

# ELLI MAN REPORT

**JULY** 2019

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,  
Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

**5.7%**

#### VACANCY

Vacancy Rate

**0.14%**

#### NEW LEASES

Excludes Renewals

**5.1%**

#### OP + CONCESSIONS

Market Share

**4.4%**

#### MARKETING TIME

Days on Market

**1** day

#### NEGOTIABILITY

Listing Discount

**0.1%**

- Median net effective rent rose the most year over year in 47 straight months
- The market share of concessions fell annually for the sixth time in seven months
- All three price trend indicators rose sharply above the year ago result

*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.*

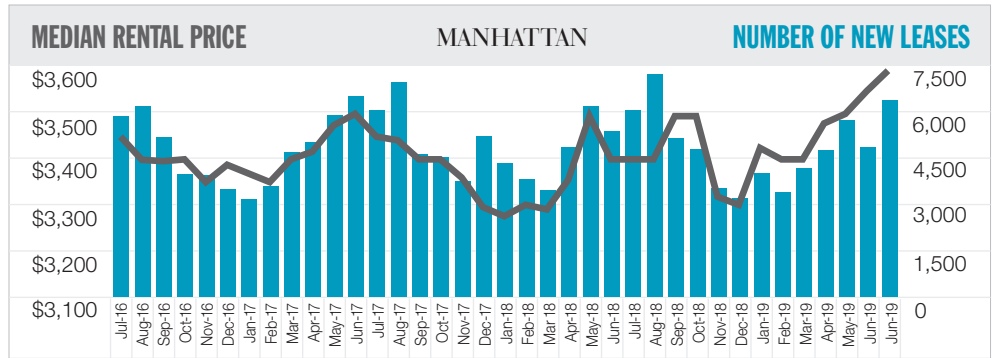
“ Year over year rent growth has accelerated in recent months as the market share of concessions trended lower. ”

Manhattan Rental Market		JUL-19	%Δ (mo)	JUN-19	%Δ (YR)	JUL-18
Average Rental Price		\$4,292	1.3%	\$4,236	7.0%	\$4,011
Rental Price per Sq Ft		\$70.01	1.5%	\$68.96	6.1%	\$65.97
Median Rental Price		\$3,595	1.3%	\$3,550	5.7%	\$3,400
Number of New Leases		6,460	31.1%	4,926	5.1%	6,145
Days on Market (From Original List Date)		26	8.3%	24	-3.7%	27
Listing Discount (From Original List Price)		0.9%		0.9%		1.0%
Listing Inventory		5,912	1.2%	5,842	-2.2%	6,044
Vacancy Rate		2.00%		1.61%		1.86%
Manhattan Rental w/Concessions		JUL-19	%Δ (mo)	JUN-19	%Δ (YR)	JUL-18
Median Rental Price		\$3,521	1.4%	\$3,471	6.5%	\$3,307
Share of New Leases w/OP + Concessions (%)		30.6%		32.2%		35.0%
Free Rent/Owner Paid (Mos)		1.1	-8.3%	1.2	-15.4%	1.3
Manhattan Rental Market by Size		JUL-19	%Δ (mo)	JUN-19	%Δ (YR)	JUL-18
Studio -	Average Rental Price	\$2,889	3.9%	\$2,781	7.8%	\$2,679
	Rental Price per Sq Ft	\$73.60	5.2%	\$69.94	8.8%	\$67.67
	Median Rental Price	\$2,700	0.1%	\$2,697	3.8%	\$2,600
	Number of New Leases	1,411	35.2%	1,044	-3.4%	1,461
1-Bedroom -	Average Rental Price	\$3,644	-0.7%	\$3,669	4.3%	\$3,494
	Rental Price per Sq Ft	\$67.12	-0.8%	\$67.66	5.6%	\$63.55
	Median Rental Price	\$3,595	1.3%	\$3,548	4.2%	\$3,450
	Number of New Leases	2,517	27.0%	1,982	4.9%	2,399
2-Bedroom -	Average Rental Price	\$4,930	1.4%	\$4,863	4.1%	\$4,734
	Rental Price per Sq Ft	\$67.71	1.2%	\$66.92	3.4%	\$65.51
	Median Rental Price	\$4,144	-0.1%	\$4,150	2.3%	\$4,050
	Number of New Leases	1,703	34.0%	1,271	8.2%	1,574
3+ Bedroom -	Average Rental Price	\$7,332	2.3%	\$7,168	6.4%	\$6,889
	Rental Price per Sq Ft	\$75.52	3.2%	\$73.21	8.6%	\$69.52
	Median Rental Price	\$5,350	-3.8%	\$5,560	3.0%	\$5,195
	Number of New Leases	829	31.8%	629	16.6%	711

