

MID-YEAR RETAIL REPORT

THE
TEXAS

SNAPSHOT
2021

weitzman®



AUSTIN

AUSTIN RETAIL MARKET OCCUPANCY STABILIZES AS ECONOMY REBOUNDS FROM DEPTHS OF PANDEMIC

AUSTIN'S RETAIL MARKET AS OF MID-YEAR 2021 REPORTED A STABILIZED OCCUPANCY RATE OF 95.2 PERCENT, WHICH REPRESENTS THE END OF THE VACANCY INCREASES PROMPTED BY RETAIL CLOSINGS DURING THE WORST OF THE COVID-19 PANDEMIC IN 2020.

The occupancy rate is healthy and leads Texas' major-metro retail markets, even though it represents the traditionally tight market's second-lowest occupancy rate since 2013.

Weitzman reviews an Austin-area retail space inventory of approximately 51.4 million square feet in retail projects with 25,000 square feet or more.

The market's occupancy stabilized due to the overall tight market for retail space, a recovery in leasing activity that is helping absorb well-located vacancies and extremely limited construction that comes online significantly or fully leased. Also, the market hasn't seen the large-format store closings that occurred in 2020, when closures came from concepts from gyms to box stores like Bed Bath & Beyond.

MARKETWIDE, EXISTING VACANCIES FIND NEW TENANCY

During 2021, existing market vacancies found new tenancy from both large- and small-format concepts, especially for centers with good traffic and co-tenancy. This renewal of leasing demand following a slowdown that occurred during the depth of the pandemic is another reason for a return to stability in Austin's retail occupancy.

While the market at mid-year 2021 still reports small-shop vacancies due to failures caused by the COVID-19 pandemic fallout, it's expected that the majority of these remaining vacancies will be backfilled by year-end 2021.

Additionally, some retail inventory is being removed from the market, including the approximately 191,000-square-foot center Arboretum Crossing, where much of the available retail space is being converted for office use.

BACKFILLED RETAIL SPACES FOR 2021 INCLUDE:

- Conn's HomePlus, which backfilled a 40,000-square-foot retail space at Capital Plaza, a regional-draw shopping center at 5600 N. IH-35 that features Target, Ross, Boot Barn, Walgreens and others;
- Havertys Furniture, which will open a new store by year-end in an approximately 41,000-square-foot former Bealls space in Stone Hill Town Center in Pflugerville;
- Five Below, which is opening in fall 2021 at the Shops at the Galleria in Bee Cave in an approximately

11,000-square-foot former Pier 1 location;

- Aldi, which is opening a new Austin-area store in a 12,000-square-foot location at 936 W. University Avenue near IH-35 in Georgetown;
- dd's Discounts, which backfilled a 23,000-square-foot junior anchor space in Boardwalk Center, located at the northeast corner of IH-35 and SH-45 in Round Rock;
- Simi Estiatorio, a high-end restaurant offering modern Greek fare, which leased 4,206 square feet of street-level retail space in The Littlefield Building, a historic office building located at 106 E. 6th Street at its intersection with Congress Avenue. The space previously was home to Due Forni pizza-and-wine restaurant;
- J-Prime Steakhouse, offering prime steaks and seafood, which leased 9,739 square feet of street-level retail space in The Whitley, a high-rise mixed-use tower located at 301 Brazos Street at E. Third Street, for its first Austin location;
- Mason's Famous Lobster Rolls, a Maryland-based concept that is opening its first Texas location during the second half of the year in a space formerly occupied by Berry Austin at the Austonian high-rise in downtown Austin;
- Sammie's Italian Restaurant, which opened in the former location of the historic Hut's Hamburgers on West 6th Street;
- Tumble 22, which opened in a former Fuddruckers location on N. IH-35 in Round Rock. Via 313 Pizzeria took the space adjacent to Tumble 22;
- Hoots Wings, a quick-service wing concept from the Hooters team,

MID-YEAR COMPARISON

2011			2021		
41.4M	255K* SF	93.0%	51.4M	475* SF	95.2%
INVENTORY	CONSTRUCTION	OCCUPANCY	INVENTORY	CONSTRUCTION	OCCUPANCY
		*Annual			*Projected



Simi Estiatorio, a high-end Greek restaurant, leased street-level retail space in The Littlefield Building, a historic office building in downtown Austin.

which leased 2,256 square feet of existing space in Shops at Palm Valley, a neighborhood retail center in Round Rock, for one of its first Texas locations. Hoots also leased space in Century South on E. William Cannon Drive in Austin;

- Jack Allen's Kitchen, which leased a 6,500-square-foot former Logan's Roadhouse in 1890 Ranch Shopping Center at 1345 E. Whitestone Boulevard in Cedar Park. The location is Jack Allen's fifth in the Austin market;
- Canje, a Caribbean restaurant from the Emmer & Rye team, which will open this fall at 1914 East Sixth Street in the former Last Straw location;
- Sunny's Backyard, a vegan pub concept, which leased the former Hard Luck Lounge at 3526 East Seventh Street in Govalle;
- Capriotti's, which serves Delaware-style subs, which will open its first Austin-area location in an existing

space in Hill Country Galleria in Bee Cave;

- Abby's Crab Shack, which expanded into a total of 3,412 square feet at The Shops at Whitestone after first opening in a smaller space at the center during 2020. The Shops at Whitestone is located at the northwest corner of US 183 and FM 1431 in Cedar Park;
- Project Pollo, a San Antonio-based quick-serve vegan chicken concept, which leased space in West Anderson Plaza at 2438 W. Anderson Lane for its second Austin-area location;
- Kpotori, Austin's one-and-only K-pop and anime store, which leased 1,236 square feet of existing retail space at The Crescent, a specialty retail center located at 6929 Airport Boulevard, for the relocation of its store from Lakeline Boulevard;
- Bulevar Mexican Kitchen, which will backfill the longtime location of Z'Tejas, which closed at the end

of June 2021 at 9400 Arboretum Boulevard in The Arboretum in Austin. Z'Tejas will open a new 4,000-square-foot location at the site of the former The Rotten Bunch wine bar at 14900 Avery Ranch Boulevard;

- Fajita Pete's, a Houston-based Tex-Mex chain, which will open its first Austin-area location at Balcones Drive and RM 222. Additional locations are in the works;
- Local Foods, a Houston-based concept, which will open during the second half of the year in downtown's Second Street District;
- Skechers, a footwear retailer, which opened in a 9,400-square-foot building formerly occupied by Pier 1 at The Homestead, located at 14010 Highway 183 near Lakeline Mall;
- Furniture Mall of Texas, which opened in February 2021 in 95,000 square feet of retail space formerly occupied by Target in The Shops at Tech Ridge off IH-35 in North Austin.

