CCRSI RELEASE – November 2020
(With data through October 2020)

COMPOSITE PRICE INDICES INCH UP IN OCTOBER

DESPITE INCREASED PRICES, LIQUIDITY MEASURES HAVE SOFTENED AS FEWER PROPERTIES TRADE

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through October 2020. Based on 1,092 repeat sale pairs in October 2020 and more than 233,035 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.
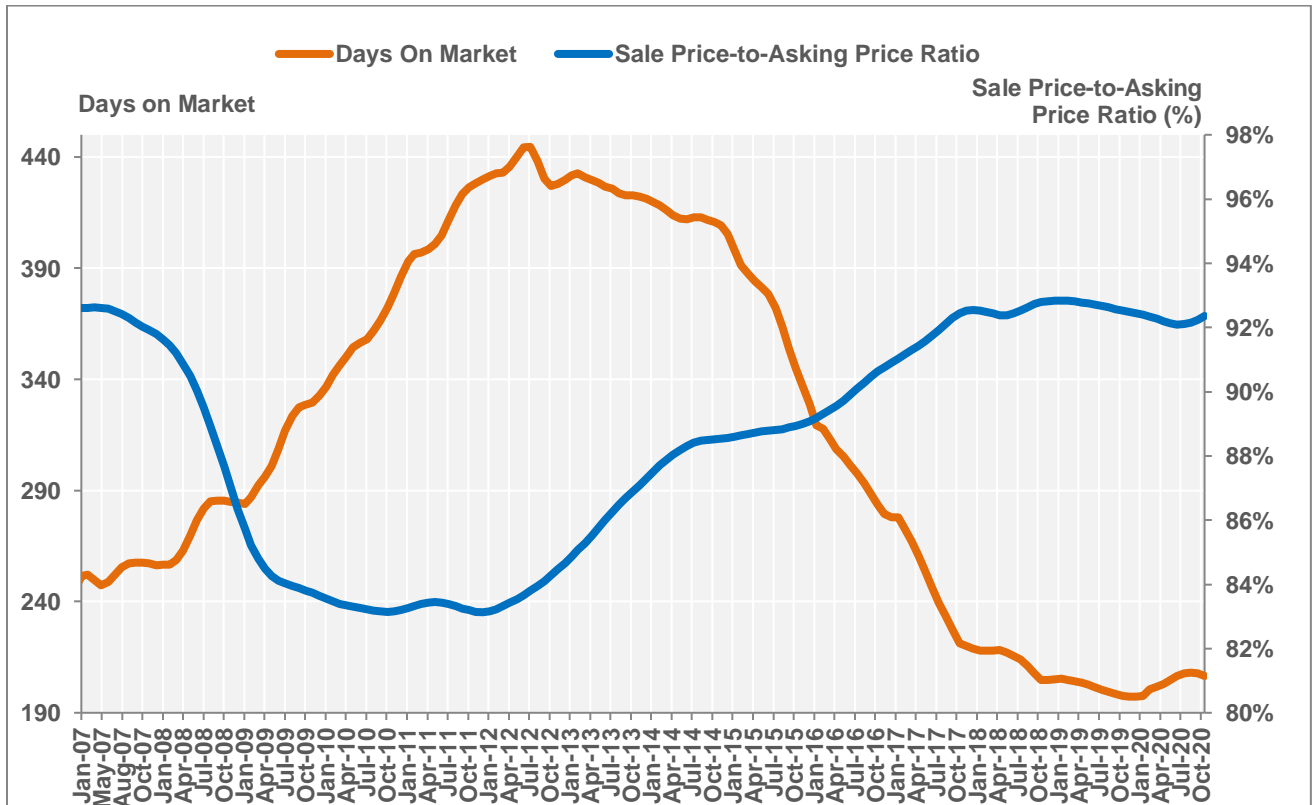
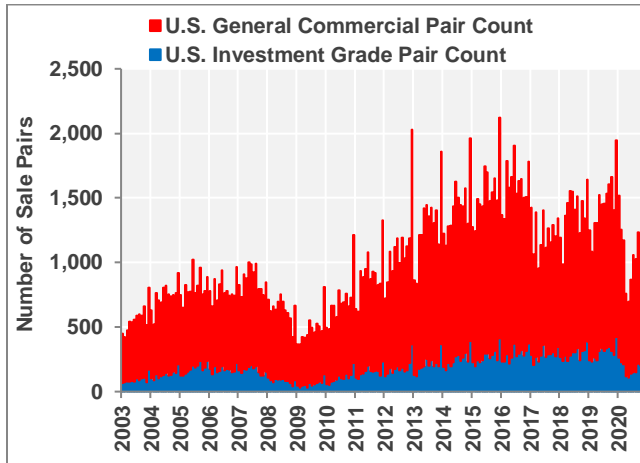**U.S. Composite Indices: