

CCRSI RELEASE – March 2024
(With data through February 2024)

NET ABSORPTION PLUMMETED IN THE FIRST QUARTER OF 2024

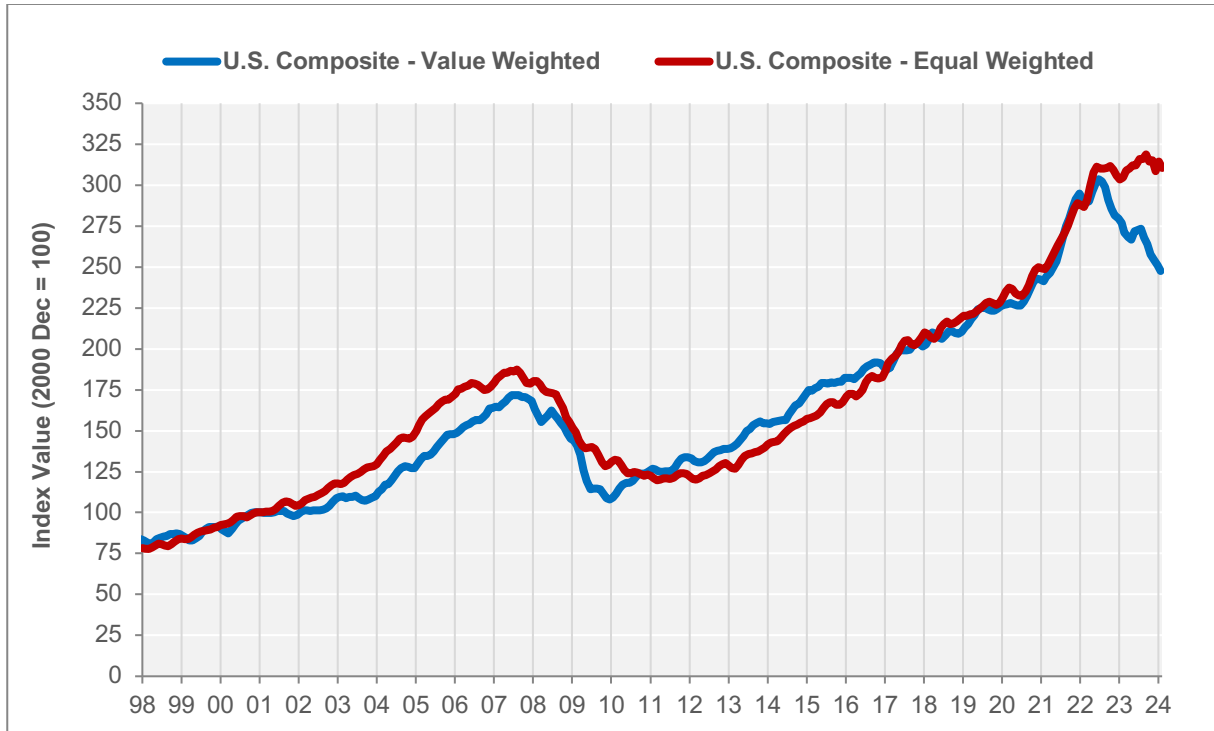
THE MARKET GAVE BACK 59 MILLION SF TO START THE YEAR

This month's CoStar Commercial Repeat Sales Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through February 2024. Based on 803 repeat sale pairs in February 2024 and 302,949 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

