

# ELLI MAN REPORT

# JUNE 2014

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,  
Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

3.3%

#### VACANCY

Vacancy Rate

0.19%

#### NEW RENTALS

Excludes Renewals

12.3%

#### CONCESSIONS

Market Share

1.2%

#### MARKETING TIME

Days on Market

5 days

#### NEGOTIABILITY

Listing Discount

1.5%

### KEY POINTS

- Prices increased for fourth consecutive month
- Vacancy rate and use of concessions fell
- Marketing time and negotiability declined

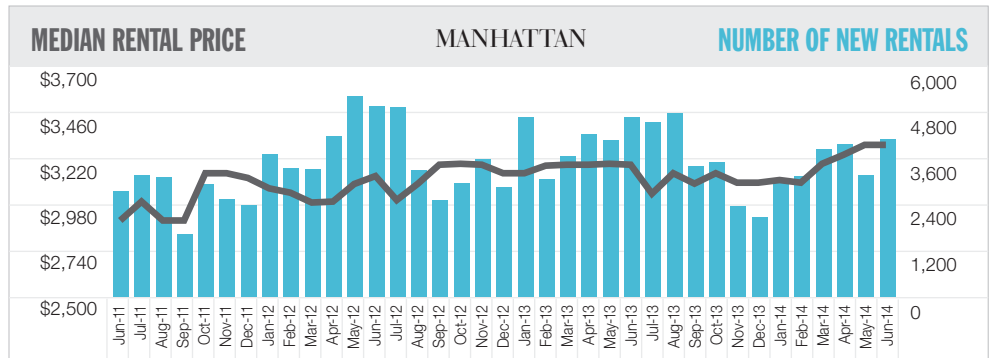
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Average Rental Price		\$4,079	4.5%	\$3,902	5.4%	\$3,870
Rental Price per Sq Ft		\$52.52	-4.1%	\$54.78	3.3%	\$50.86
Median Rental Price		\$3,300	0.0%	\$3,300	3.3%	\$3,195
Number of New Rentals		4,158	29.7%	3,205	-12.3%	4,741
Days on Market (From Original List Date)		49	-2.0%	50	-9.3%	54
Listing Discount (From Original List Price)		1.8%		1.1%		3.3%
Listing Inventory		5,719	-1.7%	5,816	-2.2%	5,850
Vacancy Rate		1.64%		1.58%		1.83%
Manhattan Rental w/Concessions		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Median Rental Price		\$3,293	0.3%	\$3,284	3.4%	\$3,186
Number of New Rentals w/Concessions (%)		2.6%		5.7%		3.4%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Manhattan Rental Market by Size		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Studio -	Average Rental Price	\$2,578	-0.9%	\$2,602	5.9%	\$2,435
	Rental Price per Sq Ft	\$52.93	-7.4%	\$57.15	-2.2%	\$54.13
	Median Rental Price	\$2,457	-1.7%	\$2,500	4.6%	\$2,350
	Number of New Rentals	1,010	35.2%	747	-11.8%	1,145
1-Bedroom -	Average Rental Price	\$3,382	-1.5%	\$3,433	2.4%	\$3,304
	Rental Price per Sq Ft	\$53.36	-4.0%	\$55.56	-0.3%	\$53.54
	Median Rental Price	\$3,263	-2.6%	\$3,350	1.7%	\$3,207
	Number of New Rentals	1,735	26.7%	1,369	-17.6%	2,106
2-Bedroom -	Average Rental Price	\$4,993	4.7%	\$4,769	4.9%	\$4,759
	Rental Price per Sq Ft	\$52.13	1.4%	\$51.43	4.2%	\$50.04
	Median Rental Price	\$4,450	3.6%	\$4,295	1.5%	\$4,384
	Number of New Rentals	1,044	31.3%	795	-4.0%	1,087
3+ Bedroom -	Average Rental Price	\$8,869	28.8%	\$6,884	4.2%	\$8,511
	Rental Price per Sq Ft	\$59.67	9.7%	\$54.40	14.8%	\$52.00
	Median Rental Price	\$6,498	20.4%	\$5,395	1.0%	\$6,436
	Number of New Rentals	368	25.6%	293	-8.7%	403

The Manhattan rental market continued to challenge consumers with rising prices, falling vacancy rates and declining use of landlord concessions. Median rental price increased 3.3% to \$3,300 from the same month last year, the fourth year-over-year monthly increase and the highest level in more than 5 years. Month-to-month, median rental prices have

been trending higher since the beginning of the year. The June vacancy rate fell to 1.64% from 1.83% in the same period last year and the lowest June level in the 5 years this metric has been tracked. Consistent with rising prices and low vacancy, the market share of new rentals with a concession by the landlord fell to 2.6% from 3.4% in the same period last year. Listing

discount, the percentage difference between original listing price and rental price, fell to 1.8% over the same period. The number of new rentals fell 12.3% to 4,158 from the same month a year prior, suggesting landlords have been more in sync with market conditions at time of lease renewal. Tight mortgage conditions and rising city employment continue to keep the pressure on rental prices.



