

COSTAR COMMERCIAL
REPEAT-SALE INDICES
PRESS RELEASE



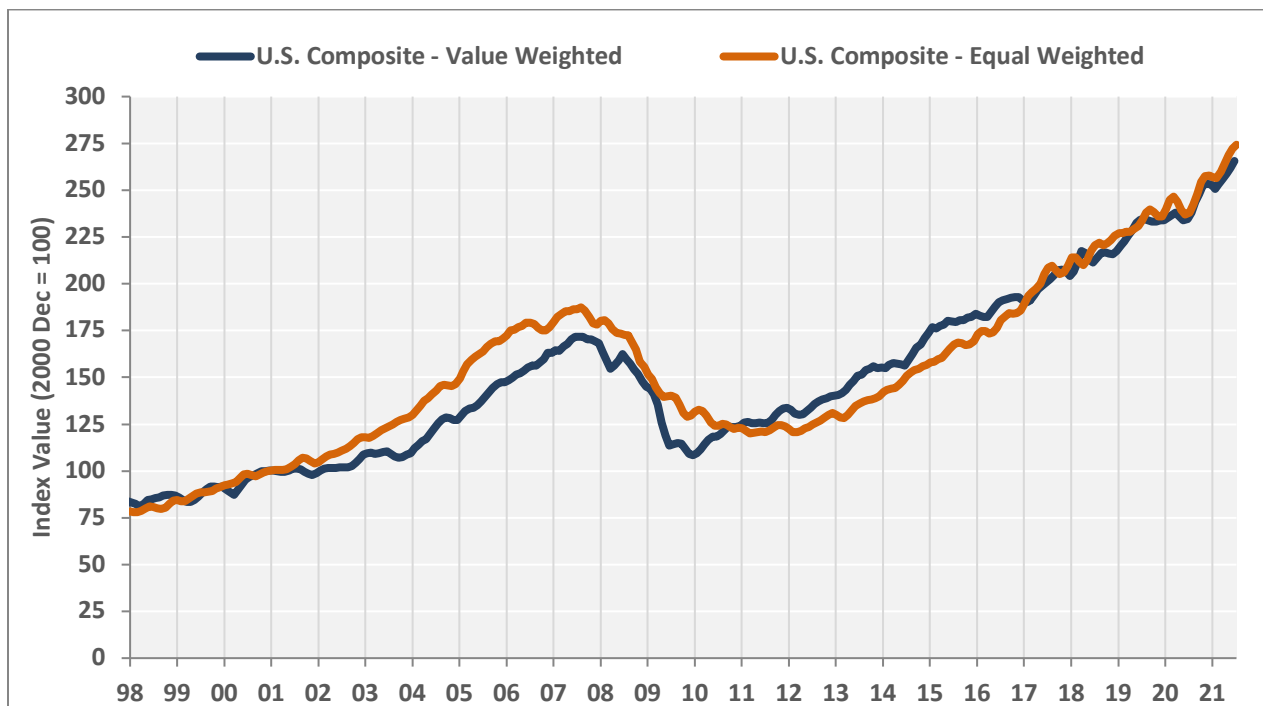
CCRSI RELEASE – August 2021
(With data through July 2021)

