

RESIDENTIAL RENTAL MARKET REPORT

First Quarter 2011



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Residential Rental Market Report

1st Quarter 2011

The report that follows provides a snapshot of the Manhattan rental market during the first quarter of 2011. The data shows that the market has made a strong recovery, and is poised for even greater strengthening in the months ahead. When evaluating the rental market, we track three key metrics; average rents, vacancy rates, and the percentage of apartments that offer move-in incentives. During the first quarter of this year, rents increased, the city's vacancy rate declined, and the use of incentives plummeted. As a result, landlords are again back in the driver's seat; and from a home-seeker's perspective, apartment hunting is growing increasingly competitive.

Average rents are up across all apartment categories when comparing the first quarter of 2011 to the same period in 2010. The largest rent increases occurred for three bedroom apartments. The average rental price for this sized unit increased 12% over the past year. For studio, one and two bedroom apartments, rents increased 7.7%, 8.6% and 9.9%, respectively.

Prices have also increased across the board when comparing the first quarter of 2011 with the fourth quarter of 2010. These increases are further evidence that the Manhattan rental market continues to move full steam ahead, and presently shows no sign of weakening.

When looking at vacancies across Manhattan, the overall rate for the first quarter of 2011 was 1.08%, compared to 1.45% during the same period in 2010. However, for the month of March 2011, the island's vacancy rate was 0.99%, in comparison to February 2011's rate of 1.18%. This is the first time since July 2010 that potential renters have faced a sub 1% vacancy rate. The West Village remained the most in-demand neighborhood this quarter (with a vacancy rate of 0.57%), and the Upper East Side had the highest vacancy rate at 1.70%. Regardless of what neighborhood they wish to call home, apartment seekers entering the market should be well prepared with paystubs and paperwork, and be ready to transact.

Over the past 12 months, a big shift has occurred in the prevalence of owner-paid concessions. During the first quarter of 2010, 44% of our firm's rental transactions included a concession (typically one month free rent and/or payment of the broker's fee). Fast forward to the first quarter of 2011, and the percentage was down to a mere 17%. Even more telling, during March 2011, the number fell even further, to 14%. Landlords are finding much greater demand for their available units than at any point in the last few years, and incentives are now the exception, not the rule.

New developments continue to be well-received. All of the properties we currently represent, from JD Carlisle's Beatrice, to Forest City Ratner's New York by Gehry, are leasing at a pace above our expectations and at top prices. New construction, full service buildings are priced at a premium in New York City. The fact that these units are moving so quickly demonstrates that clients are willing to pay a premium for top notch views, finishes and amenities.

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.

Manhattan's opportunities continue to draw people from all over the world. After reading this report, we hope you walk away with a better understanding of the city's unique and complex rental market.

Sincerely,



Gary Malin, President



AVERAGE RENT SUMMARY: Q1/11

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2308	3266	4727	5913
East Village	1964	2421	3321	4270
Gramercy/Flatiron	2276	3172	4310	5571
Harlem	1247	1437	2090	2657
Lower East Side	1828	2219	3167	3829
Midtown East	1937	2431	3514	4905
Midtown West	2082	2719	3932	4804
Morningside Heights	1338	1823	2215	3118
Murray Hill	1946	2629	3502	4329
SoHo/TriBeCa	2262	3435	5554	8435

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	1703	2254	3457	5879
Upper West Side	1816	2551	3705	5881
Wall Street/BPC	2216	3157	4404	5317
Washington Heights	1110	1333	1781	2025
West Village	2230	3140	4312	6072
Average: Q1/11	1884	2532	3599	4867
Average: Q4/10	1840	2512	3467	4690
% Change	2.4%	0.8%	3.8%	3.8%
Average: Q1/10	1750	2331	3277	4345
% Change: Q1-10/11	7.7%	8.6%	9.9%	12.0%

