

ELLI MAN

REPORT

NOVEMBER 2017

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.3%

VACANCY

Vacancy Rate

0.18%

NEW LEASES

Excludes Renewals

5.0%

OP + CONCESSIONS

Market Share

4.5%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.1%

- Market share of landlord concessions rose to second highest level on record
- Median rent showed nominal gain as average and price per square foot slipped
- Number of new leases and marketing time slipped

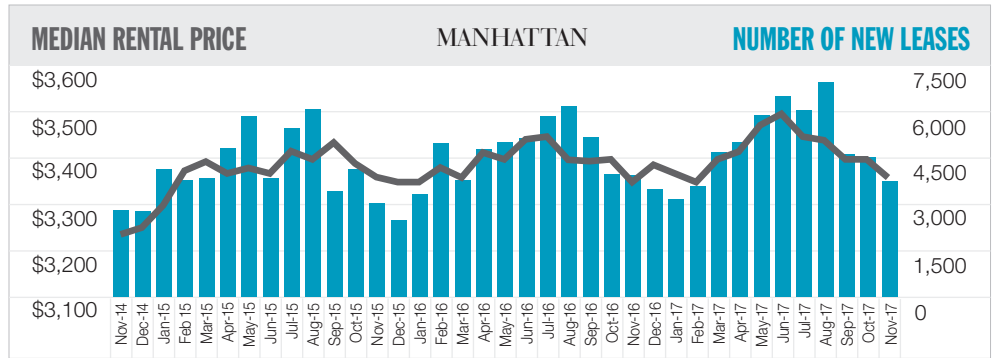
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		NOV-17	%Δ (mo)	OCT-17	%Δ (yr)	NOV-16
Average Rental Price		\$4,091	-0.5%	\$4,113	-0.1%	\$4,095
Rental Price per Sq Ft		\$64.73	-1.9%	\$65.97	-2.4%	\$66.32
Median Rental Price		\$3,360	-1.2%	\$3,400	0.3%	\$3,350
Number of New Leases		3,787	-17.4%	4,582	-5.0%	3,987
Days on Market (From Original List Date)		49	11.4%	44	-5.8%	52
Listing Discount (From Original List Price)		3.7%		3.2%		3.8%
Listing Inventory		7,189	-1.8%	7,322	-1.3%	7,283
Vacancy Rate		2.35%		2.47%		2.53%
Manhattan Rental w/Concessions		NOV-17	%Δ (mo)	OCT-17	%Δ (yr)	NOV-16
Median Rental Price		\$3,284	-1.4%	\$3,330	0.6%	\$3,264
Share of New Leases w/OP + Concessions (%)		29.6%		28.0%		25.1%
Free Rent/Owner Paid (Mos)		1.3	8.3%	1.2	8.3%	1.2
Manhattan Rental Market by Size		NOV-17	%Δ (mo)	OCT-17	%Δ (yr)	NOV-16
Studio -	Average Rental Price	\$2,666	0.7%	\$2,648	-0.3%	\$2,675
	Rental Price per Sq Ft	\$62.84	-6.3%	\$67.06	-8.0%	\$68.27
	Median Rental Price	\$2,550	-0.8%	\$2,570	-0.9%	\$2,573
	Number of New Leases	802	-22.7%	1,037	-13.6%	928
1-Bedroom -	Average Rental Price	\$3,435	-1.5%	\$3,488	-0.1%	\$3,440
	Rental Price per Sq Ft	\$60.76	-2.7%	\$62.44	-2.0%	\$61.98
	Median Rental Price	\$3,350	-1.5%	\$3,400	0.0%	\$3,350
	Number of New Leases	1,652	-14.6%	1,934	-3.5%	1,712
2-Bedroom -	Average Rental Price	\$4,776	-5.1%	\$5,033	-6.9%	\$5,130
	Rental Price per Sq Ft	\$62.88	-2.9%	\$64.76	-4.6%	\$65.88
	Median Rental Price	\$4,220	-7.9%	\$4,583	-9.2%	\$4,647
	Number of New Leases	958	-15.6%	1,135	-2.7%	985
3+ Bedroom -	Average Rental Price	\$8,275	8.1%	\$7,652	3.2%	\$8,022
	Rental Price per Sq Ft	\$74.00	2.0%	\$72.57	0.2%	\$73.87
	Median Rental Price	\$5,841	-2.6%	\$5,995	6.2%	\$5,500
	Number of New Leases	375	-21.2%	476	3.6%	362