All three rental price trend indicators have shown significant year over year gains in recent months as the use of concessions across the market slid. Median face rent rose 5.7% to \$3,595, and average face rent increased 7% to \$4,292 respectively from the year-ago period. Net effective median rent,

median face rent less broker commissions and free rent, rose 6.5% to \$3,521 over the same period for the forty-seventh straight month of annual increases. The rental market continues to enjoy higher demand as the outlook of the sales market remains relatively uncertain. The market share of

landlord concessions remained high at 30.6% but continued to trend lower, falling year over year in six of the last seven months. The rate of decline for new development rental concession market share was three times larger than for existing rentals. The market share of new development concessions was 44.9%, down 12.6% while the market share of concessions for existing rentals 29.5%, down 4.3% respectively from the same period last year. New development median rent was \$4,940, up 9.2% year over year or nearly three times the 3.6% increase in existing median rent.



## PROPERTY TYPE

- Doorman median rent rose more year over year than non-doorman median rent
- New development median rent increased more than twice as much as existing median rent

Manhattan Rental Market By Property Type	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Doorman Median Rental Price	\$4,079	1.0%	\$4,039	7.1%	\$3,809
Non-Doorman Median Rental Price	\$3,125	0.8%	\$3,100	4.3%	\$2,995
Loft Median Rental Price	\$5,850	6.5%	\$5,495	11.4%	\$5,250
New Development Median Rental Price	\$4,940	3.0%	\$4,795	9.2%	\$4,525
Existing Median Rental Price	\$3,495	-0.1%	\$3,500	3.6%	\$3,375

## BY PRICE

- Median annual rental price gains increased more in higher price categories
- Year over year median rent growth was flat above the \$10,000 and \$15,000 thresholds
- The luxury entry threshold hasn't seen a year over year decrease in 2019

Manhattan Rental Market By Price	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Luxury (Top 10%) - Average Rental Price	\$10,790	7.5%	\$10,034	12.5%	\$9,594
Luxury (Top 10%) - Rental Price per Sq Ft	\$83.72	6.3%	\$78.76	11.8%	\$74.89
Luxury (Top 10%) - Median Rental Price	\$8,400	3.4%	\$8,120	10.5%	\$7,600
Luxury (Top 10%) - Number of New Leases	649	26.5%	513	5.5%	615
Luxury (Top 10%) - Entry Threshold	\$6,600	1.5%	\$6,500	9.1%	\$6,050
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,700	-1.1%	\$4,750	6.8%	\$4,400
Mid Tier (2nd 30%) - Median Rental Price	\$3,400	0.1%	\$3,396	4.6%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,415	0.6%	\$2,400	3.9%	\$2,325

## BY LOCATION

### DOWNTOWN

- Median rent increased
- Number of new leases rose

Downtown Market Matrix	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Median Rental Price	\$3,967	-0.8%	\$4,000	5.8%	\$3,750
Number of New Leases	2,800	26.4%	2,215	6.7%	2,623
Vacancy Rate	2.79%		2.30%		1.72%

### EAST SIDE

- Median rent rose
- Number of new leases expanded

East Side Market Matrix	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Median Rental Price	\$3,415	3.5%	\$3,300	5.1%	\$3,250
Number of New Leases	1,630	30.4%	1,250	10.9%	1,470
Vacancy Rate	1.20%		0.71%		1.59%

