

SURVEY REPORT

SHOPPING CENTER

2020

REVIEW & FORECAST



In 2019, we learned you can never count retail out! Our Texas markets posted some of their best results on record, thanks to retail's ability to evolve with a focus on the customer. In Austin, Dallas-Fort Worth, Houston and San Antonio, we've seen our markets achieve remarkable stability and growth.

Thanks to this market strength, we enter this new decade knowing that we can face whatever challenges lie ahead, because we are Texas Strong.

Sincerely,

**HERBERT D. WEITZMAN**

Executive Chairman

“

2020 WILL BEGIN A NEW  
DECADE OF GROWTH,  
INNOVATION AND RETAIL  
EVOLUTION IN TEXAS.

”

2020

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# AUSTIN



**BLENDERS & BOWLS  
LEASED A SECOND-  
GENERATION SPACE AT  
4200 NORTH LAMAR.**

## AUSTIN'S LIMITED RETAIL CONSTRUCTION, STEADY LEASING CONTINUE TO DRIVE UP OCCUPANCY

Austin's traditionally strong occupancy maintained its healthy streak during 2019, and steady leasing and backfilled vacancies helped the year end with higher occupancy despite a slight dip at mid-year.

As of year-end 2019, the Austin-area retail market showed an overall occupancy rate of approximately 96.0 percent, up from 95.4 percent at mid-year 2019.

Despite the near record-high occupancy, retail construction in metro Austin remains extremely limited compared to previous decades. Reasons for this include the fact that new projects are often mixed-use or neighborhood-oriented, so they tend to be smaller than the malls of the '80s, the power centers of the '90s or the expansion of Walmart Supercenter, SuperTarget and other supersized concepts during the 2000s.

Land and construction costs, and the high rental rates they would require to make a project work, also can make anything but the most home-run projects difficult to economically justify.

The market also sees projects come online in phases, as is the case of Saltillo,

which opened a small-shop phase this year and will add two anchors in 2020. The market also has essentially eliminated spec space, which often accounted for a notable amount of new space during Austin's retail construction peak years.

Additionally, the nationwide market has seen a contraction in construction drivers like department stores and power retailers. Those that do expand often open smaller stores; for example, the new 2020 Target in Austin is set to be around 26,000 square feet, compared to the retailer's more traditional size of around 100,000 square feet.

To illustrate how significant the construction slowdown is, we looked at

new space built from 2000 to 2009 and compared it to the new space added from 2010 to 2019.

From 2000 through 2009, the Austin market added a total of 20.6 million square feet, with much of it in grocery, superstore and power anchored projects.

From 2010 to 2019, the market only added 8.5 million square feet, with much of it in mixed-use, specialty and other smaller projects.

For 2019, the Austin-area retail market added only 433,000 square feet in new and expanded retail projects with 25,000 square feet or more. The market also saw a number of sub-25,000-square-foot unanchored strips, but these were too



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small for our survey requirements. However, construction in 2020 is on track to increase due to the number of grocery stores in the works, along with their peripheral retail space.

The market also will see a number of larger mixed-use projects open, including Music Lane on South Congress.

The extremely conservative market for new construction, along with steady leasing, has kept the overall Austin-area retail market remarkably tight, with the city's central core and strongest submarkets in active suburban markets reporting near-full occupancy.

Weitzman reviews an Austin-area retail space inventory of 50.0 million in retail projects with 25,000 square feet or more.

#### KEY VACANCIES FIND NEW TENANCY

Construction also was kept in check because expanding national box retailers have been able to expand by backfilling large existing vacancies. However, the supply of these large vacancies is becoming extremely limited, especially

for well-located space, which should put upward pressure on new development.

During 2019, for example, existing market vacancies have been leased for new locations for leading retail concepts including AMC, Marshalls, Natural Grocers, Punch Bowl Social and others.

#### BACKFILLED OR REDEVELOPED RETAIL SPACES IN 2019 INCLUDE:

- **Planet Fitness**, which leased 20,000 square feet in part of a downsized Kohl's located at 1245 S. SH-193 in Leander;
- **Pinstack**, a bowling alley/entertainment/dining destination, which leased part of a former Sears box located in Tech Ridge Center at 500 Canyon Ridge Drive in Austin;
- **Punch Bowl Social**, an entertainment concept that in 2020 will open in 22,000 square feet of street-level and below-ground retail space in the Scarbrough Building in downtown Austin. The space was formerly occupied by Brooks Brothers and Gold's Gym;
- **Natural Grocers**, which opened in a 14,000-square-foot space in mixed-use project The Triangle. The space, formerly occupied by OfficeMax, is located at 4615 N. Lamar Boulevard
- **Marshalls**, which opened in a 20,000-square-foot junior anchor space formerly occupied by Staples in the Shops at Arbor Trails, a regional-draw center located at 4301 W. William Cannon at MoPac and anchored by Costco and Whole Foods Market;
- **PGA Superstore**, which in June 2019 opened in an approximately 30,000-square-foot space in the Shops at Arbor Walk. The space was formerly occupied by Sam Moon;
- **Goodwill**, which opened a new 24,000-square-foot store during the second half of 2019 in Northwood Plaza, a retail center located at 2900 W. Anderson Lane in Austin. The location previously was occupied by Stein Mart;
- **AMC**, with a 45,000-square-foot cinema in part of a Sears department store that closed in 2018 at N. IH-35 and Parmer Lane;
- The vacant Sears at **Hancock Center**, on East 41st Street at IH-35, which is slated for non-retail redevelopment as office space;
- **H-E-B**, which has announced plans to open a store at Lake Austin Boulevard

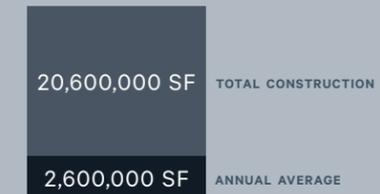
at Guadalupe Street. Natural Grocers relocated from its longtime home at 3901 Guadalupe Street;

## DECADE-TO-DECADE COMPARISON

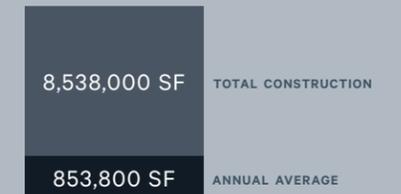
### 2010-2019: A decade of declining construction

Year-end 2019 marked the end of a decade when metro Austin retail construction dropped by more than half when compared to the previous decade.

### 2000-2009



### 2010-2019



and Exposition Boulevard in West Austin at the location of a Randalls grocery store. The UT System board of regents authorized the agreement with H-E-B, as the property is owned by the University of Texas. The future H-E-B is set to open in 2021.

#### RESTAURANT MARKET

The Austin area's restaurant market remains extremely active, and second-generation space is typically re-leased quickly when it's in strong locations.

Key restaurant leases include Blenders & Bowls, which leased a former juice store space at 4200 North Lamar; K BBQ, a Korean-style barbecue restaurant, and BBQ Chicken, a fried chicken concept, which leased at The Crescent at Airport Boulevard and North Lamar; Fresco, which leased at The Lyndon; mud bugs ~a Cajun joint-, which leased in the historic Buda Mill & Grain redevelopment in Buda; Lin Asian Bar, which opened in the former Rounders Pizza on West 6th; True Food Kitchen at Domain I; Honest Mary's, which is opening a second area location on Burnet Road; Rosedale Kitchen at mixed-use Lamar Central; Salt Traders Coastal Cooking, which opened in a former Texas Land & Cattle at 1101 South MoPac; Kerbey Lane Café, which in 2020 will open in space now leased by Saltgrass Steakhouse in San Marcos; High Note, a healthy modern concept from the owners of Kerbey Lane Café, with a location at 300 S. Lamar; Perry's Steakhouse & Grille at The Domain; Tacodeli at 301 Congress Avenue in downtown Austin; Backyard Bar & Grill, which leased at Southpark Meadows III; Sway in Westlake; Pinthouse Pizza and Torchy's Tacos in Round Rock; four new locations for Wing Stop; and numerous others.

#### CONSTRUCTION FOR 2019 REMAINS LIMITED

The market's healthy occupancy outlook also is aided by limited demand-based new construction that comes online significantly or fully occupied.

Austin, which as recently as a decade ago would annually add as much as 4 million square feet or more of new retail space, has not seen annual construction reach the 1-million-square-foot threshold since 2016.

The 2019 total of 433,000 square feet of new space, for example, represents a decline from 2018's construction total of approximately 670,000 square feet.

The tight market for Class A small-shop space is resulting in a number of two-or-three-tenant strip centers in strong trade areas with limited retail space. While these projects do not meet the 25,000-square-foot threshold to be included in Weitzman's inventory numbers, they do represent the trend of small projects designed to meet demand for Class A space in tight market areas.

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

#### AUSTIN RENTAL RATES

Rental rates in the Austin area retail market are steady with limited increases for the best-located spaces.

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

location within a center.

- For small-shop space in anchored Class A projects, rates range from the mid-\$30s per square foot per year to \$40 per square foot or higher for the best-located centers with strong traffic and co-tenancy. However, small-shop space in well-located new construction is reaching rates that are considerably higher, often in the \$50-per-square-foot range or more;
- Averages for Class B small-tenant rates are posting from the low-to-high-\$20-per-square-foot-per-year range and can climb in the \$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.

#### OUTLOOK FOR CONTINUED GROWTH

The greater Austin market currently enjoys a strong economy, with an extremely low unemployment rate under 3 percent, a strong housing market and an investment market that has been named the best overall retail real estate investment and development market in the U.S. for 2020.

Based on this economic strength, all signs point to continued health for the Austin-area retail market.

**SOUTHPARK MEADOWS PHASE III** SAW NOTABLE LEASING ACTIVITY IN 2019, WITH NEW TENANTS INCLUDING RAW FITNESS, BACKYARD BAR & GRILL AND PRICKLY PEAR PET CARE.



