

Elliman Report

June 2020

Manhattan, Brooklyn
and Queens Rentals

Manhattan Rentals Dashboard

YEAR-OVER-YEAR

- **4.8%**
Prices
Median Rental Price

+ **2.06%**
Vacancy
Vacancy Rate

- **35.6%**
New Leases
Excludes Renewals

+ **12.5%**
Market Share
OP + Concessions

+ **3 days**
Marketing Time
Days on Market

+ **1.1%**
Negotiability
Listing Discount

- The highest vacancy rate in nearly fourteen years of tracking
- The lowest number of June new lease signings in a decade
- The fall in median rent reversed all gains seen in 2019 and 2020

Manhattan Rentals Matrix		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Average Rental Price		\$4,032	-2.7%	\$4,144	-4.8%	\$4,236
Rental Price Per Sq Ft		\$65.00	-4.2%	\$67.82	-5.7%	\$68.96
Median Rental Price		\$3,378	-4.7%	\$3,546	-4.8%	\$3,550
Number of New Leases		3,171	44.8%	2,190	-35.6%	4,926
Days on Market (From Last List Date)		27	-12.9%	31	12.5%	24
Listing Discount (From Last List Price)		2.0%		1.7%		0.9%
Listing Inventory		10,789	45.4%	7,420	84.7%	5,842
Vacancy Rate		3.67%		2.88%		1.61%
Manhattan Rentals With Concessions		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price		\$3,242	-5.1%	\$3,415	-6.6%	\$3,471
Market Share of New Leases (with OP + Concessions %)		44.7%		41.9%		32.2%
Free Rent/Owner Paid (Mos)		1.5	0.0%	1.5	25.0%	1.2
Manhattan Rentals Matrix By Size		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Studio	Average Rental Price	\$2,705	-4.9%	\$2,844	-2.7%	\$2,781
	Rental Price Per Sq Ft	\$67.59	-6.4%	\$72.22	-3.4%	\$69.94
	Median Rental Price	\$2,600	-6.0%	\$2,765	-3.6%	\$2,697
	Number of New Leases	671	41.9%	473	-35.7%	1,044
1-Bedroom	Average Rental Price	\$3,469	-6.1%	\$3,694	-5.5%	\$3,669
	Rental Price Per Sq Ft	\$64.15	-7.3%	\$69.21	-5.2%	\$67.66
	Median Rental Price	\$3,350	-6.8%	\$3,595	-5.6%	\$3,548
	Number of New Leases	1,323	29.1%	1,025	-33.2%	1,982
2-Bedroom	Average Rental Price	\$4,756	-0.6%	\$4,784	-2.2%	\$4,863
	Rental Price Per Sq Ft	\$63.37	-0.1%	\$63.45	-5.3%	\$66.92
	Median Rental Price	\$4,395	-2.2%	\$4,495	5.9%	\$4,150
	Number of New Leases	810	63.6%	495	-36.3%	1,271
3-Bedroom	Average Rental Price	\$6,886	-13.9%	\$7,996	-3.9%	\$7,168
	Rental Price Per Sq Ft	\$67.52	-1.3%	\$68.40	-7.8%	\$73.21
	Median Rental Price	\$5,317	-18.2%	\$6,500	-4.4%	\$5,560
	Number of New Leases	367	86.3%	197	-41.7%	629

The state mandate that prevented real estate brokers to physically show property was removed before the last week of the month but there was not enough time to have a material influence on market conditions for the month.

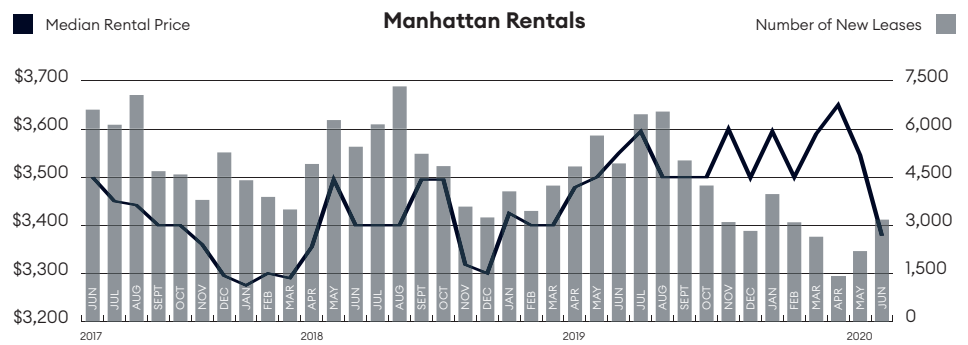
The decline in new leases during the lockdown that began in mid-March continued, falling 35.6% to 3,171 from the year-ago period. The sharp year over year

drop in new leasing activity matched the timeline of the crisis with a 37.7% decline in March, a record 70.9% decline in April and a 62.2% decline in May. Much of the landlord-



