

ELLI MAN REPORT

AUGUST 2019

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.9%

VACANCY

Vacancy Rate

0.37%

NEW LEASES

Excludes Renewals

10.7%

OP + CONCESSIONS

Market Share

2.8%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.4%

- Rental price growth moved higher across all bedroom sizes and market segments
- The rental market continues to benefit from weaker conditions in the sales market
- The market share of concessions declined annually 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.

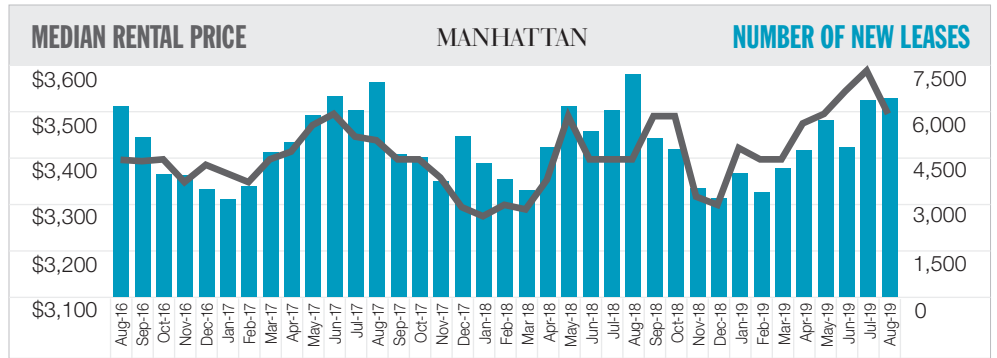
“ All three price trend indicators rose above the year-ago result for the third straight month as concessions continued to slip. ”

Manhattan Rental Market		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Average Rental Price		\$4,206	-2.0%	\$4,292	4.1%	\$4,039
Rental Price per Sq Ft		\$69.76	-0.4%	\$70.01	4.2%	\$66.98
Median Rental Price		\$3,500	-2.6%	\$3,595	2.9%	\$3,400
Number of New Leases		6,544	1.3%	6,460	-10.7%	7,330
Days on Market (From Original List Date)		24	-7.7%	26	-11.1%	27
Listing Discount (From Original List Price)		1.1%		0.9%		1.5%
Listing Inventory		5,645	-4.5%	5,912	0.6%	5,611
Vacancy Rate		1.95%		2.00%		1.58%
Manhattan Rental w/Concessions		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price		\$3,423	-2.8%	\$3,521	3.4%	\$3,310
Share of New Leases w/OP + Concessions (%)		31.9%		30.6%		34.7%
Free Rent/Owner Paid (Mos)		1.2	9.1%	1.1	-7.7%	1.3
Manhattan Rental Market by Size		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Studio -	Average Rental Price	\$2,816	-2.5%	\$2,889	2.2%	\$2,755
	Rental Price per Sq Ft	\$72.47	-1.5%	\$73.60	1.9%	\$71.09
	Median Rental Price	\$2,700	0.0%	\$2,700	1.9%	\$2,650
	Number of New Leases	1,496	6.0%	1,411	-14.5%	1,750
1-Bedroom -	Average Rental Price	\$3,639	-0.1%	\$3,644	4.0%	\$3,498
	Rental Price per Sq Ft	\$67.59	0.7%	\$67.12	3.9%	\$65.04
	Median Rental Price	\$3,595	0.0%	\$3,595	4.2%	\$3,450
	Number of New Leases	2,491	-1.0%	2,517	-11.8%	2,824
2-Bedroom -	Average Rental Price	\$4,826	-2.1%	\$4,930	1.8%	\$4,739
	Rental Price per Sq Ft	\$67.76	0.1%	\$67.71	4.3%	\$64.98
	Median Rental Price	\$4,079	-1.6%	\$4,144	2.0%	\$4,000
	Number of New Leases	1,734	1.8%	1,703	-7.6%	1,876
3+ Bedroom -	Average Rental Price	\$7,144	-2.6%	\$7,332	4.5%	\$6,837
	Rental Price per Sq Ft	\$74.23	-1.7%	\$75.52	5.5%	\$70.38
	Median Rental Price	\$5,076	-5.1%	\$5,350	2.3%	\$4,963
	Number of New Leases	823	-0.7%	829	-6.5%	880

While the market share of landlord concessions remained high, they continued to grind lower. Upward pressure on rental price trends was created from the weaker demand in the purchase market. The market share of landlord concessions was 31.9%, down 2.8% from the same period last

year, the fifth straight year over year decline. The landlord concession for new development rentals was 52.6%, down 3.1% and for existing apartments was 30.5%, down 3% respectively from the same period a year ago. All three market-wide rent price trend indicators moved higher on an annual basis

for the past three months: average rental price increase of 4.1%; average rental price trend per square foot increase of 4.2%; median rental price rise of 2.9%. Net effective median rent, defined as median face rent less broker commissions and free rent, rose 3.4% to \$3,423 from the same period last year. Median rent across all apartment and price strata moved higher, annually, as the rental market continues to benefit from weaker conditions in the sales market. The vacancy rate remained low but hasn't seen an annual decline in three months.



