



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

COSTAR COMPOSITE PRICE INDICES POWER HIGHER

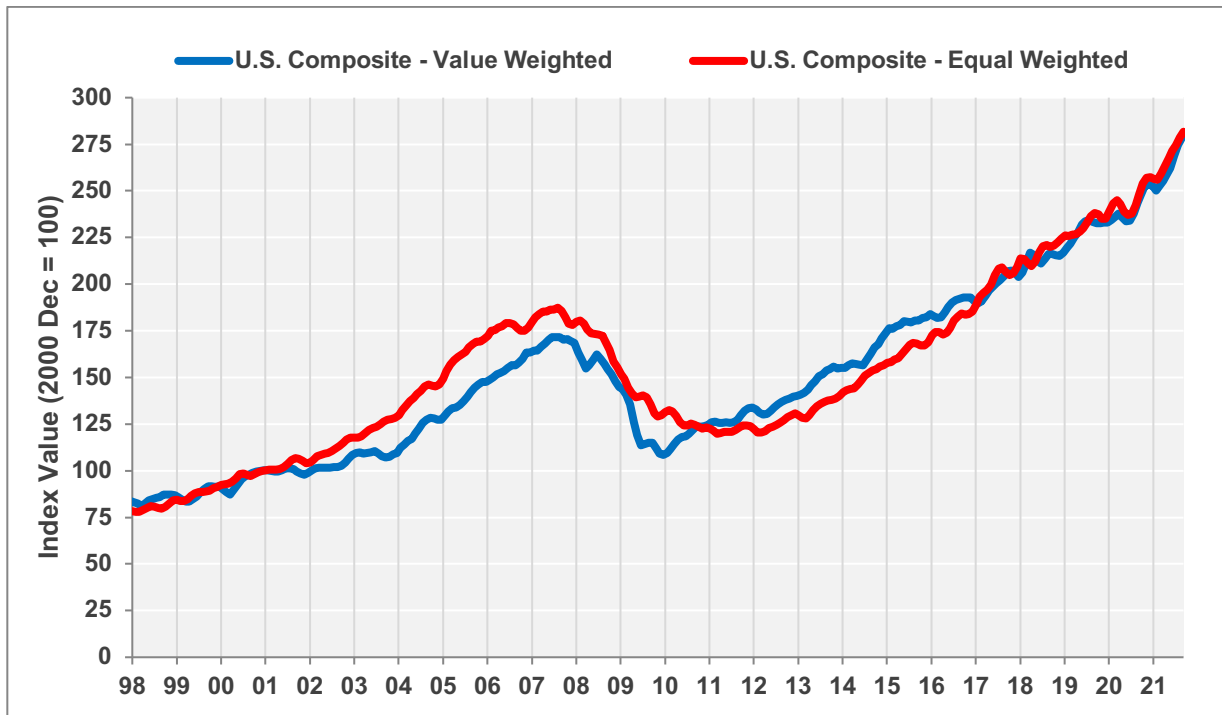
*HOSPITALITY LED GROWTH AMONG PROPERTY INDICES, WHILE LAND LAGGED;
SOUTH AND WEST TOPPED REGIONAL INDEX GROWTH*

This month's CoStar Commercial Repeat Sale Indices (CCRSI) provides the market's first look at commercial real estate pricing trends through September 2021. Based on 1,812 sale pairs in September 2021 and more than 253,572 repeat sales since 1996, the CCRSI offers the broadest measure of commercial real estate repeat sales activity.

