

ELLI MAN REPORT

AUGUST 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

7.1%

VACANCY

Vacancy Rate

0.43%

NEW RENTALS

Excludes Renewals

35.6%

CONCESSIONS

Market Share

2.2%

MARKETING TIME

Days on Market

0 days

NEGOTIABILITY

Listing Discount

0.2%

- Median rental price moved higher for the eighteenth consecutive month
- Median rental was third highest on record
- Vacancy rate edged higher as inventory and concessions slipped

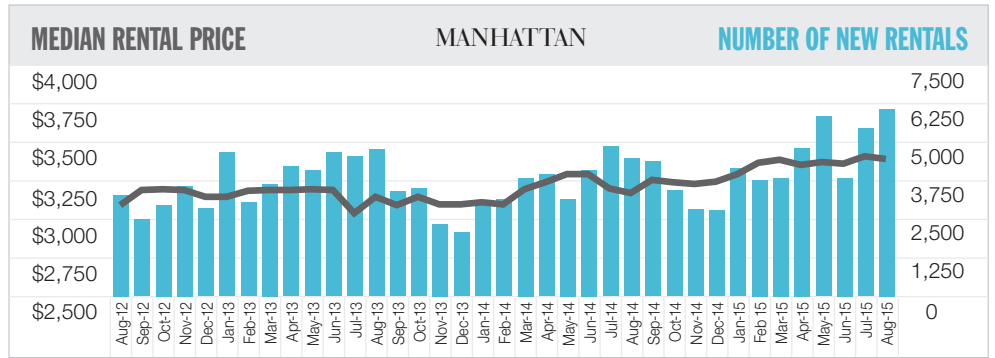
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Average Rental Price		\$4,058	0.7%	\$4,031	2.8%	\$3,946
Rental Price per Sq Ft		\$54.12	-1.2%	\$54.76	1.6%	\$53.28
Median Rental Price		\$3,400	-0.5%	\$3,418	7.1%	\$3,175
Number of New Rentals		6,171	11.4%	5,540	35.6%	4,551
Days on Market (From Original List Date)		36	-2.7%	37	0.0%	36
Listing Discount (From Original List Price)		1.0%		1.0%		1.2%
Listing Inventory		5,357	-9.1%	5,893	-3.3%	5,540
Vacancy Rate		2.30%		2.48%		1.87%
Manhattan Rental w/Concessions		AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Median Rental Price		\$3,396	-0.5%	\$3,413	7.2%	\$3,167
Number of New Rentals w/Concessions (%)		1.2%		1.8%		3.4%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	22.2%	0.9
Manhattan Rental Market by Size		AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Studio -	Average Rental Price	\$2,640	-1.1%	\$2,669	2.8%	\$2,567
	Rental Price per Sq Ft	\$59.90	1.8%	\$58.84	5.3%	\$56.88
	Median Rental Price	\$2,524	-1.0%	\$2,550	2.3%	\$2,467
	Number of New Rentals	1,409	13.5%	1,241	21.0%	1,164
1-Bedroom -	Average Rental Price	\$3,532	2.5%	\$3,447	3.6%	\$3,409
	Rental Price per Sq Ft	\$55.32	-2.3%	\$56.61	-0.3%	\$55.46
	Median Rental Price	\$3,415	1.2%	\$3,374	6.7%	\$3,200
	Number of New Rentals	2,522	9.1%	2,312	34.9%	1,870
2-Bedroom -	Average Rental Price	\$4,852	0.0%	\$4,851	1.2%	\$4,795
	Rental Price per Sq Ft	\$51.79	-1.1%	\$52.36	2.8%	\$50.36
	Median Rental Price	\$4,157	-0.1%	\$4,161	0.7%	\$4,129
	Number of New Rentals	1,546	9.3%	1,415	48.8%	1,039
3+ Bedroom -	Average Rental Price	\$7,074	-3.6%	\$7,336	-6.6%	\$7,570
	Rental Price per Sq Ft	\$50.40	3.5%	\$48.71	2.0%	\$49.42
	Median Rental Price	\$5,045	-7.0%	\$5,422	0.9%	\$5,000
	Number of New Rentals	694	21.8%	570	45.5%	477

Manhattan rental price indicators moved higher as record employment growth along with tight credit conditions kept the pressure on. Median rental price jumped 7.1% to \$3,400 from the same period last year to the third highest median rental price on record. This metric has increased for 18 consecutive months. Average rental price increased 2.8% to \$4,058 and average rental

price per square foot increased 1.6% to \$54.12 respectively over the same period. The overall price indicators increased despite the bigger gains concentrated only within the smaller apartment submarkets. Median rental prices in the luxury market continued to slip, down 5.9% to \$7,904 from the same month last year. The luxury market, defined as the top 10% of all

new rentals, had an entry threshold of \$6,250 in August, up 1.6% over the same period last year. Listing discount, the percentage difference between the original list price and the rental price was 1%, showing slightly less negotiability than the 1.2% discount in the same month last year. Although the vacancy rate edged higher, evidence of tight rental market conditions were reflected in falling inventory, declining use of concessions by landlords and one of the fastest marketing times in five years.



