

# ELLI MAN REPORT

# SEPTEMBER 2014

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

5.4%

#### VACANCY

Vacancy Rate

0.9%

#### NEW RENTALS

Excludes Renewals

28.7%

#### CONCESSIONS

Market Share

0.6%

#### MARKETING TIME

Days on Market

1 day

#### NEGOTIABILITY

Listing Discount

2.2%

- Median sales price increased for seventh consecutive month
- Vacancy for September was lowest in 5 years
- Use of landlord concessions remain nominal

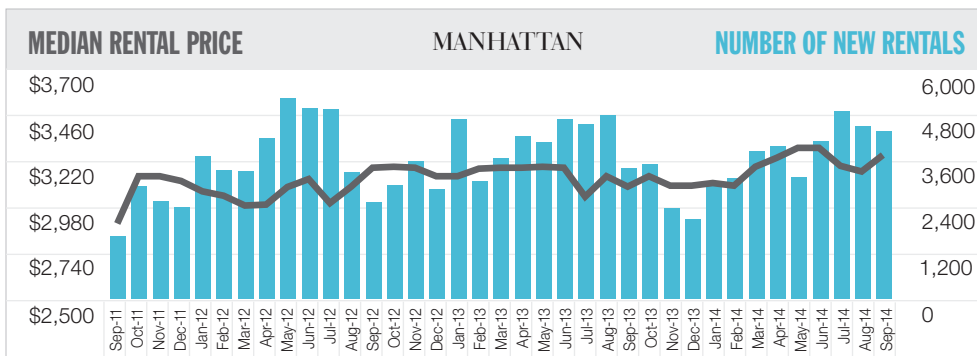
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		SEPT-14	%Chg (mo)	AUG-14	%Chg(yr)	SEPT-13
Average Rental Price		\$4,061	2.9%	\$3,946	5.2%	\$3,862
Rental Price per Sq Ft		\$52.35	-1.7%	\$53.28	2.1%	\$51.25
Median Rental Price		\$3,262	2.7%	\$3,175	5.4%	\$3,095
Number of New Rentals		4,433	-2.6%	4,551	28.7%	3,445
Days on Market (From Original List Date)		44	22.2%	36	-2.2%	45
Listing Discount (From Original List Price)		1.7%		1.2%		3.9%
Listing Inventory		5,603	1.1%	5,540	-1.5%	5,689
Vacancy Rate		1.76%		1.87%		2.66%
Manhattan Rental w/Concessions		SEPT-14	%Chg (mo)	AUG-14	%Chg(yr)	SEPT-13
Median Rental Price		\$3,253	2.7%	\$3,167	5.4%	\$3,087
Number of New Rentals w/Concessions (%)		3.3%		3.4%		2.7%
Free Rent/Owner Paid (Mos)		1.0	11.1%	0.9	-16.7%	1.2
Manhattan Rental Market by Size		SEPT-14	%Chg (mo)	AUG-14	%Chg(yr)	SEPT-13
Studio -	Average Rental Price	\$2,646	3.1%	\$2,567	9.3%	\$2,421
	Rental Price per Sq Ft	\$55.44	-2.5%	\$56.88	7.3%	\$51.67
	Median Rental Price	\$2,473	0.2%	\$2,467	5.9%	\$2,336
	Number of New Rentals	1,076	-7.6%	1,164	26.3%	852
1-Bedroom -	Average Rental Price	\$3,399	-0.3%	\$3,409	3.3%	\$3,291
	Rental Price per Sq Ft	\$53.29	-3.9%	\$55.46	1.4%	\$52.54
	Median Rental Price	\$3,310	3.4%	\$3,200	6.8%	\$3,100
	Number of New Rentals	1,891	1.1%	1,870	25.6%	1,506
2-Bedroom -	Average Rental Price	\$4,908	2.4%	\$4,795	-3.7%	\$5,098
	Rental Price per Sq Ft	\$51.44	2.1%	\$50.36	-3.1%	\$53.09
	Median Rental Price	\$4,395	6.4%	\$4,129	-2.2%	\$4,495
	Number of New Rentals	1,074	3.4%	1,039	33.3%	806
3+ Bedroom -	Average Rental Price	\$8,817	16.5%	\$7,570	13.8%	\$7,746
	Rental Price per Sq Ft	\$55.36	12.0%	\$49.42	5.4%	\$52.50
	Median Rental Price	\$5,995	19.9%	\$5,000	0.2%	\$5,981
	Number of New Rentals	391	-18.0%	477	39.1%	281

