

ELLI MAN REPORT

DECEMBER 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.1%

VACANCY

Vacancy Rate

0.22%

NEW RENTALS

Excludes Renewals

10.5%

OP+ CONCESSIONS

Market Share

5.3%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

Listing Discount

0.6%

- Rate of year-over-year growth in median rent cooling since August
- Median rental price increased for the twenty-second consecutive month
- Landlord concessions and vacancy rate edged higher than year ago levels

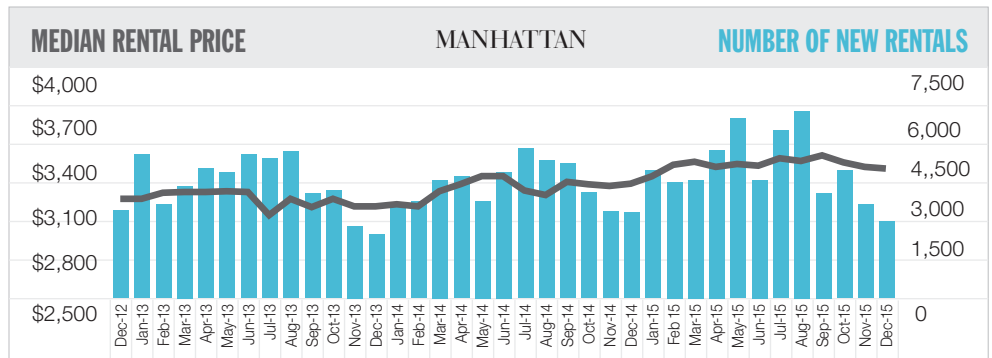
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Average Rental Price		\$4,149	1.9%	\$4,071	4.8%	\$3,960
Rental Price per Sq Ft		\$51.02	-2.7%	\$52.45	1.1%	\$50.45
Median Rental Price		\$3,350	-0.3%	\$3,361	3.1%	\$3,250
Number of New Rentals		2,525	-18.1%	3,082	-10.5%	2,822
Days on Market (From Original List Date)		56	24.4%	45	9.8%	51
Listing Discount (From Original List Price)		3.3%		3.2%		3.9%
Listing Inventory		5,745	-1.6%	5,841	4.6%	5,493
Vacancy Rate		2.74%		2.87%		2.52%
Manhattan Rental w/Concessions		DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Median Rental Price		\$3,294	-0.7%	\$3,318	2.0%	\$3,228
Share of New Rentals w/OP + Concessions (%)		13.1%		13.5%		7.8%
Free Rent/Owner Paid (Mos)		1.5	36.4%	1.1	36.4%	1.1
Manhattan Rental Market by Size		DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Studio -	Average Rental Price	\$2,669	-0.7%	\$2,687	2.9%	\$2,595
	Rental Price per Sq Ft	\$56.20	-0.8%	\$56.68	3.6%	\$54.25
	Median Rental Price	\$2,562	0.5%	\$2,550	5.6%	\$2,427
	Number of New Rentals	602	-17.3%	728	-12.2%	686
1-Bedroom -	Average Rental Price	\$3,458	0.2%	\$3,452	2.0%	\$3,390
	Rental Price per Sq Ft	\$53.83	-1.9%	\$54.87	-0.4%	\$54.02
	Median Rental Price	\$3,375	-0.9%	\$3,405	2.6%	\$3,291
	Number of New Rentals	1,115	-21.0%	1,412	-7.5%	1,205
2-Bedroom -	Average Rental Price	\$5,138	-0.3%	\$5,153	0.9%	\$5,093
	Rental Price per Sq Ft	\$51.54	-0.8%	\$51.96	4.1%	\$49.50
	Median Rental Price	\$4,623	0.2%	\$4,616	5.1%	\$4,400
	Number of New Rentals	582	-18.0%	710	-18.0%	710
3+ Bedroom -	Average Rental Price	\$8,959	1.0%	\$8,874	17.4%	\$7,628
	Rental Price per Sq Ft	\$51.44	3.3%	\$49.81	6.2%	\$48.42
	Median Rental Price	\$6,095	-3.8%	\$6,333	6.1%	\$5,745
	Number of New Rentals	226	-2.6%	232	2.7%	220

Manhattan rental price indicators continued to rise, although the rate of growth cooled since the summer on a year over year basis. Median rental price increased 3.1% to \$3,350 from the same period a year ago, rising for the 22nd consecutive month. Average rental price increased 4.8% to \$4,149 to the highest level in nearly six years. The market share of landlord

concessions expanded by 5.3% to 13.1%, reaching its second highest level in nearly five years. But the amount of the concession – free rent and brokerage commissions paid by landlords – jumped to the equivalent of 1.5 months of rent. This amount was up sharply from the 1.1 month average in the prior year, also the five year average. Vacancy rate fell

just short of the prior month's nine year high of 2.87%. But the vacancy rate increased to 2.74% from 2.52% from the same month in the prior year. Days on market, the number of days from the original listing date to the rental date, was 5 days longer over the same period to an average of 56 days. However, listing discount, the percentage difference between original list price and contract rental price decreased to 3.3% from 3.9% in the same month a year ago.



