

ELLI MAN REPORT

APRIL 2018

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.8%

VACANCY

Vacancy Rate

0.01%

NEW LEASES

Excludes Renewals

3.5%

OP + CONCESSIONS

Market Share

15.7%

MARKETING TIME

Days on Market

19 days

NEGOTIABILITY

Listing Discount

0.7%

- Fifth consecutive monthly year over year decline in median face rent
- Third highest recorded landlord concession market share in seven and a half years
- Market share of studios and 1-bedrooms as expanded as larger apartment share slipped

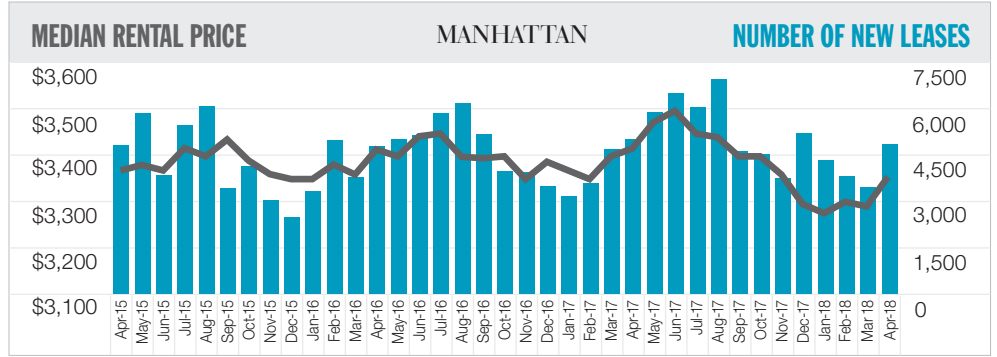
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		APR-18	%Δ (mo)	MAR-18	%Δ (yr)	APR-17
Average Rental Price		\$4,005	-2.1%	\$4,089	-1.7%	\$4,075
Rental Price per Sq Ft		\$66.74	0.5%	\$66.38	1.2%	\$65.93
Median Rental Price		\$3,355	2.0%	\$3,290	-1.8%	\$3,417
Number of New Leases		4,909	40.7%	3,489	-3.5%	5,086
Days on Market (From Original List Date)		32	3.2%	31	-37.3%	51
Listing Discount (From Original List Price)		1.4%		2.0%		2.1%
Listing Inventory		6,142	6.6%	5,764	-13.7%	7,118
Vacancy Rate		1.99%		2.05%		2.00%
Manhattan Rental w/Concessions		APR-18	%Δ (mo)	MAR-18	%Δ (yr)	APR-17
Median Rental Price		\$3,236	2.1%	\$3,168	-2.2%	\$3,309
Share of New Leases w/OP + Concessions (%)		44.3%		41.7%		28.6%
Free Rent/Owner Paid (Mos)		1.3	-13.3%	1.5	0.0%	1.3
Manhattan Rental Market by Size		APR-18	%Δ (mo)	MAR-18	%Δ (yr)	APR-17
Studio -	Average Rental Price	\$2,643	-3.5%	\$2,738	-1.7%	\$2,688
	Rental Price per Sq Ft	\$68.61	4.1%	\$65.89	4.4%	\$65.69
	Median Rental Price	\$2,550	0.0%	\$2,550	-1.0%	\$2,575
	Number of New Leases	1,140	45.8%	782	-3.0%	1,175
1-Bedroom -	Average Rental Price	\$3,527	2.9%	\$3,429	0.2%	\$3,520
	Rental Price per Sq Ft	\$64.03	1.8%	\$62.91	1.7%	\$62.97
	Median Rental Price	\$3,438	4.2%	\$3,300	1.1%	\$3,400
	Number of New Leases	2,187	44.2%	1,517	0.8%	2,170
2-Bedroom -	Average Rental Price	\$5,008	0.7%	\$4,974	3.3%	\$4,846
	Rental Price per Sq Ft	\$66.64	1.9%	\$65.39	5.6%	\$63.08
	Median Rental Price	\$4,500	1.0%	\$4,455	3.4%	\$4,354
	Number of New Leases	1,126	26.8%	888	-7.5%	1,217
3+ Bedroom -	Average Rental Price	\$7,225	-12.9%	\$8,297	-6.1%	\$7,695
	Rental Price per Sq Ft	\$71.46	-3.6%	\$74.10	-5.2%	\$75.38
	Median Rental Price	\$5,548	-2.6%	\$5,698	-0.8%	\$5,593
	Number of New Leases	456	51.0%	302	-13.0%	524

