

ELLI MAN REPORT

FEBRUARY 2017

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.9%

VACANCY

Vacancy Rate

0.13%

NEW LEASES

Excludes Renewals

27.9%

OP + CONCESSIONS

Market Share

7.3%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.8%

- Price trends continued to show softness at the top of the market
- Landlord concessions slipped to second highest on record
- Median rent with concessions fell for seventh consecutive month

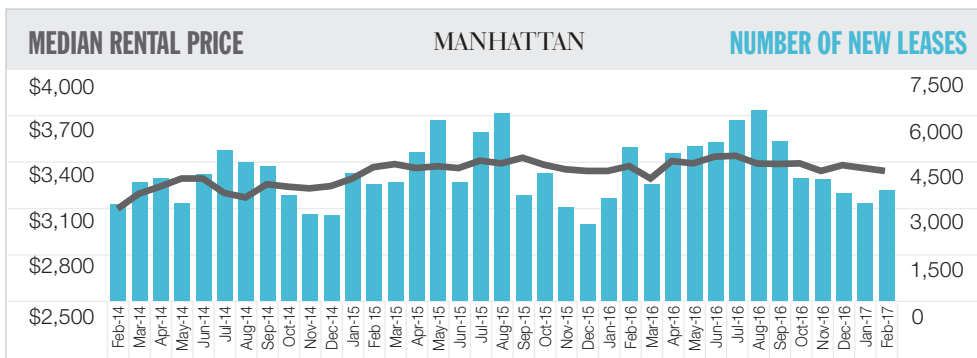
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Average Rental Price		\$4,118	4.7%	\$3,933	2.1%	\$4,032
Rental Price per Sq Ft		\$64.59	3.0%	\$62.73	-1.9%	\$65.87
Median Rental Price		\$3,350	-0.6%	\$3,369	-0.9%	\$3,382
Number of New Leases		3,634	13.1%	3,212	-27.9%	5,043
Days on Market (From Original List Date)		57	-1.7%	58	1.8%	56
Listing Discount (From Original List Price)		3.3%		3.0%		2.5%
Listing Inventory		6,872	-1.3%	6,959	11.7%	6,151
Vacancy Rate		2.44%		2.35%		2.31%
Manhattan Rental w/Concessions		FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Median Rental Price		\$3,260	0.0%	\$3,259	-1.7%	\$3,316
Share of New Leases w/OP + Concessions (%)		26.4%		30.9%		19.1%
Free Rent/Owner Paid (Mos)		1.2	-7.7%	1.3	0.0%	1.2
Manhattan Rental Market by Size		FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Studio -	Average Rental Price	\$2,829	4.5%	\$2,708	5.4%	\$2,685
	Rental Price per Sq Ft	\$64.66	-2.2%	\$66.11	-1.0%	\$65.34
	Median Rental Price	\$2,500	-3.8%	\$2,600	-2.6%	\$2,568
	Number of New Leases	806	5.9%	761	-31.9%	1,183
1-Bedroom -	Average Rental Price	\$3,422	-0.1%	\$3,426	-1.7%	\$3,482
	Rental Price per Sq Ft	\$60.26	-1.5%	\$61.16	-4.2%	\$62.93
	Median Rental Price	\$3,350	-1.2%	\$3,391	-1.3%	\$3,395
	Number of New Leases	1,635	14.7%	1,426	-29.0%	2,304
2-Bedroom -	Average Rental Price	\$4,843	0.2%	\$4,832	-4.0%	\$5,044
	Rental Price per Sq Ft	\$62.33	2.6%	\$60.77	-3.3%	\$64.46
	Median Rental Price	\$4,500	-2.1%	\$4,595	-5.2%	\$4,746
	Number of New Leases	861	12.0%	769	-27.2%	1,182
3+ Bedroom -	Average Rental Price	\$8,790	14.1%	\$7,706	3.7%	\$8,480
	Rental Price per Sq Ft	\$75.17	11.7%	\$67.31	-1.6%	\$76.40
	Median Rental Price	\$6,031	9.7%	\$5,500	-3.7%	\$6,262
	Number of New Leases	332	29.7%	256	-11.2%	374

After reaching a record high of 30.9% in January, the market share of rentals with landlord concessions slipped to 26.4%, the second highest on record. The market share of landlord concessions was 19.1% in the same month last year, a record at that time. Landlord's use of concessions has been effective in protecting the face rent by keeping the vacancy rate in

check. The vacancy rate was 2.44%, up slightly from 2.31% in the same period last year. This pattern was consistent with the sharp drop in the number of new leases, down 27.9% to 3,634 over the same period as landlords were more effective on tenant retention at time of renewal. Listing inventory expanded 11.7% to 6,872 over the same period. This was the seventeenth

consecutive year over year supply increase in seventeen months. Elevated use of concessions remained firmly in place across apartment sizes, ranging from a low of 25.1% for studios to a high of 27.9% for 2-bedrooms. Median net effective rental price - face rent less concessions - fell year over year for the seventh consecutive month. For the month of February, median net effective rent declined 1.7% to \$3,260 from the same month a year ago.



