

ELLI MAN REPORT

OCTOBER 2014

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3%

VACANCY

Vacancy Rate

0.46%

NEW RENTALS

Excludes Renewals

1.9%

CONCESSIONS

Market Share

0.4%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

2.5%

- **Lowest October vacancy rate since 2009**
- **Landlord concessions remained low**
- **For the eighth consecutive month median rental price rose from the prior year**

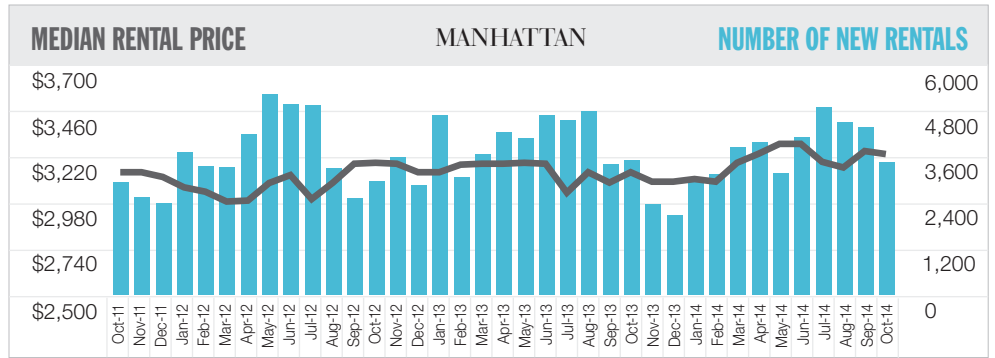
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

| Manhattan Rental Market | | OCT-14 | %Chg (mo) | SEPT-14 | %Chg(yr) | OCT-13 |
|---------------------------------------------|------------------------|---------|-----------|---------|----------|---------|
| Average Rental Price | | \$3,994 | -1.6% | \$4,061 | 3.4% | \$3,862 |
| Rental Price per Sq Ft | | \$51.89 | -0.9% | \$52.35 | 4.4% | \$49.71 |
| Median Rental Price | | \$3,246 | -0.5% | \$3,262 | 3.0% | \$3,150 |
| Number of New Rentals | | 3,484 | -21.4% | 4,433 | -1.9% | 3,551 |
| Days on Market (From Original List Date) | | 47 | 6.8% | 44 | 2.2% | 46 |
| Listing Discount (From Original List Price) | | 2.0% | | 1.7% | | 4.5% |
| Listing Inventory | | 5,432 | -3.1% | 5,603 | -6.5% | 5,811 |
| Vacancy Rate | | 1.96% | -0.5% | 1.76% | | 2.42% |
| Manhattan Rental w/Concessions | | OCT-14 | %Chg (mo) | SEPT-14 | %Chg(yr) | OCT-13 |
| Median Rental Price | | \$3,235 | -0.6% | \$3,253 | 3.1% | \$3,139 |
| Number of New Rentals w/Concessions (%) | | 4.1% | | 3.3% | | 3.7% |
| Free Rent/Owner Paid (Mos) | | 1.0 | 0.0% | 1.0 | -16.7% | 1.2 |
| Manhattan Rental Market by Size | | OCT-14 | %Chg (mo) | SEPT-14 | %Chg(yr) | OCT-13 |
| Studio - | Average Rental Price | \$2,553 | -3.5% | \$2,646 | 4.5% | \$2,444 |
| | Rental Price per Sq Ft | \$55.64 | 0.4% | \$55.44 | 4.5% | \$53.23 |
| | Median Rental Price | \$2,499 | 1.1% | \$2,473 | 5.1% | \$2,377 |
| | Number of New Rentals | 881 | -18.1% | 1,076 | 2.8% | 857 |
| 1-Bedroom - | Average Rental Price | \$3,377 | -0.6% | \$3,399 | 2.4% | \$3,297 |
| | Rental Price per Sq Ft | \$53.55 | 0.5% | \$53.29 | 3.4% | \$51.81 |
| | Median Rental Price | \$3,295 | -0.5% | \$3,310 | 3.0% | \$3,200 |
| | Number of New Rentals | 1,532 | -19.0% | 1,891 | -5.8% | 1,626 |
| 2-Bedroom - | Average Rental Price | \$5,079 | 3.5% | \$4,908 | 4.4% | \$4,863 |
| | Rental Price per Sq Ft | \$52.72 | 2.5% | \$51.44 | 4.2% | \$50.58 |
| | Median Rental Price | \$4,395 | 0.0% | \$4,395 | -2.5% | \$4,506 |
| | Number of New Rentals | 785 | -26.9% | 1,074 | -1.4% | 796 |
| 3+ Bedroom - | Average Rental Price | \$8,758 | -0.7% | \$8,817 | -0.3% | \$8,784 |
| | Rental Price per Sq Ft | \$52.18 | -5.7% | \$55.36 | -4.5% | \$54.64 |
| | Median Rental Price | \$6,394 | 6.7% | \$5,995 | -4.1% | \$6,668 |
| | Number of New Rentals | 285 | -27.1% | 391 | 4.8% | 272 |

