

SURVEY REPORT

SHOPPING CENTER

2024

REVIEW & FORECAST



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Austin

52.4M

INVENTORY

96.8%

OCCUPANCY

789K

CONSTRUCTION



Austin

AUSTIN'S RETAIL MARKET REMAINS HEALTHIEST IN TEXAS, BUT OTHER MARKETS NOT FAR BEHIND

Austin's retail market has long held the crown as the healthiest in Texas in terms of occupancy and balanced supply and demand, and that reign continues for calendar-year 2023.

But the retail strength being experienced in Texas' major markets means that Dallas-Fort Worth, Houston and San Antonio are not far behind the Austin market in terms of occupancy.

As of year-end 2023, Austin posted a strong occupancy level of approximately 96.8 percent, based on Weitzman's review of retail market conditions for calendar 2023. The basically full occupancy percentage is based on a market inventory of approximately 52.4 million square feet.

Collectively, these markets create a magnet for retail expansions and retailer success, and a concept that does well in Austin will then consider opening in D-FW, Houston or San Antonio. For example, Austin-based favorite P. Terry's is set to expand to Houston in 2024, and Austin-based restaurants often have outposts throughout the state.

Texas market's years-long trend of limited new construction also contributed to the tight market. And even though deliveries in 2023 resulted in the highest new construction total in seven years, the majority of new space was user-driven by grocery store concepts like H-E-B and power anchors like Costco.

Detailed information on new construction can be found later in this report.

The retail market's health reflects the strength of the overall Austin-area economy, which ranks as one of the

strongest in the country. Austin, with a current population of approximately 2.5 million residents, ranks as the state's fastest-growing metro area with 7.2 percent growth between 2020 and January 2023, according to the Texas Demographic Center.

LIMITED VACANCIES LEFT BY MAJOR CHAINS

Available retail space in the Austin area further tightened in 2023 due to anchors expanding in the market's limited large-format vacancies, strong leasing for well-located inline space, and major large-format closings limited to two chains – Bed Bath & Beyond and Tuesday Morning – and a single location of a locally based Louis Shanks furniture store.

Further, there are no major retail closings nationally on the horizon for 2024, pointing to a stable market. Those limited closings will be reflected in Austin, although a single location of Big Lots plans to close in early 2024. The closure will result in a 27,000-square-foot vacancy at the southwest corner of Research Boulevard and Ohlen Road, and the space already is being marketed for new tenancy at the currently fully leased center. Also, Neighborhood Goods department store set a January closing for its 10,000-square-foot location at Music Lane on South Congress.

In a tight market like Austin's, available spaces can be viewed as opportunities for expanding retailers to secure new locations. And leases that absorbed some of the market's remaining large-format vacancies helped overall occupancy remain extremely strong despite the vacancies created by these limited retail closings.

EXISTING SPACE REMAINS AT A PREMIUM

The lack of newly constructed 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 Austin's major commercial real estate categories. And the market enters 2024 stronger than ever as the past year reported existing market vacancies that attracted new tenancy from both large- and small-format concepts.

BACKFILLED RETAIL SPACES FOR 2023 INCLUDE:

- **Desi Brothers**, a specialty grocery store, which backfilled an approximately 48,000-square-foot box space at Round Rock Crossing, located at the southeast corner of SH-45 and IH-35;
- **Copenhagen Imports**, a contemporary furniture retailer, which backfilled approximately 31,000 square feet in Braker Lane Crossing, a retail center located at 4607 W. Braker Lane;
- **Los Campeones Gym**, which opened its second location in late 2023 in 22,000 square feet at The Linc, located at 6406 N. IH-35;
- **Tesla**, which has committed to backfilling the 65,000-square-foot former H-E-B box located in the Center

of the Hills, a community center located at 7010 W. SH-171 in Austin;

- **Sprouts Farmers Market**, which opened in a former Staples space in the regional retail center located at 1201 Barbara Jordan Boulevard in the Mueller neighborhood in Austin;
- **H Mart**, a grocery chain offering Asian specialties, which leased approximately 23,000 square feet at a former Savers Thrift store at 5222 Burnet Road for a location set to open in 2024;
- **Karavel Shoes**, which opened a new 24,000-square-foot location at 1011 W. Anderson Lane in second-generation space. The retailer relocated from a smaller 8,500-square-foot location;
- **Pins Mechanical Co. and 16-Bit Bar+Arcade**, which will fully occupy the 42,000-square-foot St. Elmo Public Market development, located at 4329 S. Congress Avenue;
- **Dave & Buster's**, which opened in December in 23,000 square feet of space at Southpark Meadows, a regional retail center located at IH-35 and Slaughter Lane;
- **Saint Bernard**, a lifestyle retail store, which opened in 16,000 square feet

of second-generation space in West Woods Shopping Center, located at 3201 Bee Caves Road in Westlake. Also at West Woods Shopping Center, Strait Music opened after a relocation from its Ben White Boulevard location;

- **Spec's Wines, Spirits & Finer Foods**, which leased a 14,000-square-foot location in an existing space at 1101 N. RR 620 in Lakeway;
- **Ashley Home Store**, with a 2023 opening in an approximately 39,000-square-foot former Bealls space in Stone Creek Crossing, a retail center located on Barnes Drive in San Marcos;
- **Crunch Fitness**, which backfilled a 35,000-square-foot former 24 Hour Fitness space at 4625 W. William Cannon Drive;
- **House of Gainz**, which backfilled a 41,000-square-foot former Gold's Gym at 235 Canyon Ridge Drive in Northeast Austin;
- **Kollective gym**, which opened in 30,000 square feet of existing space located at 9185 Research Boulevard in North Austin;
- **Fresh International Market**, a grocer, which backfilled approximately 49,100



At Round Rock Crossing, specialty grocer Desi Brothers leased an approximately 48,000-square-foot space.



square feet in Shops at Tech Ridge, located at IH-35 South and Parmer Lane;

- Discount retailer **Five Below**, which leased a location in Round Rock Crossing, a Target-anchored center at the southwest corner of SH-45 and IH-35;
- Lufkin-based grocer **Brookshire Brothers**, which backfilled 41,000 square feet of second-generation space in Lago Vista Village, a shopping center located at 20900 FM 1431 in Lago Vista;
- Fitness concept **Ninja Nation**, which backfilled 16,000 square feet of second-generation space at 6500 N. Lamar;
- **Food and dining concepts** opening in existing space include The Brass Tap,

which backfilled the former Flying Saucer Draught Emporium in The Triangle mixed-use development; Happy Lemon, Gen Korean BBQ House, Stout House and Another Broken Egg at The Linc, located at IH-35 and Middle Fiskville Road; Mexita Mexican Restaurant, a high-end concept that opens in early 2024 at 106 E. 6th Street; new dining concepts locating downtown that include Bill's Oyster, RedFarm, Truluck's, Estelle's and Craft Omakase; Redbud Icehouse, which is backfilling the former Contigo location at 2027 Anchor Lane in East Austin; Voodoo Doughnut, which opened its second Austin-area location by backfilling the former Lucy's Fried Chicken at 5408 Burnet Road; local favorite Jo's Coffee, with its fifth location in a former Speedy Cash at Menchaca Road and Stassney Lane

Copenhagen Imports, a furniture retailer, relocated to a space formerly occupied by an office supply store at Braker Lane Crossing.

in South Austin; and Uchi-related concept Uchiba in the Block 185 Tower at 601 W. Second Street in downtown Austin.

AUSTIN RENTAL RATES

Asking rents overall remain firm, with stability in suburban markets and increases seen for high-quality existing space and newly built 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.

Averages for Class A small-tenant rates are posting from the high-\$30s-per-square-foot-per-year range and can climb in the \$60s or more for new space and key locations in Austin's core areas.

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 or more;

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.

CONSTRUCTION, WHILE LOW, POSTS AN INCREASE AS BIG-BOX RETAILERS OPEN NEW LOCATIONS

During calendar-year 2023, new space deliveries totaled approximately 789,000 square feet in new and expanded projects with 25,000 square feet or more. The 2023 deliveries represent the highest new-space level since the market added 1.1 million square feet in 2016 (the last time the market's deliveries reached or exceeded the 1-million-square-foot mark).

For comparison, during 2022 Austin's metro-area retail market added approximately 280,000 square feet in retail projects each totaling 25,000 square feet or more. In 2021, deliveries

totaled approximately 412,000 square feet. Deliveries totaled 402,000 square feet in 2020; 400,000 square feet in 2019; 670,000 square feet in 2018; and 640,000 square feet in 2017.

THE POTENTIAL IMPACT OF A PARKING REGULATION

In 2024 and beyond, the City of Austin is likely to see a burst of new restaurant and small retail development in dense areas due to the newly passed parking ordinance. Under the terms of the ordinance, Austin is now the largest city in the country to eliminate minimum parking for retail, residential, office and most other property types. The lack of minimum parking, designed to combat affordability and climate issues, promises to be one of the biggest new drivers in restaurant and other retail development in decades. Stand-alone buildings in dense, popular retail corridors like Lamar, Burnet, South Congress and others will now be able to house restaurants (and other retail), whereas before they were unable to meet the minimum parking requirements.

TWO RETAILERS DOMINATE 2023 CONSTRUCTION

The new space drivers for 2023 included grocer H-E-B, with three new locations, and Costco, with two new locations. In fact, these two anchors accounted for nearly 80 percent of all new space in 2023, further emphasizing the limited amount of shop space being added to the market.

For 2024, based on projects under way or announced for completion, approximately 600,000 square feet of new space will come online during the year.

Beyond 2024, major retail projects 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.

Detailed new construction projects can be found later in this report.

MARKET OUTLOOK STRONG, BASED ON ECONOMIC, RESIDENTIAL GROWTH

The retail market's strength is boosted by strong economic, population, job and residential activity.

