

Macy's expects \$300 million from property sales in near term

Department store chain still targets \$700 million from store-closure initiative



Macy's is revamping its store fleet. This location is at the North Point Mall in Atlanta. (Macy's)

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CoStar News

September 10, 2026 | 12:21 P.M.



Macy's said it expects to generate up to \$300 million in cash proceeds from store-related real estate sales this fiscal year and beyond as part of its ongoing store-closure program.

New York-based Macy's, parent of its namesake chain, Bloomingdale's and Bluemercury, provided the update on its store-optimization initiative and real estate sales when it reported second-quarter earnings Thursday.

The retailer continues to project total cash proceeds of \$650 million to \$700 million from the program, which originally targeted 150 underperforming stores. A company spokesperson told CoStar News in an email the \$300 million figure includes proceeds expected in fiscal 2026 as well as in subsequent years. Macy's has [extended the completion date](#) for the program from 2026 to 2028.

In the first half of the fiscal year, Macy's recorded \$35 million in asset-sale proceeds, compared with \$75 million in the year-earlier period, according to the spokesperson.

Macy's "[Bold New Chapter](#)" [turnaround strategy](#), launched in February 2024 under CEO Tony Spring, calls for Macy's to close underperforming stores, focus on a core group of 350 locations and invest in them. About 200 stores have been "reimagined" so far.

In March, Chief Financial Officer Tom Edwards said the retailer's financial position allowed it to be selective about the timing of real estate transactions and wait "for the most favorable real estate market."

Retailers routinely close stores as they adjust their portfolios. Earlier this year, Exemplar Luxury Group, formerly Saks Global, closed about two dozen Saks Fifth Avenue and Neiman Marcus stores and most of its Saks Off 5th fleet as part of its bankruptcy proceedings.

As of quarter-end, Macy's operated 378 department stores, 20 small-format stores, 30 furniture stores  and four standalone Backstage locations.

Macy's raised its full-year guidance after reporting sales gains across its brands. Net sales totaled \$4.9 billion, up 1.1% from a year earlier, while comparable sales increased 2.7%.

Comparable sales rose 1.1% at the Macy's brand, including a 1.9% increase at its 200 reimagined stores. Comparable sales increased 11.3% at Bloomingdale's and 6.2% at Bluemercury.

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