



**THE MANHATTAN RENTAL MARKET REPORT**

YEAR END 2011

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## INTRODUCTION



We are proud to present MNS' fifth annual Year End Report, the summation of a year's worth of data collected from our monthly Manhattan Rental Market Reports. We hope you find these pages useful in determining the rental trends of Manhattan's major neighborhoods, as well as the overall climate of the Manhattan rental market during the course of 2011.

2011 was a year of full recovery in the rental markets. This year's September rental peak mimics that of the robust 2007, a sign that the seasonal rental trends have returned. The spread between the highest monthly average (September \$3,591) and the lowest monthly average (February \$3,260) for 2011, was 11.8%, the highest spread in the past five years.

Average pricing this year surpassed the prices of 2008 by 0.6% and average rents were just 3% off from the peak of 2007. The 2011 third quarter average was the second highest quarterly average in the past five years, just 2% from the third quarter high of 2007. This resulted in a broader rental curve as the year closed out. The prediction will be that there won't be much of a winter dip before the spring season rolls in.

With all these great statistics of rising rents and recovery of the rental markets, where will 2012 take us? The lending community has warmed up to construction loans again, but even with a 12-18 month pipeline of about 7000 rental units (more than 50% of those in Midtown West) the vacancy in many neighborhoods is still predicted to hover around 1%.

Current occupancy levels can be attributed, in some circumstances to uncertainty in the job market and low inventory in the condo market. Lease-turnover has been slower than normal because many renters chose to renew if the price was right and there was a lack of choices for new leases in many markets. In addition, many leases in the new rental product offered longer terms, resulting in a staggering of lease expirations.

There is no doubt, however that the market has recovered and landlords are responding accordingly, pulling incentives and raising prices.



## NOTABLE TRENDS



**Soaring Growth Rate:** This year's growth rate averaged 5.4%, versus 2010's growth rate of just 2.1%, and rents in 2011 averaged about \$200 more than last year's averages. When tracking the month to month rental price changes, March particularly showed a quick 4% price rebound. Typically, rental pricing peaks in May or June, so this year's early increase sent the summer and fall rents even higher than anticipated.

**Two Bedroom Competition:** The highest growth occurred in the two-bedroom doorman category, almost \$500 more than the average for this category in 2010. The two-bedroom doorman rents ended on an average of \$5,695 for the year, the only category to officially surpass the 2007 doorman two-bedroom rental average of \$5,605. We continue to attribute this trend to last year's restrictions on the share market, where one-bedroom convertible renters were forced into the fiercely competitive two-bedroom market. Furthermore, a lack of multi-bedroom supply (3 bedrooms plus) will continue to put pressure on two-bedroom pricing.

**Doorman vs Non-Doorman:** The trend in rental price differences between doorman and non-doorman buildings is also a reflection of a recovering market. Where 2007 averaged a difference of about 33%, 2011 had a higher spread in pricing of 35%, which is almost a \$1,100 price difference. In down markets like those of 2008 thru 2010, the average difference between doorman and non-doorman buildings shrunk to 29%, which equates to about \$890.

### Year-over-year Changes:

Manhattan Non-Doorman Rents: 2010 vs 2011			
	2010	2011	Change
Studios	2,036	2,111	3.7%
One-Bedrooms	2,668	2,858	7.1%
Two-Bedrooms	3,669	3,938	7.3%

Manhattan Doorman Rents: 2010 vs 2011			
	2010	2011	Change
Studios	2,376	2,595	9.2%
One-Bedrooms	3,385	3,654	7.9%
Two-Bedrooms	5,200	5,646	8.6%

### Average Changes Over 2011\*:

Citywide Average Price Changes of 2011*		
	Non-Doorman	Doorman
Studios	2.40%	5.41%
One-Bedrooms	6.53%	7.83%
Two-Bedrooms	11.25%	9.28%

