

ELLI MAN REPORT

JUNE 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.1%

VACANCY

Vacancy Rate

0.43%

NEW RENTALS

Excludes Renewals

6.3%

CONCESSIONS

Market Share

0.4%

MARKETING TIME

Days on Market

11 day

NEGOTIABILITY

Listing Discount

0.8%

- **Median rental price rose year-over-year for sixteenth consecutive month**
- **Number of new rentals slipped as listing inventory edged higher**
- **Days on market and listing discount declined**

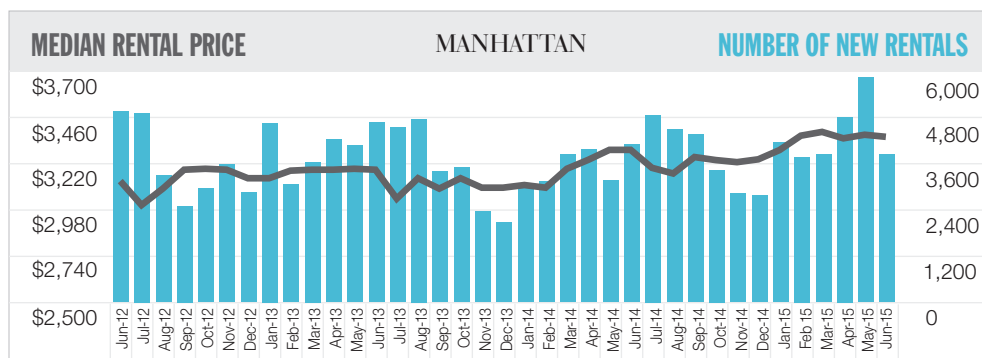
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Average Rental Price		\$4,007	-1.8%	\$4,081	-1.8%	\$4,079
Rental Price per Sq Ft		\$54.42	-3.4%	\$56.35	3.6%	\$52.52
Median Rental Price		\$3,369	-0.3%	\$3,380	2.1%	\$3,300
Number of New Rentals		3,897	-34.3%	5,931	-6.3%	4,158
Days on Market (From Original List Date)		38	-7.3%	41	-22.4%	49
Listing Discount (From Original List Price)		1.0%		1.0%		1.8%
Listing Inventory		5,845	3.2%	5,662	2.2%	5,719
Vacancy Rate		2.07%		1.65%		1.64%
Manhattan Rental w/Concessions		JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Median Rental Price		\$3,361	-0.4%	\$3,376	2.1%	\$3,293
Number of New Rentals w/Concessions (%)		3.0%		1.5%		2.6%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Manhattan Rental Market by Size		JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Studio -	Average Rental Price	\$2,652	-3.2%	\$2,740	2.9%	\$2,578
	Rental Price per Sq Ft	\$58.93	-1.6%	\$59.86	11.3%	\$52.93
	Median Rental Price	\$2,575	-0.6%	\$2,591	4.8%	\$2,457
	Number of New Rentals	949	-33.6%	1,430	-6.0%	1,010
1-Bedroom -	Average Rental Price	\$3,500	-0.6%	\$3,521	3.5%	\$3,382
	Rental Price per Sq Ft	\$56.90	-1.9%	\$57.98	6.6%	\$53.36
	Median Rental Price	\$3,374	-0.9%	\$3,405	3.4%	\$3,263
	Number of New Rentals	1,589	-37.1%	2,525	-8.4%	1,735
2-Bedroom -	Average Rental Price	\$4,867	-2.4%	\$4,987	-2.5%	\$4,993
	Rental Price per Sq Ft	\$52.98	0.4%	\$52.79	1.6%	\$52.13
	Median Rental Price	\$4,267	-4.5%	\$4,469	-4.1%	\$4,450
	Number of New Rentals	956	-32.2%	1,410	-8.4%	1,044
3+ Bedroom -	Average Rental Price	\$7,154	-7.3%	\$7,716	-19.3%	\$8,869
	Rental Price per Sq Ft	\$48.78	-7.2%	\$52.59	-18.3%	\$59.67
	Median Rental Price	\$5,160	-3.8%	\$5,366	-20.6%	\$6,498
	Number of New Rentals	403	-28.8%	566	9.5%	368

Manhattan median rental price continued to grind higher in response to a strengthening local economy and tight credit conditions. The core price indicator rose 2.1% to \$3,369 from the same period last year, up for the sixteenth consecutive month. Average rental price slipped 1.8% to \$4,007 over the same period, but remained above the \$4,000 threshold

for the fifth consecutive month. Rental price gains were concentrated in lower priced apartments. Median rental price increased in the studio and 1-bedroom markets, consistent with trends over the past year. Limited new housing stock of smaller apartments combined with rising demand and tight credit conditions that continue to "tip" would be homebuyers

back into the rental market. The pattern was consistent by price as well. Larger gains were seen in the lowest thirty percent of the market while the luxury market declined from the same period last year. For most of the past year, lower priced non-doorman apartment prices rose more quickly than their doorman counterparts. Despite a slight uptick in the vacancy rate, use of landlord concessions remained nominal and average marketing time was eleven days faster than last year.



