

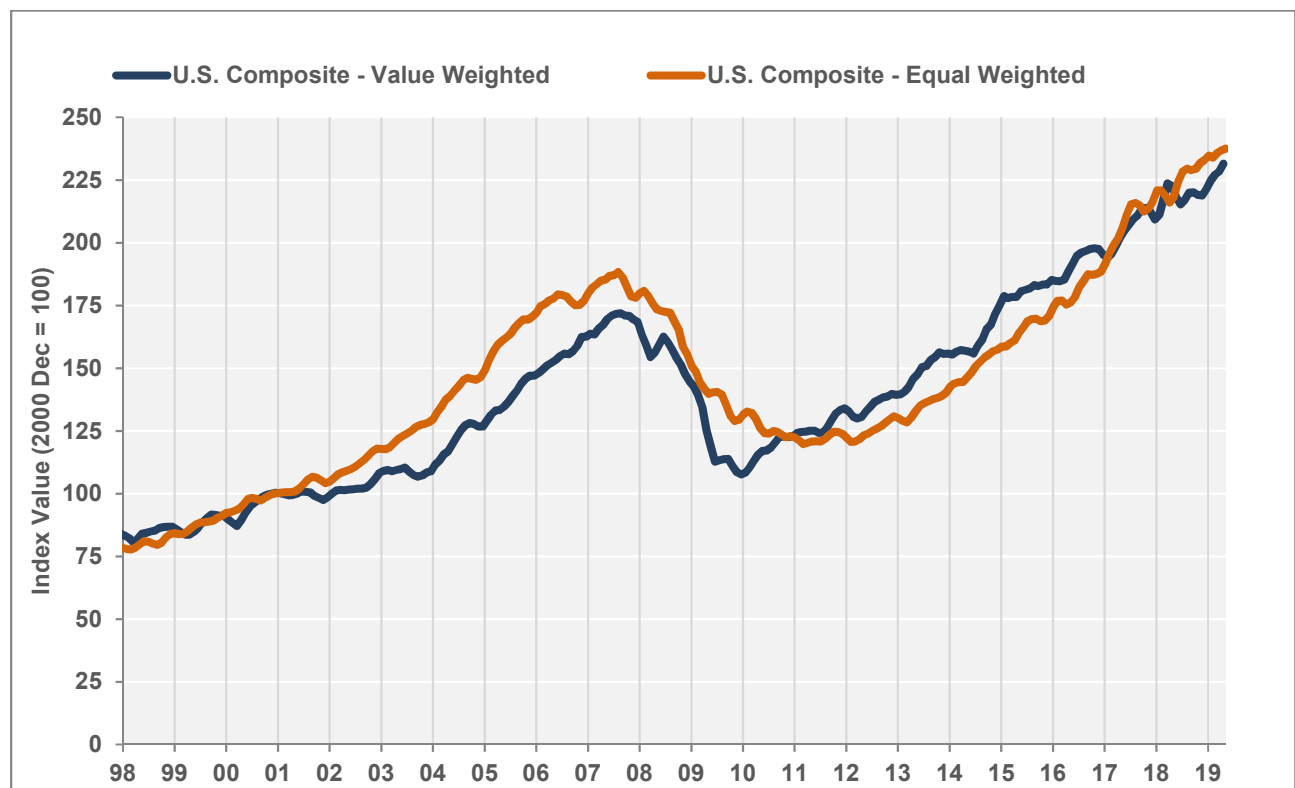
CCRSI RELEASE – JUNE 2019 (With data through May 2019)

