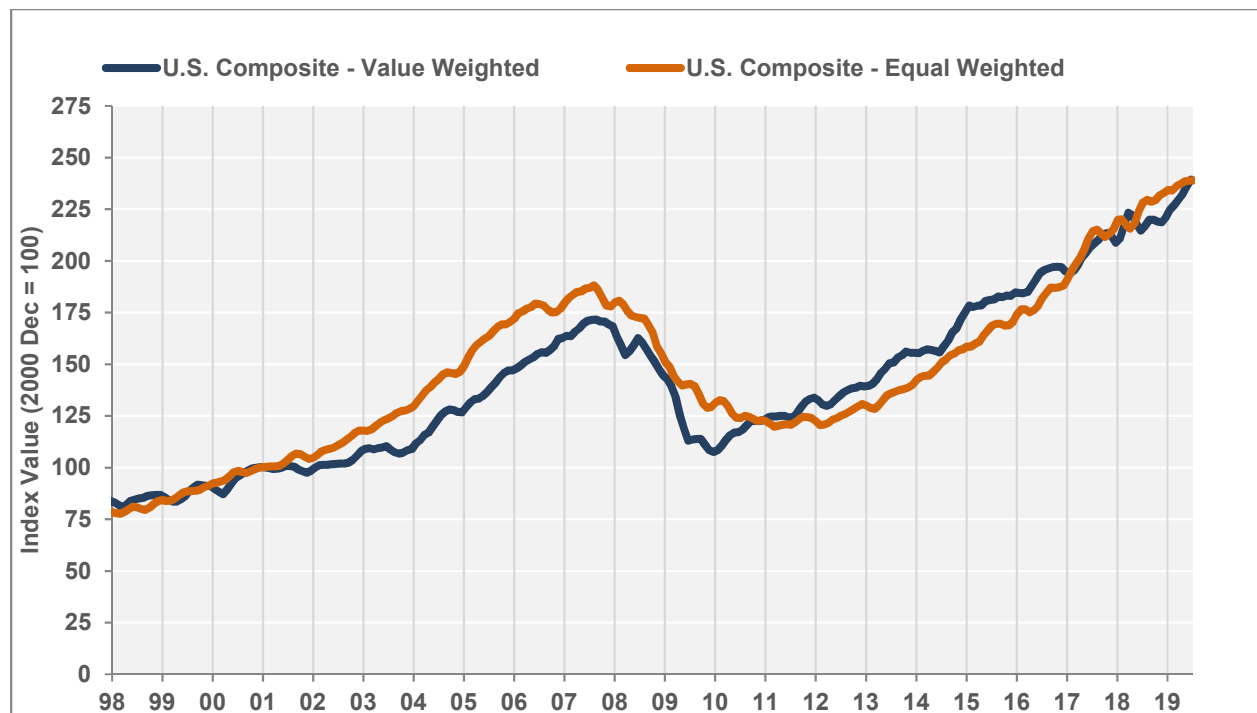CCRSI RELEASE – AUGUST 2019
(With data through July 2019)

