

# ELLI MAN REPORT

MAY 2015

## MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,  
Brooklyn and Queens Rentals

### MANHATTAN RENTALS DASHBOARD

year-over-year

#### PRICES

Median Rental Price

2.4%

#### VACANCY

Vacancy Rate

0.07%

#### NEW RENTALS

Excludes Renewals

85.1%

#### CONCESSIONS

Market Share

4.2%

#### MARKETING TIME

Days on Market

9 day

#### NEGOTIABILITY

Listing Discount

0.1%

- All three overall price indicators moved higher
- Fifteen months of consecutive year-over-year median rent increases
- Marketing time, negotiability and inventory fell

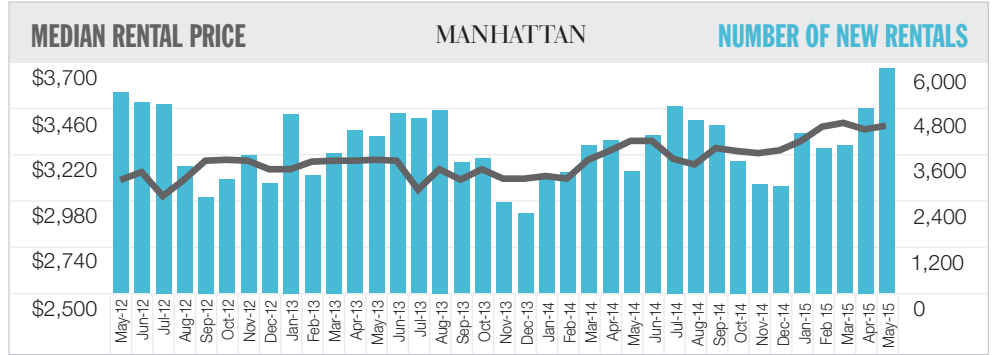
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Average Rental Price		\$4,081	0.7%	\$4,054	4.6%	\$3,902
Rental Price per Sq Ft		\$56.35	-1.1%	\$57.00	2.9%	\$54.78
Median Rental Price		\$3,380	0.6%	\$3,361	2.4%	\$3,300
Number of New Rentals		5,931	21.4%	4,885	85.1%	3,205
Days on Market (From Original List Date)		41	-10.9%	46	-18.0%	50
Listing Discount (From Original List Price)		1.0%		1.0%		1.1%
Listing Inventory		5,662	3.2%	5,485	-2.6%	5,816
Vacancy Rate		1.65%		1.78%		1.58%
Manhattan Rental w/Concessions		MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Median Rental Price		\$3,376	0.6%	\$3,355	2.8%	\$3,284
Number of New Rentals w/Concessions (%)		1.5%		2.2%		5.7%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	0.0%	1.0
Manhattan Rental Market by Size		MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Studio -	Average Rental Price	\$2,740	1.4%	\$2,702	5.3%	\$2,602
	Rental Price per Sq Ft	\$59.86	-0.3%	\$60.05	4.7%	\$57.15
	Median Rental Price	\$2,591	1.1%	\$2,563	3.6%	\$2,500
	Number of New Rentals	1,430	23.9%	1,154	91.4%	747
1-Bedroom -	Average Rental Price	\$3,521	1.6%	\$3,467	2.6%	\$3,433
	Rental Price per Sq Ft	\$57.98	2.8%	\$56.38	4.4%	\$55.56
	Median Rental Price	\$3,405	1.3%	\$3,362	1.6%	\$3,350
	Number of New Rentals	2,525	14.0%	2,215	84.4%	1,369
2-Bedroom -	Average Rental Price	\$4,987	-0.3%	\$5,000	4.6%	\$4,769
	Rental Price per Sq Ft	\$52.79	-1.5%	\$53.59	2.6%	\$51.43
	Median Rental Price	\$4,469	-0.1%	\$4,472	4.1%	\$4,295
	Number of New Rentals	1,410	27.9%	1,102	77.4%	795
3+ Bedroom -	Average Rental Price	\$7,716	-8.6%	\$8,440	12.1%	\$6,884
	Rental Price per Sq Ft	\$52.59	-8.1%	\$57.25	-3.3%	\$54.40
	Median Rental Price	\$5,366	-10.5%	\$5,998	-0.5%	\$5,395
	Number of New Rentals	566	36.7%	414	93.2%	293

Manhattan rental prices pushed higher as a booming local economy and tight credit conditions kept the pressure on. Median rental prices were above the prior year level for the fifteenth consecutive month, but still short of the record 23-month period set in 2011 through 2013. Median rental price increased 2.4% to \$3,380 from the same period last year. Average

rental price increased 4.6% to \$4,081 over the same period, a record four consecutive months above the \$4,000 threshold. Median rental price for all apartment sizes moved above the prior year level with the exception of 3-bedrooms, which slipped a nominal 0.5%. Consistent with the 3-bedroom market, luxury median rental price, the top 10% of the rental market,

remained essentially unchanged at \$7,954 as compared to the same period last year. Price gains were more pronounced at the lower end of the market. The Entry Tier, the first 30% of all rentals, posted the largest gain in median rental price, rising 4.5% from the prior year period. Days on market, the number of days from the original list date to the rental date, fell by 9 days to 41.



