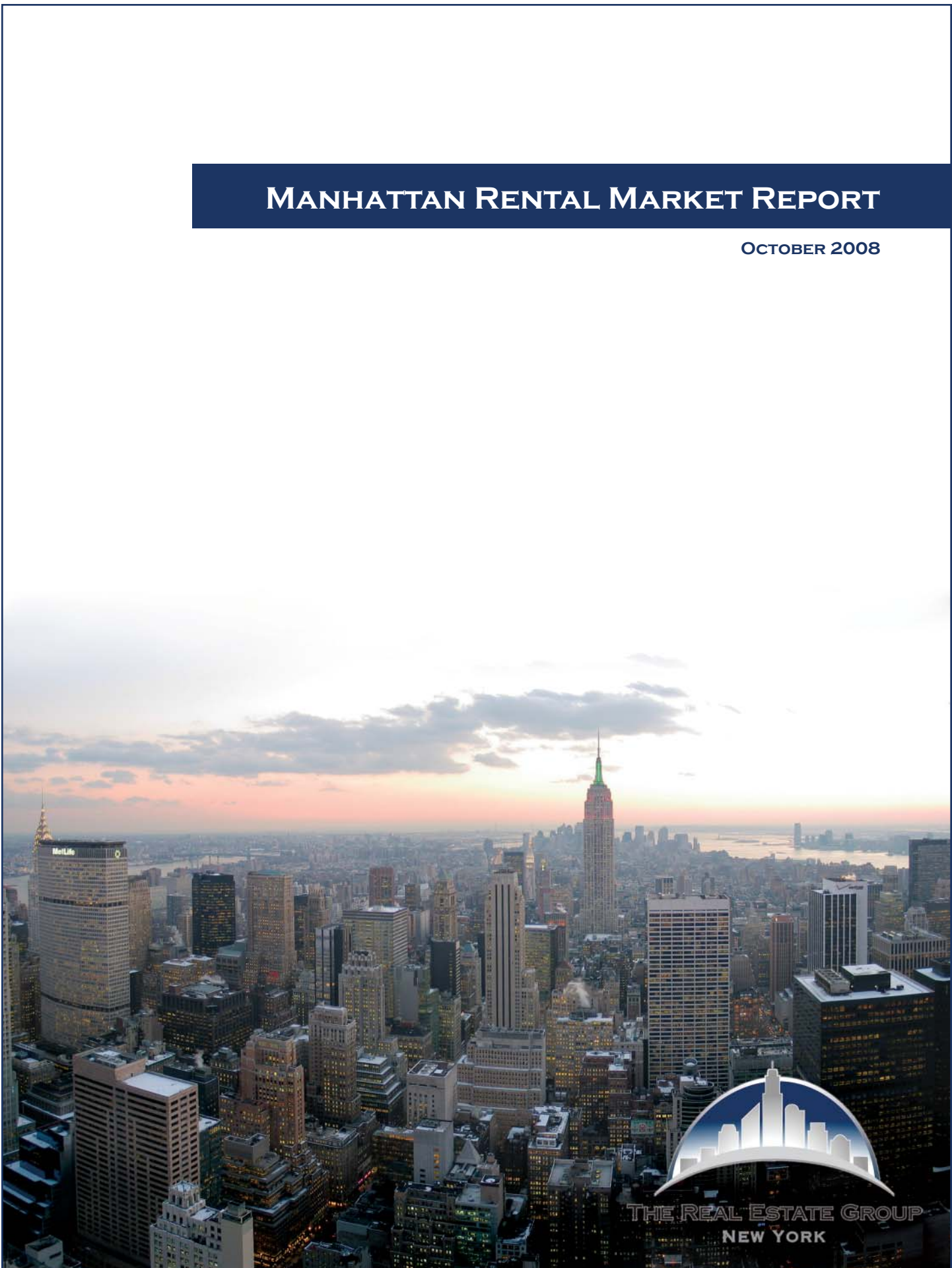


# MANHATTAN RENTAL MARKET REPORT

OCTOBER 2008



THE REAL ESTATE GROUP  
NEW YORK

# TABLE OF CONTENTS



LETTER FROM OUR CHIEF OPERATING OFFICER	3
A QUICK LOOK	4
MEAN MANHATTAN RENTAL PRICES	8
MANHATTAN PRICE TRENDS	10
NEIGHBORHOOD PRICE TRENDS	
UPPER WEST SIDE	11
UPPER EAST SIDE	12
MIDTOWN WEST	13
MIDTOWN EAST	14
MURRAY HILL	15
CHELSEA	16
GRAMERCY PARK	17
GREENWICH VILLAGE	18
EAST VILLAGE	19
SOHO	20
LOWER EAST SIDE	21
TRIBECA	22
FINANCIAL DISTRICT	23
BATTERY PARK CITY	24
HARLEM	25
THE REPORT EXPLAINED	26

## LETTER FROM OUR CHIEF OPERATING OFFICER



On behalf of The Real Estate Group, I am pleased to present the October 2008 edition of our Manhattan Rental Market Report, the only research on the city's rental rates published on a monthly basis.

As we are entering into the historically sluggish fourth quarter, we normally expect to see a seasonal slowdown. In step with these trends, rents are down across the board this month and inventories, which had previously been in a two-month decline, are back up sharply.

Moreover, in year-over-year analysis, rents are down in all rental categories by as much as 7.23% in doorman studios, with the exception of doorman two-bedrooms. To us, this seems to be a clear indicator of downward forces beyond simple seasonality trends.

MANHATTAN RENTS OCTOBER '07 vs. OCTOBER '08		
	Non-Doorman	Doorman
<b>Studios</b>	1.86%	<b>-7.23%</b>
<b>One-bedrooms</b>	-3.97%	-3.21%
<b>Two-bedrooms</b>	-1.88%	0.52%

While we noted last month that it appeared that landlords were making progress to lower vacancies by lowering rents and offering concessions, this effort does not seem to be enough to right a market that is being heavily influenced by economic factors, above all being unemployment.

Consequently, incentives, which had previously been used strategically to lure renters, have now become the norm and have become even more aggressive. Rentals that had previously been offering to pay brokerage commissions or a free month's rent in many instances are offering both, and we expect these concessions to become even more creative as we move deeper into the winter.

Looking ahead, it appears that the rental market will have a variety of forces to contend with, which could make the fourth quarter a difficult time as renters and landlords fumble for balance.

The Real Estate Group

## A QUICK LOOK

NON-DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
<b>Studios</b>	TriBeCa \$2,784	Harlem \$1,278
<b>One-bedrooms</b>	TriBeCa \$4,175	Harlem \$1,712
<b>Two-bedrooms</b>	TriBeCa \$6,901	Harlem \$2,358

DOORMAN BUILDINGS (AVERAGE PRICES)		
	Most Expensive	Least Expensive
<b>Studios</b>	TriBeCa \$2,931	Harlem \$1,341
<b>One-bedrooms</b>	SoHo \$4,800	Harlem \$1,938
<b>Two-bedrooms</b>	SoHo \$6,843	Harlem \$2,584

### Greatest Changes Since September:

Non-doorman studios – Gramercy Park – **Down 8.41%** (\$207)

Non-doorman one-bedrooms – TriBeCa – **Down 4.90%** (\$215)

Non-doorman two-bedrooms – Upper West Side – **Up 5.53%** (\$188)

Doorman studios – Gramercy Park – **Down 7.39%** (\$205)

Doorman one-bedrooms – Lower East Side – **Down 9.77%** (\$302)

Doorman two-bedrooms – Harlem – **Down 5.07%** (\$138)

### Year-over-year Changes\*:

#### Notable Trends:

MANHATTAN NON-DOORMAN RENTS: OCTOBER '07 VS. OCTOBER '08			
	October '07	October '08	Change
<b>Studios</b>	\$2,151	\$2,111	-1.86%
<b>One-bedrooms</b>	\$2,991	\$2,872	-3.97%
<b>Two-bedrooms</b>	\$4,069	\$3,993	-1.88%

MANHATTAN DOORMAN RENTS: OCTOBER '07 VS. OCTOBER '08			
	October '07	October '08	Change
<b>Studios</b>	\$2,751	\$2,552	-7.23%
<b>One-bedrooms</b>	\$3,787	\$3,665	-3.21%
<b>Two-bedrooms</b>	\$5,627	\$5,656	0.52%

\* Year-over-year comparison does not include Harlem data

## A QUICK LOOK

**Fourth quarter brings more than just a seasonal slowdown** — Compared to September, most rental categories were down, with non-doorman two-bedrooms remaining flat, exhibiting typical seasonal trends. However in year-over-year comparison, October '08 prices were also lower for nearly all rental categories, with the exception of doorman two-bedrooms. October '08 prices dropped by as much as 7.23% from 2007 for doorman studios, while non-doorman and doorman one-bedroom units saw a decline of 3.97% and 3.21% respectively.

**Inventories have significantly increased** — Inventory levels, which had been steadily declining for the past two months, are up citywide. Doorman buildings are seeing especially large vacancy rates as it appears renters are not willing, or able, to pay for extras.

**It's all about choice in luxury rentals** — More high-end rentals are hitting the market this month. Renters looking for the best Manhattan has to offer will see a benefit from sluggish condo sales, which has pushed some units from the sales market into the rental market. In addition, prices on these rentals remain lower than seen previously.

### Where Prices Decreased:

**Harlem**—↓ Non-doorman studios (3.47%), doorman studios (1.32%), non-doorman one-bedrooms (0.23%), doorman two-bedrooms (5.07%)

**Upper West Side**—↓ Doorman one-bedrooms (0.94%), doorman two-bedrooms (1.36%)

**Upper East Side**—↓ Non-doorman studios (1.32%), doorman studios (2.14%), non-doorman one-bedrooms (3.32%), doorman one-bedrooms (2.12%), doorman two-bedrooms (0.16%)

**Midtown West**—↓ Non-doorman studios (1.84%), non-doorman one-bedrooms (0.09%), doorman one-bedrooms (1.86%), non-doorman two-bedrooms (5.28%), doorman two-bedrooms (0.89%)

**Midtown East**—↓ Non-doorman studios (3.63%), doorman studios (4.17%), doorman one-bedrooms (0.54%), non-doorman two-bedrooms (2.38%), doorman two-bedrooms (1.27%)

**Murray Hill**—↓ Non-doorman studios (1.10%), doorman studios (4.14%), non-doorman one-bedrooms (0.85%), non-doorman two-bedrooms (0.31%), doorman two-bedrooms (0.44%)

**Chelsea**—↓ Non-doorman studios (6.00%), doorman studios (0.78%), doorman one-bedrooms (2.76%), doorman two-bedrooms (1.27%)

**Gramercy Park**—↓ Non-doorman studios (8.41%), doorman studios (7.39%), non-doorman one-bedrooms (2.16%), doorman one-bedrooms (4.84%), non-doorman two-bedrooms (4.14%), doorman two-bedrooms (3.69%)



## A QUICK LOOK

**East Village**—↓ Doorman studios (1.59%), non-doorman one-bedrooms (2.26%), doorman one-bedrooms (5.03%), non-doorman two-bedrooms (1.44%), doorman two-bedrooms (0.94%)

**SoHo**—↓ Non-doorman studios (3.06%), non-doorman one-bedrooms (3.13%), doorman one-bedrooms (3.63%), doorman two-bedrooms (2.42%)

**Lower East Side**—↓ Non-doorman studios (1.92%), doorman studios (0.57%), doorman one-bedrooms (9.77%), non-doorman two-bedrooms (4.75%), doorman two-bedrooms (4.39%)

**Financial District**—↓ Doorman one-bedrooms (2.27%), doorman two-bedrooms (0.84%)

**Battery Park City**—↓ Doorman studios (3.44%), doorman two-bedrooms (1.96%)

### Where Prices Increased:

**Harlem**—↑ Doorman one-bedrooms (1.84%), non-doorman two-bedrooms (0.47%)

**Upper West Side**—↑ Non-doorman studios (1.46%), doorman studios (0.50%), non-doorman one-bedrooms (0.80%), non-doorman two-bedrooms (5.53%)

**Upper East Side**—↑ Non-doorman two-bedrooms (0.18%)

**Midtown West**—↑ Doorman studios (0.56%)

**Midtown East**—↑ Non-doorman one-bedrooms (0.37%)

**Murray Hill**—↑ Doorman one-bedrooms (0.14%)

**Chelsea**—↑ Non-doorman one-bedrooms (0.20%), non-doorman two-bedrooms (2.47%)

**Greenwich Village**—↑ Non-doorman studios (0.23%), doorman studios (1.72%), non-doorman one-bedrooms (0.83%), doorman one-bedrooms (2.50%), non-doorman two-bedrooms (3.66%), doorman two-bedrooms (0.62%)

**East Village**—↑ Non-doorman studios (0.41%)

**SoHo**—↑ Doorman studios (1.04%), non-doorman two-bedrooms (3.32%)

**Lower East Side**—↑ Non-doorman one-bedrooms (1.69%)

## A QUICK LOOK

**TriBeCa**—↑ Doorman studios (2.73%), doorman two-bedrooms (1.01%)

**Financial District**—↑ Non-doorman studios (2.57%), doorman studios (0.04%), non-doorman one-bedrooms (0.66%), non-doorman two-bedrooms (2.74%)

**Battery Park City**—↑ Doorman one-bedrooms (1.80%)

### Tips for Renters:

**Gramery Park studios offer service and prestige at lower prices.** For renters with their eye on the prestigious Gramercy Park area, studios with service are at their lowest price point since May of 2007. Doorman studios fell this month by 7.39% to \$2,569 - representing a 10% decrease from October 2007 prices.