COMPOSITE PRICE INDICES CONTINUE TO POST STEADY GAINS, WITH VALUES RISING ACROSS ALL SEGMENT SLICES

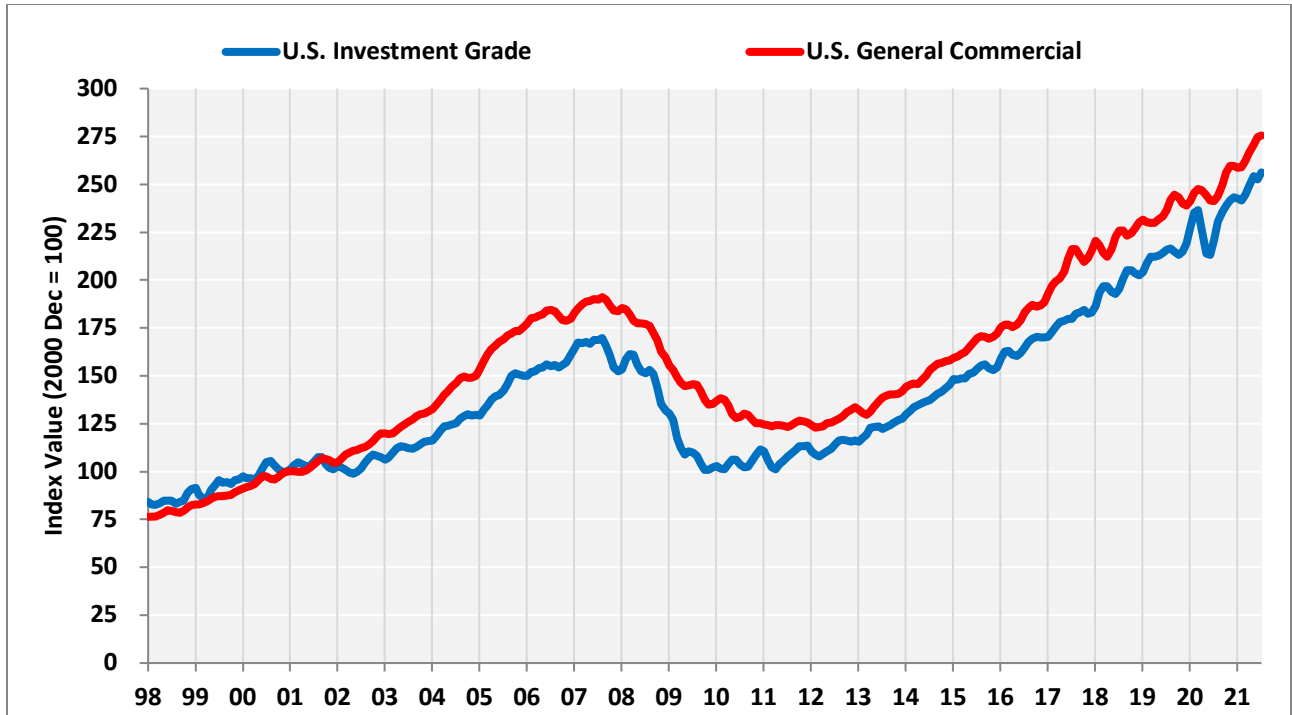
LIQUIDITY INDICATORS SHOW INCREASED WILLINGNESS FROM BUYERS TO PAY CLOSE TO ASKING PRICES FOR COMMERCIAL REAL ESTATE ASSETS

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through July 2021. Based on 1,591 repeat sale pairs in July 2021 and more than 249,006 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

