

# MANHATTAN RESIDENTIAL RENTAL MARKET REPORT

Fourth Quarter 2011 / Year-End Review



Owned and operated by NRT LLC

**CitiHabitats**  
MORE BROKER PER SQ FT

CITI-HABITATS.COM

# Citi Habitats

## Manhattan Residential Rental Market Report

### 4th Quarter / Year-End Review 2011

The report that follows provides an overview of the Manhattan rental market for 2011. Our research shows that the city's rental market has moved even further to the landlord's advantage over the last 12 months. New York City has always been a "renter-centric" city, but the nation's sluggish economy, coupled with the roller coaster ride on Wall Street, caused many would-be homebuyers to remain in the rental market in our city.

This increased demand is making the rental market increasingly competitive for home-seekers. Our report shows that average rents are up 8.4% across all apartment categories when comparing 2011 to 2010. In 2010, the average Manhattan apartment rented for \$3,046 per month. Fast-forward to 2011, and the average jumped to \$3,309. What is also unusual is that rent increases were relatively similar across all apartment sizes. Studio and one-bedroom apartments rented for an average of 8% more during 2011 than in 2010, and two and three-bedroom homes rented for an average of 9% more when comparing 2011 to the year prior.

In addition to across-the-board price increases, landlords have also dramatically slashed their use of concessions. During 2010, an average of 31% of all leases signed by Citi Habitats' clients included some form of landlord incentive (typically one month free rent or payment of the broker's fee). During 2011, that percentage plummeted to 10%, a decrease of 68%. With high demand in the marketplace, landlords were not likely to negotiate with potential renters, and needed to do little to attract clientele to their available apartments.

Where do we go from here? A great deal depends on what happens on Wall Street and in the broader economy in the coming year. If the economy stagnates, this will have a definite impact on the city's rental market as 2012 progresses.

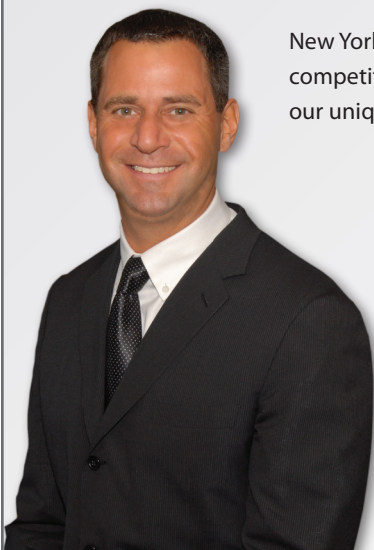
Another fact is that there is limited new inventory on the horizon. Due in part to increasingly strict bank lending policies, developers have comparatively few projects in the pipeline for the near future. This is likely to further increase demand on an already tight rental marketplace.

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

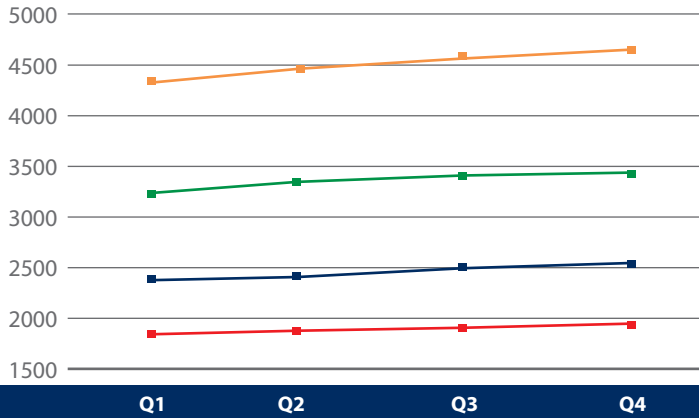
1. The statistics in this report were compiled using Citi Habitats closed transactions during the stated period.
2. Average rents cited in this report are, for the most part, gross rents, not net-effective rents, and do not include landlord incentives, unless the face rent reported on the lease was the net-effective amount.

New York's rental market is like nowhere else in the country. Like the city itself, it can be fast-paced and competitive. But our team is here to help. We hope this report helps create a better understanding our unique marketplace, and we welcome any questions regarding it.