LOW CONSTRUCTION CONTINUES, EVEN AS DEMAND INCREASES

During 2021, Austin is on track for another year of extremely limited construction, with an increase in deliveries on track for 2022. The majority of projects opening this year and next, however, have been in the planning stages for multiple years. This includes multi-tenant projects like The Oaks at Slaughter, which was first announced several years ago.

New projects often typically come online in phases over multiple years, which keeps new space firmly in line with demand and helps prevent an overhang of new, unleased space.

After reaching as high as more than 4 million square feet in the mid-2000s, annual space deliveries began a steady decline. For example, new space deliveries

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

For 2021, based on projects opening or on track to open during the calendar year, Austin's metro-area retail market is forecast to add approximately 475,000 square feet of retail space in new and expanded projects each totaling 25,000 square feet or more.

By comparison, during calendar-year 2020, metro Austin added a total of approximately 402,000 square feet of space in new and expanded retail projects.

In a five-year comparison, the Austin retail market from 2007 to 2011 added a total of 13,480,000 square feet of new retail.

For the five-year period on track to end December 31, 2021, Austin is adding only 2,587,000 square feet of new retail. To illustrate just how low the current five-year total is, the market added 4.2 million square feet in a single 12-month period in 2007.

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

AUSTIN RENTAL RATES

Asking rents overall remain firm, with increases seen for some high-quality space inside Austin's core trade area.

Effective rents, however, can be lower due to concessions such as free rent and finish-out allowances. In addition, some rents deferred to allow tenants to stay in

place during the pandemic are still to be collected.

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 low-to-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;

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 low \$30s;

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

While rents remain stable, the NNN charges are seeing increases, largely due to extremely high increases in taxable values for properties.

MARKET OUTLOOK STRONG, BASED ON ECONOMIC, RESIDENTIAL GROWTH

Austin's retail market is bolstered by the area's vibrant economy. New projects include the new 465,000-square-foot Major League Soccer stadium for Austin FC; key corporate moves like TikTok, which

is in the works with a major office location in downtown Austin; the new \$485-million Texas Children's Hospital complex in North Austin; the \$4.9-billion project to reconstruct IH-35 through Central Austin along with other major transportation projects; new downtown high-rise buildings, including as many as 10 new projects on track to open in 2021 alone; the new Tesla gigafactory to build its electric truck; the new \$1 billion, 3-million-square-foot Apple campus, which is expected to open in 2022; and other major new projects and developments.

The Austin area's housing market also remains extremely active, supporting the rule that retail benefits from rooftops. Metro Austin is reporting one of its most robust years ever for existing home sales and residential construction during 2021.

Thanks to the widespread distribution of vaccines, dramatically reduced new COVID-19 infections and the return of a sense of safety for shopping, dining and entertainment, we expect that the market will achieve close to full recovery by year-end 2021 and a return to the pre-pandemic retail occupancy rates and overall economic health by 2022.



Conn's HomePlus backfilled anchor space at Capital Plaza.

DALLAS – FORT WORTH

OCCUPANCY STABILIZES IN D-FW AS LEASING DEMAND RETURNS DURING YEAR OF RECORD-LOW CONSTRUCTION

DALLAS-FORT WORTH'S RETAIL MARKET AS OF MID-YEAR 2021 SAW OCCUPANCY STABILIZE AT 92 PERCENT, ON PAR WITH 91.7 PERCENT OCCUPANCY AT YEAR-END 2020. THE STABILIZATION REFLECTS A REVERSAL FROM THE PANDEMIC-INDUCED CHAIN STORE CLOSINGS OF 2020, WHICH CAUSED A NUMBER OF ALREADY-WEAK RETAILERS LIKE SEARS, STEIN MART AND PIER 1 TO CLOSE MOST – AND IN SOME CASES ALL – OF THEIR STORES.

For 2021, large-format closings have slowed significantly, with two store closures from Macy's in Denton and Lewisville.

The 2021 Mid-year Retail Report is based on Weitzman's review of a total D-FW retail market inventory of 200,953,396 square feet of space in projects with 25,000 square feet or more – the largest retail inventory for any metro area in Texas.

The year 2021, even with the vacancy overhang of pandemic-induced closures, is on track to be the ninth consecutive year for occupancy above 90 percent. In fact, occupancy dropped as low as 82.1 percent and never climbed higher than 89.3 percent during the entire 1990s decade.

As business returns to full capacity after nearly a year of pandemic-induced capacity restrictions, retailers and restaurants are seeing notable increases in traffic, with some centers reporting traffic doubling each month compared to 2020.

The market is also benefitting from the backfilling of available anchor stores,

absorbing several of the vacancies created in 2020, and an extremely conservative development climate that is driving demand to existing retail properties.

LEASING DEMAND INCREASES

Leasing in existing retail projects increased thanks to an economy that created demand through residential and population growth. The leasing in existing retail projects stabilizes occupancy, since these leases represent the absorption of existing space.

Notable new backfilled occupancy for 2021 include:

- Floor & Décor, which backfilled 84,071 square feet in a former Sears location at Golden Triangle Mall, a regional mall located at IH-35 and Loop 288. Conn's HomePlus opened in 2020 in the rest of the former Sears space;
- At Home, which will open in a 99,700-square-foot former JCPenney that closed in 2020

at Timber Creek Crossing at Skillman and Northwest Highway in Northeast Dallas.