## PROPERTY TYPE

- Non-doorman rents rose faster than doorman rents
- Loft and new development rents fell short of prior year levels

Manhattan Rental Market By Property Type	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Doorman Median Rental Price	\$3,778	-0.6%	\$3,800	1.4%	\$3,725
Non-Doorman Median Rental Price	\$2,878	4.0%	\$2,768	4.7%	\$2,750
Loft Median Rental Price	\$5,808	-2.1%	\$5,932	-2.4%	\$5,949
New Development Median Rental Price	\$4,176	-7.7%	\$4,522	-11.7%	\$4,730

## BY PRICE

- Luxury rents were flat after several months of gains
- Strong price growth skewed toward lower priced markets

Manhattan Rental Market By Price	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Luxury (Top 10%) - Average Rental Price	\$10,443	1.4%	\$10,298	11.7%	\$9,353
Luxury (Top 10%) - Rental Price per Sq Ft	\$77.48	-3.4%	\$80.23	4.4%	\$74.23
Luxury (Top 10%) - Median Rental Price	\$7,954	-3.6%	\$8,248	0.1%	\$7,950
Luxury (Top 10%) - Number of New Rentals	595	20.9%	492	85.4%	321
Luxury (Top 10%) - Entry Threshold	\$6,313	-1.8%	\$6,427	1.9%	\$6,195
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,474	0.7%	\$4,444	-0.5%	\$4,495
Mid Tier (2nd 30%) - Median Rental Price	\$3,231	1.1%	\$3,195	1.9%	\$3,171
Entry Tier (1st 30%) - Median Rental Price	\$2,300	0.0%	\$2,299	4.5%	\$2,200

## BY LOCATION

- ### DOWNTOWN
- Median rental price was flat
  - Number of new rentals surged

Downtown Market Matrix	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Median Rental Price	\$3,650	1.1%	\$3,609	0.0%	\$3,650
Number of New Rentals	2,696	24.2%	2,171	84.2%	1,464
Vacancy Rate	1.63%		1.63%		1.84%

- ### EAST SIDE
- Vacancy rate fell sharply
  - Median price moved higher

East Side Market Matrix	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Median Rental Price	\$3,181	1.0%	\$3,150	4.3%	\$3,050
Number of New Rentals	1,379	22.1%	1,129	59.8%	863
Vacancy Rate	0.60%		1.59%		1.64%

- ### WEST SIDE
- Jump in new rentals
  - Vacancy rate continued to rise

West Side Market Matrix	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Median Rental Price	\$3,400	-0.7%	\$3,425	3.0%	\$3,300
Number of New Rentals	1,285	7.5%	1,195	122.7%	577
Vacancy Rate	2.35%		1.50%		1.44%

- ### UPTOWN
- Median rental price rose
  - Vacancy rate rose sharply

Uptown Market Matrix	MAY-15	%Chg (mo)	APR-15	%Chg(yr)	MAY-14
Median Rental Price	\$2,200	-2.2%	\$2,250	5.2%	\$2,092
Number of New Rentals	571	46.4%	390	89.7%	301
Vacancy Rate	2.48%		2.93%		0.89%

# BROOKLYN RENTALS DASHBOARD

year-over-year

## PRICES

Median Rental Price

4.8%

## INVENTORY

Total Inventory

8.2%

## NEW RENTALS

Excludes Renewals

379.6%

## CONCESSIONS

Market Share

6%

## MARKETING TIME

Days on Market

1 days

## NEGOTIABILITY

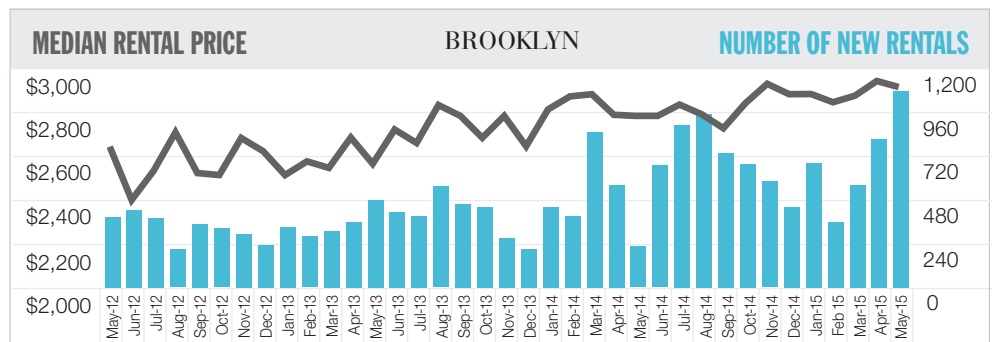
Listing Discount

0.3%

- Rental prices moved higher for second month, skewed by shift in mix
- Surge in new rentals as landlord concession usage collapsed
- Median Brooklyn rent was \$447 below median Manhattan rent

