



CCRSI RELEASE – October 2022
(With data through September 2022)

TRANSACTION VOLUME FALLS FOR THE THIRD CONSECUTIVE QUARTER; INVESTORS BECOME SELECTIVE AS INTEREST RATES RISE

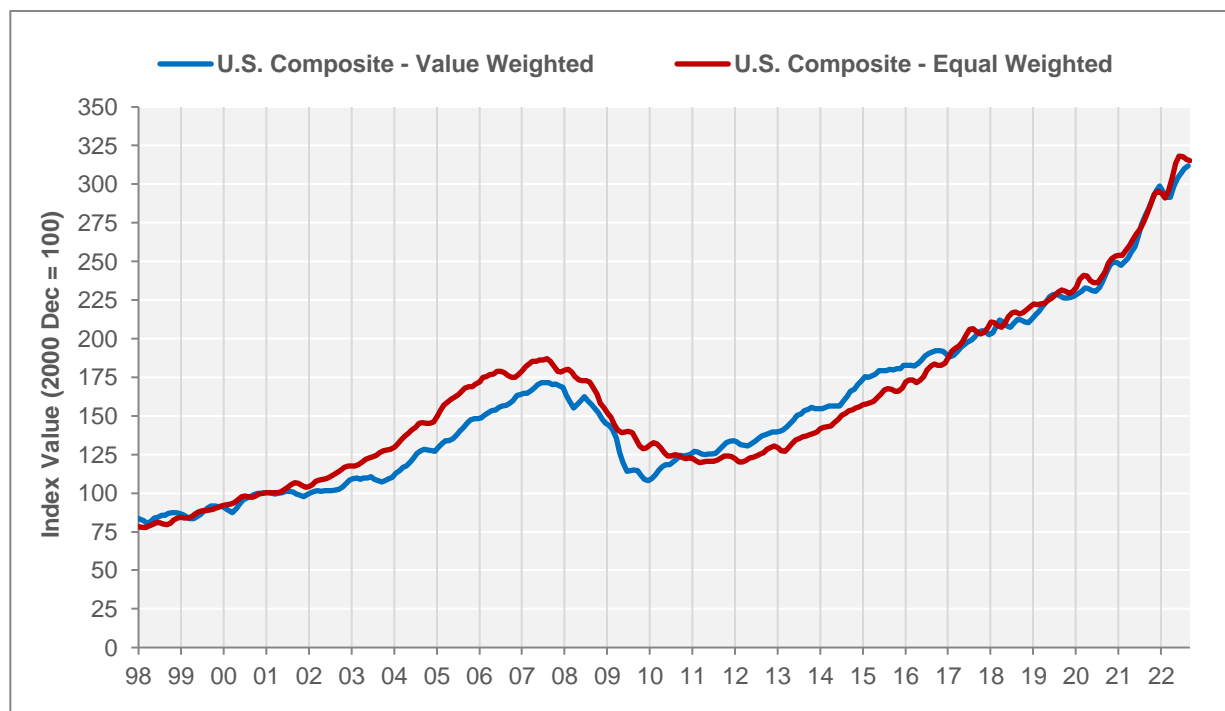
QUARTERLY PRICE GAINS CONTINUED TO SLOW ACROSS ALL PROPERTY TYPES AND ALL REGIONS, WITH SOME TURNING NEGATIVE. INDUSTRIAL LED GROWTH AMONG PROPERTY INDICES WHILE MULTIFAMILY SAW PRICING DECLINE.

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through September 2022. Based on 1,420 sale pairs in September 2022 and more than 280,200 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

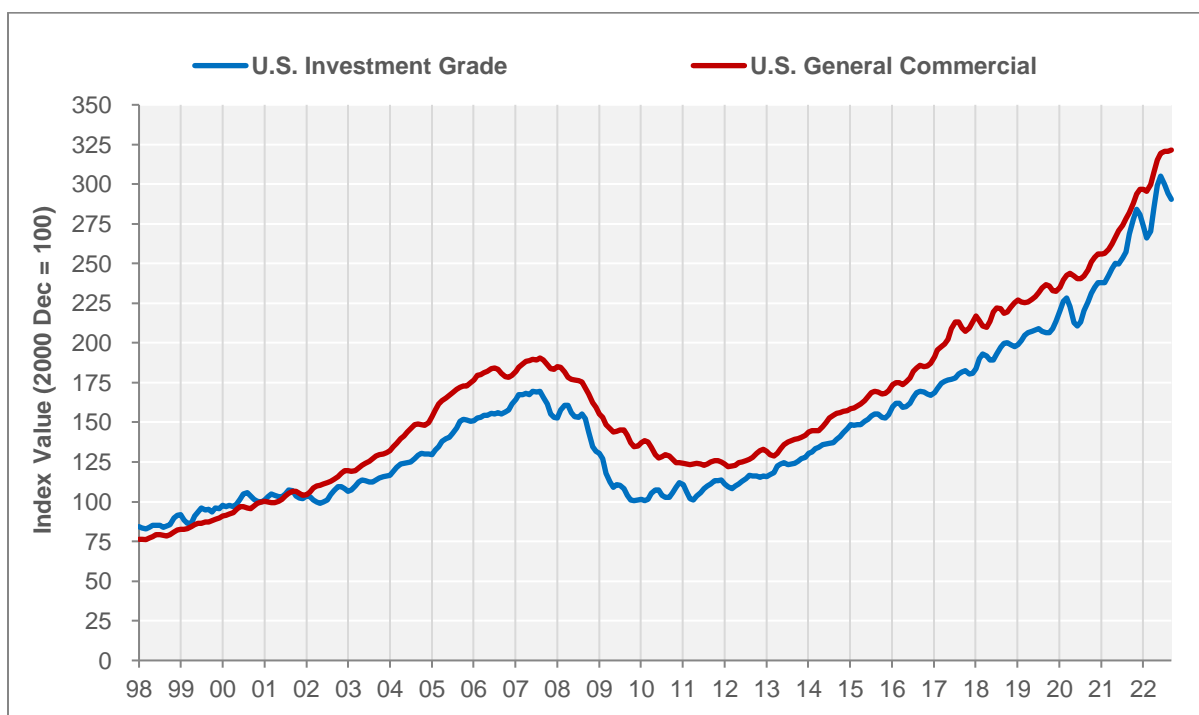
- **U.S. COMPOSITE INDICES DIVERGED IN THE THIRD QUARTER.** The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets, rose by 2.6% to 312 during the third quarter of 2022, compared to its upwardly revised second quarter value of 304. This is the second consecutive quarterly slowdown in price appreciation measured by this index. The index was up by 11.2% in the 12-month period that ended in September 2022 and is now 34% higher than in February 2020, before the onset of the COVID-19 pandemic.
- 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 by 0.9% to 315 in the third quarter of 2022, more than reversing its revised Q2 2022 quarterly gain of 0.8%. It was the second consecutive monthly decline. The index rose by 12.4% in the 12-month period that ended in September 2022 and is now 32.4% above its February 2020 pre-pandemic level.
- Both indices have seen seventeen consecutive months of double-digit annual price gains.

