



CCRSI RELEASE – July 2021
(With data through June 2021)

COSTAR COMPOSITE INDICES STAGE FURTHER EXPANSION IN JUNE 2021

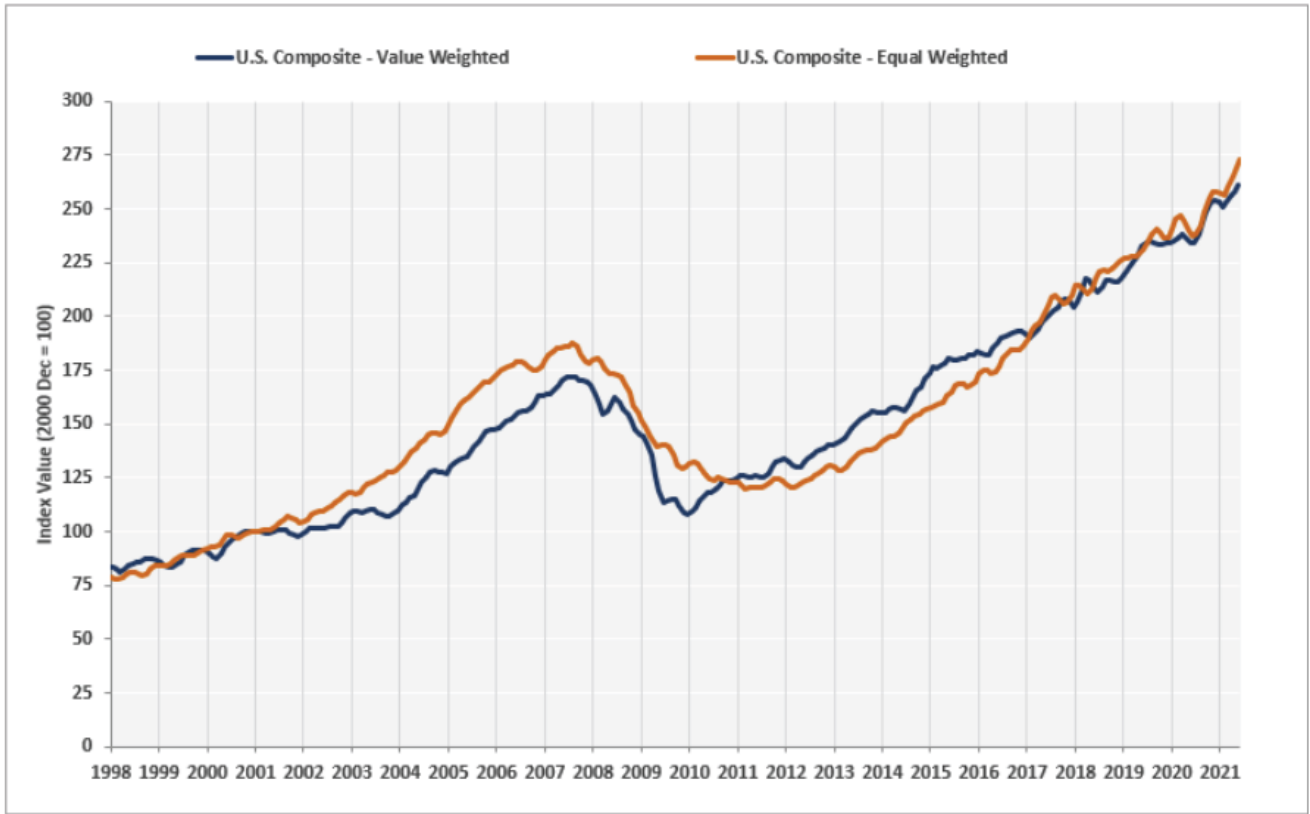
MULTIFAMILY, INDUSTRIAL AND RETAIL DISPLAY QUARTERLY STRENGTH, ALL AS SOUTH AND WEST REGIONS OUTPERFORM

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through June 2021. Based on 1,788 repeat sale pairs in June 2021, and more than 246,948 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

