



## Manhattan Residential Rental Market Report

Second Quarter 2016



# Manhattan Residential Rental Market Report



Second Quarter 2016

This report tracks the Manhattan rental market throughout the second quarter of 2016. When compared to the first quarter, market conditions have shifted slightly to the landlords' favor. Average rents for all apartment sizes rose, while the borough's vacancy rate fell. In addition, the number of new leases that included a move-in incentive also declined. However, the percentage of concessions remained relatively high for this time of year.

## **Rents climbed, both quarter-over-quarter and year-over-year.**

When comparing the second quarter with the quarter that preceded it, rents increased across the board. Pricing for studios increased the most, with a 6.3% rise. The average rent for a one-bedroom home increased a less-substantial 3.6%. Meanwhile, pricing was up 3.0% and 1.9% for two- and three-bedroom apartments respectively.

Looking year-over-year, average rents also increased. The average rent for a studio apartment rose 5.7%, while pricing ticked up 3.7% for one-bedroom units. Pricing for two-bedroom homes rose 3.2%, while the average three-bedroom apartment rented for 2.6% more than it did a year earlier.

## **Meanwhile, the vacancy rate fell when compared to Q1, but rose year-over-year.**

When examining vacancy rates across Manhattan, we found 1.69% of apartments to be available during the second quarter of 2016, down from 1.77% in the previous quarter. However, would-be tenants had more inventory to choose from during the most recent quarter when compared to a year ago. During the second quarter of 2015, 1.39% of apartments were vacant.

## **Landlord incentives are down from Q1, but more prevalent than they were last year.**

Quarter-over-quarter, increased seasonal demand has caused the use of incentives to decline. During the first quarter of 2016, 21% of leases signed by Citi Habitats included a landlord concession, compared to 17% during the most recent quarter. However, their use is up when compared to this time last year. During the second quarter of 2015, incentives could be found on 11% of new leases.

## **While the market has strengthened when compared to Q1, it has stalled when looking at the most recent data.**

Average rents remained stable from May to June, increasing minimally for studio and two-bedroom homes, while falling slightly for one- and three-bedroom units. Concessions also declined during the same period, to 16% from 17% in May. However, the Manhattan vacancy rate rose – albeit slightly – from May (1.68%) to June (1.70%). This is unusual, as typically we see inventory tighten as we enter the summer months.

Overall, there is continued demand in the marketplace but it has been tempered by high landlord pricing. Building owners have continued to push asking rents, while relying on incentives to create a sense of 'value' in the marketplace. Overall, the Manhattan market remains healthy, but faces increased completion from several outer borough neighborhoods, including Long Island City, Queens and Bedford-Stuyvesant, Brooklyn which are experiencing rapid growth due to their relatively affordable rents, easy commutes and unique atmospheres.

No matter where you choose to live in our city, renting in New York can be a challenge. But remember, our firm is always here to offer knowledge and guidance. Our goal with this report is to help home seekers and landlords alike understand current market conditions and in turn, make smart real estate decisions.

**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



Second Quarter 2016

## AVERAGE RENT SUMMARY: Q2 2016

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,945	3,680	5,652	6,318
Chelsea	\$2,433	3,698	5,413	6,798
East Village	\$2,223	2,970	3,748	4,808
Gramercy/Flatiron	\$2,585	3,696	5,336	6,333
Harlem	\$1,638	2,179	2,737	3,310
Lower East Side	\$2,359	3,150	3,775	4,403
Midtown East	\$2,479	3,261	4,234	5,252
Midtown West	\$2,517	3,375	4,310	5,142
Morningside Heights	\$1,935	2,566	3,175	3,859
Murray Hill	\$2,482	3,293	4,195	5,070
Soho/Tribeca	\$2,943	3,730	5,545	8,006
Upper East Side	\$2,044	2,710	3,345	5,256
Upper West Side	\$2,091	2,846	4,233	5,961
Washington Heights	\$1,392	1,762	2,070	2,765
West Village	\$2,798	3,800	4,237	6,545
<b>Average: Q2/16</b>	<b>\$2,324</b>	<b>3,114</b>	<b>4,134</b>	<b>5,322</b>
Average: Q1/16	\$2,187	3,007	4,013	5,224
% Change	6.3%	3.6%	3.0%	1.9%
Average: Q2/15	\$2,199	3,003	4,007	5,185
% Change: Q2-15/16	5.7%	3.7%	3.2%	2.6%

