

ELLI MAN REPORT

AUGUST 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.0%

VACANCY

Vacancy Rate

0.16%

NEW LEASES

Excludes Renewals

1.8%

OP + CONCESSIONS

Market Share

4.7%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.6%

- Median rental price was unchanged from same period a year ago
- Landlord concessions moved higher as vacancy rate slipped
- Number of new leases set a record as inventory jumped

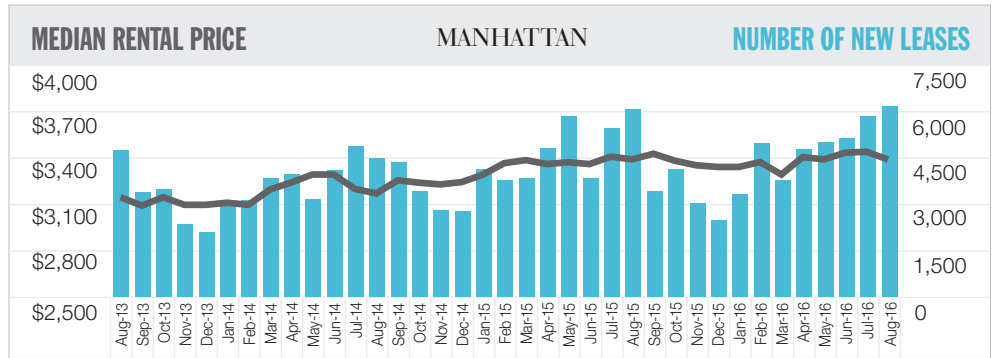
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and provide comprehensive analysis of the results.

Manhattan Rental Market		AUG-16	%Δ (mo)	JUL-16	%Δ (yr)	AUG-15
Average Rental Price		\$4,033	-0.9%	\$4,068	-0.6%	\$4,058
Rental Price per Sq Ft		\$66.87	0.7%	\$66.38	23.6%	\$54.12
Median Rental Price		\$3,399	-1.5%	\$3,450	0.0%	\$3,400
Number of New Leases		6,285	5.9%	5,934	1.8%	6,171
Days on Market (From Original List Date)		39	0.0%	39	8.3%	36
Listing Discount (From Original List Price)		2.2%		1.5%		1.6%
Listing Inventory		7,478	-2.6%	7,681	39.6%	5,357
Vacancy Rate		2.14%		2.49%		2.30%
Manhattan Rental w/Concessions		AUG-16	%Δ (mo)	JUL-16	%Δ (yr)	AUG-15
Median Rental Price		\$3,359	-1.6%	\$3,414	-0.5%	\$3,376
Share of New Leases w/OP + Concessions (%)		12.1%		10.8%		7.4%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	0.0%	1.2
Manhattan Rental Market by Size		AUG-16	%Δ (mo)	JUL-16	%Δ (yr)	AUG-15
Studio -	Average Rental Price	\$2,683	0.2%	\$2,678	1.6%	\$2,640
	Rental Price per Sq Ft	\$67.51	-2.1%	\$68.94	12.7%	\$59.90
	Median Rental Price	\$2,611	-0.2%	\$2,616	3.4%	\$2,524
	Number of New Leases	1,425	4.1%	1,369	1.1%	1,409
1-Bedroom -	Average Rental Price	\$3,460	-1.3%	\$3,507	-2.0%	\$3,532
	Rental Price per Sq Ft	\$64.04	-1.4%	\$64.98	15.8%	\$55.32
	Median Rental Price	\$3,399	-1.5%	\$3,450	-0.5%	\$3,415
	Number of New Leases	2,556	6.5%	2,400	1.3%	2,522
2-Bedroom -	Average Rental Price	\$4,892	0.6%	\$4,862	0.8%	\$4,852
	Rental Price per Sq Ft	\$66.09	3.4%	\$63.90	27.6%	\$51.79
	Median Rental Price	\$4,138	-2.6%	\$4,250	-0.5%	\$4,157
	Number of New Leases	1,604	7.8%	1,488	3.8%	1,546
3+ Bedroom -	Average Rental Price	\$6,903	-3.1%	\$7,124	-2.4%	\$7,074
	Rental Price per Sq Ft	\$72.86	2.4%	\$71.18	44.6%	\$50.40
	Median Rental Price	\$4,950	-7.0%	\$5,325	-1.9%	\$5,045
	Number of New Leases	700	3.4%	677	0.9%	694

Manhattan rental price growth has showed a bumpy but generally stable trend for each month in 2016 on a year over year basis. Median rental price was \$3,399 in August, essentially unchanged from the same period a year ago. The market share of concessions was 12.1%, up from 7.4% a year ago. When considering concessions, the net effective median rent slipped 0.5% to

