

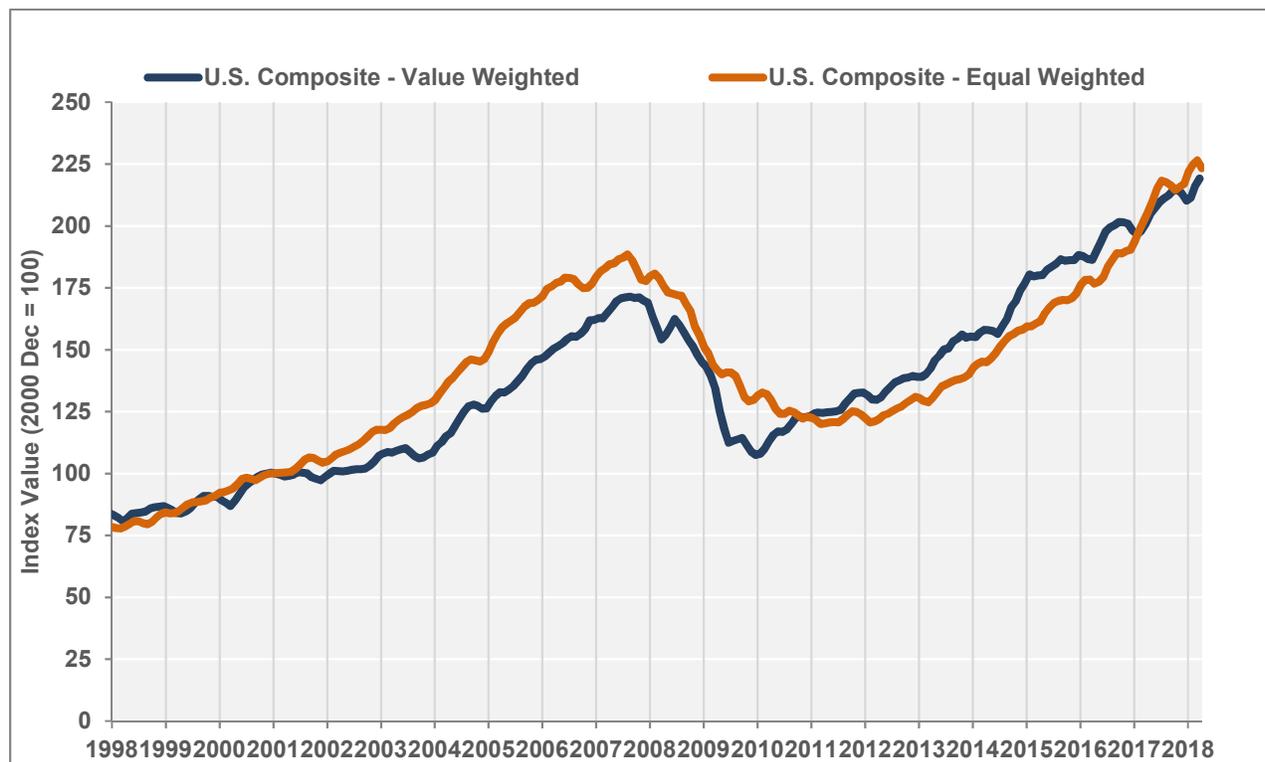
CCRSI RELEASE – MAY 2018 (With data through April 2018)

