

MANHATTAN RENTAL MARKET REPORT

AUGUST 2009

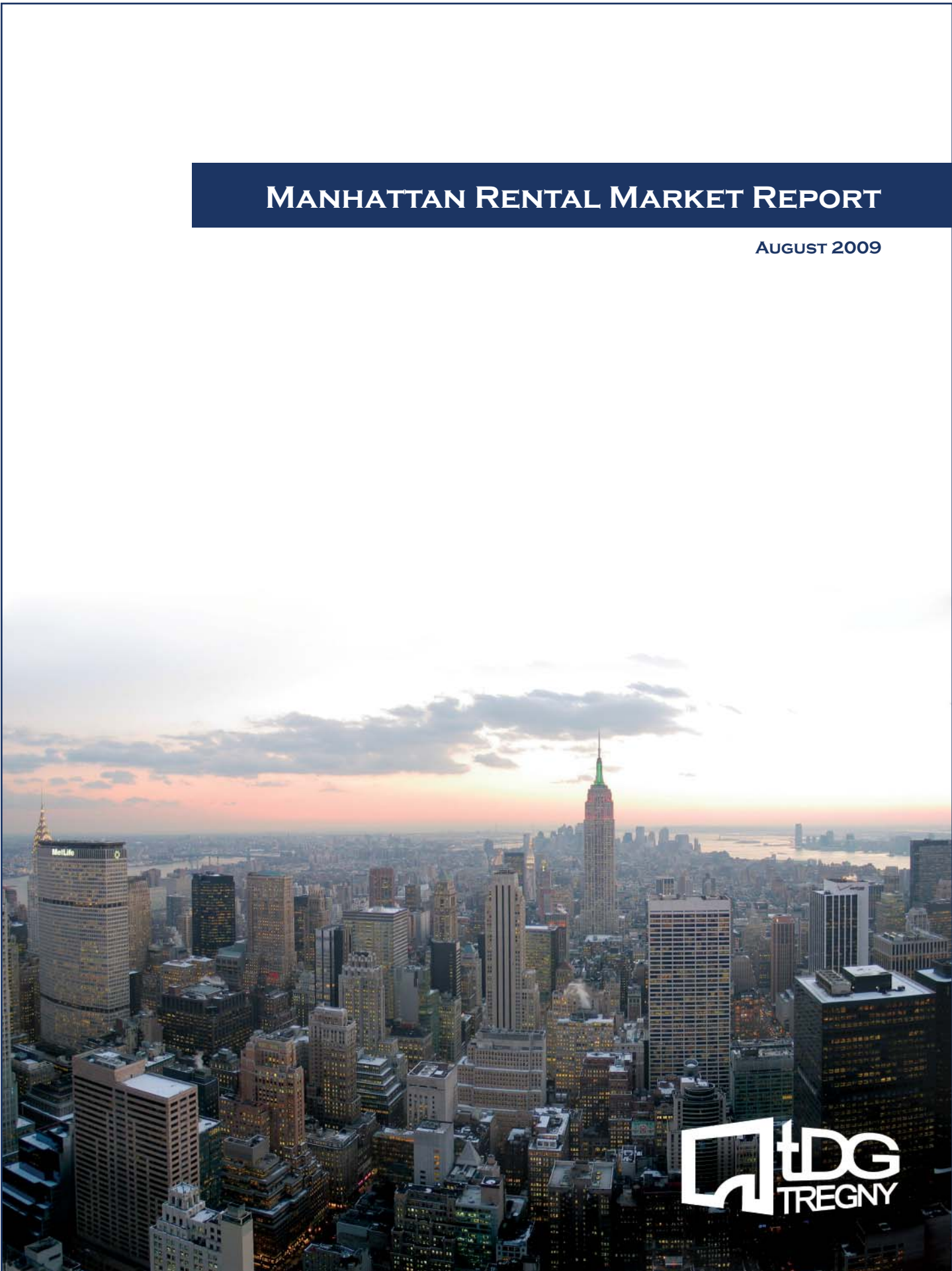


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INTRODUCTION

TDG/TREGNY is proud to present the August 2009 edition of our Manhattan Rental Market Report, the only research on the city's rental rates published on a monthly basis.

This month has been a bit of a power struggle between renters seeking value and property managers trying to capitalize on the last of the summer demand. Renters have been able to take advantage of relatively bargain prices, which continue to significantly lag in year-over-year trends, while this flurry of activity has led to decreasing inventories around Manhattan – good news for landlords and property managers.

As highlighted in last month's report, the summer peak has been considerably muted this year. This anomaly has caused some in the market to be hopeful that the typical fall and winter doldrums will be less harsh than Manhattan has previously seen; however, most of the demand this summer seems to be coming from within the city limits (e.g. existing city dwellers looking for better deals), leading one to wonder where the renter demand to create such stability will come from.

As a side note, we've seen some landlords begin to test the market again this month with price increases. Although raising prices might garner a few more dollars on the balance sheets, it seems to us that this is still a gamble unless one truly feels their current inventories can withstand the market's current volatility.

We are continuing to monitor the market as the summer peak season comes to a close and will be paying careful attention to the direction of prices and inventories as the fall sets in.

A QUICK LOOK

NON-DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$2,977	Harlem \$1,274
One-bedrooms	TriBeCa \$3,974	Harlem \$1,716
Two-bedrooms	TriBeCa \$6,667	Harlem \$2,105

DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
Studios	TriBeCa \$2,889	Harlem \$1,307
One-bedrooms	SoHo \$4,246	Harlem \$1,815
Two-bedrooms	SoHo \$6,995	Harlem \$2,865

Greatest Changes Since July:

- Non-doorman studios – Financial District – **Down 8.75%** (\$216)
- Non-doorman one-bedrooms – Chelsea – **Down 6.04%** (\$171)
- Non-doorman two-bedrooms – Financial District – **Down 8.57%** (\$375)
- Doorman studios – SoHo – **Down 11.31%** (\$310)
- Doorman one-bedrooms – SoHo – **Up 5.61%** (\$226)
- Doorman two-bedrooms – TriBeCa – **Down 5.65%** (\$349)

Year-over-year Changes:

Notable Trends:

MANHATTAN NON-DOORMAN RENTS: AUGUST '08 vs. AUGUST '09			
	August '08	August '09	Change
Studios	\$2,100	\$1,931	-8.03%
One-bedrooms	\$2,770	\$2,606	-5.92%
Two-bedrooms	\$3,844	\$3,527	-8.24%

MANHATTAN DOORMAN RENTS: AUGUST '08 vs. AUGUST '09			
	August '08	August '09	Change
Studios	\$2,507	\$2,329	-7.09%
One-bedrooms	\$3,638	\$3,274	-10.02%
Two-bedrooms	\$5,542	\$5,161	-6.87%

A QUICK LOOK

Mind the gap — Rents are once again nearly flat again this month with the largest changes in non-doorman two-bedroom units which fell 1.75%; however, year-over-year reports continue to be bleak. Rents are down by as much as 10.02% in doorman one-bedroom units since August of 2008. It seems that summer has done little to close the gap.

Vacancies plunge towards fall — Non-doorman and doorman vacancies both fell this month, leading to the largest overall month-to-month decrease in inventories since September of 2008 (3.45%). This is the fifth straight month of declines for doorman units, which decreased 4.39%, while non-doorman units, that have seen mixed results this year, slipped 2.36%.

Staying put — Many leases turn over around this time of year and renters around the city are facing renewal decisions. Before packing boxes in search of a better deal, it might be prudent to check with your landlord first. While it's not always the case, recently some property managers have been willing to negotiate to keep tenants in place. Although a better deal might lurk around the corner, with the costs associated with moving, it's wise to at least test the waters.

Where Prices Decreased:

Harlem—↓ Non-doorman studios (-2.64%), Doorman studios (-2.16%), non-doorman two-bedrooms (-1.62%)

Upper West Side—↓ Doorman one-bedrooms (-0.32%), non-doorman two-bedrooms (-3.96%)

Upper East Side—↓ Doorman studios (-0.91%), non-doorman one-bedrooms (-3.29%), doorman one-bedrooms (-2.86%), non-doorman two-bedrooms (-3.07%), doorman two-bedrooms (-4.86%)

Midtown West—↓ Doorman studios (-0.72%), doorman two-bedrooms (-0.54%)

Midtown East—↓ Non-doorman studios (-1.92%), non-doorman two-bedrooms (-3.92%)

Murray Hill—↓ Non-doorman studios (-0.88%), doorman studios (-0.12%), doorman one-bedrooms (-0.50%), non-doorman two-bedrooms (-4.90%), doorman two-bedrooms (-0.99%)

Chelsea—↓ Non-doorman studios (-3.74%), non-doorman one-bedrooms (-6.04%)

Gramercy Park—↓ Non-doorman studios (-2.26%), doorman studios (-1.93%), non-doorman one-bedrooms (-2.39%), non-doorman two-bedrooms (-2.26%), doorman two-bedrooms (-3.00%)

Greenwich Village—↓ Non-doorman one-bedrooms (-0.32%), doorman one-bedrooms (-1.77%), doorman two-bedrooms (-1.14%)

East Village—↓ Non-doorman one-bedrooms (-0.65%), doorman one-bedrooms (-1.43%), doorman two-bedrooms

A QUICK LOOK

(-3.45%)

SoHo—↓ Non-doorman studios (-6.51%), doorman studios (-11.33%), non-doorman two-bedrooms (-2.97%)

Lower East Side—↓ Non-doorman studios (-3.59%), doorman one-bedrooms (-1.19%)

TriBeCa—↓ Doorman one-bedrooms (-3.93%), non-doorman two-bedrooms (-2.42%), doorman two-bedrooms (-5.65%)

Financial District—↓ Non-doorman studios (-8.75%), doorman studios (-0.07%), doorman one-bedrooms (-2.33%), non-doorman two-bedrooms (-8.57%), doorman two-bedrooms (-0.21%)

Battery Park City—↓ Doorman studios (-1.17%), doorman one-bedrooms (-4.03%), doorman two-bedrooms (-2.33%)

Where Prices Increased:

Harlem—↑ Doorman one-bedrooms (1.02%), doorman two-bedrooms (3.10%)

Upper West Side—↑ Non-doorman studios (0.62%), doorman studios (0.87%), non-doorman one-bedrooms (2.13%), doorman two-bedrooms (1.99%)

Upper East Side—↑ Non-doorman studios (1.99%)

Midtown West—↑ Non-doorman studios (0.57%), non-doorman one-bedrooms (4.67%), doorman one-bedrooms (1.86%), non-doorman two-bedrooms (3.90%)

Midtown East—↑ Doorman studios (0.19%), non-doorman one-bedrooms (1.23%), doorman one-bedrooms (2.33%), doorman two-bedrooms (1.98%)

Murray Hill—↑ Non-doorman one-bedrooms (0.89%)

Chelsea—↑ Doorman studios (5.13%), doorman one-bedrooms (3.37%), non-doorman two-bedrooms (3.74%), doorman two-bedrooms (0.57%)

Gramercy Park—↑ Non-doorman one-bedrooms (2.33%)

Greenwich Village—↑ Non-doorman studios (2.03%), doorman studios (0.85%), non-doorman two-bedrooms (2.82%)

East Village—↑ Non-doorman studios (2.83%), doorman studios (0.91%), non-doorman two-bedrooms (0.03%)

A QUICK LOOK

SoHo—↑ Non-doorman one-bedrooms (5.72%), doorman one-bedrooms (5.61%), doorman two-bedrooms (3.84%)

Lower East Side—↑ Doorman studios (0.34%), non-doorman one-bedrooms (0.09%), non-doorman two-bedrooms (1.72%), doorman two-bedrooms (1.56%)

TriBeCa—↑ Non-doorman studios (4.51%), doorman studios (5.10%), non-doorman one-bedrooms (2.94%)

Financial District—↑ Non-doorman one-bedrooms (2.21%)

Tips for Renters:

Friends don't let friends move to Murray Hill alone. If you're one of the many new grads looking to move to Murray Hill this month, we recommend grabbing a roommate. Non-doorman two-bedroom units fell 4.90% this month to \$3,263. Studios though are still hovering at \$1899. So, grab a friend and get more living space and an extra \$250/month in your pocket.

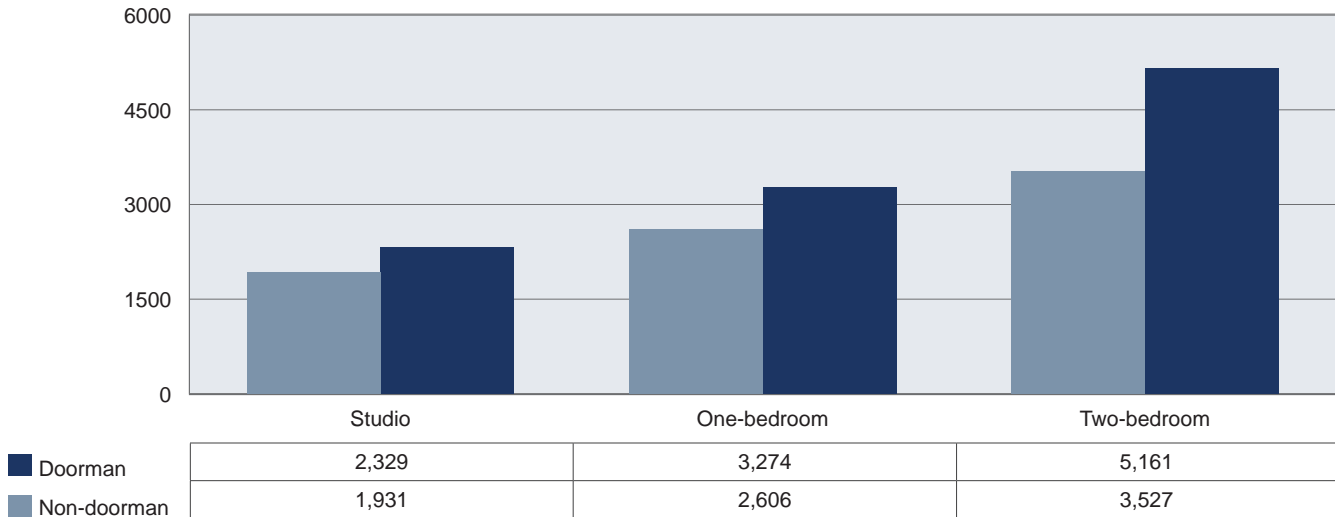
More than just Uptown. Uptown is not the only option for fiscally conservative renters looking to live alone in Manhattan. Lower East Side non-doorman studios fell an additional 3.59% this month, making them the second best deal in Manhattan (Harlem still tops the list). For only \$1687, renters will be in the middle of some great dining, shopping and entertainment options.

