

ELLI MAN REPORT

JULY 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.9%

VACANCY

Vacancy Rate

0.01%

NEW LEASES

Excludes Renewals

7.1%

OP + CONCESSIONS

Market Share

5.5%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.5%

- Price trend indicators continued to grind higher
- Landlord concessions doubled as vacancy stabilized
- Marketing time and negotiability edged higher

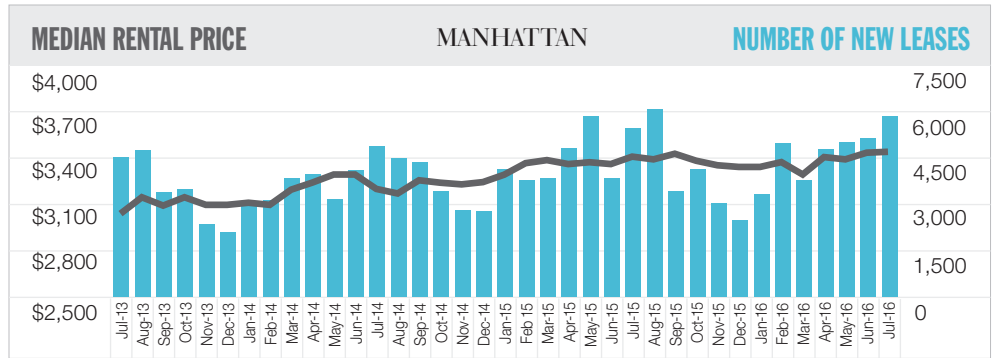
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUL-16	%Δ (mo)	JUN-16	%Δ (yr)	JUL-15
Average Rental Price		\$4,068	-1.6%	\$4,134	0.9%	\$4,031
Rental Price per Sq Ft		\$66.38	-2.0%	\$67.74	21.2%	\$54.76
Median Rental Price		\$3,450	0.2%	\$3,444	0.9%	\$3,418
Number of New Leases		5,934	14.0%	5,203	7.1%	5,540
Days on Market (From Original List Date)		39	0.0%	39	5.4%	37
Listing Discount (From Original List Price)		1.5%		2.0%		1.0%
Listing Inventory		7,681	3.2%	7,442	30.3%	5,893
Vacancy Rate		2.49%		2.30%		2.48%
Manhattan Rental w/Concessions		JUL-16	%Δ (mo)	JUN-16	%Δ (yr)	JUL-15
Median Rental Price		\$3,414	0.0%	\$3,413	0.5%	\$3,398
Share of New Leases w/OP + Concessions (%)		10.8%		9.7%		5.3%
Free Rent/Owner Paid (Mos)		1.2	9.1%	1.1	-7.7%	1.3
Manhattan Rental Market by Size		JUL-16	%Δ (mo)	JUN-16	%Δ (yr)	JUL-15
Studio -	Average Rental Price	\$2,678	-0.4%	\$2,688	0.3%	\$2,669
	Rental Price per Sq Ft	\$68.94	3.0%	\$66.93	17.1%	\$58.85
	Median Rental Price	\$2,616	0.2%	\$2,611	2.6%	\$2,550
	Number of New Leases	1,369	8.7%	1,260	10.2%	1,242
1-Bedroom -	Average Rental Price	\$3,507	-0.6%	\$3,528	1.7%	\$3,447
	Rental Price per Sq Ft	\$64.98	2.0%	\$63.72	14.8%	\$56.61
	Median Rental Price	\$3,450	0.0%	\$3,449	2.3%	\$3,374
	Number of New Leases	2,400	13.7%	2,111	3.8%	2,312
2-Bedroom -	Average Rental Price	\$4,862	-0.9%	\$4,908	0.2%	\$4,851
	Rental Price per Sq Ft	\$63.90	-4.9%	\$67.16	22.0%	\$52.36
	Median Rental Price	\$4,250	2.8%	\$4,134	2.1%	\$4,161
	Number of New Leases	1,488	14.2%	1,303	5.1%	1,416
3+ Bedroom -	Average Rental Price	\$7,124	-11.9%	\$8,087	-2.9%	\$7,336
	Rental Price per Sq Ft	\$71.18	-6.2%	\$75.92	46.1%	\$48.71
	Median Rental Price	\$5,325	-8.4%	\$5,814	-1.8%	\$5,422
	Number of New Leases	677	28.0%	529	18.8%	570

