

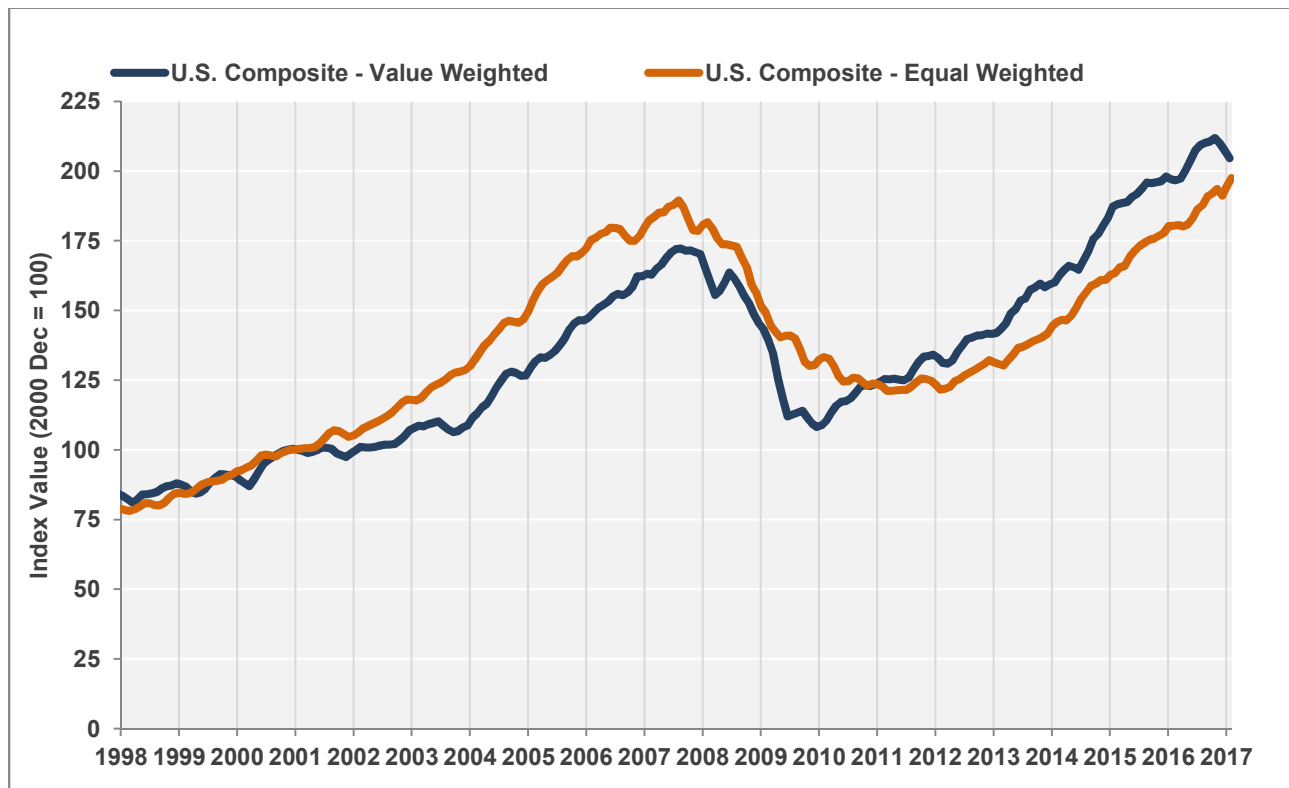
CCRSI RELEASE – MARCH 2017
(With data through FEBRUARY 2017)

