



CCRSI RELEASE – September 2024
(With data through August 2024)

NEW SUPPLY DELIVERIES SLOW IN THE FACE OF NEGATIVE ABSORPTION

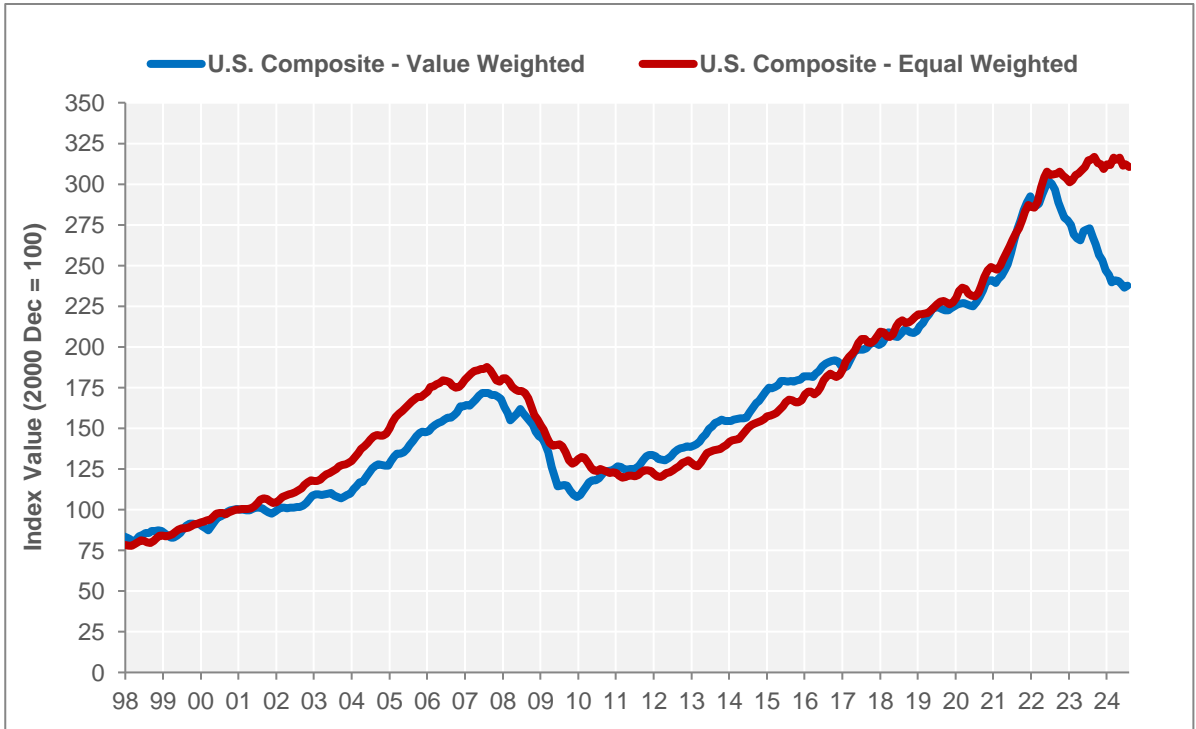
*THE MARKET SEES ITS SECOND CONSECUTIVE PROJECTED QUARTER OF
NEGATIVE TRAILING 12-MONTH ABSORPTION*

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through August 2024. Based on 1,315 repeat sale pairs in August 2024 and more than 311,199 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

