



ELLIMAN REPORT

MANHATTAN

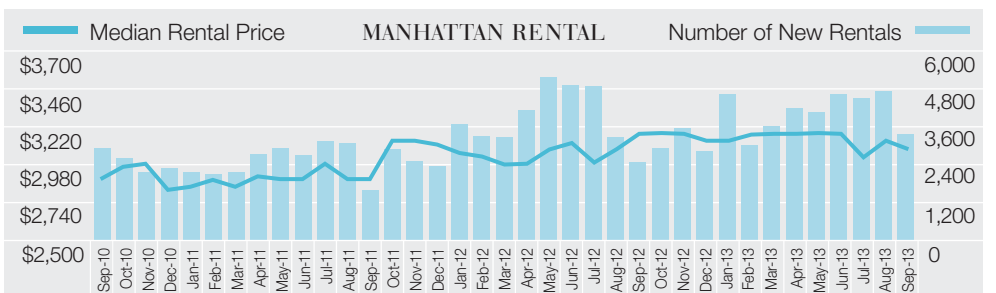
- Rental prices were mixed, as median rents showed first decline in more than 2 years** Median rental price slipped 3.1% to \$3,095 from the same period last year. This was the first year-over-year decline since June 2011. Incentivized by concerns over rising mortgage rates, and heavy sales volume more renters moved into the purchase market. The use of concessions by landlords remained limited to 2.7% of new rentals, averaging a 1.2-month rental equivalent. There was year-over-year median price growth in the 2-bedroom and 3-bedroom markets and modest declines in the studio and 1-bedroom markets.
- New rentals expanded in response to elevated rent levels** The number of new rentals rose 35.9% to 3,445 from the same period last year, reflecting tenant resistance at the time of renewal to seek out affordability elsewhere. However, days on market expanded by 6 days and listing discount expanded by 1.6% over the same period taking some of the edge off the market as some demand was siphoned off by the sales market.
- The Manhattan vacancy rate edged higher from the demand surge in the sales market** The vacancy rate for Manhattan increased to 2.66% from 1.85% in the same period last year. Record Manhattan sales activity over the summer from the spike in mortgage rates shifted some of the rental demand into the sales market.

Manhattan Rental Market	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,862	0.1%	\$3,860	4.9%	\$3,682
Rental Price per Square Foot	\$51.25	0.5%	\$51.01	-2.6%	\$52.60
Median Rental Price	\$3,095	-1.7%	\$3,150	-3.1%	\$3,195
Number of New Rentals	3,445	-28.8%	4,837	35.9%	2,535
Days on Market (From Original List Date)	45	0.0%	45	15.4%	39
Listing Discount (From Original List Price)	3.9%		3.5%		2.3%
Listing Inventory	5,689	-0.2%	5,702	7.5%	5,294

Manhattan Rental w/Concessions	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,852	0.0%	\$3,852	4.8%	\$3,676
Rental Price per Square Foot	\$51.11	0.4%	\$50.90	-2.7%	\$52.51
Median Rental Price	\$3,087	-1.8%	\$3,143	-3.2%	\$3,190
Number of New Rentals w/Concessions (%)	2.7%		2.5%		2.0%
Free Rent/Owner Paid (Mos)	1.2	20.0%	1.0	20.0%	1.0

Manhattan Vacancy Rate	SEPT-13	AUG-13	SEPT-12
Manhattan	2.66%	2.56%	1.85%
Downtown	2.89%	2.43%	1.63%
East Side	4.00%	4.05%	1.97%
West Side	2.09%	2.09%	2.55%
Uptown	0.62%	1.15%	1.33%

Manhattan Median Rental Price by Property Type	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Dooman	\$3,600	0.8%	\$3,571	2.9%	\$3,500
Non-Dooman	\$2,595	-4.8%	\$2,726	-1.1%	\$2,625
Loft	\$5,327	7.8%	\$4,943	39.0%	\$3,833
Luxury [Top 10%]	\$8,178	6.3%	\$7,695	15.4%	\$7,087
Super-Luxury [Top 5%]	\$11,000	1.6%	\$10,827	17.0%	\$9,400
New Development	\$4,275	-9.2%	\$4,707	15.1%	\$3,713



The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. 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 by **SIZE**

DOWNTOWN

- **Smaller apartments showed**

nominal rental price gains Overall median rental price rose 1.7% from the prior year quarter to \$3,452. Studio and 1-bedroom rentals both showed nominal 0.3% year-over-year gains. The 2-bedroom and 3-bedroom segments increased 10.5% and 6.4% respectively over the same period. The other price indicators also trended higher. Average rental price and average rental price per square foot increased 8.7% and 1.9% respectively over the same period.

