



Residential Rental Market Report

March & First Quarter 2019

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This report follows overall conditions in the Manhattan rental market during March 2019 - as well as throughout the first quarter of the year. In addition, we track average and median rents for 14 neighborhoods in the borough of Brooklyn over the same period.

When looking at the most recent data for March, we found a strengthening market for landlords. Rents rose slightly for all apartment sizes in both boroughs, while the vacancy rate fell to the lowest level since August 2018. While still relatively prevalent, the percentage of new leases that included an incentive also declined.

While rents trended downward throughout much of last year, they have started to climb again in 2019.

In March 2019, Manhattan rents rose 2% for studio and one-bedroom homes when compared to February - while pricing for two- and three-bedrooms was up 1% and 3%, respectively.

As in Manhattan, rents for Brooklyn apartments also rose across the board from February to March. Rents for studio, one- and three-bedrooms were all 2% higher than the month prior, while they were up 3% for two-bedrooms during the same period.

Rents also climbed across the board in both communities year-over-year. Overall, rents rose an average of 6% in Manhattan - and 7% in Brooklyn - since March 2018.

In March, the Manhattan vacancy rate fell to the lowest level in 7 months.

The borough's vacancy rate has experienced three consecutive months of declines. In March, the rate fell to 1.33% - from 1.40% in February. In fact, the last time there was less inventory available for rent was in August 2018, when the vacancy rate dipped to 1.29%

Manhattan's vacancy rate is also lower than it was at this time last year. In March 2018, 1.63% of apartments in the borough were vacant.

While move-in incentives were found on fewer leases in March, they remain a significant marketing tool.

The percentage of leases that included a move-in incentive fell to 29% in March, from 31% in February. Year-over-year, their prevalence also declined (from 35% in March 2018).

When comparing boroughs, concessions were much more prevalent in Brooklyn. In March, 44% of leases in the borough included an incentive, versus 20% in Manhattan.

While concessions are most common at new-construction luxury buildings, they are offered by landlords across the spectrum to move apartments that aren't leasing quickly - or to gain a competitive advantage in an especially crowded local marketplace.

Quarterly trends also show an overall improvement in market conditions for landlords.

During the first quarter of 2019, rents in Manhattan and Brooklyn rose slightly overall - both when compared to Q4 2018 and year-over-year.

The Manhattan vacancy rate fell to 1.39% during Q1 - from 1.53% in Q4 2018. The rate is also lower than Q1 2018's rate of 1.77%. This means fewer available apartment choices for potential tenants.

During Q1 overall, 31% of new leases included an incentive, which is slightly more than the 30% last quarter - but fewer than the 35% during Q1 2018.

Our goal with this report is to provide renters and property owners alike relevant rental market data to help them make smart, informed decisions. We hope that you find this report to be a valuable resource - and remember, our team is always here to help.

