

ELLI MAN REPORT

MARCH 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.8%

VACANCY

Vacancy Rate

0.43%

NEW LEASES

Excludes Renewals

1.6%

OP+ CONCESSIONS

Market Share

8.8%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

Listing Discount

1.4%

- Median rental price declined after twenty-fourth consecutive months of year over year growth
- Landlord concessions and vacancy rate up from year ago levels
- New leases slipped as weaker price trends likely expanded renewals

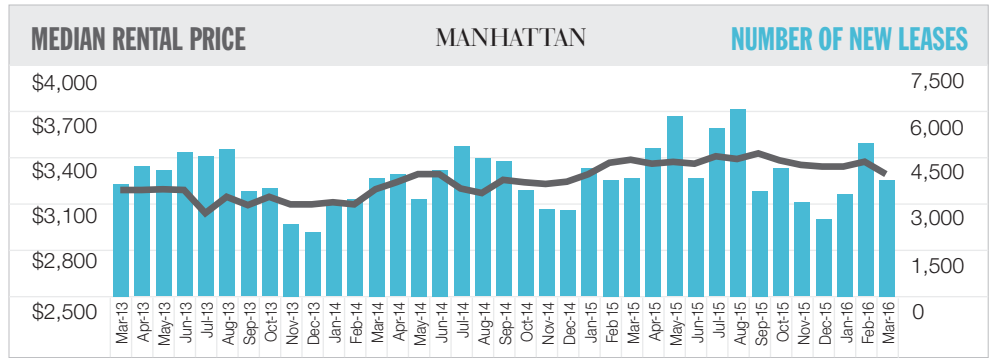
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAR-16	%Δ (mo)	FEB-16	%Δ (yr)	MAR-15
Average Rental Price		\$3,989	-1.1%	\$4,032	-3.3%	\$4,126
Rental Price per Sq Ft		\$65.08	-1.2%	\$65.87	17.5%	\$55.41
Median Rental Price		\$3,300	-2.4%	\$3,382	-2.8%	\$3,395
Number of New Leases		3,837	-23.9%	5,043	-1.6%	3,899
Days on Market (From Original List Date)		48	-14.3%	56	-7.7%	52
Listing Discount (From Original List Price)		2.2%		2.5%		0.8%
Listing Inventory		6,186	0.6%	6,151	20.9%	5,117
Vacancy Rate		2.42%		2.31%		1.99%
Manhattan Rental w/Concessions		MAR-16	%Δ (mo)	FEB-16	%Δ (yr)	MAR-15
Median Rental Price		\$3,256	-1.8%	\$3,316	-3.4%	\$3,369
Share of New Leases w/OP + Concessions (%)		13.6%		19.1%		4.8%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	-36.8%	1.9
Manhattan Rental Market by Size		MAR-16	%Δ (mo)	FEB-16	%Δ (yr)	MAR-15
Studio -	Average Rental Price	\$2,633	-1.9%	\$2,685	-2.2%	\$2,691
	Rental Price per Sq Ft	\$64.74	-0.9%	\$65.34	8.2%	\$59.83
	Median Rental Price	\$2,533	-1.4%	\$2,568	-1.0%	\$2,559
	Number of New Leases	949	-19.8%	1,183	0.3%	946
1-Bedroom -	Average Rental Price	\$3,458	-0.7%	\$3,482	-2.2%	\$3,534
	Rental Price per Sq Ft	\$60.64	-3.6%	\$62.93	8.1%	\$56.10
	Median Rental Price	\$3,388	-0.2%	\$3,395	-1.1%	\$3,427
	Number of New Leases	1,710	-25.8%	2,304	-0.3%	1,715
2-Bedroom -	Average Rental Price	\$5,156	2.2%	\$5,044	-1.8%	\$5,248
	Rental Price per Sq Ft	\$66.37	3.0%	\$64.46	21.0%	\$54.86
	Median Rental Price	\$4,598	-3.1%	\$4,746	0.1%	\$4,595
	Number of New Leases	887	-25.0%	1,182	-1.6%	901
3+ Bedroom -	Average Rental Price	\$7,981	-5.9%	\$8,480	-2.3%	\$8,170
	Rental Price per Sq Ft	\$72.58	-5.0%	\$76.40	34.1%	\$54.14
	Median Rental Price	\$5,558	-11.2%	\$6,262	-7.3%	\$5,995
	Number of New Leases	291	-22.2%	374	-13.6%	337

The twenty-four month trend of Manhattan median rental price growth came to an end in March. On a year-over-year basis, median rental price went negative for the first time since March 2014, declining 2.8% to \$3,300 from the same month a year ago. Average rental price followed a similar pattern, slipping 3.3% to \$3,989 over the same period. The decline

was spread across all segments of the market whether by type or price. Studio, 1-bedroom and 3-bedrooms all showed a decline in median rental price as 2-bedrooms were unchanged. The luxury market, representing the top ten percent of all rentals, saw the most weakness, down 3.5% as the entry tier showed the least decline, slipping 2.2% over the same period.

