

ELLI MAN REPORT

FEBRUARY 2016

MANHATTAN, BROOKLYN & QUEENS RENTALS

Monthly Survey of Manhattan, Brooklyn and Queens Rentals

MANHATTAN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

0.2%

VACANCY

Vacancy Rate

0.07%

NEW LEASES

Excludes Renewals

31.6%

OP+ CONCESSIONS

Market Share

9.9%

MARKETING TIME

Days on Market

7 days

NEGOTIABILITY

Listing Discount

0.7%

- **Twenty-fourth consecutive month of year over year median rental price growth**
- **Highest market share of landlord concessions recorded in 5.5 years**
- **Rate of year-over-year growth in median rent has fallen each month since August**

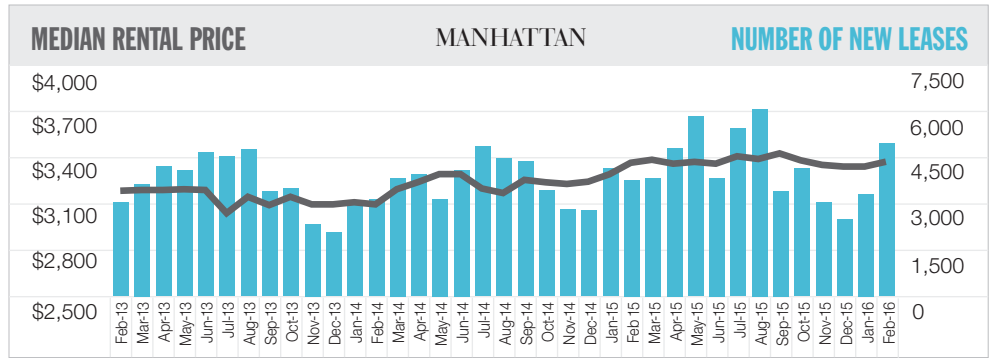
The Douglas Elliman Report series is recognized as the industry standard for providing the state of the residential real estate market. The report includes an extensive suite of tools to help readers objectively identify and measure market trends, provide historical context to current information and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

Manhattan Rental Market		FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Average Rental Price		\$4,032	-1.0%	\$4,073	-1.5%	\$4,093
Rental Price per Sq Ft		\$65.87	0.5%	\$65.57	18.0%	\$55.82
Median Rental Price		\$3,382	1.0%	\$3,350	0.2%	\$3,375
Number of New Leases		5,043	49.5%	3,373	31.6%	3,831
Days on Market (From Original List Date)		56	3.7%	54	14.3%	49
Listing Discount (From Original List Price)		2.5%		3.0%		1.8%
Listing Inventory		6,151	0.7%	6,108	19.1%	5,164
Vacancy Rate		2.31%		2.82%		2.38%
Manhattan Rental w/Concessions		FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Median Rental Price		\$3,316	1.7%	\$3,261	-0.3%	\$3,326
Share of New Leases w/OP + Concessions (%)		19.1%		16.4%		9.2%
Free Rent/Owner Paid (Mos)		1.2	-36.8%	1.9	-36.8%	1.9
Manhattan Rental Market by Size		FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Studio -	Average Rental Price	\$2,685	-1.3%	\$2,720	1.9%	\$2,634
	Rental Price per Sq Ft	\$65.34	3.4%	\$63.18	13.4%	\$57.60
	Median Rental Price	\$2,568	-1.0%	\$2,595	1.5%	\$2,531
	Number of New Leases	1,183	53.0%	773	28.6%	920
1-Bedroom -	Average Rental Price	\$3,482	1.7%	\$3,423	0.2%	\$3,475
	Rental Price per Sq Ft	\$62.93	1.5%	\$62.00	11.9%	\$56.22
	Median Rental Price	\$3,395	0.6%	\$3,375	-0.1%	\$3,400
	Number of New Leases	2,304	49.9%	1,537	31.8%	1,748
2-Bedroom -	Average Rental Price	\$5,044	1.2%	\$4,982	-4.1%	\$5,260
	Rental Price per Sq Ft	\$64.46	2.3%	\$63.02	16.7%	\$55.24
	Median Rental Price	\$4,746	3.3%	\$4,595	-0.1%	\$4,750
	Number of New Leases	1,182	52.7%	774	34.5%	879
3+ Bedroom -	Average Rental Price	\$8,480	-2.7%	\$8,714	-4.8%	\$8,906
	Rental Price per Sq Ft	\$76.40	-1.0%	\$77.14	35.3%	\$56.45
	Median Rental Price	\$6,262	6.2%	\$5,895	-3.8%	\$6,509
	Number of New Leases	374	29.4%	289	32.2%	283

