

ELLIMAN REPORT

MARCH 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

6.1%

VACANCY

Vacancy Rate

0.7%

NEW RENTALS

Excludes Renewals

0.1%

CONCESSIONS

Market Share

4.8%

MARKETING TIME

Days on Market

2 day

NEGOTIABILITY

Listing Discount

1.6%

- Vacancy rates edged higher for third month but remained low
- Median rental price up monthly since March 2014, to the second highest level since 2008
- Manhattan rents year-over-year pulling away from Brooklyn and Queens

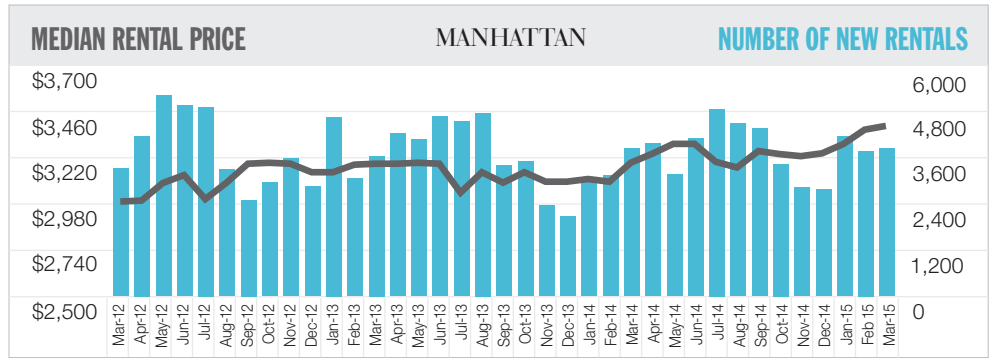
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAR-15	%Chg (mo)	FEB-15	%Chg(yr)	MAR-14
Average Rental Price		\$4,126	0.8%	\$4,093	4.0%	\$3,968
Rental Price per Sq Ft		\$55.41	-0.7%	\$55.82	8.0%	\$51.30
Median Rental Price		\$3,395	0.6%	\$3,375	6.1%	\$3,200
Number of New Rentals		3,899	1.8%	3,831	0.1%	3,897
Days on Market (From Original List Date)		52	6.1%	49	4.0%	50
Listing Discount (From Original List Price)		0.8%		1.8%		2.4%
Listing Inventory		5,117	-0.9%	5,164	-5.6%	5,422
Vacancy Rate		2.38%		2.38%		1.68%
Manhattan Rental w/Concessions		MAR-15	%Chg (mo)	FEB-15	%Chg(yr)	MAR-14
Median Rental Price		\$3,382	1.0%	\$3,350	6.6%	\$3,174
Number of New Rentals w/Concessions (%)		4.6%		9.1%		9.4%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Manhattan Rental Market by Size		MAR-15	%Chg (mo)	FEB-15	%Chg(yr)	MAR-14
Studio -	Average Rental Price	\$2,691	2.2%	\$2,634	8.6%	\$2,478
	Rental Price per Sq Ft	\$59.83	3.9%	\$57.60	9.6%	\$54.59
	Median Rental Price	\$2,559	1.1%	\$2,531	6.6%	\$2,401
	Number of New Rentals	946	2.8%	920	2.0%	927
1-Bedroom -	Average Rental Price	\$3,534	1.7%	\$3,475	6.0%	\$3,333
	Rental Price per Sq Ft	\$56.10	-0.2%	\$56.22	8.0%	\$51.93
	Median Rental Price	\$3,427	0.8%	\$3,400	5.4%	\$3,250
	Number of New Rentals	1,715	-1.9%	1,748	-3.5%	1,777
2-Bedroom -	Average Rental Price	\$5,248	-0.2%	\$5,260	2.6%	\$5,116
	Rental Price per Sq Ft	\$54.86	-0.7%	\$55.24	5.8%	\$51.84
	Median Rental Price	\$4,595	-3.3%	\$4,750	-1.2%	\$4,650
	Number of New Rentals	901	2.5%	879	-3.9%	938
3+ Bedroom -	Average Rental Price	\$8,170	-8.3%	\$8,906	-14.8%	\$9,590
	Rental Price per Sq Ft	\$54.14	-4.1%	\$56.45	-8.8%	\$59.34
	Median Rental Price	\$5,995	-7.9%	\$6,509	-15.6%	\$7,100
	Number of New Rentals	337	19.1%	283	32.2%	255

Manhattan rental price indicators continued to press higher. An improving local economy and tight mortgage lending conditions have helped keep upward pressure on rents. The median rental price increased 6.1% to \$3,395 from the same month last year, the second highest level since January 2008 when the metric was first recorded. Median rent increased year-over-

year for the thirteenth consecutive month. The average rental price rose 4% to \$4,126 over the same period to the highest point in more than five years. Rental price per square foot followed the same pattern rising 8% to \$55.41 from the same month last year. Like the preceding months, entry-level-sized apartment rents saw rising prices as larger apartments experienced

declines. Studio and 1-bedroom median rents increased 6.6% and 5.4% respectively from the same month last year. Conversely, 2-bedroom and 3-bedroom median rents fell 1.2% and 15.6% respectively over the same period. Tight credit and rising sales prices have tipped some first time buyers back into the rental market creating a “logjam” effect. Much of the new development rental product remained skewed towards larger and luxury apartments.



