

ELLI MAN REPORT

NOVEMBER 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.3%

VACANCY

Vacancy Rate

0.34%

NEW LEASES

Excludes Renewals

29.4%

OP + CONCESSIONS

Market Share

11.6%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.6%

- Landlord concessions continued to set new records
- Median rent with concessions slipped for fourth consecutive month
- Listing inventory, marketing time and negotiability expanded

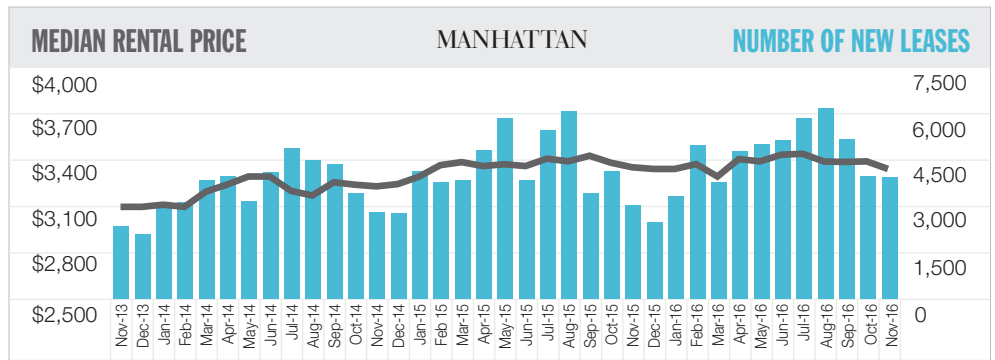
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

| Manhattan Rental Market | | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|---|------------------------|---------|---------|---------|---------|---------|
| Average Rental Price | | \$4,095 | -3.0% | \$4,223 | 0.6% | \$4,071 |
| Rental Price per Sq Ft | | \$66.32 | -6.0% | \$70.58 | 26.4% | \$52.45 |
| Median Rental Price | | \$3,350 | -1.5% | \$3,400 | -0.3% | \$3,361 |
| Number of New Leases | | 3,987 | -1.5% | 4,046 | 29.4% | 3,082 |
| Days on Market (From Original List Date) | | 52 | 13.0% | 46 | 15.6% | 45 |
| Listing Discount (From Original List Price) | | 3.8% | | 3.1% | | 3.2% |
| Listing Inventory | | 7,283 | 2.1% | 7,132 | 24.7% | 5,841 |
| Vacancy Rate | | 2.53% | | 2.39% | | 2.87% |
| Manhattan Rental w/Concessions | | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
| Median Rental Price | | \$3,264 | -1.7% | \$3,322 | -1.6% | \$3,318 |
| Share of New Leases w/OP + Concessions (%) | | 25.1% | | 23.9% | | 13.5% |
| Free Rent/Owner Paid (Mos) | | 1.2 | 0.0% | 1.2 | 9.1% | 1.1 |
| Manhattan Rental Market by Size | | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
| Studio - | Average Rental Price | \$2,675 | -4.3% | \$2,796 | -0.4% | \$2,687 |
| | Rental Price per Sq Ft | \$68.27 | 0.2% | \$68.12 | 20.4% | \$56.68 |
| | Median Rental Price | \$2,573 | -1.0% | \$2,600 | 0.9% | \$2,550 |
| | Number of New Leases | 928 | 3.7% | 895 | 27.5% | 728 |
| 1-Bedroom - | Average Rental Price | \$3,440 | -2.5% | \$3,528 | -0.3% | \$3,452 |
| | Rental Price per Sq Ft | \$61.98 | -4.3% | \$64.78 | 13.0% | \$54.87 |
| | Median Rental Price | \$3,350 | -1.5% | \$3,400 | -1.6% | \$3,405 |
| | Number of New Leases | 1,712 | -5.9% | 1,819 | 21.2% | 1,412 |
| 2-Bedroom - | Average Rental Price | \$5,130 | 4.0% | \$4,935 | -0.4% | \$5,153 |
| | Rental Price per Sq Ft | \$65.88 | 1.6% | \$64.82 | 26.8% | \$51.96 |
| | Median Rental Price | \$4,647 | 3.3% | \$4,500 | 0.7% | \$4,616 |
| | Number of New Leases | 985 | 3.2% | 954 | 38.7% | 710 |
| 3+ Bedroom - | Average Rental Price | \$8,022 | -12.3% | \$9,145 | -9.6% | \$8,874 |
| | Rental Price per Sq Ft | \$73.87 | -19.0% | \$91.21 | 48.3% | \$49.81 |
| | Median Rental Price | \$5,500 | -5.7% | \$5,832 | -13.2% | \$6,333 |
| | Number of New Leases | 362 | -4.2% | 378 | 56.0% | 232 |

