

RESIDENTIAL RENTAL MARKET REPORT

First Quarter 2010



CitiHabitats
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Citi Habitats Residential Rental Market Report

1st Quarter 2010

Our 1st Quarter 2010 results show that the Manhattan rental market is continuing to strengthen. The residential vacancy rate in March 2010 was 1.38%, the lowest since August of 2008. The continued positive absorption in the market proves that renters are perceiving value in current rental pricing, and are acting fast to secure these deals. Additionally, I am pleased to report that Citi Habitats closed over 2,650 rental transactions in the first quarter of 2010 versus over 2,300 in the equivalent period of 2009.

Rents are still down in comparison to the same period last year, although the amount of change depends on the apartment type. For example, studio pricing is down 1.2% from the first quarter of last year, while 2 bedroom apartments are down 7.0%. Although prices have dropped from the first quarter of 2009, they have remained relatively consistent over the last several months, signifying stability in the rental market. What's unique about the current situation is that for the first time in recent memory, the market is balanced between landlord and tenant, with neither party having a strong upper hand.

Traditionally, the Manhattan rental market was a landlords' market, with fierce competition to lease available properties. After the recent financial crisis, the market shifted to a renters' market, where free rent and other incentives were used to entice prospective renters and spur them to action. These incentives are disappearing in areas with diminished supply and increased demand, and the next logical step will be that prices will begin to inch up as the peak summer rental season begins.

Developers are optimistic that the rental market has turned the corner and is again poised for a strong summer season. Our development marketing group, CHMG, is poised to launch several projects, totaling nearly 1000 units, at several locations in Manhattan and downtown Brooklyn.

Clearly, this market resilience is a testament to the continued desirability of Manhattan as a place to live and plant roots. With rental properties making up 75% of housing inventory in Manhattan, rentals are the backbone of our city's housing market. What's good for the rental market is good for New York City, and our most recent statistics confirm our city remains unshakable even in the midst of continued national economic turmoil.

When examining our report, please keep the following in mind:

1. The statistics in this report were compiled using Citi Habitats closed transactions during the stated period.
2. Average rents cited in this report are, for the most part, gross rents, not net effective rents, and do not include landlord incentives, unless the face rent reported on the lease was the net-effective amount.

We expect you will find this study informative, and we hope you walk away with new insight into the current trends that shape the Manhattan rental market.

Sincerely,



Gary Malin, President



We find more New Yorkers homes than any other brokerage firm.

AVERAGE RENT SUMMARY: Q1/10

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2089	3066	4435	5096
East Village	1953	2236	3209	4018
Gramercy/Flatiron	2100	2946	3671	4675
Harlem	1173	1462	1709	2158
Lower East Side	1757	2132	2841	3854
Midtown East	1752	2456	3503	4799
Midtown West	1816	2473	3518	4386
Morningside Heights	1302	1585	2062	2933
Murray Hill	1851	2257	3176	4080
SoHo/TriBeCa	2184	3109	5309	6709

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	1552	2205	3024	5099
Upper West Side	1599	2460	3378	5400
Wall Street/BPC	1927	2294	3636	4667
Washington Heights	1070	1198	1657	1961
West Village	2124	3087	4020	5346
Average: Q1/10	1750	2331	3277	4345
Average: Q4/09	1733	2343	3294	4438
% Change	1.0%	-0.5%	-0.5%	-2.1%
Average: Q1/09	1771	2432	3522	4573
% Change: Q1-09/10	-1.2%	-4.2%	-7.0%	-5.0%

VACANCY SUMMARY: Q1/10

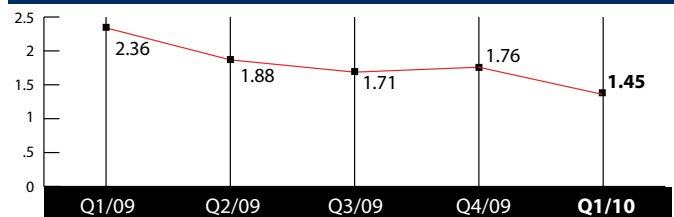
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.45%
Chelsea	0.89%
East Village	1.87%
Gramercy	1.33%
Midtown East	1.82%
Midtown West	1.36%
Murray Hill	1.80%
SoHo/TriBeCa	0.95%

