



CCRSI RELEASE – July 2022
(With data through June 2022)

INVESTOR INTEREST WANES IN SECOND QUARTER OF 2022, TURNS TO PRIME MARKETS

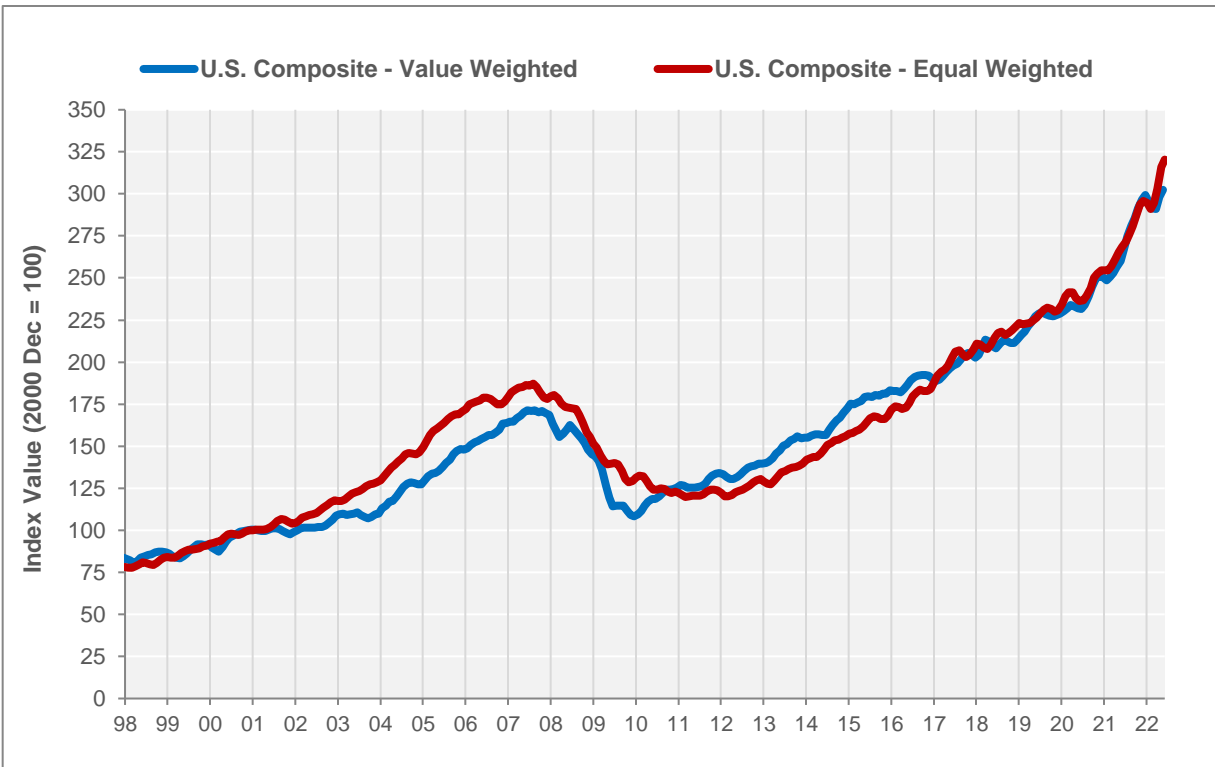
QUARTERLY PRICE GAINS SLOW ACROSS MOST PROPERTY TYPES BUT OFFICE AND LAND PRICING ACCELERATE; NORTHEAST REVERSES FIRST QUARTER LOSSES

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through June 2022. Based on 1,321 sale pairs in June 2022 and more than 273,900 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

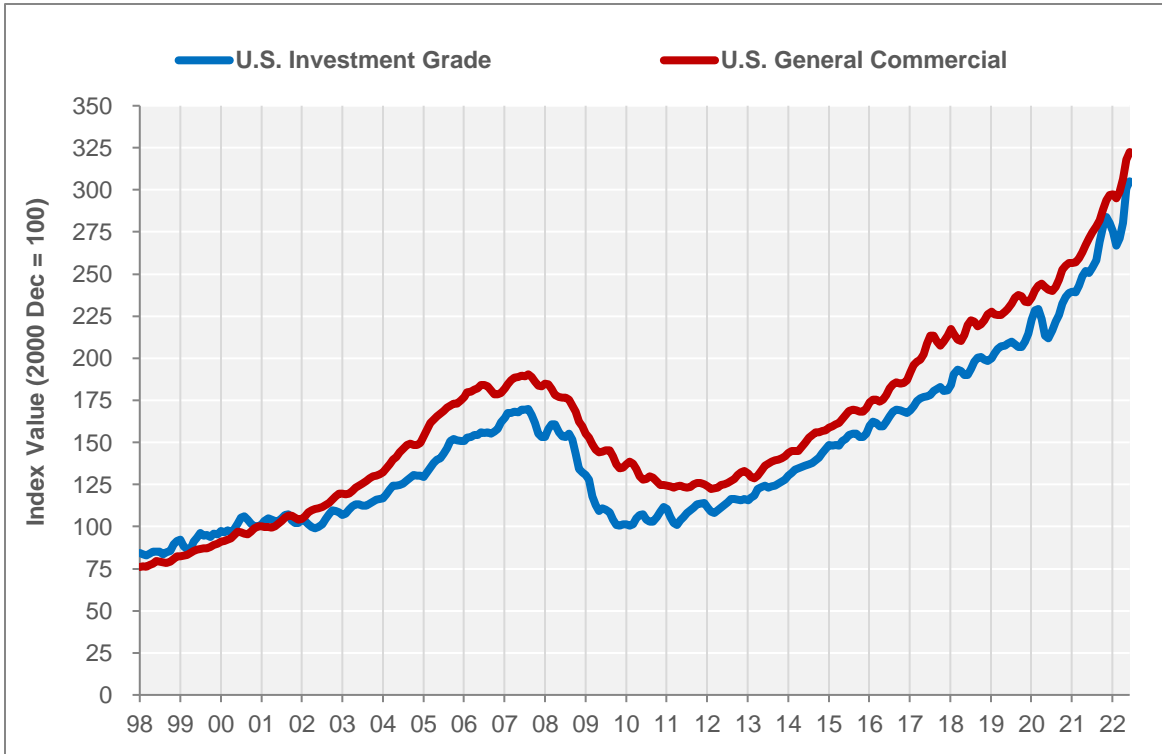
- U.S. COMPOSITE PRICE INDICES ONCE AGAIN REACH NEW HIGHS IN THE SECOND QUARTER, REVERSING FIRST QUARTER LOSSES. The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets, moved 3.7% higher to 302 during the second quarter of 2022, compared to its revised first quarter value of 292. This compares to the quarterly loss of 1.6% in Q1 of 2022. The index was up by 16.2% in the 12-month period that ended in June 2022 and is now 31.3% higher than in February 2020, before the onset of the COVID-19 pandemic.
- The equal-weighted U.S. composite index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, rose by 8.7% to 320 in second quarter of 2022, more than reversing its revised Q1 2022 quarterly loss of 0.3%. The index rose by 19.4% in the 12-month period that ended in June 2022 and is now 34.1% above its pre-pandemic level.
- Both composite price indices rose by 1.4% in June 2022 and reached new highs. The value-weighted composite price index saw its second consecutive monthly gain and reached 302, while revisions to past data show the equal-weighted composite price index seeing its fourth consecutive month of gains, reaching 320.