### WEST SIDE

- Vacancy rate was unchanged
- Median rent edged higher

West Side Market Matrix	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Median Rental Price	\$3,503	-1.3%	\$3,550	1.2%	\$3,460
Number of New Leases	1,326	37.7%	963	-4.4%	1,387
Vacancy Rate	1.83%		1.31%		1.83%

### NORTHERN MANHATTAN

- Vacancy rate dropped sharply
- Number of new leases increased

Northern Manhattan Market Matrix	JUL-19	%Δ (MO)	JUN-19	%Δ (YR)	JUL-18
Median Rental Price	\$2,496	4.0%	\$2,400	1.9%	\$2,450
Number of New Leases	704	41.4%	498	5.9%	665
Vacancy Rate	1.24%		1.51%		2.75%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**1.7%**

## INVENTORY

Total Inventory

**0.9%**

## NEW LEASES

Excludes Renewals

**13.0%**

## OP + CONCESSIONS

Market Share

**7.0%**

## MARKETING TIME

Days on Market

**0** days

## NEGOTIABILITY

Listing Discount

**0.2%**

- Net effective median rent rose year over year for the eighth straight month
- Concession market share has fallen annually each month in 2019
- Average size of a studio and a 3-bedroom rental rose sharply

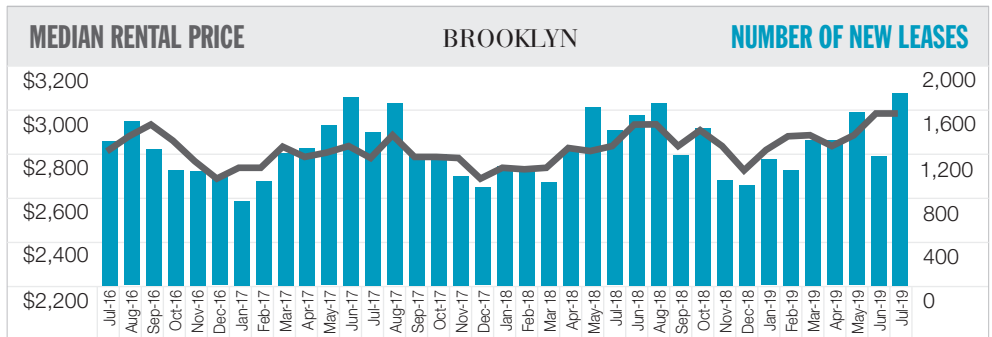


*Median rent set a record as the market share of concessions continued to fall.*



Brooklyn Rental Market		JUL-19	%Δ (mo)	JUN-19	%Δ (yR)	JUL-18
Average Rental Price		\$3,360	-2.3%	\$3,440	1.6%	\$3,306
Rental Price per Sq Ft		\$47.87	2.1%	\$46.89	2.6%	\$46.67
Median Rental Price		\$3,000	0.0%	\$3,000	1.7%	\$2,949
Number of New Leases		1,759	49.3%	1,178	13.0%	1,557
Days on Market (From Original List Date)		27	8.0%	25	0.0%	27
Listing Discount (From Original List Price)		0.6%		0.9%		0.8%
Listing Inventory		1,976	-0.6%	1,987	-0.9%	1,994
Brooklyn Rental w/Concessions		JUL-19	%Δ (mo)	JUN-19	%Δ (yR)	JUL-18
Median Rental Price		\$2,918	0.1%	\$2,914	3.1%	\$2,829
Share of New Leases w/OP + Concessions (%)		34.4%		38.4%		41.4%
Free Rent/Owner Paid (Mos)		1.4	7.7%	1.3	-12.5%	1.6
Brooklyn Rental Market by Size		JUL-19	%Δ (mo)	JUN-19	%Δ (yR)	JUL-18
Studio -	Average Rental Price	\$2,765	5.7%	\$2,616	10.7%	\$2,498
	Rental Price per Sq Ft	\$54.07	-6.5%	\$57.81	-5.8%	\$57.40
	Median Rental Price	\$2,613	2.5%	\$2,550	4.8%	\$2,494
	Number of New Leases	261	57.2%	166	19.7%	218
1-Bedroom -	Average Rental Price	\$2,891	-0.1%	\$2,894	-0.4%	\$2,903
	Rental Price per Sq Ft	\$52.24	5.5%	\$49.52	9.0%	\$47.94
	Median Rental Price	\$2,800	0.0%	\$2,800	-1.6%	\$2,846