Brooklyn Rental Market		MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Average Rental Price		\$3,252	1.0%	\$3,220	4.3%	\$3,119
Rental Price per Sq Ft		\$42.43	1.9%	\$41.65	0.4%	\$42.27
Median Rental Price		\$2,933	-0.9%	\$2,961	4.8%	\$2,800
Number of New Rentals		1,079	32.4%	815	379.6%	225
Days on Market (From Original List Date)		52	2.0%	51	-1.9%	53
Listing Discount (From Original List Price)		0.9%		1.3%		1.2%
Listing Inventory		1,672	1.3%	1,650	8.2%	1,546
Brooklyn Rental w/Concessions		MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Median Rental Price		\$2,930	-0.8%	\$2,953	5.3%	\$2,782
Share of New Rentals w/Concessions (%)		1.1%		3.1%		7.1%
Free Rent/Owner Paid (Mos)		1.0	0.0%	1.0	-9.1%	1.1
Brooklyn Rental Market by Size		MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Studio -	Average Rental Price	\$2,366	2.9%	\$2,299	5.2%	\$2,248
	Rental Price per Sq Ft	\$47.52	-12.7%	\$54.45	-8.4%	\$51.86
	Median Rental Price	\$2,238	-2.4%	\$2,294	-0.7%	\$2,253
	Number of New Rentals	108	18.7%	91	170.0%	40
1-Bedroom -	Average Rental Price	\$2,858	2.4%	\$2,792	-0.6%	\$2,875
	Rental Price per Sq Ft	\$45.46	3.5%	\$43.93	6.0%	\$42.88
	Median Rental Price	\$2,696	-4.0%	\$2,809	-2.0%	\$2,750
	Number of New Rentals	393	21.3%	324	313.7%	95
2-Bedroom -	Average Rental Price	\$3,381	-3.2%	\$3,491	-4.7%	\$3,546
	Rental Price per Sq Ft	\$40.04	0.4%	\$39.87	-8.7%	\$43.84
	Median Rental Price	\$3,212	-7.2%	\$3,461	0.4%	\$3,200
	Number of New Rentals	406	53.2%	265	456.2%	73
3+ Bedroom -	Average Rental Price	\$4,404	1.5%	\$4,339	-2.0%	\$4,493
	Rental Price per Sq Ft	\$36.66	2.9%	\$35.62	-2.3%	\$37.51
	Median Rental Price	\$3,500	-9.2%	\$3,856	-21.8%	\$4,476
	Number of New Rentals	172	27.4%	135	975.0%	16
Brooklyn Rental Market by Type		MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Luxury (Top 10%) - Median Rental Price		\$5,353	-1.6%	\$5,438	3.9%	\$5,150
Luxury (Top 10%) - Entry Threshold		\$4,453	-3.2%	\$4,598	-3.2%	\$4,600
New Development - Median Rental Price		\$3,216	-1.2%	\$3,255	11.1%	\$2,895

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



After showing signs of weakness a few months ago, all Brooklyn rental price indicators moved higher for the second consecutive month. Median rental price increased 4.8% to \$2,933 from the same period last year to the third highest median rental price tracked since 2008. Average rental price increased 4.3% to \$3,252 from the same period last year. Overall prices were skewed higher by the surge in market share of larger sized rentals. The market share of 2-bedrooms increased 5.2% to 37.6%. The 3-bedroom market increased 8.8% to 15.9% from the same period last year. Prices in most size categories were flat or somewhat lower than the prior year period. As a measurement of resistance to rising rents, in addition to the introduction of more luxury rentals into the housing stock, the number of new rentals

surged nearly fourfold. Days on market fell nominally by 1 day to 52 days. Listing discount followed the same pattern slipping to 0.9% from 1.2% in the same period last year. Landlord concessions evaporated, falling to a 1.1% share from 7.1% over the same period.