As a result, we expect to see the area's healthy retail performance carry through into 2024, especially as interest rates and inflation stabilize and the Fed forecasts multiple interest rate cuts in 2024.

INVENTORY

2023	52.4 million
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2022	51.6 million
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2021	51.5 million
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OCCUPANCY

2023	96.8%
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2022	96.5%
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2021	96.0%
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CONSTRUCTION

2023	789,000
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2022	280,000
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2021	412,000
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At The Grove, which debuted a new phase in 2023, new concepts include Nike, Bellagreen, Toastique and Humanaut.



Dallas-Fort Worth

199.2M

INVENTORY

95.2%

OCCUPANCY

847k

CONSTRUCTION

The information contained herein was obtained from sources deemed reliable; however, Weitzman makes no guarantees, warranties or representations as to the completeness or accuracy thereof. The presentation of this real estate information is subject to errors or omissions.

Dallas-Fort Worth

D-FW RETAIL MARKET REPORTS HIGHEST OCCUPANCY ON RECORD DUE TO 'ESSENTIAL NATURE' OF RETAIL

For the first time since Weitzman started surveying the market in 1990, the Dallas-Fort Worth retail space inventory is reporting occupancy that exceeds 95 percent.

Despite decades of back-to-back challenges, from recessions to the rise of e-commerce to a global pandemic, D-FW's retail market has continued to evolve and emerge stronger and able to reach this significant milestone. The retail real estate category in D-FW currently is the strongest commercial real estate category in terms of balanced supply and demand.

At year-end 2023, D-FW reported an occupancy rate of 95.2 percent, exceeding 2022's occupancy of 94.4 percent. Historically, based on our legacy database and research, the 2023 rate is the highest ever for the Metroplex's retail market, exceeding the previous record high of 94.8 percent rate recorded in 1981. The 2023 inventory, with slightly more than 199.2 million square feet of retail space, compares to just under 80 million square feet in 1981.

(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, 2023 is the 14th time in 33 years that D-FW has reported occupancy that exceeded the 90 percent rate. Eight 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.

Our 2024 Survey & Forecast is based on Weitzman's review of a total D-FW retail market inventory totaling approximately 199,232,000 square feet of space in projects with 25,000 square feet or more. (The current inventory reflects projects totaling approximately 500,000 square feet that were removed from the database due to redevelopments for non-retail uses and other factors.)

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 2023, absorption totaled nearly 1.8 million square feet. (More details on absorption can be found later in this report.)

Thanks to strong net leasing during this past year, marketwide vacancy dropped from 11.2 million square feet at year-end 2022 to 9.6 million square feet as of year-end 2023. Vacant space marketwide has declined from nearly 17 million square feet as recently as 2020 and has now fallen below the 10-million-mark for the first time in decades.

While most retail projects in D-FW are posting some of their strongest occupancy numbers, there are pockets of aging and obsolete retail and long-closed anchor stores that are not viable for retail use without significant redevelopment or outright demolition.

BREAKDOWN OF DALLAS AND FORT WORTH MARKETS

Weitzman surveys 1,430 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 2023, the occupancy rate in the Dallas area was 95.0 percent, compared to 93.8 percent at year-end 2022. The rate is based on a review of 1,001 projects with a total market inventory of approximately 137.0 million square feet.

The occupancy rate in the Fort Worth area was 95.5 percent, compared to 95.6 percent at year-end 2022. The rate is based on 429 retail projects with a total inventory of 62.3 million square feet.

OCCUPANCY, VACANCY AND INVENTORY BY CATEGORY

COMMUNITY CENTERS

For Community Centers – the grocery-anchored category – occupancy climbed to 96.2 percent, the strongest occupancy ever for this category and a notable increase over 2022’s equally strong 95.2 percent occupancy. The Community category is D-FW’s largest with 488 centers totaling 74.1 million square feet, and the stellar results here are a key reason that the market is posting record occupancy. Vacant space in this category dropped in 2023 to 2.8 million square feet, compared to 3.5 million square feet in 2022. 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. Today, the limited Community vacancy is mostly concentrated in a small number of aging, obsolete or poorly located vacant anchor stores in a handful of submarkets. The Community category is also the most active construction category, accounting for approximately a quarter of all new retail space for 2023, a trend that will continue in 2024 with new stores from leading grocers like Kroger, Tom Thumb and H-E-B.

NEIGHBORHOOD CENTERS

Neighborhood Centers, with an inventory of 40.4 million square feet, reported their highest occupancy in Weitzman’s survey history with 94.4 percent at year-end 2023, compared to the previous record high of 94.3 percent at year-end 2022. The healthy 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 food, fitness, health and beauty categories. During 2023, vacancy increased slightly in the Fort Worth market in the neighborhood category in submarkets like Arlington, Northeast Fort Worth and North Richland Hills. While the Dallas area reported positive Neighborhood absorption of 237,907 square feet, the Fort Worth market reported negative absorption of -154,327 square feet.

Neighborhood centers in 2023 achieved record-high occupancy as they benefit from tenant mixes heavily weighted toward the daily needs of their trade areas and convenient open-air formats at heavily trafficked locations in strong residential and commercial areas.

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 91.4 percent, an improvement over 90.7 percent at year-end 2022. This category, with an inventory of 21.0 million square feet, saw vacant space decline from 2.0 million square feet in 2022 to just under 1.8 million square feet as of year-end 2023. Mall leasing increased with new in-line tenancy from apparel, sporting goods and restaurants, primarily. After years of declining occupancy due to closed department stores, the Mall category has stabilized due to a focus on experience, fitness, services and community, but the category still posts higher vacancy than the overall market due to large-format vacancies left in previous years by closures from department stores like Sears and Macy’s.

Mall occupancy rose in D-FW, thanks in part to new tenancy at area malls like Golden Triangle, where Windsor Fashions and JD Sports joined the lineup.





Eōs Fitness is joining the lineup at Addison Town Center after leasing approximately 37,300 square feet for a new location.

MIXED-USE

Mixed-use, with an inventory of 11.3 million square feet of retail space, recorded strong occupancy of 96.0 percent at year-end 2023, compared to 95.2 percent at year-end 2022. The category reported only 455,000 square feet of vacant space compared to 520,000 square feet at year-end 2022. 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 high occupancy and significant construction of new units.

POWER CENTERS

Power centers, with an inventory of 44.0 million square feet, reported occupancy of 95.7 percent and vacant space totaling 1.9 million square feet at year-end 2023, an improvement compared to 2.3 million square feet posted at year-end 2022. Power centers typically feature junior-anchor retailers that include popular discounters such as Marshalls or Burlington, category killers like Best Buy and others. Vacant space declined despite the fact that 2023's major retail closings occurred in this category when Bed Bath & Beyond and Tuesday Morning filed bankruptcy and created a total of approximately 600,000 square feet of vacant space. But the strong locations of these closed stores resulted in concepts like Burlington

backfilling some of the spaces.

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 7.4 million square feet of net leasing.

New tenancy occurred throughout D-FW in 2023, showing the market's strength is not limited to a few key retail districts. And as construction remains extremely limited (see construction overview later in this report), existing availabilities are more attractive than ever for expanding concepts.

New tenancy for existing retail centers occurred throughout D-FW in 2023, far outpacing the closings and enabling the market to maintain its record-high occupancy. New tenancy in existing space included:

- **H-E-B**, which is currently redeveloping an approximately 59,000-square-foot former Albertsons store at 4101 W. Wheatland Road for the location of its first D-FW Joe V's Smart Shop. The value concept is set to open in the second half of 2024;
- **Burlington Stores**, which leased a 23,000-square-foot former Bed

Bath & Beyond space at Lake Worth Marketplace, located at Azle Avenue and Loop 820 in Lake Worth;

- **Eōs Fitness**, which leased 37,292 square feet in Addison Town Center, a Target- and Kroger-anchored center located at the southeast corner of Belt Line Road and Marsh Lane;
- **Sprouts**, which in the first quarter of 2023 opened an approximately 20,000-square-foot store at the site of a former restaurant at 17795 Dallas Parkway at Briargrove Road in Far North Dallas. The store demolished the restaurant and built newly constructed space;
- **Nordstrom Rack**, the off-price concept from department store Nordstrom, with two new D-FW locations in existing space for 2023. One store opened in Denton Crossing, a power retail center located along South Loop 288, a key retail corridor south of IH-35E in Denton. The second store is in backfilled space in The Village at Allen, a regional-draw project located at US-75 and Stacy Road in Allen;
- **Boot Barn**, a western wear retailer, that backfilled a 15,000-square-foot Toys "R" Us space near the intersection of IH-30 and SH-183 in Fort Worth;

