

ELLI MAN REPORT

JULY 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.6%

VACANCY

Vacancy Rate

0.66%

NEW RENTALS

Excludes Renewals

12.2%

CONCESSIONS

Market Share

0.2%

MARKETING TIME

Days on Market

6 day

NEGOTIABILITY

Listing Discount

0%

- Median rental price increased to second highest level on record
- Median rental price moved higher for the seventeenth consecutive month
- Few concessions offered, but a rise in the vacancy rate

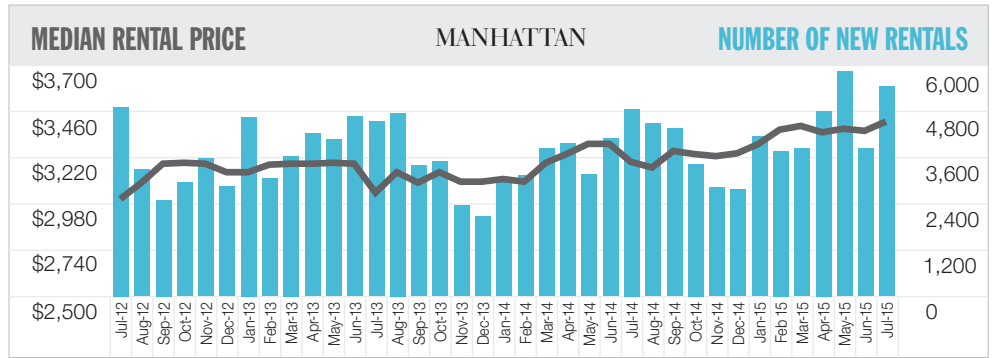
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUL-15	%Chg (mo)	JUN-15	%Chg(yr)	JUL-14
Average Rental Price		\$4,031	0.6%	\$4,007	0.2%	\$4,022
Rental Price per Sq Ft		\$54.76	0.6%	\$54.42	7.8%	\$50.80
Median Rental Price		\$3,418	1.5%	\$3,369	6.6%	\$3,205
Number of New Rentals		5,540	42.2%	3,897	12.2%	4,938
Days on Market (From Original List Date)		37	-2.6%	38	-14.0%	43
Listing Discount (From Original List Price)		1.0%		1.0%		1.0%
Listing Inventory		5,893	0.8%	5,845	3.6%	5,690
Vacancy Rate		2.48%		2.07%		1.82%
Manhattan Rental w/Concessions		JUL-15	%Chg (mo)	JUN-15	%Chg(yr)	JUL-14
Median Rental Price		\$3,413	1.5%	\$3,361	6.7%	\$3,200
Number of New Rentals w/Concessions (%)		1.8%		3.0%		1.6%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	-9.1%	1.1
Manhattan Rental Market by Size		JUL-15	%Chg (mo)	JUN-15	%Chg(yr)	JUL-14
Studio -	Average Rental Price	\$2,669	0.6%	\$2,652	3.7%	\$2,573
	Rental Price per Sq Ft	\$58.84	-0.2%	\$58.93	4.0%	\$56.55
	Median Rental Price	\$2,550	-1.0%	\$2,575	5.2%	\$2,425
	Number of New Rentals	1,241	30.8%	949	3.3%	1,201
1-Bedroom -	Average Rental Price	\$3,447	-1.5%	\$3,500	2.9%	\$3,349
	Rental Price per Sq Ft	\$56.61	-0.5%	\$56.90	6.8%	\$53.01
	Median Rental Price	\$3,374	0.0%	\$3,374	3.4%	\$3,264
	Number of New Rentals	2,312	45.5%	1,589	11.7%	2,070
2-Bedroom -	Average Rental Price	\$4,851	-0.3%	\$4,867	0.7%	\$4,817
	Rental Price per Sq Ft	\$52.36	-1.2%	\$52.98	6.8%	\$49.01
	Median Rental Price	\$4,161	-2.5%	\$4,267	1.5%	\$4,100
	Number of New Rentals	1,415	48.0%	956	17.1%	1,208
3+ Bedroom -	Average Rental Price	\$7,336	2.5%	\$7,154	-14.2%	\$8,554
	Rental Price per Sq Ft	\$48.71	-0.1%	\$48.78	-4.2%	\$50.87
	Median Rental Price	\$5,422	5.1%	\$5,160	-1.1%	\$5,485
	Number of New Rentals	570	41.4%	403	24.5%	458

The median rental price of a Manhattan apartment increased year-over-year for the seventeenth consecutive month and at the second fastest rate during this period. Median rental price was \$3,418, up 6.6% from the same month last year to the second highest level on record. Average rental price expanded a nominal 0.2% to \$4,031 from the same period last year,

reflecting the weakness of the luxury market and price strength of the entry-level market. Median rental price for the luxury market, the top 10% of all transactions, declined 6.8%, while studio and 1-bedroom median rental price rose 5.2% and 3.4% respectively over the same period. Average days on market, the number of days from the original list date to the

rental date, fell to 37 days, the second fastest marketing time in three years. Listing discount, the percentage difference between the original list price and the rental price, remained at a low level of 1%, unchanged from the same period last year. The use of concessions by landlords remained nominal at 1.8%, and when used, were at an average equivalent of one month's rent. However, both inventory and the vacancy rate edged higher than the prior year level reflecting tenant resistance to rising rents.



