

ELLI MAN REPORT

FEBRUARY 2020

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.9%

VACANCY

Vacancy Rate

0.20%

NEW LEASES

Excludes Renewals

10.3%

OP + CONCESSIONS

Market Share

4.9%

MARKETING TIME

Days on Market

1 day

NEGOTIABILITY

Listing Discount

0.6%

- Despite the eleventh year over year decline in concession market share, free rent reached its highest level in nearly two years.
- The ninth straight month where all three overall price trend indicators rose year over year
- The number of new leases fell year over year for the seventh straight month as landlords were more successful at the time of renewal

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.

“ Rental prices pressed higher as the use of concessions declined but remained elevated. ”

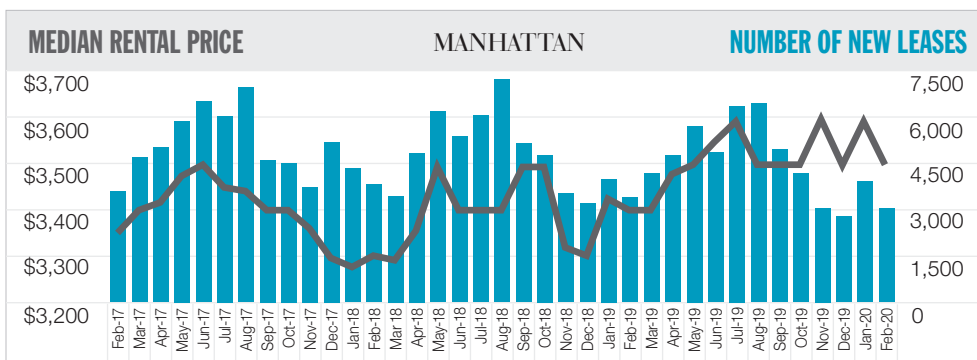
Manhattan Rental Market	FEB-20	%Δ (mo)	JAN-20	%Δ (YR)	FEB-19	
Average Rental Price	\$4,385	-0.9%	\$4,423	3.9%	\$4,221	
Rental Price per Sq Ft	\$71.44	1.0%	\$70.75	7.9%	\$66.23	
Median Rental Price	\$3,500	-2.6%	\$3,595	2.9%	\$3,400	
Number of New Leases	3,089	-22.2%	3,969	-10.3%	3,443	
Days on Market (From Original List Date)	31	-18.4%	38	-3.1%	32	
Listing Discount (From Original List Price)	1.6%		1.4%		2.2%	
Listing Inventory	781	1.6%	769	-19.0%	964	
Vacancy Rate	2.01%		1.73%		1.81%	
Manhattan Rental w/Concessions	FEB-20	%Δ (mo)	JAN-20	%Δ (YR)	FEB-19	
Median Rental Price	\$3,390	-2.4%	\$3,472	2.8%	\$3,297	
Share of New Leases w/OP + Concessions (%)	36.7%		40.2%		41.6%	
Free Rent/Owner Paid (Mos)	1.5	7.1%	1.4	25.0%	1.2	
Manhattan Rental Market by Size	FEB-20	%Δ (mo)	JAN-20	%Δ (YR)	FEB-19	
Studio -	Average Rental Price	\$2,842	-0.5%	\$2,857	4.6%	\$2,717
	Rental Price per Sq Ft	\$71.58	0.8%	\$71.03	11.7%	\$64.06
	Median Rental Price	\$2,726	1.0%	\$2,700	4.8%	\$2,600
	Number of New Leases	710	-20.2%	890	-11.0%	798
1-Bedroom -	Average Rental Price	\$3,717	-0.5%	\$3,736	6.3%	\$3,498
	Rental Price per Sq Ft	\$68.38	0.6%	\$67.96	9.1%	\$62.69
	Median Rental Price	\$3,595	0.0%	\$3,595	4.2%	\$3,450
	Number of New Leases	1,395	-22.3%	1,795	-8.3%	1,522
2-Bedroom -	Average Rental Price	\$5,257	-3.0%	\$5,418	2.3%	\$5,139
	Rental Price per Sq Ft	\$67.85	1.0%	\$67.16	4.2%	\$65.13
	Median Rental Price	\$4,671	-6.0%	\$4,968	1.5%	\$4,600
	Number of New Leases	730	-21.6%	931	-9.8%	809
3+ Bedroom -	Average Rental Price	\$9,867	6.8%	\$9,242	7.4%	\$9,186
	Rental Price per Sq Ft	\$81.83	0.7%	\$81.26	9.9%	\$74.44
	Median Rental Price	\$6,793	4.5%	\$6,500	4.5%	\$6,500
	Number of New Leases	254	-28.0%	353	-19.1%	314