- Dick's Sporting Goods, which in March 2021 opened a new 49,224-square-foot anchor store at Lakepointe Towne Crossing at 723 Hebron Parkway in Lewisville. The space formerly housed Gander Mountain Sports;
- Sprouts Farmers Market, which backfilled a former Stein Mart space at Hillside Village in East Dallas. The 22,282-space went dark in 2020 when Stein Mart closed its area stores;
- Macy's, which backfilled a 30,100-square-foot former Stein Mart at 6101 Long Prairie Road in The Highlands of Flower Mound for a Macy's concept scheduled to open in late 2021;
- Big Lots, a discount retailer, which backfilled the 36,000-square-foot former Stein Mart at 2855 Ridge Road in Rockwall;
- Macy's Backstage, the chain's off-price brand, which will open in a 19,400-square-foot former Babies "R" Us location in the Village at Allen at Stacy Road and US-75 in Allen;
- Market by Macy's, the chain's specialty concept, which opened in early 2021 in a 20,000-square-foot space at WestBend, a mixed-use development along the Trinity River and University Drive. The space formerly housed a Tom Thumb grocery store;
- Northern Tool + Equipment, which leased a 27,908-square-foot junior anchor space in Lakepointe Crossing, a power retail center located at 2415 S. Stemmons

MID-YEAR COMPARISON

2011			2021		
183.6M	1.4M* SF	87.3%	200.9M	577* SF	92.0%
INVENTORY	CONSTRUCTION	OCCUPANCY	INVENTORY	CONSTRUCTION	OCCUPANCY
*Annual			*Projected		

Freeway (IH-35E);

- EVO Entertainment, an Austin-based cinema and entertainment concept, which will open its first D-FW location in an approximately 68,700-square-foot location at Southlake Town Square in Southlake. The location was formerly occupied by Harkins Theatres, which closed during the pandemic;
- Crazy Cazboy's, a deep-discount retailer of overstocked goods from national retailers, which opened in a 41,400-square-foot former Tom Thumb at 5425 South Cooper Street in Arlington. The location is the first in Texas for the discount chain;
- Kids Empire, a secure indoor playground for children, which opened in a 14,650 square feet at Wynnewood Village on W. Illinois near IH-35 during the first half of 2021;
- Locke Supply Co., a national commercial and residential building materials provider, which backfilled a 34,000-square-foot former Minyard Food Store, which closed in 2016, at 4414 Gus Thomasson Road in Mesquite;
- Absolute Fitness, which backfilled a 32,000-square-foot vacancy at Hulen Pointe Shopping Center, located on Hulen Bend Boulevard near Hulen Mall in Fort Worth;
- PGA Superstore, which backfilled approximately 30,000 square feet in Bardin Place Shopping Center on South Cooper Street in Arlington;
- Lowe's Outlet, the first outlet store in Texas for the concept, which will open in an



Floor & Décor is backfilling retail space at Golden Triangle Mall in Denton.

approximately 163,000-square-foot box at 3500 West Airport Freeway in Irving later this year. The space formerly was occupied by a full-line Lowe's, which closed in 2019;

- AutoZone, which acquired a 43,000-square-foot former 24 Hour Fitness at 2770 E. Trinity Mills Road in Carrollton;
- Spec's, a liquor superstore, which backfilled 25,000 square feet in a former Best Buy at Hunter Plaza, located at IH-635 and Olympus Boulevard in Irving;
- Goodwill, which backfilled a 17,000-square-foot vacant World Market in a retail center at 1201 N. Central Expressway in Plano. The location is for a Goodwill store and donation center;
- El Rio Grande Latin Market specialty grocery store, which will open in a longstanding 52,500-square-foot anchor vacancy in a retail center located at Buckner Boulevard and John West Road in Far East Dallas;
- Dougherty's Pharmacy, a longtime pharmacy known for its old-fashioned soda fountain, which relocated from Preston and Royal into a former Spring Creek Barbeque space at Preston Valley Shopping Center at Preston Road and LBJ Freeway (IH-635) in Far North Dallas.

The market is also seeing a number of small-shop leases, including dozens of new restaurant leases. Some notable small-shop leases include:

- Ellen's Southern Kitchen, a longtime

favorite in downtown Dallas' Historic West End, which backfilled the former Crossroads Diner in Far North Dallas, the former Snooze space at Casa Linda Plaza in East Dallas, a space in Frisco at Legacy and SH-121 and a space in Fort Worth's Near Southside neighborhood;

- Brentwood, which backfilled the location of Houston's, which closed in 2020 on Belt Line Road in Addison. Brentwood is also backfilling space formerly occupied by Neighborhood Services at Preston Royal Shopping Center in North Dallas;
- Hudson House, which backfilled a former Taco Diner at John W. Carpenter Freeway and North MacArthur Boulevard in Las Colinas;
- Haywire, a steakhouse, which backfilled the former Water Street restaurant in Uptown Dallas;
- Mi Cocina, which will open in the approximately 3,000-square-foot restaurant space at Klyde Warren Park in downtown Dallas. The space formerly housed Savor;
- Maria's, a Mexican restaurant that opened in the first half of 2021 at 1712 S. University Drive in Fort Worth. The freestanding space was the longtime home of Haufbrau steakhouse;
- Bisou, a Houston-based concept, which backfilled the former Circo space at 2619 McKinney Avenue in Uptown Dallas;
- Beckley 1115, a wine bar that backfilled the longtime Victor

Hugo's space at 1115 N. Beckley Avenue in Oak Cliff. Victor Hugo's closed in 2020;

- Project Pollo, a San Antonio-based quick-serve vegan chicken restaurant, which leased a freestanding building on Greenville Avenue near Park Lane for its first area location;
- Red Crab, a seafood restaurant, which backfilled a 9,036-square-foot restaurant building at 721 N. Watson Road in Arlington;
- Dream Café, which is relocating its decades-old Quadrangle location to the former Christies Sports Bar & Grill at 2811 McKinney Avenue. Dream Café closed its Uptown Dallas location in the Quadrangle to make way for a redevelopment project;
- Lucky's Hot Chicken, a Nashville-based concept, which is expanding in 2021 with a mix of backfilled and new space. Lucky's Hot Chicken will open in the former Einstein Bros. Bagels on Lemmon Avenue near Oak Lawn in Dallas; in a former Taco Bueno on S. Bucker Boulevard in Dallas; in a former Long John Silver's at Forest Lane and Webb Chapel Road in Dallas; in a former Quizno's at Belt Line Road and Plano Road in Richardson; and in a new building in Grand Prairie's Epic Central;
- Âme, an Indian restaurant, which backfilled the former Hattie's in Dallas' Bishop Arts District;
- Saint Bernard, a specialty retailer, which backfilled the 13,793-square-foot former Pier 1 at Shops of Southlake, located at Southlake Boulevard and Carroll Avenue. Also in Shops of Southlake, upscale Mexican favorite Mesero will open in second-generation restaurant space;
- Skechers, a footwear retailer, which

leased 11,298 square feet of existing retail space in Josey Village, located at the northeast corner of Josey Lane and IH-635 in Dallas.

CONSTRUCTION REMAINS REMARKABLY CONSERVATIVE

For calendar-year 2021, based on projects on track for completion during the year, deliveries of new retail space are forecast to total approximately 577,000 square feet. By comparison, construction in 2020 for new and expanded retail centers totaled 1,701,273 square feet, also a conservative number.

