

# Manhattan Asking Rents Fall Below \$3,000 for First Time Since 2011

## Massive discounts cause rents to drop in Manhattan, Brooklyn, and Queens for the first time in StreetEasy records

NEW YORK, Oct. 23, 2020 /PRNewswire/ -- A record high share of rent cuts contributed to a Manhattan median asking rent of \$2,990 in the third quarter of 2020 — the first time this figure has been below \$3,000 in nine years.

The share of Manhattan rental listings on StreetEasy that was discounted during the third quarter rose 22.7 percentage points year-over-year to a record high of 44.7%, as landlords made attempts to attract tenants amid a rental market that has struggled considerably since the coronavirus pandemic hit in the city.

Meanwhile, rental inventory in Manhattan increased by 69.8%, with 72,267 available listings — nearly 30,000 more than last year. Discounts didn't only become more common, they also grew substantially larger. The median rental discount in Manhattan hit 9.1% off the asking rent — 5.2 percentage points higher than last year. In dollar amounts, the median discount being offered by Manhattan landlords was \$272 during the third quarter — \$139 more than what was being offered in 2019.

The Manhattan rentals market had the most drastic spike in discounts, but the outer boroughs were not far behind. The share of rentals discounted reached a record high of 30.7% in Brooklyn, and a near-high of 26.6% in Queens.

The massive spike in discounts was one factor behind the StreetEasy Rent Index<sup>i</sup> falling year-over-year in all three boroughs analyzed. This quarter marks the first time in StreetEasy records, dating to 2010, that all three boroughs saw rents fall.

- The Manhattan Rent Index fell 7.8% year over year. Median asking rent in Q3 was \$2,990.
- The Brooklyn Rent Index fell 2.5% year over year. Median asking rent in Q3 was \$2,599.
- The Queens Rent Index fell 2.2% year over year. Median asking rent in Q3 was \$2,200

"Renters are no longer willing to pay the commute premium of living in Manhattan when they do not need to commute to an office five days a week," said StreetEasy Economist [Nancy Wu](#).

"Landlords across the city, but particularly in Manhattan, have to be willing to face some really hard hits if they want to fill their units. They're being forced to cut the location premium out of their asking price in order to compete with larger and more affordable apartments in the outer boroughs."

These decreases in StreetEasy's Rent Indices are likely a conservative estimate of how much rents have fallen. This is a result of a new [StreetEasy product enhancement](#) that brings new transparency to rental pricing in NYC by clearly stating rental concessions, gross rent, and net effective rent on listings with concessions. With this new feature, the StreetEasy Rent Index will now track changes in gross rent rather than net-effective rent.

See below for additional market trends across Manhattan, Brooklyn, and Queens.

### Nearly Half of Midtown Manhattan Listings Got a Rent Cut

Renters looking to find a deal in Manhattan had the most luck in Midtown<sup>ii</sup>, where 48% of rentals were discounted during the third quarter — up 25.9 percentage points from last year. Midtown rent prices dropped 5.7% to \$3,000 as demand for units close to Midtown office buildings fell amid the pandemic.

### Brooklyn Rents Dropped for the First Time Since 2010

The third quarter brought the first year-over-year rent drop in Brooklyn in StreetEasy records, though the drop was much smaller than the decline seen in Manhattan. Boroughwide, the Rent Index fell 2.5% year over year. The drop in rents was led by Northwest Brooklyn<sup>iii</sup>, one of the borough's most expensive submarkets, where rents fell 2.1% annually.

Rents in other areas of the borough, including North Brooklyn<sup>iv</sup> and East Brooklyn<sup>v</sup>, remained flat year over year, showing that demand for Brooklyn rentals is relatively higher than current levels in Manhattan.

## Queens Rental Inventory Spiked to All-Time High

There were 15,896 rental listings available in Queens during the third quarter — up 41.1% compared to last year. While this spike is significant, it is lower than the massive inventory growth seen in Manhattan and Brooklyn.

