

# ELLI MAN

## REPORT

# SEPTEMBER 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

0.45%

#### NEW LEASES

Excludes Renewals

4.0%

#### OP + CONCESSIONS

Market Share

3.1%

#### MARKETING TIME

Days on Market

1 day

#### NEGOTIABILITY

Listing Discount

0.2%

- Median net effective median rent rose year over year throughout 2019
- Concession market share declined year over year for the eighth time in nine months
- The vacancy rate has increased year over year for three straight months

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.

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*Rising rents and falling concessions still define the rental market.*

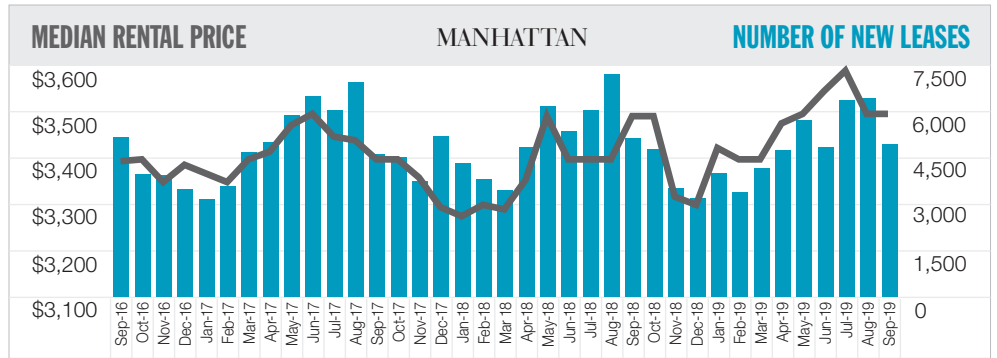
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Manhattan Rental Market		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Average Rental Price		\$4,336	3.1%	\$4,206	4.0%	\$4,169
Rental Price per Sq Ft		\$70.36	0.9%	\$69.76	4.8%	\$67.11
Median Rental Price		\$3,500	0.0%	\$3,500	0.1%	\$3,495
Number of New Leases		5,019	-23.3%	6,544	-4.0%	5,227
Days on Market (From Original List Date)		28	16.7%	24	-3.4%	29
Listing Discount (From Original List Price)		1.5%		1.1%		1.7%
Listing Inventory		5,299	-6.1%	5,645	-2.2%	5,420
Vacancy Rate		1.96%		1.95%		1.51%
Manhattan Rental w/Concessions		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Median Rental Price		\$3,411	-0.4%	\$3,423	0.5%	\$3,394
Share of New Leases w/OP + Concessions (%)		34.3%		31.9%		37.4%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	-7.7%	1.3
Manhattan Rental Market by Size		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Studio -	Average Rental Price	\$2,848	1.1%	\$2,816	1.8%	\$2,797
	Rental Price per Sq Ft	\$70.94	-2.1%	\$72.47	-2.3%	\$72.63
	Median Rental Price	\$2,700	0.0%	\$2,700	1.9%	\$2,650
1-Bedroom -	Average Rental Price	\$3,677	1.0%	\$3,639	3.7%	\$3,547
	Rental Price per Sq Ft	\$66.10	-2.2%	\$67.59	3.2%	\$64.02
	Median Rental Price	\$3,575	-0.6%	\$3,595	2.1%	\$3,500
2-Bedroom -	Average Rental Price	\$5,029	4.2%	\$4,826	1.3%	\$4,963
	Rental Price per Sq Ft	\$67.50	-0.4%	\$67.76	4.1%	\$64.83
	Median Rental Price	\$4,375	7.3%	\$4,079	-2.1%	\$4,471
3+ Bedroom -	Average Rental Price	\$8,490	18.8%	\$7,144	10.7%	\$7,670
	Rental Price per Sq Ft	\$80.53	8.5%	\$74.23	11.9%	\$71.97
	Median Rental Price	\$5,635	11.0%	\$5,076	7.4%	\$5,247
Number of New Leases		536	-34.9%	823	-5.3%	566

Price trends continued to rise while concession market share declined as spillover from the cooling sales market helped increase demand. Median net effective median rent, defined as face rent, less free rent, broker commissions, and other landlord concessions, has been rising year over

year throughout 2019. Median net effective rent was \$3,411, up 0.5% from the same period a year ago. The three market-wide rental price trend indicators have risen year over year for the past four months. They were driven higher by would-be buyers “camping out” in the rental market until they

are comfortable with the purchase market. Despite falling during most of this year, the market share of landlord concessions still represents about one-third of the market. The concession market share was 34.3%, down from 37.4% during the same period a year ago. The peak for the overall market share of concessions was reached in January 2018 at 49.3%. However, the current market share of landlord concessions for new development rentals was 55.8%, representing 6.6% of all rentals. Landlord concessions for the remainder of the market were 32.8%.



