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Manhattan Condo Prices Hover at Record Highs; Inventory Drops in May

Majority of condos in Midtown West and Lower East Side sold for above initial asking prices, according to the StreetEasy Manhattan Condo Market Report

NEW YORK, June 26, 2015 /PRNewswire/ --

Key facts:

- According to the StreetEasy Condo Price Index, condo resale prices remain at a record high 11.6 percent above their previous peak in September 2007, but the pace of condo price growth continues to slow with prices remaining essentially flat from April to May.
- Total inventory declined 2.8 percent from April and was down 7.4 percent from this time last year.
- The median sale-to-list price ratio for Manhattan condos was 99.4 percent in May, meaning a condo typically sold for 99.4 percent of the initial asking price.
- Condos spent a median of 43 days on the market in May, 6 days less than in April and 1 day less than this time last year.

The spring inventory boost to the Manhattan condo market in April did not carry through to May, as condo inventory dropped by 2.8 percent from April and was down 7.4 percent from this same time last year. With just 3,778 units on the market, May offered the lowest number of available condo units recorded during any May month over the last five years, according to the May 2015 StreetEasy[®] Manhattan Condo Market Reportⁱ.

In the face of shrinking inventory, condo buyers were eager to act and ready to pay high prices. According to the StreetEasy Condo Price Indexⁱⁱ, condo prices are 11.6 percent above their previous peak in September 2007, but the pace of condo price growth continues to slow with prices remaining essentially flat from April to May. The median sale-to-list price ratioⁱⁱⁱ in Manhattan was 99.4 percent in May, meaning the typical sale price among condos that closed was 99.4 percent of the initial asking price. Midtown West and Lower East Side had sale-to-list price ratios of 100.1 percent and 104.9 percent, respectively, indicating that the vast majority of condo sales that closed in those neighborhoods sold at prices above the initial asking price.

Condos spent a median time of 43 days on the market in May, which is 6 days less than in April and 1 day less than this time last year. Lack of new inventory translated into an overall drop in contracts signed in May. Pending sales, or condos that went into contract, fell 6.7 percent from April and were 9.4 percent below this same time last year.

"Constricted condo inventory helped sellers get a greater share of their initial asking price as buyers competed for an even smaller pool of available units. We're looking at a market that is ripe for bidding wars," said StreetEasy data scientist [Alan Lightfeldt](#). "As supply continues to shrink and sellers hold on to the bargaining power, condo buyers can expect competition to remain fierce."

Prices are expected to stick around current levels as the market enters the slower summer months. The StreetEasy Condo Price Forecast^{iv} predicts flat prices from May to June.

The full report and additional analysis from StreetEasy Data Scientist [Alan Lightfeldt](#) can be viewed at streeteasy.com/blog/market-reports.

About StreetEasy:

StreetEasy is New York City's leading local real estate marketplace on mobile and the Web, providing accurate and comprehensive for-sale and for-rent listings from hundreds of real estate brokerages throughout New York City and the major NYC metropolitan area. StreetEasy adds layers of proprietary data and useful search tools to help home shoppers and real estate professionals navigate the complex real estate markets within the five boroughs of New York City, as well as Northern New Jersey and the Hamptons.

Launched in 2006, StreetEasy is based in Manhattan's Flatiron neighborhood. StreetEasy is owned and operated by Zillow Group (NASDAQ: Z).

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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 <http://streeteasy.com/blog/market-reports/>. StreetEasy also tracks data for the five boroughs within New York City.

ⁱⁱ The StreetEasy Condo Price Index (SECPI) 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 sale-to-list price ratio is the final recorded sale price divided by the initial asking price on StreetEasy, expressed as a percentage. A ratio above 100 percent indicates that the home sold for above initial asking price, whereas a ratio below 100 percent indicates that the home sold for less than the initial asking price.

^{iv} 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.

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/manhattan-condo-prices-hover-at-record-highs-inventory-drops-in-may-300105258.html>

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