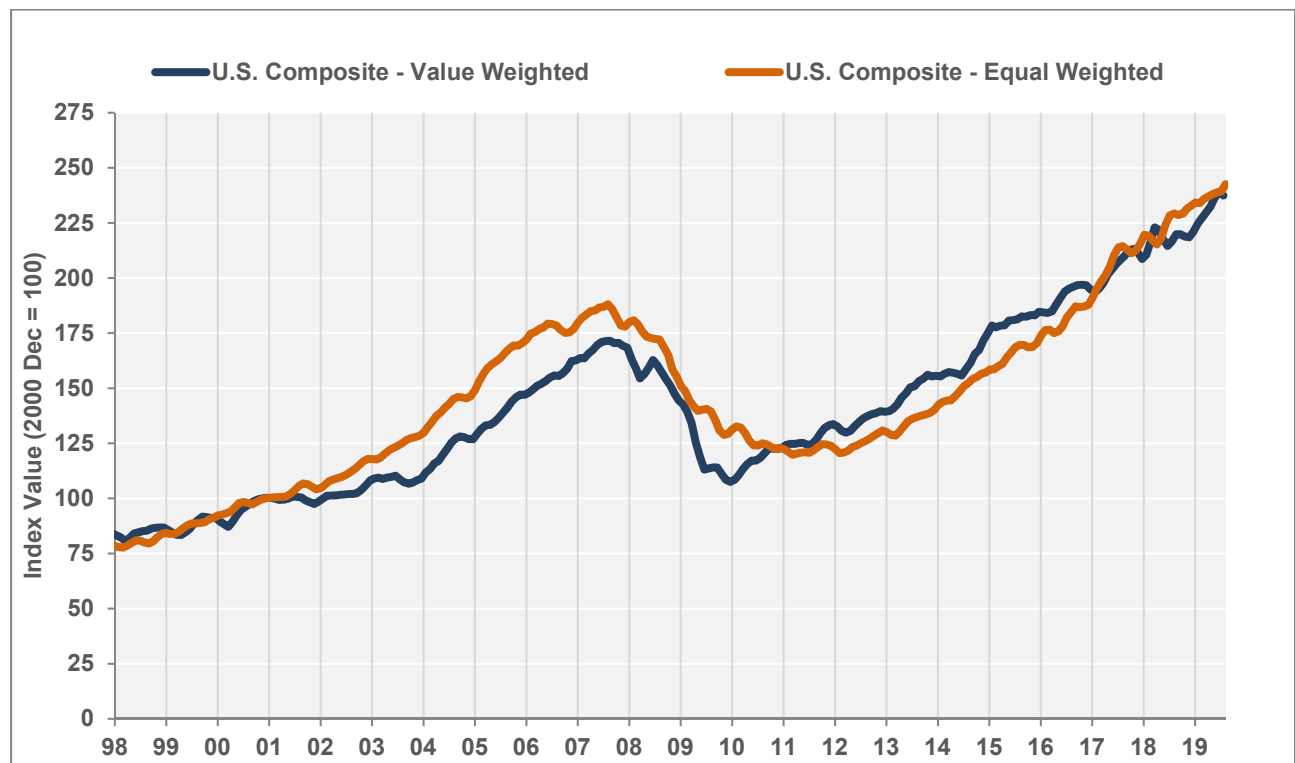


CCRSI RELEASE – September 2019
(With data through August 2019)

