

Manhattan Residential Rental Market Report

Third Quarter 2015

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This report tracks the Manhattan rental market throughout the third quarter of 2015. When compared to the second quarter, average rents increased for all apartment categories, while the percentage of leases that offered an incentive fell - all signs of a landlord's market. However, the borough's vacancy rate increased, which meant more available inventory for apartment seekers. Despite this "mixed bag" overall, as the quarter progressed, we saw conditions begin to improve for would-be renters.

Rents were higher than last quarter - and last year:

When comparing the third quarter of 2015 with the quarter that preceded it, average rents for studio apartments increased the most, with a 2.7% rise. Rents for one-bedroom homes rose by 1.5% on average, while average pricing for two- and three-bedroom units climbed 1.8% and 2.2% respectively.

Year-over-year, average Manhattan rents increased by relatively substantial amounts for smaller apartment sizes, while the gains were less pronounced for larger-sized homes. As was the case when looking quarter-over-quarter, the largest rent increase occurred for studio units, with a 6.2% rise. Average rents for one-bedroom homes climbed 5.8% from the third quarter of 2014, while rents for two-bedrooms increased by a less-substantial 2.7%. Finally, rents for three-bedroom apartments rose the least, with an increase of 1.4% over the last year.

The use of concessions declined since last quarter:

Throughout the most recent quarter, 8% of transactions brokered by Citi Habitats included some form of move-in incentive, compared to 11% during the second quarter of 2015. However, the percentage of concessions increased slightly when making a year-over-year comparison. During the third quarter of 2014, 6% of transactions included an incentive.

While vacancy rates increased:

When examining vacancy rates across the borough, we found 1.51% of apartments to be available for rent during the third quarter of 2015, up from 1.39% in the second quarter of the year. The vacancy rate was also higher during the most recent quarter when compared to a year ago. During the third quarter of 2014, 1.35% of apartments were vacant.

And the market has become more tenant-friendly:

In September 2015, we saw the recent rent increases come to a halt. Rents remained stable for studio, two- and three-bedroom apartments, while they declined 1% for one-bedroom units. Manhattan's vacancy rate also rose month-over-month, from 1.40% in August, to 1.62% in September. In addition, concessions are creeping back into the marketplace. In September, 10% of leases included a move-in incentive, up from 7% in August.

Manhattan rents have plateaued at high levels, but apartment seekers are increasingly seeking better value in the outer boroughs - hence the higher vacancy rates. The good news for renters is that a more pro-tenant atmosphere may be on the horizon. Typically, as the weather cools, so does the Manhattan rental market.

No matter the season, renting an apartment in New York City can be a challenging process. Keeping up-to-date on current market conditions is the first step in making a smart decision regarding your next move. To that end, hope this report proves to be a valuable resource.

A handwritten signature in black ink, appearing to read "Gary Malin".

Gary Malin, President of 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

Third Quarter 2015



AVERAGE RENT SUMMARY: Q3 2015

Location	Studio	1BR	2BR	3BR
BPC/Financial Dist.	\$2,797	3,404	5,439	6,372
Chelsea	\$2,491	3,666	5,464	7,113
East Village	\$2,256	2,697	3,323	4,596
Gramercy/Flatiron	\$2,489	3,992	4,957	6,085
Harlem	\$1,618	2,281	2,700	3,354
Lower East Side	\$2,307	2,853	3,663	4,163
Midtown East	\$2,386	3,338	4,441	4,975
Midtown West	\$2,391	3,263	4,508	5,274
Morningside Heights	\$2,050	2,439	3,155	4,229
Murray Hill	\$2,426	3,244	4,065	4,492
Soho/Tribeca	\$2,611	3,858	5,466	9,098
Upper East Side	\$2,036	2,577	3,161	5,381
Upper West Side	\$2,109	2,734	3,932	6,060
Washington Heights	\$1,389	1,704	2,093	2,636
West Village	\$2,683	3,812	4,953	5,775
Average: Q3/15	\$2,259	3,047	4,078	5,297
Average: Q2/15	\$2,199	3,003	4,007	5,185
% Change	2.7%	1.5%	1.8%	2.2%
Average: Q3/14	\$2,127	2,881	3,970	5,223
% Change: Q3-14/15	6.2%	5.8%	2.7%	1.4%

