



CoStar Building Rating SystemSM

The CoStar Building Rating SystemSM is a national rating for commercial buildings on a universally recognized 5 Star scale. Historically the industry has lacked a centralized system for evaluating buildings using specific standards developed for each property type. The extensive, standardized property information collected by CoStar Research makes such a national building rating system possible.

A building rating is a national benchmark. Current building classifications of A, B and C operate at a market level, relying on locally relative comparisons. These classifications are typically based on a general combination of factors that include aspects of the building, its location, rents and local opinion. The rating system considers the building separately from its immediate vicinity, with the exception of retail properties. This distinction enables the rating system to address the intrinsic quality of a specific building, with the understanding that a range of building quality may exist in any given location. A building considered to be Class A quality in one market may not qualify as Class A in another. However, because ratings are based on specific standards developed for each property type and consistently applied across different markets, a 4 Star building, for example, is expected to be comparable with all other 4 Star buildings across all markets.

The Building Rating SystemSM focuses on aspects of the building itself. To do so, the system uses a set of definitions established to describe expected levels of quality for each rating, within each property type. These definitions are described in this document, as well as the underlying building components that are taken into consideration when a building is rated. The specific criteria within each definition were selected on the basis of structured research meetings with commercial real estate professionals.

Buildings are rated through an examination of the design and construction of a building. For example, the type of exterior materials, the quantity and quality of windows and the lobby finishes present in office buildings; the ceiling height and number of loading docks in warehouses and distribution centers; the entrances and parking areas for retail properties; and the types of finishes offered in the units of multi-family buildings. These examples, as well as many other factors all have an effect on a building's rating. The multitude and diversity of decisions that are made when designing, constructing, renovating and managing a building creates a built environment in which no building is identical to another, even when of the same property type. However, CoStar tracks the entire range of buildings, from skyscrapers in large cities to single story buildings in smaller markets. To effectively categorize buildings within this wide range, a national rating system with a more specific scale is necessary.

Due to this vast heterogeneity across buildings and the multitude of factors that are embodied in each one, there is no prescriptive path toward rating a building; rather a series of mechanisms must be used. For

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instance, a property's rent is determined by its location and the supply-demand forces in the market, as well as the physical attributes of a building. Similarly, a building built in the past year does not automatically mean that it was built to a high standard. To provide a building rating in this context and across CoStar's diverse and comprehensive database of over 4 million properties, CoStar applies several mechanisms to ensure that a rating adheres to the definitions of each star rating level.

These mechanisms include:

MECHANISM	CONTRIBUTION
RESEARCH	Field Researchers are located across the US conducting site inspections and photographing buildings. These researchers use this direct experience to grade a building on the condition of its exterior, general curb appeal, landscaping, site treatments, access, and prominence. Property Researchers interview real estate professionals, collecting detailed information on many aspects of a building. These researchers examine building specifications, images, brochures, and floor plans to ensure that buildings are aligned with the description of each rating outlined in this document.
RATING MODELS	The diversity of commercial buildings and the nuanced details that contribute to the experience, perception, marketability, and performance of a building dictates that a purely formulaic approach to determining ratings cannot be used as a singular solution. Quantitative analyses on variables such as the time since renovation or construction and the dimension of building's slab-to-slab height are used to support the determination of building ratings. These types of variables may indicate buildings that are built to specifications that currently do not receive the highest levels of demand, or systems and finishes in need of upgrading. These determinations are ultimately confirmed by the other mechanisms.
ANALYTIC QUALITY ASSURANCE	Building ratings are continuously reviewed through a series of checks for inconsistencies with respect to aggregated rating trends, as well as the ongoing integration of up-to-date property information.
MARKET ADVISORS	There is no substitute for the insight of real estate professionals working in a particular market. CoStar engages industry professionals through local advisory meetings to gather input on the rating system, to confirm individual ratings, and to collect first-hand knowledge on specific buildings. Information from these meetings will be used to calibrate building ratings and to ensure that building ratings are consistent with market expectations.