PROPERTY TYPE

- Non-doorman rents rose faster than doorman rents
- Loft rents surged as new development pushed higher, but at a more modest pace

Manhattan Rental Market By Property Type	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Doorman Median Rental Price	\$3,808	0.2%	\$3,800	3.6%	\$3,675
Non-Doorman Median Rental Price	\$2,780	4.5%	\$2,660	6.3%	\$2,615
Loft Median Rental Price	\$8,023	37.8%	\$5,823	54.4%	\$5,195
New Development Median Rental Price	\$4,333	28.4%	\$3,375	5.3%	\$4,114

BY PRICE

- Larger price gains continued to be seen in the entry and mid-tier markets
- After a period of declines, luxury rental price indicators saw modest gains

Manhattan Rental Market By Price	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Luxury (Top 10%) - Average Rental Price	\$10,766	3.1%	\$10,444	3.1%	\$10,445
Luxury (Top 10%) - Rental Price per Sq Ft	\$78.65	3.3%	\$76.16	5.9%	\$74.26
Luxury (Top 10%) - Median Rental Price	\$8,530	2.2%	\$8,350	3.2%	\$8,262
Luxury (Top 10%) - Number of New Rentals	389	1.6%	383	-0.3%	390
Luxury (Top 10%) - Entry Threshold	\$6,510	1.5%	\$6,415	5.7%	\$6,160
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,516	1.0%	\$4,471	2.6%	\$4,403
Mid Tier (2nd 30%) - Median Rental Price	\$3,253	0.1%	\$3,250	8.1%	\$3,010
Entry Tier (1st 30%) - Median Rental Price	\$2,308	1.7%	\$2,270	6.8%	\$2,161

BY LOCATION

DOWNTOWN

- Modest gain in median rent
- Vacancy rate expanded

Downtown Market Matrix	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Median Rental Price	\$3,613	1.9%	\$3,546	5.3%	\$3,430
Number of New Rentals	1,714	5.9%	1,618	-5.5%	1,813
Vacancy Rate	2.61%		2.61%		2.00%

EAST SIDE

- Median rent increased
- Number of new rentals declined

East Side Market Matrix	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Median Rental Price	\$3,161	1.5%	\$3,113	5.5%	\$2,995
Number of New Rentals	911	-5.5%	964	-25.3%	1,219
Vacancy Rate	1.59%		1.59%		1.20%

WEST SIDE

- Median rent remained stable
- Number of new rentals surged

West Side Market Matrix	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Median Rental Price	\$3,450	-1.8%	\$3,514	0.0%	\$3,450
Number of New Rentals	921	-2.3%	943	55.3%	593
Vacancy Rate	2.55%		2.55%		2.16%

UPTOWN

- Median rent increased
- Vacancy reset to normal level

Uptown Market Matrix	MAR-15	%Chg (mo)	FEB-15	%Chg (yr)	MAR-14
Median Rental Price	\$2,400	11.2%	\$2,158	19.2%	\$2,013
Number of New Rentals	353	15.4%	306	29.8%	272
Vacancy Rate	2.75%		2.75%		0.89%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

-0.2%

INVENTORY

Total Inventory

23.9%

NEW RENTALS

Excludes Renewals

34%

CONCESSIONS

Market Share

3.5%

MARKETING TIME

Days on Market

13 days

NEGOTIABILITY

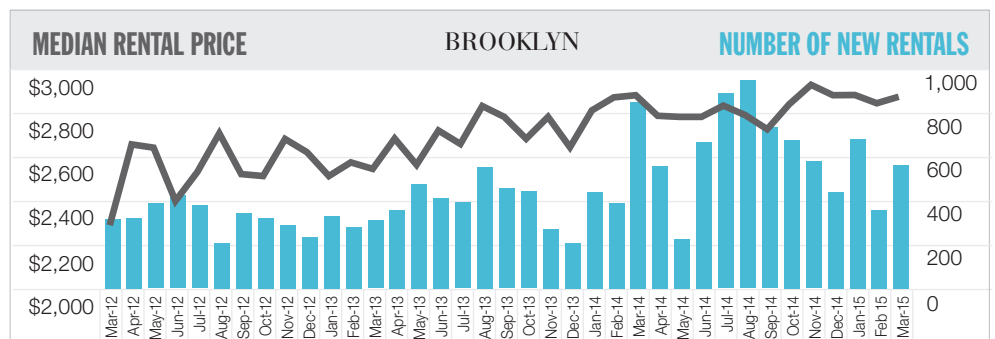
Listing Discount

1.3%

- Median rent showed stability, a second month without an increase
- Days on market expanded, while listing discount tightened
- Median Brooklyn rent was \$502 below median Manhattan rent

