



## CoStar Projects Steady U.S. Office Vacancy Through 2026

April 29, 2026

ARLINGTON, Va.--(BUSINESS WIRE)--Apr. 29, 2026-- U.S. office vacancy is expected to remain steady through 2026, according to 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/20260429718421/en/>



U.S. office vacancy continued to retreat in the first quarter of 2026, dropping to 14% and shifting 20 basis points below its mid-2025 record peak. The metric is expected to remain at this level through 2026 before beginning a slow decline.

### Forecast: Office vacancy rate begins long, slow descent

The updated forecast reflects a stronger near-term demand outlook due to recent leasing momentum, as new leasing activity in Q1 2026 reached its [highest level since 2018](#).

"U.S. office vacancy is now forecasted to end 2026 roughly 10 basis points lower than [previously anticipated](#), but should converge with earlier expectations by mid-2028," said Phil Mobley, national director of office analytics at CoStar Group. "The metric is projected to drift lower after this year as historically low construction levels and elevated demolitions produce a contraction in supply."

Compared with prior expectations, the house view is now for roughly 10 million additional square feet of net absorption in 2026 – a pickup that is viewed largely as a pulling forward of demand driven by the tightening availability of desirable space.

Rent growth is expected to strengthen modestly, remaining above 1% through 2026 and accelerating further as availability strengthens.

"Risks to the outlook appear skewed to the downside," said Mobley. "Rapid productivity gains seem to be partly tied to slow job growth, which could result in stagnant hiring or layoffs if firms continue to leverage technology and automation successfully to boost productivity. In addition, higher energy prices could lead to slower economic growth, which would likely weigh on office demand."

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 131 million average monthly unique visitors in the first quarter of 2026, 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 revised forecasted U.S. office vacancy rates do not remain stable in 2026 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](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/20260429718421/en/): <https://www.businesswire.com/news/home/20260429718421/en/>

### **News Media Contacts**

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

Source: CoStar Group