Wait it out. If you aren't starting your employment this fall, waiting a few more weeks to move to the city might be a great bet this year. While increased demand in the summer generally inflates prices in the rental market, fall often brings a respite from the peaks. While we still aren't sure what will happen this year, if you're looking for a great deal, it might be worth the wait.

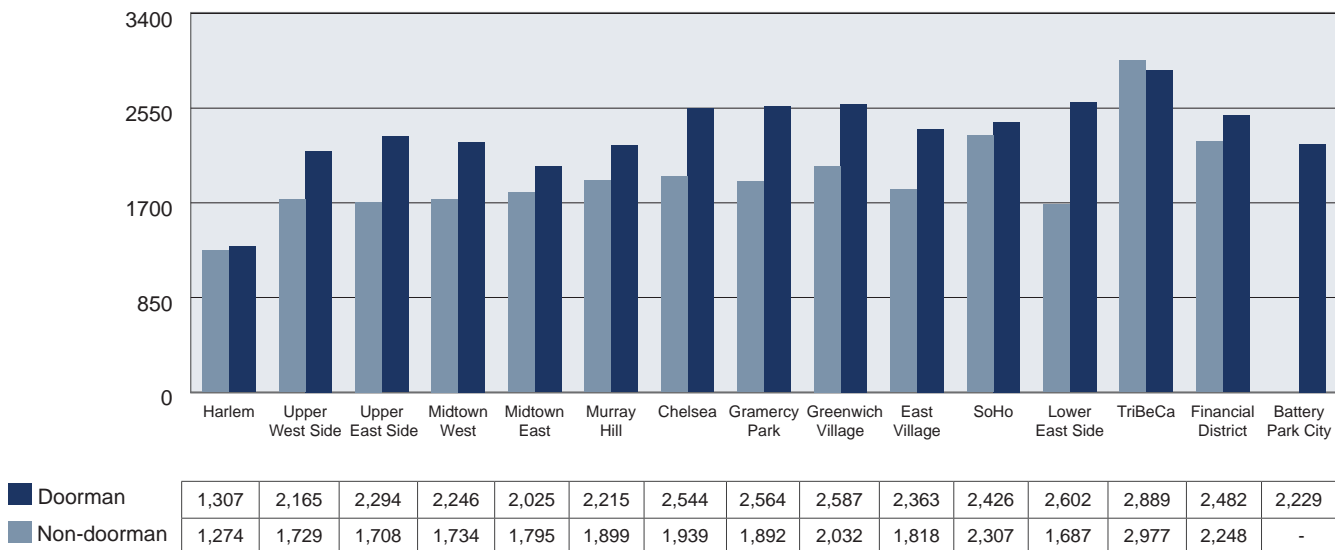
MEAN MANHATTAN RENTAL PRICES

The Mean Rental Price graphs illustrate average monthly rents for studios, one-bedrooms and two-bedrooms in doorman and non-doorman buildings for the month of August 2009. Graphs tracking citywide and neighborhood price changes over a rolling 13-month period follow.

August 2009 Mean Manhattan Rental Prices

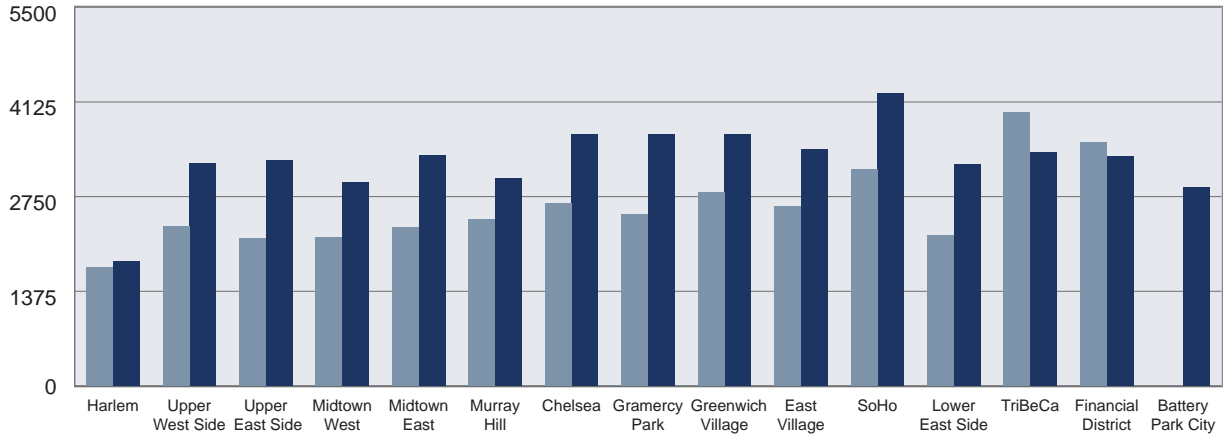


August 2009 Mean Studio Rental Prices



MEAN MANHATTAN RENTAL PRICES

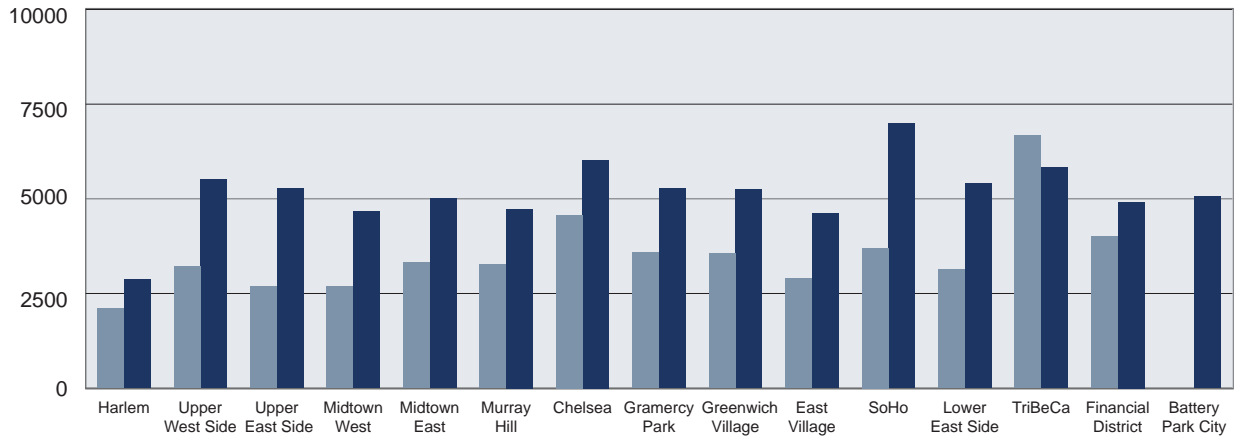
August 2009 Mean One-bedroom Rental Prices



■ Doorman
■ Non-doorman

1,815	3,236	3,276	2,952	3,342	3,021	3,656	3,656	3,654	3,438	4,246	3,214	3,387	3,333	2,876
1,716	2,321	2,145	2,164	2,301	2,424	2,655	2,484	2,816	2,610	3,148	2,185	3,974	3,540	-

August 2009 Mean Two-bedroom Rental Prices

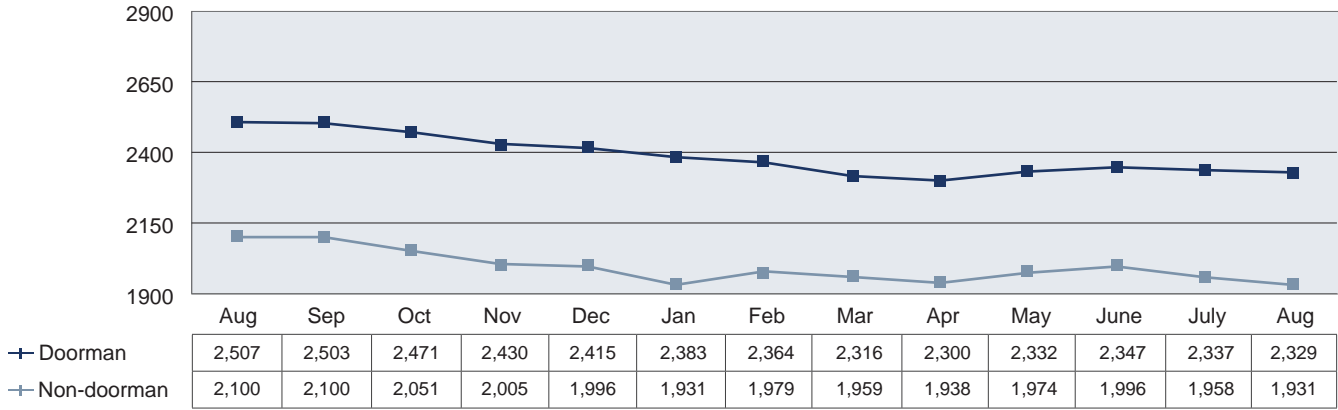


■ Doorman
■ Non-doorman

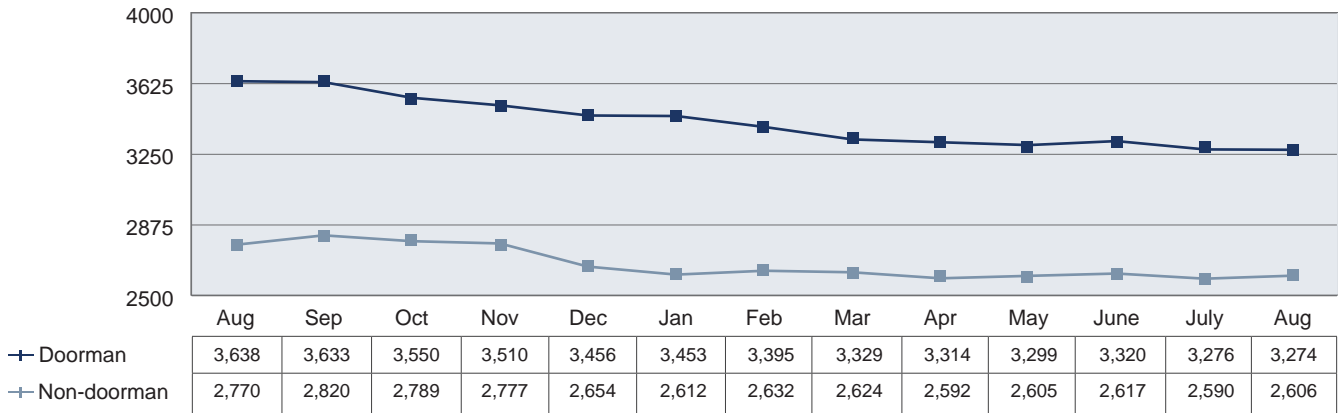
2,865	5,504	5,265	4,661	5,015	4,730	6,023	5,274	5,243	4,621	6,995	5,413	5,826	4,917	5,064
2,105	3,212	2,691	2,676	3,327	3,263	4,569	3,583	3,556	2,899	3,698	3,133	6,667	4,003	-

MANHATTAN PRICE TRENDS

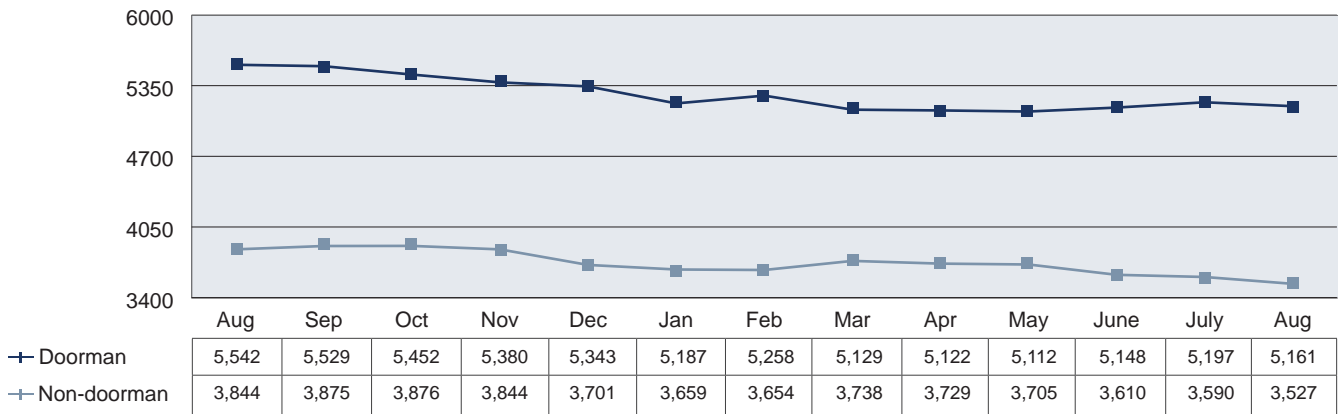
August 2009 Manhattan Studio Price Trends Over 13 Months



