

## IN THE NEWS

### Manhattan's apt.-vacancy rate? Less than 1%

Borough sees ultra-low inventory benchmark for two months straight. Average rents are up 9% for studios from year-earlier numbers, 10% for one-bedrooms, 11% for two-bedrooms.

Finding a good deal on a Manhattan rental apartment will continue to get tough through the spring and summer. Rents are rising and vacancy rates are below 1% for the second consecutive month, according to a report released Wednesday.

Last month, the Manhattan vacancy rate was 0.94%, significantly below the April 2010 vacancy rate of 1.23%, according to Citi Habitats, the city's largest rental residential brokerage. In March, the rate was 0.99%.

Average monthly rents were up for all apartment sizes in April from the same period a year ago, with three-bedroom apartments recording the highest rise in rent, reaching \$4,946 a month, up 12% from the same month a year ago.

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The rise in rents and low vacancy rate is making rental brokers' jobs harder. Soozy Katzen, director of relocation at Fox Residential Group, is currently having a hard time finding one-bedrooms in Manhattan under \$3,000 a month for her clients.

"I'm getting a lot of requests from graduates coming into the city and new hires at investment banks asking for \$2,500 rentals and there is nothing out there," said Ms. Katzen. "It is incredibly tight and prices aren't negotiable."

In April, average monthly rents for studios rose 9%, to \$1,967, from a year ago. Rents for one-bedrooms increased 10% and two-bedrooms were up 11%, to \$2,643 and \$3,711, respectively. Mr. Malin expects rent to continue to increase by at least 10% through the spring and summer.



"The market is fierce right now," said Gary Malin, president of Citi Habitats, of the Manhattan rental market. "Tenants no longer have the luxury to negotiate rents and wait to make a decision on an apartment."

*Photo by Buck Ennis*

In another sign that the rental market has shifted in favor of the landlord, a mere 11% of rental transactions brokered by Citi Habitats in April included a tenant concession consisting of either a free month's rent and/or payment of the broker fee. That figure continued to slide from the previous month, when 14% of transactions included a tenant incentive. The results are a stark contrast to last year: In April 2010, 41% of Citi Habitats' deals included some type of concession.

"Landlords are pushing the envelope," said Mr. Malin, adding that tenants frequently are still slow to adjust to the change in the market—they may continue to negotiate on rents but end up losing an apartment they really want to someone else who acted in a faster fashion.

