Residential Rental Market Report

June & Second Quarter 2019

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

Conditions continue to strengthen for landlords when looking at the most recent data for June. Rents rose slightly for all apartment sizes in both boroughs, while the vacancy rate fell to the lowest level in exactly seven years. The prevalence of move-in incentives also declined. They were found on 25% of new leases signed during the month.

Rents continue to climb in 2019.

In June 2019, Manhattan rents were up 1% for studio and two-bedroom homes when compared to May – while pricing for one-bedroom apartments increased by 3%. Rents for three-bedroom units also rose, but by a negligible amount.

As in Manhattan, rents for Brooklyn apartments were up slightly across the board from May to June. Average rents for studios only increased by $7, while pricing for one-bedrooms rose 1%. Meanwhile, two- and three-bedroom apartments both saw rents rise by 2%.

Rents also climbed for all apartment sizes in both communities year-over-year. Overall, rents rose an average of 7% in Manhattan - and 5% in Brooklyn - since June 2018.

While the Manhattan vacancy rate fell to the lowest level since June 2012.

The borough's vacancy rate has experienced six consecutive months of declines. In June, the rate fell to 1.02% - from 1.08% in May. In fact, the last time there was less inventory available for rent was in June 2012 (exactly seven years ago), when the vacancy rate dipped to 1.01%

Manhattan's vacancy rate is also lower than it was at this time last year. In June 2018, 1.32% of apartments in the borough were vacant.

Move-in incentives were found on fewer leases in June - and remain more prevalent in Brooklyn.

The percentage of leases that included a move-in incentive fell to 25% in June, from 28% in May. Year-over-year, their use also declined (from 27% in June 2018).

When comparing boroughs, concessions continue to be much more prevalent in Brooklyn. In June, 39% of leases in the borough included an incentive, versus 17% in Manhattan. Concessions are most common at new-construction luxury buildings – and there are many new developments offering these deals in Downtown Brooklyn, Williamsburg and Greenpoint, among others.

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

During the second quarter of 2019, rents in Manhattan and Brooklyn rose slightly overall - both when compared to Q1 2019 and year-over-year.

The Manhattan vacancy rate fell to 1.11% during Q2 – from 1.39% in Q1. The rate is also lower than Q2 2018's rate of 1.34%.

During Q2 overall, 28% of new leases included an inventive, down from the 31% last quarter – but up from the 24% during Q2 2018.

In total, these stats indicate a trend of increased demand for rental housing - in both boroughs.

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

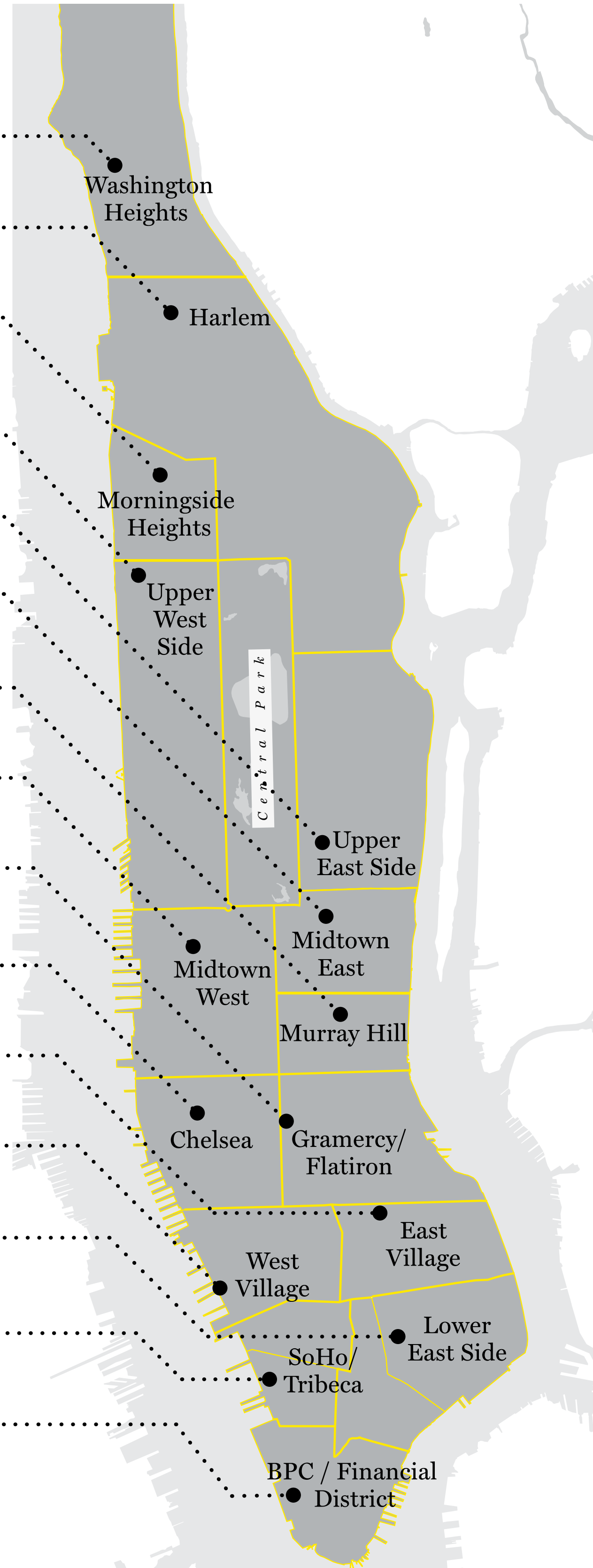
When examining our report, please keep the following in mind:

