

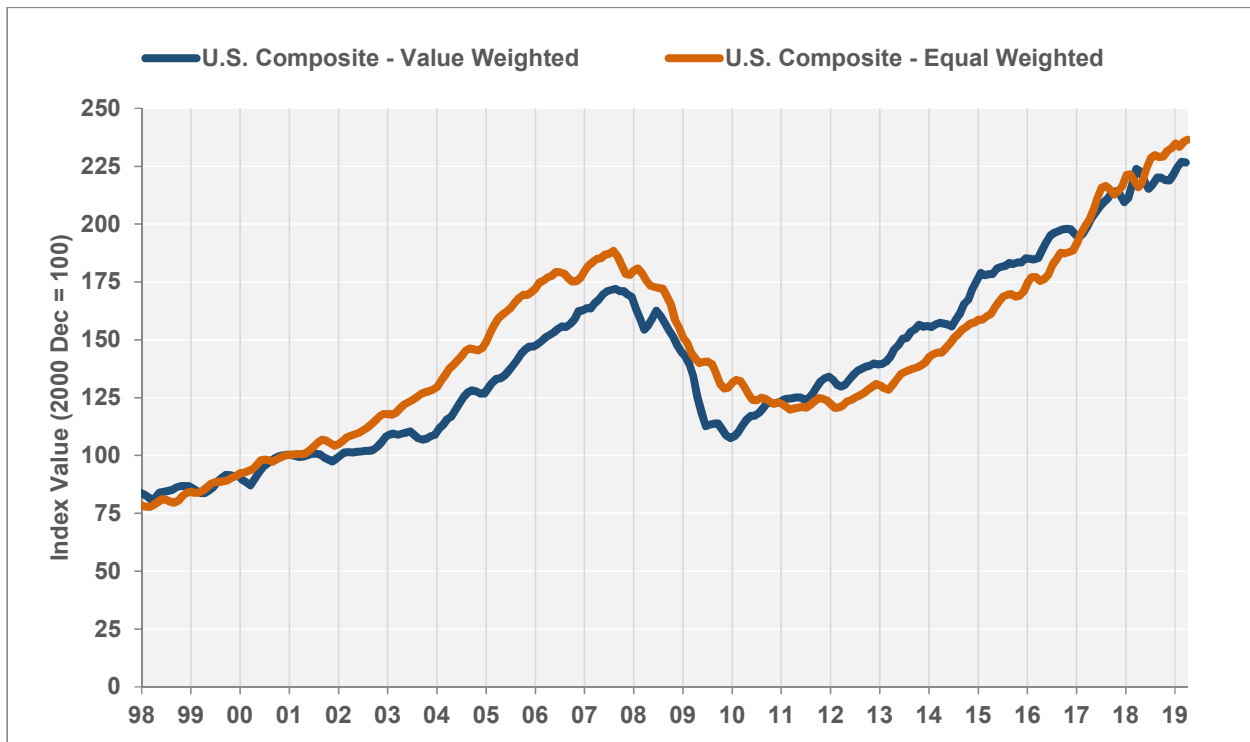
CCRSI RELEASE – MAY 2019 (With data through April 2019)

