

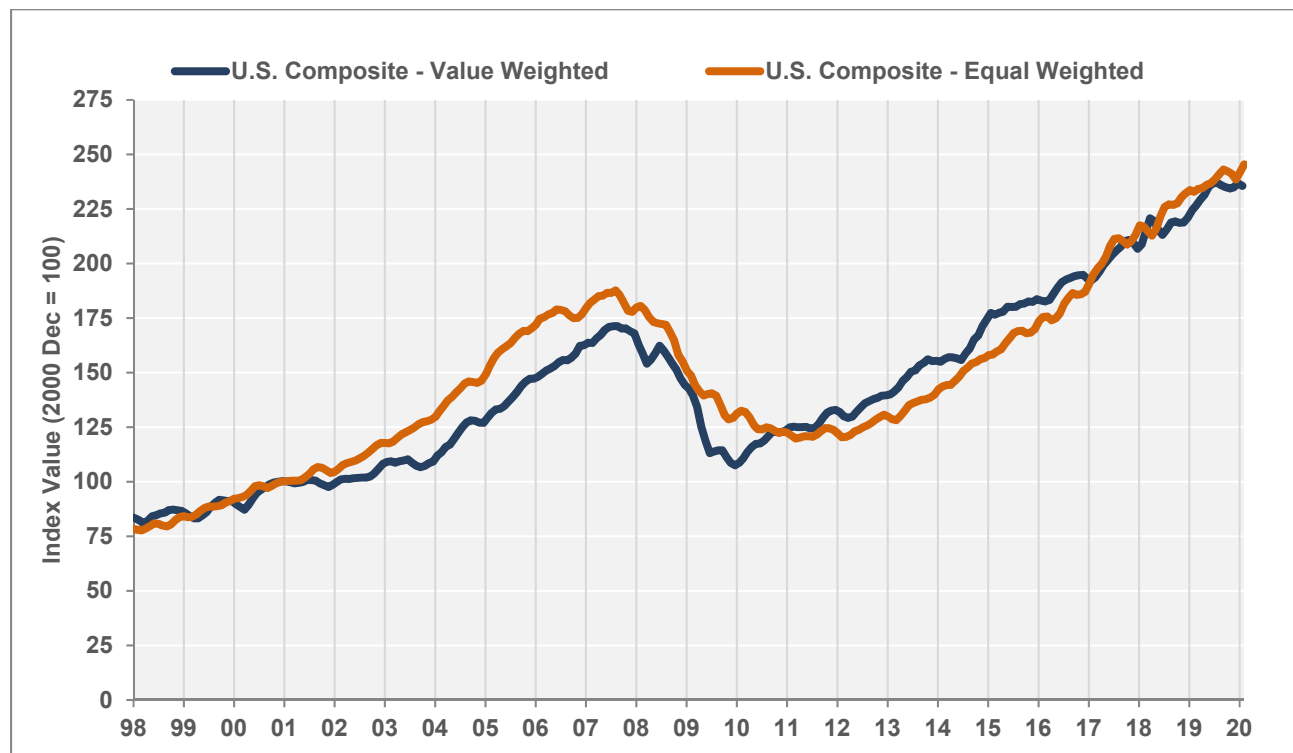
CCRSI RELEASE – March 2020
(With data through February 2020)

