



COSTAR COMMERCIAL
REPEAT-SALE INDICES

PRESS RELEASE



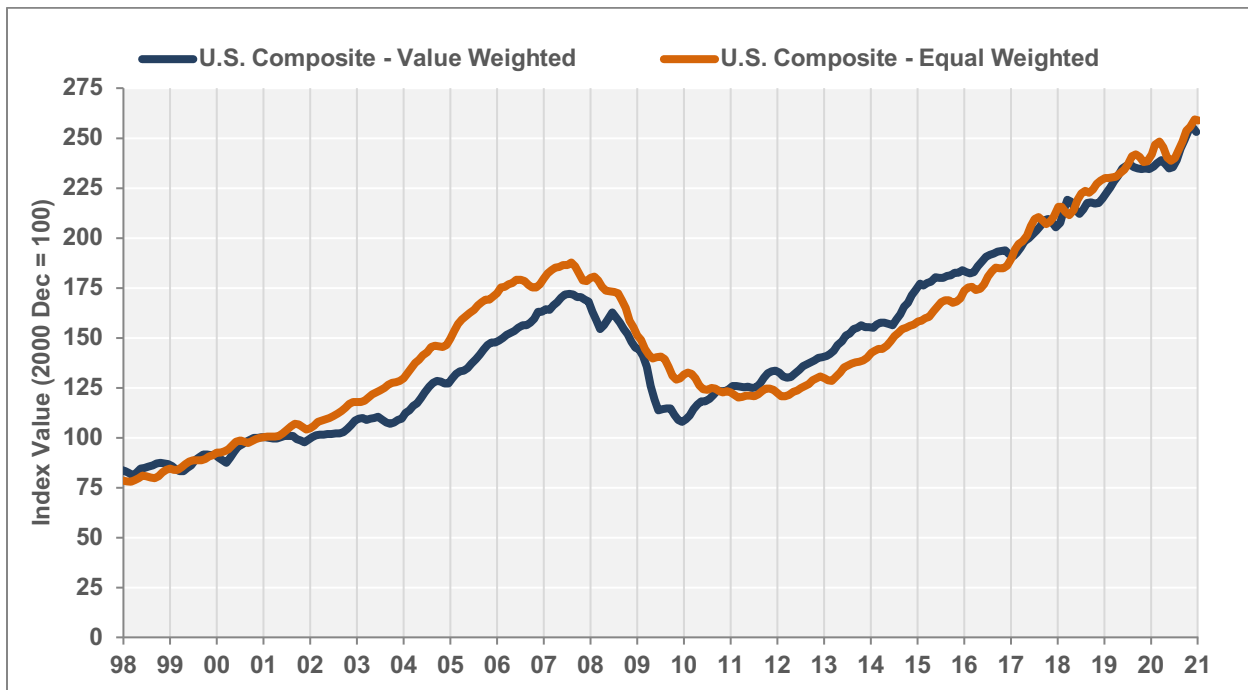
CCRSI RELEASE – February 2021
(With data through January 2021)

