

ELLI MAN REPORT

JULY 2014

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.4%

VACANCY

Vacancy Rate

0.12%

NEW RENTALS

Excludes Renewals

7.2%

CONCESSIONS

Market Share

1.5%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

2.0%

- **Pace of price growth continued to rise**
- **July vacancy rate declined to a five-year low**
- **Use of concessions fell to a nominal level**

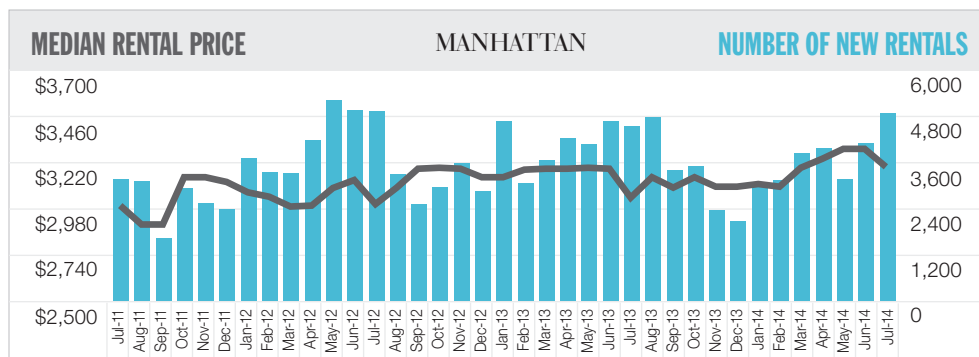
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Average Rental Price		\$4,022	-1.4%	\$4,079	5.2%	\$3,822
Rental Price per Sq Ft		\$50.80	-3.3%	\$52.52	0.1%	\$50.73
Median Rental Price		\$3,205	-2.9%	\$3,300	5.4%	\$3,042
Number of New Rentals		4,938	18.8%	4,158	7.2%	4,605
Days on Market (From Original List Date)		43	-12.2%	49	2.4%	42
Listing Discount (From Original List Price)		1.0%		1.8%		3.0%
Listing Inventory		5,690	-0.5%	5,719	-4.4%	5,952
Vacancy Rate		1.82%		1.64%		1.94%
Manhattan Rental w/Concessions		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Median Rental Price		\$3,200	-2.8%	\$3,293	5.5%	\$3,034
Number of New Rentals w/Concessions (%)		1.6%		2.6%		3.1%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	10.0%	1.0
Manhattan Rental Market by Size		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Studio -	Average Rental Price	\$2,573	-0.2%	\$2,578	7.1%	\$2,402
	Rental Price per Sq Ft	\$56.55	6.8%	\$52.93	5.1%	\$53.79
	Median Rental Price	\$2,425	-1.3%	\$2,457	4.1%	\$2,329
	Number of New Rentals	1,201	18.9%	1,010	6.6%	1,127
1-Bedroom -	Average Rental Price	\$3,349	-1.0%	\$3,382	4.3%	\$3,212
	Rental Price per Sq Ft	\$53.01	-0.7%	\$53.36	2.7%	\$51.60
	Median Rental Price	\$3,264	0.0%	\$3,263	5.7%	\$3,089
	Number of New Rentals	2,070	19.3%	1,735	7.9%	1,918
2-Bedroom -	Average Rental Price	\$4,817	-3.5%	\$4,993	0.5%	\$4,794
	Rental Price per Sq Ft	\$49.01	-6.0%	\$52.13	-1.5%	\$49.74
	Median Rental Price	\$4,100	-7.9%	\$4,450	0.1%	\$4,095
	Number of New Rentals	1,208	15.7%	1,044	7.6%	1,123
3+ Bedroom -	Average Rental Price	\$8,554	-3.6%	\$8,869	11.6%	\$7,666
	Rental Price per Sq Ft	\$50.87	-14.7%	\$59.67	3.1%	\$49.33
	Median Rental Price	\$5,485	-15.6%	\$6,498	2.5%	\$5,350
	Number of New Rentals	458	24.5%	368	4.8%	437

Consistent with the declining vacancy rate, the Manhattan rate of rental price growth has steadily increased over the past 5 months. Tight mortgage underwriting standards and an increase in city employment levels continue to have helped press rental prices higher. For the 5th consecutive month, the median rental price rose from the year ago period at a higher rate.

