



ELLIMANREPORT

MANHATTAN

Rental prices continued to rise

Manhattan's median rental price was \$3,195 in September, 10.2% above \$2,900 in the same period a year ago. Taking landlord concessions into account, median rental price increased 8% year-over-year from \$2,720 to \$2,938.

New rentals jumped as days on market remained near record lows

The average days on market, the number of days between the original listing date and rental date was 39 days. This was consistent with the year-to-date average of 38.6 days, the fastest annual rate in 20 years.

Credit and economy drove rentals

Two significant drivers of rental demand over the past year have been the tight lending conditions and the improving local economy, namely employment levels. Perhaps the most consequential factor to date has been the tight mortgage underwriting standards. Banks remain risk-adverse, and lending standards have yet to ease since the fall of Lehman Brothers. This has held many would-be buyers in the rental market, especially with mortgage rates continuing to fall and reaching record-low levels throughout most of 2012. However, falling mortgage rates have made lenders even more adverse to risk. This lower tenant mobility has tightened the conditions of the rental market, laying the pressure on rents.

Manhattan Rental Market	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,682	2.8%	\$3,582	-1.8%	\$3,748
Rental Price per Square Foot	\$52.60	-0.8%	\$53.02	0.9%	\$52.15
Median Rental Price	\$3,195	3.2%	\$3,095	10.2%	\$2,900
Number of New Rentals	2,535	-24.1%	3,338	54.5%	1,641
Days on Market (From Original List Date)	39	8.3%	36	-29.1%	55
Listing Discount (From Original List Price)	2.3%		1.8%		3.2%
Listing Inventory	5,294	-2.0%	5,400	15.0%	4,605

(Face Rent)

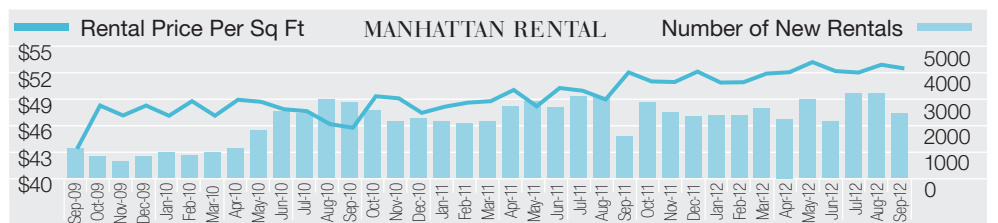
Manhattan Rental w/Concessions	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,386	0.7%	\$3,362	-3.7%	\$3,515
Rental Price per Square Foot	\$48.37	-2.8%	\$49.77	-1.1%	\$48.91
Median Rental Price	\$2,938	1.1%	\$2,905	8.0%	\$2,720
Number of New Rentals w/Concessions (%)	2.0%		1.2%		8.6%
Free Rent/Owner Paid (Mos)	1.0	25.0%	0.8	25.0%	0.8

(Net Effective Rent)

Manhattan Vacancy Rate	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Manhattan	1.85%		2.05%		2.62%
Downtown	1.63%		1.78%		2.76%
East Side	1.97%		2.30%		2.52%
West Side	2.55%		2.48%		2.94%
Uptown	1.33%		1.86%		2.13%

Manhattan Median Sales Price By Property Type	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Doorman	\$3,500	2.9%	\$3,400	16.7%	\$3,000
Non-Doorman	\$2,625	1.0%	\$2,600	0.0%	\$2,625
Loft	\$3,833	-1.3%	\$3,885	-23.3%	\$4,995
Luxury [Top 10%]	\$7,087	-0.4%	\$7,113	-16.6%	\$8,500
Super-Luxury [Top 5%]	\$9,400	10.7%	\$8,495	-10.5%	\$10,500
New Development	\$3,713	-2.2%	\$3,798	-2.3%	\$3,800

(Face Rent)



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.



Manhattan rental market by SIZE

DOWNTOWN

- All size categories saw more transactions** Median price of a studio slipped 1% to \$2,525 from the same period last year and was the only category to post a decline, albeit modest. The decline was offset by a 3% increase in average sales price to \$2,669 over the same period.
- All size categories saw more transactions, with the largest increase in studios and 2-bedrooms** All apartment types posted double-digit year-over-year increases in the number of new rentals. Both studios and 2-bedrooms nearly doubled over the prior year quarter.
- Larger apartments showed most improvement** The 3-bedroom market showed the most overall improvement compared to the prior year period, with double-digit price growth across all indicators, including an 11.2% increase in the number of new rentals.

