

MID-YEAR RETAIL REPORT

THE
TEXAS

SNAPSHOT
2023



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Austin

52.5M

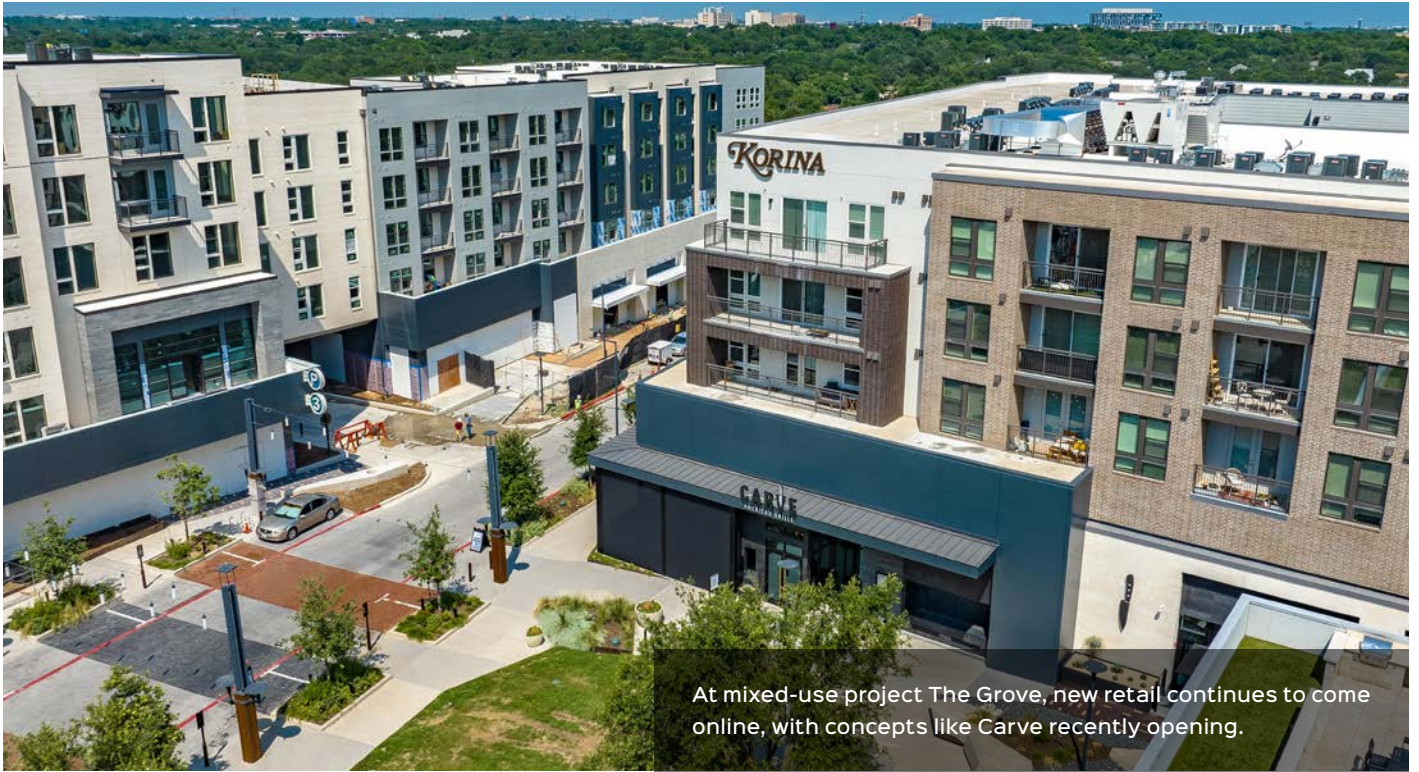
INVENTORY

96.6%

OCCUPANCY

921K

CONSTRUCTION



At mixed-use project The Grove, new retail continues to come online, with concepts like Carve recently opening.

Austin

AUSTIN'S RETAIL MARKET REPORTS CONTINUED HIGH OCCUPANCY AS SPACE DELIVERIES INCREASE

Austin's retail market continues to maintain an extremely healthy occupancy level of approximately 96.6 percent, based on Weitzman's review of retail market conditions at mid-year 2023. The occupancy percentage is based on a market inventory of approximately 52.5 million square feet.

Weitzman has reviewed market conditions for Austin for three decades, and the past decade has posted some of the market's healthiest numbers, even during the challenges of the pandemic that affected the market during most of 2020 and through 2021.

The market has also experienced a multi-year trend of limited new construction but based on projects opened or scheduled to open during 2023, the Austin area is on track to report the highest new construction total in seven years.

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

At the beginning of 2023, there were signs of potential economic weakness and even a recession due to continued high inflation, price pressure facing consumers and other warning flags posted for the economy. However, as of mid-year, inflation has

cooled to less than half of the rate seen in mid-year 2022, many of the supply chain issues that hampered growth and increased prices have been resolved and the overall metro's economy has seen continued gains in new jobs.

As a result, Austin's metro area economy remains one of the strongest in the country.

