

ELLI MAN REPORT

MAY 2018

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

0.13%

NEW LEASES

Excludes Renewals

5.2%

OP + CONCESSIONS

Market Share

12.5%

MARKETING TIME

Days on Market

15 days

NEGOTIABILITY

Listing Discount

0.8%

- **New lease surge skewed towards larger apartments, dovetailed with the ease in sales activity**
- **Net effective median rent rose year over year after five months of declines**
- **The 36th consecutive month with a year over year rise in concession market share**

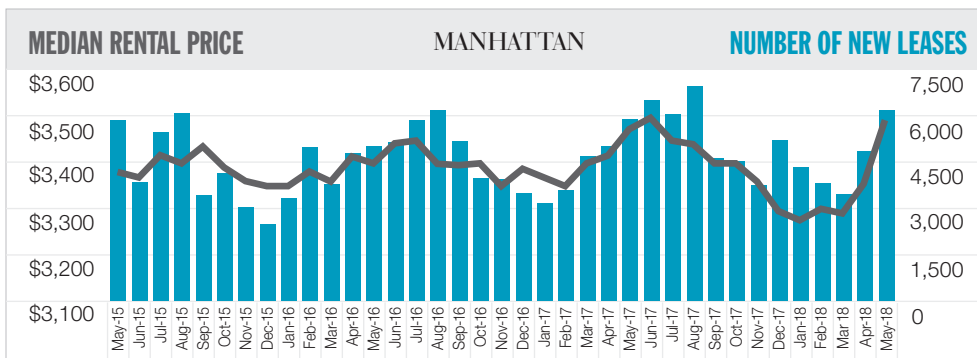
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Average Rental Price		\$4,230	5.6%	\$4,005	0.5%	\$4,208
Rental Price per Sq Ft		\$68.48	2.6%	\$66.74	2.3%	\$66.94
Median Rental Price		\$3,495	4.2%	\$3,355	0.6%	\$3,475
Number of New Leases		6,279	27.9%	4,909	5.2%	5,969
Days on Market (From Original List Date)		29	-9.4%	32	-34.1%	44
Listing Discount (From Original List Price)		1.1%		1.4%		1.9%
Listing Inventory		5,918	-3.6%	6,142	-18.0%	7,219
Vacancy Rate		1.85%		1.99%		1.72%
Manhattan Rental w/Concessions		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price		\$3,392	4.8%	\$3,236	0.4%	\$3,377
Share of New Leases w/OP + Concessions (%)		37.6%		44.3%		25.1%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	0.0%	1.3
Manhattan Rental Market by Size		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Studio -	Average Rental Price	\$2,704	2.3%	\$2,643	-2.6%	\$2,777
	Rental Price per Sq Ft	\$69.47	1.3%	\$68.61	4.2%	\$66.70
	Median Rental Price	\$2,600	2.0%	\$2,550	-1.9%	\$2,650
	Number of New Leases	1,391	22.0%	1,140	1.1%	1,376
1-Bedroom -	Average Rental Price	\$3,553	0.7%	\$3,527	2.2%	\$3,476
	Rental Price per Sq Ft	\$64.46	0.7%	\$64.03	2.5%	\$62.89
	Median Rental Price	\$3,459	0.6%	\$3,438	0.3%	\$3,450
	Number of New Leases	2,578	17.9%	2,187	4.5%	2,467
2-Bedroom -	Average Rental Price	\$4,881	-2.5%	\$5,008	-2.1%	\$4,986
	Rental Price per Sq Ft	\$66.15	-0.7%	\$66.64	0.4%	\$65.88
	Median Rental Price	\$4,295	-4.6%	\$4,500	-4.6%	\$4,500
	Number of New Leases	1,543	37.0%	1,126	3.8%	1,487
3+ Bedroom -	Average Rental Price	\$7,959	10.2%	\$7,225	-4.2%	\$8,304
	Rental Price per Sq Ft	\$76.83	7.5%	\$71.46	3.7%	\$74.09
	Median Rental Price	\$5,650	1.8%	\$5,548	-5.8%	\$6,000
	Number of New Leases	767	68.2%	456	20.0%	639

The Manhattan market experienced increased leasing activity as some buyers gravitated towards the rental market to get comfortable with the sales market reset that began late last year. The market share for three-bedroom or more apartments was the largest on record since the fall of 2011. Their activity jumped 20% from the same period last year helping skew overall price trends higher. Net effective median rent for

the overall market edged up 0.4% to \$3,392 after five consecutive months of declines, yet studios, 2-bedrooms, and 3+ bedrooms all declined respectively from the same period last year. While the market share of rental concessions did not set a record, which has been common in 2018, this month represents the 36th consecutive month with a year over year rise in the share of landlord concessions. Their market share was

37.6%, up from 25.1% over the same period. The vacancy rate edged higher but remained relatively low, kept in check by the extensive use of concessions. The vacancy rate rose to 1.85% from 1.72% in May 2017. The luxury median rental price, accounting for the highest 10% of all rentals, was \$8,300, up 3.8% from a year ago. This increase represents a general market skew. The average new development rental was 1,244 square feet in May, 40.6% larger than the 885 average square feet of an existing rental.



