



ELLIMANREPORT

RENTALS

• Rents continued to rise at rapid pace

The average rent was \$3,778, the highest rent in two years as tight mortgage lending conditions and regional economic gains continued to drive rental prices higher. Median rent was \$3,125, the second highest level over the same period. Since landlord concessions were used in only 3.7% of new rental activity with those transactions averaging only 1 month of free rent, the year-over-year gain in median rent with or without concessions was the same at 7.9%. The average year-over-year median rental increase in each quarter of the past year has been 7.6%, indicating there has been no ease in the pace of rental price gains.

• Largest rent gains seen in smaller

apartments Studio and 1-bedrooms showed the largest gains in rental price indicators driving affordability lower. As a result, the combination of rising rents and falling mortgage rates have caused the highest share of entry-level purchases since 2009. Studio median rent over the past year increased 15.4%; 1-bedrooms increased 8.5%; 2-bedrooms increased 5%; 3-bedrooms were unchanged; and 4-bedrooms increased 1.9%.

• "Market churn" evidenced by rising

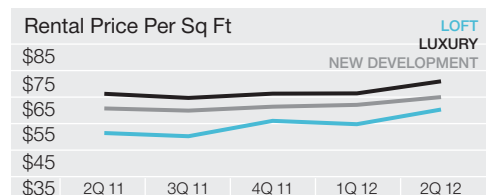
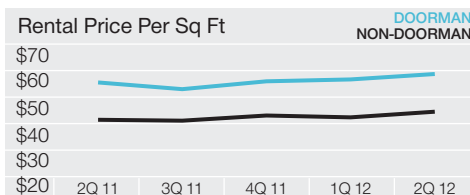
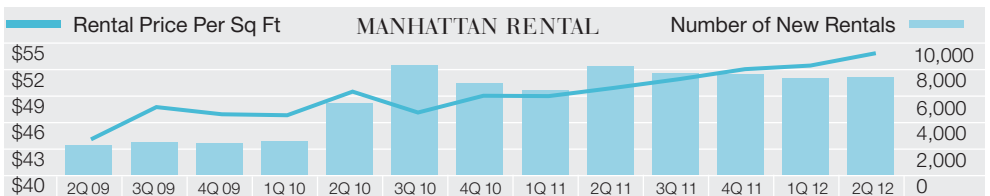
inventory The rise in rental prices forced many tenants to look elsewhere in search of affordability. Inventory rose, while days on market remained near 17-year lows. Inventory was up 27.9% to 5,660 apartments over the past year, as listing discount compressed further to 1.3% in the second quarter from 1.7% in the prior year quarter.

Manhattan Rental Market Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$3,778	3.5%	\$3,650	9.0%	\$3,465
Rental Price per Square Foot	\$53.98	2.7%	\$52.57	7.9%	\$50.03
Median Rental Price	\$3,125	0.8%	\$3,100	7.9%	\$2,896
Number of New Rentals	7,657	0.5%	7,621	-10.7%	8,572
Days on Market (From Original List Date)	38	-7.3%	41	15.2%	33
Listing Discount (From Original List Price)	1.3%		2.2%		1.7%
Listing Inventory	5,660	9.5%	5,167	27.9%	4,427

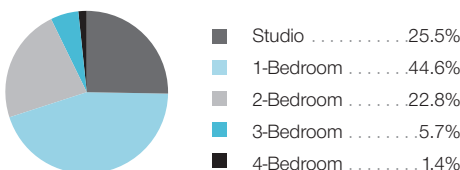
(Face Rent)

Manhattan Rental w/Concessions	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$3,766	4.4%	\$3,608	9.0%	\$3,455
Rental Price per Square Foot	\$53.81	3.6%	\$51.96	7.9%	\$49.89
Median Rental Price	\$3,115	1.7%	\$3,064	7.9%	\$2,888
Number of New Rentals w/Concessions (%)	3.7%		11.1%		3.4%
Free Rent/Owner Paid (Mos)	1.0	-16.7%	1.2	-16.7%	1.2

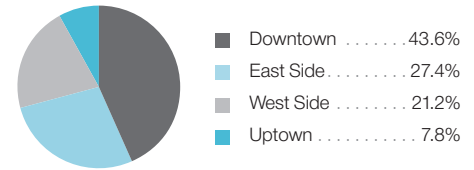
(Net Effective Rent)



2Q-2012 MARKET SHARE by SIZE



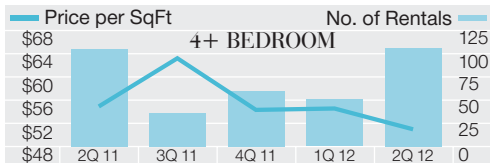
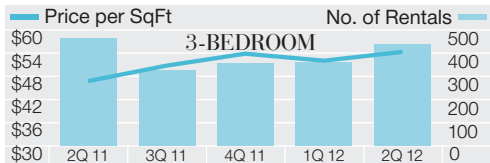
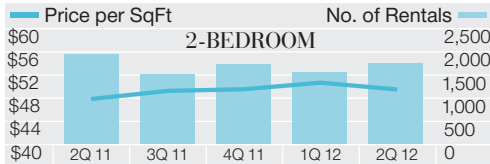
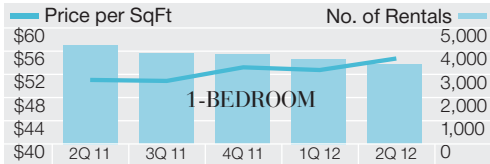
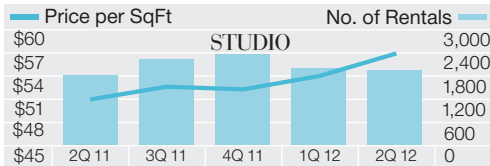
2Q-2012 MARKET SHARE by LOCATION



