

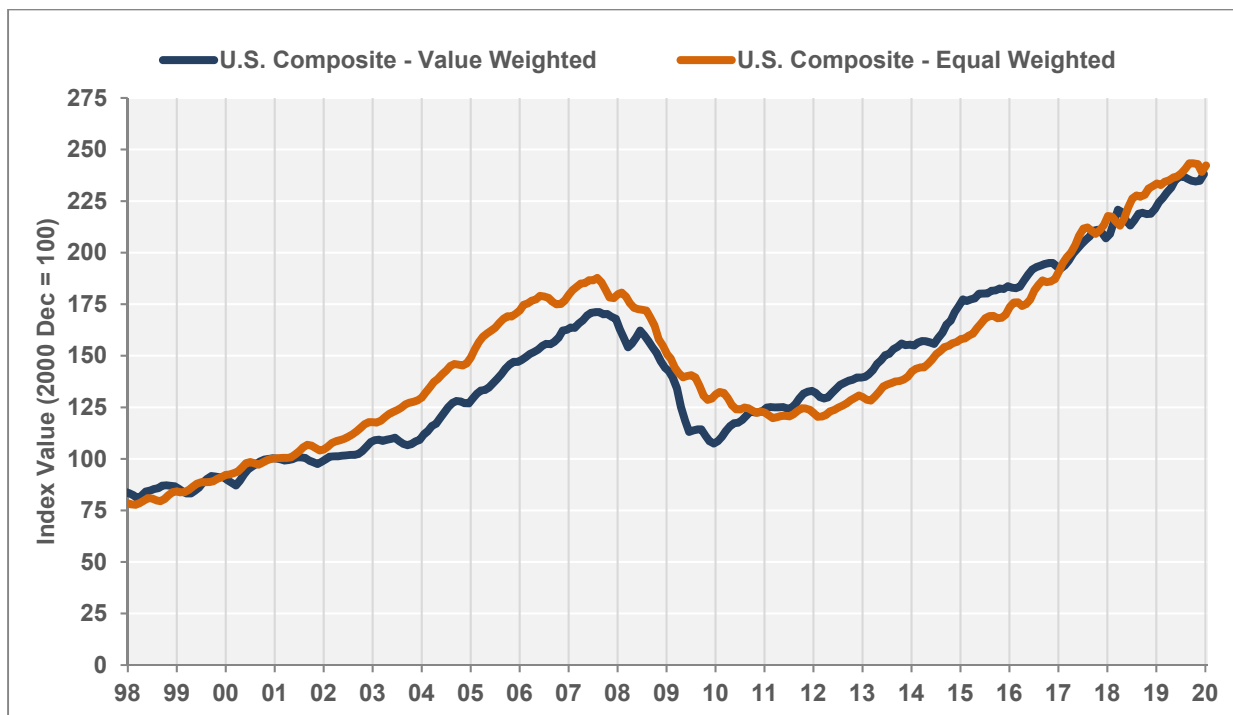
CCRSI RELEASE – February 2020  
(With data through January 2020)

