

ELLI MAN REPORT

MARCH 2018

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

1.5%

VACANCY

Vacancy Rate

0.15%

NEW LEASES

Excludes Renewals

6.8%

OP + CONCESSIONS

Market Share

21.2%

MARKETING TIME

Days on Market

23 days

NEGOTIABILITY

Listing Discount

0.9%

- Largest year over year decline in net effective rent tracked in six and a half years
- Fourth consecutive monthly year over year decline in median face rent
- Third highest recorded landlord concession market share in seven and a half years

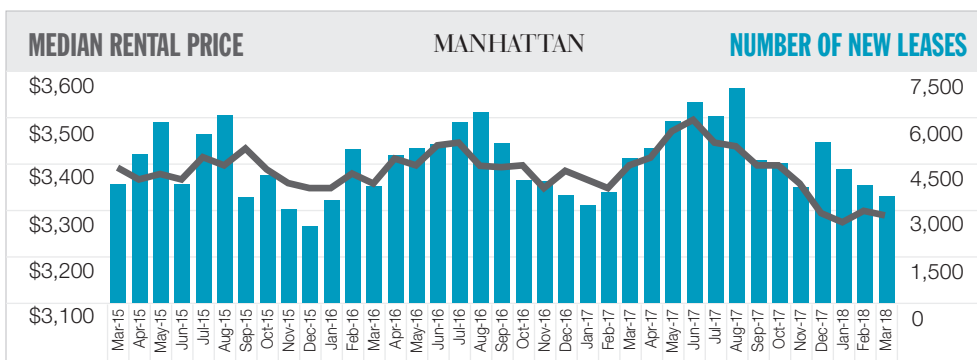
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAR-18	%Δ (mo)	FEB-18	%Δ (yr)	MAR-17
Average Rental Price		\$4,089	1.7%	\$4,019	-2.9%	\$4,211
Rental Price per Sq Ft		\$66.38	3.5%	\$64.16	0.8%	\$65.88
Median Rental Price		\$3,290	-0.3%	\$3,300	-3.2%	\$3,400
Number of New Leases		3,489	-10.1%	3,881	-26.8%	4,764
Days on Market (From Original List Date)		31	-8.8%	34	-43.6%	55
Listing Discount (From Original List Price)		2.0%		2.4%		2.7%
Listing Inventory		5,764	1.2%	5,696	-20.1%	7,212
Vacancy Rate		2.05%		2.29%		2.26%
Manhattan Rental w/Concessions		MAR-18	%Δ (mo)	FEB-18	%Δ (yr)	MAR-17
Median Rental Price		\$3,168	0.0%	\$3,168	-3.8%	\$3,294
Share of New Leases w/OP + Concessions (%)		41.7%		47.6%		28.4%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	15.4%	1.3
Manhattan Rental Market by Size		MAR-18	%Δ (mo)	FEB-18	%Δ (yr)	MAR-17
Studio -	Average Rental Price	\$2,738	4.4%	\$2,623	0.3%	\$2,731
	Rental Price per Sq Ft	\$65.89	6.0%	\$62.14	-2.5%	\$67.55
	Median Rental Price	\$2,550	0.0%	\$2,550	-0.6%	\$2,566
	Number of New Leases	782	-10.9%	878	-32.3%	1,155
1-Bedroom -	Average Rental Price	\$3,429	-1.2%	\$3,471	-2.2%	\$3,506
	Rental Price per Sq Ft	\$62.91	0.7%	\$62.49	0.4%	\$62.69
	Median Rental Price	\$3,300	-1.5%	\$3,350	-2.8%	\$3,395
	Number of New Leases	1,517	-13.4%	1,751	-25.1%	2,025
2-Bedroom -	Average Rental Price	\$4,974	1.2%	\$4,917	-2.7%	\$5,110
	Rental Price per Sq Ft	\$65.39	3.3%	\$63.30	2.5%	\$63.80
	Median Rental Price	\$4,455	1.3%	\$4,400	-4.3%	\$4,654
	Number of New Leases	888	0.2%	886	-22.8%	1,151
3+ Bedroom -	Average Rental Price	\$8,297	6.2%	\$7,809	-8.4%	\$9,062
	Rental Price per Sq Ft	\$74.10	6.7%	\$69.47	1.5%	\$73.04
	Median Rental Price	\$5,698	6.0%	\$5,375	-11.3%	\$6,425
	Number of New Leases	302	-17.5%	366	-30.3%	433

The Manhattan rental market continued to cool with easing rents, elevated landlord concessions but with faster marketing times. The market share of landlord concessions rose to 41.7% from 28.4% in the same period last year and the third highest level in seven and a half years. The net effective median rent, median face rent less brokerage commissions, free rent, and other incentives, declined 3.8% to \$3,168 from

the same period last year, the largest year over year decline in net effective rent tracked in six and a half years. With the fourth consecutive month with a year over year decline in face rent coupled with a decline in the vacancy rate, the heavy use of concessions is keeping apartments full but no longer effective in fully protecting the face rent. Across all price points, median rent declined from the same period last year.