PROPERTY TYPE

- Price growth cooled, yet rents for “non-doorman” continued to rise faster than “doorman”
- Median rent for loft apartments declined as average size fell

Manhattan Rental Market By Property Type	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Doorman Median Rental Price	\$3,820	-0.4%	\$3,836	1.5%	\$3,765
Non-Doorman Median Rental Price	\$2,725	-0.1%	\$2,727	1.8%	\$2,678
Loft Median Rental Price	\$5,353	-15.5%	\$6,333	-9.3%	\$5,900
New Development Median Rental Price	\$4,484	-0.4%	\$4,504	16.8%	\$3,840

BY PRICE

- Lower priced rentals showed largest gains in price
- Luxury median price showed stability
- Luxury threshold continued to see a nominal decline

Manhattan Rental Market By Price	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Luxury (Top 10%) - Average Rental Price	\$11,370	7.3%	\$10,594	12.4%	\$10,118
Luxury (Top 10%) - Rental Price per Sq Ft	\$71.97	0.2%	\$71.84	-1.3%	\$72.91
Luxury (Top 10%) - Median Rental Price	\$8,500	-0.4%	\$8,537	0.1%	\$8,495
Luxury (Top 10%) - Number of New Rentals	253	-19.4%	314	-10.3%	282
Luxury (Top 10%) - Entry Threshold	\$6,385	0.8%	\$6,333	-0.6%	\$6,422
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	1.9%	\$4,418	2.4%	\$4,395
Mid Tier (2nd 30%) - Median Rental Price	\$3,163	-1.0%	\$3,195	3.1%	\$3,067
Entry Tier (1st 30%) - Median Rental Price	\$2,240	0.0%	\$2,241	4.2%	\$2,150

BY LOCATION

DOWNTOWN

- Median rental price edged up
- Decline in number of new rentals

Downtown Market Matrix	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Median Rental Price	\$3,596	-2.7%	\$3,697	0.3%	\$3,585
Number of New Rentals	1,018	-22.9%	1,321	-15.0%	1,197
Vacancy Rate	3.25%		2.89%		3.07%

EAST SIDE

- Vacancy rate tightened
- Median rental price increased

East Side Market Matrix	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Median Rental Price	\$3,163	4.0%	\$3,042	9.1%	\$2,900
Number of New Rentals	665	-18.3%	814	-7.8%	721
Vacancy Rate	2.35%		2.41%		3.23%

WEST SIDE

- Higher vacancy rate
- Median rental price increased

West Side Market Matrix	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Median Rental Price	\$3,450	-0.3%	\$3,459	3.4%	\$3,335
Number of New Rentals	571	-12.6%	653	-15.8%	678
Vacancy Rate	2.35%		3.27%		1.83%

UPTOWN

- Median rental price moved higher
- Number of new rentals jumped

Uptown Market Matrix	DEC-15	%Δ (mo)	NOV-15	%Δ (yr)	DEC-14
Median Rental Price	\$2,200	3.2%	\$2,131	5.7%	\$2,081
Number of New Rentals	271	-7.8%	294	19.9%	226
Vacancy Rate	2.39%		3.01%		0.71%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.0%

INVENTORY

Total Inventory

2.7%

NEW RENTALS

Excludes Renewals

28.1%

OP + CONCESSIONS

Market Share

0.6%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

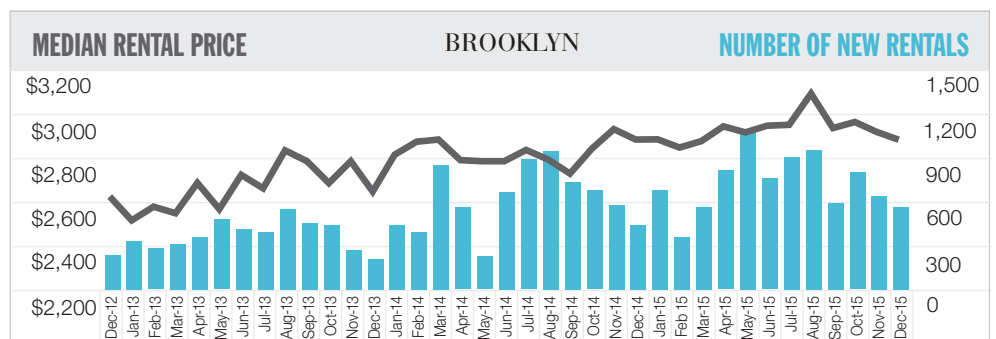
Listing Discount

0.7%

- Median rental price unchanged, second month without increase
- Share of landlord concessions edged higher as amount of concession jumped
- Brooklyn median rent \$451 less than Manhattan median rent