- **Food Basket**, a grocery store, which backfilled a 15,000-square-foot vacant grocery store space at 3540 Simpson Stuart Road in southern Dallas;
- **El Rio Grande Latin Market**, which opened in a 59,200-square-foot former Kroger space at 3035 N. Buckner Boulevard near John West Road in Far East Dallas;
- **Barnes & Noble** bookstore, which opened in fall 2023 in The Highlands of Flower Mound, a power center located at 6101 Long Prairie Road in Flower Mound. The new store, a relocation from Highland Village, will backfill a space formerly occupied by Pier 1. Additionally, the space vacated by Barnes & Noble for the relocation was backfilled by Cheesecake Factory;
- **Barnes & Noble** also opened in 11,203 square feet in the Pavillion East Shopping Center located at 1930 N. Coit Road in Richardson. In 2024, Barnes & Noble plans to open in approximately 13,000 square feet in Watters Creek Village, located at US-75 and Bethany Road in Allen;
- **pOpshelf**, a discount retailer, which leased 8,000 square feet in Trinity Valley Shopping Center, a WinCo Foods-anchored center at N. Josey Lane and SH-190 in Carrollton;
- **Dollar General**, which backfilled a 12,900-square-foot former CVS at 10001 Custer Road in Plano for a new location that opened in late 2023;
- **Seconds & Surplus**, a discount retailer, which backfilled an approximately 50,000-square-foot anchor space in North Hills Village, a retail center located along NE Loop 820 in North Richland Hills;
- **Eōs Fitness**, which opened in a 37,000-square-foot former 24 Hour Fitness location in Glade Parks, located at 2401 Rio Grande Boulevard in Euless;
- **Crunch Fitness**, which expanded in D-FW with new gyms including:
 - an approximately 37,000-square-foot vacancy at Preston Shepard Place, a retail center located at 1701 Preston Road in Plano;
 - A 32,710-square-foot location at 6601 NE Loop 820 in North Richland Hills;
 - A 37,155-square-foot location at 510 N. Watters Road in Allen.
- **Fitness Connection**, which opened in 55,000 square feet of backfilled space in Park Forest Northeast;
- **Club4 Fitness**, which leased 50,245 square feet in The Plaza at Legacy at 4220 Legacy Drive in Plano;
- **Pickleball Kingdom**, which leased an approximately 51,000-square-foot former grocery store space at 1301 Custer Road in Plano;
- **Planet Fitness**, which leased a 20,000-square-foot junior anchor space in Vista Ridge Plaza, located at 500 East Round Grove Road in Lewisville. Planet Fitness also opened two Tarrant County locations at year-end in The Towers retail center at 1535 S. Bowen Road in Pantego, and at 1551 US 287 Frontage Road at Mansfield Pointe shopping center in Mansfield;
- **Ross Dress for Less**, which leased 22,000 square feet in The Shoppes at Crown Point at the northeast corner of NE Loop 820 and Rufe Snow Drive in North Richland Hills;
- **Frontgate**, a home furnishings retailer, which leased 12,800 square feet of existing space in Preston Royal Village, a specialty center located at Preston Road and Royal Lane in North Dallas. The new Frontgate location backfilled part of a former Barnes & Noble;
- **Puttshack**, a Chicago-based mini-golf-and-entertainment venue, which opened in 28,000 square feet in Village on the Parkway, located at the Dallas North Tollway and Belt Line Road in Addison, in 2023;
- **Meow Wolf**, an interactive art concept, which opened in a 29,000-square-foot space at Grapevine Mills off SH-121 in Grapevine in 2023. The space previously housed Bed Bath & Beyond. Also at Grapevine Mills, FunBox children's activity concept opened in 25,000 square feet;
- **Pet Supplies Plus**, which during the first half of 2023 opened in 8,000 square feet of existing space in Irving Towne Center, located at 3401 W. Airport Freeway in Irving;



Burlington replaced the closed Bed Bath & Beyond junior anchor store at Lake Worth Marketplace in the Fort Worth area;



Grocery activity is especially active in D-FW. Shown here is the groundbreaking for the Kroger Marketplace at the planned Bonds Ranch Marketplace in Fort Worth.

- **Canales Furniture**, which leased a former Tuesday Morning location adjacent to JCPenney in a retail project off IH-20 in the Weatherford submarket.

Leasing in second-generation restaurant space continued to be one of the biggest demand generators for small-shop space throughout the market as the dining demand in categories like quick-serve, fast-casual and fine dining surges marketwide. As a result, well-located second-generation restaurant spaces often commanded some of the highest in-line rates in their respective submarkets.

CONSTRUCTION REMAINS LIMITED, BUT INCREASES COMPARED TO 2022'S 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 for 2023 and 2024 and beyond are outlined later in this report.

During 2023, retail construction totaled 846,999 square feet of space in new and

expanded retail centers. But deliveries overall remain extremely conservative for a market reporting record-high occupancy and a healthy level of retail demand as retail concepts look for new locations in what is arguably the country's strongest metro economy.

While 2023's construction total is low, it exceeds the construction of 538,700 square feet reported in 2022. The 2022 total marked the lowest deliveries total Weitzman has ever recorded for D-FW.

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 nearly 25 percent of 2023's new space in D-FW with only two grocery store locations.

New developments also tend to be smaller mixed-use and unanchored retail projects, and even the largest new projects like The Gates of Prosper in the fast-growing Prosper market are built with smaller phases over several years.

Another factor involves the effect of higher construction costs on rental rates. To update the development's pro

forma with these higher costs requires rent levels that will economically justify a project. New space that does come onto the market commands some of the market's highest rents, both for in-line and junior-anchor space.

ABSORPTION REFLECTS HEALTHY NET LEASING IN EXISTING RETAIL CENTERS

As noted earlier in this report, the market's vacancies – including large-format vacancies - continued to find new tenancy in 2023, and that strong demand for existing space 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 over a survey period (in this case, calendar year 2023).

For 2023, absorption totaled a healthy 1,766,700 square feet, following 2022's equally strong absorption of 1,732,600 square feet.

The 2023 total was 1,748,900 square feet absorbed in the Dallas area, and relatively flat absorption of 17,800 square feet in the Fort Worth area.

For 2024 and beyond, and reflecting leasing demand in existing centers, a



OUTLOOK FOR 2024 FORECASTS STABLE OCCUPANCY, SLIGHT INCREASE IN RETAIL CONSTRUCTION

majority of new space will occur in the grocery-anchored community category, the addition of large-format entertainment options at mixed-use and power projects and smaller neighborhood centers in growing suburban markets and well as in-fill urban areas.

Based on current projects in the works for 2024, we expect new retail space deliveries to increase notably due to large anchor spaces planned by H-E-B, Kroger, Tom Thumb, Costco, Target, large-format entertainment anchors and others. If projects announced for completion in 2024 open as expected, the market will see deliveries of approximately 1.9 million square feet – double the 2023 total.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's job and population growth. Currently, forecasts hold that 2024 will be one of steady growth; but even in the face of possible economic headwinds, the D-FW market benefits from its record high occupancy and healthy demand, as well as new construction that remains largely user driven.

During 2023, the D-FW economy remained one of the strongest in the country by several measures. The U.S. Bureau of Labor Statistics reports that the market totals approximately 140,000 net new jobs in the 12 months ending November 2023. D-FW currently

ranks as the top job generator in the U.S., the BLS reports job growth is a strong 3.2 percent, and the current unemployment rate is a healthy 3.8 percent.

The D-FW region is the country's fastest-growing metro area, adding more than 423,000 residents between 2020 and 2023, according to the Texas Demographic Center. The Metroplex's population now totals approximately 8 million residents.



Big EZ Seafood and Oyster Bar located its first Texas location in Arbrook Oaks in Arlington.

