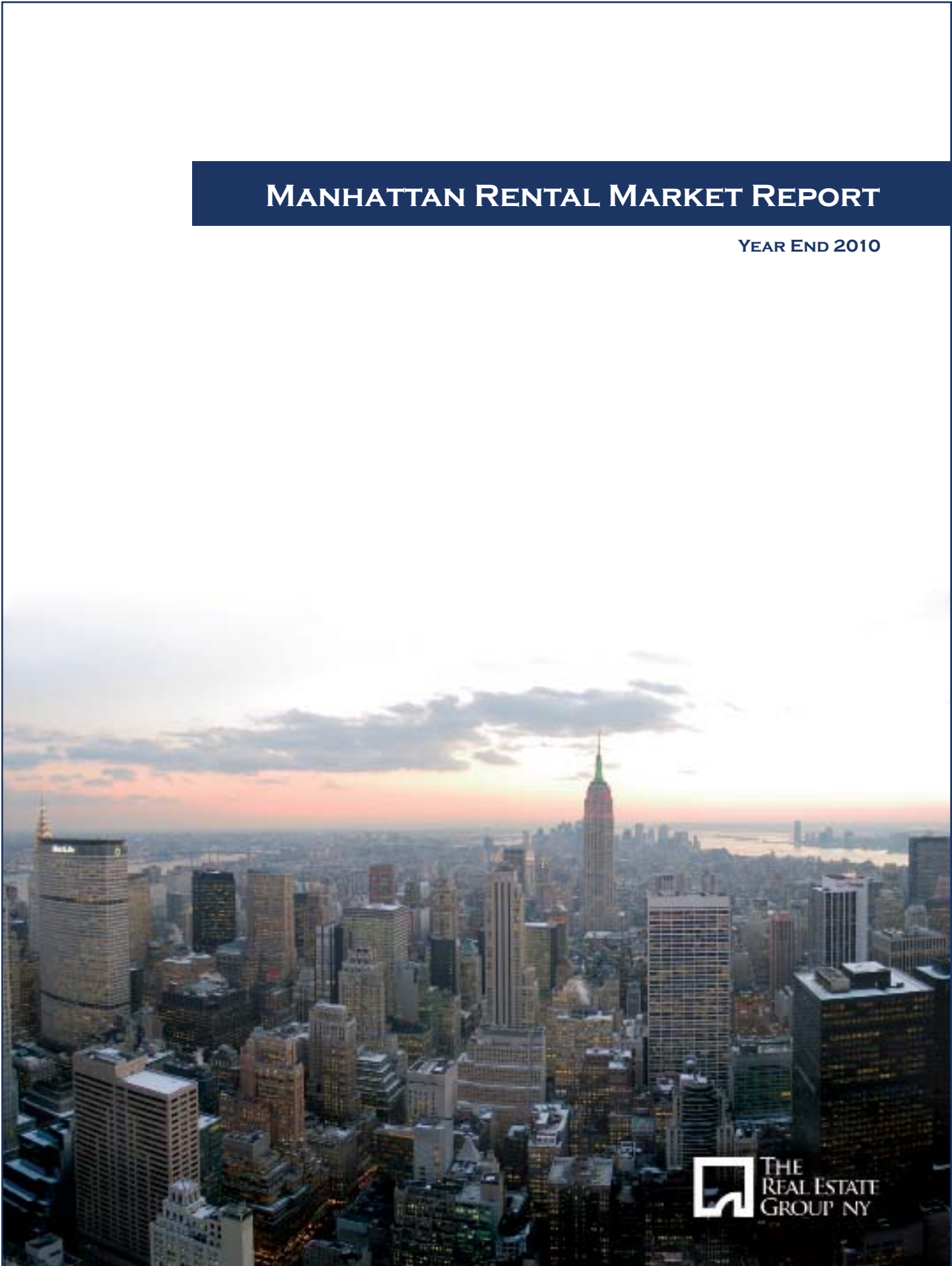


# MANHATTAN RENTAL MARKET REPORT

YEAR END 2010



## TABLE OF CONTENTS



INTRODUCTION	3
A QUICK LOOK	4
MEAN MANHATTAN RENTAL PRICES	5
NOTABLE TRENDS	7
MANHATTAN PRICE TRENDS	7
NEIGHBORHOOD PRICE TRENDS	
UPPER WEST SIDE	8
UPPER EAST SIDE	8
MIDTOWN WEST	8
MIDTOWN EAST	8
MURRAY HILL	9
CHELSEA	9
GRAMERCY PARK	9
GREENWICH VILLAGE	9
EAST VILLAGE	10
SOHO	10
LOWER EAST SIDE	10
TRIBECA	10
FINANCIAL DISTRICT	11
BATTERY PARK CITY	11
HARLEM	11
THE REPORT EXPLAINED	12

## INTRODUCTION

We are proud to present The Real Estate Group's fourth 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 2010.

2010 was a year of tentative recovery. While landlords and property owners around Manhattan were eager to begin the process of recouping their losses, consumer uncertainty kept the market from realizing significant gains.

As the year began, the Manhattan rental market saw a boost from new renters entering the city due to delayed start dates. While vacancies fell, prices held near the bottom of the market; yet, as spring approached, small increases in prices showed positive indications that the market was gaining strength.

At the same time, consumer sentiment was still uncertain heading into the summer rental season. Inventories ticked up as renters waited for real improvement in the employment markets. By summer, however, the market was abuzz with the news that the market had "recovered" and landlords responded accordingly, pulling incentives and raising prices.

