

ELLI MAN REPORT

JUNE 2017

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.6%

VACANCY

Vacancy Rate

0.09%

NEW LEASES

Excludes Renewals

26.9%

OP + CONCESSIONS

Market Share

14.2%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.3%

- Median net effective rent remained essentially flat as new leases jumped
- Market share of landlord concessions remained more than double the year-ago level
- Vacancy rate remained lower than year ago level as concessions worked

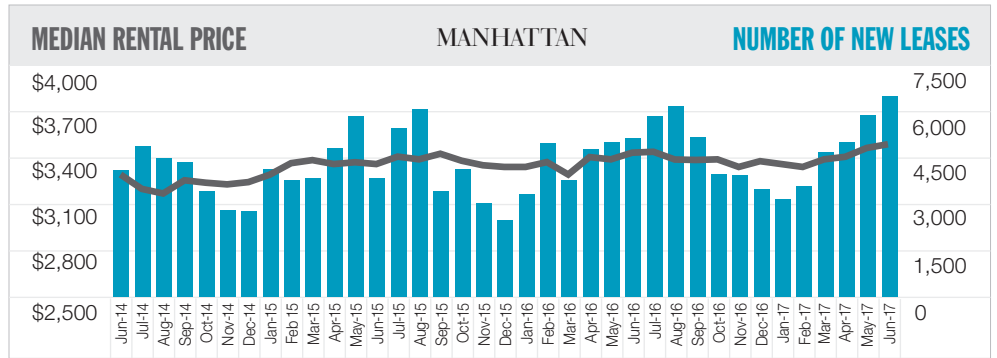
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUN-17	%Δ (mo)	MAY-17	%Δ (yr)	JUN-16
Average Rental Price		\$4,126	-1.9%	\$4,208	-0.2%	\$4,134
Rental Price per Sq Ft		\$66.86	-0.1%	\$66.94	-1.3%	\$67.74
Median Rental Price		\$3,500	0.7%	\$3,475	1.6%	\$3,444
Number of New Leases		6,604	10.6%	5,969	26.9%	5,203
Days on Market (From Original List Date)		41	-6.8%	44	5.1%	39
Listing Discount (From Original List Price)		1.7%		1.9%		2.0%
Listing Inventory		7,824	8.4%	7,219	5.1%	7,442
Vacancy Rate		2.21%		1.72%		2.30%
Manhattan Rental w/Concessions		JUN-17	%Δ (mo)	MAY-17	%Δ (yr)	JUN-16
Median Rental Price		\$3,410	1.0%	\$3,377	-0.1%	\$3,413
Share of New Leases w/OP + Concessions (%)		23.9%		25.1%		9.7%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	18.2%	1.1
Manhattan Rental Market by Size		JUN-17	%Δ (mo)	MAY-17	%Δ (yr)	JUN-16
Studio -	Average Rental Price	\$2,685	-3.3%	\$2,777	-0.1%	\$2,688
	Rental Price per Sq Ft	\$68.41	2.6%	\$66.70	2.2%	\$66.93
	Median Rental Price	\$2,600	-1.9%	\$2,650	-0.4%	\$2,611
	Number of New Leases	1,568	14.0%	1,376	24.4%	1,260
1-Bedroom -	Average Rental Price	\$3,538	1.8%	\$3,476	0.3%	\$3,528
	Rental Price per Sq Ft	\$63.73	1.3%	\$62.89	0.0%	\$63.72
	Median Rental Price	\$3,500	1.4%	\$3,450	1.5%	\$3,449
	Number of New Leases	2,688	9.0%	2,467	27.3%	2,111
2-Bedroom -	Average Rental Price	\$4,947	-0.8%	\$4,986	0.8%	\$4,908
	Rental Price per Sq Ft	\$64.95	-1.4%	\$65.88	-3.3%	\$67.16
	Median Rental Price	\$4,312	-4.2%	\$4,500	4.3%	\$4,134
	Number of New Leases	1,640	10.3%	1,487	25.9%	1,303
3+ Bedroom -	Average Rental Price	\$7,644	-7.9%	\$8,304	-5.5%	\$8,087
	Rental Price per Sq Ft	\$73.72	-0.5%	\$74.09	-2.9%	\$75.92
	Median Rental Price	\$5,620	-6.3%	\$6,000	-3.3%	\$5,814
	Number of New Leases	708	10.8%	639	33.8%	529

The Manhattan rental market continued to show softer conditions at the top and the effective use of concessions by landlords to keep vacancy in check. The net effective median rent, face rent less the rental equivalent of brokerage commissions and free rent, was virtually flat at \$3,410, down 0.1% from \$3,413 from the same month a year ago. Face rents showed mixed results with 0.2% and 1.3% declines in

average rent and average rent per square foot respectively. The market share of concessions was 23.9%, more than double the year-ago share of 9.7% but well below 30.9% record set back in January. As a result, the vacancy rate was 2.21%, down nominally from 2.30% over the same period. Luxury median rental price, accounting for the top 10% of all rentals, declined 6.2% to \$7,949 from the same period last year.

