



CCRSI RELEASE – December 2021
(With data through November 2021)

COMPOSITE PRICE INDEX RISES TO NEW HIGH, CLOSING OUT A YEAR OF RECOVERY

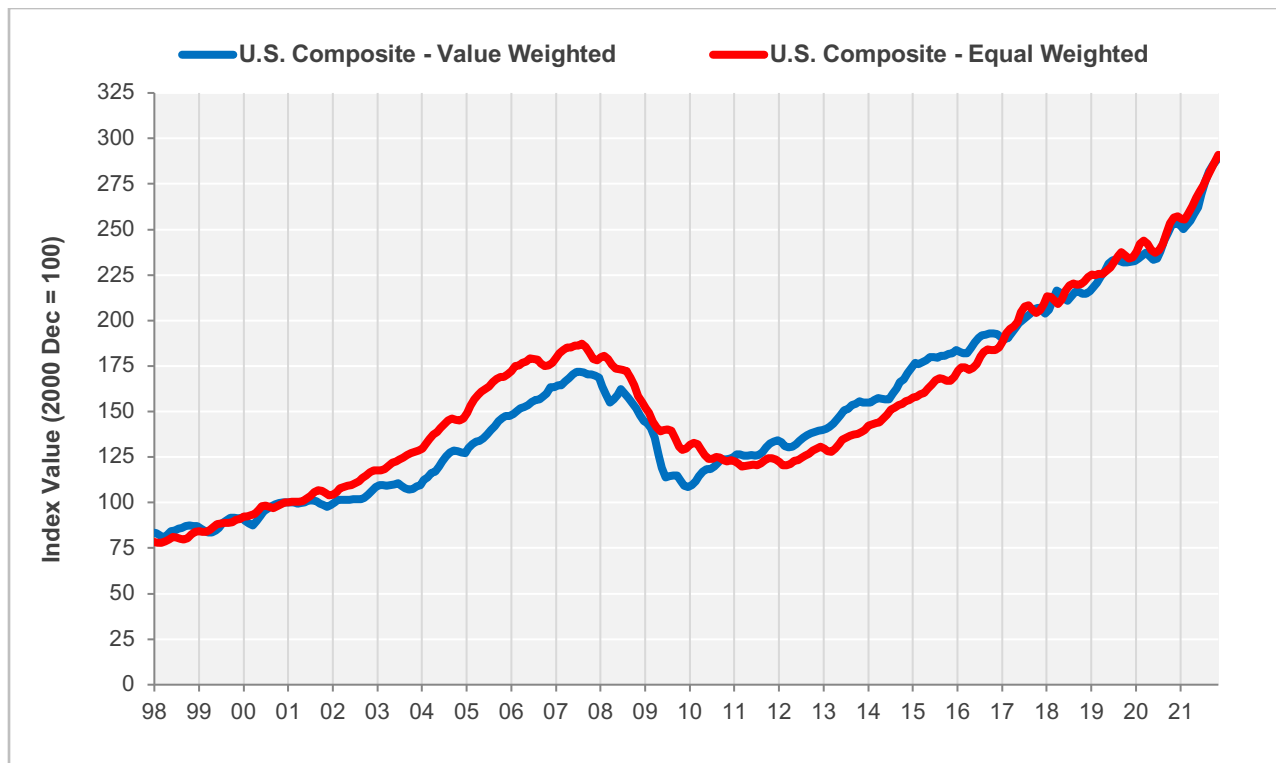
ROBUST DEMAND FOR CRE SPACE RETURNS, DRIVING PRICE INDICES HIGHER

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through November 2021. Based on 1,797 repeat sale pairs in November 2021 and more than 258,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

