



CCRSI RELEASE – June 2024
(With Data Through May 2024)

THE MARKET SHEDS 29 MSF OF SPACE IN THE LAST 12 MONTHS

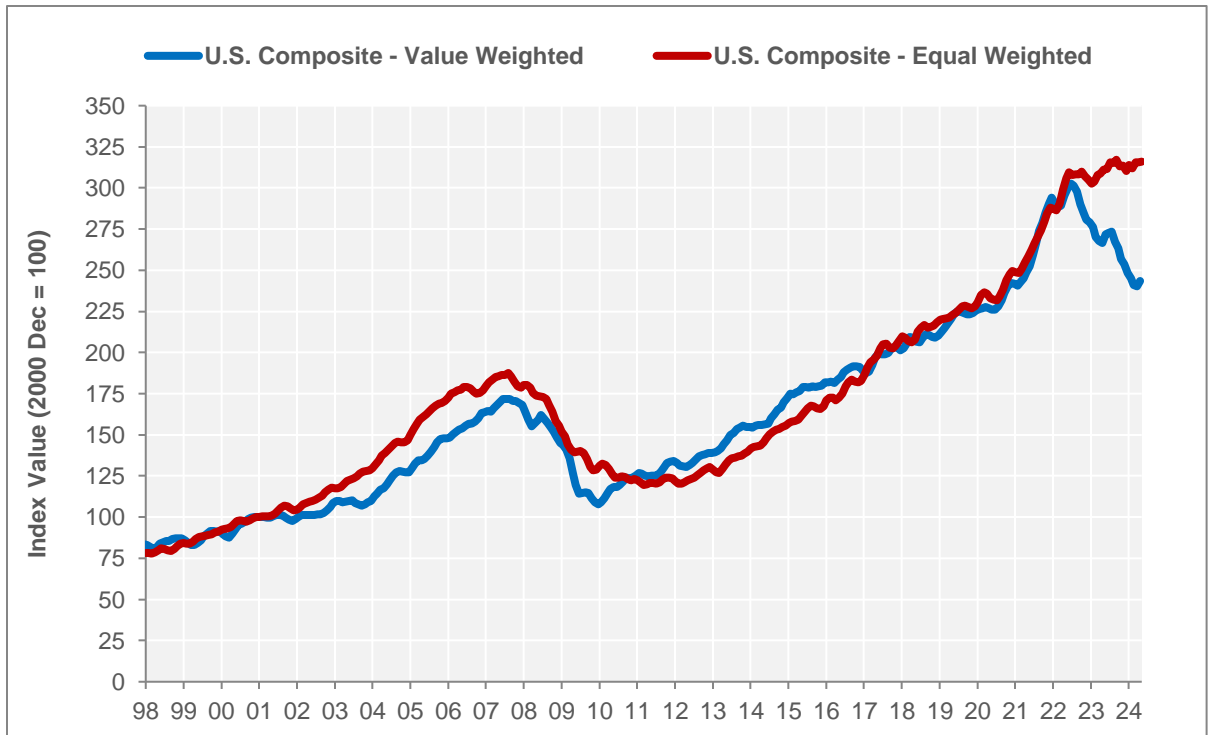
MEANWHILE, 12-MONTH DELIVERIES ADD 815 MSF TO THE MARKET

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through May 2024. Based on 1,207 repeat sale pairs in May 2024 and 306,705 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