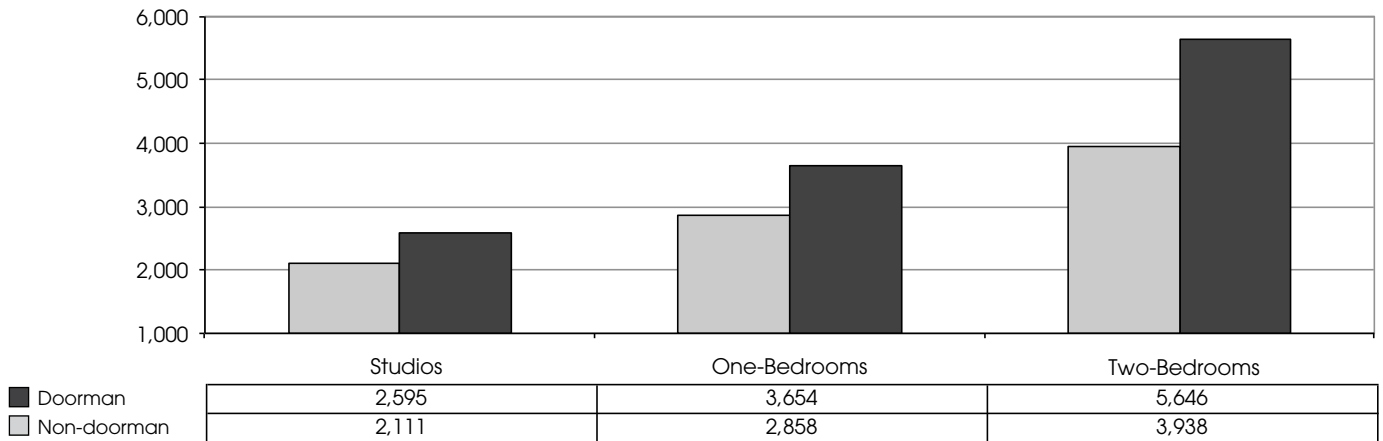
\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)

# MEAN MANHATTAN RENTAL PRICES

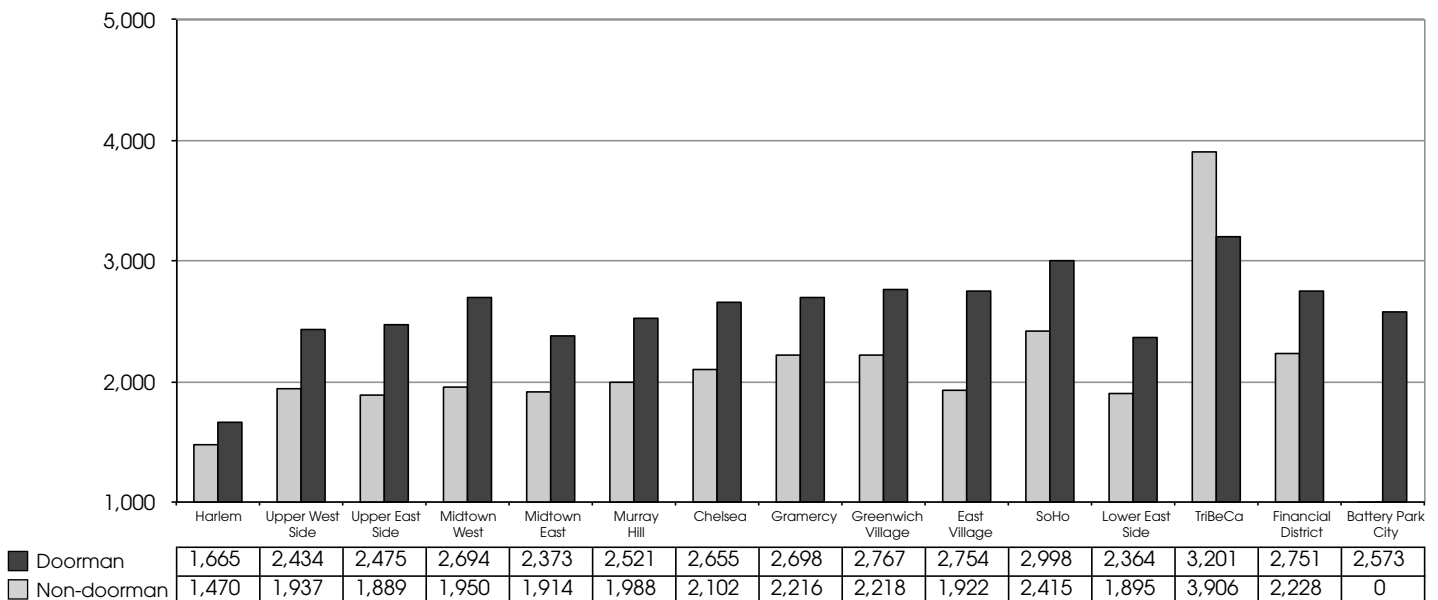


The Mean Rental Price graphs illustrate average rents for studios, one-bedrooms and two-bedrooms in doorman and non-doorman buildings for 2011.

