Going Shopping | Retail News Roundup for September 2026

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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 the effects of higher interest rates on lease concessions, changing store-opening patterns, sale-leaseback activity, net lease pricing, and shopping center traffic, 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.

Higher Interest Rates Could Reduce Tenant Concessions

TheStreet reports that the Federal Reserve's quarter-point rate increase could affect commercial tenants even when base rents remain unchanged. As higher refinancing costs put pressure on property owners, that pressure may surface in new leases and renewals through smaller tenant-improvement allowances, fewer months of free rent, or larger security deposits. **Key takeaway:** Tenants negotiating new leases or renewals may need to look beyond base rent and account for the possibility that higher borrowing costs will make landlords less willing or able to fund improvements and other upfront concessions.

Retailers Favor Larger Off-Mall Stores as Overall Openings Slow

Retail TouchPoints reports that U.S. retailers recorded 3,321 closures and 3,215 openings through midyear, both substantially below 2025 levels. Although retailers closed slightly more stores than they opened, new stores were nearly twice as large on average, moving the market from a net loss of retail space in 2025 to a net gain in

2026. The year-over-year change totaled 73.8 million square feet. Off-mall locations accounted for 88.5% of tracked openings. **Key takeaway:** Unit counts may understate leasing demand as retailers shed smaller, underperforming stores and selectively lease larger off-mall spaces, potentially strengthening demand and landlord leverage for well-located spaces that can accommodate broader assortments and experiential uses.

Sale-Leasebacks Decline Even as the Broader Net Lease Market Recovers

Commercial Property Executive reports that sale-leasebacks represented 6.7% of second-quarter net lease transactions, compared with a 13.1% average since 2019, while first-half user-owned divestment fell 67.6% year over year to $1.3 billion. Overall single-tenant net lease transaction volume nevertheless increased 24.1% year over year through the second quarter, indicating that investors are favoring conventional acquisitions with strong lease quality. **Key takeaway:** Operators considering sale-leasebacks may face a narrower buyer pool and greater scrutiny of tenant credit, the quality of the underlying real estate, and the long-term lease economics.

Net Lease Listings Age as Pharmacy and Discount-Store Risk Reprices

B+E reports that total single-tenant net lease listings increased 1.3% quarter over quarter to 4,717, while average time on market lengthened from 10.6 to 12 months. Cap rates were generally stable, but pharmacy rose eight basis points to 7.66%, the highest reported retail category, while dollar and discount stores increased to 7.45%. Convenience stores remained lowest at 5.63%. **Key takeaway:** Pharmacy and discount-store properties are taking longer to sell and are trading at higher cap rates, suggesting that buyers are more cautious about tenant financial strength and possible store closures. As a result, properties with stronger tenants and more secure, longer-term leases may command better pricing.

Open-Air Centers Widen Their Traffic Lead While Outlet Visits Decline

Placer.ai reports that August visits increased 6.6% year over year at open-air shopping centers and 5.0% at indoor malls, the strongest 2026 result for indoor malls, while outlet visits declined 2.7%. Average visit duration rose across all three formats, including increases to 75.3 minutes at indoor malls and 68.3 minutes at open-air centers. **Key takeaway:** Open-air centers' stronger traffic performance may make them more attractive to tenants than destination outlets, potentially influencing site selection, leasing demand, and rent negotiations.

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