This structure allows CoStar to actively and continuously preserve the timeliness and consistency of building ratings as an integrated function of CoStar research, through a centralized process which ensures an up-to-date reflection of commercial real estate activity. While no two buildings are exactly alike, the mechanisms above describe the general processes for how buildings are rated with the intent of aligning buildings as closely as possible to the definitions for each rating described later in this document.

We have established a special team within CoStar Research to review and respond to inquiries about the system. Please send any questions or comments directly to the CoStar Building Rating System at stars@costar.com or call toll-free **1-855-489-STAR (7827)**.

OFFICE BUILDINGS

Given the precedent established by the A, B, and C classification system, there is general acknowledgement within the real estate industry that a spectrum of quality exists among office buildings. While the basis for each building class is understood in a very general sense, the Building Rating SystemSM bases ratings on specific definitions for each rating. Individual buildings are analyzed and interpreted with respect to these definitions with the ultimate goal of assigning ratings that account for the wide variation.

Office Building Components

As part of the rating process, the elements of an office building were segmented into five main categories. The criteria within each category play a specific role in assessing the overall quality of an office building.

These five categories are defined below:

Architectural Design:

While opinions on the aesthetic expression of a building will vary among individuals, particular sets of design characteristics exhibit the current trends in office building design and construction. The design characteristics that are incorporated in the rating system are intended to capture a building's general aesthetic presence and experience. These characteristics range from the exterior materials selection and the character of the fenestrated surfaces, to the quality of interior finishes. To analyze these types of components, an office building is defined by the manner in which key architectural components compare with broadly accepted expectations of quality that have an influence on an office building's use, and the experience of its occupants.

Structure/Systems:

The structural attributes of a building and the systems in place can both be tangibly identified with certainty and their characteristics benchmarked against current expectations of highly competitive buildings. For example, the dimension from the top of a floor slab to the top of the slab directly above is a telling indicator of the potential for a high quality interior space. Additional height in this dimension can allow for natural daylight to penetrate further into floor plan. Combined with appropriate dimension from the windows to the building core, these structural characteristics can provide a well-lit indoor environment for employees.

Amenities/Management:

The quantity and types of on-site amenities contribute to the experience and the breadth of conveniences offered to daily occupants and visitors to the property. This enhanced desirability leads to tenant retention and further differentiates a building in a positive manner. An on-site property manager ensures that the

needs of tenants are well met and that all services are in good order. The performance of a building's management program and staff can be assessed through recognition like the BOMA 360 Performance Program and BOMA TOBY Awards.


Site/Landscaping/Exterior Spaces:

The quality of a building's site, sidewalk treatment, landscaping and exterior spaces all enhance both the visible presence of the building and its grounds, as well as the exterior environment provided to tenants. Quality in this area is demonstrated through clear building entrances, exterior gathering spaces, well-defined connections to parking areas, and the presence of well-maintained landscaping and greenery.

Certifications:

Various third-party certification programs are available for buildings to demonstrate performance in particular areas. For example, Leadership in Energy and Environmental Design (LEED), Energy Star, and Green Globes are all programs that recognize environmental performance and energy efficiency at a level above national standards, as well as the presence of sustainable building features and management practices. Studies have shown the correlation between achieving these certifications and increased financial performance. These certifications are typically also indicative of a building owner or manager's commitment to striving for the highest standards in office buildings.

Office Star Rating Definitions

RATING	GROUP	DEFINITION	
	A 5-Star office building is exemplary of a state-of-the-art, category defining structure that represents the latest trends and quality in design and construction, prominent in its context or of a landmark status, and very likely a certified sustainable and energy efficient building. Buildings rated to exhibit the nation's current set of highest quality structures and form the benchmark of current excellence in office buildings.		
	Architectural Design	Exterior Materials/ Façade	High-quality durable materials – natural stone, glass, well detailed metal panels; accentuating lighting.
		Lobby/ Common Areas	Double height or atrium lobby with top quality finishes/materials and artwork, clear and intuitive layout for visitors, comfortable waiting area, accentuating lighting, high level of finish in other common areas and elevator cabs/lobbies.
		Fenestration/ Glazing/ Views	Full height glass, corner windows, abundant natural day lighting, generally available exterior views, high ratio of glazed to opaque exterior walls, highly efficient glazing specifications.
		Overall Aesthetics	Positively differentiated from background buildings yet contextually appropriate. Representing current trends and standards in design and/or of a timeless, perhaps a historic quality. Aesthetically exceptional arrangement of forms, massing and materials. Likely designed by a notable or signature architect.

