

July 30, 2014

Spring Brings Continued Signs of Easing Prices, But Majority of Manhattan Inventory Still Priced Above \$1 Million

Sixty percent of Downtown listings fall in top price tier, according to Q2 2014 StreetEasy Manhattan Real Estate Market Report

NEW YORK, July 30, 2014 /PRNewswire/ --

Key facts:

- The median sale price in Manhattan for all home types rose 1.1 percent to \$890,000 from Q1 the slowest quarterly growth since Q4 2012 - and by 7.2 from Q2 2013.
- The spring selling season lifted Manhattan inventory 10.5 percent from Q1, but is still down 7.9 percent compared to one year ago.
- Nearly half of all available Manhattan listings in Q2 fell into the top price tier. The Downtown market had the most homes listed in the top tier, with 3 in 5 homes priced above \$1.3 million.
- Forty percent of co-ops listed for sale in Q2 were priced in the bottom tier, making it the largest and least expensive segment in the Manhattan real estate market.

The median sale price in Manhattan for all home types (condos, co-ops and townhouses) inched up 1.1 percent from the first to the second quarter of 2014 and is 7.2 percent higher compared to one year ago. Though the pace of growth is slowing, constrained inventory continues to keep prices elevated according to the Q2 2014 StreetEasy® Manhattan Real Estate Market Report[i].

The StreetEasy Condo Price Index[ii], which tracks price movement in the Manhattan condo market, followed a similar pattern and was flat in the second quarter of 2014 (+0.2 percent) --the slowest quarterly growth since the fourth quarter of 2012. Condo prices were 10.4 percent higher compared to the second quarter of 2013. In another sign of softening prices, 22 percent received a price cut, up slightly from 19.8 percent one year ago.

As expected during the traditionally busy spring selling season, Manhattan inventory rose 10.5 percent from Q1, which contributed to slowing price growth this quarter. However, inventory is still working its way back from hitting an all-time low in Q4 2013 and remains 7.9 percent below year-ago levels.

Of available Manhattan listings, nearly half (47.2 percent) fell into the highest of three price tiers[iii], which includes homes priced above \$1.3 million. The majority of condo and townhouse listings were priced in the top price tier. More than 60 percent of condos and 94 percent of townhouses listed for sale in Q2 were priced above \$1.3 million. The Downtown market had the highest concentration of homes listed in this price tier, with 3 in 5 homes priced above \$1.3 million.

Homes in the bottom price tier, which includes homes priced at or below \$621,000, represented just 23.6 percent of the market, a shrinking share of listings compared to last quarter and one year ago. Forty percent of co-ops listed for sale in Q2 were priced in the bottom tier, making it the largest and least expensive segment in the Manhattan real estate market. Upper Manhattan had the largest share of bottom tier homes on the market in Q2.

"This year, the Manhattan market is showing signs of settling into a more sustainable path after a record-hot 2013," said StreetEasy Data Scientist Alan Lightfeldt. "As inventory inches up and price growth eases, we're seeing buyers gain more negotiating power as some sellers get less bullish with their pricing. One aspect of the market hasn't changed though: buyers need to be poised to move quickly."

Looking into the summer months, the StreetEasy Condo Price Forecast (SECPF)[iv] predicts condo prices will continue to slow in July, falling 0.9 percent from June. The SECPF predicts the change in Manhattan condo sale prices one month out from the current reported period.

	Q2 2014 Median Sale Price	Q2 2014 StreetEasy Condo Price	Days on Market (all)	For-Sale Inventory
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	(all homes)		Index (SECPI)*		homes)	(all homes)	
	Price	Year-over-Year % Change	Quarter-over-Quarter % Change	Year-over-Year % Change	Number of Days	Total Inventory	Year-over-Year % Change
Manhattan	\$890,000	7.2%	0.2%	10.4%	49	10,542	-7.9%
Downtown	\$1,114,817	17.3%	2.2%	10.6%	49	3,549	-6.1%
Midtown (includes Roosevelt Island)	\$770,000	-4.9%	0.7%	19.1%	56	2,540	-10.3%
Upper East Side	\$950,000	2.7%	3.3%	8.9%	56	2,498	-10.3%
Upper West Side	\$962,287	6.9%	1.3%	11.4%	49	2,000	-9.5%
Upper Manhattan	\$453,150	2.8%	-	-	49	1,006	1.0%

*SECPI tracks condos only. *Midtown SECPI does not include Roosevelt Island*

The full report, including a neighborhood breakdown of StreetEasy Manhattan Condo Market Report data and additional analysis, can be viewed at streeteasy.com/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 nearly 83 million unique users in June 2014, the Zillow, Inc. portfolio includes Zillow.com®, [Zillow Mobile](#), [Zillow Mortgage Marketplace](#), [Zillow Rentals](#), [Zillow Digs](#)®, [Postlets](#)®, [Diverse Solutions](#)®, [Agentfolio](#)®, [Mortech](#)®, [HotPads](#)™, [StreetEasy](#)® and [Retsly](#)™. The company is headquartered in Seattle.

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[i] The StreetEasy Manhattan Real Estate Market Report is a quarterly overview of the Manhattan real estate market including analysis on condos, co-ops and townhomes/single-family residences. 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] Listings are placed into one of three price tiers - bottom, middle, and top - using price cut-offs derived from a 12-month weighted moving average of recorded sale prices at the 33rd and 66th percentiles. Price tier cut-offs change each month in order to capture evolving trends in listings that are available during a given month. The top tier corresponds with the most expensive listings.

[iv] The StreetEasy Condo Price Forecast (SECPF) predicts the change in Manhattan condo sale prices one month out from the current reported period. 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.

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