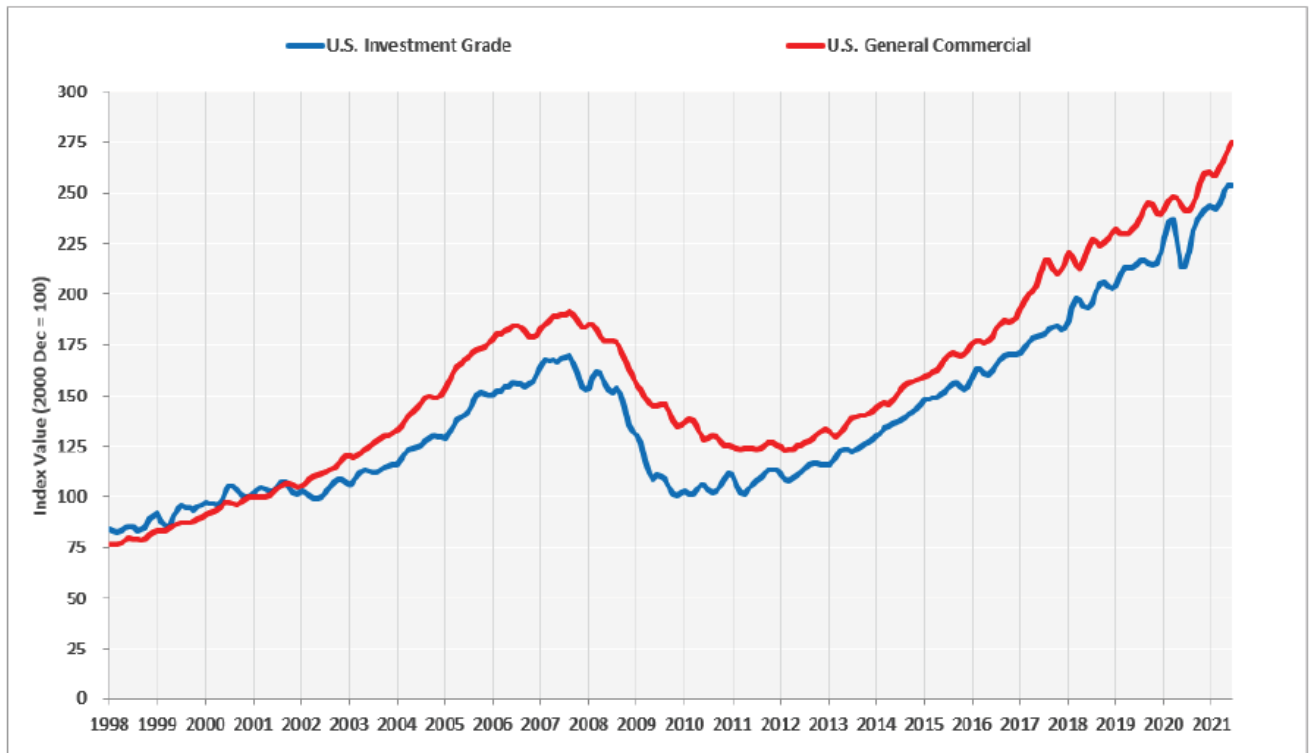
- **BOTH COMPOSITE PRICE INDICES INCREASED IN JUNE.** The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades, rose by 1.1% in June 2021, marking the index's fourth straight month of pricing gains.
- Meanwhile, the equal-weighted U.S. Composite Index, which reflects more numerous but lower-priced property sales typical of secondary and tertiary markets, rose by 1.3% month over month in June 2021.
- As property prices recover from the early days of the pandemic, the equal-weighted index increased by 15% in the 12-month period that ended in June 2021, while the value-weighted index increased by 11.5% over the same period. The Q2 2021 quarterly gain for the equal-weighted index came in at 4.7%, and the increase for the value-weighted series was 3.1%.