Gary Malin, President, Citi Habitats

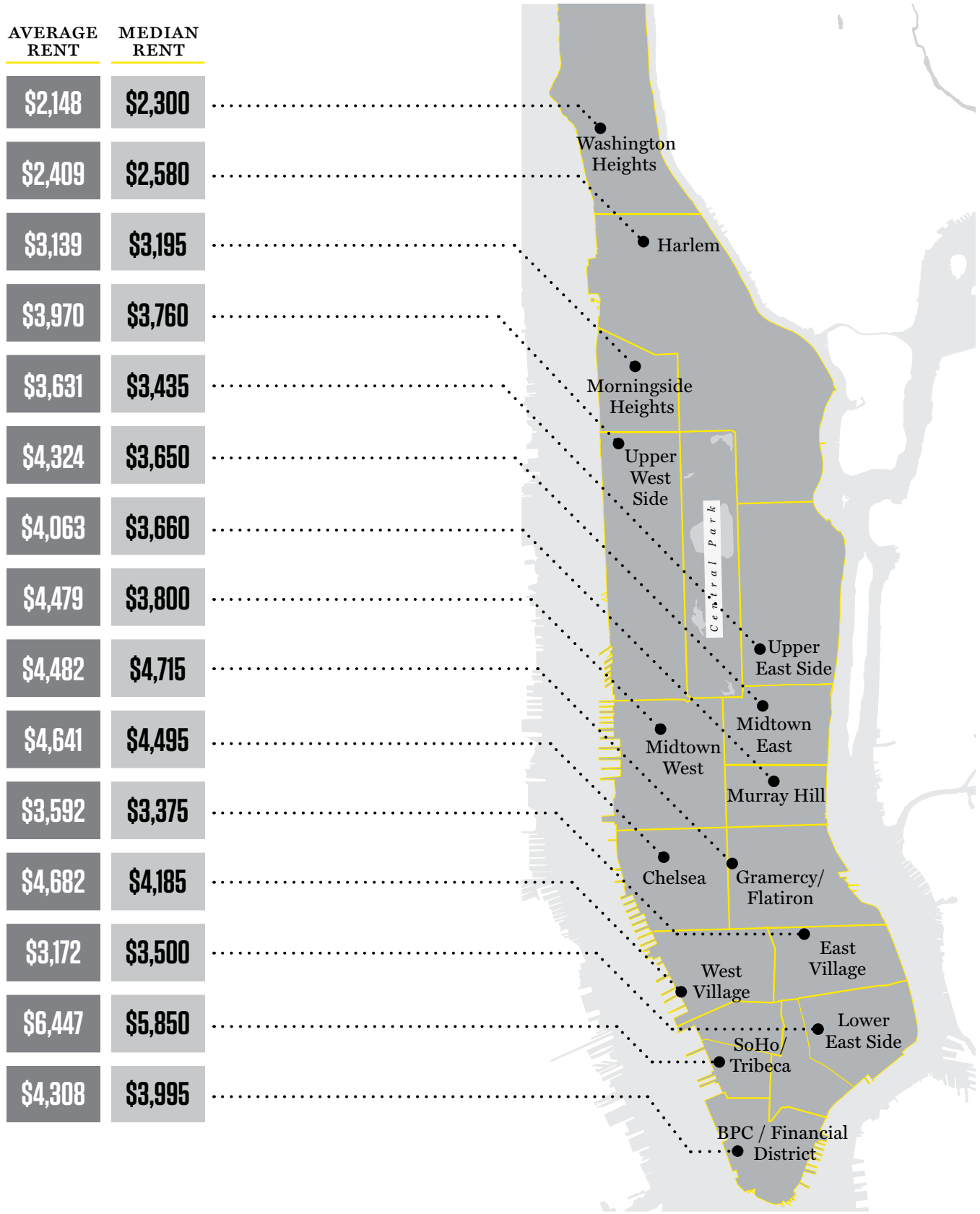
When examining our report, please keep the following in mind:

1. The statistics in the letter above, and in the report that follows, are based on Citi Habitats' closed rental transactions, current rental listings in the firm's database and company research.
2. Average rents cited in this report are, for the most part, gross rents, not net effective rents, and do not include landlord incentives, unless the face rent reported on the lease was the net-effective amount.

Manhattan Residential Rental Market Report



March 2019



The above estimated information is based on Citi Habitats' closed rental transactions, current rental listings in the firm's database and company research. Owned and operated by NKE.

Manhattan Residential Rental Market Report



March 2019

AVERAGE RENT SUMMARY: March 2019

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$3,175	3,823	4,390	5,845
Chelsea	\$2,866	4,286	5,310	6,100
East Village	\$2,291	2,971	3,767	5,338
Gramercy/Flatiron	\$3,010	3,985	5,038	5,895
Harlem	\$1,750	2,065	2,470	3,350
Lower East Side	\$2,250	2,545	3,710	4,183
Midtown East	\$2,475	3,260	4,300	7,260
Midtown West	\$2,339	3,274	4,971	7,333
Morningside Heights	\$2,150	2,950	3,357	4,100
Murray Hill	\$2,448	3,265	4,165	6,375
Soho/Tribeca	\$4,075	4,395	6,567	10,750
Upper East Side	\$2,258	2,798	3,763	5,704
Upper West Side	\$2,191	3,166	4,173	6,350
Washington Heights	\$1,665	1,830	2,198	2,900
West Village	\$3,188	3,806	4,950	6,784
Average: March	\$2,542	3,228	4,209	5,884
Average: February	\$2,489	3,179	4,181	5,711
% Change	2%	2%	1%	3%