Rising landlord concessions and falling rents continued to define the Manhattan rental market in April. The market share of landlord concessions rose to 44.3%, up from 28.6% in the same month last year, the third highest recorded since late 2010. Net effective median rent, defined as face rent less brokerage commissions and free rent, slid 2.2% to \$3,236 over the same period, the fifth consecutive month with a

year over year decline. The expanded use of concessions has kept the vacancy rate in control, slipping nominally by .01% to 1.99% from the prior year result but face rents continue to decline. Median face rent declined 1.8% to \$3,355, and average face rent declined 1.7% to \$4,005 respectively from the same period last year. By price, face rents for Luxury, representing the top 10% of all rentals, and the

Upper Tier, representing the next highest 30%, remained unchanged over the same period as the volume of new higher quality housing stock skewed prices enough to offset the decline in aggregate price trends. The Mid Tier, representing the next 30% below the Upper Tier fell 2.1%, and the Entry Tier representing the lowest 30% declined 4% respectively over the same period.



PROPERTY TYPE

- New development median rent continued to rise, skewed higher by higher quality product
- “Doorman” median rent growth outpaced “non-doorman” median rent for seventh consecutive month

Property Type	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Doorman Median Rental Price	\$3,835	-0.6%	\$3,857	2.0%	\$3,758
Non-Doorman Median Rental Price	\$2,800	1.8%	\$2,750	-6.5%	\$2,995
Loft Median Rental Price	\$5,200	-16.1%	\$6,200	25.3%	\$4,150
New Development Median Rental Price	\$4,427	-6.4%	\$4,729	8.8%	\$4,070

BY PRICE

- Luxury and the Upper Tier showed no change in median rental price
- Luxury threshold for median rent slipped as high-end activity slowed
- Large declines in median rent for the Entry and Mid Tiers

Price Category	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Luxury (Top 10%) - Average Rental Price	\$9,659	-11.2%	\$10,880	-2.2%	\$9,876
Luxury (Top 10%) - Rental Price per Sq Ft	\$76.95	-4.1%	\$80.21	-1.1%	\$77.80
Luxury (Top 10%) - Median Rental Price	\$7,995	-5.2%	\$8,437	0.0%	\$7,995
Luxury (Top 10%) - Number of New Leases	495	39.0%	356	-3.3%	512
Luxury (Top 10%) - Entry Threshold	\$6,250	-3.8%	\$6,500	-0.7%	\$6,295
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,495	1.0%	\$4,450	0.0%	\$4,495
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	2.6%	\$3,120	-2.1%	\$3,267
Entry Tier (1st 30%) - Median Rental Price	\$2,300	2.2%	\$2,250	-4.0%	\$2,395

BY LOCATION

- ### DOWNTOWN
- Large decline in leases
 - Median rent edged higher

Metric	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Median Rental Price	\$3,788	2.4%	\$3,700	2.4%	\$3,700
Number of New Leases	2,040	41.7%	1,440	-15.0%	2,400
Vacancy Rate	2.06%		2.00%		2.33%

- ### EAST SIDE
- Vacancy rate declined
 - Median rent slipped

Metric	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Median Rental Price	\$3,250	1.2%	\$3,211	-0.7%	\$3,273
Number of New Leases	1,229	39.5%	881	1.2%	1,214
Vacancy Rate	1.31%		1.53%		1.92%

- ### WEST SIDE
- Vacancy rate expanded
 - New leases rose

Metric	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Median Rental Price	\$3,370	2.1%	\$3,300	1.4%	\$3,323
Number of New Leases	1,152	56.9%	734	7.9%	1,068
Vacancy Rate	2.29%		2.22%		1.63%

- ### UPTOWN
- Median rent declined
 - Jump in new leases

Metric	APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Median Rental Price	\$2,295	2.0%	\$2,250	-6.3%	\$2,450
Number of New Leases	488	12.4%	434	20.8%	404
Vacancy Rate	2.48%		2.84%		1.68%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.5%

INVENTORY

Total Inventory

13.4%

NEW LEASES

Excludes Renewals

1.6%

OP + CONCESSIONS

Market Share

36.3%

MARKETING TIME

Days on Market

20 days

NEGOTIABILITY

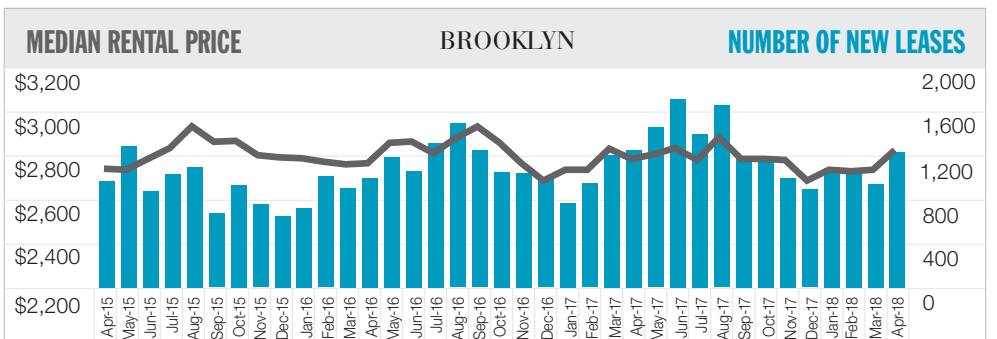
Listing Discount

0.8%

- Reached highest recorded market share of landlord concessions for the fifth consecutive month
- Decline in year over year net effective median rent for eleventh time in twelve months
- Highest combination of free rent and owner pays commission in over two years