## AVERAGE VACANCY RATE: Q2 2016

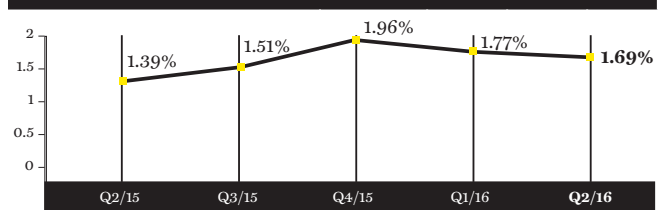
Location	Vacancy Rate
BPC / Financial Dist.	1.51%
Chelsea	1.72%
East Village	1.97%
Gramercy	0.70%
Midtown East	1.67%
Midtown West	1.96%
Murray Hill	1.42%
Soho/Tribeca	1.43%
Upper East Side	1.76%
Upper West Side	2.35%
West Village	2.15%
<b>Average: Q2/16</b>	<b>1.69%</b>
Average: Q1/16	1.77%
Difference	-0.08
Average: Q2/15	1.39%
Difference: Q2-15/16	0.30

% OF TRANSACTIONS WITH A CONCESSION Q2 2016 **17%**

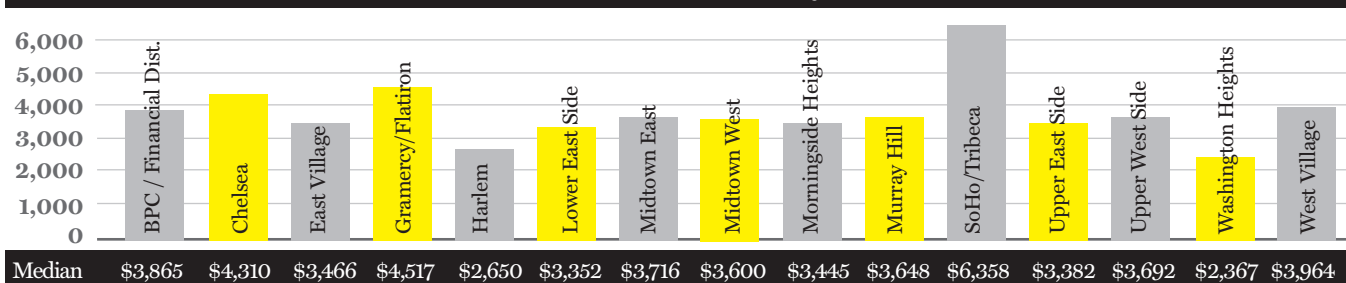
## OVERALL BLENDED AVERAGES: Q2 2016

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,411	4,634	7,502	9,088
Doorman	\$2,909	4,088	6,606	8,094
Elevator**	\$2,480	3,337	4,715	6,022
Walkup***	\$2,337	2,824	3,817	5,297

## MANHATTAN RENTAL VACANCY RATES: Q2 2016



## MEDIAN RENT SUMMARY: Q2 2016



\*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.

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 NKT.

# Manhattan Residential Rental Market Report



June 2016

## AVERAGE RENT SUMMARY: June 2016

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$3,006	3,512	5,705	6,240
Chelsea	\$2,442	3,762	5,433	6,695
East Village	\$2,324	2,952	3,861	4,985
Gramercy/Flatiron	\$2,756	3,807	5,206	6,200
Harlem	\$1,713	2,388	2,749	3,133
Lower East Side	\$2,400	3,125	4,029	4,625
Midtown East	\$2,381	3,282	4,536	5,200
Midtown West	\$2,574	3,302	4,271	5,150
Morningside Heights	\$1,796	2,396	3,024	3,600
Murray Hill	\$2,591	3,306	4,308	4,913
Soho/Tribeca	\$3,100	3,861	5,700	7,930
Upper East Side	\$2,072	2,754	3,243	5,263
Upper West Side	\$2,179	2,956	4,347	5,875
Washington Heights	\$1,475	1,796	2,035	2,760
West Village	\$2,760	3,767	4,372	7,048
<b>Average: June</b>	<b>\$2,371</b>	<b>3,131</b>	<b>4,188</b>	<b>5,308</b>
Average: May	\$2,344	3,155	4,157	5,376
% Change	1%	-1%	1%	-1%