## 2011 MEAN MANHATTAN RENTAL PRICES



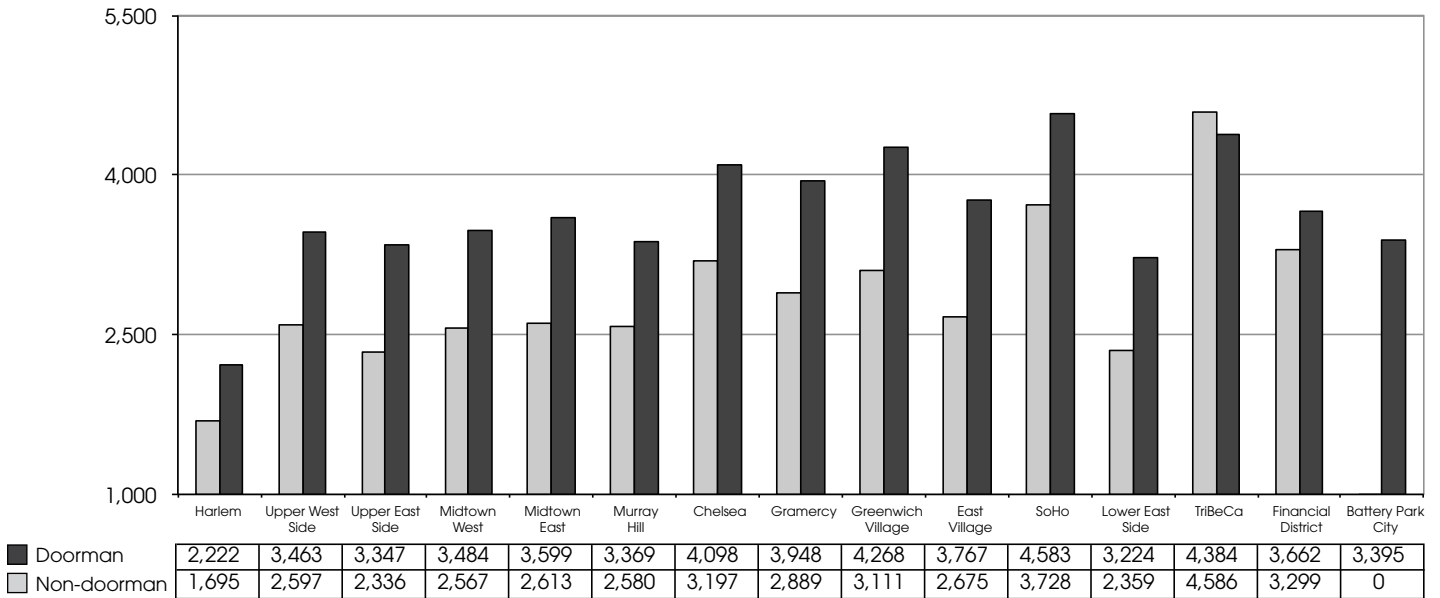
## 2011 MEAN STUDIO RENTAL PRICES



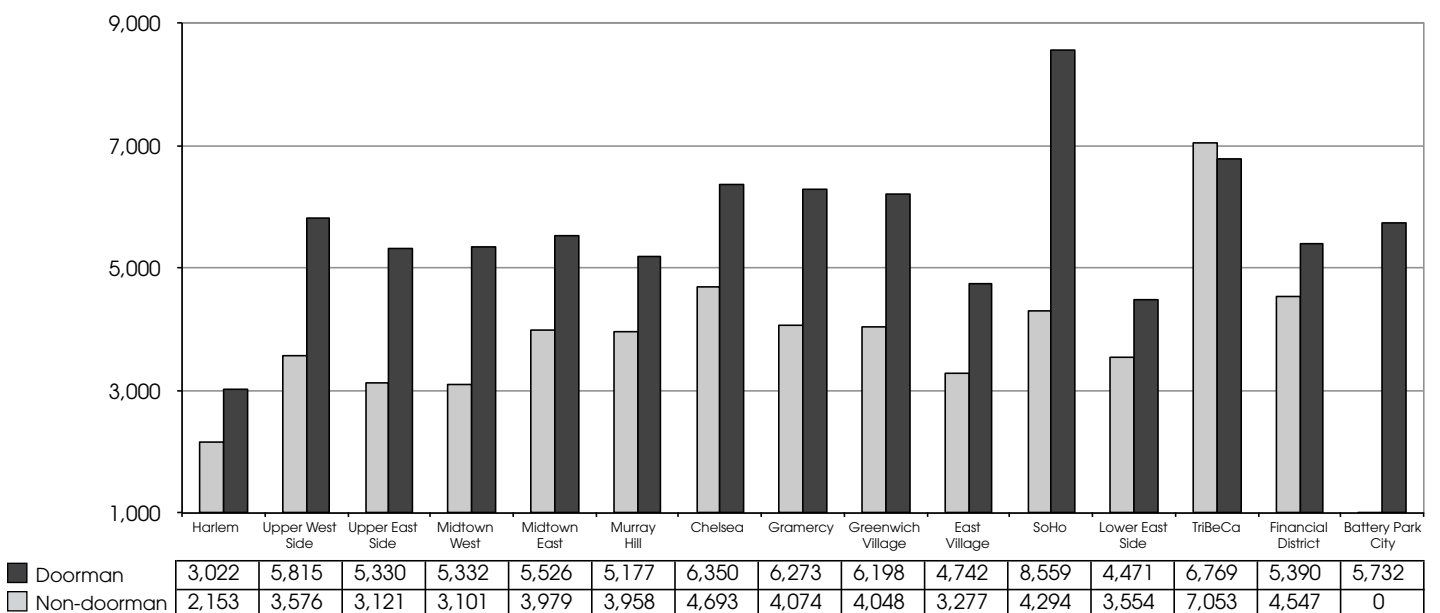
# MEAN MANHATTAN RENTAL PRICES



## 2011 MEAN ONE-BEDROOM RENTAL PRICES



## 2011 MEAN TWO-BEDROOM RENTAL PRICES



## NEIGHBORHOOD PRICE TRENDS



## HARLEM

## Harlem Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	11.20%	-3.77%
One-Bedrooms	13.85%	-8.01%
Two-Bedrooms	8.70%	27.55%

## UPPER WEST SIDE

## UWS Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	-1.73%	1.12%
One-Bedrooms	7.00%	10.14%
Two-Bedrooms	3.05%	8.33%

## UPPER EAST SIDE

## UES Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	4.96%	-2.00%
One-Bedrooms	13.92%	6.56%
Two-Bedrooms	-3.32%	2.43%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)

## NEIGHBORHOOD PRICE TRENDS



## MIDTOWN WEST

## Midtown West Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	2.02%	-4.77%
One-Bedrooms	6.18%	14.50%
Two-Bedrooms	24.29%	9.93%

## MIDTOWN EAST

## Midtown East Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	2.60%	10.80%
One-Bedrooms	13.63%	4.26%
Two-Bedrooms	38.69%	3.16%

## MURRAY HILL

## Murray Hill Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	1.74%	10.11%
One-Bedrooms	12.31%	11.60%
Two-Bedrooms	-0.88%	10.64%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)



