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The inventory squeeze

Some neighborhoods have apartment shortages that are making the downturn seem like a distant memory

By Candace Taylor

There are still plenty of unsold new construction condos in New York City, especially in areas like Midtown, the Financial District and Williamsburg. But brokers say that months of busy sales activity (combined with some sellers taking their units off the market) is creating a shortage of inventory in some hot spots. Indeed, Miller Samuel's fourth-quarter market report found that Manhattan inventory was down 18 percent from the previous quarter and almost 25 percent over the fourth quarter of 2008. In some neighborhoods, buyers are increasingly frustrated because they can't find the type of apartment -- often resale condos or prewar co-ops -- they want. As a result, the competition for those apartments, when they do come on the market, can make the downturn seem like a distant memory. This month, *The Real Deal* asked brokers to identify the types of Manhattan apartments facing the worst shortages.

Upper West Side

Two- and three-bedroom apartments for under \$1.5 million are scarce here. "There's a large pool of buyers now that are searching for the same thing," said Frederick Wohlfarth, president of brokerage Wohlfarth & Associates. "We have a real product shortage here."

Central Park West and Park Avenue

Large prewar apartments on the exclusive stretches of Central Park West and Park Avenue are always hard to find, but they are especially scarce now. "I have several customers looking for five- or six-bedrooms in a full-service building who don't want postwar," said Louise Phillips Forbes, an executive vice president at Halstead Property.

East and West Village/Soho

One-bedroom condos priced between \$400,000 and \$650,000 are in short supply here, brokers say. "Very few junior ones or one-bedrooms have come to market in the past few months in the West Village, East Village or Soho," said Kathryn Swift, a sales associate at Barak Realty, who has been working with a client for months to find one priced at \$400,000. "When they do, they are snapped up immediately."



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