CCRSI National Results Highlights

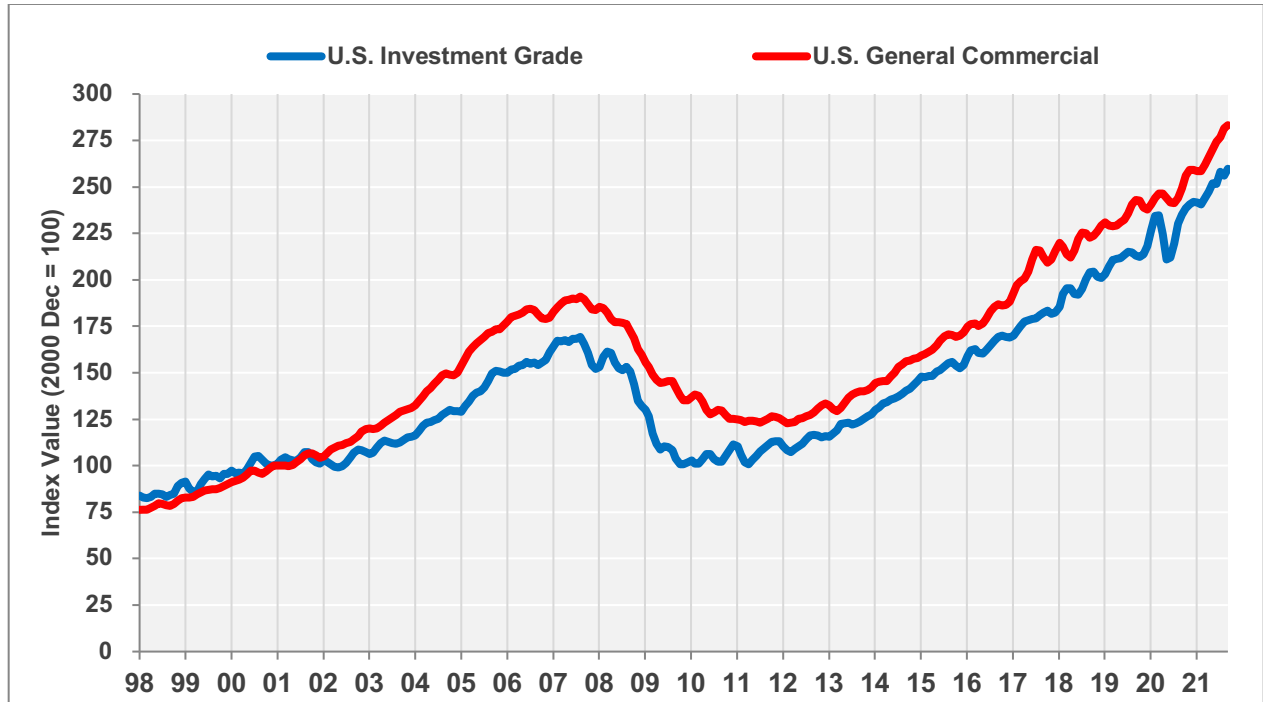
- **COMPOSITE PRICE INDICES CONTINUED TO CLIMB IN THE THIRD QUARTER.** The value-weighted U.S. composite index, which is more heavily influenced by high-value trades, rose by 6.1% during the third quarter of 2021, reaching a new high of 278. This compares to the quarterly gain of 3.8% in Q2 of 2021. The index rose by 14.2% in the 12-month period that ended in September 2021 and is now 10.4% higher than its pre-pandemic level.
- The equal-weighted U.S. composite index, which reflects the more numerous but lower-priced property sales typical of secondary and tertiary markets, increased by 3.8% in third quarter, compared to its 2021 Q2 quarterly gain of 4.6%, also reaching a new high in September 2021. The index increased by 13.7% in the 12-month period that ended in September 2021 and is now 14.9% above its pre-pandemic level.
- The equal-weighted U.S. composite index gained 1.1% in September 2021, its seventh consecutive month of expansion, while the value-weighted U.S. composite index rose by 1.3% over the same period.

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



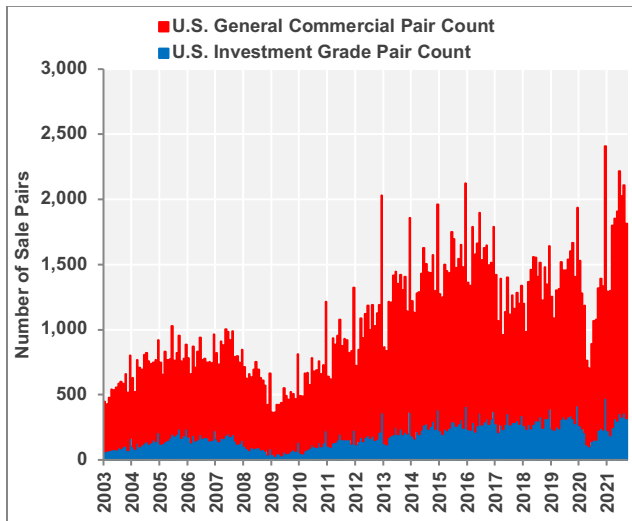
- EQUAL-WEIGHTED SUB-INDICES CONTINUED THEIR GROWTH THROUGH THE THIRD QUARTER. The investment grade sub-index, more heavily influenced by higher-value assets, accelerated its gains in the third quarter of 2021 to 3.3%, compared to its 3.1% quarterly gain in Q2 of 2021, while the general commercial sub-index, more heavily influenced by smaller, lower-priced assets, decelerated from its 4.8% quarterly gain in Q2 of 2021 to 3.2% in Q3 of 2021. However, the general commercial sub-index rose by 0.5% in September 2021, its seventh consecutive month of positive gains.
- Sub-indices have reached historical highs. The general commercial segment has been in favor of late as it saw price growth of 13.6% over the 12-month period that ended September 2021, compared to the investment grade segment, which registered 10.6% growth over the same period.

