REZI

REZI Market Insights

Biannual Report — June 2021

Keep a pulse on NYC's real estate market trends through real-time neighborhood performance data.

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Introduction

Our REZI research team regularly examines data to analyze the trends shaping New York City's rental market. This report compares borough and neighborhood-level data across **average rental price, days on market (DoM), and average vacancy loss** to give you a complete view of market performance where it matters most to you.

Please note that as our efforts mature, some data may be updated or restated in the future while we build upon our capabilities to report market-level data as we observe it. While our property-level analysis always has been and remains very comprehensive — **utilizing over 100+ data points** — we are now working towards building similar aggregate-level intelligence to share this report with you.

Our Data

We source data from a collection of proprietary and public resources, alongside undertaking our own analysis, to develop the numbers and observations that we present in this report.

These are the same numbers we use while conducting our own business, and we hope that by sharing this information you can also explore the major takeaways and trends impacting NYC real estate.

Key Terms

- **Days on Market (or DoM, for short)** - the amount of time a vacant unit has been advertised on the market.
- **Vacancy Loss -** the amount of rental income lost during vacancy, inclusive of Days on Market + tenant move-in delays.
- **Monthly Net Effective Rent -** the amount of rent collected adjusted for vacancy loss.

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State of the Market

Now, at the end of Q2 and halfway through 2021, we see New York City experience typical seasonal trends with increased leasing velocity. Despite these trends, gross listings are still mostly stagnated — noting a slight **decrease of 1.2% in the average NYC listing rent** since January 2021 — with relatively high vacancy loss across all boroughs.

While change in both days on market and projected vacancy loss (i.e. how much money is lost due to an apartment being vacant) shows enormous improvement from January 2021 — down by 40% and 30% respectively — the stagnation of listing rents suggests we are still far away from seeing the city in a full-swing recovery.

June 2021 Key Insights

(all NYC)

36 days
NYC Avg. Days on market
↓ 39.6%
from Jan. 2021

$3,199
NYC Avg. Listing Rent
↓ 1.2%
from Jan. 2021

$6,035
NYC Avg. Vacancy Loss
↓ 30.3%
from Jan. 2021

January 2021 - June 2021 Performance by Borough

Neighborhood	Jan. Avg. DoM	Jan. Avg. Vacancy Loss	Jun. Avg. DoM	Jun. Avg. Vacancy Loss	% Change in DoM	% Change in Avg. Vacancy Loss
Bronx	46 days	$4,724	↓ 40 days	↓ $4,447	↓ 14.0%	↓ 5.9%
Brooklyn	35 days	$4,956	↓ 23 days	↓ $3,974	↓ 35.0%	↓ 19.8%
Manhattan	72 days	$10,906	↓ 44 days	↓ $7,609	↓ 38.9%	↓ 30.2%
Queens	39 days	$2,372	↓ 31 days	↓ $4,141	↓ 20.5%	↓ 11.7%

May 2021 - June 2021 Performance by Borough

Neighborhood	May Avg. DoM	May Avg. Vacancy Loss	Jun. Avg. DoM	Jun. Avg. Vacancy Loss	% Change in DoM	% Change in Avg. Vacancy Loss
Bronx	40 days	$4,344	↓ 40 days	↓ $4,447	– 0.0%	↑ 2.4%
Brooklyn	25 days	$4,011	↓ 23 days	↓ $3,974	↓ 8.0%	↓ 1.0%
Manhattan	51 days	$8,083	↓ 44 days	↓ $7,609	↓ 13.7%	↓ 5.9%
Queens	31 days	$4,048	↓ 31 days	↓ $4,141	– 0.0%	↑ 2.8%

Important Trends

Digging a bit deeper into local performance, there's a ton to take away over the last six months of anything but "normal" market conditions. Brooklyn shows the most improvement, **with 9 of the top 10 lowest average days on market neighborhoods** — leading to the lowest borough **average days on market of 23 days** for June 2021.

Conversely, **Queens was home to 5 out of only 9 neighborhoods** in New York City that saw an increase in average days on market since January 2021. Holistically, the Bronx saw the lowest decrease in average days on market — **down by only 14% boroughwide** since January 2021.

Neighborhood Trends

↑ 125.7%
from Jan. 2021
New Hyde Park
% Change in DoM

↓ 12.0%
from Jan. 2021
Corona
% Change in Listing Rent

↑ 50.6%
from Jan. 2021
Far Rockaway
% Change in Vacancy Loss

↓ 53.2%
from Jan. 2021
West Village
% Change in DoM

↑ 19.0%
from Jan. 2021
Lower East Side
% Change in Listing Rent

↓ 41.3%
from Jan. 2021
Windsor Terrace
% Change in Vacancy Loss

Note: *In the chart above, several of the larger changes in days on market, listing rent and vacancy loss occurred in areas with few listings and likely not indicative of trends.*

Avg. Days on Market

Neighborhood	June DoM
Longest DoM	
New Hyde Park	↑ 171 days
Queens Village	↑ 146 days
Far Rockaway	↑ 109 days
Corona	↑ 97 days
Flatlands - Marine Park	↑ 63 days
Shortest DoM	
Ozone Park	↓ 12 days
Prospect Lefferts Gardens	↓ 17 days
Bushwick	↓ 17 days
Gravesend - Midwood	↓ 18 days
Coney Island	↓ 18 days