Downtown Studio	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,669	-2.4%	\$2,734	3.0%	\$2,592
Rental Price per Square Foot	\$55.64	-4.1%	\$58.00	-0.7%	\$56.06
Median Rental Price	\$2,525	1.0%	\$2,500	-1.0%	\$2,550
Number of New Rentals	321	-28.0%	446	118.4%	147

Downtown 1-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,528	-5.7%	\$3,740	4.6%	\$3,373
Rental Price per Square Foot	\$55.88	-9.2%	\$61.55	-0.1%	\$55.94
Median Rental Price	\$3,438	-0.3%	\$3,450	7.4%	\$3,200
Number of New Rentals	468	-16.3%	559	56.0%	300

Downtown 2-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$4,941	-1.8%	\$5,033	-5.2%	\$5,214
Rental Price per Square Foot	\$49.34	-9.8%	\$54.68	0.9%	\$48.91
Median Rental Price	\$4,495	-0.1%	\$4,500	2.2%	\$4,400
Number of New Rentals	241	-24.0%	317	82.6%	132

Downtown 3+-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,970	5.9%	\$3,749	16.1%	\$3,419
Rental Price per Square Foot	\$59.09	2.1%	\$57.88	13.9%	\$51.89
Median Rental Price	\$3,395	2.9%	\$3,299	13.4%	\$2,995
Number of New Rentals	487	-29.8%	694	11.2%	438

EASTSIDE

- The East Side had the most overall growth in rental transactions** All size categories showed double-digit year-over-year increases in the number of rental transactions, with the larger increases found in larger apartments. Studios had the lowest increase at 24.1% and 3-bedrooms posted a 3-fold gain over the same period.
- Price indicators mixed with declines in larger apartments** Median rents in studios and 1-bedrooms increased a modest 1.2% and 1.5% respectively from the same period a year ago. Conversely, the 2-bedroom and 3-bedroom markets showed a 10.1% and 35.2% drop respectively.
- Last year's unusually low number of 3-bedroom rentals skewed this year's data** There were only 21 rentals in the prior year quarter, one-third the current level, skewing the year-over-year results.

Eastside Studio	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,493	0.1%	\$2,239	15.6%	\$2,157
Rental Price per Square Foot	\$59.97	11.3%	\$51.21	15.9%	\$51.74
Median Rental Price	\$2,175	17.1%	\$2,050	1.2%	\$2,150
Number of New Rentals	242	6.1%	277	24.1%	195

Eastside 1-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,133	0.8%	\$3,107	-2.6%	\$3,217
Rental Price per Square Foot	\$50.00	-2.0%	\$51.03	-4.0%	\$52.11
Median Rental Price	\$2,995	-0.1%	\$2,998	1.5%	\$2,950
Number of New Rentals	376	-12.6%	430	45.7%	258

Eastside 2-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$5,161	11.8%	\$4,615	-13.3%	\$5,952
Rental Price per Square Foot	\$50.32	4.7%	\$48.06	-13.8%	\$58.40
Median Rental Price	\$4,943	15.1%	\$4,295	-10.1%	\$5,500
Number of New Rentals	128	-24.7%	170	64.1%	78

Eastside 3+-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$8,801	4.0%	\$8,463	-41.6%	\$15,064
Rental Price per Square Foot	\$57.16	5.3%	\$54.29	-17.7%	\$69.49
Median Rental Price	\$6,800	9.1%	\$6,233	-35.2%	\$10,500
Number of New Rentals	63	-7.4%	68	200.0%	21

Manhattan rental market by SIZE

WESTSIDE

- Three of the four size categories posted gains in rentals and prices**

Studios were the only category to see fewer rentals compared to the prior year levels, while median sales price was nominally higher. Both 1-bedroom and 2-bedroom apartments had gains in both median price and number of rentals.

- The 1-bedroom market was the strongest category on the West Side**

The median rental price of a 1-bedroom apartment was \$3,390, up 13% over prior year levels. The number of rentals gained 5.8% reaching 238 from 225 over the same period.

- The 3-bedroom market showed softer prices but sharp jump in activity**

At the high end of the market, which saw an 85.7% jump in activity and accounted for 10% of rentals, price indicators declined across the board.

Westside Studio	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,460	0.1%	\$2,550	7.1%	\$2,297
Rental Price per Square Foot	\$62.33	-3.5%	\$62.49	1.7%	\$61.27
Median Rental Price	\$2,300	-0.3%	\$2,395	0.2%	\$2,295
Number of New Rentals	111	-4.0%	150	-5.1%	117

Westside 1-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,625	6.2%	\$3,414	14.2%	\$3,173
Rental Price per Square Foot	\$60.89	4.4%	\$58.31	21.2%	\$50.26
Median Rental Price	\$3,390	2.7%	\$3,300	13.0%	\$3,000
Number of New Rentals	238	-29.8%	339	5.8%	225

