

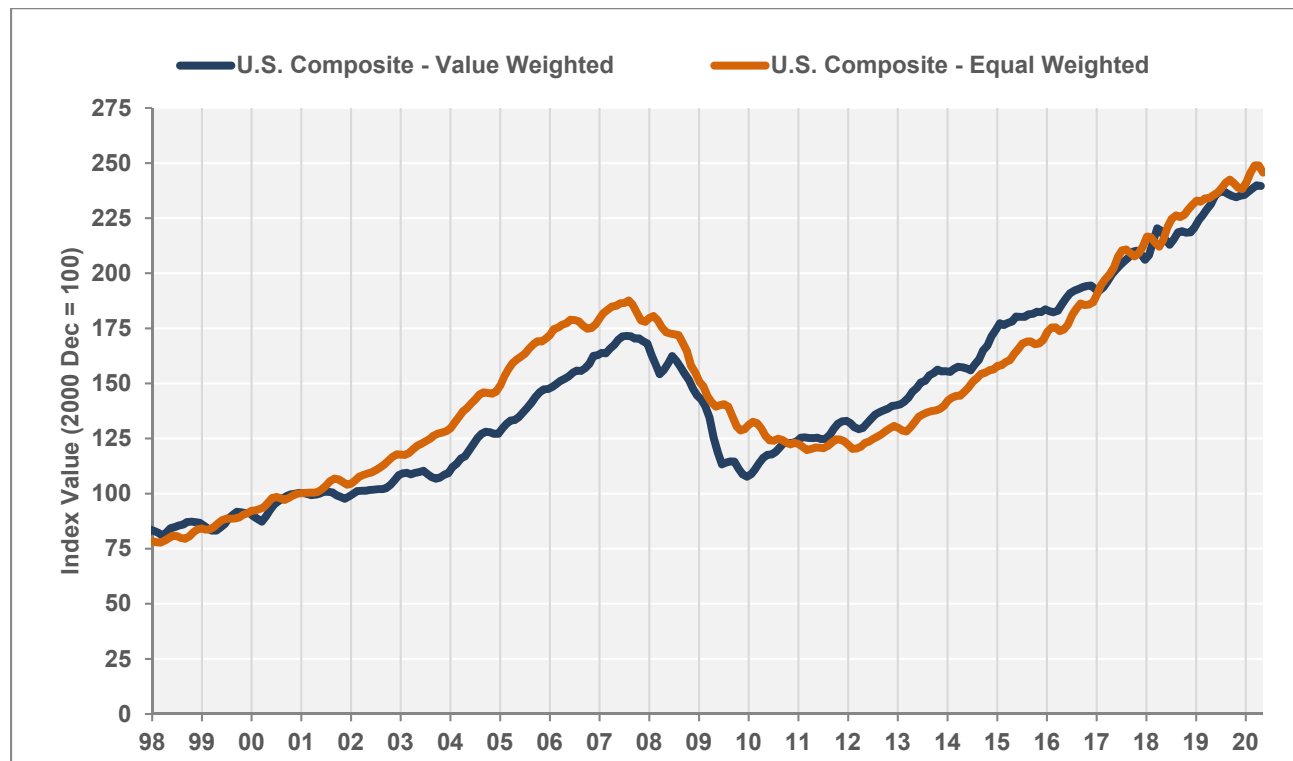
CCRSI RELEASE – June 2020
(With data through May 2020)

