

ELLI MAN

REPORT

DECEMBER 2019

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.0%

VACANCY

Vacancy Rate

0.03%

NEW LEASES

Excludes Renewals

13.0%

OP + CONCESSIONS

Market Share

3.7%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.3%

- The twelfth straight year over year quarterly increase in net effective rent
- The vacancy rate has edged higher year over year since July
- The ninth straight quarter with an annual decline in concession market share

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.

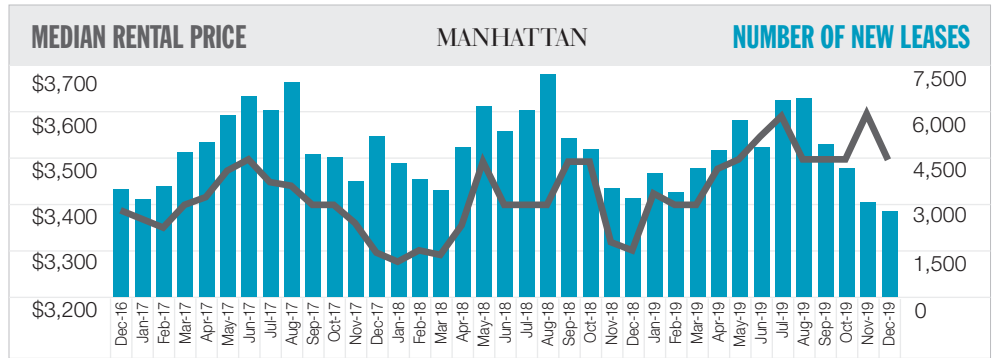
“Luxury median rent saw the largest year over year gain as compared to any other price category.”

Manhattan Rental Market	DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18	
Average Rental Price	\$4,412	-1.2%	\$4,465	6.4%	\$4,145	
Rental Price per Sq Ft	\$70.35	-1.8%	\$71.67	3.5%	\$68.00	
Median Rental Price	\$3,499	-2.8%	\$3,600	6.0%	\$3,300	
Number of New Leases	2,820	-8.9%	3,096	-13.0%	3,240	
Days on Market (From Original List Date)	31	10.7%	28	-3.1%	32	
Listing Discount (From Original List Price)	2.5%		2.6%		2.8%	
Listing Inventory	5,043	-6.6%	5,398	1.8%	4,956	
Vacancy Rate	1.81%		1.77%		1.78%	
Manhattan Rental w/Concessions	DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18	
Median Rental Price	\$3,387	-3.3%	\$3,502	5.9%	\$3,197	
Share of New Leases w/OP + Concessions (%)	40.3%		38.7%		44.0%	
Free Rent/Owner Paid (Mos)	1.4	16.7%	1.2	16.7%	1.2	
Manhattan Rental Market by Size	DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18	
Studio -	Average Rental Price	\$2,838	-1.0%	\$2,866	5.6%	\$2,687
	Rental Price per Sq Ft	\$69.67	-6.3%	\$74.38	1.1%	\$68.88
	Median Rental Price	\$2,632	-2.5%	\$2,700	2.5%	\$2,569
1-Bedroom -	Average Rental Price	\$3,648	-0.4%	\$3,661	2.6%	\$3,557
	Rental Price per Sq Ft	\$66.06	-0.5%	\$66.37	-1.9%	\$67.31
	Median Rental Price	\$3,500	-2.8%	\$3,600	4.8%	\$3,340
2-Bedroom -	Average Rental Price	\$5,569	-1.8%	\$5,673	12.7%	\$4,943
	Rental Price per Sq Ft	\$70.57	1.5%	\$69.53	9.9%	\$64.24
	Median Rental Price	\$5,000	-3.0%	\$5,156	15.0%	\$4,348
3+ Bedroom -	Average Rental Price	\$9,353	8.7%	\$8,607	16.0%	\$8,066
	Rental Price per Sq Ft	\$77.10	-4.7%	\$80.92	4.2%	\$74.01
	Median Rental Price	\$6,500	8.4%	\$5,995	19.9%	\$5,420
Number of New Leases	245	-25.8%	330	-21.5%	312	

The net effective median rent, median face rent less free rent, broker commissions, and other landlord concessions, increased year over year for the twelfth straight month. Net effective median rent rose 5.9% to \$3,387 from the year-ago period. All three price trend indicators based on face rent did not see an

annual decline in any month of 2019. All four types of bedroom categories saw year over year net effective median rental price growth with the larger sizes seeing the most significant gains: studios, up 2.3%; 1-bedrooms, up 4.8%; 2-bedrooms, up 15%; 3-bedrooms, up 19.6%. The market share of

landlord concessions was 40.3%, down 3.7% from the same period last year for the ninth straight time, and the eleventh decline in twelve months. The number of new leases declined 13% year over year to 2,820, the lowest number of new leases in four years as landlords were better at tenant retention. New development rentals comprised 8.6% of all new leases, the highest market share observed since March 2015. The market share of landlord concessions for new development had a market footprint of 53.9%, while existing rentals saw a market share of 39%.



