



CCRSI RELEASE – June 2025  
(With Data Through May 2025)

## **NEGATIVE NET ABSORPTION ACCELERATES IN SECOND QUARTER 2025**

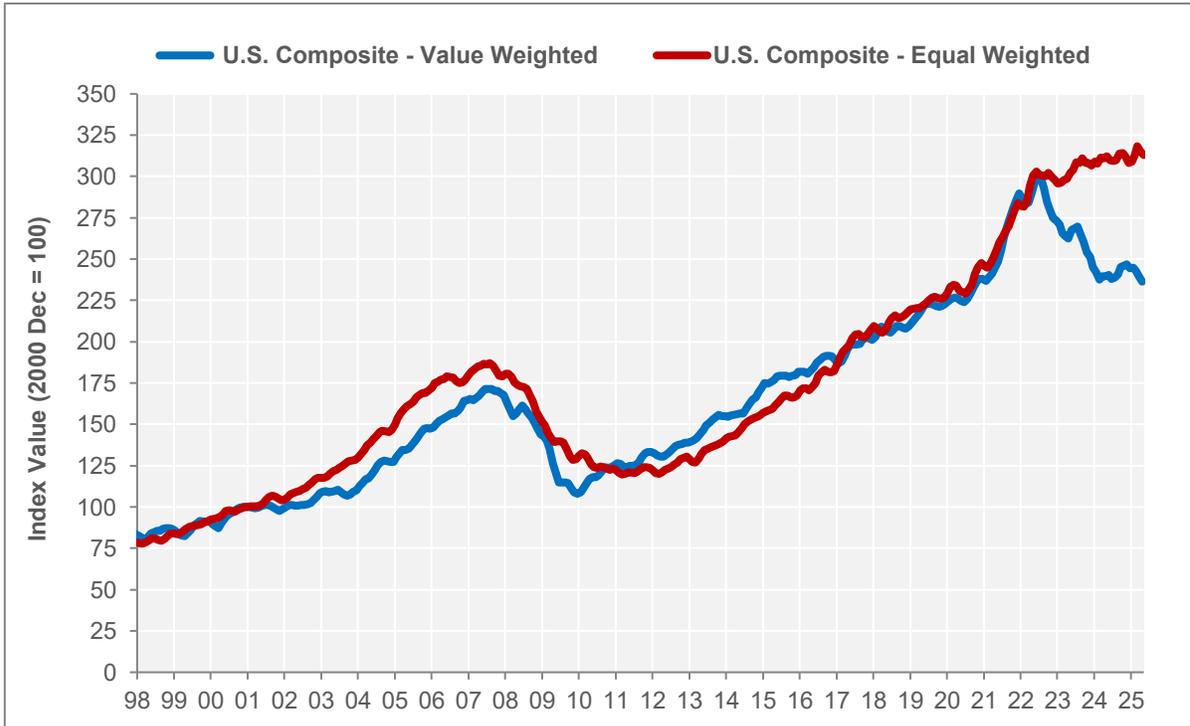
*THE MARKET GAVE BACK 83.9 MILLION SF SINCE THE START OF THE YEAR*

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through May 2025. Based on 1,491 repeat sale pairs in May 2025 and 325,761 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

