

# ELLI MAN REPORT

## JANUARY 2017

### MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

## MANHATTAN RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

0.6%

### VACANCY

Vacancy Rate

0.47%

### NEW LEASES

Excludes Renewals

4.8%

### OP + CONCESSIONS

Market Share

14.5%

### MARKETING TIME

Days on Market

4 days

### NEGOTIABILITY

Listing Discount

0.0%

- Landlord concessions set new record for fourth consecutive month
- Median rent with concessions slipped for sixth consecutive month
- Despite additional inventory, vacancy rate slipped

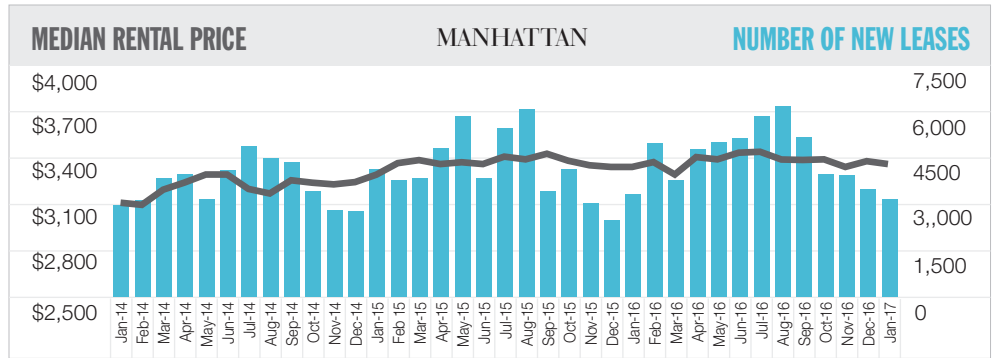
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JAN-17	%Δ (mo)	DEC-16	%Δ (yr)	JAN-16
Average Rental Price		\$3,933	-2.7%	\$4,044	-3.4%	\$4,073
Rental Price per Sq Ft		\$62.73	-2.5%	\$64.33	-4.3%	\$65.57
Median Rental Price		\$3,369	-0.6%	\$3,388	0.6%	\$3,350
Number of New Leases		3,212	-9.6%	3,553	-4.8%	3,373
Days on Market (From Original List Date)		58	1.8%	57	7.4%	54
Listing Discount (From Original List Price)		3.0%		3.7%		3.0%
Listing Inventory		6,959	-1.8%	7,090	13.9%	6,108
Vacancy Rate		2.35%		2.69%		2.82%
Manhattan Rental w/Concessions		JAN-17	%Δ (mo)	DEC-16	%Δ (yr)	JAN-16
Median Rental Price		\$3,259	-1.0%	\$3,291	-0.1%	\$3,261
Share of New Leases w/OP + Concessions (%)		30.9%		26.4%		16.4%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	-31.6%	1.9
Manhattan Rental Market by Size		JAN-17	%Δ (mo)	DEC-16	%Δ (yr)	JAN-16
Studio -	Average Rental Price	\$2,708	1.1%	\$2,678	-0.4%	\$2,720
	Rental Price per Sq Ft	\$66.11	8.2%	\$61.11	4.6%	\$63.18
	Median Rental Price	\$2,600	1.0%	\$2,575	0.2%	\$2,595
	Number of New Leases	761	-10.4%	849	-1.6%	773
1-Bedroom -	Average Rental Price	\$3,426	-0.7%	\$3,451	0.1%	\$3,423
	Rental Price per Sq Ft	\$61.16	-0.8%	\$61.65	-1.4%	\$62.00
	Median Rental Price	\$3,391	-0.1%	\$3,395	0.5%	\$3,375
	Number of New Leases	1,426	-5.6%	1,510	-7.2%	1,537
2-Bedroom -	Average Rental Price	\$4,832	-3.5%	\$5,007	-3.0%	\$4,982
	Rental Price per Sq Ft	\$60.77	-7.4%	\$65.63	-3.6%	\$63.02
	Median Rental Price	\$4,595	0.2%	\$4,588	0.0%	\$4,595
	Number of New Leases	769	-14.4%	898	-0.6%	774
3+ Bedroom -	Average Rental Price	\$7,706	-4.6%	\$8,075	-11.6%	\$8,714
	Rental Price per Sq Ft	\$67.31	-3.3%	\$69.61	-12.7%	\$77.14
	Median Rental Price	\$5,500	-8.3%	\$5,998	-6.7%	\$5,895
	Number of New Leases	256	-13.5%	296	-11.4%	289

