

Elliman Report

April 2020

Manhattan, Brooklyn
and Queens Rentals

Manhattan Rentals Dashboard

YEAR-OVER-YEAR

+ **4.9%**
Prices
Median Rental Price

+ **0.39%**
Vacancy
Vacancy Rate

- **70.9%**
New Leases
Excludes Renewals

- **1.6%**
Market Share
OP + Concessions

+ **2** days
Marketing Time
Days on Market

+ **0.6%**
Negotiability
Listing Discount

- The lowest total of new leases recorded in a decade and most significant percent decline ever recorded
- The highest net effective median, average and average per square foot rent ever recorded
- The highest April vacancy rate recorded in at least fourteen years

Manhattan Rentals Matrix		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Average Rental Price		\$4,503	4.7%	\$4,299	7.4%	\$4,191
Rental Price Per Sq Ft		\$74.20	4.5%	\$70.99	9.0%	\$68.09
Median Rental Price		\$3,650	1.7%	\$3,590	4.9%	\$3,479
Number of New Leases		1,407	-46.7%	2,638	-70.9%	4,831
Days on Market (From Last List Date)		31	6.9%	29	6.9%	29
Listing Discount (From Last List Price)		1.8%		1.5%		1.2%
Listing Inventory		4,714	10.7%	4,258	-14.4%	5,507
Vacancy Rate		2.42%		2.13%		2.03%
Manhattan Rentals With Concessions		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price		\$3,540	1.8%	\$3,477	4.8%	\$3,379
Market Share of New Leases (with OP + Concessions %)		35.3%		35.4%		36.9%
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	7.7%	1.3
Manhattan Rentals Matrix By Size		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Studio	Average Rental Price	\$2,907	-1.9%	\$2,963	4.9%	\$2,772
	Rental Price Per Sq Ft	\$74.74	-3.3%	\$77.27	5.2%	\$71.03
	Median Rental Price	\$2,800	-1.5%	\$2,843	5.7%	\$2,650
	Number of New Leases	305	-47.8%	584	-73.5%	1,153
1-Bedroom	Average Rental Price	\$3,841	3.4%	\$3,716	6.3%	\$3,613
	Rental Price Per Sq Ft	\$73.17	7.5%	\$68.06	12.2%	\$65.19
	Median Rental Price	\$3,650	0.0%	\$3,650	4.3%	\$3,500
	Number of New Leases	657	-46.2%	1,222	-66.9%	1,982
2-Bedroom	Average Rental Price	\$5,340	1.2%	\$5,275	8.0%	\$4,945
	Rental Price Per Sq Ft	\$71.84	4.7%	\$68.60	9.2%	\$65.77
	Median Rental Price	\$4,795	-0.1%	\$4,800	11.5%	\$4,300
	Number of New Leases	317	-49.0%	622	-73.1%	1,180
3-Bedroom	Average Rental Price	\$9,634	13.1%	\$8,516	22.7%	\$7,853
	Rental Price Per Sq Ft	\$78.32	1.6%	\$77.08	5.5%	\$74.24
	Median Rental Price	\$6,613	3.4%	\$6,395	20.2%	\$5,500
	Number of New Leases	128	-39.0%	210	-75.2%	516

New leasing activity declined at record rates due to the COVID-19 shutdown, while the market share of lease renewals surged as tenants sought relief.

