

ELLI MAN REPORT

OCTOBER 2019

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.1%

VACANCY

Vacancy Rate

0.54%

NEW LEASES

Excludes Renewals

12.5%

OP + CONCESSIONS

Market Share

4.1%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.0%

- The vacancy rate has increased year over year for three straight months
- Median net effective median rent year over year growth appeared to have peaked in July
- The seven consecutive month with year over year declines in concession market share

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 pressed higher across all apartment sizes.

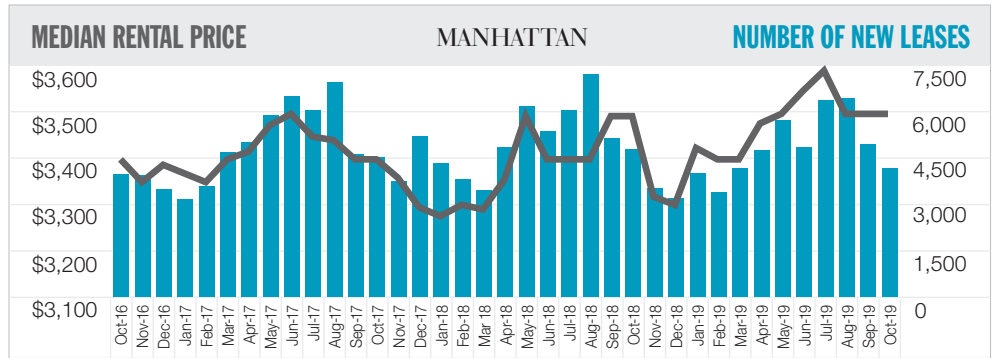
”

Manhattan Rental Market	OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Average Rental Price	\$4,287	-1.1%	\$4,336	4.5%	\$4,104
Rental Price per Sq Ft	\$69.45	-1.3%	\$70.36	5.8%	\$65.67
Median Rental Price	\$3,500	0.0%	\$3,500	0.1%	\$3,495
Number of New Leases	4,236	-15.6%	5,019	-12.5%	4,842
Days on Market (From Original List Date)	26	-7.1%	28	-10.3%	29
Listing Discount (From Original List Price)	2.1%		1.5%		2.1%
Listing Inventory	5,070	-4.3%	5,299	-2.8%	5,217
Vacancy Rate	2.03%		1.96%		1.49%
Manhattan Rental w/Concessions	OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Median Rental Price	\$3,409	-0.1%	\$3,411	0.7%	\$3,386
Share of New Leases w/OP + Concessions (%)	36.9%		34.3%		41.0%
Free Rent/Owner Paid (Mos)	1.2	0.0%	1.2	-7.7%	1.3
Manhattan Rental Market by Size	OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Studio - Average Rental Price	\$2,812	-1.3%	\$2,848	3.4%	\$2,719
Rental Price per Sq Ft	\$70.45	-0.7%	\$70.94	3.6%	\$67.97
Median Rental Price	\$2,695	-0.2%	\$2,700	3.7%	\$2,600
Number of New Leases	1,020	-8.1%	1,110	-6.9%	1,096
1-Bedroom - Average Rental Price	\$3,674	-0.1%	\$3,677	3.3%	\$3,558
Rental Price per Sq Ft	\$66.09	0.0%	\$66.10	3.6%	\$63.79
Median Rental Price	\$3,595	0.6%	\$3,575	2.8%	\$3,497
Number of New Leases	1,806	-16.2%	2,154	-13.2%	2,081
2-Bedroom - Average Rental Price	\$5,168	2.8%	\$5,029	3.5%	\$4,994
Rental Price per Sq Ft	\$67.14	-0.5%	\$67.50	2.2%	\$65.72
Median Rental Price	\$4,671	6.8%	\$4,375	3.8%	\$4,500
Number of New Leases	1,018	-16.5%	1,219	-13.2%	1,173
3+ Bedroom - Average Rental Price	\$8,669	2.1%	\$8,490	17.5%	\$7,376
Rental Price per Sq Ft	\$76.78	-4.7%	\$80.53	13.9%	\$67.40
Median Rental Price	\$6,065	7.6%	\$5,635	10.3%	\$5,500
Number of New Leases	392	-26.9%	536	-20.3%	492

While net effective median rents, defined as median face rent, less free rent, broker commissions, and other landlord concessions, have grown year over year in every month of 2019 so far, the rate of growth appeared to have peaked in July. The year over year gain was 6.5% in July and has eased

since to nominal rates of 0.5% and 0.7% in the most recent two months. Median net effective rent was \$3,500, up 0.7% from the same period a year ago. Median face rent has remained at \$3,500 per month over the past three months. The market share of landlord concessions was 36.9%, down

4.1% from the same period last year. Its share has contracted year over year during every month of 2019 except for March, when it edged nominally higher by 0.1%. Despite the decline, the market share still represents more than a third of the market as their use remains embedded in tenant expectations despite the benefit of higher demand fueled by a softening sales market. The number of new leases declined 12.5% year over year to 4,236 as studio rental apartments were the only category to experience a gain in leasing market share.



