

Mail Stop 4561

August 8, 2006

Mr. Gary M. Beasley  
President and Chief Financial Officer  
ZipRealty, Inc.  
2000 Powell Street, Suite 300  
Emeryville, CA 94608

**Re: ZipRealty, Inc.  
Form 10-K for the year ended December 31, 2005  
Filed March 16, 2006  
File No. 000-51002**

Dear Mr. Beasley:

We have reviewed your filing and have the following comment. We have limited our review to only your financial statements and related disclosures and will make no further review of your documents. In our comment, we ask you to provide us with information so we may better understand your disclosure. Please be as detailed as necessary in your explanation. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings. We look forward to working with you in these respects. We welcome any questions you may have about our comment or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for the year ended December 31, 2005

Note 1. The Company and Summary of Significant Accounting Policies, pages 59 – 66

Software and Website Development Costs, page 64

1. We note from your disclosure that costs incurred in the operating stage are capitalized or expensed depending on the nature of the cost. Please tell us what costs incurred in the operating stage are capitalized and describe your accounting basis for doing so. Reference is made to SOP 98-1.

Please respond to this comment within 10 business days or tell us when you will provide us with a response. Please file your response on EDGAR. Please understand that we may have additional comments after reviewing your response to our comment.

Mr. Gary M. Beasley  
ZipRealty, Inc.  
August 8, 2006  
Page 2

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings to be certain that the filings include all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comment, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filings; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filings or in response to our comments on your filings.

You may contact Matthew Maulbeck, Staff Accountant, at (202) 551-3466 or the undersigned at (202) 551-3403 if you have questions.

Sincerely,

Steven Jacobs  
Accounting Branch Chief