Manhattan rental prices continued to press higher as the local economy improved and mortgage lending conditions remained tight. Median rental price was above prior year levels for the eighth consecutive month, rising 3% to \$3,246. Average rental price followed the same pattern, rising 3.4% to \$3,994 over the same period. Rental prices pressed higher for smaller

apartments including studios and 1-bedrooms, while larger apartments showed mixed results as compared to the prior year period. Landlords and tenants remained in sync about market conditions this month as the number of new rentals slipped a modest 1.9% from the same period last year. The use of concessions by landlords remained largely unnecessary,

accounting for 4.1% of all transactions, up nominally from 3.7% in the same period last year. The amount of the concessions offered was smaller, falling to 1 month's equivalent rent from 1.2 months seen in the same period last year. Listing discount, the percentage difference between the original list price and rental price, fell to 2% from 4.5% in the same period last year. Days on market, the average number of days from the original list date to the rental date, edged 1 day higher to 47 days.



PROPERTY TYPE

- Doorman rental prices increased for the 11th consecutive month
- New development rents rose 4 times faster than existing rents

| Manhattan Rental Market By Property Type | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|------------------------------------------|---------|-----------|---------|-----------|---------|
| Doorman Median Rental Price | \$3,831 | 1.4% | \$3,777 | 7.4% | \$3,567 |
| Non-Doorman Median Rental Price | \$2,705 | -2.1% | \$2,763 | 3.3% | \$2,618 |
| Loft Median Rental Price | \$6,575 | 92.8% | \$3,411 | 25.3% | \$5,248 |
| New Development Median Rental Price | \$4,531 | 37.3% | \$3,300 | 11.7% | \$4,055 |

BY PRICE

- Luxury rental price saw largest increase of all price segments
- Luxury rental price threshold increased

| Manhattan Rental Market By Price | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|---------------------------------------------------|----------|-----------|----------|-----------|---------|
| Luxury (Top 10%) - Average Rental Price | \$10,565 | -0.9% | \$10,659 | 9.3% | \$9,670 |
| Luxury (Top 10%) - Rental Price per Sq Ft | \$74.72 | -1.6% | \$75.90 | 12.3% | \$66.53 |
| Luxury (Top 10%) - Median Rental Price | \$8,500 | 0.0% | \$8,500 | 6.3% | \$7,995 |
| Luxury (Top 10%) - Number of New Rentals | 348 | -21.4% | 443 | -2.0% | 355 |
| Luxury (Top 10%) - Entry Threshold | \$6,495 | 1.7% | \$6,385 | 12.3% | \$5,786 |
| Upper Tier (30% below Luxury) - Med. Rental Price | \$4,350 | -2.1% | \$4,444 | -1.0% | \$4,395 |
| Mid Tier (2nd 30%) - Median Rental Price | \$3,085 | -0.9% | \$3,114 | 2.0% | \$3,025 |
| Entry Tier (1st 30%) - Median Rental Price | \$2,164 | -3.8% | \$2,250 | 0.7% | \$2,150 |

BY LOCATION

DOWNTOWN

- Prices edged lower
- Vacancy rate stabilized

| Downtown Market Matrix | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|------------------------|---------|-----------|---------|-----------|---------|
| Median Rental Price | \$3,495 | -0.4% | \$3,510 | -0.3% | \$3,504 |
| Number of New Rentals | 1,496 | -24.3% | 1,975 | 1.1% | 1,479 |
| Vacancy Rate | 2.36% | | 1.72% | | 2.33% |