The net effective median rent, face rent less all landlord concessions, including free rent and broker commissions, rose year over year for the fourteenth straight month. The combination of increasing face rent and declining concessions are keeping the streak alive. Net effective median rent rose 2.8% to \$3,390 from the same period last year. The

equivalent amount of free rent in the form of broker commissions and free rent rose to 1.5 months, from the 1.2 months over the same period to the highest level reached in nearly two years. Given the high rent levels, the number of new leases continued to fall as landlords remained adept at tenant retention at the time of renewal. There were 3,089

new leases signed in the month, down 10.3% from the prior year, the seventh consecutive year over year decline. Landlord concessions represented a 36.7% market share of Manhattan rentals, 4.9% below year-ago levels, and the eleventh year over year decline.

It is too soon to see the impact from last week's New York Department of State guidance on the Statewide Security and Tenant Protection Act of 2019 and a subsequent temporary restraining order issued after real estate industry trade groups and firms filed a lawsuit to stop its execution.



PROPERTY TYPE

- Doorman median rent rose more than non-doorman median rent year over year for the second time in three months
- The median rent for new development declined year over year for the first time in sixteen months

Manhattan Rental Market By Property Type	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Doorman Median Rental Price	\$4,095	-2.4%	\$4,195	6.4%	\$3,850
Non-Doorman Median Rental Price	\$2,931	-0.6%	\$2,950	4.7%	\$2,800
Loft Median Rental Price	\$5,587	-6.9%	\$6,000	-3.3%	\$5,775
New Development Median Rental Price	\$4,477	-15.5%	\$5,300	-12.8%	\$5,134
Existing Median Rental Price	\$3,495	-0.1%	\$3,500	5.2%	\$3,323

BY PRICE

- Luxury median rent declined annually for the first time in eleven months
- The luxury threshold has been expanding for more than a year
- The market share of concessions in the luxury market was less than the overall market

Manhattan Rental Market By Price	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Luxury (Top 10%) - Average Rental Price	\$11,763	1.1%	\$11,638	2.5%	\$11,478
Luxury (Top 10%) - Rental Price per Sq Ft	\$83.52	-1.5%	\$84.77	9.0%	\$76.61
Luxury (Top 10%) - Median Rental Price	\$8,900	-1.1%	\$9,000	-1.1%	\$9,000
Luxury (Top 10%) - Number of New Leases	312	-21.4%	397	-9.6%	345
Luxury (Top 10%) - Entry Threshold	\$6,795	-1.8%	\$6,917	3.0%	\$6,600
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,850	-0.9%	\$4,895	7.8%	\$4,500
Mid Tier (2nd 30%) - Median Rental Price	\$3,350	-3.1%	\$3,456	3.1%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,395	-0.2%	\$2,400	4.1%	\$2,300

BY LOCATION

DOWNTOWN

- Median rent expanded
- New leases continued to decline

Downtown Market Matrix	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Median Rental Price	\$3,950	1.3%	\$3,900	6.9%	\$3,695
Number of New Leases	1,351	-17.3%	1,633	-3.4%	1,398
Vacancy Rate	2.15%		1.84%		1.84%

