



COSTAR COMMERCIAL  
REPEAT-SALE INDICES

# PRESS RELEASE



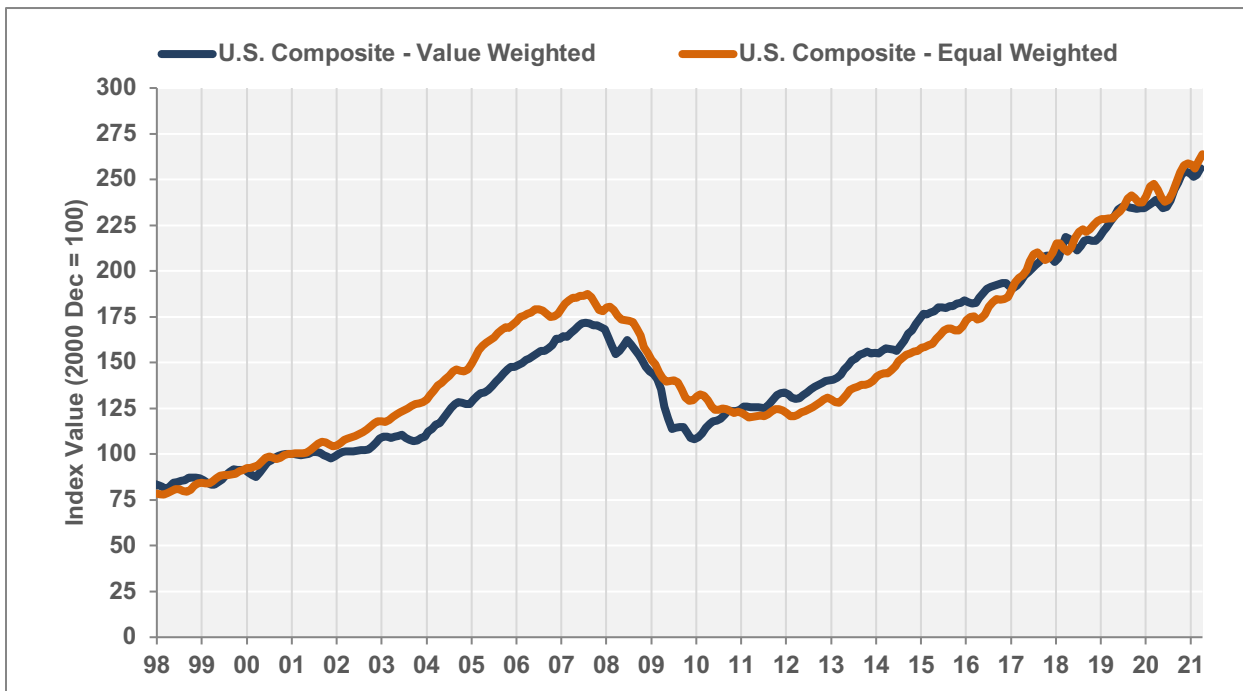
CCRSI RELEASE – May 2021  
(With data through April 2021)