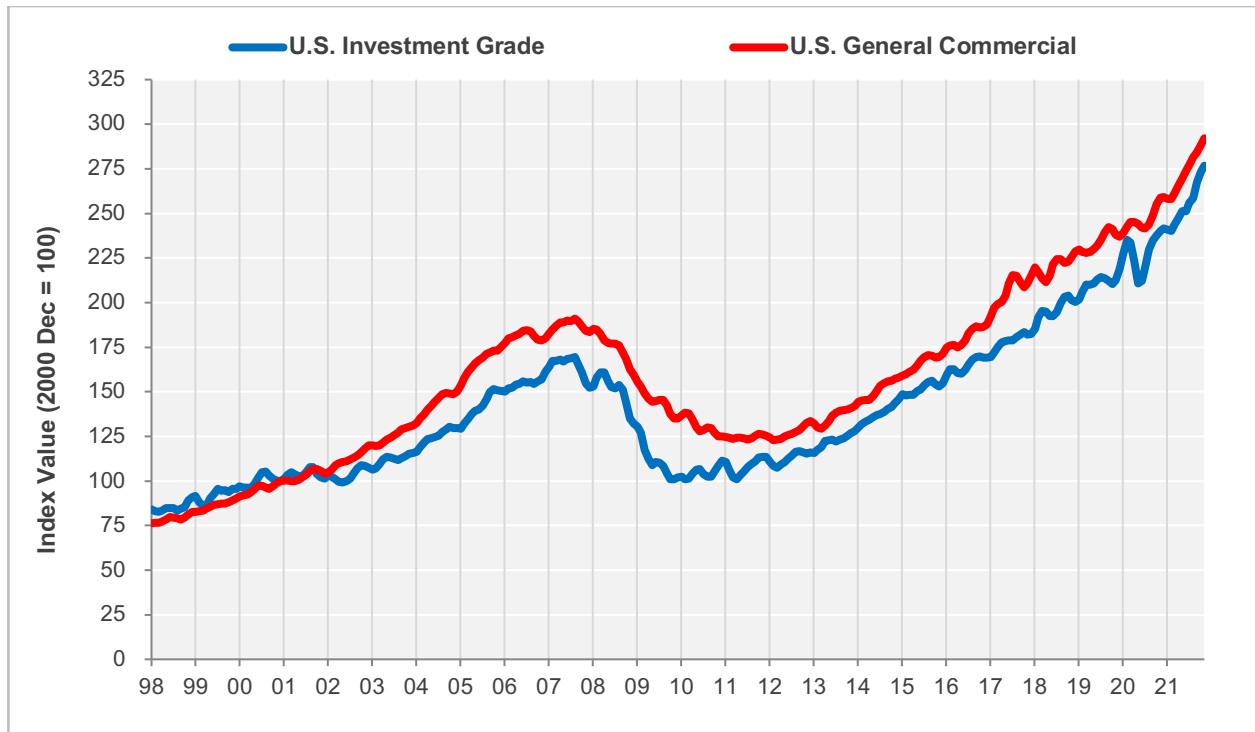
- **PRICE INDICES SLOWED TOWARDS THE END OF THE YEAR WHILE REACHING NEW HIGHS.** The value-weighted U.S. composite index, which is more heavily influenced by high value trades common in core markets, edged just 0.9% higher in November 2021, its ninth consecutive month of growth but its third month of decelerating gains. The index was up by 13.9% in the 12-month period that ended in November 2021 and is now 23.1% higher than in February 2020, before the onset of the COVID-19 pandemic.
- The equal-weighted U.S. composite index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, advanced by a stronger 1.3% in November 2021, a deceleration of gains made in the prior three months but also its ninth consecutive month of gains. The index was up by 13.4% for the 12-month period that ended in November 2021 and is now 20.2% above its pre-pandemic level.

