

SURVEY REPORT

SHOPPING CENTER

2022

REVIEW & FORECAST



At the beginning of 2021, in the throes of the pandemic, a strong performance for Texas' retail markets certainly was not a given. But now I'm happy to say that this past year proved to be one of the strongest in the history of our Survey.

Texas' retailers and its retail industry approached overwhelming challenges this past year with innovation and rapid evolution. As a result, our markets now show healthy occupancy levels that are at or near the strong results of the pre-pandemic year of 2019.

We know that our retailers and retail real estate will continue to face challenges in 2022. But I am confident we will all face these challenges and work through them successfully, based on the strong performance retail reported in 2021, combined with the strongest state economy in the country.

Best wishes for a healthy, prosperous 2022.

Sincerely,

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

HERBERT D. WEITZMAN
Executive Chairman



TABLE OF CONTENTS

06 AUSTIN REVIEW

12 DALLAS - FORT WORTH REVIEW

24 HOUSTON REVIEW

28 SAN ANTONIO REVIEW

34 APPENDICES

APPENDIX A: AUSTIN CONSTRUCTION

APPENDIX B: D-FW CONSTRUCTION

APPENDIX C: HOUSTON CONSTRUCTION

APPENDIX D: SAN ANTONIO CONSTRUCTION

42 DEFINITIONS

43 COMPANY ACKNOWLEDGMENTS

A dark, monochromatic photograph of the Austin skyline. The image features several tall skyscrapers, including the iconic Leaning Tower of Austin, and a large bridge with multiple arches spanning across a body of water in the foreground. The overall tone is dark and moody, with the city lights and structures appearing as silhouettes against a slightly lighter background.

Austin

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.

AUSTIN RETAIL MARKET REPORTS NEAR-FULL RECOVERY FROM PANDEMIC-INDUCED VACANCY

INVENTORY

2021	51.4 million
------	--------------

2020	51.0 million
------	--------------

2019	50.6 million
------	--------------

CONSTRUCTION

2021	412,000
------	---------

2020	402,000
------	---------

2019	400,000
------	---------

OCCUPANCY

2021	96.0%
------	-------

2020	94.8%
------	-------

2019	96.0%
------	-------

Austin's retail market at year-end 2021 reported a recovery in leasing demand that backfilled many of the market's existing vacancies and helped return overall occupancy to 96.0 percent. The current occupancy rate represents a return to the pre-pandemic rate of year-end 2019.

During the worst of the pandemic in 2020, a number of retail closures resulted in approximately 770,000 square feet of newly vacant space.

The healthy occupancy rate is the strongest among Texas' major-metro retail markets, although all report strong occupancy rates well above 90 percent.

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 thanks 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. The market additionally for 2021 did not experience the level of large-format store closings that occurred in 2020. For 2021, the most significant closures were locations of Randalls grocery stores on S. MoPac and on West 35th Street. However, because the closed Randalls on West 35th is

slated for residential and mixed-use redevelopment, it is not counted in the vacancy totals.

MARKETWIDE, EXISTING VACANCIES FIND NEW TENANCY

During 2021, existing market vacancies found new tenancy from both large- and small-format concepts, especially for centers in locations with good traffic and co-tenancy. This renewal of leasing demand following a slowdown that occurred during the depth of the pandemic in 2020 is another reason for a return to stability in Austin's retail occupancy.

BACKFILLED RETAIL SPACE FOR 2021 INCLUDED

- Conn's HomePlus and Party City, which backfilled a 50,000-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;
- 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;
- ReStore, a retail space operated by Austin Habitat for Humanity, which opened in approximately 20,000 square feet formerly occupied by 24 Hour Fitness at U.S. Highway 183 near SH-45 in Austin;

- J. Carver Oyster Bar and Chophouse, which backfilled the former Holy Roller diner space at 509 Rio Grande Street in downtown;
- Phoebe's Diner, which backfilled the former Darna Mediterranean Cuisine space at 408 West 11th Street;
- Chick-fil-A, with a downtown Austin location at 600 Congress Avenue that backfilled the former Athenian Bar & Grill;
- Sephora, which will open in early 2022 in 1890 Ranch on E. Whitestone Boulevard in a space formerly occupied by Famous Footwear;
- Five Below, which opened at the Shops at the Galleria in Bee Cave in an approximately 11,000-square-foot former Pier 1 location;
- Lazarus Brewing, which in 2022 will open its second location at 4803 Airport Boulevard in the former I Luv Video space;
- 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 opened its first Texas location during the second half of the year at 200 Congress in downtown Austin. The space formerly housed Second Bar + Kitchen, which closed in 2020 after a decade in business;
- Grimaldi's Pizzeria, Joi Asian Bistro and Plank Seafood Provisions, new

restaurants that backfilled second-generation space at Domain Northside and The Domain, a high-density mixed-use development located along MoPac and Braker Lane;

- Hoots Wings, a quick-service wing concept from the Hooters team, 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;
- Jack Allen's Kitchen, which leased a 6,500-square-foot former Logan's Roadhouse at 1890 Ranch Shopping Center at 1345 E. Whitestone Boulevard in Cedar Park. The location is Jack Allen's fifth in the Austin market;

Austin's current occupancy represents a return to the pre-pandemic rate of 2019, thanks especially to strong demand for well-located vacancies.

- Ma'Coco, a Mexican restaurant concept, which opened at 502 Comal Street in East Austin in space formerly occupied by La Matta restaurant;
- 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 leased its first Austin-area location in 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 of Whitestone is located at the northwest corner of U.S. 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;
- Hawaiian Bros, a fast-casual Hawaiian concept, which opened in a former Pollo Tropical located at 20471 IH-35 in Kyle;
- California-based Curry House Pizza, which opened its first Texas location at 1335 E. Whitestone Boulevard in Cedar Park in space formerly occupied by an Indian restaurant;
- California-based bakery SusieCakes, which in spring 2022 will open its first Austin location at 3267 Bee Caves Road in space formerly occupied by a day spa;
- Toomey Tap Room, a sports bar from the team behind Kerbey Lane Café, which opened at 300 S. Lamar Boulevard in the building that formerly housed High Note Kitchen;
- Kpoptori, Austin's 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;
- 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.

LOW CONSTRUCTION CONTINUES, EVEN AS DEMAND INCREASES

Austin recorded another year of extremely limited construction during 2021, although new deliveries slightly outpaced the 2020 level. Construction remains limited due to the continued contraction of large-format anchor development, retailers seeking the economies to be found in second-



In one of the largest leases in existing space, Conn's HomePlus and Party City together backfilled an approximately 50,000-square-foot vacancy at Capital Plaza.

generation spaces and a rise in the cost of materials and labor. The increases in construction costs, which are occurring for all commercial real estate categories, can require retail rents that are often higher-than-market to economically justify the new development.

Also, in order to remain in line with demand, larger projects typically come online in phases over multiple years, which further reduces the amount of space recorded in a calendar year.

For 2021, Austin's metro-area retail market added approximately 412,000 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.

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

Additionally, Aldi opened a new Austin-area location in 2021, a 12,000-square-foot store located at 936 W. University Avenue near IH-35 in Georgetown.

Future retail construction will include the Austin area's first NFM (formerly Nebraska Furniture Mart), which has selected Cedar Park for its second Texas location. NFM's massive 500,000-square-foot store, to start construction in 2024, will anchor a complex that will include additional space for hotel and other uses.

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

AUSTIN RENTAL RATES

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

Effective rents, however, can be lower due to concessions.