The two year Manhattan rental price growth streak nearly came to an end in February as the use of concessions by landlords expanded to a five and a half year high. Median rental price edged up a nominal 0.2% to \$3,382 as compared to the same period a year ago. The pace of median price growth has continued to fall since August. Average rental

price slipped 1.5% to \$4,032 from the same period last year, skewed lower by weakness in the luxury market, accounting for the top ten percent of all rentals. Luxury median rental price declined 4.2% to \$8,000 over the same period. Consistent with this pattern, the median rent of doorman properties slipped a nominal 0.1% to \$3,797 while the median rent

of non-doorman properties increased 3.2% to \$2,744 respectively over the same period. The market share of transactions that included concessions, including free rent or brokerage commissions paid by landlords, more than doubled to 19.1%. After flirting with multi-year records over the past several months, the vacancy rate edged lower to 2.31% from 2.38% in the same period last year.



PROPERTY TYPE

- Price growth for “non-doorman” remained higher than “doorman”
- Larger new development units skewed rents higher

Manhattan Rental Market By Property Type	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Doorman Median Rental Price	\$3,797	0.1%	\$3,795	-0.1%	\$3,800
Non-Doorman Median Rental Price	\$2,744	0.7%	\$2,725	3.2%	\$2,660
Loft Median Rental Price	\$5,342	-12.6%	\$6,114	-8.3%	\$5,823
New Development Median Rental Price	\$4,593	2.4%	\$4,487	36.1%	\$3,375

BY PRICE

- Luxury median rental price declined
- Luxury threshold edged lower
- Entry tier showed most growth

Manhattan Rental Market By Price	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Luxury (Top 10%) - Average Rental Price	\$9,962	-6.7%	\$10,673	-4.6%	\$10,444
Luxury (Top 10%) - Rental Price per Sq Ft	\$79.59	-1.4%	\$80.76	4.5%	\$76.16
Luxury (Top 10%) - Median Rental Price	\$8,000	0.1%	\$7,995	-4.2%	\$8,350
Luxury (Top 10%) - Number of New Leases	515	52.4%	338	34.5%	383
Luxury (Top 10%) - Entry Threshold	\$6,371	-0.4%	\$6,395	-0.7%	\$6,415
Upper Tier (30% below Luxury) - Med. Rental Price	\$4,480	1.8%	\$4,402	0.2%	\$4,471
Mid Tier (2nd 30%) - Median Rental Price	\$3,235	1.8%	\$3,179	-0.5%	\$3,250
Entry Tier (1st 30%) - Median Rental Price	\$2,295	1.9%	\$2,253	1.1%	\$2,270

BY LOCATION

DOWNTOWN

- Median rental price edged higher
- Surge in number of new leases

Downtown Market Matrix	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Median Rental Price	\$3,620	0.7%	\$3,595	2.1%	\$3,546
Number of New Leases	2,222	55.2%	1,432	37.3%	1,618
Vacancy Rate	2.49%		3.10%		2.61%

EAST SIDE

- Increase in median rental price
- Sharp rise in vacancy rate

East Side Market Matrix	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Median Rental Price	\$3,295	3.4%	\$3,187	5.8%	\$3,113
Number of New Leases	1,271	42.5%	892	31.8%	964
Vacancy Rate	2.57%		3.34%		1.59%

WEST SIDE

- Decline in median rental price
- Rise in number of new leases

West Side Market Matrix	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Median Rental Price	\$3,401	-1.4%	\$3,450	-3.2%	\$3,514
Number of New Leases	1,127	55.0%	727	19.5%	943
Vacancy Rate	2.16%		2.42%		2.55%