PROPERTY TYPE

- “Non-doorman” rents expanded as “doorman” rents continued to slide
- New development median rent increased after 3 months of declines

Property Type	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Doorman Median Rental Price	\$3,756	0.2%	\$3,750	-1.1%	\$3,797
Non-Doorman Median Rental Price	\$2,795	-0.2%	\$2,800	1.9%	\$2,744
Loft Median Rental Price	\$3,950	4.1%	\$3,795	-26.1%	\$5,342
New Development Median Rental Price	\$4,963	13.2%	\$4,383	8.1%	\$4,593

BY PRICE

- Large drop in super luxury rents as luxury rents saw modest declines
- Entry tier rents were flat as starter market (first 5%) jumped
- Luxury rent threshold edged lower to \$6,272

Price Category	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Luxury (Top 10%) - Average Rental Price	\$10,975	19.0%	\$9,226	10.2%	\$9,962
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.26	5.8%	\$73.05	-2.9%	\$79.59
Luxury (Top 10%) - Median Rental Price	\$7,983	5.1%	\$7,595	-0.2%	\$8,000
Luxury (Top 10%) - Number of New Leases	364	11.0%	328	-29.3%	515
Luxury (Top 10%) - Entry Threshold	\$6,272	4.5%	\$6,000	-1.6%	\$6,371
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,500	2.3%	\$4,400	0.4%	\$4,480
Mid Tier (2nd 30%) - Median Rental Price	\$3,200	0.0%	\$3,200	-1.1%	\$3,235
Entry Tier (1st 30%) - Median Rental Price	\$2,295	0.0%	\$2,295	0.0%	\$2,295

BY LOCATION

DOWNTOWN

- Rent and vacancy edged higher
- New leases fell sharply

Metric	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Median Rental Price	\$3,650	1.5%	\$3,595	0.8%	\$3,620
Number of New Leases	1,589	15.2%	1,379	-28.5%	2,222
Vacancy Rate	2.61%		2.21%		2.49%

EAST SIDE

- Median rent declined
- Number of new leases declined

Metric	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Median Rental Price	\$3,223	0.7%	\$3,200	-2.2%	\$3,295
Number of New Leases	911	5.7%	862	-28.3%	1,271
Vacancy Rate	1.86%		2.41%		2.57%

WEST SIDE

- Vacancy rate slipped
- Rent and new leases dropped

Metric	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Median Rental Price	\$3,291	-2.2%	\$3,365	-3.2%	\$3,401
Number of New Leases	802	10.6%	725	-28.8%	1,127
Vacancy Rate	1.96%		1.89%		2.16%

UPTOWN

- Large rise in vacancy rate
- Median rent moved higher

Metric	FEB-17	%Δ (mo)	JAN-17	%Δ (yr)	FEB-16
Median Rental Price	\$2,300	0.3%	\$2,293	6.7%	\$2,156
Number of New Leases	332	35.0%	246	-21.5%	423
Vacancy Rate	3.55%		3.28%		1.60%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.3%

INVENTORY

Total Inventory

17.2%

NEW LEASES

Excludes Renewals

6.3%

OP + CONCESSIONS

Market Share

2.8%

MARKETING TIME

Days on Market

5 days

NEGOTIABILITY

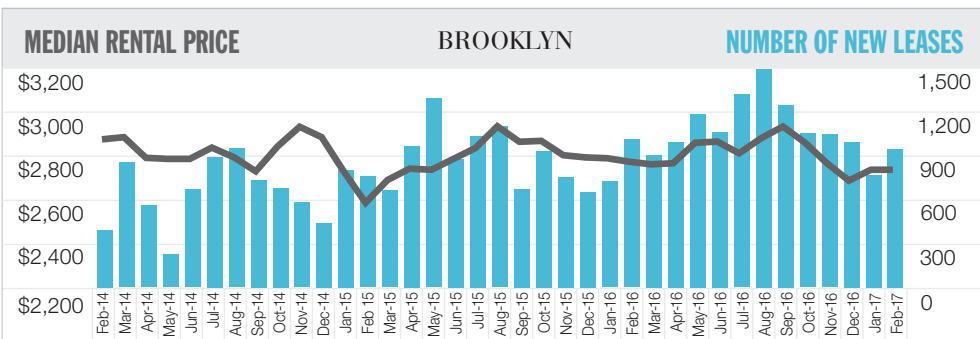
Listing Discount

0.2%

- Median rent declined for the seventh time in eight months
- Concessions fell from record to second highest market share
- Brooklyn median rent was \$600 less than Manhattan median rent