For all classes of space, actual rates for specific centers and spaces can go notably lower or higher than the rates

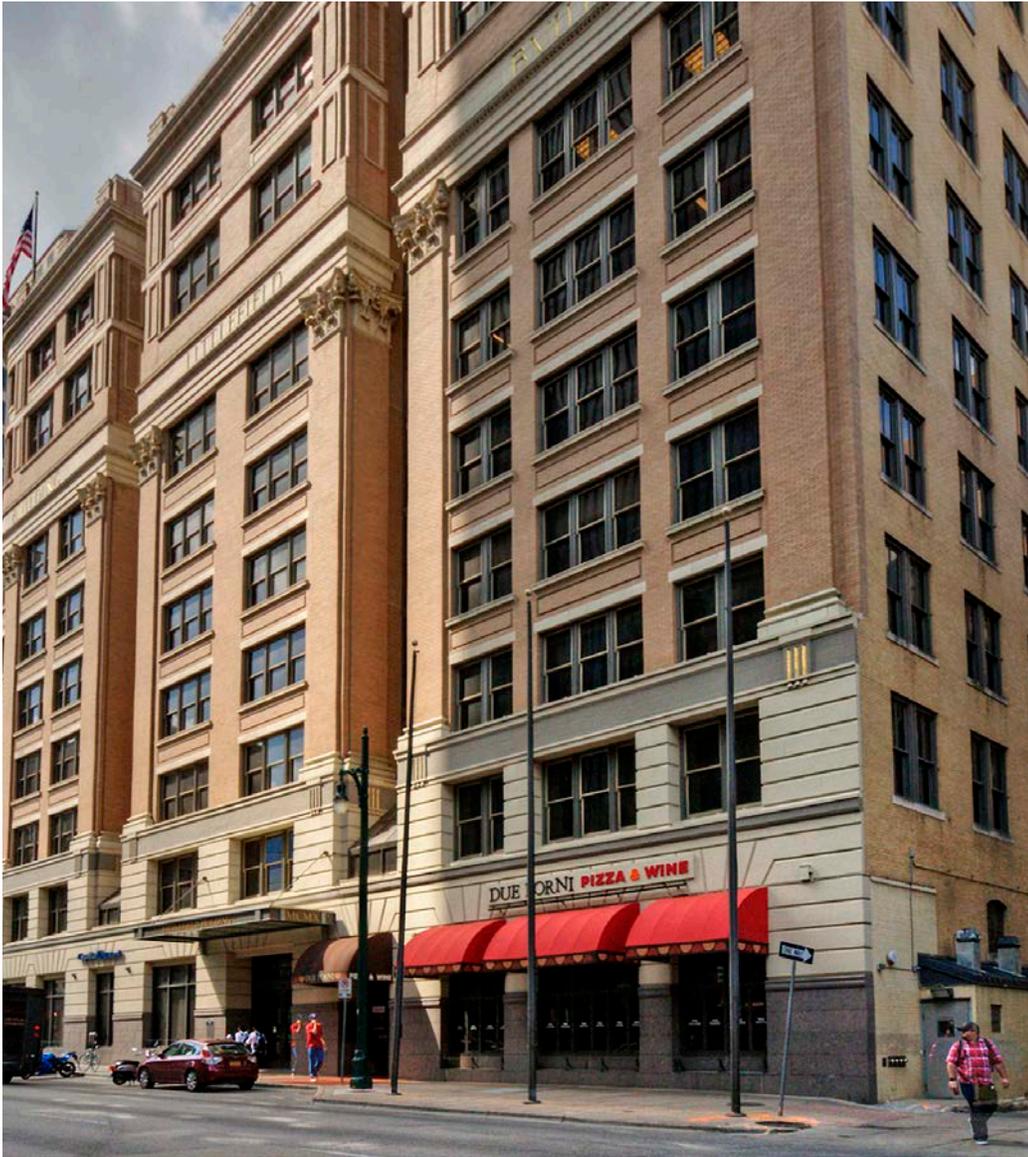
listed here due to factors including anchors, traffic, demographics and location within a center.

For small-shop space in anchored Class A projects, rates range from the mid-\$30s per square foot per year to the mid-\$40s 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 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.



Downtown Austin experienced an uptick in demand for restaurant space in 2021, with high-profile second-generation spaces going to concepts like Mason's Famous Lobster Rolls, Simi Estiatorio and Pasta | Bar.

MARKET OUTLOOK STRONG, BASED ON ECONOMIC, RESIDENTIAL GROWTH

The Austin area's housing market remains extremely active, supporting the rule that retail benefits from rooftops. Greater Austin has regained the jobs lost during the worst of the pandemic, with an unemployment rate under 3.5 percent at year-end 2021.

The market also continues to benefit from key corporate moves. One of the largest recent examples involves Samsung, which announced plans in late 2021 for a \$17 billion chip plant in Taylor, a small town near Austin that is on track for major growth in the coming years. Tesla officially relocated its headquarters to Austin

in December 2021, and Austin is also seeing Tesla's new gigafactory in southeastern Travis County come online. Oracle is relocating its headquarters from California to Austin, and Apple is underway on its new \$1 billion, 3-million-square-foot campus, which is expected to open in 2022.

In downtown Austin, Facebook's parent company Meta leased 589,000 square feet in Sixth and Guadalupe, a 66-story high-rise now under construction for completion in 2023.

The potential for future residential, retail and commercial growth is also boosted by major infrastructure projects now underway in the Austin area. For example, SH-130 is being

extended by 40 miles to reach to Seguin, and U.S. Highway 183 South is completing the addition of three tolled express lanes in each direction through East Austin, and U.S. Highway 183 North is now underway with a multi-year expansion through Williamson County with a \$612 million project that will run from MoPac to SH-45 and has an estimated completion of 2026.

Due to these positive economic changes, the outlook for the retail market in 2022 is continued strong occupancy as well as an increase in new space deliveries. Key projects for 2021, 2022 and beyond are highlighted in the Construction section.



Mixed-use project The Grove at Shoal Creek added small-shop retail in 2021, with more on track for 2022 for a steakhouse and other concepts.



Dallas-Fort Worth

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

Dallas-Fort Worth

D-FW RETAIL MARKET ENDS 2021 REPORTING THE THIRD-STRONGEST LEASING ACTIVITY IN 22 YEARS

During calendar-year 2021, strong retail leasing demand not only boosted Dallas-Fort Worth's occupancy, it also significantly decreased the huge increase in vacant space that occurred during the worst of the pandemic in 2020.

At year-end 2021, D-FW reported an occupancy rate of 93.5 percent, which is not only healthy but represents the third-highest occupancy for the market that Weitzman has ever recorded since its first Survey in 1990. The current occupancy is only behind year-end 2019's rate of 93.7 percent and 1981's 94.8 percent rate.

In fact, 2021 is only the 12th time in 32 years that D-FW has reported occupancy that exceeded the 90 percent rate.

To add perspective, Weitzman's survey history for D-FW shows that occupancy has dropped to as low as 82.1 percent and never climbed higher than 89 percent during the entire 1990s decade.

At year-end 2021, D-FW's retail market inventory totaled approximately 200.2 million square feet in retail projects with 25,000 square feet or more. This inventory is the largest for any Texas metro area, encompassing 42 submarkets that incorporate both the Dallas and Fort Worth markets and their suburbs.

One of the most important results for 2021 is the absorption total, as absorption is the measure of net leasing. During 2021, absorption totaled approximately 3.9 million square feet, which makes the past year the strongest leasing market for D-FW since 2015 and the third-strongest leasing market in 22 years. (More details on absorption can be found later in this report.)

During the worst of the pandemic in 2020, the market was

hit by closings that resulted in a huge increase of 4,024,032 square feet of new vacancy during the year.

Thanks to strong leasing during 2021, market wide vacancy dropped from 16,668,965 million square feet at year-end 2020 to 12,964,163 million square feet at year-end 2021.

(The market's worst year for this metric was 2009, when vacant space exceeded 21 million square feet.)

Submarket by submarket, 37 of D-FW's 42 submarkets reported occupancy above 90 percent, with only five submarkets reporting occupancy below the 90-percent-plus level.

The market also benefitted from the backfilling of anchor vacancies and an extremely conservative development climate that limited the overhang of vacant space.

OCCUPANCY IN DALLAS, FORT WORTH MARKETS

The 2022 Survey & Forecast is based on Weitzman's review of a total D-FW retail market inventory totaling 200,178,163 square feet of space in projects with 25,000 square feet or more. (The 2022 inventory reflects approximately a dozen projects that were removed from the database due to redevelopments for non-retail uses.)

Weitzman surveys 1,434 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 2021, the occupancy rate in the Dallas area was 93.3 percent, compared to 91.5 percent at year-end 2020. The rate is based on a review of 1,003 projects with a total market inventory of 137.0 million square feet.

The occupancy rate in the Fort Worth area was 93.9 percent, compared to 91.9 percent at year-end 2020. The rate is based on 431 retail projects with a total inventory of 63.1 million square feet.

- At Home, which in early 2022 will open in an approximately 99,700-square-foot former JCPenney store at Timber Creek Crossing at Skillman and Northwest Highway in Northeast Dallas. The Penney's closed in 2020;



Second-generation restaurants, both inline and freestanding, experienced healthy demand in 2021. Las Palapas, a popular San Antonio chain, leased this former Dairy Queen site in Keller for its first Dallas-Fort Worth location.