For example, the market's current unemployment rate (as of April 2023) is a low 3.1 percent, compared to 3.7 percent for the U.S. Since April 2022, the Austin metro market gained 51,100 jobs for an annual growth rate of 4.1 percent, according to the Texas Workforce Commission.

OUTLOOK POSITIVE FOR VACANCIES LEFT BY MAJOR CHAINS

The most significant retail closings for 2023 involve the dark stores left by the failure of two legacy chains, Bed Bath & Beyond and Tuesday Morning.

Bed Bath & Beyond's presence in Austin included five area stores, as well as two buybuy Baby spaces. These two retailers account for approximately 204,000 square feet of retail vacancy.



At Center of the Hills (shown), an automotive user is in the works to backfill one of Austin's largest existing vacancies, a former H-E-B space.

Bed Bath & Beyond's typical store size is 25,000 square feet, although some locations (like the 42,000-square-foot store in Sunset Valley Marketfair) are larger. The two buybuy Baby locations total 53,851 square feet.

Tuesday Morning's Austin area presence includes seven area stores for a total of just under 100,000 square feet.

While not all of these two chains' stores had completed going out of business sales by mid-year, we still counted them as vacant due to the announced closings.

In total, Bed Bath & Beyond/buybuy Baby and Tuesday Morning represent a retail footprint that totals less than a percentage point (.57 percent) of the overall market inventory. However, due to the tight market combined with the retailers' locations that are typically in well-trafficked Class A centers, we expect many of these spaces will be absorbed in the near future.

In a tight market like Austin's, available spaces can be viewed as opportunities for expanding retailers to secure new locations.

EXISTING SPACE REMAINS AT A PREMIUM

Existing space, particularly well-located space, proved particularly attractive due to the fact that new space being added to the market is primarily for users, with extremely limited spec space. 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 Austin's major commercial real estate categories. Weitzman is a client of Costar, and as we only review the retail market, we looked to Costar's analysis of the other categories and compared Austin's 3.6 percent vacancy to the 15.6 percent vacancy rate for office space, the 7.1 percent vacancy rate for industrial space and the 9.9 percent vacancy rate for multi-family space.

During 2023 to date, existing market vacancies attracted 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.

BACKFILLED RETAIL SPACES FOR 2023 INCLUDE:

- An automotive user, which has committed to backfilling the former 65,000-square-foot H-E-B box located in the Center of the Hills, a community center located at 7010 W. SH-171 in Austin;
- H Mart, a grocery chain offering Asian specialties, which leased an approximately 23,000-square-foot former Savers Thrift location 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;
- Saint Bernard, a lifestyle retail store, which in May 2023 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 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, with a 35,000-square-foot location at 450 Barnes Drive in San Marcos, and in a 35,000-square-foot former 24 Hour Fitness space at 4625 William Cannon Drive;
- Kollektive gym, which opened in 30,000 square feet of existing space located at 9185 Research Boulevard in North Austin;
- Fresh International Market, a grocer, with a 2023 opening in approximately 49,100 square feet in Shops at Tech Ridge, located at IH-35 South and Parmer Lane;
- Leander Athletic Club, which expanded by approximately 11,000 square feet to a total of 15,000 square feet in a building located at 190 N. Bagdad Road in Leander's Bagdad Meadows business park;
- 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, with a 2023 opening in 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, with a 2023 opening in 16,000 square feet of second-generation space at 6500 N. Lamar;



The vacant spaces left by the failures of Bed Bath & Beyond and Tuesday Morning are expected to backfill quickly in Austin's tight retail market.

- Food and dining concepts opening in existing space include 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 in South Austin; and Uchi-related concept Uchiba will open in the second half of 2023 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 some high-quality space inside Austin's core trade area.

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 B small-tenant rates are posting from the high-\$20-per-square-foot-per-year range and can climb to 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.

CONSTRUCTION TOTALS INCREASE AS BIG-BOX RETAILERS OPEN NEW LOCATIONS

Based on retail projects opening or scheduled to open during calendar-year 2023, new space deliveries in the market will total approximately 921,000 square feet in new and expanded projects with 25,000 square feet or more. If all of the space opens as planned during 2023, the construction total would reach the highest 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



Austin is now the strongest CRE category based on balance of supply and demand, outpacing office, industrial and multi-family.

INVENTORY

2023	52.5 million SF*
2022	51.6 million SF
2021	51.4 million SF

OCCUPANCY

2023	96.6% (MID-YEAR)
2022	96.5%
2021	96.0%

CONSTRUCTION

2023	921,000 SF*
2022	280,000 SF
2021	412,000 SF

*Year-end 2023 projection

feet in 2020; 400,000 square feet in 2019; 670,000 square feet in 2018; and 640,000 square feet in 2017.

The new space drivers for 2023 include grocer H-E-B, with three new locations, and Costco, with two new locations.

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.

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.

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 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.

As a result, we expect to see stable occupancy through the remainder of 2023 and into 2024, 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.

