



Real Life

# The Rental Report

REAL NUMBERS • REAL TIME • REAL PEOPLE

June 2012



Rents rising? Tenants resisting?

Following an extremely busy and productive April and May, A.C. Lawrence's residential rental division continues to see many apartments being scooped up rapidly ... but there is some sign of "Tenant Resistance" to the increases landlords have put into place due to their "shrinking inventory," resulting in some units sitting on the market longer than expected.

The understandable temptation by landlords to attempt securing an "all time" high rent, to make up for all the concessions, rent decreases and increased expenses from 2007-2011, has finally seen some push back by tenants in certain instances. Owners are realizing they may have to slow down the increasing of rents or in some case even reduce them, in order to become more competitive with other vacancies.

This push back is less noticeable in areas with little available inventory such as the Village and other "hot downtown" neighborhoods, but it does take longer to rent an apartment even in these hot areas.

Last month, rents increased overall by 2.9% from April to May, while this month for June over May we saw rent increases slow to an increase of only 1.8%, or 38% less of an increase than the previous month. This reflects people resisting the increases as the asking rents have soared to a level that they cannot afford.

Marc Lewis

Chairman of A.C.Lawrence & Company, Inc.

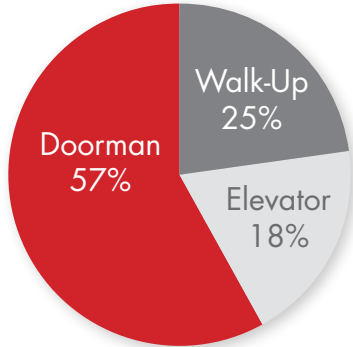
 **A.C. LAWRENCE  
& COMPANY**

REAL ESTATE



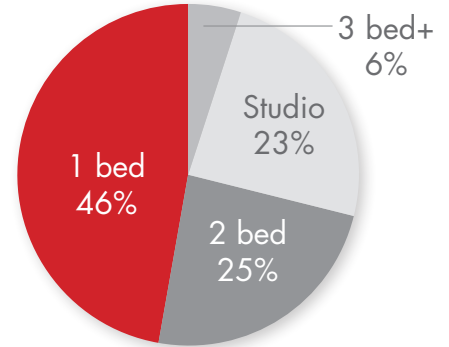
# June 2012 Report

## AVAILABILITY BY BUILDING TYPE



Manhattan	
June Average	\$3,479
May Average	\$3,419
% Change	1.8%

## AVAILABILITY BY APARTMENT SIZE



	Doorman	Elevator	Walk-Up	Average
<b>Studio</b>				
June Average	\$2,564	\$2,108	\$1,909	\$2,301
May Average	\$2,505	\$2,079	\$1,882	\$2,278
% Change	2.4%	1.4%	1.4%	1.0%
<b>1-Bedroom</b>				
June Average	\$3,582	\$2,501	\$2,292	\$3,315
May Average	\$3,537	\$2,536	\$2,207	\$3,304
% Change	1.3%	-1.4%	3.9%	0.3%
<b>2-Bedroom</b>				
June Average	\$5,417	\$3,600	\$3,105	\$4,497
May Average	\$5,368	\$3,548	\$2,947	\$4,406
% Change	0.9%	1.5%	5.3%	2.1%
<b>3-Bedroom</b>				
June Average	\$7,241	\$5,798	\$4,873	\$6,310
May Average	\$6,980	\$5,492	\$4,570	\$5,940
% Change	3.7%	5.6%	6.6%	6.2%



# June 2012 Manhattan Neighborhood Averages

	Doorman	Elevator	Walk-Up	Doorman	Elevator	Walk-Up
Studio			1-Bedroom			
Battery Park City	\$2,407	*	*	\$3,442	*	*
Chelsea	\$2,836	\$2,686	\$2,139	\$4,164	\$3,594	\$2,801
East Village	\$2,780	\$2,335	\$1,886	\$3,800	\$2,841	\$1,937
Financial District	\$2,872	\$2,071	\$2,095	\$3,732	\$3,331	\$2,827
Gramercy/Flatiron	\$2,889	\$2,411	\$2,058	\$4,201	\$3,297	\$2,706
Greenwich Village	\$2,967	\$2,884	\$2,356	\$4,306	\$3,824	\$2,905
Harlem	\$1,487	\$1,171	\$1,355	\$2,302	\$1,810	\$1,481
Inwood/Wash Hts	\$1,600	\$1,289	\$1,033	\$1,968	\$1,477	\$1,257
Lower East Side	\$2,397	\$2,145	\$1,781	\$4,190	\$2,744	\$2,316
Midtown East	\$2,556	\$2,359	\$1,874	\$3,552	\$2,625	\$2,267
Midtown West	\$2,971	\$2,455	\$2,100	\$3,844	\$2,946	\$2,463
Morningside Hts	\$1,804	\$1,731	\$1,583	\$2,832	\$2,154	\$1,739
Murray Hill/Kips Bay	\$2,473	\$2,365	\$1,797	\$3,605	\$2,873	\$2,283
Soho/Tribeca	\$3,691	\$2,902	\$2,685	\$4,477	\$3,985	\$3,166
Upper East Side	\$2,599	\$1,941	\$1,702	\$3,499	\$2,391	\$2,004
Upper West Side	\$2,706	\$2,028	\$1,775	\$3,550	\$2,799	\$2,068
2-Bedroom			3-Bedroom			
Battery Park City	\$5,274	*	*	\$6,662	*	*
Chelsea	\$6,114	\$5,532	\$4,494	\$7,475	\$5,976	\$5,658
East Village	\$5,320	\$4,217	\$3,396	\$6,667	\$5,299	\$4,676
Financial District	\$5,045	\$5,053	\$3,335	\$6,654	\$6,461	*
Gramercy/Flatiron	\$6,296	\$5,292	\$4,165	\$7,257	\$6,223	\$5,134
Greenwich Village	\$6,124	\$5,007	\$4,137	\$7,637	\$6,624	\$5,404
Harlem	\$2,888	\$2,430	\$1,828	\$4,025	\$2,931	\$2,156
Inwood/Wash Hts	\$2,429	\$1,989	\$1,569	\$3,796	\$2,642	\$2,083
Lower East Side	\$4,598	\$4,105	\$3,077	\$5,965	\$4,624	\$3,733
Midtown East	\$5,286	\$4,191	\$3,082	\$5,801	\$4,990	\$4,212
Midtown West	\$5,300	\$4,569	\$3,729	\$6,584	\$5,747	\$4,754
Morningside Hts	\$4,076	\$3,020	\$2,425	\$4,817	\$4,020	\$3,768
Murray Hill/Kips Bay	\$5,428	\$4,093	\$3,828	\$6,110	\$4,905	\$4,129
Soho/Tribeca	\$6,934	\$5,853	\$4,591	\$7,227	\$7,926	\$5,631
Upper East Side	\$4,739	\$4,086	\$2,825	\$6,222	\$4,981	\$4,169
Upper West Side	\$5,402	\$4,250	\$3,564	\$6,572	\$5,252	\$4,762