## COMPOSITE PRICE INDICES BEGIN 2020 WITH MODEST GAINS

TRANSACTION ACTIVITY AND OTHER LIQUIDITY INDICATORS EXHIBIT  
HEALTHY MARKET FOR BOTH BUYERS AND SELLERS

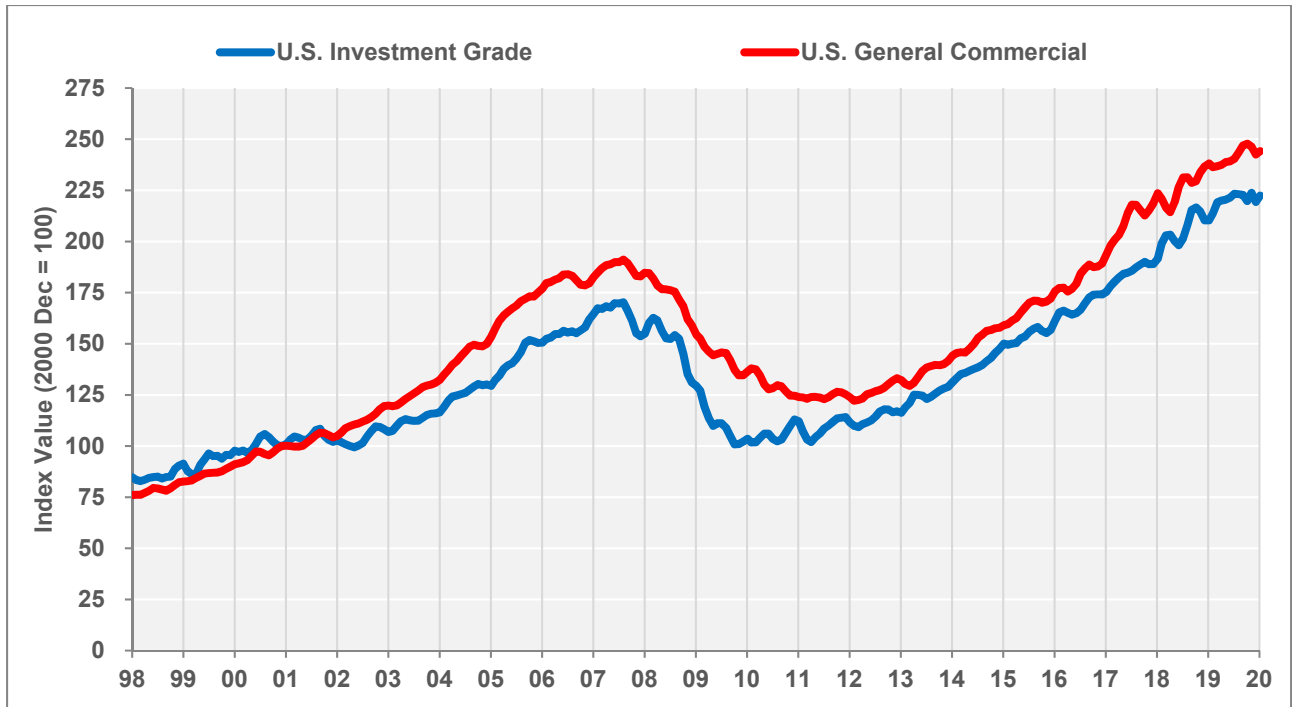
This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through January 2020. Based on 1,254 repeat sale pairs in January 2020 and more than 223,428 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