	Number of New Leases	657	45.7%	451	0.2%	656
2-Bedroom -	Average Rental Price	\$3,588	1.0%	\$3,554	0.7%	\$3,564
	Rental Price per Sq Ft	\$47.72	5.2%	\$45.37	6.7%	\$44.74
	Median Rental Price	\$3,295	2.6%	\$3,213	1.3%	\$3,254
	Number of New Leases	584	64.0%	356	27.8%	457
3+ Bedroom -	Average Rental Price	\$4,643	-9.2%	\$5,112	-1.9%	\$4,735
	Rental Price per Sq Ft	\$40.68	-5.8%	\$43.19	-7.9%	\$44.17
	Median Rental Price	\$3,995	-6.7%	\$4,280	-0.1%	\$4,000
	Number of New Leases	257	25.4%	205	13.7%	226
Brooklyn Rental Market by Type		JUL-19	%Δ (mo)	JUN-19	%Δ (yR)	JUL-18
Luxury (Top 10%) - Median Rental Price		\$5,950	-8.5%	\$6,500	-0.1%	\$5,957
Luxury (Top 10%) - Entry Threshold		\$5,067	-2.6%	\$5,200	1.4%	\$4,995
New Development - Median Rental Price		\$3,430	-4.3%	\$3,585	2.6%	\$3,342

Median face rent, the median rent before including payment of broker commissions or free rent, tied last month's \$3,000 record after eleven years of tracking, rising 1.7% year over year. The median net effective rent rose year over year for the eighth straight month, up 3.1% to \$2,918. Similarly, the market share of landlord concessions fell by 7% to 34.4% from the same period last year for the seventh straight month of annual declines. The disparity between new development and existing rental concessions remained pronounced. New development landlord concessions fell 23.2% to 55.3% and concessions for existing rentals declined 3.7% to 27% respectively from the same period last year. The average square footage of a borough rental was 962 square feet, up 4% year over year. The high-end saw a more considerable increase, with the average square footage of a luxury rental representing the top ten percent of the market was 1,632, up 8.7% over the same period.



## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

3.6%

### INVENTORY

Total Inventory

10.7%

### NEW LEASES

Excludes Renewals

13.3%

### OP + CONCESSIONS

Market Share

6.6%

### MARKETING TIME

Days on Market

0 days

### NEGOTIABILITY

Listing Discount

0.1%

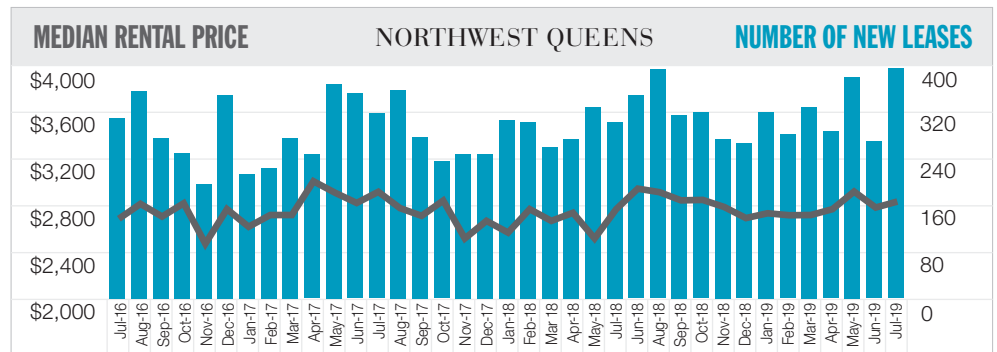
- Net effective median rent fell year over year for the first time in five months
- Median rental price has fallen year over year for all bedroom categories
- Market share of new development apartment concessions declined as existing apartment concessions expanded

