

Manhattan Market Report

Q2 2014
by the numbers



+0.2%

StreetEasy Condo
Price Index (Quarter-
over-Quarter)



-0.9%

StreetEasy Condo
Price Forecast (Month-
over-Month)



+10.5%

Total Inventory
(Quarter-over-Quarter)



+20.6%

Number of Pending
Sales (Quarter-over-
Quarter)



49 days

Median Time on
Market



\$890,000

Median Sale Price



\$1,172

Median Price per
Square Foot

Prices remain high amidst constrained inventory, but price appreciation slows in Q2

Manhattan home prices remained well above last year's level during the second quarter of 2014 as this year's spring trading season failed to reverse a year-long trend of dwindling inventory. Although the number of listings increased 10.5 percent over the quarter, total inventory remained nearly 8 percent below last year's level - fueling high prices and stiff competition between buyers.

Still, prices showed signs of softening as price fatigue set in on buyers who have faced several years of robust price growth. The StreetEasy Condo Price Index (SECPI) increased by just 0.2 percent over the quarter - the slowest quarterly growth since the fourth quarter of 2012. In another sign of softening prices, the share of all homes listed that saw a price cut increased to 22 percent, up slightly from 20 percent one year ago.

While price growth has softened across all price points, Manhattan inventory continues to be dominated by homes priced in the top - or most expensive - tier. More than 3 in 4 homes listed during the second quarter were priced in the middle or top tiers with a price above \$621,000. Co-op listings represented homes in the bottom tier - those that are priced at less than \$621,000. Forty

percent of all available co-ops were priced in the bottom tier, while just 9.1 percent of condos and 0.7 percent of townhouses were in the bottom tier. Conversely, the majority of condo listings were in the top tier, with 61.3 percent of all condos listed in the top tier compared to 29.2 percent of co-ops.

Despite a recent uptick in inventory and slowing of price growth, the Manhattan market remains a challenging environment for buyers. With the median days on market at just 49 days across all housing types, buyers must act fast on a home amid persistently high competition among buyers.

The slowed price growth in the second quarter is fragile and greatly dependent upon continued inventory growth, which is unlikely to happen in the traditionally slower summer months. Buyers should not expect further price declines as long as there are not any meaningful increases in inventory that get the market back to historically normal levels.

StreetEasy is pleased to present the Quarterly Manhattan Real Estate Market Report, an in-depth analysis of New York City's largest and most comprehensive database of listings and sales. To see more analysis on Manhattan real estate trends from StreetEasy, visit our market report page at: <http://streeteasy.com/market/reports>

Condo Price Index

Condo prices soften as inventory edges up and price fatigue grows among Manhattan buyers.

The StreetEasy Condo Price Index (SECPI) increased slightly to 234 in June as home value growth slowed to just 0.2 percent over the quarter. Home values are expected to depreciate as we enter the typically sluggish summer months, according to the StreetEasy Condo Price Forecast (SECPF), which predicts a 0.9 percent decline in prices in July 2014.

The SECPI measures 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 property

over time. Given this methodology, the index is a much more reliable measure of sale prices as it controls for the variety of condos sold in a given month. The SECPI is indexed to January 2000 with a value of 100.