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

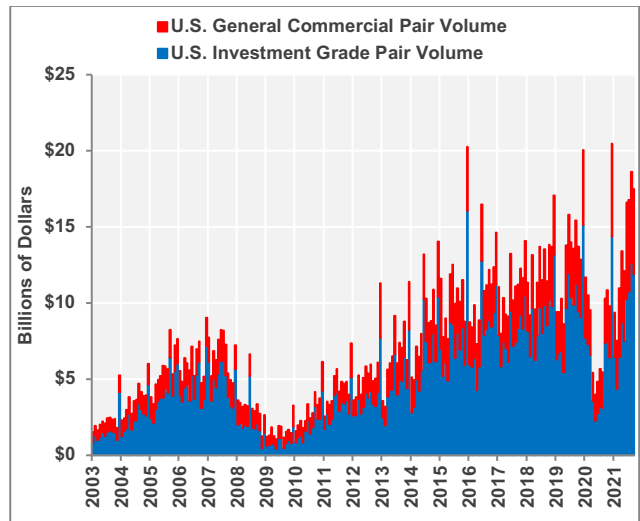


- TRANSACTION VOLUME MOVED 6% LOWER IN SEPTEMBER. However, composite pair volume of \$163.9 billion in the 12-month period ending in September 2021 marked a 43.8% increase from the prior 12-month period that ended September 2020. Of the 21,445 sale pairs recorded during the 12-month period that ended September 2021, 83% were in the general commercial segment.

U.S. Pair Count, Data Through September 2021

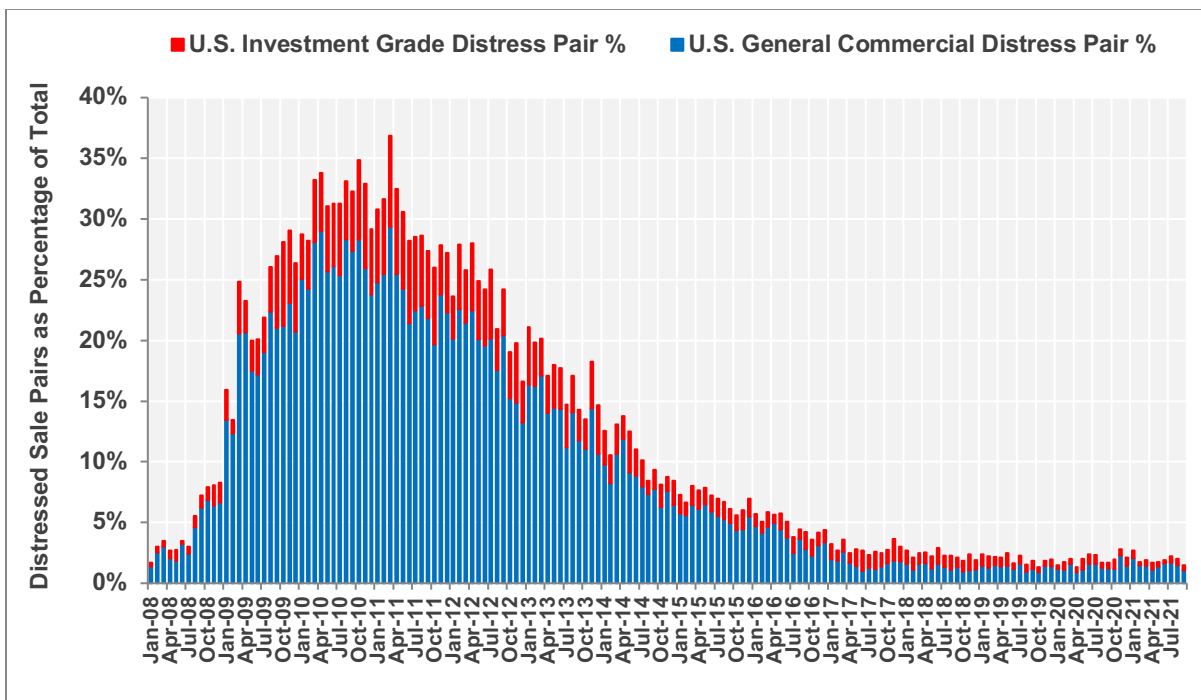


U.S. Pair Volume, Data Through September 2021



- THE SHARE OF REPEAT-SALE TRADES THAT WERE DISTRESSED FELL FOR THE SECOND CONSECUTIVE MONTH. General commercial distressed sales in September 2021 measured just 1.0% of all repeat-sale trades, the smallest share since April 2020 and far below the 5-year monthly average of 1.5%. Investment grade distressed sales accounted for 0.4% overall in September 2021 compared to the 5-year monthly average of 0.8%.