EAST SIDE

- Median rent declined
- New leases fell sharply

East Side Market Matrix	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Median Rental Price	\$3,200	-5.7%	\$3,395	-4.1%	\$3,338
Number of New Leases	671	-30.0%	959	-25.3%	898
Vacancy Rate	1.20%		0.99%		1.26%

WEST SIDE

- Vacancy rate surged
- New leases declined

West Side Market Matrix	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Median Rental Price	\$3,650	-1.4%	\$3,700	6.4%	\$3,430
Number of New Leases	698	-28.7%	979	-11.3%	787
Vacancy Rate	2.81%		2.09%		1.70%

NORTHERN MANHATTAN

- Median rent edged higher
- New leases increased

Northern Manhattan Market Matrix	FEB-20	%Δ (MO)	JAN-20	%Δ (YR)	FEB-19
Median Rental Price	\$2,300	-1.6%	\$2,338	0.7%	\$2,285
Number of New Leases	369	-7.3%	398	2.5%	360
Vacancy Rate	1.86%		2.13%		2.75%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

7.1%

INVENTORY

Total Inventory

23.1%

NEW LEASES

Excludes Renewals

25.0%

OP + CONCESSIONS

Market Share

15.9%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

Listing Discount

0.6%

- New leases have fallen sharply year over year for the fifth straight month as landlords improved tenant retention at renewal
- The net effective median rent rose annually for the fifteenth consecutive month
- The luxury median rent rose year over year for the sixteenth straight month

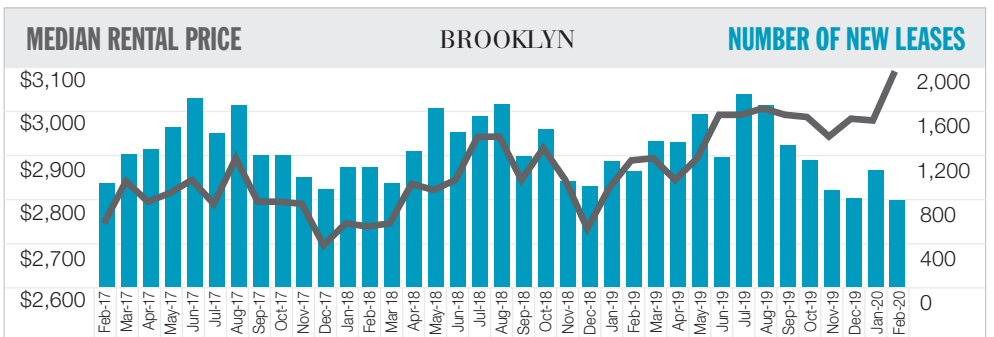
Both median face rent and median net effective rent reached new records in February. Before considering free rent and broker commissions, median face rent jumped 7.1% to a record of \$3,100 from the year-ago period. Net effective median rent rose 8.3% to a record of \$3,015 over the same period. Existing rental price growth was the driving force behind overall rent growth, not new development growth. While the new development median rental price rose 6% to \$3,486, comprising 20.2% of new leases, the existing median rent rose 7% over the same period to a new record of \$2,995. The market share of landlord concessions fell 15.9% to 28.8%, the lowest level reached in more than two years, consistent with the rise in rents. There were 788 new leases signed, down 25% from the same period last year, the fifth straight month of year over year declines. With the strength in rent growth, landlords have consistently been more successful at tenant retention since early last fall.



Median rental price reached a new high as concession market share declined.



