

## CCRSI RELEASE – FEBRUARY 2019

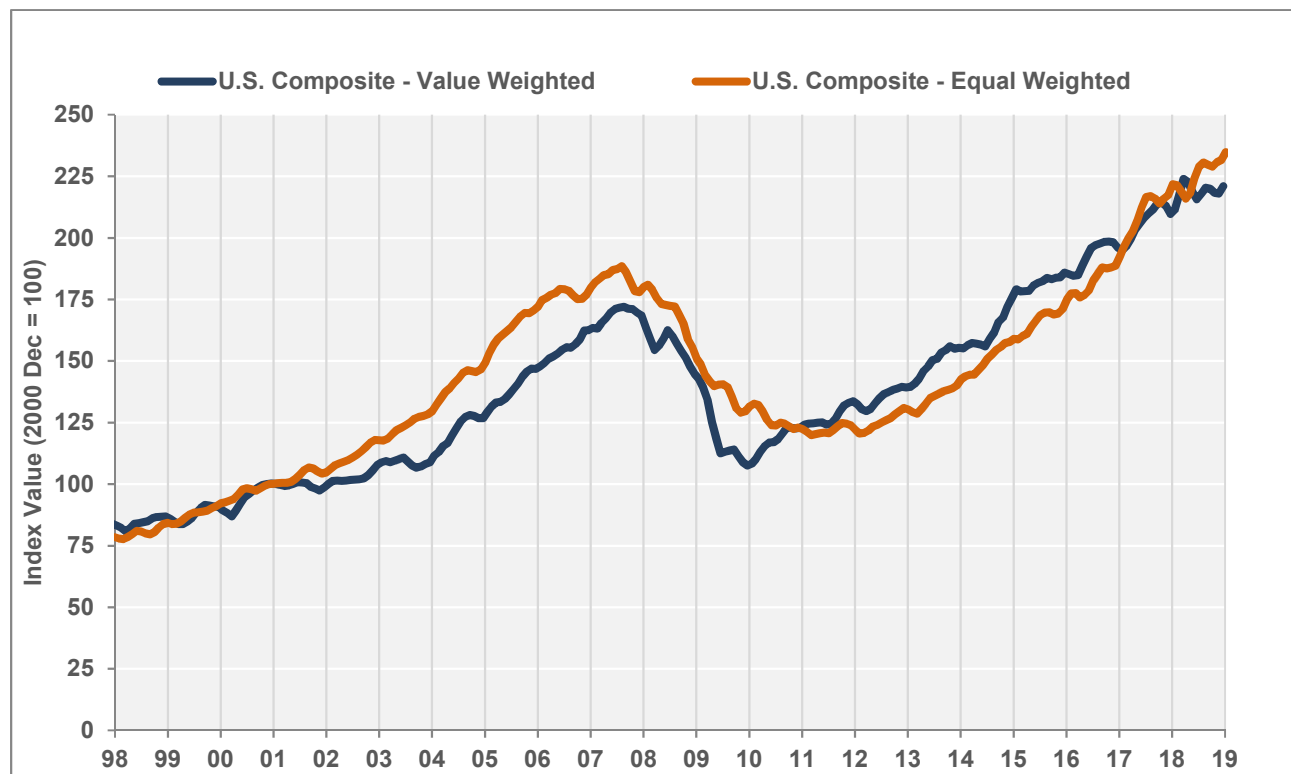
(With data through January 2019)