## AVERAGE VACANCY RATE: June 2016

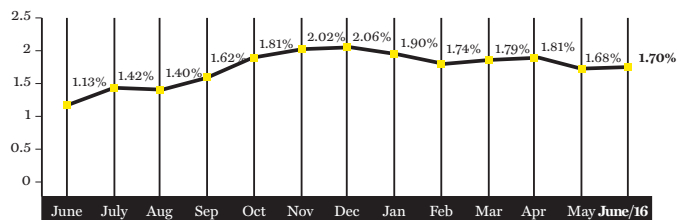
Location	Vacancy Rate
BPC / Financial Dist.	1.52%
Chelsea	1.69%
East Village	2.05%
Gramercy	0.69%
Midtown East	1.42%
Midtown West	1.86%
Murray Hill	1.39%
Soho/Tribeca	1.45%
Upper East Side	1.85%
Upper West Side	2.40%
West Village	1.95%
<b>Average: June</b>	<b>1.70%</b>
Average: May	1.68%
Difference	0.02

% OF TRANSACTIONS WITH A CONCESSION JUNE 2016 **16%**

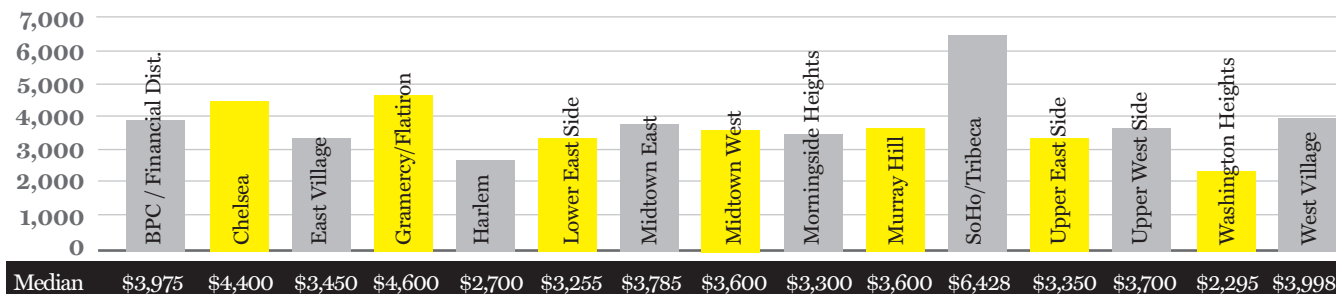
## OVERALL BLENDED AVERAGES: June 2016

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,422	4,735	7,702	9,374
Doorman	\$2,923	4,097	6,702	8,308
Elevator**	\$2,511	3,378	4,843	6,171
Walkup***	\$2,372	2,861	3,838	5,438

## MANHATTAN RENTAL VACANCY RATES: June 2016



## MEDIAN RENT SUMMARY: June 2016



\*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.

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 NKT.