PROPERTY TYPE

- Non-doorman rents rose faster than doorman rents
- Loft rents and new development rents surged

Property Type	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Doorman Median Rental Price	\$3,909	0.4%	\$3,893	4.2%	\$3,753
Non-Doorman Median Rental Price	\$2,950	1.9%	\$2,895	7.3%	\$2,750
Loft Median Rental Price	\$7,225	21.4%	\$5,950	35.0%	\$5,350
New Development Median Rental Price	\$4,647	9.3%	\$4,250	26.3%	\$3,680

BY PRICE

- Mid Tier rental price growth led all market segments
- Luxury median rental price continued to slip
- Luxury entry threshold edged nominally higher

Price Segment	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Luxury (Top 10%) - Average Rental Price	\$10,090	1.8%	\$9,910	-2.6%	\$10,359
Luxury (Top 10%) - Rental Price per Sq Ft	\$76.71	4.1%	\$73.66	-4.4%	\$80.20
Luxury (Top 10%) - Median Rental Price	\$7,904	-0.2%	\$7,920	-5.9%	\$8,400
Luxury (Top 10%) - Number of New Rentals	620	10.5%	561	36.3%	455
Luxury (Top 10%) - Entry Threshold	\$6,250	1.0%	\$6,191	1.6%	\$6,150
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,454	0.1%	\$4,448	4.8%	\$4,252
Mid Tier (2nd 30%) - Median Rental Price	\$3,250	-0.4%	\$3,264	8.3%	\$3,000
Entry Tier (1st 30%) - Median Rental Price	\$2,295	0.7%	\$2,278	3.1%	\$2,225

BY LOCATION

DOWNTOWN

- Median rental price rose
- Vacancy rate moved higher

Metric	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Median Rental Price	\$3,639	-0.8%	\$3,670	5.7%	\$3,444
Number of New Rentals	2,631	5.3%	2,499	16.4%	2,260
Vacancy Rate	2.15%		2.30%		1.69%

EAST SIDE

- Median rental price moved higher
- Vacancy rate declined

Metric	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Median Rental Price	\$3,200	-1.7%	\$3,254	7.8%	\$2,968
Number of New Rentals	1,446	13.5%	1,274	25.4%	1,153
Vacancy Rate	2.08%		1.92%		2.41%

WEST SIDE

- Median rental price increased
- Number of new rentals jumped

Metric	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Median Rental Price	\$3,464	0.4%	\$3,450	7.3%	\$3,229
Number of New Rentals	1,477	21.1%	1,220	99.1%	742
Vacancy Rate	3.00%		3.40%		2.22%

UPTOWN

- Median rental price edged higher
- Number of new rentals surged

Metric	AUG-15	%Chg (mo)	JUL-15	%Chg(yr)	AUG-14
Median Rental Price	\$2,375	4.3%	\$2,278	3.5%	\$2,295
Number of New Rentals	617	12.8%	547	55.8%	396
Vacancy Rate	2.13%		2.66%		1.06%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

10.8%

INVENTORY

Total Inventory

2.4%

NEW RENTALS

Excludes Renewals

0.3%

CONCESSIONS

Market Share

0.4%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

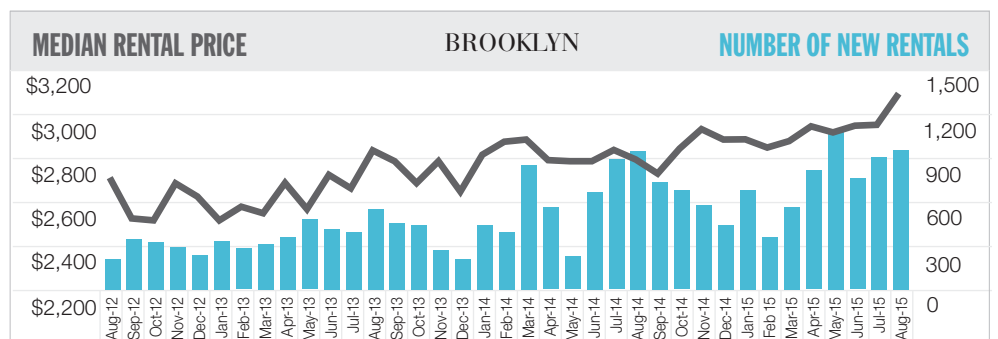
Listing Discount

0.3%

- Median rent set new record and exceeded \$3,000 threshold for first time
- Rising rents seen across all apartment sizes
- Nominal use of concessions by landlords and slipping inventory

