

SURVEY REPORT

SHOPPING CENTER

2023

REVIEW & FORECAST

## weitzman®

Since our first Shopping Center Survey & Forecast in 1990, our Texas retail markets have gone through many ups and downs.

But the great thing about retail real estate is how it evolves to meet every new challenge.

The 33-year history of our Survey has seen our market face recessions and the rise of e-commerce and a financial crisis and even a pandemic.

Retail real estate addressed and absorbed the lessons to be learned and transformed itself to be stronger.

The consumer always benefits, because every transformation creates a better shopping experience.

We understand that there are looming external factors that may impact the market going forward. But we face any new challenges from a position of strength, with high occupancy and healthy retail demand in our major Texas retail markets.

We're optimistic that we'll report another strong year in 2023, thanks to a nimble market that may bend but never breaks.

Sincerely,

A handwritten signature in black ink, appearing to read 'Herb Weitzman', with a long horizontal flourish extending to the right.

Herb Weitzman



## TABLE OF CONTENTS

---

**06** AUSTIN REVIEW

**12** DALLAS - FORT WORTH REVIEW

**26** HOUSTON REVIEW

**32** SAN ANTONIO REVIEW

**36** APPENDICES

APPENDIX A: AUSTIN CONSTRUCTION

APPENDIX B: D-FW CONSTRUCTION

APPENDIX C: HOUSTON CONSTRUCTION

APPENDIX D: SAN ANTONIO CONSTRUCTION

**44** DEFINITIONS

**45** COMPANY ACKNOWLEDGMENTS

# Austin

52.0M

INVENTORY

96.5%

OCCUPANCY

280k

CONSTRUCTION

# Austin

Austin's retail market sees another year of high occupancy, low space deliveries.

Austin's retail market reported healthy market conditions that allowed the market to post one of its healthiest occupancy levels ever as of year-end 2022, with only about 3.5 percent of the market's approximately 52 million square feet vacant.

Weitzman has reviewed market conditions for Austin for three decades, and the 2022 occupancy ranks as the fifth highest ever for the market.

Going into 2023, there are signs of potential economic weakness due to continued high inflation, price pressure facing consumers and other warning flags posted for the economy. But if the year ahead does see softening in economic conditions, the greater Austin retail market faces these future challenges from a position of strength and a metro area economy that is one of the most robust in the country.

For example, the market's currently unemployment rate (as of November 2022) is an extremely low 2.8 percent, compared to 3.7 percent for the U.S.

The market reported occupancy gains during the year as vacant larger-format spaces found new tenancy from a mix of grocery, furniture, automotive and apparel uses.

Small-shop space also found new tenancy due to healthy demand from categories such as restaurants, services, medical and dental, pet services and more.

Existing space, particularly well-located space, proved particularly attractive due to the fact that the Austin area reported another year of extremely limited new construction during 2022. The lack of new space means that existing space is at a premium for retailers looking to take advantage of locations in an extremely healthy market.

The healthy occupancy rate is the strongest among Texas' major-metro retail markets, although all of the state's major retail markets report similarly stellar market conditions.

Weitzman reviews an Austin-area retail space inventory of approximately 51.6 million square feet in retail projects with 25,000 square feet or more.

The market additionally for 2022 did not report notable store closings, and even well-located new vacancy was soon re-tenanted. For example, Gloria's restaurant recently closed its location in the 300 West Sixth tower on Sixth Street, but the space already is being redeveloped for California-based Boa Steakhouse.

## MARKETWIDE, EXISTING VACANCIES FIND NEW TENANCY

During 2022, existing market vacancies continued to report new tenancy from both large- and small-format concepts, especially for centers in locations with good traffic and co-tenancy. As a result, the availability of well-located vacant space remained limited.

### INVENTORY

2022	52.0 million
2021	51.4 million
2020	51.0 million

### OCCUPANCY

2022	96.5%
2021	96.0%
2020	94.8%

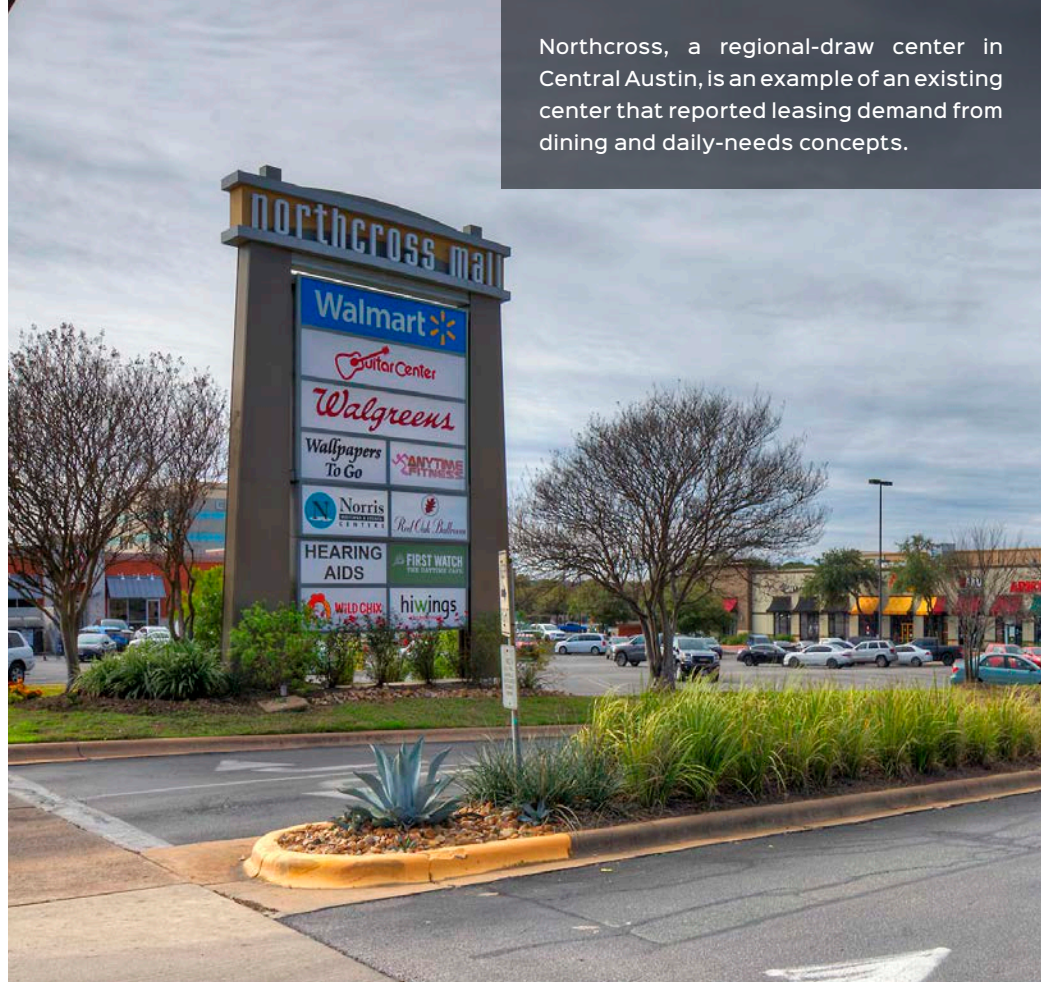
### CONSTRUCTION

2022	280,000
2021	412,000
2020	402,000

Northcross, a regional-draw center in Central Austin, is an example of an existing center that reported leasing demand from dining and daily-needs concepts.

## BACKFILLED RETAIL SPACES FOR 2022 INCLUDED:

- Hobby Lobby, which opened in an approximately 70,000-square-foot building formerly occupied by a Randalls grocery store located at 6600 S. MoPac at William Cannon Drive. The Randalls closed in 2021;
- Ashley Home Store, which in 2023 will open in approximately 39,000-square-foot former Bealls anchor space in Stone Creek Crossing, located on Barnes Drive in San Marcos;
- Haverty's, which opened during the first half of 2022 in an approximately 41,000-square-foot second-generation anchor space in Stone Hill Town Center, located at 18700 Limestone Commercial Drive in Pflugerville;
- O'Reilly Auto Parts, which backfilled the former 24 Hour Fitness at Round Rock West shopping center;



- Breakfast and brunch concept Another Broken Egg, seafood concept The Boiling Crab, Chinese dessert concept Happy Lemon and pizza-and-pasta concept Artipasta, all of which leased new locations in The Linc, a specialty retail center located at IH-35 and Highway 290. The four spaces together account for more than 13,000 square feet of net occupancy;
- Fresh International Market, a grocer, which leased approximately 49,100 square feet in Shops at Tech Ridge, located at IH-35 South and Parmer Lane. The grocer is set to open in 2023;
- AutoZone, which opened in 33,000 square feet of anchor space in Southridge Plaza, located at 500 W. William Cannon at S. 1st Street, for its first Austin mega-hub store. Additionally, Casa Grande Supermercado will soon open in approximately 13,000 square feet. The combined space formerly housed an H-E-B grocery store;
- Boot Barn western wear store, which opened in second-generation junior anchor space in the La Frontera Village and Wolf Ranch retail projects;
- Karavel Shoes, which leased more than 15,000 square feet of second-generation space at 1011 W. Anderson Lane for a new location;
- Lufkin-based grocer Brookshire Brothers, which is backfilling a vacant anchor space formerly occupied by a grocery store at Lago Vista Village, a shopping center located at 20900 FM 1431 in Lago Vista. Brookshire Brothers will open a new 41,000-square-foot store in 2023;
- Fitness concept Ninja Nation, which will open in 2023 in 16,000 square feet of second-generation space at 6500 N. Lamar;
- Hope Family Thrift Store, which leased approximately 37,000 square feet of existing retail space in Shops at Wells Branch, located at Wells Branch Parkway and MoPac in North Austin. The space at one point was occupied by a grocery store;
- pOpshelf, a new concept from Dollar General, which leased 6,000 square feet at 11200 Lakeline Mall Drive in Cedar Park;
- Upscale concepts opening in existing space include J-Prime Steakhouse, which opened in the former Uncle Julio's space at 301 Brazos Street in downtown Austin; Bulevar, which is backfilling the former Z'Tejas at 9400 Arboretum Boulevard; Fogo de Chão, a Brazilian steakhouse, which opened in late 2022 in street-level space in the downtown Austin tower The Austonian; Somar Seafood, which backfilled the former Marie Calender's at Gateway Shopping Center; Chef Michael Mina's new concept, which will open in the 2023 in space formerly occupied by French restaurant Le Politique at 111 San Antonio Street; and Whiskey Cake Kitchen & Bar, which opened in fall 2022 in a former Mellow Mushroom at 2600 N. IH-35 in Round Rock. Additionally, Uchi-related concept Uchiba will open in the Block 185 Building in downtown Austin.

Round Rock West Shopping Center backfilled a large vacancy left by 24 Hour Fitness with a new O'Reilly Auto Parts.



## CONSTRUCTION REMAINS BELOW 1-MILLION-SQUARE-FOOT MARK FOR SIXTH CONSECUTIVE YEAR

The Austin market in 2022 recorded its sixth consecutive year of extremely limited construction, with new deliveries even below the slow pace of 2021 deliveries.

Construction remains limited due to the continued contraction of large-format anchor development outside of H-E-B and a handful of others, retailers leasing second-generation spaces and the rise in the cost of materials and labor. The increases in construction costs, which are being seen in all commercial real estate categories, can require retail rents that are often higher than market to economically justify the new development.

In the current tight market for space, however, tenants are often becoming more adaptive to shell delivery due to the limited amount of well-located second-generation retail space. Landlords are seeing increases in rent

and, in return, are giving out more Tenant Improvement allowances.

With few exceptions, projects today come online in phases over multiple years, which further reduces the amount of space recorded in a calendar year.

For 2022, Austin's metro-area retail market added approximately 280,000 square feet in retail projects each totaling 25,000 square feet or more. That compares to 2021, when deliveries totaled approximately 412,000 square feet of retail space in new and expanded projects each totaling 25,000 square feet or more.

During 2022, the new space was limited to space in small-shop projects, with no newly constructed large-format anchors.

New space deliveries have not reached the 1-million-square-foot threshold since 2016.

Future retail construction will include the Austin area's first NFM (formerly Nebraska Furniture Mart), which has selected Cedar Park for its second

Texas location. NFM's massive 500,000-square-foot store, to start construction in 2024, will anchor a complex that will include additional space for hotel and other uses.

Details on new construction can be found later in this report.

## AUSTIN RENTAL RATES

Asking rents overall remain firm but flat, with stability in suburban markets and increases seen for some high-quality space inside Austin's core trade area.

Effective rents, however, can be lower due to concessions such as free rent and finish-out allowances, and those Tenant Improvement allowances on average have increased due to the rising cost of building out tenant spaces.

For all classes of space, actual rates for specific centers and spaces can go notably lower or higher than the rates listed here due to factors including anchors, traffic, demographics and location within a center.

For small-shop space in anchored Class A projects, rates range from the



Whitestone Square, with a mix of retail and office space, incorporates four separate buildings.



high-\$30s per square foot per year to the high-\$40s per square foot or higher for the best-located centers with strong traffic and co-tenancy. The best-located space with exceptionally strong traffic and potential sales can go much higher.