# DALLAS - FORT WORTH



**FRISCO TRAILS,** ANCHORED BY COSTCO AND HOME DEPOT, WILL ADD A NEW RESTAURANT PARK IN 2020.

## D-FW REPORTS HIGHEST RETAIL OCCUPANCY IN FOUR DECADES

### CONSTRUCTION REMAINS REMARKABLY CONSERVATIVE

Dallas-Fort Worth's retail market ended 2019 with 93.0 percent occupancy, the highest recorded since 1981 for the Metroplex's massive inventory of retail space. In 1981, the previous high point, the market reported 94.8 percent occupancy.

The market's continued improvement in occupancy, which began in 2013, is a result of strong leasing in existing retail centers, backfilling of mall and power-retail anchor vacancies and a conservative development climate that impacts overall occupancy.

Another reflection of the market's stability is the fact that 2019 is the seventh consecutive year of D-FW retail occupancy above 90 percent. When occupancy reached 90 percent in 2013, it marked the first time that point was reached in a decade.

More importantly, submarket by submarket, D-FW's retail sector achieved a record high during 2019. As of year-end, 36 of D-FW's 42 submarkets reported occupancy above 90 percent. That exceeded the previous record of 32 submarkets set in 2018.

A decade ago, at the end of the recession, only 17 submarkets reported occupancy that reached or exceeded 90 percent.

The strong improvement in submarket-level occupancy is proof that D-FW's retail stability is marketwide and not limited to just a handful of well-performing areas.

### CONSTRUCTION REMAINS REMARKABLY CONSERVATIVE

During 2019, construction in new and expanded retail centers totaled only 1,823,374 square feet, compared to 3,501,897 square feet in 2018.

The new space deliveries in 2019 are especially conservative for a market that is a national economic leader in both job and population growth.

But they do reflect a nationwide and statewide trend of limited anchor expansions, existing project

redevelopments and mixed-use and unanchored retail projects (which tend to be under 100,000 square feet) designed to meet the demand for the new generation of boutique fitness, restaurant and other shop-space users.

For example, the average size for a new retail project in 2019 was 64,600 square feet. A decade earlier, the average size of a new center was 124,300 square feet.

Conservative construction helps avoid the overbuilding that marked previous periods of strong retail market performance.

But it also reflects the continued contraction of retail due to several factors, including the "Amazon effect" whereby more than 10 percent of all retail sales happen online.



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Additionally, flat rental rate growth can delay or cancel planned retail projects because achievable rental rates, especially those from junior-anchor tenants, don't justify the developers' investments.

The 2019 Survey & Forecast is based on Weitzman's review of a total D-FW retail market inventory of 200,453,321 square feet of space in projects with 25,000 square feet or more – the largest retail inventory for any metro area in Texas. This past year marks the first time D-FW's total retail inventory reached the 200-million-square-foot mark.

Weitzman surveys 1,427 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 2019, the occupancy rate in the Dallas area was 93.2 percent, compared to 92.8 percent at year-end 2018. The rate is based on a review of 997 projects with a total market inventory of 137.7 million square feet.

The occupancy rate in the Fort Worth area was 92.6 percent, compared to 92.1 percent at year-end 2018. The rate is based on 430 retail projects with a total

inventory of 62.8 million square feet.

## OCCUPANCY BY CENTER CATEGORY

**Community Centers** – 93.7 percent (compared to 94.1 percent at year-end 2018) based on an inventory of 75.7 million square feet.

- This category, typically anchored by a grocer, is the market's largest in terms of inventory, which makes its strong occupancy especially important. A decade ago, as community centers were beginning a tenant-mix transformation from traditional retail small-shop co-tenants (jewelers, shoe shops, apparel) to service-oriented co-tenancy, the category posted only 86 percent occupancy.
- Today, the transition to service-focused, Internet-resistant tenancy has stabilized the category into one of the strongest in D-FW thanks to healthy demand for small-shop space from active categories like restaurants, services, fitness, health, beauty and medical tenants.
- Community centers reported limited construction, with a new 55,000-square-foot Tom Thumb that opened in Heath, an 80,000-square-foot H-E-B that opened in the Weatherford submarket, and a 28,000-square-foot Sprouts in

Mesquite that is scheduled to open its doors in early 2020.

**Neighborhood Centers** – 90.4 percent (90.2 percent at year-end 2018) based on an inventory of 41.0 million square feet.

- Neighborhood centers are typically unanchored centers of 25,000 square feet to around 100,000 square feet. A decade ago, this was D-FW's worst-performing category with only 82 percent occupancy.
- For 2019, this category achieved its highest-ever occupancy thanks to the demand for small-shop space coming from restaurant, service, medical and dental, beauty and boutique fitness tenants, among others. These categories are for the most part Internet-resistant.

**Power Centers** – 95.1 percent (93.1 percent at year-end 2018) based on an inventory of 43.2 million square feet.

- The Power category, traditionally anchored by big-box category-killer power retailers, saw vacancy increase by 600,000 square feet in 2018 due to the failure of Toys "R" Us and Babies "R" Us. The decline was reversed in 2019, however, as power vacancies found new tenancy with expanding non-power discount and fitness concepts like Burlington and Urban Air Adventure Park. These new leases resulted in
- power center net leasing of 586,159 square feet.
- The backfilled power-retail boxes include new Burlington leases including a 41,100-square-foot former Toys "R" Us at 2871 Preston Road in Frisco; a 37,005-square-foot former Toys "R" Us in the Village at Allen, located at US-75 and Stacy Road in Allen; and a 40,000-square-foot junior anchor space at 1701 Preston Road in Plano.
- Other power vacancies were backfilled by Dick's Sporting Goods, which relocated its North Dallas location to a 72,500-square-foot former Toys "R" Us location at 9358 North Central Expressway in Dallas; Ollie's Bargain Outlet, a Pennsylvania-based retailer, which in the first half of 2019 opened in a 45,373-square-foot former Toys "R" Us location along IH-35 North near Vista Ridge Mall in Lewisville; and Fit Factory, a Boston-based fitness concept, with three new locations in D-FW in existing space, including the 28,500-square-foot former Toys "R" Us in MacArthur Crossing, at IH-635 and MacArthur Boulevard in the Las Colinas area of Irving; the 34,550-square-foot former Toys "R" Us at 320 Winecup Way at Firewheel Town Center in Garland; and a 36,900-square-foot junior anchor space at Whole Foods-anchored



**IRVING TOWNE CENTER** REFLECTS THE TREND OF WELL-LOCATED RETAIL CENTERS BEING REMODELED TO REMAIN RELEVANT FOR TODAY'S CUSTOMERS.

Colleyville Downs, located at 4801 Colleyville Boulevard in Colleyville.

- Additionally, Pottery Barn Outlet opened in a 52,000-square-foot former Gander Mountain at Center Street and IH-20 in South Arlington. Another vacant Gander Mountain was leased by Fellowship Church, a Grapevine-based congregation, which took the 60,000-square-foot space at Eldorado Parkway and Dallas North Tollway in Frisco. And Urban Air Adventure Park leased an approximately 31,000-square-foot former Gander Mountain near Town East Mall in Mesquite.

**Malls** – 90.6 percent (88.75 percent at year-end 2019) based on an inventory of 22.3 million square feet.

- After two years of declining occupancy, the mall category saw occupancy climb during 2019. The widespread closing of Sears anchor stores saw overall mall occupancy in D-FW fall below 90 percent for the first time ever in 2018. However, this past year saw two of the Sears, as well as other vacant mall anchors, backfilled with new tenancy that included discount retailers, food concepts and fitness uses. For example:

- Conn's took 50,000 square feet of vacancy created by Sears, and Fitness Connection took 56,000 square feet of vacancy created by DSW, at Golden Triangle Mall in Denton;
- UT Southwestern and Parkland Hospital, two leading medical centers, announced plans to open in southern Dallas' RedBird Mall, which is being converted to a mixed-use project. UT Southwestern plans to open offices and an outpatient center in a 150,000-square-foot Sears store that closed in 2019, and Parkland plans to take about 43,000 square feet in a department store space that's been vacant for more than a decade;
- Famed food hall concept, Eataly, will open in 2020 in 32,000 square feet at North Dallas' NorthPark Center mall that was formerly occupied by home furnishings retailer Pirch;
- Athletic Apex took 60,000 square feet of vacancy created by Neiman Marcus closing at Ridgmar Mall in Fort Worth;

MALL OCCUPANCY INCREASED IN 2019. FOR EXAMPLE, DENTON'S GOLDEN TRIANGLE MALL SAW NEW ANCHOR TENANCY WITH CONN'S AND FITNESS CONNECTION.





**GRAPEVINE TOWNE CENTER, WHICH COMPLETED A RENOVATION IN 2019, HAS ATTRACTED NEW TENANCY INCLUDING CJ'S SOUTHERN KITCHEN.**

- Zion Market grocery and restaurant hall opened in 150,000 square feet of vacancy created by Sears at Music City Mall in Lewisville.

The mall market also benefits new construction at the area's stronger malls, such as Kidzania at Stonebriar Centre in Frisco and Equinox high-end health club at The Shops at Willow Bend in Plano, as well as the redevelopments of struggling projects RedBird Mall and Collin Creek Mall into mixed-use developments with a heavy focus on residential.

However, one key reason mall performance has improved is that the space today is concentrated in stronger malls due to the demolition of the market's weaker malls.

Twenty years ago, for example, D-FW had 25 mall properties. That number has since declined to 17 due to failed malls being demolished or slated for redevelopment. D-FW's mall inventory is likely to decline more in future years since the outlook for Class B- malls remains challenged due to the loss of department store anchor tenancy, but their locations often justify redevelopment for multi-family or mixed-use projects.

**Mixed-use Retail** – 94.0 percent, on par with year-end 2018, based on an inventory of 9.2 million square feet of retail space in projects that include retail

components of 25,000 square feet or more along with other commercial and residential space.

- The Mixed-use category has remained stable in terms of occupancy, thanks in part to tenant mixes that are experiential through heavy concentrations of restaurants and entertainment uses.
- Key mixed-use leases included the fully leased new retail line-up at Downtown Dallas mixed-use project The Union's 85,000 square feet of retail space, Hero 25,000-square-foot restaurant and sports bar at Victory Park and Jose Eber Salon at West Plano Village.

**ABSORPTION REMAINS POSITIVE**

Strong absorption, which is a measure of net leasing, is helping D-FW reach its current record level of occupancy. In a nutshell, absorption measures net leasing demand by using a formula to determine the net change in occupancy for existing plus new space.