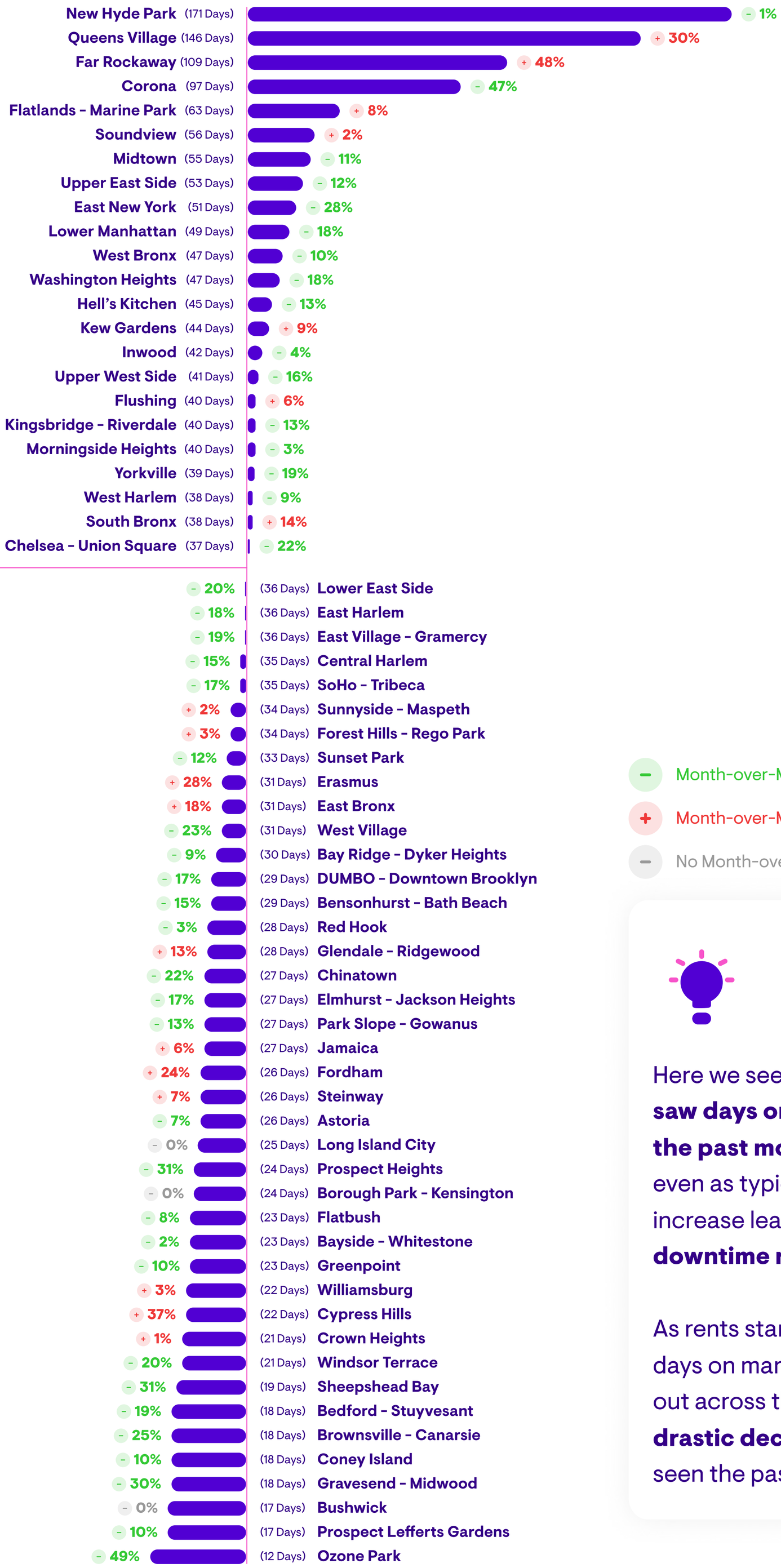
Avg. Listing Rent

Neighborhood	June $
Lowest Listing Rent	
Far Rockaway	↓ $1,787
Bensonhurst - Bath Beach	↓ $1,854
East Bronx	↓ $1,868
Fordham	↓ $1,897
Inwood	↓ $1,907
Highest Listing Rent	
SoHo - Tribeca	↑ $5,344
Chelsea - Union Square	↑ $4,616
Lower Manhattan	↑ $4,424
West Village	↑ $4,209
Midtown	↑ $4,201

Avg. Vacancy Loss

Neighborhood	June $
Highest Vacancy Loss	
Queens Village	↑ $16,047
New Hyde Park	↑ $13,381
Midtown	↑ $10,531
Lower Manhattan	↑ $10,244
SoHo - Tribeca	↑ $9,783
Lowest Vacancy Loss	
Ozone Park	↓ $2,285
Brownsville - Canarsie	↓ $2,569
Gravesend - Midwood	↓ $2,616
Sheepshead Bay	↓ $2,816
Prospect Lefferts Gardens	↓ $2,857

Jun. Average Days on Market



− Month-over-Month % **decrease** in Days on Market

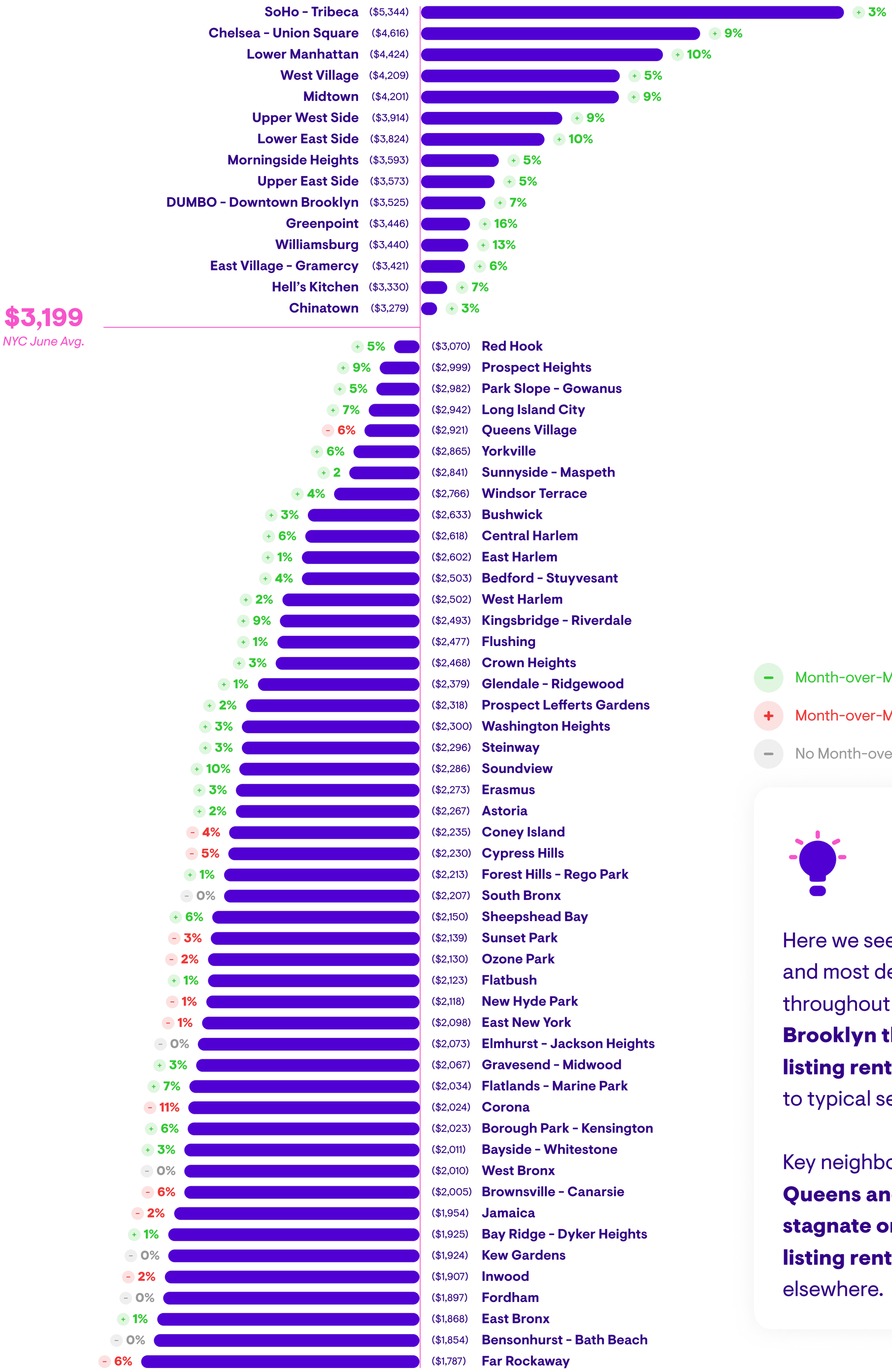
\+ Month-over-Month % **increase** in Days on Market

− No Month-over-Month % change in Days on Market

Here we see that **18 neighborhoods saw days on market increase over the past month** — suggesting that even as typical seasonal trends increase leasing velocity, **vacancy downtime remains an issue.**

As rents start to climb, we expect days on market will continue to level out across the board **with less drastic declines** than what we've seen the past few months.