LEASING IN EXISTING RETAIL CONTINUES

Absorption jumped thanks to leasing in existing retail projects due to D-FW's robust 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 includes:

- Floor & Décor, which in late 2021 opened in 84,071 square feet of retail space 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 balance of the former Sears space;

- 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. Dick's Sporting Goods also plans to backfill a 40,000-square-foot vacant anchor space at Fort Worth's Overton Park Plaza, a power center located at SW Loop 820 at S. Hulen Street;

- 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. Sprouts will also open in 2022 in backfilled space at 7730 N. MacArthur Boulevard in Irving and in backfilled

space that formerly housed Fallas Paredes in Carrier Crossing at 2500 S. Carrier Parkway in Grand Prairie. Sprouts also will open in 2022 at the site of a former Sullivan's Steakhouse at 17795 Dallas Parkway at Briargrove Road. The store will be approximately 20,000 square feet of newly constructed space;

- Market by Macy's, which backfilled a 30,100-square-foot former Stein Mart at 6101 Long Prairie Road in The Highlands of Flower Mound;

- Macy's Backstage, the chain's off-price brand, which backfilled 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, 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;

- Ivan Smith Furniture, which in early 2022 will open in a former Stein Mart at 3550 W. University Drive in McKinney;

- Saint Bernard, a lifestyle retailer, which opened in 2021 in approximately 14,000 square feet in Shops of Southlake, a center anchored by Central Market and Nordstrom Rack located at Southlake Boulevard and Carroll Avenue. The space formerly housed Pier 1, which closed in 2020 due to the pandemic;

- Austin-based apparel retailer Tyler's, which leased a 13,347-square-foot former Barnes & Noble space in Preston Royal Village at 6025 Royal Lane after the bookstore closed in mid-2021;

- EVO Entertainment, an entertainment concept with a cinema, arcade, bowling, restaurant /bar space and more, which backfilled the 69,733-square-foot vacant cinema space at Southlake Town Square, a major mixed-use development. EVO Entertainment also



Well-located vacancies found new tenancy in 2021. At Shops of Southlake, a former Pier 1 closed in 2020 leased to lifestyle retailer Saint Bernard, with popular concepts Cork & Pig Tavern and Mesero taking second-generation restaurant space.

backfilled the former Magnolia Cinema at mixed-use West Village in Uptown Dallas and the former LOOK Cinemas at 5409 Belt Line Road in Addison;

- Burlington, which continued to expand in second-generation space, including new stores at 4111 S. Cooper Street across from The Parks at Arlington Mall and in White Rock Marketplace, a power center 11255 Garland Road in Dallas;

- Big Lots, a discount retailer, which backfilled the 36,000-square-foot former Stein Mart at 2855 Ridge Road in Rockwall;

- Planet Fitness, which leased the 32,000-square-foot former Stein Mart in Keller Crossing Shopping Center in Keller, for a location to open in 2022. Planet Fitness also opened in backfilled space in White Rock Marketplace on Garland Road in East Dallas in late 2021;

- Club4Fitness, which backfilled a 58,960-square-foot anchor space formerly occupied by Tom Thumb in Flower Mound Crossing, located at 2600 Flower Mound Road;

- Crunch Fitness, which backfilled an approximately 37,000-square-foot freestanding fitness facility formerly occupied by 24 Hour Fitness at 3865 Preston Road in Frisco, peripheral to Stonebriar Centre mall;

- Texas Family Fitness, which backfilled a former 24 Hour Fitness location in Pavilions West Shopping Center on Campbell Road at Coit Road in Richardson;

- 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 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 the location 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;

- Movement The Hill, a 37,000-square-foot climbing gym that opened in the space formerly occupied by TreeHouse home improvement in The Hill shopping center on Walnut Hill Lane at US-75 in Dallas;

Thanks to leasing demand that greatly reduced the vacancy created in 2020, the Dallas-Fort Worth market reported its third-highest occupancy ever in 2021.

- 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 in 2021 opened an approximately 163,000-square-foot box at 3500 West Airport Freeway in Irving. 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. Spec's also backfilled a former Office Depot at

1415 W. Pipeline Road in Hurst and the site of a former Luby's at Forest Ridge and Airport Freeway in Bedford;

- Goody Goody, which backfilled a former Fuddrucker's at 1612 Airport Freeway in Bedford;

- 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;

- Northern Tool + Equipment, which leased an approximately 28,000-square-foot vacancy at Lakepointe Crossing, a power center located on IH-35/Stemmons Freeway in Lewisville.

CONSTRUCTION REMAINS REMARKABLY CONSERVATIVE

During 2021, construction in new and expanded retail centers totaled only 638,643 square feet, which marks the first time in more than three decades that D-FW has seen construction below the 1-million-square-foot market. The lowest previous total was recorded in 2012, when 1.2 million square feet were delivered as the market emerged from the financial crisis.

During 2020, new deliveries totaled 1,701,273 square feet, a decline from 1,823,374 square feet in 2019 and 3,501,897 square feet in 2018.

D-FW's limited space deliveries reflect the nationwide and statewide trend of anchor contractions and limited anchor expansions, existing project redevelopments for new tenancy, and smaller mixed-use and unanchored

retail projects. In addition, many projects were delayed during the worst of the pandemic in 2020, and the delay meant that some 2021 projects will now open in 2022 and beyond.

Another factor involves the effect of higher costs on rental rates. Since the market began emerging from the worst of the pandemic, construction costs have increased as demand for materials and labor increased. On average, construction costs are up 30 percent or more compared to early 2020.

To justify these higher costs, the rents required to economically justify a project can outpace the overall market.

Construction is also kept in check by anchor retailers like Sprouts and Market by Macy's using the market's existing vacant anchor stores to expand their concepts. This includes mall vacancies, with an example being national retail Floor & Décor, which opened in November in space at Golden Triangle Mall in Denton that previously was a Sears.

However, as the market tightens, fewer well-located anchor vacancies are available.

As a result of higher rates and higher finish-out costs, national franchise advisory team Fransite reports that franchised tenants are able to keep gross occupancy costs in check by leasing slightly smaller spaces compared to their previous formats. On a national average, franchised tenants are leasing spaces about 12 % smaller than pre-pandemic.

Construction is expected to increase significantly during 2022 as large-format anchor H-E-B begins its marketwide expansion with its first D-FW stores, and anchors including Kroger get underway with new stores in markets like Melissa and Central Dallas.

OCCUPANCY BY CENTER CATEGORY

Community Centers – 94.5 percent (compared to 93.1 percent at year-end 2020) based on an inventory of 73.8 million square feet.

This category, typically anchored by a grocer, saw a return to its 2019 occupancy levels during 2021, thanks to strong leasing demand from restaurants, services, boutique fitness, health, beauty and medical tenants.

Community centers reported no new grocery-anchored centers in 2021, although that will change in 2022 when the first H-E-B-branded stores open in D-FW in the Collin County market.

Neighborhood Centers – 92.5 percent (90.4 percent at year-end 2020) based on an inventory of 40.9 million square feet.

Neighborhood centers reported their highest occupancy rate ever in the 32 years of Weitzman's survey. Their healthy occupancy reflects shoppers' focus on open-air retail, as well as the centers' flexibility in adding options for curbside, takeout and drive-thru. Neighborhood centers also benefitted from the strong leasing demand from small-shop concepts like franchisees in categories like food, fitness, health and beauty.

Note: Neighborhood centers are unanchored centers of 25,000 square feet to around 100,000 square feet.

Power Centers – 94.3 percent (92.4 percent at year-end 2020) based on an inventory of 44.9 million square feet.

The Power category benefitted from strong demand for its vacant junior spaces left by the failure of Stein Mart, Pier 1 and others in 2020. The largest power center vacancy of 2020, the 100,000-square-foot JCPenney store at Timber Creek Crossing in Northeast Dallas, found new tenancy with an At Home Location set to open in 2022.

Malls – 89.5 percent (87.6 percent at year-end 2020) based on an inventory of 21.0 million square feet.

During 2021, the mall category saw occupancy stabilize at close to the 90-percent mark after suffering more than 520,000 square feet of new anchor vacancy in 2020. During 2021, closings were limited to two Macy's locations, and the category saw new anchor leases from concepts like Floor & Décor backfill large-format vacancies.

Malls also benefited from an increase in small-shop leasing as traffic recovered from 2020 and returned to near pre-pandemic 2019 levels.

However, one key reason mall performance has remained fairly stable, despite ongoing challenges, is that the category today is concentrated in stronger malls due to the demolition or non-mall redevelopments of the market's weaker malls.

Mixed-use Retail – 94.1 percent, compared to 92.3 percent at year-end 2020, based on an inventory of 10.9 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.

While the Mixed-use category is the smallest of D-FW's shopping center categories, it's also one of the more high-profile categories due to its live-work-play format in an open-air setting at strong destination-type locations. The category saw one of its largest projects, Legacy West in Plano, expand with high-end space for concepts like Tiffany & Co. and Gucci.

During 2021, the category saw EVO Entertainment absorb the largest vacancy created during 2020 – the closed Harkins Theatres 16-screen cinema in Southlake Town Square, one of the most successful mixed-use projects in Texas.