Brooklyn Rental Market		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Average Rental Price		\$3,442	2.2%	\$3,367	7.9%	\$3,191
Rental Price per Sq Ft		\$48.99	3.2%	\$47.47	7.3%	\$45.64
Median Rental Price		\$3,100	3.8%	\$2,987	7.1%	\$2,895
Number of New Leases		788	-25.7%	1,060	-25.0%	1,050
Days on Market (From Original List Date)		24	-40.0%	40	-14.3%	28
Listing Discount (From Original List Price)		0.4%		1.4%		1.0%
Listing Inventory		1,375	-5.6%	1,456	-23.1%	1,787
Brooklyn Rental w/Concessions		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Median Rental Price		\$3,015	5.1%	\$2,868	8.3%	\$2,784
Share of New Leases w/OP + Concessions (%)		28.8%		43.2%		44.7%
Free Rent/Owner Paid (Mos)		1.6	0.0%	1.6	14.3%	1.4
Brooklyn Rental Market by Size		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Studio -	Average Rental Price	\$2,593	-3.5%	\$2,688	-1.3%	\$2,627
	Rental Price per Sq Ft	\$55.82	-1.9%	\$56.93	4.9%	\$53.22
	Median Rental Price	\$2,580	1.1%	\$2,552	3.2%	\$2,500
	Number of New Leases	106	-33.3%	159	-17.8%	129
1-Bedroom -	Average Rental Price	\$2,962	1.4%	\$2,921	6.2%	\$2,788
	Rental Price per Sq Ft	\$50.59	1.7%	\$49.74	6.5%	\$47.50
	Median Rental Price	\$2,850	0.0%	\$2,850	3.6%	\$2,750
	Number of New Leases	300	-27.9%	416	-33.6%	452
2-Bedroom -	Average Rental Price	\$3,816	3.7%	\$3,679	10.7%	\$3,448
	Rental Price per Sq Ft	\$50.09	4.6%	\$47.89	14.5%	\$43.76
	Median Rental Price	\$3,500	7.0%	\$3,270	9.4%	\$3,200
	Number of New Leases	295	-16.0%	351	-5.1%	311
3+ Bedroom -	Average Rental Price	\$4,867	2.7%	\$4,739	13.1%	\$4,303
	Rental Price per Sq Ft	\$41.10	-1.2%	\$41.60	-2.9%	\$42.31
	Median Rental Price	\$4,000	3.2%	\$3,875	13.5%	\$3,525
	Number of New Leases	87	-35.1%	134	-44.9%	158
Brooklyn Rental Market by Type		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Luxury (Top 10%) - Median Rental Price		\$6,322	2.4%	\$6,173	11.5%	\$5,671
Luxury (Top 10%) - Entry Threshold		\$5,372	7.4%	\$5,000	16.8%	\$4,600
New Development - Median Rental Price		\$3,486	1.8%	\$3,424	6.0%	\$3,290



NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

3.6%

INVENTORY

Total Inventory

22.9%

NEW LEASES

Excludes Renewals

20.4%

OP + CONCESSIONS

Market Share

11.2%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.0%

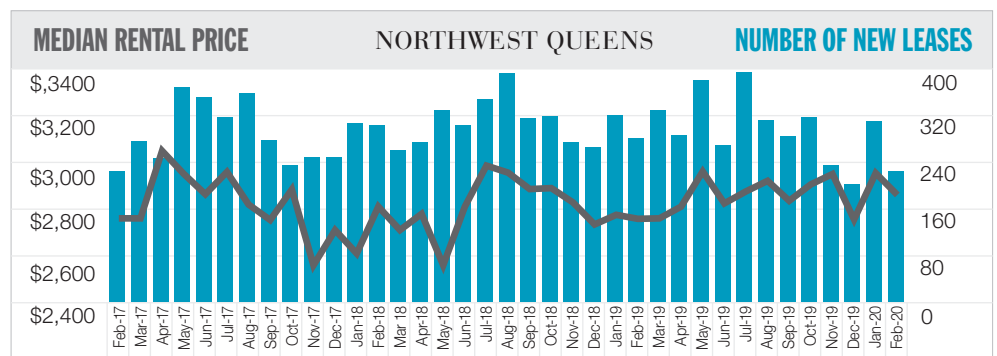
- The market share of landlord concessions rose year over year for the second time in three months
- All three overall price trend indicators rose year over year for the second straight month
- The highest free rent equivalent in more than four years