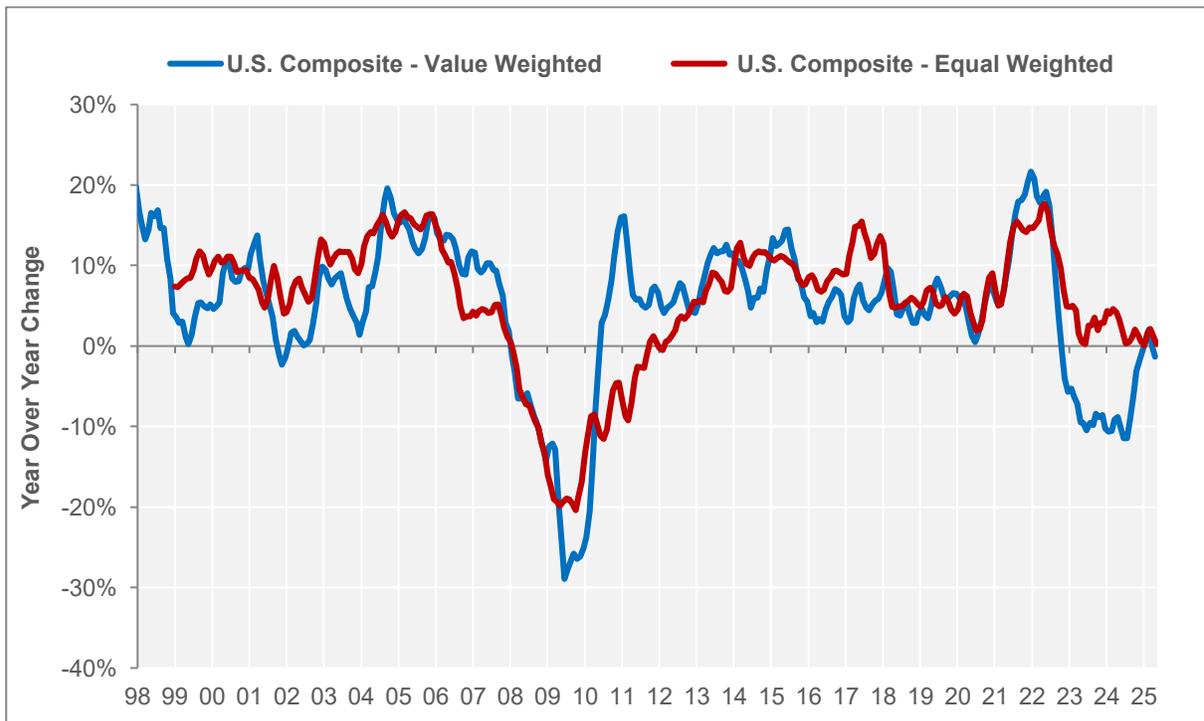
### **CCRSI National Results Highlights**

- U.S. COMPOSITE PRICE INDICES DECLINED IN MAY 2025. The value-weighted U.S. Composite Index, more heavily influenced by high-value trades common in core markets, declined for the third consecutive month to 236, a drop of 1.3% compared to the prior month. Measured against the 12 months ending in May 2024, the index was 1.4% lower and was off by 21.2% from the July 2022 all-time high.
- 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 0.6% during the month to 313 in May 2025. The index rose 0.3% in the 12 months ending in May 2025 and was 1.7% below the March 2025 all-time high.
- May 2025 marks the second consecutive month of weaker year-over-year value-weighted price trends after strengthening price momentum since the summer of 2024. The equal-weighted index on the other hand has shown more resilience, largely exhibiting the trend higher despite the recent negative month-over-month prints.