AVERAGE VACANCY RATE: March 2019

Location	Vacancy Rate
BPC / Financial Dist.	1.42%
Chelsea	1.41%
East Village	1.76%
Gramercy	1.34%
Midtown East	1.63%
Midtown West	1.25%
Murray Hill	1.44%
Soho/Tribeca	0.84%
Upper East Side	1.21%
Upper West Side	1.14%
West Village	1.20%
Average: March	1.33%
Average: February	1.40%
Difference	-0.07

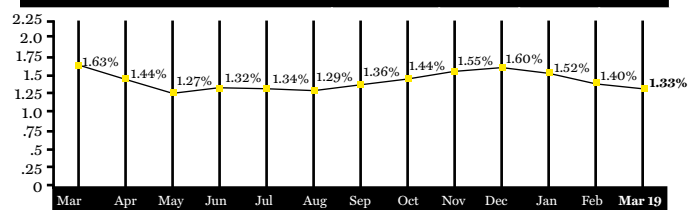
29% OVERALL CONCESSIONS PERCENTAGE

20% Manhattan leases with a concession
44% Brooklyn leases with a concession

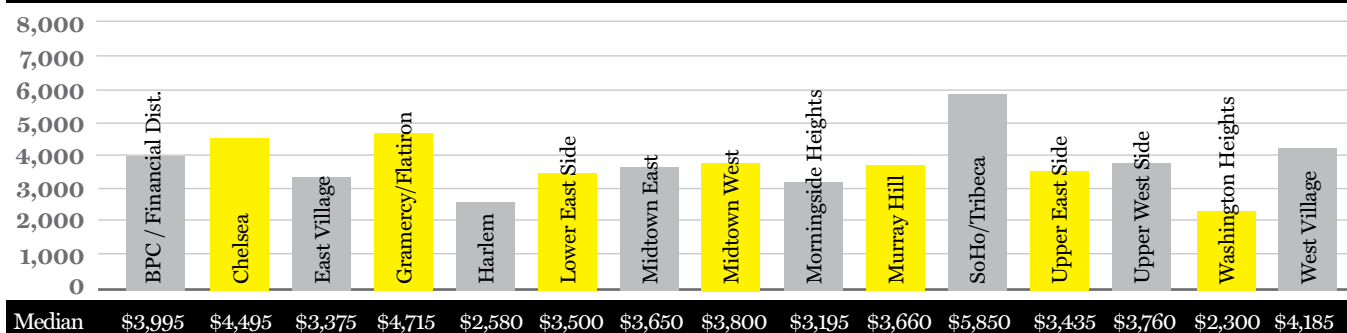
OVERALL BLENDED AVERAGES: March 2019

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,352	4,733	8,533	13,613
Doorman	\$2,910	4,156	6,492	10,305
Elevator**	\$2,562	3,250	5,085	7,595
Walkup***	\$2,072	2,708	3,773	5,343

