



CCRSI RELEASE – February 2024

(With data through January 2024)

PERSISTENT PRICE GAINS BY LOWER-VALUED ASSETS

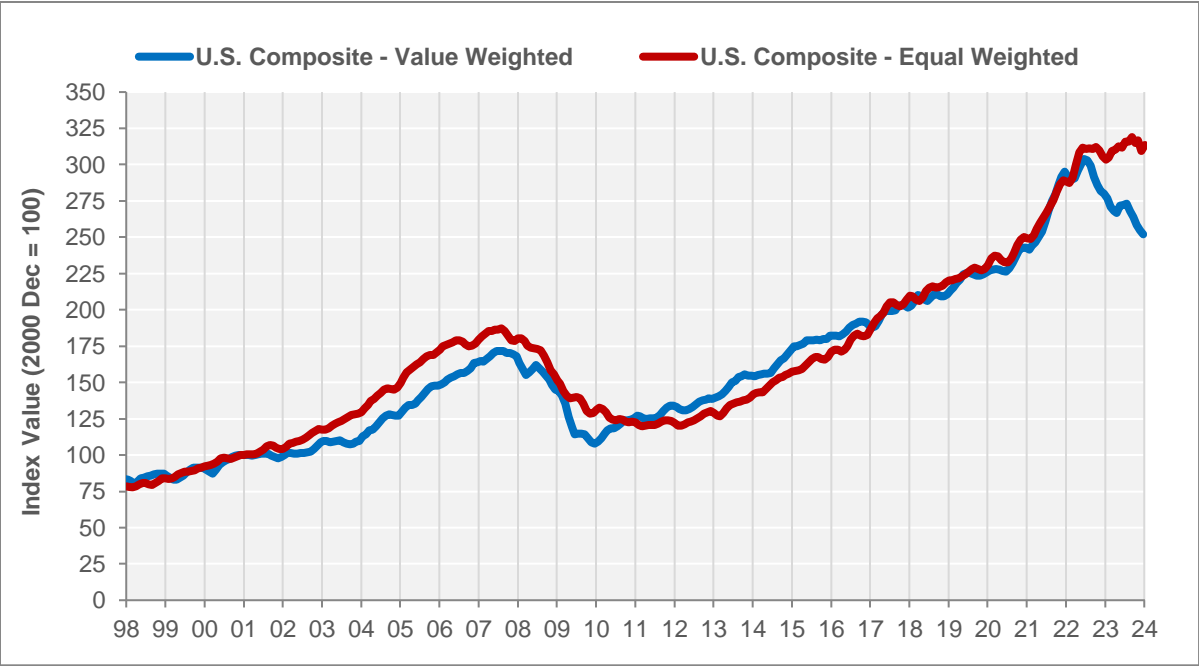
EQUAL-WEIGHTED PRICES SURGED IN JANUARY 2024, WHILE VALUE-WEIGHTED PRICING CONTINUED TO SLIDE

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through January 2024. Based on 923 repeat sale pairs in January 2024 and 301,975 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