AVERAGE VACANCY RATE: Q3 2015

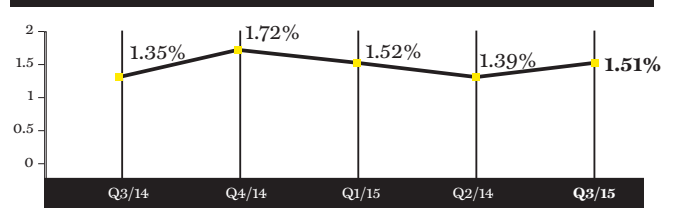
Location	Vacancy Rate
BPC/Financial Dist.	1.51%
Chelsea	1.50%
East Village	2.05%
Gramercy	0.84%
Midtown East	1.55%
Midtown West	1.20%
Murray Hill	1.40%
Soho/Tribeca	1.41%
Upper East Side	1.41%
Upper West Side	1.78%
West Village	1.93%
Average: Q3/15	1.51%
Average: Q2/15	1.39%
Difference	0.12
Average: Q3/14	1.35%
Difference: Q3-15/14	0.16

% OF TRANSACTIONS WITH A CONCESSION THIRD QUARTER 2015 **8%**

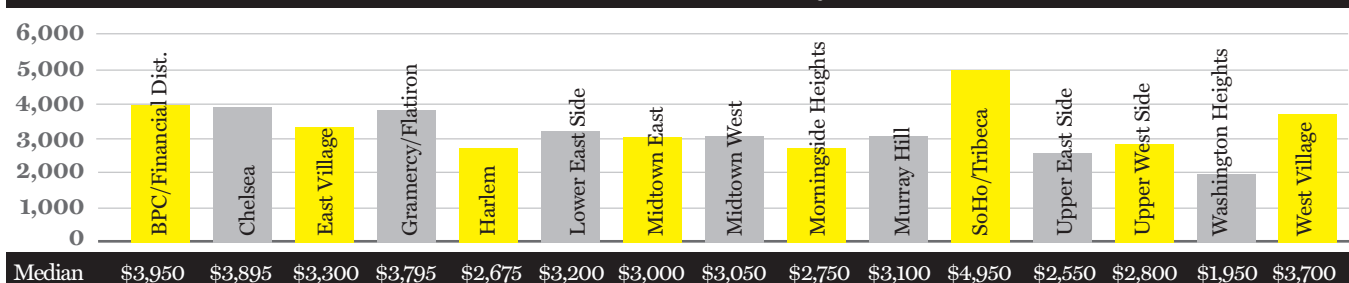
OVERALL BLENDED AVERAGES: Q3 2015

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,474	4,634	7,174	8,305
Doorman	\$2,940	4,125	6,363	7,941
Elevator**	\$2,432	3,402	4,420	6,084
Walkup***	\$2,290	2,836	3,683	5,100

MANHATTAN RENTAL VACANCY RATES: Q3 2015



MEDIAN RENT SUMMARY: Q3 2015



*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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Manhattan Residential Rental Market Report