Prepared by Miller Samuel Real Estate Appraisers & Consultants

tenant price discovery occurred on the renewal side of the market, not public-facing. For the last two months, the market share of rentals with a landlord concession moved higher. The share of concessions for June was 44.7%, up by 12.5%, from 32.2% in the same month last year. The monthly equivalent of free rent and payment of broker commissions expanded 25% to 1.5 months from 1.2 months in the year-ago period. The median net effective rent, which is comprised of face rent less landlord concessions, was \$3,242, down 6.6% from the same month last year, the first decline since 2018. Because of the lockdown, the vacancy rate surged to a fourteen-year record of 3.67%.



Property Type

- Both doorman and non-doorman median rent posted annual declines
- New development median rent increased as existing median rent declined annually

Price Tier

- All price segments presented showed year over year declines in median rent
- The market share of concessions in each price segment surged
- The price entry threshold declined year over year for the second time

Downtown

- New leases fell sharply
- Vacancy surged to another record

Eastside

- New leases fell sharply
- Vacancy more than doubled

Westside

- Median rent slipped
- Vacancy more than tripled

Northern Manhattan

- A decline in median rent
- New leases edged higher

Manhattan Rentals Matrix By Property Type	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Doorman Median Rental Price	\$3,995	-3.1%	\$4,123	-1.1%	\$4,039
Non-Doorman Median Rental Price	\$2,850	-3.5%	\$2,953	-8.1%	\$3,100
Loft Median Rental Price	\$4,995	-3.7%	\$5,185	-9.1%	\$5,495
New Development Median Rental Price	\$4,972	5.9%	\$4,695	3.7%	\$4,795
Existing Median Rental Price	\$3,295	-5.7%	\$3,495	-5.9%	\$3,500

Manhattan Rentals Matrix By Price	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Luxury (Top 10%) Average Rental Price	\$9,757	3.6%	\$9,415	-2.8%	\$10,034
Luxury (Top 10%) Rental Price Per Sq Ft	\$74.94	-1.1%	\$75.80	-4.9%	\$78.76
Luxury (Top 10%) Median Rental Price	\$7,975	1.9%	\$7,825	-1.8%	\$8,120
Luxury (Top 10%) Number of New Leases	319	45.0%	220	-37.8%	513
Luxury (Top 10%) Entry Price Threshold	\$6,250	-2.6%	\$6,420	-3.8%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,512	-5.1%	\$4,753	-5.0%	\$4,750
Mid Tier (2 nd 30%) - Median Rental Price	\$3,200	-4.7%	\$3,359	-5.8%	\$3,396
Entry Tier (1 st 30%) - Median Rental Price	\$2,292	-5.5%	\$2,425	-4.5%	\$2,400

Downtown Rentals Matrix	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price	\$3,909	0.4%	\$3,895	-2.3%	\$4,000
Number of New Leases	1,306	37.8%	948	-41.0%	2,215
Vacancy Rate	5.28%		3.65%		2.30%

Eastside Rentals Matrix	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price	\$3,390	-3.0%	\$3,495	2.7%	\$3,300
Number of New Leases	636	40.1%	454	-49.1%	1,250
Vacancy Rate	1.97%		1.53%		0.71%

Westside Rentals Matrix	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price	\$3,415	-3.8%	\$3,550	-3.8%	\$3,550
Number of New Leases	723	31.5%	550	-24.9%	963
Vacancy Rate	4.18%		3.27%		1.31%

Northern Manhattan Rentals Matrix	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price	\$2,275	-0.8%	\$2,293	-5.2%	\$2,400
Number of New Leases	506	112.6%	238	1.6%	498
Vacancy Rate	1.06%		2.30%		1.51%

Brooklyn Rentals Dashboard

YEAR-OVER-YEAR

+ 1.7%
Prices
Median Rental Price

+ 57.3%
Inventory
Total Inventory

- 9.1%
New Leases
Excludes Renewals

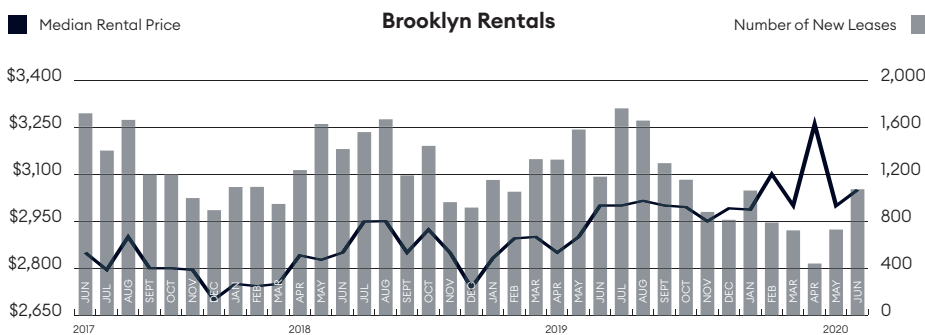
+ 1.7%
Market Share
OP + Concessions

= 0 days
Marketing Time
Days on Market

= 0.0%
Negotiability
Listing Discount

- Listing inventory surged as new leases continued to decline
- New leases declined annually for the ninth straight month
- Net effective median rent rose at the lowest rate in 18 months

With the lifting of the lockdown that prevented real estate brokers from doing in-person showings in the last week of the month, there will be greater transparency in the market.



