

# ELLIMAN REPORT

MAY 2019

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

0.1%

#### VACANCY

Vacancy Rate

0.20%

#### NEW LEASES

Excludes Renewals

7.7%

#### OP + CONCESSIONS

Market Share

3.7%

#### MARKETING TIME

Days on Market

3 days

#### NEGOTIABILITY

Listing Discount

0.0%

- The vacancy rate has declined year over year for the eleventh time in twelve months
- Landlord concession market share has continued to trend lower since the beginning of the year
- The net effective median rent rose year over year for the fifth 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.

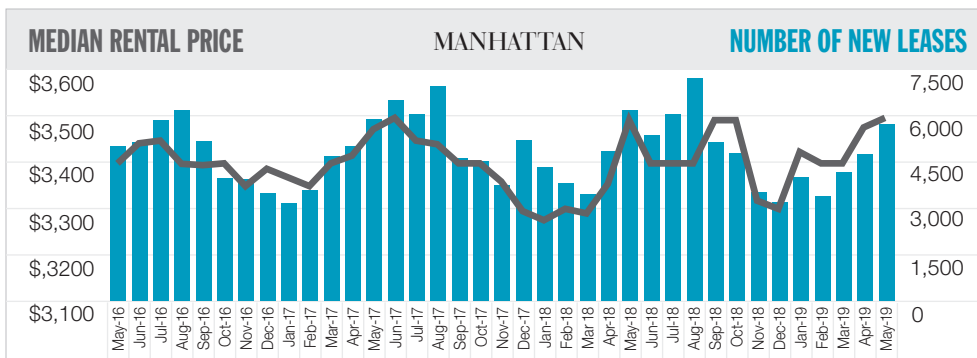
“ While landlord concession market share has been falling since the beginning of the year, they still impact about one-third of apartment rentals. ”

Manhattan Rental Market	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18	
Average Rental Price	\$4,218	0.6%	\$4,191	-0.3%	\$4,230	
Rental Price per Sq Ft	\$69.32	1.8%	\$68.09	1.2%	\$68.48	
Median Rental Price	\$3,500	0.6%	\$3,479	0.1%	\$3,495	
Number of New Leases	5,796	20.0%	4,831	-7.7%	6,279	
Days on Market (From Original List Date)	26	-10.3%	29	-10.3%	29	
Listing Discount (From Original List Price)	1.1%		1.2%		1.1%	
Listing Inventory	5,534	0.5%	5,507	-6.5%	5,918	
Vacancy Rate	1.65%		2.03%		1.85%	
Manhattan Rental w/Concessions	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18	
Median Rental Price	\$3,413	1.0%	\$3,379	0.6%	\$3,392	
Share of New Leases w/OP + Concessions (%)	33.9%		36.9%		37.6%	
Free Rent/Owner Paid (Mos)	1.2	-7.7%	1.3	-7.7%	1.3	
Manhattan Rental Market by Size	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18	
Studio -	Average Rental Price	\$2,896	4.5%	\$2,772	7.1%	\$2,704
	Rental Price per Sq Ft	\$75.32	6.0%	\$71.03	8.4%	\$69.47
	Median Rental Price	\$2,650	0.0%	\$2,650	1.9%	\$2,600
	Number of New Leases	1,274	10.5%	1,153	-8.4%	1,391
1-Bedroom -	Average Rental Price	\$3,621	0.2%	\$3,613	1.9%	\$3,553
	Rental Price per Sq Ft	\$66.50	2.0%	\$65.19	3.2%	\$64.46
	Median Rental Price	\$3,550	1.4%	\$3,500	2.6%	\$3,459
	Number of New Leases	2,352	18.7%	1,982	-8.8%	2,578
2-Bedroom -	Average Rental Price	\$4,867	-1.6%	\$4,945	-0.3%	\$4,881
	Rental Price per Sq Ft	\$67.38	2.4%	\$65.77	1.9%	\$66.15
	Median Rental Price	\$4,250	-1.2%	\$4,300	-1.0%	\$4,295
	Number of New Leases	1,488	26.1%	1,180	-3.6%	1,543
3+ Bedroom -	Average Rental Price	\$7,331	-6.6%	\$7,853	-7.9%	\$7,959
	Rental Price per Sq Ft	\$73.68	-0.8%	\$74.24	-4.1%	\$76.83
	Median Rental Price	\$5,595	1.7%	\$5,500	-1.0%	\$5,650
	Number of New Leases	682	32.2%	516	-11.1%	767

