

ELLI MAN REPORT

AUGUST 2018

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.2%

VACANCY

Vacancy Rate

0.69%

NEW LEASES

Excludes Renewals

3.8%

OP + CONCESSIONS

Market Share

10.6%

MARKETING TIME

Days on Market

14 days

NEGOTIABILITY

Listing Discount

0.5%

- The number of new leases increased year over year in three of the past four months
- The gain in year over year median face rent was only observed in the studio market
- Market share of concessions expanded year over year for the 39th consecutive month

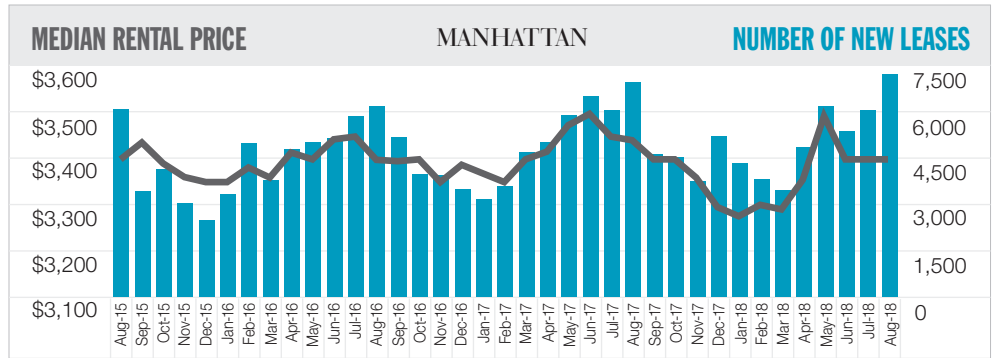
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Average Rental Price		\$4,039	0.7%	\$4,011	-1.2%	\$4,088
Rental Price per Sq Ft		\$66.98	1.5%	\$65.97	0.8%	\$66.45
Median Rental Price		\$3,400	0.0%	\$3,400	-1.2%	\$3,442
Number of New Leases		7,330	19.3%	6,145	3.8%	7,061
Days on Market (From Original List Date)		27	0.0%	27	-34.1%	41
Listing Discount (From Original List Price)		1.5%		1.0%		2.0%
Listing Inventory		5,611	-7.2%	6,044	-25.2%	7,497
Vacancy Rate		1.58%		1.86%		2.27%
Manhattan Rental w/Concessions		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price		\$3,310	0.1%	\$3,307	-2.0%	\$3,377
Share of New Leases w/OP + Concessions (%)		34.7%		35.0%		24.1%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	0.0%	1.3
Manhattan Rental Market by Size		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Studio -	Average Rental Price	\$2,755	2.8%	\$2,679	2.0%	\$2,702
	Rental Price per Sq Ft	\$71.09	5.1%	\$67.67	1.4%	\$70.13
	Median Rental Price	\$2,650	1.9%	\$2,600	2.4%	\$2,587
	Number of New Leases	1,750	19.8%	1,461	7.3%	1,631
1-Bedroom -	Average Rental Price	\$3,498	0.1%	\$3,494	-0.6%	\$3,519
	Rental Price per Sq Ft	\$65.04	2.3%	\$63.55	1.7%	\$63.96
	Median Rental Price	\$3,450	0.0%	\$3,450	-0.3%	\$3,461
	Number of New Leases	2,824	17.7%	2,399	-0.2%	2,831
2-Bedroom -	Average Rental Price	\$4,739	0.1%	\$4,734	0.0%	\$4,739
	Rental Price per Sq Ft	\$64.98	-0.8%	\$65.51	-1.2%	\$65.76
	Median Rental Price	\$4,000	-1.2%	\$4,050	-2.4%	\$4,100
	Number of New Leases	1,876	19.2%	1,574	6.3%	1,765
3+ Bedroom -	Average Rental Price	\$6,837	-0.8%	\$6,889	-7.1%	\$7,357
	Rental Price per Sq Ft	\$70.38	1.2%	\$69.52	2.0%	\$69.03
	Median Rental Price	\$4,963	-4.5%	\$5,195	-8.5%	\$5,425
	Number of New Leases	880	23.8%	711	5.5%	834

The Manhattan market reliance on concessions continued to press the vacancy rate lower despite the slide in rents. The market share of landlord concessions, including free rent and brokerage commissions, rose to 34.7% from 24.1% in the same month a year ago and was the 39th consecutive month with such an increase. The concession market share for new development was 55.7% while the

concession market share of existing rentals was 33.5%. The vacancy rate fell sharply to 1.58% from 2.27% in the prior year and to the lowest rate in more than four years. Despite the drop in vacancy and rise in market share of concessions, rents continued to slide. Net effective median rent, the face rent less concessions, declined year over year for the eighth time in nine months and in all apartment sizes excepted studios.

