

ELLI MAN

REPORT

SEPTEMBER 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.4%

VACANCY

Vacancy Rate

0.93%

NEW RENTALS

Excludes Renewals

21.8%

CONCESSIONS

Market Share

1.7%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

Listing Discount

0.3%

- Median rental price was the second highest on record, highest in 5.5 years
- Median rental price increased for the nineteenth consecutive month
- Use of concessions by landlords fell as inventory slipped

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		SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Average Rental Price		\$4,084	0.6%	\$4,058	0.6%	\$4,061
Rental Price per Sq Ft		\$54.16	0.1%	\$54.12	3.5%	\$52.35
Median Rental Price		\$3,437	1.1%	\$3,400	5.4%	\$3,262
Number of New Rentals		3,468	-43.8%	6,171	-21.8%	4,433
Days on Market (From Original List Date)		39	8.3%	36	-11.4%	44
Listing Discount (From Original List Price)		2.0%		1.0%		1.7%
Listing Inventory		5,482	2.3%	5,357	-2.2%	5,603
Vacancy Rate		2.69%		2.30%		1.76%
Manhattan Rental w/Concessions		SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Median Rental Price		\$3,432	1.1%	\$3,396	5.5%	\$3,253
Number of New Rentals w/Concessions (%)		1.6%		1.2%		3.3%
Free Rent/Owner Paid (Mos)		1.1	0.0%	1.1	10.0%	1.0
Manhattan Rental Market by Size		SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Studio -	Average Rental Price	\$2,731	3.4%	\$2,640	3.2%	\$2,646
	Rental Price per Sq Ft	\$61.54	2.7%	\$59.90	11.0%	\$55.44
	Median Rental Price	\$2,606	3.2%	\$2,524	5.4%	\$2,473
	Number of New Rentals	821	-41.7%	1,409	-23.7%	1,076
1-Bedroom -	Average Rental Price	\$3,531	0.0%	\$3,532	3.9%	\$3,399
	Rental Price per Sq Ft	\$55.87	1.0%	\$55.32	4.8%	\$53.29
	Median Rental Price	\$3,442	0.8%	\$3,415	4.0%	\$3,310
	Number of New Rentals	1,492	-40.8%	2,522	-21.1%	1,891
2-Bedroom -	Average Rental Price	\$4,927	1.5%	\$4,852	0.4%	\$4,908
	Rental Price per Sq Ft	\$52.84	2.0%	\$51.79	2.7%	\$51.44
	Median Rental Price	\$4,315	3.8%	\$4,157	-1.8%	\$4,395
	Number of New Rentals	828	-46.4%	1,546	-22.9%	1,074
3+ Bedroom -	Average Rental Price	\$7,868	11.2%	\$7,074	-10.8%	\$8,817
	Rental Price per Sq Ft	\$49.14	-2.5%	\$50.40	-11.2%	\$55.36
	Median Rental Price	\$5,698	12.9%	\$5,045	-5.0%	\$5,995
	Number of New Rentals	327	-52.9%	694	-16.4%	391

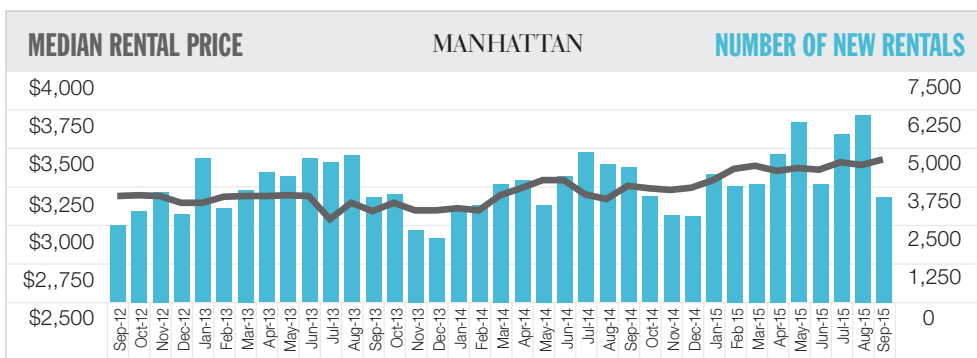
For the nineteenth consecutive month, median rent increased from the same period a year ago to the second highest level ever recorded and the highest point in more than five years. A robust city economy, record employment gains and tight credit conditions helped spur additional rental price growth. Median rental price increased 5.4% to \$3,437 from the

same period last year. Similar patterns were observed with the other price trend indicators. As seen in much of the past year, there was more price growth in smaller apartments from a challenging mortgage environment that pushed would-be first-time buyers back into the rental market. Studio median rent increased the most at 5.4% as each larger size classification

showed consecutively weaker median rental price increases. Lower priced non-doorman median rental price increased 3.1% while doorman median rental price rose 0.6% from the same period last year. Luxury median rental price, representing the top 10% of all rentals, slipped 1.7% to \$8,354 over the same period. Despite the uptick in the vacancy rate to 2.69% from 1.76%, use of concessions by landlords fell to a 1.6% share from 3.3% while marketing time fell by 11.4% to 39 days respectively from a year ago.