# Manhattan Residential Rental Market Report



May 2016

## AVERAGE RENT SUMMARY: May 2016

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,954	3,677	5,950	6,383
Chelsea	\$2,402	3,873	5,567	6,900
East Village	\$2,250	2,995	3,683	4,788
Gramercy/Flatiron	\$2,559	3,686	5,429	6,425
Harlem	\$1,686	2,174	2,751	3,400
Lower East Side	\$2,370	3,293	3,749	4,300
Midtown East	\$2,587	3,361	4,115	5,269
Midtown West	\$2,580	3,383	4,288	5,150
Morningside Heights	\$1,995	2,634	3,250	3,975
Murray Hill	\$2,436	3,292	4,336	5,223
Soho/Tribeca	\$2,954	3,635	5,248	8,033
Upper East Side	\$2,001	2,855	3,262	5,375
Upper West Side	\$2,042	2,808	4,435	5,933
Washington Heights	\$1,450	1,740	2,066	2,925
West Village	\$2,896	3,918	4,221	6,565
<b>Average: May</b>	<b>\$2,344</b>	<b>3,155</b>	<b>4,157</b>	<b>5,376</b>
Average: April	\$2,257	\$3,057	\$4,057	\$5,281
% Change	4%	3%	2%	2%

## AVERAGE VACANCY RATE: May 2016

Location	Vacancy Rate
BPC / Financial Dist.	1.43%
Chelsea	1.83%
East Village	1.78%
Gramercy	0.79%
Midtown East	1.75%
Midtown West	1.88%
Murray Hill	1.32%
Soho/Tribeca	1.55%
Upper East Side	1.50%
Upper West Side	2.29%
West Village	2.19%
<b>Average: May</b>	<b>1.68%</b>
Average: April	1.81%
Difference	-0.13

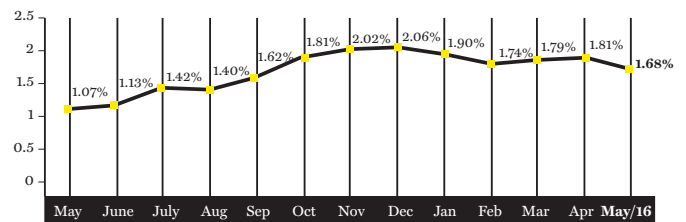
% OF TRANSACTIONS WITH A CONCESSION MAY 2016

▶ **17%**

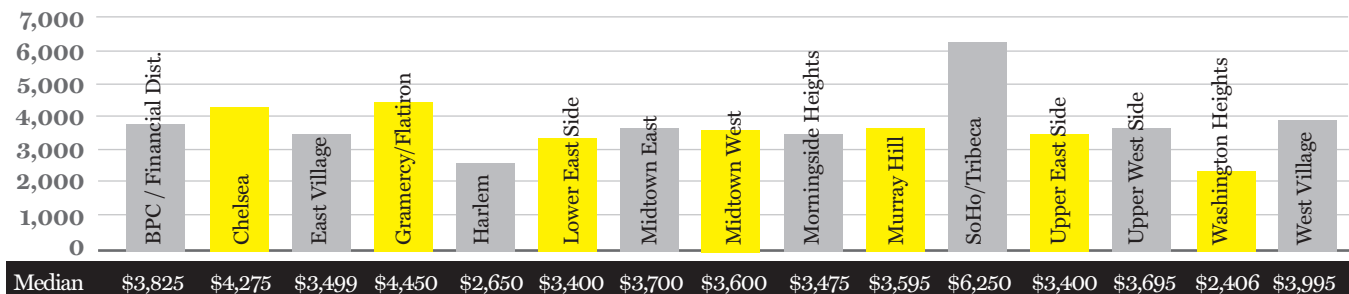
## OVERALL BLENDED AVERAGES: May 2016

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,429	4,597	7,524	9,084
Doorman	\$2,920	4,109	6,584	8,085
Elevator**	\$2,518	3,371	4,617	6,009
Walkup***	\$2,355	2,825	3,763	5,287

## MANHATTAN RENTAL VACANCY RATES: May 2016



## MEDIAN RENT SUMMARY: May 2016



\*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.

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 NKT.