NEIGHBORHOOD	VACANCY RATE
Upper East Side	1.85%
Upper West Side	1.76%
West Village	0.91%
Overall Vacancy: Q1/10	1.45%
Overall Vacancy: Q4/09	1.79%
Difference	-0.34
Overall Vacancy: Q1/09	2.36%
Difference: Q1 - 09/10	-0.9

OVERALL BLENDED AVERAGES: Q1/10

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM*	2406	3535	6338	8775
Doorman	2189	3023	4405	5797
Elevator	1709	2533	3887	5510
Walkup**	1595	1987	2696	3822

MANHATTAN RENTAL VACANCY RATES: Q1/10



* New Developments include all rental and condo buildings built after 2003. **Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods. ***Walkup averages include brownstone and townhouse rentals. Note: Note: Properties available for rent in 15 CPW and Time Warner Center skew the average rents in "Uptown new developments" under the two and three bedrooms. If not factored, their average rents would reflect \$6300 for the two bedrooms, and \$8,506 for the three bedrooms.

AVERAGE RENT SUMMARY: 3/10

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2093	3132	4500	5123
East Village	1992	2219	3271	3950
Gramercy/Flatiron	2185	3096	3542	4525
Harlem	1190	1450	1734	2090
Lower East Side	1795	2139	2900	3900
Midtown East	1800	2394	3550	4723
Midtown West	1847	2548	3650	4291
Morningside Heights	1240	1539	2080	3000
Murray Hill	1868	2211	3116	4141
SoHo/TriBeCa	2167	3124	5450	6677

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	1512	2140	2979	5095
Upper West Side	1577	2429	3279	5500
Wall Street/BPC	1948	2308	3500	4600
Washington Heights	1150	1207	1614	1950
West Village	2164	3172	4177	5406
March Average	1769	2341	3289	4331
February Average	1756	2335	3283	4347
% Change	+1%	0%	0%	0%

Average Number of Available Apartments in March 10,002*

VACANCY SUMMARY: 3/10

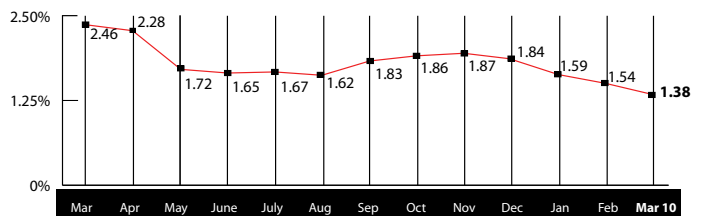
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.26%
Chelsea	0.74%
East Village	1.69%
Gramercy	1.13%
Midtown East	1.78%
Midtown West	1.34%
Murray Hill	1.64%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	0.78%
Upper East Side	1.58%
Upper West Side	1.80%
West Village	0.80%
March Overall Vacancy	1.38%
February Overall Vacancy	1.54%
Difference	-0.16

OVERALL BLENDED AVERAGES: 3/10

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM**	2375	3606	6484	8876
Doorman	2253	3089	4519	5942
Elevator****	1748	2612	4081	5651
Walkup***	1591	1972	2708	3847

MANHATTAN RENTAL VACANCY RATES: 3/10



* Average based on available apartments on the 1st, 15th, and last day of the month: Citi Habitats listings database.
 ** New Developments include all rental and condo buildings built after 2003.
 ***Walkup averages include brownstone and townhouse rentals.
 ****Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods.

AVERAGE RENT SUMMARY: 2/10

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2125	3172	4544	5117
East Village	1953	2235	3233	4073
Gramercy/Flatiron	2097	2935	3599	4525
Harlem	1163	1376	1696	2243
Lower East Side	1750	2191	2865	3900
Midtown East	1778	2495	3558	4850
Midtown West	1872	2465	3562	4371
Morningside Heights	1290	1525	2006	2900
Murray Hill	1853	2212	3124	4150
SoHo/TriBeCa	2203	3180	5388	6698

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	1592	2271	3042	5038
Upper West Side	1576	2456	3323	5400
Wall Street/BPC	1900	2223	3603	4605
Washington Heights	1033	1188	1625	1933
West Village	2154	3097	4077	5400
February Average	1756	2335	3283	4347
January Average	1725	2318	3257	4358
% Change	+2%	+1%	+1%	0%

