



CCRSI RELEASE – November 2021

(With data through October 2021)

COMPOSITE PRICE INDEX SEES STEADY GAINS ACROSS BROADER MARKET DESPITE SLOWDOWN AT TOP END

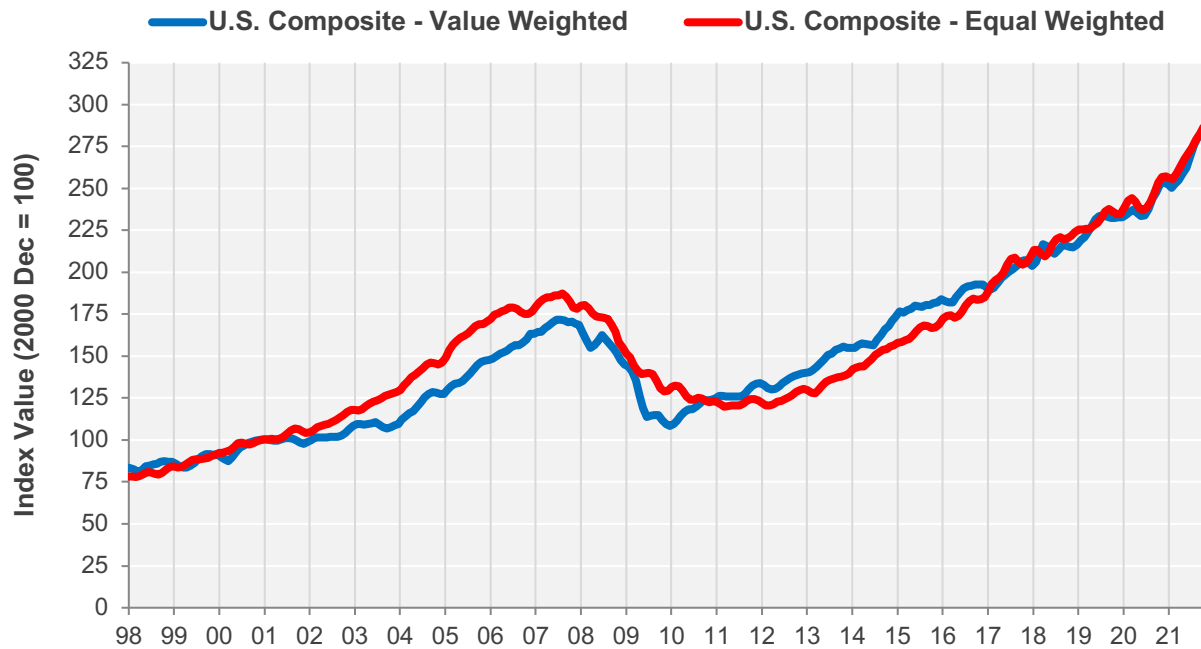
LIQUIDITY INDICATORS SHOW SELLERS HAVE THE UPPER HAND

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through October 2021. Based on 1,822 repeat sale pairs in October 2021 and more than 255,829 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