Westside 2-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$4,999	2.0%	\$4,901	-6.8%	\$5,361
Rental Price per Square Foot	\$54.17	0.7%	\$53.82	4.8%	\$51.70
Median Rental Price	\$4,703	3.4%	\$4,550	3.4%	\$4,550
Number of New Rentals	98	-37.2%	156	2.1%	96

Westside 3+-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$7,828	28.9%	\$6,075	-6.7%	\$8,389
Rental Price per Square Foot	\$41.25	-9.2%	\$45.43	-38.7%	\$67.29
Median Rental Price	\$6,095	19.5%	\$5,100	-15.3%	\$7,200
Number of New Rentals	39	-20.4%	49	85.7%	21

UPTOWN

- Sharp gains in year-over-year rental activity**

Both the 1-bedroom and 2-bedroom markets saw roughly 3-fold gains in number of transactions year-over-year. No prior year rental data was available for the studio or 3-bedroom markets.

- Price indicators fell below year ago levels but stable month-over-month**

Median rental prices were essentially unchanged from the prior month across all apartment types, reflecting recent stability.

- Smaller apartments gained market share**

The studio and 1-bedroom market gained market share from the 2-bedroom and 3-bedroom market compared to the prior month. Additionally, the 1-bedroom market gained share over the 2-bedroom segment compared to a year ago.

Uptown Studio	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$1,594	0.1%	\$1,540	N/A	N/A
Rental Price per Square Foot	\$44.38	3.5%	\$44.28	N/A	N/A
Median Rental Price	\$1,323	0.2%	\$1,450	N/A	N/A
Number of New Rentals	24	-8.8%	23	N/A	N/A

Uptown 1-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$1,637	-10.2%	\$1,822	-9.8%	\$1,815
Rental Price per Square Foot	\$29.65	-13.8%	\$34.38	22.5%	\$24.20
Median Rental Price	\$1,550	0.0%	\$1,550	-13.6%	\$1,795
Number of New Rentals	62	-35.4%	96	244.4%	18

Uptown 2-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,184	1.6%	\$2,150	-28.9%	\$3,070
Rental Price per Square Foot	\$29.64	0.4%	\$29.52	-16.2%	\$35.36
Median Rental Price	\$1,995	0.0%	\$1,995	-36.7%	\$3,150
Number of New Rentals	44	-63.9%	122	193.3%	15

Uptown 3+-Bedroom	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,776	-6.9%	\$2,982	N/A	N/A
Rental Price per Square Foot	\$28.44	-13.8%	\$33.00	N/A	N/A
Median Rental Price	\$2,895	1.8%	\$2,843	N/A	N/A
Number of New Rentals	13	-75.0%	52	N/A	N/A

Brooklyn rental market by SIZE

BROOKLYN

- Rental prices remained elevated, but slipped from prior year levels**

The median rental price in Brooklyn was \$2,350, down 2.1% from the prior year quarter. The other price indicators showed the same year-over-year trend. Rents have remained in a tight band over the last year, with limited month-to-month volatility.

- Days on market expanded and listing discount rose** The average days on market, the number of days from original list date to rental date, fell to 31 days from 44 in the same period last year. Listing discount, the difference between the original list price and the rental price, edged higher to 2.6% from 1% in the same period last year.

- Middle of the market saw price gains** In the 1-bedroom market, median sales price increased 10.5% from the prior year quarter to \$2,100. The 2-bedroom market showed the same pattern, rising 6.9% over the same period to a median sales price of \$2,673.

Brooklyn Rental Market	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,548	-2.3%	\$2,609	-3.9%	\$2,651
Rental Price per Square Foot	\$29.68	3.8%	\$28.60	-8.4%	\$32.40
Median Rental Price	\$2,350	-1.9%	\$2,395	-2.1%	\$2,400
Number of New Rentals	131	-36.4%	206	6.5%	123
Days on Market (From Original List Date)	31	6.9%	29	-29.5%	44
Listing Discount (From Original List Price)	2.6%		0.8%		1.0%
Listing Inventory	840	3.6%	811	-2.6%	862