August 2009 Manhattan One-bedroom Price Trends Over 13 Months



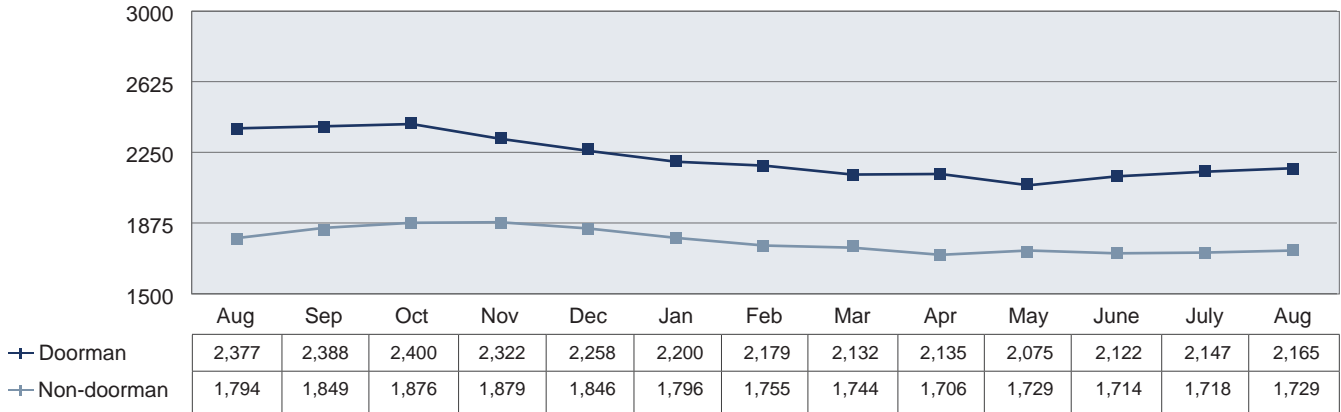
August 2009 Manhattan Two-bedroom Price Trends Over 13 Months



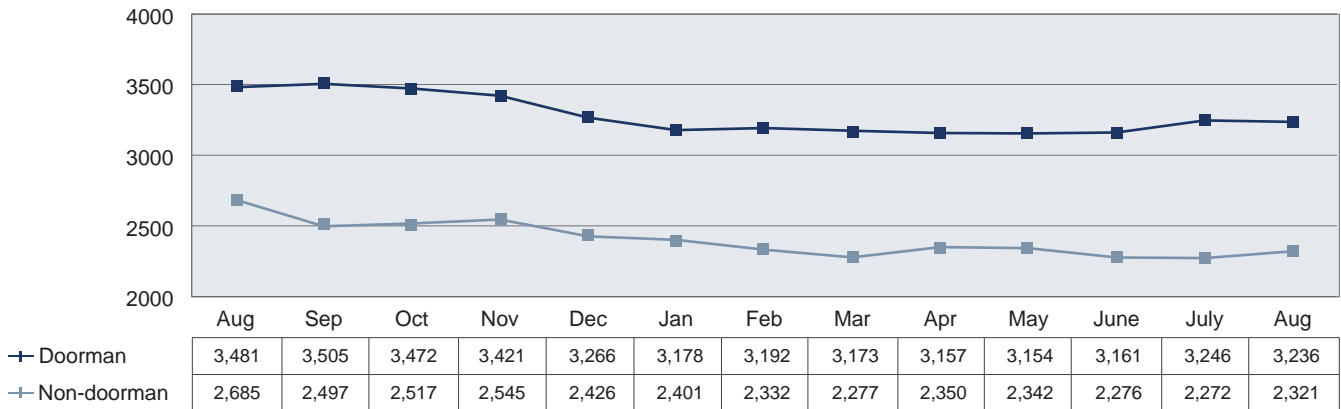
NEIGHBORHOOD PRICE TRENDS

UPPER WEST SIDE

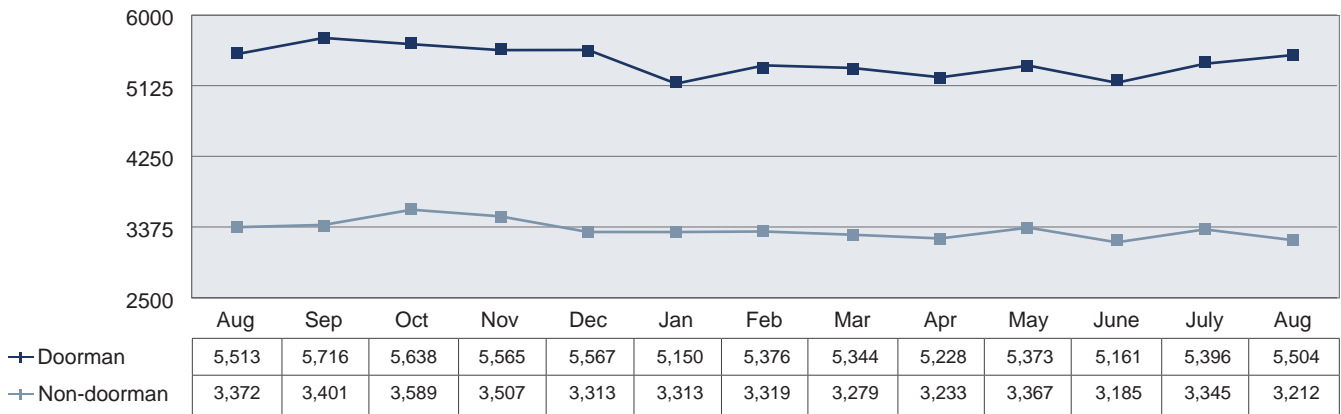
Upper West Side Studio Price Trends Over 13 Months



Upper West Side One-bedroom Price Trends Over 13 Months



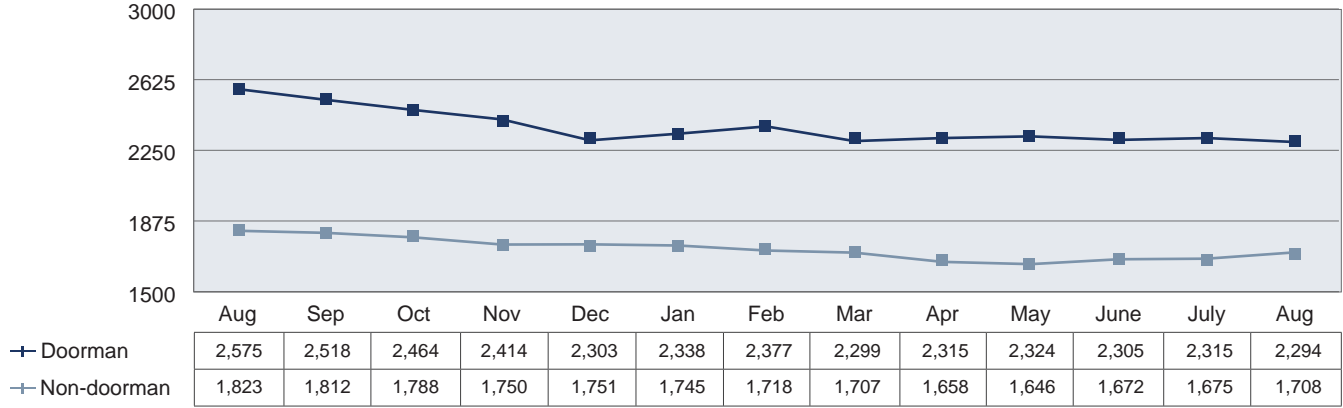
Upper West Side Two-bedroom Price Trends Over 13 Months



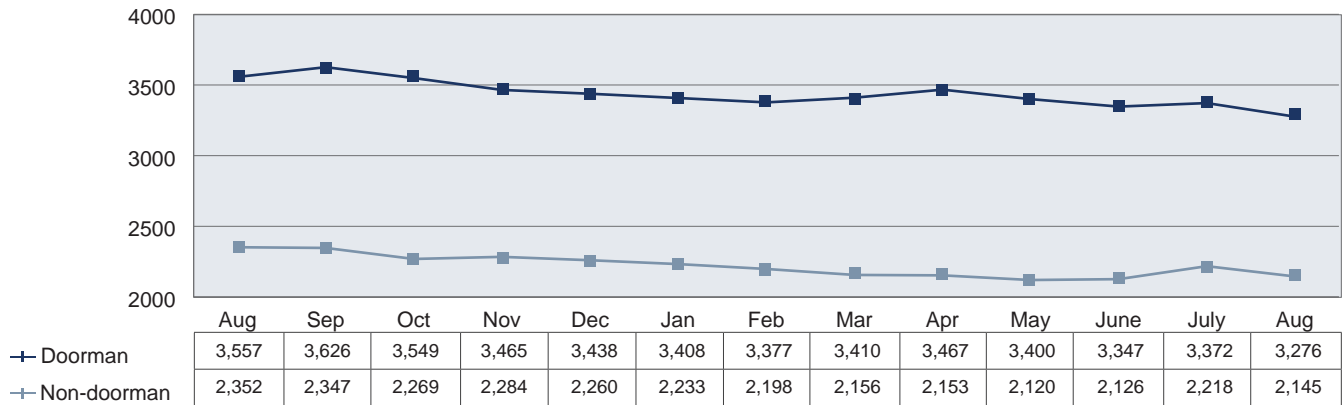
NEIGHBORHOOD PRICE TRENDS

UPPER EAST SIDE

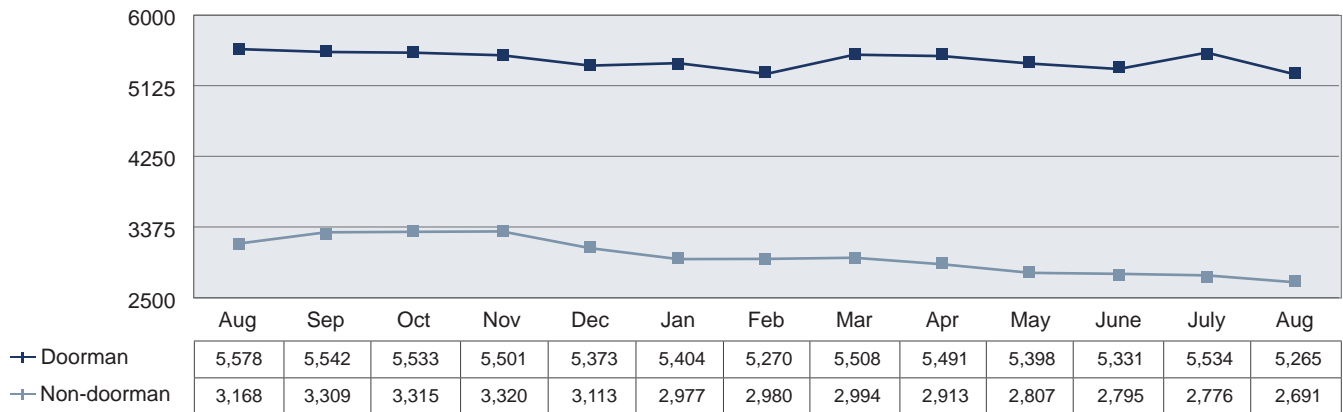
Upper East Side Studio Price Trends Over 13 Months



Upper East Side One-bedroom Price Trends Over 13 Months



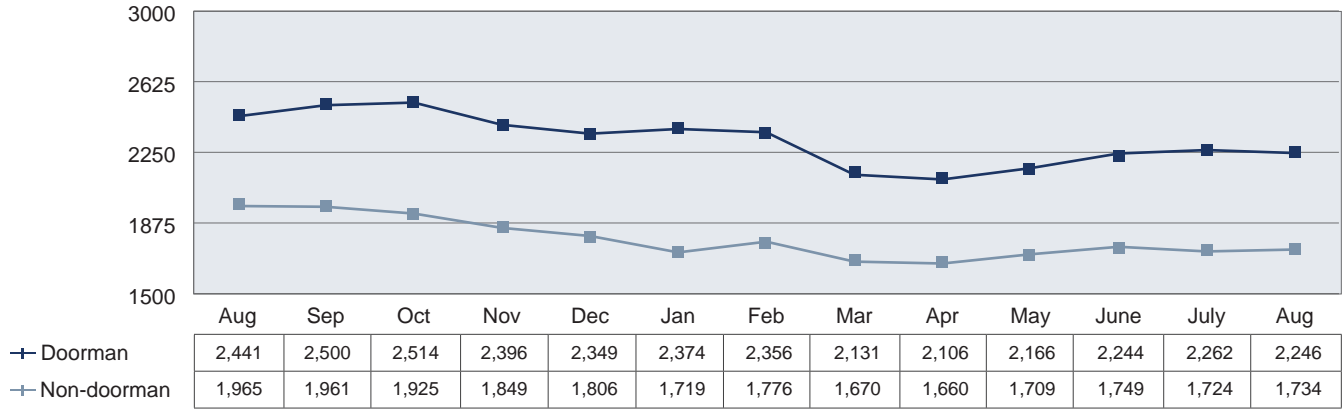
Upper East Side Two-bedroom Price Trends Over 13 Months