THANKS MOSTLY TO NEW H-E-Bs AND
SOME NEW STORES FROM COSTCO AND
OTHERS, RETAIL DELIVERIES INCREASED
TO THE HIGHEST LEVEL SINCE 2016 –
ALTHOUGH THEY STILL REMAIN ON THE
CONSERVATIVE SIDE.

Dallas-Fort Worth

200.2M

INVENTORY

94.5%

OCCUPANCY

641.0k

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.

COMING SOON



At Valley Square in Lewisville, grocer Fiesta Mart plans to open in a former 24 Hour Fitness anchor space.

Dallas-Fort Worth

D-FW RETAIL MARKET MAINTAINS HIGH OCCUPANCY AS NEW CONSTRUCTION IS ON TRACK FOR ANOTHER RECORD LOW

The Dallas-Fort Worth retail market maintained its record-high occupancy as of mid-year 2023, even in the light of marketwide closings from two legacy retailers, thanks to strong leasing in existing space and user-driven new space deliveries that boosted overall occupancy.

As of mid-year, the market reported an occupancy rate of approximately 94.5 percent, on par with the record occupancy posted at year-end 2022.

Occupancy continues to maintain its healthy level thanks to brick-and-mortar retailers that have proven again and again their ability to remain essential through transformations that meet customer preferences for personalization, convenience, experience and curated selections.

The occupancy rate is based on a D-FW retail market inventory of approximately 200.2 million square feet of retail space in retail projects each totaling 25,000 square feet or more. This inventory is the largest for any Texas metro area.

EXISTING RETAIL REMAINS AT A PREMIUM

Leasing in existing space throughout the market continues to backfill vacancies and lift overall occupancy. Existing space has remained at a premium in part due to D-FW's years-long trend of limited new retail construction that is anchor- or user-driven for the most part. Little, if any, speculative space is being added in new projects, such as the new H-E-B locations.

Active leasing that is backfilling second-generation anchor and small-shop space is helping mitigate the impact on overall occupancy resulting from the failures of two legacy retail chains, Bed Bath & Beyond and Tuesday Morning.

The Bed Bath & Beyond bankruptcy resulted in closures totaling approximately 375,000 square feet of retail space in D-FW. And the Tuesday Morning failure is resulting in closings totaling approximately 225,000 square feet in D-FW.

Together, these new vacancies represent less than one half of one percent of the market's retail inventory. And the outlook for their re-tenancing is optimistic as these vacancies are coming online in a market with healthy retail demand and limited available options due to the market's high occupancy and near-non-existent new construction.

Add to that the fact that Bed Bath & Beyond, long one of the country's leading retail concepts, has highly desirable real estate in D-FW centers with high traffic, strong regional locations and strong co-tenancies. Additionally, Tuesday Morning has smaller-format stores sized in the market's sweet spot and in good locations throughout the market.

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

NEW LEASES AND NEW TENANCY IN EXISTING SPACE INCLUDE:

- Fiesta Mart, a specialty grocer, which will open in the approximately 48,427-square-foot anchor space at Valley Square, a retail center located at 724 W. Main Street (FM 1171) in Lewisville. The space formerly housed 24 Hour Fitness;
- Sprouts, which has city approval to open a new store at the intersection of Fort Worth Avenue and Hampton Road in the Oak Cliff area of Dallas. The new store would backfill existing space. Also in the first quarter of 2023, Sprouts opened a 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;
- Joe V's Smart Shop, a price-conscious grocery store from powerhouse H-E-B, which has announced plans for its first stores outside of Houston. One of the two D-FW stores is set to open in 2024 in southern Dallas in a 58,940-square-foot former Albertsons at 4101 W. Wheatland Road. A second Joe V's will open in spring 2025 in east Dallas at 5204 S. Buckner Boulevard on the southwest corner of the intersection with Samuell Boulevard. H-E-B is building that store on 11 acres it purchased in late 2014;
- Nordstrom Rack, the off-price concept from department store Nordstrom, with two new D-FW locations in existing space for 2023. One store will open 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 set for The Village at Allen, a regional-draw project located at US-75 and Stacy Road in Allen;
- Boot Barn, a western wear retailer which is backfilling 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 from the local operators of Cash Saver grocery stores, which backfilled a 15,000-square-foot vacant grocery store space at 3540 Simpson Stuart Road in southern Dallas;
- Barnes & Noble bookstore, which will open 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. Barnes & Noble also leased 11,203 square feet in the Pavillion East Shopping Center located at 1930 N. Coit Road in Richardson;
- 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;
- 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;
- EoS 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 is backfilling an approximately 37,000-square-foot vacancy at Preston Shepard Place, a retail center located at 1701 Preston Road in Plano;
- 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 is backfilling part of a former Barnes & Noble;
- Puttshack, a Chicago-based mini-golf-and-entertainment venue, which in summer 2023 is set to open 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 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;

- 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;
- Daiso, a Japanese dollar store chain, which will open a 5,582-square-foot location in Mockingbird Commons, a Tom Thumb-anchored center at the northwest corner of East Mockingbird Lane and Abrams Road.

