



ELLIMAN REPORT

MANHATTAN

• **Median rental price gains have been robust for nearly 2 years**

The year-over-year increase in median monthly rents have pressed higher since July 2011, averaging a 5% annual pace. The Manhattan median monthly rent was \$3,200, up 3.5% from the same period last year. Average rent expanded at a similar pace, rising 3.2% to \$3,951, just shy of the \$4,000 threshold and the 7th highest monthly level in 60 months. The occurrence of rental concessions remained limited, with only 4.4% of all new rentals having some form applied. When concessions were used, they were the equivalent of 1.2 months rent.

• **Number of new rentals fell as days on market expanded**

There was noticeably less “tenant churn” as new rental activity fell 21.8% to 4,139 rentals from the prior year period. Tenants and landlords are perhaps more in sync, as tenants are less likely to try to find a more affordable rental, and landlords are less aggressive with escalations at the time of renewal. Consistent with this pattern, days on market edged up 6 days to 49 days from the prior year period and listing discount was 2.4% as compared to 2.1% over the same time frame.

• **The vacancy rate fell sharply as brisk activity pushed later into season**

The vacancy rate was 1.6% in May, down sharply from 2.51% in May 2012 and 2.09% in May 2011, which had previously marked the beginning of the seasonal slowdown.

Manhattan Rental Market	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$3,951	3.6%	\$3,815	3.2%	\$3,829
Rental Price per Square Foot	\$51.13	0.0%	\$51.15	-1.0%	\$51.65
Median Rental Price	\$3,200	0.2%	\$3,195	3.5%	\$3,093
Number of New Rentals	4,139	-3.5%	4,287	-21.8%	5,290
Days on Market (From Original List Date)	49	-9.3%	54	14.0%	43
Listing Discount (From Original List Price)	2.4%		2.8%		2.1%
Listing Inventory	5,647	-0.5%	5,674	5.7%	5,342

(Face Rent)

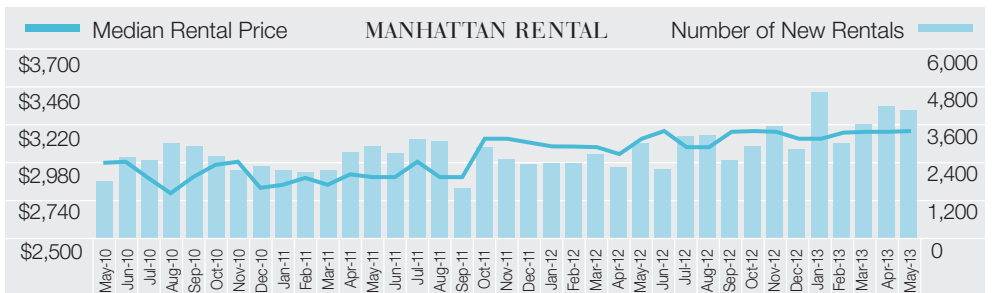
Manhattan Rental w/Concessions	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$3,934	3.6%	\$3,799	2.9%	\$3,822
Rental Price per Square Foot	\$50.91	0.0%	\$50.93	-1.3%	\$51.56
Median Rental Price	\$3,186	0.2%	\$3,181	3.2%	\$3,087
Number of New Rentals w/Concessions (%)	4.4%		4.7%		2.2%
Free Rent/Owner Paid (Mos)	1.2	9.1%	1.1	20.0%	1.0

(Net Effective Rent)

Manhattan Vacancy Rate	MAY-13	APR-13	MAY-12
Manhattan	1.60%	1.58%	2.51%
Downtown	1.38%	1.47%	2.67%
East Side	2.08%	1.04%	1.97%
West Side	1.83%	2.22%	3.46%
Uptown	1.15%	1.86%	1.86%

Manhattan Median Rental Price by Property Type	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Doorman	\$3,605	2.6%	\$3,513	4.5%	\$3,450
Non-Doorman	\$2,795	2.7%	\$2,721	4.8%	\$2,667
Loft	\$4,823	-2.8%	\$4,960	-1.4%	\$4,890
Luxury [Top 10%]	\$8,168	10.3%	\$7,402	0.2%	\$8,148
Super-Luxury [Top 5%]	\$12,000	23.1%	\$9,750	9.1%	\$11,000
New Development	\$4,124	8.6%	\$3,798	5.1%	\$3,923