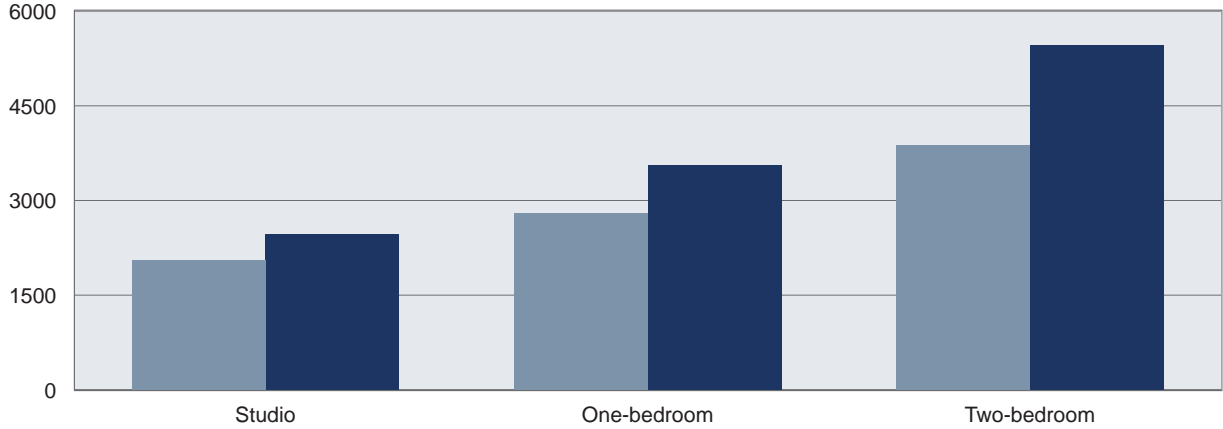
**Too good to be true? Rents fall again on the Lower East Side.** Every month, these rentals *seem* to become an even better deal. Doorman one-bedrooms on the Lower East Side fell even further this month and are now below \$3,000 for the first time in 2008. Rents on doorman one-bedrooms decreased 9.77% this month to \$2,957. Non-doorman and doorman two-bedroom units also saw significant decreases of 4.75% and 4.39%. These adjustments, however, are primarily restoring price points to more organic levels seen before a large number of high-end condo vacancies flooded the market and inflated asking rents.

**Bringing the family back to Harlem.** For those in search of more space for their growing families, Harlem may be the answer. With rents on doorman two-bedroom units falling 5.07%, these units are now at their second lowest price point this year. And at \$2,584, they are less expensive than most one-bedroom apartments in other Manhattan neighborhoods. With the Manhattan market in an overall state of decline, Harlem landlords have little choice but to follow suit and lower asking rents if they are to maintain their inventory levels.

# MEAN MANHATTAN RENTAL PRICES

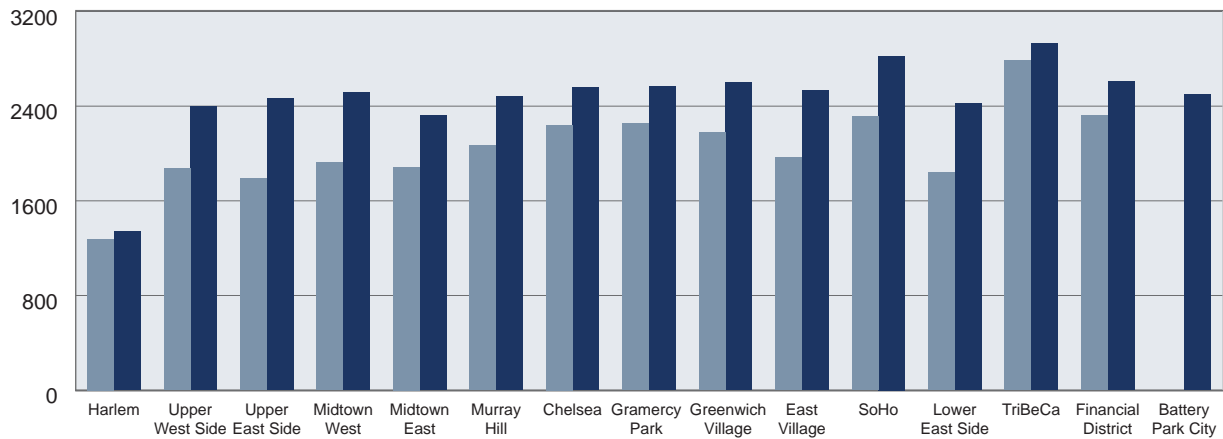
The Mean Rental Price graphs illustrate average monthly rents for studios, one-bedrooms and two-bedrooms in doorman and non-doorman buildings for the month of October 2008. Graphs tracking citywide and neighborhood price changes over a rolling 13-month period follow.

**October 2008\* Mean Manhattan Rental Prices**



Doorman	2,471	3,550	5,452
Non-doorman	2,051	2,789	3,876

**October 2008\* Mean Studio Rental Prices**

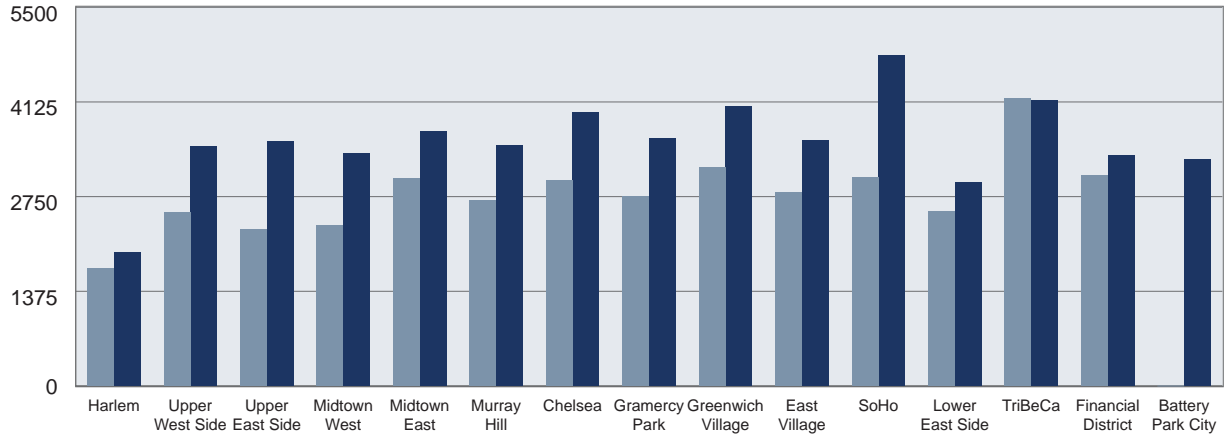


Doorman	1,341	2,400	2,464	2,514	2,321	2,479	2,559	2,569	2,601	2,535	2,825	2,425	2,931	2,607	2,498
Non-doorman	1,278	1,876	1,788	1,925	1,887	2,065	2,242	2,254	2,178	1,969	2,315	1,840	2,784	2,319	-



# MEAN MANHATTAN RENTAL PRICES

## October 2008\* Mean One-bedroom Rental Prices

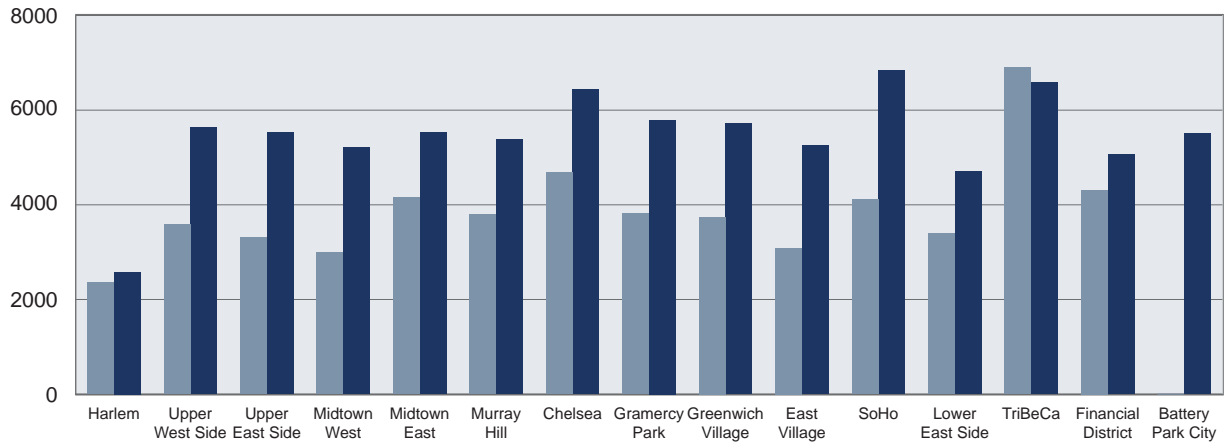


■ Doorman

■ Non-doorman

1,938	3,472	3,549	3,371	3,698	3,488	3,976	3,595	4,062	3,565	4,800	2,957	4,149	3,351	3,283
1,712	2,517	2,269	2,327	3,017	2,694	2,980	2,759	3,168	2,814	3,028	2,531	4,175	3,061	-

## October 2008\* Mean Two-bedroom Rental Prices



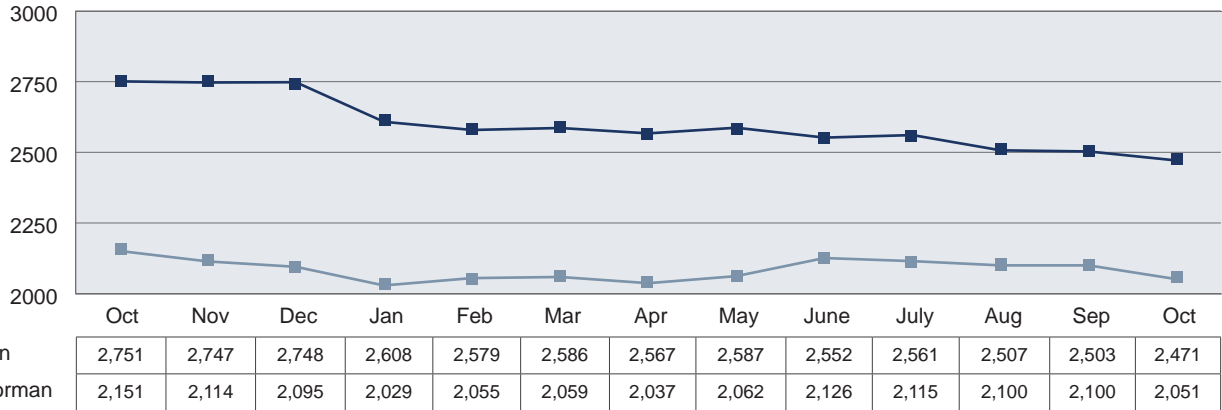
■ Doorman

■ Non-doorman

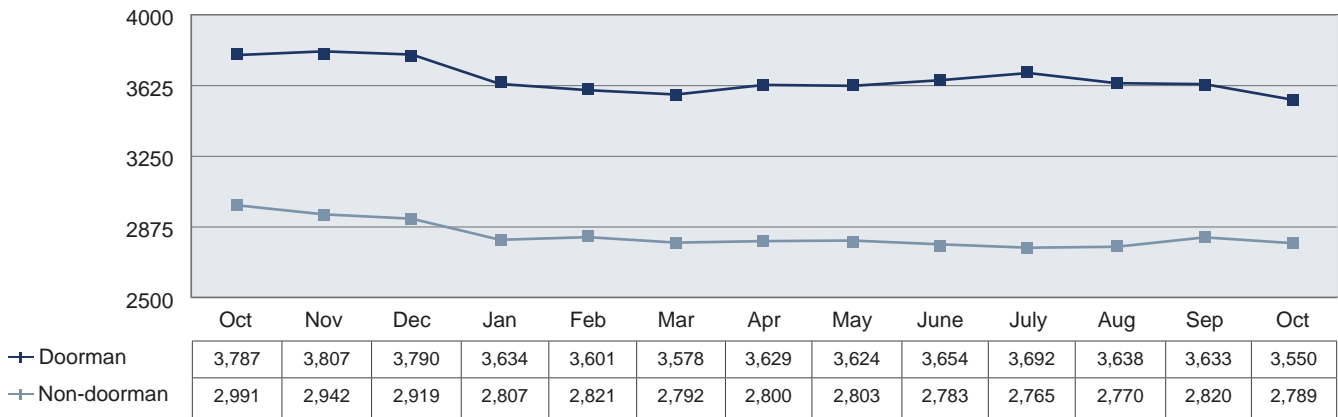
2,584	5,638	5,533	5,209	5,532	5,386	6,437	5,790	5,716	5,257	6,843	4,702	6,578	5,066	5,502
2,358	3,589	3,315	2,998	4,150	3,801	4,688	3,823	3,742	3,085	4,108	3,389	6,901	4,315	-

# MANHATTAN PRICE TRENDS

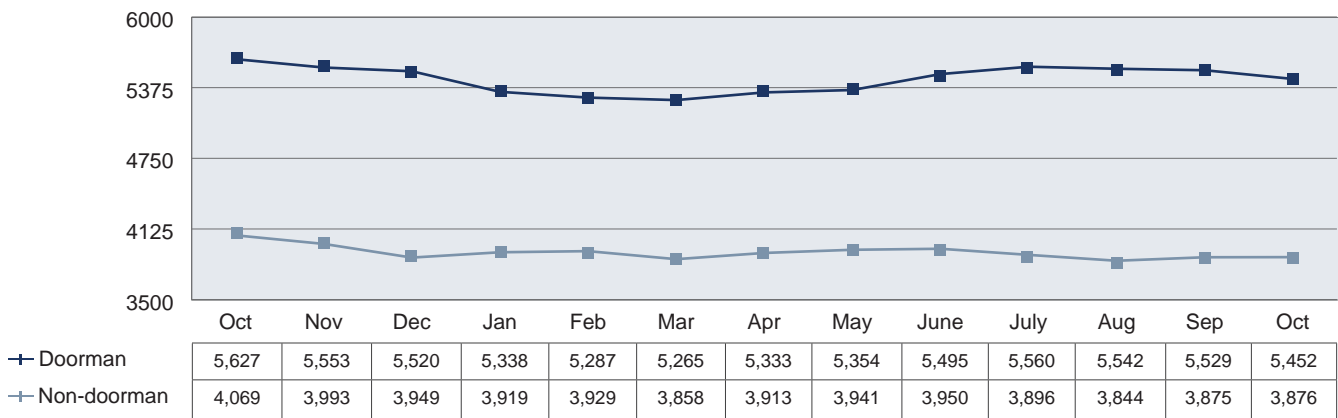
### October 2008\* Manhattan Studio Price Trends Over 13 Months



