

# Case Study: CoStar's Challenge Selling to Commercial Property Owners

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*CASE DISCLAIMER: Please understand that this case is about a real company, CoStar. Like most companies, CoStar takes great pride in making sure that the go-to-market (GTM) sales and marketing (sales) organization is given everything it needs to succeed. CoStar is also committed to trying new things in the sales organization in an effort to be the best sales team in the industry. So, in that sense, the issues presented in this case are real for CoStar. However, the "facts" of the case are purely fictional and are used for the sole purpose of the ISCS case event.*

It was early spring in Washington, D.C., and the tension in CoStar's headquarters was rising. The market-leading commercial real estate data platform had earned its reputation as the most trusted name among real estate professionals, but something wasn't working. Despite their superior technology, unmatched breadth of verified listings, and longstanding relationships in the brokerage world, CoStar's executive leadership team was facing a new challenge—one they hadn't quite cracked.

Senior Vice President of Global Sales, Jill Staley, stood at the head of a long conference table surrounded by his leadership team. The tone of the meeting had shifted. "We're flat in one of the fastest growing segments of commercial real estate," she said, referencing the company's strategic goal to expand direct sales to commercial property owners and management companies. "We've built the best tool in the industry, but we're still stuck selling to brokers. That's not where the growth is."

Sitting next to her, Marci Jones, SVP of CoStar Product, nodded in agreement. "We've put a lot of effort into building owner-facing functionality—things like portfolio performance tools, owner insights, and benchmarking—but sellers aren't closing deals. Owners still rely on brokers to be their conduit to us."

Tony White, SVP of CoStar Analytics, pulled up a slide on the screen. "Here's the breakdown," he said. "We've seen a 27% year-over-year increase in marketing campaigns aimed at owners, but conversion rates are at much less than half of what we see with brokers."

The company had long prided itself on helping brokers close deals faster and with more accuracy, but CoStar's strategic roadmap was clear: penetrate the owner segment. Ownership meant influence. Influence meant retention. And retention, they all knew, meant long-term growth.

## CoStar Brand Overview

CoStar is the flagship brand of CoStar Group, the global leader in commercial real estate (CRE) information, analytics, and online marketplaces. Founded in 1987, CoStar has grown into the industry’s most comprehensive platform for data-driven decision making in commercial property markets. The CoStar platform serves investors, owners, brokers, lenders, appraisers, and corporate real estate professionals by delivering real-time, independently verified data on millions of properties across the United States and around the world. Its mission is to empower professionals to make confident, evidence-based decisions by combining exhaustive market research with advanced analytics and intuitive technology.

At its core, CoStar provides users with detailed property-level information—ownership records, tenant data, lease comparables, transaction history, and market forecasts—through a cloud-based system that integrates maps, analytics, and reporting tools. The company’s massive research operation, consisting of thousands of data collectors, analysts, and field researchers, continually updates information to ensure accuracy and depth. This extensive coverage and constant validation process have made CoStar the de-facto data standard for many segments of the commercial real estate industry.

The CoStar brand sits at the center of the broader CoStar Group portfolio, which includes complementary brands such as LoopNet (commercial property listings), Ten-X (CRE auctions and transactions), Apartments.com and Homes.com (residential and multifamily marketplaces), STR (hospitality benchmarking and analytics), and Land.com (land and rural property listings). While these sister brands focus on specific niches or transaction environments, CoStar itself provides the foundational market intelligence that underpins many of the Group’s other platforms. In that sense, CoStar functions as both the “data backbone” and the analytical engine of the entire CoStar Group ecosystem.

Below is a summary of CoStar’s core capabilities and offerings and a CoStar overview video is provided here: <https://www.youtube.com/@CoStar>

Capability / Feature	Description / Highlights
Property Records & Database	Maintains a massive, independently researched database of commercial properties—ownership details, transaction history, tenant data, and building characteristics.
Market Analytics & Insights	Provides analytics on markets, submarkets, and trends,

	including vacancy rates, rent growth, supply forecasts, and market health indicators.
Comparable Sales & Lease Comps	Offers extensive access to verified sale and lease comparables to support valuation and benchmarking.
Custom Reporting & Alerts	Allows users to set up personalized reports, saved searches, and notifications for new listings or market changes.
Integration with Lender & Credit Tools	“CoStar for Lenders” integrates property data with loan portfolios and credit-risk models to assess default risk and market exposure.

