

## Brooklyn Residential Rental Market Report - DECEMBER 2017

Welcome to the New York Real Estate Market Update

Here we dig into the latest data and trends to find out what is really happening in the local Brooklyn rental market to help landlords, real estate investors, and developers make the smartest financial moves.

So, what's new in New York Real Estate? Let's take a look at the

### Month over month

numbers...

Brooklyn has seen seasonal softness in rentals continue, with rents down at least an average of just over 0.5% since last month. However, there were some strong performers, including; Bayridge, DUMBO, Fort Greene, and Greenpoint.

DUMBO holds the title for most expensive apartments in Brooklyn, thanks to new luxury units.

The most affordable studio to two bedroom rental apartments are still in Bay Ridge.

Among the most notable stats over the last month was the 13.4% jump in Greenpoint studio rental prices. This is due to new construction developments, existing oversized loft units coming onto the market, and more interest in the neighborhood due to the upcoming train shutdown.

### Month over month

Overall Brooklyn rents have fallen an average of \$15 to \$80 per month. Price per square foot fell slightly by just over 1%, inventory is down, and days on market fell by over 10%, to just 23 days. However, this is likely due to a lot of concessions on new leases.

### Year over year

Brooklyn rental prices have fallen even further. The number of leases being signed are down, and we've seen over a 30% increase in concessions over last year.

### Overall

- New leases are down by over 10%
  - OP + Concessions are up 32.4%
  - Negotiability and discounts rose just under 1%
  - Inventory levels dropped by over 11%
  - And marketing time has dropped by 32.6%
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- A lot of this data reflects normal seasonal challenges for landlords, though there could be a larger trend in play as well. Those attempting to lease their units now will definitely need to be competitive in offers special deals.
  - We are also definitely seeing a shift in interest, leasing, and growth to emerging areas like Bay Ridge and Greenpoint.



## Now let's take a look at rentals by unit type:

### For studios

- Average price per foot is up slightly to \$51
- Average unit size is down to 520 square feet
- Average Days on the market is 42 days
- 100 studios are No Fee, and 133 are Fee apartments
- Month over month changes saw rents down 2.7%
- And year over year rents are down 15.1%

Renters paid around \$170 less per month for no fee studio rentals last month.

- Having on-site laundry facilities in the building didn't make much difference month.
- Units with private outdoor space, rent for around \$240 more per month.
- Units with elevators rented for around \$300 per month more than walk-up units last month.
- Gyms are still one of the top amenities tenants are looking for. They can add an average of \$400 per month to rents.
- Tenants are now paying around \$400 more per month in buildings which have a full-time lobby attendant. That's twice as much over the previous month.
- In all, we are seeing a big premium being put on gyms, attended lobbies, and outdoor space.

### For 1 bedrooms

- Average price per foot is up to \$43
- The average unit size is up to 759 square feet
- Average Days on the market is up to 56 days
- 138 1 beds were No Fee, versus 104 Fee apartments
- Month over month change rents are down 2%
- year over year rents are down 1.7%

- No fee 1 bedrooms rented for the same amount per square foot as fee apartments last month.
- Having a laundry in the building saw 1 beds renting for \$4 more per square foot
- Units with NO private outdoor space are renting for almost \$100 less per month
- The difference in rents for elevator versus walk-up units is \$7 per square foot
- Units with gyms rented for \$7 more per square foot last month.
- Buildings with full time lobby attendants are renting for almost \$400 more per month than those without attendants.



## Now on to 2 bedroom rentals

- The average 2 bedroom apartment in Brooklyn now rents for \$3,198.
  - Average price per foot is \$41
  - Average unit size is 937 square feet
  - Average Days on the market is up to 58 days
  - 134, 2 bedroom apartments were No Fee rentals, versus 104 Fee rentals
  - Month over month rents are down 3.4%
  - But year over year they are up 0.4%
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- Units with an extra bath or half bath meant renting for \$400 to \$500 more month last month
  - Having a laundry in the building can add \$178 per month to the rent.
  - Those with private outdoor spaces rented for \$5 more per square foot
  - A 2 bedroom with a gym in the building is getting \$3 more per square foot
  - Those with full time lobby attendant are renting for over \$600 more per month.
  - There is around a \$500 premium for elevator versus walk-up apartments.

## For 3 bedroom apartments

- The average price per foot is \$41
  - The average unit size is 1,394 square foot
  - Average Days on the market is up to 63 days
  - 85, 3 bedroom rentals were No Fee, versus 120 rentals with Fee
  - Month over month rents are down -1.6%
  - Year over year rents are UP 3.9%
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- No FEE apartments rented for \$3 more per square foot than fee apartments last month.
  - Those with gyms rented for \$15 more per square foot.
  - Having a laundry in the building can make a \$5 difference per rent per square foot
  - Expect to get as much as \$340 more per month for units with private outdoor space
  - Elevator apartments rented for \$9 more per square foot last month
  - Having a full time lobby attendant made a \$13 per square foot difference, with total monthly rent almost \$2,500 more for 3 bedroom units in these buildings



## In summary

- What the break down in this data shows Brooklyn landlords, is that there is a notable seasonal correction in play. Year over year data may suggest a larger downward trend in play. Certain features offer little benefit, but others are commanding even bigger premiums. This month's data may also be impacted by the leasing of some larger units, and concessions and deals being offered by landlords.
- Other notable changes show a shift in demand and acceleration of rents to emerging and affordable areas, like Greenpoint.
- Find out more about the current market, competing listings, and where to get the best help in leasing your rental units by contacting The Ratner Team.