### October 2008\* Manhattan One-bedroom Price Trends Over 13 Months



### October 2008\* Manhattan Two-bedroom Price Trends Over 13 Months

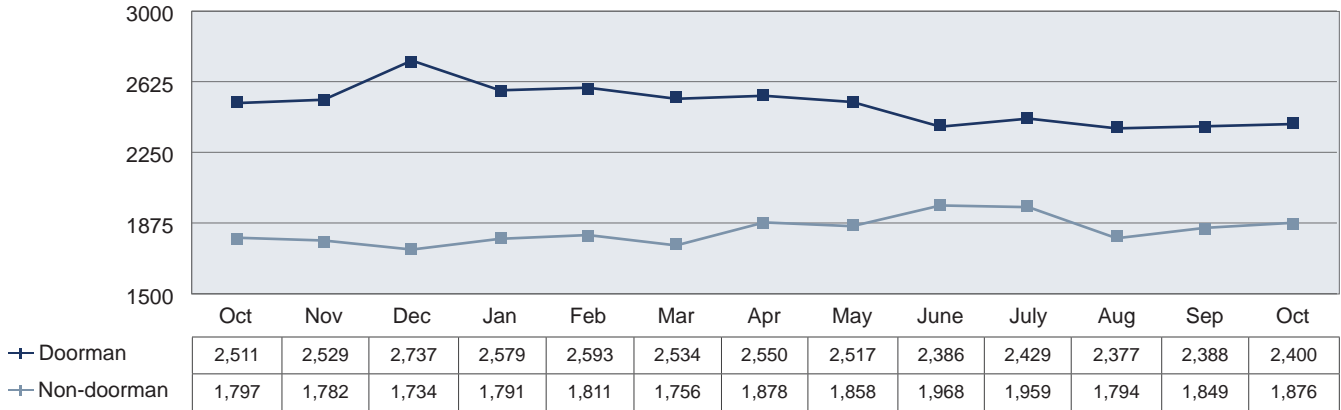


\* 2008 data includes Harlem

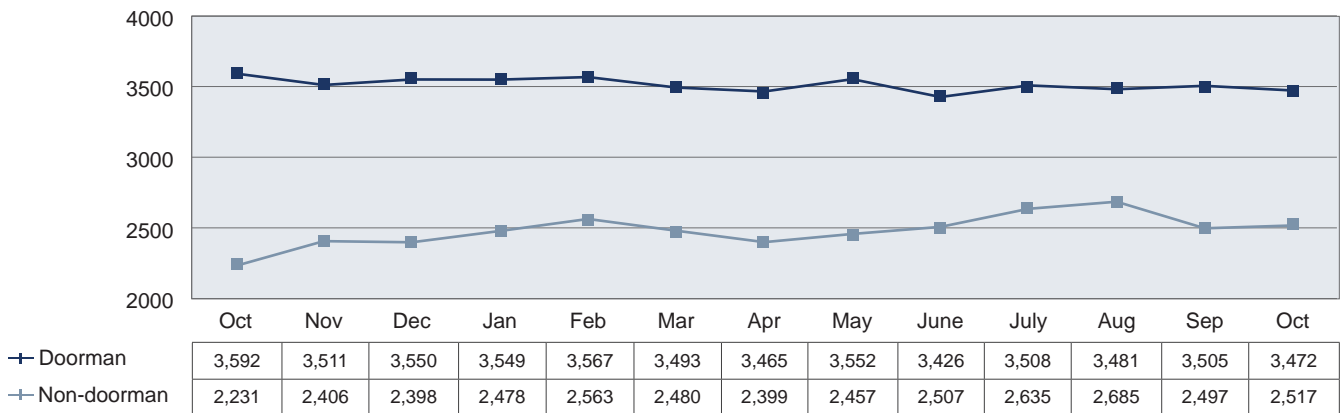
# NEIGHBORHOOD PRICE TRENDS

## UPPER WEST SIDE

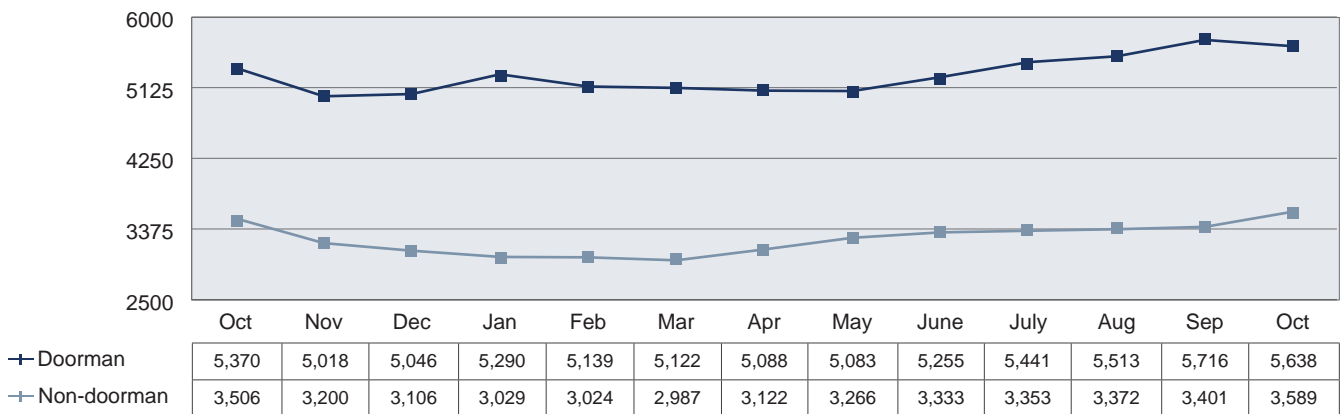
### Upper West Side Studio Price Trends Over 13 Months



### Upper West Side One-bedroom Price Trends Over 13 Months



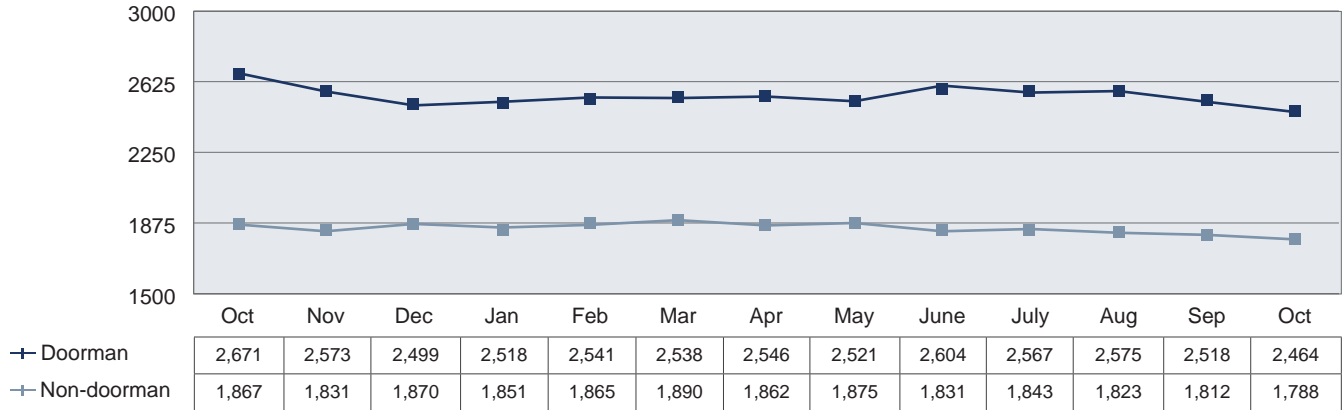
### Upper West Side Two-bedroom Price Trends Over 13 Months



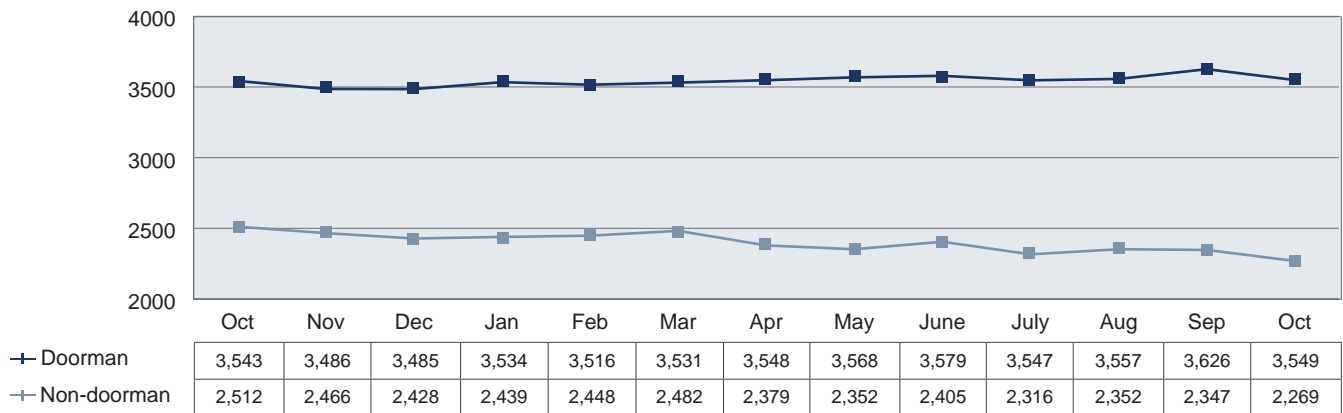
# NEIGHBORHOOD PRICE TRENDS

## UPPER EAST SIDE

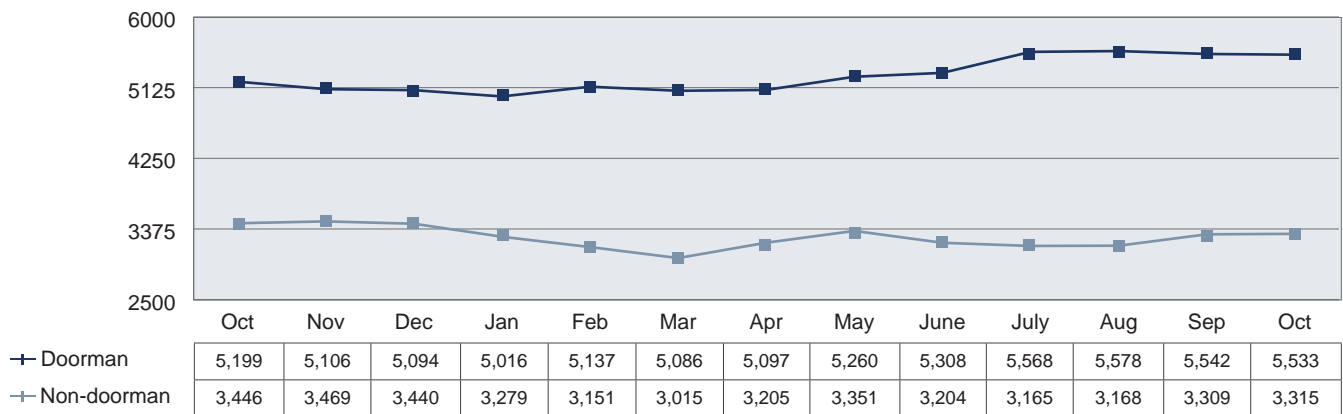
### Upper East Side Studio Price Trends Over 13 Months



### Upper East Side One-bedroom Price Trends Over 13 Months



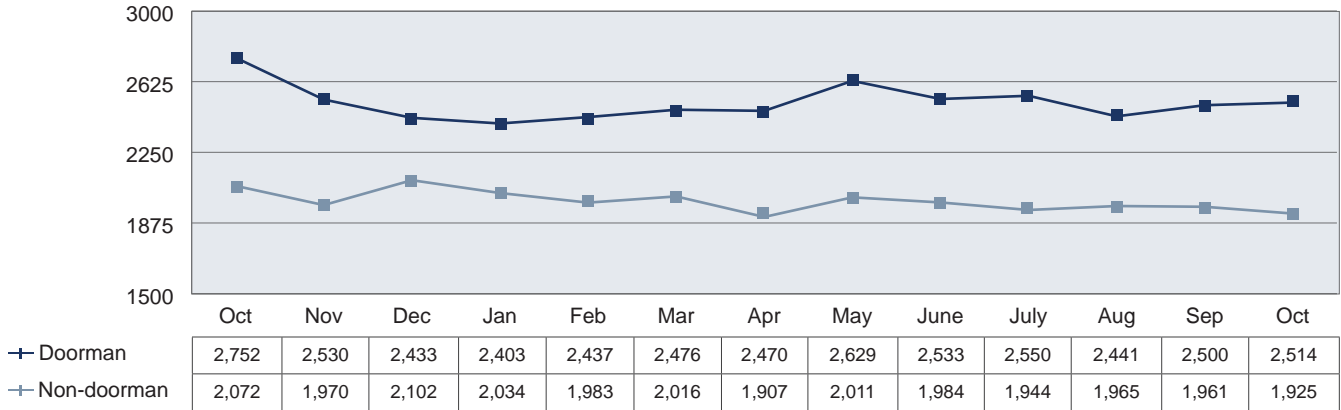
### Upper East Side Two-bedroom Price Trends Over 13 Months



