



CoStar's U.S. Retail Forecast Remains Balanced Through 2026

May 4, 2026

ARLINGTON, Va.--(BUSINESS WIRE)--May 4, 2026-- U.S. retail projections remain balanced 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/20260504103646/en/>



Consistent with [previous expectations](#), U.S. retail vacancy is anticipated to peak in the mid-4.4% range, edging slightly higher in 2026 before stabilizing and gradually tightening in 2027.

Stable retail outlook underpinned by limited new supply

Net absorption is forecasted to remain modest through the first half of 2026 before improving in the latter half of the year when the metric is expected to average between 4 to 5 million square feet per quarter.

"Move outs rose in Q1 2026 following a quieter close to 2025," said Brandon Svec, national director of retail analytics at CoStar Group. "While first quarter move outs are typically elevated, historically resulting in the weakest quarter of the year, this year's increase was amplified by several large batch closures and a higher closure rate among mom-and-pop tenants. Store closures are expected to remain somewhat elevated in the near term as certain discretionary and value challenged retailers continue to rationalize footprints amid slower sales growth and rising operating costs."

"The forecast carries both downside and upside risks, though the balance remains tilted to the downside," said Svec. "Significant uncertainty remains around the impact of increased oil and gas prices on an already fragile customer. Other downside risks include a further softening in the labor market and lower-than-expected population gains."

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 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.

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.

View source version on businesswire.com: <https://www.businesswire.com/news/home/20260504103646/en/>

News Media:

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

Source: CoStar Group