For 2019, 1,891,467 square feet of space was absorbed in D-FW, compared to 2,813,414 square feet in 2018.

Absorption was a strong 1,798,344 square feet in the Dallas-area market, thanks in part to strong net leasing in markets such as Lewisville/Flower Mound, Frisco,

McKinney and others. In fact, 26 of the Dallas area's 30 submarkets report strong occupancy of 90 percent or more.

While every submarket in the Fort Worth area except one had strong occupancy above 90 percent, net leasing was flat. The smaller Fort Worth market reported net leasing of only 93,123 square feet. The flat absorption can be attributed in part to Sears vacating its 164,000-square-foot store at North East Mall in Hurst and vacancies such as Punch Bowl Social in the West Seventh district.

**IN A LOW CONSTRUCTION MARKET, DEVELOPERS TURN TO REDEVELOPMENTS**

With the continued growth in established neighborhoods, developers increasingly have turned to redevelopments to create modern shopping environments that will attract expanding tenants.

The improved health and occupancy of existing centers is a major reason that the D-FW market continues to report its highest occupancy rates in years.

**EXAMPLES OF REDEVELOPMENTS INCLUDE:**

- Fielder Plaza in Arlington, which saw a major renovation that added a new facade, new lifestyle elements and other improvements, as well as a remodeled anchor, Tom Thumb grocery;
- Wynnewood Village, first built in 1949 and one of the oldest retail centers in Dallas, which is undergoing a major renovation and re-tenancing project. A new fitness anchor, LA Fitness, opened in a newly constructed building (which replaced demolished office space) in late 2019, and other new leases include a 15,000-square-foot children's activities center;
- Grapevine Towne Center, a 500,000-square-foot Target-anchored project that in late 2019 wrapped up an extensive renovation that upgraded the facade, lighting, signage and other key elements and added a full lifestyle package that included arbors, seating, greenspace and landscaping. New leases at Grapevine Towne Center include CJ's Southern Kitchen;
- Costco, which opened in a long-vacant big-box store on Park Lane near Greenville Avenue for its second location in Dallas proper. The new

Costco backfilled a 133,000-square-foot Sam's Club, which closed in 2011 to relocate to a new shopping center nearby;

- Irving Towne Center, which in 2020 will begin a redevelopment that will add key new facade elements, new lighting and signage, lifestyle elements and other improvements. The center's anchor, Target, also will undergo an exterior remodel;
- Central Market, which plans a major mixed-use tower with approximately 150,000 square feet of retail space at the site of a closed grocery store at McKinney Avenue and Lemmon Avenue in Uptown Dallas.

**OUTLOOK FOR 2020 INCLUDES INCREASED OCCUPANCY, SLIGHT INCREASE IN RETAIL CONSTRUCTION**

For 2020 and beyond, several major new projects are in the works, but we expect most of these centers to come online in phases, which will help ensure strong occupancy and keep overbuilding in check.

Overall, we expect 2020 to see construction of approximately 1.9 million square feet, based on projects under

way or announced for completion. The largest projects include Epic West Towne Crossing, a power center in Grand Prairie; The Shops at Chisholm Trail, a power center in Fort Worth; the expansion of Grandscape in The Colony, which will include more than 200,000 square feet of entertainment space added to the existing project; and the expansion of the Shops at Willow Bend mall with Cinépolis luxury cinema.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's economy, which still ranks as one of the strongest in the U.S. in terms of population and job growth. The metro area added 132,000 new residents, per the most current Census data, and job growth of 3.1 percent leads the country, according to the Bureau of Labor Statistics. BLS's most current jobs report states that, from August 2018 to August 2019, D-FW added nearly 120,000 new jobs.

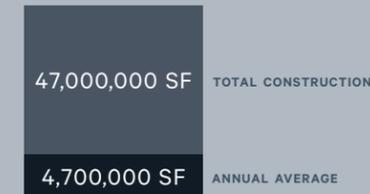
And as retail is parasitic to residential, we forecast that 2020 will end with occupancy of 95 percent. With the market's expected economic, job, and residential growth, we see this occupancy forecast as realistic.

**DECADE-TO-DECADE COMPARISON**

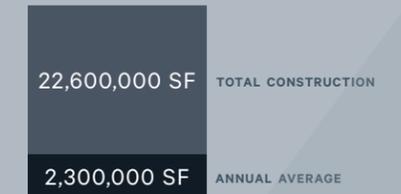
**2010-2019: A decade of declining construction**

Year-end 2019 marked the end of a decade when D-FW retail construction dropped by more than half when compared to the previous decade.

**2000-2009**



**2010-2019**



## D-FW RENTAL RATES

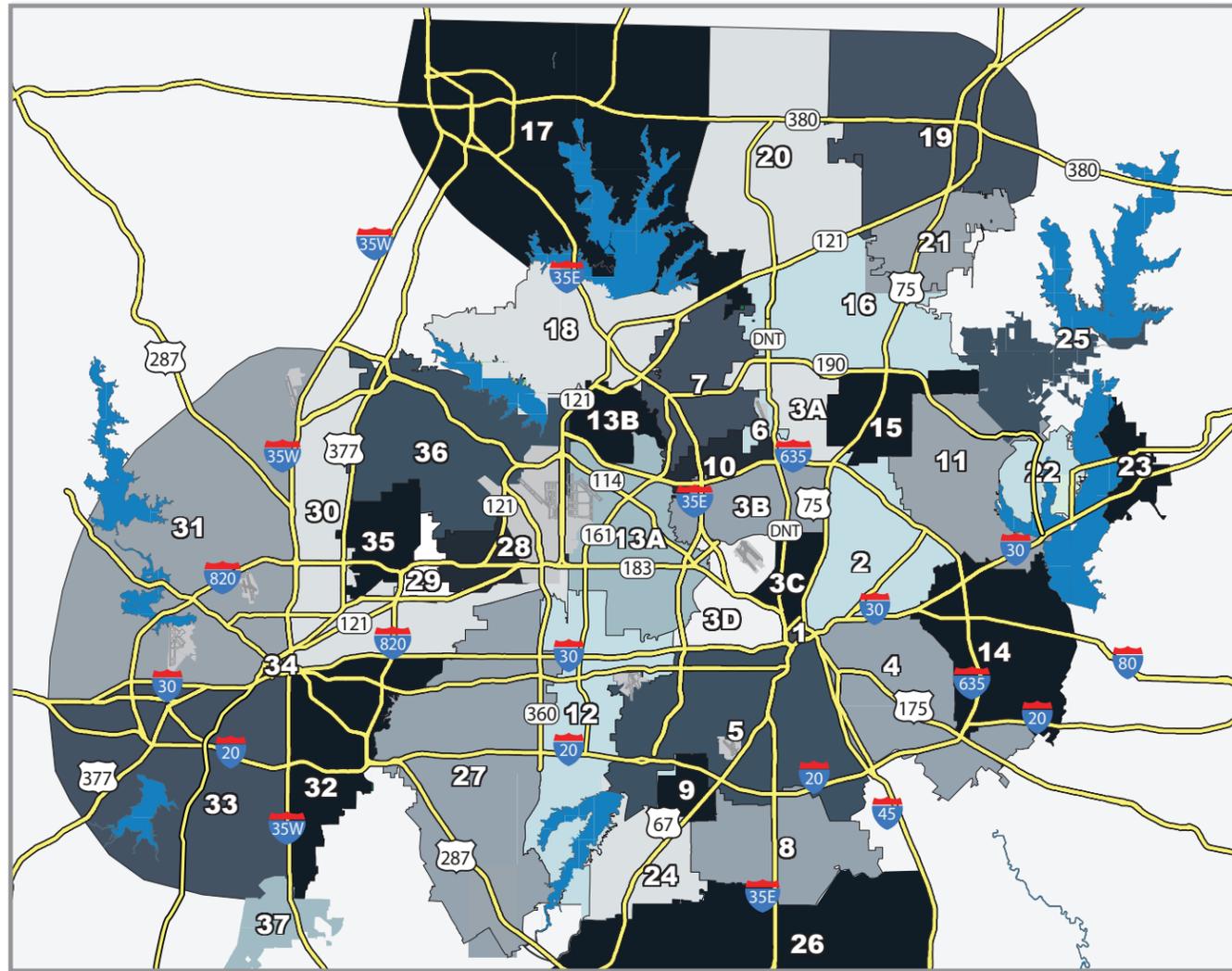
SECTOR	NAME	CLASS A	CLASS B	CLASS C
1	Dallas CBD	\$38	\$24	\$12
2	Northeast Dallas	\$35	\$23	\$10
3A	Far North Dallas	\$29	\$19	\$14
3B	North Dallas	\$43	\$26	\$17
3C	Park Cities/Oak Lawn	\$62	\$30	\$24
3D	West Dallas	\$32	\$18	\$10
4	Southeast Dallas	\$15	\$10	\$7
5	Southwest Dallas	\$20	\$14	\$7
6	Addison	\$34	\$22	\$11
7	Carrollton	\$30	\$18	\$12
8	DeSoto/Lancaster	\$18	\$12	\$8
9	Duncanville	\$20	\$14	\$9
10	Farmers Branch	\$28	\$17	\$10
11	Grand Prairie	\$34	\$20	\$10
12	Irving	\$34	\$20	\$13
13A	Coppell	\$32	\$22	\$12
13B	Mesquite/Balch Springs	\$27	\$16	\$10
14	Richardson	\$34	\$22	\$15
15	Plano	\$46	\$30	\$12
16	Denton	\$30	\$23	\$12
17	Lewisville/Flower Mound	\$34	\$23	\$12
18	McKinney	\$37	\$25	\$15
19	Frisco	\$38	\$25	\$17
20	Allen	\$34	\$21	\$12
21	Rowlett	\$30	\$17	\$9
22	Rockwall	\$32	\$19	\$11
23	Cedar Hill	\$32	\$18	\$121
24	Murphy/Wylie/Sachse	\$28	\$17	\$10
25	Garland	\$34	\$21	\$11
26	Northern Ellis County	\$32	\$16	\$10
DALLAS AVERAGE		\$32	\$20	\$15
27	Arlington	\$32	\$20	\$11
28	Bedford/Euless	\$28	\$21	\$12
29	Hurst	\$28	\$15	\$10
30	Northeast Fort Worth	\$30	\$16	\$8
31	Northwest Fort Worth	\$28	\$16	\$9
32	Southeast Fort Worth	\$18	\$14	\$7
33	Southwest Fort Worth	\$35	\$23	\$12
34	Fort Worth CBD	\$32	\$22	\$13
35	North Richland Hills	\$26	\$19	\$8
36	Northeast Tarrant County	\$38	\$25	\$15
37	Burleson	\$24	\$15	\$11
38	Weatherford	\$24	\$16	\$8
FORT WORTH AVERAGE		\$29	\$19	\$10
DFW AVERAGE		\$31	\$20	\$14