## PROPERTY TYPE

- Doorman median rent rose faster than non-doorman median rent respectively from the year-ago level
- New development median rent rose more quickly than the existing median rent

Manhattan Rental Market By Property Type	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Doorman Median Rental Price	\$4,150	1.6%	\$4,083	3.8%	\$4,000
Non-Doorman Median Rental Price	\$2,995	-2.4%	\$3,070	1.4%	\$2,954
Loft Median Rental Price	\$5,800	-2.1%	\$5,923	0.0%	\$5,800
New Development Median Rental Price	\$5,085	4.2%	\$4,880	10.9%	\$4,587
Existing Median Rental Price	\$3,495	1.3%	\$3,450	2.8%	\$3,400

## BY PRICE

- Year over year median rent growth was strong above \$10,000 and mainly flat above \$15,000
- The luxury entry threshold hasn't seen a year over year decline in 2019
- Rents generally rose more quickly at the higher price strata

Manhattan Rental Market By Price	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Luxury (Top 10%) - Average Rental Price	\$11,379	10.2%	\$10,329	8.8%	\$10,457
Luxury (Top 10%) - Rental Price per Sq Ft	\$83.36	3.1%	\$80.82	8.0%	\$77.18
Luxury (Top 10%) - Median Rental Price	\$8,473	5.9%	\$8,000	3.4%	\$8,191
Luxury (Top 10%) - Number of New Leases	502	-24.3%	663	-4.2%	524
Luxury (Top 10%) - Entry Threshold	\$6,684	2.9%	\$6,495	2.9%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,775	1.7%	\$4,695	4.9%	\$4,550
Mid Tier (2nd 30%) - Median Rental Price	\$3,395	1.3%	\$3,350	1.6%	\$3,340
Entry Tier (1st 30%) - Median Rental Price	\$2,399	0.0%	\$2,400	2.1%	\$2,350

## BY LOCATION

### DOWNTOWN

- Median rent increased
- Number of new leases stabilized

Downtown Market Matrix	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Median Rental Price	\$3,900	0.0%	\$3,900	4.0%	\$3,750
Number of New Leases	2,232	-22.7%	2,889	0.0%	2,231
Vacancy Rate	2.36%		2.39%		1.66%

### EAST SIDE

- Median rent declined
- Number of new leases continued to fall

East Side Market Matrix	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Median Rental Price	\$3,250	-3.7%	\$3,375	-1.5%	\$3,300
Number of New Leases	1,090	-29.6%	1,549	-18.1%	1,331
Vacancy Rate	1.15%		1.42%		1.31%

### WEST SIDE

- Vacancy rate increased
- Number of new leases fell

West Side Market Matrix	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Median Rental Price	\$3,650	4.3%	\$3,500	1.7%	\$3,589
Number of New Leases	1,106	-18.4%	1,355	-4.7%	1,161
Vacancy Rate	2.48%		2.22%		1.70%

### NORTHERN MANHATTAN

- Vacancy rate moved higher
- Median rent slipped

Northern Manhattan Market Matrix	SEP-19	%Δ (MO)	AUG-19	%Δ (YR)	SEP-18
Median Rental Price	\$2,450	1.0%	\$2,425	-0.8%	\$2,470
Number of New Leases	591	-21.3%	751	17.3%	504
Vacancy Rate	1.42%		1.15%		1.15%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

5.3%

## INVENTORY

Total Inventory

19.9%

## NEW LEASES

Excludes Renewals

8.7%

## OP + CONCESSIONS

Market Share

8.5%

## MARKETING TIME

Days on Market

0 days

## NEGOTIABILITY

Listing Discount

0.3%

- Net effective median rent rose year over year for the tenth straight month
- Concession market share has continued to decline annually throughout 2019
- Median rent by bedroom rose annually for each size category

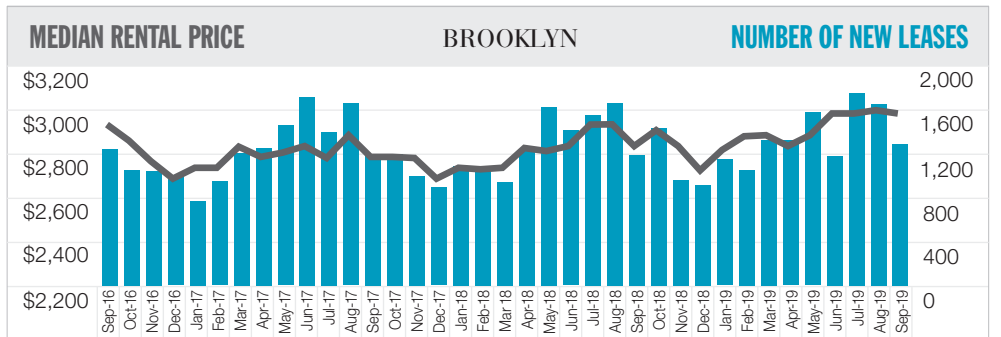


*Rental price trends continued to rise, and landlord concessions continued to slide.*