LATEST COMPOSITE PRICE INDICES SHOW LITTLE CHANGE AFTER POSTING SOLID ANNUAL GAINS

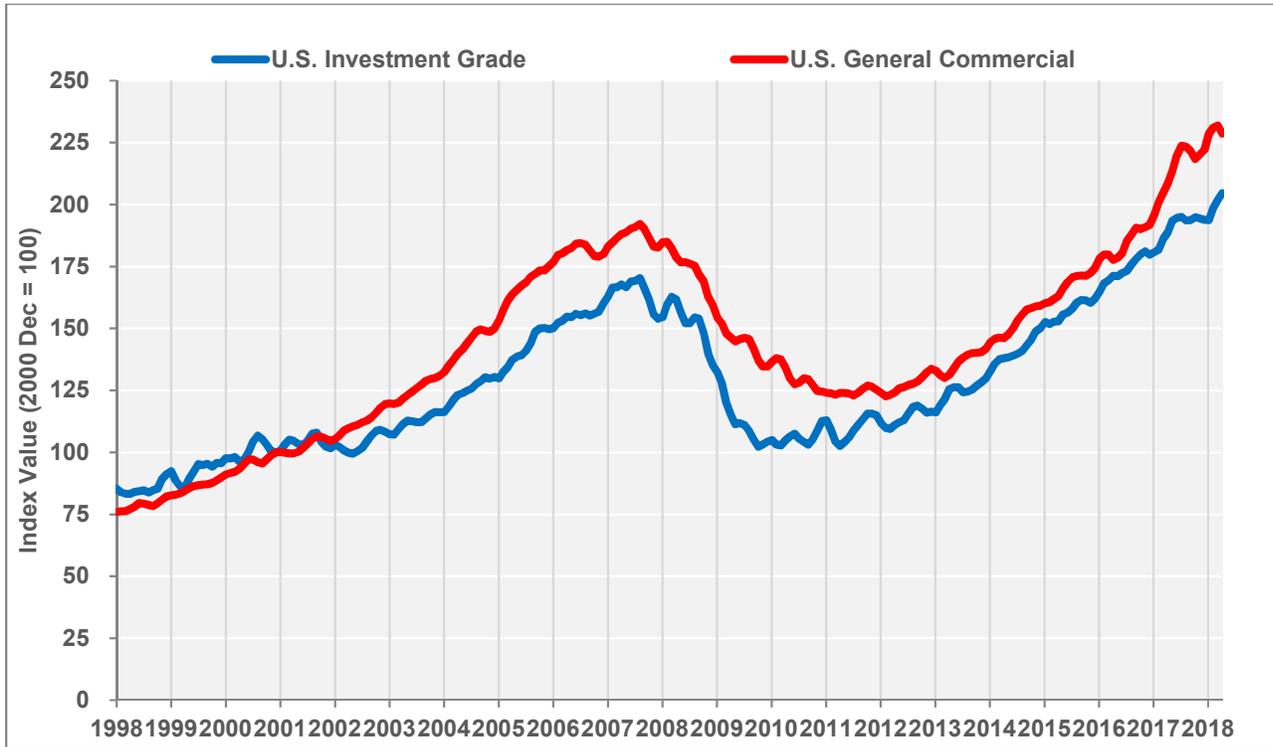
LIQUIDITY INDICATORS REFLECT CONDITIONS IN A FULLY RECOVERED REAL ESTATE INVESTMENT MARKET

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through April 2018. Based on 1,228 repeat sale pairs in April 2018 and more than 192,000 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

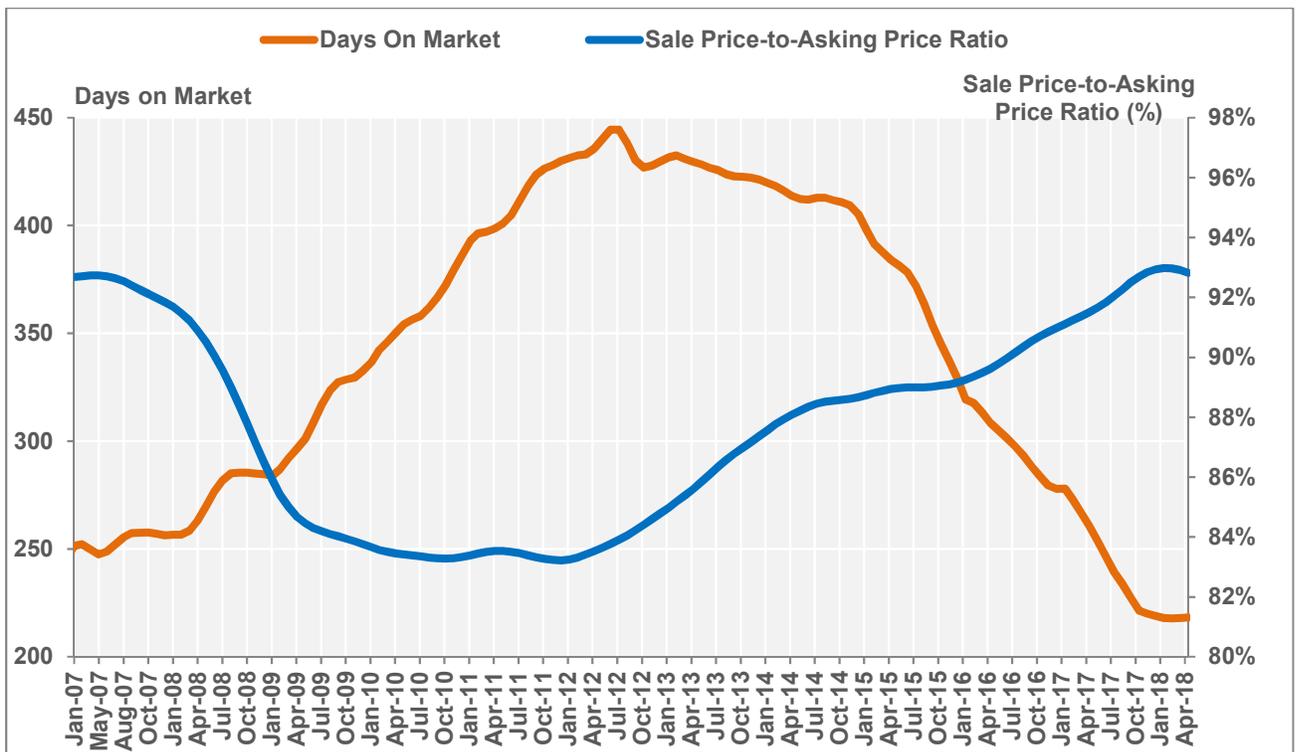
U.S. Composite Indices: Equal- And Value-Weighted, Data Through April 2018