VACANCY SUMMARY: Q1/11

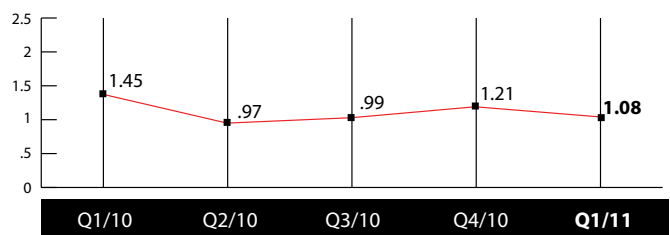
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	0.98%
Chelsea	0.53%
East Village	1.10%
Gramercy	1.31%
Midtown East	1.28%
Midtown West	1.24%
Murray Hill	1.15%
SoHo/TriBeCa	0.59%

NEIGHBORHOOD	VACANCY RATE
Upper East Side	1.70%
Upper West Side	1.42%
West Village	0.57%
Overall Vacancy: Q1/11	1.08%
Overall Vacancy: Q4/10	1.21%
Difference	-0.13
Overall Vacancy: Q1/10	1.45%
Difference: Q1 - 10/11	-.37

OVERALL BLENDED AVERAGES: Q1/11

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2683	3845	6250	8628
Doorman	2286	3259	4760	6323
Elevator	1958	2738	3941	5553
Walkup**	1800	2311	3183	4678

MANHATTAN RENTAL VACANCY RATES: Q1/11



* New Developments include all rental and condo buildings built after 2004.

**Walkup averages include brownstone and townhouse rentals.

***Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods.

AVERAGE RENT SUMMARY: 3/11

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2283	3289	4844	6000
East Village	2003	2394	3392	4473
Gramercy/Flatiron	2260	3151	4251	5500
Harlem	1263	1423	2182	2625
Lower East Side	1725	2170	3275	3905
Midtown East	2031	2419	3520	4920
Midtown West	2179	2729	3981	4850
Morningside Heights	1400	1875	2300	3105
Murray Hill	2058	2689	3506	4300

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	2275	3458	5580	8350
Upper East Side	1748	2264	3516	5862
Upper West Side	1868	2607	3868	5966
Wall Street/BPC	2225	3150	4482	5500
Washington Heights	1050	1373	1773	2050
West Village	2276	3190	4427	6250
March Average	1910	2545	3660	4910
February Average	1886	2535	3597	4874
% Change	1%	0%	2%	1%

VACANCY SUMMARY: 3/11

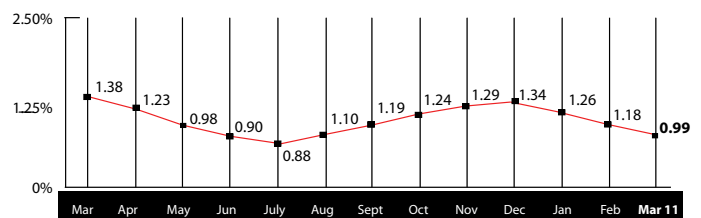
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	0.90%
Chelsea	0.42%
East Village	1.08%
Gramercy	1.21%
Midtown East	1.15%
Midtown West	1.08%
Murray Hill	1.05%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.37%
Upper East Side	1.45%
Upper West Side	1.12%
West Village	0.50%
March Overall Vacancy	0.99%
February Overall Vacancy	1.18%
Difference	-0.19

OVERALL BLENDED AVERAGES: 3/11

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2726	3883	6393	8646
Doorman	2366	3312	4800	6435
Elevator***	1950	2720	3978	5452
Walkup**	1791	2376	3160	4565

MANHATTAN RENTAL VACANCY RATES: 3/11



* New Developments include all rental and condo buildings built after 2004.