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

June 2019

AVERAGE RENT	MEDIAN RENT
$2,288	$2,450
$2,615	$2,700
$3,414	$3,295
$4,039	$3,790
$3,807	$3,650
$4,498	$3,850
$4,303	$3,900
$4,561	$4,050
$4,418	$5,100
$4,418	$4,800
$3,619	$3,795
$4,786	$4,340
$3,390	$3,350
$6,292	$7,100
$4,507	$4,175



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 NRT.

Manhattan Residential Rental Market Report

June 2019

CITI HABITATS

AVERAGE RENT SUMMARY: June 2019

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	$3,290	3,715	4,474	6,550
Chelsea	$2,913	4,078	5,406	6,280
East Village	$2,233	3,089	3,784	5,368
Gramercy/Flatiron	$2,816	3,905	4,625	6,325
Harlem	$1,775	2,300	2,858	3,525
Lower East Side	$2,180	2,958	3,825	4,598
Midtown East	$2,469	3,738	4,574	7,210
Midtown West	$2,648	3,655	4,617	7,325
Morningside Heights	$2,275	3,120	3,750	4,510
Murray Hill	$2,410	3,706	4,514	6,581
Soho/Tribeca	$4,033	4,783	7,010	9,340
Upper East Side	$2,251	2,950	3,915	6,110
Upper West Side	$2,398	3,176	4,637	5,944
Washington Heights	$1,760	1,990	2,510	2,890
West Village	$3,161	3,944	5,190	6,850
Average: June	$2,574	3,407	4,379	5,960
Average: May	$2,543	3,316	4,322	5,933
% Change	1%	3%	1%	0%

AVERAGE VACANCY RATE: June 2019

Location	Vacancy Rate
BPC / Financial Dist.	1.15%
Chelsea	1.17%
East Village	1.63%
Gramercy	0.97%
Midtown East	1.20%
Midtown West	0.92%
Murray Hill	0.89%
Soho/Tribeca	0.95%
Upper East Side	0.75%
Upper West Side	0.98%
West Village	0.70%
Average: June	1.02%
Average: May	1.08%
Difference	-0.06

