

ELLIMAN REPORT

AUGUST 2014

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.8%

VACANCY

Vacancy Rate

0.7%

NEW RENTALS

Excludes Renewals

5.9%

CONCESSIONS

Market Share

0.9%

MARKETING TIME

Days on Market

9 days

NEGOTIABILITY

Listing Discount

2.3%

- Prices rose for 6th consecutive month
- Fastest marketing time in 2 years
- Lowest August vacancy rate in 5 years

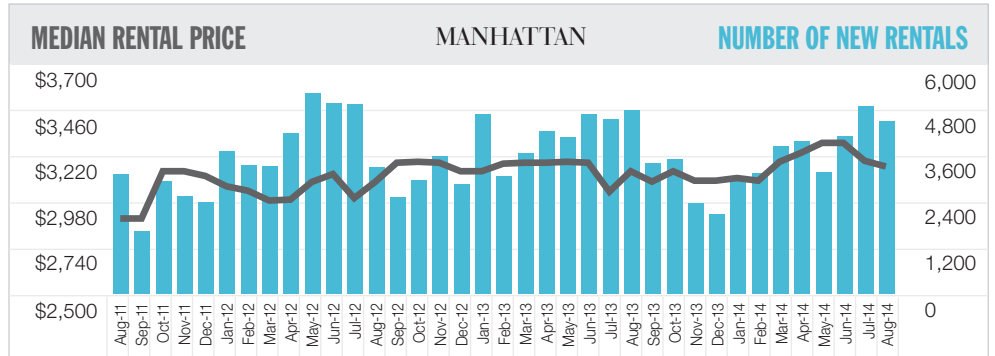
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		AUG-14	%Chg (mo)	JUL-14	%Chg(yr)	AUG-13
Average Rental Price		\$3,946	-1.9%	\$4,022	2.2%	\$3,860
Rental Price per Sq Ft		\$53.28	4.9%	\$50.80	4.5%	\$51.01
Median Rental Price		\$3,175	-0.9%	\$3,205	0.8%	\$3,150
Number of New Rentals		4,551	-7.8%	4,938	-5.9%	4,837
Days on Market (From Original List Date)		36	-16.3%	43	-20.0%	45
Listing Discount (From Original List Price)		1.2%		1.0%		3.5%
Listing Inventory		5,540	-2.6%	5,690	-2.8%	5,702
Vacancy Rate		1.87%		1.82%		2.56%
Manhattan Rental w/Concessions		AUG-14	%Chg (mo)	JUL-14	%CHG (yr)	AUG-13
Median Rental Price		\$3,167	-1.0%	\$3,200	0.8%	\$3,143
Number of New Rentals w/Concessions (%)		3.4%		1.6%		2.5%
Free Rent/Owner Paid (Mos)		0.9	-18.2%	1.1	-10.0%	1.0
Manhattan Rental Market by Size		AUG-14	%Chg (mo)	JUL-14	%CHG (yr)	AUG-13
Studio -	Average Rental Price	\$2,567	-0.2%	\$2,573	-1.2%	\$2,599
	Rental Price per Sq Ft	\$56.88	0.6%	\$56.55	11.9%	\$50.84
	Median Rental Price	\$2,467	1.7%	\$2,425	3.2%	\$2,391
	Number of New Rentals	1,164	-3.1%	1,201	-5.8%	1,236
1-Bedroom -	Average Rental Price	\$3,409	1.8%	\$3,349	2.1%	\$3,338
	Rental Price per Sq Ft	\$55.46	4.6%	\$53.01	3.4%	\$53.63
	Median Rental Price	\$3,200	-2.0%	\$3,264	-1.5%	\$3,248
	Number of New Rentals	1,870	-9.7%	2,070	-9.1%	2,058
2-Bedroom -	Average Rental Price	\$4,795	-0.5%	\$4,817	1.0%	\$4,746
	Rental Price per Sq Ft	\$50.36	2.8%	\$49.01	2.5%	\$49.11
	Median Rental Price	\$4,129	0.7%	\$4,100	-2.5%	\$4,237
	Number of New Rentals	1,039	-14.0%	1,208	-7.6%	1,125
3+ Bedroom -	Average Rental Price	\$7,570	-11.5%	\$8,554	-2.6%	\$7,773
	Rental Price per Sq Ft	\$49.42	-2.9%	\$50.87	3.1%	\$47.92
	Median Rental Price	\$5,000	-8.8%	\$5,485	-4.3%	\$5,225
	Number of New Rentals	477	4.1%	458	14.1%	418