PROPERTY TYPE

- Doorman median rent and non-doorman median rent rose equally from the year-ago level
- New development median rent continued to rise faster than the existing median rent

Manhattan Rental Market By Property Type	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Doorman Median Rental Price	\$4,064	-2.1%	\$4,150	1.7%	\$3,995
Non-Doorman Median Rental Price	\$2,950	-1.5%	\$2,995	1.7%	\$2,900
Loft Median Rental Price	\$6,150	6.0%	\$5,800	2.5%	\$6,000
New Development Median Rental Price	\$4,957	-2.5%	\$5,085	8.6%	\$4,565
Existing Median Rental Price	\$3,430	-1.9%	\$3,495	0.9%	\$3,400

BY PRICE

- Share of new leases at or above \$10,000 expanded for the fourth straight month
- The luxury entry threshold hasn't seen a year over year decline in 2019
- Median rental price moved higher at all price strata

Manhattan Rental Market By Price	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Luxury (Top 10%) - Average Rental Price	\$11,080	-2.6%	\$11,379	11.8%	\$9,907
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.89	-3.0%	\$83.36	6.2%	\$76.19
Luxury (Top 10%) - Median Rental Price	\$8,698	2.7%	\$8,473	4.2%	\$8,348
Luxury (Top 10%) - Number of New Leases	424	-15.5%	502	-12.8%	486
Luxury (Top 10%) - Entry Threshold	\$6,738	0.8%	\$6,684	3.7%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,750	-0.5%	\$4,775	2.8%	\$4,619
Mid Tier (2nd 30%) - Median Rental Price	\$3,333	-1.8%	\$3,395	1.2%	\$3,295
Entry Tier (1st 30%) - Median Rental Price	\$2,350	-2.0%	\$2,399	2.2%	\$2,299

BY LOCATION

DOWNTOWN

- Median rent increased
- Number of new leases fell

Downtown Market Matrix	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Median Rental Price	\$3,850	-1.3%	\$3,900	1.7%	\$3,785
Number of New Leases	1,798	-19.4%	2,232	-11.5%	2,032
Vacancy Rate	2.36%		2.36%		1.66%

EAST SIDE

- Median rent declined
- Number of new leases fell sharply

East Side Market Matrix	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Median Rental Price	\$3,250	0.0%	\$3,250	-4.3%	\$3,395
Number of New Leases	999	-8.3%	1,090	-16.1%	1,191
Vacancy Rate	1.37%		1.15%		1.26%

WEST SIDE

- Vacancy rate increased
- Number of new leases fell

West Side Market Matrix	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Median Rental Price	\$3,600	-1.4%	\$3,650	2.7%	\$3,507
Number of New Leases	992	-10.3%	1,106	-8.3%	1,082
Vacancy Rate	2.29%		2.48%		1.57%

NORTHERN MANHATTAN

- Vacancy rate moved higher
- Median rent rose

Northern Manhattan Market Matrix	OCT-19	%Δ (MO)	SEP-19	%Δ (YR)	OCT-18
Median Rental Price	\$2,358	-3.8%	\$2,450	4.8%	\$2,250
Number of New Leases	447	-24.4%	591	-16.8%	537
Vacancy Rate	1.77%		1.42%		1.24%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.5%

INVENTORY

Total Inventory

21.3%

NEW LEASES

Excludes Renewals

20.0%

OP + CONCESSIONS

Market Share

13.0%

MARKETING TIME

Days on Market

12 days

NEGOTIABILITY

Listing Discount

0.1%

- Net effective median rent increased annually for eleven consecutive months
- Most significant year over year decline in concession market share for 2019
- The average size of a rental apartment rose across all bedroom categories

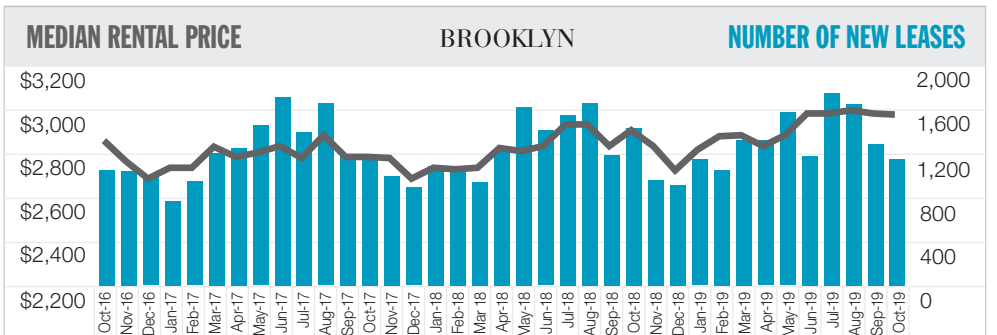


Rising demand resulted in the largest year over year drop in concessions for 2019.



