

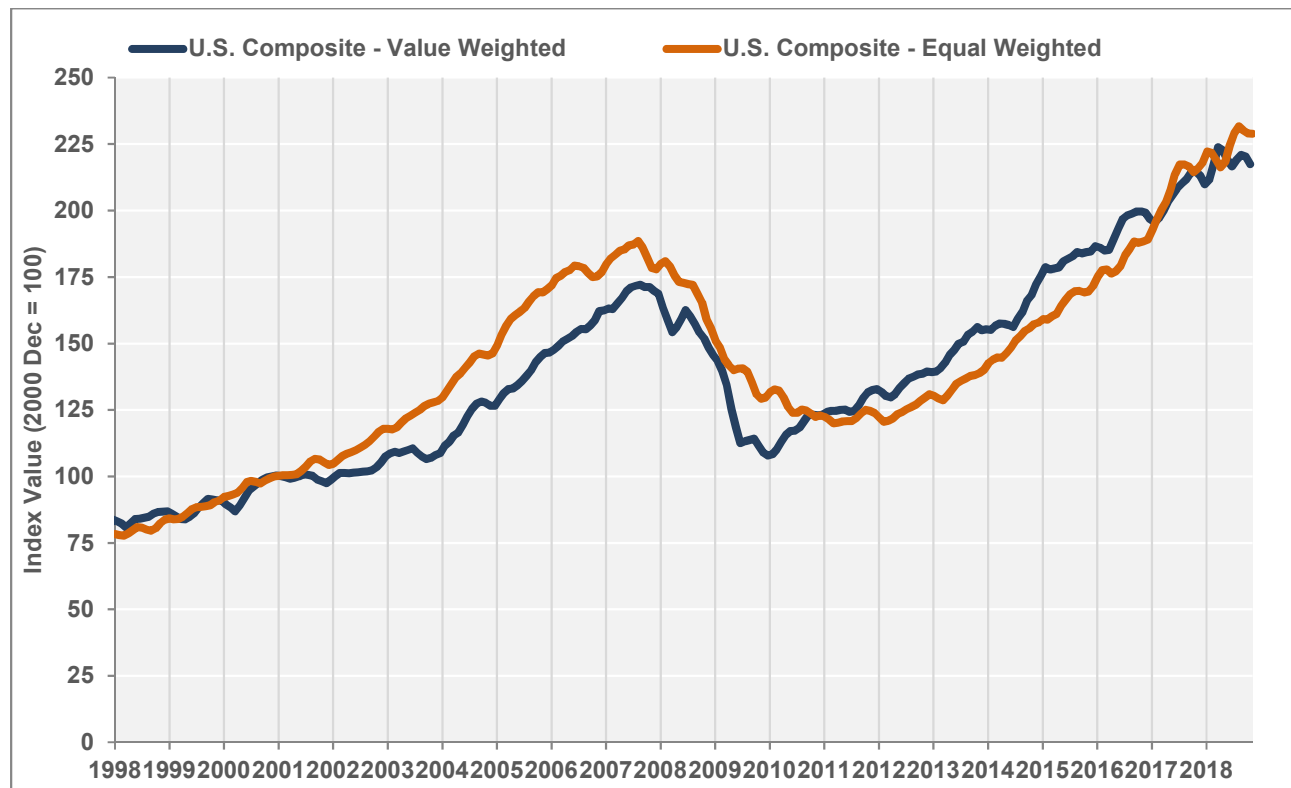
CCRSI RELEASE – DECEMBER 2018 (With data through November 2018)

