MANHATTAN & BROOKLYN RENTALS

JUNE-2013

ELLIMAN REPORT

MANHATTAN

- **Manhattan rental price indicators were mixed but remain elevated** Median rental price increased by 1.9% to $3,195 from the same period last year as average rental price and average rental price per square foot slipped 0.8% and 2.2% respectively over the same period. On a quarterly basis, the median rental price of $3,195 is the highest we have seen in four years. The use of landlord concessions remained limited, accounting for only 3.4% of rental transactions with an average amount equivalent to one month's rent.
- **Number of new rentals continued to slip as marketing time expanded** For the past two months, the number of new rentals has fallen below prior-year levels. There were 4,741 new rentals in June, 5.6% below prior year levels. The modest decline suggests that the balance between landlord and tenant is coming together, with landlords tempering rental increases and tenants more likely to sign renewals. The expansion of marketing time was consistent with this trend. Days on market increased by 2 weeks to 54 days over the same period.
- **The Manhattan vacancy rate remained low** The Manhattan vacancy rate fell to 1.83% in June from 2.78% during the same month last year and increased from 1.6% in the prior month. In recent years, the vacancy rate tended to surge in April-May and peak during the summer. However, this year, the vacancy rate has seen only a slight increase through June as the market remains tight.

Manhattan Rental Market	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,870	-2.1%	$3,951	-0.8%	$3,902
Rental Price per Square Foot	$50.86	-0.5%	$51.13	-2.2%	$52.03
Median Rental Price	$3,195	-0.2%	$3,200	1.9%	$3,135
Number of New Rentals	4,741	14.5%	4,139	-5.6%	5,024
Days on Market (From Original List Date)	54	10.2%	49	35.0%	40
Listing Discount (From Original List Price)	3.3%		2.4%		3.0%
Listing Inventory	5,850	3.6%	5,647	3.4%	5,660

(Face Rent)

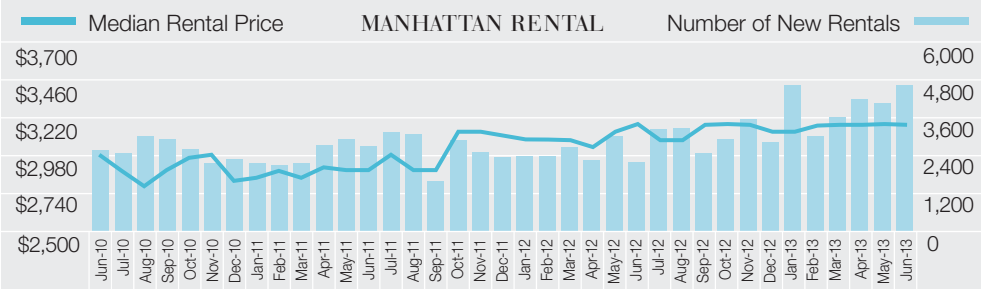
Manhattan Rental w/Concessions	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,859	-1.9%	$3,934	-0.8%	$3,889
Rental Price per Square Foot	$50.71	-0.4%	$50.91	-2.2%	$51.86
Median Rental Price	$3,186	0.0%	$3,186	2.0%	$3,125
Number of New Rentals w/Concessions (%)	3.4%		4.4%		4.0%
Free Rent/Owner Paid (Mos)	1.0	-16.7%	1.2	0.0%	1.0

(Net Effective Rent)

Manhattan Vacancy Rate	JUN-13	MAY-13	JUN-12
Manhattan	1.83%	1.60%	2.78%
Downtown	1.38%	1.38%	3.22%
East Side	1.97%	2.08%	0.77%
West Side	2.16%	1.83%	3.79%
Uptown	2.48%	1.15%	3.63%

Manhattan Median Rental Price *by Property Type*	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Doorman	$3,595	-0.3%	$3,605	2.5%	$3,506
Non-Doorman	$2,705	-3.2%	$2,795	1.5%	$2,666
Loft	$4,498	-6.7%	$4,823	-21.3%	$5,714
Luxury [Top 10%]	$7,995	-2.1%	$8,168	-4.8%	$8,400
Super-Luxury [Top 5%]	$11,193	-6.7%	$12,000	-5.2%	$11,806
New Development	$4,104	-0.5%	$4,124	-4.5%	$4,298

(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.