U.S. Composite Indices: Equal- And Value-Weighted, Data through September 2022



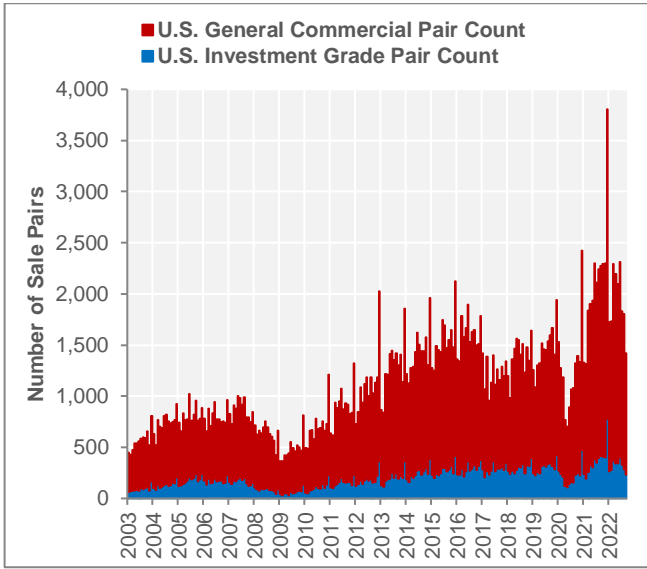
- SUB-INDICES MOVE IN OPPOSITE DIRECTIONS IN THE THIRD QUARTER OF 2022. The investment grade sub-index of the equal-weighted composite price index, more heavily influenced by higher-value assets, fell by 4.8% in the third quarter of 2022, reversing course from its upwardly revised 12.8% quarterly increase in Q2 of 2022. The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, edged higher by 0.6% in the third quarter of 2022, a sharp deceleration from its 6.6% gain in Q2 of 2022.
- The investment grade sub-index fell by one point, or 1.3%, in September 2022 over its August 2022 level of 316, its third consecutive monthly fall. The general commercial sub-index rose by one point, or 0.6%, in September 2022 over its August level of 321, its fourth consecutive month of decelerating price gains.
- Both segments are seeing slowing annual price gains. The commercial sub-index saw price growth fall to 8.1% over the 12-month period that ended in September 2022, its slowest annual gain since March 2021. This was significantly slower than in the commercial grade segment, where that sub-index saw price growth of 14% over the 12-month period that ended in September 2022, the slowest annual gain in five months.