## U.S. Composite Indices: Equal- and Value-Weighted, Data Through May 2025

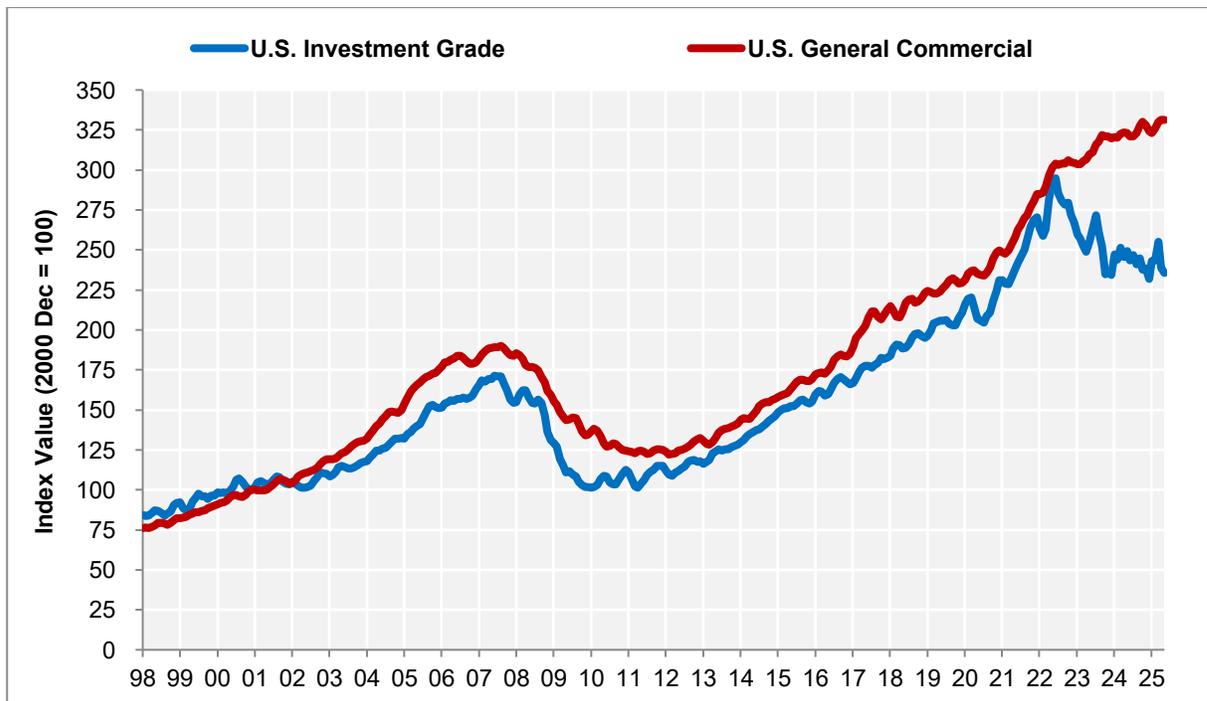


## U.S. Composite Indices: Equal- And Value-Weighted Year Over Year Change Data Through May 2025



- **EQUAL-WEIGHTED PRICE INDICES DIVERGED IN MAY 2025.** Property values of smaller repeat sales remained little changed while investment-grade values have whipsawed in recent months.
- The investment grade sub-index, more heavily influenced by higher-value assets, fell 1.4% in May 2025, after dropping 6.4% in April 2025 and rising 4.9% in March 2025. The index fell 5.5% over the 12-month period that ended in May 2025 and was 20.1% lower than the June 2022 all-time high.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, was flat in May 2025, marking the third of the last four months with less than a one percentage point price change compared to the prior month. This sub-index remains perched at the all-time high of 331 on the index, up 2.6% in the 12-month period ending in May 2025.

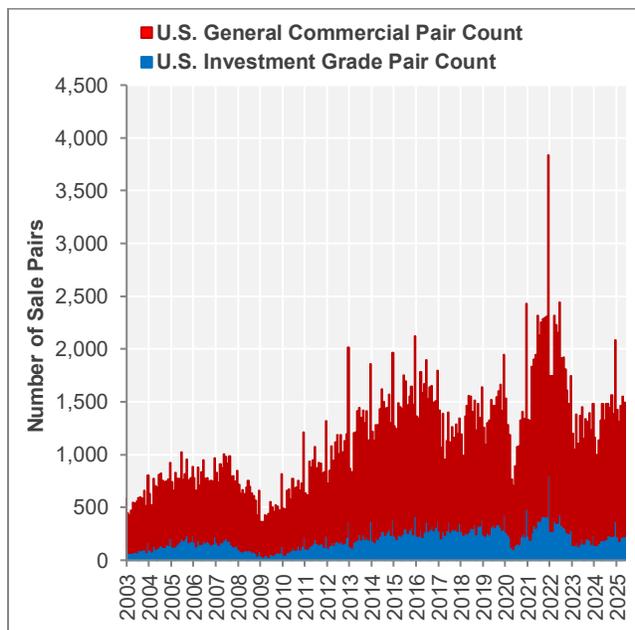
### U.S. Equal-Weighted Indices by Market Segment, Data Through May 2025