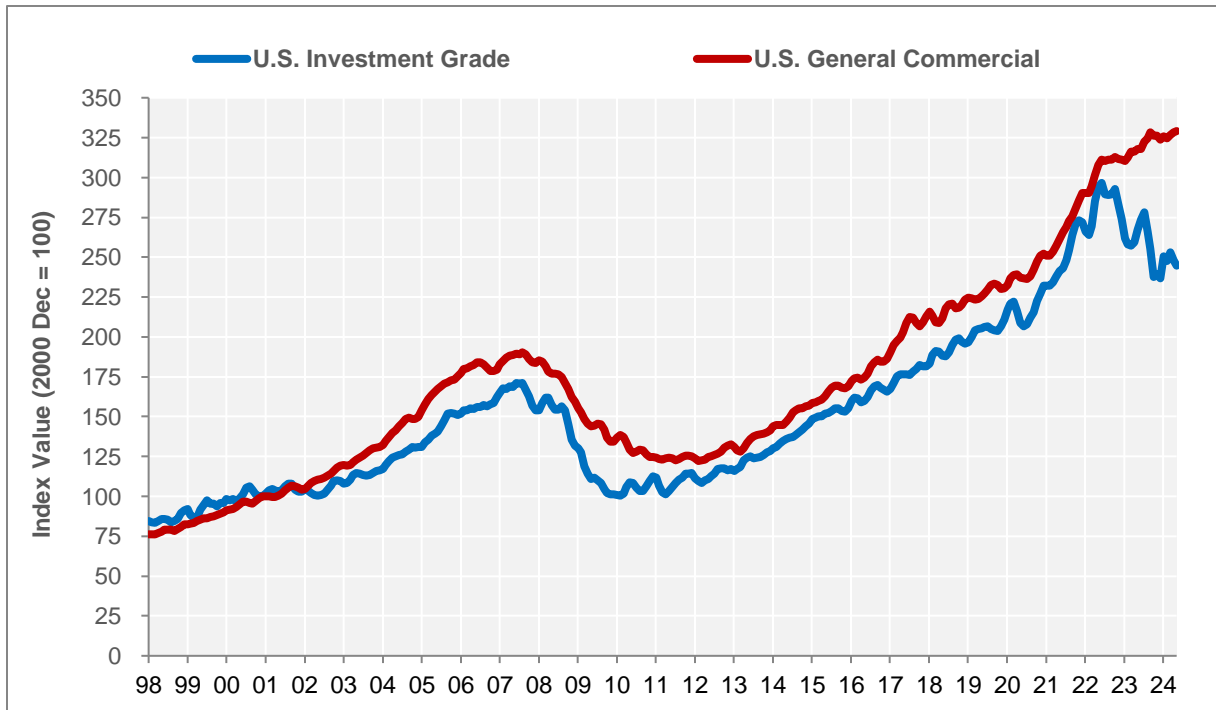
- **U.S. COMPOSITE PRICE INDICES ROSE IN MAY 2024.** The value-weighted U.S. Composite Index, more heavily influenced by high-value trades common in core markets, increased for the first time in nine months to 243, a step of 1.3% higher over the prior month. Compared to the 12 months ending in May 2023, the index was 8.7% lower and was off by 19.6% 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, stepped 0.2% higher to 316 in May 2024. The index increased by 1.6% in the 12 months ending in May 2024 and was 0.4% below the September 2023 all-time high.
- The uptick in value-weighted values could be the beginning of a bottoming process or simply a brief pause in the otherwise steady decline in values, similar to the price action in the summer months of June through August 2023, where pricing moved slightly higher before resuming its multi-quarter trend lower.

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



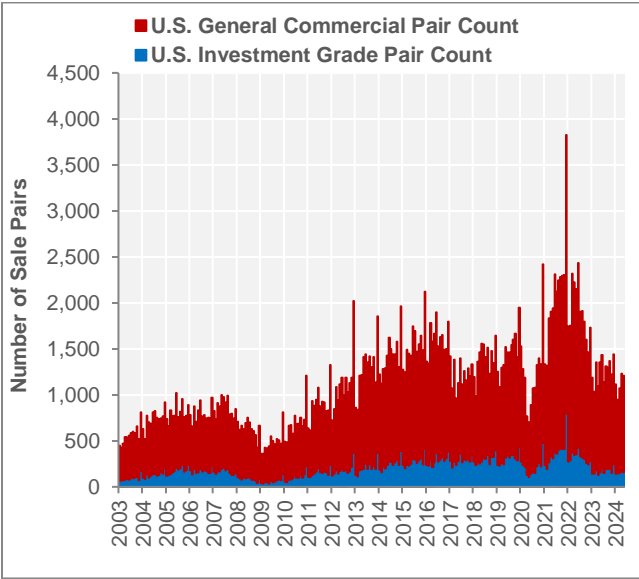
- EQUAL-WEIGHTED PRICE INDEXES WERE MIXED IN MAY 2024. Property values of smaller repeat sales continued to make new all-time highs while investment-grade values moved lower.
- The investment grade sub-index, more heavily influenced by higher-value assets, fell 1.4% in May 2024, the seventh decline out of the last ten months. The index dropped 8.5% over the 12-month period that ended in May 2024 and was 17.5% lower than the June 2022 all-time high.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, gained 0.2% of value in May 2024, marking the third consecutive month of increases. This sub-index gained 3.6% over the 12-month period that ended in May 2024 and was 0.2% higher than the prior all-time high in April 2024.

