

ELLI MAN

REPORT

FEBRUARY 2018

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.5%

VACANCY

Vacancy Rate

0.15%

NEW LEASES

Excludes Renewals

6.8%

OP + CONCESSIONS

Market Share

21.2%

MARKETING TIME

Days on Market

23 days

NEGOTIABILITY

Listing Discount

0.9%

- **Third consecutive monthly year-over-year decline in net effective median rent**
- **All overall face rent price trend indicators and those for larger apartments declined**
- **Market share of rental concessions nearly doubled over the same period a year ago**

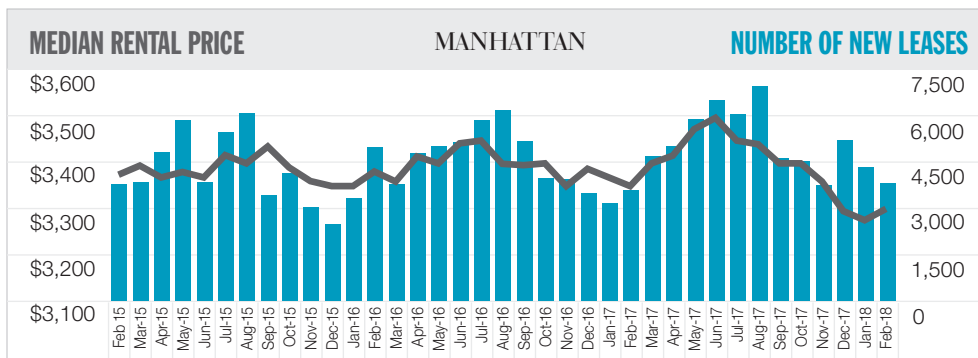
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		FEB-18	%Δ (mo)	JAN-18	%Δ (yr)	FEB-17
Average Rental Price		\$4,019	0.5%	\$3,999	-2.4%	\$4,118
Rental Price per Sq Ft		\$64.16	-2.0%	\$65.49	-0.7%	\$64.59
Median Rental Price		\$3,300	0.8%	\$3,275	-1.5%	\$3,350
Number of New Leases		3,881	-11.8%	4,401	6.8%	3,634
Days on Market (From Original List Date)		34	-5.6%	36	-40.4%	57
Listing Discount (From Original List Price)		2.4%		2.8%		3.3%
Listing Inventory		5,696	0.1%	5,688	-17.1%	6,872
Vacancy Rate		2.29%		1.98%		2.44%
Manhattan Rental w/Concessions		FEB-18	%Δ (mo)	JAN-18	%Δ (yr)	FEB-17
Median Rental Price		\$3,168	0.9%	\$3,141	-2.8%	\$3,260
Share of New Leases w/OP + Concessions (%)		47.6%		49.3%		26.4%
Free Rent/Owner Paid (Mos)		1.4	0.0%	1.4	16.7%	1.2
Manhattan Rental Market by Size		FEB-18	%Δ (mo)	JAN-18	%Δ (yr)	FEB-17
Studio -	Average Rental Price	\$2,623	-4.3%	\$2,741	-7.3%	\$2,829
	Rental Price per Sq Ft	\$62.14	-4.8%	\$65.28	-3.9%	\$64.66
	Median Rental Price	\$2,550	1.4%	\$2,515	2.0%	\$2,500
	Number of New Leases	878	-7.7%	951	8.9%	806
1-Bedroom -	Average Rental Price	\$3,471	4.2%	\$3,330	1.4%	\$3,422
	Rental Price per Sq Ft	\$62.49	3.8%	\$60.22	3.7%	\$60.26
	Median Rental Price	\$3,350	3.0%	\$3,254	0.0%	\$3,350
	Number of New Leases	1,751	-5.8%	1,859	7.1%	1,635
2-Bedroom -	Average Rental Price	\$4,917	3.1%	\$4,771	1.5%	\$4,843
	Rental Price per Sq Ft	\$63.30	-3.5%	\$65.62	1.6%	\$62.33
	Median Rental Price	\$4,400	2.4%	\$4,295	-2.2%	\$4,500
	Number of New Leases	886	-20.3%	1,112	2.9%	861
3+ Bedroom -	Average Rental Price	\$7,809	7.0%	\$7,300	-11.2%	\$8,790
	Rental Price per Sq Ft	\$69.47	-5.7%	\$73.66	-7.6%	\$75.17
	Median Rental Price	\$5,375	9.4%	\$4,911	-10.9%	\$6,031
	Number of New Leases	366	-23.6%	479	10.2%	332

