

Elliman Report

July 2020

Manhattan, Brooklyn
and Queens Rentals

Manhattan Rentals Dashboard

YEAR-OVER-YEAR

- **7.6%**
Prices
Median Rental Price

+ **2.33%**
Vacancy
Vacancy Rate

- **23.4%**
New Leases
Excludes Renewals

+ **16.1%**
Market Share
OP + Concessions

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

+ **1.6%**
Negotiability
Listing Discount

- The largest year over year decline in net effective median rent in nearly nine years of tracking
- The most listing inventory and the third straight month to see a new record vacancy in fourteen years of recording
- The largest market share of landlord concessions in two and a half years

Manhattan Rentals Matrix		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Average Rental Price		\$4,031	0.0%	\$4,032	-6.1%	\$4,292
Rental Price Per Sq Ft		\$64.39	-0.9%	\$65.00	-8.0%	\$70.01
Median Rental Price		\$3,320	-1.7%	\$3,378	-7.6%	\$3,595
Number of New Leases		4,949	56.1%	3,171	-23.4%	6,460
Days on Market (From Last List Date)		28	3.7%	27	7.7%	26
Listing Discount (From Last List Price)		2.5%		2.0%		0.9%
Listing Inventory		13,117	21.6%	10,789	121.9%	5,912
Vacancy Rate		4.33%		3.67%		2.00%
Manhattan Rentals With Concessions		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price		\$3,167	-2.3%	\$3,242	-10.1%	\$3,521
Market Share of New Leases (with OP + Concessions %)		46.7%		44.7%		30.6%
Free Rent/Owner Paid (Mos)		1.7	13.3%	1.5	54.5%	1.1
Manhattan Rentals Matrix By Size		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Studio	Average Rental Price	\$2,668	-1.4%	\$2,705	-7.6%	\$2,889
	Rental Price Per Sq Ft	\$65.40	-3.2%	\$67.59	-11.1%	\$73.60
	Median Rental Price	\$2,500	-3.8%	\$2,600	-7.4%	\$2,700
	Number of New Leases	1,092	62.7%	671	-22.6%	1,411
1-Bedroom	Average Rental Price	\$3,498	0.8%	\$3,469	-4.0%	\$3,644
	Rental Price Per Sq Ft	\$64.41	0.4%	\$64.15	-4.0%	\$67.12
	Median Rental Price	\$3,350	0.0%	\$3,350	-6.8%	\$3,595
	Number of New Leases	1,924	45.4%	1,323	-23.6%	2,517
2-Bedroom	Average Rental Price	\$4,620	-2.9%	\$4,756	-6.3%	\$4,930
	Rental Price Per Sq Ft	\$61.16	-3.5%	\$63.37	-9.7%	\$67.71
	Median Rental Price	\$4,185	-4.8%	\$4,395	1.0%	\$4,144
	Number of New Leases	1,293	59.6%	810	-24.1%	1,703
3-Bedroom	Average Rental Price	\$6,764	-1.8%	\$6,886	-7.7%	\$7,332
	Rental Price Per Sq Ft	\$68.18	1.0%	\$67.52	-9.7%	\$75.52
	Median Rental Price	\$5,175	-2.7%	\$5,317	-3.3%	\$5,350
	Number of New Leases	640	74.4%	367	-22.8%	829

With the lifting of some of the 'shelter-in-place' restrictions, new leasing activity surged month over month but still fell well short of year-ago levels.