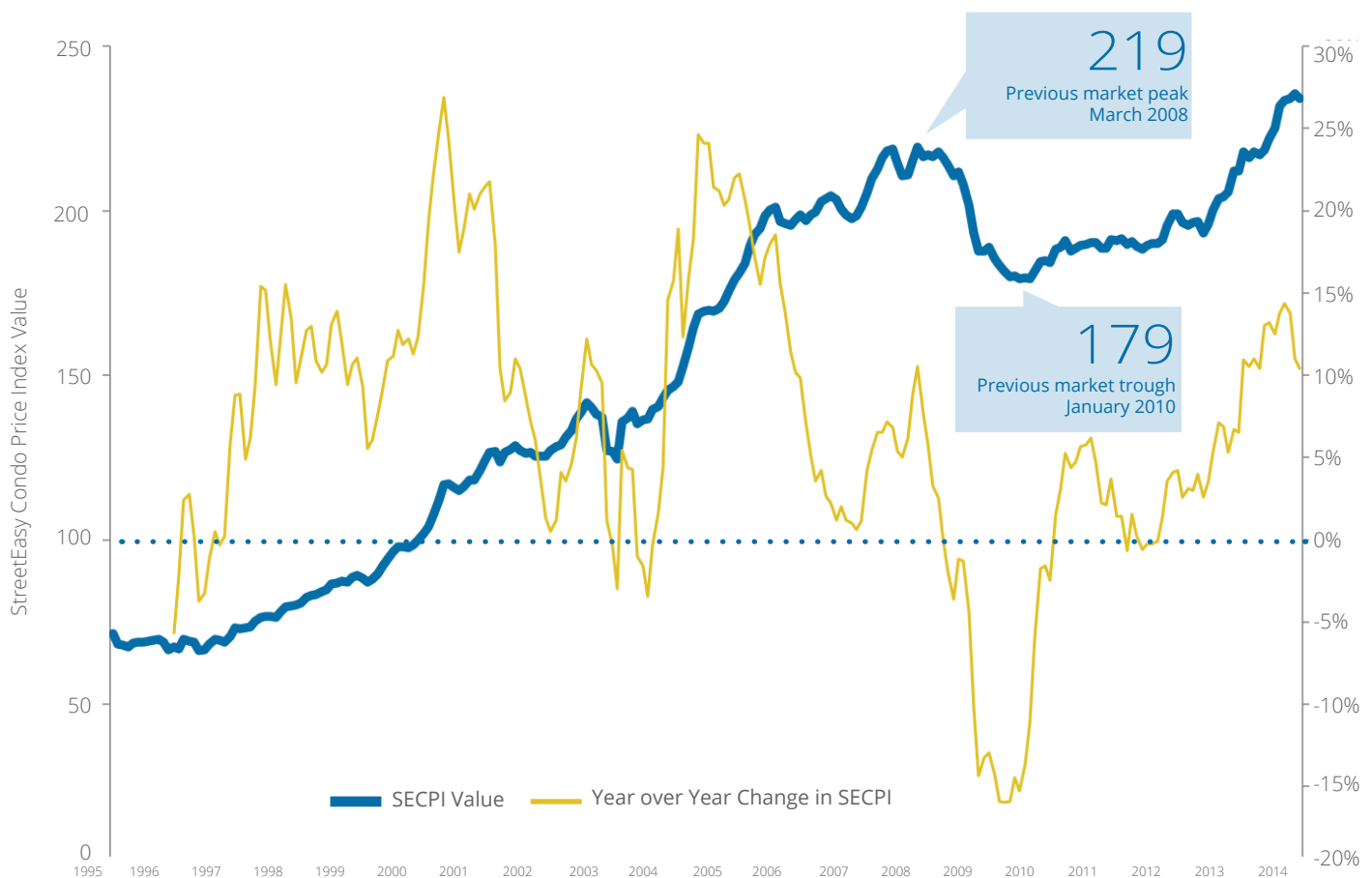
The SECPF predicts the change in Manhattan condo prices one month out from the current reported period. In addition to incorporating historical SECPI values, the forecast considers StreetEasy's comprehensive database of listing prices and days on market - two leading indicators of future condo prices.

+0.2% (234)

StreetEasy Condo Price Index
June 2014 (Quarter-over-Quarter)

-0.9% (232)

StreetEasy Condo Price Forecast
July 2014 (Month-over-Month)



Market Summary

Inventory¹	Q2 2014	Q1 2014	Q2 2013
Total Units Available	11,645	10,542 10.5%	12,641 -7.9%
Bottom Tier	23.6%	24.2% -	26.7% -
Middle Tier	29.2%	28.0% -	29.9% -
Top Tier	47.2%	47.8% -	43.4% -
Median Asking Price	\$1,235,000	\$1,199,000 3.0%	\$1,045,000 18.2%
Median Asking Price per sq. ft.	\$1,336	\$1,300 2.8%	\$1,159 15.3%
Share of Listings w/ Price Cut	22.0%	19.5%	19.8%
Share of Listings w/ Price Increase	6.7%	7.7%	7.6%
Recorded Sales²			
Total Sales	3,526	3,244 8.7%	4,331 -18.6%
Median Sale Price	\$890,000	\$880,000 1.1%	\$830,000 7.2%
Pending Sales			
Total Pending Sales	3,516	2,915 20.6%	4,203 -16.3%
Median Days on Market	49	63	63
Bottom Tier	50	70	66
Middle Tier	40	51	48
Top Tier	45	64	55