U.S. Composite Indices: Equal- and Value-Weighted, Data through June of 2021



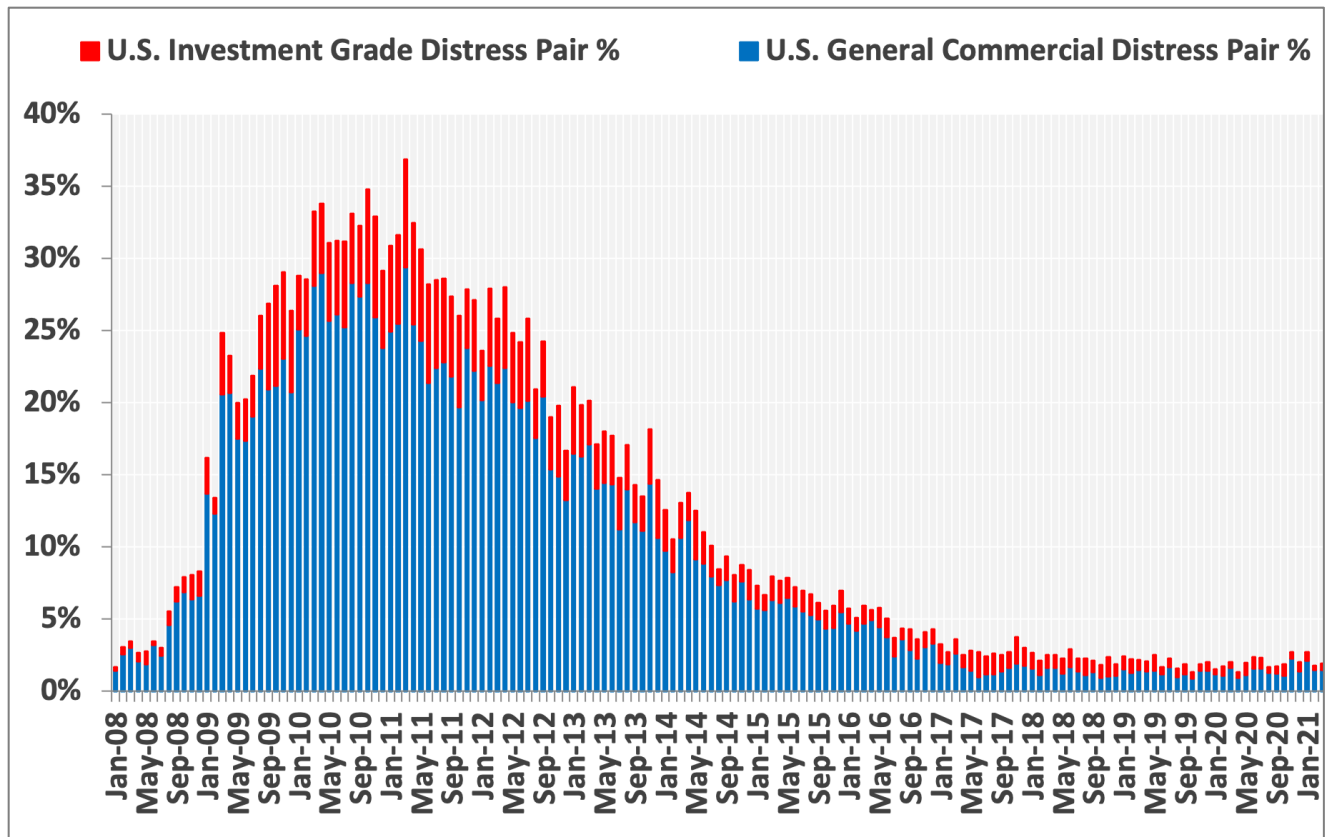
- SUB-INDICES OF EQUAL-WEIGHTED INDEX DIVERGED IN JUNE. The two sub-indices of the equal-weighted U.S. Composite Index diverged in June 2021. The General Commercial segment, which is influenced by smaller, lower-priced properties, increased by 1.4% in June 2021. In contrast, the Investment Grade segment, which is influenced by higher-value properties, was essentially flat in June, with a monthly figure of -0.2%.
- Despite a plateau in June 2021, investors have shown their preference for Investment Grade properties, which outperformed the General Commercial segment over the past year with price growth of 18.5% for the 12-month period ending June 30, 2021. In comparison, the General Commercial segment registered an improvement of 13.8% in the 12-month period ending June 30, 2021.

U.S. Composite Indices by Market Segment: Equal Weighted, Data through June of 2021



- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED INCREASED BUT REMAINED HISTORICALLY LOW. General Commercial and Investment Grade distressed sales were 1.8% and 0.3%, respectively, of total trades in June 2021.
- While the share of distressed sales in the General Commercial segment increased for the second straight month, it remained well below the prior 10-year monthly average of about 7% and remains in line with the trailing five-year monthly average of 1.6%.