### COMPOSITE PRICE INDICES PRODUCE MODEST GAINS TO KICK OFF 2019

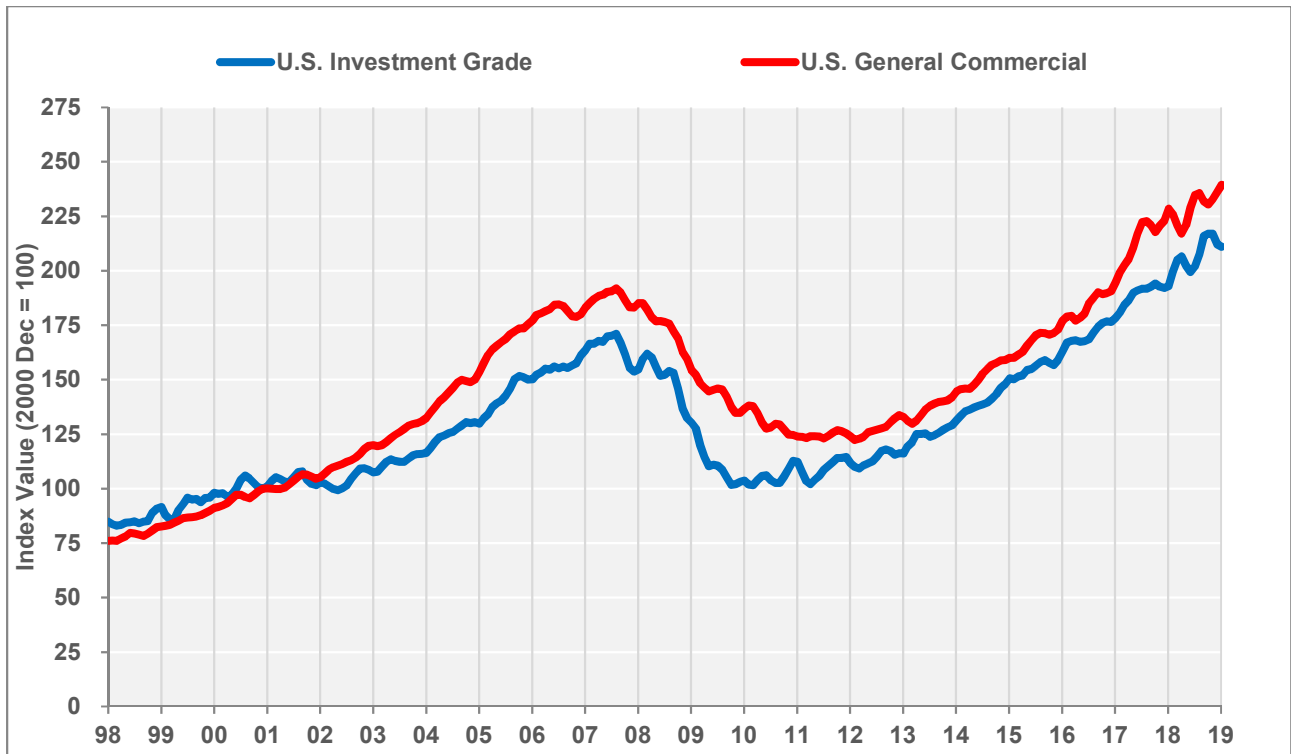
#### LIQUIDITY INDICATORS FOR PROPERTY SALES REMAIN BROADLY POSITIVE

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through January 2019. Based on 1,061 repeat sale pairs in January 2019 and more than 205,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

