

ELLI MAN REPORT

DECEMBER 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.1%

VACANCY

Vacancy Rate

0.05%

NEW LEASES

Excludes Renewals

40.7%

OP + CONCESSIONS

Market Share

13.3%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.4%

- Landlord concessions reached a new record
- Median rent with concessions slipped for fifth consecutive month
- Jump in number of new leases as inventory surged

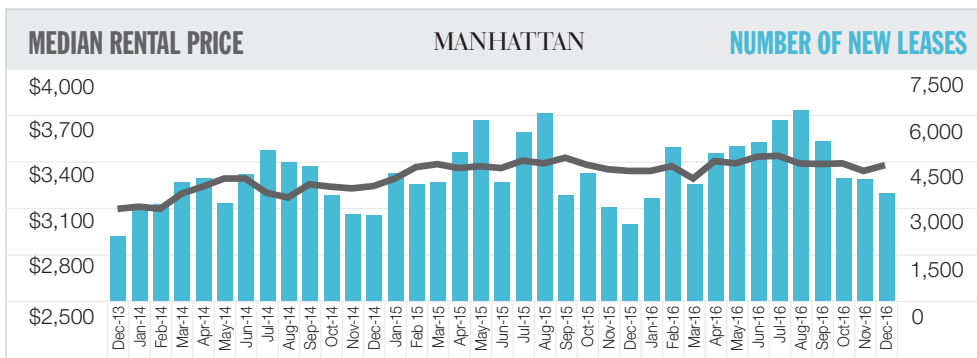
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Average Rental Price		\$4,044	-1.2%	\$4,095	-2.5%	\$4,149
Rental Price per Sq Ft		\$64.33	-3.0%	\$66.32	26.1%	\$51.02
Median Rental Price		\$3,388	1.1%	\$3,350	1.1%	\$3,350
Number of New Leases		3,553	-10.9%	3,987	40.7%	2,525
Days on Market (From Original List Date)		57	9.6%	52	1.8%	56
Listing Discount (From Original List Price)		3.7%		3.8%		3.3%
Listing Inventory		7,090	-2.7%	7,283	23.4%	5,745
Vacancy Rate		2.69%		2.53%		2.74%
Manhattan Rental w/Concessions		DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Median Rental Price		\$3,291	0.8%	\$3,264	-0.1%	\$3,294
Share of New Leases w/OP + Concessions (%)		26.4%		25.1%		13.1%
Free Rent/Owner Paid (Mos)		1.3	8.3%	1.2	-13.3%	1.5
Manhattan Rental Market by Size		DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Studio -	Average Rental Price	\$2,678	0.1%	\$2,675	0.3%	\$2,669
	Rental Price per Sq Ft	\$61.11	-10.5%	\$68.27	8.7%	\$56.20
	Median Rental Price	\$2,575	0.1%	\$2,573	0.5%	\$2,562
	Number of New Leases	849	-8.5%	928	41.0%	602
1-Bedroom -	Average Rental Price	\$3,451	0.3%	\$3,440	-0.2%	\$3,458
	Rental Price per Sq Ft	\$61.65	-0.5%	\$61.98	14.5%	\$53.83
	Median Rental Price	\$3,395	1.3%	\$3,350	0.6%	\$3,375
	Number of New Leases	1,510	-11.8%	1,712	35.4%	1,115
2-Bedroom -	Average Rental Price	\$5,007	-2.4%	\$5,130	-2.5%	\$5,138
	Rental Price per Sq Ft	\$65.63	-0.4%	\$65.88	27.3%	\$51.54
	Median Rental Price	\$4,588	-1.3%	\$4,647	-0.8%	\$4,623
	Number of New Leases	898	-8.8%	985	54.3%	582
3+ Bedroom -	Average Rental Price	\$8,075	0.7%	\$8,022	-9.9%	\$8,959
	Rental Price per Sq Ft	\$69.61	-5.8%	\$73.87	35.3%	\$51.44
	Median Rental Price	\$5,998	9.1%	\$5,500	-1.6%	\$6,095
	Number of New Leases	296	-18.2%	362	31.0%	226

Manhattan net effective rents continue to slip as landlords expanded their use of concessions to protect face rent. Landlord concessions set a record 26.4%, the third in three consecutive months and more than double the share of the prior year. The net effective median rent, defined as the face rent less landlord concessions, did not rise for the fifth consecutive month, down a

nominal 0.1% to \$3,291 in December. Consistent with the trend throughout the past year, median price gains were concentrated in the entry and mid tier markets with year over year gains of 2.7% and 1.2% respectively. The upper tier and luxury markets declined 1.1% and 5.9% respectively over the same period. Consistent with softer conditions at the top from incoming supply,

average rental price declined 2.5% to \$4,044 from the year ago period. This can also be seen in non-doorman and doorman trends. Doorman median rent slipped 0.7% to \$3,795 as non-doorman rent jumped 2.8% to \$2,800 from the year ago quarter. Days on market, the number of days from the original list date to the lease date, expanded by 1 day to an average of 57 days. Listing discount, the percentage from the original list price to the rental price, increased to 3.7% from 3.3% in the same month a year ago.