PROPERTY TYPE

- Year over year median rent growth was higher in non-doorman than doorman buildings
- Largest market share of new development in four and a half years

Manhattan Rental Market By Property Type	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Doorman Median Rental Price	\$4,050	-2.1%	\$4,136	4.7%	\$3,870
Non-Doorman Median Rental Price	\$2,895	-3.5%	\$3,000	7.2%	\$2,700
Loft Median Rental Price	\$5,753	-11.5%	\$6,500	-17.2%	\$6,950
New Development Median Rental Price	\$4,995	-5.0%	\$5,260	4.2%	\$4,794
Existing Median Rental Price	\$3,400	-2.9%	\$3,500	6.3%	\$3,200

BY PRICE

- Super luxury rent, representing the top 5% of the market, continued to show the highest median rent gain
- Highest average luxury rental price on record after six straight year over year increases
- Luxury median rent showed the highest year over year gain of all price segments

Manhattan Rental Market By Price	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Luxury (Top 10%) - Average Rental Price	\$12,109	1.5%	\$11,926	7.8%	\$11,238
Luxury (Top 10%) - Rental Price per Sq Ft	\$84.63	-2.6%	\$86.90	-1.0%	\$85.47
Luxury (Top 10%) - Median Rental Price	\$9,500	2.9%	\$9,230	11.8%	\$8,500
Luxury (Top 10%) - Number of New Leases	285	-9.5%	315	-14.4%	333
Luxury (Top 10%) - Entry Threshold	\$6,995	-0.1%	\$7,000	7.7%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,757	-2.8%	\$4,895	5.8%	\$4,495
Mid Tier (2nd 30%) - Median Rental Price	\$3,350	-3.7%	\$3,479	6.8%	\$3,138
Entry Tier (1st 30%) - Median Rental Price	\$2,350	-2.0%	\$2,399	6.0%	\$2,218

BY LOCATION

DOWNTOWN

- Median rent expanded
- Vacancy rate edged higher

Downtown Market Matrix	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Median Rental Price	\$3,950	-0.6%	\$3,975	5.3%	\$3,750
Number of New Leases	1,203	-8.7%	1,318	-6.8%	1,291
Vacancy Rate	1.87%		1.96%		1.75%

EAST SIDE

- Median rent declined
- New leases continued to fall

East Side Market Matrix	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Median Rental Price	\$3,250	-1.4%	\$3,295	-3.0%	\$3,350
Number of New Leases	674	-2.5%	691	-16.1%	803
Vacancy Rate	1.37%		1.42%		1.26%

WEST SIDE

- Vacancy rate edged higher
- New leases fell sharply

West Side Market Matrix	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Median Rental Price	\$3,576	-5.3%	\$3,775	10.4%	\$3,240
Number of New Leases	662	-16.7%	795	-8.2%	721
Vacancy Rate	1.89%		1.76%		1.76%

NORTHERN MANHATTAN

- Median rent moved higher
- Vacancy rate declined

Northern Manhattan Market Matrix	DEC-19	%Δ (MO)	NOV-19	%Δ (YR)	DEC-18
Median Rental Price	\$2,300	0.2%	\$2,295	4.6%	\$2,199
Number of New Leases	281	-3.8%	292	-33.9%	425
Vacancy Rate	2.22%		1.77%		2.75%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

9.2%

INVENTORY

Total Inventory

26.6%

NEW LEASES

Excludes Renewals

11.4%

OP + CONCESSIONS

Market Share

13.2%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.5%

- Largest year over year rise in median face rent in nearly six years
- Year over year gains in median face rental price across all apartment sizes
- The third straight annual decline in new leases as landlords were more successful retaining tenants at renewal

