

# RESIDENTIAL RENTAL MARKET REPORT

3rd Quarter 2009

(July - September)



**CitiHabitats**  
MORE BROKER PER SQ FT

CITI-HABITATS.COM

# Citi Habitats Residential Rental Market Report

## 3rd Quarter 2009

Our results for the 3rd Quarter 2009 showed that there is significant interest and demand in the Manhattan rental market. Citi Habitats closed substantially more rental transactions during this quarter than it did during the 3rd Quarter 2008 (see chart below), which is clear evidence of the strong desire of individuals to live in our great city.

Overall, 3rd Quarter 2009 rental market prices are approximately 8% lower and vacancy rates are marginally higher from 3rd Quarter 2008, but continue to remain below 2%. However, when compared to the 2nd Quarter 2009, the 3rd Quarter 2009 saw average rental prices further stabilizing and a sizable amount of absorption, resulting in a vacancy rate of 1.71% for this period, down from the 2nd Quarter 2009 rate of 1.88%.

Again this quarter, we are seeing that landlords who are proactive in marketing their properties by offering incentives (owner-paid commissions and/or free rent), are successfully driving traffic to their properties and that customers are viewing apartments throughout the city searching for the best deal.

Rental development continues to move forward. During this period, CHMG, Citi Habitats' development marketing group, rented Silver Towers at a very brisk pace, renting over 300 of the initial release of 450 units during its launch phase and 80 DeKalb, located in Brooklyn, is planned to go online in 2010.

Please note the following with respect to this report:

1. The statistics in this report were compiled using solely Citi Habitats closed transactions during the stated period.
2. Average rents cited in this report are, for the majority, 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. Factoring in rent concessions, average rents may be between 5% to 7% lower. However, not every rental transaction contains a landlord concession.



We hope you will find this study informative and we welcome any questions you may have regarding it.

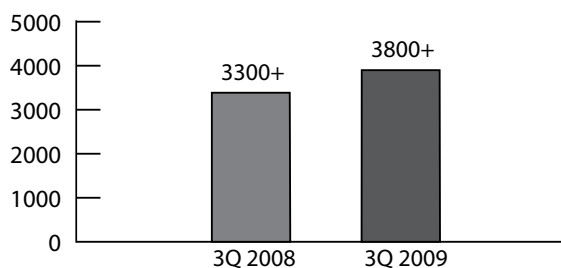
Sincerely,



Gary Malin, President

*We find more New Yorkers homes than any other brokerage firm.*

### TOTAL 3Q RENTAL TRANSACTIONS



Overall transactional volume for Citi Habitats for the 3Q 2009 was more than 3,800 transactions, representing an increase of more than 11% in the total number of transactions from the 3Q 2008 total of more than 3,300 transactions. 2008 was a record-setting year for Citi Habitats, with over 10,500 rental transactions.

**AVERAGE RENT SUMMARY: Q3/09**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2054	2941	4441	5610
East Village	1884	2431	3342	4542
Gramercy/Flatiron	1932	3049	4198	5197
Harlem	1177	1534	1912	2249
Lower East Side	1744	2189	2997	3862
Midtown East	1780	2447	3909	5314
Midtown West	1810	2472	3634	4715
Morningside Heights	1386	2014	2539	3131
Murray Hill	1907	2324	3218	4234
SoHo/TriBeCa	2213	3276	5088	7154

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	1617	2133	3075	5214
Upper West Side	1744	2304	3386	5545
Wall Street/BPC	2091	2943	4139	5117
Washington Heights	1078	1369	1814	2149
West Village	2066	2997	4025	5517
<b>Average: Q3/09</b>	<b>1760</b>	<b>2423</b>	<b>3381</b>	<b>4591</b>
<b>Average: Q2/09</b>	<b>1765</b>	<b>2428</b>	<b>3448</b>	<b>4637</b>
<b>% Change</b>	<b>-0.3%</b>	<b>-0.2%</b>	<b>-1.9%</b>	<b>-1.0%</b>
<b>Average: Q3/08</b>	<b>1918</b>	<b>2657</b>	<b>3712</b>	<b>4984</b>
<b>% Change: Q2-08/09</b>	<b>-8.3%</b>	<b>-8.8%</b>	<b>-8.9%</b>	<b>-7.9%</b>

**PEAK SEASON AVERAGE RENTS: Q3/09**

Market-wide for Manhattan, the average 3Q 2009 rental price for a studio was \$1,760, representing a decrease of .3% from 2Q 2009; a one bedroom, \$2,423 representing a decrease of .2% from 2Q 2009; a two bedroom, \$3,481 representing a decrease of 1.9% from 2Q 2009; and three bedroom, \$4,591 representing a decrease of 1% from 2Q 2009.