## COMPOSITE PRICE INDEX SHOWED PRICE GAINS TO START SECOND QUARTER

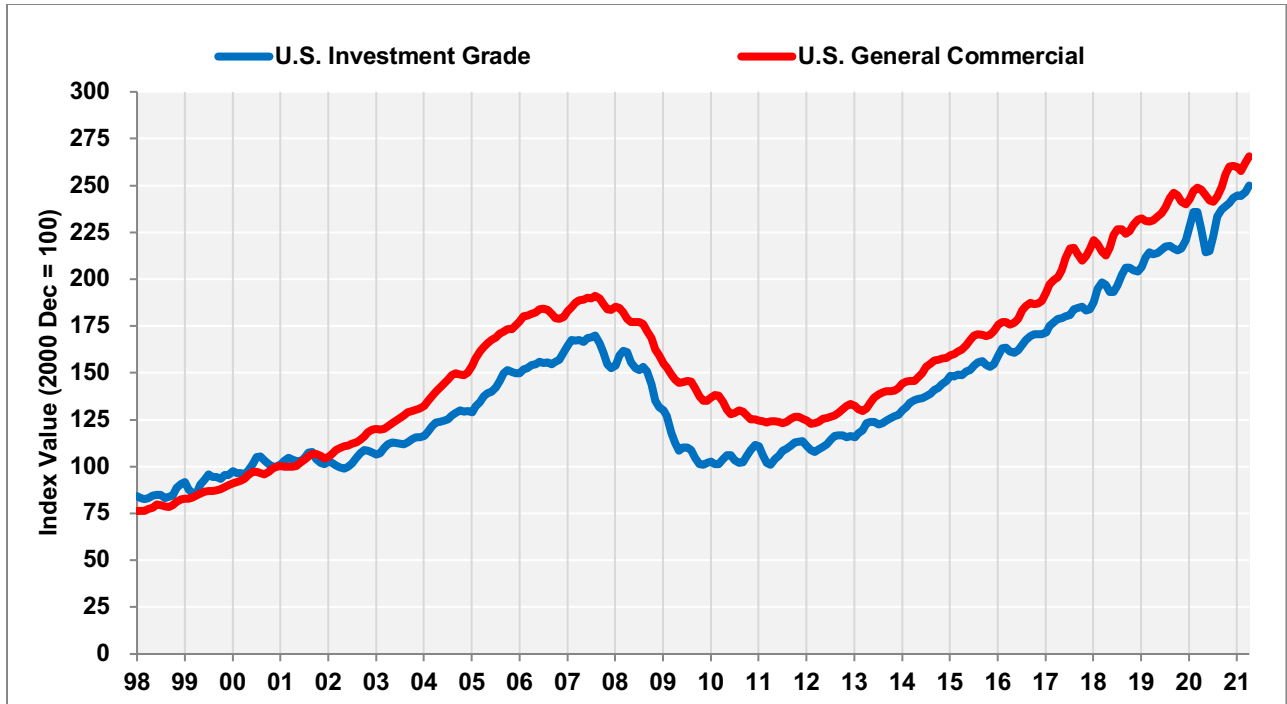
### *ARRAY OF LIQUIDITY INDICATORS SUGGESTED IMPROVED DEAL EXECUTION*

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through April 2021. Based on 1,405 repeat sale pairs in April 2021, and more than 242,803 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

