



CoStar's U.S. Retail Projections Remain Steady Through 2026

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ARLINGTON, Va.--(BUSINESS WIRE)--Feb. 18, 2026-- U.S. retail projections remain unchanged through 2026 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/20260218305337/en/>



Consistent with the [previous forecast](#), which had U.S. retail vacancy peaking at just under 4.4%, the metric is expected to rise minimally in the first half of 2026 before falling slightly during the latter half of the year and into 2027.

Vacancy to stay range bound as supply remains elusive

Though receding, store closures are expected to increase in the first half of 2026 as the bifurcated retail sales environment pushes certain tenants to trim locations. Full-year net absorption is forecasted to total just over 16 million square feet, which would be the third lowest level of annual demand formation recorded in the past decade, behind 2020 and 2025.

"Underpinning the stable outlook was the resumption of positive demand in the back half of 2025," said Brandon Svec, national director of retail analytics at CoStar Group. "After two consecutive quarters of falling demand, retail fundamentals stabilized in the third quarter as the pace of closures slowed and backfill demand surged. With higher demand, the wave of store closures seemingly cresting, and new supply remaining elusive, performance is forecasted to remain in balance for the foreseeable future."

"There are both upside and downside risks to the forecast, though the balance currently tilts to the downside," said Svec. "Continued uncertainty persists around the impact of tariffs, and although retailers and suppliers have largely absorbed these costs so far, many are signaling imminent price increases, which could further strain household budgets and dampen discretionary 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; 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 forecasted U.S. retail vacancy and net absorption levels 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). 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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