Brooklyn Rental Market		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14	
Average Rental Price		\$3,231	2.2%	\$3,160	-0.7%	\$3,254	
Rental Price per Sq Ft		\$41.78	8.2%	\$38.63	5.9%	\$39.46	
Median Rental Price		\$2,893	1.0%	\$2,863	-0.2%	\$2,900	
Number of New Rentals		564	57.5%	358	-34.0%	854	
Days on Market (From Original List Date)		56	-5.1%	59	30.2%	43	
Listing Discount (From Original List Price)		1.7%		1.2%		3.0%	
Listing Inventory		1,852	-3.5%	1,919	23.9%	1,495	
Brooklyn Rental w/Concessions		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14	
Median Rental Price		\$2,881	1.2%	\$2,848	-0.6%	\$2,897	
Share of New Rentals w/Concessions (%)		4.8%		5.6%		1.3%	
Free Rent/Owner Paid (Mos)		1.1	0.0%	1.1	10.0%	1.0	
Brooklyn Rental Market by Size		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14	
Studio -	Average Rental Price	\$2,291	2.2%	\$2,241	3.1%	\$2,222	
	Rental Price per Sq Ft	\$52.07	6.1%	\$49.07	13.0%	\$46.06	
	Median Rental Price	\$2,406	5.5%	\$2,281	10.6%	\$2,175	
1-Bedroom -	Average Rental Price	\$2,759	-2.2%	\$2,822	-1.3%	\$2,795	
	Rental Price per Sq Ft	\$43.33	0.8%	\$42.99	4.1%	\$41.64	
	Median Rental Price	\$2,650	-7.4%	\$2,863	-3.5%	\$2,747	
2-Bedroom -	Average Rental Price	\$3,662	10.8%	\$3,305	3.0%	\$3,556	
	Rental Price per Sq Ft	\$42.88	13.6%	\$37.74	5.9%	\$40.48	
	Median Rental Price	\$3,430	12.1%	\$3,061	5.2%	\$3,261	
3+ Bedroom -	Average Rental Price	\$4,825	14.1%	\$4,228	-3.5%	\$5,001	
	Rental Price per Sq Ft	\$35.45	18.7%	\$29.86	-4.1%	\$36.98	
	Median Rental Price	\$4,287	20.7%	\$3,552	-3.7%	\$4,450	
Number of New Rentals		56	21.7%	46	-40.4%	94	
	Brooklyn Rental Market by Type		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14
	Luxury (Top 10%) - Median Rental Price		\$6,000	21.4%	\$4,944	6.0%	\$5,659
Luxury (Top 10%) - Entry Threshold		\$4,851	10.3%	\$4,400	1.1%	\$4,800	
New Development - Median Rental Price		\$3,200	1.3%	\$3,160	1.4%	\$3,157	

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



For the second consecutive month, Brooklyn rental price indicators were mixed, after seeing 5 consecutive months of year-over-year gains. The median rental price was \$2,893, essentially unchanged from the prior year period. Average rental price was \$3,231, showing a similar pattern with a nominal change over the same period. Rental price per square foot increased 5.9% to \$41.78, reflecting the price strength of smaller apartments. The median rental price of a studio apartments jumped 10.6% to \$2,406 from the same period last year, the largest increase of all apartment sizes. Luxury median rental price increased 6% to \$6,000, outpacing the increase in the overall market. The number of new rentals fell 34% to 564 from the same period last year, reflecting the resistance to rent increases at the

time of renewal. Landlord concession market share expanded to 4.8% from 1.3%, effectively retaining their nominal use in the market. Listing

discount, the percentage difference between the original list price and the rental price tightened to 1.7% from 3% in the prior year.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

▲ 3.7%

INVENTORY

Total Inventory (month-over-month)

