

ELLI MAN REPORT

JULY 2018

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.4%

VACANCY

Vacancy Rate

0.47%

NEW LEASES

Excludes Renewals

0.2%

OP + CONCESSIONS

Market Share

8.5%

MARKETING TIME

Days on Market

16 days

NEGOTIABILITY

Listing Discount

1.3%

- The 38th consecutive month with a year over year rise in concession market share
- The overall face rental price trend indicators continued to decline from year-ago levels
- Net effective median rent declined year over year for the seventh time in eight months

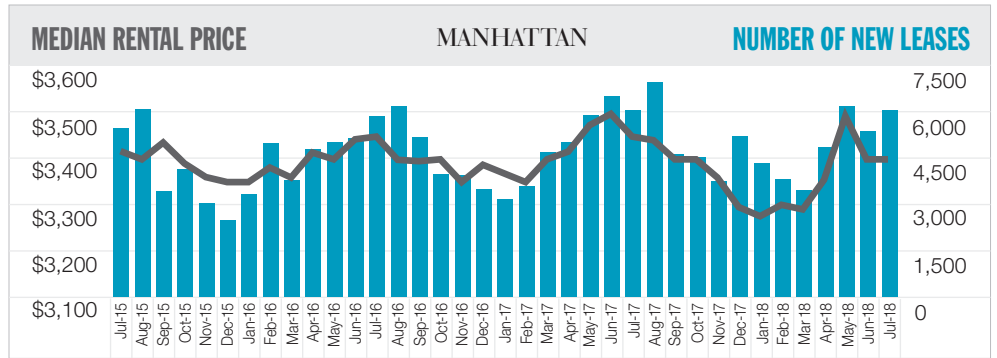
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Average Rental Price		\$4,011	-2.1%	\$4,097	-2.4%	\$4,109
Rental Price per Sq Ft		\$65.97	-0.9%	\$66.57	-0.5%	\$66.28
Median Rental Price		\$3,400	0.0%	\$3,400	-1.4%	\$3,450
Number of New Leases		6,145	12.8%	5,447	0.2%	6,133
Days on Market (From Original List Date)		27	0.0%	27	-37.2%	43
Listing Discount (From Original List Price)		1.0%		1.0%		2.3%
Listing Inventory		6,044	-1.9%	6,161	-19.9%	7,545
Vacancy Rate		1.61%		1.61%		2.08%
Manhattan Rental w/Concessions		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price		\$3,307	-0.2%	\$3,314	-1.3%	\$3,350
Share of New Leases w/OP + Concessions (%)		35.0%		32.6%		26.5%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	0.0%	1.3
Manhattan Rental Market by Size		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Studio -	Average Rental Price	\$2,679	-2.3%	\$2,742	-1.6%	\$2,723
	Rental Price per Sq Ft	\$67.67	2.4%	\$66.11	-3.3%	\$69.97
	Median Rental Price	\$2,600	0.0%	\$2,600	0.0%	\$2,600
	Number of New Leases	1,461	16.0%	1,259	8.4%	1,348
1-Bedroom -	Average Rental Price	\$3,494	-0.2%	\$3,502	-0.5%	\$3,510
	Rental Price per Sq Ft	\$63.55	0.0%	\$63.57	0.7%	\$63.13
	Median Rental Price	\$3,450	1.5%	\$3,400	0.4%	\$3,435
	Number of New Leases	2,399	7.1%	2,239	-2.6%	2,463
2-Bedroom -	Average Rental Price	\$4,734	-1.0%	\$4,781	-0.4%	\$4,754
	Rental Price per Sq Ft	\$65.51	-0.2%	\$65.62	0.2%	\$65.36
	Median Rental Price	\$4,050	-2.4%	\$4,150	-3.6%	\$4,200
	Number of New Leases	1,574	15.0%	1,369	-1.8%	1,603
3+ Bedroom -	Average Rental Price	\$6,889	-10.7%	\$7,718	-5.9%	\$7,322
	Rental Price per Sq Ft	\$69.52	-4.6%	\$72.84	-1.7%	\$70.69
	Median Rental Price	\$5,195	-7.5%	\$5,614	-5.1%	\$5,475
	Number of New Leases	711	22.6%	580	-1.1%	719

The Manhattan rental market showed a more significant share of landlord concessions and a continued decline in rental price trends. The market share of concessions, including free rent and brokerage commissions, rose to 35% up 8.5% from the prior-year month, the 38th consecutive month with a year over year increase. The market share of new development concessions was 57.5%, up 10.1% and the

market share of existing apartment concessions was 33.8%, up 8.5% respectively over the same period. All market-wide face rent trend indicators declined from the same month a year ago. Median face rent, the median rental price before considering concessions, fell 1.4% to \$3,400 over the same period. Net effective median rent, the face rent less concessions, declined year over year for the seventh time in

eight months. Year over year rental price trend declines were more common in the larger sized apartments: median 2-bedroom rent fell 3.6% to \$4,050; median 3-bedroom rent declined 5.1% to \$5,195. Median price trends for studios and 1-bedrooms were 0% and 0.4% respectively over the same period. Consistent with this pattern and for the first time in ten months, year over year median non-doorman rent slipped 0.2%, outperforming median doorman rent that declined 1.7%.