- **More new rentals signed than during the same period last year**

The number of new rentals rose 33.4% to 1,462 from the same period last year. All size categories showed large gains from prior year levels.

- **The Downtown vacancy rate**

increased The vacancy rate for the Downtown region rose to 2.89% from 1.63% the same period last year.

Downtown Studio	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$2,657	-8.6%	\$2,907	-0.4%	\$2,669
Rental Price per Square Foot	\$52.70	-10.5%	\$58.87	-5.3%	\$55.64
Median Rental Price	\$2,533	-0.4%	\$2,542	0.3%	\$2,525
Number of New Rentals	376	-41.3%	641	17.1%	321

Downtown 1-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,569	-1.8%	\$3,636	1.2%	\$3,528
Rental Price per Square Foot	\$56.69	0.4%	\$56.44	1.4%	\$55.88
Median Rental Price	\$3,450	1.5%	\$3,400	0.3%	\$3,438
Number of New Rentals	622	-29.9%	887	32.9%	468

Downtown 2-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$5,428	6.9%	\$5,076	9.9%	\$4,941
Rental Price per Square Foot	\$54.70	11.0%	\$49.30	10.9%	\$49.34
Median Rental Price	\$4,965	9.1%	\$4,550	10.5%	\$4,495
Number of New Rentals	358	-24.2%	472	48.5%	241

Downtown 3+ Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$7,830	-5.2%	\$8,256	19.0%	\$6,580
Rental Price per Square Foot	\$48.68	5.5%	\$46.14	9.1%	\$44.60
Median Rental Price	\$5,425	-1.4%	\$5,500	6.4%	\$5,098
Number of New Rentals	106	-39.8%	176	60.6%	66

EAST SIDE

- **Price indicators were mixed, but showed more weakness than strength**

Overall median rental price slipped 4.2% to \$2,779 from the same period last year. All individual size categories with the exception of 3+ bedrooms showed declines over the same period. Overall average rental price and average rental price per square foot rose 2.6% and 0.7% respectively over the same period.

- **More new rentals than in the prior year quarter**

There were 1,037 new rentals in the third quarter, 28.2% more than last year's third quarter reflecting tenant resistance to rent increases at the time of lease renewal. Double-digit gains were seen across all size categories.

- **The East Side rental vacancy rate continued to press higher**

The vacancy rate nearly doubled to 4%, an increase of 2.03% from the same period last year.

East Side Studio	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$2,197	-5.4%	\$2,322	-11.9%	\$2,493
Rental Price per Square Foot	\$49.10	1.8%	\$48.22	-18.1%	\$59.97
Median Rental Price	\$2,085	-3.7%	\$2,165	-4.1%	\$2,175
Number of New Rentals	297	-17.5%	360	22.7%	242

East Side 1-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,246	1.5%	\$3,199	3.6%	\$3,133
Rental Price per Square Foot	\$51.48	-0.3%	\$51.66	3.0%	\$50.00
Median Rental Price	\$2,827	-6.2%	\$3,013	-5.6%	\$2,995
Number of New Rentals	450	-22.1%	578	19.7%	376

East Side 2-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$5,414	7.9%	\$5,018	4.9%	\$5,161
Rental Price per Square Foot	\$55.07	4.7%	\$52.58	9.4%	\$50.32
Median Rental Price	\$4,213	-7.7%	\$4,566	-14.8%	\$4,943
Number of New Rentals	219	-23.7%	287	71.1%	128

East Side 3+ Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$9,044	-15.1%	\$10,652	2.8%	\$8,801
Rental Price per Square Foot	\$51.22	-21.5%	\$65.24	-10.4%	\$57.16
Median Rental Price	\$7,550	5.9%	\$7,132	11.0%	\$6,800
Number of New Rentals	71	-11.3%	80	12.7%	63

Manhattan rental market by **SIZE****WEST SIDE**

- Overall price indicators were mixed, but showed stability** Median rental price for the West Side was unchanged at \$3,395 as compared to the same period last year. While studios, 2-bedrooms and 3-bedrooms showed gains, the 1-bedroom market slipped 3.8%. Average rental price increased 3.6% and average rental price per square foot declined 9.7% over the same period.
- The number of new rentals posted strong gains** The push back from the multi-year rise in rents is being seen in the increase in new rentals as more tenants are trying their luck elsewhere in search of greater affordability. The number of new rentals for the overall region increased 40.9%, consistent with all individual size categories.
- West Side vacancy fell from the prior year level** The vacancy rate slipped 0.46% to 2.09% from the same month last year.