While no new-construction grocery stores opened in 2021, grocers invested in store renovations during the year. For example, Tom Thumb in 2022 will complete a renovation at its Meadow Central Market store in North Dallas.

ABSORPTION RETURNS TO POSITIVE TERRITORY AFTER RUNNING IN THE RED IN 2020

As noted earlier in this report, absorption in 2021 posted strong results. These results are even more encouraging when compared to the hit the market took in 2020, when retail net leasing turned negative for the first time in decades.

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 2021, absorption was a strong 3,866,330 square feet, which not only reversed 2020's negative absorption of 2,692,109 square feet but also exceeded 2019's pre-pandemic total of 3,183,723 square feet.

The 2021 total was 2,601,175 square feet absorbed in the Dallas area, and 1,265,155 square feet absorbed in the Fort Worth area.

OUTLOOK FOR 2022 INCLUDES INCREASED OCCUPANCY, SHARP INCREASE IN RETAIL CONSTRUCTION

For 2022 and beyond, several new grocery-anchored projects are in the works, as well as a number of smaller neighborhood centers in markets ranging from Mesquite to Mansfield. These, in combination with continued

expansion at regional-draw projects, will result in construction more than doubling to approximately 1.4 million square feet in 2022.

A majority of the space will occur in the grocery-anchored community and smaller neighborhood categories.

The D-FW retail market activity, especially retail leasing demand and store growth, is boosted by the metro area's job growth, population growth and strong residential market. According to the Federal Reserve, D-FW's job growth surpassed its pre-pandemic high in September 2021, and the Fed notes that D-FW's job creation has surpassed both the state and the U.S. since early in the pandemic. As of November 2021, unemployment dropped below 4 percent.

For 2021, D-FW recorded approximately 50,000 new starts and ranked as the No. 1 single-family residential building market in the country, a record it has held for five years in a row, according to Zonda. D-FW has also led the nation in population growth over the past year.

Thanks to this stellar growth and the increasing traffic at brick-and-mortar retail, and barring unforeseen economic or pandemic disruptions, we expect absorption to remain strong and occupancy to exceed 94 percent in 2022.

INVENTORY

2021	200.2 million
2020	200.0 million
2019	199.0 million

CONSTRUCTION

2021	640,000
2020	1.7 million
2019	1.8 million

OCCUPANCY

2021	93.5%
2020	91.7%
2019	93.7%



2201

Floor & Décor opened in a high-profile anchor space, formerly occupied by Sears, at Denton's Golden Triangle Mall.

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

D-FW RENTAL RATES

SECTOR	NAME	CLASS A	CLASS B	CLASS C
1	Dallas CBD	\$38	\$27	\$15
2	Northeast Dallas	\$38	\$25	\$10
3A	Far North Dallas	\$32	\$21	\$14
3B	North Dallas	\$45	\$26	\$17
3C	Park Cities/Oak Lawn	\$64	\$32	\$24
3D	West Dallas	\$32	\$20	\$10
4	Southeast Dallas	\$16	\$10	\$7
5	Southwest Dallas	\$22	\$16	\$8
6	Addison	\$42	\$25	\$11
7	Carrollton	\$32	\$23	\$12
8	DeSoto/Lancaster	\$20	\$14	\$8
9	Duncanville	\$20	\$14	\$9
10	Farmers Branch	\$30	\$20	\$10
11	Garland	\$37	\$23	\$11
12	Grand Prairie	\$35	\$22	\$13
13A	Irving	\$36	\$25	\$15
13B	Coppell	\$34	\$24	\$12
14	Mesquite/Balch Springs	\$31	\$22	\$10
15	Richardson	\$34	\$19	\$15
16	Plano	\$49	\$30	\$12
17	Denton	\$35	\$25	\$12
18	Lewisville/Flower Mound	\$34	\$23	\$12
19	McKinney	\$39	\$25	\$15
20	Frisco	\$38	\$28	\$17
21	Allen	\$36	\$21	\$12
22	Rowlett	\$30	\$19	\$9
23	Rockwall	\$33	\$22	\$11
24	Cedar Hill	\$30	\$20	\$12
25	Murphy/Wylie/Sachse	\$30	\$17	\$10
26	Northern Ellis County	\$32	\$16	\$10
DALLAS AVERAGE		\$34	\$22	\$12
27	Arlington	\$35	\$22	\$11
28	Bedford/Euless	\$27	\$20	\$12
29	Hurst	\$28	\$15	\$10
30	Northeast Fort Worth	\$27	\$16	\$8
31	Northwest Fort Worth	\$32	\$20	\$9
32	Southeast Fort Worth	\$26	\$14	\$7
33	Southwest Fort Worth	\$33	\$23	\$12
34	Fort Worth CBD	\$30	\$22	\$13
35	North Richland Hills	\$26	\$19	\$8
36	Northeast Tarrant County	\$36	\$24	\$14
37	Burleson	\$30	\$20	\$11
38	Weatherford	\$26	\$18	\$8
FORT WORTH AVERAGE		\$30	\$19	\$10
DFW AVERAGE		\$33	\$21	\$11

DALLAS-FORT WORTH SUBMARKET SUMMARY

	NAME	YE 2020 GLA (SF)	YE 2020 VACANCY (SF)	YE 2020 % VACANCY	YE 2021 GLA (SF)	YE 2021 VACANCY (SF)	YE 2021 % VACANCY
1	Dallas CBD	803,204	153,039	19.05%	803,204	71,653	8.92%
2	Northeast Dallas	9,890,095	1,002,506	10.14%	9,890,095	794,398	8.03%
3A	Far North Dallas	6,138,064	802,911	13.08%	6,115,718	914,409	14.95%
3B	North Dallas	5,617,983	305,353	5.44%	5,617,983	325,934	5.80%
3C	Park Cities/Oak Lawn	3,267,791	210,690	6.45%	3,267,791	111,999	3.43%
3D	West Dallas	550,849	34,338	6.23%	550,849	46,210	8.39%
4	Southeast Dallas	1,303,814	54,586	4.19%	1,303,814	31,416	2.41%
5	Southwest Dallas	5,679,792	370,977	6.53%	5,678,922	539,914	9.51%
6	Addison	1,309,860	219,320	16.74%	1,309,865	189,496	14.47%
7	Carrollton	3,165,720	425,712	13.45%	3,165,720	230,552	7.28%
8	Desoto/Lancaster	1,874,793	228,293	12.18%	1,874,793	214,487	11.44%
9	Duncanville	1,334,264	207,773	15.57%	1,334,264	157,719	11.82%
10	Farmers Branch	1,027,615	99,456	9.68%	1,027,615	83,654	8.14%
11	Garland	7,541,302	409,628	5.43%	7,541,252	344,255	4.56%
12	Grand Prairie	4,413,354	264,904	6.00%	4,452,412	12,000	0.27%
13A	Irving	7,610,637	623,111	8.19%	7,610,637	241,979	3.18%
13B	Coppell	880,480	71,310	8.10%	880,480	65,377	7.43%
14	Mesquite/Balch Springs	5,315,277	515,197	9.69%	5,315,277	337,535	6.35%
15	Richardson	3,947,615	516,085	13.07%	3,947,615	374,996	9.50%
16	Plano	14,759,612	1,365,523	9.25%	14,550,790	1,374,722	9.45%
17	Denton	7,322,760	713,514	9.74%	7,322,760	69,423	0.95%
18	Lewisville/Flower Mound	10,246,240	1,063,855	10.38%	10,246,240	642,277	6.27%
19	McKinney	5,119,590	190,095	3.71%	5,119,590	124,898	2.44%
20	Frisco	10,396,226	809,504	7.79%	10,740,526	877,765	8.17%
21	Allen	5,264,782	340,466	6.47%	5,264,782	376,886	7.16%
22	Rockwall	2,438,064	113,282	4.65%	2,438,064	121,147	4.97%
23	Rowlett	1,431,689	104,347	7.29%	1,431,689	113,404	7.92%
24	Cedar Hill	2,665,273	214,514	8.05%	2,665,273	225,125	8.45%
25	Murphy/Wylie/Sachse	2,729,714	63,597	2.33%	2,735,902	48,506	1.77%
26	Northern Ellis County	2,824,530	78,735	2.79%	2,828,595	70,838	2.50%
	DALLAS	136,870,989	8,456,436	8.46%	137,032,517	9,132,974	6.66%
27	Arlington	14,200,465	1,456,747	10.26%	14,200,465	755,015	5.32%
28	Bedford/Euless	2,940,750	114,735	3.90%	2,940,750	119,750	4.07%
29	Hurst	4,256,443	472,586	11.10%	4,256,443	413,437	9.71%
30	Northeast Fort Worth	4,470,049	82,868	1.85%	4,470,049	260,033	5.82%
31	Northwest Fort Worth	7,609,265	667,604	8.77%	7,609,265	670,177	8.81%
32	Southeast Fort Worth	1,578,917	102,828	6.51%	1,578,917	37,141	2.35%
33	Southwest Fort Worth	10,683,488	1,250,072	11.70%	10,683,488	847,078	7.93%
34	Fort Worth CBD	391,800	54,210	13.84%	391,800	64,529	16.47%
35	North Richland Hills	3,241,606	148,662	4.59%	3,241,606	142,788	4.40%
36	Northeast Tarrant Co.	9,855,846	602,923	6.12%	9,855,846	485,318	4.92%
37	Burleson	2,113,198	49,895	2.36%	2,113,198	28,290	1.34%
38	Weatherford	1,803,993	93,214	5.17%	1,803,993	7,633	0.42%
	FORT WORTH	63,145,820	5,096,344	8.07%	63,145,820	3,831,189	6.07%
	GRAND TOTAL	200,016,809	16,668,965	8.33%	200,178,337	12,964,163	6.48%

