

ELLI MAN REPORT

MAY 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.6%

VACANCY

Vacancy Rate

0.86%

NEW LEASES

Excludes Renewals

14.1%

OP+ CONCESSIONS

Market Share

11.0%

MARKETING TIME

Days on Market

2 days

NEGOTIABILITY

Listing Discount

1.5%

- Median rent edged nominally higher as average rent slipped
- Vacancy rate and landlord concessions continued to increase
- Inventory, negotiability and marketing time expanded

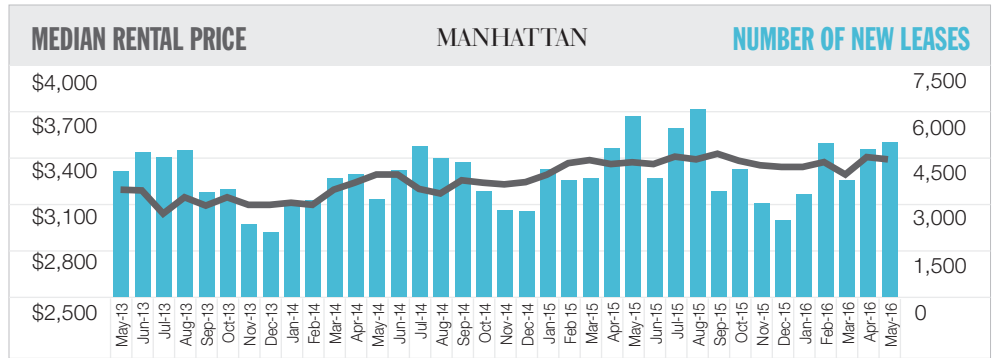
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		MAY-16	%Δ (mo)	APR-16	%Δ (yr)	MAY-15
Average Rental Price		\$4,030	-2.2%	\$4,119	-1.3%	\$4,084
Rental Price per Sq Ft		\$65.63	-1.9%	\$66.93	16.4%	\$56.38
Median Rental Price		\$3,400	-0.4%	\$3,415	0.6%	\$3,381
Number of New Leases		5,099	5.1%	4,851	-14.1%	5,934
Days on Market (From Original List Date)		43	-6.5%	46	4.9%	41
Listing Discount (From Original List Price)		2.1%		2.9%		0.6%
Listing Inventory		6,861	2.1%	6,718	21.2%	5,662
Vacancy Rate		2.51%		2.35%		1.65%
Manhattan Rental w/Concessions		MAY-16	%Δ (mo)	APR-16	%Δ (yr)	MAY-15
Median Rental Price		\$3,358	-0.4%	\$3,371	-0.4%	\$3,372
Share of New Leases w/OP + Concessions (%)		12.6%		13.0%		1.6%
Free Rent/Owner Paid (Mos)		1.2	0.0%	1.2	-40.0%	2.0
Manhattan Rental Market by Size		MAY-16	%Δ (mo)	APR-16	%Δ (yr)	MAY-15
Studio -	Average Rental Price	\$2,612	0.5%	\$2,598	-5.0%	\$2,749
	Rental Price per Sq Ft	\$66.80	0.8%	\$66.27	11.2%	\$60.05
	Median Rental Price	\$2,562	1.4%	\$2,527	-1.3%	\$2,595
	Number of New Leases	1,159	3.3%	1,122	-19.1%	1,433
1-Bedroom -	Average Rental Price	\$3,492	-0.3%	\$3,501	-0.8%	\$3,521
	Rental Price per Sq Ft	\$63.36	0.4%	\$63.13	9.3%	\$57.99
	Median Rental Price	\$3,424	0.4%	\$3,412	0.5%	\$3,406
	Number of New Leases	2,141	2.4%	2,091	-15.2%	2,525
2-Bedroom -	Average Rental Price	\$4,875	-5.0%	\$5,131	-2.3%	\$4,988
	Rental Price per Sq Ft	\$64.16	-3.4%	\$66.44	21.5%	\$52.80
	Median Rental Price	\$4,223	-8.0%	\$4,588	-5.5%	\$4,471
	Number of New Leases	1,270	9.5%	1,160	-9.9%	1,410
3+ Bedroom -	Average Rental Price	\$7,289	-8.2%	\$7,938	-5.5%	\$7,717
	Rental Price per Sq Ft	\$71.82	-4.8%	\$75.45	36.5%	\$52.60
	Median Rental Price	\$5,420	-9.1%	\$5,963	1.0%	\$5,368
	Number of New Leases	529	10.7%	478	-6.5%	566