Brooklyn Rental Market		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Average Rental Price		\$3,404	1.1%	\$3,366	6.3%	\$3,202
Rental Price per Sq Ft		\$48.30	-0.2%	\$48.40	1.7%	\$47.50
Median Rental Price		\$2,995	-0.2%	\$3,000	2.5%	\$2,923
Number of New Leases		1,152	-10.9%	1,293	-20.0%	1,440
Days on Market (From Original List Date)		25	-3.8%	26	-32.4%	37
Listing Discount (From Original List Price)		1.6%		0.9%		1.5%
Listing Inventory		1,419	-5.8%	1,506	-21.3%	1,802
Brooklyn Rental w/Concessions		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Median Rental Price		\$2,906	-0.3%	\$2,915	4.2%	\$2,789
Share of New Leases w/OP + Concessions (%)		37.2%		34.6%		50.2%
Free Rent/Owner Paid (Mos)		1.3	-7.1%	1.4	-13.3%	1.5
Brooklyn Rental Market by Size		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Studio -	Average Rental Price	\$2,682	3.4%	\$2,595	11.4%	\$2,408
	Rental Price per Sq Ft	\$53.60	-4.8%	\$56.29	0.7%	\$53.23
	Median Rental Price	\$2,625	1.7%	\$2,581	5.0%	\$2,500
	Number of New Leases	183	-9.9%	203	-3.2%	189
1-Bedroom -	Average Rental Price	\$2,905	-2.5%	\$2,978	1.5%	\$2,861
	Rental Price per Sq Ft	\$48.97	-3.2%	\$50.60	-5.9%	\$52.04
	Median Rental Price	\$2,850	-0.3%	\$2,858	-1.7%	\$2,900
	Number of New Leases	440	-14.4%	514	-26.4%	598
2-Bedroom -	Average Rental Price	\$3,651	-2.2%	\$3,733	4.6%	\$3,492
	Rental Price per Sq Ft	\$46.14	-2.1%	\$47.13	3.3%	\$44.67
	Median Rental Price	\$3,400	1.8%	\$3,340	6.2%	\$3,203
	Number of New Leases	393	-5.8%	417	-13.4%	454
3+ Bedroom -	Average Rental Price	\$5,272	13.7%	\$4,637	22.2%	\$4,316
	Rental Price per Sq Ft	\$48.95	11.0%	\$44.11	16.0%	\$42.21
	Median Rental Price	\$3,946	6.6%	\$3,700	4.9%	\$3,760
	Number of New Leases	136	-14.5%	159	-31.7%	199
Brooklyn Rental Market by Type		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Luxury (Top 10%) - Median Rental Price		\$6,000	-1.3%	\$6,076	8.5%	\$5,529
Luxury (Top 10%) - Entry Threshold		\$5,032	-2.3%	\$5,150	6.4%	\$4,731
New Development - Median Rental Price		\$3,495	-1.5%	\$3,550	3.3%	\$3,383

Landlord concessions, defined as free rent and broker commissions, continued to fall year over year, aided by a cooling sales market. The footprint of rental transactions with concessions declined by 13% to 37.2%, the most significant year over year decline observed in 2019. Each month of the current year saw an annual decline in the market share of landlord concessions. The number of new leases fell 20% to 1,152 as landlords were more effective at winning renewals despite the lower market share of concessions. The concession market share for new development, representing 24.3% of all rentals, fell 20.2% to 62.5% while the concession market share for existing rental apartments fell 8.1% to 27.8% respectively from the same period last year. Net effective median rent rose annually for the eleventh straight month averaging 4% per month. Net effective median rent, face rent less landlord concessions, was \$2,906 for October, up 4.2% from the same period a year ago.



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.5%

INVENTORY

Total Inventory

11.3%

NEW LEASES

Excludes Renewals

0.9%

OP + CONCESSIONS

Market Share

13.8%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.4%

- The market share of landlord concessions fell year over year for the third straight month
- Net effective median rent rose year over year for the first time in four months
- The most significant decline of concession market share in six months

Higher rents and fewer landlord concessions characterized the October rental market. Net effective median rent, defined as median face rent, less free rent, broker commissions, and other landlord concessions, rose 2.4% to \$2,853, the first year over year gain since June. Aided by a weakening sales market, landlord concession market share was 44.4%, down 13.8% from the same period last year, and the third straight year over year decline. However, most of the decrease in concession share was attributable to the new development market, which accounted for 40.3% of all new leasing activity during the month. The market share of new development concessions by landlords was 56.7%, down sharply by 30.1% while the decline in concession share for existing rentals was a nominal 0.6% to 36.2% respectively from the same period last year.