OCCUPANCY

2023 95.2%

2022 94.4%

2021 93.5%

INVENTORY

2023 199.2 million SF

2022 199.0 million SF

2021 199.2 million SF

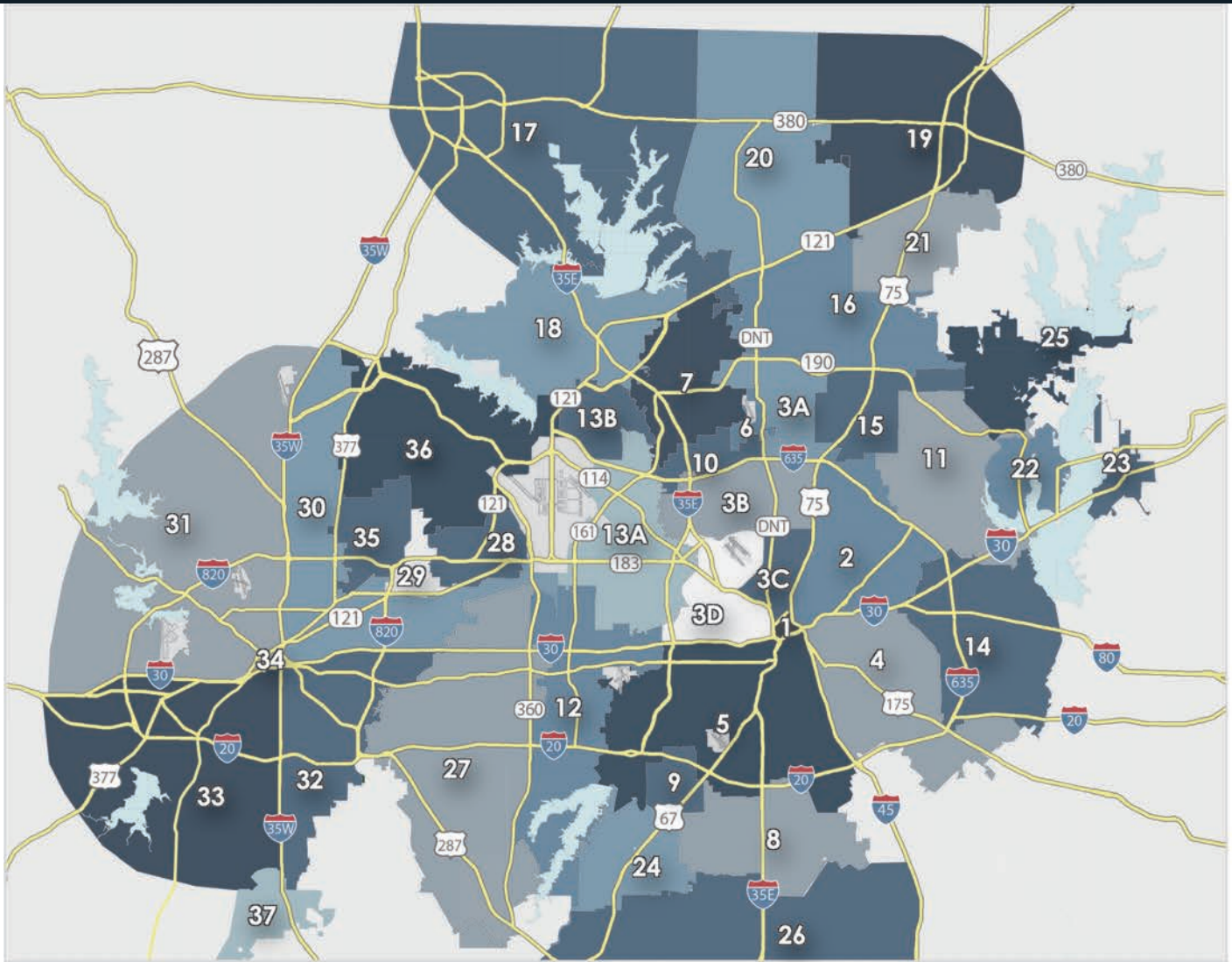
CONSTRUCTION

2023 847,000 SF












2022 538,700 SF

2021 639,000 SF

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	\$35	\$26	\$16
3B	North Dallas	\$48	\$30	\$20
3C	Park Cities/Oak Lawn	\$64	\$35	\$24
3D	West Dallas	\$34	\$22	\$10
4	Southeast Dallas	\$20	\$10	\$7
5	Southwest Dallas	\$30	\$20	\$10
6	Addison	\$45	\$31	\$13
7	Carrollton	\$38	\$27	\$14
8	DeSoto/Lancaster	\$25	\$18	\$12
9	Duncanville	\$24	\$16	\$11
10	Farmers Branch	\$30	\$20	\$10
11	Garland	\$36	\$23	\$11
12	Grand Prairie	\$38	\$22	\$13
13A	Irving	\$36	\$26	\$15
13B	Coppell	\$32	\$24	\$15
14	Mesquite/Balch Springs	\$32	\$24	\$12
15	Richardson	\$34	\$22	\$15
16	Plano	\$46	\$32	\$17
17	Denton	\$35	\$25	\$12
18	Lewisville/Flower Mound	\$35	\$27	\$15
19	McKinney	\$40	\$28	\$16
20	Frisco	\$40	\$30	\$18
21	Allen	\$39	\$26	\$14
22	Rowlett	\$32	\$23	\$12
23	Rockwall	\$35	\$23	\$14
24	Cedar Hill	\$32	\$23	\$12
25	Murphy/Wylie/Sachse	\$32	\$20	\$10
26	Northern Ellis County	\$32	\$20	\$10
DALLAS AVERAGE		\$36	\$24	\$13
27	Arlington	\$35	\$25	\$13
28	Bedford/Euless	\$28	\$22	\$12
29	Hurst	\$28	\$18	\$10
30	Northeast Fort Worth	\$30	\$20	\$10
31	Northwest Fort Worth	\$32	\$20	\$10
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	\$28	\$23	\$10
36	Northeast Tarrant County	\$38	\$27	\$16
37	Burleson	\$32	\$22	\$11
38	Weatherford	\$26	\$18	\$8
FORT WORTH AVERAGE		\$31	\$21	\$11
DFW AVERAGE		\$34	\$23	\$13

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

DALLAS-FORT WORTH SUBMARKET SUMMARY

	NAME	YE 2022 GLA (SF)	YE 2022 VACANCY (SF)	YE 2022 % VACANCY	YE 2023 GLA (SF)	YE 2023 VACANCY (SF)	YE 2023 % VACANCY
1	Dallas CBD	803,204	13,388	1.67%	777,890	102,632	13.19%
2	Northeast Dallas	9,638,131	424,145	4.40%	9,638,131	585,469	6.07%
3A	Far North Dallas	6,115,718	690,629	11.29%	6,115,718	550,550	9.00%
3B	North Dallas	5,524,609	239,042	4.33%	5,524,609	82,791	1.50%
3C	Park Cities/Oak Lawn	3,378,291	116,080	3.44%	3,378,291	41,950	1.24%
3D	West Dallas	550,849	51,387	9.33%	550,849	25,027	4.54%
4	Southeast Dallas	1,303,814	63,047	4.84%	1,303,814	72,392	5.55%
5	Southwest Dallas	5,678,922	870,546	15.33%	5,678,922	282,435	4.97%
6	Addison	1,309,865	152,661	11.65%	1,309,865	119,493	9.12%
7	Carrollton	3,165,720	148,863	4.70%	3,165,720	197,610	6.24%
8	Desoto/Lancaster	1,874,793	102,757	5.48%	1,874,793	94,811	5.06%
9	Duncanville	1,334,264	92,193	6.91%	1,334,264	126,356	9.47%
10	Farmers Branch	989,166	66,700	6.74%	989,166	48,285	4.88%
11	Garland	7,541,252	318,217	4.22%	7,541,252	314,989	4.18%
12	Grand Prairie	4,477,412	70,584	1.58%	4,543,412	51,837	1.14%
13A	Irving	7,475,767	284,500	3.81%	7,475,767	160,269	2.14%
13B	Coppell	880,480	67,981	7.72%	880,480	67,755	7.70%
14	Mesquite/Balch Springs	5,315,277	791,921	14.90%	5,315,277	656,958	12.36%
15	Richardson	3,947,615	335,625	8.50%	3,947,615	293,859	7.44%
16	Plano	14,540,790	1,175,261	8.08%	14,540,790	957,032	6.58%
17	Denton	7,322,760	295,194	4.03%	7,322,760	365,972	5.00%
18	Lewisville/Flower Mound	10,246,240	567,772	5.54%	10,246,240	616,807	6.02%
19	McKinney	5,154,649	94,008	1.82%	5,154,649	92,855	1.80%
20	Frisco	10,819,580	624,273	5.77%	10,856,234	324,244	2.99%
21	Allen	5,264,782	402,260	7.64%	5,264,782	197,220	3.75%
22	Rockwall	2,541,264	112,275	4.42%	2,541,264	59,657	2.35%
23	Rowlett	1,431,689	71,782	5.01%	1,431,689	36,275	2.53%
24	Cedar Hill	2,665,273	90,145	3.38%	2,665,273	154,503	5.80%
25	Murphy/Wylie/Sachse	2,735,902	34,047	1.24%	2,735,902	26,543	0.97%
26	Northern Ellis County	2,833,095	78,459	2.77%	2,854,817	89,322	3.13%
	DALLAS	136,861,173	8,445,742	6.17%	136,960,235	6,795,898	4.96%
27	Arlington	14,225,465	659,828	4.64%	14,225,465	752,955	5.29%
28	Bedford/Euless	2,940,750	27,024	0.92%	3,031,250	28,675	0.95%
29	Hurst	4,256,443	257,477	6.05%	4,256,443	249,100	5.85%
30	Northeast Fort Worth	4,470,049	13,777	0.31%	4,470,049	81,365	1.82%
31	Northwest Fort Worth	7,427,979	719,202	9.68%	7,427,979	611,146	8.23%
32	Southeast Fort Worth	1,578,917	50,671	3.21%	1,578,917	42,200	2.67%
33	Southwest Fort Worth	10,657,696	703,781	6.60%	10,657,696	590,299	5.54%
34	Fort Worth CBD	391,800	30,000	7.66%	391,800	28,000	7.15%
35	North Richland Hills	2,871,926	39,695	1.38%	2,871,926	129,984	4.53%
36	Northeast Tarrant Co.	9,487,907	211,187	2.23%	9,487,907	270,991	2.86%
37	Burleson	2,068,198	9,825	0.48%	2,068,198	16,566	0.80%
38	Weatherford	1,803,993	17,258	0.96%	1,803,993	11,128	0.62%
	FORT WORTH	62,181,123	2,739,725	4.41%	62,271,623	2,812,409	4.52%
	GRAND TOTAL	199,042,296	11,185,467	5.62%	199,231,858	9,608,307	4.82%

DALLAS-FORT WORTH - ABSORPTION & CONSTRUCTION

	NAME	2023 ABSORPTION (SF)	2023 CONSTRUCTION* (SF)
1	Dallas CBD	-114,558	
2	Northeast Dallas	-161,324	
3A	Far North Dallas	140,079	
3B	North Dallas	156,251	
3C	Park Cities/Oak Lawn	74,130	
3D	West Dallas	26,360	
4	Southeast Dallas	-9,345	
5	Southwest Dallas	588,111	
6	Addison	33,168	
7	Carrollton	-48,747	
8	Desoto/Lancaster	7,946	
9	Duncanville	-34,163	
10	Farmers Branch	18,415	
11	Garland	3,228	
12	Grand Prairie	84,747	134,730
13A	Irving	124,231	
13B	Coppell	226	
14	Mesquite/Balch Springs	134,963	
15	Richardson	41,766	
16	Plano	218,229	
17	Denton	-70,778	100,000
18	Lewisville/Flower Mound	-49,035	
19	McKinney	1,153	206,000
20	Frisco	336,683	315,769
21	Allen	205,040	
22	Rockwall	52,618	
23	Rowlett	35,507	
24	Cedar Hill	-64,358	
25	Murphy/Wylie/Sachse	7,504	
26	Northern Ellis County	10,859	
	DALLAS	1,748,906	756,499
27	Arlington	-93,127	
28	Bedford/Euless	88,849	90,500
29	Hurst	8,377	
30	Northeast Fort Worth	-67,588	
31	Northwest Fort Worth	108,056	
32	Southeast Fort Worth	8,471	
33	Southwest Fort Worth	113,482	
34	Fort Worth CBD	2,000	
35	North Richland Hills	-90,289	
36	Northeast Tarrant Co.	-59,804	
37	Burleson	-6,741	
38	Weatherford	6,130	
	FORT WORTH	17,816	90,500
	GRAND TOTAL	1,766,722	846,999

* 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

165.0M

INVENTORY

95.4%

OCCUPANCY

847,000

CONSTRUCTION



Manvel Town Center, anchored by an H-E-B grocer that opened in 2023, is currently under way with additional phases.

