

# 2014 Commercial Market Report



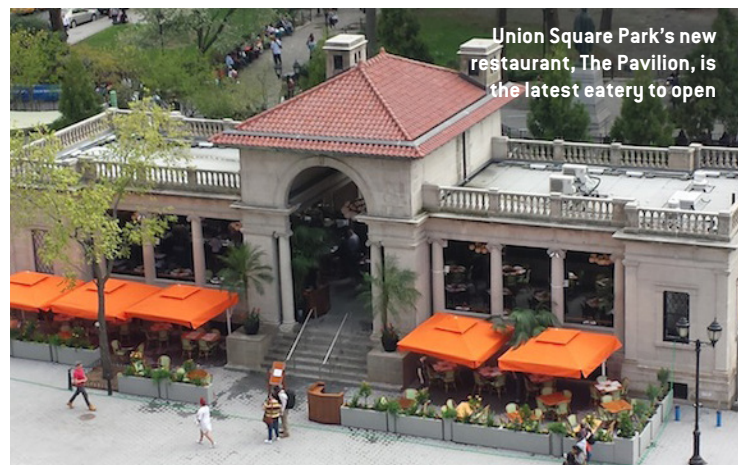
**Home to over** 70,000 residents, 150,000 employees and 40,000 students, Union Square is a thriving cultural, business and educational hub with a vibrant restaurant scene, a diverse retail mix and an exceptional quality of life. The area hosts one of NYC's most iconic gathering points, Union Square Park, and features the popular Greenmarket four days a week. Pedestrian activity in and around Union Square is at an all-time high with nearly 350,000 daily visitors and over 35 million annual subway riders.

This past year, Union Square experienced remarkable changes, attracting scores of new retailers both large and small, health-conscious fitness establishments and eateries, as well as notable technology and creative companies. Offering some of the most desirable and highly visible real estate in all of Manhattan, ground-floor vacancy in the BID is at a low 2.9%. Union Square has more to offer than ever before; more sight-seeing, more shopping, more eating and more meeting spots - all at the vibrant heart of New York City.

## Union Square Attracts Vibrant, New Amenities

**Union Square** has seen considerable growth and 2014 promises to bring even greater success. Contributing to the incredible energy of our unique setting, the neighborhood welcomed 50 new restaurants, retailers and service providers over the last year. Noteworthy additions include critically acclaimed restaurants All'onda, ABC Cocina, The Fourth, as well as Elizabeth Arden's next generation spa, The Red Door, SoulCycle, Athleta, Liquiteria, Scotch & Soda and many more (as referenced on the map). The \$20 million North End Project in the park was also completed with the opening of The Pavilion restaurant.

Looking ahead, Banana Republic will establish a 28,000 SF flagship shop showcasing both men's- and women's-wear at the



Union Square Park's new restaurant, The Pavilion, is the latest eatery to open

corner of Fifth Avenue and 18th Street, marking one of the largest deals along lower Fifth Avenue. Planet Fitness will occupy the former Duane Reade space at 22 East 14th Street, and Reebok FitHub will debut their Manhattan flagship at the corner of 14th Street and Union Square West, featuring a 4,800 SF retail space and a 6,800 SF Crossfit Gym on the lower level. For prospective retailers, the Feil Organization is renovating 853 Broadway into 18,686 SF of prime retail space. On the education front, the dramatic University Center at The New School continues to transform the corner of 14th Street and Fifth Avenue, and a new public middle school and high school is rising at 12 East 15th Street. Adding to the district's diverse residential base, the Jefferson at 211 East 13th Street recently leased all 82 units, the Alta Indelman-designed building at 61 Fifth Avenue offers boutique condos, while the former Hertz parking garage at 12 East 13th Street has been converted into a 45,000 SF building with eight residences. Already a dynamic center, these neighborhood investments make Union Square's future look even brighter.

