

ELLI MAN REPORT

JANUARY 2020

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.0%

VACANCY

Vacancy Rate

0.08%

NEW LEASES

Excludes Renewals

2.1%

OP + CONCESSIONS

Market Share

4.3%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

Listing Discount

0.9%

- The market share of landlord concessions slipped for the twelfth time in thirteen months
- The number of new leases fell year over year for the sixth straight month
- The net effective median rent rose annually for the thirteenth consecutive month

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.

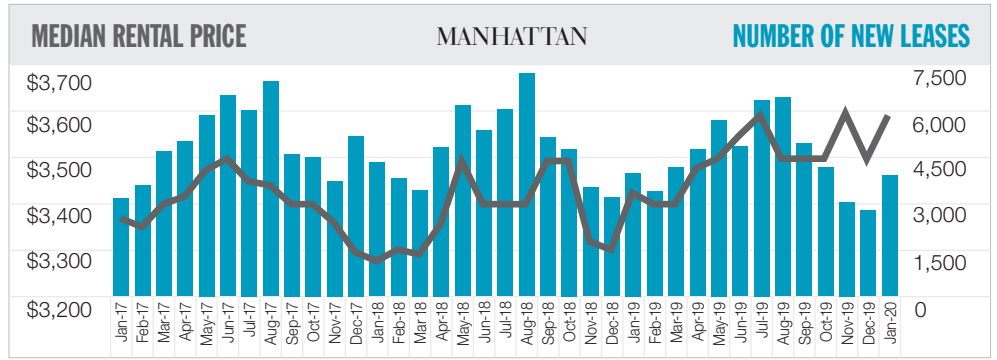
“ New leases continued to fall as landlords continued to be more successful at the time of lease renewal. ”

Manhattan Rental Market	JAN-20	%Δ (mo)	DEC-19	%Δ (YR)	JAN-19	
Average Rental Price	\$4,423	0.2%	\$4,412	5.8%	\$4,180	
Rental Price per Sq Ft	\$70.75	0.6%	\$70.35	4.7%	\$67.56	
Median Rental Price	\$3,595	2.7%	\$3,499	5.0%	\$3,425	
Number of New Leases	3,969	40.7%	2,820	-2.1%	4,054	
Days on Market (From Original List Date)	38	22.6%	31	11.8%	34	
Listing Discount (From Original List Price)	1.4%		2.5%		2.3%	
Listing Inventory	4,610	-8.6%	5,043	-6.5%	4,928	
Vacancy Rate	1.73%		1.81%		1.65%	
Manhattan Rental w/Concessions	JAN-20	%Δ (mo)	DEC-19	%Δ (YR)	JAN-19	
Median Rental Price	\$3,472	2.5%	\$3,387	4.6%	\$3,320	
Share of New Leases w/OP + Concessions (%)	40.2%		40.3%		44.5%	
Free Rent/Owner Paid (Mos)	1.4	0.0%	1.4	16.7%	1.2	
Manhattan Rental Market by Size	JAN-20	%Δ (mo)	DEC-19	%Δ (YR)	JAN-19	
Studio -	Average Rental Price	\$2,857	0.7%	\$2,838	6.0%	\$2,695
	Rental Price per Sq Ft	\$71.03	2.0%	\$69.67	1.9%	\$69.70
	Median Rental Price	\$2,700	2.6%	\$2,632	3.8%	\$2,600
1-Bedroom -	Average Rental Price	\$3,736	2.4%	\$3,648	5.7%	\$3,533
	Rental Price per Sq Ft	\$67.96	2.9%	\$66.06	7.0%	\$63.50
	Median Rental Price	\$3,595	2.7%	\$3,500	4.2%	\$3,450
2-Bedroom -	Average Rental Price	\$5,418	-2.7%	\$5,569	7.5%	\$5,041
	Rental Price per Sq Ft	\$67.16	-4.8%	\$70.57	4.1%	\$64.51
	Median Rental Price	\$4,968	-0.6%	\$5,000	6.0%	\$4,689
3+ Bedroom -	Average Rental Price	\$9,242	-1.2%	\$9,353	5.2%	\$8,785
	Rental Price per Sq Ft	\$81.26	5.4%	\$77.10	3.7%	\$78.34
	Median Rental Price	\$6,500	0.0%	\$6,500	0.5%	\$6,467
Number of New Leases	353	44.1%	245	-4.9%	371	

There were 3,969 leases signed in January, down 2.1% from the same period last year. The weak sales market remains a key driver of rental demand and rising rents. Not only has net effective median rent risen annually for thirteen straight months, but the last three months of rent growth has also been the highest priced streak in 4.5 years. Net effective median rent is defined as the face rent

less all landlord concessions, including free rent and broker commissions. The net effective median rent rose 4.6% to \$3,472 from the same period last year. Evidence of the pronounced rise in rents is indicated by the three price trend indicators for face rent that have increased year over year for thirteen straight months. Median face rent for all apartment sizes moved higher year over year since