# Manhattan Residential Rental Market Report



April 2016

## AVERAGE RENT SUMMARY: April 2016

Location	Studio	1BR	2BR	3BR
BPC / Financial Dist.	\$2,874	\$3,850	\$5,302	\$6,331
Chelsea	\$2,455	\$3,460	\$5,240	\$6,800
East Village	\$2,096	\$2,962	\$3,700	\$4,650
Gramercy/Flatiron	\$2,439	\$3,595	\$5,374	\$6,375
Harlem	\$1,514	\$1,975	\$2,712	\$3,398
Lower East Side	\$2,308	\$3,033	\$3,548	\$4,283
Midtown East	\$2,469	\$3,139	\$4,052	\$5,288
Midtown West	\$2,397	\$3,441	\$4,370	\$5,125
Morningside Heights	\$2,013	\$2,667	\$3,250	\$4,003
Murray Hill	\$2,420	\$3,281	\$3,940	\$5,075
Soho/Tribeca	\$2,775	\$3,695	\$5,687	\$8,056
Upper East Side	\$2,058	\$2,520	\$3,529	\$5,131
Upper West Side	\$2,052	\$2,773	\$3,918	\$6,075
Washington Heights	\$1,250	\$1,750	\$2,108	\$2,609
West Village	\$2,739	\$3,714	\$4,119	\$6,023
<b>Average: April</b>	<b>\$2,257</b>	<b>\$3,057</b>	<b>\$4,057</b>	<b>\$5,281</b>
Average: March	\$2,208	\$2,983	\$4,011	\$5,210
% Change	2%	2%	1%	1%

## AVERAGE VACANCY RATE: April 2016

Location	Vacancy Rate
BPC / Financial Dist.	1.58%
Chelsea	1.63%
East Village	2.09%
Gramercy	0.61%
Midtown East	1.85%
Midtown West	2.15%
Murray Hill	1.54%
Soho/Tribeca	1.29%
Upper East Side	1.92%
Upper West Side	2.35%
West Village	2.31%
<b>Average: April</b>	<b>1.81%</b>
Average: March	1.79%
Difference	0.02

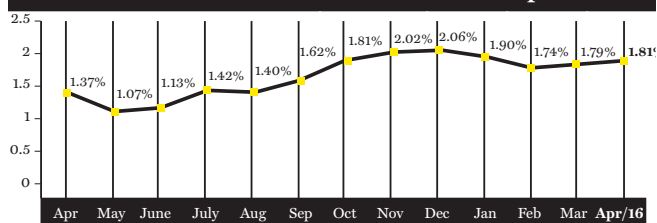
% OF TRANSACTIONS WITH A CONCESSION APRIL 2016

**19%**

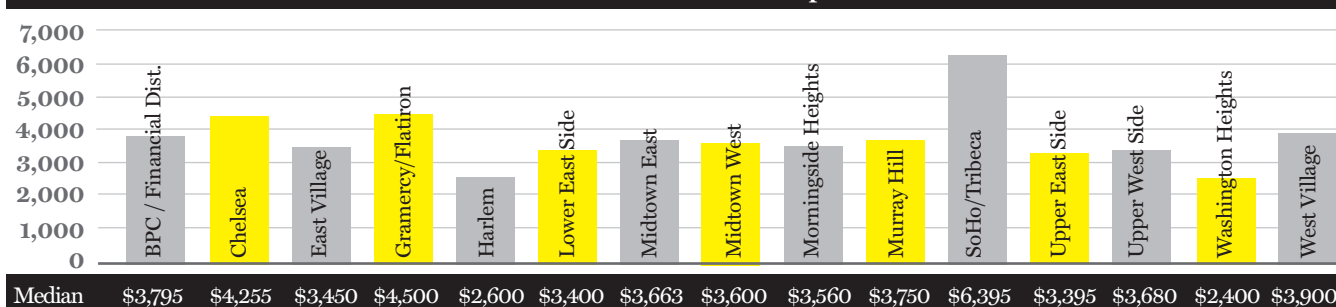
## OVERALL BLENDED AVERAGES: April 2016

BLDG Classification	Studio	1BR	2BR	3BR
New Development w/ DM*	\$3,382	4,570	7,280	8,805
Doorman	\$2,884	4,058	6,530	7,888
Elevator**	\$2,411	3,261	4,683	5,886
Walkup***	\$2,286	2,787	3,851	5,168

## MANHATTAN RENTAL VACANCY RATES: April 2016



## MEDIAN RENT SUMMARY: April 2016



\*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.

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 NKT.