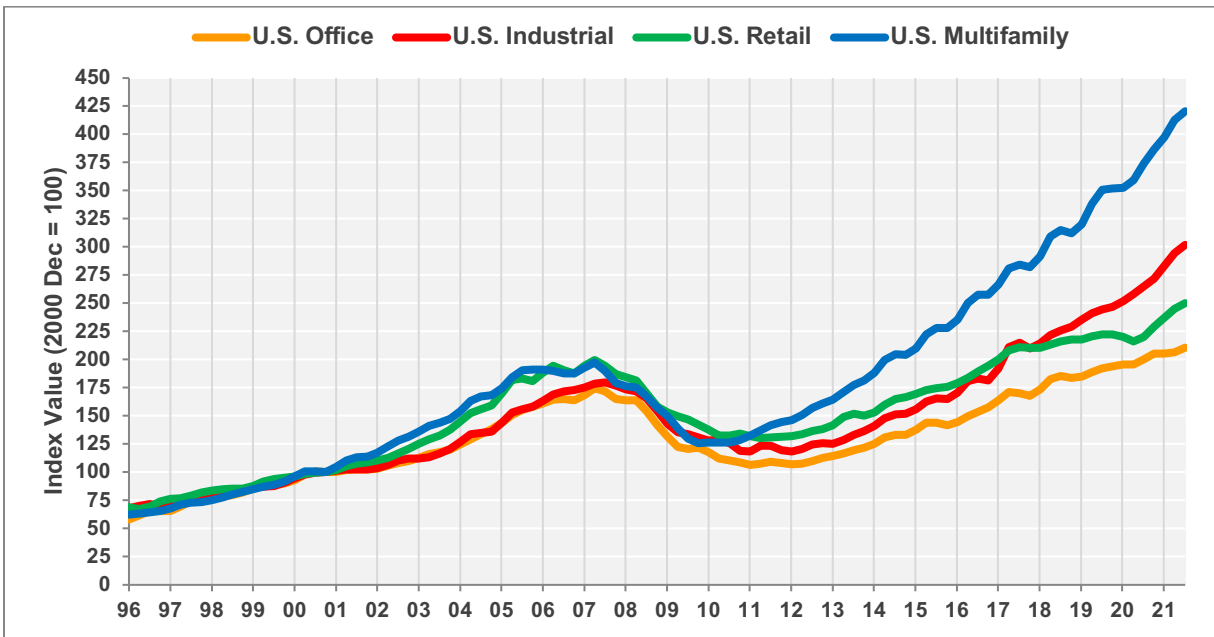
U.S. Distress Sale Pairs Percentage, Data through September 2021