September 2015



AVERAGE RENT SUMMARY: September 2015

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,700	3,175	5,300	6,432
Chelsea	\$2,350	3,683	5,500	7,100
East Village	\$2,261	2,548	3,235	4,550
Gramercy/Flatiron	\$2,534	4,083	5,083	6,030
Harlem	\$1,685	2,425	2,694	3,299
Lower East Side	\$2,250	2,917	3,630	4,130
Midtown East	\$2,459	3,220	4,481	5,081
Midtown West	\$2,493	3,208	4,963	5,323
Morningside Heights	\$2,000	2,492	3,380	4,263
Murray Hill	\$2,452	3,310	4,011	4,500
Soho/Tribeca	\$2,500	3,820	5,209	9,260
Upper East Side	\$2,006	2,640	3,128	5,214
Upper West Side	\$2,073	2,665	4,032	6,232
Washington Heights	\$1,409	1,721	2,091	2,609
West Village	\$2,621	3,892	4,800	5,789
Average: September	\$2,243	3,043	4,092	5,311
Average: August	\$2,244	3,079	4,082	5,329
% Change	0%	-1%	0%	0%

AVERAGE VACANCY RATE: September 2015

Location	Vacancy Rate
BPC / Financial Dist.	1.65%
Chelsea	1.65%
East Village	2.70%
Gramercy	0.95%
Midtown East	1.62%
Midtown West	1.34%
Murray Hill	1.53%
Soho/Tribeca	0.78%
Upper East Side	1.69%
Upper West Side	1.93%
West Village	2.43%
Average: September	1.64%
Average: August	1.40%
Difference	0.24

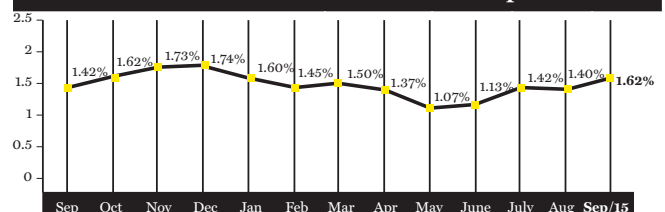
% OF TRANSACTIONS WITH A CONCESSION SEPTEMBER 2015

10%

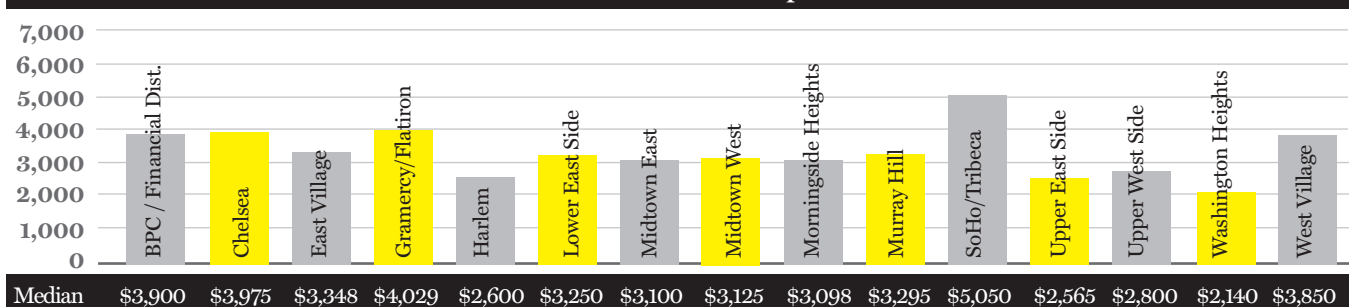
OVERALL BLENDED AVERAGES: September 2015

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,487	4,594	7,132	8,314
Doorman	\$2,900	4,077	6,302	7,876
Elevator**	\$2,440	3,296	4,378	5,971
Walkup***	\$2,307	2,812	3,623	4,925

MANHATTAN RENTAL VACANCY RATES: September 2015



MEDIAN RENT SUMMARY: September 2015



*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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Manhattan Residential Rental Market Report

