

COSTAR COMMERCIAL
REPEAT-SALE INDICES
PRESS RELEASE



CCRSI RELEASE – May 2024
(With data through April 2024)

INVESTMENT GRADE PRICING DIVERGES FROM GENERAL COMMERCIAL

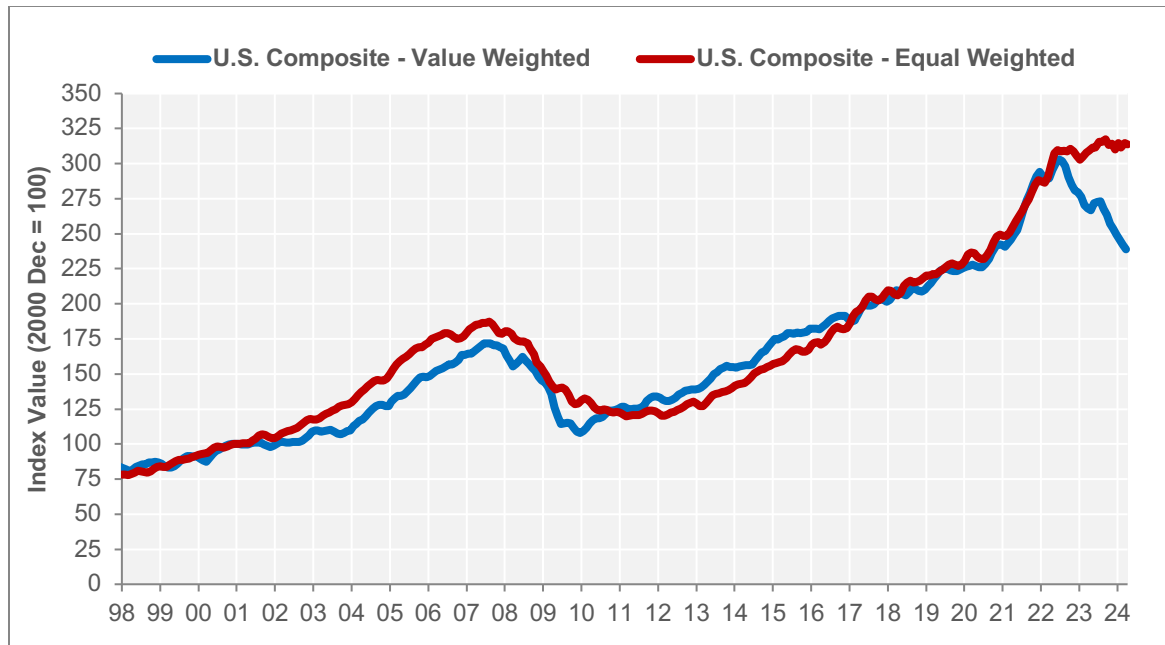
HIGHER INTEREST RATES FAIL TO DETER SMALL PRIVATE BUYERS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through April 2024. Based on 1,041 repeat sale pairs in April 2024 and 305,246 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

