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Manhattan Residential Rental Market Report
Second Quarter 2013

The report that follows tracks the Manhattan rental market during the second quarter of 2013. Rents ended the period higher than where they began, although prices began to inch downward for most apartment categories at the quarter's end. The borough's vacancy rate declined from April to May, but ticked up a minuscule amount (1.09% to 1.10%) from May to June. Overall however, the vacancy rate was lower at the end of the quarter than it was at the beginning.

When comparing the second quarter of 2013 to the same period in 2012, the monthly cost of an apartment remained generally stable. Rents increased for some apartment sizes while they declined for others. The largest rent increases year-over-year occurred for studio apartments. For homes of this size, rents increased 1.9% on average. For two bedroom homes, average rents increased 0.2% during the same period. Meanwhile, rents decreased 0.7% for one bedroom units, while the average rent for a three bedroom apartment fell 1.0%.

In comparison to the minimal changes in average rents year-over-year, rents increased across all apartment categories when looking at the second quarter of 2013 compared to the quarter that preceded it. The largest jump in rents occurred for three bedroom units. The average rent for this size apartment increased 4.8% from the first quarter of 2013. The increase for studio apartments was not far behind, at 4.6%. Rent increases for one and two bedroom homes were more modest - at 2.6% and 2.0% respectively.

When examining the Manhattan vacancy rate for the second quarter of 2013, we found that 1.13% of apartments were available for rent, down from 1.41% during the first quarter of the year. However, apartment seekers had greater inventory to choose from than they did a year ago. During the second quarter of 2012, only 0.97% of apartments were vacant.

The rental market saw a healthy jump in rents from the first to the second quarter of 2013. In addition, the island's vacancy rate also declined over the same period, both signs of a landlord's market. However, the most recent data shows a slight softening of the market, and although a minor change, a more favorable environment for tenants.

The Manhattan rental market can be very competitive, but knowledge of current market conditions gives both agents and would-be tenants a great advantage. To that end, we hope you find this report to be a valuable resource.

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

1. The statistics in this report were compiled using citi habitats closed transactions during the stated period.
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.

AVERAGE RENT SUMMARY: Q2 2013

| Location | Studio | 1BR | 2BR | 3BR |
|-----------------------|----------------|--------------|--------------|--------------|
| Chelsea | \$2,585 | 3,253 | 4,984 | 6,067 |
| East Village | \$2,045 | 2,733 | 3,735 | 4,590 |
| Gramercy/Flatiron | \$2,366 | 3,263 | 4,728 | 5,874 |
| Harlem | \$1,286 | 1,852 | 2,447 | 3,120 |
| Lower East Side | \$2,124 | 2,436 | 3,532 | 4,196 |
| Midtown East | \$2,020 | 2,654 | 3,849 | 4,805 |
| Midtown West | \$2,159 | 3,285 | 4,586 | 5,808 |
| Morningside Heights | \$1,782 | 2,187 | 3,043 | 3,894 |
| Murray Hill | \$2,248 | 2,806 | 3,455 | 4,685 |
| Soho/Tribeca | \$2,591 | 3,886 | 5,802 | 7,965 |
| Upper East Side | \$1,900 | 2,370 | 3,397 | 5,706 |
| Upper West Side | \$1,972 | 2,659 | 4,109 | 6,529 |
| Wall Street/BPC | \$2,564 | 3,459 | 4,702 | 5,696 |
| Washington Heights | \$1,216 | 1,485 | 1,896 | 2,432 |
| West Village | \$2,515 | 3,429 | 4,778 | 6,279 |
| Average: Q2/13 | \$2,092 | 2,784 | 3,936 | 5,176 |
| Average: Q1/13 | \$1,999 | 2,714 | 3,859 | 4,942 |
| % Change | 4.6% | 2.6% | 2.0% | 4.8% |
| Average: Q2/12 | \$2,052 | 2,804 | 3,930 | 5,230 |
| % Change: Q2-12/13 | 1.9% | -0.7% | 0.2% | -1.0% |