DALLAS-FORT WORTH - ABSORPTION & CONSTRUCTION

	NAME	2021 ABSORPTION (SF)	2021 CONSTRUCTION* (SF)
1	Dallas CBD	81,386	
2	Northeast Dallas	208,108	
3A	Far North Dallas	-133,844	
3B	North Dallas	-20,581	
3C	Park Cities/Oak Lawn	98,691	70,000
3D	West Dallas	-11,872	
4	Southeast Dallas	23,170	
5	Southwest Dallas	-169,807	
6	Addison	29,829	
7	Carrollton	195,160	
8	Desoto/Lancaster	13,806	
9	Duncanville	50,054	
10	Farmers Branch	15,802	
11	Garland	65,323	
12	Grand Prairie	291,962	39,058
13A	Irving	381,132	35,000
13B	Coppell	5,933	
14	Mesquite/Balch Springs	177,662	71,677
15	Richardson	141,089	
16	Plano	-218,021	
17	Denton	644,091	
18	Lewisville/Flower Mound	421,578	
19	McKinney	65,197	35,059
20	Frisco	276,039	344,300
21	Allen	-36,420	
22	Rockwall	-7,865	
23	Rowlett	-9,057	
24	Cedar Hill	-10,611	
25	Murphy/Wylie/Sachse	21,279	7,544
26	Northern Ellis County	11,962	36,000
	DALLAS	2,601,175	638,638
27	Arlington	701,732	
28	Bedford/Euless	-5,015	
29	Hurst	59,149	
30	Northeast Fort Worth	-177,165	
31	Northwest Fort Worth	-2,573	
32	Southeast Fort Worth	65,687	
33	Southwest Fort Worth	402,994	
34	Fort Worth CBD	-10,319	
35	North Richland Hills	5,874	
36	Northeast Tarrant Co.	117,605	
37	Burleson	21,605	
38	Weatherford	85,581	
	FORT WORTH	1,265,155	638,638
	GRAND TOTAL	3,866,330	638,638

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



Houston

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.



H-E-B is underway with its anchor store at Manvel Town Center, a major project being developed in phases at SH-288 and SH-6.

Houston

THANKS TO DEMAND FOR EXISTING SPACE, HOUSTON RETAIL MARKET RETURNS TO PRE-PANDEMIC OCCUPANCY

Houston's retail market saw overall occupancy recover to its pre-pandemic rate of 95.0 percent as of year-end 2021, reversing a pandemic-induced occupancy decline of 2 percent during 2020.

The occupancy rate is based on Weitzman's review of Houston's retail market and its inventory of approximately 163.1 million square feet of space in multi-tenant retail projects with 25,000 square feet or more.

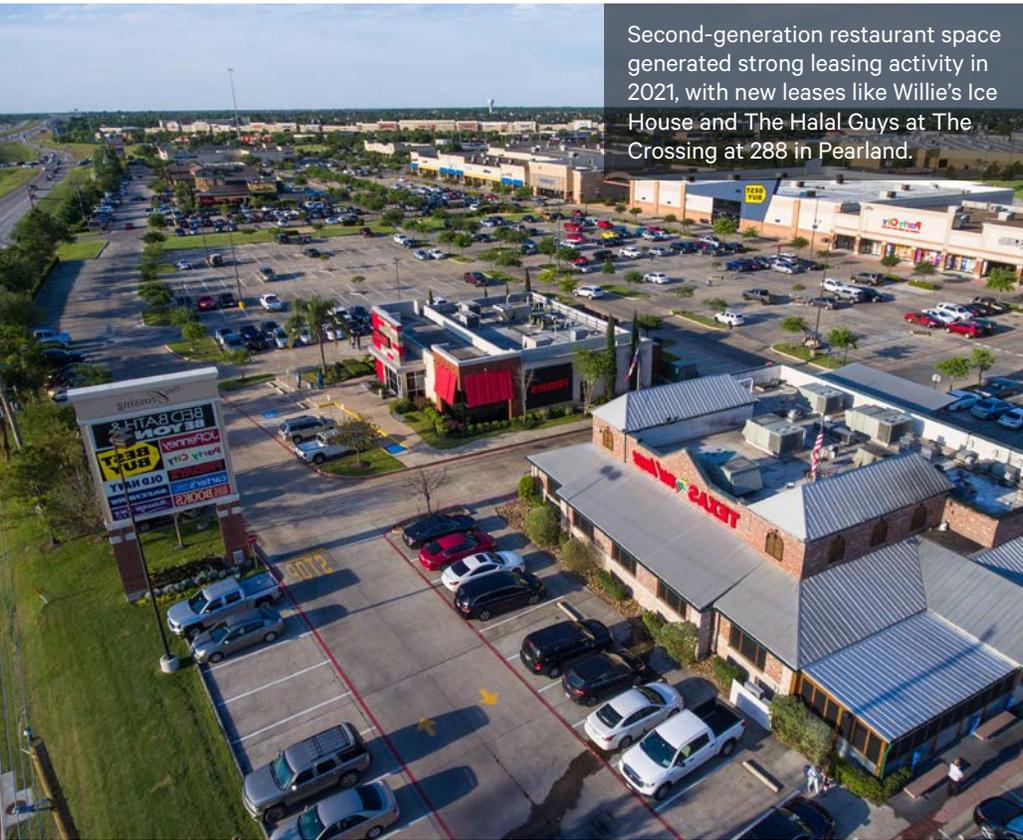
Retailers leasing in existing space are adding vibrancy and cross-shopping to centers throughout the market, and these new leases are a big reason that market occupancy has stabilized. The Greater Houston retail market also reported limited large-format closings, reversing a trend seen during the worst of the pandemic in 2020 when anchor and junior anchor closings accounted for approximately 3.1 million square feet of new vacancy.

This year's closings are much more limited. They include the December

2021 closing of Cinemark at Market Street, located at 9595 Six Pines Drive, in The Woodlands, and grocery store closings in 2021 including Kroger, whose 3300 Montrose Boulevard store went dark in early 2021, and Randalls, which closed its store at 5130 Bellaire Boulevard. However, because these grocery store closings were announced in 2020, they were accounted for in 2020's occupancy percentage.

In terms of leasing, the restaurant market created a high level of demand, particularly for second-generation space. New restaurant locations opening in second-generation space included: Willie's Ice House & Grill as well as the Halal Guys, which leased second-generation space at The Crossing at 288 in Pearland; Southern Yankee Crafthouse, which opened in the former Good Dog Houston space at 1312 W. Alabama Street in Montrose; Loro, the famed Austin-based concept, which will open in early 2022 in a renovated 1940s-era

sanctuary located at 1001 W. 11th Street in the Heights; Hawaiian Bros, which is backfilling a former Taco Cabana at 6522 Westheimer Road for its first Houston location; Dish Society, which backfilled a 4,100-square-foot space formerly occupied by Blue Fish at LaCenterra at Cinco Ranch in Katy; Mastro's Ocean Club high-end restaurant, which backfilled the former Grotto space in Market Street, located at 9595 Six Pines Drive in The Woodland; Bonchon, a Korean fried chicken chain, which opened in an approximately 4,200-square-foot space at 2100 Travis Street in Central Square Midtown; Hudson House, a Dallas-based concept, which leased in the River Oaks Shopping Center; House of Pies Restaurant and Bakery, which will open its fifth location 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



Second-generation restaurant space generated strong leasing activity in 2021, with new leases like Willie's Ice House and The Halal Guys at The Crossing at 288 in Pearland.

