

ELLI MAN REPORT

APRIL 2017

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

0.35%

NEW LEASES

Excludes Renewals

4.8%

OP + CONCESSIONS

Market Share

15.6%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

Listing Discount

0.8%

- Use of landlord concessions more doubled from prior year to second highest on record
- Net effective median rent tied largest annual decline since March 2016
- Studio apartments median rent was only size category not to see annual decline

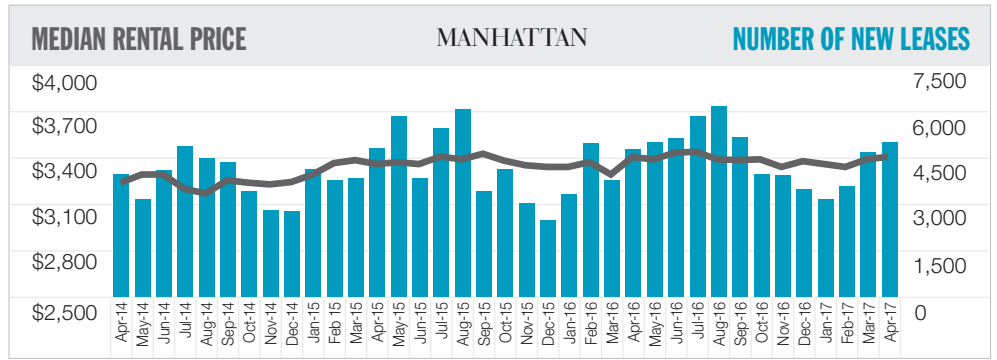
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		APR-17	%Δ (mo)	MAR-17	%Δ (yr)	APR-16
Average Rental Price		\$4,075	-3.2%	\$4,211	-1.1%	\$4,119
Rental Price per Sq Ft		\$65.93	0.1%	\$65.88	-1.5%	\$66.93
Median Rental Price		\$3,417	0.5%	\$3,400	0.1%	\$3,415
Number of New Leases		5,086	6.8%	4,764	4.8%	4,851
Days on Market (From Original List Date)		51	-7.3%	55	10.9%	46
Listing Discount (From Original List Price)		2.1%		2.7%		2.9%
Listing Inventory		7,118	-1.3%	7,212	6.0%	6,718
Vacancy Rate		2.00%		2.26%		2.35%
Manhattan Rental w/Concessions		APR-17	%Δ (mo)	MAR-17	%Δ (yr)	APR-16
Median Rental Price		\$3,309	0.5%	\$3,294	-1.8%	\$3,371
Share of New Leases w/OP + Concessions (%)		28.6%		28.4%		13.0%
Free Rent/Owner Paid (Mos)		1.3	0.0%	1.3	8.3%	1.2
Manhattan Rental Market by Size		APR-17	%Δ (mo)	MAR-17	%Δ (yr)	APR-16
Studio -	Average Rental Price	\$2,688	-1.6%	\$2,731	3.5%	\$2,598
	Rental Price per Sq Ft	\$65.69	-2.8%	\$67.55	-0.9%	\$66.27
	Median Rental Price	\$2,575	0.4%	\$2,566	1.9%	\$2,527
	Number of New Leases	1,175	1.7%	1,155	4.7%	1,122
1-Bedroom -	Average Rental Price	\$3,520	0.4%	\$3,506	0.5%	\$3,501
	Rental Price per Sq Ft	\$62.97	0.4%	\$62.69	-0.3%	\$63.13
	Median Rental Price	\$3,400	0.1%	\$3,395	-0.4%	\$3,412
	Number of New Leases	2,170	7.2%	2,025	3.8%	2,091
2-Bedroom -	Average Rental Price	\$4,846	-5.2%	\$5,110	-5.6%	\$5,131
	Rental Price per Sq Ft	\$63.08	-1.1%	\$63.80	-5.1%	\$66.44
	Median Rental Price	\$4,354	-6.4%	\$4,654	-5.1%	\$4,588
	Number of New Leases	1,217	5.7%	1,151	4.9%	1,160
3+ Bedroom -	Average Rental Price	\$7,695	-15.1%	\$9,062	-3.1%	\$7,938
	Rental Price per Sq Ft	\$75.38	3.2%	\$73.04	-0.1%	\$75.45
	Median Rental Price	\$5,593	-12.9%	\$6,425	-6.2%	\$5,963
	Number of New Leases	524	21.0%	433	9.6%	478

The Manhattan market share of landlord concessions rose to the second highest level on record. The market share reached 28.6%, more than double the year ago share of 13%. As a result, median effective rent declined 1.8% to \$3,309, the second largest decline since 2013. The aggressive use of concessions continued to be an effective way to keep the vacancy rate from rising. The Manhattan vacancy rate was

2%, down from 2.35% in the same month a year ago and the lowest vacancy rate in nearly two years. Rental trends remained softest at the top, whether measured by price, bedrooms or services. For example the median rental price of a luxury apartment declined 5.8% while the entry tier rose 3.9% respectively from the same period last year. Studio median rent was the only size category to see an annual increase, up

1.9%, while 3-bedroom median rent fell 6.2% to \$5,593 over the same period. The doorman amenity, which accounts for about half of new leases, saw a 3.1% decline in median rent to \$3,758 as non-doorman median rent jumped 5.8% to a record \$2,995 respectively from the same month last year. Days on market, the number of days from the original list date to rental date, rose 5 days to 51 days from the same period a year ago.