Brooklyn Rental Market		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Average Rental Price		\$3,421	5.4%	\$3,245	7.8%	\$3,172
Rental Price per Sq Ft		\$43.73	4.8%	\$41.74	11.6%	\$39.20
Median Rental Price		\$3,112	4.9%	\$2,968	10.8%	\$2,808
Number of New Rentals		954	5.0%	909	0.3%	951
Days on Market (From Original List Date)		42	-26.3%	57	13.5%	37
Listing Discount (From Original List Price)		1.2%		0.9%		1.5%
Listing Inventory		1,753	-6.3%	1,870	-2.4%	1,797
Brooklyn Rental w/Concessions		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Median Rental Price		\$3,109	5.0%	\$2,961	10.8%	\$2,807
Share of New Rentals w/Concessions (%)		0.9%		2.8%		0.5%
Free Rent/Owner Paid (Mos)		1.1	10.0%	1.0	10.0%	1.0
Brooklyn Rental Market by Size		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Studio -	Average Rental Price	\$2,487	3.5%	\$2,402	9.8%	\$2,266
	Rental Price per Sq Ft	\$57.25	5.7%	\$54.17	13.7%	\$50.34
	Median Rental Price	\$2,500	-0.9%	\$2,523	14.6%	\$2,182
	Number of New Rentals	109	0.0%	109	-1.8%	111
1-Bedroom -	Average Rental Price	\$2,893	2.4%	\$2,825	5.4%	\$2,744
	Rental Price per Sq Ft	\$47.29	5.4%	\$44.85	7.0%	\$44.18
	Median Rental Price	\$2,865	1.1%	\$2,835	7.7%	\$2,660
	Number of New Rentals	367	0.3%	366	5.8%	347
2-Bedroom -	Average Rental Price	\$3,662	4.2%	\$3,513	11.2%	\$3,292
	Rental Price per Sq Ft	\$40.46	0.2%	\$40.37	8.0%	\$37.48
	Median Rental Price	\$3,503	5.9%	\$3,307	14.7%	\$3,054
	Number of New Rentals	346	12.3%	308	3.3%	335
3+ Bedroom -	Average Rental Price	\$5,031	10.9%	\$4,535	12.9%	\$4,458
	Rental Price per Sq Ft	\$40.97	15.8%	\$35.38	22.0%	\$33.57
	Median Rental Price	\$4,252	8.2%	\$3,929	12.1%	\$3,793
	Number of New Rentals	132	4.8%	126	-15.9%	157
Brooklyn Rental Market by Type		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Luxury (Top 10%) - Median Rental Price		\$5,625	5.2%	\$5,347	3.8%	\$5,419
Luxury (Top 10%) - Entry Threshold		\$4,800	6.1%	\$4,526	3.6%	\$4,631
New Development - Median Rental Price		\$3,309	-2.8%	\$3,405	8.3%	\$3,054

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



After reaching a record in the prior two months, the Brooklyn median rental price set a new record this month. Median rental price increased 10.8% to \$3,112 from the prior year period and exceeded the \$3,000 threshold for the first time. Rental price indicators rose across all apartment sizes, also a continuing trend. Average rental price increased 7.8% and average rental price per square foot rose 11.6% respectively over the same period. Luxury median rental price, the top 10% of all rentals, increased 3.8% to \$5,625. The number of new rentals remained fairly stable, edging up a nominal 0.3% to 954, while listing inventory slipped 2.4% to 1,753, both from the prior year period. Listing discount, the percentage difference between the original list price and the rental price, slipped to 1.2%, down from

1.5% discount in the same month last year. The use of landlord concessions remained nominal, rising to 0.9% of all new rentals from

0.5% over the same period last year. When concessions were used, the average free rent or its equivalent was 1.1 months.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.4%