RATING	GROUP	DEFINITION
		Access Clearly articulated entrance identified with an architectural feature; truck and service entrance distanced from main entrance.
	Structure/Systems	High ceiling heights/slab-to-slab dimensions, efficient and virtually column free floor plans; modern energy-efficient HVAC, digitally controlled building automation systems, individual control/VAV units, efficient elevators with continuous shafts serving parking levels and upper floors, dedicated freight elevator. These buildings are likely to be constructed recently or undergone a significant renovation.
	Amenities/Management	Concierge, on-site management, fitness center, services (dry cleaning, shoe repair, etc.), security with streamlined ID and badging process, on-site conference facilities, bicycle storage, shower facilities, and other highly demanded amenities.
	Site/Landscaping/Exterior Spaces	Continually maintained landscaping where applicable; exterior gathering spaces, roof terrace or courtyard.
	Certifications	Very likely a certified/labeled green and energy efficient building.
	At a minimum level, a 5-Star building typically includes the following: exterior materials listed above, a glazing ratio of approximately 75%, 12' slab-to-slab dimension, a column free floor plan, a regular floor plate shape, and multiple desired amenities.	
★★★★★	A very high quality building that maintains market leadership through the strength of its initial construction, continual above average maintenance and desirability for tenants and investors over time, These buildings are likely to be older than the current 5 Star set.	
	Architectural Design	Exterior Materials/ Façade High-quality durable materials – likely similar to 5 Star type yet possibly exhibiting signs of age and wear.
		Lobby/Common Areas Large lobby with clear circulation, above average finishes, comfortable waiting area.
		Fenestration/ Glazing/Views Full height glass or ribbon windows/large punched windows, great natural day lighting and views.
		Overall Aesthetics Positively differentiated from background buildings yet contextually appropriate. Representing recent trends and standards in design and/or of a timeless, perhaps a historic quality.
		Access Clearly articulated entrance identified with an architectural feature, truck and service entrance distanced from main entrance.
	Structure/Systems	Likely to have some 5 Star qualities, or of a prior generation of buildings.
	Amenities/Management	Likely to have some 5 Star qualities, possibly without service oriented amenities.
	Site/Landscaping/Exterior Spaces	Well maintained landscaping where applicable; likely to have exterior gathering spaces, a roof terrace or courtyard.
Certifications	Likely a certified/labeled green and energy efficient building.	
★★★	Architectural Design	Exterior Materials/ Façade Brick, stucco, EIFS, precast concrete, or possibly higher rated materials with signs of age and wear.
		Lobby/ Common Areas Modest lobby size and finish, clear lobby layout for visitors.
		Fenestration/ Glazing/Views Punched or ribbon windows, fair mix of glazed and opaque surfaces that provides adequate natural light.
		Overall Aesthetics Average with respect to background buildings, contextually appropriate.
		Access Undifferentiated but obvious main entrance.
	Structure/Systems	Minimal ceiling height, smaller, less flexible floor plate, likely older and renovated.
	Amenities/Management	Some standard amenities.
	Site/Landscaping/Exterior Spaces	Modest landscaping and likely small or no exterior spaces.

RATING	GROUP	DEFINITION	
	Certifications	Possibly a certified/labeled green and energy efficient building.	
★★	Architectural Design	Exterior Materials/ Façade	Brick, stucco, EIFS, precast concrete, with noticeable aging.
		Lobby/Common Areas	Minimal or no lobby.
		Fenestration/ Glazing/Views	Small, seemingly inadequate windows.
		Overall Aesthetics	Average, functional.
		Access	Unarticulated entrance.
	Structure/Systems	Purely Functional.	
	Amenities/ Management	Likely none.	
	Site/Landscaping/ Exterior Spaces	Minimal or no landscaping, no exterior spaces.	
	Certifications	Unlikely a certified/labeled green and energy efficient building.	
★		Practically uncompetitive with respect to the needs of a typical office tenants, may require significant renovation, possibly functionally obsolete. The building may have been originally constructed for non-office use.	