The rental market remains challenging for consumers. Large gains in New York City employment and a difficult mortgage lending environment continued to place upward pressure on the market. For the seventh consecutive month, median rental price was higher than the prior year period. Median rental price was \$3,262, 5.4% above the same period

last year. Average rental price was up 5.2% to \$4,061 and average rental price per square foot was up 2.1% to \$52.35 respectively over the same period. Resistance to rising rental prices by tenants at time of lease renewal continued. There was a 28.7% rise in the number of new rentals to 4,433. Brisk market conditions remained evident in other metrics as well. Up

nominally from the prior year, concessions by landlords remained largely unnecessary, used in only 3.3% of all new rentals. The average rental concession amount was 1 month's equivalent rent, down from 1.2 months in the same period last year. Days on market, the average number of days from the original list date to the rental date, slipped by 1 day to 44 days. Listing discount, the percentage difference between the original list price and rental price, fell to 1.7% from 3.9%.



## PROPERTY TYPE

- Non-doorman rent rose higher than doorman rent
- Doorman rental prices increased for tenth consecutive month

Manhattan Rental Market By Property Type	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Doorman Median Rental Price	\$3,777	0.6%	\$3,753	4.9%	\$3,600
Non-Doorman Median Rental Price	\$2,763	0.5%	\$2,750	6.5%	\$2,595
Loft Median Rental Price	\$3,411	-36.2%	\$5,350	-36.0%	\$5,327
New Development Median Rental Price	\$3,300	-10.3%	\$3,680	-22.8%	\$4,275

## BY PRICE

- Entry tier saw largest gain in rent
- Luxury rental price declined for only the second time in past year

Manhattan Rental Market By Price	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Luxury (Top 10%) - Average Rental Price	\$8,850	-14.6%	\$10,359	-14.6%	\$10,357
Luxury (Top 10%) - Rental Price per Sq Ft	\$70.81	-11.7%	\$80.20	-6.8%	\$75.95
Luxury (Top 10%) - Median Rental Price	\$6,426	-23.5%	\$8,400	-21.4%	\$8,178
Luxury (Top 10%) - Number of New Rentals	443	-2.6%	455	28.4%	345
Luxury (Top 10%) - Entry Threshold	\$2,200	-64.2%	\$6,150	-63.9%	\$6,094
Upper Tier (30% below Luxury) - Med. Rental Price	\$3,750	-11.8%	\$4,252	-10.7%	\$4,200
Mid Tier (2nd 30%) - Median Rental Price	\$3,173	5.8%	\$3,000	7.6%	\$2,950
Entry Tier (1st 30%) - Median Rental Price	\$2,395	7.6%	\$2,225	11.7%	\$2,145

## BY LOCATION

### DOWNTOWN

- Rents edged higher
- Vacancy rate fell

Downtown Market Matrix	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Median Rental Price	\$3,510	1.9%	\$3,444	1.7%	\$3,452
Number of New Rentals	1,975	-12.6%	2,260	35.1%	1,462
Vacancy Rate	1.72%		1.69%		2.89%

### EAST SIDE

- Number of new rentals increased
- Rental prices increased

East Side Market Matrix	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Median Rental Price	\$3,005	1.2%	\$2,968	8.1%	\$2,779
Number of New Rentals	1,170	1.5%	1,153	12.8%	1,037
Vacancy Rate	2.25%		2.41%		4.00%