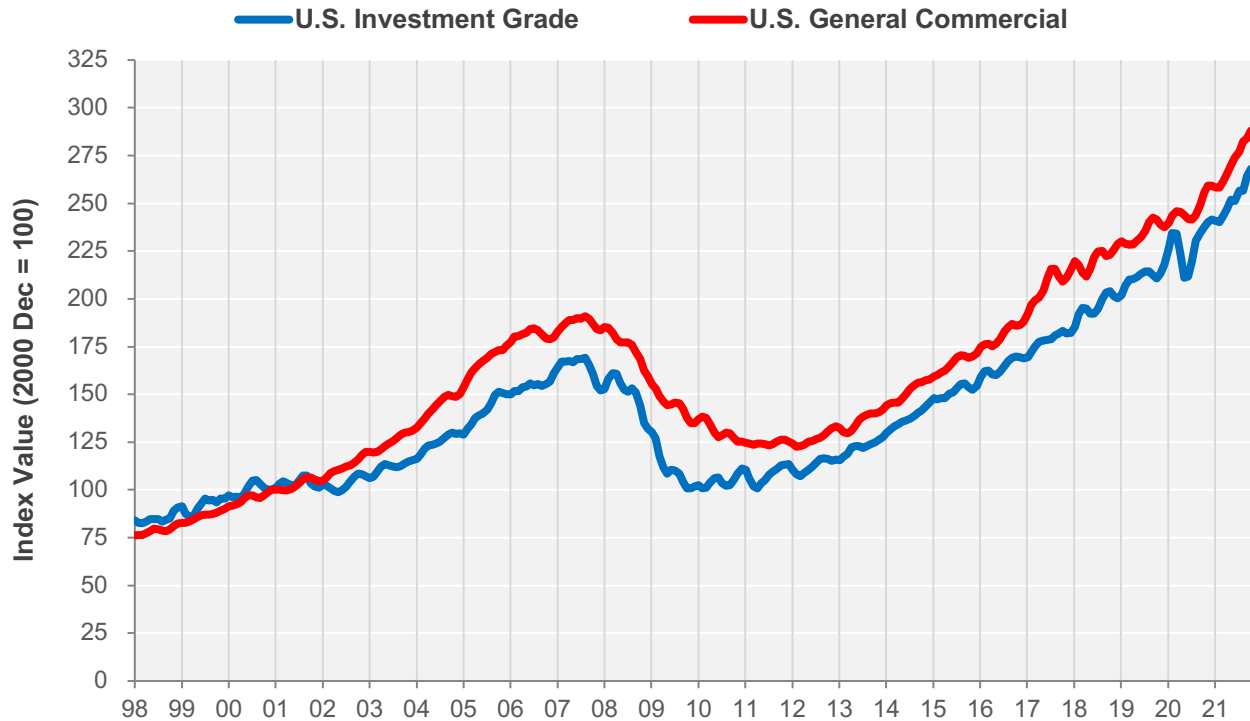
- SLOWING GAINS AT THE TOP END OF THE CRE MARKET ARE OUTPACED BY STEADY PRICE GROWTH IN SECONDARY AND TERTIARY MARKETS FOR THE FIRST TIME IN FOUR MONTHS. The value-weighted U.S. composite index, which is more heavily influenced by high value trades common in core markets, edged 1.0% higher in October 2021, its eighth consecutive month of growth but its third month of decelerating gains. The index was up by 14.5% in the 12-month period that ended in October 2021, and is now 14.5% higher than in February 2020, before the onset of the COVID-19 pandemic.
- The equal-weighted U.S. composite index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, advanced by a stronger 1.4% in October 2021 and was up by 13.1% for the 12-month period that ended in October 2021. This index is now 17.9% above its pre-pandemic level.

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



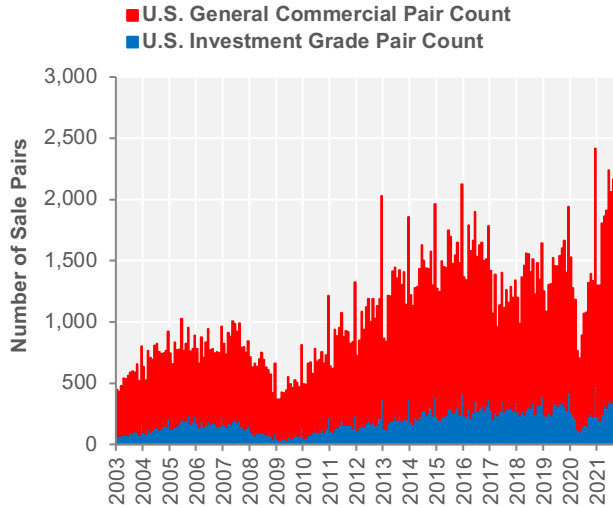
- SUB-INDICES OF THE EQUAL-WEIGHTED INDEX WERE BALANCED IN OCTOBER. Following a 3.0% gain in September 2021, the largest monthly increase since August 2020, the investment grade segment of the equal-weighted index, which is influenced by higher-value properties, rose by 1.4% in October 2021, somewhat faster than the 1.0% average monthly increase for the 12-month period that ended in October 2021. This sub-index is now 12.8% higher than the end of October 2020 and 14.4% higher than its pre-pandemic level in February 2020.
- The general commercial segment, which is influenced by trades of smaller, lower-priced properties, also rose by 1.4% in October 2021, an acceleration over the prior month. This sub-index is up by 12.7% over the 12-month period that ended in October 2021 and is 18.2% higher than its February 2020 level.