Industrial Buildings

Unlike office buildings, there is currently no predominant classification system for industrial buildings. The Building Rating System provides a systematic approach to rating these properties. While following a similar rating structure as office buildings, industrial building ratings are unique in the sense that a high quality industrial building is one that provides state-of-the-art functionality for a particular industrial use and/or the flexibility to accommodate a range of uses. Additionally, consideration for secondary types plays a role. For example, the underlying factors for distribution facilities may differ from a manufacturing building.

Industrial Building Components

Architectural Design:

While the architectural aesthetics and design of an industrial building may not be the driving force when assessing a property, a well maintained building with a degree of architectural differentiation at main entrances and the long expansive surfaces associated with industrial functions is often indicative of modern high quality buildings. Additionally, the integration of elements such as skylights and well-placed signage may be demanded by tenants.

Structure/Systems:

This group represents the most significant components of an industrial building. It focuses on the functionally differentiating characteristics of a building such as loading, clear heights, and the presence modern systems.

Amenities:

The inclusion of certain building amenities may allow an industrial building to appeal to a wider array of tenants.


Site/Landscaping/Exterior Spaces:

An industrial building's site can further differentiate a property through characteristics such as an adequate truck court dimension and land ratio, as well as landscaping used strategically to enhance the presence of a building, delineate employee and service routes or to shield unattractive equipment.

Certifications:

Various third-party certification programs are available for buildings to demonstrate performance in particular areas. For example, Leadership in Energy and Environmental Design (LEED), Energy Star, and Green Globes are all programs that recognize environmental performance and energy efficiency at a level above national standards, as well as the presence of sustainable building features and management practices.

Industrial Star Rating Definitions

RATING	GROUP	DEFINITION	
	Architectural Design	Exterior Materials	Concrete tilt-up or concrete block, surface detailing to break up long facades, different and higher quality materials used on office parts of building. Insulated walls and roof.
		Fenestration/Glazing	Large windows at office areas, skylights for reduced lighting expense.
		Overall Aesthetics	Positively differentiated from building in immediate vicinity. Representing current trends and standards in design.
		Visibility/Access	Visibility from major access routes, clear delineation between employee/visitor route and service. Convenient access for trucks with very clear and visible signage from a distance.
	Structure/Systems	RBA (typically)	≥ 150,000 sq. ft.
		Clear Height (typically)	Distribution: ≥ 32 ft. Warehouse: ≥ 24 ft. Manufacturing: ≥ 28 ft.
		Dock Ratio (typically)	Distribution: ≤ 5,000 sq. ft./dock Warehouse: ≤ 5,000 sq. ft./dock Manufacturing: ≤ 10,000 sq. ft./dock
		Sprinkler Type	ESFR system
	Site/Landscaping/Exterior	Coverage Ratio	≤ 30%