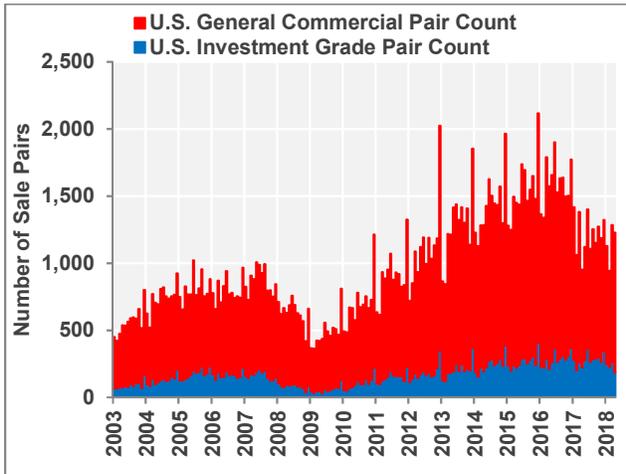
U.S. Equal-Weighted Indices By Market Segment, Data Through April 2018



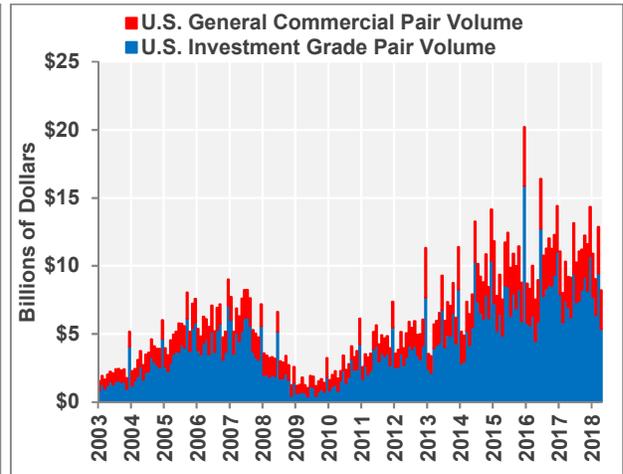
Market Liquidity Indicators, Data Through April 2018



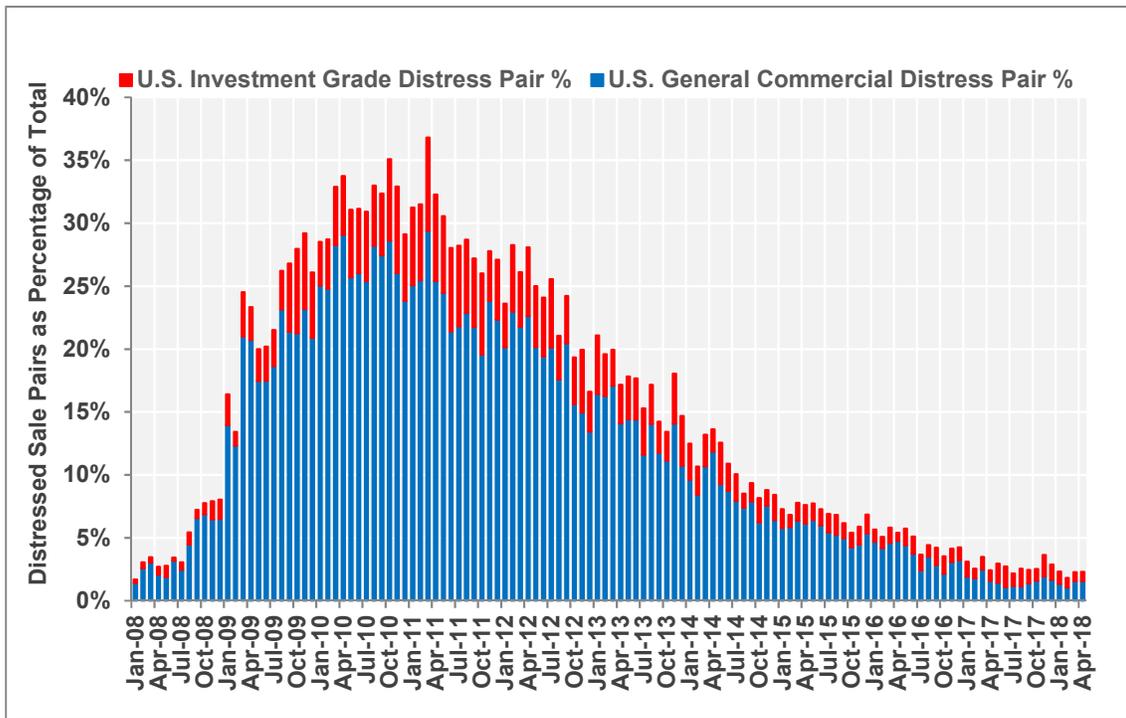
U.S. Pair Count, Data Through April 2018



