.

Last month, Discovery Communications – fresh from its \$12 billion acquisition of Scripps – announced its move into 250,000 (square feet) of space at 230 Park Avenue South, a TF Cornerstone property on 19th Street. News reports highlighted that Discovery selected Union Square over sites in Midtown and in Hudson Yards. In the same building, e-commerce mattress purveyor Casper also signed a lease for nearly 32,000 square feet. Other newcomers include Clarifai, an artificial intelligence company, which has leased 17,555 square feet at 215 Park Avenue South.

Companies that already call Union Square home area recommitted to the neighborhood, taking on additional locations or expanding to larger spaces to accommodate their growing business. Longstanding neighborhood partner, Union Square Hospitality Group, recently inked a deal to move into a new 15,000 SF space across from Union Square Park at 853 Broadway, which is owned by the Feil Organization. Mastercard more than doubled their footprint in the district after signing a 15-year lease for a 212,000 SF office building at L&L Holding Company's 150 Fifth Avenue. The company expects to relocate from their existing 80,000 SF space a few blocks away on Fifth Avenue by mid-2019 following the completion of a multimillion dollar renovation.

Financial services firms are increasingly drawn to Union Square's robust stock of boutique office spaces and concentration of industry partners. Firms also emphasize that bringing their operations to Union Square helps them attract and retain top-tier talent. Employees in the financial services sector grew by 44% over the last year to nearly 5,500 individuals.

Coworking and shared spaces continue to expand, supporting the robust entrepreneur, freelance, and small business economy in Union Square. WeWork, the co-working innovator now listed as America's third-most-valuable office landlord, just closed a lease for 167,000 square feet at 18 West 18th Street. The new space stands a stone's throw from WeWork's headquarters at 115 West 18th Street and joins two additional locations on Irving Place and University Place. Knotel, another flexible office space provider,



Kellogg's NYC is one of many new concepts launched in Union Square in 2017-18.

recently acquired two leases along Union Square West, totaling 38,000 SF, and bringing their portfolio of locations in the district to four. Other platforms, such as Spacious and Breather, help restaurants, brokers, and other businesses turn underutilized spaces into short-term co-working or meeting spaces.

For businesses looking to call Union Square their home, new commercial leasing opportunities are on the horizon, including over 28,000 SF at 44 Union Square East's Tammany Hall. Marquee Union Square properties, such as 215 Park Avenue South, 853 Broadway, and 200 Park Avenue South, have invested in their commercial spaces, and continue to attract large and small tenants with their top-notch facilities and historic buildings.

Newcomers and longstanding tenants will appreciate the district's ever expanding culinary scene with a bevy of places to grab a quick bite, host a lunch meeting, or celebrate company milestones. More than 40 new eateries, retailers, and wellness boutiques opened their doors in Union Square over the last year. Noteworthy openings include the first permanent Kellogg's NYC at 31 East 17th Street, Tender Greens at 900 Broadway, Fat Cat Kitchen at 223 East 14th Street, Innisfree at 862 Broadway, UNTUCKit at 103 Fifth Avenue, and Spiderbands Fitness at 12 East 14th Street. With a low ground-floor vacancy rate of 2.7%, Union Square's vibrant culinary and retail landscape will continue to benefit from the commercial activity driven by the district's diverse businesses.



New platforms, like Spacious, are turning everyday USQ spaces into coworking locations.

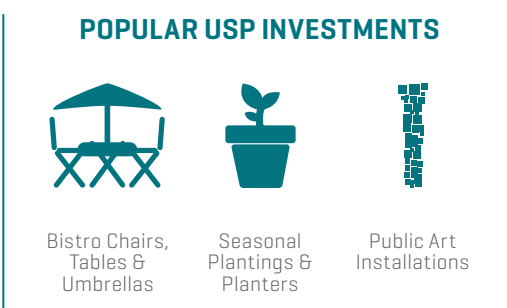
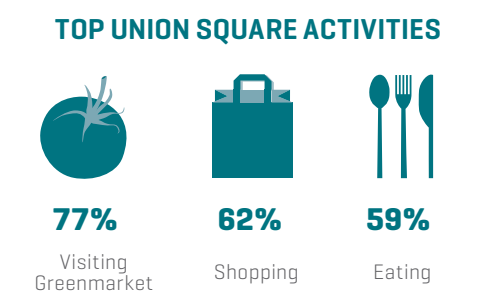
## TOP OFFICE LEASE TRANSACTIONS