EAST SIDE

- Prices moved higher
- New rentals fell sharply

| East Side Market Matrix | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|-------------------------|---------|-----------|---------|-----------|---------|
| Median Rental Price | \$2,895 | -3.7% | \$3,005 | 4.4% | \$2,773 |
| Number of New Rentals | 926 | -20.9% | 1,170 | -15.5% | 1,096 |
| Vacancy Rate | 2.52% | | 2.25% | | 3.83% |

WEST SIDE

- Rents rose modestly
- Decline in vacancy rate

| West Side Market Matrix | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|-------------------------|---------|-----------|---------|-----------|---------|
| Median Rental Price | \$3,445 | 2.1% | \$3,373 | 1.3% | \$3,400 |
| Number of New Rentals | 779 | -20.3% | 978 | 5.4% | 739 |
| Vacancy Rate | 1.70% | | 1.89% | | 2.35% |

UPTOWN

- Prices increased
- Vacancy rate declined

| Uptown Market Matrix | OCT-14 | %Chg (mo) | SEPT-14 | %Chg (yr) | OCT-13 |
|-----------------------|---------|-----------|---------|-----------|---------|
| Median Rental Price | \$2,203 | -0.9% | \$2,224 | 14.2% | \$1,929 |
| Number of New Rentals | 283 | -8.7% | 310 | 19.4% | 237 |
| Vacancy Rate | 0.27% | | 0.89% | | 0.44% |

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.9%

INVENTORY

Total Inventory

27.4%

NEW RENTALS

Excludes Renewals

53%

CONCESSIONS

Market Share

5.2%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

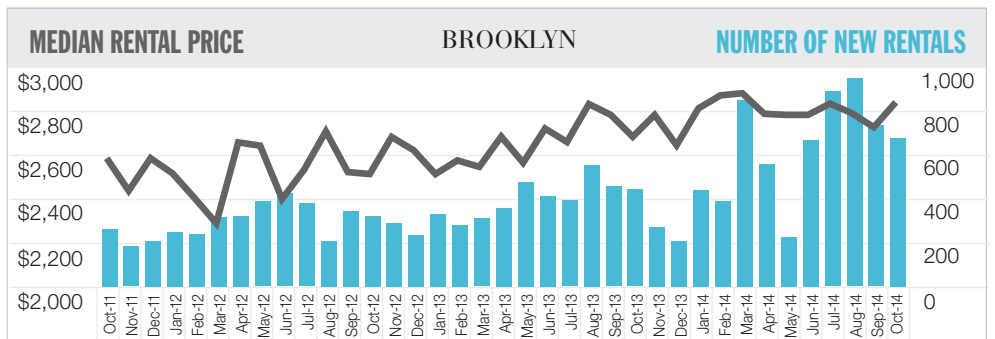
Listing Discount

6.7%

- After two months of decline, rents began to rise again
- Number of new rentals surged as tenants pushed back
- Median rent \$318 less than Manhattan, \$115 more than Queens

