



CoStar's U.S. Industrial Projections Remain Unchanged Through 2026

October 31, 2025

ARLINGTON, Va.--(BUSINESS WIRE)--Oct. 31, 2025-- U.S. industrial projections remained unchanged in a just-released 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/20251031854807/en/>



Despite the return of positive net absorption in the third quarter of 2025, the near-term U.S. industrial outlook [remains consistent with the previous forecast](#), which projected a rise in vacancy rates through 2026 and a fourth consecutive year of

Industrial vacancy is forecast to peak in 2026

moderating demand.

The national industrial vacancy rate increased to 7.5% in the third quarter – its highest level in over a decade – and is expected to peak at 7.9% in the third quarter of 2026. While under-construction activity is tapering, a backlog of speculative supply set to deliver over the next couple of quarters will continue to put pressure on occupancy.

Absorption is still expected to stay positive in 2025 but remains 50% below 2024 levels, with rent growth near 13-year lows at an average of 1.0% for the year. The metric is expected to edge lower before reaccelerating.

"Leading indicators point to continued weakness in freight market activity, particularly through the second half of the year," said Juan Arias, national director of industrial analytics at CoStar Group. "Sluggish leasing velocity and ongoing trade uncertainty lend more weight to downside risks, but possible upside risks include a potential easing of inflationary pressures and continued resilient consumer spending."

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; and Homes.com, the fastest-growing residential real estate marketplace. 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 U.S. industrial projected absorption levels and total vacancy rate do not occur as expected or are not influenced negatively by weighty trends in trade uncertainty or positively by trends in consumer spending and inflationary 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). 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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