U.S. Composite Indices: Equal- and Value-Weighted, Data through June 2022



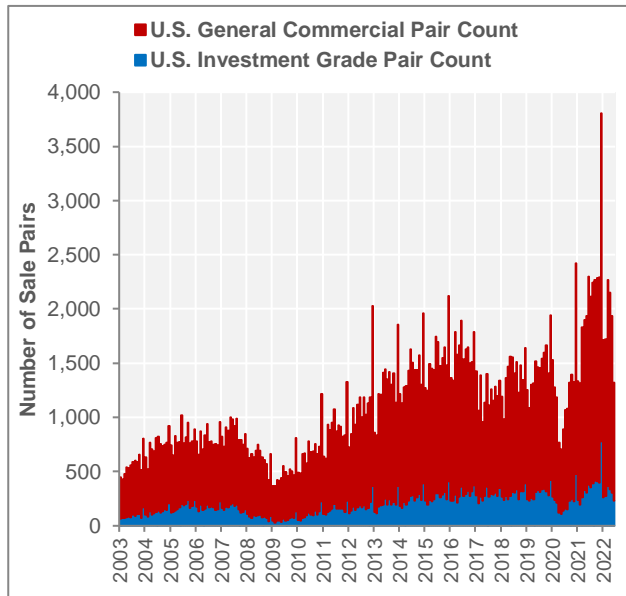
- BOTH SUB-INDICES SEE SHARPEST ANNUAL PRICE GROWTH IN THE HISTORY OF THE SERIES. The investment grade sub-index, more heavily influenced by higher-value assets, rose by 12.6% in the second quarter of 2022, reversing course from its revised 3.4% quarterly decrease in Q1 of 2022. The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, rose by 7.9% in the second quarter of 2022, an acceleration from its bare 0.6% gain in Q1 of 2022.
- Both sub-indices rose by 1.4% in June 2022 over their May 2022 levels, their fourth consecutive monthly gains and new highs.
- Both segments have seen strong investor interest of late, but the investment grade sub-index saw price growth of 21.8% over the 12-month period that ended in June 2022, the sharpest annual price growth in the history of the series back to January of 1998. This was slightly faster than prices in the commercial grade segment, which registered a gain of 19.0% over the same period, also a series record.

