

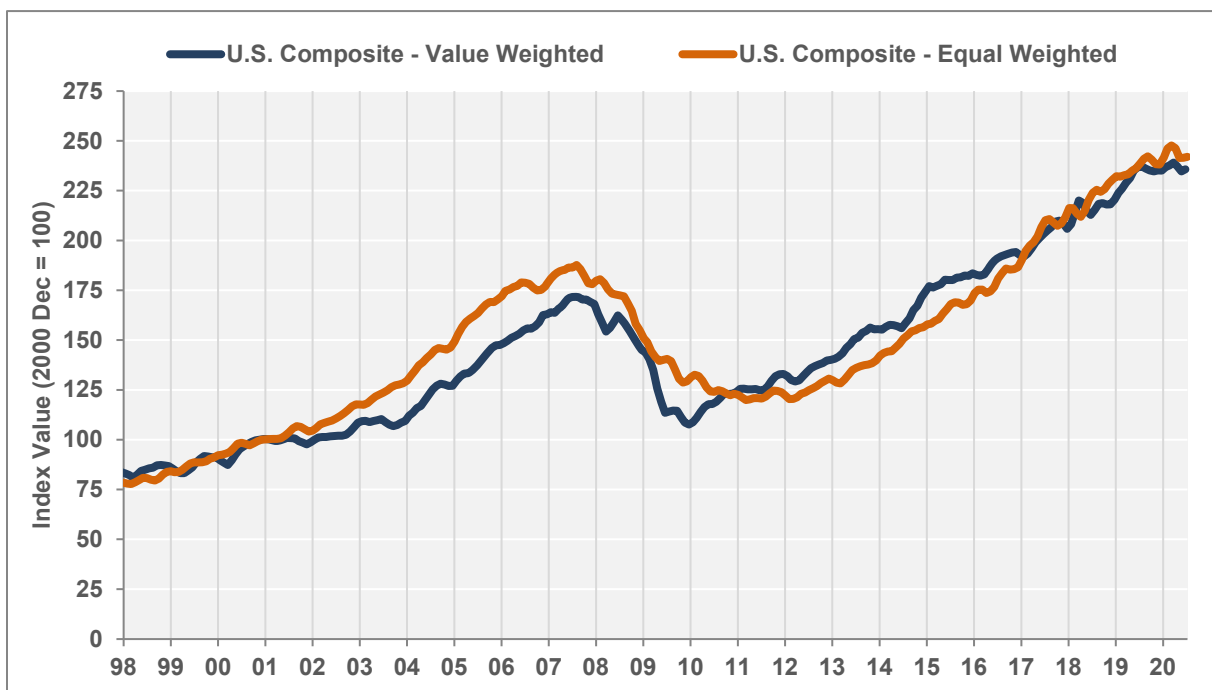
CCRSI RELEASE – August 2020
(With data through July 2020)

COMPOSITE PRICES HELD STEADY IN JULY AMID SLOWER TRADING ACTIVITY, WITH PRICES REMAINING DOWN FROM PRE-PANDEMIC PEAK LEVELS