The market share of transactions that included concessions, including free rent or brokerage commissions paid by landlords, more than doubled to 13.6% from the prior year, but fell from the five-year high of 19.1% in the prior month. The vacancy rate moved higher to 2.42% from 1.99% in the same period last year, the highest level reached in 9 years. Listing discount, the percentage difference between the original list price and the rental price, rose to 2.2% from 0.8% a year ago.



PROPERTY TYPE

- Price trends for “non-doorman” slipped less than “doorman”
- New development median rent was essentially flat

Manhattan Rental Market By Property Type	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Doorman Median Rental Price	\$3,748	-1.3%	\$3,797	-1.6%	\$3,808
Non-Doorman Median Rental Price	\$2,754	0.4%	\$2,744	-0.9%	\$2,780
Loft Median Rental Price	\$5,115	-4.2%	\$5,342	-36.2%	\$8,023
New Development Median Rental Price	\$4,350	-5.3%	\$4,593	0.4%	\$4,333

BY PRICE

- All major categories by price declined from year ago level
- Luxury median price slipped the most of all price segments
- Luxury entry threshold fell as rental mix shifted lower

Manhattan Rental Market By Price	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Luxury (Top 10%) - Average Rental Price	\$10,170	2.1%	\$9,962	-5.5%	\$10,766
Luxury (Top 10%) - Rental Price per Sq Ft	\$78.03	-2.0%	\$79.59	-0.8%	\$78.65
Luxury (Top 10%) - Median Rental Price	\$8,228	2.9%	\$8,000	-3.5%	\$8,530
Luxury (Top 10%) - Number of New Leases	385	-25.2%	515	-1.0%	389
Luxury (Top 10%) - Entry Threshold	\$6,200	-2.7%	\$6,371	-4.8%	\$6,510
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,400	-1.8%	\$4,480	-2.6%	\$4,516
Mid Tier (2nd 30%) - Median Rental Price	\$3,148	-2.7%	\$3,235	-3.2%	\$3,253
Entry Tier (1st 30%) - Median Rental Price	\$2,258	-1.6%	\$2,295	-2.2%	\$2,308

BY LOCATION

DOWNTOWN

- Only region with higher median rent
- Higher vacancy rate

Downtown Market Matrix	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Median Rental Price	\$3,635	0.4%	\$3,620	0.6%	\$3,613
Number of New Leases	1,611	-27.5%	2,222	-6.0%	1,714
Vacancy Rate	2.49%		2.49%		2.12%

EAST SIDE

- Vacancy rate surged
- Rise in number of new leases

East Side Market Matrix	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Median Rental Price	\$3,143	-4.6%	\$3,295	-0.6%	\$3,161
Number of New Leases	1,002	-21.2%	1,271	10.0%	911
Vacancy Rate	2.30%		2.57%		1.42%

WEST SIDE

- Continued decline in median price
- Vacancy rate jumped

West Side Market Matrix	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Median Rental Price	\$3,297	-3.1%	\$3,401	-4.4%	\$3,450
Number of New Leases	864	-23.3%	1,127	-6.2%	921
Vacancy Rate	2.55%		2.16%		1.96%

UPTOWN

- Number of new leases increased
- Median rent declined

Uptown Market Matrix	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Median Rental Price	\$2,275	5.5%	\$2,156	-5.2%	\$2,400
Number of New Leases	360	-14.9%	423	2.0%	353
Vacancy Rate	2.22%		1.60%		2.57%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.7%

INVENTORY

Total Inventory

1.6%

NEW LEASES

Excludes Renewals

36.6%

OP + CONCESSIONS

Market Share

1.1%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.0%

- Overall borough rental price indicators moved higher
- Use of landlord concessions up as negotiability remained unchanged
- Brooklyn median rent \$525 less than Manhattan median rent

Brooklyn Rental Market	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Average Rental Price	\$3,065	0.6%	\$3,047	0.2%	\$3,059
Rental Price per Sq Ft	\$43.31	-3.5%	\$44.89	9.3%	\$39.64
Median Rental Price	\$2,775	-0.4%	\$2,787	2.7%	\$2,703
Number of New Leases	907	-10.4%	1,012	36.6%	664
Days on Market (From Original List Date)	49	-15.5%	58	-12.5%	56
Listing Discount (From Original List Price)	1.1%		2.1%		1.1%
Listing Inventory	1,882	-6.3%	2,009	1.6%	1,852