In the fall, the combined influx of new grads to Manhattan with intra-borough renters, who stayed put this summer rental season, worked to squeeze inventories. At the same time, prices began to stabilize and rents slowly, yet steadily began increasing. This trend continued through the end of 2010 as the market bucked seasonality, remaining stable through the holidays.

As 2010 closes, the rental market appears poised for a full-recovery in 2011 and we will be carefully monitoring both the employment outlook and bonus results to determine the market's velocity.

## A QUICK LOOK

### Year-Over-Year Changes:

MANHATTAN NON-DOORMAN RENTS: 2009 vs. 2010			
	2009	2010	Change
<b>Studios</b>	<b>\$1,944</b>	<b>\$2,036</b>	4.72%
<b>One-bedrooms</b>	<b>\$2,616</b>	<b>\$2,668</b>	1.98%
<b>Two-bedrooms</b>	<b>\$3,639</b>	<b>\$3,669</b>	0.81%

MANHATTAN DOORMAN RENTS: 2009 vs. 2010			
	2009	2010	Change
<b>Studios</b>	<b>\$2,325</b>	<b>\$2,376</b>	2.20%
<b>One-bedrooms</b>	<b>\$3,316</b>	<b>\$3,385</b>	2.09%
<b>Two-bedrooms</b>	<b>\$5,139</b>	<b>\$5,200</b>	1.18%

### Average Changes Over 2010\*:

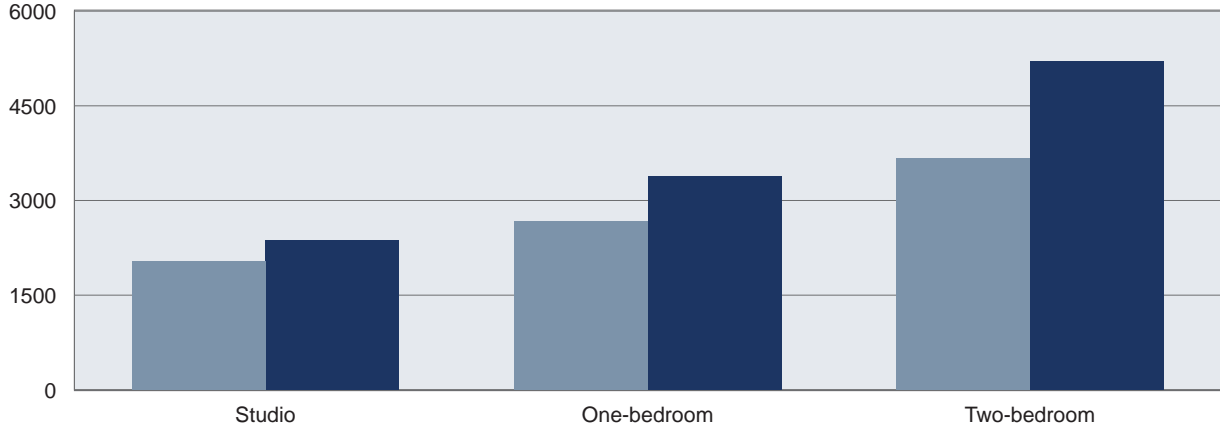
CITYWIDE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	9.07%	10.12%
<b>One-bedrooms</b>	6.93%	7.18%
<b>Two-bedrooms</b>	2.56%	6.98%