### WEST SIDE

- Rents saw nominal decline
- New rentals surged higher

West Side Market Matrix	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Median Rental Price	\$3,373	4.5%	\$3,229	-0.6%	\$3,395
Number of New Rentals	978	31.8%	742	42.6%	686
Vacancy Rate	1.89%		2.22%		2.09%

### UPTOWN

- Rental prices increased
- Vacancy rate edged higher

Uptown Market Matrix	SEPT-14	%Chg (mo)	AUG-14	%Chg (yr)	SEPT-13
Median Rental Price	\$2,224	-3.1%	\$2,295	17.1%	\$1,900
Number of New Rentals	310	-21.7%	396	19.2%	260
Vacancy Rate	0.89%		1.06%		0.62%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

3.8%

## INVENTORY

Total Inventory

20.4%

## NEW RENTALS

Excludes Renewals

32.9%

## CONCESSIONS

Market Share

1.2%

## MARKETING TIME

Days on Market

0 days

## NEGOTIABILITY

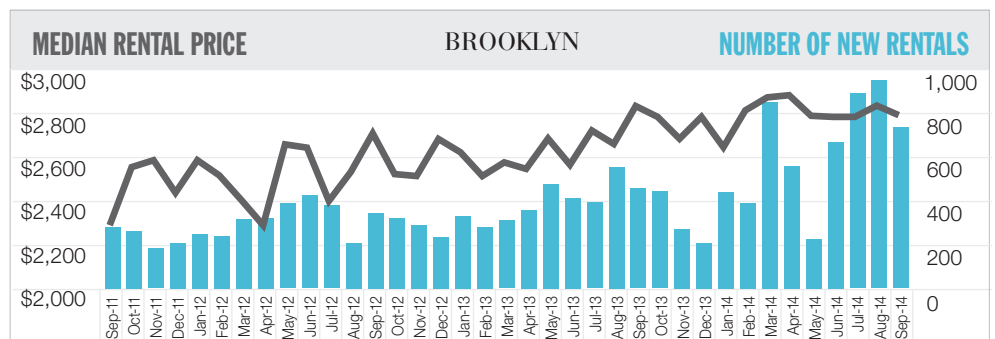
Listing Discount

3.6%

- Median rental price declined for second consecutive month
- Negotiability fell and use of concessions remained nominal
- Brooklyn's median rent was \$519 less than Manhattan's, but \$248 more than Queens'

Brooklyn Rental Market		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Average Rental Price		\$3,049	-3.9%	\$3,172	-1.9%	\$3,109
Rental Price per Sq Ft		\$37.28	-4.9%	\$39.20	0.4%	\$37.12
Median Rental Price		\$2,743	-2.3%	\$2,808	-3.8%	\$2,850
Number of New Rentals		736	-22.6%	951	32.9%	554
Days on Market (From Original List Date)		39	5.4%	37	0.0%	39
Listing Discount (From Original List Price)		1.9%		1.5%		5.5%
Listing Inventory		1,080	-39.9%	1,797	-20.4%	1,356
Brooklyn Rental w/Concessions		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Median Rental Price		\$2,739	-2.4%	\$2,807	-3.8%	\$2,848
Share of New Rentals w/Concessions (%)		1.9%		0.5%		0.7%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Studio -	Average Rental Price	\$2,249	-0.8%	\$2,266	8.5%	\$2,072
	Rental Price per Sq Ft	\$43.34	-13.9%	\$50.34	21.5%	\$35.67
	Median Rental Price	\$2,200	0.8%	\$2,182	9.9%	\$2,001
	Number of New Rentals	77	-30.6%	111	-4.9%	81
1-Bedroom -	Average Rental Price	\$2,624	-4.4%	\$2,744	-0.3%	\$2,633
	Rental Price per Sq Ft	\$40.82	-7.6%	\$44.18	-3.4%	\$42.24
	Median Rental Price	\$2,552	-4.1%	\$2,660	0.1%	\$2,550
	Number of New Rentals	261	-24.8%	347	28.6%	203
2-Bedroom -	Average Rental Price	\$3,221	-2.2%	\$3,292	-8.1%	\$3,506
	Rental Price per Sq Ft	\$37.52	0.1%	\$37.48	0.9%	\$37.17
	Median Rental Price	\$2,895	-5.2%	\$3,054	-11.1%	\$3,257
	Number of New Rentals	288	-14.0%	335	47.7%	195
3+ Bedroom -	Average Rental Price	\$4,200	-5.8%	\$4,458	-6.4%	\$4,485
	Rental Price per Sq Ft	\$30.91	-7.9%	\$33.57	-13.7%	\$35.83
	Median Rental Price	\$3,600	-5.1%	\$3,793	-11.1%	\$4,048
	Number of New Rentals	109	-30.6%	157	45.3%	75
Brooklyn Rental Market by Type		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Luxury (Top 10%) - Median Rental Price		\$5,275	-2.7%	\$5,419	-3.9%	\$5,491
Luxury (Top 10%) - Entry Threshold		\$4,417	-4.6%	\$4,631	-5.4%	\$4,670
New Development - Median Rental Price		\$3,435	12.5%	\$3,054	12.7%	\$3,048