PROPERTY TYPE

- Non-doorman rents continued to rise faster than doorman rents
- Loft rents increased as new development rents slipped

Manhattan Rental Market By Property Type	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Doorman Median Rental Price	\$3,806	0.7%	\$3,778	0.3%	\$3,795
Non-Doorman Median Rental Price	\$2,927	1.7%	\$2,878	4.6%	\$2,799
Loft Median Rental Price	\$5,656	-2.6%	\$5,808	14.3%	\$4,950
New Development Median Rental Price	\$4,572	9.5%	\$4,176	-3.4%	\$4,735

BY PRICE

- Luxury rents declined as entry threshold slipped
- Price gains continued to be skewed towards lower price points

Manhattan Rental Market By Price	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Luxury (Top 10%) - Average Rental Price	\$9,866	-5.5%	\$10,443	-9.2%	\$10,871
Luxury (Top 10%) - Rental Price per Sq Ft	\$74.02	-4.5%	\$77.48	-4.2%	\$77.30
Luxury (Top 10%) - Median Rental Price	\$7,936	-0.2%	\$7,954	-10.3%	\$8,848
Luxury (Top 10%) - Number of New Rentals	390	-34.5%	595	-6.3%	416
Luxury (Top 10%) - Entry Threshold	\$6,138	-2.8%	\$6,313	-5.6%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,465	-0.2%	\$4,474	0.3%	\$4,450
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	-1.0%	\$3,231	1.6%	\$3,150
Entry Tier (1st 30%) - Median Rental Price	\$2,300	0.0%	\$2,300	3.4%	\$2,225

BY LOCATION

DOWNTOWN

- Median rental price edged higher
- Number of new rentals declined

Downtown Market Matrix	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Median Rental Price	\$3,726	2.1%	\$3,650	3.6%	\$3,595
Number of New Rentals	1,755	-34.9%	2,696	-14.9%	2,062
Vacancy Rate	1.96%		1.63%		1.72%

EAST SIDE

- Median rent increased
- Vacancy rate continued to fall

East Side Market Matrix	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Median Rental Price	\$3,131	-1.6%	\$3,181	8.0%	\$2,900
Number of New Rentals	926	-32.8%	1,379	-5.8%	983
Vacancy Rate	1.20%		0.60%		1.86%

WEST SIDE

- Median rent slipped
- Vacancy rate increased

West Side Market Matrix	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Median Rental Price	\$3,364	-1.1%	\$3,400	-2.5%	\$3,450
Number of New Rentals	854	-33.5%	1,285	38.6%	616
Vacancy Rate	2.87%		2.35%		1.24%

UPTOWN

- Number of new rentals fell
- Median rental price declined

Uptown Market Matrix	JUN-15	%Chg (mo)	MAY-15	%Chg(yr)	JUN-14
Median Rental Price	\$2,233	1.5%	\$2,200	-14.1%	\$2,600
Number of New Rentals	362	-36.6%	571	-27.2%	497
Vacancy Rate	2.66%		2.48%		1.60%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.9%

INVENTORY

Total Inventory

8.7%

NEW RENTALS

Excludes Renewals

13.6%

CONCESSIONS

Market Share

1.2%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

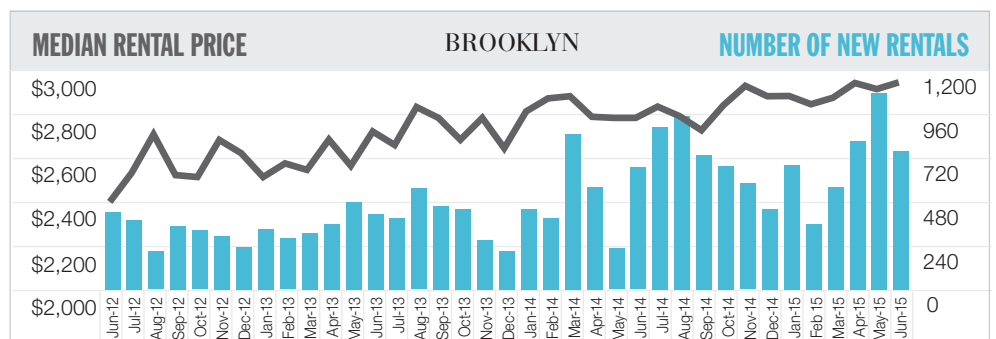
Listing Discount

3.1%

- All rental price indicators moved higher
- New rentals increased as negotiability declined
- Brooklyn median rent was \$405 below Manhattan median rent