PROPERTY TYPE

- “Doorman” median rent showed largest annual decline in nearly 5 years
- New development median rent declined as existing increased

Manhattan Rental Market By Property Type	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Doorman Median Rental Price	\$3,758	1.6%	\$3,700	-3.1%	\$3,877
Non-Doorman Median Rental Price	\$2,995	3.5%	\$2,895	5.8%	\$2,831
Loft Median Rental Price	\$4,150	-0.6%	\$4,175	-29.5%	\$5,889
New Development Median Rental Price	\$4,070	-11.6%	\$4,602	-7.8%	\$4,416

BY PRICE

- After a brief rise, luxury rents returned to declining ways
- Entry and mid tiers showed rising rents
- Luxury rent threshold declined

Manhattan Rental Market By Price	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Luxury (Top 10%) - Average Rental Price	\$9,876	-12.0%	\$11,217	-5.8%	\$10,484
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.80	-1.5%	\$78.99	-5.2%	\$82.10
Luxury (Top 10%) - Median Rental Price	\$7,995	-11.1%	\$8,995	-6.3%	\$8,536
Luxury (Top 10%) - Number of New Leases	512	7.3%	477	5.3%	486
Luxury (Top 10%) - Entry Threshold	\$6,295	-3.4%	\$6,515	-3.3%	\$6,512
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,495	-1.2%	\$4,550	-0.4%	\$4,515
Mid Tier (2nd 30%) - Median Rental Price	\$3,267	0.7%	\$3,245	0.9%	\$3,239
Entry Tier (1st 30%) - Median Rental Price	\$2,395	1.9%	\$2,350	3.9%	\$2,306

BY LOCATION

DOWNTOWN

- Rent and vacancy rate rose
- More new leases

Downtown Market Matrix	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Median Rental Price	\$3,700	0.4%	\$3,685	-0.7%	\$3,725
Number of New Leases	2,400	12.4%	2,136	9.7%	2,188
Vacancy Rate	2.33%		2.55%		2.24%

EAST SIDE

- Rent and new leases slipped
- Vacancy rate fell sharply

East Side Market Matrix	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Median Rental Price	\$3,273	-1.0%	\$3,305	-0.5%	\$3,288
Number of New Leases	1,214	-1.9%	1,238	-0.1%	1,215
Vacancy Rate	1.92%		1.42%		2.30%

WEST SIDE

- Rent and vacancy rate declined
- More new leases signed

West Side Market Matrix	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Median Rental Price	\$3,323	-2.0%	\$3,390	-3.1%	\$3,430
Number of New Leases	1,068	6.3%	1,005	5.4%	1,013
Vacancy Rate	1.63%		1.83%		2.02%

UPTOWN

- Jump in median rent
- New leases and vacancy declined

Uptown Market Matrix	APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Median Rental Price	\$2,450	4.3%	\$2,350	8.7%	\$2,254
Number of New Leases	404	4.9%	385	-7.1%	435
Vacancy Rate	1.68%		3.37%		3.19%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.7%

INVENTORY

Total Inventory

24.4%

NEW LEASES

Excludes Renewals

25.9%

OP + CONCESSIONS

Market Share

8.2%

MARKETING TIME

Days on Market

0 days

NEGOTIABILITY

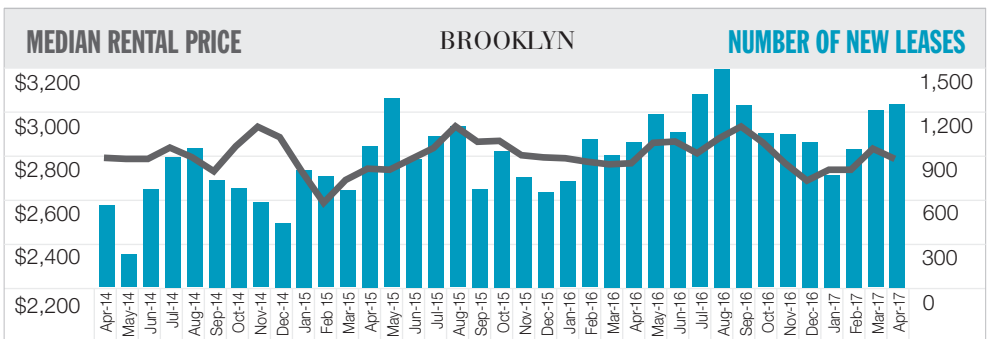
Listing Discount

1.2%

- Landlord concessions more than doubled from year ago levels
- Net effective median rent edged higher for second consecutive month
- Brooklyn median rent was \$617 less than Manhattan median rent