Jun. Average Listing Rent



– Month-over-Month % **decrease** in Listing Rent

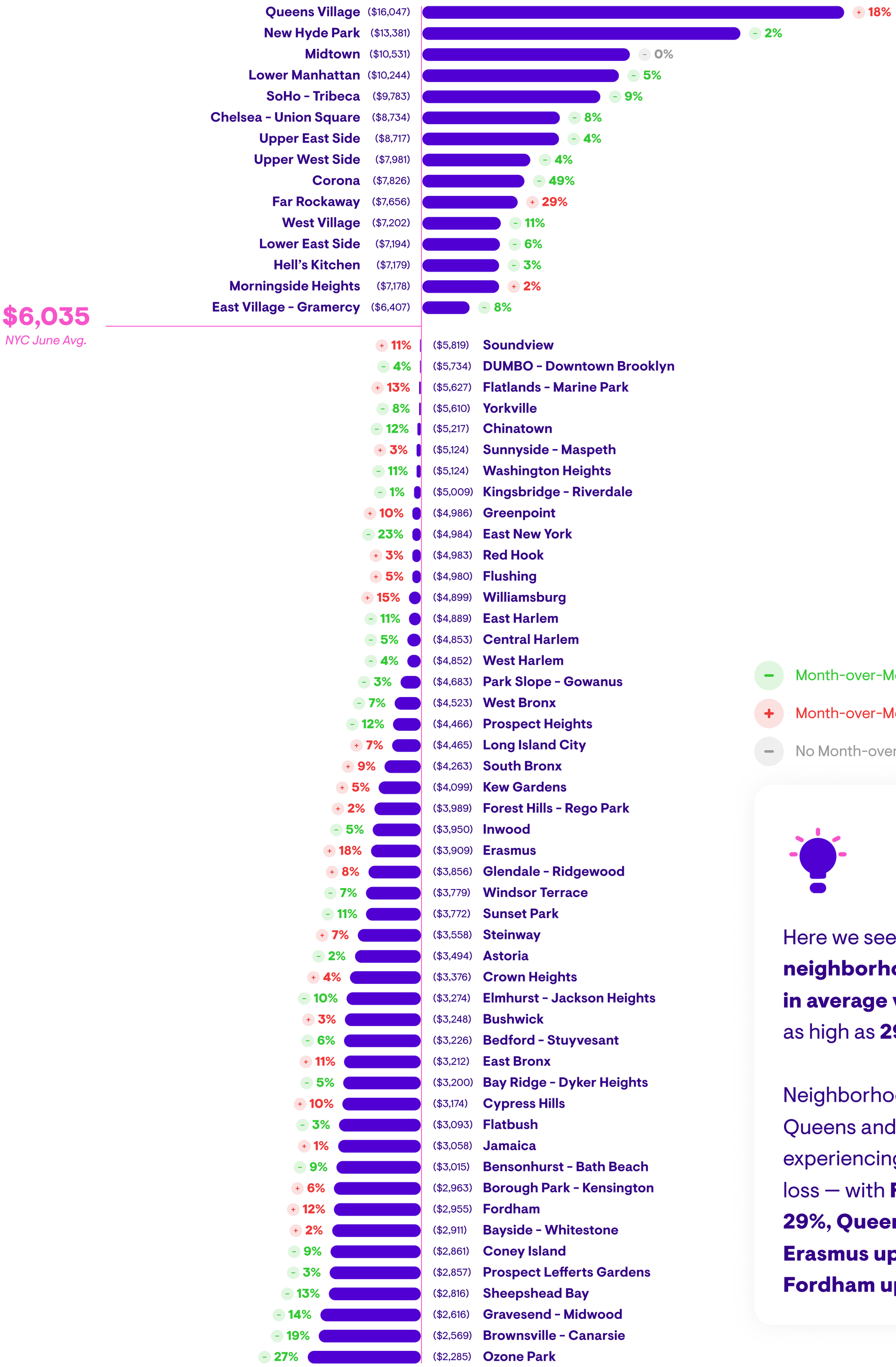
+ Month-over-Month % **increase** in Listing Rent

– No Month-over-Month % change in Listing Rent

Here we see that it's the densest and most developed areas of NYC throughout **Manhattan and Brooklyn that are seeing gross listing rent increase** — largely due to typical seasonal trends.

Key neighborhoods throughout **Queens and the Bronx are seeing stagnate or even declining gross listing rent** as renters look elsewhere.

Jun. Average Vacancy Loss

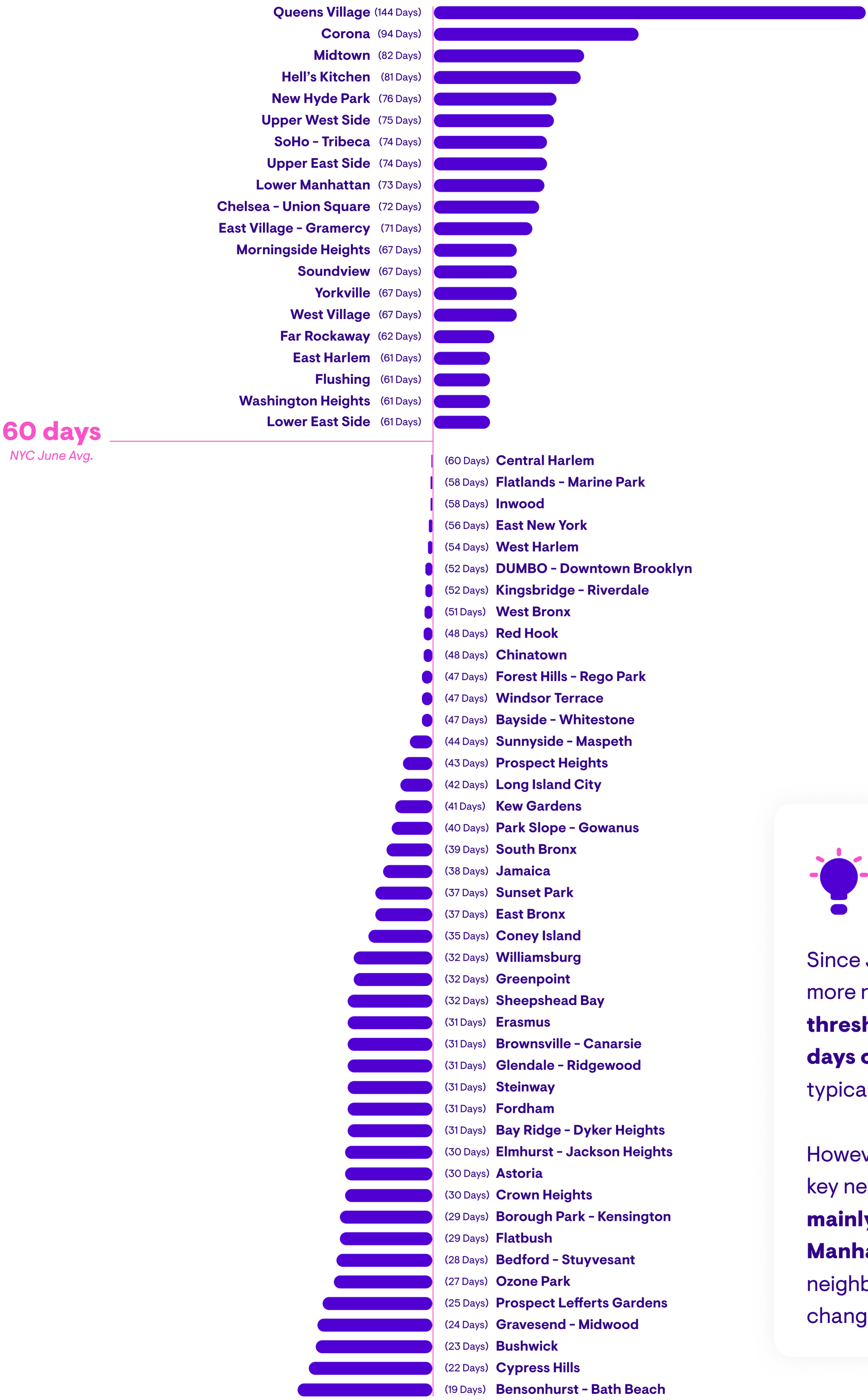


- Month-over-Month % **decrease** in Vacancy Loss
+ Month-over-Month % **increase** in Vacancy Loss
– No Month-over-Month % change in Vacancy Loss