\$3,359 from the year ago period. Average rental price slipped 0.6% to \$4,033 over the same period. The number of new leases saw a slight 1.8% increase to 6,285 as tenants and landlords seemed to be in sync on market conditions. The Manhattan vacancy rate slipped to 2.14% over the same period, with distinct regional differences. The vacancy rate for the east side and downtown

markets expanded while the west side and uptown markets fell. The median rental price of apartments within non-doorman buildings saw a nominal gain of 0.2% compared to a 1.3% decline in doorman apartments, consistent with the market's weakness at the top. The first 30 percentile was the only price segment to see a gain in median rental price. Listing discount, the percentage difference between the original list price and the rental price, rose 2.2% from 1.6% a year ago.



PROPERTY TYPE

- Rent for “non-doorman” was nominally higher as “doorman” declined
- Loft and new development rents declined

Manhattan Rental Market By Property Type	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Doorman Median Rental Price	\$3,858	-1.1%	\$3,899	-1.3%	\$3,909
Non-Doorman Median Rental Price	\$2,955	0.8%	\$2,932	0.2%	\$2,950
Loft Median Rental Price	\$5,238	-10.8%	\$5,870	-22.7%	\$6,780
New Development Median Rental Price	\$4,436	-0.1%	\$4,442	-4.5%	\$4,647

BY PRICE

- Entry level market showed strong gain
- All other price segments posted declines
- Luxury rent threshold slipped

Manhattan Rental Market By Price	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Luxury (Top 10%) - Average Rental Price	\$9,843	-0.4%	\$9,881	-2.4%	\$10,090
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.18	3.8%	\$77.23	4.5%	\$76.71
Luxury (Top 10%) - Median Rental Price	\$7,861	-0.4%	\$7,889	-0.5%	\$7,904
Luxury (Top 10%) - Number of New Leases	629	4.8%	600	1.5%	620
Luxury (Top 10%) - Entry Threshold	\$6,193	-3.4%	\$6,411	-0.9%	\$6,250
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,433	-1.5%	\$4,500	-0.5%	\$4,454
Mid Tier (2nd 30%) - Median Rental Price	\$3,246	-0.3%	\$3,257	-0.1%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,359	0.6%	\$2,344	2.8%	\$2,295

BY LOCATION

DOWNTOWN

- Median rental price increased
- Number of new leases expanded

Downtown Market Matrix	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Median Rental Price	\$3,694	-1.5%	\$3,750	1.5%	\$3,639
Number of New Leases	2,851	13.3%	2,517	8.4%	2,631
Vacancy Rate	2.33%		2.67%		2.15%

EAST SIDE

- Median rental price slipped
- Vacancy rate continued to rise

East Side Market Matrix	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Median Rental Price	\$3,152	-3.1%	\$3,252	-1.5%	\$3,200
Number of New Leases	1,489	-2.0%	1,519	3.0%	1,446
Vacancy Rate	2.41%		2.46%		2.08%

WEST SIDE

- Number of new leases fell
- Median rental price slipped

West Side Market Matrix	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Median Rental Price	\$3,399	-1.6%	\$3,455	-1.9%	\$3,464
Number of New Leases	1,308	1.7%	1,286	-11.4%	1,477
Vacancy Rate	1.89%		2.29%		3.00%

UPTOWN

- Median rental price expanded
- Decline in vacancy rate

Uptown Market Matrix	AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Median Rental Price	\$2,463	5.1%	\$2,344	3.7%	\$2,375
Number of New Leases	637	4.1%	612	3.2%	617
Vacancy Rate	1.51%		2.30%		2.13%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.9%

INVENTORY

Total Inventory

42.7%

NEW LEASES

Excludes Renewals

35.8%

OP + CONCESSIONS

Market Share

5.3%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

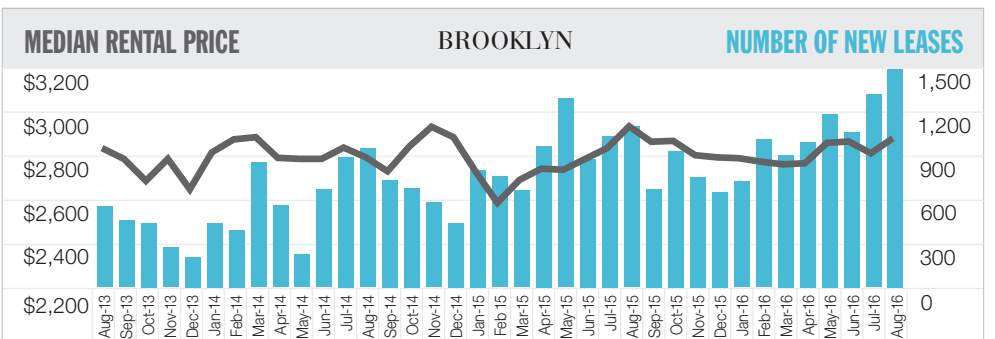
Listing Discount

0.4%

- Median rent declined year over year for the second month in a row
- All size categories but 1-bedrooms saw decline in median rent
- Brooklyn median rent was \$504 less than Manhattan median rent