## PROPERTY TYPE

- Doorman rental prices rose faster than non-doorman
- New development rental prices showed significant gain

Manhattan Rental Market By Property Type	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Doorman Median Rental Price	\$3,795	1.9%	\$3,725	5.6%	\$3,595
Non-Doorman Median Rental Price	\$2,799	1.8%	\$2,750	3.5%	\$2,705
Loft Median Rental Price	\$4,950	-16.8%	\$5,949	10.0%	\$4,498
New Development Median Rental Price	\$4,735	0.1%	\$4,730	15.4%	\$4,104

## BY PRICE

- Most rental price growth seen in Upper Tier
- Rental prices in Mid Tier remained stable

Manhattan Rental Market By Price	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Luxury (Top 10%) - Average Rental Price	\$10,871	16.2%	\$9,353	7.1%	\$10,151
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.30	4.1%	\$74.23	8.4%	\$71.32
Luxury (Top 10%) - Median Rental Price	\$8,848	11.3%	\$7,950	10.7%	\$7,995
Luxury (Top 10%) - Number of New Rentals	416	29.6%	321	-12.2%	474
Luxury (Top 10%) - Entry Threshold	\$6,500	4.9%	\$6,195	5.9%	\$6,137
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,450	-1.0%	\$4,495	19.3%	\$3,731
Mid Tier (2nd 30%) - Median Rental Price	\$3,150	-0.7%	\$3,171	0.0%	\$3,150
Entry Tier (1st 30%) - Median Rental Price	\$2,225	1.1%	\$2,200	-11.0%	\$2,500

## BY LOCATION

### DOWNTOWN

- Modest rise in median rental price
- Number of new rentals decreased

Downtown Market Matrix	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Median Rental Price	\$3,595	-1.5%	\$3,650	6.8%	\$3,365
Number of New Rentals	2,062	40.8%	1,464	-5.1%	2,172
Vacancy Rate	1.72%		1.84%		1.38%

### EAST SIDE

- Median rental price slipped
- Vacancy rate edged lower

East Side Market Matrix	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Median Rental Price	\$2,900	-4.9%	\$3,050	-3.2%	\$2,997
Number of New Rentals	983	13.9%	863	-21.1%	1,246
Vacancy Rate	1.86%		1.64%		1.97%

### WEST SIDE

- Number of new rentals declined
- Median rental price increased

West Side Market Matrix	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Median Rental Price	\$3,450	4.5%	\$3,300	5.7%	\$3,265
Number of New Rentals	616	6.8%	577	-39.3%	1,015
Vacancy Rate	1.24%		1.44%		2.16%

### UPTOWN

- Median rental price surged
- Vacancy rate fell sharply

Uptown Market Matrix	JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Median Rental Price	\$2,600	24.3%	\$2,092	33.3%	\$1,950
Number of New Rentals	497	65.1%	301	61.4%	308
Vacancy Rate	1.60%		0.89%		2.48%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**2.3%**

## INVENTORY

Total Inventory

**54.1%**

## NEW RENTALS

Excludes Renewals

**62.4%**

## CONCESSIONS

Market Share

**1.1%**

## MARKETING TIME

Days on Market

**0** days

## NEGOTIABILITY

Listing Discount

**5.3%**

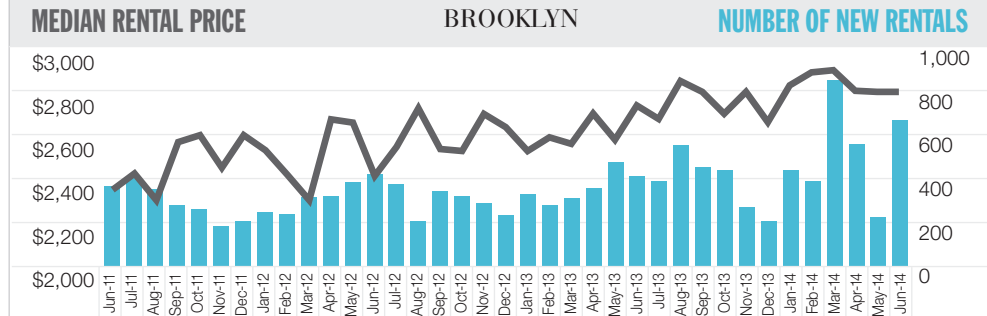
## KEY POINTS

- Prices up year-over-year for the 13th month
- Nominal use of concessions
- Prices remained level month-over-month in 2014