PROPERTY TYPE

- Median non-doorman rent outperformed median doorman rent annually for first time in ten months
- New development median rent rose year over year for fourth time in five months

Property Type	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Doorman Median Rental Price	\$3,809	-1.1%	\$3,850	-1.7%	\$3,875
Non-Doorman Median Rental Price	\$2,995	1.5%	\$2,950	-0.2%	\$3,000
Loft Median Rental Price	\$5,250	-8.7%	\$5,750	25.0%	\$4,200
New Development Median Rental Price	\$4,525	3.0%	\$4,394	5.4%	\$4,295

BY PRICE

- Median sales price in all price categories showed year over year declines or stability
- All luxury price trend indicators declined from year-ago levels
- Luxury threshold for median rent slipped

Price Category	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Luxury (Top 10%) - Average Rental Price	\$9,594	-6.3%	\$10,243	-3.9%	\$9,980
Luxury (Top 10%) - Rental Price per Sq Ft	\$74.89	-2.6%	\$76.91	-2.6%	\$76.92
Luxury (Top 10%) - Median Rental Price	\$7,600	-5.0%	\$8,000	-3.5%	\$7,875
Luxury (Top 10%) - Number of New Leases	615	12.8%	545	0.0%	615
Luxury (Top 10%) - Entry Threshold	\$6,050	-5.7%	\$6,415	-3.8%	\$6,290
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
- Median price edged higher
 - Vacancy rate fell sharply

Metric	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price	\$3,750	-0.1%	\$3,753	0.8%	\$3,720
Number of New Leases	2,623	13.4%	2,314	-6.3%	2,800
Vacancy Rate	1.50%		1.50%		2.49%

- ### EAST SIDE
- Median price slid
 - New leases expanded

Metric	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price	\$3,250	1.6%	\$3,200	-3.0%	\$3,349
Number of New Leases	1,470	11.1%	1,323	6.1%	1,385
Vacancy Rate	1.26%		1.26%		1.64%

- ### WEST SIDE
- Vacancy rate fell sharply
 - New leases edged higher

Metric	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price	\$3,460	0.3%	\$3,450	0.3%	\$3,450
Number of New Leases	1,387	12.6%	1,232	0.9%	1,374
Vacancy Rate	1.44%		1.44%		2.29%

- ### UPTOWN
- New leases surged
 - Median price declined

Metric	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price	\$2,450	3.2%	\$2,375	-2.0%	\$2,500
Number of New Leases	665	15.1%	578	15.9%	574
Vacancy Rate	2.75%		2.75%		1.33%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.5%

INVENTORY

Total Inventory

19.9%

NEW LEASES

Excludes Renewals

11.2%

OP + CONCESSIONS

Market Share

19.3%

MARKETING TIME

Days on Market

16 days

NEGOTIABILITY

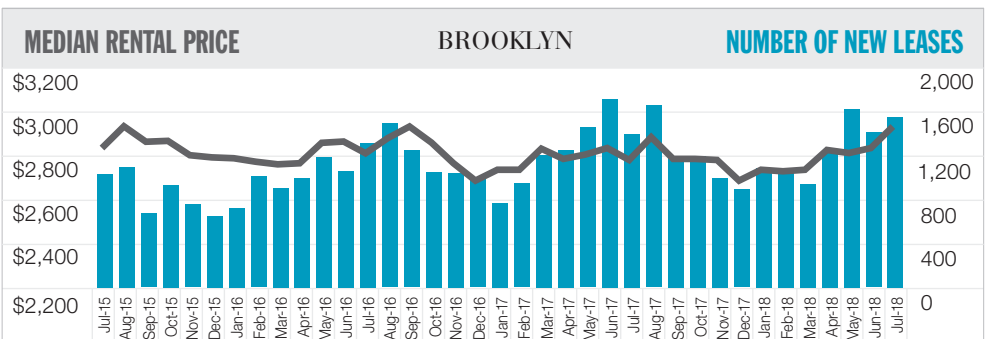
Listing Discount

0.7%

- **Despite rise in net effective rent, the market share of landlord concessions doubled**
- **All face rent price trend indicators moved higher, departing from the weaker trends of past several years**
- **Price trend indicators across all apartment sizes moved higher as more new development entered market**