MANHATTAN RENTAL VACANCY RATES: March 2019



MEDIAN RENT SUMMARY: March 2019



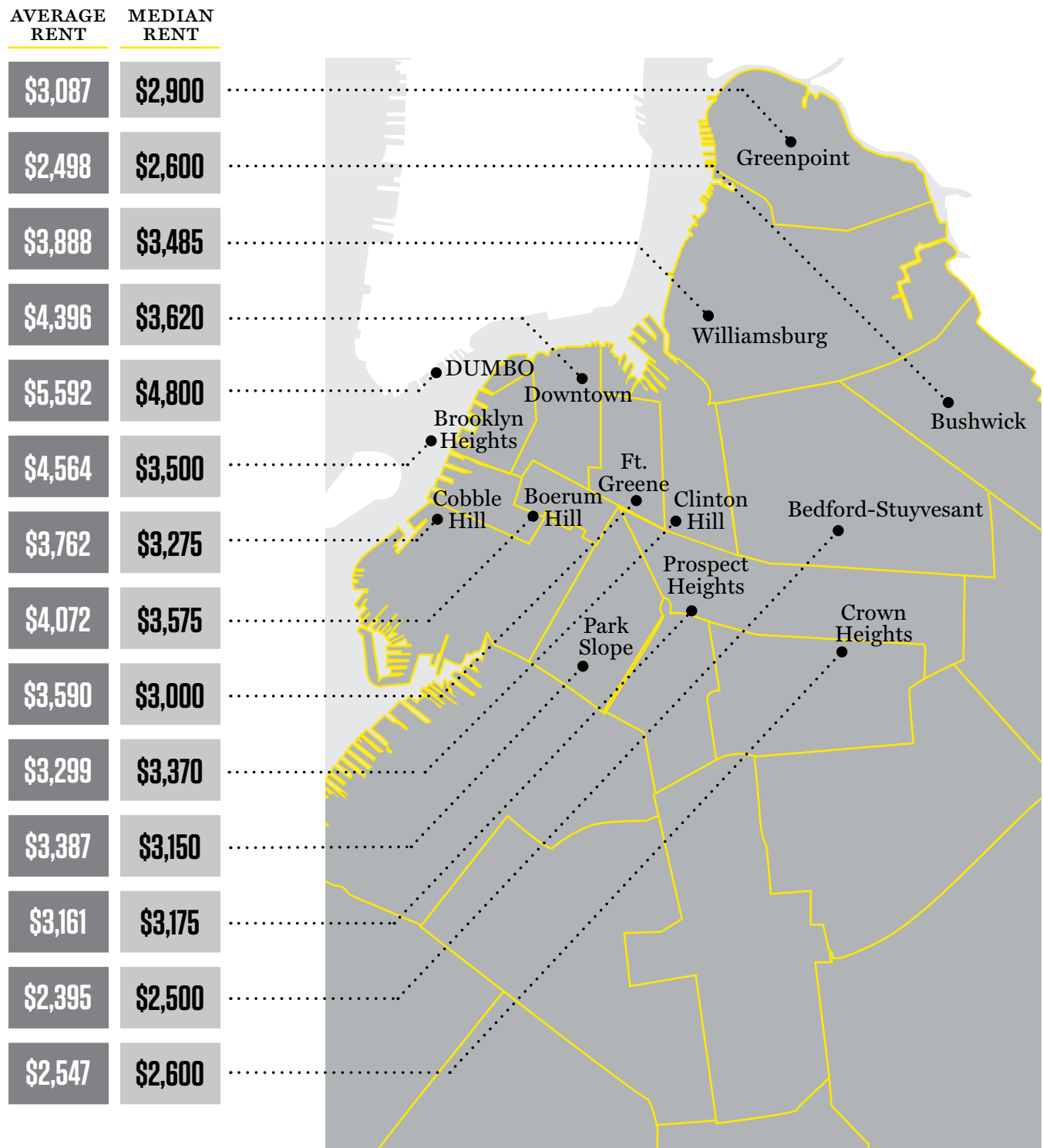
*New Developments include all rental and condo buildings built after 2008. **Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods. ***Walkup averages include brownstone and townhouse rentals.