AVERAGE VACANCY RATE: Q2 2013

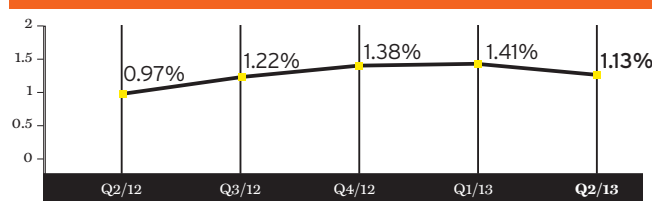
| Location | Vacancy Rate |
|-----------------------|--------------|
| BPC / Financial Dist. | 1.68% |
| Chelsea | 0.94% |
| East Village | 1.39% |
| Gramercy | 0.91% |
| Midtown East | 1.21% |
| Midtown West | 0.94% |
| Murray Hill | 1.05% |
| Soho/Tribeca | 0.88% |
| Upper East Side | 1.12% |
| Upper West Side | 0.99% |
| West Village | 1.35% |
| Average: Q2/13 | 1.13% |
| Average: Q1/13 | 1.41% |
| Difference | -19.7% |
| Average: Q2/12 | 0.97% |
| Difference: Q2-12/13 | 16.45% |

% OF TRANSACTIONS WITH A CONCESSION SECOND QUARTER 2013 **6%**

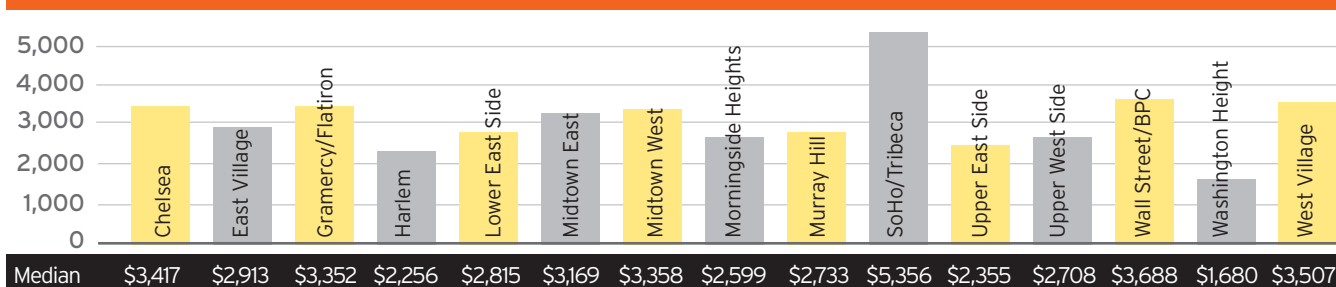
OVERALL BLENDED AVERAGES: Q2 2013

| BLDG Classification | Studio | 1BR | 2BR | 3BR |
|------------------------|---------|-------|-------|-------|
| New Development w/ DM* | \$3,198 | 4,346 | 6,917 | 8,447 |
| Doorman | 2,665 | 3,676 | 5,839 | 7,339 |
| Elevator** | \$2,322 | 3,073 | 4,244 | 5,565 |
| Walkup*** | \$2,028 | 2,647 | 3,506 | 5,150 |

MANHATTAN RENTAL VACANCY RATES: Q2 2013



MEDIAN RENT SUMMARY: Q2 2013



*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.

AVERAGE RENT SUMMARY: June 2013

| Location | Studio | 1BR | 2BR | 3BR |
|----------------------|----------------|--------------|--------------|--------------|
| Chelsea | \$2,550 | 3,292 | 4,950 | 6,051 |
| East Village | \$2,042 | 2,715 | 3,697 | 4,700 |
| Gramercy/Flatiron | \$2,374 | 3,206 | 4,658 | 5,850 |
| Harlem | \$1,250 | 1,775 | 2,480 | 3,025 |
| Lower East Side | \$2,152 | 2,395 | 3,682 | 4,271 |
| Midtown East | \$2,170 | 2,657 | 3,850 | 4,872 |
| Midtown West | \$2,212 | 3,254 | 4,567 | 5,727 |
| Morningside Heights | \$1,750 | 2,173 | 3,045 | 4,031 |
| Murray Hill | \$2,347 | 2,966 | 3,500 | 4,608 |
| Soho/Tribeca | \$2,500 | 3,949 | 5,750 | 8,210 |
| Upper East Side | \$1,914 | 2,409 | 3,402 | 5,600 |
| Upper West Side | \$1,940 | 2,638 | 4,257 | 6,600 |
| Wall St/Battery Park | \$2,619 | 3,548 | 4,310 | 5,810 |
| Washington Heights | \$1,250 | 1,482 | 1,813 | 2,450 |
| West Village | \$2,450 | 3,437 | 4,735 | 6,243 |
| Average: June | \$2,101 | 2,866 | 3,913 | 5,203 |
| Average: May | \$2,126 | 2,826 | 3,962 | 5,190 |
| % Change | -1% | -1% | -1% | 0% |