- Tractor Supply, which leased a 29,000-square-foot former Hobby Lobby at 4200 Pasadena Boulevard in Pasadena;
- Puttshack, a modern mini-golf concept, which leased 26,000 square feet in downtown's The Highlight, which is the new name of the renovated The Shops at Houston Center. Puttshack will open in 2022;
- 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;
- WSS Shoes, a national shoe store chain, which backfilled a 15,097-square-foot former Walgreens at 12445 FM 1960 West at North Eldridge Parkway in Houston;
- Altitude Trampoline Park, with an approximately 24,000-square-foot backfilled location at First Colony Marketplace in Sugar Land;
- West Elm, a home furnishings retailer, which backfilled an 11,502-square-foot former Urban Outfitters location in Rice Village;
- Department of Wonder, an entertainment concept, which will open in early 2022 in the 9,600-square-foot space recently vacated by Z Gallerie in Sugar Land Town Square in Sugar Land;
- Kids Empire, a children's activity center, with new locations in backfilled space, including one in 18,000 square feet in Willowbrook Plaza, located at 17355 Tomball Parkway in Tomball, and one in 26,152 square feet of retail space in Corum Station, at Kuykendahl Road and Louetta Road in Spring. Another location is in the Maplewood retail district;
- 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;
- Ace Hardware, which leased an approximately 29,000-square-foot

The Woodlands Resort golf-court-view location; Fegen's, a 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; Kenny & Ziggy's New York Delicatessen, which is opening in early 2022 in backfilled space formerly occupied by Luby's at 1743 Post Oak Boulevard; and Project Pollo, a quick-serve vegan chicken concept, which backfilled a vacant Whataburger in Katy.

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.

Larger-format concepts also expanded via existing space, helping erase some of the largest vacancies from the market. Anchors and junior anchors that expanded via existing

retail spaces included:

- Ollie's Bargain Outlet, a national discounter chain, which backfilled a vacant Target anchor space in Steeplechase Center, located at 10701 Jones 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;
- Crunch Fitness, which leased a 30,240-square-foot former Michaels store in First Colony Commons on the Southwest Freeway in Sugar Land;
- Planet Fitness, which in early 2022 will open in a former 25,550-square-foot Gordmans store in Spring Town Center, located at FM 2920 and Kuykendahl Road. The center is now close to full occupancy;
- Planet Fitness, which backfilled a 20,545-square-foot vacancy in the Renaissance Center, located on Scott Street;
- dd's Discounts, which leased a 25,270-square-foot former Office Depot in Katy's Northbrook Shopping Center;

INVENTORY

2021	163.1 million
2020	162.6 million
2019	161.9 million

CONSTRUCTION

2021	615,000
2020	695,000
2019	1.6 million

OCCUPANCY

2021	96.0%
2020	93.0%
2019	95.0%

space in Kings Crossing, a retail center located on Kingwood Drive in Kingwood;

- Burkes Outlet, a discount chain, which leased 22,500-square-foot in a former Stage Stores space at 1802 N. Velasco Street in Angleton;
- Burkes Outlet, which backfilled a 24,000-square-foot space formerly occupied by Palais Royal in Matagorda Plaza in Bay City;
- Texans Fit, which 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;
- Blink Fitness, which leased 14,000 square feet of second-generation space at 4704 Airline Drive in Houston.

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 with extremely limited speculative space.

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.

During 2021 Houston saw deliveries of approximately 615,000 square feet of new retail space in new and expanded projects with 25,000 square feet or more. 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.

For 2022, however, new deliveries will increase significantly due to new and expanded retail projects that have been in the works for years, along with new stores from anchors like H-E-B, Target and Burlington.

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

RENTAL RATES

As retail leasing demand increased during 2021, the Houston reported that rental rates on average stabilized and even increased over 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 tightened significantly 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 \$30 to \$40 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 \$15- to \$18-per-square-foot-per-year range.

OUTLOOK FOR A SOLID 2022 RETAIL MARKET

The outlook for Houston's retail market going into 2022 is positive, thanks to continued economic strength seen in job, population and housing growth.

According to the Greater Houston Partnership, 2021 is one of the strongest years ever for job growth in the metro area, with the market recovering most of the jobs lost in the early stages of the pandemic of 2020.

The market's economic strengths include Greater 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.



San Antonio

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.



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

San Antonio

SAN ANTONIO RETAIL MARKET SEES OCCUPANCY GAINS

San Antonio's retail market as of year-end 2021 saw occupancy reach 94.0 percent, a rate that compares favorably to the pre-pandemic occupancy of 94.5 percent reported at year-end 2019.

The year-end 2021 occupancy rate is based on Weitzman's review of a total San Antonio retail inventory of approximately 47.9 million square feet of retail space in multi-tenant shopping centers with 25,000 square feet or more.

The market's higher occupancy reflects steady demand for existing small-shop retail space from concepts ranging from restaurants to medical, beauty and boutique fitness. The past year also reported leasing that absorbed some of the market's

larger vacancies, such as a vacant department store that was backfilled by a discount concept.

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

During a time of limited new construction, and higher rental rates required at the market's newly constructed retail, the majority of leasing demand in the market gravitated to existing space.

Key new occupancy for existing retail space included:

- Round1 Bowling & Amusement, a multi-entertainment facility with mall locations in markets including North Texas, which has announced a San

Antonio location in an approximately 53,000-square-foot space in North Star mall, located on San Pedro Avenue at Loop 410;

- Salons by JC, which leased 14,178 square feet in Alamo Quarry Market, located at 255 E. Basse Road. The space is backfilling part of a former Bed Bath & Beyond at the center, anchored by Whole Foods and numerous others. Salons by JC also leased 13,720 square feet of existing space in The Legacy shopping center, located at 18402 Highway 281 North at Loop 1604;
- Santikos Entertainment, which is backfilling two spaces formerly occupied by Alamo Drafthouse. One is the former Alamo Drafthouse



INVENTORY

2021	49.9 million
2020	47.3 million
2019	47.0 million

CONSTRUCTION

2021	354,000
2020	355,000
2019	868,000

OCCUPANCY

2021	94.0%
2020	93.6%
2019	94.5%

Westlakes, located near the intersection of Loop 410 and Highway 151, and one in New Braunfels, which opened in August 2021;

- Shoppers World, which opened in late 2021 in an approximately 33,000-square-foot department store space at South Park Mall that was previously occupied by a Bealls that closed due to the pandemic;
- Burlington, which opened in fall 2021 in a junior anchor space in McCreless Market, a power center located at 4224 S. New Braunfels Avenue;
- pOpshelf, the new more upscale concept from Dollar General, which is on track to backfill a former 12,410-square-foot drug store located at 4351 Thousand Oaks Drive. The location, one of the first in Texas for the concept, should open in 2022;
- TruFit, which backfilled the space formerly occupied by the longtime Gold’s Gym in Military Market at 2555 S.W. Military Drive at Zarzamora Drive;
- Peter Piper Pizza, a pizza-and-entertainment concept, which is under construction with a new location in a 7,800-square-foot

former Logan’s Roadhouse at Fiesta Trail Shopping Center, located at IH-10 West and De Zalala Road;

- Maple Street Biscuit Company, a Cracker Barrel-owned comfort food concept, which leased 2,770 square feet in Culebra Market, at Culebra Road at Loop 1604. The location, the first for Maple Street Biscuit Company in San Antonio, previously housed Urban Bricks;
- 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;
- Pluckers Wing Bar, which will open in early 2022 in an approximately 2,000-square-foot space at 92 NE Loop 410 formerly occupied by Logan’s Roadhouse;
- Velvet Taco, a popular-Dallas based concept that entered the San Antonio market with a location at 103 W. Grayson Street, in the former Taco Land, as well as in a 2,500-square-foot space in Rim Crossing, a small retail project located at the northeast corner of



Small-shop leasing in 2021 includes a new location for high-end gift and home emporium, UpMarket, at Dominion Ridge on IH-10 West.

IH-10 and Loop 1604, adjacent to Top Golf and Andretti Indoor Karting & Games;

- Petland, which leased 4,000 square feet in Huntington Square, a neighborhood retail center located at 4000 N. Loop 1604;
- La Esperanza, a Mexico-based bakery, which will open its first Texas location at 5706 N.W. Loop 410, at its intersection with Bandera Road, in a former Capital One bank branch;
- Boutique fitness concept Hotworx, which backfilled a 2,080-square-foot former nail salon at The Village at Forum Parkway, located at 14565 IH-35 North in Live Oak;
- 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;
- Be Kind & Rewind, a vintage-themed arcade bar, which will open in 2022 in

downtown space formerly occupied by Fuddruckers at 115 Alamo Plaza;

- 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;
- 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;
- 1902 Nightclub, which opened in 10,000 square feet in late 2021 at The Espee, an entertainment complex located in the historic St. Paul Square at 1174 E. Commerce Street near downtown;
- Burger Boy, a local concept that located 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.