| Business Name                                  | Size (SF) | Address               |
|--|-----------|-----------------------|
| 1. Discovery Communications                    | 250,000   | 230 Park Avenue South |
| 2. Mastercard                                  | 215,000   | 150 Fifth Avenue      |
| 3. WeWork                                      | 177,000   | 18 West 18th Street   |
| 4. IBM   | 27,699    | 19 Union Square West  |
| 5. Knotel                                      | 24,000    | 5-9 Union Square West |
| 6. Clarifai                                    | 17,255    | 215 Park Avenue South |
| 7. Union Square Hospitality Group (Relocation) | 15,000    | 853 Broadway          |
| 8. Knotel                                      | 14,000    | 41 Union Square West  |
| 9. Yotpo                                       | 11,666    | 33 West 19th Street   |
| 10. Updater                                    | 9,200     | 19 Union Square West  |

# New to the Union Square District in 2017-2018



| NEW EATERIES                                      |  | NEW RETAILERS                                 |  | NEW SERVICES  |  |
|---|--|---|--|---|--|
| A. Babu Ji<br>22 East 13th Street                 | J. Just for Fen<br>229 First Avenue                    | A. AE Studio<br>19 Union Square West          | T. Thaimee Box<br>244 East 13th Street | A. 30/60/90<br>37 Union Square West                       | I. Morning Ritual Nail and Spa<br>241 East 14th Street |
| B. Blue Bottle Coffee<br>101 University Place     | K. Library of Distilled Spirits<br>80 East 13th Street | B. Blue Mercury<br>865 Broadway               | J. Rescue Spa<br>29 East 19th Street   | B. Mount Sinai Urgent Care Clinic<br>10 Union Square East | J. Ricky's NYC<br>830 Broadway                         |
| C. Blue Stripes Cacao Shop<br>28 East 13th Street | L. Luke's Lobster<br>124 University Place              | C. Côte<br>100 East 13th Street               | K. Untuckit<br>103 5th Avenue          | C. Performix House<br>80 Fifth Avenue                     | L. Kellogg's NYC<br>31 East 17th Street                |
| D. Boucherie<br>225 Park Avenue South             | M. Lotus Blue Dongtian<br>15 Union Square West         | D. Everything But Water<br>3 East 17th Street | M. Vans<br>15 Union Square West        | D. Spiderbands<br>12 East 14th Street                     | N. Lot Blue Dongtian<br>15 Union Square West           |
| E. Chat n Chew<br>10 East 16th Street             | O. Martina Pizzeria<br>198 East 11th Street            | E. Frye<br>144 Fifth Avenue                   |  |   | P. Midoriya<br>11 East 17th Street                     |
| F. Chawlas2<br>216 Third Avenue                   | Q. Miss Mi's Hot Pot<br>6 West 14th Street             | F. Innisfree<br>862 Broadway                  |  |   | R. Sweetgreen<br>101 University Place                  |
| G. Fat Cat Kitchen<br>223 East 14th Street        | S. Tender Greens<br>900 Broadway                       | G. Journelle<br>14 East 17th Street           |  |   |  |
| H. First Lamb Shabu<br>218 East 14th Street       |  | H. LUSH<br>28 East 14th Street                |  |   |  |
| I. Gramercy Kitchen<br>184 Third Avenue           |  |   |  |   |  |



# Union Square District Facts

## True Urban Village

- One of NYC's most dynamic neighborhoods, Union Square boasts a **thriving cultural, retail, and restaurant scene** that surrounds beautiful **Union Square Park** and its world-famous **Greenmarket**.
- Union Square is home to more than **73,500 residents** whose median age is **35**; 84% hold a college or advanced degree, and **35% own their home** while 65% rent.
- During the daytime, the **population grows to 207,142** with the addition of over 179,000 workers and visitors.

