



Prudential Douglas Elliman Real Estate

MANHATTAN

Rental Market Overview

A Quarterly Survey of Manhattan Residential Rentals

3Q 10



Prepared by Miller Samuel Inc.
Appraisal and consulting services covering
the New York City metropolitan area

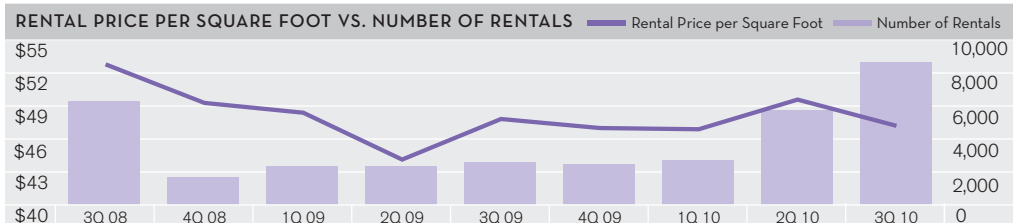
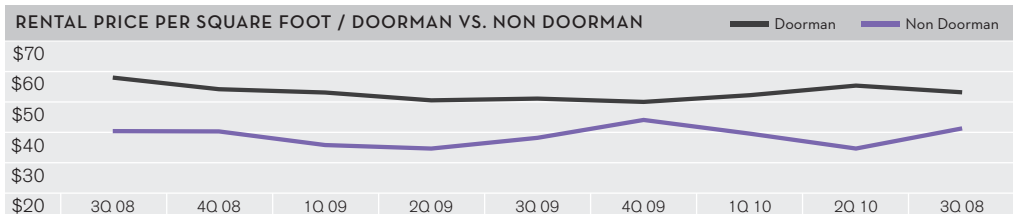
Listing discount and inventory dropped sharply as rental price indicators were mixed

Listing discount fell to lowest level in 4 years

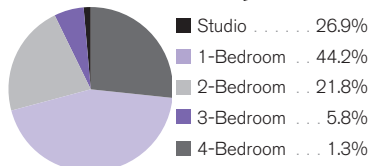
Landlords continued to remain bullish in rental negotiations as reflected in the listing discount—the percentage difference between original rental listing price to contract rental price—fell to 1.7%, its lowest level since the third quarter of 2006. Days on market fell to 38 days in the third quarter, less than half the 77 days of the prior year quarter. The number of new rentals surged as landlords offered limited concessions for lease renewals causing listing inventory to decline 28.1% from the same period last year.

Rental price indicators were mixed Rental price per square foot slipped 1.3% to \$47.22 from \$47.84 in the prior year quarter and declined 4.8% from \$49.60 in the prior quarter. Median rental price was \$3,000 in the third quarter, 1.7% higher than \$2,950 in the prior year quarter and unchanged from the prior quarter. Median rental price growth over the prior year quarter occurred in the studio and 1-bedroom markets with a 9.8% and 1.9% increase respectively. The larger 2-bedroom, 3-bedroom and 4-bedroom markets posted progressively higher declines over the same period.

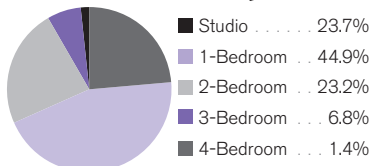
MANHATTAN RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$3,460	-6.8%	\$3,710	-8%	\$3,759
Rental Price per Square Foot	\$47.22	-4.8%	\$49.60	-1.3%	\$47.84
Median Rental Price	\$3,000	0%	\$3,000	1.7%	\$2,950
Number of New Rentals	8,593	51.8%	5,659	237.1%	2,549
Days on Market (from Original List Date)	38	-29.4%	53	-51.1%	77
Listing Discount (from Original List Price)	1.7%		1.8%		7%
Listing Inventory	4,693	-5.6%	4,972	-28.1%	6,527



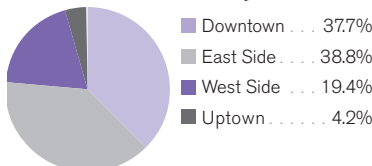
3Q 10 MARKET SHARE by SIZE



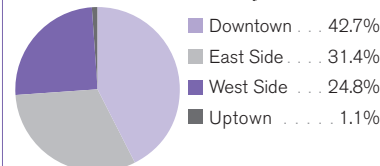
3Q 09 MARKET SHARE by SIZE

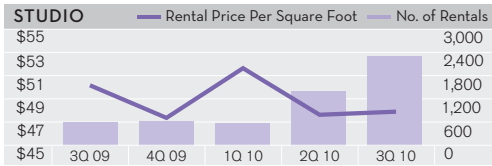


3Q 10 MARKET SHARE by LOCATION

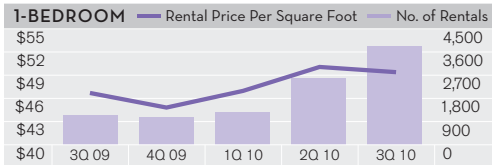


3Q 09 MARKET SHARE by LOCATION

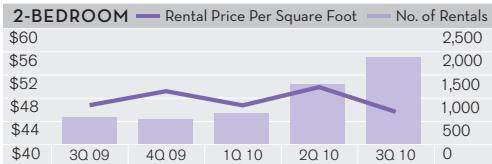


rental market by SIZE

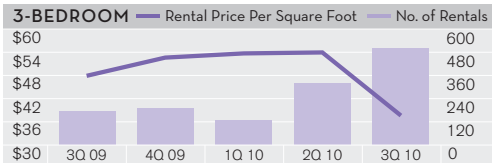
STUDIO RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$2,306	1.7%	\$2,268	2.4%	\$2,252
Rental Price per Square Foot	\$47.82	0.6%	\$47.55	-5.3%	\$50.52
Median Rental Price	\$2,195	4.5%	\$2,100	9.8%	\$2,000
Number of New Rentals	2,308	64.2%	1,406	282.1%	604