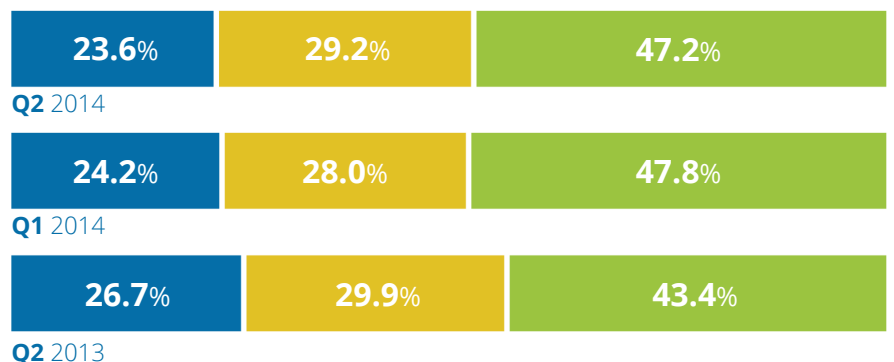
¹ Inventory, sales, and pending sales data includes condo, co-op, and townhouse listings.

² Sales data is based on sale transactions recorded by the New York City Department of Finance as of July 17, 2014. This may not represent all sale transactions for Q2 2014.

Share of Manhattan homes priced in the bottom tier continues to shrink

While total inventory in Manhattan increased by slightly more than 10 percent between the first and second quarters, the share of homes listed for sale in the bottom price tier shrunk. Just one in four homes listed for sale during the second quarter was priced at or below \$621,000, this quarter's price cut off for the bottom tier.

Total Inventory by Price Tier¹



Bottom Tier Middle Tier Top Tier

¹ Monthly inventory may not add up to 100% due to rounding.



How is inventory measured?

Quarterly inventory is the sum of all condo, co-op, and townhouse units that were available on StreetEasy at any point during the quarter. This method provides the most comprehensive picture of units that were available to buyers.

How is days on market measured?

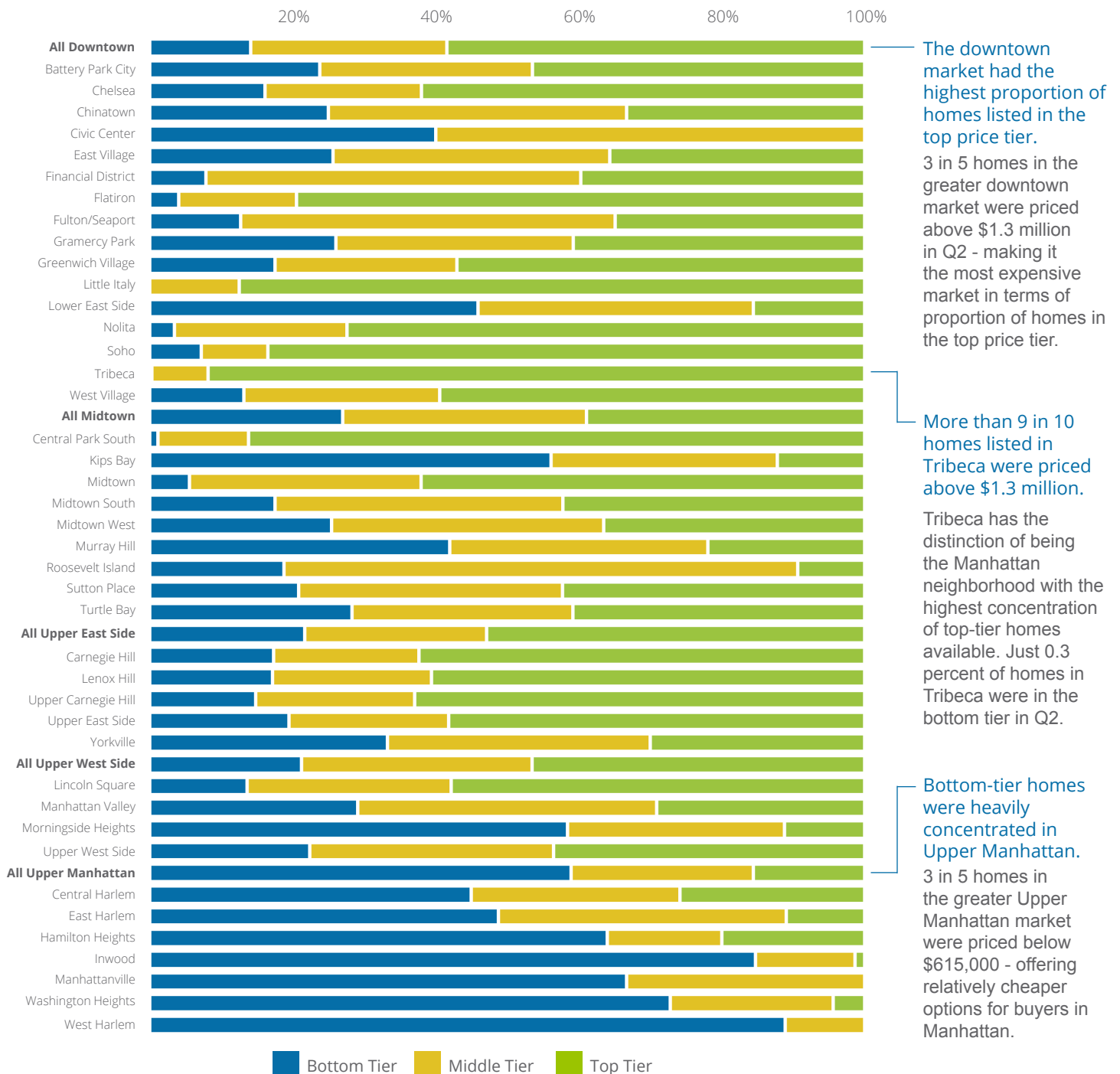
The number of days from the original listing on StreetEasy to when it enters contract. After a buyer enters contract on a unit, it is pulled from the market and is no longer available to other buyers - creating a logical end point to "days on market."