PROPERTY TYPE

- New development leases slipped as existing rentals expanded
- The larger size of new development rentals was double the 5-year monthly average

Property Type	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Doorman Median Rental Price	\$3,890	1.4%	\$3,835	3.6%	\$3,755
Non-Doorman Median Rental Price	\$3,000	7.1%	\$2,800	0.0%	\$3,000
Loft Median Rental Price	\$6,460	24.2%	\$5,200	59.5%	\$4,050
New Development Median Rental Price	\$4,663	5.3%	\$4,427	5.1%	\$4,435

BY PRICE

- Median Tier showed no change in median rental price
- Luxury threshold for median rent remained unchanged
- Luxury median rental price skewed by rising share of larger apartments

Price Tier	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Luxury (Top 10%) - Average Rental Price	\$10,912	13.0%	\$9,659	2.3%	\$10,668
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.71	4.9%	\$76.95	4.2%	\$77.42
Luxury (Top 10%) - Median Rental Price	\$8,300	3.8%	\$7,995	3.8%	\$8,000
Luxury (Top 10%) - Number of New Leases	634	28.1%	495	3.4%	613
Luxury (Top 10%) - Entry Threshold	\$6,495	3.9%	\$6,250	0.0%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,600	2.3%	\$4,495	0.9%	\$4,560
Mid Tier (2nd 30%) - Median Rental Price	\$3,300	3.1%	\$3,200	0.0%	\$3,300
Entry Tier (1st 30%) - Median Rental Price	\$2,385	3.7%	\$2,300	-0.6%	\$2,399

BY LOCATION

DOWNTOWN

- Median rent edged higher
- Vacancy rate expanded

Metric	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price	\$3,850	1.6%	\$3,788	1.4%	\$3,795
Number of New Leases	2,752	34.9%	2,040	0.7%	2,734
Vacancy Rate	1.90%		2.06%		1.75%

EAST SIDE

- New leases increased
- Sharp decline vacancy rate

Metric	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price	\$3,250	0.0%	\$3,250	1.6%	\$3,200
Number of New Leases	1,520	23.7%	1,229	4.0%	1,462
Vacancy Rate	0.88%		1.31%		1.42%

WEST SIDE

- Median rent unchanged
- Rise in new leases

Metric	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price	\$3,450	2.4%	\$3,370	0.0%	\$3,450
Number of New Leases	1,431	24.2%	1,152	10.4%	1,296
Vacancy Rate	2.29%		2.29%		2.42%

UPTOWN

- Rise in vacancy rate
- Median rent moved higher

Metric	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price	\$2,400	4.6%	\$2,295	2.1%	\$2,350
Number of New Leases	576	18.0%	488	20.8%	477
Vacancy Rate	2.66%		2.48%		1.15%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.2%

INVENTORY

Total Inventory

20.8%

NEW LEASES

Excludes Renewals

11.4%

OP + CONCESSIONS

Market Share

37.6%

MARKETING TIME

Days on Market

16 days

NEGOTIABILITY

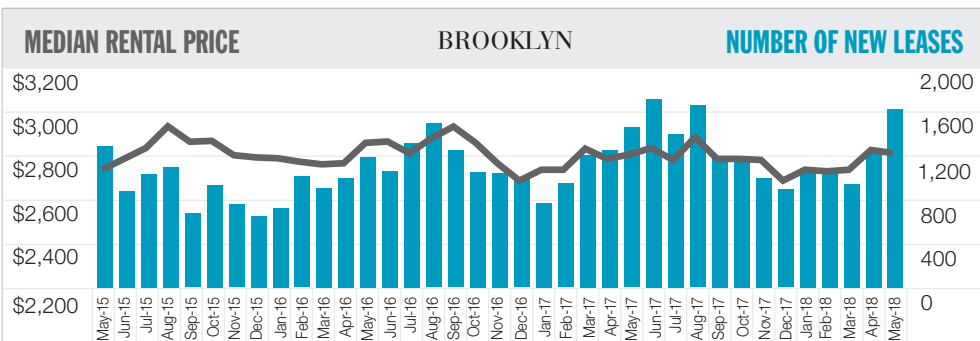
Listing Discount

0.6%

- Overall face rents expanded as the rental mix shifted larger
- Net effective median rent declined year over year for the sixth consecutive month
- Median rent for existing apartments expanded while median rent for new development declined