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

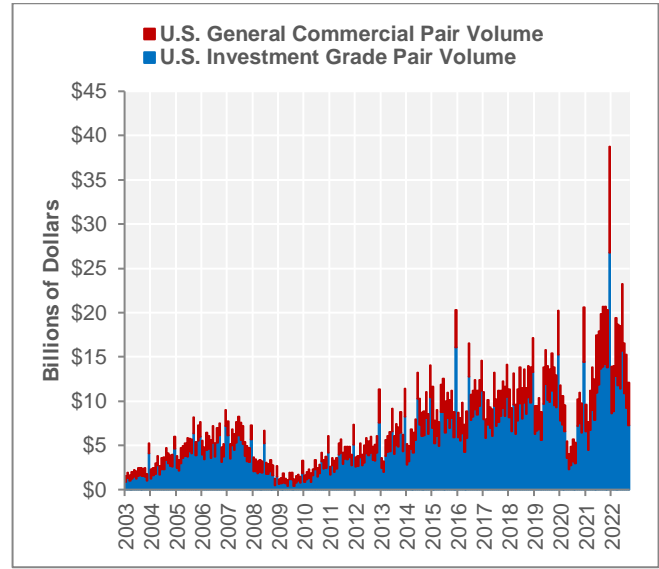


- TRANSACTION VOLUME TUMBLED IN THE THIRD QUARTER OF 2022 TO ITS LOWEST LEVEL SINCE Q2 2021. Investor sentiment has evidently cooled since the close of last year. Transaction volume fell by 27.3% to \$43.9 billion in the third quarter of 2022 after a revised recovery in transaction volume of \$60.3 billion in the second quarter. Investment grade transaction volume was \$27.3 billion in the third quarter of 2022, a fall of 29.8% from the second quarter, while commercial grade volume was \$16.5 billion in the third quarter of 2022, a fall of 22.8% from the second quarter.
- Composite pair volume of \$231.1 billion in the 12-month period ending in September 2022 was 34.6% higher than the 12-month period that ended in September 2021, as the former included the stand-out volume transacted in Q4 of 2021. The increase in volume was somewhat larger in the general commercial segment, which gained 36.4% over the 12 months that ended in September 2022 and accounted for approximately one-third of the overall annual transaction volume. Transaction volume in the investment grade segment, which accounted for the remainder, rose by 33.6% over the 12-month period ending in September 2022.
- Transaction volume fell in September 2022 to \$12.1 billion, compared to revised volume of \$15.2 billion in August 2022, a 20.8% decline over the month and the second consecutive month of declining volume. Investment grade segment transaction volume pulled back in September 2022 by 20.8% to \$7.3 billion while the general commercial segment staged a similar 20.7% fall over August 2022 to \$4.8 billion.

U.S. Pair Count, Data through September 2022

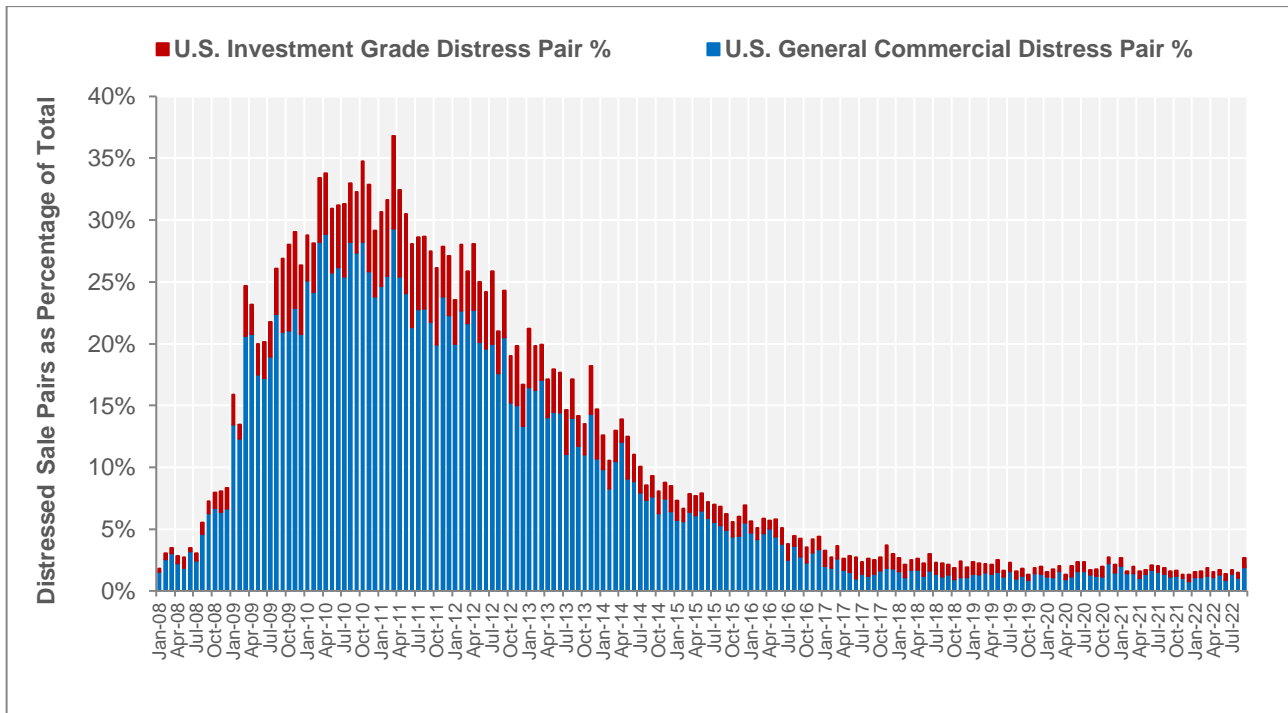


U.S. Pair Volume, Data through September 2022



- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED MOVED HIGHER. 38 of the 1,420 repeat-sales trades in September 2022, or about 2.7%, were distressed sales. This is the highest share since November 2020. General commercial distressed sales accounted for 27 of the distressed trades, or 1.9% of all repeat-sales trades, its highest share since January 2021. Eleven investment grade distressed sales were recorded in the month, accounting for 0.8% of all repeat sales trades, about double its August share of 0.4% and its highest share since October 2020.