Landlord concessions set a new record as net effective median rent slipped year over year for the fourth consecutive month. The market share of concessions reached a record 25.1% share of all new rentals, nearly double the 13.5% market share of the same period a year ago. Net effective median rent, defined as the face rent less landlord concessions, slipped 1.6% to

\$3,264 over the same period. Consistent with the multi-year trend, median rental price growth was highest in the entry tier of the market, rising 2.4% to \$2,295 from the year ago quarter. The strength of rents at the entry level, which has seen limited new supply, is illustrated by the 11.9% rise in the median rent of a studio over three years, while the median rent of a 3-bedroom

fell 25.1% over the same period. Non-doorman median rent increased 2.7% to \$2,800 from the year ago quarter. In contrast, the median rent for a doorman apartment slipped 1.4% to \$3,782 over the same period. Listing discount, the percentage from the original list price to the rental price, increased to 3.8% from 3.2% in the same month a year ago. Days on market, the number of days from the original list date to the lease date, expanded by 7 days to an average of 52 days.



PROPERTY TYPE

- Rent growth for “non-doorman” sharply higher as decline for “doorman” continued
- More than one third of new development rentals had a concession as median rent fell

| Property Type | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|-------------------------------------|---------|---------|---------|---------|---------|
| Doorman Median Rental Price | \$3,782 | -1.8% | \$3,850 | -1.4% | \$3,836 |
| Non-Doorman Median Rental Price | \$2,800 | -3.3% | \$2,895 | 2.7% | \$2,727 |
| Loft Median Rental Price | \$5,750 | -4.2% | \$6,000 | -9.2% | \$6,333 |
| New Development Median Rental Price | \$4,348 | -4.5% | \$4,553 | -3.5% | \$4,504 |

BY PRICE

- Price gains higher in lower price tiers
- Entry tier showed large price gain
- Luxury rent threshold edged higher

| Price Tier | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|---|----------|---------|----------|---------|----------|
| Luxury (Top 10%) - Average Rental Price | \$10,560 | -7.2% | \$11,380 | -0.3% | \$10,594 |
| Luxury (Top 10%) - Rental Price per Sq Ft | \$80.71 | -13.6% | \$93.41 | 12.3% | \$71.84 |
| Luxury (Top 10%) - Median Rental Price | \$8,600 | 10.4% | \$7,792 | 0.7% | \$8,537 |
| Luxury (Top 10%) - Number of New Leases | 399 | -2.0% | 407 | 27.1% | 314 |
| Luxury (Top 10%) - Entry Threshold | \$6,500 | 4.0% | \$6,250 | 2.6% | \$6,333 |
| Upper Tier (30% below Luxury) - Med. Rental Price | \$4,500 | 0.0% | \$4,500 | 1.9% | \$4,418 |
| Mid Tier (2nd 30%) - Median Rental Price | \$3,200 | -1.4% | \$3,244 | 0.2% | \$3,195 |
| Entry Tier (1st 30%) - Median Rental Price | \$2,295 | -2.3% | \$2,350 | 2.4% | \$2,241 |

BY LOCATION

DOWNTOWN

- Median rent remained flat
- Vacancy rate slipped

| Metric | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|----------------------|---------|---------|---------|---------|---------|
| Median Rental Price | \$3,697 | -0.1% | \$3,700 | 0.0% | \$3,697 |
| Number of New Leases | 1,701 | -2.7% | 1,749 | 28.8% | 1,321 |
| Vacancy Rate | 2.52% | | 2.43% | | 2.89% |

EAST SIDE

- Number of rentals jumped
- Vacancy rate continued to rise

| Metric | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|----------------------|---------|---------|---------|---------|---------|
| Median Rental Price | \$3,165 | -1.1% | \$3,200 | 4.0% | \$3,042 |
| Number of New Leases | 1,105 | 1.4% | 1,090 | 35.7% | 814 |
| Vacancy Rate | 2.79% | | 2.41% | | 2.41% |