Brooklyn Rental Market		JUN-15	%Chg (MO)	MAY-15	%Chg(YR)	JUN-14
Average Rental Price		\$3,252	0.0%	\$3,252	2.4%	\$3,176
Rental Price per Sq Ft		\$40.93	-3.5%	\$42.43	1.3%	\$40.39
Median Rental Price		\$2,964	1.1%	\$2,933	5.9%	\$2,800
Number of New Rentals		760	-29.6%	1,079	13.6%	669
Days on Market (From Original List Date)		53	1.9%	52	12.8%	47
Listing Discount (From Original List Price)		1.3%		0.9%		4.4%
Listing Inventory		1,731	3.5%	1,672	8.7%	1,592
Brooklyn Rental w/Concessions		JUN-15	%Chg (MO)	MAY-15	%Chg(YR)	JUN-14
Median Rental Price		\$2,957	0.9%	\$2,930	5.8%	\$2,796
Share of New Rentals w/Concessions (%)		2.8%		1.1%		1.6%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		JUN-15	%Chg (MO)	MAY-15	%Chg(YR)	JUN-14
Studio -	Average Rental Price	\$2,379	0.5%	\$2,366	9.8%	\$2,167
	Rental Price per Sq Ft	\$48.83	2.8%	\$47.52	-0.2%	\$48.94
	Median Rental Price	\$2,284	2.1%	\$2,238	4.8%	\$2,179
	Number of New Rentals	86	-20.4%	108	10.3%	78
1-Bedroom -	Average Rental Price	\$2,772	-3.0%	\$2,858	3.0%	\$2,691
	Rental Price per Sq Ft	\$44.33	-2.5%	\$45.46	3.9%	\$42.66
	Median Rental Price	\$2,667	-1.1%	\$2,696	2.6%	\$2,599
	Number of New Rentals	283	-28.0%	393	6.4%	266
2-Bedroom -	Average Rental Price	\$3,408	0.8%	\$3,381	0.9%	\$3,376
	Rental Price per Sq Ft	\$38.06	-4.9%	\$40.04	-2.9%	\$39.19
	Median Rental Price	\$3,161	-1.6%	\$3,212	0.7%	\$3,138
	Number of New Rentals	277	-31.8%	406	24.2%	223
3+ Bedroom -	Average Rental Price	\$4,725	7.3%	\$4,404	-1.6%	\$4,800
	Rental Price per Sq Ft	\$38.62	5.3%	\$36.66	1.7%	\$37.99
	Median Rental Price	\$3,600	2.9%	\$3,500	-7.1%	\$3,874
	Number of New Rentals	114	-33.7%	172	12.9%	101
Brooklyn Rental Market by Type		JUN-15	%Chg (MO)	MAY-15	%Chg(YR)	JUN-14
Luxury (Top 10%) - Median Rental Price		\$5,428	1.4%	\$5,353	0.5%	\$5,400
Luxury (Top 10%) - Entry Threshold		\$4,438	-0.3%	\$4,453	-4.6%	\$4,650
New Development - Median Rental Price		\$3,408	6.0%	\$3,216	9.0%	\$3,128

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



All rental price indicators for the Brooklyn market moved higher than prior year levels for the third consecutive month. Median rental price increased 5.9% to \$2,964 from the same month last year to the highest recorded level since January 2008, when the metric was first tracked for this report. Average rental price was \$3,252, up 2.4% year-over-year to the third highest level reached since 2008. It was a nominal \$7 below the \$3,259 record set back in November 2014. Rental price per square foot edged 1.3% higher to \$40.93 over the same period. Like Manhattan, larger price growth was skewed towards smaller apartments. Median rental price on a year-over-year basis increased 4.8% for studio apartments, 2.6% for 1-bedroom apartments and 0.7% for 2-bedroom apartments. The 3-bedroom market was the exception as the

median rental price fell 7.1% to \$3,600. Listing inventory expanded 8.7% to 1,731 as days on market increased by 6 days to 53 days. The

use of landlord concessions remained nominal, rising to a 2.8% market share from 1.6% in the same month last year.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