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Brooklyn Residential Rental Market Report



March 2019



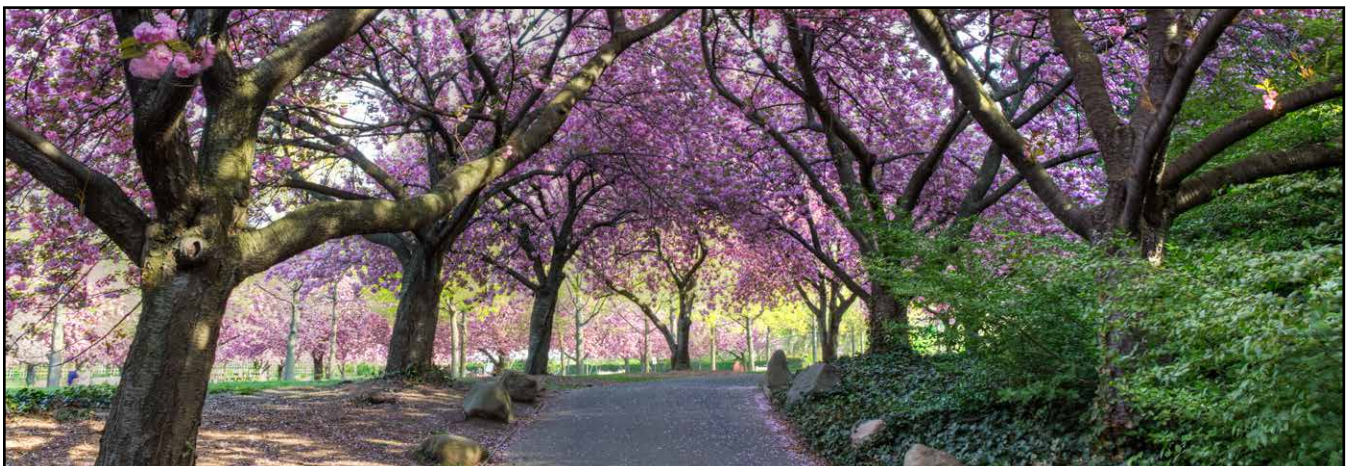
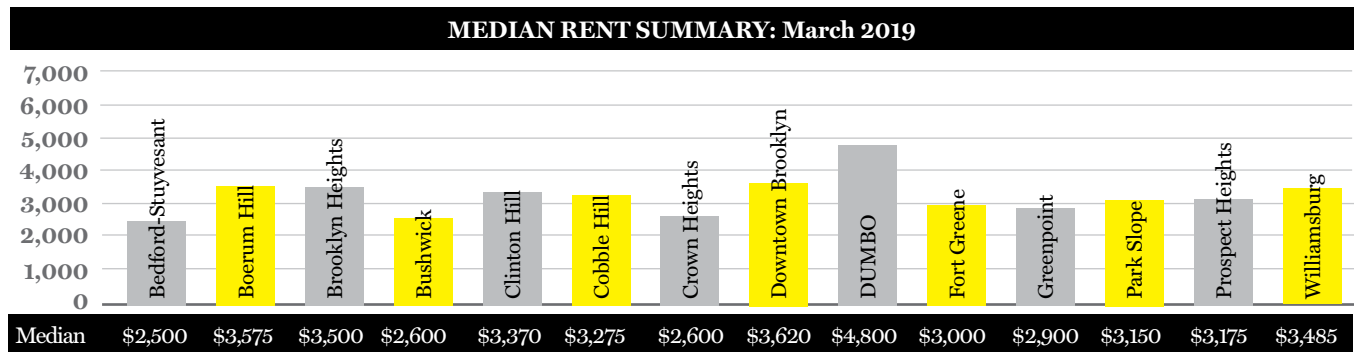
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Brooklyn Residential Rental Market Report



March 2019

AVERAGE RENT SUMMARY: March 2019				
Location	Studio	1BR	2BR	3BR
Bedford-Stuyvesant	\$1,833	2,274	2,566	2,905
Boerum Hill	\$2,480	3,194	4,513	6,100
Brooklyn Heights	\$2,571	3,273	5,220	7,191
Bushwick	\$1,995	2,378	2,622	2,995
Clinton Hill	\$2,400	3,023	3,575	4,196
Cobble Hill	\$2,250	3,024	4,550	5,225
Crown Heights	\$2,028	2,364	2,694	3,100
Downtown Brooklyn	\$2,836	3,580	4,655	6,511
DUMBO	\$3,017	4,403	5,682	9,267
Fort Greene	\$2,583	3,048	4,010	4,720
Greenpoint	\$2,633	2,913	3,258	3,543
Park Slope	\$2,158	2,820	3,564	5,005
Prospect Heights	\$2,308	2,554	3,503	4,277
Williamsburg	\$2,935	3,262	4,204	5,150
Average: March	\$2,431	3,008	3,901	5,013
Average: February	\$2,379	2,938	3,803	4,897
% Change	2%	2%	3%	2%