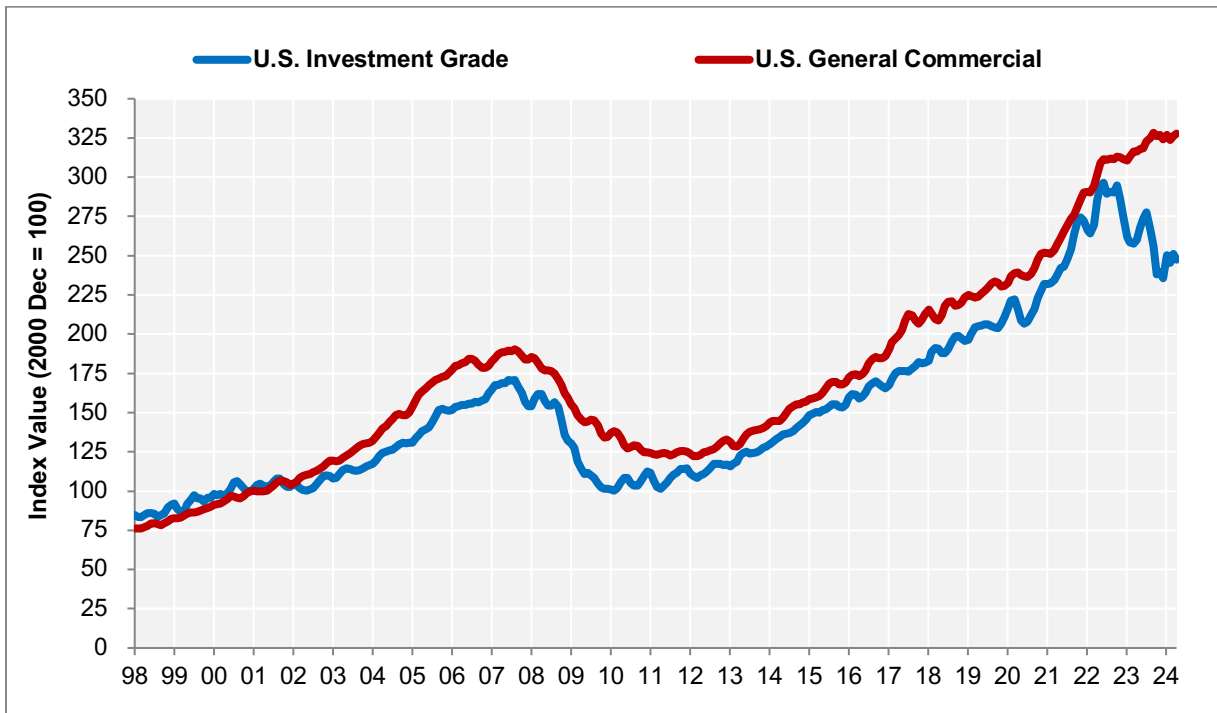
- U.S. COMPOSITE PRICE INDICES FELL IN APRIL 2024. The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades common in core markets, declined for the eighth consecutive month to 239, a decline of 1.4% over the prior month. The index was down 10.9% in the 12-month period ending in April 2024 and was off by 21.2% 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 0.3% lower to 314 in April 2024 from the prior month. The index increased by 1.6% in the 12-month period ending in April 2024 and was 1.1% below the September 2023 all-time high.
- The divergence between the smaller tertiary market deals and the larger primary market deals illustrates the impact of debt on the capital structure as Treasury yields climbed more than 60 basis points since the recent lows in December 2023.

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



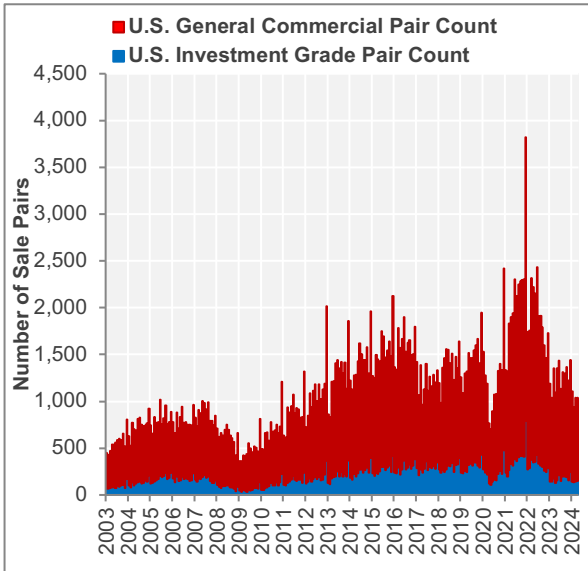
- EQUAL-WEIGHTED PRICES WERE MIXED IN APRIL 2024. A clear divergence persists between the general commercial sub-index and the investment-grade sub-index. A general takeaway is to discern between professional investors who have recoiled along with investment-grade prices and individual investors behind the general commercial deals that have priced right through interest rate increases.
- The investment grade sub-index, more heavily influenced by higher-value assets, fell by 1.4% in April 2024, the sixth decline in the last nine months. The index dropped 4.9% over the 12-month period that ended in April 2024 and was 16.5% lower than the June 2022 all-time high.
- The general commercial sub-index, more heavily influenced by smaller, lower-priced assets, gained 0.5% in value in April 2024, marking the second consecutive month of increases. This sub-index gained 3.6% over the 12-month period that ended in April 2024 and was 0.2% below the September 2023 all-time high.