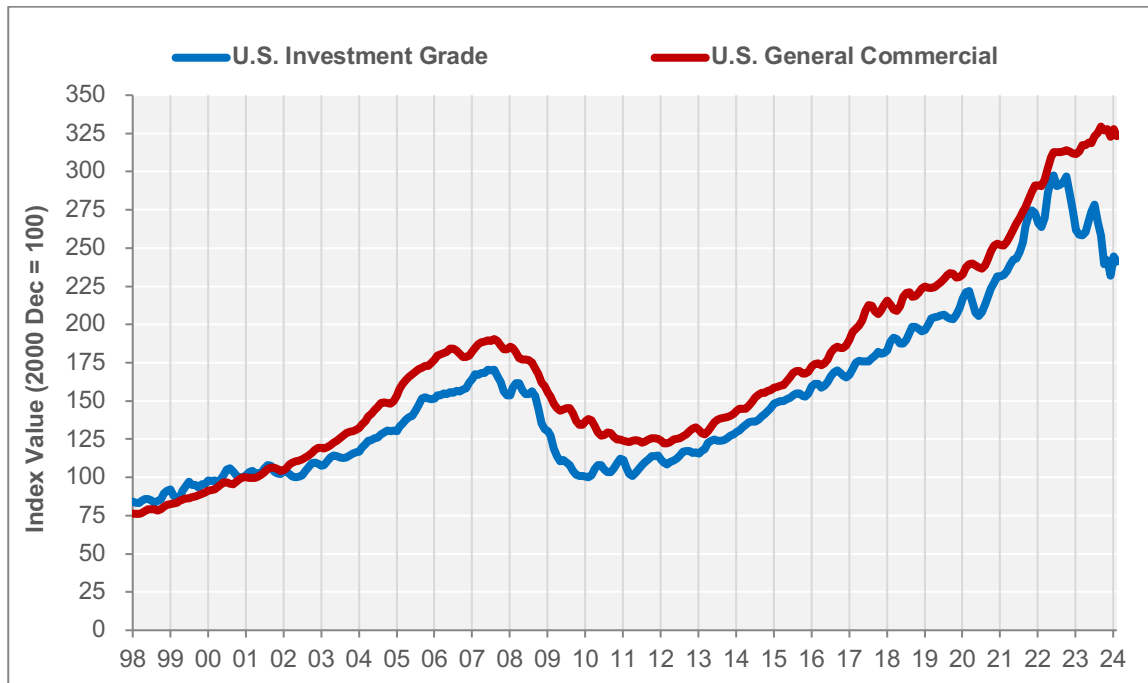
- **U.S. COMPOSITE PRICE INDICES DECLINED TOGETHER IN FEBRUARY 2024.** The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets, fell for the sixth consecutive month to 248, a fall of 1.4% over the prior month. The index also accelerated losses over the prior year, down 10.6% in the 12-month period that ended in February 2024. The sub-index was 18.5% off the all-time high in July 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, dropped four points to 310 in February 2024, a decline of 1.3% over the prior month. This reversed the 1.9% monthly gain seen in January 2024. The index was up 1.8% in the 12-month period that ended in February 2024 and was 2.7% below the all-time high in September 2023.
- Market participants note that transaction volume and pricing are being affected by higher treasury rates, which have largely remained above 4% since the beginning of the year.

U.S. Composite Indices: Equal- And Value-Weighted, Data Through February 2024



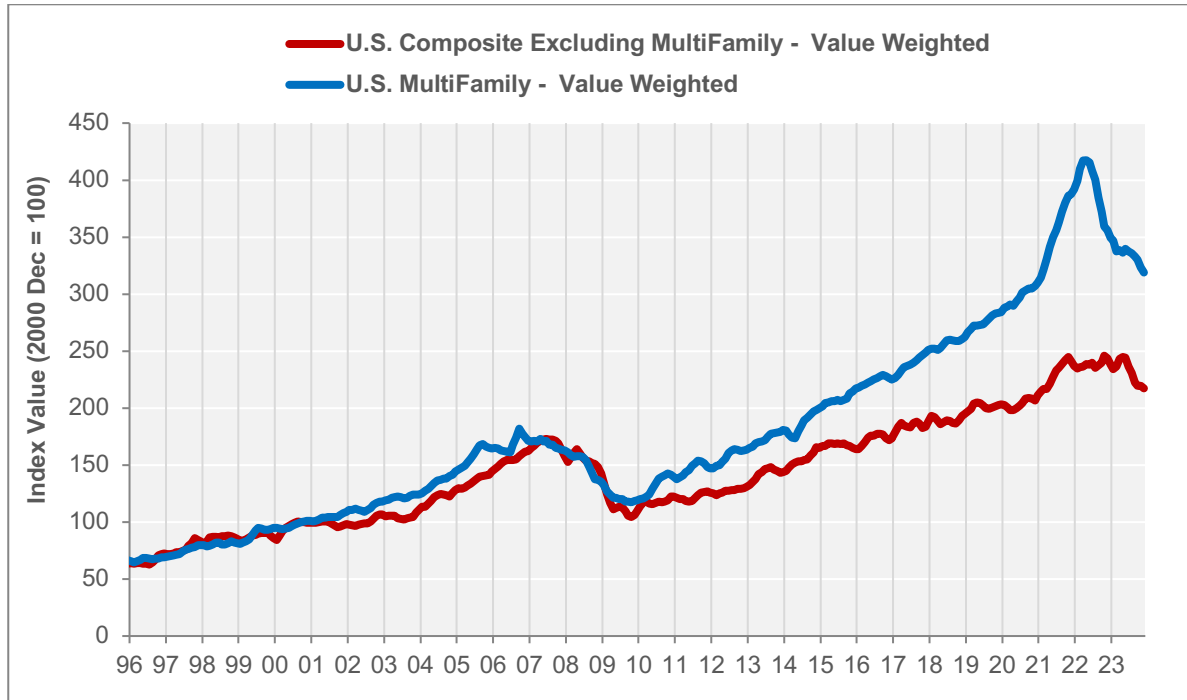
- BOTH MARKET SEGMENTS OF THE EQUAL-WEIGHTED COMPOSITE PRICE INDEX DECLINED IN FEBRUARY 2024.
- The investment grade sub-index, more heavily influenced by higher-value assets, fell by 1.4% in February 2024, reversing a part of the 5.4% monthly gain in January. The index gave back 6.7% of value over the 12-month period that ended in February 2024, a reacceleration from the 12-month period that ended in January 2024. The sub-index was 18.9% off the all-time high witnessed in June 2022.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, fell 1.3% in February 2024, nearly erasing the prior month's gain. This sub-index gained 3.2% over the 12-month period that ended in February 2024, which was 1.9% lower than the all-time high in September 2023.

