

ELLI MAN REPORT

JANUARY 2015

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan,
Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

5.9%

VACANCY

Vacancy Rate

0.62%

NEW RENTALS

Excludes Renewals

40.2%

CONCESSIONS

Market Share

4.6%

MARKETING TIME

Days on Market

3 day

NEGOTIABILITY

Listing Discount

1.8%

- Median rental price reached the third highest monthly price in 7 years
- Use of concessions declined from prior year period as vacancy rate increased
- Median rental price up for 11th consecutive month from prior year level

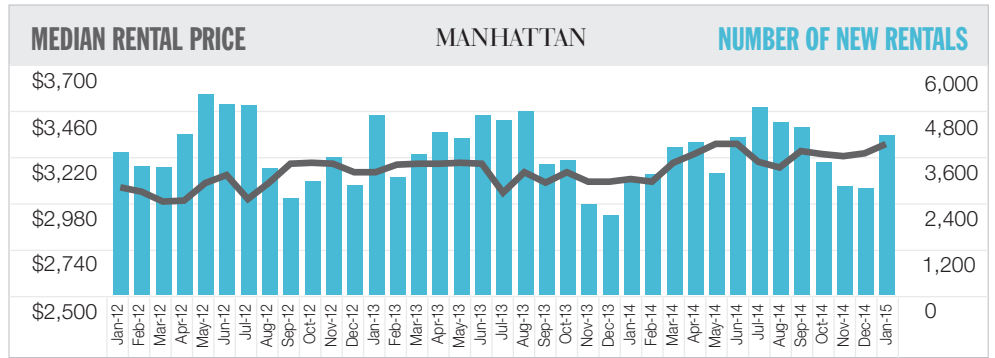
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		JAN-15	%Chg (mo)	JAN-15	%Chg(yr)	JAN-14
Average Rental Price		\$3,974	0.4%	\$3,960	4.6%	\$3,800
Rental Price per Sq Ft		\$53.44	5.9%	\$50.45	6.1%	\$50.37
Median Rental Price		\$3,299	1.5%	\$3,250	5.9%	\$3,114
Number of New Rentals		4,206	49.0%	2,822	40.2%	2,999
Days on Market (From Original List Date)		58	13.7%	51	-4.9%	61
Listing Discount (From Original List Price)		1.8%		3.9%		3.6%
Listing Inventory		5,498	0.1%	5,493	8.2%	5,080
Vacancy Rate		2.43%		2.52%		1.81%
Manhattan Rental w/Concessions		JAN-15	%Chg (mo)	JAN-15	%Chg(yr)	JAN-14
Median Rental Price		\$3,276	1.5%	\$3,228	6.4%	\$3,079
Number of New Rentals w/Concessions (%)		8.5%		7.8%		13.1%
Free Rent/Owner Paid (Mos)		1.0	-9.1%	1.1	0.0%	1.0
Manhattan Rental Market by Size		JAN-15	%Chg (mo)	DEC-14	%Chg(yr)	JAN-14
Studio -	Average Rental Price	\$2,566	-1.1%	\$2,595	6.7%	\$2,406
	Rental Price per Sq Ft	\$56.91	4.9%	\$54.25	3.9%	\$54.77
	Median Rental Price	\$2,470	1.8%	\$2,427	5.1%	\$2,351
	Number of New Rentals	1,054	53.6%	686	43.0%	737
1-Bedroom -	Average Rental Price	\$3,428	1.1%	\$3,390	5.3%	\$3,257
	Rental Price per Sq Ft	\$55.53	2.8%	\$54.02	8.5%	\$51.19
	Median Rental Price	\$3,395	3.2%	\$3,291	6.1%	\$3,200
	Number of New Rentals	1,836	52.4%	1,205	37.6%	1,334
2-Bedroom -	Average Rental Price	\$5,044	-1.0%	\$5,093	4.5%	\$4,825
	Rental Price per Sq Ft	\$52.47	6.0%	\$49.50	8.8%	\$48.21
	Median Rental Price	\$4,527	2.9%	\$4,400	0.6%	\$4,500
	Number of New Rentals	982	38.3%	710	36.8%	718
3+ Bedroom -	Average Rental Price	\$8,277	8.5%	\$7,628	-4.2%	\$8,638
	Rental Price per Sq Ft	\$51.73	6.8%	\$48.42	-5.0%	\$54.46
	Median Rental Price	\$6,150	7.0%	\$5,745	0.4%	\$6,125
	Number of New Rentals	334	51.8%	220	59.0%	210