For the sixth consecutive month, median rental price exceeded the prior year level. Tight mortgage lending conditions and rising employment have kept the pressure on the rental market. Median rental price in August increased 0.8% to \$3,175 from the same month last year. Studio apartments were the only size category that reflected a year-over-year

increase in median rental price. However, the luxury market, which began at \$6,500, showed gains in all price indicators over the same period. Luxury median rental price, the top 10% of the rental market, increased 9.2% to \$8,400. The next 30% of the market or "Upper Tier" posted a 20.6% increase in median rental price to \$4,252. The use of landlord concessions

remained rare, accounting for 3.4% of all rental transactions. When used, the average size of a concession was 0.9 months of equivalent rent. Days on market, the average number of days from the original list date to the rental date, fell to 36 days, the lowest level in 2 years. Listing discount, the percentage difference between original list price and rental price, fell to 1.2%, marking the third lowest level of negotiability in more than 6 years.



PROPERTY TYPE

- Doorman prices increased for the 9th consecutive month
- Loft prices outpaced overall market

Manhattan Rental Market By Property Type	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Doorman Median Rental Price	\$3,753	1.1%	\$3,712	5.1%	\$3,571
Non-Doorman Median Rental Price	\$2,750	-1.6%	\$2,795	0.9%	\$2,726
Loft Median Rental Price	\$5,350	-23.2%	\$6,967	8.2%	\$4,943
New Development Median Rental Price	\$3,680	-4.2%	\$3,842	-21.8%	\$4,707

BY PRICE

- Luxury rental price increased faster than overall market
- Mid Tier showed weakest price growth

Manhattan Rental Market By Price	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Luxury (Top 10%) - Average Rental Price	\$10,359	-6.7%	\$11,100	1.7%	\$10,181
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.20	6.7%	\$75.15	12.2%	\$71.45
Luxury (Top 10%) - Median Rental Price	\$8,400	-1.2%	\$8,500	9.2%	\$7,695
Luxury (Top 10%) - Number of New Rentals	455	-7.9%	494	-6.0%	484
Luxury (Top 10%) - Entry Threshold	\$6,150	-0.7%	\$6,195	2.5%	\$6,000
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,252	1.0%	\$4,209	20.6%	\$3,525
Mid Tier (2nd 30%) - Median Rental Price	\$3,000	-2.1%	\$3,065	1.7%	\$2,950
Entry Tier (1st 30%) - Median Rental Price	\$2,225	2.1%	\$2,179	3.5%	\$2,150

BY LOCATION

DOWNTOWN

- Vacancy rate decreased
- Median rental price increased

Downtown Market Matrix	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Median Rental Price	\$3,444	-1.5%	\$3,495	2.9%	\$3,346
Number of New Rentals	2,260	5.4%	2,145	3.9%	2,176
Vacancy Rate	1.69%		1.75%		2.43%

EAST SIDE

- Rental prices increased
- Negotiability dropped sharply

East Side Market Matrix	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Median Rental Price	\$2,968	-1.0%	\$2,998	2.5%	\$2,895
Number of New Rentals	1,153	-1.8%	1,174	-11.6%	1,305
Vacancy Rate	2.41%		1.59%		4.05%

WEST SIDE

- Vacancy rate edged higher
- Median rental price slipped

West Side Market Matrix	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Median Rental Price	\$3,229	-1.2%	\$3,267	-2.2%	\$3,300
Number of New Rentals	742	-37.8%	1,192	-26.9%	1,015
Vacancy Rate	2.22%		1.89%		2.09%

UPTOWN

- All price indicators expanded
- Marketing time fell sharply

Uptown Market Matrix	AUG-14	%Chg (mo)	JUL-14	%Chg (yr)	AUG-13
Median Rental Price	\$2,295	6.7%	\$2,150	6.7%	\$2,150
Number of New Rentals	396	-7.3%	427	16.1%	341
Vacancy Rate	1.06%		2.30%		1.15%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.5%