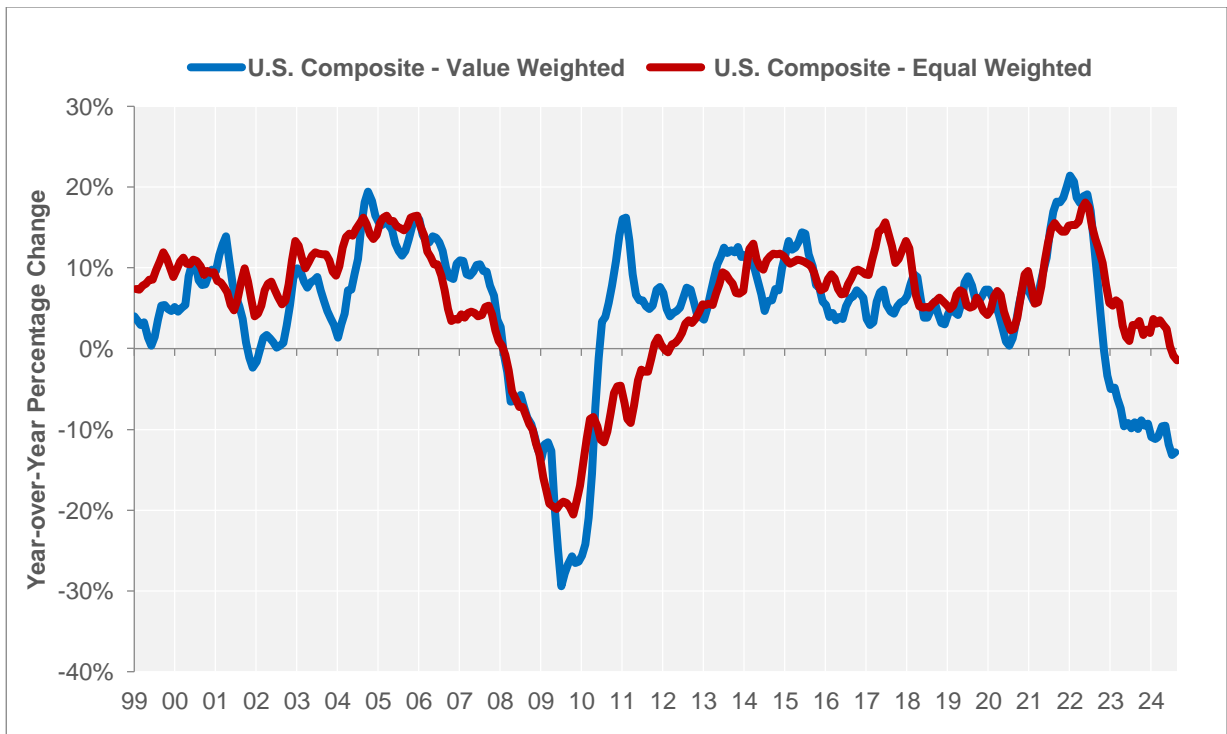
CCRSI National Results Highlights

- **U.S. COMPOSITE PRICE INDICES DIVERGED IN AUGUST 2024.** The value-weighted U.S. Composite Index, more heavily influenced by high-value trades common in core markets, increased 0.6% over the prior month to 238. August's performance marked the second positive month-over-month gain out of the last 12 months, sending its year-over-year price change down 12.9% since August 2023 and its total price change 20.8% lower than the all-time high in August 2022.
- Meanwhile, the equal-weighted U.S. composite index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, fell 0.5% over the prior month to 310 in August 2024. This index sank 1.5% in the 12 months ending in August 2024, slightly better than the 2% loss experienced since the all-time high in September 2023.
- The equal-weighted index was slower to respond to the Federal Reserve's interest rate increases beginning in March 2022. The current month, August 2024, represents its second consecutive year-over-year price decline, while the value-weighted index has been in negative territory since November 2022.