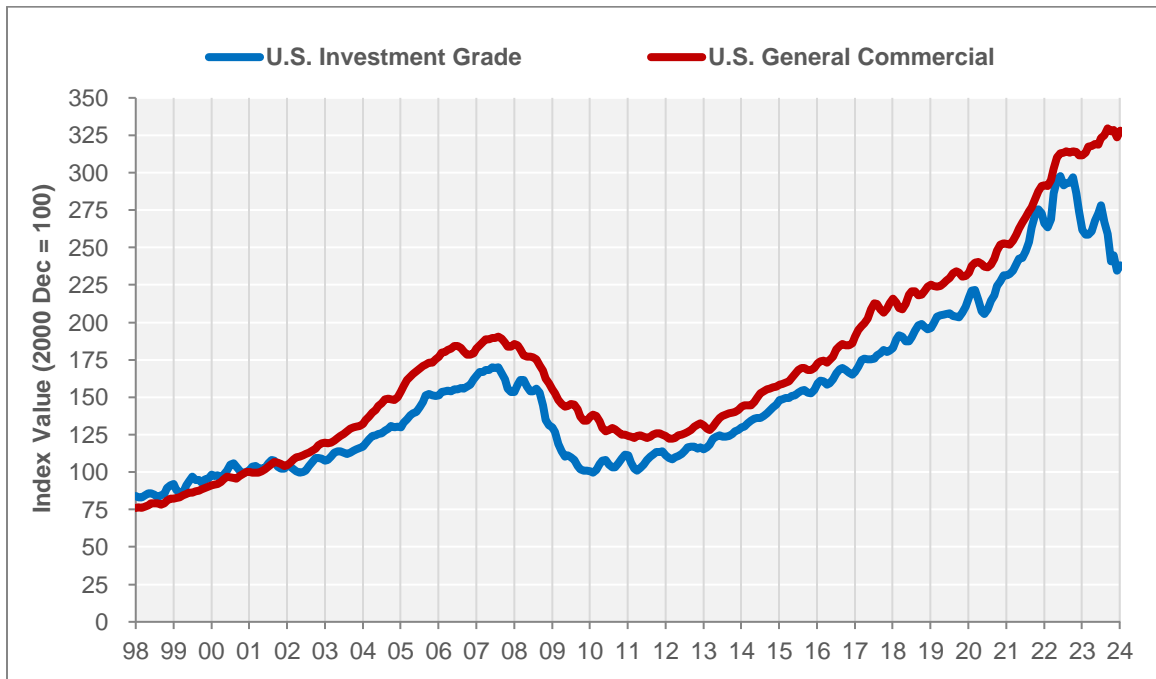
- U.S. COMPOSITE PRICE INDICES WERE MIXED IN JANUARY 2024. The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets, declined for the fifth consecutive month to 252, a fall of 1.1% over the prior month. In addition, the index was down 10% in the 12-month period ending in January 2024 and was off by 17.1% 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, climbed 1.4% higher to 314 in January 2024. The index jumped 3.3% in the 12-month period ending in January 2024 but was 1.7% below the September 2023 all-time high.
- The divergent price action among the value-weighted and equal-weighted indices in January 2024 likely reflects continued interest rate volatility. It illustrates the propensity for high-value trades to rely on debt markets, where interest rates have been rising since December 2023.

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



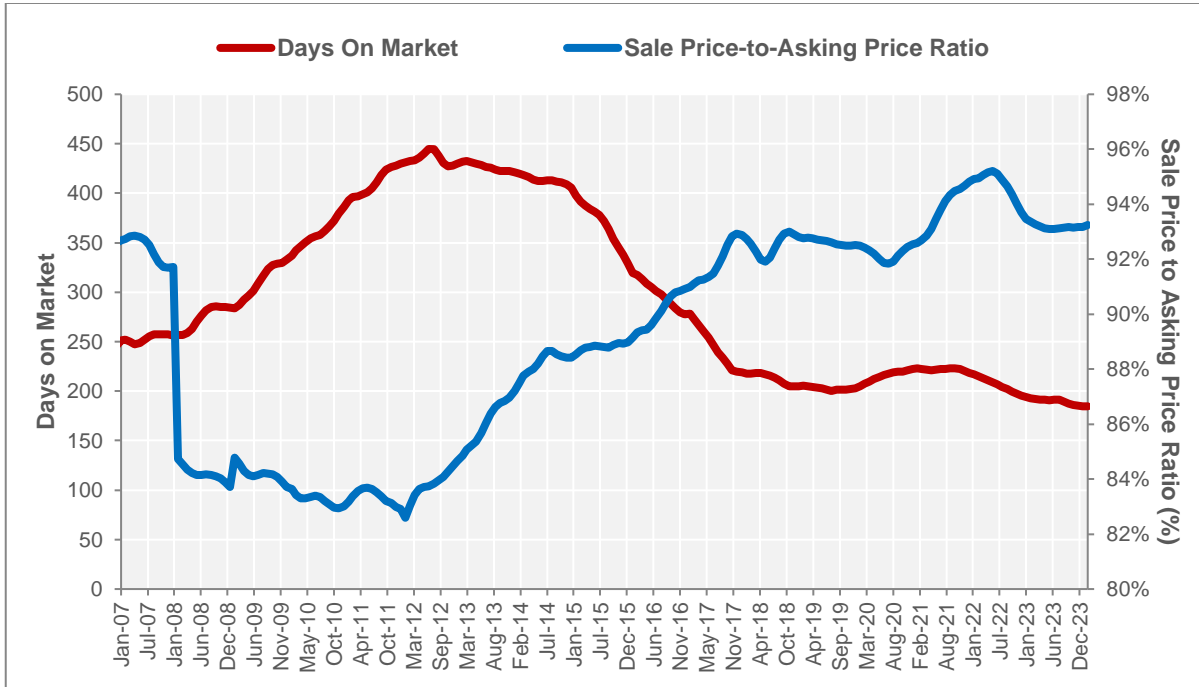
- EQUAL-WEIGHTED PRICE INDICES GAINED IN JANUARY 2024. The investment grade sub-index, more heavily influenced by higher-value assets, gained 1.5% in January 2024, the second increase in the last six months. At 238, the index was 9% lower in the 12-month period that ended in January 2024 compared to January 2023 and was 20.1% lower than the June 2022 all-time high.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, took back the losses from the prior month by adding 1.4% to 328. This sub-index gained 5.3% over the 12-month period that ended in January 2024 and was 0.4% below the September 2023 all-time high.