*\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2010 (January) and at the end of 2010 (December).*

## MEAN MANHATTAN RENTAL PRICES

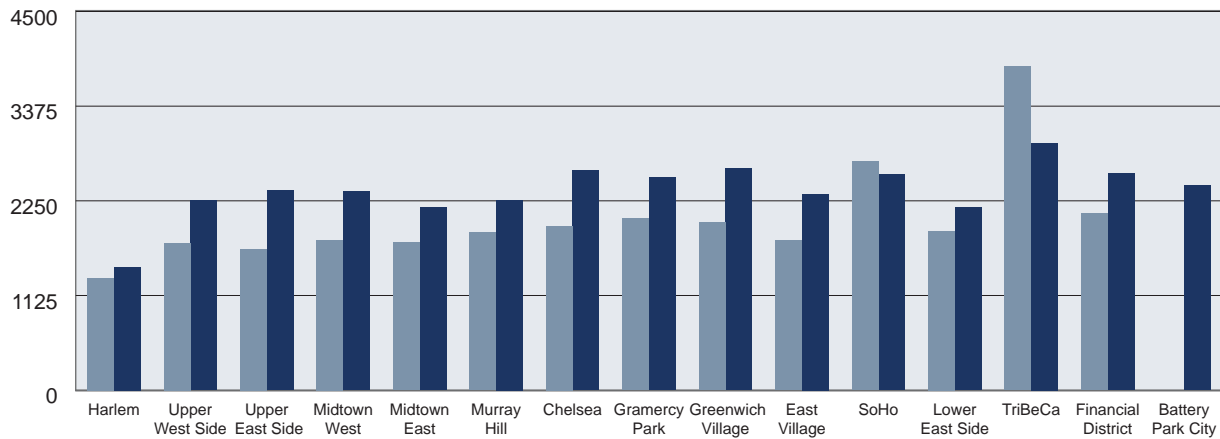
The Mean Rental Price graphs illustrate average monthly rents for studios, one-bedrooms and two-bedrooms in doorman and non-doorman buildings for the year of 2010.

