The Flatiron District continues to have one of the lowest Class A & B vacancy rates in New York City, and continues to be lower than the Manhattan-wide vacancy rate. In Q3 2016, the Class A & B vacancy rate within the boundaries of the Flatiron BID, as reported in CoStar, was 5.2%. This is an improvement from the 5.6% vacancy rate in Q2 2016 and the 6.1% vacancy rate one year ago in Q3 2015. The Q3 2016 vacancy rate is also down from the Flatiron District’s 5-year average vacancy rate of 7.2%. The graph to the right illustrates how the Flatiron District compares to Manhattan and other districts.

During Q3 2016, asking rents for Class A & B spaces averaged $69.94/SF, a 4.9% decrease from $73.57/SF in Q2 2016. However, average asking rents in Q3 2016 were 4.2% higher than the Class A & B Manhattan-wide average of $67.13/SF. Comparative graph is below; numbers are for Q3 2016.

As documented in past quarterly reports, the Flatiron District has long been a hub for TAMI tenants. In an effort to cultivate closer ties to TAMI clients and business partners who already have offices in the area, financial firms are increasingly moving to the neighborhood. Silicon Valley Bank and Winton Capital Management both moved their New York offices from Midtown to new office spaces in the Flatiron District in Q3 2016, with Silicon Valley Bank signing a 19,269-square-foot lease at 387 Park Avenue South and Winton Capital Management signing a 34,844-square-foot lease at 315 Park Avenue South. In the BID’s 2016 Flatiron Where Then Meets Now report, it was reported that after the TAMI sector, the Finance & Financial Services sector is now the second-highest concentrated industry in the Flatiron District, making up 18.2% of all new office lease signings in 2016.

- 11 Madison Avenue – SL Green Realty Corp. sold a 40% stake in 11 Madison to Prudential Financial in a deal that values the building at $2.6 billion. SL Green purchased the building in 2015 for $2.3 billion.
- 915 Broadway – ABS Real Estate Partners received a $100 million loan from MetLife to refinance the 20-story, 265,000-square-foot building on the corner of 21st Street.
The Flatiron/23rd Street Partnership Business Improvement District, formed in 2006, is a nonprofit organization whose mission is to enhance the area's reputation as one of New York's most vital and exciting neighborhoods. This is accomplished by maintaining a clean and safe environment for the district's businesses, residents, and visitors; by spearheading area improvement projects; and by marketing the diverse business and retail options in this vibrant and historic neighborhood.

With the opening of Barry’s Bootcamp at 107 East 27th Street in September, the number of fitness gyms and studios in the Flatiron District continues to grow. The increasing proportion of Fitness & Wellness businesses is part of a multi-year trend as there has been a 15.8% increase in the number of fitness gyms and studios in and around the district since 2014. Fitness & Wellness businesses now account for 10.3% of all ground-floor businesses in the Flatiron District. See the chart to the right for the composition of ground-floor businesses by retail use.

Food & Dining in the Flatiron District

The Flatiron District continues to bolster its reputation as one of NYC’s premier dining neighborhoods for both upscale and budget-conscious foodies. All-day Indian restaurant Pondicheri, Italian restaurant Tarallucci E Vino, and Korean banchan-style restaurant ATOBOY all opened their doors in the Flatiron District in Q3 2016. Fast-casual restaurants have also continued to seek out the neighborhood as health-driven restaurant ReViVer and sushi-burrito chain Sushirrito both opened in Q3 2016. Quick & casual eating establishments currently make up 25.8% of all ground-floor businesses in the Flatiron District, while restaurants and bars account for 15.6%. The number of neighborhood dining options will continue to grow in Q4 2016 with the expected openings of French restaurant Italieen at 19 West 24th Street and Japanese noodle chain wagamama at 210 Fifth Avenue.

Inventory of available retail spaces in the district, which are tracked and published monthly by the Flatiron/23rd Street Partnership, remained low in Q3 2016. There was a slight decrease in available retail spaces from Q2 2016 as several listings, including 7 West 21st Street and 23 West 23rd Street were leased and taken off the market.