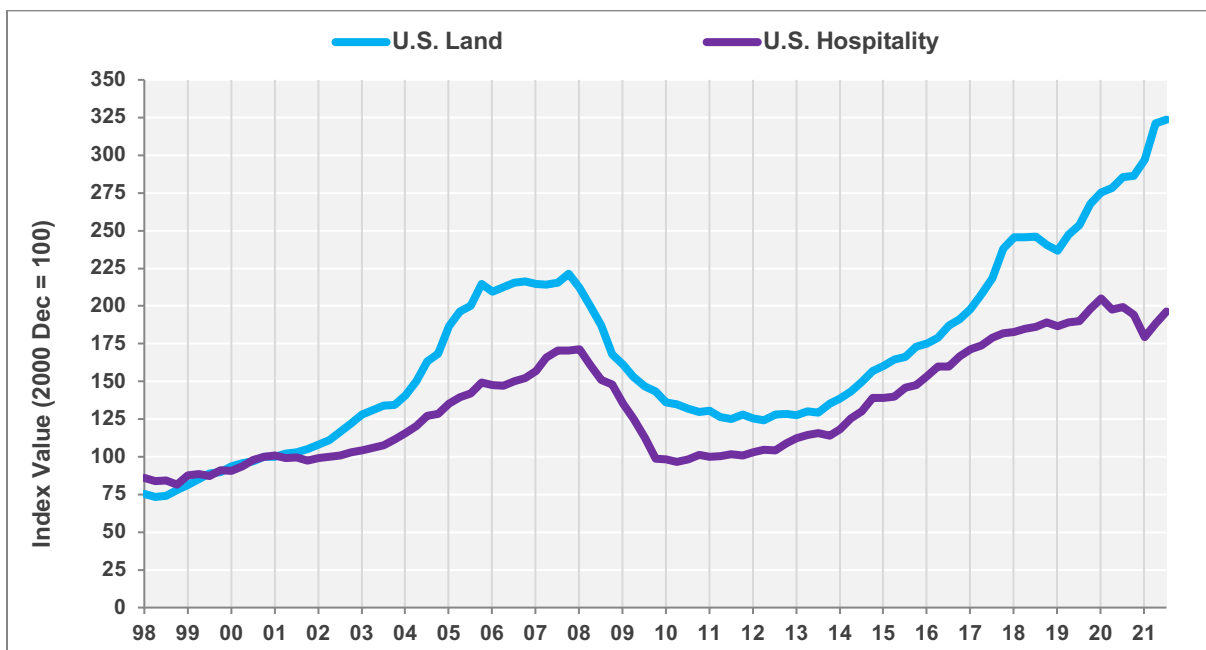
Quarterly CCRSI Property Type Results

- THE HOSPITALITY PRICE INDEX WAS THE TOP PERFORMER AMONG THE SIX EQUAL-WEIGHTED PROPERTY-TYPE INDICES BUT IS THE ONLY SECTOR YET TO RETURN TO ITS PRE-COVID PRICING. After a very challenging pandemic period, the hospitality sector returned to healthy price growth for the second consecutive quarter, registering a 4.4% increase in the third quarter over Q2 of 2021, the fastest quarterly gain of any property type but somewhat slower than its second quarter growth of 4.9%. The index remains 1.5% below its year-ago level and 4.2% below its pre-pandemic level.
- INDUSTRIAL, RETAIL AND MULTIFAMILY PRICING COOLED IN THE THIRD QUARTER. The equal-weighted industrial price index slowed to 2.4% growth over the quarter compared to 4.0% growth in Q2 of 2021. The index is 19.9% higher than its pre-pandemic level. The retail price index slowed to 2.0% growth in Q3 2021 from its 3.4% gain in Q2 of 2021 and sits 13.5% higher than pre-pandemic levels. Multifamily, with the strongest price growth over the prior ten years of all property types, saw a deceleration of growth of its price index from a quarterly gain of 3.9% in Q2 of 2021 to 1.8% in Q3 of 2021. This index is 19.4% over its pre-pandemic level.
- OFFICE PRICE GROWTH ACCELERATED IN THE THIRD QUARTER. The U.S. office index increased 2.1% in Q3 of 2021, a strong acceleration over the second quarter's 0.5% quarterly gain. Over the 12-month period ending in September 2021, office prices were up 5.2%, the smallest gain of all property types with the exception of hospitality. The office index is now 7.8% higher than its pre-pandemic level.
- U.S. LAND PRICE GROWTH PLUNGED. After a robust quarterly gain of 8.1% in Q2 of 2021, the U.S. land price index slowed considerably to a gain of 0.8% in September 2021. However, the index rose by 13.3% over the 12-month period that ended September 2021 and is now 17.6% higher than its pre-pandemic level.

U.S. Primary Property Type Quarterly Indices – Equal-Weighted Data through September 2021



U.S. Land and Hospitality Quarterly Indices – Equal-Weighted Data through September 2021