### New and Expanded Office Tenants

<b>TECH</b>	<b>Brown Harris Stevens</b>
i.tv	Equinox
Mashable	Fresh
MasterCard	Incorporated Architecture
Mediaocean	Joester Loria Group
Movable Ink	LVMH Moet Hennessy
Spotify	Real Capital Analytics
Yelp	SHIFT Communications
Urban Compass	Silver Line
Zillow	Timberland
	Tory Burch
<b>OTHER</b>	Town Residential
BOND Real Estate	Union Square Hospitality Group

# Citi Bike Puts a New Spin on the Neighborhood

Union Square's accessible and convenient location was further enhanced this past year with the addition of twelve Citi Bike stations hosting 485 docks. Located at some of the district's most traveled intersections, an astounding average of 358 daily rides start or end here, ranking the area as the top Citi Bike destination with 81% more activity than the Manhattan average. Bike sharing has reinforced Union Square's image as a centrally-located and thriving transit hub with eight subway lines, over ten bus lines, and the PATH. Construction of a protected bicycle lane along Lafayette Street/Fourth Avenue from Prince Street to 12th Street and the installation of bicycle lanes from 12th to 14th Streets will further enhance the area's mobility. Access to and from the Square has never been easier,

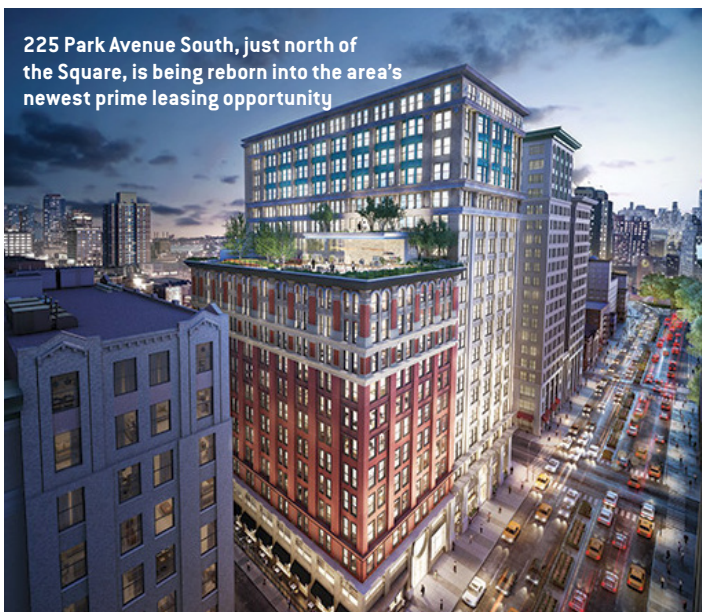


Union Square area ranks as the top Citi Bike destination

making it one of the most convenient and connected neighborhoods in all of Manhattan. Next time you explore Union Square, enjoy the ride.

## Tech Tenants Continue to Thrive

Thanks to new and growing tech companies, the local commercial office market is stronger than ever. Offering a diverse array of office space, from traditional multi-level buildings to creative, collaborative spaces, no matter what type of space you envision for your business, Union Square has it. Extending their commitment to the area, Yelp expanded to 70,000 SF, Union Square Hospitality Group doubled their floor space to 10,000 SF and both Spotify and Tory Burch added 50,000 SF. In the coming months, MasterCard will unveil a 58,000 SF technology lab on Fifth Avenue, and in the very same building, Mashable will move their headquarters to a 38,580 SF space. These creative companies join tech neighbors Mediaocean, Urban Compass, Zillow and more.



225 Park Avenue South, just north of the Square, is being reborn into the area's newest prime leasing opportunity

### Top Lease Transactions

Business Name	Size (SF)	Address
Mediaocean	88,400	620 Sixth Avenue
MasterCard	58,000	114 Fifth Avenue
Tory Burch (expansion to 130,000 SF)	52,000	11 West 19th Street
Spotify (expansion to 123,000 SF)	50,000	620 Sixth Avenue
Mashable	38,580	114 Fifth Avenue
Banana Republic	28,000	105 Fifth Avenue
LVMH Moët Hennessy	26,600	130 Fifth Avenue
Fresh	26,600	130 Fifth Avenue
Jubilee Supermarket	25,000	5 East 17th Street
Real Capital Analytics	16,000	110 Fifth Avenue

According to Jones Lang LaSalle, Midtown South saw the largest share of tech leasing, accounting for 43.9% of NYC's activity. In response to market demand, older buildings, such as 225 Park Avenue South, are being reborn as modern-styled office complexes crafted from glass, brick and steel with roof decks and technology infrastructure upgrades. Thanks to Mount Sinai Beth Israel, the Union Square Partnership improved Wi-Fi capacity in the park this year to accommodate eight times the amount of users, including the local workforce. Union Square, with its accessible location, amenities in every direction, great culture, and beautiful green space, continues to be the ultimate neighborhood for businesses looking to open or expand.

