

ELLIMAN REPORT

FEBRUARY 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

8.9%

VACANCY

Vacancy Rate

0.5%

NEW RENTALS

Excludes Renewals

20%

CONCESSIONS

Market Share

0%

MARKETING TIME

Days on Market

4 day

NEGOTIABILITY

Listing Discount

1.7%

- Median rental price rose for 12th consecutive month to second highest level in over 7 years
- Vacancy rated edged higher as use of landlord concessions remained stable
- Days on market and listing discount fell from prior year levels

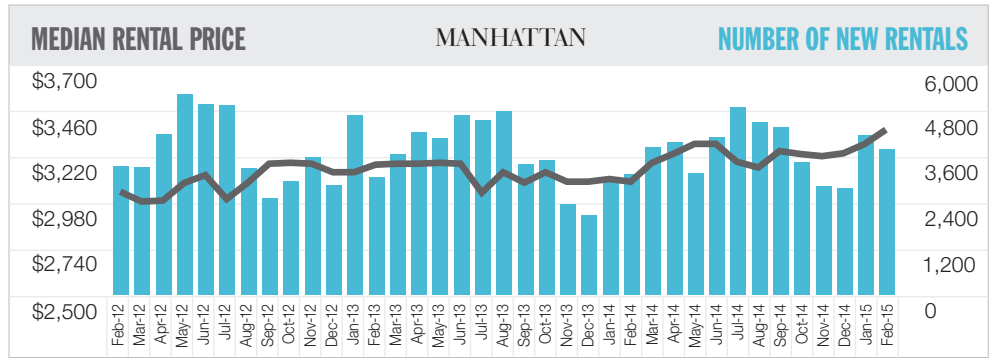
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		FEB-15	%Chg (mo)	JAN-15	%Chg(yr)	FEB-14
Average Rental Price		\$4,093	3.0%	\$3,974	4.1%	\$3,932
Rental Price per Sq Ft		\$55.82	4.5%	\$53.44	12.3%	\$49.70
Median Rental Price		\$3,375	2.3%	\$3,299	8.9%	\$3,100
Number of New Rentals		3,831	-8.9%	4,206	20.0%	3,192
Days on Market (From Original List Date)		49	-15.5%	58	-7.5%	53
Listing Discount (From Original List Price)		1.8%		1.8%		3.5%
Listing Inventory		5,164	-6.1%	5,498	-1.0%	5,218
Vacancy Rate		2.38%		2.43%	0.5%	1.87%
Manhattan Rental w/Concessions		FEB-15	%Chg (mo)	JAN-15	%Chg(yr)	FEB-14
Median Rental Price		\$3,350	2.3%	\$3,276	8.9%	\$3,077
Number of New Rentals w/Concessions (%)		9.1%		8.5%		9.1%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Manhattan Rental Market by Size		FEB-15	%Chg (mo)	JAN-15	%Chg(yr)	FEB-14
Studio -	Average Rental Price	\$2,634	2.7%	\$2,566	9.8%	\$2,398
	Rental Price per Sq Ft	\$57.60	1.2%	\$56.91	7.8%	\$53.42
	Median Rental Price	\$2,531	2.5%	\$2,470	10.0%	\$2,300
	Number of New Rentals	920	-12.7%	1,054	21.9%	755
1-Bedroom -	Average Rental Price	\$3,475	1.4%	\$3,428	6.7%	\$3,258
	Rental Price per Sq Ft	\$56.22	1.2%	\$55.53	10.3%	\$50.99
	Median Rental Price	\$3,400	0.1%	\$3,395	9.4%	\$3,108
	Number of New Rentals	1,748	-4.8%	1,836	20.6%	1,450
2-Bedroom -	Average Rental Price	\$5,260	4.3%	\$5,044	2.6%	\$5,128
	Rental Price per Sq Ft	\$55.24	5.3%	\$52.47	7.7%	\$51.27
	Median Rental Price	\$4,750	4.9%	\$4,527	2.0%	\$4,656
	Number of New Rentals	879	-10.5%	982	16.3%	756
3+ Bedroom -	Average Rental Price	\$8,906	7.6%	\$8,277	-3.8%	\$9,260
	Rental Price per Sq Ft	\$56.45	9.1%	\$51.73	4.3%	\$54.11
	Median Rental Price	\$6,509	5.8%	\$6,150	-5.0%	\$6,850
	Number of New Rentals	283	-15.3%	334	22.5%	231

Manhattan housing price gains pulled away from the other boroughs as rents expanded for the 12th consecutive month. Median rental price jumped 8.9% to \$3,375, the second highest level reached in more than 7 years. Average rental price moved up 4.1% to \$4,093, the highest level reached in nearly 5 years. Average rental price per square foot

jumped 12.3% to \$55.82 over the same period reflecting the greater price growth of smaller units. Smaller apartments such as studios and 1-bedrooms tend to rent for a higher per square foot than larger apartments. Smaller apartments continued to see more price growth as studios and 1-bedrooms set 7-year median price records. The luxury median rental

price declined 2.9% to \$8,350 from the prior year period. Prices in the bottom two thirds of the market continued to see the greatest gains in the price indicators, a reflection of tight credit keeping potential first time buyers from transitioning to the purchase market. The number of new rentals jumped 20% to 3,831 indicating continued resistance to new asking rents at the time of lease renewal. The market share of landlord concessions remained low at 9.1%, the same as the prior year period.