Manhattan landlord concessions reached a new record as rental price trends remained softest at the top. The market share of landlord concessions rose to 30.9%, nearly double the 16.4% share of a year ago. Each month since July, median net effective rent declined. The current month experienced a nominal decline of 0.1% to \$3,259 on a year over year basis. The

market share of concessions for 2-bedroom apartments was the highest at 34.9%, followed by 1-bedrooms with 31.4%, 3 or more bedrooms with 29.3% and studios with 26.4%. Consistent with rental price trends, the entry tier – the first 30% of rental activity, experienced a 1.9% rise in median face rent to \$2,295 from the same period last year. Mid tier rents that comprise of the next

30% of rentals, edged up 0.7% to \$3,200 over the same period. The upper tier or next 30% of the market was unchanged with a median rent of \$4,400. Luxury median rent accounting for the top 10% of the market fell 5% to \$7,595. The aggressive use of concessions helped push the vacancy rate down to 2.35% from 2.82% over the same period. Listing discount, the percentage from the original list price to the rental price, remained unchanged at 3% over the same period.



## PROPERTY TYPE

- Non-doorman rents moved higher as "doorman" rents declined
- New development median rent continued to slide

Manhattan Rental Market By Property Type	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Doorman Median Rental Price	\$3,750	-1.2%	\$3,795	-1.2%	\$3,795
Non-Doorman Median Rental Price	\$2,800	0.0%	\$2,800	2.8%	\$2,725
Loft Median Rental Price	\$3,795	-4.9%	\$3,990	-37.9%	\$6,114
New Development Median Rental Price	\$4,383	8.2%	\$4,050	-2.3%	\$4,487

## BY PRICE

- Rental gains by price were found in the first two market tiers
- Overall luxury price trend indicators moved lower
- Luxury rent threshold slipped

Manhattan Rental Market By Price	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Luxury (Top 10%) - Average Rental Price	\$9,226	-7.9%	\$10,015	-13.6%	\$10,673
Luxury (Top 10%) - Rental Price per Sq Ft	\$73.05	-0.8%	\$73.65	-9.5%	\$80.76
Luxury (Top 10%) - Median Rental Price	\$7,595	-5.1%	\$8,000	-5.0%	\$7,995
Luxury (Top 10%) - Number of New Leases	328	-8.1%	357	-3.0%	338
Luxury (Top 10%) - Entry Threshold	\$6,000	-4.8%	\$6,300	-6.2%	\$6,395
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,400	-1.1%	\$4,450	0.0%	\$4,402
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	0.0%	\$3,200	0.7%	\$3,179
Entry Tier (1st 30%) - Median Rental Price	\$2,295	-0.2%	\$2,300	1.9%	\$2,253

## BY LOCATION

### DOWNTOWN

- Median rent stabilized
- New leases declined

Downtown Market Matrix	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Median Rental Price	\$3,595	-2.2%	\$3,675	0.0%	\$3,595
Number of New Leases	1,379	-13.3%	1,590	-3.7%	1,432
Vacancy Rate	2.21%		2.76%		3.10%

### EAST SIDE

- Vacancy rate declined
- Median rent edged higher

East Side Market Matrix	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Median Rental Price	\$3,200	-1.4%	\$3,245	0.4%	\$3,187
Number of New Leases	862	-6.9%	926	-3.4%	892
Vacancy Rate	2.41%		2.85%		3.34%

### WEST SIDE

- New leases slipped
- Median rent declined

West Side Market Matrix	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Median Rental Price	\$3,365	2.0%	\$3,300	-2.5%	\$3,450
Number of New Leases	725	-6.0%	771	-0.3%	727
Vacancy Rate	1.89%		2.16%		2.42%

### UPTOWN

- New leases declined
- Median rent increased

Uptown Market Matrix	JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Median Rental Price	\$2,293	1.9%	\$2,250	4.2%	\$2,201
Number of New Leases	246	-7.5%	266	-23.6%	322
Vacancy Rate	3.28%		2.93%		1.68%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

1.9%

## INVENTORY

Total Inventory

24.9%

## NEW LEASES

Excludes Renewals

5.9%

## OP + CONCESSIONS

Market Share

12.7%

## MARKETING TIME

Days on Market

16 days

## NEGOTIABILITY

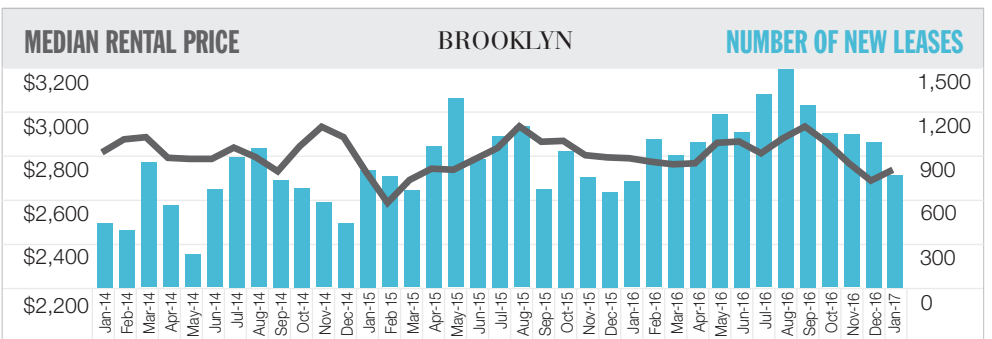
Listing Discount

0.4%

- Landlord concessions tripled to new record
- Median rent declined for the sixth time in seven months
- Brooklyn median rent was \$619 less than Manhattan median rent

