

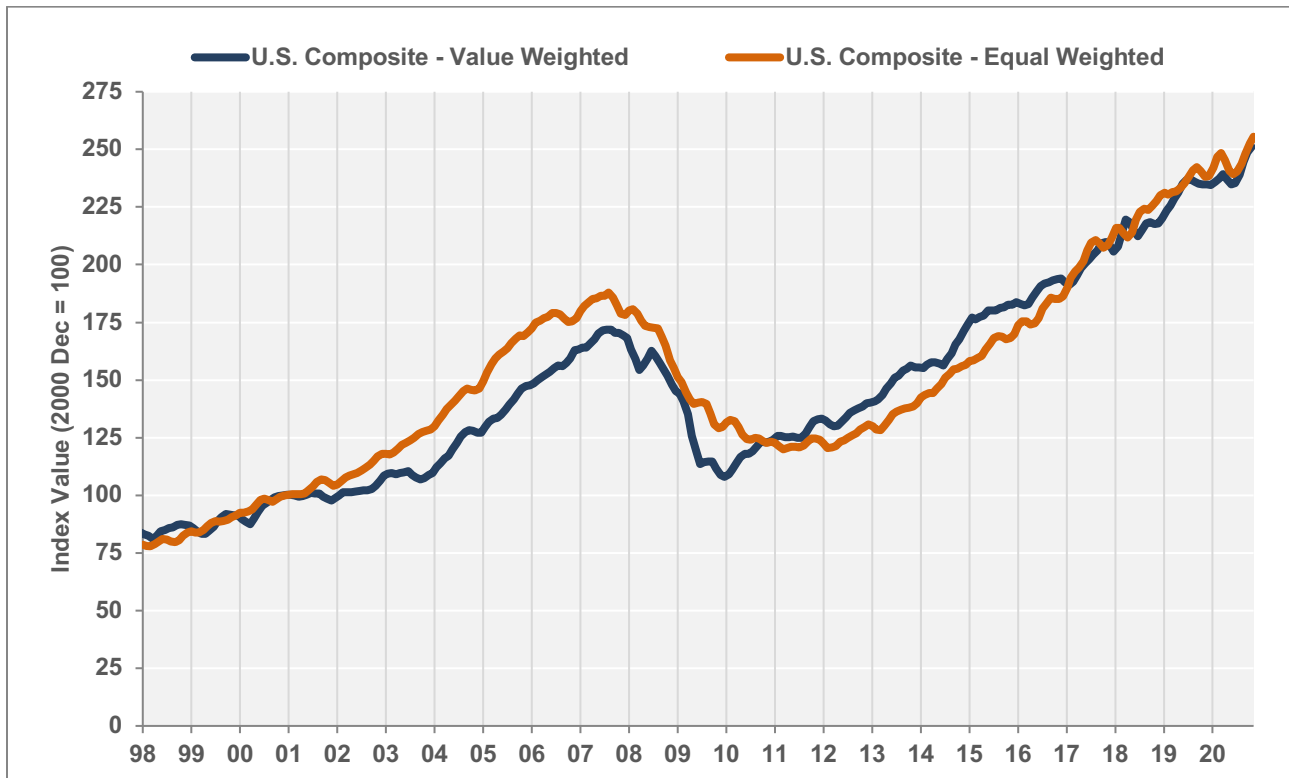
CCRSI RELEASE – December 2020  
(With data through November 2020)

