

COSTAR COMMERCIAL  
REPEAT-SALE INDICES  
**PRESS RELEASE**



CCRSI RELEASE – March 2025  
(With Data Through February 2025)

## **FIRST SIGHTING OF 12-MONTH NEGATIVE NET ABSORPTION SINCE 2010**

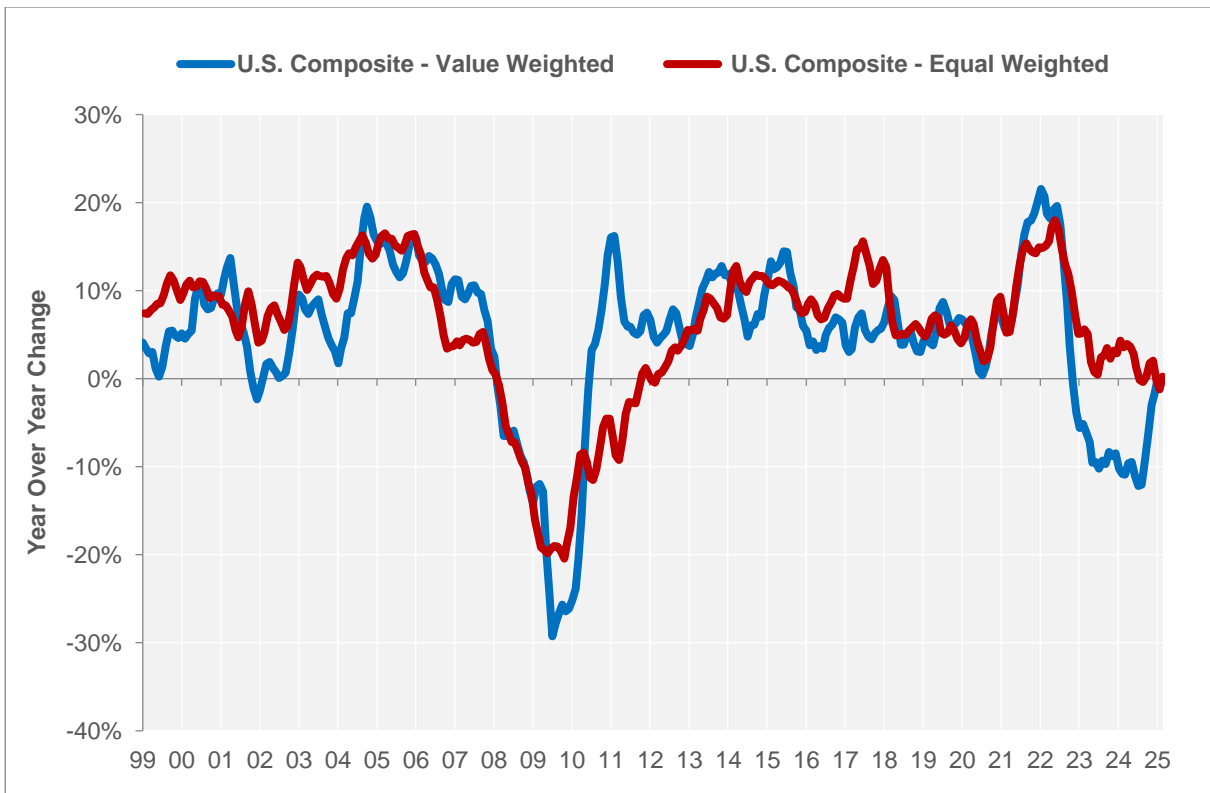
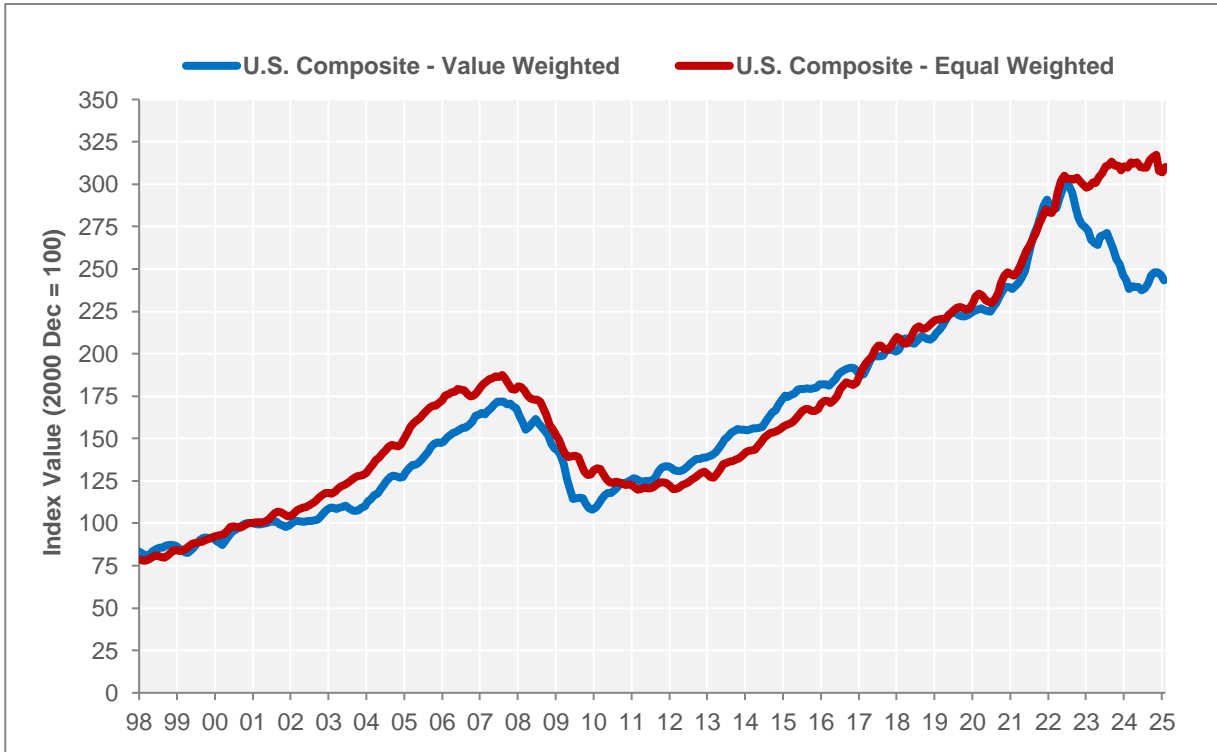
*WHILE NEW DELIVERIES FELL TO 2017 LEVELS*