LIQUIDITY INDICATORS SHOW A WIDENING GAP BETWEEN BUYERS AND SELLERS

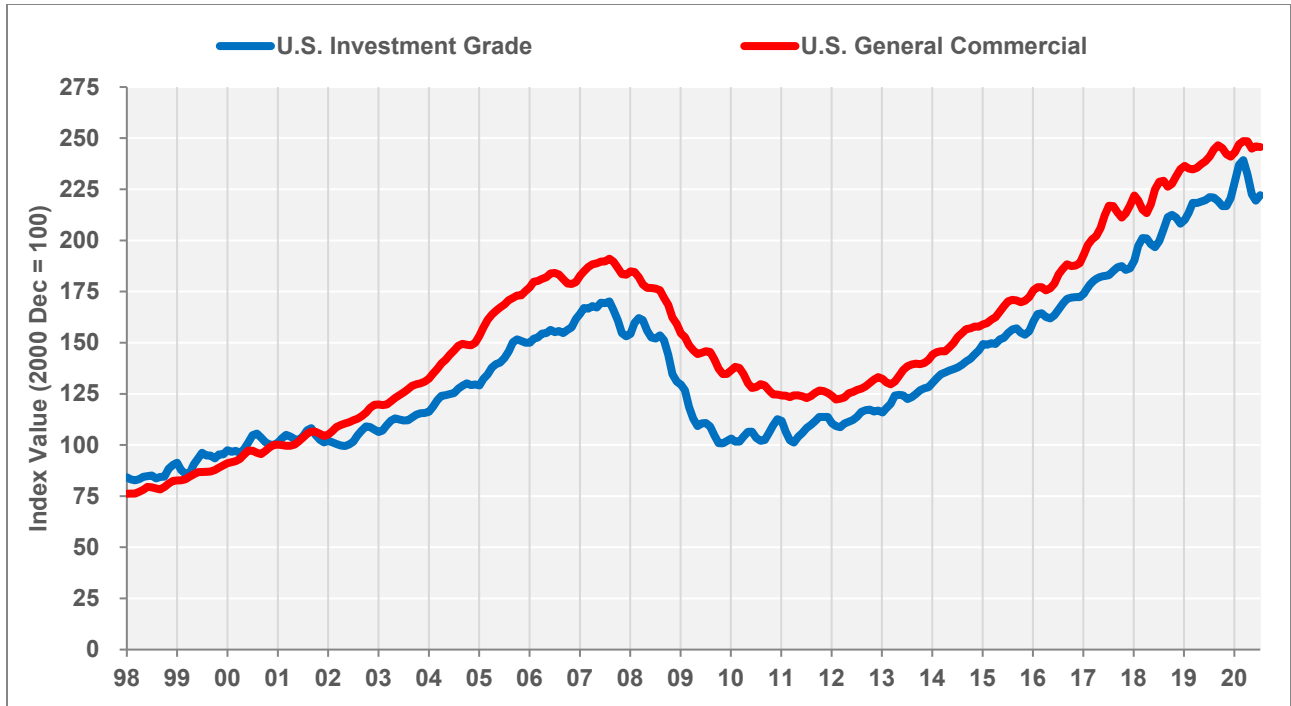
This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through July 2020. Based on 827 repeat sale pairs in July 2020 and more than 229,358 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