PROPERTY TYPE

- Loft and new development rents increased from prior year period
- Doorman rents increased faster than non-doorman rents

Manhattan Rental Market By Property Type	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Doorman Median Rental Price	\$3,800	0.2%	\$3,792	5.7%	\$3,595
Non-Doorman Median Rental Price	\$2,660	-1.3%	\$2,695	2.7%	\$2,590
Loft Median Rental Price	\$5,823	2.2%	\$5,695	7.8%	\$5,400
New Development Median Rental Price	\$3,375	2.3%	\$3,299	5.5%	\$3,200

BY PRICE

- Larger price gains seen in the entry and mid tier markets
- Luxury rental price indicators showed modest declines

Manhattan Rental Market By Price	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Luxury (Top 10%) - Average Rental Price	\$10,444	3.6%	\$10,085	-2.7%	\$10,736
Luxury (Top 10%) - Rental Price per Sq Ft	\$76.16	5.0%	\$72.50	6.4%	\$71.59
Luxury (Top 10%) - Median Rental Price	\$8,350	4.4%	\$7,995	-2.9%	\$8,595
Luxury (Top 10%) - Number of New Rentals	383	-9.0%	421	19.7%	320
Luxury (Top 10%) - Entry Threshold	\$6,415	5.1%	\$6,106	-1.3%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,471	3.2%	\$4,333	2.8%	\$4,349
Mid Tier (2nd 30%) - Median Rental Price	\$3,250	3.2%	\$3,150	18.2%	\$2,750
Entry Tier (1st 30%) - Median Rental Price	\$2,270	1.3%	\$2,241	11.1%	\$2,043

BY LOCATION

DOWNTOWN

- Vacancy rate expanded
- Jump in new rentals

Downtown Market Matrix	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Median Rental Price	\$3,546	-1.3%	\$3,591	2.5%	\$3,459
Number of New Rentals	1,618	-7.0%	1,740	19.6%	1,353
Vacancy Rate	2.61%		2.76%		2.00%

EAST SIDE

- Median rent moved higher
- Number of new rentals rose

East Side Market Matrix	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Median Rental Price	\$3,113	1.7%	\$3,061	10.2%	\$2,826
Number of New Rentals	964	-13.5%	1,114	6.2%	908
Vacancy Rate	1.59%		2.63%		2.03%

WEST SIDE

- New rental activity surged
- Median rental price edge higher

West Side Market Matrix	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Median Rental Price	\$3,514	4.1%	\$3,375	9.8%	\$3,200
Number of New Rentals	943	-6.5%	1,009	39.1%	678
Vacancy Rate	2.55%		1.83%		2.09%

UPTOWN

- Surge in new rentals
- Vacancy rate jumped

Uptown Market Matrix	FEB-15	%Chg (mo)	JAN-15	%Chg (yr)	FEB-14
Median Rental Price	\$2,158	-0.1%	\$2,161	10.7%	\$1,950
Number of New Rentals	306	-10.8%	343	20.9%	253
Vacancy Rate	2.75%		1.95%		0.98%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.9%

INVENTORY

Total Inventory

37.8%

NEW RENTALS

Excludes Renewals

8.7%

CONCESSIONS

Market Share

4.4%

MARKETING TIME

Days on Market

17 days

NEGOTIABILITY

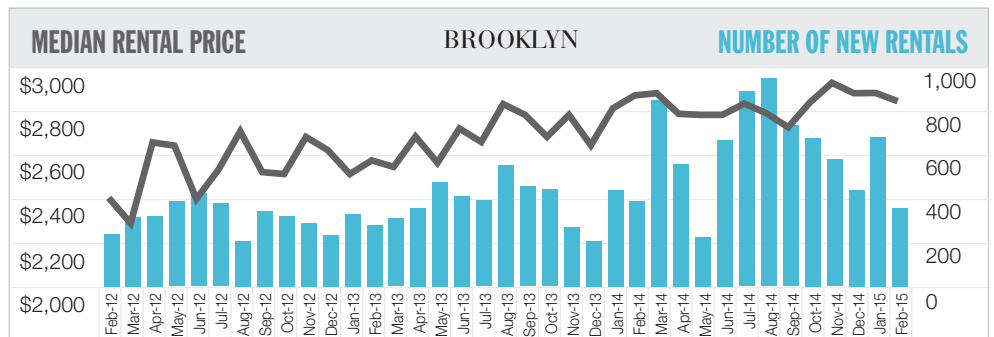
Listing Discount

1.8%

- Rental prices softened for first time in 5 months
- Number of new rentals fell, as more tenants signed renewals
- Median Brooklyn rent was \$512 below median Manhattan rent

