CCRSI RELEASE – November 2019
(With data through October 2019)

PRICE GROWTH MOMENTUM STRONGER IN LOWER END OF MARKET IN OCTOBER

2019 TRANSACTION VOLUME ON PACE TO EXCEED 2018 TOTAL; OTHER MEASURES CONFIRM LIQUID MARKET FOR 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 October 2019. Based on 1,412 repeat sale pairs in October 2019 and more than 218,383 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

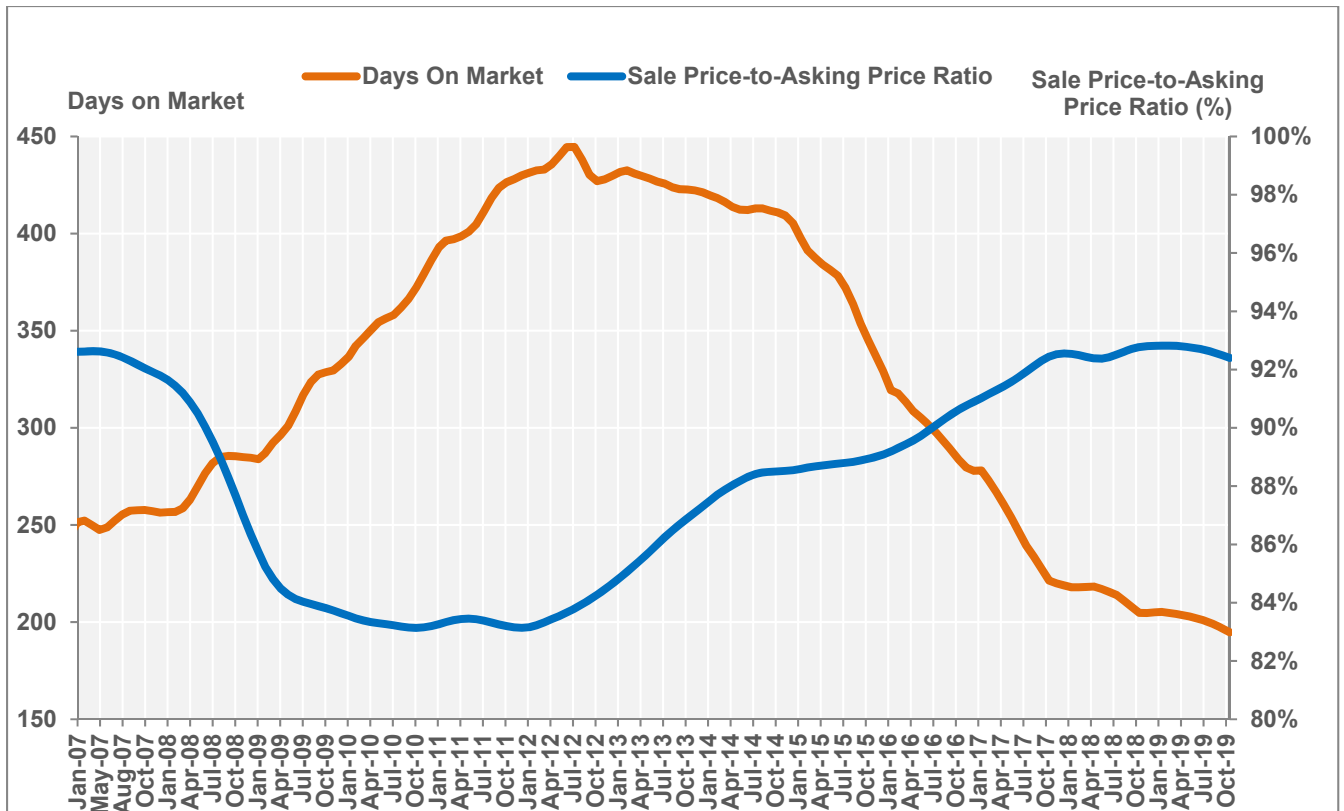**U.S. Composite Indices: Equal- And Value-Weighted, Data Through October 2019**
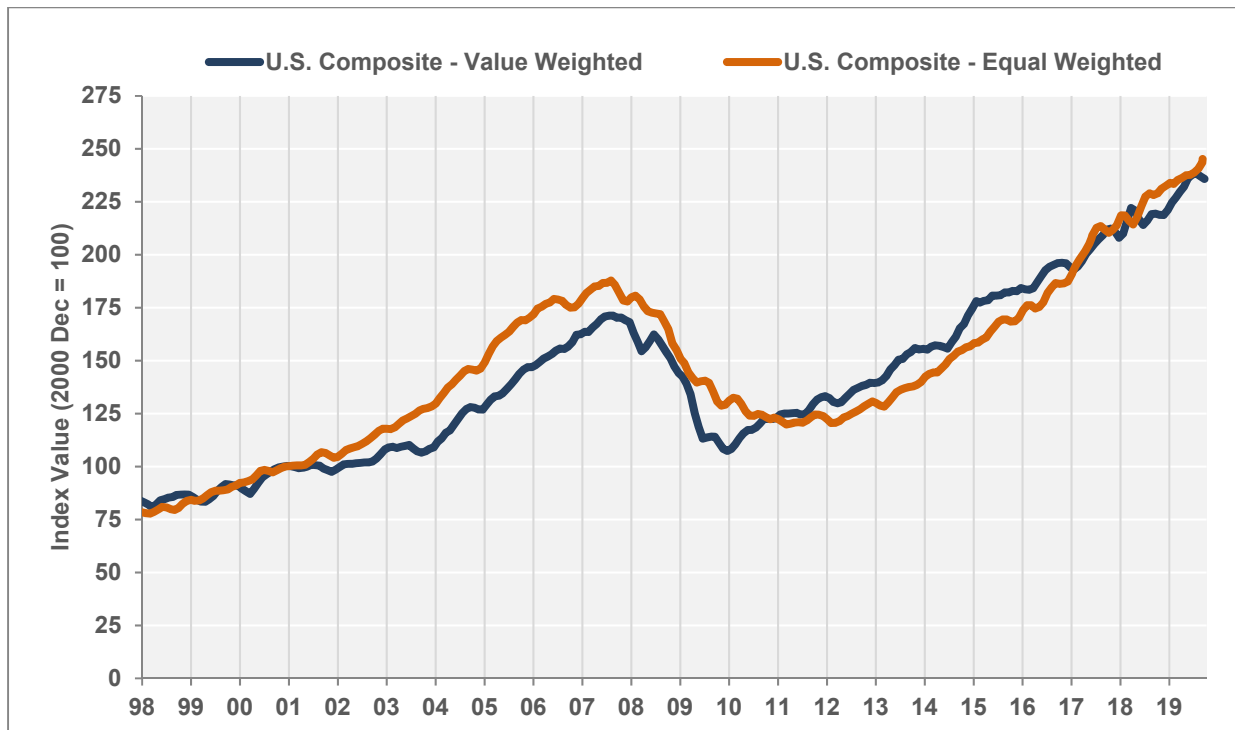
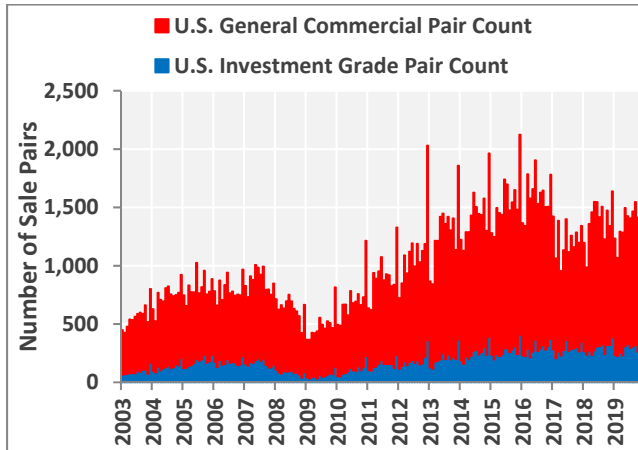COSTAR COMMERCIAL REPEAT-SALE INDICES NOV 2019 Release (With Data through OCT 2019)