U.S. Composite Indices: Equal- and Value-Weighted, Data Through July 2020

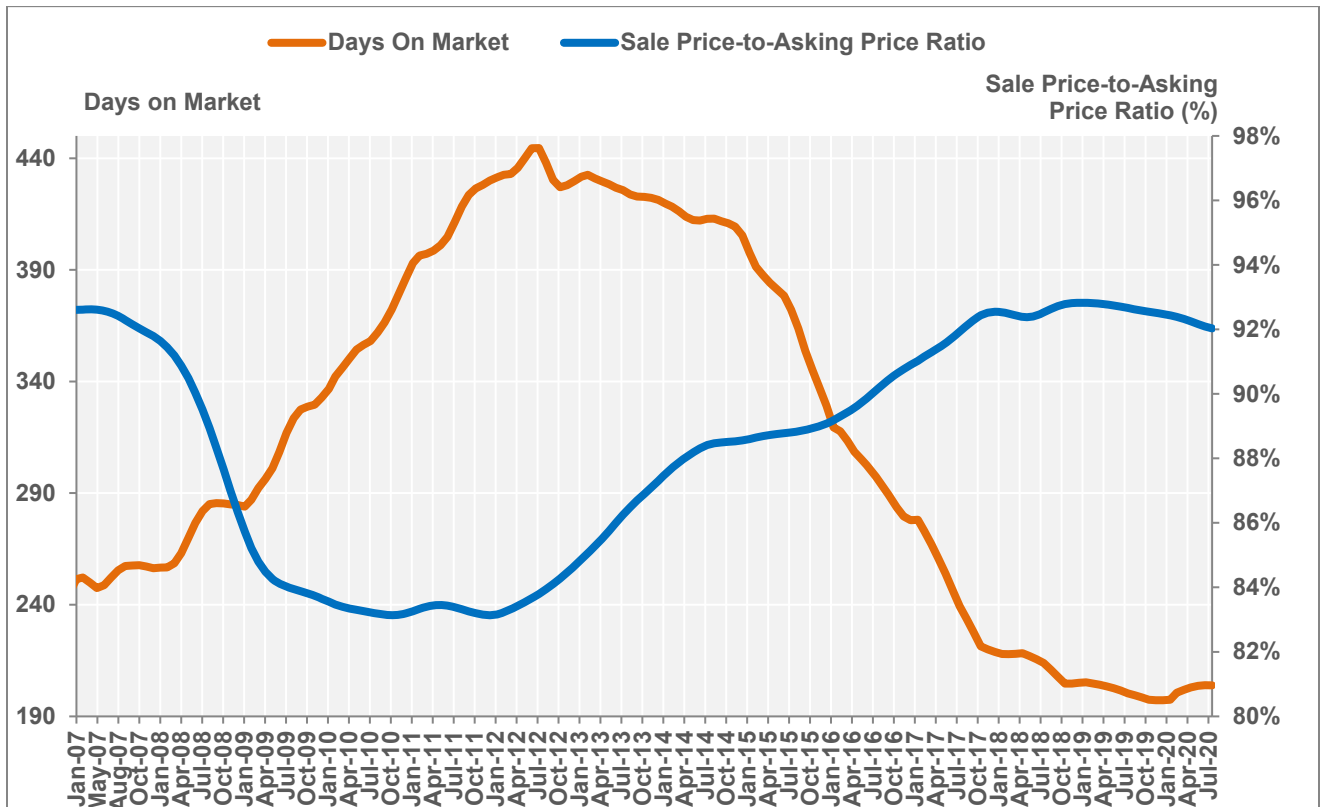


COSTAR COMMERCIAL REPEAT-SALE INDICES AUG 2020 Release (With Data through JULY 2020)

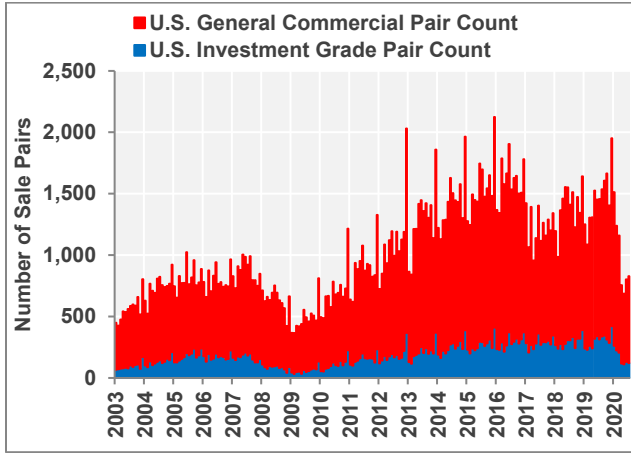
U.S. Equal-Weighted Indices by Market Segment, Data Through July 2020



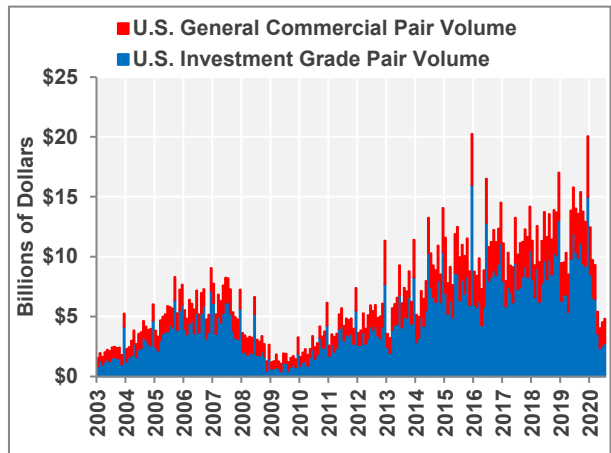
Market Liquidity Indicators, Data Through July 2020