Equal- And Value-Weighted, Data Through October 2020**
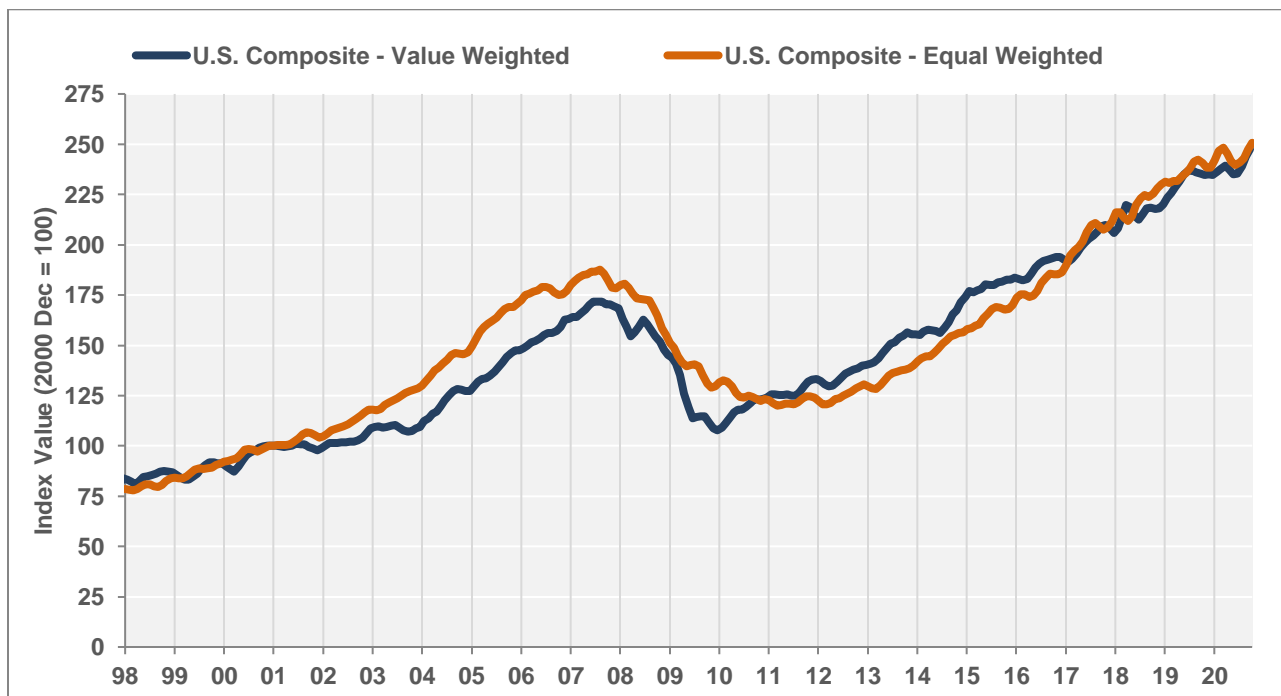
U.S. Equal-Weighted Indices By Market Segment, Data Through October 2020
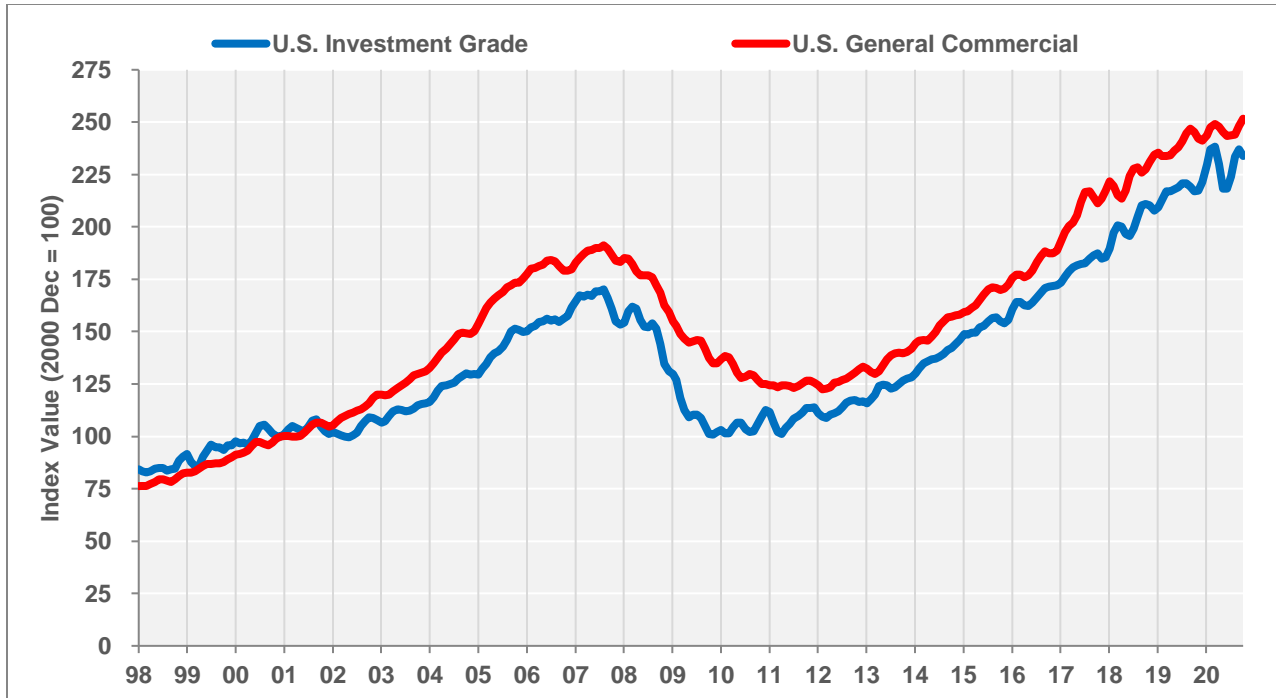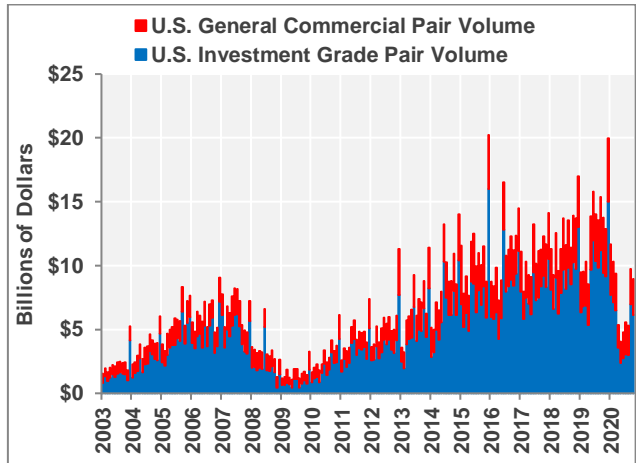