### U.S. Composite Indices: Equal- And Value-Weighted, Data Through January 2020

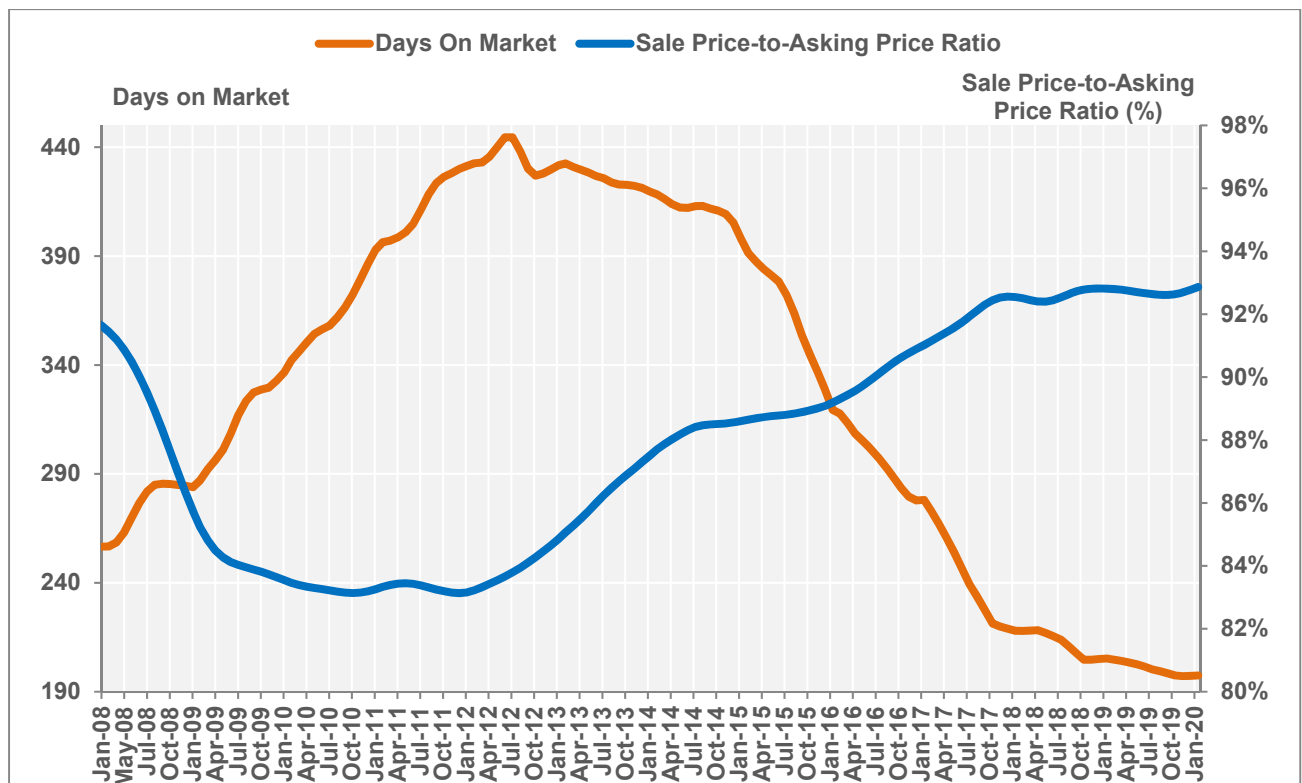


### U.S. Equal-Weighted Indices By Market Segment, Data Through January 2020

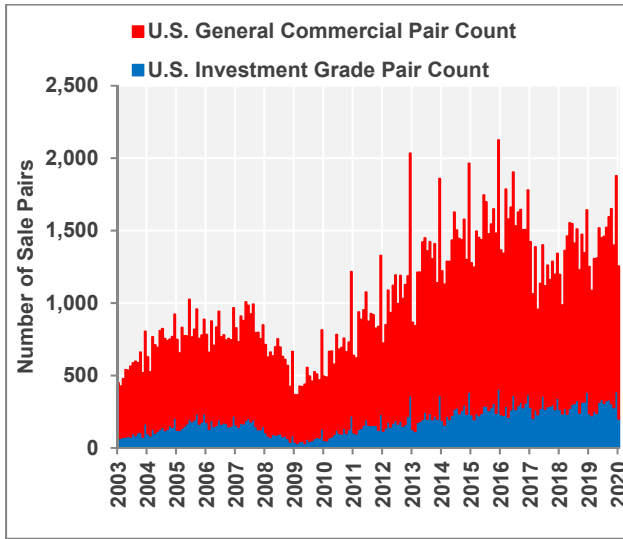
COSTAR COMMERCIAL REPEAT-SALE INDICES FEB 2020 Release (With Data through JAN 2020)



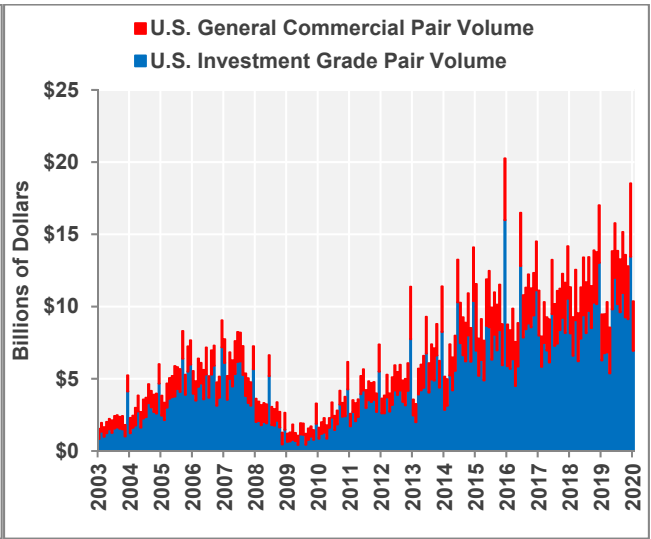
### Market Liquidity Indicators, Data Through January 2020