This month's CoStar Commercial Repeat Sales Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through February 2025. Based on 1,101 repeat sale pairs in February 2025 and 320,748 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

## **CCRSI National Results Highlights**

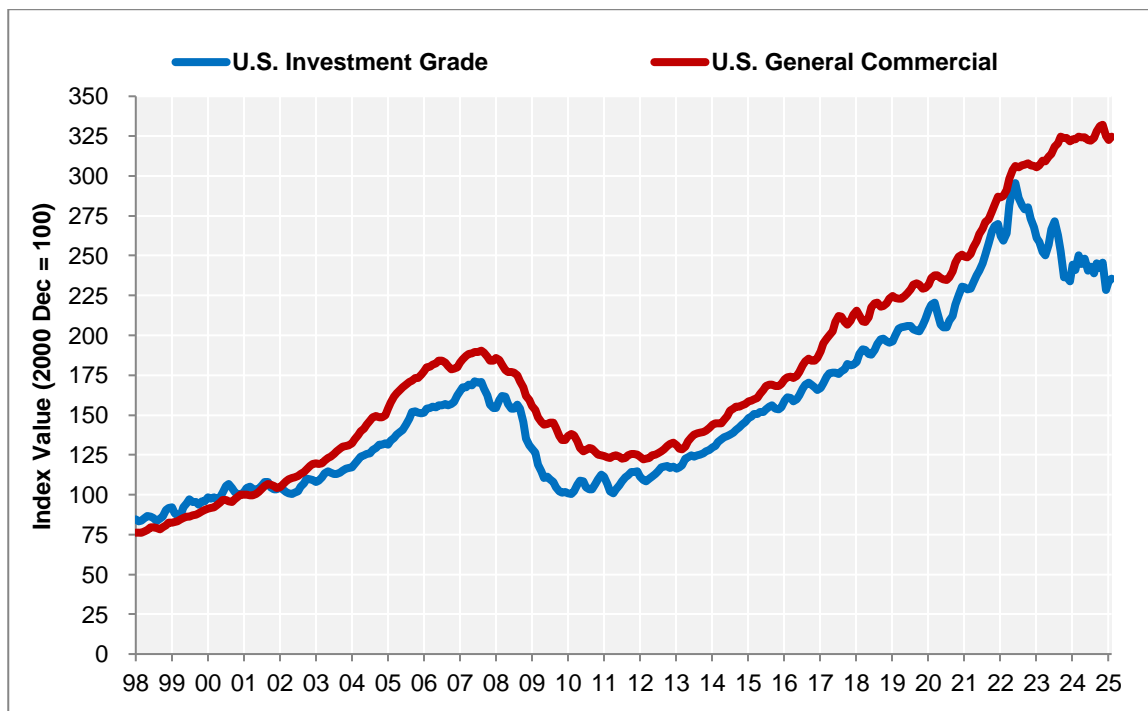
- U.S. COMPOSITE PRICE INDICES WERE SPLIT IN FEBRUARY 2025 WITH VALUE-WEIGHTED PRICING LOWER. The value-weighted U.S. composite index, which is more heavily influenced by high-value trades common in core markets, declined for the second consecutive month to 243, representing a 1.3% decrease from the prior month. The index increased 0.1% in the 12 months ending in February 2025, yet it remains 19.1% lower than the all-time high reached 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, rose 3 points to 310 in February 2025, representing a 1.1% increase over the prior month. The index gained 0.2% over the 12 months ending in February 2025 and is 2.2% below its all-time high reached in November 2024.
- Equal-weighted repeat sale prices remained little changed since July 2023, finding stability a full year before the value-weighted segment stabilized in the third quarter of 2024. Value-weighted price trends have broadly suggested a favorable response to the Fed's actions to lower its policy rate so far.