Here we see that **25 (out of 64) neighborhoods saw an increase in average vacancy loss** — some as high as **29%.**

Neighborhoods throughout Queens and the Bronx are experiencing the harshest vacancy loss — with **Far Rockaway up by 29%, Queens Village and Erasmus up by 18%, and Fordham up by 12%.**

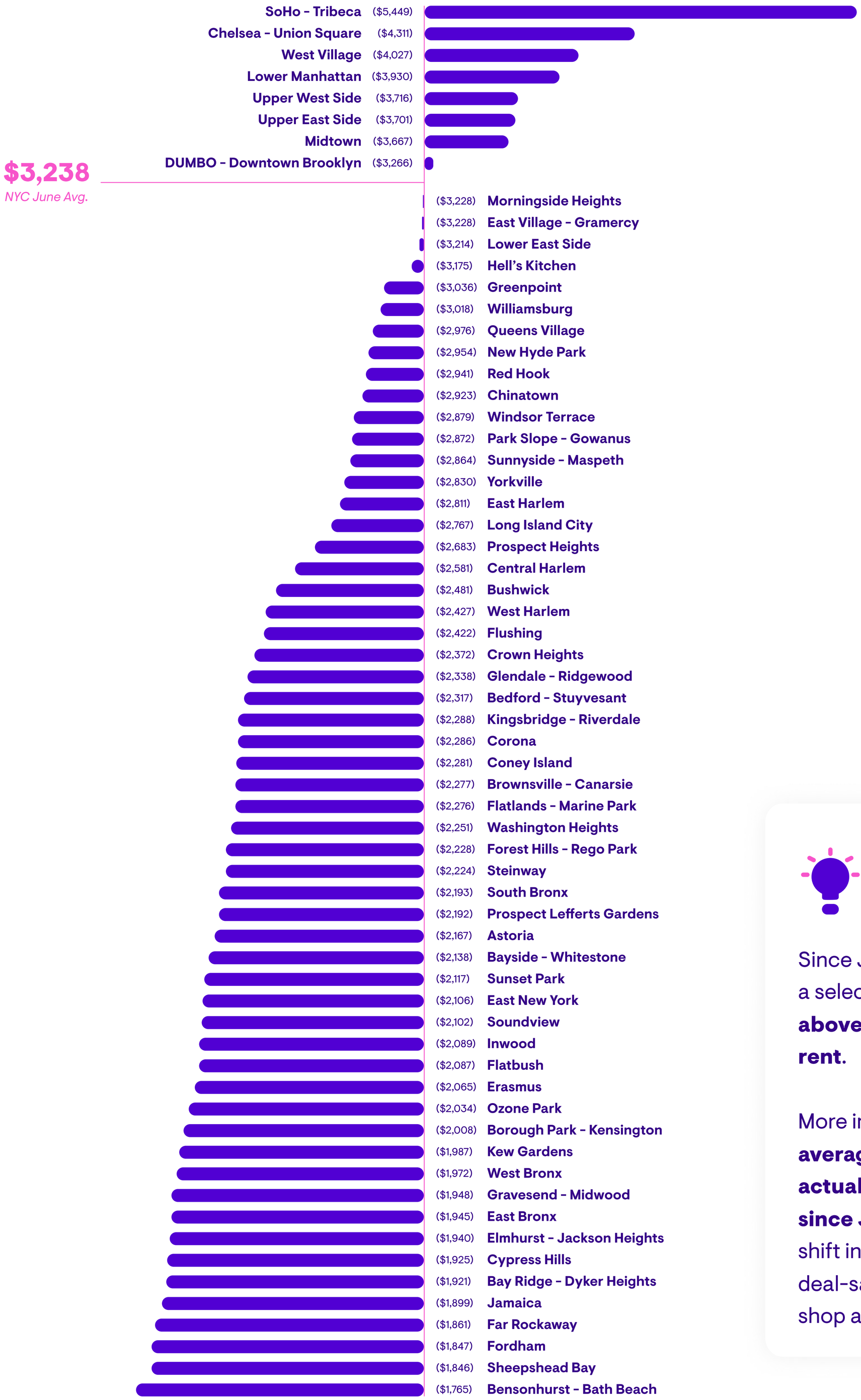
Jan. Average Days on Market



Since January 2021, we've seen more neighborhoods **pass the threshold below NYC's average days on market** — also likely due to typical seasonal trends.

However, we can see that it's only key neighborhoods benefiting — **mainly throughout Brooklyn and Manhattan** — while other neighborhoods have seen little change since January 2021.