Net effective median rent was \$3,310, down 2% from the same period last year. While the median face rent of a studio rose 2.4% to \$2,650 over the same period, median face rent for 1-bedrooms slipped 0.3% to \$3,450; median face rent for 2-bedrooms fell 2.4% to \$4,000; median face rent for 3+ bedrooms fell 8.5% to \$4,963 respectively from the same period a year ago.



PROPERTY TYPE

- Existing median rent declined year over year for eight of the past nine months
- Non-doorman median rent, which covers half the market, has not seen an increase in twelve months

Property Type	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Doorman Median Rental Price	\$3,925	3.0%	\$3,809	1.5%	\$3,866
Non-Doorman Median Rental Price	\$2,950	-1.5%	\$2,995	-0.8%	\$2,975
Loft Median Rental Price	\$5,000	-4.8%	\$5,250	25.0%	\$4,000
New Development Median Rental Price	\$4,873	7.7%	\$4,525	11.4%	\$4,375

BY PRICE

- The Upper Tier market was only price segment to see a year over year rise in median rent
- The largest declined in rent was seen in the luxury segment or top ten percent of the market
- Luxury rent threshold slipped for second consecutive month

Price Segment	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Luxury (Top 10%) - Average Rental Price	\$9,836	2.5%	\$9,594	-2.8%	\$10,123
Luxury (Top 10%) - Rental Price per Sq Ft	\$76.46	2.1%	\$74.89	-1.0%	\$77.24
Luxury (Top 10%) - Median Rental Price	\$7,700	1.3%	\$7,600	-3.8%	\$8,000
Luxury (Top 10%) - Number of New Leases	734	19.3%	615	3.7%	708
Luxury (Top 10%) - Entry Threshold	\$6,195	2.4%	\$6,050	-0.9%	\$6,250
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	2.3%	\$4,400	0.2%	\$4,490
Mid Tier (2nd 30%) - Median Rental Price	\$3,225	-0.8%	\$3,250	-1.5%	\$3,275
Entry Tier (1st 30%) - Median Rental Price	\$2,344	0.8%	\$2,325	-0.3%	\$2,350

BY LOCATION

DOWNTOWN

- Median rent moved higher
- Vacancy rate continued to fall

Metric	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price	\$3,756	0.2%	\$3,750	1.5%	\$3,700
Number of New Leases	3,160	20.5%	2,623	-0.4%	3,174
Vacancy Rate	1.50%		1.72%		2.58%

EAST SIDE

- Number of new leases slipped
- Vacancy rate declined

Metric	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price	\$3,248	-0.1%	\$3,250	-1.4%	\$3,295
Number of New Leases	1,698	15.5%	1,470	-2.5%	1,742
Vacancy Rate	0.88%		1.59%		1.75%

WEST SIDE

- Number of new leases expanded
- Median rent edged higher

Metric	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price	\$3,435	-0.7%	\$3,460	1.0%	\$3,400
Number of New Leases	1,631	17.6%	1,387	7.9%	1,511
Vacancy Rate	1.89%		1.83%		2.35%

UPTOWN

- Median rent stabilized
- Number of new leases surged

Metric	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price	\$2,400	-2.0%	\$2,450	0.0%	\$2,400
Number of New Leases	841	26.5%	665	32.6%	634
Vacancy Rate	2.48%		2.75%		2.13%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

↑ 1.7%

INVENTORY

Total Inventory

↑ 24.2%

NEW LEASES

Excludes Renewals

↑ 0.3%

OP + CONCESSIONS

Market Share

↑ 21.7%

MARKETING TIME

Days on Market

↓ 14 days

NEGOTIABILITY

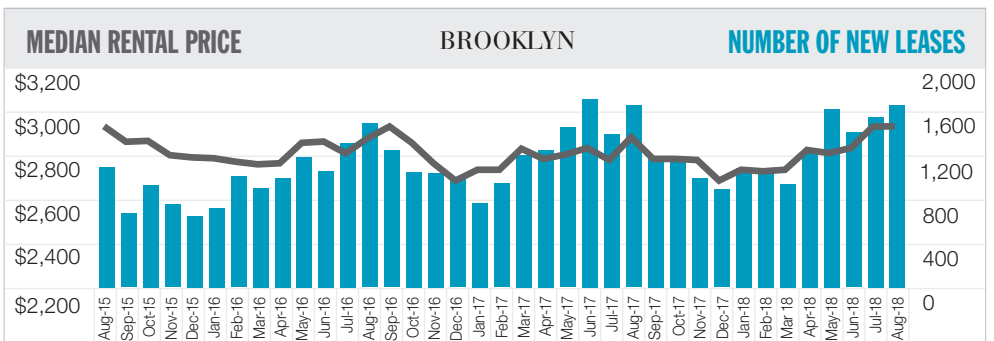
Listing Discount

↓ 0.8%

- **Net effective median rent slipped annually for the eighth time in nine months**
- **Market share of concessions expanded year over year for the 31st consecutive month**
- **New development market share rose year over year for seventh consecutive month skewing prices higher**