Market Liquidity Indicators, Data Through October 2020

U.S. Pair Count, Data Through October 2020

Legend:
- U.S. General Commercial Pair Count
- U.S. Investment Grade Pair Count

Y-axis: Number of Sale Pairs (0, 500, 1,000, 1,500, 2,000, 2,500)
X-axis: 2003–2020

U.S. Pair Volume, Data Through October 2020

Legend:
- U.S. General Commercial Pair Volume
- U.S. Investment Grade Pair Volume

Y-axis: Billions of Dollars ($0, $5, $10, $15, $20, $25)
X-axis: 2003–2020

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

Legend:
- U.S. Investment Grade Distress Pair %
- U.S. General Commercial Distress Pair %

Y-axis: Distressed Sale Pairs as Percentage of Total (0%, 5%, 10%, 15%, 20%, 25%, 30%, 35%, 40%)
X-axis: Jan-08 through Oct-20
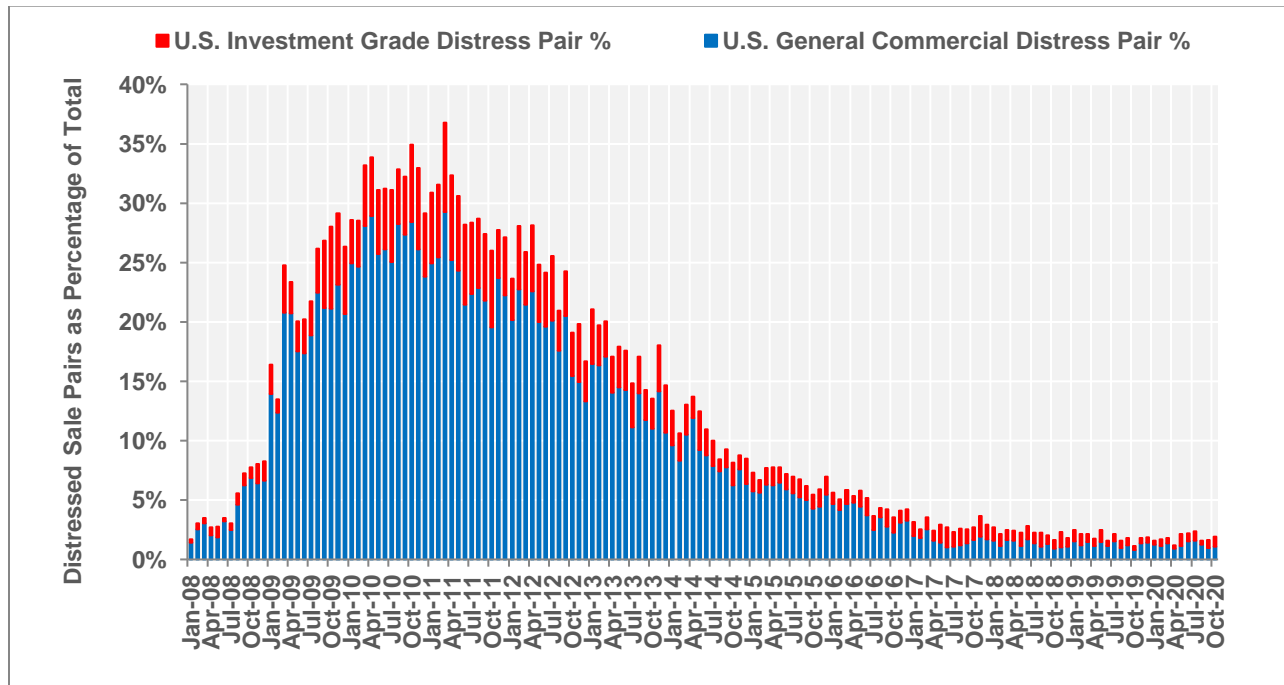
CCRSI National Results Highlights

- COMPOSITE PRICE INDICES ROSE MODESTLY IN OCTOBER. Recent price gains helped to erase losses sustained in the early days of the pandemic and widespread lockdowns. The resilience in pricing was felt across the board with both the value-weighted and equal-weighted composite indices showing a modest increase in October. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets rose 1.4% in October, contributing to a 5.3% gain year-to-date from January to October 2020. The equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, rose by 1.3% in October, contributing to a 5.3% increase year-to-date through October 2020.

- TRANSACTION ACTIVITY CONTINUES TO LAG BEHIND THE PREVIOUS YEAR'S PACE. Composite pair volume of $75 billion through the first ten months of 2020 was 39.5% lower than pair volume in the same period in 2019, as investor uncertainty continued and the gap between buyer and seller expectations widened. However, despite the decline in transaction volume, there has been an upward trend in deal size in the last two months. The average deal size in the Investment Grade segment of the market, which is influenced by larger, higher-value properties, was 53% higher in September to October 2020 than the monthly average in May through August 2020, when deal activity was at its lowest. Meanwhile, the average deal size in the General Commercial segment of the market has remained relatively steady throughout the first 10 months of 2020.

- OTHER LIQUIDITY MEASURES SHOW WIDENING GAP BETWEEN BUYERS AND SELLERS. The average time on the market for for-sale properties of 207 days was 4.7% higher in October 2020 than it was one year ago. The sale-price-to-asking-price ratio fell by 0.2 percentage points to 92.4% in October, although remained considerably tighter than the 83-84% ratios that were common at the bottom of the last cycle in 2010-11. Meanwhile, the share of properties withdrawn from the market by discouraged sellers rose 0.4 percentage points to 27.5% during the 12-month period ending in October 2020.

Monthly CCRSI Results, Data Through October 2020

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	5.1%	5.2%	129.5%[1]
Equal-Weighted U.S. Composite Index	1.3%	4.1%	4.2%	109.0%[2]
U.S. Investment-Grade Index	-1.4%	4.4%	7.8%	130.4%[3]
U.S. General Commercial Index	1.4%	3.3%	2.6%	103.7%[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 October 2020

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	207	208	208	197
Sale-Price-to-Asking-Price Ratio	92.4%	92.2%	92.1%	92.5%
Withdrawal Rate	27.5%	27.7%	28.0%	27.1%

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	Prime Multifamily Markets
CBSA Listed Alphabetically	**CBSA Listed Alphabetically**
Boston	Boston
Los Angeles	Chicago
New York	Houston
Orange County	Los Angeles
San Diego	New York
San Francisco	Orange County
San Jose	San Francisco
Washington, D.C.	San Jose
	Seattle
	Washington, D.C.

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 with over 7 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 69 million unique monthly visitors in aggregate in the third quarter of 2020. Headquartered in Washington, DC, CoStar Group 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.