

## BROOKLYN RESIDENTIAL RENTAL MARKET REPORT - SEPTEMBER 2017

Welcome to the Brooklyn Residential Rental Market Report for the month of September. 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**

There were price increases in over half of Brooklyn's neighborhoods. The hottest have been Cobble Hill, Bay Ridge, Boerum Hill, and Williamsburg. Rents in Cobble Hill are up 7.3%. Though DUMBO holds the title for most expensive studios and 1 bedroom apartments in Brooklyn. The most affordable rental apartments are being found in Bay Ridge. Most notable of all is the 14.5% spike in Boerum Hill studio rental prices. That's adding about \$ 309 per month to leases.

**Month over month**

Overall Brooklyn rents have risen 0.77%, to an average of \$2,819 per month. Studio rental prices rose the most, gaining 3%, to \$2,287 per month. However, new leases fell almost 28%, and days on market rose 2.5%, even though inventory fell 2.4%

**Year over year**

Brooklyn has actually seen rental rates decrease 5.1%

The strongest performer since last summer has been Greenpoint, with a 4.8% increase in rents.

**Overall**

- New leases are down 4.1%
  - OP + Concessions are up 11.4%
  - Negotiability has risen a modest 0.5%
  - Though inventory levels are down 1.4%
  - And marketing time has dropped by 2 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 best moment to sign new leases. At least until mid-2018. This is due to seasonal rental price dips and peaks.
  - If you have vacant units, this is definitely 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.



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

## For studios

- Average price per foot stands at \$54
- Average unit size is 703 square feet
- Average Days on the market was 43 days
- 27 studios are No Fee, and 146 are Fee apartments
- Month over month changes saw rents up 0.9% to \$2,526
- And year over year rents are up 6.5%

Renters can expect to pay almost \$700 more per month for no fee studio rentals, than those with fees.

- 1 bathrooms are currently renting for around \$8 more per square foot 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 \$183 more per month
- Units with elevators are averaging around \$411 more per month than walk-up units.
- Gyms are still one of the top amenities tenants are looking for. They can add an average of \$346 per month to rents.
- Tenants pay around \$300 more per month in buildings which have a full time doorman.

## For 1 bedrooms

- Average price per foot stands at \$43
- Average unit size is 726 square feet
- Average Days on the market stands at 41
- Just 20 1 beds were No Fee, versus 226 Fee apartments
- Month over month change rents are, down 3.6%
- Year over year rents are down 1.8%

- No fee 1 bedrooms rented for the same price square foot as others last month.
- Renters should expect to pay dramatically more for units with 2 bathrooms. Or even an extra half bath.
- Having a laundry in the building saw 1 beds renting for \$5 more per square foot
- Units with NO private outdoor space actually rented for an average of \$5 more per last month too
- The difference in rents for elevator versus walk-up units is over \$400 per month
- Units with gyms rented for \$2 more per square foot last month.
- Buildings with full time lobby attendants rented for \$8 more per square foot



## The RATNER Team Market Report

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## Now on to 2 bedroom rentals >

- The average 2 bedroom, 1 bath apartment in Brooklyn now rents for \$3,102.
- Average price per foot is \$40
- average unit size is 963 square feet
- Average Days on the market is 44 days
- Just 9, 2 bedroom apartments for No Fee rentals, versus 240 Fee rentals
- Month over month rents are down 1.6%
- But year over year they are up 0.4%

- Units with an extra bath or half bath rented for \$8 more per square foot
- Having a laundry in the building can add \$6 per month to the rent.
- Those with private outdoor spaces rented for \$3 more per square foot
- A 2 bedroom with a gym in the building is getting \$10 more per square foot, or about an extra \$500 per month, as are those with pools, and garages.
- Those with full time doorman are renting for over \$1,000 more per month.
- The same goes for elevator versus walk-up apartments.
- There is very little difference between 2 bedroom fee or no fee apartments, pet friendly ones, or short or long term rentals.

## For 3 bedroom apartments >

- the average price per foot is \$37
- The average unit size is 1,335 square foot
- Average Days on the market sits at 53 days
- Just 9, 3 bedroom rentals were No Fee, versus 141 rentals with Fee
- Month over month rents are down 0.1%
- Year over year rents are down 2.9%

- No FEE apartments rented for \$8 more last month, as did those with gyms.
- 1.5 bath units actually rented for \$7 per square foot less than 1 bath units last month! Though expect to get \$9 to \$17 more per square foot if you go all the way up to a 3 or 3.5 bath unit.
- Having a laundry in the building can make a \$10 difference per rent per square foot
- Expect to get \$5 more per month for units with private outdoor space
- Elevator apartments rented for almost \$10 more per square foot last month
- Having a full time lobby attendant made almost a \$20 per square foot difference, with total monthly rent almost double for 3 bedroom units in these buildings



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## IN SUMMARY

- As we go through upcoming seasonal changes, and look at how some Brooklyn neighborhoods 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 many need to be realistic about the overall market and how competitive it is today.
- 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.