The Manhattan rental market has sustained near record landlord concessions for a year now, as aggregate price indicators reflect mixed trends. The market share of landlord concessions expanded 4.5% to 29.6% from the same month a year ago, the second largest on record. However, landlords appear to have resolved not to expand the footprint of concessions over the market

with concerns about tenant qualifications if the concessions were to be removed. Net effective median rent rose 0.6% to \$3,284 over the same period as the mix of rental activity skewed to larger apartments. Studio apartment new lease signings declined 13.6%, the largest year over year decline of any size category. Lease signings for the 3-bedroom market increased 3.6% over

the same period. Yet within each size category, the 3-bedroom market was the only one to see higher year over year price trends as additional large new development apartments entered the market. The “soft at the top” storyline continued with the first 30% of the market by price seeing the only annual price trend growth. The top 10% and next 30% of the market showed 4.4% and 0.1% declines respectively before considering the impact of concessions.



PROPERTY TYPE

- “Doorman” median rent grew faster than “non-doorman” median rent for second consecutive month
- Market share gain of larger new units skewed doorman rents higher

Manhattan Rental Market By Property Type	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Doorman Median Rental Price	\$3,796	-2.7%	\$3,900	0.4%	\$3,782
Non-Doorman Median Rental Price	\$2,770	-2.5%	\$2,840	-1.1%	\$2,800
Loft Median Rental Price	\$5,995	1.2%	\$5,925	4.3%	\$5,750
New Development Median Rental Price	\$4,675	-0.3%	\$4,688	7.5%	\$4,348

BY PRICE

- “Soft at the top” trend returned as luxury median rents declined
- Entry tier – first 30% of market by price – was only segment to see price gains
- Luxury entry threshold slid from same period a year ago

Manhattan Rental Market By Price	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Luxury (Top 10%) - Average Rental Price	\$10,517	4.3%	\$10,084	-0.4%	\$10,560
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.11	1.1%	\$76.30	-4.5%	\$80.71
Luxury (Top 10%) - Median Rental Price	\$8,225	-2.1%	\$8,400	-4.4%	\$8,600
Luxury (Top 10%) - Number of New Leases	380	-18.8%	468	-4.8%	399
Luxury (Top 10%) - Entry Threshold	\$6,320	-2.8%	\$6,500	-2.8%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,495	-1.9%	\$4,580	-0.1%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	-1.5%	\$3,250	0.0%	\$3,200
Entry Tier (1st 30%) - Median Rental Price	\$2,299	-2.2%	\$2,350	0.2%	\$2,295

BY LOCATION

DOWNTOWN

- New leases slipped
- Vacancy rate expanded

Downtown Market Matrix	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Median Rental Price	\$3,695	0.3%	\$3,685	-0.1%	\$3,697
Number of New Leases	1,511	-23.4%	1,973	-11.2%	1,701
Vacancy Rate	2.64%		3.01%		2.52%

EAST SIDE

- Median rent increased
- New leases declined

East Side Market Matrix	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Median Rental Price	\$3,350	-1.5%	\$3,400	5.8%	\$3,165
Number of New Leases	969	-19.1%	1,198	-12.3%	1,105
Vacancy Rate	1.64%		1.48%		2.79%

WEST SIDE

- Vacancy rate jumped
- New leases expanded

West Side Market Matrix	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Median Rental Price	\$3,425	0.8%	\$3,398	2.2%	\$3,350
Number of New Leases	889	-9.8%	986	7.9%	824
Vacancy Rate	2.55%		2.61%		2.29%

UPTOWN

- Vacancy rate slipped
- New leases surged

Uptown Market Matrix	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Median Rental Price	\$2,288	-0.5%	\$2,300	1.7%	\$2,250
Number of New Leases	418	-1.6%	425	17.1%	357
Vacancy Rate	2.39%		2.30%		2.48%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.5%

INVENTORY

Total Inventory

15.8%

NEW LEASES

Excludes Renewals

4.9%

OP + CONCESSIONS

Market Share

3.2%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

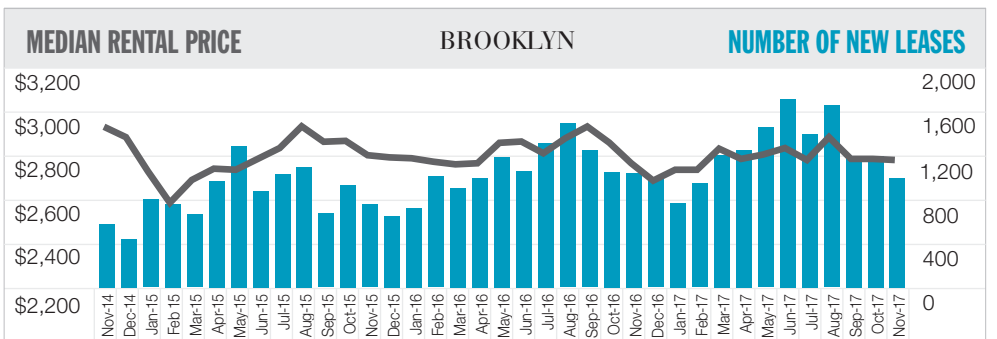
Listing Discount

0.1%

- After 6 consecutive months of annual declines, net effective median rent edged higher
- Face rent per square foot slipped for the fourth consecutive month
- Landlord concessions rose year over year for the 22nd consecutive month