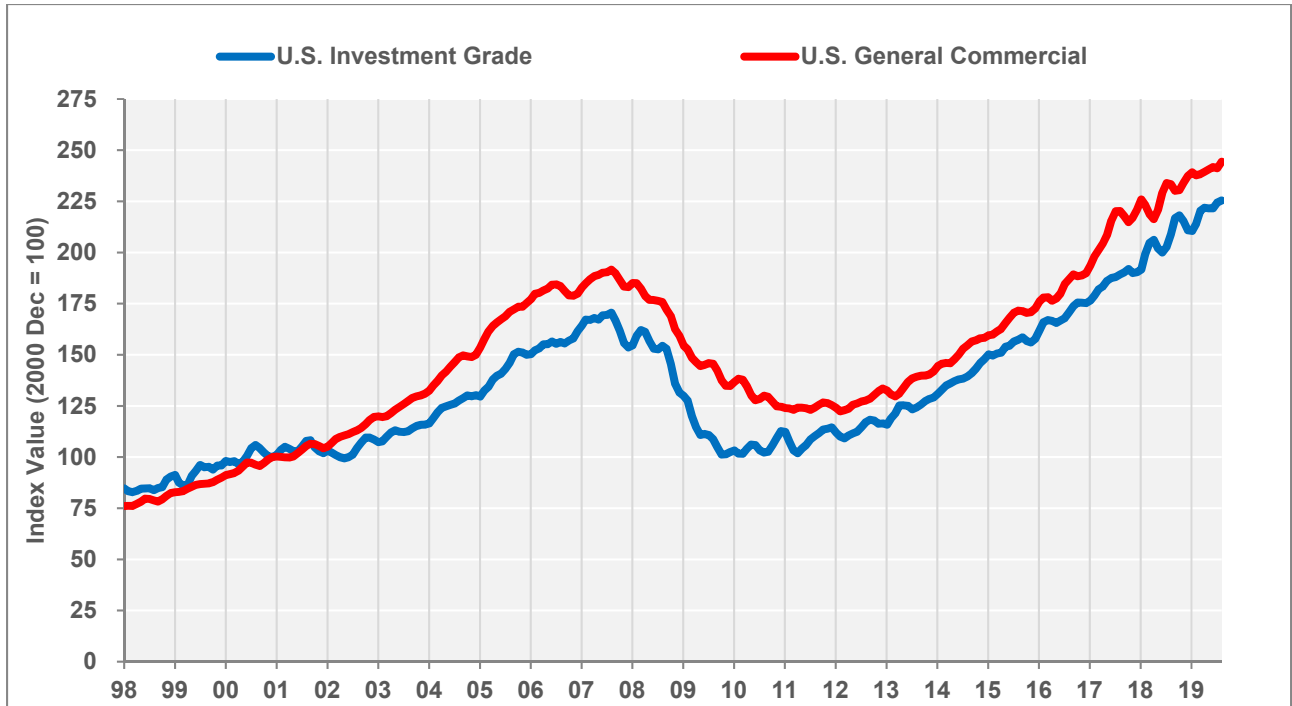
PRICE INDICES SUSTAIN MODEST GROWTH TREND THROUGH SUMMER BROADLY HEALTHY CRE FUNDAMENTALS SUPPORT CONTINUED PRICE APPRECIATION LATE INTO THE CYCLE

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provide the market's first look at commercial real estate pricing trends through August 2019. Based on 1,274 repeat sale pairs in August 2019 and more than 215,132 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

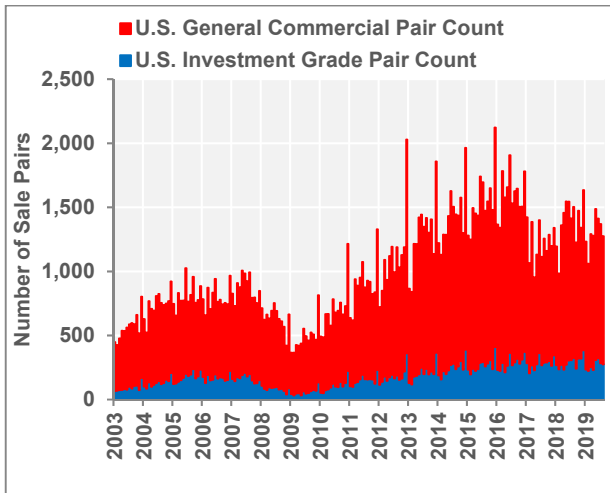
U.S. Composite Indices: Equal- and Value-Weighted, Data Through August 2019



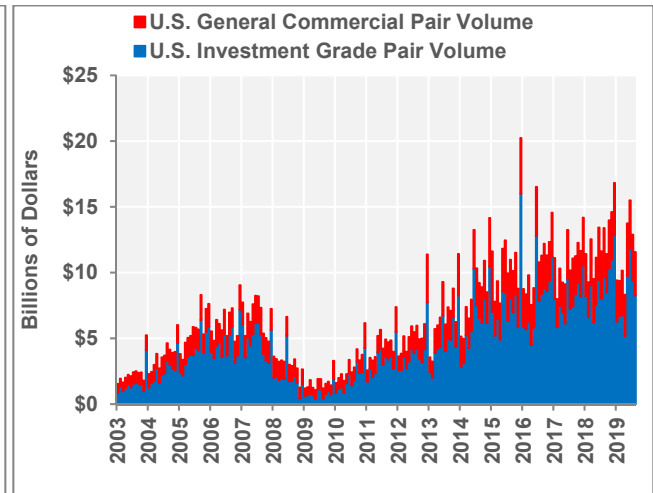
U.S. Equal-Weighted Indices by Market Segment, Data Through August 2019