The net effective rent of a Manhattan apartment, the face rent less free rent and broker commissions, has been rising year over year since January. The weakening sales market continued to help fuel demand for rentals. Net effective median rent for May was \$3,413 per month, up

0.6% from the same period a year ago. Luxury median rent, representing the top ten percent of the market, was unchanged at \$8,300 from the same period a year ago. The Upper Tier market, representing 30% of apartment rentals just below the luxury segment, showed the most significant

year over year gain, with median rent rising 1.1% to \$4,650 from the same year-ago period. The share of new leases that included a landlord concession represented 33.9% of the market, the lowest share since June 2018 and the fourth annual decline in five months. Landlords have been able to maintain a successful lease renewal strategy despite falling concession market share as evidenced by the sixth year over year decline in new leases over the past seven months. This trend is consistent with the eleventh year over year decline in the vacancy rate over the past twelve months.



## PROPERTY TYPE

- The median rent for studio and 1-bedroom apartments continued to increase year over year while larger sized units declined
- Doorman median rent rose quickly while non-doorman rent stabilized

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Doorman Median Rental Price	\$3,995	2.4%	\$3,900	2.7%	\$3,890
Non-Doorman Median Rental Price	\$3,000	0.2%	\$2,995	0.0%	\$3,000
Loft Median Rental Price	\$5,970	11.7%	\$5,345	-7.6%	\$6,460
New Development Median Rental Price	\$4,995	3.2%	\$4,840	7.1%	\$4,663
Existing Median Rental Price	\$3,450	1.5%	\$3,400	1.0%	\$3,415

## BY PRICE

- The luxury entry-threshold hasn't seen a year over year decline since December
- Luxury median rent was flat with most significant annual gain occurring in the Upper Tier
- Entry and Mid Tier median rent, the first two-thirds of the market, showed nominal annual gains

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Luxury (Top 10%) - Average Rental Price	\$10,513	-1.9%	\$10,716	-3.7%	\$10,912
Luxury (Top 10%) - Rental Price per Sq Ft	\$82.01	3.5%	\$79.24	1.6%	\$80.71
Luxury (Top 10%) - Median Rental Price	\$8,300	1.2%	\$8,200	0.0%	\$8,300
Luxury (Top 10%) - Number of New Leases	581	18.3%	491	-8.4%	634
Luxury (Top 10%) - Entry Threshold	\$6,595	1.5%	\$6,495	1.5%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,650	2.4%	\$4,540	1.1%	\$4,600
Mid Tier (2nd 30%) - Median Rental Price	\$3,315	0.5%	\$3,300	0.5%	\$3,300
Entry Tier (1st 30%) - Median Rental Price	\$2,395	1.9%	\$2,350	0.4%	\$2,385

## BY LOCATION

### DOWNTOWN

- Number of new leases declined
- Median rent increased slightly

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Median Rental Price	\$3,875	1.9%	\$3,802	0.6%	\$3,850
Number of New Leases	2,542	17.9%	2,156	-7.6%	2,752
Vacancy Rate	2.36%		2.64%		1.90%

### EAST SIDE

- Number of new leases declined
- Median rent moved higher

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Median Rental Price	\$3,375	-0.6%	\$3,395	3.8%	\$3,250
Number of New Leases	1,414	23.0%	1,150	-7.0%	1,520
Vacancy Rate	0.82%		1.15%		0.88%