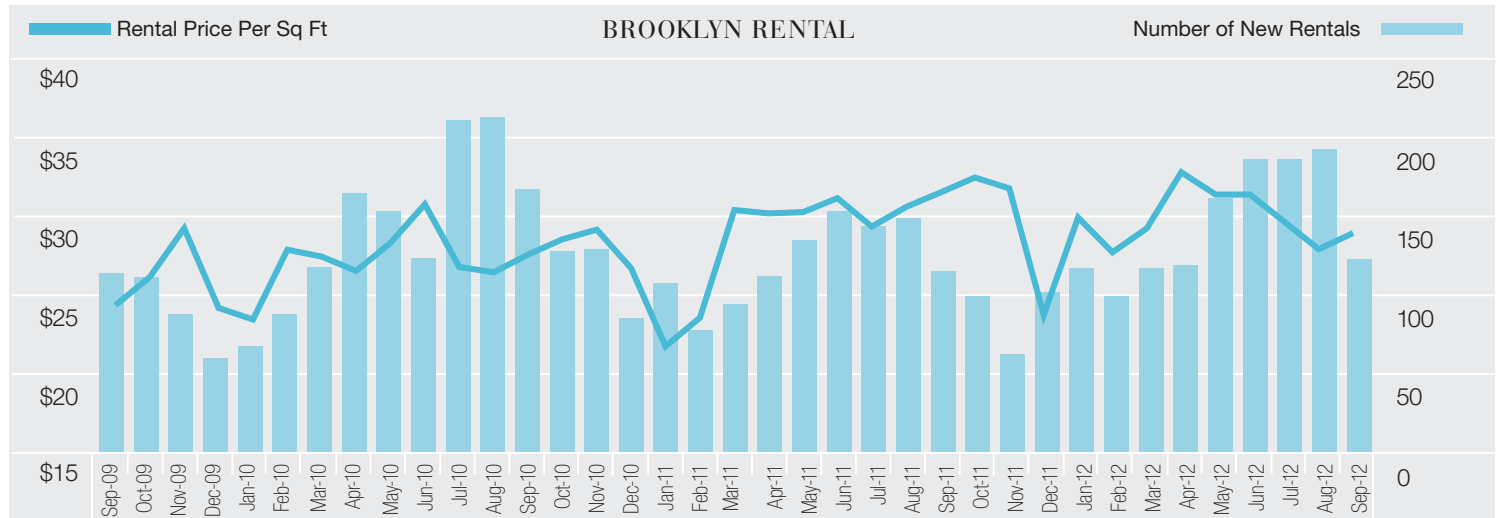
(Face Rent)

Brooklyn Studio Rental Matrix	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$1,818	-4.4%	\$1,902	-13.8%	\$2,108
Rental Price per Square Foot	\$38.58	-6.2%	\$41.11	23.2%	\$31.32
Median Rental Price	\$1,675	0.0%	\$1,675	-24.7%	\$2,225
Number of New Rentals	22	-18.5%	27	37.5%	16

Brooklyn 1-Bedroom Rental Matrix	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,207	-5.1%	\$2,325	9.5%	\$2,016
Rental Price per Square Foot	\$35.35	16.1%	\$30.44	10.8%	\$31.91
Median Rental Price	\$2,100	-8.7%	\$2,300	10.5%	\$1,900
Number of New Rentals	40	-45.9%	74	-2.4%	41

Brooklyn 2-Bedroom Rental Matrix	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$2,694	-1.2%	\$2,728	-5.5%	\$2,850
Rental Price per Square Foot	\$29.45	-1.2%	\$29.81	-9.2%	\$32.44
Median Rental Price	\$2,673	6.9%	\$2,500	6.9%	\$2,500
Number of New Rentals	50	-36.7%	79	-2.0%	51

3+-Bedroom Rental Matrix	SEPT-12	% Chg (mos)	AUG-12	% Chg (yr)	SEPT-11
Average Rental Price	\$3,728	-1.7%	\$3,792	-13.1%	\$4,290
Rental Price per Square Foot	\$29.46	2.5%	\$28.73	-0.4%	\$29.59
Median Rental Price	\$3,500	-4.8%	\$3,675	-16.7%	\$4,200
Number of New Rentals	19	-26.9%	26	26.7%	15



Note: The Brooklyn rental market analysis is comprised of transactions in the north and northwest regions of the borough.

For more information or electronic copies of this report please visit elliman.com/marketreports. Email report author Jonathan Miller at jmiller@millersamuel.com with questions or comments.

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

©2012 BRER Affiliates Inc. An independently owned and operated broker member of BRER Affiliates Inc. Prudential, the Prudential logo and the Rock symbol are registered service marks of Prudential Financial, Inc. and its related entities, registered in many jurisdictions worldwide. Used under license with no other affiliation with Prudential. Equal Housing Opportunity. All material presented herein is intended for information purposes only. While this information is believed to be correct, it is represented subject to errors, omissions, changes or withdrawal without notice.

PRUDENTIAL DOUGLAS ELLIMAN REAL ESTATE 575 Madison Avenue, New York, NY 10022 • 212.891.7000 • elliman.com

RENTAL OFFICE: 4 Leonard Street, New York, NY 10022 212.350.8500 • ellimanrentals.com

MILLER SAMUEL REAL ESTATE APPRAISERS 21 West 38th Street, New York, NY 10018 • 212.768.8100 • millersamuel.com