LATEST COSTAR COMPOSITE PRICE INDICES HOLD STEADY HEADING INTO YEAR-END 2018

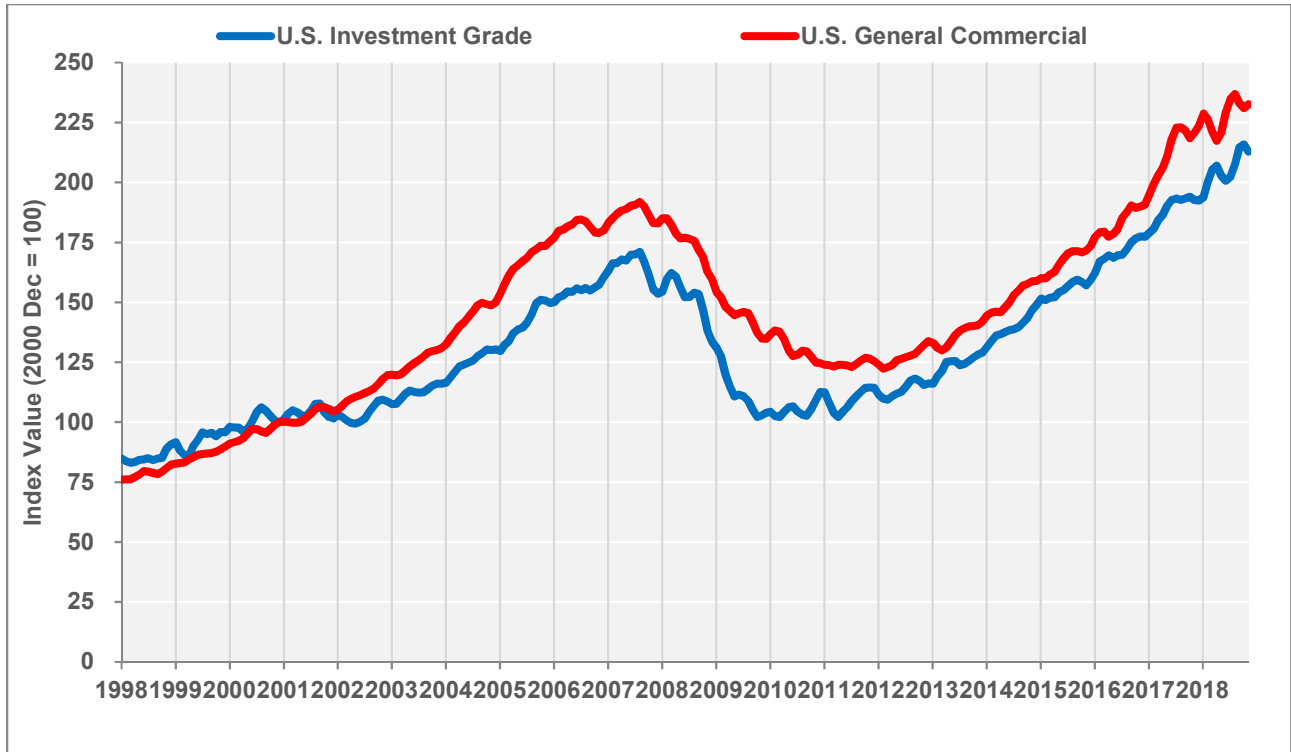
PACE OF COMMERCIAL SPACE ABSORPTION SLOWS; TRANSACTION VOLUME SET TO ECLIPSE 2017 TOTAL

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through November 2018. Based on 1,083 repeat sale pairs in November 2018 and more than 202,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