Median rental price increased 5.4% to \$3,205 from the year ago period, the highest result this quarter has experienced in more than 6 years. The number of new rentals increased modestly by 7.2% to 4,938, reflecting that in rental values, renters and landlords are highly in sync. The use of landlord concessions fell to 1.6% of all transactions, the lowest market share in nearly

two years. Marketing time, the number of days from the original list date to the rental date, remained essentially unchanged as compared to the same period a year ago, averaging 43 days. Listing discount, the percentage difference between the original list price to the rental price fell to 1% from 3% over the same period, the lowest rate in more than 6 years.



PROPERTY TYPE

- Price increase of non-doorman outpaced doorman
- Loft rental price increased

Manhattan Rental Market By Property Type	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Doorman Median Rental Price	\$3,712	-2.2%	\$3,795	3.3%	\$3,595
Non-Doorman Median Rental Price	\$2,795	-0.1%	\$2,799	7.0%	\$2,612
Loft Median Rental Price	\$6,967	40.7%	\$4,950	40.3%	\$4,966
New Development Median Rental Price	\$3,842	-18.9%	\$4,735	-24.2%	\$5,070

BY PRICE

- Higher price gains seen in lower tiers
- Luxury median rental price saw nominal rise

Manhattan Rental Market By Price	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Luxury (Top 10%) - Average Rental Price	\$11,100	2.1%	\$10,871	7.9%	\$10,290
Luxury (Top 10%) - Rental Price per Sq Ft	\$75.15	-2.8%	\$77.30	5.8%	\$71.00
Luxury (Top 10%) - Median Rental Price	\$8,500	-3.9%	\$8,848	1.0%	\$8,412
Luxury (Top 10%) - Number of New Rentals	494	18.8%	416	7.2%	461
Luxury (Top 10%) - Entry Threshold	\$6,195	-4.7%	\$6,500	0.3%	\$6,178
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,209	-5.4%	\$4,450	1.2%	\$4,159
Mid Tier (2nd 30%) - Median Rental Price	\$3,065	-2.7%	\$3,150	5.5%	\$2,904
Entry Tier (1st 30%) - Median Rental Price	\$2,179	-2.1%	\$2,225	9.0%	\$2,000

BY LOCATION

DOWNTOWN

- Median price increased
- Rise in number of new rentals

Downtown Market Matrix	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Median Rental Price	\$3,495	-2.8%	\$3,595	4.3%	\$3,350
Number of New Rentals	2,145	4.0%	2,062	6.6%	2,013
Vacancy Rate	1.75%		1.72%		1.32%

EAST SIDE

- Vacancy rate fell sharply
- Decline in number of new rentals

East Side Market Matrix	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Median Rental Price	\$2,998	3.4%	\$2,900	5.2%	\$2,850
Number of New Rentals	1,174	19.4%	983	-2.7%	1,207
Vacancy Rate	1.59%		1.86%		2.25%

WEST SIDE

- Number of new rentals increased
- Vacancy rate declined

West Side Market Matrix	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Median Rental Price	\$3,267	-5.3%	\$3,450	5.4%	\$3,100
Number of New Rentals	1,192	93.5%	616	21.1%	984
Vacancy Rate	1.89%		1.24%		2.35%

UPTOWN

- Median rental price increased
- More new rentals

Uptown Market Matrix	JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Median Rental Price	\$2,150	-17.3%	\$2,600	7.5%	\$2,000
Number of New Rentals	427	-14.1%	497	6.5%	401
Vacancy Rate	2.30%		1.60%		2.66%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.6%

INVENTORY

Total Inventory

35.3%

NEW RENTALS

Excludes Renewals

127%

CONCESSIONS

Market Share

1.2%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

Listing Discount

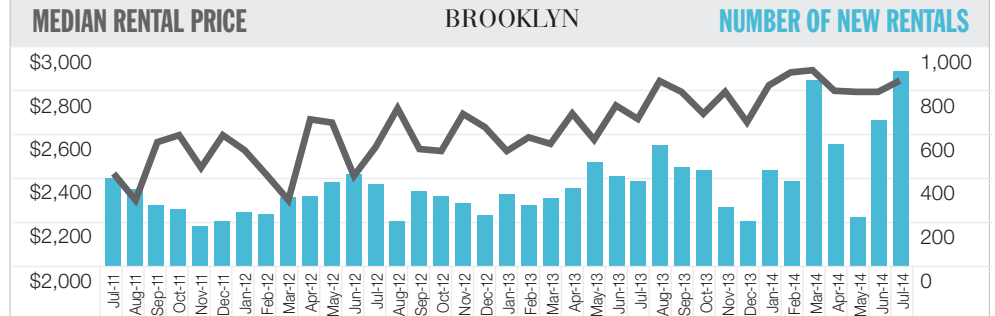
4.7%

- Number of new rentals surged
- Median rental price rose for 14th consecutive month
- Rental prices of luxury market outpaced by overall market