U.S. Equal-Weighted Indices by Market Segment, Data through June 2022

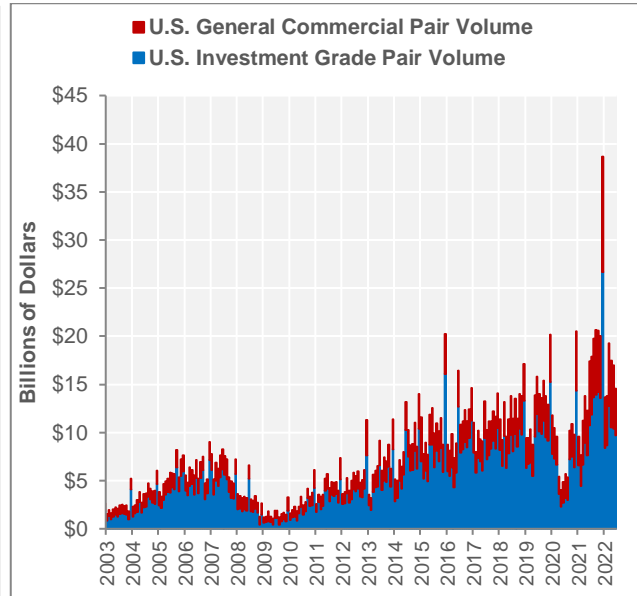


- TRANSACTION VOLUME REGAINED LITTLE GROUND IN THE SECOND QUARTER OF 2022. Transaction volume rose by 4.9% to \$49.0 billion in the second quarter of 2022 after a slump in transaction volume in the first quarter of 2022. That slump followed an extraordinary surge of activity in Q4 2021. Investment grade volume was \$30.6 billion in the second quarter of 2022, 2.7% higher than in the first quarter, while commercial grade volume was \$18.4 billion in the second quarter of 2022, a gain of 8.8%.
- Composite pair volume of \$233.3 billion in the 12-month period ending in June 2022 was 73.9% higher than the 12-month period that ended in June 2021, as the period included the stand-out volume transacted in Q4 of 2021. The increase in volume was larger in the investment grade segment, which gained 78.0% over the 12 months that ended in June 2022 and accounted for approximately two-thirds of the overall 12-month transaction volume. The general commercial segment, which accounted for roughly one-third of the 12-month transaction volume, rose by 66.2% over the 12-month period ending in June 2022.
- Transaction activity fell in June 2022 to \$14.5 billion, compared to revised volume of \$17.0 billion in May 2022, a 14.5% decline over the month and the third consecutive month of declining volume. Investment grade segment transaction volume pulled back in June 2022 by 6.2% to \$9.7 billion while the general commercial segment staged a 27.6% fall over May 2022 to \$4.8 billion.

U.S. Pair Count, Data through June 2022

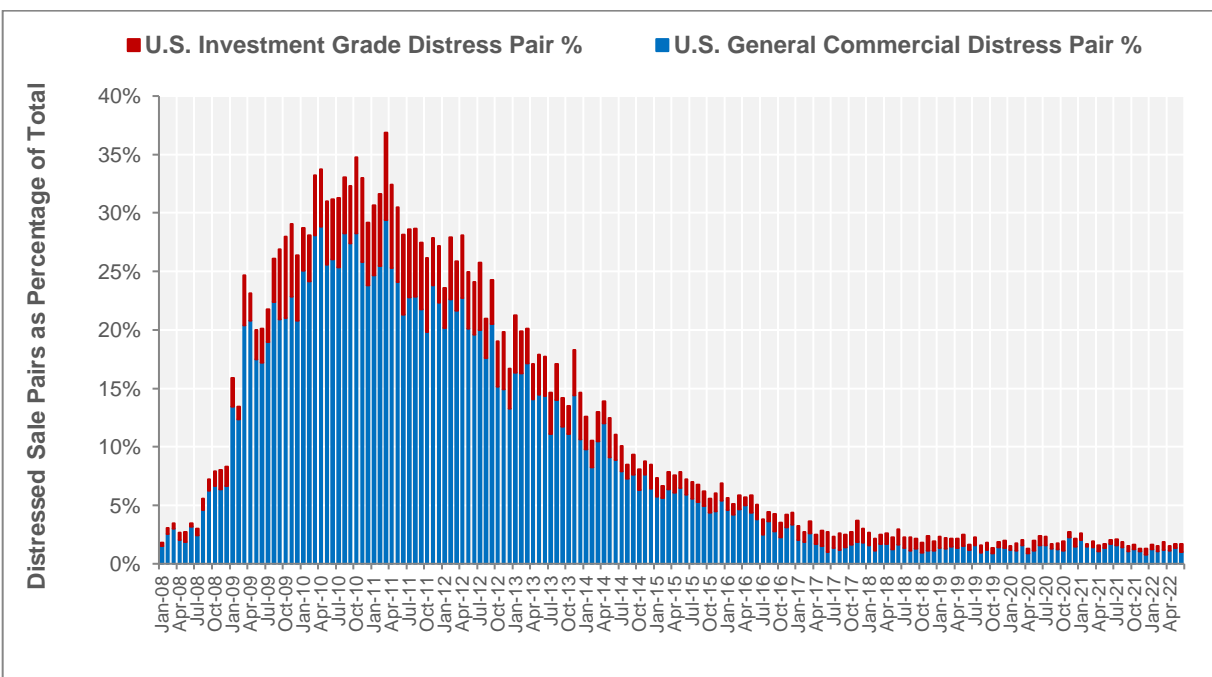


U.S. Pair Volume, Data through June 2022



- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED REMAINS LOW. Only 22 of the 1,321 repeat-sales trades in June 2022, or about 1.7%, were distressed sales. General commercial distressed sales accounted for 13 of the distressed trades, or 1.0% of all repeat-sales trades, below its pandemic average. Nine investment grade distressed sales were recorded in the month, accounting for 0.7% of all repeat sales trades, about double its May share of 0.4% and its highest share since October 2020.

