

# ELLI MAN REPORT

## MARCH 2019

### MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

## MANHATTAN RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

3.3%

### VACANCY

Vacancy Rate

0.19%

### NEW LEASES

Excludes Renewals

21.4%

### OP + CONCESSIONS

Market Share

0.1%

### MARKETING TIME

Days on Market

1 day

### NEGOTIABILITY

Listing Discount

0.3%

- The vacancy rate fell year over year for the eleventh straight month
- New leases surged after falling annually for four consecutive months
- Landlord concession market share edged up nominally year over year after falling for two consecutive 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.

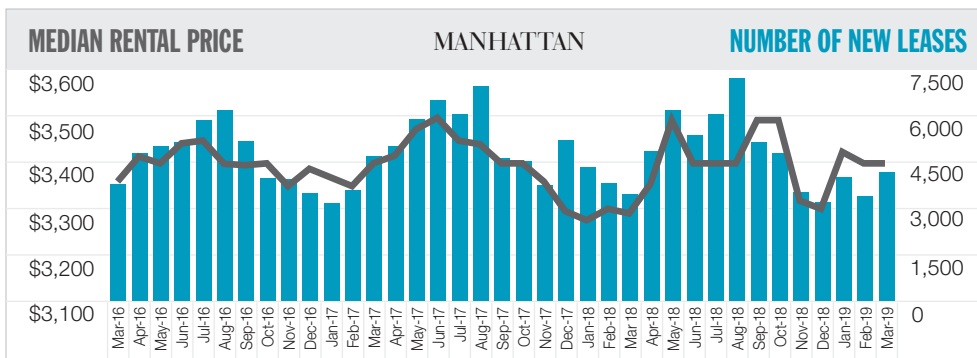
“ Rental price trends continued to press higher as concessions stabilized and vacancy slipped. ”

Manhattan Rental Market	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18	
Average Rental Price	\$4,165	-1.3%	\$4,221	1.9%	\$4,089	
Rental Price per Sq Ft	\$67.39	1.8%	\$66.23	1.5%	\$66.38	
Median Rental Price	\$3,400	0.0%	\$3,400	3.3%	\$3,290	
Number of New Leases	4,234	23.0%	3,443	21.4%	3,489	
Days on Market (From Original List Date)	30	-6.3%	32	-3.2%	31	
Listing Discount (From Original List Price)	1.7%		2.2%		2.0%	
Listing Inventory	5,171	2.3%	5,054	-10.3%	5,764	
Vacancy Rate	1.86%		1.81%		2.05%	
Manhattan Rental w/Concessions	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18	
Median Rental Price	\$3,288	-0.3%	\$3,297	3.8%	\$3,168	
Share of New Leases w/OP + Concessions (%)	41.8%		41.6%		41.7%	
Free Rent/Owner Paid (Mos)	1.3	8.3%	1.2	-13.3%	1.5	
Manhattan Rental Market by Size	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18	
Studio -	Average Rental Price	\$2,728	0.4%	\$2,717	-0.4%	\$2,738
	Rental Price per Sq Ft	\$69.84	9.0%	\$64.06	6.0%	\$65.89
	Median Rental Price	\$2,600	0.0%	\$2,600	2.0%	\$2,550
1-Bedroom -	Average Rental Price	\$3,588	2.6%	\$3,498	4.6%	\$3,429
	Rental Price per Sq Ft	\$64.65	3.1%	\$62.69	2.8%	\$62.91
	Median Rental Price	\$3,497	1.4%	\$3,450	6.0%	\$3,300
2-Bedroom -	Average Rental Price	\$4,990	-2.9%	\$5,139	0.3%	\$4,974
	Rental Price per Sq Ft	\$66.59	2.2%	\$65.13	1.8%	\$65.39
	Median Rental Price	\$4,425	-3.8%	\$4,600	-0.7%	\$4,455
3+ Bedroom -	Average Rental Price	\$7,801	-15.1%	\$9,186	-6.0%	\$8,297
	Rental Price per Sq Ft	\$71.46	-4.0%	\$74.44	-3.6%	\$74.10
	Median Rental Price	\$5,295	-18.5%	\$6,500	-7.1%	\$5,698
Number of New Leases	428	36.3%	314	41.7%	302	