The new space deliveries on track for 2021 would represent the lowest annual construction Weitzman has ever recorded since it began its market reports in 1990.

The previous low for annual construction occurred in 2012, when 1.2 million square feet were delivered as the market emerged from the financial crisis.

D-FW's limited space deliveries reflect the nationwide and statewide trend of limited anchor expansions, the basic elimination of new mall projects, the revitalization of existing centers through project redevelopments and smaller mixed-use and unanchored retail projects.

Construction is expected to increase during 2022 as large-format anchors like H-E-B begin their marketwide expansion.

D-FW ECONOMY CONTINUES TO SET RECORDS

As retail follows rooftops, there's a lot more rooftops to follow this year, based on



Saint Bernard opened in the former Pier 1 in Shops of Southlake

current development trends. During the first quarter of 2021, single-family home starts surged 40 percent to a record 15,000 homes, according to Residential Strategies. During the past 12 months through March 2021, D-FW added a record 52,450 homes.

Yet the housing market remains tight, due to population growth that led the nation from 2019 to 2020 with 120,000 new residents. During the past decade, D-FW has added 1.3 million new residents.

Even job growth, which declined by 122,000 jobs during the pandemic in 2020, is expected to add approximately 250,000 net new jobs in 2021, based on projections for D-FW.

OUTLOOK FOR 2022 INCLUDES IMPROVED OCCUPANCY,

For 2022 and beyond, a handful of major new projects are in the works, but we expect most of these centers to come online in phases, based on leasing. Overall, we expect 2022 to see construction of approximately 1.4 million square feet.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's residential market. For 2021, residential single-family home starts are reaching record levels. Due to the economic and residential activity, we expect to see well-located older centers renovated for a new class of retailers, and a number of small-shop neighborhood strip centers will come online to meet the demand for end-cap and shop spaces in tight retail submarkets.

HOUSTON

HOUSTON RETAIL MARKET STABILIZES AS MARKET EMERGES FROM PANDEMIC; NEW SPACE DELIVERIES AGAIN REACH RECORD LOW

HOUSTON'S RETAIL MARKET SAW OVERALL OCCUPANCY STABILIZE AT 93 PERCENT AS OF MID-YEAR 2021, FOLLOWING A PANDEMIC-INDUCED OCCUPANCY DECLINE OF 2 PERCENT DURING 2020.

The occupancy stability occurred because the market saw few large-format closings during the first half of 2021, and increased retail demand and leasing activity helped absorb existing vacancies on the market.

The occupancy rate is based on Weitzman's review of Houston's retail market and its retail market inventory of approximately 163.2 million square feet of space in multi-tenant retail projects with 25,000 square feet or more.

Occupancy declined during 2020 due to closings that accounted for approximately 3.1 million square feet. This year's closings are much more limited. They include 2021 closings from Kroger, whose 3300 Montrose Boulevard store went dark in early 2021, and Randalls, which closed its store at 5130 Bellaire. However, because these closings were announced in 2020, they were accounted for in last year's occupancy percentage.

RETAILERS LEASING IN EXISTING SPACE ARE A BIG REASON MARKET OCCUPANCY HAS STABILIZED.

Retailers leasing in existing space are not only adding vibrancy and cross-shopping to centers throughout the market, they are a big reason that market occupancy has stabilized.

For example, the restaurant market saw numerous concepts open in second-generation space, including Dish Society, which backfilled a

4,100-square-foot space formerly occupied by Blue Fish at LaCenterra at Cinco Ranch in Katy; Bonchon, a Korean fried chicken chain, which opened in a 4,200-square-foot space at 2100 Travis Street in Central Square Midtown; The Halal Guys, a Mediterranean and Middle Eastern restaurant, which leased 2,010 square feet in The Crossing at 288 in Pearland, and which will open in an 1,800-square-foot location in August at 23703 Cinco Ranch Boulevard in Katy; Hudson House, a Dallas-based concept, which will open in late 2021 in the River Oaks Shopping Center; House of Pies Restaurant and Bakery, which will open in a former PDQ location at 25686 Northwest Freeway in Cypress; Back Table Kitchen & Bar, which replaced the former Robard's Steakhouse in approximately 5,400 square feet at The Woodlands Resort; Fegen's, an Italian steakhouse, which opened in the former Liberty Kitchen in the Heights; New Orleans-based Acme Oyster Houston, which opened in the former El Real Tex-Mex Café off Westheimer; Tres Amigos Café & Cantina, which opened in the former Shepherd Park Draught House space at 3402 N. Shepherd; Voodoo Doughnut, which opened its second location at 1214 Westheimer Road; Velvet Taco, a Dallas-based concept, which is replacing a former Burger King at 9120 Gosling Road in The Woodlands; Kenny & Ziggy's New York Delicatessen, which will relocate its 2327 Post Oak Boulevard location to a

space formerly occupied by Luby's at 1743 Post Oak Boulevard; Project Pollo, a quick-serve vegan chicken concept, which backfilled a vacant Whataburger in Katy; and Phoenix-based Postino WineCafe, which will open its third and fourth Houston-area locations during the second half of the year in Town & Country Village and in Uptown Park.

Other expanding restaurants include Chipotle, with new locations at 4045 Little York Road, 2555 E. League City Parkway and at the southeast corner of IH-10 and SH-146 in Mont Belvieu, and Walk-On's Sports Bistreaux, which will open in the second half of 2021 in a newly constructed 8,200-square-foot restaurant near Katy Asian Town at the intersection of I-10 and The Grand Parkway in Katy.

Larger-format vacancies found new tenancy, including:

- Palace Social, a 27,000-square-foot dining and entertainment venue, which opened at 4091 Bellaire Boulevard in a mixed-use redevelopment at the site of the former Palace Bowling Lanes;
- Burkes Outlet, which backfilled a 24,000-square-foot space formerly occupied by Palais Royal in Matagorda Plaza in Bay City;
- dd's Discounts, which opened in late June in a 23,146-square-foot junior anchor space at 10-Federal Shopping Center, at IH-10 and Federal Road;
- SuperNova Furniture, which backfilled a 40,000-square-foot former Gordmans store in Brazos Town Center, at IH-69 and FM 762 in Fort Bend County;
- Kids Empire, a children's activity center, with three new locations in

backfilled space in 2021, including one in 26,152 square feet of retail space in Corum Station, located at Kuykendahl Road and Louetta Road in Spring. The other locations are in the Maplewood and Willowbrook retail districts;