Overall Manhattan price indicators continued to rise, as median rental price posted an 11th consecutive year-over-year gain, climbing to the third highest level since 2008. The drivers of rising rents remain the same: tight credit, rapidly rising employment and a growing economy. Median rental price was \$3,299, up 5.9% from the same period last year. The other

price indicators followed the same pattern. Average rental price moved 4.6% higher to \$3,974 and rental price per square foot rose 6.1% to \$53.44 respectively over the same period. Rental prices moved higher in the studio, 1-bedroom and 2-bedroom markets with mixed results in the 3-bedroom market. The number of new rentals surged 40.2% to

4,206 indicating tenant resistance to rising rents at time of lease renewal. However, the use of landlord concessions remained low at 8.5% and was less than the 13.1% average in the same month last year. The average size of a concession was the equivalent of 1 months rent, unchanged from the prior year. Listing discount, the percentage difference between the original list price and the rental price, declined to 1.8% from 3.6% over the same period.



PROPERTY TYPE

- Doorman and non-doorman median rents continued to rise at similar rate
- Loft median rents increased as new development rents declined

Manhattan Rental Market By Property Type	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Doorman Median Rental Price	\$3,792	0.7%	\$3,765	5.9%	\$3,581
Non-Doorman Median Rental Price	\$2,695	0.6%	\$2,678	5.7%	\$2,550
Loft Median Rental Price	\$5,695	-3.5%	\$5,900	15.1%	\$4,950
New Development Median Rental Price	\$3,299	-14.1%	\$3,840	-26.3%	\$4,475

BY PRICE

- Highest rental price growth in Entry Tier
- Luxury rental price trends stabilized

Manhattan Rental Market By Price	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Luxury (Top 10%) - Average Rental Price	\$10,085	-0.3%	\$10,118	2.6%	\$9,832
Luxury (Top 10%) - Rental Price per Sq Ft	\$72.50	-0.6%	\$72.91	-0.1%	\$72.55
Luxury (Top 10%) - Median Rental Price	\$7,995	-5.9%	\$8,495	-0.1%	\$8,000
Luxury (Top 10%) - Number of New Rentals	421	49.3%	282	40.3%	300
Luxury (Top 10%) - Entry Threshold	\$6,106	-4.9%	\$6,422	1.8%	\$6,000
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,333	-1.4%	\$4,395	1.9%	\$4,253
Mid Tier (2nd 30%) - Median Rental Price	\$3,150	2.7%	\$3,067	5.2%	\$2,995
Entry Tier (1st 30%) - Median Rental Price	\$2,241	4.2%	\$2,150	5.4%	\$2,127

BY LOCATION

- ### DOWNTOWN
- Number of new rentals rose
 - Vacancy rate edged higher

Downtown Market Matrix	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Median Rental Price	\$3,591	0.2%	\$3,585	3.5%	\$3,470
Number of New Rentals	1,740	45.4%	1,197	36.2%	1,278
Vacancy Rate	2.76%		3.07%		2.49%

- ### EAST SIDE
- More new rentals
 - Median rent increased

East Side Market Matrix	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Median Rental Price	\$3,061	5.6%	\$2,900	6.0%	\$2,887
Number of New Rentals	1,114	54.5%	721	35.2%	824
Vacancy Rate	2.63%		3.23%		1.10%

- ### WEST SIDE
- Median rents edged higher
 - Number of new rentals increased

West Side Market Matrix	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Median Rental Price	\$3,375	1.2%	\$3,335	4.6%	\$3,226
Number of New Rentals	1,009	48.8%	678	51.3%	667
Vacancy Rate	1.83%		1.83%		1.63%

- ### UPTOWN
- Vacancy rate increased
 - Median rental price up sharply

Uptown Market Matrix	JAN-15	%Chg (mo)	DEC-14	%Chg (yr)	JAN-14
Median Rental Price	\$2,161	3.8%	\$2,081	13.7%	\$1,900
Number of New Rentals	343	51.8%	226	49.1%	230
Vacancy Rate	1.95%		0.71%		1.24%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