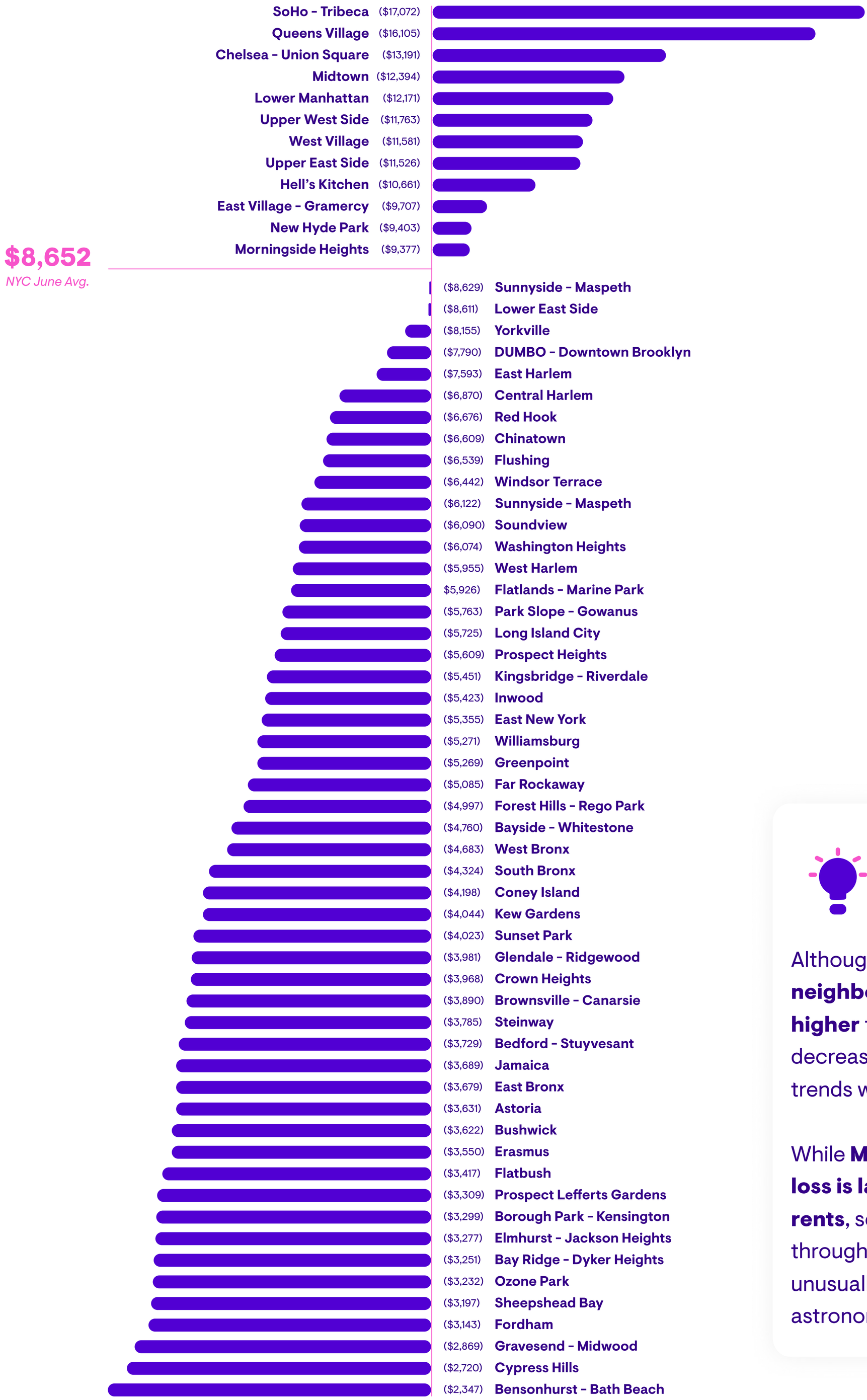
Jan. Average Listing Rent



Since January 2021, we've only seen a select **few neighborhoods pass above the average gross listing rent.**

More importantly, the **citywide average gross listing rent has actually decreased — by 1.2% — since January 2021**, likely due to a shift in available inventory as well as deal-savvy renters continuing to shop around for the best deal.

Jan. Average Vacancy Loss



Although January had an **average neighborhood vacancy loss 30% higher** than June 2021 — it's not decreasing as fast as days on market trends would suggest.

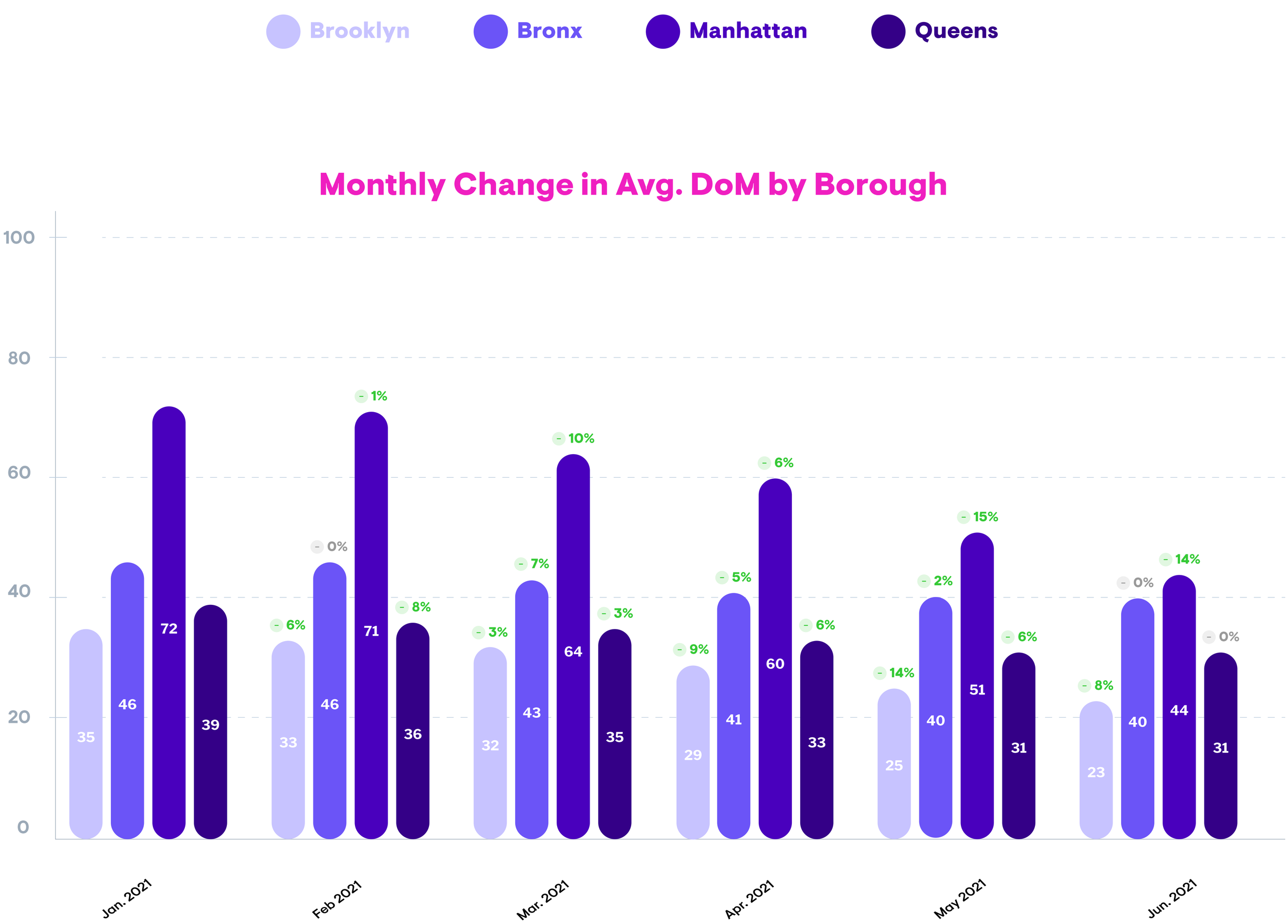
While **Manhattan's high vacancy loss is largely due to higher listing rents**, several neighborhoods throughout Queens are experiencing unusually high vacancy loss due to astronomical days on market.

Days on Market Trends

Month over month, we saw the average days on market for each borough decrease steadily over the past few months — with **a total reduction of 39.6%** across all New York City Neighborhoods.

The decline, while significant, was strongest in May 2021 but has slowed in the last month — especially in **Queens and the Bronx, where we saw no change** from May to June 2021.

Monthly Change in Avg. DoM by Borough



\+ Month-over-Month % **increase** in Days on Market

\- Month-over-Month % **decrease** in Days on Market

– No Month-over-Month % change in Days on Market

Vacancy Loss Trends

Similarly, the average vacancy loss across most boroughs continued to go down — largely due to typical seasonal trends. **Manhattan remains the borough with the highest vacancy loss** primarily due to higher average listing rents than the rest of the city (82% higher average vacancy loss than other boroughs in June 2021).