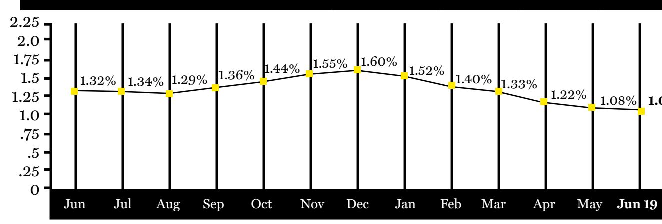
25% OVERALL CONCESSIONS PERCENTAGE

17% Manhattan leases with a concession
39% Brooklyn leases with a concession

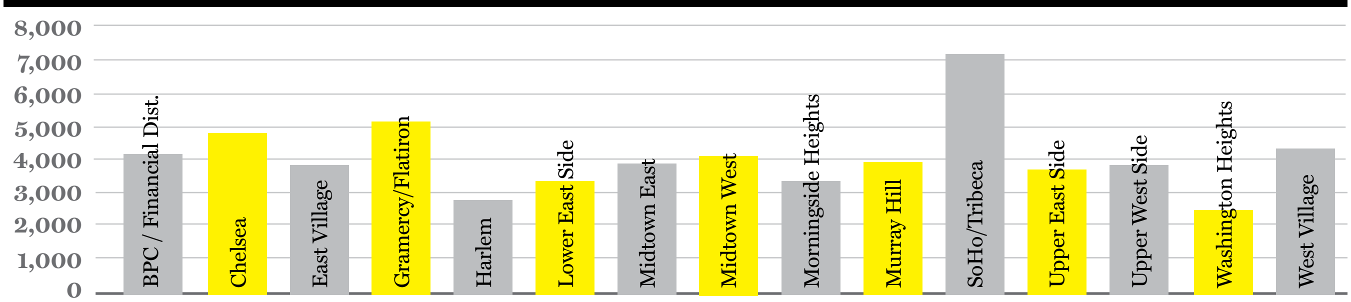
OVERALL BLENDED AVERAGES: June 2019

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	$3,445	4,785	8,620	13,293
Doorman	$3,013	4,251	6,655	10,047
Elevator**	$2,595	3,359	5,202	7,662
Walkup***	$2,140	2,790	3,888	5,427

MANHATTAN RENTAL VACANCY RATES: June 2019



MEDIAN RENT SUMMARY: June 2019



Median	$4,175	$4,800	$3,795	$5,100	$2,700	$3,350	$3,850	$4,050	$3,295	$3,900	$7,100	$3,650	$3,790	$2,450	$4,340

*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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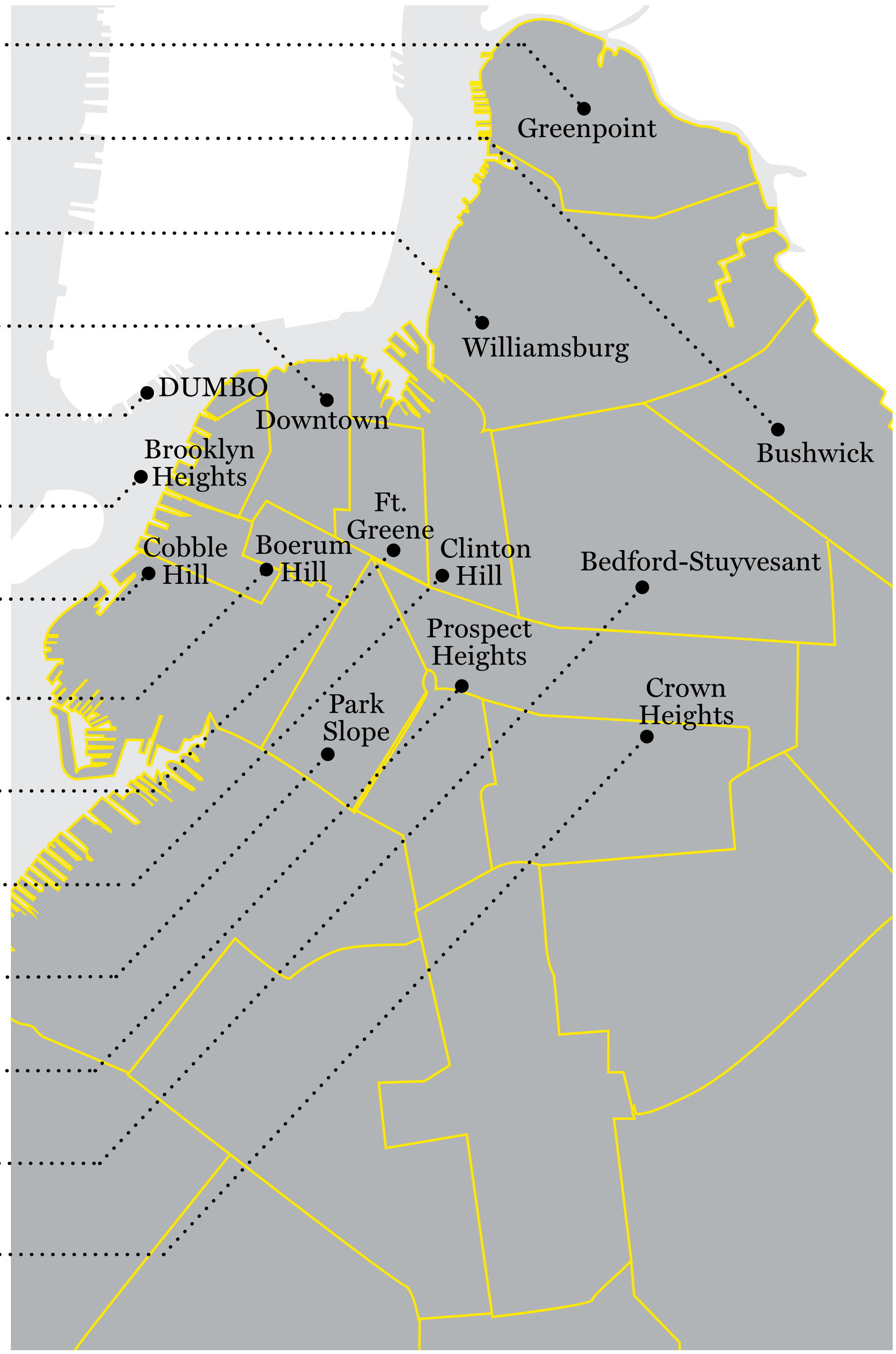
Brooklyn Residential Rental Market Report