The weakness in the sales market continued to drive additional leasing activity in the rental market. Price trend indicators continued to rise with a spike in new leasing activity and stabilization of landlord concession market share. The net effective median rent, median face rent less brokerage commissions, and free rent rose year

over year for the third consecutive month. The median net effective rent was \$3,288, up 3.8% from the same period last year. The market share of rentals with landlord concessions was 41.8%, up nominally from 41.7% over the same period. This nominal change was preceded by two months with declining market share after 43 straight months of

rising market share. The most recent three-month trend suggests that rising rental prices may not drive down concessions quickly. Tenants may take a more extended period to not expect concessions given the nearly three year period of dependence on them. The vacancy rate was 1.86%, down from 2.05% to the lowest rate for March in five years. The 21.4% surge in new leases reflected the newfound aggressiveness of landlord pricing offers at the time of renewal. Tenant pushback resulted in looking for new leases in other buildings. This pattern was seen across the other boroughs as well.



## PROPERTY TYPE

- All price trend indicators for doorman and doorman median rent moved higher
- Studio and 1-bedroom median rents expanded as larger-sized apartment median rents declined

Manhattan Rental Market By Property Type	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Doorman Median Rental Price	\$4,000	3.9%	\$3,850	3.7%	\$3,857
Non-Doorman Median Rental Price	\$2,800	0.0%	\$2,800	1.8%	\$2,750
Loft Median Rental Price	\$5,990	3.7%	\$5,775	-3.4%	\$6,200
New Development Median Rental Price	\$5,015	-2.3%	\$5,134	6.0%	\$4,729
Existing Median Rental Price	\$3,322	0.0%	\$3,323	3.8%	\$3,200

## BY PRICE

- There was no clear pattern of price gains by price strata
- All luxury price trend indicators declined from year-ago levels
- Sharp rise in number of new leases above the \$10 thousand threshold

Manhattan Rental Market By Price	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Luxury (Top 10%) - Average Rental Price	\$10,569	-7.9%	\$11,478	-2.9%	\$10,880
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.68	1.4%	\$76.61	-3.2%	\$80.21
Luxury (Top 10%) - Median Rental Price	\$8,250	-8.3%	\$9,000	-2.2%	\$8,437
Luxury (Top 10%) - Number of New Leases	443	28.4%	345	24.4%	356
Luxury (Top 10%) - Entry Threshold	\$6,500	-1.5%	\$6,600	0.0%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,515	0.3%	\$4,500	1.5%	\$4,450
Mid Tier (2nd 30%) - Median Rental Price	\$3,250	0.0%	\$3,250	4.2%	\$3,120
Entry Tier (1st 30%) - Median Rental Price	\$2,300	0.0%	\$2,300	2.2%	\$2,250

## BY LOCATION

### DOWNTOWN

- Number of new leases surged
- Vacancy rate edged higher

Downtown Market Matrix	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Median Rental Price	\$3,850	4.2%	\$3,695	4.1%	\$3,700
Number of New Leases	1,807	29.3%	1,398	25.5%	1,440
Vacancy Rate	2.12%		1.84%		2.00%

### EAST SIDE

- Median rental price increased
- Vacancy rate declined

East Side Market Matrix	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Median Rental Price	\$3,313	-0.7%	\$3,338	3.2%	\$3,211
Number of New Leases	1,000	11.4%	898	13.5%	881
Vacancy Rate	1.26%		1.26%		1.53%

### WEST SIDE

- Vacancy rate continued to fall sharply
- Number of new leases surged

West Side Market Matrix	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Median Rental Price	\$3,400	-0.9%	\$3,430	3.0%	\$3,300
Number of New Leases	889	13.0%	787	21.1%	734
Vacancy Rate	1.57%		1.70%		2.22%