Brooklyn Rental Market		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Average Rental Price		\$3,306	3.5%	\$3,195	5.3%	\$3,141
Rental Price per Sq Ft		\$46.67	2.3%	\$45.64	2.1%	\$45.73
Median Rental Price		\$2,949	3.5%	\$2,850	5.5%	\$2,795
Number of New Leases		1,557	10.2%	1,413	11.2%	1,400
Days on Market (From Original List Date)		27	0.0%	27	-37.2%	43
Listing Discount (From Original List Price)		0.8%		1.2%		1.5%
Listing Inventory		1,994	4.8%	1,903	-19.9%	2,490
Brooklyn Rental w/Concessions		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price		\$2,829	2.8%	\$2,751	3.1%	\$2,745
Share of New Leases w/OP + Concessions (%)		41.4%		40.4%		22.1%
Free Rent/Owner Paid (Mos)		1.6	14.3%	1.4	14.3%	1.4
Brooklyn Rental Market by Size		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Studio -	Average Rental Price	\$2,498	-0.6%	\$2,512	-0.6%	\$2,513
	Rental Price per Sq Ft	\$57.40	-2.4%	\$58.83	3.8%	\$55.29
	Median Rental Price	\$2,494	3.9%	\$2,400	0.0%	\$2,493
Number of New Leases		218	-4.8%	229	-6.8%	234
1-Bedroom -	Average Rental Price	\$2,903	4.8%	\$2,771	5.6%	\$2,749
	Rental Price per Sq Ft	\$47.94	0.3%	\$47.80	2.3%	\$46.85
	Median Rental Price	\$2,846	3.5%	\$2,750	6.0%	\$2,686
	Number of New Leases	656	21.9%	538	28.1%	512
2-Bedroom -	Average Rental Price	\$3,564	5.4%	\$3,382	2.9%	\$3,463
	Rental Price per Sq Ft	\$44.74	0.2%	\$44.63	-6.2%	\$47.71
	Median Rental Price	\$3,254	7.6%	\$3,025	6.8%	\$3,048
	Number of New Leases	457	-1.3%	463	-0.7%	460
3+ Bedroom -	Average Rental Price	\$4,735	-1.8%	\$4,820	13.6%	\$4,169
	Rental Price per Sq Ft	\$44.17	11.1%	\$39.74	19.7%	\$36.91
	Median Rental Price	\$4,000	-6.4%	\$4,275	10.3%	\$3,625
	Number of New Leases	226	23.5%	183	16.5%	194
Brooklyn Rental Market by Type		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Luxury (Top 10%) - Median Rental Price		\$5,957	2.7%	\$5,800	6.9%	\$5,575
Luxury (Top 10%) - Entry Threshold		\$4,995	6.3%	\$4,700	6.3%	\$4,700
New Development - Median Rental Price		\$3,342	6.0%	\$3,152	1.0%	\$3,310

Landlord concession market share in Brooklyn doubled while price trends were skewed higher by a pronounced increase in average square footage across nearly three quarters of the market. However, this rise doesn't appear to suggest a trend towards larger apartment sizes going forward. The market share of landlord concessions nearly doubled to 41.4% from 22.1% in the year-ago month. The market share of new development concessions was 78.5%, and the market share for existing apartment concessions was 30.7% over the same period. Despite the surge in concession market share, the price trend indicators moved higher. The net effective median rent was \$2,829, up 3.1% from the year-ago month. Overall price trends were skewed significantly higher by a jump in average



rental size for 1-bedroom and 2-bedroom rentals that comprised 71.5% of all activity. The average square footage of a 1-bedroom was 778, up 4.7% and the average square footage of a 2-bedroom was 1,043, up 5.1% respectively from the year-

ago month. Most price trend indicators across all apartment sizes moved higher as there was a 20.9% jump in larger sized apartments leases within new developments.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.9%

INVENTORY

Total Inventory

16.4%

NEW LEASES

Excludes Renewals

9.8%

OP + CONCESSIONS

Market Share

8.5%

MARKETING TIME

Days on Market

1 days

NEGOTIABILITY

Listing Discount

0.4%

- Landlord concessions decline after sixteen consecutive months of year over year increases
- Overall price trend indicators showed mixed results as did the breakouts by bedrooms
- Median sales price for both new development and existing declined year over year