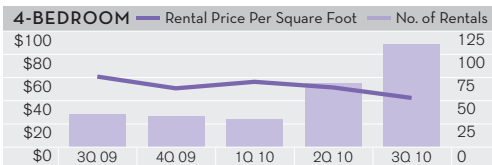
1-BEDROOM RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$3,053	-3.3%	\$3,159	0.9%	\$3,026
Rental Price per Square Foot	\$49.34	-1.4%	\$50.02	5.8%	\$46.62
Median Rental Price	\$2,950	-1.7%	\$3,000	1.9%	\$2,895
Number of New Rentals	3,798	48.2%	2,562	231.7%	1,145



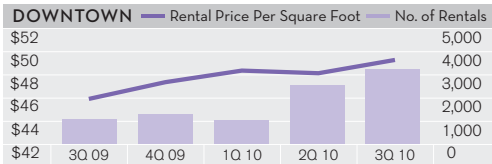
2-BEDROOM RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$4,414	-10.7%	\$4,945	-12.6%	\$5,048
Rental Price per Square Foot	\$45.05	-9.6%	\$49.81	-3.5%	\$46.66
Median Rental Price	\$4,250	-5.5%	\$4,499	-9.6%	\$4,700
Number of New Rentals	1,874	43.9%	1,302	216.6%	592



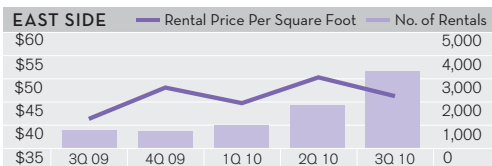
3-BEDROOM RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$6,851	-14.6%	\$8,024	-9.9%	\$7,603
Rental Price per Square Foot	\$37.62	-30.3%	\$54.01	-21.5%	\$47.94
Median Rental Price	\$5,233	-21.9%	\$6,698	-23.1%	\$6,800
Number of New Rentals	502	56.9%	320	190.2%	173



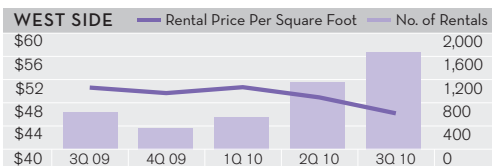
4-BEDROOM RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$9,903	-3.8%	\$10,290	-23.4%	\$12,925
Rental Price per Square Foot	\$42.48	-17.6%	\$51.55	-30.3%	\$60.94
Median Rental Price	\$6,195	-31.9%	\$9,100	-48.4%	\$12,000
Number of New Rentals	111	60.9%	69	217.1%	35

rental market by LOCATION

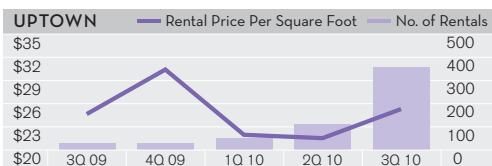
DOWNTOWN RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$3,622	1.5%	\$3,570	-4.9%	\$3,807
Rental Price per Square Foot	\$49.27	2.4%	\$48.11	-0.2%	\$49.39
Median Rental Price	\$3,140	3.5%	\$3,035	-3%	\$3,237
Number of New Rentals	3,237	27.5%	2,538	72.4%	1,878



EAST SIDE RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$3,437	-15.2%	\$4,051	-10.9%	\$3,856
Rental Price per Square Foot	\$46.13	-8.2%	\$50.22	-4.6%	\$48.34
Median Rental Price	\$2,695	-10.2%	\$3,000	-9.1%	\$2,964
Number of New Rentals	3,331	79.1%	1,860	130.3%	1,446



WEST SIDE RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$3,527	-3.1%	\$3,639	-8.4%	\$3,851
Rental Price per Square Foot	\$46.04	-5.7%	\$48.82	-10.5%	\$51.42
Median Rental Price	\$2,900	-1.7%	\$2,950	-8.2%	\$3,157
Number of New Rentals	1,667	45.1%	1,149	88.8%	883



UPTOWN RENTAL MATRIX	Current Qtr	% Chg	Prior Qtr	% Chg	Prior Year Qtr
Average Rental Price	\$1,888	-3.5%	\$1,956	-10%	\$2,098
Rental Price per Square Foot	\$25.31	17.6%	\$21.53	-2.4%	\$25.94
Median Rental Price	\$1,700	-10.3%	\$1,895	-11.7%	\$1,926
Number of New Rentals	358	219.6%	112	296.9%	90

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