

ELLI MAN REPORT

NOVEMBER 2014

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

4.4%

VACANCY

Vacancy Rate

0.49%

NEW RENTALS

Excludes Renewals

20%

CONCESSIONS

Market Share

2.4%

MARKETING TIME

Days on Market

4 day

NEGOTIABILITY

Listing Discount

2.7%

- Median rental price up year-over-year for ninth month in a row
- Number of new rentals increased reflecting tenant resistant to rising rents
- Marketing time, listing discount and vacancy rate fell as market continued to tighten

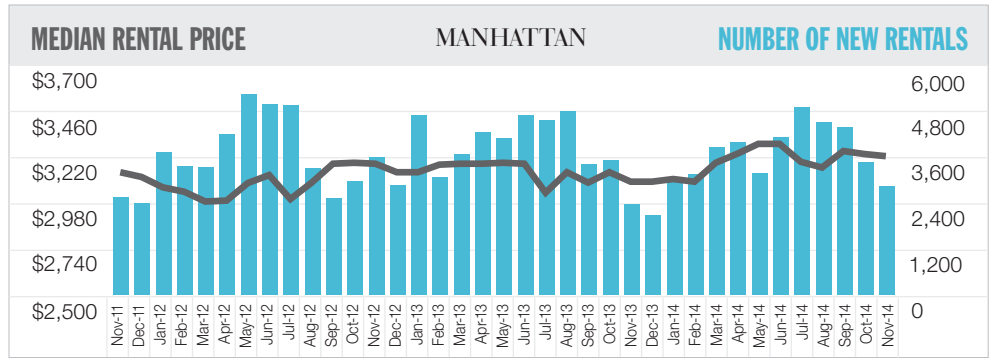
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		NOV-14	%Chg (mo)	OCT-14	%Chg(yr)	NOV-13
Average Rental Price		\$3,993	0.0%	\$3,994	2.6%	\$3,890
Rental Price per Sq Ft		\$52.56	1.3%	\$51.89	1.2%	\$51.96
Median Rental Price		\$3,235	-0.3%	\$3,246	4.4%	\$3,100
Number of New Rentals		2,862	-17.9%	3,484	20.0%	2,385
Days on Market (From Original List Date)		45	-4.3%	47	-8.2%	49
Listing Discount (From Original List Price)		2.1%		2.0%		4.8%
Listing Inventory		5,426	-0.1%	5,432	-11.4%	6,127
Vacancy Rate		2.31%		1.96%		2.80%
Manhattan Rental w/Concessions		NOV-14	%Chg (mo)	OCT-14	%Chg(yr)	NOV-13
Median Rental Price		\$3,221	-0.4%	\$3,235	4.6%	\$3,080
Number of New Rentals w/Concessions (%)		4.8%		4.1%		7.2%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	0.0%	1.1
Manhattan Rental Market by Size		NOV-14	%Chg (mo)	OCT-14	%Chg(yr)	NOV-13
Studio -	Average Rental Price	\$2,590	1.4%	\$2,553	7.0%	\$2,421
	Rental Price per Sq Ft	\$56.56	1.7%	\$55.64	24.2%	\$45.53
	Median Rental Price	\$2,470	-1.2%	\$2,499	5.1%	\$2,350
	Number of New Rentals	725	-17.7%	881	34.8%	538
1-Bedroom -	Average Rental Price	\$3,396	0.6%	\$3,377	6.9%	\$3,177
	Rental Price per Sq Ft	\$52.31	-2.3%	\$53.55	3.1%	\$50.74
	Median Rental Price	\$3,295	0.0%	\$3,295	7.5%	\$3,065
	Number of New Rentals	1,220	-20.4%	1,532	8.7%	1,122
2-Bedroom -	Average Rental Price	\$5,201	2.4%	\$5,079	0.1%	\$5,197
	Rental Price per Sq Ft	\$54.18	2.8%	\$52.72	2.4%	\$52.90
	Median Rental Price	\$4,350	-1.0%	\$4,395	-9.3%	\$4,795
	Number of New Rentals	709	-9.7%	785	25.5%	565
3+ Bedroom -	Average Rental Price	\$8,247	-5.8%	\$8,758	-10.5%	\$9,211
	Rental Price per Sq Ft	\$52.07	-0.2%	\$52.18	-22.1%	\$66.85
	Median Rental Price	\$5,900	-7.7%	\$6,394	-19.3%	\$7,315
	Number of New Rentals	207	-27.4%	285	29.4%	160