PROPERTY TYPE

- Rent growth for “non-doorman” continued to rise as “doorman” declined
- Median face rent declined across the loft and new development markets

Property Type	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Doorman Median Rental Price	\$3,795	0.3%	\$3,782	-0.7%	\$3,820
Non-Doorman Median Rental Price	\$2,800	0.0%	\$2,800	2.8%	\$2,725
Loft Median Rental Price	\$3,990	-30.6%	\$5,750	-25.5%	\$5,353
New Development Median Rental Price	\$4,050	-6.9%	\$4,348	-9.7%	\$4,484

BY PRICE

- First 60% of market showed price gains, remainder declined
- Most price gains seen in entry market
- Luxury rent threshold slipped to \$6,300

Price Category	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Luxury (Top 10%) - Average Rental Price	\$10,015	-5.2%	\$10,560	-11.9%	\$11,370
Luxury (Top 10%) - Rental Price per Sq Ft	\$73.65	-8.7%	\$80.71	2.3%	\$71.97
Luxury (Top 10%) - Median Rental Price	\$8,000	-7.0%	\$8,600	-5.9%	\$8,500
Luxury (Top 10%) - Number of New Leases	357	-10.5%	399	41.1%	253
Luxury (Top 10%) - Entry Threshold	\$6,300	-3.1%	\$6,500	-1.3%	\$6,385
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,450	-1.1%	\$4,500	-1.1%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	0.0%	\$3,200	1.2%	\$3,163
Entry Tier (1st 30%) - Median Rental Price	\$2,300	0.2%	\$2,295	2.7%	\$2,240

BY LOCATION

DOWNTOWN

- Median rent edged up
- Vacancy rate slipped further

Metric	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Median Rental Price	\$3,675	-0.6%	\$3,697	2.2%	\$3,596
Number of New Leases	1,590	-6.5%	1,701	56.2%	1,018
Vacancy Rate	2.76%		2.52%		3.25%

EAST SIDE

- Number of new leases surged
- Vacancy rate expanded

Metric	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Median Rental Price	\$3,245	2.5%	\$3,165	2.6%	\$3,163
Number of New Leases	926	-16.2%	1,105	39.2%	665
Vacancy Rate	2.85%		2.79%		2.35%

WEST SIDE

- Median rent continued to slide
- Vacancy rate edged lower

Metric	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Median Rental Price	\$3,300	-1.5%	\$3,350	-4.3%	\$3,450
Number of New Leases	771	-6.4%	824	35.0%	571
Vacancy Rate	2.16%		2.29%		2.35%

UPTOWN

- Median rent edged higher
- Vacancy rate jumped

Metric	DEC-16	%Δ (mo)	NOV-16	%Δ (yr)	DEC-15
Median Rental Price	\$2,250	0.0%	\$2,250	2.3%	\$2,200
Number of New Leases	266	-25.5%	357	-1.8%	271
Vacancy Rate	2.93%		2.48%		2.39%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.8%

INVENTORY

Total Inventory

32.5%

NEW LEASES

Excludes Renewals

52.5%

OP + CONCESSIONS

Market Share

7.2%

MARKETING TIME

Days on Market

9 days

NEGOTIABILITY

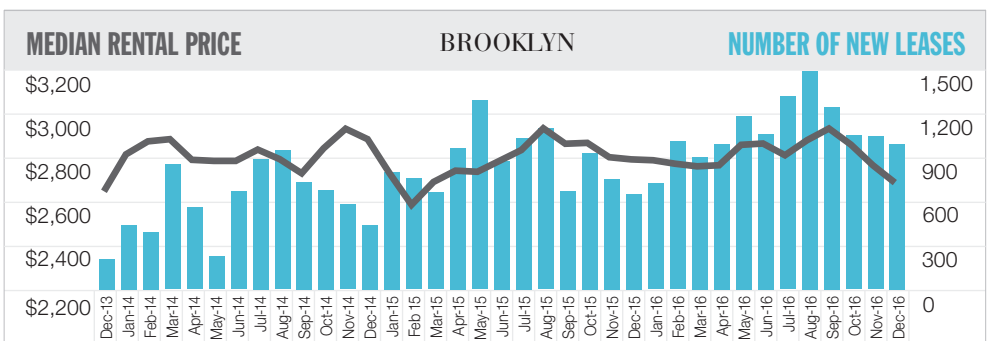
Listing Discount

0.1%

- Median rent slipped for the fifth time in six months
- Inventory expanded as use of landlord concessions more than doubled
- Brooklyn median rent was \$688 less than Manhattan median rent