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



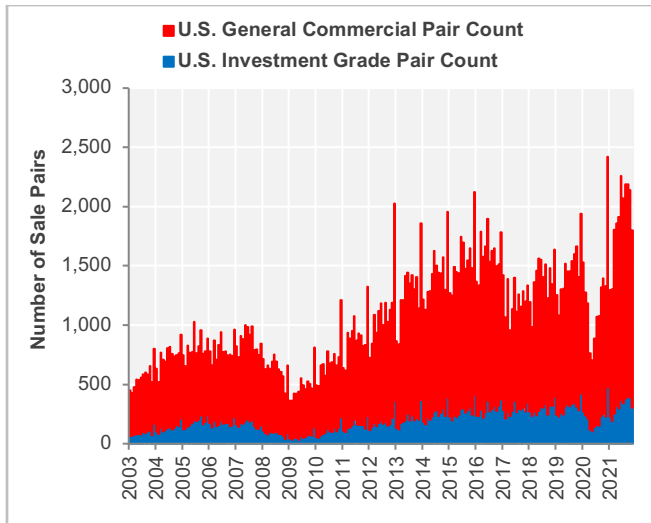
- SUB-INDICES OF THE EQUAL-WEIGHTED INDEX GREW AT THE SAME RATE IN NOVEMBER. The investment grade segment of the equal-weighted index, which is influenced by higher-value properties, rose by 1.3% in November, a deceleration from the prior two months but still somewhat faster than the 1.1% average monthly increase for the 12-month period that ended in November 2021. This sub-index is now 15.2% higher than a year ago and 17.8% higher than its pre-pandemic level in February 2020.
- The general commercial segment, which is influenced by trades of smaller, lower-priced properties, also rose by 1.3% in November 2021, a similar gain to October's advance. This sub-index is up by 12.9% over the year and is 20.4% higher than its February 2020 level.

U.S. Equal-Weighted Indices by Market Segment, Data through November 2021

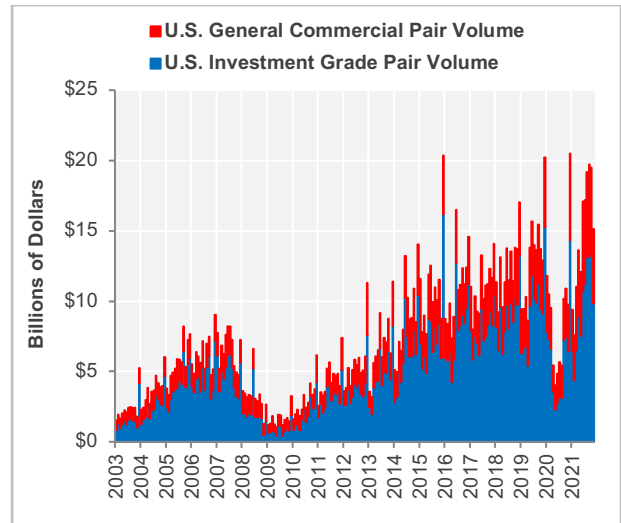


- TRANSACTION VOLUME TUMBLED IN NOVEMBER AS THE NUMBER OF DEALS FELL FOR THE SECOND CONSECUTIVE MONTH. Composite pair volume of \$15.1 billion was 22.4% lower than October 2021's revised volume, with general commercial volume falling by 14.5% over the month and investment grade volume retreating by 26.1%, reaching a six-month low. There were 340 fewer deals in November 2021 than in the month prior, a decline of 15.9% over the month. However, deal volume was 44.2% higher than in February 2020, before the onset of the pandemic, and the number of deals was 40.7% higher in November 2021 than in February 2020, suggesting that capital flows have recovered from their pandemic-related woes.