U.S. Composite Indices: Equal- And Value-Weighted, Data Through November 2018

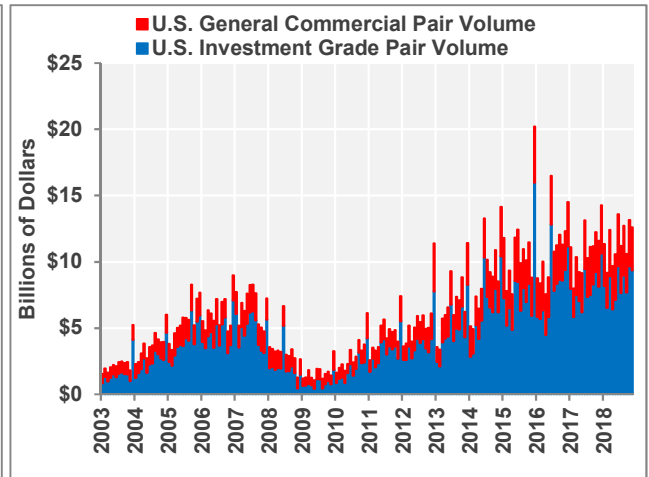
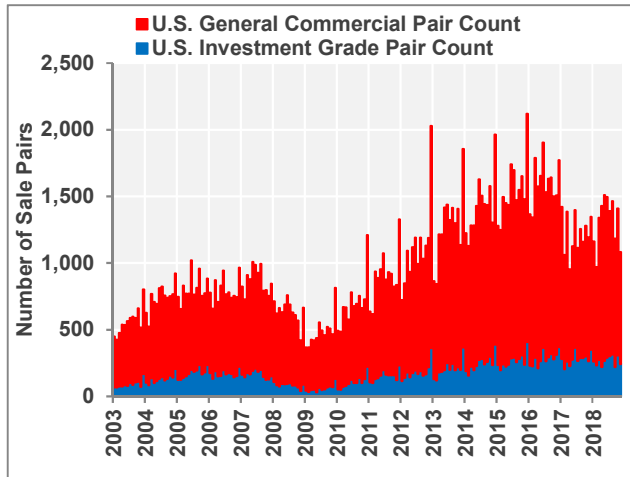


