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DAILY ROUNDUP

Inflation hits three-year high; Biotech lab glut eases; Father's Day spending could reach record

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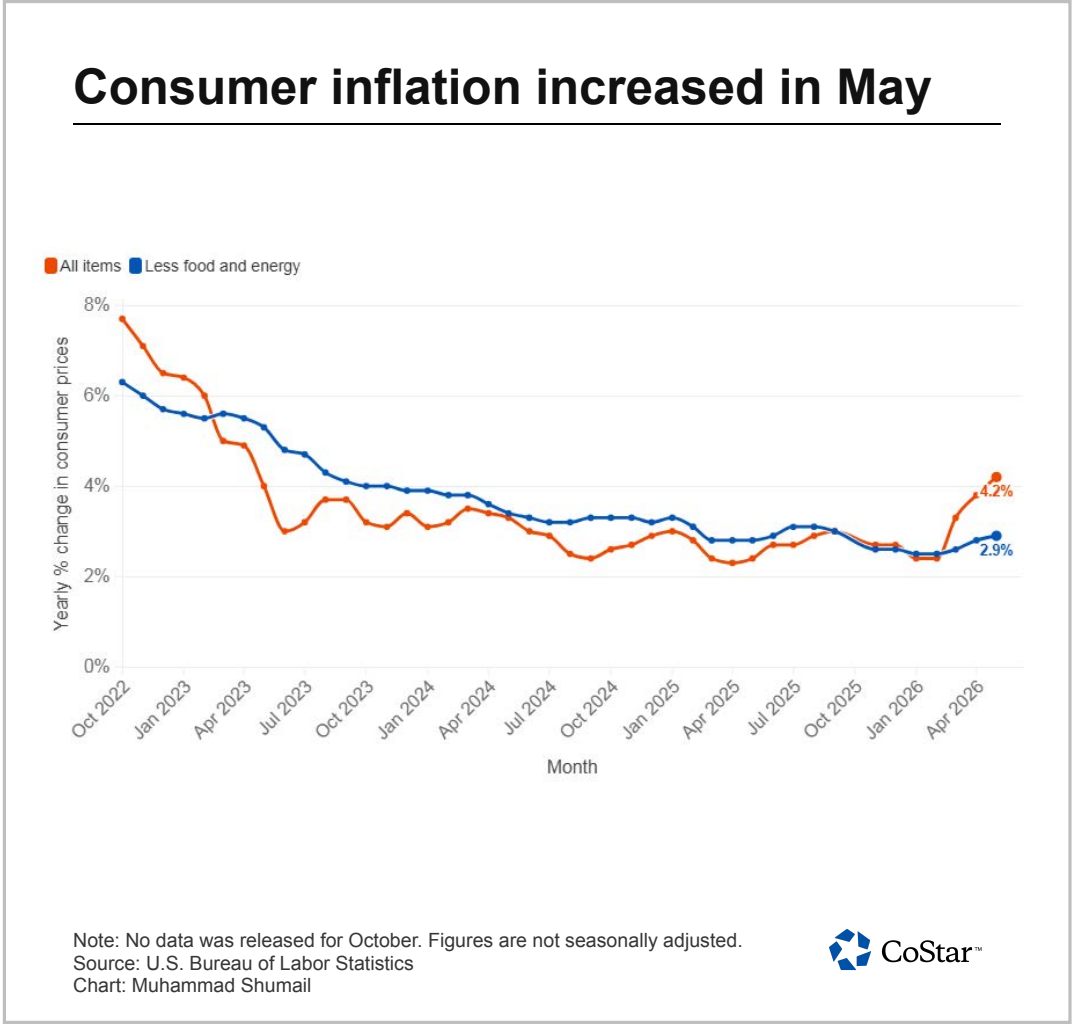
Soaring gasoline prices led May's rise in consumer inflation. (Getty Images)

By **Lou Hirsh**
CoStar News
June 10, 2026 | 3:54 P.M.

Inflation hits three-year high

U.S. consumer prices rose at an annual rate of 4.2% in May, prompted largely by a nearly 24% rise in energy costs, including a 40% jump in gasoline prices tied to the ongoing war in Iran. It was the third straight month of inflation upticks and the highest inflation rate in three years for the Labor Department's consumer price index.

Data released Wednesday showed shelter costs such as rents, a major inflation driver for the past several months, rising at a relatively small annual rate of 3.4%. Food increased 3.1% and transportation services rose 4.1%, with medical care services rising 3.6%.



Overall inflation continued to head well above the Federal Reserve's target of 2% optimal inflation. Combined with recent U.S. employment gains, analysts are expecting inflation trends to keep interest rates unchanged when the Fed meets June 16-17.

"Recent developments suggest those upside risks to inflation are building again," Selma Hepp, chief economist at housing data firm Cotality, said in a statement. "Ongoing geopolitical tensions, particularly the conflict involving Iran, are keeping pressure on energy prices and inflation expectations, just as underlying inflation remains stubborn."

Hepp noted tariffs and renewed supply chain disruptions are pushing up the cost of construction inputs, including materials and labor, which feeds through to higher reconstruction and replacement costs for housing, along with insurance premiums.

Biotech lab glut eases

A nearly four-year glut of biotech laboratory space appears to be decreasing nationwide, though vacancies remain elevated in several U.S. life science hubs, according to a report this week from JLL.

The real estate services firm said U.S. biotech lab space availability has dropped by about 2 million square feet since mid-2025, "signaling the market has bottomed out and begun its recovery." But the path to a full rebound remains long, with "substantial oversupply persisting" and rental rates facing continued downward pressure through the end of the decade.

"After years of oversupply weighing on the sector, we're finally seeing clear signs that the worst is behind us," Travis McCready, JLL's head of life sciences for the Americas, said in a statement. "The fundamentals are improving; equity markets are receptive to biotech, capital is flowing back into the sector and tenant activity is translating into real momentum."

Regulatory concerns have eased considerably in the past year, and JLL said demand is being raised by factors such as pharmaceutical production onshoring. JLL noted recovery is proving "highly uneven" across geographies, though Boston, San Francisco, San Diego and Raleigh, North Carolina, have seen combined tenant demand surge 44% in the past year to nearly 8 million square feet in this year's first quarter.

Father's Day spending could reach record

This year's Father's Day spending is projected to hit a record $27.9 billion despite financial pressures facing U.S. consumers, according to a survey from the National Retail Federation and consulting firm Prosper Insights & Analytics. That would beat the previous high of $24 billion set last year.

Shoppers are pulling back spending in other areas to make the June 21 holiday fit their budgets, but 77% of more than 7,900 survey respondents plan to pay tribute to dads in some way, in line with prior years. Consumers on average plan to spend $226.58 for the holiday this year, up from $199.38 in 2025, the retail group reported Wednesday.

Spending is on track to increase across all age groups, except shoppers age 65 and older, with the highest contingent of all respondents, 60%, planning to purchase a greeting card and 58% looking to buy clothing. Online sites remain the most popular venue with 38% planning to shop there, while 37% expect to visit department stores and 26% to shop at discount stores.

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