Brooklyn Rental Market		FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Average Rental Price		\$3,160	-1.3%	\$3,201	-0.6%	\$3,178
Rental Price per Sq Ft		\$38.63	-4.2%	\$40.33	1.3%	\$38.12
Median Rental Price		\$2,863	-1.3%	\$2,901	-0.9%	\$2,890
Number of New Rentals		358	-47.6%	683	-8.7%	392
Days on Market (From Original List Date)		59	-1.7%	60	40.5%	42
Listing Discount (From Original List Price)		1.2%		1.4%		3.0%
Listing Inventory		1,919	-0.4%	1,926	37.8%	1,393
Brooklyn Rental w/Concessions		FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Median Rental Price		\$2,848	-1.2%	\$2,882	-1.4%	\$2,887
Share of New Rentals w/Concessions (%)		5.6%		7.5%		1.2%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	10.0%	1.0
Brooklyn Rental Market by Size		FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Studio -	Average Rental Price	\$2,241	-14.4%	\$2,618	-2.6%	\$2,300
	Rental Price per Sq Ft	\$49.07	8.3%	\$45.31	-5.6%	\$51.97
	Median Rental Price	\$2,281	-3.2%	\$2,357	0.9%	\$2,260
	Number of New Rentals	42	-56.7%	97	7.7%	39
1-Bedroom -	Average Rental Price	\$2,822	1.3%	\$2,787	3.0%	\$2,741
	Rental Price per Sq Ft	\$42.99	-1.6%	\$43.70	7.0%	\$40.18
	Median Rental Price	\$2,863	3.4%	\$2,770	8.0%	\$2,650
	Number of New Rentals	147	-46.5%	275	-9.8%	163
2-Bedroom -	Average Rental Price	\$3,305	-6.3%	\$3,527	-6.2%	\$3,523
	Rental Price per Sq Ft	\$37.74	-3.1%	\$38.93	-7.5%	\$40.79
	Median Rental Price	\$3,061	-4.8%	\$3,215	-3.0%	\$3,155
	Number of New Rentals	122	-46.7%	229	-10.9%	137
3+ Bedroom -	Average Rental Price	\$4,228	-3.9%	\$4,400	-1.2%	\$4,281
	Rental Price per Sq Ft	\$29.86	-11.5%	\$33.75	-10.9%	\$33.51
	Median Rental Price	\$3,552	-0.3%	\$3,561	-4.0%	\$3,700
	Number of New Rentals	46	-43.2%	81	-13.2%	53
Brooklyn Rental Market by Type		FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Luxury (Top 10%) - Median Rental Price		\$4,944	-10.1%	\$5,498	-8.4%	\$5,395
Luxury (Top 10%) - Entry Threshold		\$4,400	-5.6%	\$4,660	-7.7%	\$4,769
New Development - Median Rental Price		\$3,160	6.4%	\$2,971	1.0%	\$3,129

Note: The Brooklyn rental market analysis is comprised of transactions in the north, northwest and east regions of the borough.



For the first time in 5 months, the Brooklyn median rental price posted a year-over-year decline. Median rental price slipped 0.9% to \$2,863 from the same period last year. Average sales price also moved 0.6% lower to \$3,160 over the same period. Average rental price per square foot edged 1.3% higher to \$38.63 from the same period, reflecting more price growth in the smaller apartment submarkets. Studio and 1-bedroom apartments posted year-over-year gains in median rental price as larger sized apartments continued to see weaker performance. While the use of landlord concessions remained nominal at 5.6% of rental activity, their use expanded from 1.2% in the same period last year. The number of new rentals declined 8.7% to 358 from the

prior year period reflecting less resistance at lease renewal and asking rents that are more in sync with the market. Listing discount, the

percentage difference between the original rental price and the rental price fell to 1.2% from 3% over the same period.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0%

INVENTORY

Total Inventory (month-over-month)