- Former Toys “R” Us locations, with the closed location in Katy backfilled by a Dallas-based church, and the one in Humble backfilled by Bell Furniture for its relocation of its existing store in the same shopping center;
- Floor & Décor Design Studio, which leased 10,000 square feet of retail space at The Plaza on Richmond, a center on Richmond Ave. near Post Oak Blvd. in Houston;
- Collum Commercial’s Joan Collum represented the tenant, while CBRE’s Jazz Hamilton and Rusty Lilley represented the landlord. Texans Fit, which in spring 2021 opened its first Houston-area location, a 36,500-square-foot gym in space formerly occupied by 24 Hour Fitness at 8650 Endicott Lane in Meryerland Plaza;
- Crunch Fitness, which will open this fall in more than 30,000 square feet of retail space formerly occupied by Michaels in First Colony Commons Shopping Center;
- Planet Fitness, which is backfilling a vacant grocery store space on U.S. 59 near its intersection with FM 1485 in New Caney following a redevelopment;
- Blink Fitness, which leased 14,000 square feet of second-generation space at 4704 Airline Drive in Houston.



The Halal Guys leased second-generation space at The Crossing at 288 in Pearland, as well as in Katy.

with extremely limited speculative space.

That trend is continuing in 2021 following calendar-year 2020 when new retail space deliveries established a new record low. Until 2020, based on the more than three decades that Weitzman has reviewed the market, Houston had never before seen deliveries of new space dip below 700,000 square feet.

Based on Weitzman’s forecast for deliveries of 685,000 square feet of new retail space for calendar-year 2021, Houston again will set a record in terms of limited construction. That total is lower than the previous record, set in 2020, when Weitzman showed the Houston-area retail market added only 695,200 square feet in retail projects of 25,000 square feet or more.

By keeping the development of new space in check, the Houston area retail market

is able to emerge from the pandemic without the oversupply of new space that has occurred in most previous market downturns.

Even before the pandemic hit, the market was experiencing a slowdown in new space due in part to the limited number of new anchor stores (other than H-E-B) opening in the market.

New construction on track for 2021 or later is detailed later in this report.

CONSTRUCTION SLOWDOWN COMPARISON

To see the scope of Houston’s construction slowdown, we compared the five-year period ending 2021 with the five-year period ending 2011. The trend of limited construction is also due in part to new projects often being limited expansions

NEW CONSTRUCTION ON TRACK TO REMAIN AT HISTORIC LOW

Over the past decade or longer, the development of new space in the metro Houston market has remained on the conservative side, in line with demand and



joining existing anchors, smaller infill retail projects or retail space in mixed-use projects, which tend to feature small-shop service- and convenience-oriented retail.

From 2017 to 2021, the market added 8.3 million square feet during the five-year period, and occupancy remained in the mid-90-percent range.

From 2007 to 2011, the market added 13.0 million square feet. During this period, occupancy never climbed higher than 88.5 percent.

RENTAL RATES

As retail leasing demand increases during 2021, the Houston market is seeing rental rates on average stabilize at the levels seen pre-pandemic in 2019.

The rates quoted here are average asking rates, and effective rates can be lowered over the terms of a lease due to concessions such as free rent and finish-out allowances, although concessions in 2021 have tightened compared to 2020.

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

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

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 \$29 to \$39 on a per-square-foot-per-year basis;
- Class B small-shop space rates ranged from \$20 to the low-\$30s-per-square-foot-per-year range;
- Class C small-shop rates typically were in the \$12- to \$18-per-square-foot-per-year range.

OUTLOOK REMAINS OPTIMISTIC

The outlook for Houston’s retail market for the remainder of 2021 is optimistic, especially in light of increased shopper traffic and the re-opening of entertainment venues due to the widespread adoption of the COVID-19 vaccine.

Houston also is seeing the job market stabilize, which has enabled the metro area’s unemployment rates to drop from 14.0 percent as of April 2020 during the pandemic to 7.1 percent as of April 2021.

The market’s economic strengths include metro Houston’s housing market, which is experiencing strong existing-home sales and new starts due to impressive population gains. The Houston MSA ranked No. 2 in the nation for population growth, based on a gain of more than 1.1 million people during the past decade.



In June 2021, Weitzman and H-E-B held groundbreaking ceremonies for the first phase of Marvel Town Center, which upon completion will be one of the largest open-area retail-focused projects for Houston’s metro area.

SAN ANTONIO

SAN ANTONIO RETAIL MARKET SEES OCCUPANCY STABILIZE AS PANDEMIC CASES, RESTRICTIONS EASE

SAN ANTONIO'S RETAIL MARKET AS OF MID-YEAR 2021 SAW OCCUPANCY STABILIZE AT 93.6 PERCENT AFTER REPORTING AN OCCUPANCY DECLINE DURING 2020 CAUSED BY THE RETAIL TRAFFIC DISRUPTIONS FACED BY RETAILERS AND RESTAURANTS DURING THE DEPTHS OF THE COVID-19 PANDEMIC.

With the rollout and widespread availability of vaccines, the state saw pandemic capacity limits and other restrictions eliminated during the first half of the year. As a result, retailers, restaurants and services saw a return to healthy shopper traffic throughout the metro area. The downtown market also was boosted by a return of tourism and convention traffic, which declined dramatically during 2020.

The mid-year 2021 occupancy rate is based on Weitzman's review of a total San Antonio retail inventory of approximately 476 million square feet of retail space in multi-tenant shopping centers with 25,000 square feet or more.

Occupancy was also stabilized as large-format retail closings declined significantly compared to 2020, when box retailers like Sears, Stein Mart, Pier 1 and others closed locations that together totaled nearly 600,000 square feet.

For 2021, new large vacancies are limited to Macy's closure of its anchor stores at the Rivercenter and Rolling Oaks malls.

Occupancy also has stabilized thanks to increased leasing demand for existing space in the market. For example, during

the pandemic in 2020, Alamo Drafthouse closed its cinema in New Braunfels; earlier this year, leading San Antonio-based cinema operator Santikos announced it would backfill the vacant dine-in cinema facility.