The average rental price surged 11.8% to a record of \$3,235 from the same period last year, the fifth straight month of gains. Median net effective rent, defined as median face rent, less free rent, and broker commissions, rose annually for the fourth time in five months, up 0.7% to \$2,705. Despite rising rents and new records, the footprint of landlord concessions across the market expanded. Landlord concession market share was 60.5%, up 11.2% from the same period the previous year, reaching the highest level in 22 months and seeing the second gain in three months. The market share of new development concessions rose by 9.5% to 79.2% while existing rental concessions surged 18.2% to a record of 51.7%. The number of new leases declined year over year for the seventh consecutive month, down 20.4% to 223 in February.

“Average rental price rose to a new record despite the expansion of landlord concession market share.”

Northwest Queens Rental Market		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Average Rental Price		\$3,235	3.6%	\$3,123	11.8%	\$2,894
Rental Price per Sq Ft		\$55.07	7.8%	\$51.09	12.2%	\$49.09
Median Rental Price		\$2,900	-3.1%	\$2,993	3.6%	\$2,798
Number of New Leases		223	-27.6%	308	-20.4%	280
Days on Market (From Original List Date)		21	-40.0%	35	-25.0%	28
Listing Discount (From Original List Price)		0.8%		1.6%		0.8%
Listing Inventory		341	-1.4%	346	-22.9%	442
Northwest Queens Rental w/Concessions		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Median Rental Price		\$2,705	-4.1%	\$2,822	0.7%	\$2,685
Number of New Leases w/OP + Concessions (%)		60.5%		53.9%		49.3%
Free Rent/Owner Paid (Mos)		1.9	5.6%	1.8	35.7%	1.4
Northwest Queens Rental Market by Size		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Studio -	Average Rental Price	\$2,605	1.9%	\$2,557	9.9%	\$2,370
	Rental Price per Sq Ft	\$64.27	4.4%	\$61.56	17.1%	\$54.87
	Median Rental Price	\$2,658	2.5%	\$2,594	9.4%	\$2,429
	Number of New Leases	47	-25.4%	63	-32.9%	70
1-Bedroom -	Average Rental Price	\$2,997	1.8%	\$2,943	8.0%	\$2,776
	Rental Price per Sq Ft	\$55.88	4.9%	\$53.28	13.3%	\$49.30
	Median Rental Price	\$3,031	-0.9%	\$3,058	3.4%	\$2,931
	Number of New Leases	105	-35.6%	163	-33.1%	157
2-Bedroom -	Average Rental Price	\$4,002	2.5%	\$3,903	1.7%	\$3,936
	Rental Price per Sq Ft	\$53.52	13.4%	\$47.18	11.5%	\$48.02
	Median Rental Price	\$4,344	1.3%	\$4,289	4.5%	\$4,155
	Number of New Leases	61	-17.6%	74	35.6%	45
3+ Bedroom -	Average Rental Price	\$4,018	0.2%	\$4,009	2.5%	\$3,921
	Rental Price per Sq Ft	\$45.07	32.8%	\$33.94	4.7%	\$43.03
	Median Rental Price	\$3,175	-21.9%	\$4,066	-14.1%	\$3,698
	Number of New Leases	10	25.0%	8	25.0%	8
Northwest Queens Rental Market By Type		FEB-20	%Δ (mo)	JAN-20	%Δ (yr)	FEB-19
Luxury (Top 10%) - Median Rental Price		\$5,192	5.5%	\$4,923	15.4%	\$4,500
Luxury (Top 10%) - Entry Threshold		\$4,941	10.6%	\$4,469	21.1%	\$4,079
New Development - Median Rental Price		\$3,023	-0.9%	\$3,050	6.4%	\$2,840
New Development - Market Share		32.3%		23.7%		43.6%

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



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:

www.millersamuel.com/research-reports/methodology

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