



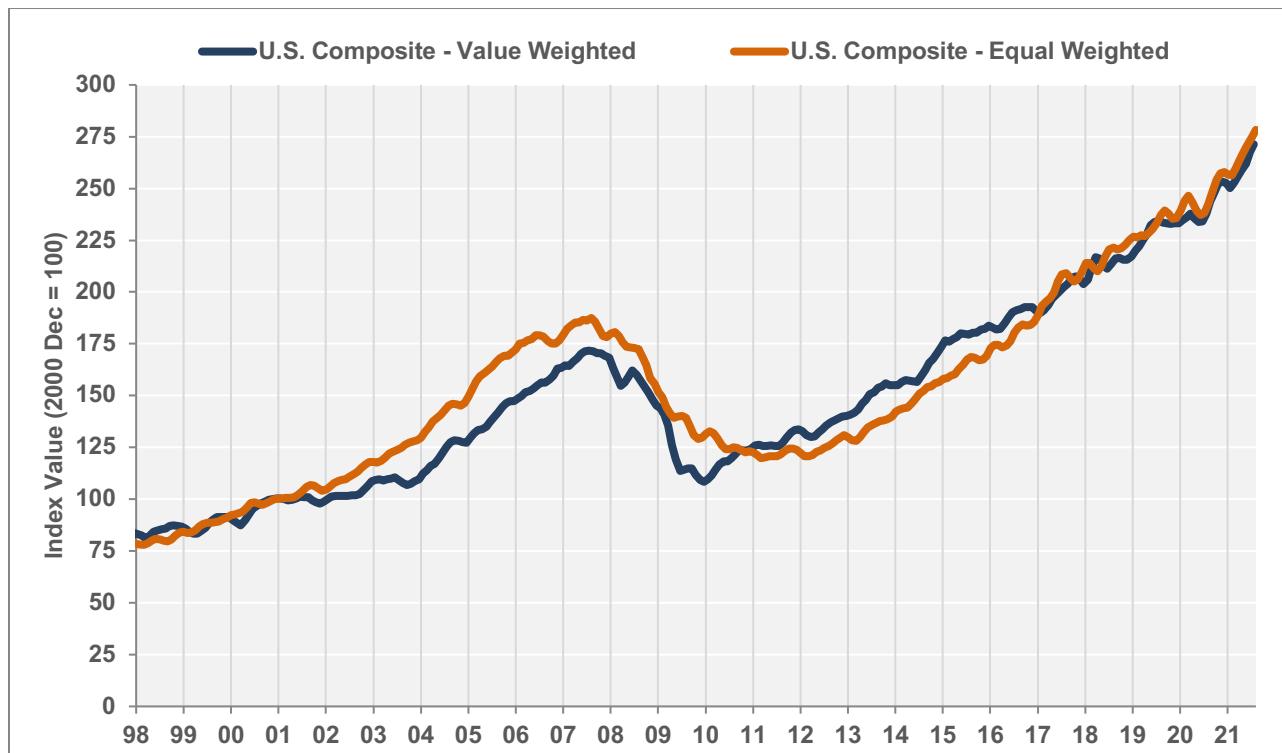
CCRSI RELEASE – September 2021  
(With data through August 2021)