The luxury market representing the top 10% of all rentals, declined 6.2% to \$8,437; the Upper Tier representing the 30% below luxury fell 2.2% to \$4,450; the Mid Tier representing the next 30% below the Upper Tier fell 3.9% to \$3,120; the Entry Tier representing the next 30% below Mid Tier declined 4.3% to \$2,250.



PROPERTY TYPE

- New development median rent moved higher, skewed by higher quality product
- “Doorman” median annual rent growth outpaced “non-doorman” median rent for sixth consecutive month

Manhattan Rental Market By Property Type	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Doorman Median Rental Price	\$3,857	1.5%	\$3,800	4.2%	\$3,700
Non-Doorman Median Rental Price	\$2,750	1.9%	\$2,700	-5.0%	\$2,895
Loft Median Rental Price	\$6,200	5.6%	\$5,873	48.5%	\$4,175
New Development Median Rental Price	\$4,729	-0.6%	\$4,757	2.8%	\$4,602

BY PRICE

- All median rental price tiers declined year over year
- Luxury median rent threshold slipped nominally
- Luxury median rent declined more than the three other price tiers

Manhattan Rental Market By Price	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Luxury (Top 10%) - Average Rental Price	\$10,880	5.3%	\$10,333	-3.0%	\$11,217
Luxury (Top 10%) - Rental Price per Sq Ft	\$80.21	8.0%	\$74.28	1.5%	\$78.99
Luxury (Top 10%) - Median Rental Price	\$8,437	-0.7%	\$8,495	-6.2%	\$8,995
Luxury (Top 10%) - Number of New Leases	356	-8.5%	389	-25.4%	477
Luxury (Top 10%) - Entry Threshold	\$6,500	1.6%	\$6,395	-0.2%	\$6,515
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,450	1.1%	\$4,400	-2.2%	\$4,550
Mid Tier (2nd 30%) - Median Rental Price	\$3,120	-0.5%	\$3,135	-3.9%	\$3,245
Entry Tier (1st 30%) - Median Rental Price	\$2,250	0.0%	\$2,250	-4.3%	\$2,350

BY LOCATION

DOWNTOWN

- New leases declined
- Vacancy rate fell

Downtown Market Matrix	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price	\$3,700	2.1%	\$3,625	0.4%	\$3,685
Number of New Leases	1,440	-11.9%	1,635	-32.6%	2,136
Vacancy Rate	2.00%		2.61%		2.55%

EAST SIDE

- New leases fell sharply
- Median rent declined

East Side Market Matrix	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price	\$3,211	0.3%	\$3,200	-2.8%	\$3,305
Number of New Leases	881	-11.7%	998	-28.8%	1,238
Vacancy Rate	1.53%		1.53%		1.42%

WEST SIDE

- Vacancy rate increased
- New leases declined

West Side Market Matrix	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price	\$3,300	-4.9%	\$3,470	-2.7%	\$3,390
Number of New Leases	734	-9.8%	814	-27.0%	1,005
Vacancy Rate	2.22%		2.48%		1.83%

UPTOWN

- Median rent declined
- Vacancy rate fell

Uptown Market Matrix	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price	\$2,250	3.4%	\$2,175	-4.3%	\$2,350
Number of New Leases	434	0.0%	434	12.7%	385
Vacancy Rate	2.84%		2.30%		3.37%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.4%

INVENTORY

Total Inventory

25.3%

NEW LEASES

Excludes Renewals

21.9%

OP + CONCESSIONS

Market Share

31.7%

MARKETING TIME

Days on Market

24 days

NEGOTIABILITY

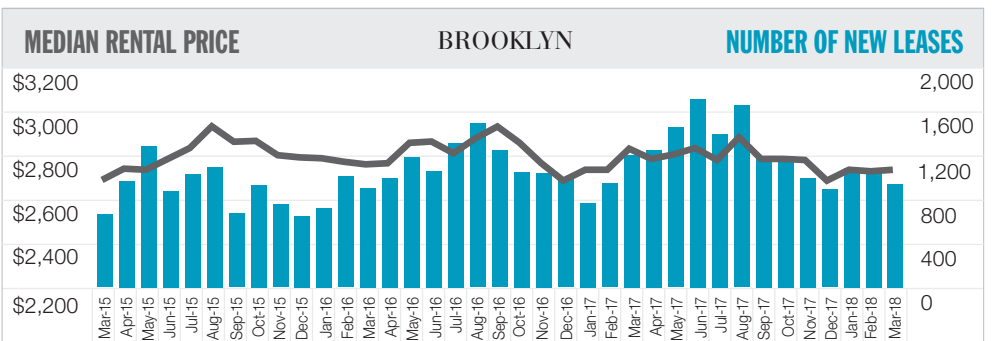
Listing Discount

0.4%

- **Fourth consecutive decline in year over year net effective median rent**
- **Fourth consecutive monthly record market share of landlord concessions**
- **Two bedrooms were only category with rise in median face rent and market share**