For much of 2016, growth in median rent on a year over year basis flirted with zero and this month was no exception. The median rent of a Manhattan apartment was \$3,450, up 0.9% from the same period last year. After factoring the expanded use of landlord concessions, median rent increased 0.5% over the same period. The market share of concessions was 10.8%, more

than double the 5.3% share of the same period a year ago. The vacancy rate remained elevated at 2.49% but was essentially unchanged over the same period. The rise in median rent for property sizes was stronger within smaller or lower priced segments of the market. The largest gain in median rent by size was a 2.6% rise for studios and the weakest segment was the three or more

bedroom market with a 1.8% decline respectively over the same period. The median rental price of apartments within non-doorman buildings grew 2.3% compared to the nominal 0.2% growth doorman apartments, a longstanding pattern. Days on market, the number of days from the original list date to the lease date, was 39 days, 2 days longer than during the same month a year ago. Listing discount, the percentage difference between the original list price and the rental price, rose to 1.5% from 1% a year ago.



PROPERTY TYPE

- Rent growth for “non-doorman” was higher than for “doorman”
- Loft and new development rents increased

Manhattan Rental Market By Property Type	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Doorman Median Rental Price	\$3,899	2.6%	\$3,800	0.2%	\$3,893
Non-Doorman Median Rental Price	\$2,932	-0.6%	\$2,951	1.3%	\$2,895
Loft Median Rental Price	\$5,870	3.6%	\$5,666	7.7%	\$5,448
New Development Median Rental Price	\$4,442	2.9%	\$4,316	2.6%	\$4,330

BY PRICE

- Entry level rents rose more than any other segment
- Luxury median rent edged lower
- Luxury rent threshold increased

Manhattan Rental Market By Price	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Luxury (Top 10%) - Average Rental Price	\$9,881	-7.0%	\$10,625	-0.3%	\$9,910
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.23	-4.5%	\$80.91	4.8%	\$73.66
Luxury (Top 10%) - Median Rental Price	\$7,889	-6.9%	\$8,475	-0.4%	\$7,920
Luxury (Top 10%) - Number of New Leases	600	14.3%	525	7.0%	561
Luxury (Top 10%) - Entry Threshold	\$6,411	1.6%	\$6,307	3.6%	\$6,191
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	1.5%	\$4,434	1.2%	\$4,448
Mid Tier (2nd 30%) - Median Rental Price	\$3,257	0.2%	\$3,252	-0.2%	\$3,264
Entry Tier (1st 30%) - Median Rental Price	\$2,344	-0.7%	\$2,360	2.9%	\$2,278

BY LOCATION

DOWNTOWN

- Median rent moved higher
- Vacancy rate continued to rise

Downtown Market Matrix	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Median Rental Price	\$3,750	0.3%	\$3,740	2.2%	\$3,670
Number of New Leases	2,517	9.3%	2,302	0.7%	2,499
Vacancy Rate	2.67%		2.36%		2.30%

EAST SIDE

- Median rental showed stability
- Vacancy rate rose sharply

East Side Market Matrix	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Median Rental Price	\$3,252	1.5%	\$3,203	-0.1%	\$3,254
Number of New Leases	1,519	10.6%	1,373	19.2%	1,274
Vacancy Rate	2.46%		2.14%		1.92%

WEST SIDE

- Median rent was essentially flat
- Number of new leases increased

West Side Market Matrix	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Median Rental Price	\$3,455	3.3%	\$3,346	0.1%	\$3,450
Number of New Leases	1,286	19.7%	1,074	5.4%	1,220
Vacancy Rate	2.29%		2.02%		3.40%

UPTOWN

- Vacancy rate declined
- Jump in new leases

Uptown Market Matrix	JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Median Rental Price	\$2,344	-1.1%	\$2,370	2.9%	\$2,278
Number of New Leases	612	34.8%	454	11.9%	547
Vacancy Rate	2.30%		2.75%		2.66%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.8%

INVENTORY

Total Inventory

29.6%

NEW LEASES

Excludes Renewals

27.4%

OP + CONCESSIONS

Market Share

3.9%

MARKETING TIME

Days on Market

14 days

NEGOTIABILITY

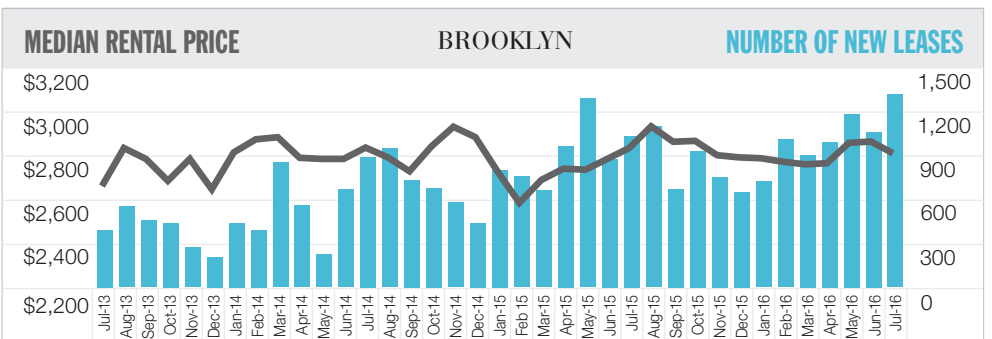
Listing Discount

0.1%

- Price indicators were mixed, first decline in median price during 2016
- New leases expanded as tenants continued to resist rent increases at renewal
- Brooklyn median rent \$624 less than Manhattan median rent