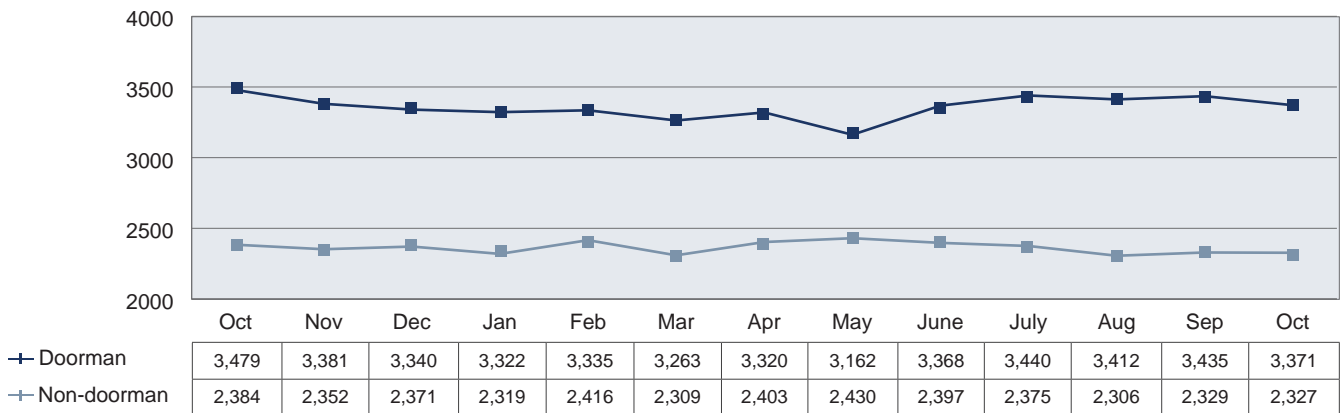
# NEIGHBORHOOD PRICE TRENDS

## MIDTOWN WEST

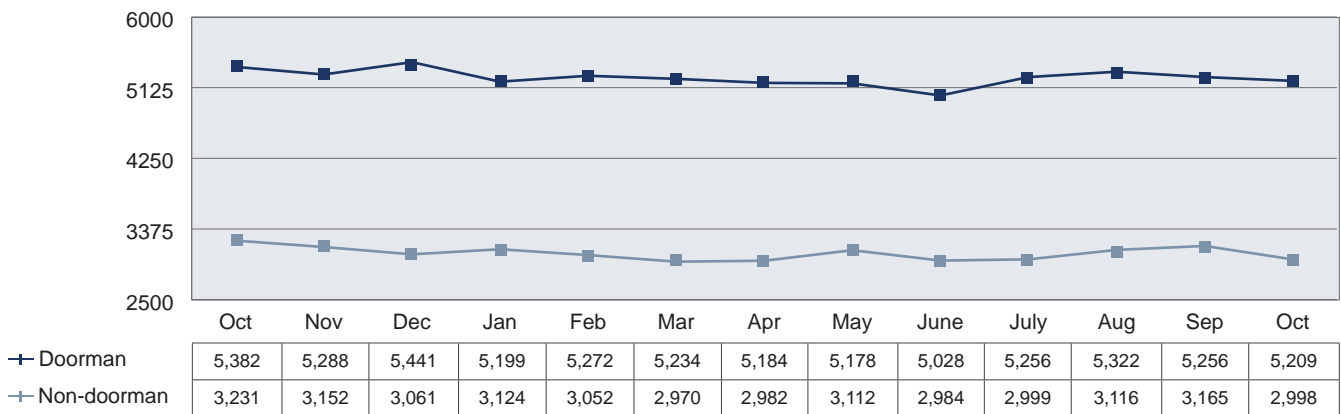
### Midtown West Studio Price Trends Over 13 Months



### Midtown West One-bedroom Price Trends Over 13 Months



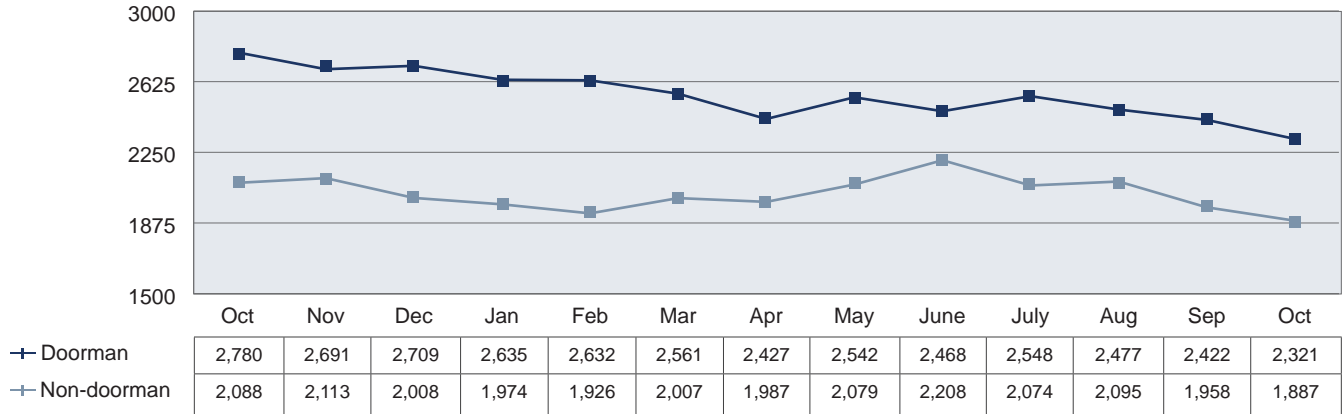
### Midtown West Two-bedroom Price Trends Over 13 Months



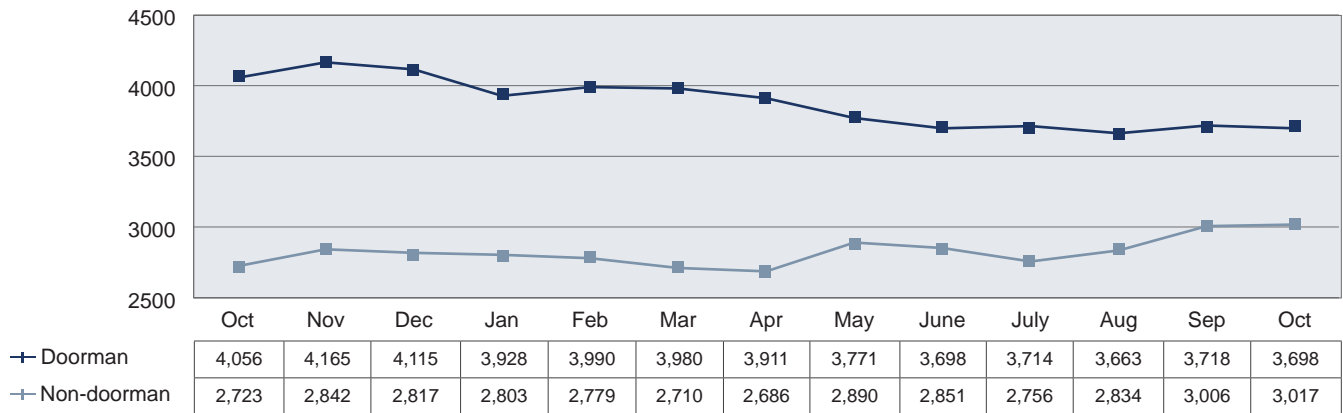
# NEIGHBORHOOD PRICE TRENDS

## MIDTOWN EAST

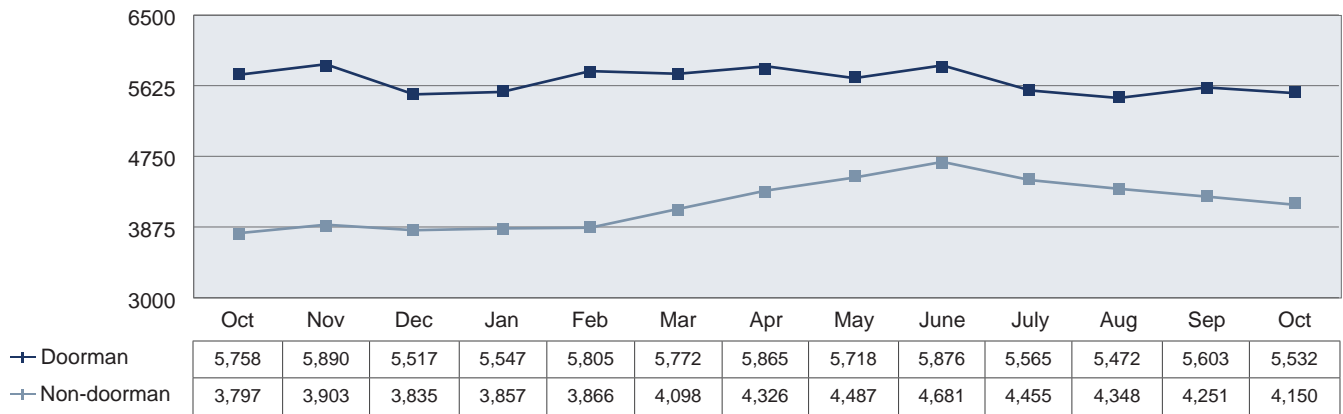
### Midtown East Studio Price Trends Over 13 Months



### Midtown East One-bedroom Price Trends Over 13 Months



### Midtown East Two-bedroom Price Trends Over 13 Months

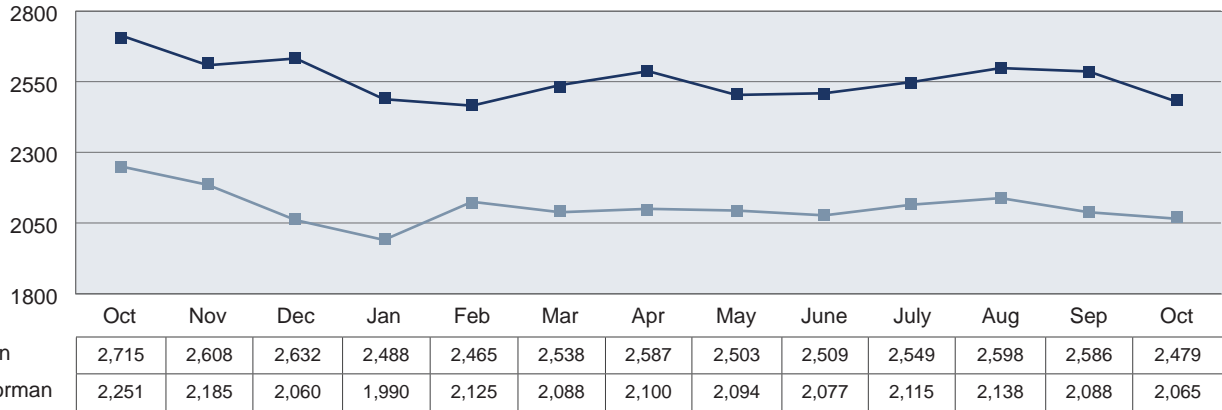




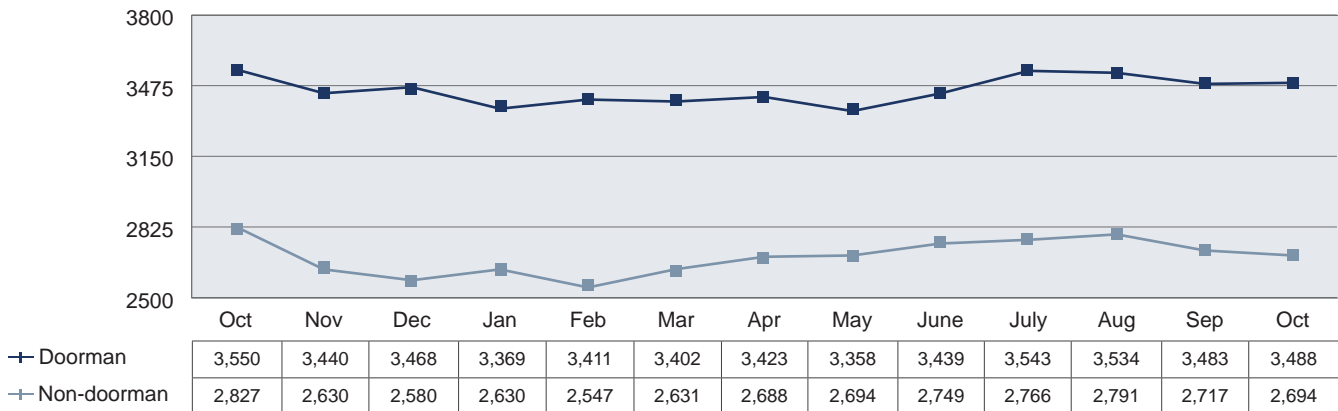
# NEIGHBORHOOD PRICE TRENDS

## MURRAY HILL

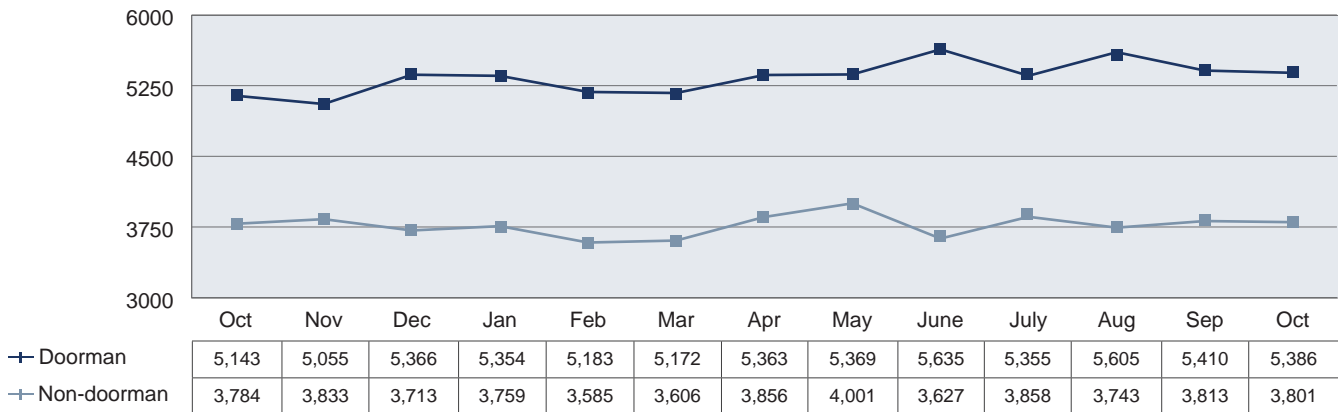
### Murray Hill Studio Price Trends Over 13 Months