COMPOSITE PRICE INDICES SHOW LITTLE MOVEMENT IN FEBRUARY

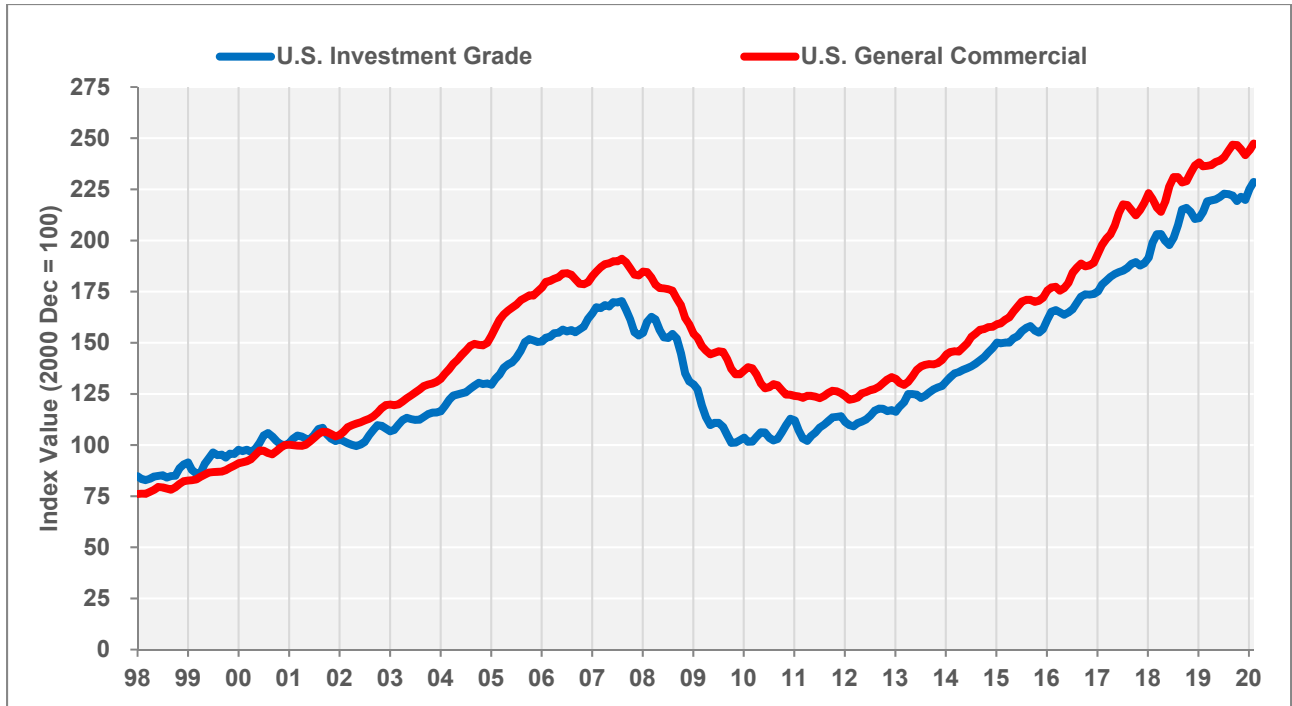
Lower Construction Levels Have Strengthened Fundamentals and Supported Price Gains This Cycle

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provide the market's first look at commercial real estate pricing trends through February 2020. Based on 1,062 repeat sale pairs in February 2020 and more than 224,740 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

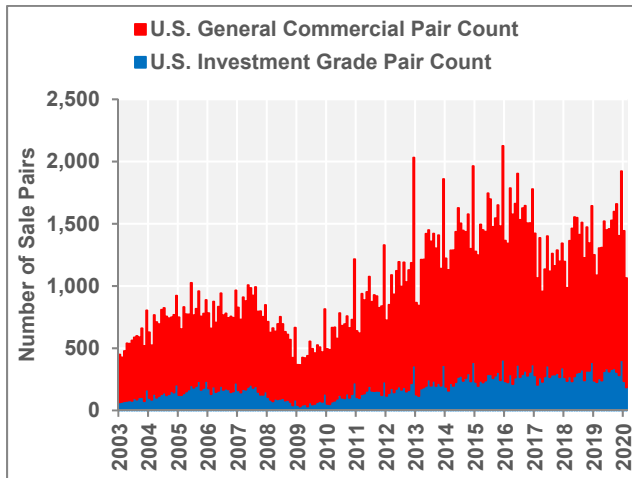
U.S. Composite Indices: Equal- And Value-Weighted, Data Through February 2020



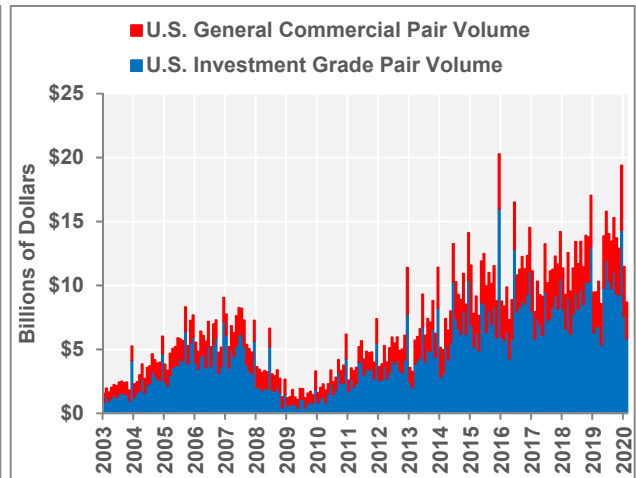
U.S. Equal-Weighted Indices By Market Segment, Data Through February 2020