U.S. Pair Count, Data through November 2021

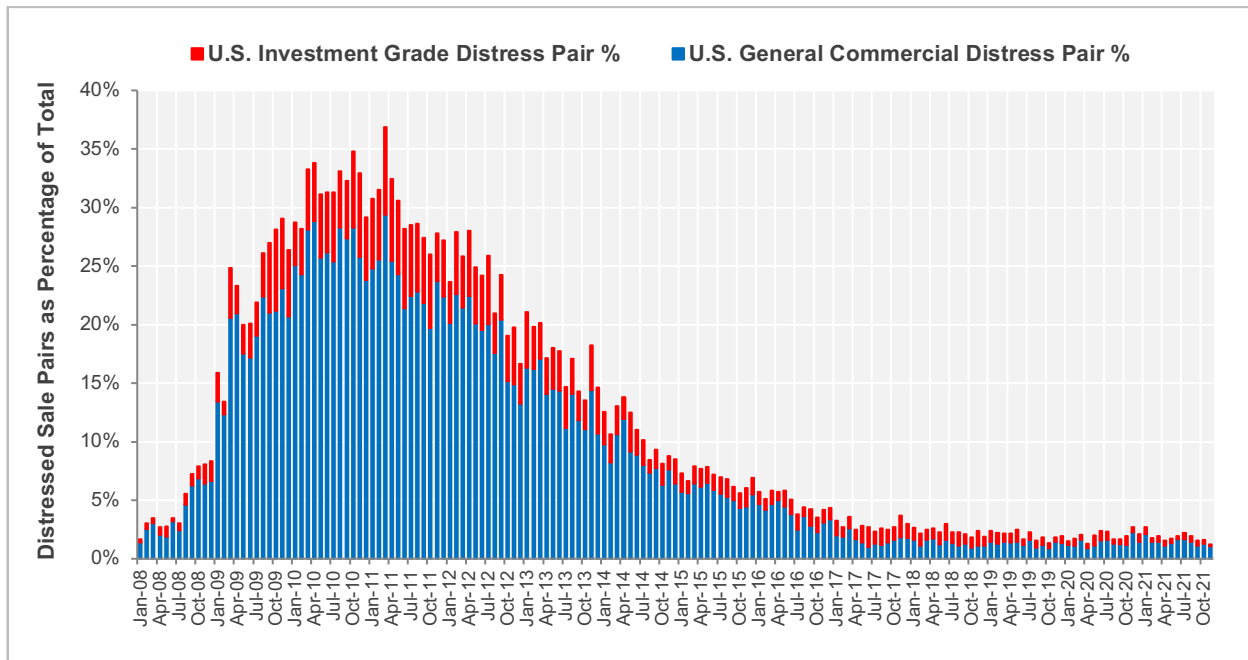


U.S. Pair Volume, Data through November 2021



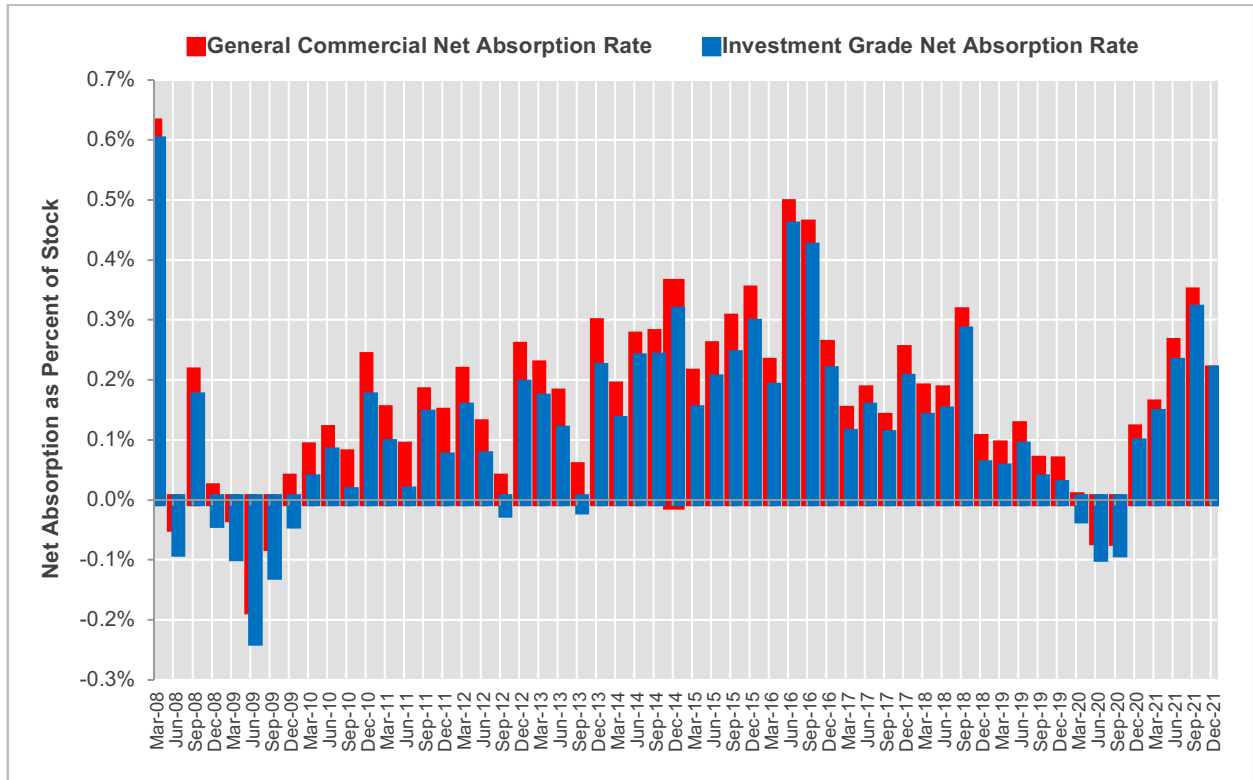
- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED REACHED A HISTORIC LOW. Only 1.2% of all repeat-sale trades were distressed in November 2021, the third consecutive month that this share has fallen and now the lowest share in records going back to January 2008. General commercial distressed sales in November 2021 measured less than 1.1% of all repeat-sale trades, the smallest share since April 2020. Investment grade distressed sales accounted for less than 0.2% overall in November 2021, also a historic low.