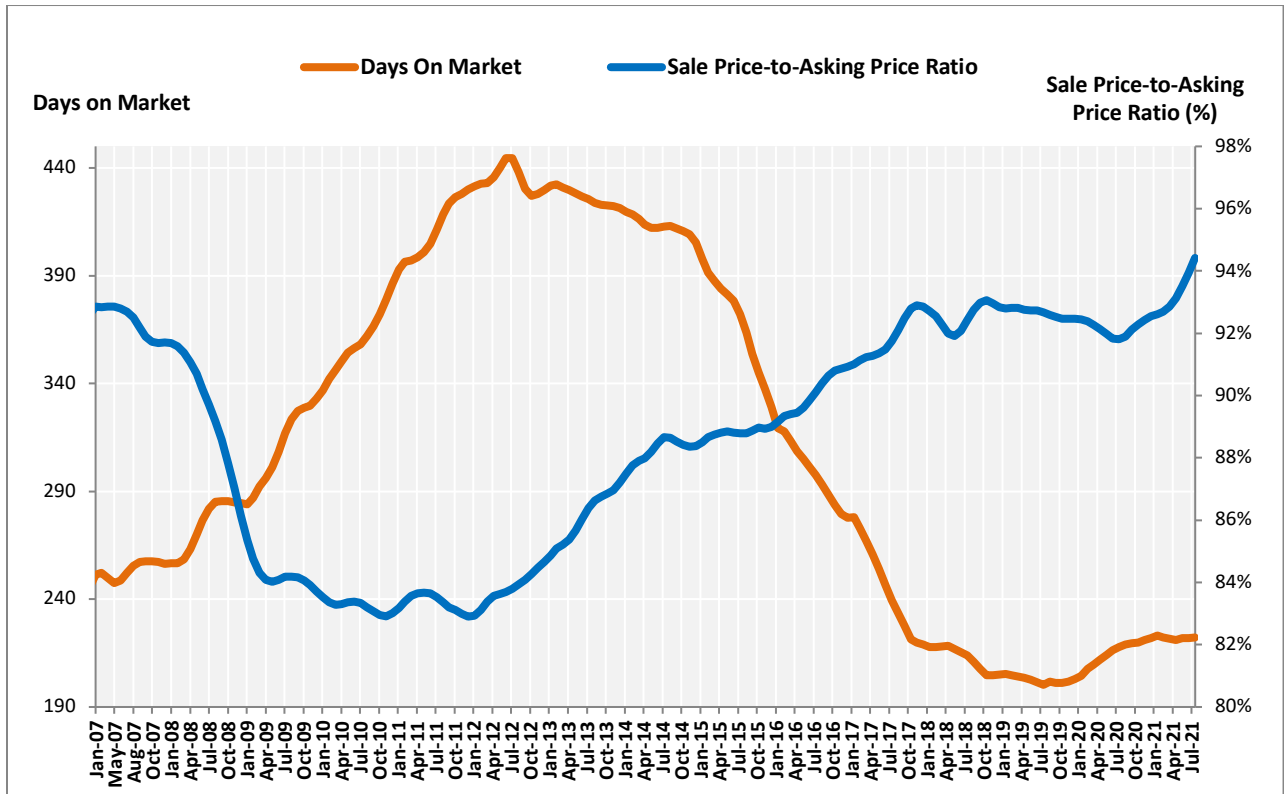
U.S. Composite Indices: Equal- and Value-Weighted, Data through July 2021



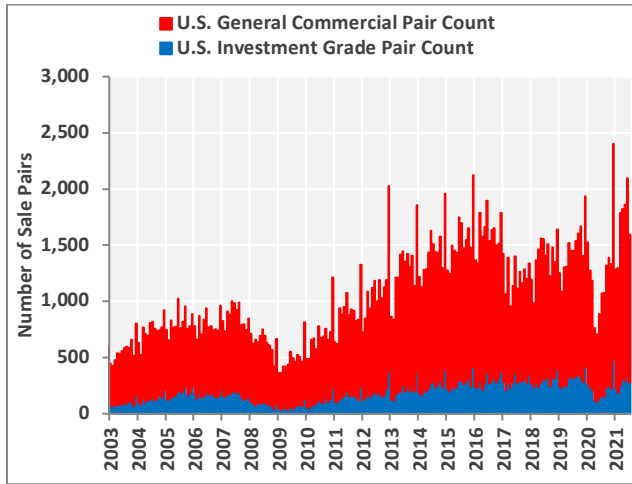
U.S. Equal-Weighted Indices By Market Segment, Data through July 2021