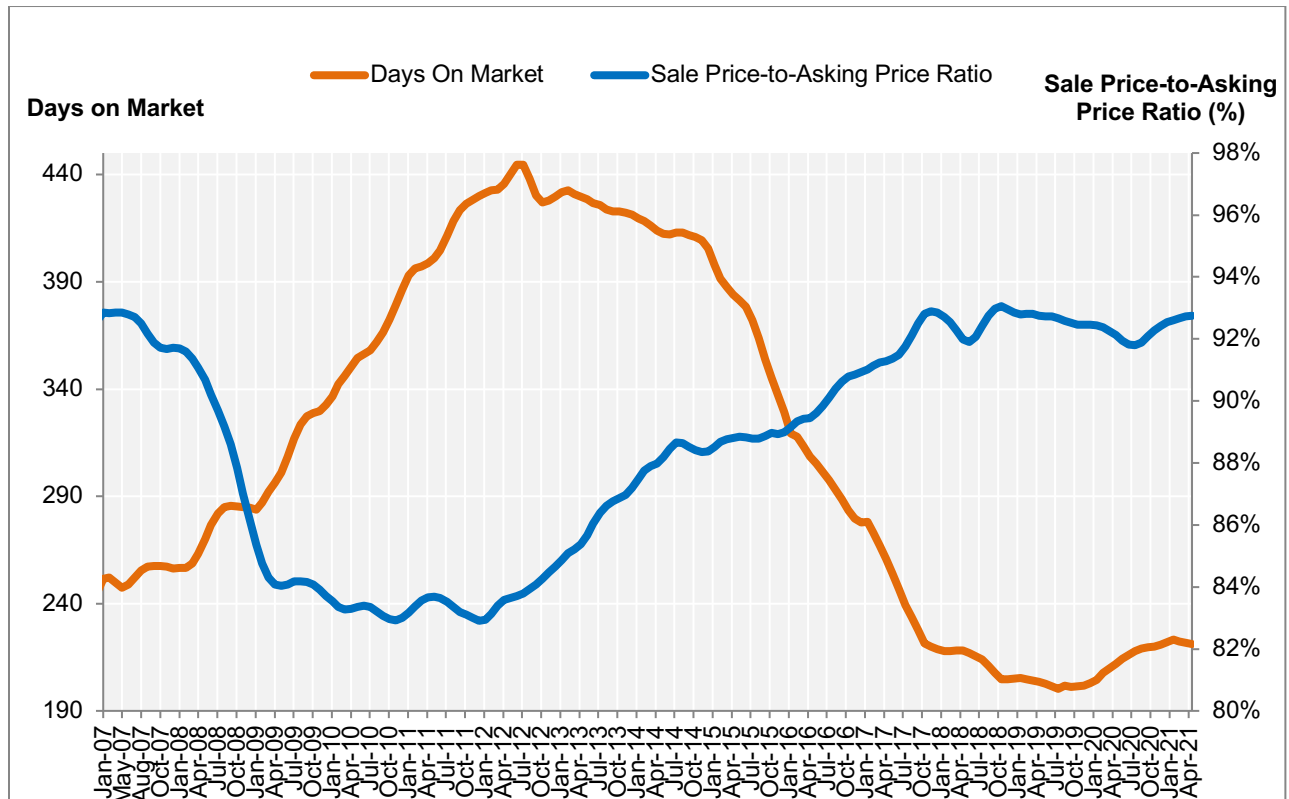
### U.S. Composite Indices: Equal- and Value-Weighted, Data through April 2021



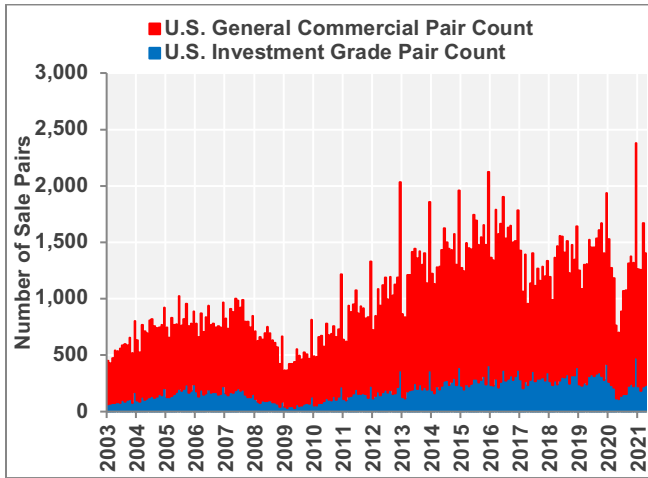
## U.S. Equal-Weighted Indices by Market Segment, Data through April 2021



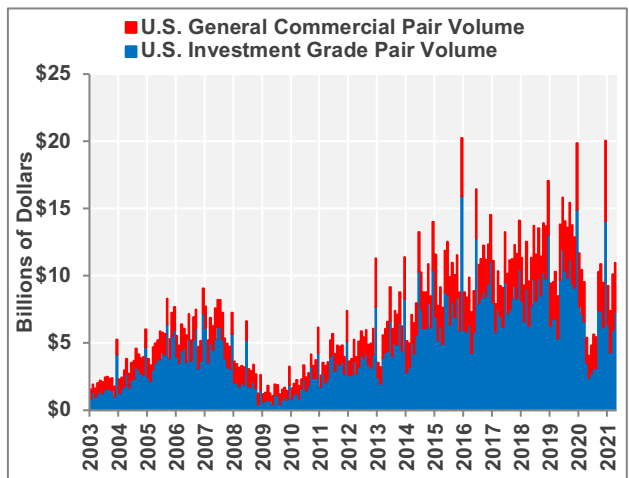
## Market Liquidity Indicators, Data through April 2021