Brooklyn Rental Market		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Average Rental Price		\$3,156	0.1%	\$3,153	3.3%	\$3,054
Rental Price per Sq Ft		\$45.96	-3.8%	\$47.79	-0.8%	\$46.32
Median Rental Price		\$2,800	-1.7%	\$2,847	0.7%	\$2,780
Number of New Leases		1,254	3.6%	1,211	25.9%	996
Days on Market (From Original List Date)		49	-5.8%	52	0.0%	49
Listing Discount (From Original List Price)		2.0%		1.8%		0.8%
Listing Inventory		2,382	-7.7%	2,580	24.4%	1,915
Brooklyn Rental w/Concessions		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Median Rental Price		\$2,765	-1.5%	\$2,806	0.3%	\$2,757
Share of New Leases w/OP + Concessions (%)		14.7%		16.0%		6.5%
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	-12.5%	1.6
Brooklyn Rental Market by Size		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Studio -	Average Rental Price	\$2,500	-4.8%	\$2,627	12.1%	\$2,230
	Rental Price per Sq Ft	\$55.57	0.0%	\$55.55	-1.3%	\$56.32
	Median Rental Price	\$2,445	-2.0%	\$2,496	5.9%	\$2,309
	Number of New Leases	163	-10.4%	182	15.6%	141
1-Bedroom -	Average Rental Price	\$2,717	-1.3%	\$2,754	-1.8%	\$2,766
	Rental Price per Sq Ft	\$47.73	-3.8%	\$49.61	-2.7%	\$49.04
	Median Rental Price	\$2,668	-4.5%	\$2,795	-2.8%	\$2,746
	Number of New Leases	504	1.4%	497	22.6%	411
2-Bedroom -	Average Rental Price	\$3,552	1.3%	\$3,505	6.3%	\$3,341
	Rental Price per Sq Ft	\$45.99	-2.9%	\$47.37	6.2%	\$43.29
	Median Rental Price	\$3,200	0.0%	\$3,200	0.7%	\$3,178
	Number of New Leases	431	12.5%	383	35.1%	319
3+ Bedroom -	Average Rental Price	\$4,162	-1.5%	\$4,227	-0.8%	\$4,194
	Rental Price per Sq Ft	\$37.97	-4.9%	\$39.92	-9.8%	\$42.09
	Median Rental Price	\$3,430	-6.9%	\$3,686	0.1%	\$3,426
	Number of New Leases	156	4.7%	149	24.8%	125
Brooklyn Rental Market by Type		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
Luxury (Top 10%) - Median Rental Price		\$5,651	1.0%	\$5,596	5.7%	\$5,345
Luxury (Top 10%) - Entry Threshold		\$4,705	-0.4%	\$4,725	6.6%	\$4,414
New Development - Median Rental Price		\$3,300	3.0%	\$3,204	0.4%	\$3,286

Brooklyn net effective median rent was essentially unchanged from the same month a year ago as the surge in landlord concessions offset the rise in face rent. The market share of landlord concessions more than doubled to 14.7% resulting a nominal 0.3% rise in net effective median rent to \$2,765 respectively over the same period. There was a 25.9% surge in the number of new leases to 1,254 as a result of continued tenant resistance to high rent levels and a 2.4% rise in market share of new development to 18.2% of all new leasing activity. By apartment size, Brooklyn studios saw a 5.9% jump in median rent to \$2,445 from the year ago period. The median rent of 1-bedroom apartments showed the weakest trend, declining 2.8% to \$2,668 over the same period. Larger



apartments experienced nominal annual gains in median rent. Days on market, the number of days from the original list date to the lease date, was unchanged with an average of 49 days from the same period a year ago. Listing discount, the percentage difference between the original list date and the lease date, expanded to 2% from 0.8% over the same period.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