As mentioned in the prior month's report, rental price trends remained choppy. Price trends are expected to move "sideways" over the coming months following a two-year trend of rising rents that ended in March. After factoring in the jump in concessions which included free rent and broker commissions, the net effective median rent for May slipped 0.4% to \$3,358 from the

same period a year ago. The upper end of the market saw the most weakness in price trends. The entry tier or lowest 30% and mid tier or next 30% of all rentals increased 2.6% and 0.5% over the same period. However the remaining 40% of all rentals posted year over year declines in median rent. The market share of rentals with landlord concessions jumped

to 12.6% from 1.6% over the same period. Resistance to elevated rents was evident in the rise of listing discount, days on market and the vacancy rate. Listing discount, the percentage difference between the original list price and the rental price, rose to 2.1% from 0.6% a year ago. Days on market, the number of days from the original list date to the lease date, was 43 days, up 4.9% over the same period. The vacancy rate jumped to 2.51% from 1.65% in the same month a year ago.



PROPERTY TYPE

- Rent growth for “non-doorman” outperformed “doorman” rents
- New development and loft median rent increased

Manhattan Rental Market By Property Type	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Doorman Median Rental Price	\$3,755	-3.1%	\$3,877	-0.6%	\$3,779
Non-Doorman Median Rental Price	\$2,950	4.2%	\$2,831	2.4%	\$2,882
Loft Median Rental Price	\$6,504	10.4%	\$5,889	22.2%	\$5,321
New Development Median Rental Price	\$4,676	5.9%	\$4,416	6.9%	\$4,376

BY PRICE

- Entry tier median rent showed most growth
- Luxury and upper tier median rents declined
- All luxury price trend indicators fell short of year ago level

Manhattan Rental Market By Price	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Luxury (Top 10%) - Average Rental Price	\$9,861	-5.9%	\$10,484	-5.7%	\$10,459
Luxury (Top 10%) - Rental Price per Sq Ft	\$75.85	-7.6%	\$82.10	-2.1%	\$77.50
Luxury (Top 10%) - Median Rental Price	\$7,929	-7.1%	\$8,536	-0.3%	\$7,956
Luxury (Top 10%) - Number of New Leases	510	4.9%	486	-14.1%	594
Luxury (Top 10%) - Entry Threshold	\$6,302	-3.2%	\$6,512	-0.4%	\$6,325
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,435	-1.8%	\$4,515	-0.9%	\$4,475
Mid Tier (2nd 30%) - Median Rental Price	\$3,249	0.3%	\$3,239	0.5%	\$3,232
Entry Tier (1st 30%) - Median Rental Price	\$2,360	2.3%	\$2,306	2.6%	\$2,300

BY LOCATION

DOWNTOWN

- Median rent edged higher
- Vacancy rate rose sharply

Downtown Market Matrix	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Median Rental Price	\$3,695	-0.8%	\$3,725	1.2%	\$3,650
Number of New Leases	2,279	4.2%	2,188	-15.5%	2,696
Vacancy Rate	2.52%		2.24%		1.63%

EAST SIDE

- Median rent increased
- Large rise in vacancy rate

East Side Market Matrix	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Median Rental Price	\$3,249	-1.2%	\$3,288	2.1%	\$3,183
Number of New Leases	1,230	1.2%	1,215	-10.8%	1,379
Vacancy Rate	1.92%		2.30%		0.60%

WEST SIDE

- Median rent remained unchanged
- Number of new leases fell

West Side Market Matrix	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Median Rental Price	\$3,400	-0.9%	\$3,430	0.0%	\$3,400
Number of New Leases	1,130	11.5%	1,013	-12.3%	1,288
Vacancy Rate	1.83%		2.02%		2.35%

UPTOWN

- Large rise in median rent
- Sharp decline in new leases

Uptown Market Matrix	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Median Rental Price	\$2,370	5.1%	\$2,254	7.7%	\$2,200
Number of New Leases	460	5.7%	435	-19.4%	571
Vacancy Rate	4.34%		3.19%		2.48%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

▲ 4.5%

INVENTORY

Total Inventory

▲ 20.6%

NEW LEASES

Excludes Renewals

▲ 8.0%

OP + CONCESSIONS

Market Share

▲ 7.3%

MARKETING TIME

Days on Market

▼ 9 days

NEGOTIABILITY

Listing Discount

▲ 0.4%

- Overall median rent as well as by size categories posted sharp gains
- Marketing time dropped despite expanded inventory
- Brooklyn median rent \$526 less than Manhattan median rent

Brooklyn Rental Market	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Average Rental Price	\$3,134	2.6%	\$3,054	2.8%	\$3,050
Rental Price per Sq Ft	\$46.84	1.1%	\$46.32	16.2%	\$40.32
Median Rental Price	\$2,874	3.4%	\$2,780	4.5%	\$2,750
Number of New Leases	1,189	19.4%	996	-8.0%	1,293
Days on Market (From Original List Date)	42	-14.3%	49	-17.6%	51
Listing Discount (From Original List Price)	1.1%		0.8%		0.7%
Listing Inventory	2,016	5.3%	1,915	20.6%	1,672

