

# ELLI MAN REPORT

**JUNE** 2018

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,  
Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

2.9%

#### VACANCY

Vacancy Rate

0.60%

#### NEW LEASES

Excludes Renewals

17.5%

#### OP + CONCESSIONS

Market Share

8.7%

#### MARKETING TIME

Days on Market

14 days

#### NEGOTIABILITY

Listing Discount

0.7%

- All face rental price trend indicators declined from year ago levels
- Net effective median rent declined year over year for the sixth time in seven months
- The 37th consecutive month with a year over year rise in concession market share

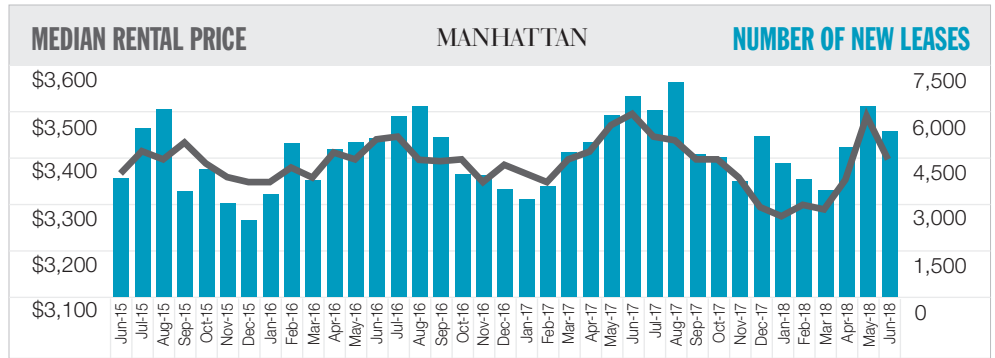
*The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Average Rental Price		\$4,097	-3.1%	\$4,230	-0.7%	\$4,126
Rental Price per Sq Ft		\$66.57	-2.8%	\$68.48	-0.4%	\$66.86
Median Rental Price		\$3,400	-2.7%	\$3,495	-2.9%	\$3,500
Number of New Leases		5,447	-13.3%	6,279	-17.5%	6,604
Days on Market (From Original List Date)		27	-6.9%	29	-34.1%	41
Listing Discount (From Original List Price)		1.0%		1.1%		1.7%
Listing Inventory		6,161	4.1%	5,918	-21.3%	7,824
Vacancy Rate		1.61%		1.85%		2.21%
Manhattan Rental w/Concessions		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Median Rental Price		\$3,314	-2.3%	\$3,392	-2.8%	\$3,410
Share of New Leases w/OP + Concessions (%)		32.6%		37.6%		23.9%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	0.0%	1.3
Manhattan Rental Market by Size		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Studio -	Average Rental Price	\$2,742	1.4%	\$2,704	2.1%	\$2,685
	Rental Price per Sq Ft	\$66.11	-4.8%	\$69.47	-3.4%	\$68.41
	Median Rental Price	\$2,600	0.0%	\$2,600	0.0%	\$2,600
	Number of New Leases	1,259	-9.5%	1,391	-19.7%	1,568
1-Bedroom -	Average Rental Price	\$3,502	-1.4%	\$3,553	-1.0%	\$3,538
	Rental Price per Sq Ft	\$63.57	-1.4%	\$64.46	-0.3%	\$63.73
	Median Rental Price	\$3,400	-1.7%	\$3,459	-2.9%	\$3,500
	Number of New Leases	2,239	-13.1%	2,578	-16.7%	2,688
2-Bedroom -	Average Rental Price	\$4,781	-2.0%	\$4,881	-3.4%	\$4,947
	Rental Price per Sq Ft	\$65.62	-0.8%	\$66.15	1.0%	\$64.95
	Median Rental Price	\$4,150	-3.4%	\$4,295	-3.8%	\$4,312
	Number of New Leases	1,369	-11.3%	1,543	-16.5%	1,640
3+ Bedroom -	Average Rental Price	\$7,718	-3.0%	\$7,959	1.0%	\$7,644
	Rental Price per Sq Ft	\$72.84	-5.2%	\$76.83	-1.2%	\$73.72
	Median Rental Price	\$5,614	-0.6%	\$5,650	-0.1%	\$5,620
	Number of New Leases	580	-24.4%	767	-18.1%	708

Manhattan rental price trends continued to decline as landlord concessions expanded year over year for the 37th consecutive month and net effective median rent, defined as face rent minus concessions, fell annually for the sixth time in the past seven months. The market share of concessions was 32.6% of all new leases, up from 23.9% in the same period a year ago. Median face rent, median rental price before

considering concessions fell 2.9% to \$3,400 over the same period. Average rental price and rental price per square foot also declined over the same period. Net effective rent dropped 2.8% to \$3,314 over the same period. None of the year over year median face rent results showed gains. While both new development and existing median rental price trends showed declines, the more substantial price decreases and concessions

occurred in the new development space. The new development rental market, representing 5.7% of new leases during the month, showed a 54.9% market share of concessions. During the same month, the existing rental market experienced a concession market share of 31.2%. The overall vacancy rate fell sharply to 1.61% from the same period a year ago as rising concessions continued to be a productive tool to manage inventory.