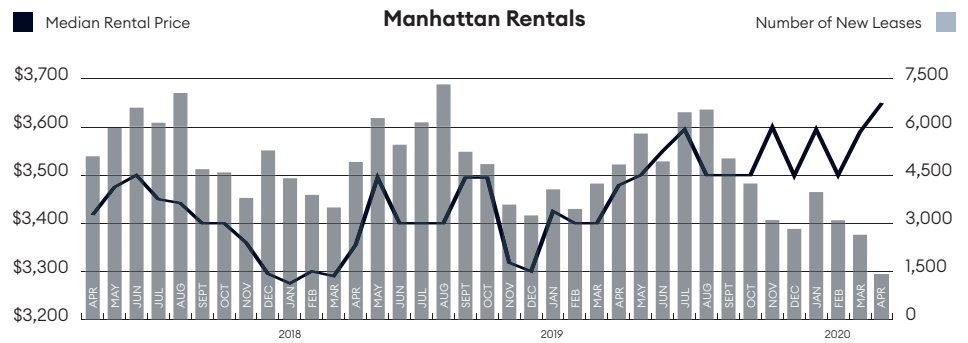
With “shelter in place” rules created and enforced for public safety during the Coronavirus global pandemic, the 70.9% year over year decline in new leasing activity fell to a ten-year low of 1,407 since real estate

agents have not been allowed to show a property, other than virtually. While there has been some limited traction in virtual showings of rentals, it has not gone mainstream to replace the reduction of in-person showings



Prepared by Miller Samuel Real Estate Appraisers & Consultants

of properties by rental agents. Roughly two-thirds of overall leasing activity comes in the form of renewals, of which landlords never share price trend data. With far fewer new lease signings, price trends for each metric continued to press higher. Yet market feedback has suggested that landlords have been working to retain tenants at the time of renewal, given the sharp drop in new lease signings across the region. In other words, the assumed rental price reductions or free rent as a result of the liquidity challenges of the economy through the extensive job loss and reduced hours for workers are occurring on the renewal side of the rental market at this point.



Property Type

- Highest year over year jump in doorman median rent in at least eight and a half years
- The median rent for 1-bedroom has reached a new record high in six of the past twelve months

Price Tier

- The luxury market continued to see slightly lower use of concessions than the non-luxury market
- The most significant decline in luxury new leases in seven and a half years of tracking
- The entry price threshold has not seen a decline in sixteen straight months

Downtown

- New leases fell at a record rate
- Median rent rose sharply

Eastside

- New leases fell at a record rate
- The vacancy rate expanded

Westside

- New leases fell at a record rate
- The vacancy rate surged

Northern Manhattan

- New leases fell at a record rate
- Median rent declined

Manhattan Rentals Matrix By Property Type	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Doorman Median Rental Price	\$4,213	2.8%	\$4,100	8.0%	\$3,900
Non-Doorman Median Rental Price	\$3,000	1.7%	\$2,950	0.2%	\$2,995
Loft Median Rental Price	\$5,700	-8.0%	\$6,195	6.6%	\$5,345
New Development Median Rental Price	\$4,993	-0.1%	\$5,000	3.2%	\$4,840
Existing Median Rental Price	\$3,577	2.2%	\$3,500	5.2%	\$3,400

Manhattan Rentals Matrix By Price	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Luxury (Top 10%) Average Rental Price	\$11,816	11.1%	\$10,635	10.3%	\$10,716
Luxury (Top 10%) Rental Price Per Sq Ft	\$89.85	10.6%	\$81.23	13.4%	\$79.24
Luxury (Top 10%) Median Rental Price	\$8,650	1.8%	\$8,500	5.5%	\$8,200
Luxury (Top 10%) Number of New Leases	142	-47.2%	269	-71.1%	491
Luxury (Top 10%) Entry Price Threshold	\$6,700	-0.7%	\$6,750	3.2%	\$6,495
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,996	4.2%	\$4,795	10.0%	\$4,540
Mid Tier (2nd 30%) - Median Rental Price	\$3,500	2.9%	\$3,400	6.1%	\$3,300
Entry Tier (1st 30%) - Median Rental Price	\$2,499	5.7%	\$2,364	6.3%	\$2,350

Downtown Rentals Matrix	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price	\$4,200	4.1%	\$4,033	10.5%	\$3,802
Number of New Leases	628	-44.2%	1,125	-70.9%	2,156
Vacancy Rate	2.49%		2.21%		2.64%