2.5%

INVENTORY

Total Inventory

60%

NEW RENTALS

Excludes Renewals

54.5%

CONCESSIONS

Market Share

6.8%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

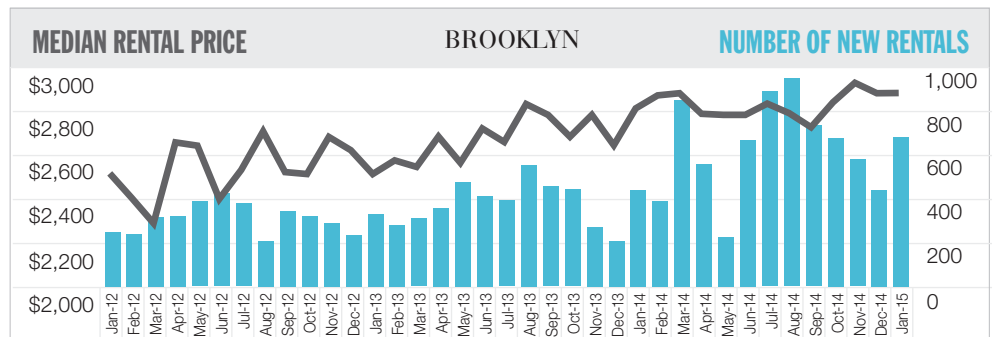
Listing Discount

5.1%

- Rental prices generally up except in 3-bedroom markets
- Use of concessions remained low, but above prior year levels
- Median Brooklyn rent was \$398 below median Manhattan rent

Brooklyn Rental Market		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Average Rental Price		\$3,201	2.0%	\$3,139	4.5%	\$3,063
Rental Price per Sq Ft		\$40.33	-2.0%	\$41.17	14.1%	\$35.34
Median Rental Price		\$2,901	0.0%	\$2,900	2.5%	\$2,830
Number of New Rentals		683	54.9%	441	54.5%	442
Days on Market (From Original List Date)		60	9.1%	55	-4.8%	63
Listing Discount (From Original List Price)		1.4%		3.9%		6.5%
Listing Inventory		1,926	1.7%	1,893	60.0%	1,204
Brooklyn Rental w/Concessions		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Median Rental Price		\$2,882	-0.1%	\$2,885	1.9%	\$2,829
Share of New Rentals w/Concessions (%)		7.5%		5.9%		0.7%
Free Rent/Owner Paid (Mos)		1.0	-9.1%	1.1	25.0%	0.8
Brooklyn Rental Market by Size		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Studio -	Average Rental Price	\$2,618	14.0%	\$2,296	14.9%	\$2,278
	Rental Price per Sq Ft	\$45.31	-5.4%	\$47.91	20.1%	\$37.73
	Median Rental Price	\$2,357	2.0%	\$2,310	-1.0%	\$2,380
	Number of New Rentals	97	136.6%	41	106.4%	47
1-Bedroom -	Average Rental Price	\$2,787	2.3%	\$2,725	2.1%	\$2,731
	Rental Price per Sq Ft	\$43.70	-2.9%	\$45.02	10.7%	\$39.46
	Median Rental Price	\$2,770	5.3%	\$2,630	2.9%	\$2,692
	Number of New Rentals	275	41.0%	195	44.7%	190
2-Bedroom -	Average Rental Price	\$3,527	5.3%	\$3,351	8.5%	\$3,251
	Rental Price per Sq Ft	\$38.93	6.9%	\$36.41	16.0%	\$33.56
	Median Rental Price	\$3,215	0.2%	\$3,210	6.4%	\$3,021
	Number of New Rentals	229	54.7%	148	51.7%	151
3+ Bedroom -	Average Rental Price	\$4,400	-2.8%	\$4,528	0.2%	\$4,390
	Rental Price per Sq Ft	\$33.75	-6.5%	\$36.09	-14.4%	\$39.42
	Median Rental Price	\$3,561	-13.0%	\$4,091	-10.4%	\$3,975
	Number of New Rentals	81	44.6%	56	50.0%	54
Brooklyn Rental Market by Type		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Luxury (Top 10%) - Median Rental Price		\$5,498	4.8%	\$5,245	10.0%	\$5,000
Luxury (Top 10%) - Entry Threshold		\$4,660	0.2%	\$4,650	4.3%	\$4,470
New Development - Median Rental Price		\$2,971	-5.9%	\$3,156	-1.9%	\$3,027

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



Median Brooklyn rents were above prior year levels for the 4th consecutive month and for 18 of the past 20 months. All overall rental price indicators were above prior year levels: median rental price was \$2,901, up 2.5%; average rental price was \$3,201, an increase of 4.5%; rental price per square foot jumped 14.1% to \$40.33. The number of new rentals surged 54.5% to 683 from the same period last year as tenants continued to resist rental price increases at lease renewal and search for greater affordability elsewhere. Landlord concessions remained low, but were well above the same period last year. There was a 7.5% market share of new rental transactions with landlord concessions compared to 0.7% last year. The average concession was the equivalent of one month of rent. Days on

market, the number of days from the original listing date to the rental date, fell by 3 days to 60 days from the same month last year. Listing

discount, the percentage difference between the original rental price and the rental price fell to 1.4% from 6.5% over the same period.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

30.7%

INVENTORY

Total Inventory (month-over-month)