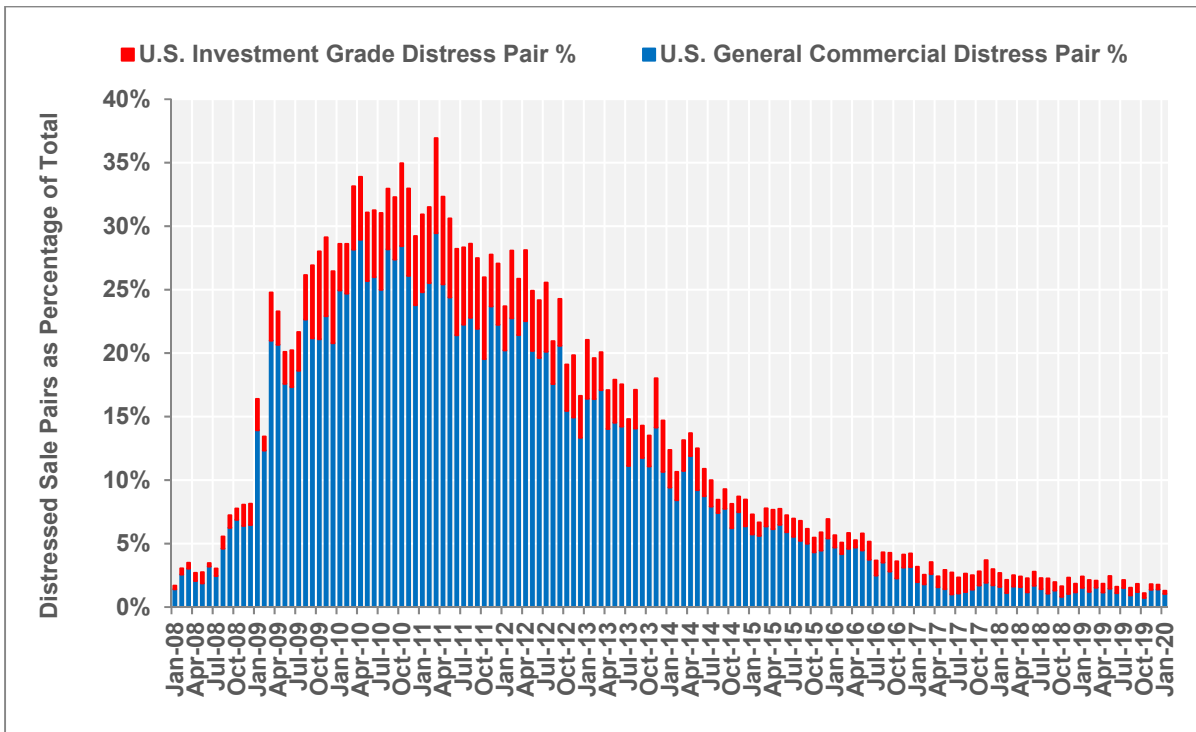
U.S. Pair Count, Data Through January 2020