Averages for Class B small-tenant rates are posting from the high-\$20-per-square-foot-per-year range and can climb in the mid-\$30s;

Averages for Class C rates for small-tenant in-line spaces typically range from the teens to the low \$20s on a per-square-foot-per-year basis.

While rents remain stable, NNN charges are seeing increases, largely due to extremely high increases in taxable values for properties. For new construction, and due to high property taxes, current NNN charges remain an issue for both landlords and tenants.

### **MARKET OUTLOOK STRONG, BASED ON ECONOMIC, RESIDENTIAL GROWTH**

The market remains the strongest in recent memory, boosted by strong economic, population, job and residential activity that may flatten in 2023 if the economy is slowed due to rising interest rates, inflation and its effect on consumer spending and other factors that may lead to a slowdown.

The market's continued health is supported by corporate moves such as Samsung, now well under construction on a \$17 billion chip plant in Taylor, a small town near Austin that is on track for major growth in the coming years. Other recent relocations meant new facilities for major firms like Tesla and Oracle, and Apple will soon open its new \$1 billion, 3-million-square-foot campus.

The potential for future residential, retail and commercial growth is also boosted by major infrastructure projects now underway throughout in metro Austin. Highway construction and expansion projects create new key intersections serving residential areas, which typically leads to new single- and multi-tenant retail development.

There are caution signs, as noted, pointing to a softer economy in 2023. But with its current retail market and economic strengths in place, Austin is well positioned to face any challenges ahead.

As a result, we expect to see stable occupancy in 2023, with the possibility of increased small-shop closures if sales at certain concepts weaken. But with a tight retail market and limited demand-based new space deliveries, the outlook remains positive.

For 2023, largely due to new space coming from H-E-B and a few others, we'll see a slight increase in new space deliveries. Key projects for 2022, 2023 and beyond are highlighted in the Construction section.

## **Austin's occupancy ranks as the strongest among Texas' major-metro retail markets.**



The Linc, a specialty retail center at IH-35 and Highway 290, saw strong restaurant leasing in 2022 that added several new concepts.

# Dallas-Fort Worth

199.6M

INVENTORY

94.4%

OCCUPANCY

604.7k

CONSTRUCTION

# Dallas-Fort Worth

## D-FW RETAIL MARKET ENDS 2022 ON A RECORD HIGH – AND A RECORD LOW

For the first time since Weitzman started surveying the market in 1990, the Dallas-Fort Worth retail space inventory is reporting occupancy that exceeds 94 percent.

During the past year, brick-and-mortar retail proved to be more essential than ever thanks to the industry’s ability to transform with ‘tech and mortar’ – the seamless mix of the physical and the digital, ably meeting the consumer’s preference for convenience and experience.

At year-end 2022, D-FW reported an occupancy rate of 94.4 percent, the highest occupancy for the market that Weitzman has ever recorded since our first Survey in 1990. Historically, based on our legacy database, the 2022 rate is surpassed only by 1981’s 94.8 percent rate.

(Note: Weitzman’s survey of the Dallas-Fort Worth retail market began with its founding in 1990, utilizing a database first created in the 1970s by the company’s founder Herb Weitzman.)

In addition, 2022 is the 13th time in 32 years that D-FW has reported occupancy that exceeded the 90 percent rate. Seven of those times have been recorded consecutively since calendar-year 2013, when occupancy reached 90 percent or higher for the first time since 2004.

Weitzman’s D-FW survey history shows that occupancy has dropped to as low as 82.1 percent and never climbed above 89 percent during the entire 1990s decade.

At year-end 2022, D-FW’s retail market inventory totaled approximately 199.6 million square feet in retail projects with 25,000 square feet or more. This inventory is the largest for any Texas metro area, encompassing 42 submarkets that incorporate both the Dallas and Fort Worth markets and their suburbs.

One of the most important results for our survey is absorption, which is the measure of net leasing. During 2022, absorption

exceeded 1.7 million square feet. (More details on absorption can be found later in this report.)

During the worst of the pandemic in 2020, the market was hit by a wave of closings that resulted in a huge increase of more than 4 million square feet of new vacancy during the year. Strong leasing in 2021 and 2022 now means that all of that vacancy has since been erased.

Marketwide vacancy dropped from 12.9 million square feet at year-end 2021 to 11.2 million square feet at year-end 2022. While leasing is spread throughout D-FW’s submarkets, the best-located neighborhood and grocery-anchored centers generated the strongest demand thanks to their focus on daily needs that attracts strong traffic.

Our 2023 Survey & Forecast is based on Weitzman’s review of a total D-FW retail market inventory totaling 199,611,672 square feet of space in projects with 25,000 square feet or more. (The current inventory reflects projects totaling approximately 566,000 square feet that were removed from the database due to redevelopments for non-retail uses and other factors.)

Weitzman surveys 1,431 centers in 42 submarkets, of which 30 submarkets are in the Dallas-area market, and 12 submarkets are in the Fort Worth-area market.

For year-end 2022, the occupancy rate in the Dallas area was 93.8 percent, compared to 93.3 percent at year-end 2021. The rate is based on a review of 1,002 projects with a total market inventory of 137.4 million square feet.

The occupancy rate in the Fort Worth area was 95.6 percent, compared to 93.9 percent at year-end 2021. The rate is based on 429 retail projects with a total inventory of 62.2 million square feet.

The results of that leasing demand on occupancy are noted below.

# Occupancy, Vacancy, Inventory by Category

## COMMUNITY CENTERS

For Community Centers – the grocery-anchored category – occupancy climbed to 95.2 percent, an extremely strong result for a large category with 485 centers totaling 74.1 million square feet. Vacant space in this category dropped in 2022 to 3.5 million square feet, a decline from 4.0 million square feet at year-end 2021. Community centers continue to benefit from the strength of their grocery store anchors, as well as small-shop tenant mixes that focus on high-traffic concepts from quick-serve and casual restaurants, services, fitness, health and beauty. This is also the most active construction category, accounting for more than half of all new retail space for 2022, a trend that will continue in 2023 with new stores from grocers, particularly H-E-B.

## NEIGHBORHOOD CENTERS

Neighborhood Centers, with an inventory of 40.6 million square feet, reported their highest-ever occupancy in Weitzman's survey history with 94.3 percent at year-end 2022, compared to 92.5 percent at year-end 2021. This marks the second consecutive year for record occupancy for the Neighborhood category. The healthy, increasing occupancy in this category reflects the relatively small centers' flexibility in adding increasingly popular options for curbside, takeout and drive-thru. Neighborhood centers also benefitted from the strong leasing demand from small-shop concepts like franchisees in categories like food, fitness, health and beauty. During 2022, vacancy in the category declined sharply from 3.0 million square feet in 2021 to 2.3 million square feet.

## MALLS

Malls, a relatively small category after decades of de-malling for mixed-use redevelopment and other commercial and residential uses, report year-end occupancy of 90.7 percent, an improvement over 89.5 percent at year-end 2021. This category, with an inventory of 21.0 million square feet, saw vacant space decline from 2.2 million square feet in 2021 to just under 2.0 million square feet as of year-end 2022. Malls continue to see traffic gains and higher occupancy thanks to transforming tenant mixes that focus on experience, entertainment and curated selections, but the category still posts higher vacancy than the overall market due to a number of large-format vacancies. Even in the face of these large vacancies, Mall occupancy overall remains at a relatively healthy 90 percent in part because the category's inventory today is largely concentrated in stronger malls due to the demolition or non-mall redevelopments of many of the market's weaker malls.

## MIXED-USE

Mixed-use, with an inventory of 10.9 million square feet of retail space, recorded strong occupancy of 95.2 percent, compared to 94.1 percent at year-end 2021 – representing only 520,000 square feet of vacant space, down from 648,000 square feet at year-end 2021. The mixed-use category benefits from its position in projects with high-density multi-family, hospitality, office and other complementary uses. The category is also helped by the strength of the multi-family market, which reports extremely strong occupancy.

## POWER CENTERS

Power Centers, with an inventory of 44.0 million square feet, reported vacant space totaling 2.3 million square feet, a decline of approximately 270,000 square feet of vacant space. Power Centers, with 2022 occupancy of typically feature junior-anchor retailers that include popular discounters and category killers. The category also saw occupancy increase in 2022 due to leasing demand from a mix that included power retail, rapidly expanding junior anchors like pOpshelf, home improvement uses and larger-format fitness uses.

## EXISTING RETAIL REMAINS AT A PREMIUM

Leasing in existing space throughout the market means that the total amount of vacant space has shrunk since the pandemic year of 2020, when vacancy reached nearly 17 million square feet. Since that time, the D-FW retail market has seen approximately 5.8 million square feet of net leasing.

Active leasing is backfilling second-generation small-shop space as well as a number of the large-format vacancies that remained from 2020's pandemic-related closures from concepts like Stein Mart, 24-Hour Fitness and Pier 1.

The market also reported only a few large-format closures, another sign of retail stability. Notable recent closings include the Alamo Draffhouse at 8380 Davis Boulevard in North Richland Hills and the 24,000-square-foot H&M location at NorthPark Center mall.

In a sign of the premium on existing space, the vacant Alamo Draffhouse was backfilled by B&B Theatre, the fifth-largest theater chain in the country,

---

## pOpshelf, a new concept from Dollar General, backfilled new D-FW locations in second-generation junior-anchor space.

---

and the NorthPark H&M vacancy is being backfilled by one of the first U.S. locations of Nike's digitally advanced and connected Rise concept.

New tenancy occurred throughout D-FW in 2022, showing the market's strength is not limited to a few key retail districts. Anchor leases in existing space in 2022 included:

- Canales Furniture, a regional chain, which redeveloped 200,000 square feet of retail space formerly occupied by Fry's Electronics at IH-20 and South Cooper Street in Arlington. The space houses the local chain's largest showroom, as well as its headquarters and distribution center. Another vacant Fry's, the 145,000-square-foot location at 2488 Market Place Boulevard Irving, was removed from the retail inventory count due to its repurposing for a storage facility;
- At Home, which in early 2022 opened in a 99,700-square-foot former JCPenney store at Timber Creek Crossing at Skillman and Northwest Highway in Northeast Dallas;
- Big Lots and Spec's Wine, Spirits and Finer Foods, which backfilled the former Brookshire's grocery store space at Lake Worth Boulevard at Azle Avenue in Lake Worth;
- pOpshelf, a new concept from Dollar General, with several new D-FW locations in second-generation space. The new locations for pOpshelf include junior anchor spaces at:
  - Grapevine Towne Center, a Target-

anchored center at SH-114 and William D. Tate in Grapevine;

- 2821 Craig Drive in McKinney;
- The Village at Allen at Stacy Road and US-75 in Allen, north of Dallas;
- Watauga Towne Crossing, a center at FM 377 and North Tarrant Parkway in Watauga in the Fort Worth area;
- The Centre at Preston Ridge, a regional-draw project at Gaylord Parkway and Preston Road near Stonebriar Centre mall in Frisco;
- Irving Market Center, a retail center located at 3905-4014 W. Airport Freeway (SH-183);
- Pleasant Run Towne Crossing, a regional-draw retail center located at U.S. Highway 67 at Pleasant Run Road in Cedar Hill;
- Preston Shepard Place at 1601 Preston Road near W. Park Boulevard in Plano;
- Rockwall Market Center, a regional-draw retail center located at 2707 Market Center Drive at IH-30 in Rockwall;

Sprouts Farmers Market, which recently opened a new store that replaced a former Stein Mart space at Hillside Village in East Dallas. That 22,282-square-foot space went dark in 2020. Sprouts also opened during the first half of 2022 in approximately 23,000 square feet of space in a former Toys "R" Us at 7730 N. MacArthur Boulevard in Irving and in backfilled space that formerly housed Fallas Paredes in Carrier Crossing at 2500 S. Carrier Parkway in Grand Prairie. Sprouts also will open in 2023 at the site of a former restaurant at 17795 Dallas Parkway at Briargrove Road. The store will be approximately 20,000 square feet of newly constructed space;

- Nordstrom Rack, which will open in 2023 in approximately 29,000 square feet in The Village at Allen power center, located at the southeast corner of Stacy Road and US-75 in Allen;
- AceHardware, which leased 14,400 square feet of retail space at Northstar Plaza, a

grocery-anchored center located at the intersection of W. Buckingham Road and Garland Avenue, for a new location;

- Dick's Sporting Goods, which backfilled a 50,000-square-foot anchor space at 5550 Preston Road in Frisco;
- Life Time Fitness, which backfilled the former Craig Ranch Fitness & Spa, a 70,000-square-foot fitness space located at 7910 Collin McKinney Parkway in McKinney;
- Planet Fitness, which backfilled an approximately 64,000-square-foot anchor space previously occupied by Minyard grocery store at 1108 N. Highway 377 in Roanoke, in Tarrant County;
- Planet Fitness, which backfilled a former Stein Mart space in Keller Crossing, at 1610 Keller Parkway in Keller, and a former Stein Mart location at MacArthur Crossing at 7640 N. MacArthur Boulevard in Irving;
- Crunch Fitness, which opened in early 2022 in a nearly 40,000-square-foot former 24 Hour Fitness at 3865 Preston Road in Frisco Bridges North, peripheral to Frisco's Stonebriar Centre mall;
- Crunch Fitness, which in January 2022 opened in an approximately 37,000-square-foot space previously occupied by Stein Mart at 5906 S. Cooper Street in Arlington;
- LA Fitness, which backfilled a former Hobby Lobby at 4220 Legacy Drive in Plano;
- Gold's Gym, which opened in backfilled anchor space at 11411 E. Northwest Highway at Jupiter Road in Dallas Northwest Plaza;
- EoS Fitness, which opened in a 37,000-square-foot former 24 Hour Fitness at Rio Grande Boulevard and Goodnight Trail in Euless. In 2023, EoS Fitness is also set to open in large-format second-generation spaces at 1300 W. Belt Line Road in DeSoto, at the northeast corner of Preston Road and Parker Road in Plano and at 3560 Altamesa Boulevard in Fort Worth;