August 2015



AVERAGE RENT SUMMARY: August 2015

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,717	3,287	5,405	6,500
Chelsea	\$2,452	3,609	5,596	7,265
East Village	\$2,166	2,636	3,235	4,674
Gramercy/Flatiron	\$2,434	4,193	4,807	6,150
Harlem	\$1,646	2,286	2,662	3,358
Lower East Side	\$2,295	2,869	3,623	4,186
Midtown East	\$2,282	3,393	4,500	5,049
Midtown West	\$2,380	3,258	4,461	5,251
Morningside Heights	\$2,000	2,309	3,023	4,189
Murray Hill	\$2,350	3,429	4,095	4,450
Soho/Tribeca	\$2,600	3,923	5,798	9,133
Upper East Side	\$2,040	2,519	3,069	5,366
Upper West Side	\$2,125	2,763	3,870	5,929
Washington Heights	\$1,447	1,696	2,103	2,737
West Village	\$2,725	4,018	4,988	5,700
Average: August	\$2,244	3,079	4,082	5,329
Average: July	\$2,301	3,030	4,069	5,261
% Change	-2%	2%	0%	1%

AVERAGE VACANCY RATE: August 2015

Location	Vacancy Rate
BPC / Financial Dist.	1.48%
Chelsea	1.38%
East Village	1.57%
Gramercy	0.84%
Midtown East	1.62%
Midtown West	1.10%
Murray Hill	1.25%
Soho/Tribeca	1.44%
Upper East Side	1.34%
Upper West Side	1.67%
West Village	1.75%
Average: August	1.40%
Average: July	1.42%
Difference	-0.02

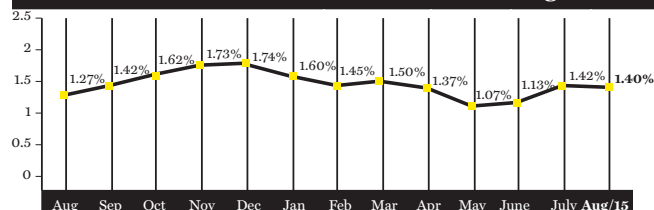
% OF TRANSACTIONS WITH A
CONCESSION AUGUST 2015

7%

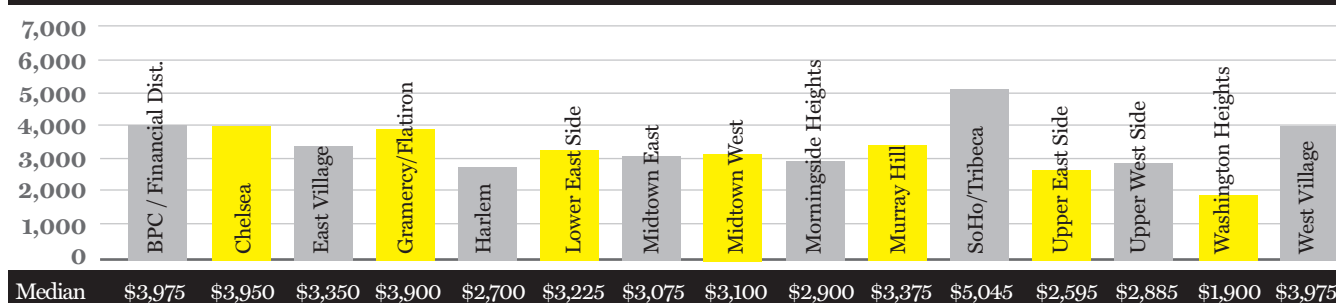
OVERALL BLENDED AVERAGES: August 2015

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,447	4,594	7,137	8,226
Doorman	\$2,941	4,106	6,384	7,895
Elevator**	\$2,410	3,410	4,377	6,056
Walkup***	\$2,298	2,821	3,670	5,155

MANHATTAN RENTAL VACANCY RATES: August 2015



MEDIAN RENT SUMMARY: August 2015



*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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Manhattan Residential Rental Market Report