PRICING MOMENTUM REMAINS STRONGER AMONG SMALLER, LESS-EXPENSIVE PROPERTIES

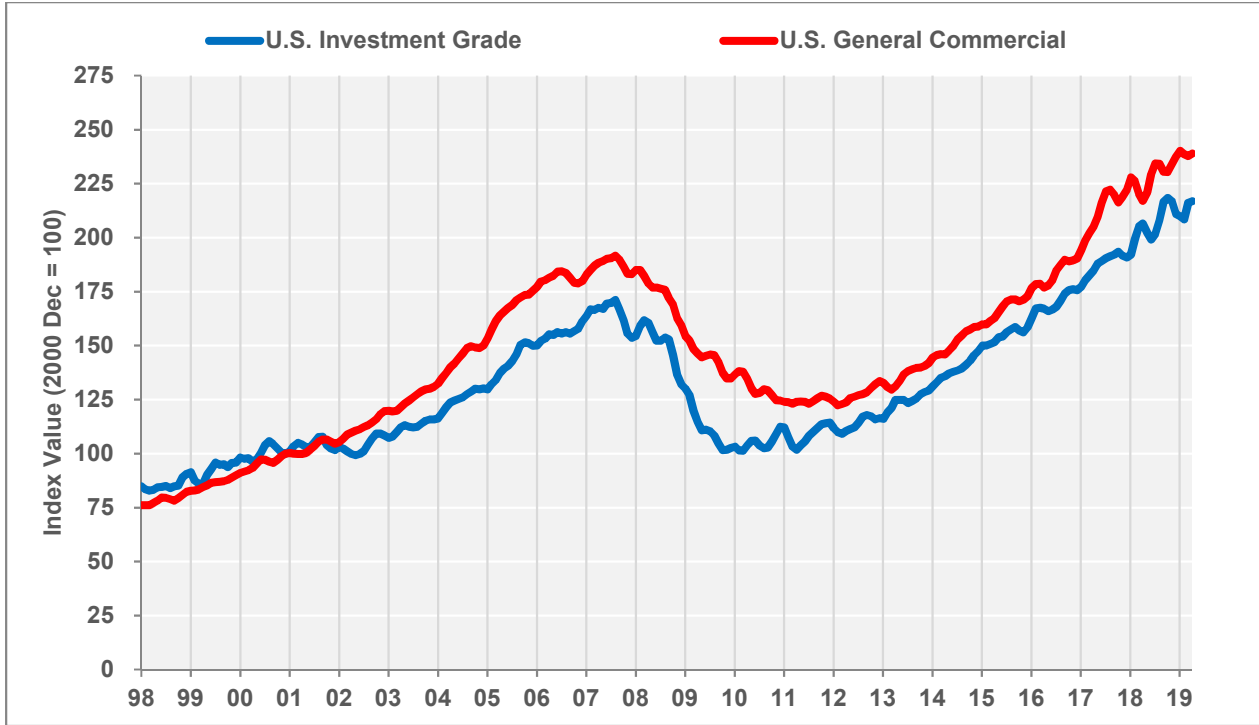
IMPROVING LIQUIDITY MEASURES SUPPORT DEALMAKING CONDITIONS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through April 2019. Based on 1,140 repeat sale pairs in April 2019 and more than 209,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

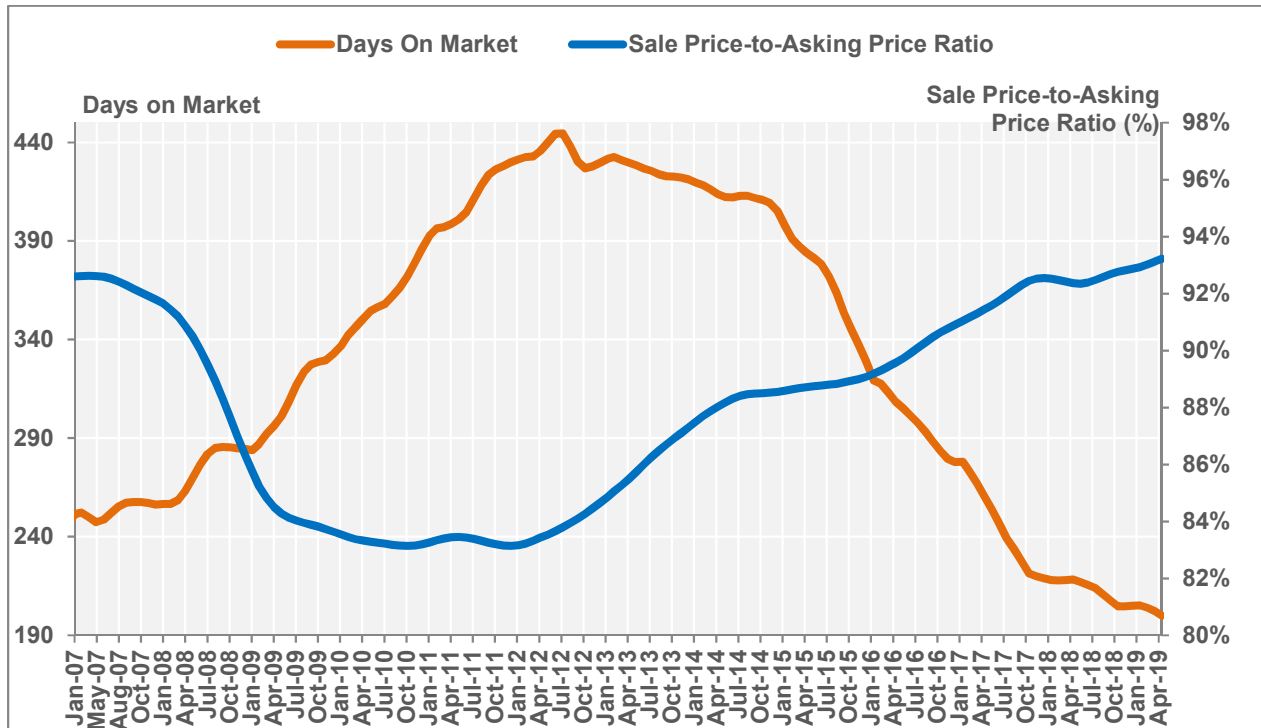
U.S. Composite Indices: Equal- And Value-Weighted, Data Through April 2019



