

# ELLI MAN

## REPORT

# SEPTEMBER 2016

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

1.2%

#### VACANCY

Vacancy Rate

0.31%

#### NEW LEASES

Excludes Renewals

51.2%

#### OP + CONCESSIONS

Market Share

6.4%

#### MARKETING TIME

Days on Market

5 days

#### NEGOTIABILITY

Listing Discount

0.9%

- Median rent declined year over year for only second time in 2.5 years
- New leases and listing inventory surged
- Market share of landlord concessions expanded sharply

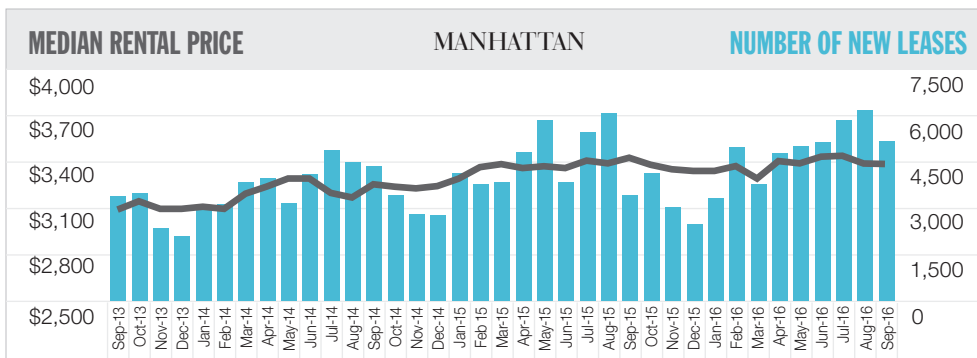
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		SEP-16	%Δ (mo)	AUG-16	%Δ (yr)	SEP-15
Average Rental Price		\$4,117	2.1%	\$4,033	0.8%	\$4,084
Rental Price per Sq Ft		\$67.89	1.5%	\$66.87	25.4%	\$54.16
Median Rental Price		\$3,396	-0.1%	\$3,399	-1.2%	\$3,437
Number of New Leases		5,243	-16.6%	6,285	51.2%	3,468
Days on Market (From Original List Date)		44	12.8%	39	12.8%	39
Listing Discount (From Original List Price)		2.8%		2.2%		1.9%
Listing Inventory		7,392	-1.2%	7,478	34.8%	5,482
Vacancy Rate		2.38%		2.14%		2.69%
Manhattan Rental w/Concessions		SEP-16	%Δ (mo)	AUG-16	%Δ (yr)	SEP-15
Median Rental Price		\$3,347	-0.4%	\$3,359	-1.8%	\$3,408
Share of New Leases w/OP + Concessions (%)		15.1%		12.1%		8.7%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	0.0%	1.2
Manhattan Rental Market by Size		SEP-16	%Δ (mo)	AUG-16	%Δ (yr)	SEP-15
Studio -	Average Rental Price	\$2,636	-1.8%	\$2,683	-3.5%	\$2,731
	Rental Price per Sq Ft	\$68.17	1.0%	\$67.51	10.8%	\$61.54
	Median Rental Price	\$2,584	-1.0%	\$2,611	-0.8%	\$2,606
	Number of New Leases	1,243	-12.8%	1,425	51.4%	821
1-Bedroom -	Average Rental Price	\$3,460	0.0%	\$3,460	-2.0%	\$3,531
	Rental Price per Sq Ft	\$63.13	-1.4%	\$64.04	13.0%	\$55.87
	Median Rental Price	\$3,396	-0.1%	\$3,399	-1.3%	\$3,442
	Number of New Leases	2,192	-14.2%	2,556	46.9%	1,492
2-Bedroom -	Average Rental Price	\$5,092	4.1%	\$4,892	3.3%	\$4,927
	Rental Price per Sq Ft	\$67.64	2.3%	\$66.09	28.0%	\$52.84
	Median Rental Price	\$4,430	7.1%	\$4,138	2.7%	\$4,315
	Number of New Leases	1,275	-20.5%	1,604	54.0%	828
3+ Bedroom -	Average Rental Price	\$7,941	15.0%	\$6,903	0.9%	\$7,868
	Rental Price per Sq Ft	\$74.75	2.6%	\$72.86	52.1%	\$49.14
	Median Rental Price	\$5,759	16.3%	\$4,950	1.1%	\$5,698
	Number of New Leases	533	-23.9%	700	63.0%	327

Manhattan median rent slipped as new leases surged and landlord concessions expanded. This was the second time in nearly three years median rental price declined year over year. Both of those declines came in 2016 with the prior decline occurring in February. Median rental price slipped 1.2% to \$3,396 from the same period a year ago. Average sales price edged up 0.8% to

\$4,117 from the same month last year. Median rental price declined most at the upper end of the market and was flat in the entry market. Landlord concessions expanded to a 15.1% overall market share from an 8.7% market share in the prior year. After considering concessions, the net effective median rent fell 1.8% to \$3,347 over the same period. The number of new leases

surged 51.2% to 5,243 from the combination of new rentals from either newly developed rental units, newly developed condo investor units or tenant push back at time of renewal. Days on market, the number of days from the original list date to the lease date, expanded by 5 days to an average of 44 days. The Manhattan vacancy rate slipped again to 2.38% from 2.69% over the same period, with large regional differences.