## PROPERTY PRICES CONTINUE MODEST UPWARD TRAJECTORY IN LATEST COSTAR COMPOSITE PRICE INDICES

RESTRAINED DEVELOPMENT LEVELS SUPPORTING BALANCED FUNDAMENTALS AND CONTINUED PRICE GROWTH

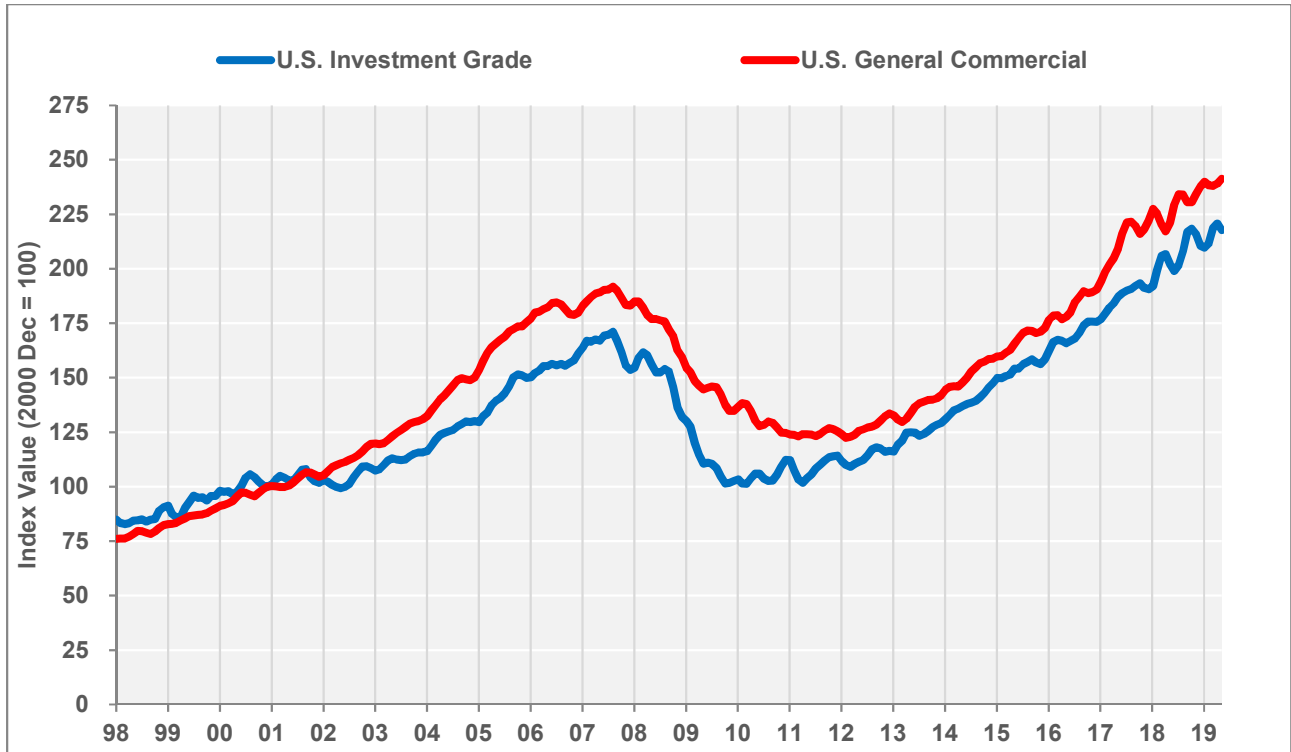
This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through May 2019. Based on 1,302 repeat sale pairs in May 2019, and more than 210,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

### U.S. Composite Indices: Equal- And Value-Weighted, Data Through May 2019

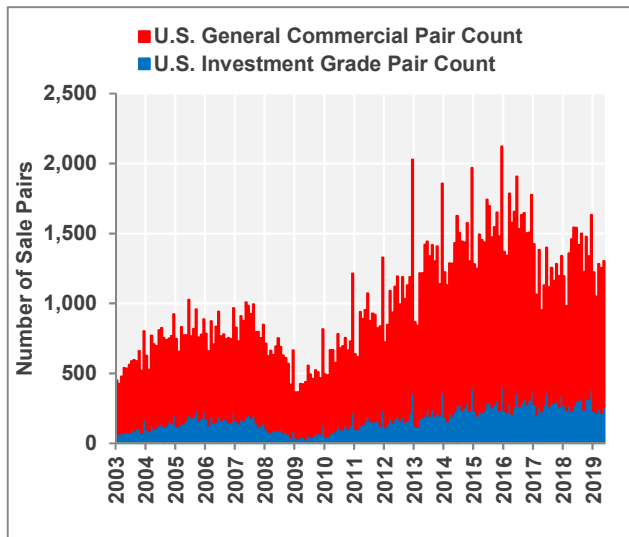


COSTAR COMMERCIAL REPEAT-SALE INDICES MAY 2019 Release (With Data through MAY 2019)