# U.S. Composite Indices: Equal- And Value-Weighted, Data Through February 2025



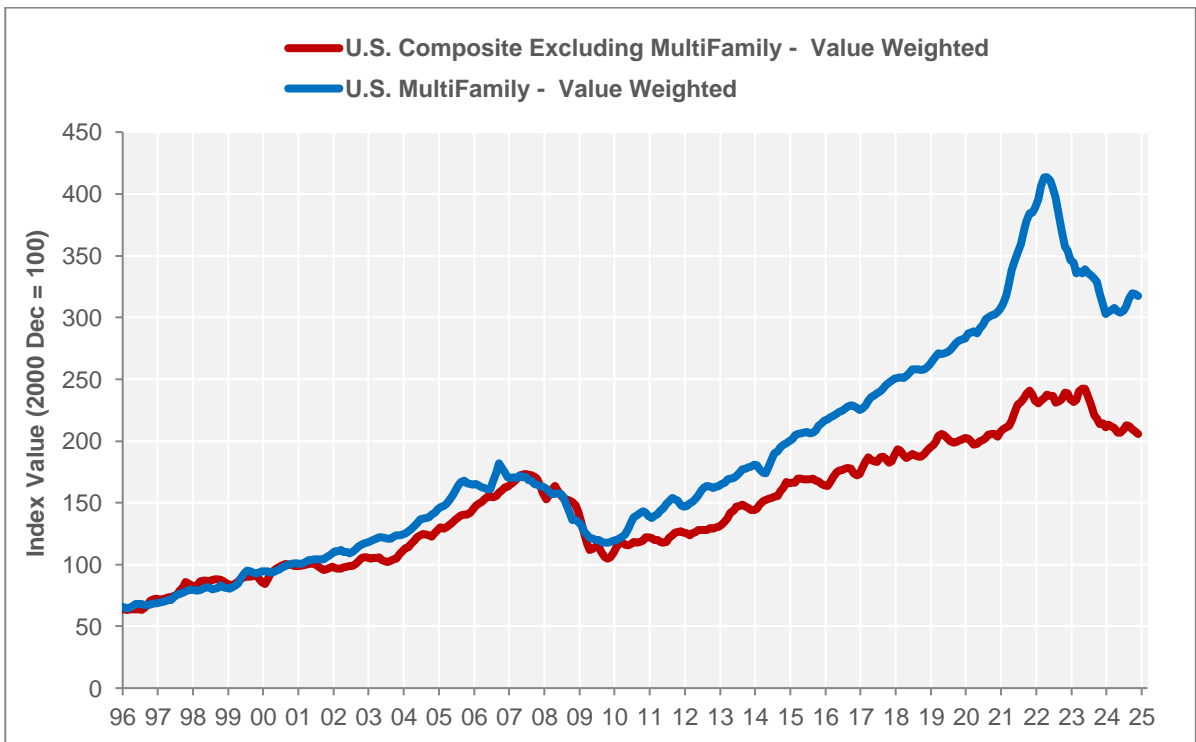
- EQUAL-WEIGHTED COMPOSITE PRICE INDICES MARCHED IN LOCKSTEP HIGHER IN FEBRUARY 2025.
- The investment-grade sub-index, more heavily influenced by higher-value assets, increased 0.7% in February 2025, marking the second consecutive month of gains. Despite the recent positive trend, the sub-index was 2.3% lower than February 2024 and 20.3% below the all-time high reached in June 2022.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, rose by 0.7% in February 2025, reversing the prior two consecutive months of losses. This sub-index gained 0.5% over the 12-month period that ended in February 2025 but was 2.2% off the November 2024 all-time high.

### U.S. Equal-Weighted Indices By Market Segment, Data Through February 2025



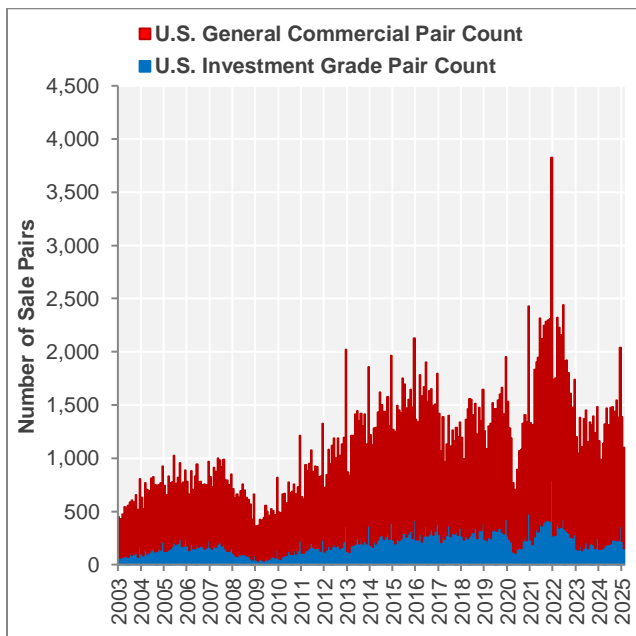
- THE VALUE-WEIGHTED MULTIFAMILY SUB-INDEX SAW LESS VALUE SLIPPAGE THAN THE EX-MULTIFAMILY SUB-INDEX.
- The multifamily sub-index fell 0.6% in February 2025 to 317 compared to January 2025. The sub-index experienced price growth of 2.2% in the 12 months ending in February 2025, marking its first monthly year-over-year price gain since November 2022, following 26 consecutive months of declines. Additionally, the multifamily sub-index was 23.3% below the all-time high seen in July 2022.
- The value-weighted composite index, excluding the multifamily sector, declined by 1.0% in February 2025, marking its fourth consecutive monthly decline. The sub-index declined 4.1% in the 12 months ending in February 2025, marking its 18th consecutive year-over-year decrease. The ex-multifamily sub-index was 15.2% below the August 2023 all-time high.