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Manhattan Residential Rental Market Report



First Quarter 2019

AVERAGE RENT SUMMARY: Q1 2019

Location	Studio	1BR	2BR	3BR
BPC/Financial Dist.	\$3,030	3,799	4,428	5,848
Chelsea	\$2,724	4,353	5,139	6,215
East Village	\$2,308	3,022	4,552	5,769
Gramercy/Flatiron	\$2,934	3,669	4,866	5,911
Harlem	\$1,664	2,110	2,515	3,456
Lower East Side	\$2,133	2,423	3,632	3,966
Midtown East	\$2,593	3,349	4,155	6,392
Midtown West	\$2,475	3,254	5,018	7,261
Morningside Heights	\$2,120	3,067	3,444	4,302
Murray Hill	\$2,388	3,216	3,988	6,083
Soho/Tribeca	\$4,026	4,174	6,805	9,781
Upper East Side	\$2,216	2,746	3,638	5,203
Upper West Side	\$2,220	2,840	4,098	6,629
Washington Heights	\$1,588	1,802	2,166	2,739
West Village	\$3,020	4,005	4,928	6,287
Average: Q1/19	\$2,496	3,189	4,225	5,723
Average: Q4/18	\$2,430	3,212	4,209	5,504
% Change	2.7%	-0.7%	0.4%	4.0%
Average: Q1/18	\$2,398	3,242	4,027	5,463
% Change: Q1-18/19	6.5%	-0.3%	6.2%	6.6%

AVERAGE VACANCY RATE: Q1 2019

Location	Vacancy Rate
BPC/Financial Dist.	1.53%
Chelsea	1.58%
East Village	1.59%
Gramercy	1.23%
Midtown East	1.71%
Midtown West	1.35%
Murray Hill	1.50%
Soho/Tribeca	0.95%
Upper East Side	1.34%
Upper West Side	1.26%
West Village	1.27%
Average: Q1/19	1.39%
Average: Q4/18	1.53%
Difference	0.14
Average: Q1/18	1.77%
Difference: Q1-18/19	-0.38

