

# ELLI MAN REPORT

**JUNE** 2019

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,  
Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

**4.4%**

#### VACANCY

Vacancy Rate

**0.00%**

#### NEW LEASES

Excludes Renewals

**9.6%**

#### OP + CONCESSIONS

Market Share

**0.4%**

#### MARKETING TIME

Days on Market

**3** days

#### NEGOTIABILITY

Listing Discount

**0.1%**

- Landlord concession market share declined year over year for fifth time in six months
- The net effective median rent has risen annually each month since the beginning of the year
- Rent growth skewed to smaller apartments as market share gains skewed to larger apartments

*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.*

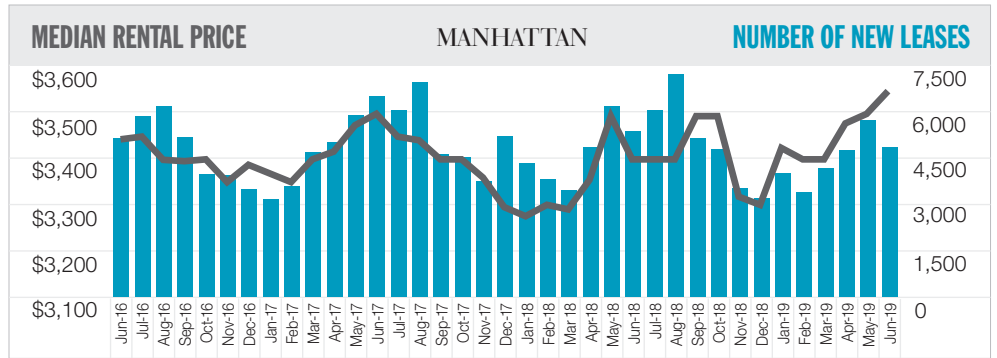
“Landlord concession market share continued to decline but remain a significant part of the rental housing market calculus.”

Manhattan Rental Market	JUN-19	%Δ (mo)	MAY-19	%Δ (YR)	JUN-18	
Average Rental Price	\$4,236	0.4%	\$4,218	3.4%	\$4,097	
Rental Price per Sq Ft	\$68.96	-0.5%	\$69.32	3.6%	\$66.57	
Median Rental Price	\$3,550	1.4%	\$3,500	4.4%	\$3,400	
Number of New Leases	4,926	-15.0%	5,796	-9.6%	5,447	
Days on Market (From Original List Date)	24	-7.7%	26	-11.1%	27	
Listing Discount (From Original List Price)	0.9%		1.1%		1.0%	
Listing Inventory	5,842	5.6%	5,534	-5.2%	6,161	
Vacancy Rate	1.61%		1.65%		1.61%	
Manhattan Rental w/Concessions	JUN-19	%Δ (mo)	MAY-19	%Δ (YR)	JUN-18	
Median Rental Price	\$3,471	1.7%	\$3,413	4.7%	\$3,314	
Share of New Leases w/OP + Concessions (%)	32.2%		33.9%		32.6%	
Free Rent/Owner Paid (Mos)	1.2	0.0%	1.2	-7.7%	1.3	
Manhattan Rental Market by Size	JUN-19	%Δ (mo)	MAY-19	%Δ (YR)	JUN-18	
Studio -	Average Rental Price	\$2,781	-4.0%	\$2,896	1.4%	\$2,742
	Rental Price per Sq Ft	\$69.94	-7.1%	\$75.32	5.8%	\$66.11
	Median Rental Price	\$2,697	1.8%	\$2,650	3.7%	\$2,600
	Number of New Leases	1,044	-18.1%	1,274	-17.1%	1,259
1-Bedroom -	Average Rental Price	\$3,669	1.3%	\$3,621	4.8%	\$3,502
	Rental Price per Sq Ft	\$67.66	1.7%	\$66.50	6.4%	\$63.57
	Median Rental Price	\$3,548	-0.1%	\$3,550	4.4%	\$3,400
	Number of New Leases	1,982	-15.7%	2,352	-11.5%	2,239
2-Bedroom -	Average Rental Price	\$4,863	-0.1%	\$4,867	1.7%	\$4,781
	Rental Price per Sq Ft	\$66.92	-0.7%	\$67.38	2.0%	\$65.62
	Median Rental Price	\$4,150	-2.4%	\$4,250	0.0%	\$4,150
	Number of New Leases	1,271	-14.6%	1,488	-7.2%	1,369
3+ Bedroom -	Average Rental Price	\$7,168	-2.2%	\$7,331	-7.1%	\$7,718
	Rental Price per Sq Ft	\$73.21	-0.6%	\$73.68	0.5%	\$72.84
	Median Rental Price	\$5,560	-0.6%	\$5,595	-1.0%	\$5,614
	Number of New Leases	629	-7.8%	682	8.4%	580