Brooklyn Rental Market		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15	
Average Rental Price		\$3,124	-2.9%	\$3,218	1.1%	\$3,089	
Rental Price per Sq Ft		\$45.37	-2.5%	\$46.55	12.8%	\$40.23	
Median Rental Price		\$2,826	-1.9%	\$2,880	-0.8%	\$2,850	
Number of New Leases		1,321	24.3%	1,063	27.4%	1,037	
Days on Market (From Original List Date)		40	-9.1%	44	-25.9%	54	
Listing Discount (From Original List Price)		1.1%		1.3%		1.2%	
Listing Inventory		2,424	5.0%	2,309	29.6%	1,870	
Brooklyn Rental w/Concessions		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15	
Median Rental Price		\$2,796	-2.2%	\$2,858	-1.2%	\$2,830	
Share of New Leases w/OP + Concessions (%)		9.5%		6.2%		5.6%	
Free Rent/Owner Paid (Mos)		1.3	-13.3%	1.5	-13.3%	1.5	
Brooklyn Rental Market by Size		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15	
Studio -	Average Rental Price	\$2,214	-4.0%	\$2,306	-2.4%	\$2,269	
	Rental Price per Sq Ft	\$53.28	-3.1%	\$55.01	3.7%	\$51.37	
	Median Rental Price	\$2,181	-8.3%	\$2,378	-8.9%	\$2,395	
1-Bedroom -	Average Rental Price	\$2,707	-2.6%	\$2,778	0.5%	\$2,693	
	Rental Price per Sq Ft	\$46.93	-4.0%	\$48.90	9.3%	\$42.94	
	Median Rental Price	\$2,700	-2.7%	\$2,774	-0.7%	\$2,720	
2-Bedroom -	Average Rental Price	\$3,428	-1.2%	\$3,470	1.5%	\$3,378	
	Rental Price per Sq Ft	\$44.35	-0.4%	\$44.54	13.6%	\$39.04	
	Median Rental Price	\$3,074	-5.9%	\$3,267	-2.9%	\$3,166	
3+ Bedroom -	Average Rental Price	\$4,324	-9.6%	\$4,781	1.7%	\$4,252	
	Rental Price per Sq Ft	\$41.80	-4.5%	\$43.79	21.7%	\$34.36	
	Median Rental Price	\$3,795	-1.8%	\$3,864	5.4%	\$3,600	
Number of New Leases		185	20.1%	154	25.9%	147	
	Brooklyn Rental Market by Type		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
	Luxury (Top 10%) - Median Rental Price		\$5,453	-4.8%	\$5,729	2.1%	\$5,342
Luxury (Top 10%) - Entry Threshold		\$4,660	-0.9%	\$4,700	3.0%	\$4,526	
New Development - Median Rental Price		\$3,421	3.2%	\$3,315	4.2%	\$3,282	

The year over year change in median rent declined in July for the first time in 2016. Median rent was \$2,826, down 0.8% from the same period a year ago. Average rental price edged up 1.1% to \$3,124 over the same period. The use of concessions by landlords nearly doubled to a 9.5% share from the same period last year. As a result, the net effective median rent slipped 1.2% from the same period last year. In contrast to past patterns of the borough and other boroughs, the median rental price fell across all segments of the market except for the luxury and three or more bedroom market. Luxury median rental price, representing the top 10% of the Brooklyn market, increased 2.1% to \$5,453, outpacing the increase in the overall market. Like the prior



month, there was a sharp gain in new leases as tenants continued to resist rental increases at time of renewal as well as the introduction of newly built rental properties to the market.

