CoStar Report Shows Data Centers Fueling Increasing Share of U.S. Industrial Demand

August 26, 2026

ARLINGTON, Va.--(BUSINESS WIRE)--Aug. 26, 2026-- Growth in data center development is fueling an increasing share of U.S. industrial demand, according to a new report 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/20260826990641/en/

Nationally, data center inventory has reached roughly 69 gigawatts of existing capacity, while another 43 gigawatts are currently under construction.

The increase in development activity has impacted industrial demand, with data center-adjacent occupiers accounting for more than 6% of leasing activity across logistics properties within five miles of data center facilities in 2026, up from less than 3% in 2020. Growth has been broad-based across several categories, including construction firms, power and cooling equipment suppliers, operators and IT infrastructure providers.

“The data center industry remains one of the fastest-growing segments of commercial real estate,” said Juan Arias, national director of industrial analytics at CoStar Group. “Vacancy remains near historic lows as demand from hyperscale cloud providers and AI-related users continues to outpace new supply. Hyperscale facilities now account for 64% of existing capacity, underscoring the scale at which major technology companies are expanding their infrastructure footprints.”

Among major markets, Dallas-Fort Worth leads the nation with approximately 10 million square feet of occupied logistics space leased by data center-adjacent industries since 2025. Houston, Atlanta and Phoenix rank behind Dallas, respectively.

“Many of these markets coincide with established or emerging data center hubs where abundant land, infrastructure investments, and relatively favorable power economics have attracted large-scale development,” said Arias. “Operators are increasingly prioritizing locations with access to new electrical generation, substations, and transmission infrastructure as they seek to bring capacity online. As a result, demand is extending beyond data center buildings themselves and into the broader supply chain required to construct and operate them.”

The full analysis 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; Zonda, a leading provider of data, analytics, software, and marketplace solutions for the residential construction industry; 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 118 million average monthly unique visitors in the second 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.

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Source: CoStar Group