

ELLI MAN

REPORT

NOVEMBER 2019

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

8.5%

VACANCY

Vacancy Rate

0.12%

NEW LEASES

Excludes Renewals

13.5%

OP + CONCESSIONS

Market Share

3.5%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.2%

- Net effective median rent hasn't seen a year over year decline in 2019
- Median rent reached its highest level in more than a decade
- Landlord concession market share fell annually for the eighth straight month

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.

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Median rental price rose to its second-highest level recorded.

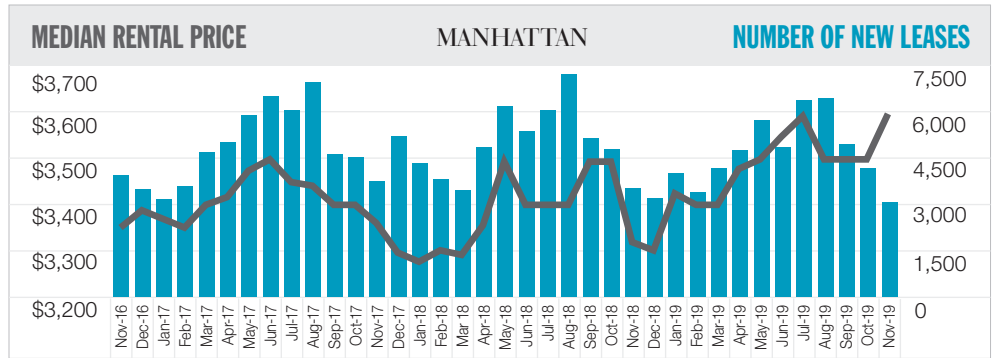
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Manhattan Rental Market		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Average Rental Price		\$4,465	4.2%	\$4,287	7.6%	\$4,151
Rental Price per Sq Ft		\$71.67	3.2%	\$69.45	5.8%	\$67.75
Median Rental Price		\$3,600	2.9%	\$3,500	8.5%	\$3,318
Number of New Leases		3,096	-26.9%	4,236	-13.5%	3,578
Days on Market (From Original List Date)		28	7.7%	26	-3.4%	29
Listing Discount (From Original List Price)		2.6%		2.1%		2.8%
Listing Inventory		5,398	6.5%	5,070	3.6%	5,208
Vacancy Rate		1.77%		2.03%		1.65%
Manhattan Rental w/Concessions		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Median Rental Price		\$3,502	2.7%	\$3,409	8.7%	\$3,221
Share of New Leases w/OP + Concessions (%)		38.7%		36.9%		42.2%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	0.0%	1.2
Manhattan Rental Market by Size		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Studio -	Average Rental Price	\$2,866	1.9%	\$2,812	8.2%	\$2,648
	Rental Price per Sq Ft	\$74.38	5.6%	\$70.45	11.0%	\$67.03
	Median Rental Price	\$2,700	0.2%	\$2,695	8.0%	\$2,500
	Number of New Leases	724	-29.0%	1,020	-17.6%	879
1-Bedroom -	Average Rental Price	\$3,661	-0.4%	\$3,674	5.2%	\$3,481
	Rental Price per Sq Ft	\$66.37	0.4%	\$66.09	5.0%	\$63.22
	Median Rental Price	\$3,600	0.1%	\$3,595	5.9%	\$3,400
	Number of New Leases	1,330	-26.4%	1,806	-8.7%	1,457
2-Bedroom -	Average Rental Price	\$5,673	9.8%	\$5,168	13.1%	\$5,015
	Rental Price per Sq Ft	\$69.53	3.6%	\$67.14	6.2%	\$65.50
	Median Rental Price	\$5,156	10.4%	\$4,671	14.7%	\$4,495
	Number of New Leases	712	-30.1%	1,018	-21.3%	905
3+ Bedroom -	Average Rental Price	\$8,607	-0.7%	\$8,669	-0.5%	\$8,652
	Rental Price per Sq Ft	\$80.92	5.4%	\$76.78	5.0%	\$77.07
	Median Rental Price	\$5,995	-1.2%	\$6,065	4.2%	\$5,755
	Number of New Leases	330	-15.8%	392	-2.1%	337

After trending lower since the summer, the rate of year over year growth of net effective median rent, median face rent, less free rent, broker commissions, and other landlord concessions, saw its most significant year over year increase in more than seven years. Net effective median rent

jumped 8.7% to \$3,600; the second-highest level reached in nearly twelve years. The median rent of 1-bedroom apartments rose to \$3,600, a record high set over twelve years of tracking this metric. Median rent rose annually across all price segments presented in this analysis. The market share of

landlord concessions was 38.7%, down 3.5% from the same period last year for the eighth straight decline, and the tenth decline in eleven months. New development rentals comprised 8.5% of all new leases, the highest market share observed in four and a half years. New development landlord concession had a market footprint of 52.9%, while existing rentals saw a market share of 37.4%. The number of new leases declined 13.5% year over year to 3,096, the lowest number of new leases in nearly four years as landlords were able to keep renewals high.