- John Reed Fitness, a high-end fitness club, which backfilled the 30,000-square-foot former Gold's Gym at 8335 Westchester in Dallas' Preston Center;
- Puttshack, a Chicago-based mini-golf-and-entertainment venue, which is set to open 28,000 square feet in Village on the Parkway, located at the Dallas North Tollway and Belt Line Road in Addison, in 2023;
- Hack Shack, a golf-simulator concept, which backfilled 10,000 square feet in Mockingbird Station, at US-75 and Mockingbird Lane in Dallas;
- Ulta, which relocated to the former Whole Earth Provision Company location at the southeast corner of Preston and Forest in North Dallas, and Rally House backfilled the former Ulta location at the southwest corner of the intersection;
- LOOK Dine-in Cinemas, which during the first half of 2022 opened two locations in second-generation cinema space. The first opened in an approximately 37,000-square-foot former Studio Movie Grill in Town Center Colleyville at 5655 Colleyville Boulevard in Colleyville, and the second opened at 5727 West IH-20 at Green Oaks in Arlington;
- Summit Salons, which will open in Medallion Center at Northwest Highway and Abrams in Northeast Dallas in a space created by redeveloping an approximately 9,000-square-foot former Pier 1. The 1960s-era center is undergoing redevelopment and adding new concepts like Pet Supplies Plus and Salata;
- Meow Wolf, an interactive art concept, which will open in a 29,000-square-foot space at Grapevine Mills off SH-121 in Grapevine in 2023. The space previously housed Bed Bath & Beyond;
- Macy's Backstage, a smaller Macy's concept, which backfilled a former 22,000-square-foot VF Outlet in Grapevine Mills;
- Anthropologie, which backfilled a 6,750-square-foot space on Knox Street at McKinney Avenue that previously housed a Z Gallerie;
- West Elm, which leased an approximately 11,000-square-foot space in Park Village, at East Southlake Boulevard at South Carroll Avenue, in Southlake;
- Pet Supplies Plus, which leased 8,000 square feet of existing space in Irving Towne Center, located at 3401 W. Airport Freeway in Irving. Pet Supplies Plus also backfilled a former T-Mobile space at Kroger Plaza on Galloway at West Kearney Road in Mesquite;
- Leasing in second-generation restaurant space continues to be one of the biggest demand generators for small-shop space throughout the market as the market recovers from the worst of the pandemic and dining demand surges marketwide. Examples abound, and a few notable highlights include:
  - Crown Block, an upscale restaurant, will replace Five Sixty by Wolfgang Puck at the signature space on the top of downtown Dallas' landmark Reunion Tower. Five Sixty closed in 2020 due to the pandemic, and Crown Block should open in spring 2023;
  - Mesero and Cork & Pig Tavern, two high-profile restaurant concepts that opened in second-generation space in Shops of Southlake, a Central Market-anchored lifestyle project in Southlake;
  - FIZZ, a coffee/wine lounge and café offering a late-night atmosphere, which opened in second-generation space in the mixed-use West Plano Village, located at the Dallas North Tollway at W. Parker Road in Plano;



Addison Town Center, anchored by Kroger and Target, is an example of redevelopment to make existing retail more competitive in a low-construction environment.



- The Londoner, a British pub concept, which backfilled the vacancy at Mockingbird Station, located at Mockingbird Lane and Central Expressway in Dallas, created when longtime tenant Trinity Hall pub closed during the pandemic;
- Black Friar Pub, which leased the former Full Circle Tavern space at 6341 La Vista Drive near Gaston Avenue in Dallas' Lakewood neighborhood;
- Mi Cocina, a Dallas-based Mexican food chain, which relocated its Uptown Dallas location to an approximately 12,000-square-foot space at 3232 McKinney Avenue that previously housed Del Frisco's Grille;
- Foxtrot, a Chicago-based market and cafe, which opened in second-generation space at 3606 Greenville Avenue, near Mockingbird Lane, and along the Knox-Henderson corridor at 3130 Knox Street at Cole Avenue, not far from the first D-FW location for California-based Pizzana, which opened at 3219 Knox Street;
- Mendocino Farms, a California-based specialty sandwich concept, which opened in Legacy West, located on the Dallas North Tollway at Legacy in Plano, at the southeast corner of Preston Road and Royal Lane in Dallas and in West Village, located at Lemmon Avenue at McKinney in Uptown Dallas. The West Village space previously housed a casual wear shop that closed during the pandemic;
- Mattito's, a popular Tex-Mex concept out of Austin, backfilled a freestanding restaurant space located at 2945 Long Prairie Road in Flower Mound;
- Bonchon, a Korean-style fried chicken restaurant, which opened its first Frisco location in Frisco Village, a Tom Thumb-anchored center at Preston Road and Lebanon Road;
- Taco Bueno and Buff City Soap, which together backfilled the former Golden Corral restaurant building at 1724 S. Loop 288 in Denton;
- Birdie's Eastside, which opened in a former Luby's Cafeteria space at 6221 E. Mockingbird Lane;
- Fatburger, a California-based chain, which backfilled the former BurgerIm location at Firewheel Town Center mall at the Bush Turnpike and FM 78 in Garland;
- Sweetgreen, a specialty restaurant offering salads, which opened in the former Kozy Kitchen space in Lakewood



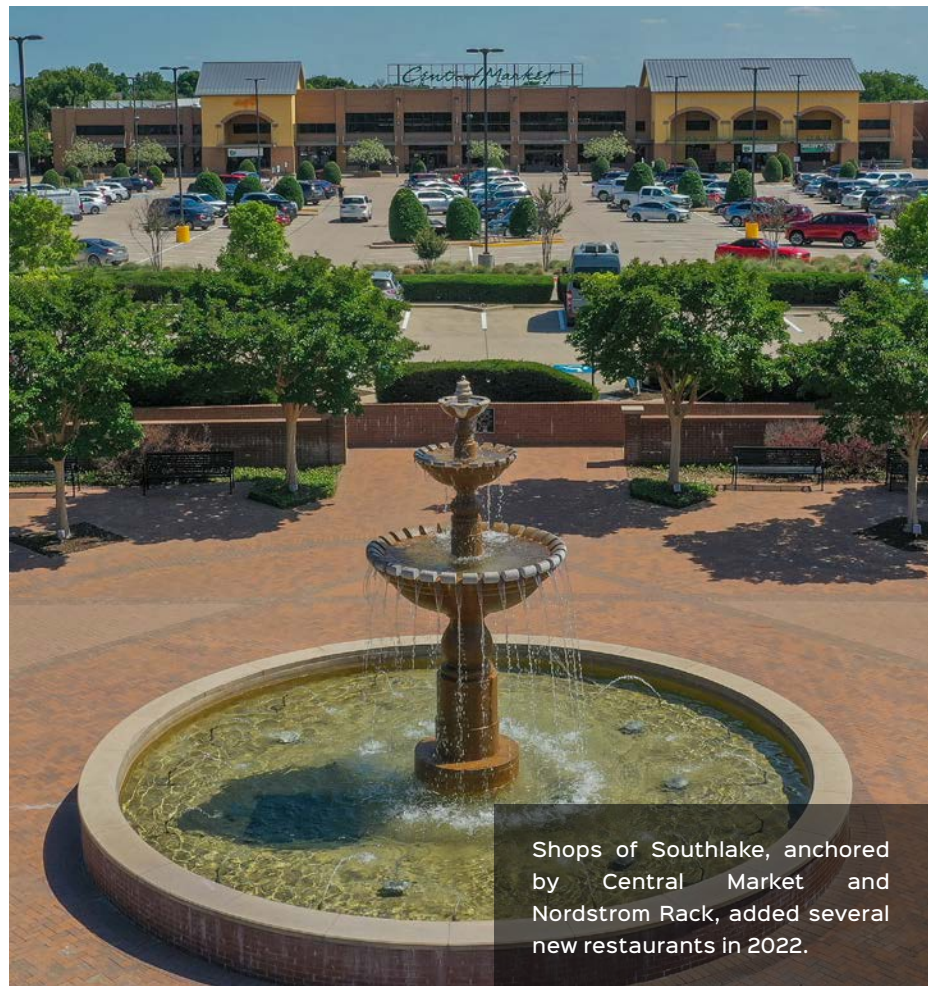
Shopping Center at Gaston Avenue and Abrams Road in Old East Dallas;

- Jolibee, a Filipino quick-service restaurant, which backfilled a former Jack in the Box at 4703 Greenville Avenue in Dallas;
- Lucky's Hot Chicken, which leased the former Einstein Bros. Bagels freestanding location on Lemmon Avenue near Oak Lawn in Dallas. Einstein Bros. has relocated to a strip center space at 4113 Lemmon Avenue near Douglas Avenue;
- Lucky Dog Saloon, which in 2023 will open in the longtime location of Asel Art Supply at 2701 Cedar Springs Road at Carlisle in Uptown Dallas;
- Hudson House, which in the first half of 2022 opened in a former Taco Diner located on John W. Carpenter Freeway near North MacArthur Boulevard in Las Colinas. Hudson House is also backfilling a property on Camp Bowie Boulevard and Hulen Street in Fort Worth that was vacated by Into the Garden, an outdoor furniture retailer that relocated to the Shops at Clear Fork;
- The Anchor Bar, a seafood concept, which is backfilling the former Cantina Laredo space at Preston-Royal Shopping Center in North Dallas. At the same intersection, Bobbie's Airway Grill will open in 2023 in the space that was the longtime location of Dougherty's Pharmacy, which relocated to Preston Valley Shopping Center. Additionally, The Anchor Bar is opening on Knox Street in Dallas in a spot that formerly housed a Yeti store, which relocated nearby;
- Farm + Feed, a restaurant and bar, which opened in the former Gordon Biersch space in the Shops at Legacy North in Plano;
- Ford's Garage, a car-themed casual concept that backfilled a former Razzoo's Cajun Café location at 3904 Dallas Parkway in Plano;
- Casa Rosa Restaurante, a Tex-Mex concept, which leased the space at

5622 Lemmon Avenue near Inwood Road in Dallas that previously was the longtime home of El Fenix;

- Escondido, a Tex-Mex concept that replaced Dallas Italian restaurant Ruggieri's at Preston Road and Royal Lane in North Dallas;
- Thirsty Lion Gastropub, which backfilled the former Matchbox space at Preston Hollow Village in North Dallas. Tricky Fish also opened in second-generation space;
- Rodeo Goat, which opened in a portion of the longtime Highland Park Cafeteria space in Old East Dallas' Casa Linda, located at Garland Road at Buckner Boulevard. The specialty burger concept also backfilled second-generation space at the Centre at Preston Ridge in Frisco, peripheral to Stonebriar Centre mall;

- Chama Gaucha Brazilian Steakhouse, which leased second-generation restaurant space at 4025 William D. Tate Avenue in Grapevine;
- Starbucks, which opened in a former Payless ShoeSource location in Casa View Shopping Center at Ferguson and Gus Thomasson in Far East Dallas;
- Berkley Market, a neighborhood grocery concept, which backfilled the former Into the Garden space at Knox Street and Travis Street in Dallas. Berkley Market also backfilled the former Bolsa Mercado space on West Davis Street in Oak Cliff's Bishop Arts District;
- The Toasted Yolk, a Houston-based breakfast-and-brunch concept, which leased a former IHOP at 3020 Justin Road in Highland Village.



Shops of Southlake, anchored by Central Market and Nordstrom Rack, added several new restaurants in 2022.

To capitalize on a strong market for existing centers, developers are often turning to redevelopments to revitalize older centers. The redevelopment of the 50-year-old Meadow Central Market in North Dallas helped attract half a dozen new retailers in 2022.



## ABSORPTION REFLECTS HEALTHY NET LEASING IN EXISTING RETAIL CENTERS

As noted earlier in this report, the market’s vacancies continued to find new tenancy in 2022, and that activity is reflected in the absorption total.

In a nutshell, absorption measures net leasing demand by using a formula to determine the net change in occupancy for existing plus new space.

For 2022, absorption totaled a healthy 1,732,596 square feet, following 2021’s strong total of 3,866,330 square feet.

The 2022 total was 1,158,774 square feet absorbed in the Dallas area, and 573,822 square feet absorbed in the Fort Worth area.

## CONSTRUCTION DECLINES TO RECORD LOW

The market continues to experience the extremely conservative development climate that began in 2018. The limited deliveries continue to elevate existing space to a premium, which is keeping rates stable and reporting rent increases for the best-located space. Retail developments in detail in 2022 are outlined later in this report.