RATING	GROUP	DEFINITION		
	Spaces	(typically)		
		Truck Court (typically)	≥ 125 ft.	
	Certifications	Possibly a certified/labeled green and energy efficient building.		
★★★★	Architectural Design	Exterior Materials/Façade	Concrete tilt-up or concrete block, surface detailing to break up long facades, different and higher quality materials used on office parts of building, possibly exhibiting signs of weathering and wear.	
		Fenestration/Glazing/Views	Large windows at office areas, possibly skylights.	
		Overall Aesthetics	Representing recent trends and standards in design.	
		Visibility/Access	Visibility from major access routes, clear delineation between employee/visitor route and service. Convenient access for trucks with very clear and visible signage from a distance.	
	Structure/Systems	RBA (typically)	Typically ≥ 100,000 sq. ft.	
		Clear Height (typically)	Distribution: ≥ 30 ft. Warehouse: ≥ 24 ft. Manufacturing: ≥ 28 ft.	
		Dock Ratio (typically)	Distribution: ≤ 7,500 sq. ft./dock Warehouse: ≤ 7,500 sq. ft./dock Manufacturing: ≤ 15,000 sq. ft./dock	
		Sprinkler Type	Yes	
	Site/Landscaping/ Exterior Spaces	Coverage Ratio (typically)	≤ 50%	
		Truck Court (typically)	≥ 100 ft.	
		Certifications	Possibly a certified/labeled green and energy efficient building.	
	★★★	Architectural Design	Exterior Materials	Concrete tilt-up or concrete block with a basic level of finish, undifferentiated materials at office.
Fenestration/Glazing/Views			Small windows at office areas, possibly skylights.	
Overall Aesthetics			Average with respect to surrounding buildings, contextually appropriate.	
Visibility/Access			Delineation between access for employee/visitors and service vehicles. Convenient access for large trucks. Decent signage.	
Structure/Systems		RBA (typically)	Typically ≥ 50,000 sq. ft.	
		Clear Height (typically)	Distribution: ≥ 28 ft. Warehouse: ≥ 20 ft. Manufacturing: ≥ 24 ft.	

RATING	GROUP	DEFINITION	
		Dock Ratio (typically)	Distribution: ≤ 10,000 sq. ft./dock Warehouse: ≤ 10,000 sq. ft./dock Manufacturing: ≤ 20,000 sq. ft./dock
		Sprinkler Type	Yes
	Site/Landscaping/ Exterior Spaces	Coverage Ratio (typically)	≤ 70%
		Truck Court (typically)	≥ 80 ft.
	Certifications	Possibly a certified/labeled green and energy efficient building.	
★★	Architectural Design	Exterior Materials/Façade	Metal or brick.
		Fenestration/Glazing/Views	No glazing, no skylights.
		Overall Aesthetics	Average, functional.
		Visibility/Access	No apparent access strategy, difficult access and sub-optimal signage.
	Structure/Systems	Purely Functional.	
	Site/Landscaping/ Exterior Spaces	Minimal or no landscaping, no exterior spaces.	
	Certifications	Unlikely a certified/labeled green and energy efficient building.	
★	Practically uncompetitive with respects to the need of a typical industrial tenants, may require significant renovation, possibly functionally obsolete.		

MULTI-FAMILY BUILDINGS

The quality and desirability of multi-family buildings is largely defined by the by the specifications of the dwelling units offered to tenants, as well as the amenities associated with the property overall. The following describes the components of the multi-family rating system.

Multi-family Building Components

Architectural Design:

The overall design of a multi-family building can be a key factor in attracting tenants and establishing the prestige of a property. In multi-family buildings, this ranges from buildings that exhibit the most current trends in apartment design and construction to the long lasting aesthetic of classic early 20th century buildings. These characteristics range from the exterior materials selection, the quality of interior finishes and the level of landscaping and exterior spaces. Additionally, unlike office and industrial buildings, regional and vernacular trends in design can play a role in the design of multi-family buildings.

Structure/Systems:

Structural and systems decisions in a multi-family building can be attributable to some of the value creating elements of the property. Tall/vaulted ceilings, adequate acoustic separation, open floor plans, as well as efficient, central HVAC systems with individual controls are all examples of building systems that have a differentiating effect in the market.

Amenities:

The package of unit and on-site amenities that are offered by a multi-family property speaks directly to the overall quality of the building and the ability of the property to attract and retain tenants. This includes the types of on-site amenities such as a swimming pool, tennis court, and fitness center; as well as the quantity and quality of unit amenities such as high-end appliances, stone countertops, integrated lighting, and hardwood floors.




Site/Landscaping/Exterior Spaces:

The design of a building's site, landscaping, walkway treatment, exterior spaces and amenities all enhance both the visible presence of the building and its context, as well as the exterior environment provided to tenants. In more urban contexts this includes roof terraces and courtyards

Certifications:

Various third-party certification programs are available for buildings to demonstrate performance in particular areas. For example, Leadership in Energy and Environmental Design (LEED), and Green Globes are all programs that recognize environmental performance and energy efficiency at a level above national standards, as well as the presence of sustainable building features and management practices.