U.S. Equal-Weighted Indices By Market Segment, Data Through November 2018

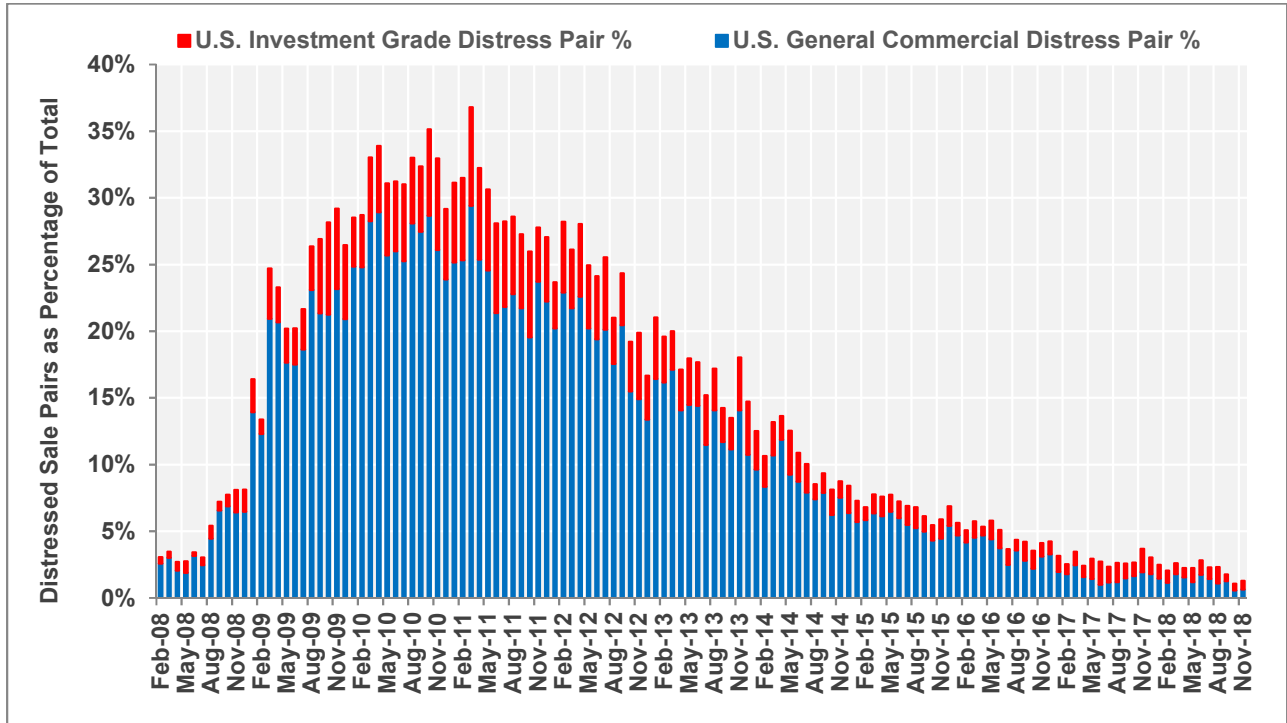


U.S. Pair Count, Data Through November 2018

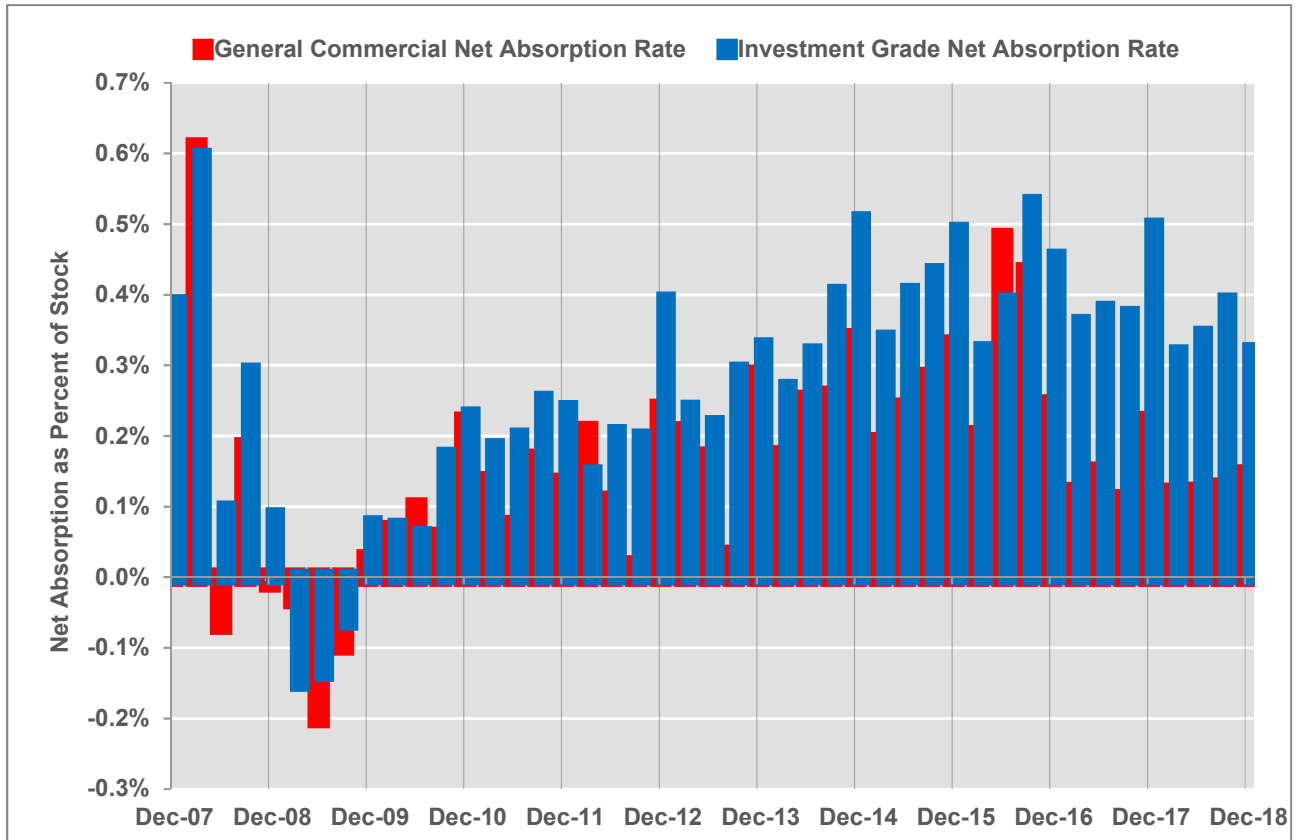
U.S. Pair Volume, Data Through November 2018