6.7%

NEW RENTALS

Excludes Renewals

56.6%

NEW DEVELOPMENT

Market Share

5.5%

MARKETING TIME

Days on Market

60 days

NEGOTIABILITY

Listing Discount

0.7%

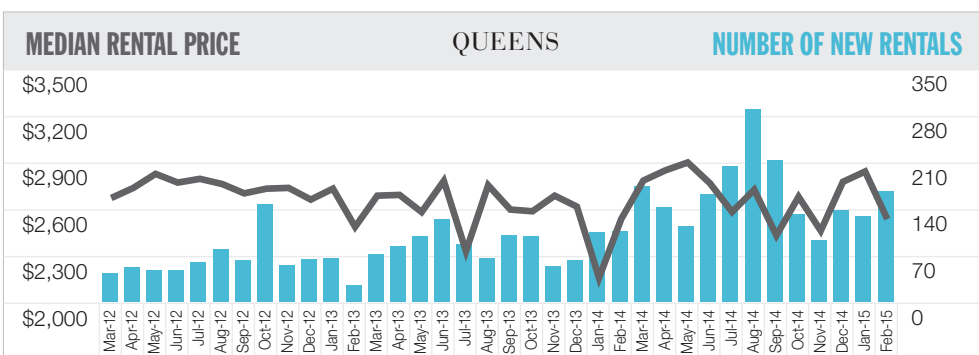
- Overall price indicators reflected stability
- All unit sizes but 1-bedrooms showed rise in median sales price
- Luxury category threshold was \$4,233 and price gain outpaced overall market

Queens Rental Market	FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Average Rental Price	\$2,784	-5.0%	\$2,929	1.3%	\$2,748
Rental Price per Sq Ft	\$40.93	-0.5%	\$41.15	-3.7%	\$42.49
Median Rental Price	\$2,600	-10.5%	\$2,905	0.0%	\$2,600
Number of New Rentals	166	29.7%	128	56.6%	106
Days on Market (From Original List Date)	29	-45.3%	53	-56.1%	66
Listing Discount (From Original List Price)	0.7%		0.3%		0.0%
Listing Inventory	278	-6.7%	298	N/A	N/A

Queens Rental Market by Size	FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Studio - Average Rental Price	\$2,049	-0.4%	\$2,058	-2.4%	\$2,100
Rental Price per Sq Ft	\$47.01	6.4%	\$44.17	-6.3%	\$50.19
Median Rental Price	\$2,281	-4.2%	\$2,382	8.7%	\$2,099
Number of New Rentals	26	136.4%	11	23.8%	21
1-Bedroom - Average Rental Price	\$2,528	-5.9%	\$2,686	-4.0%	\$2,634
Rental Price per Sq Ft	\$41.33	0.8%	\$40.99	-1.0%	\$41.73
Median Rental Price	\$2,492	-14.1%	\$2,900	-5.6%	\$2,641
Number of New Rentals	92	19.5%	77	84.0%	50
2-Bedroom - Average Rental Price	\$3,597	0.6%	\$3,574	9.1%	\$3,297
Rental Price per Sq Ft	\$40.37	-6.6%	\$43.24	1.4%	\$39.83
Median Rental Price	\$3,863	17.5%	\$3,288	11.3%	\$3,472
Number of New Rentals	42	31.3%	32	50.0%	28
3+ Bedroom - Average Rental Price	\$4,507	11.3%	\$4,049	35.9%	\$3,316
Rental Price per Sq Ft	\$40.29	-5.8%	\$42.78	42.9%	\$28.20
Median Rental Price	\$5,356	78.8%	\$2,995	62.3%	\$3,300
Number of New Rentals	5	-28.6%	7	-28.6%	7

Queens Rental Market By Type	FEB-15	%Chg (MO)	JAN-15	%Chg (YR)	FEB-14
Luxury (Top 10%) - Median Rental Price	\$4,500	-4.3%	\$4,700	10.5%	\$4,072
Luxury (Top 10%) - Entry Threshold	\$4,233	1.3%	\$4,180	12.4%	\$3,765
New Development - Median Rental Price	\$3,202	-7.0%	\$2,905	3.3%	\$3,100

Note: The Queens rental market analysis is comprised of transactions in the northwest region of the borough.



The northwest Queens rental market, which includes Long Island City, Astoria, Sunnyside and Woodside showed price stability in February. Median rental price was \$2,600, unchanged from the same period last year. Average rental price edged 1.3% higher to \$2,784 and average rental price per square foot slipped 3.7% to \$40.93 respectively over the same period. Median rental price was \$205 less than Brooklyn and \$775 less than Manhattan. Luxury median rental price increased 10.5% to \$4,500 from the prior year period in contrast

to the stability seen in the overall market. The number of new rentals surged 56.6% to 166 from the same period last year. New development accounted for roughly one third

of all rentals. Listing discount, the percentage difference in price between the original list price and the rental price, edged higher to 0.7% from 0% in the prior year period.

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

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