Leasing in second-generation restaurant space continues to be one of the biggest demand generators for small-shop

INVENTORY

2023	200.2 million SF*
2022	199.6 million SF
2021	199.4 million SF

OCCUPANCY

2023	94.5% (MID-YEAR)
2022	94.4%
2021	93.5%

CONSTRUCTION

2023	641,000 SF*
2022	538,700 SF
2021	639,000 SF

*Year-end 2023 projection



Irving Towne Center, a Target-anchored center, is an example of an existing retail project that saw new leasing in 2023. Existing space remains at a premium in a low-construction market with little or no spec space.

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, which has replaced 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 opened in spring 2023;
- La Bendicion Tex-Mex, which backfilled the former Don Mario's restaurant space in Fielder Plaza, a Tom Thumb-anchored center at 1701 W. Randol Mill Road in Arlington;
- Old Texas Brewing Co., which is entering the Fort Worth market by backfilling the former 7,000-square-foot Baker Street Pub space at 6333 Camp Bowie Boulevard in Fort Worth;
- Café Margo, which is backfilling the former Corner Bakery space in Trinity Commons Shopping Center at 3150 S. Hulen Street in Fort Worth;
- Hudson House, which is backfilling a 4,000-square-foot former Corner Bakery space at Preston Forest Shopping

Center, located at Preston Road and Forest Lane in North Dallas;

- Joey, a Vancouver-based concept, which is backfilling the 12,000-square-foot former Seasons 52 at NorthPark Center mall at US-75 and Loop 12 in North Dallas;
- Cheesecake Factory, which has filed plans to move into a former Barnes & Noble space in The Shops at Highland Village, located at 411 Deer Creek in Highland Village. Barnes & Noble is relocating the Highland Village store to the nearby community of Flower Mound;
- Velvet Taco, which during the first half of 2023 opened a location at 2608 Ridge Road in Rockwall. The space was formerly a Long John Silver's location;
- Mexican Sugar, with a 12,000-square-foot location at McKinney & Olive, a mixed-use project in Uptown Dallas;
- San Martin Bakery & Restaurant, a Guatemalan chain that is backfilling the 6,600-square-foot former Coal Vines Pizza space at 5497 Belt Line Road in Far North Dallas;
- Society Bakery, which plans to relocate from its longtime location on Greenville Avenue to a larger space in the Skillman

Live Oak Center at 1926 Skillman Street in Old East Dallas;

- Ellen's, a local Southern restaurant, which has announced an opening during the second half of 2023 at Casa Linda Plaza, located at the intersection of Garland Road and North Buckner. Ellen's is opening in a 4,500-square-foot freestanding building that was built for a breakfast-and-brunch restaurant that canceled its plans for the site;
- Mexico-based restaurant Quince, which is backfilling the former Bartaco space in WestBend along the Trinity River in Fort Worth;
- Vegan restaurant Spiral Diner & Bakery, which is planning a new location at 400 E. Front Street in the Urban Union redevelopment project in downtown Arlington;
- Fatburger, Coolgreens and Hawaiian Bros Island Grill, which are in the works to redevelop two existing buildings at the intersection of Wilshire Boulevard and Summercrest Boulevard in Burleson, in the Fort Worth market;
- The Saint, an Italian-inspired steakhouse, which opened during the first half of 2023 in the former Two

Sisters Catering space at the corner of Gaston and Cantegral in Dallas' Deep Ellum area;

- Terry Black's Barbecue, a Central Texas-based concept, which plans to open in 2024 at 2926 West 7th Street in Fort Worth. The space was formerly occupied by Wendy's, and the barbecue restaurant will demolish the former burger restaurant for a new-build location;
- La Campina Salvadorena, which backfilled the 3,200-square-foot former Empress of China space at Grande Center, located at 2522-2678 N. Belt Line Road near SH-183 in Irving;
- Slider and Blues, which combined two retail spaces at 6309 Hillcrest Avenue for a new location in the University Park area of Dallas;
- Lucky Dog Saloon, which is currently redeveloping the longtime location of Asel Art Supply at 2701 Cedar Springs Road at Carlisle in Uptown Dallas for a new location;
- Bobbie's Airway Grill, which opened in the second quarter of 2023 in the space that was the longtime location of Dougherty's Pharmacy, which relocated to Preston Valley Shopping Center;
- Rise, a soufflé restaurant, is set to open in the second half of 2023 at the northeast corner of West Park Boulevard and Preston Road in Plano. The freestanding location previously housed T.G.I.Friday's;
- Petra and the Beast, a chef-driven concept that plans to relocate to the former Lakewood Smokehouse space in Lakewood Shopping Center, at Abrams Road and Gaston Avenue in Old East Dallas. The new location is set to open by year-end.

The market continues to experience the extremely conservative development climate that began in

NEW SPACE DELIVERIES ON TRACK FOR THIRD-LOWEST ANNUAL CONSTRUCTION SINCE 1990

2018. The limited deliveries continue to elevate existing space to a premium, which is not only keeping rates stable but resulting in noteworthy rent increases for the best-located space. Retail developments in detail are outlined later in this report.