COMPOSITE PRICE INDICES TICKED DOWN IN MAY

TRANSACTION VOLUME YEAR-TO-DATE DOWN 25% FROM SAME PERIOD IN 2019 AS INVESTORS PULL BACK AMID ECONOMIC UNCERTAINTY

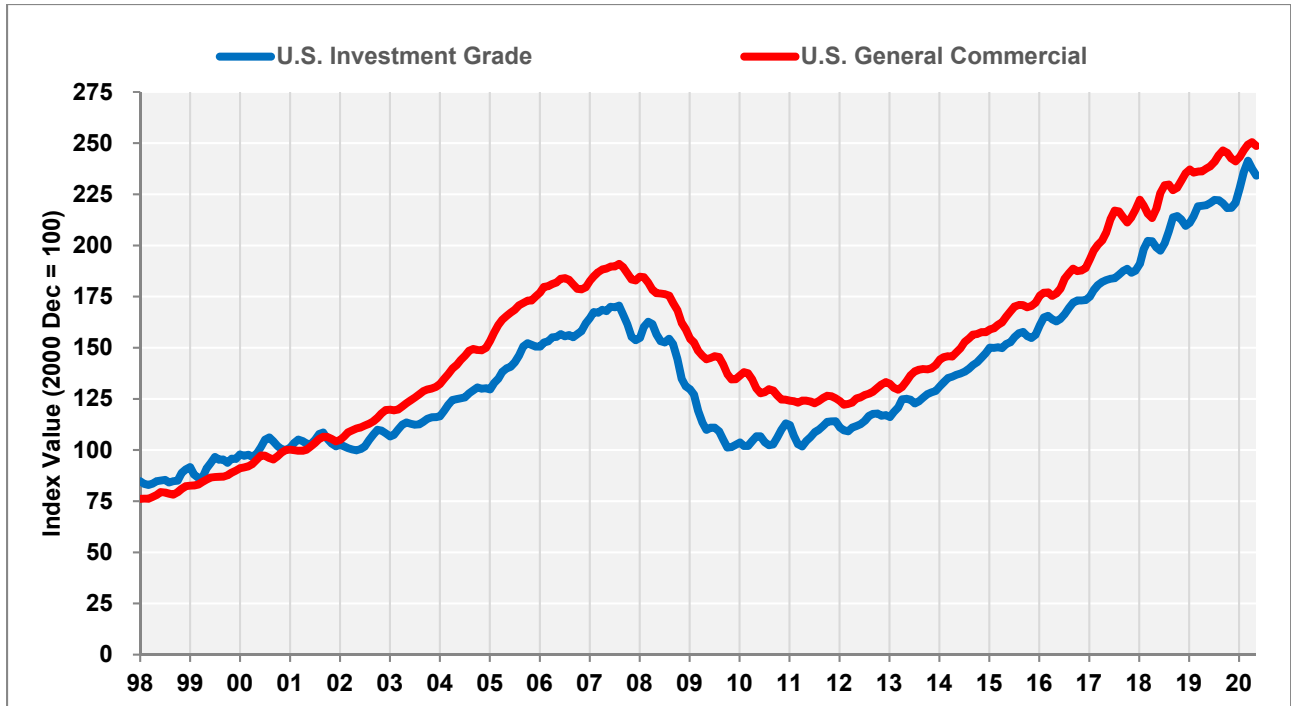
This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through May 2020. Based on 538 repeat sale pairs in May 2020 and more than 227,324 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

U.S. Composite Indices: Equal- And Value-Weighted, Data Through May 2020

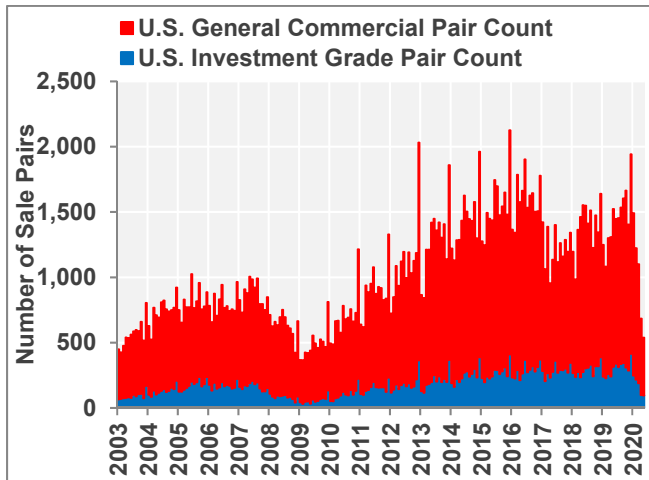


COSTAR COMMERCIAL REPEAT-SALE INDICES JUNE 2020 Release (with data through MAY 2020)

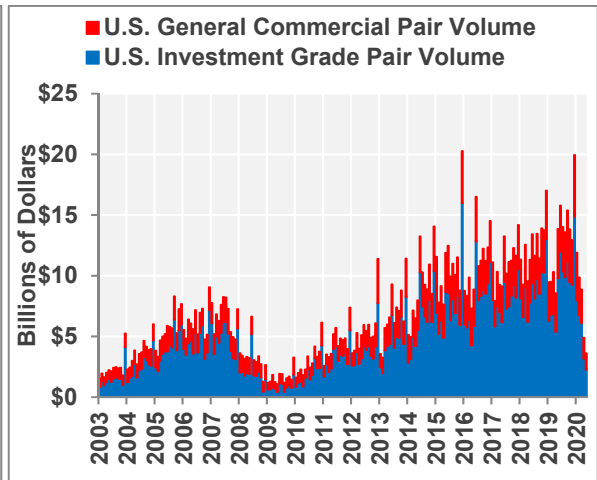
U.S. Equal-Weighted Indices By Market Segment, Data Through May 2020