17.3%

NEW RENTALS

Excludes Renewals

23.1%

NEW DEVELOPMENT

Market Share

5.7%

MARKETING TIME

Days on Market

3 days

NEGOTIABILITY

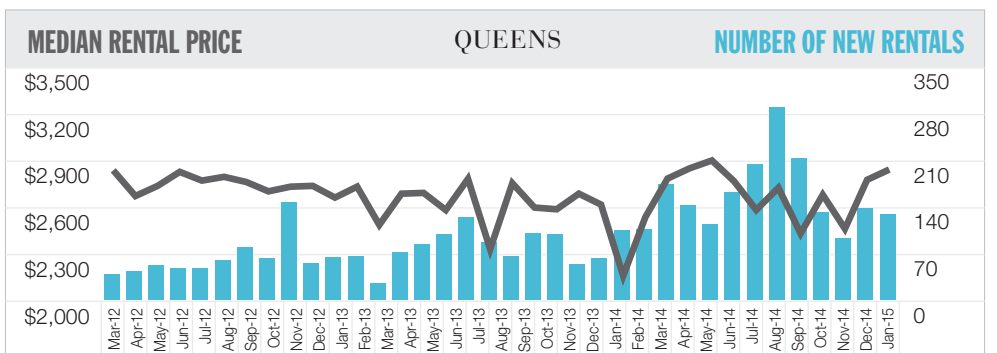
Listing Discount

1.8%

- Price indicators were higher than prior year levels
- Rents were higher in all size categories
- Luxury median rental price growth consistent with overall market growth

Queens Rental Market		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Average Rental Price		\$2,929	-2.9%	\$3,015	22.3%	\$2,394
Rental Price per Sq Ft		\$41.15	-6.6%	\$44.07	7.7%	\$38.20
Median Rental Price		\$2,905	2.3%	\$2,839	30.7%	\$2,223
Number of New Rentals		128	-6.6%	137	23.1%	104
Days on Market (From Original List Date)		53	32.5%	40	130.4%	23
Listing Discount (From Original List Price)		0.3%		0.4%		2.4%
Listing Inventory		298	17.3%	254	N/A	N/A
Queens Rental Market by Size		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Studio -	Average Rental Price	\$2,058	-7.1%	\$2,216	4.4%	\$1,971
	Rental Price per Sq Ft	\$44.17	-12.3%	\$50.34	4.6%	\$42.22
	Median Rental Price	\$2,382	2.5%	\$2,325	14.5%	\$2,080
	Number of New Rentals	11	-52.2%	23	-62.1%	29
1-Bedroom -	Average Rental Price	\$2,686	0.9%	\$2,663	9.0%	\$2,464
	Rental Price per Sq Ft	\$40.99	-5.0%	\$43.15	5.6%	\$38.81
	Median Rental Price	\$2,900	2.5%	\$2,830	14.4%	\$2,535
	Number of New Rentals	77	8.5%	71	42.6%	54
2-Bedroom -	Average Rental Price	\$3,574	-11.2%	\$4,026	24.1%	\$2,879
	Rental Price per Sq Ft	\$43.24	-1.5%	\$43.88	19.8%	\$36.08
	Median Rental Price	\$3,288	-23.4%	\$4,292	6.1%	\$3,100
	Number of New Rentals	32	-15.8%	38	68.4%	19
3+ Bedroom -	Average Rental Price	\$4,049	20.3%	\$3,365	97.6%	\$2,049
	Rental Price per Sq Ft	\$42.78	39.8%	\$30.59	56.6%	\$27.32
	Median Rental Price	\$2,995	-14.0%	\$3,484	46.2%	\$2,049
	Number of New Rentals	7	75.0%	4	250.0%	2
Queens Rental Market By Type		JAN-15	%Chg (MO)	DEC-14	%Chg (YR)	JAN-14
Luxury (Top 10%) - Median Rental Price		\$4,700	-4.0%	\$4,895	28.2%	\$3,666
Luxury (Top 10%) - Entry Threshold		\$4,180	-5.1%	\$4,405	24.8%	\$3,350
New Development - Median Rental Price		\$2,905	-7.0%	\$2,995	17.1%	2,480

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



Overall rental prices in northwest Queens continued to rise. Median rental price jumped 30.7% to \$2,905 from the same month last year. Average rental price increased 22.3% to \$2,929 and rental price per square foot increased 7.7% to \$41.15 respectively over the same period. The \$4 difference between the median rental price for the region and the Brooklyn median rental price was nominal. The number of new rentals increased 23.1% from the prior year period reflecting modest resistance by tenants at time of lease renewal to rising rents as well as the

continuing introduction of new housing stock to the market. Listing discount, the percentage difference in price between the original list price and the rental price, fell to 0.3% from 2.4% in

the prior year period. The low listing discount reflects the 42.2% concentration of newly developed units that were able to command rents close to asking price.

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

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