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



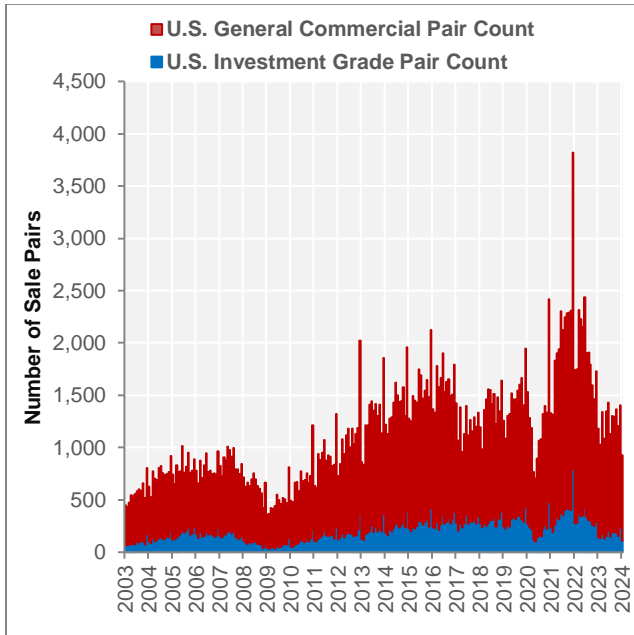
- **AVERAGE DAYS ON THE MARKET FELL IN JANUARY 2024.** The average time on the market for for-sale properties dropped 4.3% in the 12-month period ending in January 2024, but the sale-price-to-asking-price ratio widened by 0.1 percentage point to 93.3%. Meanwhile, the share of properties withdrawn from the market by discouraged sellers increased by 0.2 percentage points to 25.5% during the 12-month period ending in January 2024.

Market Liquidity Indicators, Data Through January 2024

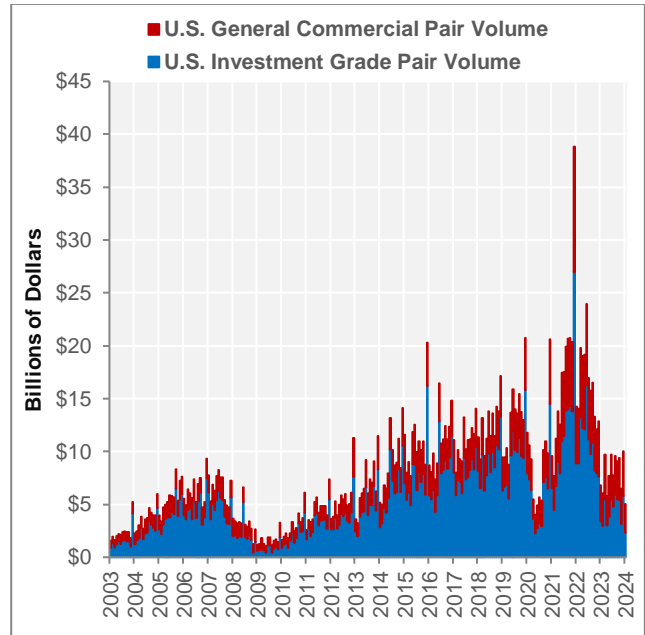


- TRANSACTION VOLUMES SLID IN JANUARY 2024. The 923 repeat sales in January 2024 marked the lowest total since February 2013, excluding the depths of the pandemic from April to June 2020. Historically, it is not uncommon to see a large drop in sales volume in January compared to the December closing rush. When pitted against monthly transaction volumes from the prior year, January 2024 sales activity fell 25.3%, or \$1.7 billion, compared to January 2023 to a total of \$5.1 billion. The decline was more pronounced in the investment grade segment, falling 32.5% compared to January 2023, while the general commercial segment sank 18.1% compared to the prior year.
- Composite pair volume of \$96.2 billion during the 12 months ending in January 2024 was 49.4% lower than the 12-month period that ended in January 2023. The attrition in sales volume was larger in the investment grade segment, which dropped 56% over the 12 months that ended in January 2024 compared to the same period ending in January 2023. The investment grade segment accounted for about 45.4% of the overall transaction volume during the last 12 months. This is unusual, as the investment grade segment typically contributes a greater share to the composite than the general commercial stake. Accounting for about 54.6% of the 12-month transaction volume, general commercial fell by 37.8% over the 12 months ending in January 2024.