LATEST COSTAR COMPOSITE PRICE INDICES CONTINUE TO REFLECT HEALTHY INVESTMENT MARKET FOR COMMERCIAL REAL ESTATE
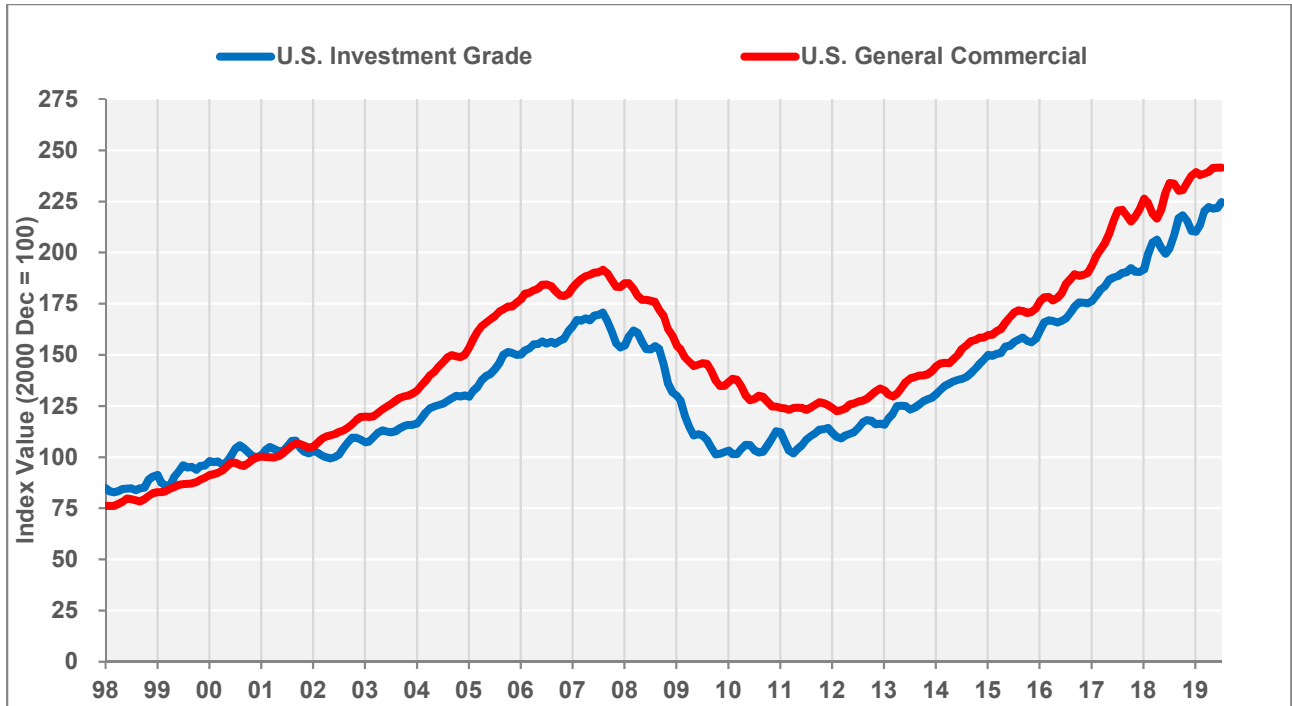
TRANSACTION VOLUME, LIQUIDITY INDICATORS SHOW MODEST IMPROVEMENT FROM YEAR-AGO LEVELS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through