| Brooklyn Rental Market | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
|---------------------------------------------|------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price | | \$3,187 | 4.5% | \$3,049 | 2.2% | \$3,119 |
| Rental Price per Sq Ft | | \$38.64 | 3.6% | \$37.28 | -11.3% | \$43.57 |
| Median Rental Price | | \$2,858 | 4.2% | \$2,743 | 5.9% | \$2,699 |
| Number of New Rentals | | 678 | -7.9% | 736 | 53.0% | 443 |
| Days on Market (From Original List Date) | | 52 | 33.3% | 39 | 8.3% | 48 |
| Listing Discount (From Original List Price) | | 1.3% | | 1.9% | | 8.0% |
| Listing Inventory | | 1,875 | -0.3% | 1,881 | 27.4% | 1,472 |
| Brooklyn Rental w/Concessions | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
| Median Rental Price | | \$2,842 | 3.8% | \$2,739 | 5.5% | \$2,695 |
| Share of New Rentals w/Concessions (%) | | 6.8% | | 1.9% | | 1.6% |
| Free Rent/Owner Paid (Mos) | | 1.0 | 0.0% | 1.0 | -9.1% | 1.1 |
| Brooklyn Rental Market by Size | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
| Studio - | Average Rental Price | \$2,533 | 12.6% | \$2,249 | 1.0% | \$2,508 |
| | Rental Price per Sq Ft | \$49.14 | 13.4% | \$43.34 | 18.8% | \$41.37 |
| | Median Rental Price | \$2,383 | 8.3% | \$2,200 | 9.2% | \$2,182 |
| | Number of New Rentals | 87 | 13.0% | 77 | 67.3% | 52 |
| 1-Bedroom - | Average Rental Price | \$2,709 | 3.2% | \$2,624 | 6.1% | \$2,553 |
| | Rental Price per Sq Ft | \$42.37 | 3.8% | \$40.82 | 5.0% | \$40.35 |
| | Median Rental Price | \$2,711 | 6.2% | \$2,552 | 10.5% | \$2,453 |
| | Number of New Rentals | 271 | 3.8% | 261 | 32.8% | 204 |
| 2-Bedroom - | Average Rental Price | \$3,469 | 7.7% | \$3,221 | 2.2% | \$3,393 |
| | Rental Price per Sq Ft | \$38.72 | 3.2% | \$37.52 | -7.5% | \$41.84 |
| | Median Rental Price | \$3,200 | 10.5% | \$2,895 | 1.6% | \$3,150 |
| | Number of New Rentals | 231 | -19.8% | 288 | 76.3% | 131 |
| 3+ Bedroom - | Average Rental Price | \$4,508 | 7.3% | \$4,200 | -11.7% | \$5,107 |
| | Rental Price per Sq Ft | \$32.61 | 5.5% | \$30.91 | -26.2% | \$44.21 |
| | Median Rental Price | \$3,894 | 8.2% | \$3,600 | -7.1% | \$4,193 |
| | Number of New Rentals | 88 | -19.3% | 109 | 57.1% | 56 |
| Brooklyn Rental Market by Type | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
| Luxury (Top 10%) - Median Rental Price | | \$5,887 | 11.6% | \$5,275 | -2.5% | \$6,037 |
| Luxury (Top 10%) - Entry Threshold | | \$4,731 | 7.1% | \$4,417 | 0.7% | \$4,700 |
| New Development - Median Rental Price | | \$3,300 | -3.9% | \$3,435 | 16.0% | \$2,846 |

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



After two consecutive months of declines, Brooklyn rents returned to their rising ways. Median rental price increased 5.9% to \$2,858 from the same period last year to their highest level since March. Average rental price increased 2.2% to \$3,187 over the same period. Median rental price increased across all size categories but 3-bedroom apartments, which fell 7.1%. Median rental price for studios increased 9.2%; 1-bedrooms increased 10.5%; and 2-bedrooms increased 1.6%. The 53% surge in the number of new rentals reflected the push back by tenants to higher rental prices proposed at time of lease renewal by landlords. While the use of landlord concessions was 6.8%, up from 1.6% in the same period last year, their market share

remained nominal. Brooklyn median rental price was \$388 less than Manhattan, falling from the \$451 difference in the prior year period. The

rise in overall median rents outperformed the 2.5% decline in median luxury rents to \$5,887 over the same period.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.5%

INVENTORY

Total Inventory
(month-over-month)

5.5%

NEW RENTALS

Excludes Renewals

34.7%

NEW DEVELOPMENT

Market Share

59.2%

MARKETING TIME

Days on Market

8 days

NEGOTIABILITY

Listing Discount

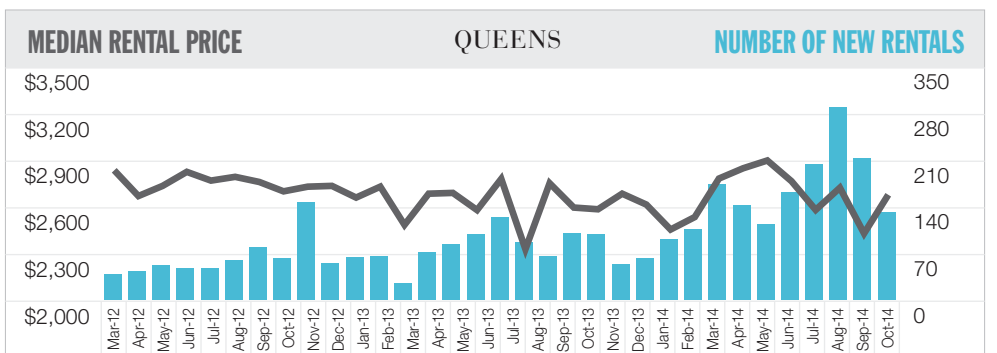
0.1%

- Rental prices were mixed, luxury weaker than overall market
- Listing discount remained nominal as marketing time increased
- Number of new rentals rose as tenants resisted increases at renewal