### Murray Hill One-bedroom Price Trends Over 13 Months



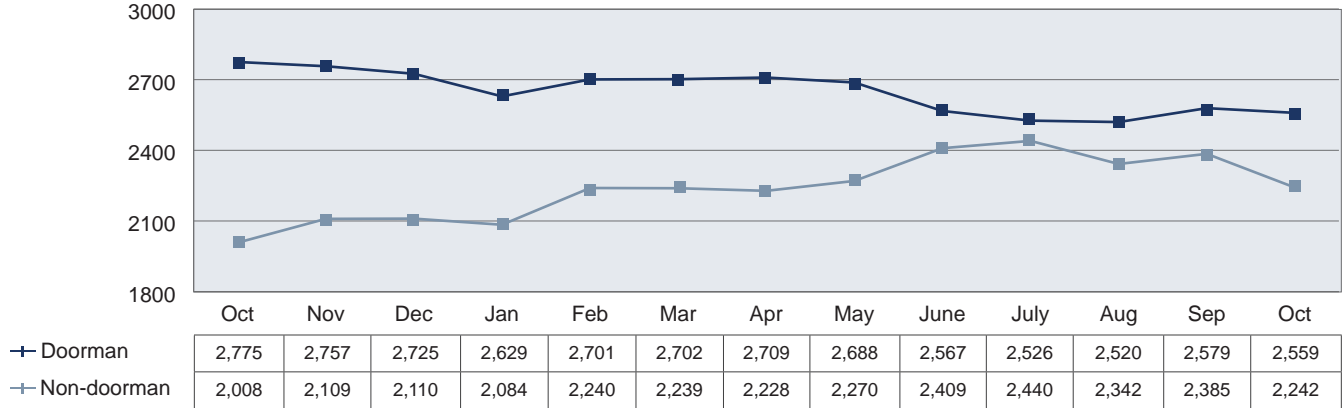
### Murray Hill Two-bedroom Price Trends Over 13 Months



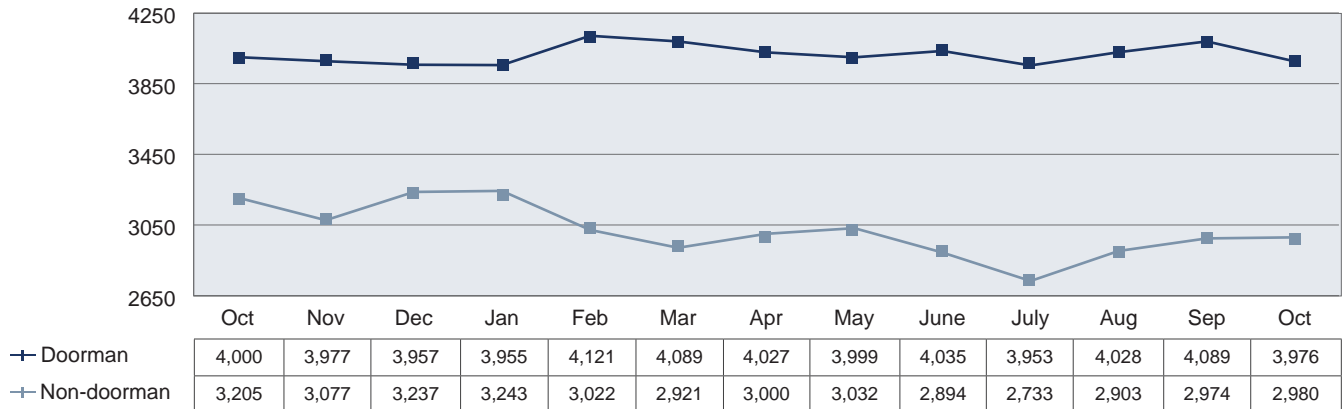
# NEIGHBORHOOD PRICE TRENDS

## CHELSEA

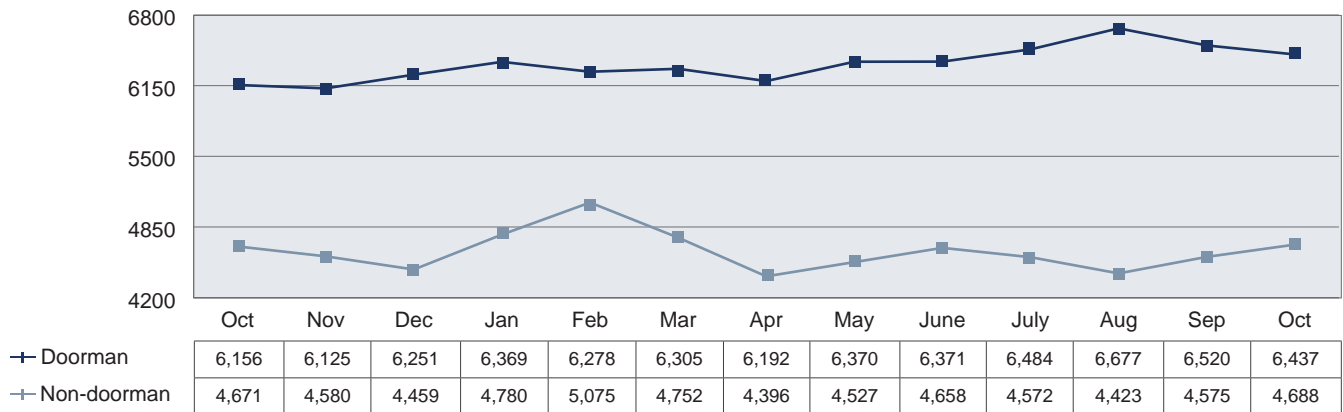
### Chelsea Studio Price Trends Over 13 Months



### Chelsea One-bedroom Price Trends Over 13 Months



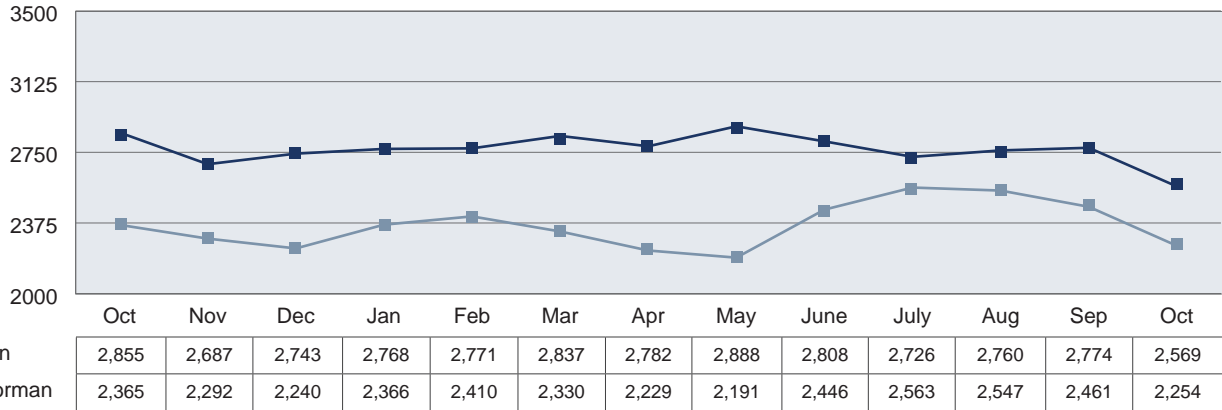
### Chelsea Two-bedroom Price Trends Over 13 Months



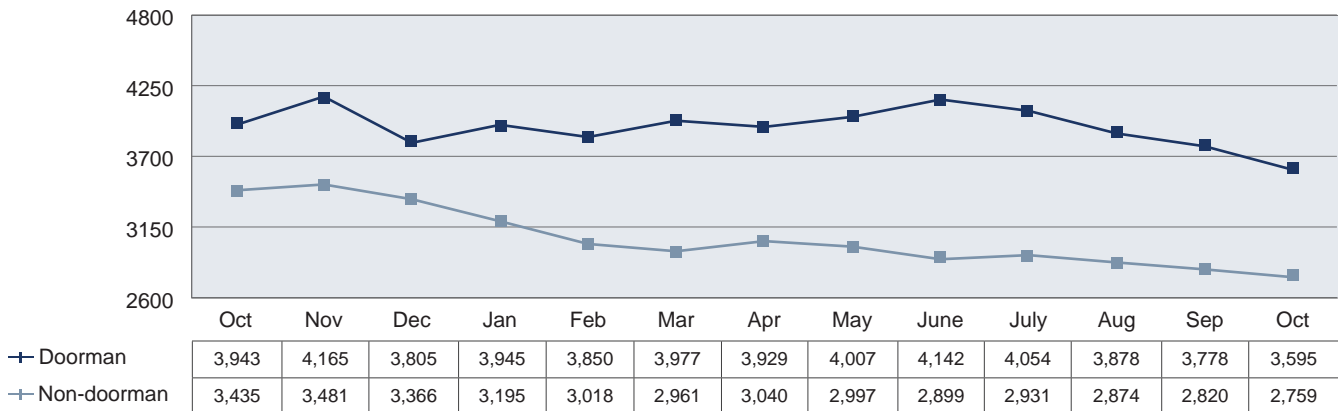
# NEIGHBORHOOD PRICE TRENDS

## GRAMERCY PARK

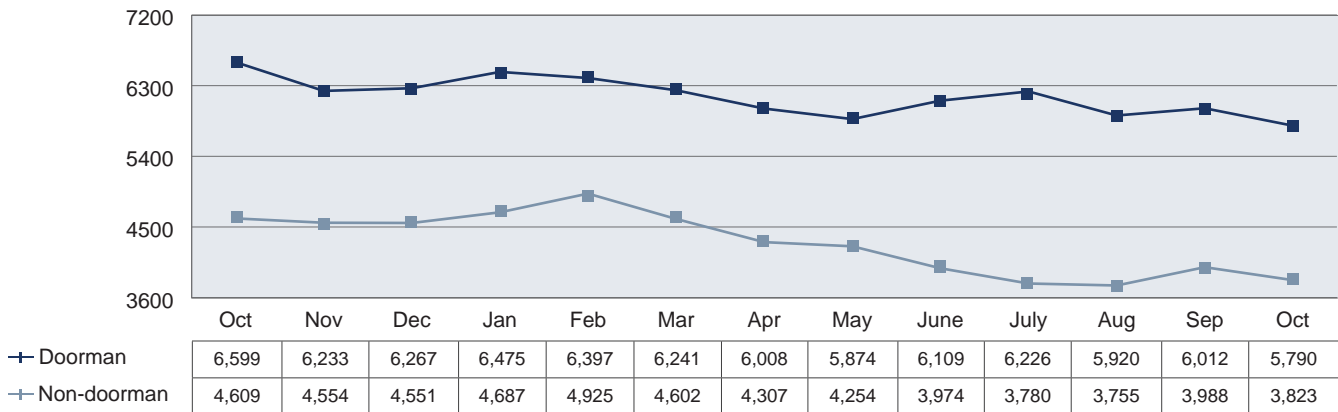
### Gramercy Park Studio Price Trends Over 13 Months



### Gramercy Park One-bedroom Price Trends Over 13 Months



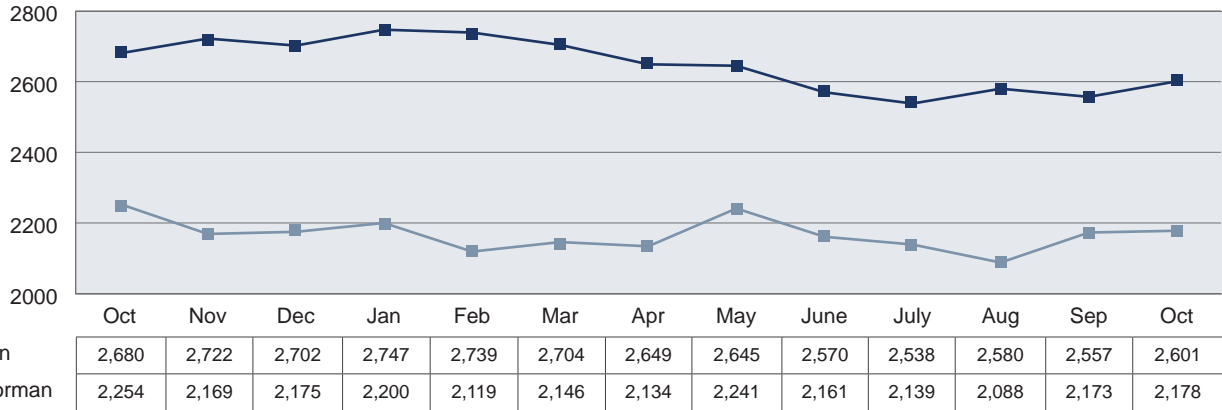
### Gramercy Park Two-bedroom Price Trends Over 13 Months