After a four-month run of tightening conditions, rental price trends softened as the use of concessions expanded. Median net effective rent, inclusive of free rent and broker commissions, declined 3.9% to \$2,837 after rising year over year for the four previous months. The market share of landlord concessions followed the same pattern, increasing 6.6% to 38.9% over the same period. In the last four months, the market share of landlord concessions had fallen. Since this is the first month of the past five to show weaker rental prices, it is not clear whether this will develop into an established trend. However, the luxury market, representing the top ten percent of all rentals, continued to show rising rents with more significant increases over the past five months. Luxury median rent rose 8.9% to \$5,279 from the same period a year ago.

“*The market weakened with softer rental price trends and more landlord concessions.*”

Northwest Queens Rental Market		JUL-19	%Δ (mo)	JUN-19	%Δ (yr)	JUL-18
Average Rental Price		\$3,057	-3.4%	\$3,164	-1.4%	\$3,099
Rental Price per Sq Ft		\$52.04	5.3%	\$49.44	6.2%	\$49.01
Median Rental Price		\$2,915	1.8%	\$2,864	-3.6%	\$3,025
Number of New Leases		393	46.6%	268	13.3%	347
Days on Market (From Original List Date)		27	-6.9%	29	0.0%	27
Listing Discount (From Original List Price)		-0.1%		0.3%		0.0%
Listing Inventory		383	-10.5%	428	-10.7%	429
Northwest Queens Rental w/Concessions		JUL-19	%Δ (mo)	JUN-19	%Δ (yr)	JUL-18
Median Rental Price		\$2,837	1.7%	\$2,789	-3.9%	\$2,951
Number of New Leases w/OP + Concessions (%)		38.9%		36.2%		32.3%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	-7.7%	1.3
Northwest Queens Rental Market by Size		JUL-19	%Δ (mo)	JUN-19	%Δ (yr)	JUL-18
Studio -	Average Rental Price	\$2,479	-1.1%	\$2,507	-0.8%	\$2,500
	Rental Price per Sq Ft	\$61.02	-1.7%	\$62.07	4.7%	\$58.30
	Median Rental Price	\$2,450	-2.0%	\$2,500	-7.2%	\$2,639
	Number of New Leases	93	106.7%	45	31.0%	71
1-Bedroom -	Average Rental Price	\$2,866	1.2%	\$2,832	-1.7%	\$2,915
	Rental Price per Sq Ft	\$51.97	8.3%	\$48.00	5.3%	\$49.37
	Median Rental Price	\$2,991	4.9%	\$2,850	-4.2%	\$3,123
	Number of New Leases	194	37.6%	141	9.0%	178
2-Bedroom -	Average Rental Price	\$3,809	-1.6%	\$3,871	1.1%	\$3,768
	Rental Price per Sq Ft	\$50.11	0.7%	\$49.74	10.0%	\$45.54
	Median Rental Price	\$3,667	-10.9%	\$4,114	-12.2%	\$4,175
	Number of New Leases	91	44.4%	63	5.8%	86
3+ Bedroom -	Average Rental Price	\$4,551	-6.0%	\$4,841	-0.5%	\$4,575
	Rental Price per Sq Ft	\$39.73	-14.8%	\$46.65	-20.6%	\$50.01
	Median Rental Price	\$3,700	-33.5%	\$5,560	-19.7%	\$4,609
	Number of New Leases	15	-21.1%	19	25.0%	12
Northwest Queens Rental Market By Type		JUL-19	%Δ (mo)	JUN-19	%Δ (yr)	JUL-18
Luxury (Top 10%) - Median Rental Price		\$5,279	-4.2%	\$5,512	8.9%	\$4,847
Luxury (Top 10%) - Entry Threshold		\$4,366	-9.0%	\$4,800	-4.7%	\$4,580
New Development - Median Rental Price		\$3,236	-0.6%	\$3,255	0.2%	\$3,229
New Development - Market Share		33.3%		31.7%		26.5%

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



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#### Report Methodology:

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