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All Eyes on Spring: Manhattan Inventory Sees Rare Dip in First Quarter of 2015; Price Growth Continues as Market Awaits Spring Inventory Boost

NEW YORK, April 21, 2015 /PRNewswire/ --

Key facts:

- Manhattan quarterly inventory hits the lowest level ever recorded by StreetEasy with just 10,243 units on the market in the first quarter of 2015.
- The median recorded sales price of all homes increased 2 percent from the fourth quarter of 2014, marking the third consecutive quarter of year-over-year median sales price growth in Manhattan.
- Despite growing prices and tight inventory, sales volume in the first quarter increased 2.6 percent from last year.

Manhattan inventory typically increases slightly in the first quarter of the year from the preceding year's fourth quarter, but this was not the case during the first quarter of 2015. For-sale inventory in Manhattan slumped 0.6 percent from last quarter and 2.3 percent from the same time last year to its lowest level on StreetEasy quarterly recordⁱ with just 10,243 units on the market in the first quarter of 2015.

As buyer demand ramps up for the highly anticipated spring months, lack of inventory will continue to drive price growth and keep time on market relatively short, according to the Q1 2015 StreetEasy® Manhattan Real Estate Market Reportⁱⁱ.

"Manhattan has shrunk to a shockingly small real estate market, and all eyes are on spring to ease the supply-demand imbalance," said StreetEasy data scientist Alan Lightfeldt. "While we didn't see the typical slow ramp up to the busy shopping season this quarter, a slow first quarter is often followed by strong inventory growth in the second quarter. Regardless, with an already limited supply of listings, buyers should be ready for heavy competition and measured expectations for price discounts."

Low inventory across Manhattan continues to drive price growth. Median recorded sales prices grew moderately in the first quarter, increasing 2.0 percent from the fourth quarter of 2014 to roughly \$946,000. This marks the third consecutive quarter of annual median sales price growth.

In the condo resale market, sales prices appreciated by 1.95 percent quarter-over-quarter, and 5.2 percent from this same time last year, which is 12.9 percent above the previous peak in October 2007, according to the StreetEasy® Condo Price Indexⁱⁱⁱ. Manhattan condo price appreciation is expected to continue in April, according to the StreetEasy Condo Price Forecast^{iv}, which predicts an increase of 0.5 percent in resale prices from March.

Despite increasing prices and tight inventory, demand for Manhattan real estate has proven resilient. Sales volume in the first quarter increased 2.6 percent from last year in a sign that some buyers are not discouraged by shrinking inventory or consistent price growth. Sales of condos and co-ops grew by 1.5 percent and 2.7 percent from last year, respectively. The median time on market for all Manhattan homes sold in the first quarter rose slightly to 60 days from 58 days during the same quarter last year.

The full report, including a neighborhood breakdown of StreetEasy Manhattan Real Estate Market Report data and additional analysis, can be viewed at streeteasy.com/blog/research.

About StreetEasy:

StreetEasy is New York City's leading 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 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, as well as Northern New Jersey and the Hamptons. The company launched in 2006 and was acquired by Zillow, Inc. in August 2013.

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ⁱ StreetEasy inventory records date back to January 2010.

ⁱⁱ 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/blog/research. StreetEasy also tracks data for the five boroughs within New York City.

ⁱⁱⁱ 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.

^{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/all-eyes-on-spring-manhattan-inventory-sees-rare-dip-in-first-quarter-of-2015-price-growth-continues-as-market-awaits-spring-inventory-boost-300068806.html>

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