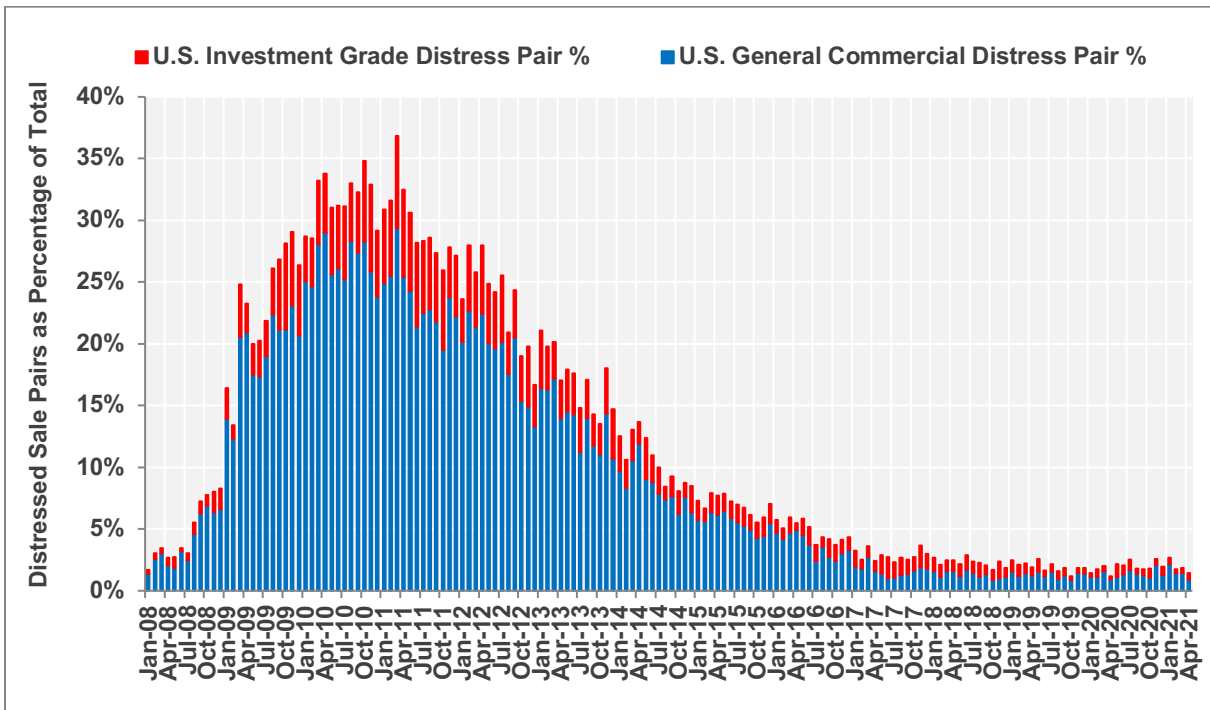
U.S. Pair Count, Data through April 2021