The rental housing market continued the trends that began at the start of the year with declining concessions and rising rents. One of the drivers of the change has been the weak sales market, but after a robust spring market for sales, the continued upward price pressure of rents is not assured. However, the June results of the rental market did

not suggest any new weakness. The net effective rent of a Manhattan apartment, the face rent less free rent and broker commissions, continued to rise each month annually since January. The median net effective rent for June was \$3,471, up 4.7% from the same period last year. The market share of rentals with landlord concessions was 32.2%, down

0.4% over the same period but the drop was mostly due to new development rental concessions. The market share of new development concessions was 43.5%, down 11.4% over the same period. Concessions in existing rentals were 31.5%, up 0.3% from this time last year. The market share of two and three or more bedroom rents expanded as studio and one bedroom market share declined. The growth in the market share of larger rentals reflected the demand driven by the weaker sales market.



## PROPERTY TYPE

- New development median rent increased at nearly three times the rate as existing median rent
- Doorman and non-doorman median rent rose annually at approximately the same rate

Manhattan Rental Market By Property Type	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Doorman Median Rental Price	\$4,039	1.1%	\$3,995	4.9%	\$3,850
Non-Doorman Median Rental Price	\$3,100	3.3%	\$3,000	5.1%	\$2,950
Loft Median Rental Price	\$5,495	-8.0%	\$5,970	-4.4%	\$5,750
New Development Median Rental Price	\$4,795	-4.0%	\$4,995	9.1%	\$4,394
Existing Median Rental Price	\$3,500	1.4%	\$3,450	3.6%	\$3,380

## BY PRICE

- Median annual rent gains were most pronounced in the 61% to 90% price strata
- The lowest year over year price growth was seen in the luxury and super luxury markets
- The luxury entry threshold hasn't seen a year over year decline since 2018

Manhattan Rental Market By Price	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Luxury (Top 10%) - Average Rental Price	\$10,034	-4.6%	\$10,513	-2.0%	\$10,243
Luxury (Top 10%) - Rental Price per Sq Ft	\$78.76	-4.0%	\$82.01	2.4%	\$76.91
Luxury (Top 10%) - Median Rental Price	\$8,120	-2.2%	\$8,300	1.5%	\$8,000
Luxury (Top 10%) - Number of New Leases	513	-11.7%	581	-5.9%	545
Luxury (Top 10%) - Entry Threshold	\$6,500	-1.4%	\$6,595	1.3%	\$6,415
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,750	2.2%	\$4,650	5.6%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,396	2.4%	\$3,315	4.5%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,400	0.2%	\$2,395	2.1%	\$2,350

## BY LOCATION

### DOWNTOWN

- Vacancy rate expanded
- Number of new leases declined

Downtown Market Matrix	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Median Rental Price	\$4,000	3.2%	\$3,875	6.6%	\$3,753
Number of New Leases	2,215	-12.9%	2,542	-4.3%	2,314
Vacancy Rate	2.30%		2.36%		1.50%

