



# ELLIMAN REPORT

## MANHATTAN

**• Median rental price showed second consecutive monthly decline**

Median rental price for October fell 1.6% below the same month last year to \$3,150. This decline was the second consecutive year-over-year drop, following the September drop that broke the 26 consecutive month record without a decline. Weaker pricing was the result of the sales surge over the summer that pulled demand from the rental market. However the use of landlord concessions remained limited, found in only 3.7% of all new rentals with an average rental equivalent of 1.2 months.

**• New rental activity was up in response to elevated rents**

Despite the modest easing of overall rental prices, they remain elevated. The resistance of tenants is evidenced by the 18.1% rise in new rental activity as tenants continued to seek out improved affordability. Days on market, the number of days between original list date and lease date, remained relatively stable at 46 days, an increase from last year's 43 days. Listing discount, the percentage difference between the original listing price and lease price, edged 1.1% higher to 4.5%.

**• The vacancy rate expanded across most regions**

The Manhattan vacancy rate increased 0.42% to 2.42% from the same period last year as a robust sales market poached rental demand. All regions, with the exception of Uptown, posted gains in the vacancy rate.

| Manhattan Rental Market                     | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|---|---------|-----------|---------|-----------|---------|
| Average Rental Price                        | \$3,862 | 0.0%      | \$3,862 | 0.2%      | \$3,856 |
| Rental Price per Square Foot                | \$49.71 | -3.0%     | \$51.25 | -5.8%     | \$52.78 |
| Median Rental Price                         | \$3,150 | 1.8%      | \$3,095 | -1.6%     | \$3,200 |
| Number of New Rentals                       | 3,551   | 3.1%      | 3,445   | 18.1%     | 3,007   |
| Days on Market (From Original List Date)    | 46      | 2.2%      | 45      | 7.0%      | 43      |
| Listing Discount (From Original List Price) | 4.5%    |           | 3.9%    |           | 3.4%    |
| Listing Inventory                           | 5,811   | 2.1%      | 5,689   | 15.9%     | 5,013   |

(Face Rent)

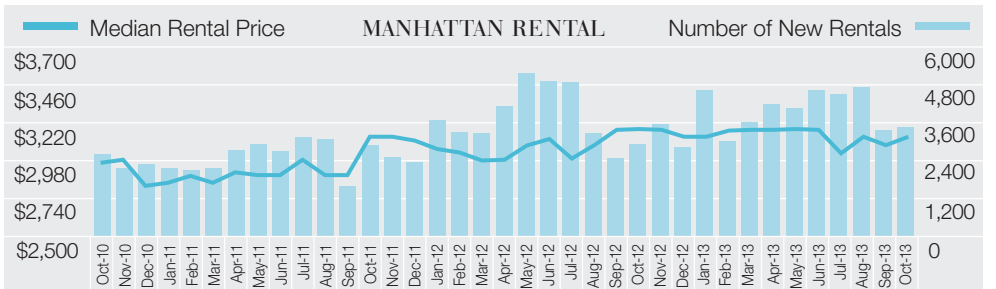
| Manhattan Rental w/Concessions          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|---|---------|-----------|---------|-----------|---------|
| Average Rental Price                    | \$3,848 | -0.1%     | \$3,852 | 0.1%      | \$3,844 |
| Rental Price per Square Foot            | \$49.53 | -3.1%     | \$51.11 | -5.9%     | \$52.61 |
| Median Rental Price                     | \$3,139 | 1.7%      | \$3,087 | -1.6%     | \$3,190 |
| Number of New Rentals w/Concessions (%) | 3.7%    |           | 2.7%    |           | 4.0%    |
| Free Rent/Owner Paid (Mos)              | 1.2     | 0.0%      | 1.2     | 20.0%     | 1.0     |