Brooklyn Rental Market		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Average Rental Price		\$3,118	0.3%	\$3,109	-1.2%	\$3,156
Rental Price per Sq Ft		\$45.46	-1.1%	\$45.95	-1.1%	\$45.96
Median Rental Price		\$2,841	3.3%	\$2,750	1.5%	\$2,800
Number of New Leases		1,234	30.4%	946	-1.6%	1,254
Days on Market (From Original List Date)		29	3.6%	28	-40.8%	49
Listing Discount (From Original List Price)		1.2%		1.4%		2.0%
Listing Inventory		2,063	7.1%	1,926	-13.4%	2,382
Brooklyn Rental w/Concessions		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Median Rental Price		\$2,686	2.2%	\$2,629	-2.9%	\$2,765
Share of New Leases w/OP + Concessions (%)		51.0%		47.7%		14.7%
Free Rent/Owner Paid (Mos)		1.8	20.0%	1.5	28.6%	1.4
Brooklyn Rental Market by Size		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Studio -	Average Rental Price	\$2,518	5.4%	\$2,388	0.7%	\$2,500
	Rental Price per Sq Ft	\$53.37	-2.2%	\$54.55	-4.0%	\$55.57
	Median Rental Price	\$2,495	6.2%	\$2,350	2.0%	\$2,445
Number of New Leases		205	49.6%	137	25.8%	163
1-Bedroom -	Average Rental Price	\$2,784	3.1%	\$2,700	2.5%	\$2,717
	Rental Price per Sq Ft	\$47.37	2.5%	\$46.23	-0.8%	\$47.73
	Median Rental Price	\$2,750	5.8%	\$2,600	3.1%	\$2,668
Number of New Leases		497	31.8%	377	-1.4%	504
2-Bedroom -	Average Rental Price	\$3,442	-1.9%	\$3,510	-3.1%	\$3,552
	Rental Price per Sq Ft	\$42.98	-5.1%	\$45.27	-6.5%	\$45.99
	Median Rental Price	\$3,200	-2.2%	\$3,273	0.0%	\$3,200
Number of New Leases		394	20.9%	326	-8.6%	431
3+ Bedroom -	Average Rental Price	\$4,284	0.5%	\$4,262	2.9%	\$4,162
	Rental Price per Sq Ft	\$40.70	-5.8%	\$43.20	7.2%	\$37.97
	Median Rental Price	\$3,775	14.4%	\$3,300	10.1%	\$3,430
Number of New Leases		138	30.2%	106	-11.5%	156
Brooklyn Rental Market by Type		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
Luxury (Top 10%) - Median Rental Price		\$5,387	1.3%	\$5,316	-4.7%	\$5,651
Luxury (Top 10%) - Entry Threshold		\$4,695	-0.1%	\$4,700	-0.2%	\$4,705
New Development - Median Rental Price		\$3,280	-0.6%	\$3,300	-0.6%	\$3,300

The Brooklyn rental market continued to show weakening trends with the expansion of concessions and sliding rents. For the fifth consecutive month, the market share of landlord concessions sent a new record, rising to 51% from 14.7% in the same month a year ago. Over the same period, median face rent expanded 1.5% to \$2,841, but net effective median face rent, median face rent less brokerage commissions, declined 2.9% to \$2,686 for the twelfth month of the past thirteen months without an increase. The market share of smaller apartments expanded at the expense of larger apartments. With landlords quicker to offer concessions to make the deal and becoming more realistic about asking rents,



shorter marketing times and smaller listing discounts are becoming a pattern. Days on market, the number of days from the original list date to the rental date, fell 40.8% to 29 days,

and listing discount, the percentage difference between the original asking price and the face rent, fell 0.8% to 1.2% respectively over the same period.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