September. Landlord concessions represented a 40.2% market share of Manhattan rentals, 4.3% below year-ago levels, and the tenth year over year decline. Even with the steady erosion in landlord concessions over the past year, four out of ten rentals included a concession. *It is too soon to see the impact from last week's New York Department of State guidance on the Statewide Security and Tenant Protection Act of 2019 and a subsequent temporary restraining order issued after real estate industry trade groups and firms filed a lawsuit to stop its execution.*



PROPERTY TYPE

- New development median rental price rose year over year for the ninth straight month
- Median rent for new development increased more year over year than existing rents in ten of the last twelve months

Manhattan Rental Market By Property Type	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Doorman Median Rental Price	\$4,195	3.6%	\$4,050	7.7%	\$3,895
Non-Doorman Median Rental Price	\$2,950	1.9%	\$2,895	3.5%	\$2,850
Loft Median Rental Price	\$6,000	4.3%	\$5,753	4.3%	\$5,750
New Development Median Rental Price	\$5,300	6.1%	\$4,995	11.1%	\$4,771
Existing Median Rental Price	\$3,500	2.9%	\$3,400	4.1%	\$3,362

BY PRICE

- Super luxury represents the top 5% of the market and saw its first year over year decline in eight months
- Luxury median rent hasn't seen a year over year decline since last March
- Median rent for the Upper Tier market ranged from \$3,975 to \$6,916 and had the most significant year over year gain

Manhattan Rental Market By Price	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Luxury (Top 10%) - Average Rental Price	\$11,638	-3.9%	\$12,109	7.1%	\$10,871
Luxury (Top 10%) - Rental Price per Sq Ft	\$84.77	0.2%	\$84.63	4.3%	\$81.28
Luxury (Top 10%) - Median Rental Price	\$9,000	-5.3%	\$9,500	4.7%	\$8,600
Luxury (Top 10%) - Number of New Leases	397	39.3%	285	-2.7%	408
Luxury (Top 10%) - Entry Threshold	\$6,917	-1.1%	\$6,995	6.4%	\$6,500
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,895	2.9%	\$4,757	6.8%	\$4,585
Mid Tier (2nd 30%) - Median Rental Price	\$3,456	3.2%	\$3,350	5.2%	\$3,286
Entry Tier (1st 30%) - Median Rental Price	\$2,400	2.1%	\$2,350	3.2%	\$2,325

BY LOCATION

DOWNTOWN

- Median rent increased
- New leases fell

Downtown Market Matrix	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Median Rental Price	\$3,900	-1.3%	\$3,950	3.8%	\$3,757
Number of New Leases	1,633	35.7%	1,203	-3.1%	1,686
Vacancy Rate	1.84%		1.87%		1.66%

EAST SIDE

- Median rent rose
- Vacancy rate remained unchanged

East Side Market Matrix	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Median Rental Price	\$3,395	4.5%	\$3,250	3.6%	\$3,278
Number of New Leases	959	42.3%	674	-8.1%	1,043
Vacancy Rate	0.99%		1.37%		0.99%

WEST SIDE

- Vacancy rate increased
- New leases increased

West Side Market Matrix	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Median Rental Price	\$3,700	3.5%	\$3,576	6.7%	\$3,469
Number of New Leases	979	47.9%	662	5.0%	932
Vacancy Rate	2.09%		1.89%		1.89%

NORTHERN MANHATTAN

- Median rent increased
- New leases edged higher

Northern Manhattan Market Matrix	JAN-20	%Δ (MO)	DEC-19	%Δ (YR)	JAN-19
Median Rental Price	\$2,338	1.7%	\$2,300	2.8%	\$2,275
Number of New Leases	398	41.6%	281	1.3%	393
Vacancy Rate	2.13%		2.22%		2.39%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.5%

INVENTORY

Total Inventory

22.9%

NEW LEASES

Excludes Renewals

7.8%

OP + CONCESSIONS

Market Share

3.8%

MARKETING TIME

Days on Market

9 days

NEGOTIABILITY

Listing Discount

0.7%

- The net effective median rent rose annually for the fourteenth straight month
- Thirteen consecutive declines in the market share of landlord concessions
- The fifth time in six months the number of new leases declined as landlords were better able to retain tenants at renewal