UPTOWN

- Vacancy rate fell
- Median rent was essentially unchanged

Uptown Market Matrix	FEB-16	%Δ (mo)	JAN-16	%Δ (yr)	FEB-15
Median Rental Price	\$2,156	-2.0%	\$2,201	-0.1%	\$2,158
Number of New Leases	423	31.4%	322	38.2%	306
Vacancy Rate	1.60%		1.68%		2.75%

BROOKLYN RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

7.3%

INVENTORY

Total Inventory

4.7%

NEW LEASES

Excludes Renewals

33.5%

OP + CONCESSIONS

Market Share

7.7%

MARKETING TIME

Days on Market

4 days

NEGOTIABILITY

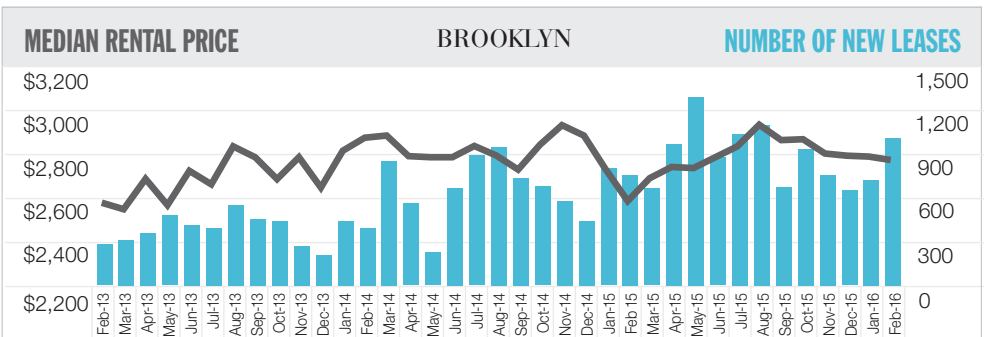
Listing Discount

0.8%

- Median rental price grew at fastest rate in more than a year
- Highest recorded share of landlord concessions in more than 5 years
- Brooklyn median rent \$595 less than Manhattan median rent

Brooklyn Rental Market		FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Average Rental Price		\$3,047	-0.8%	\$3,073	4.0%	\$2,929
Rental Price per Sq Ft		\$44.89	-0.3%	\$45.03	28.3%	\$34.99
Median Rental Price		\$2,787	-0.6%	\$2,803	7.3%	\$2,598
Number of New Leases		1,012	39.8%	724	33.5%	758
Days on Market (From Original List Date)		58	11.5%	52	7.4%	54
Listing Discount (From Original List Price)		2.1%		2.1%		1.3%
Listing Inventory		2,009	2.0%	1,969	4.7%	1,919
Brooklyn Rental w/Concessions		FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Median Rental Price		\$2,744	-1.3%	\$2,779	6.6%	\$2,575
Share of New Leases w/OP + Concessions (%)		12.9%		5.4%		5.2%
Free Rent/Owner Paid (Mos)		1.4	-26.3%	1.9	-30.0%	2.0
Brooklyn Rental Market by Size		FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Studio -	Average Rental Price	\$2,455	-0.2%	\$2,459	18.7%	\$2,068
	Rental Price per Sq Ft	\$55.66	17.0%	\$47.57	19.3%	\$46.64
	Median Rental Price	\$2,396	3.7%	\$2,310	14.1%	\$2,100
	Number of New Leases	116	48.7%	78	56.8%	74
1-Bedroom -	Average Rental Price	\$2,629	-1.3%	\$2,663	3.5%	\$2,540
	Rental Price per Sq Ft	\$45.54	-0.4%	\$45.74	17.2%	\$38.86
	Median Rental Price	\$2,611	0.6%	\$2,595	8.0%	\$2,418
	Number of New Leases	449	55.4%	289	43.0%	314
2-Bedroom -	Average Rental Price	\$3,388	0.8%	\$3,362	9.8%	\$3,087
	Rental Price per Sq Ft	\$43.75	-4.3%	\$45.73	25.6%	\$34.82
	Median Rental Price	\$3,167	0.6%	\$3,147	10.7%	\$2,862
	Number of New Leases	321	21.6%	264	24.9%	257
3+ Bedroom -	Average Rental Price	\$4,213	4.2%	\$4,043	0.0%	\$4,215
	Rental Price per Sq Ft	\$40.57	-1.5%	\$41.20	29.7%	\$31.27
	Median Rental Price	\$3,532	-1.9%	\$3,600	7.5%	\$3,285
	Number of New Leases	126	35.5%	93	11.5%	113
Brooklyn Rental Market by Type		FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Luxury (Top 10%) - Median Rental Price		\$5,349	3.6%	\$5,163	7.0%	\$5,000
Luxury (Top 10%) - Entry Threshold		\$4,636	4.7%	\$4,426	6.0%	\$4,375
New Development - Median Rental Price		\$3,446	3.1%	\$3,341	10.3%	\$3,125