### EAST SIDE

- Median rent moved higher
- Vacancy rate declined

East Side Market Matrix	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Median Rental Price	\$3,300	-2.2%	\$3,375	3.1%	\$3,200
Number of New Leases	1,250	-11.6%	1,414	-5.5%	1,323
Vacancy Rate	0.71%		0.82%		1.26%

### WEST SIDE

- Median rent moved higher
- Number of new leases fell sharply

West Side Market Matrix	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Median Rental Price	\$3,550	-1.4%	\$3,600	2.9%	\$3,450
Number of New Leases	963	-19.4%	1,195	-21.8%	1,232
Vacancy Rate	1.31%		1.31%		1.44%

### NORTHERN MANHATTAN

- Vacancy rate declined
- Number of new leases fell sharply

Northern Manhattan Market Matrix	JUN-19	%Δ (MO)	MAY-19	%Δ (YR)	JUN-18
Median Rental Price	\$2,400	-2.4%	\$2,460	1.1%	\$2,375
Number of New Leases	498	-22.8%	645	-13.8%	578
Vacancy Rate	1.51%		1.42%		2.75%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**5.3%**

## INVENTORY

Total Inventory

**4.4%**

## NEW LEASES

Excludes Renewals

**16.6%**

## OP + CONCESSIONS

Market Share

**2.0%**

## MARKETING TIME

Days on Market

**2** days

## NEGOTIABILITY

Listing Discount

**0.3%**

- Concessions market share declined annually for the sixth straight consecutive month
- All three face rent trend indicators have been rising annually since July 2018
- Net effective median rent rose year over year for the seventh consecutive month



*The market continued to pivot away from concessions as rental prices continued to rise.*

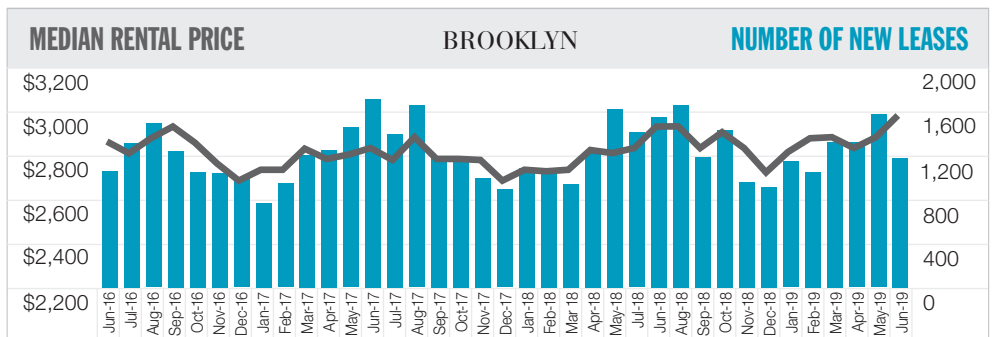


Brooklyn Rental Market	JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Average Rental Price	\$3,440	5.1%	\$3,274	7.7%	\$3,195
Rental Price per Sq Ft	\$46.89	-2.9%	\$48.31	2.7%	\$45.64
Median Rental Price	\$3,000	3.4%	\$2,900	5.3%	\$2,850
Number of New Leases	1,178	-25.4%	1,579	-16.6%	1,413
Days on Market (From Original List Date)	25	0.0%	25	-7.4%	27
Listing Discount (From Original List Price)	0.9%		0.5%		1.2%
Listing Inventory	1,987	4.0%	1,910	4.4%	1,903

Brooklyn Rental w/Concessions	JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Median Rental Price	\$2,914	3.0%	\$2,829	5.9%	\$2,751
Share of New Leases w/OP + Concessions (%)	38.4%		32.6%		40.4%
Free Rent/Owner Paid (Mos)	1.3	0.0%	1.3	-7.1%	1.4