**Walkup averages include brownstone and townhouse rentals.

***Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods.

AVERAGE RENT SUMMARY: 2/11

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2347	3229	4788	5950
East Village	1981	2405	3301	4150
Gramercy/Flatiron	2300	3167	4343	5600
Harlem	1258	1439	2050	2725
Lower East Side	1875	2203	3125	3825
Midtown East	1932	2463	3500	4900
Midtown West	2033	2795	3988	4848
Morningside Heights	1320	1803	2145	3100
Murray Hill	1923	2601	3509	4377

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	2223	3449	5608	8554
Upper East Side	1679	2303	3419	5894
Upper West Side	1803	2501	3659	5883
Wall Street/BPC	2236	3177	4400	5200
Washington Heights	1175	1350	1794	2025
West Village	2205	3137	4325	6075
February Average	1886	2535	3597	4874
January Average	1857	2517	3542	4817
% Change	2%	1%	2%	1%

VACANCY SUMMARY: 2/11

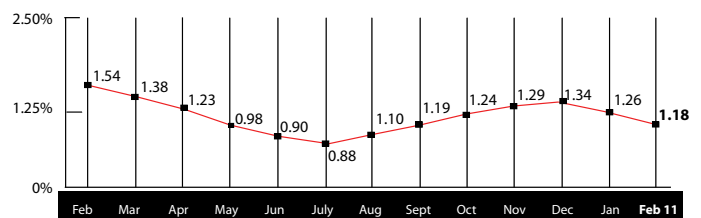
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	0.91%
Chelsea	0.54%
East Village	1.18%
Gramercy	1.52%
Midtown East	1.33%
Midtown West	1.18%
Murray Hill	1.17%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.74%
Upper East Side	1.79%
Upper West Side	1.55%
West Village	0.61%
February Overall Vacancy	1.18%
January Overall Vacancy	1.26%
Difference	-0.08

OVERALL BLENDED AVERAGES: 2/11

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2609	3855	6212	8598
Doorman	2280	3262	4757	6305
Elevator***	1977	2794	3923	5471
Walkup**	1809	2282	3131	4652

MANHATTAN RENTAL VACANCY RATES: 2/11



* New Developments include all rental and condo buildings built after 2004.

**Walkup averages include brownstone and townhouse rentals.

***Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods.

AVERAGE RENT SUMMARY: 1/11

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2293	3281	4549	5788
East Village	1908	2465	3271	4187
Gramercy/Flatiron	2269	3198	4337	5614
Harlem	1220	1450	2038	2620
Lower East Side	1883	2284	3100	3757
Midtown East	1849	2410	3523	4896
Midtown West	2033	2632	3828	4715
Morningside Heights	1295	1792	2199	3150
Murray Hill	1858	2597	3490	4310

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	2289	3398	5475	8400
Upper East Side	1682	2195	3436	5880
Upper West Side	1778	2546	3588	5795
Wall Street/BPC	2186	3143	4331	5250
Washington Heights	1105	1275	1775	2000
West Village	2210	3093	4185	5890
January Average	1857	2517	3542	4817
December Average	1828	2481	3476	4813
% Change	2%	1%	2%	0%

VACANCY SUMMARY: 1/11

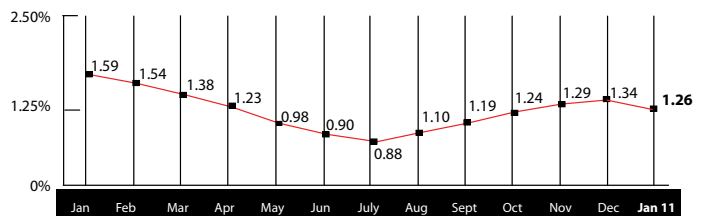
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.14%
Chelsea	0.63%
East Village	1.03%
Gramercy	1.19%
Midtown East	1.35%
Midtown West	1.46%
Murray Hill	1.24%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.65%
Upper East Side	1.87%
Upper West Side	1.60%
West Village	0.61%
January Overall Vacancy	1.26%
December Overall Vacancy	1.34%
Difference	-0.08

OVERALL BLENDED AVERAGES: 1/11

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2714	3798	6145	8640
Doorman	2212	3203	4722	6228
Elevator***	1946	2699	3923	5736
Walkup**	1800	2276	3257	4816

MANHATTAN RENTAL VACANCY RATES: 1/11



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