Brooklyn Rental Market		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Average Rental Price		\$3,156	1.2%	\$3,118	0.6%	\$3,137
Rental Price per Sq Ft		\$45.16	-0.7%	\$45.46	0.5%	\$44.93
Median Rental Price		\$2,827	-0.5%	\$2,841	0.2%	\$2,820
Number of New Leases		1,626	31.8%	1,234	11.4%	1,460
Days on Market (From Original List Date)		28	-3.4%	29	-36.4%	44
Listing Discount (From Original List Price)		0.7%		1.2%		1.3%
Listing Inventory		1,972	-4.4%	2,063	-20.8%	2,490
Brooklyn Rental w/Concessions		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price		\$2,718	1.2%	\$2,686	-2.3%	\$2,782
Share of New Leases w/OP + Concessions (%)		42.8%		51.0%		15.2%
Free Rent/Owner Paid (Mos)		1.5	-16.7%	1.8	0.0%	1.5
Brooklyn Rental Market by Size		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Studio -	Average Rental Price	\$2,413	-4.2%	\$2,518	-1.9%	\$2,459
	Rental Price per Sq Ft	\$54.80	2.7%	\$53.37	4.6%	\$52.37
	Median Rental Price	\$2,450	-1.8%	\$2,495	0.0%	\$2,450
Number of New Leases		253	23.4%	205	38.3%	183
1-Bedroom -	Average Rental Price	\$2,768	-0.6%	\$2,784	2.4%	\$2,703
	Rental Price per Sq Ft	\$47.26	-0.2%	\$47.37	-1.7%	\$48.10
	Median Rental Price	\$2,700	-1.8%	\$2,750	0.9%	\$2,676
Number of New Leases		620	24.7%	497	1.5%	611
2-Bedroom -	Average Rental Price	\$3,442	0.0%	\$3,442	-0.4%	\$3,455
	Rental Price per Sq Ft	\$43.42	1.0%	\$42.98	-2.1%	\$44.35
	Median Rental Price	\$3,092	-3.4%	\$3,200	-1.1%	\$3,125
Number of New Leases		557	41.4%	394	21.6%	458
3+ Bedroom -	Average Rental Price	\$4,533	5.8%	\$4,284	5.2%	\$4,307
	Rental Price per Sq Ft	\$41.26	1.4%	\$40.70	9.8%	\$37.58
	Median Rental Price	\$3,700	-2.0%	\$3,775	8.8%	\$3,400
Number of New Leases		196	42.0%	138	-5.8%	208
Brooklyn Rental Market by Type		MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Luxury (Top 10%) - Median Rental Price		\$5,500	2.1%	\$5,387	0.9%	\$5,450
Luxury (Top 10%) - Entry Threshold		\$4,675	-0.4%	\$4,695	1.6%	\$4,600
New Development - Median Rental Price		\$3,195	-2.6%	\$3,280	-6.0%	\$3,400

While the Brooklyn rental market continued to experience a larger footprint of landlord concessions, there was also an expansion in the number of new leases. The number of new leases, defined as the combination of new development and push back of existing tenants at time of renewal, rose 11.4% from the same period a year ago. After five consecutive months, with a record market share of concessions, there was a seasonal pullback to a market share of 42.8%, but almost triple the 15.2% market share of the same period last year. As a result, the net effective median rent, median face rent less brokerage commissions and other incentives, declined 2.3% to \$2,718 from the same month last year, the sixth consecutive month with a year over year decline. The overall



market face rent indicators showed nominal price gains due to the shift in mix to larger and higher quality apartments in the mix. New development rentals surged 57.3% while existing rentals increased 2.9% respectively

from the same month last year. Luxury median rental price rose 0.9% to \$5,500 as the threshold expanded 0.9% to \$4,675.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

13.0%

INVENTORY

Total Inventory

1.5%

NEW LEASES

Excludes Renewals

10.9%

OP + CONCESSIONS

Market Share

9.8%

MARKETING TIME

Days on Market

18 days

NEGOTIABILITY

Listing Discount

0.0%

- Market share of landlord concession fell after eight consecutive months with a top three record reached
- Sharp decline in net effective median rent and median face rent
- Sixth consecutive monthly year over year decline in net effective median rent

