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THE REAL ESTATE

The New Real Estate Superstar Is Old Again



Here [was me writing in October 2007](#), during a very different New York real estate market: Never have so few earned so much for working so little. It's not that rental agents are lazy (the successful ones, far from it) or unscrupulous; it's that they now operate where two slightly symbiotic forces drive their commissions higher. Rents have gotten really high. ... The majority of rents in the majority of neighborhoods are higher than at the start of the year and much higher in many cases than one or two years ago. Demand remains great, too. The Manhattan vacancy rate, according to brokerage Marcus & Millichap, should finish the year below 2 percent. Vacancy rates are similarly low in Brooklyn ... But the rental market's changed profoundly in just the last few months. It's not so easily lucrative being a New York rental agent anymore. Marcus & Millichap recently predicted that the vacancy rate for market-rate rentals in larger Manhattan buildings would reach 4.7 percent in 2009, [its highest level since late 2003](#). The reasons are familiar now: a rapidly rising joblessness count, a waning local economy, a general atrophy amid tenants. Nobody wants to move in or out if they don't have to. The balance has shifted from landlords. Never more has Jersey looked more appealing. Etc. Which means that rental agents, once awash in at least the *possibility* of ample work, now must hustle harder for those commissions. Here was Stephen Maycock, a senior VP at DJK Residential, [talking earlier this month about rental agency in tougher times](#): "When you're doing a lot of volume, it's just normal to have deals fall through, just pass by the wayside because that's just the nature of the business. So I think there's a sense now that you put 100 percent of your concentration behind every deal, so you make sure nothing untoward happens to it."