



A New Challenge for New York Fashion

Once the centre of America's fashion industry, New York's Garment District faces a new threat in the form of a soon-to-be-approved rezoning measure. Already stretched by rising costs and market pressures, it could hamper the city's fashion ecosystem.

By Joan Kennedy



NEW YORK — At its midcentury peak, the streets of the Garment District — a stretch of Midtown home to New York's clothing manufacturing industry — were filled with so many rushing racks of fabric and A-line dresses it was hard to pass through.

That romantic image is far in the past.

Since the 1970s, the city's manufacturing capacity has diminished over 90 percent, according to the New York Economic Development Council. Today, former garment factories, workshops and storefronts sit abandoned. Still, it's the historic and operational centre of New York fashion, where third-generation makers and some of the industry's biggest names craft runway collections and Met Gala dresses.

A new zoning measure passed by the Department of City Planning, or DCP, in June could change that. If approved by city council and New York mayor Eric Adams, as expected later this summer, the Midtown South Mixed-Use plan, known as MSMX, will lift manufacturing zoning protections to allow the neighbourhood's buildings to be converted into housing.

The district saw manufacturing rules relaxed in both 2004 and 2018, and given the industry's shrinkage in the area, many consider the move overdue. Fashion wouldn't be pushed out, DCP said. In its environmental impact analysis, however, it found 114 fashion-related businesses, out of a total of nearly 500 still operating in the area, could be displaced, mostly due to the inevitable rent increases that would follow redevelopment.

Opponents worry that in its current state, the plan could further harm an already weak ecosystem, still feeling the aftershocks of Covid's impact. While the Garment District is far from its height, it's not yet a relic. Brands — especially young labels — rely on the area's sample and pattern-makers, sewers, finishers, button suppliers and other specialised makers, and their close proximity fosters creativity and resource sharing. The impact wouldn't be immediate, but it could force some makers to either relocate or shutter altogether, which has implications for fashion.





“This perpetual erosion of the Garment District is an active dismantling of our creative infrastructure,” said Tessa Maffucci, assistant chair of fashion at Pratt Institute and The Fashion Workforce Development Coalition lead. “What has made New York a global capital is we have this innovative, playful, break-the-rules model that works because of this diverse ecosystem of makers that are centrally located and clustered together. When we lose that, we don’t get the next Ralph Lauren.”

Of course, Ralph Lauren emerged from a different Garment District, over 50 years ago. Now, it mostly operates as an “R&D hub” with small-batch production, said Steven Kolb, chief executive of the Council of Fashion Designers of America. He doesn’t believe the rezoning represents a major threat to the district’s primary uses.

But as designer Jackson Wiederhoeft, who makes their namesake ready-to-wear and bridal line in the Garment District, put it, “It’s a beautiful plant that’s teetering and needs more soil ... instead, we’re putting it into a smaller pot and chopping off fruit. It’s never going to grow into a huge tree if we keep reducing the size of the pot.”

The situation is one of many challenges New York fashion faces today. Last year, The Partnership for New York City, a business advocacy group, published a report with consulting firm McKinsey, alleging New York’s status as a global fashion capital is at risk, citing lack of support for emerging talent, the closure of specialty stores, high operating costs, disintegration of manufacturing and a fragmented and increasingly negligible fashion week. There’s no clear solution to these problems, with fashion businesses in the middle.

“The challenge is to work within a system that is in disruption,” said Stan Herman, designer and former CFDA president. “We’re not moving backwards.”

Everything Is an Ecosystem

While much of fashion has filtered out of the Garment District for downtown or even further out to Bushwick, Long Island City and Sunset Park (which the city pushed for in 2018), it’s still the symbolic center of the industry.

“It’s a representation of New York itself. You had a dream, and you came to New York to make it happen,” said Wen Zhou, co-founder and chief executive of 3.1 Phillip Lim, which launched in the early 2000s.

Brands including Thom Browne, Carolina Herrera and Calvin Klein have offices, ateliers and showrooms in the area, and often work with local finishers and patternmakers on samples and special pieces. Up-and-coming designers, such as Kallmeyer, TWP, Meruert Tolegen and Grace Ling, in particular, benefit from the collaboration, speed and access it provides.

As a fashion capital, New York’s evergreen advantage is its proximity to culture and American consumption. But a fashion capital needs a strong talent pool, top schools to churn it out, retailers, a fashion week that attracts international press and buyers, access to funding, media and production capabilities, all firing in tandem.

“Every piece of it needs the other piece to continue to go,” said Sergio Hudson, the LA-based designer of his namesake line, which is made entirely in New York.

Fashion “is all about immediacy,” said Zhou, and local production creates a “feedback loop” that fosters experimentation and efficiency. When 3.1 Phillip Lim was just getting started, “the speed and flexibility made it feel like we were able to do anything and everything.”