Gary Malin  
President of Citi Habitats



MANHATTAN AVERAGE RENTS: 2010



MANHATTAN AVERAGE RENTS: 2011

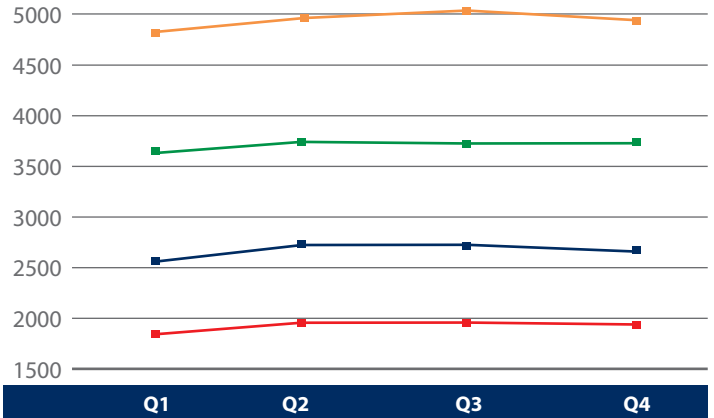


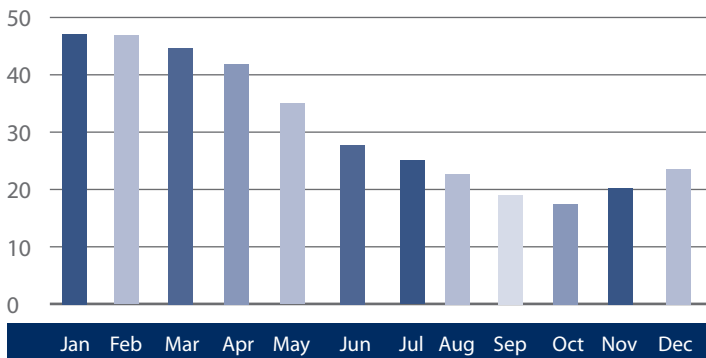
Chart Key

- Studio = ■
- 1 Bed = ■
- 2 Bed = ■
- 3 Bed = ■

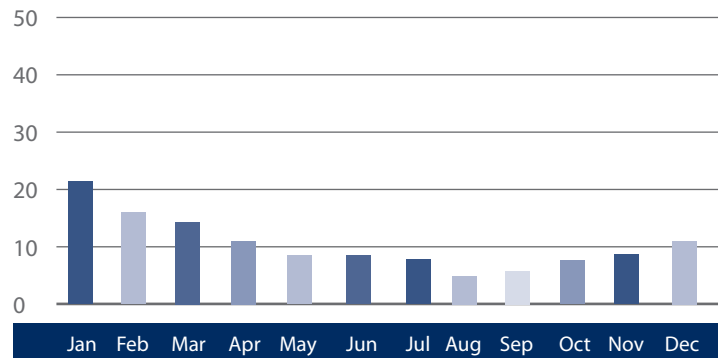
During 2010, rents climbed consistently throughout the year. In 2011, rents stabilized and even declined slightly in some categories as the year progressed. However rents ended 2011 an average of 8.4% higher than in the year prior.

Source: All Citi Habitats transactions from 2010 and 2011.

% OF TRANSACTIONS WITH A CONCESSION: 2010



% OF TRANSACTIONS WITH A CONCESSION: 2011



2010 Total Average = 31%

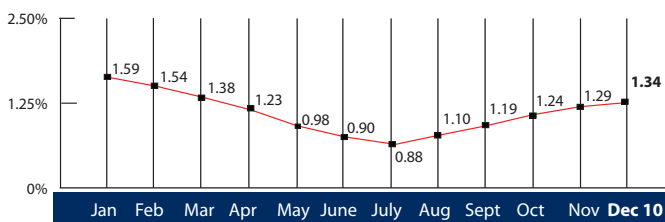
2011 Total Average = 10%

2011 vs 2010 = 68% decrease.