U.S. Composite Indices: Equal- and Value-Weighted, Data Through August 2024

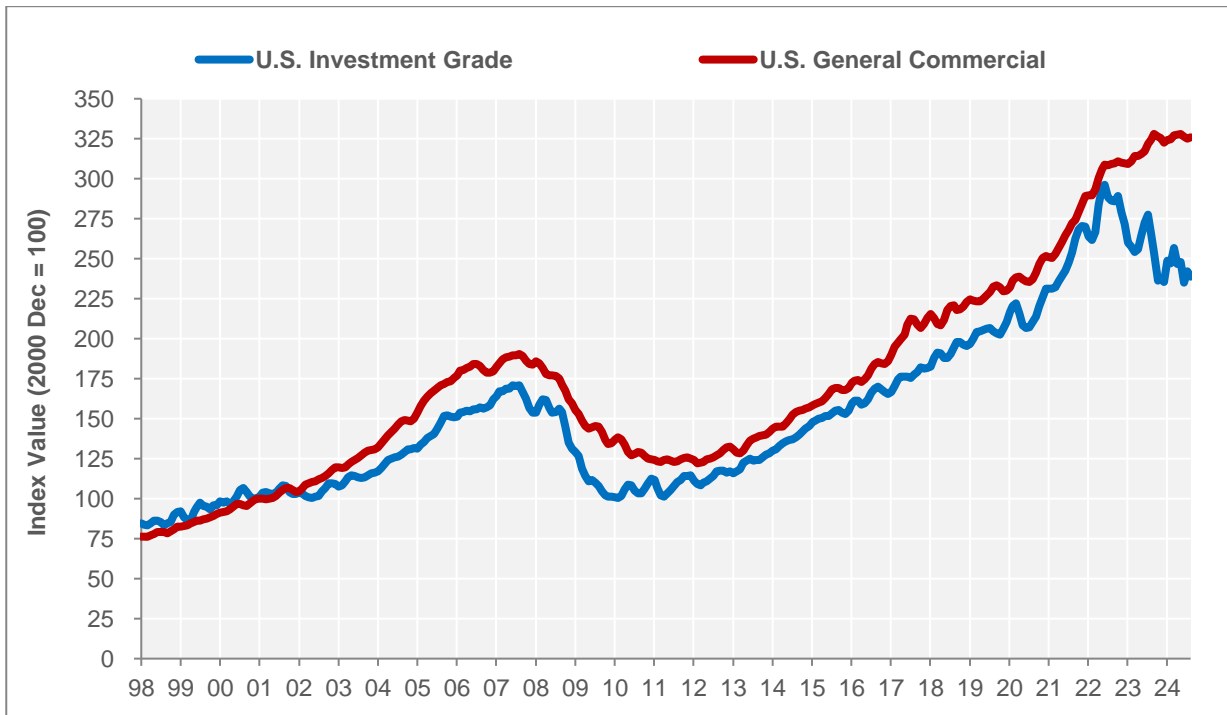


U.S. Composite Indices: YoY Percent Change, Data Through August 2024



- **PRICING WEAKNESS REMAINS CONCENTRATED AMONG LARGE ASSETS.** As of August 2024, the investment-grade index lost 19.4% of its value since its all-time high in June 2022. Comparatively, the general commercial sub-index shed 0.6% of its value since its all-time high in September 2023.
- The investment grade sub-index, more heavily influenced by higher-value assets, gave back 1.4% of value over the prior month in August 2024, continuing the trend of one month of gains followed by one month of losses. This choppy price action has existed since the third quarter of 2023.
- However, the general commercial sub-index, more heavily influenced by smaller, lower-priced assets, gained 0.3% in August 2024. Year-over-year price gains have been slowing in this sub-index, falling to 0.4% and below 1% for the first time since May 2012.

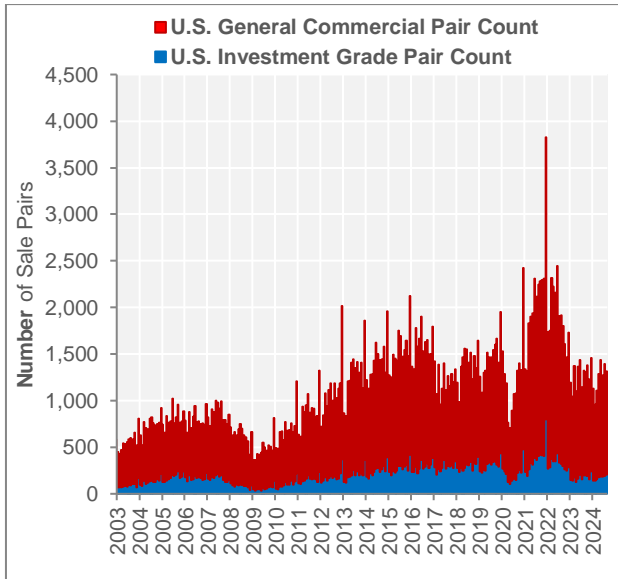
U.S. Equal-Weighted Indices by Market Segment, Data Through August 2024