Multi-family Star Rating Definitions

RATING	GROUP	DEFINITION	
	A 5-Star building represents the luxury end of multi-family buildings defined by finishes, amenities, the overall interior/exterior design and the highest level of specifications for its style (garden, low-rise, mid-rise, or high-rise).		
	Architectural Design	Exterior Materials/Façade	High-quality durable materials – natural stone, glass, well detailed and constructed metal panel, wood veneer, or terracotta cladding; accentuating lighting.
		Fenestration/Glazing/Views	Large windows, abundant natural day lighting, generally available exterior views, high efficient glazing specification.
		Overall Aesthetics	Representing current trends and standards in design and/or of a timeless, perhaps a historic quality. Aesthetically exceptional arrangement of forms, massing and materials. Possibly designed by a notable or signature architect.
	Structure/Systems	High ceilings; modern energy-efficient, central HVAC, individually controlled systems, high-speed elevators, likely new or newly renovated.	
	Amenities	Unit Amenities/Design	Requires numerous high quality finishes such as hardwood floors, granite countertops, stainless steel appliances, bay window(s), crown molding, a balcony/patio and in-unit washer/dryers. Also typically has an open floor plan and high/vaulted ceilings of 9'+
		Site Amenities	Requires plentiful on-site shared facilities including a clubhouse/party room, fitness center, business center, pool, concierge, etc.
	Site/Landscaping	Continually maintained landscaping where applicable; exterior gathering spaces, roof terrace or courtyard.	
Certifications	Possibly a certified/labeled green and energy efficient building.		
	4-Star buildings are constructed with higher end finishes and specifications, providing desirable amenities to residents and designed/built to competitive and contemporary standards.		
	Architectural Design	Exterior Materials/Façade	Durable materials, well-detailed and constructed metal panel, wood veneer or terracotta cladding; possibly exhibiting minor signs of weathering and wear.
		Fenestration/Glazing/Views	Large windows, great natural day lighting and views.
		Overall Aesthetics	Representing recent trends and standards in design and/or of a timeless, perhaps an historic quality.
	Structure/Systems	Likely to have some 5 Star qualities, or of a prior generation of buildings.	
	Amenities	Unit Amenities/Design	Includes some high quality finishes such as hardwood floors, granite countertops, stainless steel appliances, bay window(s), crown molding, a balcony/patio and in-unit washer/dryers. Also may have an open floor plan and high/vaulted ceilings.
		Site Amenities	Several on-site shared facilities such as a Clubhouse/Party Room, Fitness Center, Business Center, Pool, Concierge, etc.
	Site/Landscaping	Well maintained landscaping where applicable; likely to have exterior gathering spaces, roof terrace or courtyard.	
Certifications	Possibly a certified/labeled green and energy efficient building.		
	Architectural Design	Exterior Materials/Façade	Brick, stucco, EIFS, precast concrete, vinyl or fiber cement siding, possibly 4 Star materials with signs of age.
		Fenestration/Glazing/Views	Punched windows, fair mix of glazed and opaque surfaces that provide adequate natural light.
		Overall Aesthetics	Average with respect to background buildings, contextually appropriate.
	Structure/Systems	Likely smaller and older with less energy-efficient and controllable systems.	
	Amenities	Unit Amenities/Design	Average quality finishes, layout conducive to compact lifestyle

RATING	GROUP	DEFINITION	
			but not necessarily an open floor plan.
		Site Amenities	A few on-site shared facilities and spaces such as a Clubhouse/Party Room, Fitness Center, Business Center, Pool, Laundry Facilities, etc.
	Site/Landscaping	Modest landscaping and likely small or no exterior spaces.	
	Certifications	Possibly a certified/labeled green and energy efficient building.	
★ ★	Architectural Design	Exterior Materials/Façade	Brick, stucco, EIFS, precast concrete, siding with noticeable aging.
		Fenestration/Glazing/Views	Small, seemingly inadequate windows.
		Overall Aesthetics	Average, functional.
	Structure/Systems	Purely functional.	
	Amenities	Unit Amenities/Design	Below average finishes, inefficient use of space.
		Site Amenities	Likely only one or no on-site shared facilities.
	Site/Landscaping	Minimal or no landscaping, no exterior spaces.	
Certifications	Unlikely a certified/labeled green and energy efficient building.		
★	Practically uncompetitive with respect to typical multi-family investors, may require significant renovation, possibly functionally obsolete.		