Brooklyn Rental Market		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Average Rental Price		\$3,045	1.7%	\$2,993	-0.5%	\$3,059
Rental Price per Sq Ft		\$44.70	0.3%	\$44.55	6.9%	\$41.82
Median Rental Price		\$2,700	-2.9%	\$2,780	-3.8%	\$2,807
Number of New Leases		993	-5.2%	1,047	52.5%	651
Days on Market (From Original List Date)		52	8.3%	48	-14.8%	61
Listing Discount (From Original List Price)		3.0%		2.7%		3.1%
Listing Inventory		2,578	-1.1%	2,606	32.5%	1,945
Brooklyn Rental w/Concessions		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Median Rental Price		\$2,662	-2.8%	\$2,738	-4.4%	\$2,784
Share of New Leases w/OP + Concessions (%)		13.7%		15.4%		6.5%
Free Rent/Owner Paid (Mos)		1.7	6.2%	1.6	13.3%	1.5
Brooklyn Rental Market by Size		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Studio -	Average Rental Price	\$2,745	10.9%	\$2,475	4.3%	\$2,633
	Rental Price per Sq Ft	\$51.33	-5.7%	\$54.43	-2.0%	\$52.39
	Median Rental Price	\$2,409	-1.7%	\$2,450	-3.3%	\$2,490
Number of New Leases		143	-10.1%	159	43.0%	100
1-Bedroom -	Average Rental Price	\$2,700	-1.1%	\$2,730	-2.7%	\$2,776
	Rental Price per Sq Ft	\$46.72	-3.3%	\$48.29	6.9%	\$43.70
	Median Rental Price	\$2,656	-1.6%	\$2,700	-2.0%	\$2,711
Number of New Leases		418	2.0%	410	60.8%	260
2-Bedroom -	Average Rental Price	\$3,246	0.7%	\$3,225	-0.9%	\$3,276
	Rental Price per Sq Ft	\$44.13	4.4%	\$42.28	13.6%	\$38.83
	Median Rental Price	\$2,950	-1.7%	\$3,000	-4.8%	\$3,098
Number of New Leases		294	-16.2%	351	40.0%	210
3+ Bedroom -	Average Rental Price	\$3,972	3.2%	\$3,848	1.2%	\$3,926
	Rental Price per Sq Ft	\$36.29	-2.2%	\$37.12	13.2%	\$32.07
	Median Rental Price	\$3,498	6.0%	\$3,300	-9.1%	\$3,848
Number of New Leases		138	8.7%	127	70.4%	81
Brooklyn Rental Market by Type		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Luxury (Top 10%) - Median Rental Price		\$5,300	8.2%	\$4,900	1.9%	\$5,202
Luxury (Top 10%) - Entry Threshold		\$4,330	3.1%	\$4,200	-1.6%	\$4,400
New Development - Median Rental Price		\$2,993	-8.6%	\$3,275	-6.5%	\$3,202

Brooklyn rental price trends continued to soften as inventory expanded. Listing inventory increased 32.5% as the market share of landlord concessions more than doubled to 13.7%. Median net effective rent drifted lower on a year over year basis for the third consecutive month and the fifth time in the past six months. Median face rent declined 3.8% to \$2,700 from the same period last year. While all size categories reflected year over year declines in median rent, larger declines were observed in the larger sized apartments on a year over year basis. Studio and 1-bedroom median rents declined 3.3% and 2% respectively. Median rents for 2-bedroom and 3-bedroom apartments declined 4.8% and 9.1% respectively. In contrast to this pattern,



luxury median rental price, representing the top 10% of the market, increased 1.9% to \$5,300 from the same year ago period. Listing discount, the percentage from the original list price to the

rental price, slipped nominally to 3% from 3.1% over the same period.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