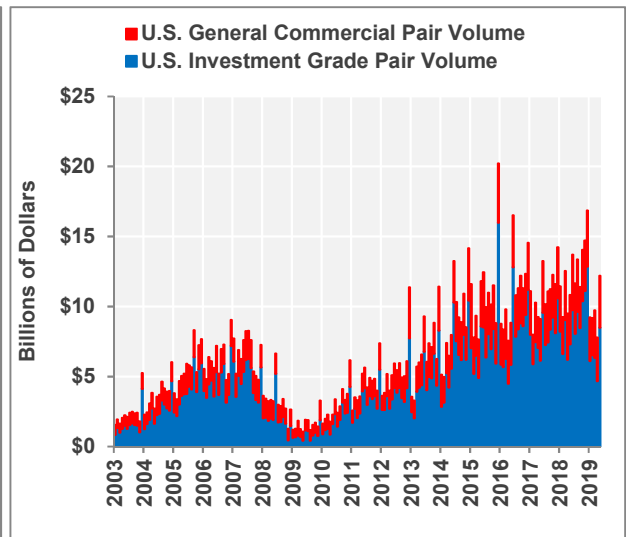
## U.S. Equal-Weighted Indices By Market Segment, Data Through May 2019



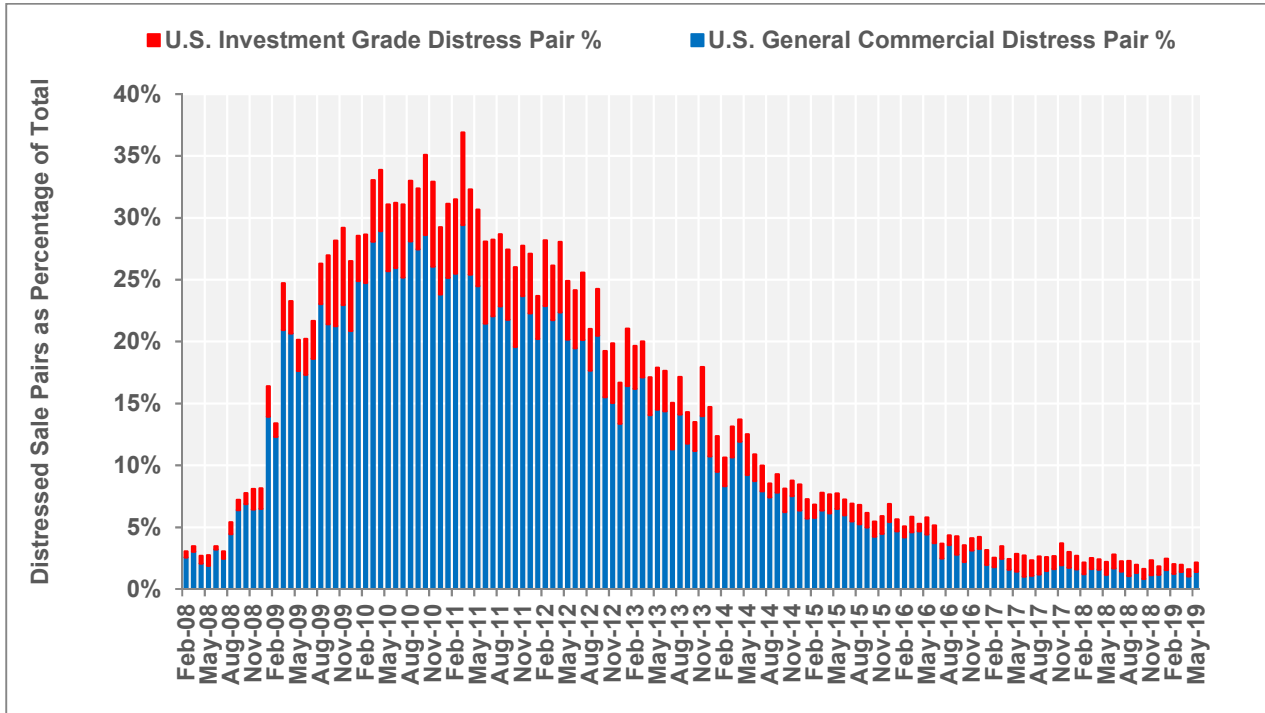
## U.S. Pair Count, Data Through May 2019