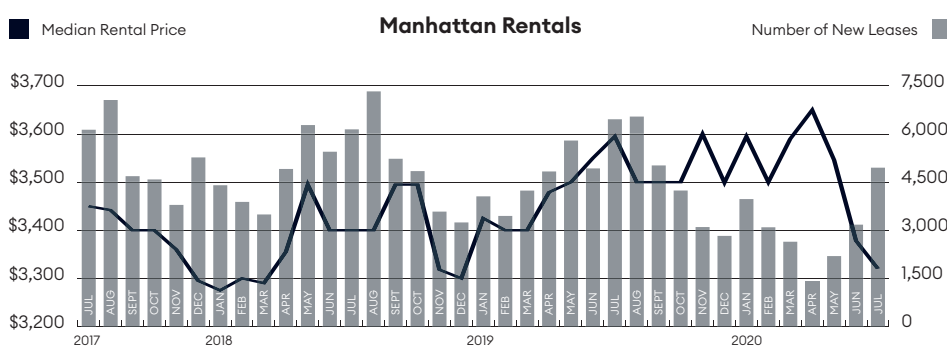
With greater transparency entering the market as consumers and brokers could perform interior inspections, several metrics saw records broken. Net effective median rent, comprised of face rent less landlord concessions, declined 10.1% to \$3,167, the

most significant annual decline in almost nine years of record-keeping. Consistent with the decrease in rental prices, there was a record amount of listing inventory, a rise in landlord concessions, and the vacancy rate jumped for the third consecutive month to a



Prepared by Miller Samuel Real Estate Appraisers & Consultants

new record, reaching 4.33%. The new record was more than twice the rate in the same period last year. The market share of landlord concessions was 46.7%, up by 16.1%, from 30.6% in the same month in the previous year. The monthly equivalent of free rent and payment of leasing costs expanded 54.5% to 1.7 months from 1.1 months in the year-ago period. The price trends of non-doorman and doorman rentals were representative of the difference in performance between the upper and lower halves of the market. The median rent of a doorman rental was down 4% while the median rent of a non-doorman rental fell 8.8% respectively from the same period last year.



Property Type

- Non-doorman median rent fell at twice the annual rate of doorman median rent
- Existing median rent fell at five times the annual rate of new development median rent

Price Tier

- All price segments presented continued to show year over year declines in the median rent
- The market share of luxury concessions was lower than the non-luxury market share of concessions
- The price entry threshold compressed annually for the third straight month

Downtown

- New leases fell sharply
- Vacancy surged to a new record

Eastside

- New leases fell sharply again
- Vacancy more than doubled

Westside

- Median rent moved lower
- Vacancy more than tripled

Northern Manhattan

- Median rent declined
- New leases fell

Manhattan Rentals Matrix By Property Type	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Doorman Median Rental Price	\$3,916	-2.0%	\$3,995	-4.0%	\$4,079
Non-Doorman Median Rental Price	\$2,850	0.0%	\$2,850	-8.8%	\$3,125
Loft Median Rental Price	\$5,398	8.1%	\$4,995	-7.7%	\$5,850
New Development Median Rental Price	\$4,881	-1.8%	\$4,972	-1.2%	\$4,940
Existing Median Rental Price	\$3,273	-0.7%	\$3,295	-6.4%	\$3,495

Manhattan Rentals Matrix By Price	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Luxury (Top 10%) Average Rental Price	\$9,786	0.3%	\$9,757	-9.3%	\$10,790
Luxury (Top 10%) Rental Price Per Sq Ft	\$73.42	-2.0%	\$74.94	-12.3%	\$83.72
Luxury (Top 10%) Median Rental Price	\$7,995	0.3%	\$7,975	-4.8%	\$8,400
Luxury (Top 10%) Number of New Leases	499	56.4%	319	-23.1%	649
Luxury (Top 10%) Entry Price Threshold	\$6,312	1.0%	\$6,250	-4.4%	\$6,600
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,559	1.0%	\$4,512	-3.0%	\$4,700
Mid Tier (2 nd 30%) - Median Rental Price	\$3,150	-1.6%	\$3,200	-7.4%	\$3,400
Entry Tier (1 st 30%) - Median Rental Price	\$2,295	0.1%	\$2,292	-5.0%	\$2,415

Downtown Rentals Matrix	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price	\$3,783	-3.2%	\$3,909	-4.6%	\$3,967
Number of New Leases	2,186	67.4%	1,306	-21.9%	2,800
Vacancy Rate	5.59%		5.28%		2.79%