During 2022, construction in new and expanded retail centers totaled only 604,700 square feet, marking the lowest construction total Weitzman has ever recorded for D-FW.

The total reflects the continued decline in retail deliveries and follows on the heels of the previous low point for construction, when deliveries totaled only 638,640 in 2021. Calendar-year 2021 was also the first time for D-FW’s construction to drop below the 1-million-square-foot mark for the first time in the Survey’s history.

As recently as 2017, D-FW’s retail construction exceeded 4 million square feet of new space.

D-FW’s limited space deliveries reflect the statewide and nationwide trend of anchor contractions and limited anchor expansions, other than grocery stores.

In fact, H-E-B accounted for more than 40 percent of 2022’s new space in D-FW, and all grocery store development in 2022 accounted for nearly 58 percent of new space.

New developments also tend to be smaller mixed-use and unanchored retail projects, and even the largest new projects like Grandscape in The Colony are often built with smaller phases over several years.

Another factor involves the effect of higher costs on rental rates. To pro forma with these higher costs, the rents required to economically justify a project can outpace the overall market.

## OUTLOOK FOR 2023 FORECASTS STABLE OCCUPANCY, SLIGHT INCREASE IN RETAIL CONSTRUCTION

For 2023 and beyond, and reflecting leasing demand in existing centers, a majority of new space will occur in the grocery-anchored community and smaller neighborhood categories in growing retail districts like Allen, Celina, McKinney, Prosper and Grand Prairie.

However, based on current projects in the works for 2023, we don’t expect new retail space deliveries to increase significantly.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area’s job and population growth. While there are economic caution flags for 2023, the D-FW market is well balanced in terms of supply and demand, allowing it to deal with the possibility of a weaker economy from a position of strength.

During 2022, the D-FW economy remained one of the strongest in the country by several measures. A December 2022 report from the Federal Reserve Bank of Dallas characterized the region’s growth as broad-based, with strong population and job growth. The unemployment rate of 3.5 percent remained below the state’s four-percent rate and the nation’s 3.7 percent. For 2023, LaborIQ ranks the D-FW job

market as No. 1 in the nation in terms of projected job growth.

And the most current Census data, for the one-year period ended July 2021, shows that D-FW added more than 97,000 new residents, with the metro area’s population reaching approximately 7.8 million.

### INVENTORY

2022	199.6 million
------	---------------

2021	200.2 million
------	---------------

2020	200.0 million
------	---------------

### OCCUPANCY

2022	94.4%
------	-------

2021	93.5%
------	-------

2020	91.7%
------	-------

### CONSTRUCTION

2022	604,700 SF
------	------------

2021	640,000
------	---------

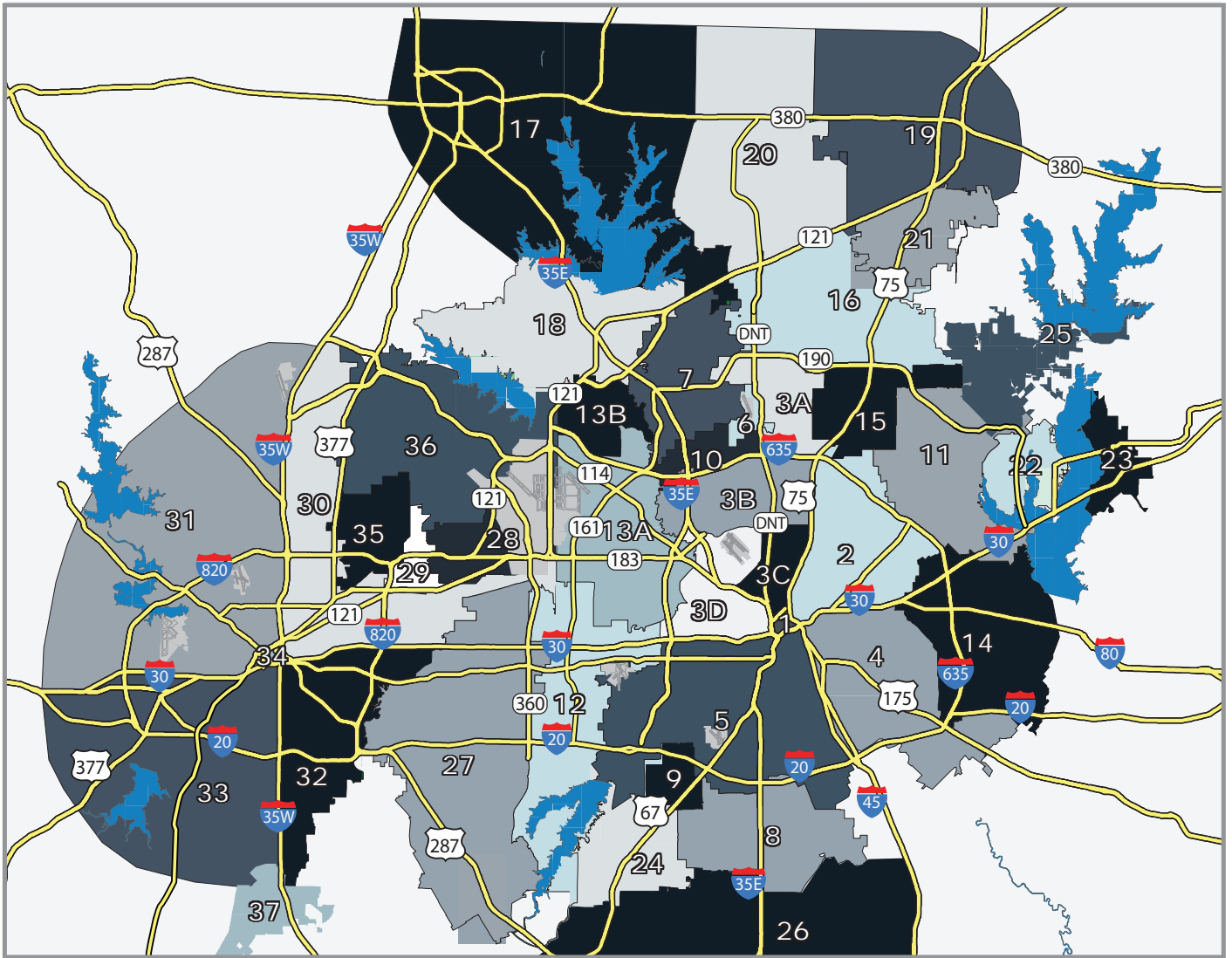
2020	1.7 million
------	-------------



# Irving Towne Center

The renovation of landmark project Irving Towne Center helped leasing gain momentum with new tenancy from concepts like Pet Supplies Plus and Little Spurs pediatric care.

# DALLAS/FORT WORTH SUBMARKET MAP



## Shopping Center Sectors

	1 - Dallas CBD		18 - Lewisville / Flower Mound
	2 - Northeast Dallas		19 - McKinney
	3A - Far North Dallas		20 - Frisco
	3B - North Dallas		21 - Allen
	3C - Park Cities / Oak Lawn		22 - Rowlett
	3D - West Dallas		23 - Rockwall
	4 - Southeast Dallas		24 - Cedar Hill
	5 - Southwest Dallas		25 - Murphy / Wylie / Sachse
	6 - Addison		26 - Northern Ellis County
	7 - Carrollton		27 - Arlington
	8 - DeSoto / Lancaster		28 - Bedford / Euless
	9 - Duncanville		29 - Hurst
	10 - Farmers Branch		30 - Northeast Fort Worth
	11 - Garland		31 - Northwest Fort Worth
	12 - Grand Prairie		32 - Southeast Fort Worth
	13A - Irving		33 - Southwest Fort Worth
	13B - Coppell		34 - Fort Worth CBD
	14 - Mesquite / Balch Springs		35 - North Richland Hills
	15 - Richardson		36 - Northeast Tarrant County
	16 - Plano		37 - Burleson
	17 - Denton		38 - Weatherford*

\*not shown on map

## D-FW RENTAL RATES

SECTOR	NAME	CLASS A	CLASS B	CLASS C
1	Dallas CBD	\$35	\$25	\$15
2	Northeast Dallas	\$38	\$25	\$10
3A	Far North Dallas	\$32	\$24	\$14
3B	North Dallas	\$45	\$26	\$17
3C	Park Cities/Oak Lawn	\$64	\$32	\$24
3D	West Dallas	\$30	\$20	\$10
4	Southeast Dallas	\$16	\$10	\$7
5	Southwest Dallas	\$25	\$16	\$8
6	Addison	\$42	\$25	\$13
7	Carrollton	\$32	\$25	\$12
8	DeSoto/Lancaster	\$20	\$14	\$10
9	Duncanville	\$22	\$14	\$9
10	Farmers Branch	\$30	\$20	\$10
11	Garland	\$36	\$23	\$11
12	Grand Prairie	\$37	\$22	\$13
13A	Irving	\$36	\$26	\$15
13B	Coppell	\$32	\$24	\$12
14	Mesquite/Balch Springs	\$30	\$24	\$10
15	Richardson	\$34	\$22	\$15
16	Plano	\$46	\$30	\$15
17	Denton	\$35	\$25	\$12
18	Lewisville/Flower Mound	\$34	\$25	\$13
19	McKinney	\$38	\$26	\$15
20	Frisco	\$38	\$28	\$17
21	Allen	\$36	\$25	\$12
22	Rowlett	\$30	\$21	\$10
23	Rockwall	\$35	\$23	\$12
24	Cedar Hill	\$30	\$22	\$12
25	Murphy/Wylie/Sachse	\$32	\$20	\$10
26	Northern Ellis County	\$32	\$20	\$10
DALLAS AVERAGE		\$34	\$23	\$12
27	Arlington	\$33	\$25	\$13
28	Bedford/Euless	\$28	\$22	\$12
29	Hurst	\$28	\$17	\$10
30	Northeast Fort Worth	\$30	\$20	\$10
31	Northwest Fort Worth	\$32	\$20	\$9
32	Southeast Fort Worth	\$26	\$14	\$7
33	Southwest Fort Worth	\$33	\$23	\$12
34	Fort Worth CBD	\$30	\$22	\$13
35	North Richland Hills	\$26	\$20	\$8
36	Northeast Tarrant County	\$35	\$25	\$14
37	Burleson	\$32	\$22	\$11
38	Weatherford	\$26	\$18	\$8
FORT WORTH AVERAGE		\$30	\$21	\$11
DFW AVERAGE		\$33	\$22	\$12

RENTAL RATES TABLE REFLECTS ASKING RATES BEFORE CONCESSIONS FOR TYPICAL SMALL SHOP SPACE. TOTALS ARE NOT WEIGHTED.

# DALLAS-FORT WORTH SUBMARKET SUMMARY

	NAME	YE 2021 GLA (SF)	YE 2021 VACANCY (SF)	YE 2021 % VACANCY	YE 2022 GLA (SF)	YE 2022 VACANCY (SF)	YE 2022 % VACANCY
1	Dallas CBD	803,204	71,653	8.92%	803,204	13,388	1.67%
2	Northeast Dallas	9,890,095	794,398	8.03%	9,890,095	424,145	4.29%
3A	Far North Dallas	6,115,718	914,409	14.95%	6,115,718	690,629	11.29%
3B	North Dallas	5,617,983	325,934	5.80%	5,562,603	243,152	4.37%
3C	Park Cities/Oak Lawn	3,267,791	111,999	3.43%	3,378,291	116,080	3.44%
3D	West Dallas	550,849	46,210	8.39%	550,849	51,387	9.33%
4	Southeast Dallas	1,303,814	31,416	2.41%	1,303,814	63,047	4.84%
5	Southwest Dallas	5,678,922	539,914	9.51%	5,678,922	870,546	15.33%
6	Addison	1,309,865	189,496	14.47%	1,309,865	152,661	11.65%
7	Carrollton	3,165,720	230,552	7.28%	3,165,720	148,863	4.70%
8	Desoto/Lancaster	1,874,793	214,487	11.44%	1,874,793	102,757	5.48%
9	Duncanville	1,334,264	157,719	11.82%	1,334,264	92,193	6.91%
10	Farmers Branch	1,027,615	83,654	8.14%	1,027,615	81,788	7.96%
11	Garland	7,541,252	344,255	4.56%	7,541,252	318,217	4.22%
12	Grand Prairie	4,452,412	12,000	0.27%	4,478,412	70,584	1.58%
13A	Irving	7,610,637	241,979	3.18%	7,622,767	306,500	4.02%
13B	Coppell	880,480	65,377	7.43%	880,480	67,981	7.72%
14	Mesquite/Balch Springs	5,315,277	337,535	6.35%	5,386,954	791,921	14.70%
15	Richardson	3,947,615	374,996	9.50%	3,947,615	335,625	8.50%
16	Plano	14,430,790	1,374,722	9.53%	14,540,790	1,175,261	8.08%
17	Denton	7,322,760	69,423	0.95%	7,322,760	295,194	4.03%
18	Lewisville/Flower Mound	10,246,240	642,277	6.27%	10,246,240	567,772	5.54%
19	McKinney	5,119,590	124,898	2.44%	5,154,649	94,008	1.82%
20	Frisco	10,740,526	877,765	8.17%	10,819,580	624,273	5.77%
21	Allen	5,264,782	376,886	7.16%	5,264,782	402,260	7.64%
22	Rockwall	2,438,064	121,147	4.97%	2,541,264	112,275	4.42%
23	Rowlett	1,431,689	113,404	7.92%	1,431,689	71,782	5.01%
24	Cedar Hill	2,665,273	225,125	8.45%	2,665,273	90,145	3.38%
25	Murphy/Wylie/Sachse	2,735,902	48,506	1.77%	2,735,902	34,047	1.24%
26	Northern Ellis County	2,828,595	70,838	2.50%	2,828,595	78,459	2.77%
	<b>DALLAS</b>	<b>136,912,517</b>	<b>9,132,974</b>	<b>6.67%</b>	<b>137,404,757</b>	<b>8,486,940</b>	<b>6.18%</b>
27	Arlington	14,200,465	755,015	5.32%	14,225,465	659,828	4.64%
28	Bedford/Euless	2,940,750	119,750	4.07%	2,940,750	27,024	0.92%
29	Hurst	4,256,443	413,437	9.71%	4,256,443	257,477	6.05%
30	Northeast Fort Worth	4,470,049	260,033	5.82%	4,470,049	13,777	0.31%
31	Northwest Fort Worth	7,609,265	670,177	8.81%	7,427,979	719,202	9.68%
32	Southeast Fort Worth	1,578,917	37,141	2.35%	1,578,917	50,671	3.21%
33	Southwest Fort Worth	10,683,488	847,078	7.93%	10,683,488	703,781	6.59%
34	Fort Worth CBD	391,800	64,529	16.47%	391,800	30,000	7.66%
35	North Richland Hills	2,871,926	142,788	4.97%	2,871,926	39,695	1.38%
36	Northeast Tarrant Co.	9,855,846	485,318	4.92%	9,487,907	211,187	2.23%
37	Burleson	2,068,198	28,290	1.37%	2,068,198	9,825	0.48%
38	Weatherford	1,803,993	7,633	0.42%	1,803,993	17,258	0.96%
	<b>FORT WORTH</b>	<b>62,731,140</b>	<b>3,831,189</b>	<b>6.11%</b>	<b>62,206,915</b>	<b>2,739,725</b>	<b>4.40%</b>
	<b>GRAND TOTAL</b>	<b>199,643,657</b>	<b>12,964,163</b>	<b>6.49%</b>	<b>199,611,672</b>	<b>11,226,665</b>	<b>5.62%</b>