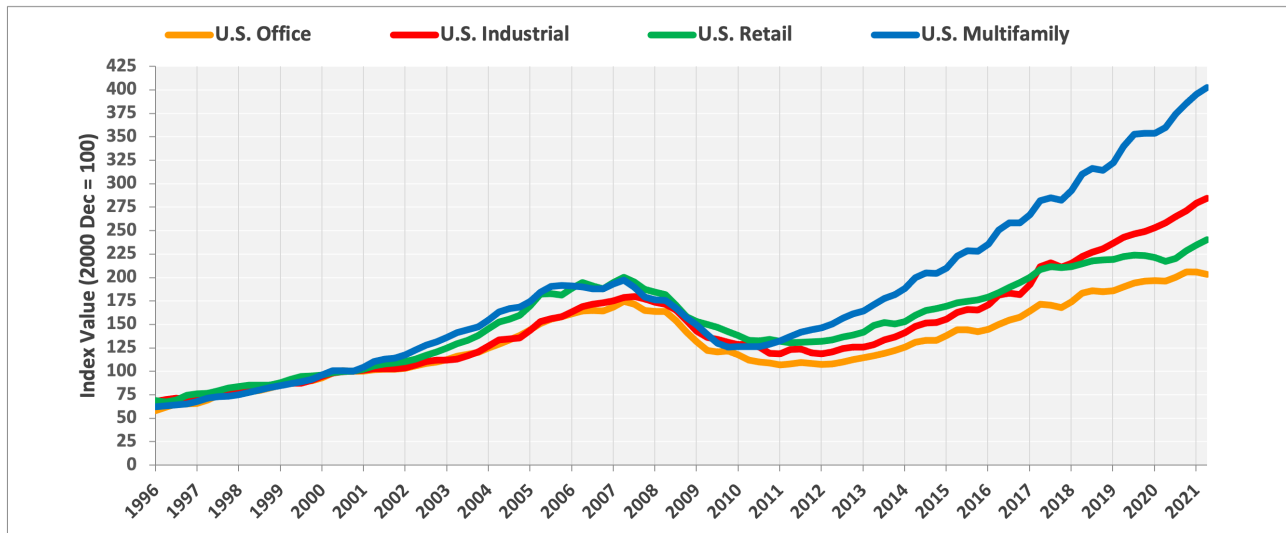
U.S. Distress Sale Pairs Percentage, Data through June of 2021



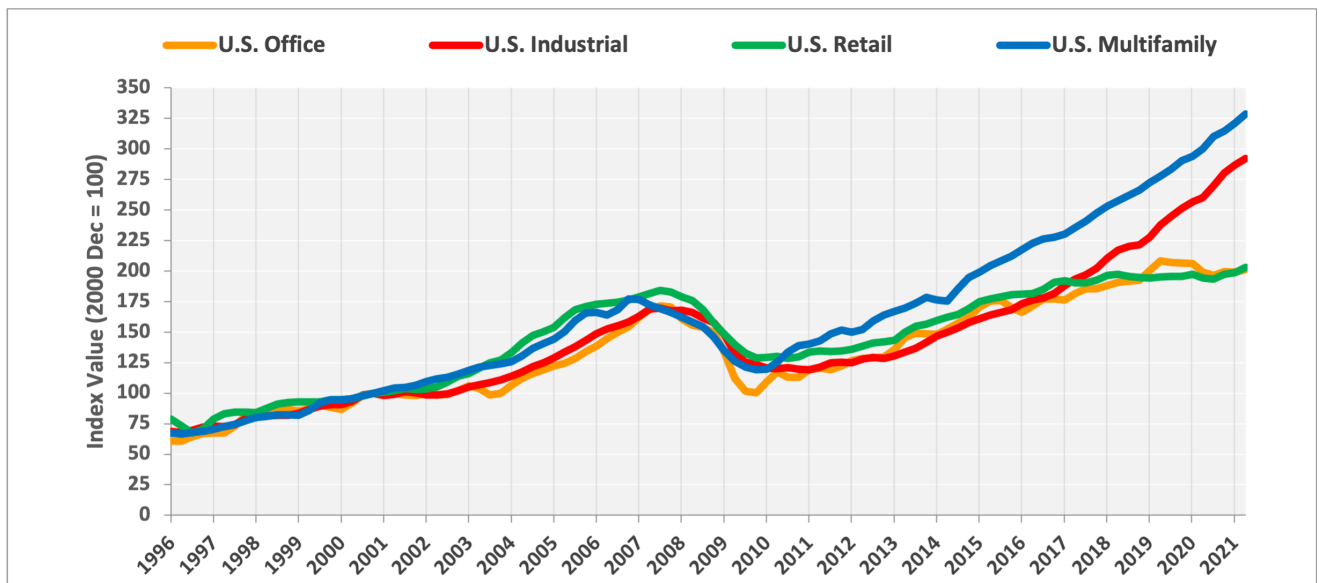
- **EQUAL-WEIGHTED OFFICE VALUES SLIPPED, BUT VALUE-WEIGHTED INDICES TICKED HIGHER.** The equal-weighted office index declined by -1.3% in Q2 2021, reflecting a reversal from the first quarter's flat reading. In comparison, the value-weighted office series increased by 1.2% in Q2 2021. However, the equal-weighted index has outperformed the value-weighted series throughout the pandemic, with the equal weighted index expanding above pre-pandemic levels all as the value weighted series remains 2.3% below its pre-pandemic level recorded in March 2020.
- **INDUSTRIAL AND MULTIFAMILY CONTINUE TO SHINE, WHILE RETAIL IS REBOUNDING.** The industrial and multifamily sectors continue to show signs of strength, as both sectors posted equal-weighted gains of 1.8% in Q2 2021. In the value-weighted index, multifamily gained 2.4% while industrial increased by 1.8% in Q2 2021.
- Though initially hard hit by the effects of the pandemic, the retail sector continues to strengthen, with monthly gains of 2.3% recorded across both indices in Q2 2021. June 2021 year-over-year growth has turned positive as well, measuring at 10.6% in