(Net Effective Rent)

| Manhattan Vacancy Rate | OCT-13 | SEPT-13 | OCT-12 |
|------------------------|--------|---------|--------|
| Manhattan              | 2.42%  | 2.66%   | 2.00%  |
| Downtown               | 2.33%  | 2.89%   | 2.15%  |
| East Side              | 3.83%  | 4.00%   | 1.48%  |
| West Side              | 2.35%  | 2.09%   | 2.22%  |
| Uptown                 | 0.44%  | 0.62%   | 2.13%  |

| Manhattan Median Rental Price by Property Type | OCT-13   | %Chg (mo) | SEPT-13  | %Chg (yr) | OCT-12   |
|--|----------|-----------|----------|-----------|----------|
| Doorman  | \$3,567  | -0.9%     | \$3,600  | -2.2%     | \$3,649  |
| Non-Doorman                                    | \$2,618  | 0.9%      | \$2,595  | -1.2%     | \$2,650  |
| Loft   | \$5,248  | -1.5%     | \$5,327  | 2.0%      | \$5,144  |
| Luxury [Top 10%]                               | \$7,995  | -2.2%     | \$8,178  | 5.8%      | \$7,560  |
| Super-Luxury [Top 5%]                          | \$11,303 | 2.8%      | \$11,000 | 11.8%     | \$10,107 |
| New Development                                | \$4,055  | -5.1%     | \$4,275  | 1.9%      | \$3,981  |

(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

- The number of new rentals rose across all apartment sizes** There were 1,479 new rentals in October, 17.8% above the same period last year. All size categories also showed gains over the same period.
- Overall price indicators were mixed, but more gains were seen in larger apartments** Median rental price edged 1.6% higher to \$3,504 from the prior year quarter. Average rental price followed the same pattern, rising 3.2% and average rental price per square foot fell 5% over the same period. Median rental price for studio apartments saw no change in median rental price while 1-bedrooms edged up 1.6%, 2-bedrooms rose 5.8% and 3+ bedrooms jumped 21.1% over the same period.
- The Downtown vacancy rate edged higher** The vacancy rate increased 0.18% to 2.33% from the prior year quarter.

| Downtown Studio              | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,682 | 0.9%      | \$2,657 | -2.0%     | \$2,736 |
| Rental Price per Square Foot | \$53.86 | 2.2%      | \$52.70 | -1.8%     | \$54.85 |
| Median Rental Price          | \$2,560 | 1.1%      | \$2,533 | 0.0%      | \$2,559 |
| Number of New Rentals        | 374     | -0.5%     | 376     | 21.4%     | 308     |

| Downtown 1-Bedroom           | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$3,754 | 5.2%      | \$3,569 | 0.8%      | \$3,724 |
| Rental Price per Square Foot | \$56.00 | -1.2%     | \$56.69 | -0.3%     | \$56.15 |
| Median Rental Price          | \$3,551 | 2.9%      | \$3,450 | 1.6%      | \$3,495 |
| Number of New Rentals        | 659     | 5.9%      | 622     | 15.0%     | 573     |

| Downtown 2-Bedroom           | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$5,246 | -3.4%     | \$5,428 | -1.3%     | \$5,316 |
| Rental Price per Square Foot | \$52.41 | -4.2%     | \$54.70 | 1.6%      | \$51.58 |
| Median Rental Price          | \$4,895 | -1.4%     | \$4,965 | 5.8%      | \$4,625 |
| Number of New Rentals        | 315     | -12.0%    | 358     | 5.7%      | 298     |

| Downtown 3+ Bedroom          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$8,788 | 12.2%     | \$7,830 | 11.7%     | \$7,867 |
| Rental Price per Square Foot | \$51.51 | 5.8%      | \$48.68 | -11.8%    | \$58.43 |
| Median Rental Price          | \$6,631 | 22.2%     | \$5,425 | 21.1%     | \$5,474 |
| Number of New Rentals        | 131     | 23.6%     | 106     | 72.4%     | 76      |

### EAST SIDE

- The number of new rentals expanded above prior year level** There were 1,096 new rentals in October, 29.2% more than the same period last year. Individual size categories realized double-digit gains over the prior year quarter.
- Rental price indicators showed declines across the board** Median rental price fell 4.2% to \$2,773 from the same period last year. Average rental price and average price per square foot declined 3.8% and 5.6% respectively over the same period. All price indicators declined across all size categories with the exception of the 3+ bedroom market, posting large year-over-year gains over all.
- The vacancy rate on the East Side jumped from prior year levels** The vacancy rate rose sharply to 3.83% from 1.48% in the prior year quarter.