# DALLAS-FORT WORTH - ABSORPTION & CONSTRUCTION

	NAME	2021 ABSORPTION (SF)	2021 CONSTRUCTION* (SF)
1	Dallas CBD	58,265	
2	Northeast Dallas	370,253	
3A	Far North Dallas	223,780	
3B	North Dallas	27,402	
3C	Park Cities/Oak Lawn	106,419	40,500
3D	West Dallas	-5,177	
4	Southeast Dallas	-31,631	
5	Southwest Dallas	-330,632	
6	Addison	36,835	
7	Carrollton	81,689	
8	Desoto/Lancaster	111,730	
9	Duncanville	65,526	
10	Farmers Branch	1,866	
11	Garland	26,038	
12	Grand Prairie	-32,584	92,000
13A	Irving	-52,391	
13B	Coppell	-2,604	
14	Mesquite/Balch Springs	-382,709	
15	Richardson	39,371	
16	Plano	309,461	110,000
17	Denton	-225,771	
18	Lewisville/Flower Mound	74,505	
19	McKinney	65,949	
20	Frisco	332,546	234,000
21	Allen	-25,374	
22	Rockwall	112,072	103,200
23	Rowlett	41,622	
24	Cedar Hill	134,980	
25	Murphy/Wylie/Sachse	14,459	
26	Northern Ellis County	-7,621	
	<b>DALLAS</b>	<b>1,138,274</b>	<b>579,700</b>
27	Arlington	120,187	25,000
28	Bedford/Euless	92,726	
29	Hurst	155,960	
30	Northeast Fort Worth	246,256	
31	Northwest Fort Worth	-230,311	
32	Southeast Fort Worth	-13,530	
33	Southwest Fort Worth	143,297	
34	Fort Worth CBD	34,529	
35	North Richland Hills	103,093	
36	Northeast Tarrant Co.	-93,808	
37	Burleson	18,465	
38	Weatherford	-9,625	
	<b>FORT WORTH</b>	<b>567,239</b>	<b>25,000</b>
	<b>GRAND TOTAL</b>	<b>1,705,513</b>	<b>604,700</b>

\* New construction of 25,000 square feet or more; some construction represents expansion space. Submarket totals under 25,000 square feet represent expansions of larger projects.



# Houston

164.2M

INVENTORY

95.1%

OCCUPANCY

1.2M

CONSTRUCTION



Manvel Town Center is under way with H-E-B and a number of restaurants and other concepts. The project will be developed in phases over several years.

# Houston

## HOUSTON RETAIL MARKET ENDS 2022 ON A HIGH NOTE

### INVENTORY

2022	164.2 million
2021	163.1 million
2020	162.6 million

### OCCUPANCY

2022	95.1%
2021	96.0%
2020	93.0%

### CONSTRUCTION

2022	1.2 million SF
2021	615,000
2020	695,000

Houston’s retail market experienced healthy demand from expanding concepts, as well as notably low new retail construction, which enabled occupancy to regain its pre-pandemic level. As of year-end 2022, the Houston retail market’s occupancy reached approximately 95.1 percent, an increase over 93 percent at year-end 2021 and on par with 95 percent at year-end 2019.

The occupancy rate is based on Weitzman’s review of Houston’s retail market and its retail market inventory of approximately 164.2 million square feet of space in multi-tenant retail projects with 25,000 square feet or more.

While retail construction exceeded 2021’s level, total new deliveries remained on the conservative side.

Occupancy is also stable thanks to a steady influx of expanding retail concept at a time of limited large-format closings. The year’s largest closures included the 51,130-square-foot Randalls grocery anchor at Williams Trace Plaza, located 3346 Highway 6 in Sugar Land, which closed in mid-2022,

and the Macy’s store and furniture clearance center, which closed during the first half of 2022 as the final retailer at San Jacinto Mall in Baytown.

However, the mall is removed from available inventory due to the fact that it is slated for redevelopment as San Jacinto Marketplace. A 32,000-square-foot center at 2311 Westheimer Road is also no longer active retail, as the site in the Greenway/Upper Kirby district is slated for multi-family redevelopment. Other deletions from the retail inventory include the former Randalls at 5130 Bellaire Boulevard, which is being demolished for medical space, and the 146,000-square-foot retail box formerly occupied by Fry’s Electronics at 21300 Gulf Freeway in Webster, which has been repurposed for an aerospace engineering firm.

Additionally, the large-format vacancy left by the 2020 closure of an AMC Studio 30 cinema will be redeveloped for a residential project, and the demolished Sears at Memorial City Mall will be redeveloped as an open-air ‘town center’ retail addition.



Woodshore Marketplace, in Clute, saw new tenancy in 2022 from concepts like Doppio Coffee and others.

## FOOD, FITNESS, SERVICES AND MORE CONTINUED TO EXPAND

Expanding small-shop tenants, in particular, are active, with the most notable demand coming from restaurants, services, beauty, fitness, medical and dental uses. Junior anchors such as discounters are also active, resulting in a shortage of well-located box vacancies on the market.

For example, three former 24 Hour Fitness locations that closed during the first year of the pandemic were backfilled by Gold’s Gym, which itself closed locations during the worst of the pandemic. The three spaces, accounting for a total of nearly 90,000 square feet, are located in Bingle Crossing, at SH-290 and Bingle Road; Friendswood Crossing, at FM 528 and FM 518; and Northchase Plaza, at FM 1960 and Veterans Memorial Drive.

Another large-format fitness concept,

Elite Fitness, leased a vacant grocery store space at 9701 Spencer Highway in Deer Park for the relocation and expansion of its operation.

Well-located existing space in centers with strong demographics, tenant mixes and traffic, remain especially in demand. For example, as Rice Epicurean Market announced plans to close its location at 2020 Fountain View in late July 2022, Spec’s Wine Spirits and Finer Foods announced its plans to backfill the soon-to-be-vacated space.

Other large-format retailers expanding in existing space included:

- Gordon Food Service Store, the largest family-managed broadline food distribution company in North America, which is entering and expanding in the Houston market by repurposing second-generation spaces for open-to-the-public retail locations. New stores for GFS in the Houston area are expected to start opening in 2023 and include a former

---

**Well-located existing space in centers with strong demographics, tenant mixes and traffic, remain especially in demand.**

---

- Kroger space in Antoine Square, at 5151 Antoine Drive; a former Goodwill space at 12553 Westheimer Road; a former junior anchor space at North Oaks at 4601 FM 1960 W.; a former Sears Hardware at 649 Mason Road in Katy; and a former Palais Royal at 215 W. Main Street in League City;
- Academy Sports & Outdoors, which opened at 8715 W. Loop S. in Houston in space formerly occupied by Hobby Lobby;
  - Dick’s Warehouse Sale, which backfilled a former Stein Mart location at 21155 Highway 249 in Houston;
  - Planet Fitness, which opened in approximately 20,400 square feet at 6102 Scott Street in Houston;
  - EoS Fitness, which leased three Houston-area locations that together totaled more than 144,000 square feet in Sugar Land, Katy and Atascocita. The locations are scheduled to open in 2024 and 2025;
  - Burlington, which opened locations in a 30,000-square-foot anchor space previously occupied by Best Buy at Brazos Town Center, located along IH-69 between FM 762 and Reading Road in Rosenberg, and in a former Best Buy space at 13238 Northwest Freeway in Houston;
  - Specs Wine, Spirits & Finer Foods, which opened in space formerly occupied by Rice Epicurean Market at 2020 Fountain View in Houston;
  - pOpshelf, a Dollar General concept, which is expanding widely in the Houston area with new stores in north Houston, Cypress, Webster, Tomball and the Humble areas, with more to come. pOpshelf locations are generally in the 10,000-square-foot range;
  - Best Buy Outlet, which opened in a former Toys “R” Us space at 17776 Highway 249 in northwest Houston in the Willowbrook area;
  - Kelsey-Seybold clinic, which leased 26,000 square feet formerly occupied by Barnes & Noble at 3003 W. Holcombe Boulevard in Houston;
  - dd’s Discounts, a division of Ross Stores, with new locations in backfilled space: 20,000 square feet in Southgate Shopping Center at 4401 W. Fuqua at Hiram Clarke Road; 20,500 square feet in Northbrook Shopping Center at 5330 W. 34th Street at U.S. 290; and 18,000 square feet in Southway Shopping Center at the southwest corner of Highway 59 and South Gessner Road;
  - Ollie’s Bargain Outlet, which opened in fall 2022 in a former Babies “R” Us at 18182 Gulf Freeway in Friendswood and in a former Stein Mart at 1747 N. Fry Road in Katy;
  - American Furniture Warehouse, which has expanded with several large-format stores in the Houston area, including a backfilled 130,000-square-foot former Sam’s Club in Tomball;
  - Dick’s Sporting Goods, which backfilled an approximately 60,000-square-foot former Bed Bath & Beyond at Meyerland Plaza, located at Loop 610 North at Beechnut Street;
  - Star Cinema Grill, which leased the historic River Oaks Theater space at 2009 W. Gray after the previous cinema operator shuttered in 2021;
  - Puttshack, a modern mini-golf concept, which leased 26,000 square feet in downtown’s The Highlight, the new name of the renovated The Shops at Houston Center;
  - Painted Tree Boutiques, which during the first half of 2022 opened in a 37,528-square-foot former Stein Mart in Shoppes at Kingsgate, located at the intersection of Kingwood Drive and Chestnut Ridge Road in Humble;
  - Gordon Food Service, a Michigan-based grocery operator, which backfilled an approximately 25,000-square-foot former Palais Royal department store space in League City Towne Plaza at the intersection of FM 518 and Highway 3 in League City;
  - Chair King Backyard Store, which opened in an approximately 11,000-square-foot former Pier 1 location in Hedwig Village at 9421 Katy Freeway;
  - Skechers, which leased a 21,000-square-foot junior anchor space at Northeast Marketplace, a center anchored by Home Depot and others at IH0-69 at Little York Road in Houston;
  - Half Price Books, which took an approximately 6,400-square-foot space in Westchase Shopping Center at 10915 Westheimer;
  - Floor & Décor, which opened in an approximately 12,000-square-foot former Boot Barn at 5080 Richmond Avenue near the Galleria.
- In terms of leasing, the restaurant market created a high level of demand, particularly for second-generation space. New restaurant locations opening in second-generation space included: Willie’s Grill & Ice House, which opened in second-generation space in Crossing at 288 in Pearland; Cheesecake Factory, which backfilled a 10,000-square-foot former Rainforest Café in Katy Mills mall; Bosscat Kitchen, a local concept, and Sixty Vines, a wine-focused restaurant, which backfilled space in the mixed-use Market Street project; Bluestone Lane, a coffee and café concept, which opened in a former Beck’s Prime location at 115 W. 19th Street in the Heights; Cuchara, a Mexican concept at 214 Fairview in the Montrose district, which will expand into the adjacent space formerly occupied by Max’s Wine Dive; Katz’s deli, which opened in second-generation space at 5930 Westheimer in Houston; Austin-based Plucker’s Wing Bar, which leased a former Outback Steakhouse at 8731 W. Loop S. for a new Houston-area location; Gatsby’s Fine Seafood, which opened in the former Tony Mandola’s space at 1212 Waugh Drive in Houston; Rise Soufflé, a Dallas-based French bistro, which in 2023 will open in Creekside Park West at 26435 Kuykendahl Road in The Woodlands; In-N-Out Burger, which opened in the former Sweet Tomatoes space at 1717 Lake Woodlands Drive in The Woodlands; Niko Niko’s, a Greek restaurant, which will open in a former Luby’s Cafeteria space at 922 Lake Front Circle in The Woodlands; El Tiempo Cantina, which opened in the former

The Crossing at 288, a key regional-draw project in Pearland, added new concepts in 2022 such as Willie's Grill & Icehouse and salon-and-spa concept for children and tweens, Sweet & Sassy.