Brooklyn Rental Market		JUN-14	%Chg (MO)	MAY-14	%Chg (YR)	JUN-13
Average Rental Price		\$3,176	1.8%	\$3,119	1.7%	\$3,122
Rental Price per Sq Ft		\$40.39	-4.4%	\$42.27	12.3%	\$35.97
Median Rental Price		\$2,800	0.0%	\$2,800	2.3%	\$2,737
Number of New Rentals		669	197.3%	225	62.4%	412
Days on Market (From Original List Date)		47	-11.3%	53	0.0%	47
Listing Discount (From Original List Price)		4.4%		1.2%		9.7%
Listing Inventory		1,592	3.0%	1,546	54.1%	1,033
Brooklyn Rental w/Concessions		JUN-14	%Chg (MO)	MAY-14	%Chg (YR)	JUN-13
Median Rental Price		\$2,796	0.5%	\$2,782	2.2%	\$2,736
Share of New Rentals w/Concessions (%)		1.6%		7.1%		0.5%
Free Rent/Owner Paid (Mos)		1.0	-9.1%	1.1	0.0%	1.0
Brooklyn Rental Market by Size		JUN-14	%Chg (MO)	MAY-14	%Chg (YR)	JUN-13
Studio -	Average Rental Price	\$2,167	-3.6%	\$2,248	-3.9%	\$2,256
	Rental Price per Sq Ft	\$48.94	-5.6%	\$51.86	20.9%	\$40.47
	Median Rental Price	\$2,179	-3.3%	\$2,253	18.7%	\$1,835
	Number of New Rentals	78	95.0%	40	77.3%	44
1-Bedroom -	Average Rental Price	\$2,691	-6.4%	\$2,875	9.5%	\$2,458
	Rental Price per Sq Ft	\$42.66	-0.5%	\$42.88	11.1%	\$38.40
	Median Rental Price	\$2,599	-5.5%	\$2,750	8.4%	\$2,397
	Number of New Rentals	266	180.0%	95	66.3%	160
2-Bedroom -	Average Rental Price	\$3,376	-4.8%	\$3,546	1.3%	\$3,333
	Rental Price per Sq Ft	\$39.19	-10.6%	\$43.84	8.6%	\$36.09
	Median Rental Price	\$3,138	-1.9%	\$3,200	4.6%	\$3,000
	Number of New Rentals	223	205.5%	73	60.4%	139
3+ Bedroom -	Average Rental Price	\$4,800	6.8%	\$4,493	0.2%	\$4,790
	Rental Price per Sq Ft	\$37.99	1.3%	\$37.51	6.1%	\$35.82
	Median Rental Price	\$3,874	-13.4%	\$4,476	-7.6%	\$4,191
	Number of New Rentals	101	531.3%	16	46.4%	69
Brooklyn Rental Market by Type		JUN-14	%Chg (MO)	MAY-14	%Chg (YR)	JUN-13
Luxury (Top 10%) - Median Rental Price		\$5,400	4.9%	\$5,150	-9.8%	\$5,987
Luxury (Top 10%) - Entry Threshold		\$4,650	1.1%	\$4,600	-1.1%	\$4,704
New Development - Median Rental Price		\$3,128	8.0%	\$2,895	0.4%	\$3,114

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

Brooklyn rents remain near record highs, but rents have been stabilizing over the past 6 months. Median rental price posted a record 13 consecutive year-over-year monthly increase, rising 2.3% to \$2,800. The June median rental price remained essentially the same since January. However, the number of new rentals surged 62.4% to 669, suggesting that tenants are less likely to sign a renewal lease and seek out affordability elsewhere. Despite the trend towards stabilizing rents, the use of landlord concessions remained nominal, accounting for only 1.6% of all transactions during the month. Days on market, the average number of



days between the original listing date and the lease date was unchanged at 47 days. With the resumption of rising rents in Manhattan and near term stabilizing rents in Brooklyn,

the median rental price gap between the two boroughs held at \$500. The difference in rent between the two boroughs is less than half the level seen 5 years ago.

## QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

0.5%

### INVENTORY

Total Inventory (month-over-month)

26.6%

### NEW RENTALS

Excludes Renewals

29.8%

### NEW DEVELOPMENT

Market Share

22.6%

### MARKETING TIME

Days on Market

6 days

### NEGOTIABILITY

Listing Discount

0.2%

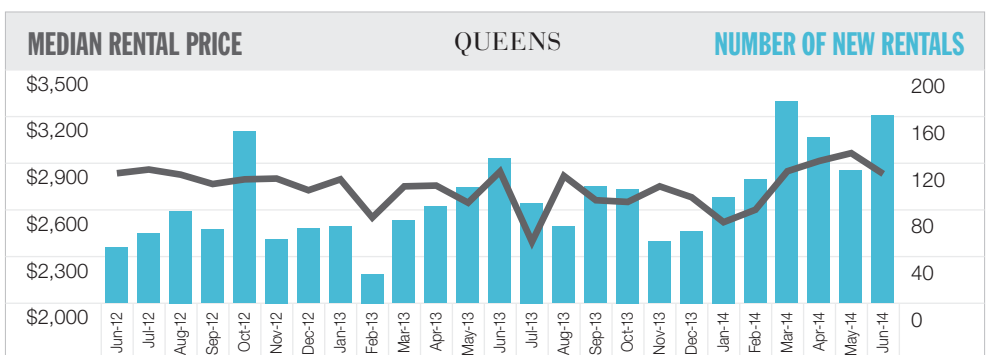
## KEY POINTS

- Price indicators were mixed
- Negotiability remained nominal
- Marketing time declined

After 4 consecutive months of year-over-year gains in median rental price, the northwest region of Queens, including Long Island City, Astoria, Sunnyside and Woodside, slipped 0.5% to \$2,830 from the same month last year, but remained on par with Brooklyn levels. Average rental price declined 3.5% to \$2,896, but skewed downward largely from a 14.2% rise in the market share of 1-bedroom rentals to 60.2%. Average price per square foot increased 6.7% to \$45.69, reflecting the shift in the mix to smaller units. The

Queens Rental Market		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Average Rental Price		\$2,896	-8.6%	\$3,167	-3.5%	\$3,002
Rental Price per Sq Ft		\$45.69	12.6%	\$40.59	6.7%	\$42.81
Median Rental Price		\$2,830	-4.5%	\$2,963	-0.5%	\$2,845
Number of New Rentals		161	41.2%	114	29.8%	124
Days on Market (From Original List Date)		31	29.2%	24	-16.2%	37
Listing Discount (From Original List Price)		0.2%		-0.1%		0.0%
Listing Inventory		461	26.6%	364		N/A
Queens Rental Market by Size		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Studio -	Average Rental Price	\$2,333	-7.3%	\$2,516	9.1%	\$2,138
	Rental Price per Sq Ft	\$46.43	14.1%	\$40.70	-9.5%	\$51.33
	Median Rental Price	\$2,325	-6.3%	\$2,480	6.9%	\$2,175
	Number of New Rentals	29	163.6%	11	11.5%	26
1-Bedroom -	Average Rental Price	\$2,725	5.3%	\$2,588	-5.9%	\$2,895
	Rental Price per Sq Ft	\$47.10	34.3%	\$35.06	13.0%	\$41.68
	Median Rental Price	\$2,800	10.3%	\$2,538	-1.6%	\$2,845
	Number of New Rentals	97	193.9%	33	70.2%	57
2-Bedroom -	Average Rental Price	\$3,812	10.4%	\$3,453	5.9%	\$3,600
	Rental Price per Sq Ft	\$44.58	26.8%	\$35.15	4.2%	\$42.78
	Median Rental Price	\$3,899	20.0%	\$3,250	4.6%	\$3,728
	Number of New Rentals	32	255.6%	9	-5.9%	34
3+ Bedroom -	Average Rental Price	\$3,170	-10.2%	\$3,531	-24.3%	\$4,185
	Rental Price per Sq Ft	\$28.27	-37.4%	\$45.18	-16.6%	\$33.90
	Median Rental Price	\$3,170	-9.3%	\$3,494	-12.0%	\$3,602
	Number of New Rentals	2	-96.7%	60	-71.4%	7
Queens Rental Market By Type		JUN-14	%Chg (mo)	MAY-14	%Chg (yr)	JUN-13
Luxury (Top 10%) - Median Rental Price		\$4,275	-20.1%	\$5,350	-12.0%	\$4,858
Luxury (Top 10%) - Entry Threshold		\$3,989	-10.9%	\$4,475	-6.0%	\$4,243
New Development - Median Rental Price		\$2,958	-14.4%	\$3,455	6.6%	\$2,775

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



number of new rentals jumped 29.8% reflecting the addition of new housing stock and some resistance to upward rental pressure at the time of lease renewal. Listing discount remained

nominal at 0.2%, consistent with a 48.4% market share of rentals from the new development sector. Days on market averaged 31 days, 6 days faster than the same month last year.

For more information or electronic copies of this report please visit [elliman.com/marketreports](http://elliman.com/marketreports). Email report author Jonathan Miller at [jmiller@millersamuel.com](mailto:jmiller@millersamuel.com) with questions or comments.

#### Report Methodology:

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

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