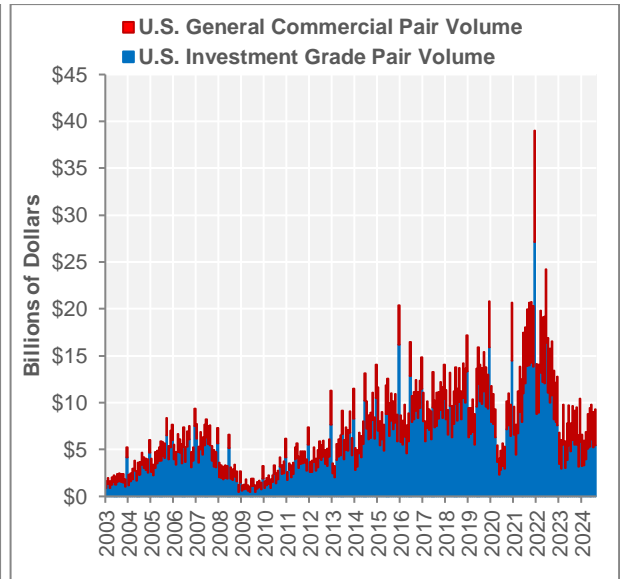
- **TRANSACTION VOLUME SHOWED SIGNS OF A BOTTOMING PROCESS.** Compared to August 2023, repeat sales counts and volume dipped in August 2024 but showed signs of stability. The number of repeat trades declined 0.4% to 1,315 sales, and total consideration fell 3.1% to \$9.3 billion in August 2024. When pitted against July 2024, the count of repeat sales closing in August 2024 fell 5.7% while total consideration rose 3.2%, signifying fewer but larger deals transacting.

- Composite pair volume of \$101 billion during the 12 months ending in August 2024 was 14.3% lower than the 12 months ending August 2023. The decrease in volume was more prominent in the investment grade segment, which slowed 16.9% over the 12 months ending August 2024 compared to the same period ending in August 2023. The investment grade segment accounted for 58.6% of the transaction volume in the last 12 months. The general commercial segment, which accounted for about 41.4% of the 12-month transaction volume, slid 10.6% over the 12 months ending in August 2024.