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



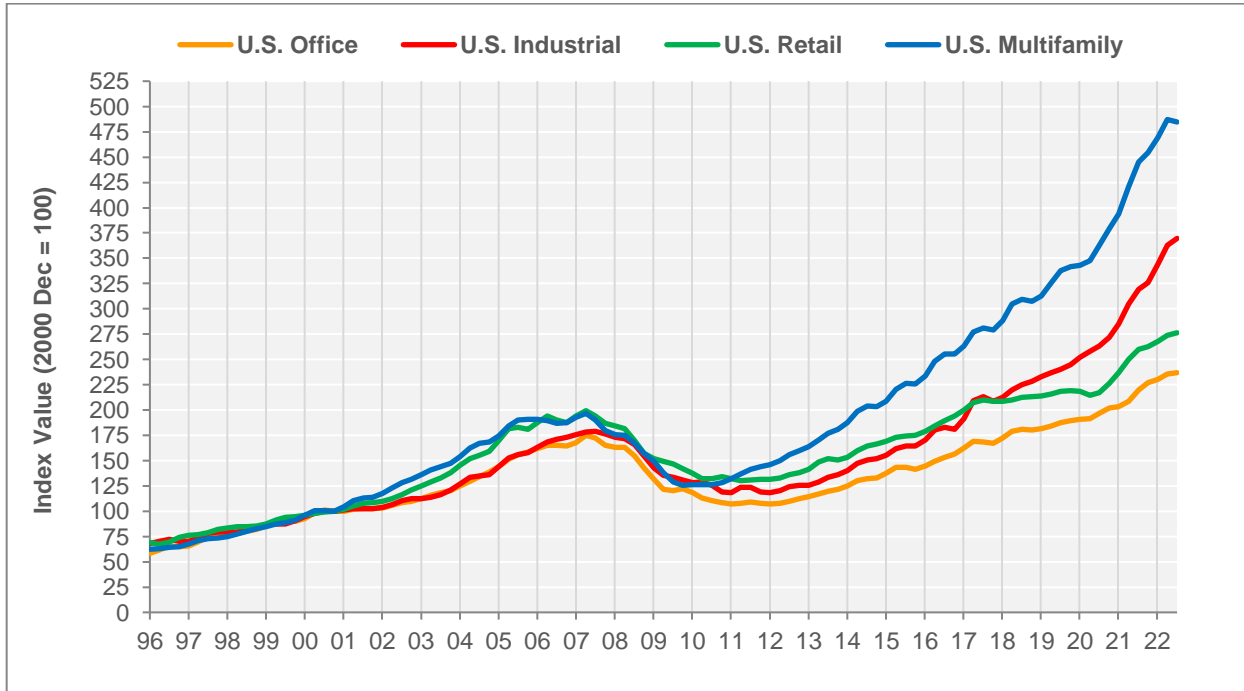
Quarterly CCRSI Property Type Results

- PRICE GROWTH SLOWED ACROSS ALL PROPERTY TYPES AND TURNED NEGATIVE IN MULTIFAMILY. In a surprise move, the U.S. Multifamily Index fell by 0.5% in the third quarter of 2022, the first quarterly decline since the onset of the pandemic. The index grew 8.9% in the 12-month period that ended in September 2022 and is 42.1% higher than its February 2020 pre-pandemic level.
- THE U.S. INDUSTRIAL INDEX COOLED FROM ITS UPWARDLY REVISED SECOND QUARTER GAIN. The U.S. Industrial Index rose by 1.9% in the third quarter of 2022, decelerating from its revised second quarter gain of 5.3%. Slowing price appreciation that began in the second half of 2021 turned around in early 2022 but has been slowing again. The index gained 15.9% in the 12-month period ending in September 2022 and is 44.0% above its February 2020 pre-pandemic level, the strongest recovery among all property types. The Prime Industrial Metros Index fell by 0.8% in the third quarter of 2022 as investors moved away from core markets. The index is 15.3% higher than a year ago, the fastest annual gain among all prime market indices, and is 51.1% higher than its February 2020 pre-pandemic level, also the swiftest recovery.
- HYBRID WORK ARRANGEMENTS CONTINUE TO WEIGH ON U.S. OFFICE PRICE GROWTH. The U.S. Office Index posted a 0.7% gain in the third quarter of 2022, a slowdown from its Q2 2022 upwardly revised gain of 2.2%. Over the 12-month period that ended in September 2022, office prices were up 7.8%, and the index is now 23.2% higher than its pre-pandemic level. The Prime Office