Brooklyn Rental Market		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Average Rental Price		\$3,206	-3.6%	\$3,326	2.1%	\$3,139
Rental Price per Sq Ft		\$44.71	4.9%	\$42.62	8.6%	\$41.17
Median Rental Price		\$2,899	-1.2%	\$2,935	0.0%	\$2,900
Number of New Rentals		565	-11.7%	640	28.1%	441
Days on Market (From Original List Date)		61	24.5%	49	10.9%	55
Listing Discount (From Original List Price)		3.2%		2.2%		3.9%
Listing Inventory		1,945	-3.7%	2,020	2.7%	1,893
Brooklyn Rental w/Concessions		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Median Rental Price		\$2,875	-1.3%	\$2,913	-0.3%	\$2,885
Share of New Rentals w/OP + Concessions (%)		6.5%		6.6%		5.9%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	36.4%	1.1
Brooklyn Rental Market by Size		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Studio -	Average Rental Price	\$2,704	6.1%	\$2,549	17.8%	\$2,296
	Rental Price per Sq Ft	\$53.59	4.7%	\$51.20	11.9%	\$47.91
	Median Rental Price	\$2,538	-1.3%	\$2,571	9.9%	\$2,310
	Number of New Rentals	92	26.0%	73	124.4%	41
1-Bedroom -	Average Rental Price	\$2,910	2.7%	\$2,833	6.8%	\$2,725
	Rental Price per Sq Ft	\$45.77	0.4%	\$45.57	1.7%	\$45.02
	Median Rental Price	\$2,856	1.7%	\$2,807	8.6%	\$2,630
	Number of New Rentals	232	-8.3%	253	19.0%	195
2-Bedroom -	Average Rental Price	\$3,516	-0.9%	\$3,548	4.9%	\$3,351
	Rental Price per Sq Ft	\$42.95	8.5%	\$39.60	18.0%	\$36.41
	Median Rental Price	\$3,350	1.4%	\$3,303	4.4%	\$3,210
	Number of New Rentals	171	-19.3%	212	15.5%	148
3+ Bedroom -	Average Rental Price	\$4,085	-12.0%	\$4,643	-9.8%	\$4,528
	Rental Price per Sq Ft	\$31.84	-18.4%	\$39.02	-11.8%	\$36.09
	Median Rental Price	\$3,927	0.9%	\$3,893	-4.0%	\$4,091
	Number of New Rentals	70	-31.4%	102	25.0%	56
Brooklyn Rental Market by Type		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Luxury (Top 10%) - Median Rental Price		\$5,203	-10.7%	\$5,828	-0.8%	\$5,245
Luxury (Top 10%) - Entry Threshold		\$4,400	-9.4%	\$4,856	-5.4%	\$4,650
New Development - Median Rental Price		\$3,202	-1.6%	\$3,254	1.5%	\$3,156

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



Brooklyn rental price gains have slowed since the summer months with most of the weakness seen in larger apartments. Median rental price did not rise for the second straight month after seven months of consecutive year-over-year gains. Median rental price was unchanged at \$2,899 from the year ago quarter. However, the pattern of greater rent growth in smaller apartments continued as new supply remained skewed towards both larger and luxury apartments. The median rental price for studios increased 9.9%; 1-bedrooms rose 8.6%; 2-bedrooms increased 4.4%; 3 or more bedrooms fell 4% from the same month a year ago. The inelastic supply of smaller apartments in addition to historically tight mortgage lending conditions continued to keep disproportionate upward price pressure on the entry-level rental market. The

market share of landlords who offered free rent or payment of brokerage commissions, known as "OP," edged up 6.5% from 5.9% in the prior

year. However the rental equivalent of landlord concessions jumped to 1.5 months from 1.1 months in the same period last year.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