### NORTHERN MANHATTAN

- Median rental price moved higher
- Number of new leases jumped

Northern Manhattan Market Matrix	MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Median Rental Price	\$2,300	0.7%	\$2,285	2.2%	\$2,250
Number of New Leases	538	49.4%	360	24.0%	434
Vacancy Rate	2.48%		2.75%		2.84%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**5.5%**

## INVENTORY

Total Inventory

**1.6%**

## NEW LEASES

Excludes Renewals

**40.3%**

## OP + CONCESSIONS

Market Share

**3.7%**

## MARKETING TIME

Days on Market

**2** days

## NEGOTIABILITY

Listing Discount

**0.7%**

- Net effective median rent rose year over year for the fourth straight month
- Almost three-fourths of new development rentals had a concession while one-third of existing rentals had a concession
- New leases surged year over year at the highest rate in fifteen months across all market sizes

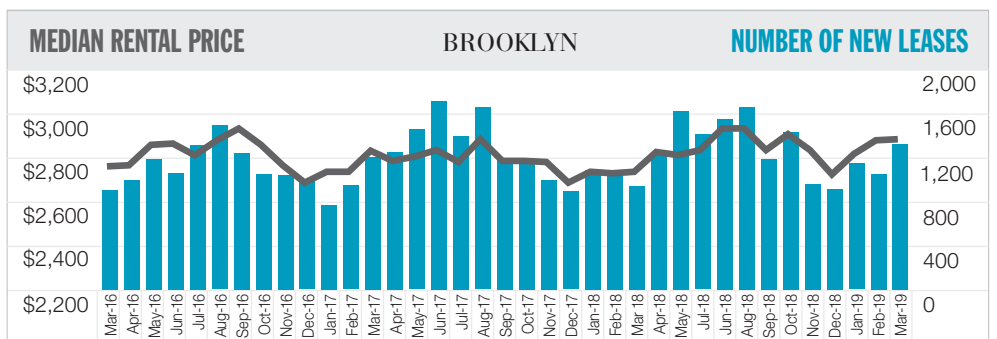
All price trend indicators moved higher as more demand shifted from the sales market to the rental market. Net effective median rent, the rental equivalent of median rent plus commissions and free rent, rose for the fourth straight month, up 5.8% to \$2,781. The overall price trend indicators also rose year over year. After thirty-five consecutive quarters of year over year increases, the market share of landlord concessions has declined annually for the third straight quarter. The market share was 44% in March, down from 47.7% in the same period last year. By construction type, new development rentals comprised 22.9% of the overall activity with a concession market share of 72.7% while existing rentals comprised 77.1% of activity and a concession market share of 33.8%. The number of new leases surged 40.3% to 1,327 from the same period a year ago. With net effective median rent rising annual for four straight months, landlords pressed for higher rents at the time of renewal causing more tenants to seek out more affordable rents elsewhere.