WEST SIDE

- Median rent slipped
- Vacancy rate fell again

| Metric | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|----------------------|---------|---------|---------|---------|---------|
| Median Rental Price | \$3,350 | -1.5% | \$3,400 | -3.2% | \$3,459 |
| Number of New Leases | 824 | -5.5% | 872 | 26.2% | 653 |
| Vacancy Rate | 2.29% | | 2.16% | | 3.27% |

UPTOWN

- Median rent edged higher
- Vacancy rate slipped

| Metric | NOV-16 | %Δ (mo) | OCT-16 | %Δ (yr) | NOV-15 |
|----------------------|---------|---------|---------|---------|---------|
| Median Rental Price | \$2,250 | -2.2% | \$2,300 | 5.6% | \$2,131 |
| Number of New Leases | 357 | 6.6% | 335 | 21.4% | 294 |
| Vacancy Rate | 2.48% | | 2.57% | | 3.01% |

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.3%

INVENTORY

Total Inventory

29.0%

NEW LEASES

Excludes Renewals

38.5%

OP + CONCESSIONS

Market Share

8.8%

MARKETING TIME

Days on Market

0 days

NEGOTIABILITY

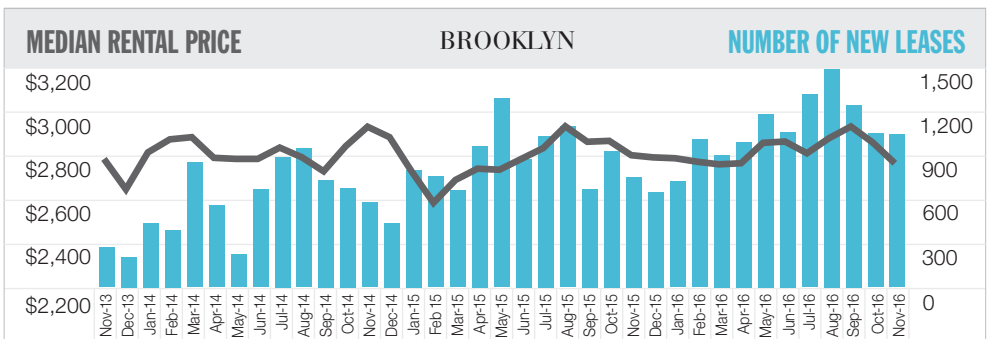
Listing Discount

0.5%

- Median rent slipped again as new leases jumped
- Market share of concessions were double year ago levels
- Brooklyn median rent was \$570 less than Manhattan median rent