PROPERTY TYPE

- Non-doorman median rent surged at highest rate in more than seven years of tracking
- Highest median rent for 1-bedrooms reached in nearly twelve years of recording

Manhattan Rental Market By Property Type	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Doorman Median Rental Price	\$4,136	1.8%	\$4,064	3.5%	\$3,995
Non-Doorman Median Rental Price	\$3,000	1.7%	\$2,950	11.1%	\$2,700
Loft Median Rental Price	\$6,500	5.7%	\$6,150	8.3%	\$6,000
New Development Median Rental Price	\$5,260	6.1%	\$4,957	11.9%	\$4,700
Existing Median Rental Price	\$3,500	2.0%	\$3,430	7.7%	\$3,250

BY PRICE

- Median rental price moved higher at all price strata presented and by all bedroom sizes
- Share of new leases at or above \$10,000 reached its highest level in more than eight years of tracking
- Super luxury rent, representing the top 5% of the market, showed the highest annual gain

Manhattan Rental Market By Price	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Luxury (Top 10%) - Average Rental Price	\$11,926	7.6%	\$11,080	7.7%	\$11,075
Luxury (Top 10%) - Rental Price per Sq Ft	\$86.90	7.4%	\$80.89	8.1%	\$80.39
Luxury (Top 10%) - Median Rental Price	\$9,230	6.1%	\$8,698	8.6%	\$8,500
Luxury (Top 10%) - Number of New Leases	315	-25.7%	424	-13.2%	363
Luxury (Top 10%) - Entry Threshold	\$7,000	3.9%	\$6,738	4.5%	\$6,700
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,895	3.1%	\$4,750	8.4%	\$4,515
Mid Tier (2nd 30%) - Median Rental Price	\$3,479	4.4%	\$3,333	9.6%	\$3,175
Entry Tier (1st 30%) - Median Rental Price	\$2,399	2.1%	\$2,350	7.8%	\$2,225

BY LOCATION

DOWNTOWN

- Median rent rose
- Vacancy rate expanded

Downtown Market Matrix	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Median Rental Price	\$3,975	3.2%	\$3,850	6.7%	\$3,724
Number of New Leases	1,318	-26.7%	1,798	-6.8%	1,414
Vacancy Rate	1.96%		2.36%		1.69%

EAST SIDE

- Median rent stabilized
- Number of new leases fell sharply

East Side Market Matrix	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Median Rental Price	\$3,295	1.4%	\$3,250	0.0%	\$3,295
Number of New Leases	691	-30.8%	999	-26.7%	943
Vacancy Rate	1.42%		1.37%		1.15%

WEST SIDE

- Vacancy rate rose
- Number of new leases slipped

West Side Market Matrix	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Median Rental Price	\$3,775	4.9%	\$3,600	12.7%	\$3,350
Number of New Leases	795	-19.9%	992	-1.2%	805
Vacancy Rate	1.76%		2.29%		1.57%

NORTHERN MANHATTAN

- Median rent increased
- Number of new leases declined

Northern Manhattan Market Matrix	NOV-19	%Δ (MO)	OCT-19	%Δ (YR)	NOV-18
Median Rental Price	\$2,295	-2.7%	\$2,358	4.3%	\$2,200
Number of New Leases	292	-34.7%	447	-29.8%	416
Vacancy Rate	1.77%		1.77%		2.48%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.5%

INVENTORY

Total Inventory

12.5%

NEW LEASES

Excludes Renewals

8.6%

OP + CONCESSIONS

Market Share

6.7%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.1%

- Year over year median rental price trends rose more in higher-end markets
- Net effective median rent rose year over year for twelve consecutive months
- Landlord concession market share fell year over year during every month of 2019