the equal-weighted index and 4.5% in the value-weighted index. The improving public health situation, together with a surge in consumer spending fueled by the recent rounds of fiscal stimulus are collectively supporting the retail sector's recovery.

U.S. Primary Property Type Quarterly Indices – Equal Weighted, Data through June of 2021

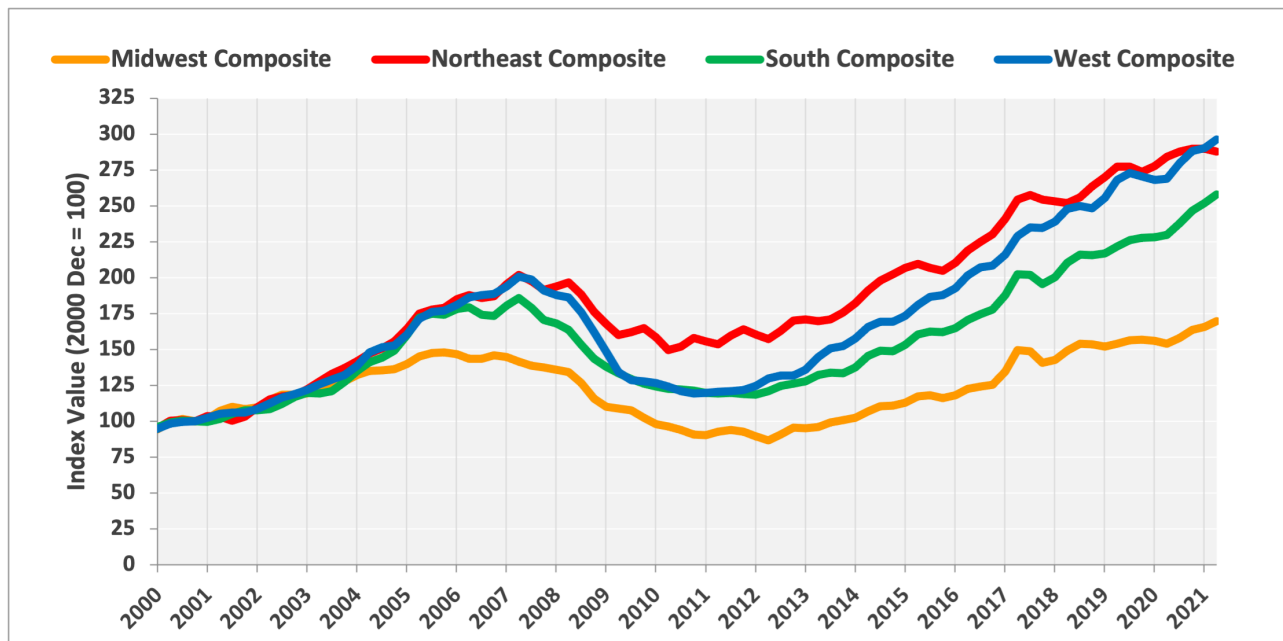


U.S. Primary Property Type Quarterly Indices – Value Weighted, Data through June of 2021