U.S. Distress Sale Pairs Percentage, Data through June 2022

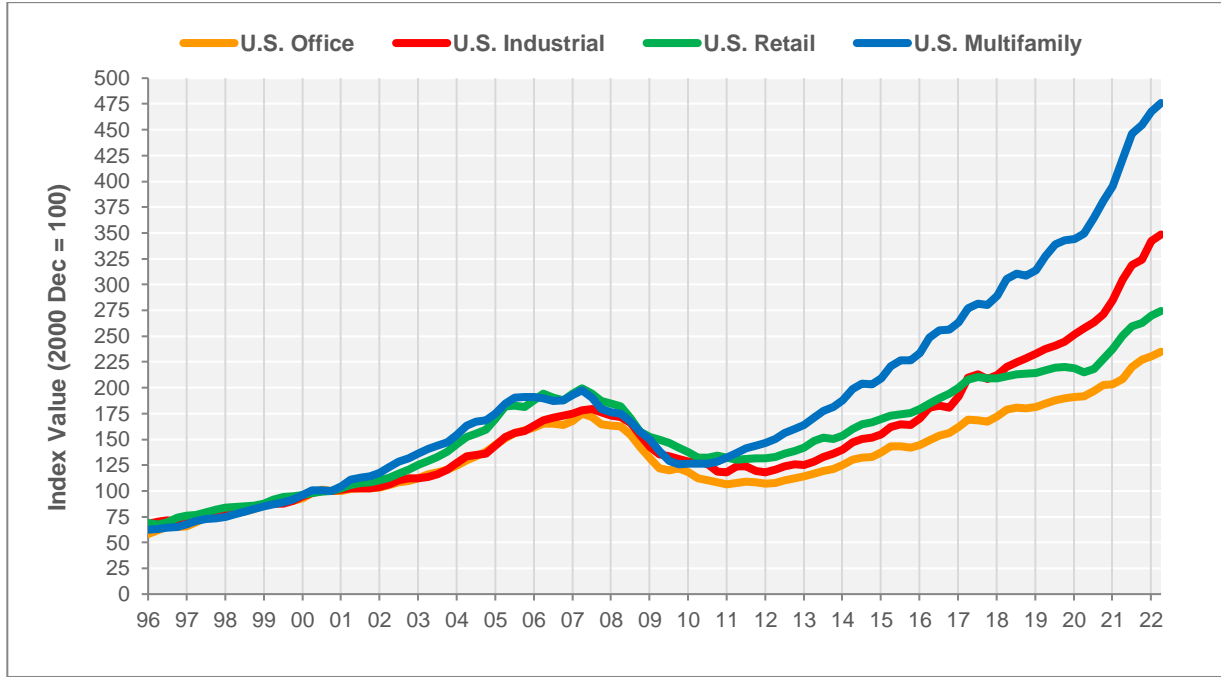


Quarterly CCRSI Property Type Results

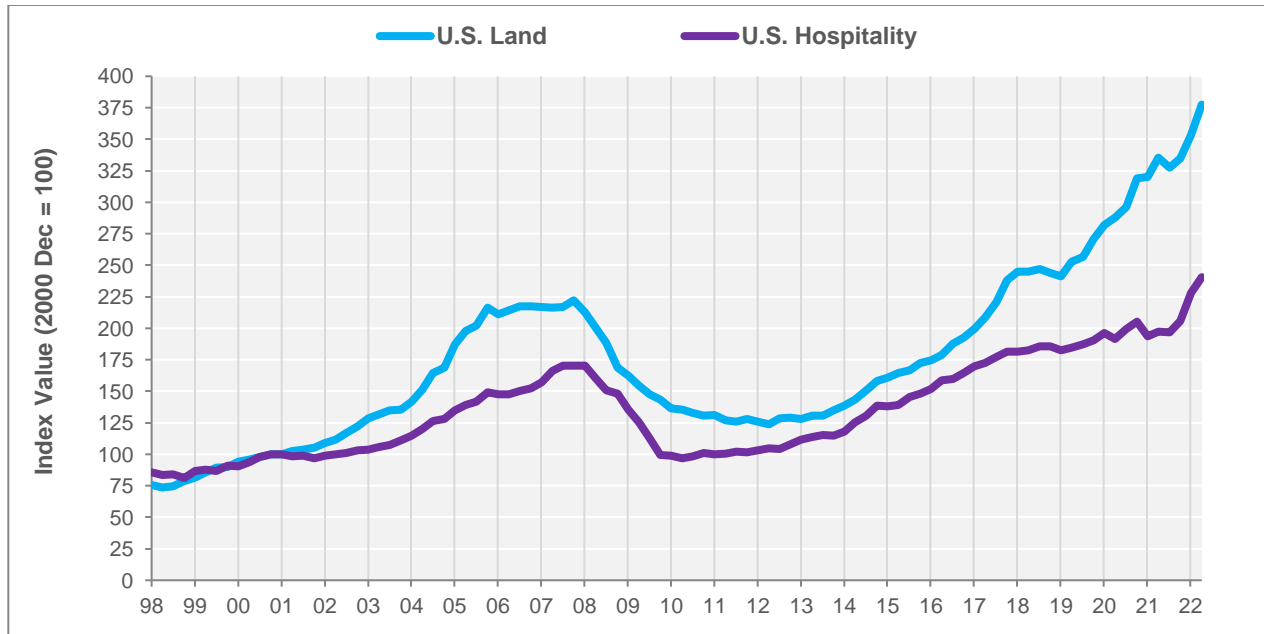
- REVISIONS TO FIRST QUARTER DATA IMPROVED GAINS FOR MOST EQUAL-WEIGHTED PROPERTY-TYPE INDICES, AND REVERSED THE DECLINE SEEN IN THE U.S. MULTIFAMILY INDEX.
- THE U.S. INDUSTRIAL INDEX COOLED FROM ITS UPWARDLY REVISED FIRST QUARTER GAIN. The U.S. Industrial Index rose by 1.9% in the second quarter of 2022, slowing from its revised first quarter gain of 5.5%. Strong fundamentals continue to draw investors to this property sector. Slowing price appreciation that began in the second half of 2021 turned around in early 2022. The index gained 14.3% in the 12-month period ending in June 2022 and is 38.5% above its February 2020 pre-pandemic level, the strongest recovery among all property types. The Prime Industrial Metros Index gained 2.8% in the second quarter of 2022 as investors continue to pursue well-placed assets. The index is 16.6% higher than a year ago, the fastest annual gain among all prime market indices, and is 45.2% higher than its February 2020 pre-pandemic level, also the swiftest recovery.
- OFFICE PRICE GROWTH ACCELERATED IN THE SECOND QUARTER OVER AN UPWARDLY REVISED FIRST QUARTER GAIN. The U.S. Office Index posted a 2.0% gain in the second quarter of 2022 after having slowed in Q1 2022. Over the 12-month period that ended in June 2022, office prices were up 12.6%, and the index is now 23.0% higher than its pre-pandemic level. The Prime Office Metros Index rose 2.7% higher in the second quarter and gained 9.6% in the 12-month period that ended in June 2022, the second fastest annual gain among the prime market indices as investors sought opportunities in core markets.
- RETAIL SECTOR CHALLENGES CONTINUE TO WEIGH ON U.S. RETAIL PRICE GROWTH. The U.S. Retail Index rose by 1.8% in the second quarter of 2022, somewhat slower than its revised first quarter gain of 2.6%. The index gained 9.5% in the 12-month period that ended in June 2022, the slowest annual gain among all property type indices. Good quality, well-located retail continues to draw investor interest and pricing growth, while pricing is slowing in centers with elevated vacancy rates. The index was 25.4% higher in June 2022 than its pre-pandemic level. The Prime Retail Metros Index rose by 2.8% in the second quarter of 2022, and by 0.8% in the 12-month period that ended in June 2022, the slowest annual gain among all prime market indices, suggesting continued challenges in gaining pricing traction in core markets.
- THE U.S. HOSPITALITY INDEX DECELERATED IN THE SECOND QUARTER OF 2022 FROM ITS FIRST QUARTER PACE. The U.S. Hospitality Index posted a 5.6% gain in the second quarter of 2022, a marked slowdown from its 10.7% gain in the prior quarter. The index gained 21.9% in the 12-month period that ended in June 2022, the largest annual gain among all property types after facing the most challenging operating environment during the pandemic. The index is 22.7% above its February 2020 pre-pandemic level, the slowest recovery from the pandemic among all property types.
- THE U.S. LAND PRICE INDEX SURGED IN THE SECOND QUARTER OF 2022, RISING BY 6.9%, ITS FASTEST GAIN IN SIX CONSECUTIVE QUARTERS AND THE FASTEST GAIN OF ALL PROPERTY-TYPE INDICES IN THE QUARTER. The U.S. Land Index is the most volatile of the