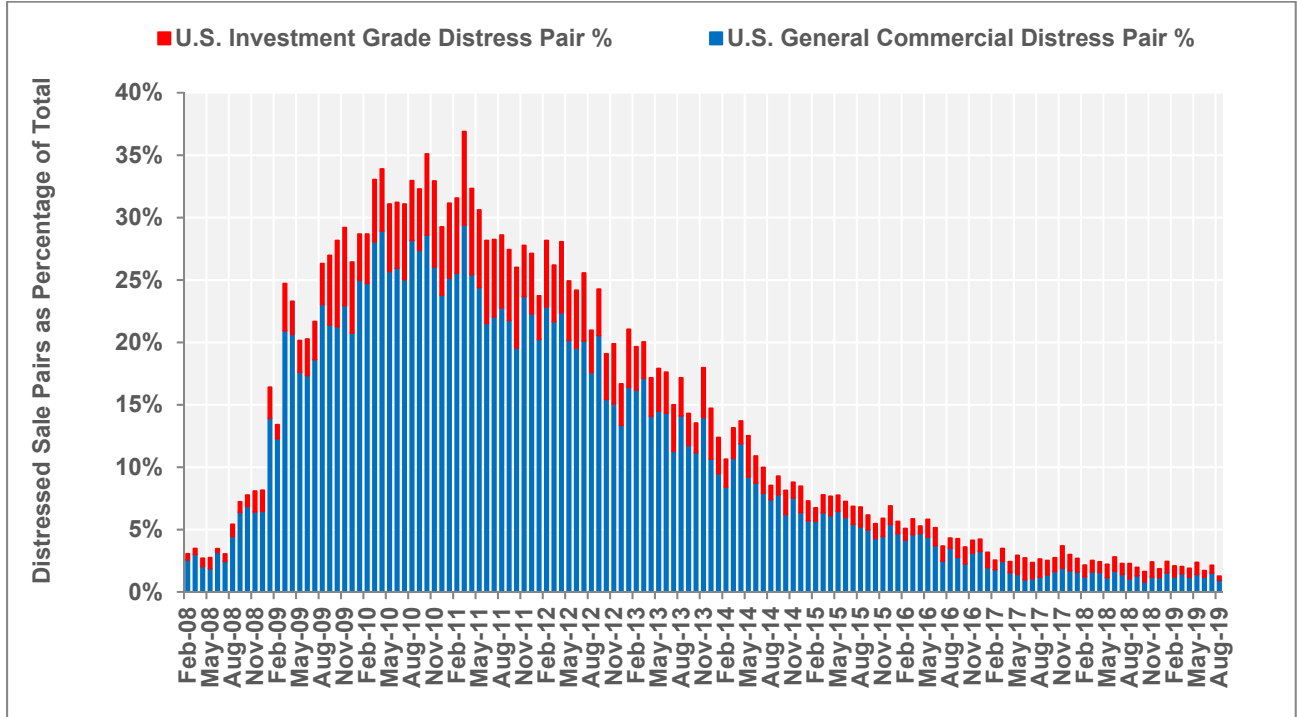
U.S. Pair Count, Data Through August 2019



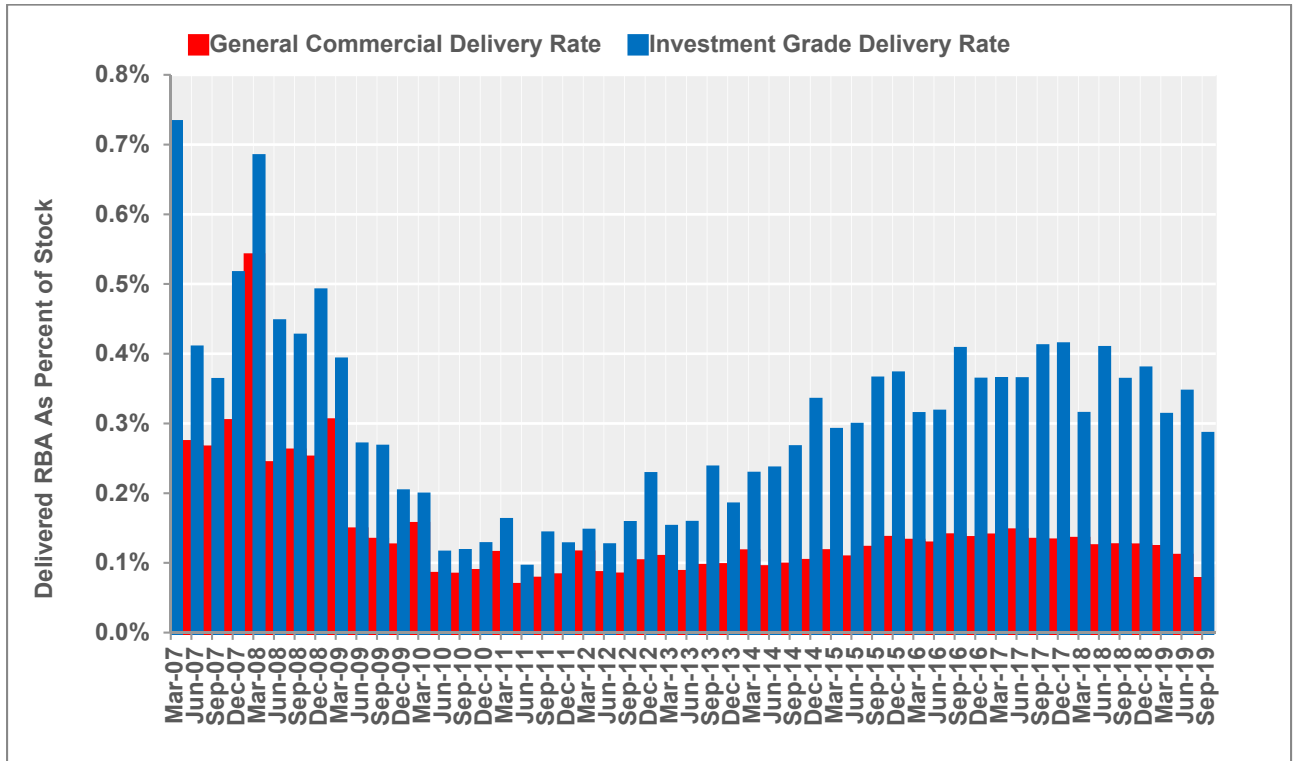
U.S. Pair Volume, Data Through August 2019