Brooklyn Rental Market		MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Average Rental Price		\$3,109	0.0%	\$3,109	-1.4%	\$3,153
Rental Price per Sq Ft		\$45.95	3.4%	\$44.42	-3.9%	\$47.79
Median Rental Price		\$2,750	0.3%	\$2,743	-3.4%	\$2,847
Number of New Leases		946	-13.3%	1,091	-21.9%	1,211
Days on Market (From Original List Date)		28	-9.7%	31	-46.2%	52
Listing Discount (From Original List Price)		1.4%		1.7%		1.8%
Listing Inventory		1,926	4.0%	1,852	-25.3%	2,580
Brooklyn Rental w/Concessions		MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price		\$2,629	-0.1%	\$2,632	-6.3%	\$2,806
Share of New Leases w/OP + Concessions (%)		47.7%		47.5%		16.0%
Free Rent/Owner Paid (Mos)		1.5	7.1%	1.4	0.0%	1.5
Brooklyn Rental Market by Size		MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Studio -	Average Rental Price	\$2,388	4.9%	\$2,276	-9.1%	\$2,627
	Rental Price per Sq Ft	\$54.55	1.5%	\$53.77	-1.8%	\$55.55
	Median Rental Price	\$2,350	2.7%	\$2,288	-5.8%	\$2,496
Number of New Leases		137	-16.5%	164	-24.7%	182
1-Bedroom -	Average Rental Price	\$2,700	-1.0%	\$2,727	-2.0%	\$2,754
	Rental Price per Sq Ft	\$46.23	1.9%	\$45.35	-6.8%	\$49.61
	Median Rental Price	\$2,600	-3.5%	\$2,695	-7.0%	\$2,795
Number of New Leases		377	-15.1%	444	-24.1%	497
2-Bedroom -	Average Rental Price	\$3,510	1.9%	\$3,443	0.1%	\$3,505
	Rental Price per Sq Ft	\$45.27	4.3%	\$43.40	-4.4%	\$47.37
	Median Rental Price	\$3,273	2.3%	\$3,200	2.3%	\$3,200
Number of New Leases		326	-7.4%	352	-14.9%	383
3+ Bedroom -	Average Rental Price	\$4,262	-6.4%	\$4,552	0.8%	\$4,227
	Rental Price per Sq Ft	\$43.20	2.8%	\$42.03	8.2%	\$39.92
	Median Rental Price	\$3,300	-12.4%	\$3,765	-10.5%	\$3,686
Number of New Leases		106	-19.1%	131	-28.9%	149
Brooklyn Rental Market by Type		MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Luxury (Top 10%) - Median Rental Price		\$5,316	-1.3%	\$5,385	-5.0%	\$5,596
Luxury (Top 10%) - Entry Threshold		\$4,700	0.5%	\$4,675	-0.5%	\$4,725
New Development - Median Rental Price		\$3,300	2.1%	\$3,233	3.0%	\$3,204

The Brooklyn rental market showed cooling rents, record landlord concessions, and fewer new leases. Landlord concessions reached a record 47.7% market share, the fourth consecutive month with a record and more than double the 16% share in the same period last year. As a result, median net effective rent, median face rent less brokerage commissions, free rent, and other incentives, fell year over year for the fourth consecutive month, down 6.3% to \$2,629. Two bedrooms were only size category to see a year over year rise in median face rent and market share. As observed in the prior month, landlords were more in sync with current conditions, moving more quickly to enable lease signings. Days on market, the number



of days from the original list date to the rental date, fell 46.2% to 28 days, and listing discount, the percentage difference between the original asking price and the face rent, fell 0.4% to 1.4%

respectively over the same period. New lease signings declined 21.9% to 946 from the same period last year.