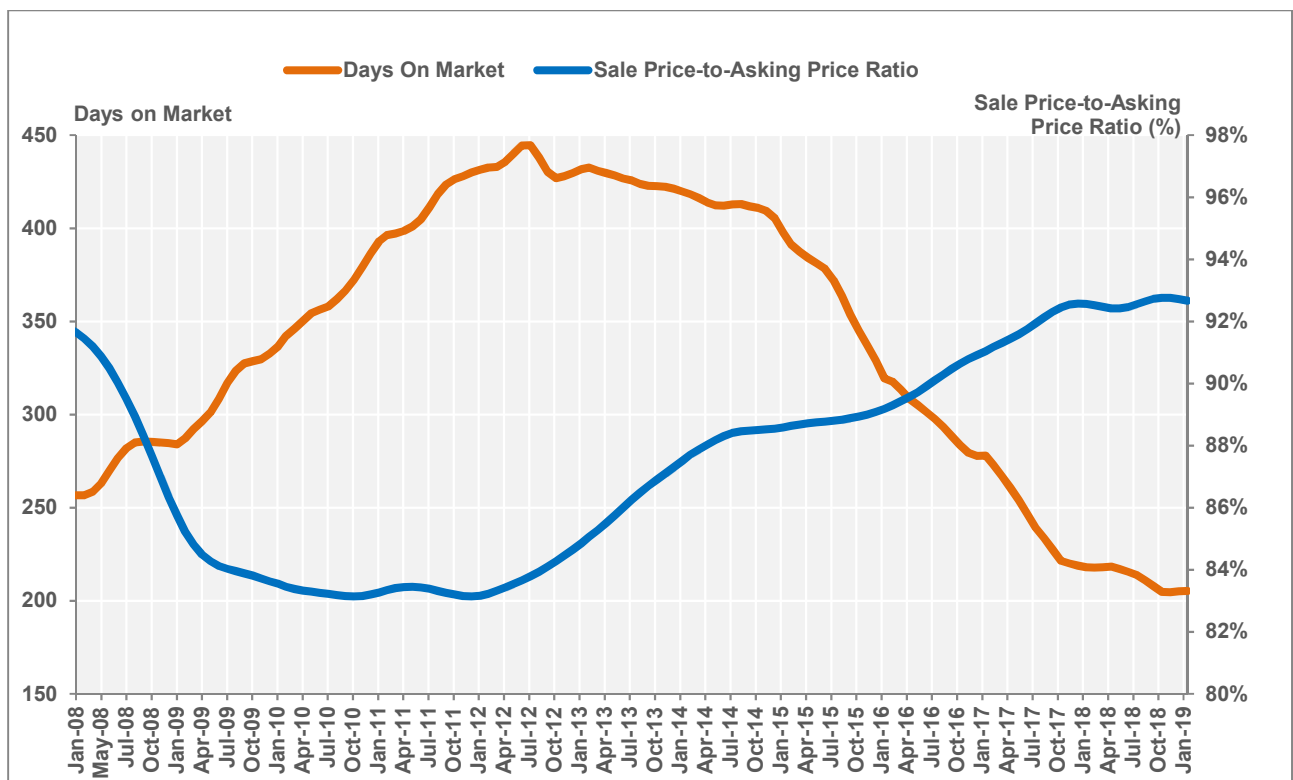
#### U.S. Composite Indices: Equal- And Value-Weighted, Data Through January 2019



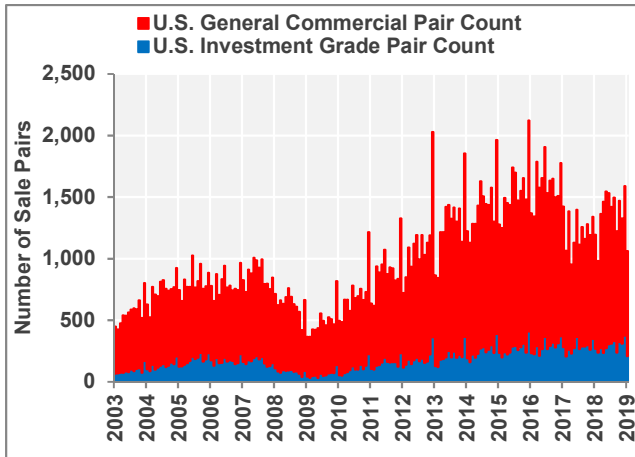
## U.S. Equal-Weighted Indices By Market Segment, Data Through January 2019