Housing price indicators for the northwest region of Queens showed mixed results in October. While median rental price increased 3.5% to \$2,743 from the prior year period, average rental price declined 5.2% to \$2,718. Average rental price per square foot increased 10% to \$42.22 over the same period. Median rental price was \$115 less than Brooklyn and \$503 less than Manhattan. Median rental price increased across all size categories except 2-bedroom apartments, which fell 17.9%. Median rental price for studios increased 6.8%;

| Queens Rental Market | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
|---------------------------------------------|------------------------|---------|-----------|---------|-----------|---------|
| Average Rental Price | | \$2,718 | -2.5% | \$2,787 | -5.2% | \$2,868 |
| Rental Price per Sq Ft | | \$42.22 | 3.6% | \$40.75 | 10.0% | \$38.37 |
| Median Rental Price | | \$2,743 | 9.9% | \$2,495 | 3.5% | \$2,650 |
| Number of New Rentals | | 132 | -38.0% | 213 | 34.7% | 98 |
| Days on Market (From Original List Date) | | 38 | 46.2% | 26 | 26.7% | 30 |
| Listing Discount (From Original List Price) | | 0.2% | | 0.3% | | 0.3% |
| Listing Inventory | | 192 | 5.5% | 182 | | N/A |
| Queens Rental Market by Size | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
| Studio - | Average Rental Price | \$2,179 | -5.3% | \$2,302 | -4.8% | \$2,288 |
| | Rental Price per Sq Ft | \$44.97 | -19.7% | \$55.99 | 3.0% | \$43.65 |
| | Median Rental Price | \$2,350 | -1.1% | \$2,375 | 6.8% | \$2,200 |
| | Number of New Rentals | 22 | -68.1% | 69 | 4.8% | 21 |
| 1-Bedroom - | Average Rental Price | \$2,631 | 5.6% | \$2,492 | 0.8% | \$2,610 |
| | Rental Price per Sq Ft | \$44.24 | 6.6% | \$41.51 | 11.4% | \$39.71 |
| | Median Rental Price | \$2,798 | 8.7% | \$2,574 | 6.2% | \$2,635 |
| | Number of New Rentals | 72 | -14.3% | 84 | 53.2% | 47 |
| 2-Bedroom - | Average Rental Price | \$3,063 | -17.5% | \$3,714 | -13.3% | \$3,532 |
| | Rental Price per Sq Ft | \$36.85 | -13.4% | \$42.57 | -4.3% | \$38.51 |
| | Median Rental Price | \$3,050 | -19.9% | \$3,810 | -17.9% | \$3,713 |
| | Number of New Rentals | 34 | -26.1% | 46 | 30.8% | 26 |
| 3+ Bedroom - | Average Rental Price | \$4,945 | 32.0% | \$3,747 | 7.0% | \$4,623 |
| | Rental Price per Sq Ft | \$43.05 | 55.0% | \$27.77 | 31.6% | \$32.72 |
| | Median Rental Price | \$5,760 | 86.1% | \$3,095 | 9.3% | \$5,270 |
| | Number of New Rentals | 3 | -76.9% | 13 | -25.0% | 4 |
| Queens Rental Market By Type | | OCT-14 | %Chg (MO) | SEPT-14 | %Chg (YR) | OCT-13 |
| Luxury (Top 10%) - Median Rental Price | | \$3,685 | -27.4% | \$5,073 | -14.5% | \$4,310 |
| Luxury (Top 10%) - Entry Threshold | | \$3,498 | -16.6% | \$4,192 | -11.4% | \$3,950 |
| New Development - Median Rental Price | | \$2,625 | -7.0% | \$2,395 | | N/A |

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



1-bedrooms increased 6.2%; and 3-bedrooms increased 9.3%. Resistance to higher rents was evidenced by the rise in the number of new rentals, up 34.7% to 132 from the same period

last year. Days on market expanded by 8 days to 38 from the prior year period. Average listing discount was a nominal 0.2% and essentially unchanged from the same period last year.

For more information or electronic copies of this report please visit elliman.com/marketreports. Email report author Jonathan Miller at jmiller@millersamuel.com with questions or comments.

Report Methodology:

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

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