July 2019. Based on 1,230 repeat sale pairs in July 2019 and more than 213,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.
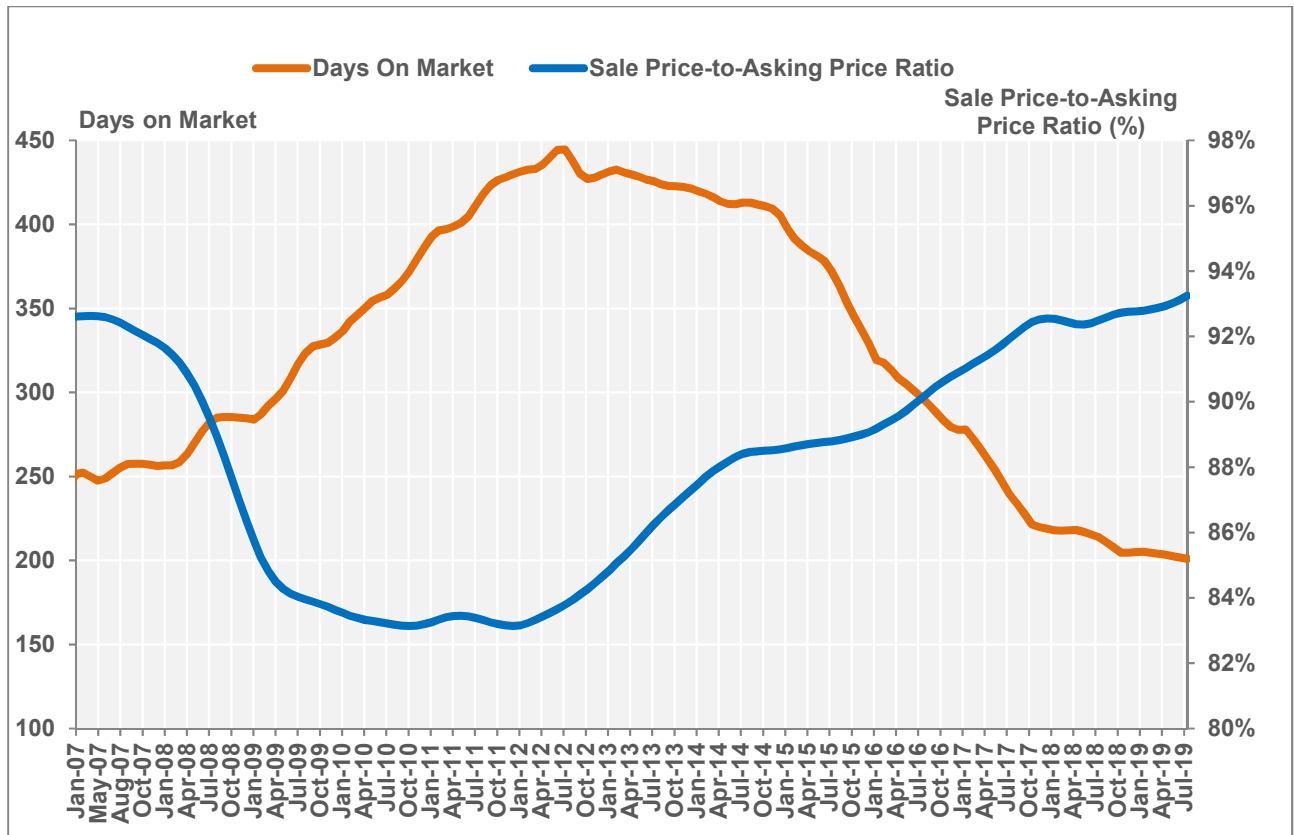
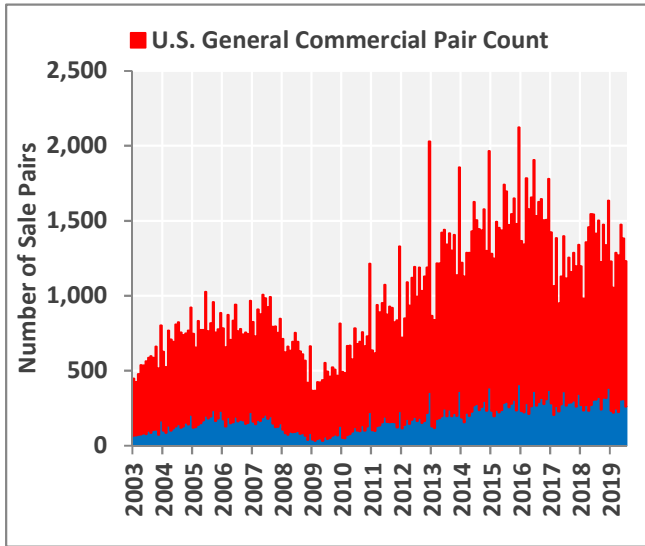**U.S. Composite Indices: Equal- And Value-Weighted, Data Through July 2019**