12.2%

INVENTORY

Total Inventory

22.1%

NEW LEASES

Excludes Renewals

43.9%

OP + CONCESSIONS

Market Share

30.9%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

Listing Discount

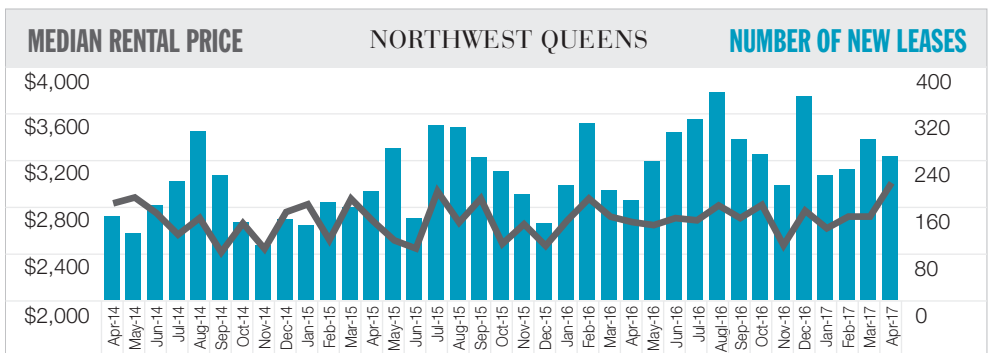
1.7%

- Surge in market share of new development rents skewed overall price trends higher
- Concessions tripled to highest level since began tracking in January 2016
- Northwest Queens median rent was \$288 more than Brooklyn median rent

Queens Rental Market		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16	
Average Rental Price		\$3,043	6.8%	\$2,850	7.8%	\$2,824	
Rental Price per Sq Ft		\$50.89	4.6%	\$48.65	10.3%	\$46.12	
Median Rental Price		\$3,088	10.3%	\$2,800	12.2%	\$2,753	
Number of New Leases		246	-10.2%	274	43.9%	171	
Days on Market (From Original List Date)		37	-9.8%	41	19.4%	31	
Listing Discount (From Original List Price)		0.0%		0.5%		1.7%	
Listing Inventory		596	3.5%	576	22.1%	488	
Queens Rental w/Concessions		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16	
Median Rental Price		\$2,995	9.5%	\$2,734	10.4%	\$2,714	
Number of New Leases w/OP + Concessions (%)		45.5%		42.7%		14.6%	
Free Rent/Owner Paid (Mos)		1.1	22.2%	0.9	-8.3%	1.2	
Queens Rental Market by Size		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16	
Studio -	Average Rental Price	\$2,417	2.6%	\$2,356	8.3%	\$2,232	
	Rental Price per Sq Ft	\$53.17	-11.3%	\$59.96	3.9%	\$51.17	
	Median Rental Price	\$2,537	2.6%	\$2,473	5.3%	\$2,409	
1-Bedroom -	Average Rental Price	\$2,858	3.4%	\$2,763	10.1%	\$2,596	
	Rental Price per Sq Ft	\$51.20	1.4%	\$50.48	9.2%	\$46.88	
	Median Rental Price	\$3,160	3.6%	\$3,050	23.6%	\$2,556	
2-Bedroom -	Average Rental Price	\$3,839	15.6%	\$3,320	19.4%	\$3,215	
	Rental Price per Sq Ft	\$52.61	23.7%	\$42.53	20.4%	\$43.69	
	Median Rental Price	\$3,995	33.2%	\$3,000	42.0%	\$2,814	
3+ Bedroom -	Average Rental Price	\$3,049	-5.7%	\$3,234	-27.3%	\$4,196	
	Rental Price per Sq Ft	\$35.37	5.3%	\$33.58	-21.1%	\$44.81	
	Median Rental Price	\$2,995	3.3%	\$2,900	-18.8%	\$3,687	
	Number of New Leases	7	-41.7%	12	-22.2%	9	
	Queens Rental Market By Type		APR-17	%Δ (MO)	MAR-17	%Δ (YR)	APR-16
	Luxury (Top 10%) - Median Rental Price		\$4,581	0.3%	\$4,568	16.5%	\$3,933
Luxury (Top 10%) - Entry Threshold		\$4,386	9.0%	\$4,025	30.9%	\$3,350	
New Development - Median Rental Price		\$3,225	-7.0%	\$3,106	9.3%	\$2,950	
New Development - Market Share		35.4%		42.7%		19.9%	

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

The northwest Queens rental market, made up of the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside, continued to experience a large influx of new development units that skewed overall price trends higher. Median net effective rent rose 10.4% to \$2,995 from the same period last year. The market share of new development rentals jumped 15.5% to 35.4% from the same year ago period. With the skew of higher priced units entering the market, the share of landlord concessions tripled to 45.5% from 14.6% in the same period last year. This was the highest concession market share recorded since we formally began tracking this metric in January 2016.



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>

RENTAL DIVISION 212.891.7711 • elliman.com

DOUGLAS ELLIMAN REAL ESTATE 575 Madison Avenue, New York, NY 10022 • 212.891.7000

MILLER SAMUEL REAL ESTATE APPRAISERS 21 West 38th Street, New York, NY 10018 • 212.768.8100 • millersamuel.com

575 MADISON AVENUE, NY, NY 10022. 212.891.7000 © 2017 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. EQUAL HOUSING OPPORTUNITY.