## PROPERTY TYPE

- Both new development and existing median face rent declined from year-ago levels
- Non-doorman median face rent hasn't seen a year over year price increase in nine months

Manhattan Rental Market By Property Type	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Doorman Median Rental Price	\$3,850	-1.0%	\$3,890	0.4%	\$3,835
Non-Doorman Median Rental Price	\$2,950	-1.7%	\$3,000	-1.7%	\$3,000
Loft Median Rental Price	\$5,750	-11.0%	\$6,460	36.9%	\$4,200
New Development Median Rental Price	\$4,394	-5.8%	\$4,663	-8.4%	\$4,795

## BY PRICE

- Entry and Median Tier median rental price declined
- Luxury median rent showed slight gain from new development skew
- Luxury threshold for median rent rose nominally

Manhattan Rental Market By Price	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Luxury (Top 10%) - Average Rental Price	\$10,243	-6.1%	\$10,912	2.0%	\$10,039
Luxury (Top 10%) - Rental Price per Sq Ft	\$76.91	-4.7%	\$80.71	-2.2%	\$78.67
Luxury (Top 10%) - Median Rental Price	\$8,000	-3.6%	\$8,300	0.6%	\$7,949
Luxury (Top 10%) - Number of New Leases	545	-14.0%	634	-17.5%	661
Luxury (Top 10%) - Entry Threshold	\$6,415	-1.2%	\$6,495	0.8%	\$6,362
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	-2.2%	\$4,600	0.0%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,250	-1.5%	\$3,300	-1.5%	\$3,300
Entry Tier (1st 30%) - Median Rental Price	\$2,350	-1.5%	\$2,385	-1.9%	\$2,395

## BY LOCATION

- ### DOWNTOWN
- Vacancy rate fell sharply
  - New leases fell

Downtown Market Matrix	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Median Rental Price	\$3,753	-2.5%	\$3,850	-1.1%	\$3,795
Number of New Leases	2,314	-15.9%	2,752	-23.2%	3,013
Vacancy Rate	1.50%		1.90%		2.92%

- ### EAST SIDE
- Median sales price declined
  - New leases declined

East Side Market Matrix	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Median Rental Price	\$3,200	-1.5%	\$3,250	-4.5%	\$3,350
Number of New Leases	1,323	-13.0%	1,520	-19.0%	1,634
Vacancy Rate	1.26%		0.88%		1.64%

- ### WEST SIDE
- Median rent edged higher
  - Vacancy rate fell sharply

West Side Market Matrix	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Median Rental Price	\$3,450	0.0%	\$3,450	0.7%	\$3,425
Number of New Leases	1,232	-13.9%	1,431	-13.0%	1,416
Vacancy Rate	1.44%		2.29%		2.22%

- ### UPTOWN
- Median rent increased
  - Jump in vacancy rate

Uptown Market Matrix	JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
Median Rental Price	\$2,375	-1.0%	\$2,400	1.1%	\$2,350
Number of New Leases	578	0.3%	576	6.8%	541
Vacancy Rate	2.75%		2.66%		1.06%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**0.0%**

## INVENTORY

Total Inventory

**27.4%**

## NEW LEASES

Excludes Renewals

**17.7%**

## OP + CONCESSIONS

Market Share

**23.3%**

## MARKETING TIME

Days on Market

**12** days

## NEGOTIABILITY

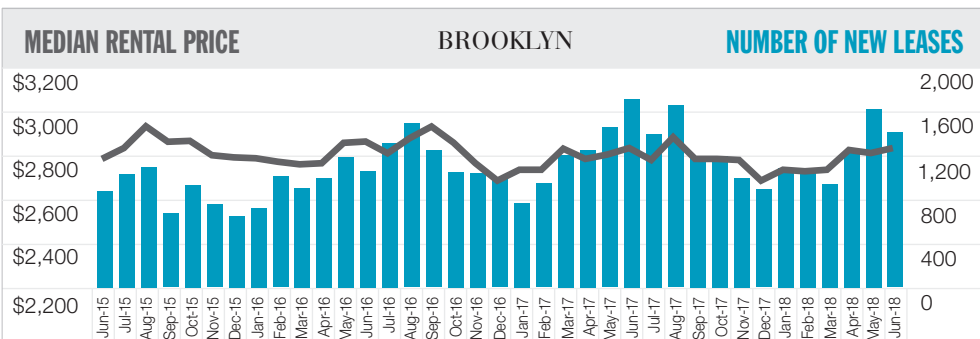
Listing Discount

**0.3%**

- **Net effective median rent declined year over year for the seventh consecutive month**
- **Market share of landlord concessions more than doubled**
- **Number of new leases declined as landlords were more effective at time of tenant renewal**