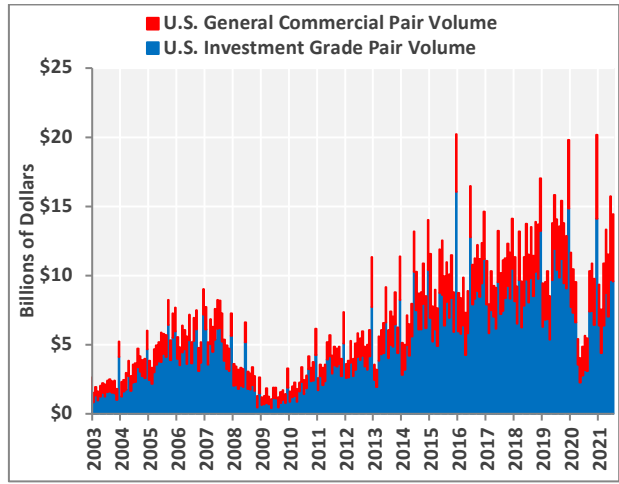
Market Liquidity Indicators, Data through July 2021



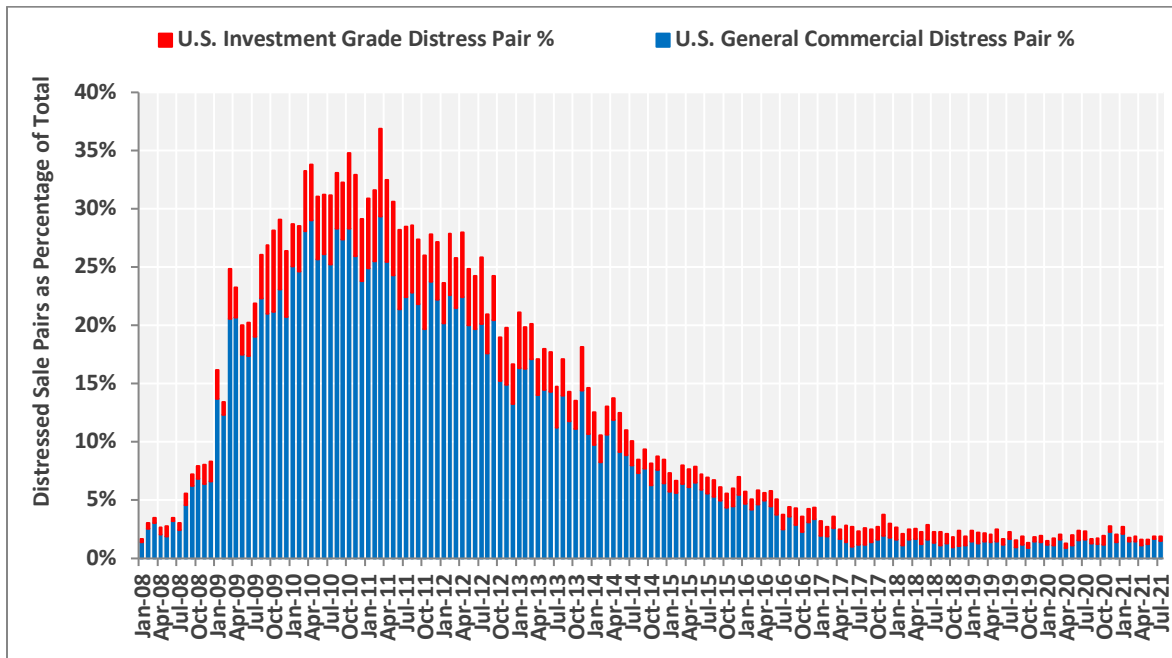
U.S. Pair Count, Data through July 2021



U.S. Pair Volume, Data through July 2021



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



CCRSI National Results Highlights

- **EQUAL-WEIGHTED VALUES ROSE IN BOTH THE INVESTMENT GRADE AND GENERAL COMMERCIAL SEGMENTS.** The equal-weighted U.S. Composite Index, which reflects more numerous but lower-priced property sales typical of secondary and tertiary markets, rose for the fifth straight month in July 2021, inching up 0.8% month over month compared to June 2021.
- **INVESTMENT GRADE PROPERTIES DROVE MOST OF THE EQUAL-WEIGHTED PRICE GAINS.** The investment grade segment index rose 1.4% in July 2021, which marks a noteworthy monthly improvement from the segment's slight decrease in June 2021. Meanwhile, the equal-weighted general commercial segment increased by 0.3% in July 2021, representing a month-over-month deceleration in price growth compared to June 2021, when prices rose 1.5% month-over-month. Overall, the equal-weighted index has increased by 15.2% year-over-year as of July 2021 compared to July 2020. The investment grade segment, meanwhile, rose by 16.1% year-over-year since July 2020, and the general commercial segment increased by 14.3% year-over-year since July 2020. Such strong year-over-year advancement across both the investment grade and general commercial segments demonstrates that investor interest remains widespread across a broad spectrum of commercial real estate markets and asset-classes.
- **PRICING IN THE VALUE-WEIGHTED INDEX ROSE ONCE AGAIN SETTING ANOTHER RECORD.** The value-weighted U.S. Composite Index, which is more heavily influenced by high-value trades, rose by 1.4% month-over-month in July 2021. Year-over-year gains for the value-weighted index stood at 13.3% as of July 2021, as commercial real estate investors continue demonstrating their conviction for the long-term return prospects offered by high-quality assets. Strong year-over-year gains also reflect the recovery in investor sentiment and appetite for large deals, following the relatively quiet period during the height of the pandemic.
