

ELLI MAN REPORT

DECEMBER 2014

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.8%

VACANCY

Vacancy Rate

0.27%

NEW RENTALS

Excludes Renewals

33.8%

CONCESSIONS

Market Share

5%

MARKETING TIME

Days on Market

3 day

NEGOTIABILITY

Listing Discount

1.2%

- Median rental price up for 10th consecutive month from prior year level
- Use of landlord concessions remained low, declining from prior year
- Number of new rentals continued to rise, reflecting tenant resistance to higher rents

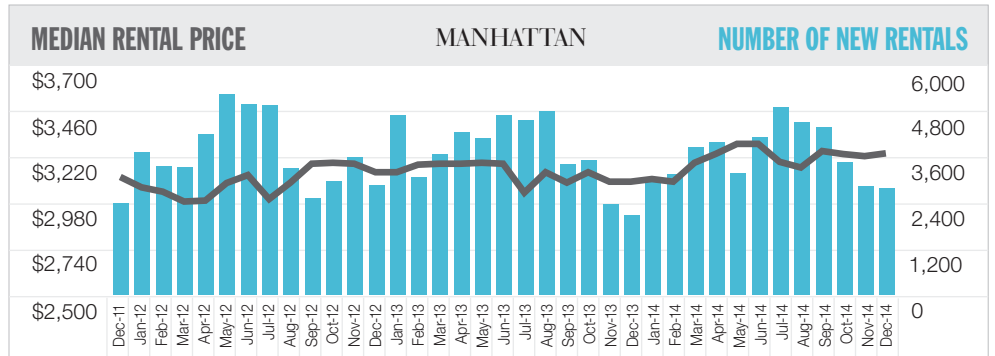
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		DEC-14	%Chg (mo)	NOV-14	%Chg(yr)	DEC-13
Average Rental Price		\$3,960	-0.8%	\$3,993	-1.2%	\$4,009
Rental Price per Sq Ft		\$50.45	-4.0%	\$52.56	-3.6%	\$52.36
Median Rental Price		\$3,250	0.5%	\$3,235	4.8%	\$3,100
Number of New Rentals		2,822	-1.4%	2,862	33.8%	2,109
Days on Market (From Original List Date)		51	13.3%	45	-5.6%	54
Listing Discount (From Original List Price)		3.9%		2.1%		5.1%
Listing Inventory		5,493	1.2%	5,426	-14.3%	6,409
Vacancy Rate		2.52%		2.31%		2.79%
Manhattan Rental w/Concessions		DEC-14	%Chg (mo)	NOV-14	%Chg(yr)	DEC-13
Median Rental Price		\$3,228	0.2%	\$3,221	5.3%	\$3,065
Number of New Rentals w/Concessions (%)		7.8%		4.8%		12.8%
Free Rent/Owner Paid (Mos)		1.1	0.0%	1.1	10.0%	1.0
Manhattan Rental Market by Size		DEC-14	%Chg (mo)	NOV-14	%Chg(yr)	DEC-13
Studio -	Average Rental Price	\$2,595	0.2%	\$2,590	5.7%	\$2,454
	Rental Price per Sq Ft	\$54.25	-4.1%	\$56.56	-0.4%	\$54.45
	Median Rental Price	\$2,427	-1.7%	\$2,470	4.0%	\$2,333
	Number of New Rentals	686	-5.4%	725	35.0%	508
1-Bedroom -	Average Rental Price	\$3,390	-0.2%	\$3,396	4.9%	\$3,232
	Rental Price per Sq Ft	\$54.02	3.3%	\$52.31	5.3%	\$51.29
	Median Rental Price	\$3,291	-0.1%	\$3,295	4.4%	\$3,153
	Number of New Rentals	1,205	-1.2%	1,220	21.8%	989
2-Bedroom -	Average Rental Price	\$5,093	-2.1%	\$5,201	-7.5%	\$5,507
	Rental Price per Sq Ft	\$49.50	-8.6%	\$54.18	-9.8%	\$54.85
	Median Rental Price	\$4,400	1.1%	\$4,350	-8.6%	\$4,813
	Number of New Rentals	710	0.1%	709	50.4%	472
3+ Bedroom -	Average Rental Price	\$7,628	-7.5%	\$8,247	-24.5%	\$10,097
	Rental Price per Sq Ft	\$48.42	-7.0%	\$52.07	-18.0%	\$59.06
	Median Rental Price	\$5,745	-2.6%	\$5,900	-21.4%	\$7,307
	Number of New Rentals	220	6.3%	207	57.1%	140