| East Side Studio             | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,210 | 0.6%      | \$2,197 | -1.5%     | \$2,243 |
| Rental Price per Square Foot | \$50.60 | 3.1%      | \$49.10 | -4.5%     | \$53.01 |
| Median Rental Price          | \$2,112 | 1.3%      | \$2,085 | -1.8%     | \$2,150 |
| Number of New Rentals        | 304     | 2.4%      | 297     | 45.5%     | 209     |

| East Side 1-Bedroom          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,963 | -8.7%     | \$3,246 | -4.5%     | \$3,101 |
| Rental Price per Square Foot | \$47.10 | -8.5%     | \$51.48 | -1.9%     | \$47.99 |
| Median Rental Price          | \$2,816 | -0.4%     | \$2,827 | -6.1%     | \$3,000 |
| Number of New Rentals        | 499     | 10.9%     | 450     | 25.7%     | 397     |

| East Side 2-Bedroom          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$4,782 | -11.7%    | \$5,414 | -7.9%     | \$5,194 |
| Rental Price per Square Foot | \$50.64 | -8.0%     | \$55.07 | -4.0%     | \$52.73 |
| Median Rental Price          | \$4,300 | 2.1%      | \$4,213 | -12.2%    | \$4,895 |
| Number of New Rentals        | 227     | 3.7%      | 219     | 18.8%     | 191     |

| East Side 3+ Bedroom         | OCT-13   | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|----------|-----------|---------|-----------|---------|
| Average Rental Price         | \$10,608 | 17.3%     | \$9,044 | 15.4%     | \$9,191 |
| Rental Price per Square Foot | \$66.31  | 29.5%     | \$51.22 | 30.4%     | \$50.87 |
| Median Rental Price          | \$7,648  | 1.3%      | \$7,550 | 9.3%      | \$6,995 |
| Number of New Rentals        | 66       | -7.0%     | 71      | 29.4%     | 51      |

Manhattan rental market by **SIZE****WEST SIDE**

- **New rental activity was nominal, reflecting greater price stability**

The number of new rentals in the region edged 1.5% higher to 739 from the same period last year. The studio market saw the only year-over-year declines, falling 11.4%.

- **Price indicators showed mixed results**

Median rental price was \$3,400, up a nominal 0.3% from the same period last year. Average rental price increased 4% to \$4,107 and average rental price per square foot dropped 4.1% to \$55.91 over the same period. The 1-bedroom market had the largest share of rentals with nearly half, but was the weakest market based on median rental price, declining 3.2% from the prior year quarter.

- **West Side vacancy edged**

**nominally higher** The vacancy rate was 2.35%, up 0.13% from the same period last year.

| West Side Studio             | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,567 | 0.4%      | \$2,556 | 2.3%      | \$2,509 |
| Rental Price per Square Foot | \$67.58 | 9.2%      | \$61.87 | 6.0%      | \$63.75 |
| Median Rental Price          | \$2,466 | -1.4%     | \$2,500 | 0.7%      | \$2,450 |
| Number of New Rentals        | 148     | 7.2%      | 138     | -11.4%    | 167     |

| West Side 1-Bedroom          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$3,422 | 3.4%      | \$3,308 | -0.3%     | \$3,433 |
| Rental Price per Square Foot | \$56.77 | 5.7%      | \$53.72 | -1.0%     | \$57.32 |
| Median Rental Price          | \$3,302 | 1.3%      | \$3,260 | -3.2%     | \$3,410 |
| Number of New Rentals        | 360     | 8.4%      | 332     | 5.6%      | 341     |

| West Side 2-Bedroom          | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$5,299 | 1.2%      | \$5,235 | 3.4%      | \$5,127 |
| Rental Price per Square Foot | \$55.63 | -0.2%     | \$55.76 | -0.3%     | \$55.82 |
| Median Rental Price          | \$4,990 | 2.9%      | \$4,850 | 2.0%      | \$4,890 |
| Number of New Rentals        | 183     | 19.6%     | 153     | 2.2%      | 179     |

| West Side 3+ Bedroom         | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$9,447 | 4.8%      | \$9,013 | 5.1%      | \$8,985 |
| Rental Price per Square Foot | \$63.14 | -1.6%     | \$64.16 | 5.7%      | \$59.73 |
| Median Rental Price          | \$8,319 | 1.5%      | \$8,195 | 15.4%     | \$7,206 |
| Number of New Rentals        | 48      | -23.8%    | 63      | 17.1%     | 41      |