NORTHWEST QUEENS RENTALS

DASHBOARD

year-over-year

PRICES

Median Rental Price

1.8%

INVENTORY

Total Inventory

8.3%

NEW LEASES

Excludes Renewals

5.5%

OP + CONCESSIONS

Market Share

20.6%

MARKETING TIME

Days on Market

10 days

NEGOTIABILITY

Listing Discount

0.3%

- **New record market share set for landlord concessions**
- **Fourth consecutive month with year over year decline in net effective rent**
- **Existing median rent stabilized as new development median rent slid**

Queens Rental Market	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Average Rental Price	\$2,886	-0.4%	\$2,898	1.3%	\$2,850
Rental Price per Sq Ft	\$49.91	6.7%	\$46.77	2.6%	\$48.65
Median Rental Price	\$2,750	-3.5%	\$2,850	-1.8%	\$2,800
Number of New Leases	259	-14.0%	301	-5.5%	274
Days on Market (From Original List Date)	31	6.9%	29	-24.4%	41
Listing Discount (From Original List Price)	0.8%		0.6%		0.5%
Listing Inventory	528	-6.0%	562	-8.3%	576

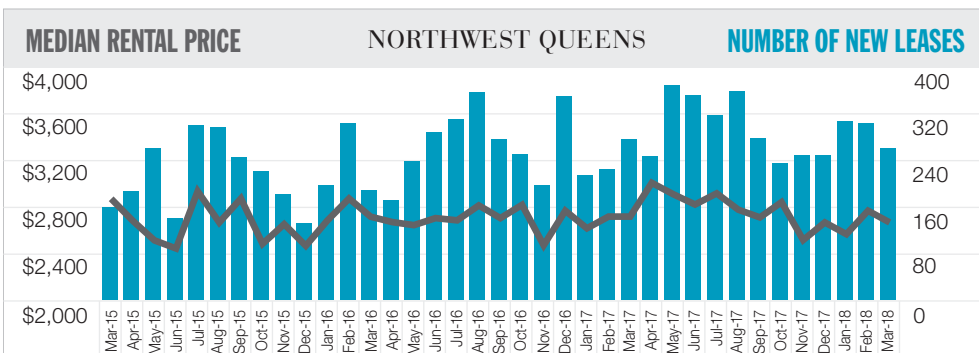
Queens Rental w/Concessions	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Median Rental Price	\$2,559	-5.7%	\$2,714	-6.4%	\$2,734
Number of New Leases w/OP + Concessions (%)	63.3%		48.8%		42.7%
Free Rent/Owner Paid (Mos)	1.8	12.5%	1.6	100.0%	0.9

Queens Rental Market by Size	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Studio - Average Rental Price	\$2,313	7.0%	\$2,162	-1.8%	\$2,356
Rental Price per Sq Ft	\$51.30	0.9%	\$50.85	-14.4%	\$59.96
Median Rental Price	\$2,350	6.2%	\$2,213	-5.0%	\$2,473
Number of New Leases	48	-17.2%	58	-17.2%	58
1-Bedroom - Average Rental Price	\$2,713	-2.6%	\$2,786	-1.8%	\$2,763
Rental Price per Sq Ft	\$49.82	0.6%	\$49.50	-1.3%	\$50.48
Median Rental Price	\$2,881	-1.8%	\$2,934	-5.5%	\$3,050
Number of New Leases	152	-13.6%	176	17.8%	129
2-Bedroom - Average Rental Price	\$3,678	0.9%	\$3,645	10.8%	\$3,320
Rental Price per Sq Ft	\$50.19	22.0%	\$41.13	18.0%	\$42.53
Median Rental Price	\$4,072	7.7%	\$3,781	35.7%	\$3,000
Number of New Leases	50	-10.7%	56	-33.3%	75
3+ Bedroom - Average Rental Price	\$4,443	-6.7%	\$4,763	37.4%	\$3,234
Rental Price per Sq Ft	\$46.68	10.1%	\$42.38	39.0%	\$33.58
Median Rental Price	\$3,995	-23.2%	\$5,200	37.8%	\$2,900
Number of New Leases	9	-18.2%	11	-25.0%	12

Queens Rental Market By Type	MAR-18	%Δ (MO)	FEB-18	%Δ (YR)	MAR-17
Luxury (Top 10%) - Median Rental Price	\$4,388	-8.6%	\$4,800	-3.9%	\$4,568
Luxury (Top 10%) - Entry Threshold	\$4,140	1.1%	\$4,094	2.9%	\$4,025
New Development - Median Rental Price	\$3,009	-7.0%	\$2,940	-3.1%	\$3,106
New Development - Market Share	41.3%		30.2%		42.7%

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

The neighborhoods of Long Island City, Astoria, Sunnyside, and Woodside which comprise the northwest region of Queens, showed a record market share of landlord concessions and mixed price trends. The market share of landlord concessions rose sharply to a record 63.3% from 42.7% in the same period last year. Net effective median rent, median face rent less brokerage commissions, declined 6.4% to \$2,559 over the same period with a 1.8-month average equivalent of free rent and brokerage commission. New development rentals accounted for 41.3% of all rentals during the month.



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Report Methodology:

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

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