U.S. Equal-Weighted Indices By Market Segment, Data Through February 2024



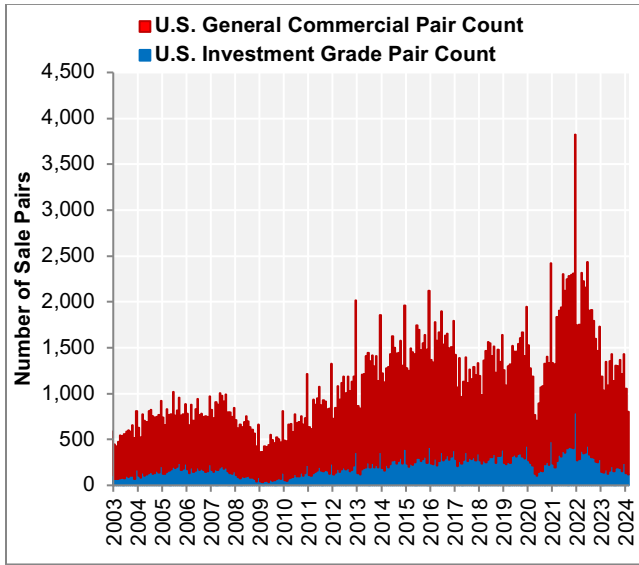
- THE MULTIFAMILY SECTOR FELL 23.6% FROM THE ALL-TIME HIGH IN JULY 2022.
- The multifamily sector sub-index slipped 1.4% in February 2024, its sixth consecutive month of declines. The index gave up 10.5% of its value in the 12-month period that ended February 2024. Net absorption in multifamily units was consistently strong in the past several quarters. Yet, the wave of new supply deliveries outpacing move-ins sent vacancies higher and stepped on rent growth in the early stages of 2024.
- The value-weighted composite index, excluding the multifamily sector, fell 1% in February 2024, its seventh consecutive month of stagnant or falling values. The index dove 10.8% lower in the 12-month period that ended in February 2024, on par with annual declines from the prior month. This sub-index was 11.7% below the all-time high witnessed in January 2023.

U.S. Value-Weighted Composite Index Excluding Multifamily Data Through February 2024