The CoStar platform is used by a wide array of professionals: investors rely on it to evaluate acquisition opportunities; brokers and leasing agents use it to identify prospects and comparables; lenders and appraisers depend on its data to value assets and monitor portfolios; and corporate real estate teams employ its analytics to make strategic location and portfolio decisions. This multi-stakeholder relevance has helped CoStar become a trusted information partner in virtually every commercial real estate transaction type—from leasing and financing to development and investment.

CoStar’s strengths lie in the breadth and accuracy of its data, its integration of analytics and visualization tools, and its industry credibility built over decades of use. However, its success also presents ongoing challenges. Maintaining the freshness and precision of such a vast dataset is resource-intensive, and smaller market participants often view subscription costs as prohibitive. Moreover, as the platform continues to expand through acquisitions and feature growth, ensuring usability and integration across brands remains an important strategic priority. Still, CoStar’s role as the central data and analytics platform for the commercial property industry remains unmatched—making it a cornerstone of how professionals understand, value, and transact in commercial real estate today.

Commercial real estate transactions represent one of the largest and most dynamic segments of the U.S. real estate industry. National-level data highlight the scale and continued momentum of this sector: in 2023, total U.S. commercial real estate transaction volume reached approximately \$647 billion, and by 2024, that figure had climbed to roughly \$757 billion. Entering 2025, market activity has remained robust—an average of 369 commercial properties are transacted each day across the United States. These

figures underscore the magnitude of capital and property movement within the commercial real estate market, reflecting its central role in driving investment, development, and economic growth nationwide.

## **Current Seller Structure and Customer Alignment at CoStar**

CoStar Group has a large and growing sales organization, with sellers aligned by brand and market segment. Our sellers typically specialize in one of our platforms—such as Apartments.com, Homes.com, LoopNet, or CoStar Sales (CRE)—and are assigned territories that may be geographic or vertical-specific depending on the brand. For example, Homes.com sellers focus on residential real estate professionals, while CoStar Sales sellers target commercial brokers and equity firms.

Each seller owns the full customer relationship lifecycle—from prospecting to closing and renewal. While we do have a Sales Development Program (SDP) that includes interns and entry-level associates who support lead generation and early-stage outreach, our full-time sellers are expected to manage their own pipelines. Customer Success teams do exist but are more focused on onboarding and product adoption rather than renewals, which remain the seller's responsibility.

On average, a seller's portfolio can range from 50 to 200 accounts depending on the brand and territory size. Some sellers manage high-volume transactional accounts, while others focus on fewer, high-value relationships.

## **Current Seller Compensation Structure**

Compensation for CoStar sellers generally includes a base salary plus performance-based incentives. For example, entry-level sellers start with a base salary around \$50K–\$60K, with uncapped commissions and OTEs reaching \$100K+ in the first year. Bonuses are tied to three key individual performance metrics; such as quota attainment, new business acquisition, and retention rates. This structure is designed to reward sellers for both volume and quality of sales.

## **Current Initiatives Targeting Property Owners**

In response to leadership's desire to grow direct subscriptions among property owners, CoStar has launched a series of internal initiatives aimed at reorienting the salesforce. While the company's dominance in serving commercial brokers remains clear, these new initiatives seek to help sellers pivot toward property owners, who represent an underpenetrated growth opportunity.

One of the most significant initiatives was the release of updated internal playbooks specifically targeting property owner personas. These playbooks included segmentation strategies to identify and prioritize owner accounts, guides for preparing demos with an ownership lens, and objection-handling scripts designed to address common owner concerns such as cost, integration complexity, and perceived redundancy with broker services.

Additionally, CoStar's product marketing team worked closely with sales enablement to launch new presentation decks—most notably, the 'U.S. Owner Presentation' and 'U.S. Multifamily ROI Briefing.' These decks were meant to frame the CoStar platform not just as a research tool, but as a strategic asset that could enhance owners' asset value, leasing velocity, and portfolio-level visibility. However, internal feedback indicated that much of the tone and content still appeared broker-centric. Many slides referenced how brokers use CoStar to drive leasing and sales transactions, with fewer examples tailored to long-term ownership use cases such as asset benchmarking or tenant mix strategy.

