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CoStar Group Selects Richmond to Headquarter Research Center for Nation's Commercial Real Estate Clearing House

Company Plans to Hire 730 Researchers and Software Developers Locally, Making CoStar Group One of Richmond's Top 10 Employers

WASHINGTON, DC October 24, 2016 – CoStar Group, Inc. (NASDAQ: CSGP) announced today that it has concluded a national search for its research operations headquarters, selecting Richmond, Virginia. As a result, CoStar expects to create approximately 730 jobs in Richmond and invest a quarter billion dollars into the local economy.

CoStar Group creates and delivers the information, marketing, and analytic tools that facilitate the vast majority of commercial real estate transactions in the United States. The CoStar research team curates and certifies information on approximately \$1 trillion of potential real estate transactions and tracks billions of dollars of completed deals.

In an average month, 25 million people visit CoStar Group's family of websites to lease, buy or analyze a wide range of office, industrial, retail or farm properties – or to find their next home on Apartments.com. The team in Richmond will collect, research, and analyze the in-depth market data necessary to help clients make the best decisions and drive connections between the millions of properties and the thousands of companies that need those properties to grow their businesses. We expect the new office will place Richmond at the absolute center of transaction flow for the nation's \$17 trillion commercial real estate industry.

“Our researchers play a very important role in our economy by helping growing businesses find the offices, stores, land, industrial properties or multifamily locations that are essential to their success,” said Andrew Florance, CoStar Group Founder and Chief Executive Officer. “CoStar researchers develop close working relationships with top commercial real estate brokers, owners and investors to support billions of dollars of transactions. We employ a highly educated and motivated work force and chose Richmond as the ideal environment in which to grow our Company because it offers access to an incredibly strong higher education system and a great quality of life.”

CoStar Group enjoys a 30-year track record of growth and innovation, continuously being recognized as a leader in the industry. *Fortune* recently listed CoStar Group as one the 100 fastest growing companies in the world; earlier this year, *Forbes* named CoStar Group as one of the top ten software companies on its most innovative growth companies list. The new Richmond center is expected to be a true technology innovation hub, powering the software development necessary to support the trillions of pieces of content making up the big data behind CoStar's success.

“We're excited to welcome CoStar Group's new research center to Richmond, which will make the Company one of the largest employers in our city,” said Governor Terry McAuliffe. “CoStar Group's

track record for success, environmental responsibility, professional development programs and commitment to community outreach reflects the type of Company we know our residents would be fortunate to be a part of.”

The 125,000 square feet of office space required by CoStar will likely result in the largest office deal in Richmond in 2016. As a leading U.S. based Company, CoStar Group is firmly committed to retaining and developing talent here, rather than outsourcing to other countries. Many jobs in the Richmond Research Headquarters will be new positions, as the Company continues its investment in meeting the growing content needs of its clients.

CoStar provides excellent compensation, benefits, and work environments. The Company has been named a top workplace by the *Washington Post* and a leader in philanthropy by the *Washington Business Journal*. For more information about opportunities in the new Richmond office, visit CoStar.com/Richmond

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About CoStar Group

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 more than 10 million registered members. Apartments.com, ApartmentFinder.com and ApartmentHomeLiving.com currently 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. Through an exclusive partnership with Move, a subsidiary of News Corporation, Apartments.com is the exclusive provider of apartment community listings across Move’s family of websites, which include realtor.com®, doorsteps.com and move.com. CoStar Group’s websites attracted an average of nearly 25 million unique monthly visitors in aggregate in the second quarter of 2016. Headquartered in Washington, DC, CoStar maintains offices throughout the U.S. and in Europe and Canada with a staff of approximately 2,700 worldwide, including the industry's largest professional research organization. For more information, visit www.costargroup.com.

This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar Group'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 possibility that the Company's business plans and needs change; the possibility that the Company is unable to or does not create the number of jobs or invest the amounts set forth in this release; the risk that the Company is unable to hire the number of researchers and developers currently expected or to fill the number of jobs created; the possibility that the new office does not place Richmond at the center of transaction flow for the commercial real estate industry; the possibility that the Richmond center does not become the technology innovation hub as stated in this release; and the possibility that the office space required by CoStar does not result in the largest office deal in Richmond in 2016. More information about potential factors that could cause actual results to differ materially from those discussed 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, 2015, and Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar's other filings with the SEC available at the SEC's website (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 such statements, whether as a result of new information, future events or otherwise.