PROPERTY TYPE

- In a shift, doorman rents increased more quickly than non-doorman rents
- Loft rents declined as new development rents expanded

Manhattan Rental Market By Property Type	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Doorman Median Rental Price	\$3,893	2.3%	\$3,806	4.9%	\$3,712
Non-Doorman Median Rental Price	\$2,895	-1.1%	\$2,927	3.6%	\$2,795
Loft Median Rental Price	\$5,950	5.2%	\$5,656	-14.6%	\$6,967
New Development Median Rental Price	\$4,250	-7.0%	\$4,572	10.6%	\$3,842

BY PRICE

- Luxury rents continued to fall short of prior year levels
- Mid Tier rental price growth led all market segments

Manhattan Rental Market By Price	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Luxury (Top 10%) - Average Rental Price	\$9,910	0.4%	\$9,866	-10.7%	\$11,100
Luxury (Top 10%) - Rental Price per Sq Ft	\$73.66	-0.5%	\$74.02	-2.0%	\$75.15
Luxury (Top 10%) - Median Rental Price	\$7,920	-0.2%	\$7,936	-6.8%	\$8,500
Luxury (Top 10%) - Number of New Rentals	561	43.8%	390	13.6%	494
Luxury (Top 10%) - Entry Threshold	\$6,191	0.9%	\$6,138	-0.1%	\$6,195
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,448	-0.4%	\$4,465	5.7%	\$4,209
Mid Tier (2nd 30%) - Median Rental Price	\$3,264	2.0%	\$3,200	6.5%	\$3,065
Entry Tier (1st 30%) - Median Rental Price	\$2,278	-1.0%	\$2,300	4.5%	\$2,179

BY LOCATION

DOWNTOWN

- Median rental price increased
- Vacancy rate moved higher

Downtown Market Matrix	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Median Rental Price	\$3,670	-1.5%	\$3,726	5.0%	\$3,495
Number of New Rentals	2,499	42.4%	1,755	16.5%	2,145
Vacancy Rate	2.30%		1.96%		1.75%

EAST SIDE

- Median rental price expanded
- Number of new rentals increased

East Side Market Matrix	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Median Rental Price	\$3,254	3.9%	\$3,131	8.5%	\$2,998
Number of New Rentals	1,274	37.6%	926	8.5%	1,174
Vacancy Rate	1.92%		1.20%		1.59%

WEST SIDE

- Median rental price rose
- Vacancy rate increased

West Side Market Matrix	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Median Rental Price	\$3,450	2.6%	\$3,364	5.6%	\$3,267
Number of New Rentals	1,220	42.9%	854	2.3%	1,192
Vacancy Rate	3.40%		2.87%		1.89%

UPTOWN

- Median rental price increased
- Surge in number of new rentals

Uptown Market Matrix	JUL-15	%Chg (mo)	JUN-15	%Chg (yr)	JUL-14
Median Rental Price	\$2,278	2.0%	\$2,233	6.0%	\$2,150
Number of New Rentals	547	51.1%	362	28.1%	427
Vacancy Rate	2.66%		2.66%		2.30%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.1%

INVENTORY

Total Inventory

8.3%

NEW RENTALS

Excludes Renewals

1.9%

CONCESSIONS

Market Share

0.8%

MARKETING TIME

Days on Market

15 days

NEGOTIABILITY

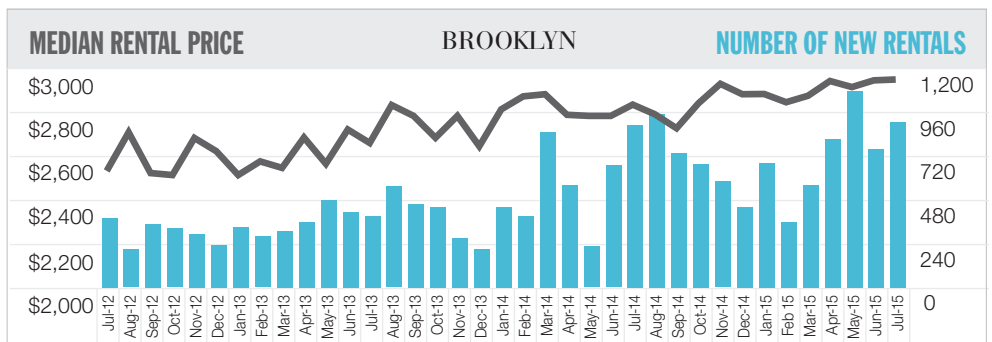
Listing Discount

0.4%

- Median rent increased for the fourth consecutive month and set new record
- Higher rental price gains generally seen in smaller apartments
- Brooklyn median rent was \$450 below Manhattan median rent

