

BROOKLYN RESIDENTIAL RENTAL MARKET REPORT - JANUARY 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 seasonal softness in rentals over the past few months. Strong leasing activity, landlord concessions and better marketing, may finally be turning that around according to the latest data.
- Overall, Brooklyn rental prices nudge up slightly in January 2018, by 0.7%. While rents continued to slide in some of Brooklyn's most fashionable neighborhoods in January, less expensive ones picked up steam. Top performers, include: Bushwick, Crown Heights, and Prospect Lefferts Gardens.
- DUMBO still holds the title for most expensive apartments in Brooklyn, thanks to new luxury units. The most affordable rental apartments are being seen in Bay Ridge, Prospect Lefferts Gardens and Fort Greene.
- Among the most notable stats over the last month was the 3.8% jump in Fort Greene rental prices. Showing more tenants leaning towards more affordable Brooklyn neighborhoods.

Month over month

overall Brooklyn rents have nudge up. Price per square foot fell by 6.8%, Listing inventory is down by over 15%, and days on market are up by 20% to 33 days.

Year over year

Brooklyn rental prices are relatively flat. The number of leases being signed are up dramatically, by 42.1%. However, this could be directly linked to a near 30% increase in concessions over last year.

Overall

- New leases are down by over 40%
 - OP + Concessions are up 29.4%%
 - Negotiability and discounts rose just under 1%
 - Inventory levels dropped by over 21%
 - And marketing time has dropped to 33 days
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- This data may be very encouraging landlords after several months of softness. Landlords do appear to be dealing with the correction or season with stronger offers for new tenants. Hopefully lower inventory levels will help keep a good balance and strong leasing market over the next few months.



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

For studios

- Average price per foot is up slightly to \$57
- average unit size is down to 510 square feet
- Average Days on the market is up sharply to 56 days
- 17 studios are No Fee, and 115 are Fee apartments
- Month over month changes saw rents rise 3.4%
- And year over year rents are up 3.2%

Renters paid around \$3,000 more per month for no fee studio rentals last month.

- Having on-site laundry facilities in the building made a positive difference of approximately \$900 per month in January
- Units with elevators rented for around \$500 per month more than walk-up units last month.
- Gyms are still one of the top amenities tenants are looking for. They added an average of \$2,300 per month to rents last month.
- Units with full time lobby attendance are renting for over \$1,200 a month more.
- In all, we are seeing a big premium outdoor space.

For 1 bedrooms

- Average price per foot is steady at \$47
- The average unit size is down to 722 square feet
- Average Days on the market is up substantially to 71 days
- 6 1 beds were No Fee, versus 128 Fee apartments
- Month over month change rents are down 0.8%
- year over year rents are up 3.2%

- No fee 1 bedrooms rented for \$17 more per square foot than fee apartments last month.
- Having a laundry in the building saw 1 beds renting for \$8 more per square foot
- Units with NO private outdoor space are renting for around \$200 less per month
- The difference in rents for elevator versus walk-up units is \$9 per square foot
- Units with gyms rented for \$13 more per square foot last month.
- Buildings with full time lobby attendants are renting for almost \$500 more per month than those without attendants.



The RATNER Team Market Report

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Now on to 2 bedroom rentals ➔

- The average 2 bedroom apartment in Brooklyn now rents for \$2,820
 - Average price per foot is \$40
 - average unit size is 949 square feet
 - Average Days on the market is up a lot to 80 days
 - 8, 2 bedroom apartments were No Fee rentals, versus 217 Fee rentals
 - Month over month rents are up 1.5%
 - But year over year they are down 0.2%
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- Having a laundry in the building can add over \$300 per month to the rent.
 - Those with private outdoor spaces rented for \$11 more per square foot
 - A 2 bedroom with a gym in the building is getting \$14 more per square foot
 - Those with full time lobby attendant are renting for over \$1,000 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 flat at \$39
 - The average unit size is 1,400 square foot
 - Average Days on the market is up to 75 days
 - 2, 3 bedroom rentals were No Fee, versus 113 rentals with Fee
 - Month over month rents are down 11.7%
 - year over year rents are UP 13.2%
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- No FEE apartments rented for almost \$2,000 less than fee apartments last month.
 - Those with gyms rented for \$19 more per square foot.
 - Having a laundry in the building can make a \$13 difference per rent per square foot
 - Expect to get as much as \$1,133 more per month for units with private outdoor space
 - Elevator apartments rented for \$17 more per square foot last month
 - Having a full time lobby attendant made a \$20 per square foot difference, with total monthly rent almost \$4,000 more for 3 bedroom units in these buildings



IN SUMMARY

- What the break down in this data shows Brooklyn landlords, is that the market is still strong, but concessions may need to be offered to rent faster. A new dip in inventory levels could mean better conditions over the next few months.
- One of the biggest changes in January was the luxury market up the most at over 8% month over month. We are also seeing a massive premium on special features, and more growth in the 3 bedroom rental market, suggesting that contrary to some media suggestions, NY rentals actually want more space.
- Other notable changes show a shift in demand and acceleration of rents to emerging and affordable areas, like Fort Greene.
- 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.