property type indices but gained 12.6% in the 12-month period that ended in June 2022 and is now 33.9% higher than its February 2020 pre-pandemic level.

U.S. Primary Property Type Quarterly Indices – Equal-Weighted Data through June 2022



U.S. Land and Hospitality Quarterly Indices – Equal-Weighted Data through June 2022



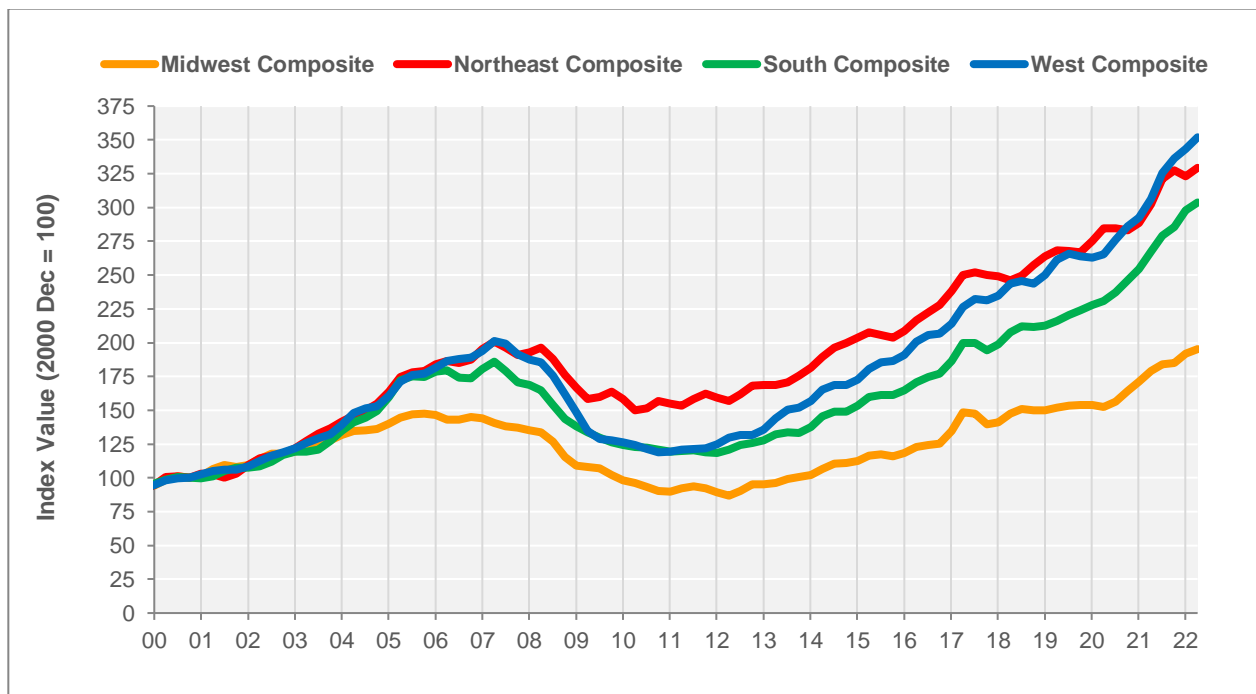
Quarterly CCRSI Regional Results

- UPWARD REVISIONS TO FIRST QUARTER DATA IMPROVED EQUAL-WEIGHTED PRICING TRENDS IN ALL REGIONS, ERASING PRIOR QUARTER PRICE DECLINES IN THE WEST. MODERATE PRICE GAINS WERE SEEN ACROSS REGIONS IN THE SECOND QUARTER OF 2022 WHILE ANNUAL GAINS SLOWED. The West Composite Index advanced by 2.5% in the second quarter of 2022, the fastest quarterly growth of all regions, and an acceleration from its revised 2.1% gain in Q1 2022. The Northeast Composite Index rose by 2.0% in the second quarter of 2022, reversing its revised 1.3% pullback in the prior quarter, while both Midwest and South Composite indices gained 1.9% in the second quarter of 2022, decelerating their gains from the first quarter of 2022. All regions saw slowing price gains in the 12-month period that ended in June 2022 over the 12-month period that ended in March 2022.
- OFFICE PRICES SAW THE STRONGEST QUARTERLY GROWTH AMONG ALL PROPERTY SECTORS IN THE SOUTH REGION. The 1.9% second quarter 2022 advance in the South Composite Index was led by the second quarter of 2022 gain of 2.5% in the office segment, which accelerated over its prior two quarters of price gains. All other South property indices weakened in the second quarter of 2022, with the industrial sector seeing the sharpest deceleration of a 1.9% gain in the second quarter from its 6.2% gain in the first quarter. Over the 12-month period that ended in June 2022, all South property indices weakened following more robust annual gains in the four prior quarters. The multifamily segment saw the largest price gains over the 12 months that ended in June 2022, at 17.3%, followed by the industrial segment (16.2%) and the retail segment (12.1%). Price growth in the office sector in the South slowed to 12.0% over the same period, the weakest annual growth of all property segments in the South.
- PRICE GAINS IN THE SECOND QUARTER OF 2022 IN THREE OF THE FOUR PROPERTY SECTORS IN THE NORTHEAST REVERSED PRICE LOSSES IN THE FIRST QUARTER. Strong growth in the multifamily sector pushed prices 2.3% higher in the second quarter of 2022, following price losses of 2.7% in the first quarter of 2022 and losses of 3.1% in the fourth quarter of 2021. The office sector saw similar price gains in the second quarter of 2022, more than reversing the 1.1% pricing loss in the