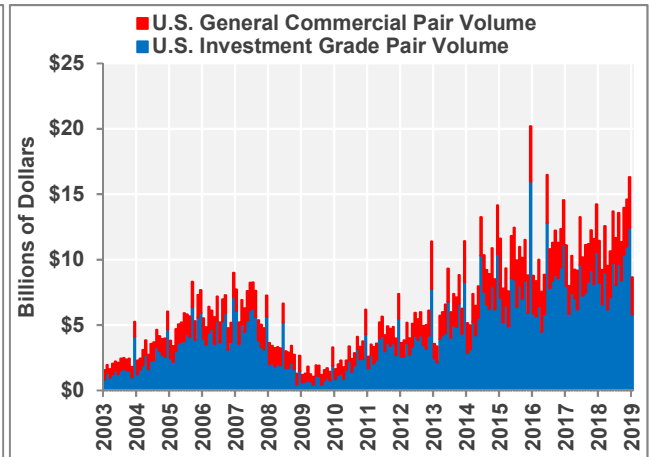
## Market Liquidity Indicators, Data Through January 2019



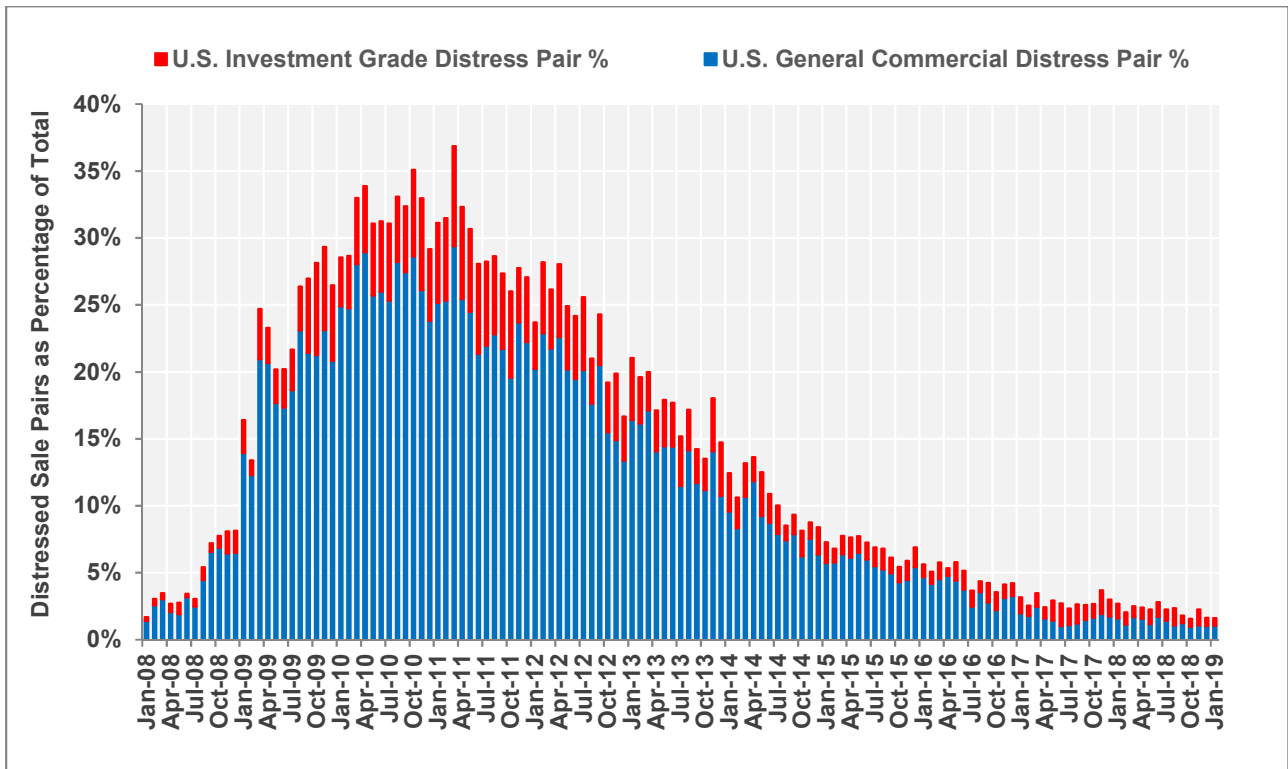
U.S. Pair Count, Data Through January 2019