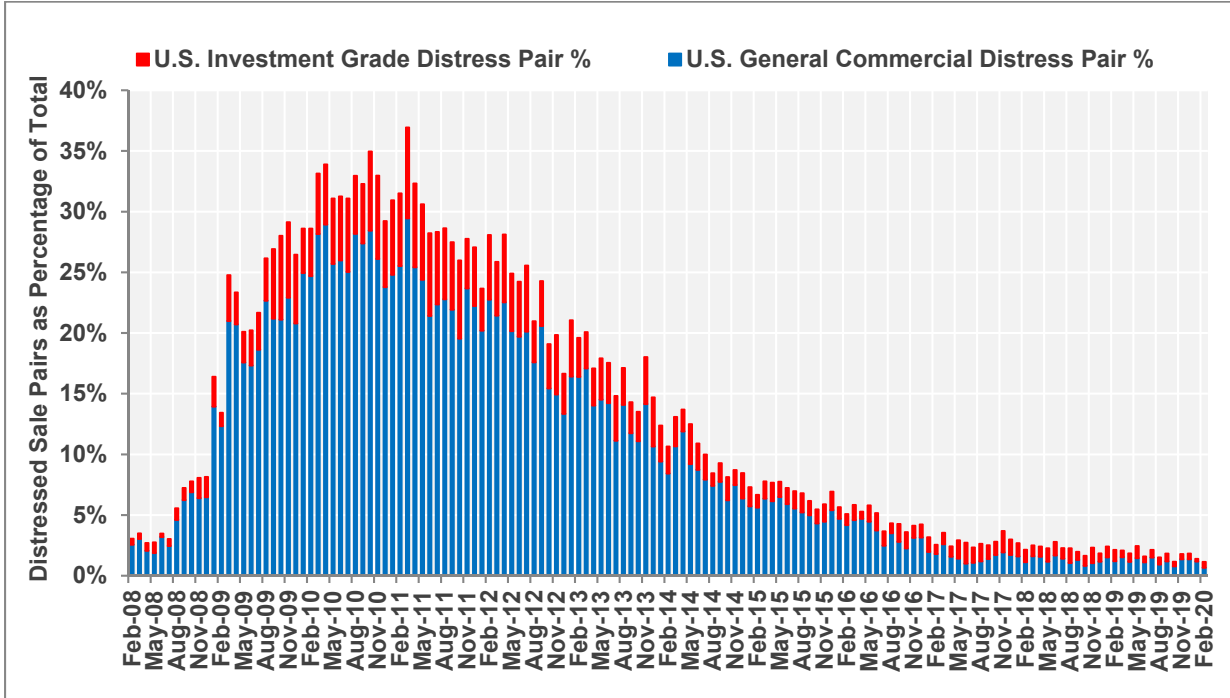
U.S. Pair Count, Data Through February 2020



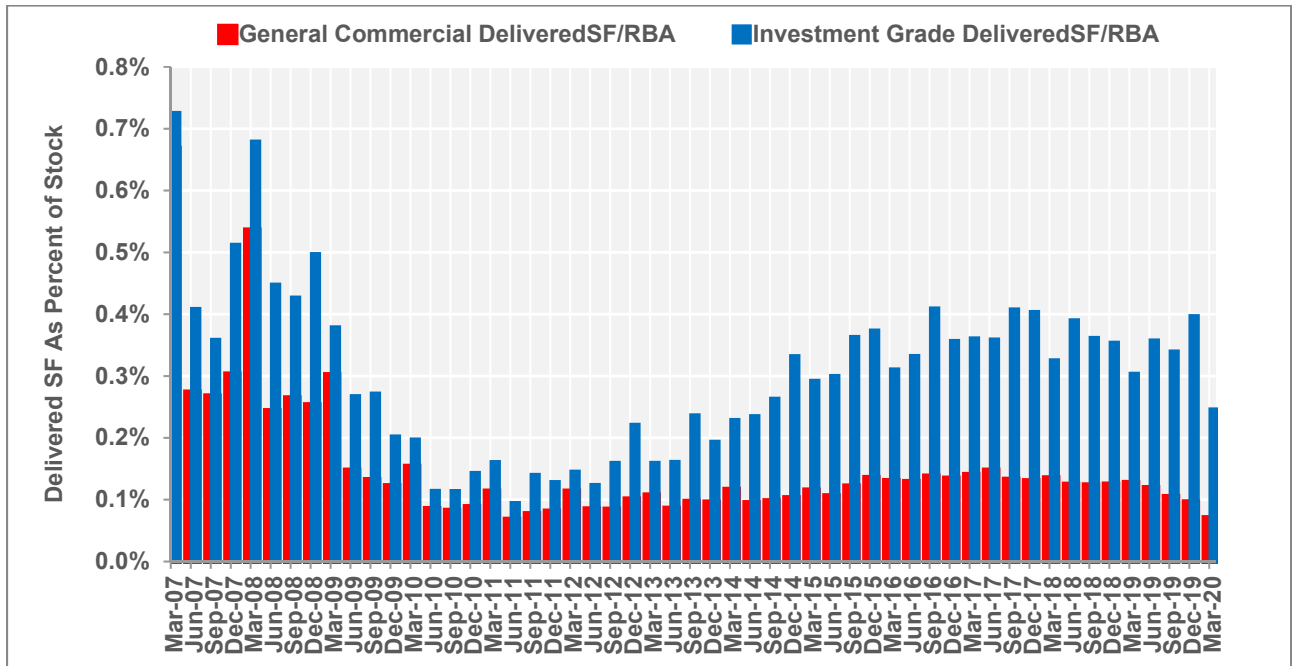
U.S. Pair Volume, Data Through February 2020