Brooklyn Rental Market		FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Average Rental Price		\$3,078	1.7%	\$3,027	1.0%	\$3,047
Rental Price per Sq Ft		\$45.49	-2.6%	\$46.70	1.3%	\$44.89
Median Rental Price		\$2,750	0.0%	\$2,750	-1.3%	\$2,787
Number of New Leases		948	23.6%	767	-6.3%	1,012
Days on Market (From Original List Date)		53	-22.1%	68	-8.6%	58
Listing Discount (From Original List Price)		2.3%		2.5%		2.1%
Listing Inventory		2,354	-4.3%	2,459	17.2%	2,009
Brooklyn Rental w/Concessions		FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Median Rental Price		\$2,715	0.5%	\$2,702	-1.1%	\$2,744
Share of New Leases w/OP + Concessions (%)		15.7%		18.1%		12.9%
Free Rent/Owner Paid (Mos)		1.4	-12.5%	1.6	0.0%	1.4
Brooklyn Rental Market by Size		FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Studio -	Average Rental Price	\$2,296	-1.7%	\$2,335	-6.5%	\$2,455
	Rental Price per Sq Ft	\$51.59	-3.2%	\$53.31	-7.3%	\$55.66
	Median Rental Price	\$2,363	2.7%	\$2,300	-1.4%	\$2,396
Number of New Leases		130	8.3%	120	12.1%	116
1-Bedroom -	Average Rental Price	\$2,763	1.6%	\$2,719	5.1%	\$2,629
	Rental Price per Sq Ft	\$48.13	1.0%	\$47.67	5.7%	\$45.54
	Median Rental Price	\$2,600	-3.7%	\$2,700	-0.4%	\$2,611
Number of New Leases		376	26.2%	298	-16.3%	449
2-Bedroom -	Average Rental Price	\$3,448	4.0%	\$3,315	1.8%	\$3,388
	Rental Price per Sq Ft	\$46.07	1.1%	\$45.55	5.3%	\$43.75
	Median Rental Price	\$3,000	-0.8%	\$3,025	-5.3%	\$3,167
Number of New Leases		322	28.3%	251	0.3%	321
3+ Bedroom -	Average Rental Price	\$3,921	-3.7%	\$4,072	-6.9%	\$4,213
	Rental Price per Sq Ft	\$37.43	-13.3%	\$43.15	-7.7%	\$40.57
	Median Rental Price	\$3,488	5.1%	\$3,318	-1.2%	\$3,532
Number of New Leases		120	22.4%	98	-4.8%	126
Brooklyn Rental Market by Type		FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Luxury (Top 10%) - Median Rental Price		\$5,411	5.7%	\$5,119	1.2%	\$5,349
Luxury (Top 10%) - Entry Threshold		\$4,600	1.4%	\$4,535	-0.8%	\$4,636
New Development - Median Rental Price		\$3,284	-0.8%	\$3,309	-4.7%	\$3,446

Median effective rental price on a year over year basis continued to slip as supply expanded. Median face rent less concessions declined 1.1% from the year ago period for the seventh time in eight months to \$2,715. Listing inventory expanded 17.2% to 2,354 over the same period. The market share of rentals with a landlord concession declined from the prior month record to 15.7%, the second highest on record. Market share was 12.9% in the same month a year ago, a new record at that time. The number of new leases slipped 6.3% to 948 indicating that the use of concessions was keeping renewal signings relatively high. Median rental price for all apartment sizes declined from the same period last year. Studio median rent slipped



1.4% to \$2,363; 1-bedroom median rent edged 0.4% lower to \$2,600; 2-bedroom median rent fell 5.3% to \$3,000; 3 or more bedroom median rent declined 1.2% to \$3,488. Days on market, the number of days from the original list date to the lease date, declined 5 days to an average of 53 days from the same period a year ago.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.2%