### U.S. Value-Weighted Composite Index Excluding Multifamily Data Through February 2025

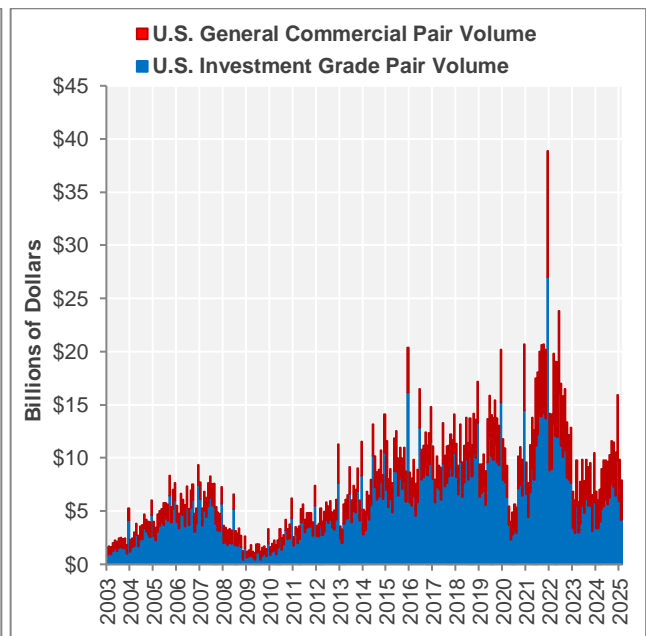


- TRANSACTION VOLUME SHOWED ENCOURAGING SIGNS OF MOMENTUM. Despite a slight decline in month-over-month repeat sale counts in February 2025, which is not unusual for the second month of the year, repeat sales activity increased 11% compared to February 2024. The 1,101 total repeat sales transactions in February 2025 marked the best February since 2023 and were 4.0% below the five-year pre-pandemic average. Total sales volume leaped 31.3% compared to February 2024, with \$7.9 billion trading hands. The investment-grade segment, with \$4.2 billion trading, or 53.5%, was more active than the general commercial segment, with \$3.7 billion, or 46.5%, in February 2025.
- Composite pair volume of \$122.7 billion during the 12 months ending in February 2025 was 23.2% higher than the 12-month period that ended in February 2024. The investment-grade segment experienced significant growth, with \$73.9 billion in repeat sales during the 12 months that ended in February 2025, representing a 33.0% increase from the same period in the previous year. The general commercial cohort, while increasing, was less active, with \$48.8 billion in repeat sales, a 10.9% increase compared to the 12 months ending in February 2024.