During 2023, based on projects completed or expected to be completed during the calendar year, D-FW is on track to see retail deliveries of approximately 641,000 square feet in new and expanded retail projects totaling 25,000 square feet or more.

The 2023 construction total is extremely conservative for a tight retail market in one of the country's most robust metro economies, and it marks the third consecutive year of record-low construction. The only years with lower new deliveries were in 2022 and 2021.

In 2022, when construction in new and expanded retail centers totaled only 538,700 square feet, the total marked the lowest Weitzman has ever recorded for D-FW since it first reviewed the market in 1990.

The record lows also include calendar-year 2021, when deliveries totaled only 638,640 square feet, marking the first time for D-FW's construction to drop below the 1-million-square-foot mark in the history of Weitzman's retail reports.

As a matter of contrast, D-FW as recently

as 2017 recorded retail construction that exceeded 4 million square feet of new space.

D-FW's limited space deliveries remain on the conservative side for several reasons, including the following trends:

- New developments continue to be dominated by smaller open-air centers tenanted with mixes of restaurants, services, beauty, medical and dental and fitness;
- Larger grocery stores, like H-E-B, often are developed with little or no peripheral retail. In the 1980s and through the 1990s, grocery stores typically accounted for half or less of the total space in the centers they anchored;
- Larger new projects like Grandscape in The Colony that are often built with smaller phases over several years;
- The availability of well-located vacancies in existing centers, which meet the needs for retailers seeking to expand in established trade areas. However, as the market continues to tighten, these spaces are increasingly at a premium;
- The continued effect of higher construction costs and land costs on rental rates. To pro forma with these higher costs, the rents required to economically justify a new project can outpace the overall market.

Thanks to a steady leasing and a years-long trend of limited deliveries, retail is now the strongest CRE category in terms of balanced supply and demand.



This new neighborhood retail project is one of several planned for the Collin County growth market of Princeton, which joins markets like Celina as one of the fastest-growing communities in the state.

CONSTRUCTION EXPANDS IN NEW-GROWTH MARKETS

One area where construction is expected to increase exponentially over the next decade is in D-FW's new-growth submarkets.

These are rapidly growing suburban communities where houses are fast replacing what not long ago had been farm and ranch land.

Communities that are seeing increased retail growth designed to meet booming residential growth include:

- Celina, where the population increased by 104 percent between 2020 and 2022 has now reached 41,000.
- Anna, which like Celina is in Collin County, and where the population increased nearly 40 percent between 2020 and 2022.
- Princeton, also in Collin County, where the population increased 34.5 percent between 2020 and 2022.
- Prosper, where the population increased 25 percent between 2020 and 2022.

The construction table at the end of this report features some of the new retail projects in the works to meet the needs of these rapidly growing populations. In addition, major retailers like H-E-B and Costco have selected sites for new stores in these high-growth residential areas.

OUTLOOK FOR 2023 FORECASTS STABLE OCCUPANCY

For the remainder of 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.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's continued job and population growth.

North Carolina-based bank Truist, in a June 2023 report, shows that the D-FW region currently leads the nation with the highest year-over-year job growth rate in the U.S. Additionally, the Federal Reserve Bank reports that the D-FW job growth is a strong 3 percent annually, with an unemployment rate of 3.7 percent, based on a May 2023 report.

And the most current Census data shows that the metro area's population totals approximately 7.8 million and is on track to reach 8.5 million by 2025.

Houston

165.2M

INVENTORY

95.1%

OCCUPANCY

1.0M

CONSTRUCTION



H-E-B is preparing to open at Marvel Town Center this year, along with a number of smaller concepts.

Houston

HOUSTON RETAIL MARKET MAINTAINS HIGH OCCUPANCY

INVENTORY

2023	165.2 million SF*
2022	164.2 million SF
2021	163.1 million SF

OCCUPANCY

2023	95.1% (MID-YEAR)
2022	95.1%
2021	93.0%

CONSTRUCTION

2023	1.0 million SF*
2022	1.2 million SF
2021	615,000 SF

*Year-end 2023 projection

Houston’s retail market has experienced healthy demand from expanding concepts, as well as a shortage of new retail inventory, enabling occupancy to maintain a healthy 95.1 percent level. Steady backfilling of market vacancies and the opening of significantly leased new construction overcame the new vacancies created by the multiple area closures of two failed legacy chain retailers. Additionally, a specialty grocery store brand closed several of its area locations.

The occupancy rate is based on Weitzman’s review of Houston’s retail market and its retail market inventory of approximately 165.2 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 and Tuesday Morning resulted in the most significant closings in the Houston market. Bed Bath & Beyond’s bankruptcy is resulting in the closing of all of its Houston-area stores, as well as five buybuy Baby locations.

Tuesday Morning, typically with a smaller footprint than Bed Bath & Beyond, also is closing all Houston-area stores in 2023.

Additionally, specialty grocer Sprouts Farmers Market closed three of its area locations during the first half of 2023.