Brooklyn Rental Market		NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16	
Average Rental Price		\$3,080	-3.1%	\$3,178	2.9%	\$2,993	
Rental Price per Sq Ft		\$44.43	-1.6%	\$45.15	-0.3%	\$44.55	
Median Rental Price		\$2,795	-0.2%	\$2,800	0.5%	\$2,780	
Number of New Leases		996	-16.7%	1,196	-4.9%	1,047	
Days on Market (From Original List Date)		43	10.3%	39	-10.4%	48	
Listing Discount (From Original List Price)		2.6%		2.5%		2.7%	
Listing Inventory		2,194	-2.8%	2,258	-15.8%	2,606	
Brooklyn Rental w/Concessions		NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16	
Median Rental Price		\$2,755	-0.2%	\$2,760	0.6%	\$2,738	
Share of New Leases w/OP + Concessions (%)		18.6%		19.3%		15.4%	
Free Rent/Owner Paid (Mos)		1.3	8.3%	1.2	-18.8%	1.6	
Brooklyn Rental Market by Size		NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16	
Studio -	Average Rental Price	\$2,395	-3.8%	\$2,489	-3.2%	\$2,475	
	Rental Price per Sq Ft	\$55.87	15.3%	\$48.44	2.6%	\$54.43	
	Median Rental Price	\$2,309	-3.8%	\$2,400	-5.8%	\$2,450	
1-Bedroom -	Average Rental Price	\$2,707	0.2%	\$2,701	-0.8%	\$2,730	
	Rental Price per Sq Ft	\$45.87	-4.3%	\$47.95	-5.0%	\$48.29	
	Median Rental Price	\$2,750	4.8%	\$2,625	1.9%	\$2,700	
2-Bedroom -	Average Rental Price	\$3,373	0.3%	\$3,363	4.6%	\$3,225	
	Rental Price per Sq Ft	\$43.57	-0.8%	\$43.93	3.1%	\$42.28	
	Median Rental Price	\$3,000	-0.8%	\$3,023	0.0%	\$3,000	
3+ Bedroom -	Average Rental Price	\$4,193	-10.7%	\$4,693	9.0%	\$3,848	
	Rental Price per Sq Ft	\$39.94	-5.6%	\$42.32	7.6%	\$37.12	
	Median Rental Price	\$3,595	-6.6%	\$3,850	8.9%	\$3,300	
Number of New Leases		129	-22.8%	167	1.6%	127	
	Brooklyn Rental Market by Type		NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
	Luxury (Top 10%) - Median Rental Price		\$5,378	-4.4%	\$5,625	9.8%	\$4,900
Luxury (Top 10%) - Entry Threshold		\$4,720	-0.2%	\$4,731	12.4%	\$4,200	
New Development - Median Rental Price		\$3,095	-1.5%	\$3,143	-5.5%	\$3,275	

Brooklyn rental price trends were mixed as the average size of a rental skewed higher. The average square footage was 930, up 5% from the same period last year. This was consistent in the number of new leases signed. The 3-bedroom market showed the only positive year over year median face rent of all size categories. In addition, luxury median rental price, representing the top 10%, increased 9.8% to \$5,378 and luxury average square footage rose 11.8% to 1,551 respectively from the prior year. The market share of landlord concessions expanded 3.9% to 18.6%, consistent with this year's typical monthly share of concessions. The year over year growth in market share was due in part to the 5.1% rise in new development concession



share to 50.3%. Landlord concessions for existing rentals expanded 2.5% to a 10.6% share. As a result, the net effective median rent edged 0.6% higher after six consecutive months

of year over year declines. Despite nominal price growth, days on market, the average number of days from the original list date to the lease date fell 10.4% to 43 days.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

1.8%

INVENTORY

Total Inventory

4.7%

NEW LEASES

Excludes Renewals

26.7%

OP + CONCESSIONS

Market Share

8.6%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.7%

- Net effective median rent rose nominally from the year ago quarter
- The number of new leases surged as listing inventory declined
- Luxury median sales price declined despite rise in entry threshold