West Side Studio	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$2,556	8.5%	\$2,356	3.9%	\$2,460
Rental Price per Square Foot	\$61.87	69.8%	\$36.44	-0.7%	\$62.33
Median Rental Price	\$2,500	8.7%	\$2,300	8.7%	\$2,300
Number of New Rentals	138	-26.2%	187	24.3%	111

West Side 1-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$3,308	0.9%	\$3,279	-8.7%	\$3,625
Rental Price per Square Foot	\$53.72	-2.2%	\$54.95	-11.8%	\$60.89
Median Rental Price	\$3,260	0.4%	\$3,248	-3.8%	\$3,390
Number of New Rentals	332	-33.1%	496	39.5%	238

West Side 2-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$5,235	5.9%	\$4,943	4.7%	\$4,999
Rental Price per Square Foot	\$55.76	5.0%	\$53.10	2.9%	\$54.17
Median Rental Price	\$4,850	5.4%	\$4,600	3.1%	\$4,703
Number of New Rentals	153	-38.1%	247	56.1%	98

West Side 3+ Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$9,013	11.5%	\$8,087	15.1%	\$7,828
Rental Price per Square Foot	\$64.16	14.1%	\$56.25	55.5%	\$41.25
Median Rental Price	\$8,195	29.4%	\$6,335	34.5%	\$6,095
Number of New Rentals	63	-25.9%	85	61.5%	39

UPTOWN

- Median rental price up across all size categories** Median rental price increased 9.9% to \$1,900 from the same period last year. All size categories also posted year-over-year gains within the region. Average rental price and average rental price per square foot results were mixed over the same period, rising 12.6% and falling 10.6% over the same period.
- Surge in the number of new rentals in response to rising rents** The 81.8% surge in new rentals to 260 apartments was a measure of resistance to the increase in rent compared to prior year levels. Significant gains were seen across all size categories over the same period.
- Uptown vacancy rate remained unusually low** The vacancy rate fell by more than half to 0.62% from the same period last year.

Uptown Studio	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$1,438	-4.3%	\$1,503	-9.8%	\$1,594
Rental Price per Square Foot	\$43.10	16.3%	\$37.06	-2.9%	\$44.38
Median Rental Price	\$1,375	-2.2%	\$1,406	3.9%	\$1,323
Number of New Rentals	41	-14.6%	48	70.8%	24

Uptown 1-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$1,815	4.3%	\$1,741	10.9%	\$1,637
Rental Price per Square Foot	\$29.11	-5.6%	\$30.83	-1.8%	\$29.65
Median Rental Price	\$1,723	6.0%	\$1,625	11.2%	\$1,550
Number of New Rentals	102	5.2%	97	64.5%	62

Uptown 2-Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$2,295	-3.4%	\$2,376	5.1%	\$2,184
Rental Price per Square Foot	\$30.95	-0.9%	\$31.22	4.4%	\$29.64
Median Rental Price	\$2,300	-3.2%	\$2,375	15.3%	\$1,995
Number of New Rentals	76	-36.1%	119	72.7%	44

Uptown 3+ Bedroom	SEPT-13	%Chg (mo)	AUG-13	%Chg (YR)	SEPT-12
Average Rental Price	\$3,375	1.3%	\$3,333	21.6%	\$2,776
Rental Price per Square Foot	\$29.25	-2.2%	\$29.91	2.8%	\$28.44
Median Rental Price	\$3,018	-5.7%	\$3,201	4.2%	\$2,895
Number of New Rentals	41	-46.8%	77	215.4%	13

Brooklyn rental market by **SIZE**

BROOKLYN

- Rental prices continued to rise, while average rental price at the second highest level in over 5 years** Median rental price increased 10.4% to \$2,800 from prior year levels, second only to the prior month which had been a 5-year high. Average rental price increased 16.8% to \$3,179 from the same month last year, which was more than a 5-year high. Average rental price per square foot expanded 15.9% to \$38.05 over the same period.