| Brooklyn Rental Market | | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
|---|------------------------|---------|---------|---------|---------|---------|
| Average Rental Price | | \$2,993 | -4.7% | \$3,139 | -5.3% | \$3,161 |
| Rental Price per Sq Ft | | \$44.55 | -2.4% | \$45.64 | 11.1% | \$40.11 |
| Median Rental Price | | \$2,780 | -3.3% | \$2,875 | -1.3% | \$2,817 |
| Number of New Leases | | 1,047 | -0.6% | 1,053 | 38.5% | 756 |
| Days on Market (From Original List Date) | | 48 | 11.6% | 43 | 0.0% | 48 |
| Listing Discount (From Original List Price) | | 2.7% | | 2.5% | | 2.2% |
| Listing Inventory | | 2,606 | 1.6% | 2,564 | 29.0% | 2,020 |
| Brooklyn Rental w/Concessions | | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
| Median Rental Price | | \$2,738 | -3.6% | \$2,841 | -2.1% | \$2,796 |
| Share of New Leases w/OP + Concessions (%) | | 15.4% | | 12.1% | | 6.6% |
| Free Rent/Owner Paid (Mos) | | 1.6 | 33.3% | 1.2 | 14.3% | 1.4 |
| Brooklyn Rental Market by Size | | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
| Studio - | Average Rental Price | \$2,475 | -1.8% | \$2,521 | 1.8% | \$2,431 |
| | Rental Price per Sq Ft | \$54.43 | -2.5% | \$55.84 | 11.2% | \$48.94 |
| | Median Rental Price | \$2,450 | -1.9% | \$2,498 | -1.1% | \$2,477 |
| | Number of New Leases | 159 | -6.5% | 170 | 91.6% | 83 |
| 1-Bedroom - | Average Rental Price | \$2,730 | -1.0% | \$2,758 | 1.2% | \$2,698 |
| | Rental Price per Sq Ft | \$48.29 | -3.1% | \$49.84 | 11.5% | \$43.30 |
| | Median Rental Price | \$2,700 | -0.7% | \$2,718 | -0.3% | \$2,708 |
| | Number of New Leases | 410 | 10.2% | 372 | 37.6% | 298 |
| 2-Bedroom - | Average Rental Price | \$3,225 | -1.2% | \$3,265 | -3.1% | \$3,328 |
| | Rental Price per Sq Ft | \$42.28 | -2.9% | \$43.53 | 15.2% | \$36.69 |
| | Median Rental Price | \$3,000 | -1.6% | \$3,050 | 3.0% | \$2,914 |
| | Number of New Leases | 351 | 0.3% | 350 | 36.6% | 257 |
| 3+ Bedroom - | Average Rental Price | \$3,848 | -12.4% | \$4,395 | -14.1% | \$4,479 |
| | Rental Price per Sq Ft | \$37.12 | -5.4% | \$39.25 | -2.4% | \$38.03 |
| | Median Rental Price | \$3,300 | -15.0% | \$3,884 | -13.5% | \$3,813 |
| | Number of New Leases | 127 | -21.1% | 161 | 7.6% | 118 |
| Brooklyn Rental Market by Type | | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
| Luxury (Top 10%) - Median Rental Price | | \$4,900 | -7.7% | \$5,309 | -16.6% | \$5,873 |
| Luxury (Top 10%) - Entry Threshold | | \$4,200 | -6.1% | \$4,475 | -13.5% | \$4,856 |
| New Development - Median Rental Price | | \$3,275 | 7.6% | \$3,044 | 0.6% | \$3,254 |

Brooklyn rental prices slid year over year for the fourth time in five months. Median rental price slipped 1.3% to \$2,780 from the year ago quarter. Average rental price declined 5.3% to \$2,993 over the same period. Luxury median rental price, representing the top 10% of the Brooklyn market, was noticeably weaker and fell 16.6% to \$4,900 from the same year ago period. The decline in luxury rents was consistent with a 13.5% decline in the entry threshold to \$4,200 per month. The amount of concessions offered by landlords jumped to a new record of 15.4% from 6.6% in the same period a year ago. Listing inventory continued to expand and the number of new leases jumped as tenants resisted rent increases at time of renewal. There was a 38.5%



jump in the number of new leases to 1,047 and a 29% increase in listing inventory to 2,606 apartments respectively over the same period. Listing discount, the percentage from the original list price to the rental price, rose to 2.7% from 2.2% from the same period a year ago.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

6.6%

INVENTORY

Total Inventory

46.3%

NEW LEASES

Excludes Renewals

7.7%

NEW DEVELOPMENT

Market Share

0.1%

MARKETING TIME

Days on Market

6 days

NEGOTIABILITY

Listing Discount

1.0%

- Price trend indicators declined as marketing time expanded

- Continued rise in new lease signings and inventory

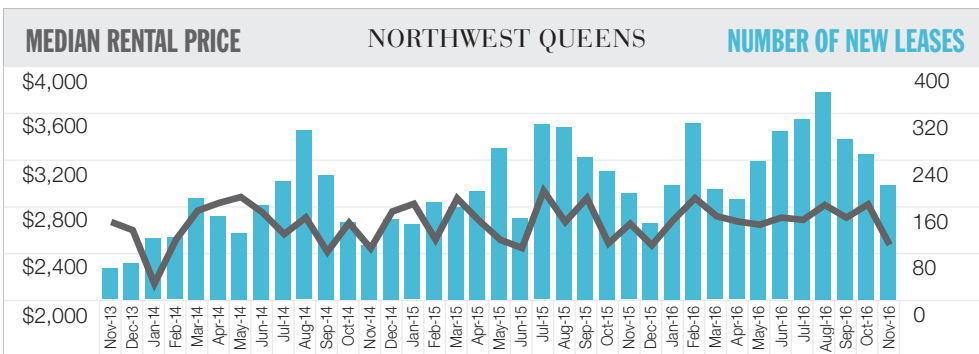
- Queens median rent was \$225 less than Brooklyn median rent