U.S. Pair Count, Data Through August 2024

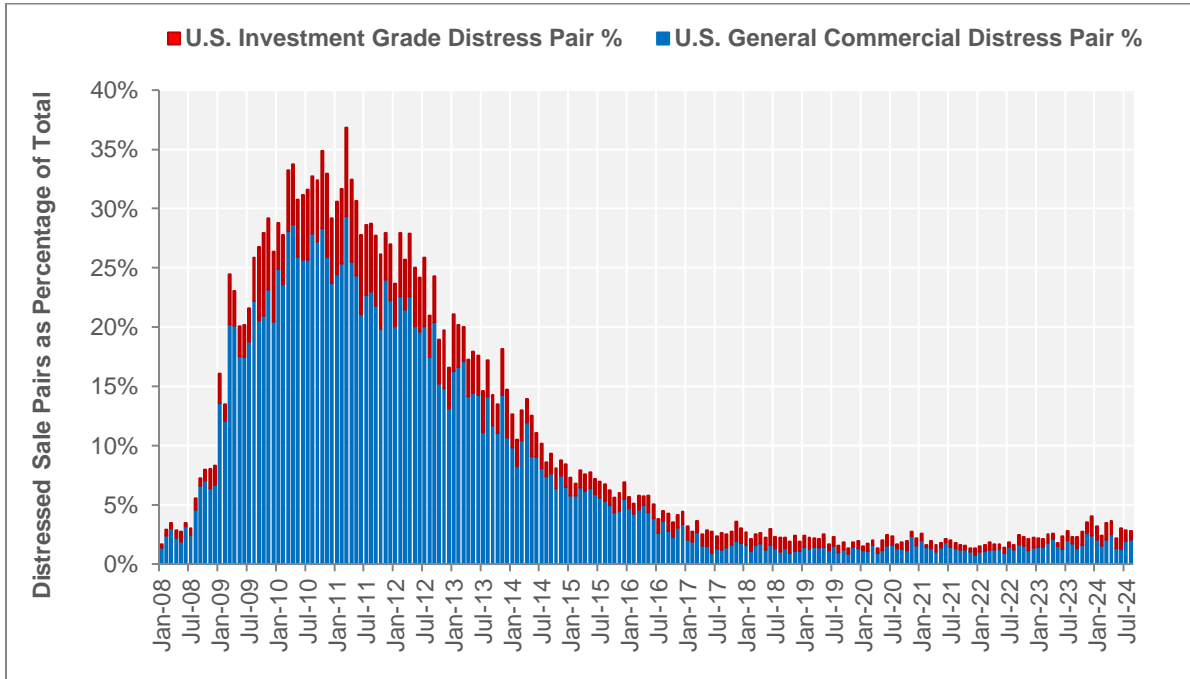


U.S. Pair Volume, Data Through August 2024



- DISTRESSED REPEAT SALES REMAIN QUIET.** A combined 37 of the 1,315 repeat sales in August 2024, or about 2.8%, were distressed. General commercial accounted for 27 of the distressed trades in August 2024, or 2.4% of general commercial repeat sales. Ten investment-grade distressed sales were recorded in the month, accounting for 4.8% of investment-grade repeat sales.

U.S. Distress Sale Pairs Percentage, Data Through August 2024



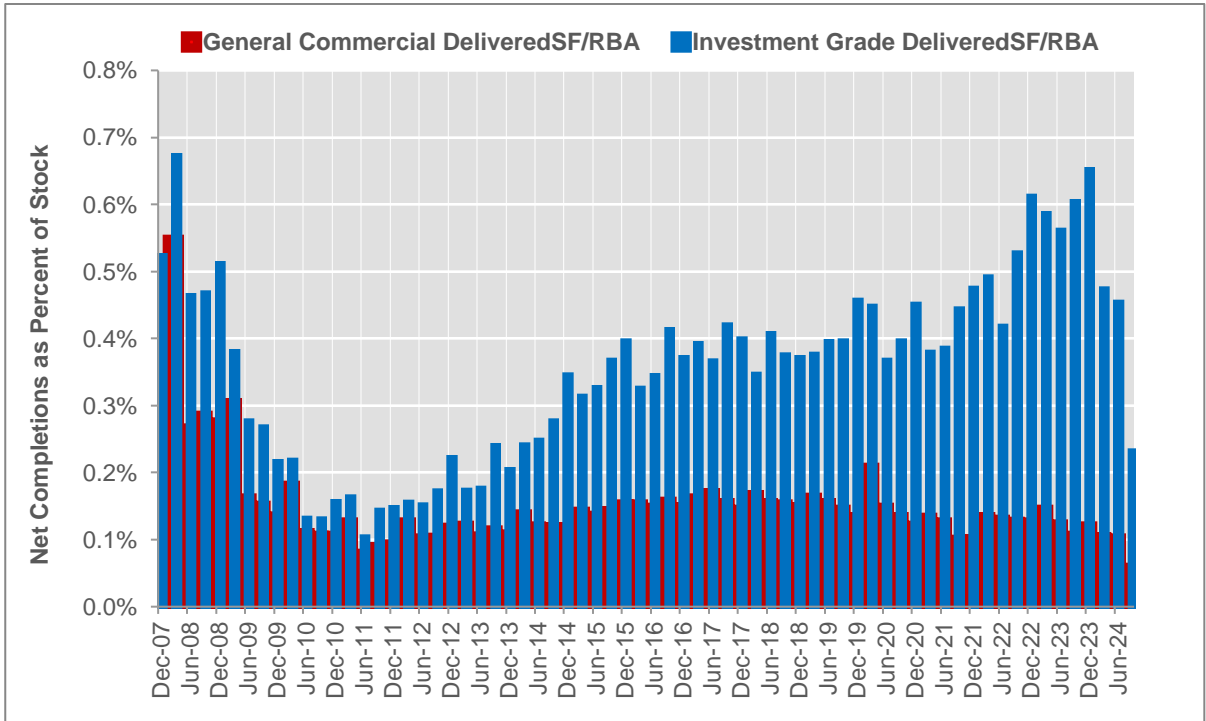
NEW DELIVERIES SLOWED 37% FROM THE LAST HIGHS SEEN IN THE FOURTH QUARTER OF 2023. Deliveries across the three major property types—office, industrial, and retail—are projected to reach 735.5 million SF in the 12 months ending in September 2024, down 22.2% from the same period in 2023. Almost 90% of the space delivered, or 649.9 million SF, was of investment grade assets, a decline of 21.9% over the 12 months ended August 2023. Only 85.5 million SF of general commercial properties were delivered in the 12-month period ending August 2024, a fall of 24.9% over the prior 12-month period. This marked the fourth consecutive quarter that general commercial deliveries fell.