Brooklyn Rental Market		JUL-14	%Chg (MO)	JUN-14	%Chg (YR)	JUL-13
Average Rental Price		\$3,111	-2.0%	\$3,176	2.5%	\$3,035
Rental Price per Sq Ft		\$38.78	-4.0%	\$40.39	3.0%	\$37.66
Median Rental Price		\$2,852	1.9%	\$2,800	6.6%	\$2,675
Number of New Rentals		892	33.3%	669	127.0%	393
Days on Market (From Original List Date)		42	-10.6%	47	16.7%	36
Listing Discount (From Original List Price)		1.3%		4.4%		6.0%
Listing Inventory		1,727	8.5%	1,592	35.3%	1,276
Brooklyn Rental w/Concessions		JUL-14	%Chg (MO)	JUN-14	%Chg (YR)	JUL-13
Median Rental Price		\$2,847	1.8%	\$2,796	6.5%	\$2,673
Share of New Rentals w/Concessions (%)		2.0%		1.6%		0.8%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		JUL-14	%Chg (MO)	JUN-14	%Chg (YR)	JUL-13
Studio -	Average Rental Price	\$2,117	-2.3%	\$2,167	-0.9%	\$2,136
	Rental Price per Sq Ft	\$40.50	-17.2%	\$48.94	18.2%	\$34.27
	Median Rental Price	\$2,187	0.4%	\$2,179	9.4%	\$2,000
	Number of New Rentals	110	41.0%	78	83.3%	60
1-Bedroom -	Average Rental Price	\$2,658	-1.2%	\$2,691	6.2%	\$2,504
	Rental Price per Sq Ft	\$42.85	0.4%	\$42.66	6.0%	\$40.44
	Median Rental Price	\$2,650	2.0%	\$2,599	8.3%	\$2,446
	Number of New Rentals	322	21.1%	266	107.7%	155
2-Bedroom -	Average Rental Price	\$3,421	1.3%	\$3,376	-3.7%	\$3,553
	Rental Price per Sq Ft	\$38.35	-2.1%	\$39.19	0.6%	\$38.14
	Median Rental Price	\$3,250	3.6%	\$3,138	-4.4%	\$3,400
	Number of New Rentals	295	32.3%	223	128.7%	129
3+ Bedroom -	Average Rental Price	\$4,075	-15.1%	\$4,800	-8.4%	\$4,449
	Rental Price per Sq Ft	\$33.73	-11.2%	\$37.99	-4.4%	\$35.29
	Median Rental Price	\$3,582	-7.5%	\$3,874	2.3%	\$3,500
	Number of New Rentals	164	62.4%	101	234.7%	49
Brooklyn Rental Market by Type		JUL-14	%Chg (MO)	JUN-14	%Chg (YR)	JUL-13
Luxury (Top 10%) - Median Rental Price		\$5,535	2.5%	\$5,400	1.8%	\$5,435
Luxury (Top 10%) - Entry Threshold		\$4,500	-3.2%	\$4,650	-2.2%	\$4,600
New Development - Median Rental Price		\$3,018	-3.5%	\$3,128	-16.2%	\$3,600

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

While the Brooklyn rental price has seen year-over-year gains for the past 14 months, rents have showed stability since the beginning of the year. Rental price gains were seen across the studio and 1-bedroom markets with more mixed results in the larger size categories. Median rental price for the overall market expanded 6.6% to \$2,852 from the same month last year. The median rental price gain outpaced the luxury market, which increased 1.8% to \$4,500 from the same period last year. Average rental price and average rental price per square foot increased 2.5% and 3% respectively over the same period. The number of new rentals



jumped 127% to 892 over the same period reflecting the strong tenant resistance to price increases. The use of concessions remained nominal, reflecting 2% of rental transactions, up

from 0.8% in the same period last year. Days on market expanded by 6 days to 42 days over the same period. Listing discount fell sharply to 1.3% from 6% over the same period.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

10.5%

INVENTORY

Total Inventory
(month-over-month)