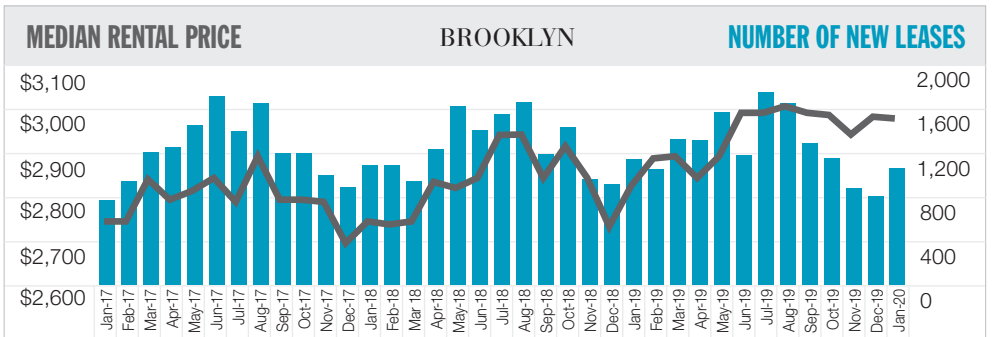


The market share of landlord concessions fell year over year for the thirteenth straight months.



Brooklyn Rental Market		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Average Rental Price		\$3,367	-1.3%	\$3,410	7.7%	\$3,125
Rental Price per Sq Ft		\$47.47	-1.1%	\$47.99	8.4%	\$43.79
Median Rental Price		\$2,987	-0.1%	\$2,991	5.5%	\$2,832
Number of New Leases		1,060	30.7%	811	-7.8%	1,150
Days on Market (From Original List Date)		40	42.9%	28	29.0%	31
Listing Discount (From Original List Price)		1.4%		1.6%		2.1%
Listing Inventory		1,456	0.7%	1,446	-22.9%	1,889
Brooklyn Rental w/Concessions		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Median Rental Price		\$2,868	-0.9%	\$2,894	5.9%	\$2,708
Share of New Leases w/OP + Concessions (%)		43.2%		36.0%		47.0%
Free Rent/Owner Paid (Mos)		1.6	6.7%	1.5	0.0%	1.6
Brooklyn Rental Market by Size		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Studio -	Average Rental Price	\$2,688	-5.1%	\$2,831	8.3%	\$2,481
	Rental Price per Sq Ft	\$56.93	-12.5%	\$65.05	7.6%	\$52.89
	Median Rental Price	\$2,552	-5.3%	\$2,695	2.1%	\$2,500
	Number of New Leases	159	27.2%	125	14.4%	139
1-Bedroom -	Average Rental Price	\$2,921	2.3%	\$2,856	3.5%	\$2,822
	Rental Price per Sq Ft	\$49.74	6.0%	\$46.92	4.7%	\$47.52
	Median Rental Price	\$2,850	1.8%	\$2,800	1.8%	\$2,800
	Number of New Leases	416	34.6%	309	-16.0%	495
2-Bedroom -	Average Rental Price	\$3,679	1.8%	\$3,614	10.9%	\$3,316
	Rental Price per Sq Ft	\$47.89	5.6%	\$45.35	9.5%	\$43.72
	Median Rental Price	\$3,270	0.6%	\$3,250	9.0%	\$3,000
	Number of New Leases	351	36.6%	257	-5.4%	371
3+ Bedroom -	Average Rental Price	\$4,739	-5.3%	\$5,005	10.6%	\$4,285
	Rental Price per Sq Ft	\$41.60	-14.9%	\$48.91	14.2%	\$36.42
	Median Rental Price	\$3,875	-3.1%	\$3,997	4.7%	\$3,700
	Number of New Leases	134	11.7%	120	-7.6%	145
Brooklyn Rental Market by Type		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Luxury (Top 10%) - Median Rental Price		\$6,173	2.9%	\$6,000	13.1%	\$5,459
Luxury (Top 10%) - Entry Threshold		\$5,000	0.0%	\$5,000	11.1%	\$4,500
New Development - Median Rental Price		\$3,424	0.4%	\$3,410	5.0%	\$3,260

Despite tighter market conditions, the market share of landlord concessions remained high even after falling 3.8% year over year to 43.2%. The average size of a concession, which includes free rent and broker commissions, was 1.6 months, tie for the highest level reached since April 2018. All three face rent price indicators increased year over year since then. Net effective median rent, defined as the median face rent, less concession increased year over year for the fourteenth straight month, rising 5.9% to \$2,868. There were 1,060 new leases, down 7.8% from the same period last year, and the fourth straight month with a year over year decline. The declining trend indicates that because of rising rents, landlords have been more successful at retaining tenants at the time of renewal.