**2010 Mean Manhattan Rental Prices**



■ Doorman	2,376	3,385	5,200
■ Non-doorman	2,036	2,668	3,669

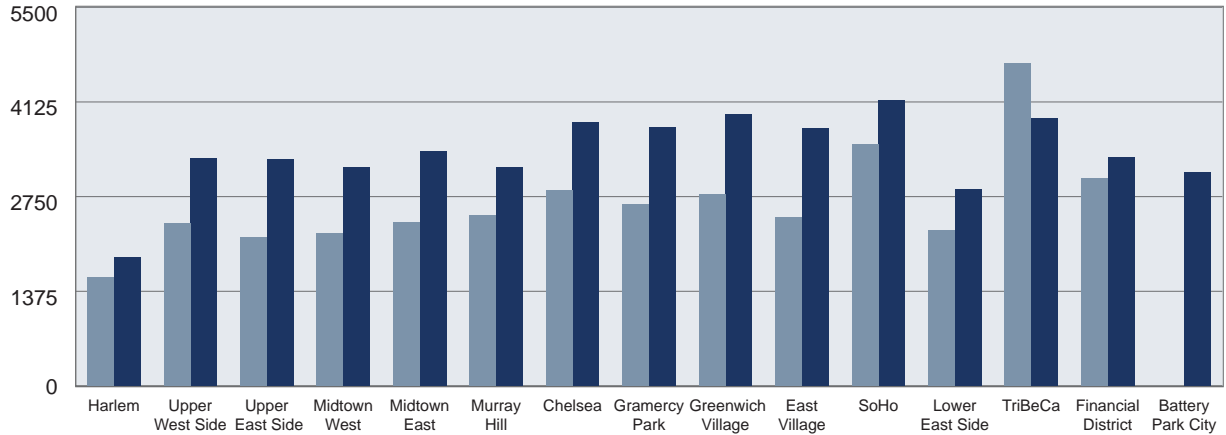
**2010 Mean Studio Rental Prices**



■ Doorman	1,465	2,250	2,371	2,358	2,171	2,258	2,610	2,524	2,633	2,330	2,562	2,168	2,937	2,574	2,430
■ Non-doorman	1,334	1,747	1,676	1,785	1,758	1,877	1,951	2,041	1,992	1,778	2,721	1,891	3,846	2,101	-

## MEAN MANHATTAN RENTAL PRICES

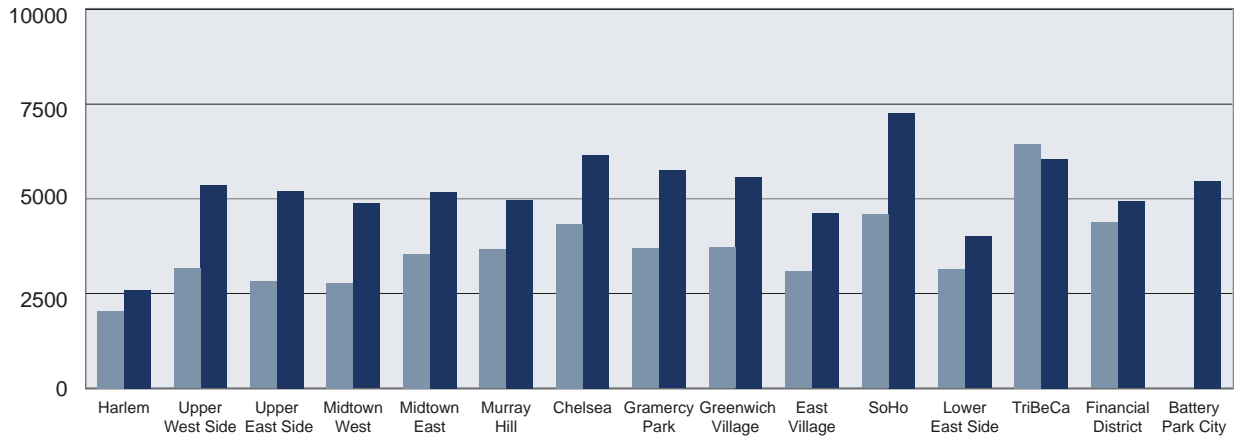
### 2010 Mean One-bedroom Rental Prices



■ Doorman  
■ Non-doorman

1,869	3,302	3,284	3,178	3,408	3,167	3,822	3,758	3,942	3,738	4,146	2,853	3,887	3,321	3,107
1,581	2,367	2,162	2,219	2,372	2,471	2,844	2,638	2,777	2,452	3,509	2,262	4,688	3,007	-

### 2010 Mean Two-bedroom Rental Prices



■ Doorman  
■ Non-doorman

2,595	5,349	5,206	4,883	5,183	4,969	6,158	5,755	5,574	4,614	7,267	4,002	6,048	4,924	5,468
2,036	3,154	2,822	2,780	3,546	3,659	4,339	3,681	3,709	3,087	4,595	3,140	6,445	4,367	-

## NOTABLE TRENDS

**Uncertainty Takes Hold** – While the market returned to stability in 2010, the month-to-month increase in rents averaged only 0.64%. Given the depths that the market had fallen since the start of the downturn, the increases seen in 2010 were relatively small. The primary reason for the limited gains was consumer uncertainty. Without strong results from the employment sector to ease fears, many renters continued to anticipate a double-dip, holding prices low, but stable for much of 2010.

**Inventories Tighten Around Manhattan** – While it seemed nearly everyone was leaving their apartments in 2009 and trading up to more desirable locations and units, that were being offered at severe discounts, intra-borough renters stayed put this rental season, resulting in a lower than normal turnover for units. During the summer, this trend coupled with the seasonal influx of new grads to significantly drive down vacancy numbers. As inventories tightened around Manhattan, property owners and landlords responded in kind, removing nearly all incentives previously being offered.