(Face Rent)



The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market in the New York City metropolitan region. 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 by **SIZE**

DOWNTOWN

- Modest growth in rental price across most categories** The median rental price of a downtown property was \$3,432, up 2.4% from the same period last year. The 2-bedroom market had the largest gain, up 7.1% to \$4,600 from the prior year period. Median rental price expanded across all sizes except 3+ bedrooms, which fell by 1.2% over the same period.
- Consistent decline in number of new rentals across all sizes** There were 1,974 new rentals during the month, 12.3% less than during the same period last year and the smallest decline of all four regions. All size categories within the downtown region showed consistent declines in number of new rentals compared to last year.
- The vacancy rate fell by half from prior year levels** The vacancy rate for the region fell to 1.38% from 2.67% in the same period last year.

Downtown Studio	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$2,700	-1.2%	\$2,733	-2.7%	\$2,775
Rental Price per Square Foot	\$57.69	0.6%	\$57.36	0.7%	\$57.31
Median Rental Price	\$2,587	-0.9%	\$2,610	1.9%	\$2,540
Number of New Rentals	510	-2.9%	525	-15.1%	601

Downtown 1-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$3,632	-0.6%	\$3,655	-1.9%	\$3,704
Rental Price per Square Foot	\$56.01	1.2%	\$55.33	-4.1%	\$58.42
Median Rental Price	\$3,455	-1.0%	\$3,490	1.8%	\$3,395
Number of New Rentals	848	2.5%	827	-11.4%	957

Downtown 2-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$5,156	-9.3%	\$5,683	6.4%	\$4,844
Rental Price per Square Foot	\$51.50	-7.7%	\$55.77	4.2%	\$49.41
Median Rental Price	\$4,600	-13.2%	\$5,300	7.1%	\$4,295
Number of New Rentals	479	20.1%	399	-11.1%	539

Downtown 3+ Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$8,520	-4.6%	\$8,927	0.4%	\$8,485
Rental Price per Square Foot	\$56.02	-6.2%	\$59.74	11.4%	\$50.30
Median Rental Price	\$5,680	-5.3%	\$5,995	-1.2%	\$5,749
Number of New Rentals	137	21.2%	113	-9.9%	152

EAST SIDE

- Median rental price was higher than during the same period last year** Median rent increased 6.2% to \$3,000 from the same period last year. The rise in rents was consistent across the larger part of the regional market. Only 3+ bedroom apartments showed a decline from prior year levels, falling by 11.7% to \$6,481.
- Most size categories reflected decline in new rentals** The number of new rentals fell 24.3% to 1,104 new rentals from the same period last year. The largest declines by size occurred in the studio and 1-bedroom categories. With great resistance to rising rents, the 3+ bedroom category posted the only gain in new rentals over the same period.
- The vacancy rate edged nominally higher** The vacancy rate for the East Side edged up to 2.08%; the highest of the four regions; from 1.97% in the prior year month.

East Side Studio	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$2,296	1.8%	\$2,255	1.7%	\$2,258
Rental Price per Square Foot	\$50.66	-3.5%	\$52.52	-3.0%	\$52.24
Median Rental Price	\$2,300	9.5%	\$2,100	9.2%	\$2,107
Number of New Rentals	270	-20.6%	340	-28.6%	378

East Side 1-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$3,156	4.9%	\$3,009	1.8%	\$3,099
Rental Price per Square Foot	\$50.77	4.2%	\$48.72	6.5%	\$47.65
Median Rental Price	\$3,049	3.1%	\$2,956	3.8%	\$2,936
Number of New Rentals	491	-17.6%	596	-28.5%	687

East Side 2-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$5,218	6.7%	\$4,889	7.9%	\$4,837
Rental Price per Square Foot	\$49.49	2.8%	\$48.12	-2.8%	\$50.92
Median Rental Price	\$4,595	5.7%	\$4,348	8.9%	\$4,218
Number of New Rentals	237	-16.5%	284	-19.4%	294

East Side 3+ Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$9,915	34.7%	\$7,360	-9.2%	\$10,914
Rental Price per Square Foot	\$52.11	4.0%	\$50.09	-14.7%	\$61.09
Median Rental Price	\$6,481	18.3%	\$5,480	-11.7%	\$7,342
Number of New Rentals	106	16.5%	91	8.2%	98