As a percentage of total stock, total deliveries were 0.2% of total inventory in the quarter that ended in August 2024, with investment-grade deliveries of 0.2% of stock and general commercial of less than 0.1% of inventory.

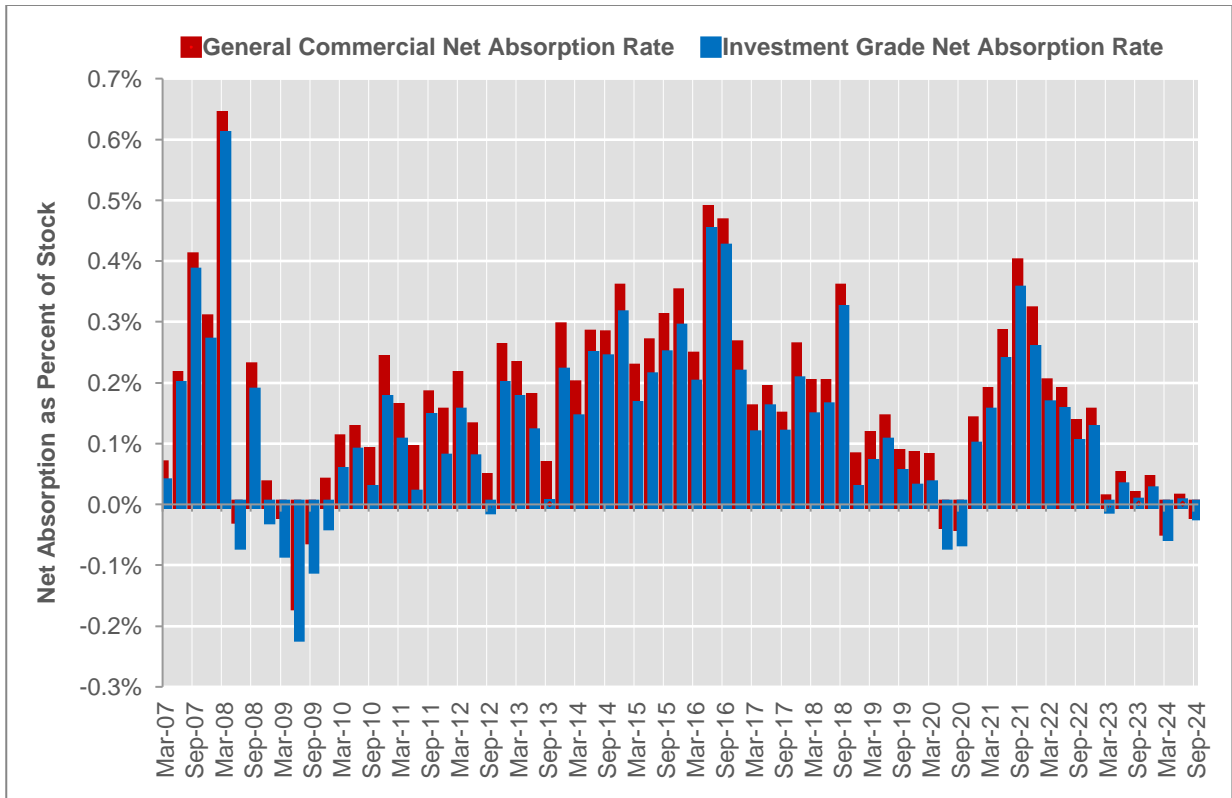
DEMAND FELL OVER THE YEAR. Negative net absorption is projected to give back 13.2 million SF in the 12 months ending August 2024. Both investment grade and general commercial segments are projected to end the third quarter of 2024 with negative 12-month absorption of 10.9 million SF and 2.3 million SF, respectively.