The total square footage going dark from these three retailers resulted in new vacancies totaling approximately 625,000 square feet. While the new vacancies represent less than one half of a percent (0.38 percent) of the market’s total inventory, the impact is offset by significant leasing activity in existing space. Additionally, new retail construction is largely user-driven and therefore adds to occupancy, not vacancy.

The outlook for these new vacancies from these three retailers is positive, based on the market’s current history of backfilling junior anchor spaces. Additionally, these retailers are most often located in Class A retail centers with strong co-tenancy and market fundamentals. In other words, these vacancies are typically in the market’s sweet spot and are sized correctly as opportunities for expanding retailers like discounters, fitness concepts and other box users.

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 with strong demographics, tenant mixes and traffic, remain especially in demand.

Examples of expanding retailers backfilling second-generation space this year include:

- 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 will open in the second half of 2023 in 100,000 square feet of retail space at Baybrook Mall in Friendswood;
- Beauty Empire, which will open in 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 Eastex 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;
- 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 is backfilling the River Oaks Theater at 2009 W. Gray Street and which will open a five-screen location in Market Street in The Woodlands;
- Gordon Food Service Store (GFS), the largest family-managed broadline food distribution company in North America, which is 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 opening in 2023 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;
- A 100,000-square-foot Asian grocery store, which is redeveloping a portion of a vacant retail center at 2224 FM 1960 in Houston. The remainder of the 200,000-square-foot center will receive capital improvements prior to leasing to inline tenants;
- 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;
- EoS Fitness, which leased three Houston-area locations totaling 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 is set to open in the second half of 2023 in the 38,000-square-foot former YMCA building at 7903 S. Loop E (Loop 610);
- Living Spaces, a furniture retailer, which opened during the first half of 2023 in a backfilled anchor space formerly occupied by H-E-B at 2660 Fountain View Drive near the Galleria. The location, the third in the Houston area for Living Spaces, incorporates 50,000 square feet;
- Puttshack, a modern mini-golf concept, which in April 2023 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:

PostScript HTX, which will open in the former Del Frisco's Grill space in the Shops at Arrive River Oaks, located at 2800 Kirby Drive; Muse, which will open 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 LaCentera at Cinco Ranch at 23601 Cinco Ranch Boulevard in Katy; Piada and Maple Street Biscuit Company, with new locations this year at Waterview Town Center in Richmond; and Checkers, which is backfilling a former Arby's location in Steeplechase Shopping Center in the Cypress-Fairbanks area.



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

Restaurants also continue to expand with new construction. Examples include but certainly are not limited to 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.

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 \$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.

CONSTRUCTION IS ON TRACK TO ADD MORE THAN 1 MILLION SQUARE FEET OF NEW RETAIL SPACE

Based on new and expanded developments that are opening or on track to open in 2023, Weitzman shows that new deliveries for calendar-year 2023 will total approximately 1,005,000 square feet of space in new and expanded retail projects consisting of 25,000 square feet or more.

This projected 2023 construction total remains on the conservative side, especially for a tight retail market located in a robust major metropolitan area. The total is slightly 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 anchor 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 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 for the remainder of 2023 and going into 2024 is positive, thanks to continued economic strength seen in job, population and housing growth. Additionally, the high inflation that peaked at mid-year 2022 is now reduced by half as of mid-year 2023, further enabling the overall economy to remain steady.

Metro Houston's total employment reached 3,354,300 in May 2023, an all-time high for the market. Since May 2020, the region has added nearly 522,000 jobs, meaning that growth has recovered 145.2 percent of the jobs lost due to the pandemic, according to Texas Workforce Commission data and the Greater Houston Partnership.



San Antonio

48.6M

INVENTORY

94.5%

OCCUPANCY

335K

CONSTRUCTION



Culebra Market, anchored by H-E-B, is an example of a center that saw leasing in existing space for 2023.

INVENTORY

2023 48.6 million SF*

2022 48.3 million SF

2021 47.9 million SF

OCCUPANCY

2023 94.5% (MID-YEAR)

2022 94.5%

2021 94.0%

CONSTRUCTION

2023 335,000 SF*

2022 380,000 SF

2021 354,000 SF

*Year-end 2023 projection

San Antonio

SAN ANTONIO RETAIL MARKET MAINTAINS STABILITY

San Antonio’s retail market posted a healthy balance of supply and demand as of mid-year 2023, with overall occupancy maintaining its level of 94.5 percent. Occupancy remained stable in the face of multiple closings from two legacy chains thanks to the continued backfilling of existing vacancies on the market and limited new construction that is largely for users or is significantly pre-leased.

The mid-year 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.

While not all of these two chain’s stores had completed going out of business sales by mid-year, we still counted them as vacant due to the announced closings.

In total, Bed Bath & Beyond and Tuesday Morning represent a retail footprint that totals less than half a percent point (.4 percent) of the overall San Antonio retail inventory. However, due to the tight market combined with the retailers’ locations that are typically in well-trafficked Class A centers, we expect many of these spaces will be absorbed in the near future.

Despite the closings, the market’s overall occupancy was stabilized by expanding retailers backfilling a number of vacant boxes and small-shop spaces on the market during a time of exceptionally limited new construction.