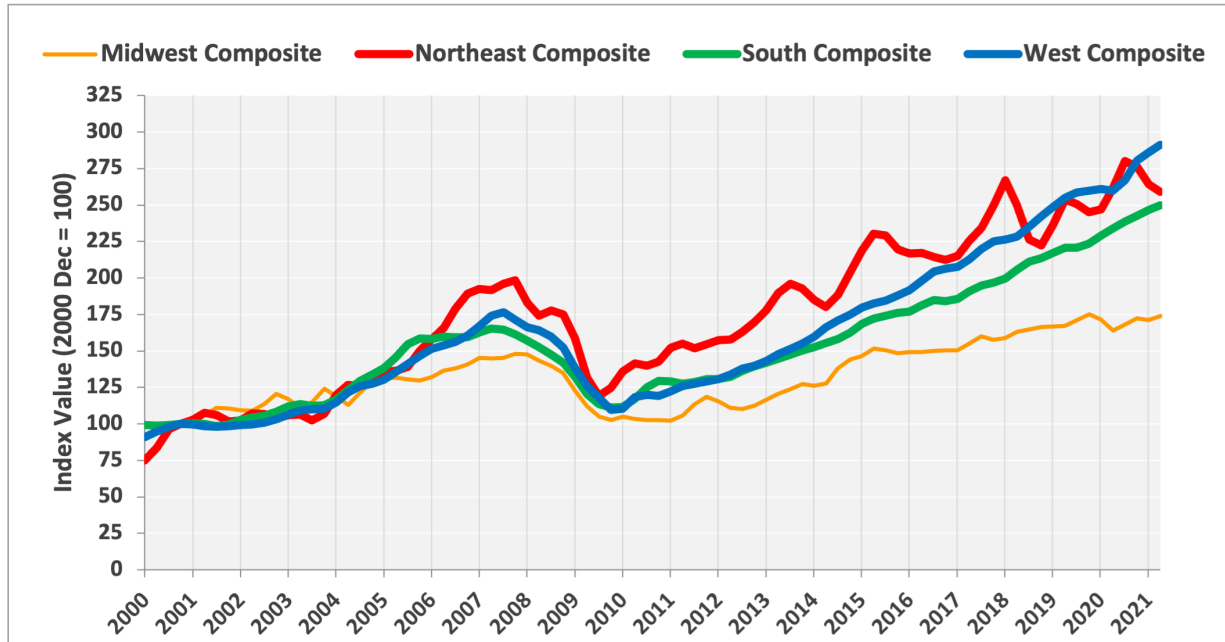


- DIVERGENCE ACROSS REGIONS PERSIST - VALUES RISE IN SOUTH AND WEST, WHILE NORTHEAST SLIDES. Both equal-weighted and value-weighted indices increased across the South and West regions in Q2 2021. Equal-weighted quarterly gains totaled 2.3% in Q2 2021 for the South and 2.1% for the West in Q2 2021, while value-weighted gains for the South and West were a more modest 1.4% and 1.8%, respectively, in Q2 2021. Values fell in the Northeast for the second straight quarter in Q2 2021 in the equal-weighted series, while they decreased for the third straight quarter in Q2 2021 in the value-weighted series.

**U.S. Regional Type Quarterly Indices –
Equal Weighted, Data through June of 2021**



U.S. Regional Quarterly Indices – Value Weighted, Data through June of 2021



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.

Monthly CCRSI Results, Data through June 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.1%	3.1%	11.5%	141.2% ¹
Equal-Weighted U.S. Composite Index	1.3%	4.7%	15.0%	127.3% ²
U.S. Investment-Grade Index	-0.2%	3.4%	18.5%	150.0% ³
U.S. General Commercial Index	1.4%	4.6%	13.8%	122.5% ⁴

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

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 Retail Markets

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

Prime Industrial Markets

CBSA Listed Alphabetically
Atlanta
Chicago
Dallas
Houston
Los Angeles
Northern New Jersey
Riverside
Seattle

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, 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. Ten-X provides a leading platform for conducting commercial real estate online auctions and negotiated bids. LoopNet is the most heavily trafficked commercial real estate marketplace online. 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. Homesnap is an industry-leading online and mobile software platform that provides user-friendly applications to optimize residential real estate agent workflow and reinforce the agent-client relationship. [Homes.com](https://www.homes.com) offers real estate professionals advertising and marketing services for residential properties. CoStar Group's websites attract tens of millions of unique monthly visitors. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe, Canada and Asia with a staff of approximately 4,900 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.