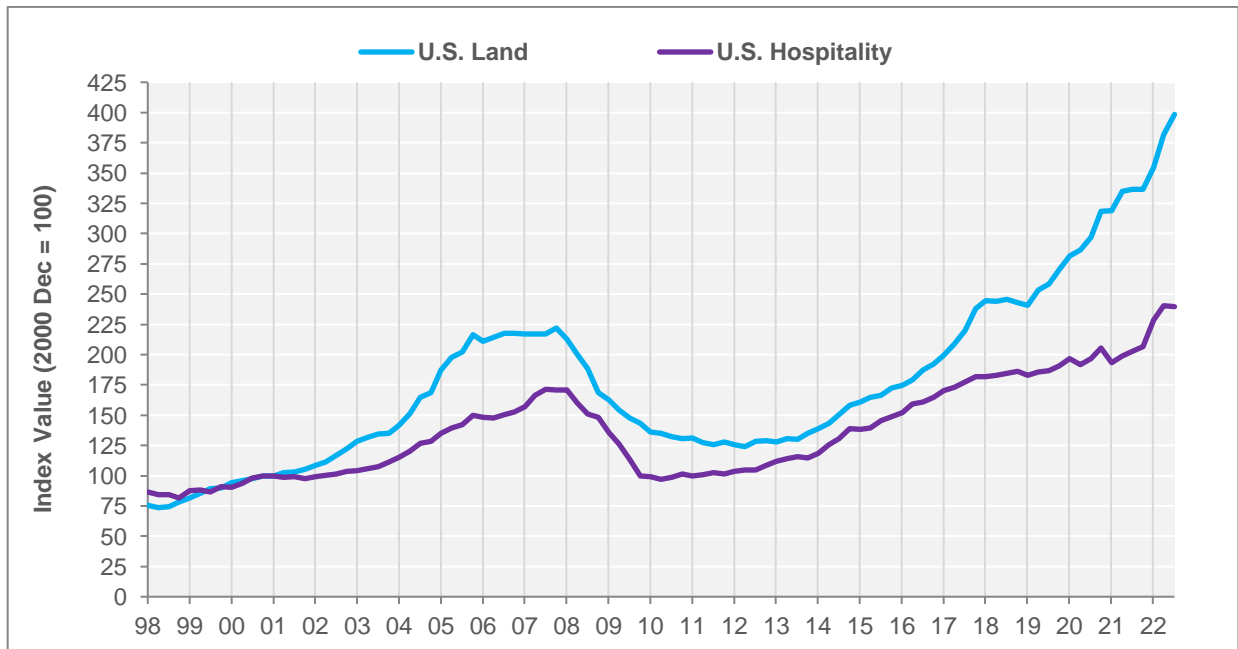
Metros Index fell by 2.4% in the third quarter and was up by 3.2% over the 12-month period that ended in September 2022, a weaker performance than the prior two quarters as fundamentals in core markets continue to struggle in this property segment.

- **CHALLENGES IN THE RETAIL SECTOR WEAKEN U.S. RETAIL PRICE GROWTH.** The U.S. Retail Index rose by 0.9% in the third quarter of 2022, a sharp slowdown from its upwardly revised second quarter gain of 2.3%. The index gained 6.4% in the 12-month period that ended in September 2022, the slowest annual gain among all property type indices. The index was 25.5% higher in September 2022 than its pre-pandemic level. The Prime Retail Metros Index rose by 2.3% in the third quarter of 2022, and by a robust 7.8% in the 12-month period that ended in September 2022.
- **THE U.S. HOSPITALITY INDEX FELL IN THE THIRD QUARTER OF 2022, ITS FIRST DECLINE SINCE Q1 2021.** The U.S. Hospitality Index edged 0.3% lower in the third quarter of 2022, a marked slowdown from its upwardly revised 5.1% gain in the prior quarter. The index rose by 18.2% in the 12-month period that ended in September 2022, after facing the most challenging operating environment during the pandemic. The index is 22.3% above its February 2020 pre-pandemic level, the slowest recovery from the pandemic among all property types.
- **THE U.S. LAND PRICE INDEX ROSE FOR THE THIRD CONSECUTIVE QUARTER.** The U.S. Land Index is the most volatile of the property type indices. The index gained 4.5% in the third quarter of 2022 and gained 18.5% in the 12-month period that ended in September 2022, the fastest annual gain of all property-type indices, and is now 35.6% higher than its February 2020 pre-pandemic level.