Sellers were also encouraged to pursue co-selling campaigns with account managers who had deeper relationships with property management firms. These efforts often involved joint calls, regional roadshows, or product-led webinars that focused on demonstrating the ownership-specific ROI of CoStar's tools. While these events occasionally led to successful conversions, adoption remained uneven across territories and sales teams.

At an operational level, CoStar has not yet established a single point of accountability for driving property owner acquisition. While leadership from Product and Marketing has been visible in these efforts, Global Sales (led by Jill Stayley) has not created an owner-focused sales pod or feedback loop to consolidate learnings, track conversion metrics, or refine positioning based on buyer responses.

Marci Jones, SVP of Product, has publicly voiced her support for elevating the role of owner-centric use cases in product roadmaps. Yet even her team acknowledges that without frontline execution from sales, the product differentiation alone cannot drive growth. Tony White, SVP of Analytics, has similarly reinforced the need to frame CoStar as a long-term intelligence partner to ownership—not just a tactical broker tool. But without operational alignment and clear ownership of the initiative, the push for owner subscriptions has yet to yield meaningful traction.

## **Voices from the Field: Challenges and Pockets of Progress**

Despite CoStar's internal momentum to move toward direct sales to commercial property owners, many sellers remain hesitant, unsure, or simply ill-equipped to execute this shift effectively. In interviews

conducted with frontline sellers across major metro markets like Dallas, Chicago, and Los Angeles, several themes emerged:

“First of all, we can’t just say ‘Commercial Property Owners’ because they are different kinds. So my approach to selling to these customers depends on the type of Commercial Property Owner we are talking about.” **(See Appendix for customer segments)**

“I know how to talk to brokers. They speak the same language. When I call an owner, I feel like I’m immediately on the back foot.”

“Owners just say, ‘My broker handles that,’ and hang up. I don’t feel like I have a playbook for getting past that brush-off.”

“Most of the objection handling we’ve been trained on is broker-specific. Owners have a whole different mindset and buying process.”

“I don’t think we really understand what owners value in our data. We pitch it the same way we would to an agent, and it just doesn’t land.”

This feedback has not gone unheard by CoStar leadership. In a recent cross-functional working session, SVP of Global Sales Jill Stayley voiced her concern that the company’s strongest growth opportunity was being undermined by a lack of seller confidence and training:

“We’ve got the best data platform in the industry. We’ve got owners who are finally paying attention. What we don’t have is a consistent, confident seller approach to converting that attention into deals.”

## **Emerging Best Practices from Owner-Oriented Sellers**

While many sellers continue to struggle, a few have started to see real traction with owners by changing their approach (see appendix A). These successful reps aren’t just following the broker playbook — they’re rewriting it. Some tactics in the field that seem to have some level of effectiveness:

- Tailoring demo prep around ownership-specific workflows like leasing portfolio visibility, property benchmarking, and tenant turnover analysis.
- Opening calls by validating owner pain points (“We’ve heard from other owners that managing 10+ properties makes it hard to get consistent comps—does that ring true for you?”).

- Using calculators or simple models to show how one missed leasing opportunity could cost an owner more than the annual CoStar subscription fee.
- Offering implementation support early — including data overlays, property onboarding walkthroughs, and user permissioning consultations — to mitigate perceived switching risk.

## Competitive Landscape

While CoStar remains the dominant player in the commercial real estate data and analytics space, it faces an increasingly competitive environment from a range of specialized and emerging platforms. Competitors such as CompStak, Real Capital Analytics (RCA), Crexi, Reonomy, and LightBox have each carved out niches by offering differentiated capabilities—often with simpler interfaces, lower costs, or more targeted use cases.

CompStak, for instance, focuses on crowdsourced commercial lease and sales comparables. By aggregating verified data from brokers, appraisers, and researchers, CompStak has gained traction among users seeking transaction-level transparency without the full subscription costs associated with CoStar. Real Capital Analytics, now part of MSCI, competes directly in the investment analytics and transaction intelligence segment. RCA's strength lies in its global transaction database and capital flow tracking tools, which are widely used by institutional investors and lenders to monitor deal activity and market trends.