*Rental price trends continued to rise as new leasing activity surged.*



Brooklyn Rental Market		MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Average Rental Price		\$3,209	0.6%	\$3,191	3.2%	\$3,109
Rental Price per Sq Ft		\$46.56	2.0%	\$45.64	1.3%	\$45.95
Median Rental Price		\$2,900	0.2%	\$2,895	5.5%	\$2,750
Number of New Leases		1,327	26.4%	1,050	40.3%	946
Days on Market (From Original List Date)		26	-7.1%	28	-7.1%	28
Listing Discount (From Original List Price)		0.7%		1.0%		1.4%
Listing Inventory		1,896	6.1%	1,787	-1.6%	1,926
Brooklyn Rental w/Concessions		MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Median Rental Price		\$2,781	-0.1%	\$2,784	5.8%	\$2,629
Share of New Leases w/OP + Concessions (%)		44.0%		44.7%		47.7%
Free Rent/Owner Paid (Mos)		1.6	14.3%	1.4	6.7%	1.5
Brooklyn Rental Market by Size		MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Studio -	Average Rental Price	\$2,500	-4.8%	\$2,627	4.7%	\$2,388
	Rental Price per Sq Ft	\$55.30	3.9%	\$53.22	1.4%	\$54.55
	Median Rental Price	\$2,492	-0.3%	\$2,500	6.0%	\$2,350
	Number of New Leases	191	48.1%	129	39.4%	137
1-Bedroom -	Average Rental Price	\$2,856	2.4%	\$2,788	5.8%	\$2,700
	Rental Price per Sq Ft	\$49.00	3.2%	\$47.50	6.0%	\$46.23
	Median Rental Price	\$2,895	5.3%	\$2,750	11.3%	\$2,600
	Number of New Leases	567	25.4%	452	50.4%	377
2-Bedroom -	Average Rental Price	\$3,471	0.7%	\$3,448	-1.1%	\$3,510
	Rental Price per Sq Ft	\$45.06	3.0%	\$43.76	-0.5%	\$45.27
	Median Rental Price	\$3,200	0.0%	\$3,200	-2.2%	\$3,273
	Number of New Leases	406	30.5%	311	24.5%	326
3+ Bedroom -	Average Rental Price	\$4,615	7.3%	\$4,303	8.3%	\$4,262
	Rental Price per Sq Ft	\$41.59	-1.7%	\$42.31	-3.7%	\$43.20
	Median Rental Price	\$3,860	9.5%	\$3,525	17.0%	\$3,300
	Number of New Leases	163	3.2%	158	53.8%	106
Brooklyn Rental Market by Type		MAR-19	%Δ (MO)	FEB-19	%Δ (YR)	MAR-18
Luxury (Top 10%) - Median Rental Price		\$5,500	-3.0%	\$5,671	3.5%	\$5,316
Luxury (Top 10%) - Entry Threshold		\$4,695	2.1%	\$4,600	-0.1%	\$4,700
New Development - Median Rental Price		\$3,442	4.6%	\$3,290	4.3%	\$3,300



## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

1.8%

### INVENTORY

Total Inventory

16.3%

### NEW LEASES

Excludes Renewals

26.3%

### OP + CONCESSIONS

Market Share

15.9%

### MARKETING TIME

Days on Market

3 days

### NEGOTIABILITY

Listing Discount

0.3%

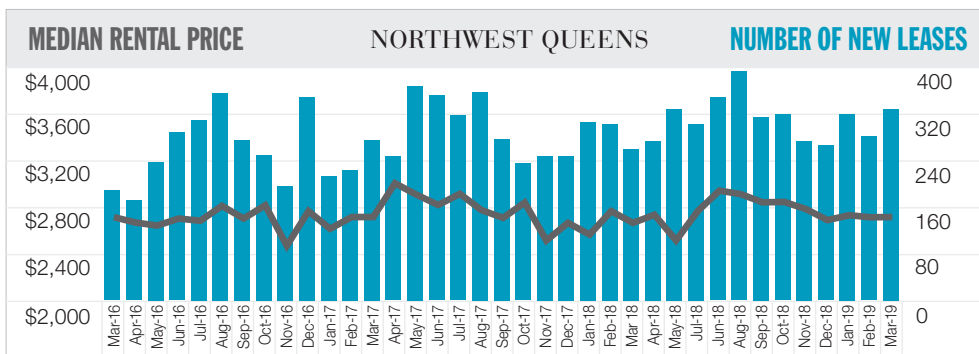
- Market share of landlord concessions fell year over year for the first time in seven months
- Net effective median rent expanded year over year for the fourth time in five months
- The average size of a rental apartment increased largely from the size gains of 2-bedrooms and 3-bedrooms

The market share of landlord concessions fell year over year for the first time since August as rising rents reduced the need for their use and raised the number of new leases signed. The number of new leases surged 26.3% to 327 from the same period last year. Landlords pressed for rental increases at the time of renewal incentivizing some tenants to look elsewhere. As a result, the market share of landlord concessions fell from the prior year by 3.9% to 47.4%. As a result, net effective median rent increased 4.8% to \$2,682, the fifth annual increase in six months. The market share of new development rentals was 33.3% with a concession share of 55.1%. The market share of existing rents was 66.7% with a concession share of 43.6%. Median rent gains seen in the studio and 1-bedroom markets were 1.6% and 4.3% respectively. Median rent declines were observed in the 2-bedroom and 3+ bedroom markets of 14% and 7% respectively.