Brooklyn Rental Market		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Average Rental Price		\$3,245	-0.2%	\$3,252	4.3%	\$3,111
Rental Price per Sq Ft		\$41.74	2.0%	\$40.93	7.6%	\$38.78
Median Rental Price		\$2,968	0.1%	\$2,964	4.1%	\$2,852
Number of New Rentals		909	19.6%	760	1.9%	892
Days on Market (From Original List Date)		57	7.5%	53	35.7%	42
Listing Discount (From Original List Price)		0.9%		1.3%		1.3%
Listing Inventory		1,870	8.0%	1,731	8.3%	1,727
Brooklyn Rental w/Concessions		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Median Rental Price		\$2,961	0.1%	\$2,957	4.0%	\$2,847
Share of New Rentals w/Concessions (%)		2.8%		2.8%		2.0%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Studio -	Average Rental Price	\$2,402	1.0%	\$2,379	13.5%	\$2,117
	Rental Price per Sq Ft	\$54.17	10.9%	\$48.83	33.8%	\$40.50
	Median Rental Price	\$2,523	10.5%	\$2,284	15.4%	\$2,187
	Number of New Rentals	109	26.7%	86	-0.9%	110
1-Bedroom -	Average Rental Price	\$2,825	1.9%	\$2,772	6.3%	\$2,658
	Rental Price per Sq Ft	\$44.85	1.2%	\$44.33	4.7%	\$42.85
	Median Rental Price	\$2,835	6.3%	\$2,667	7.0%	\$2,650
	Number of New Rentals	366	29.3%	283	13.7%	322
2-Bedroom -	Average Rental Price	\$3,513	3.1%	\$3,408	2.7%	\$3,421
	Rental Price per Sq Ft	\$40.37	6.1%	\$38.06	5.3%	\$38.35
	Median Rental Price	\$3,307	4.6%	\$3,161	1.8%	\$3,250
	Number of New Rentals	308	11.2%	277	4.4%	295
3+ Bedroom -	Average Rental Price	\$4,535	-4.0%	\$4,725	11.3%	\$4,075
	Rental Price per Sq Ft	\$35.38	-8.4%	\$38.62	4.9%	\$33.73
	Median Rental Price	\$3,929	9.1%	\$3,600	9.7%	\$3,582
	Number of New Rentals	126	10.5%	114	-23.2%	164
Brooklyn Rental Market by Type		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Luxury (Top 10%) - Median Rental Price		\$5,347	-1.5%	\$5,428	-3.4%	\$5,535
Luxury (Top 10%) - Entry Threshold		\$4,526	2.0%	\$4,438	0.6%	\$4,500
New Development - Median Rental Price		\$3,405	-0.1%	\$3,408	12.8%	\$3,018

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



For the fourth consecutive month, all rental price indicators were higher than prior year levels. Median rental price increased 4.1% to \$2,968 over the same period last year, a new record for the seven and a half years this metric has been tracked. Average rental price increased 4.3% to \$3,245 over the same period. With the exception of the 9.7% median rental price gain of 3-bedroom apartments, smaller apartments showed larger year-over-year growth in prices. Studio median rental price was up 15.4% over the same period, while 1-bedroom and 2-bedroom apartments increased 7% and 1.8% respectively. Average days on market jumped 35.7% to 57 days despite the decline in average negotiability to 0.9% from 1.3% in the prior year. The use of landlord concessions remained

limited, representing 2.8% of all transactions with an average of one month's equivalent rent when used. Luxury median rental price declined 3.4% to \$5,347 from the same period last year.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