RETAIL BUILDINGS

While the differentiating factors for retail properties are predominantly based on a location's impact on the potential productivity of the retailers, there are also aspects of retail buildings that contribute to the overall experience of shopping at a particular property or the building's contribution to attracting customers.

Location:

Prime retail districts provide a high concentration of retail tenants resulting in higher traffic and visibility for retailers. This agglomeration provides a mix of retailers, enables comparison shopping and allows for multi-purpose trips. These and other factors such as the purchasing power of a particular demographic in the area may drive the demand for retail tenants to locate in a prime retail area.

Tenants:

Retail properties rely on the reputation and brand recognition of their tenants, particularly anchor tenants, to attract customers as well as other retailers to a center. The presence of tenants with a willingness to pay top of the market rents generally aligns with well-maintained, higher quality retail buildings benefiting from the latest trends in retail development.

Architecture/Landscaping:

The architectural expression of a retail property should support the building or center's ability to attract customers and its strength as a competitively differentiated structure. Landscaping should be well integrated with the layout of building and parking, as well as supporting clear signage and visibility, and attractive landscaping at entrances.

Site Access/Site Design:

The site access and site design can support the attractiveness and productivity of a retail property. Placement of ingress and egress routes, dedicated turn lanes, signalized intersections, and other means to promote safe and efficient access, all impact the sales at a particular building. Site design must focus on clear and efficient layouts and configurations, as well as optimal access. The placement of buildings, parking, and signage must work together to maximize the visibility, attractiveness and accessibility of the center.

Certifications:

Various third-party certification programs are available for buildings to demonstrate performance in particular areas. For example, Leadership in Energy and Environmental Design (LEED), Energy Star, and Green Globes are all programs that recognize environmental performance and energy efficiency at a level above national standards, as well as the presence of sustainable building features and management practices.

Retail Star Rating Definitions

RETAIL	GROUP	ELEMENT	DESCRIPTION	
	Location		Located in a prime retail district with high purchasing power area based on local demographics. High concentration of retail tenants in its proximity.	
	Tenants		Recognized, industry leading, national or international retailers, or high-end local retailers. High drawing power, particularly for anchor tenants.	
	Architecture/ Landscaping	Exterior Materials/Façade		High quality materials that are durable, well maintained, clean, and seemingly appropriate to the use. Upscale shops should incorporate higher quality materials like natural stone, metal, and glass.
		Structure		New or very well maintained building, with a configuration applicable to a wide range of tenants.
		Curb Appeal		A positively differentiated design that may attract customers and with a level of quality to appropriately match with the expectations of the particular retailer. Centers should be architecturally unified, while appropriately maintaining distinct individual identities of retailers. Contextually appropriate to the location. Represents current trends and standards in design and/or of a timeless/ historic quality.
		Landscaping		Well-designed landscaping that breaks up expanses of parking lots, and provides pedestrian pathways, well-designed exterior spaces for visitors. Service areas should be concealed by the structure or landscaping.
	Site Access/ Site Design	Visibility/Access		Ingress and egress routes should be clearly defined and conveniently integrated with the roads serving the site. The building should be clearly visible from roadways with delineated access between employees/visitors and service vehicles. Storefront retail should be contextually appropriate; mixed-use retail entrances should be distinct from the non-retail, mall entrances should be prominently identified. Clear and well integrated signage. Corner locations featuring large frontages with dedicated turn lanes and signals. Parking lots and structures should be well lit and continuously maintained.
	Certifications			May have one or more certifications.
	Location		Possibly located in a prime retail district and high purchasing power area. High concentration of retail tenants in its proximity.	
	Tenants		Recognized, national or international retailers or high-end local retailers. High drawing power, particularly for anchor tenants.	
	Architecture/ Landscaping	Exterior Materials/Façade		High quality materials that are durable, well maintained, clean, and seemingly appropriate to the use.
		Structure		Likely newly built or well-maintained structure.
		Curb Appeal		A positively differentiated design that may attract customers and with a level of quality to match with the expectations of the particular retailer. Centers should be architecturally unified, while maintaining distinct individual identities of retailers. Representing recent trends and standards in retail design and/or of a timeless/ historic quality.
	Landscaping		Well-designed landscaping that breaks up expanses of parking lots, and provides pedestrian pathways, well-designed exterior spaces for visitors.	
	Site Access/ Site Design	Visibility/Access		Ingress and egress routes should be clearly defined and conveniently integrated with the roads serving the site. The building should be visible from roadways with delineated access between employees/visitors and service vehicles. Storefront retail should be contextually appropriate; mixed-use retail entrances should be distinct from the non-retail, mall entrances should be

