

ELLI MAN REPORT

JANUARY 2019

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.6%

VACANCY

Vacancy Rate

0.33%

NEW LEASES

Excludes Renewals

7.9%

OP + CONCESSIONS

Market Share

4.8%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.5%

- The year over year market share of landlord concessions falls after forty-three consecutive months of increases
- Vacancy rate fell year over year for the eighth consecutive month
- Median rent growth accelerated in larger apartments as a shift to higher quality stock continued

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.

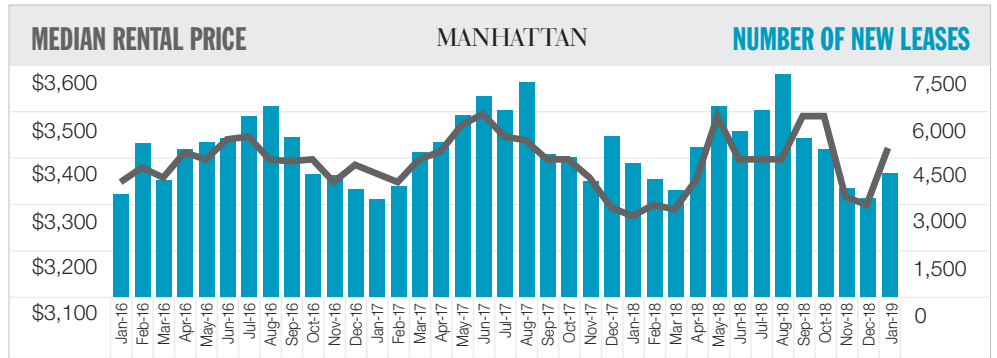
“ Landlord concession market share is peaking after years of gains. ”

Manhattan Rental Market	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018	
Average Rental Price	\$4,180	0.8%	\$4,145	4.5%	\$3,999	
Rental Price per Sq Ft	\$67.56	-0.6%	\$68.00	3.2%	\$65.49	
Median Rental Price	\$3,425	3.8%	\$3,300	4.6%	\$3,275	
Number of New Leases	4,054	25.1%	3,240	-7.9%	4,401	
Days on Market (From Original List Date)	34	6.3%	32	-5.6%	36	
Listing Discount (From Original List Price)	2.3%		2.8%		2.8%	
Listing Inventory	4,928	-0.6%	4,956	-13.4%	5,688	
Vacancy Rate	1.65%		1.78%		1.98%	
Manhattan Rental w/Concessions	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018	
Median Rental Price	\$3,320	3.8%	\$3,197	5.7%	\$3,141	
Share of New Leases w/OP + Concessions (%)	44.5%		44.0%		49.3%	
Free Rent/Owner Paid (Mos)	1.2	0.0%	1.2	-14.3%	1.4	
Manhattan Rental Market by Size	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018	
Studio -	Average Rental Price	\$2,695	0.3%	\$2,687	-1.7%	\$2,741
	Rental Price per Sq Ft	\$69.70	1.2%	\$68.88	6.8%	\$65.28
	Median Rental Price	\$2,600	1.2%	\$2,569	3.4%	\$2,515
	Number of New Leases	939	29.0%	728	-1.3%	951
1-Bedroom -	Average Rental Price	\$3,533	-0.7%	\$3,557	6.1%	\$3,330
	Rental Price per Sq Ft	\$63.50	-5.7%	\$67.31	5.4%	\$60.22
	Median Rental Price	\$3,450	3.3%	\$3,340	6.0%	\$3,254
	Number of New Leases	1,775	28.3%	1,384	-4.5%	1,859
2-Bedroom -	Average Rental Price	\$5,041	2.0%	\$4,943	5.7%	\$4,771
	Rental Price per Sq Ft	\$64.51	0.4%	\$64.24	-1.7%	\$65.62
	Median Rental Price	\$4,689	7.8%	\$4,348	9.2%	\$4,295
	Number of New Leases	969	18.8%	816	-12.9%	1,112
3+ Bedroom -	Average Rental Price	\$8,785	8.9%	\$8,066	20.3%	\$7,300
	Rental Price per Sq Ft	\$78.34	5.9%	\$74.01	6.4%	\$73.66
	Median Rental Price	\$6,467	19.3%	\$5,420	31.7%	\$4,911
	Number of New Leases	371	18.9%	312	-22.5%	479

After two months of year over year declines, the net effective median rent rose 5.7% year over year to \$3,320, the most significant increase in three and a half years. The number of new leases fell year over year for the third consecutive month, down 7.9% to 4,054. The decline in new leasing activity inferred

an increase in renewals, as landlord concessions remained high and the vacancy rate remained low. The monthly vacancy rate was 1.65%, down from 1.98% over the same period for the eighth consecutive month and was the lowest January vacancy rate in six years. The market share of landlord concessions

covered 44.5% of all leasing, down from 49.3% a year ago. This decline was the first after forty-three consecutive months of year over year increases. The median rental price of non-doorman apartments showed more price strength than the median rental price for doorman apartments for the first time in six months. New development rentals accounted for 7.1% of new leases, the sixth consecutive month of annual increases in market share. New development leases jumped 31.2% year over year to 286, helping press aggregate rental price trends higher.