Brooklyn Rental Market		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Average Rental Price		\$3,236	-2.1%	\$3,306	1.0%	\$3,203
Rental Price per Sq Ft		\$46.89	0.5%	\$46.67	0.4%	\$46.68
Median Rental Price		\$2,950	0.0%	\$2,949	1.7%	\$2,900
Number of New Leases		1,666	7.0%	1,557	0.3%	1,661
Days on Market (From Original List Date)		26	-3.7%	27	-35.0%	40
Listing Discount (From Original List Price)		1.0%		0.8%		1.8%
Listing Inventory		1,916	-3.9%	1,994	-24.2%	2,527
Brooklyn Rental w/Concessions		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price		\$2,849	0.7%	\$2,829	-0.1%	\$2,851
Share of New Leases w/OP + Concessions (%)		42.1%		41.4%		20.4%
Free Rent/Owner Paid (Mos)		1.4	-12.5%	1.6	0.0%	1.4
Brooklyn Rental Market by Size		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Studio -	Average Rental Price	\$2,482	-0.6%	\$2,498	-1.0%	\$2,506
	Rental Price per Sq Ft	\$55.97	-2.5%	\$57.40	-5.4%	\$59.15
	Median Rental Price	\$2,500	0.2%	\$2,494	0.0%	\$2,500
	Number of New Leases	248	13.8%	218	-3.9%	258
1-Bedroom -	Average Rental Price	\$2,850	-1.8%	\$2,903	1.2%	\$2,815
	Rental Price per Sq Ft	\$48.92	2.0%	\$47.94	-1.8%	\$49.82
	Median Rental Price	\$2,875	1.0%	\$2,846	2.9%	\$2,795
	Number of New Leases	625	-4.7%	656	0.2%	624
2-Bedroom -	Average Rental Price	\$3,552	-0.3%	\$3,564	2.6%	\$3,461
	Rental Price per Sq Ft	\$45.53	1.8%	\$44.74	-0.4%	\$45.71
	Median Rental Price	\$3,167	-2.7%	\$3,254	-1.0%	\$3,200
	Number of New Leases	542	18.6%	457	-1.3%	549
3+ Bedroom -	Average Rental Price	\$4,257	-10.1%	\$4,735	-3.7%	\$4,422
	Rental Price per Sq Ft	\$42.60	-3.6%	\$44.17	3.3%	\$41.24
	Median Rental Price	\$3,600	-10.0%	\$4,000	-2.4%	\$3,688
	Number of New Leases	251	11.1%	226	9.1%	230
Brooklyn Rental Market by Type		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Luxury (Top 10%) - Median Rental Price		\$5,770	-3.1%	\$5,957	4.9%	\$5,500
Luxury (Top 10%) - Entry Threshold		\$4,950	-0.9%	\$4,995	5.3%	\$4,700
New Development - Median Rental Price		\$3,200	-4.2%	\$3,342	-0.5%	\$3,216

The Brooklyn rental market continued to see an expanding share of new development product introduced to the market and weaker price trends for larger sized apartments. The market share of new development rentals was 19.4% of all leasing activity and was up year over year for the seventh consecutive month. Net effective median rent slipped nominally to \$2,950 from the same period a year ago. This decline was the eighth year over year decrease of the past nine months, suggesting the gradual shift to newer apartments was offsetting the weakening rent trends. The market share of landlord concessions more than doubled to 42.1% from 20.4% in the year-ago month. This gain was the 31st consecutive



year over year rise in concession market share. The market share of new development concessions was 74.9%, and the market share for existing apartment concessions was 32.6%

over the same period. The 2-bedroom and 3-bedroom median face rents were the only size categories to post declines.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.8%

INVENTORY

Total Inventory

19.6%

NEW LEASES

Excludes Renewals

9.8%

OP + CONCESSIONS

Market Share

6.1%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.6%

- After sixteen consecutive months of annual rising concessions, market share fell for the second month
- Average square foot of a rental rose annual for the fifth time in six months
- Large surge in 1-bedroom new leases as all price trend indicators posted large gains