## COMPOSITE PRICE INDICES CONTINUE TO MARCH HIGHER

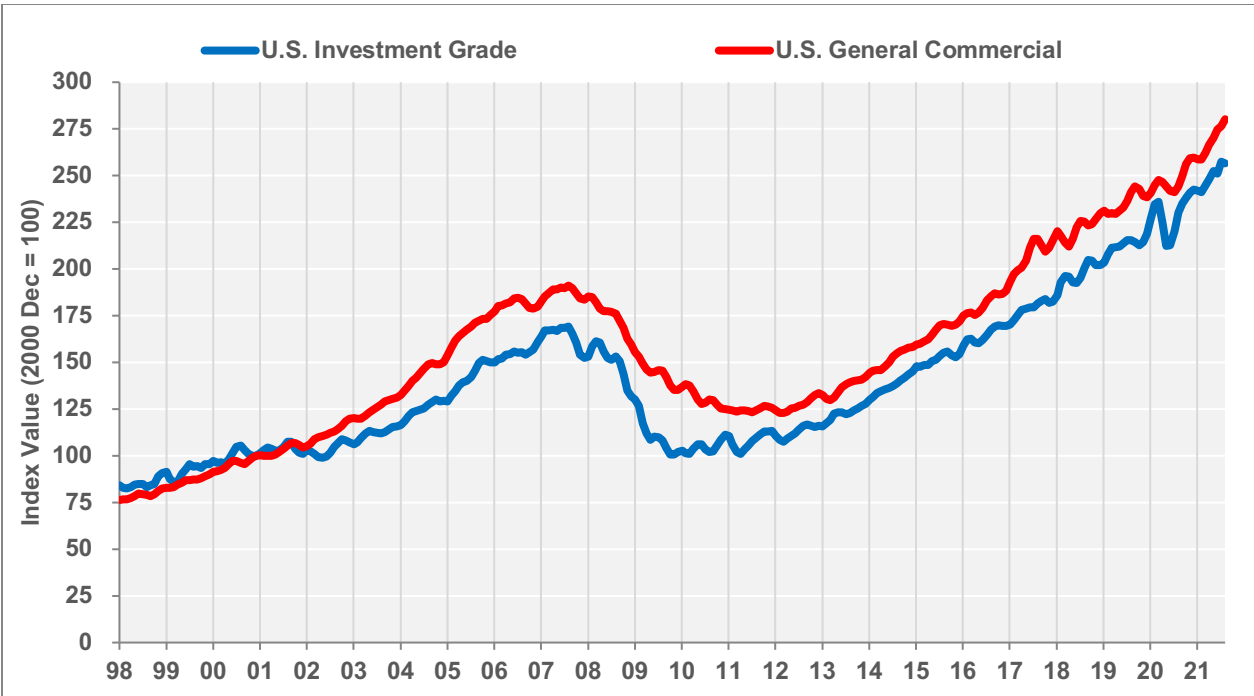
NET ABSORPTION FOR 12-MONTH PERIOD ENDING IN SEPTEMBER 2021 PROJECTED TO REACH 3-YEAR HIGH

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through August 2021. Based on 1,849 repeat sale pairs in August 2021 and more than 251,386 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

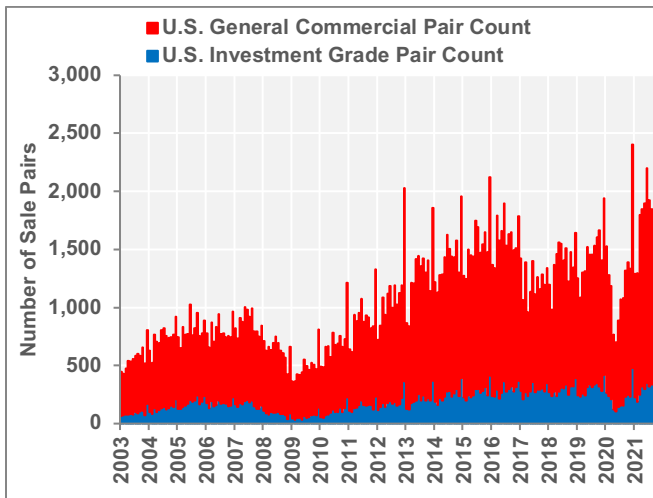
### U.S. Composite Indices: Equal- and Value-Weighted, Data through August 2021