↑ 14%

INVENTORY

Total Inventory

↑ 36.5%

NEW RENTALS

Excludes Renewals

↑ 47.3%

NEW DEVELOPMENT

Market Share

↑ 10.5%

MARKETING TIME

Days on Market

↑ 11 days

NEGOTIABILITY

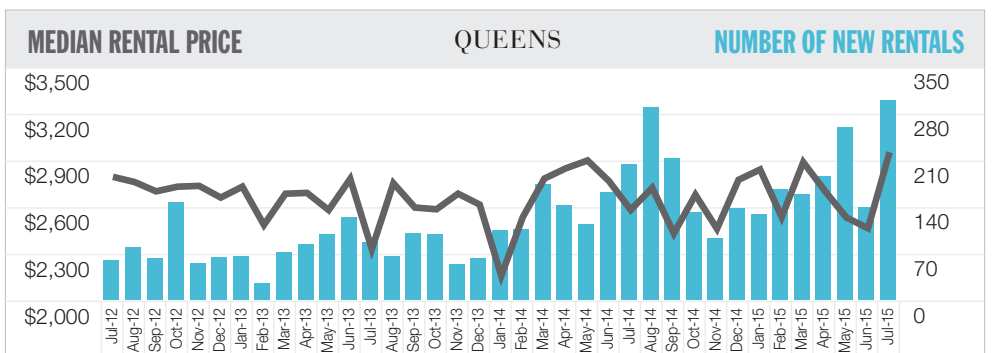
Listing Discount

↑ 0.7%

- Median rent surged to new record after several months of decline
- Unlike Manhattan and Brooklyn, large apartments had higher rent increases
- Queens median rent was \$48 above Brooklyn median rent

Queens Rental Market		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Average Rental Price		\$3,054	11.1%	\$2,749	12.7%	\$2,709
Rental Price per Sq Ft		\$47.78	19.0%	\$40.15	12.6%	\$42.42
Median Rental Price		\$3,016	19.3%	\$2,528	14.0%	\$2,646
Number of New Rentals		299	115.1%	139	47.3%	203
Days on Market (From Original List Date)		42	16.7%	36	35.5%	31
Listing Discount (From Original List Price)		0.9%		0.7%		0.2%
Listing Inventory		464	14.3%	406	36.5%	340
Queens Rental Market by Size		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Studio -	Average Rental Price	\$2,379	1.3%	\$2,348	8.0%	\$2,202
	Rental Price per Sq Ft	\$54.02	-1.5%	\$54.83	10.3%	\$48.96
	Median Rental Price	\$2,490	0.6%	\$2,474	9.5%	\$2,275
	Number of New Rentals	56	51.4%	37	33.3%	42
1-Bedroom -	Average Rental Price	\$2,814	13.3%	\$2,483	9.5%	\$2,571
	Rental Price per Sq Ft	\$49.14	21.9%	\$40.32	18.0%	\$41.65
	Median Rental Price	\$3,075	35.0%	\$2,278	14.1%	\$2,696
	Number of New Rentals	159	148.4%	64	45.9%	109
2-Bedroom -	Average Rental Price	\$3,900	9.7%	\$3,554	12.6%	\$3,464
	Rental Price per Sq Ft	\$45.13	12.1%	\$40.25	6.1%	\$42.53
	Median Rental Price	\$4,335	9.3%	\$3,966	24.1%	\$3,494
	Number of New Rentals	77	120.0%	35	71.1%	45
3+ Bedroom -	Average Rental Price	\$4,595	15.2%	\$3,990	69.8%	\$2,706
	Rental Price per Sq Ft	\$40.75	13.6%	\$35.87	22.3%	\$33.31
	Median Rental Price	\$4,216	23.3%	\$3,420	60.7%	\$2,623
	Number of New Rentals	7	133.3%	3	16.7%	6
Queens Rental Market By Type		JUL-15	%Chg (MO)	JUN-15	%Chg(YR)	JUL-14
Luxury (Top 10%) - Median Rental Price		\$4,650	10.5%	\$4,207	15.2%	\$4,037
Luxury (Top 10%) - Entry Threshold		\$4,335	20.6%	\$3,595	15.0%	\$3,769
New Development - Median Rental Price		\$3,272	-7.0%	\$3,073	19.0%	\$2,750

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



After three months of decline, the median rental price in northwest Queens surged 14% to \$3,016, the highest level reached since this metric was first tracked in December 2011. Average rental price per square foot increased 12.6% to a record of \$47.48 and average rental price rose 12.7% to \$3,054 respectively from the same month last year. Unlike Manhattan and Brooklyn, there was more price growth observed in larger apartments. Studio median rental prices increased 9.5% from the same month last year, while 1-bedrooms increased

14.1%, 2-bedrooms increased 24.1% and time expanded by 11 days to 42 days, while 3-bedrooms increased 60.7%. The pattern is negotiability between tenant and landlord clear, but the small market size often results in greater monthly volatility. Average marketing time expanded to a still nominal 0.9% from 0.2% respectively from the same month last year.

For more information or electronic copies of this report please visit elliman.com/marketreports. Email report author Jonathan Miller at jmiller@millersamuel.com with questions or comments.

Report Methodology:

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

RENTAL DIVISION 212.891.7711 • elliman.com

DOUGLAS ELLIMAN REAL ESTATE 575 Madison Avenue, New York, NY 10022 • 212.891.7000

MILLER SAMUEL REAL ESTATE APPRAISERS 21 West 38th Street, New York, NY 10018 • 212.768.8100 • millersamuel.com

© 2015 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS ARE DEEMED RELIABLE, BUT SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. ♻️ EQUAL HOUSING OPPORTUNITY.