RETAIL	GROUP	ELEMENT	DESCRIPTION	
			prominently identified. Clear and well integrated signage. Corner locations featuring large frontages with dedicated turn lanes and signals. Parking lots and structures should be well lit and maintained.	
	Certifications	May have a certification.		
★★★	Location	Average concentration of retail tenants in its proximity.		
	Tenants	National, regional and local retailers.		
	Architecture/ Landscaping	Exterior Materials/Façade	Average cost materials in good condition.	
		Structure	Potentially an older well maintained structure.	
		Curb Appeal	Average design for its typology.	
		Landscaping	Some features of the higher star category. Decent landscaping and exterior spaces and parking.	
	Site Access/ Site Design	Visibility/Access	Delineation between access for employees/visitors and service vehicles, decent signage.	
Certifications	Unlikely to have any certifications.			
★★	Location	Low concentration of retail tenants in its proximity.		
	Tenants	Likely local or regional retailers.		
	Architecture/ Landscaping	Exterior Materials/Façade	Lower cost materials.	
		Structure	Older property.	
		Curb Appeal	Functional design.	
		Landscaping	Little to no landscaping.	
	Site Access/Site Design	Visibility/Access	No apparent access strategy, difficult access and sub-optimal signage.	
Certifications	No certifications.			
★	Suitable for only very unique retailers, may require significant renovation, possibly functionally obsolete.			

Hospitality

The quality and appeal of a hospitality building is principally based on various components including the condition of the structure, location, amenities, and the hotel brand. The quality of a building's exterior and common areas, exterior grounds, entrance treatment, landscaping and exterior spaces all enhance both the visible presence of the building as well as its experience. Various third-party green building certification programs are available for buildings to demonstrate performance in particular areas. The quantity and types of on-site amenities contribute to the experience and the breadth of conveniences offered to daily occupants and visitors of the property. This includes amenities such as a swimming pool, fitness center, spa, and on-site dining options. This enhanced desirability leads to higher occupancy, differentiates a building in a positive manner and is generally correlated to the quality and maintenance of the structure. Additionally, the brand provides an indicator of the level of service and quality of stay expected at a certain hotel. Some of the desirability of a hospitality building is based on its location, more specifically its proximity to attractions, neighborhood amenities, and event venues appealing to leisure travelers; and proximity to business centers and industry events appealing to business travelers. All of these components are taken into consideration by CoStar research staff and a building is assigned a 1 to 5 Star rating.

CoStar Building Rating System

Land

The CoStar Building Rating SystemSM is structured to provide a rating that primarily incorporates the attributes of a structure. While undeveloped land lacks a built improvement, certain characteristics can be evaluated and aggregated into a rating for the parcel. These characteristics include specific features such as topography, onsite infrastructure, existing connections to utilities, boundary geometry, and ratio of net usable to gross land area. For example, topographies such as level or gently rolling, rather than steep or slopping, provide construction sites that are more easily and cost effectively developed. Sites with high net-to-gross ratios maximize buildability, existing utility and infrastructure connections further reduces development costs, and regular geometries increase efficiency.

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