

ELLIMAN

REPORT

JULY 2017

MANHATTAN, BROOKLYN & QUEENS RENTALS

Highlights of the
Monthly Survey of Rentals

“Landlord concessions continued to stabilize, despite flirting with record levels.”

| Manhattan Rental Market | JUL-2017 | %Δ (mo) | JUN-2017 | %Δ (yr) | JUL-2016 |
|---|----------|---------|----------|---------|----------|
| Average Rental Price | \$4,109 | -0.4% | \$4,126 | 1.0% | \$4,068 |
| Rental Price per Square Foot | \$66.28 | -0.9% | \$66.86 | -0.2% | \$66.38 |
| Median Rental Price | \$3,450 | -1.4% | \$3,500 | 0.0% | \$3,450 |
| Number of New Leases | 6,133 | -7.1% | 6,604 | 3.4% | 5,934 |
| Days on Market (From Original List Date) | 43 | 4.9% | 41 | 10.3% | 39 |
| Listing Discount (From Original List Price) | 2.3% | | 1.7% | | 1.5% |
| Listing Inventory | 7,545 | -3.6% | 7,824 | -1.8% | 7,681 |
| Vacancy Rate | 2.08% | | 2.21% | | 2.49% |

Although Manhattan rents remain high and vacancy remains low, price trends are weakening. Landlord concessions have kept vacancy rates from rising but have been unable to keep the face rent from falling. While median face rent was \$3,450, unchanged year over year, it was the first year over year decline in net effective median rent for July in at least 5 years.

| Brooklyn Rental Market | JUL-2017 | %Δ (mo) | JUN-2017 | %Δ (yr) | JUL-2016 |
|---|----------|---------|----------|---------|----------|
| Average Rental Price | \$3,141 | -1.8% | \$3,198 | 0.5% | \$3,124 |
| Rental Price per Square Foot | \$45.73 | -3.4% | \$47.36 | 0.8% | \$45.37 |
| Median Rental Price | \$2,795 | -1.9% | \$2,850 | -1.1% | \$2,826 |
| Number of New Leases | 1,400 | -18.5% | 1,717 | 6.0% | 1,321 |
| Days on Market (From Original List Date) | 43 | 10.3% | 39 | 7.5% | 40 |
| Listing Discount (From Original List Price) | 1.5% | | 1.5% | | 1.1% |
| Listing Inventory | 2,490 | -5.0% | 2,620 | 2.7% | 2,424 |

Landlord concessions rose to a record market share as face rents showed mixed results. The market share of concessions more than doubled to a record 22.1%, breaking the 18.1% record reached in January. As a result, the net effective median rent, face rent less the rental equivalent of brokerage commissions and free rent, declined 1.8% to \$2,745 from the same period last year.

| Queens Northwest Rental Market | JUL-2017 | %Δ (mo) | JUN-2017 | %Δ (yr) | JUL-2016 |
|---|----------|---------|----------|---------|----------|
| Average Rental Price | \$3,059 | 2.8% | \$2,975 | 5.2% | \$2,909 |
| Rental Price per Square Foot | \$52.47 | 8.1% | \$48.56 | 10.4% | \$47.54 |
| Median Rental Price | \$2,998 | 3.3% | \$2,903 | 8.3% | \$2,768 |
| Number of New Leases | 316 | -9.7% | 350 | 2.6% | 308 |
| Days on Market (From Original List Date) | 26 | -23.5% | 34 | -27.8% | 36 |
| Listing Discount (From Original List Price) | 0.4% | | 0.8% | | 1.0% |
| Listing Inventory | 513 | 2.4% | 501 | -3.9% | 534 |

The neighborhoods of Long Island City, Astoria, Sunnyside, and Woodside form the northwest region of Queens and once again, posted large gains in face rent despite the high market share of concessions. The net effective median rent, face rent less the rental equivalent of brokerage commissions and free rent, rose 5.8% to \$2,901 from the same period a year ago.