INVENTORY

Total Inventory

32.5%

NEW RENTALS

Excludes Renewals

71.7%

CONCESSIONS

Market Share

0.2%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

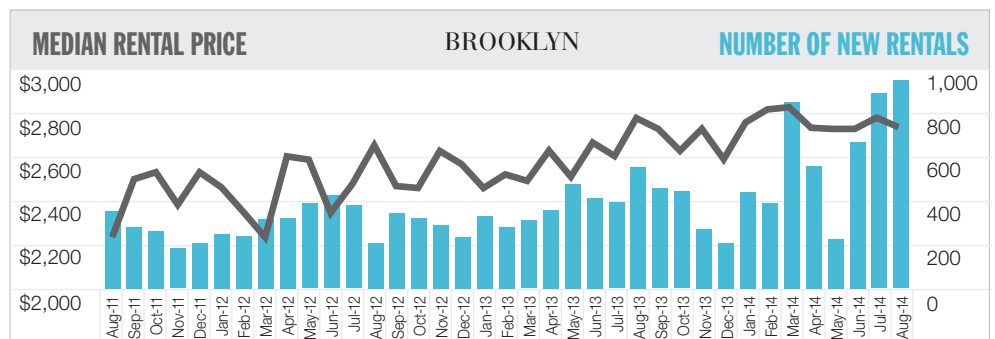
4.0%

- Median rental price slipped after rising 14 consecutive months
- Median rent \$361 less than Manhattan, \$20 more than Queens
- Marketing time and negotiability declined

Brooklyn Rental Market		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Average Rental Price		\$3,172	2.0%	\$3,111	2.0%	\$3,109
Rental Price per Sq Ft		\$39.20	1.1%	\$38.78	5.6%	\$37.12
Median Rental Price		\$2,808	-1.5%	\$2,852	-1.5%	\$2,850
Number of New Rentals		951	6.6%	892	71.7%	554
Days on Market (From Original List Date)		37	-11.9%	42	-5.1%	39
Listing Discount (From Original List Price)		1.5%		1.3%		5.5%
Listing Inventory		1,797	4.1%	1,727	32.5%	1,356
Brooklyn Rental w/Concessions		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Median Rental Price		\$2,807	-1.4%	\$2,847	-1.4%	\$2,848
Share of New Rentals w/Concessions (%)		0.5%		2.0%		0.7%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Studio -	Average Rental Price	\$2,266	7.0%	\$2,117	9.4%	\$2,072
	Rental Price per Sq Ft	\$50.34	24.3%	\$40.50	41.1%	\$35.67
	Median Rental Price	\$2,182	-0.2%	\$2,187	9.0%	\$2,001
	Number of New Rentals	111	0.9%	110	37.0%	81
1-Bedroom -	Average Rental Price	\$2,744	3.2%	\$2,658	4.2%	\$2,633
	Rental Price per Sq Ft	\$44.18	3.1%	\$42.85	4.6%	\$42.24
	Median Rental Price	\$2,660	0.4%	\$2,650	4.3%	\$2,550
	Number of New Rentals	347	7.8%	322	70.9%	203
2-Bedroom -	Average Rental Price	\$3,292	-3.8%	\$3,421	-6.1%	\$3,506
	Rental Price per Sq Ft	\$37.48	-2.3%	\$38.35	0.8%	\$37.17
	Median Rental Price	\$3,054	-6.0%	\$3,250	-6.2%	\$3,257
	Number of New Rentals	335	13.6%	295	71.8%	195
3+ Bedroom -	Average Rental Price	\$4,458	9.4%	\$4,075	-0.6%	\$4,485
	Rental Price per Sq Ft	\$33.57	-0.5%	\$33.73	-6.3%	\$35.83
	Median Rental Price	\$3,793	5.9%	\$3,582	-6.3%	\$4,048
	Number of New Rentals	157	-4.3%	164	109.3%	75
Brooklyn Rental Market by Type		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Luxury (Top 10%) - Median Rental Price		\$5,419	-2.1%	\$5,535	-1.3%	\$5,491
Luxury (Top 10%) - Entry Threshold		\$4,631	2.9%	\$4,500	-0.8%	\$4,670
New Development - Median Rental Price		\$3,054	1.2%	\$3,018	0.2%	\$3,048

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

For the first time in 14 months, the Brooklyn median rental price declined from the prior year period. Median rental price was \$2,808, 1.5% below the August result in 2013. Since the beginning of 2014, monthly median rental price remained relatively stable despite the extended period of year-over-year gains. Average rental price increased 2% to \$3,172 and average rental price per square foot increased 5.6% to \$39.20 respectively from the prior year period. Brooklyn median rental price was \$367 lower than Manhattan, a larger difference than the \$295 difference in the prior year period. While the luxury market threshold began at \$4,631



in August, it fell 1.3% from the year ago period at nearly the same rate as the overall market. The use of landlord concessions remained nominal, accounting for 0.5% of transactions.