After lackluster rental price growth last fall, Brooklyn median rent showed a larger gain in February despite a surge in the use of concessions by landlords. Median rental price rose 7.3% to \$2,787 from the same period last year. Average rental price followed the same pattern, moving up 4% to \$3,047 over the same period. Luxury median rental price, representing the top ten percent of the market, grew at the same rate as the overall market, rising 7% to \$5,349. Landlord concessions more than doubled to 12.9%, the highest market share recorded in over five years. Days on market, the average number of days from the original list date to the rental date expanded by four days from the same month a year



ago to 58 days. Listing discount, the percent difference between the original listing price to the rental price, expanded to 2.1% from 1.3% over the same period. Brooklyn rental market results were expanded to include the entire borough from the beginning of 2015.

QUEENS RENTALS DASHBOARD

year-over-year

PRICES

Median Rental Price

13.6%

INVENTORY

Total Inventory

67.3%

NEW LEASES

Excludes Renewals

81.3%

NEW DEVELOPMENT

Market Share

0.9%

MARKETING TIME

Days on Market

26 days

NEGOTIABILITY

Listing Discount

1.4%

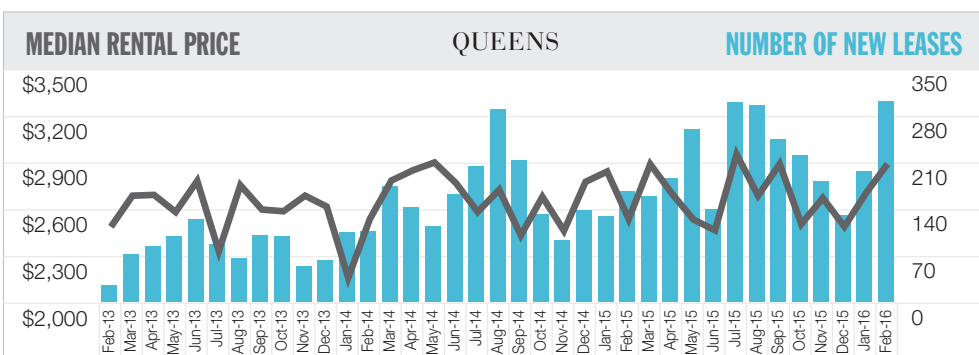
- All rental price indicators moved higher
- Days on market and listing discount expanded
- Queens median rent was \$167 above Brooklyn median rent

Queens Rental Market	FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Average Rental Price	\$3,019	6.9%	\$2,825	8.4%	\$2,784
Rental Price per Sq Ft	\$46.96	6.3%	\$44.17	14.7%	\$40.93
Median Rental Price	\$2,954	6.8%	\$2,767	13.6%	\$2,600
Number of New Leases	301	53.6%	196	81.3%	166
Days on Market (From Original List Date)	55	12.2%	49	89.7%	29
Listing Discount (From Original List Price)	2.1%		1.3%		0.7%
Listing Inventory	465	-9.5%	514	67.3%	278