Inventory

Share of inventory priced in the bottom tier continues to shrink, highly-concentrated in Upper Manhattan neighborhoods.

Neighborhood Inventory by Price Tier



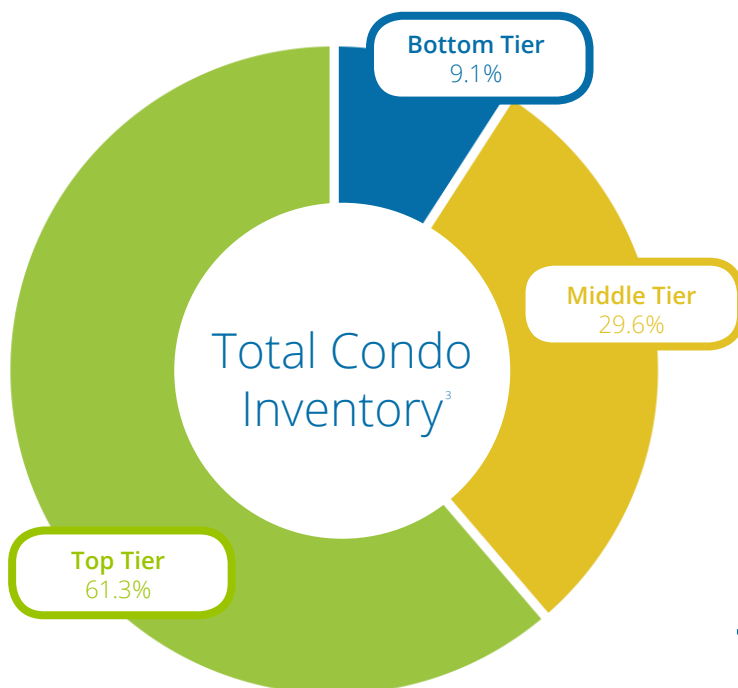
Condos

Inventory¹	Q2 2014	Q1 2014	Q2 2013
Total Condo Units Available	5,603	5,069 6.5%	5,678 -1.3%
Bottom Tier	9.1%	8.7%	7.1%
Middle Tier	29.6%	28.2%	23.0%
Top Tier	61.3%	63.1%	69.9%
Median Asking Price	\$1,700,000	\$1,665,000 2.1%	\$1,492,500 13.9%
Median Asking Price per sq. ft.	\$1,542	\$1,517 1.6%	\$1,353 14.0%
Recorded Sales²			
Total Sales	1,503	1,381 8.8%	1,872 -19.7%
Median Sale Price	\$1,300,000	\$1,330,000 -2.3%	\$1,180,000 10.2%
Pending Sales			
Total Pending Sales	1,391	1,156 20.3%	1,694 -17.9%
Median Days on Market	49	63	56

¹ Inventory, sales, and pending sales data includes only condo listings.

