CoStar Projects Stable U.S. Office Vacancy Through 2026

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ARLINGTON, Va.--(BUSINESS WIRE)--Feb. 6, 2026-- U.S. office vacancy projections remain virtually unchanged in a revised forecast from CoStar, the leading global provider of online real estate marketplaces, information and analytics in the property markets.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20260206213648/en/

Forecast: Office vacancy to plateau in 2026 before descending

After reaching a cyclical peak in mid-2025 before lowering slightly by the end of the year, the near-term U.S. office outlook now anticipates stable vacancy (14.1%) through the end of 2026, followed by a gradual decline that would bring the headline rate near 13% by 2030.

"The revised forecast outlook takes a somewhat more optimistic long-term view than the previous forecast, which called for a continued rise in vacancy until late 2026, remaining well above 13% through the end of the decade," said Phil Mobley, national director of office analytics at CoStar Group. "The shift reflects recovering tenant demand during the back half of 2025, driven by a stabilization in per-worker space needs even as hiring in the traditional knowledge industries continued to lag."

Compared with prior expectations, the revised house view forecast calls for roughly 10 million fewer square feet of occupancy gains in 2026 as job growth continues to decelerate. On the supply side, the near-term outlook is similar, with about two-thirds of the remaining under-construction pipeline set to deliver this year.

Rent growth is expected to hold steady throughout 2026, though it will likely remain below 1% until an acceleration in early 2027 that coincides with the expected pickup in job growth.

"Risks to the outlook remain balanced," said Mobley. "Some occupiers may need to expand footprints simply to accommodate workers attending more consistently, even without strong new hiring. On the other hand, the recent productivity-driven divergence between economic growth and job growth could persist, especially if advances in AI enable firms to expand output with fewer employees. That could dampen demand for additional space."

The full forecast can be found here.

For more information about the company and its products and services, please visit costargroup.com.

About CoStar Group
CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible; STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 143 million average monthly unique visitors in the third quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

This news release includes "forward-looking statements" including, without limitation, statements regarding CoStar's expectations or beliefs 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 revised forecasted U.S. office short-term and long-term vacancy rates do not remain stable as forecast. 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, 2024 and Forms 10-Q for the quarterly periods ended March 31, 2025, June 30, 2025, and September 30, 2025, 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 or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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