Other key leases in existing space include:

- PGA Superstore, with a 34,500-square-foot store at Blanco Market, located at Blanco Road and Loop 1604;
- Goodwill, with a 25,000-square-foot store at 18478 Blanco Road near Loop 1604;
- Brenner's Steakhouse, a high-end steakhouse, which is renovating the space occupied by longtime River Walk restaurant La Paloma at 215 Losoya Street in downtown San Antonio;
- Bombshells, a Houston-based bar and grill, which backfilled a 12,600-square-foot former Furr's location at 8410 Highway 151 for its first San Antonio location;
- BB's Tex-Orleans, a Houston-based Cajun restaurant, which backfilled a

6,600-square-foot former Logan's Roadhouse at 5423 W. Loop 1604 North for its first San Antonio location;

- Lupe Tortilla, a Houston-based Tex-Mex restaurant, which backfilled an approximately 9,500-square-foot restaurant at 255 E. Basse Road in the Alamo Quarry Market. The space previously housed Canyon Café, which closed in 2020;
- North Italia, a national Italian concept, which opened its first San Antonio area location at The Rim;
- Torchy's Tacos, which backfilled a former Fuddruckers location in SA Crossing, a regional-draw center located at Bandera Road and N. Loop 1604 W.;
- Kura Sushi, a Japanese restaurant chain known for its revolving sushi bar, which will open in late 2021 in space formerly occupied by Papouli's Greek Grill in Alamo Quarry Market;
- Project Pollo, a quick-serve vegan chicken concept, which leased 1,365 square feet in Westwood Center, a neighborhood center located at Loop 1604 and Culebra Road, for a new location;
- Burger Boy, a local concept that is opening at the site of a former Burger King at 4402 South New Braunfels Avenue. Burger Boy also has a 2021 location in backfilled space in a former El Pollo Loco in Hill Country Village.

In new retail space, restaurants La Panaderia and Redlands Grill opened in the first half of 2021 at La Cantera Heights, a restaurant-focused specialty center that opened at 17030 La Cantera Parkway in 2020.

Additionally, Austin-based favorite P.Terry's Burger Stand is opening its first San Antonio

MID-YEAR COMPARISON					
2011			2021		
36.3M	455K* SF	91.0%	47.6M	415K* SF	93.6%
INVENTORY	CONSTRUCTION	OCCUPANCY	INVENTORY	CONSTRUCTION	OCCUPANCY
*Annual			*Projected		

location in July at 8539 Fredericksburg Road. P.Terry's also is opening at 1200 IH-35N in New Braunfels.

Further boosting occupancy, a closed 16-screen cinema at 12631 Vance Jackson Road, which was a shadow anchor for Fiesta Trail Shopping Center, is being removed from the retail inventory based on rezoning for multi-family development.

SAN ANTONIO REPORTS MAJOR DECLINE IN CONSTRUCTION

San Antonio's retail market stability after one of the most challenging years on record is the result of conservative construction firmly in line with demand and a metro area economy with notable improvement as the area emerges from the worst of the pandemic.

For calendar-year 2021, San Antonio is on track for another period of low annual retail space deliveries.

For the year, Weitzman forecast approximately 414,600 square feet of retail space is on track to open in projects with 25,000 square feet or more. To give an idea of how limited construction is, one new anchor store in 2021 will account for more than one-third of all new space during the year.

The 2021 deliveries represent a slight increase over 2020, also a low construction year with only 355,000 square feet of new space.

RENTS REMAIN FLAT IN TERMS OF ASKING RATES

Thanks to a tight market for quality retail space and extremely limited new construction, San Antonio's asking retail rental rates have stabilized and even shown increases for some high-quality properties when compared to 2020.

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.

OUTLOOK FOR THE REMAINDER OF 2021

The outlook for the San Antonio retail market for the remainder of 2021 is increased occupancy and higher rental rates, based on the current level of retail demand at a time of tight supply. The outlook is boosted by the metro area's strong housing market and population growth that outpaces both Texas and the nation with a 20.9 percent increase in residents from 2010 to 2020.

With 2021 more and more proceeding with its re-opening of the economy, we expect the current year to remain stable, with a return to the pre-pandemic economic health by 2022.

APPENDICES



LongHorn Steakhouse opened a new restaurant in 2021 at IKEA-anchored Live Oak Town Center.

APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL SPACE ON TRACK FOR COMPLETION IN 2021 INCLUDES*

H-E-B Bar W Marketplace 19348 Ronald W. Reagan Blvd Leander	H-E-B will open a 102,000-square-foot store, its second in Leander, in late 2021. Plans are underway for additional retail adjacent to the H-E-B, with approximately 40,000 square feet in the first phase.
H-E-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 to replace the existing Oak Hill store, which remains open in the meantime. The store is underway and should open in late 2021 or possibly 2022.
The Oaks at Slaughter West Slaughter Ln & IH-35 Austin	In proximity to an H-E-B that opened in 2020, this small-shop retail project is adding approximately 25,800 square feet of multi-tenant space, as well as pad sites for uses including full-service and quick-serve restaurants, a financial institution and other uses. Completion of the first phase is set for late 2021.
Dry River District IH-35 & Kyle Crossing Kyle	According to developer Endeavor, Dry River District will add multi-tenant and freestanding pad-site retail totaling more than 130,100 square feet in 2021. The retail is anchored by an existing EVO Entertainment complex and Home Depot, and concepts set to open in 2021 include Starbucks, Tiff's Treats bakery, Pizza Patron and others.
Floor & Décor 9159 S. IH-35 Frontage Rd Austin	The new large-format Floor & Décor, directly across from the massive Southpark Meadows power center, is under construction and joining the retail district centered around the intersection of IH-35 and Slaughter Lane.
The Grove at Shoal Creek 45th St & Bull Creek Rd Austin	This mixed-use project saw its first small-shop tenant, Regymen Fitness, open in May 2021, and the project's first retail phase will fully come online through 2021 and 2022. For 2021, approximately 35,000 square feet of small-shop retail is coming online.

NEW SPACE FOR 2022 OR LATER INCLUDES:

H-E-B South Congress Ave & Oltorf Austin	This new 100,000-square-foot store is designed to replace a smaller existing store that opened in 1957. In addition to H-E-B, a substantial multi-tenant retail component is planned.
H-E-B Lake Austin 715 S Exposition Blvd Austin	H-E-B is underway with this 110,000-square-foot store, which should open in 2022.
H-E-B Wolf Lakes Village 1100 S. IH-35 Georgetown	H-E-B plans a new 117,000-square-foot store to replace its older store in Georgetown's Wolf Lakes Village master-planned community.
H-E-B U.S. Hwy 290 and Nutty Brown Rd Austin	H-E-B plans an approximately 106,000-square-foot store, set to start in 2022, at this intersection in Southwest Austin.
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 set for completion in late 2022.
Shops at Reagan's Hope 1320 Ronald Reagan Blvd Cedar Park	Shops at Reagan's Hope is a multi-tenant retail project designed to total 29,000 square feet upon completion. The first phase, with 22,500 square feet of small-shop space, is under construction.