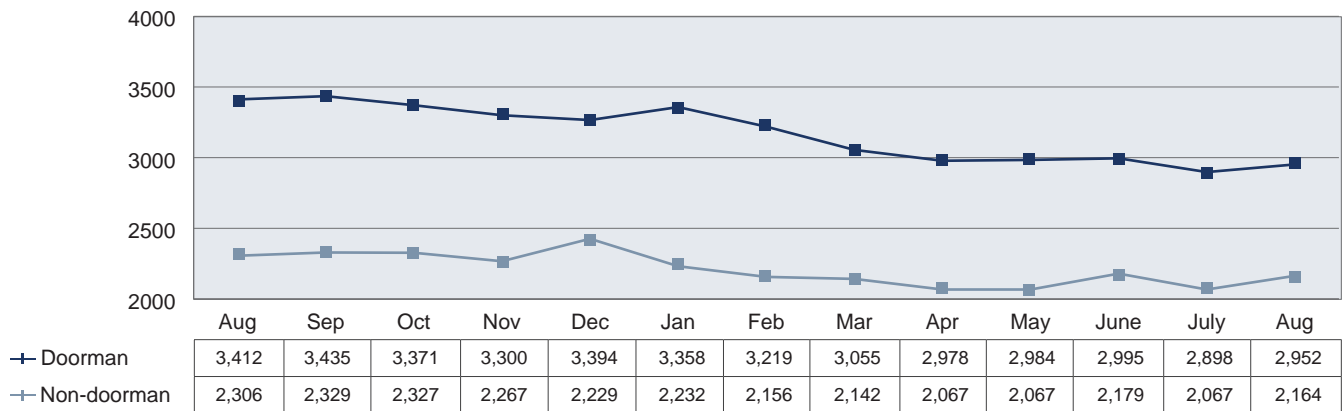
NEIGHBORHOOD PRICE TRENDS

MIDTOWN WEST

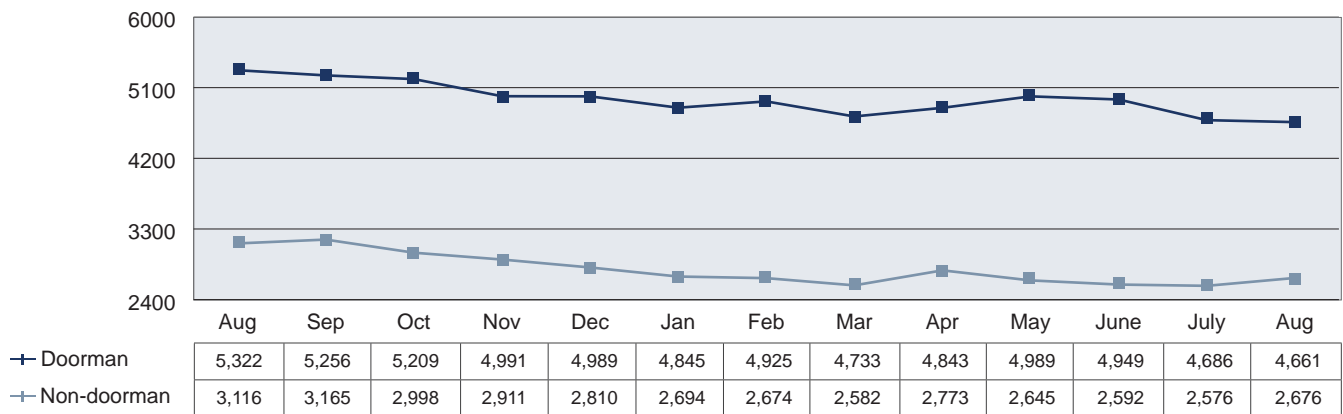
Midtown West Studio Price Trends Over 13 Months



Midtown West One-bedroom Price Trends Over 13 Months



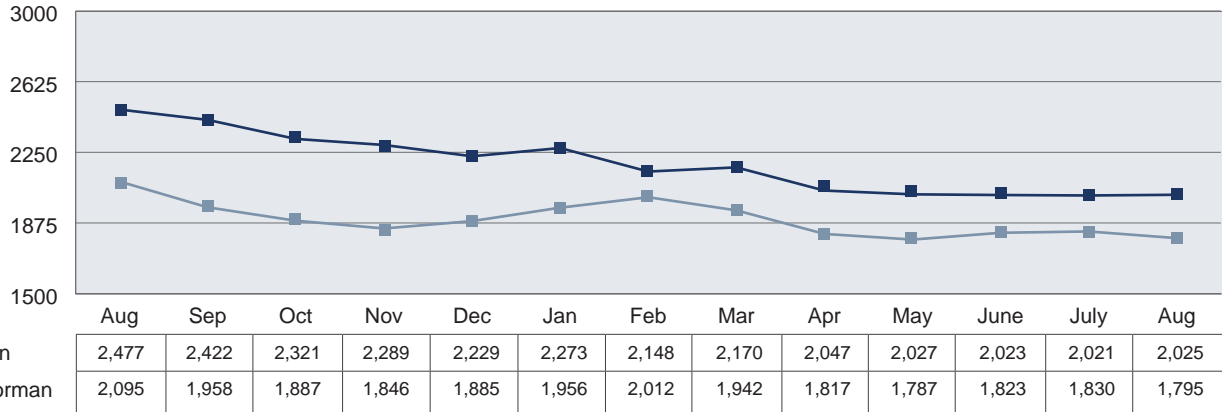
Midtown West Two-bedroom Price Trends Over 13 Months



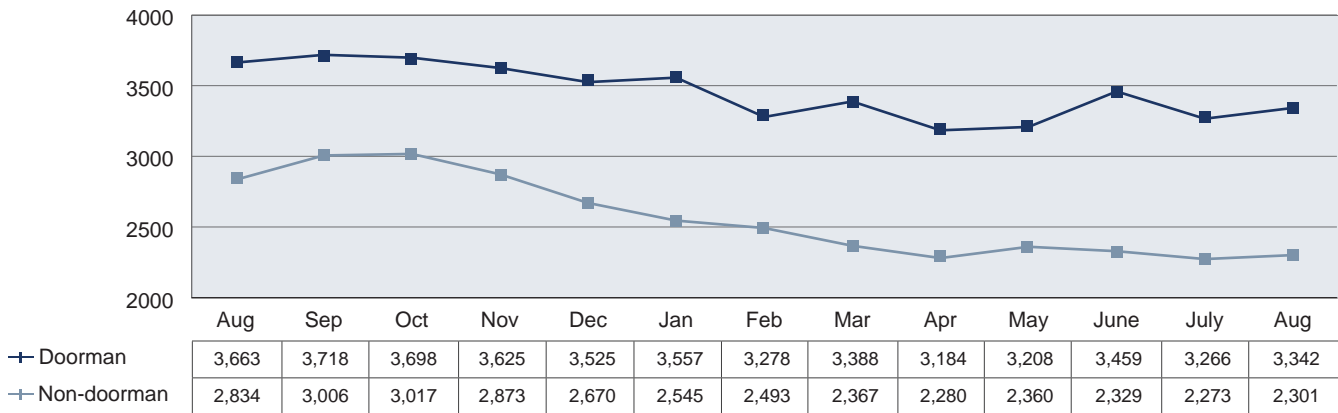
NEIGHBORHOOD PRICE TRENDS

MIDTOWN EAST

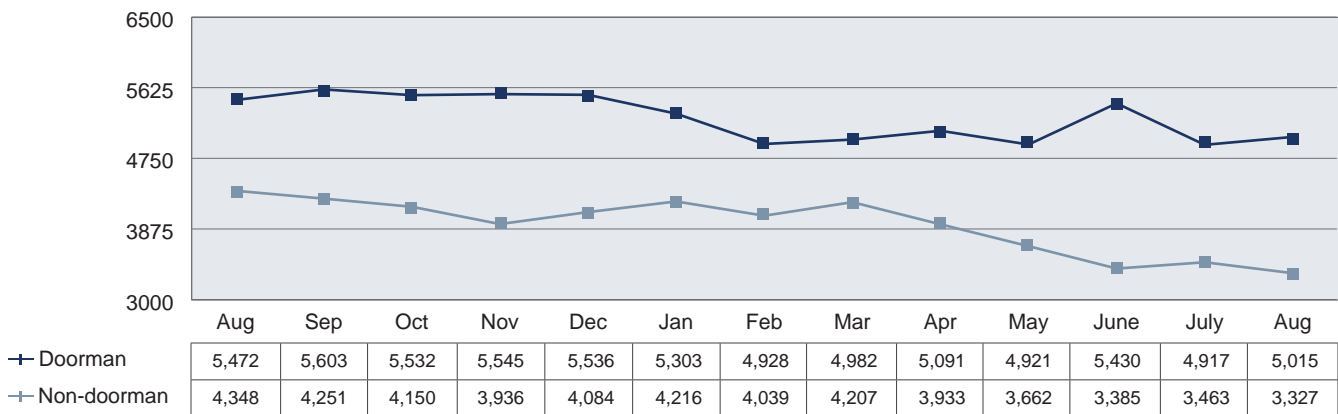
Midtown East Studio Price Trends Over 13 Months



Midtown East One-bedroom Price Trends Over 13 Months



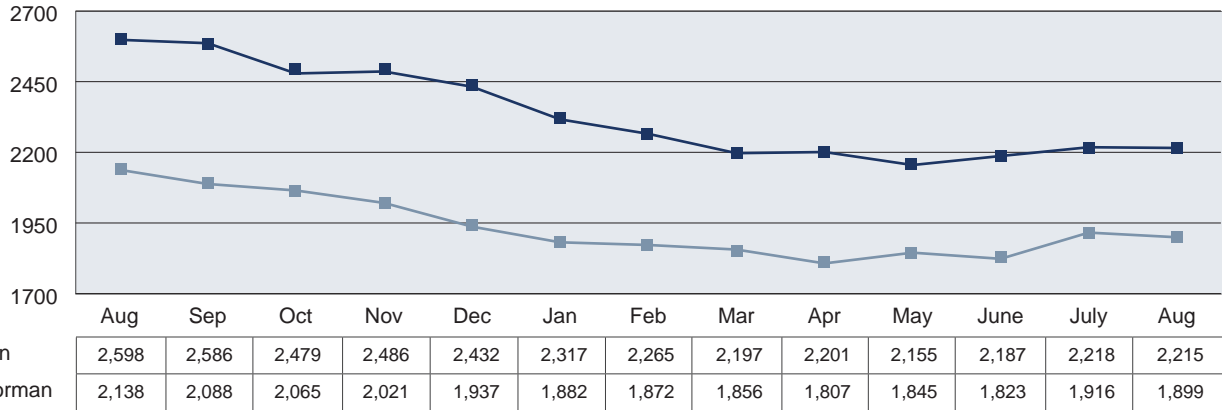
Midtown East Two-bedroom Price Trends Over 13 Months



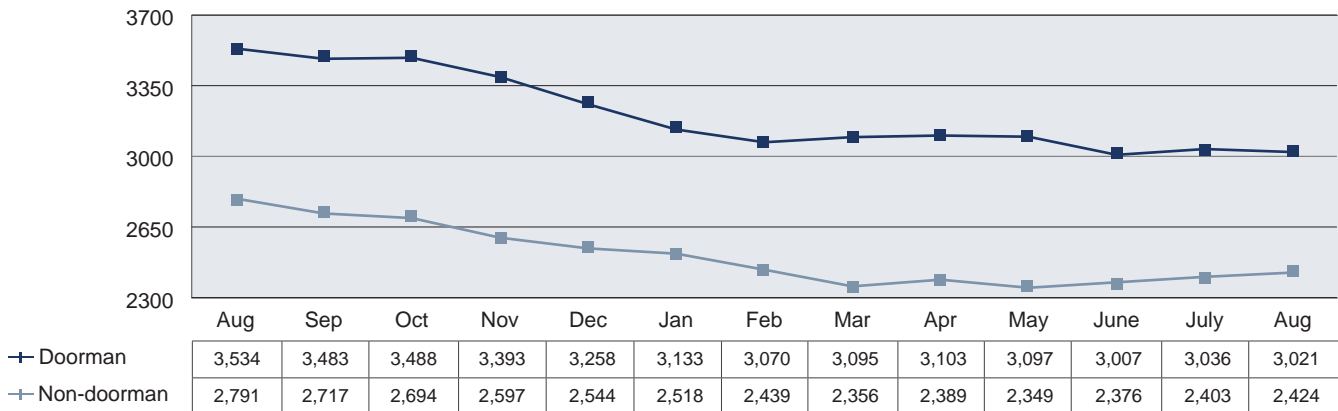
NEIGHBORHOOD PRICE TRENDS

MURRAY HILL

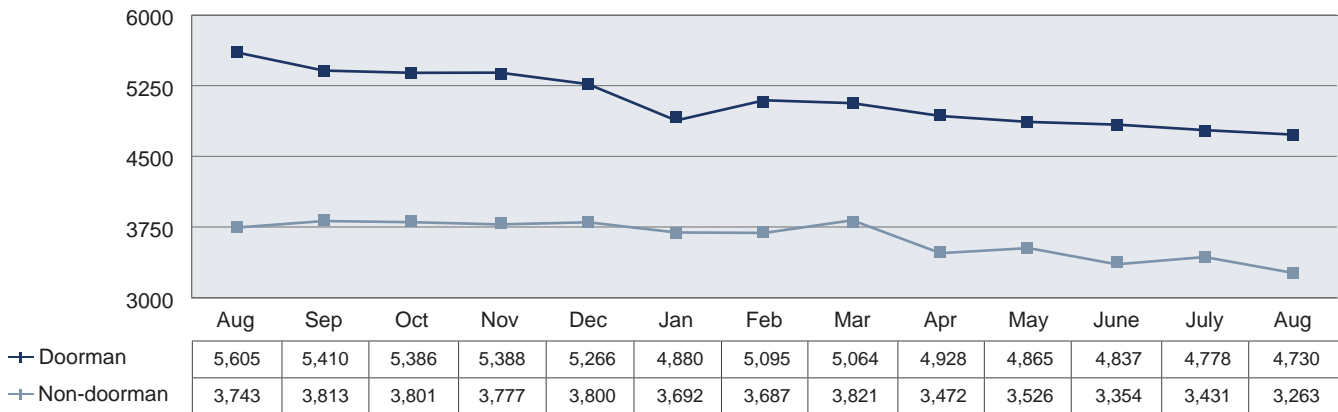
Murray Hill Studio Price Trends Over 13 Months