**VACANCY SUMMARY: Q3/09**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.98%
Chelsea	1.58%
East Village	2.07%
Gramercy	1.89%
Midtown East	2.22%
Midtown West	1.73%
Murray Hill	1.84%
SoHo/TriBeCa	1.45%

NEIGHBORHOOD	VACANCY RATE
Upper East Side	2.38%
Upper West Side	1.94%
West Village	1.63%
<b>Overall Vacancy: Q3/09</b>	<b>1.71%</b>
<b>Overall Vacancy: Q2/09</b>	<b>1.88%</b>
<b>Difference</b>	<b>-.17%</b>
<b>Overall Vacancy: Q3/08</b>	<b>1.30%</b>
<b>Difference: Q3 - 08/09</b>	<b>.41%</b>

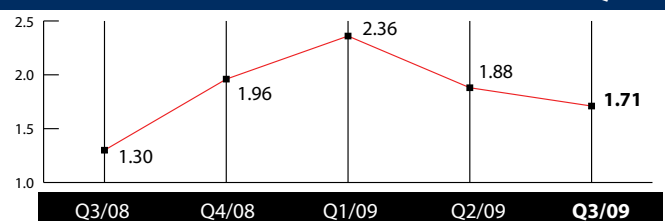
**PEAK SEASON VACANCY RATES: Q3/09**

The overall vacancy rate for Manhattan for 3Q 2009 was 1.71% representing a decrease of 0.17 in the vacancy rate from the 2Q 2009 rate of 1.88%. A comparison of vacancy rates, by neighborhood, reveals that the SoHo/Tribeca area had the least amount of available apartments at .108%, while the Upper East Side, at 2.41%, ranked highest.

**OVERALL BLENDED AVERAGES: Q3/09**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2420	3490	6219	8110
Doorman	2241	3128	4496	5772
Elevator	1858	2511	3747	5287
Walkup**	1696	2130	2858	4088

**MANHATTAN RENTAL VACANCY RATES: Q3/09**



\* 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.

**AVERAGE RENT SUMMARY: 9/09**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2024	2935	4283	5434
East Village	1797	2442	3127	4300
Gramercy/Flatiron	2028	2996	3983	5117
Harlem	1175	1458	1718	2162
Lower East Side	1650	2057	2950	3534
Midtown East	1740	2410	3666	5193
Midtown West	1991	2551	3520	4622
Morningside Heights	1400	2080	2425	2880

LOCATION	STUDIO	1BR	2BR	3BR
Murray Hill	1724	2338	3284	4550
SoHo/TriBeCa	2049	3178	5128	7160
Upper East Side	1655	2230	3136	5088
Upper West Side	1770	2411	3415	5406
Wall Street/BPC	2139	2796	3765	5115
Washington Heights	1055	1486	1850	2100
West Village	2040	2937	3894	5450
<b>Average</b>	<b>1749</b>	<b>2420</b>	<b>3343</b>	<b>4541</b>

**AVERAGE RENTS: 9/09** Market-wide for Manhattan, the average monthly rental price for a studio was \$1,749, representing no change from August 2009; a one bedroom, \$2,420 representing a decrease of 1% from August 2009; a two bedroom, \$3,343 representing a decrease of 1% from August 2009; and three bedroom, \$4,541 representing a decrease of 1% from August 2009.

A neighborhood average rent comparison for a studio apartment for the same period indicates that the Wall Street/BPC area of Manhattan had the highest rental rate at \$2,139 with the lowest rate in Washington Heights at \$1,055.

A similar average rent comparison for a one-bedroom apartment indicates that the SoHo/Tribeca area of Manhattan has the highest rental rates at \$3,178 with the lowest rate in Harlem at \$1,458.