## QUEENS RENTALS DASHBOARD

year-over-year

### PRICES

Median Rental Price

12.4%

### INVENTORY

Total Inventory

1.1%

### NEW RENTALS

Excludes Renewals

127.2%

### NEW DEVELOPMENT

Market Share

24.3%

### MARKETING TIME

Days on Market

28 days

### NEGOTIABILITY

Listing Discount

1.1%

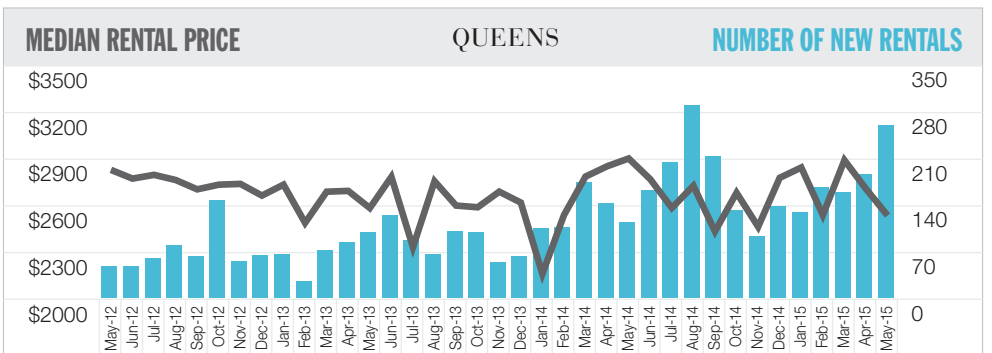
- Share of 1-bedrooms nearly doubled, pulling overall rents lower
- Except for studios, rents for each size category increased
- Number of new rentals more than doubled

Queens Rental Market	MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Average Rental Price	\$2,750	-4.3%	\$2,873	-13.2%	\$3,167
Rental Price per Sq Ft	\$43.64	1.6%	\$42.95	7.5%	\$40.59
Median Rental Price	\$2,597	-6.2%	\$2,768	-12.4%	\$2,963
Number of New Rentals	259	40.0%	185	127.2%	114
Days on Market (From Original List Date)	52	44.4%	36	116.7%	24
Listing Discount (From Original List Price)	1.0%		1.3%		-0.1%
Listing Inventory	368	10.2%	334	1.1%	364

Queens Rental Market by Size	MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Studio - Average Rental Price	\$2,269	-0.7%	\$2,284	-9.8%	\$2,516
Rental Price per Sq Ft	\$55.26	4.0%	\$53.14	35.8%	\$40.70
Median Rental Price	\$2,404	-1.8%	\$2,447	-3.1%	\$2,480
Number of New Rentals	51	75.9%	29	363.6%	11
1-Bedroom - Average Rental Price	\$2,590	-3.9%	\$2,695	0.1%	\$2,588
Rental Price per Sq Ft	\$44.39	0.0%	\$44.41	26.6%	\$35.06
Median Rental Price	\$2,639	-7.4%	\$2,850	4.0%	\$2,538
Number of New Rentals	144	32.1%	109	336.4%	33
2-Bedroom - Average Rental Price	\$3,394	0.8%	\$3,366	-1.7%	\$3,453
Rental Price per Sq Ft	\$38.41	-1.6%	\$39.02	9.3%	\$35.15
Median Rental Price	\$3,346	-14.2%	\$3,900	3.0%	\$3,250
Number of New Rentals	57	39.0%	41	533.3%	9
3+ Bedroom - Average Rental Price	\$4,304	-22.9%	\$5,581	21.9%	\$3,531
Rental Price per Sq Ft	\$47.01	1.8%	\$46.20	4.1%	\$45.18
Median Rental Price	\$4,461	-20.6%	\$5,618	27.7%	\$3,494
Number of New Rentals	7	16.7%	6	-88.3%	60

Queens Rental Market By Type	MAY-15	%Chg (MO)	APR-15	%Chg(YR)	MAY-14
Luxury (Top 10%) - Median Rental Price	\$4,226	-6.1%	\$4,499	-21.0%	\$5,350
Luxury (Top 10%) - Entry Threshold	\$3,395	-18.2%	\$4,150	-24.1%	\$4,475
New Development - Median Rental Price	\$2,950	-7.0%	\$3,100	-14.6%	\$3,455

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



Price indicators in the northwest region of Queens moved lower as the rental mix continued to shift to smaller units. The market share of 1-bedroom rentals jumped 26.7% from the same month last year. As a result, median rental price fell 12.4% to \$2,597 over the same period. However, median rents rose across one, two and three bedrooms by 4%, 3% and 27.7% respectively. Studio rental price slipped 3.1% to \$2,404 over the same period. The market share of new development rentals over the same period fell by roughly half to 26.6%

of all rentals in the region. Days on market expanded to 52 days from 24 days in the same month last year, consistent with the decline in market share of new rentals. Listing discount

edged nominally higher to 1% over the same period. Queens median rental price was \$336 less than Brooklyn median rent and \$783 less than Manhattan median rent.

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

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