² Sales data is based on sale transactions recorded by the New York City Department of Finance as of July 17, 2014. This may not represent all condo sale transactions for Q2 2014.

Q2 Condo Market



More than 3 in 5 condos listed for sale in Q2 were priced above \$1.3 million.

The number of available condos increased by 10.5 percent between the first and second quarters, but the vast majority of units (61.3 percent) were priced in the top tier. The median time on market for condos fell to just 49 days - the shortest period ever recorded by StreetEasy.

49 days
median time on market

\$1.3 million
median sale price

³ Price tier shares are based on total number of condo units available during Q2 2014. Bottom tier is comprised of units priced up to \$621,000; middle tier are units priced between \$621,000 and \$1.3 million; top tier is units priced above \$1.3 million.

Co-ops

Inventory¹	Q2 2014	Q1 2014	Q2 2013
Total Co-op Units Available	5,607	5,100 9.9%	6,564 -14.6%
Bottom Tier	40.1%	41.7%	25.1%
Middle Tier	30.7%	29.6%	16.8%
Top Tier	29.2%	28.8%	58.2%
Median Asking Price	\$735,000	\$700,000 5.0%	\$698,250 5.3%
Median Asking Price per sq. ft.	\$857	\$847 1.2%	\$821 4.4%
Recorded Sales²			
Total Sales	2,002	1,832 9.3%	2,430 -17.6%
Median Sale Price	\$675,000	\$670,000 0.7%	\$625,000 8.0%
Pending Sales			
Total Pending Sales	2,068	1,721 20.2%	2,454 -15.7%
Median Days on Market	49	70	63

¹ Inventory, sales, and pending sales data includes only co-op listings.

² Sales data is based on sale transactions recorded by the New York City Department of Finance as of July 17, 2014. This may not represent all co-op sale transactions for Q2 2014.

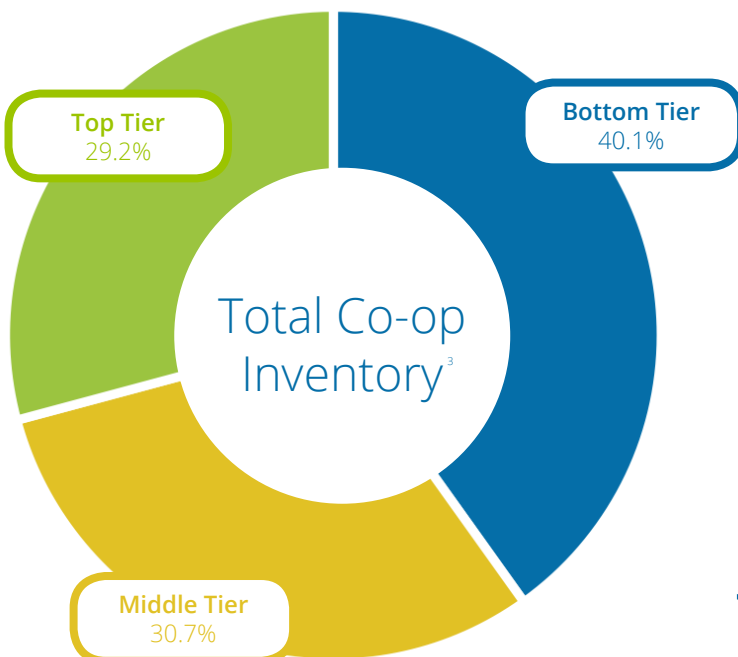
Q2 Co-op Market

A greater share of co-op units are priced under \$621,000 than any other segment in the market.

Roughly 2 in 5 co-op units listed for sale during Q2 were priced in the bottom tier, making it the largest and least expensive segment in the Manhattan real estate market. The median time on market for co-ops fell from 70 days in Q1 to 49 days in Q2.

49 days
median time on market

\$675 thousand
median sale price



³ Price tier shares are based on total number of condo units available during Q2 2014. Bottom tier is comprised of units priced up to \$621,000; middle tier are units priced between \$621,000 and \$1.3 million; top tier is units priced above \$1.3 million.