first quarter. Following two quarters of falling prices, the retail segment bounced back in the second quarter of 2022 with a 2.0% gain. The slowest gain in the second quarter of 2022 was in seen the industrial sector, where prices rose by 1.9%, a sharp deceleration from the 5.4% gain seen in the first quarter of 2022. Over the 12-month period that ended in June 2022, all four property segments saw decelerating price gains over the 12-month period that ended in March 2022, with the multifamily sector experiencing price losses.
- QUARTERLY PRICE GROWTH IN THE WEST WAS RELATIVELY STRONG ACROSS ALL PROPERTY SECTORS. Pricing in the West office segment rose by 2.2% in the second quarter of 2022, an acceleration from its 1.8% gain in the first quarter. A 2.0% gain in the second quarter of 2022 in the retail sector reversed the first quarter loss of 0.4%. In both the industrial sector and the multifamily sector, price gains decelerated to 1.9% in the second quarter of 2022. Over the 12-month period that ended in June 2022, the office segment saw prices rise by 16.4%, the fastest price appreciation of all property segments over the year and an acceleration over the 15.8% annual gain in the prior quarter. Annual price increases slowed in all other property segments.

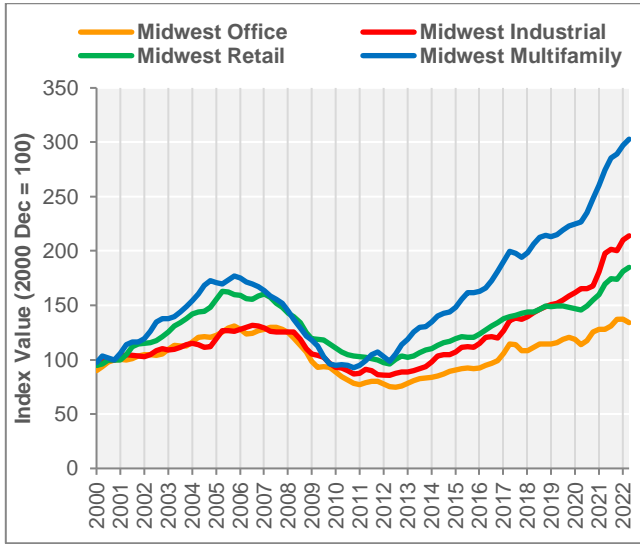
Industrial property saw the sharpest deceleration with a 14.7% gain over the 12-month period that ended in June 2022, compared to its 21.7% annual gain in the prior quarter. Similarly, pricing in the multifamily segment rose by 13.9% during the 12-month period that ended in June 2022, compared to its 19.2% annual gain in the prior quarter. Retail pricing rose by 11.2% over the year, the slowest 12-month gain of all property segments in the West.

- PRICE GROWTH IN THE MIDWEST DECELERATED IN ALL PROPERTY SEGMENTS IN THE SECOND QUARTER, FALLING NEGATIVE IN THE OFFICE SEGMENT.** All property segments in the Midwest saw decelerating quarterly gains, with prices in the office segment falling by 2.2% in the second quarter of 2022. The three other property sectors saw quarterly gains of 1.9%, all slower than gains in the first quarter. The Midwest industrial price index slowed the most, from its 5.0% gain in Q1 2022. Over the 12-month period that ended in June 2022, all property segments saw decelerating annual gains over the prior quarter. The office segment saw 5.1% annual gain compared to its 7.4% annual gain in Q1 2022, the slowest annual advance of all property types in the Midwest. The Midwest Industrial Index advanced 8.2% over the year that ended in June 2022, while the Midwest Retail Index grew by 8.9% and the multifamily index rose by 10.3% over the same period.