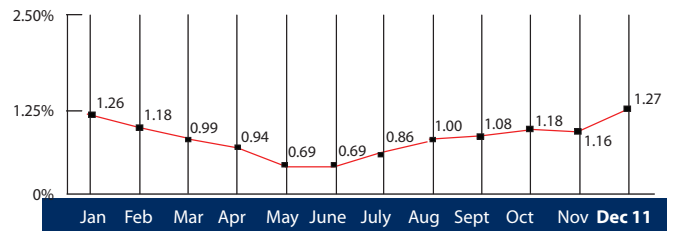
Concessions decreased dramatically from 2010 to 2011. By August 2011, concessions occurred in a mere 4% of all transactions brokered by Citi Habitats. Concessions rose slightly as we entered the winter "off season." In December 2011, the percentage was up to 11%. As a comparison, in December 2010, the concession percentage was substantially higher at 22%.

Source: All Citi Habitats transactions from 2010 and 2011.

MANHATTAN RENTAL VACANCY RATES: 12/10



MANHATTAN RENTAL VACANCY RATES: 12/11



The overall Manhattan vacancy rate bottomed out at 0.69% during May and June of 2011, and has increased slightly, but steadily, since then. These small increases are to be expected due to the seasonality of the market. Summer months traditionally see the greatest demand for rental housing. This demand wanes as the weather turns colder and the holiday season approaches.

Source: All Citi Habitats transactions from 2010 and 2011.

**AVERAGE RENT SUMMARY: Q4/11**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	\$2321	3164	4890	6150
East Village	\$1891	2533	3203	4203
Gramercy/Flatiron	\$2248	3219	4539	5640
Harlem	\$1360	1589	2062	2861
Lower East Side	\$1873	2314	3345	4102
Midtown East	\$1967	2540	3617	4544
Midtown West	\$2277	3113	4182	5285
Morningside Heights	\$1665	2067	2723	3348
Murray Hill	\$1964	3016	3518	4515
SoHo/TriBeCa	\$2220	3575	5654	8593

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	\$1771	2322	3204	5568
Upper West Side	\$1912	2583	3850	6100
Wall Street/BPC	\$2174	3128	4697	5266
Washington Heights	\$1293	1400	1734	2094
West Village	\$2303	3292	4745	5996
<b>Average: Q4/11</b>	<b>\$1949</b>	<b>2657</b>	<b>3731</b>	<b>4951</b>
<b>Average: Q3/11</b>	<b>\$1979</b>	<b>2679</b>	<b>3707</b>	<b>5019</b>
<b>% Change</b>	<b>-1.5%</b>	<b>-0.8%</b>	<b>0.6%</b>	<b>-1.4%</b>
<b>Average: Q4/10</b>	<b>\$1840</b>	<b>2512</b>	<b>3467</b>	<b>4690</b>
<b>% Change: Q4-11/10</b>	<b>5.9%</b>	<b>5.8%</b>	<b>7.6%</b>	<b>5.6%</b>

Source: All Citi Habitats transactions from 4th quarter 2010, 3rd quarter 2011 and 4th quarter 2011.

**VACANCY SUMMARY: Q4/11**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.37%
Chelsea	1.03%
East Village	1.04%
Gramercy	1.11%
Midtown East	1.33%
Midtown West	1.58%
Murray Hill	0.98%
SoHo/TriBeCa	0.43%

NEIGHBORHOOD	VACANCY RATE
Upper East Side	1.17%
Upper West Side	1.43%
West Village	0.73%
<b>Overall Vacancy: Q4/11</b>	<b>1.11%</b>
<b>Overall Vacancy: Q3/11</b>	<b>0.93%</b>
<b>Difference</b>	<b>+0.18</b>
<b>Overall Vacancy: Q4/10</b>	<b>1.21%</b>
<b>Difference: Q4 - 10/11</b>	<b>-0.10</b>

Source: All Citi Habitats transactions from 4th quarter 2010, 3rd quarter 2011 and 4th quarter 2011.