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



Rents fell short of prior year levels for the second consecutive month after rising for a blistering 14-consecutive months. Median rental price declined 3.8% to \$2,743 from the same period last year. In fact, median rents have been largely stable in 2014 on a month over month basis, hovering around \$2,800. Average rental price slipped 1.9% to \$3,049 and rental price per square foot remained essentially unchanged at \$37.28 respectively over the same period. The use of concessions by landlords remained rare, accounting for only 1.9% of new rental activity, and when used, they comprised of the equivalent of one month of rent. Cooling Brooklyn rents and rising Manhattan rents expanded the gap. The Brooklyn median rental price was \$519 lower than Manhattan and

the difference had expanded from the \$295 difference in the prior year period. The luxury rentals, defined as the top 10% of the market, began at \$4,417 and was 5.4% below the prior

year level and consistent with price trends. The median rental price of the luxury market declined 3.9% to \$5,275, consistent with the overall market decline.

## QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

6.2%

### INVENTORY

Total Inventory  
(month-over-month)

42.6%

### NEW RENTALS

Excludes Renewals

113%

### NEW DEVELOPMENT

Market Share

15%

### MARKETING TIME

Days on Market

17 days

### NEGOTIABILITY

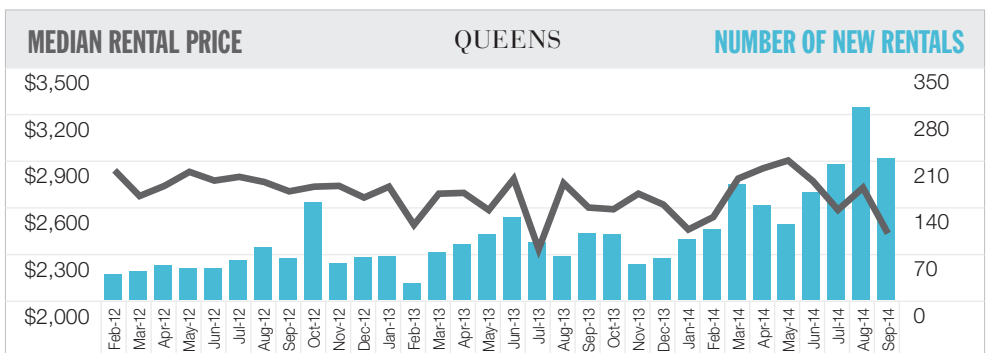
Listing Discount

0.2%

- Rental price increases for all unit sizes but 1-bedrooms
- Luxury rents increased as overall rents decreased
- New development rents edged higher