\*Sample too small to report



# Making the Move ...

A.C. LAWRENCE AGENTS RECOUNT:  
WHAT THEY WANTED. WHERE THEY LANDED.

June 2012

## BRITTANY FOX:



### Client Challenge #1

"Rick and Wills just graduated from college and were looking to move to NYC from New Jersey and Buffalo. They had been living in college dorms. One had a job, while the other was still looking for work in NYC. Both had guarantors."

**GOAL:** Two bedroom share with a maximum budget of \$3300. They were looking at Murray Hill or the Upper East Side. The rooms must both fit a queen bed and large dressers.

**CHALLENGE:** Lack of inventory was a major challenge in the Murray Hill area. One roommate wanted to live more on the Upper East Side, while the other wanted to live in Murray Hill. Another challenge was having a landlord accept them without requiring too much extra security and also accept their guarantors.

**LOOKED AT:** We looked at three apartments in Murray Hill. The first one was a walk up for \$3,200; the rooms were barely large enough to fit queen beds, let alone the rest of their furniture. The second apartment was also \$3,200 and was in a walk up building. The rooms were very spacious and could have fit all of their large furniture. The problem with this apartment was the living room could only fit a love seat and the kitchen would be right by the sofa. The bonus of that apartment was a large terrace.

**RESULT:** The third apartment we visited, where they signed a lease, was a flexible two bedroom in the high 30's and Park Avenue, a full-service building with enormous rooms and a true living room. The apartment came to the market the day we saw it. We put an application in a few hours later. We made it as the first application; that night the management received five back-up applications. Hot apartment!

## Client Challenge #2

"Tim is a young professional looking to move to Murray Hill from a one-bedroom on the Upper East Side, in order to be closer to his girlfriend and his Midtown office."

**GOAL:** Originally the goal was a 2-bedroom share with a roommate for up to \$3,200. "Queen size rooms" and a true living room.

**CHALLENGE:** One roommate was not willing to change his firm budget and the lack of inventory did not provide what they were seeking.

**LOOKED AT:** We looked at four buildings, then Tim decided to change the search to an alcove studio or one bedroom, for him to live in on his own. We then looked at three different luxury buildings priced under \$3,000.

**RESULT:** An alcove studio in a full service luxury building in the low 30's and Lexington for \$2,850.

## GUS WAITE:



### Client Challenge #3

"My client wanted out of NYU housing for good, but her parents didn't want to give up the safety or convenience of the dorms."

**GOAL:** "To find a reasonably-priced studio in the low to mid \$2,000s with lots of light near

the 6 train. Elevator and doorman desired; air-conditioning required. Laundry in the building was a must."

**CHALLENGE:** Finding a studio instead of a closet! And closet space would have been nice, too.

**LOOKED AT:** Six studios in the Gramercy/Kips Bay/Murray Hill area. By the end of our search, we had five solid options and one standout.

**RESULT:** Penthouse alcove studio with a balcony, elevator, doorman, air-conditioning, and laundry in the building for \$2,550, and a very happy NYU student.

## RENTAL TIP



As we're in the middle of the hot rental season—coinciding with the hot summer season—inventory is at a premium and being snatched up quickly. To help ensure you can sign the apartment you most desire, not only should you have all your paperwork in order, but it's wise to bring anyone involved in the decision making along to see the apartment on your initial visit. So, yes, bring every roommate, parent or guarantor who needs to sign off on the lease, so as not to delay the process.

### Purpose

The purpose of this report is to identify and highlight market trends based not only on our statistical data gathering but also based on empirical data collected by our market professionals who interact with clients and landlords on a daily basis.

### Source

ACL tracks over 100,000 apartments. Data for this report is based on available apartments per our proprietary rental listings database as well as data from the REBNY Listing Service (RLS). Prices are based on actual rents, not net effective rents. Apartments priced above \$7,500 are not included in this report, in order to come up with a "true" average.

### Disclaimer

The information provided in this report is for informational purposes only. All data is from sources deemed reliable, but no warranty or representation is made as to the accuracy thereof and same is submitted subject to errors, omissions, or withdrawal without notice.