The Palm steakhouse space near The Galleria; The Warwick, which backfilled the former Houston's Restaurant at 5888 Westheimer Road in the Galleria area; Cali, with its first area location in a former Brick House Tavern at 12910 Northwest Freeway in Houston; Voodoo Doughnut, a popular Oregon-based concept, which expanded in the Houston market via a former Slim Chickens at 9320 Barker Cypress Road in Cypress, and a former dry cleaner's space at 1301 North Fry Road in Katy.

Restaurants also continue to expand with new construction. Examples include the Dallas-based BoomerJack's Grill & Bar, which will open its first Houston-area locations in 2023 in 7,500 square feet of newly constructed space near IH-45 and the NASA Bypass in Webster and in 11,422 square feet of new space at the northwest corner of IH-10

and the Grand Parkway; and Saltgrass Steakhouse, with 5,900 square feet, and Raising Cane's, with 3,200 square feet, which will open in new space in Valley Ranch Town Center in Porter.

### **NEW CONSTRUCTION REMAINED LOW, BUT EXCEEDED 2021'S LEVEL**

The development of new space in the metro Houston market has remained on the conservative side for years and reached a record low in 2021 of only 535,000 square feet in new and expanded projects with 25,000 square feet or more.

For 2022, construction nearly doubled total new space to approximately 1.2 million square feet in new and expanded projects with 25,000 square

feet or more of retail space. While higher than the previous year, the total is still remarkably conservative for a tight retail market in a metro area with a health economy. But Houston's retail market reflects the statewide and nationwide trends of limited anchor expansions, other than grocery stores like H-E-B. New developments also tenant to be smaller mixed-use and unanchored retail projects, and even the largest new projects like Manvel Town Center are built in smaller phases over the course of several years.

Other factors limiting construction include elevated construction costs and the often higher-than-market rental rates needed to pro forma development in the face of higher costs.

New construction for 2022 and 2023 or later is detailed later in this report.

---

## Houston's retail market topped the state in terms of retail construction with deliveries of 1.2 million square feet.

---

### RENTAL RATES

As retail leasing demand remained healthy, and the lack of new space put existing space at a premium, the Houston reported that rental rates on average have reached and often exceeded the levels seen pre-pandemic in 2019.

The rates quoted here are average asking rates, and effective rates can be lower over the terms of a lease due to concessions such as free rent and finish-out allowances, although concessions remain limited for the highest-quality space.

For all classes of space, actual rates for specific centers and spaces can go notably lower or higher than the rates listed here due to factors including anchors, traffic, demographics and location within a center.

Demand for Class A space, especially for quality retail inside the Interstate 610 Loop, can result in small-shop rates ranging from \$45 to \$60 per square foot per year or more.

Average asking rates for small-shop in-line space in well-located, anchored projects throughout the Houston area were as follows:

- Class A rates for space not inside the Loop ranged from around \$30 to \$40 on a per-square-foot-per-year basis.
- Class B small-shop space rates ranged from \$20 to the mid-\$30s-per-square-foot-per-year range.
- Class C small-shop rates typically were in the \$15- to \$20-per-square-foot-per-year range.

### OUTLOOK CONTINUES FOR A SOLID RETAIL MARKET

The outlook for Houston's retail market going into 2023 is positive, thanks to continued economic strength seen in job, population and housing growth. However, economic caution signs are flashing due to rising interest rates, persistent high inflation and an outlook for a possible recession nationally.

Metro Houston created 108,600 jobs through the first nine months of 2022, and the year now ranks as the fifth-best on record, according to the Greater Houston Partnership. For 2023, the Partnership is forecasting approximately 61,000 jobs, which would rank just under the region's long-term average. In the event of a recession, however, the Partnership warns that the projected total could drop by half or more.

The market's economic strengths also include notable population gains, which drives retail and residential growth. The most recent Census report for the Houston MSA reports a 12-month gain of more than 69,000 new residents for the period ended July 2021, making it the second-fastest-growth large metropolitan area in the country.



# San Antonio

48.3M

INVENTORY

94.5%

OCCUPANCY

380K

CONSTRUCTION



Construction remains extremely limited in the San Antonio market, but 2022 is seeing new anchor space for concepts including Floor & Décor, which opened a new 79,681-square-foot store at IKEA-anchored Live Oak Town Center. The first half of 2022 also saw a new BJ's Restaurant & Brewhouse open in the center's newest phase.

# San Antonio

## SAN ANTONIO RETAIL MARKET MAINTAINS STABILITY

San Antonio's retail market ended calendar year 2022 with a strongly positive balance of supply and demand and overall market occupancy of 94.5 percent. Overall, the market is in a period of notable stability with healthy leasing activity, extremely limited new construction, stable rates and very few store closures.

The year-end 2022 occupancy rate is based on Weitzman's review of a total San Antonio retail inventory of approximately 48.3 million square feet of retail space in multi-tenant shopping centers with 25,000 square feet or more.

The market's higher occupancy, which increased from 94 percent at year-end 2021, was bolstered by healthy demand for existing small-shop retail space, the

backfilling of some key vacant boxes on the market and a lack of new space, which puts a premium on existing retail properties.

During 2022, the San Antonio retail market's large-format vacancies that found new occupancy included the Sears anchor vacancy at South Park Mall.

Key examples of backfilled space in 2022 include:

- AR's Entertainment Hub, a Houston-based concept, which is backfilling 58,000 square feet of anchor space at Wonderland of the Americas mall, located at Loop 410 and IH-10 in Balcones Heights. Also at the mall, the Woodlawn Theatre

is locating its operations in space previously occupied by the Bijou Santikos art-house cinema, which closed during the first half of 2022;

- Austin-based EVO Entertainment, with a 12-screen cinema-entertainment complex in part of the vacant Sears anchor space at South Park Mall. Additionally, FitnessConnection backfilled approximately 71,000 square feet of the former department store space at the mall, located at 2310 SW Military Drive;
- Saint Bernard, an upscale apparel retailer based in Dallas, which backfilled the former Stein Mart at The Shops at Lincoln Heights, located at 999 E. Basse Road, for its first area location;



Restaurants leasing in existing space include Maple Street Biscuit Company, a Cracker Barrel concept that leased its first area location in Culebra Market.



- Harbor Freight Tools, which backfilled a 15,122-square-foot Sprouts vacancy at Arbor Park, a shopping center located at San Pedro Avenue and Henderson Pass;
- Boot Barn, which opened in second-generation space at 13415 San Pedro Avenue;
- dd's Discounts, a division of Ross Stores, which backfilled two junior anchor spaces, for a total of more than 40,000 square feet, in Culebra Market and Ingram Festival shopping centers;
- Pinstack, a Dallas-based bowling and entertainment complex, which is set to open its first area location during the second half of 2022 at Park North Shopping Center, located at 842 Northwest Loop 410. Pinstack will occupy approximately 54,000 square feet;
- Santikos Entertainment, which during the first quarter of 2022 opened at 1255 SW Loop 410 in the space formerly occupied by Alamo Drafthouse Westlakes, which closed in 2021;
- A 37,000-square-foot box space that was leased by a Best Buy Outlet Store set to open in early 2023. The location, in Fiesta Trails Shopping Center at 12651 Vance Jackson Road, represents a relocation from Woodlake Crossing shopping center;
- Rockler Hardware, which leased a 10,332-square-foot junior anchor space in San Pedro Crossing on Loop 410.

During a time of limited new construction, and higher rental rates required at the market's newly constructed retail, the majority of leasing demand in the market gravitated to existing space. Other notable retail leases that backfilled vacant space in existing centers included:

pOpshelf, a popular concept from Dollar General, which is opening its first two area locations in a former Walgreens at 4351 Thousand Oaks Drive and in existing space at The Rim, located along La Cantera Parkway. The two new stores together represent approximately 20,000 square feet of new occupancy;

Restaurant concepts, which were active in opening in second-generation space, including Seasons 52, with its first area location in 11,300 square feet that formerly was the location of Joe's Crab Shack at Alamo Quarry Market, located at 255 E. Basse Road; Lupe Tortilla, which opened in the former Canyon Café space in Alamo Quarry Market; Maple Street Biscuit Company, which opened in Culebra Market at 10650 Culebra Road and in Quarry Village at 290 E. Basse; FiiZ Drinks, which plans to open at 3251 Broadway Street in a former Sonic location that closed in 2018; Cottage, an Irish pub, which is backfilling the former Picante Grill at 3810 Broadway; Rusty Taco, a Dallas-based concept, which opened its first area location at 17026 Bulverde Road; Carriqui, an upscale concept set to open later this year in the historic Pearl-area building at 239 E. Grayson Street that once housed Liberty Bar; La Cantrina Mexican Bakery,

#### INVENTORY

2022	48.3 million
2021	47.9 million
2020	47.3 million

#### OCCUPANCY

2022	94.5%
2021	94.0%
2020	93.6%

#### CONSTRUCTION

2022	380,000
2021	354,000
2020	355,000

which opened in the former Rise Bakery space at 923 N. Loop 1604 E.; Nékter Juice Bar, which backfilled a former TCBY location at 5920 Broadway; Black Bear Diner, a California-based concept, which opened in the former Market Barbecue at 2707 SE Military Drive; Wayback Burgers, which opened in Bandera Pointe Shopping Center at 11707 Bandera Road; Bombshells, a Military-themed restaurant, which opened its first area location in a 9,000-square-foot former Furr's Buffet at 8410 Highway 151; and Pluckers Wing Bar, which built a new location after demolishing a vacant Logan's Roadhouse at 92 NE Loop 410.

## RENTS REMAIN STEADY IN TERMS OF ASKING RATES

Thanks to a tight market for quality retail space and extremely limited new construction, San Antonio's asking retail rental rates remain extremely stable, although concessions such as finish-out allowances and free rent remain limited.

Asking rates for centers by grade reported the following averages:

- Average Class A asking rents for small-shop in-line spaces in the market's strongest centers, including new construction, ranged from \$26 to \$38 per square foot per year, and reached into the \$40s for endcap spaces in the best centers. These rates are for small-shop space in the newest and/or strongest anchored projects;
- Class B asking rates typically were in the \$18-to-\$26-per-square-foot range;
- Class C asking rates were in the \$10-to-\$16-per-square-foot range.

The reported rates are average asking rates and do not reflect concessions or triple nets. Asking rates can be higher or lower depending on location, co-tenancy, center condition and other factors.

---

## San Antonio's retail market reported that 2022 was a period of stability with healthy leasing activity and occupancy.

---

### SAN ANTONIO RETAIL DELIVERIES REMAIN LIMITED

In 2022, San Antonio reported another year of near-record-low deliveries.

Construction has remained constrained due to factors including high construction costs, although the increases in these costs moderated somewhat during the second half of the year. However, the price of building new space still requires rents in the range of the mid-\$30s per square foot per year and higher, which can outpace the overall market.

Additionally, reflecting a statewide trend, the San Antonio market is reporting limited anchor expansions via new space, with anchors in the market typically opening in existing space.

The lack of new space puts a premium on existing space, and the availability of well-located high-quality space remains tight.

During calendar-year 2022, the San Antonio market reported a construction total of approximately 380,000 square feet in new and expanded retail projects totaling 25,000 square feet or more.

The 2022 deliveries slightly outpaced 2021's construction of approximately 354,000 square feet and 2020's total of approximately 355,000 square feet of new space. All three years together brought online only slightly more than 1 million square feet. By comparison, during the era of superregional malls, construction would be much higher. For

example, in 2005, San Antonio added 2.4 million square feet of new space thanks in part to the first phase of The Shops at La Cantera.

The most recent high point for deliveries was 2018, when new space totaled 868,400 square feet.

Details on new retail projects can be found later in this report.

NOTE: Weitzman tracks only new projects with 25,000 square feet or more.

### OUTLOOK FOR 2023 REMAINS OPTIMISTIC, WITH AN ASTERISK

San Antonio's retail market currently reports a strongly healthy balance of supply and demand, although going into 2023 the market faces headwinds including rising interest rates, continued high construction costs, inflation and other factors that may lead to a slowdown.

If the year ahead does see a weakening of economic conditions, the greater San Antonio retail market faces these future challenges from a position of strength and a metro area economy that remains healthy.