PROPERTY TYPE

- Non-doorman median rent outperformed non-doorman median rent for the first time in six months
- Existing median rent rose faster than new development median rent year over year

Manhattan Rental Market By Property Type	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Doorman Median Rental Price	\$3,895	0.6%	\$3,870	2.5%	\$3,800
Non-Doorman Median Rental Price	\$2,850	5.6%	\$2,700	5.6%	\$2,700
Loft Median Rental Price	\$5,750	-17.3%	\$6,950	15.0%	\$5,000
New Development Median Rental Price	\$4,771	-0.5%	\$4,794	0.4%	\$4,750

BY PRICE

- Median rent for all price categories increased year over year
- Median rent rose year over year for the second time in three months
- The entry threshold increased in line with luxury price trend indicators

Manhattan Rental Market By Price	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Luxury (Top 10%) - Average Rental Price	\$10,871	-3.3%	\$11,238	4.2%	\$10,432
Luxury (Top 10%) - Rental Price per Sq Ft	\$81.28	-4.9%	\$85.47	2.0%	\$79.68
Luxury (Top 10%) - Median Rental Price	\$8,600	1.2%	\$8,500	7.5%	\$8,000
Luxury (Top 10%) - Number of New Leases	408	22.5%	333	-7.9%	443
Luxury (Top 10%) - Entry Threshold	\$6,500	0.1%	\$6,495	4.4%	\$6,224
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,585	2.0%	\$4,495	5.4%	\$4,350
Mid Tier (2nd 30%) - Median Rental Price	\$3,286	4.7%	\$3,138	6.0%	\$3,100
Entry Tier (1st 30%) - Median Rental Price	\$2,325	4.8%	\$2,218	5.7%	\$2,200

BY LOCATION

DOWNTOWN

- Median rental moved higher
- Vacancy rate declined

Downtown Market Matrix	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Median Rental Price	\$3,757	0.2%	\$3,750	4.0%	\$3,613
Number of New Leases	1,686	30.6%	1,291	-3.7%	1,750
Vacancy Rate	1.66%		1.75%		1.87%

EAST SIDE

- Number of new leases declined
- Vacancy rate fell

East Side Market Matrix	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Median Rental Price	\$3,278	-2.1%	\$3,350	-0.5%	\$3,295
Number of New Leases	1,043	29.9%	803	-4.3%	1,090
Vacancy Rate	0.99%		1.26%		1.42%

WEST SIDE

- Median rental price rose
- Number of new leases slipped

West Side Market Matrix	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Median Rental Price	\$3,469	7.1%	\$3,240	2.0%	\$3,400
Number of New Leases	932	29.3%	721	-0.6%	938
Vacancy Rate	1.89%		1.76%		2.55%

UPTOWN

- Median rental price edged higher
- Number of new leases fell sharply

Uptown Market Matrix	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Median Rental Price	\$2,275	3.5%	\$2,199	3.4%	\$2,200
Number of New Leases	393	-7.5%	425	-36.9%	623
Vacancy Rate	2.39%		2.75%		2.39%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.0%

INVENTORY

Total Inventory

2.3%

NEW LEASES

Excludes Renewals

5.5%

OP + CONCESSIONS

Market Share

0.5%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

Listing Discount

0.3%

- Market share of concessions declined year over year after nearly three years of increases
- Market share of 1-bedroom rentals was the only segment to see a rise
- Median rent growth was most robust in smaller apartments



The market share of landlord concessions declined year over year, after thirty-five consecutive months of increases.



Brooklyn Rental Market	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018
Average Rental Price	\$3,125	0.4%	\$3,113	0.8%	\$3,099
Rental Price per Sq Ft	\$43.79	-2.4%	\$44.88	6.9%	\$40.95
Median Rental Price	\$2,832	3.4%	\$2,738	3.0%	\$2,750
Number of New Leases	1,150	25.7%	915	5.5%	1,090
Days on Market (From Original List Date)	31	0.0%	31	-11.4%	35
Listing Discount (From Original List Price)	2.1%		2.1%		1.8%
Listing Inventory	1,889	-4.2%	1,971	-2.3%	1,933