## COSTAR COMPOSITE PRICE INDICES GAINED AT MODEST PACE IN NOVEMBER

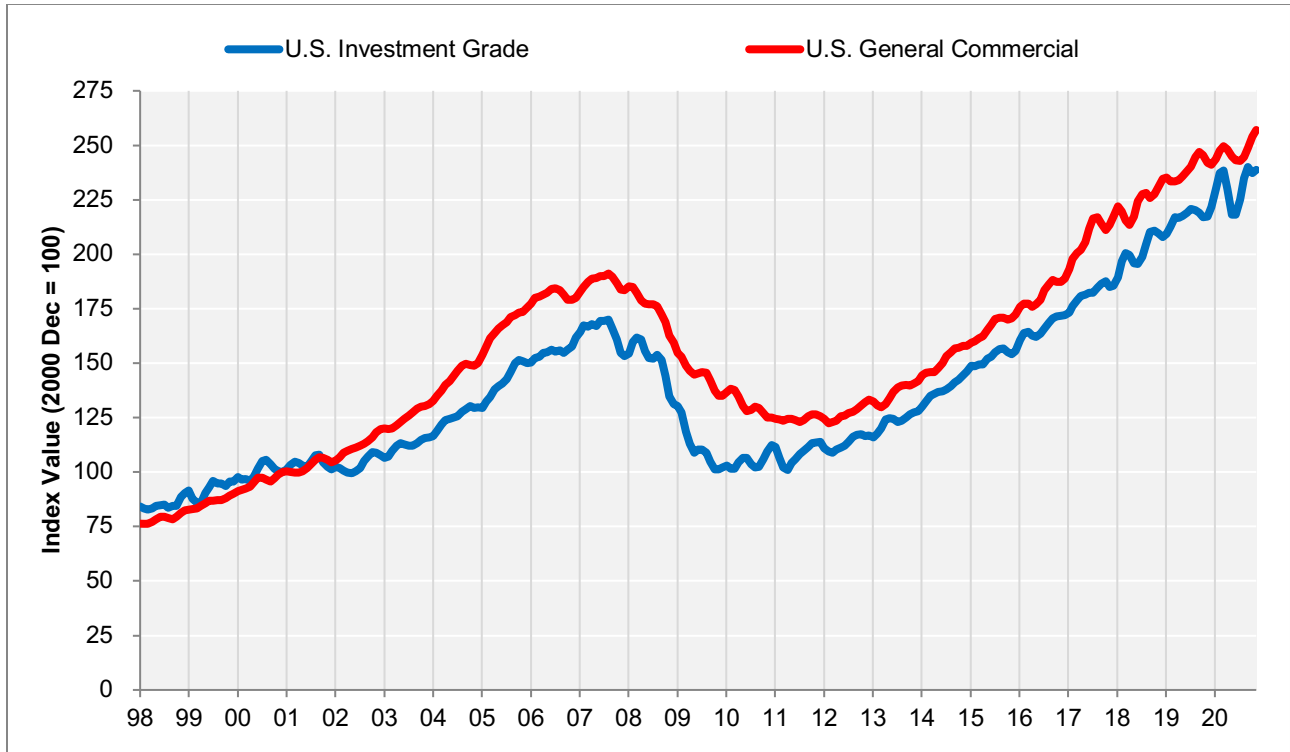
TRANSACTION VOLUME REMAINED LOW, WITH FEW DISTRESSED SALES

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through November 2020. Based on 1,028 repeat sale pairs in November 2020 and more than 234,251 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

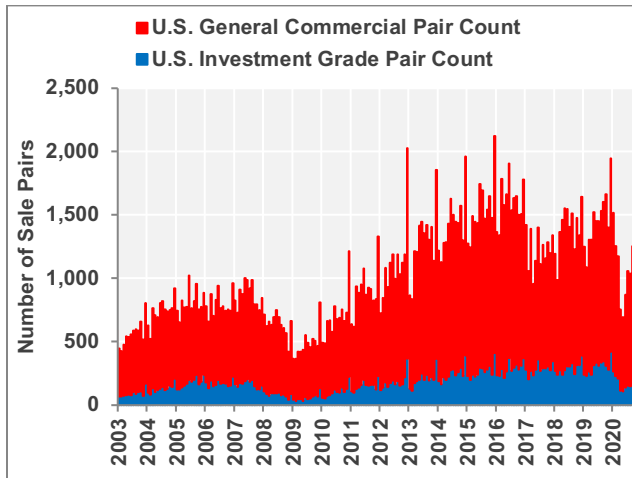
### U.S. Composite Indices: Equal- And Value-Weighted, Data through November 2020



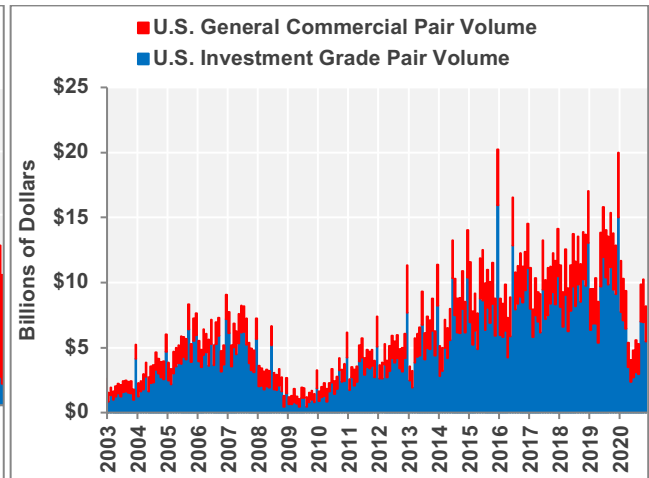
## U.S. Equal-Weighted Indices by Market Segment, Data through November 2020