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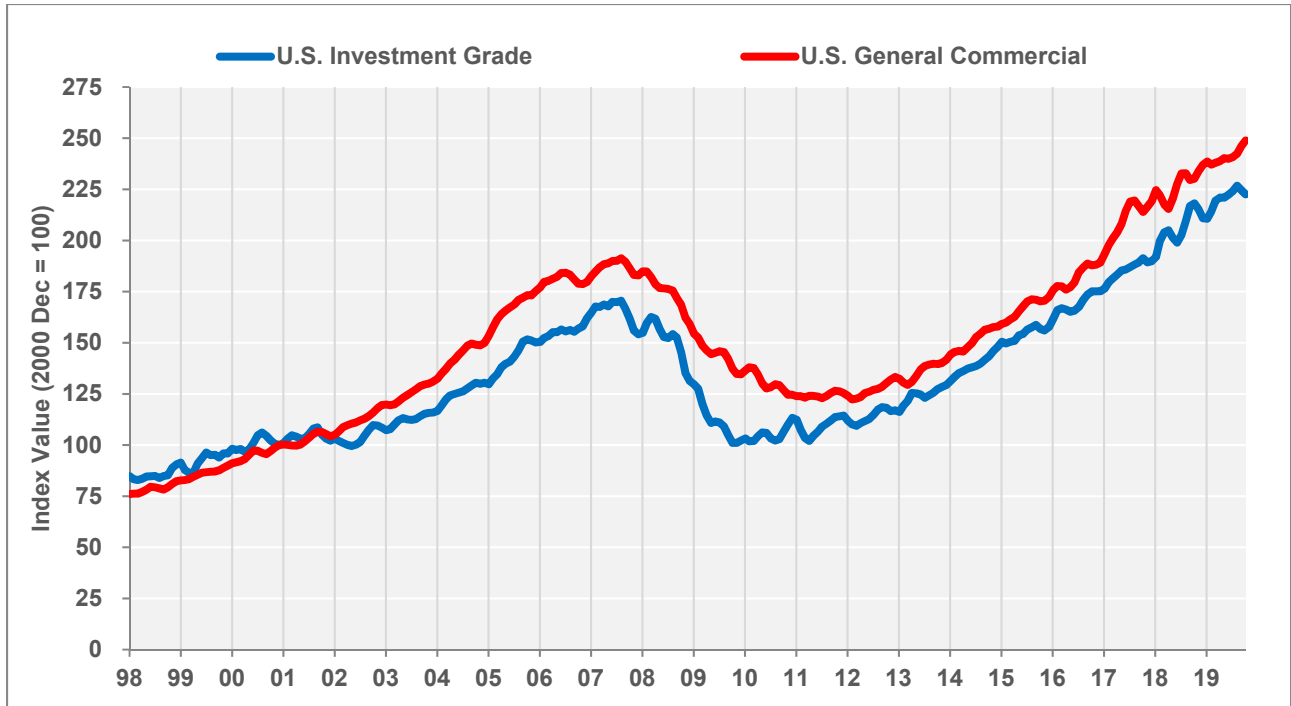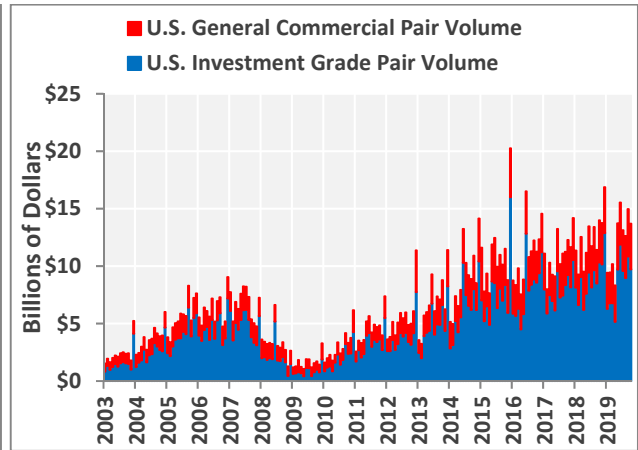