COMPOSITE PRICE INDICES SHOW MIXED RESULTS AS STEADY GROWTH AT LOW END OF CRE MARKET OFFSETS HIGH-END SLOWDOWN

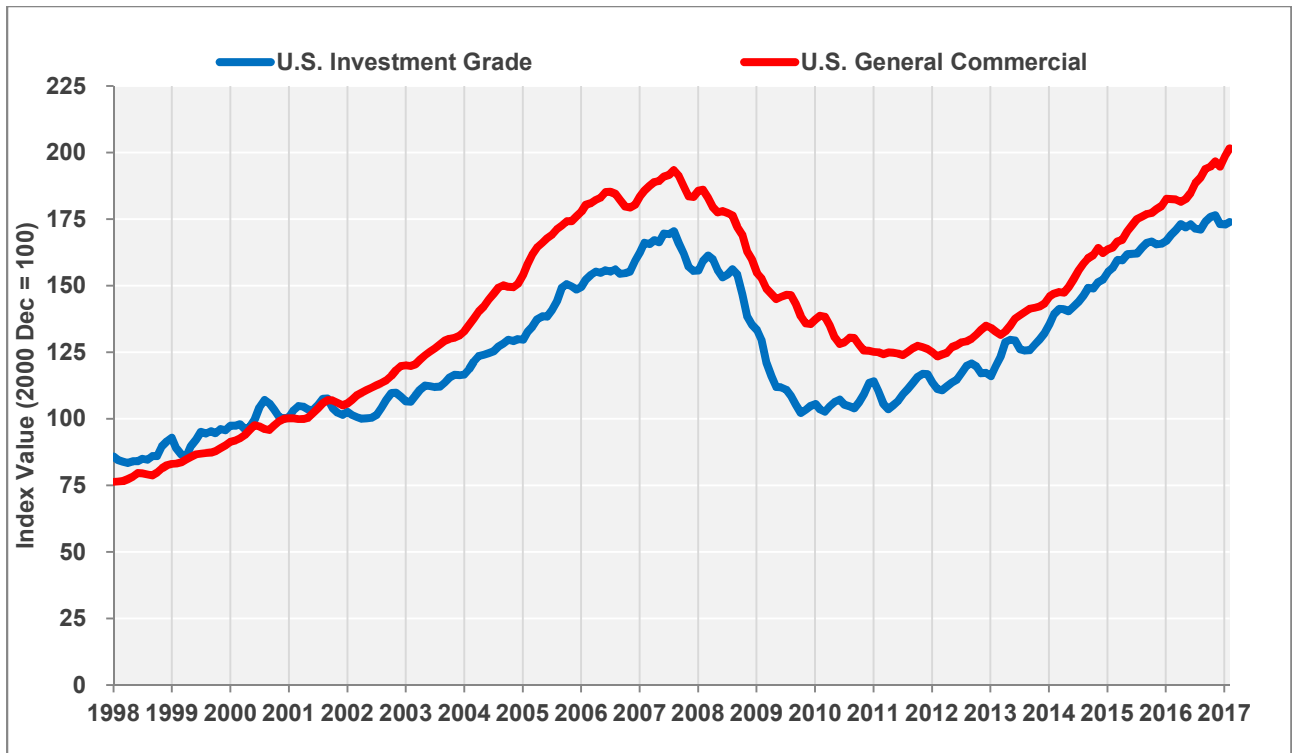
EQUAL-WEIGHTED INDEX TURNS IN TOP MONTHLY PERFORMANCE

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through February 2017. Based on 858 repeat sale pairs in February 2017 and more than 175,000 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 February 2017

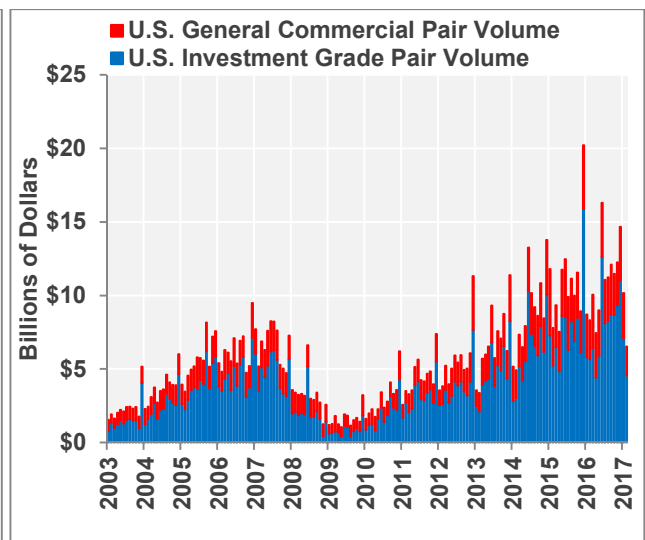
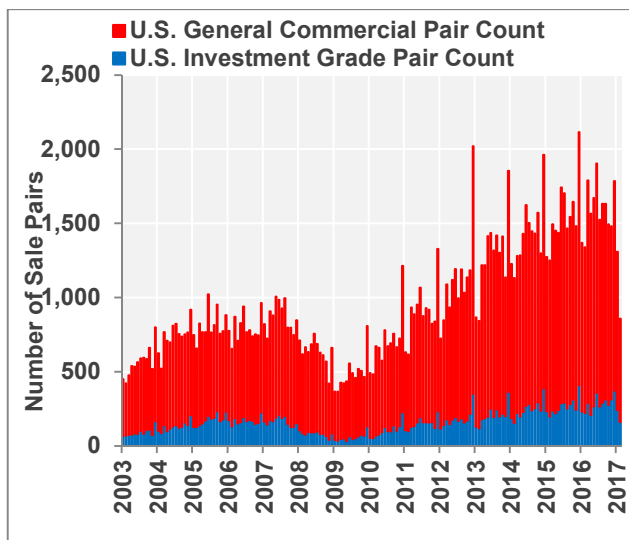