Queens Rental Market	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Average Rental Price	\$3,076	-0.7%	\$3,099	2.0%	\$3,017
Rental Price per Sq Ft	\$51.01	4.1%	\$49.01	2.6%	\$49.74
Median Rental Price	\$2,995	-1.0%	\$3,025	4.8%	\$2,859
Number of New Leases	391	12.7%	347	9.8%	356
Days on Market (From Original List Date)	22	-18.5%	27	-24.1%	29
Listing Discount (From Original List Price)	0.4%		0.0%		1.0%
Listing Inventory	422	-1.6%	429	-19.6%	525

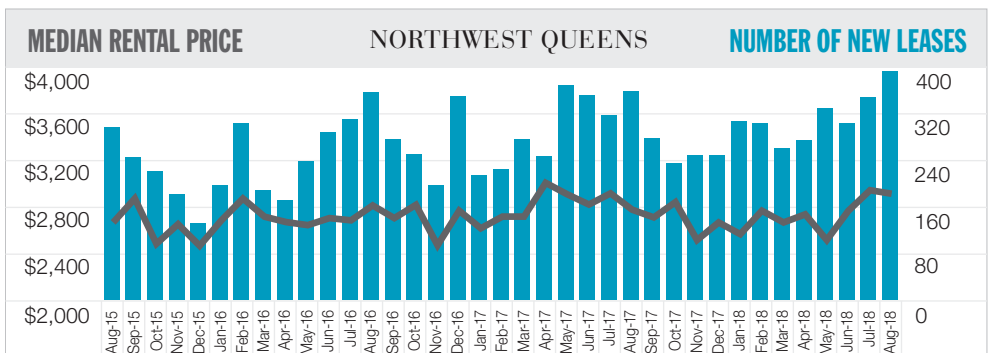
Queens Rental w/Concessions	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Median Rental Price	\$2,921	-1.0%	\$2,951	5.7%	\$2,764
Number of New Leases w/OP + Concessions (%)	38.6%		32.3%		44.7%
Free Rent/Owner Paid (Mos)	1.1	-15.4%	1.3	-8.3%	1.2

Queens Rental Market by Size		AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Studio -	Average Rental Price	\$2,391	-4.4%	\$2,500	-0.5%	\$2,402
	Rental Price per Sq Ft	\$58.82	0.9%	\$58.30	-6.2%	\$62.73
	Median Rental Price	\$2,591	-1.8%	\$2,639	1.6%	\$2,550
	Number of New Leases	77	8.5%	71	-7.2%	83
1-Bedroom -	Average Rental Price	\$2,932	0.6%	\$2,915	3.9%	\$2,822
	Rental Price per Sq Ft	\$52.77	6.9%	\$49.37	5.9%	\$49.84
	Median Rental Price	\$3,195	2.3%	\$3,123	3.7%	\$3,080
	Number of New Leases	207	16.3%	178	26.2%	164
2-Bedroom -	Average Rental Price	\$3,791	0.6%	\$3,768	-0.8%	\$3,820
	Rental Price per Sq Ft	\$47.88	5.1%	\$45.54	2.5%	\$46.72
	Median Rental Price	\$4,125	-1.2%	\$4,175	-1.8%	\$4,200
	Number of New Leases	91	5.8%	86	2.2%	89
3+ Bedroom -	Average Rental Price	\$4,165	-9.0%	\$4,575	16.2%	\$3,585
	Rental Price per Sq Ft	\$40.38	-19.3%	\$50.01	4.8%	\$38.54
	Median Rental Price	\$3,323	-27.9%	\$4,609	6.3%	\$3,125
	Number of New Leases	16	33.3%	12	-20.0%	20

Queens Rental Market By Type	AUG-18	%Δ (MO)	JUL-18	%Δ (YR)	AUG-17
Luxury (Top 10%) - Median Rental Price	\$4,760	-1.8%	\$4,847	-1.4%	\$4,830
Luxury (Top 10%) - Entry Threshold	\$4,550	-0.7%	\$4,580	1.6%	\$4,480
New Development - Median Rental Price	\$3,292	-7.0%	\$3,229	-0.1%	\$3,295
New Development - Market Share	23.5%		26.5%		43.0%

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

The overall market share of landlord concessions for the northwest region of Queens slid as average apartment size and price trends generally expanded. Landlord concessions declined for the second consecutive month after sixteen successive months of year over year gains. There was a 3% year over year decline in new development concession market share to 79.4% as landlords were less aggressive in initial pricing. The use of concessions in existing rentals was still rising, up 9.8% to a total share of 26.1% from the year-ago period. Average size expanded 2.1% to 796 square feet, and the net effective median rent increased 5.7% to \$2,921 respectively over the same period.



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Report Methodology:

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

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