Manhattan landlord concession market share remained near record highs in February and nearly doubled last year's share as overall face rent trends declined. This pattern resulted in the third consecutive monthly year over year decline in median net effective rent. The net effective median rent, median face rent less brokerage commissions, free rent, and other incentives, declined 2.8% to \$3,168 from the same period

last year. The monthly vacancy rate declined 0.15% to 2.29% over the same period, for the fourth consecutive year over year decline. Despite the overall market decline in median rent, luxury median rent has pressed higher on a year over year basis for the third consecutive month as new development reached critical mass to skew prices higher. The luxury market, representing the top 10% of all new leases, began at \$8,495

In February, up 6.4% from the same period a year ago. The remaining 90% of the market or “non-luxury” declined 1.6% overall to \$3,150 over the same period. As described in recent reports, the recent trend changes of “doorman” median rent growth outpacing “non-doorman” growth continued. February was the fifth consecutive month with more rental price gains evident at the high-end reflecting the influence of new development on price trends.



PROPERTY TYPE

- “Doorman” median annual rent growth outpaced “nondoorman” median rent for fifth consecutive month as new luxury product skewed market
- Number of new development leases rose three times faster than those within existing projects

Manhattan Rental Market By Property Type	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Doorman Median Rental Price	\$3,800	0.0%	\$3,800	1.2%	\$3,756
Non-Doorman Median Rental Price	\$2,700	0.0%	\$2,700	-3.4%	\$2,795
Loft Median Rental Price	\$5,873	17.5%	\$5,000	48.7%	\$3,950
New Development Median Rental Price	\$4,757	0.1%	\$4,750	-4.2%	\$4,963

BY PRICE

- The first 90% of the market by price declined year over year
- Luxury median rent expanded as remaining price trend indicators declined
- Luxury entry threshold continued to rise as new units skewed toward luxury

Manhattan Rental Market By Price	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Luxury (Top 10%) - Average Rental Price	\$10,333	-0.9%	\$10,432	-5.8%	\$10,975
Luxury (Top 10%) - Rental Price per Sq Ft	\$74.28	-6.8%	\$79.68	-3.9%	\$77.26
Luxury (Top 10%) - Median Rental Price	\$8,495	6.2%	\$8,000	6.4%	\$7,983
Luxury (Top 10%) - Number of New Leases	389	-12.2%	443	6.9%	364
Luxury (Top 10%) - Entry Threshold	\$6,395	2.7%	\$6,224	2.0%	\$6,272
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,400	1.1%	\$4,350	-2.2%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,135	1.1%	\$3,100	-2.0%	\$3,200
Entry Tier (1st 30%) - Median Rental Price	\$2,250	2.3%	\$2,200	-2.0%	\$2,295

BY LOCATION

DOWNTOWN

- Median rent slipped
- Vacancy rate unchanged

Downtown Market Matrix	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price	\$3,625	0.3%	\$3,613	-0.7%	\$3,650
Number of New Leases	1,635	-6.6%	1,750	2.9%	1,589
Vacancy Rate	2.61%		1.87%		2.61%

EAST SIDE

- New leases moved higher
- Decline in vacancy rate

East Side Market Matrix	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price	\$3,200	-2.9%	\$3,295	-0.7%	\$3,223
Number of New Leases	998	-8.4%	1,090	9.5%	911
Vacancy Rate	1.53%		1.42%		1.86%

WEST SIDE

- Median rent increased
- Vacancy rate expanded

West Side Market Matrix	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price	\$3,470	2.1%	\$3,400	5.4%	\$3,291
Number of New Leases	814	-13.2%	938	1.5%	802
Vacancy Rate	2.48%		2.55%		1.96%

UPTOWN

- New leases surged
- Median rent declined

Uptown Market Matrix	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price	\$2,175	-1.1%	\$2,200	-5.4%	\$2,300
Number of New Leases	434	-30.3%	623	30.7%	332
Vacancy Rate	2.30%		2.39%		3.55%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.3%