## PROPERTY TYPE

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

Property Type	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Doorman Median Rental Price	\$3,839	-0.5%	\$3,858	1.0%	\$3,800
Non-Doorman Median Rental Price	\$2,904	-1.7%	\$2,955	1.9%	\$2,850
Loft Median Rental Price	\$5,119	-2.3%	\$5,238	-21.2%	\$6,495
New Development Median Rental Price	\$4,292	-3.2%	\$4,436	-1.2%	\$4,346

## BY PRICE

- Entry tier showed no change in rent
- Larger declines in higher priced apartments
- Luxury rent threshold slipped again

Price Category	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Luxury (Top 10%) - Average Rental Price	\$10,476	6.4%	\$9,843	2.6%	\$10,210
Luxury (Top 10%) - Rental Price per Sq Ft	\$82.00	2.3%	\$80.18	14.4%	\$71.66
Luxury (Top 10%) - Median Rental Price	\$8,121	3.3%	\$7,861	-2.8%	\$8,354
Luxury (Top 10%) - Number of New Leases	525	-16.5%	629	50.9%	348
Luxury (Top 10%) - Entry Threshold	\$6,418	3.6%	\$6,193	-0.5%	\$6,450
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,430	-0.1%	\$4,433	-1.0%	\$4,474
Mid Tier (2nd 30%) - Median Rental Price	\$3,234	-0.4%	\$3,246	-0.5%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,350	-0.4%	\$2,359	0.0%	\$2,350

## BY LOCATION

### DOWNTOWN

- Median rent remained essentially flat
- Number of new leases surged

Metric	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Median Rental Price	\$3,642	-1.4%	\$3,694	0.2%	\$3,633
Number of New Leases	2,195	-23.0%	2,851	40.3%	1,565
Vacancy Rate	2.67%		2.33%		2.64%

### EAST SIDE

- Median rent was unchanged
- Vacancy rate moved higher

Metric	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Median Rental Price	\$3,195	1.4%	\$3,152	0.0%	\$3,196
Number of New Leases	1,357	-8.9%	1,489	61.7%	839
Vacancy Rate	2.14%		2.41%		1.97%

### WEST SIDE

- Median rent continued to fall
- New leases jumped

Metric	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Median Rental Price	\$3,450	1.5%	\$3,399	-2.3%	\$3,530
Number of New Leases	1,202	-8.1%	1,308	62.7%	739
Vacancy Rate	2.02%		1.89%		3.72%

### UPTOWN

- Median rent rose sharply
- Vacancy rate slipped

Metric	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Median Rental Price	\$2,545	3.3%	\$2,463	12.5%	\$2,262
Number of New Leases	489	-23.2%	637	50.5%	325
Vacancy Rate	2.39%		1.51%		2.57%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

2.4%

## INVENTORY

Total Inventory

31.0%

## NEW LEASES

Excludes Renewals

84.9%

## OP + CONCESSIONS

Market Share

2.8%

## MARKETING TIME

Days on Market

7 days

## NEGOTIABILITY

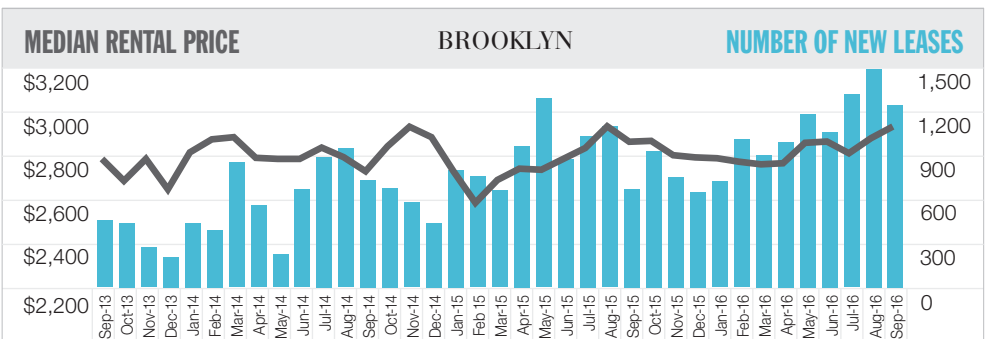
Listing Discount

0.1%

- Median rent and concessions edged higher
- All size categories declined in median rent except studios
- Brooklyn median rent was \$447 less than Manhattan median rent