Brooklyn Rental w/Concessions	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018
Median Rental Price	\$2,708	3.0%	\$2,628	2.7%	\$2,636
Share of New Leases w/OP + Concessions (%)	47.0%		49.2%		47.5%
Free Rent/Owner Paid (Mos)	1.6	14.3%	1.4	6.7%	1.5

Brooklyn Rental Market by Size	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018	
Studio -	Average Rental Price	\$2,481	-5.0%	\$2,611	2.9%	\$2,410
	Rental Price per Sq Ft	\$52.89	7.2%	\$49.33	41.6%	\$37.34
	Median Rental Price	\$2,500	3.8%	\$2,409	8.7%	\$2,300
	Number of New Leases	139	10.3%	126	-12.0%	158

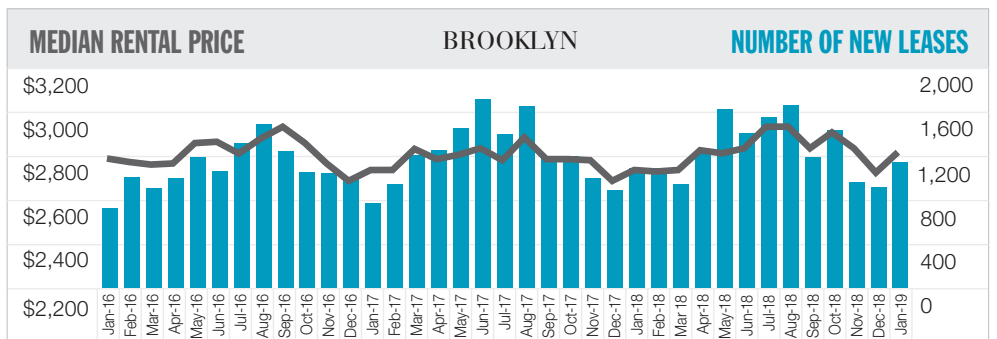
1-Bedroom -	Average Rental Price	\$2,822	5.7%	\$2,671	7.3%	\$2,631
	Rental Price per Sq Ft	\$47.52	4.0%	\$45.71	4.0%	\$45.71
	Median Rental Price	\$2,800	5.7%	\$2,650	5.7%	\$2,650
	Number of New Leases	495	40.6%	352	18.7%	417

2-Bedroom -	Average Rental Price	\$3,316	-3.5%	\$3,437	0.3%	\$3,307
	Rental Price per Sq Ft	\$43.72	-5.3%	\$46.16	10.7%	\$39.48
	Median Rental Price	\$3,000	0.4%	\$2,988	0.0%	\$3,000
	Number of New Leases	371	21.2%	306	1.9%	364

3+ Bedroom -	Average Rental Price	\$4,285	6.4%	\$4,028	-7.0%	\$4,608
	Rental Price per Sq Ft	\$36.42	-8.5%	\$39.80	-5.1%	\$38.38
	Median Rental Price	\$3,700	2.9%	\$3,595	2.9%	\$3,595
	Number of New Leases	145	10.7%	131	-4.0%	151

Brooklyn Rental Market by Type	JAN-2019	%Δ (MO)	DEC-2018	%Δ (YR)	JAN-2018
Luxury (Top 10%) - Median Rental Price	\$5,459	-5.2%	\$5,760	0.5%	\$5,434
Luxury (Top 10%) - Entry Threshold	\$4,500	-4.2%	\$4,695	-4.0%	\$4,688
New Development - Median Rental Price	\$3,260	-2.1%	\$3,329	5.1%	\$3,103

The market share of new development rentals, comprising 20.3% of total rentals, rose 1.7% from the same period last year. With one out of five new leases occurring in higher priced new development offerings, rental price trends have been skewing higher during the latter part of last year. Although the nearly three-year streak of rising concessions came to an end this month, 47% of all rentals had some form of concession provided by landlords with a 68.7% market share for new development and a 41.1% market share for existing rentals. There was a 3% year over year increase in median face rent to \$832, and a 2.7% rise in median net effective rent to \$2,708, that nets out free rent and brokerage commissions. Median face rent for new development was \$3,260, 20.7% higher than existing median face rent of \$2,700 and higher than the 17.1% difference in the same period a year ago. This rising spread reflects the shift in the mix due to the introduction of higher quality housing stock.