Queens Rental Market by Size		FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Studio -	Average Rental Price	\$2,183	7.5%	\$2,030	6.5%	\$2,049
	Rental Price per Sq Ft	\$52.10	2.4%	\$50.87	10.8%	\$47.01
	Median Rental Price	\$2,337	16.9%	\$2,000	2.5%	\$2,281
	Number of New Leases	40	110.5%	19	53.8%	26
1-Bedroom -	Average Rental Price	\$2,710	2.7%	\$2,640	7.2%	\$2,528
	Rental Price per Sq Ft	\$46.41	4.1%	\$44.60	12.3%	\$41.33
	Median Rental Price	\$2,954	5.7%	\$2,795	18.5%	\$2,492
	Number of New Leases	165	54.2%	107	79.3%	92
2-Bedroom -	Average Rental Price	\$3,754	14.4%	\$3,282	4.4%	\$3,597
	Rental Price per Sq Ft	\$46.70	11.3%	\$41.97	15.7%	\$40.37
	Median Rental Price	\$4,089	45.1%	\$2,818	5.9%	\$3,863
	Number of New Leases	78	32.2%	59	85.7%	42
3+ Bedroom -	Average Rental Price	\$4,529	28.0%	\$3,537	0.5%	\$4,507
	Rental Price per Sq Ft	\$45.18	-3.5%	\$46.83	12.1%	\$40.29
	Median Rental Price	\$4,617	26.2%	\$3,658	-13.8%	\$5,356
	Number of New Leases	18	63.6%	11	260.0%	5

Queens Rental Market By Type	FEB-16	%Δ (MO)	JAN-16	%Δ (YR)	FEB-15
Luxury (Top 10%) - Median Rental Price	\$4,345	3.5%	\$4,200	-3.4%	\$4,500
Luxury (Top 10%) - Entry Threshold	\$3,896	5.1%	\$3,708	-8.0%	\$4,233
New Development - Median Rental Price	\$3,351	-7.0%	\$3,065	4.7%	\$3,202

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



The northwest Queens rental market posted large gains in all price indicators as compared to the same period a year ago. Median rental price jumped 13.6% to \$2,954 while average rental price followed the same pattern, rising 8.4% to \$3,019. Luxury median rental price, reflecting the top ten percent of the overall market, declined 3.4% to \$4,345 over the same period. Days on market, the number of days from the original list date to the rental date, nearly doubled to 55 days although the year ago result appeared to be an anomaly.

Listing discount, the percentage difference to be volatile given the large share of new development entering the market. It accounted for 34.6% of all new leases in February, up month last year. The results in this region tend 0.9% from the same month a year ago.

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

RENTAL DIVISION 212.891.7711 • elliman.com

DOUGLAS ELLIMAN REAL ESTATE 575 Madison Avenue, New York, NY 10022 • 212.891.7000

MILLER SAMUEL REAL ESTATE APPRAISERS 21 West 38th Street, New York, NY 10018 • 212.768.8100 • millersamuel.com

© 2016 DOUGLAS ELLIMAN REAL ESTATE. ALL MATERIAL PRESENTED HEREIN IS INTENDED FOR INFORMATION PURPOSES ONLY. WHILE THIS INFORMATION IS BELIEVED TO BE CORRECT, IT IS REPRESENTED SUBJECT TO ERRORS, OMISSIONS, CHANGES OR WITHDRAWAL WITHOUT NOTICE. ALL PROPERTY INFORMATION, INCLUDING, BUT NOT LIMITED TO SQUARE FOOTAGE, ROOM COUNT, NUMBER OF BEDROOMS AND THE SCHOOL DISTRICT IN PROPERTY LISTINGS ARE DEEMED RELIABLE, BUT SHOULD BE VERIFIED BY YOUR OWN ATTORNEY, ARCHITECT OR ZONING EXPERT. IF YOUR PROPERTY IS CURRENTLY LISTED WITH ANOTHER REAL ESTATE BROKER, PLEASE DISREGARD THIS OFFER. IT IS NOT OUR INTENTION TO SOLICIT THE OFFERINGS OF OTHER REAL ESTATE BROKERS. WE COOPERATE WITH THEM FULLY. ♻️ EQUAL HOUSING OPPORTUNITY.