Brooklyn Rental Market		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Average Rental Price		\$3,027	-0.6%	\$3,045	-1.5%	\$3,073
Rental Price per Sq Ft		\$46.70	4.5%	\$44.70	3.7%	\$45.03
Median Rental Price		\$2,750	1.9%	\$2,700	-1.9%	\$2,803
Number of New Leases		767	-22.8%	993	5.9%	724
Days on Market (From Original List Date)		68	30.8%	52	30.8%	52
Listing Discount (From Original List Price)		2.5%		3.0%		2.1%
Listing Inventory		2,459	-4.6%	2,578	24.9%	1,969
Brooklyn Rental w/Concessions		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Median Rental Price		\$2,702	1.5%	\$2,662	-2.8%	\$2,779
Share of New Leases w/OP + Concessions (%)		18.1%		13.7%		5.4%
Free Rent/Owner Paid (Mos)		1.6	-5.9%	1.7	-15.8%	1.9
Brooklyn Rental Market by Size		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Studio -	Average Rental Price	\$2,335	-14.9%	\$2,745	-5.0%	\$2,459
	Rental Price per Sq Ft	\$53.31	3.9%	\$51.33	12.1%	\$47.57
	Median Rental Price	\$2,300	-4.5%	\$2,409	-0.4%	\$2,310
	Number of New Leases	120	-16.1%	143	53.8%	78
1-Bedroom -	Average Rental Price	\$2,719	0.7%	\$2,700	2.1%	\$2,663
	Rental Price per Sq Ft	\$47.67	2.0%	\$46.72	4.2%	\$45.74
	Median Rental Price	\$2,700	1.7%	\$2,656	4.0%	\$2,595
	Number of New Leases	298	-28.7%	418	3.1%	289
2-Bedroom -	Average Rental Price	\$3,315	2.1%	\$3,246	-1.4%	\$3,362
	Rental Price per Sq Ft	\$45.55	3.2%	\$44.13	-0.4%	\$45.73
	Median Rental Price	\$3,025	2.5%	\$2,950	-3.9%	\$3,147
	Number of New Leases	251	-14.6%	294	-4.9%	264
3+ Bedroom -	Average Rental Price	\$4,072	2.5%	\$3,972	0.7%	\$4,043
	Rental Price per Sq Ft	\$43.15	18.9%	\$36.29	4.7%	\$41.20
	Median Rental Price	\$3,318	-5.1%	\$3,498	-7.8%	\$3,600
	Number of New Leases	98	-29.0%	138	5.4%	93
Brooklyn Rental Market by Type		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Luxury (Top 10%) - Median Rental Price		\$5,119	-3.4%	\$5,300	-0.9%	\$5,163
Luxury (Top 10%) - Entry Threshold		\$4,535	4.7%	\$4,330	2.5%	\$4,426
New Development - Median Rental Price		\$3,309	10.6%	\$2,993	-1.0%	\$3,341

Rental price trend indicators in Brooklyn showed further weakness across most of the market. Median rental price declined 1.9% to \$2,750 from the same period a year ago and the sixth decline in seven months. With the exception of 1-bedrooms, all apartment size categories showed declines in median rental price on a year over year basis. Median rental price for 1-bedroom apartments increased 4% to \$2,700 over the same period but largely due to the introduction of new development units into the mix. Luxury median rental price, representing the top 10% of the market, followed the same patten by declining 0.9% to \$5,119 from the same year ago period. The market share of landlord concessions more than tripled to a record 18.1% from 5.4% in the same period a year ago. Listing



inventory jumped 24.9% to 2,459 helping keep rental price trends soft. Listing discount, the percentage from the original list price to the rental price, edged up nominally to 2.5% from 2.1% over the same period. Days on market, the number of days from the original list date to the lease date, jumped by 16 days to an average of 68 days.

## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

2.4%

### INVENTORY

Total Inventory

7.0%

### NEW LEASES

Excludes Renewals

8.7%

### NEW DEVELOPMENT

Market Share

19.0%

### MARKETING TIME

Days on Market

7 days

### NEGOTIABILITY

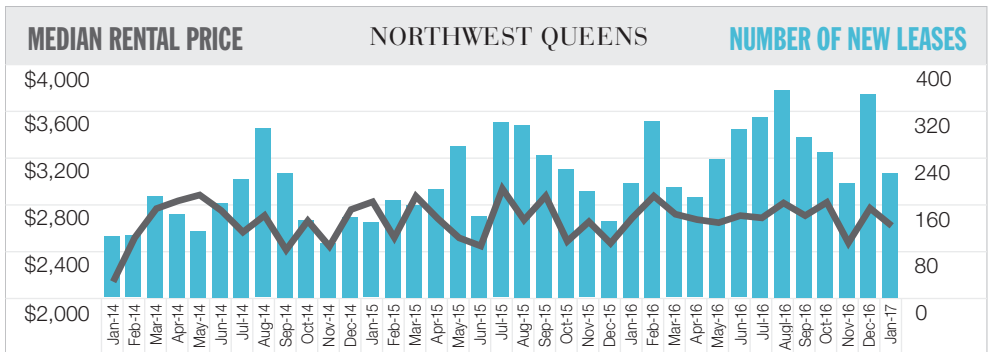
Listing Discount

1.1%

- Rental price trend indicators were mixed
- Inventory expanded as new development market more than doubled
- Queens median rent was \$50 less than Brooklyn median rent

Queens Rental Market		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Average Rental Price		\$2,854	-4.6%	\$2,992	1.0%	\$2,825
Rental Price per Sq Ft		\$46.79	2.5%	\$45.67	5.9%	\$44.17
Median Rental Price		\$2,700	-5.3%	\$2,850	-2.4%	\$2,767
Number of New Leases		213	-38.8%	348	8.7%	196
Days on Market (From Original List Date)		42	-4.5%	44	-14.3%	49
Listing Discount (From Original List Price)		2.4%		1.8%		1.3%
Listing Inventory		550	7.4%	512	7.0%	514
Queens Rental Market by Size		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Studio -	Average Rental Price	\$2,171	-3.0%	\$2,239	6.9%	\$2,030
	Rental Price per Sq Ft	\$48.95	-6.6%	\$52.42	-3.8%	\$50.87
	Median Rental Price	\$2,186	-10.6%	\$2,445	9.3%	\$2,000
Number of New Leases		31	-51.6%	64	63.2%	19
1-Bedroom -	Average Rental Price	\$2,662	-2.9%	\$2,742	0.8%	\$2,640
	Rental Price per Sq Ft	\$48.27	12.1%	\$43.07	8.2%	\$44.60
	Median Rental Price	\$2,764	-3.4%	\$2,862	-1.1%	\$2,795
Number of New Leases		123	-31.7%	180	15.0%	107
2-Bedroom -	Average Rental Price	\$3,486	-8.8%	\$3,822	6.2%	\$3,282
	Rental Price per Sq Ft	\$46.16	-2.4%	\$47.29	10.0%	\$41.97
	Median Rental Price	\$3,625	-12.4%	\$4,137	28.6%	\$2,818
Number of New Leases		50	-43.2%	88	-15.3%	59
3+ Bedroom -	Average Rental Price	\$4,328	1.8%	\$4,253	22.4%	\$3,537
	Rental Price per Sq Ft	\$40.45	-10.6%	\$45.25	-13.6%	\$46.83
	Median Rental Price	\$3,800	12.9%	\$3,365	3.9%	\$3,658
Number of New Leases		9	-43.8%	16	-18.2%	11
Queens Rental Market By Type		JAN-17	%Δ (MO)	DEC-16	%Δ (YR)	JAN-16
Luxury (Top 10%) - Median Rental Price		\$4,553	-5.9%	\$4,838	8.4%	\$4,200
Luxury (Top 10%) - Entry Threshold		\$4,145	-8.3%	\$4,520	11.8%	\$3,708
New Development - Median Rental Price		\$3,195	-7.0%	\$2,973	4.2%	\$3,065
New Development - Market Share		33.8%		25.3%		14.8%

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



Median rental prices in northwest Queens, comprised of the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside, continued to show monthly “see-saw” price trends over the past year. This volatility in price trends has been influenced by new development activity. The market share of new development rental activity more than doubled to 33.8% over the same month a year ago. Median rental price declined 2.5% to \$2,700 from the same period last year. The number of new leases rose a modest 8.7% as listing inventory increased 7% to 550 apartments respectively from the

same month a year ago. Listing discount, the percentage from the original list price to the rental price, rose to 2.4% from 1.3% in the same month a year ago. Days on market, the number of days from the original list date to the lease date, declined by 7 days to an average of 42 days.

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#### Report Methodology:

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