Brooklyn Rental Market		SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Average Rental Price		\$3,197	-0.7%	\$3,219	2.2%	\$3,129
Rental Price per Sq Ft		\$46.58	-0.3%	\$46.71	10.9%	\$42.02
Median Rental Price		\$2,949	1.9%	\$2,895	2.4%	\$2,879
Number of New Leases		1,248	-16.5%	1,495	84.9%	675
Days on Market (From Original List Date)		43	7.5%	40	19.4%	36
Listing Discount (From Original List Price)		1.8%		0.6%		1.7%
Listing Inventory		2,501	0.0%	2,501	31.0%	1,909
Brooklyn Rental w/Concessions		SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Median Rental Price		\$2,922	2.2%	\$2,859	2.3%	\$2,856
Share of New Leases w/OP + Concessions (%)		8.9%		10.5%		6.1%
Free Rent/Owner Paid (Mos)		1.2	-14.3%	1.4	-25.0%	1.6
Brooklyn Rental Market by Size		SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Studio -	Average Rental Price	\$2,373	1.0%	\$2,350	4.8%	\$2,264
	Rental Price per Sq Ft	\$54.83	1.1%	\$54.23	4.3%	\$52.55
	Median Rental Price	\$2,437	2.3%	\$2,383	3.4%	\$2,358
	Number of New Leases	172	-22.5%	222	97.7%	87
1-Bedroom -	Average Rental Price	\$2,764	0.0%	\$2,765	0.7%	\$2,744
	Rental Price per Sq Ft	\$49.23	0.3%	\$49.07	15.1%	\$42.78
	Median Rental Price	\$2,708	-1.0%	\$2,734	-1.7%	\$2,756
	Number of New Leases	467	-17.6%	567	70.4%	274
2-Bedroom -	Average Rental Price	\$3,394	-2.8%	\$3,490	0.9%	\$3,363
	Rental Price per Sq Ft	\$44.73	0.0%	\$44.71	10.9%	\$40.32
	Median Rental Price	\$3,146	-4.1%	\$3,280	-0.1%	\$3,150
	Number of New Leases	415	-14.4%	485	68.7%	246
3+ Bedroom -	Average Rental Price	\$4,550	-2.5%	\$4,665	-7.9%	\$4,938
	Rental Price per Sq Ft	\$42.83	-3.5%	\$44.37	9.5%	\$39.13
	Median Rental Price	\$3,671	-8.8%	\$4,026	-13.6%	\$4,250
	Number of New Leases	194	-12.2%	221	185.3%	68
Brooklyn Rental Market by Type		SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Luxury (Top 10%) - Median Rental Price		\$5,415	-1.0%	\$5,467	2.9%	\$5,264
Luxury (Top 10%) - Entry Threshold		\$4,550	-4.6%	\$4,771	-0.6%	\$4,577
New Development - Median Rental Price		\$3,101	-0.5%	\$3,116	1.7%	\$3,050

After two consecutive months of declines, Brooklyn median rental price edged higher, along with a surge in new leases and gain in inventory. Median rental price rose 2.4% to \$2,949 from the same period last year. Average rental price increased 2.2% to \$3,197 over the same period. Studios were the only size category to see a gain in median rental price, rising 3.4% to \$2,437 from the same month a year ago. Luxury median rent, representing the top 10% of the overall market, increased 2.9% to \$5,415 over the same period. The number of new leases surged 84.9% from a combination of new development entering the market and tenant resistance to higher rents offered at time of lease renewal. Listing inventory expanded



31% to 2,501 over the same period. Days on market, the number of days from listing date to rental date, averaged 43 days, a week longer than the 36 day average of the prior year. The

market share of rental concessions rose to 8.9% from 6.1% during the same year ago period.

## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

5.7%

### INVENTORY

Total Inventory

16.8%

### NEW LEASES

Excludes Renewals

12.3%

### NEW DEVELOPMENT

Market Share

22.1%

### MARKETING TIME

Days on Market

4 days

### NEGOTIABILITY

Listing Discount

0.5%

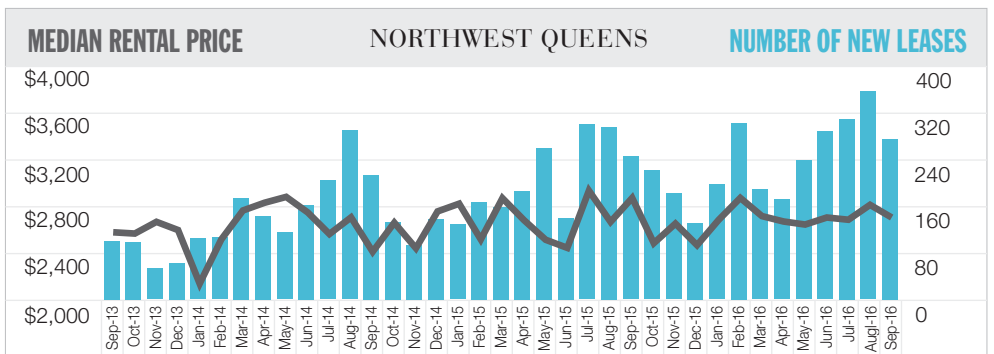
- Price trend indicators were mixed
- New leases and inventory continued to expand
- Queens median rent was \$162 less than Brooklyn median rent

Queens Rental Market	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Average Rental Price	\$2,881	-5.0%	\$3,033	-5.4%	\$3,044
Rental Price per Sq Ft	\$48.20	3.9%	\$46.41	5.3%	\$45.76
Median Rental Price	\$2,787	-3.7%	\$2,895	-5.7%	\$2,954
Number of New Leases	274	-22.8%	355	12.3%	244
Days on Market (From Original List Date)	37	15.2%	33	15.2%	33
Listing Discount (From Original List Price)	0.9%		-1.0%		0.4%
Listing Inventory	467	-0.2%	468	16.8%	400

Queens Rental Market by Size	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Studio - Average Rental Price	\$2,439	0.4%	\$2,430	-2.6%	\$2,503
Rental Price per Sq Ft	\$56.65	4.1%	\$54.43	6.7%	\$53.10
Median Rental Price	\$2,497	-2.7%	\$2,565	0.4%	\$2,488
Number of New Leases	65	3.2%	63	20.4%	54
1-Bedroom - Average Rental Price	\$2,791	-0.3%	\$2,781	0.1%	\$2,771
Rental Price per Sq Ft	\$49.66	8.0%	\$46.00	6.7%	\$46.53
Median Rental Price	\$2,957	-1.1%	\$2,989	-0.7%	\$2,978
Number of New Leases	149	-21.9%	192	20.0%	125
2-Bedroom - Average Rental Price	\$3,520	-5.0%	\$3,706	-12.3%	\$4,015
Rental Price per Sq Ft	\$42.44	-4.3%	\$44.33	-7.9%	\$46.08
Median Rental Price	\$3,462	-11.3%	\$3,903	-18.1%	\$4,225
Number of New Leases	50	-41.9%	86	-15.3%	59
3+ Bedroom - Average Rental Price	\$3,894	-23.2%	\$5,069	-3.9%	\$4,050
Rental Price per Sq Ft	\$29.76	-33.6%	\$44.80	-8.3%	\$32.45
Median Rental Price	\$3,427	-29.9%	\$4,886	6.1%	\$3,231
Number of New Leases	10	-28.6%	14	66.7%	6

Queens Rental Market By Type	SEP-16	%Δ (MO)	AUG-16	%Δ (YR)	SEP-15
Luxury (Top 10%) - Median Rental Price	\$3,976	-16.2%	\$4,743	-13.6%	\$4,600
Luxury (Top 10%) - Entry Threshold	\$3,402	-14.7%	\$3,988	-19.5%	\$4,225
New Development - Median Rental Price	\$2,962	-7.0%	\$3,189	-3.1%	\$3,057

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



Rental price trends for the Northwest Queens market have remained mixed, declining in 7 months over the past year. Median rental price for the area that includes Long Island City, Astoria, Sunnyside and Woodside, declined 5.7% to \$2,787 from the same period a year ago. Average rental price showed a similar pattern, falling 5.4% to \$2,881 over the same period. Median rent for the 1-bedroom and 2-bedroom markets, accounting for 73% of the market, showed a decline. Luxury median rent, accounting for the top 10% of the market, declined 13.6% to \$3,976

over the same period. New leases rose 12.3% all rentals, nearly double the 25% market share a to 274 while listing inventory expanded 16.8% year ago. Days on market averaged 37 days, up to 467 respectively over the same period. The from 33 days while listing discount edged up to market share for new development was 47.1% of 0.9% from 0.4% in the same month a year ago.

For more information or electronic copies of this report please visit [elliman.com/marketreports](http://elliman.com/marketreports). Email report author Jonathan Miller at [jmiller@millersamuel.com](mailto:jmiller@millersamuel.com) with questions or comments.

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

RENTAL DIVISION 212.891.7711 • [elliman.com](http://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](http://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.