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



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



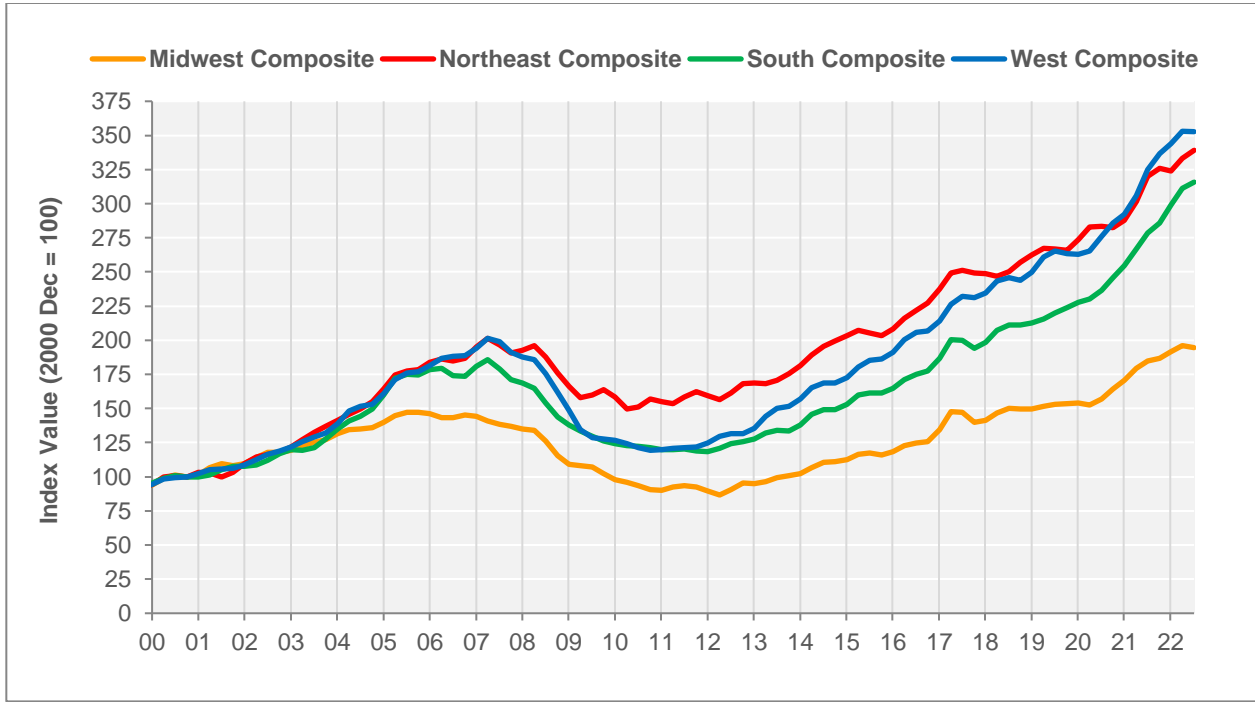
Quarterly CCRSI Regional Results

- **EQUAL-WEIGHTED PRICE GAINS SLOWED IN ALL REGIONS IN THE THIRD QUARTER of 2022, TURNING NEGATIVE IN THE MIDWEST.** The Northeast Composite Index advanced by 1.8% in the third quarter of 2022, the fastest quarterly growth of all regions, but a deceleration from its revised 2.8% gain in Q2 2022. The South Composite Index rose by 1.4% in the third quarter of 2022, a sharp deceleration from its prior two quarters of price gains above 4%. There was no change in the West Composite Index in third quarter of 2022, while the Midwest Composite Index fell by 0.7% during that period. All regions saw slowing price gains in the 12-month period that ended in September 2022 over the 12-month period that ended in June 2022.
- **ALL PROPERTY SECTORS IN THE NORTHEAST REGION SAW PRICE GAINS DECELERATE.** The 1.8% third quarter 2022 advance in the Northeast Composite Index was led by the third quarter 2022 gain of 2.2% in the multifamily segment, a deceleration over the second quarter gain of 3.2%. Both the retail and industrial property sectors in the Northeast region saw price gains of 1.9% in the third quarter 2022, also steep decelerations from the prior quarter, while the office property sector slowed gently to 2.1%. Over the 12-month period that ended in September 2022, all Northeast property indices weakened following more robust annual gains in the four prior quarters. The industrial segment saw the largest price gains over the 12 months that ended in September 2022, at 19.9%, followed far behind by the office segment (4.2%) and the retail segment (3.6%). Price growth in the multifamily sector in the Northeast region slowed to 1.9% over the same period, the weakest annual growth of all property segments in the Northeast.
- **PRICE GAINS IN THE THIRD QUARTER OF 2022 SLOWED IN ALL PROPERTY SECTORS IN THE SOUTH REGION, TURNING NEGATIVE IN THE RETAIL SEGMENT.** Growth in the industrial sector pushed prices 1.8% higher in the third quarter of 2022, but this followed robust price gains of 6.8% and 6.6% in the prior two quarters. The office sector eked out a gain of 0.4% in the third quarter of 2022, while the multifamily sector failed to see any price gains and the retail sector experienced prices falling by 0.8%. Over the 12-month period that ended in September 2022, all four property segments saw decelerating price gains over the 12-month period that ended in June 2022, with the industrial sector experiencing the fastest price gain of 18.9%.
- **QUARTERLY PRICE GROWTH IN THE WEST DIVERGED ACROSS PROPERTY SECTORS.** Pricing in the West retail segment rose by 2.3% in the third quarter of 2022, an acceleration from its 2.1% gain in the second quarter and the strongest price gain among all property sectors. The industrial sector was the only other property type that saw a quarterly price gain, notching only 0.9% higher in a sharp deceleration from its second quarter rise of 4.5%. In both the office sector and the multifamily sector, the price indices retreated, by 0.8% and 2.2%, respectively. Over the 12-month period that ended in September 2022, the industrial segment saw prices rise by 13.3%, the fastest price appreciation of all property segments over the year but a deceleration from the 18.3% annual gain in the prior quarter. Annual price increases slowed in all property segments. Multifamily property saw the sharpest deceleration with a 6.8% gain over the 12-month period that ended in September 2022, compared to its 16.1% annual gain in the prior quarter. Similarly, pricing in the retail segment rose by

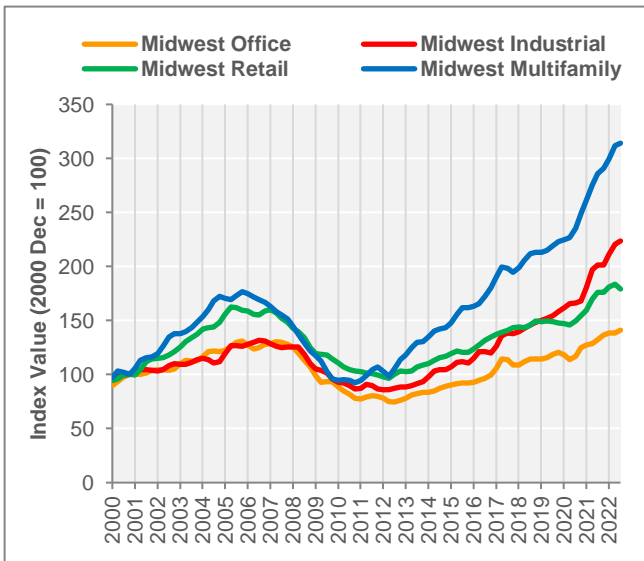
6.8% during the 12-month period that ended in September 2022, compared to its 10.9% annual gain in the prior quarter, while office pricing rose by 9.9% over the year.