Brooklyn Rental w/Concessions	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Median Rental Price	\$2,843	3.1%	\$2,757	3.6%	\$2,744
Share of New Leases w/OP + Concessions (%)	8.8%		6.5%		1.5%
Free Rent/Owner Paid (Mos)	1.4	-12.5%	1.6	-17.6%	1.7

Brooklyn Rental Market by Size	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Studio - Average Rental Price	\$2,233	0.1%	\$2,230	2.1%	\$2,187
Rental Price per Sq Ft	\$53.25	-5.5%	\$56.32	17.4%	\$45.37
Median Rental Price	\$2,304	-0.2%	\$2,309	13.8%	\$2,025
Number of New Leases	163	15.6%	141	23.5%	132

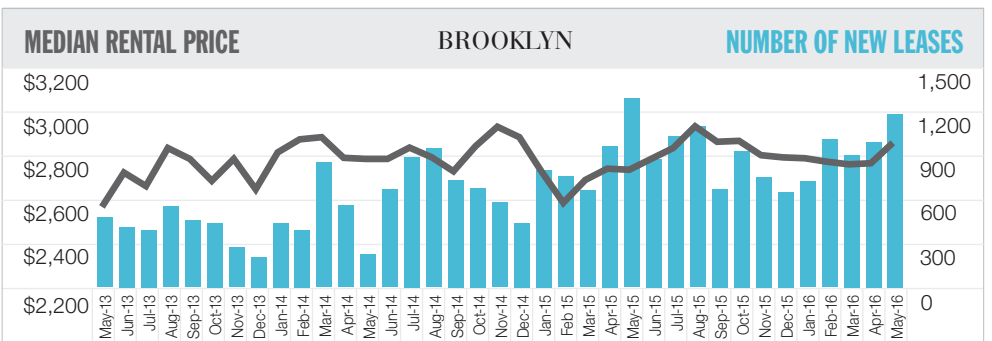
1-Bedroom - Average Rental Price	\$2,750	-0.6%	\$2,766	2.9%	\$2,673
Rental Price per Sq Ft	\$48.42	-1.3%	\$49.04	14.3%	\$42.38
Median Rental Price	\$2,775	1.1%	\$2,746	10.0%	\$2,523
Number of New Leases	497	20.9%	411	4.6%	475

2-Bedroom - Average Rental Price	\$3,457	3.5%	\$3,341	9.0%	\$3,173
Rental Price per Sq Ft	\$45.39	4.9%	\$43.29	20.5%	\$37.68
Median Rental Price	\$3,191	0.4%	\$3,178	7.5%	\$2,969
Number of New Leases	378	18.5%	319	-22.4%	487

3+ Bedroom - Average Rental Price	\$4,559	8.7%	\$4,194	8.1%	\$4,218
Rental Price per Sq Ft	\$44.37	5.4%	\$42.09	23.5%	\$35.94
Median Rental Price	\$3,964	15.7%	\$3,426	21.4%	\$3,265
Number of New Leases	151	20.8%	125	-24.1%	199

Brooklyn Rental Market by Type	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Luxury (Top 10%) - Median Rental Price	\$5,481	2.5%	\$5,345	2.1%	\$5,366
Luxury (Top 10%) - Entry Threshold	\$4,650	5.3%	\$4,414	4.4%	\$4,453
New Development - Median Rental Price	\$3,278	-0.2%	\$3,286	-4.4%	\$3,429

Brooklyn median rental price expanded for the fifth consecutive month despite the expanding supply and the increased use of landlord concessions. Listing inventory increased 20.6% from the same month a year ago. The market share of landlord concessions increased to 8.8% from 1.5% over the same period. The net effective median rent – face rent less landlord concessions – was \$2,843, up 3.6% from the same period last year. The average size of a landlord concession was 1.4 months of equivalent rent. The median face rent of all apartment sizes moved higher over the same period as did the overall average rent for the borough. Consistent with that pattern, luxury median rent, representing the top 10% of all rentals, increased 2.1% to \$5,481



from the same month last year. However, new development median rent declined 4.4% to \$3,278 over the same period. Days on market fell 17.6% to 42 days and listing discount edged 0.4% higher to 1.1% respectively from the same period a year ago.