Negative net absorption as a percentage of stock was below 0.1% in the quarter ending September 2024. Both investment grade and general commercial segments experienced negative net absorption of 0.02% of their respective inventories.

Market Fundamentals, Data Through September 2024



Market Fundamentals, Data Through September 2024



Monthly CCRSI Results, Data Through August 2024

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	0.6%	-1.1%	-12.9%	120.3% ¹
Equal-Weighted U.S. Composite Index	-0.5%	-1.8%	-1.5%	159.6% ²
U.S. Investment-Grade Index	-1.4%	-3.7%	-9.9%	138.1% ³
U.S. General Commercial Index	0.3%	-0.6%	0.4%	165.6% ⁴

¹ Trough Date: January 2010 ² Trough Date: March 2011 ³ Trough Date: February 2010 ⁴ Trough Date: July 2011

Market Fundamentals Data Through September 2024

Annual Net Absorption (in millions of square feet)

	2021Q3	2022Q3	2023Q3	2024Q3
Aggregate	437.1	360.6	88.8	-13.2
Investment Grade	198.4	160.3	35.4	-10.9
General Commercial	238.7	200.3	53.4	-2.3

Note: Net Absorption is the change in occupied space, calculated based on three types of properties: office, retail, and industrial.

Annual Delivered (in millions of square feet)

	2021Q3	2022Q3	2023Q3	2024Q3
Aggregate	666.9	768.3	944.9	735.5
Investment Grade	559.9	657.6	831.9	649.9
General Commercial	107.0	110.7	112.9	85.5

Note: Delivered SF is calculated based on three types of properties: office, retail, and industrial.

About The CoStar Commercial Repeat-Sale Indices

The CoStar Commercial Repeat-Sale Indices (CCRSI) is the most comprehensive and accurate measure of commercial real estate prices in the United States. In addition to the national Composite Index (presented in equal-weighted and value-weighted versions), national Investment-Grade Index, and national General Commercial Index, which we report monthly, we report quarterly on 30 sub-indices in the CoStar index family. The sub-indices include breakdowns by property sector (office, industrial, retail, multifamily, hospitality, and land), by region of the country (Northeast, South, Midwest, and West), by transaction size and quality (general commercial, investment-grade), and by market size (composite index of the prime market areas in the country).

The CoStar indices are constructed using a repeat sales methodology, which is widely considered the most accurate measure of price changes for real estate. This methodology measures the movement in the prices of commercial properties by collecting data on actual transaction prices. A sales pair is created when a property is sold more than once. The prices from the first and second sales are then used to calculate the property's price movement. The aggregated price changes from all the sales pairs create a price index.