Houston

HOUSTON RETAIL MARKET ENDS 2023 WITH HIGH OCCUPANCY

Houston’s retail market has experienced healthy demand from expanding concepts, as well as a shortage of new retail inventory, resulting in a healthy occupancy level of 95.4 percent as of year-end 2023.

During calendar-year 2023, steady backfilling of market vacancies and the opening of limited, significantly leased new construction overcame the new vacancies created by the multiple area closures of two failed legacy chain retailers.

The occupancy rate is based on Weitzman’s review of Houston’s retail market and its retail market inventory of approximately 165.0 million square feet of space in multi-tenant retail projects with 25,000 square feet or more.

Occupancy is maintaining its stability thanks to a steady influx of expanding box retail concepts as well as small-shop concepts that are backfilling the market’s available existing space.

For 2023, the national failure of legacy retail chains Bed Bath & Beyond, buybuy BABY and Tuesday Morning resulted in the most significant closings in the

Houston market with a total of 24 stores.

Additionally, in 2023, specialty grocer Sprouts Farmers Market closed three of its area locations, and Whole Foods Market closed its 40,000-square-foot space in the Pearl Marketplace mixed-use project in Midtown Houston at 515 Elgin.

The total square footage from these closed retail locations resulted in new vacancies totaling approximately 675,000 square feet. The outlook for these new vacancies is positive, based on the market’s current history of backfilling junior anchor spaces.

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, which is a positive for the market’s new vacancies created in 2023.

Well-located existing space in centers

INVENTORY

2023 165.0 million

2022 164.4 million

2021 163.1 million

OCCUPANCY

2023 95.4%

2022 95.1%

2021 93.0%

CONSTRUCTION

2023 847,000

2022 1.2 million

2021 615,000

Grocery-anchored retail centers like Woodshore Marketplace in Clute are among the strongest centers for overall occupancy.



with strong demographics, tenant mixes and traffic remains especially in demand. Examples of expanding retailers backfilling second-generation space this year include:

- **Tesla**, which will open a service location in a former 63,861-square-foot Randalls grocery store at 9420 College Park Drive in the Woodlands;
- **Lowe's Outlet**, which opened its first Houston outlet in Champions Village at 5319 FM 1960 Road W. in a 41,453-square-foot former Stein Mart space;
- **Nordstrom Rack**, which will open in 34,000 square feet of backfilled junior anchor space in Meyerland Plaza, a regional-draw center located at Beechnut Street and West Loop South;
- The former **Sears** store at Garden Oaks at 40000 N. Shepherd Drive, which is being demolished for a planned mixed-use project to include residential and retail space;
- **Shoppers World**, a discount department store, which leased an approximately 100,000-square-foot box space in Steeplechase Center, a retail center located at FM 1960 near its intersection with SH-249, in the Cypress-Fairbanks area. The location is the first in the Houston market for the national chain;
- **Dick's House of Sport**, a new concept from Dick's Sporting Goods, which backfilled 100,000 square feet of retail space at Baybrook Mall in Friendswood;
- **Beauty Empire**, which backfilled a 14,471-square-foot space at Barker Cypress Marketplace in West Houston. The space formerly housed CVS;
- **Planet Fitness**, which backfilled an existing box space at 11703 Eastest Freeway at East Mount Houston Road. Planet Fitness also backfilled a second-generation junior anchor space totaling approximately 28,000 square feet at 13831 Southwest Freeway in Sugar Land;
- **Painted Tree Boutiques**, which backfilled a 30,000-square-foot space in Westchase Shopping Center, located at Westheimer Road and Wilcrest Drive;
- **Flex Fitness**, which backfilled an approximately 19,000-square-foot space in University Plaza at 2447 Bay Area Boulevard in Houston;
- **Big Air Trampoline Park**, which backfilled 35,311 square feet in Cypress Landing Shopping Center, located at 3040 FM 1960 E in Houston;
- **Cosmic Air Adventure Park**, which opened in a 20,880-square-foot junior anchor space in Deerbrook Crossing Shopping Center, located at 256 FM 1960 Bypass Road E. in Humble;
- **Kelsey-Seybold Clinic**, which opened in a 26,000-square-foot former Barnes & Noble space at 3003 W. Holcombe Boulevard;
- **Reel Luxury Cinemas**, a cinema, which backfilled the River Oaks Theater at 2009 W. Gray Street as well as a five-screen location in Market Street in The Woodlands;
- **Guitar Center**, which backfilled a former Office Depot location in Oak

In the Houston metro market, high retail demand combined with limited new construction has created a tight market for retail availabilities.

Ridge North, located at 27500 IH-45 North;

- **Kroger**, which opened its first Hispanic-forward concept at 11701 S. Sam Houston Parkway in a store the grocer originally opened in 2002;
- **Gordon Food Service Store (GFS)**, the largest family-managed broadline food distribution company in North America, which expanded in the Houston market by repurposing second-generation spaces for open-to-the-public retail locations. New stores for GFS in the Houston area include a former 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;
- **99 Ranch Market**, an Asian grocer, which took existing space in West on West, the redeveloped The Pavilion Center, a 90,000-square-foot retail center located at 12220 Westheimer Road in Houston. The inline space in the redeveloped center includes Teso Life and others;
- **Seafood City**, a California-based specialty grocer, which backfilled a 50,255-square-foot former Conn's location in First Colony Commons Shopping Center on the Southwest Freeway in Sugar Land;
- **IKEA**, which in 2024 will open its first small-format location in the market in LaCenterra at Cinco Ranch in Katy. The location, at 23501 Cinco Ranch Road, will total

5,500 square feet and serve as a pick-up location for orders;

- **dd's Discounts**, which in February 2023 opened a 21,500-square-foot store in second-generation space in the Copperwood Shopping Center, at the southwest corner of Highway 6 and Spencer Road;
- **pOpshelf**, a Dollar General concept, with a new Houston-area location at 2581 N. Town Center Boulevard in Sugar Land. pOpshelf also leased 10,277 square feet in Humble Shopping Center, located at 20845 Highway 59 N. in Humble;
- **Eōs 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;
- **World Gym**, which backfilled the 38,000-square-foot former YMCA building at 7903 S. Loop E (Loop 610);
- **Puttshack**, a modern mini-golf concept, which opened in 26,000 square feet in downtown's The Highlight, the new name of the renovated The Shops at Houston Center;
- **New restaurant locations opening in second-generation space included:** Dallas-based Hudson House, which opened in the River Oaks area at 1966 West Gray; PostScript HTX, which backfilled the former Del Frisco's Grill space in the Shops at Arrive River Oaks, located at 2800 Kirby Drive; Muse, in the former Emmaline space at 3210 W. Dallas Street near Allen Parkway; Best Regards, a social

club, which backfilled the former Chivos space at Yale and West 11th Street in the Heights; Haywire, a Plano-based concept, which is backfilling the former Vallone's space in the Gateway Memorial City project at Gessner Road and IH-10; Sixty Vines, which located its second Houston-area location in Market Street, located at 9595 Six Pines Drive in The Woodlands; Nando's PERi-PERi, a South African restaurant chain, with its first two Houston locations in Post Oak Plaza at 1717 Post Oak Boulevard in Uptown Houston and in LaCenterra at Cinco Ranch at 23601 Cinco Ranch Boulevard in Katy; Piada and Maple Street Biscuit Company, with new locations at Waterview Town Center in Richmond; and Checkers, in a former Arby's location in Steeplechase Shopping Center in the Cypress-Fairbanks area.

Restaurants also continue to expand with new construction. Examples include but certainly are not limited to the Dallas-based BoomerJack's Grill & Bar, which opened 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.

RENTAL RATES REMAIN STEADY

As retail leasing demand remained healthy, and the lack of new space put existing space at a premium, rental rates on average have maintained gains seen since 2021.

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 IH-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 \$35 to \$45 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.

CONSTRUCTION REMAINS BELOW 1 MILLION SQUARE FEET

Calendar-year 2023 recorded deliveries that totaled approximately 847,000 square feet of space in new and expanded retail projects consisting of 25,000 square feet or more.

This 2023 construction total remains on the conservative side, especially for a tight retail market located in a robust major metropolitan area, and the deliveries ran below the 2022 total of 1.2 million square feet.

Houston's retail market reflects the statewide and nationwide trends of limited anchor and junior expansions in newly constructed retail space as well as the cessation of new enclosed mall projects. Additionally, many retail projects are trending smaller, and even large regional-draw projects like Manvel Town Center and Fort Bend Town Center are built in smaller phases over the course of several years, which reduces overall new deliveries in any given calendar year.

New construction for 2023 and 2024 or later is detailed later in this report.

OUTLOOK CONTINUES FOR A SOLID RETAIL MARKET

The outlook for Houston's retail market going into 2024 is positive, thanks to continued economic strength seen in job, population and housing growth. Additionally, inflation is notably down, and the Fed has forecast multiple rate cuts in 2024, which should be a strong boost to activity.

During 2023, metro Houston reported strong job growth of 122,800 net new jobs, according to the Greater Houston Partnership. Houston also ranked No. 1 in single-family home starts during the year, and No. 3 nationally in terms of multi-family starts.

Woodson's Reserve, a recently completed retail center in Spring, is already pre-leasing a new phase to handle demand for space.

HOUSTON'S RETAIL CONSTRUCTION
REFLECTS THE STATEWIDE AND
NATIONWIDE TRENDS OF LIMITED
ANCHOR AND JUNIOR EXPANSIONS IN
NEWLY CONSTRUCTED RETAIL SPACE
AS WELL AS THE CESSATION OF NEW
ENCLOSED MALL PROJECTS.



San Antonio

48.6M

INVENTORY

95.0%

OCCUPANCY

279K

CONSTRUCTION



The fully leased Dominion Ridge project is a prime example of the high occupancy rates to be found at centers throughout the market.