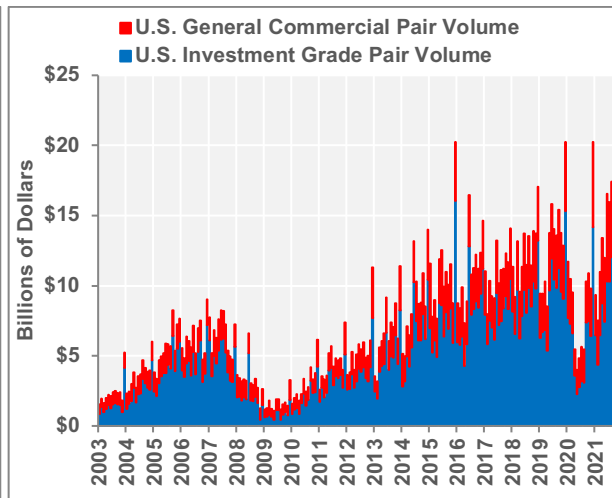
## U.S. Equal-Weighted Indices by Market Segment, Data through August 2021



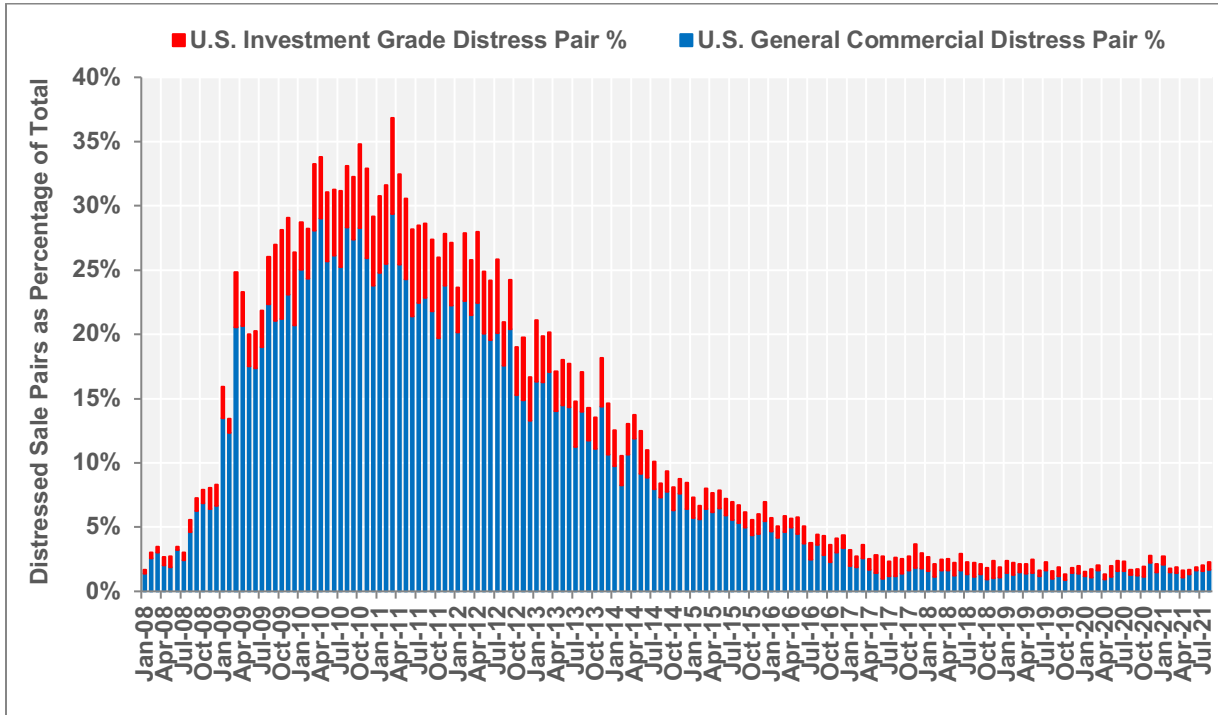
## U.S. Pair Count, Data through August 2021