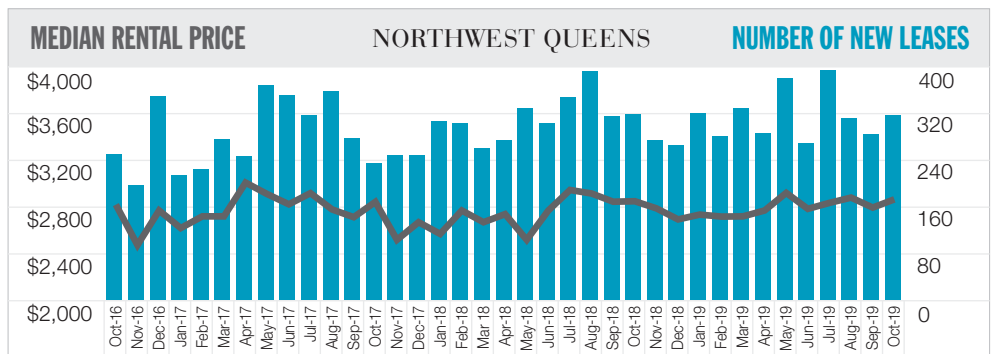


Net effective median rent rose annually for the first time in four months.



Northwest Queens Rental Market		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Average Rental Price		\$3,165	3.6%	\$3,056	3.1%	\$3,069
Rental Price per Sq Ft		\$50.82	-2.2%	\$51.95	-2.0%	\$51.86
Median Rental Price		\$2,945	2.4%	\$2,875	0.5%	\$2,929
Number of New Leases		315	11.3%	283	-0.9%	318
Days on Market (From Original List Date)		21	-12.5%	24	-12.5%	24
Listing Discount (From Original List Price)		1.1%		1.1%		0.7%
Listing Inventory		400	34.7%	297	-11.3%	451
Northwest Queens Rental w/Concessions		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Median Rental Price		\$2,853	2.3%	\$2,789	2.4%	\$2,786
Number of New Leases w/OP + Concessions (%)		44.4%		33.6%		58.2%
Free Rent/Owner Paid (Mos)		1.2	-20.0%	1.5	-14.3%	1.4
Northwest Queens Rental Market by Size		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Studio -	Average Rental Price	\$2,648	6.6%	\$2,483	9.4%	\$2,420
	Rental Price per Sq Ft	\$65.21	7.3%	\$60.76	9.9%	\$59.36
	Median Rental Price	\$2,659	2.5%	\$2,594	7.2%	\$2,480
	Number of New Leases	73	46.0%	50	-1.4%	74
1-Bedroom -	Average Rental Price	\$2,944	3.8%	\$2,835	1.4%	\$2,903
	Rental Price per Sq Ft	\$51.54	1.1%	\$50.98	-1.6%	\$52.40
	Median Rental Price	\$3,000	7.2%	\$2,798	0.0%	\$3,001
	Number of New Leases	157	-3.1%	162	-6.5%	168
2-Bedroom -	Average Rental Price	\$3,912	-1.9%	\$3,987	-2.4%	\$4,009
	Rental Price per Sq Ft	\$47.54	-8.3%	\$51.84	-6.1%	\$50.63
	Median Rental Price	\$3,995	-6.3%	\$4,262	-8.4%	\$4,359
	Number of New Leases	73	15.9%	63	23.7%	59
3+ Bedroom -	Average Rental Price	\$4,657	23.1%	\$3,783	9.2%	\$4,263
	Rental Price per Sq Ft	\$41.73	2.8%	\$40.61	-1.8%	\$42.49
	Median Rental Price	\$5,093	53.9%	\$3,310	24.2%	\$4,100
	Number of New Leases	12	50.0%	8	-29.4%	17
Northwest Queens Rental Market By Type		OCT-19	%Δ (mo)	SEP-19	%Δ (yr)	OCT-18
Luxury (Top 10%) - Median Rental Price		\$5,138	4.1%	\$4,936	5.4%	\$4,875
Luxury (Top 10%) - Entry Threshold		\$4,758	5.9%	\$4,492	5.9%	\$4,495
New Development - Median Rental Price		\$3,050	-7.3%	\$3,291	-4.7%	\$3,202
New Development - Market Share		40.3%		31.8%		42.8%

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:

www.millersamuel.com/research-reports/methodology

RENTAL DIVISION 212.891.7711 • 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. 🏠