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

## DALLAS-FORT WORTH SUBMARKET SUMMARY

NAME	YE 2018 (GLA (SF))	YE 2018 VACANCY (SF)	YE 2018 % VACANCY	YE 2019 GLA (SF)	YE 2019 VACANCY (SF)	YE 2019 % VACANCY	
1	Dallas CBD	627,204	91,717	14.62%	712,204	120,853	16.97%
2	Northeast Dallas	9,888,831	843,963	8.53%	9,888,004	827,372	8.37%
3A	Far North Dallas	6,267,852	592,316	9.45%	6,265,488	584,237	9.32%
3B	North Dallas	5,762,464	245,530	4.26%	5,762,464	216,158	3.75%
3C	Park Cities/Oak Lawn	3,308,505	109,947	3.32%	3,262,005	117,797	3.61%
3D	West Dallas	550,849	32,344	5.87%	550,849	36,144	6.56%
4	Southeast Dallas	1,861,017	50,471	2.71%	1,919,855	110,238	5.74%
5	Southwest Dallas	7,408,032	1,150,014	15.52%	7,428,271	640,288	8.62%
6	Addison	1,316,502	209,619	15.92%	1,333,221	135,320	10.15%
7	Carrollton	3,142,455	178,105	5.67%	3,142,455	264,554	8.42%
8	Desoto/Lancaster	2,055,606	172,640	8.40%	2,055,606	245,174	11.93%
9	Duncanville	1,444,174	178,550	12.36%	1,444,174	70,097	4.85%
10	Farmers Branch	1,081,672	34,777	3.22%	1,081,672	97,901	9.05%
11	Garland	7,590,811	576,792	7.60%	7,590,811	496,004	6.53%
12	Grand Prairie	4,115,058	64,935	1.58%	4,413,354	221,541	5.02%
13A	Irving	7,747,429	819,241	10.57%	7,745,933	567,614	7.33%
13B	Coppell	853,480	98,102	11.49%	880,480	126,680	14.39%
14	Mesquite/Balch Springs	5,315,277	474,707	8.93%	5,315,277	539,175	10.14%
15	Richardson	4,100,976	197,865	4.82%	4,100,976	333,011	8.12%
16	Plano	14,922,328	1,024,510	6.87%	14,957,328	1,152,096	7.70%
17	Denton	6,713,880	151,490	2.26%	6,783,766	149,565	2.20%
18	Lewisville/Flower Mound	10,299,314	1,092,620	10.61%	10,299,314	741,558	7.20%
19	McKinney	4,785,481	101,335	2.12%	5,007,386	106,766	2.13%
20	Frisco	8,476,546	480,161	5.66%	8,645,546	529,030	6.12%
21	Allen	5,264,782	443,805	8.43%	5,264,782	411,719	7.82%
22	Rockwall	2,149,019	62,995	2.93%	2,204,019	101,592	4.61%
23	Rowlett	1,488,989	61,181	4.11%	1,488,989	103,319	6.94%
24	Cedar Hill	2,665,273	118,234	4.44%	2,665,273	111,301	4.18%
25	Murphy/Wylie/Sachse	2,460,765	110,144	4.48%	2,729,714	116,594	4.27%
26	Northern Ellis County	2,761,240	107,781	3.90%	2,761,240	78,494	2.84%
DALLAS		136,425,811	9,875,891	7.24%	137,700,456	9,352,192	6.79%
27	Arlington	14,189,370	1,050,148	7.40%	14,417,774	1,100,690	7.63%
28	Bedford/Euless	3,169,439	86,996	2.74%	3,184,439	272,662	8.56%
29	Hurst	3,756,360	233,232	6.21%	3,756,360	308,982	8.23%
30	Northeast Fort Worth	4,470,049	358,845	8.03%	4,470,049	212,212	4.75%
31	Northwest Fort Worth	7,324,032	459,645	6.28%	7,378,632	600,499	8.14%
32	Southeast Fort Worth	1,681,452	147,842	8.79%	1,681,452	227,230	13.51%
33	Southwest Fort Worth	10,568,185	811,600	7.68%	10,608,185	1,020,901	9.62%
34	Fort Worth CBD	391,800	45,434	11.60%	391,800	27,811	7.10%
35	North Richland Hills	3,292,649	477,217	14.49%	3,334,649	243,564	7.30%
36	Northeast Tarrant Co.	9,694,739	498,673	5.14%	9,694,739	542,054	5.59%
37	Burleson	2,078,016	40,652	1.96%	2,078,016	38,272	1.84%
38	Weatherford	1,676,770	86,559	5.16%	1,756,770	68,847	3.92%
FORT WORTH		62,292,861	4,296,843	6.90%	62,752,865	4,663,724	7.43%
GRAND TOTAL		198,718,672	14,172,734	7.13%	200,453,321	14,015,916	6.99%

# 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

# DALLAS-FORT WORTH - ABSORPTION & CONSTRUCTION

NAME	2019 ABSORPTION (SF)	2019 CONSTRUCTION* (SF)
1 Dallas CBD	55,864	85,000
2 Northeast Dallas	15,764	
3A Far North Dallas	5,715	
3B North Dallas	29,372	
3C Park Cities/Oak Lawn	-54,350	
3D West Dallas	-3,800	
4 Southeast Dallas	-929	58,838
5 Southwest Dallas	529,965	20,239
6 Addison	91,018	16,719
7 Carrollton	-86,449	
8 Desoto/Lancaster	-72,534	
9 Duncanville	108,453	
10 Farmers Branch	-63,124	
11 Garland	80,788	
12 Grand Prairie	141,690	298,296
13A Irving	250,131	
13B Coppell	-1,578	
14 Mesquite/Balch Springs	-64,468	
15 Richardson	-135,146	
16 Plano	-92,586	35,000
17 Denton	71,811	69,886
18 Lewisville/Flower Mound	351,062	
19 McKinney	216,474	221,905
20 Frisco	120,131	169,000
21 Allen	32,086	27,000
22 Rockwall	16,403	55,000
23 Rowlett	-42,138	
24 Cedar Hill	6,933	
25 Murphy/Wylie/Sachse	262,499	268,949
26 Northern Ellis County	29,287	
<b>DALLAS</b>	<b>1,798,344</b>	<b>1,325,832</b>
27 Arlington	177,862	228,404
28 Bedford/Euless	-170,666	15,000
29 Hurst	-75,750	
30 Northeast Fort Worth	146,633	
31 Northwest Fort Worth	-86,254	54,600
32 Southeast Fort Worth	-79,388	
33 Southwest Fort Worth	-169,301	40,000
34 Fort Worth CBD	17,623	
35 North Richland Hills	275,653	42,000
36 Northeast Tarrant Co.	-43,381	
37 Burleson	2,380	
38 Weatherford	97,712	80,000
<b>FORT WORTH</b>	<b>93,123</b>	<b>460,004</b>
<b>GRAND TOTAL</b>	<b>1,891,467</b>	<b>1,785,836</b>

\* New construction of 25,000 square feet or more; some construction represents expansion space

# HOUSTON



H-E-B IS HOUSTON'S MOST ACTIVE RETAIL ANCHOR. SHOWN IS **THE JUNCTION AT DEER PARK**, OPENED IN 2015. FUTURE PHASES FOR THE CENTER ARE IN THE WORKS.

## HOUSTON SEES NEW RETAIL DELIVERIES DECLINE SIGNIFICANTLY, OVERALL OCCUPANCY CLIMB

Houston's retail market as of year-end 2019 reports an occupancy rate of 95.0 percent, which represents an increase in occupancy due to the steady backfilling of large vacancies, limited new construction that opens well leased and a lack of major store closings during the year.

Occupancy had previously declined to a still-healthy rate of 94.0 percent due to multiple store closings from Sears and Toys "R" Us during 2018. Fortunately, 2019 has not seen a repeat of that level of retail failures.

Overall, the retail market's occupancy remains among of the healthiest recorded for the metro Houston retail market, which currently incorporates a total inventory of 162.1 million square feet in retail projects of 25,000 square feet or more.

Occupancy is boosted by the market's steady retail demand, which is absorbing vacancies in existing retail properties at a steady clip in a market with conservative new construction.