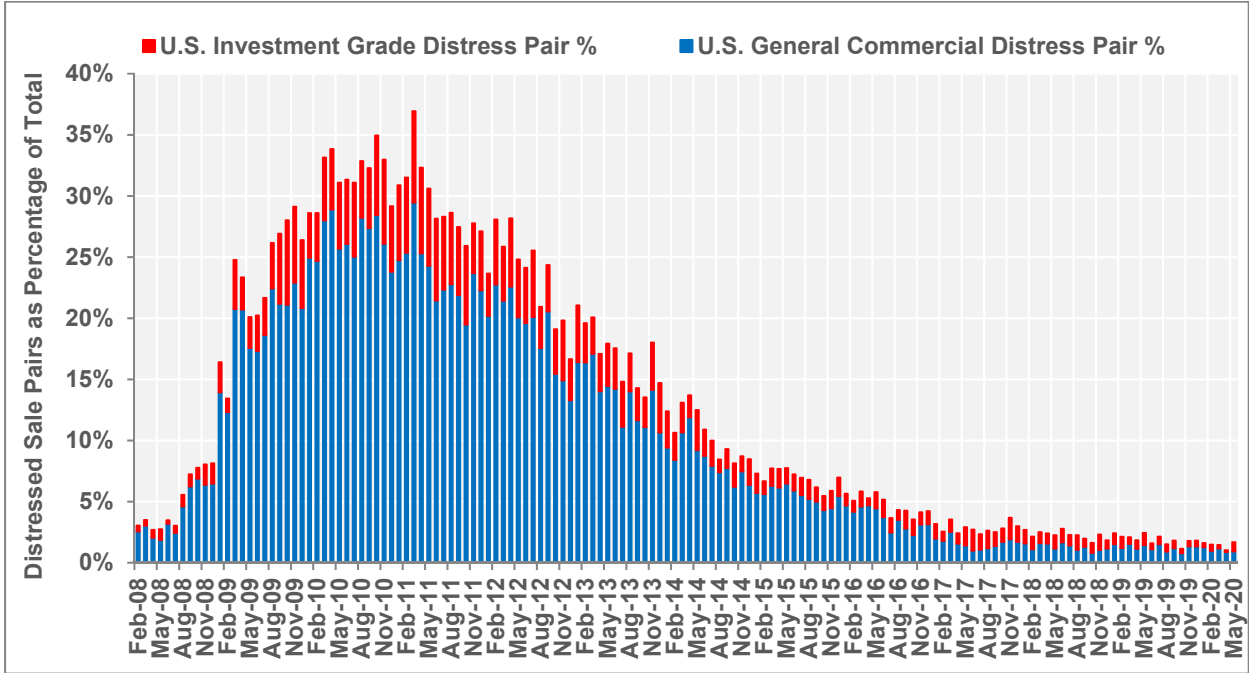
U.S. Pair Count, Data Through May 2020



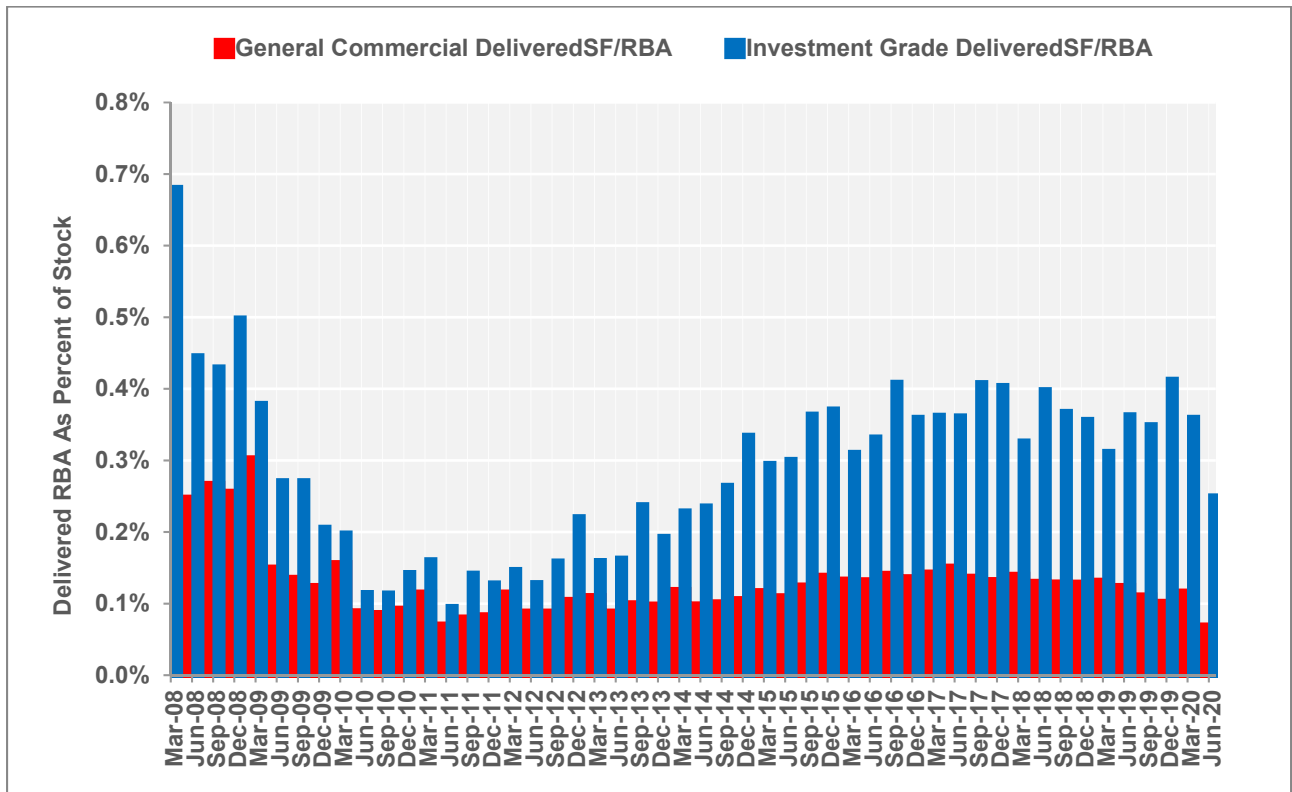
U.S. Pair Volume, Data Through May 2020



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



Market Fundamentals, Data Through May 2020



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES FELL MODESTLY IN MAY AMID A CONTINUED SLOWDOWN IN TRANSACTION VOLUME.** Both of CCRSI's two major composite price indices declined in May 2020, reflecting investor uncertainty and slower deal volume. The equal-weighted U.S. Composite Index, which includes the more numerous but lower-priced property sales typical of secondary and tertiary markets, fell 1.3% in May 2020. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, declined by a more modest 0.1% in the month of May 2020. Both composite indices were still up between 3-5% in the 12-month period ending in May 2020.
- **SALES VOLUME CONTINUED TO DECLINE.** Composite pair volume of \$39.1 billion in the five-month period ending in May 2020 was down 24.2% from the five-month period ending in May 2019. While volume generally held up well in the first three months of 2020 compared to the same period during the prior year, volume dropped precipitously in April and May 2020, reflecting overall caution among investors, as well as physical challenges in transacting deals during lockdown. The deceleration in deal volume was felt across the size and building-quality spectrum, with repeat-sale transaction volume down 25.1% in the Investment Grade segment and 22.4% in the General Commercial segment in the first five months of 2020, compared to the same period in 2019.
- **THE RATE OF COMMERCIAL CONSTRUCTION DELIVERIES HAS SLOWED.** Deliveries as a share of stock across three major property types — office, retail, and industrial — are projected to total 515 million SF in the 12-month period ending in June 2020, down 5.2% from the prior annual period, due in part to construction delays stemming from lockdown measures in some states. The downturn in deliveries is also due in part to the rate of construction completions going into the pandemic being much lower than at the peak of the last cycle in 2007-08. During the height of the last cycle, quarterly deliveries averaged 0.44% of total stock in 2007-08. In the last four quarters through June 2020, deliveries averaged just 0.23% of total inventory. More subdued construction levels going into a downturn may help to blunt the impact of weaker demand on vacancy rates.