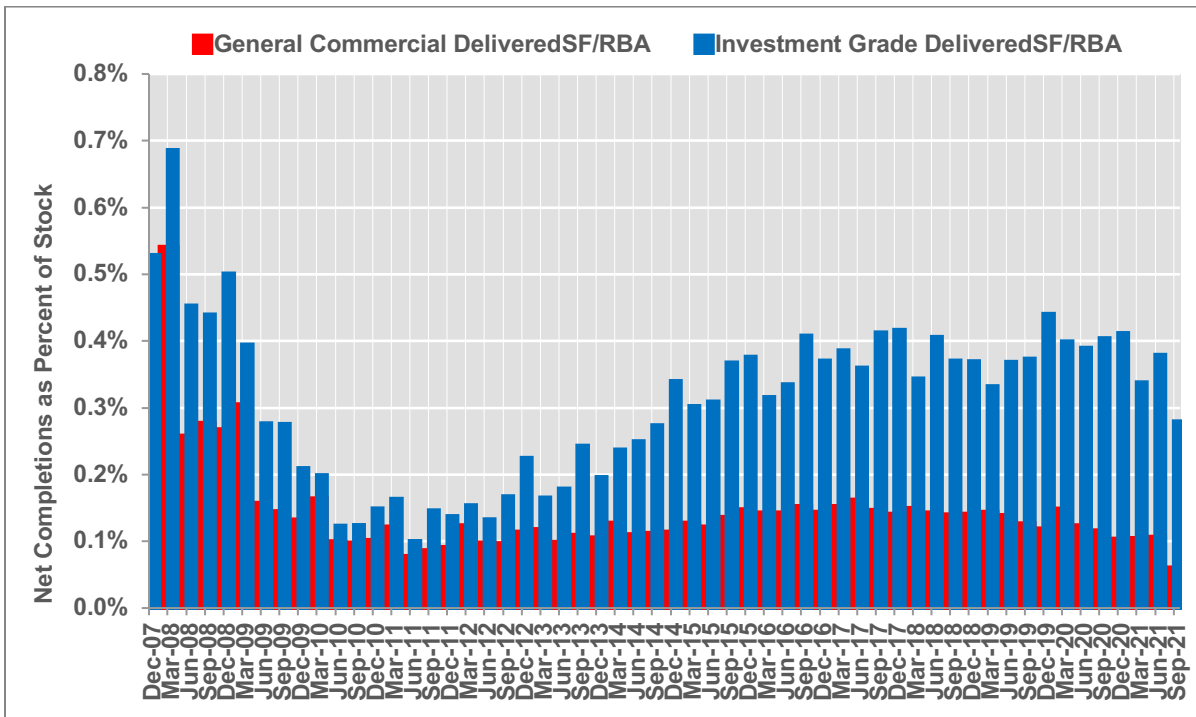
## U.S. Pair Volume, Data through August 2021