- **THE NUMBER OF INVESTMENT GRADE AND GENERAL COMMERCIAL SALES IN JULY 2021 MODERATED COMPARED TO JUNE 2021, BUT REMAINS NEAR HISTORIC HIGHS.** After 2,097 repeat sales closed in June 2021, a total of 1,591 sale pairs were recorded in July 2021. Both the number of investment-grade and general commercial sales fell month-over-month. Despite the slight month-over-month moderation, the number of repeat sales in July 2021 was roughly in-line with the trailing 12-month average of 1,605 sales, which shows that overall investment activity is holding steady near the level recorded prior to the pandemic.

- **SELLERS ARE ACHIEVING RECORD-HIGH SALE PRICES ON TRANSACTED DEALS RELATIVE TO ASKING PRICES.** The Sale Price-to-Asking Price Ratio surged in July 2021 to 94.4%, signaling that buyers are increasingly willing to pay top dollar for commercial real estate assets. The ratio, which hit a new record in July 2021, is up from 93.9% in June 2021 and from 91.8% recorded in July 2020. This trend indicates that the commercial real estate investment scene has become more competitive in recent months, as buyers are more likely to up their offers on properties in an attempt to win deals.
- **THE NUMBER OF DAYS PROPERTIES SPEND ON THE MARKET HAS STABILIZED NEAR A RECORD-LOW.** The average days on market remained flat in July 2021, holding steady at around 222 days, which matched the June 2021 figure. The average number of days spent on market has stayed essentially flat since the start of 2021. While the average days on market has risen slightly compared to 2018 and 2019 all-time lows, the figure is still well below the 10-year average of 313 days on market dating back to July 2011, and well below the all-time high of 440 days recorded in July 2012.

Monthly CCRSI Results, Data Through July 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	3.7%	13.3%	141.9% ¹
Equal-Weighted U.S. Composite Index	0.8%	3.8%	15.2%	128.6% ²
U.S. Investment-Grade Index	1.4%	2.8%	16.1%	153.2% ³
U.S. General Commercial Index	0.3%	3.3%	14.3%	123.0% ⁴

¹ Trough Date: JULY 2010 ² Trough Date: March 2011 ³ Trough Date: March 2010 ⁴ Trough Date: March 2011

Monthly Liquidity Indicators, Data Through July 2021

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	222	222	221	218
Sale-Price-to-Asking-Price Ratio	94.4%	93.9%	93.1%	91.8%
Withdrawal Rate	23.0%	24.0%	25.8%	28.7%

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. 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](https://www.homes.com) offers real estate professionals advertising and marketing services for residential properties. 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 4,900 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.