COMPOSITE PRICE INDICES TICKED DOWN MODESTLY IN JANUARY 2021 ON A DECLINE IN DEAL VOLUME

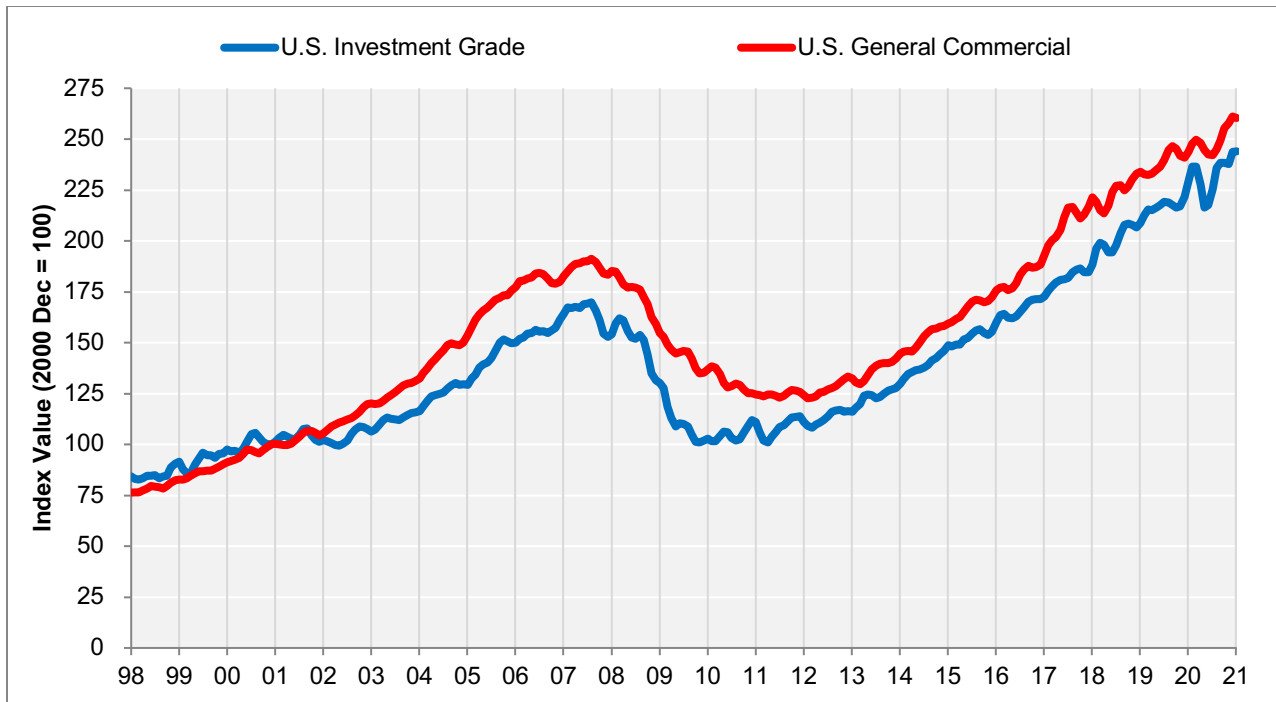
DESPITE LOWER VOLUME, OTHER LIQUIDITY INDICATORS CONTINUE TO SHOW A POSITIVE MARKET FOR BUYERS AND SELLERS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through January 2021. Based on 1,013 repeat sale pairs in January 2021 and more than 237,956 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

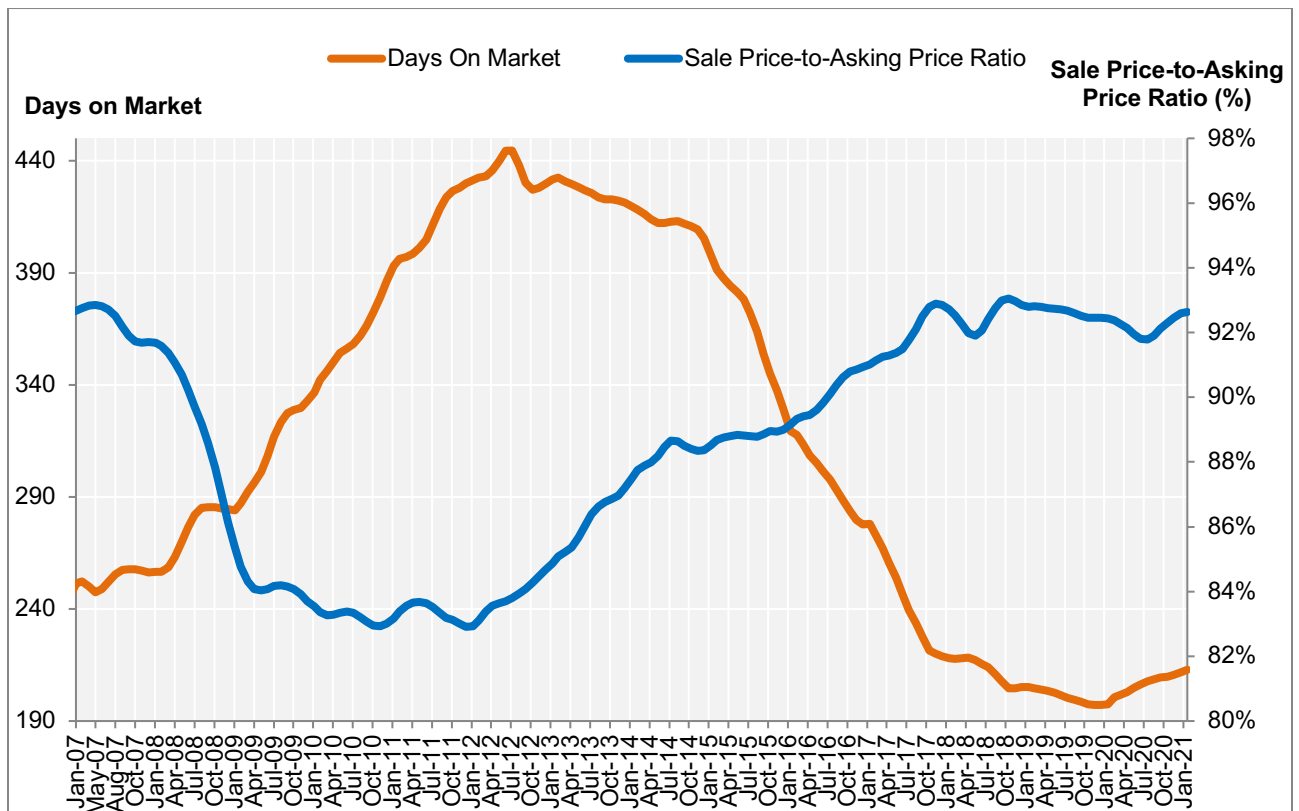
U.S. Composite Indices: Equal- and Value-Weighted, Data through January 2021



