

# ELLI MAN REPORT

## JANUARY 2016

### MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

## MANHATTAN RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

1.5%

### VACANCY

Vacancy Rate

0.39%

### NEW LEASES

Excludes Renewals

19.8%

### OP+ CONCESSIONS

Market Share

7.9%

### MARKETING TIME

Days on Market

4 days

### NEGOTIABILITY

Listing Discount

1.2%

- Median rental price increased for the twenty-third consecutive month
- Rate of year-over-year growth in median rent has continued to fall since August
- Most landlord concessions in over 5 years, second highest vacancy rate in over 9 years

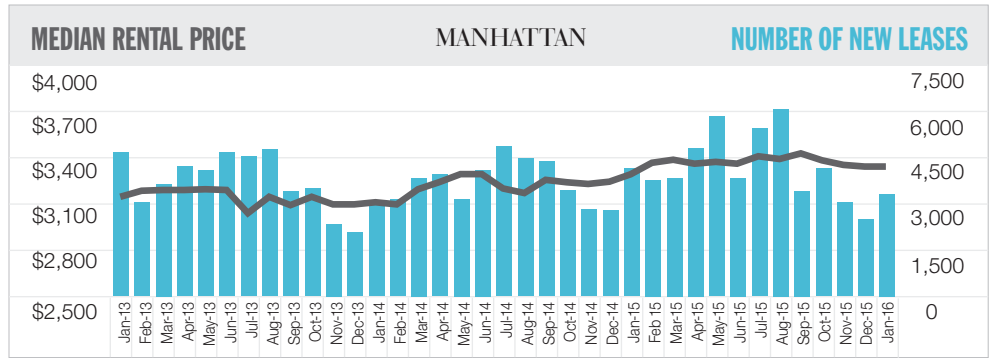
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JAN-16	%Δ (mo)	DEC-15	%Δ(yr)	JAN-15
Average Rental Price		\$4,073	-1.8%	\$4,149	2.5%	\$3,974
Rental Price per Sq Ft		\$65.57	28.5%	\$51.02	22.7%	\$53.44
Median Rental Price		\$3,350	0.0%	\$3,350	1.5%	\$3,299
Number of New Leases		3,373	33.6%	2,525	-19.8%	4,206
Days on Market (From Original List Date)		54	-3.6%	56	-6.9%	58
Listing Discount (From Original List Price)		3.0%		3.3%		1.8%
Listing Inventory		6,108	6.3%	5,745	11.1%	5,498
Vacancy Rate		2.82%		2.74%		2.43%
Manhattan Rental w/Concessions		JAN-16	%Δ (mo)	DEC-15	%Δ(yr)	JAN-15
Median Rental Price		\$3,261	-1.0%	\$3,294	0.2%	\$3,254
Share of New Leases w/OP + Concessions (%)		16.4%		13.1%		8.5%
Free Rent/Owner Paid (Mos)		1.9	26.7%	1.5	0.0%	1.9
Manhattan Rental Market by Size		JAN-16	%Δ (mo)	DEC-15	%Δ(yr)	JAN-15
Studio -	Average Rental Price	\$2,720	1.9%	\$2,669	6.0%	\$2,566
	Rental Price per Sq Ft	\$63.18	12.4%	\$56.20	11.0%	\$56.91
	Median Rental Price	\$2,595	1.3%	\$2,562	5.1%	\$2,470
	Number of New Leases	773	28.4%	602	-26.7%	1,054
1-Bedroom -	Average Rental Price	\$3,423	-1.0%	\$3,458	-0.1%	\$3,428
	Rental Price per Sq Ft	\$62.00	15.2%	\$53.83	11.7%	\$55.53
	Median Rental Price	\$3,375	0.0%	\$3,375	-0.6%	\$3,395
	Number of New Leases	1,537	37.8%	1,115	-16.3%	1,836
2-Bedroom -	Average Rental Price	\$4,982	-3.0%	\$5,138	-1.2%	\$5,044
	Rental Price per Sq Ft	\$63.02	22.3%	\$51.54	20.1%	\$52.47
	Median Rental Price	\$4,595	-0.6%	\$4,623	1.5%	\$4,527
	Number of New Leases	774	33.0%	582	-21.2%	982
3+ Bedroom -	Average Rental Price	\$8,714	-2.7%	\$8,959	5.3%	\$8,277
	Rental Price per Sq Ft	\$77.14	50.0%	\$51.44	49.1%	\$51.73
	Median Rental Price	\$5,895	-3.3%	\$6,095	-4.1%	\$6,150
	Number of New Leases	289	27.9%	226	-13.5%	334

The pace of rent growth in the Manhattan market continued to cool as use of concessions by landlords doubled and the vacancy rate edged higher. Median rental price increased 1.5% to \$3,350 from the same period last year and was unchanged from the prior month. The rate of year over year median rental price gains has fallen in each of the past five months.