Murray Hill One-bedroom Price Trends Over 13 Months



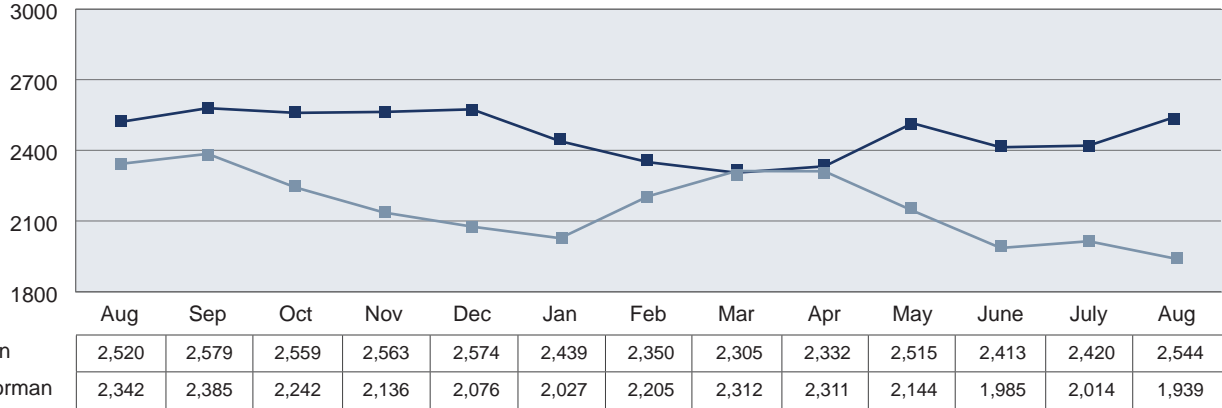
Murray Hill Two-bedroom Price Trends Over 13 Months



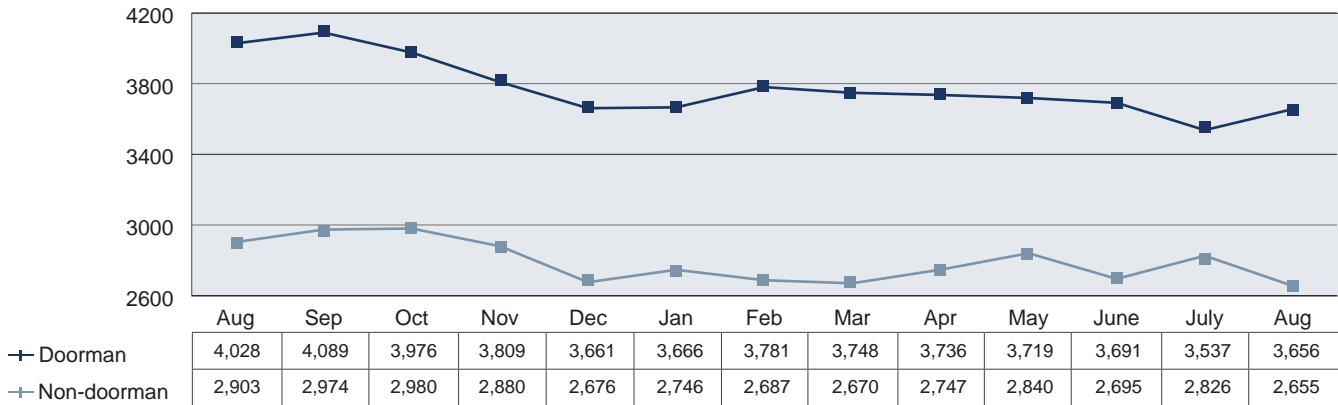
NEIGHBORHOOD PRICE TRENDS

CHELSEA

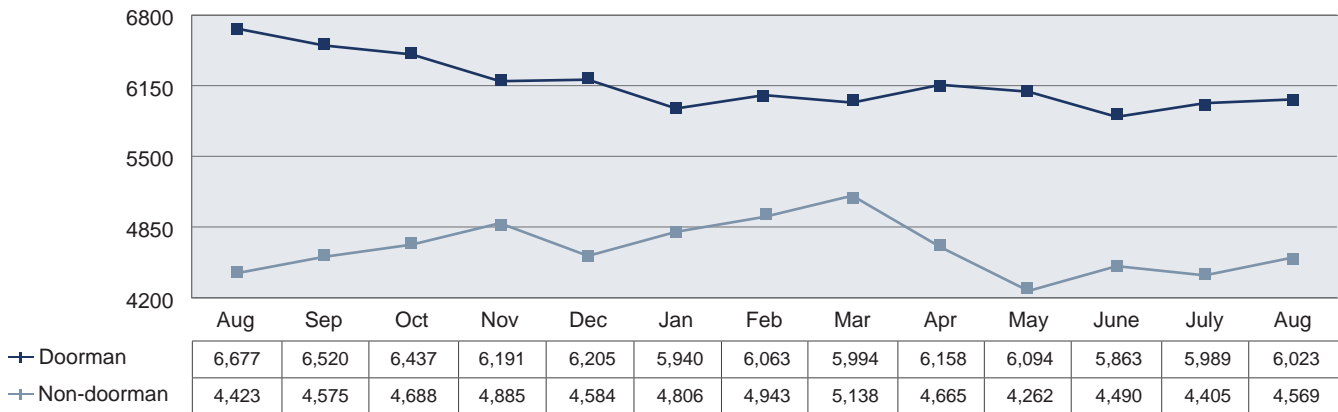
Chelsea Studio Price Trends Over 13 Months



Chelsea One-bedroom Price Trends Over 13 Months



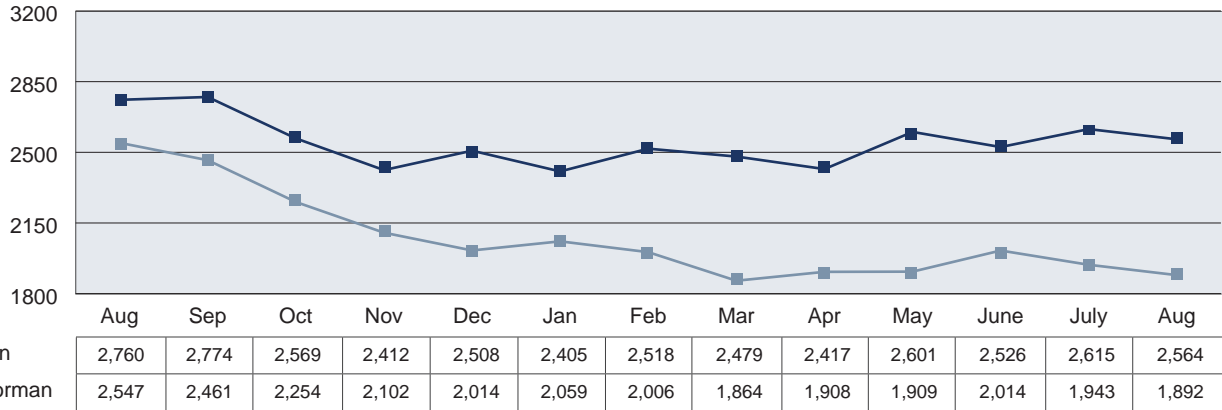
Chelsea Two-bedroom Price Trends Over 13 Months



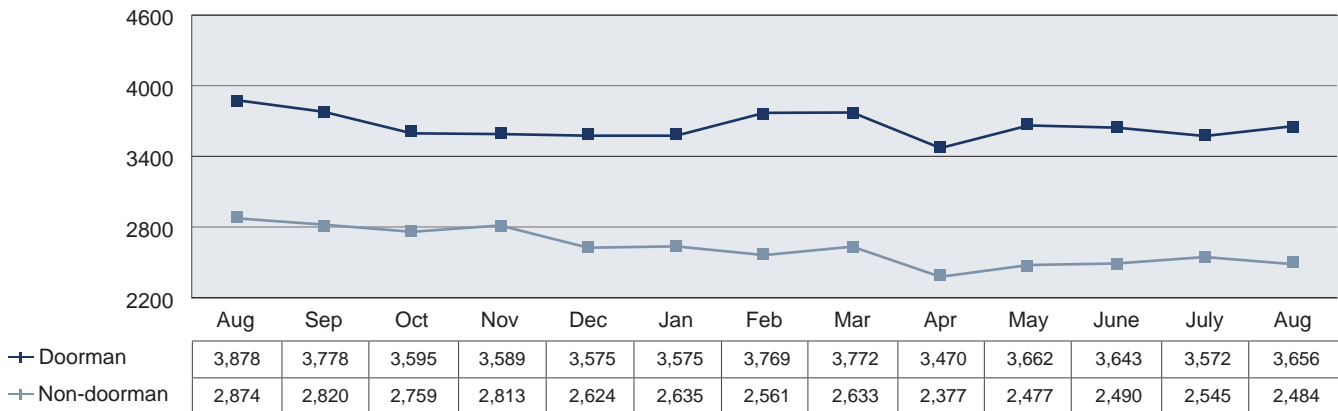
NEIGHBORHOOD PRICE TRENDS

GRAMERCY PARK

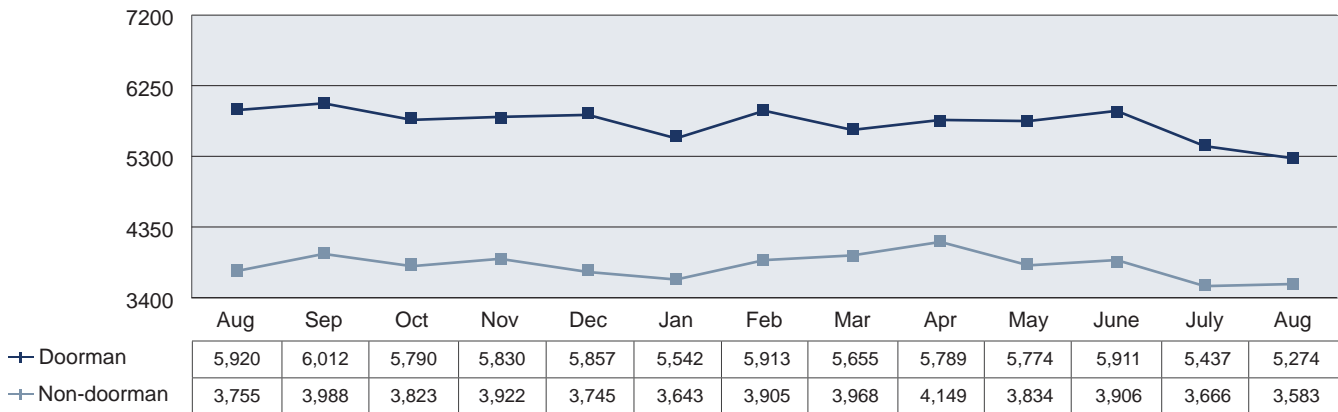
Gramercy Park Studio Price Trends Over 13 Months



Gramercy Park One-bedroom Price Trends Over 13 Months



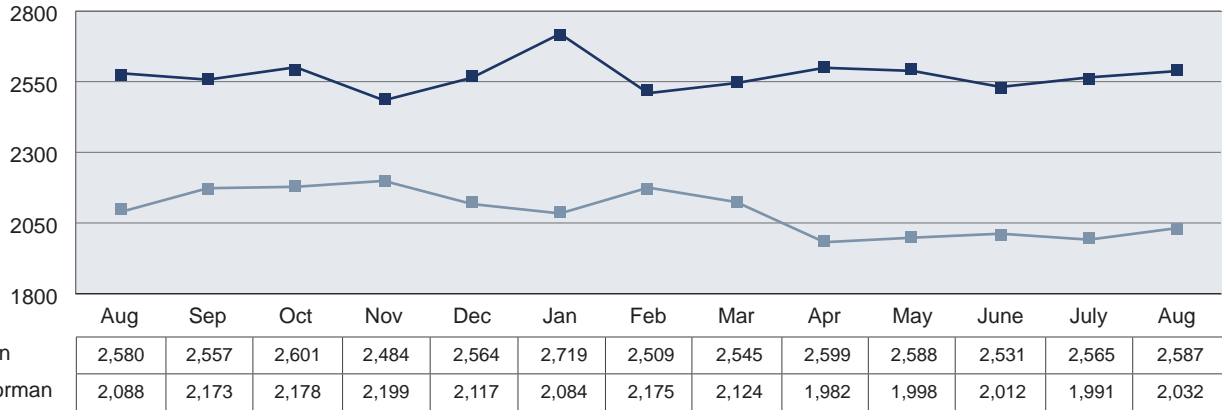
Gramercy Park Two-bedroom Price Trends Over 13 Months