July 2015



AVERAGE RENT SUMMARY: July 2015

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,975	3,750	5,613	6,185
Chelsea	\$2,671	3,707	5,297	6,975
East Village	\$2,342	2,907	3,499	4,564
Gramercy/Flatiron	\$2,500	3,700	4,981	6,075
Harlem	\$1,523	2,132	2,744	3,404
Lower East Side	\$2,375	2,773	3,737	4,173
Midtown East	\$2,418	3,401	4,341	4,795
Midtown West	\$2,300	3,324	4,100	5,249
Morningside Heights	\$2,150	2,515	3,063	4,235
Murray Hill	\$2,476	2,992	4,089	4,525
Soho/Tribeca	\$2,733	3,830	5,391	8,900
Upper East Side	\$2,061	2,571	3,286	5,564
Upper West Side	\$2,128	2,775	3,894	6,018
Washington Heights	\$1,312	1,695	2,084	2,561
West Village	\$2,702	3,527	5,070	5,835
Average: July	\$2,301	3,030	4,069	5,261
Average: June	\$2,272	3,016	4,041	5,270
% Change	1%	0%	1%	0%

AVERAGE VACANCY RATE: July 2015

Location	Vacancy Rate
BPC / Financial Dist.	1.40%
Chelsea	1.46%
East Village	1.87%
Gramercy	0.72%
Midtown East	1.42%
Midtown West	1.16%
Murray Hill	1.42%
Soho/Tribeca	2.00%
Upper East Side	1.20%
Upper West Side	1.74%
West Village	1.62%
Average: July	1.42%
Average: June	1.13%
Difference	0.29

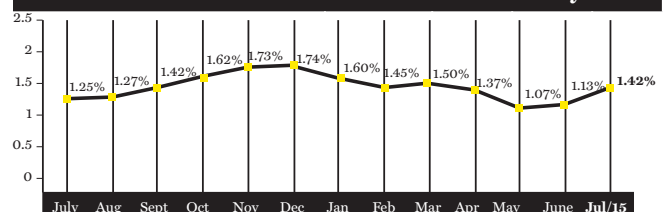
% OF TRANSACTIONS WITH A
CONCESSION JULY 2015

8%

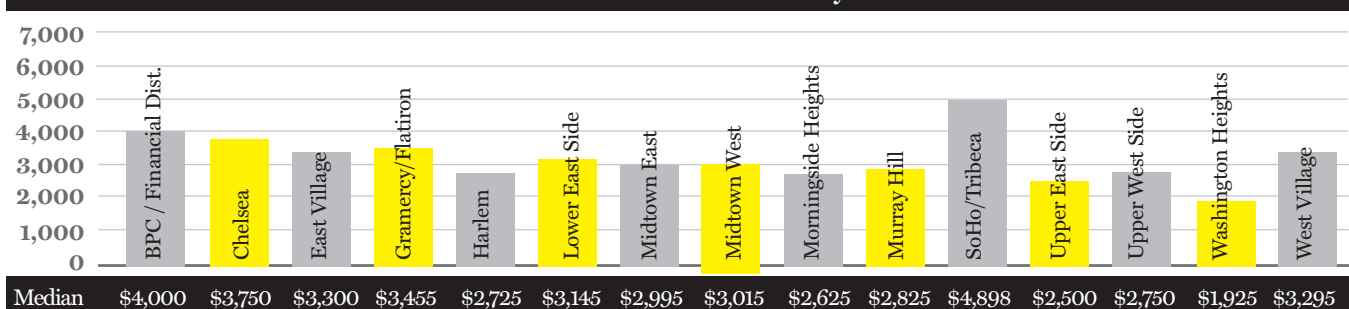
OVERALL BLENDED AVERAGES: July 2015

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,488	4,714	7,252	8,376
Doorman	\$2,980	4,193	6,404	8,054
Elevator**	\$2,447	3,500	4,505	6,227
Walkup***	\$2,266	2,877	3,755	5,221

MANHATTAN RENTAL VACANCY RATES: July 2015



MEDIAN RENT SUMMARY: July 2015



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