U.S. Equal-Weighted Indices By Market Segment, Data Through February 2017

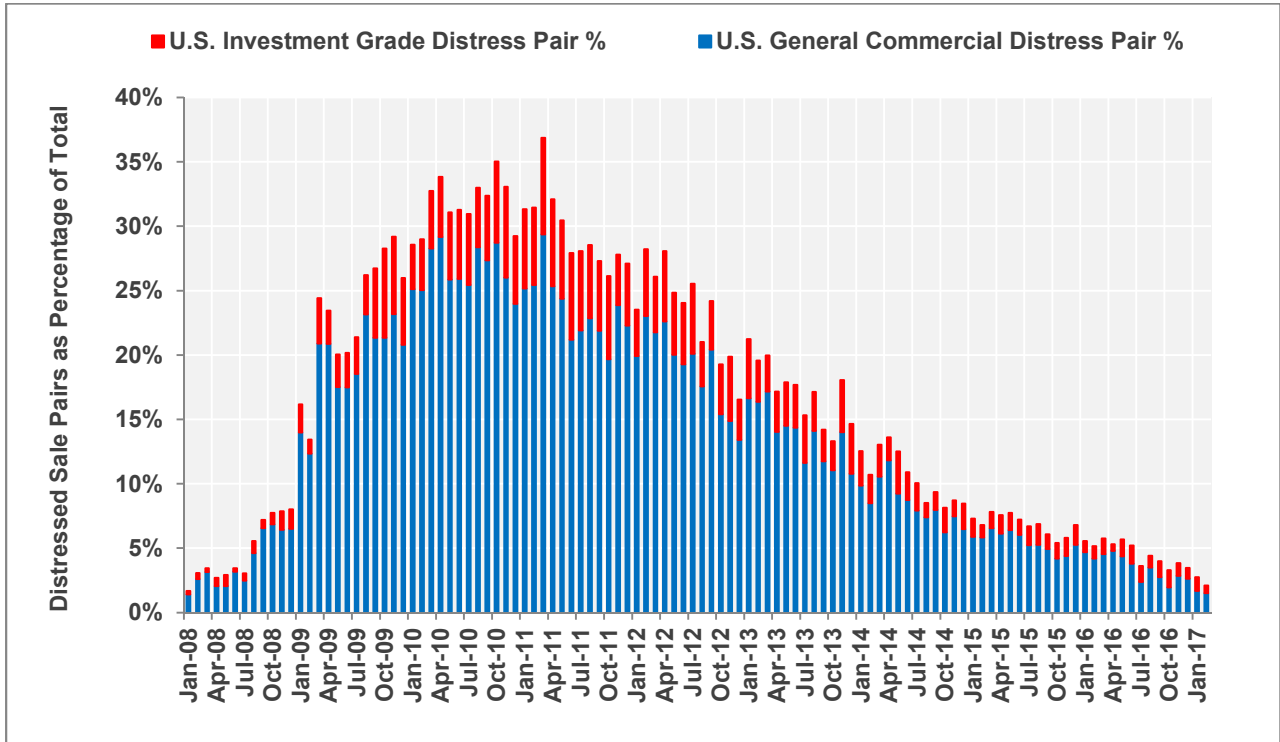