AVERAGE VACANCY RATE: June 2013

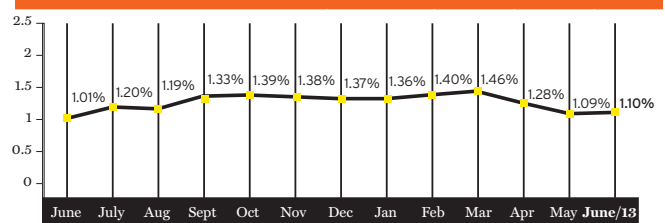
| Location | Vacancy Rate |
|-----------------------|--------------|
| BPC / Financial Dist. | 1.43% |
| Chelsea | 0.93% |
| East Village | 2.07% |
| Gramercy | 0.61% |
| Midtown East | 1.20% |
| Midtown West | 0.86% |
| Murray Hill | 0.76% |
| Soho/Tribeca | 0.99% |
| Upper East Side | 1.04% |
| Upper West Side | 1.09% |
| West Village | 1.12% |
| Average: June | 1.10% |
| Average: May | 1.09% |
| Difference | 1% |

% OF TRANSACTIONS WITH A CONCESSION JUNE 2013 **5%**

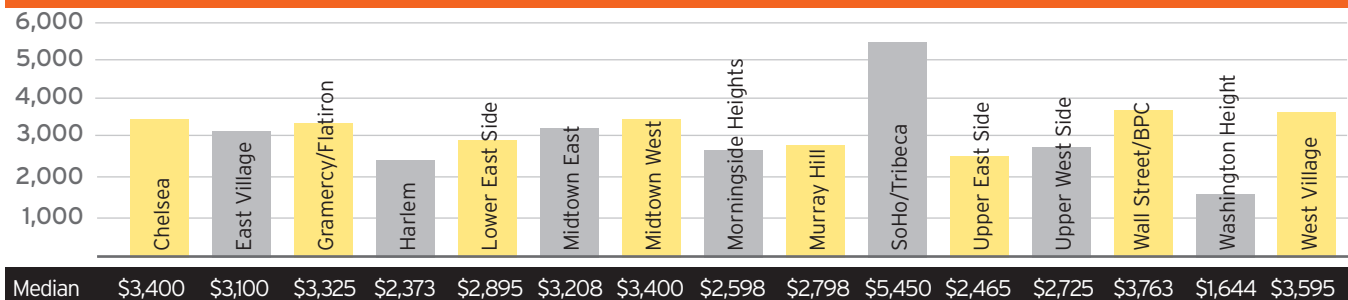
OVERALL BLENDED AVERAGES: June 2013

| BLDG Classification | Studio | 1BR | 2BR | 3BR |
|------------------------|---------|-------|-------|-------|
| New Development w/ DM* | \$3,225 | 4,360 | 7,053 | 8,327 |
| Doorman | 2,669 | 3,711 | 5,975 | 7,409 |
| Elevator** | \$2,329 | 3,066 | 4,232 | 5,611 |
| Walkup*** | \$2,063 | 2,647 | 3,530 | 5,258 |

MANHATTAN RENTAL VACANCY RATES: June 2013



MEDIAN RENT SUMMARY: June 2013



*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.

AVERAGE RENT SUMMARY: May 2013

| Location | Studio | 1BR | 2BR | 3BR |
|----------------------|----------------|--------------|--------------|--------------|
| Chelsea | \$2,657 | 3,277 | 4,970 | 6,000 |
| East Village | \$2,179 | 2,862 | 3,712 | 4,521 |
| Gramercy/Flatiron | \$2,446 | 3,300 | 4,733 | 5,938 |
| Harlem | \$1,315 | 1,840 | 2,412 | 3,136 |
| Lower East Side | \$2,225 | 2,497 | 3,500 | 4,183 |
| Midtown East | \$1,934 | 2,625 | 3,867 | 4,812 |
| Midtown West | \$2,148 | 3,323 | 4,687 | 5,850 |
| Morningside Heights | \$1,869 | 2,266 | 3,025 | 3,930 |
| Murray Hill | \$2,249 | 2,831 | 3,437 | 4,650 |
| Soho/Tribeca | \$2,674 | 3,913 | 5,856 | 8,075 |
| Upper East Side | \$1,856 | 2,477 | 3,385 | 5,731 |
| Upper West Side | \$1,999 | 2,699 | 4,104 | 6,413 |
| Wall St/Battery Park | \$2,504 | 3,414 | 4,966 | 5,779 |
| Washington Heights | \$1,250 | 1,549 | 1,900 | 2,450 |
| West Village | \$2,579 | 3,514 | 4,878 | 6,381 |
| Average: May | \$2,126 | 2,826 | 3,962 | 5,190 |
| Average: April | \$2,048 | 2,733 | 3,933 | 5,136 |
| % Change | 4% | 3% | 1% | 1% |