26.2%

NEW RENTALS

Excludes Renewals

136%

NEW DEVELOPMENT

Market Share

13.9%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

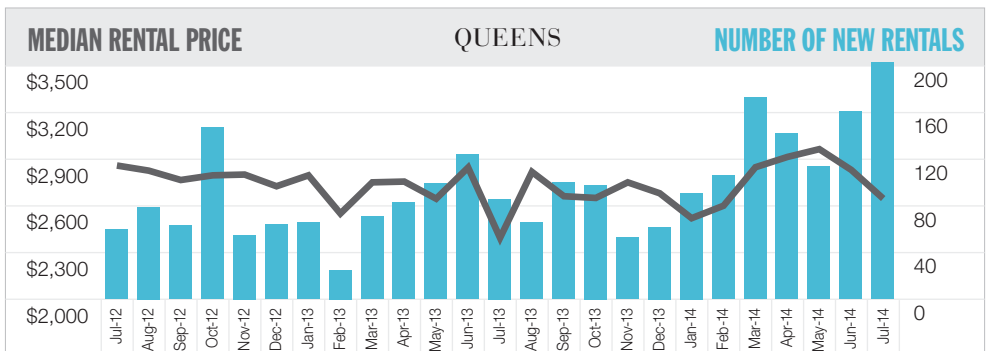
Listing Discount

0.3%

- Price indicators above year ago levels
- Average marketing time remained stable
- Number of new rentals surged

Queens Rental Market		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Average Rental Price		\$2,709	-6.5%	\$2,896	3.4%	\$2,621
Rental Price per Sq Ft		\$42.42	-7.2%	\$45.69	20.3%	\$35.26
Median Rental Price		\$2,646	-6.5%	\$2,830	10.5%	\$2,394
Number of New Rentals		203	26.1%	161	136.0%	86
Days on Market (From Original List Date)		31	0.0%	31	6.9%	29
Listing Discount (From Original List Price)		0.2%		0.2%		0.5%
Listing Inventory		340	-26.2%	461		N/A
Queens Rental Market by Size		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Studio -	Average Rental Price	\$2,202	-5.6%	\$2,333	2.8%	\$2,141
	Rental Price per Sq Ft	\$48.96	5.4%	\$46.43	3.1%	\$47.49
	Median Rental Price	\$2,275	-2.2%	\$2,325	6.2%	\$2,142
	Number of New Rentals	42	44.8%	29	200.0%	14
1-Bedroom -	Average Rental Price	\$2,571	-5.7%	\$2,725	7.0%	\$2,402
	Rental Price per Sq Ft	\$41.65	-11.6%	\$47.10	16.2%	\$35.85
	Median Rental Price	\$2,696	-3.7%	\$2,800	23.2%	\$2,189
	Number of New Rentals	109	12.4%	97	153.5%	43
2-Bedroom -	Average Rental Price	\$3,464	-9.1%	\$3,812	18.2%	\$2,931
	Rental Price per Sq Ft	\$42.53	-4.6%	\$44.58	31.2%	\$32.41
	Median Rental Price	\$3,494	-10.4%	\$3,899	28.5%	\$2,719
	Number of New Rentals	45	40.6%	32	87.5%	24
3+ Bedroom -	Average Rental Price	\$2,706	-14.6%	\$3,170	-37.9%	\$4,356
	Rental Price per Sq Ft	\$33.31	17.8%	\$28.27	32.4%	\$25.15
	Median Rental Price	\$2,623	-17.3%	\$3,170	-34.1%	\$3,981
	Number of New Rentals	6	200.0%	2	20.0%	5
Queens Rental Market By Type		JUL-14	%Chg (mo)	JUN-14	%Chg (yr)	JUL-13
Luxury (Top 10%) - Median Rental Price		\$4,037	-5.6%	\$4,275	-7.5%	\$4,365
Luxury (Top 10%) - Entry Threshold		\$3,769	-5.5%	\$3,989	-5.0%	\$3,966
New Development - Median Rental Price		\$2,750	-7.0%	\$2,958	2.8%	\$2,676

Note: The Queens rental market analysis is comprised of transactions in the northwest region of the borough.



Median rental price increased for the 5th time in the last 6 months. The decline observed in the prior month's report had reflected a surge in 1-bedroom rental activity. Median rental price increased 10.5% to \$2,646 from the same month last year. Average rental price rose 3.4% to \$2,709 and average rental price per square foot increased 20.3% to \$42.42 respectively over the same period. New rental activity surged 136% to 203 from the same month in the prior year, indicating a combination of new rental housing

stock and tenant resistance to rental price increases. Marketing time remained consistent with the year ago period, averaging 31 days. Listing discount followed the same pattern

averaging a nominal 0.2%. Averaging 25.6% of all new rental activity, negotiability remained low due to the above average concentration of new development housing stock. .

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Report Methodology:

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

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

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