NORTHWEST QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.0%

INVENTORY

Total Inventory

40.2%

NEW LEASES

Excludes Renewals

8.5%

NEW DEVELOPMENT

Market Share

15.6%

MARKETING TIME

Days on Market

13 days

NEGOTIABILITY

Listing Discount

0.2%

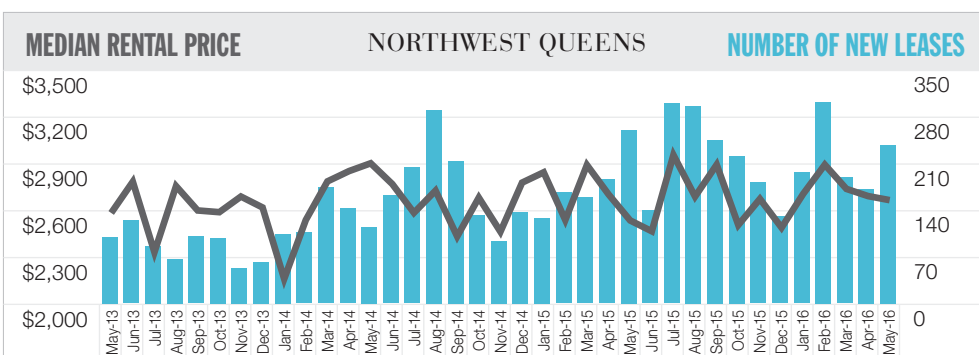
- All size categories and overall median rent increased
- Inventory increased as number of new leases fell
- Queens median rent was \$147 below Brooklyn median rent

Northwest Queens Rental Market	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Average Rental Price	\$3,101	9.8%	\$2,824	12.8%	\$2,750
Rental Price per Sq Ft	\$47.26	2.5%	\$46.12	8.3%	\$43.64
Median Rental Price	\$2,727	-0.9%	\$2,753	5.0%	\$2,597
Number of New Leases	237	38.6%	171	-8.5%	259
Days on Market (From Original List Date)	39	25.8%	31	-25.0%	52
Listing Discount (From Original List Price)	1.4%		1.7%		1.6%
Listing Inventory	516	5.7%	488	40.2%	368

Northwest Queens Rental Market by Size	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Studio - Average Rental Price	\$2,410	8.0%	\$2,232	6.2%	\$2,269
Rental Price per Sq Ft	\$49.81	-2.7%	\$51.17	-9.9%	\$55.26
Median Rental Price	\$2,475	2.7%	\$2,409	3.0%	\$2,404
Number of New Leases	61	96.8%	31	19.6%	51
1-Bedroom - Average Rental Price	\$2,680	3.2%	\$2,596	3.5%	\$2,590
Rental Price per Sq Ft	\$47.47	1.3%	\$46.88	6.9%	\$44.39
Median Rental Price	\$2,771	8.4%	\$2,556	5.0%	\$2,639
Number of New Leases	96	31.5%	73	-33.3%	144
2-Bedroom - Average Rental Price	\$3,761	17.0%	\$3,215	10.8%	\$3,394
Rental Price per Sq Ft	\$47.16	7.9%	\$43.69	22.8%	\$38.41
Median Rental Price	\$4,150	47.5%	\$2,814	24.0%	\$3,346
Number of New Leases	51	-12.1%	58	-10.5%	57
3+ Bedroom - Average Rental Price	\$4,786	14.1%	\$4,196	11.2%	\$4,304
Rental Price per Sq Ft	\$44.88	0.2%	\$44.81	-4.5%	\$47.01
Median Rental Price	\$4,895	32.8%	\$3,687	9.7%	\$4,461
Number of New Leases	29	222.2%	9	314.3%	7

Northwest Queens Rental Market By Type	MAY-16	%Δ (MO)	APR-16	%Δ (YR)	MAY-15
Luxury (Top 10%) - Median Rental Price	\$4,963	26.2%	\$3,933	17.4%	\$4,226
Luxury (Top 10%) - Entry Threshold	\$4,210	25.7%	\$3,350	24.0%	\$3,395
New Development - Median Rental Price	\$2,916	-7.0%	\$2,950	1.3%	\$2,880

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



Median rental price trends in Northwest Queens moved higher on a year over year basis. This was in contrast to declining trends year to date. Median rental price increased 5% to \$2,727 and average rental price increased 12.8% to \$3,101 respectively from the same month a year ago. Price trends also moved higher year over year across all size categories. Price gains were driven by a shift in mix caused by a 51.5% market share of new development rentals, the highest in two and a half years, despite a 40.2% increase in inventory. New

development median rental price edged 1.3% higher to \$2,916 over the same period. Even with the additional supply, both marketing time and negotiability tightened a bit. Days on market averaged 39 days, down from 52 days year over year. Listing discount followed the same pattern, falling slightly to 1.4% from 1.6% over the same period.

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

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