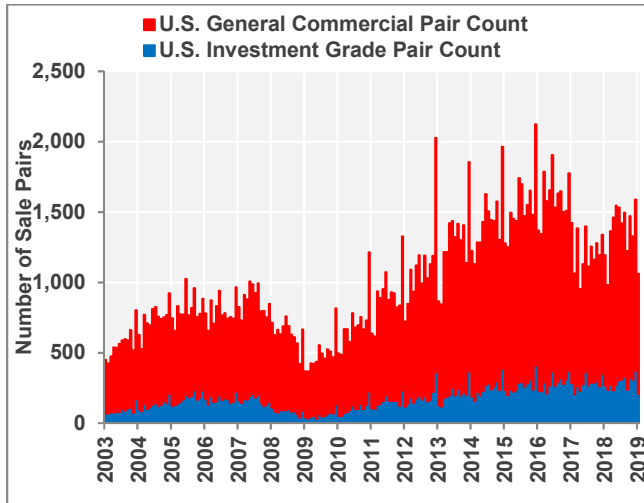
U.S. Equal-Weighted Indices By Market Segment, Data Through April 2019



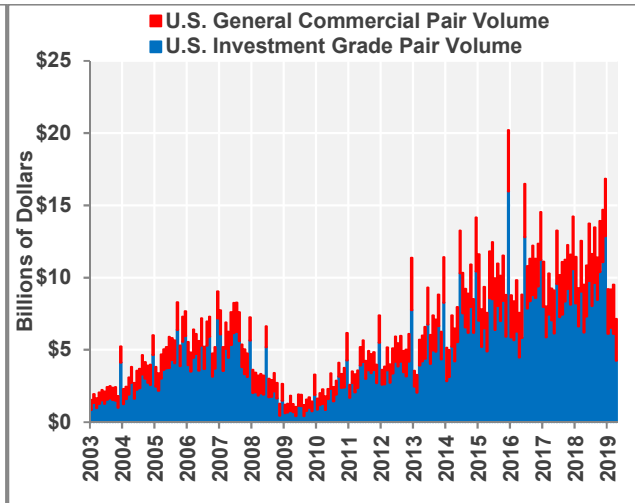
Market Liquidity Indicators, Data Through April 2019



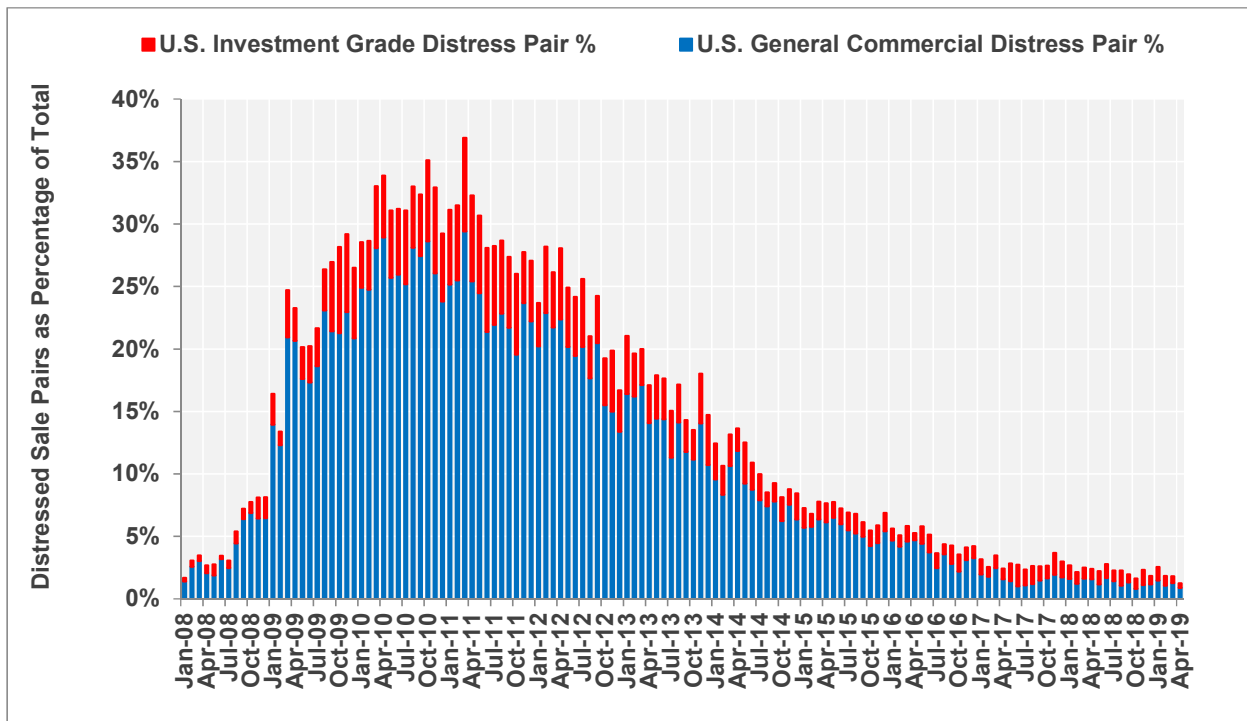
U.S. Pair Count, Data Through April 2019