Queens Rental Market	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Average Rental Price	\$2,801	-8.5%	\$3,061	2.3%	\$2,738
Rental Price per Sq Ft	\$48.10	1.7%	\$47.31	9.5%	\$43.92
Median Rental Price	\$2,600	-11.1%	\$2,923	1.8%	\$2,555
Number of New Leases	247	5.6%	234	26.7%	195
Days on Market (From Original List Date)	34	13.3%	30	-5.6%	36
Listing Discount (From Original List Price)	2.9%		3.1%		2.2%
Listing Inventory	587	2.1%	575	-4.7%	616

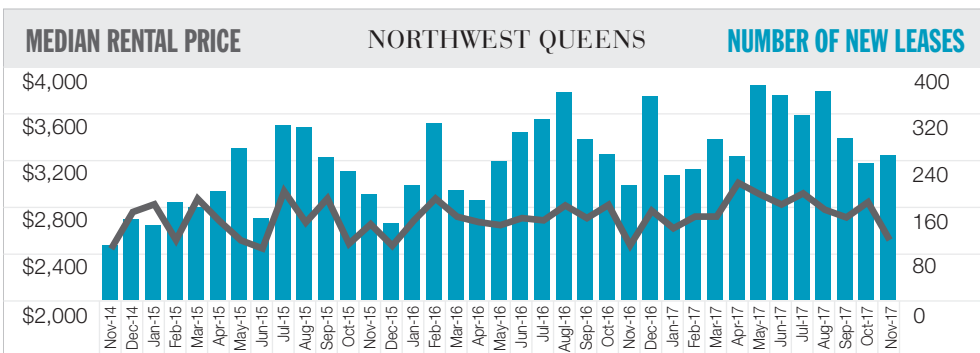
Queens Rental w/Concessions	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Median Rental Price	\$2,517	-10.6%	\$2,817	0.2%	\$2,511
Number of New Leases w/OP + Concessions (%)	44.5%		48.3%		35.9%
Free Rent/Owner Paid (Mos)	1.2	-7.7%	1.3	50.0%	0.8

Queens Rental Market by Size		NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Studio -	Average Rental Price	\$2,276	-1.5%	\$2,310	0.0%	\$2,275
	Rental Price per Sq Ft	\$55.26	0.5%	\$54.99	-0.1%	\$55.34
	Median Rental Price	\$2,308	-0.9%	\$2,329	-3.4%	\$2,388
1-Bedroom -	Average Rental Price	\$2,654	-3.9%	\$2,762	1.1%	\$2,624
	Rental Price per Sq Ft	\$47.66	-2.1%	\$48.67	13.2%	\$42.11
	Median Rental Price	\$2,857	-3.6%	\$2,965	8.1%	\$2,644
2-Bedroom -	Average Rental Price	\$3,328	-9.2%	\$3,667	-3.1%	\$3,435
	Rental Price per Sq Ft	\$45.71	0.0%	\$45.73	8.1%	\$42.29
	Median Rental Price	\$3,775	-2.4%	\$3,868	14.7%	\$3,290
3+ Bedroom -	Average Rental Price	\$4,932	7.5%	\$4,588	28.3%	\$3,845
	Rental Price per Sq Ft	\$43.90	15.3%	\$38.07	13.6%	\$38.63
	Median Rental Price	\$5,072	2.7%	\$4,938	44.9%	\$3,500
	Number of New Leases	8	-46.7%	15	100.0%	4

Queens Rental Market By Type	NOV-17	%Δ (MO)	OCT-17	%Δ (YR)	NOV-16
Luxury (Top 10%) - Median Rental Price	\$4,366	-12.9%	\$5,013	-5.1%	\$4,603
Luxury (Top 10%) - Entry Threshold	\$4,040	-13.5%	\$4,670	9.5%	\$3,689
New Development - Median Rental Price	\$2,857	-7.0%	\$3,138	7.3%	\$2,662
New Development - Market Share	34.0%		38.9%		36.4%

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

The northwest region of Queens, comprised of the neighborhoods of Long Island City, Astoria, Sunnyside, and Woodside experienced a surge in new leases as landlord concessions remained high. There were 247 new leases, up 26.7% from the prior year. The market share of landlord concessions was 44.5%, up from 35.9% over the same period. Concession market share for new development was 84.5%, more than double the 39.4% share last year. With the market share of new development rental activity hovering at 34%, the use of landlord concessions has dominated that submarket in 2017. Net effective median rent expanded a nominal 0.2% to \$2,517 over the same period.



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Report Methodology:

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

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