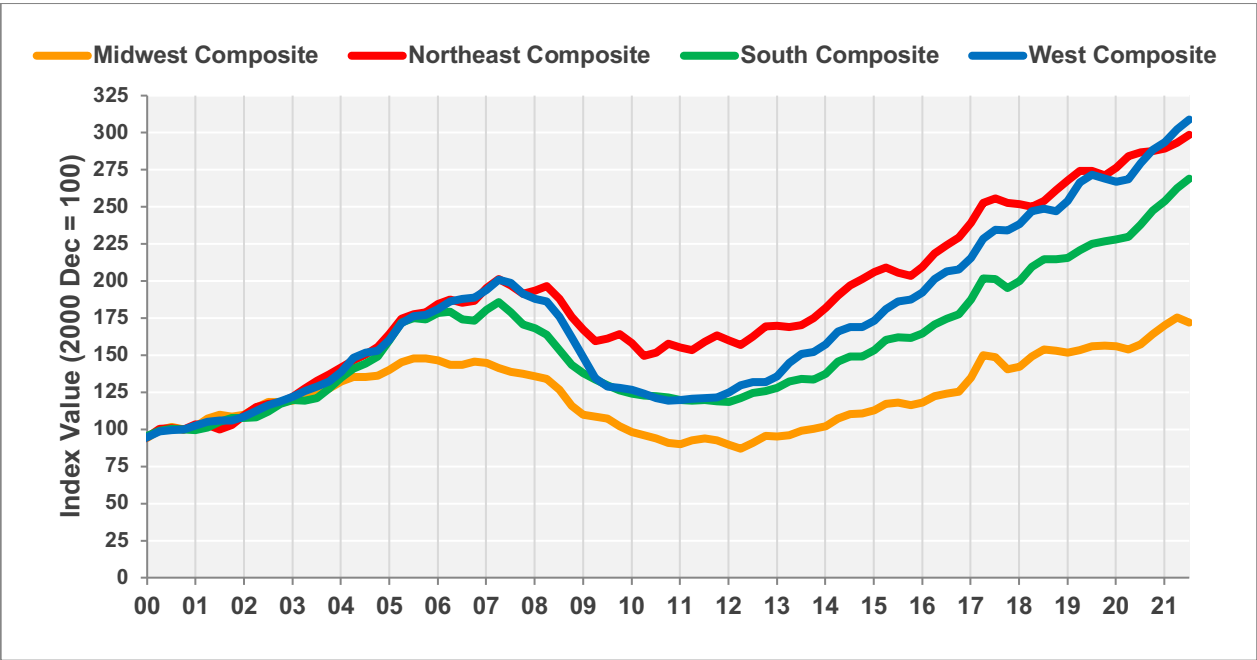
Quarterly CCRSI Regional Results

- **BROAD-BASED GROWTH ACROSS PROPERTY TYPES BOOSTED THE SOUTH REGIONAL INDEX.** The South composite index advanced 2.5% in the third quarter of 2021, the fastest quarterly growth of all regions. Over the 12-month period ending in September 2021, the index rose by 13.0%, also the fastest 12-month growth across all four regions. The strong performance of the region was driven by its industrial price index, which rose by 16.2% over the year twelve months that ended September 30, 2021, the fastest growth across all regional property price indices, and its retail price index, which advanced 15.3% over the same time period, the second fastest rate.
- **STRONG INDUSTRIAL DEMAND LED THE WEST PRICE INDEX HIGHER IN THE THIRD QUARTER.** The West composite index advanced 10.6% in the 12-month period ending in September 2021, with the industrial price index gaining 13.5% over that period and the retail index growing by 12.6%. Over the third quarter of 2021, the West composite index expanded by 2.2%, a slowdown from the second quarter's gain of 3.0%.
- **THE OFFICE SECTOR IN THE NORTHEAST MAY FINALLY BE COMING BACK TO LIFE.** The Northeast region composite price index rose by 1.8% in the third quarter of 2021, its third quarter of acceleration but the smallest quarterly gain across all regions. Over the 12-month period that ended September 2021, the index gained 4.2%, also the slowest among all regions. Of property sectors, the office price index in the Northeast region grew the fastest

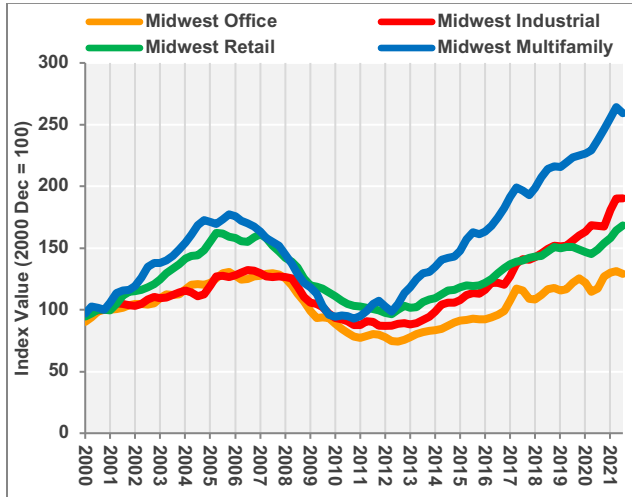
over the quarter, rising by 2.4% after struggling through the pandemic. However, that index remains 2.5% lower than a year ago, the only regional property price index that is below its year-ago level.

- WEAKNESS IN THE OFFICE AND MULTIFAMILY SEGMENTS TIPPED THE MIDWEST REGIONAL INDEX INTO NEGATIVE TERRITORY.** The Midwest composite index fell by 2.0% in the third quarter of 2021 over the prior quarter, the only property sector to have seen a quarterly decline in its equal-weighted price index. Over the 12-month period that ended September 2021, the price index gained 9.2%, cooling from the 13.9% gain over the prior 12-month period that ended September 2020. Both the Midwest office price index and its multifamily price index fell by 1.9% during the third quarter of 2021, more than offsetting the quarterly gain of 2.3% of the retail price index.