Although overall rental price indicators were mixed, median rent increased for the 10th consecutive month. Rising New York City employment and tight mortgage lending conditions continued to keep the pressure on rents, despite the mixed results. Median rental price was \$3,250, up 4.8% from the same period last year. Average rental price slipped 1.2% to

\$3,960 over the same period. Strength in rental price was evident in the studio and 1-bedroom markets. Rental prices in the 2-bedroom and 3-bedroom markets fell short of levels reached in the same period last year. Declining vacancy rates and falling use of landlord concessions were also evidence of tight market conditions. The vacancy rate was 2.52%, down from 2.79%

in the same month last year. The market share of landlord concessions fell to 7.8% from 12.8% over the same period. The average size of a concession when used was the equivalent of 1.1 months rent, up from 1 month. Listing discount, percentage difference from the original list price and the rental price, declined to 3.9% from 5.1%. Days on market, the average number of days from the original list date to the rental date, fell by 3 days to 51 days over the same period.



PROPERTY TYPE

- New development and loft median rents declined from prior year level
- Doorman and non-doorman median rents increased at similar rate

Manhattan Rental Market By Property Type	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Doorman Median Rental Price	\$3,765	-1.4%	\$3,819	4.6%	\$3,600
Non-Doorman Median Rental Price	\$2,678	1.2%	\$2,647	6.4%	\$2,518
Loft Median Rental Price	\$5,900	82.4%	\$3,235	-5.6%	\$6,250
New Development Median Rental Price	\$3,840	-21.6%	\$4,899	-7.3%	\$4,142

BY PRICE

- Luxury rental prices slipped for first time in 6 months
- Mid Tier showed most gain in median rent

Manhattan Rental Market By Price	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Luxury (Top 10%) - Average Rental Price	\$10,118	-4.4%	\$10,585	-12.1%	\$11,507
Luxury (Top 10%) - Rental Price per Sq Ft	\$72.91	-6.6%	\$78.09	-8.6%	\$79.75
Luxury (Top 10%) - Median Rental Price	\$8,495	-1.9%	\$8,661	-6.6%	\$9,095
Luxury (Top 10%) - Number of New Rentals	282	-1.4%	286	33.6%	211
Luxury (Top 10%) - Entry Threshold	\$6,422	0.8%	\$6,372	-1.1%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,395	0.7%	\$4,363	0.3%	\$4,382
Mid Tier (2nd 30%) - Median Rental Price	\$3,067	-0.2%	\$3,073	2.3%	\$2,997
Entry Tier (1st 30%) - Median Rental Price	\$2,150	-2.3%	\$2,200	0.0%	\$2,150

BY LOCATION

DOWNTOWN

- Median rent increased
- Vacancy rate declined

Downtown Market Matrix	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Median Rental Price	\$3,585	1.7%	\$3,525	5.4%	\$3,400
Number of New Rentals	1,197	-4.8%	1,258	29.0%	928
Vacancy Rate	3.07%		2.70%		3.25%

EAST SIDE

- Median rent expanded
- Number of new rentals increased

East Side Market Matrix	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Median Rental Price	\$2,900	-1.4%	\$2,940	6.9%	\$2,713
Number of New Rentals	721	-4.5%	755	17.4%	614
Vacancy Rate	3.23%		2.79%		3.40%

WEST SIDE

- Number of new rentals surged
- Median rents remained similar

West Side Market Matrix	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Median Rental Price	\$3,335	3.0%	\$3,238	0.4%	\$3,322
Number of New Rentals	678	8.8%	623	51.3%	448
Vacancy Rate	1.83%		1.96%		2.87%

UPTOWN

- Median rent posted large gain
- Vacancy rate remained nominal

Uptown Market Matrix	DEC-14	%Chg (mo)	NOV-14	%Chg (yr)	DEC-13
Median Rental Price	\$2,081	-5.8%	\$2,208	13.8%	\$1,828
Number of New Rentals	226	0.0%	226	89.9%	119
Vacancy Rate	0.71%		0.89%		0.35%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

