

These NYC neighborhoods saw the largest rent increases in 2017

Robert Clark Jan 30, 2018



Photo: Robert Clark

Low inventory and relatively stable rents were the chief characteristics of the overall NYC housing market in 2017.

But upticks in rents did occur at the neighborhood level, and not just in areas that were facing inventory challenges but in pockets of “affordable” and “less typical” submarkets as well. That’s according to new year-end reports by New York brokerage MNS.

Over the last year, Manhattan rents remained stable across all size types, as well as doorman and non-doorman submarkets. Non-doorman studio and one-bedroom rents were up 0.4 percent and 1.1 percent from last year, respectively, in 2017. Manhattan non-doorman two-bedroom rents fell 0.9 percent over the same period.

At the same time, Manhattan doorman studio rental prices fell by 0.3 percent, doorman one-bedroom prices were up by 0.2 percent, and doorman two-bedroom rental prices decreased by 0.9 percent.

“Compared to previous years, the rate of change in the rental market this year can be explained as limited. A large part of this is due to the fact that new development activity is down significantly from the previous two years, which gave the market time to adjust,” MNS says in the digital release.

The SoHo neighborhood recorded the largest gain in rent boroughwide. The average rent rose from \$2,810 in 2016 to \$4,366 last year due to the neighborhood’s low-level of inventory driving rental prices up.

Harlem and Upper Manhattan, which have offered pockets of affordability for New York City renters, saw consistent month-over-month and year-over-year rental price growth in 2017. When it comes to areas that offer relative affordability for New Yorkers, the days could be numbered for these neighborhoods.

“As the available amount of land for new ground-up development under 125th Street quickly diminishes and rental prices in the rest of the borough approach historical highs, Harlem and the rest of Upper Manhattan become a natural destination for both new development and prospective tenants,” says MNS.

Meantime, the story was much the same in Brooklyn, with overall rents falling and high-levels of rental price growth recorded in the borough’s “less typical” — and more affordable — submarkets.

Overall Brooklyn rents fell by 0.1 percent annually from \$2,766 to \$2,761 in 2017. Studios and two-bedroom rents each rose by 0.1 percent, while one-bedroom rents were down by 0.7 percent from last year.

The Prospect Lefferts Gardens submarket led the borough in terms of greatest overall price increase. Overall, the average rental price in Prospect Lefferts Gardens increased by 3 percent from last year — thanks to new developments that began leasing in the past 12 months in the neighborhood.

“The fact that the overall Brooklyn rental market experienced only a slight price dip while Prospect Lefferts Gardens had explosive price growth shows us that renters are moving deeper into Brooklyn, rather than away,” says MNS.

And, in Queens the average rent was up 0.5 percent to \$2,184. Aside from the Flushing neighborhood, which saw an overall annual price gain of 13 percent and increases across all unit types and sizes, every other Queens neighborhood tracked by MNS recorded slight price decreases.

But 2018 could prove to be a big year for the Queens rental market.

“In addition to the impending L-train shutdown and the proposed 2019 BQX ground-breaking, there is also a swath of new developments in Long Island City and Astoria expected to begin leasing in 2018 that will drive the overall Queens rental market,” MNS speculates.