Brooklyn Rental Market by Size	JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18	
Studio -	Average Rental Price	\$2,616	3.6%	\$2,526	4.1%	\$2,512
	Rental Price per Sq Ft	\$57.81	1.1%	\$57.20	-1.7%	\$58.83
	Median Rental Price	\$2,550	-1.1%	\$2,578	6.3%	\$2,400
	Number of New Leases	166	-30.8%	240	-27.5%	229
1-Bedroom -	Average Rental Price	\$2,894	-1.5%	\$2,937	4.4%	\$2,771
	Rental Price per Sq Ft	\$49.52	-3.6%	\$51.39	3.6%	\$47.80
	Median Rental Price	\$2,800	-3.3%	\$2,895	1.8%	\$2,750
	Number of New Leases	451	-27.6%	623	-16.2%	538
2-Bedroom -	Average Rental Price	\$3,554	2.7%	\$3,461	5.1%	\$3,382
	Rental Price per Sq Ft	\$45.37	-0.8%	\$45.73	1.7%	\$44.63
	Median Rental Price	\$3,213	3.6%	\$3,100	6.2%	\$3,025
	Number of New Leases	356	-27.2%	489	-23.1%	463
3+ Bedroom -	Average Rental Price	\$5,112	11.4%	\$4,590	6.1%	\$4,820
	Rental Price per Sq Ft	\$43.19	-2.7%	\$44.41	8.7%	\$39.74
	Median Rental Price	\$4,280	12.6%	\$3,800	0.1%	\$4,275
	Number of New Leases	205	-9.7%	227	12.0%	183

Brooklyn Rental Market by Type	JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Luxury (Top 10%) - Median Rental Price	\$6,500	12.0%	\$5,803	12.1%	\$5,800
Luxury (Top 10%) - Entry Threshold	\$5,200	7.7%	\$4,830	10.6%	\$4,700
New Development - Median Rental Price	\$3,585	8.6%	\$3,300	13.7%	\$3,152



Aided by a weaker sales market, the three face rent indicators had risen year over year in unison since July 2018, before concession market share began to drift lower in January. The net effective median rent for June, face rent less free rent and broker commissions, jumped 5.9% to \$2,914 from the prior year period. The market share of landlord commissions slid 2% to 38.4% over the same period. Luxury median rent, representing the top ten percent of the market, increased 12.1% year over year to \$6,500 for the eighth straight rise. The concession market share for new development was 69.7%, down from 81.1% in the same period a year ago. Existing rental concession market share was 30.1% down from 32.7%. The overall market peak concession level of 51% was reached in April 2018. New development median rent surged 13.7% to \$3,585, accounting for 18.5% of all rentals.

## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

0.5%

### INVENTORY

Total Inventory

5.5%

### NEW LEASES

Excludes Renewals

11.3%

### OP + CONCESSIONS

Market Share

9.5%

### MARKETING TIME

Days on Market

2 days

### NEGOTIABILITY

Listing Discount

0.2%

- The annual change in concession market share fell sharply for four consecutive months
- Net effective median rent rose annually for the seventh time in eight months
- New development concessions have experienced a more pronounced decline than concessions for existing rentals

All three rental price trend indicators rose year over year for the second straight month. Median net effective rent increased annually for the seventh time in eight months as the market share of landlord concessions continued to decline, especially within the new development market. The net effective median rent, inclusive of free rent and broker commissions, rose 1.6% to \$2,789 from the same period last year. The market share of landlord concessions fell by 9.5% to 36.2% from the year-ago period. However, the market share of landlord concessions within the new development market fell 39.3% to 44.7% yet landlord concessions for existing rentals rose 3.8% to 32.2% respectively. The new development rental market accounted for 31.7% of all new leases in June. The number of new leases fell 11.3% year over year to 268 as landlords were still successful at the time of renewal.