Queens was the only borough analyzed in which some submarkets experienced an annual drop in rental inventory. Northeast Queens<sup>vi</sup>, South Queens<sup>vii</sup>, and the Rockaways<sup>viii</sup> all had fewer rental listings available this past quarter than they did last year. This shows that demand for relatively affordable housing in the city remains stable.

View all [StreetEasy Market Reports](#) for Manhattan, Brooklyn, and Queens, with additional neighborhood data and graphics. Definitions of StreetEasy's metrics and monthly data from each report can be explored and downloaded via the [StreetEasy Data Dashboard](#).

### About StreetEasy

StreetEasy is reimagining the way people buy, sell, and rent homes in New York City and New Jersey. Used more than any other local real estate platform, StreetEasy's website and mobile apps provide vetted and verified listings, plus intuitive search tools and data-driven guides to help people unlock the opportunity of living here. Consumers and real estate professionals can stay up-to-date on the latest real estate trends through [StreetEasy's Market Reports](#) and explore and download market data for free on the [StreetEasy Data Dashboard](#). Launched in 2006 and based in NoMad, Manhattan, StreetEasy is owned and operated by Zillow Group (NASDAQ: Z and ZG) and is a registered trademark of Zillow, Inc.

<sup>i</sup> The StreetEasy Rent Indices are monthly indices that track changes in rent for all housing types and are currently available from January 2007 in Manhattan, January 2010 in Brooklyn, and January 2012 in Queens. Each index uses a repeat-sales method similar that used to calculate the StreetEasy Price Indices. The repeat method evaluates rental price growth based on homes in a given geography that have listed for rent more than once. More details on methodology [here](#).

<sup>ii</sup> The Midtown submarket includes Roosevelt Island, Midtown, Central Park South, Midtown South, Midtown East, Midtown West, Murray Hill, Sutton Place, Turtle Bay, Kips Bay, Beekman, Hudson Yards, Hell's Kitchen.

<sup>iii</sup> The Northwest Brooklyn submarket includes Downtown Brooklyn, Fort Greene, Brooklyn Heights, Boerum Hill, Dumbo, Vinegar Hill, Red Hook, Gowanus, Carroll Gardens, Cobble Hill, Columbia St. Waterfront District, Clinton Hill.

<sup>iv</sup> The North Brooklyn submarket includes Greenpoint, Williamsburg, East Williamsburg.

<sup>v</sup> The East Brooklyn submarket includes Bedford-Stuyvesant, Stuyvesant Heights, Bushwick, East New York, New Lots, City Line, Starrett City, Crown Heights, Weeksville, Ocean Hill, Brownsville.

<sup>vi</sup> The Northeast Queens submarket includes Flushing, Whitestone, College Point, Fresh Meadows, Kew Gardens Hills, Kew Gardens, Bayside, Douglaston, Little Neck, Auburndale, Glen Oaks, Floral Park, Bellerose, Briarwood, New Hyde Park, Oakland Gardens, Hillcrest, Pomonok, Utopia, East Flushing, Murray Hill (Queens), Clearview, Malba, Beechhurst, Alley Park, Queensboro Hill, Bay Terrace (Queens).

<sup>vii</sup> The South Queens submarket includes Jamaica Hills, Woodhaven, Richmond Hill, Howard Beach, Ozone Park, South Ozone Park, Jamaica, South Jamaica, Hollis, St. Albans, Laurelton, Cambria Heights, Queens Village, Rosedale, Springfield Gardens, Jamaica Estates, South Richmond Hill, Hamilton Beach, Ramblersville, Rockwood Park, Old Howard Beach, Howard Park, Brookville.

<sup>viii</sup> The Rockaways submarket includes Far Rockaway, Broad Channel, Arverne, Rockaway Park, Bayswater, Belle Harbor, Breezy Point, Neponsit, Edgemere, Hammels, Rockaway All.

SOURCE StreetEasy

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