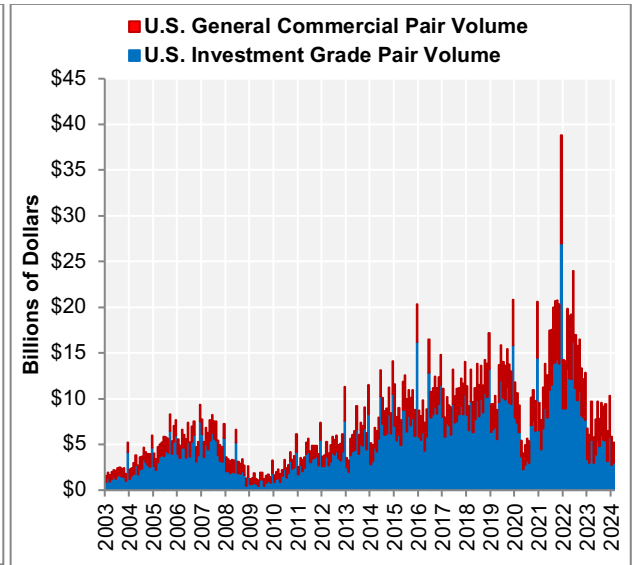


- TRANSACTION COUNTS MIRRORED PANDEMIC-ERA LOWS IN FEBRUARY 2024. The number of transactions in February 2024 marked the second-lowest total since May 2020, with 803 repeat sales. Composite sales totaling \$5.2 billion were traded in February 2024, a 13.3% drop compared to the prior month. While the investment grade contingent rose 7.9% over January 2024, the general commercial segment plunged 27.7% over the prior month.
- Trailing 12-month transaction volume decreased sharply in February 2024, with \$96.8 billion exchanging hands compared to \$182.4 billion during the 12-month period that ended in February 2023. This represents a 47% decline over the prior year. The reduction in sales volume was larger in the investment grade segment, which slumped 53.3% lower over the 12 months that ended in February 2024 compared to the same period ending in February 2023. The investment grade segment accounted for 56.5% of the overall transaction volume during the last 12 months. The general commercial segment, which accounted for 43.5% of the 12-month transaction volume, fell by 35.9% over the 12 months ending in February 2024.