Brooklyn Rental Market		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Average Rental Price		\$3,219	3.0%	\$3,124	-1.5%	\$3,268
Rental Price per Sq Ft		\$46.71	3.0%	\$45.37	11.9%	\$41.76
Median Rental Price		\$2,895	2.4%	\$2,826	-1.9%	\$2,950
Number of New Leases		1,495	13.2%	1,321	35.8%	1,101
Days on Market (From Original List Date)		40	0.0%	40	-2.4%	41
Listing Discount (From Original List Price)		0.6%		1.1%		1.0%
Listing Inventory		2,501	3.2%	2,424	42.7%	1,753
Brooklyn Rental w/Concessions		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Median Rental Price		\$2,859	2.3%	\$2,796	-2.6%	\$2,935
Share of New Leases w/OP + Concessions (%)		10.5%		9.5%		5.2%
Free Rent/Owner Paid (Mos)		1.4	7.7%	1.3	16.7%	1.2
Brooklyn Rental Market by Size		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Studio -	Average Rental Price	\$2,350	6.1%	\$2,214	-1.6%	\$2,389
	Rental Price per Sq Ft	\$54.23	1.8%	\$53.28	0.8%	\$53.81
	Median Rental Price	\$2,383	9.3%	\$2,181	-3.5%	\$2,469
Number of New Leases		222	29.1%	172	82.0%	122
1-Bedroom -	Average Rental Price	\$2,765	2.1%	\$2,707	0.9%	\$2,741
	Rental Price per Sq Ft	\$49.07	4.6%	\$46.93	10.3%	\$44.50
	Median Rental Price	\$2,734	1.3%	\$2,700	0.7%	\$2,716
Number of New Leases		567	14.1%	497	30.3%	435
2-Bedroom -	Average Rental Price	\$3,490	1.8%	\$3,428	-1.4%	\$3,540
	Rental Price per Sq Ft	\$44.71	0.8%	\$44.35	14.2%	\$39.15
	Median Rental Price	\$3,280	6.7%	\$3,074	-0.8%	\$3,305
Number of New Leases		485	3.9%	467	23.7%	392
3+ Bedroom -	Average Rental Price	\$4,665	7.9%	\$4,324	-2.3%	\$4,777
	Rental Price per Sq Ft	\$44.37	6.1%	\$41.80	12.0%	\$39.61
	Median Rental Price	\$4,026	6.1%	\$3,795	-3.0%	\$4,149
Number of New Leases		221	19.5%	185	45.4%	152
Brooklyn Rental Market by Type		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Luxury (Top 10%) - Median Rental Price		\$5,467	0.3%	\$5,453	-2.9%	\$5,630
Luxury (Top 10%) - Entry Threshold		\$4,771	2.4%	\$4,660	-0.6%	\$4,800
New Development - Median Rental Price		\$3,116	-8.9%	\$3,421	-5.8%	\$3,309

For the second consecutive month in 2016, the Brooklyn median rental price declined from the same period a year ago. Median rent declined 1.9% to \$2,895. Average rental price followed the same pattern declining 1.5% to \$3,219 over the same period. The number of new leases jumped 35.8% to a record 1,495 from the combination of new units added to the housing stock and the resistance of tenants to proposed rents at time of renewal. The market share of rental concessions doubled to 10.5% from the year ago period as inventory surged 42.7% to a record 2,501. After including concessions, the net effective median rent declined 2.6% to \$2,859 over the same period. Luxury median rental price, representing the top 10% of the market, fell 2.9% to \$5,467



from the same period a year ago, a larger decline than the overall market. All market segments by size with the exception of 1-bedroom apartments experienced a year over year decline in median

rent. Days on market, the number of days from listing date to rental date, averaged 40 days, down nominally from 41.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