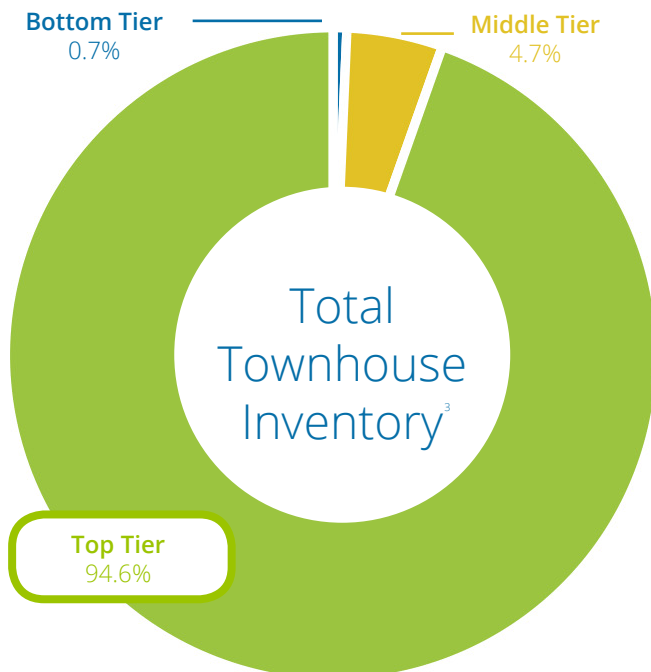
Townhouses

Inventory¹	Q2 2014	Q1 2014	Q2 2013
Total Townhouse Units Available	435	373 16.6%	399 9.0%
Bottom Tier	0.7%	0.8%	1.8%
Middle Tier	4.7%	3.9%	5.0%
Top Tier	94.6%	95.3%	93.1%
Median Asking Price	\$7,900,000	\$7,750,000 1.9%	\$6,950,000 13.7%
Median Asking Price per sq. ft.	\$1,515	\$1,549 -2.2%	\$1,427 6.2%
Recorded Sales²			
Total Sales	21	31 -32.3%	29 -27.6%
Median Sale Price	\$5,980,000	\$7,500,000 -20.3%	\$4,750,000 25.9%
Pending Sales			
Total Pending Sales	57	38 50.0%	55 3.6%
Median Days on Market	49	112	105

¹ Inventory, sales, and pending sales data includes only townhouse listings.

² Sales data is based on sale transactions recorded by the New York City Department of Finance as of July 17, 2014. This may not represent all townhouse sale transactions for Q2 2014.

Q2 Townhouse Market



Nearly all - 94.6 percent - of townhouses listed for sale were priced above \$1.3 million.

The number of available townhouses increased by 16.6 percent between the first and second quarters, and they remain the smallest and most expensive segment of the Manhattan real estate market. The median time on market for townhouses fell dramatically from 112 days in Q1 to just 49 days in Q2.

49 days
median time on market

\$6.0 million
median sale price

³ Price tier shares are based on total number of townhouse units available during Q2 2014. Bottom tier is comprised of units priced up to \$621,000; middle tier are units priced between \$621,000 and \$1.3 million; top tier is units priced above \$1.3 million.