**VACANCY SUMMARY: 9/09**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.91%
Chelsea	1.45%
East Village	1.63%
Gramercy	2.25%
Midtown East	2.22%
Midtown West	1.86%

NEIGHBORHOOD	VACANCY RATE
Murray Hill	2.20%
SoHo / TriBeCa	1.09%
Upper East Side	2.49%
Upper West Side	1.84%
West Village	1.24%
<b>Overall Vacancy</b>	<b>1.83%</b>

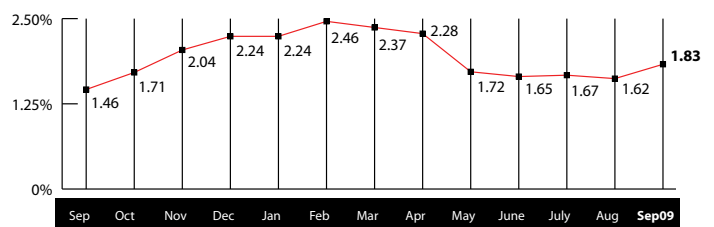
**VACANCY RATES: 9/09** The overall vacancy rate for Manhattan for September 2009 was 1.83% representing an increase of .21 in the vacancy rate from the August 2009 rate of 1.62%.

A comparison of vacancy rates, by neighborhood, reveals that the SoHo/Tribeca area had the least amount of available apartments at .1.09%, while the Upper East Side, at 2.49%, ranked highest.

**OVERALL BLENDED AVERAGES: 9/09**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2434	3479	6070	8147
Doorman	2292	3207	4528	5684
Elevator**	1864	2455	3873	5525
Walkup***	1705	2117	2885	4173

**MANHATTAN RENTAL VACANCY RATES: 9/09**



\* 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.

**AVERAGE RENT SUMMARY: 8/09**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2061	3084	4213	5500
East Village	1750	2310	3194	4434
Gramercy/Flatiron	2054	2948	3996	5048
Harlem	1212	1553	1822	2123
Lower East Side	1670	2171	2981	3617
Midtown East	1788	2436	3689	5188
Midtown West	1992	2578	3549	4610
Morningside Heights	1500	2051	2448	2908

LOCATION	STUDIO	1BR	2BR	3BR
Murray Hill	1886	2441	3295	4775
SoHo/TriBeCa	2086	3184	5123	7400
Upper East Side	1554	2238	3116	5013
Upper West Side	1726	2458	3487	5621
Wall Street/BPC	1965	2727	3920	5000
Washington Heights	1100	1488	1825	2075
West Village	1989	2965	3928	5430
<b>Average</b>	<b>1756</b>	<b>2442</b>	<b>3372</b>	<b>4583</b>

**AVERAGE RENTS: 8/09** Market-wide for Manhattan, the average monthly rental price for a studio was \$1,756, representing a decrease of 1% from July 2009; a one bedroom, \$2,442 representing an increase of 1% from July 2009; a two bedroom, \$3,372 representing a slight increase from July 2009; and three bedroom, \$4,583 representing a decrease of 1% from July 2009.

A neighborhood average rent comparison for a studio apartment for the same period indicates that the SoHo/Tribeca area of Manhattan had the highest rental rate at \$2,086 with the lowest rate in Washington Heights at \$1,100.

A similar average rent comparison for a one-bedroom apartment indicates that the SoHo/Tribeca area of Manhattan has the highest rental rates at \$3,184 with the lowest rate in Washington Heights at \$1,488.

**VACANCY SUMMARY: 8/09**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.74%
Chelsea	0.88%
East Village	1.58%
Gramercy	1.65%
Midtown East	2.22%
Midtown West	1.50%

NEIGHBORHOOD	VACANCY RATE
Murray Hill	1.60%
SoHo / TriBeCa	1.18%
Upper East Side	2.37%
Upper West Side	1.78%
West Village	1.37%
<b>Overall Vacancy</b>	<b>1.62%</b>

**VACANCY RATES: 8/09**

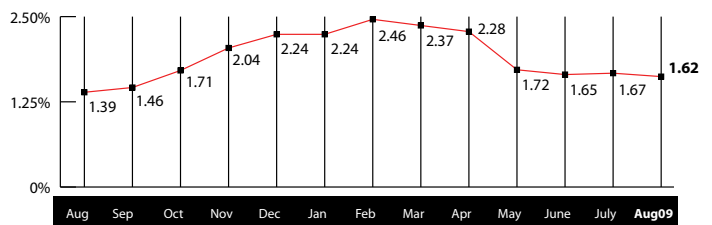
The overall vacancy rate for Manhattan for August 2009 was 1.62% representing a decrease in the vacancy rate from the July 2009 rate of 1.67%.