10.1%

INVENTORY

Total Inventory

75.6%

NEW RENTALS

Excludes Renewals

5.1%

NEW DEVELOPMENT

Market Share

19.1%

MARKETING TIME

Days on Market

12 days

NEGOTIABILITY

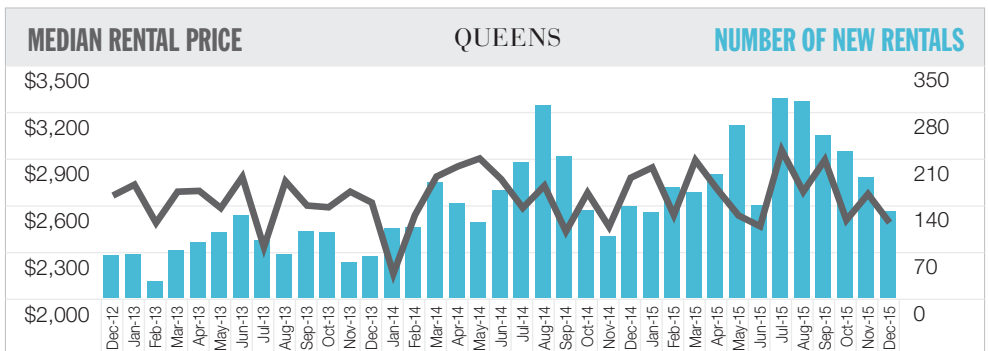
Listing Discount

5.9%

- All price trend indicators fell below year ago levels
- Listing inventory and days on market expanded
- Queens median rent was \$348 below Brooklyn median rent

Queens Rental Market		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Average Rental Price		\$2,644	-12.5%	\$3,022	-12.3%	\$3,015
Rental Price per Sq Ft		\$40.77	-7.7%	\$44.19	-7.5%	\$44.07
Median Rental Price		\$2,551	-6.7%	\$2,735	-10.1%	\$2,839
Number of New Rentals		130	-28.2%	181	-5.1%	137
Days on Market (From Original List Date)		52	73.3%	30	30.0%	40
Listing Discount (From Original List Price)		6.3%		3.2%		0.4%
Listing Inventory		446	5.9%	421	75.6%	254
Queens Rental Market by Size		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Studio -	Average Rental Price	\$2,289	1.7%	\$2,250	3.3%	\$2,216
	Rental Price per Sq Ft	\$54.69	7.3%	\$50.95	8.6%	\$50.34
	Median Rental Price	\$2,330	-1.3%	\$2,360	0.2%	\$2,325
	Number of New Rentals	21	-44.7%	38	-8.7%	23
1-Bedroom -	Average Rental Price	\$2,528	-9.6%	\$2,795	-5.1%	\$2,663
	Rental Price per Sq Ft	\$42.30	-6.7%	\$45.32	-2.0%	\$43.15
	Median Rental Price	\$2,663	-9.9%	\$2,954	-5.9%	\$2,830
	Number of New Rentals	70	-7.9%	76	-1.4%	71
2-Bedroom -	Average Rental Price	\$3,031	-11.6%	\$3,430	-24.7%	\$4,026
	Rental Price per Sq Ft	\$36.18	-8.9%	\$39.70	-17.5%	\$43.88
	Median Rental Price	\$2,551	-19.1%	\$3,154	-40.6%	\$4,292
	Number of New Rentals	32	-46.7%	60	-15.8%	38
3+ Bedroom -	Average Rental Price	\$3,108	-49.8%	\$6,192	-7.6%	\$3,365
	Rental Price per Sq Ft	\$34.58	-19.6%	\$43.02	13.0%	\$30.59
	Median Rental Price	\$3,176	-39.1%	\$5,218	-8.8%	\$3,484
	Number of New Rentals	7	0.0%	7	75.0%	4
Queens Rental Market By Type		DEC-15	%Δ (MO)	NOV-15	%Δ (YR)	DEC-14
Luxury (Top 10%) - Median Rental Price		\$3,898	-13.8%	\$4,524	-20.4%	\$4,895
Luxury (Top 10%) - Entry Threshold		\$3,200	-14.9%	\$3,761	-27.4%	\$4,405
New Development - Median Rental Price		\$2,613	-7.0%	\$3,001	-12.8%	\$2,995

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



Rental price trends in northwest Queens remained volatile as all rental price indicators fell short of year ago levels. Median rental price declined 10.1% to \$2,551 from the same period a year ago. Average rental price was \$2,644, down 12.3% over the same period. The price trends in this market were strongly influenced by the share of new development product. The market share of new rentals that were located within new developments fell to 10% market share after averaging 32.5% market share over the past year. Like most of the previous year,

price trends for larger apartments showed more weakness than than smaller apartments. Days on market, the number of days from the original list date to the rental date, slowed by 12 days to 52 days. Listing discount, the percentage difference between original list price and contract rental price, jumped to 6.3% from 0.4% in the same month a year ago.

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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