Meanwhile, Crexi and LoopNet compete more directly in the listings and marketing space. Crexi's emphasis on transaction enablement—allowing users to market, analyze, and close deals on a single platform—has resonated with small and mid-sized firms seeking an end-to-end solution. Reonomy, acquired by Altus Group, differentiates through its use of AI and machine learning to map ownership structures and property relationships at scale. This approach offers an appealing alternative for users focused on prospecting and ownership discovery rather than comprehensive analytics. Finally, LightBox has positioned itself as an integrated data ecosystem combining environmental, location, and parcel-level intelligence—further intensifying competition in the property data arena.

Despite its superior data accuracy, breadth of coverage, and research infrastructure, CoStar's challenge lies in communicating and demonstrating these differentiators effectively to new buyer segments—especially commercial property owners. Many of CoStar's competitors emphasize usability, lower entry costs, or specialized functionality, making it imperative for CoStar's sales teams to go beyond feature comparisons. Success in the direct-to-owner segment will require sellers to clearly articulate CoStar's unique value

proposition—its verified data integrity, market-leading analytics, and deep integration with other CoStar Group brands—as tangible business advantages for ownership.

In short, as competition intensifies, CoStar’s ability to differentiate itself through trust, precision, and strategic insight—not just data volume—will be critical in winning over commercial property owners and achieving its growth goals in this next phase of the company’s evolution.

## **Help Is on the Way!**

It’s already mid-October and the leadership team found themselves gathered at Reagan National Airport, waiting for flights back to their respective cities after another long week of meetings. The tone was reflective but urgent. Marci Jones glanced up from her phone and said quietly, “If we don’t figure out how to connect with owners, we’re going to be having this same conversation next year.” Jill Stayley nodded, watching planes taxi outside the window. “You’re right,” she said. “2026 growth isn’t going to come from doing more of the same—it’s going to come from cracking this owner segment once and for all.” She paused, turning to Tony White. “I’m ready to fund a plan—whatever it takes. Training, comp redesign, getting frontline managers more involved, a broader marketing push... I don’t care what the play is, as long as it’s specific and actionable. We just can’t afford another year of talking about potential.” Marci smiled slightly and added, “Well, there may be some help on the way. I’ve got a meeting with a consulting team down in Orlando in early November. I’ve already shared some of our data (see attachments to the case email) and the challenges we’ve been facing. They’re excited to come back with some initial ideas.” As the team gathered their bags and headed toward their gates, it was clear that CoStar’s next chapter would depend not just on its technology, but on its ability to sell—and to sell differently to commercial owners. Jill closed the meeting by saying, “Good, maybe they can help us plan a fresh approach!”

**Appendix 1: Summary Table of Commercial Property Segments**

Segment Name	Portfolio Size	Asset Class	Ownership Structure	Geographic Scope	Profile Summary
<b>#1 Urban Core Investors</b>	80–150 properties	Class A Office and Mixed-Use Developments	Institutional (Large investment groups)	National – top 20 metro markets	Institutional investors managing prime downtown assets. Sophisticated, data-driven, and focused on occupancy optimization and yield management.
<b>#2 Sunbelt Value-Add Syndicates</b>	20–40 properties	Industrial, Flex, and Retail Strip Centers	Private equity syndicates and joint ventures	Regional – Southeast & Southwest U.S.	Investment groups seeking underperforming assets in high-growth Sunbelt markets; focus on repositioning and re-leasing for upside potential.

<p><b>#3 Local Legacy Owners</b></p>	<p>5–10 properties</p>	<p>Neighborhood Retail and Small Office</p>	<p>Family-owned LLCs or partnerships</p>	<p>Local – Single metro area</p>	<p>Longtime community owners managing properties directly; lean operations, often second-generation decision-makers.</p>
<p><b>#4 Regional Multifamily Operators</b></p>	<p>50–100 properties</p>	<p>Class B &amp; C Multifamily Communities</p>	<p>Private owner-operators with in-house management</p>	<p>Regional – Midwest &amp; Mid-Atlantic</p>	<p>Volume-driven owners managing both owned and third-party assets; emphasize occupancy and NOI consistency.</p>
<p><b>#5 National Industrial DC's</b></p>	<p>200–500+ properties</p>	<p>Industrial and Logistics Distribution Centers</p>	<p>Large Co's with regional divisions</p>	<p>National – Tier 1 &amp; 2 logistics corridors</p>	<p>Large-scale, logistics-focused institutional owners emphasizing supply chain efficiency and predictive analytics.</p>