U.S. Pair Volume, Data through April 2021



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



## CCRSI National Results Highlights

- **PRICE GAINS CONTINUED TO START THE SECOND QUARTER.** Both the value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades, and the equal-weighted U.S. Composite Index, which reflects more numerous but lower-priced property sales typical of secondary and tertiary markets, each gained by 1.4% in April 2021. April marked the second consecutive monthly gain for both market types after declines to start the year. Both indices are now up by more than 7% over the 12-month period that ended in April 2021, as the market recovered from price [decreases in the second quarter of 2020.
- **THE SUB-INDICES OF THE EQUAL-WEIGHTED INDEX POSTED A UNIFIED INCREASE.** The two sub-indices of the equal-weighted U.S. Composite Index increased by similar increments in April 2021. The General Commercial segment, which is influenced by smaller, lower-priced properties, increased by 1.3% in April 2021 after a 1.7% decline in March 2021. The General Commercial segment was up by 7.2% in the 12-month period that ended in April 2021, once again at a historical peak after some brief weakness to start 2021. The Investment Grade segment, which is influenced by higher-value properties, rose by 1.4% in April 2021, also setting a historical peak, and was up by 10.3% over the 12-month period that ended in April 2021. Higher-value properties experienced greater declines in April 2020, which made the 12-month change comparison more favorable for the Investment Grade segment in April 2021.
- **TRANSACTION VOLUME IMPROVED FROM LOW LEVELS.** Composite pair volume of 15,706 trades for the 12-month period that ended April 2021 marked the highest trailing 12-month total since June 2020. The number of transactions for the first four months of 2021 is roughly 18% greater than the first four months of 2020, which is a good sign for the return to typical liquidity conditions.
- **THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED REMAINED LOW.** General Commercial and Investment Grade distressed sales remained 0.9% and 0.5%, respectively, of total trades in April 2021. Both rates are low compared to their five-year averages of 1.6% and 0.9%, respectively. The continued low share of distressed sales demonstrates relatively healthy liquidity conditions.
- **LIQUIDITY METRICS WERE HEALTHY IN APRIL.** The average days on market for sales in April 2021 was 221, better than a recent peak of 223 days in January 2021 and lower than the five-year average of 229 days. Other metrics were encouraging, as well: The share of trades withdrawn in April 2021 was 26.6%, down two

percentage points from the July 2020 peak of 28.7%, and sellers in April 2021 received 92.7% of asking price at sale, improved from the July 2020 trough of 91.8%. Deal execution appeared strong in April 2021, a positive sign for the continuation of the recovery.

## Monthly CCRSI Results, Data through April 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
<b>Value-Weighted U.S. Composite Index</b>	1.4%	1.0%	7.2%	137.0% <sup>1</sup>
<b>Equal-Weighted U.S. Composite Index</b>	1.4%	2.2%	7.8%	120.0% <sup>2</sup>
<b>U.S. Investment-Grade Index</b>	1.4%	2.2%	10.3%	146.6% <sup>3</sup>
<b>U.S. General Commercial Index</b>	1.3%	2.2%	7.2%	115.0% <sup>4</sup>

<sup>1</sup> Trough Date: APRIL 2010    <sup>2</sup> Trough Date: March 2011    <sup>3</sup> Trough Date: March 2010    <sup>4</sup> Trough Date: March 2011

## Monthly Liquidity Indicators, Data through April 2021

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
<b>Days on Market</b>	221	222	223	212
<b>Sale-Price-to-Asking-Price Ratio</b>	92.7%	92.7%	92.6%	92.1%
<b>Withdrawal Rate</b>	26.6%	26.7%	27.0%	28.0%

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 U.S. Composite Index (presented in both equal-weighted and value-weighted versions), U.S. Investment-Grade Index, and U.S. General Commercial Index, which we report monthly, we report quarterly on 30 sub-indices in the CoStar index family. The subindices 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, 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 brand and property advertising that connect consumers with real estate

professionals. 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](http://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, liquidity measures, and absorption; and the risk that transaction volume, investor demand, market supply, and commercial real estate pricing levels, absorption and growth will not continue at the levels or with the trends indicated in this release. 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 Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, each of which is filed with the SEC, including in the "Risk Factors" sections of those filings, as well as CoStar's other filings with the SEC available at the SEC's website ([www.sec.gov](http://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.