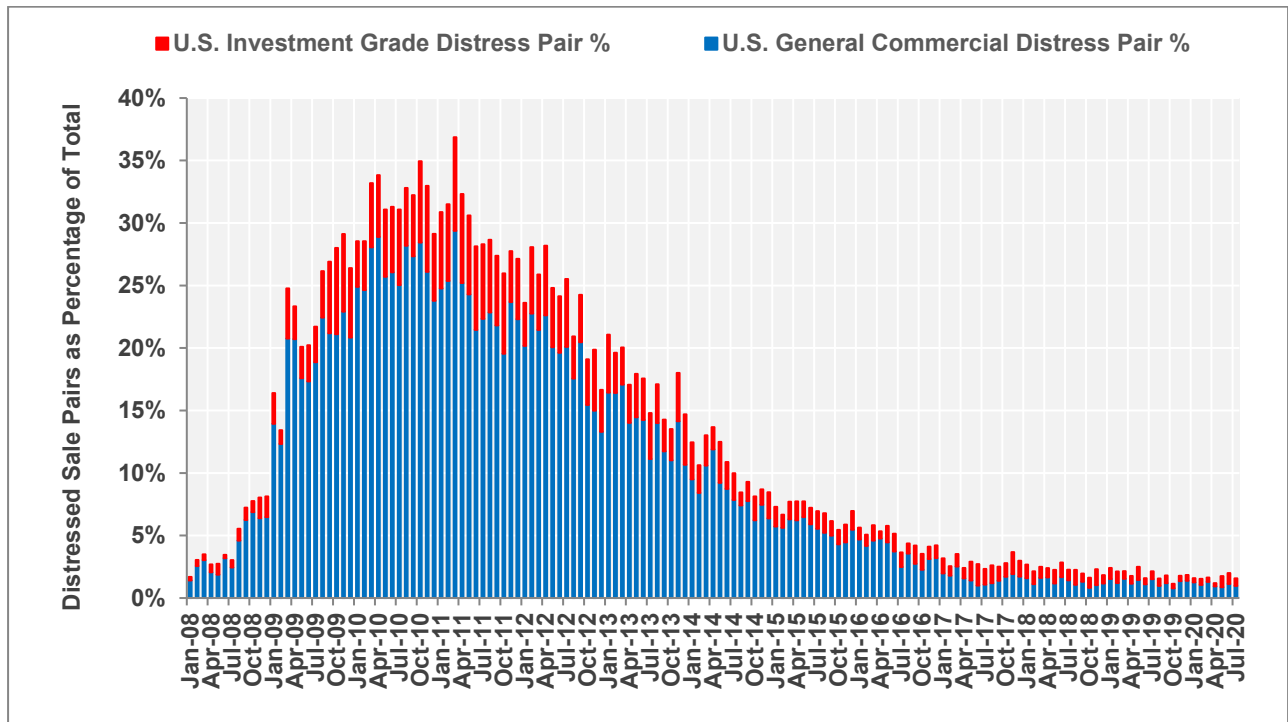
U.S. Pair Count, Data Through July 2020



U.S. Pair Volume, Data Through July 2020



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



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES HELD STEADY IN JULY 2020 FROM JUNE 2020 LEVELS BUT REMAINED DOWN FROM PRE-PANDEMIC HIGHS REACHED EARLIER IN 2020.** The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, was relatively flat in July 2020, although still down 1.4% from its April 2020 peak level. Meanwhile the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, also showed no change from June 2020, but was still down 1.8% from its April 2020 level.
- **TRANSACTION VOLUME REMAINS DEPRESSED FROM PRIOR YEAR LEVELS.** Composite pair volume of \$50.2 billion through the first seven months of 2020 was 38.4% lower than the same period in 2019, as investor caution and physical challenges in transacting deals remain at heightened levels due to the pandemic. The decline in investment activity was felt more strongly in the investment grade segment of the market, which is influenced by larger, higher-value properties. Composite pair volume declined 43% in the investment grade segment and 28% in the general commercial segment in the January-July period in 2020, each as compared to the same period in 2019.
- **OTHER LIQUIDITY MEASURES SHOW WIDENING GAP BETWEEN BUYERS AND SELLERS.** The average time on the market for for-sale properties increased 2% during the 12-month period ending in July 2020 to 204 days. The sale-price-to-asking-price ratio fell by 0.7% to 92%, the widest spread since 2017, although considerably tighter than the 83-84% ratios that were common at the bottom of the last market cycle in 2010-11. Meanwhile, the share of properties withdrawn from the market by discouraged sellers ticked up by 1.4% to 28.2% over the 12-month period ending in July 2020.

Monthly CCRSI Results, Data Through July 2020

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	0.4%	-1.4%	-0.5%	119.1% ¹
Equal-Weighted U.S. Composite Index	0.2%	-1.8%	1.4%	101.8% ²
U.S. Investment-Grade Index	1.2%	-4.4%	0.4%	118.4% ³
U.S. General Commercial Index	-0.1%	-1.1%	1.9%	99.1% 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 July 2020

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	204	204	203	200
Sale-Price-to-Asking-Price Ratio	92.0%	92.1%	92.2%	92.7%
Withdrawal Rate	28.2%	28.1%	27.7%	26.8%

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) 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. 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 with over 7 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 approximately 62 million unique monthly visitors in aggregate in the second quarter of 2020. Headquartered in Washington, DC, CoStar

maintains offices throughout the U.S. and in Europe, Canada and Asia with a staff of over 4,200 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.