* Includes completions that may be delayed until after 2021

APPENDIX A: AUSTIN CONSTRUCTION

NEW SPACE FOR 2022 OR LATER INCLUDES (CONTINUED)

Northline U.S. Hwy 183A & San Gabriel Pkwy Leander	This major transit-oriented mixed-use project is planned for space to begin coming online in 2023 or later. The multi-year project is designed for approximately 120,000 square feet of retail space. The first retail anchor announced is the Hub, a family-oriented food and entertainment venue that incorporates a central lawn. Northline's retail also is designed to include a cinema, a fitness facility and a grocery store, among other options that will join residential, office and civic space.
Costco NWC IH-35 & Lakeway Dr Georgetown	Costco has agreements with the city to open a new 158,000-square-foot store in Georgetown. No timing has been set for the store.
Arbor Park Shopping Center NEC FM 1431 (Whitestone Blvd) & Scottsdale Dr Cedar Park	This planned retail center with multiple small-shop buildings is shadow-anchored by a Walmart Supercenter and also features pad sites.
Alpha Building 1900 Aldrich St Austin	The Alpha Building is located within the master-planned Mueller community. The office tower is designed to include 26,000 square feet of street-level space and is under construction for a planned opening by early 2022.
The Brick and Mortar District Kyle Pkwy & 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, to open in 2022, 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 in mid-2021, 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, set for completion in 2022, 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.
Parmer Village NEC Parmer Ln & Harris Ridge Blvd Austin	Parmer Village, which is underway with its first phase as of mid-year 2021, is a mixed-use development planned for residential, hotel and retail space.
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.

* Includes completions that may be delayed until after 2021

APPENDIX B:
DALLAS-FORT WORTH CONSTRUCTION

KEY RETAIL PROJECTS FOR 2021*

<p>Gates of Prosper Phase 2 NEC Preston Road & U.S. 380 Prosper</p>	<p>The second phase of this regional-draw project in 2021 is adding anchors like Hobby Lobby, HomeGoods, Michaels, Kohl's and small-shop retail and restaurant space to the first phase's lineup of Walmart, DSW, Dick's Sporting Goods, Ross and others.</p>
<p>Legacy West Dallas North Tollway & SH-121 Plano</p>	<p>The massive mixed-use Legacy West expanded in 2021 with a high-end retail component for Louis Vuitton, Gucci, Tori Burch and Tiffany & Co. Legacy West now reports 343,000 square feet of retail space.</p>
<p>Sprouts Farmers Market MacArthur & Las Colinas Blvd Las Colinas Pioneer and Carrier Pkwy Grand Prairie</p>	<p>Sprouts is opening two new stores in 2021 in the Las Colinas area of Irving and in Grand Prairie.</p>
<p>Star Park SEC SH-114 & President George Bush Tollway Las Colinas</p>	<p>Star Park is an approximately 35,000-square-foot neighborhood center adjacent to planned office and hotel uses.</p>
<p>Knox Street District RH Dallas Knox St near Cole Ave Dallas</p>	<p>RH Dallas, The Gallery on Knox Street, opened in the midst of the Knox Street retail district during the first half of 2021 with a 70,000-square-foot furniture gallery, a restaurant and a wine bar.</p>
<p>Market East Shopping Center 1515 N. Town East Blvd Mesquite</p>	<p>Academy Sports + Outdoors opened a new 71,674-square-foot store at Market East Shopping Center in Mesquite during the first half of 2021 to relocate its store from another Mesquite center.</p>
<p>Canal Park SWC Legacy & Cotton Gin Rd Frisco</p>	<p>Canal Park is a retail-and-office project with approximately 43,300 square feet of retail space set for completion in late 2021.</p>
<p>FRESH IH-30 & Memorial Pkwy Fate</p>	<p>In the outlying market of Fate, Brookshire is underway at IH-30 and Memorial Parkway with a 66,000-square-foot FRESH store to open in late 2021.</p>

KEY RETAIL PROJECTS FOR 2022 OR LATER

<p>H-E-B Frisco NEC Legacy Dr & Main St Frisco</p>	<p>This 111,000-square-foot store, one of the first for the famed brand in the D-FW market, is under construction for a fall 2022 opening.</p>
<p>H-E-B Plano SWC Preston Rd & Spring Creek Pkwy Plano</p>	<p>This 110,000-square-foot store, one of the first for the famed brand in the D-FW market, is under construction for a fall 2022 opening.</p>

* Includes completions that may be delayed until after 2021

APPENDIX B:
DALLAS-FORT WORTH CONSTRUCTION

KEY RETAIL PROJECTS FOR 2022 OR LATER (CONTINUED)

<p>H-E-B McKinney NEC Custer Rd & Eldorado Pkwy McKinney</p>	<p>This 111,000-square-foot store, one of the first for the famed brand in the D-FW market, is scheduled for a spring 2023 opening.</p>
<p>Iron Horse Village IH-635 & Rodeo Dr Mesquite</p>	<p>Iron Horse Village upon completion will feature 130,000 square feet of retail, restaurant and entertainment space near the historic Mesquite Rodeo Arena.</p>
<p>City Point Grapevine Hwy & NE Loop 820 North Richland Hills</p>	<p>The new project, at the site of the former North Hills Mall, is designed for 60,000 square feet of retail, along with single- and multi-family development.</p>
<p>Sprouts N Hampton & Fort Worth Ave Dallas</p>	<p>Sprouts plans a new location in the Oak Cliff area of Dallas for 2022.</p>
<p>The Farm SH-121 & Alma Dr Allen</p>	<p>This mixed-use project, with a retail and entertainment component, is designed for more than 200,000 square feet of retail and restaurant space. Completion is set for 2022.</p>
<p>Lakeside Village Lakeside Village Pkwy & Lakeside Blvd Flower Mound</p>	<p>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. The project is adjacent to the existing project, Lakeside DFW.</p>
<p>East Quarter Bound by Pearl St, Jackson St, and Cesar Chavez Blvd Dallas</p>	<p>East Quarter, a mixed-use project set for completion in 2022, is restoring historic buildings in downtown Dallas' east quarter, and adding a new mixed-use building. The project will incorporate approximately 25,000 square feet of street-level retail and restaurant space.</p>
<p>Victory Shops at Forney new phase Highway 80 & FM 548 Forney</p>	<p>Forney's City Council has approved a 380 agreement for a new Kohl's location, to total at least 40,000 square feet, adjacent to the Kroger shadow-anchored Victory Shops at Forney.</p>
<p>Central Market Mixed-use McKinney Ave & Lemmon Ave Dallas</p>	<p>The redevelopment of a long-closed Albertsons for a high-rise mixed-use development will incorporate retail space anchored by Central Market as well as multi-family space. No groundbreaking date has been set.</p>

