Going Shopping | Retail News Roundup for October 2026

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Triple Net

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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.

Retail Construction Starts Fall to at Least a Decade Low

CoStar's third-quarter construction analysis reports that U.S. retail construction starts fell to approximately 7.7 million square feet, the lowest quarterly total since at least 2016. About 58.3 million square feet was under construction, down from 63.3 million in the first quarter, as land, construction, and borrowing costs pushed required rents above prevailing market levels; nearly 27% of construction was concentrated in Dallas-Fort Worth, Houston, and Austin. **Key takeaway:** Shrinking, geographically concentrated construction activity should preserve landlord leverage for modern, well-located space while making build-to-suit economics and tenant rent tolerances more important.

National Retail Vacancy Falls as Absorption Reaches Its Strongest Level Since 2023

CRE Daily's report on Colliers' third-quarter figures says national retail vacancy declined 10 basis points to 4.3%, while shopping-center vacancy fell to 5.4% and mall vacancy to 8.2%. Quarterly leasing totaled 38.4 million square feet, and net absorption reached

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10.5 million square feet, including 3 million square feet in shopping centers and 1.9 million square feet in malls. **Key takeaway:** Tight vacancy and stronger absorption may give landlords greater leverage in lease negotiations, particularly over rents, concessions, tenant-improvement allowances, exclusives, renewal rights, and other provisions that become more difficult for tenants to secure when suitable space is scarce.

Net-Lease Cap Rates Post Their Largest Quarterly Increase Since 2023

The Boulder Group's Q3 2026 National Net Lease Report finds that overall single-tenant net-lease asking cap rates increased 10 basis points to 6.92%, the highest level in more than a decade; retail cap rates rose nine basis points to 6.69%. Retail inventory declined 3.7% to 4,289 properties, but the median asking-to-closed cap-rate spread widened to 25 basis points as borrowing costs generally exceeded net-lease cap rates. **Key takeaway:** Net-leased properties became slightly cheaper relative to the rental income they produce, while financing became more expensive, giving buyers more reason to favor financially strong tenants and long remaining lease terms.

ICSC Asks the Fifth Circuit to Tighten Standing Requirements in ADA Tester Cases

JD Supra's summary of ICSC's amicus filing reports that ICSC and two hospitality organizations urged the Fifth Circuit to require an ADA tester plaintiff to show a concrete likelihood of returning to the property. The appeal concerns a Houston shopping center, but the standing question could affect recurring ADA claims against shopping centers and other public-facing commercial properties throughout the circuit. **Key takeaway:** A stricter standing requirement could give shopping-center owners and tenants a stronger threshold defense against serial ADA tester claims, but it would not eliminate their accessibility obligations or the need for leases to allocate responsibility for compliance, remediation costs, indemnification, and control of the defense.

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Triple Net Blog

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