This pattern continued to be reflected in doorman amenity that represents half of all rentals and has continued to lag the growth in the non-doorman amenity for the past several years. The number of new leases surged 26.9% to 6,604 from the same period last year, the highest monthly total since January 2008 when this series began. The addition of new development product and pushback from tenants at the time of renewal drove the increase.



PROPERTY TYPE

- New development median rent moved higher as average size increased
- “Non-doorman” median rent continued to outperform higher end “Doorman”

Property Type	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Doorman Median Rental Price	\$3,835	2.1%	\$3,755	0.9%	\$3,800
Non-Doorman Median Rental Price	\$3,000	0.0%	\$3,000	1.7%	\$2,951
Loft Median Rental Price	\$4,200	3.7%	\$4,050	-25.9%	\$5,666
New Development Median Rental Price	\$4,795	8.1%	\$4,435	11.1%	\$4,316

BY PRICE

- Luxury median rent declined and remained weakest segment of market
- Median rent trends improved in mid tier and upper tier segments
- Luxury rent threshold edged higher

Price Segment	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Luxury (Top 10%) - Average Rental Price	\$10,039	-5.9%	\$10,668	-5.5%	\$10,625
Luxury (Top 10%) - Rental Price per Sq Ft	\$78.67	1.6%	\$77.42	-2.8%	\$80.91
Luxury (Top 10%) - Median Rental Price	\$7,949	-0.6%	\$8,000	-6.2%	\$8,475
Luxury (Top 10%) - Number of New Leases	661	7.8%	613	25.9%	525
Luxury (Top 10%) - Entry Threshold	\$6,362	-2.0%	\$6,495	0.9%	\$6,307
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	-1.3%	\$4,560	1.5%	\$4,434
Mid Tier (2nd 30%) - Median Rental Price	\$3,300	0.0%	\$3,300	1.5%	\$3,252
Entry Tier (1st 30%) - Median Rental Price	\$2,395	-0.2%	\$2,399	1.5%	\$2,360

BY LOCATION

DOWNTOWN

- Vacancy rate jumped
- New leases surged

Metric	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price	\$3,795	0.0%	\$3,795	1.5%	\$3,740
Number of New Leases	3,013	10.2%	2,734	30.9%	2,302
Vacancy Rate	2.92%		1.75%		2.36%

EAST SIDE

- Median rent increased
- Vacancy rate fell

Metric	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price	\$3,350	4.7%	\$3,200	4.6%	\$3,203
Number of New Leases	1,634	11.8%	1,462	19.0%	1,373
Vacancy Rate	1.64%		1.42%		2.14%

WEST SIDE

- New leases jumped
- Median rent increased

Metric	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price	\$3,425	-0.7%	\$3,450	2.4%	\$3,346
Number of New Leases	1,416	9.3%	1,296	31.8%	1,074
Vacancy Rate	2.22%		2.42%		2.02%

UPTOWN

- Vacancy rate fell
- New leases increased

Metric	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price	\$2,350	0.0%	\$2,350	-0.8%	\$2,370
Number of New Leases	541	13.4%	477	19.2%	454
Vacancy Rate	1.06%		1.15%		2.75%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.0%

INVENTORY

Total Inventory

13.5%

NEW LEASES

Excludes Renewals

61.5%

OP + CONCESSIONS

Market Share

10.9%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

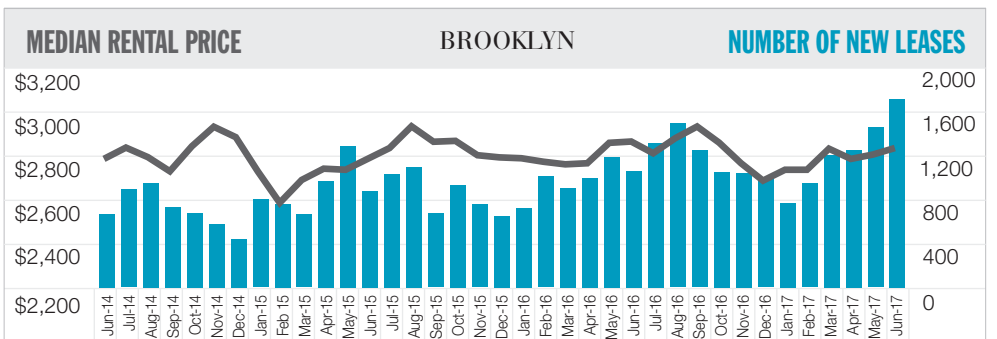
Listing Discount

0.2%

- Number of new leases surged as median and average rent declined
- Landlord concessions rise to the second highest on record, nearly triple year ago level
- Brooklyn median rent was \$650 less than Manhattan median rent