AVERAGE VACANCY RATE: May 2013

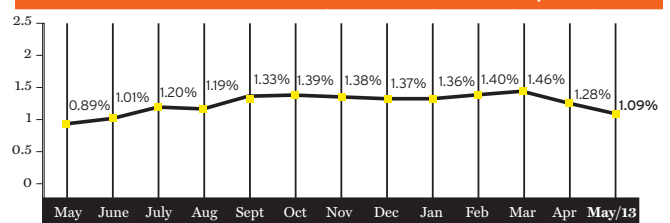
| Location | Vacancy Rate |
|-----------------------|--------------|
| BPC / Financial Dist. | 1.75% |
| Chelsea | 0.81% |
| East Village | 0.93% |
| Gramercy | 0.85% |
| Midtown East | 1.25% |
| Midtown West | 0.89% |
| Murray Hill | 1.01% |
| Soho/Tribeca | 0.72% |
| Upper East Side | 1.13% |
| Upper West Side | 0.81% |
| West Village | 1.34% |
| Average: May | 1.09% |
| Average: April | 1.28% |
| Difference | -15% |

% OF TRANSACTIONS WITH A CONCESSION MAY 2013 **5%**

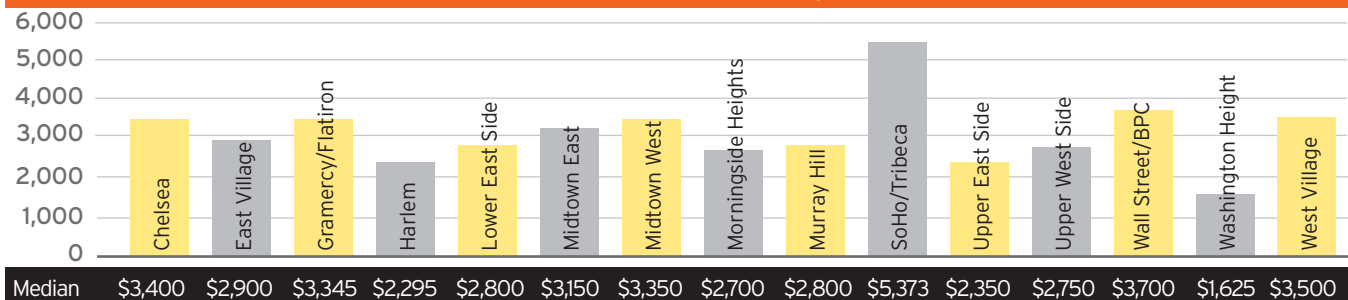
OVERALL BLENDED AVERAGES: May 2013

| BLDG Classification | Studio | 1BR | 2BR | 3BR |
|------------------------|---------|-------|-------|-------|
| New Development w/ DM* | \$3,231 | 4,369 | 6,977 | 8,533 |
| Doorman | \$2,674 | 3,704 | 5,861 | 7,378 |
| Elevator** | \$2,364 | 3,066 | 4,277 | 5,606 |
| Walkup*** | \$2,045 | 2,677 | 3,463 | 5,115 |

MANHATTAN RENTAL VACANCY RATES: May 2013



MEDIAN RENT SUMMARY: May 2013



*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.