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

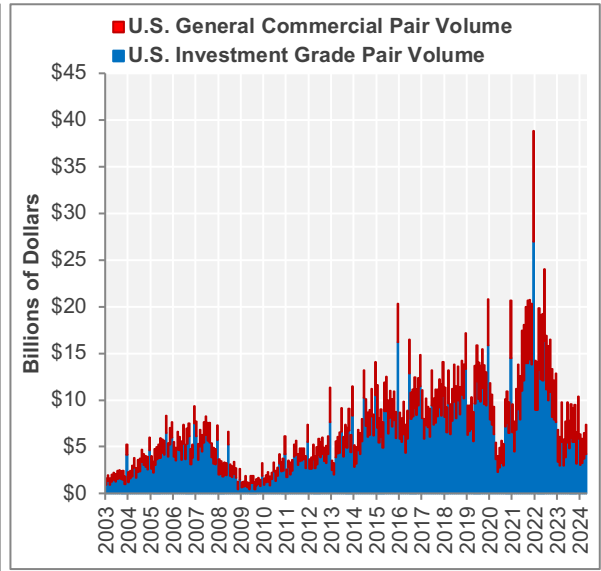


- TRANSACTION VOLUME WAS FLAT IN APRIL 2024. The number of transactions in April 2024 bested the prior month by two repeat sales, with 1,041 transactions. The investment grade sub-index and the general commercial sub-index added one transaction apiece to their monthly totals compared to March 2024. The contrast comes when viewing the number of repeat sales compared to April 2023, where the investment grade sub-index added 19 transactions, but the general commercial sub-index did 68 fewer deals. If this trend holds, the return of institutional capital is one of the necessary steps for the market to find a bottom in deal flow.
- Furthermore, even with the drop in the number of general commercial repeat sales, the average deal size in this cohort is increasing, suggesting that larger players are starting to make acquisitions, starting with smaller bets. Investment grade pair sales volume was up 14.2% in April 2024 over the prior month with \$4.2 billion in sales, while the general commercial sub-index increased 12.9% to \$3.1 billion over the prior month.
- Composite pair volume of \$96.2 billion during the 12 months ending in April 2024 was 39.6% lower than the 12-month period that ended in April 2023. The erosion in sales volume was larger in the investment grade segment, which fell 45.2% over the 12 months that ended in April 2024 compared to the same period ending in April 2023. The investment grade segment accounted for about 57.5% of the overall transaction volume during the last 12 months. The general commercial segment, which accounted for about 42.5% of the 12-month transaction volume, fell by 30.2% over the 12 months ending in April 2024.