Queens Rental Market		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Average Rental Price		\$2,787	-5.0%	\$2,934	1.5%	\$2,746
Rental Price per Sq Ft		\$40.75	-5.5%	\$43.12	4.4%	\$39.03
Median Rental Price		\$2,495	-10.5%	\$2,788	-6.2%	\$2,661
Number of New Rentals		213	-26.3%	289	113.0%	100
Days on Market (From Original List Date)		26	-42.2%	45	188.9%	9
Listing Discount (From Original List Price)		0.3%		0.4%		0.5%
Listing Inventory		182	-42.6%	317		N/A
Queens Rental Market by Size		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Studio -	Average Rental Price	\$2,302	0.6%	\$2,288	-1.6%	\$2,339
	Rental Price per Sq Ft	\$55.99	17.1%	\$47.81	36.4%	\$41.05
	Median Rental Price	\$2,375	4.4%	\$2,275	5.0%	\$2,262
	Number of New Rentals	69	43.8%	48	213.6%	22
1-Bedroom -	Average Rental Price	\$2,492	-9.2%	\$2,743	-7.4%	\$2,690
	Rental Price per Sq Ft	\$41.51	-9.3%	\$45.77	2.2%	\$40.60
	Median Rental Price	\$2,574	-9.0%	\$2,829	-3.6%	\$2,670
	Number of New Rentals	84	-48.1%	162	64.7%	51
2-Bedroom -	Average Rental Price	\$3,714	6.6%	\$3,484	16.4%	\$3,192
	Rental Price per Sq Ft	\$42.57	12.2%	\$37.93	26.7%	\$33.60
	Median Rental Price	\$3,810	3.0%	\$3,699	14.0%	\$3,342
	Number of New Rentals	46	-28.1%	64	91.7%	24
3+ Bedroom -	Average Rental Price	\$3,747	-18.4%	\$4,594	20.7%	\$3,105
	Rental Price per Sq Ft	\$27.77	-34.8%	\$42.60	-25.4%	\$37.25
	Median Rental Price	\$3,095	-43.7%	\$5,500	17.4%	\$2,637
	Number of New Rentals	13	-7.1%	14	333.3%	3
Queens Rental Market By Type		SEPT-14	%Chg (MO)	AUG-14	%Chg (YR)	SEPT-13
Luxury (Top 10%) - Median Rental Price		\$5,073	13.5%	\$4,470	35.2%	\$3,751
Luxury (Top 10%) - Entry Threshold		\$4,192	4.0%	\$4,032	14.6%	\$3,658
New Development - Median Rental Price		\$2,395	-7.0%	\$2,898	2.8%	\$2,495

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



Rental price indicators for the northwest region of Queens were mixed for September. Median rental price fell 6.2% to \$2,495 as compared to the same period last year. Average rental price increased 1.5% to \$2,787 and average rental price per square foot increased 4.4% to \$40.75 respectively over the same period. The 1-bedroom market had a 39.4% market share, largest market share of all rental activity. It was the only segment to experience a year-over-year decline in median rent, falling 3.6% from the prior year quarter. Affordability improved

as median rental price for Queens was \$248 less than Brooklyn and \$767 below Manhattan. Days on market expanded by 17 days to 26 days and negotiability remained nominal at

0.3%, continuing to be kept low as a result of the the 30% market share of new development activity in the region.

For more information or electronic copies of this report please visit [elliman.com/marketreports](http://elliman.com/marketreports). Email report author Jonathan Miller at [jmiller@millersamuel.com](mailto:jmiller@millersamuel.com) with questions or comments.

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

**DOUGLAS ELLIMAN REAL ESTATE** 575 Madison Avenue, New York, NY 10022 • 212.891.7000 • [elliman.com](http://elliman.com)  
**RENTAL OFFICE** 4 Leonard Street, New York, NY 10022 • 212.350.8500 • [ellimanrentals.com](http://ellimanrentals.com)  
**MILLER SAMUEL REAL ESTATE APPRAISERS** 21 West 38th Street, New York, NY 10018 • 212.768.8100 • [millersamuel.com](http://millersamuel.com)

© 2014 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS ARE DEEMED RELIABLE, BUT SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. ♻️ EQUAL HOUSING OPPORTUNITY.