Brooklyn Rental Market		JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Average Rental Price		\$3,198	1.9%	\$3,137	-0.6%	\$3,218
Rental Price per Sq Ft		\$47.36	5.4%	\$44.93	1.7%	\$46.55
Median Rental Price		\$2,850	1.1%	\$2,820	-1.0%	\$2,880
Number of New Leases		1,717	17.6%	1,460	61.5%	1,063
Days on Market (From Original List Date)		39	-11.4%	44	-11.4%	44
Listing Discount (From Original List Price)		1.5%		1.3%		1.3%
Listing Inventory		2,620	5.2%	2,490	13.5%	2,309
Brooklyn Rental w/Concessions		JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price		\$2,813	1.1%	\$2,782	-1.6%	\$2,858
Share of New Leases w/OP + Concessions (%)		17.1%		15.2%		6.2%
Free Rent/Owner Paid (Mos)		1.3	-13.3%	1.5	-13.3%	1.5
Brooklyn Rental Market by Size		JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Studio -	Average Rental Price	\$2,415	-1.8%	\$2,459	4.7%	\$2,306
	Rental Price per Sq Ft	\$57.62	10.0%	\$52.37	4.7%	\$55.01
	Median Rental Price	\$2,351	-4.0%	\$2,450	-1.1%	\$2,378
	Number of New Leases	269	47.0%	183	67.1%	161
1-Bedroom -	Average Rental Price	\$2,727	0.9%	\$2,703	-1.8%	\$2,778
	Rental Price per Sq Ft	\$48.88	1.6%	\$48.10	0.0%	\$48.90
	Median Rental Price	\$2,700	0.9%	\$2,676	-2.7%	\$2,774
	Number of New Leases	655	7.2%	611	60.5%	408
2-Bedroom -	Average Rental Price	\$3,495	1.2%	\$3,455	0.7%	\$3,470
	Rental Price per Sq Ft	\$46.74	5.4%	\$44.35	4.9%	\$44.54
	Median Rental Price	\$3,200	2.4%	\$3,125	-2.1%	\$3,267
	Number of New Leases	530	15.7%	458	55.9%	340
3+ Bedroom -	Average Rental Price	\$4,573	6.2%	\$4,307	-4.4%	\$4,781
	Rental Price per Sq Ft	\$41.58	10.6%	\$37.58	-5.0%	\$43.79
	Median Rental Price	\$3,695	8.7%	\$3,400	-4.4%	\$3,864
	Number of New Leases	263	26.4%	208	70.8%	154
Brooklyn Rental Market by Type		JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Luxury (Top 10%) - Median Rental Price		\$5,755	5.6%	\$5,450	0.5%	\$5,729
Luxury (Top 10%) - Entry Threshold		\$4,800	4.3%	\$4,600	2.1%	\$4,700
New Development - Median Rental Price		\$3,363	-1.1%	\$3,400	1.4%	\$3,315

Overall rents in Brooklyn continued to slip as inventory expanded and landlord concessions reached their second highest level recorded for this series. The net effective median rent, face rent less the rental equivalent of brokerage commissions and free rent, was \$2,813, down 1.6% from the same period last year. The average and median face rents also reflected year over year declines. The market share of landlord concessions was 17.1%, the second highest on record and nearly triple the 6.2% market share in the same period a year ago. The median face rent declined annually for all apartment sizes but showed a general trend of greater weakness at the high end. However, the luxury median face rent, representing the top 10% of all rentals, edged up 0.5% over the same



period. The rental housing stock in the borough continued to rise, as noted by the year over year 13.5% rise in listing inventory to 2,620. Listing discount, the percentage difference between

the original and lease dates, continued to show nominal expansion of negotiability, up to 1.5% from 1.3% over the same period.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.2%

INVENTORY

Total Inventory

3.3%

NEW LEASES

Excludes Renewals

22.0%

OP + CONCESSIONS

Market Share

28.9%

MARKETING TIME

Days on Market

0 days

NEGOTIABILITY

Listing Discount

1.0%

- Prices moved higher as new development exceeded one-third of rental activity
- Landlord concession market share was four times higher than last year
- Northwest Queens median rent was \$53 more than Brooklyn median rent

