



## CoStar Upgrades U.S. Office Projections Through 2026

October 29, 2025

ARLINGTON, Va.--(BUSINESS WIRE)--Oct. 29, 2025-- U.S. office projections have been slightly upgraded 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/20251029728880/en/>



Amid a performance shift in the third quarter of 2025, the near-term U.S. office outlook now calls for 10 million square feet of positive absorption over the next four quarters, an upgrade from the [previous forecast](#), which anticipated a negative

### Forecast: Office Vacancy Rate Near Peak

absorption of 4 million square feet.

Rent growth is also expected to achieve better results, reaching 1% by late 2026 and 1.5% by mid-2027. The previous forecast noted the metric would likely remain below 1% well into 2027.

"The revised forecast accounts for the [strongest quarter of occupancy gains since 2019](#), despite stagnant job growth in traditional knowledge industries," said Phil Mobley, national director of office analytics at CoStar Group. "Many occupiers, anticipating higher office attendance, have recently committed to additional space despite tepid hiring. This behavior is expected to boost absorption for several more quarters."

In the longer term, per-employee space needs are expected to be lower than before 2020, presenting a headwind to future demand. Thus, vacancy is expected to be structurally higher, remaining above 13.5% through the end of the decade. This would be a full percentage point above the peak that followed the Great Recession.

"While the current outlook is positive, there are downside risks," said Mobley. "Persistent inflation and volatile trade policy suggest that economic growth is still poised precariously. Furthermore, preliminary benchmark revisions to employment data indicate that the job market has been even weaker over the last year than initially reported, especially in key knowledge industries, where a focus on tech-enabled efficiency could further erode payrolls."

The full forecast can be found [here](#).

For more information about the company and its products and services, please visit [costargroup.com](http://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](http://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 forecasted U.S. office short-term occupancy increases and long-term occupancy declines do not occur as expected or are not influenced by general economic conditions as expected. 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](http://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.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20251029728880/en/): <https://www.businesswire.com/news/home/20251029728880/en/>

### **News Media Contacts**

Haley Luther  
Senior Communications Manager  
(216) 278-0627  
[hluther@costar.com](mailto:hluther@costar.com)