### WEST SIDE

- Vacancy rate continued to fall sharply
- Number of new leases declined

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Median Rental Price	\$3,600	4.3%	\$3,453	4.3%	\$3,450
Number of New Leases	1,195	19.7%	998	-16.5%	1,431
Vacancy Rate	1.31%		1.50%		2.29%

### NORTHERN MANHATTAN

- Median rent increased
- Number of new leases rose

	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Median Rental Price	\$2,460	2.5%	\$2,400	2.5%	\$2,400
Number of New Leases	645	22.4%	527	12.0%	576
Vacancy Rate	1.42%		2.39%		2.66%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

**2.6%**

## INVENTORY

Total Inventory

**3.1%**

## NEW LEASES

Excludes Renewals

**2.9%**

## OP + CONCESSIONS

Market Share

**10.2%**

## MARKETING TIME

Days on Market

**3** days

## NEGOTIABILITY

Listing Discount

**0.2%**

- Net effective median rent rose year over year for the sixth straight month
- Concession market share declined year over year for the fifth consecutive month
- Median rent for all apartment sizes rose year over year



*Rental price trend indicators continued to rise as use of concessions declined.*

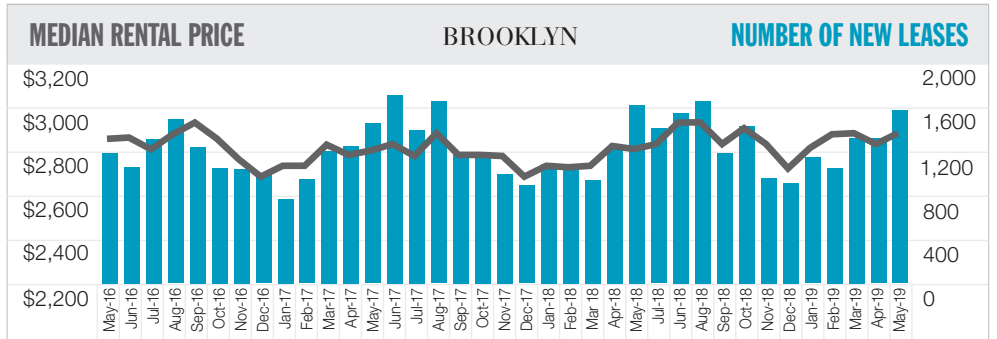


Brooklyn Rental Market	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Average Rental Price	\$3,274	2.2%	\$3,202	3.7%	\$3,156
Rental Price per Sq Ft	\$48.31	5.1%	\$45.95	7.0%	\$45.16
Median Rental Price	\$2,900	1.8%	\$2,850	2.6%	\$2,827
Number of New Leases	1,579	19.3%	1,323	-2.9%	1,626
Days on Market (From Original List Date)	25	8.7%	23	-10.7%	28
Listing Discount (From Original List Price)	0.5%		0.7%		0.7%
Listing Inventory	1,910	1.4%	1,883	-3.1%	1,972

Brooklyn Rental w/Concessions	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Median Rental Price	\$2,829	2.4%	\$2,762	4.1%	\$2,718
Share of New Leases w/OP + Concessions (%)	32.6%		38.1%		42.8%
Free Rent/Owner Paid (Mos)	1.3	-7.1%	1.4	-13.3%	1.5