**OVERALL BLENDED AVERAGES: Q4/11**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	\$2908	3967	5973	8050
Doorman	\$2499	3593	5102	6753
Elevator***	\$2145	3041	4134	5513
Walkup**	\$1909	2577	3528	4656

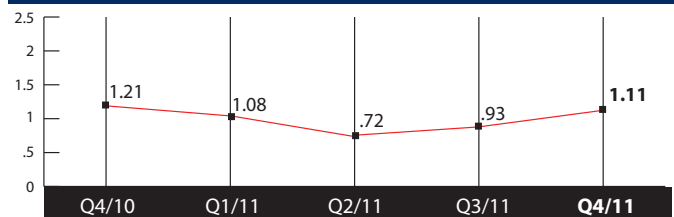
Source: All Citi Habitats transactions from 4th quarter 2011.

\* New Developments include all rental and condo buildings built after 2003.

\*\*Walkup averages include brownstone and townhouse rentals.

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

**MANHATTAN RENTAL VACANCY RATES: Q4/11**



Source: All Citi Habitats transactions from 4th quarter 2011.

**AVERAGE RENT SUMMARY: 2011**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	\$2332	3258	4862	6088
East Village	\$1962	2508	3264	4372
Gramercy/Flatiron	\$2269	3218	4382	5669
Harlem	\$1298	1572	2173	2836
Lower East Side	\$1903	2293	3356	4012
Midtown East	\$2014	2540	3624	4796
Midtown West	\$2230	2955	4107	5125
Morningside Heights	\$1518	2035	2426	3200
Murray Hill	\$1988	2843	3498	4442
SoHo/TriBeCa	\$2326	3480	5676	8489

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	\$1765	2300	3389	5752
Upper West Side	\$1908	2593	3770	5970
Wall Street/BPC	\$2230	3255	4575	5341
Washington Heights	\$1172	1400	1786	2128
West Village	\$2292	3278	4591	6115
<b>Average: 2011</b>	<b>\$1947</b>	<b>2635</b>	<b>3699</b>	<b>4956</b>
<b>Average: 2010</b>	<b>\$1807</b>	<b>2448</b>	<b>3395</b>	<b>4535</b>
<b>% Change</b>	<b>8%</b>	<b>8%</b>	<b>9%</b>	<b>9%</b>
<b>Overall % Change</b>	<b>8.4%</b>			

Source: All Citi Habitats transactions from 2010 and 2011.

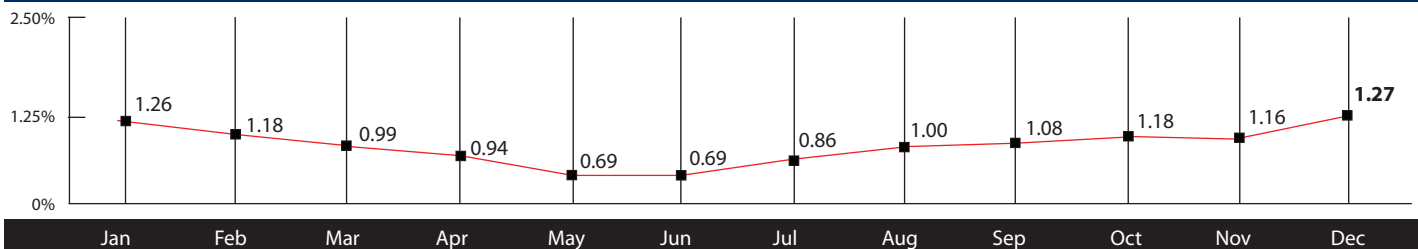
**VACANCY SUMMARY: 2011**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.02%
Chelsea	0.74%
East Village	0.94%
Gramercy	0.96%
Midtown East	1.19%
Midtown West	1.19%
Murray Hill	0.96%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.55%
Upper East Side	1.20%
Upper West Side	1.25%
West Village	0.56%
<b>Overall Vacancy: 2011</b>	<b>0.96%</b>
<b>Overall Vacancy: 2010</b>	<b>1.16%</b>
<b>Difference: 2011/2010</b>	<b>-0.2</b>

Source: All Citi Habitats transactions from 2010 and 2011.

**MANHATTAN RENTAL VACANCY RATES: 2011**



Source: All Citi Habitats transactions from 2011.