Queens Rental Market	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Average Rental Price	\$2,794	-6.6%	\$2,992	-6.5%	\$2,988
Rental Price per Sq Ft	\$47.62	-7.2%	\$51.34	-6.5%	\$50.93
Median Rental Price	\$2,600	-7.8%	\$2,819	-13.0%	\$2,990
Number of New Leases	327	20.2%	272	-10.9%	367
Days on Market (From Original List Date)	28	12.0%	25	-39.1%	46
Listing Discount (From Original List Price)	0.5%		0.9%		0.5%
Listing Inventory	525	1.5%	517	1.5%	517

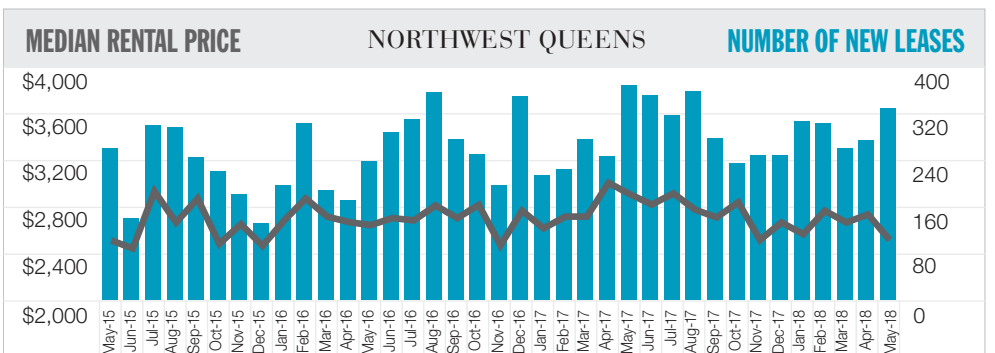
Queens Rental w/Concessions	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Median Rental Price	\$2,486	-6.0%	\$2,646	-14.3%	\$2,902
Number of New Leases w/OP + Concessions (%)	47.7%		65.1%		37.9%
Free Rent/Owner Paid (Mos)	1.5	-6.3%	1.6	15.4%	1.3

Queens Rental Market by Size	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17	
Studio -	Average Rental Price	\$2,300	-3.2%	\$2,375	-5.9%	\$2,443
	Rental Price per Sq Ft	\$56.63	-1.3%	\$57.37	-3.8%	\$58.88
	Median Rental Price	\$2,400	-3.8%	\$2,495	-5.7%	\$2,545
	Number of New Leases	81	72.3%	47	-3.6%	84
1-Bedroom -	Average Rental Price	\$2,688	-2.5%	\$2,757	-8.6%	\$2,941
	Rental Price per Sq Ft	\$47.66	-8.3%	\$51.99	-6.8%	\$51.14
	Median Rental Price	\$2,704	-3.7%	\$2,807	-13.7%	\$3,133
	Number of New Leases	167	20.1%	139	-22.7%	216
2-Bedroom -	Average Rental Price	\$3,462	-3.4%	\$3,585	-6.5%	\$3,703
	Rental Price per Sq Ft	\$44.52	-7.8%	\$48.31	-4.1%	\$46.41
	Median Rental Price	\$3,450	-10.0%	\$3,832	-14.8%	\$4,049
	Number of New Leases	68	-12.8%	78	17.2%	58
3+ Bedroom -	Average Rental Price	\$3,901	-20.4%	\$4,901	-15.0%	\$4,588
	Rental Price per Sq Ft	\$32.01	-42.6%	\$55.80	-25.4%	\$42.89
	Median Rental Price	\$3,750	-21.0%	\$4,748	-6.1%	\$3,995
	Number of New Leases	11	37.5%	8	22.2%	9

Queens Rental Market By Type	MAY-18	%Δ (MO)	APR-18	%Δ (YR)	MAY-17
Luxury (Top 10%) - Median Rental Price	\$4,500	1.0%	\$4,454	-0.1%	\$4,505
Luxury (Top 10%) - Entry Threshold	\$3,754	-10.7%	\$4,204	-6.0%	\$3,995
New Development - Median Rental Price	\$2,911	-7.0%	\$3,150	-9.3%	\$3,210
New Development - Market Share	40.4%		47.4%		38.7%

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 which includes Long Island City, Astoria, Sunnyside, and Woodside continue to see softening rental conditions as more new development product, accounting for more than 40% of all activity. Net effective median rent fell for the sixth consecutive month on a year over year basis by 14.3% to \$2,486. The market share for landlord concessions was 47.7%, up annually for the seventeenth consecutive month this metric has been tracked. The number of new leases declined 10.9% to 327 as landlords have been more effective in winning renewal signings than from the same period last year.



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>

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 & CONSULTANTS 21 West 38th Street, New York, NY 10018 • 212.768.8100

575 MADISON AVENUE, NY, NY 10022. 212.891.7000 © 2018 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. EQUAL HOUSING OPPORTUNITY. 🏠