Average rental price expanded 2.5% to \$4,073 from the same period a year ago. Median rental price for the studio market showed a 5.1% year over year gain, the highest of all size categories. Luxury median rental price, representing the top 10% of all rentals during the month, was unchanged at \$7,995 as compared to the same period a year ago. The market share of landlord

concessions doubled to 16.4% from 8.5% over the same period, the highest level in more than 5 years. The amount of the concession – free rent and brokerage commissions paid by landlords – was the equivalent of 1.9 months of rent – well above the 1.1 month average of the past 5 years. The vacancy rate increased to 2.82% from 2.43% in the same period a year ago, to the second highest level in 9 years and just short of the record set in November 2015.



## PROPERTY TYPE

- Rents for “non-doorman” were higher than “doorman” as growth rate for both fell
- Jump in size of new development rental skewed price indicators higher

Property Type	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Doorman Median Rental Price	\$3,795	-0.7%	\$3,820	0.1%	\$3,792
Non-Doorman Median Rental Price	\$2,725	0.0%	\$2,725	1.1%	\$2,695
Loft Median Rental Price	\$6,114	14.2%	\$5,353	7.4%	\$5,695
New Development Median Rental Price	\$4,487	0.1%	\$4,484	36.0%	\$3,299

## BY PRICE

- Luxury median rental price trend remained flat
- Luxury tiers showed slight gains, with most in upper tier
- Luxury threshold moved higher

Price Tier	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Luxury (Top 10%) - Average Rental Price	\$10,673	-6.1%	\$11,370	5.8%	\$10,085
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.76	12.2%	\$71.97	11.4%	\$72.50
Luxury (Top 10%) - Median Rental Price	\$7,995	-5.9%	\$8,500	0.0%	\$7,995
Luxury (Top 10%) - Number of New Leases	338	33.6%	253	-19.7%	421
Luxury (Top 10%) - Entry Threshold	\$6,395	0.2%	\$6,385	4.7%	\$6,106
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,402	-2.2%	\$4,500	1.6%	\$4,333
Mid Tier (2nd 30%) - Median Rental Price	\$3,179	0.5%	\$3,163	0.9%	\$3,150
Entry Tier (1st 30%) - Median Rental Price	\$2,253	0.6%	\$2,240	0.5%	\$2,241

## BY LOCATION

### DOWNTOWN

- Median rental price was flat
- Vacancy rate moved higher

Metric	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Median Rental Price	\$3,595	0.0%	\$3,596	0.1%	\$3,591
Number of New Rentals	1,432	40.7%	1,018	-17.7%	1,740
Vacancy Rate	3.10%		3.25%		2.76%

### EAST SIDE

- Median rental price increased
- Number of new leases fell

Metric	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Median Rental Price	\$3,187	0.8%	\$3,163	4.1%	\$3,061
Number of New Rentals	892	34.1%	665	-19.9%	1,114
Vacancy Rate	3.34%		2.35%		2.63%

### WEST SIDE

- Sharp decline in new leases
- Rise in vacancy rate

Metric	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Median Rental Price	\$3,450	0.0%	\$3,450	2.2%	\$3,375
Number of New Rentals	727	27.3%	571	-27.9%	1,009
Vacancy Rate	2.42%		2.35%		1.83%

### UPTOWN

- Vacancy rate slipped
- Median rent edged higher

Metric	JAN-16	%Δ (mo)	DEC-15	%Δ (YR)	JAN-15
Median Rental Price	\$2,201	0.0%	\$2,200	1.9%	\$2,161
Number of New Rentals	322	18.8%	271	-6.1%	343
Vacancy Rate	1.68%		2.39%		1.95%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**0.8%**

## INVENTORY

Total Inventory

**2.2%**

## NEW LEASES

Excludes Renewals

**5.0%**

## OP + CONCESSIONS

Market Share

**2.1%**

## MARKETING TIME

Days on Market

**9** days

## NEGOTIABILITY

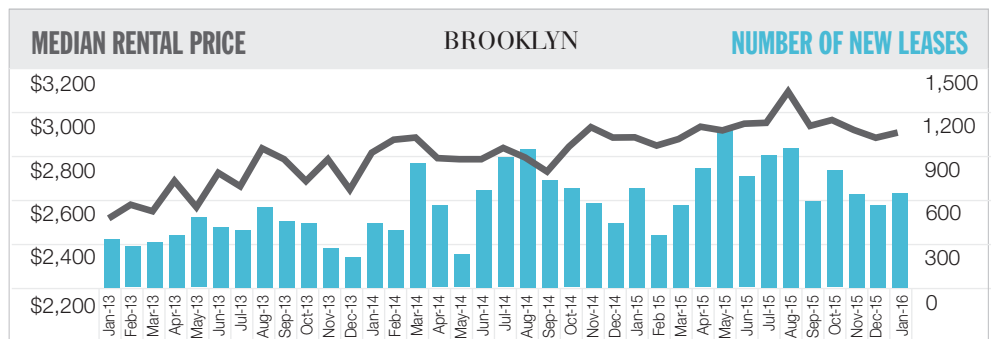
Listing Discount

**0.8%**

- Median rental price edged nominally higher as new leases slipped
- Market share of larger apartments expanded
- Brooklyn median rent \$427 less than Manhattan median rent