- **PRICE GROWTH ACCELERATED IN THE MIDWEST OFFICE SEGMENT BUT DECELERATED IN ALL OTHER PROPERTY SEGMENTS IN THE THIRD QUARTER OF 2022, FALLING NEGATIVE IN THE RETAIL SEGMENT.** All property segments in the Midwest saw decelerating quarterly gains, with prices in the retail segment falling by 2.3% in the third quarter of 2022. The Midwest Office Index rose by 2.1%, more than reversing the 0.1% decline seen in the second quarter. The Midwest Multifamily Index slowed the most, from its 4.1% gain in Q2 2022 to 0.8% gain in the third quarter. Over the 12-month period that ended in September 2022, all property segments saw decelerating annual gains over the prior quarter, with the sharpest slowdown seen in the retail segment, where annual price gains slowed to 2.0% in the 12-month period that ended in September 2022 compared to the 8.2% annual gain in the prior quarter. The Midwest Industrial index advanced 10.9% over the year, the fastest annual advance of all property types in the Midwest. The Midwest Multifamily Index grew by 9.8% over the year that ended in September 2022 and the office index rose by 6.8% over the same period.

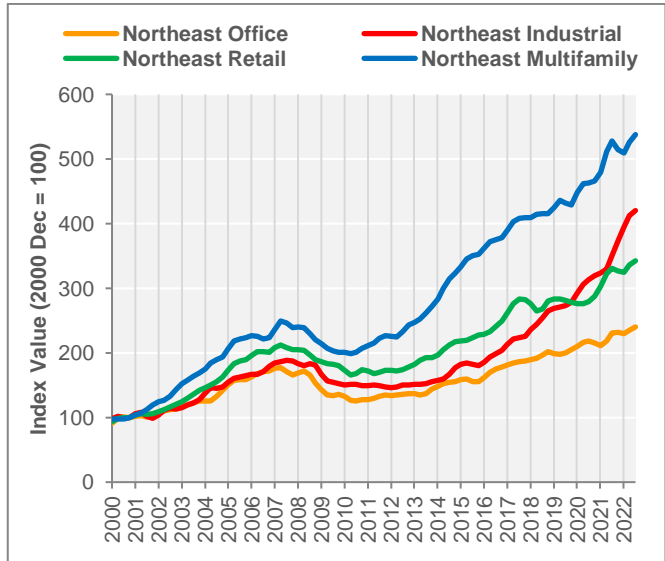
U.S. Regional Type Quarterly Indices – Equal-Weighted Data through September 2022



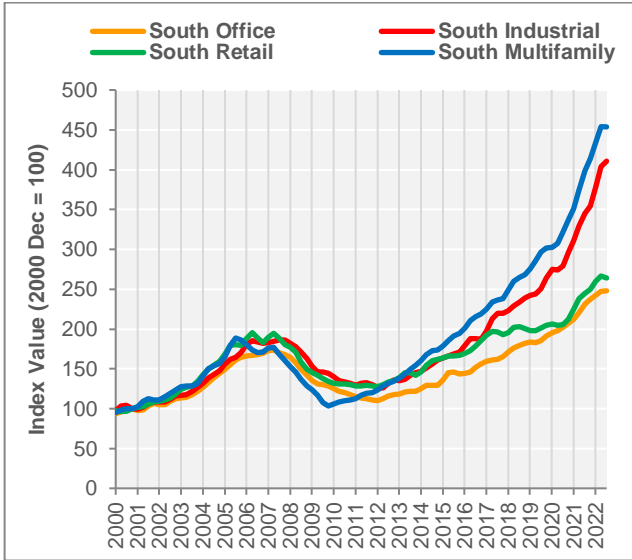
U.S. Midwest Property Type Quarterly Indices Equal-Weighted, Data through September 2022



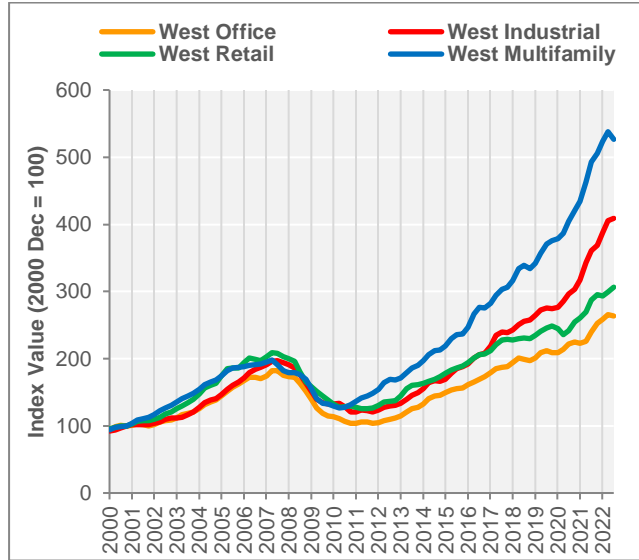
U.S. Northeast Property Type Quarterly Indices Equal-Weighted, Data through September 2022