PROPERTY TYPE

- Non-doorman rents continued to rise more than doorman rents
- More of same as rents for lofts and new development jumped



Manhattan Rental Market By Property Type	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Doorman Median Rental Price	\$3,800	-2.8%	\$3,909	0.6%	\$3,777
Non-Doorman Median Rental Price	\$2,850	-3.4%	\$2,950	3.1%	\$2,763
Loft Median Rental Price	\$7,277	0.7%	\$7,225	113.3%	\$3,411
New Development Median Rental Price	\$4,346	-6.5%	\$4,647	31.7%	\$3,300

BY PRICE

- Entry and Mid-Tier saw most price growth
- Luxury market median price slipped
- Luxury threshold edged higher

Manhattan Rental Market By Price	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Luxury (Top 10%) - Average Rental Price	\$10,210	1.2%	\$10,090	-4.2%	\$10,659
Luxury (Top 10%) - Rental Price per Sq Ft	\$71.66	-6.6%	\$76.71	-5.6%	\$75.90
Luxury (Top 10%) - Median Rental Price	\$8,354	5.7%	\$7,904	-1.7%	\$8,500
Luxury (Top 10%) - Number of New Rentals	348	-43.9%	620	-21.4%	443
Luxury (Top 10%) - Entry Threshold	\$6,450	3.2%	\$6,250	1.0%	\$6,385
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,474	0.4%	\$4,454	0.7%	\$4,444
Mid Tier (2nd 30%) - Median Rental Price	\$3,250	0.0%	\$3,250	4.4%	\$3,114
Entry Tier (1st 30%) - Median Rental Price	\$2,350	2.4%	\$2,295	4.4%	\$2,250

BY LOCATION

DOWNTOWN

- Vacancy rate increased
- Number of new rentals declined

Downtown Market Matrix	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Median Rental Price	\$3,633	-0.2%	\$3,639	3.5%	\$3,510
Number of New Rentals	1,565	-40.5%	2,631	-20.8%	1,975
Vacancy Rate	2.64%		2.15%		1.72%

EAST SIDE

- Vacancy rate fell
- Number of new rentals fell

East Side Market Matrix	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Median Rental Price	\$3,196	-0.1%	\$3,200	6.4%	\$3,005
Number of New Rentals	839	-42.0%	1,446	-28.3%	1,170
Vacancy Rate	1.97%		2.08%		2.25%

WEST SIDE

- Median rental price rose
- Vacancy rate jumped

West Side Market Matrix	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Median Rental Price	\$3,530	1.9%	\$3,464	4.7%	\$3,373
Number of New Rentals	739	-50.0%	1,477	-24.4%	978
Vacancy Rate	3.72%		3.00%		1.89%

UPTOWN

- Median rental price edged higher
- Number of new rentals up sharply

Uptown Market Matrix	SEP-15	%Chg (mo)	AUG-15	%Chg(yr)	SEP-14
Median Rental Price	\$2,262	-4.8%	\$2,375	1.7%	\$2,224
Number of New Rentals	325	-47.3%	617	4.8%	310
Vacancy Rate	2.57%		2.13%		0.89%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

7.7%

INVENTORY

Total Inventory

1.5%

NEW RENTALS

Excludes Renewals

19.3%

CONCESSIONS

Market Share

1.8%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

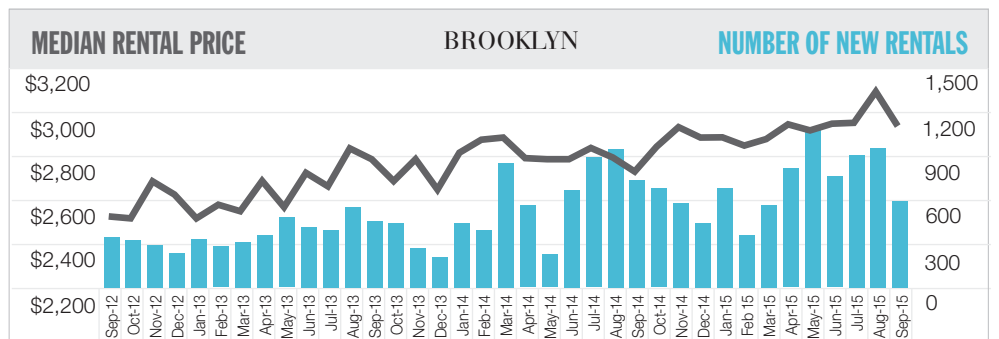
0.3%

- Median rent rose year-over-year for sixth consecutive month
- All apartment sizes seeing rental price gains as luxury prices slip
- Marketing times and negotiability decline