Manhattan rental market by **SIZE****WEST SIDE**

- Median rental price slipped from prior year level** The median rent for a West Side property was \$3,234, down 1.4% from the same period last year. All size categories showed year-over-year declines with the exception of the 1-bedroom market, which increased 0.8%. The 2-bedroom median rental price fell 10.8%, the largest decline of all size categories.
- New rentals posted double-digit declines** The number of new rentals fell 31.3% to 828 from prior year levels, reflecting less “tenant churn” in the market as fewer tenants likely resisted new rental rates upon lease renewal. All size categories posted double-digit declines in new rental activity over the same period.
- The vacancy rate fell from elevated prior year level** The 1.83% West Side vacancy rate was nearly half of the 3.46% rate in the prior year month.

West Side Studio	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$2,337	-1.1%	\$2,364	-6.3%	\$2,494
Rental Price per Square Foot	\$60.38	-0.4%	\$60.64	-2.9%	\$62.19
Median Rental Price	\$2,229	-3.1%	\$2,300	-6.8%	\$2,392
Number of New Rentals	203	-5.6%	215	-21.6%	259

West Side 1-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$3,295	-0.9%	\$3,324	-2.0%	\$3,363
Rental Price per Square Foot	\$53.01	-6.0%	\$56.38	-4.9%	\$55.74
Median Rental Price	\$3,250	-1.1%	\$3,287	0.8%	\$3,225
Number of New Rentals	369	-15.6%	437	-35.9%	576

West Side 2-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$4,963	8.7%	\$4,566	-7.1%	\$5,344
Rental Price per Square Foot	\$50.85	6.7%	\$47.67	-13.3%	\$58.62
Median Rental Price	\$4,525	6.4%	\$4,252	-10.8%	\$5,074
Number of New Rentals	193	-5.4%	204	-33.9%	292

West Side 3+ Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$9,463	-1.1%	\$9,566	4.2%	\$9,082
Rental Price per Square Foot	\$61.74	34.7%	\$45.84	4.9%	\$58.84
Median Rental Price	\$7,495	-8.2%	\$8,168	-1.7%	\$7,625
Number of New Rentals	63	-7.4%	68	-19.2%	78

UPTOWN

- Median rental price showed gain from prior year levels** The median rental price increased 6.5% to \$1,929 from the prior year quarter. Studio median rental price slipped nominally, while all other sizes increased over the same period. The 2-bedroom market continued to lead all categories with a 13.7% gain.
- New rentals fell sharply and consistently across most categories** The sharp decline in the number of new rentals reflected a higher renewal rate by tenants, as landlords eased back the pace of price increases. The number of new rentals fell 38% to 233 from the same period last year. Most size categories posted similar declines.
- Vacancy rate well below prior year levels** The Uptown vacancy rate fell to 1.15% from the 1.86% in both the prior year period and the prior month.

Uptown Studio	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$1,495	-9.6%	\$1,654	-5.2%	\$1,577
Rental Price per Square Foot	\$24.42	-5.2%	\$25.75	-42.7%	\$42.62
Median Rental Price	\$1,389	6.6%	\$1,303	-0.8%	\$1,400
Number of New Rentals	24	9.1%	22	-41.5%	41

Uptown 1-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$1,711	1.3%	\$1,689	-4.9%	\$1,799
Rental Price per Square Foot	\$29.56	7.3%	\$27.55	-5.6%	\$31.30
Median Rental Price	\$1,652	0.5%	\$1,644	1.5%	\$1,627
Number of New Rentals	86	75.5%	49	-44.2%	154

Uptown 2-Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$2,368	-8.5%	\$2,589	6.5%	\$2,223
Rental Price per Square Foot	\$27.49	-11.8%	\$31.18	-2.0%	\$28.04
Median Rental Price	\$2,184	-8.7%	\$2,393	13.7%	\$1,921
Number of New Rentals	74	10.4%	67	-40.3%	124

Uptown 3+ Bedroom	MAY-13	%Chg (mo)	APR-13	%Chg (YR)	MAY-12
Average Rental Price	\$3,120	-5.9%	\$3,317	6.2%	\$2,937
Rental Price per Square Foot	\$26.15	-9.1%	\$28.77	-1.5%	\$26.56
Median Rental Price	\$2,797	3.8%	\$2,695	1.7%	\$2,750
Number of New Rentals	49	44.1%	34	-12.5%	56

Brooklyn rental market by **SIZE**

BROOKLYN

- For the second consecutive month, year-over-year median rent weakens**

The Brooklyn median rent slipped 3% to \$2,579 from the same period last year. After reaching a year-to-date 2013 peak rate increase of 11.3% in March and a 1% rate increase in April, the rate decreased in May to the lowest level of the year. Rental price growth has remained volatile month-to-month, but when using a 90-day moving average, rent growth has been maintained since late 2010.