Brooklyn Rental Market		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Average Rental Price		\$3,195	1.2%	\$3,156	-0.1%	\$3,198	
Rental Price per Sq Ft		\$45.64	1.1%	\$45.16	-3.6%	\$47.36	
Median Rental Price		\$2,850	0.8%	\$2,827	0.0%	\$2,850	
Number of New Leases		1,413	-13.1%	1,626	-17.7%	1,717	
Days on Market (From Original List Date)		27	-3.6%	28	-30.8%	39	
Listing Discount (From Original List Price)		1.2%		0.7%		1.5%	
Listing Inventory		1,903	-3.5%	1,972	-27.4%	2,620	
Brooklyn Rental w/Concessions		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Median Rental Price		\$2,751	1.2%	\$2,718	-2.2%	\$2,813	
Share of New Leases w/OP + Concessions (%)		40.4%		42.8%		17.1%	
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	7.7%	1.3	
Brooklyn Rental Market by Size		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Studio -	Average Rental Price	\$2,512	4.1%	\$2,413	4.0%	\$2,415	
	Rental Price per Sq Ft	\$58.83	7.4%	\$54.80	2.1%	\$57.62	
	Median Rental Price	\$2,400	-2.0%	\$2,450	2.1%	\$2,351	
1-Bedroom -	Average Rental Price	\$2,771	0.1%	\$2,768	1.6%	\$2,727	
	Rental Price per Sq Ft	\$47.80	1.1%	\$47.26	-2.2%	\$48.88	
	Median Rental Price	\$2,750	1.9%	\$2,700	1.9%	\$2,700	
2-Bedroom -	Average Rental Price	\$3,382	-1.7%	\$3,442	-3.2%	\$3,495	
	Rental Price per Sq Ft	\$44.63	2.8%	\$43.42	-4.5%	\$46.74	
	Median Rental Price	\$3,025	-2.2%	\$3,092	-5.5%	\$3,200	
3+ Bedroom -	Average Rental Price	\$4,820	6.3%	\$4,533	5.4%	\$4,573	
	Rental Price per Sq Ft	\$39.74	-3.7%	\$41.26	-4.4%	\$41.58	
	Median Rental Price	\$4,275	15.5%	\$3,700	15.7%	\$3,695	
Number of New Leases		183	-6.6%	196	-30.4%	263	
	Brooklyn Rental Market by Type		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
	Luxury (Top 10%) - Median Rental Price		\$5,800	5.5%	\$5,500	0.8%	\$5,755
Luxury (Top 10%) - Entry Threshold		\$4,700	0.5%	\$4,675	-2.1%	\$4,800	
New Development - Median Rental Price		\$3,152	-1.3%	\$3,195	-6.3%	\$3,363	

The Brooklyn rental market continued to soften. The median rental price minus landlord concessions declined for the seventh consecutive month on a year over year basis. Net effective median rent fell 2.2% year over year to \$2,751, and the market share of landlord concessions more than doubled to 40.4% from 17.1% respectively from the same month a year ago. However, the broad use of concessions inferred that there was more success by landlords at the time of lease renewal. The number of new leases fell across all property sizes. The landlord concession market share for new development was 81.1% with an average of 1.6 months of free rent and owner pays, and a net effective median rent of \$3,152, down 6.3% from the same period



last year. "Owner pays" are defined as the brokerage commission of the transaction. For existing rentals which comprised 80.5% of market activity, the market share of landlord concessions was 32.7% with an average of 1.2

months of free rent and owner pays, and a net effective median rent of \$2,750, down 0.7% over the same period.