## U.S. Distress Sale Pairs Percentage, Data through August 2021



## Market Fundamentals, Data through August 2021



## CCRSI National Results Highlights

- **PRICE INDICES RESUMED STEADY GROWTH IN AUGUST FOR THE SIXTH CONSECUTIVE MONTH.** The value-weighted U.S. Composite index, an index that is more heavily influenced by high-value trades, rose by 1.3% in the month of August 2021, slightly more than the 1.1% gain in July 2021. Similarly, the equal-weighted U.S. Composite Index, which reflects more numerous but lower-priced property sales, rose by 1.4% in August 2021, following a 2% increase in July 2021. Both of CCRSI's composite price indices have advanced by more than 14% so far in 2021, placing them back on their long-term, pre-pandemic path.
- **SUB-INDICES OF EQUAL-WEIGHTED INDEX WERE MIXED IN AUGUST.** Following a 2.5% gain in July 2021, the largest monthly increase in nearly 12 months, the index for the Investment Grade segment fell by 0.4% in August 2021. In contrast, the General Commercial segment, which is influenced by smaller, lower-priced properties, rose by 1.3% in August 2021, after a smaller 0.6% increase in July 2021. This is the seventh consecutive month of positive gains in the General Commercial segment, propelling the 12-month gain to 14.8%.
- **TRANSACTION VOLUME REACHED RECORD LEVELS.** For the first time in the CCRSI's history, composite pair trades topped 20,000 for the 12-month period that ended in August 2021. The number of transactions year-to-date in 2021 is 66% higher than in the first eight months of 2020 and 29% higher than in the first eight months of 2019, pointing to a return to typical liquidity conditions.
- **DISTRESSED REPEAT-SALES TRADES CONTINUE TO ACCOUNT FOR A SMALL PERCENTAGE OF ALL TRADES.** General Commercial distressed sales accounted for 1.7% of total trades in August 2021, in line with their prior 12-month average of 1.5%. Investment Grade distressed sales accounted for 0.6% of total trades in August 2021, compared to their prior 12-month average of 0.5%.
- **ABSORPTION IS PROJECTED TO REACH A THREE-YEAR HIGH FOR THE 12-MONTHS ENDING SEPTEMBER 2021.** Over the 12 months ending in September 2021, net absorption in office, retail, and industrial properties combined is expected to increase to 333.6 million square feet—the highest figure since the 12-month period ending in September 2018. In contrast, amid the uncertainty created by the pandemic, net absorption for the 12-month period ending in September 2020 was negative 63.8 million square feet. Absorption is expected to be weighted slightly towards the General Commercial segment, but both the General Commercial and Investment Grade segments are experiencing strong demand.

## Monthly CCRSI Results, Data through August 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
<b>Value-Weighted U.S. Composite Index</b>	1.4%	4.8%	14.0%	150.4% <sup>1</sup>
<b>Equal-Weighted U.S. Composite Index</b>	1.3%	3.8%	14.8%	132.0% <sup>2</sup>
<b>U.S. Investment-Grade Index</b>	-0.4%	1.6%	11.5%	153.8% <sup>3</sup>
<b>U.S. General Commercial Index</b>	1.3%	3.6%	14.8%	126.8% <sup>4</sup>

<sup>1</sup> Trough Date: January 2010    <sup>2</sup> Trough Date: SEPTEMBER 2011    <sup>3</sup> Trough Date: SEPTEMBER 2010    <sup>4</sup> Trough Date: SEPTEMBER 2011

## Market Fundamentals Data through September 2021

	Annual Net Absorption (in millions of square feet)			
	2018Q3	2019Q3	2020Q3	2021Q3
<b>Aggregate</b>	379.2	137.1	-63.8	333.6
<b>Investment Grade</b>	171.5	52.5	-44.1	160.9
<b>General Commercial</b>	207.6	84.6	-19.7	172.7

Note: "Net Absorption" is the change in occupied space, calculated based on three types of properties: office, retail, and industrial.

### 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. <http://Apartments.com>, <http://ApartmentFinder.com>, <http://ForRent.com>, <http://ApartmentHomeLiving.com>, Westside Rentals, <http://AFTER55.com>, <http://CorporateHousing.com>, <http://ForRentUniversity.com> and <http://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](https://www.costargroup.com).

This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar's expectations, beliefs, intentions or strategies regarding the future. These statements are based upon current beliefs and are subject to many risks and uncertainties that could cause actual results to differ materially from these statements. The following factors, among others, could cause or contribute to such differences: the risk that the trends represented or implied by the indices will not continue or produce the results suggested by such trends, including trends related to commercial real estate fundamentals, price growth, liquidity measures, and absorption; and the risk that transaction volume, investor demand, market supply, liquidity, commercial real estate pricing levels, absorption and growth will not continue at the levels or with the trends indicated in this release. More information about potential factors that could cause results to differ

materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar's filings from time to time with the Securities and Exchange Commission, including in CoStar's Annual Report on Form 10-K for the year ended December 31, 2020 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2021 and June 30, 2021, each of which is filed with the SEC, including in the "Risk Factors" sections of those filings, as well as CoStar's other filings with the SEC available at the SEC's website ([www.sec.gov](http://www.sec.gov)). All forward-looking statements are based on information available to CoStar on the date hereof, and CoStar assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.