INVENTORY

Total Inventory

6.0%

NEW RENTALS

Excludes Renewals

2.1%

NEW DEVELOPMENT

Market Share

1.6%

MARKETING TIME

Days on Market

16 days

NEGOTIABILITY

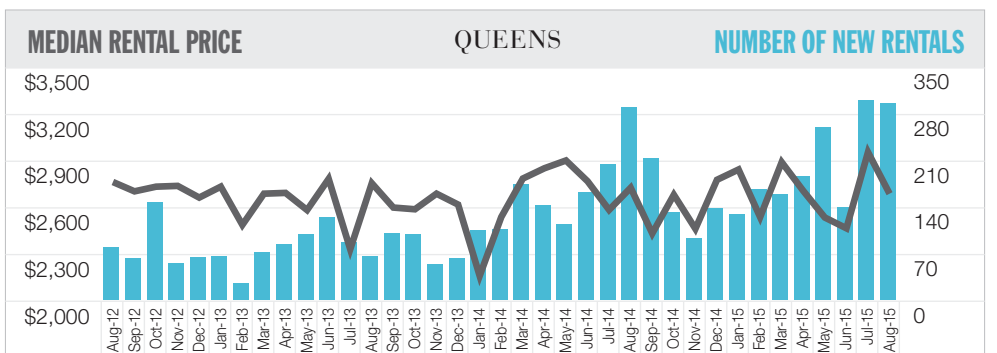
Listing Discount

0.1%

- Rental price indicators were mixed, suggesting overall stability
- New rental units edged higher as inventory slipped
- Queens median rent was \$362 below Brooklyn median rent

Queens Rental Market		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Average Rental Price		\$3,026	-0.9%	\$3,054	3.1%	\$2,934
Rental Price per Sq Ft		\$43.38	-9.2%	\$47.78	0.6%	\$43.12
Median Rental Price		\$2,750	-8.8%	\$3,016	-1.4%	\$2,788
Number of New Rentals		295	-1.3%	299	2.1%	289
Days on Market (From Original List Date)		29	-31.0%	42	-35.6%	45
Listing Discount (From Original List Price)		0.5%		0.9%		0.4%
Listing Inventory		298	-35.8%	464	-6.0%	317
Queens Rental Market by Size		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Studio -	Average Rental Price	\$2,536	6.6%	\$2,379	10.8%	\$2,288
	Rental Price per Sq Ft	\$52.21	-3.4%	\$54.02	9.2%	\$47.81
	Median Rental Price	\$2,500	0.4%	\$2,490	9.9%	\$2,275
	Number of New Rentals	79	41.1%	56	64.6%	48
1-Bedroom -	Average Rental Price	\$2,770	-1.6%	\$2,814	1.0%	\$2,743
	Rental Price per Sq Ft	\$43.99	-10.5%	\$49.14	-3.9%	\$45.77
	Median Rental Price	\$2,825	-8.1%	\$3,075	-0.1%	\$2,829
2-Bedroom -	Average Rental Price	\$3,620	-7.2%	\$3,900	3.9%	\$3,484
	Rental Price per Sq Ft	\$40.40	-10.5%	\$45.13	6.5%	\$37.93
	Median Rental Price	\$3,710	-14.4%	\$4,335	0.3%	\$3,699
3+ Bedroom -	Average Rental Price	\$4,301	-6.4%	\$4,595	-6.4%	\$4,594
	Rental Price per Sq Ft	\$39.58	-2.9%	\$40.75	-7.1%	\$42.60
	Median Rental Price	\$3,890	-7.7%	\$4,216	-29.3%	\$5,500
Number of New Rentals		18	157.1%	7	28.6%	14
Queens Rental Market By Type		AUG-15	%Chg (MO)	JUL-15	%Chg(YR)	AUG-14
Luxury (Top 10%) - Median Rental Price		\$4,592	-1.2%	\$4,650	2.7%	\$4,470
Luxury (Top 10%) - Entry Threshold		\$4,095	-5.5%	\$4,335	1.6%	\$4,032
New Development - Median Rental Price		\$2,936	-7.0%	\$3,272	1.3%	\$2,898

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



The northwest region of Queens has seen price volatility in recent months, largely influenced by the mix and timing of new rental product introduced to the market. Overall rental price indicators remained mixed this month, suggesting overall price stability. Median rental price slipped to \$2,750 from the same period last year. Average rental price increased 3.1% to \$3,026 and rental price per square foot edged 0.6% higher to \$43.38 respectively over the same period. Price gains were concentrated in the studio market with a 9.9% year-over-year

rise in median rental price. Both 1-bedroom and 2-bedroom median rental prices remained stable over the same period. The 3-bedroom market posted a decline over the same period. The median rental price for luxury market, representing the top 10% of all rentals, rose 2.7% to \$4,592 from the same period last year.

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

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