Brooklyn Rental w/Concessions	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Median Rental Price	\$2,752	0.3%	\$2,744	2.7%	\$2,680
Share of New Leases w/OP + Concessions (%)	6.6%		12.9%		5.5%
Free Rent/Owner Paid (Mos)	1.5	7.1%	1.4	-21.1%	1.9

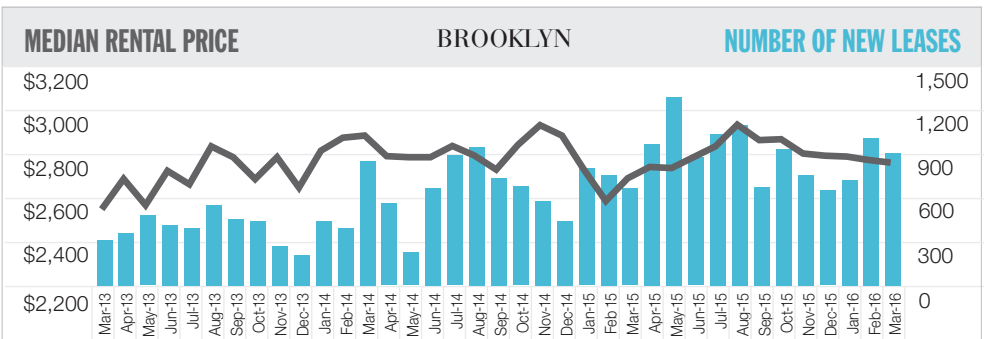
Brooklyn Rental Market by Size	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Studio - Average Rental Price	\$2,275	-7.3%	\$2,455	5.6%	\$2,155
Rental Price per Sq Ft	\$53.68	-3.6%	\$55.66	9.1%	\$49.22
Median Rental Price	\$2,284	-4.7%	\$2,396	4.4%	\$2,187
Number of New Leases	110	-5.2%	116	37.5%	80

1-Bedroom - Average Rental Price	\$2,668	1.5%	\$2,629	1.9%	\$2,618
Rental Price per Sq Ft	\$46.02	1.1%	\$45.54	11.4%	\$41.31
Median Rental Price	\$2,614	0.1%	\$2,611	4.3%	\$2,507
Number of New Leases	352	-21.6%	449	25.7%	280

2-Bedroom - Average Rental Price	\$3,411	0.7%	\$3,388	-1.3%	\$3,455
Rental Price per Sq Ft	\$42.52	-2.8%	\$43.75	6.3%	\$40.01
Median Rental Price	\$3,200	1.0%	\$3,167	1.4%	\$3,155
Number of New Leases	325	1.2%	321	33.2%	244

3+ Bedroom - Average Rental Price	\$4,014	-4.7%	\$4,213	-14.8%	\$4,714
Rental Price per Sq Ft	\$38.45	-5.2%	\$40.57	9.2%	\$35.20
Median Rental Price	\$3,575	1.2%	\$3,532	-11.6%	\$4,043
Number of New Leases	120	-4.8%	126	100.0%	60

Brooklyn Rental Market by Type	MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Luxury (Top 10%) - Median Rental Price	\$5,227	-2.3%	\$5,349	-12.9%	\$6,000
Luxury (Top 10%) - Entry Threshold	\$4,527	-2.4%	\$4,636	-4.7%	\$4,750
New Development - Median Rental Price	\$3,343	-3.0%	\$3,446	2.7%	\$3,254



Brooklyn rental prices continued to rise as the number of new leases surged. Median rental price increased 2.7% to \$2,775 from the same period last year. Average rental price edged a nominal 0.2% to \$3,065 and rental price per square foot increased 9.3% to \$43.41 respectively over the same period. However, luxury median rental price dropped 12.9% to \$5,227 over the same period, consistent with trends in the other boroughs. While landlord concessions edged up to 6.6% from 5.5% in the same period last year, the use of concessions fell sharply from the five-year high of 12.6% in the prior month. The average size of a concession was the equivalent of 1.5 months rent. Days on market, the average number of days from the original list date to the rental date fell by seven

days from the same month last year to 49 days. Listing discount remained unchanged at 1.1%. The number of new leases jumped 36.6% to 907 as tenants resisted renewal prices offered by landlords as well as the influx of new luxury rental housing stock to the market.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.2%