Neighborhood Summary

	Sales Data				Listings Data									
	Total Sales	YoY Change	Median Sale Price	YoY Change	Total Inventory	YoY Change	Median Listing Price	YoY Change	% Bottom Tier	% Middle Tier	% Top Tier	Median Days on Market	YoY Change	
All Downtown	1062	-22.4%	\$1,114,817	17.3%	3,549	-6.1%	\$1,650,000	17.9%	14.1%	27.4%	58.4%	49	0.0%	
Battery Park City	49	-50.5%	\$925,000	21.9%	155	-25.5%	\$1,100,000	27.4%	23.8%	29.7%	46.5%	56	-11.1%	
Chelsea	173	-34.5%	\$1,475,000	48.6%	425	-21.6%	\$1,775,000	12.7%	16.1%	21.9%	62.0%	49	0.0%	
Chinatown	6	-66.7%	\$610,000	27.7%	11	-68.6%	\$795,000	-9.7%	25.0%	41.7%	33.3%	28	-66.7%	
Civic Center	6	100.0%	\$526,000	-23.2%	15	-6.3%	\$700,000	15.4%	40.0%	60.0%	0.0%	189	50.0%	
East Village	109	17.2%	\$992,793	32.4%	166	-28.4%	\$937,500	17.6%	25.6%	38.7%	35.7%	42	-14.3%	
Financial District	131	-9.7%	\$957,155	10.0%	488	-20.8%	\$1,220,500	3.1%	7.9%	52.4%	39.7%	70	-9.1%	
Flatiron	105	0.0%	\$1,615,000	64.8%	249	-29.5%	\$2,490,000	13.2%	4.0%	16.5%	79.5%	42	20.0%	
Fulton/Seaport	34	-2.9%	\$907,500	27.4%	60	-41.7%	\$1,105,000	38.3%	12.7%	52.4%	34.9%	56	0.0%	
Gramercy Park	86	-9.5%	\$721,000	-5.9%	211	-21.9%	\$995,000	17.1%	26.0%	33.2%	40.8%	42	-14.3%	
Greenwich Village	132	-24.1%	\$1,092,500	19.6%	344	-13.1%	\$1,650,000	52.1%	17.5%	25.4%	57.0%	35	-37.5%	
Little Italy	3	-62.5%	\$1,575,000	102.7%	6	-75.0%	\$3,645,000	19.0%	0.0%	12.5%	87.5%	133	18.8%	
Lower East Side	51	-26.1%	\$575,000	8.5%	97	-36.2%	\$659,000	-2.4%	45.9%	38.5%	15.6%	42	-14.3%	
Nolita	-	-	-	-	18	125.0%	\$2,224,500	13.6%	3.4%	24.1%	72.4%	77	-42.1%	
Soho	41	-25.5%	\$3,100,000	17.9%	256	21.3%	\$2,850,000	5.8%	7.2%	9.3%	83.5%	56	0.0%	
Tribeca	77	-44.2%	\$2,375,000	-14.1%	298	-17.5%	\$3,500,000	-6.1%	0.3%	7.9%	91.8%	42	0.0%	
West Village	90	-8.2%	\$1,077,500	1.9%	238	-33.3%	\$2,075,000	18.6%	13.2%	27.4%	59.5%	49	0.0%	
All Midtown	726	-15.9%	\$770,000	-4.9%	2,540	-10.3%	\$995,000	11.2%	27.0%	34.1%	38.9%	56	-20.0%	
Central Park South	30	0.0%	\$2,325,000	87.0%	75	-21.1%	\$2,750,000	-5.2%	1.1%	12.6%	86.2%	63	0.0%	
Kips Bay	67	4.7%	\$580,000	13.2%	151	-29.8%	\$595,000	-0.7%	56.1%	31.6%	12.2%	49	-22.2%	
Midtown	99	-10.0%	\$1,490,000	31.0%	312	-27.3%	\$1,855,000	34.4%	5.5%	32.4%	62.0%	56	-33.3%	
Midtown South	38	-7.3%	\$692,500	-51.4%	134	-18.3%	\$1,197,500	0.9%	17.5%	40.3%	42.2%	56	-33.3%	
Midtown West	129	-19.4%	\$778,961	-8.5%	353	-16.9%	\$1,049,000	18.0%	25.4%	38.1%	36.5%	42	-25.0%	
Murray Hill	130	-22.2%	\$572,500	-11.9%	329	-35.5%	\$735,000	17.6%	42.0%	36.1%	22.0%	63	-10.0%	
Roosevelt Island	5	-37.5%	\$790,000	11.7%	24	20.0%	\$745,000	-5.9%	18.8%	71.9%	9.4%	35	25.0%	
Sutton Place	79	-15.1%	\$908,750	7.9%	289	-14.7%	\$1,100,000	4.8%	20.8%	36.9%	42.3%	77	-21.4%	
Turtle Bay	115	-25.3%	\$760,000	-9.8%	379	-23.3%	\$920,000	11.5%	28.3%	30.9%	40.8%	56	-33.3%	
All Upper East Side	763	-21.5%	\$950,000	2.7%	2,498	-10.3%	\$1,399,500	19.8%	21.7%	25.5%	52.9%	56	-20.0%	
Carnegie Hill	93	-21.2%	\$1,550,000	6.9%	231	-34.0%	\$1,995,000	41.2%	17.3%	20.3%	62.4%	56	-27.3%	
Lenox Hill	211	-23.8%	\$1,300,000	11.6%	724	-10.3%	\$1,950,000	30.1%	17.2%	22.2%	60.6%	70	-9.1%	
Upper Carnegie Hill	8	-76.5%	\$2,302,377	34.4%	26	-58.1%	\$2,185,000	31.5%	14.8%	22.2%	63.0%	56	-57.9%	
Upper East Side	247	-11.8%	\$999,000	10.9%	650	-26.5%	\$1,695,000	25.6%	19.5%	22.3%	58.2%	56	-20.0%	
Yorkville	203	-22.8%	\$650,000	0.0%	482	-29.2%	\$865,000	23.7%	33.2%	36.8%	30.0%	56	-20.0%	
All Upper West Side	646	-11.5%	\$962,287	6.9%	2,000	-9.5%	\$1,249,000	13.5%	21.2%	32.2%	46.5%	49	0.0%	
Lincoln Square	221	-15.0%	\$1,080,000	13.7%	637	-16.0%	\$1,600,000	18.5%	13.6%	28.6%	57.8%	56	14.3%	
Manhattan Valley	24	-27.3%	\$549,750	14.5%	92	10.8%	\$832,500	34.3%	29.1%	41.8%	29.1%	42	0.0%	
Morningside Heights	30	-23.1%	\$512,000	-6.9%	70	-34.6%	\$534,500	-1.9%	58.4%	30.3%	11.2%	63	0.0%	
Upper West Side	371	-6.8%	\$1,050,000	9.7%	900	-29.1%	\$1,172,500	6.6%	22.4%	34.1%	43.5%	42	-14.3%	
All Upper Manhattan	323	-17.0%	\$453,150	2.8%	1,006	1.0%	\$530,000	-36.5%	58.9%	25.5%	15.6%	49	-46.2%	
Central Harlem	159	57.4%	\$528,000	0.6%	350	-18.2%	\$692,000	15.3%	45.0%	29.2%	25.8%	49	-30.0%	
East Harlem	18	-86.0%	\$673,988	38.2%	80	-15.8%	\$644,500	3.1%	48.8%	40.2%	11.0%	119	-29.2%	
Hamilton Heights	32	0.0%	\$367,500	-4.5%	99	-4.8%	\$459,000	-11.3%	64.0%	16.0%	20.0%	49	-46.2%	
Inwood	28	21.7%	\$299,500	10.9%	57	-44.7%	\$360,000	20.0%	84.7%	13.9%	1.4%	56	-33.3%	
Manhattanville	-	-	-	-	3	50.0%	\$575,000	2.3%	66.7%	33.3%	0.0%	105	-	
Washington Heights	81	-9.0%	\$450,000	28.9%	227	-11.0%	\$450,000	23.3%	72.8%	22.8%	4.4%	49	-36.4%	
West Harlem	4	-69.2%	\$173,640	33.6%	7	-22.2%	\$225,000	-5.9%	88.9%	11.1%	0.0%	98	-26.3%	