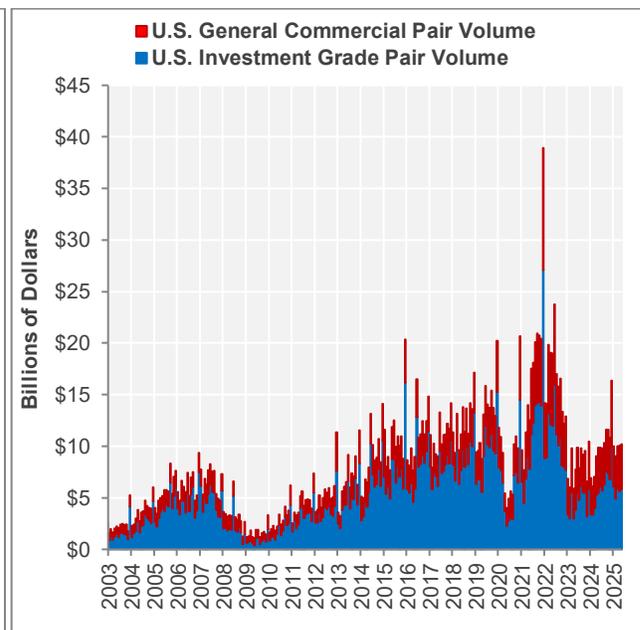
- **INVESTMENT GRADE TRANSACTION VOLUME ROSE IN MAY 2025.** Transaction activity climbed to \$10.2 billion in May 2025, a 1.2% increase from the prior month. Investment grade transaction volume led with a 3.8% increase in May 2025 to \$5.8 billion, while the general commercial segment fell 2.2% from the prior month to \$4.3 billion.

- Composite pair volume of \$129.5 billion during the 12 months ending in May 2025 was 26.8% higher than the 12-month period that ended in May 2024. As some institutional investors have picked up buying activity among their favored property types, the investment grade segment increased 34.7% over the 12 months that ended in May 2025 to \$78.1 billion, accounting for 57.4% of the overall annual transaction volume. The general commercial segment accounted for 42.6% of the 12-month transaction volume, rising 16.3% over the 12 months ending in May 2025 to \$51.5 billion.