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

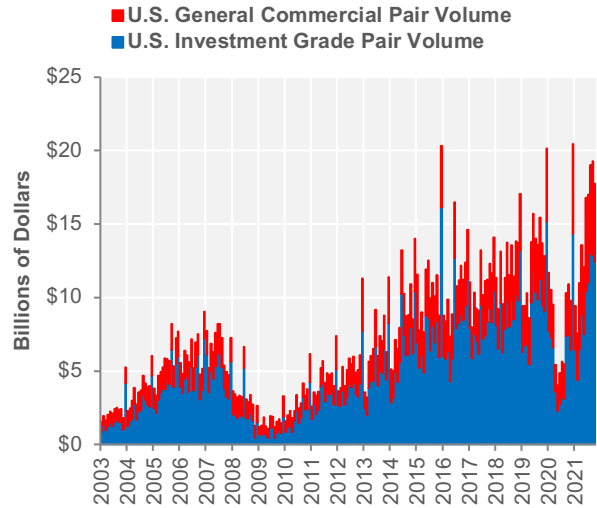


- TRANSACTION VOLUME FELL FROM ITS PANDEMIC PEAK REACHED IN SEPTEMBER AS THE NUMBER OF DEALS RETREATED TO AN 8-MONTH LOW IN OCTOBER. Composite pair volume of \$17.8 billion was 7.9% lower than September 2021 volume, with general commercial volume falling by 17.9% over the month and investment grade volume pulling back by 3.4%. There were 291 fewer deals in October 2021 than the month prior, a decline of 13.8% over the month. However, transaction volume was 69.2% higher and the number of deals was 42.7% higher in October 2021 than in February 2020, before the onset of the pandemic, suggesting that capital flows have recovered from their pandemic-related woes.