All price indicators for the Manhattan rental market increased as the New York City economy continued to improve and mortgage lending conditions remained tight. Median rental price increased from the prior year level for the ninth consecutive month, up 4.4% to \$3,235. Average rental price expanded 2.6% to \$3,993 and average rental price per square foot

rose 1.2% to \$52.26 respectively from the same period last year. However, price indicators for 2-bedrooms were mixed and 3-bedrooms declined over the same period. The increase in rents was seen largely in the studio and 1-bedroom market as all price indicators were above prior year levels. Consistent with rising prices, the use of concessions by landlords fell

to 4.8% from 7.2% over the same period, but the average size of a concession was unchanged at 1.1 months equivalent rent. Days on market, the average number of days from the original list date to the rental date, fell by 4 days to 45 days over the same period. Listing discount fell by more than half to 2.1% from the same month last year and the monthly vacancy rate fell by 0.49% to 2.31% over the same period.



PROPERTY TYPE

- New development rental price gains outpace overall market
- Median rental rates in doorman building rose twice as fast as those without non-doorman

Manhattan Rental Market By Property Type	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Doorman Median Rental Price	\$3,819	-0.3%	\$3,831	6.7%	\$3,578
Non-Doorman Median Rental Price	\$2,647	-2.1%	\$2,705	3.8%	\$2,550
Loft Median Rental Price	\$3,235	-50.8%	\$6,575	-37.2%	\$5,150
New Development Median Rental Price	\$4,899	8.1%	\$4,531	9.8%	\$4,460

BY PRICE

- Larger price gains seen within the entry tier
- Luxury rental prices up for sixth consecutive month

Manhattan Rental Market By Price	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Luxury (Top 10%) - Average Rental Price	\$10,585	0.2%	\$10,565	2.2%	\$10,362
Luxury (Top 10%) - Rental Price per Sq Ft	\$78.09	4.5%	\$74.72	4.4%	\$74.77
Luxury (Top 10%) - Median Rental Price	\$8,661	1.9%	\$8,500	1.9%	\$8,500
Luxury (Top 10%) - Number of New Rentals	286	-17.8%	348	19.7%	239
Luxury (Top 10%) - Entry Threshold	\$6,372	-1.9%	\$6,495	-0.3%	\$6,392
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,363	0.3%	\$4,350	1.6%	\$4,295
Mid Tier (2nd 30%) - Median Rental Price	\$3,073	-0.4%	\$3,085	4.2%	\$2,950
Entry Tier (1st 30%) - Median Rental Price	\$2,200	1.7%	\$2,164	4.8%	\$2,100

BY LOCATION

DOWNTOWN

- Number of rentals increased
- Median rental price increased

Downtown Market Matrix	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Median Rental Price	\$3,525	0.9%	\$3,495	0.9%	\$3,495
Number of New Rentals	1,258	-15.9%	1,496	23.9%	1,015
Vacancy Rate	2.70%		2.36%		3.38%

EAST SIDE

- Number of new rentals decreased
- Increase in median rental price

East Side Market Matrix	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Median Rental Price	\$2,940	1.6%	\$2,895	5.0%	\$2,800
Number of New Rentals	755	-18.5%	926	-1.0%	763
Vacancy Rate	2.79%		2.52%		3.61%

WEST SIDE

- Median rentals nearly unchanged
- Number of new rentals surged

West Side Market Matrix	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Median Rental Price	\$3,238	-6.0%	\$3,445	-0.4%	\$3,250
Number of New Rentals	623	-20.0%	779	41.6%	440
Vacancy Rate	1.96%		1.70%		2.42%

UPTOWN

- Large gain in median rent
- Increase in new rentals

Uptown Market Matrix	NOV-14	%Chg (mo)	OCT-14	%Chg (yr)	NOV-13
Median Rental Price	\$2,208	0.2%	\$2,203	21.2%	\$1,822
Number of New Rentals	226	-20.1%	283	35.3%	167
Vacancy Rate	0.89%		0.27%		0.35%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.3%

INVENTORY

Total Inventory

30.2%

NEW RENTALS

Excludes Renewals

113.6%

CONCESSIONS

Market Share

0.1%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

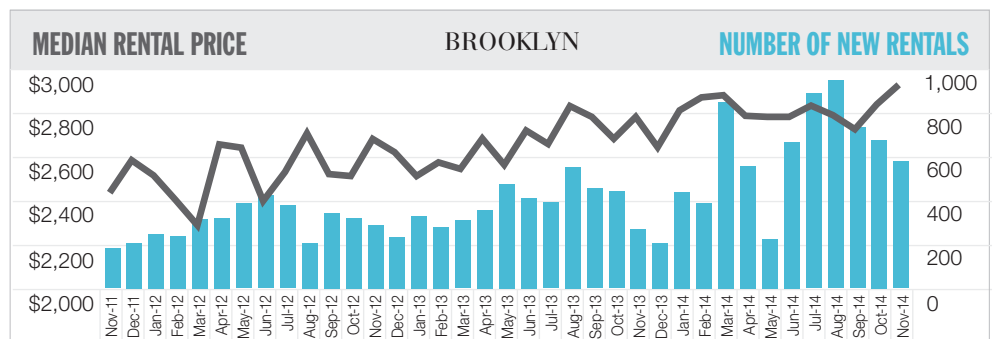
Listing Discount

8.8%

- Rents continued to rise, most gains seen in smaller apartments
- Difference in Manhattan rent falls to \$287, the third lowest in more than 6 years.
- New rentals surged as tenants continue to resist renewal rates