- The number of new rentals rose sharply, pushed by rising rents** There were 457 new rentals in September, 32.1% more than last year, which was pushed upward by rising rents. As cost of rental housing rapidly expands, more tenants are seeking out alternatives for greater affordability rather than sign lease renewals.

- Marketing time fastest in more than 5 years as listing discount compressed** The average number of days on the market fell to a record pace of 33 days, nearly 2 weeks faster than the same period last year. Listing discount has shown a similar pattern, falling by more than half to 4% over the same period.

- Rising mortgage rates heightened the market share for entry-level rentals** The combined market share of studio and 1-bedrooms rentals jumped to 61.9% in September after hovering about 10 percent lower most of the summer. The 1-bedroom market share increased to 47.7%, the highest share in over 5 years. Rising rates kept more entry-level tenants in the rental market, while the opposite occurred in Manhattan.

Brooklyn Rental Market	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,179	2.3%	\$3,109	16.8%	\$2,722
Rental Price per Square Foot	\$38.05	2.5%	\$37.12	15.9%	\$32.82
Median Rental Price	\$2,800	-1.8%	\$2,850	10.4%	\$2,536
Number of New Rentals	457	-17.5%	554	32.1%	346
Days on Market (From Original List Date)	33	-15.4%	39	-28.3%	46
Listing Discount (From Original List Price)	4.0%		5.5%		10.4%

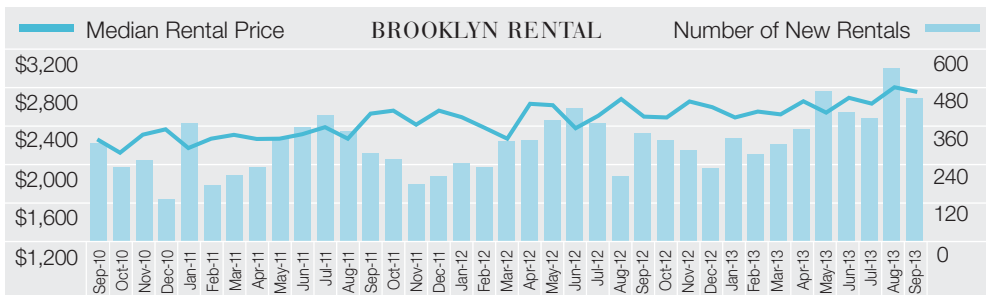
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Brooklyn Studio Rental Matrix	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$2,131	2.8%	\$2,072	6.9%	\$1,994
Rental Price per Square Foot	\$41.82	17.2%	\$35.67	-1.8%	\$42.58
Median Rental Price	\$1,970	-1.5%	\$2,001	9.6%	\$1,797
Number of New Rentals	65	-19.8%	81	30.0%	50

Brooklyn 1-Bedroom Rental Matrix	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$2,759	4.8%	\$2,633	17.2%	\$2,355
Rental Price per Square Foot	\$40.64	-3.8%	\$42.24	14.9%	\$35.38
Median Rental Price	\$2,722	6.7%	\$2,550	16.6%	\$2,334
Number of New Rentals	218	7.4%	203	73.0%	126

Brooklyn 2-Bedroom Rental Matrix	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$3,730	6.4%	\$3,506	27.0%	\$2,938
Rental Price per Square Foot	\$37.39	0.6%	\$37.17	15.2%	\$32.45
Median Rental Price	\$3,400	4.4%	\$3,257	21.3%	\$2,803
Number of New Rentals	122	-37.4%	195	-9.6%	135

3+-Bedroom Rental Matrix	SEPT-13	%Chg (mo)	AUG-13	%Chg (yr)	SEPT-12
Average Rental Price	\$4,959	10.6%	\$4,485	20.6%	\$4,113
Rental Price per Square Foot	\$36.36	1.5%	\$35.83	15.9%	\$31.37
Median Rental Price	\$3,846	-5.0%	\$4,048	2.6%	\$3,750
Number of New Rentals	52	-30.7%	75	48.6%	35



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

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Report Methodology:

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

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