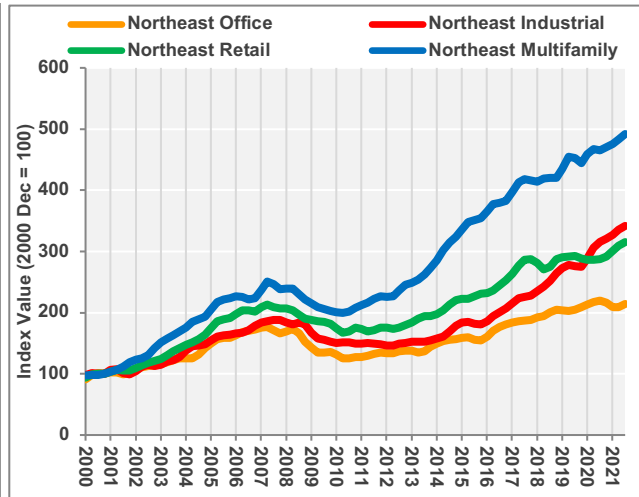
**U.S. Regional Type Quarterly Indices – Equal-Weighted
Data through September 2021**



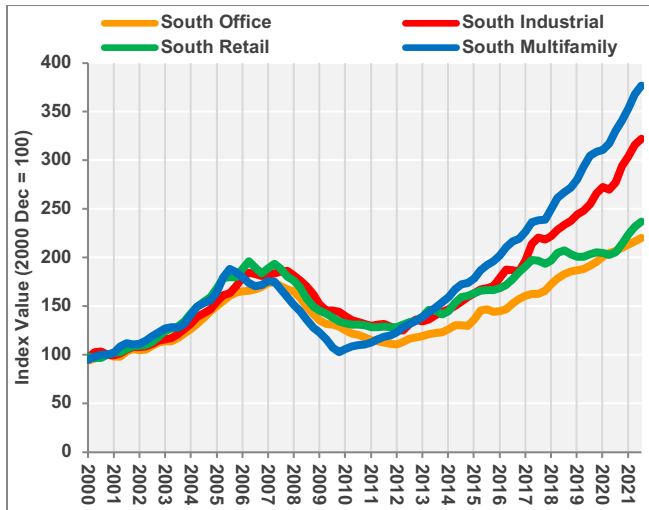
U.S. Midwest Property Type Quarterly Indices Equal-Weighted, Data through September 2021



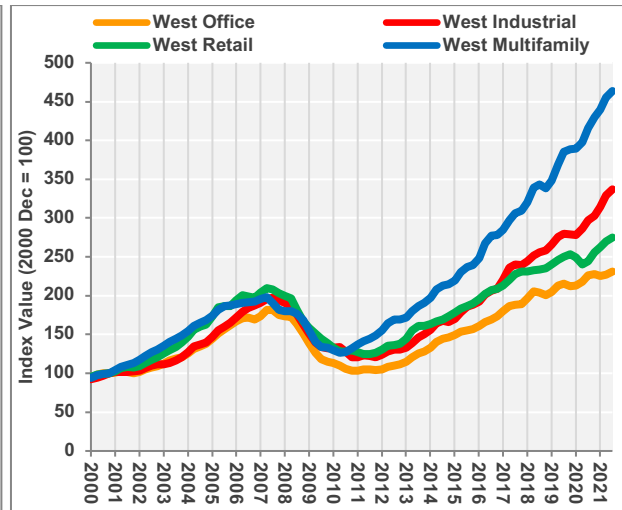
U.S. Northeast Property Type Quarterly Indices Equal-Weighted, Data through September 2021



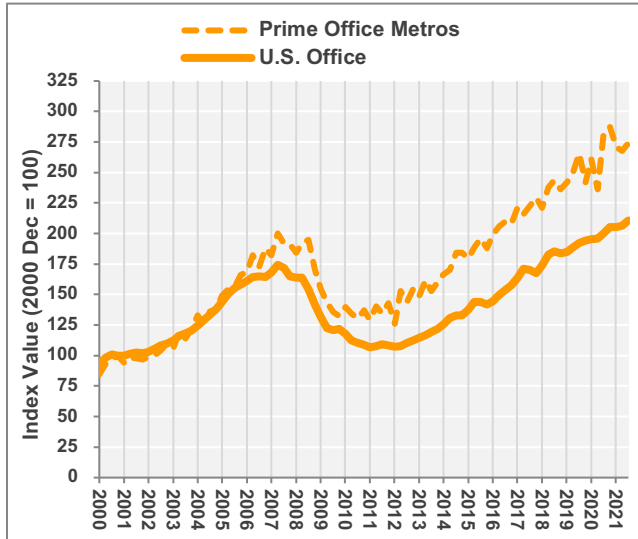
U.S. South Property Type Quarterly Indices Equal-Weighted, Data through September 2021



