

3 THINGS ABOUT 4 MARKETS

POPULATION
GROWTH, JOB
GROWTH, STRONG
ECONOMIES

AUSTIN,
DFW,
HOUSTON &
SAN ANTONIO
SHINE IN THE
LONE STAR STATE

Our 4 major-metro retail markets currently report their highest retail occupancy rates in years. This is due to in part to population and job growth, healthy economies and, importantly, near-record-low development even in the midst of a healthy retail environment.

Here are 3 key things to know about our 4 metro markets.

For the full report, visit weitzmangroup.com.

THREE BIG DRIVERS

01

POPULATION GROWTH (2010-2016)

AUSTIN:
Since 2000, the MSA's population has increased 64.9%, to 2.1 million.

D-FW:
Ranks No. 2 in the nation for resident growth, based on a population increase of 39.4% to 7.2 million

HOUSTON:
Ranks No. 1 in the nation for growth, based on a population increase of 45.5% to 6.8 million.

SAN ANTONIO:
Now totals 2.4 million, based on a population increase of 42.4%

02

JOB GROWTH

AUSTIN:
34,000 jobs added in 2016 |
Job growth of 3.5%

D-FW:
135,400 jobs added in 2016 |
Job growth of 4.0%

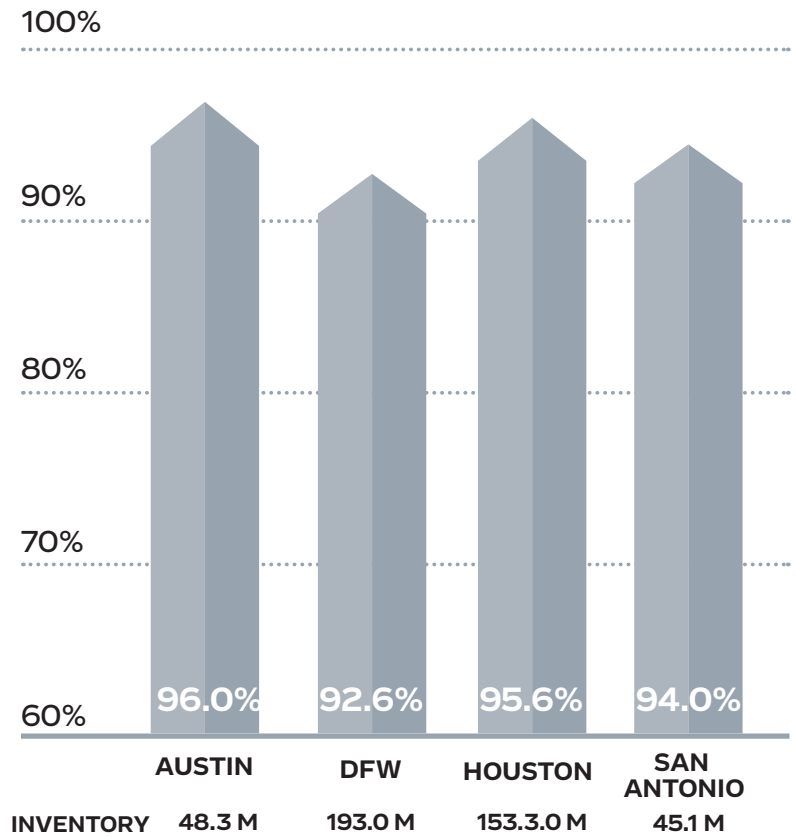
HOUSTON:
9,500 jobs added in 2016 |
Job growth of 0.3%

SAN ANTONIO:
25,600 jobs added in 2016 |
Job growth of 2.6%

RETAIL GROWTH

ALL FOUR RETAIL MARKETS ENJOY STRONG PERFORMANCE, INCLUDING SOME RECORD-HIGH OCCUPANCY RATES.

THE MARKETS ALL REPORTED NEAR-RECORD-LOW CONSTRUCTION IN 2016, WHICH BOOSTS OCCUPANCY BY DRIVING EXPANDING CONCEPTS TO EXISTING SPACE IN ESTABLISHED SUBMARKETS. NEW SPACE FOR 2017 WILL BE ON PAR WITH OR SLIGHTLY BELOW THE 2016 LEVEL, WITH GROCERY STORES STILL THE MOST DOMINANT ANCHOR TYPE.



RETAIL OCCUPANCY FOR 4 TEXAS CITIES

AUSTIN

The Austin area currently reports 96.2 % occupancy, making it the strongest market in Texas in terms of occupancy. Austin added only 1.1 million square feet in 2016, mostly for grocer-anchored and power-anchored retail. A Nordstrom-anchored mixed-use project accounted for around 60 % of all new space

DALLAS / FORT WORTH

D-FW has happily broken its 34-year-old record for high occupancy and is now at 92.6 %, exceeding the previous high point of 92 % in 1984. D-FW only added 2 million square feet in 2016, a rounding error for a market with 193 million square feet. Much of the new space was for grocery-anchored retail, led by concepts like Kroger, and some mixed-use projects; more of the same is on track for 2017, which should see a slight uptick in new space completions.

HOUSTON

Houston is at 95.6 % occupied, even in the face of an energy-industry slump, thanks in part to a diverse economy that has remained a job and housing generator. Construction in 2016 added 3.4 million square feet to a market with more than 115 million square feet. Houston saw numerous grocery, power-anchored and mixed-use projects, as well as two major mall expansions. Construction is steady but slowing for 2017.

SAN ANTONIO

San Antonio reports a healthy 94 % occupancy, a rate that should continue for the rest of 2017 and beyond. New construction added only 1.2 million square feet, largely for Walmart stores, H-E-B and a handful of power anchors. The biggest construction news is set for 2019, when IKEA opens as the anchor for the 900,000-square-foot Live Oak Town Center regional-draw project.

NEW SPACE LEADERS 2016-2017

AUSTIN: Nordstrom, Randalls, H-E-B, 365 by Whole Foods, Field & Stream, Dick's Sporting Goods, Walmart Neighborhood Market

D-FW: Kroger, Belk, Walmart, WinCo, Whole Foods, REI, Barnes & Noble, Neiman Marcus, Tom Thumb, Costco

HOUSTON: Kroger, Target, Walmart, Dick's Sporting Goods, Field & Stream, H-E-B, Costco, Academy, Barnes & Noble, Field & Stream

SAN ANTONIO: Walmart, H-E-B, Natural Grocers, Macy's Backstage, Academy