CoStar, Tourism Economics upgrade U.S. hotel growth forecast

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ARLINGTON, Va. – **6 August 2026** – CoStar and Tourism Economics made significant upward adjustments to the 2026-27 U.S. hotel forecast just released at the 18th Annual Hotel Data Conference.

For 2026, projected gains in average daily rate (ADR) and revenue per available room (RevPAR) were upgraded 1.1 ppts and 1.6 ppts, respectively. Occupancy was lifted to 63.1% – a 0.3 ppt lift from the previous forecast.

"The hotel industry sold a record number of room nights in the first half of the year, an increase of 11.4 million compared with 2025, while room revenue climbed by more than $5.4 billion," said Amanda Hite, STR president. "The industry outperformed our expectations on stronger leisure and business travel, fueled in part by the World Cup and America 250 celebrations. In the next six months, we expect slightly lower gains than in the first half of the year, but top-line growth will still be driven by ADR. We also expect to see a stronger 2027 than what we initially projected in our past forecasts, although there will be some mid-year weakness due to difficult year-over-year comparisons."

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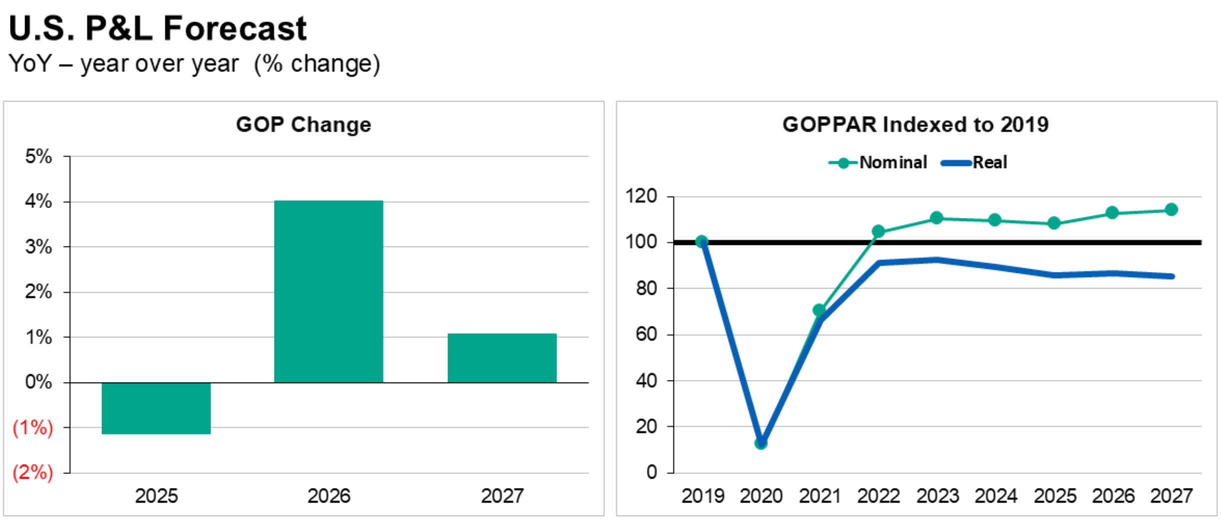
U.S. Hotel Forecast
YoY – year over year (% change)

	2025 Actual	2026 Forecast	2027 Forecast
Supply (YoY)	+0.6%	+0.4%	+0.6%
Demand (YoY)	-0.6%	+1.7%	+1.1%
Occupancy	62.3%	63.1%	63.4%
ADR (YoY)	+1.0%	+3.1%	+1.6%
RevPAR (YoY)	-0.2%	+4.4%	+2.1%

"We expect travel activity to continue to grow as we move into next year," said Aran Ryan, director of industry studies at Tourism Economics. "Stable labor markets, recent wealth gains, and easing inflation should keep consumer spending resilient, while business investment is broadening beyond AI-related projects and group travel continues to recover. International visitation should see modest improvement, though prolonged US-Canada trade tensions remain a headwind to watch."



“With stronger rooms revenue, GOPPAR is expected to rise 4% this year and another 1% next year,” said Hite. “Rising expenses continue to be worrisome, increasing by more than the rate of inflation in both 2026 and 2027.”

For more information about the company and its products and services, please visit costargroup.com.

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About CoStar Group

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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; and Homes.com, the fastest-growing residential real estate marketplace. 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 an average of 118 million unique monthly visitors in the second quarter of 2026, serving clients worldwide. 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 updated U.S. hotel growth projections across occupancy, ADR and RevPAR for 2026 are inaccurate, and the risk that these metrics do not increase year over year as projected. 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, 2025 and Forms 10-Q for the quarterly periods ended March 31, 2026, June 30, 2026, 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.

About Tourism Economics

Tourism Economics, an Oxford Economics company, focuses on the intersection of the economy and travel sector, providing actionable insights to our clients. We provide our worldwide client base with direct access to the most comprehensive set of historic and forecast travel data available. And our team of specialist economists develops custom economic impact studies, policy analysis, and forecast models.