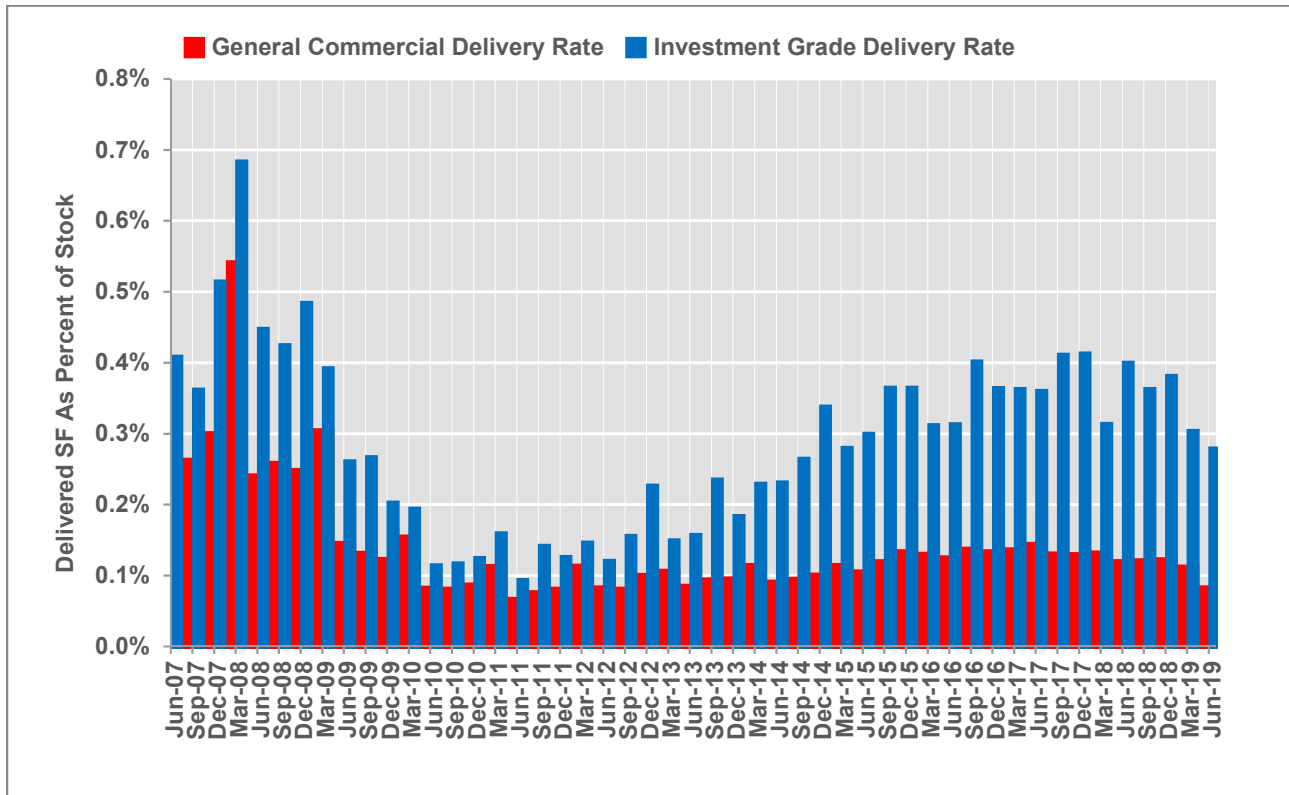
## U.S. Pair Volume, Data Through May 2019