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

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

Legend: U.S. Investment Grade, U.S. General Commercial

Y-axis: Index Value (2000 Dec = 100), from 0 to 275

X-axis: 98 99 00 01 02 03 04 05 06 07 08 09 10 11 12 13 14 15 16 17 18 19

Market Liquidity Indicators, Data Through July 2019

Legend: Days On Market, Sale Price-to-Asking Price Ratio

Left Y-axis: Days on Market, from 100 to 450

Right Y-axis: Sale Price-to-Asking Price Ratio (%), from 80% to 98%

X-axis: Jan-07 May-07 Aug-07 Oct-07 Jan-08 Apr-08 Jul-08 Oct-08 Jan-09 Apr-09 Jul-09 Oct-09 Jan-10 Apr-10 Jul-10 Oct-10 Jan-11 Apr-11 Jul-11 Oct-11 Jan-12 Apr-12 Jul-12 Oct-12 Jan-13 Apr-13 Jul-13 Oct-13 Jan-14 Apr-14 Jul-14 Oct-14 Jan-15 Apr-15 Jul-15 Oct-15 Jan-16 Apr-16 Jul-16 Oct-16 Jan-17 Apr-17 Jul-17 Oct-17 Jan-18 Apr-18 Jul-18 Oct-18 Jan-19 Apr-19 Jul-19
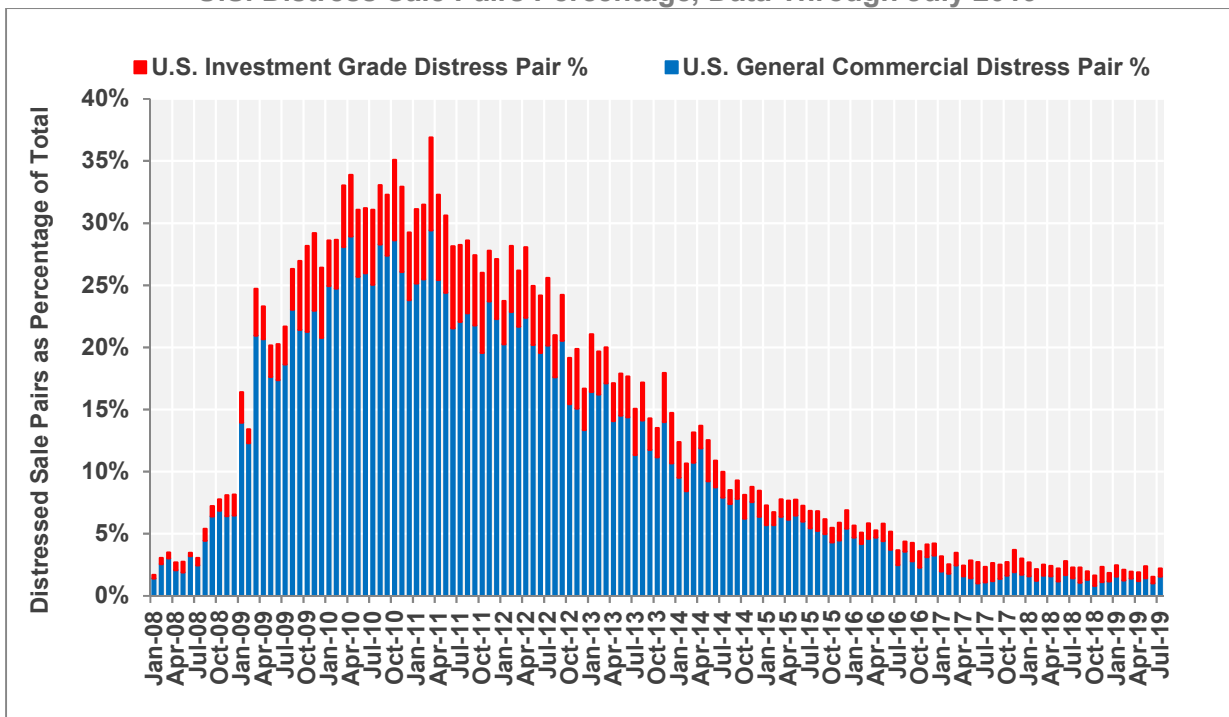
U.S. Pair Count, Data Through July 2019

U.S. Pair Volume, Data Through July 2019
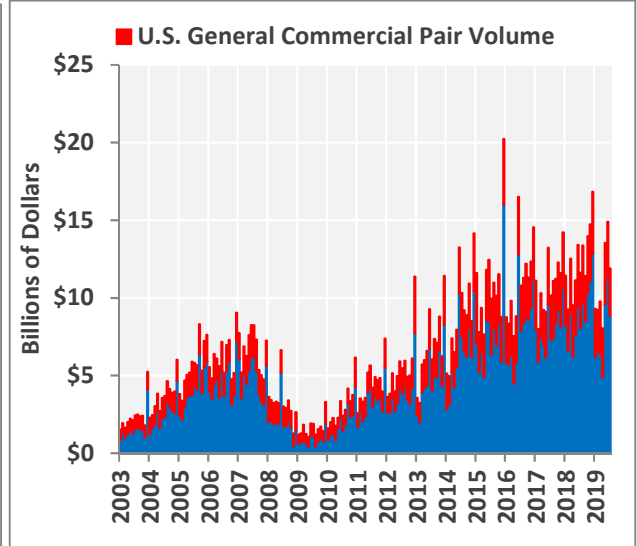
U.S. Distress Sale Pairs Percentage, Data Through July 2019