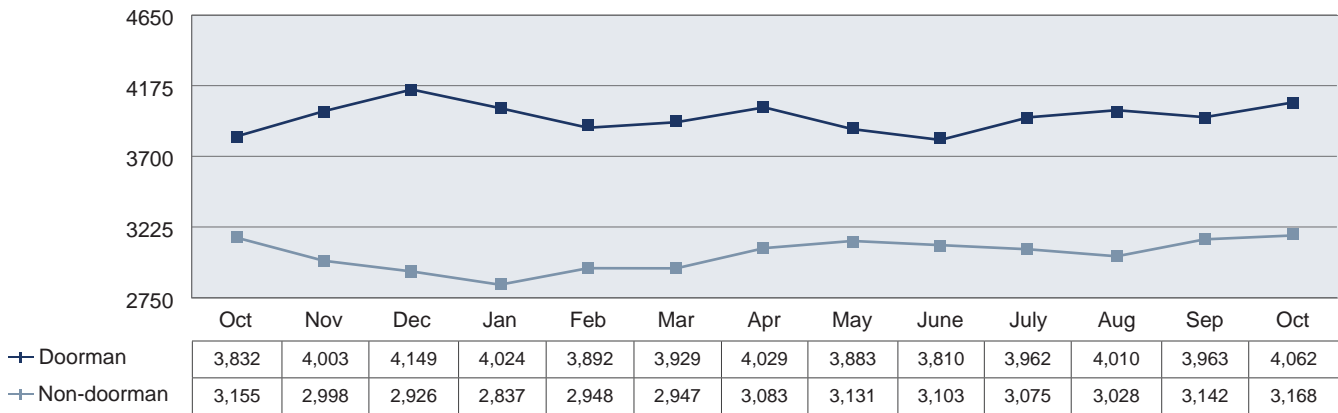
# NEIGHBORHOOD PRICE TRENDS

## GREENWICH VILLAGE

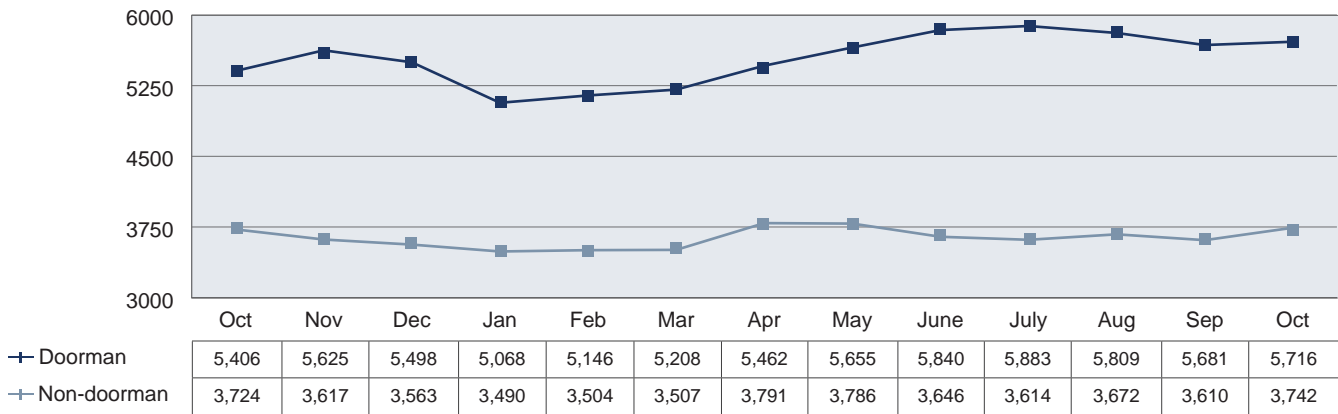
### Greenwich Village Studio Price Trends Over 13 Months



### Greenwich Village One-bedroom Price Trends Over 13 Months



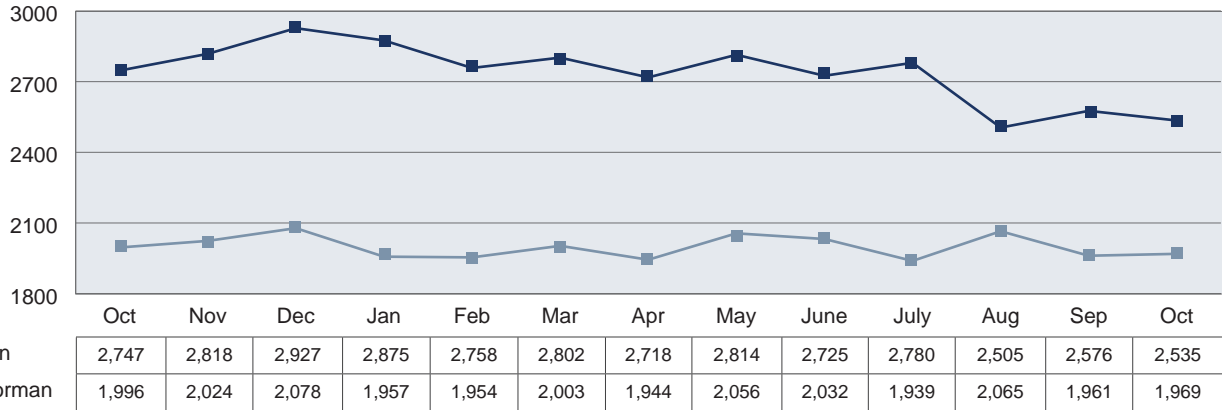
### Greenwich Village Two-bedroom Price Trends Over 13 Months



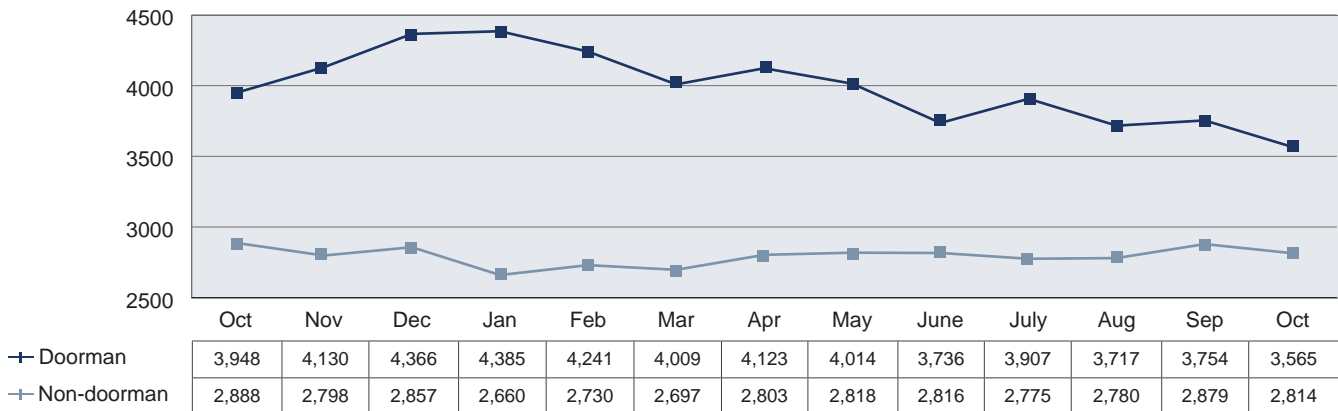
# NEIGHBORHOOD PRICE TRENDS

## EAST VILLAGE

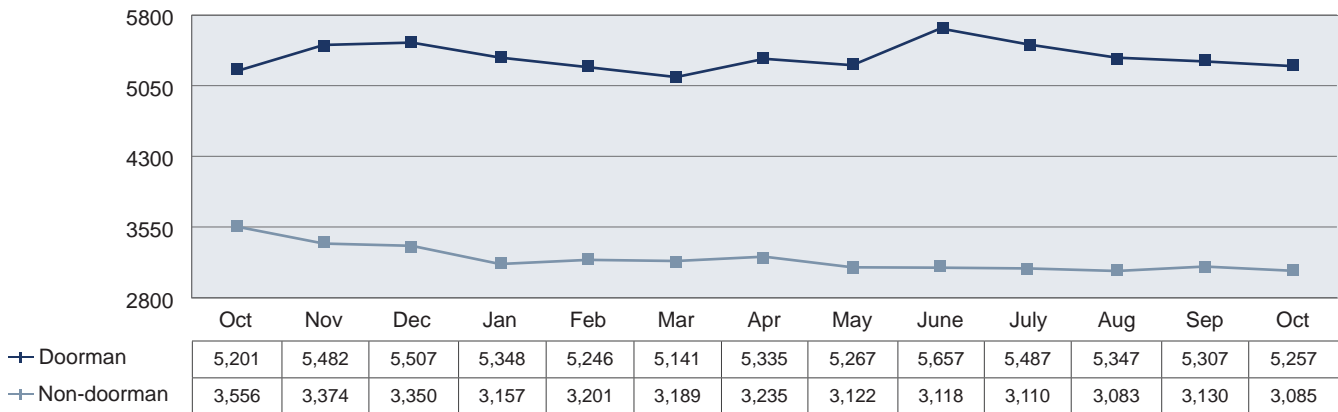
### East Village Studio Price Trends Over 13 Months



### East Village One-bedroom Price Trends Over 13 Months



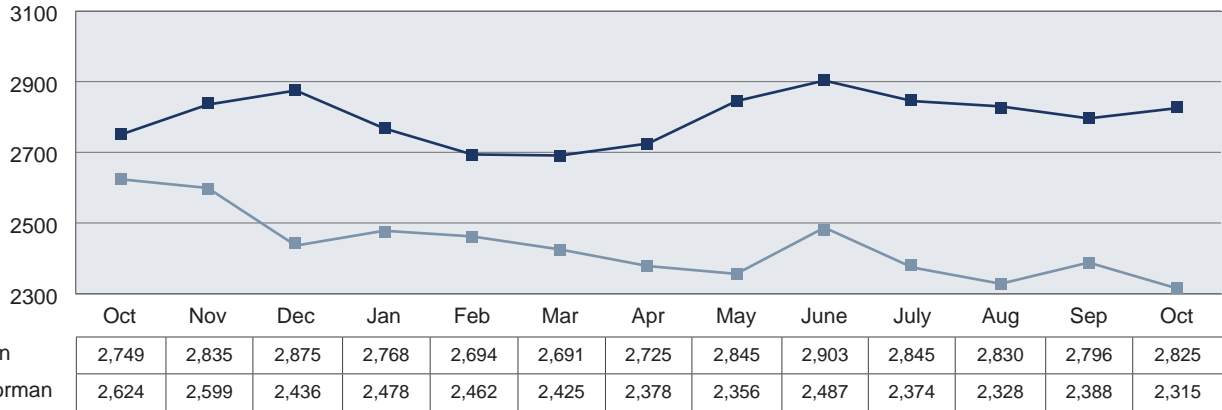
### East Village Two-bedroom Price Trends Over 13 Months



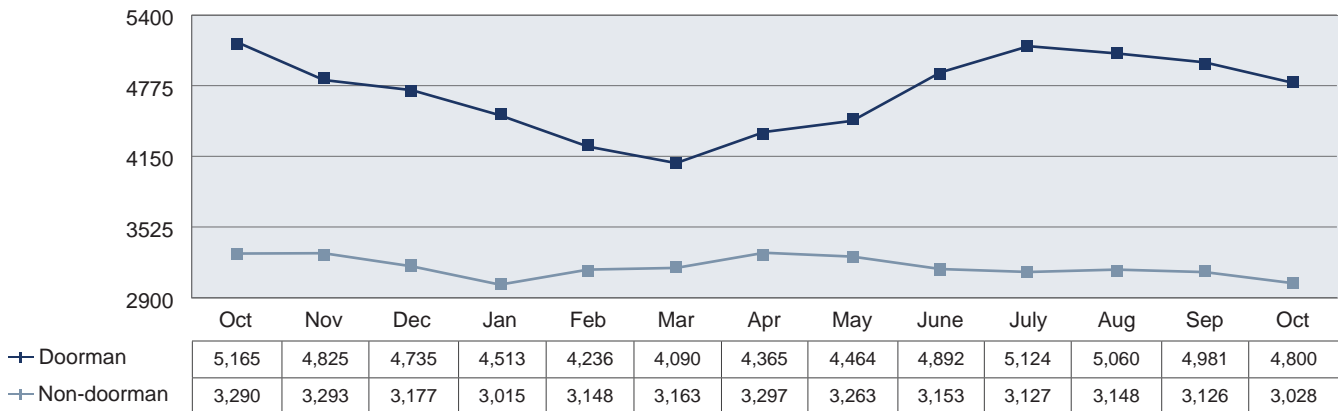
# NEIGHBORHOOD PRICE TRENDS

## SoHo

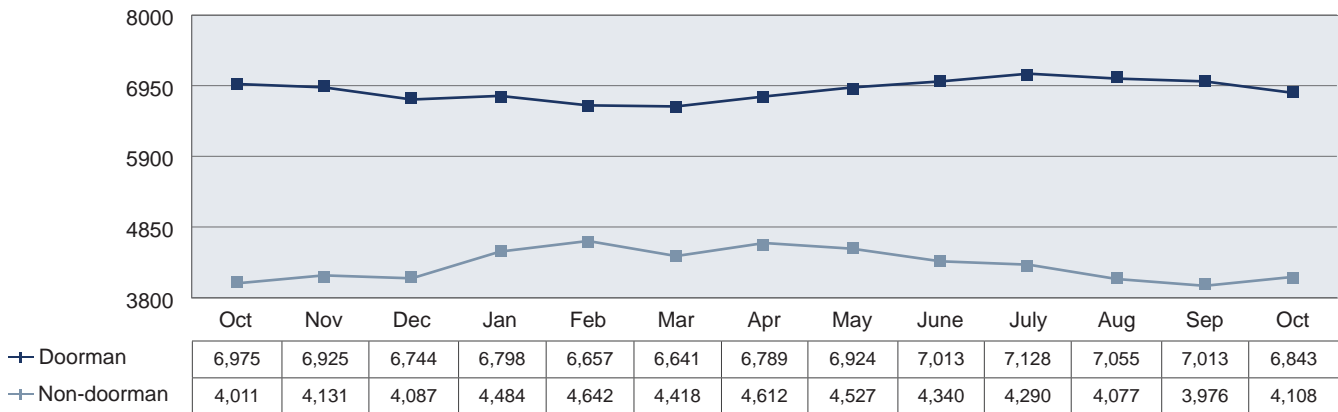
### SoHo Studio Price Trends Over 13 Months