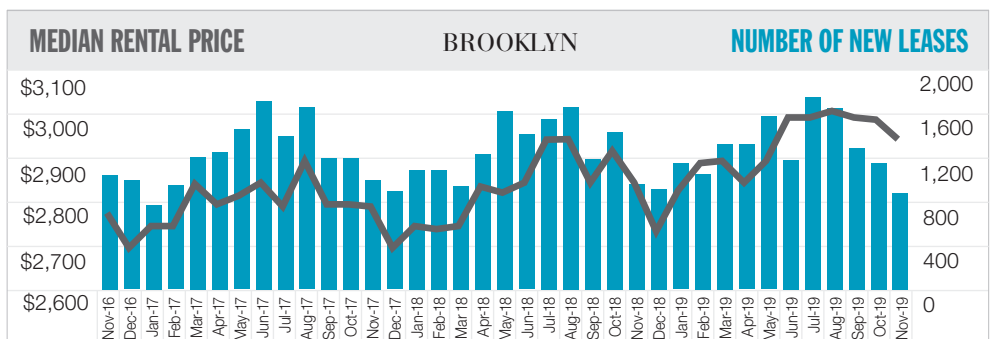
Net effective median rent has increased year over year for the twelfth straight month, helped by the continuing decline in market share of landlord concessions. The net effective median rent increased 4.3% to \$2,855 from the same period a year ago. Rentals with a landlord concession, defined as free rent and paid broker commissions, fell by 6.7% to a market share of 39.8%. The use of concessions remains embedded within the market, accounting for nearly 40% of new leases. The concession market share for new development, representing 25.2% of all rentals, fell 11.6% to 68.3% while the concession market share for existing rental apartments fell 9.3% to 27.7% respectively from the same period last year. The number of new leases fell for the third time in four months as landlords continued to entice tenants to stay at the time of renewal. There were 878 new leases, down 8.6% from the same period last year and the lowest monthly total in nearly three years.

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High-end of the market saw the largest price growth.

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Brooklyn Rental Market		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Average Rental Price		\$3,363	-1.2%	\$3,404	6.8%	\$3,149
Rental Price per Sq Ft		\$47.39	-1.9%	\$48.30	4.8%	\$45.21
Median Rental Price		\$2,950	-1.5%	\$2,995	3.5%	\$2,850
Number of New Leases		878	-23.8%	1,152	-8.6%	961
Days on Market (From Original List Date)		24	-4.0%	25	-11.1%	27
Listing Discount (From Original List Price)		1.9%		1.6%		2.0%
Listing Inventory		1,535	8.2%	1,419	-12.5%	1,755
Brooklyn Rental w/Concessions		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Median Rental Price		\$2,855	-1.8%	\$2,906	4.3%	\$2,736
Share of New Leases w/OP + Concessions (%)		39.8%		37.2%		46.5%
Free Rent/Owner Paid (Mos)		1.4	7.7%	1.3	-6.7%	1.5
Brooklyn Rental Market by Size		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Studio -	Average Rental Price	\$2,517	-6.2%	\$2,682	1.0%	\$2,492
	Rental Price per Sq Ft	\$50.13	-6.5%	\$53.60	-6.9%	\$53.86
	Median Rental Price	\$2,563	-2.4%	\$2,625	2.0%	\$2,512
	Number of New Leases	138	-24.6%	183	4.5%	132
1-Bedroom -	Average Rental Price	\$2,883	-0.8%	\$2,905	2.9%	\$2,802
	Rental Price per Sq Ft	\$48.47	-1.0%	\$48.97	1.4%	\$47.82
	Median Rental Price	\$2,675	-6.1%	\$2,850	-2.7%	\$2,750
	Number of New Leases	352	-20.0%	440	-14.1%	410
2-Bedroom -	Average Rental Price	\$3,735	2.3%	\$3,651	7.8%	\$3,466
	Rental Price per Sq Ft	\$48.68	5.5%	\$46.14	10.1%	\$44.21
	Median Rental Price	\$3,400	0.0%	\$3,400	9.7%	\$3,100
	Number of New Leases	275	-30.0%	393	-7.1%	296
3+ Bedroom -	Average Rental Price	\$4,986	-5.4%	\$5,272	17.3%	\$4,250
	Rental Price per Sq Ft	\$43.22	-11.7%	\$48.95	10.8%	\$39.02
	Median Rental Price	\$4,043	2.5%	\$3,946	6.4%	\$3,800
	Number of New Leases	113	-16.9%	136	-8.1%	123
Brooklyn Rental Market by Type		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Luxury (Top 10%) - Median Rental Price		\$6,550	9.2%	\$6,000	18.9%	\$5,507
Luxury (Top 10%) - Entry Threshold		\$5,228	3.9%	\$5,032	17.5%	\$4,450
New Development - Median Rental Price		\$3,424	-2.0%	\$3,495	9.5%	\$3,128



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.2%

INVENTORY

Total Inventory

13.3%

NEW LEASES

Excludes Renewals

14.3%

OP + CONCESSIONS

Market Share

4.7%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

0.2%

- Landlord concession market share was significantly lower for larger apartments
- Net effective median rent hasn't declined year over year in three months
- Concession market share for new development was nearly double that of resales

Both by price strata and the number of bedrooms, the median rental price grew the most at the upper end of the market. Net effective median rent, defined as median face rent, less free rent, and broker commissions rose 4.6% to \$2,878 from the same period last year. While luxury median rent, representing the top 10% of the market, jumped 9.8% to \$5,313, and the 3+ bedroom market median rent surged 12.9% to \$4,600 respectively over the same period. Landlord concession market share was 54.5%, down 4.7% from the same period last year, and the eighth year over year decline in nine months. New development landlord concession share rose sharply over the past several months to 79.5%, a market that accounted for 33.5% of all new leasing activity during the month. Concession market share for existing rentals was more subdued at 41.9% of all new leasing activity.

