CoStar Raises Near-Term U.S. Retail Forecast

November 4, 2026

<p> <location value="LU/us.va.arlton" idsrc="xmltag.org">ARLINGTON, Va.</location>--(BUSINESS WIRE)--Nov. 4, 2026-- <location value="LC/us" idsrc="xmltag.org">U.S</location>. retail projections are expected to improve in the near-term, according to a revised forecast from CoStar, 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: https://www.businesswire.com/news/home/20261104669190/en/</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/20261104669190/en/2957611/4/PR_20261104_US_Retail_Forecast.jpg" alt="Retail fundamentals forecast to remain broadly balanced"><p style="font-size:85%;">Retail fundamentals forecast to remain broadly balanced</p> </div> <p> National retail vacancy is now forecasted to end the year at 4.26%, down from 4.32% in the third quarter. </p> <p> Asking rent growth is estimated to reach <money>$26.36</money> per square foot at the end of the year before rising to <money>$27.12</money> per square foot by the end of 2027. </p> <p> “Compared with the prior forecast, the near-term vacancy outlook has strengthened as second-half demand outperformed earlier expectations,” said <person>Brandon Svec</person>, national director of retail analytics at <org value="NASDAQ-NMS:CSGP" idsrc="xmltag.org">CoStar Group</org>. “Demand is expected to cool in 2027, however, as annual net absorption is projected to fall roughly 15 million square feet, which would trail 16.8 million square feet of anticipated deliveries. Limited availability continues to support pricing, even as slower near-term demand and a gradual slowing in retail sales growth moderate the pace of acceleration.” </p> <p> “The forecast carries risks on both sides, though the balance remains tilted to the downside,” said Svec. “Higher energy prices and inflation could further erode the cushion for consumers while pressuring retailer margins, while an even-higher-for-longer interest rate environment could weigh on business formation, retailer expansion and development activity. These risks, however, should be viewed against a retail market that remains fundamentally tight, with low vacancy and limited new construction providing a meaningful buffer against a softer economic environment.” </p> <p> The full forecast can be found here. </p> <p> For more information about the company and its products and services, please visit costargroup.com. </p> <p> About CoStar Group </p> <p> 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 CoStarGroup.com. </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. retail demand, net absorption, vacancy rates, rent growth, deliveries and supply trends do not occur as expected. </p> <p> 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 (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. </p> <p><img alt="" src="https://cts.businesswire.com/ct/CT?id=bwnews&sty=20261104669190r1&sid=acqr8&distro=nx&lang=en" style="width:0;height:0"></p> <p id="mmgallerylink">View source version on businesswire.com: https://www.businesswire.com/news/home/20261104669190/en/</p> <p> News Media Contacts
Haley Luther
Senior Communications Manager
(216) 278-0627
hluther@costar.com </p> <p>Source: CoStar Group</p>