Eastside Rentals Matrix	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price	\$3,430	7.2%	\$3,200	1.0%	\$3,395
Number of New Leases	256	-57.2%	598	-77.7%	1,150
Vacancy Rate	1.48%		1.15%		1.15%

Westside Rentals Matrix	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price	\$3,631	-3.2%	\$3,750	5.2%	\$3,453
Number of New Leases	373	-35.7%	580	-62.6%	998
Vacancy Rate	3.14%		2.94%		1.50%

Northern Manhattan Rentals Matrix	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price	\$2,285	-0.7%	\$2,300	-4.8%	\$2,400
Number of New Leases	150	-55.2%	335	-71.5%	527
Vacancy Rate	2.75%		2.39%		2.39%

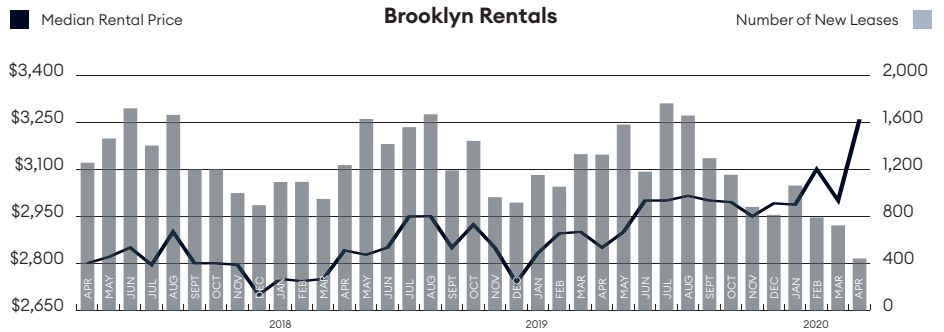
Brooklyn Rentals Dashboard

YEAR-OVER-YEAR

- + 14.4%**
Prices
Median Rental Price
- 27.9%**
Inventory
Total Inventory
- 66.8%**
New Leases
Excludes Renewals
- 11.5%**
Market Share
OP + Concessions
- + 1 day**
Marketing Time
Days on Market
- + 1.1%**
Negotiability
Listing Discount

- All overall rental price trend indicators rose annually for the twenty-second straight month
- Net effective median rent for new development reached a new record
- Face and net effective median rent set new records this month by apartment size

Renewal leasing activity surged in response to the sharp drop in new leasing activity caused by COVID-19 shelter in place rules, skewing aggregate new leasing price trends higher.



Brooklyn Rentals Matrix		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Average Rental Price		\$3,533	4.7%	\$3,375	10.3%	\$3,202
Rental Price Per Sq Ft		\$51.34	7.4%	\$47.80	11.7%	\$45.95
Median Rental Price		\$3,259	8.6%	\$3,000	14.4%	\$2,850
Number of New Leases		439	-39.1%	721	-66.8%	1,323
Days on Market (From Last List Date)		24	-7.7%	26	4.3%	23
Listing Discount (From Last List Price)		1.8%		0.6%		0.7%
Listing Inventory		1,357	11.6%	1,216	-27.9%	1,883

Brooklyn Rentals With Concessions		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price		\$3,197	9.7%	\$2,915	15.7%	\$2,762
Market Share of New Leases (with OP + Concessions %)		26.6%		30.5%		38.1%
Free Rent/Owner Paid (Mos)		1.2	-25.0%	1.6	-14.3%	1.4