**U.S. Pair Count, Data Through May 2025**

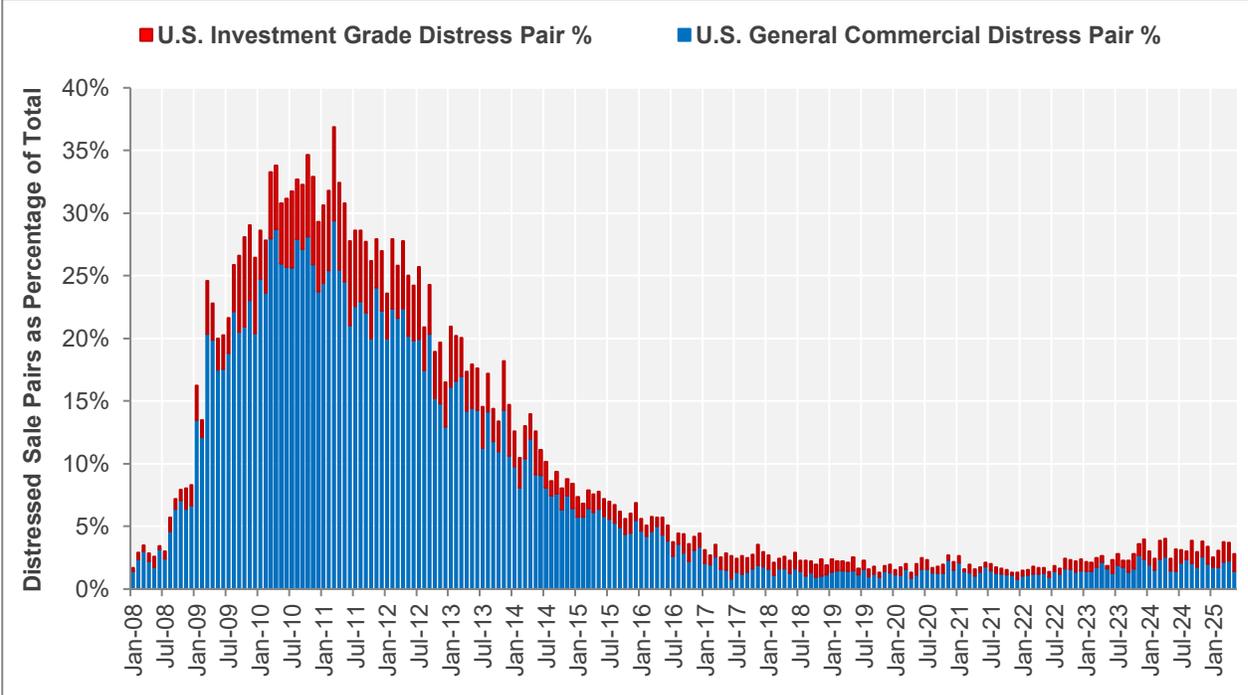


**U.S. Pair Volume, Data Through May 2025**



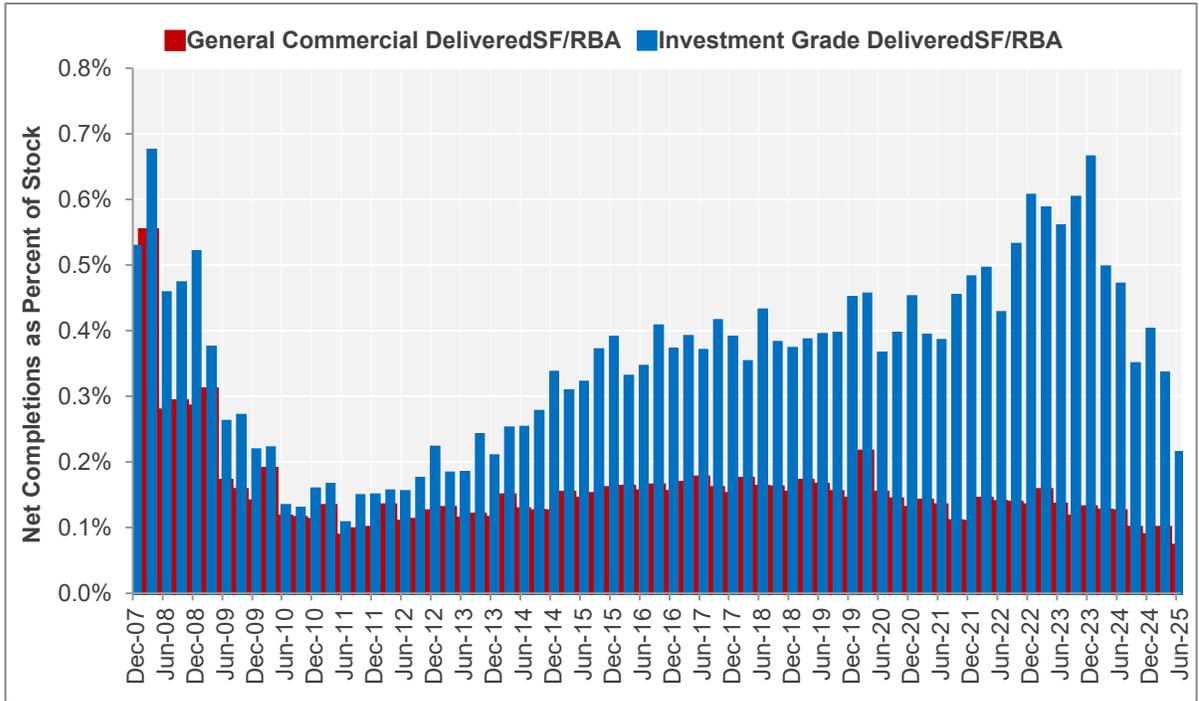
- **DISTRESSED REPEAT-SALE TRADES FELL IN MAY 2025.** Approximately 42 of the 1,491 repeat-sales trades in May 2025, or 2.8%, were distressed sales. 21 general commercial distressed sales tallied 1.7% of all general commercial repeat sales in May 2025. There were also 21 distressed investment grades repeat sales recorded in the month, accounting for 9.2% of all investment grades repeat sales.