### SoHo One-bedroom Price Trends Over 13 Months



### SoHo Two-bedroom Price Trends Over 13 Months

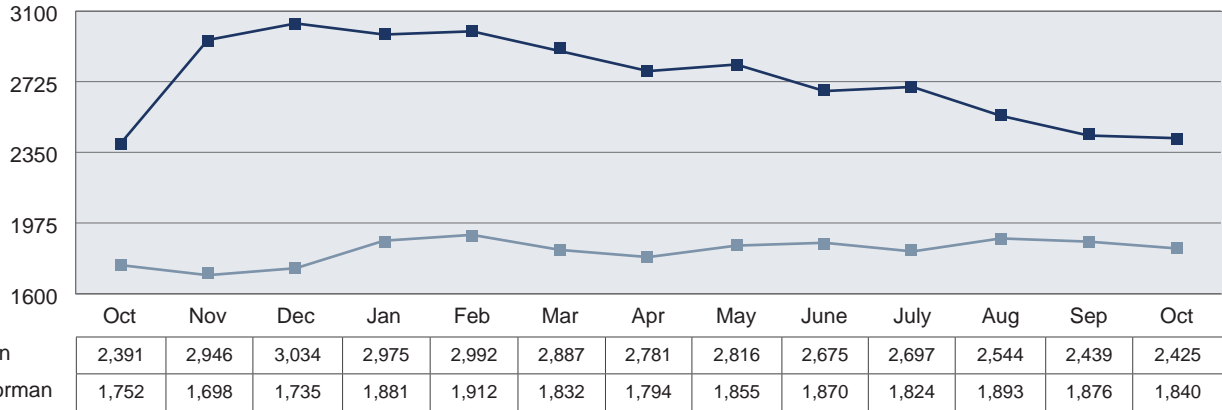




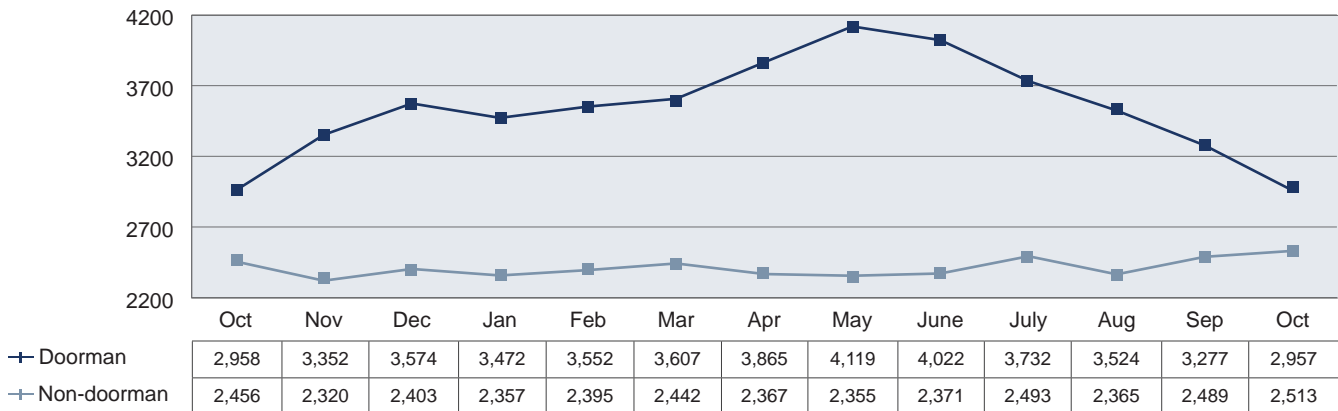
# NEIGHBORHOOD PRICE TRENDS

## LOWER EAST SIDE

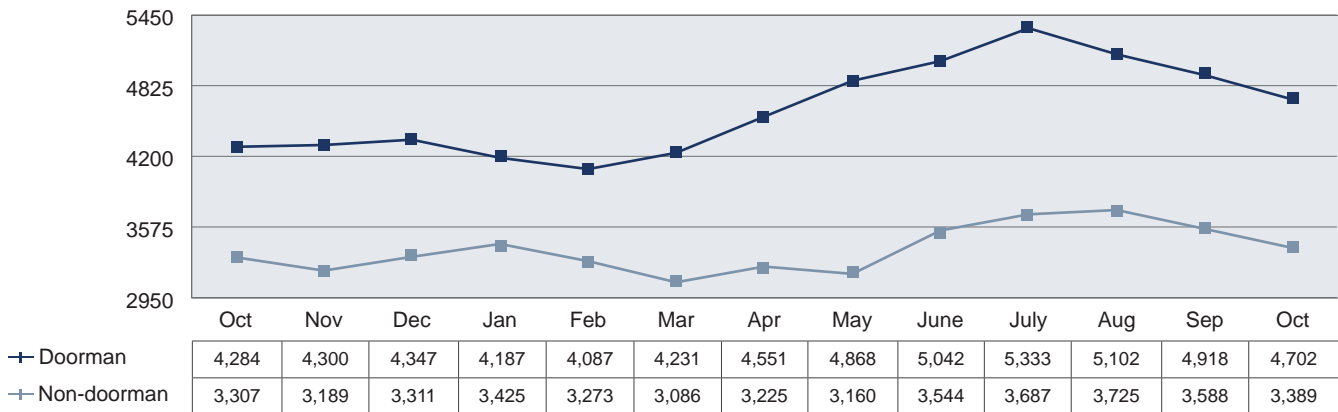
### Lower East Side Studio Price Trends Over 13 Months



### Lower East Side One-bedroom Price Trends Over 13 Months



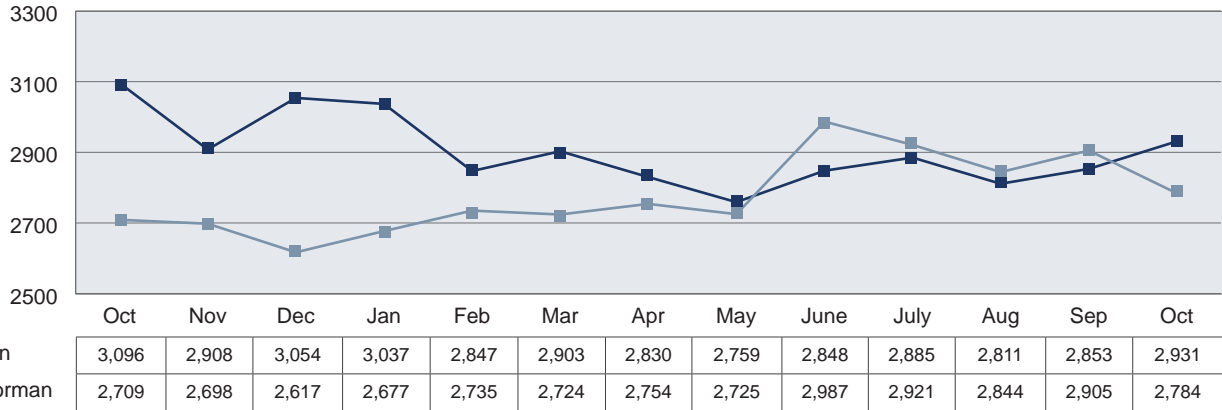
### Lower East Side Two-bedroom Price Trends Over 13 Months



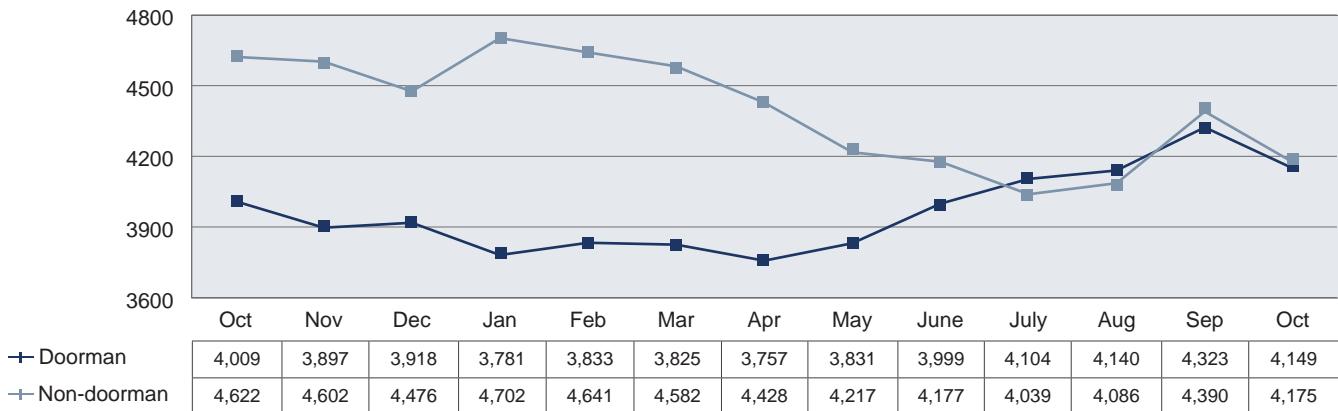
# NEIGHBORHOOD PRICE TRENDS

## TRIBECA

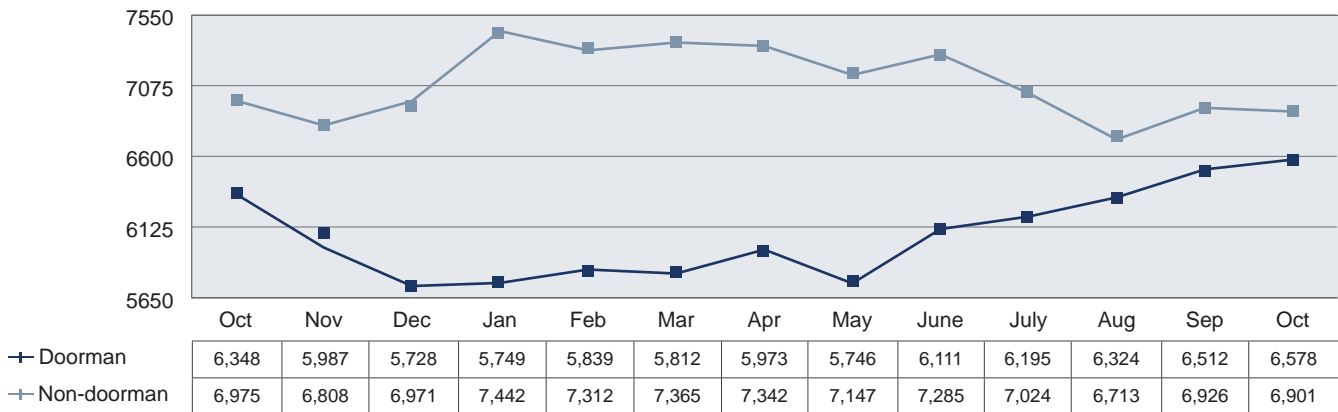
### TriBeCa Studio Price Trends Over 13 Months



### TriBeCa One-bedroom Price Trends Over 13 Months



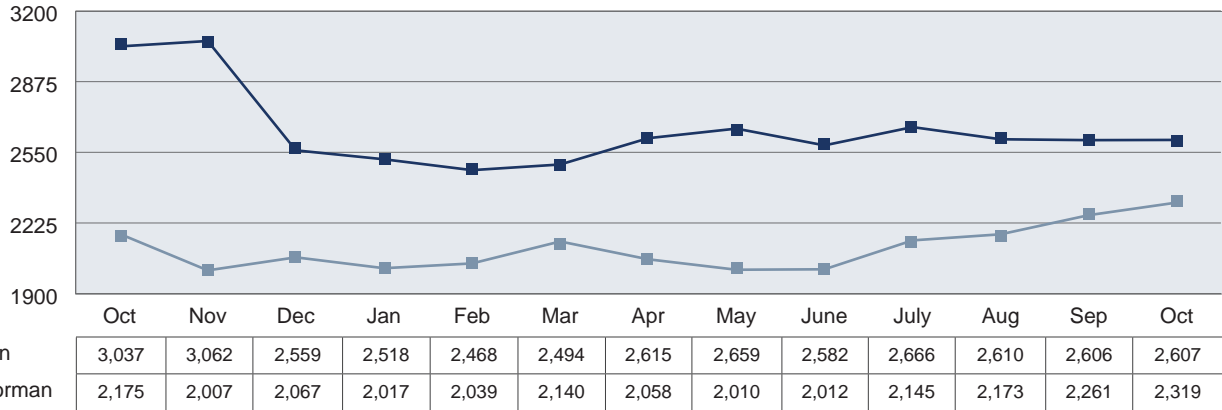
### TriBeCa Two-bedroom Price Trends Over 13 Months