## APPENDIX A: AUSTIN CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2022

**The Co-Op District**  
FM 1660 & Mager Ln  
Hutto

The Co-Op District, a 35-acre mixed-use destination at the site of Hutto's historic Co-Op Gin and Co-Op Granary, currently features a retail lineup that includes open or soon-to-open restaurants like Southside Market & Barbeque, Top Notch Hamburgers, Cocina Jalisco Sports Bar & Grill and the recently announced sixth location for Jack Allen's Kitchen. The development also features Hutto City Hall and Library.

**Dry River District**  
IH-35 & Kyle Crossing  
Kyle

Dry River District added a small-shop retail phase in 2022 to existing anchors EVO Entertainment complex and Home Depot, and several new dining concepts in the project. For 2023, Costco will open a 150,000-square-foot store.

**The Grove at Shoal Creek**  
45th St & Bull Creek Rd  
Austin

This mixed-use project continues to open its retail space in phases through 2023. New concepts at The Grove include CARVE American Grille, a concept from Perry's Restaurants that leased approximately 10,000 square feet of retail space. Other new concepts include LOVE Cycling Studio, which leased 4,500 square feet, Mirror Mirror, a beauty salon, which leased 3,066 square feet, and HALINA Spa, which leased 2,800 square feet. Concepts opening in early 2023 include Verdad, CARVE and Qi.

**Floor & Décor**  
1200 Arrow Point Dr  
Cedar Park

Floor & Décor opened its fourth Austin-area location in Cedar Park in late 2022.

**Whitestone Square**  
500 W Whitestone Blvd  
Cedar Park

Whitestone Square, which delivered in December 2022, features 30,400 square feet of retail and office space at the high-traffic intersection of FM 1431 and Highway 183/N. Bell Boulevard. The retail space, incorporated in four buildings, features a tenant mix that includes Wayback Burgers, Kane Sushi, Instill Coffee, Nervous Charlie's Bagels and others.

**Alpha Building | Mueller Retail**  
1900 Aldrich St  
Austin

The Alpha Building is located within the master-planned Mueller community. The new office tower includes 26,000 square feet of street-level space. The massive Mueller community is also adding to its retail inventory with approximately 5,000 square feet in the new Origin Hotel, as well as new residential with street-level retail.

**Shops at Reagan's Hope**  
1320 Ronald Reagan Blvd  
Cedar Park

Shops at Reagan's Hope is a multi-tenant retail project designed to total 29,000 square feet upon completion. The first phase was completed in 2022.

**Creekside at Dessau**  
16051 Dessau Rd  
Pflugerville

The center, with a new phase in the works, features a neighborhood-focused lineup with fitness, daycare and a flooring store, as well as a peripheral freestanding Pollo Regio.

**Cornerstone at Kelly Lane**  
SEC SH-130 & Kelly Lane  
Pflugerville

The center continues to expand after opening a small-shop phase in 2021, which joined anchor Costco and others. The 2022 expansion includes Kohl's, which opened a 55,000-square-foot store in late 2022, as well as small tenant space that includes a soon-to-open approximately 6,000-square-foot freestanding Willie's Grill & Icehouse.

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER

**H-E-B Lake Austin**  
715 S Exposition Blvd  
Austin

H-E-B is underway with this 110,000-square-foot store, which will open in February 2023.

**H-E-B**  
South Congress Ave & East Oltorf  
Austin

This new 145,000-square-foot store is designed to replace a much smaller existing store than opened in 1957. The old store is relocating to a temporary location in nearby Twin Oaks Shopping Center for the approximately two years it will take to build the new store.

**H-E-B Wolf Lakes Village**  
1100 S. IH-35  
Georgetown

H-E-B plans a new 117,000-square-foot store to replace its older store in Georgetown's Wolf Lakes Village, a 164-acre master-planned community that is currently underway.

## APPENDIX A: AUSTIN CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER (CONTINUED)

<b>H-E-B</b> U.S. Hwy 290 & Nutty Brown Rd Austin	H-E-B plans an approximately 106,000-square-foot store, set to start in 2022, at this intersection in Southwest Austin.
<b>Shops at Arrow Point</b> NEC FM 1431 & Arrow Point Dr Cedar Park	Shops at Arrow Point, with pad and anchor space, is to be anchored by an approximately 80,000-square-foot Floor & Décor.
<b>Northline</b> U.S. Highway 183A & San Gabriel Pkwy Leander	This major transit-oriented mixed-use project is planned for space to begin coming online in 2023 or later. The multi-year project is designed for approximately 120,000 square feet of retail space. The first retail anchor announced is the Hub, a family-oriented food and entertainment venue that incorporates a central lawn. Northline's retail also is designed to include a cinema, a fitness facility and a grocery store, among other options that will join residential, office and civic space.
<b>Costco Georgetown</b> NWC IH-35 & Lakeway Dr Georgetown	Costco plans to open an approximately 160,000-square-foot store in 2023.
<b>Stone Hill Town Center expansion</b> 500 Limestone Commercial Dr Pflugerville	Hobby Lobby will open a new store in 2024 at Stone Hill Town Center, one of the Austin area's largest retail projects.
<b>Goodwill Lake Austin Boulevard</b> 2407 Lake Austin Blvd Austin	Goodwill is developing a newly constructed store, incorporating 25,000 square feet of retail, with opening set for early 2023.
<b>Ronald Reagan Crossing</b> 15101 Ronald W. Reagan Blvd Leander	The Ronald Reagan Crossing project, with up to 160,000 square feet of retail and office space, is under construction with approximately 60,000 square feet of retail and restaurant space. Tenants include Shipley's Do-Nuts.
<b>Arbor Park Shopping Center</b> NEC FM 1431 & Scottsdale Dr Cedar Park	This planned retail center with multiple small-shop buildings is shadow-anchored by a Walmart Supercenter and also features pad sites.
<b>The Brick and Mortar District</b> Kyle Pwy & Kohlers Crossing Kyle	The first phase of The Brick and Mortar District mixed-use project will have limited retail space. A total of 150,000 square feet of retail space is planned upon the project's completion.
<b>EastVillage</b> East Parmer Ln across from Samsung Austin	EastVillage, which broke ground on its first phase at a location across from the existing Samsung facility, is set to have multi- and single-family homes, office space, hotels, a nature preserve and an estimated 223,000 square feet of retail space. The first phase is for multi-family space, to be followed by a second phase that includes approximately 143,000 square feet of retail space. Completion of all phases is scheduled for 2028.
<b>Ledgestone East Retail</b> NEC of Hwy 290 & Ledgestone Dr. Dripping Springs	Ledgestone East Retail, with approximately 27,000 square feet of multi-tenant and pad retail, is scheduled for completion in early 2023.
<b>Brodie Oaks Mixed-use Redevelopment</b> S. Lamar Blvd. & Capital of Texas Highway Austin	A local developer has announced plans to redevelop the 38-acre Brodie Oaks shopping center site as a major mixed-use project that would incorporate 140,000 square feet of retail space, along with office, residential and hotel space. The project will be phased over multiple years.

## APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2022

**H-E-B Frisco**

NEC Legacy Dr & Main St  
Frisco

This 111,000-square-foot store, one of the first two for the famed brand in the D-FW market, opened in fall 2022.

**H-E-B Plano**

SWC Preston Rd & Spring Creek Pkwy  
Plano

This 110,000-square-foot store, one of the first two for the famed brand in the D-FW market, opened in fall 2022.

**FRESH and Fate Village**

IH-30 & Memorial Pkwy  
Fate

In the outlying market of Fate, Brookshire opened a 66,000-square-foot FRESH grocery store as anchor for a community retail project called Fate Village.

**Hillside Village Sprouts**

Mockingbird Lane & Abrams Rd  
Dallas

Sprouts opened a newly constructed 23,000-square-foot grocery store as a new anchor for one of Dallas' older retail centers, Hillside Village. However, the new store did not add to overall retail inventory, because a former Stein Mart anchor space was demolished at the location.

**EpicCentral**

2324 W. Warrior Trail  
Grand Prairie

EpicCentral, which is still underway, opened a 66,000-square-foot Bolder Adventure Park and several restaurants in 2022.

**Life Time Fitness Frisco**

4900 Throne Hall Way  
Frisco

Life Time Fitness opened a new 124,000-square-foot fitness facility at Throne Hall Way and Legacy Drive.

**Weir's Plaza**

4540 Travis Street  
Dallas

This small specialty retail redevelopment is anchored by a 28,000-square-foot Weir's Furniture store.

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER

**H-E-B McKinney**

NEC Custer Rd & Eldorado Pkwy  
McKinney

This 111,000-square-foot store is scheduled for a 2023 opening.

**H-E-B Allen**

E Exchange Pkwy & N Greenville Ave  
(Hwy 5), Allen

The H-E-B for the Allen market is expected to open in late 2023.

**H-E-B Fort Worth**

Heritage Trace Pkwy & N Riverside Dr  
Fort Worth

The first H-E-B for Fort Worth, now under construction, is scheduled to open in 2024.

**H-E-B Mansfield**

U.S. 287 & East Broad St  
Mansfield

The Mansfield H-E-B store is expected to break ground in 2023.

**Bonds Ranch Marketplace**

NEC Bonds Ranch Rd & US-287  
Fort Worth

Bonds Ranch Marketplace, designed to serve the fast-growing population along the Highway 287 corridor of Northwest Fort Worth, will be anchored by a 122,000-square-foot Kroger Marketplace, the grocer's large-format concept. Weitzman will develop 32,000 square feet of multi-tenant retail and three pad sites along Bonds Ranch Road at the center. Groundbreaking is set for summer 2023 with opening set for 2024.

**The Gates of Prosper new phase**

Hwy 380 & Preston Rd  
Prosper

Target is set to open an approximately 135,000-square-foot store as anchor for a new phase at the massive The Gates of Prosper retail development in 2023.

## APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER (CONTINUED)

**Coit & Eldorado**

SWC Coit Rd & Eldorado Pkwy  
Frisco

This grocery-anchored center is designed with an approximately 58,000-square-foot Tom Thumb anchor, 32,000 square feet of multi-tenant space and three pad sites. Groundbreaking is set for early 2023.

**Mayfield Groves**

SEC SH-261 & Mayfield Rd  
Grand Prairie

Mayfield Groves, adjacent to an existing IKEA, includes three large entertainment-oriented anchors, BigShots Golf, Andretti Indoor Karting and Games and a 100,000-square-foot Bass Pro Shops Outdoor World, with openings set through 2024. The project also features pad sites.

**Epic Towne Crossing East**

SH-161 between Warrior Trail & Mayfield Rd  
Grand Prairie

Epic Towne Crossing East, with small-shop retail for concepts like pOpshelf set to open in 2023, is adjacent to existing anchors and a planned Hobby Lobby, as well as pad sites.

**Andretti Indoor Karting & Games**

IH-35W & N. Tarrant Pkwy  
Fort Worth

Andretti Indoor Karting & Games plans to start construction on its third D-FW-area location, a 98,000-square-foot entertainment complex. Construction is set to begin in 2023 at the location, adjacent to Living Spaces Furniture, with completion planned for 2024.

**The Creeks at Celina**

NWQ W. Frontier Pkwy & Dallas Pkwy  
Celina

The Creek at Celina, positioned to serve the everyday needs of the fast-growing but underserved Celina Market, will feature retail, office and medical space in four separate multi-tenant buildings of approximately 9,000 square feet each, as well as significant space dedicated to outdoor dining.

**The Grove at Frontier**

Preston Rd & Frontier Pkwy  
Celina

The Grove at Frontier is a planned 44,000-square-foot neighborhood retail center.

**Whole Foods Market**

SEC Custer & Hwy 380  
McKinney (West Grove mixed-use)  
Dallas Pkwy & Lebanon Rd  
Frisco (The Mix mixed-use)

Whole Foods Market has been announced as an anchor tenant for these new mixed-use projects in McKinney and Frisco. Frisco's The Mix formerly was known as Wade Park.

**Sprouts**

N. Hampton & Fort Worth Ave  
Dallas

Sprouts plans a new location in the Oak Cliff area of Dallas for 2023.

**Melissa Village**

NWC/SWC SH-121 & FM 544  
Melissa

Kroger is shown as the future anchor this new community center planned for the growing community of Melissa. A small-shop phase opened in 2021.

**Hall Street Mixed-use**

1823 N Hall St  
Dallas

A street-level 80,863-square foot Kroger has been approved by the City of Dallas as the retail anchor for this mid-rise multi-family project near downtown Dallas.

**The Farm**

SH-121 & Alma Dr  
Allen

This mixed-use project, with a retail and entertainment component, is under way with retail and restaurant space. In 2023, High 5 bowling and entertainment concept is set to open a 70,000-square-foot location at The Farm. Chicken N Pickle also will open at The Farm in 2023. A restaurant phase, called The Hub, opened in 2022.

**Lakeside Village**

Lakeside Village Pkwy at Lakeside Blvd  
Flower Mound

This mixed-use project upon completion will have retail, hotel, office and residential space. The development is expected to come online in phases through 2031.

**Central Market Mixed-use**

McKinney Ave & Lemmon Ave  
Dallas

The redevelopment of a long-closed Albertsons for a high-rise office development will incorporate approximately 150,000 square feet of retail anchored by Central Market. No groundbreaking date has been set.

