CoStar Group

CoStar Projects Steady U.S. Industrial Vacancy Through 2027

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<p> <location value="LU/us.va.arlton" idsrc="xmltag.org">ARLINGTON, Va.</location>--(BUSINESS WIRE)--Oct. 30, 2026-- <location value="LC/us" idsrc="xmltag.org">U.S</location>. industrial vacancy is expected to hold steady through 2027, according to a revised forecast from <a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=http%3A%2F%2Fwww.costargroup.com%2F&amp;esheet=54631474&amp;newsitemid=20261030350344&amp;lan=en-US&amp;anchor=CoStar&
amp;index=1&amp;md5=1d39d6f4978774f40d1aaadc544f03a7" shape="rect">CoStar</a>, a leading global provider of online real estate marketplaces, information and analytics in the property markets. </p> <p id="news-body-cta">This press release features multimedia. View the full release here: <a href="https://www.businesswire.com/news/home/20261030350344/en/" rel="nofollow">https://www.businesswire.com/news/home/20261030350344/en/</a></p> <div id="bwbodyimg" style="width: 480px; float:left;
padding-left:0px; padding-right:20px; padding-top:0px; padding-bottom:0px;"><img src="https://mms.businesswire.com/media/20261030350344/en/2952349/4/PR_20261030_US_Industrial_forecast.jpg" alt="Industrial market moves toward healthier supply-demand balance"><p style="font-size:85%;">Industrial market moves toward healthier supply-demand balance</p> </div> <p> The national industrial vacancy rate came in at 7.3% in the third quarter and is expected to remain at this level through 2027 before
gradually declining in 2028. This modest improvement from the <a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=https%3A%2F%2Fwww.costargroup.com%2Fpress-room%2F2026%2Fcostar-expects-us-industrial-demand-outpace-supply-late-2027&amp;esheet=54631474&amp;newsitemid=20261030350344&amp;lan=en-US&amp;anchor=previous+forecast&amp;index=2&amp;md5=7ebe44da7d12bead9e8802a7fc17efe2" shape="rect">previous forecast</a> comes as the recent
recovery in tenant demand is now more evident. </p> <p> Demand is now expected to outpace new supply for the remainder of 2026. In 2027, however, conditions are projected to reverse course, with annual absorption forecasted to moderate to roughly 204 million square feet while completions increase to approximately 243 million square feet. </p> <p> “The updated forecast reflects improved leasing and signs of recovering occupancy from the weaker performance seen earlier in the year,” said <person>Juan
Arias</person>, national director of industrial analytics at <org value="NASDAQ-NMS:CSGP" idsrc="xmltag.org">CoStar Group</org>. “The tide began to turn in Q3 as demand for industrial space finally outpaced supply, helping to avoid a further increase in available space.” </p> <p> “Risks to the forecast remain weighted toward the downside,” said Arias. “A slower recovery is expected if construction fails to moderate after 2027 or if there is a pullback in tenant demand. Groundbreakings for new industrial facilities have
recently risen from recent lows, and a sustained increase in speculative development could prolong elevated vacancy, particularly among mid-sized logistics properties. Trade uncertainty, volatile imports, higher transportation costs, margin pressures and a sluggish housing market pose additional demand risks.” </p> <p> The full forecast can be found <a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=https%3A%2F%2Fwww.costar.com%2Farticle%2F2038272342%2Fforecast-brightens-
for-us-industrial-property-as-leasing-recovers&amp;esheet=54631474&amp;newsitemid=20261030350344&amp;lan=en-US&amp;anchor=here&amp;index=3&amp;md5=8109633bf0e5d4e9e6eed191875e6856" shape="rect">here</a>. </p> <p> For more information about the company and its products and services, please visit <a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=http%3A%2F%2Fwww.costargroup.com&amp;esheet=54631474&amp;newsitemid=20261030350344&
amp;lan=en-US&amp;anchor=costargroup.com&amp;index=4&amp;md5=0ea7a40664a7434777d8362f0f08881f" shape="rect">costargroup.com</a>. </p> <p> <b><span class="bwuline">About CoStar Group <br></span></b>CoStar Group (NASDAQ: CSGP) is a leading global provider of online real estate marketplaces, information, analytics, and digital twins in the property markets. 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. </p> <p> 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. </p> <p> 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. </p> <p> CoStar Group’s websites attracted 121 million
average monthly unique visitors in the third 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 <a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=https%3A%2F
%2Fnam04.safelinks.protection.outlook.com
%2F%3Furl%3Dhttp%253A%252F%252Fwww.costargroup.com%252F%26data%3D05%257C02%257Ckcapova%2540str.com%257C5c7d5fa16d1f492b629108dd711cdcdd%257C9a64e7ca363f441c9aa74f85977c09f1%257C0%257C0%257C638791090977538834%257CUnknown%257CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%253D%253D%257C0%257C%257C%257C%26sdata%3DzTGAkD6jkqwLHG5sxi4cxjyWf4Kr6%252Fa1GJm
amp;esheet=54631474&amp;newsitemid=20261030350344&amp;lan=en-US&amp;anchor=CoStarGroup.com&amp;index=5&amp;md5=5d66f6b8b952c37a432353b82093407e" shape="rect">CoStarGroup.com</a>. </p> <p> 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 projected U.S. industrial demand, absorption, vacancy rates and supply trends do not occur as expected due to changes in economic conditions including inflation and consumer spending, trade policy including tariffs, or leasing and construction activity. 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 Reports on Form 10-K and Quarterly Reports on Form 10-Q, 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 (<a rel="nofollow" href="https://cts.businesswire.com/ct/CT?id=smartlink&amp;url=http%3A%2F%2Fwww.sec.gov&
amp;esheet=54631474&amp;newsitemid=20261030350344&amp;lan=en-US&amp;anchor=www.sec.gov&amp;index=6&amp;md5=22daa1b8c04cdbe118fdfa4928cc601b" shape="rect">www.sec.gov</a>). 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. </p> <p><img alt="" src="https://cts.businesswire.com
/ct/CT?id=bwnews&amp;sty=20261030350344r1&amp;sid=acqr8&amp;distro=nx&amp;lang=en" style="width:0;height:0"><span class="bwct31415"></span></p> <p id="mmgallerylink"><span id="mmgallerylink-phrase">View source version on businesswire.com: </span><span id="mmgallerylink-link"><a href="https://www.businesswire.com/news/home/20261030350344/en/" rel="nofollow">https://www.businesswire.com/news/home/20261030350344/en/</a></span></p> <p> <b>News Media Contacts </b><br>Haley
Luther <br>Senior Communications Manager <br>(216) 278-0627 <br><a rel="nofollow" href="mailto:hluther@costar.com" shape="rect">hluther@costar.com</a> </p> <p>Source: CoStar Group</p>
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