AVERAGE RENT SUMMARY: April 2013

| Location | Studio | 1BR | 2BR | 3BR |
|-----------------------|----------------|--------------|--------------|--------------|
| Chelsea | \$2,549 | 3,189 | 5,033 | 6,150 |
| East Village | \$1,915 | 2,621 | 3,795 | 4,548 |
| Gramercy/Flatiron | \$2,278 | 3,284 | 4,793 | 5,833 |
| Harlem | \$1,292 | 1,941 | 2,449 | 3,200 |
| Lower East Side | \$1,995 | 2,417 | 3,414 | 4,133 |
| Midtown East | \$1,955 | 2,681 | 3,830 | 4,730 |
| Midtown West | \$2,117 | 3,278 | 4,504 | 5,848 |
| Morningside Heights | \$1,728 | 2,123 | 3,058 | 3,721 |
| Murray Hill | \$2,148 | 2,621 | 3,428 | 4,798 |
| Soho/Tribeca | \$2,600 | 3,796 | 5,800 | 7,610 |
| Upper East Side | \$1,930 | 2,225 | 3,403 | 5,788 |
| Upper West Side | \$1,976 | 2,640 | 3,965 | 6,575 |
| Wall St/Battery Park | \$2,569 | 3,416 | 4,830 | 5,500 |
| Washington Heights | \$1,148 | 1,424 | 1,974 | 2,395 |
| West Village | \$2,516 | 3,335 | 4,720 | 6,212 |
| Average: April | \$2,048 | 2,733 | 3,933 | 5,136 |
| Average: March | \$1,986 | 2,754 | 3,867 | 4,949 |
| % Change | 3% | -1% | 2% | 4% |

AVERAGE VACANCY RATE: April 2013

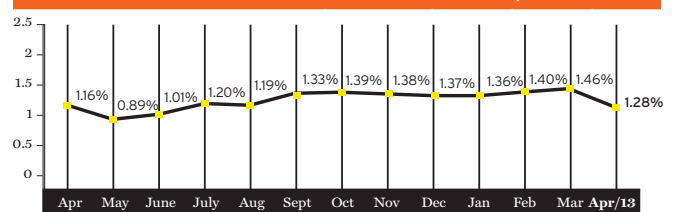
| Location | Vacancy Rate |
|-----------------------|--------------|
| BPC / Financial Dist. | 1.87% |
| Chelsea | 1.11% |
| East Village | 1.17% |
| Gramercy | 1.26% |
| Midtown East | 1.17% |
| Midtown West | 1.07% |
| Murray Hill | 1.38% |
| Soho/Tribeca | 0.92% |
| Upper East Side | 1.20% |
| Upper West Side | 1.08% |
| West Village | 1.60% |
| Average: April | 1.28% |
| Average: March | 1.46% |
| Difference | -12% |

% OF TRANSACTIONS WITH A CONCESSION APRIL 2013 **9%**

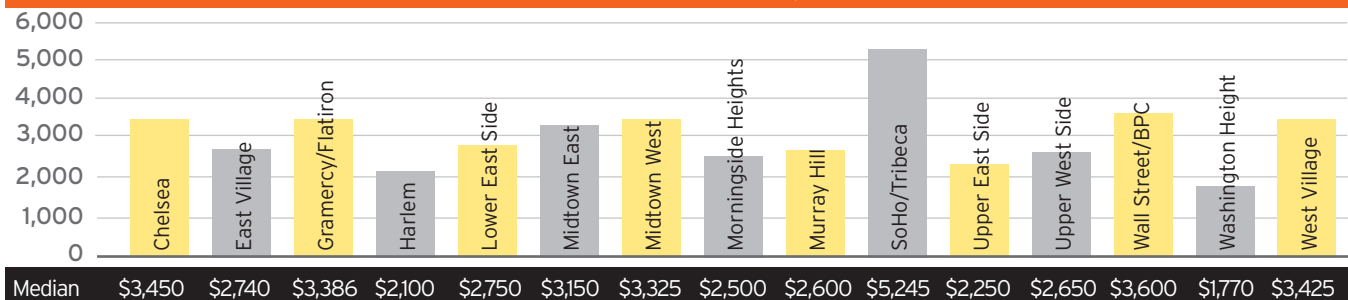
OVERALL BLENDED AVERAGES: April 2013

| BLDG Classification | Studio | 1BR | 2BR | 3BR |
|------------------------|---------|-------|-------|-------|
| New Development w/ DM* | \$3,139 | 4,311 | 6,722 | 8,482 |
| Doorman | \$2,653 | 3,613 | 5,681 | 7,231 |
| Elevator** | \$2,274 | 3,086 | 4,223 | 5,478 |
| Walkup*** | \$1,978 | 2,618 | 3,527 | 5,078 |

MANHATTAN RENTAL VACANCY RATES: April 2013



MEDIAN RENT SUMMARY: April 2013



*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.