

BROOKLYN RESIDENTIAL RENTAL MARKET REPORT - NOVEMBER 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 NUMBERS...

Month over month

Brooklyn has seen its seasonal price correction continue, with rents down an average of just over 0.8% since last month. The best performers of the month, with positive rental growth were DUMBO, Fort Greene, Brooklyn Heights, and Boerum Hill.

DUMBO holds the title for most expensive apartments in Brooklyn, thanks to new luxury units. The most affordable studio and one bedroom rental apartments are being found in Bay Ridge.

Among the most notable stats over the last month was the 2.3% jump in Fort Greene rental prices.

Month over month

Overall Brooklyn rents have fallen to an average of \$2,730.56 per month. Price per square foot fell slightly by 1.6%, inventory is down, and days on market rose by over 10%, but is still healthy at 43 days.

Year over year

Brooklyn rental prices actually grew by 0.5%, and 4.9% more leases were signed last month, but concessions are up 3.2%.

Overall

- New leases are up by 4.9%
 - OP + Concessions are up 3.2%
 - Negotiability is almost flat
 - Inventory levels are up 15.8%
 - And marketing time has dropped by 5 days
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- If you look at this trending data on the graph charts, landlords should note that this is likely to be the one of the best moments to sign new leases. At least until mid-2018. This is due to seasonal rental price dips and peaks.
 - If you have vacant units, it is time to fill them.
 - If leases are signed in Oct through Feb, consider signing 15 to 19 month leases to get the units back during the best rental months to get the highest possible rent due to high seasonal demand.

**The RATNER Team Market Report**

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NOW LET'S TAKE A LOOK AT RENTALS BY UNIT TYPE:

For studios

- Average price per foot is down to \$50
- Average unit size is 617 square feet
- Average Days on the market is 37 days
- 17 studios are No Fee, and 123 are Fee apartments
- Month over month changes saw rents down 3.8%
- And year over year rents are down 3.2%

Renters can currently expect to pay \$100 more per month for no fee studio rentals, than those with fees.

- 1 bathrooms are currently renting for around \$600 more per month than those with an extra half bath.
- Having on-site laundry facilities in the building can increase rents by over \$200 a month.
- Units with private outdoor space, rent for around \$400 more per month.
- Units with elevators paid less than per month than walk-up units last month.
- Gyms are still one of the top amenities tenants are looking for. They can add an average of \$300 per month to rents.
- Tenants are now paying around \$200 more per month in buildings which have a full-time lobby attendant. A substantial decrease from last 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 down to \$41
- The average unit size is up to 714 square feet
- Average Days on the market is down to 43 days
- Just 24 1 beds were No Fee, versus 224 Fee apartments
- Month over month change rents are, up 0.2%
- year over year rents are down 0.8%

- No fee 1 bedrooms rented for \$2 per square foot more than 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 \$300 less per month
- The difference in rents for elevator versus walk-up units is \$5 per square foot
- Units with gyms rented for \$15 more per square foot last month.
- Buildings with full time lobby attendants are renting for almost \$400 more per month



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Now on to 2 bedroom rentals >

- The average 2 bedroom apartment in Brooklyn now rents for \$3,186.
 - Average price per foot is \$42
 - Average unit size is 961 square feet
 - Average Days on the market is 45 days
 - Just 35, 2 bedroom apartments were No Fee rentals, versus 209 Fee rentals
 - Month over month rents are up 0.3%
 - But year over year they are up 4.6%
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- Units with an extra bath or half bath rented for \$119 to \$467 more month than 1 bath units
 - Having a laundry in the building can add \$6 per month to the rent.
 - Those with private outdoor spaces rented for \$2 more per square foot
 - A 2 bedroom with a gym in the building is getting \$7 more per square foot
 - Those with full time lobby attendant are renting for over \$600 more per month.
 - There is around a \$400 premium for elevator versus walk-up apartments.
 - There is very little difference between 2 bedroom pet friendly units, or short or long term rentals.

For 3 bedroom apartments >

- The average price per foot is \$41
 - The average unit size is 1,372 square foot
 - Average Days on the market sits at 47 days
 - Just 10, 3 bedroom rentals were No Fee, versus 93 rentals with Fee
 - Month over month rents are down almost 11%
 - Year over year rents are UP 9%
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- No FEE apartments rented for \$3 less per square foot than fee apartments last month.
 - Those with gyms rented for \$18 more per square foot.
 - Having a laundry in the building can make a \$9 difference per rent per square foot
 - Expect to get \$8 more per month for units with private outdoor space
 - Elevator apartments rented for \$13 more per square foot last month
 - Having a full time lobby attendant made a \$12 per square foot difference, with total monthly rent over \$3,300 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. Certain features offer little benefit, but others are commanding even bigger premiums. Consider these adjustments when renovating buildings, or developing new ones, so that you are maximizing ROI at every level.
- As we go through these seasonal changes, and look at how some property types are accelerating, while others have cooled off, some investors may find this the opportune moment to restructure portfolios to capitalize on the best yields and growth ahead. Though it appears many are being more realistic about the overall market and how competitive it is today, and are pricing that in to their asking prices.
- 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.