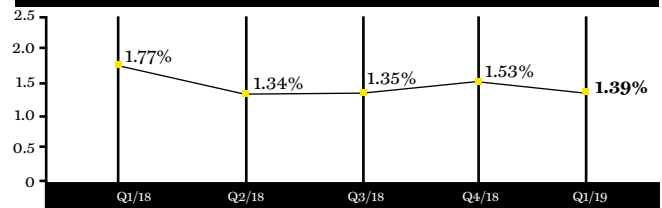
31% OVERALL CONCESSIONS PERCENTAGE

22% Manhattan leases with a concession
48% Brooklyn leases with a concession

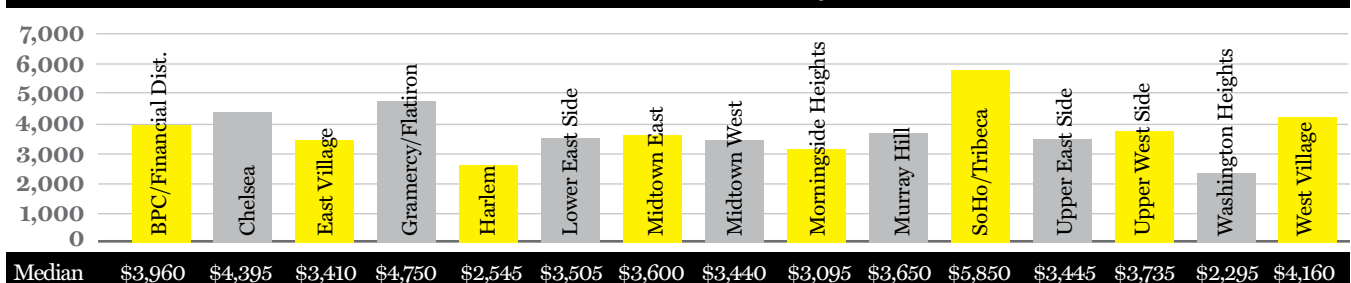
OVERALL BLENDED AVERAGES: Q1 2019

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,059	4,278	7,217	12,196
Doorman	\$2,712	3,606	5,521	8,949
Elevator**	\$2,399	3,106	4,697	7,339
Walkup***	\$2,108	2,612	3,730	5,183

MANHATTAN RENTAL VACANCY RATES: Q1 2019



MEDIAN RENT SUMMARY: Q1 2019



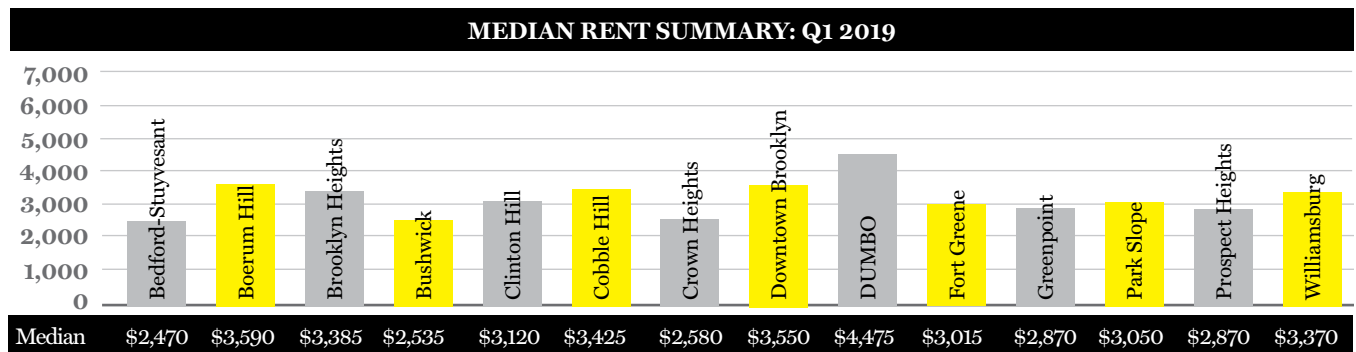
*New Developments include all rental and condo buildings built after 2006. **Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods. ***Walkup averages include brownstone and townhouse rentals.

Brooklyn Residential Rental Market Report



First Quarter 2019

AVERAGE RENT SUMMARY: Q1 2019				
Location	Studio	1BR	2BR	3BR
Bedford-Stuyvesant	\$1,881	2,180	2,600	2,886
Boerum Hill	\$2,468	2,994	4,293	5,620
Brooklyn Heights	\$2,548	3,257	5,455	7,302
Bushwick	\$2,138	2,313	2,572	2,977
Clinton Hill	\$2,321	2,802	3,365	4,027
Cobble Hill	\$2,133	2,966	4,312	5,072
Crown Heights	\$1,930	2,296	2,636	2,994
Downtown Brooklyn	\$2,861	3,532	4,740	6,612
DUMBO	\$3,170	4,416	5,541	9,342
Fort Greene	\$2,478	2,976	3,972	4,497
Greenpoint	\$2,632	2,821	3,175	3,633
Park Slope	\$2,216	2,850	3,563	4,679
Prospect Heights	\$2,123	2,505	3,230	3,962
Williamsburg	\$2,837	3,220	4,060	4,834
Average: Q1/19	\$2,410	2,938	3,823	4,888
Average: Q4/18	\$2,357	2,851	3,647	5,071
% Change	2.2%	3.0%	4.8%	-3.6%
Average: Q1/18	\$2,280	2,767	3,561	4,786
% Change: Q1-18/19	5.7%	6.2%	7.3%	2.1%



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