Eastside Rentals Matrix	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price	\$3,150	-7.1%	\$3,390	-7.8%	\$3,415
Number of New Leases	995	56.4%	636	-39.0%	1,630
Vacancy Rate	2.74%		1.97%		1.20%

Westside Rentals Matrix	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price	\$3,395	-0.6%	\$3,415	-3.1%	\$3,503
Number of New Leases	1,139	57.5%	723	-14.1%	1,326
Vacancy Rate	5.42%		4.18%		1.83%

Northern Manhattan Rentals Matrix	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price	\$2,395	5.3%	\$2,275	-4.0%	\$2,496
Number of New Leases	629	24.3%	506	-10.7%	704
Vacancy Rate	1.77%		1.06%		1.24%

Brooklyn Rentals Dashboard

YEAR-OVER-YEAR

= 0.0%
Prices
Median Rental Price

+ 84.2%
Inventory
Total Inventory

- 24.2%
New Leases
Excludes Renewals

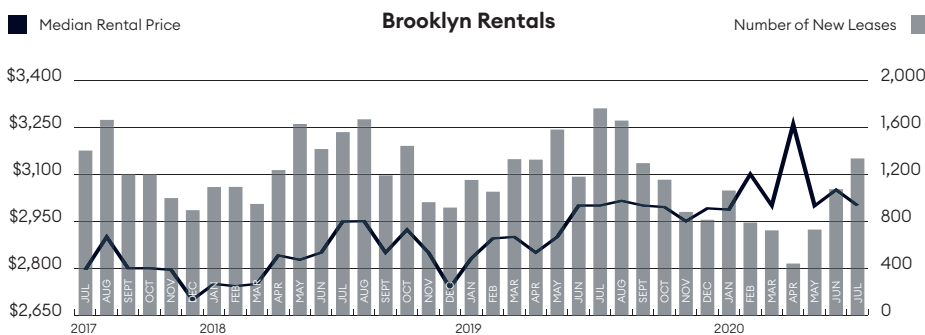
+ 3.7%
Market Share
OP + Concessions

- 2 days
Marketing Time
Days on Market

+ 0.8%
Negotiability
Listing Discount

- Net effective median rent fell annually for the first time in twenty-one months
- New leases declined annually for the tenth consecutive straight month
- The landlord concession market share for new development was nearly double that in existing rentals

The momentum of sliding median net effective rent continued after the market re-opened along with record-high listing inventory and a large decline in new leases.