June 2019

AVERAGE RENT	MEDIAN RENT
$3,482	$3,415
$2,653	$2,650
$3,848	$3,700
$4,714	$3,720
$5,735	$5,200
$4,868	$3,950
$3,748	$3,600
$3,686	$3,675
$3,919	$3,350
$3,316	$3,100
$3,567	$3,500
$3,449	$3,300
$2,514	$2,640
$2,670	$2,850



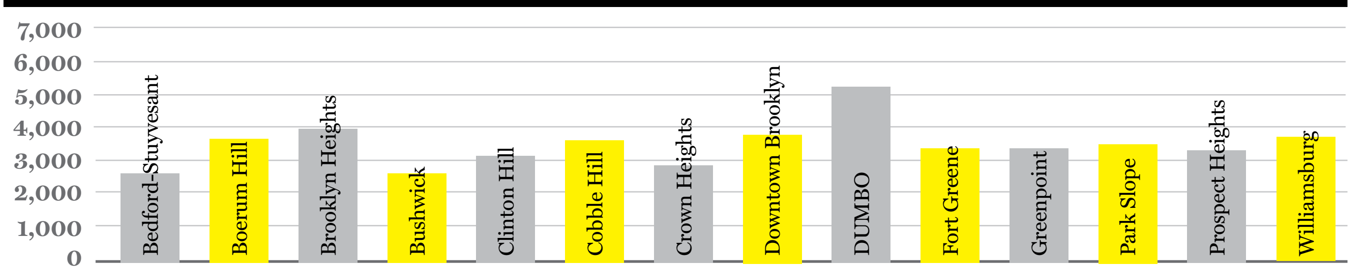
Brooklyn Residential Rental Market Report