Brooklyn Rentals Matrix		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Average Rental Price		\$3,429	2.2%	\$3,356	-0.3%	\$3,440
Rental Price Per Sq Ft		\$45.14	-4.8%	\$47.44	-3.7%	\$46.89
Median Rental Price		\$3,050	1.7%	\$2,999	1.7%	\$3,000
Number of New Leases		1,071	47.1%	728	-9.1%	1,178
Days on Market (From Last List Date)		25	4.2%	24	0.0%	25
Listing Discount (From Last List Price)		0.9%		0.5%		0.9%
Listing Inventory		3,125	34.8%	2,319	57.3%	1,987
Brooklyn Rentals With Concessions		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price		\$2,944	0.8%	\$2,921	1.0%	\$2,914
Market Share of New Leases (with OP + Concessions %)		40.1%		33.0%		38.4%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	15.4%	1.3
Brooklyn Rentals Matrix By Size		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Studio	Average Rental Price	\$2,524	-1.9%	\$2,574	-3.5%	\$2,616
	Rental Price Per Sq Ft	\$46.19	-27.5%	\$63.68	-20.1%	\$57.81
	Median Rental Price	\$2,500	1.8%	\$2,455	-2.0%	\$2,550
	Number of New Leases	157	40.2%	112	-5.4%	166
1-Bedroom	Average Rental Price	\$3,033	4.2%	\$2,912	4.8%	\$2,894
	Rental Price Per Sq Ft	\$50.97	2.3%	\$49.83	2.9%	\$49.52
	Median Rental Price	\$2,999	9.1%	\$2,750	7.1%	\$2,800
	Number of New Leases	389	28.4%	303	-13.7%	451
2-Bedroom	Average Rental Price	\$3,683	-2.6%	\$3,780	3.6%	\$3,554
	Rental Price Per Sq Ft	\$44.20	-5.5%	\$46.77	-2.6%	\$45.37
	Median Rental Price	\$3,350	-4.3%	\$3,500	4.3%	\$3,213
	Number of New Leases	352	55.1%	227	-1.1%	356
3-Bedroom	Average Rental Price	\$4,625	-4.0%	\$4,818	-9.5%	\$5,112
	Rental Price Per Sq Ft	\$40.88	-1.8%	\$41.64	-5.3%	\$43.19
	Median Rental Price	\$4,000	0.0%	\$4,000	-6.5%	\$4,280
	Number of New Leases	173	101.2%	86	-15.6%	205
Brooklyn Rentals Matrix By Type		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Luxury (Top 10%) Median Rental Price		\$6,200	3.4%	\$5,995	-4.6%	\$6,500
Luxury (Top 10%) Entry Price Threshold		\$5,250	1.0%	\$5,200	1.0%	\$5,200
New Development Median Rental Price		\$3,438	-1.4%	\$3,487	-4.1%	\$3,585

While price trend indicators showed mixed year over year results, the number of new leases declined annually for the ninth straight month. There were 1,071 new leases signed in June, down 9.1% year over year, to the lowest rate in five months. While median net effective rent, comprised of face rent less landlord concessions, rose 1% to \$2,944 year over year, it was the lowest annual growth rate since 2018. The market share of landlord

concession rose 1.7% to 40.1% market-wide from the same period last year. Concessions within the new development market, which represented 22.9% of new lease signings in June, had a 65.3% market share, double the 32.6% share of existing rentals. Before the most recent two months of annual increases in concession market share, the market share of landlord concessions had declined for sixteen straight months.