**Shares Become Scarce** - With many landlords placing a new restriction on the use of temporary and pressurized walls, the city's "convertible" inventory virtually dried up this year. Larger apartments were nearly impossible to find during the fall and going forward, it appears that renters looking to share space to save some cash will have limited options.

## NEIGHBORHOOD PRICE TRENDS

### UPPER WEST SIDE

UPPER WEST SIDE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	17.70%	14.17%
<b>One-bedrooms</b>	11.35%	4.84%
<b>Two-bedrooms</b>	17.21%	7.78%

### UPPER EAST SIDE

UPPER EAST SIDE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	9.80%	8.92%
<b>One-bedrooms</b>	6.62%	3.88%
<b>Two-bedrooms</b>	12.06%	7.81%

### MIDTOWN WEST

MIDTOWN WEST AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	13.87%	17.95%
<b>One-bedrooms</b>	23.81%	11.74%
<b>Two-bedrooms</b>	13.54%	6.70%

### MIDTOWN EAST

MIDTOWN EAST AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	6.14%	15.96%
<b>One-bedrooms</b>	-3.24%	10.14%
<b>Two-bedrooms</b>	-8.59%	2.85%

\*Average price changes were obtained by calculating the percentage of change between the average asking rents at the start of 2010 (January) and at the end of 2010 (December).



## NEIGHBORHOOD PRICE TRENDS

### MURRAY HILL

MURRAY HILL AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	10.25%	9.29%
<b>One-bedrooms</b>	5.61%	4.44%
<b>Two-bedrooms</b>	11.66%	1.41%

### CHELSEA

CHELSEA AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	12.05%	2.99%
<b>One-bedrooms</b>	8.75%	7.99%
<b>Two-bedrooms</b>	-7.25%	9.89%

### GRAMERCY PARK

GRAMERCY PARK AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	8.39%	9.21%
<b>One-bedrooms</b>	9.50%	4.00%
<b>Two-bedrooms</b>	19.72%	7.47%

### GREENWICH VILLAGE

GREENWICH VILLAGE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	7.39%	18.40%
<b>One-bedrooms</b>	9.92%	1.73%
<b>Two-bedrooms</b>	5.99%	8.61%

## NEIGHBORHOOD PRICE TRENDS

### EAST VILLAGE

EAST VILLAGE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	19.06%	2.20%
<b>One-bedrooms</b>	2.94%	0.60%
<b>Two-bedrooms</b>	10.27%	6.69%

### SoHo

SoHo AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	20.24%	8.52%
<b>One-bedrooms</b>	1.19%	7.81%
<b>Two-bedrooms</b>	5.42%	19.40%

### LOWER EAST SIDE

LOWER EAST SIDE AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	8.01%	17.81%
<b>One-bedrooms</b>	9.08%	9.12%
<b>Two-bedrooms</b>	-4.86%	0.51%

### TRIBECA

TRIBECA AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	5.30%	2.63%
<b>One-bedrooms</b>	-2.87%	9.39%
<b>Two-bedrooms</b>	-13.54%	7.40%

## NEIGHBORHOOD PRICE TRENDS

### FINANCIAL DISTRICT

FINANCIAL DISTRICT AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	-5.64%	5.28%
<b>One-bedrooms</b>	24.76%	6.17%
<b>Two-bedrooms</b>	1.88%	-0.19%

### BATTERY PARK CITY

BATTERY PARK CITY AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>		12.06%
<b>One-bedrooms</b>		16.73%
<b>Two-bedrooms</b>		12.04%

### HARLEM

HARLEM AVERAGE PRICE CHANGES OVER 2010*		
	Non-Doorman	Doorman
<b>Studios</b>	-2.87%	14.41%
<b>One-bedrooms</b>	-1.24%	16.73%
<b>Two-bedrooms</b>	0.57%	-7.01%

## 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 The Real Estate Group NY 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: The Real Estate Group NY**

The Real Estate Group has been helping Manhattan landlords and renters navigate the rental market since 1999. From large companies to individuals, The Real Estate Group NY 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 The Real Estate Group NY'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.

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