PROPERTY TYPE

- Doorman median rent and non-doorman median rent rose year over year at a similar rate
- New development median rent was essentially flat as existing median rents rose sharply

Manhattan Rental Market By Property Type	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Doorman Median Rental Price	\$4,083	0.1%	\$4,079	4.0%	\$3,925
Non-Doorman Median Rental Price	\$3,070	-1.8%	\$3,125	4.1%	\$2,950
Loft Median Rental Price	\$5,923	1.2%	\$5,850	18.5%	\$5,000
New Development Median Rental Price	\$4,880	-1.2%	\$4,940	0.1%	\$4,873
Existing Median Rental Price	\$3,450	-1.3%	\$3,495	3.5%	\$3,333

BY PRICE

- Year over year median rent growth was flat above \$10,000 and declined above \$15,000
- The luxury entry threshold hasn't seen a year over year decline in 2019
- New development median rent was essentially flat as existing median rents rose sharply

Manhattan Rental Market By Price	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Luxury (Top 10%) - Average Rental Price	\$10,329	-4.3%	\$10,790	5.0%	\$9,836
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.82	-3.5%	\$83.72	5.7%	\$76.46
Luxury (Top 10%) - Median Rental Price	\$8,000	-4.8%	\$8,400	3.9%	\$7,700
Luxury (Top 10%) - Number of New Leases	663	2.2%	649	-9.7%	734
Luxury (Top 10%) - Entry Threshold	\$6,495	-1.6%	\$6,600	4.8%	\$6,195
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,695	-0.1%	\$4,700	4.3%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,350	-1.5%	\$3,400	3.9%	\$3,225
Entry Tier (1st 30%) - Median Rental Price	\$2,400	-0.6%	\$2,415	2.4%	\$2,344

BY LOCATION

DOWNTOWN

- Median rent rose
- Number of new leases declined

Downtown Market Matrix	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price	\$3,900	-1.7%	\$3,967	3.8%	\$3,756
Number of New Leases	2,889	3.2%	2,800	-8.6%	3,160
Vacancy Rate	2.39%		2.79%		1.50%

EAST SIDE

- Median rent increased
- Number of new leases fell

East Side Market Matrix	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price	\$3,375	-1.2%	\$3,415	3.9%	\$3,248
Number of New Leases	1,549	-5.0%	1,630	-8.8%	1,698
Vacancy Rate	1.42%		1.20%		0.88%

WEST SIDE

- Vacancy rate was increased
- Number of new leases fell sharply

West Side Market Matrix	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price	\$3,500	-0.1%	\$3,503	1.9%	\$3,435
Number of New Leases	1,355	2.2%	1,326	-16.9%	1,631
Vacancy Rate	2.22%		1.83%		1.89%

NORTHERN MANHATTAN

- Vacancy rate dropped sharply
- Median rent edged higher

Northern Manhattan Market Matrix	AUG-19	%Δ (MO)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price	\$2,425	-2.8%	\$2,496	1.0%	\$2,400
Number of New Leases	751	6.7%	704	-10.7%	841
Vacancy Rate	1.15%		1.24%		2.48%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.2%

INVENTORY

Total Inventory

11.9%

NEW LEASES

Excludes Renewals

0.7%

OP + CONCESSIONS

Market Share

4.1%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

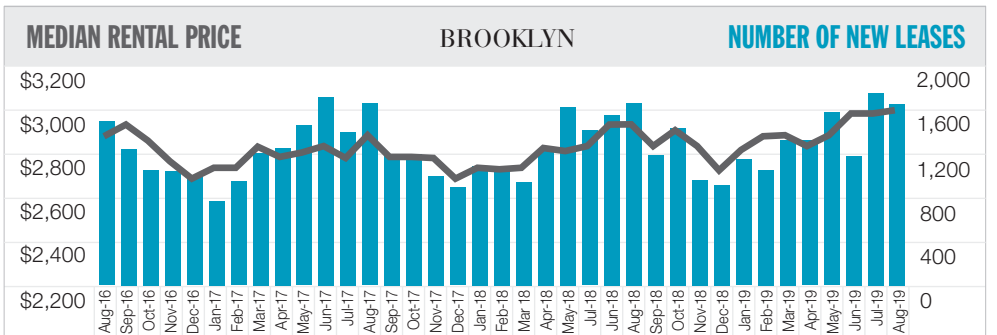
0.0%

- New development concession market share remained double that of existing rentals
- Studio median sales price reached a new record
- Net effective median rent rose year over year for the ninth straight month