A comparison of vacancy rates, by neighborhood, reveals that the Chelsea area had the least amount of available apartments at .88%, while the Upper East Side, at 2.37%, ranked highest.

**OVERALL BLENDED AVERAGES: 8/09**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2438	3492	6086	7779
Doorman	2221	3114	4370	5693
Elevator**	1878	2575	3700	5149
Walkup***	1709	2176	2913	4042

**MANHATTAN RENTAL VACANCY RATES: 8/09**



\* 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.

**AVERAGE RENT SUMMARY: 7/09**

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2035	2918	4285	5542
East Village	1811	2336	3264	4493
Gramercy/Flatiron	2021	3067	4157	5103
Harlem	1283	1611	1895	2268
Lower East Side	1718	2214	2939	3650
Midtown East	1836	2364	3844	5268
Midtown West	1965	2548	2451	4648
Morningside Heights	1404	1908	2341	2911

LOCATION	STUDIO	1BR	2BR	3BR
Murray Hill	1934	2329	3366	4850
SoHo/TriBeCa	2171	3258	5279	7332
Upper East Side	1615	2114	3034	5145
Upper West Side	1702	2290	3535	5766
Wall Street/BPC	2078	2782	4127	5100
Washington Heights	1053	1403	1850	2113
West Village	1986	2949	4038	5531
<b>Average</b>	<b>1774</b>	<b>2406</b>	<b>3362</b>	<b>4648</b>

**AVERAGE RENTS: 7/09** Market-wide for Manhattan, the average monthly rental price for a studio was \$1,774, representing an increase of 1% from June 2009; a one bedroom, \$2,406 representing a change of -1% from June 2009; a two bedroom, \$3,362 representing a change of -2% from June 2009; and three bedroom, \$4,648 representing a negligible change from June 2009.

A neighborhood average rent comparison for a studio apartment for the same period indicates that the SoHo/Tribeca area of Manhattan had the highest rental rate at \$2,171 with the lowest rate in Washington Heights at \$1,053.

A similar average rent comparison for a one-bedroom apartment indicates that the SoHo/Tribeca area of Manhattan has the highest rental rates at \$3,258 with the lowest rate in Washington Heights at \$1,403.

**VACANCY SUMMARY: 7/09**

NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.87%
Chelsea	1.54%
East Village	1.73%
Gramercy	1.74%
Midtown East	2.03%
Midtown West	1.45%

NEIGHBORHOOD	VACANCY RATE
Murray Hill	1.73%
SoHo / TriBeCa	0.98%
Upper East Side	2.38%
Upper West Side	1.63%
West Village	1.28%
<b>Overall Vacancy</b>	<b>1.67%</b>

**VACANCY RATES: 7/09**

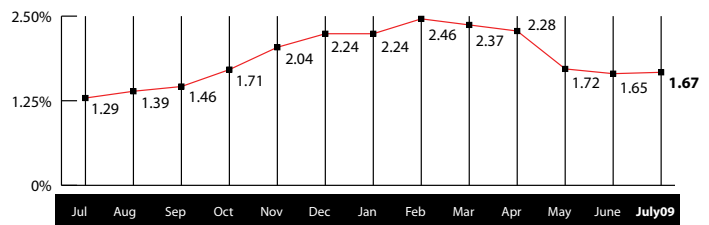
The overall vacancy rate for Manhattan for July 2009 was 1.67% representing an increase in the vacancy rate of 1% from June 2009.

A comparison of vacancy rates, by neighborhood, reveals that the SoHo/Tribeca area had the least amount of available apartments at .98%, while the Upper East Side, at 2.38%, ranked highest.

**OVERALL BLENDED AVERAGES: 7/09**

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2388	3498	6502	8406
Doorman	2210	3064	4588	5937
Elevator**	1832	2503	3668	5187
Walkup***	1673	2096	2776	4048

**MANHATTAN RENTAL VACANCY RATES: 7/09**



\* 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.

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