Brooklyn Rental Market by Size	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18	
Studio -	Average Rental Price	\$2,526	-1.8%	\$2,571	4.7%	\$2,413
	Rental Price per Sq Ft	\$57.20	-3.5%	\$59.28	4.4%	\$54.80
	Median Rental Price	\$2,578	3.1%	\$2,500	5.2%	\$2,450
	Number of New Leases	240	17.6%	204	-5.1%	253
1-Bedroom -	Average Rental Price	\$2,937	3.0%	\$2,852	6.1%	\$2,768
	Rental Price per Sq Ft	\$51.39	8.1%	\$47.54	8.7%	\$47.26
	Median Rental Price	\$2,895	3.9%	\$2,785	7.2%	\$2,700
	Number of New Leases	623	13.9%	547	0.5%	620
2-Bedroom -	Average Rental Price	\$3,461	-0.7%	\$3,487	0.6%	\$3,442
	Rental Price per Sq Ft	\$45.73	6.3%	\$43.01	5.3%	\$43.42
	Median Rental Price	\$3,100	1.6%	\$3,050	0.3%	\$3,092
	Number of New Leases	489	13.7%	430	-12.2%	557
3+ Bedroom -	Average Rental Price	\$4,590	0.0%	\$4,590	1.3%	\$4,533
	Rental Price per Sq Ft	\$44.41	4.5%	\$42.48	7.6%	\$41.26
	Median Rental Price	\$3,800	0.1%	\$3,798	2.7%	\$3,700
	Number of New Leases	227	59.9%	142	15.8%	196

Brooklyn Rental Market by Type	MAY-19	%Δ (MO)	APR-19	%Δ (YR)	MAY-18
Luxury (Top 10%) - Median Rental Price	\$5,803	0.5%	\$5,775	5.5%	\$5,500
Luxury (Top 10%) - Entry Threshold	\$4,830	0.6%	\$4,800	3.3%	\$4,675
New Development - Median Rental Price	\$3,300	-2.9%	\$3,399	3.3%	\$3,195



The net effective median rent has continued to press higher for the past six months, influenced by the slower pace of the “for sale” market. The net effective median rent, the face rent less free rent and broker commissions, rose 4.1% to \$2,829 from the prior year period. Smaller apartments saw the most substantial gains in median rent. The market share of landlord concessions fell year over year for the fifth straight month to 32.6%, down 10.2% the same month a year ago. Luxury median rent, representing the top ten percent of the market, increased 5.5% year over year to \$5,803 for the seventh consecutive increase. New development median rent rose 3.3% to \$3,300, with a 6.6% increase in average square footage to 790. They comprised 19.9% of the overall activity with a concession market share of 54%. The median rent of existing rentals was \$2,800, up 1.9% from the same month last year and with a 1% decline in average square footage to 938. Existing rentals comprised 80.1% of activity and a concession market share of 27.9%.

## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

15.4%

### INVENTORY

Total Inventory

13.9%

### NEW LEASES

Excludes Renewals

15.9%

### OP + CONCESSIONS

Market Share

14.4%

### MARKETING TIME

Days on Market

3 days

### NEGOTIABILITY

Listing Discount

0.0%

- The annual change in concession market share fell sharply for the third consecutive month
- Net effective median rent rose annually for the third straight month
- New leases rose year over year for the tenth time in eleven months

The market share of landlord concessions fell by 14.4% to 33.3% from the year-ago period, roughly half the 65.1% market share record set in April 2018. Weaker sales trends are helping to drive more demand towards the rental market, which in turn is reducing reliance on concessions. New development rentals comprised 36.9% of the overall activity with a concession market share of 45.7% while existing apartments comprised 63.1% of activity and a concession market share 34.9%. New lease gains year over year were 4.8% this month, much more subdued than the 25.9% year over year surge in the prior month. The net effective median rent, defined as median face rent less brokerage commissions and free rent surged 17% year over year to \$2,908, the third straight year over year gain.