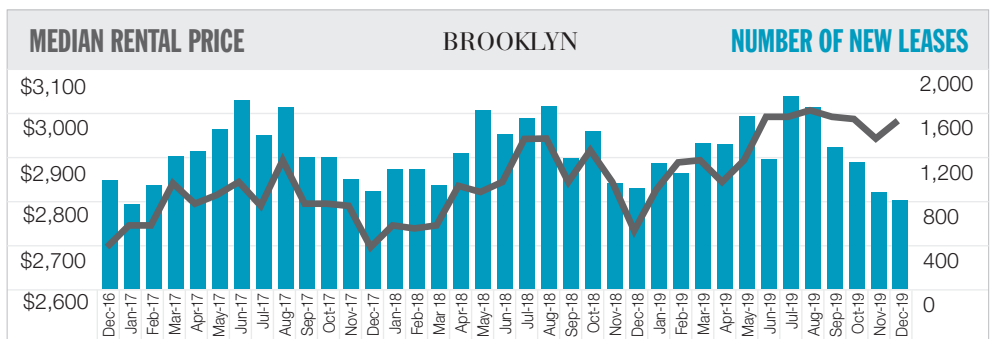
Net effective median rent reflected the most significant year over year gain since February 2015, rising 10.1% to \$2,894 from the same period a year ago. On a year over year basis, all three price trend indicators for face rent has increased since July 2018. The number of new leases fell for the fourth time in five months as landlords continued to entice tenants to stay at the time of renewal. There were 811 new leases, down 11.4% from the same period last year, and the lowest monthly total since January 2017. Although rental prices continued to trend higher, the reliance of concessions by landlords remains embedded within the market, included within more than two-thirds of new leases overall. The market share of landlord concessions, defined as free rent and paid broker commissions, fell by 13.2% to a market share of 36%. The concession market share for new development, representing 25.3% of all rentals, fell 28.5% to 57.1%. In contrast, the concession market share for existing rental apartments fell 13.3% to 26.7%, respectively, from the same period last year.



All price trend indicators showed significant annual price gains.



Brooklyn Rental Market		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Average Rental Price		\$3,410	1.4%	\$3,363	9.5%	\$3,113
Rental Price per Sq Ft		\$47.99	1.3%	\$47.39	6.9%	\$44.88
Median Rental Price		\$2,991	1.4%	\$2,950	9.2%	\$2,738
Number of New Leases		811	-7.6%	878	-11.4%	915
Days on Market (From Original List Date)		28	16.7%	24	-9.7%	31
Listing Discount (From Original List Price)		1.6%		1.9%		2.1%
Listing Inventory		1,446	-5.8%	1,535	-26.6%	1,971
Brooklyn Rental w/Concessions		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Median Rental Price		\$2,894	1.4%	\$2,855	10.1%	\$2,628
Share of New Leases w/OP + Concessions (%)		36.0%		39.8%		49.2%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	7.1%	1.4
Brooklyn Rental Market by Size		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Studio -	Average Rental Price	\$2,831	12.5%	\$2,517	8.4%	\$2,611
	Rental Price per Sq Ft	\$65.05	29.8%	\$50.13	31.9%	\$49.33
	Median Rental Price	\$2,695	5.2%	\$2,563	11.9%	\$2,409
	Number of New Leases	125	-9.4%	138	-0.8%	126
1-Bedroom -	Average Rental Price	\$2,856	-0.9%	\$2,883	6.9%	\$2,671
	Rental Price per Sq Ft	\$46.92	-3.2%	\$48.47	2.6%	\$45.71
	Median Rental Price	\$2,800	4.7%	\$2,675	5.7%	\$2,650
	Number of New Leases	309	-12.2%	352	-12.2%	352
2-Bedroom -	Average Rental Price	\$3,614	-3.2%	\$3,735	5.1%	\$3,437
	Rental Price per Sq Ft	\$45.35	-6.8%	\$48.68	-1.8%	\$46.16
	Median Rental Price	\$3,250	-4.4%	\$3,400	8.8%	\$2,988
	Number of New Leases	257	-6.5%	275	-16.0%	306
3+ Bedroom -	Average Rental Price	\$5,005	0.4%	\$4,986	24.3%	\$4,028
	Rental Price per Sq Ft	\$48.91	13.2%	\$43.22	22.9%	\$39.80
	Median Rental Price	\$3,997	-1.1%	\$4,043	11.2%	\$3,595
	Number of New Leases	120	6.2%	113	-8.4%	131
Brooklyn Rental Market by Type		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Luxury (Top 10%) - Median Rental Price		\$6,000	-8.4%	\$6,550	4.2%	\$5,760
Luxury (Top 10%) - Entry Threshold		\$5,000	-4.4%	\$5,228	6.5%	\$4,695
New Development - Median Rental Price		\$3,410	-0.4%	\$3,424	2.4%	\$3,329



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.8%

INVENTORY

Total Inventory

11.0%

NEW LEASES

Excludes Renewals

24.2%

OP + CONCESSIONS

Market Share

1.4%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.4%

- 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

In periods of rising rents, the number of new leases can often fall as landlords have more flexibility with tenant retention. The number of new leases fell 24.2% to 201, the lowest level reached since November 2016. Net effective median rent, defined as median face rent, less free rent, and broker commissions, slipped 1.6% to \$2,636 from the same period last year, and the lowest level reached since May 2018. Landlord concession market share was 54.2%, up 1.4% from the same period the previous year, and the first year over year decline in four months. New development landlord concession share rose sharply over the past several months to 74.6%, a market that accounted for 33.3% of all new leasing activity during the month. Concession market share for existing rentals accounted for 44.4% of all new leasing activity.