CCRSI National Results Highlights

- COMPOSITE PRICE INDICES CONTINUE TO REFLECT HEALTHY INVESTMENT MARKET FOR COMMERCIAL REAL ESTATE. The value-weighted U.S. Composite Index, which reflects larger asset sales more common in core markets, increased 1.4% in July 2019 and 11.5% in the 12-month period ended in July 2019. The equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, rose a more modest 0.1% in July 2019, but still contributed to an annual gain of 4.7% in the 12-month period ended in July 2019.

- INVESTMENT GRADE SEGMENT WITHIN EQUAL-WEIGHTED INDEX SEES MOMENTUM UPTICK. While there has been some volatility in the sub-indices of the equal-weighted U.S. Composite Index over the past year, the higher-end segment of the market has led pricing growth recently. The Investment-Grade segment of the index, which is influenced by higher-value properties, has averaged monthly growth of 0.9% in the first seven months of 2019, and 11.1% growth in the 12-month period ended in July 2019. Meanwhile, the General Commercial segment, which is influenced by smaller, lower-priced properties, has expanded by an average monthly rate of 0.2% over the first seven months of 2019, and was up by 3.2% in the 12-month period ended in 2019.

- TRANSACTION VOLUME CONTINUED AHEAD OF LAST YEAR'S PACE. Composite pair volume of $147 billion in the 12-month period ended in July 2019 was 5.5% higher than in the 12-month period ended in July 2018. Sales pair volume increased more sharply in the Investment Grade segment, where transaction volume rose 7.4% in the 12-month period ended in July 2019, to $106.3 billion. Meanwhile composite pair volume was up 1% to $40.7 billion in the Investment-Grade segment during the same time period.

- OTHER LIQUIDITY MEASURES SHOW MODEST IMPROVEMENT. The average time on the market for commercial properties listed for sale fell 6% in the 12-month period ended in July 2019, although at 201 days, the average time on market in July 2019 remains similar to the level one quarter earlier in April 2019 of 203 days. Meanwhile the sale-price-to-asking-price ratio narrowed by 0.8 percentage points over the past 12 months to 93.2% in July 2019. This ratio, which measures the spread between buyer and seller expectations, has remained steady, hovering in the 93% range for the past 12 months. The share of properties withdrawn from the market by discouraged sellers also receded by 1.6 percentage points to 25.6% during the 12-month period ended in July 2019.

Monthly CCRSI Results, Data Through July 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	4.2%	11.5%	122.5%[1]
Equal-Weighted U.S. Composite Index	0.1%	0.8%	4.7%	99.4%[2]
U.S. Investment-Grade Index	1.3%	1.1%	11.1%	121.5%[3]
U.S. General Commercial Index	0.0%	0.9%	3.2%	96.1%[4]

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

Monthly Liquidity Indicators, Data Through July 2019

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	201	202	203	214
Sale-Price-to-Asking-Price Ratio	93.2%	93.1%	92.9%	92.5%
Withdrawal Rate	25.6%	25.8%	26.2%	27.2%

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	Prime Multifamily Markets
CBSA Listed Alphabetically	**CBSA Listed Alphabetically**
Boston	Boston
Los Angeles	Chicago
New York	Houston
Orange County	Los Angeles
San Diego	New York
San Francisco	Orange County
San Jose	San Francisco
Washington, D.C.	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 5.8 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 52 million unique monthly visitors in aggregate in the second quarter of 2019. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada with a staff of over 3,900 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.