Available Monthly and Quarterly CCRSI Indices

National Composite CRE Price Index	National Indices by Property Type	Regional Indices	Regional Indices by Property Type	Prime Market Indices by Property Type
All Properties	Office	Northeast	Northeast: Office, Multifamily, Industrial, Retail	Office
General Commercial	Retail	Midwest	Midwest: Office, Multifamily, Industrial, Retail	Multifamily
Investment-Grade	Industrial	South	South: Office, Multifamily, Industrial, Retail	Industrial
	Multifamily	West	West: Office, Multifamily, Industrial, Retail	Retail
	Hospitality			
	Land			

Prime Office Markets

CBSA Listed Alphabetically
Boston
Los Angeles
New York
Orange County
San Francisco
Seattle
Washington, D.C.

Prime Industrial Markets

CBSA Listed Alphabetically
Atlanta
Chicago
Dallas
Houston
Los Angeles
Northern New Jersey
Riverside
Seattle

Prime Retail Markets

CBSA Listed Alphabetically
Boston
Los Angeles
New York
Orange County
San Diego
San Francisco
San Jose
Washington, D.C.

Prime Multifamily Markets

CBSA Listed Alphabetically
Boston
Chicago
Houston
Los Angeles
New York
Orange County
San Francisco
San Jose
Seattle
Washington, D.C.

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For more information about the CCRSI Indices, including the full accompanying data set and research methodology, legal notices, and disclaimer, please visit <http://costargroup.com/costar-news/ccrsi>.

ABOUT COSTAR GROUP, INC.

CoStar Group (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1986, CoStar Group conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of real estate information. CoStar is the global leader in commercial real estate information, analytics, and news, enabling clients to analyze, interpret and gain unmatched insight on property values, market conditions and availabilities. Apartments.com is the leading online marketplace for renters seeking great apartment homes, providing property managers and owners a proven platform for marketing their properties. LoopNet is the most heavily trafficked online commercial real estate marketplace with over twelve million monthly global unique visitors. STR provides premium data benchmarking, analytics, and marketplace insights for the global hospitality industry. Ten-X offers a leading platform for conducting commercial real estate online auctions and negotiated bids. Homes.com is the fastest growing online residential marketplace that connects agents, buyers, and sellers. OnTheMarket is a leading residential property portal in the United Kingdom. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. Business Immo is France's leading commercial real estate news service. Thomas Daily is Germany's largest online data pool in the real estate industry. Belbex is the premier source of commercial space available to let and for sale in Spain. CoStar Group's websites attracted over 183 million monthly average unique visitors in the second quarter of 2024. Headquartered in Washington, DC, CoStar Group maintains offices throughout the U.S., Europe, Canada, and Asia. From time to time, we plan to utilize our corporate website, www.CoStarGroup.com, as a channel of distribution for material company information. For more information, visit www.CoStarGroup.com.

This news release includes "forward-looking statements," including, without limitation, statements regarding CoStar's expectations, beliefs, intentions, or strategies regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that the trends represented or implied by the indices will not continue or produce the results suggested by such trends, including trends related to commercial real estate fundamentals, absorption, price growth, and tenant demand; the risk that net absorption will not be as expected for the 3- and 12-month periods ending September 2024; and the risk that deliveries across office, retail, and industrial properties will not be as projected. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include but are not limited to, those stated in CoStar's filings from time to time with the Securities and Exchange Commission, including in CoStar's Annual Report on Form 10-K for the year ended December 31, 2023, and Quarterly Report on Form 10-Q for the quarter ending June 30, 2024, which is filed with the SEC, including in the "Risk Factors" section of that filing, as well as CoStar's other filings with the SEC available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar on the date hereof. CoStar assumes no obligation to update or revise any forward-looking statements, whether due to new information, future events, or otherwise.