- The number of new rentals jumped from prior year levels to the second fastest pace of 2013**

There were 479 new rentals in the current month, up 23.5% from the prior year period. This change in trend started at the beginning of the year. The jump in “tenant churn” reflects resistance to price increases offered at lease renewal as tenants sought out affordability.

- Days on market and listing discount rose from prior year levels**

The number of days to rent a property in Brooklyn edged up to 44 days from 42 days in the same month last year. Listing discount or negotiation between original asking price and rental price jumped to 8.3% from 3.6% over the same period.

- Studio and 1-bedroom rental market share fell, as low mortgage rates pulled tenants into sales market**

The market share of new rentals fell 12.9% for studios, and 40.5% for 1-bedrooms for a combined total decline of 2.2%.

Brooklyn Rental Market	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$2,969	-1.6%	\$3,017	-2.7%	\$3,052
Rental Price per Square Foot	\$36.08	-10.5%	\$40.31	-2.7%	\$37.10
Median Rental Price	\$2,579	-4.5%	\$2,700	-3.0%	\$2,658
Number of New Rentals	479	34.2%	357	23.5%	388
Days on Market (From Original List Date)	44	18.9%	37	4.8%	42
Listing Discount (From Original List Price)	8.3%		1.2%		3.6%

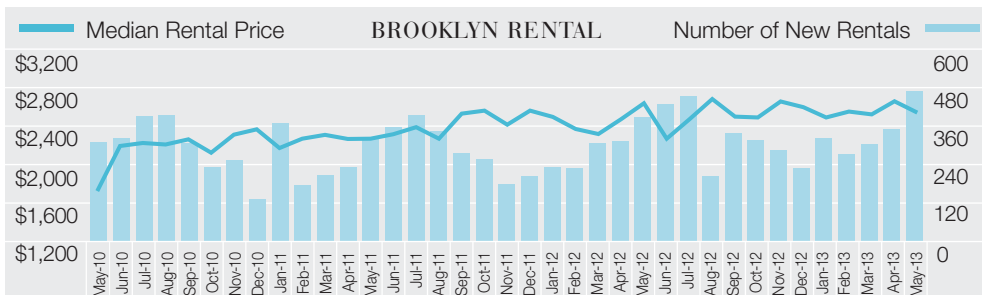
(Face Rent)

Brooklyn Studio Rental Matrix	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$2,091	-0.9%	\$2,110	-1.1%	\$2,115
Rental Price per Square Foot	\$38.71	-10.0%	\$43.03	3.7%	\$37.34
Median Rental Price	\$1,798	-11.3%	\$2,028	-10.6%	\$2,011
Number of New Rentals	62	21.6%	51	19.2%	52

Brooklyn 1-Bedroom Rental Matrix	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$2,430	-4.0%	\$2,532	-0.4%	\$2,439
Rental Price per Square Foot	\$37.40	-7.8%	\$40.55	2.7%	\$36.41
Median Rental Price	\$2,350	-5.0%	\$2,473	2.4%	\$2,295
Number of New Rentals	194	45.9%	133	21.3%	160

Brooklyn 2-Bedroom Rental Matrix	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$3,213	-4.9%	\$3,378	-3.3%	\$3,321
Rental Price per Square Foot	\$36.58	-8.3%	\$39.87	-3.9%	\$38.06
Median Rental Price	\$2,972	-6.6%	\$3,183	-4.1%	\$3,100
Number of New Rentals	167	22.8%	136	38.0%	121

3+-Bedroom Rental Matrix	MAY-13	%Chg (mo)	APR-13	%Chg (yr)	MAY-12
Average Rental Price	\$5,083	8.6%	\$4,681	-0.9%	\$5,129
Rental Price per Square Foot	\$37.68	-1.1%	\$38.10	7.2%	\$35.16
Median Rental Price	\$4,589	2.0%	\$4,500	2.0%	\$4,500
Number of New Rentals	56	51.4%	37	1.8%	55



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

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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