RENTS REMAIN STEADY IN TERMS OF ASKING RATES

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

SAN ANTONIO REPORTS MAJOR DECLINE IN CONSTRUCTION

Since the market began emerging from the worst of the pandemic, construction costs have increased as demand for materials and labor increased. On average, construction costs are up 30 percent or more compared to early 2020. To justify higher construction costs, rents required to economically justify a project can outpace the overall market, reaching the mid- to upper-30s per square foot per year even for large-format spaces.

As a result of these higher rates for new construction, fewer new projects are being developed. This shift of retail demand to existing spaces is one of the factors that has helped San Antonio maintain healthy occupancy, even during the worst of the pandemic.

Partly as a result of firmer rates and higher finish-out costs, national franchise advisory team Fransite reports that, on a national basis, franchised tenants are able to keep gross occupancy costs in check by leasing slightly smaller spaces compared to their previous formats.

During calendar-year 2021, San Antonio reported a decline for annual retail construction of new and expanded space. Construction has declined each year since 2018, when new space totaled 868,400 square feet.

For the year, Weitzman reports approximately 354,000 square feet of retail space in new and expanded projects.

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

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

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

OUTLOOK FOR 2022

The outlook for the San Antonio retail market for 2022 calls for a steady increase in overall occupancy and an increase in new construction as large-format anchors such as H-E-B and Floor & Décor are completed. The retail market is further supported by San Antonio's healthy economy, which reports strong housing starts and population growth that outpaces both Texas and the nation with a 20.9 percent increase in residents from 2010 to 2020.



Floor & Décor started construction in 2021 on a 79,661-square-foot anchor store set to open in 2022 at Live Oak Town Center, an IKEA-anchored regional-draw project being built in phases.



APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL SPACE IN 2021 INCLUDED

H-E-B Bar W Marketplace
19348 Ronald W. Reagan Blvd
Leander

H-E-B opened a 102,000-square-foot store, its second in Leander, in late 2021. In addition, approximately 39,000 square feet of new retail space is located adjacent to the H-E-B, with an additional phase planned.

H-E-B
SEC U.S. Highway 290 & FM 1826
Austin

The H-E-B, in Austin's Oak Hill community, replaced an older Oak Hill store with a new 90,000-square-foot store.

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 added 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.

Floor & Décor
9159 S. IH-35 Frontage Rd
Austin

The new 80,000-square-foot Floor & Décor, directly across from the massive Southpark Meadows power center, opened in August 2021 and joined the retail district centered around the intersection of IH-35 and Slaughter Lane.

Dry River District
IH-35 & Kyle Crossing
Kyle

According to developer Endeavor, Dry River District added multi-tenant and freestanding pad-site retail in 2021. The retail is anchored by an existing EVO Entertainment complex and Home Depot, and new concepts in the project include Starbucks, Tiff's Treats bakery, Pizza Patron and others.

Stone Hill Town Center New Phase
SWC SH-130 & SH-45
Pflugerville

Stone Hill Town Center, a power center featuring Target, At Home and others, in 2021 added an approximately 10,000-square-foot new-construction Billiard Factory. A junior-box addition with Hobby Lobby and others is in the works.

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

This mixed-use project saw its first small-shop phase come online, with additional retail set to open in 2022 for a steakhouse and other concepts. All told, the project will include residential and office space, with plans for as much as 140,000 square feet of retail space to join the project's existing and future residential component.

NEW RETAIL SPACE FOR 2022 OR LATER INCLUDES

H-E-B
South Congress Ave & E. Oltorf
Austin

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

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 summer 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 an older store, in Georgetown's Wolf Lakes Village, a 164-acre master-planned community that is currently under way.

H-E-B
U.S. Hwy 290 & Nutty Brown Rd
Austin

H-E-B plans an approximately 106,000-square-foot store, set to start in 2022, at this intersection in Southwest Austin.

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

This major transit-oriented mixed-use project is planned for space to begin coming online in 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.

APPENDIX A: AUSTIN CONSTRUCTION

NEW RETAIL SPACE FOR 2022 OR LATER INCLUDES (CONTINUED)

Ronald Reagan Crossing
15101 Ronald W. Reagan Blvd
Leander

The Ronald Reagan Crossing project, with up to 160,000 square feet of retail and office space, is under construction with completion set for 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.

Costco
NWC IH-35 & Lakeway Dr
Georgetown

Costco is set to start the approximately 160,000-square-foot store in Georgetown in 2022, with completion set for the first half of 2023.

Costco Dry River District
IH-35 near CR 158
Kyle

Costco plans to open an approximately 150,000-square-foot store in Dry River District in 2022. More retail, including restaurants like Z'Tejas, are also set to open in 2022.

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 | Mueller Retail
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 massive Mueller community will also add to its retail with approximately 5,000 square feet in the new Origin Hotel, now underway, as well as new residential with street-level retail.

The Brick and Mortar District
Kyle Pwy & Kohlers Crossing
Kyle

Development began during the first half of 2021 on the first phase of The Brick and Mortar District, a mixed-use project within the Plum Creek master-planned community. The first phase, 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 at a location across from the existing Samsung facility, is set to have multi- and single-family homes, office space, hotels, a nature preserve and an estimated 223,000 square feet of retail space. The first phase, 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.

Ledgestone East Retail
NEC of Highway 290 & Ledgestone Dr
Dripping Springs

Ledgestone East Retail, with approximately 27,000 square feet of multi-tenant and pad retail, is scheduled for completion in early 2023.

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

The next phase of multi-tenant retail, totaling approximately 80,000 square feet, will join the 2021 first phase, where approximately 10,000 square feet came online with P. Terry's, Sleep Number and Visionworks. The center is shadow-anchored by Costco.

Brodie Oaks Mixed-use Redevelopment
S. Lamar Blvd. & Capital of Texas Hwy
Austin

A local developer has announced plans to redevelop the 38-acre Brodie Oaks shopping center site as a major mixed-use project that would incorporate 140,000 square feet of retail space, along with office, residential and hotel space. The project will be phased over multiple years.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

KEY RETAIL PROJECTS FOR 2021

Gates of Prosper Phase 2

NEC Preston Road & U.S. 380
Prosper

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.

Legacy West

Dallas North Tollway & SH-121
Plano

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.

Melissa Village 32059

SH-121 & FM 544
Melissa

The first phase of this planned community and mixed-use project opened with concepts like Red Feather Wine Bar, Jersey Mike's, Smoothie King and other small-shop tenants.

Star Park

SEC SH-114 & President
George Bush Tollway
Las Colinas

Star Park is an approximately 35,000-square-foot neighborhood center adjacent to planned office and hotel uses.

Knox Street District RH Dallas

Knox St near Cole Ave
Dallas

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.

Market East Shopping Center

1515 N. Town East Blvd
Mesquite

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.

Canal Park

SWC Legacy & Cotton Gin Rd Farmers
Branch

Canal Park is a retail-and-office project with approximately 43,300 square feet of retail space.

KEY RETAIL PROJECTS FOR 2022 OR LATER

H-E-B Frisco

NEC Legacy Dr & Main St
Frisco

This 111,000-square-foot store, one of the first two for the famed brand in the D-FW market, is under construction for a fall 2022 opening.

H-E-B Plano

SWC Preston Rd & Spring Creek Pkwy
Plano

This 110,000-square-foot store, one of the first two for the famed brand in the D-FW market, is under construction for a fall 2022 opening.

H-E-B McKinney

NEC Custer Rd & Eldorado Pkwy
McKinney

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.

The Creeks at Celina

NWQ W. Frontier Pkwy & Dallas Pkwy
Celina

The Creek at Celina, positioned to serve the everyday needs of the fast-growing but underserved Celina Market, will feature retail, office and medical space in four separate multi-tenant buildings of approximately 9,000 square feet each, as well as significant space dedicated to outdoor dining. Completion is set for late 2022.

The Grove at Frontier

Preston Rd & Frontier Pkwy
Celina

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

Iron Horse Village

IH-635 & Rodeo Dr
Mesquite

Iron Horse Village upon completion will feature 130,000 square feet of retail, restaurant and entertainment space near the historic Mesquite Rodeo Arena.

APPENDIX B: DALLAS-FORT WORTH CONSTRUCTION

KEY RETAIL PROJECTS FOR 2022 OR LATER (CONTINUED)

City Point

Grapevine Hwy & NE Loop 820
North Richland Hills

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.

Mercer Boardwalk

IH-635 & Luna Rd
Farmers Branch

Mercer Boardwalk is the retail component of the mixed-use Mercer Crossing project, a multi-phase development of single-family, multi-family and commercial space spanning 370 acres in Farmers Branch. Mercer Boardwalk will include several signature dining concepts and accompanying retail space totaling up 62,378 square feet of space. Mercer Boardwalk's lineup will include the recently announced Gas Monkey Dallas food and entertainment venue.