U.S. Pair Count, Data Through February 2024

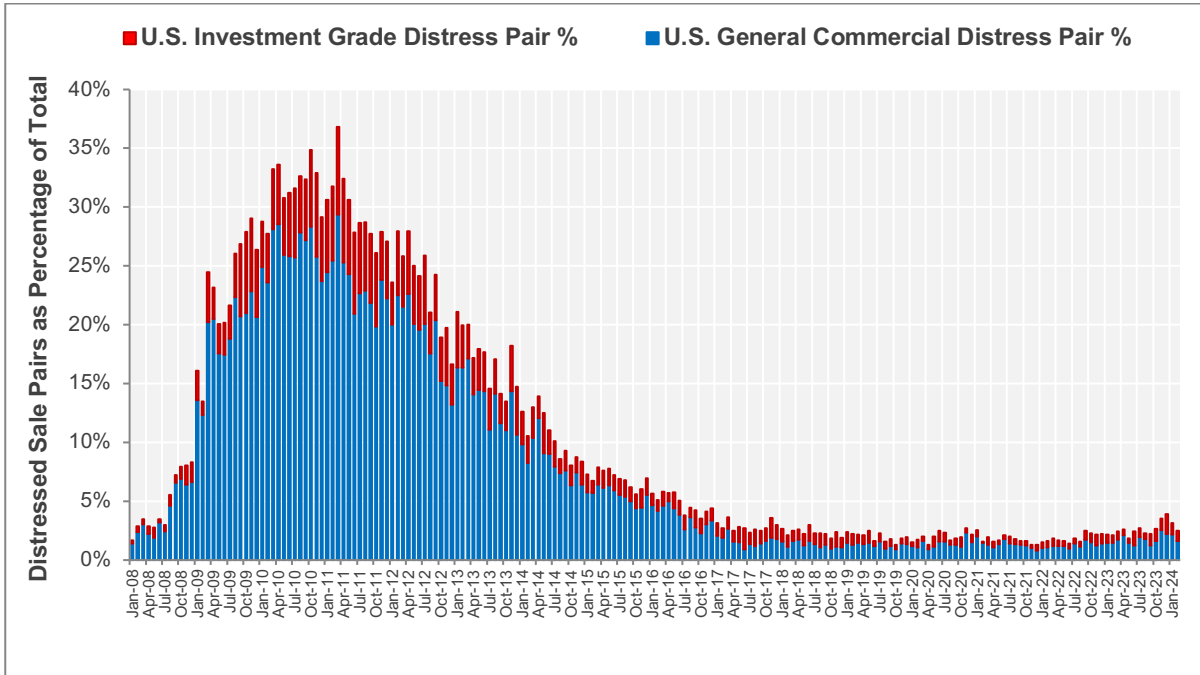


U.S. Pair Volume, Data Through February 2024



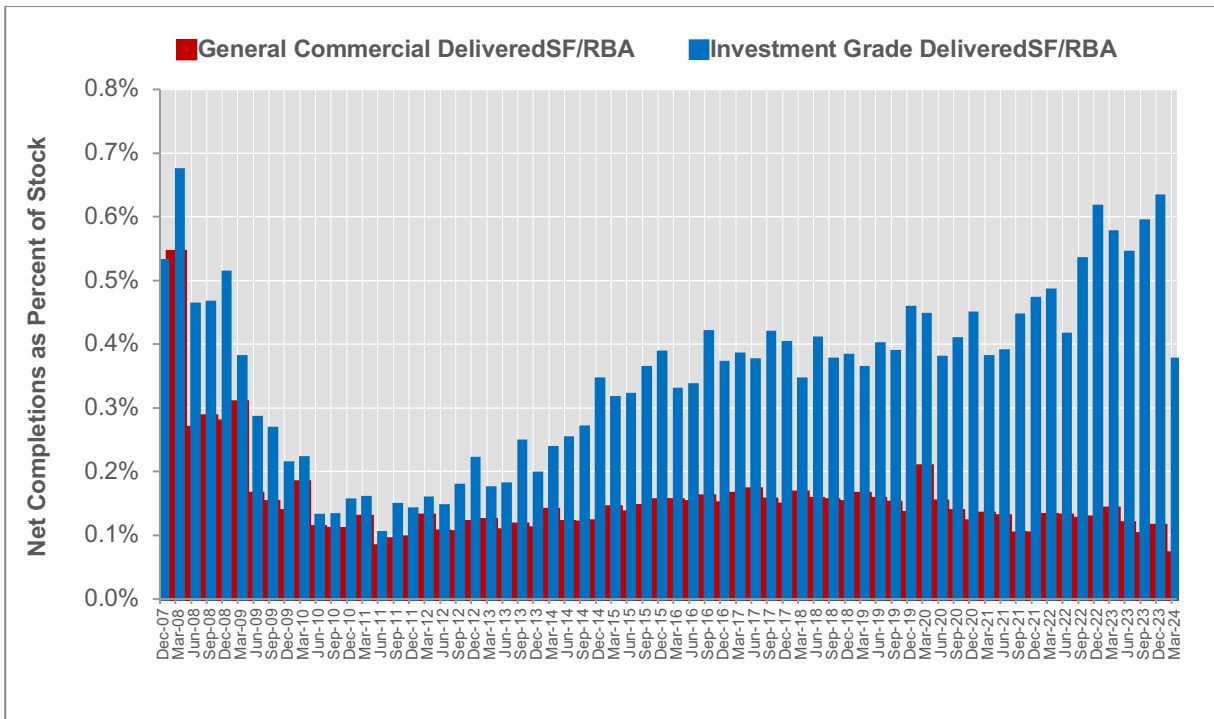
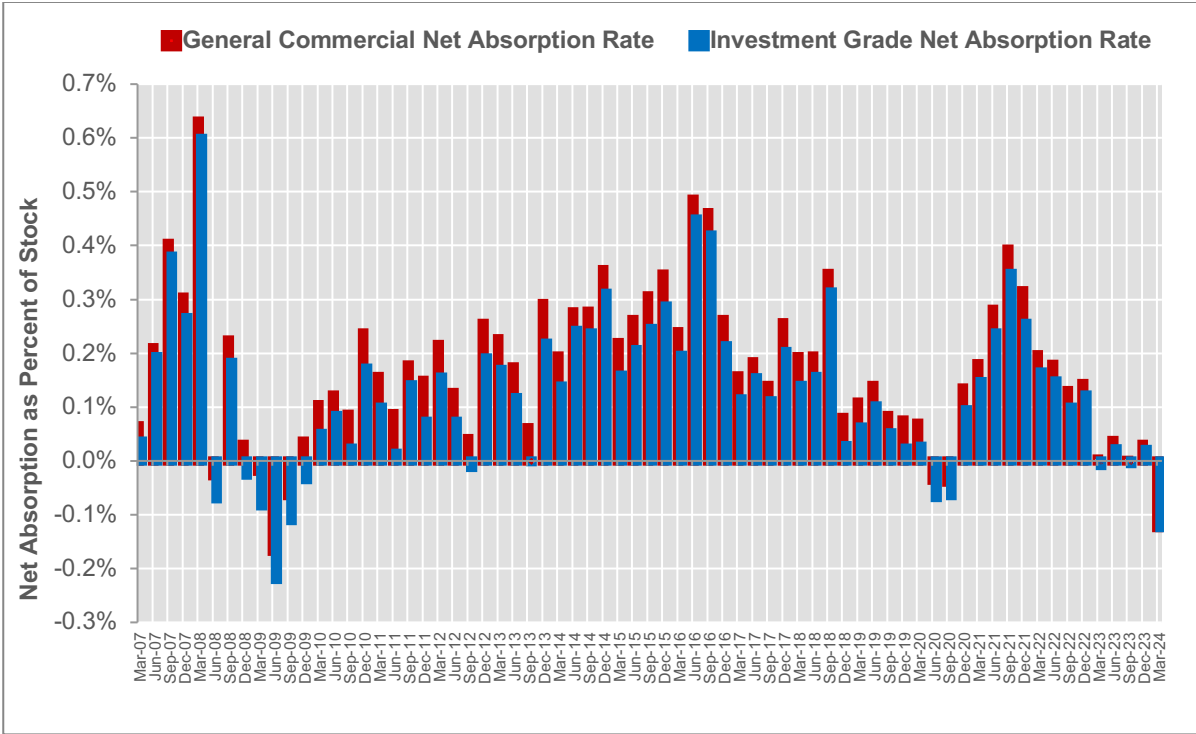
- **DISTRESSED REPEAT SALES EDGED LOWER IN 2024.** Approximately 20 of the 803 repeat-sale trades in February 2024, or about 2.5%, were distressed sales. However, the distribution of the distress was not even across indices. The general commercial segment accounted for 13 of the distressed trades in February 2024, or 1.9% of all general commercial repeat-sale trades. The 7 investment-grade distressed repeat sales recorded in February 2024 accounted for 6% of the 116 investment-grade transactions.