Brooklyn Rental Market		SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Average Rental Price		\$3,275	-4.3%	\$3,421	7.4%	\$3,049
Rental Price per Sq Ft		\$43.61	-0.3%	\$43.73	17.0%	\$37.28
Median Rental Price		\$2,953	-5.1%	\$3,112	7.7%	\$2,743
Number of New Rentals		594	-37.7%	954	-19.3%	736
Days on Market (From Original List Date)		37	-11.9%	42	-5.1%	39
Listing Discount (From Original List Price)		1.6%		1.2%		1.9%
Listing Inventory		1,909	8.9%	1,753	1.5%	1,881
Brooklyn Rental w/Concessions		SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Median Rental Price		\$2,944	-5.3%	\$3,109	7.5%	\$2,739
Share of New Rentals w/Concessions (%)		3.7%		0.9%		1.9%
Free Rent/Owner Paid (Mos)		1.0	-9.1%	1.1	0.0%	1.0
Brooklyn Rental Market by Size		SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Studio -	Average Rental Price	\$2,354	-5.3%	\$2,487	4.7%	\$2,249
	Rental Price per Sq Ft	\$55.05	-3.8%	\$57.25	27.0%	\$43.34
	Median Rental Price	\$2,379	-4.8%	\$2,500	8.1%	\$2,200
	Number of New Rentals	78	-28.4%	109	1.3%	77
1-Bedroom -	Average Rental Price	\$2,896	0.1%	\$2,893	10.4%	\$2,624
	Rental Price per Sq Ft	\$45.10	-4.6%	\$47.29	10.5%	\$40.82
	Median Rental Price	\$2,855	-0.3%	\$2,865	11.9%	\$2,552
	Number of New Rentals	234	-36.2%	367	-10.3%	261
2-Bedroom -	Average Rental Price	\$3,497	-4.5%	\$3,662	8.6%	\$3,221
	Rental Price per Sq Ft	\$41.93	3.6%	\$40.46	11.8%	\$37.52
	Median Rental Price	\$3,250	-7.2%	\$3,503	12.3%	\$2,895
	Number of New Rentals	219	-36.7%	346	-24.0%	288
3+ Bedroom -	Average Rental Price	\$5,054	0.5%	\$5,031	20.3%	\$4,200
	Rental Price per Sq Ft	\$39.29	-4.1%	\$40.97	27.1%	\$30.91
	Median Rental Price	\$4,300	1.1%	\$4,252	19.4%	\$3,600
	Number of New Rentals	63	-52.3%	132	-42.2%	109
Brooklyn Rental Market by Type		SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Luxury (Top 10%) - Median Rental Price		\$5,212	-7.3%	\$5,625	-1.2%	\$5,275
Luxury (Top 10%) - Entry Threshold		\$4,577	-4.6%	\$4,800	3.6%	\$4,417
New Development - Median Rental Price		\$3,050	-7.8%	\$3,309	-11.2%	\$3,435

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

Brooklyn rental price indicators continued to move higher on a year-over-year basis. Median rental price increased from the same period last year but fell short of the records set in the prior three months. Median rental price increased 7.7% to \$2,953 from the same period a year ago. Following the same pattern, average rental price rose 7.4% to \$3,275 and rental price per square foot increased 17% to \$43.61 respectively over the same period. Luxury median rental price, representing the top 10% of all rentals, slipped 1.2% to \$5,212 from the the same period a year ago. However the significant influx of new development housing stock with an emphasis on a larger unit mix has contributed to higher rent growth. Studio median rent increased



8.1% to \$2,379 from the year ago period while 3-bedroom median rent expanded 19.4% to \$4,300. Days on market, the number of days from original list date to rental date, tightened by 5.1% to 37 days, reflecting the continuation of tight market conditions.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