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



Market Fundamentals, Data Through March 2020



CCRSI National Results Highlights

- **COMPOSITE INDICES SHOWED LITTLE MOVEMENT IN FEBRUARY.** The equal-weighted U.S. Composite Index, which reflects the more numerous, but lower-priced property sales typical of secondary and tertiary markets increased 1.4%, while the value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, fell 0.5% in the month of February 2020. Both composite indices were up by roughly 5% in the 12-month period ended in February 2020, reflecting strong growth in the latter half of 2019. While little impact has been seen in the data through the first two months of 2020, it is expected that investor caution in the face of the growing coronavirus pandemic will dampen both investment activity and pricing in the coming months.
- **LOWER LEVELS OF CRE CONSTRUCTION RELATIVE TO PREVIOUS CYCLE SUPPORTED HEALTHIER FUNDAMENTALS AND CONTINUED PRICE GROWTH.** Deliveries as a share of stock across the three major property types — office, retail, and industrial — are projected to total 502 million SF in the 12-month period ending in March 2020, down 7.4% from the prior annual period, and lower than at the peak of the last cycle in 2007-08. Lower supply levels have bolstered occupancy rates, which as of the fourth quarter of 2019 were higher than at the peak of the last cycle. Illustrating tenant preferences for high-quality space this cycle, construction completions in the Investment Grade segment of the market comprised the lion's share, or 84%, of all completions in the 12-month period ending in March 2020.
- **SALES VOLUME THROUGH THE FIRST TWO MONTHS OF 2020 WAS AHEAD OF LAST YEAR'S PACE.** Composite pair volume of \$20.1 billion in the two-month period ended in February 2020 was up 6.4% from the two-month period ended in February 2019. The stronger growth at the beginning of this year follows a record level for composite pair volume reached in 2019. The moderate uptick in volume through the first two months of 2020 was felt more strongly in the General Commercial segment, where repeat-sale transaction volume increased 14.1%, versus 2.9% in the Investment-Grade segment, from the prior two-month period ended in February 2019.

Monthly CCRSI Results, Data Through February 2020

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-0.5%	0.5%	5.0%	119.0% ¹
Equal-Weighted U.S. Composite Index	1.4%	1.8%	5.4%	104.9% ²
U.S. Investment-Grade Index	1.4%	3.3%	6.8%	124.8% ³
U.S. General Commercial Index	1.3%	1.1%	4.7%	100.9% ⁴

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

Market Fundamentals Data Projected Through March 2020

	Annual Delivered SF (in millions of square feet)			
	2017Q1	2018Q1	2019Q1	2020Q1
Aggregate	552.0	571.3	541.7	501.8
Investment Grade	493.4	457.3	437.2	421.3
General Commercial	112.6	114.0	104.6	80.5

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. 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 over 47 million unique monthly visitors in aggregate in the fourth quarter of 2019. Headquartered in Washington, DC, CoStar 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.

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, deliveries, occupancy rates, and transaction volume; uncertainty around the impact of the coronavirus pandemic on the economy, the industry, investment activity and pricing; and, the risk that deliveries as a share of stock across the three major property types for the 12-month period ending in March 2020 will not be as projected 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, which is filed with the SEC, including in the "Risk Factors" section of that filing, 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.