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

Key examples of backfilled space for 2023 include:

- 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;
- Crunch Fitness, which is set to open during the second half of 2023 in Woodlake Crossing, a power retail center located at FM 78 and Woodlake Parkway;
- Nordstrom Rack, which will open its third area store in Northwoods Shopping Center, located at Highway 281 and Loop 1604, this fall;
- A 37,000-square-foot box space that was leased by a Best Buy Outlet Store at Fiesta Trail Shopping Center at 12651 Vance Jackson Road. The location represents a relocation from Woodlake Crossing shopping center;
- dd's Discounts, a division of Ross Stores, which backfilled 23,500 square feet in Fiesta Trail Shopping Center;
- 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, now in the works for a new store 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. The two new stores are expected to open in the second half of 2023.

Notable restaurant leases that backfilled existing space include :

- Blu Prime, a steakhouse, which leased 10,113 square feet in Plaza Las Campanas, located at 1850 N. Loop 1604 W.;
- Milt's Pit BBQ, an Austin-based concept, which opened in a former Urban Bricks space at 8000 Pat Booker Road;
- Savvy Sliders, a Detroit-based burger chain, which is backfilling 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, which is on track to open in the second half of the year 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 REMAIN STEADY

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.

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 RETAIL DELIVERIES REMAIN LIMITED

Based on projects either completed or scheduled for completion during calendar-year 2023, San Antonio is reporting 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 as supply chain issues seen in 2022 were largely resolved.

Additionally, 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 in the face of higher costs for new construction.

For calendar-year 2023, the San Antonio market is on track to see new space deliveries total approximately 335,000 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 only slightly more than 1.4 million square feet to the market.

During the mall and power-retail development era, it was typical to see annual construction of 1 million square feet or more. For example, when the market's last mall was brought online in 2005, San Antonio's retail deliveries totaled 2.4 million square feet of new space.

The years-long trend of limited construction helps maintain a premium on existing space.

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

OUTLOOK REMAINS OPTIMISTIC, WITH AN ASTERISK

San Antonio's retail market currently reports a strongly healthy balance of supply and demand, and the outlook for the remainder of 2023 and through 2024 remains largely positive. The inflation that hampered the economy is now down to half of its mid-2022 peak, supply chain issues that boosted the price of construction materials are in check, and the labor market continues to produce jobs.

Workforce Solutions Alamo reports that the metro area's unemployment rate is 3.8 percent, lower than the state of Texas' 4.1 rate. During the past 12 months ended May 2023, the market added 40,858 new jobs.

Occupancy remains stable in the face of multiple closings from two legacy chains thanks to the continued backfilling of existing vacancies on the market and limited new construction that is largely for users or is significantly pre-leased.

APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL SPACE IN 2023 INCLUDES:

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 early 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 is opening its approximately 103,000-square-foot store in July 2023 at this intersection in Southwest Austin.

Cedar Breaks West

4600 Williams Dr
Georgetown

This center includes approximately 100,000 square feet of junior anchor space and approximately 19,000 square feet of small-shop retail and includes a lineup with Sprouts, Petco, Chase Bank and others. The center is set for completion by year-end 2023.

The Village at Kyle expansion

IH-35 & Kyle Pkwy
Kyle

Hobby Lobby is scheduled to open an approximately 56,000-square-foot store in Kyle in 2023.

Academy Sports + Outdoors Kyle

NWC IH-35 & Kyle Pkwy
Kyle

Academy Sports' Kyle location is approximately 56,000 square feet and could open in late 2023.

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. Recently signed concepts for the retail space in the mixed-use concept include the first Austin location for Bellagreen, a fast-casual American bistro that currently has locations in Houston and the Dallas area. At The Grove, Bellagreen joins other new concepts opening this year including Verdada, CARVE American Grille, which opened in June 2023, and Qi.

Ledgestone East Retail

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 2023.

APPENDIX A: AUSTIN CONSTRUCTION

RETAIL SET FOR COMPLETION IN 2024 OR LATER

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.

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.

Manor Crossing

NWQ U.S. Hwy 290 & FM 973
Austin

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.

Stone Hill Town Center expansion

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.

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.

Ronald Reagan Crossing

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.

Arbor Park Shopping Center

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.

The Brick and Mortar District

Kyle Pwy & Kohlers Crossing
Kyle

Development began during the first half of 2021 on the first phase of The Brick and Mortar District, a mixed-use project within the Plum Creek master-planned community. The first phase 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 Hwy
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 RETAIL PROJECTS FOR 2023