U.S. Distress Sale Pairs Percentage, Data Through November 2018



Market Fundamentals, Data Projected Through December 2018



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES STEADY HEADING INTO YEAR-END.** The equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, was flat in November 2018 but was still up 6.0% overall for the 12-month period ended in November 2018. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, fell modestly in November 2018 but was still up 1.3% in the 12-month period ended in November 2018.
- **OVERALL ABSORPTION PACE FOR COMMERCIAL SPACE HAS SLOWED AS CYCLE MATURES.** Net absorption across the three major commercial property types—office, retail, and industrial—is projected to total nearly 540 million square feet for the 12-month period ending in December 2018, a 14.4% decrease from the prior 12-month period ended in December 2017. The Investment Grade segment of the market accounts for 80% of absorption for the 12-month period ending in December 2018, above its historical average of 73%. The increased level reflects tenant preference for higher-quality, well-located space this cycle.
- **STURDY TRANSACTION VOLUME ON PACE TO ECLIPSE 2017.** Property sales activity in 2018 remained on pace to eclipse 2017 levels, underscoring the continued liquidity and investor interest in real estate as an asset class. Composite pair volume of \$127 billion year-to-date through November 2018 was up 8.3% from the prior 11-month period from January 2017 to November 2017. The uptick in sales volume was seen across the property size and quality spectrum. Repeat-sale transaction volume increased 6.8% in the Investment-Grade segment, and 12.1% in the General Commercial segment through November 2018.

Monthly CCRSI Results, Data Through November 2018

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-1.3%	-0.7%	1.3%	101.7% ¹
Equal-Weighted U.S. Composite Index	0.0%	-1.2%	6.0%	90.8% ²
U.S. Investment-Grade Index	-1.4%	2.5%	10.4%	108.4% ³
U.S. General Commercial Index	0.7%	-1.8%	5.4%	88.9% ⁴

¹ Trough Date: January 2010 ² Trough Date: March 2011 ³ Trough Date: March 2010 ⁴ Trough Date: March 2011

Market Fundamentals Data Through December 2018

	Annual Net Absorption (in millions of square feet)			
	2015Q4	2016Q4	2017Q4	2018Q4
Aggregate	730.5	816.7	630.7	539.7
Investment Grade	503.3	519.9	498.4	426.7
General Commercial	227.3	296.8	132.3	113.0

Note: "Net Absorption" is the change in occupied space, 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 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, Inc. (NASDAQ: CSGP) is the leading provider of commercial real estate information, analytics and online marketplaces. Founded in 1987, CoStar conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of commercial real estate information. Our suite of online services enables clients to analyze, interpret and gain unmatched insight on commercial property values, market conditions and current availabilities. LoopNet is the most heavily trafficked commercial real estate marketplace online with approximately 5 million monthly unique visitors per month. Realla is the UK's most comprehensive commercial property digital marketplace. Apartments.com, ApartmentFinder.com, ForRent.com, ApartmentHomeLiving.com, Westside Rentals, AFTER55.com, CorporateHousing.com, ForRentUniversity.com and Apartamentos.com form the premier online apartment resource for renters seeking great apartment homes and provide property managers and owners a proven platform for marketing their properties. CoStar Group's websites attracted an average of approximately 45 million unique monthly visitors in aggregate in the third quarter of 2018. Headquartered in Washington, DC, CoStar maintains offices

throughout the U.S. and in Europe and Canada with a staff of over 3,600 worldwide, including the industry's largest professional research organization. For more information, visit 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 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 space absorption, pricing and transaction sales volume; that net absorption and net absorption rates through December 2018 will be as expected and projected in this release; and the possibility that the volume of property sales does not continue at the current pace or result in 2018 eclipsing 2017 levels as expected. More information about potential factors that could cause actual results to differ materially from those discussed 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, 2017, and Quarterly Report on Form 10-Q for the quarter ended September 30, 2018, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as the company'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 such statements, whether as a result of new information, future events or otherwise.