San Antonio

SAN ANTONIO RETAIL MARKET MAINTAINS STABILITY

INVENTORY

2023	48.6 million SF
2022	48.3 million SF
2021	47.9 million SF

OCCUPANCY

2023	95.0%
2022	94.5%
2021	94.0%

CONSTRUCTION

2023	279,000 SF
2022	380,000 SF
2021	354,000 SF

San Antonio’s retail market continues to maintain a healthy balance of supply and demand, with the tight market for space resulting in a year-end 2023 occupancy of 95.0 percent and prompting a new level of rental rates for newly constructed space.

Occupancy remained stable thanks to construction dominated by users, continued retailer demand in several categories, limited retail closures and the backfilling of existing vacancies on the market.

The year-end 2023 occupancy rate is based on Weitzman’s review of a total San Antonio retail inventory of approximately 48.6 million square feet of retail space in multi-tenant shopping centers with 25,000 square feet or more.

During 2023, the failure of Bed Bath & Beyond and Tuesday Morning resulted in three new vacancies from Bed Bath & Beyond and eight Tuesday Morning vacancies. But many of these spaces are being backfilled, as detailed in the section on major leases below.

During 2023, the market’s overall occupancy showed an increase as

expanding retailers backfilled a number of vacant boxes and small-shop spaces were in demand due to the limited availability of existing spaces on the market during a time of exceptionally limited new construction.

Key examples of backfilled space during 2023 include:

- **Mega Furniture**, which backfilled the lower level of the 169,000-square-foot former Sears anchor space at Ingram Park Mall, located at 6301 Northwest Loop 410;
- **Burlington**, which backfilled the former Bed Bath & Beyond space located at 6001 NW Loop 410;
- **Nordstrom Rack**, which opened in a 35,000-square-foot former Stein Mart space in Northwoods Shopping Center, located at Highway 281 and Loop 1604;
- **Nordstrom Rack**, which backfilled a 25,000-square-foot vacancy at Bandera Pointe Shopping Center, at Bandera Road and Loop 1604;



- **HomeGoods**, which backfilled an approximately 26,000-square-foot former Bed Bath & Beyond space in Alamo Quarry Market, located at Highway 281 and E. Basse Road;
- **Best Buy Outlet**, which backfilled a 37,000-square-foot junior anchor space in Fiesta Trail Shopping Center, located at 12651 Vance Jackson Road;
- **Five Below**, which backfilled 13,000 square feet at Fiesta Trail Shopping Center;
- **dd's Discounts**, a division of Ross Stores, which backfilled 23,500 square feet in Fiesta Trail Shopping Center;
- **Fitness Connection**, which backfilled 50,646 square feet in Westover Marketplace, located at 11743 West Avenue;
- **Round1 Bowling & Amusement**, a Japan-based entertainment concept, which opened in 53,000 square feet in North Star Mall during the first half of 2023. The concept backfilled the former Forever 21 junior anchor space;
- **AR's Entertainment Hub**, which is redeveloping approximately 58,000 square feet of retail space at Wonderland of the Americas mall into an entertainment venue;
- **Crunch Fitness**, which backfilled a 45,000-square-foot space in San

Pedro Towne Center, located at 7142 San Pedro Avenue;

- **Crunch Fitness**, which backfilled a large vacancy in Woodlake Crossing, a power retail center located at FM 78 and Woodlake Parkway;
 - **Nordstrom Rack**, Nordstrom Rack, which opened its third area store in Northwoods Shopping Center, located at Highway 281 and Loop 1604;
 - **Zara**, a clothing chain based in Spain, with a 29,924-square-foot location in North Star Mall;
 - **Harbor Freight Tools**, which in January 2023 opened a 22,500-square-foot location in existing space in Southwest Junction at 17700 San Pedro Avenue;
 - **Furniture Now**, which opened in a 10,000-square-foot location in Nacon Plaza II at 14058 Nacogdoches Road;
 - **pOpshelf**, with a new store in backfilled space at 11631 Bandera Road;
 - **Mango**, an apparel retailer based in Spain, with two area stores in North Star Mall and the Shops at La Cantera.
- Notable restaurant leases that backfilled existing space included:
- **The Make Ready Market food hall**, which redeveloped the 15,000-square-foot historic Cavender Cadillac Building in San Antonio's River North area. The

Community retail centers anchored by grocers, such as H-E-B-anchored Culebra Market, report overall high occupancy in the San Antonio market.

food hall features indoor and outdoor space and a number of concepts;

- **Blush Cocktails and Eats**, which opened in a former Southtown comedy club space at 713 S. Alamo Street;
- **Luna Rosa Puerto Rican Grill y Tapas**, which opened in the former Rosario's space in Southtown at 901 S. St. Mary's Street;
- **Blu Prime**, a steakhouse, which opened in 10,113 square feet in Plaza Las Campanas, located at 1850 N. Loop 1604 W.;
- **CommonWealth Coffeehouse**, a locally based concept, which backfilled the former Rosella space at 203 East Jones Avenue;
- **Savvy Sliders**, a Detroit-based burger chain, which backfilled the former Project Pollo at 303 San Pedro Avenue. The chain plans additional locations;
- **California-based burger chain Fatburger**, which plans a 2,150-square-foot location in existing space in Westwood Center, located at 6507 W. Loop 1604 N. in the Alamo Ranch area. The

location would be the second in the market for Fatburger;

- **Seasons 52**, a fresh grill and wine bar, which in May 2023 opened in Alamo Quarry Market in the former Joe's Crab Shack space;
- **85°C Bakery Café**, a chain based in Taiwan, with a backfilled location in University Square at De Zavala, located at 12710 IH-10;
- **Palomar Comida & Cantina**, which opened at 12656 West Avenue in the space long occupied by El Bosque Mexican Restaurant;
- **Comfort Café**, with a location in space formerly occupied by a Filipino concept at 6812 Bandera Road in Leon Valley;
- **Postino**, a Phoenix-based wine bar, with a location at the Rim in 2023 and a location in the redeveloped space at 2600 Broadway in the Broadway/Pearl corridor in 2024.

RENTS REACH NEW PLATEAU FOR NEWLY CONSTRUCTED SPACE

Thanks to a tight market for quality retail space and extremely limited new construction, San Antonio's asking retail rental rates remain stable, and concessions such as finish-out allowances and free rent remain limited. Additionally, for key spaces in the market's newest projects, rates have breached the \$50-per-square-foot level.

Asking rates for centers by grade reported the following averages:

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. Further, asking rates for small-shop space in the market's newest planned projects can be as high as \$50 per square foot or slightly more, setting a new high for the market;

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; triple nets also are reaching higher levels due to increased insurance costs and higher property valuations.

Asking rates can be higher or lower depending on submarket, location, co-tenancy, position within a center, the center's physical condition and other factors.

SAN ANTONIO RETAIL DELIVERIES REMAIN LIMITED

For calendar-year 2023, San Antonio reported another year of record-low deliveries.

Reflecting a statewide trend, the San Antonio market is reporting limited anchor expansions via new space, with junior anchors like discounters and fitness concepts often opening in existing space. As a result, the availability of such large-format spaces is becoming increasingly limited.

Construction also has remained constrained due to factors including construction costs, which are at levels that often require higher-than-market rental rates to economically justify a project.

For calendar-year 2023, the San Antonio market reported new space deliveries totaling approximately 279,000 square feet in new and expanded retail projects totaling 25,000 square feet or more. The total is even lower than 2022's low 380,000 square feet, 2021's construction of approximately 354,000 square feet and 2020's total of approximately 355,000 square feet of new space. The first four years of the current decade have added less than 1.4 million square feet to the market. The years-long trend of limited construction helps maintain a premium on existing space.

To illustrate the historic lows for the market's construction, most Weitzman market reports during the 1990s and early 2000s consistently reported annual retail construction of a million

square feet or more. For example, just 15 years ago, the San Antonio retail market added approximately 4 million square feet in new and expanded projects like Alamo Ranch, Quarry Village, Alon Town Centre and anchors like H-E-B, Target, Walmart Supercenter, Lowe's, Dick's Sporting Goods, Best Buy, Barnes & Noble and others.

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

OUTLOOK REMAINS OPTIMISTIC BASED ON STRONG ECONOMY

San Antonio's retail market currently reports a strong, healthy balance of supply and demand, and the outlook for 2024 remains largely positive.

The Federal Reserve Bank of Dallas reports that the San Antonio metro area's annualized job growth is a low 3.2 percent as of November 2023.

Based on the most recent Census figures, San Antonio ranks as the nation's fastest-growing large city. Between July 1, 2020, and July 1, 2022, San Antonio's population grew by nearly 34,000 people, or about 2.3 percent. That was the biggest percentage increase among the nation's 10 largest cities.

Based on this strong economic performance, and a retail market that ranks among the strongest in Texas, we remain strongly positive about the market's performance in 2024.

APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL IN 2023

Costco Kyle

19086 S. IH-35
Kyle

Costco opened a 150,000-square-foot store in Kyle during the first quarter of 2023.

Costco Georgetown

NWC IH-35 & Lakeway Dr
Georgetown

Costco opened an approximately 160,000-square-foot store in Georgetown in the first half of 2023.

Goodwill Lake Austin Boulevard

2407 Lake Austin Blvd
Austin

Goodwill opened its newly constructed store, incorporating 25,000 square feet of retail.

H-E-B Lake Austin

2652 Lake Austin Blvd
Austin

H-E-B opened this 97,000-square-foot store in February 2023, and it represents the grocer's first multi-level location in Austin. A second multi-level store is in the works for a location on South Congress Avenue near East Oltorf Street.

H-E-B Wolf Lakes Village

1100 S. IH-35
Georgetown

H-E-B opened a new 117,000-square-foot store in June 2023 in Georgetown's Wolf Lakes Village, a 164-acre master-planned community that is currently underway. The new store replaced an older Georgetown store.