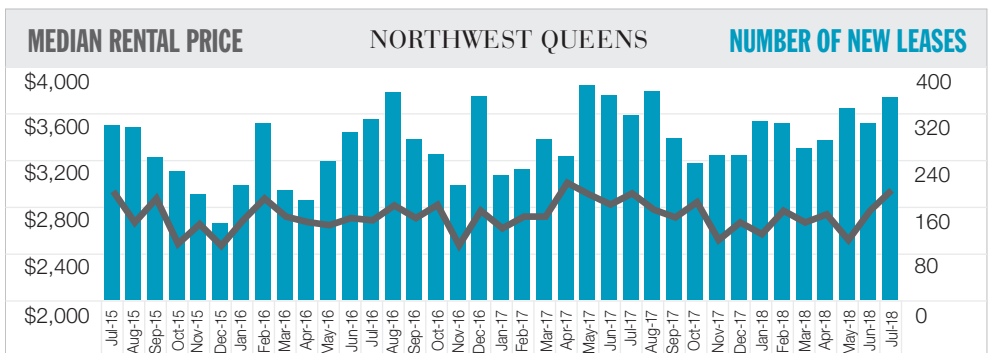
Queens Rental Market	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Average Rental Price	\$3,099	4.3%	\$2,971	1.3%	\$3,059
Rental Price per Sq Ft	\$49.01	0.6%	\$48.74	-6.6%	\$52.47
Median Rental Price	\$3,025	6.1%	\$2,850	0.9%	\$2,998
Number of New Leases	347	14.9%	302	9.8%	316
Days on Market (From Original List Date)	27	0.0%	27	3.8%	26
Listing Discount (From Original List Price)	0.0%		0.5%		0.4%
Listing Inventory	429	-5.3%	453	-16.4%	513

Queens Rental w/Concessions	JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Median Rental Price	\$2,951	7.5%	\$2,745	1.7%	\$2,901
Number of New Leases w/OP + Concessions (%)	32.3%		45.7%		40.8%
Free Rent/Owner Paid (Mos)	1.3	-7.1%	1.4	0.0%	1.3

Queens Rental Market by Size		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Studio -	Average Rental Price	\$2,500	3.2%	\$2,423	5.5%	\$2,370
	Rental Price per Sq Ft	\$58.30	13.0%	\$51.60	-3.3%	\$60.26
	Median Rental Price	\$2,639	5.4%	\$2,503	1.5%	\$2,600
	Number of New Leases	71	14.5%	62	16.4%	61
1-Bedroom -	Average Rental Price	\$2,915	2.4%	\$2,847	0.5%	\$2,900
	Rental Price per Sq Ft	\$49.37	-0.5%	\$49.61	-8.0%	\$53.68
	Median Rental Price	\$3,123	3.1%	\$3,030	-0.7%	\$3,145
	Number of New Leases	178	16.3%	153	11.3%	160
2-Bedroom -	Average Rental Price	\$3,768	9.9%	\$3,430	2.9%	\$3,662
	Rental Price per Sq Ft	\$45.54	2.8%	\$44.28	-8.4%	\$49.73
	Median Rental Price	\$4,175	24.6%	\$3,350	5.0%	\$3,975
	Number of New Leases	86	13.2%	76	-1.1%	87
3+ Bedroom -	Average Rental Price	\$4,575	-0.8%	\$4,611	-7.2%	\$4,931
	Rental Price per Sq Ft	\$50.01	-6.4%	\$53.45	19.9%	\$41.70
	Median Rental Price	\$4,609	15.4%	\$3,995	-5.5%	\$4,875
	Number of New Leases	12	9.1%	11	50.0%	8

Queens Rental Market By Type		JUL-18	%Δ (MO)	JUN-18	%Δ (YR)	JUL-17
Luxury (Top 10%) - Median Rental Price		\$4,847	0.6%	\$4,817	2.1%	\$4,748
Luxury (Top 10%) - Entry Threshold		\$4,580	11.7%	\$4,100	0.3%	\$4,565
New Development - Median Rental Price		\$3,229	-7.0%	\$3,055	-4.0%	\$3,365
New Development - Market Share		26.5%		31.1%		36.4%

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



Landlord concession market share in the northwest region of Queens declined after sixteen consecutive months of increases. Their overall market share fell to 32.3% with a 64.1% market share of landlord concessions new development rentals and a 20.8% market share of landlord concessions for existing apartments. Price trend indicators showed mixed results as the number of new leases increased from year-ago levels. The net effective median rent edged 1.7% higher to \$2,951 from the same period last year. Median face rent for new development rentals, accounting for 26.5% of all new leases in July, declined 4% to \$3,229 over the same period.

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. 🏠