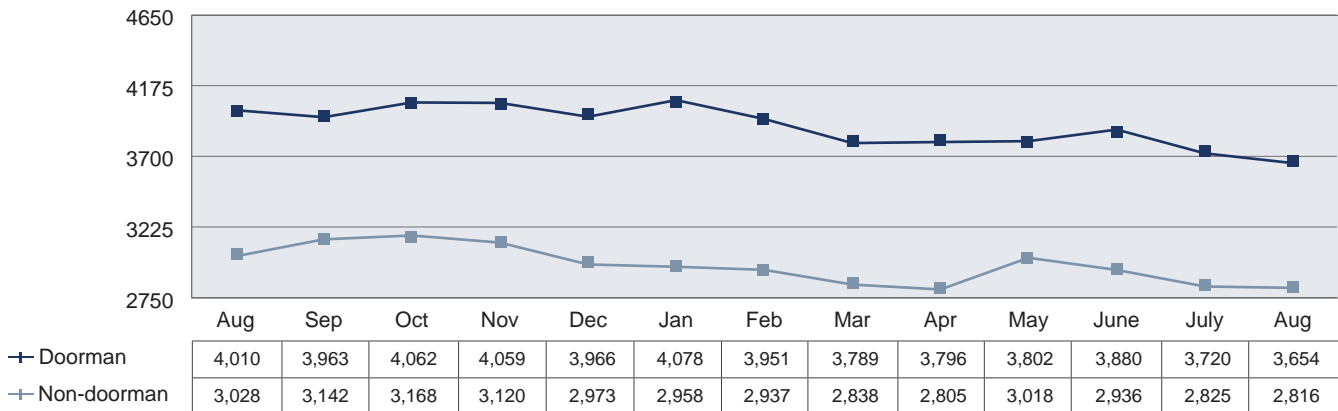
NEIGHBORHOOD PRICE TRENDS

GREENWICH VILLAGE

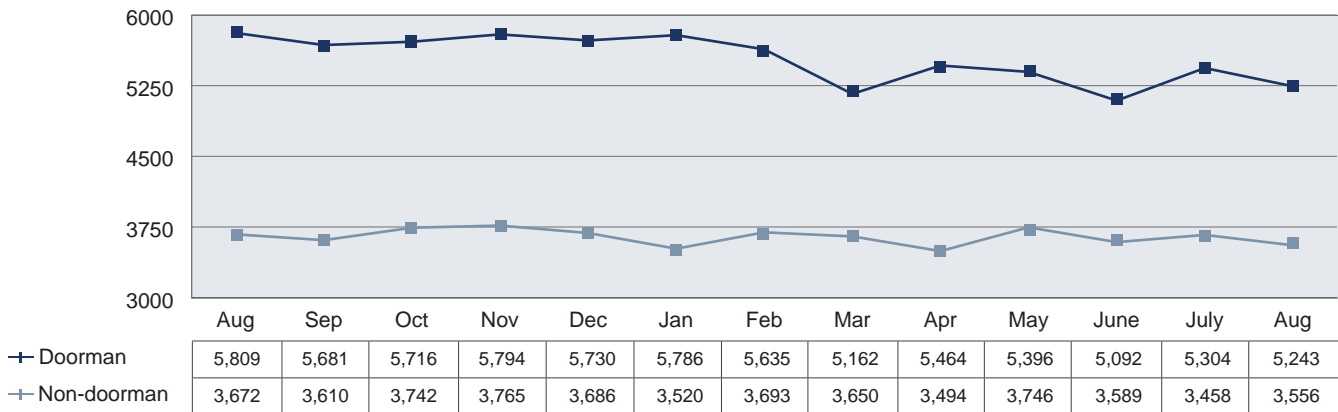
Greenwich Village Studio Price Trends Over 13 Months



Greenwich Village One-bedroom Price Trends Over 13 Months



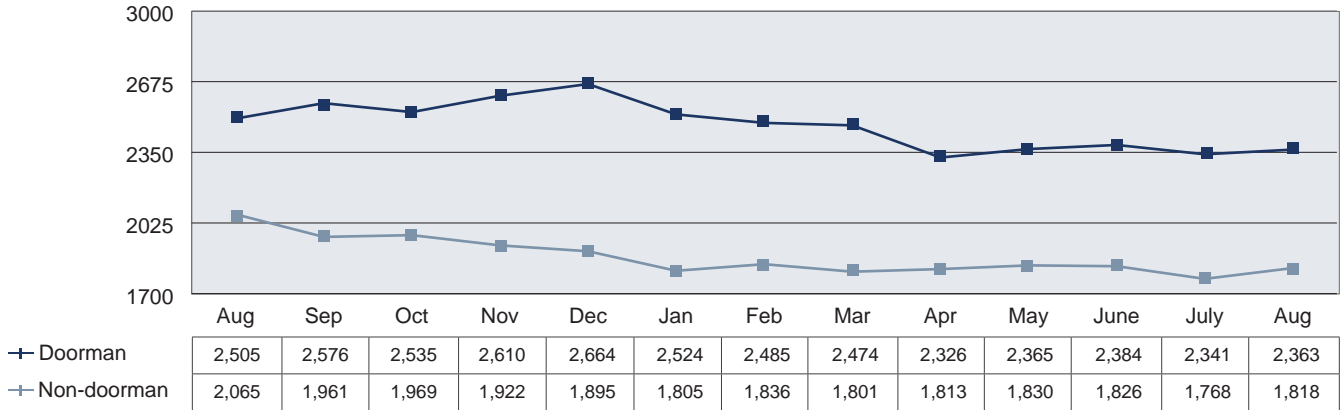
Greenwich Village Two-bedroom Price Trends Over 13 Months



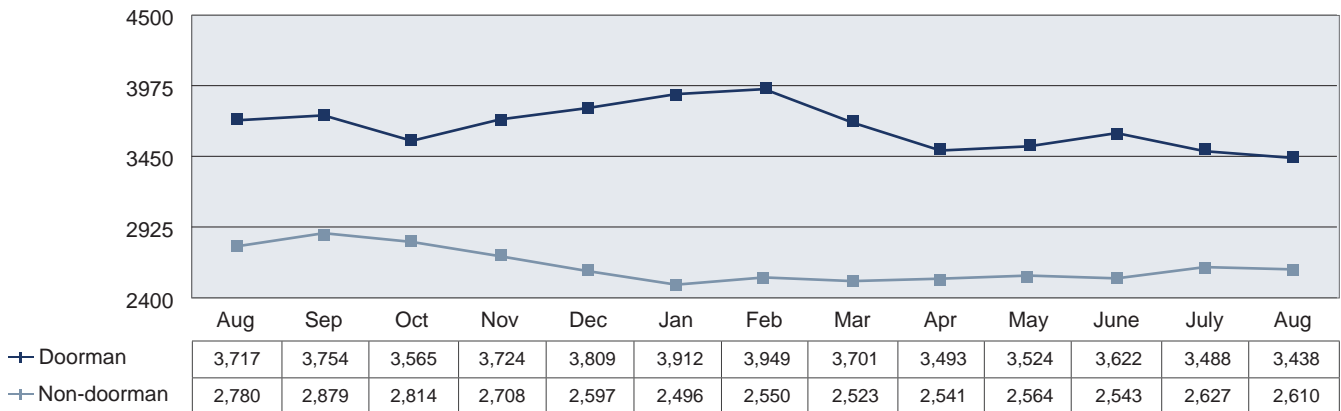
NEIGHBORHOOD PRICE TRENDS

EAST VILLAGE

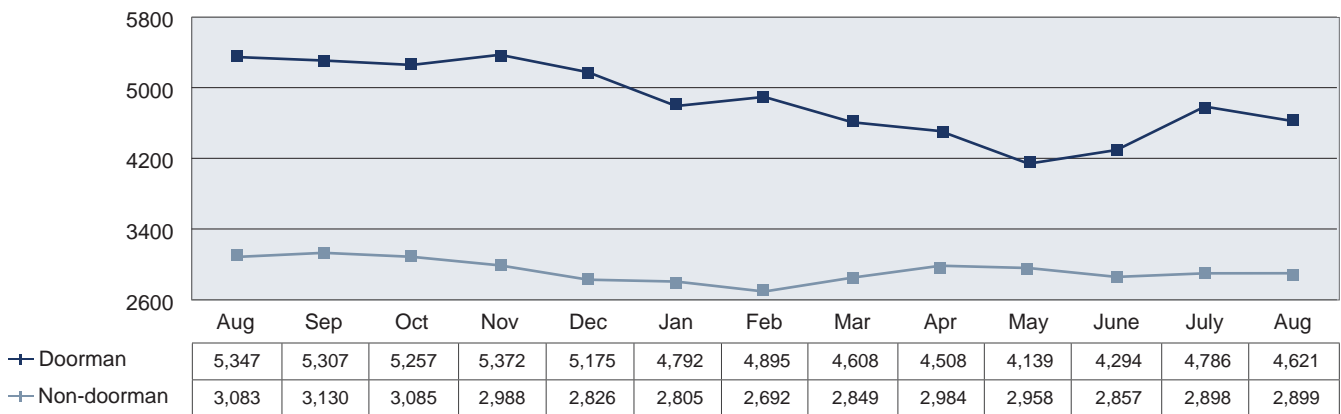
East Village Studio Price Trends Over 13 Months



East Village One-bedroom Price Trends Over 13 Months



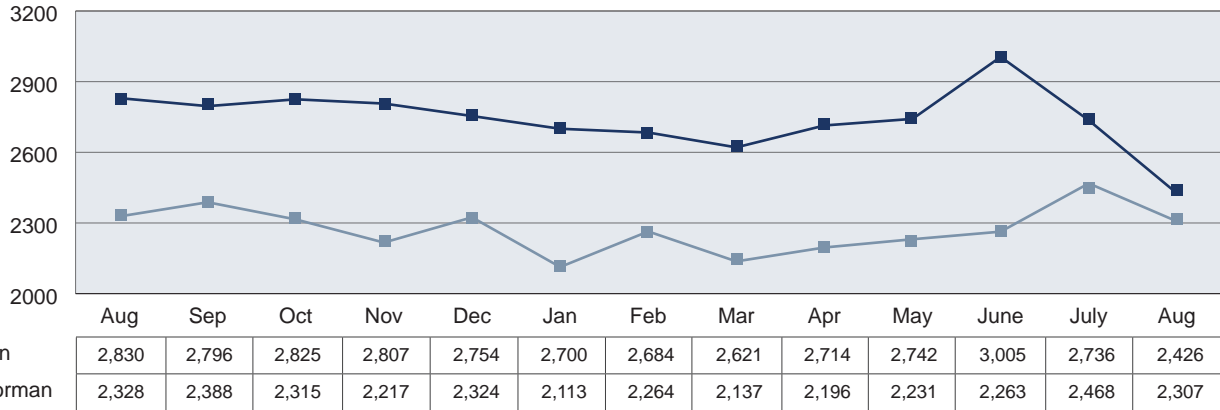
East Village Two-bedroom Price Trends Over 13 Months



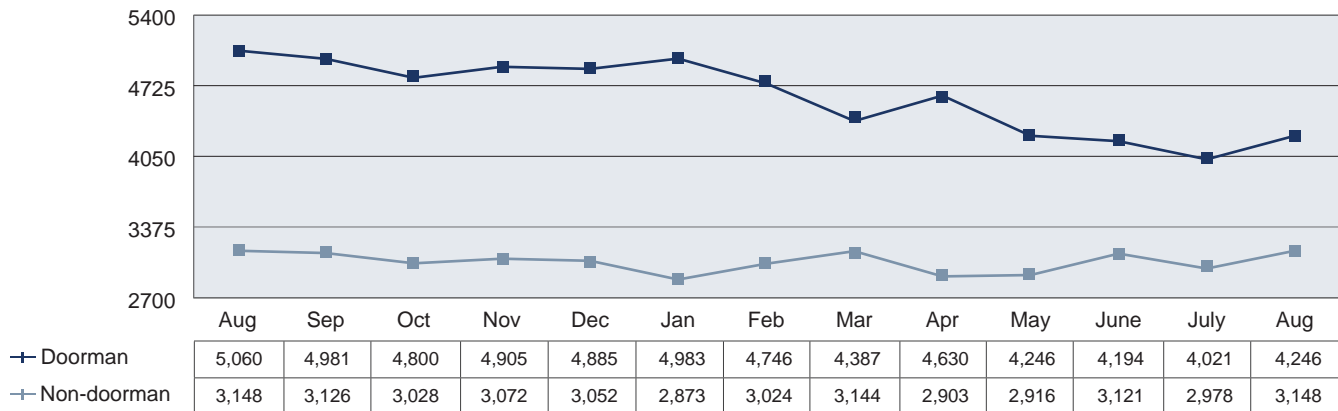
NEIGHBORHOOD PRICE TRENDS

SoHo

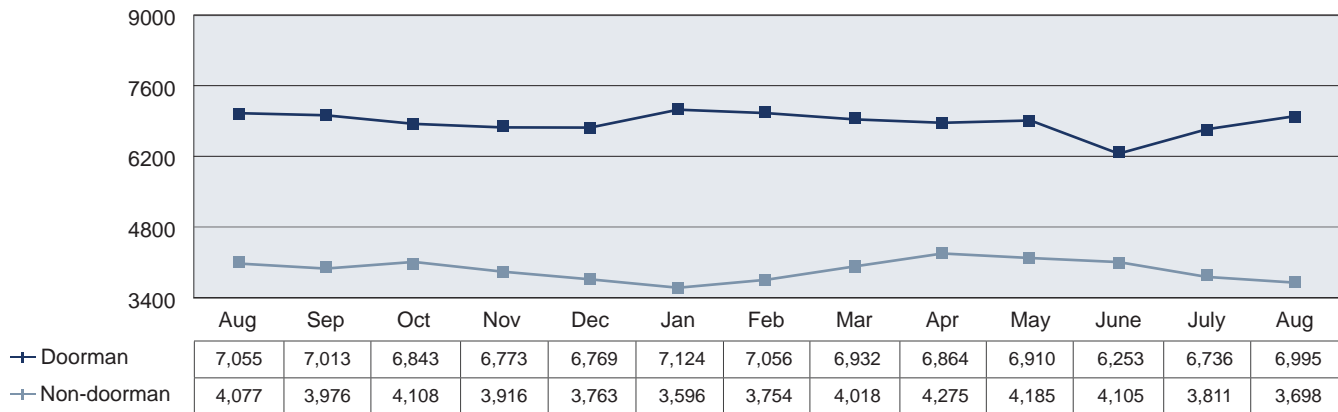
SoHo Studio Price Trends Over 13 Months



SoHo One-bedroom Price Trends Over 13 Months



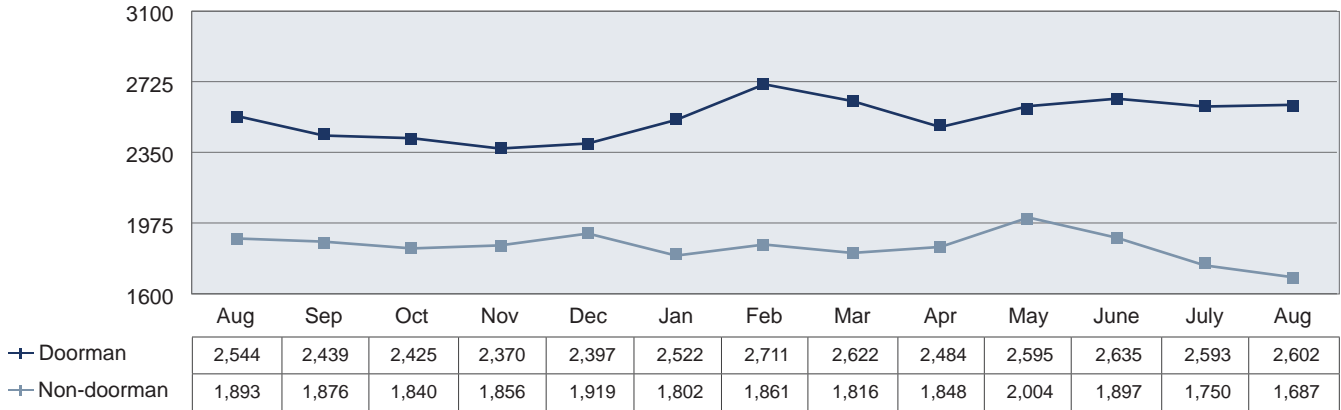
SoHo Two-bedroom Price Trends Over 13 Months