H-E-B McKinney NEC Custer Rd & Eldorado Pkwy McKinney	This 111,000-square-foot store is scheduled for a summer 2023 opening.
H-E-B Allen 575 E Exchange Pkwy Allen	The H-E-B for the Allen market is expected to open in late 2023.
The Gates of Prosper new phase Hwy 380 & Preston Rd Prosper	Target is set to open an approximately 140,000-square-foot store as anchor for a new phase at the massive The Gates of Prosper retail development.
Lexington Village SWC Coit Rd & Eldorado Pkwy Frisco	This 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 possible during the second half of 2023.
Mayfield Groves SEC SH-261 & Mayfield Rd Grand Prairie	Mayfield Groves, includes BigShots Golf, Andretti Indoor Karting and Games and a 100,000-square-foot Bass Pro Shops Outdoor World. Andretti Indoor Karting and Games is expected to open in late 2023, and Bass Pro Shops is expected to open in summer 2025.
Epic Towne Crossing SH-161 & Mayfield Rd Grand Prairie	Hobby Lobby opened a new store in June 2023 and joined an existing retail lineup that includes IKEA.
Green Acres 2800 Ranch Trail Irving	Green Acres Nursery & Supply, based in California, opened a 120,000-square-foot project, which includes a 30,000-square-foot store.

KEY NEW RETAIL PROJECTS FOR 2024 OR LATER

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 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 of Northwest Fort Worth, will be anchored by a 122,000-square-foot Kroger Marketplace. 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.
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. 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 an approximately 125,000-square-foot Marketplace store in Melissa in 2024.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

KEY NEW RETAIL PROJECTS FOR 2023 OR LATER (CONTINUED)

Kroger Marketplace Plano

Coit Rd & SH-121
Plano

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

Grandscape expansion

SH-121 and Grandscape Blvd
The Colony

Grandscape is adding a 65,000-square-foot entertainment concept called Cosm. The venue is set to open in 2024. Also in 2024, 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.

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 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 outdoor dining space.

Target Wynnewood Village

NWC Illinois Ave & Zang Blvd
Dallas

Target plans a 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 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.

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.

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 & DNT
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.

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
Dallas Pkwy & Lebanon Rd, Frisco

Whole Foods Market has been announced as an anchor tenant for new mixed-use projects in McKinney and Frisco.

Sprouts

N. Hampton & Fort Worth Ave
Dallas

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

Lakeside Village

Lakeside Village Pkwy & 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

CONSTRUCTION SET FOR COMPLETION 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 set to open in the second half of 2023. Other concepts in the first phase, set to open in mid- to late-2023, include pad and small-shop users such as Whataburger, McDonald's, 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 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 an approximately 57,000-square-foot Cinemark multi-screen theater in 2022, along with retail including Burlington, Ross, Five Below and a number of other junior boxes set for completion in the second half of 2023.

Target at Valley Ranch Town Center

11985 Grand Parkway N.
New Caney

Target will open 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

Magnolia Village mixed-use development is set to open its first phase of retail space this year with a lineup that includes F45 Training, 5Point Credit Union, Crust Pizza Co., Pacific Dental Services, Taco Bell, McDonald's, Mister Car Wash, Sport Clips and Nails of America.

The Allen Lifestyle Pavilion

SEC Allen Parkway & Gillett
Houston

The anchor tenant for The Allen Lifestyle Pavilion is EoS Fitness (formerly Texans Fit), which is set to open 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 Frwy
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, bar, ice cream parlor, playground and a 36-hole golf course.

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, and golf-focused entertainment concept PopStroke is also under construction.

The Grove at Harper's Preserve

SWC SH-242 & Harper's Trace
Conroe

The small-shop retail, with tenants including Mayweather Boxing + Fitness, Thrive Massage, Pet Supplies Plus, Heartland Dental, Jersey Mike's Subs and AT&T, is set to open in summer 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. Life Time Shenandoah has announced a late 2023 opening.

APPENDIX C: HOUSTON CONSTRUCTION

RETAIL SET FOR COMPLETION IN 2024 OR LATER

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.

Home Depot

NWC Cane Island
Pkwy & Kingsland Blvd
Katy

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

Audubon Retail Development

SWC FM 1488 & Mill Creek Rd
Magnolia

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.

Katy Boardwalk District

Kingsland Blvd south 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.

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 announced retail concepts like Broham Fine Soul Food & Groceries, Lick Honest Ice Creams and URBN Dental. East River 9, a nine-hole golf course and driving range, opened at the project opened in 2022.

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.

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.

APPENDIX D: SAN ANTONIO CONSTRUCTION

KEY RETAIL PROJECTS FOR 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, set for completion in late 2023, features approximately 60,000 square feet of multi-tenant retail plus pad users including Chick-fil-A, P. Terry's and Dutch Bros Coffee. Inline retail includes Jersey Mikes, Tiffs Treats, Credit Human and The UPS Store.

The Shops at Babcock

Loop 1604 & Babcock Rd
San Antonio

The Shops at Babcock, peripheral to H-E-B, is adding 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.

The Shops at Sawmill Glade

Old FM 471 & Sawmill Glade
San Antonio

The center features two buildings totaling approximately 35,000 square feet set for completion in the second half of 2023.

151 Square

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.

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, is expanding with a multi-tenant building for small-shop tenants. The expansion is adding approximately 8,750 square feet to the existing community center.

APPENDIX D: SAN ANTONIO CONSTRUCTION

RETAIL SET FOR 2024 OR LATER

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.

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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