CITI HABITATS

June 2019

AVERAGE RENT SUMMARY: June 2019				
Location	**Studio**	**1BR**	**2BR**	**3BR**
Bedford-Stuyvesant	$1,976	2,190	2,780	3,110
Boerum Hill	$2,315	3,020	4,223	5,185
Brooklyn Heights	$2,656	3,320	6,060	7,436
Bushwick	$2,310	2,565	2,645	3,090
Clinton Hill	$2,337	2,898	3,610	4,420
Cobble Hill	$2,410	2,928	4,015	5,640
Crown Heights	$2,145	2,595	2,675	3,265
Downtown Brooklyn	$2,945	3,745	4,920	7,245
DUMBO	$3,090	4,140	5,632	10,078
Fort Greene	$2,565	3,289	4,705	5,118
Greenpoint	$2,724	3,140	3,810	4,254
Park Slope	$2,540	2,947	3,556	5,225
Prospect Heights	$2,515	2,757	3,875	4,650
Williamsburg	$2,737	3,465	4,350	4,840
Average: June	$2,519	3,071	4,061	5,254
Average: May	$2,512	3,050	3,974	5,163
% Change	0%	1%	2%	2%

MEDIAN RENT SUMMARY: June 2019



Median	$2,640	$3,675	$3,950	$2,650	$3,100	$3,600	$2,850	$3,720	$5,200	$3,350	$3,415	$3,500	$3,300	$3,700

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 NRT.

Manhattan Residential Rental Market Report

Second Quarter 2019

CITI HABITATS

AVERAGE RENT SUMMARY: Q2 2019

Location	Studio	1BR	2BR	3BR
BPC/Financial Dist.	$3,288	3,839	4,722	6,314
Chelsea	$2,940	4,163	5,508	6,288
East Village	$2,235	2,956	3,760	5,283
Gramercy/Flatiron	$2,799	3,892	4,730	6,200
Harlem	$1,770	2,188	2,732	3,438
Lower East Side	$2,147	2,845	3,713	4,464
Midtown East	$2,516	3,595	4,317	7,253
Midtown West	$2,511	3,464	4,671	7,373
Morningside Heights	$2,233	3,035	3,614	4,423
Murray Hill	$2,460	3,650	4,394	6,513
Soho/Tribeca	$3,984	4,684	6,889	9,577
Upper East Side	$2,227	2,977	3,830	5,983
Upper West Side	$2,336	3,156	4,615	6,200
Washington Heights	$1,713	1,897	2,413	2,880
West Village	$3,080	3,846	5,097	6,905
Average: Q2/19	$2,549	3,346	4,334	5,940
Average: Q1/19	$2,496	3,189	4,225	5,723
% Change	2.1%	4.9%	2.6%	3.8%
Average: Q2/18	$2,362	3,190	4,038	5,410
% Change: Q2-18/19	7.9%	4.9%	7.3%	9.8%

AVERAGE VACANCY RATE: Q2 2019

Location	Vacancy Rate
BPC/Financial Dist.	1.18%
Chelsea	1.26%
East Village	1.60%
Gramercy	0.98%
Midtown East	1.48%
Midtown West	1.07%
Murray Hill	1.13%
Soho/Tribeca	0.96%
Upper East Side	0.89%
Upper West Side	0.89%
West Village	0.75%
Average: Q2/19	1.11%
Average: Q1/19	1.39%
Difference	-0.28
Average: Q2/18	1.34%
Difference: Q2-18/19	-0.23