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

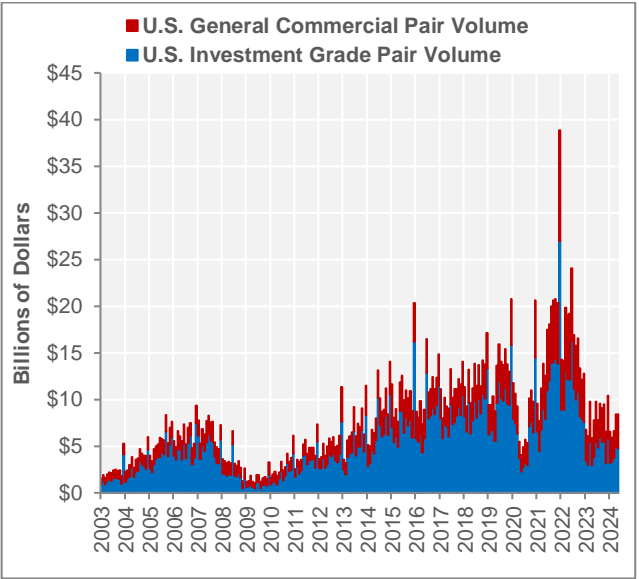


- TRANSACTION VOLUME STEPPED HIGHER FOR THE THIRD CONSECUTIVE MONTH. Transaction activity climbed to \$8.4 billion in May 2024, a 0.6% increase from the prior month. Investment grade transaction volume fell 2.1% in May 2024 from the prior month to \$4.8 billion, while the general commercial segment led, climbing 4.3% from the prior month to \$3.6 billion.
- Composite pair volume of \$98.4 billion during the 12 months ending in May 2024 was 33.3% lower than the 12-month period that ended in May 2023. As many institutional investors have stepped to the sidelines as a manner of caution, the investment grade segment fell 38% over the 12 months that ended in May 2024 and accounted for about 56.9% of the overall annual transaction volume. The general commercial segment, which accounted for 43.1% of the 12-month transaction volume, slipped 25.9% over the 12 months ending in May 2024.