Brooklyn Rental Market		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Average Rental Price		\$3,259	2.3%	\$3,187	6.5%	\$3,060
Rental Price per Sq Ft		\$43.08	11.5%	\$38.64	15.7%	\$37.25
Median Rental Price		\$2,948	3.1%	\$2,858	5.3%	\$2,800
Number of New Rentals		581	-14.3%	678	113.6%	272
Days on Market (From Original List Date)		48	-7.7%	52	14.3%	42
Listing Discount (From Original List Price)		1.4%		1.3%		10.2%
Listing Inventory		1,959	4.5%	1,875	30.2%	1,505
Brooklyn Rental w/Concessions		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Median Rental Price		\$2,936	3.3%	\$2,842	5.2%	\$2,790
Share of New Rentals w/Concessions (%)		4.5%		6.8%		4.4%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Brooklyn Rental Market by Size		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Studio -	Average Rental Price	\$2,310	-8.8%	\$2,533	11.8%	\$2,067
	Rental Price per Sq Ft	\$50.27	2.3%	\$49.14	19.9%	\$41.92
	Median Rental Price	\$2,354	-1.2%	\$2,383	23.1%	\$1,912
	Number of New Rentals	71	-18.4%	87	97.2%	36
1-Bedroom -	Average Rental Price	\$2,865	5.8%	\$2,709	12.5%	\$2,546
	Rental Price per Sq Ft	\$46.28	9.2%	\$42.37	14.6%	\$40.37
	Median Rental Price	\$2,750	1.4%	\$2,711	13.3%	\$2,427
	Number of New Rentals	242	-10.7%	271	130.5%	105
2-Bedroom -	Average Rental Price	\$3,566	2.8%	\$3,469	6.3%	\$3,356
	Rental Price per Sq Ft	\$37.46	-3.3%	\$38.72	25.2%	\$29.93
	Median Rental Price	\$3,248	1.5%	\$3,200	3.4%	\$3,142
	Number of New Rentals	180	-22.1%	231	87.5%	96
3+ Bedroom -	Average Rental Price	\$4,496	-0.3%	\$4,508	-5.5%	\$4,759
	Rental Price per Sq Ft	\$37.86	16.1%	\$32.61	-16.3%	\$45.22
	Median Rental Price	\$3,838	-1.4%	\$3,894	-4.3%	\$4,009
	Number of New Rentals	87	-1.1%	88	155.9%	34
Brooklyn Rental Market by Type		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Luxury (Top 10%) - Median Rental Price		\$5,754	-2.3%	\$5,887	15.1%	\$5,000
Luxury (Top 10%) - Entry Threshold		\$4,600	-2.8%	\$4,731	3.4%	\$4,450
New Development - Median Rental Price		\$3,190	-3.3%	\$3,300	9.9%	\$2,902

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



All Brooklyn rental price indicators increased above prior year levels. Median rental price rose 5.3% to \$2,948 and average rental price increased 6.5% to \$3,259 respectively from the same period last year. Average rental price per square foot increased 15.7% to \$43.08, reflecting the strength of price growth within the smaller sized apartment markets. The median rental price of a studio apartment was up 23.1% year-over-year. The median rental price for 1-bedrooms was up 13.3%, 2-bedrooms were up 3.4% and 3+ bedroom were down 4.3% over the same period. The median rental price of a Brooklyn apartment was \$287 less than a Manhattan apartment, the third lowest difference in over 6 years. The market share of rental concessions remained essentially

unchanged from last year, accounting for 4.5% of all transactions with the average size the equivalent of one month's rent. Days on market,

the number of days from the original listing date to the rental date, expanded to 48 days from 42 days in the same period last year.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

8.2%

INVENTORY

Total Inventory
(month-over-month)

26%

NEW RENTALS

Excludes Renewals

75.5%

NEW DEVELOPMENT

Market Share

45.9%

MARKETING TIME

Days on Market

12 days

NEGOTIABILITY

Listing Discount

0.8%

- Median rent declined as shift in mix to smaller units reduced overall prices
- Median rent in Queens was \$710 less than Manhattan, and \$423 less than Brooklyn
- Marketing expanded as number of new rentals increased