## APPENDIX C: HOUSTON CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2022

**H-E-B Willis I The Market at Willis**

123509 IH-45 N at FM 1097  
Willis

The new H-E-B Willis totals 112,000 square feet and anchors The Market at Willis, which has several restaurants and other uses in its first phase. Upon completion, The Market at Willis is set to total more than 200,000 square feet.

**H-E-B Magnolia Place**

13663 FM 1488  
Magnolia

H-E-B Magnolia Place, which opened in November 2022, features 112,000 square feet of retail space.

**Target**

22165 FM 529  
Katy

Target opened a new-format store in November off the Grand Parkway. The new store has approximately 150,000 square feet of retail space.

**American Furniture Warehouse**

IH-45 & River Plantation Dr  
Conroe

American Furniture Warehouse opened a 150,000-square-foot showroom store and an approximately 293,000-square-foot warehouse space in March 2022.

**Fort Bend Town Center II**

Hwy 6 & The Fort Bend Parkway Toll Rd  
Missouri City

The second phase of Fort Bend Town Center is currently under construction. The new phase, with as much as 300,000 square feet upon completion, added a an approximately 57,000-square-foot Cinemark multi-screen theater in 2022, along with retail including Burlington, Ross and other junior boxes set for completion in 2023.

**Main Event Tomball**

Tomball Pkwy & Windsor Pointe Dr  
Tomball

Main Event, totaling 50,000 square feet of entertainment space, joins a lineup that includes Regal Cinemas and a number of restaurants.

**Lower Heights District**

IH-10 & Studemont  
Houston

The mixed-use project opened 25,000 square feet of small-shop and office space, along with a 108,000-square-foot Home Depot that opened in September 2022.

**Mega Square at Williams Way**

Hwy 59 & Williams Way  
Richmond

Mega Square at Williams Way, shadowed by an existing CVS, features 26,600 square feet in a two-story configuration.

**Marcel Boulevard**

IH-45 & Grand Central Pkwy  
Conroe

The mixed-use Marcel Boulevard project features approximately 68,000 square feet of retail. Concepts include Voodoo Grille.

**Floor & Décor**

26904 IH-45  
Oak Ridge North

Floor & Décor opened an approximately 80,000-square-foot store in Oak Ridge North, a Houston-area community located south of Conroe, during the first half of 2022.

**Floor & Décor**

3350 Business Center Dr  
Pearland

Floor & Décor opened an approximately 75,000-square-foot store at 3350 Business Center Drive in Pearland. The location is along the SH-288 corridor.

**Robinson Retail Center**

27605 Robinson Rd  
Oak Ridge North

The approximately 29,000-square-foot center has a first phase completed in 2022. Announced tenants include Domino's and La Michoacana Ice Cream.

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER

**Manvel Town Center**

SH-288 & SH-6  
Manvel

Manvel Town Center is designed to incorporate as much as 1 million square feet of retail space to be developed in phases. The anchor for the first phase is H-E-B, set to open in 2023. Other concepts in the first phase, set to open in mid- to late-2023, include pad users such as Whataburger, McDonald's and Heartland Dental.

**Target at Valley Ranch Town Center**

11985 Grand Pkwy N.  
New Caney

Target will open an approximately 135,000-square-foot store at the regional-draw Valley Ranch Town Center project.

## APPENDIX C: HOUSTON CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER (CONTINUED)

**Magnolia Village**  
FM 1488 & Spur 149  
Magnolia

The first phase of Magnolia Village, set to open in 2023 with 30,000 square feet of multi-tenant space along with pad sites, will feature a mix of dental, automotive, beauty, services and quick-service concepts Taco Bell and McDonald's.

**The Allen Lifestyle Pavilion**  
SEC Allen Parkway & Gillett  
Houston

The anchor tenant for The Allen Lifestyle Pavilion is Texans Fit, which will occupy 34,000 square feet in the 62,000-square-foot lifestyle component of The Allen, an upscale mixed-use project near Buffalo Bayou Park that upon completion will include high-rise residential, hotel, office and other uses. The retail project is fully pre-leased.

**Riverview at Clear Creek**  
IH-45 north of Main Street  
League City

This mixed-use project is designed to feature multiple uses, including 30,000 square feet of retail space.

**Katy Boardwalk District**  
Kingsland Blvd s. of IH-10  
Katy

The district will feature a 304-room hotel and conference center, slated to open in fall 2023; 155,000 square feet of retail, dining and entertainment space; as well as 60,000 square feet of office space, all located in a lakeside configuration.

**Katy Grand new phase**  
Grand Pkwy & Katy Frwy  
Katy

Katy Grand is expanding with the first Texas location for PopStroke Entertainment, a Florida-based venue with golf, dining, games and more. The venue encompassing 3.2 acres, will include a full-service restaurant, a bar, an ice cream parlor and a playground as well as a 36-hole golf course.

**Porter Lake Crossing**  
24004 Porter Rd at  
Stockdick School Rd  
Katy

Porter Lake Crossing, a 40,130-square-foot retail center, is scheduled for completion in 2023. Tenants include The Learning Experience.

**Stella & Braes**  
21409 Gulf Freeway (IH-45)  
Webster

This mixed-use project, with its first phase slated for completion in 2024, will include approximately 25,000 square feet of retail space.

**FlyWay at Clear Creek**  
24004 Porter Rd at  
Stockdick School Rd  
Katy

This destination development on 120 acres is designed to feature as much as 1.6 million square feet of retail, restaurant and entertainment space adjacent to a planned Great Wolf Lodge location. Pickleball-and-entertainment concept Chicken N Pickle will open in late 2023.

**Plaza 96**  
SH-96 near Southshore Dr  
League City

The planned center is designed to incorporate approximately 75,000 square feet of retail space.

**Galleria Area MXU**  
2120 Post Oak Blvd  
Houston

The planned 43-story tower is designed to incorporate 25,000 square feet of retail and restaurant space, with completion set for 2025.

**CityCentre 7**  
Beltway 8 & IH-10  
Houston

The newest phase of CityCentre in Houston will include a mix of uses, including 27,000 square feet of retail and restaurant space.

**The Grove at Harper's Preserve**  
SWC SH-242 & Harper's Trace  
Conroe

The small-shop retail, with tenant including Jersey Mike's Subs and AT&T, is set to open in 2023 and is shadow-anchored by H-E-B.

**Life Time Fitness**  
9000 Six Pines Dr  
Shenandoah

Life Time Fitness is under way with a multi-level complex totaling approximately 140,000 square feet, to be joined by an adjacent multi-family complex.

**East River**  
Jensen Dr & Clinton Dr  
Houston

The first phase of retail in East River, set for completion in 2023, will include about 110,000 square feet of retail space. East River, a massive mixed-use development in Houston's historic Fifth Ward, has announced retail concepts like Broham Fine Soul Food & Groceries, Lick Honest Ice Creams and Urbn Dental.



## APPENDIX D: SAN ANTONIO CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2022

**Live Oak Town Center**  
SWQ Loop 1604 & IH-35  
Live Oak

Floor & Décor, which totals 79,681 square feet of new retail space, opened a new location at Live Oak Town Center, anchored by South Texas' only IKEA location. Additionally, BJ's Restaurant & Brewhouse opened a 7,630-square-foot restaurant, and Twin Peaks also opened a freestanding restaurant. Black Rifle Coffee Co. opened approximately 2,400-square-foot location at the center in a multi-tenant building along with a credit union branch and a nail salon.

**H-E-B New Braunfels**  
FM 306 & Hwy 46  
New Braunfels

During the first half of 2022, H-E-B opened a new 122,000-square-foot store as the replacement for a smaller store built in the early 1990s.

**Napa Oaks**  
IH-10 & Starr Ranch Rd  
San Antonio

Napa Oaks is a two-story development with approximately 47,500 square feet of retail, service, restaurant and office/medical space. Concepts that have leased in the center include El Mirasol, Hotworx, Burger Burger and Safesplash Swim School.

**Wender Plaza**  
SWC Hwy 151 & Hunt Ln  
San Antonio

The center, anchored by a 23,280-square-foot Sprouts specialty grocery store opened in November, features small-shop retail space for a lineup that includes the first area location for Dave's Hot Chicken, as well as Tiff's Treats.

## APPENDIX D: SAN ANTONIO CONSTRUCTION

### KEY NEW RETAIL PROJECTS FOR 2023 OR LATER

**H-E-B Cibolo**

FM 1103 & Main St  
Cibolo

H-E-B in 2023 will open an approximately 110,000-square-foot store along with fulfillment space.

**The Shops at Babcock**

Loop 1604 & Babcock Rd  
San Antonio

The Shops at Babcock, peripheral to H-E-B, is under way with approximately 42,000 square feet of small-shop space.

**The Portico at Shaenfield**

Loop 1604 & Shaenfield Rd  
San Antonio

The Portico at Shaenfield, the second phase of the Shaenfield Ranch retail project, will offer approximately 54,000 square feet in a two-story building.

**Project 151**

8530 SH-151  
San Antonio

This neighborhood retail center is designed to have small-shop space in two buildings for a total of approximately 24,000 square feet of retail space, along with adjacent pad-site retail.

# DEFINITIONS

## NEIGHBORHOOD SHOPPING CENTER

<b>Concept</b>	Convenience
<b>SF</b>	25,000-100,000
<b>Acreage</b>	3-15
<b>Typical Retailers</b>	Convenience store, services, QSR

## COMMUNITY SHOPPING CENTER

<b>Concept</b>	General merchandise
<b>SF Including Anchors</b>	100,000-300,000
<b>Acreage</b>	10-40
<b># of Typical Anchors</b>	1 or more
<b>Typical Retailers</b>	Grocery store, discount department store, drugstore, home improvement, restaurants

## MALLS

### REGIONAL SHOPPING MALL

<b>Concept</b>	General merchandise, fashion (typically enclosed)
<b>SF Including Anchors</b>	400,000-800,000
<b>Acreage</b>	40-100
<b># of Typical Anchors</b>	2 or more
<b>Typical Retailers</b>	Full-line department store, junior department store, mass merchant, fashion apparel, restaurants

### SUPER-REGIONAL SHOPPING MALL

<b>Concept</b>	Similar to regional mall but has more variety
<b>SF Including Anchors</b>	800,000+
<b>Acreage</b>	60-120
<b># of Typical Anchors</b>	3 or more
<b>Typical Retailers</b>	Full-line department store, junior department store, mass merchant, fashion apparel, restaurants

## POWER SHOPPING CENTER

<b>Concept</b>	Category-dominant anchors, with an evolving mix of uses
<b>SF Including Anchors</b>	250,000-800,000
<b>Acreage</b>	25-80
<b># of Typical Anchors</b>	3 or more
<b>Typical Retailers</b>	Category killer, home improvement, discount department store, warehouse club, off-price, fitness, entertainment

## MIXED-USE RETAIL

<b>Concept</b>	Retail in multi-use projects along with multi-family, office, hotel or other uses
<b>SF</b>	Typically 25,000-300,000
<b>Typical Retailers</b>	Destination restaurant, entertainment, service uses, health, wellness and beauty

## OUTLET SHOPPING CENTER

<b>Concept</b>	Manufacturers' outlet stores
<b>SF Including Anchors</b>	50,000-400,000
<b>Typical Retailers</b>	Manufacturers' outlet stores

# COMPANY OVERVIEW



Weitzman, one of the largest retail-focused commercial real estate services firms based in Texas, offers a full range of services, including general brokerage, tenant representation, project representation, investment sales, property management, asset management and development services. Weitzman operates offices in Dallas-Fort Worth, Austin, Houston and San Antonio.

## ACKNOWLEDGMENTS

**WE WOULD LIKE TO THANK THE FOLLOWING PEOPLE FOR THEIR VALUABLE CONTRIBUTIONS:**

### **SURVEY DATA & PRODUCTION**

---

Leisa Barger  
Chief Marketing Officer

Amy Grueso  
Assistant Vice President | Brokerage Operations  
*Survey Drive & Database Coordination*

Ian Pierce  
Senior Vice President of Communications  
*Writer-Editor-Researcher*

Natalie Russell  
Strategic Design Manager  
*Graphic Designer*

We extend special recognition to our Weitzman Research Division and our IT team.

Our 2023 Shopping Center Survey and Forecast would not be possible without valuable input from our retail real estate associates who provided in-depth knowledge of the retail markets in Dallas, Fort Worth, Austin, Houston and San Antonio.

### **METHODOLOGY OVERVIEW**

Each market is reviewed for conditions relating to occupancy, leasing, new and expansion construction, tenant and user activity, rental rates and historical comparisons.

Note: Results prior to 2022 may reflect adjustments made to previous reports.

[WEITZMANGROUP.COM](http://WEITZMANGROUP.COM)

Copyright 2023. The data in this report is gathered from sources deemed reliable; however, Weitzman makes no guarantees, warranties or representations as to the completeness or accuracy thereof.

# weitzman<sup>®</sup>

## AUSTIN

4200 North Lamar, Ste 200  
Austin, Texas 78756  
512.482.0094

## DFW

3102 Maple Ave, Ste 500  
Dallas, Texas 75201  
214.954.0600

## HOUSTON

1800 Bering Dr, Ste 550  
Houston, Texas 77057  
713.781.7111

## SAN ANTONIO

70 NE Loop 410, Ste 450  
San Antonio, Texas 78216  
210.366.3500

[WEITZMANGROUP.COM](http://WEITZMANGROUP.COM)