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Appraisal and consulting services covering the New York City metropolitan area

Manhattan rental market by SIZE

DOWNTOWN

- **New rental activity was mixed** The overall number of new rentals slipped 1% to 2,172 units with 2-bedroom and 3-bedroom units showing year-over-year declines of 4.9% and 15% respectively. Studio and 1-bedroom units showed only modest gains suggesting greater agreement between landlords and tenants.
- **Rental price indicators down from prior year levels** Median rental price declined 3.2% to $3,365 from the same period last year. Studio, 1-bedroom and 2-bedroom units showed a 1.3%, 2.6% and 5.1% year-over-year decline respectively. Although median price for 3+ bedrooms posted a 9.9% increase over the same period, the other price indicators showed declines.
- **The Downtown vacancy rate fell sharply** The vacancy rate for Downtown fell to 1.38% from 3.22%, a 1.84% year-over-year drop.

Downtown Studio	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,602	-3.6%	$2,700	-4.6%	$2,727
Rental Price per Square Foot	$54.96	-4.7%	$57.69	-0.6%	$55.28
Median Rental Price	$2,517	-2.7%	$2,587	-1.3%	$2,550
Number of New Rentals	562	10.2%	510	0.7%	558

Downtown 1-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,619	-0.4%	$3,632	-4.7%	$3,798
Rental Price per Square Foot	$56.38	0.7%	$56.01	-4.4%	$58.96
Median Rental Price	$3,405	-1.4%	$3,455	-2.6%	$3,495
Number of New Rentals	973	14.7%	848	2.7%	947

Downtown 2-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$5,082	-1.4%	$5,156	-11.3%	$5,729
Rental Price per Square Foot	$51.80	0.6%	$51.50	-4.5%	$54.26
Median Rental Price	$4,550	-1.1%	$4,600	-5.1%	$4,795
Number of New Rentals	484	1.0%	479	-4.9%	509

Downtown 3+ Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$8,388	-1.5%	$8,520	-1.7%	$8,532
Rental Price per Square Foot	$51.38	-8.3%	$56.02	-2.0%	$52.42
Median Rental Price	$6,436	13.3%	$5,680	9.9%	$5,854
Number of New Rentals	153	11.7%	137	-15.0%	180

EAST SIDE

- **The overall number of East Side new rentals fell** There were 1,246 new rentals in June, down 7.1% from the same period last year. The number of new rentals for all size categories, except for 3+ bedrooms, fell from the prior year levels.
- **Most size categories reflected decline in new rentals** The number of new rentals fell by 24.3% to 1,104 from the same period last year. The largest declines by size occurred in the studio and 1-bedroom categories. With great resistance to rising rents, the 3+ bedroom category posted the only gain in new rentals over the same period.
- **The vacancy rate continued to edge higher**. The vacancy rate for the East Side rose to 1.97% from 0.77% in June of last year, but had the second lowest rate out of the four Manhattan regions.

East Side Studio	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,247	-2.1%	$2,296	3.5%	$2,170
Rental Price per Square Foot	$52.61	3.8%	$50.66	5.1%	$50.08
Median Rental Price	$2,198	-4.4%	$2,300	12.7%	$1,950
Number of New Rentals	322	19.3%	270	-8.0%	350

East Side 1-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,095	-1.9%	$3,156	-0.6%	$3,113
Rental Price per Square Foot	$50.28	-1.0%	$50.77	1.5%	$49.54
Median Rental Price	$3,025	-0.8%	$3,049	1.0%	$2,995
Number of New Rentals	561	14.3%	491	-11.4%	633

East Side 2-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$5,055	-3.1%	$5,218	3.2%	$4,896
Rental Price per Square Foot	$51.59	4.2%	$49.49	2.0%	$50.56
Median Rental Price	$4,795	4.4%	$4,595	14.9%	$4,175
Number of New Rentals	258	8.9%	237	-4.4%	270

East Side 3+ Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$9,739	-1.8%	$9,915	-6.2%	$10,387
Rental Price per Square Foot	$57.18	9.7%	$52.11	-6.4%	$61.10
Median Rental Price	$7,195	11.0%	$6,481	-18.0%	$8,770
Number of New Rentals	105	-0.9%	106	19.3%	88