The Bronx and Queens — **both of which feature the two lowest average listing rents in NYC** — saw an increase in average vacancy loss from May to June 2021, driven by increasing average days on market. Over the course of the past six months, these boroughs also saw the **smallest declines in vacancy loss since January 2021.**

Brooklyn Bronx Manhattan Queens

Monthly Change in Avg. Vacancy Loss by Borough

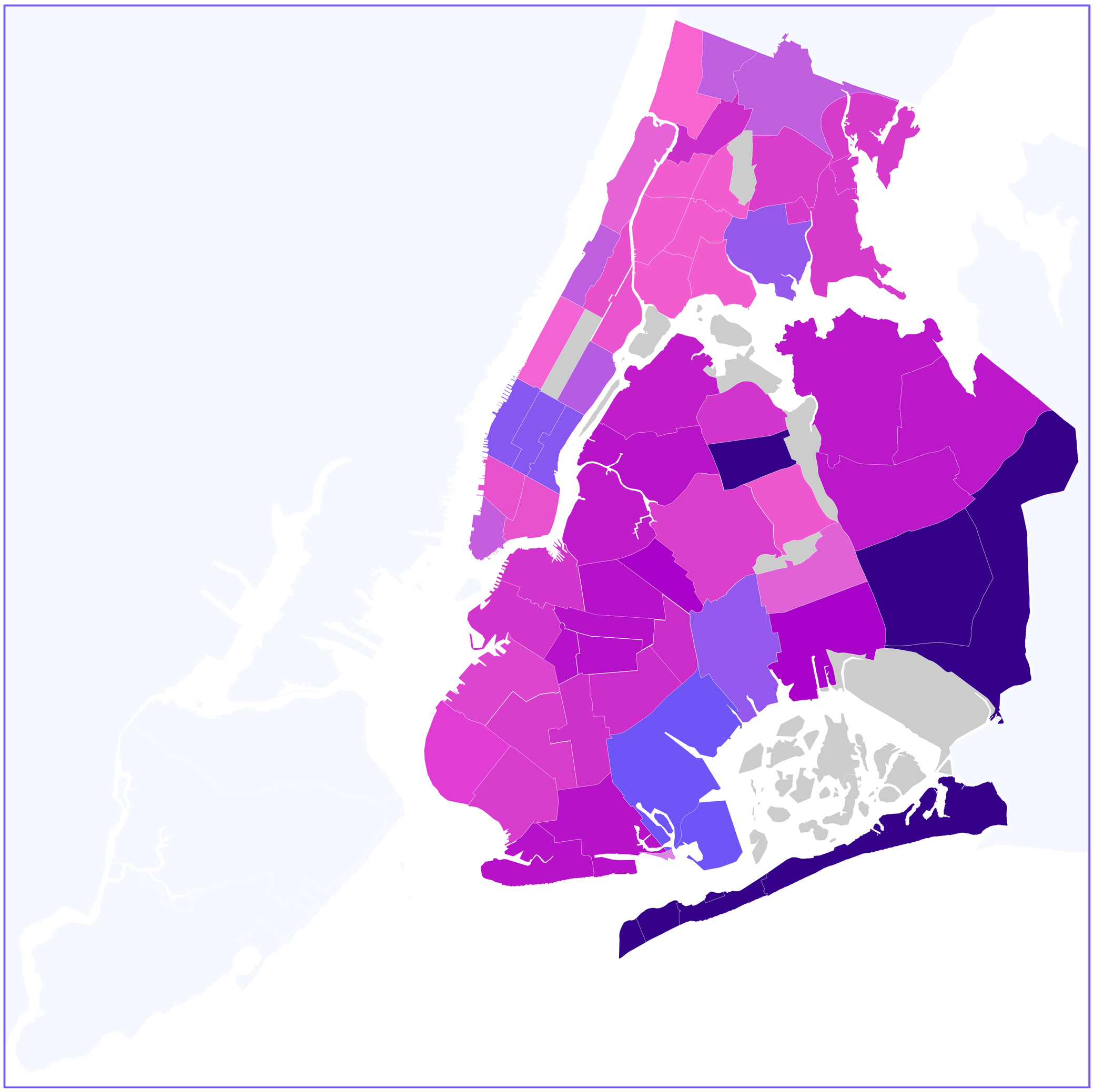
+ Month-over-Month % **increase** in Vacancy Loss

− Month-over-Month % **decrease** in Vacancy Loss

− No Month-over-Month % change in Vacancy Loss

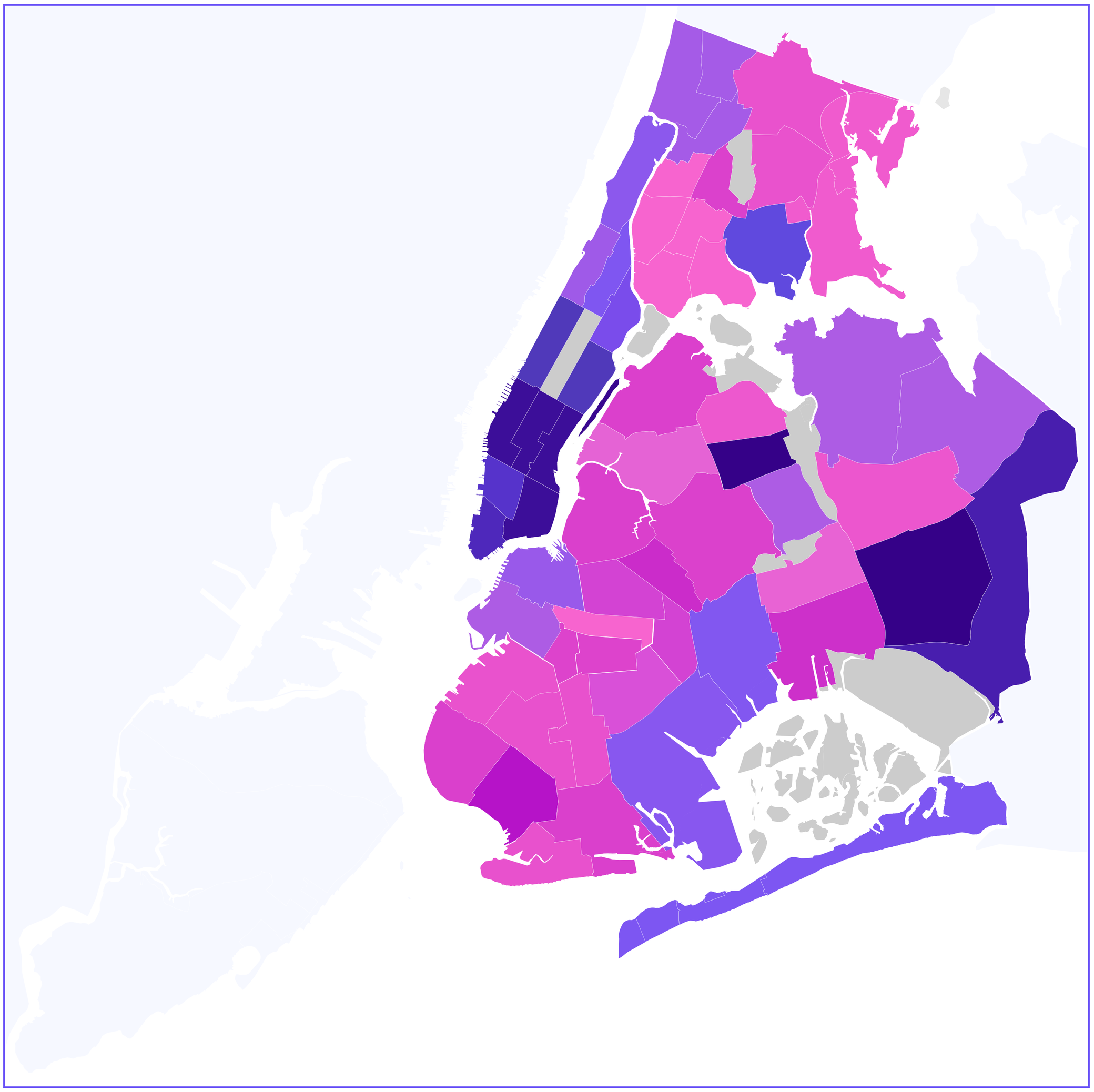
Neighborhood Days on Market *(June 2021)*

Breaking out days on market onto a localized map, we can see that the **highest-performing neighborhoods in terms of leasing velocity are relatively consolidated into popular areas of Brooklyn and Queens** — while outer neighborhoods in Queens and the Bronx are struggling with astronomically high averages of days on market.