9%

INVENTORY

Total Inventory

17.5%

NEW RENTALS

Excludes Renewals

111%

CONCESSIONS

Market Share

3.5%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

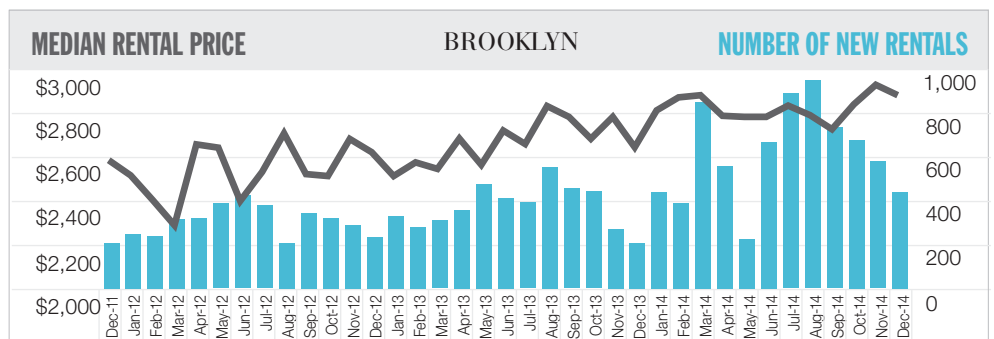
Listing Discount

4%

- Median rents were up across all apartment sizes
- Landlord concessions edged higher, but remained unusually low
- Median Brooklyn rent was \$350 below median Manhattan rent

Brooklyn Rental Market		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Average Rental Price		\$3,139	-3.7%	\$3,259	-1.3%	\$3,181
Rental Price per Sq Ft		\$41.17	-4.4%	\$43.08	13.4%	\$36.31
Median Rental Price		\$2,900	-1.6%	\$2,948	9.0%	\$2,660
Number of New Rentals		441	-24.1%	581	111.0%	209
Days on Market (From Original List Date)		55	14.6%	48	7.8%	51
Listing Discount (From Original List Price)		3.9%		1.4%		7.9%
Listing Inventory		1,893	-3.4%	1,959	17.5%	1,611
Brooklyn Rental w/Concessions		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Median Rental Price		\$2,885	-1.7%	\$2,936	8.7%	\$2,655
Share of New Rentals w/Concessions (%)		5.9%		4.5%		2.4%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	10.0%	1.0
Brooklyn Rental Market by Size		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Studio -	Average Rental Price	\$2,296	-0.6%	\$2,310	-2.8%	\$2,361
	Rental Price per Sq Ft	\$47.91	-4.7%	\$50.27	2.1%	\$46.94
	Median Rental Price	\$2,310	-1.9%	\$2,354	15.6%	\$1,999
	Number of New Rentals	41	-42.3%	71	41.4%	29
1-Bedroom -	Average Rental Price	\$2,725	-4.9%	\$2,865	9.0%	\$2,501
	Rental Price per Sq Ft	\$45.02	-2.7%	\$46.28	21.8%	\$36.97
	Median Rental Price	\$2,630	-4.4%	\$2,750	9.8%	\$2,395
	Number of New Rentals	195	-19.4%	242	153.2%	77
2-Bedroom -	Average Rental Price	\$3,351	-6.0%	\$3,566	-2.7%	\$3,443
	Rental Price per Sq Ft	\$36.41	-2.8%	\$37.46	1.8%	\$35.75
	Median Rental Price	\$3,210	-1.2%	\$3,248	2.1%	\$3,143
	Number of New Rentals	148	-17.8%	180	94.7%	76
3+ Bedroom -	Average Rental Price	\$4,528	0.7%	\$4,496	-13.9%	\$5,260
	Rental Price per Sq Ft	\$36.09	-4.7%	\$37.86	3.9%	\$34.73
	Median Rental Price	\$4,091	6.6%	\$3,838	8.4%	\$3,775
	Number of New Rentals	56	-35.6%	87	107.4%	27
Brooklyn Rental Market by Type		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Luxury (Top 10%) - Median Rental Price		\$5,245	-8.8%	\$5,754	-13.6%	\$6,073
Luxury (Top 10%) - Entry Threshold		\$4,650	1.1%	\$4,600	-7.0%	\$5,001
New Development - Median Rental Price		\$3,156	-1.1%	\$3,190	19.2%	\$2,648

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



Brooklyn rents continued to push above prior year levels. Median rental price was \$2,900, 9% above the same period last year. While average rental price slipped 1.3% to \$3,139, average rental price per square foot increased 13.4% to \$41.17 over the same period. The continued strength in rental price per square foot was reflected in the larger rental price gains seen in smaller apartments. The decline in average rental price occurred due to the skew towards smaller rental units, despite the price increase in all individual size categories. The median rental price of a Brooklyn apartment was \$350 less than in Manhattan, consistent with the average difference of the past year. The use of concessions by landlords was 5.9%, up from 2.4% in the same period last year.