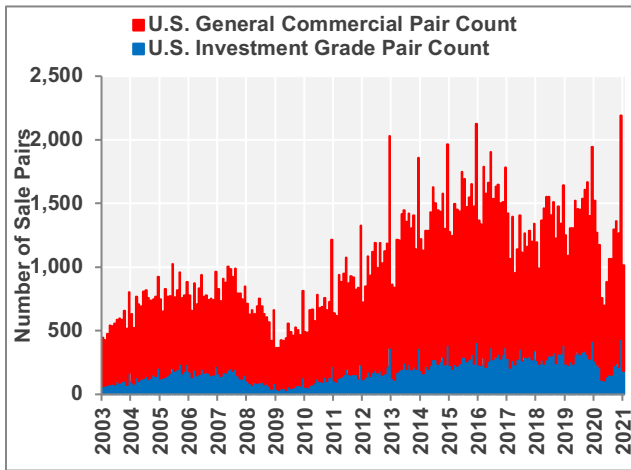
U.S. Equal-Weighted Indices by Market Segment, Data through January 2021



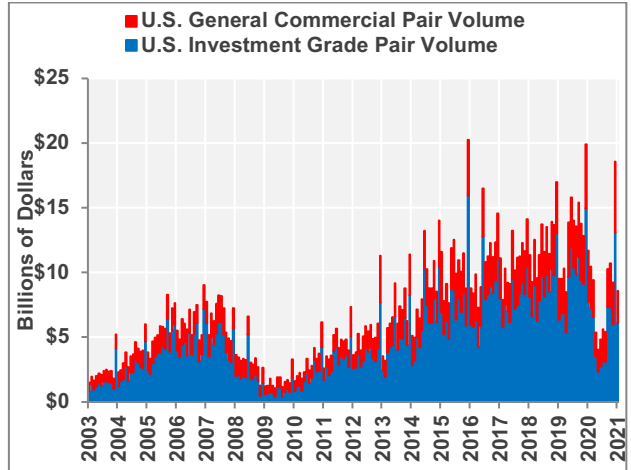
Market Liquidity Indicators, Data through January 2021



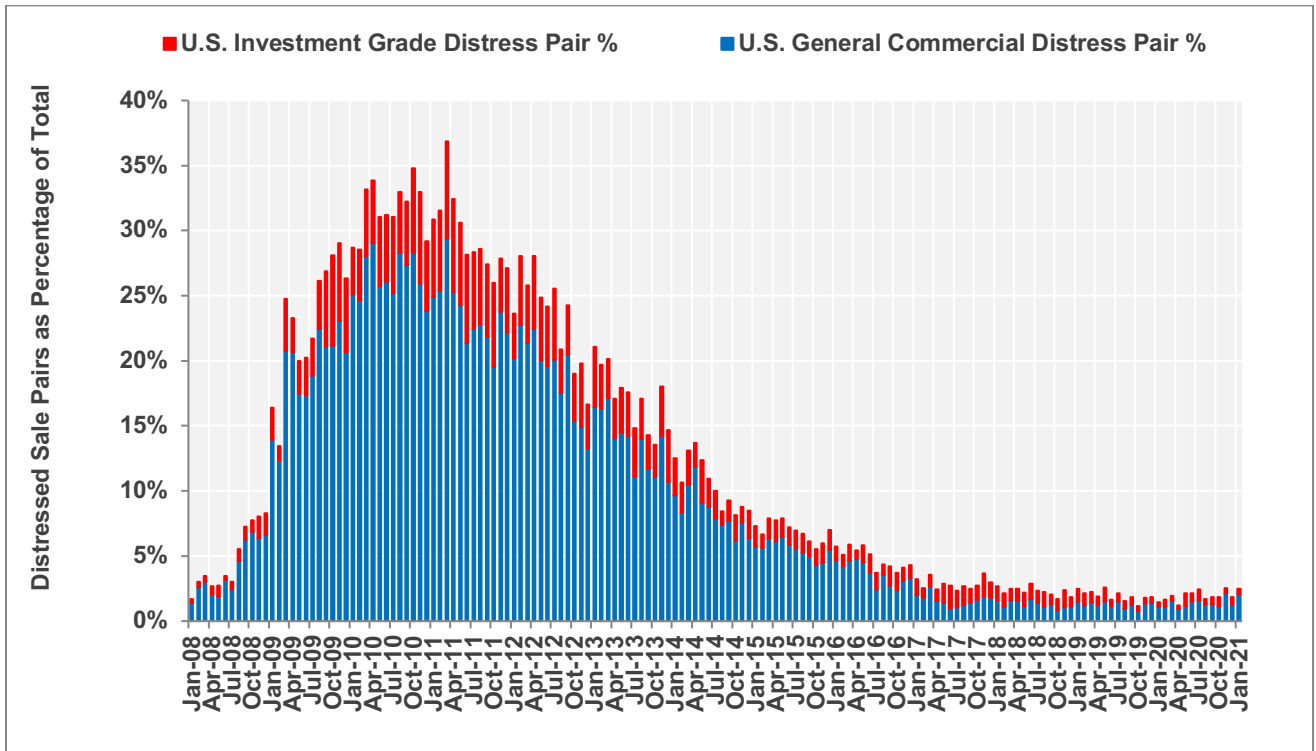
U.S. Pair Count, Data through January 2021