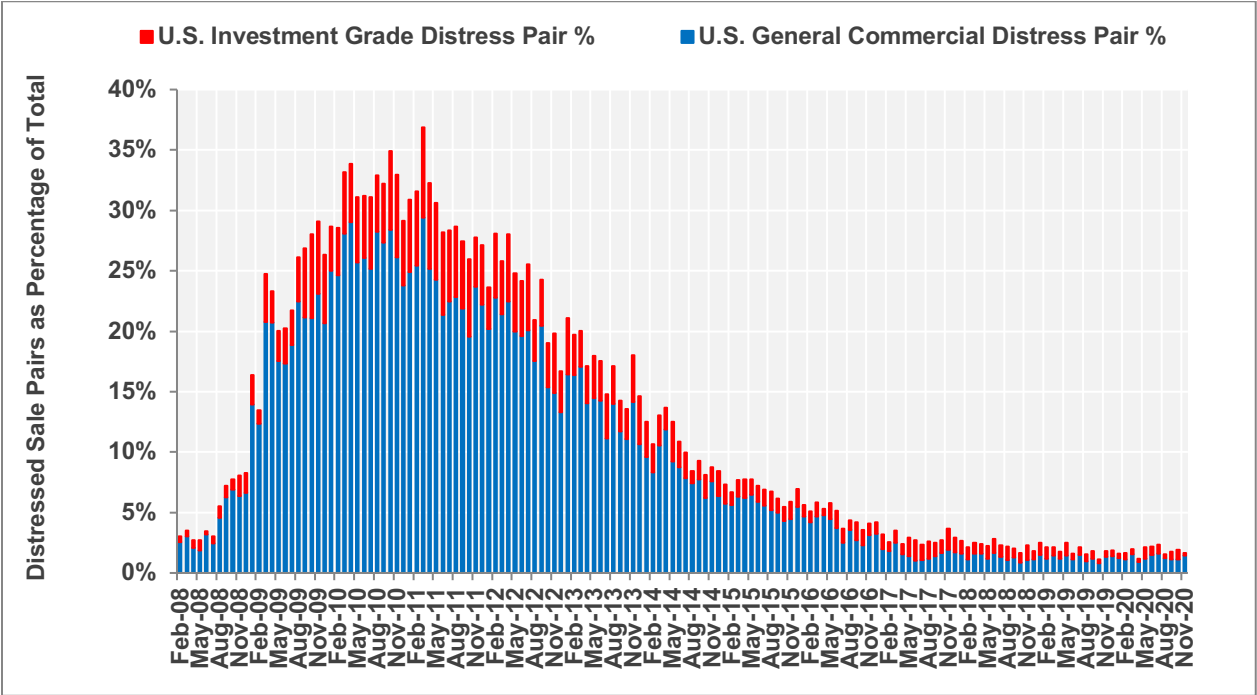
## U.S. Pair Count, Data through November 2020



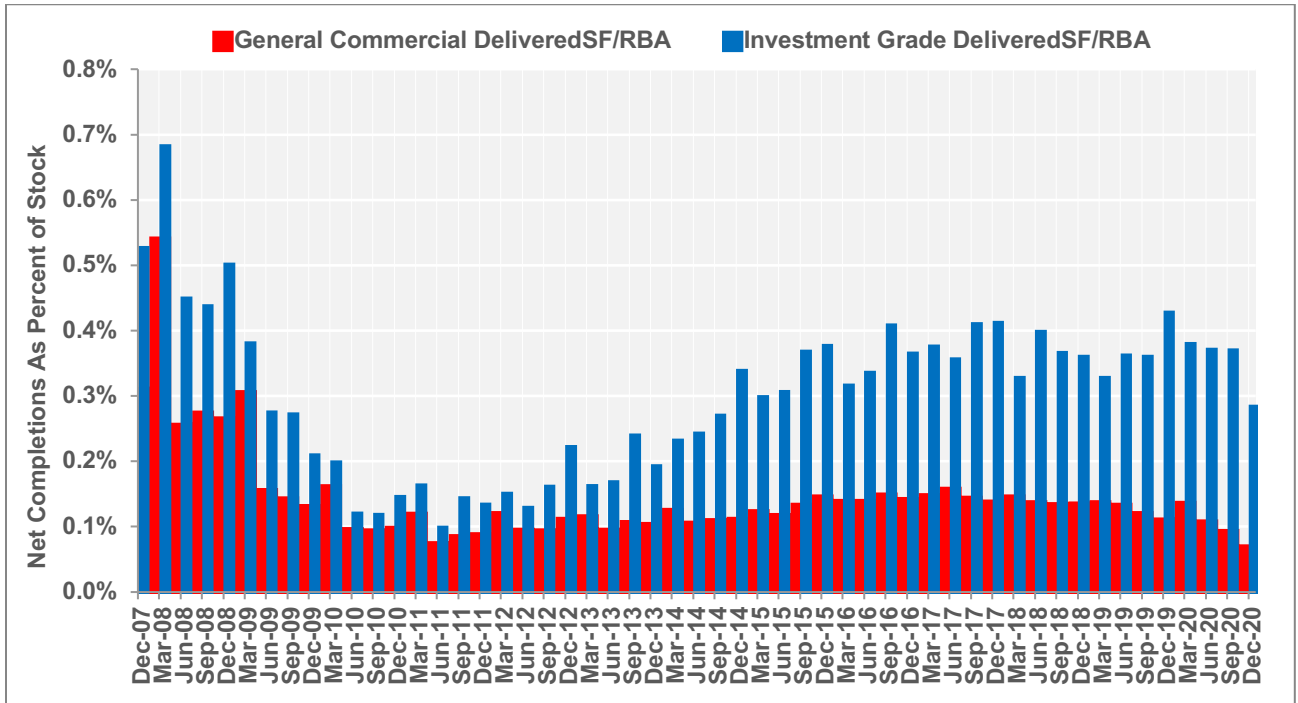
## U.S. Pair Volume, Data through November 2020



