

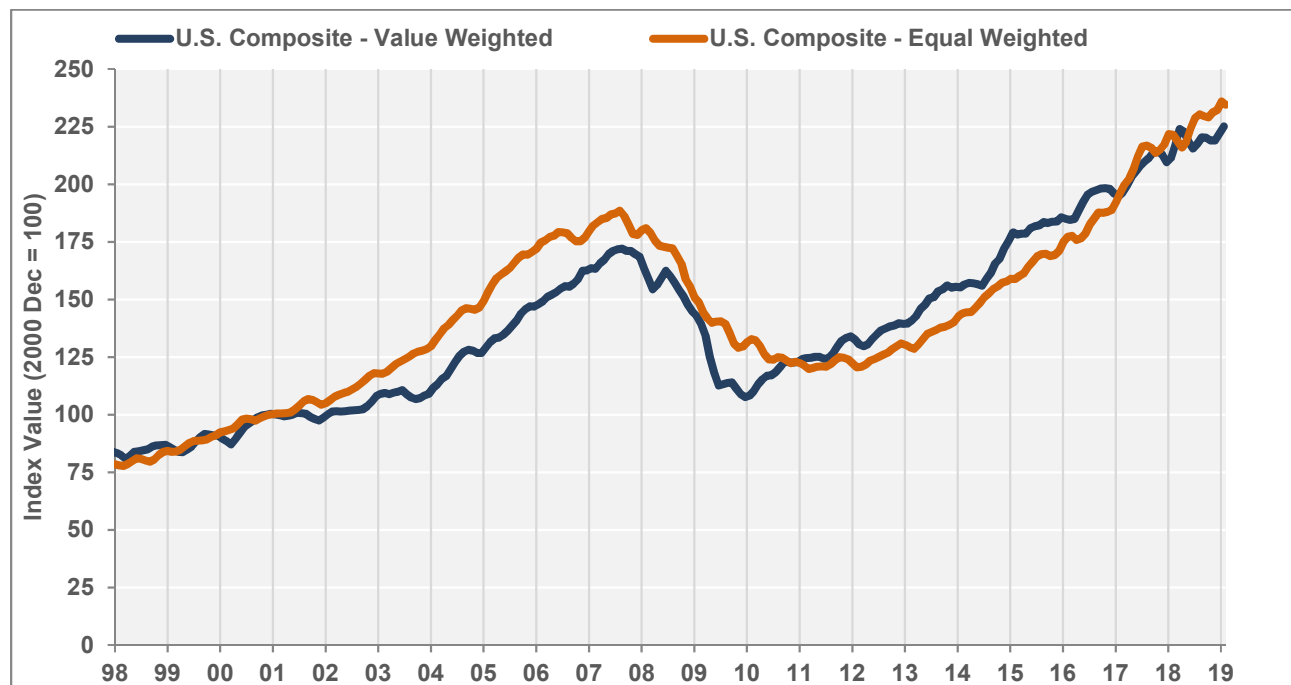
CCRSI RELEASE – MARCH 2019 (With data through February 2019)

COMMERCIAL PROPERTY SALES TRENDS HOLDING STEADY IN LATEST COSTAR COMPOSITE PRICE INDICES

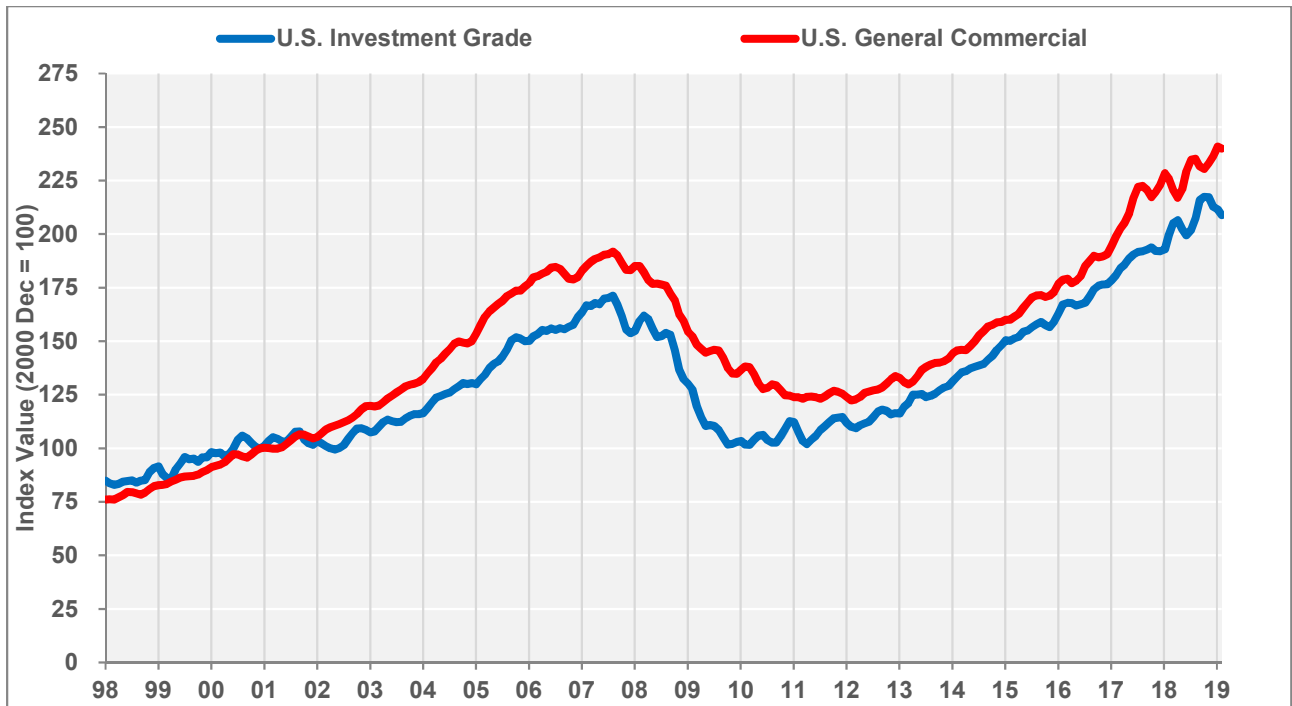
CONTINUED STRONG TRANSACTION VOLUME AND SOUND SUPPLY AND DEMAND TRENDS SUPPORT CONTINUED PRICE GAINS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through February 2019. Based on 898 repeat sale pairs in February 2019 and more than 206,000 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 February 2019

