

RESEARCH BRIEF

Marcus & Millichap

RETAIL SALES IMPLICATIONS

SEPTEMBER 2026

Retail Sales Growth Supports Economy and Commercial Real Estate

Consumers keep pushing momentum. Purchasing activity has remained unusually durable, despite a challenging economic backdrop, providing meaningful support to the broader economy.

- Consumer spending remains a key economic driver, accounting for nearly **70 percent** of U.S. GDP.
- Retail sales have exceeded expectations in 2026, rising **6 percent** year-over-year in August, while the year-to-date measure averaged a robust **5.2 percent**.
- Outside of post-recession recoveries, retail sales growth of this magnitude is **historically uncommon**.
- Adjusted for inflation, retail sales increased **2.5 percent** in August and have averaged **1.7 percent** growth year-to-date.
- Core retail sales, excluding autos and gasoline, rose **5.6 percent** nominally in August, or **2.4 percent** in real terms.
- Despite slower job creation, weak consumer sentiment, and elevated inflation, consumer spending remains a **key source** of economic support.

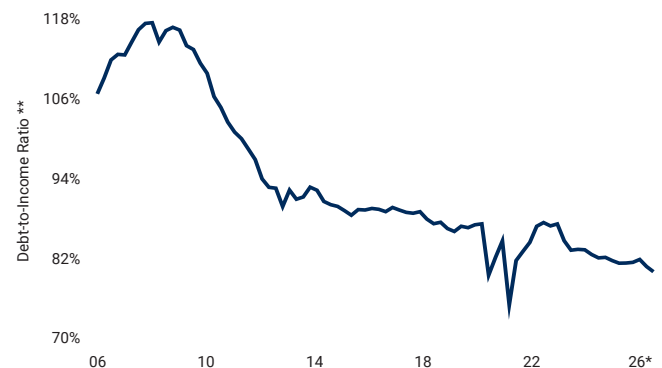
Households remain well positioned. Underlying financial strength continues to support purchases across traditional and experiential categories despite historically elevated borrowing levels.

- Consumer spending has been supported, in part, by borrowing, with auto, credit card, and total household debt **at or near record highs** as of June.
- However, incomes have also been rising, placing **downward pressure** on debt as a percentage of income.
- Consumer savings, including money market mutual funds, remain at all-time highs despite economic headwinds and have risen **4.5 percent** in the past year.
- Taken together, household debt, income and savings trends suggest that U.S. consumers remain **financially healthy** overall.
- Among retail categories, **sporting goods, restaurants and bars, and building materials** have recorded some of the strongest gains outside of e-commerce.
- Experiential retail, including **fitness, entertainment, beauty, and spa categories**, has outperformed in the post-pandemic years.

Benefits extend across property types. Resilient household activity is driving healthy space demand, rent gains, and capital deployment across the broader commercial real estate landscape.

- Strong retail sales are supporting **retail** and **industrial** real estate, while broader economic growth and proximity to consumer amenities also benefit **apartment** and **office** space demand.
- Industrial net absorption exceeded **86 million** square feet in the first half of 2026, more than **four times** the volume recorded during the same period last year.
- Despite slowing construction, industrial supply continues to outpace demand, sustaining a national vacancy rate of **7.8 percent** as of the second quarter.
- Multi-tenant retail vacancy remains steady at **5.8 percent**, including a **9 percent** vacancy rate for shopping malls.
- Excluding malls, vacancy across grocery-anchored, unanchored, lifestyle, and power centers is tighter at **4.9 percent**.
- Tight multi-tenant retail vacancy continues to support rent growth, which stood at **2.2 percent** year-over-year in June.
- Retail investment activity remains strong, with multi-tenant deal volume **4 percent** below the 2022 peak, while trailing 12-month single-tenant transaction velocity reached a **record high**.
- Despite persistent economic headwinds, **positive retail sales and consumption** continue to support commercial real estate performance and broader economic growth.

INCOME GROWTH OUTPACES HOUSEHOLD DEBT



* Through 2Q ** Total Household Debt as a Percent of Disposable Personal Income
Sources: Marcus & Millichap Research Services; Bureau of Economic Analysis; Bureau of Labor Statistics; CoStar Group, Inc.; Federal Reserve; New York Federal Reserve; Office of Financial Research; Placer.ai; Real Capital Analytics; U.S. Census Bureau; University of Michigan