## U.S. Distress Sale Pairs Percentage, Data Through May 2025



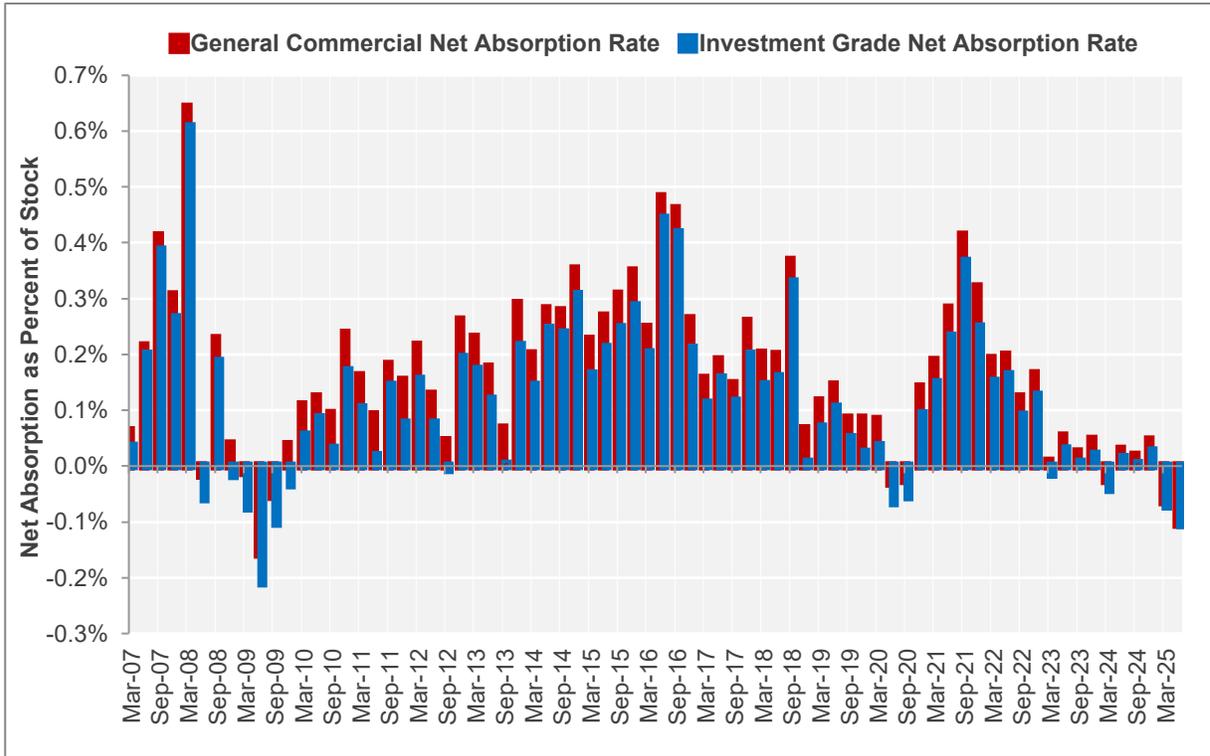
- **SECOND QUARTER DELIVERIES SLOWED TO LEVELS LAST SEEN IN 2013.** Deliveries across the three major property types — office, retail, and industrial — are projected to reach 92 million SF in the second quarter of 2025, the lowest level since the fourth quarter of 2013 and 35.6% below the first quarter of 2025.
- In the 12 months ending in June 2025, deliveries are expected to total 545.4 million SF, down 39.8% from the same period in 2024. Approximately 86% of the space delivered, or 469.2 million SF, is expected to be of investment-grade quality. Only 76.2 million SF of general commercial properties are projected to be delivered in the 12 months ending in June 2025, a drop of 30.6% over the prior 12-month period.
- As a percentage of total stock, deliveries are projected to add 0.2% to the total inventory in the quarter ending in June 2025. Investment grade deliveries are expected to enlarge its stock by 0.2%, while general commercial should grow by less than 0.1% of its current inventory.