“ Price trends continued to set new records despite each month in 2019 saw a year over year drop in concession market share. ”

Brooklyn Rental Market		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Average Rental Price		\$3,507	4.4%	\$3,360	8.4%	\$3,236
Rental Price per Sq Ft		\$47.97	0.2%	\$47.87	2.3%	\$46.89
Median Rental Price		\$3,015	0.5%	\$3,000	2.2%	\$2,950
Number of New Leases		1,655	-5.9%	1,759	-0.7%	1,666
Days on Market (From Original List Date)		25	-7.4%	27	-3.8%	26
Listing Discount (From Original List Price)		1.0%		0.6%		1.0%
Listing Inventory		1,688	-14.6%	1,976	-11.9%	1,916
Brooklyn Rental w/Concessions		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Median Rental Price		\$2,919	0.0%	\$2,918	2.5%	\$2,849
Share of New Leases w/OP + Concessions (%)		38.0%		34.4%		42.1%
Free Rent/Owner Paid (Mos)		1.4	0.0%	1.4	0.0%	1.4
Brooklyn Rental Market by Size		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Studio -	Average Rental Price	\$2,672	-3.4%	\$2,765	7.7%	\$2,482
	Rental Price per Sq Ft	\$57.69	6.7%	\$54.07	3.1%	\$55.97
	Median Rental Price	\$2,668	2.1%	\$2,613	6.7%	\$2,500
	Number of New Leases	215	-17.6%	261	-13.3%	248
1-Bedroom -	Average Rental Price	\$2,955	2.2%	\$2,891	3.7%	\$2,850
	Rental Price per Sq Ft	\$49.93	-4.4%	\$52.24	2.1%	\$48.92
	Median Rental Price	\$2,800	0.0%	\$2,800	-2.6%	\$2,875
	Number of New Leases	632	-3.8%	657	1.1%	625
2-Bedroom -	Average Rental Price	\$3,648	1.7%	\$3,588	2.7%	\$3,552
	Rental Price per Sq Ft	\$47.72	0.0%	\$47.72	4.8%	\$45.53
	Median Rental Price	\$3,300	0.2%	\$3,295	4.2%	\$3,167
	Number of New Leases	539	-7.7%	584	-0.6%	542
3+ Bedroom -	Average Rental Price	\$5,190	11.8%	\$4,643	21.9%	\$4,257
	Rental Price per Sq Ft	\$43.96	8.1%	\$40.68	3.2%	\$42.60
	Median Rental Price	\$4,299	7.6%	\$3,995	19.4%	\$3,600
	Number of New Leases	269	4.7%	257	7.2%	251
Brooklyn Rental Market by Type		AUG-19	%Δ (mo)	JUL-19	%Δ (YR)	AUG-18
Luxury (Top 10%) - Median Rental Price		\$6,523	9.6%	\$5,950	13.1%	\$5,770
Luxury (Top 10%) - Entry Threshold		\$5,450	7.6%	\$5,067	10.1%	\$4,950
New Development - Median Rental Price		\$3,556	3.7%	\$3,430	11.1%	\$3,200

Average and median rental prices reached new records this month with landlord concession market share continuing to ease. The median rental price rose 2.2% to a record \$3,015, and the average rental price increased 8.4% to \$3,507, respectively, from the same period a year ago. The median rental price of a studio apartment also set a new record, rising 6.7% to \$2,668 over the same period. The net effective median rent, defined as median face rent less broker commissions and free rent, rose 2.5% year over year to \$2,919 for the ninth straight month in gains. The market share of landlord concessions fell to 38% from 42.1% since the same period last year. These concession market share levels remained high but are drifting lower. New development concessions were 61.9% or roughly double concession levels for existing rentals that were 31.5%. The luxury and 3+ bedroom market saw the most significant year over year median rent gains.



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.2%

INVENTORY

Total Inventory

14.7%

NEW LEASES

Excludes Renewals

20.5%

OP + CONCESSIONS

Market Share

2.6%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.2%

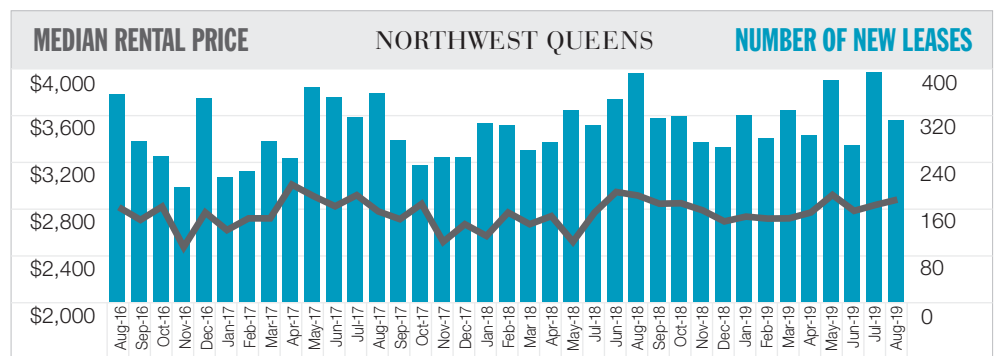
- The market share of landlord concessions fell year over year for the fifth time in six months
- Net effective median rent fell annually this month for the third time in 2019
- Median rental price for 1-bedroom and 2-bedrooms declined