U.S. Pair Count, Data Through January 2024

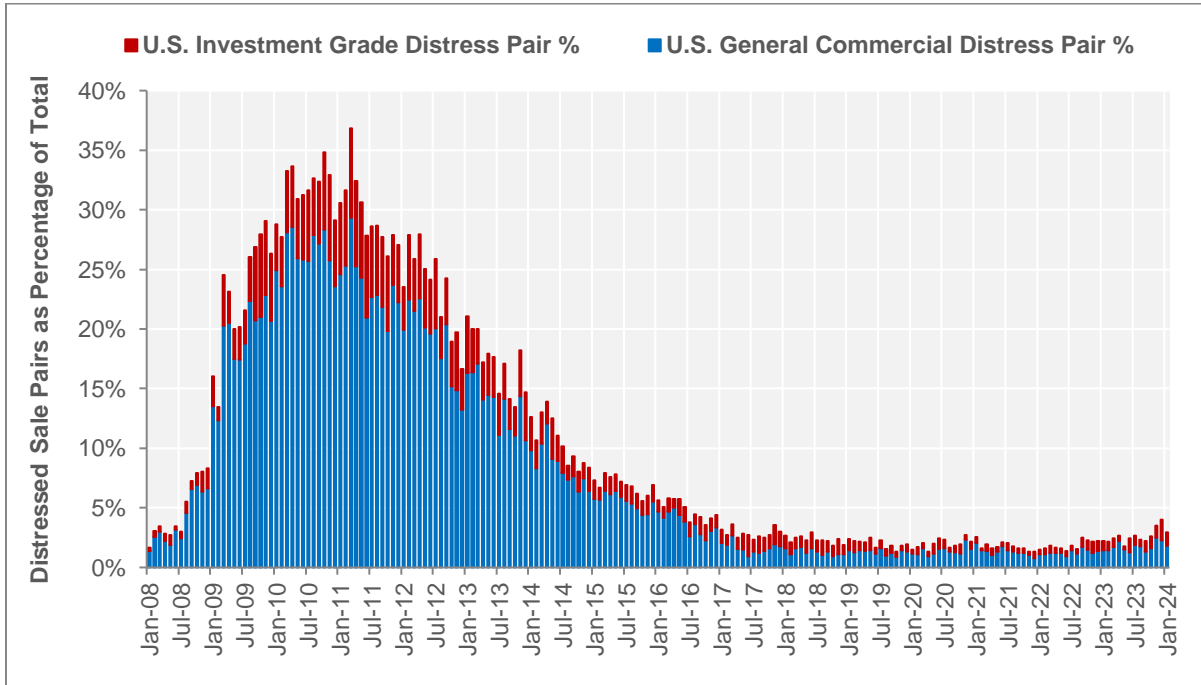


U.S. Pair Volume, Data Through January 2024



- **DISTRESSED REPEAT SALES EDGED LOWER IN JANUARY 2024.** A total of 27 out of the 923 repeat-sale trades in January 2024, or about 2.9%, were distressed sales. General commercial distressed sales accounted for 17 of the distressed trades in January 2024, or 2.1% of general commercial repeat-sale trades. Investment grade distressed sales accounted for 10 of the distressed trades in January 2024, or 8.9% of investment grade repeat sales trades.

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



Monthly CCRSI Results, Data Through January 2024

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-1.1%	-4.6%	-10.0%	133.4% ¹
Equal-Weighted U.S. Composite Index	1.4%	-0.4%	3.3%	162.4% ²
U.S. Investment-Grade Index	1.5%	-1.2%	-9.0%	138.4% ³
U.S. General Commercial Index	1.4%	0.1%	5.3%	167.0% ⁴

¹ Trough Date: JANUARY 2010 ² Trough Date: March 2011 ³ Trough Date: February 2010 ⁴ Trough Date: July 2011

Monthly Liquidity Indicators, Data Through January 2024

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	184	185	186	193
Sale-Price-to-Asking-Price Ratio	93.3%	93.2%	93.1%	93.4%
Withdrawal Rate	25.5%	25.7%	25.8%	25.3%

Average days on market and sale-price-to-asking-price ratio are calculated based on closed listings and confirmed by CoStar's research team. The withdrawal rate is the ratio of listings withdrawn from the market by the seller to all listings for a given month.

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.