H-E-B

U.S. Hwy 290 & Nutty Brown Road
Austin

H-E-B opened its approximately 103,000-square-foot store in July 2023 at this intersection in Southwest Austin.

The Village at Kyle expansion

IH-35 & Kyle Pkwy
Kyle

Hobby Lobby opened an approximately 56,000-square-foot store in Kyle in August 2023, and Academy Sports opened an approximately 56,000-square-foot store in late 2023.

The Grove at Shoal Creek

45th St & Bull Creek Rd
Austin

This mixed-use project continues to develop and open its retail space in phases. Approximately 25,000 square feet in Phase II of the retail component was completed in late 2023, with the retail concepts opening in spring 2024. Concepts for the retail space in the mixed-use development include the first Austin location for bellagreen, a fast-casual American bistro that currently has locations in Houston and the Dallas area. Nike also will open its latest fitness concept at The Grove in 2024. At The Grove, bellagreen and Nike join other new concepts including Verdad, CARVE American Grille, Toastique, and Qi.

NEW RETAIL IN 2024 OR LATER

H-E-B

South Congress Ave & East Oltorf
St, Austin

This new 145,000-square-foot store is designed to replace a much smaller existing store that opened in 1957.

Stone Hill Town Center expansion

500 Limestone Commercial Dr
Pflugerville

Hobby Lobby and Spec's Wine, Spirits & Finer Foods are concepts in the new phase to open in 2024 at Stone Hill Town Center, one of the Austin area's largest retail projects.

Cedar Breaks West

4600 Williams Dr at Cedar Lake
Blvd, Georgetown

This center will be anchored by a 23,000-square-foot Sprouts Farmers Market specialty grocery store along with junior anchors including Petco. Upon completion, the project is designed to total more than 100,000 square feet of junior anchor space and approximately 19,000 square feet of small-shop retail.

APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL IN 2024 (CONTINUED)

Townwest Commons expansion

Corner of Hwy 79 & Ed Schmidt Blvd
Hutto

Townwest Commons second phase is adding a 53,000-square-foot EVO Entertainment destination and a 50,000-square-foot Academy Sports + Outdoors location.

Ledgestone East Retail

NEC of Highway 290 & Ledgestone Dr.
Dripping Springs

Ledgestone East Retail, with approximately 25,000 square feet of multi-tenant and pad retail now under construction, includes a lineup with Amy's Ice Creams, Chipotle, Dutch Bros Coffee, AT&T and others.

7001 Burnet Road

7001 Burnet Rd
Austin

This approximately 100,000-square-foot mixed-use project includes 26,000 square feet of street-level retail space, with completion set for 2024.

The Commons at Rivery

1313 Williams Dr
Georgetown

This approximately 34,000-square-foot project incorporates multiple buildings and is scheduled for 2024 completion.

Reagan Crossing

15101 Ronald W. Reagan Blvd
Leander

The Reagan Crossing mixed-use project, with retail, medical, office and daycare space, is under construction with approximately 45,000 square feet of retail and restaurant space.

Manor Crossing

NWQ U.S. Hwy 290 & FM 973
Manor

Manor Crossing is a power retail center designed for a lineup of junior-box retailers, multiple pad site users and a future big-box and grocery store shadow anchors. The location could total as much as 425,000 square feet of space.

Northline

U.S. Highway 183A & San Gabriel Pkwy
Leander

This major transit-oriented mixed-use project is planned for space to begin coming online in 2024 or later. The multi-year project is designed for approximately 120,000 square feet of retail space, along with residential units, office space and hospitality space. Northline's retail is designed to include a cinema, a fitness facility and a grocery store, among other options that will join residential, office and civic space.

Arbor Park Shopping Center

NEC FM 1431 (Whitestone Blvd) & 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.

The Brick and Mortar District

Kyle Pwy & Kohlers Crossing
Kyle

The first phase of The Brick and Mortar District will have limited retail space, but a total of 150,000 square feet of retail is planned upon completion.

EastVillage

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.

Brodie Oaks Mixed-use

Redevelopment
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.

Southbrook Station

NWC US-183 & Metro Dr
Leander

Southbrook Station, a new approximately 33,000-square-foot neighborhood center scheduled for completion in late 2024, features a lineup of restaurants, medical and dental and automotive uses.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

NEW RETAIL IN 2023

H-E-B McKinney

NEC Custer Rd and Eldorado Pkwy
McKinney

This 111,000-square-foot store opened in July 2023.

H-E-B Allen

E Exchange Pkwy & N Greenville Ave
Allen

The H-E-B for the Allen market opened in October 2023.

The Gates of Prosper new phase

Hwy 380 & Preston Rd
Prosper

Target opened an approximately 140,000-square-foot store as anchor for a new phase at the massive The Gates of Prosper retail development in 2023.

Epic Towne Crossing

SH161 between Warrior Trail & Mayfield Rd
Grand Prairie

Hobby Lobby opened a new store in June 2023 and joined an existing retail lineup that includes IKEA.

Rayzor Ranch expansion

IH-35E & US-380
Denton

Rayzor Ranch, a regional project anchored by Walmart, expanded with At Home.

At Home

1720 N Hardin Blvd
McKinney

The home furnishings superstore opened an approximately 88,000-square-foot location in McKinney.

NEW RETAIL IN 2024 OR LATER

H-E-B Prosper

SEC Dallas N Tollway & Frontier Pkwy
Prosper

H-E-B's Prosper store is set to start construction in 2024. The store will serve the Prosper and Celina market as it sits at the border of the two communities.

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 33,500 square feet of multi-tenant retail and three pad sites along Bonds Ranch Road at the center, with completion set for 2024.

H-E-B

SH-380 & FM 423
Frisco

H-E-B's second grocery store in Frisco is set to open in late 2024.

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 open in 2024.

H-E-B Rockwall

SWC IH-30 & John King Rd
Rockwall

H-E-B's Rockwall store is set to start construction in 2024.

H-E-B Melissa

NEC US-75 & SH-121
Melissa

H-E-B's Melissa store is set to start construction in 2024.

Joe V's Smart Shop Buckner

5204 S Buckner Blvd
Dallas

H-E-B plans to open the value concept Joe V's Smart Shop in a nearly constructed store in early 2025.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

NEW RETAIL IN 2024 OR LATER (CONTINUED)

Lexington Village

SWC Coit Rd & Eldorado Pkwy
Frisco

This grocery-anchored center features an approximately 58,000-square-foot Tom Thumb anchor, 32,000 square feet of multi-tenant space and three pad sites, with opening expected in 2024.

Tom Thumb Forney

435 S. FM 548
Forney

Tom Thumb is set to open a 60,000-square-foot Forney store in 2024.

Tom Thumb Waxahachie

180 E. North Grove Blvd
Waxahachie

Tom Thumb is scheduled to open a 59,000-square-foot store in Waxahachie, with additional shop retail space planned. Opening is set for 2024.

Tom Thumb Redbird

IH-20 & US-67
Dallas

Tom Thumb plans to open a 50,000-square-foot store in 2025 at Redbird, the mixed-use redevelopment of the former Southwest Center Mall. An additional 25,000 square feet of shop space will be built peripheral to the Tom Thumb.

Kroger Marketplace

NEC Washington Dr & SH-121
Melissa

Kroger plans to open a large-format Marketplace store in Melissa in 2024.

Kroger Marketplace Plano

Coit Rd & SH-121
Plano

Kroger plans to open a large-format Marketplace store in Plano in 2024.

Beauchamp Blvd and U.S. 380 retail

NWC Beauchamp Blvd & US 380
Princeton

Princeton has approved a development agreement for a shopping center to be anchored by a United Supermarkets grocery store

Grandscape expansion

SH-121 & Grandscape Blvd
The Colony

Grandscape, a massive mixed-use project anchored by NFM and Scheel's Sporting Goods, is adding a 65,000-square-foot entertainment concept called Cosm. The venue will offer immersive entertainment dubbed shared reality and is set to open during the second half of 2024. Also in 2024, an entertainment venue called Fritz's Adventure Park will open in 100,000 square feet at Grandscape.

Costco

NEC W. University Dr & FM 1385
Prosper

Costco plans to open a new 160,000-square-foot location in Prosper in 2024.

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. The project also features pad sites. Andretti Indoor Karting and Games is expected to open in 2024, and Bass Pro Shops is expected to open in summer 2025.

The Creeks at Celina

NWQ W. Frontier Pkwy & Dallas Pkwy
Celina

The Creeks 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.

Target Wynnewood Village

NWC Illinois Ave & Zang Blvd
Dallas

Target plans an 111,000-square-foot store at Wynnewood Village, a longtime retail destination in Dallas' Oak Cliff area. The center is anchored by Kroger, LA Fitness and others.

The Farm in Allen

Sam Rayburn Tollway & Alma Dr
Allen

The mixed-use The Farm project is adding entertainment concepts Chicken N Pickle and a 70,000-square-foot High Five to its retail mix, with completion set for 2024.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

NEW RETAIL IN 2024 OR LATER (CONTINUED)

Andretti Indoor Karting & Games

IH-35W & N. Tarrant Pkwy
Fort Worth

Andretti Indoor Karting & Games plans to open its third D-FW-area location, a 98,000-square-foot entertainment complex. Completion is planned for 2024.

Sloan Corners

SEC US-75 & SH-121
Fairview

The planned mixed-use project could have as much as 200,000 square feet of retail space upon completion.

Fields West

Panther Creek Pkwy & Dallas North
Tollway
Frisco

Fields West, a massive mixed-use project, will have a major retail component upon completion.

The Crossing at Moore Farm

Owensby Pkwy & Preston Rd
Celina

The mixed-use project is set to be anchored by Lowe's Home Improvement with completion set for late 2024.