▲ 11.2%

NEW RENTALS

Excludes Renewals

▲ 8.7%

NEW DEVELOPMENT

Market Share

▲ 3.3%

MARKETING TIME

Days on Market

▼ 32 days

NEGOTIABILITY

Listing Discount

▼ 0.9%

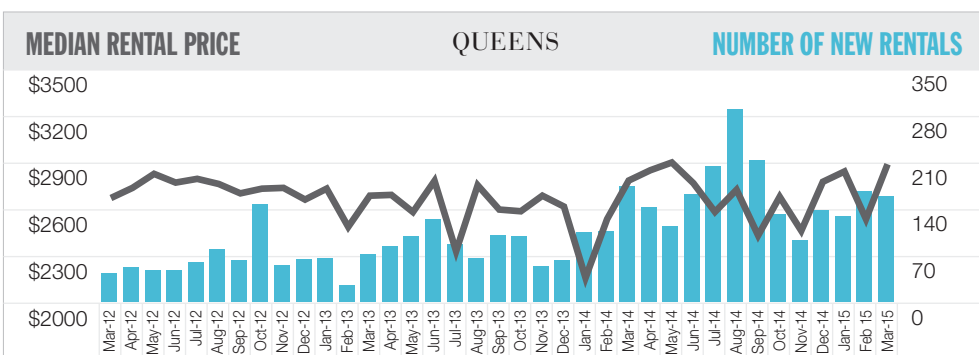
- Price indicators were mixed, studios showed largest price increase
- All price indicators for the 2-bedroom market slipped below prior year levels
- Number of new rentals showed modest decline, suggesting limited tenant resistance

Queens Rental Market		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14
Average Rental Price		\$2,989	7.4%	\$2,784	-3.0%	\$3,080
Rental Price per Sq Ft		\$46.57	13.8%	\$40.93	12.1%	\$41.56
Median Rental Price		\$2,952	13.5%	\$2,600	3.7%	\$2,847
Number of New Rentals		158	-4.8%	166	-8.7%	173
Days on Market (From Original List Date)		32	10.3%	29	-50.0%	64
Listing Discount (From Original List Price)		-0.8%		0.7%		0.1%
Listing Inventory		309	11.2%	278	N/A	N/A

Queens Rental Market by Size		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14
Studio -	Average Rental Price	\$2,281	11.3%	\$2,049	9.0%	\$2,092
	Rental Price per Sq Ft	\$55.00	17.0%	\$47.01	16.4%	\$47.25
	Median Rental Price	\$2,468	8.2%	\$2,281	14.5%	\$2,155
Number of New Rentals		29	11.5%	26	38.1%	21
1-Bedroom -	Average Rental Price	\$2,809	11.1%	\$2,528	5.6%	\$2,661
	Rental Price per Sq Ft	\$47.84	15.8%	\$41.33	15.6%	\$41.37
	Median Rental Price	\$2,957	18.7%	\$2,492	8.1%	\$2,735
Number of New Rentals		85	-7.6%	92	-2.3%	87
2-Bedroom -	Average Rental Price	\$3,673	2.1%	\$3,597	-1.8%	\$3,741
	Rental Price per Sq Ft	\$40.55	0.4%	\$40.37	-4.1%	\$42.29
	Median Rental Price	\$3,790	-1.9%	\$3,863	-1.4%	\$3,843
Number of New Rentals		41	-2.4%	42	-14.6%	48
3+ Bedroom -	Average Rental Price	\$5,566	23.5%	\$4,507	21.6%	\$4,578
	Rental Price per Sq Ft	\$51.20	27.1%	\$40.29	25.1%	\$40.92
	Median Rental Price	\$5,500	2.7%	\$5,356	10.1%	\$4,995
Number of New Rentals		3	-40.0%	5	-82.4%	17

Queens Rental Market By Type		MAR-15	%Chg (MO)	FEB-15	%Chg (YR)	MAR-14
Luxury (Top 10%) - Median Rental Price		\$4,886	8.6%	\$4,500	-4.2%	\$5,100
Luxury (Top 10%) - Entry Threshold		\$4,426	4.6%	\$4,233	-3.8%	\$4,600
New Development - Median Rental Price		\$3,166	-7.0%	\$3,202	2.1%	\$3,100

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



March rental price indicators in northwest Queens were mixed again. Median rental price increased 3.7% to \$2,952 from the same period last year. Average rental price slipped 3% to \$2,989 over the same period. Studio and 1-bedroom rental price indicators showed a year-over-year increase in median rental price of 14.5% and 8.1% respectively. The limited 3-bedroom sample size made the rising trend unreliable. Luxury median rental price slipped 4.2% to \$4,886 from the same period last year, falling behind the overall market. New

development median rent expanded 2.1% over the same period to \$3,166. That rental price was consistent with the overall median rent of \$2,952 because the market is largely

comprised of new development, accounting for 38% of market share during the month. Queens median rental price was \$147 more than Brooklyn and \$443 less than Manhattan.

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

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