U.S. Pair Volume, Data Through January 2019



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



## CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES START OFF 2019 WITH MODEST GAINS IN JANUARY 2019.** While the pace of growth has slowed as the current real estate investment cycle matures, composite price indices continued to make steady gains. The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, increased 1.4% in January 2019, contributing to a 5.4% gain in the 12-month period ended in January 2019. The equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, also increased 1.4% in January 2019, leading to a 5.9% increase in the 12-month period ended in January 2019.
- **TRANSACTION VOLUME SEES SEASONAL SLOWDOWN IN JANUARY 2019 BUT UP FROM YEAR-AGO LEVELS.** Composite pair volume of \$145.7 billion in the 12-month period ended in January 2019 was 10.5% higher than in the previous 12-month period that ended in January 2018. Composite pair volume in January 2019 was lower than the pace set in the previous several months, reflecting a seasonal pattern that has been observed in prior years whereby investors take a breather following the rush to close deals before prior year-end.
- **OTHER LIQUIDITY MEASURES FOR PROPERTY SALES HELD STEADY.** The average time on the market for for-sale properties of 205 days has remained unchanged since October 2018, although that is still a 5.9% reduction from the 218 days on market average measured 12 months ago in January 2018. Meanwhile, the sale-price-to-asking-price ratio, which reflects the spread between buyer and seller expectations, has remained essentially flat over the last year, registering 92.7% in January 2019. The share of properties withdrawn from the market by discouraged sellers ticked down a modest 20 basis points to 26.8% in the 12-month period ending in January 2019.

## Monthly CCRSI Results, Data Through January 2019

|  | 1 Month Earlier | 1 Quarter Earlier | 1 Year Earlier | Trough to Current   |
|--|-----------------|-------------------|----------------|---------------------|
| <b>Value-Weighted U.S. Composite Index</b> | 1.4%            | 0.5%              | 5.4%           | 105.3% <sup>1</sup> |
| <b>Equal-Weighted U.S. Composite Index</b> | 1.4%            | 2.5%              | 5.9%           | 95.9% <sup>2</sup>  |
| <b>U.S. Investment-Grade Index</b>         | -0.5%           | -2.8%             | 9.4%           | 107.6% <sup>3</sup> |
| <b>U.S. General Commercial Index</b>       | 1.4%            | 3.9%              | 4.8%           | 94.4% <sup>4</sup>  |

<sup>1</sup> Trough Date: JANUARY 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 January 2019

|   | Current | 1 Month Earlier | 1 Quarter Earlier | 1 Year Earlier |
|---|---------|-----------------|-------------------|----------------|
| <b>Days on Market</b>                   | 205     | 205             | 205               | 218            |
| <b>Sale-Price-to-Asking-Price Ratio</b> | 92.7%   | 92.7%           | 92.8%             | 92.6%          |
| <b>Withdrawal Rate</b>                  | 26.8%   | 26.7%           | 26.6%             | 27.0%          |

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 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:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail | Office                                |
| General Commercial                 | Retail                            | Midwest          | Midwest:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail   | Multifamily                           |
| Investment-Grade                   | Industrial                        | South            | South:<br>Office,<br>Multifamily,<br>Industrial,<br>Retail     | Industrial                            |
|                                    | Multifamily                       | West             | West:<br>Office,<br>Multifamily,<br>Industrial,<br>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.           |

#### **MEDIA CONTACT:**

Matthew Blocher, Senior Director, Marketing Communications, CoStar Group  
[mblocher@costar.com](mailto:mblocher@costar.com).

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. LoopNet is the most heavily trafficked commercial real estate marketplace online with approximately 5 million monthly unique visitors per month. 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 42 million unique monthly visitors in aggregate in the fourth quarter of 2018. 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](http://www.costargroup.com).