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

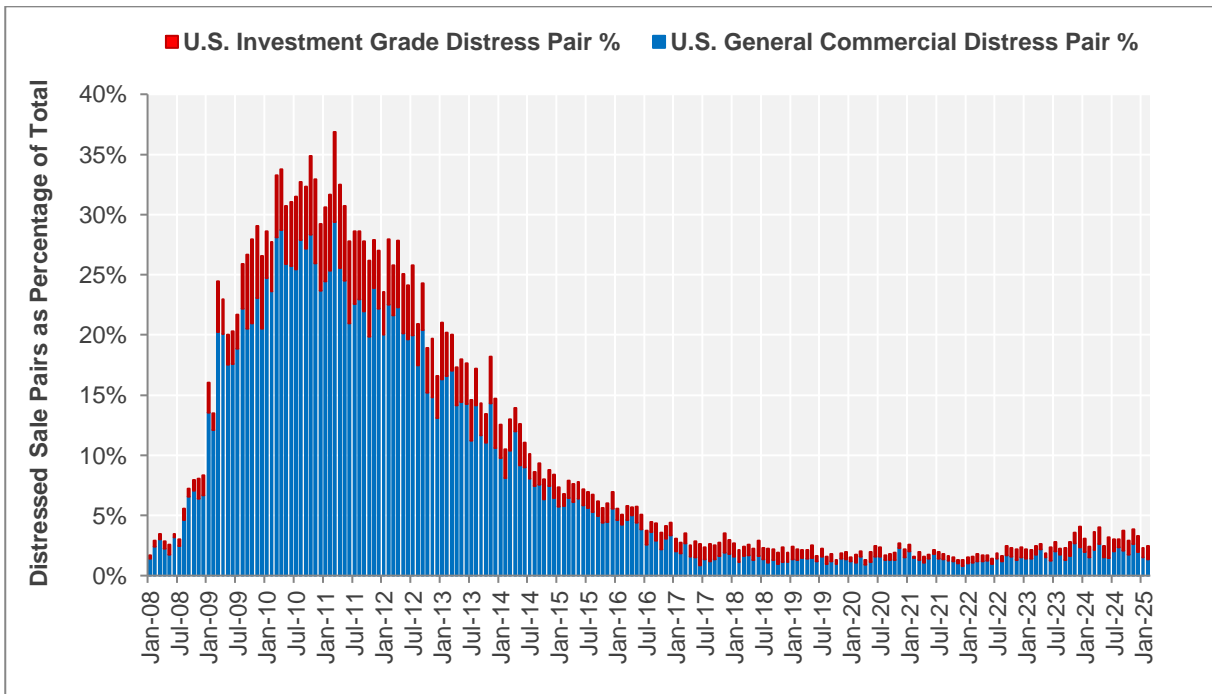


**U.S. Pair Volume, Data Through February 2025**



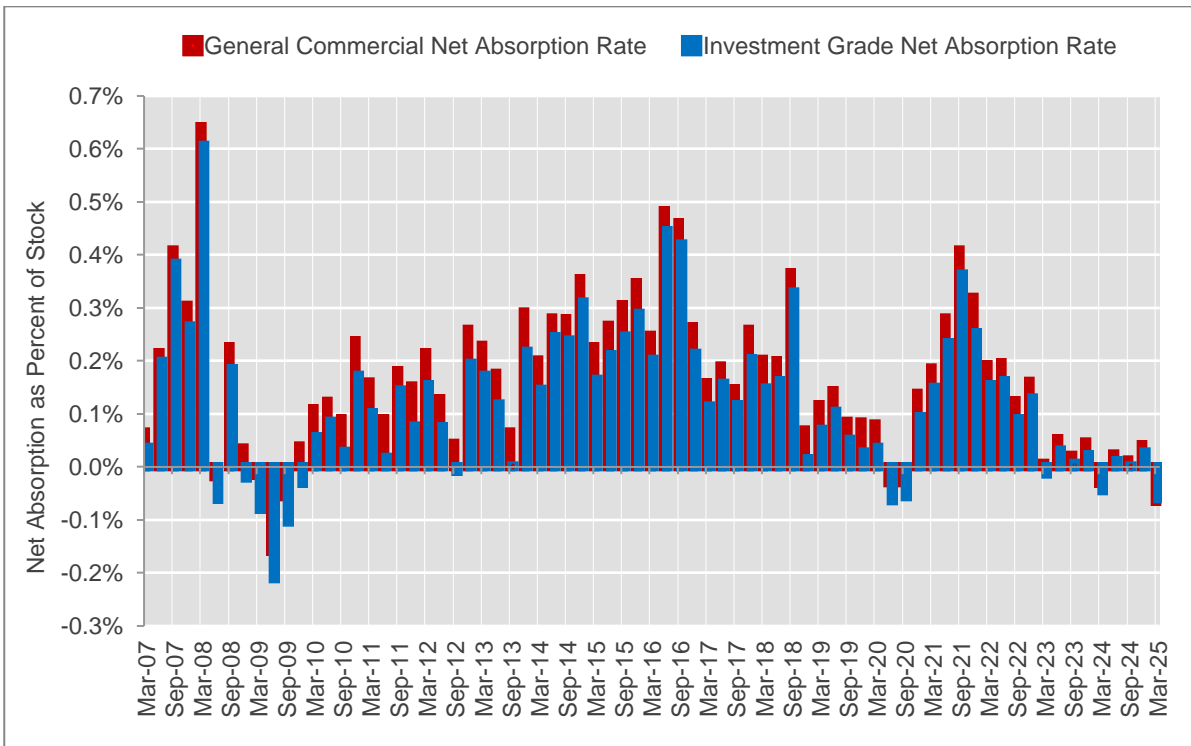
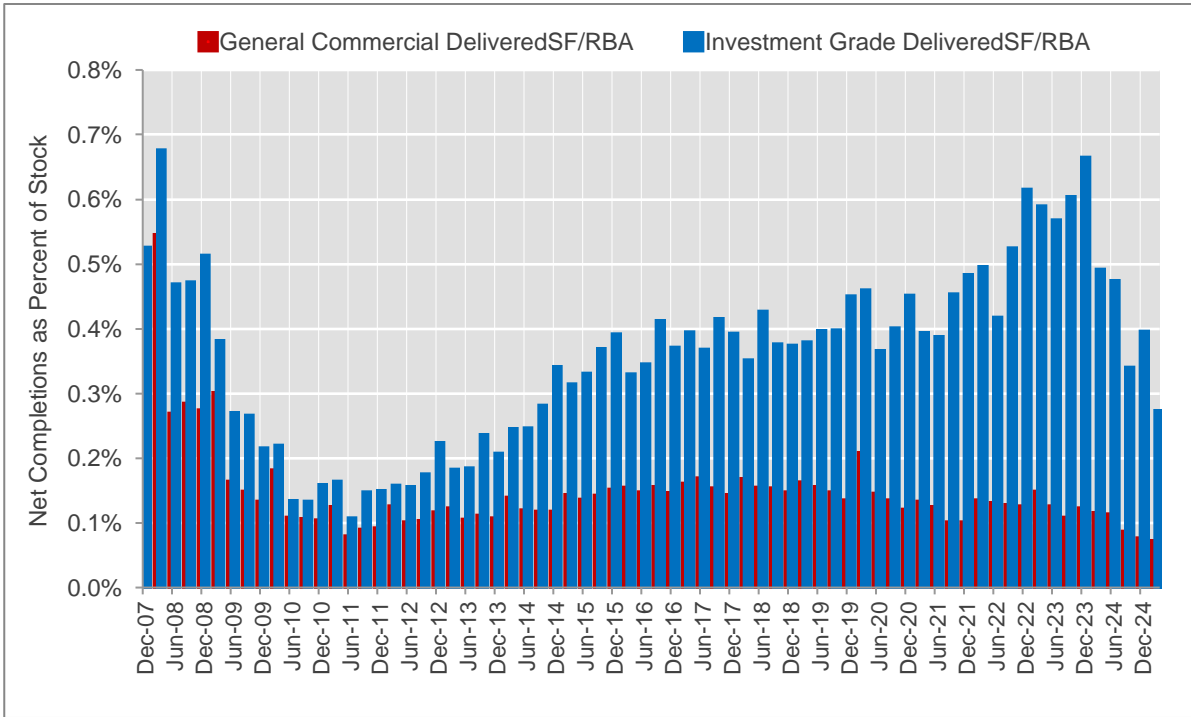
- DISTRESSED REPEAT SALES TICKED LOWER IN FEBRUARY 2025. Of the 1,101 repeat sales in February 2025, 27, or approximately 2.5%, were distressed sales. General commercial sales accounted for 15 of the distressed trades in February 2025, or 1.6% of the 949 general commercial repeat sales. There were 12 distressed investment-grade sales recorded in February 2025, accounting for 7.9% of the 152 distressed investment-grade repeat sales.