## NEIGHBORHOOD PRICE TRENDS



## CHELSEA

## Chelsea Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	-2.41%	1.73%
One-Bedrooms	9.13%	5.85%
Two-Bedrooms	16.19%	1.71%

## GRAMERCY PARK

## Gramercy Park Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	-8.06%	8.83%
One-Bedrooms	4.00%	4.72%
Two-Bedrooms	1.39%	8.94%

## GREENWICH VILLAGE

## Greenwich Village Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	11.60%	-10.89%
One-Bedrooms	5.37%	9.67%
Two-Bedrooms	7.41%	15.10%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)

## NEIGHBORHOOD PRICE TRENDS



## EAST VILLAGE

## East Village Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	8.03%	25.99%
One-Bedrooms	8.05%	13.06%
Two-Bedrooms	17.31%	17.05%

## SOHO

## SoHo Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	-10.67%	12.81%
One-Bedrooms	7.79%	1.75%
Two-Bedrooms	3.62%	5.85%

## LOWER EAST SIDE

## Lower East Side Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	23.59%	18.99%
One-Bedrooms	20.31%	36.30%
Two-Bedrooms	0.63%	18.40%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)

## NEIGHBORHOOD PRICE TRENDS



## TRIBECA

## TriBeCa Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	2.27%	9.09%
One-Bedrooms	-2.35%	5.15%
Two-Bedrooms	24.70%	8.73%

## FINANCIAL DISTRICT

## FiDi Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	0.59%	0.41%
One-Bedrooms	-8.99%	7.94%
Two-Bedrooms	11.83%	9.15%