Brooklyn Rentals Matrix		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Average Rental Price		\$3,398	-0.9%	\$3,429	1.1%	\$3,360
Rental Price Per Sq Ft		\$46.12	2.2%	\$45.14	-3.7%	\$47.87
Median Rental Price		\$3,000	-1.6%	\$3,050	0.0%	\$3,000
Number of New Leases		1,333	24.5%	1,071	-24.2%	1,759
Days on Market (From Last List Date)		25	0.0%	25	-7.4%	27
Listing Discount (From Last List Price)		1.4%		0.9%		0.6%
Listing Inventory		3,639	16.4%	3,125	84.2%	1,976
Brooklyn Rentals With Concessions		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price		\$2,902	-1.4%	\$2,944	-0.5%	\$2,918
Market Share of New Leases (with OP + Concessions %)		38.1%		40.1%		34.4%
Free Rent/Owner Paid (Mos)		1.4	-6.7%	1.5	0.0%	1.4
Brooklyn Rentals Matrix By Size		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Studio	Average Rental Price	\$2,354	-6.7%	\$2,524	-14.9%	\$2,765
	Rental Price Per Sq Ft	\$56.46	22.2%	\$46.19	4.4%	\$54.07
	Median Rental Price	\$2,300	-8.0%	\$2,500	-12.0%	\$2,613
	Number of New Leases	165	5.1%	157	-36.8%	261
1-Bedroom	Average Rental Price	\$2,932	-3.3%	\$3,033	1.4%	\$2,891
	Rental Price Per Sq Ft	\$49.42	-3.0%	\$50.97	-5.4%	\$52.24
	Median Rental Price	\$2,795	-6.8%	\$2,999	-0.2%	\$2,800
	Number of New Leases	493	26.7%	389	-25.0%	657
2-Bedroom	Average Rental Price	\$3,530	-4.2%	\$3,683	-1.6%	\$3,588
	Rental Price Per Sq Ft	\$44.31	0.2%	\$44.20	-7.1%	\$47.72
	Median Rental Price	\$3,250	-3.0%	\$3,350	-1.4%	\$3,295
	Number of New Leases	457	29.8%	352	-21.7%	584
3-Bedroom	Average Rental Price	\$4,967	7.4%	\$4,625	7.0%	\$4,643
	Rental Price Per Sq Ft	\$43.63	6.7%	\$40.88	7.3%	\$40.68
	Median Rental Price	\$4,069	1.7%	\$4,000	1.9%	\$3,995
	Number of New Leases	218	26.0%	173	-15.2%	257
Brooklyn Rentals Matrix By Type		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Luxury (Top 10%) Median Rental Price		\$6,000	-3.2%	\$6,200	0.8%	\$5,950
Luxury (Top 10%) Entry Price Threshold		\$5,000	-4.8%	\$5,250	-1.3%	\$5,067
New Development Median Rental Price		\$3,479	1.2%	\$3,438	1.4%	\$3,430

Although the market re-open just before the month began, price trends and new lease signings weakened. Net effective median rent, comprised of face rent less landlord concessions, declined 0.5% to \$2,902, the first annual decline in twenty-one months. Median face rent was unchanged at \$3,000 while the market share of landlord concessions expanded by 3.7% to 38.1% over the same period, the third monthly increase. Part of the driver of stable rents

in the face of weakening conditions was the shift in the mix towards larger-sized apartments. The average square footage of a new lease in July was 1,005 square feet, the largest average size in six and a half years. The number of new leases fell year over year by 24.2% to 1,333 for the tenth straight monthly decline. Listing inventory nearly doubled over the same period to at least an eleven and a half year record of 3,639.

Northwest Queens Rentals Dashboard

YEAR-OVER-YEAR

- **14.2%**
Prices
Median Rental Price

+ **69.2%**
Inventory
Total Inventory

- **59.5%**
New Leases
Excludes Renewals

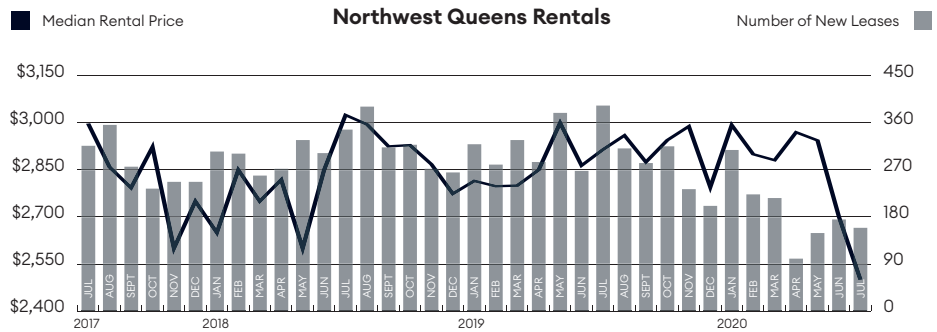
- **2.4%**
Market Share
OP + Concessions

+ **6 days**
Marketing Time
Days on Market

+ **1.1%**
Negotiability
Listing Discount

- Largest year over year decline in median net effective rent in three and a half years of tracking
- The twelfth straight month with a year over year decline in new leases
- The smallest new development new lease market share in three and a half years of tracking

The removal of 'shelter-in-place' restrictions at the end of June did not expand new lease signings, and rental price trends continued to decline.