U.S. Pair Count, Data Through May 2024

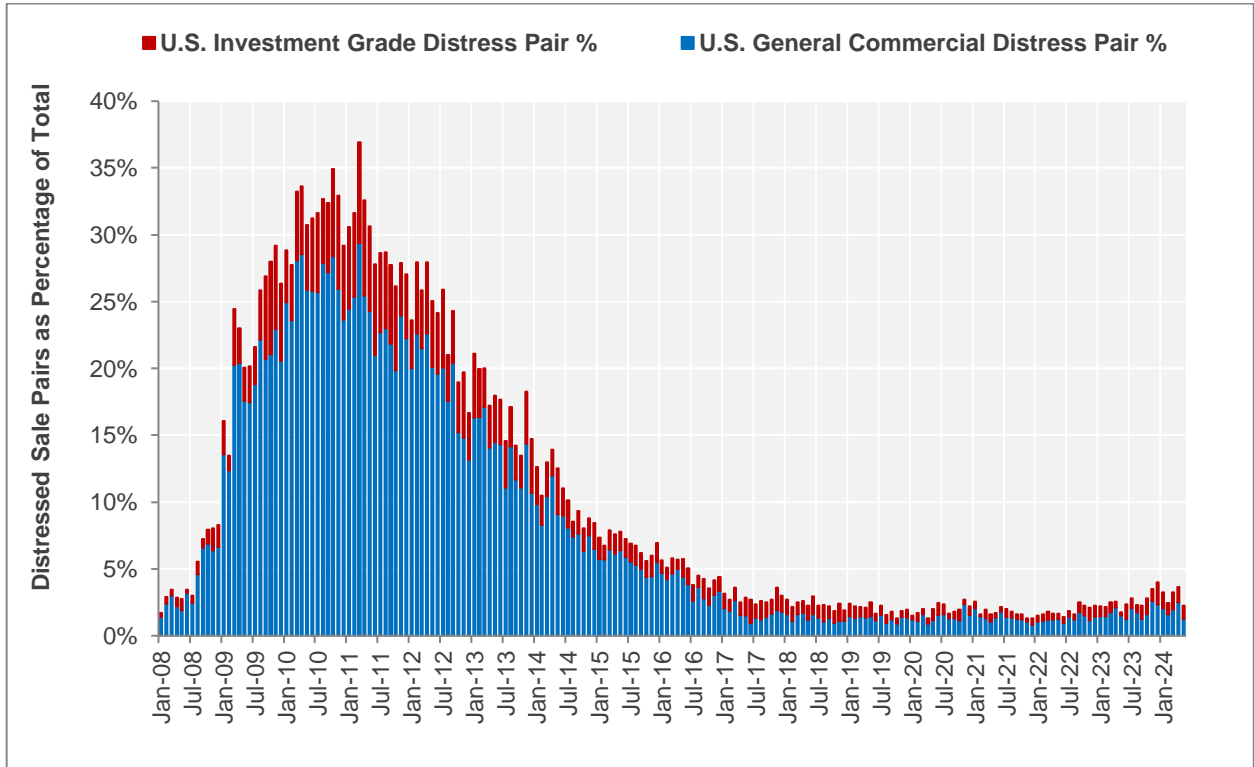


U.S. Pair Volume, Data Through May 2024



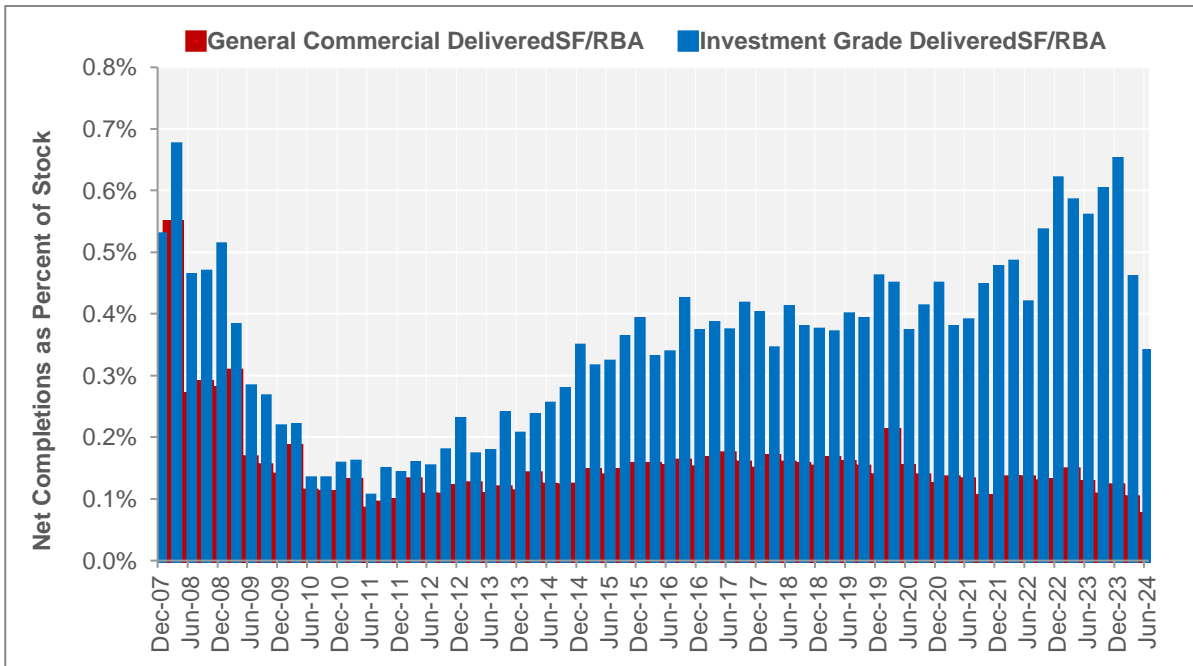
- DISTRESSED REPEAT-SALE TRADES WERE REDUCED BY NEARLY HALF IN MAY.** Approximately 27 of the 1,207 repeat-sales trades in May 2024, or 2.2%, were distressed sales. Fifteen general commercial distressed sales tallied 1.4% of all general commercial repeat sales in May 2024. There were 12 distressed investment grade repeat sales recorded in the month, accounting for 7.7% of all investment grade repeat sales.