Brooklyn Rentals Matrix By Size		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Studio	Average Rental Price	\$2,742	5.6%	\$2,597	6.7%	\$2,571
	Rental Price Per Sq Ft	\$50.67	-2.7%	\$52.06	-14.5%	\$59.28
	Median Rental Price	\$2,725	0.9%	\$2,700	9.0%	\$2,500
	Number of New Leases	68	-32.7%	101	-66.7%	204
1-Bedroom	Average Rental Price	\$3,118	2.1%	\$3,055	9.3%	\$2,852
	Rental Price Per Sq Ft	\$54.52	-1.0%	\$55.09	14.7%	\$47.54
	Median Rental Price	\$3,250	8.5%	\$2,995	16.7%	\$2,785
	Number of New Leases	202	-33.1%	302	-63.1%	547
2-Bedroom	Average Rental Price	\$4,163	9.6%	\$3,798	19.4%	\$3,487
	Rental Price Per Sq Ft	\$51.26	12.1%	\$45.73	19.2%	\$43.01
	Median Rental Price	\$4,173	22.7%	\$3,400	36.8%	\$3,050
	Number of New Leases	126	-46.4%	235	-70.7%	430
3-Bedroom	Average Rental Price	\$4,886	14.1%	\$4,284	6.4%	\$4,590
	Rental Price Per Sq Ft	\$45.79	17.2%	\$39.07	7.8%	\$42.48
	Median Rental Price	\$4,620	15.6%	\$3,995	21.6%	\$3,798
	Number of New Leases	43	-48.2%	83	-69.7%	142

Brooklyn Rentals Matrix By Type		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Luxury (Top 10%) Median Rental Price		\$6,180	-2.6%	\$6,345	7.0%	\$5,775
Luxury (Top 10%) Entry Price Threshold		\$5,399	1.9%	\$5,300	12.5%	\$4,800
New Development Median Rental Price		\$3,655	-1.5%	\$3,710	7.5%	\$3,399

The significant decline in new leasing activity as a result of the “COVID-19 shelter in place rules” has distorted rental price trends higher. There was a 66.8% year over year decline to 439 in new leasing activity, inferring a record surge in lease renewals. The expected discounts on rental prices by landlords due to the pause in the economy only appear to be occurring on the renewal side of the rental market, which represents about two-thirds of overall leasing activity.

All rental report data across the market solely rely on public-facing leasing activity and not renewal leasing activity. The net effective median rental price of a new lease signed in April reached a record of \$3,197-up 15.7% from the same period a year ago. A more substantial portion of the renewal market is assumed to have skewed to smaller apartments, causing market-wide rental prices for new leases to surge.

Northwest Queens Rentals Dashboard

YEAR-OVER-YEAR

+ 4.2%
Prices
Median Rental Price

- 28.7%
Inventory
Total Inventory

- 64.9%
New Leases
Excludes Renewals

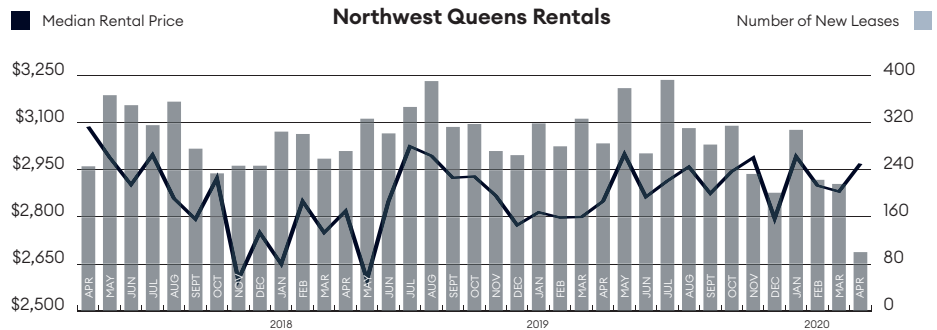
+ 6.7%
Market Share
OP + Concessions

- 1 day
Marketing Time
Days on Market

+ 0.7%
Negotiability
Listing Discount

- The number of new leases fell year over year by the most significant percentage tracked in over seven years
- The second record average face rent reached in three months
- The lowest market share of new development leases in four and a half years

The record decline in new leasing activity due to the Coronavirus crisis indicated that renewal activity was where the weakness in rental price trends could be found.