Rent price trends showed additional weakness for the second straight month despite the decline in market share of landlord concessions. Median rental price declined year over year for the second consecutive month by 1.2% to \$2,960 from the same period last year. Net effective median rent, inclusive of free rent and broker commissions, declined 1.9% year over year to \$2,836 for the third annual decline in 2019. Landlord concession market share was 36%, down 2.6% from the same period last year and was the fifth decline in the past six months. The disparity in the annual decline between new development and exiting rentals was pronounced. New development concession market share was 41.4%, down from 79.4% in the same period last year, a substantial 38% drop. Concession market share for existing rentals rose 7.2% to 33.3% over the same period and helps explain the weaker rental price trends.

“ Price trends continued to weaken despite the sliding market share of landlord concessions ”

Northwest Queens Rental Market		AUG-19	%Δ (mo)	JUL-19	%Δ (yr)	AUG-18
Average Rental Price		\$3,089	1.0%	\$3,057	0.4%	\$3,076
Rental Price per Sq Ft		\$49.45	-5.0%	\$52.04	-3.1%	\$51.01
Median Rental Price		\$2,960	1.5%	\$2,915	-1.2%	\$2,995
Number of New Leases		311	-20.9%	393	-20.5%	391
Days on Market (From Original List Date)		29	7.4%	27	31.8%	22
Listing Discount (From Original List Price)		0.6%		-0.1%		0.4%
Listing Inventory		360	-6.0%	383	-14.7%	422
Northwest Queens Rental w/Concessions		AUG-19	%Δ (mo)	JUL-19	%Δ (yr)	AUG-18
Median Rental Price		\$2,866	1.0%	\$2,837	-1.9%	\$2,921
Number of New Leases w/OP + Concessions (%)		36.0%		38.9%		38.6%
Free Rent/Owner Paid (Mos)		1.5	25.0%	1.2	36.4%	1.1
Northwest Queens Rental Market by Size		AUG-19	%Δ (mo)	JUL-19	%Δ (yr)	AUG-18
Studio -	Average Rental Price	\$2,585	4.3%	\$2,479	8.1%	\$2,391
	Rental Price per Sq Ft	\$61.92	1.5%	\$61.02	5.3%	\$58.82
	Median Rental Price	\$2,625	7.1%	\$2,450	1.3%	\$2,591
	Number of New Leases	58	-37.6%	93	-24.7%	77
1-Bedroom -	Average Rental Price	\$2,882	0.6%	\$2,866	-1.7%	\$2,932
	Rental Price per Sq Ft	\$51.30	-1.3%	\$51.97	-2.8%	\$52.77
	Median Rental Price	\$2,979	-0.4%	\$2,991	-6.8%	\$3,195
	Number of New Leases	159	-18.0%	194	-23.2%	207
2-Bedroom -	Average Rental Price	\$3,709	-2.6%	\$3,809	-2.2%	\$3,791
	Rental Price per Sq Ft	\$42.70	-14.8%	\$50.11	-10.8%	\$47.88
	Median Rental Price	\$4,000	9.1%	\$3,667	-3.0%	\$4,125
	Number of New Leases	78	-14.3%	91	-14.3%	91
3+ Bedroom -	Average Rental Price	\$3,938	-13.5%	\$4,551	-5.5%	\$4,165
	Rental Price per Sq Ft	\$48.71	22.6%	\$39.73	20.6%	\$40.38
	Median Rental Price	\$3,472	-6.2%	\$3,700	4.5%	\$3,323
	Number of New Leases	16	6.7%	15	0.0%	16
Northwest Queens Rental Market By Type		AUG-19	%Δ (mo)	JUL-19	%Δ (yr)	AUG-18
Luxury (Top 10%) - Median Rental Price		\$4,938	-6.5%	\$5,279	3.7%	\$4,760
Luxury (Top 10%) - Entry Threshold		\$4,277	-2.0%	\$4,366	-6.0%	\$4,550
New Development - Median Rental Price		\$3,092	-4.4%	\$3,236	-6.1%	\$3,292
New Development - Market Share		33.4%		33.3%		23.5%

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. Email report author Jonathan Miller at jmiller@millersamuel.com with questions or comments.

Report Methodology:

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