Brooklyn Rental Market		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Average Rental Price		\$3,189	-0.5%	\$3,206	-0.4%	\$3,201
Rental Price per Sq Ft		\$45.96	2.8%	\$44.71	14.0%	\$40.33
Median Rental Price		\$2,923	0.8%	\$2,899	0.8%	\$2,901
Number of New Leases		649	14.9%	565	-5.0%	683
Days on Market (From Original List Date)		51	-16.4%	61	-15.0%	60
Listing Discount (From Original List Price)		2.2%		3.2%		1.4%
Listing Inventory		1,969	1.2%	1,945	2.2%	1,926
Brooklyn Rental w/Concessions		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Median Rental Price		\$2,898	0.8%	\$2,875	1.2%	\$2,864
Share of New Leases w/OP + Concessions (%)		5.4%		6.5%		7.5%
Free Rent/Owner Paid (Mos)		1.9	26.7%	1.5	-5.0%	2.0
Brooklyn Rental Market by Size		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Studio -	Average Rental Price	\$2,440	-9.8%	\$2,704	-6.8%	\$2,618
	Rental Price per Sq Ft	\$47.57	-11.2%	\$53.59	5.0%	\$45.31
	Median Rental Price	\$2,365	-6.8%	\$2,538	0.3%	\$2,357
	Number of New Leases	71	-22.8%	92	-26.8%	97
1-Bedroom -	Average Rental Price	\$2,782	-4.4%	\$2,910	-0.2%	\$2,787
	Rental Price per Sq Ft	\$46.80	2.3%	\$45.77	7.1%	\$43.70
	Median Rental Price	\$2,749	-3.7%	\$2,856	-0.8%	\$2,770
	Number of New Leases	259	11.6%	232	-5.8%	275
2-Bedroom -	Average Rental Price	\$3,496	-0.6%	\$3,516	-0.9%	\$3,527
	Rental Price per Sq Ft	\$46.28	7.8%	\$42.95	18.9%	\$38.93
	Median Rental Price	\$3,295	-1.6%	\$3,350	2.5%	\$3,215
	Number of New Leases	239	39.8%	171	4.4%	229
3+ Bedroom -	Average Rental Price	\$4,254	4.1%	\$4,085	-3.3%	\$4,400
	Rental Price per Sq Ft	\$43.01	35.1%	\$31.84	27.4%	\$33.75
	Median Rental Price	\$3,836	-2.3%	\$3,927	7.7%	\$3,561
	Number of New Leases	80	14.3%	70	-1.2%	81
Brooklyn Rental Market by Type		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Luxury (Top 10%) - Median Rental Price		\$5,163	-0.8%	\$5,203	-6.1%	\$5,498
Luxury (Top 10%) - Entry Threshold		\$4,426	0.6%	\$4,400	-5.0%	\$4,660
New Development - Median Rental Price		\$3,344	4.4%	\$3,202	12.6%	\$2,971

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



Brooklyn rental prices remain elevated but price growth has been increasingly rare in recent months. Median rental price edged 0.8% higher to \$2,923 from the same month last year after seeing no gains over the prior two months. Average rental price slipped 0.4% to \$3,189 over the same period. Studio and 1-bedroom rentals comprised 50.8% of new leases signed, a 3.7% decline in market share from the same month last year. One of the drivers of overall price growth has been a shift in the mix towards larger sized rental units as more new development offerings entered the market. This change can be seen in the growth of the average square footage of a new development rental, up 12.8% to 783 square feet from the same period last year. Median rental price for new development expanded 12.6% in

kind to \$3,344 indicating the gain was accounted for by the larger sized offerings. However the average size of an existing rental apartment fell 6.6% to 964 square feet yet only saw a 0.5% decline over the same period, indicating more price strength within the resale market.

## QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

4.8%

### INVENTORY

Total Inventory

72.5%

### NEW LEASES

Excludes Renewals

53.1%

### NEW DEVELOPMENT

Market Share

27.4%

### MARKETING TIME

Days on Market

4 days

### NEGOTIABILITY

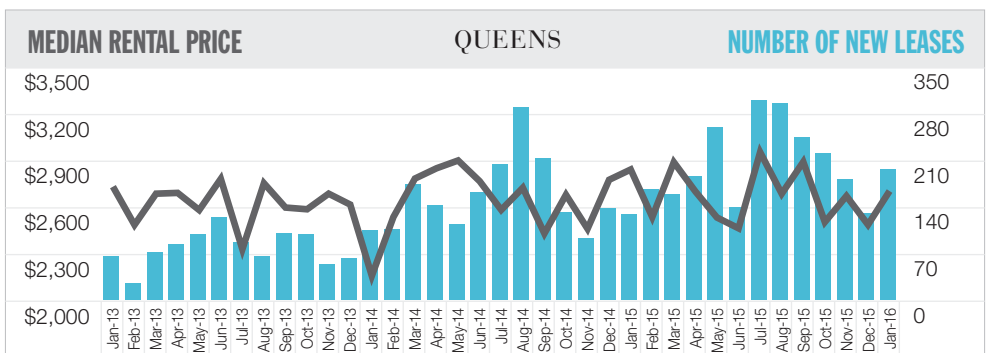
Listing Discount

1.0%

- Price trend indicators were mixed, median fell below prior year level
- Market share of larger apartments expanded, fueled by new development
- Queens median rent was \$156 below Brooklyn median rent

Queens Rental Market		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Average Rental Price		\$2,825	6.8%	\$2,644	-3.6%	\$2,929
Rental Price per Sq Ft		\$44.17	8.3%	\$40.77	7.3%	\$41.15
Median Rental Price		\$2,767	8.5%	\$2,551	-4.8%	\$2,905
Number of New Leases		196	50.8%	130	53.1%	128
Days on Market (From Original List Date)		49	-5.8%	52	-7.5%	53
Listing Discount (From Original List Price)		1.3%		6.3%		0.3%
Listing Inventory		514	15.2%	446	72.5%	298
Queens Rental Market by Size		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Studio -	Average Rental Price	\$2,030	-11.3%	\$2,289	-1.4%	\$2,058
	Rental Price per Sq Ft	\$50.87	-7.0%	\$54.69	15.2%	\$44.17
	Median Rental Price	\$2,000	-14.2%	\$2,330	-16.0%	\$2,382
	Number of New Leases	19	-9.5%	21	72.7%	11
1-Bedroom -	Average Rental Price	\$2,640	4.4%	\$2,528	-1.7%	\$2,686
	Rental Price per Sq Ft	\$44.60	5.4%	\$42.30	8.8%	\$40.99
	Median Rental Price	\$2,795	5.0%	\$2,663	-3.6%	\$2,900
	Number of New Leases	107	52.9%	70	39.0%	77
2-Bedroom -	Average Rental Price	\$3,282	8.3%	\$3,031	-8.2%	\$3,574
	Rental Price per Sq Ft	\$41.97	16.0%	\$36.18	-2.9%	\$43.24
	Median Rental Price	\$2,818	10.5%	\$2,551	-14.3%	\$3,288
	Number of New Leases	59	84.4%	32	84.4%	32
3+ Bedroom -	Average Rental Price	\$3,537	13.8%	\$3,108	-12.6%	\$4,049
	Rental Price per Sq Ft	\$46.83	35.4%	\$34.58	9.5%	\$42.78
	Median Rental Price	\$3,658	15.2%	\$3,176	22.1%	\$2,995
	Number of New Leases	11	57.1%	7	57.1%	7
Queens Rental Market By Type		JAN-16	%Δ (MO)	DEC-15	%Δ(YR)	JAN-15
Luxury (Top 10%) - Median Rental Price		\$4,200	7.7%	\$3,898	-10.6%	\$4,700
Luxury (Top 10%) - Entry Threshold		\$3,708	15.9%	\$3,200	-11.3%	\$4,180
New Development - Median Rental Price		\$3,065	-7.0%	\$2,613	5.5%	\$2,905

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



Overall price trend indicators in northwest Queens remained mixed as new leases expanded. Median rental price was \$2,767, down 4.8% and average rental price fell 3.6% to \$2,825 respectively from the same month a year ago. Luxury median rental price, representing the top 10% of the market, saw a larger decline of 10.6% to \$4,200 over the same period. There were 196 new leases in the month, up 53.1% from the same month a year ago. The market share of larger apartments - namely 2-bedroom and 3-bedroom rentals - expanded by 4.5%, a

result of significant new development activity Listing discount, the percentage difference of the past several years. Days on market, between original list price and contract rental price, expanded to 1.3% from 0.3% in the same month a year ago. The number of days from the original list date to the rental date, fell by 4 days to 49 days.

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

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