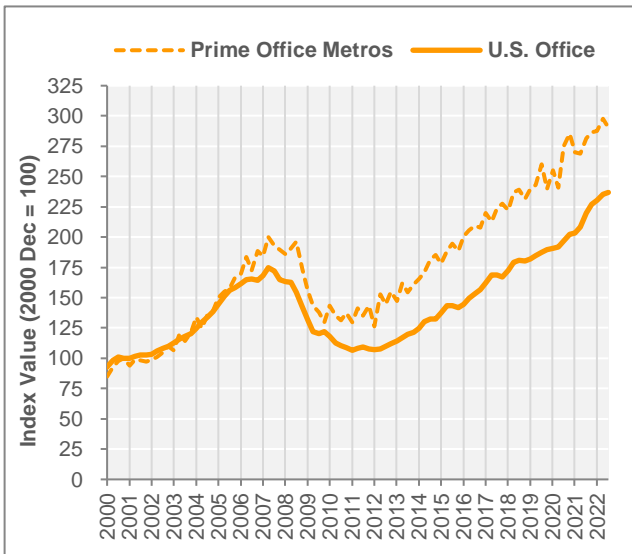
**U.S. South Property Type Quarterly Indices
Equal-Weighted, Data through September 2022**



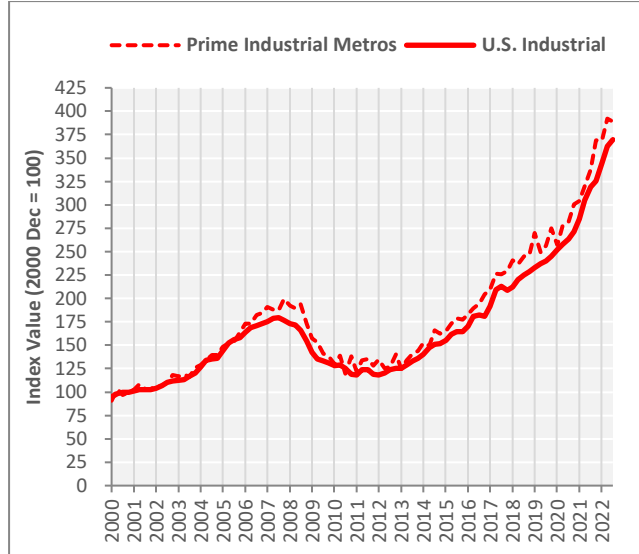
**U.S. West Property Type Quarterly Indices
Equal-Weighted, Data through September 2022**



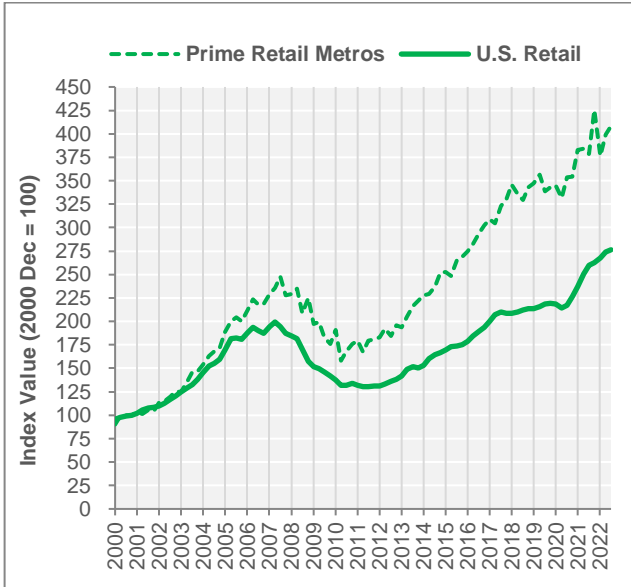
**Prime Office Markets Quarterly Indices
Equal-Weighted, Data through September 2022**



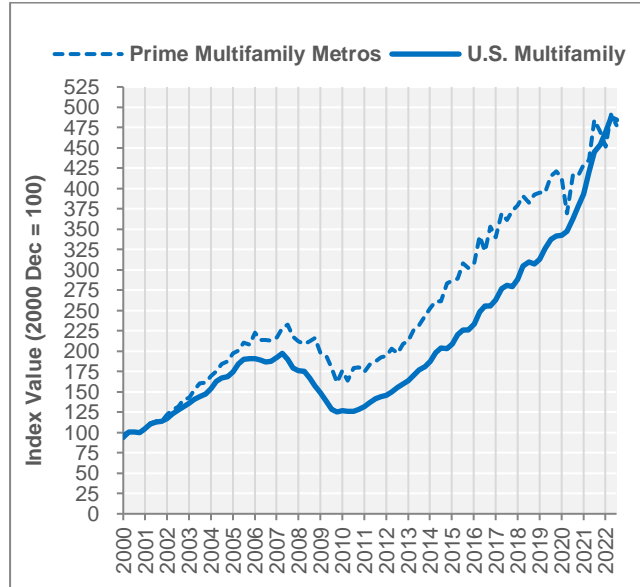
**Prime Industrial Markets Quarterly Indices
Equal-Weighted, Data through September 2022**



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



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



Monthly CCRSI Results, Data through September 2022

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	0.6%	2.6%	11.2%	188.4% ¹
Equal-Weighted U.S. Composite Index	-0.2%	-0.9%	12.4%	163.7% ²
U.S. Investment-Grade Index	-1.3%	-4.8%	8.1%	189.1% ³
U.S. General Commercial Index	0.2%	0.6%	14.0%	161.1% ⁴

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

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.

CONTACT:

Matthew Blocher, Vice President, Marketing & Communications, CoStar Group (mblocher@costar.com).

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.