FRESH

IH-30 & Memorial Pkwy
Fate

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 2022.

Sprouts

N. Hampton & Fort Worth Ave
Dallas

Sprouts plans a new location in the Oak Cliff area of Dallas for 2022.

Melissa Village

NWC/SWC SH-121 & FM 544
Melissa

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

The Farm

SH-121 & Alma Dr
Allen

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.

Lakeside Village

Lakeside Village Pkwy at Lakeside Blvd
Flower Mound

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

Village at Broad Street

3100 E Broad St
Mansfield

Village at Broad Street, a neighborhood retail center, offers multi-tenant space that in 2022 will join freestanding QSR space that opened in 2021.

The Standard at Chisenhall

279 W Hidden Creek Pkwy
Burleson

The Standard features 44,291 square feet of retail, restaurant and commercial space in a new phase set to open in 2022.

The Dallas Gateway

Ross Ave & Routh St
Dallas

The Dallas Gateway, a downtown mixed-use project adjacent to the Dallas Arts District, is designed to include 45,000 square feet of retail space, as well as 700 apartments and a 400,000-square-foot office building. Groundbreaking could be as early as 2022.

Central Market Mixed-use

McKinney Ave & Lemmon Ave
Dallas

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

APPENDIX C: HOUSTON CONSTRUCTION

KEY NEW RETAIL FOR 2021

Eastfield at Baybrook

IH-45 & El Dorado Blvd
Webster

The community retail center, anchored by an approximately 100,000-square-foot H-E-B, will also include approximately 30,000 square feet of multi-tenant retail and pad sites to be completed in early 2022. The new H-E-B, which replaces a smaller location, opened in late 2021.

The Grid

U.S. 69 between W Airport Blvd & S 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 expanded in 2021 with the metro area's first Costco Business Center, which totals 148,000 square feet. 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.

Rooms To Go

15424 S Frwy
Pearland

Rooms To Go opened its newly constructed 49,000-square-foot Pearland store in August 2021.

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 incorporates approximately 60,000 square feet of retail space.

Montrose Collective

888 Westheimer
Houston

Montrose Collective is a mixed-use project in a dense Houston neighborhood with specialty shopping and dining opening through 2022. The retail space in the project totals approximately 80,000 square feet.

Regent Square Phase II

West Dallas & Dunlavy St
Houston

This mixed-use apartment-and-retail development with approximately 55,000 square feet of retail space delivered space in 2021 and will continue to see restaurant openings into 2022, including several restaurants and social gaming and food concept, Fight Club.

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.

KEY NEW RETAIL 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 retail space to be developed in phases. The anchor for the first phase is H-E-B. Other concepts in the first phase include pad users such as Whataburger, McDonald's and Heartland Dental.

The Market at Willis

SEC IH-45 and FM 1097
Willis

Construction is underway on the first phase of The Market at Willis, which will be anchored by a 110,000-square-foot H-E-B. The center, to total more than 200,000 square feet, has several restaurants and retail concepts in its first phase.

Fort Bend Town Center II

Hwy 6 & The Fort Bend Pkwy Toll Rd
Missouri City

The second phase of Fort Bend Town Center got under way during the second half of 2021. The new phase, with more than 300,000 square feet of retail, restaurant and entertainment space, will add a Cinemark multi-screen theater, along with retail including Burlington and other junior boxes. These will join the existing first phase, anchored by a 102,000-square-foot Kroger Signature.

East River

Jensen Dr & Clinton Dr
Houston

Construction started in fall 2021 on the first phase of East River, a massive mixed-use development in Houston's historic Fifth Ward. The project's retail space will include announced concepts like Broham Fine Soul Food & Groceries, Lick Honest Ice Creams and Urbn Dental. The first phase, set for completion in 2023, will include about 110,000 square feet of retail space.

APPENDIX C: HOUSTON CONSTRUCTION

KEY NEW RETAIL FOR 2022 OR LATER (CONTINUED)

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.

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.

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

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

Target Katy North
22165 FM 529
Katy

Target will open an approximately 145,000-square-foot store in Katy.

Life Time Fitness
9000 Six Pines Dr
Shenandoah

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

Katy Grand new phase
Grand Pkwy & Katy Frwy
Katy

Katy Grand is expanding with the first Texas location for PopStroke Entertainment, a Florida-based venue with golf, dining, games and more, 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.

Main Event Tomball
Tomball Pkwy & Windsor Pointe Dr
Tomball

Main Event, now under construction, joins a lineup that includes Regal Cinemas and a number of restaurants.

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.

Marcel Boulevard
IH-45 & Grand Central Pkwy
Conroe

The mixed-use Marcel Boulevard project features approximately 68,000 square feet of retail set for completion in 2022. Concepts include Voodoo Grille and Perfect Round sports bar.

Porter Lake Crossing
24004 Porter Rd at
Stockdick School Rd
Katy

Porter Lake Crossing, a planned 40,130-square-foot retail center, is scheduled for completion in 2022.

APPENDIX D: SAN ANTONIO CONSTRUCTION

CONSTRUCTION HIGHLIGHTS: 2021

The Shops at Culebra

5630 W. Loop 1604
San Antonio

The Shops at Culebra, anchored by a recently opened Burlington, totals approximately 60,000 square feet and represents the build-out of the retail corner of Culebra and Loop 1604 anchored by H-E-B, The Home Depot and several others.

The Shops at South Rim

NWC 1604 & Vance Jackson
San Antonio

The Shops at South Rim incorporates 39,622 square feet positioned at the entrance to The Rim. Tenants opening in the new center include Parry's Pizzeria, Fish City Grill, Laika Cheesecakes and other concepts.

H-E-B Redevelopment

651 S. Walnut Ave
New Braunfels

H-E-B opened a new 122,222-square-foot store to replace a smaller existing store.

Boerne Stage Crossing New Phase

IH-10 West & Boerne Stage Rd
Boerne

Boerne Stage Crossing, anchored by an existing Walmart Supercenter, reported 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.

APPENDIX D: SAN ANTONIO CONSTRUCTION

KEY RETAIL PROJECTS FOR 2022 OR LATER

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

Floor & Décor, which will total 79,681 square feet of new retail space, is underway with a new location on a 6.5-acre site at Live Oak Town Center, anchored by South Texas' only IKEA location. Additionally, BJ's Restaurant & Brewhouse is underway with a 7,630-square-foot restaurant. Both concepts should open in first quarter 2022.

H-E-B expansion
999 E. Basse Rd
San Antonio

H-E-B in 2022 will expand its Lincoln Heights store by approximately 42,000 square feet to a total of more than 117,000 square feet.

H-E-B expansion
9238 N. Loop 1604 W
San Antonio

H-E-B in 2022 will begin an approximately 24,000-square-foot store expansion.

H-E-B Cibolo
FM 1103 & Main St
Cibolo

H-E-B in 2023 will open an approximately 110,000-square-foot store along with 55,000 square feet of fulfillment space.

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.

Sprouts-anchored Community Retail Center
SWC Hwy 151 & Hunt Ln
San Antonio

The center, now under construction, will be anchored by a 23,280-square-foot Sprouts specialty grocery store and is designed for approximately 70,000 square feet of retail space.

DEFINITIONS

NEIGHBORHOOD SHOPPING CENTER

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

COMMUNITY SHOPPING CENTER

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

MALLS

REGIONAL SHOPPING MALL

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

SUPER-REGIONAL SHOPPING MALL

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

POWER SHOPPING CENTER

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

MIXED-USE RETAIL

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

OUTLET SHOPPING CENTER

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

COMPANY OVERVIEW



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

ACKNOWLEDGMENTS

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

SURVEY DATA & PRODUCTION

Leisa Barger
Chief Marketing Officer

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

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

Natalie Russell
Strategic Design Manager
Graphic Designer

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

Our 2022 Shopping Center Survey and Forecast would not be possible without valuable input from our retail real estate associates who provided in-depth knowledge of the retail markets in Dallas, Fort Worth, Austin, Houston and San Antonio.

METHODOLOGY OVERVIEW

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

Note: Results prior to 2021 may reflect adjustments made to previous reports.

WEITZMANGROUP.COM

Copyright 2022. The data in this report is gathered from sources deemed reliable; however, Weitzman makes no guarantees, warranties or representations as to the completeness or accuracy thereof.

weitzman®

AUSTIN

4200 North Lamar, Ste 200
Austin, Texas 78756
512.482.0094

DFW

3102 Maple Ave, Ste 500
Dallas, Texas 75201
214.954.0600

HOUSTON

1800 Bering Dr, Ste 550
Houston, Texas 77057
713.781.7111

SAN ANTONIO

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

WEITZMANGROUP.COM