Brooklyn Rental Market		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Average Rental Price		\$3,366	-4.0%	\$3,507	7.6%	\$3,129
Rental Price per Sq Ft		\$48.40	0.9%	\$47.97	3.4%	\$46.81
Median Rental Price		\$3,000	-0.5%	\$3,015	5.3%	\$2,850
Number of New Leases		1,293	-21.9%	1,655	8.7%	1,189
Days on Market (From Original List Date)		26	4.0%	25	0.0%	26
Listing Discount (From Original List Price)		0.9%		1.0%		1.2%
Listing Inventory		1,506	-10.8%	1,688	-19.9%	1,880
Brooklyn Rental w/Concessions		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Median Rental Price		\$2,915	-0.1%	\$2,919	6.2%	\$2,744
Share of New Leases w/OP + Concessions (%)		34.6%		38.0%		43.1%
Free Rent/Owner Paid (Mos)		1.4	0.0%	1.4	0.0%	1.4
Brooklyn Rental Market by Size		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Studio -	Average Rental Price	\$2,595	-2.9%	\$2,672	5.1%	\$2,470
	Rental Price per Sq Ft	\$56.29	-2.4%	\$57.69	-3.0%	\$58.01
	Median Rental Price	\$2,581	-3.3%	\$2,668	3.5%	\$2,494
	Number of New Leases	203	-5.6%	215	9.1%	186
1-Bedroom -	Average Rental Price	\$2,978	0.8%	\$2,955	9.2%	\$2,728
	Rental Price per Sq Ft	\$50.60	1.3%	\$49.93	5.6%	\$47.93
	Median Rental Price	\$2,858	2.1%	\$2,800	7.8%	\$2,650
	Number of New Leases	514	-18.7%	632	9.4%	470
2-Bedroom -	Average Rental Price	\$3,733	2.3%	\$3,648	7.3%	\$3,479
	Rental Price per Sq Ft	\$47.13	-1.2%	\$47.72	7.8%	\$43.74
	Median Rental Price	\$3,340	1.2%	\$3,300	2.8%	\$3,250
	Number of New Leases	417	-22.6%	539	12.4%	371
3+ Bedroom -	Average Rental Price	\$4,637	-10.7%	\$5,190	9.2%	\$4,246
	Rental Price per Sq Ft	\$44.11	0.3%	\$43.96	2.1%	\$43.19
	Median Rental Price	\$3,700	-13.9%	\$4,299	3.7%	\$3,569
	Number of New Leases	159	-40.9%	269	-1.9%	162
Brooklyn Rental Market by Type		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Luxury (Top 10%) - Median Rental Price		\$6,076	-6.9%	\$6,523	12.5%	\$5,400
Luxury (Top 10%) - Entry Threshold		\$5,150	-5.5%	\$5,450	14.4%	\$4,500
New Development - Median Rental Price		\$3,550	-0.2%	\$3,556	7.6%	\$3,298

All price trend indicators pressed higher on a year over year basis as a weaker sales market helped drive additional rental demand. Net effective median rent rose 6.2% to \$2,915 year over year, having posted annual gains during each month of 2019. Average face rent rose 7.6% to \$3,366, and median face rent increased 5.3% to \$3,000 respectively from the same period last year. The market share of concessions continued to grind lower but remained high. The market footprint of rental activity where landlords provided free rent or reimbursed broker commissions was 34.6%, down from 43.1% in the same period last year. The market share of concessions peaked in April 2018 at 51%. New development concessions were 58.7% or roughly double concession levels for existing rentals at 25.8%. Median rent for studios, 1-bedrooms and 2-bedrooms, rose year over year along with the luxury market representing the top 10% of all rentals in the period.



## NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

1.7%

### INVENTORY

Total Inventory

31.9%

### NEW LEASES

Excludes Renewals

9.6%

### OP + CONCESSIONS

Market Share

22.0%

### MARKETING TIME

Days on Market

1 day

### NEGOTIABILITY

Listing Discount

0.2%

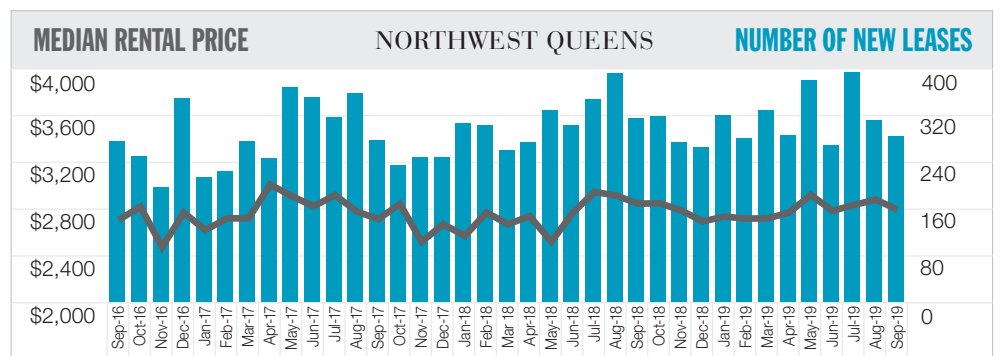
- All price trend indicators and new leases fell year over year
- Net effective median rent stabilized after falling year over year in the prior two months
- The market share of landlord concessions fell year over year for the sixth time in seven months

The market share of landlord concessions has declined year over year in six of the past seven months as would-be buyers continue to “camp-out” in the rental market. Landlord concession market share was 33.6%, down 22% from the same period last year, and was the fifth decline in the past six months. However, the overall face rents for all three price trend indicators slipped because of the lower market share of higher-priced new development activity. The market share of new development rents fell 7.5% to 31.8% of all activity and enjoyed a 21.9% premium in rents this month, skewing the overall trends lower. After declining year over year over the past two months, net effective median rent, inclusive of free rent and broker commissions, was \$2,789, unchanged from the prior-year period.

“Despite the decline in market share of landlord concessions, overall price trend indicators drifted lower.”

Northwest Queens Rental Market		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Average Rental Price		\$3,056	-1.1%	\$3,089	-1.3%	\$3,095
Rental Price per Sq Ft		\$51.95	5.1%	\$49.45	-1.4%	\$52.67
Median Rental Price		\$2,875	-2.9%	\$2,960	-1.7%	\$2,925
Number of New Leases		283	-9.0%	311	-9.6%	313
Days on Market (From Original List Date)		24	-17.2%	29	4.3%	23
Listing Discount (From Original List Price)		1.1%		0.6%		1.3%
Listing Inventory		297	-17.5%	360	-31.9%	436
Northwest Queens Rental w/Concessions		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Median Rental Price		\$2,789	-2.7%	\$2,866	0.0%	\$2,788
Number of New Leases w/OP + Concessions (%)		33.6%		36.0%		55.6%
Free Rent/Owner Paid (Mos)		1.5	0.0%	1.5	7.1%	1.4
Northwest Queens Rental Market by Size		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Studio -	Average Rental Price	\$2,483	-3.9%	\$2,585	-2.7%	\$2,551
	Rental Price per Sq Ft	\$60.76	-1.9%	\$61.92	-1.1%	\$61.43
	Median Rental Price	\$2,594	-1.2%	\$2,625	-1.1%	\$2,622
	Number of New Leases	50	-13.8%	58	-39.8%	83
1-Bedroom -	Average Rental Price	\$2,835	-1.6%	\$2,882	-3.5%	\$2,937
	Rental Price per Sq Ft	\$50.98	-0.6%	\$51.30	-4.0%	\$53.11
	Median Rental Price	\$2,798	-6.1%	\$2,979	-10.7%	\$3,133
	Number of New Leases	162	1.9%	159	3.2%	157
2-Bedroom -	Average Rental Price	\$3,987	7.5%	\$3,709	-2.9%	\$4,107
	Rental Price per Sq Ft	\$51.84	21.4%	\$42.70	2.3%	\$50.67
	Median Rental Price	\$4,262	6.6%	\$4,000	-1.6%	\$4,330
	Number of New Leases	63	-19.2%	78	3.3%	61
3+ Bedroom -	Average Rental Price	\$3,783	-3.9%	\$3,938	0.0%	\$3,783
	Rental Price per Sq Ft	\$40.61	-16.6%	\$48.71	11.8%	\$36.32
	Median Rental Price	\$3,310	-4.7%	\$3,472	-8.1%	\$3,600
	Number of New Leases	8	-50.0%	16	-33.3%	12
Northwest Queens Rental Market By Type		SEP-19	%Δ (mo)	AUG-19	%Δ (yr)	SEP-18
Luxury (Top 10%) - Median Rental Price		\$4,936	0.0%	\$4,938	1.1%	\$4,881
Luxury (Top 10%) - Entry Threshold		\$4,492	5.0%	\$4,277	2.2%	\$4,395
New Development - Median Rental Price		\$3,291	6.4%	\$3,092	5.0%	\$3,133
New Development - Market Share		31.8%		33.4%		39.3%

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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