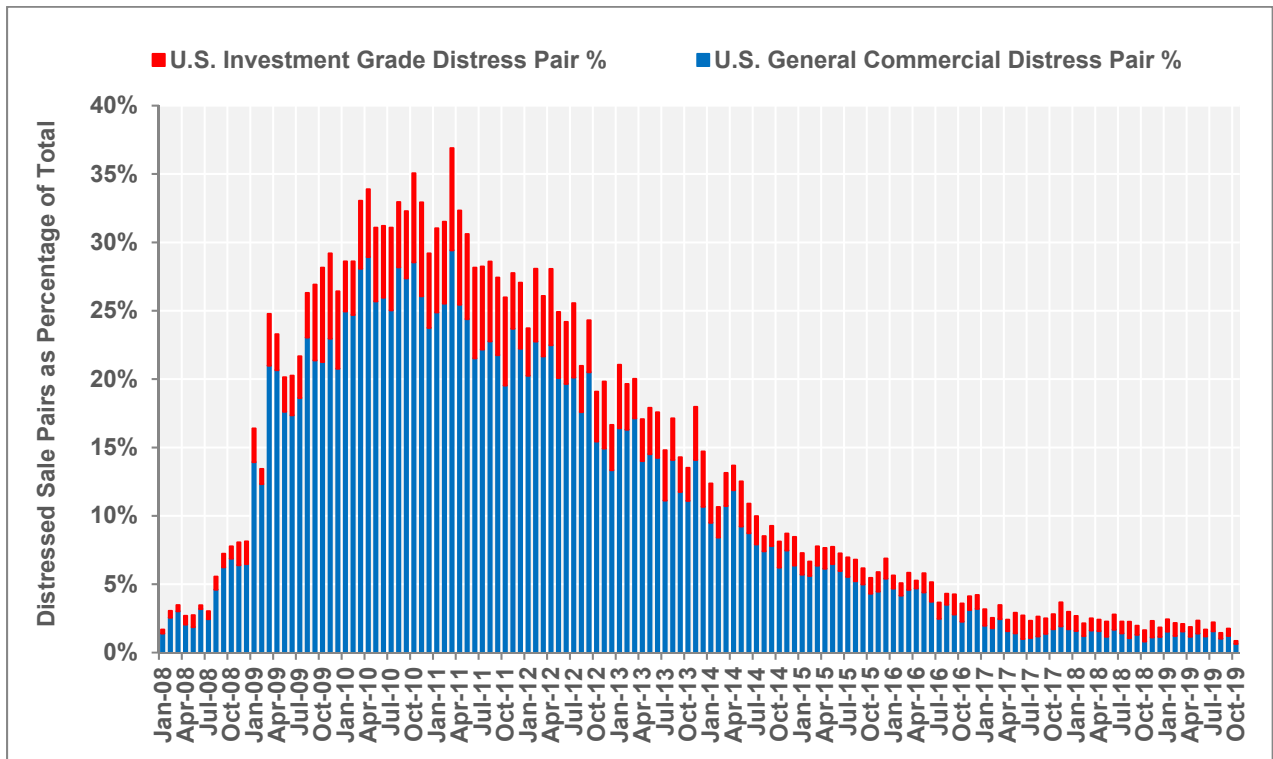## Market Liquidity Indicators, Data Through October 2019

