

Manhattan Condo Inventory Shows Largest Annual Increase in Nearly Five Years, But Boost Doesn't Shake Record-High Sale Prices

Condo sale prices reach 19-year high according to the StreetEasy Condo Price Index

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Key facts:

- Manhattan condo inventory grew 5.4 percent in July 2014 compared to July 2013, the largest annual increase since October 2009.
- Manhattan condo sale prices rose 1.1 percent from June to July to a 19-year high, and remain 10 percent above year-ago levels, according to the StreetEasy Condo Price Index.
- The StreetEasy Condo Price Forecast predicts condo price growth will post a slight gain in August, rising 0.4 percent from the prior month.
- Pending sales, or homes that entered into contract, decreased 8.5 percent from June and are 7.1 percent below year-ago levels.
- Median time on market for Manhattan condos increased to 63 days in July after spending spring months at a record low of 49 days.

This Manhattan summer brought an expected seasonal slowdown in condo shopping activity, with July pending sales falling 8.5 percent from June and condos spending an additional 14 days on market compared to this spring. The slowdown helped to push Manhattan's constrained condo inventory higher than year-ago levels, increasing 5.4 percent compared to July 2013 - the largest annual increase in nearly five years, according to the July StreetEasy® Manhattan Condo Market Report[i].

Despite the annual growth, condo inventory in Manhattan is still well below historically normal levels. In July, inventory was 16.2 percent below the five-year average for Manhattan (see Figure 1), a deficit that will continue to drive up condo prices.

Manhattan condo prices increased by 1.1 percent to a 19-year high in July and remain 10 percent higher than prices in July 2013 as measured by the StreetEasy Condo Price Index[ii]. This is the highest price reported since StreetEasy began tracking the market in 1995. Prices are predicted to post another modest gain in August (0.4 percent) from the prior month, according to the StreetEasy Condo Price Forecast[iii].

"The market has been starved for more supply, and the growth in prices is a direct result of stubbornly low inventory that simply cannot keep pace with demand in Manhattan," said StreetEasy Data Scientist Alan Lightfeldt. "The hope was for a greater lift from the busy spring months, but with inventory still so far below normal, condo prices will continue to hover at or above record highs."

Condos that went into contract in July spent a median of 63 days on the market^[iv], a jump from spending three consecutive months at a record low of 49 days during the busy spring season (March-May). At the previous market peak (March 2008), condos were listed for a median of 105 days before they entered into contract.

Figure 1: Change from 5-Year Average Inventory

Photo - <http://photos.prnewswire.com/prnh/20140828/141178>

The full report, including a neighborhood breakdown of StreetEasy Manhattan Condo Market Report data and additional analysis, can be viewed at streeteasy.com/nyc/market/reports.

About StreetEasy:

Launched in 2006 and acquired by Zillow, Inc. in August 2013, StreetEasy is New York City's leading real estate marketplace, providing accurate and comprehensive for-sale and for-rent listings from hundreds of real estate brokerages in New York City. The site adds layers of deep, proprietary data and useful search tools that help consumers and real estate professionals navigate the complex real estate markets within the five boroughs of New York City, Northern New Jersey and the Hamptons.

About Zillow:

Zillow, Inc. (NASDAQ:Z) operates the leading real estate and home-related information marketplaces on mobile and the Web, with a complementary portfolio of brands and products that help people find vital information about homes, and connect with the best local professionals. Zillow's brands serve the full lifecycle of owning and living in a home: buying, selling, renting, financing, remodeling and more. In addition, Zillow offers a suite of tools and services to help local real estate, mortgage, rental and home improvement professionals manage and market their businesses. Welcoming 89 million unique users in July 2014, the Zillow, Inc. portfolio includes Zillow.com®, [Zillow Mobile](#), [Zillow Mortgage Marketplace](#), [Zillow Rentals](#), [Zillow Digs](#)®, [Postlets](#)®, [Diverse Solutions](#)®, [Agentfolio](#)®, [Mortech](#)®, [HotPads](#)™ and [StreetEasy](#)®. The company is headquartered in Seattle.

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[i] The StreetEasy Manhattan Condo Market Report is a monthly overview of the Manhattan condo real estate market. The report data is aggregated from public sources by a number of data providers and real estate brokerages for all five major submarkets within Manhattan, with most metrics dating back to 1995. The reports are compiled by the StreetEasy Research team. For more information, visit

streeteasy.com/nyc/market/reports. StreetEasy also tracks data for the five boroughs within New York City.

[ii] The StreetEasy Condo Price Index (SECPI), previously named the StreetEasy Condo Market Index, provides a measurement for how prices are moving in the Manhattan condo real estate market. It is based on a repeat-sales method, which compares the sale prices of the same properties over time. The SECPI is indexed to the year 2000 with a value of 100. A value of 200, for example, would indicate that Manhattan condos are trading at twice their 2000 price. Since the repeat-sales methodology tracks price changes over time in the same unit, the SECPI is a much more reliable measure for sale prices as it controls for biases and errors created by variables such as location, size, age, and condition.

[iii] The StreetEasy Condo Price Forecast (SECPF) predicts the change in Manhattan condo sale prices one month out from the current reported period. By incorporating the StreetEasy Condo Price Index, StreetEasy's comprehensive database of listing prices and days on market - two leading indicators to future condo prices - we are able to accurately forecast next month's condo prices before the release of publicly recorded sales data.

[iv] Median days on market measures the number of days from the original listing on StreetEasy to when it

enters into contract. After a buyer enters a contract on a unit, it is pulled from the market and is no longer available to other buyers - creating a logical end point to "days on market."

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Download PDF for additional analysis and images for the July StreetEasy Condo Market Report - http://origin-qps.onstreammedia.com/origin/multivu_archive/ENR/FX-NY00265-20140829-1.pdf

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