10.7%

INVENTORY

Total Inventory

11.9%

NEW RENTALS

Excludes Renewals

13.7%

NEW DEVELOPMENT

Market Share

26.1%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

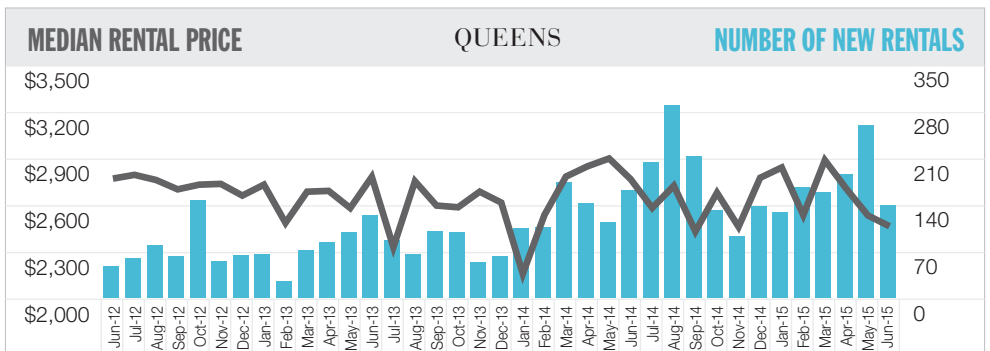
Listing Discount

0.5%

- Price indicators fell below prior year levels
- Marketing time and negotiability increased
- Queens median rent was \$436 below Brooklyn median rent

Queens Rental Market		JUN-15	%Chg (mo)	MAY-15	%Chg(YR)	JUN-14
Average Rental Price		\$2,749	0.0%	\$2,750	-5.1%	\$2,896
Rental Price per Sq Ft		\$40.15	-8.0%	\$43.64	-12.1%	\$45.69
Median Rental Price		\$2,528	-2.7%	\$2,597	-10.7%	\$2,830
Number of New Rentals		139	-46.3%	259	-13.7%	161
Days on Market (From Original List Date)		36	-30.8%	52	16.1%	31
Listing Discount (From Original List Price)		0.7%		1.0%		0.2%
Listing Inventory		406	10.3%	368	-11.9%	461
Queens Rental Market by Size		JUN-15	%Chg (mo)	MAY-15	%Chg(YR)	JUN-14
Studio -	Average Rental Price	\$2,348	3.5%	\$2,269	0.6%	\$2,333
	Rental Price per Sq Ft	\$54.83	-0.8%	\$55.26	18.1%	\$46.43
	Median Rental Price	\$2,474	2.9%	\$2,404	6.4%	\$2,325
	Number of New Rentals	37	-27.5%	51	27.6%	29
1-Bedroom -	Average Rental Price	\$2,483	-4.1%	\$2,590	-8.9%	\$2,725
	Rental Price per Sq Ft	\$40.32	-9.2%	\$44.39	-14.4%	\$47.10
	Median Rental Price	\$2,278	-13.7%	\$2,639	-18.6%	\$2,800
	Number of New Rentals	64	-55.6%	144	-34.0%	97
2-Bedroom -	Average Rental Price	\$3,554	4.7%	\$3,394	-6.8%	\$3,812
	Rental Price per Sq Ft	\$40.25	4.8%	\$38.41	-9.7%	\$44.58
	Median Rental Price	\$3,966	18.5%	\$3,346	1.7%	\$3,899
	Number of New Rentals	35	-38.6%	57	9.4%	32
3+ Bedroom -	Average Rental Price	\$3,990	-7.3%	\$4,304	25.9%	\$3,170
	Rental Price per Sq Ft	\$35.87	-23.7%	\$47.01	26.9%	\$28.27
	Median Rental Price	\$3,420	-23.3%	\$4,461	7.9%	\$3,170
	Number of New Rentals	3	-57.1%	7	50.0%	2
Queens Rental Market By Type		JUN-15	%Chg (mo)	MAY-15	%Chg(YR)	JUN-14
Luxury (Top 10%) - Median Rental Price		\$4,207	-0.4%	\$4,226	-1.6%	\$4,275
Luxury (Top 10%) - Entry Threshold		\$3,595	5.9%	\$3,395	-9.9%	\$3,989
New Development - Median Rental Price		\$3,073	-7.0%	\$2,950	3.9%	\$2,958

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



The northwest region Queens showed weaker results as the overall price indicators moved lower. Median rental price fell 10.7% to \$2,528 from the same month last year. Average rental price slipped 5.1% to \$2,749 and rental price per square foot fell 12.1% respectively over the same period. The results were mixed across apartments sizes as median rental price of studio and 3-bedrooms were higher, while 1-bedroom and 2-bedroom apartments were lower respectively, compared to prior year levels. Consistent with Manhattan and Brooklyn, median rental price for luxury

apartments declined 9.9% to \$3,595. Similar to previous month, the market share of new development rentals fell by more than half to 22.3% of the market. Days on market averaged 36 days during the month, 5 days longer than the same month last year. Listing discount remained at a nominal level, averaging 0.7% for the month, up from 0.2%.

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Report Methodology:

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

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