Going Shopping | Retail News Roundup for August 2026

Aug 19, 2026

Categories:

Publications
Triple Net

Authors:

Ian M. Eastwick
Emma H. Mulvaney

***Going Shopping* is a monthly digest of key developments in the world of retail and shopping center finance, with a focus on market trends, emerging risks, and portfolio strategies. This month's edition covers recent developments in retail leasing, shopping center performance, consumer spending, and tenant mix, with practical takeaways for industry participants.**

As always, we invite you to visit our Triple Net blog for additional insights and commentary on developments affecting the retail leasing market.

Retail Demand Rebounded in Q2 as Malls and Neighborhood Centers Returned to Positive Absorption

JLL reports that U.S. retail net absorption reached 10.2 million square feet in Q2 2026, the second-strongest quarter in two years, as malls and neighborhood centers returned to positive territory. The report also states that construction remains historically constrained outside a handful of Sun Belt metros, keeping vacancy low and landlords in control. At the same time, Reuters reports that U.S. retail sales posted a 0.6% month-over-month decline in July, the first monthly decline in nine months, underscoring the potential gap between strong retail real estate fundamentals and a more cautious consumer-spending environment. **Key takeaway:** With demand improving and new supply constrained, retail landlords may have greater leverage in negotiating rent, tenant-improvement obligations, delivery conditions, co-tenancy protections, and other lease terms, but counsel should also consider whether tenant sales performance and consumer-spending trends could affect percentage-rent assumptions and other financial covenants.

Larger Incoming Stores Are Offsetting a Higher Count of Announced Retail Closures

GlobeSt reports that retailers have announced slightly more closures than openings this year, but that incoming locations are nearly twice as large on average. The item reframes the store-closure cycle as a square-footage and backfill issue, not merely a store-count story. **Key takeaway:** For landlords and tenants, the legal focus may shift from whether stores are closing to how larger boxes are reused, including assignment and recapture rights, use restrictions, exclusives, subdivision rights, operating covenants, and the timing of lease-up after a closure.

Despite High Prices, July Retail Sales Remained Higher Year Over Year as Consumers Kept Spending

Retail Dive reports that retail sales rose 5.4% in July (year-over-year), framing the increase as consumers "throw[ing] caution to the wind," even as inflation contributed to the headline growth. The tracker uses U.S. Census Bureau monthly retail sales data and reports year-over-year performance by core retail segments, offering a useful read on where consumers are still willing to spend despite price pressure. **Key takeaway:** Because nominal sales growth may not fully reflect stronger unit volume or tenant profitability, counsel should be careful when drafting or evaluating percentage-rent clauses, sales-reporting obligations, co-tenancy remedies, and financial performance covenants.

Mall Traffic, Shopper Engagement, and Experiential Tenant Mix Are Helping Reinforce Retail Center Demand

Placer.ai reports that July visits increased year over year across indoor malls, open-air shopping centers, and outlet malls, with open-air centers leading growth at 5.1% and indoor malls up 4.3%. The report also notes that average dwell time increased across all three mall formats in July, suggesting that shoppers were spending more time at centers and creating more opportunities for cross-shopping and incremental spending. Separately, Chain Store Age discusses how evolving tenant mixes, entertainment uses, green spaces, and other “third place” strategies are helping retail centers fill vacant space and give consumers more reasons to visit and stay. **Key takeaway:** For retail leasing counsel, the rise of experiential and entertainment uses makes co-tenancy structure, permitted-use clauses, exclusives, parking, common-area rights, event programming, noise and operating controls, and construction/use approvals especially important as landlords re-tenant vacant space and reposition centers around traffic-driving concepts.

Triple Net Blog

Whether you’re a developer, landlord, tenant, or investor, Triple Net is your go-to resource for keeping pace with issues impacting triple net properties, while getting insight into the latest strategies to help you manage legal risks and optimize deal flow and outcomes.

Visit blog

FBT Gibbons