Examples of key retail leasing in existing retail spaces for 2019 include:

- D1 Fitness, which leased an approximately 6,100-square-foot vacant space in a Lowe's-anchored center at Highway 59 and Sweetwater Boulevard in Sugar Land;
- Planet Fitness and La Michoacana, which will backfill a redeveloped former grocery store site at New Caney Shopping Center at the southeast corner of Highway 59 and FM 1885 in New Caney. The new concepts, to open in 2020, will occupy space that once housed Brookshire Brothers grocery;
- Hobby Lobby, which leased an approximately 48,000-square-foot former Toys "R" Us in Fairway Center at Beltway 8 and Fairmont Parkway in Pasadena;
- Ross Dress for Less, which opened in a 22,000-square-foot space in Cypress Pointe Shopping Center, located at 380 FM 1960 W. in Houston;
- El Rancho Supermercado, which opened in a former Randalls at North Fry and Morton Roads in Katy;
- Life Time Athletic, which opened an approximately 80,000-square-foot facility in the former Houston City Club in Greenway Plaza;
- Life Time Fitness, which will open in early 2020 in 56,000 square feet at GreenStreet, a mixed-use entertainment-focused project at 1201 Main Street in downtown Houston;



- Megacenter Willowbrook, a 236,000-square-foot redevelopment of a former Walmart Supercenter into retail space for fitness and entertainment uses, as well as office, coworking and other uses;
- Spec's Wine Spirits and Finer Foods, which leased a 12,000-square-foot space at Berry Farms Marketplace on Gosling Road in Spring;
- Duluth Trading Co., a retailer of casual and work wear, which opened its first Houston-area stores in early 2019 at Baybrook Mall in Friendswood and Katy Ranch Crossing in Katy;
- North Cypress Landing, a 70,000-square-foot retail redevelopment that transformed a vacant Randalls into a fully leased retail center. The largest tenant is Star Furniture & Mattresses, which opened in May 2019 at the center, located at 12312 Barker Cypress Road in Cypress;
- Urban Air Adventure Park, which backfilled a former 100,000-square-foot Home Depot located at 20251 Gulf Freeway in Webster;
- Urban Air Adventure Park, which took a 37,000-square-foot space at 17943 IH-45 S. in Shenandoah. The space was formerly occupied by Sam Moon Trading Co., which relocated within the same center;

- Salons by JC, which opened in a subdivided former Whole Foods at 11145 Westheimer Road in the Westchase District. The old Whole Foods was vacated when the store moved to a larger location across the street;
- A mixed-use development with approximately 45,000 square feet of retail space at the site of a vacant Toys "R" Us building off of IH-10, just east of Bunker Hill;
- Pinstripes, an approximately 34,000-square-foot entertainment concept that opened in the Kirby Collection, an upscale mixed-use project on Kirby Drive between Richmond Avenue and W. Alabama Street in Houston's Upper Kirby area;
- Memorial City Mall, which is in the works to redevelop its vacant Sears store and other space to create public space and entertainment uses, among others.

#### NEW CONSTRUCTION DROPS; GROCERS, ENTERTAINMENT, MIXED-USE RETAIL DRIVE NEW PROJECTS

In terms of new space in new and expanded projects, the Houston-area retail market added approximately 1,645,500 square feet of new retail space during calendar year 2019.

The space represents a significant slowdown from the 2.7 million square feet of space opened during 2018. The space



decline was expected, as several years of massive retail construction generated by the expansion of the Grand Parkway nears the end of its current cycle, as well as the limited number of new anchor stores (other than H-E-B) opening in market.

In terms of new construction during 2019, H-E-B was the most active anchor store, as noted in the Appendix. The market also saw new phases of existing projects, new entertainment anchors and a number of unanchored neighborhood centers in the 25,000-40,000-square-foot size range. (Weitzman tracks new construction of 25,000 square feet or more.)

While development has notably slowed in Houston's suburban markets, in part due to the slowdown in expansions from grocers other than H-E-B, the market inside the Loop is seeing increased activity in new retail. These new projects are often redevelopments of old industrial or other non-retail space and feature tenant mixes heavy on restaurant, entertainment and specialty users.

These urban projects include:

- Lower Heights District, a mixed-use project just south of IH-10 and Studemont Street near the Heights and the Washington Corridor. The project, with a portion of its retail opened in 2019 with Total Wine and Ulta, is designed to have as much as 200,000 square feet of retail and entertainment space upon completion;
- Sawyer Yards, an artist-focused urban redevelopment project at Edwards and Sawyers Streets in the midst of the Washington Avenue Arts District that previously opened a key retail component in 2016. New retail concepts at Sawyer Yards include a new virtual-reality entertainment concept, Loft18, which opened in October 2019. The Louisiana-based concept offers state-of-the-art golf simulator stalls, along with dining, bar service and live music. Additionally, Denver-based entertainment and dining venue Punch Bowl Social plans to open in 20,000 square feet at Sawyer Yards by year-end 2020;
- Regent Square, a mixed-use project on West Dallas Street that is underway

with its second phase, which will include 50,000 square feet of retail space to open in early 2021.

Several other major urban redevelopment projects, including M-K-T in the Heights, are on track to open during 2020.

#### CONSTRUCTION SLOWDOWN SPANS THE DECADE

As the decade ends, we compared the 2010-2019 period to the previous decade of 2000-2009.

Despite Houston's near record-high occupancy, retail construction in the metro area remains extremely limited compared to the previous decade. Reasons for this include the fact that new projects are often mixed-use or neighborhood-oriented, so they tend to be smaller than the power centers, malls and Walmart Supercenter, SuperTarget and other supersized concepts that opened during the market's peak construction years.

The market also sees projects come online in phases, as is the case of projects like the Lower Heights District, which will total more than 200,000 square feet upon completion but which opened only a handful of retailers this year.

The market also has essentially eliminated spec space, which often accounted for a notable amount of new space during the market's retail construction peak years.

Additionally, the nationwide retail market has seen a contraction in traditional construction drives like department stores and power retailers.

To illustrate how significant the construction slowdown is, we looked at near space built from 2000 to 2009 and compared it to the new space added from 2010 to 2019. The drop in construction is dramatic. From 2000-2009, the market added a total of approximately 39 million square feet, or an average of 3.9 million square feet a year. The highest construction total for the decade occurred in 2001, when 6 million square feet came online, and the lowest total was 2 million added in 2009.

From 2010-2019, the total new construction added during the decade dropped by more than half, to 18.6 million square feet. The highest construction total for the decade occurred in 2016, when 3.4 million square feet came online, and the lowest total was 600,000 square feet added in 2011 as the effects of the great recession lingered.

New retail for 2019, 2020 and beyond can be found later in this report in Appendix C.

#### RENTAL RATES

Rental rates in Houston remained stable during 2019, maintaining the gains they've achieved during the past two years. Rates can vary widely based on location, with projects in dense urban areas often commanding the highest rents in the market.

Demand for Class A space, especially inside the Loop, can result in small-shop rates in the best-located and newly constructed projects going as high \$50 to \$70 per square foot per year in the strongest and most affluent retail submarkets.

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

- Class A rates ranged from \$30 to the high \$30s on a per-square-foot-per-year basis, with rates for quality space inside the Loop typically rising above \$50 per square foot or more; Class B small-shop space rates ranged from the low to the high \$20-per-square-foot-per-year range; Class C small-shop rates typically were in the \$15-to-\$20-per-square-foot-per-year range.

These rates are average small-shop asking rates before any concessions or allowances, and rates at specific centers can be notably higher or lower depending on location, anchors, type of tenant, space sizes and demographics.

#### OUTLOOK REMAINS POSITIVE

Looking to 2020, the outlook for the Houston-area retail market remains strong. Leasing demand remains healthy, the market's best-located projects are essentially fully leased, and new tenancy continues to backfill the large box vacancies left by Toys "R" US and others. Additionally, Houston remains one of the country's most active residential markets, and the economy is creating new jobs as a steady clip.

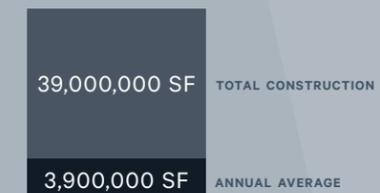
As always, vacancies in outmoded or poorly located centers will experience difficulties finding new tenancies. But with the outlook for positive economic and population growth, we expect to see a continuation of Houston's healthy retail market for 2020 and beyond.

### DECADE-TO-DECADE COMPARISON

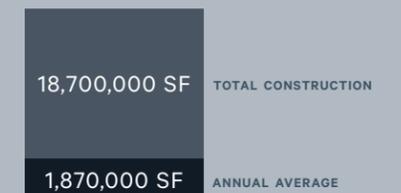
#### 2010-2019: A decade of declining construction

Year-end 2019 marked the end of a decade when metro Houston retail construction dropped by more than half when compared to the previous decade.

#### 2000-2009



#### 2010-2019



# SAN ANTONIO



IKEA OPENED IN 2019 AS THE FIRST ANCHOR FOR **LIVE OAK TOWN CENTER**. A 2020 PHASE WILL INCLUDE A RESTAURANT PARK.

## SAN ANTONIO RETAIL MARKET SEES OCCUPANCY BUMP AS A NUMBER OF LARGE LEASES ABSORB VACANT BOXES

San Antonio's retail market as of year-end 2019 maintained a healthy occupancy rate of 94.5 percent, up from 94.0 percent at year-end 2018. The occupancy increase occurred due to well-leased new construction that added to occupancy, as well as steady leasing of both shop space and anchor space that absorbed key vacancies throughout the market.

The occupancy rate is based on a review of San Antonio area multi-tenant shopping centers with 25,000 square feet or more conducted by Weitzman. The review is based on a San Antonio inventory of approximately 47 million square feet of retail space.

Due to the limited construction during the past year, available space in well-located centers was used as an opportunity for national and regional retailers to expand.

Examples of backfilled anchor, junior anchor and shop spaces include:

- Bed Bath & Beyond, buy buy Baby and Tru Fit Athletic Clubs, which in 2020 will open in the former Sears space in the 201 Central Park project at Loop

410 and San Pedro Avenue, across from North Star Mall;

- Conn's HomePlus, which opened in an approximately 50,000-square-foot former Toys "R" Us/Babies "R" Us anchor store at The Forum at Olympia Parkway, a large regional-draw project located at the quadrant of IH-35 and Loop 1604;

- America's Incredible Pizza Co., a Missouri-based family entertainment concept, which leased 73,000 square feet in a long-vacant big-box retail building at 2015 SW Loop 410. The concept relocated a smaller San Antonio location to the new space;

- Conn's, which opened in an approximately 37,000-square-foot former Fallas discount store in Crosstown Shopping Center located in 4807 Commerce Street on the West Side;

- Burlington, which in 2020 will open in the former Babies "R" Us location at The Rim, a major regional-draw center located along IH-10 near The Shops at La Cantera;

- H&M, which opened in 20,700 square feet at Ingram Park Mall;

- Urban Air Adventure Park, which leased approximately 26,000 square feet at 165 SW Military Drive and approximately 28,000 square feet at 618 NW Loop 410 in Park North;



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.