Northwest Queens Rentals Matrix	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Average Rental Price	\$2,775	-6.0%	\$2,952	-9.2%	\$3,057
Rental Price Per Sq Ft	\$43.99	6.3%	\$41.38	-15.5%	\$52.04
Median Rental Price	\$2,500	-7.4%	\$2,700	-14.2%	\$2,915
Number of New Leases	159	-9.1%	175	-59.5%	393
Days on Market (From Last List Date)	33	32.0%	25	22.2%	27
Listing Discount (From Last List Price)	1.0%		1.0%		-0.1%
Listing Inventory	648	7.5%	603	69.2%	383

Northwest Queens Rentals with Concessions	JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Median Rental Price	\$2,424	-5.3%	\$2,560	-14.6%	\$2,837
Market Share of New Leases (with OP + Concessions %)	36.5%		51.4%		38.9%
Free Rent/Owner Paid (Mos)	1.4	-17.6%	1.7	16.7%	1.2

Northwest Queens Rentals Matrix By Size		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Studio	Average Rental Price	\$2,309	-4.4%	\$2,416	-6.9%	\$2,479
	Rental Price Per Sq Ft	\$52.17	-1.4%	\$52.93	-14.5%	\$61.02
	Median Rental Price	\$2,350	-3.1%	\$2,425	-4.1%	\$2,450
	Number of New Leases	19	-38.7%	31	-79.6%	93
1-Bedroom	Average Rental Price	\$2,487	-10.6%	\$2,782	-13.2%	\$2,866
	Rental Price Per Sq Ft	\$42.13	0.4%	\$41.98	-18.9%	\$51.97
	Median Rental Price	\$2,400	-14.6%	\$2,810	-19.8%	\$2,991
	Number of New Leases	85	-13.3%	98	-56.2%	194
2-Bedroom	Average Rental Price	\$3,193	-11.4%	\$3,603	-16.2%	\$3,809
	Rental Price Per Sq Ft	\$46.48	18.2%	\$39.32	-7.2%	\$50.11
	Median Rental Price	\$2,798	-22.3%	\$3,600	-23.7%	\$3,667
	Number of New Leases	44	15.8%	38	-51.6%	91
3-Bedroom	Average Rental Price	\$4,138	2.8%	\$4,027	-9.1%	\$4,551
	Rental Price Per Sq Ft	\$43.49	12.7%	\$38.58	9.5%	\$39.73
	Median Rental Price	\$3,400	7.9%	\$3,150	-8.1%	\$3,700
	Number of New Leases	11	37.5%	8	-26.7%	15

Northwest Queens Rentals Matrix By Type		JUL-20	%Δ (MO)	JUN-20	%Δ (YR)	JUL-19
Luxury (Top 10%) Median Rental Price	\$4,600	-1.9%	\$4,690	-12.9%	\$5,279	
Luxury (Top 10%) Entry Price Threshold	\$4,150	-2.0%	\$4,235	-4.9%	\$4,366	
New Development Median Rental Price	\$2,950	-11.9%	\$3,350	-8.8%	\$3,236	
New Development Market Share	17.0%		26.9%		33.3%	

Northwest Queens is defined as the neighborhoods of Long Island City, Astoria, Sunnyside, and Woodside.

The number of new lease signings declined year over year for the twelfth straight month while median net effective rent declined at the highest amount in three and a half years. There were 159 new leases signed, down 59.5% from the same period last year. The market share of new development signed leases fell to a market share of 17%, the lowest in three and a half years of tracking. Median net effective rent, defined as face

rent less landlord concessions, declined 14.6% to \$2,424, the most significant annual decline in three and a half years. All three overall face rent trend indicators showed significant yearly decreases for the second consecutive month. In contrast, the market share of landlord concessions fell year over year by 2.4% to 36.5%, well below the record 65.1% set two months ago.

Questions or comments? Email report author Jonathan Miller at jmiller@millersamuel.com
Methodology: elliman.com/research-reports/methodology

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