INVENTORY

Total Inventory

21.3%

NEW LEASES

Excludes Renewals

15.1%

OP + CONCESSIONS

Market Share

31.8%

MARKETING TIME

Days on Market

22 days

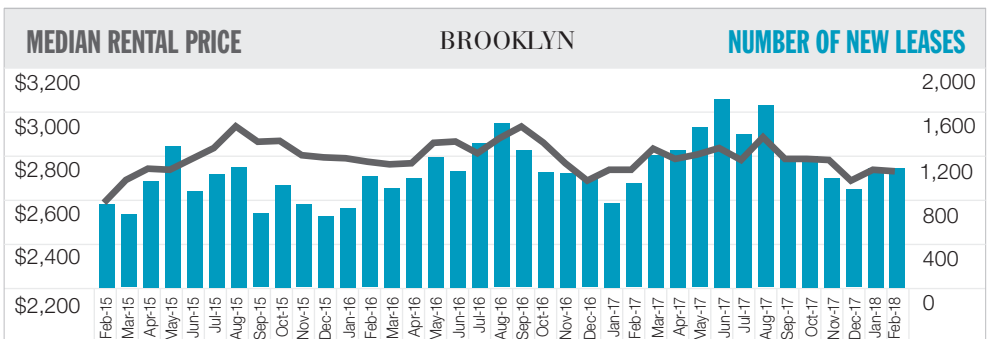
NEGOTIABILITY

Listing Discount

0.6%

- **Third consecutive consecutive landlord concession market share record and tied January**
- **Net effective median rent declined year over year for ninth time in ten months**
- **Non-doorman median rent rose, with triple the market share as doorman median rent declined**

Brooklyn Rental Market		FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Average Rental Price		\$3,109	0.3%	\$3,099	1.0%	\$3,078
Rental Price per Sq Ft		\$44.42	8.5%	\$40.95	-2.4%	\$45.49
Median Rental Price		\$2,743	-0.3%	\$2,750	-0.3%	\$2,750
Number of New Leases		1,091	0.1%	1,090	15.1%	948
Days on Market (From Original List Date)		31	-11.4%	35	-41.5%	53
Listing Discount (From Original List Price)		1.7%		1.8%		2.3%
Listing Inventory		1,852	-4.2%	1,933	-21.3%	2,354
Brooklyn Rental w/Concessions		FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price		\$2,632	-0.2%	\$2,636	-3.1%	\$2,715
Share of New Leases w/OP + Concessions (%)		47.5%		47.5%		15.7%
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	0.0%	1.4
Brooklyn Rental Market by Size		FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Studio -	Average Rental Price	\$2,276	-5.6%	\$2,410	-0.9%	\$2,296
	Rental Price per Sq Ft	\$53.77	44.0%	\$37.34	4.2%	\$51.59
	Median Rental Price	\$2,288	-0.5%	\$2,300	-3.2%	\$2,363
1-Bedroom -	Average Rental Price	\$2,727	3.6%	\$2,631	-1.3%	\$2,763
	Rental Price per Sq Ft	\$45.35	-0.8%	\$45.71	-5.8%	\$48.13
	Median Rental Price	\$2,695	1.7%	\$2,650	3.7%	\$2,600
2-Bedroom -	Average Rental Price	\$3,443	4.1%	\$3,307	-0.1%	\$3,448
	Rental Price per Sq Ft	\$43.40	9.9%	\$39.48	-5.8%	\$46.07
	Median Rental Price	\$3,200	6.7%	\$3,000	6.7%	\$3,000
3+ Bedroom -	Average Rental Price	\$4,552	-1.2%	\$4,608	16.1%	\$3,921
	Rental Price per Sq Ft	\$42.03	9.5%	\$38.38	12.3%	\$37.43
	Median Rental Price	\$3,765	4.7%	\$3,595	7.9%	\$3,488
	Average Rental Price	\$3,233	4.2%	\$3,103	-1.6%	\$3,284
	Rental Price per Sq Ft	\$42.03	9.5%	\$38.38	12.3%	\$37.43
	Median Rental Price	\$3,765	4.7%	\$3,595	7.9%	\$3,488
New Development -	Average Rental Price	\$3,233	4.2%	\$3,103	-1.6%	\$3,284
	Rental Price per Sq Ft	\$42.03	9.5%	\$38.38	12.3%	\$37.43
	Median Rental Price	\$3,765	4.7%	\$3,595	7.9%	\$3,488



Overall Brooklyn face rental trends showed mixed results as the market share of landlord concessions remained at a record high. The February market share of landlord concessions tied last month's record of 47.5%, more than triple the 15.7% share recorded in the same month last year. This was also the third consecutive monthly landlord concession market share record. As a result, the net effective median rent, median face rent less brokerage commissions, free rent, and other incentives, fell 3.1% to \$2,632 from the same period last year. This was the ninth year over year decline of the past ten months. The number of new leases pressed 15.1% higher to 1,091 over the same period. Despite weaker price trends, days on market fell

41.5% to 31 days, and listing discount fell 0.6% to 1.7% respectively over the same period. This suggests that landlords were resigned to accept current conditions and were more quickly

offering concessions to enable lease signings. New development median rent slipped 1.6% to \$3,233 from the same period a year ago.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

↑ 1.8%

INVENTORY

Total Inventory

↑ 1.1%

NEW LEASES

Excludes Renewals

↑ 35.0%

OP + CONCESSIONS

Market Share

↑ 9.3%

MARKETING TIME

Days on Market

↓ 9 days

NEGOTIABILITY

Listing Discount

↓ 1.1%

- Third highest recorded concession market share
- Third consecutive monthly year over year decline in net effective rent
- Luxury and new development median rent declined