U.S. Pair Count, Data through October 2021

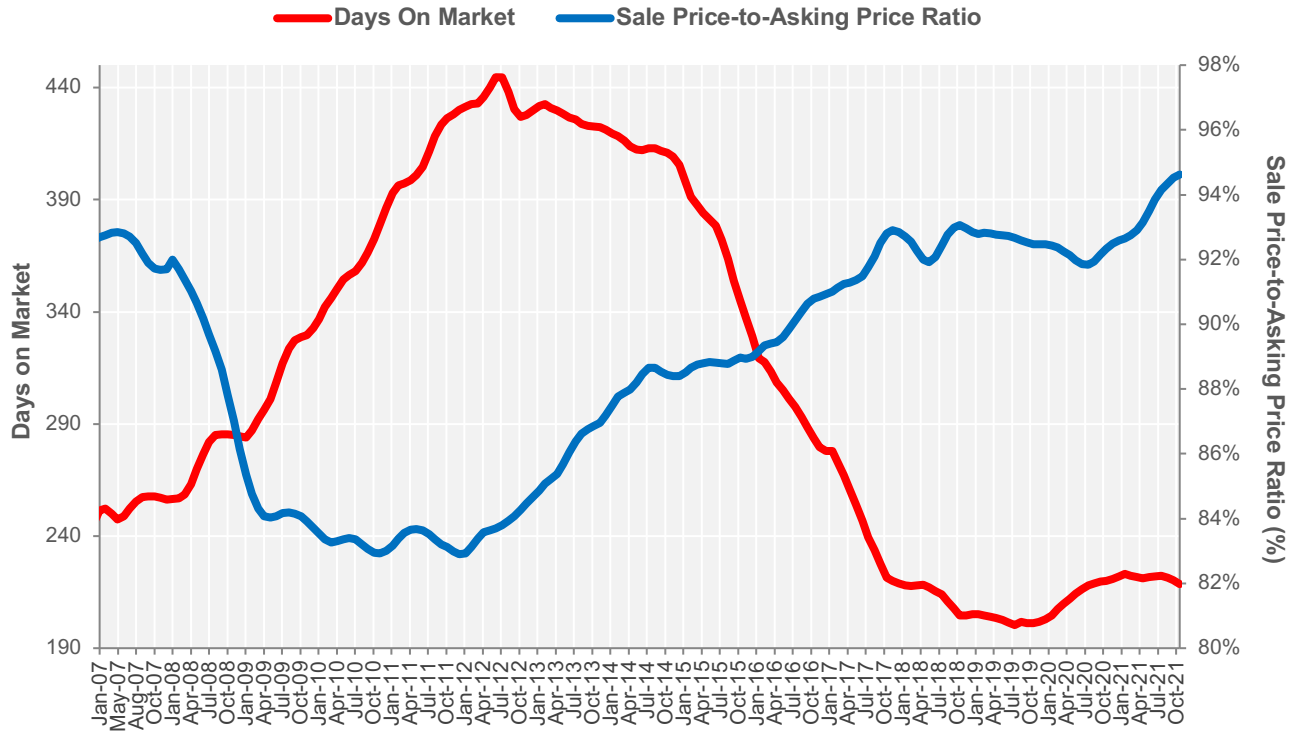


U.S. Pair Volume, Data through October 2021



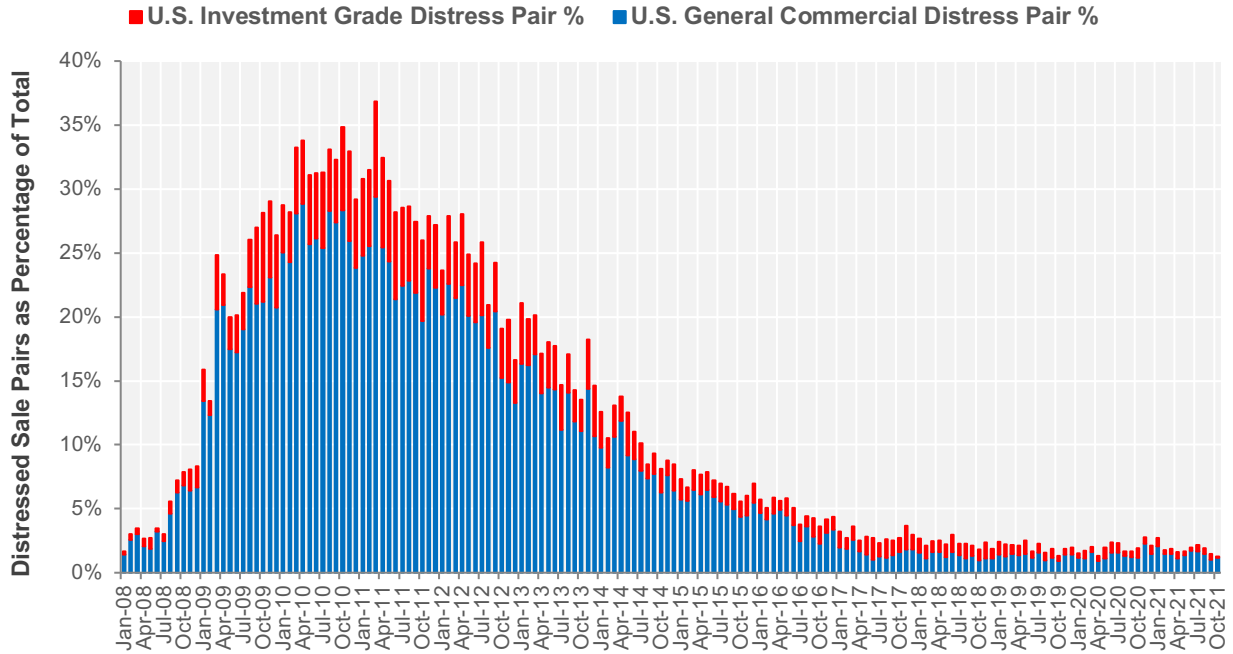
- OTHER LIQUIDITY MEASURES SHOW THE GAP BETWEEN BUYERS AND SELLERS CONTINUES TO NARROW. The average number of days on the market for for-sale properties continued its decline to 218.56 days in October 2021, a fall of 0.8% over the month and the lowest it has been since July 2020. The sale-price-to-asking-price ratio narrowed by 2.3 percentage points to 94.6%, the tightest this ratio has been since 2006. Meanwhile, the share of properties withdrawn from the market by discouraged sellers receded by 5 percentage points to 22.6% during the 12-month period that ended in October 2021.

Market Liquidity Indicators, Data through October 2021



- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED FELL FOR THE THIRD CONSECUTIVE MONTH. About 1.3% of all repeat-sale trades were distressed in October 2021, the third consecutive month that this share has fallen and now the lowest share since April of 2020. General commercial distressed sales in October 2021 measured just 1.2% of all repeat-sale trades, the smallest share since April 2021 and below the 5-year monthly average of 1.4%. Investment grade distressed sales accounted for 0.1% overall in October 2021, the smallest share on record going back to January 2008.

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



Monthly CCRSI Results, Data through October 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.0%	5.4%	14.5%	161.3% ¹
Equal-Weighted U.S. Composite Index	1.4%	4.4%	13.1%	139.1% ²
U.S. Investment-Grade Index	1.4%	4.4%	12.8%	165.2% ³
U.S. General Commercial Index	1.4%	4.0%	12.7%	133.3% ⁴

¹ Trough Date: October 2010

² Trough Date: March 2011

³ Trough Date: March 2010

⁴ Trough Date: March 2011

Monthly Liquidity Indicators, Data through October 2021

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	219	220	222	220
Sale-Price-to-Asking-Price Ratio	94.6%	94.5%	94.1%	92.3%
Withdrawal Rate	22.6%	22.8%	23.6%	27.5%

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

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. 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 advertising and marketing services for residential properties. Realla is the UK's most comprehensive commercial property digital marketplace. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. 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 approximately 4,800 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.