8.7%

INVENTORY

Total Inventory

13.3%

NEW LEASES

Excludes Renewals

10.6%

OP + CONCESSIONS

Market Share

19.6%

MARKETING TIME

Days on Market

12 days

NEGOTIABILITY

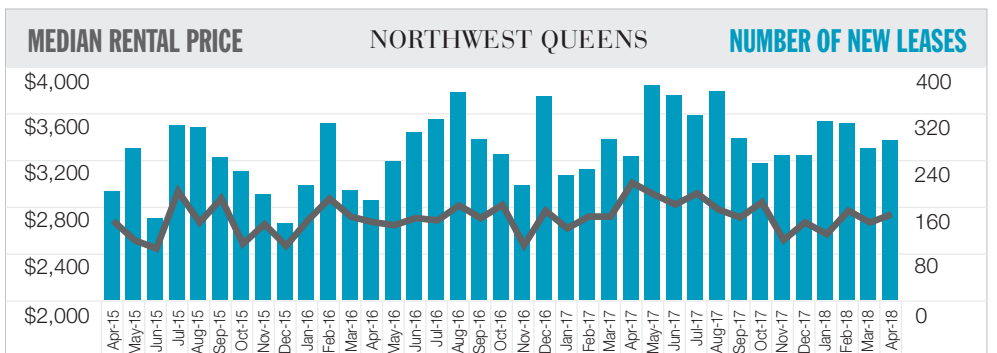
Listing Discount

0.9%

- **Fifth record market share set for landlord concessions in past seven months**
- **Eighth time in past nine consecutive months with year over year decline in net effective rent**
- **Largest new development market share in eighteen months**

Queens Rental Market		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17	
Average Rental Price		\$2,992	3.7%	\$2,886	-1.7%	\$3,043	
Rental Price per Sq Ft		\$51.34	2.9%	\$49.91	0.9%	\$50.89	
Median Rental Price		\$2,819	2.5%	\$2,750	-8.7%	\$3,088	
Number of New Leases		272	5.0%	259	10.6%	246	
Days on Market (From Original List Date)		25	-19.4%	31	-32.4%	37	
Listing Discount (From Original List Price)		0.9%		0.8%		0.0%	
Listing Inventory		517	-2.1%	528	-13.3%	596	
Queens Rental w/Concessions		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17	
Median Rental Price		\$2,646	3.4%	\$2,559	-11.7%	\$2,995	
Number of New Leases w/OP + Concessions (%)		65.1%		63.3%		45.5%	
Free Rent/Owner Paid (Mos)		1.6	-11.1%	1.8	45.5%	1.1	
Queens Rental Market by Size		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17	
Studio -	Average Rental Price	\$2,375	2.7%	\$2,313	-1.7%	\$2,417	
	Rental Price per Sq Ft	\$57.37	11.8%	\$51.30	7.9%	\$53.17	
	Median Rental Price	\$2,495	6.2%	\$2,350	-1.7%	\$2,537	
1-Bedroom -	Average Rental Price	\$2,757	1.6%	\$2,713	-3.5%	\$2,858	
	Rental Price per Sq Ft	\$51.99	4.4%	\$49.82	1.5%	\$51.20	
	Median Rental Price	\$2,807	-2.6%	\$2,881	-11.2%	\$3,160	
2-Bedroom -	Average Rental Price	\$3,585	-2.5%	\$3,678	-6.6%	\$3,839	
	Rental Price per Sq Ft	\$48.31	-3.7%	\$50.19	-8.2%	\$52.61	
	Median Rental Price	\$3,832	-5.9%	\$4,072	-4.1%	\$3,995	
3+ Bedroom -	Average Rental Price	\$4,901	10.3%	\$4,443	60.7%	\$3,049	
	Rental Price per Sq Ft	\$55.80	19.5%	\$46.68	57.8%	\$35.37	
	Median Rental Price	\$4,748	18.8%	\$3,995	58.5%	\$2,995	
Number of New Leases		8	-11.1%	9	14.3%	7	
	Queens Rental Market By Type		APR-18	%Δ (MO)	MAR-18	%Δ (YR)	APR-17
	Luxury (Top 10%) - Median Rental Price		\$4,454	1.5%	\$4,388	-2.8%	\$4,581
Luxury (Top 10%) - Entry Threshold		\$4,204	1.5%	\$4,140	-4.1%	\$4,386	
New Development - Median Rental Price		\$3,150	-7.0%	\$3,009	-2.3%	\$3,225	
New Development - Market Share		47.4%		41.3%		35.4%	

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



Long Island City, Astoria, Sunnyside, and Woodside are neighborhoods that comprise the northwest region of Queens, continued to show softer rental conditions with record landlord concessions and declining rental price trend indicators. The market share of landlord concessions set a new record, the fifth of the past seven months, reaching 65.1%, up from 45.5% in the same month a year ago. Landlord concession share for new development was 90.7% and existing was 42%. Net effective median rent, median face rent less brokerage commissions and free rent, declined 11.7% to \$2,646 over the same period. New development rentals accounted for 47.4% of all rentals during the month.

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Report Methodology:

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

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