Manhattan rental market by SIZE

WEST SIDE

- **Smaller rental units showed less resistance to rising rents** The number of new studio and 1-bedroom new rentals fell from prior year levels, while the number of larger apartments was up compared to the same period, in contrast to their median rental price trends. The overall number of new West Side rentals fell by 11.5% from the same period last year.
- **Rental price indicators up with larger gains in smaller units** The West Side median rental price edged up 2.4% to $3,265 from the same period last year. The larger 2-bedroom and 3-bedroom properties posted year-over-year declines.
- **Despite seasonal monthly jump, year-over-year vacancy rate down sharply** The West Side vacancy rate fell to 2.16% from 3.79% during the same period last year.

West Side Studio	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,445	4.6%	$2,337	4.4%	$2,343
Rental Price per Square Foot	$57.44	-4.9%	$60.38	2.2%	$56.23
Median Rental Price	$2,327	4.4%	$2,229	2.3%	$2,275
Number of New Rentals	224	10.3%	203	-13.2%	258

West Side 1-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,285	-0.3%	$3,295	-0.2%	$3,291
Rental Price per Square Foot	$57.18	7.9%	$53.01	6.7%	$53.58
Median Rental Price	$3,250	0.0%	$3,250	1.6%	$3,200
Number of New Rentals	453	22.8%	369	-22.2%	582

West Side 2-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$4,762	-4.0%	$4,963	-4.9%	$5,005
Rental Price per Square Foot	$52.10	2.5%	$50.85	-2.5%	$53.43
Median Rental Price	$4,500	-0.6%	$4,525	-6.2%	$4,795
Number of New Rentals	247	28.0%	193	6.0%	233

West Side 3+ Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$10,276	8.6%	$9,463	13.3%	$9,068
Rental Price per Square Foot	$62.42	1.1%	$61.74	0.5%	$62.11
Median Rental Price	$8,395	12.0%	$7,495	-6.7%	$9,000
Number of New Rentals	91	44.4%	63	23.0%	74

UPTOWN

- **New rentals continued to fall across most size categories** The overall number of new rentals fell 9.9% from the same period of last year to 308. All size categories declined with the exception of 3+ bedrooms, which increased by 5.9%. The overall decline suggests a higher lease renewal rate despite rising prices.
- **Median rental prices increased in most size categories** Median rental price in the Uptown market rose 5.4% to $1,950 from the same period last year. While 2-bedroom median rental price slipped nominally by 0.5%, all other size categories increased from prior year levels.
- **Vacancy rate dropped sharply** Although the seasonal month-over-month jump in vacancy rate occurred in June, considered late in the season, the Uptown vacancy rate fell sharply to 2.48% from the same period last year.

Uptown Studio	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$1,475	-1.3%	$1,495	-10.1%	$1,640
Rental Price per Square Foot	$37.85	55.0%	$24.42	43.3%	$26.42
Median Rental Price	$1,400	0.8%	$1,389	3.6%	$1,351
Number of New Rentals	37	54.2%	24	-7.5%	40

Uptown 1-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$1,777	3.9%	$1,711	-1.6%	$1,806
Rental Price per Square Foot	$30.98	4.8%	$29.56	-2.8%	$31.87
Median Rental Price	$1,632	-1.2%	$1,652	-0.5%	$1,640
Number of New Rentals	119	38.4%	86	-17.9%	145

Uptown 2-Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,378	0.4%	$2,368	1.9%	$2,334
Rental Price per Square Foot	$28.48	3.6%	$27.49	-1.0%	$28.76
Median Rental Price	$2,234	2.3%	$2,184	3.9%	$2,150
Number of New Rentals	98	32.4%	74	-7.5%	106

Uptown 3+ Bedroom	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,496	12.1%	$3,120	32.4%	$2,641
Rental Price per Square Foot	$23.70	-9.4%	$26.15	-11.4%	$26.74
Median Rental Price	$3,265	16.7%	$2,797	29.6%	$2,520
Number of New Rentals	54	10.2%	49	5.9%	51