U.S. Pair Volume, Data through January 2021



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



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES DECLINED IN JANUARY 2021, AFTER SOLID GROWTH IN DECEMBER 2020.** The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades, declined by 1.1% in January 2021, though was still up by 7.9% in the 12-month period that ended in January 2021. Meanwhile the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, was roughly unchanged from December 2020, with a modest 0.2% decline in the month of January 2021, but was still up by 7.0% in the 12-month period that ended in January 2021.
- **THE SUB-INDICES OF THE EQUAL-WEIGHTED INDEX ALSO COOLED FROM DECEMBER GAINS.** The two sub-indices of the equal-weighted U.S. Composite Index both exhibited a weaker trend in January 2021 following solid gains in December 2020. The General Commercial segment, which is influenced by smaller, lower-priced properties, declined by 0.3% in January 2021 after a 1.5% gain in December 2020. The General Commercial segment was still up by 6.9% in the 12-month period that ended in January 2021. In a similar fashion, the Investment Grade segment, which is influenced by higher-value properties, rose a slight 0.1% in January 2021.
- **TRANSACTION VOLUME DECLINES TO LOW LEVELS.** Composite pair volume of 14,043 trades for the 12-month period ended January 2021 marked the lowest point since March 2013, as activity remained limited by the continued COVID-19 pandemic. The 12-month total represents a decline of more than 20% from the 12-month period that ended January 2020.
- **THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED REMAINED LOW.** Despite the slowing transaction pace, distressed sales remained about 2% of General Commercial and 0.4% of Investment Grade trades in January 2021. Both rates are low compared to their five-year averages of 1.8% and 0.9%, respectively. The continued low share of distressed sales demonstrates relatively healthy liquidity conditions, despite low trading volumes.
- **OTHER LIQUIDITY MEASURES REMAIN ENCOURAGING.** The average time on the market for for-sale properties increased to 212 days in January 2021 from 197 days in January 2020, though it remains low on a historical basis. Since January 2006, the average time on the market for for-sale properties has averaged 305 days, over 40% higher than the January 2021 level. Similarly, the sale-price-to-asking ratio remained

at 92.6% in January 2021, up slightly from 92.4% as of January 2020, and better than the historical average of 88.9%. The share of trades withdrawn, another reliable sign of illiquidity, fell slightly to 26.9% in January 2021 from 27.3% in January 2020, and was below the historical average of 30.9%.

Monthly CCRSI Results, Data through January 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-1.1%	1.7%	7.9%	134.3% ¹
Equal-Weighted U.S. Composite Index	-0.2%	2.1%	7.0%	115.9% ²
U.S. Investment-Grade Index	0.1%	2.3%	6.4%	140.3% ³
U.S. General Commercial Index	-0.3%	2.0%	6.9%	110.7% 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 January 2021

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	223	222	220	205
Sale-Price-to-Asking-Price Ratio	92.6%	92.6%	92.3%	92.8%
Withdrawal Rate	26.9%	27.0%	27.6%	26.6%

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. [Realla](#) is the UK's most comprehensive commercial property digital marketplace. [Apartments.com](#), [ApartmentFinder.com](#), [ForRent.com](#), [ApartmentHomeLiving.com](#), [WestsidRentals](#), [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. CoStar Group's websites attract tens 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 over 4,600 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.