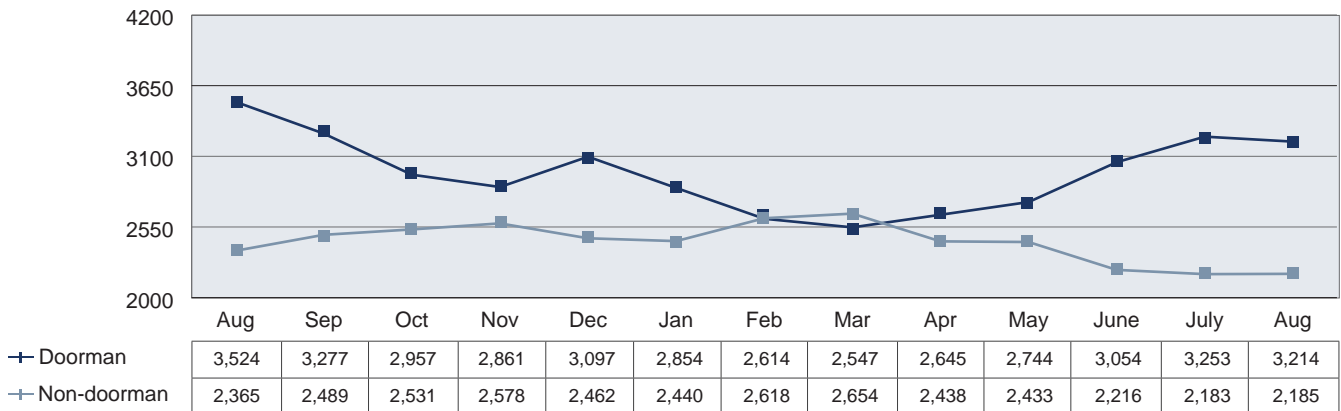
NEIGHBORHOOD PRICE TRENDS

LOWER EAST SIDE

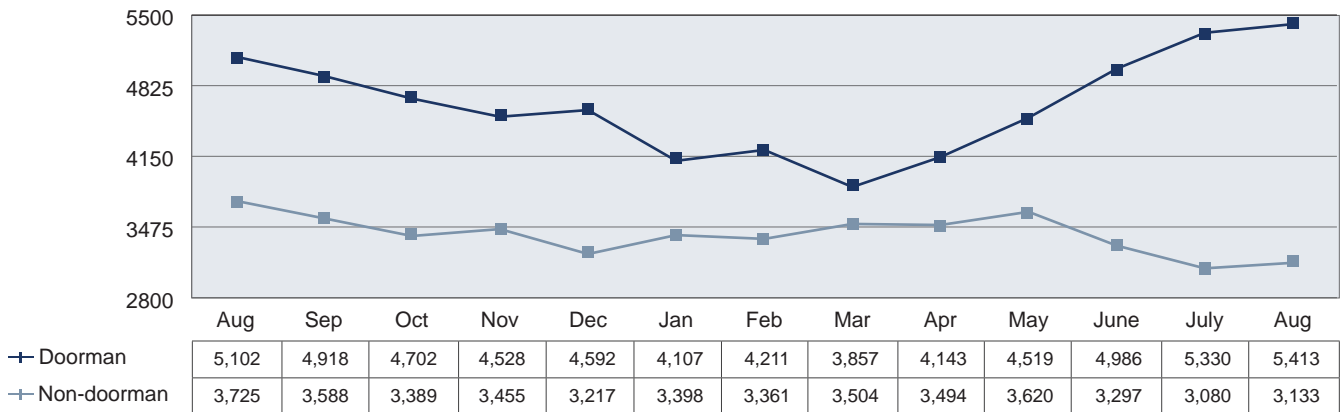
Lower East Side Studio Price Trends Over 13 Months



Lower East Side One-bedroom Price Trends Over 13 Months



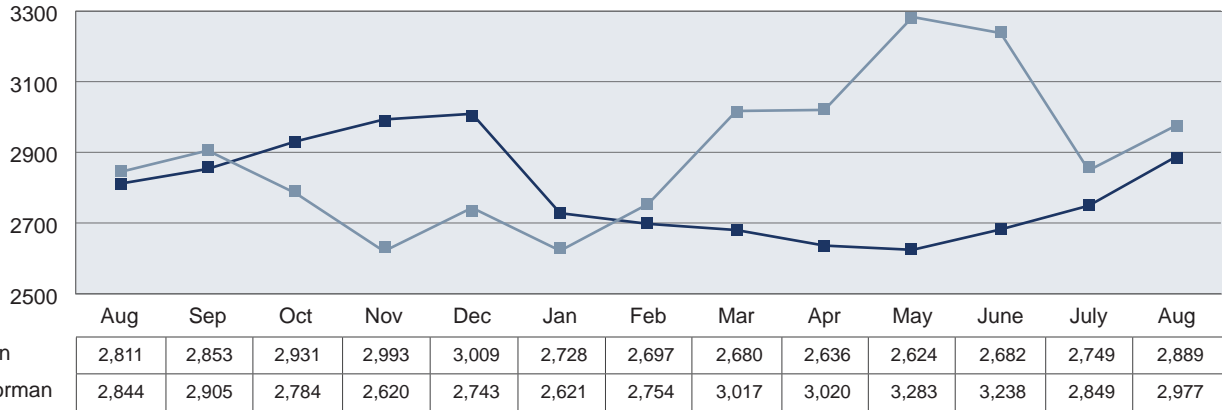
Lower East Side Two-bedroom Price Trends Over 13 Months



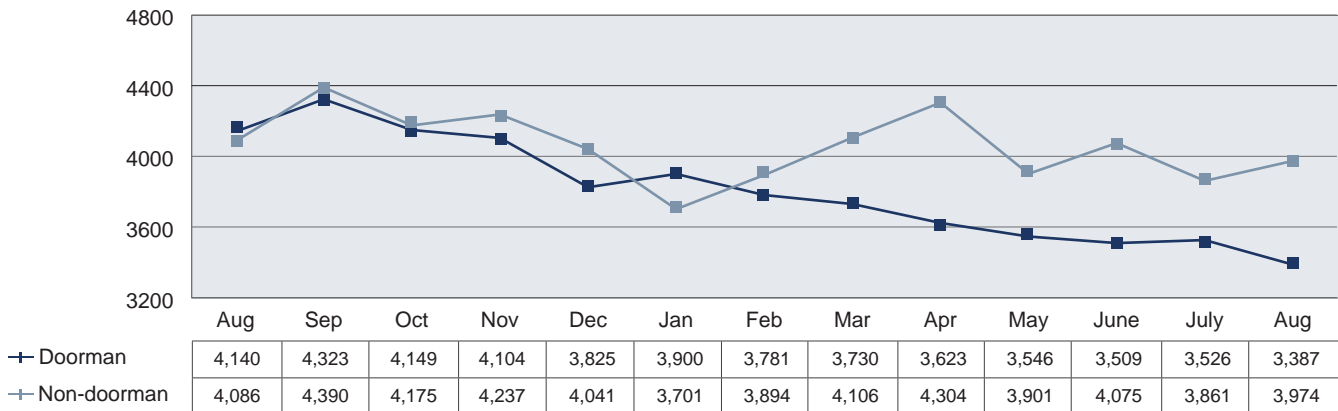
NEIGHBORHOOD PRICE TRENDS

TRIBECA

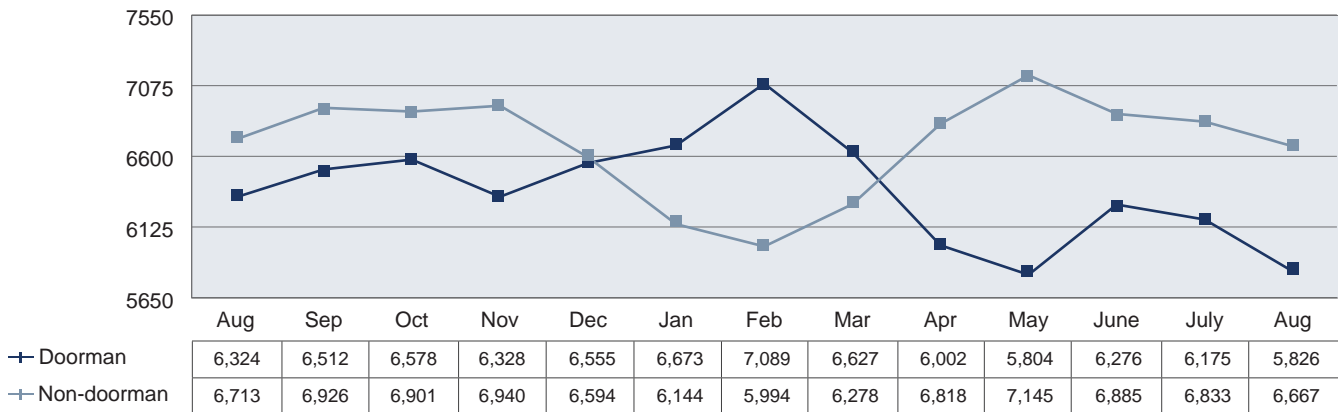
TriBeCa Studio Price Trends Over 13 Months



TriBeCa One-bedroom Price Trends Over 13 Months



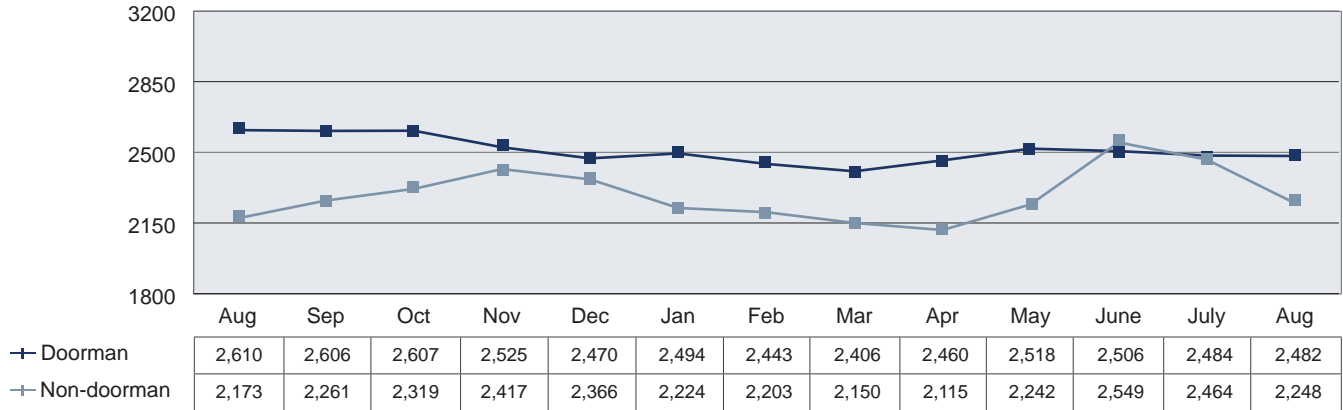
TriBeCa Two-bedroom Price Trends Over 13 Months



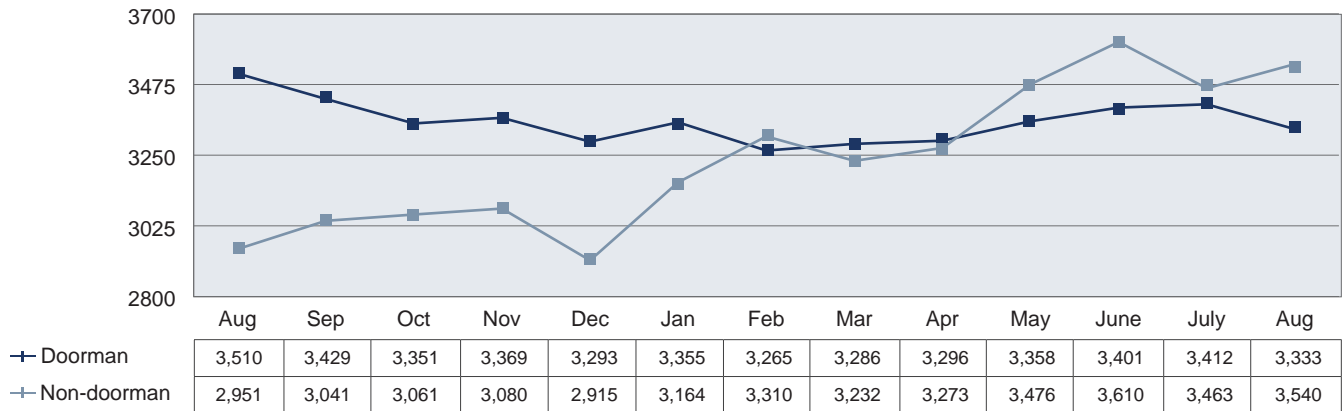
NEIGHBORHOOD PRICE TRENDS

FINANCIAL DISTRICT

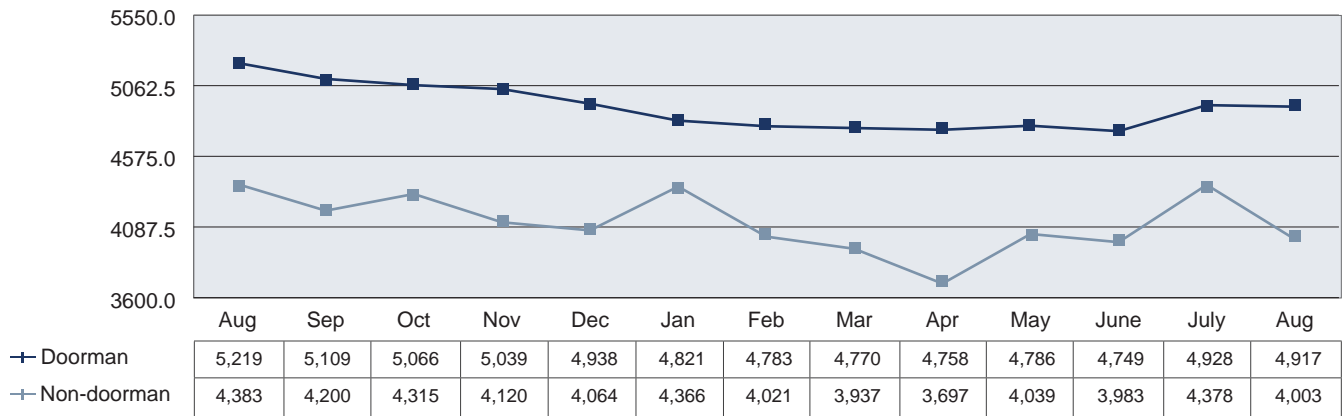
Financial District Studio Price Trends Over 13 Months