**UPTOWN**

- **There was a sharp rise in new rental activity**

More resistance to rising rents was seen in the studio and 1-bedroom markets, which posted 106.7% and 77% gains respectively from the prior year quarter. These markets also saw weaker year-over-year price gains than the larger apartment markets.

- **Price indicators were mixed**

Median rental price increased 2.8% to \$1,929 from the prior year quarter. Studio median rental price drifted 2.2% lower over the same period, the only size category to slip from prior year levels. Larger units saw bigger price gains over the same period: 1-bedrooms up 9.7%, 2-bedrooms up 11.6%, 3-bedrooms up 18.4%.

- **Uptown vacancy rate continued to remain unusually low**

The vacancy rate dropped sharply to 0.44% from 2.13% in the same period last year, the only region to see vacancy decline.

| Uptown Studio                | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$1,423 | -1.0%     | \$1,438 | 2.1%      | \$1,394 |
| Rental Price per Square Foot | \$48.01 | 11.4%     | \$43.10 | 27.5%     | \$37.66 |
| Median Rental Price          | \$1,395 | 1.5%      | \$1,375 | -2.2%     | \$1,427 |
| Number of New Rentals        | 31      | -24.4%    | 41      | 106.7%    | 15      |

| Uptown 1-Bedroom             | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$1,822 | 0.4%      | \$1,815 | -0.1%     | \$1,823 |
| Rental Price per Square Foot | \$32.43 | 11.4%     | \$29.11 | 7.3%      | \$30.22 |
| Median Rental Price          | \$1,750 | 1.6%      | \$1,723 | 9.7%      | \$1,595 |
| Number of New Rentals        | 108     | 5.9%      | 102     | 77.0%     | 61      |

| Uptown 2-Bedroom             | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,464 | 7.4%      | \$2,295 | 5.5%      | \$2,336 |
| Rental Price per Square Foot | \$32.05 | 3.6%      | \$30.95 | 9.5%      | \$29.27 |
| Median Rental Price          | \$2,450 | 6.5%      | \$2,300 | 11.6%     | \$2,195 |
| Number of New Rentals        | 71      | -6.6%     | 76      | 0.0%      | 71      |

| Uptown 3+ Bedroom            | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (YR) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$2,907 | -13.9%    | \$3,375 | -4.0%     | \$3,029 |
| Rental Price per Square Foot | \$26.55 | -9.2%     | \$29.25 | -11.5%    | \$30.00 |
| Median Rental Price          | \$2,800 | -7.2%     | \$3,018 | 18.4%     | \$2,364 |
| Number of New Rentals        | 27      | -34.1%    | 41      | -6.9%     | 29      |

## Brooklyn rental market by **SIZE**

### BROOKLYN

- Price indicators sharply above prior year levels** The rental market continued to show growth with all price indicators above prior year levels. Other than last May, all monthly year-over-year rental price indicators have not declined in 2013. Median rental price rose 6.8% to \$2,699 over the prior year quarter. Average rental price and average rental price per square foot posted 12.6% and 25.5% respectively gains over the same period.
- Marketing time was 3.5 weeks faster with less negotiability** The average days on market dropped to 48 days from 72 days in the same period last year. Listing discount fell by 3.4% to 8% over the same period.
- New rentals continued to rise with rental price indicators** There were 443 new rentals, 37.2% more than the same period last year, as more tenants continued to seek out greater affordability rather than opt for a lease renewal. Inventory trended higher in response to higher turnover at the time of lease renewal.
- Luxury rental price growth outpaced the overall market despite studio price surge** The luxury rental market threshold, or top 10%, began at \$4,700. Median rental price jumped 12.5% to \$6,037 from the prior year quarter. Average rental price rose 21.7% to \$6,780 and average rental price per square foot jumped 40% to \$62.50 over the same period. The median sales price of a studio jumped 22.4% to \$2,182 from the same period last year.