Days on market fell 25.9% to 40 days and listing discount slipped to a nominal 1.1% from 1.2% respectively from the same period a year ago.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

8.2%

INVENTORY

Total Inventory

15.1%

NEW LEASES

Excludes Renewals

3.0%

NEW DEVELOPMENT

Market Share

5.8%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

Listing Discount

0.1%

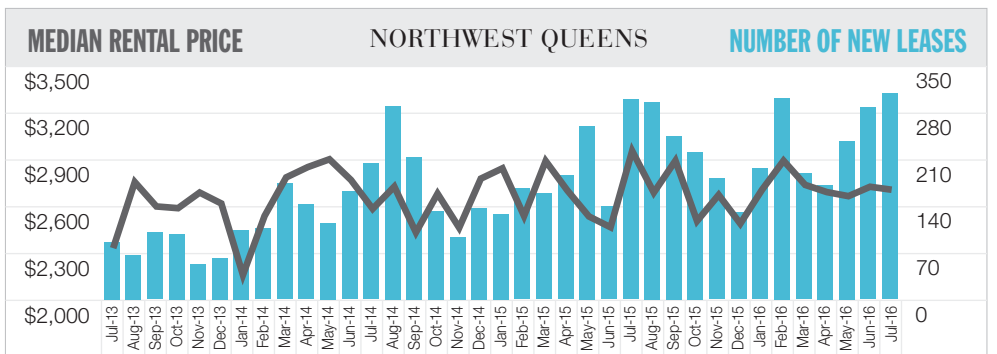
- Price trend indicators fell short of year ago levels
- New leases and inventory surged
- Queens median rent was \$58 less than Brooklyn median rent

Queens Rental Market		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Average Rental Price		\$2,909	-1.6%	\$2,957	-4.7%	\$3,054
Rental Price per Sq Ft		\$47.54	3.7%	\$45.86	-0.5%	\$47.78
Median Rental Price		\$2,768	-0.7%	\$2,787	-8.2%	\$3,016
Number of New Leases		308	7.3%	287	3.0%	299
Days on Market (From Original List Date)		36	5.9%	34	-14.3%	42
Listing Discount (From Original List Price)		1.0%		-0.2%		0.9%
Listing Inventory		534	3.1%	518	15.1%	464

Queens Rental Market by Size		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Studio -	Average Rental Price	\$2,307	-3.0%	\$2,378	-3.0%	\$2,379
	Rental Price per Sq Ft	\$56.45	2.5%	\$55.06	4.5%	\$54.02
	Median Rental Price	\$2,456	-0.8%	\$2,476	-1.4%	\$2,490
	Number of New Leases	65	30.0%	50	16.1%	56
1-Bedroom -	Average Rental Price	\$2,772	-0.5%	\$2,787	-1.5%	\$2,814
	Rental Price per Sq Ft	\$49.13	5.2%	\$46.71	0.0%	\$49.14
	Median Rental Price	\$3,003	0.6%	\$2,986	-2.3%	\$3,075
	Number of New Leases	161	0.0%	161	1.3%	159
2-Bedroom -	Average Rental Price	\$3,642	2.0%	\$3,570	-6.6%	\$3,900
	Rental Price per Sq Ft	\$44.59	3.1%	\$43.25	-1.2%	\$45.13
	Median Rental Price	\$4,045	19.0%	\$3,400	-6.7%	\$4,335
	Number of New Leases	67	0.0%	67	-13.0%	77
3+ Bedroom -	Average Rental Price	\$3,708	-20.5%	\$4,662	-19.3%	\$4,595
	Rental Price per Sq Ft	\$38.94	-2.5%	\$39.92	-4.4%	\$40.75
	Median Rental Price	\$3,000	-18.9%	\$3,700	-28.8%	\$4,216
	Number of New Leases	15	66.7%	9	114.3%	7

Queens Rental Market By Type		JUL-16	%Δ (MO)	JUN-16	%Δ (YR)	JUL-15
Luxury (Top 10%) - Median Rental Price		\$4,418	-1.4%	\$4,482	-5.0%	\$4,650
Luxury (Top 10%) - Entry Threshold		\$3,613	2.1%	\$3,540	-16.7%	\$4,335
New Development - Median Rental Price		\$3,059	-7.0%	\$3,141	0.9%	\$3,033

Note: The Northwest Queens rental market analysis is comprised of transactions in the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside.



Rents in Northwest Queens – comprised of the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside – were softer this year than last year as newly developed inventory continued to enter the market. Median rent declined 8.2% to \$2,768 from the same month a year ago. Average rental price declined 4.7% to \$2,909 over the same period. Median rent moved lower across all unit sizes with bigger declines in the larger sized apartments. The median rent for a studio slipped 1.4% and the median rent for a three or more bedroom

dropped 28.8% respectively over the same period. The market share of new development listing discount was essentially unchanged at 1% respectively from the same month a year ago. Days on market averaged 36 days, down from 42 days while listing discount was essentially unchanged at 1% respectively from 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>

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

© 2016 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.