U.S. Pair Count, Data Through February 2017

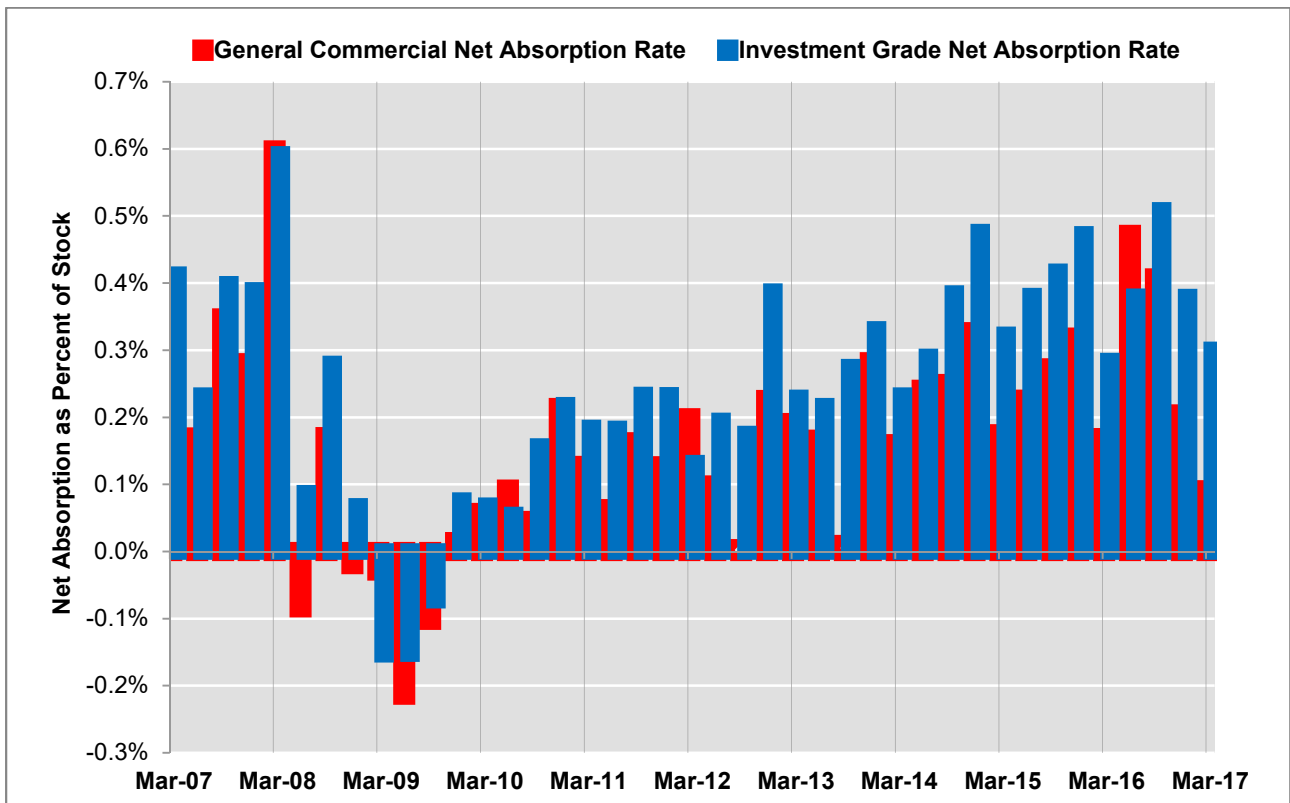
U.S. Pair Volume, Data Through February 2017