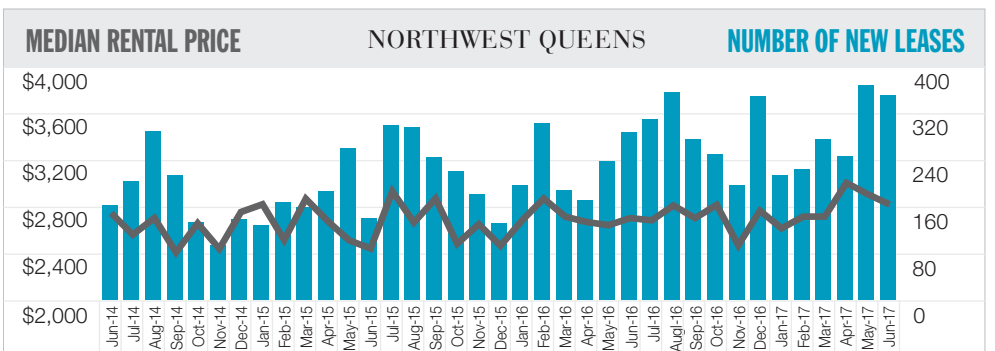
Queens Rental Market	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Average Rental Price	\$2,975	-0.4%	\$2,988	0.6%	\$2,957
Rental Price per Sq Ft	\$48.56	-4.7%	\$50.93	5.9%	\$45.86
Median Rental Price	\$2,903	-2.9%	\$2,990	4.2%	\$2,787
Number of New Leases	350	-4.6%	367	22.0%	287
Days on Market (From Original List Date)	34	-26.1%	46	0.0%	34
Listing Discount (From Original List Price)	0.8%		0.5%		-0.2%
Listing Inventory	501	-3.1%	517	-3.3%	518

Queens Rental w/Concessions	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Median Rental Price	\$2,822	-2.8%	\$2,902	2.5%	\$2,754
Number of New Leases w/OP + Concessions (%)	38.3%		37.9%		9.4%
Free Rent/Owner Paid (Mos)	1.2	-7.7%	1.3	-20.0%	1.5

Queens Rental Market by Size		JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Studio -	Average Rental Price	\$2,445	0.1%	\$2,443	2.8%	\$2,378
	Rental Price per Sq Ft	\$54.15	-8.0%	\$58.88	-1.7%	\$55.06
	Median Rental Price	\$2,590	1.8%	\$2,545	4.6%	\$2,476
1-Bedroom -	Average Rental Price	\$2,838	-3.5%	\$2,941	1.8%	\$2,787
	Rental Price per Sq Ft	\$49.31	-3.6%	\$51.14	5.6%	\$46.71
	Median Rental Price	\$3,093	-1.3%	\$3,133	3.6%	\$2,986
2-Bedroom -	Average Rental Price	\$3,688	-0.4%	\$3,703	3.3%	\$3,570
	Rental Price per Sq Ft	\$47.78	3.0%	\$46.41	10.5%	\$43.25
	Median Rental Price	\$4,256	5.1%	\$4,049	25.2%	\$3,400
3+ Bedroom -	Average Rental Price	\$3,755	-18.2%	\$4,588	-19.5%	\$4,662
	Rental Price per Sq Ft	\$38.06	-11.3%	\$42.89	-4.7%	\$39.92
	Median Rental Price	\$3,276	-18.0%	\$3,995	-11.5%	\$3,700
	Number of New Leases	15	66.7%	9	66.7%	9

Queens Rental Market By Type	JUN-17	%Δ (MO)	MAY-17	%Δ (YR)	JUN-16
Luxury (Top 10%) - Median Rental Price	\$4,650	3.2%	\$4,505	3.7%	\$4,482
Luxury (Top 10%) - Entry Threshold	\$4,330	8.4%	\$3,995	22.3%	\$3,540
New Development - Median Rental Price	\$3,210	-7.0%	\$3,210	2.2%	\$3,141
New Development - Market Share	34.6%		38.7%		28.2%

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 comprised of the neighborhoods of Long Island City, Astoria, Sunnyside, and Woodside, remained significantly influenced by new development activity, accounting for 34.6% of new leases signed during the month. Consistent with this characteristic, new leases jumped 22% from the same period last year. This growth outpaced the 3.3% decline in listing inventory, over the same period and the first annual decline in 22 months. Consistent with the introduction of new rental units to the market, the net effective median rent rose 2.5% to \$2,822, despite the 38.3% market share of landlord concessions.

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>

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