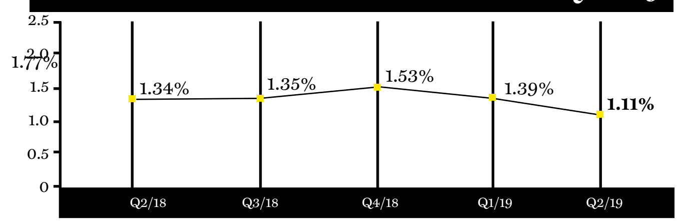
28% OVERALL CONCESSIONS PERCENTAGE

19% Manhattan leases with a concession
41% Brooklyn leases with a concession

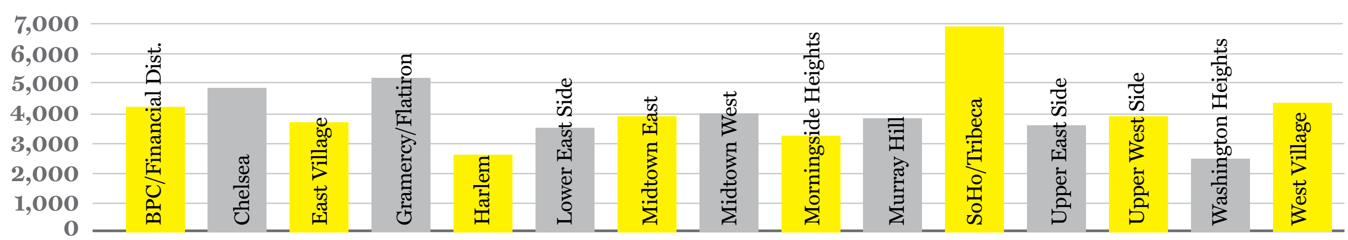
OVERALL BLENDED AVERAGES: Q2 2019

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	$3,406	4,554	8,043	12,333
Doorman	$2,984	4,244	6,619	10,054
Elevator**	$2,575	3,321	5,087	7,745
Walkup***	$2,110	2,792	3,850	5,490

MANHATTAN RENTAL VACANCY RATES: Q2 2019



MEDIAN RENT SUMMARY: Q2 2019



Median	$4,122	$4,763	$3,663	$5,083	$2,533	$3,433	$3,815	$3,960	$3,198	$3,783	$6,823	$3,517	$3,842	$2,400	$4,253

*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.

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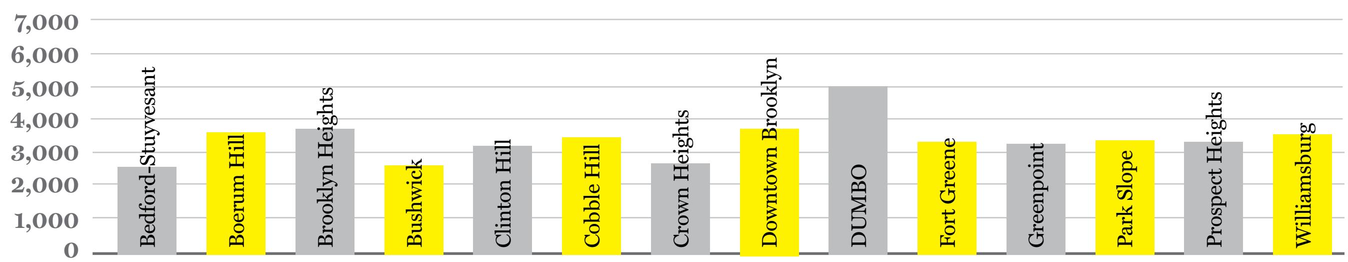
AVERAGE RENT SUMMARY: Q2 2019				
Location	**Studio**	**1BR**	**2BR**	**3BR**
Bedford-Stuyvesant	$1,936	2,215	2,673	3,119
Boerum Hill	$2,505	3,168	4,137	4,845
Brooklyn Heights	$2,663	3,355	5,387	7,340
Bushwick	$2,232	2,488	2,634	3,040
Clinton Hill	$2,349	2,894	3,635	4,480
Cobble Hill	$2,260	3,027	4,389	5,472
Crown Heights	$2,097	2,451	2,748	3,175
Downtown Brooklyn	$2,929	3,709	4,792	7,057
DUMBO	$3,033	4,199	5,648	10,119
Fort Greene	$2,649	3,282	4,384	5,038
Greenpoint	$2,726	3,107	3,646	4,059
Park Slope	$2,381	2,945	3,569	5,061
Prospect Heights	$2,481	2,661	3,805	4,586
Williamsburg	$2,786	3,223	4,190	4,960
Average: Q2/19	$2,502	3,052	3,974	5,168
Average: Q1/19	$2,410	2,938	3,823	4,888
% Change	3.8%	3.9%	4.0%	5.7%
Average: Q2/18	$2,327	2,864	3,693	5,118
% Change: Q2-18/19	7.5%	6.5%	7.6%	1.0%

MEDIAN RENT SUMMARY: Q2 2019



Median	$2,580	$3,640	$3,680	$2,640	$3,165	$3,415	$2,685	$3,705	$4,960	$3,310	$3,255	$3,350	$3,310	$3,560