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No Price Relief Even After Hurricane Sandy

The Financial District finished off a strong year in rentals, as rates in 2012 kept pace with the overall Manhattan market, according to the just-released Platinum Properties' FiDi Report. In the Financial District, while Hurricane Sandy caused slight demand fluctuations in November and average December rental rates were down 2.03%, pricing for 2012 mostly followed traditional patterns. After a price peak in August and adjustment back down by year-end, 2012 closed with average yearly rental prices 3.88% higher than those of 2011.

With the new year underway, 2013 is expected to bring continued market growth and an increase rental activity. According to the 2012 Year-End FiDi Report, November 2012 saw a spike in demand for alcove studios and two-bedrooms, up 1.75% and 2.49% respectively; this demand for convertible space arose as some tenants were forced to relocate after Hurricane Sandy. An untraditional bump in levels of inventory is expected this spring, as many buildings, deemed unsafe after the storm, come back on the market.

"2012 was certainly a great year for the Financial District and broader Manhattan rental markets," said Khashy Eyn, CEO of Platinum Properties. "Yearly average rents did not increase as steeply as they did in 2010 or 2011, which suggests that the market has made a recovery from 2008 and is now growing more steadily up past the pre-recession levels."