INVENTORY

Total Inventory

19.6%

NEW LEASES

Excludes Renewals

25.9%

NEW DEVELOPMENT

Market Share

1.0%

MARKETING TIME

Days on Market

17 days

NEGOTIABILITY

Listing Discount

0.4%

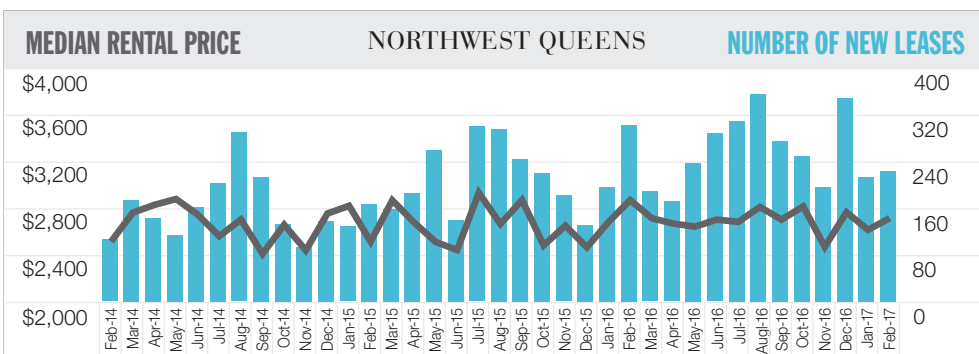
- Median rent declined as new leases fell sharply
- Inventory expanded for eighteenth consecutive month
- Northwest Queens median rent was \$50 more than Brooklyn median rent

Queens Rental Market	FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Average Rental Price	\$2,909	1.9%	\$2,854	-3.6%	\$3,019
Rental Price per Sq Ft	\$47.35	1.2%	\$46.79	0.8%	\$46.96
Median Rental Price	\$2,800	3.7%	\$2,700	-5.2%	\$2,954
Number of New Leases	223	4.7%	213	-25.9%	301
Days on Market (From Original List Date)	38	-9.5%	42	-30.9%	55
Listing Discount (From Original List Price)	1.7%		2.4%		2.1%
Listing Inventory	556	1.1%	550	19.6%	465

Queens Rental Market by Size	FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Studio - Average Rental Price	\$2,286	5.3%	\$2,171	4.7%	\$2,183
Rental Price per Sq Ft	\$47.68	-2.6%	\$48.95	-8.5%	\$52.10
Median Rental Price	\$2,425	10.9%	\$2,186	3.8%	\$2,337
Number of New Leases	37	19.4%	31	-7.5%	40
1-Bedroom - Average Rental Price	\$2,581	-3.0%	\$2,662	-4.8%	\$2,710
Rental Price per Sq Ft	\$48.68	0.8%	\$48.27	4.9%	\$46.41
Median Rental Price	\$2,820	2.0%	\$2,764	-4.5%	\$2,954
Number of New Leases	118	-4.1%	123	-28.5%	165
2-Bedroom - Average Rental Price	\$3,620	3.8%	\$3,486	-3.6%	\$3,754
Rental Price per Sq Ft	\$48.90	5.9%	\$46.16	4.7%	\$46.70
Median Rental Price	\$3,600	-0.7%	\$3,625	-12.0%	\$4,089
Number of New Leases	57	14.0%	50	-26.9%	78
3+ Bedroom - Average Rental Price	\$4,849	12.0%	\$4,328	7.1%	\$4,529
Rental Price per Sq Ft	\$38.09	-5.8%	\$40.45	-15.7%	\$45.18
Median Rental Price	\$5,000	31.6%	\$3,800	8.3%	\$4,617
Number of New Leases	11	22.2%	9	-38.9%	18

Queens Rental Market By Type	FEB-17	%Δ (MO)	JAN-17	%Δ (YR)	FEB-16
Luxury (Top 10%) - Median Rental Price	\$4,925	8.2%	\$4,553	13.3%	\$4,345
Luxury (Top 10%) - Entry Threshold	\$4,435	7.0%	\$4,145	13.8%	\$3,896
New Development - Median Rental Price	\$3,155	-7.0%	\$3,195	-5.8%	\$3,351
New Development - Market Share	33.6%		33.8%		34.6%

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



There was a sharp decline in new leases for northwest Queens, an area comprised of the neighborhoods of Long Island City, Astoria, Sunnyside and Woodside, down 25.9% to 223 from the same month a year ago. Listing inventory expanded 19.6% to 556 on a year over year basis. This was the 18th consecutive such increase, consistent with the 33.6% market share of new development listings. Median rental price declined 5.2% to \$2,800 and average rental price fell 3.6% to \$2,909 respectively over the same period. Median rental price declined in 3 of the last 4 months on a year over year

basis. Listing discount, the percentage from the original list price to the rental price, slipped to 1.7% from 2.1% in the same month a year ago. Days on market, the number of days from the original list date to the lease date, declined by 17 days to an average of 38 days over the same period.

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Report Methodology:
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