U.S. Distress Sale Pairs Percentage, Data through November 2021

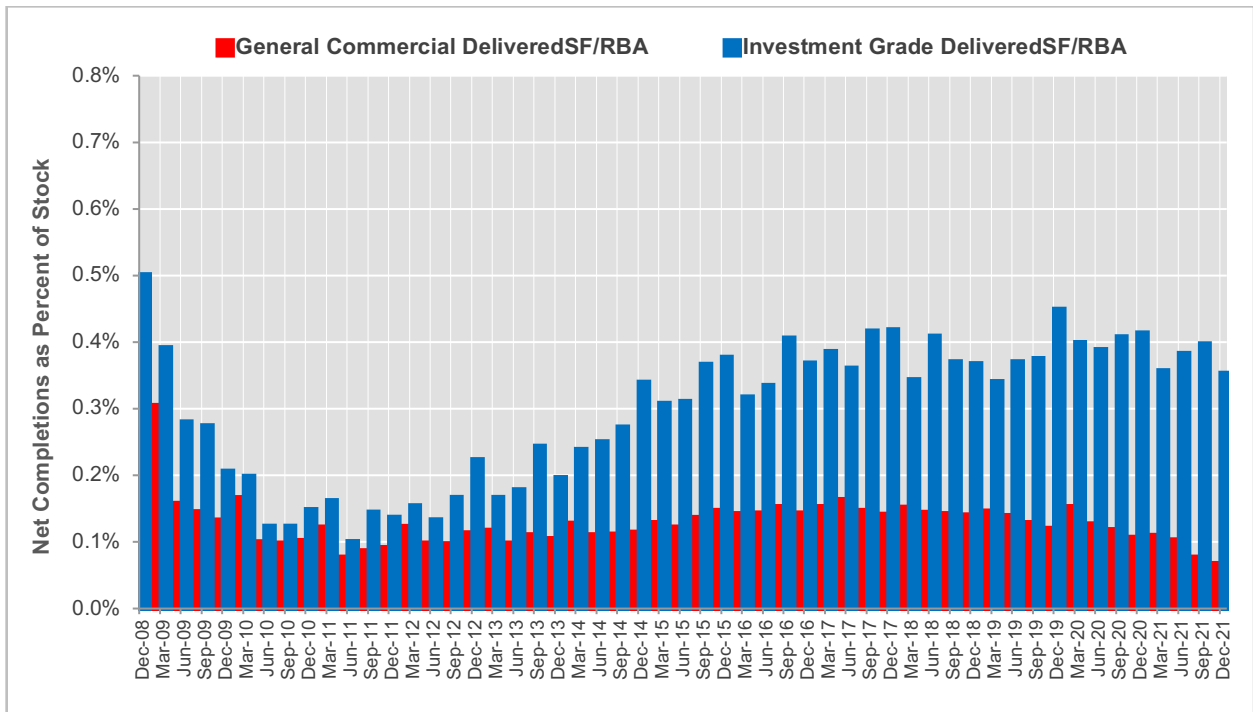


- HEALTHY CRE SPACE ABSORPTION CONTRIBUTED TO STRONG PRICE GAINS IN 2021. Illustrating the robust recovery in demand for CRE space, net absorption across the three major property types—office, retail and industrial—is projected to total 432.3 million square feet for the 12-month period ending in December 2021, overcoming the negative net absorption that occurred in the 12-month period that ended in December 2020 and marking the highest annual net absorption since 2016. Total net absorption in 2021 in the general commercial segment, which reflects the performance of smaller properties, is projected to be 14% higher than the annual average absorbed in the five years from 2015 to 2019, prior to the pandemic. Net absorption in the investment-grade segment is expected to expand by 29% over the corresponding five-year average.

Annual Net Absorption, Data through December 2021



Annual Net Completions, Data through December 2021



Monthly CCRSI Results, Data through November 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	0.9%	4.2%	13.9%	165.3% ¹
Equal-Weighted U.S. Composite Index	1.3%	4.5%	13.4%	142.8% ²
U.S. Investment-Grade Index	1.3%	7.0%	15.2%	173.6% ³
U.S. General Commercial Index	1.3%	3.7%	12.9%	136.6% ⁴

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

Market Fundamentals Data through December 2021

	Annual Net Absorption (in millions of square feet)			
	2018Q4	2019Q4	2020Q4	2021Q4
Aggregate	317.6	121.4	-29.5	432.3
Investment Grade	140.7	44.4	-26.6	206.9
General Commercial	177.0	77.0	-2.9	225.4

Note: "Net Absorption" is the change in occupied space, calculated based on three types of properties: office, retail, and industrial.

	Annual Completions SF (in millions of square feet)			
	2018Q4	2019Q4	2020Q4	2021Q4
Aggregate	587.5	599.9	625.3	560.0
Investment Grade	465.6	487.3	519.1	487.6
General Commercial	122.0	112.6	106.2	72.4

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) are the most comprehensive and accurate measures 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 are reported monthly, 30 sub-indices in the CoStar index family are reported quarterly. 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. Historical price indices are revised as new data is recorded.

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 a leading provider of online real estate marketplaces, information and analytics, specializing in multifamily and single family residential, office, industrial, retail, hospitality and land property sectors. Founded in 1987, our suite of online services enables clients to advertise, sell and lease their properties, analyze, interpret and gain unmatched insight on commercial and residential property values, market conditions and current availabilities. CoStar is the industry-leading commercial real estate information, analytics and news platform. 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. 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 offers real estate professionals advertising and marketing services for residential properties. Realla is the UK's most comprehensive commercial property digital marketplace. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. CoStar Group's websites attract hundreds 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 4,800 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 trends related to commercial real estate fundamentals, price growth, absorption, capital flows and tenant demand; the risk that net absorption across the three major property types will not be as expected for the 12-month period ending December 2021; the risk that rate of growth in absorption in the general commercial segment will not be as expected for the 12-month period ending December 2021; and the risk that expansion in net absorption in the investment-grade segment will not be as expected for the 12-month period ending December 2021. 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, 2020, and CoStar's subsequently filed Quarterly Reports on Form 10-Q, 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). 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.