U.S. Distress Sale Pairs Percentage, Data Through February 2017



Market Fundamentals, Data Projected Through March 2017



CCRSI National Results Highlights

- **PRICING TRENDS AT HIGH AND LOW END OF CRE MARKET DIVERGE THROUGH FIRST TWO MONTHS OF 2017.** The value-weighted U.S. Composite Index, which reflects the larger asset sales common in core markets, fell 1.4% in February 2017, after a similar decline of 1.2% in the month of January 2017. Meanwhile, the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, increased by 1.4% in the month of February 2017 on top of a 1.9% gain in January 2017. While both composite indices posted positive growth on a year-over-year basis, the recent divergence likely reflects a maturing market cycle, especially for the high-value properties in core markets that led the recovery.
- **RECENT PRICING TRENDS IN COMPOSITE INDICES MIRRORED IN TWO SUB-INDICES OF EQUAL-WEIGHTED COMPOSITE INDEX.** The general commercial segment of CCRSI's national composite index, which is influenced by smaller, lower-priced properties, increased 1.4% in February 2017 and 10.5% for the 12 months ending in February 2017. Meanwhile, the investment-grade segment, which reflects the price influence of higher-value properties, advanced by a slower 0.5% in February 2017 and 2.8% in the 12 months ending in February 2017. The recent price momentum in the general commercial segment demonstrates the expanding breadth of the pricing recovery across more markets.
- **GROWTH IN CRE SPACE ABSORPTION SUPPORTS PROPERTY PRICE GAINS.** Demonstrating the continued overall demand for commercial space, net absorption across the three major property types—office, retail, and industrial—is projected to total 714.3 million square feet for the 12-month period ending in March 2017, a 6.8% increase from the same period ending in March 2016. Supporting the extension of the pricing recovery across the entire building size and quality spectrum, the general commercial segment saw the strongest rate of absorption growth over the past year, with total net absorption projected to grow 19.1% in the 12-month period ending in March 2017. Net absorption in the investment-grade segment is expected to expand by 1.2% in the same period.
- **COMPOSITE PAIR VOLUME SHOWED MODEST GROWTH.** Composite pair volume of \$132.2 billion in the 12-month period ending in February 2017 was 1.9% higher than in the previous 12-month period that ended in February 2016. Still, year-to-date through February 2017, composite pair volume was lower than the same period in both 2015 and 2016, suggesting that the moderation in transaction activity that began in 2016 from 2015 record levels will continue into 2017.

Monthly CCRSI Results, Data Through February 2017

| | 1 Month Earlier | 1 Quarter Earlier | 1 Year Earlier | Trough to Current |
|-------------------------------------|--------------------|----------------------|-------------------|----------------------|
| Value-Weighted U.S. Composite Index | -1.4% | -3.4% | 3.9% | 89.1% ¹ |
| Equal-Weighted U.S. Composite Index | 1.4% | 2.0% | 9.5% | 63.1% ² |
| U.S. Investment-Grade Index | 0.5% | -1.5% | 2.8% | 69.4% ³ |
| U.S. General Commercial Index | 1.4% | 2.5% | 10.5% | 62.3% ⁴ |

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

Market Fundamentals Data Projected Through March 2017

| | Annual Net Absorption (in millions of square feet) | | | |
|--------------------|--|--------|--------|--------|
| | 2014Q1 | 2015Q1 | 2016Q1 | 2017Q1 |
| Aggregate | 434.8 | 640.2 | 668.6 | 714.3 |
| Investment Grade | 304.6 | 431.0 | 459.6 | 465.3 |
| General Commercial | 130.2 | 209.2 | 209.1 | 249.0 |

Note: "Net Absorption" is the change in occupied space, 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. |

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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. LoopNet is the most heavily trafficked commercial real estate marketplace online with more than 10 million registered members. Apartments.com, ApartmentFinder.com, ApartmentHomeLiving.com and Westside Rentals 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. Through an exclusive partnership with Move, a subsidiary of News Corporation, Apartments.com is the exclusive provider of apartment community listings across Move's family of websites, which include realtor.com®, doorsteps.com and move.com. CoStar Group's websites attracted an average of nearly 24 million unique monthly visitors in aggregate in 2016. Headquartered in Washington, DC, CoStar

maintains offices throughout the U.S. and in Europe and Canada with a staff of over 3,000 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 the divergence of pricing trends at high and low end of CRE market and likely maturing market cycle, price momentum and expanding breadth of pricing recovery across markets, and moderation in transaction activity; the risk that net absorption across the three major property types, for the general commercial segment and for the investment-grade segment, in each case for the 12-month period ending in March 2017, is not as expected in this release; and the risk that transaction volume, Index growth, demand for space, net absorption, investor demand, market supply 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 actual 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, 2016, which is filed with the SEC, including in the "Risk Factors" section of the filing, 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.