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.2%

INVENTORY

Total Inventory

19.6%

NEW LEASES

Excludes Renewals

4.6%

OP + CONCESSIONS

Market Share

7.2%

MARKETING TIME

Days on Market

1 days

NEGOTIABILITY

Listing Discount

0.1%

- Face rents pressed higher as new development influx skewed prices upward
- Market share of concessions increased year over year for the fifth consecutive month
- Number of new leases increased year over year for a seventh consecutive month

“ With rising new development market share, increasing rental price trends continue to be influenced by the shift to higher quality new housing stock. ”

Queens Rental Market	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Average Rental Price	\$2,886	-0.8%	\$2,910	7.3%	\$2,689
Rental Price per Sq Ft	\$48.71	-2.5%	\$49.95	6.8%	\$45.62
Median Rental Price	\$2,815	1.5%	\$2,774	6.2%	\$2,650
Number of New Leases	319	20.4%	265	4.6%	305
Days on Market (From Original List Date)	32	18.5%	27	3.2%	31
Listing Discount (From Original List Price)	2.2%		1.8%		2.1%
Listing Inventory	463	5.7%	438	-19.6%	576

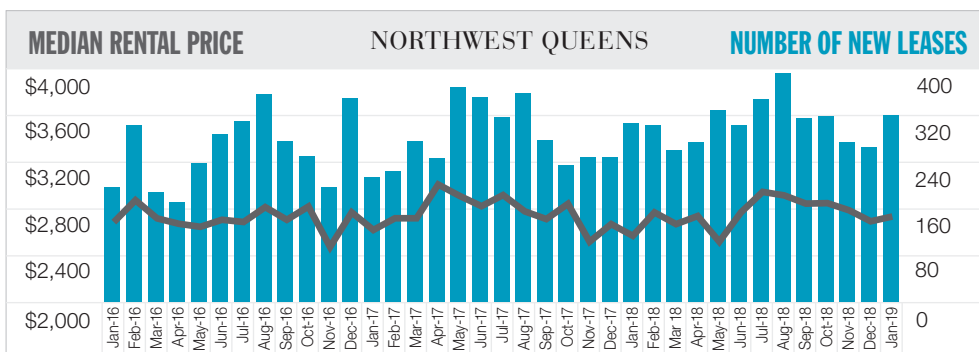
Queens Rental w/Concessions	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Median Rental Price	\$2,694	0.5%	\$2,680	7.5%	\$2,507
Number of New Leases w/OP + Concessions (%)	58.0%		52.8%		50.8%
Free Rent/Owner Paid (Mos)	1.2	9.1%	1.1	-33.3%	1.8

Queens Rental Market by Size	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018	
Studio -	Average Rental Price	\$2,355	1.9%	\$2,311	8.6%	\$2,168
	Rental Price per Sq Ft	\$57.66	0.7%	\$57.24	0.7%	\$57.27
	Median Rental Price	\$2,419	1.6%	\$2,382	9.5%	\$2,210
	Number of New Leases	80	45.5%	55	37.9%	58
1-Bedroom -	Average Rental Price	\$2,812	4.7%	\$2,687	9.6%	\$2,565
	Rental Price per Sq Ft	\$48.74	0.2%	\$48.64	6.3%	\$45.83
	Median Rental Price	\$2,948	5.3%	\$2,800	9.8%	\$2,686
	Number of New Leases	172	25.5%	137	-5.5%	182
2-Bedroom -	Average Rental Price	\$3,700	0.0%	\$3,699	7.3%	\$3,447
	Rental Price per Sq Ft	\$44.29	-11.0%	\$49.78	6.7%	\$41.50
	Median Rental Price	\$3,966	1.3%	\$3,916	4.4%	\$3,800
	Number of New Leases	57	-13.6%	66	-3.4%	59
3+ Bedroom -	Average Rental Price	\$3,766	-17.5%	\$4,563	-6.1%	\$4,009
	Rental Price per Sq Ft	\$38.08	-20.8%	\$48.10	19.6%	\$31.84
	Median Rental Price	\$3,248	-32.3%	\$4,796	-4.9%	\$3,417
	Number of New Leases	10	42.9%	7	66.7%	6

Queens Rental Market By Type	JAN-2019	%Δ (mo)	DEC-2018	%Δ (yr)	JAN-2018
Luxury (Top 10%) - Median Rental Price	\$4,523	-5.8%	\$4,800	6.8%	\$4,237
Luxury (Top 10%) - Entry Threshold	\$4,250	-2.3%	\$4,350	11.4%	\$3,815
New Development - Median Rental Price	\$2,909	-3.0%	\$3,000	5.2%	\$2,765
New Development - Market Share	33.2%		38.9%		30.5%

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

The market share of landlord concessions rose year over year for the seventh consecutive month to 58% of all leases. By property type, new development leases saw concessions in at least 74.5% of all leases and existing properties saw concessions in at least 49.8% of all leases, a new record. The market share of new development rentals rose 2.7% year over year to 33.2%. Net effective median rent jumped 7.5% to \$2,694 from the same period a year ago, the third consecutive year over year monthly increase. The impact of the much-discussed Amazon “HQ2” is not expected to have a material impact on the rental market for a few years.



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Report Methodology:

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

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