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



Market Fundamentals, Data Through September 2019



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES MAINTAINED STEADY GROWTH TREND THROUGH SUMMER.** The equal-weighted U.S. Composite Index, which reflects the more numerous, but lower-priced property sales typical of secondary and tertiary markets, increased 1.9% in the three months ending in August 2019, and 5.8% in the annual period ending in August 2019. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, rose 2.2% in the three months ending in August, contributing to a growth rate of 9.5% in the 12-month period ending in August 2019.
- **BOTH COMPOSITE INDICES HAVE SURPASSED PREVIOUS CYCLE PEAKS; SLOWER GROWTH EVIDENT AS CYCLE HAS MATURED.** The value-weighted and equal-weighted U.S. Composite Indices stood at 38.5% and 28.9% above previous cycle highs, respectively, in August 2019. As such, recent annual gains have decelerated from a double-digit annual growth pace set for both indices earlier in the cycle. However, such a slowdown in growth is not unexpected as the cycle has matured.
- **THE SUBDUED PACE OF CONSTRUCTION OVER THE LAST SEVERAL YEARS HAS EXTENDED THE CRE CYCLE AND SUPPORTED CONTINUED PRICE GROWTH.** Deliveries as a share of stock across the three major property types—office, retail, and industrial—have averaged just 0.2% over the last four quarters, which was half the rate of deliveries at the peak of the last cycle in 2007-08. Illustrating tenant preferences for high-quality space this cycle, quarterly construction completions relative to total stock in the Investment Grade segment of the market is projected to average a stronger 0.3%, compared to 0.1% in the General Commercial segment, over the 12 months ending in September 2019.
- **SALES VOLUME HEATED UP THROUGH AUGUST.** Composite pair volume of \$147.7 billion in the 12-month period ending in August 2019 was up 4.3% from the prior 12-month period ending in August 2018. The moderate uptick in volume was felt more strongly in the Investment-Grade segment. Repeat-sale transaction volume increased 5.7% in the Investment-Grade segment, and 0.9% in the General Commercial segment in the 12-month period ending in August 2019.

Monthly CCRSI Results, Data Through August 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-0.6%	2.2%	9.5%	120.9% ¹
Equal-Weighted U.S. Composite Index	1.3%	1.9%	5.8%	102.4% ²
U.S. Investment-Grade Index	0.4%	1.7%	7.9%	122.0% ³
U.S. General Commercial Index	1.3%	1.5%	4.7%	98.5% ⁴

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

Market Fundamentals Data Through August 2019

	Annual Delivered SF (in millions of square feet)			
	2016Q3	2017Q3	2018Q3	2019Q3
Aggregate	524.7	563.7	561.6	495.4
Investment Grade	417.3	451.5	457.4	408.6
General Commercial	107.4	112.2	104.2	86.8

Note: Delivered SF are calculated based on three types of properties: office, retail, and industrial.

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

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.

CONTACT:

Kendall Ridley, Director of External Communication, CoStar Group
(kridley@costar.com).

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.

This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar's expectations, beliefs, intentions or strategies regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause actual results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that the trends represented or implied by the indices will not continue or produce the results suggested by such trends, including commercial property price growth rates and sales; and the risk that construction deliveries for office, retail and industrial and quarterly construction completions relative to stock in the Investment Grade and General Commercial segments are not as expected and stated in this release for the 12-month period ending September 2019. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar's filings from time to time with the Securities and Exchange Commission, including in CoStar's Annual Report on Form 10-K for the year ended December 31, 2018, and CoStar's Quarterly Report on Form 10-Q for the period ended June 30, 2019, both of which are filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar's other filings with the SEC available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar on the date hereof, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.