**AVERAGE RENT SUMMARY: 12/11**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	\$2376	3018	4724	5952
East Village	\$1804	2459	3185	4048
Gramercy/Flatiron	\$2319	3218	4578	5534
Harlem	\$1313	1589	1975	2763
Lower East Side	\$1750	2133	3292	4092
Midtown East	\$1893	2469	3675	4641
Midtown West	\$2238	3030	4245	5305
Morningside Heights	\$1600	2055	3075	3450
Murray Hill	\$1956	3024	3520	4566

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	\$2150	3617	5650	8450
Upper East Side	\$1786	2384	3299	5713
Upper West Side	\$1858	2598	3804	6025
Wall Street/BPC	\$2113	3199	4795	5213
Washington Heights	\$1395	1412	1695	2200
West Village	\$2242	3302	4795	6078
<b>December Average</b>	<b>\$1920</b>	<b>2634</b>	<b>3754</b>	<b>4935</b>
<b>November Average</b>	<b>\$1940</b>	<b>2647</b>	<b>3724</b>	<b>4947</b>
<b>% Change</b>	<b>-1%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>

Source: All Citi Habitats transactions from November and December 2011.

**VACANCY SUMMARY: 12/11**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.50%
Chelsea	0.93%
East Village/LES	1.30%
Gramercy	1.29%
Midtown East	1.49%
Midtown West	1.60%
Murray Hill	1.00%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.37%
Upper East Side	1.17%
Upper West Side	1.50%
West Village	0.84%
<b>December Overall Vacancy</b>	<b>1.27%</b>
<b>November Overall Vacancy</b>	<b>1.16%</b>
<b>Difference</b>	<b>0.11</b>

Source: All Citi Habitats transactions from November and December 2011.

**OVERALL BLENDED AVERAGES: 12/11**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	\$2883	3984	5977	7968
Doorman	\$2526	3611	5301	6930
Elevator***	\$2179	2984	4182	5313
Walkup**	\$1908	2561	3501	4668

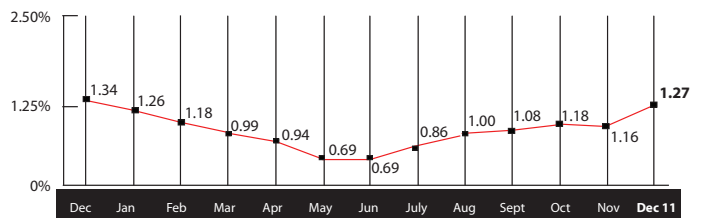
Source: All Citi Habitats transactions from December 2011.

\* 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.

**MANHATTAN RENTAL VACANCY RATES: 12/11**



Source: All Citi Habitats transactions from December 2010 to December 2011.

**AVERAGE RENT SUMMARY: 11/11**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	\$2240	3173	4895	6200
East Village	\$1871	2448	3178	4123
Gramercy/Flatiron	\$2148	3235	4500	5628
Harlem	\$1392	1630	1956	2820
Lower East Side	\$1875	2325	3338	4138
Midtown East	\$2004	2550	3620	4525
Midtown West	\$2374	3119	4235	5260
Morningside Heights	\$1698	2048	2900	3495
Murray Hill	\$1983	3024	3561	4479

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	\$2138	3584	5598	8600
Upper East Side	\$1707	2245	3178	5617
Upper West Side	\$1905	2602	3806	6199
Wall Street/BPC	\$2133	3057	4678	5257
Washington Heights	\$1254	1419	1732	2054
West Village	\$2373	3241	4690	5812
<b>November Average</b>	<b>\$1940</b>	<b>2647</b>	<b>3724</b>	<b>4947</b>
<b>October Average</b>	<b>\$1989</b>	<b>2690</b>	<b>3715</b>	<b>4971</b>
<b>% Change</b>	<b>-2%</b>	<b>-2%</b>	<b>0%</b>	<b>0%</b>

Source: All Citi Habitats transactions from October and November 2011.