Costco

SWC Owensby Pkwy & Preston Rd
Celina

Costco will anchor a retail project at the intersection.

Whole Foods Market

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

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 and Fort Worth Avenue
Dallas

Sprouts plans a new location in the Oak Cliff area of Dallas for 2024.

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

NEW RETAIL IN 2023

Manvel Town Center Phase I
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, with a 108,000-square-foot store that opened in the second half of 2023. Other concepts in the first phase, opening through early 2024, include pad and small-shop users such as McDonald's (2023 opening), Whataburger, Heartland Dental, Great Clips, Marble Slab, Jersey Mike's, Aki Steak & Sushi and Smoothie King. Additional anchors and junior anchors will follow in the next phase.

Fort Bend Town Center II
Hwy 6 & The Fort Bend Parkway
Toll Road
Missouri City

The second phase of Fort Bend Town Center is currently under construction. The new phase added concepts including Burlington, Ross, Petco and more in 2023. A new phase is adding a 40,000-square-foot Eōs Fitness and other retail.

Target at Valley Ranch Town Center
11985 Grand Parkway N.
New Caney

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

Floor & Décor
3350 Business Center Dr
Pearland

Floor & Décor opened a 75,000-square-foot store in Pearland.

Magnolia Village
FM 1488 & Spur 149
Magnolia

The Magnolia Village mixed-use development opened its first phase of retail space with a lineup that includes fitness, casual dining, services, dental and beauty options.

The Allen Lifestyle Pavilion
SEC Allen Parkway & Gillett
Houston

The anchor tenant for The Allen Lifestyle Pavilion is Eōs Fitness (formerly Texans Fit), which opened in 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.

Katy Grand new phase
Grand Pkwy & Katy Freeway
Katy

Katy Grand expanded in 2023 with the first Texas location for PopStroke, a Florida-based venue with golf, dining, games and more. The venue encompasses 3.2 acres and includes a full-service restaurant, a bar, an ice cream parlor, a playground and a 36-hole golf course.

Life Time Fitness
9000 Six Pines Dr
Shenandoah

Life Time Fitness opened a multi-level complex totaling approximately 170,000 square feet, making it the brand's largest in Texas.

Life Time Fitness Missouri City
8421 Hwy 6
Missouri City

The location, the brand's 30th in Texas, opened a 124,000-square-foot fitness facility.

NEW RETAIL IN 2024 OR LATER

The Market at Katy Park
Morton Ranch Rd & Katy Fort
Bend Rd
Katy

H-E-B, set to open in spring 2024, anchors The Market at Katy Park.

H-E-B
Woodland Hills Pkwy & Madera
Run Pkwy
Humble

The H-E-B will incorporate 117,000 square feet of space.

Target at The Grid
12565 Arc Ln
Stafford

Target has submitted plans to develop a 124,440-square-foot store at The Grid, a mixed-use project with retail anchored by Costco.

APPENDIX C: HOUSTON CONSTRUCTION

NEW RETAIL IN 2024 OR LATER (CONTINUED)

Home Depot

NWC Cane Island Pkwy &
Kingsland Blvd
Katy

Home Depot will develop a new Katy store at this location.

Home Depot

NEC Buffalo Springs Dr & SH-105
Montgomery

Home Depot will develop a new 138,000-square-foot store at Buffalo Springs Marketplace, a Kroger Marketplace-anchored retail center.

Texas Heritage Marketplace

SEC IH-10 & Texas Heritage
Pkwy
Katy

Texas Heritage Marketplace, to be anchored by several big-box concepts, is designed to incorporate 472,000 square feet of retail and mixed-use space.

FlyWay at Clear Creek

21409 Gulf Freeway (IH-45)
Webster

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 2024, and golf-focused entertainment concept PopStroke opens in late 2024.

Audubon Retail Development

SWC FM 1488 & Mill Creek Rd
Audubon Master-Planned
Community I Montgomery
County

The Audubon community's retail development is designed to feature 30,000 square feet of retail in a two-story center. Completion is scheduled for 2024.

Costco Tomball

NEC Holderrieth Rd & SH-249
Tomball

Costco plans to open its first Tomball location, a 161,131-square-foot store, in 2024.

Costco Richmond

Grand Pkwy & Texas 99
Richmond

Costco will open a 154,000-square-foot store in The Grand at Aliana development as part of a planned expansion of the project set to total approximately 250,000 square feet.

The Grand at 249

SH-249 & Grand Pkwy
Tomball

The 389,000-square-foot regional project is set to open in 2025.

Katy Boardwalk District

Kingsland Blvd south of IH-10
Katy

The district will feature 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.

Plaza at Jordan Ranch

Texas Heritage Pkwy & Jordan
Crossing Blvd
Katy

This approximately 30,000-square-foot neighborhood center also features two pad sites, with completion estimated for late 2024.

Woodson's Reserve Phase II

SWC Grand Pkwy & Woodson's
Reserve Pkwy
Spring

A new phase is pre-leasing for the fully leased Woodson's Reserve, a neighborhood center with a lineup that includes Summer Moon Coffee, Sylvan Learning Center, Blo Blow Dry Bar and several others.

East River

Jensen Dr & Clinton Dr
Houston

The first phase of retail in East River will include about 110,000 square feet of retail space. East River, a massive Mixed-use development in Houston's historic Fifth Ward, has a specialty lineup that includes multiple restaurants set to open in 2024. East River 9, a nine-hole golf course and driving range, opened at the project opened in 2022.

Gosling Oaks

24700 Gosling Rd
Spring

Gosling Oaks is designed to feature 140,000 square feet of space.

APPENDIX C: HOUSTON CONSTRUCTION

NEW RETAIL IN 2024 OR LATER (CONTINUED)

CityCentre Seven

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 and 120,000 square feet of office space.

Plaza 96

2806 League City Blvd
League City

The planned center, announced for a 2024 completion, is designed to incorporate approximately 74,000 square feet of multi-tenant retail space.

Stella & Braes

Stella Link Rd & S Braeswood
Blvd
Houston

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

Grand Parkway Town Center

Grand Parkway & Highway 249
Tomball

Site work is starting on the Grand Parkway Town Center project, designed to feature anchor and shop space totaling as much as 400,000 square feet upon completion. The first small-shop tenants are planned for late 2024 opening, with anchor space in 2025.

APPENDIX D: SAN ANTONIO CONSTRUCTION

NEW RETAIL IN 2023

H-E-B Cibolo

FM 1103 & Main St
Cibolo

H-E-B opened an approximately 110,000-square-foot store along with fulfillment space.

Cibolo Retail Development

Cibolo Valley Dr & Borgfeld Rd
Cibolo

The project, opening in phases through 2024, features multi-tenant retail plus pad users for Chick-fil-A, P. Terry's and Dutch Bros Coffee. Inline retail includes a mix of food concepts and services.

La Picosita at Brooks

SE Military Rd & SW New Braunfels Ave
San Antonio

La Picosita is a retail and entertainment project opening in phases, with 2023 openings BJ's Restaurant & Brewhouse, Outback Steakhouse and Pluckers Wing Bar. For 2024, the project will add concepts including 7 Brew Drive-thru Coffee, Stout House and others.

Wender Plaza expansion

SWC Hwy 151 & Hunt Ln
San Antonio

The Sprouts-anchored center, which includes co-tenants like Torchy's Tacos, Tiff's Treats and others, expanded with a multi-tenant building for small-shop tenants.

NEW RETAIL IN 2024 OR LATER

H-E-B

N Loop 1604 & Babcock Rd
San Antonio

H-E-B, per state records, will construct an approximately 117,000-square-foot store with an opening set for 2025.

Landmark North

Loop 1604 & IH-10
San Antonio

Landmark North is a specialty retail open-air center that will include a lineup that includes Fogo De Chao, Hash Kitchen, Sicilian Butcher and PNC Bank. The project is designed to incorporate more than 68,000 square feet of retail space and is set to open in late 2024.

Lemon Creek Ranch

W IH-10 near Old Fredericksburg Rd
Boerne

Lemon Creek Ranch, a major mixed-use project, will bring online the first phase of its retail component in 2024 with grocery anchor H-E-B. The H-E-B will total approximately 106,000 square feet.

Pinstack No. 2

19238 IH-10 West
San Antonio

The new 53,360-square-foot Pinstack will be just north of the Rim shopping center. The location will be the second in San Antonio for Pinstack, a bowling alley, arcade and more.

The Plaza II on UTSA

SWC UTSA Blvd & Vance Jackson Rd
San Antonio

The retail project is set for completion in 2024.

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.

151 Square

8530 SH-151
San Antonio

This neighborhood retail center, now under construction, will feature small-shop space in two buildings for a total of approximately 24,000 square feet of retail space, along with adjacent pad-site retail.

The Shops at Sawmill Glade

Old FM 471 and Sawmill Glade
San Antonio

The center features two buildings totaling approximately 35,000 square feet.

The Shops at Babcock

Loop 1604 & Babcock Rd
San Antonio

The Shops at Babcock is adding approximately 42,000 square feet of small-shop space.

Buc-ee's Boerne

IH-10 & U.S. Business 87
Boerne

Buc-ee's plans a travel center with a convenience store, restaurant space and fuel stations in Boerne, northwest of San Antonio. The 53,471-square-foot complex is scheduled for completion in fall 2024.

DEFINITIONS

NEIGHBORHOOD SHOPPING CENTER

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

COMMUNITY SHOPPING CENTER

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

MALLS

REGIONAL SHOPPING MALL

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

SUPER-REGIONAL SHOPPING MALL

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

POWER SHOPPING CENTER

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

MIXED-USE RETAIL

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

OUTLET SHOPPING CENTER

Concept	Manufacturers' outlet stores
SF Including Anchors	50,000-400,000
Typical Retailers	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.

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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 2023 may reflect adjustments made to previous reports.

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