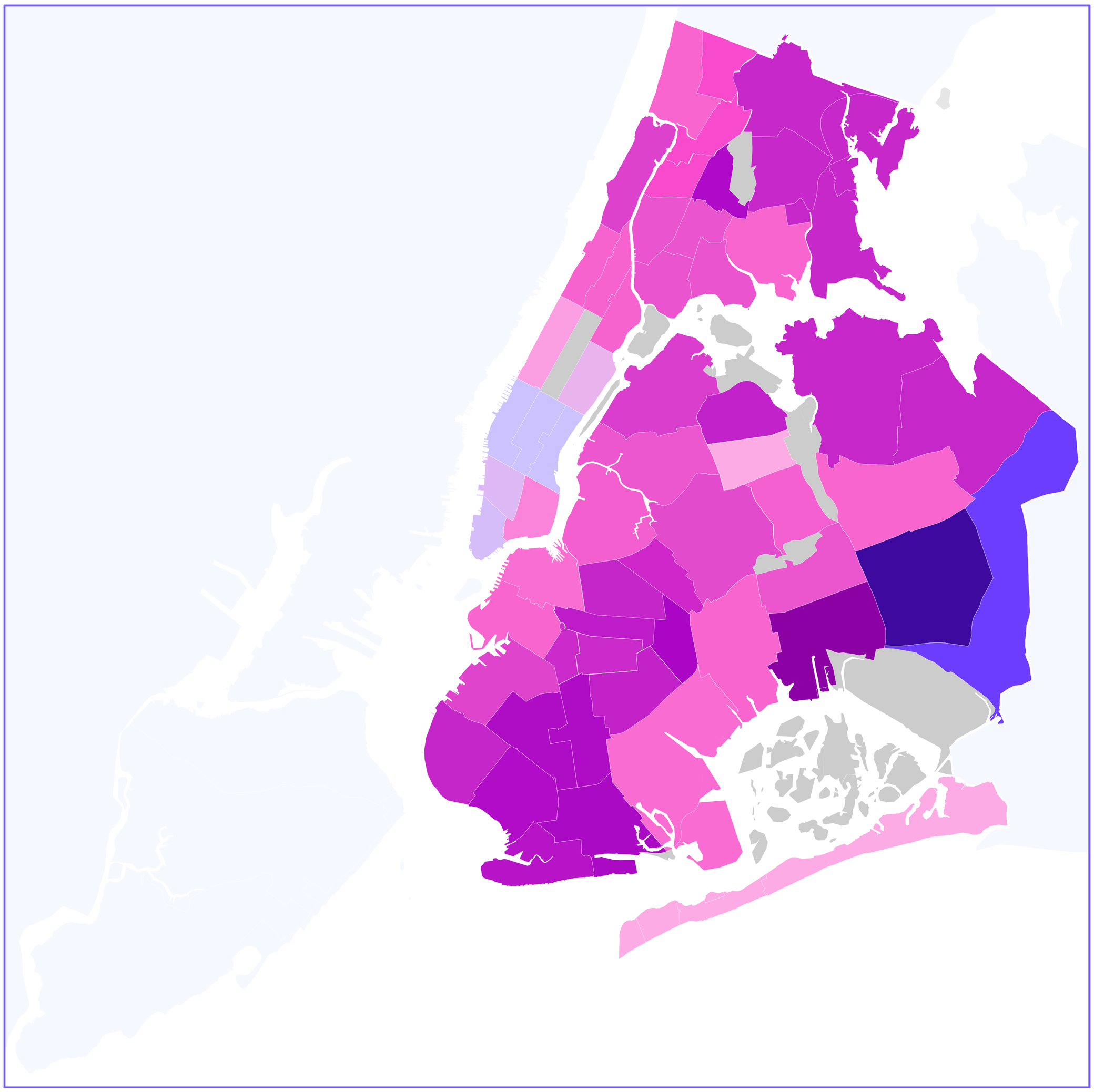
Neighborhood Days on Market *(January 2021)*

Comparing the previous map to the beginning of the year, we can see how far the city came in its recovery. **Manhattan and Brooklyn have improved significantly over the past six months**, while the Bronx and Queens have seen minor improvements but are still struggling in select neighborhoods.