Northwest Queens Rentals Matrix	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Average Rental Price	\$3,266	5.9%	\$3,084	9.0%	\$2,995
Rental Price Per Sq Ft	\$46.83	-5.2%	\$49.39	-6.2%	\$49.90
Median Rental Price	\$2,970	3.1%	\$2,881	4.2%	\$2,850
Number of New Leases	100	-53.7%	216	-64.9%	285
Days on Market (From Last List Date)	29	-32.6%	43	-3.3%	30
Listing Discount (From Last List Price)	1.2%		1.4%		0.5%
Listing Inventory	336	-1.5%	341	-28.7%	471

Northwest Queens Rentals with Concessions	APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Median Rental Price	\$2,812	3.4%	\$2,719	3.0%	\$2,731
Market Share of New Leases (with OP + Concessions %)	52.0%		47.2%		45.3%
Free Rent/Owner Paid (Mos)	1.7	-15.0%	2.0	6.2%	1.6

Northwest Queens Rentals Matrix By Size		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Studio	Average Rental Price	\$2,647	4.1%	\$2,543	13.6%	\$2,331
	Rental Price Per Sq Ft	\$56.15	-9.4%	\$61.99	1.2%	\$55.48
	Median Rental Price	\$2,656	0.2%	\$2,650	9.0%	\$2,436
	Number of New Leases	24	-35.1%	37	-62.5%	64
1-Bedroom	Average Rental Price	\$2,939	-0.1%	\$2,943	1.6%	\$2,893
	Rental Price Per Sq Ft	\$49.09	-5.3%	\$51.84	-0.8%	\$49.47
	Median Rental Price	\$2,983	1.1%	\$2,950	-0.6%	\$3,000
	Number of New Leases	48	-56.8%	111	-68.2%	151
2-Bedroom	Average Rental Price	\$4,175	17.8%	\$3,544	11.7%	\$3,739
	Rental Price Per Sq Ft	\$42.41	-3.0%	\$43.74	-14.8%	\$49.75
	Median Rental Price	\$4,126	17.1%	\$3,524	-3.0%	\$4,253
	Number of New Leases	24	-59.3%	59	-60.7%	61
3-Bedroom	Average Rental Price	\$5,449	35.3%	\$4,027	24.5%	\$4,375
	Rental Price Per Sq Ft	\$43.79	15.6%	\$37.87	9.4%	\$40.01
	Median Rental Price	\$5,579	64.1%	\$3,400	48.8%	\$3,750
	Number of New Leases	4	-55.6%	9	-55.6%	9

Northwest Queens Rentals Matrix By Type		APR-20	%Δ (MO)	MAR-20	%Δ (YR)	APR-19
Luxury (Top 10%) Median Rental Price		\$5,202	8.1%	\$4,812	10.4%	\$4,710
Luxury (Top 10%) Entry Price Threshold		\$4,611	8.9%	\$4,235	3.3%	\$4,463
New Development Median Rental Price		\$2,823	-22.4%	\$3,639	-9.8%	\$3,129
New Development Market Share		19.0%		26.4%		32.6%

While the average rental price for new leases jumped 9% year over year to \$3,266 for the third record reached in twelve months, the number of new leases fell annually by a record amount. There were 100 new leases this month, down 64.9% year over year for the most significant drop in more than seven years of tracking. The sharp fall in new leases inferred a record surge in renewals. With the overall market roughly comprised of two-

thirds of renewal activity, the drive towards lease renewals represented a distortion of the rental market skewing aggregate new lease prices higher. Landlords do not share renewal activity, but this perceived shift in the mix to lower-priced market segments to the renewal market explains why new leasing activity continued to show rising rental price trends.

Questions or comments? Email report author Jonathan Miller at jmiller@millersamuel.com
Methodology: millersamuel.com/research-reports/methodology
Northwest Queens is defined as Long Island City, Astoria, Sunnyside and Woodside.

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