## U.S. Distress Sale Pairs Percentage, Data Through May 2019



## Market Fundamentals, Data Through June 2019



## CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES EXTEND MODEST GROWTH TREND THROUGH MAY 2019.** The equal-weighted U.S. Composite Index, which reflects the more numerous, but lower-priced property sales typical of secondary and tertiary markets, increased 0.3% in May 2019, and 8.7% in the 12-month period ended May 2019. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, rose 1.4% in May 2019, contributing to a growth rate of 4.0% in the 12-month period ended in May 2019.
- **WHILE COMMERCIAL PROPERTY PRICES ARE STILL INCREASING, THE GROWTH RATE HAS SLOWED.** While both composite indices continue to post gains, the pace of growth has decelerated from prior years as the economic cycle has matured. The most recent annual gain in the equal-weighted U.S. Composite Index moderated from its 10.9% annual average rate in 2016-2018, while growth in the value-weighted U.S. Composite Index has slowed from its 6.1% average annual rate from 2016-18.
- **LOWER DEVELOPMENT LEVELS THIS CYCLE HAVE SUPPORTED CONTINUED PRICE GROWTH.** The moderate pace of deliveries this cycle has supported balanced market fundamentals and continued price growth as the cycle has matured. Construction deliveries across the three major property types—office, retail, and industrial—is projected to total over 496 million square feet in the 12-month period ending in June 2019, a 13% decrease from the prior 12-month period ended in June 2018, and well below the previous cyclical peak of over 850 million square feet in 2008. Illustrating tenant preferences for high-quality space this cycle, quarterly construction completions relative to total stock in the Investment Grade segment of the market are projected to average 0.3%, compared to 0.1% in the General Commercial segment, for the 12-month period ending in June 2019.
- **TRANSACTION VOLUME REMAINED STURDY THROUGH MAY 2019.** Composite pair volume of \$143.8 billion in the 12-month period ended in May 2019 was up 4.7% from the prior 12-month period ended in May 2018. The moderate uptick in volume was felt across the building size and quality spectrum. Repeat-sale transaction volume increased 4.6% in the Investment-Grade segment, and 4.9% in the General Commercial segment in the 12-month period ended in May 2019.

## Monthly CCRSI Results, Data Through May 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
<b>Value-Weighted U.S. Composite Index</b>	1.4%	2.9%	4.0%	115.2% <sup>1</sup>
<b>Equal-Weighted U.S. Composite Index</b>	0.3%	1.6%	8.7%	98.3% <sup>2</sup>
<b>U.S. Investment-Grade Index</b>	-1.4%	2.9%	7.7%	114.9% <sup>3</sup>
<b>U.S. General Commercial Index</b>	1.0%	1.3%	9.2%	96.0% <sup>4</sup>

<sup>1</sup> Trough Date: January 2010    <sup>2</sup> Trough Date: June 2011    <sup>3</sup> Trough Date: June 2010    <sup>4</sup> Trough Date: June 2011

## Market Fundamentals Data Projected Through June 2019

	Annual Deliveries (in millions of square feet)			
	2016Q2	2017Q2	2018Q2	2019Q2
<b>Aggregate</b>	501.4	557.8	571.4	496.7
<b>Investment Grade</b>	399.6	446.1	467.8	408.8
<b>General Commercial</b>	101.8	111.7	103.6	87.9

\*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 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

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### Prime Retail Markets

#### CBSA Listed Alphabetically

Boston
Los Angeles
New York
Orange County
San Diego
San Francisco
San Jose
Washington, D.C.

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### 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 <https://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 nearly 6 million monthly unique visitors. 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 over 49 million unique monthly visitors in aggregate in the first quarter of 2019. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada

with a staff of over 3,700 worldwide, including the industry's largest professional research organization. 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 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 commercial property price growth rates; and the risk that construction deliveries for office, retail and industrial and quarterly construction completions relative to stock in the Investment Grade and General Commercial segments are not as expected and stated in this release for the 12-month period ending June 2019. 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](http://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.