U.S. Pair Count, Data Through April 2024

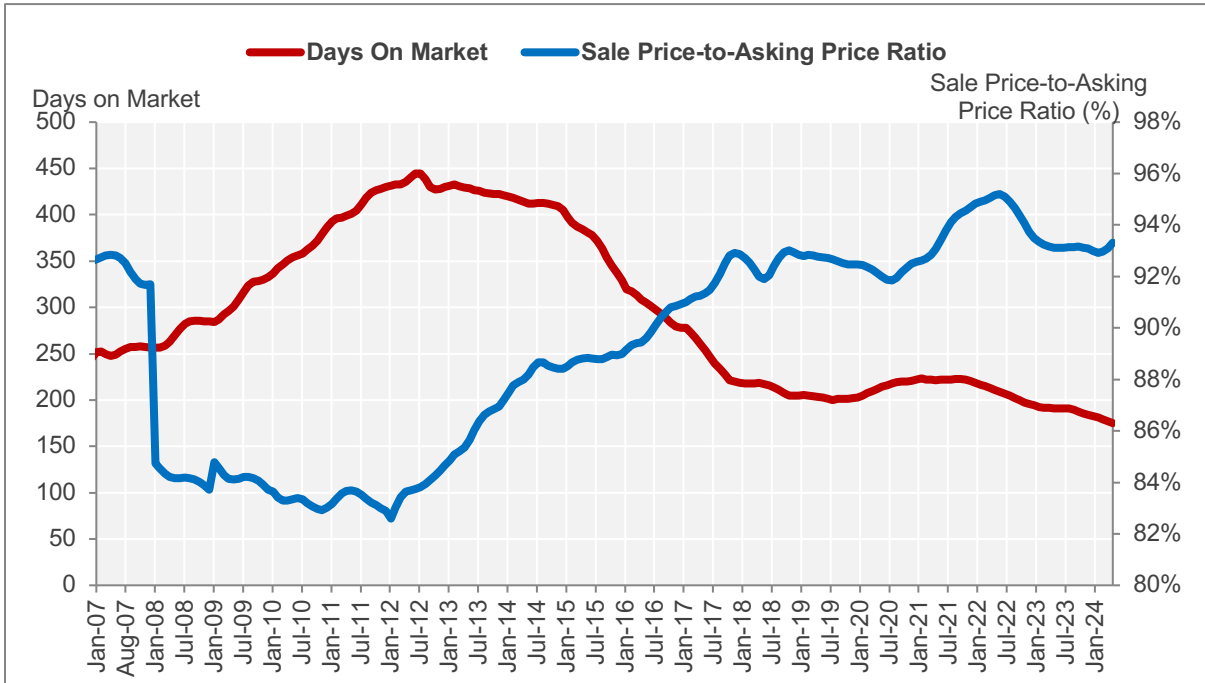


U.S. Pair Volume, Data Through April 2024



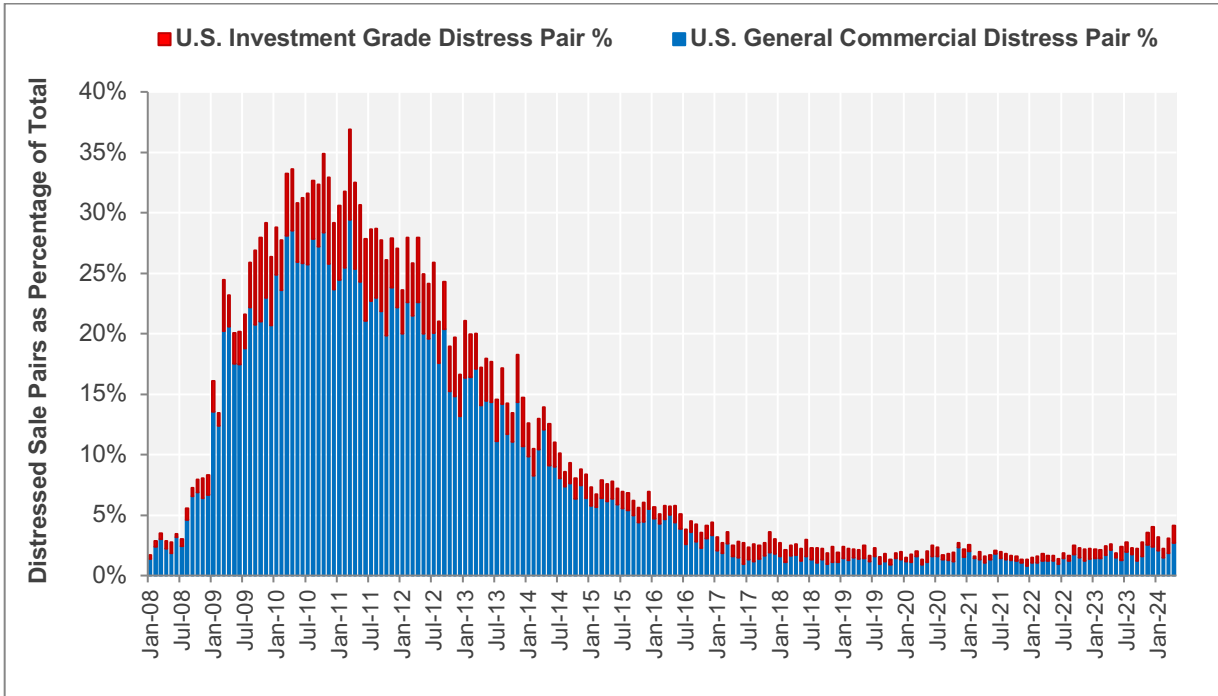
- LISTED PROPERTIES SEE FEWER DAYS ON MARKET. The average time on the market for priced listings fell 8.4% in the 12 months ending in April 2024 as the sale-price-to-asking-price ratio narrowed two basis points to 93.3%. Meanwhile, the share of properties withdrawn from the market fell four basis points to 25.4% during the 12 months ending in April 2024.

Market Liquidity Indicators, Data Through April 2024



- DISTRESSED REPEAT SALES PICKED UP IN APRIL 2024. A total of 43 of the 1,041 repeat-sale trades in April 2024, or about 4.1%, were distressed sales. General commercial accounted for 28 of the distressed trades in April 2024 and there were 15 investment-grade distressed sales recorded in April 2024. As percentages of the 146 investment-grade and 895 general commercial repeat sales, distressed investment grade represented 10.3% of its sales, the highest share since July 2014. Distressed general commercial repeat sales represented 3.1% of its transactions.

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



Monthly CCRSI Results, Data Through April 2024

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-1.4%	-4.3%	-10.9%	121.1% ¹
Equal-Weighted U.S. Composite Index	-0.3%	-0.2%	1.6%	162.5% ²
U.S. Investment-Grade Index	-1.4%	-1.0%	-4.9%	147.0% ³
U.S. General Commercial Index	0.5%	0.3%	3.6%	166.9% 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 April 2024

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	175	177	181	191
Sale-Price-to-Asking-Price Ratio	93.3%	93.1%	92.9%	93.1%
Withdrawal Rate	25.4%	25.9%	26.3%	25.8%

Average days on market and sale-price-to-asking-price ratio are both calculated based on listings that are closed 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) 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 both 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, 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 of the sales pairs are used to 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 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 attracted over 160 million unique monthly visitors in September 2023. 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](https://www.CoStarGroup.com), as a channel of distribution for material company information. For more information, visit [CoStarGroup.com](https://www.CoStarGroup.com).