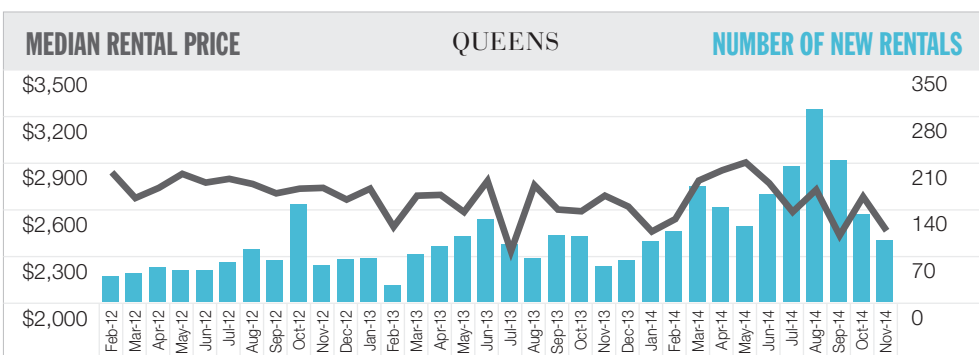
Rental prices for the northwest region of Queens were generally lower than the same period last year, but the declines were exaggerated by the continued shift in the mix towards smaller units. The market share of studios and 1-bedrooms increased as 2-bedrooms and 3-bedrooms declined. Median rental price fell 8.2% to \$2,525 from the same period last year. Average rental price decline 9.5% to \$2,681 over the same period. Median rental price was \$710 below the median rental price in Manhattan and \$423 below the median rental price in Brooklyn.

Queens Rental Market		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Average Rental Price		\$2,681	-1.4%	\$2,718	-9.5%	\$2,963
Rental Price per Sq Ft		\$40.96	-3.0%	\$42.22	8.2%	\$37.87
Median Rental Price		\$2,525	-7.9%	\$2,743	-8.2%	\$2,750
Number of New Rentals		93	-29.5%	132	75.5%	53
Days on Market (From Original List Date)		33	-13.2%	38	57.1%	21
Listing Discount (From Original List Price)		0.4%		0.2%		1.2%
Listing Inventory		242	26.0%	192	N/A	N/A

Queens Rental Market by Size		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Studio -	Average Rental Price	\$2,180	0.0%	\$2,179	-4.4%	\$2,280
	Rental Price per Sq Ft	\$44.83	-0.3%	\$44.97	17.1%	\$38.27
	Median Rental Price	\$2,300	-2.1%	\$2,350	7.2%	\$2,145
	Number of New Rentals	19	-13.6%	22	137.5%	8
1-Bedroom -	Average Rental Price	\$2,476	-5.9%	\$2,631	-2.8%	\$2,547
	Rental Price per Sq Ft	\$40.67	-8.1%	\$44.24	9.1%	\$37.28
	Median Rental Price	\$2,500	-10.7%	\$2,798	-3.8%	\$2,600
	Number of New Rentals	51	-29.2%	72	112.5%	24
2-Bedroom -	Average Rental Price	\$3,418	11.6%	\$3,063	-3.6%	\$3,545
	Rental Price per Sq Ft	\$40.48	9.9%	\$36.85	3.9%	\$38.97
	Median Rental Price	\$3,392	11.2%	\$3,050	-9.4%	\$3,743
	Number of New Rentals	20	-41.2%	34	11.1%	18
3+ Bedroom -	Average Rental Price	\$5,595	13.1%	\$4,945	21.1%	\$4,621
	Rental Price per Sq Ft	\$53.26	23.7%	\$43.05	39.9%	\$38.07
	Median Rental Price	\$5,595	-2.9%	\$5,760	19.2%	\$4,695
	Number of New Rentals	2	-33.3%	3	-33.3%	3

Queens Rental Market By Type		NOV-14	%Chg (MO)	OCT-14	%Chg (YR)	NOV-13
Luxury (Top 10%) - Median Rental Price		\$4,250	15.3%	\$3,685	-6.3%	\$4,537
Luxury (Top 10%) - Entry Threshold		\$3,934	12.5%	\$3,498	-8.5%	\$4,300
New Development - Median Rental Price		\$2,730	-7.0%	\$2,625	-9.4%	3,013

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



The number of new rentals jumped 75.5% from the prior year period representing tenant resistance to rental prices offered at renewal and new housing stock being introduced to the

market. Days on market, the number of days from the original listing date to the rental date, expanded to 33 days from 21 days in the same period last year.

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Report Methodology:

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

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