Monthly CCRSI Results, Data Through May 2020

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-0.1%	1.1%	3.6%	122.5% ¹
Equal-Weighted U.S. Composite Index	-1.3%	0.0%	4.4%	105.1% ²
U.S. Investment-Grade Index	-1.4%	-0.7%	6.6%	129.7% ³
U.S. General Commercial Index	-0.7%	0.9%	4.7%	101.8% ⁴

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

Market Fundamentals, Data Through June 2020

	Annual Delivered SF (in millions of square feet)			
	2017Q2	2018Q2	2019Q2	2020Q2
Aggregate	570.7	584.9	543.6	515.2
Investment Grade	451.6	472.5	436.4	433.5
General Commercial	119.1	112.5	107.2	81.7

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 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.

MEDIA CONTACT:

Gay Beach, Senior Director, Marketing Communications, CoStar Group
(gbeach@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. STR provides premium data benchmarking, analytics and marketplace insights for the global hospitality sector. LoopNet is the most heavily trafficked commercial real estate marketplace online with over 6 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 55 million unique monthly visitors in aggregate in the first 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.

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 market fundamentals, pricing, deliveries, occupancy rates and transaction volume; and the risk that deliveries as a share of stock across the three major property types for the 12-month period ending in June 2020 will not be as expected and stated in this release. More information about potential factors that could cause actual results to differ materially from those discussed 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 Report on Form 10-Q for the quarter ended March 31, 2020, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as the company'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 such statements, whether as a result of new information, future events or otherwise.