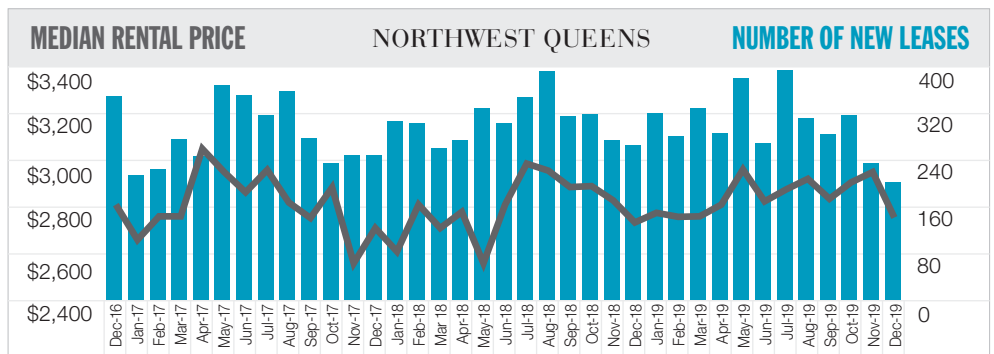


The largest year over year decline in new leases in two years.



Northwest Queens Rental Market		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Average Rental Price		\$3,022	-3.8%	\$3,141	3.8%	\$2,910
Rental Price per Sq Ft		\$49.32	-0.9%	\$49.75	-1.3%	\$49.95
Median Rental Price		\$2,795	-6.5%	\$2,989	0.8%	\$2,774
Number of New Leases		201	-13.7%	233	-24.2%	265
Days on Market (From Original List Date)		26	8.3%	24	-3.7%	27
Listing Discount (From Original List Price)		1.4%		1.1%		1.8%
Listing Inventory		390	-2.3%	399	-11.0%	438
Northwest Queens Rental w/Concessions		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Median Rental Price		\$2,636	-8.4%	\$2,878	-1.6%	\$2,680
Number of New Leases w/OP + Concessions (%)		54.2%		54.5%		52.8%
Free Rent/Owner Paid (Mos)		1.8	63.6%	1.1	63.6%	1.1
Northwest Queens Rental Market by Size		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Studio -	Average Rental Price	\$2,624	3.7%	\$2,531	13.5%	\$2,311
	Rental Price per Sq Ft	\$65.62	4.4%	\$62.84	14.6%	\$57.24
	Median Rental Price	\$2,580	1.2%	\$2,550	8.3%	\$2,382
	Number of New Leases	53	10.4%	48	-3.6%	55
1-Bedroom -	Average Rental Price	\$2,835	-2.9%	\$2,920	5.5%	\$2,687
	Rental Price per Sq Ft	\$48.80	-2.8%	\$50.18	0.3%	\$48.64
	Median Rental Price	\$2,925	-4.0%	\$3,046	4.5%	\$2,800
	Number of New Leases	97	-23.0%	126	-29.2%	137
2-Bedroom -	Average Rental Price	\$3,720	-5.7%	\$3,945	0.6%	\$3,699
	Rental Price per Sq Ft	\$45.59	-5.8%	\$48.42	-8.4%	\$49.78
	Median Rental Price	\$3,500	-14.7%	\$4,105	-10.6%	\$3,916
	Number of New Leases	42	-12.5%	48	-36.4%	66
3+ Bedroom -	Average Rental Price	\$4,127	-14.6%	\$4,833	-9.6%	\$4,563
	Rental Price per Sq Ft	\$40.95	-3.6%	\$42.50	-14.9%	\$48.10
	Median Rental Price	\$3,000	-34.8%	\$4,600	-37.4%	\$4,796
	Number of New Leases	9	-18.2%	11	28.6%	7
Northwest Queens Rental Market By Type		DEC-19	%Δ (mo)	NOV-19	%Δ (yr)	DEC-18
Luxury (Top 10%) - Median Rental Price		\$4,887	-8.0%	\$5,313	1.8%	\$4,800
Luxury (Top 10%) - Entry Threshold		\$4,050	-11.6%	\$4,579	-6.9%	\$4,350
New Development - Median Rental Price		\$3,005	-3.3%	\$3,109	0.2%	\$3,000
New Development - Market Share		33.3%		33.5%		38.9%

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



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:

www.millersamuel.com/research-reports/methodology

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