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Report Methodology:

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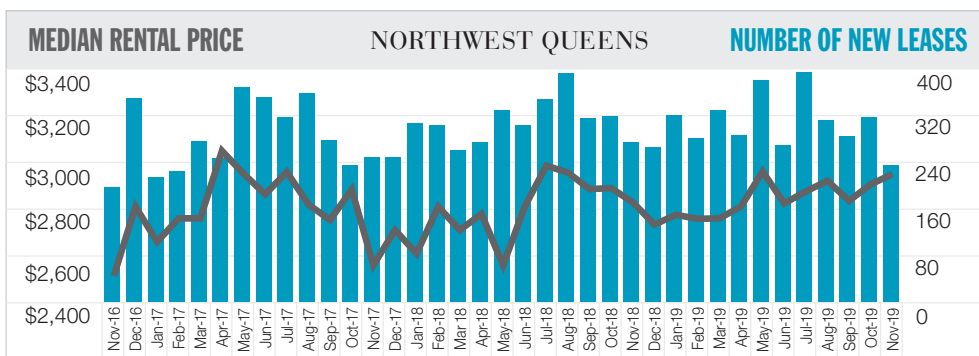


The largest areas of price growth occurred at the high-end.



Northwest Queens Rental Market		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Average Rental Price		\$3,141	-0.8%	\$3,165	5.2%	\$2,985
Rental Price per Sq Ft		\$49.75	-2.1%	\$50.82	-6.1%	\$52.97
Median Rental Price		\$2,989	1.5%	\$2,945	4.2%	\$2,868
Number of New Leases		233	-26.0%	315	-14.3%	272
Days on Market (From Original List Date)		24	14.3%	21	9.1%	22
Listing Discount (From Original List Price)		1.1%		1.1%		1.3%
Listing Inventory		399	-0.3%	400	-13.3%	460
Northwest Queens Rental w/Concessions		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Median Rental Price		\$2,878	0.9%	\$2,853	4.6%	\$2,751
Number of New Leases w/OP + Concessions (%)		54.5%		44.4%		59.2%
Free Rent/Owner Paid (Mos)		1.1	-8.3%	1.2	-8.3%	1.2
Northwest Queens Rental Market by Size		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Studio -	Average Rental Price	\$2,531	-4.4%	\$2,648	2.1%	\$2,479
	Rental Price per Sq Ft	\$62.84	-3.6%	\$65.21	3.9%	\$60.50
	Median Rental Price	\$2,550	-4.1%	\$2,659	-0.5%	\$2,562
	Number of New Leases	48	-34.2%	73	-30.4%	69
1-Bedroom -	Average Rental Price	\$2,920	-0.8%	\$2,944	4.1%	\$2,805
	Rental Price per Sq Ft	\$50.18	-2.6%	\$51.54	-3.7%	\$52.09
	Median Rental Price	\$3,046	1.5%	\$3,000	3.5%	\$2,942
	Number of New Leases	126	-19.7%	157	-8.0%	137
2-Bedroom -	Average Rental Price	\$3,945	0.8%	\$3,912	3.4%	\$3,817
	Rental Price per Sq Ft	\$48.42	1.9%	\$47.54	-5.2%	\$51.09
	Median Rental Price	\$4,105	2.8%	\$3,995	1.7%	\$4,037
	Number of New Leases	48	-34.2%	73	-14.3%	56
3+ Bedroom -	Average Rental Price	\$4,833	3.8%	\$4,657	13.0%	\$4,276
	Rental Price per Sq Ft	\$42.50	1.8%	\$41.73	14.4%	\$37.14
	Median Rental Price	\$4,600	-9.7%	\$5,093	12.9%	\$4,075
	Number of New Leases	11	-8.3%	12	10.0%	10
Northwest Queens Rental Market By Type		NOV-19	%Δ (mo)	OCT-19	%Δ (yr)	NOV-18
Luxury (Top 10%) - Median Rental Price		\$5,313	3.4%	\$5,138	9.8%	\$4,838
Luxury (Top 10%) - Entry Threshold		\$4,579	-3.8%	\$4,758	4.2%	\$4,395
New Development - Median Rental Price		\$3,109	1.9%	\$3,050	-0.5%	\$3,125
New Development - Market Share		33.5%		40.3%		46.0%

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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