Brooklyn rental market by SIZE

BROOKLYN

- **After two months of wavering growth, price indicators surged again from prior year levels** The median rental price in Brooklyn was $2,737, up 13.5% year-over-year, the biggest jump since August 2012. Average rental price and rental price per square foot also showed large gains, surging 13.6% and 9.5% over the same period.
- **The number of new rentals slipped from prior year levels** There were 412 new rentals in June, down 3.1% below prior year levels after seeing a year-over-year surge in the prior month. Despite the volatility of this indicator, the general trend showed a decline since the beginning of the year as landlords and tenants struggle to agree on pricing levels of the market. Falling new rental activity infers higher acceptance at the time of lease renewals suggesting that landlords aren't pressing as hard to keep the vacancy rate low.
- **Marketing time continued to expand as listing discount stabilized** The average rental property took 47 days from original listing date to rental date, nearly two weeks longer compared to 34 days in the same period last year. Listing discount remained essentially unchanged from the prior year level at 9.7%,
- **Price gains were seen across all size categories** Based on median rental price, there was a year-over-year increase of 5.2% for studio apartments with consistent gains seen across each size category.

Brooklyn Rental Market	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,122	5.2%	$2,969	13.6%	$2,748
Rental Price per Square Foot	$35.97	-0.3%	$36.08	9.5%	$32.84
Median Rental Price	$2,737	6.1%	$2,579	13.5%	$2,412
Number of New Rentals	412	-14.0%	479	-3.1%	425
Days on Market (From Original List Date)	47	6.8%	44	38.2%	34
Listing Discount (From Original List Price)	9.7%		8.3%		9.6%

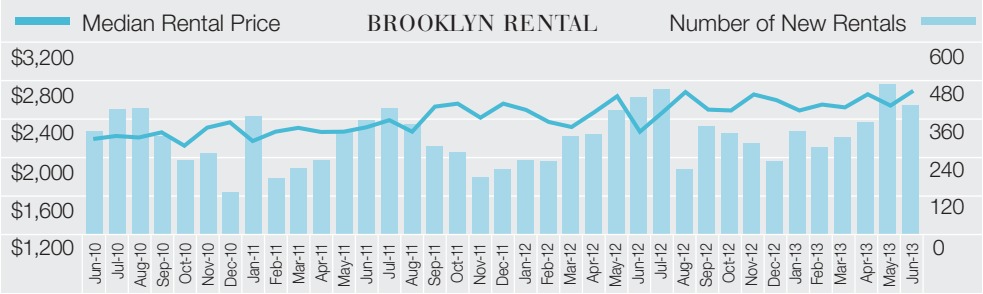
(Face Rent)

Brooklyn Studio Rental Matrix	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,256	7.9%	$2,091	23.5%	$1,827
Rental Price per Square Foot	$40.47	4.5%	$38.71	7.3%	$37.73
Median Rental Price	$1,835	2.1%	$1,798	5.2%	$1,745
Number of New Rentals	44	-29.0%	62	2.3%	43

Brooklyn 1-Bedroom Rental Matrix	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$2,458	1.2%	$2,430	6.8%	$2,301
Rental Price per Square Foot	$38.40	2.7%	$37.40	6.8%	$35.95
Median Rental Price	$2,397	2.0%	$2,350	4.2%	$2,300
Number of New Rentals	160	-17.5%	194	-15.3%	189

Brooklyn 2-Bedroom Rental Matrix	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$3,333	3.7%	$3,213	10.8%	$3,009
Rental Price per Square Foot	$36.09	-1.3%	$36.58	9.5%	$32.95
Median Rental Price	$3,000	0.9%	$2,972	7.1%	$2,800
Number of New Rentals	139	-16.8%	167	-5.4%	147

3+-Bedroom Rental Matrix	JUN-13	%Chg (MO)	MAY-13	%Chg (YR)	JUN-12
Average Rental Price	$4,790	-5.8%	$5,083	3.9%	$4,609
Rental Price per Square Foot	$35.82	-4.9%	$37.68	-7.8%	$38.87
Median Rental Price	$4,191	-8.7%	$4,589	8.5%	$3,864
Number of New Rentals	69	23.2%	56	50.0%	46



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

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