## NORTHWEST QUEENS RENTALS

# DASHBOARD

year-over-year

### PRICES

Median Rental Price

1.8%

### INVENTORY

Total Inventory

9.6%

### NEW LEASES

Excludes Renewals

13.7%

### OP + CONCESSIONS

Market Share

7.4%

### MARKETING TIME

Days on Market

7 days

### NEGOTIABILITY

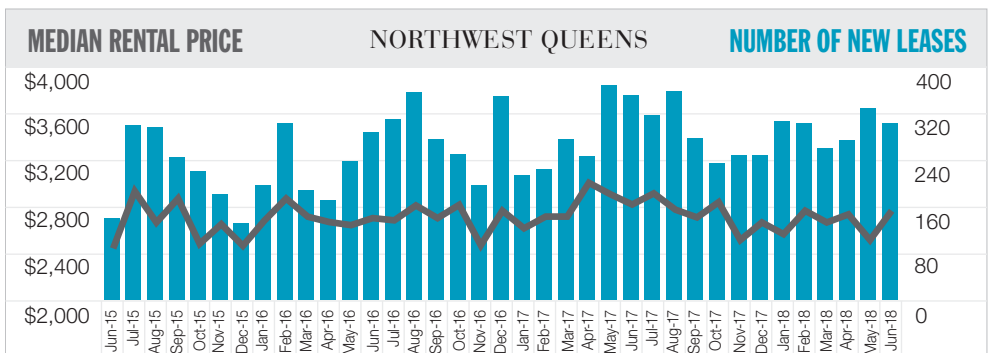
Listing Discount

0.3%

- **Seventh consecutive monthly year over year decline in net effective median rent**
- **Nearly one third of rental activity came from new development projects**
- **Sixteenth consecutive month with an annual rise in concessions market share**

Queens Rental Market		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Average Rental Price		\$2,971	6.3%	\$2,794	-0.1%	\$2,975	
Rental Price per Sq Ft		\$48.74	2.4%	\$47.62	0.4%	\$48.56	
Median Rental Price		\$2,850	9.6%	\$2,600	-1.8%	\$2,903	
Number of New Leases		302	-7.6%	327	-13.7%	350	
Days on Market (From Original List Date)		27	-3.6%	28	-20.6%	34	
Listing Discount (From Original List Price)		0.5%		0.5%		0.8%	
Listing Inventory		453	-13.7%	525	-9.6%	501	
Queens Rental w/Concessions		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Median Rental Price		\$2,745	10.4%	\$2,486	-2.7%	\$2,822	
Number of New Leases w/OP + Concessions (%)		45.7%		47.7%		38.3%	
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	16.7%	1.2	
Queens Rental Market by Size		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17	
Studio -	Average Rental Price	\$2,423	5.3%	\$2,300	-0.9%	\$2,445	
	Rental Price per Sq Ft	\$51.60	-8.9%	\$56.63	-4.7%	\$54.15	
	Median Rental Price	\$2,503	4.3%	\$2,400	-3.4%	\$2,590	
1-Bedroom -	Average Rental Price	\$2,847	5.9%	\$2,688	0.3%	\$2,838	
	Rental Price per Sq Ft	\$49.61	4.1%	\$47.66	0.6%	\$49.31	
	Median Rental Price	\$3,030	12.1%	\$2,704	-2.0%	\$3,093	
2-Bedroom -	Average Rental Price	\$3,430	-0.9%	\$3,462	-7.0%	\$3,688	
	Rental Price per Sq Ft	\$44.28	-0.5%	\$44.52	-7.3%	\$47.78	
	Median Rental Price	\$3,350	-2.9%	\$3,450	-21.3%	\$4,256	
3+ Bedroom -	Average Rental Price	\$4,611	18.2%	\$3,901	22.8%	\$3,755	
	Rental Price per Sq Ft	\$53.45	67.0%	\$32.01	40.4%	\$38.06	
	Median Rental Price	\$3,995	6.5%	\$3,750	21.9%	\$3,276	
	Number of New Leases	11	0.0%	11	-26.7%	15	
	Queens Rental Market By Type		JUN-18	%Δ (MO)	MAY-18	%Δ (YR)	JUN-17
	Luxury (Top 10%) - Median Rental Price		\$4,817	7.0%	\$4,500	3.6%	\$4,650
Luxury (Top 10%) - Entry Threshold		\$4,100	9.2%	\$3,754	-5.3%	\$4,330	
New Development - Median Rental Price		\$3,055	-7.0%	\$2,911	-4.8%	\$3,210	
New Development - Market Share		31.1%		40.4%		34.6%	

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 experienced its sixteenth consecutive year over year rise in the market share of monthly landlord concessions. Net effective monthly median rent fell 2.7% to \$2,745 from the same month last year. The overall market share of landlord concessions rose to 45.7% with an 84% market share of landlord concessions for the 31.1% of new development rentals and a 28.4% market share of landlord concessions for the 68.9% share of existing rentals. As a result, net effective median rent for new development rentals fell 4.8%, and net effective median rent for existing rentals fell 3.3% respectively from the same month a year ago.

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#### Report Methodology:

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

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