| Brooklyn Rental Market                      | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|---|---------|-----------|---------|-----------|---------|
| Average Rental Price                        | \$3,119 | -1.9%     | \$3,179 | 12.6%     | \$2,771 |
| Rental Price per Square Foot                | \$43.57 | 14.5%     | \$38.05 | 25.5%     | \$34.72 |
| Median Rental Price                         | \$2,699 | -3.6%     | \$2,800 | 6.8%      | \$2,527 |
| Number of New Rentals                       | 443     | -3.1%     | 457     | 37.2%     | 323     |
| Days on Market (From Original List Date)    | 48      | 45.5%     | 33      | -33.3%    | 72      |
| Listing Discount (From Original List Price) | 8.0%    |           | 4.0%    |           | 11.4%   |

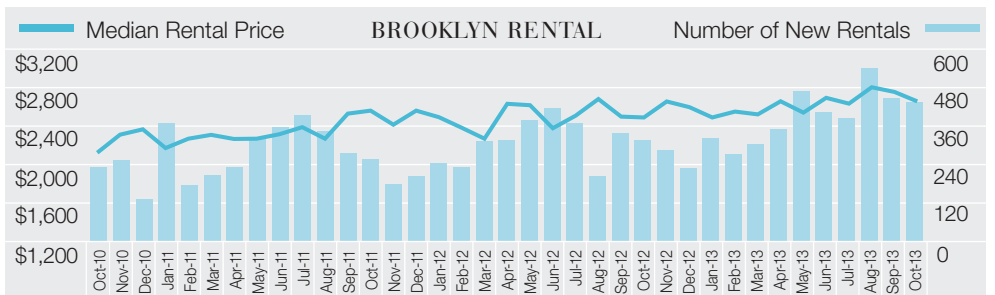
(Face Rent)

| Brooklyn Studio Rental Matrix | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|-------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price          | \$2,508 | 17.7%     | \$2,131 | 41.2%     | \$1,776 |
| Rental Price per Square Foot  | \$41.37 | -1.1%     | \$41.82 | 12.1%     | \$36.90 |
| Median Rental Price           | \$2,182 | 10.8%     | \$1,970 | 22.4%     | \$1,783 |
| Number of New Rentals         | 52      | -20.0%    | 65      | 10.6%     | 47      |

| Brooklyn 1-Bedroom Rental Matrix | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|----------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price             | \$2,553 | -7.5%     | \$2,759 | 9.0%      | \$2,343 |
| Rental Price per Square Foot     | \$40.35 | -0.7%     | \$40.64 | 18.5%     | \$34.06 |
| Median Rental Price              | \$2,453 | -9.9%     | \$2,722 | 11.5%     | \$2,200 |
| Number of New Rentals            | 204     | -6.4%     | 218     | 38.8%     | 147     |

| Brooklyn 2-Bedroom Rental Matrix | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|----------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price             | \$3,393 | -9.0%     | \$3,730 | 4.9%      | \$3,235 |
| Rental Price per Square Foot     | \$41.84 | 11.9%     | \$37.39 | 17.1%     | \$35.72 |
| Median Rental Price              | \$3,150 | -7.4%     | \$3,400 | 5.4%      | \$2,989 |
| Number of New Rentals            | 131     | 7.4%      | 122     | 32.3%     | 99      |

| 3+-Bedroom Rental Matrix     | OCT-13  | %Chg (mo) | SEPT-13 | %Chg (yr) | OCT-12  |
|------------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price         | \$5,107 | 3.0%      | \$4,959 | 21.4%     | \$4,207 |
| Rental Price per Square Foot | \$44.21 | 21.6%     | \$36.36 | 29.2%     | \$34.22 |
| Median Rental Price          | \$4,193 | 9.0%      | \$3,846 | 7.5%      | \$3,899 |
| Number of New Rentals        | 56      | 7.7%      | 52      | 86.7%     | 30      |



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

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#### Report Methodology:

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