Days on market, the number of days from the original listing date to the rental date, increased by 4 days to 55 days. Listing discount, the percentage difference between the original rental price to the rental price fell to 3.9% from 7.9% in the prior year quarter.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.9%

INVENTORY

Total Inventory
(month-over-month)

5%

NEW RENTALS

Excludes Renewals

121%

NEW DEVELOPMENT

Market Share

20.1%

MARKETING TIME

Days on Market

25 days

NEGOTIABILITY

Listing Discount

0.3%

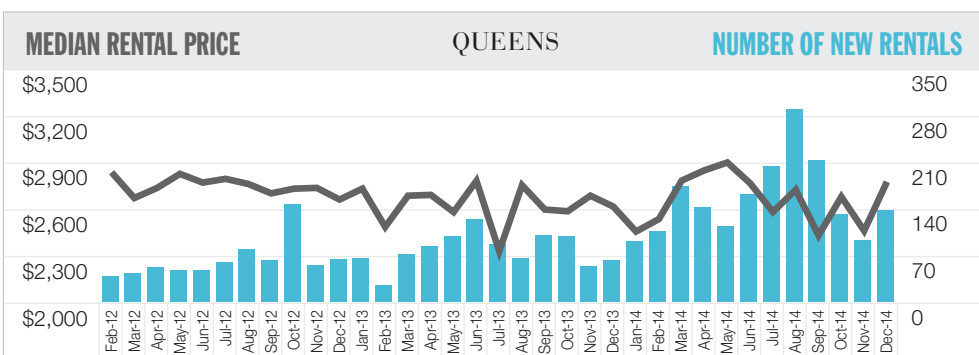
- All price indicators increased above prior year levels
- Sharp rise in new rentals as new product continued to enter market
- Rents for all apartment sizes but 3-bedrooms increased

Queens Rental Market		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Average Rental Price		\$3,015	12.5%	\$2,681	4.9%	\$2,875
Rental Price per Sq Ft		\$44.07	7.6%	\$40.96	23.9%	\$35.56
Median Rental Price		\$2,839	12.4%	\$2,525	5.9%	\$2,680
Number of New Rentals		137	47.3%	93	121.0%	62
Days on Market (From Original List Date)		40	21.2%	33	166.7%	15
Listing Discount (From Original List Price)		0.4%		0.4%		0.1%
Listing Inventory		254	5.0%	242	N/A	N/A

Queens Rental Market by Size		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Studio -	Average Rental Price	\$2,216	1.7%	\$2,180	4.9%	\$2,112
	Rental Price per Sq Ft	\$50.34	12.3%	\$44.83	0.3%	\$50.17
	Median Rental Price	\$2,325	1.1%	\$2,300	8.5%	\$2,143
	Number of New Rentals	23	21.1%	19	187.5%	8
1-Bedroom -	Average Rental Price	\$2,663	7.6%	\$2,476	3.2%	\$2,580
	Rental Price per Sq Ft	\$43.15	6.1%	\$40.67	19.0%	\$36.25
	Median Rental Price	\$2,830	13.2%	\$2,500	11.4%	\$2,540
	Number of New Rentals	71	39.2%	51	108.8%	34
2-Bedroom -	Average Rental Price	\$4,026	17.8%	\$3,418	15.2%	\$3,496
	Rental Price per Sq Ft	\$43.88	8.4%	\$40.48	21.1%	\$36.22
	Median Rental Price	\$4,292	26.5%	\$3,392	26.2%	\$3,400
	Number of New Rentals	38	90.0%	20	137.5%	16
3+ Bedroom -	Average Rental Price	\$3,365	-39.9%	\$5,595	-23.9%	\$4,422
	Rental Price per Sq Ft	\$30.59	-42.6%	\$53.26	-20.0%	\$38.24
	Median Rental Price	\$3,484	-37.7%	\$5,595	-28.2%	\$4,850
	Number of New Rentals	4	100.0%	2	0.0%	4

Queens Rental Market By Type		DEC-14	%Chg (MO)	NOV-14	%Chg (YR)	DEC-13
Luxury (Top 10%) - Median Rental Price		\$4,895	15.2%	\$4,250	7.3%	\$4,563
Luxury (Top 10%) - Entry Threshold		\$4,405	12.0%	\$3,934	1.3%	\$4,350
New Development - Median Rental Price		\$2,995	-7.0%	\$2,730	0.0%	2,994

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



Rents in the northwest Queens housing market increased from the prior year period. Median rental price was up 5.9% to \$2,839. Average rental price increased 4.9% to \$3,015 and average rental price per square foot increased 23.9% to \$44.07 respectively over the same period. Median rental price was \$411 below the median rental price of Manhattan. The number of new rentals surged 121% to 137 representing the resistance by tenants to prices offered at renewal as well as the new housing stock being

introduced to the market. Listing discount, the percentage difference in price between the original list price and the rental price, edged to 0.4% from 0.1% in the same period last year.

The low listing discount reflects the high 29.9% concentration of newly developed units that are able to command rents close to asking price.

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

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