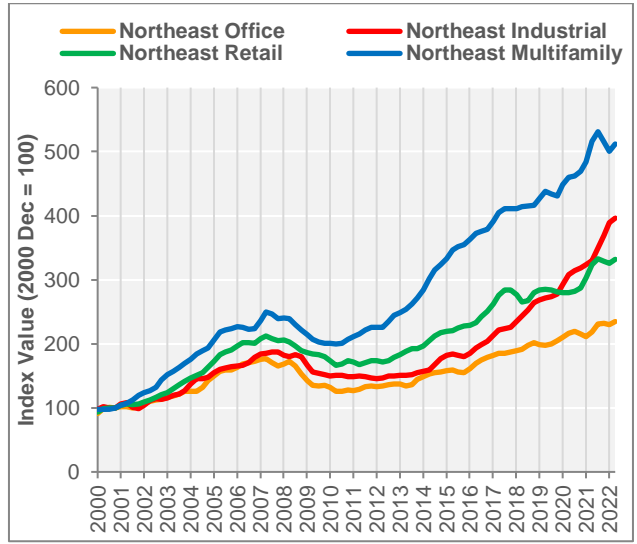
U.S. Regional Type Quarterly Indices – Equal-Weighted Data through June 2022



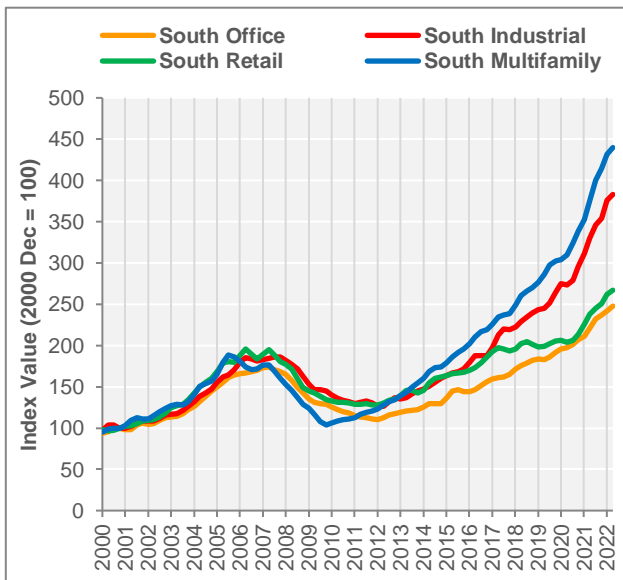
U.S. Midwest Property Type Quarterly Indices Equal-Weighted, Data through June 2022



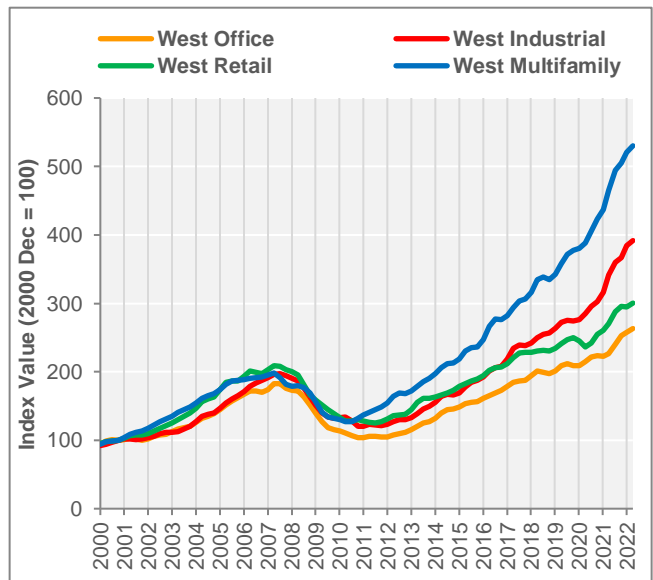
U.S. Northeast Property Type Quarterly Indices Equal-Weighted, Data through June 2022



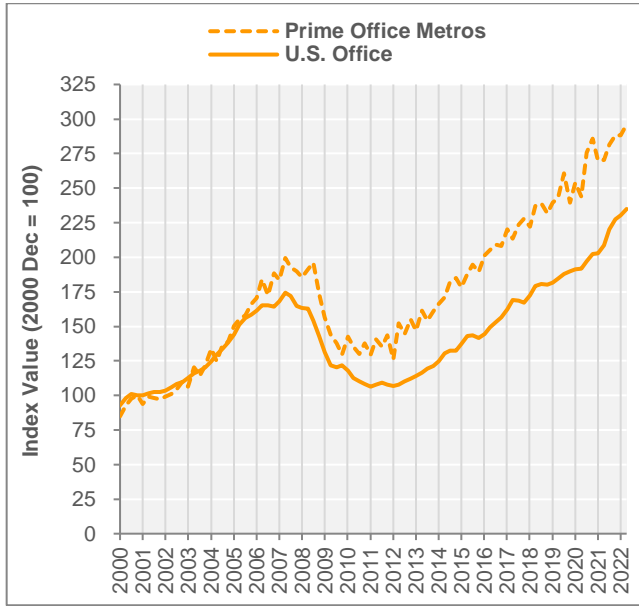
U.S. South Property Type Quarterly Indices Equal-Weighted, Data through June 2022



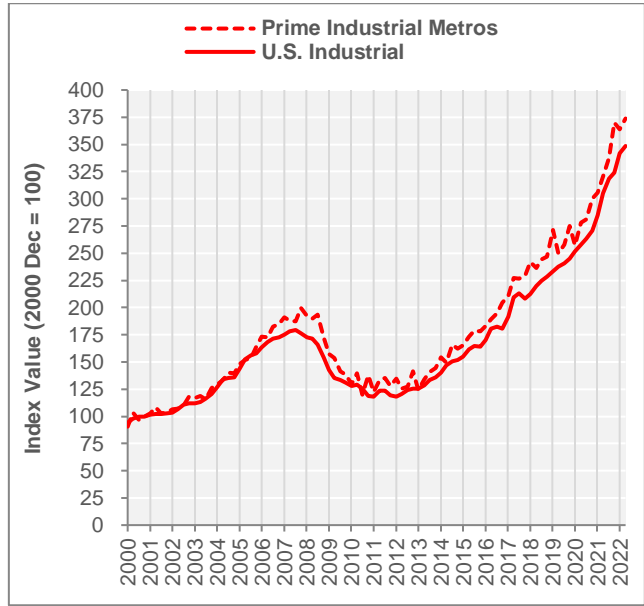
U.S. West Property Type Quarterly Indices Equal-Weighted, Data through June 2022