“New leasing activity jumped across all apartment sizes as landlords pushed for higher rents at lease renewal.”

Northwest Queens Rental Market		MAR-19	%Δ (mo)	FEB-19	%Δ (yr)	MAR-18
Average Rental Price		\$2,955	2.1%	\$2,894	2.4%	\$2,886
Rental Price per Sq Ft		\$49.72	1.3%	\$49.09	-0.4%	\$49.91
Median Rental Price		\$2,800	0.1%	\$2,798	1.8%	\$2,750
Number of New Leases		327	16.8%	280	26.3%	259
Days on Market (From Original List Date)		28	0.0%	28	-9.7%	31
Listing Discount (From Original List Price)		0.5%		0.8%		0.8%
Listing Inventory		442	0.0%	442	-16.3%	528
Northwest Queens Rental w/Concessions		MAR-19	%Δ (mo)	FEB-19	%Δ (yr)	MAR-18
Median Rental Price		\$2,682	-0.1%	\$2,685	4.8%	\$2,559
Number of New Leases w/OP + Concessions (%)		47.4%		49.3%		63.3%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	-16.7%	1.8
Northwest Queens Rental Market by Size		MAR-19	%Δ (mo)	FEB-19	%Δ (yr)	MAR-18
Studio -	Average Rental Price	\$2,311	-2.5%	\$2,370	-0.1%	\$2,313
	Rental Price per Sq Ft	\$55.95	2.0%	\$54.87	9.1%	\$51.30
	Median Rental Price	\$2,388	-1.7%	\$2,429	1.6%	\$2,350
	Number of New Leases	74	5.7%	70	54.2%	48
1-Bedroom -	Average Rental Price	\$2,795	0.7%	\$2,776	3.0%	\$2,713
	Rental Price per Sq Ft	\$51.67	4.8%	\$49.30	3.7%	\$49.82
	Median Rental Price	\$3,005	2.5%	\$2,931	4.3%	\$2,881
	Number of New Leases	165	5.1%	157	8.6%	152
2-Bedroom -	Average Rental Price	\$3,688	-6.3%	\$3,936	0.3%	\$3,678
	Rental Price per Sq Ft	\$48.41	0.8%	\$48.02	-3.5%	\$50.19
	Median Rental Price	\$3,500	-15.8%	\$4,155	-14.0%	\$4,072
	Number of New Leases	75	66.7%	45	50.0%	50
3+ Bedroom -	Average Rental Price	\$4,417	12.6%	\$3,921	-0.6%	\$4,443
	Rental Price per Sq Ft	\$40.27	-6.4%	\$43.03	-13.7%	\$46.68
	Median Rental Price	\$3,714	0.4%	\$3,698	-7.0%	\$3,995
	Number of New Leases	13	62.5%	8	44.4%	9
Northwest Queens Rental Market By Type		MAR-19	%Δ (mo)	FEB-19	%Δ (yr)	MAR-18
Luxury (Top 10%) - Median Rental Price		\$5,000	11.1%	\$4,500	13.9%	\$4,388
Luxury (Top 10%) - Entry Threshold		\$4,359	6.9%	\$4,079	5.3%	\$4,140
New Development - Median Rental Price		\$2,975	4.8%	\$2,840	-1.1%	\$3,009
New Development - Market Share		33.3%		43.6%		41.3%

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



For more information or electronic copies of this report please visit [elliman.com/marketreports](http://elliman.com/marketreports). Email report author Jonathan Miller at [jmiller@millersamuel.com](mailto:jmiller@millersamuel.com) with questions or comments.

#### Report Methodology:

[www.millersamuel.com/research-reports/methodology](http://www.millersamuel.com/research-reports/methodology)

RENTAL DIVISION 212.891.7711 • [elliman.com](http://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

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