5.3%

INVENTORY

Total Inventory

57.0%

NEW LEASES

Excludes Renewals

20.3%

NEW DEVELOPMENT

Market Share

13.2%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

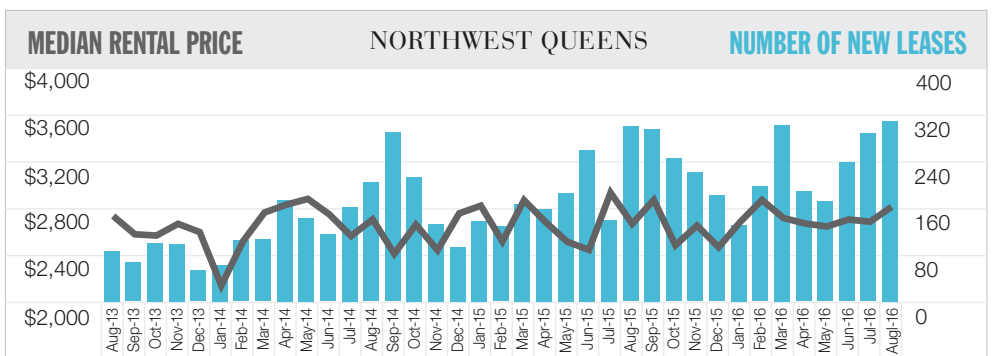
Listing Discount

1.6%

- All price trend indicators moved higher
- New leases and inventory continued to rise sharply
- Queens median rent was equal to Brooklyn median rent

Queens Rental Market		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Average Rental Price		\$3,033	4.3%	\$2,909	0.2%	\$3,026
Rental Price per Sq Ft		\$46.41	-2.4%	\$47.54	7.0%	\$43.38
Median Rental Price		\$2,895	4.6%	\$2,768	5.3%	\$2,750
Number of New Leases		355	15.3%	308	20.3%	295
Days on Market (From Original List Date)		33	-8.3%	36	13.8%	29
Listing Discount (From Original List Price)		-1.0%		1.0%		0.6%
Listing Inventory		468	-12.4%	534	57.0%	298
Queens Rental Market by Size		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Studio -	Average Rental Price	\$2,430	5.3%	\$2,307	-4.2%	\$2,536
	Rental Price per Sq Ft	\$54.43	-3.6%	\$56.45	4.3%	\$52.21
	Median Rental Price	\$2,565	4.4%	\$2,456	2.6%	\$2,500
	Number of New Leases	63	-3.1%	65	-20.3%	79
1-Bedroom -	Average Rental Price	\$2,781	0.3%	\$2,772	0.4%	\$2,770
	Rental Price per Sq Ft	\$46.00	-6.4%	\$49.13	4.6%	\$43.99
	Median Rental Price	\$2,989	-0.5%	\$3,003	5.8%	\$2,825
	Number of New Leases	192	19.3%	161	60.0%	120
2-Bedroom -	Average Rental Price	\$3,706	1.8%	\$3,642	2.4%	\$3,620
	Rental Price per Sq Ft	\$44.33	-0.6%	\$44.59	9.7%	\$40.40
	Median Rental Price	\$3,903	-3.5%	\$4,045	5.2%	\$3,710
	Number of New Leases	86	28.4%	67	10.3%	78
3+ Bedroom -	Average Rental Price	\$5,069	36.7%	\$3,708	17.9%	\$4,301
	Rental Price per Sq Ft	\$44.80	15.0%	\$38.94	13.2%	\$39.58
	Median Rental Price	\$4,886	62.9%	\$3,000	25.6%	\$3,890
	Number of New Leases	14	-6.7%	15	-22.2%	18
Queens Rental Market By Type		AUG-16	%Δ (MO)	JUL-16	%Δ (YR)	AUG-15
Luxury (Top 10%) - Median Rental Price		\$4,743	7.4%	\$4,418	3.3%	\$4,592
Luxury (Top 10%) - Entry Threshold		\$3,988	10.4%	\$3,613	-2.6%	\$4,095
New Development - Median Rental Price		\$3,189	-7.0%	\$3,059	8.6%	\$2,936

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



The Northwest Queens rental market, including Long Island City, Astoria, Sunnyside and Woodside, showed gains across all price trend indicators. Median rental price was \$2,895, up 5.3% from the same period a year ago and was identical to the Brooklyn median rent this month. Average rental price edged 0.2% higher to \$3,033 over the same period. Median rent expanded across all apartment sizes. The market share of new development was 43.4%, up 13.2% from a 30.2% market share in the same period last year. The expansion in new development accounted

for much of the price gains seen in the market as a result of the higher end skew. The number of new leases rose 20.3% to a record 355 with the combination of new units and resistance of tenants to proposed rents at time of renewal. Days on market averaged 33 days, up from 29 days while listing discount fell to -1% from 0.6% in the same month a year ago.

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:
<http://www.millersamuel.com/research-reports/methodology>

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