U.S. Pair Count, Data Through October 2019

U.S. Pair Volume, Data Through October 2019

U.S. Distress Sale Pairs Percentage, Data Through October 2019

CCRSI National Results Highlights

- STEADY PRICE GROWTH IN SECONDARY MARKETS OFFSETS SLOWDOWN AT TOP END OF CRE MARKET IN OCTOBER. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, fell a modest 0.5% in October 2019, despite a solid 7.5% gain in the 12-month period ending in October 2019. The flattening in price growth at the top of the market in October 2019 reflects the already strong price gains achieved in the core markets that led growth this cycle. The value-weighted US Composite Index is already 38% above its prior peak level reached in 2009. Meanwhile, the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, advanced by a stronger 0.6% in the month of October 2019, with a 7.1% gain in the 12-month period ending in October 2019. Secondary markets began their recovery later, but solid fundamentals performance this cycle has fueled late cycle price gains.

- THE RECENT MOMENTUM IN THE GENERAL COMMERCIAL SEGMENT DEMONSTRATES THE BREADTH OF THE PRICING RECOVERY. Recent pricing trends in the composite indices were mirrored in the two sub-indices of the equal-weighted U.S. Composite Index. The General Commercial segment, which is influenced by smaller, lower-priced properties, increased 1.1% in October 2019 and 8.1% for the 12-month period ending in October 2019. Meanwhile, the Investment-Grade segment, which reflects higher-value properties, fell 0.9% in October 2019, leading to annual growth of just 2% in the 12-month period ending in October 2019.

- TRANSACTION VOLUME THROUGH THE FIRST 10 MONTHS OF 2019 ON PACE FOR RECORD YEAR. Composite pair volume of $121 billion through the first 10 months of 2019 was 2.7% higher than the same period in 2018, suggesting capital flows are increasing from last year's record-setting levels. The rise in sales volume is relatively broad-based across markets, with the General Commercial segment up 3.5% and the Investment Grade segment increasing 2.4% year-to-date in October 2019.

- OTHER MEASURES DEMONSTRATE A LIQUID MARKET FOR BOTH BUYERS AND SELLERS. The average time on the market for for-sale properties dropped 4.9% in the 12-month period ending in October 2019 and the sale-price-to-asking-price ratio of 92.4% remained near a cyclical peak. Meanwhile, the share of properties withdrawn from the market by discouraged sellers remained near its two-year average of 27% in October 2019.

Monthly CCRSI Results, Data Through October 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-0.5%	-0.9%	7.5%	119.6%[1]
Equal-Weighted U.S. Composite Index	0.6%	2.7%	7.1%	104.6%[2]
U.S. Investment-Grade Index	-0.9%	-0.7%	2.0%	118.3%[3]
U.S. General Commercial Index	1.1%	3.4%	8.1%	102.1%[4]

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

Monthly Liquidity Indicators, Data Through October 2019

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	195	197	200	205
Sale-Price-to-Asking-Price Ratio	92.4%	92.5%	92.7%	92.8%
Withdrawal Rate	27.4%	27.2%	26.9%	26.6%

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: 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. 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, WestsideRentals.com, 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 51 million unique monthly visitors in aggregate in the third quarter of 2019. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada with a staff of over 4,300 worldwide, including the industry's largest professional research organization. For more information, visit costargroup.com.