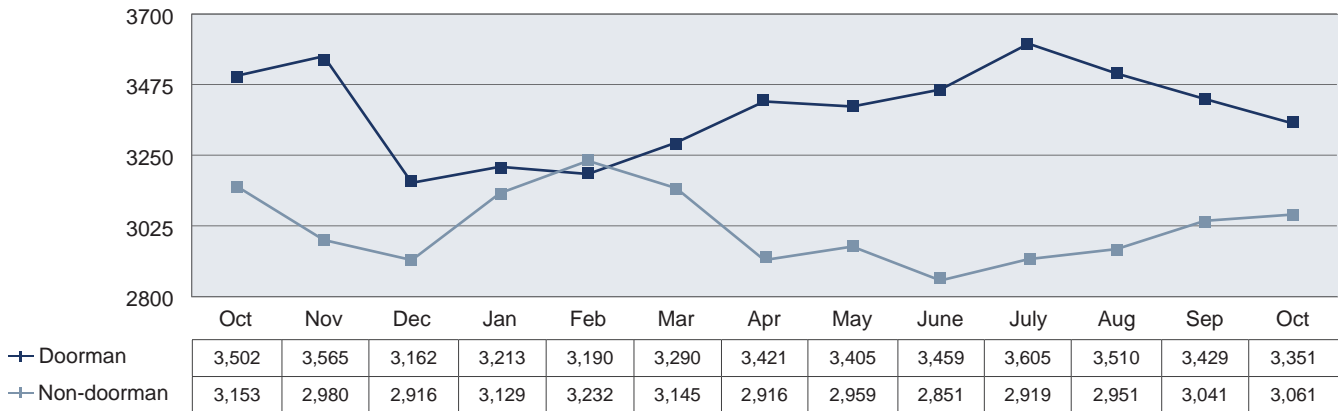
# NEIGHBORHOOD PRICE TRENDS

## FINANCIAL DISTRICT

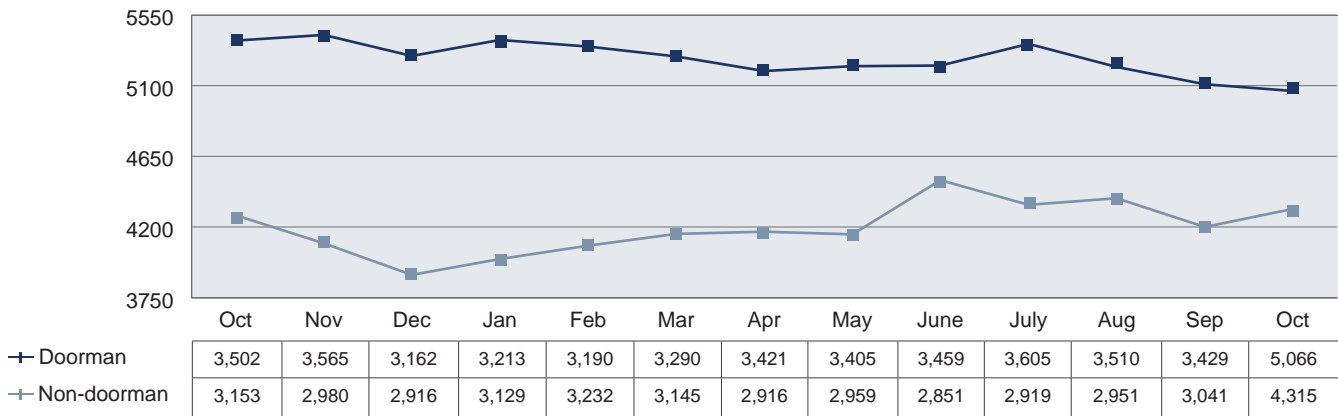
### Financial District Studio Price Trends Over 13 Months



### Financial District One-bedroom Price Trends Over 13 Months



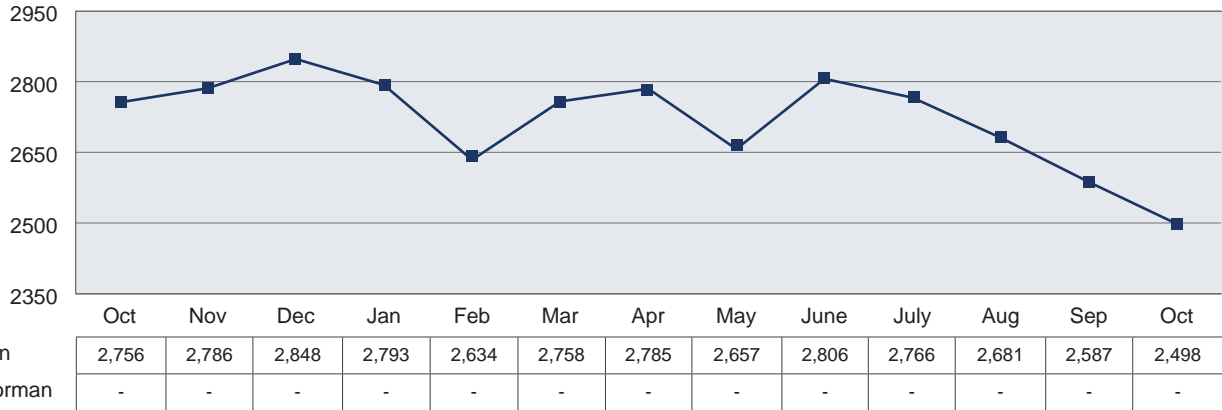
### Financial District Two-bedroom Price Trends Over 13 Months



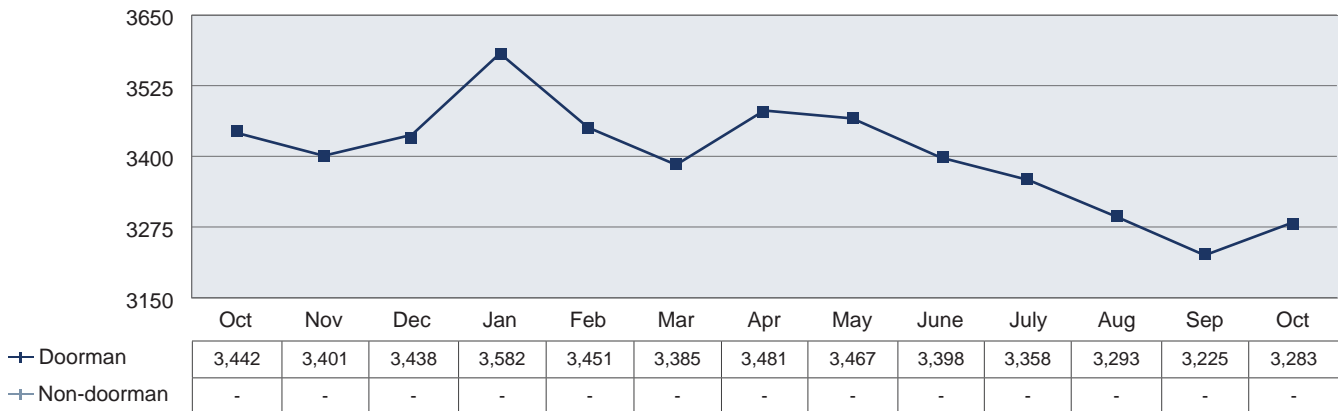
# NEIGHBORHOOD PRICE TRENDS

## BATTERY PARK CITY

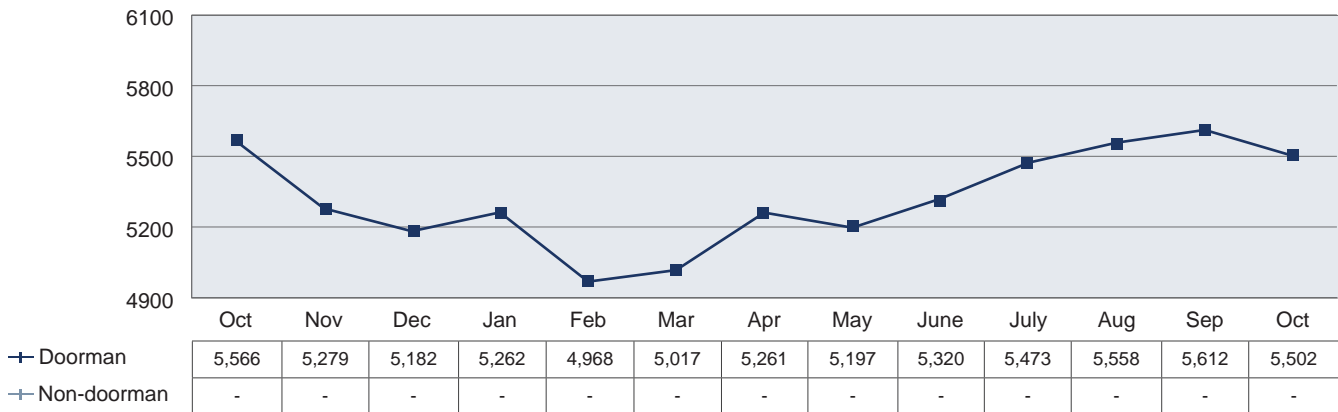
### Battery Park City Studio Price Trends Over 13 Months



### Battery Park City One-bedroom Price Trends Over 13 Months



### Battery Park City Two-bedroom Price Trends Over 13 Months

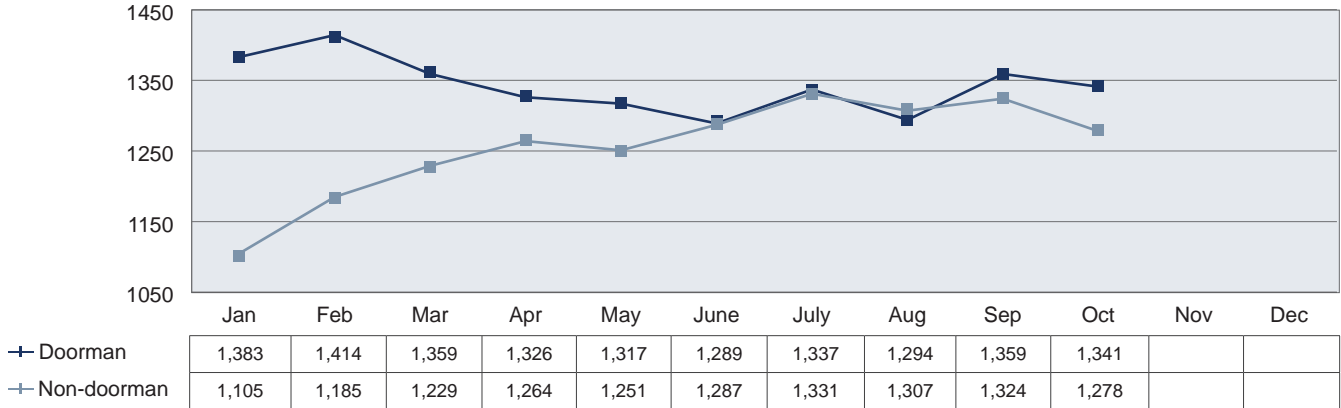


# NEIGHBORHOOD PRICE TRENDS

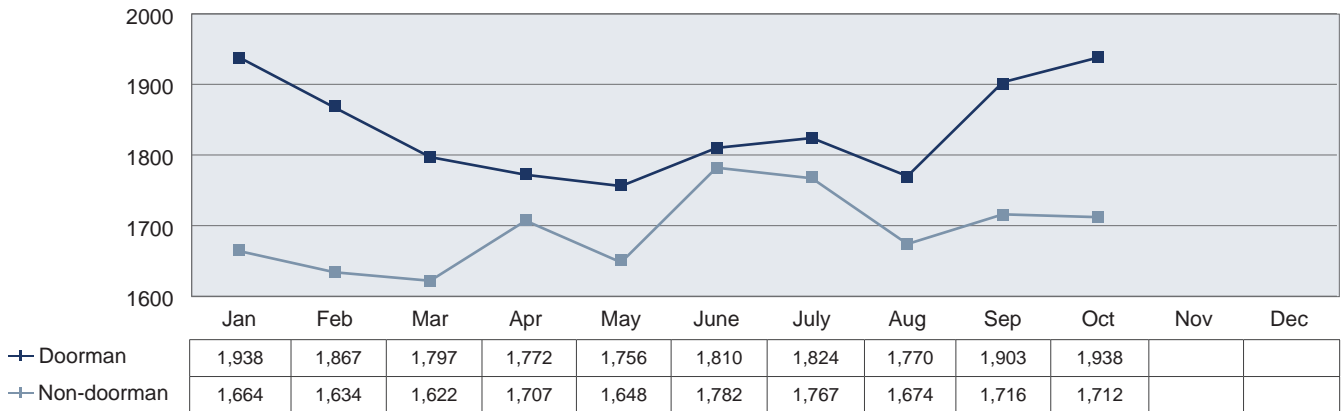
## HARLEM

As Harlem's data is new to this report, these graphs only show Harlem rents in 2008 so far.

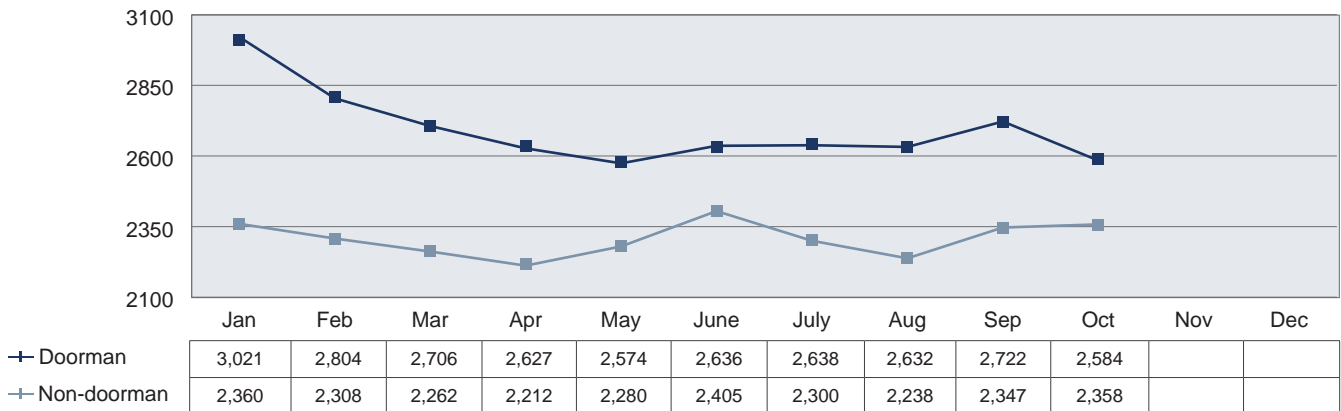
### Harlem 2008 Studio Price Trends



### Harlem 2008 One-bedroom Price Trends



### Harlem 2008 Two-bedroom Price Trends



## 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 TREGNY 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).

**Contact us now: 212.475.9000**

**Note:** All market data is collected and compiled by The Real Estate Group's marketing department and is overseen by C.O.O. Daniel Baum. 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.

If you would like to republish this report on the web, please be sure to source it as the "Manhattan Rental Market Report" with a link back to its original location (<http://www.tregny.com/manhattan-apt-rental-report.jsp>).