* Includes completions that may be delayed until after 2021

APPENDIX C: HOUSTON CONSTRUCTION

KEY NEW RETAIL ON TRACK FOR 2021 COMPLETION

Eastfield at Baybrook IH-45 and El Dorado Blvd Houston	The community retail center, anchored by an H-E-B set to open by year-end 2021, will also include approximately 30,000 square feet of multi-tenant retail and pad sites to be completed in early 2022.
The Grid U.S. 69 between West Airport Blvd & South Kirkwood Rd Stafford	The Grid is the redevelopment of the former Texas Instruments campus and is designed as a mixed-use project. The retail space is expanding in 2021 with the metro area's first Costco Business Center, which will total 148,000 square feet and is currently under construction. Existing retail space at The Grid includes the Houston area's first In-N-Out Burger, as well as Whiskey Cake Kitchen & Bar, McAlister's Deli, Outback Steakhouse, Pluckers Wing Bar, Chipotle and others.
Montrose Collective Westheimer Rd & Montrose Blvd Houston	This mixed-use project, with estimated completion in the second half of 2021 with tenants moving in during 2021 and 2022, will feature office space, Houston Public Library space and more than 80,000 square feet of specialty retail and restaurant space. Announced retailers include menswear retailer State & Liberty, an Italian restaurant and others.
Post Oak Place 1801 Post Oak Blvd Houston	Post Oak Place, anchored by a 28,000-square-foot Zadok Jewelers, also features restaurant space, including a location of Austin-based Uchiko.
POST Houston 401 Franklin St Houston	The mixed-use project represents the redevelopment of downtown's Barbara Jordan Post Office. The project's mix of uses will incorporate approximately 60,000 square feet of retail space. A large food hall will house concepts like Salt + Time Butcher Shop, Lea Jane's Hot Chicken and Taco Fuego. Opening is set for late 2021.
Regent Square Phase II West Dallas & Dunlavy Streets Houston	This mixed-use apartment-and-retail development is on track to open during the second half of 2021 with approximately 50,000 square feet of retail space.
The Grand at Aliana NEC W Grand Pkwy S & W Airport Blvd Richmond	This regional power-retail project features a line-up that includes Michaels, Ross Dress For Less, Ulta and others, which opened during the first half of 2021. Upon completion, the project is planned for a total of 400,000 square feet.
Railway Heights 8200 Washington Ave north of IH-10 Houston	Railway Heights is a "market hall" retail project offering a mix that includes 11 restaurants, a wine bar and retail space, set for opening in July 2021. The two-level project incorporates approximately 27,000 square feet.

PROJECTS SET FOR 2022 OR LATER

Manvel Town Center SH-288 & SH-6 Manvel	Manvel Town Center is designed to incorporate as much as 1 million square feet of mixed-use space to be developed in phases. The anchor for the first phase is H-E-B, which plans a 100,000-square-foot store. Other concepts in the first phase include restaurant and services.
Magnolia Place FM 1488 & Spur 149 Magnolia	Magnolia Place is designed for small-shop multi-tenant space, retail pad sites and residential units. The retail shadow-anchor is set to be H-E-B, with a 95,000-square-foot store set for 2022.

* Includes completions that may be delayed until after 2021

APPENDIX C: HOUSTON CONSTRUCTION

PROJECTS SET FOR 2022 OR LATER (CONTINUED)

Magnolia Village FM 1488 & Spur 149 Magnolia	Magnolia Village, directly across Spur 149 from Magnolia Place, is a 60-acre mixed-use project with retail, office and multi-family space set for completion in late 2022.
Katy Grand new phase Grand Pkwy & Katy Freeway Katy	Katy Grand is expanding with the first Texas location for PopStroke Entertainment, a Florida-based venue with golf, dining, games and more, which is set to open in 2022. The venue encompassing 3.2 acres, will include a full-service restaurant, a bar, an ice cream parlor and a playground as well as a 36-hole golf course.
Modera Six Pines 8900 Six Pines Dr Shenandoah	Modera Six Pines is a mixed-use apartment community within The Woodlands, which will include a 175,000-square-foot Life Time Fitness, with completion set for 2022.
The Allen Allen Parkway Houston	The Allen, an upscale mixed-use project near Buffalo Bayou Park, will include high-rise residential, hotel, office and other uses. The project, with its first phases under construction, is designed to feature 86,000 square feet of retail upon completion.
East River Buffalo Bayou near IH-10 Houston	East River is a planned mixed-use project covering 150 acres inside the Loop. Upon completion, the project is designed for 500,000 square feet of retail space, along with office, hotel and other uses.

* Includes completions that may be delayed until after 2021

APPENDIX D: SAN ANTONIO CONSTRUCTION

CONSTRUCTION HIGHLIGHTS: 2021

H-E-B Redevelopment

651 S. Walnut Ave
New Braunfels

H-E-B plans to open a new 122,222-square-foot store to replace a smaller existing store, with construction estimated for completion by late 2021.

Costco

191 W Loop 1604 S.
San Antonio

Costco is on track to open a new 160,620-square-foot store in fall 2021 adjacent to regional-draw center The Shops at Dove Creek.

Boerne Stage Crossing

IH-10 W & Boerne Stage Rd
San Antonio

Boerne Stage Crossing, anchored by an existing Walmart Supercenter, is reporting new 2021 openings that include a new-construction 3,500-square-foot Chick-fil-A, as well as Pacific Dental, Elite Vision, Sport Clips and others.

Live Oak Town Center

SWQ Loop 1604 & IH-35
Live Oak

Live Oak Town Center, anchored by IKEA, expanded in 2021 with a freestanding 5,465-square-foot LongHorn Steakhouse.

PROJECTS FOR 2022 OR LATER

Napa Oaks

IH-10 & Starr Ranch Rd
San Antonio

Napa Oaks is a two-story development that will total approximately 43,700 square feet of retail, service, restaurant and office/medical space. The project is under construction.

Planned Community Retail Center

SWC Highway 151 & Hunt Ln
San Antonio

The planned center, to be anchored by a 23,280-square-foot specialty grocery store, is designed for approximately 70,000 square feet of retail space.

* Includes completions that may be delayed until after 2021

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.

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