But it’s also crucial for vendors themselves, many of whom now share employees, depending on the unpredictable ebb and flow of work. The opportunity to learn in the district is a huge pull for New York’s





fashion schools, said Naika Colas, associate director of fashion management at Parsons School of Design. Working designers rely on the district's experts in construction and commerciality.

"They know exactly what needs to go in these stores. They know what Saks wants, they know what Neimans wants," said Hudson. "My brand wouldn't be what it was if it wasn't for those people that poured knowledge into me."

For designers just starting out who can't meet minimums to manufacture abroad or manage importing complexity, local production is often the only option. But proponents say there are advantages for anyone, especially now, given president Donald Trump's protectionist trade policies. Brands don't have to take as big of risks on inventory and can closely react to demand without falling into a pattern of discounting, said Gigi Burris, a milliner and the founder of Closely Crafted, an organisation aimed at preserving American craftsmanship.

Though as a brand scales, producing in the Garment District gets more challenging because of capacity. Underlying the real-estate struggle is a skilled-talent crisis, which spans outside New York. Plus, technology is relatively aged. Ready-to-wear label Tanner Fletcher, for example, got its start in the Garment District in 2020, but to meet growth goals, moved half of its production to a factory in China this year.

"We're able to make a lot more and the quality is really good ... [even with tariffs] it's still more cost effective to produce in China," said designer Tanner Richie. Evening wear and wedding collections are still made in the Garment District because "we need to be fitting it on customers really quickly."

Changed systems reflect a changed world. While New York needs to "preserve, subsidise and support the garment manufacturing industry," strict centralisation around the district is not important because designers can do a lot remotely, said Gary Wassner, founder of financing and factoring company Hildun Corp.

Something is lost, though.

"You lose the feeling of an industry working together, you lose the feeling of energy, excitement and creativity, being part of an ecosystem," said Wassner.

A Fashion or Finance Capital?

There is some optimism: Fashion stakeholders such as the NYFWDC, CFDA, Closely Crafted and Pratt Fashion want to harness the moment to secure support in a city where it's hard to come by, despite the industry contributing over \$3 billion in annual tax revenue and immeasurable cultural impact.

While other cities like Paris and Milan protect fashion as a crucial cultural export with tax and trade incentives, subsidised shows and support schemes, New York has toggled between inconsistent and laissez faire approaches. It also lacks the stabilising influence of luxury giants.

"Fashion is a big economic driver," said Kolb. "The city knows and understands that ... but sometimes we are at a disadvantage because we don't get the government support that other cities get. Everything we do we're on our own."

The CFDA supported the 2018 rezoning, with the Economic Development Council promising \$20 million in funding to aid in purchasing a fashion-specific building and tax abatements for landlords who house manufacturers, none of which materialised, said Kolb. As part of the rezoning, the Garment District Alliance (the neighborhood's business development organisation) was mandated to give \$2.5 million per year for ten years to support local factories and industry partners, which has not yet been completely fulfilled.





“You can point a lot of fingers,” said Kolb. But “now in 2025 I want to see how you’re going to make good on those promises.”

In addition to re-upping pledges made in 2018, groups have advocated for expanding local workforce programs, and establishing a displacement relief fund for those negatively impacted. The CFDA has pushed for reconsideration of its “The Local Production Fund,” a proposal that would offset costs to make in New York with credits to factories. Kolb said he feels positive about the progression of talks with the city.

“The garment and fashion sectors are important segments of the city’s economy, and we are committed to investing in these sectors,” said Joe Marvilli, DCP deputy press secretary, in an email to BoF. “We will continue to work with our partners across City government to identify how to support the district, including through non-zoning tools and small business support, as this plan moves forward.”

Consistent business would reduce prices, said George Kalajian, a fifth-generation pleater who has worked with brands including Carolina Herrera, Khaite and Proenza Schouler. “I have seven pleating machines. One is running almost every day. If two of my machines ran everyday, I could drop my prices by 50 percent. More work circulating here would be so much better for all of us,” Kalajian said.

In New York, everything comes down to dollars and cents. The city has an affordability problem. Rising rents have quickened the pace of closures in the Garment District. Designers, meanwhile, lament the cost of showing, working and living as compared with other fashion capitals. In turn, some talent has seeped out.

In the face of so many challenges, proactivity is important, said Herman.

“We have to be aggressive about how we feel about fashion, otherwise the world will pass us by,” Herman said.

Editor’s note: This article was updated on 21/7/2025. A previous version stated the city pledged funding to the Garment District Alliance in 2018. That was incorrect, the city mandated that the GDA give \$2.5 million per year to support local factories and partners.