U.S. Pair Volume, Data Through April 2019



U.S. Distress Sale Pairs Percentage, Data Through April 2019



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES HELD STEADY IN APRIL.** Composite price indices were essentially flat in April 2019, although pricing momentum remained stronger within the lower end of the market over the 12-month period ended April 2019 as the cycle advanced. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, was unchanged in April, but registered a gain of 1.3% in the 12-month period ended in April 2019. Meanwhile, the equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, ticked up 0.4% in the month of April 2019, contributing to an annual growth rate of 9.5% in the 12-month period ended in April 2019.
- **GENERAL COMMERCIAL SEGMENT OUTPERFORMS INVESTMENT-GRADE SEGMENT IN EQUAL-WEIGHTED INDEX.** Recent pricing trends in the composite indices were mirrored in the two sub-indices of the equal-weighted Composite Index. The General Commercial segment, which is influenced by smaller, lower-priced properties, increased 10.1% in the 12-month period ended in April 2019. Meanwhile, the Investment-Grade segment of the index, which is influenced by higher-value properties, rose a more modest 5.1% in the 12-month period ended in April 2019. The recent momentum in the General Commercial segment demonstrates the breadth of the pricing recovery.
- **TRANSACTION VOLUME THROUGH FIRST FOUR MONTHS OF 2019 IS OFF FROM RECORD PACE SET IN 2018.** Composite pair volume of \$35 billion from January 2019 to April 2019 was 18.1% lower than the sales volume recorded in the previous January to April period in 2018. The slowdown in sales volume early in 2019 was felt more acutely in the Investment-Grade segment, where transaction activity declined 23.5% year-to-date through April 2019 from the same period in 2018, while composite pair volume fell just 5.3% in the General Commercial segment during the same timeframe.
- **OTHER LIQUIDITY MEASURES CONTINUED TO SHOW STRENGTH.** The average time on the market for for-sale properties declined to 200 days in April 2019, an 8.4% change from an average of 218 days measured 12 months ago, in April 2018. Meanwhile, the sale-price-to-asking-price ratio, which measures the spread between buyer and seller expectations, narrowed 90 basis points over the 12-month period ended in April 2019 to 93.2%. The share of properties withdrawn from the market by discouraged sellers ticked down 190 basis points to 25.6% in the 12-month period ended in April 2019.

Monthly CCRSI Results, Data Through April 2019

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	-0.1%	2.3%	1.3%	110.7% ¹
Equal-Weighted U.S. Composite Index	0.4%	0.7%	9.5%	97.4% ²
U.S. Investment-Grade Index	0.4%	3.4%	5.1%	114.1% ³
U.S. General Commercial Index	0.5%	-0.5%	10.1%	94.2% 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 April 2019

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	200	202	205	218
Sale-Price-to-Asking-Price Ratio	93.2%	93.1%	92.9%	92.4%
Withdrawal Rate	25.6%	25.8%	26.2%	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 <https://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 nearly 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 49 million unique monthly visitors in aggregate in the first quarter of 2019. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada

with a staff of over 3,700 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.