Glossary

StreetEasy Condo Price Index

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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 what next month's condo prices will be before the release of publicly recorded sales data.

Price Tiers

Home 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 homes that are being sold. The top tier corresponds with the most expensive listings.

Inventory

Quarterly inventory is the sum of all units that were available on StreetEasy at any point during the quarter. For example, if a unit was originally listed in February (Q1) and sold in May (Q2), it would be included in the inventory number for both quarters. This approach allows us to analyze what was available to buyers in a given quarter - instead of at a specific moment or cut-off.

Days on Market

The number of days from the original listing on StreetEasy to when it enters contract. After a buyer enters 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." Measuring days on market by the number of days from the original listing to the recorded closing date may be skewed by lengthy closing periods during which the unit is not technically on the market.

Pending Sales

The number of units that entered contract during the quarter.

Median Sale Price

The exact middle sale price among all recorded sale prices of units that closed during the quarter. In general, median values are more accurate than average values which may be skewed by price outliers (a few sales that are extremely expensive or extremely inexpensive). In order to consider only arms-length transactions, we do not include sale prices lower than \$10,000 in this calculation.

Median Asking Price

The exact middle asking price among all asking prices of listed units during the quarter.

About StreetEasy

Launched in 2006 and acquired by Zillow, Inc. in August 2013, StreetEasy is New York City's leading real estate resource, 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.