18.4%

INVENTORY

Total Inventory

119.8%

NEW RENTALS

Excludes Renewals

14.6%

NEW DEVELOPMENT

Market Share

5.0%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.2%

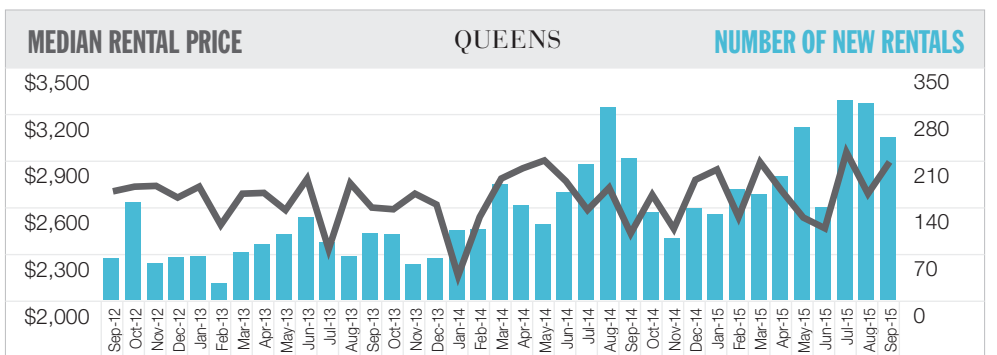
- Rental price indicators for overall market post sharp gains
- New rentals rise as consumers resist higher rents
- Queens median rent was \$1 above Brooklyn median rent

Queens Rental Market	SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Average Rental Price	\$3,044	0.6%	\$3,026	9.2%	\$2,787
Rental Price per Sq Ft	\$45.76	5.5%	\$43.38	12.3%	\$40.75
Median Rental Price	\$2,954	7.4%	\$2,750	18.4%	\$2,495
Number of New Rentals	244	-17.3%	295	14.6%	213
Days on Market (From Original List Date)	33	13.8%	29	26.9%	26
Listing Discount (From Original List Price)	0.5%		0.5%		0.3%
Listing Inventory	400	34.2%	298	119.8%	182

Queens Rental Market by Size		SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Studio -	Average Rental Price	\$2,503	-1.3%	\$2,536	8.7%	\$2,302
	Rental Price per Sq Ft	\$53.10	1.7%	\$52.21	-5.2%	\$55.99
	Median Rental Price	\$2,488	-0.5%	\$2,500	4.8%	\$2,375
	Number of New Rentals	54	-31.6%	79	-21.7%	69
1-Bedroom -	Average Rental Price	\$2,771	0.0%	\$2,770	11.2%	\$2,492
	Rental Price per Sq Ft	\$46.53	5.8%	\$43.99	12.1%	\$41.51
	Median Rental Price	\$2,978	5.4%	\$2,825	15.7%	\$2,574
	Number of New Rentals	125	4.2%	120	48.8%	84
2-Bedroom -	Average Rental Price	\$4,015	10.9%	\$3,620	8.1%	\$3,714
	Rental Price per Sq Ft	\$46.08	14.1%	\$40.40	8.2%	\$42.57
	Median Rental Price	\$4,225	13.9%	\$3,710	10.9%	\$3,810
	Number of New Rentals	59	-24.4%	78	28.3%	46
3+ Bedroom -	Average Rental Price	\$4,050	-5.8%	\$4,301	8.1%	\$3,747
	Rental Price per Sq Ft	\$32.45	-18.0%	\$39.58	16.9%	\$27.77
	Median Rental Price	\$3,231	-16.9%	\$3,890	4.4%	\$3,095
	Number of New Rentals	6	-66.7%	18	-53.8%	13

Queens Rental Market By Type	SEP-15	%Chg (MO)	AUG-15	%Chg(YR)	SEP-14
Luxury (Top 10%) - Median Rental Price	\$4,600	0.2%	\$4,592	-9.3%	\$5,073
Luxury (Top 10%) - Entry Threshold	\$4,225	3.2%	\$4,095	0.8%	\$4,192
New Development - Median Rental Price	\$3,057	-7.0%	\$2,936	27.6%	\$2,395

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



A surge in the overall price trend indicators returned to the northwest region of Queens. Price volatility caused by the varying mix of new development introduced to the market continued. Median rental price jumped 18.4% to \$2,954 from the same period a year ago. Average rental price and rental price per square foot followed the same pattern. One bedroom apartments showed the largest increase in median rent, up 15.7% to \$2,978 from the same period a year ago. Luxury median rental price, reflecting the top 10% of all rentals, declined 9.3% to \$4,600 over the same period. Listing

inventory nearly doubled as days on market, difference between the original listing price and the number of days between the original list date and the rental date, expanded by one listing discount was due to the high number of new development rentals, 25% of the market.

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>

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