Average Number of Available Apartments in February 10,355*

VACANCY SUMMARY: 2/10

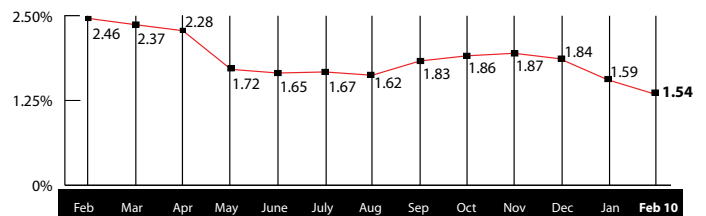
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.45%
Chelsea	1.06%
East Village	1.83%
Gramercy	1.37%
Midtown East	1.81%
Midtown West	1.39%
Murray Hill	1.88%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	1.00%
Upper East Side	2.10%
Upper West Side	1.64%
West Village	.78%
February Overall Vacancy	1.54%
January Overall Vacancy	1.59%
Difference	-0.05

OVERALL BLENDED AVERAGES: 2/10

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM**	2386	3505	6325	8797
Doorman	2174	3018	4404	5794
Elevator****	1727	2509	3876	5516
Walkup***	1638	2031	2721	3867

MANHATTAN RENTAL VACANCY RATES: 2/10



* Average based on available apartments on the 1st, 15th, and last day of the month: Citi Habitats listings database.
 ** New Developments include all rental and condo buildings built after 2003.
 ***Walkup averages include brownstone and townhouse rentals.
 ****Elevator averages in the downtown neighborhoods include a significant number of loft rentals compared to other neighborhoods.

AVERAGE RENT SUMMARY: 1/10

LOCATION	STUDIO	1BR	2BR	3BR
Chelsea	2049	2895	4262	5048
East Village	1915	2254	3122	4030
Gramercy/Flatiron	2017	2807	3871	4975
Harlem	1165	1560	1698	2141
Lower East Side	1725	2067	2757	3763
Midtown East	1678	2480	3400	4825
Midtown West	1730	2406	3341	4495
Morningside Heights	1375	1692	2100	2900
Murray Hill	1833	2347	3289	3950
SoHo/TriBeCa	2181	3023	5090	6753

LOCATION	STUDIO	1BR	2BR	3BR
Upper East Side	2181	1553	2205	3050
Upper West Side	1643	2496	3533	5300
Wall Street/BPC	1934	2350	3804	4795
Washington Heights	1027	1200	1733	2000
West Village	2054	2991	3806	5233
January 2010 Average	1725	2318	3257	4358
December 2009 Average	1740	2299	3278	4375
% Change	-1%	1%	-1%	0%

VACANCY SUMMARY: 1/10

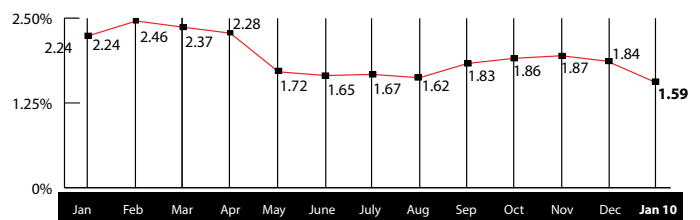
NEIGHBORHOOD	VACANCY RATE
BPC / Financial Dist	1.63%
Chelsea	0.87%
East Village	2.08%
Gramercy	1.48%
Midtown East	1.86%
Midtown West	1.35%
Murray Hill	1.88%

NEIGHBORHOOD	VACANCY RATE
SoHo/TriBeCa	1.07%
Upper East Side	1.87%
Upper West Side	1.83%
West Village	1.15%
January 2010 Overall Vacancy	1.59%
December 2009 Overall Vacancy	1.84%
Difference	-0.25

OVERALL BLENDED AVERAGES: 1/10

BLDG CLASSIFICATION	STUDIO	1BR	2BR	3BR
New Development w/ DM**	2456	3493	6206	8653
Doorman	2140	2962	4294	5654
Elevator****	1651	2479	3705	5364
Walkup***	1556	1958	2658	3752

MANHATTAN RENTAL VACANCY RATES: 1/10



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