11.7%

INVENTORY

Total Inventory

14.8%

NEW LEASES

Excludes Renewals

167.7%

NEW DEVELOPMENT

Market Share

14.5%

MARKETING TIME

Days on Market

8 days

NEGOTIABILITY

Listing Discount

4.5%

- Jump in new leases as new development share rose

- Price trend indicators moved higher

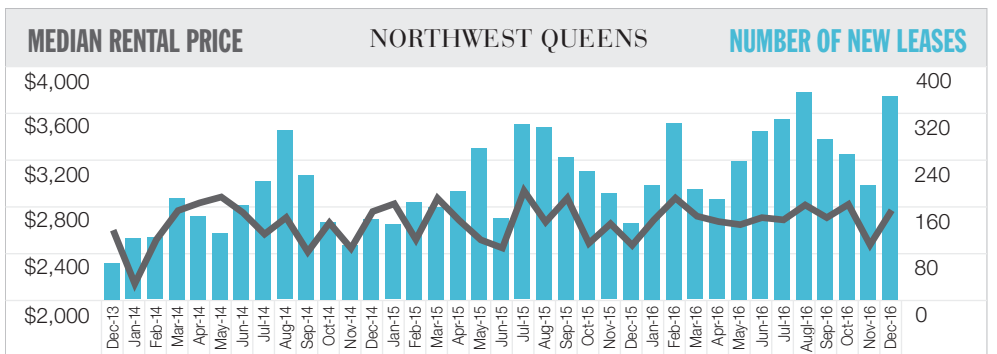
- Queens median rent was \$150 more than Brooklyn median rent

Queens Rental Market		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Average Rental Price		\$2,992	9.3%	\$2,738	13.2%	\$2,644
Rental Price per Sq Ft		\$45.67	4.0%	\$43.92	12.0%	\$40.77
Median Rental Price		\$2,850	11.5%	\$2,555	11.7%	\$2,551
Number of New Leases		348	78.5%	195	167.7%	130
Days on Market (From Original List Date)		44	22.2%	36	-15.4%	52
Listing Discount (From Original List Price)		1.8%		2.2%		6.3%
Listing Inventory		512	-16.9%	616	14.8%	446

Queens Rental Market by Size		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Studio -	Average Rental Price	\$2,239	-1.6%	\$2,275	-2.2%	\$2,289
	Rental Price per Sq Ft	\$52.42	-5.3%	\$55.34	-4.2%	\$54.69
	Median Rental Price	\$2,445	2.4%	\$2,388	4.9%	\$2,330
	Number of New Leases	64	33.3%	48	204.8%	21
1-Bedroom -	Average Rental Price	\$2,742	4.5%	\$2,624	8.5%	\$2,528
	Rental Price per Sq Ft	\$43.07	2.3%	\$42.11	1.8%	\$42.30
	Median Rental Price	\$2,862	8.2%	\$2,644	7.5%	\$2,663
	Number of New Leases	180	78.2%	101	157.1%	70
2-Bedroom -	Average Rental Price	\$3,822	11.3%	\$3,435	26.1%	\$3,031
	Rental Price per Sq Ft	\$47.29	11.8%	\$42.29	30.7%	\$36.18
	Median Rental Price	\$4,137	25.7%	\$3,290	62.2%	\$2,551
	Number of New Leases	88	109.5%	42	175.0%	32
3+ Bedroom -	Average Rental Price	\$4,253	10.6%	\$3,845	36.8%	\$3,108
	Rental Price per Sq Ft	\$45.25	17.1%	\$38.63	30.9%	\$34.58
	Median Rental Price	\$3,365	-3.9%	\$3,500	6.0%	\$3,176
	Number of New Leases	16	300.0%	4	128.6%	7

Queens Rental Market By Type		DEC-16	%Δ (MO)	NOV-16	%Δ (YR)	DEC-15
Luxury (Top 10%) - Median Rental Price		\$4,838	5.1%	\$4,603	24.1%	\$3,898
Luxury (Top 10%) - Entry Threshold		\$4,520	22.5%	\$3,689	41.3%	\$3,200
New Development - Median Rental Price		\$2,973	-7.0%	\$2,662	13.8%	\$2,613
New Development - Market Share		25.3%		36.4%		10.8%

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



The northwest Queens rental market, including the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside, showed double-digit price increases as the market remained heavily influenced by influx of new development apartments. Median rental price increased 11.7% to \$2,850 from the same period last year. This was only the sixth increase in twelve months and illustrated the choppy trends of a market moving sideways over the past year. The number of new leases surged 167.7% from the same period a year ago with a 25.3% new development market share. Listing inventory increased 14.8% to 512

apartments over the same period. Days on market, the number of days from the original list date to the lease date, declined by 8 days to an average of 44 days. Listing discount, the percentage from the original list price to the rental price, fell to 1.8% from 6.3% in the same month a year ago.

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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

Report Methodology:

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