**VACANCY SUMMARY: 11/11**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.42%
Chelsea	0.85%
East Village/LES	0.97%
Gramercy	0.89%
Midtown East	1.30%
Midtown West	1.60%
Murray Hill	0.94%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.44%
Upper East Side	1.11%
Upper West Side	1.34%
West Village	0.84%
<b>November Overall Vacancy</b>	<b>1.16%</b>
<b>October Overall Vacancy</b>	<b>1.18%</b>
<b>Difference</b>	<b>-.02</b>

Source: All Citi Habitats transactions from October and November 2011.

**OVERALL BLENDED AVERAGES: 11/11**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	\$2900	3968	5917	7981
Doorman	\$2507	3608	5097	6702
Elevator***	\$2148	3085	4124	5509
Walkup**	1905	2598	3489	4628

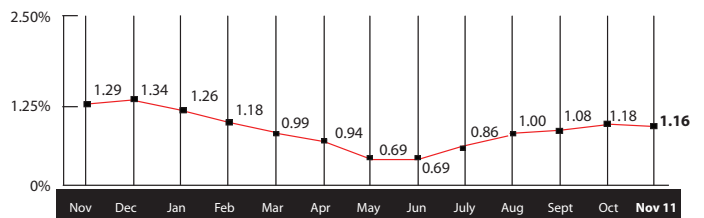
Source: All Citi Habitats transactions from November 2011.

\* 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.

**MANHATTAN RENTAL VACANCY RATES: 11/11**



Source: All Citi Habitats transactions from November 2011.

**AVERAGE RENT SUMMARY: 10/11**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2348	3302	5050	6299
East Village	1999	2693	3247	4438
Gramercy/Flatiron	2276	3203	4539	5757
Harlem	1374	1548	2255	3000
Lower East Side	1995	2483	3405	4075
Midtown East	2004	2600	3557	4467
Midtown West	2220	3189	4067	5290
Morningside Heights	1697	2097	2195	3100
Murray Hill	1952	2999	3474	4500

LOCATION	STUDIO	1BR	2BR	3BR
SoHo/TriBeCa	2373	3525	5713	8730
Upper East Side	1820	2336	3134	5375
Upper West Side	1972	2549	3940	6075
Wall Street/BPC	2275	3129	4617	5329
Washington Heights	1229	1370	1775	2029
West Village	2294	3333	4750	6097
<b>October Average</b>	<b>1989</b>	<b>2690</b>	<b>3715</b>	<b>4971</b>
<b>September Average</b>	<b>1970</b>	<b>2680</b>	<b>3675</b>	<b>4997</b>
<b>% Change</b>	<b>1%</b>	<b>0%</b>	<b>1%</b>	<b>-1%</b>

Source: All Citi Habitats transactions from September and October 2011.

**VACANCY SUMMARY: 10/11**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.20%
Chelsea	1.32%
East Village	0.84%
Gramercy	1.16%
Midtown East	1.21%
Midtown West	1.53%
Murray Hill	1.01%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.49%
Upper East Side	1.22%
Upper West Side	1.44%
West Village	0.52%
<b>October Overall Vacancy</b>	<b>1.18%</b>
<b>September Overall Vacancy</b>	<b>1.08%</b>
<b>Difference</b>	<b>.10</b>

Source: All Citi Habitats transactions from September and October 2011.

**OVERALL BLENDED AVERAGES: 10/11**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2942	3950	6024	8201
Doorman	2465	3561	4909	6626
Elevator***	2109	3052	4098	5717
Walkup**	1913	2571	3594	4673

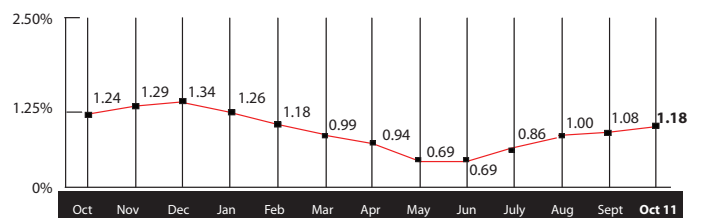
Source: All Citi Habitats transactions from September 2011.

\* 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.

**MANHATTAN RENTAL VACANCY RATES: 10/11**



Source: All Citi Habitats transactions from September 2011.

**CitiHabitats** | [CITI-HABITATS.COM](http://CITI-HABITATS.COM)