U.S. Distressed Sale Pairs Percentage, Data Through February 2024



- THE FIRST QUARTER OF 2024 SAW THE WEAKEST DEMAND SINCE THE SECOND QUARTER OF 2009. Net absorption is projected to be negative by 59 million SF in the 12-month period ending in March 2024. Investment grade and general commercial segments saw similar demand declines, each giving back 29.5 million SF. While the negative absorption was uneven during the pandemic, with the investment grade segment shedding nearly twice the amount of space, the current environment more closely resembles the Great Recession’s comparable distribution of occupancy losses across the two segments.
- As a percentage of stock, net absorption in the quarter ending in March 2024 is projected to shed 0.1% of space in both the general commercial and investment-grade property types.
- QUARTER-OVER-QUARTER DELIVERIES FELL 40.8% IN THE FIRST QUARTER OF 2024. Deliveries across the three major property types — office, retail, and industrial — are projected to reach 843.9 million SF in the 12-month period ending in March 2024, down 1.2% from the same period ending in March 2023. 758.1 million SF is expected to be investment-grade assets, an increase of 2.4% over the 12-month period that ended in February 2023. Only 85.9 million SF of general commercial properties are projected to be delivered in the 12-month period ending in March 2024, a decline of 24.7% over the prior 12-month period.
- As a percentage of total stock, deliveries are projected to be 0.3% of total inventory in the quarter ending in March 2024, with investment grade deliveries of 0.4% of stock and general commercial of less than 0.1% of inventory.

Market Fundamentals, Data through March 2024



Monthly CCRSI Results, Data Through February 2024

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-1.4%	-4.0%	-10.6%	129.4% ¹
Equal-Weighted U.S. Composite Index	-1.3%	-1.6%	1.8%	159.5% ²
U.S. Investment-Grade Index	-1.4%	-0.4%	-6.7%	141.3% ³
U.S. General Commercial Index	-1.3%	-1.4%	3.2%	163.1% 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 March 2024

Annual Net Absorption (in millions of square feet)

	2021Q1	2022Q1	2023Q1	2024Q1
Aggregate	82.7	521.4	195.1	-33.5
Investment Grade	25.8	238.8	86.0	-20.4
General Commercial	56.9	282.5	109.1	-13.1

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)

	2021Q1	2022Q1	2023Q1	2024Q1
Aggregate	654.7	705.2	854.4	843.9
Investment Grade	537.2	605.9	740.4	758.1
General Commercial	117.5	99.3	114.1	85.9

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) 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 equal-weighted and value-weighted versions), national Investment-Grade Index, and national General Commercial Index, 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. 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 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 (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1987, 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 attract over 100 million 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, CoStarGroup.com, as a channel of distribution for material company information. For more information, visit 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 actual 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 March 2024; and the risk that deliveries across office, retail, and industrial properties will not be as projected for the 3- and 12-month periods ending March 2024. 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 Reports on Form 10-Q for the quarters ending March 31, 2023, June 30, 2023, and September 30, 2023, each of 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, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.