U.S. Pair Volume, Data Through January 2020



U.S. Distress Sale Pairs Percentage, Data Through January 2020



## CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES START 2020 ON GROWTH TRAJECTORY.** Both composite price indices posted modest gains in January 2020. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, reached a new cyclical high in January 2020, increasing 1.4% in January and 7.7% in the 12-month period ended in January 2020. Meanwhile, the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, remained near cyclical highs reached in the second half of 2019. The equal-weighted U.S. Composite Index was up 1.5% in the month of January and 3.7% in the 12-month period ended in January 2020.
- **GENERAL COMMERCIAL SEGMENT MOMENTUM SLOWED MODESTLY IN EQUAL-WEIGHTED INDEX.** Recent pricing trends in the composite indices were mirrored in the two sub-indices of the equal-weighted Composite Index. The Investment-Grade segment of the index, which is influenced by higher-value properties, rose a slightly stronger 5.8% in 12-month period ended in January 2020 as investor interest remained steady across the building quality spectrum. The General Commercial segment, which is influenced by smaller, lower-priced properties, increased 2.5% in the 12-month period ended in January 2020.
- **TRANSACTION VOLUME REMAINS STURDY AT THE START OF 2020.** Sales activity through the first month of the year in 2020 was already ahead of last year's pace, and composite pair volume of \$155.4 billion over the last 12 months ending in January 2020 was the highest on record for the CCRSI, suggesting capital flows remain healthy.
- **OTHER MEASURES DEMONSTRATE CONTINUING LIQUID MARKET FOR BOTH BUYERS AND SELLERS.** The average time on the market for for-sale properties fell 4% to 197 days in the 12-month period ended in January 2020, although it has remained unchanged over the last quarter. The sale price to asking price ratio remained narrow at 92.9% in January 2020, the highest this ratio has been since 2006, suggesting sellers still have significant leverage in pricing negotiations. Meanwhile, the share of properties withdrawn from the market by discouraged sellers remained near a cyclical low of 26.4% in January 2020.

## Monthly CCRSI Results, Data Through January 2020

|  | 1 Month Earlier | 1 Quarter Earlier | 1 Year Earlier | Trough to Current   |
|--|-----------------|-------------------|----------------|---------------------|
| <b>Value-Weighted U.S. Composite Index</b> | 1.4%            | 1.3%              | 7.7%           | 121.7% <sup>1</sup> |
| <b>Equal-Weighted U.S. Composite Index</b> | 1.3%            | -0.4%             | 3.7%           | 102.3% <sup>2</sup> |
| <b>U.S. Investment-Grade Index</b>         | 1.4%            | 1.2%              | 5.8%           | 118.5% <sup>3</sup> |
| <b>U.S. General Commercial Index</b>       | 0.7%            | -1.5%             | 2.5%           | 98.4% <sup>4</sup>  |

<sup>1</sup> Trough Date: April 2010    <sup>2</sup> Trough Date: March 2011    <sup>3</sup> Trough Date: March 2010    <sup>4</sup> Trough Date: March 2011

## Monthly Liquidity Indicators, Data Through January 2020

|   | Current | 1 Month Earlier | 1 Quarter Earlier | 1 Year Earlier |
|---|---------|-----------------|-------------------|----------------|
| <b>Days on Market</b>                   | 197     | 197             | 197               | 205            |
| <b>Sale-Price-to-Asking-Price Ratio</b> | 92.9%   | 92.8%           | 92.6%             | 92.8%          |
| <b>Withdrawal Rate</b>                  | 26.4%   | 26.6%           | 26.9%             | 26.5%          |

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) are 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:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail | Office                                |
| General Commercial                 | Retail                            | Midwest          | Midwest:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail   | Multifamily                           |
| Investment-Grade                   | Industrial                        | South            | South:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail     | Industrial                            |
|                                    | Multifamily                       | West             | West:<br>Office,<br>Multifamily,<br>Industrial,<br>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. STR provides premium data benchmarking, analytics and marketplace insights for the global hospitality sector. LoopNet is the most heavily trafficked commercial real estate marketplace online with over 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

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owners a proven platform for marketing their properties. CoStar Group's websites attracted an average of over 47 million unique monthly visitors in aggregate in the fourth quarter of 2019. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe, Canada and Asia with a staff of over 4,300 worldwide, including the industry's largest professional research organization. For more information, visit [www.costargroup.com](http://www.costargroup.com).