# New to Union Square in 2013–2014



## SHOP, DINE & MORE IN UNION SQUARE

### New Eateries

A 2 Bros Pizza	M GoGo Curry
B ABC Cocina	N Grape and Vine
C All'onda	O Gunz Fine European Food
D Amedei	P Han Dynasty
E Caffè Bene	Q Juke Bar
F Campeon	R Le Café Coffee
G Cevich	S Liquiteria
H Chickpea/Red Mango	T Madman Espresso
I Clarke's Standard	U Nevada Smith
J Crossroads Wine & Spirits	V Off the Wall Frozen Yogurt
K Feel Food	W Pie Face
L Five Guys Burgers and Fries	X Pizza Vinoteca

### New Retailers

A Arch Gate
B Athleta
C Famous Footwear
D INA
E Reminiscence
F Scotch & Soda
G Vince Camuto

### New Services

A Bo Law Kung Fu
B Luxeye Optical
C NY Sports Med
D Pierre et Marc Optique
E Ponce De Leon Federal Bank
F SoulCycle
G Swerve Fitness
H The Red Door
I The Tone House
J Urgent Care Manhattan
K US Post Office
L Wells Fargo

# Union Square Facts

## 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 **9,700** businesses are located within a half-mile radius of Union Square, employing over **153,000** people.

## Residential Overview

	Union Square	Manhattan	NYC
Total Population	74,636	1,626,159	8,336,697
Housing Units	43,280	850,460	3,371,062
Median Rent	\$3,400	\$3,100	\$2,800
Median Sales Price	\$913,241	\$778,950	\$505,550
Percentage Owner Occupied	19.4%	22.6%	32.3%
Rental Vacancy Rate	1.24%	1.54%	3.8%
Median Household Income	\$98,403	\$68,370	\$57,683

## Thriving Residential Community

- Union Square is home to more than **74,000** 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 median household income is **\$98,403** and the median age is **33** years old.

## High Traffic Neighborhood

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

## Major Transportation Center

- Union Square is one of NYC's largest transit hubs with **8** subway lines, over **10** bus lines, the PATH, and **12** Citi Bike stations.
- In 2013, the Union Square subway station ranked as the **4th** busiest station on weekdays and the **2nd** busiest station on weekends.

## Business Overview

Total Businesses	9,787
Total Employees	153,861

### Top Sectors\* by Number of Firms

Prof., Scientific & Tech Services	1,514
Retail	1,393
Accommodation & Food Services	916
Information	709
Real Estate, Rental & Leasing	612
Health Care & Social Assistance	577
Finance and Insurance	310

### Top Firms by Number of Employees

Con Edison	4,279
Mount Sinai Beth Israel	4,000
J. Crew	3,800
The New School	3,123
Tory Burch	1,800
NYU Administration	1,600
NYU Hospital for Joint Disease	1,087
New York Eye & Ear Infirmary	800
Barnes & Noble	700

\*Categories based on NAICS Codes (1/2 mile)

## Commercial Office Overview

	Union Square	Midtown South
Total Office Inventory (SF)	11.4 million	87.9 million
Vacant	8.3%	7.7%
Average Asking Rent	Class A: \$81.12 Class B: \$64.12	Class A: \$73.23 Class B: \$60.68

## Retail Overview

Retailers, Restaurants & Services	892
# of New Establishments	50
Vacancy Rate (BID)	2.9%
Vacancy Rate (1/2 mile)	3.2%

- Annual ridership at the Union Square subway station has increased to **35.3** million.



Sources: Zillow, Hoovers, JGSC, US Census 2010, CoStar, CBRE, Cassidy Turley, The Real Deal, CitiHabitats, the Commercial Observer and the Union Square Partnership

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)

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