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.3%

INVENTORY

Total Inventory

25.3%

NEW LEASES

Excludes Renewals

3.4%

OP + CONCESSIONS

Market Share

4.1%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

Listing Discount

0.6%

- The market share of new development reached its lowest level since the summer of 2018
- Net effective median rent increased annually for the third time in four months
- Concessions remained above the fifty percent market share threshold for the third straight month

All three rental price trend indicators moved higher on a year over year basis. The median sales price was up annually by 6.3% to \$2,993, for the fourth consecutive month of gains. Net effective median rent, defined as median face rent, less free rent, and broker commissions, rose 4.8% to \$2,822 from the same period last year. Landlord concession market share was 53.9%, down 4.1% from the same period the previous year, but the third straight month above the 50% threshold. In periods of rising rents, the number of new leases can often fall as landlords have more flexibility at tenant retention. The number of new leases has declined year over year for the sixth straight month. The market share of new development lease signings has fallen to 23.7% of all lease signings during the month; the lowest level reached since August 2018.

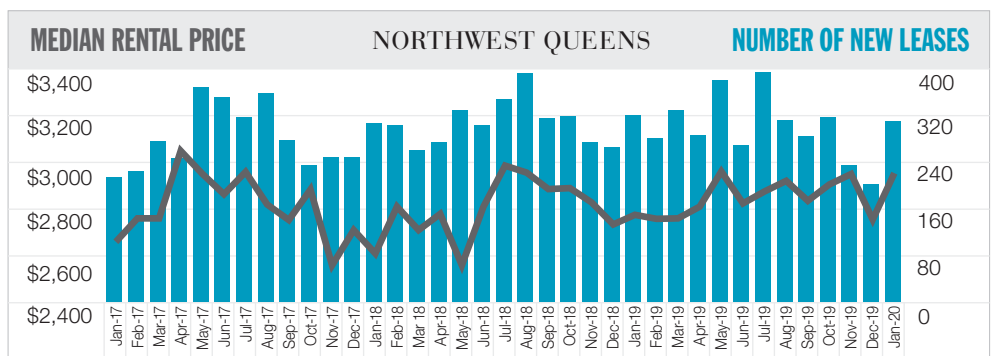


Six straight months of year over year declines in new lease signings.



Northwest Queens Rental Market		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Average Rental Price		\$3,123	3.3%	\$3,022	8.2%	\$2,886
Rental Price per Sq Ft		\$51.09	3.6%	\$49.32	4.9%	\$48.71
Median Rental Price		\$2,993	7.1%	\$2,795	6.3%	\$2,815
Number of New Leases		308	53.2%	201	-3.4%	319
Days on Market (From Original List Date)		35	34.6%	26	9.4%	32
Listing Discount (From Original List Price)		1.6%		1.4%		2.2%
Listing Inventory		346	-11.3%	390	-25.3%	463
Northwest Queens Rental w/Concessions		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Median Rental Price		\$2,822	7.1%	\$2,636	4.8%	\$2,694
Number of New Leases w/OP + Concessions (%)		53.9%		54.2%		58.0%
Free Rent/Owner Paid (Mos)		1.8	0.0%	1.8	50.0%	1.2
Northwest Queens Rental Market by Size		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Studio -	Average Rental Price	\$2,557	-2.6%	\$2,624	8.6%	\$2,355
	Rental Price per Sq Ft	\$61.56	-6.2%	\$65.62	6.8%	\$57.66
	Median Rental Price	\$2,594	0.5%	\$2,580	7.2%	\$2,419
	Number of New Leases	63	18.9%	53	-21.3%	80
1-Bedroom -	Average Rental Price	\$2,943	3.8%	\$2,835	4.7%	\$2,812
	Rental Price per Sq Ft	\$53.28	9.2%	\$48.80	9.3%	\$48.74
	Median Rental Price	\$3,058	4.5%	\$2,925	3.7%	\$2,948
	Number of New Leases	163	68.0%	97	-5.2%	172
2-Bedroom -	Average Rental Price	\$3,903	4.9%	\$3,720	5.5%	\$3,700
	Rental Price per Sq Ft	\$47.18	3.5%	\$45.59	6.5%	\$44.29
	Median Rental Price	\$4,289	22.5%	\$3,500	8.1%	\$3,966
	Number of New Leases	74	76.2%	42	29.8%	57
3+ Bedroom -	Average Rental Price	\$4,009	-2.9%	\$4,127	6.5%	\$3,766
	Rental Price per Sq Ft	\$33.94	-17.1%	\$40.95	-10.9%	\$38.08
	Median Rental Price	\$4,066	35.5%	\$3,000	25.2%	\$3,248
	Number of New Leases	8	-11.1%	9	-20.0%	10
Northwest Queens Rental Market By Type		JAN-20	%Δ (mo)	DEC-19	%Δ (yr)	JAN-19
Luxury (Top 10%) - Median Rental Price		\$4,923	0.7%	\$4,887	8.8%	\$4,523
Luxury (Top 10%) - Entry Threshold		\$4,469	10.3%	\$4,050	5.2%	\$4,250
New Development - Median Rental Price		\$3,050	1.5%	\$3,005	4.8%	\$2,909
New Development - Market Share		23.7%		33.3%		33.2%

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



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:

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