## Market Fundamentals, Data Through June 2025



- **NEGATIVE ABSORPTION ACCELERATED IN THE SECOND QUARTER OF 2025.** Net absorption across the three major property types — office, retail, and industrial — is projected to give back 50.9 million SF in the second quarter of 2025. Since the start of 2025, the market has given back 83.9 million SF of space.
- In the 12 months ending in June 2025, net absorption is expected to return 59.8 million SF to the market. Investment grade is projected to give back 58.8% of the total loss, while the general commercial segment is expected to contribute 41.2%. Since peaking in the first quarter of 2022, the most recent period marks the thirteenth consecutive quarter of declining 12-month net absorption.
- As a percentage of stock, negative net absorption in the quarter ending in June 2025 is projected to give back 0.1% of space, the second consecutive quarter of negative demand.

## Market Fundamentals, Data Through June 2025



## Monthly CCRSI Results, Data Through May 2025

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
<b>Value-Weighted U.S. Composite Index</b>	-1.3%	-3.5%	-1.4%	119.0% <sup>1</sup>
<b>Equal-Weighted U.S. Composite Index</b>	-0.6%	0.0%	0.3%	161.6% <sup>2</sup>
<b>U.S. Investment-Grade Index</b>	-1.4%	-3.2%	-5.5%	132.2% <sup>3</sup>
<b>U.S. General Commercial Index</b>	0.0%	1.6%	2.6%	170.4% <sup>4</sup>

<sup>1</sup> Trough Date: January 2010    <sup>2</sup> Trough Date: March 2011    <sup>3</sup> Trough Date: February 2010    <sup>4</sup> Trough Date: July 2011

## Market Fundamentals Data Through June 2025

### Annual Net Absorption (in millions of square feet)

	2021Q2	2022Q2	2023Q2	2024Q2
<b>Aggregate</b>	496.5	142.3	19.3	-59.8
<b>Investment Grade</b>	224.9	56.9	0.6	-35.2
<b>General Commercial</b>	271.6	85.4	18.7	-24.6

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

### Annual Delivered SF (in millions of square feet)

	2021Q2	2022Q2	2023Q2	2024Q2
<b>Aggregate</b>	742.2	920.9	906.3	545.4
<b>Investment Grade</b>	633.0	796.0	796.5	469.2
<b>General Commercial</b>	109.2	124.9	109.7	76.2

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 complete 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 global leader in commercial real estate information, analytics, online marketplaces and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; and Homes.com, the fastest-growing residential real estate marketplace. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible, STR, a global leader in hospitality data and benchmarking, Ten-X, an online platform for commercial real estate auctions and negotiated bids and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 130 million average monthly unique visitors in the first quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit [CoStarGroup.com](https://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 December 2023; 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, 2024, and Quarterly Report on Form 10-Q for the quarter ending March 31, 2025](#), which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar's other filings with the SEC available at the SEC's website ([www.sec.gov](http://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.