## BATTERY PARK CITY

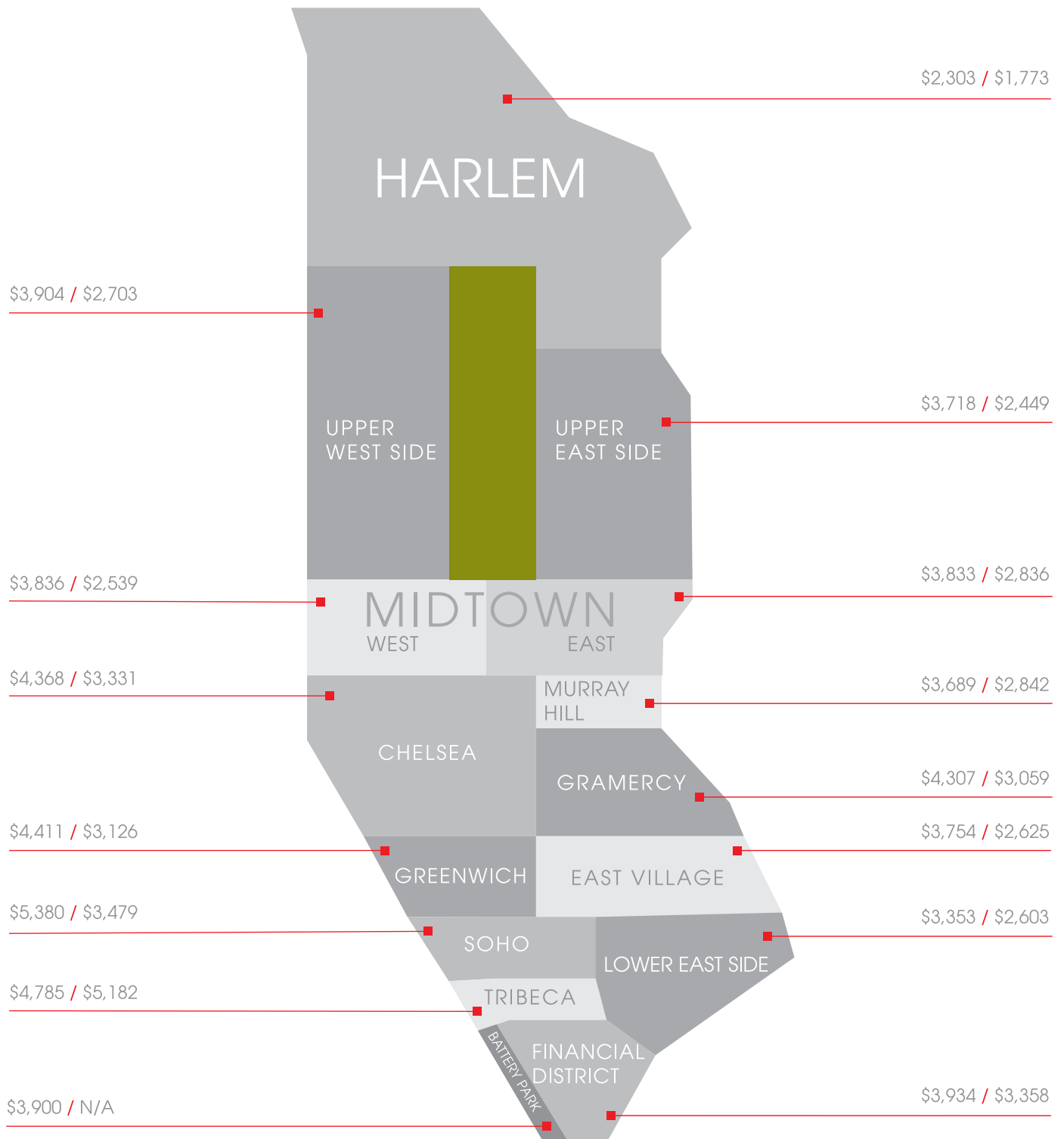
## Battery Park City Price Changes of 2011\*

	Non-Doorman	Doorman
Studios	n/a	6.42%
One-Bedrooms	n/a	-2.53%
Two-Bedrooms	n/a	8.33%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2011 (January) and at the end of 2011 (December)



**NEIGHBORHOOD PRICE TRENDS**



Average Monthly Price of All Unit Type Apartments for 2011

LEGEND: Doorman / Non-Doorman

## 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 MNS 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).

Author: MNS

MNS has been helping Manhattan landlords and renters navigate the rental market since 1999. From large companies to individuals, MNS tailors services to meet your needs. Contact us today to see how we can help.

**CONTACT US NOW: 212.475.9000**

Note: All market data is collected and compiled by MNS's marketing department. 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. If you would like to republish this report on the web, please be sure to source it as the "Manhattan Rental Market Report" with a link back to its original location ([http://www.mns.com/manhattan\\_year\\_end\\_market\\_report\\_2011](http://www.mns.com/manhattan_year_end_market_report_2011)).