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)

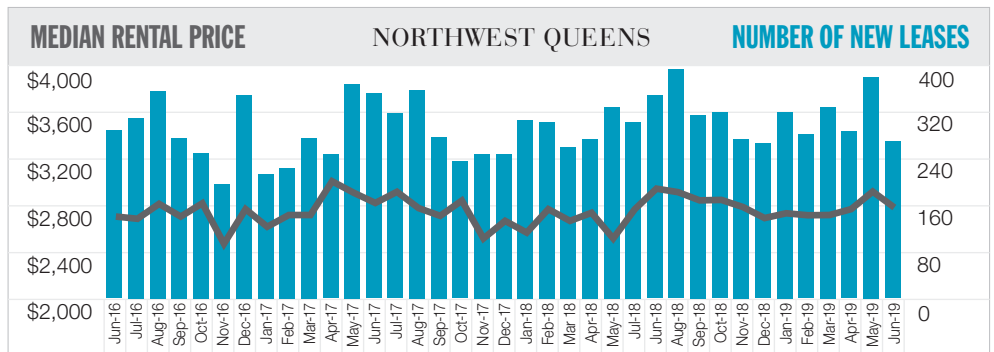


*Rental prices pressed higher as landlord concession market share declined.*



Northwest Queens Rental Market		JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Average Rental Price		\$3,164	-0.3%	\$3,174	6.5%	\$2,971
Rental Price per Sq Ft		\$49.44	-4.8%	\$51.91	1.4%	\$48.74
Median Rental Price		\$2,864	-4.5%	\$3,000	0.5%	\$2,850
Number of New Leases		268	-29.3%	379	-11.3%	302
Days on Market (From Original List Date)		29	16.0%	25	7.4%	27
Listing Discount (From Original List Price)		0.3%		0.5%		0.5%
Listing Inventory		428	-5.3%	452	-5.5%	453
Northwest Queens Rental w/Concessions		JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Median Rental Price		\$2,789	-4.1%	\$2,908	1.6%	\$2,745
Number of New Leases w/OP + Concessions (%)		36.2%		33.3%		45.7%
Free Rent/Owner Paid (Mos)		1.2	-25.0%	1.6	-14.3%	1.4
Northwest Queens Rental Market by Size		JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Studio -	Average Rental Price	\$2,507	-1.8%	\$2,553	3.5%	\$2,423
	Rental Price per Sq Ft	\$62.07	1.3%	\$61.25	20.3%	\$51.60
	Median Rental Price	\$2,500	-6.5%	\$2,675	-0.1%	\$2,503
	Number of New Leases	45	-39.2%	74	-27.4%	62
1-Bedroom -	Average Rental Price	\$2,832	-1.9%	\$2,887	-0.5%	\$2,847
	Rental Price per Sq Ft	\$48.00	-7.5%	\$51.89	-3.2%	\$49.61
	Median Rental Price	\$2,850	-6.7%	\$3,055	-5.9%	\$3,030
	Number of New Leases	141	-30.2%	202	-7.8%	153
2-Bedroom -	Average Rental Price	\$3,871	-1.9%	\$3,947	12.9%	\$3,430
	Rental Price per Sq Ft	\$49.74	0.3%	\$49.60	12.3%	\$44.28
	Median Rental Price	\$4,114	-4.7%	\$4,319	22.8%	\$3,350
	Number of New Leases	63	-31.5%	92	-17.1%	76
3+ Bedroom -	Average Rental Price	\$4,841	-21.3%	\$6,153	5.0%	\$4,611
	Rental Price per Sq Ft	\$46.65	-3.6%	\$48.37	-12.7%	\$53.45
	Median Rental Price	\$5,560	-11.3%	\$6,268	39.2%	\$3,995
	Number of New Leases	19	72.7%	11	72.7%	11
Northwest Queens Rental Market By Type		JUN-19	%Δ (mo)	MAY-19	%Δ (yr)	JUN-18
Luxury (Top 10%) - Median Rental Price		\$5,512	5.6%	\$5,222	14.4%	\$4,817
Luxury (Top 10%) - Entry Threshold		\$4,800	-1.4%	\$4,866	17.1%	\$4,100
New Development - Median Rental Price		\$3,255	3.0%	\$3,161	6.5%	\$3,055
New Development - Market Share		31.7%		36.9%		31.1%

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



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

575 MADISON AVENUE, NY, NY 10022, 212.891.7000 © 2019 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. 🏠