The average marketing time fell by a modest 2 days to the third fastest level in 6 years. Listing discount fell sharply to 1.5% from 5.5% in the prior year period.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.0%

INVENTORY

Total Inventory (month-over-month)

6.8%

NEW RENTALS

Excludes Renewals

337.9%

NEW DEVELOPMENT

Market Share

16.7%

MARKETING TIME

Days on Market

22 days

NEGOTIABILITY

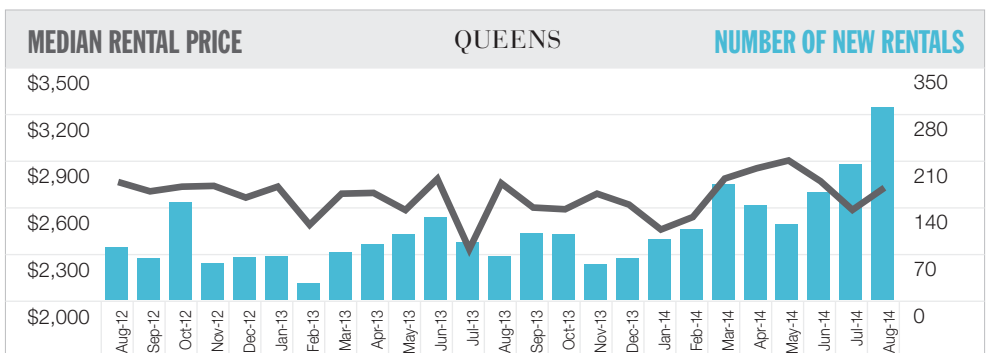
Listing Discount

0.2%

- All size categories saw price increases
- Studios led price gains and shift in mix
- Marketing time expanded

Queens Rental Market		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Average Rental Price		\$2,934	8.3%	\$2,709	7.0%	\$2,741
Rental Price per Sq Ft		\$43.12	1.7%	\$42.42	10.4%	\$39.06
Median Rental Price		\$2,788	5.4%	\$2,646	-1.0%	\$2,817
Number of New Rentals		289	42.4%	203	337.9%	66
Days on Market (From Original List Date)		45	45.2%	31	32.4%	34
Listing Discount (From Original List Price)		0.4%		0.2%		0.6%
Listing Inventory		317	-6.8%	340		N/A
Queens Rental Market by Size		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Studio -	Average Rental Price	\$2,288	3.9%	\$2,202	14.8%	\$1,993
	Rental Price per Sq Ft	\$47.81	-2.3%	\$48.96	7.1%	\$44.64
	Median Rental Price	\$2,275	0.0%	\$2,275	13.8%	\$2,000
	Number of New Rentals	48	14.3%	42	860.0%	5
1-Bedroom -	Average Rental Price	\$2,743	6.7%	\$2,571	1.6%	\$2,700
	Rental Price per Sq Ft	\$45.77	9.9%	\$41.65	11.8%	\$40.95
	Median Rental Price	\$2,829	4.9%	\$2,696	1.0%	\$2,800
	Number of New Rentals	162	48.6%	109	244.7%	47
2-Bedroom -	Average Rental Price	\$3,484	0.6%	\$3,464	9.4%	\$3,185
	Rental Price per Sq Ft	\$37.93	-10.8%	\$42.53	16.1%	\$32.67
	Median Rental Price	\$3,699	5.9%	\$3,494	4.7%	\$3,532
	Number of New Rentals	64	42.2%	45	433.3%	12
3+ Bedroom -	Average Rental Price	\$4,594	69.8%	\$2,706	57.5%	\$2,917
	Rental Price per Sq Ft	\$42.60	27.9%	\$33.31	27.8%	\$33.33
	Median Rental Price	\$5,500	109.7%	\$2,623	88.5%	\$2,917
	Number of New Rentals	14	133.3%	6	600.0%	2
Queens Rental Market By Type		AUG-14	%Chg (MO)	JUL-14	%Chg (YR)	AUG-13
Luxury (Top 10%) - Median Rental Price		\$4,470	10.7%	\$4,037	5.1%	\$4,255
Luxury (Top 10%) - Entry Threshold		\$4,032	7.0%	\$3,769	-2.8%	\$4,150
New Development - Median Rental Price		\$2,898	-7.0%	\$2,750	2.8%	\$3,075

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



Although the Queens median rental price slipped 1% to \$2,788 from the same period last year, all size categories posted year-over-year gains. The overall price indicators were skewed lower by the shift in the mix to smaller-sized apartments. The market share of studio apartments expanded to 16.6% of all rentals, up from an unusual low of 7.6% in the same month last year. Average rental price rose 7% to \$2,934 and average rental price per square foot increased 10.4% to \$43.12 respectively from the same period last year. New rental activity continued to expand as additional

housing stock continued to be added to the market. Median rental price for the northwest region of Queens was \$20 less than Brooklyn, a nominal difference. Days on market expanded

by 9 days to 45 days and negotiability remained nominal at 0.4%, influenced by the 31.8% market share of new development activity in the region.

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

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