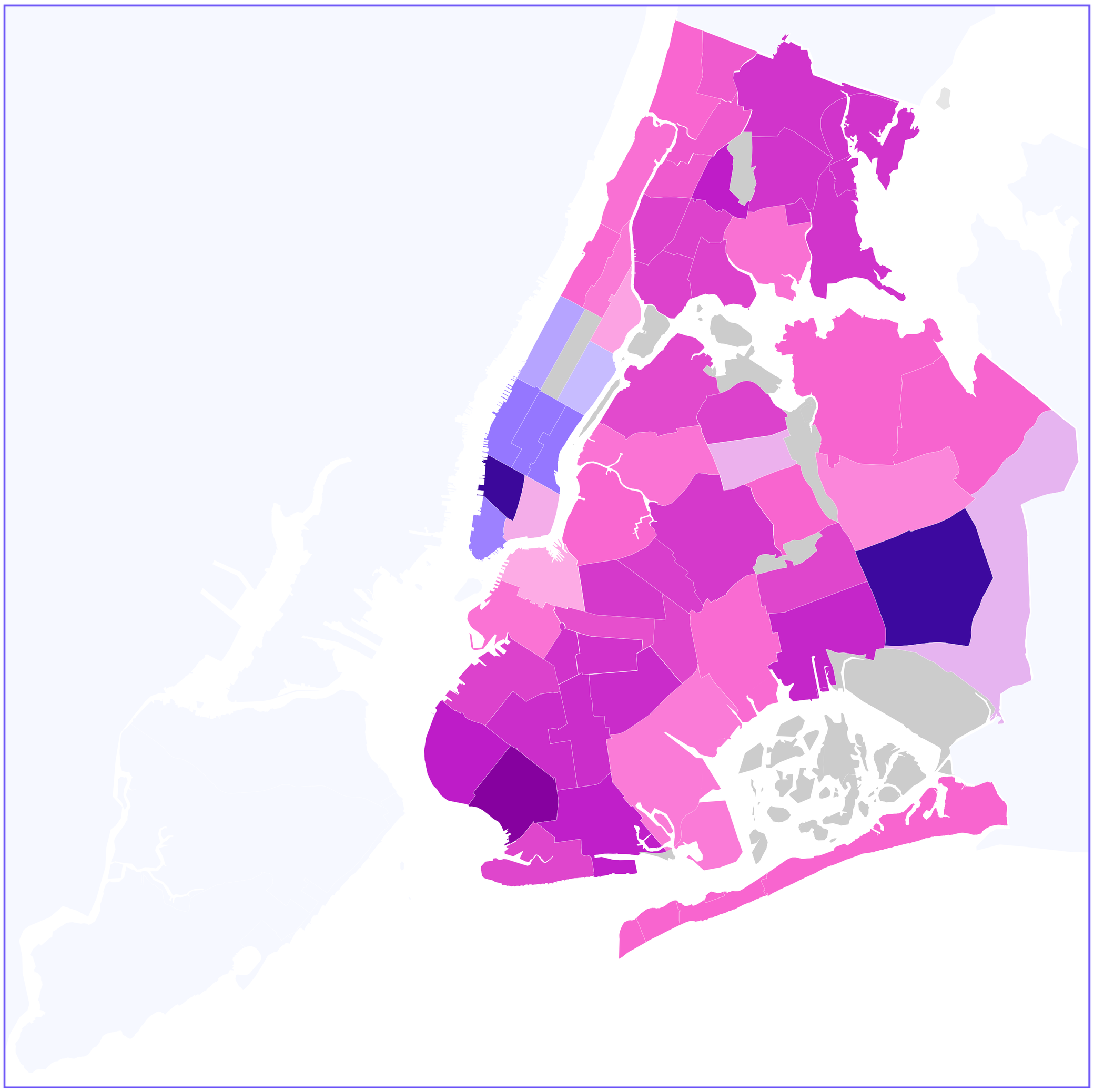
Neighborhood Vacancy Loss *(June 2021)*

While the improvement in average days on market was more concentrated, the improvement in average vacancy loss is far more disparate. While Manhattan has recovered at an amazing rate — **average vacancy loss down by 30.2% since January 2021** — Queens and Brooklyn remain the two boroughs with some of the lowest vacancy loss being seen in outer neighborhoods like **Sheepshead Bay, Flatbush, and Ozone Park.**



Neighborhood Vacancy Loss *(January 2021)*

When comparing the previous map to January 2021, the biggest change is seen in Manhattan — which saw **significant reductions in average days on market,** which has driven the dramatic decrease in average vacancy loss despite average listing rents remaining relatively the same.



REZI Outperformance

Even as the market saw some indications of a renter rebound in terms of average days on market, the stagnation of average listing rents is still keeping the average vacancy loss — and financial impact for property owners — relatively high. When comparing the market against REZI's performance we see a **higher decrease in days on market by 18 percentage points and in vacancy loss by 16 percentage points** for REZI units across New York City.

Market vs. REZI % Change by Borough (Jan. 2021 - Jun. 2021)

Neighborhood	Market DoM % Change	Market Vacancy Loss % Change	REZI DoM % Change	REZI Vacancy Loss % Change
Bronx	↓ 14.0%	↓ 5.9%	↓ 43.9%	↓ 30.3%
Brooklyn	↓ 35.0%	↓ 19.8%	↓ 44.0%	↓ 31.2%
Manhattan	↓ 39.6%	↓ 30.2%	↓ 47.9%	↓ 35.9%
Queens	↓ 19.9%	↓ 11.7%	↓ 43.8%	↓ 32.0%

Leasing in bulk to REZI

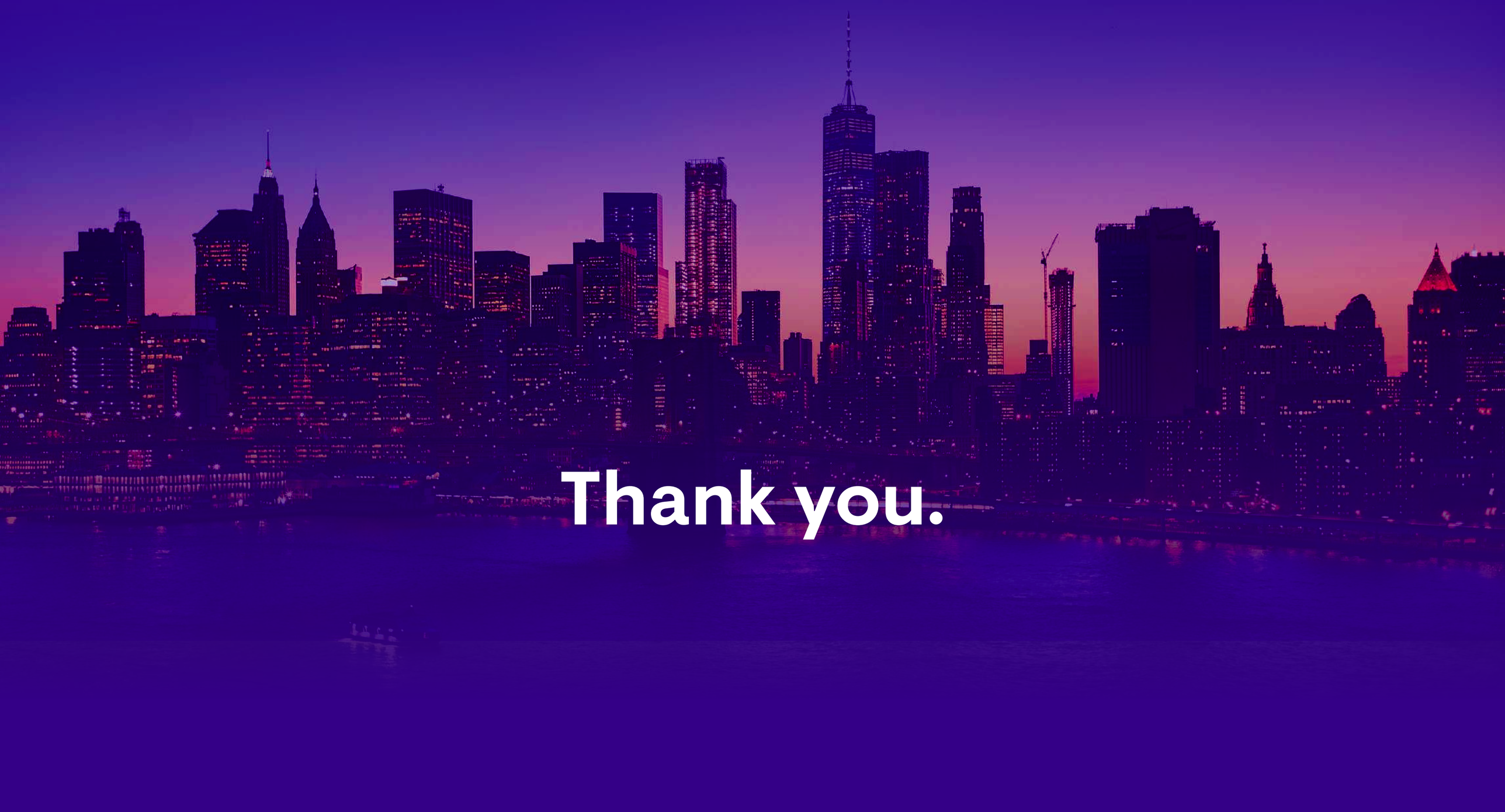
Below is a **detailed side-by-side for traditional leasing vs. master leasing vacancies in bulk to REZI.** For this example, we're showing single unit financials with a gross monthly rent of $3,000.

Income & Costs	Status Quo	REZI Leasing
+ Potential Annual Rent	$36,000 *$3,000/mo*	$36,000 *$3,000/mo*
− Vacancy Loss	$6,500	$4,350
− Placement Costs	$3,000	$500
= Annual NER *Net effective rent*	$25,600	$31,150
Monthly NER *Net effective rent*	$2,133	↑ 21.7% **$2,595**

Property owners who lease out their vacancies to REZI in the current market environment are receiving **increased net effective rents by about 22%** on average - all through reducing vacancy downtime and leasing costs.

In other words, on a $3,000 unit, leasing to REZI **increases your NOI by $462 per unit.**

REZI



Thank you.

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