## U.S. Distress Sale Pairs Percentage, Data through November 2020



## Market Fundamentals, Data through December 2020



## CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES CONTINUED MODEST GAINS IN NOVEMBER.** Both of CCRSI's two major composite price indices advanced by about 1% in the month of November 2020, which was a slower pace than in recent months. The equal-weighted U.S. composite index, which reflects lower-value trades typical of the broader market, gained 1.1% in the month of November 2020, showing resilience in the final months of the year following sharp declines in the second quarter of 2020. The value-weighted U.S. composite index, which is more heavily influenced by high-value trades, increased by 0.9% in November 2020. While experiencing less of a decline during the initial pandemic panic, price gains in the value-weighted U.S. Composite index have lagged the equal-weighted U.S. Composite index through the first two months of the fourth quarter. Both composite indices, however, are up approximately 7% in the trailing 12-month period ending in November 2020.
- **NEW SUPPLY LEVELS HAVE SLOWED.** Deliveries across the three major property types — office, retail, and industrial — are projected to total 530 million SF in the 12-month period ending in December 2020, down 6.7% from the 12-month period ending in December 2019. This would mark the least new supply delivered in an annual period since 2011. Investment grade properties have been less impacted, with new deliveries of 448.3 million square feet in 2020, representing only a 3.6% decline compared to 2019, while general commercial deliveries have declined by 20.7% to 81.8 million square feet of new deliveries. More subdued construction levels going into a downturn may help to blunt the impact of weaker demand on vacancy rates.
- **TRANSACTION VOLUME REMAINS FAR BELOW 2019 LEVELS.** Transaction pair count of 11,905 year-to-date through November 2020 remains down 23.6% compared to the same time frame in 2019. In fact, 2020 is on pace for the fewest repeat trades since 2012. The share of repeat sale trades that were distressed in 2020 remained low, averaging 1.3% in the General Commercial segment of the market year-to-date and 0.5% in the Investment Grade segment. Distress rates in both market segments remain below their five-year averages of 1.9% and 0.9% for General Commercial and Investment Grade, respectively, showing that while the level of investment activity has been depressed since the pandemic, there appear to be few panic-induced or forced sales.

## Monthly CCRSI Results, Data through November 2020

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	0.9%	5.0%	7.0%	132.7% <sup>1</sup>
Equal-Weighted U.S. Composite Index	1.1%	4.8%	7.2%	113.0% <sup>2</sup>
U.S. Investment-Grade Index	0.7%	1.7%	9.9%	135.1% <sup>3</sup>
U.S. General Commercial Index	1.2%	5.1%	6.2%	108.0% <sup>4</sup>

<sup>1</sup> Trough Date: January 2010    <sup>2</sup> Trough Date: September 2011    <sup>3</sup> Trough Date: September 2010    <sup>4</sup> Trough Date: September 2011

## Market Fundamentals Data through December 2020

	Annual Delivered SF (in millions of square feet)			
	2017Q4	2018Q4	2019Q4	2020Q4
Aggregate	596.8	564.7	568.3	530.1
Investment Grade	475.3	450.5	465.2	448.3
General Commercial	121.5	114.2	103.1	81.8

Note: Delivered SF is 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) 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 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 69 million unique monthly visitors in aggregate in the third quarter of 2020. Headquartered in Washington, DC, CoStar Group maintains offices throughout the U.S. and in Europe, Canada and Asia with a staff of over 4,300 worldwide, including the industry's largest professional research organization. For more information, visit [www.costargroup.com](http://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 trends related to repeat trades, distressed sales, supply and investment activity; the risk that property deliveries across the three major property types will not be as expected for the 12-month period ending December 2020; and the risk that transaction volume and commercial real estate pricing levels and growth will not continue at the levels or with the trends indicated in this release. 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, 2019, and CoStar's Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020, and September 30, 2020, each of which is 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](http://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.