- Planet Fitness, which opened in approximately 13,000 square feet in a retail center at 2315 SW Military Drive;
- Orangetheory Fitness, which expanded in 2019 with locations that included 6482 N. New Braunfels Avenue, 13433 San Pedro Avenue and 320 E. Basse Rd;
- Torchy's Tacos, a popular concept based in Austin, with a third area location in the Sonterra area near Loop 1604 West. Torchy's opened in approximately 6,800 square feet of second-generation restaurant space. A fourth location is planned for a new retail project in 2020;
- Ida Claire, a Dallas-based Southern cooking restaurant, which opened in a 6,300-square-foot second-generation restaurant space at 7300 Jones Maltsberger Road for its first San Antonio location;
- Pluckers Wing Bar, a popular Austin-based concept, which opened its second location at North Loop 1604 and IH-10 during the second half of 2019.

#### AS THE DECADE ENDS, SAN ANTONIO REPORTS DRAMATIC DECLINE IN CONSTRUCTION

San Antonio's retail market has improved its performance and overall strength

**BOERNE STAGE CROSSING, ANCHORED BY WALMART, WILL EXPAND IN 2020 WITH SMALL-SHOP SPACE FOR CHICK-FIL-A AND OTHERS.**



during the past decade, largely thanks to conservative construction, steady leasing and a healthy metro economy.

Since 2019 ends a decade, we looked at the past 10 years of construction and compared it to the previous decade's totals. The comparison shows a dramatic decline in new retail space. From 2000-2009, the market added a total of 17,658,300 square feet. During this most recent decade, from 2010 to 2019, the total dropped by nearly 11 million square feet to a 10-year total of 6,784,300 square feet.

The impact of conservative construction and steady leasing demand also has boosted occupancy compared to a decade ago. In 2009, the Alamo City reported an occupancy rate was 89.9 percent.

A decade later, as of year-end 2019, occupancy is up by nearly 5 percentage points.

#### MARKET SEES NEW DELIVERIES JUMP, BUT STILL REMAIN CONSERVATIVE ON A HISTORIC BASIS

In terms of new space, San Antonio is seeing a notable construction increase this year compared to last, with new deliveries on track to be nearly three times higher compared to last year.

During 2018, the market reported only 275,000 square feet of new retail space. In 2019 a single retailer exceeded that total - the 289,000-square-foot IKEA that opened as the first major anchor for Live Oak Town Center at the quadrant of IH-35 and Loop 1604.

During 2019, the metro San Antonio market reported approximately 868,400 square feet in new and expanded projects of 25,000 square feet or larger.

Even with the increase compared to 2018, the construction total remains remarkably low for a tight retail market in a metro with a strong economy. As noted previously, from 2000 to 2009, the average construction in the market equaled around 1.8 million square feet annually, compared to an annual average of 669,300 square feet from 2010-2019.

As the comparison shows, San Antonio is experiencing a period of extremely conservative construction, especially for a market with high occupancy and a healthy overall economy.

#### CONSTRUCTION DECLINE REFLECTS NATIONWIDE TRENDS

The dramatic drop in overall construction can be accounted for several reasons:

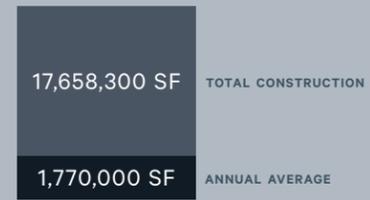
- New projects are often neighborhood-oriented, so they tend to be smaller

## DECADE-TO-DECADE COMPARISON

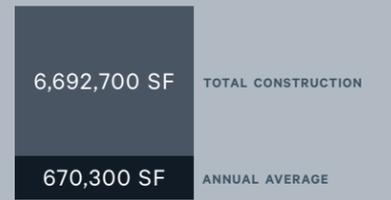
### 2010-2019: A decade of declining construction

Year-end 2019 marked the end of a decade when metro San Antonio retail construction dropped by more than half when compared to the previous decade.

### 2000-2009



### 2010-2019



than the power centers of the '90s and the malls of the '80s and the expansion of Walmart Supercenter, SuperTarget and other supersized concepts during the 2000s.

- Projects typically come online in phases, as is the case of Live Oak Town Center, whose first phase added IKEA to the market in 2019. Future phases, to be spread out over several years, will bring the project to more than 800,000 square feet. But on an annual basis, the total space added will be a fraction of that.
- The market has essentially eliminated speculative space, which often accounted for a notable amount of new space during San Antonio's retail construction peak years.
- Additionally, the nationwide retail market has seen a contraction in traditional construction drivers like department stores and power retailers. And those that do add new locations often go into existing spaces, as is the case of Bed Bath & Beyond and others in San Antonio's current market.

#### RENTS REMAIN STEADY BUT INCREASED TRIPLE-NET COSTS RAISE EFFECTIVE RATES

San Antonio, which currently reports some of its highest-ever average retail rents, is maintaining the increase gained over the past two years. Overall rents remain steady compared to a year ago, although the best-located spaces and new construction saw increases due to demand at a time of scarce supply. Rates, exclusive of triple nets, for centers by grade:

- Average Class A asking rents for small-shop in-line spaces in the market's strongest centers, including new construction, ranged from \$28 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-\$25-per-square-foot range;
- Class C asking rates were in the \$12-to-\$16-per-square-foot range.

The reported rates are average asking rates and do not take into consideration concessions or triple nets. Higher property valuations and higher property taxes can significantly increase triple-net costs for tenants, which raises effective rates. Asking rates can be higher or lower depending on location, co-tenancy, center condition and other factors.

## APPENDIX A: AUSTIN CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2019

<b>Bluebonnet Plaza</b> NWQ Highway 29 & Wolf Ranch Pkwy Georgetown	A power-anchored project at the northwest quadrant of Highway 29 and Wolf Ranch Parkway in Georgetown. The first anchor, Academy, opened a 63,000-square-foot store in late 2019. Future phases are in the works.
<b>Wolf Crossing</b> IH-35 & West University Ave Georgetown	Wolf Crossing opened its first retail during the second half of 2019, with additional retail underway to open in 2020. Concepts opened or opening in Wolf Crossing include Goodwill, Jason's Deli, P Terry's, Firestone, Club Pilates, Salons by JC and several others.
<b>South Congress Station</b> S Congress Ave near Slaughter Ln Austin	This project, peripheral to the under-construction South Congress H-E-B, opened with a 32,000-square-foot Gold's Gym, as well as Pet Supermarket, DECA Dental, Schlotzsky's and others.
<b>Saltillo</b> 5th St between IH-35 & Onion St Austin	This mixed-use project in East Austin opened with a first phase that included a number of restaurant concepts, including Hopdoddy Burger Bar, brunch chain Snooze, Chipotle, Dolce Neve and several others. A 30,000-square-foot Whole Foods store and a 26,000-square-foot small-format Target store will open in 2020 or later.
<b>Lantana Place</b> Southwest Pkwy & William Cannon Austin	A first phase of the retail center, anchored by a 39,000-square-foot Moviehouse & Eatery, opened during the second quarter of 2018. The project for 2019 added additional retail, restaurant and medical space.
<b>LA Fitness</b> S Bagdad & FM 1431 Cedar Park	The gym opened a new 34,000-square-foot facility in Cedar Park Plaza, a retail project located at Whitestone Boulevard and Bagdad Road.
<b>CityView</b> South Congress Ave & Academy Dr Austin	A mixed-use office and retail project, adjacent to the under-construction Music Lane. CityView's retail anchor, the first Austin location for Equinox luxury fitness, opened in December 2019.
<b>St. Elmo Public Market</b> South Congress Ave & Industrial Blvd Austin	This 40,000-square-foot specialty marketplace features multiple small spaces for local restaurant and retail uses. The location also will include office, apartment and hotel uses set for completion by 2020.
<b>The Lyndon Springtown</b> Springtown Way at Thorpe Lane San Marcos	This mixed-use project's street-level retail space, set beneath student housing, features approximately 32,000 square feet of retail space for Tiff's Treats, Hopdoddy Burger Bar, a nail salon and other concepts.

### KEY RETAIL PROJECTS FOR 2020 OR LATER

<b>H-E-B</b> West Slaughter Ln & IH-35 Austin	H-E-B is set to open an approximately 130,000-square-foot store at this location south of downtown during 2020.
<b>H-E-B Lake Austin</b> 715 S Exposition Blvd Austin	H-E-B will open this 110,000-square-foot store in 2021.
<b>H-E-B</b> SEC U.S. Highway 290 & FM 1826 Austin	The H-E-B, in Austin's Oak Hill community, will bring online a 90,000-square-foot store in late 2020 or early 2021 to replace the existing Oak Hill store.

## APPENDIX A: AUSTIN CONSTRUCTION

<b>H-E-B</b> South Congress Ave & Oltorf Austin	This new 100,000-square-foot store is planned for 2022 and will replace a smaller existing store that opened in 1957. In addition to H-E-B, a substantial multi-tenant retail component is planned.
<b>Music Lane</b> South Congress Ave near Academy Dr Austin	This 163,000-square-foot project will open in 2020 with a line-up that includes Soho House, an upscale, members-only club, and a number of restaurants. These will join shadow-anchor Equinox, a high-end gym, which opened its first Austin location adjacent to Music Lane in December 2019.
<b>Presidio</b> West Parmer Ln south of RM 1431 Cedar Park	The first phases of this mixed-use project included office space, residential lofts and retail with concepts such as Mandola's Italian Market. A projected 2020 retail phase is adding approximately 45,000 square feet and entertainment anchor Alamo Draffhouse.
<b>iSports Training &amp; Performance Center</b> US-183A toll road & Scottsdale Dr Cedar Park	This sports and entertainment-focused project, which will total more than 200,000 square feet and include entertainment, retail, restaurant and multispecialty sports space, is set for completion in 2020.
<b>The Grove at Shoal Creek</b> 45th St & Bull Creek Rd Austin	This mixed-use project will include residential and office space, with plans for as much as 140,000 square feet of retail space. The project's retail component will start coming online in 2020.
<b>Pflugerville Heights</b> SWC Pflugerville Pkwy & Heatherwilde Pflugerville	Pre-leasing is currently underway for this planned 28,000-square-foot multi-tenant center.
<b>Northline</b> U.S. Highway 183A & San Gabriel Pkwy Leander	This major transit-oriented mixed-use project set to start coming online in 2022. The multi-year project is planned for approximately 120,000 square feet of retail space, which is to include a cinema, a fitness facility and a grocery store, among other options. Northline is also slated to include residential, office and civic space.
<b>Costco</b> NWC IH-35 & Lakeway Dr Georgetown	Costco plans a 158,000-square-foot store in Georgetown. No timing has been set for the new store.
<b>The District</b> SH-45 & N Greenlawn Blvd Round Rock	This planned mixed-use project is designed to incorporate office, residential, hospitality and retail space and could total 1 million square feet upon completion. No completion date has been set.
<b>Arbor Park Shopping Center</b> 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.
<b>Hummingbird</b> 1608 South Congress Ave Austin	This three-story mixed-use project includes street-level and second-story retail space, as well as other uses. The project has an announced completion in 2020.
<b>Palo Verde at Steiner Ranch</b> 3800 Steiner Ranch Blvd & N Quinlan Park Blvd Austin	This planned mixed-use project's first phase is a proposed two-story mixed-use building with more than 35,000 square feet, to be joined by two additional future buildings.
<b>Austin American-Statesman Site</b> 305 South Congress Ave Austin	This location, just south of Lady Bird Lake and Downtown Austin, is the location of a proposed 3.5-million-square-foot mixed-use project with a retail component. No dates have been announced for groundbreaking.

## APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2019

<b>Epic West Towne Crossing</b> SH-161 at Mayfield Rd Grand Prairie	A regional-draw center anchored by Ross, Ulta, Burlington, Conn's, Burke's Outlet, HomeGoods, Michaels, Dollar Tree and others.
<b>Heath Crossing</b> Laurence Road/FM 740 & FM 549 Heath	The community center opened with a 55,000-square-foot Tom Thumb, and small-shop retail is under way.
<b>Stonebriar Centre</b> SH-121 & Dallas North Tollway Frisco	The mall opened the first U.S. location for international entertainment concept Kidzania. The 80,000-square-foot experiential learning experience for children opened in newly constructed space in late 2019.
<b>The Union</b> 2300 North Field St Dallas	The mixed-use project at the edge of downtown Dallas opened retail space with Tom Thumb and restaurants including The Henry and North Italia.
<b>The Shops at Broad Phase 2</b> NEC Highway 287 & Broad Street Mansfield	For 2019, Belk, T.J.Maxx and Flix Brewhouse joined a line-up that includes Academy and At Home.
<b>Kroger Marketplace</b> 18901 N Lake Forest Dr McKinney	The approximately 126,000-square-foot Kroger Marketplace opened in January 2019.
<b>Alamo Drafthouse</b> 8380 Davis Blvd North Richland Hills	The cinema in April 2019 opened its first Tarrant County location in a 42,000-square-foot venue in North Richland Hills.
<b>Cinemark</b> 5959 U.S. 380 Frisco U.S. 380 & Hardin Blvd McKinney	During the first half of 2019, Cinemark opened a 10-screen venue with dining and bar options in Frisco and a 14-screen cinema in McKinney. The Frisco location includes adjacent small-shop retail.
<b>Academy Sports &amp; Outdoors</b> SEC FM 423 & US 380 Frisco	The sporting goods retailer opened a new 63,000-square-foot store.
<b>24 Hour Fitness Kessler Park</b> 2300 Fort Worth Ave Dallas	The fitness facility opened a new 37,000-square-foot facility in the Oak Cliff area of Dallas.
<b>LA Fitness at Wynnewood Village</b> 655 W Illinois Ave Dallas	The 34,000-square-foot LA Fitness opened in new space at the historic Wynnewood Village in the Oak Cliff area of Dallas. The gym's construction took place at the site of a demolished office building.
<b>Urban Air</b> 9157 Harmon Rd, Presidio Junction Fort Worth	The entertainment concept opened two 40,000-square-foot locations in newly constructed space added to existing retail projects.
5425 Columbus Trail Fort Worth	
<b>H-E-B</b> 100 Hudson Oaks Dr Hudson Oaks	H-E-B opened an 80,000-square-foot store in the Fort Worth-area Weatherford submarket.

## APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2020 OR LATER

<b>Shops at Chisholm Trail Ranch</b> SEC Chisholm Trail Pkwy & McPherson Blvd, Fort Worth	This power center is designed to have approximately 225,000 square feet of retail space for concepts including Studio Movie Grill, Ross, Old Navy, Marshalls, Ulta, Petco and several others. The project is slated for a 2020 opening.
<b>Gates of Prosper Phase 2</b> NEC Preston Road & U.S. 380 Prosper	The second phase, with approximately 250,000 square feet, will join Walmart, DSW, Dick's Sporting Goods, Ross and others at the regional-draw center.
<b>Grandscape</b> 5600 Nebraska Furniture Mart Dr The Colony	Grandscape, anchored by Nebraska Furniture Mart, in 2020 will add Andretti Indoor Karting & Games, with 110,000 square feet, and an 85,000-square-foot Galaxy Theatres, along with restaurants such as Thirsty Lion, Walk-On's and more. Scheels, a 331,000-square-foot sporting goods store, will also open in 2020.
<b>Shops of Willow Bend Cinépolis</b> 6121 W Park Blvd Plano	The luxury cinema is set to join the upscale mall's lineup in 2020.
<b>Main Event at Epic West</b> 3102 S Highway 161 Grand Prairie	The family activities center will open a 48,000-square-foot location in early 2020 in the Epic West Towne Crossing project.
<b>Frisco Trails</b> SEC Dallas North Tollway & Eldorado Pkwy Frisco	Frisco Trails, anchored by Costco and Home Depot, will break ground in 2020 on the final phase of this 400,000-square-foot regional draw project at one of D-FW's strongest intersections. The expansion, to total approximately 33,000 square feet, is designed as a restaurant park to serve the exploding West Frisco population.
<b>Tom Thumb</b> Live Oak St & Texas St Dallas	An urban Tom Thumb store is planned in street-level retail space in a 10-story apartment tower.
<b>The Realm at Castle Hills</b> SH-121 near Josey Ln Lewisville	This mixed-use project is under way with work on two phases. The first phase opened in 2019, and the second phase for 2020 will include street-level retail situated beneath office and multi-family space.
<b>Sprouts Mesquite</b> 1220 North Town East Blvd Mesquite	The 28,000-square-foot Sprouts Farmers Market is scheduled to open its new Mesquite store in March 2020.
<b>Spring Creek Frisco</b> SH-121 & W Spring Creek Pkwy Frisco	This planned mixed-use project will include a mix of uses including 80,000 square feet of retail space.
<b>Glade &amp; Heritage Retail</b> 4908 Heritage Ave at Glade Rd Colleyville	This small-shop center, shadow-anchored by Target, is designed to total 27,600 square feet.
<b>Field Street District</b> Field Street at McKinney Ave Dallas	This 1.2-million-square-foot mixed-use project in Downtown Dallas is designed to have approximately 40,000 square feet of retail and restaurant space, in addition to office, residential and hotel space. Groundbreaking is set for the second half of 2020.
<b>Central Market Mixed-use</b> McKinney Ave & Lemmon Ave Dallas	The redevelopment of a long-closed Albertsons for a high-rise office development will incorporate approximately 150,000 square feet of retail anchored by Central Market. No groundbreaking date has been set.

## APPENDIX C: HOUSTON CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2019

<b>H-E-B in the Heights</b> 2300 N Shepherd Dr Houston	The 92,000-square-foot two-story H-E-B store opened during the first half of 2019 in Houston's urban Heights neighborhood.
<b>H-E-B Buffalo Heights</b> Washington Ave & S Heights Blvd Houston	This urban store is part of the mixed-use Buffalo Heights project. The 96,000-square-foot store anchors the street-level retail in the multi-family first phase of Buffalo Heights District development.
<b>H-E-B Market at Northpark</b> 19529 Northpark Dr near Highway 59 Kingwood	A 102,000-square-foot H-E-B store opened as anchor for Kingwood Place.
<b>H-E-B MacGregor Market</b> North MacGregor Way & SH-288 Houston	A 90,000-square-foot store, located across from Hermann Park in Houston, opened in late 2019.
<b>H-E-B</b> 10200 Texas 242 Conroe	H-E-B opened as the anchor for The Market at Harper's Preserve, a new community retail center in Conroe. The 102,000-square-foot store opened in December 2019, and additional retail and restaurant space is in the works adjacent to H-E-B.
<b>Whole Foods Midtown</b> 515 Elgin Houston	A 40,000-square-foot store opened in street-level retail below Pearl Marketplace in Midtown, an eight-story residential and mixed-use project in urban Houston.
<b>University Commons Phase II</b> US 59 University Blvd Sugar Land	The 109,000-square-foot expansion of this center included a 30,000-square-foot Sprouts Farmers Market that opened in early 2019.
<b>Lake Woodland Crossing</b> Lake Woodlands Dr & Grogan's Mill Rd The Woodlands	The tenant mix of this approximately 63,000-square-foot center inside The Woodlands Town Center includes a 25,000-square-foot Total Wine and several others.
<b>Creekside Park West</b> Creekside Forest Dr & W Harmony Place The Woodlands	The first phase of the development includes a 42,000-square-foot Cinépolis Luxury Cinemas.
<b>Brazos Town Center</b> NWQ & SWQ US-59 & FM 762 Rosenberg	The center, one of the largest non-mall centers in the Houston market, constructed new junior anchor space for Old Navy.
<b>The Grid</b> U.S. 69 & West Airport Blvd Stafford	This mixed-use project will open in phases through 2022 at the site of a former TI campus. The first retail concepts for The Grid include Houston's first In-N-Out Burger, as well as Whiskey Cake Kitchen & Bar, Pluckers, Outback Steakhouse and others, all of which opened in 2019. Future retail concepts include a cinema, fitness user and entertainment concepts.
<b>District West</b> Westpark Tollway near Peek Rd Katy	The project's first phase includes Star Cinema Grill. Upon completion, District West could include as much as 500,000 square feet of mixed-use retail, office, healthcare and other space.
<b>CityPlace at Springwoods Village</b> IH-45 North & Grand Pkwy Spring	The retail space includes Star Cinema Grill and a 38,000-square-foot 24 Hour Fitness, as well as small-shop space.
<b>Cypress Marketplace</b> Barker Cypress Rd & US-290 Cypress	The center at the northwest corner of Barker Cypress Road and the Northwest Freeway includes an 88,000-square-foot At Home home decor superstore, which opened in June 2019, and a 148,000-square-foot Costco.