Financial District One-bedroom Price Trends Over 13 Months



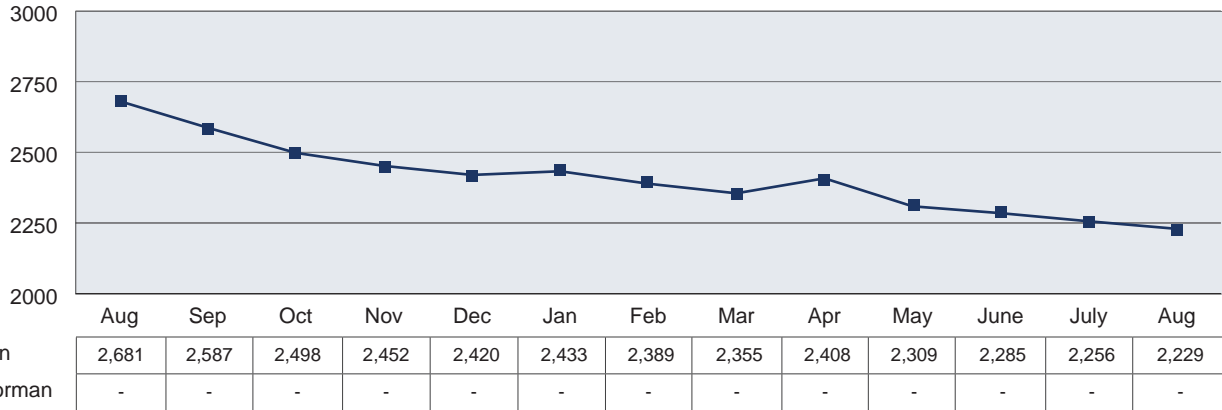
Financial District Two-bedroom Price Trends Over 13 Months



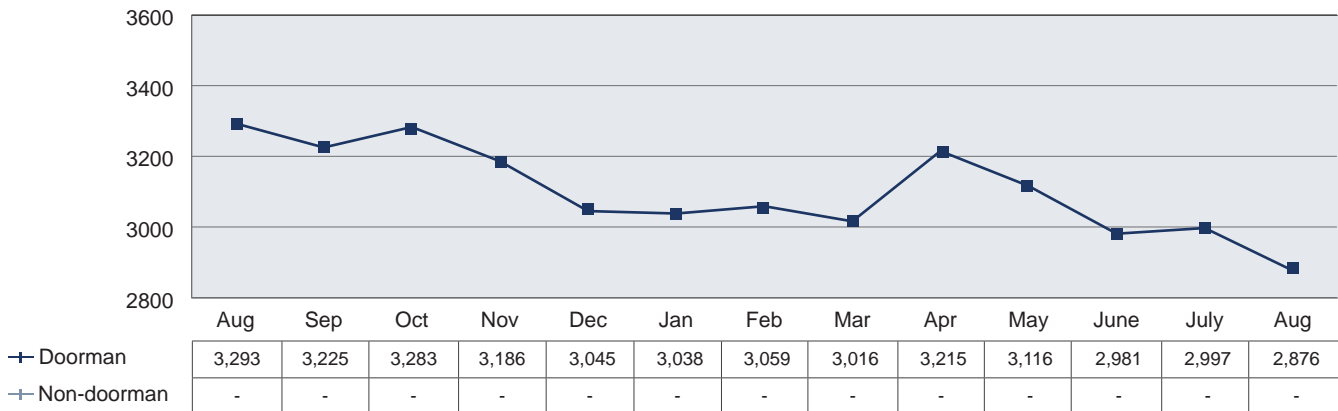
NEIGHBORHOOD PRICE TRENDS

BATTERY PARK CITY

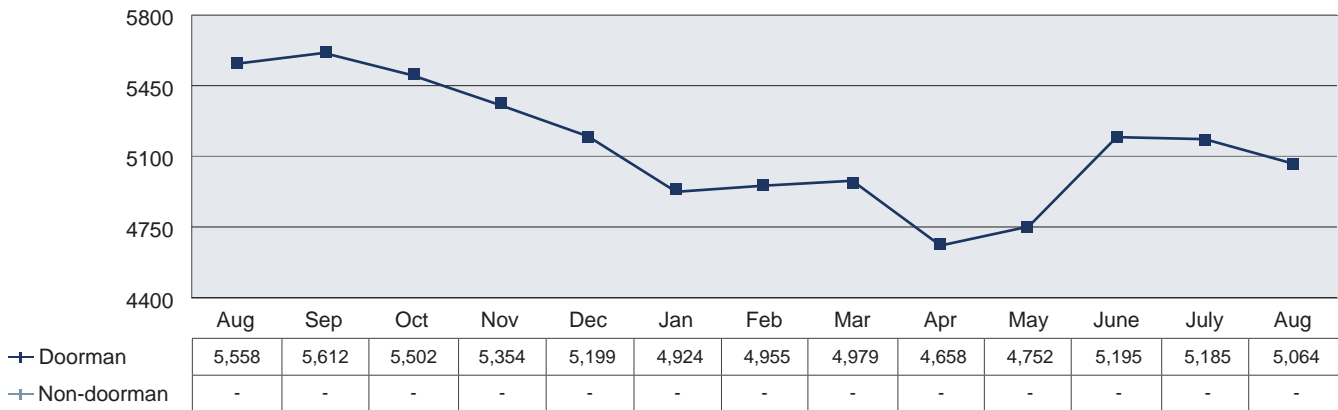
Battery Park City Studio Price Trends Over 13 Months



Battery Park City One-bedroom Price Trends Over 13 Months



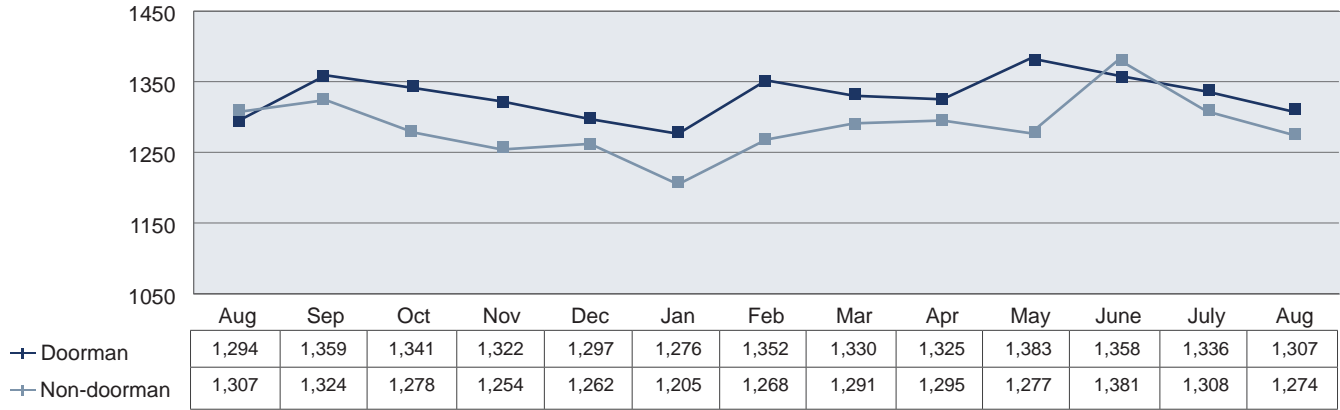
Battery Park City Two-bedroom Price Trends Over 13 Months



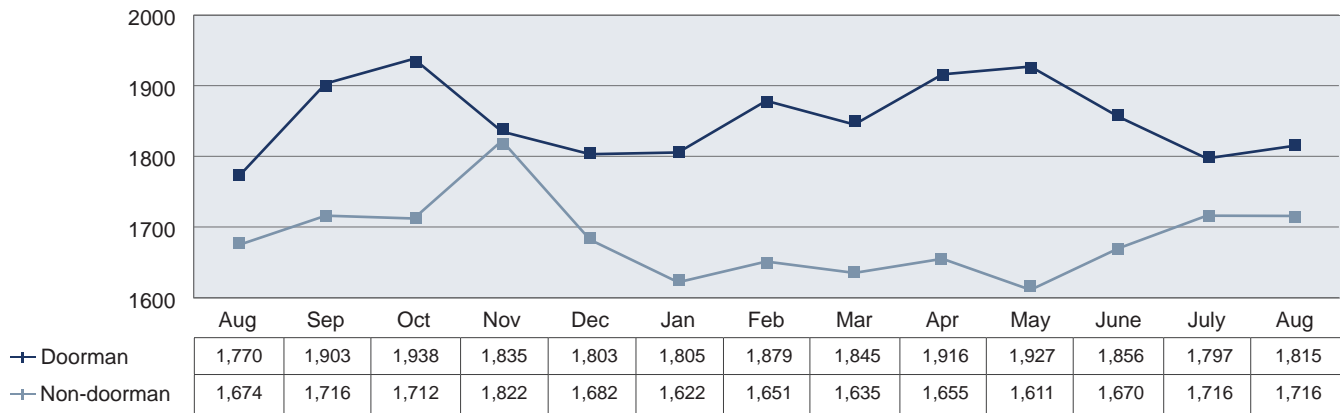
NEIGHBORHOOD PRICE TRENDS

HARLEM

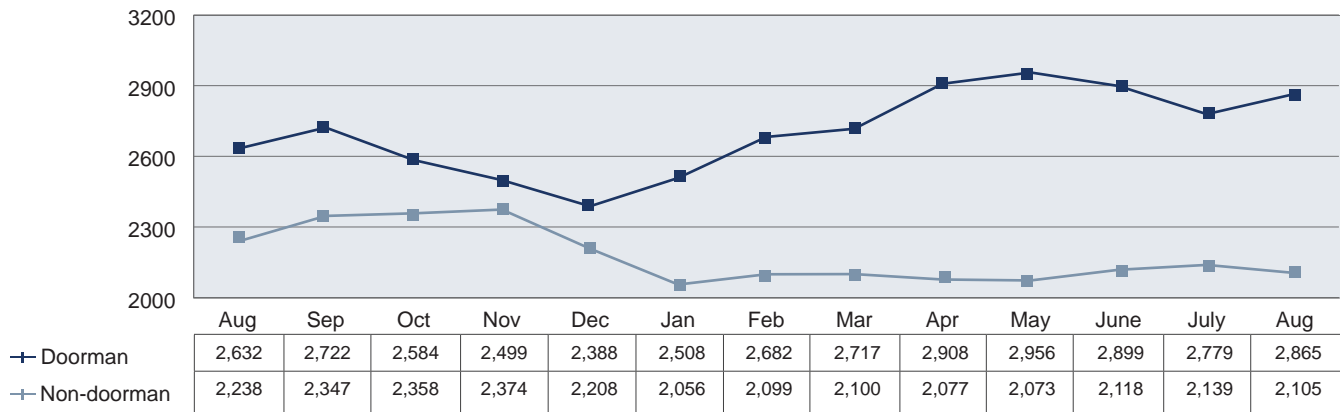
Harlem Studio Price Trends Over 13 Months



Harlem One-bedroom Price Trends Over 13 Months



Harlem Two-bedroom Price Trends Over 13 Months



THE REPORT EXPLAINED

The Manhattan Rental Market Report is the **only report that compares fluctuation in the city's rental data on a monthly basis**. It is an essential tool for potential renters seeking transparency in the NYC apartment market and a benchmark for landlords to efficiently and fairly adjust individual property rents in Manhattan.

The Manhattan Rental Market Report is based on data cross-sectioned from over 10,000 currently available listings located below 155th Street and priced under \$10,000, with ultra-luxury property omitted to obtain a true monthly rental average. Our data is aggregated from the TDG/TREGNY proprietary database and sampled from a specific mid-month point to record current rental rates offered by landlords during that particular month. It is then combined with information from the REBNY Real Estate Listings Source (RLS), OnLine Residential (OLR.com) and R.O.L.E.X. (Real Plus).

Contact us now: 212.475.9000

Note: All market data is collected and compiled by TDG/TREGNY's marketing department and is overseen by C.E.O. Daniel Baum. The information presented here is intended for instructive purposes only and has been gathered from sources deemed reliable, though it may be subject to errors, omissions, changes or withdrawal without notice.

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