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FOR IMMEDIATE RELEASE

Douglas Elliman Releases October 2018 Rental Market Report for Manhattan, Brooklyn and Queens

Landlord Concessions Continue to Rise, High-End New Developments Raise Overall Pricing, Vacancy Remains Low

New York, NY (November 8, 2018) – [Douglas Elliman Real Estate](#), the largest brokerage in the New York Metropolitan area and the third largest residential real estate company nationwide, released the October 2018 Rental Market Report for Manhattan, Brooklyn and Queens. Rents and concessions remained high in all three boroughs, with concessions up year over year for the 41st consecutive month in Manhattan, and the 33rd consecutive month in Brooklyn.

“Similar to the conditions we saw in September, concessions continue to rise while rents showed gains,” said Hal Gavzie, Executive Manager of Leasing for Douglas Elliman Real Estate. “High-end new development activity is the main reason for the price trends skewing higher.”

The concessions have been working, as the Manhattan vacancy rate fell to its lowest level for an October in nine years.

“Despite overall weaker conditions, vacancy rates remain low, listing days on the market dropped in all three boroughs, and the market remains active,” said Jonathan Miller, President and CEO of Miller Samuel Inc. and the author of the report. “In Queens, the report shows a large year over year gain in new leases for the fourth consecutive month and the new development market share is also up.”

MANHATTAN RENTAL MARKET HIGHLIGHTS

Overview

- Market share of concessions rose year over year for the 41st consecutive month

- Vacancy rate fell to lowest level for an October in nine years
- Median face rent skewed higher with heavy influx of higher quality rentals
- 2 and 3+ bedroom median rent were only size categories to see declining rents and market share
- New development median rent declined while existing median rent increased respectively year over year
- Median rent for the Mid Tier segment (\$2,700 - \$3,800) continued to outperform all others

Key Trend Metrics (from same period last year)

(Face Rent)

- Median rental price rose 2.8% to \$3,495
- Rental price per square foot slipped 0.5% to \$65.67
- Average rental price slipped 0.2% to \$4,104

(Net Effective Rent – includes concessions)

- Median rental price rose 1.7% to \$3,386
- Share of new rental transactions with OP or rent concessions was 41%, up from 28%
- Size of concession was 1.3 months of free rent or equivalent, up from 1.2

- Manhattan vacancy rate fell to 1.49% from 2.47%
- Number of new leases rose 5.7% to 4,842
- Listing inventory fell 28.7% to 5,217
- Days on market was 29, down from 44
- Listing discount was 2.1% down from 3.2%

BROOKLYN RENTAL MARKET HIGHLIGHTS

Overview

- Market share of concessions rose year over year for the 33rd consecutive month
- Second highest concession market share in more than eight years
- New development prices rose much faster than existing rentals, skewing overall prices higher
- Several years of new development activity is skewing price trends higher.

Key Trend Metrics (from same period last year)

(Face Rent)

- Median rental price was \$2,923, up 4.4%
- Rental price per square foot rose 5.2% to \$47.50
- Average rental price rose 0.8% to \$3,202

(Net Effective Rent – includes concessions)

- Median rental price rose 1.1% to \$2,789
- Share of new rental transactions with OP or rent concessions was 50.2%, up from 19.3%
- Size of concession was 1.5 months of free rent or equivalent, up from 1.2

- Number of new leases rose 20.4% to 1,440
- Listing inventory declined 20.2% to 1,802
- Days on market was 37, down from 39
- Listing discount was 1.5%, down from 2.5%

QUEENS RENTAL MARKET HIGHLIGHTS

Overview

[Northwest Region]

- New development rents accounted for nearly 43% of all activity
- Face rent indicators continued to rise as new development skewed prices
- Fourth consecutive month with large year over year gain in new leases

Key Trend Metrics (from same period last year)

(Face Rent)

- Median rental price was \$2,929, up 0.2%
- Rental price per square foot rose 9.6% to \$51.86
- Average rental price rose 0.3% to \$3,069

(Net Effective Rent – includes concessions)

- Median rental price slipped 1.1% to \$2,786
- Share of new rental transactions with OP or rent concessions was 58.2%, up from 48.3%
- Size of concession was 1.4 months up from 1.3 months

- Number of new leases 35.9% to 318
- Listing inventory declined 21.6% to 451
- Days on market was 24, down from 30
- Listing discount was 0.7%, down from 3.1%
- New development market share was 42.8%, up from 38.9%

About Douglas Elliman Real Estate

Established in 1911, Douglas Elliman Real Estate is the largest brokerage in the New York Metropolitan area and the third largest residential real estate company nationwide. With more than 7,000 agents, the company operates approximately 113 offices in New York City, Long Island, The Hamptons, Westchester, Connecticut, New Jersey, Florida, California, Colorado and Massachusetts. Moreover, Douglas Elliman has a strategic global alliance with London-based Knight Frank Residential for business in the worldwide luxury markets spanning 60 countries and six continents. The company also controls a portfolio of real estate services including Douglas Elliman Development Marketing, Douglas Elliman Property Management and Douglas Elliman Commercial. For more information on Douglas Elliman as well

as expert commentary on emerging trends in the real estate industry, please visit elliman.com.

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