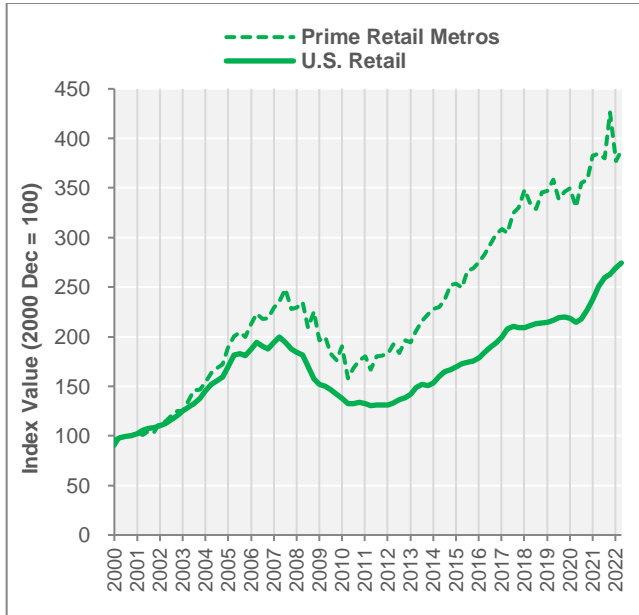
**Prime Office Markets Quarterly Indices
Equal-Weighted, Data through June 2022**



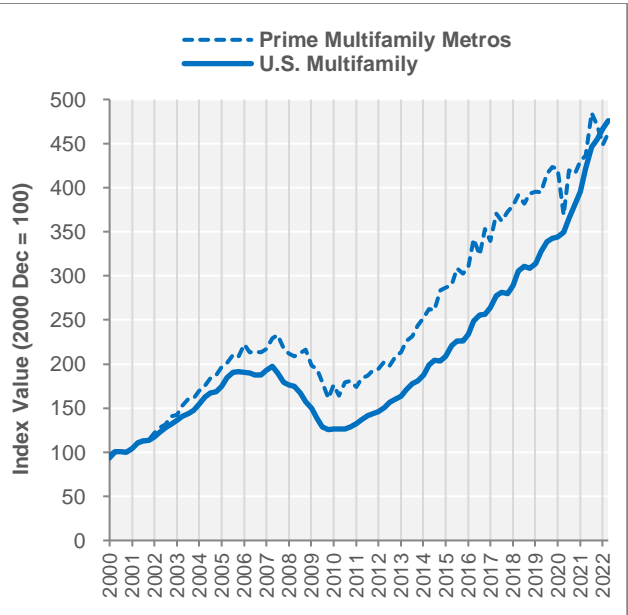
**Prime Industrial Markets Quarterly Indices
Equal-Weighted, Data through June 2022**



**Prime Retail Markets Quarterly Indices
Equal-Weighted, Data through June 2022**



**Prime Multifamily Markets Quarterly Indices
Equal-Weighted, Data through June 2022**



Monthly CCRSI Results, Data through June 2022

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	3.7%	16.2%	179.4% ¹
Equal-Weighted U.S. Composite Index	1.4%	8.7%	19.4%	167.8% ²
U.S. Investment-Grade Index	1.4%	12.6%	21.8%	200.6% ³
U.S. General Commercial Index	1.4%	7.9%	19.0%	161.8% ⁴

¹ Trough Date: January 2010 ² Trough Date: March 2011 ³ Trough Date: November 2009 ⁴ Trough Date: February 2012

About The CoStar Commercial Repeat-Sale Indices

The CoStar Commercial Repeat-Sale Indices (CCRSI) are the most comprehensive and accurate measures of commercial real estate prices in the United States. In addition to the national Composite Index (presented in both equal-weighted and value-weighted versions), national Investment-Grade Index, and national General Commercial Index, which are reported monthly, 30 sub-indices in the CoStar index family are reported quarterly. 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, 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. When a property is sold more than once, a sales pair is created. The prices from the first and second sales are then used to calculate price movement for the property. The aggregated price changes from all the sales pairs are used to create a price index. Historical price indices are revised as new data is recorded.

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, Inc. (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics. Founded in 1987, CoStar conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of commercial real estate information. Our suite of online services enables clients to analyze, interpret, and gain unmatched insight on commercial property values, market conditions and current availabilities. STR provides premium data benchmarking, analytics, and marketplace insights for the global hospitality industry. Ten-X provides a leading platform for conducting commercial real estate online auctions and negotiated bids. LoopNet is the most heavily trafficked commercial real estate marketplace online. Apartments.com, ApartmentFinder.com, ForRent.com, ApartmentHomeLiving.com, Westside Rentals, AFTER55.com, CorporateHousing.com, ForRentUniversity.com and Apartamentos.com form the premier online apartment resource for renters seeking great apartment homes and provide property managers and owners a proven platform for marketing their properties. Homesnap is an industry-leading online and mobile software platform that provides user-friendly applications to optimize residential real estate agent workflow and reinforce the agent-client relationship. Homes.com offers real estate professionals advertising and marketing services for residential properties. Realla is the UK's most comprehensive commercial property digital marketplace. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. CoStar Group's websites attract tens of millions of unique monthly visitors. 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.