| Queens Rental Market | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
|---|---------|---------|---------|---------|---------|
| Average Rental Price | \$2,738 | -8.3% | \$2,986 | -9.4% | \$3,022 |
| Rental Price per Sq Ft | \$43.92 | -6.0% | \$46.72 | -0.6% | \$44.19 |
| Median Rental Price | \$2,555 | -11.9% | \$2,900 | -6.6% | \$2,735 |
| Number of New Leases | 195 | -21.7% | 249 | 7.7% | 181 |
| Days on Market (From Original List Date) | 36 | 33.3% | 27 | 20.0% | 30 |
| Listing Discount (From Original List Price) | 2.2% | | 0.8% | | 3.2% |
| Listing Inventory | 616 | 5.5% | 584 | 46.3% | 421 |

| Queens Rental Market by Size | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
|-----------------------------------|---------|---------|---------|---------|---------|
| Studio - Average Rental Price | \$2,275 | -3.9% | \$2,368 | 1.1% | \$2,250 |
| Rental Price per Sq Ft | \$55.34 | -3.1% | \$57.11 | 8.6% | \$50.95 |
| Median Rental Price | \$2,388 | -4.1% | \$2,490 | 1.2% | \$2,360 |
| Number of New Leases | 48 | -18.6% | 59 | 26.3% | 38 |
| 1-Bedroom - Average Rental Price | \$2,624 | -5.9% | \$2,788 | -6.1% | \$2,795 |
| Rental Price per Sq Ft | \$42.11 | -7.9% | \$45.73 | -7.1% | \$45.32 |
| Median Rental Price | \$2,644 | -9.9% | \$2,935 | -10.5% | \$2,954 |
| Number of New Leases | 101 | -20.5% | 127 | 32.9% | 76 |
| 2-Bedroom - Average Rental Price | \$3,435 | -9.8% | \$3,808 | 0.1% | \$3,430 |
| Rental Price per Sq Ft | \$42.29 | -6.1% | \$45.05 | 6.5% | \$39.70 |
| Median Rental Price | \$3,290 | -13.4% | \$3,800 | 4.3% | \$3,154 |
| Number of New Leases | 42 | -19.2% | 52 | -30.0% | 60 |
| 3+ Bedroom - Average Rental Price | \$3,845 | -18.3% | \$4,709 | -37.9% | \$6,192 |
| Rental Price per Sq Ft | \$38.63 | -14.9% | \$45.39 | -10.2% | \$43.02 |
| Median Rental Price | \$3,500 | -34.5% | \$5,345 | -32.9% | \$5,218 |
| Number of New Leases | 4 | -63.6% | 11 | -42.9% | 7 |

| Queens Rental Market By Type | NOV-16 | %Δ (MO) | OCT-16 | %Δ (YR) | NOV-15 |
|--|---------|---------|---------|---------|---------|
| Luxury (Top 10%) - Median Rental Price | \$4,603 | -5.1% | \$4,850 | 1.7% | \$4,524 |
| Luxury (Top 10%) - Entry Threshold | \$3,689 | -13.4% | \$4,260 | -1.9% | \$3,761 |
| New Development - Median Rental Price | \$2,662 | -7.0% | \$3,065 | -11.3% | \$3,001 |
| New Development - Market Share | 36.4% | | 54.2% | | 36.5% |

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



essentially unchanged from a year ago, and the mix of units brought to market. Listing inventory growth continued to outpace the number of new leases signed. Listing inventory surged 46.3% to 616 apartments and the number of new leases rose 7.7% to 195 respectively over the same period.

The northwest Queens rental market continued to show mixed results on a month to month basis. The median rental price declined 6.6% to \$2,555 from the same period last year and the sixth such decline in 2016. The region includes the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside. Average rental price showed the same trend, declining 9.4% to \$2,738 over the same period. Rental growth amount the various price segments was inconsistent, unlike the adjacent markets of Manhattan and Brooklyn, largely because of the 36.4% market share of new development rental units,

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

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