### U.S. Distressed Sale Pairs Percentage, Data Through February 2025



- **TEPID SPACE DEMAND IS MOST EVIDENT IN THE INVESTMENT-GRADE SEGMENT.** Aggregate net absorption turned negative by 800,000 square feet in the 12 months ending in March 2025, a notable decline from the same 12-month period one year ago, when the market absorbed 26.9 million square feet. The investment-grade and general commercial performance is expected to diverge as the investment-grade cohort posts a negative 4.5 million square feet in 12-month net absorption as of March 2025, while the general commercial cohort boasts 3.7 million square feet of positive net absorption during the same period. During the boom years of late 2021 and early 2022, each of these segments was posting over 200 million SF of positive 12-month net absorption.
- As a percentage of existing inventory, negative net absorption in the quarter ending in March 2025 is projected to remain below 0.1%. In nominal terms, the first three months of 2025 are expected to be the most deeply negative quarter for net absorption since the third quarter of 2009, when 36.9 million square feet were added to the loss column.
- **SPACE DELIVERIES ARE SLOWING BELOW PRE-PANDEMIC LEVELS.** Deliveries across the three major property types—office, retail, and industrial—are projected to reach 617.1 million square feet in the 12 months ending in March 2025, representing a 34.4% decrease from the same period in 2024. Approximately 87% of the space delivered, or 536.7 million square feet, is comprised of investment-grade assets, representing a 35.4% decrease over the 12-month period that ended in March 2024. Only 80.3 million square feet of general commercial properties were delivered in the 12 months ending in March 2025, a 26.9% decline from the 12 months ending March 2024.

## Market Fundamentals, Data Through March 2025





## Monthly CCRSI Results, Data Through February 2025

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
<b>Value-Weighted U.S. Composite Index</b>	-1.3%	-2.0%	0.1%	125.3% <sup>1</sup>
<b>Equal-Weighted U.S. Composite Index</b>	1.1%	-2.2%	0.2%	159.4% <sup>2</sup>
<b>U.S. Investment-Grade Index</b>	0.7%	-4.1%	-2.3%	134.4% <sup>3</sup>
<b>U.S. General Commercial Index</b>	0.7%	-2.2%	0.5%	164.6% <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 March 2025

Annual Net Absorption (in millions of square feet)

	2021Q1	2022Q1	2023Q1	2024Q1
<b>Aggregate</b>	532.3	208.2	27.0	-0.8
<b>Investment Grade</b>	242.3	89.5	4.4	-4.5
<b>General Commercial</b>	290.0	118.7	22.5	3.7

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
<b>Aggregate</b>	727.8	873.2	941.3	617.1
<b>Investment Grade</b>	621.3	749.1	831.4	536.7
<b>General Commercial</b>	106.5	124.1	109.9	80.3

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.

### MEDIA CONTACT:

Matthew Blocher, Vice President, Marketing & Communications, CoStar Group ([mblocher@costar.com](mailto: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 (NASDAQ: CSGP) is the global leader in commercial real estate information, analytics, and online marketplaces. 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 include [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 134 million average monthly unique visitors in the fourth quarter of 2024, 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 [www.CoStarGroup.com](http://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 2024; 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 September 30, 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](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.