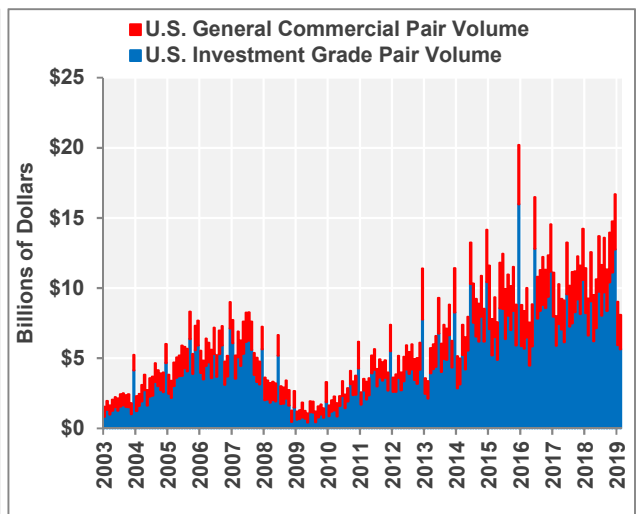
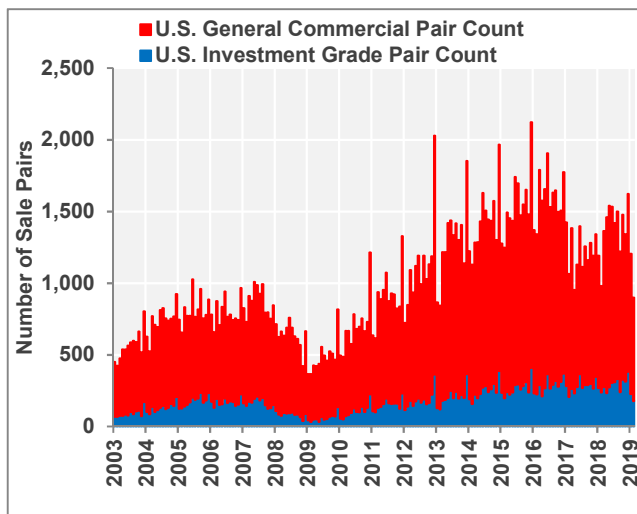