Northwest Queens Rentals Dashboard

YEAR-OVER-YEAR

- **5.7%**
Prices
Median Rental Price

+ **40.9%**
Inventory
Total Inventory

- **34.7%**
New Leases
Excludes Renewals

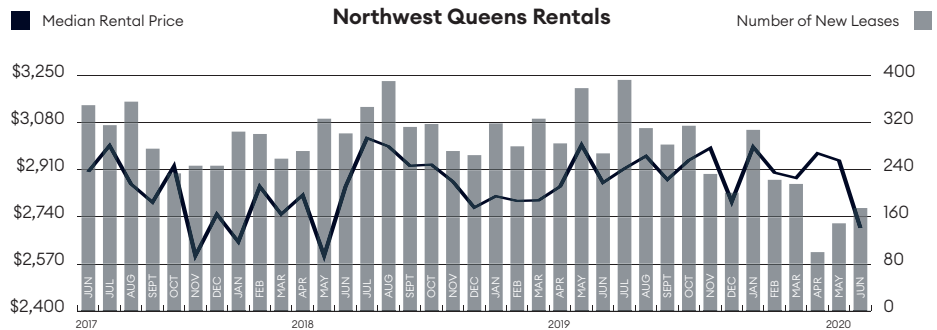
+ **15.2%**
Market Share
OP + Concessions

- **4 days**
Marketing Time
Days on Market

+ **0.7%**
Negotiability
Listing Discount

- New leases declined annually for the eleventh straight month
- The market share of landlord concessions rose annually for the third straight month
- Median rent declined year over year across all bedroom categories

While the decline in new leasing activity remained well below last year, the removal of 'shelter-in-place' restrictions in the final week of June that prevented in-person showings, is expected to expand activity.



Northwest Queens Rentals Matrix	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Average Rental Price	\$2,952	-7.8%	\$3,200	-6.7%	\$3,164
Rental Price Per Sq Ft	\$41.38	-22.8%	\$53.63	-16.3%	\$49.44
Median Rental Price	\$2,700	-8.3%	\$2,944	-5.7%	\$2,864
Number of New Leases	175	17.4%	149	-34.7%	268
Days on Market (From Last List Date)	25	0.0%	25	-13.8%	29
Listing Discount (From Last List Price)	1.0%		1.0%		0.3%
Listing Inventory	603	27.2%	474	40.9%	428

Northwest Queens Rentals with Concessions	JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Median Rental Price	\$2,560	-6.7%	\$2,745	-8.2%	\$2,789
Market Share of New Leases (with OP + Concessions %)	51.4%		65.1%		36.2%
Free Rent/Owner Paid (Mos)	1.7	-5.6%	1.8	41.7%	1.2

Northwest Queens Rentals Matrix By Size		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Studio	Average Rental Price	\$2,416	-6.9%	\$2,595	-3.6%	\$2,507
	Rental Price Per Sq Ft	\$52.93	-21.5%	\$67.46	-14.7%	\$62.07
	Median Rental Price	\$2,425	-8.6%	\$2,654	-3.0%	\$2,500
	Number of New Leases	31	-16.2%	37	-31.1%	45
1-Bedroom	Average Rental Price	\$2,782	-7.0%	\$2,990	-1.8%	\$2,832
	Rental Price Per Sq Ft	\$41.98	-22.3%	\$54.06	-12.5%	\$48.00
	Median Rental Price	\$2,810	-7.8%	\$3,049	-1.4%	\$2,850
	Number of New Leases	98	44.1%	68	-30.5%	141
2-Bedroom	Average Rental Price	\$3,603	-8.4%	\$3,934	-6.9%	\$3,871
	Rental Price Per Sq Ft	\$39.32	-21.3%	\$49.98	-20.9%	\$49.74
	Median Rental Price	\$3,600	-1.9%	\$3,669	-12.5%	\$4,114
	Number of New Leases	38	5.6%	36	-39.7%	63
3-Bedroom	Average Rental Price	\$4,027	-10.0%	\$4,472	-16.8%	\$4,841
	Rental Price Per Sq Ft	\$38.58	-17.2%	\$46.61	-17.3%	\$46.65
	Median Rental Price	\$3,150	-24.3%	\$4,161	-43.3%	\$5,560
	Number of New Leases	8	0.0%	8	-57.9%	19

Northwest Queens Rentals Matrix By Type		JUN-20	%Δ (MO)	MAY-20	%Δ (YR)	JUN-19
Luxury (Top 10%) Median Rental Price		\$4,690	-14.7%	\$5,499	-14.9%	\$5,512
Luxury (Top 10%) Entry Price Threshold		\$4,235	-16.2%	\$5,053	-11.8%	\$4,800
New Development Median Rental Price		\$3,350	11.9%	\$2,995	2.9%	\$3,255
New Development Market Share		26.9%		27.5%		31.7%

After the highest and second-highest declines in new lease signings in the previous two months, the large but reduced decline was unexpected. New lease signings fell 34.7% to 175 from the year-ago period after the record decline of 64.9% in April and 60.7% decline in May. All price trend indicators fell year over year from prior-

year levels. Median net effective rent, face rent less landlord concessions, fell 8.2% to \$2,560, the most significant annual decline in more than two years. After reaching a 65.1% record market share of landlord concessions in May, the market share for June reached 51.4% for the third straight annual increase.