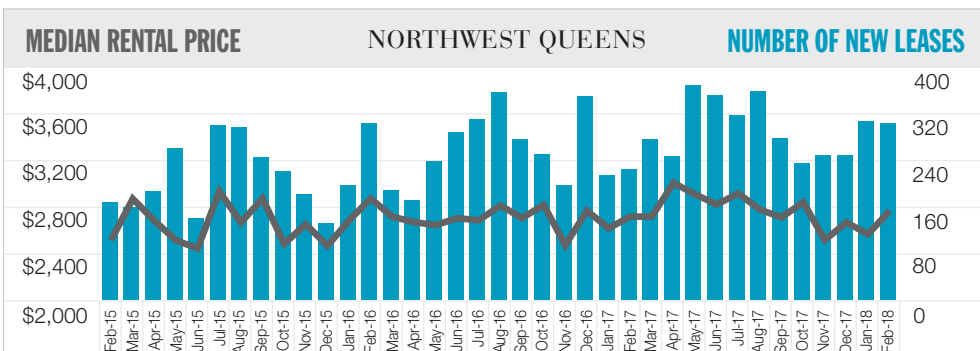
Queens Rental Market	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Average Rental Price	\$2,898	7.8%	\$2,689	-0.4%	\$2,909
Rental Price per Sq Ft	\$46.77	2.5%	\$45.62	-1.2%	\$47.35
Median Rental Price	\$2,850	7.5%	\$2,650	1.8%	\$2,800
Number of New Leases	301	-1.3%	305	35.0%	223
Days on Market (From Original List Date)	29	-6.5%	31	-23.7%	38
Listing Discount (From Original List Price)	0.6%		2.1%		1.7%
Listing Inventory	562	-2.4%	576	1.1%	556

Queens Rental w/Concessions	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Median Rental Price	\$2,714	8.3%	\$2,507	-1.2%	\$2,746
Number of New Leases w/OP + Concessions (%)	48.8%		50.8%		39.5%
Free Rent/Owner Paid (Mos)	1.6	-11.1%	1.8	100.0%	0.8

Queens Rental Market by Size		FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Studio -	Average Rental Price	\$2,162	-0.3%	\$2,168	-5.4%	\$2,286
	Rental Price per Sq Ft	\$50.85	-11.2%	\$57.27	6.6%	\$47.68
	Median Rental Price	\$2,213	0.1%	\$2,210	-8.7%	\$2,425
	Number of New Leases	58	0.0%	58	56.8%	37
1-Bedroom -	Average Rental Price	\$2,786	8.6%	\$2,565	7.9%	\$2,581
	Rental Price per Sq Ft	\$49.50	8.0%	\$45.83	1.7%	\$48.68
	Median Rental Price	\$2,934	9.2%	\$2,686	4.0%	\$2,820
	Number of New Leases	176	-3.3%	182	49.2%	118
2-Bedroom -	Average Rental Price	\$3,645	5.7%	\$3,447	0.7%	\$3,620
	Rental Price per Sq Ft	\$41.13	-0.9%	\$41.50	-15.9%	\$48.90
	Median Rental Price	\$3,781	-0.5%	\$3,800	5.0%	\$3,600
	Number of New Leases	56	-5.1%	59	-1.8%	57
3+ Bedroom -	Average Rental Price	\$4,763	18.8%	\$4,009	-1.8%	\$4,849
	Rental Price per Sq Ft	\$42.38	33.1%	\$31.84	11.3%	\$38.09
	Median Rental Price	\$5,200	52.2%	\$3,417	4.0%	\$5,000
	Number of New Leases	11	83.3%	6	0.0%	11

Queens Rental Market By Type	FEB-18	%Δ (MO)	JAN-18	%Δ (YR)	FEB-17
Luxury (Top 10%) - Median Rental Price	\$4,800	13.3%	\$4,237	-2.5%	\$4,925
Luxury (Top 10%) - Entry Threshold	\$4,094	7.3%	\$3,815	-7.7%	\$4,435
New Development - Median Rental Price	\$2,940	-7.0%	\$2,765	-6.8%	\$3,155
New Development - Market Share	30.2%		30.5%		33.6%

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 showed mixed rental price trend results as landlord concessions moved higher. The market share of landlord concessions reached rose from 39.5% last year to 48.8% which was the third highest level on record. Net effective median rent declines 1.2% to \$2,714 over the same period. The number of new leases surged higher for the third of the four most recent months, rising 35% to 301 from the same period last year. New development rentals accounted for 30.2% of all rentals during the month.

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Report Methodology:

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

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