U.S. Pair Volume, Data Through April 2018



U.S. Distress Sale Pairs Percentage, Data Through April 2018



CCRSI National Results Highlights

- **COMPOSITE PRICE INDICES SHOWED LITTLE MOVEMENT IN APRIL.** The value-weighted U.S. Composite Index, which reflects larger asset sales common in core markets, rose 1.4% in April 2018, contributing to a total gain of 9.1% in the 12-month period ended in April 2018. The equal-weighted U.S. Composite Index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, declined by 1.4% in the month of April 2018, but was still up by 8.6% in the 12-month period ended in April 2018.
- **GENERAL COMMERCIAL SEGMENT CONTINUES TO SEE STRONGER ANNUAL GROWTH IN EQUAL-WEIGHTED INDEX.** The General Commercial segment, which is influenced by smaller, lower-priced properties, increased 9.6% in the 12-month period ended in April 2018. Meanwhile, the Investment-Grade segment of the index, which tracks higher-value properties, rose a more modest 8.3% in the 12-month period ended in April 2018. The recent momentum in the General Commercial segment reflects the broad expansion of the pricing recovery across markets and property types.
- **TRANSACTION VOLUME DOWN DUE TO DECREASE IN SALES IN INVESTMENT-GRADE SEGMENT.** Composite pair volume of \$134 billion in the 12-month period ended in April 2018 was 1.4% lower than in the 12-month period ended in April 2017, illustrating a modest deceleration in capital flows from the record-setting levels of the past two years. The decline in pair volume was most evident in the Investment-Grade segment, where transaction volume declined 4.8% in the 12-month period ended in April 2018 to \$95.8 billion. Meanwhile, composite pair volume actually increased 8.1% to \$38.2 billion in the General Commercial segment during the same time period.
- **OTHER LIQUIDITY MEASURES SHOW A FULLY RECOVERED REAL ESTATE INVESTMENT MARKET.** The average time on the market for for-sale properties declined by 16.3% in the 12-month period ended in April 2018, although at 218 days, the average time on market in April 2018 remains unchanged from January 2018. Meanwhile the sale-price-to-asking-price ratio narrowed by 1.3 percentage points over the last 12 months to 92.8% in April 2018. This ratio, which measures the spread between buyer and seller expectations, remains the tightest on record for the CCRSI. The share of properties withdrawn from the market by discouraged sellers also receded by 2.9 percentage points to 26.5% during the 12-month period ended in April 2018.

Monthly CCRSI Results, Data Through April 2018

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.4%	4.2%	9.1%	103.9% ¹
Equal-Weighted U.S. Composite Index	-1.4%	0.6%	8.6%	86.1% ²
U.S. Investment-Grade Index	1.3%	5.6%	8.3%	99.1% ³
U.S. General Commercial Index	-1.4%	0.0%	9.6%	85.5% 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 2018

	Current	1 Month Earlier	1 Quarter Earlier	1 Year Earlier
Days on Market	218	218	218	261
Sale-Price-to-Asking-Price Ratio	92.8%	92.9%	93.0%	91.5%
Withdrawal Rate	26.5%	26.3%	26.1%	29.3%

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. LoopNet is the most heavily trafficked commercial real estate marketplace online with over 5 million monthly unique visitors per month. 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 38 million unique monthly visitors in aggregate in the first quarter of 2018. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada with a staff of over 4,100 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.