## APPENDIX C: HOUSTON CONSTRUCTION

<b>Katy Grand</b> Grand Pkwy & Katy Freeway Katy	The center's newest phase opened its first tenants such as 85C Bakery during the first half of 2019. The phase is joining existing anchor Cinemark.
<b>MetroPark Square</b> IH-45 & SH-242 Shenandoah	This mixed-use entertainment-focused project includes an AMC 10-screen cinema and a Dave & Buster's.
<b>336 Marketplace</b> I-45 South & S Loop 336W Conroe	The 336 Marketplace project expanded with a 45,000-square-foot Dick's Sporting Goods.
<b>Sawyer Yards</b> Sawyer St at Winter St Houston	Sawyer Yards is an existing urban project in a historic neighborhood of Houston that includes a mix of converted warehouse space and new construction, which is expanding in 2019 and 2020. In 2019, Sawyer Yards' expansion included an approximately 28,000-square-foot brewery and restaurant called Buffalo Bayou Brewing Co.
<b>American Furniture Warehouse</b> IH-45 near NASA Bypass Webster	This large-format furniture retailer opened its first area location in late 2019 in Webster. The Webster facility incorporates approximately 355,000 square feet total, with a retail showroom of around 100,000 square feet.
<b>Park Air 59</b> US-59 near Will Clayton Pkwy Humble	This mixed-use development in Humble includes an 80,000-square-foot Floor & Décor.
<b>Riverstone Place Shopping Center</b> University Blvd & LJ Pkwy Sugar Land	Riverstone Place is a 28,000-square-foot neighborhood center.

### KEY RETAIL PROJECTS FOR 2020 OR LATER

<b>H-E-B Meyerland Plaza</b> W Loop 610 & Beechnut Dr Houston	A two-story Inner Loop store in the historic Meyerland Plaza, which first opened in the 1950s. The store, with more than 90,000 square feet, opens in early 2020.
<b>M-K-T</b> North Shepherd St at Sixth & Seventh Streets, Houston	This urban redevelopment project in the Heights is transforming aging warehouse buildings into a 200,000-square-foot mixed-use project that will have a significant retail and restaurant component, as well as office space. The project is set for completion in 2020.
<b>Grand Morton Town Center</b> Grand Pkwy & Morton Ranch Rd Spring	The center is expanding with approximately 66,000 square feet of retail space for Michaels, Petco, HomeGoods and others, set to open in 2020.
<b>Regal Benders Landing</b> 4495 Riley Fuzzel Rd Spring	An approximately 105,000-square-foot Regal Cinemas will open in the first quarter of 2020 at this location, adjacent to Birnham Woods Marketplace.
<b>American Furniture Warehouse</b> IH-10 & Pin Oak Rd Katy	This large-format retailer is set to open during 2020. The Katy facility will be approximately 500,000 square feet with an approximately 100,000-square-foot retail showroom.
<b>The Hub at Harvest Green</b> Grand Pkwy & W Airport Blvd Richmond	The first entertainment anchor announced at this upscale project will be the first Houston-area location for Flix Brewhouse, a cinema and microbrewery concept.
<b>The Market at Houston Heights</b> N Shepherd Dr Houston	This approximately 30,000-square-foot urban project is underway in the Heights for a 2020 completion. The small-shop specialty center features Phoenix-based Flower Child restaurant, CycleBar and Hemline specialty apparel.

## APPENDIX C: HOUSTON CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2020 OR LATER

<p><b>Memorial City</b> 2300 N Shepherd Dr Houston</p>	<p>This mixed-use project will include food concepts Kirby Ice House, Mia's Table and Torchy's Tacos.</p>
<p><b>Regent Square Phase II</b> West Dallas &amp; Dunlavy Streets Houston</p>	<p>This mixed-use apartment-and-retail development broke ground during the second half of 2019 with approximately 50,000 square feet of retail space.</p>
<p><b>H-E-B Fulshear</b> FM 359 (Main Street) &amp; FM 1093 Fulshear</p>	<p>H-E-B's second store in the Fulshear area is in the works.</p>
<p><b>Fulshear Marketplace</b> NEQ FM 1093 &amp; FM 359 Fulshear</p>	<p>This planned lifestyle center is to include approximately 70,000 square feet of retail, restaurant and other space.</p>
<p><b>The Grand at Aliana</b> NEC W Grand Pkwy S &amp; W Airport Blvd Richmond</p>	<p>This 200,000-square-foot project scheduled to open in the second half of 2020 with a line-up that includes 24 Hour Fitness, Michaels, Burlington and others.</p>
<p><b>Zadok Mixed-use</b> 1801 Post Oak Blvd Houston</p>	<p>This mixed-use project in Uptown Houston will include a 26,000-square-foot Zadok Jewelers showroom as well as an additional 11,000 square feet of multi-tenant retail.</p>
<p><b>The Residences at The Allen and Lifestyle Pavilion</b> SEC Allen Pkwy &amp; Gillette St Houston</p>	<p>This mixed-use project underway is near Buffalo Bayou Park and will include residential, office and hotel space, as well as the Lifestyle Pavilion with a fitness club and 52,000 square feet of retail and restaurant space. Completion for the Lifestyle Pavilion is set for late 2020 or early 2021.</p>

## APPENDIX D: SAN ANTONIO CONSTRUCTION

### KEY RETAIL PROJECTS FOR 2019

<p><b>Live Oak Town Center IKEA</b> SWQ Loop 1604 &amp; IH-35 Live Oak</p>	<p>IKEA opened its 289,000-square-foot store in February 2019 as anchor for Live Oak Town Center, which is to be built in phases. The next phase of retail will include a restaurant park for concepts including Olive Garden.</p>
<p><b>The Shops at Dove Creek</b> 415 W Loop 1604 S San Antonio</p>	<p>A power-focused retail center at Potranco Road and Loop 1604 in Far West San Antonio, where the first phase opened in 2019 with power-center anchor tenants including T.J.Maxx, HomeGoods, Ross Dress for Less and others.</p>
<p><b>Cibolo Entertainment District</b> Wiederstein Rd &amp; IH-35 Cibolo</p>	<p>Two entertainment destinations at the intersection include Cibolo Crossing, a mixed-use project at the southeast corner of the intersection with a Santikos 12-screen cinema, bowling, a bar and an arcade. The other is Wiederstein Ranch, a mixed-use development at the northeast corner anchored by EVO Entertainment.</p>
<p><b>The Market at Encino Park</b> SWC Bulverde Rd &amp; East Evans Rd San Antonio</p>	<p>The fully leased 25,000-square-foot neighborhood center's lineup includes a mix of boutique fitness, medical, dental and beauty services.</p>
<p><b>City Base Commons</b> 2322 SE Military Dr San Antonio</p>	<p>This approximately 54,400-square-foot retail project opened during the second half of 2019 with Raising Cane's, McAlister's Deli, Smoothie King and a number of others.</p>
<p><b>Northern Tool + Equipment</b> 2834 Goliad Rd San Antonio</p>	<p>The retail concept opened in a new freestanding 20,000-square-foot space in the center at Goliad Road near SE Military Drive.</p>

### KEY RETAIL PROJECTS FOR 2020 OR LATER

<p><b>Boerne Stage Crossing</b> IH-10 West &amp; Boerne Stage Rd Boerne</p>	<p>A new phase with Chick-fil-A, Bank of America, Super Cuts, AT&amp;T, and others is underway for completion in 2020. For 2021 or later, Santikos also plans a 10-screen cinema at Boerne Stage Crossing. The project's anchor is Walmart Supercenter.</p>
<p><b>Alamo Drafthouse</b> La Cantera Pkwy &amp; Loop 1604 San Antonio</p>	<p>The entertainment concept will open a 38,370-square-foot location in late 2020.</p>
<p><b>Flix Brewhouse</b> 345 Loop 1604 &amp; Potranco Rd San Antonio</p>	<p>Flix plans a 39,000-square-foot dine-in movie theater and brewery in the next phase of The Shops of Dove Creek.</p>
<p><b>La Cantera Heights</b> La Cantera Pkwy &amp; IH-10 San Antonio</p>	<p>This restaurant-focused center, peripheral to The Rim, is set to open in 2020 with La Panaderia, Thirsty Lion Gastropub, Burgerim, a grill and other concepts in a total of approximately 35,000 square feet.</p>
<p><b>The Shops at South Rim</b> Loop 1604 &amp; Vance Jackson San Antonio</p>	<p>This approximately 40,000-square-foot center is set to open in 2020 near the entrance to The Rim regional-draw center.</p>
<p><b>Gateway</b> Wurzbach Rd &amp; Fredericksburg Rd San Antonio</p>	<p>This mixed-use project with retail space is located in the Medical Center. Retail concepts at the center, scheduled to open in 2020, include Torchy's Tacos.</p>
<p><b>Fiesta Trails expansion</b> De Zavala &amp; IH-10 West San Antonio</p>	<p>The addition of two approximately 9,000-square-foot multi-tenant buildings are planned at Fiesta Trails Shopping Center. One is at the site of a demolished former Joe's Crab Shack, and the other is located adjacent to anchor Bob Mills Furniture.</p>
<p><b>University Village</b> UTSA Blvd &amp; IH-10 San Antonio</p>	<p>This mixed-use project on the Northwest Side is designed for more than 100,000 square feet of retail and restaurant space. The first phase of the project is designed for multi-family, office and hotel uses.</p>

NEIGHBORHOOD SHOPPING CENTER

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

COMMUNITY SHOPPING CENTER

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

POWER SHOPPING CENTER

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

MIXED-USE RETAIL

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

MALLS

REGIONAL SHOPPING MALL

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

OUTLET SHOPPING CENTER

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

SUPER-REGIONAL SHOPPING MALL

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



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 2019 may reflect adjustments made to previous reports.

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