INVENTORY

Total Inventory

42.1%

NEW LEASES

Excludes Renewals

19.0%

NEW DEVELOPMENT

Market Share

12.5%

MARKETING TIME

Days on Market

10 days

NEGOTIABILITY

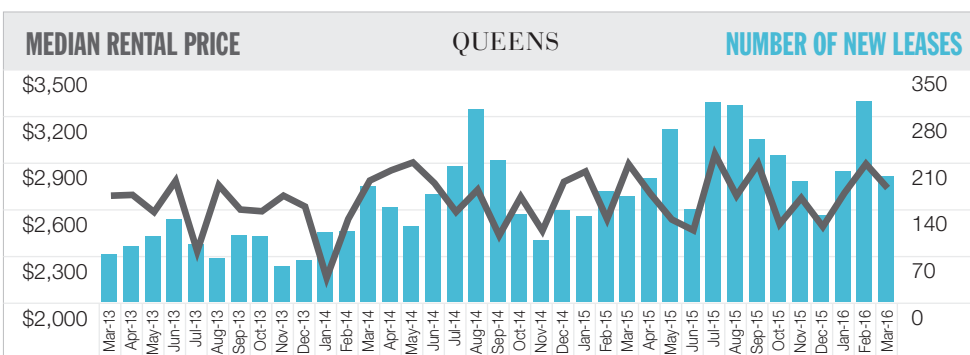
Listing Discount

3.0%

- Overall borough rental price indicators were mixed
- Days on market inventory expanded
- Queens median rent was \$24 below Brooklyn median rent

Queens Rental Market		MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Average Rental Price		\$2,927	-3.0%	\$3,019	-2.1%	\$2,989
Rental Price per Sq Ft		\$47.23	0.6%	\$46.96	1.4%	\$46.57
Median Rental Price		\$2,799	-5.2%	\$2,954	-5.2%	\$2,952
Number of New Leases		188	-37.5%	301	19.0%	158
Days on Market (From Original List Date)		42	-23.6%	55	31.3%	32
Listing Discount (From Original List Price)		2.2%		2.1%		-0.8%
Listing Inventory		439	-5.6%	465	42.1%	309
Queens Rental Market by Size		MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Studio -	Average Rental Price	\$2,388	9.4%	\$2,183	4.7%	\$2,281
	Rental Price per Sq Ft	\$58.88	13.0%	\$52.10	7.1%	\$55.00
	Median Rental Price	\$2,415	3.3%	\$2,337	-2.1%	\$2,468
	Number of New Leases	27	-32.5%	40	-6.9%	29
1-Bedroom -	Average Rental Price	\$2,643	-2.5%	\$2,710	-5.9%	\$2,809
	Rental Price per Sq Ft	\$45.55	-1.9%	\$46.41	-4.8%	\$47.84
	Median Rental Price	\$2,725	-7.8%	\$2,954	-7.8%	\$2,957
	Number of New Leases	100	-39.4%	165	17.6%	85
2-Bedroom -	Average Rental Price	\$3,520	-6.2%	\$3,754	-4.2%	\$3,673
	Rental Price per Sq Ft	\$47.43	1.6%	\$46.70	17.0%	\$40.55
	Median Rental Price	\$3,600	-12.0%	\$4,089	-5.0%	\$3,790
	Number of New Leases	51	-34.6%	78	24.4%	41
3+ Bedroom -	Average Rental Price	\$4,202	-7.2%	\$4,529	-24.5%	\$5,566
	Rental Price per Sq Ft	\$45.44	0.6%	\$45.18	-11.3%	\$51.20
	Median Rental Price	\$4,019	-13.0%	\$4,617	-26.9%	\$5,500
	Number of New Leases	10	-44.4%	18	233.3%	3
Queens Rental Market By Type		MAR-16	%Δ (MO)	FEB-16	%Δ (YR)	MAR-15
Luxury (Top 10%) - Median Rental Price		\$4,357	0.3%	\$4,345	-10.8%	\$4,886
Luxury (Top 10%) - Entry Threshold		\$3,600	-7.6%	\$3,896	-18.7%	\$4,426
New Development - Median Rental Price		\$3,017	-7.0%	\$3,351	-4.7%	\$3,166

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



The northwest queens rental market continued to show mixed results as more new development rentals entered the market, accounting for 25.5% of all activity. Listing inventory expanded 42.1% to 439 from the same period last year. Median rental price declined 5.2% to \$2,799 and average rental price slipped 2.1% to \$2,927 respectively from the same period last year. Median rental price slipped across all bedroom types. Rental price per square foot edged 1.4% higher to \$47.23 over the same period. Luxury median rental price declined 10.8% to

\$4,357 over the same period, consistent with the weakness in luxury rental price trends across the other boroughs. Days on market, expanded to 2.2% from -0.8% in the same month last year. to the rental date, increased 31.3% to 42 days from the same period last year. Listing discount expanded to 2.2% from -0.8% in the same month last year.

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

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