## RESIDENTIAL OVERVIEW

|                         | Union Square | Manhattan | NYC       |
|-------------------------|--------------|-----------|-----------|
| Total Population        | 73,582       | 1,664,727 | 8,537,673 |
| Housing Units           | 43,025       | 875,968   | 3,371,062 |
| Median Asking Rent      | \$4,200      | \$3,956   | \$2,950   |
| Median Home Value       | \$1,003,086  | \$871,500 | \$508,900 |
| % Owner Occupied        | 35%          | 23%       | 32%       |
| Median Household Income | \$119,399    | \$75,513  | \$55,191  |
| Median Age              | 34.9         | 35.7      | 35.8      |
| Average Household Size  | 1.6          | 2.1       | 2.7       |

## High Traffic Neighborhood

- Daily pedestrian volumes have increased dramatically with **344,000 visitors** walking through Union Square on a summer Greenmarket Friday and more than **1M shoppers** browsing UrbanSpace's Holiday Market each December.
- With a **record-breaking 60M annual tourists** to NYC, Union Square features **600+ hotel rooms**, anchored by the W New York - Union Square and Hyatt Union Square.
- The New School and NYU bring over **60,000 students** to the neighborhood with approximately **5,100 dorm residents**.

## Major Transportation Cluster

- Union Square is one of NYC's largest transit hubs with 10 subway lines, over 10 bus lines, the PATH, and 12 Citi Bike stations with almost 400 docks.
- In 2016, over 60M riders passed through the four subway stations in USP's district.
- 34.3M riders traveled through the Union Square subway station in 2016, which ranked as the 4th busiest station on weekdays and the 2nd busiest station on weekends.

## Growing Investment

- Over **\$450 million** was committed to **nine development projects** in the past year that are planned for 14th Street, Union Square East, and several surrounding blocks.
- Estimated that over **70,000 SF of new retail** and **86,000 SF of new commercial office space** will be included in these developments.

## Dynamic Retail Cluster

- Ground-floor BID vacancy rate remains low at **2.7%**, with over **40** new businesses opening in the past year.
- Known as the epicenter of NYC's **health + wellness scene**, **100+** innovative fitness studios, gyms, athleisure retailers, healthy eateries, and juice shops are located around the Square.

## RETAIL OVERVIEW

|                           |      |
|---------------------------|------|
| Ground Floor Businesses   | 892  |
| No. of New Establishments | 37   |
| Vacancy Rate (BID)        | 2.7% |

## Avg. Ground Floor Asking Rent

|                            |             |
|----------------------------|-------------|
| Around Union Square        | \$350-\$550 |
| Fifth Ave: 14th - 23rd St. | \$449       |
| Broadway: 14th - 23rd St.  | \$384       |
| East 14th Street           | \$150-\$300 |
| Side Streets               | \$100-\$200 |

## COMMERCIAL OVERVIEW

|                                    |         |
|------------------------------------|---------|
| Total Businesses                   | 9,921   |
| Total Employees                    | 164,467 |
| Employee/Resident Population Ratio | 2.2:1   |

| Office Space           | Union Square                             | Midtown South                            |
|------------------------|--|--|
| Total Inventory (SF)   | 31.9M                                    | 68.0M                                    |
| Vacancy Rate           | 6.3%                                     | 6.5%                                     |
| Asking Rent (\$/SF/YR) | Class A: \$76.28<br>Overall Avg: \$68.96 | Class A: \$82.60<br>Overall Avg: \$69.13 |

| Top Sectors by No. of Firms              | Businesses | Employees |
|--|------------|-----------|
| Professional, Scientific & Tech Services | 1,609      | 22,608    |
| Retail                                   | 1,182      | 20,061    |
| Food Services & Accommodation            | 798        | 13,650    |
| Health Care & Social Assistance          | 684        | 23,090    |
| Real Estate                              | 692        | 9,155     |
| Information                              | 618        | 13,134    |
| Finance & Insurance                      | 277        | 5,473     |

## Major Employers

|                              |                                    |
|------------------------------|------------------------------------|
| ABC Carpet & Home            | New York University                |
| BuzzFeed                     | NYC Human Resources Administration |
| Compass                      | NYC Police Department              |
| Con Edison                   | NYU Hospital For Joint Diseases    |
| Facebook                     | Signature Bank                     |
| HLW International            | The New School                     |
| Mount Sinai Beth Israel      | W New York - Union Square          |
| New York Eye & Ear Infirmary | WeWork                             |

Radius of Union Square Area: Typically 1/2 mile from Union Square Park  
Sources: The Commercial Observer, Cushman & Wakefield, DGB Hoover's, ESRI, MTA, Newmark Grubb Knight Frank, The Real Deal, REBNY, US Census 2010, and USP.

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)

4 IRVING PLACE  
ROOM 751  
NEW YORK, NY 10003  
TEL 212 460 1200  
FAX 212 460 8670

**UNION  
SQUARE  
PARTNERSHIP**