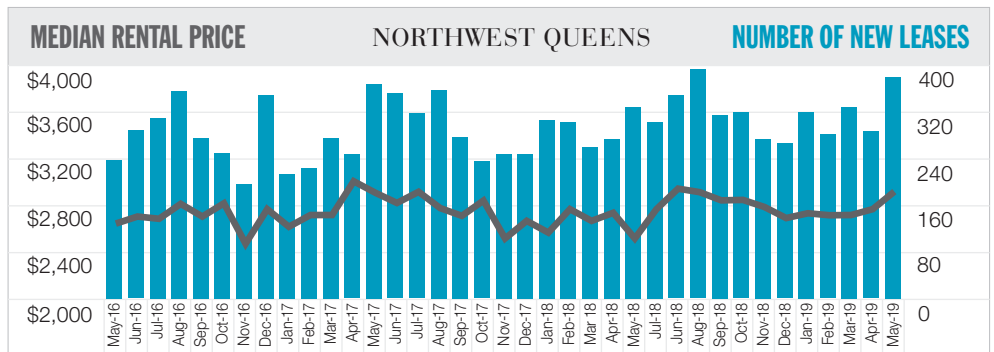


*Landlord concession market share fell by nearly half from April 2018 record.*



Northwest Queens Rental Market		MAY-19	%Δ (mo)	APR-19	%Δ (yr)	MAY-18
Average Rental Price		\$3,174	6.0%	\$2,995	13.6%	\$2,794
Rental Price per Sq Ft		\$51.91	4.0%	\$49.90	9.0%	\$47.62
Median Rental Price		\$3,000	5.3%	\$2,850	15.4%	\$2,600
Number of New Leases		379	33.0%	285	15.9%	327
Days on Market (From Original List Date)		25	-16.7%	30	-10.7%	28
Listing Discount (From Original List Price)		0.5%		0.5%		0.5%
Listing Inventory		452	-4.0%	471	-13.9%	525
Northwest Queens Rental w/Concessions		MAY-19	%Δ (mo)	APR-19	%Δ (yr)	MAY-18
Median Rental Price		\$2,908	6.5%	\$2,731	17.0%	\$2,486
Number of New Leases w/OP + Concessions (%)		33.3%		45.3%		47.7%
Free Rent/Owner Paid (Mos)		1.6	0.0%	1.6	6.7%	1.5
Northwest Queens Rental Market by Size		MAY-19	%Δ (mo)	APR-19	%Δ (yr)	MAY-18
Studio -	Average Rental Price	\$2,553	9.5%	\$2,331	11.0%	\$2,300
	Rental Price per Sq Ft	\$61.25	10.4%	\$55.48	8.2%	\$56.63
	Median Rental Price	\$2,675	9.8%	\$2,436	11.5%	\$2,400
	Number of New Leases	74	15.6%	64	-8.6%	81
1-Bedroom -	Average Rental Price	\$2,887	-0.2%	\$2,893	7.4%	\$2,688
	Rental Price per Sq Ft	\$51.89	4.9%	\$49.47	8.9%	\$47.66
	Median Rental Price	\$3,055	1.8%	\$3,000	13.0%	\$2,704
	Number of New Leases	202	33.8%	151	21.0%	167
2-Bedroom -	Average Rental Price	\$3,947	5.6%	\$3,739	14.0%	\$3,462
	Rental Price per Sq Ft	\$49.60	-0.3%	\$49.75	11.4%	\$44.52
	Median Rental Price	\$4,319	1.6%	\$4,253	25.2%	\$3,450
	Number of New Leases	92	50.8%	61	35.3%	68
3+ Bedroom -	Average Rental Price	\$6,153	40.6%	\$4,375	57.7%	\$3,901
	Rental Price per Sq Ft	\$48.37	20.9%	\$40.01	51.1%	\$32.01
	Median Rental Price	\$6,268	67.1%	\$3,750	67.1%	\$3,750
	Number of New Leases	11	22.2%	9	0.0%	11
Northwest Queens Rental Market By Type		MAY-19	%Δ (mo)	APR-19	%Δ (yr)	MAY-18
Luxury (Top 10%) - Median Rental Price		\$5,222	10.9%	\$4,710	16.0%	\$4,500
Luxury (Top 10%) - Entry Threshold		\$4,866	9.0%	\$4,463	29.6%	\$3,754
New Development - Median Rental Price		\$3,161	1.0%	\$3,129	8.6%	\$2,911
New Development - Market Share		36.9%		32.6%		40.4%

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



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#### Report Methodology:

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