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



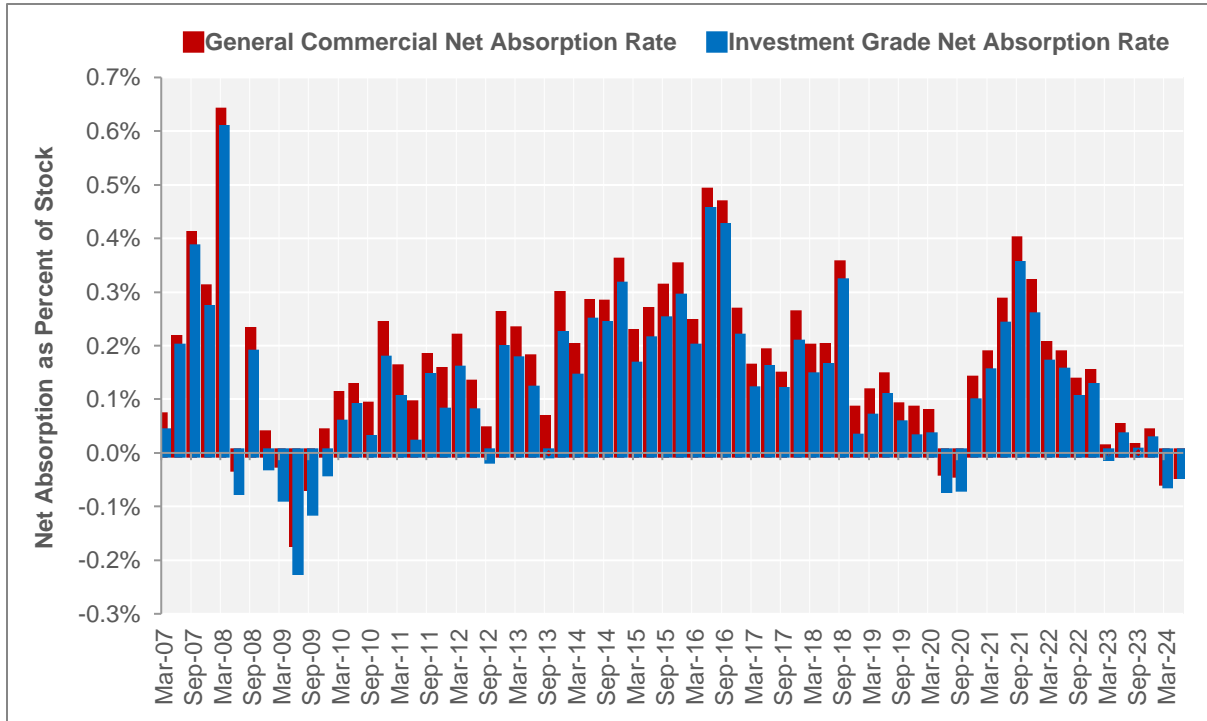
- SECOND QUARTER DELIVERIES SLOWED TO LEVELS LAST SEEN DURING FIRST QUARTER 2016. Deliveries across the three major property types — office, retail, and industrial — are projected to reach 136.3 million SF in the second quarter of 2024, the lowest level since the beginning of 2016 and 39.1% below the second quarter of 2023.
- In the 12 months ending in June 2024, deliveries are expected to total 815.6 million SF, down 10.9% from the same period in 2023. Approximately 89.5% of the space delivered, or 729.7 million SF, is expected to be of investment-grade quality. Only 85.5 million SF of general commercial properties are projected to be delivered in the 12 months ending in June 2024, a drop of 25.7% 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 2024. Investment grade deliveries are expected to enlarge its stock by 0.3%, while general commercial should grow by less than 0.1% of its current inventory.

Market Fundamentals, Data Through June 2024



- **SECOND CONSECUTIVE QUARTER OF NEGATIVE ABSORPTION.** Net absorption across the three major property types — office, retail, and industrial — is projected to give back 19.2 million SF in the second quarter of 2024. Since the first quarter of 2023, the market has given back 10.4 million SF of space.
- In the 12 months ending in June 2024, net absorption is expected to return 28.9 million SF to the market. Investment grade is projected to give back 62.5% of the total loss, while the general commercial segment is expected to contribute 37.5%. Since peaking in the first quarter of 2022, the most recent period marks the ninth consecutive quarter of declining 12-month net absorption.
- As a percentage of stock, negative net absorption in the quarter ending in June 2024 is projected to give back 0.04% of space. This marks the first time the market posted two consecutive quarters of negative demand since the third quarter of 2020, as the pandemic sent uncertainty rippling through commercial property markets.

Market Fundamentals, Data Through June 2024



Monthly CCRSI Results, Data Through May 2024

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.3%	-0.8%	-8.7%	125.4% ¹
Equal-Weighted U.S. Composite Index	0.2%	1.2%	1.6%	164.2% ²
U.S. Investment-Grade Index	-1.4%	-1.2%	-8.5%	143.8% ³
U.S. General Commercial Index	0.2%	1.4%	3.6%	168.0% 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 June 2024

Annual Net Absorption (in millions of square feet)

	2021Q2	2022Q2	2023Q2	2024Q2
Aggregate	232.2	479.1	137.9	-28.9
Investment Grade	98.6	218.4	58.2	-18.1
General Commercial	133.6	260.7	79.7	-10.8

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
Aggregate	657.7	723.8	915.7	815.6
Investment Grade	544.2	621.7	800.2	729.7
General Commercial	113.5	102.1	115.5	85.8

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 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 attracted 170 million quarterly average monthly unique visitors for the first 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, 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 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 the trends represented or implied by the indices in prior quarters or years are explanatory for current results or predictive of future results; 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 March 31, 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.