The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.



rental market by **SIZE**



Studio Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$2,569	2.9%	\$2,497	18.8%	\$2,163
Rental Price per Square Foot	\$56.91	5.4%	\$53.97	11.8%	\$50.89
Median Rental Price	\$2,395	1.9%	\$2,350	15.4%	\$2,075
Number of New Rentals	1,952	-1.9%	1,990	8.1%	1,805

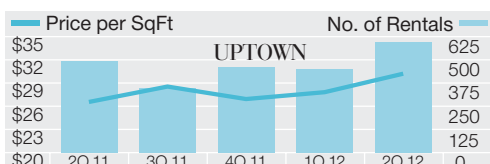
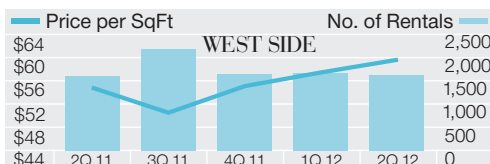
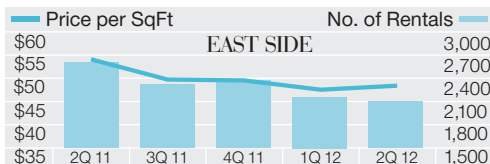
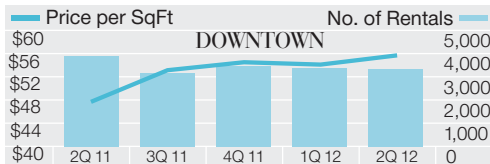
1-Bedroom Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$3,386	3.6%	\$3,269	11.5%	\$3,036
Rental Price per Square Foot	\$54.69	3.8%	\$52.68	7.3%	\$50.95
Median Rental Price	\$3,250	1.7%	\$3,195	8.5%	\$2,995
Number of New Rentals	3,412	-6.8%	3,659	-19.8%	4,253

2-Bedroom Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$4,686	-4.5%	\$4,906	5.2%	\$4,456
Rental Price per Square Foot	\$49.40	-2.4%	\$50.59	3.5%	\$47.74
Median Rental Price	\$4,298	-4.5%	\$4,500	5.0%	\$4,095
Number of New Rentals	1,746	12.0%	1,559	-10.1%	1,943

3-Bedroom Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$6,940	-4.3%	\$7,253	3.8%	\$6,688
Rental Price per Square Foot	\$54.39	4.4%	\$52.10	16.2%	\$46.80
Median Rental Price	\$5,295	-8.9%	\$5,815	0.0%	\$5,295
Number of New Rentals	440	21.5%	362	-5.4%	465

4+ Bedroom Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$10,542	-12.0%	\$11,981	-0.1%	\$10,548
Rental Price per Square Foot	\$50.96	-6.6%	\$54.56	-7.2%	\$54.91
Median Rental Price	\$6,800	-29.6%	\$9,660	1.9%	\$6,675
Number of New Rentals	107	109.8%	51	0.9%	106

rental market by **LOCATION**



Downtown Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$4,044	4.9%	\$3,855	12.4%	\$3,598
Rental Price per Square Foot	\$55.66	3.0%	\$54.05	17.1%	\$47.55
Median Rental Price	\$3,415	3.5%	\$3,300	7.3%	\$3,183
Number of New Rentals	3,338	-0.4%	3,351	-13.8%	3,872

East Side Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$3,627	6.3%	\$3,412	3.3%	\$3,511
Rental Price per Square Foot	\$48.29	1.9%	\$47.41	-10.7%	\$54.05
Median Rental Price	\$2,800	-1.8%	\$2,850	3.7%	\$2,700
Number of New Rentals	2,095	-2.9%	2,157	-19.3%	2,597

West Side Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$4,079	1.7%	\$4,009	13.5%	\$3,594
Rental Price per Square Foot	\$59.61	3.9%	\$57.40	8.9%	\$54.75
Median Rental Price	\$3,335	3.6%	\$3,219	11.4%	\$2,995
Number of New Rentals	1,625	-2.2%	1,662	1.1%	1,608

Uptown Rental Matrix	2Q-2012	% Chg (QRT)	1Q-2012	% Chg (YR)	2Q-2011
Average Rental Price	\$2,011	3.8%	\$1,938	13.5%	\$1,772
Rental Price per Square Foot	\$30.23	8.6%	\$27.83	13.8%	\$26.56
Median Rental Price	\$1,800	5.9%	\$1,700	19.2%	\$1,510
Number of New Rentals	599	32.8%	451	21.0%	495

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Report Methodology:
<http://www.millersamuel.com/research-reports/methodology>

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