U.S. Equal-Weighted Indices By Market Segment, Data Through February 2019

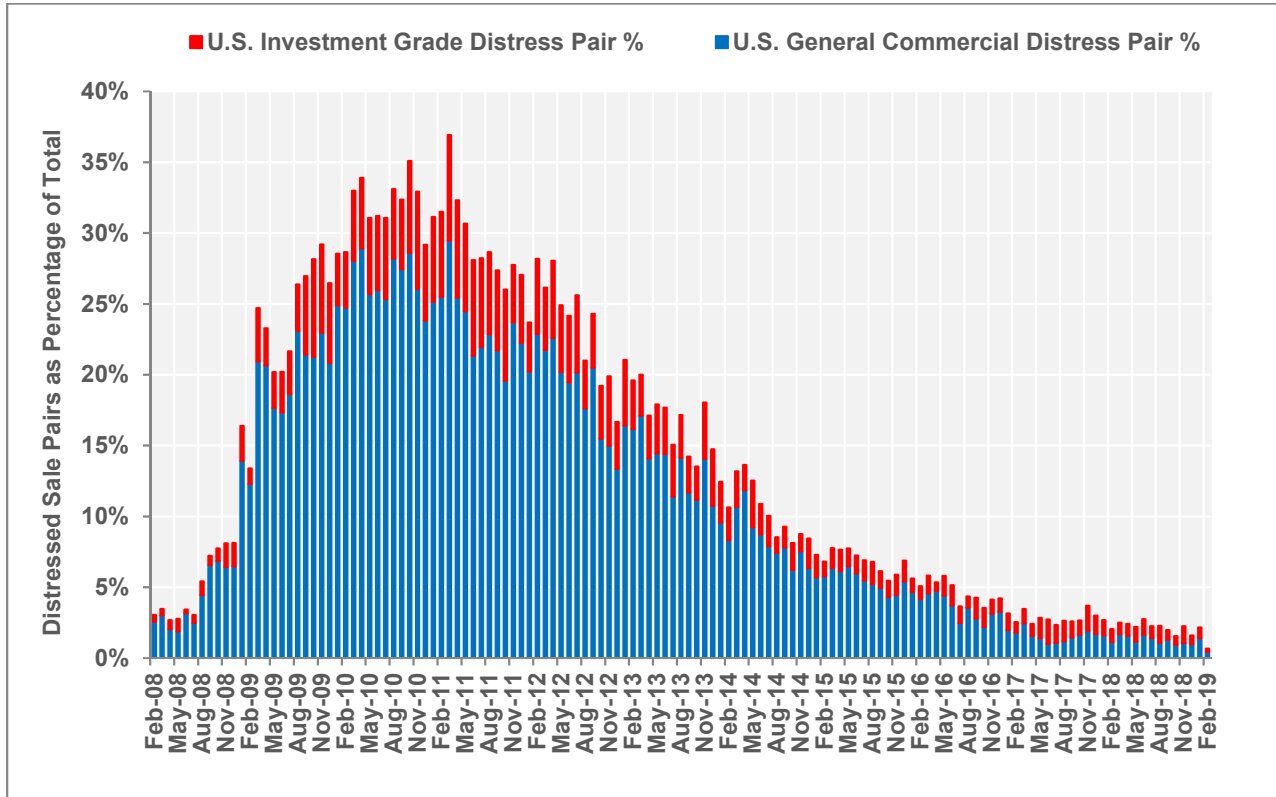


U.S. Pair Count, Data Through February 2019

U.S. Pair Volume, Data Through February 2019



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



CCRSI National Results Highlights

- DESPITE LITTLE MOVEMENT DURING FEBRUARY, COMPOSITE PRICE INDICES HAVE INCREASED BY MORE THAN 5% ON AN ANNUAL BASIS. The value-weighted U.S. Composite Index, which reflects the larger-asset sales common in core markets, increased 1.4% in the month of February 2019, contributing to an annual gain of 6.4% in the 12-month period ending in February 2019. Meanwhile, the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, slid 0.6% in the month of February 2019, but still posted an annual gain of 5.9% in the 12-month period ending in February 2019.
- MODERATE NEW SUPPLY HELPING TO KEEP CRE MARKET FUNDAMENTALS IN CHECK, SUPPORTING CONTINUED PRICE GROWTH. Driven in part by escalating construction costs related to both land and labor, commercial property development has remained restrained with only moderate supply additions, which has helped keep fundamentals balanced across property types into the late stages of the economic cycle. In the office, retail, and industrial sectors, nearly 470 million square

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

feet were completed annually in 2017-2018, which was 38% lower than the peak supply levels reached in 2007-2008, and less than half of new commercial space completed at the height of the previous cycle in 1999-2000.

- **GENERAL COMMERCIAL SEGMENT CONTINUED TO SHOW STRONGER PRICING MOMENTUM WITHIN EQUAL-WEIGHTED INDEX.** The general commercial segment, which is influenced by smaller, lower-priced properties, increased 6.2% in the 12-month period ending in February 2019. Meanwhile, the investment-grade segment of the index, which is influenced by higher-value properties, also increased but by a more modest 4.7% in the 12-month period ending in February 2019.
- **TRANSACTION VOLUME REMAINS STEADY.** Composite pair volume of \$145.4 billion in the 12-month period ending in February 2019 was up 9.2% from the prior 12-month period ending in February 2018. The increase was more noticeable in the general commercial segment of the market. Transaction volume rose 11.3% in the general commercial segment, compared to 8.4% in the investment-grade segment in the 12-month period ending in February 2019.

Monthly CCRSI Results, Data Through February 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	2.8%	6.4%	109.1% ¹
Equal-Weighted U.S. Composite Index	-0.6%	1.5%	5.9%	95.7% ²
U.S. Investment-Grade Index	-1.3%	-3.9%	4.7%	105.6% ³
U.S. General Commercial Index	-0.4%	3.0%	6.2%	94.9% ⁴

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

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

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. LoopNet is the most heavily trafficked commercial real estate marketplace online with approximately 5 million monthly unique visitors per month. 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 approximately 42 million unique monthly visitors in aggregate in the fourth quarter of 2018. 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.