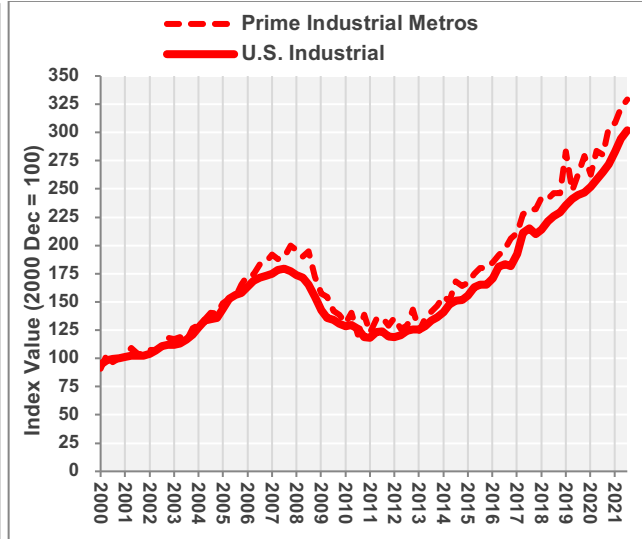
U.S. West Property Type Quarterly Indices Equal-Weighted, Data through September 2021



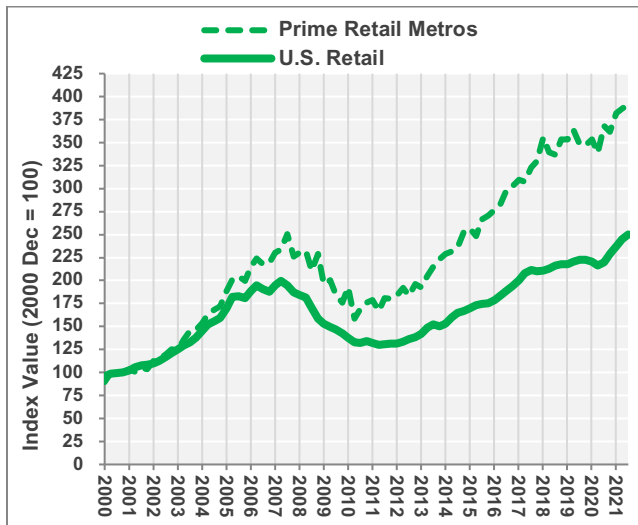
**Prime Office Markets Quarterly Indices
Equal-Weighted, Data through September 2021**



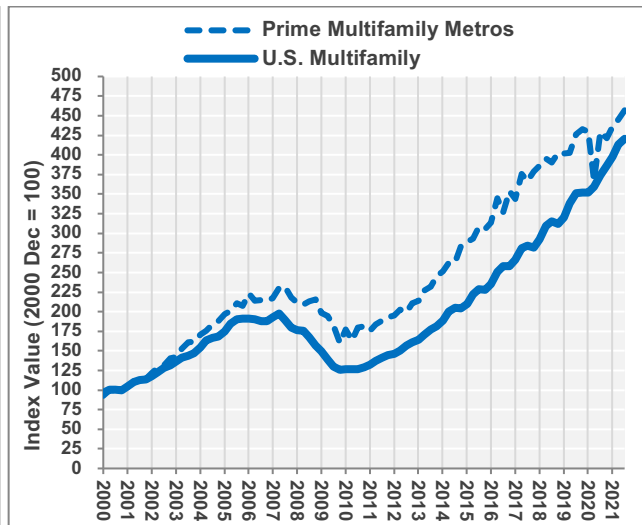
**Prime Industrial Markets Quarterly Indices
Equal-Weighted, Data through September 2021**



**Prime Retail Markets Quarterly Indices
Equal-Weighted, Data Through September 2021**



**Prime Multifamily Markets Quarterly Indices
Equal-Weighted, Data Through September 2021**



Monthly CCRSI Results, Data through September 2021

	1 Month Earlier	1 Quarter Earlier	1 Year Earlier	Trough to Current
Value-Weighted U.S. Composite Index	1.3%	6.1%	14.2%	156.6% ¹
Equal-Weighted U.S. Composite Index	1.1%	3.8%	13.7%	135.0% ²
U.S. Investment-Grade Index	1.4%	3.3%	10.6%	157.2% ³
U.S. General Commercial Index	0.5%	3.2%	13.6%	129.3% ⁴

¹ Trough Date: October 2010 ² Trough Date: October 2011 ³ Trough Date: September 2010 ⁴ Trough Date: February 2012

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://www.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. 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 offers real estate professionals advertising and marketing services for residential properties. Realla is the UK's most comprehensive commercial property digital marketplace. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. 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 4,800 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.